



Analyst and Investor Briefing on First Quarter of FY2022.3

(Fiscal year ending March 31, 2022)



FIRST EVER A.I. CRAFTED BY LOVE

Combining the efficiency of Machine learning with Human emotional input to bring back the outstanding performance of Glenn Gould to life.

DEAR GLENN

"Dear Glenn" is a unique A.I. driven project integrating Ai/Tech and Branding in one. The aim of the project is to bring the craft of the deceased pianist Glenn Gould back to life through A.I. It opens up a whole new possibility to resurrect incredible human artistry to be used for education and collaborative live performance. Project has 3 phases.

- 1 Crafting the A.I. Glenn using over 100 hours of archival data and advanced Ai/Tech and Branding in one.
- 2 The project documents the performance of Glenn Gould back to life through A.I. It opens up a whole new possibility to resurrect incredible human artistry to be used for education and collaborative live performance. Project has 3 phases.
- 3 Live performance of A.I. and human artist at the largest media art festival in the world, the Esplanade 2021. For the first time, Glenn Gould's music is brought back to life by A.I. to not only provide great art but also to inspire young artists to be used for collaborative performances.

August 5, 2021

Yamaha Corporation

FY2022.3 1Q Highlights

Overview

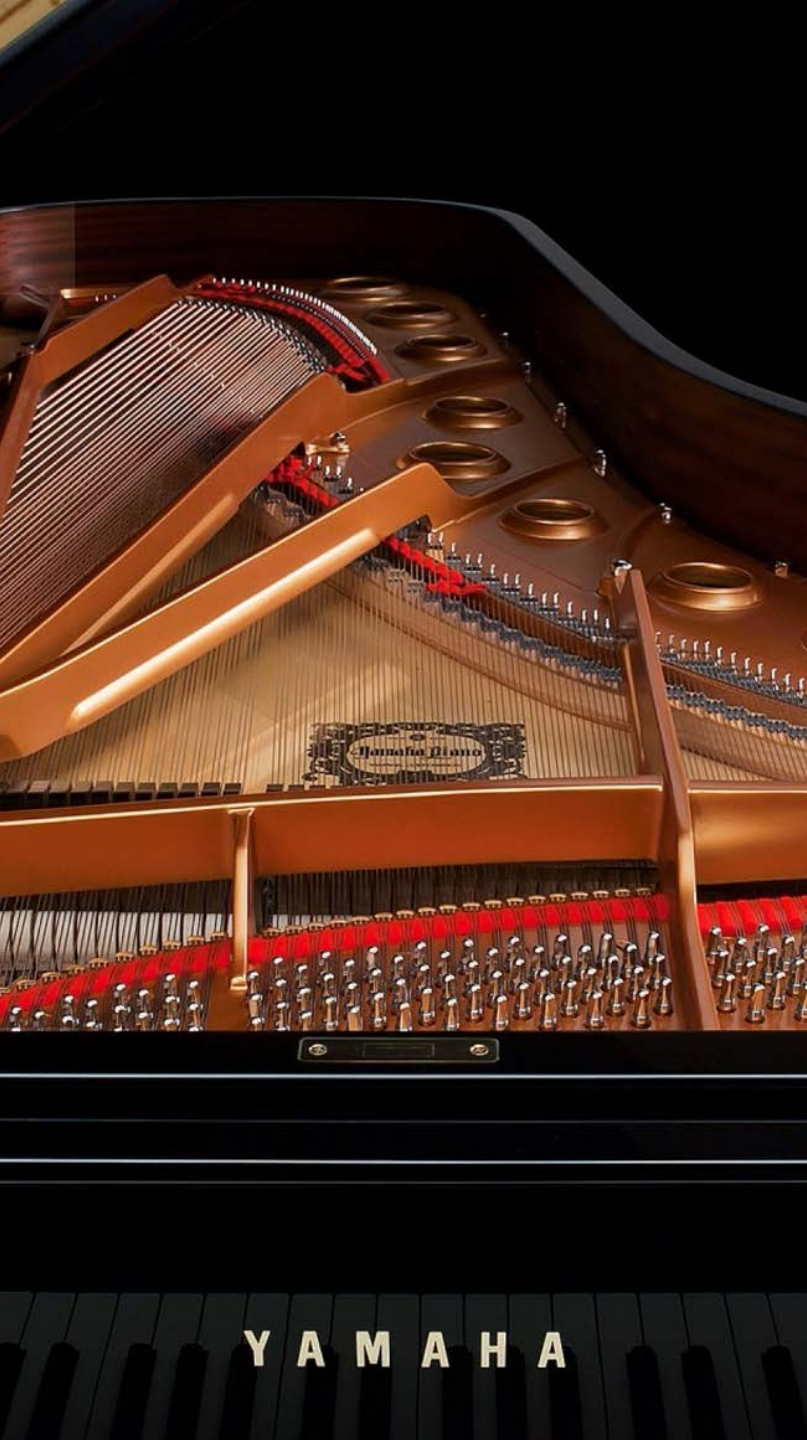
FY2022.3 1Q Achievements (Three Months)

- Despite disrupted logistics and supply shortages, etc., revenue and profit both increased, underpinned by firm demand.
- Net profit moved into positive territory to a profit of ¥13.4 billion yen, recovering from the loss recorded in the same period of the previous year.

Outlook

Full Year Forecasts for FY2022.3

- Although a recovery in market conditions is driving robust demand, the outlook remains uncertain due to factors including COVID-19 resurgence and semiconductor shortages. Consequently, previous projections announced in May 2021 remain unchanged (revenue ¥400.0 billion and core operating profit ¥47.0 billion).



1. Performance Summary

FY2022.3 1Q (Three Months) Summary

(billions of yen)

| | FY2021.3 1Q | FY2022.3 1Q | Change (YoY) | |
|---|---------------|-------------------------------|--------------|----------------------|
| | | | | |
| Revenue | 71.8 | 102.5 | +30.7 | +42.7% ^{*2} |
| Core Operating Profit (Core Operating Profit Ratio) | 1.1 (1.6%) | 13.4 (13.1%) | +12.2 | +1,077.0% |
| Net Profit ^{*1} | -1.8 | 13.4 | +15.2 | - |

Exchange Rate (yen)

| | | | |
|--|-------------|-----|------------|
| Revenue (Average rate during the period) | US\$ | 108 | 110 |
| | EUR | 119 | 132 |
| Profit (Settlement rate) | US\$ | 108 | 110 |
| | EUR | 121 | 127 |

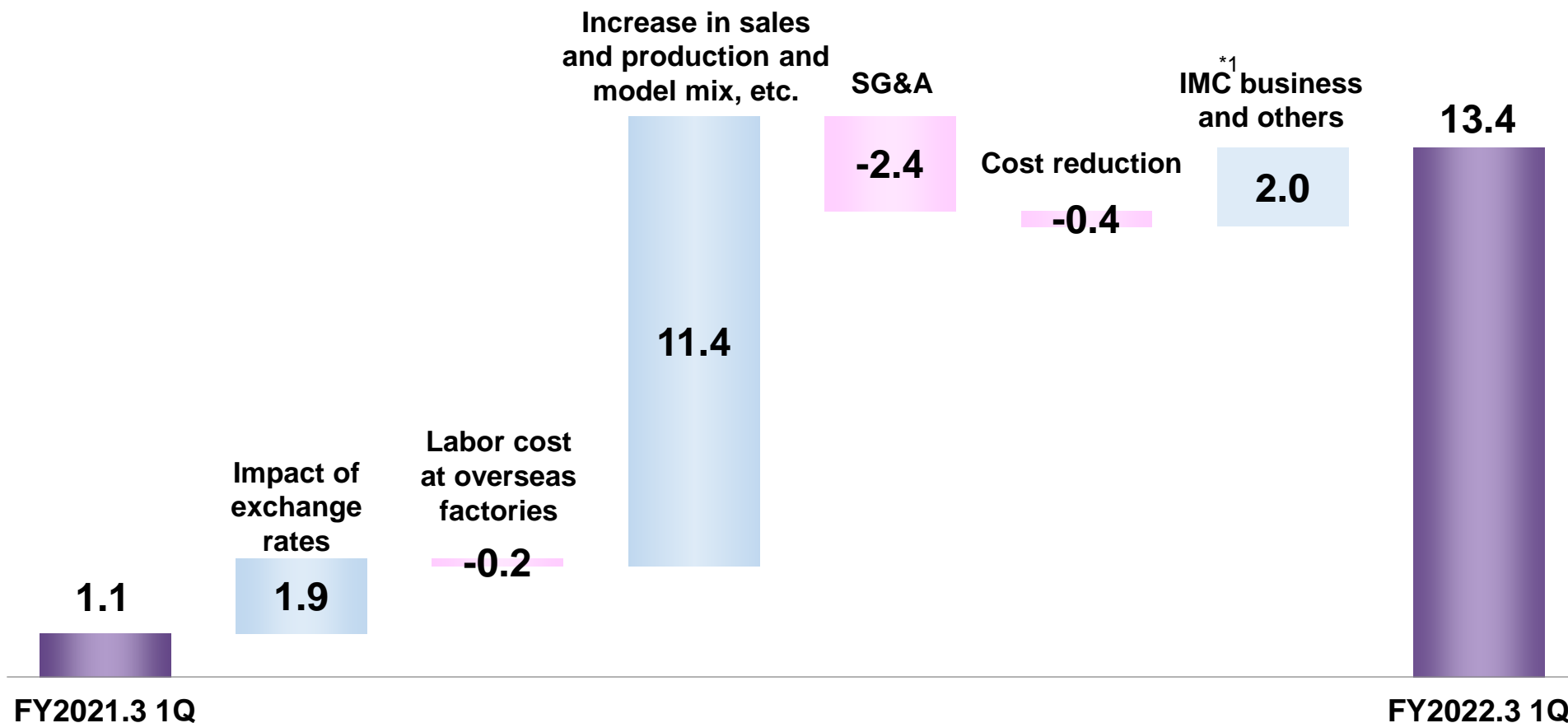
^{*2} +35.3%
(Excluding the impact of exchange rate)

