

Analyst and Investor Briefing on Second Quarter of FY2022.3

(Fiscal year ending March 31, 2022)

November 4, 2021

Yamaha Corporation



FY2022.3 1H Highlights

Overview

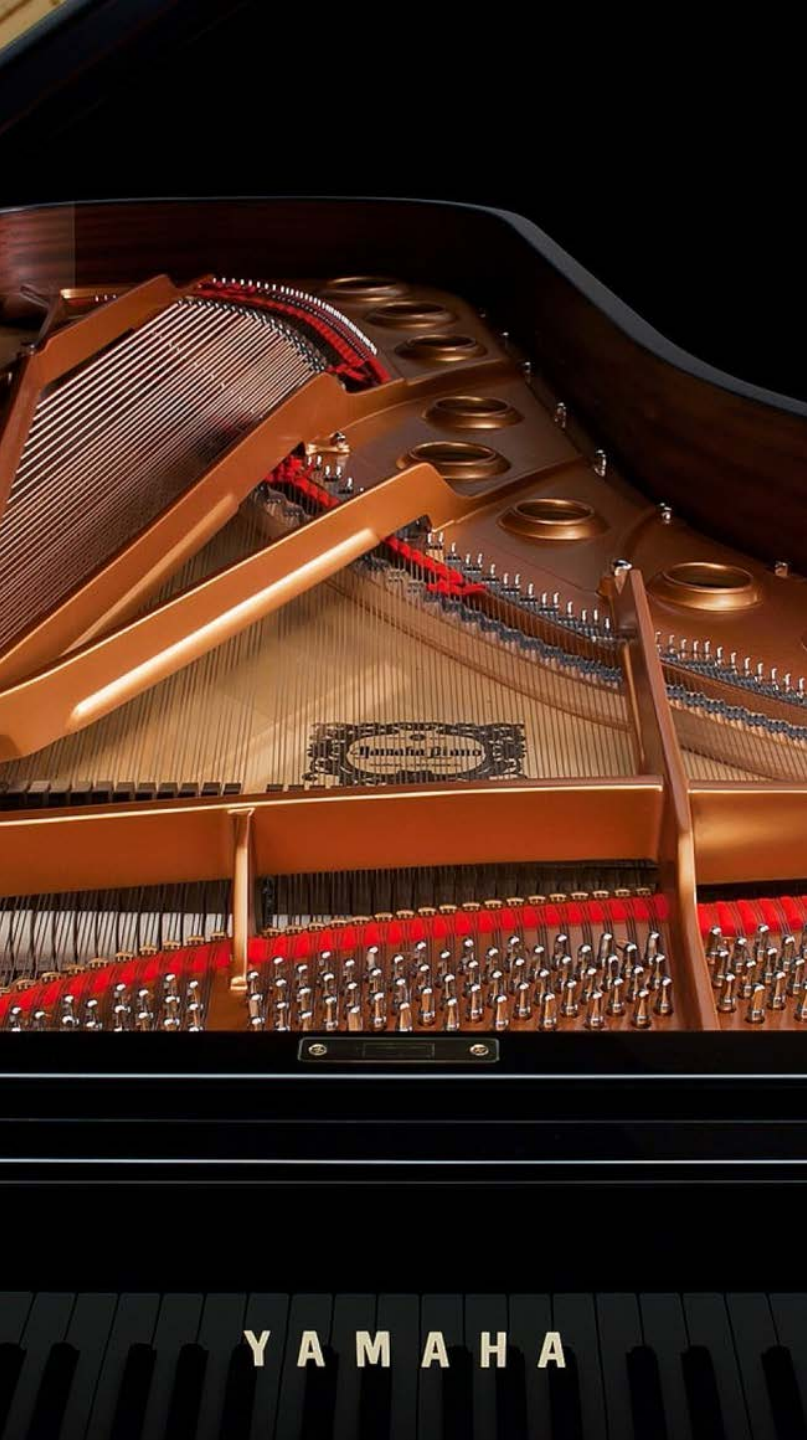
FY2022.3 1H Achievements

- Market conditions continued to recover, and revenue and profit both increased year on year.
- Supply shortages continued due to restrictions on factory operations caused by the resurgence of COVID-19 infections, semiconductor procurement difficulties, and logistics disruptions.
- Although logistics and procurement costs rose, core operating profit increased due to the effects of higher revenue.

Outlook

FY2022.3 Full Year Outlook

- Although market demand remains robust, previous projections have been revised downward amid expectations of continuing supply shortages.
- The main factors are difficulties procuring semiconductors such as sound generator LSIs and prolongation of logistics disruptions.
- Cost controls have partially offset factors such as lower revenue and production than previously projected and increases in logistics and procurement costs, but projected core operating profit has been revised to the previous year's levels.



1. Performance Summary

FY2022.3 1H (Six Months) Summary

(billions of yen)

	FY2021.3 1H	FY2022.3 1H	Change	
Revenue	164.8	198.5	+33.7	+20.4% ^{*2}
Core Operating Profit (Core Operating Profit Ratio)	13.0 (7.9%)	23.5 (11.8%)	+10.5	+80.4%
Net Profit ^{*1}	7.1	21.4	+14.4	+202.6%

Exchange Rate (yen)			
Revenue (Average rate during the period)	US\$	107	110
	EUR	121	131
Profit (Settlement rate)	US\$	107	110
	EUR	119	129

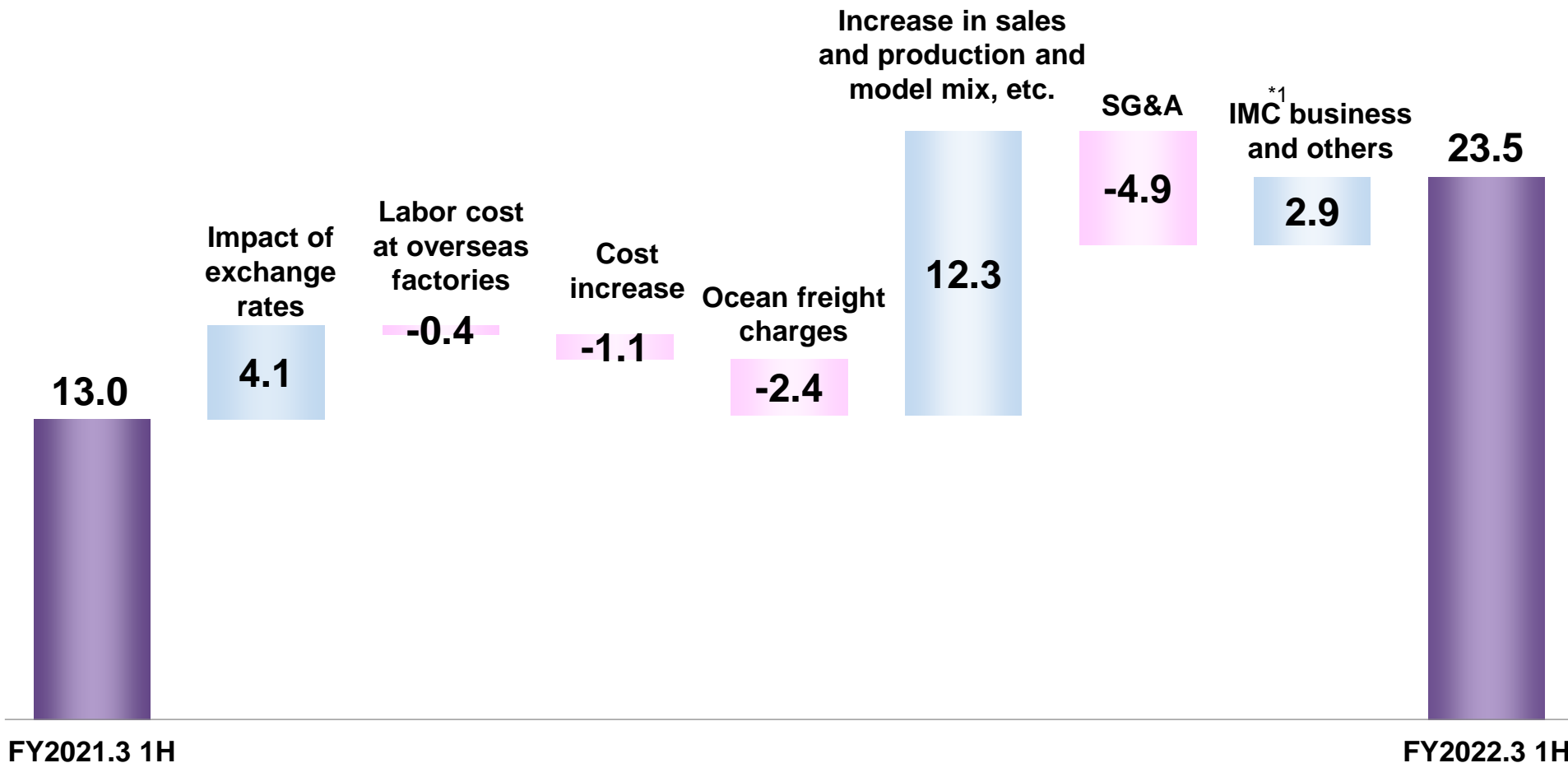
^{*2} +14.8%
(Excluding the impact of exchange rate)

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

Core Operating Profit Analysis

Versus previous year

(billions of yen)



*1 Industrial Machinery and Components

Performance by Business Segment

(billions of yen)

