



YAMAHA CORPORATION

Flash Report Consolidated Basis (IFRS) Results for the First Quarter of the Fiscal Year Ending March 31, 2022 (April 1, 2021 – June 30, 2021)

August 4, 2021

Company name:	YAMAHA CORPORATION (URL https://www.yamaha.com/en/)
Code number:	7951
Stock listing:	Tokyo Stock Exchange (First Section)
Address of headquarters:	10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan
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Scheduled date to submit Quarterly Securities Report:	August 6, 2021
Scheduled date to begin dividend payments:	—
Supplementary materials to the quarterly financial statements have been prepared:	Yes
Presentation will be held to explain the quarterly financial results:	Yes (for securities analysts and institutional investors)

1. Consolidated Financial Results for the First Quarter of FY2022.3 (April 1, 2021 – June 30, 2021)

Figures of less than ¥1 million have been omitted.

(1) Consolidated Operating Results (Accumulation)

(Percentage figures are changes from the same period of the previous fiscal year.)

	Revenue		Core operating profit		Operating profit		Profit before income taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter of FY2022.3	102,465	42.7	13,382	—	18,297	—	18,689	—
First quarter of FY2021.3	71,787	(27.9)	1,137	(89.5)	(1,511)	—	(1,734)	—

Note: Comprehensive income: **First quarter of FY2022.3** **¥24,834 million** **136.7%**
First quarter of FY2021.3 **¥10,492 million** **—%**

	Profit for the period		Profit for the period attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
First quarter of FY2022.3	13,411	—	13,413	—	76.30	—
First quarter of FY2021.3	(1,800)	—	(1,809)	—	(10.29)	—

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%
First quarter of FY2022.3 (As of June 30, 2021)	576,878	415,951	415,017	71.9
FY2021.3 (As of March 31, 2021)	557,616	396,949	395,958	71.0

2. Dividends

	Annual dividends				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year
	Yen	Yen	Yen	Yen	Yen
FY2021.3	—	33.00	—	33.00	66.00
FY2022.3	—				
FY2022.3 (Forecast)		33.00	—	33.00	66.00

Note: Revisions from recently announced dividend forecast: None

3. Consolidated Financial Forecasts for FY2022.3 (April 1, 2021–March 31, 2022)

(Percentage figures are changes from the previous fiscal year.)

	Revenue		Core operating profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022.3	400,000	7.3	47,000	15.4	52,000	48.4

	Profit before income taxes		Profit for the period attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
FY2022.3	55,500	49.6	41,000	54.0	233.22

Note: Revisions from recently announced performance forecast: None

* Core operating profit corresponds to operating profit under Japanese GAAP and is calculated by subtracting selling, general and administrative expenses from gross profit.

Footnote Items

- (1) Changes in the state of material subsidiaries during the period (Changes regarding significant subsidiaries accompanying changes in the scope of consolidation): None
 Newly included: — Excluded: —
- (2) Changes in accounting policies and changes in accounting estimates
 (a) Changes in accounting policies required by IFRS: None
 (b) Changes other than those in (a) above: None
 (c) Changes in accounting estimates: None
- (3) Number of shares outstanding (common shares)

(a) Number of shares outstanding at the end of the period (including treasury shares)	First quarter of FY2022.3	191,555,025 shares	FY2021.3	191,555,025 shares
(b) Number of treasury shares at the end of the period	First quarter of FY2022.3	15,758,364 shares	FY2021.3	15,756,254 shares
(c) Average number of shares outstanding during the period (cumulative period)	First quarter of FY2022.3	175,798,178 shares	First quarter of FY2021.3	175,814,045 shares

*This quarterly flash report is exempt from the quarterly review procedures by certified public accountants or audit firm.

*Explanation of the Appropriate Use of Performance Forecasts and Other Related Items

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. For commentary information regarding the closing of accounts for the first quarter of FY2022.3, please refer to “Yamaha Reports First Quarter (Three Months) Results of Fiscal Year Ending March 2022 and Full Year Outlook [IFRS]”, which was released today (August 4, 2021).

The materials distributed at the earnings presentation and other materials will be posted on the Company’s website immediately after the presentation is concluded.

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1. Condensed Quarterly Consolidated Financial Statements and Major Notes

(1) Condensed Quarterly Consolidated Statement of Financial Position

(Millions of yen)

	FY2021.3 (as of March 31, 2021)	First quarter of FY2022.3 (as of June 30, 2021)
Assets		
Current assets		
Cash and cash equivalents	129,345	141,095
Trade and other receivables	57,329	54,454
Other financial assets	8,573	6,473
Inventories	96,803	97,429
Other current assets	7,871	7,518
Subtotal	299,924	306,971
Assets held for sale	1,179	—
Total current assets	301,103	306,971
Non-current assets		
Property, plant and equipment	96,142	95,812
Right-of-use assets	22,231	21,894
Goodwill	160	160
Intangible assets	2,529	2,600
Financial assets	120,058	132,568
Deferred tax assets	7,407	7,408
Other non-current assets	7,983	9,462
Total non-current assets	256,513	269,907
Total assets	557,616	576,878