*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 1Q | FY2022.3 1Q | Change | Exchange rate impact |
|---|------------------------------|-------------|-------------|--------------|----------------------|
| Musical Instruments | Revenue | 46.6 | 68.6 | +21.9 | 3.9 |
| | Core Operating Profit | 2.5 | 10.4 | +7.9 | 1.5 |
| | Core Operating Profit Ratio | 5.4% | 15.1% | +9.8P | |
| Audio Equipment | Revenue | 19.5 | 24.5 | +4.9 | 1.3 |
| | Core Operating Profit | -1.1 | 1.3 | +2.4 | 0.4 |
| | Core Operating Profit Ratio | -5.5% | 5.5% | +11.0P | |
| IMC^{*1} Business and Others | Revenue | 5.6 | 9.4 | +3.8 | 0.1 |
| | Core Operating Profit | -0.3 | 1.7 | +2.0 | 0 |
| | Core Operating Profit Ratio | -5.3% | 17.6% | +22.9P | |

*1 Industrial Machinery and Components

FY2022.3 Outlook

*Full year projections remain unchanged from the previous announcement on May 10, 2021.

(billions of yen)

| | FY2021.3 Full year | FY2022.3 Full year (projections) | Change | |
|---|-----------------------|--|--------|--------------------|
| Revenue | 372.6 | 400.0 | 27.4 | 7.3% ^{*2} |
| Core Operating Profit (Core Operating Profit Ratio) | 40.7 (10.9%) | 47.0 (11.8%) | 6.3 | 15.4% |
| Net Profit ^{*1} | 26.6 | 41.0 | 14.4 | 54.0% |

Exchange Rate (yen)

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

^{*2} 7.9%
(Excluding the impact of exchange rate)

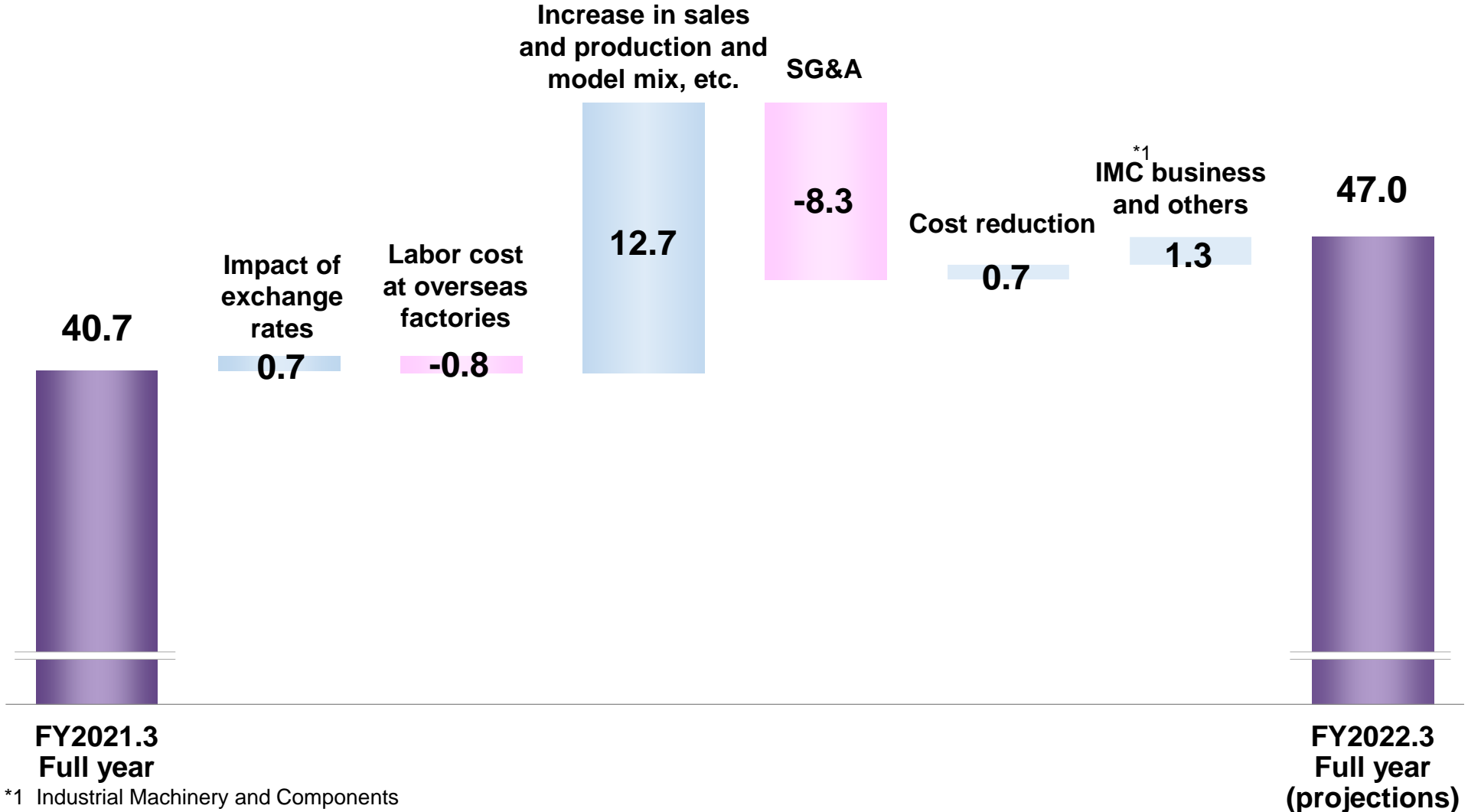
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Core Operating Profit Analysis

*Full year projections remain unchanged from the previous announcement on May 10, 2021.

