



November 1, 2024

For Immediate Release

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Atsushi Yamaura

Code Number: 7951 (TSE Prime Market)

Yamaha Reports Second Quarter (Interim) Results for the Fiscal Year Ending March 2025 and Full Year Outlook [IFRS]

□ Second Quarter (Interim) Results for the Fiscal Year Ending March 31, 2025 (FY2025.3) Profit for the Second Quarter (Six Months) of the Year Declined due to the Booking of Impairment Losses

For the period through the second quarter of FY2025.3 (April 1, 2024, to September 30, 2024), revenue increased by ¥8.5 billion (+3.9%) year on year to ¥228.1 billion. This increase was due to strong sales of audio equipment for business use as well as the impact of the yen depreciation, despite sluggish sales of musical instruments due to the continued market slump in China. Core operating profit increased by ¥5.1 billion (+33.3%) year on year to ¥20.4 billion due to the impact of the yen depreciation. Profit attributable to owners of the parent decreased by ¥9.7 billion (-64.8%) to ¥5.3 billion, due to the booking of a ¥7.8 billion impairment loss on piano manufacturing facilities and other equipment at plants in China and Indonesia during the second quarter.

➤ 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 ¥145.2 billion (-2.0%) and core operating profit of ¥10.6 billion (-18.7%)

Revenue of acoustic pianos declined significantly due to the continued market slump in China. Revenue of digital musical instruments declined in real terms, excluding the effect of exchange rates, due to lower demand in China. Revenue of wind, string and percussion instruments was at the same level as the previous fiscal year, despite firm demand, partly due to the end of financial assistance in the U.S. Revenue of guitars declined in real terms.

Revenue of the musical instruments segment overall decreased by ¥3.0 billion year on year. Core operating profit decreased by ¥2.4 billion.

Audio Equipment

Revenue of ¥64.0 billion (+21.5%) and core operating profit of ¥8.2 billion (¥0.7 billion in the same period of the previous fiscal year)

Revenue of business for consumer use declined in real terms due to the contraction of home audio products. Revenue of business for business use increased significantly due to continued strong demand for professional audio equipment.

Revenue of the audio equipment segment overall increased significantly by ¥11.3 billion year on year. Core operating profit increased by ¥7.5 billion.

Industrial Machinery/Components and Others

Revenue of ¥18.9 billion (+1.1%) and core operating profit of ¥1.7 billion (+1.7%)

Revenue of electronic devices increased significantly due to strong shipments of automotive sound systems, while revenue of automobile interior wood components, factory automation (FA) equipment and golf products declined.

Revenue of the industrial machinery/components and others segment overall increased by ¥0.2 billion year on year. Core operating profit increased by ¥27 million.

□ Outlook for Performance in FY2025.3

Downward Revision Factoring in a Further Slowdown in the Chinese Market

The Company has revised its forecast downward for revenue, core operating profit and profit for the period attributable to owners of the parent factoring in a further slowdown in the Chinese market, including the piano sector, as well as the booking of impairment losses in the second quarter.

As a result, the Company has revised its full-year earnings forecast for the fiscal year ending March 31, 2025, announced on July 31, 2024, from ¥475.0 billion in revenue (+2.6% year on year), ¥46.0 billion in core operating profit (+36.7% year on year) and ¥35.5 billion in profit for the period attributable to owners of the parent (+19.8% year on year), to ¥460.0 billion (-0.6% year on year), ¥37.0 billion (+9.9% year on year), and ¥18.0 billion (-39.3% year on year), respectively.

Of note, the foreign currency exchange rates used in computing these forecasts for the third quarter onwards are ¥145 to US\$1 and ¥160 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.