		FY2021.3 1H	FY2022.3 1H	Change	Exchange rate impact
Musical Instruments	Revenue	107.2	133.8	+26.6	7.1
	Core Operating Profit	11.7	19.3	+7.5	3.3
	Core Operating Profit Ratio	10.9%	14.4%	+3.5P	
Audio Equipment	Revenue	45.2	47.4	+2.2	2.1
	Core Operating Profit	1.6	1.6	0	0.8
	Core Operating Profit Ratio	3.5%	3.4%	-0.1P	
IMC^{*1} Business and Others	Revenue	12.4	17.2	+4.9	0.2
	Core Operating Profit	-0.3	2.6	+2.9	0
	Core Operating Profit Ratio	-2.3%	15.2%	+17.5P	

*1 Industrial Machinery and Components

FY2022.3 Outlook

(billions of yen)

	FY2021.3 Full year	FY2022.3 Full year (previous projections)	FY2022.3 Full year (projections)	Change	Change from the previous projections
Revenue	372.6	400.0	390.0	+17.4	-10.0
Core Operating Profit (Core Operating Profit Ratio)	40.7 (10.9%)	47.0 (11.8%)	40.0 (10.3%)	-0.7	-7.0
Net Profit ^{*1}	26.6	41.0	34.5	+7.9	-6.5

Exchange Rate (yen)

Revenue (Average rate during the period)	US\$	106	105	107
	EUR	124	125	129
Profit (Settlement rate)	US\$	106	105	107
	EUR	121	125	129

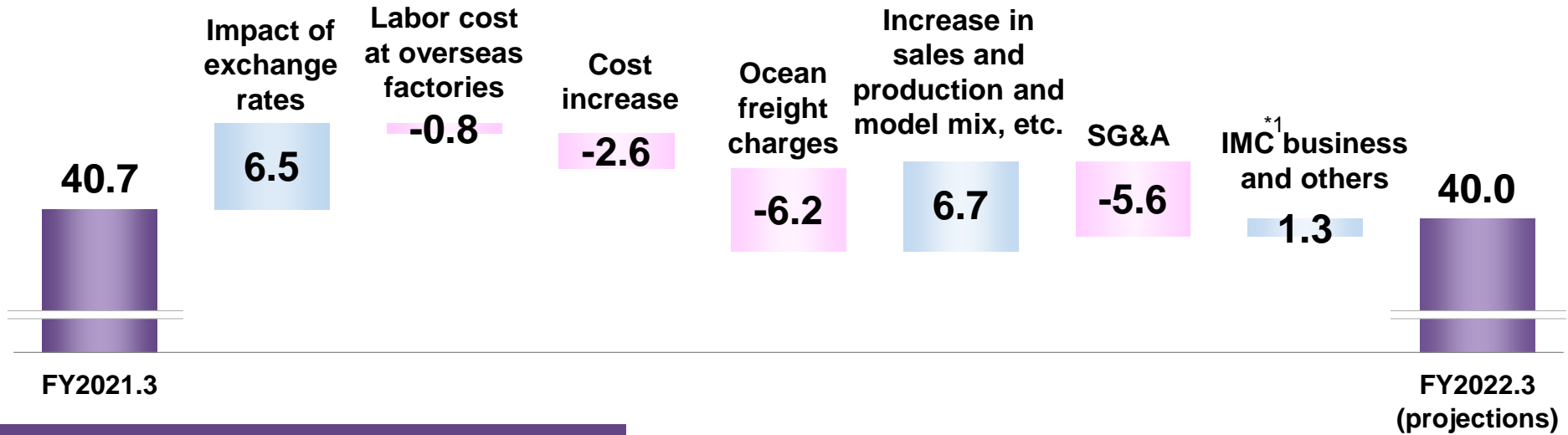
* 2H currency exchange rates
US\$=105JPY, EUR=128JPY

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

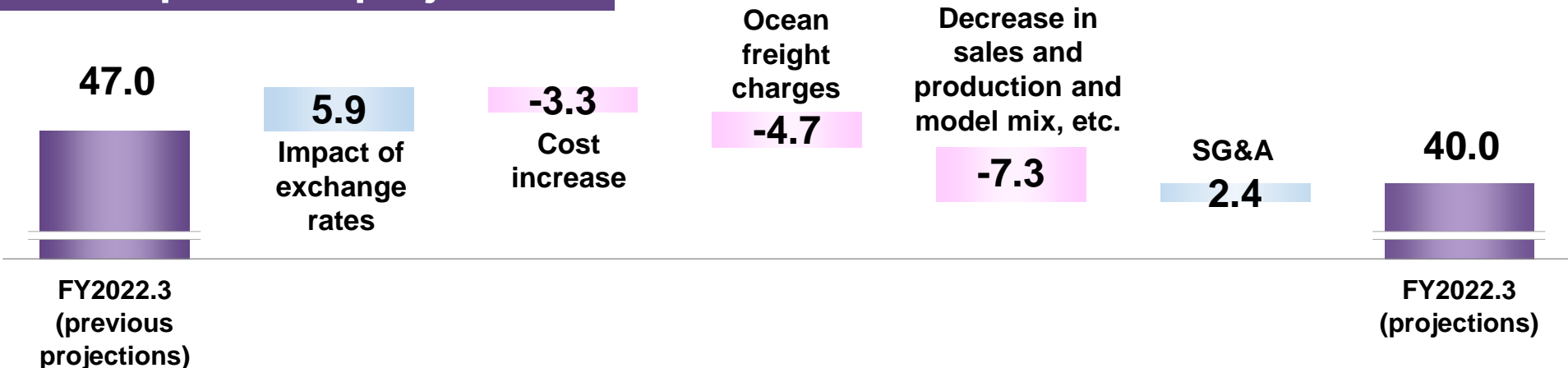
Core Operating Profit Analysis

(billions of yen)

Versus previous year



Versus previous projections



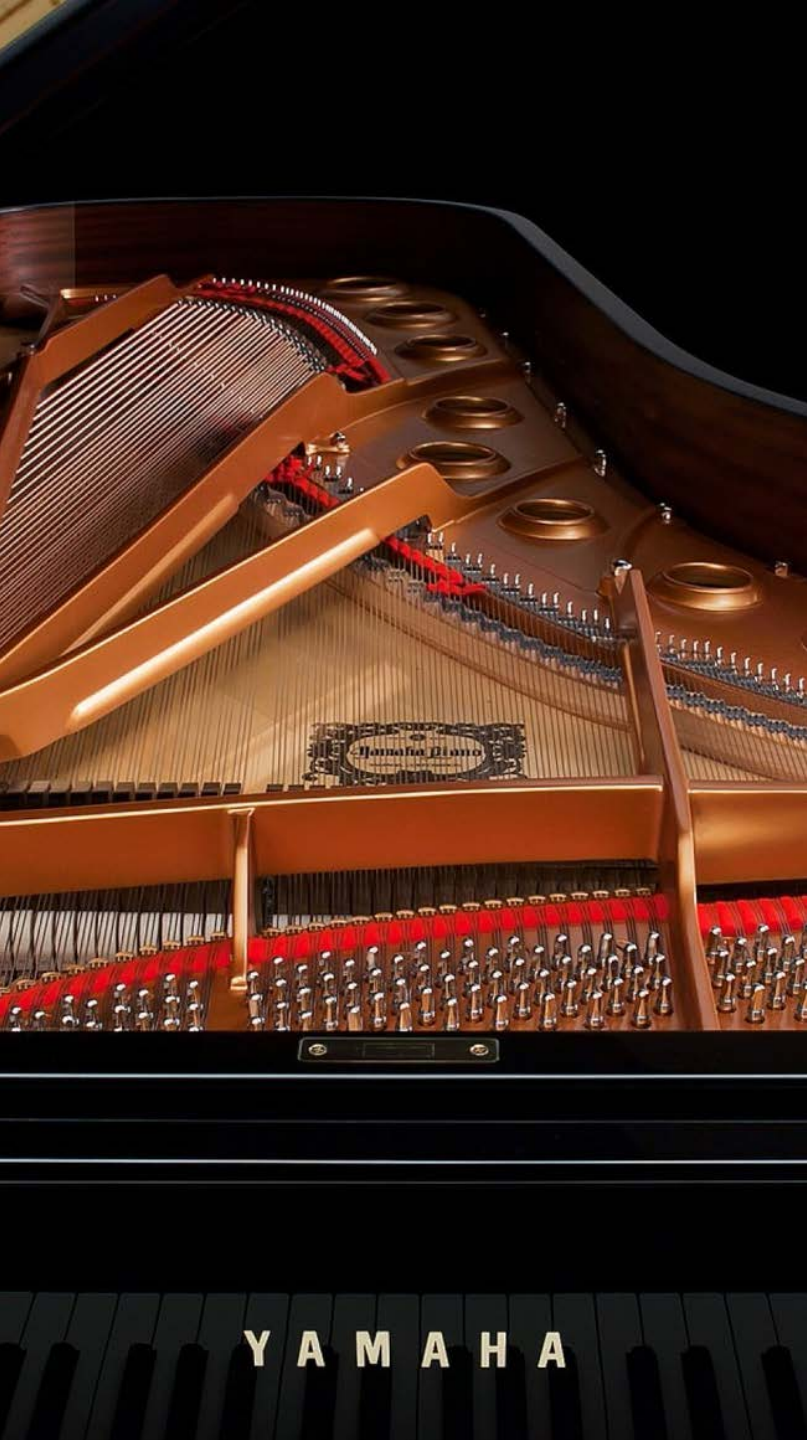
*1 Industrial Machinery and Components

Outlook by Business Segment

(billions of yen)