Versus previous year

(billions of yen)



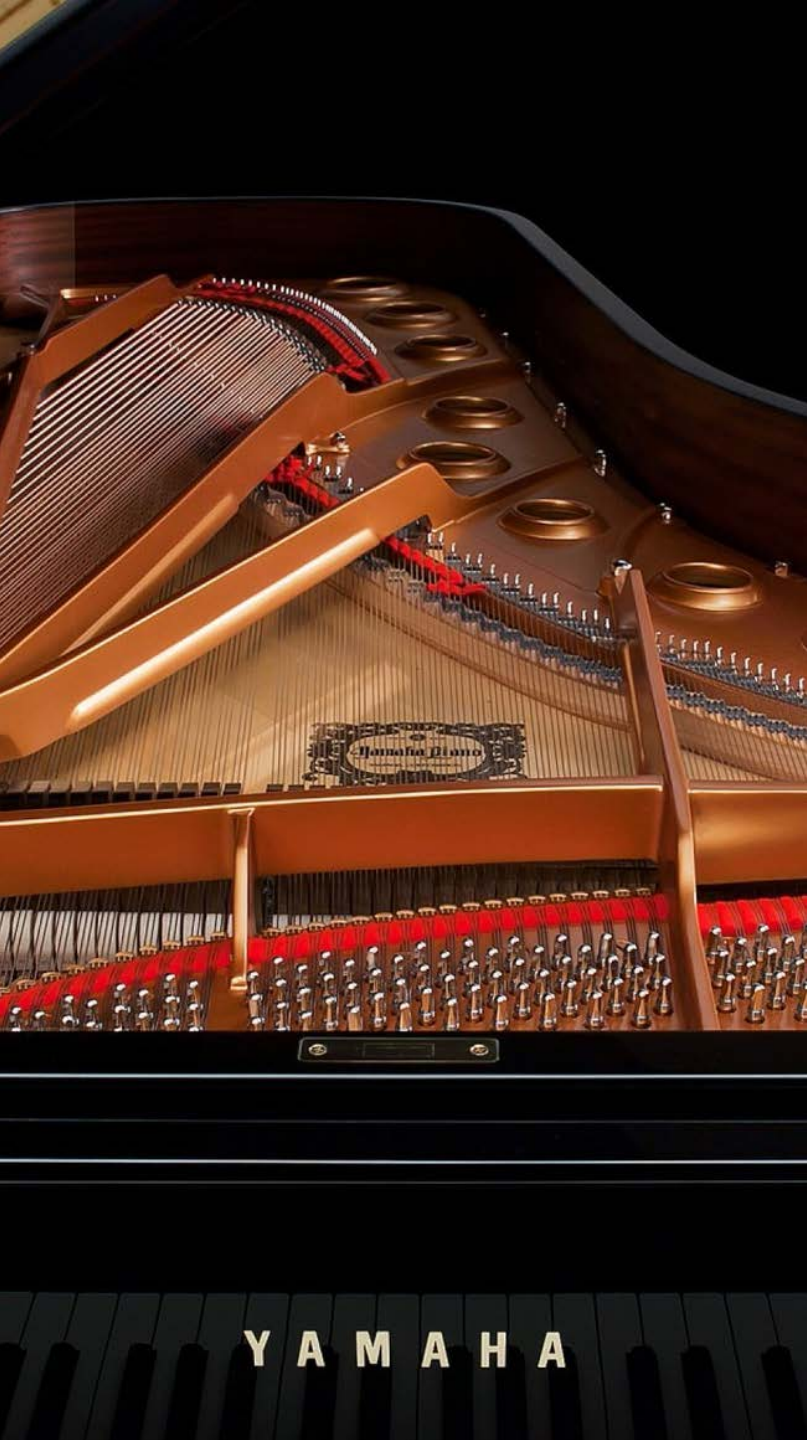
*1 Industrial Machinery and Components

Outlook by Business Segment

*Full year projections remain unchanged from the previous announcement on May 10, 2021.
(billions of yen)

| | | FY2021.3 Full Year | FY2022.3 Full year (projections) | Change | Exchange rate impact |
|---|------------------------------|-----------------------|--|-------------|-------------------------|
| Musical Instruments | Revenue | 239.0 | 258.0 | 19.0 | -1.7 |
| | Core Operating Profit | 32.4 | 36.5 | 4.1 | 0.2 |
| | Core Operating Profit Ratio | 13.6% | 14.1% | +0.5P | |
| Audio Equipment | Revenue | 103.8 | 108.0 | 4.2 | -0.4 |
| | Core Operating Profit | 7.1 | 8.0 | 0.9 | 0.5 |
| | Core Operating Profit Ratio | 6.8% | 7.4% | +0.6P | |
| IMC^{*1} Business and Others | Revenue | 29.8 | 34.0 | 4.2 | -0.1 |
| | Core Operating Profit | 1.2 | 2.5 | 1.3 | -0 |
| | Core Operating Profit Ratio | 4.1% | 7.4% | +3.3P | |

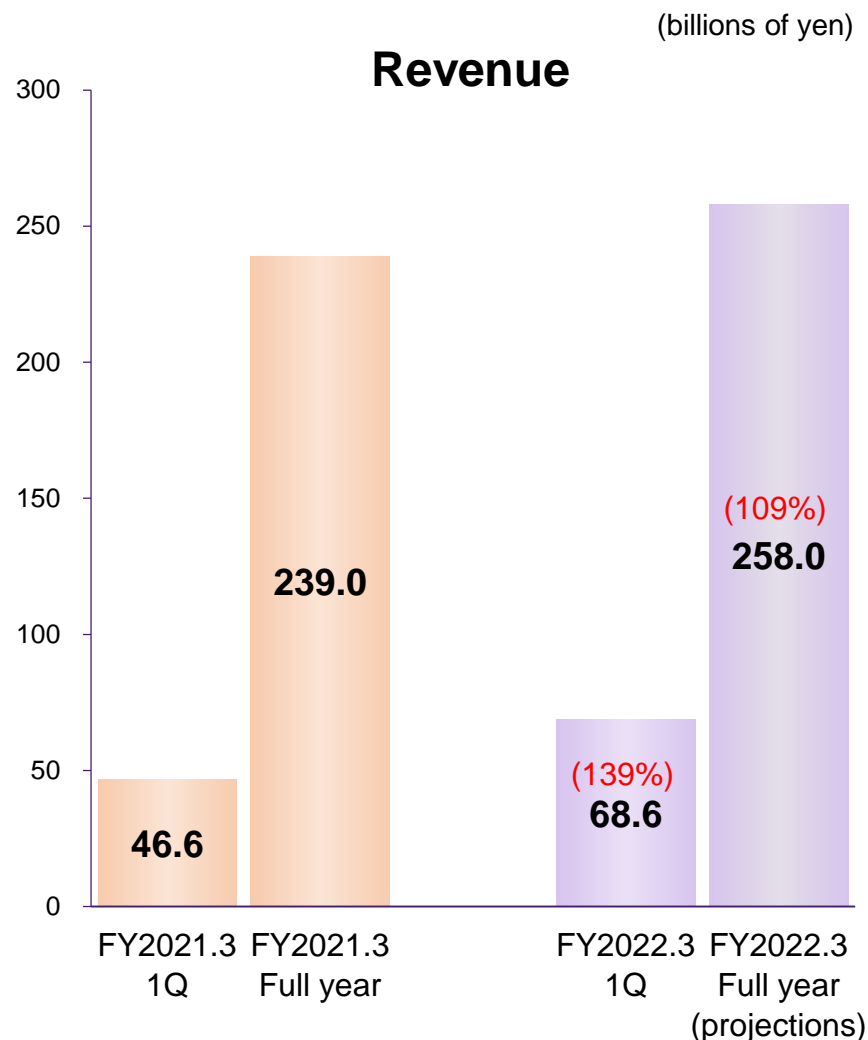
*1 Industrial Machinery and Components



2. Segment Overview & Updates

Y A M A H A

Segment Revenue and Core Operating Profit

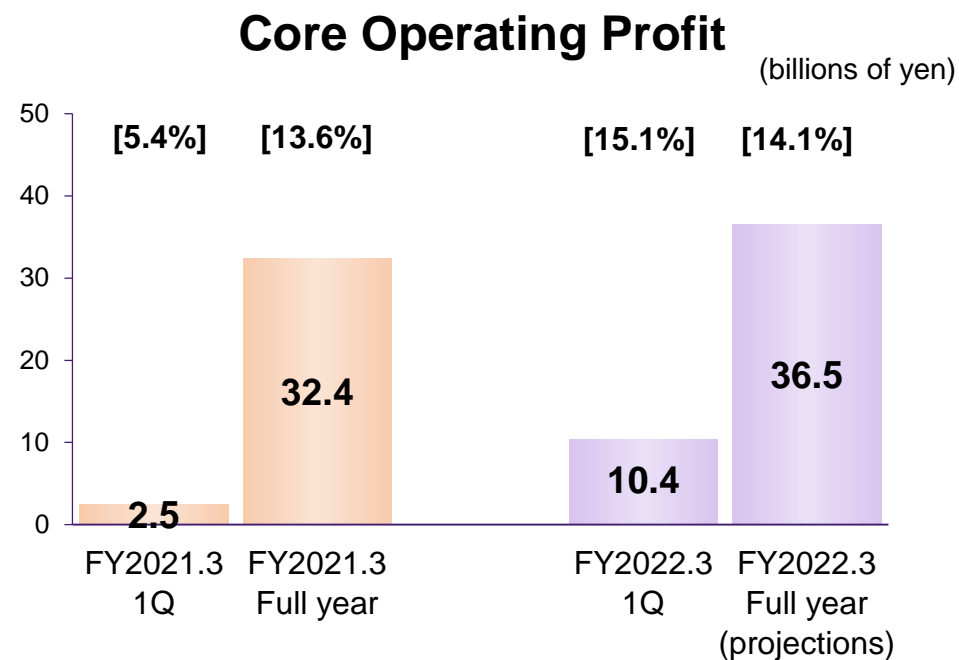


Three months: Double-digit revenue growth in all product categories

- Although supply shortages continued, sales for pianos, digital musical instruments, and guitars were higher than in FY2020.3, before COVID-19 struck, partly due to strong demand. Sales of wind, string, and percussion instruments were around 80% of pre-COVID levels.
- Market conditions rallied in all regions, and sales rebounded to pre-COVID levels everywhere except Japan.