For further information, please contact:

Yamaha Corporation

Corporate Communications Division, Media Relations Group

Contact form: https://inquiry.yamaha.com/contact/?act=55&lcl=en_WW

Second Quarter of FY2025.3 Performance Outline <IFRS>

YAMAHA CORPORATION
November 1, 2024

(1) Key Financial Indicators

(Billions of yen)

	Six Months Results Ended Sept. 30, 2023	Six Months Results Ended Sept. 30, 2024	Results (Previous Year)	Projections (Full Year)	Previous Projections (Full Year) (Announced on July 31, 2024)
	FY2024.3	FY2025.3	FY2024.3	FY2025.3	FY2025.3
Revenue	219.6	228.1	462.9	460.0	475.0
Japan	51.9 (23.6%)	50.3 (22.1%)	109.2 (23.6%)	105.5 (22.9%)	106.2 (22.4%)
Overseas	167.7 (76.4%)	177.8 (77.9%)	353.7 (76.4%)	354.5 (77.1%)	368.8 (77.6%)
Core Operating Profit ^(*)	15.3 (7.0%)	20.4 (9.0%)	33.7 (7.3%)	37.0 (8.0%)	46.0 (9.7%)
Operating Profit	15.4 (7.0%)	12.0 (5.2%)	29.0 (6.3%)	27.0 (5.9%)	44.5 (9.4%)
Profit before Income Tax	21.7 (9.9%)	9.1 (4.0%)	37.6 (8.1%)	26.5 (5.8%)	48.5 (10.2%)
Net Profit ^(**)	14.9 (6.8%)	5.3 (2.3%)	29.6 (6.4%)	18.0 (3.9%)	35.5 (7.5%)
Currency Exchange Rate ^(***) (Settlement Rate) (=yen)	140/US\$ 143/EUR	154/US\$ 166/EUR	144/US\$ 146/EUR	150/US\$ 164/EUR	151/US\$ 162/EUR
ROE ^(***)	6.3%	2.1%	6.1%	3.6%	6.8%
ROIC ^(***)	4.4%	4.8%	5.5%	5.1%	6.5%
ROA ^(***)	4.8%	1.6%	4.7%	2.8%	5.3%
Basic Earnings per Share ^(***)	29.4yen	10.7yen	58.6yen	36.8yen	72.0yen
Capital Expenditures (Depreciation Expenses)	12.8 (6.9)	8.0 (7.4)	27.1 (13.8)	20.0 (14.5)	20.0 (15.0)
R&D Expenses	13.0	12.8	26.9	26.5	27.0
Cash Flows					
Operating Activities	19.7	25.1	43.8	70.5	74.5
Investing Activities	-15.8	9.0	-15.9	-3.5	-25.0
Free Cash Flow	3.9	34.2	27.9	67.0	49.5
Inventories at End of Period	176.8	163.7	164.1	140.0	145.0
Number of Employees					
Japan	5,624	5,663	5,532	5,500	5,500
Overseas	14,449	13,597	14,112	13,300	13,400
Total ^(***)	20,073	19,260	19,644	18,800	18,900
Temporary Staff (Average during the period)	7,302	5,992	6,871	5,700	5,700
Revenue by Business Segment					
Musical Instruments	148.2 (67.5%)	145.2 (63.6%)	305.2 (65.9%)	292.0 (63.5%)	305.0 (64.2%)
Audio Equipment	52.7 (24.0%)	64.0 (28.1%)	121.1 (26.2%)	129.0 (28.0%)	131.0 (27.6%)
Others	18.7 (8.5%)	18.9 (8.3%)	36.6 (7.9%)	39.0 (8.5%)	39.0 (8.2%)
Core Operating Profit ^(*) by Business Segment					
Musical Instruments	13.0	10.6	25.3	21.0	29.0
Audio Equipment	0.7	8.2	6.4	13.0	14.0
Others	1.7	1.7	1.9	3.0	3.0

(2) Revenue by Business Segment and Region

(Billions of yen)

Six Months Results Ended Sept. 30, 2024 (April-Sept. 2024)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)
Japan	30.0	101%	14.0	109%	6.3	67%	50.3	97%
North America	37.5	92%	15.4	117%	4.1	97%	57.0	98%
Europe	30.2	98%	19.3	121%	0.1	170%	49.6	106%
China	18.8	72%	3.0	103%	7.0	200%	28.8	88%
Other Areas	28.7	98%	12.3	115%	1.4	54%	42.3	99%
Total	145.2	93%	64.0	115%	18.9	95%	228.1	98%

*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. 2H Currency Exchange Rates US\$=145JPY EUR=160JPY

*4, 5, 7 ROE 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 The company carried out a three-for-one stock split with an effective date of October 1, 2024, and the basic earnings per share have been retroactively adjusted to reflect the stock split.

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

*10 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.