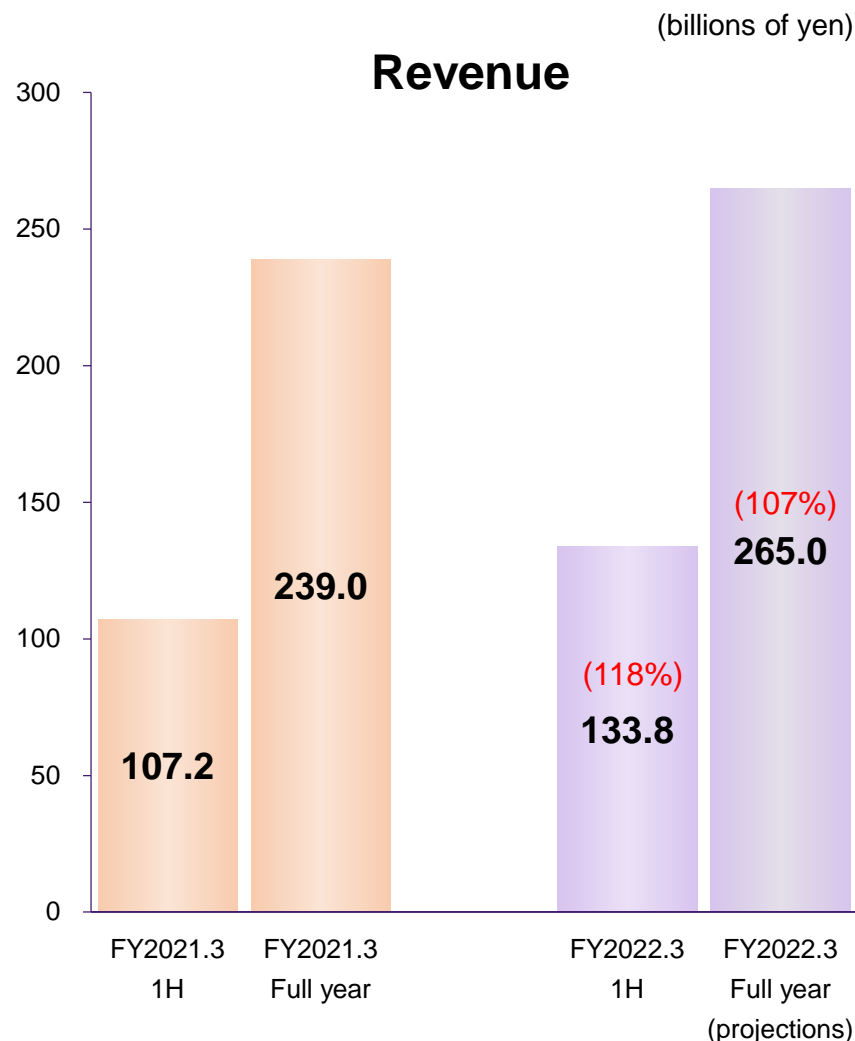
		FY2021.3 Full year	FY2022.3 Full year (projections)	Change	Exchange rate impact
Musical Instruments	Revenue	239.0	265.0	+26.0	8.4
	Core Operating Profit	32.4	36.5	+4.1	5.2
	Core Operating Profit Ratio	13.6%	13.8%	+0.2P	
Audio Equipment	Revenue	103.8	90.0	-13.8	2.6
	Core Operating Profit	7.1	1.0	-6.1	1.3
	Core Operating Profit Ratio	6.8%	1.1%	-5.7P	
IMC^{*1} Business and Others	Revenue	29.8	35.0	+5.2	0.2
	Core Operating Profit	1.2	2.5	+1.3	0
	Core Operating Profit Ratio	4.1%	7.1%	+3.0P	

*1 Industrial Machinery and Components



2. Segment Overview & Updates

Segment Revenue and Core Operating Profit

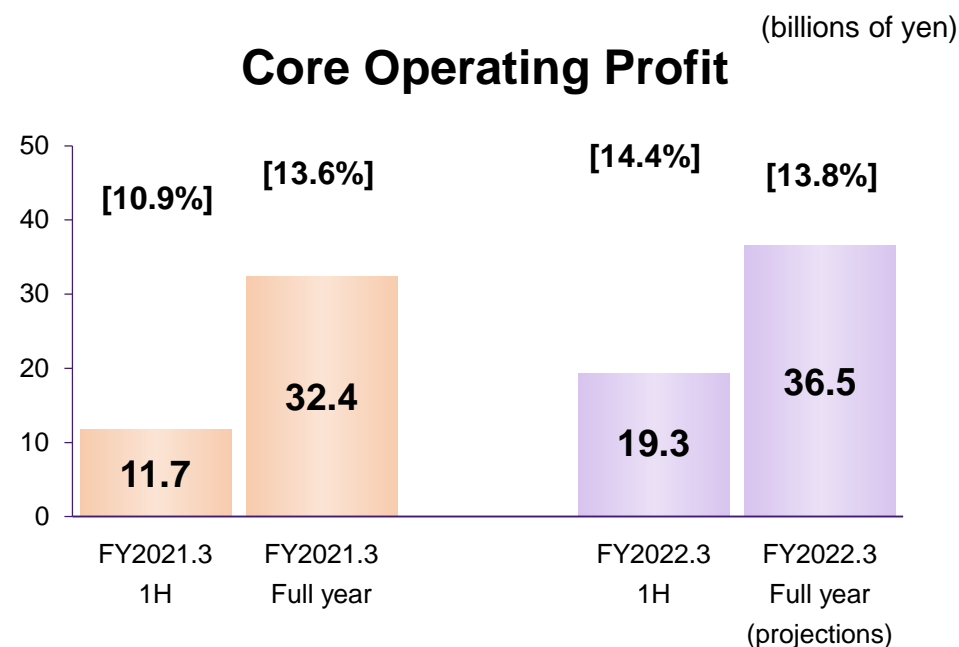


1H overview: Revenue increased in all product categories

- Amid ongoing supply shortages, demand remained strong for pianos, digital musical instruments, and guitars, and sales also rose for wind, string, and percussion instruments as demand increased due to re-starting of school brass band activities in the U.S., Europe, and China.
- Although recovery in market conditions is erratic in some regions, sales increased in all markets.

Full year projection: Despite supply shortages, recovery in market conditions is expected to drive year-on-year increased revenue and profit

- Supply of digital musical instruments will be constrained by difficulties procuring semiconductors such as sound generator LSIs, but recovery in market conditions is projected to drive higher sales of pianos, wind, string, and percussion instruments, and guitars.
- Recovery is expected in all regions.



Revenue by Major Product Category

(billions of yen)