FY2022.3 projections: Forecasting increased revenue and profit due to a recovery in market conditions

- Revenue is expected to increase in all categories due to the recovery in market conditions, despite the uncertain outlook for the impact of COVID-19, semiconductor procurement and other factors.
- All regions are expected to recover.



Revenue by Major Product Category

(billions of yen)

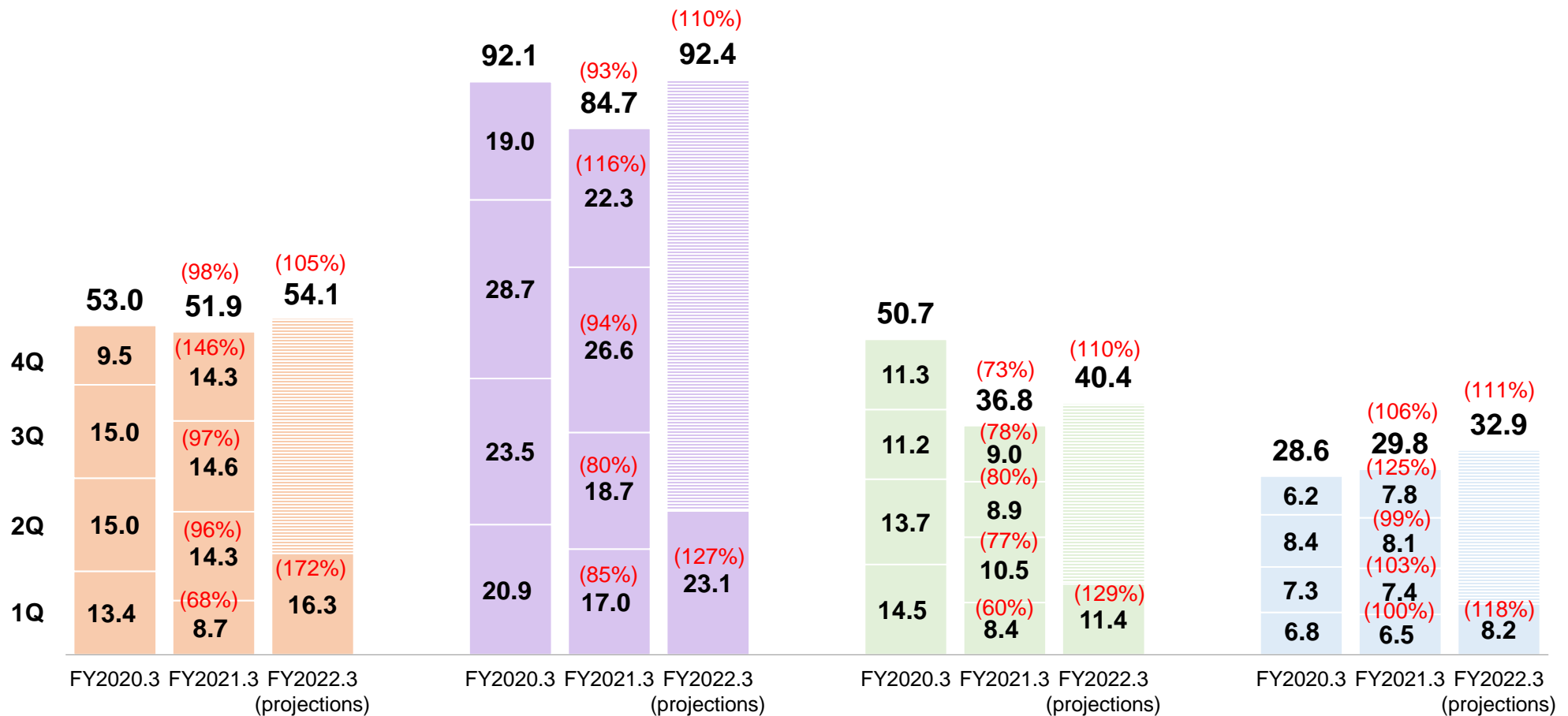
Pianos

Digital Musical Instruments

Winds, Strings /Percussion

Guitars

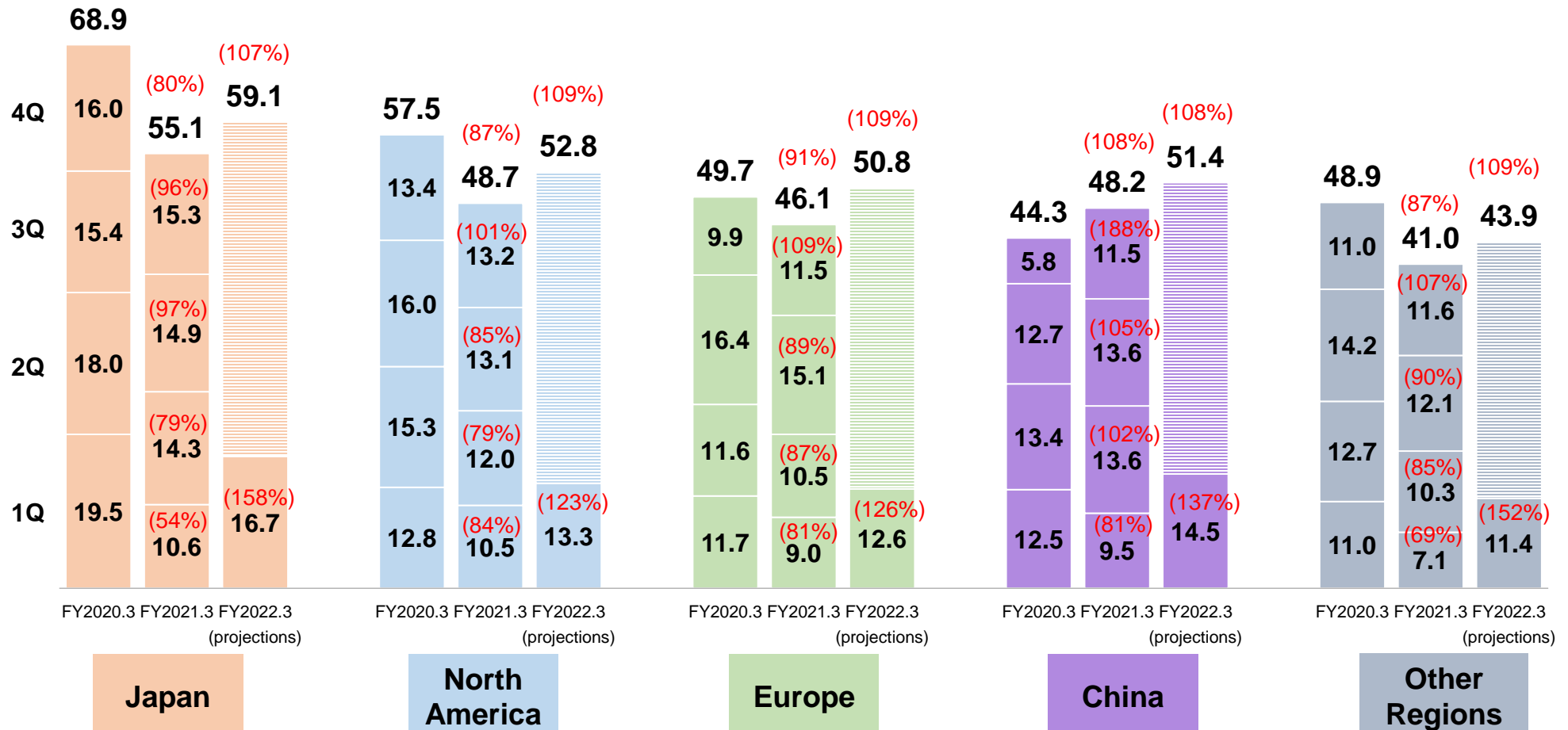
* Guitars include Line 6 and Ampeg products



