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For Immediate Release

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Takuya Nakata

Code Number: 7951 (TSE Prime Market)

Yamaha Reports First Quarter (Three Months) Results for the Fiscal Year Ending March 2024 and Full Year Outlook [IFRS]

□ First Quarter Results for the Fiscal Year Ending March 31, 2024 (FY2024.3)

A Year-on-Year Increase in Revenue but Decrease in Profit

For the first quarter of FY2024.3 (April 1, 2023, to June 30, 2023), revenue increased by ¥0.3 billion (+0.3%) year on year to ¥106.2 billion, partially due to the impact of the weaker yen. Core operating profit decreased by ¥4.3 billion (-39.2%) year on year to ¥6.7 billion, mainly due to a slowdown in sales of digital pianos as demand for entry-level models continued to decline and production adjustments to reduce piano inventories. Profit for the period attributable to owners of the parent decreased by ¥1.9 billion (-21.8%) year on year to ¥6.7 billion.

➤ Revenue and Profit/Loss by Reportable Segment

Figures in parentheses are percentage changes from the same period of the previous fiscal year, unless indicated otherwise.

Musical Instruments

Revenue of ¥72.2 billion (-1.6%) and core operating profit of ¥4.9 billion (-49.2%).

Revenue of acoustic pianos increased due to a recovery in sales that had been stagnant in China. Revenue of digital musical instruments declined due to a continued decline in demand for entry-level models. Revenue of guitars increased as sales grew in Japan and Europe. Revenue of wind, string, and percussion instruments declined.

Revenue of the musical instruments segment overall declined by ¥1.2 billion year on year. Core operating profit decreased by ¥4.7 billion.

Audio Equipment

Revenue of ¥24.1 billion (+5.9%) and core operating profit of ¥0.1 billion (Core operating loss of ¥0.4 billion in the same period of the previous fiscal year)

Revenue of business for consumer use declined due to continued sluggish market conditions. Revenue of business for business use increased due to a recovery in demand and product supply for professional audio equipment.

Revenue of the audio equipment segment overall increased by ¥1.4 billion year on year. Core operating profit increased by ¥0.5 billion year on year.

Industrial Machinery/Components and Others

Revenue of ¥9.9 billion (+1.1%) and core operating profit of ¥1.7 billion (-5.3%)

Revenue of electronic devices and automobile interior wood components increased, while revenue of factory automation (FA) equipment declined.

Revenue of the industrial machinery/components and others segment overall increased by ¥0.1 billion year on year. Core operating profit declined by ¥0.1 billion.

□ Outlook for Performance in FY2024.3

Revenue Unchanged but Profit Revised Downward

While taking into account a delay in the recovery of sales of entry-level models of digital pianos and other factors, as well as revision of foreign exchange rates, the Company has left its forecast for revenue unchanged but revised its forecast for profit downward.

As a result, the Company has left unchanged its full-year earnings forecast for the fiscal year ending March 31, 2024, announced on May 9, 2023, from ¥470.0 billion in revenue (+4.1% year on year) but revised its forecasts of ¥56.0 billion in core operating profit (+22.1% year on year) and ¥42.0 billion in profit for the period attributable to owners of the parent (+10.0% year on year) to ¥50.0 billion (+9.0% year on year) and ¥38.5 billion (+0.8% year on year), respectively.

Of note, the foreign currency exchange rates used in computing these forecasts are ¥135 to US\$1 and ¥145 to €1.

1. Core operating profit corresponds to operating profit under Japanese GAAP and is calculated by subtracting selling, general and administrative expenses from gross profit.
2. Figures for revenue and profit or loss in the text of this release have, in principle, been rounded to the nearest ¥100 million.

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First Quarter of FY2024.3 Performance Outline <IFRS>

YAMAHA CORPORATION

August 2, 2023

(1) Key Financial Indicators

(Billions of yen)