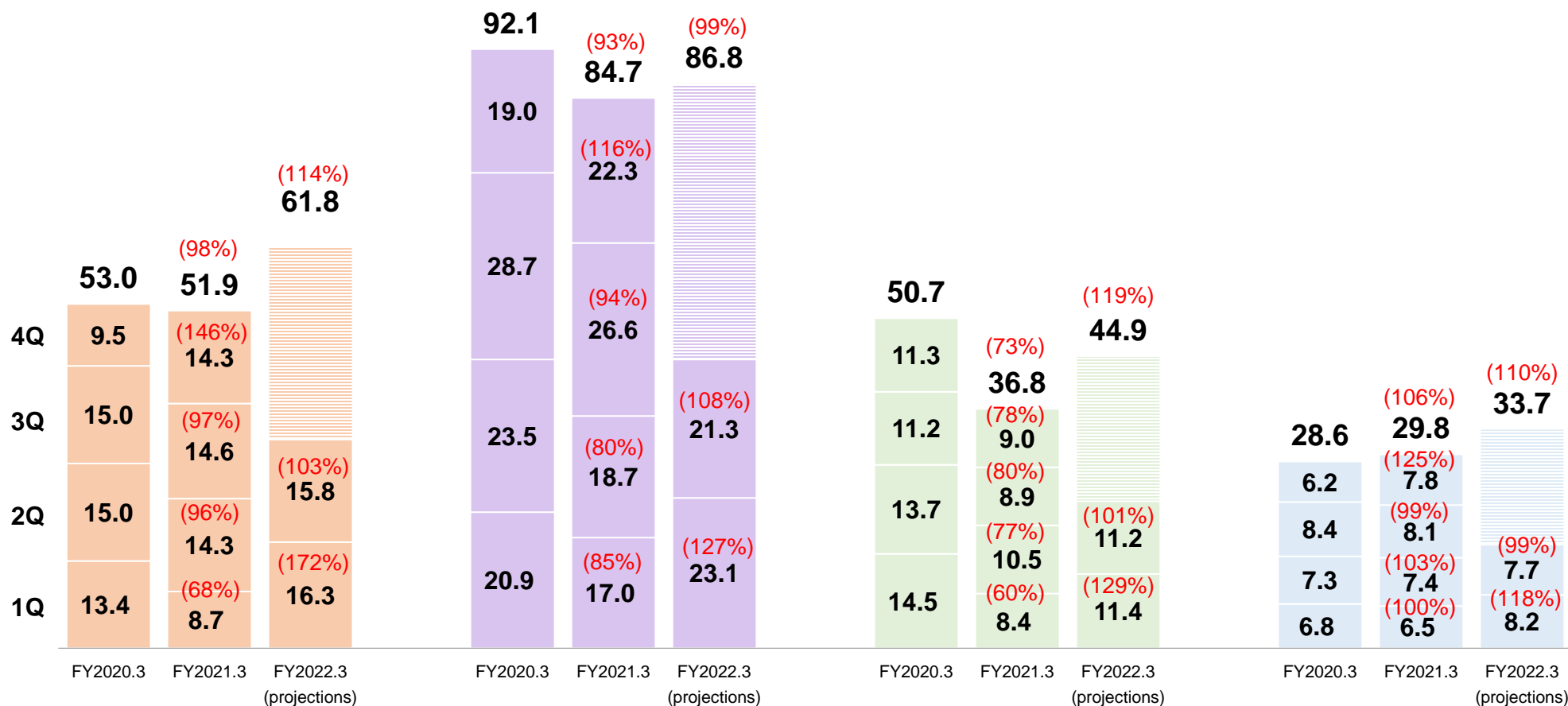
Pianos

Digital Musical Instruments

Winds, Strings /Percussion

Guitars

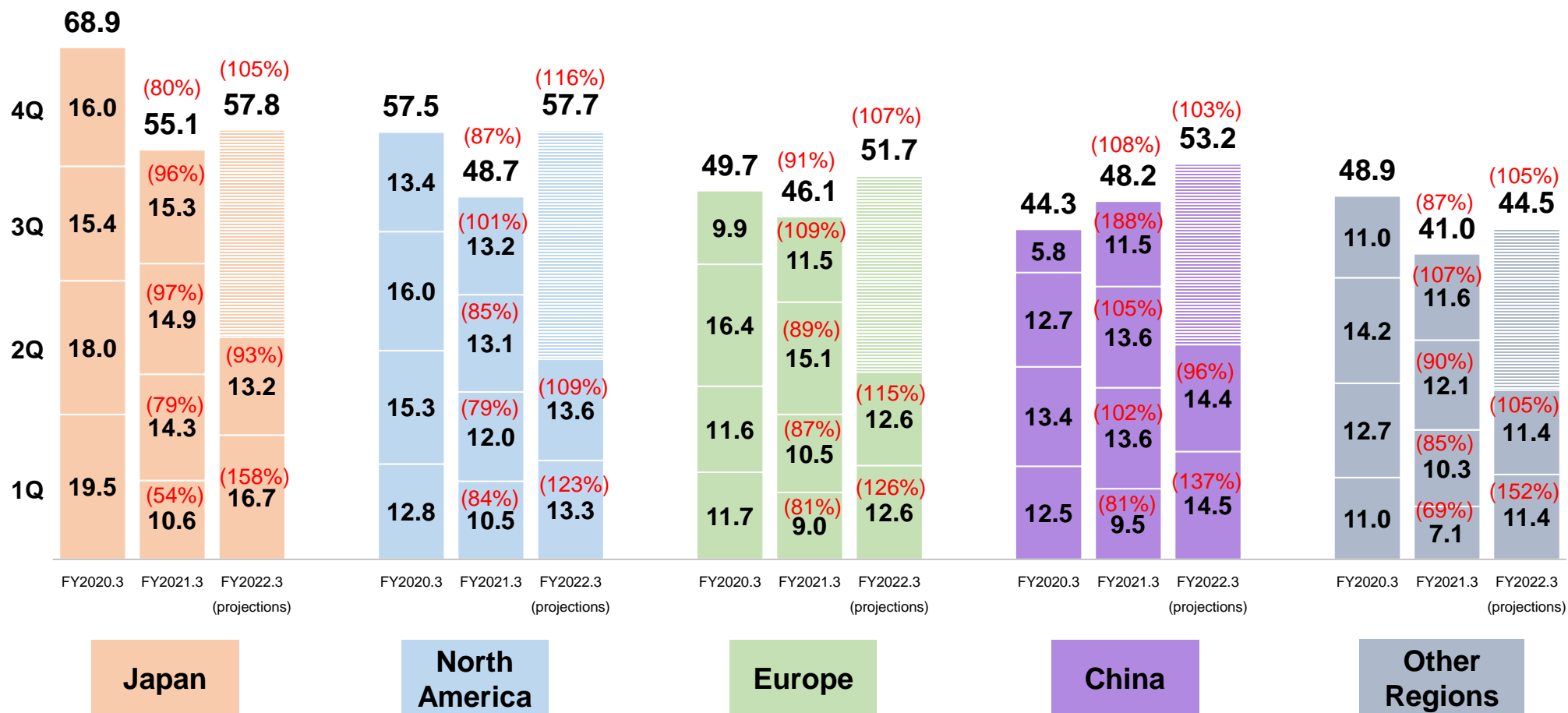
* Guitars include Line 6 and Ampeg products



Red figures show actual YoY changes discounting impact of exchange rates

Revenue by Region

(billions of yen)

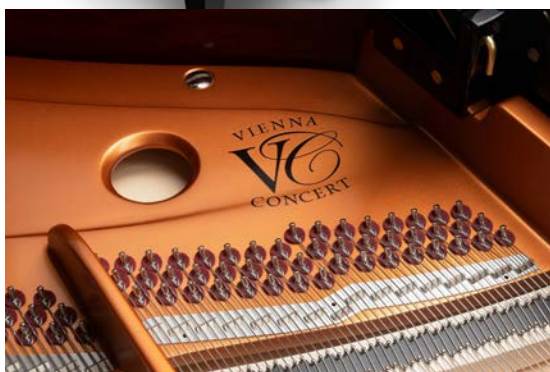


* Software products and music schools included
 Red figures show actual YoY changes discounting impact of exchange rates

Develop Products with Distinctive Individuality

Distinctive product line-up fusing a wide range of technologies

Bösendorfer Grand Pianos
Concert Grand 230VC



A whole new dimension in sound and size

<https://www.boesendorfer.com/en/pianos/pianos/concert-grand-230vc>

Casual Wind Instruments
Tenor Venova



The latest addition to the Venova family

https://usa.yamaha.com/products/musical_instruments/winds/casual_wind_instruments/venova/yvs-140/index.html

Electronic Drum Kits
DTX10 and DTX8 Series



Real sounds that drive the drummer with intuitive functionality that stirs creativity

https://usa.yamaha.com/products/musical_instruments/drums/el_drums/drum_kits/dtx10_series/index.html
https://usa.yamaha.com/products/musical_instruments/drums/el_drums/drum_kits/dtx8_series/index.html

Develop Products with Distinctive Individuality

World wide acclaim for Yamaha Design supports Yamaha growth and the brand enhancement

Good Design Award 2021 winning products

Sponsored by the Japan Institute of Design Promotion



**GOOD DESIGN
AWARD 2021**

State-of-the-Art Live
Performance
**'Distance Viewing'
System**



solo Guitar Stool

https://www.yamaha.com/en/news_release/2021/21102001/

DFA Design for Asia Awards 2021 winning products

The awards are a part of Hong Kong Design Centre program



**YDS-150
Digital Saxophone
Grand Award**



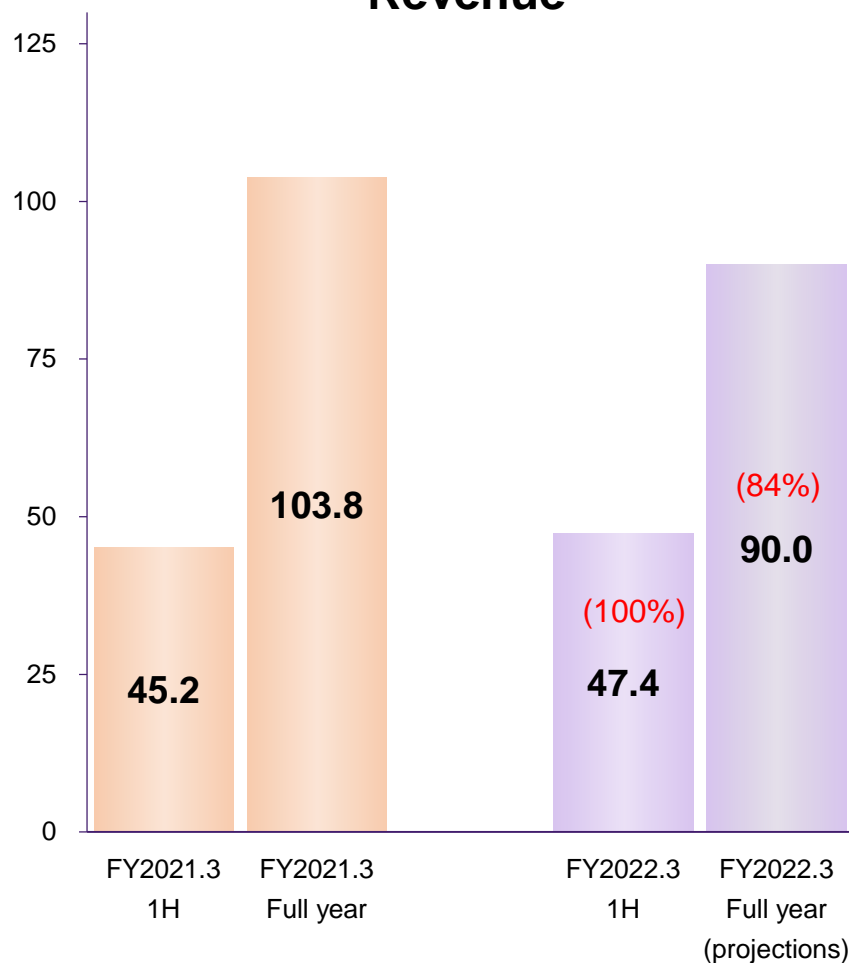
**THR-II Guitar Amp
Gold Award**

https://www.yamaha.com/en/news_release/2021/21102601/

Segment Revenue and Core Operating Profit

(billions of yen)

Revenue



1H Overview: Despite semiconductor procurement difficulties, market conditions recovered and revenue increased year on year

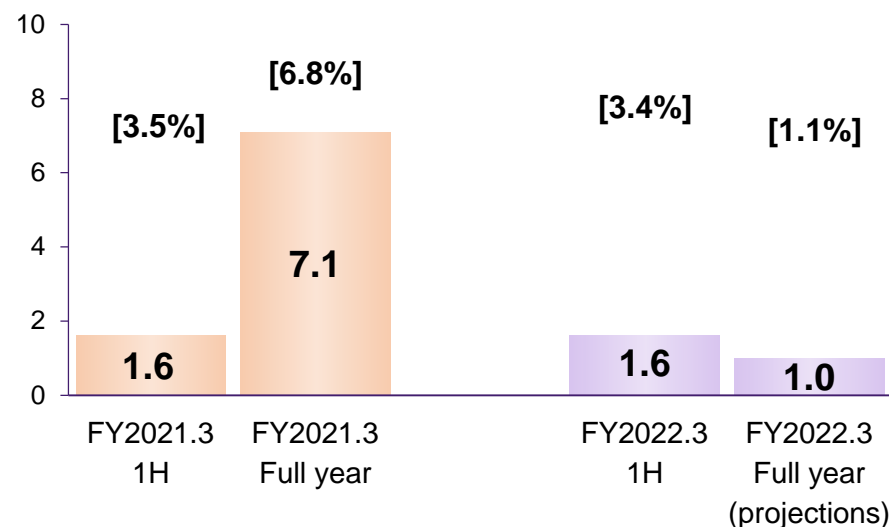
- AV products: revenue declined due to supply shortages stemming from factors including operating restrictions at overseas factories and difficulties procuring semiconductors.
- PA equipment: demand trended upward as it started to shift from stay-at-home to live performance activities.
- ICT equipment: despite supply shortages, robust demand drove strong results at similar levels to the previous year.