Red figures show actual YoY changes discounting impact of exchange rates

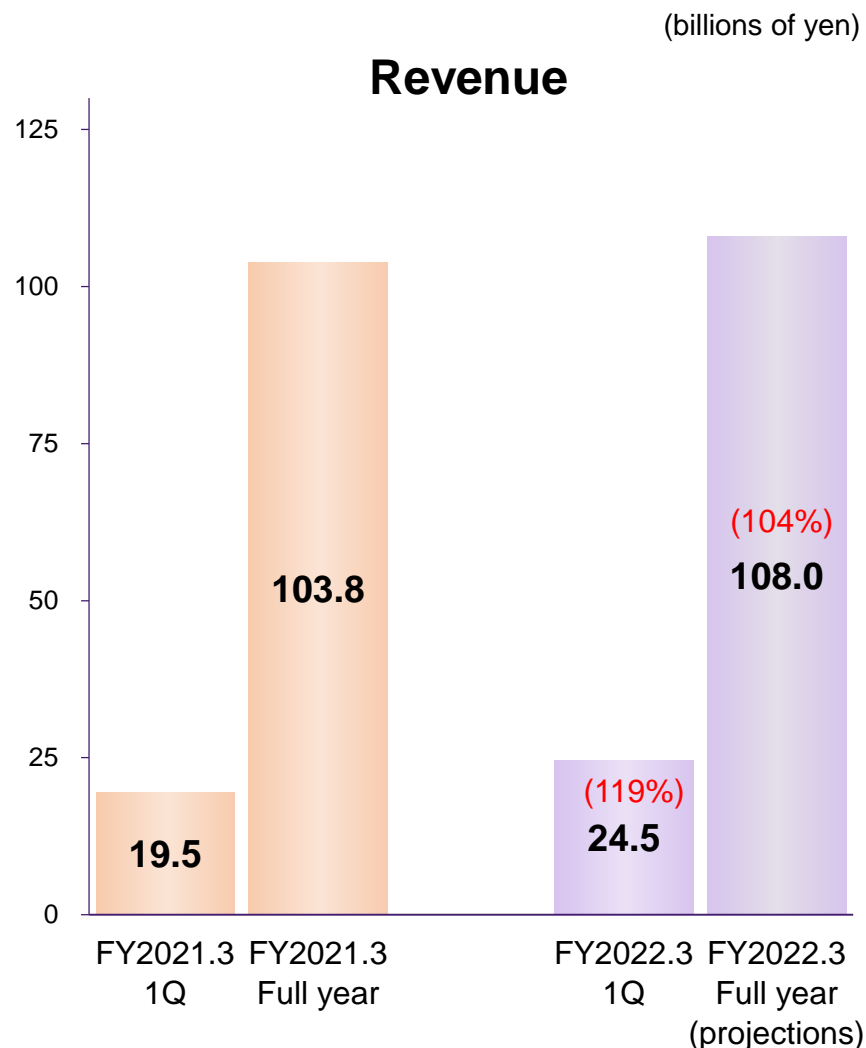
Revenue by Region

(billions of yen)



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

Segment Revenue and Core Operating Profit

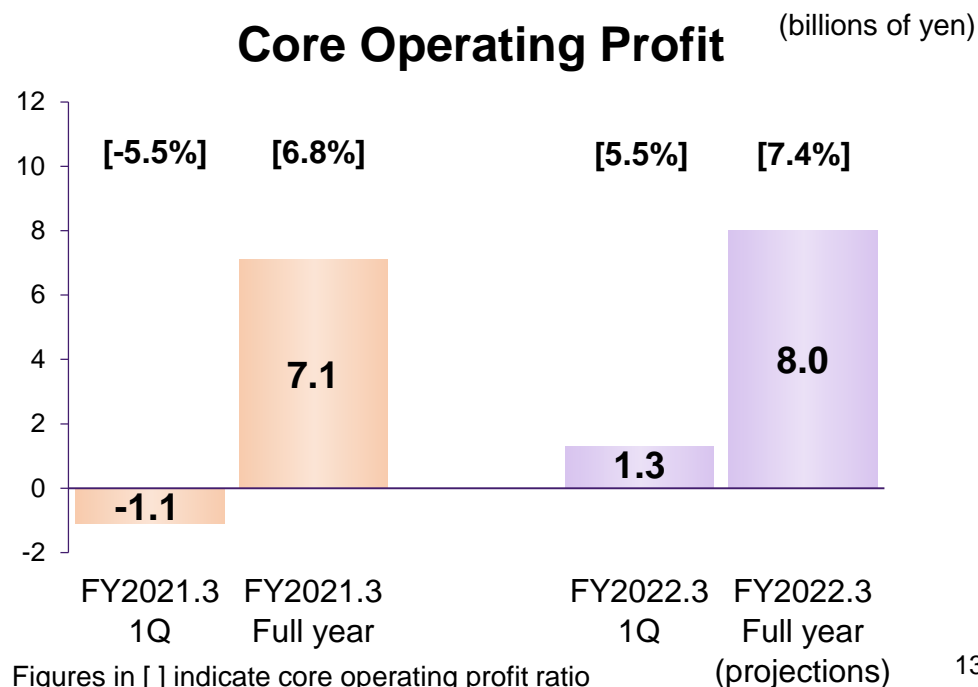


Three months: AV product sales declined, but PA equipment market is on a recovery trend.

- AV products: Sales decreased due to semiconductor shortages.
- PA equipment: Rebound of live performance market in Europe and America.
- ICT equipment: Sales remained robust.
- In North America, there was a firm recovery in PA equipment sales, but AV products struggled due to supply shortages.

FY2022.3 projections: Despite supply shortage, PA recovery and ICT growth expected to continue.

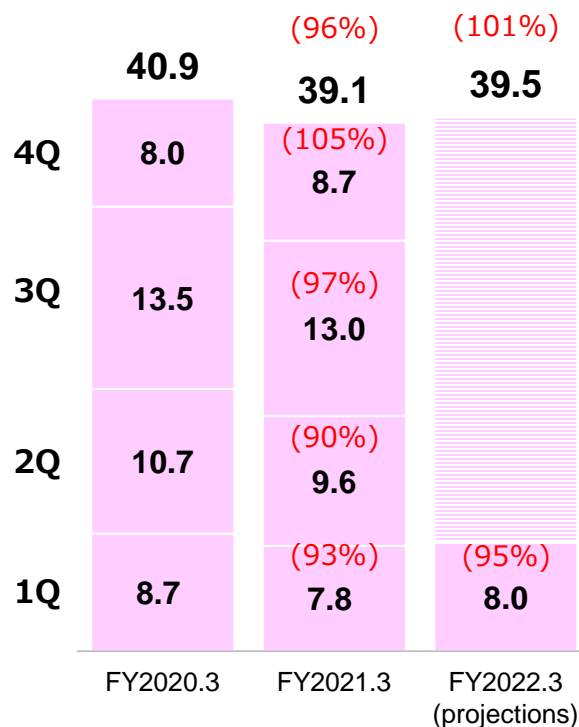
- AV products: growth expected in sound bars and earphones, but risk of shortages in semiconductors remains.
- PA equipment: expecting a recovery in the CA equipment market
- ICT equipment: expecting high demand for UC* and network-related equipment to continue
- *UC products: conference systems