	Three Months Results Ended June 30, 2022		Three Months Results Ended June 30, 2023		Results (Previous Full Year)		Projections (Full Year)		Previous Projections (Full Year) (Announced on May 9, 2023)	
	FY2023.3		FY2024.3		FY2023.3		FY2024.3		FY2024.3	
Revenue	105.9		106.2		451.4		470.0		470.0	
Japan	25.4	(24.0%)	26.6	(25.0%)	108.6	(24.1%)	106.8	(22.7%)	110.3	(23.5%)
Overseas	80.5	(76.0%)	79.6	(75.0%)	342.8	(75.9%)	363.2	(77.3%)	359.7	(76.5%)
Core Operating Profit ^(*)	11.0	(10.4%)	6.7	(6.3%)	45.9	(10.2%)	50.0	(10.6%)	56.0	(11.9%)
Operating Profit	11.1	(10.5%)	6.9	(6.5%)	46.5	(10.3%)	50.0	(10.6%)	56.0	(11.9%)
Profit before Income Tax	12.6	(11.9%)	10.0	(9.5%)	50.6	(11.2%)	53.0	(11.3%)	58.0	(12.3%)
Net Profit ^(**)	8.6	(8.1%)	6.7	(6.3%)	38.2	(8.5%)	38.5	(8.2%)	42.0	(8.9%)
Currency Exchange Rate ^(***) (Settlement Rate) (=yen)	127/US\$ 130/EUR		136/US\$ 140/EUR		136/US\$ 136/EUR		135/US\$ 144/EUR		130/US\$ 140/EUR	
ROE ^(***)	8.1%		5.8%		8.8%		8.2%		9.0%	
ROIC ^(***, ***)	7.0%		3.8%		7.8%		7.7%		8.7%	
ROA ^(***)	5.9%		4.4%		6.5%		6.3%		6.9%	
Basic Earnings per Share	50.1yen		39.6yen		222.6yen		227.8yen		248.5yen	
Capital Expenditures (Depreciation Expenses)	2.3 (3.2)		6.8 (3.4)		20.5 (13.1)		33.5 (14.5)		33.5 (14.5)	
R&D Expenses	5.9		6.5		25.1		26.0		26.0	
Cash Flows										
Operating Activities	-16.2		8.8		-14.8		81.5		92.0	
Investing Activities	-1.9		-3.2		-21.6		-29.0		-29.0	
Free Cash Flow	-18.2		5.6		-36.4		52.5		63.0	
Inventories at End of Period	136.7		166.6		153.6		136.0		128.0	
Number of Employees										
Japan	5,740		5,663		5,573		5,600		5,600	
Overseas	14,305		14,440		14,454		14,800		14,800	
Total ^(***)	20,045		20,103		20,027		20,400		20,400	
Temporary Staff (Average during the period)	8,780		7,718		8,225		7,700		8,000	
Revenue by Business Segment										
Musical Instruments	73.4	(69.3%)	72.2	(68.0%)	302.7	(67.1%)	318.0	(67.7%)	318.0	(67.7%)
Audio Equipment	22.8	(21.5%)	24.1	(22.7%)	107.6	(23.8%)	112.0	(23.8%)	112.0	(23.8%)
Others	9.8	(9.2%)	9.9	(9.3%)	41.1	(9.1%)	40.0	(8.5%)	40.0	(8.5%)
Core Operating Profit ^(***) by Business Segment										
Musical Instruments	9.6		4.9		36.2		39.0		43.0	
Audio Equipment	-0.4		0.1		3.5		6.0		8.0	
Others	1.8		1.7		6.2		5.0		5.0	

(2) Revenue by Business Segment and Region

(Billions of yen)

Three Months Results Ended June 30, 2023 (April-June, 2023)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)
Japan	16.0	100%	5.8	103%	4.8	127%	26.6	105%
North America	16.7	79%	5.5	93%	2.3	110%	24.4	84%
Europe	12.8	93%	6.9	109%	0.0	60%	19.8	98%
China	13.6	121%	1.3	107%	1.5	167%	16.5	123%
Other Areas	13.0	91%	4.6	109%	1.3	36%	18.9	86%
Total	72.2	95%	24.1	103%	9.9	97%	106.2	97%

*1 Core operating profit is corresponding to operating income under the Japanese GAAP, and is calculated deducting SG&A from gross profit.

*2 Net profit is presented as net profit attributable to owners of the parent on the consolidated financial statements.

*3 Currency exchange rate is the export and import transaction rate applied to profit calculation. 2Q-4Q Currency Exchange Rates US\$=135JPY EUR=145JPY

*4, 5, 7 ROE, ROIC and ROA are calculated on an annually adjusted basis.

*6 ROIC = core operating profit after income taxes / (equity attributable to owners of parent + interest-bearing debt)

*8 Number of employees = Number of full-time staff at end of the period

*9 The Change indicates actual year-on-year changes discounting impact of exchange rates.

Consolidated financial forecasts were prepared based on information available at the time of the announcement and do not represent promises by the Company or its management that these performance figures will be attained. Actual consolidated results may differ from forecasts owing to a wide range of factors.