Full year projection: Although market conditions are expected to recover, revenue and profit are projected to decline due to the growing impact of semiconductor shortages

- AV products: semiconductor procurement difficulties are likely to have a major impact, and revenue is projected to decrease.
- PA equipment: although demand is expected to pick up as the live performance market recovers, results are projected to be similar to the previous year due to semiconductor procurement difficulties.
- ICT equipment: demand is expected to remain strong, but revenue is projected to decline due to supply shortages.

Core Operating Profit

(billions of yen)



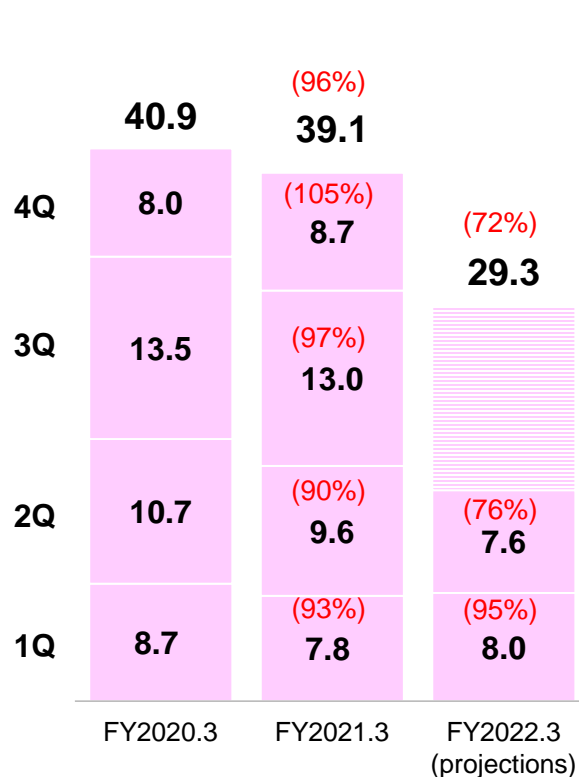
Red figures show actual YoY changes discounting impact of exchange rates

Figures in [] indicate core operating profit ratio

Revenue by Major Product Category

(billions of yen)

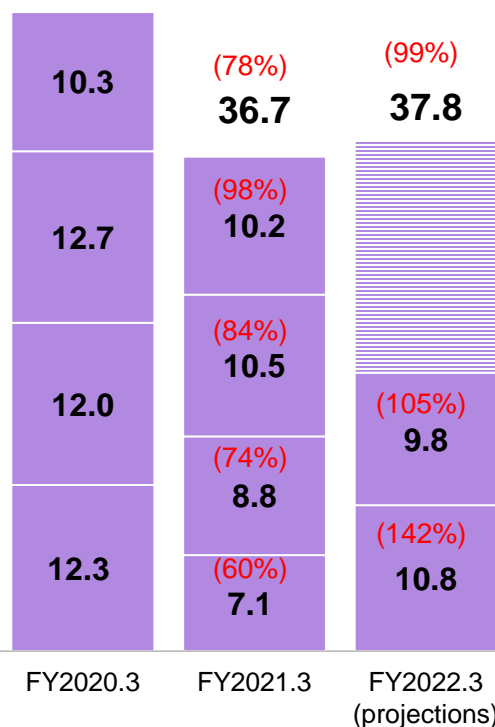
AV Products



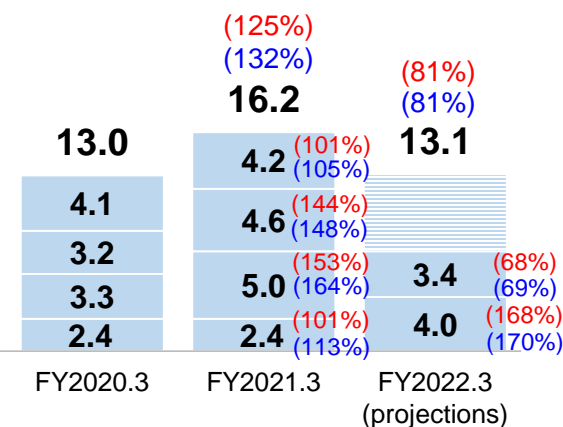
PA Equipment

PA Equipment includes only sales of products for PA Equipment (excluding engineering and installation services)

47.3

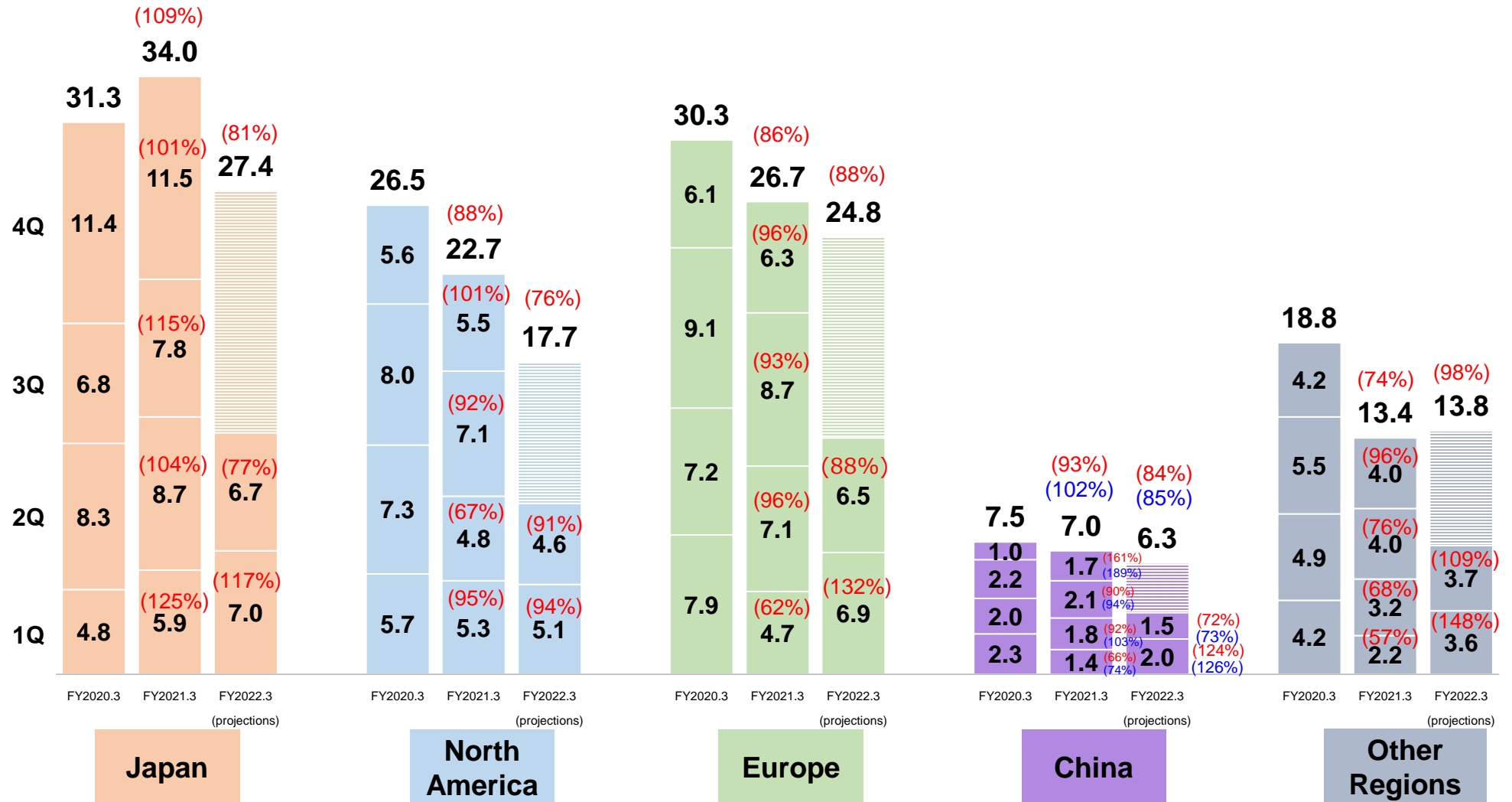


ICT Equipment



Revenue by Region

(billions of yen)