Revenue by Major Product Category

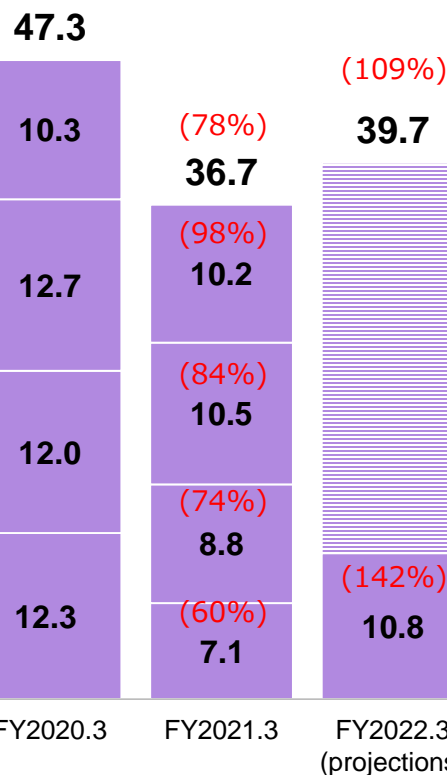
(billions of yen)

AV Products

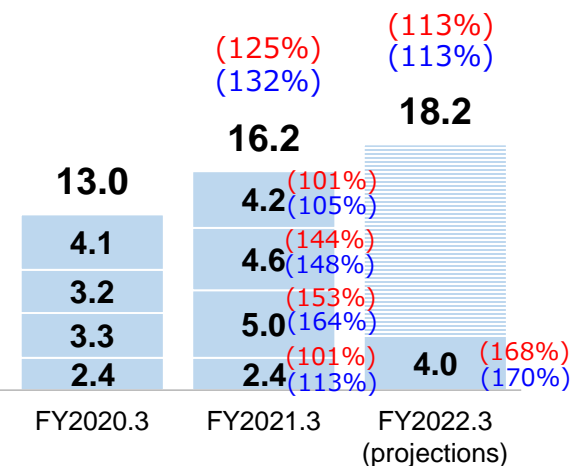


PA Equipment

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



ICT Equipment

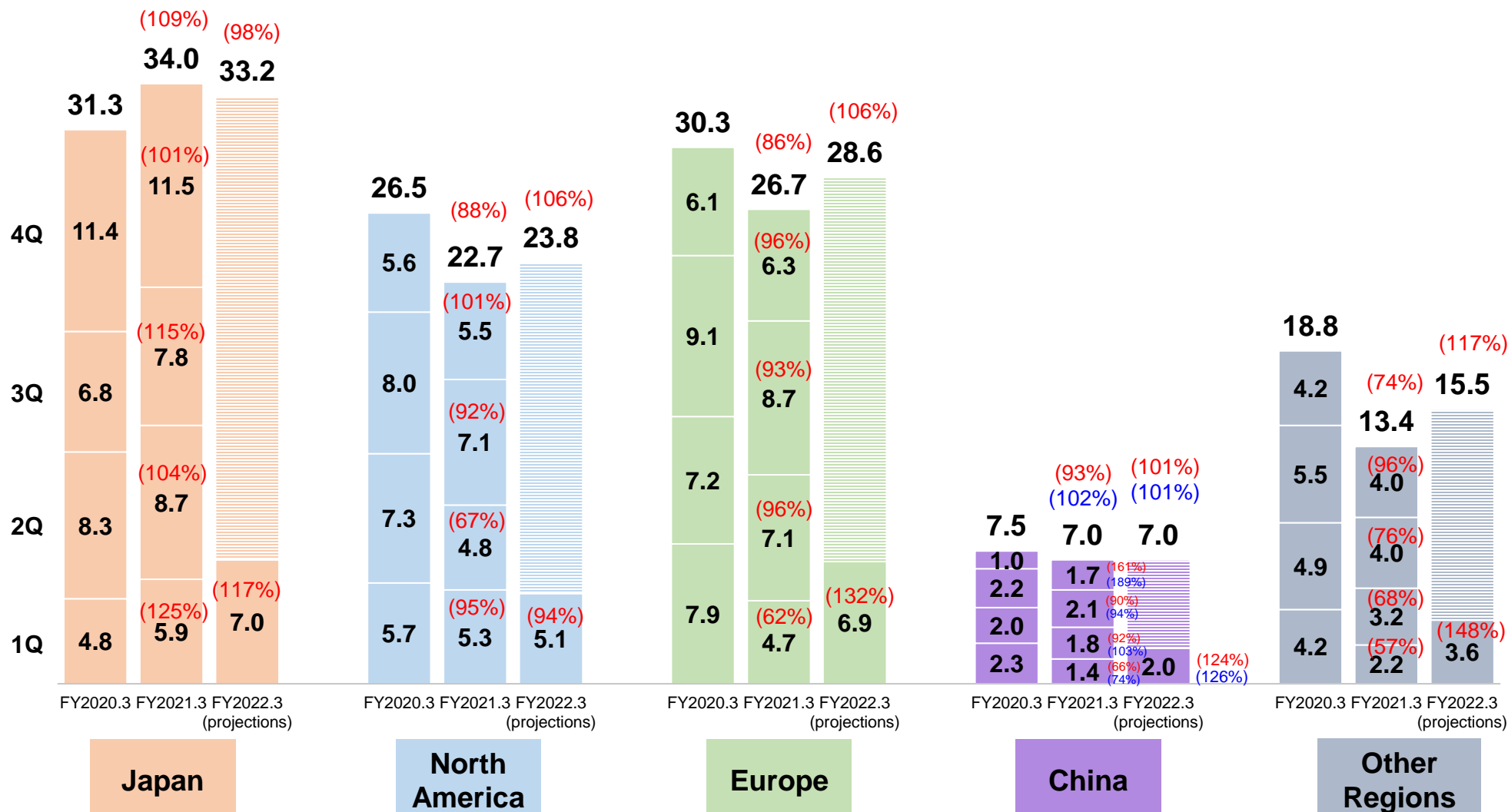


Red figures show actual YoY changes discounting impact of exchange rates

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

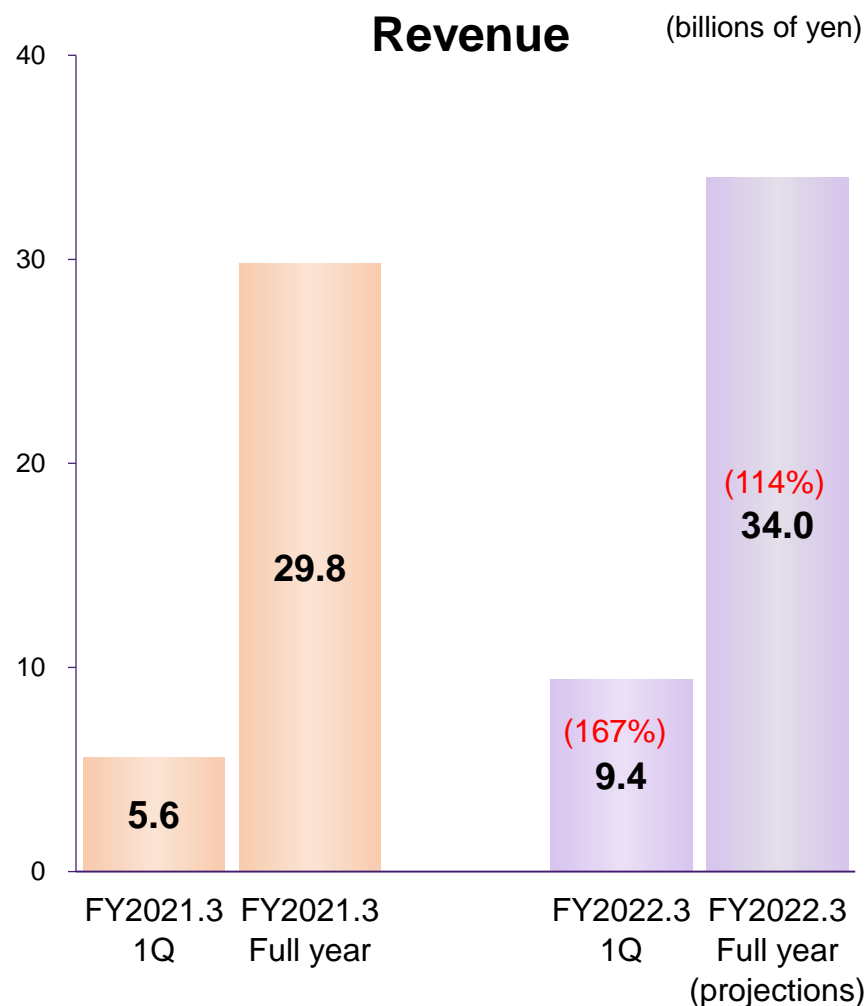
Revenue by Region

(billions of yen)