(Millions of yen)

	FY2021.3 (as of March 31, 2021)	First quarter of FY2022.3 (as of June 30, 2021)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	56,915	48,815
Interest-bearing debt	7,980	7,516
Lease liabilities	5,696	5,841
Other financial liabilities	9,745	9,471
Income tax payables	4,045	4,963
Provisions	1,806	1,864
Other current liabilities	14,664	16,561
Total current liabilities	100,852	95,034
Non-current liabilities		
Interest-bearing debt	387	1,326
Lease liabilities	14,465	13,736
Other financial liabilities	178	180
Retirement benefit liabilities	22,576	23,046
Provisions	1,823	1,846
Deferred tax liabilities	18,244	23,560
Other non-current liabilities	2,137	2,195
Total non-current liabilities	59,814	65,893
Total liabilities	160,667	160,927
Equity		
Capital stock	28,534	28,534
Capital surplus	21,430	21,452
Retained earnings	337,923	346,392
Treasury shares	(65,086)	(65,071)
Other components of equity	73,156	83,710
Equity attributable to owners of parent	395,958	415,017
Non-controlling interests	991	933
Total equity	396,949	415,951
Total liabilities and equity	557,616	576,878

(2) Condensed Quarterly Consolidated Statement of Income and Condensed Quarterly Consolidated Statement of Comprehensive Income

Condensed Quarterly Consolidated Statement of Income

First quarter (three months) ended June 30, 2020 and 2021

(Millions of yen)

	First quarter of FY2021.3 (April 1, 2020 – June 30, 2020)	First quarter of FY2022.3 (April 1, 2021 – June 30, 2021)
Revenue	71,787	102,465
Cost of sales	(46,783)	(62,020)
Gross profit	25,003	40,445
Selling, general and administrative expenses	(23,866)	(27,062)
Core operating profit	1,137	13,382
Other income	469	5,130
Other expenses	(3,118)	(214)
Operating profit (loss)	(1,511)	18,297
Finance income	462	532
Finance expenses	(685)	(140)
Profit (Loss) before income taxes	(1,734)	18,689
Income taxes	(66)	(5,278)
Profit (Loss) for the period	(1,800)	13,411
Profit (Loss) for the period attributable to:		
Owners of parent	(1,809)	13,413
Non-controlling interests	8	(2)
Earnings (Loss) per share		
Basic (Yen)	(10.29)	76.30
Diluted (Yen)	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

First quarter (three months) ended June 30, 2020 and 2021

(Millions of yen)

	First quarter of FY2021.3 (April 1, 2020 – June 30, 2020)	First quarter of FY2022.3 (April 1, 2021 – June 30, 2021)
Profit (Loss) for the period	(1,800)	13,411
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	2,150	856
Gains (losses) on financial assets measured at fair value through other comprehensive income	9,743	8,770
Total items that will not be reclassified to profit or loss	11,893	9,627
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	720	1,602
Gains (losses) on cash flow hedges	(321)	193
Total items that may be subsequently reclassified to profit or loss	398	1,795
Total other comprehensive income	12,292	11,423
Comprehensive income for the period	10,492	24,834
Comprehensive income for the period attributable to:		
Owners of parent	10,487	24,823
Non-controlling interests	4	10

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

First quarter of FY2021.3 (April 1, 2020—June 30, 2020)

(Millions of yen)

	Equity attributable to owners of parent						
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Remeasurements of defined benefit plans	Gains (losses) on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations
Balance at April 1, 2020	28,534	21,277	316,899	(65,093)	—	34,183	(10,461)
Profit (Loss) for the period	—	—	(1,809)	—	—	—	—
Other comprehensive income	—	—	—	—	2,150	9,743	724
Total comprehensive income for the period	—	—	(1,809)	—	2,150	9,743	724
Purchase of treasury shares	—	—	—	(0)	—	—	—
Dividends	—	—	(5,802)	—	—	—	—
Share-based compensation	—	22	—	—	—	—	—
Reclassified to retained earnings	—	—	2,150	—	(2,150)	—	—
Total transactions with owners	—	22	(3,651)	(0)	(2,150)	—	—
Balance at June 30, 2020	28,534	21,300	311,439	(65,093)	—	43,926	(9,736)

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Gains (losses) on cash flow hedges	Total			
Balance at April 1, 2020	67	23,789	325,409	1,040	326,450
Profit (Loss) for the period	—	—	(1,809)	8	(1,800)
Other comprehensive income	(321)	12,296	12,296	(4)	12,292
Total comprehensive income for the period	(321)	12,296	10,487	4	10,492
Purchase of treasury shares	—	—	(0)	—	(0)
Dividends	—	—	(5,802)	(59)	(5,861)
Share-based compensation	—	—	22	—	22
Reclassified to retained earnings	—	(2,150)	—	—	—
Total transactions with owners	—	(2,150)	(5,780)	(59)	(5,840)
Balance at June 30, 2020	(254)	33,935	330,116	985	331,102