Red figures show actual YoY changes discounting impact of exchange rates

Blue figures show actual YoY changes excluding the sales of OEM products

Develop Products with Distinctive Individuality

Strong product lineups to meet diverse needs in the audio equipment field

Powered loudspeakers **DHR series**
Loudspeakers **CHR series**



The ideal solutions for anyone ready to step up their sound reinforcement game to a new level of professional quality, accuracy, and performance

<https://usa.yamaha.com/products/proaudio/speakers/dhr/index.html>
<https://usa.yamaha.com/products/proaudio/speakers/chr/index.html>

AV receivers **RX-A8A, RX-A6A, RX-A4A**



The top rated AV receiver series, the AVENTAGE brings studio grade sound and sophisticated video enhancements to your home

https://usa.yamaha.com/products/audio_visual/av_receivers_amps/rx-a8a/index.html
https://usa.yamaha.com/products/audio_visual/av_receivers_amps/rx-a6a/index.html
https://usa.yamaha.com/products/audio_visual/av_receivers_amps/rx-a4a/index.html

Develop Products with Distinctive Individuality

Various remote communications

Solutions for flexible working style and easy communications

A complete and intelligent microphone and line array speaker system
ADECIA conferencing solution



ADECIA conferencing solution family certified for use with
 Barco ClickShare Conference

<https://uc.yamaha.com/insights/press-releases/2021/september/adding-the-yamaha-adeicia-to-the-certified-with-cli/>

Yamaha awarded 1st place in the network device category of the Customer Satisfaction Survey 2021-2022 of Nikkei Computer Magazine for the six consecutive year

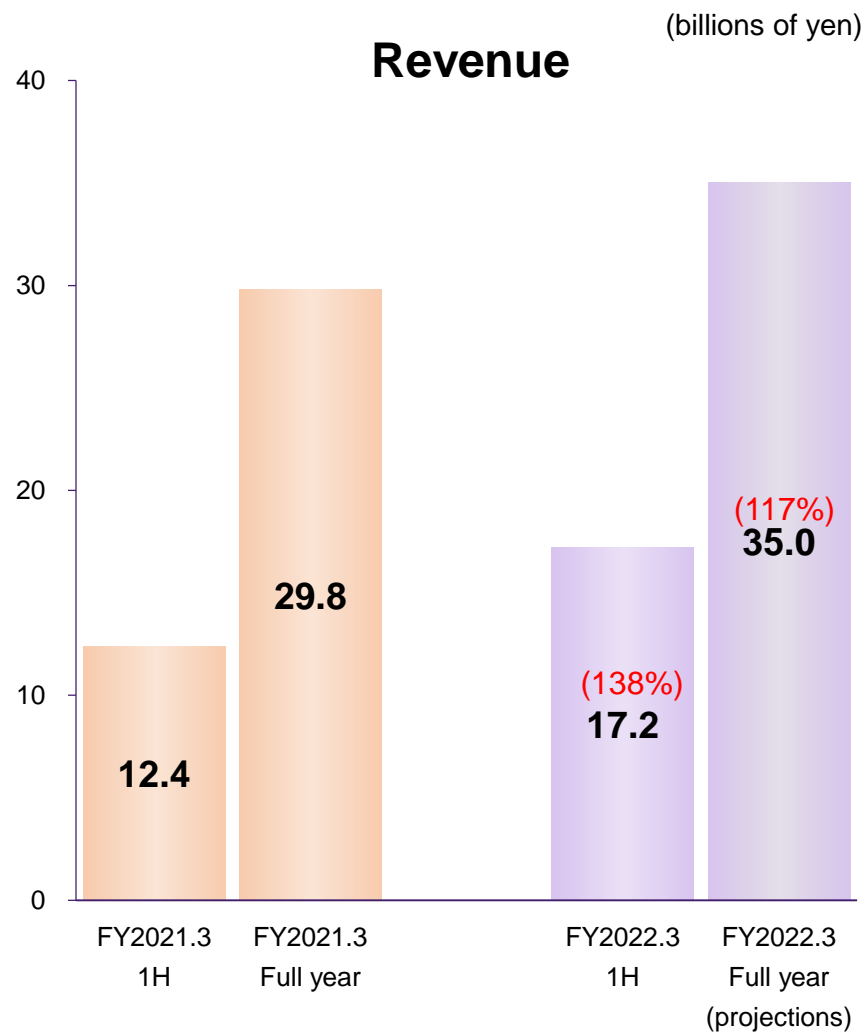
Seven time awarded 1st place in total: 2007, 2016-2021
 Yamaha's corporate clients highly rated the company for its' operability and cost.



Network Device Category Award Emblem for
 the Customer Satisfaction Survey 2021-2022

https://www.yamaha.com/ja/news_release/2021/21081602/
 (in Japanese)

Segment Revenue and Core Operating Profit

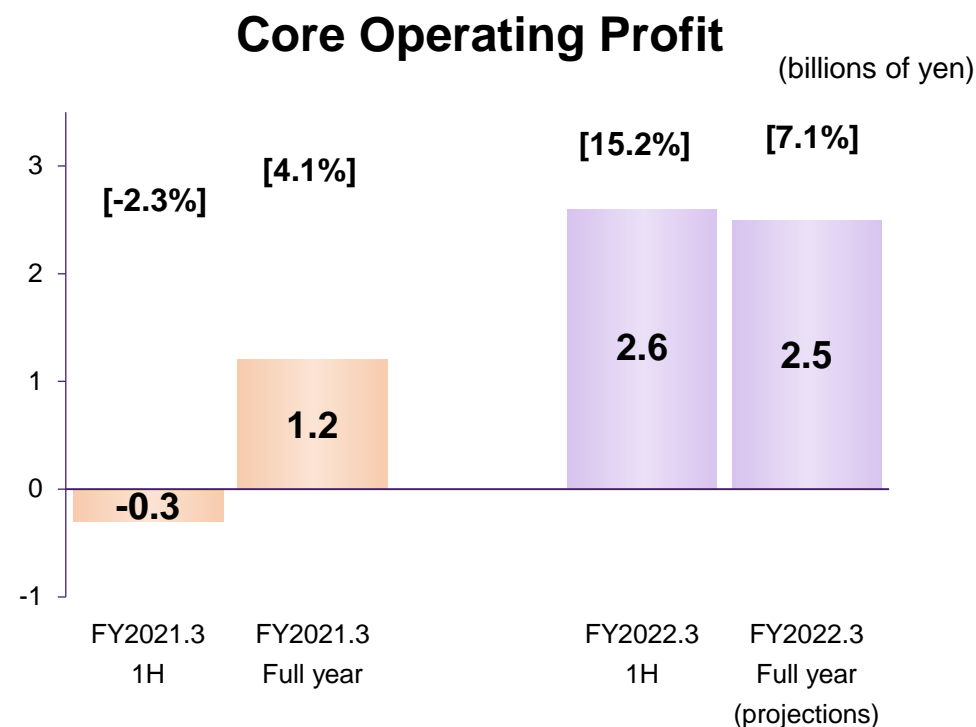


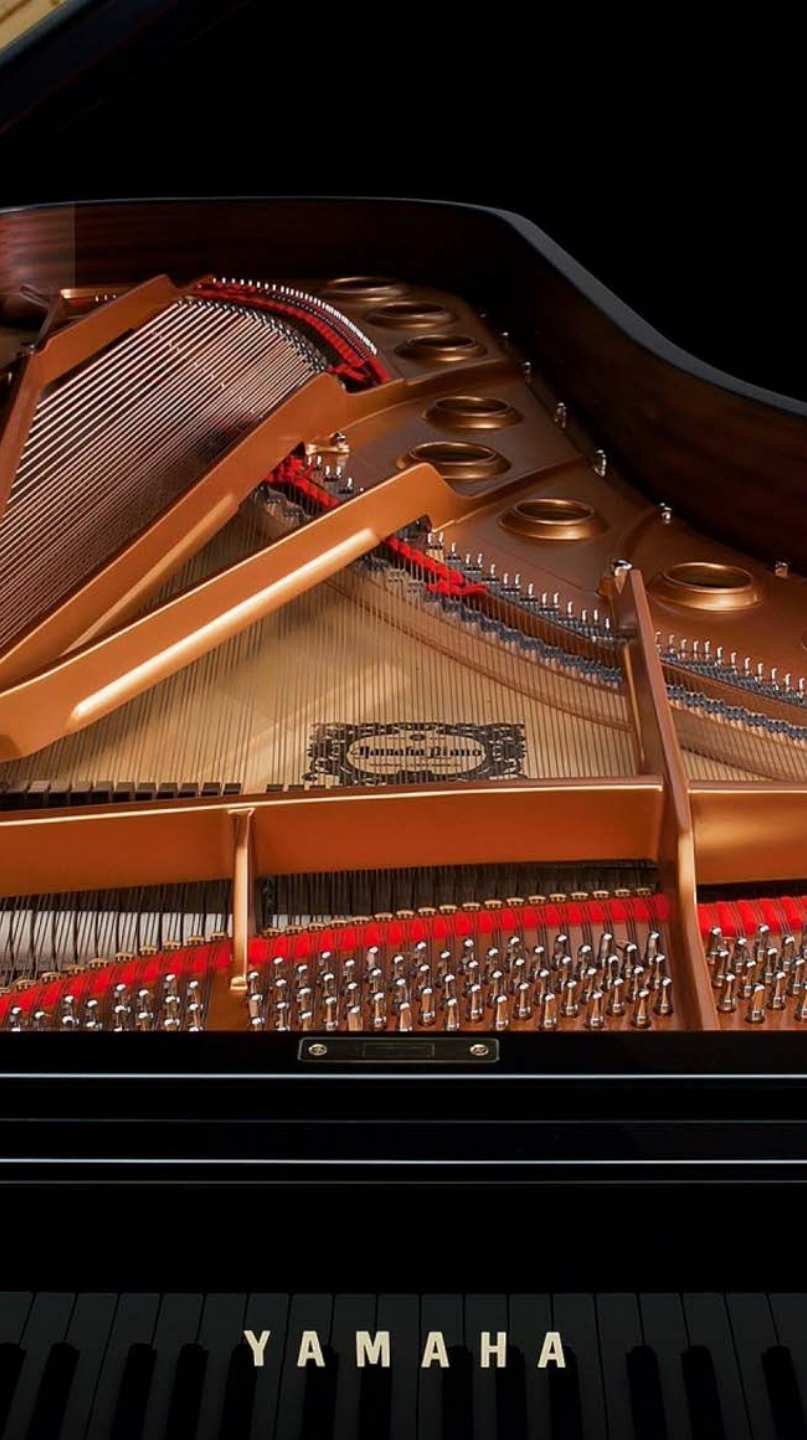
1H Overview:

- Recovery in market conditions drove increased sales of electronic devices, automobile interior wood components, and factory automation equipment.