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

Segment Revenue and Core Operating Profit

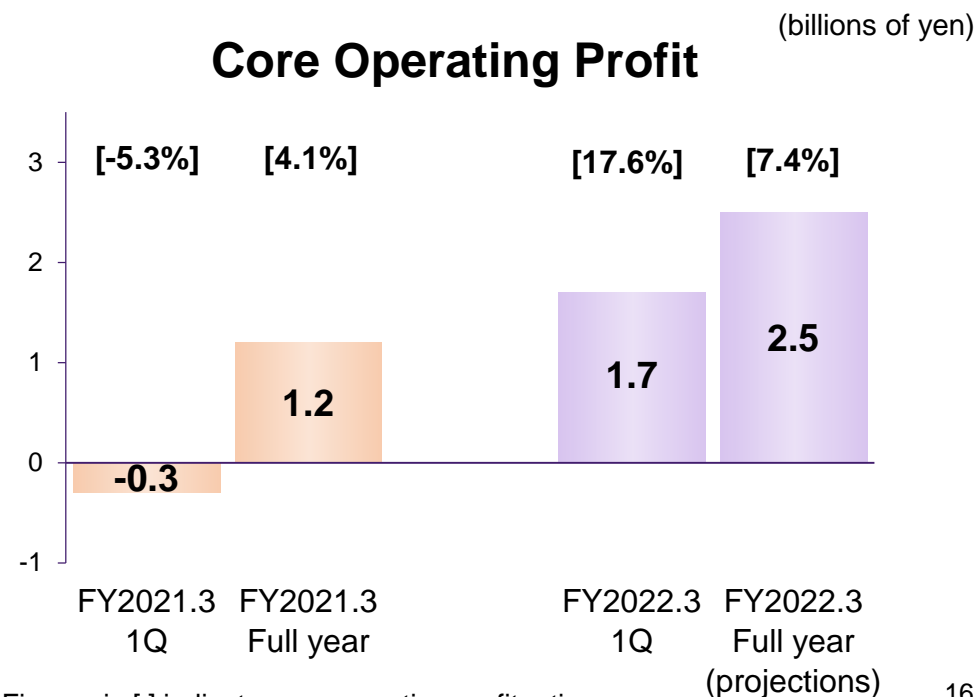


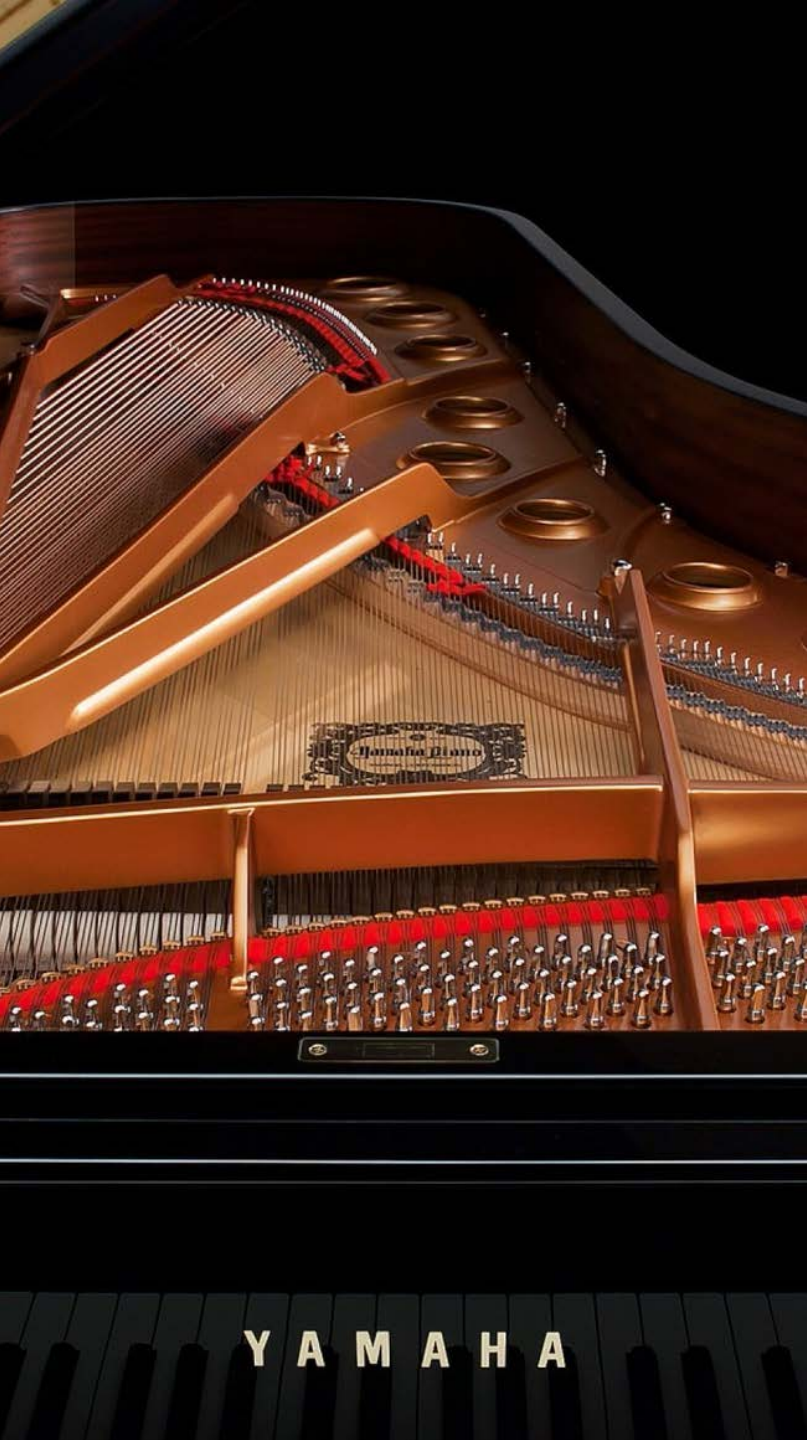
Three months:

- Sales of electronic devices, automobile interior wood components, and factory automation equipment all increased due to recovery in market conditions

FY2022.3 projections:

- Yamaha's automotive sound system expected to expand
- Demand for automobile interior wood components also expected to remain firm





3. Other Financial Figures

Balance Sheet Summary

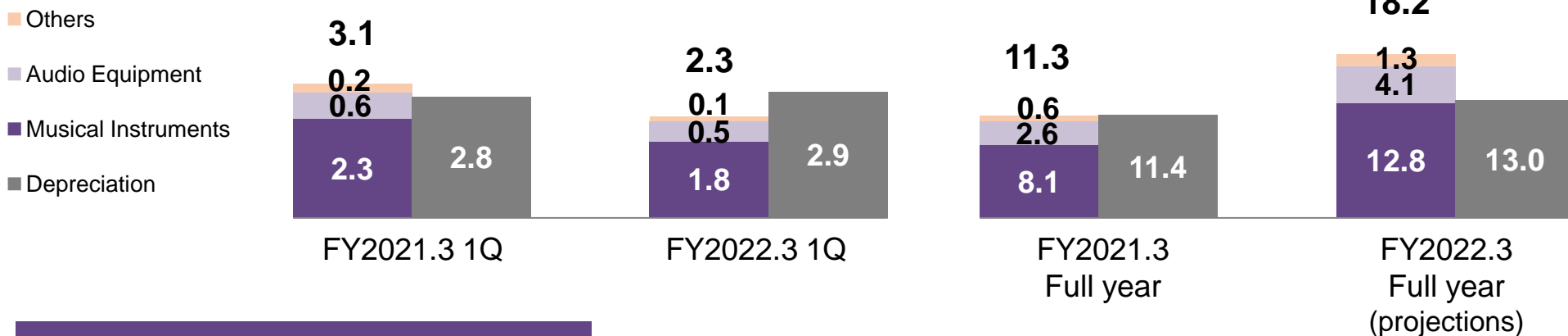
(billions of yen)

| | As of March 31, 2021 | As of June 30, 2021 | Change | As of March 31, 2022 (projections) |
|-------------------------------------|-------------------------|------------------------|-------------|--|
| Cash and cash equivalents | 129.3 | 141.1 | 11.8 | 148.4 |
| Trade and other receivables | 57.3 | 54.5 | -2.9 | 60.7 |
| Other financial assets | 8.6 | 6.5 | -2.1 | 8.8 |
| Inventories | 96.8 | 97.4 | 0.6 | 101.0 |
| Other current assets | 9.1 | 7.5 | -1.5 | 7.9 |
| Non-current assets | 256.5 | 269.9 | 13.4 | 259.1 |
| Total Assets | 557.6 | 576.9 | 19.3 | 585.9 |
| Current liabilities | 100.9 | 95.0 | -5.8 | 100.1 |
| Non-current liabilities | 59.8 | 65.9 | 6.1 | 59.4 |
| Total equity | 396.9 | 416.0 | 19.0 | 426.4 |
| Total liabilities and equity | 557.6 | 576.9 | 19.3 | 585.9 |