First quarter of FY2022.3 (April 1, 2021 – June 30, 2021)

(Millions of yen)

	Equity attributable to owners of parent						
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					Remeasurements of defined benefit plans	Gains (losses) on financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations
Balance at April 1, 2021	28,534	21,430	337,923	(65,086)	—	71,786	1,494
Profit (Loss) for the period	—	—	13,413	—	—	—	—
Other comprehensive income	—	—	—	—	856	8,770	1,589
Total comprehensive income for the period	—	—	13,413	—	856	8,770	1,589
Purchase of treasury shares	—	—	—	(1)	—	—	—
Dividends	—	—	(5,801)	—	—	—	—
Share-based compensation	—	21	—	16	—	—	—
Reclassified to retained earnings	—	—	856	—	(856)	—	—
Total transactions with owners	—	21	(4,944)	14	(856)	—	—
Balance at June 30, 2021	28,534	21,452	346,392	(65,071)	—	80,556	3,083

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Gains (losses) on cash flow hedges	Total			
Balance at April 1, 2021	(123)	73,156	395,958	991	396,949
Profit (Loss) for the period	—	—	13,413	(2)	13,411
Other comprehensive income	193	11,410	11,410	13	11,423
Total comprehensive income for the period	193	11,410	24,823	10	24,834
Purchase of treasury shares	—	—	(1)	—	(1)
Dividends	—	—	(5,801)	(68)	(5,870)
Share-based compensation	—	—	38	—	38
Reclassified to retained earnings	—	(856)	—	—	—
Total transactions with owners	—	(856)	(5,765)	(68)	(5,833)
Balance at June 30, 2021	69	83,710	415,017	933	415,951

(4) Notes to the Condensed Quarterly Consolidated Financial Statements

Notes Regarding Assumptions as a Going Concern

Not applicable

Other Income

Gain on sale of fixed assets

The Company sold the land (Chuo-ku, Sapporo, Hokkaido), categorized as “Assets held for sale” in the consolidated statement of financial position, to ALJ Sapporo RE2 TMK (Chiyoda-ku, Tokyo) in the first quarter of the fiscal year ending March 31, 2022. As a result of the sale, the Company recorded a gain on sale of fixed assets of ¥4,700 million in other income.

Segment Information

(1) Summary of reportable segments

The Group’s reportable segments are composed of business units that separate financial information can be obtained and are regularly reviewed by the Board of Directors of the Company for the purpose of business performance evaluation and management resource allocation decisions.

The Group’s reportable segments, based on its economic features and similarity of products and services, comprise its two principal reportable segments, which are the “musical instruments” and “audio equipment.” Other businesses are included in the “others” segment.

The musical instruments segment includes the manufacture and sales of pianos; digital musical instruments; wind, string, and percussion instruments; and other music-related activities. The audio equipment segment includes the manufacture and sales of audio products, professional audio equipment, information and telecommunication equipment, and certain other products. The “others” segment includes electronic devices business, automobile interior wood components, factory automation (FA) equipment, golf products, resort, and certain other lines of business.

(2) Reportable segment information

The Group’s reportable segment information is as follows.

The Group reports core operating profit as segment profit. Core operating profit corresponds to operating profit under Japanese GAAP and is calculated by subtracting selling, general and administrative expenses from gross profit.

First quarter of FY2021.3 (April 1, 2020 – June 30, 2020)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	46,638	19,538	66,177	5,610	71,787	—	71,787
Intersegment revenue	—	—	—	80	80	(80)	—
Total	46,638	19,538	66,177	5,690	71,868	(80)	71,787
Core operating profit (loss) [Segment profit (loss)]	2,515	(1,080)	1,435	(297)	1,137	—	1,137
Other income							469
Other expenses							(3,118)
Operating profit (loss)							(1,511)
Finance income							462
Finance expenses							(685)
Profit (Loss) before income taxes							(1,734)

Note: Intersegment revenue is based on the prevailing market price.

First quarter of FY2022.3 (April 1, 2021 – June 30, 2021)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	68,575	24,479	93,055	9,410	102,465	—	102,465
Intersegment revenue	—	—	—	69	69	(69)	—
Total	68,575	24,479	93,055	9,479	102,534	(69)	102,465
Core operating profit (loss) [Segment profit (loss)]	10,387	1,337	11,725	1,656	13,382	—	13,382
Other income							5,130
Other expenses							(214)
Operating profit (loss)							18,297
Finance income							532
Finance expenses							(140)
Profit (Loss) before income taxes							18,689

Note: Intersegment revenue is based on the prevailing market price.

Subsequent Events

There are no important sequent events to note.