Full year projection:

- Although semiconductor procurement difficulties and reduced production by corporate customers will have an impact, sales are projected to rise due to recovery in market conditions.





3. Other Financial Figures

Y A M A H A

Balance Sheet Summary

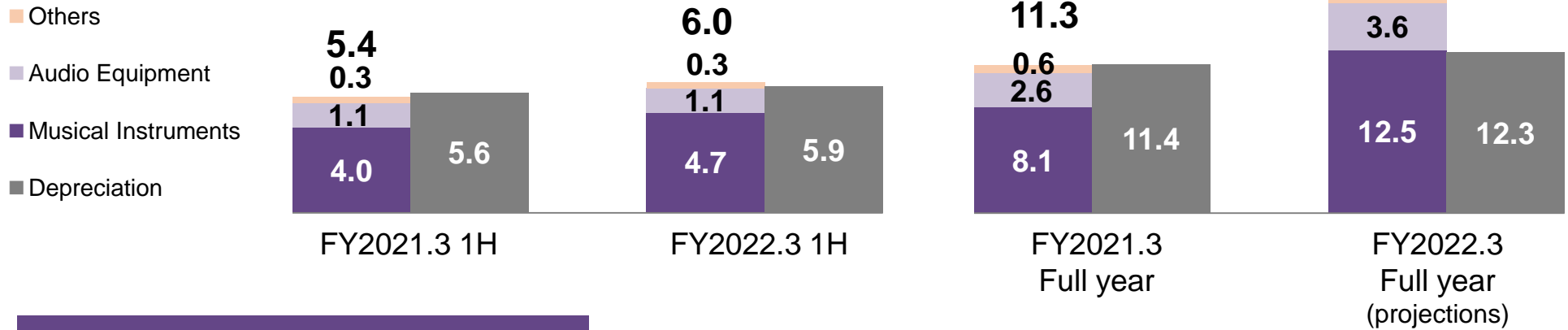
(billions of yen)

	As of March 31, 2021	As of Sept. 30, 2021	Change	As of March 31, 2022 (projections)
Cash and cash equivalents	129.3	178.2	48.8	178.0
Trade and other receivables	57.3	51.4	-6.0	53.0
Other financial assets	8.6	5.9	-2.6	6.0
Inventories	96.8	103.1	6.3	97.0
Other current assets	9.1	7.1	-1.9	7.0
Non-current assets	256.5	216.0	-40.5	219.0
Total Assets	557.6	561.7	4.1	560.0
Current liabilities	100.9	112.0	11.1	111.0
Non-current liabilities	59.8	49.3	-10.5	49.0
Total equity	396.9	400.4	3.5	400.0
Total liabilities and equity	557.6	561.7	4.1	560.0

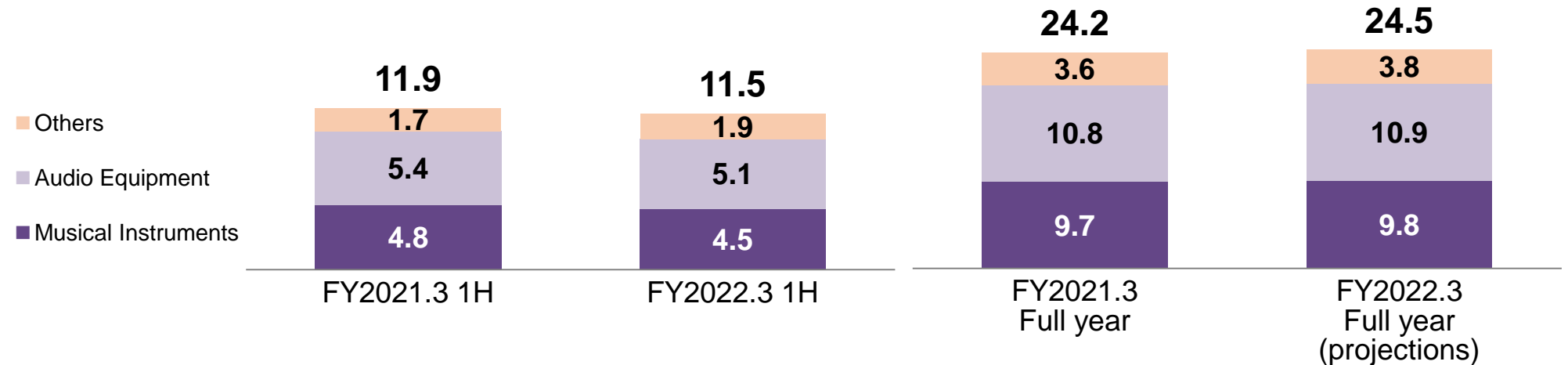
Capital Expenditure/Depreciation, R&D Expense

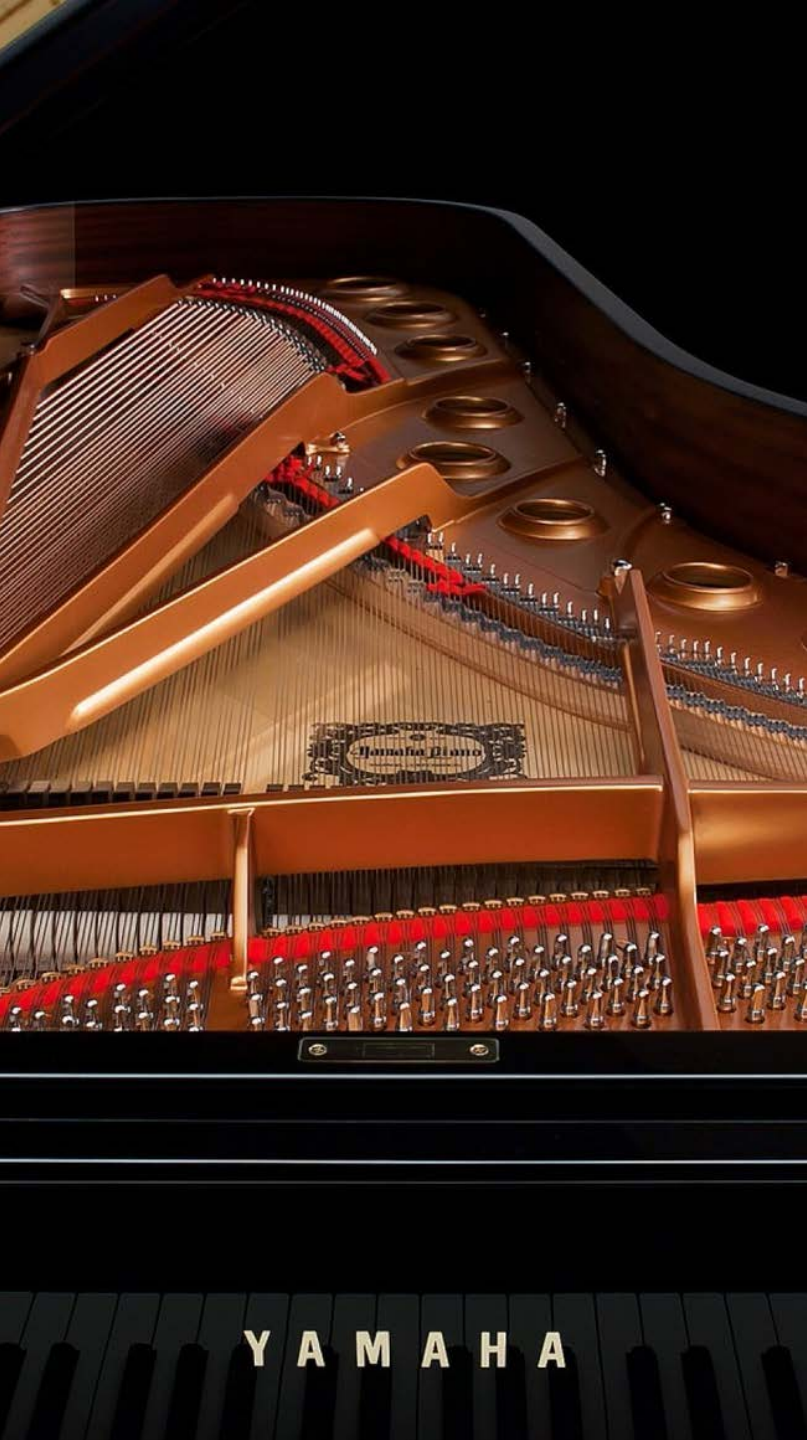
Capital Expenditure/Depreciation

(billions of yen)



R&D Expenses





Y A M A H A

4. ESG

ESG

Contribute to sustainable development of music culture and society

Culture

Contribute to sustainability of music culture

Certified as JICA-SDGs Partner



https://www.yamaha.com/en/csr/community/music_culture/#02

https://www.yamaha.com/ja/news_release/2021/21081601/
(in Japanese)