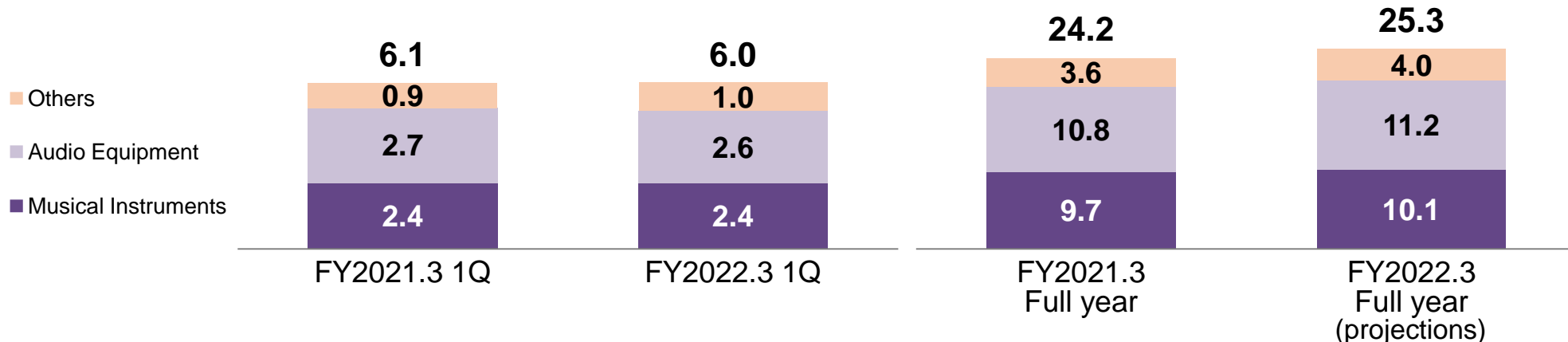
Capital Expenditure/Depreciation, R&D Expense

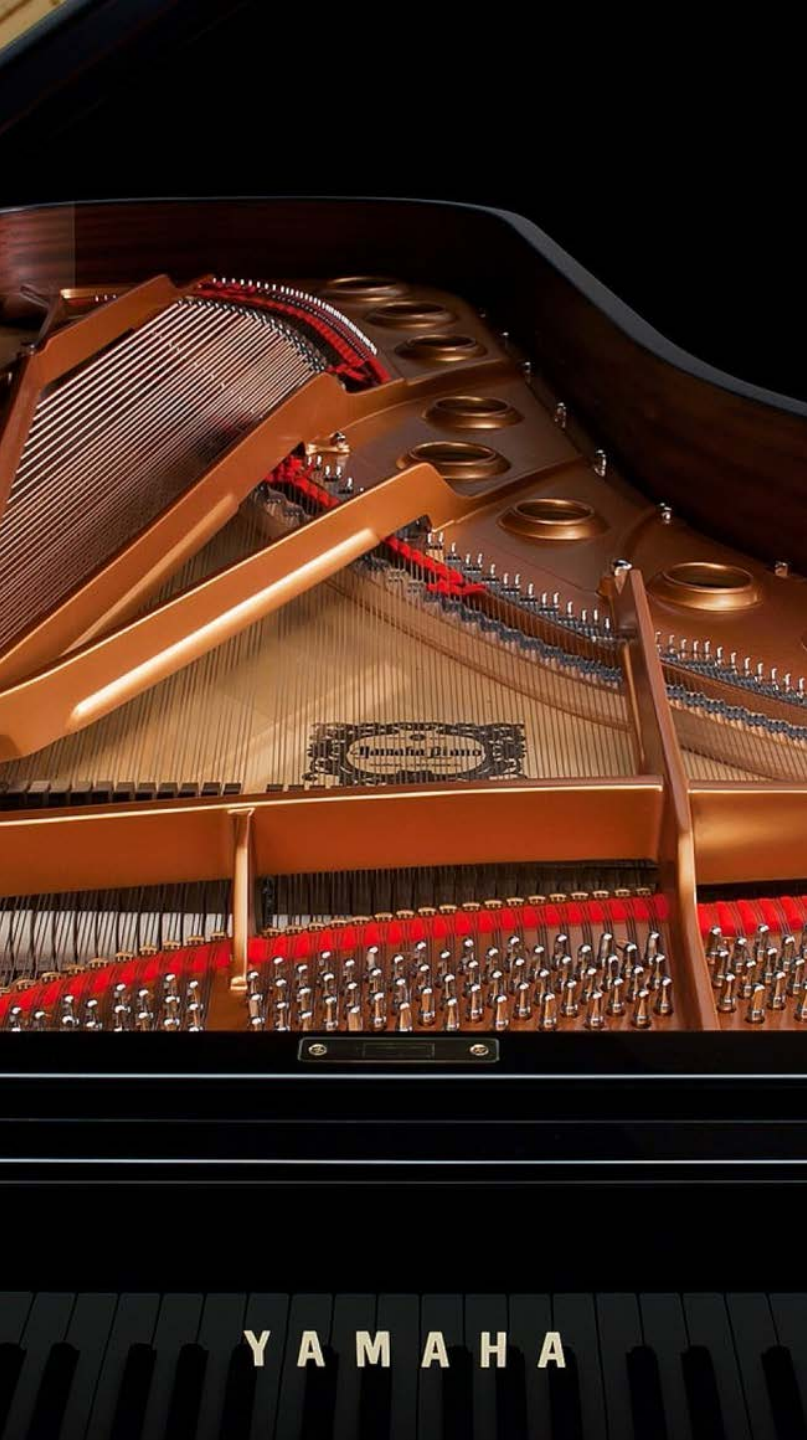
Capital Expenditure/Depreciation

(billions of yen)



R&D Expenses





Appendix

1Q Other Income and Expenses

(billions of yen)

| | | FY2021.3 1Q | FY2022.3 1Q |
|--|--|-------------|-------------|
| Core Operating Profit | | 1.1 | 13.4 |
| Other Income and Expenses | Profit from (loss on) disposal of fixed assets | 0 | 4.7 |
| | Others | -2.7 | 0.2 |
| | Total | -2.6 | 4.9 |
| Operating Profit | | -1.5 | 18.3 |
| Financial Income and Expenses | Dividends income | 0.3 | 0.3 |
| | Others | -0.5 | 0.1 |
| | Total | -0.2 | 0.4 |
| Profit before Income Taxes | | -1.7 | 18.7 |
| Income taxes | | 0.1 | 5.3 |
| Net profit attributable to non-controlling interests | | 0 | 0 |
| Net Profit^{*1} | | -1.8 | 13.4 |

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

Full Year Other Income and Expenses

*Full year projections remain unchanged from the previous announcement on May 10, 2021.

(billions of yen)

| | | FY2021.3 Full year | FY2022.3 Full year (projections) |
|--|--|-----------------------|--|
| Core Operating Profit | | 40.7 | 47.0 |
| Other Income and Expenses | Profit from (loss on) disposal of fixed assets | -0.1 | 4.7 |
| | Others | -5.6 | 0.3 |
| | Total | -5.7 | 5.0 |
| Operating Profit | | 35.0 | 52.0 |
| Financial Income and Expenses | Dividends income | 2.7 | 3.6 |
| | Others | -0.6 | -0.1 |
| | Total | 2.1 | 3.5 |
| Profit before Income Taxes | | 37.1 | 55.5 |
| Income taxes | | 10.4 | 14.4 |
| Net profit attributable to non-controlling interests | | 0.1 | 0.1 |
| Net Profit^{*1} | | 26.6 | 41.0 |

*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.