'Real Sound Viewing' system

Adopted to preserve traditional instruments and the performances to deliver the artists' performances with live sound and images



https://www.yamaha.com/en/about/design/synapses/id_116/

https://www.yamaha.com/ja/news_release/2021/21101901/
(in Japanese)

Handmade musical instrument classes for children



https://www.yamaha.com/ja/news_release/2021/21092901/
(in Japanese)

Society

Enhance diversity and fulfillment of the people we work with

Joined the 30% Club Japan and announced our endorsement of the goals of the Women's Empowerment Principles

Expressed commitment to strengthening the gender equality initiatives



https://www.yamaha.com/en/csr/human_rights_and_labor_practices/diversity/#02

https://www.yamaha.com/ja/news_release/2021/21090301/
(in Japanese)

Certification of Yamaha Corporate Services as a Platinum "Eruboshi" Company Pursuant to the Act on Promotion of Women's Participation and Advancement in the Workplace



https://www.yamaha.com/en/csr/human_rights_and_labor_practices/diversity/#07

https://www.yamaha.com/ja/news_release/2021/21062501/
(in Japanese)

In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

Environment

Coexist with the natural environment

Yamaha Group greenhouse gas emissions reduction target certified by SBTi "1.5°C-aligned targets"



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

https://www.yamaha.com/en/news_release/2021/21092401/

Yamaha Corporation and Hokkaido signed a comprehensive collaborative agreement on sustainability



Naomichi Suzuki,
Governor of Hokkaido
(right)

Takuya Nakata,
Director, President and
Representative
Executive Officer of
Yamaha (left)

https://www.yamaha.com/ja/news_release/2021/21100402/
(in Japanese)

Topics

Yamaha Group Annual Report 2021



Promote constructive dialogue with stakeholders by using the report as an engagement tool



<https://www.yamaha.com/en/ir/publications/>

Contents:

- I. Value Creation by Yamaha
- II. Management Strategy
- III. Strategies by Business and Function
- IV. Corporate Governance
- V. Financial and Corporate Information

*English version will be published in mid November

Remote Cheering System Remote Cheerer Powered by SoundUD wins Grand Prix in the DX category at CEATEC AWARD 2021



https://www.ceatec.com/en/award/award03_03.html

https://www.yamaha.com/ja/news_release/2021/21101801/
(in Japanese)



Yamaha Dear Glenn Project* wins Silver at Prestigious Cannes Lions International Festival of Creativity

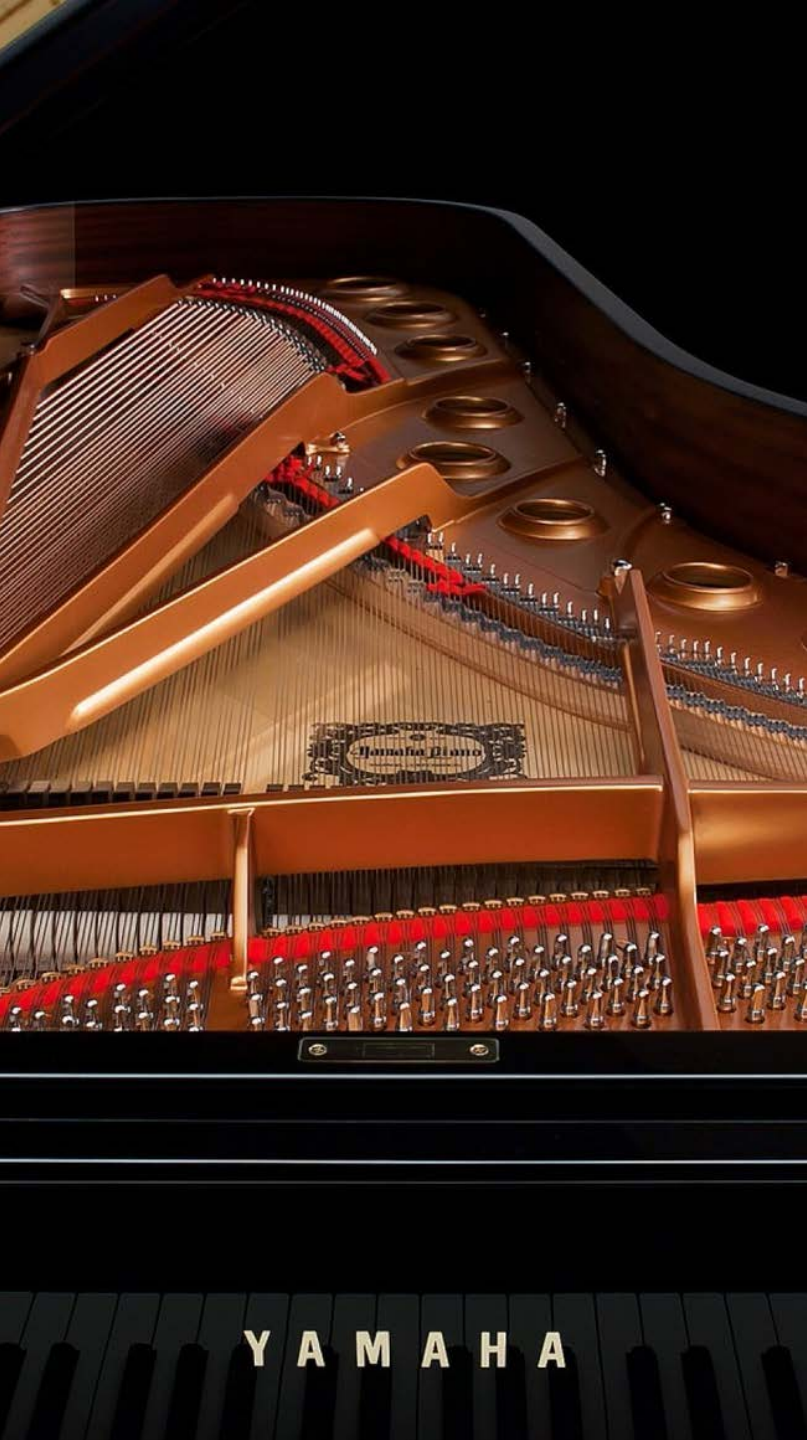


*a project to explore the future of music through the use of artificial intelligence

Dear Glenn
A.I.M.E.C.E.T.A.N.G.E.R.B.E.R.C.E.L.



https://www.yamaha.com/en/news_release/2021/21071201/



Appendix

Performance in 2Q FY2022.3 (Three Months)

(billions of yen)

	FY2021.3 2Q	FY2022.3 2Q	Change	
Revenue	93.0	96.0	+3.0	+3.2% ^{*2}
Core Operating Profit (Core Operating Profit Ratio)	11.9 (12.8%)	10.1 (10.5%)	-1.8	-14.9%
Net Profit ^{*1}	8.9	8.0	-0.9	-9.8%

Exchange Rate (yen)

Revenue (Average rate during the period)	US\$	106	110
	EUR	124	130
Profit (Settlement rate)	US\$	106	110
	EUR	118	131

^{*2} -1.1%
(Excluding the impact of exchange rate)

Performance by Business Segment in 2Q FY2022.3 (Three Months)

(billions of yen)

		FY2021.3 2Q	FY2022.3 2Q	Change	Exchange rate impact
Musical Instruments	Revenue	60.6	65.3	+4.7	3.1
	Core Operating Profit	9.2	8.9	-0.3	1.8
	Core Operating Profit Ratio	15.2%	13.6%	-1.6P	
Audio Equipment	Revenue	25.7	22.9	-2.7	0.8
	Core Operating Profit	2.7	0.3	-2.4	0.4
	Core Operating Profit Ratio	10.4%	1.2%	-9.2P	
IMC^{*1} Business and Others	Revenue	6.8	7.8	+1.1	0.1
	Core Operating Profit	0	1.0	+1.0	0
	Core Operating Profit Ratio	0.1%	12.3%	+12.1P	

1H Other Income and Expenses (Six Months)

(billions of yen)

		FY2021.3 1H	FY2022.3 1H
Core Operating Profit		13.0	23.5
Other Income and Expenses	Profit from (loss on) disposal of fixed assets	-0	4.7
	Others	-2.3	0.6
	Total	-2.3	5.3
Operating Profit		10.7	28.8
Financial Income and Expenses	Dividends income	0.4	2.2
	Others	-1.0	-1.5
	Total	-0.6	0.7
Profit before Income Taxes		10.1	29.5
Income taxes		3.0	8.1
Net profit attributable to non-controlling interests		0	-0
Net Profit^{*1}		7.1	21.4

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

Full Year Other Income and Expenses

(billions of yen)

		FY2021.3 Full year	FY2022.3 Full year (projections)
Core Operating Profit		40.7	40.0
Other Income and Expenses	Profit from (loss on) disposal of fixed assets	-0.1	4.6
	Others	-5.6	0.9
	Total	-5.7	5.5
Operating Profit		35.0	45.5
Financial Income and Expenses	Dividends income	2.7	3.2
	Others	-0.6	-1.7
	Total	2.1	1.5
Profit before Income Taxes		37.1	47.0
Income taxes		10.4	12.4
Net profit attributable to non-controlling interests		0.1	0.1
Net Profit^{*1}		26.6	34.5

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

In this report, the figures forecast for the Company's future performance have been calculated on the basis of information currently available to Yamaha and the Yamaha Group. Forecasts are, therefore, subject to risks and uncertainties.

Accordingly, actual performance may differ greatly from our projections depending on changes in the economic conditions surrounding our business, demand trends, and the value of key currencies, such as the U.S. dollar and the euro.