

# 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

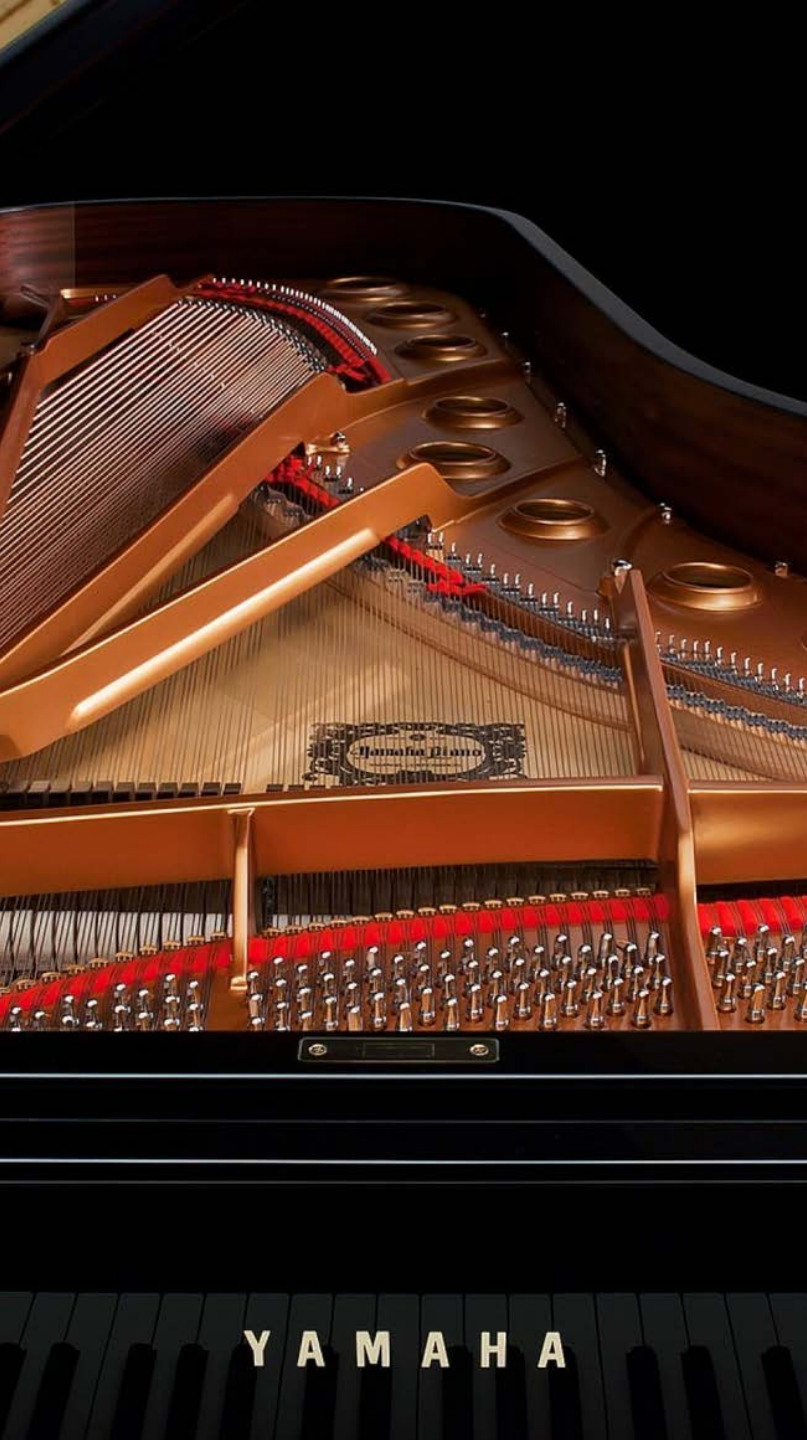
### FY2022.3 1H Achievements

- 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	
<b>Revenue</b>	164.8	<b>198.5</b>	+33.7	+20.4% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	13.0 (7.9%)	<b>23.5</b> (11.8%)	+10.5	+80.4%
<b>Net Profit</b> <sup>*1</sup>	7.1	<b>21.4</b>	+14.4	+202.6%

Exchange Rate (yen)		FY2021.3 1H	FY2022.3 1H
<b>Revenue</b> (Average rate during the period)	<b>US\$</b>	107	<b>110</b>
	<b>EUR</b>	121	<b>131</b>
<b>Profit</b> (Settlement rate)	<b>US\$</b>	107	<b>110</b>
	<b>EUR</b>	119	<b>129</b>

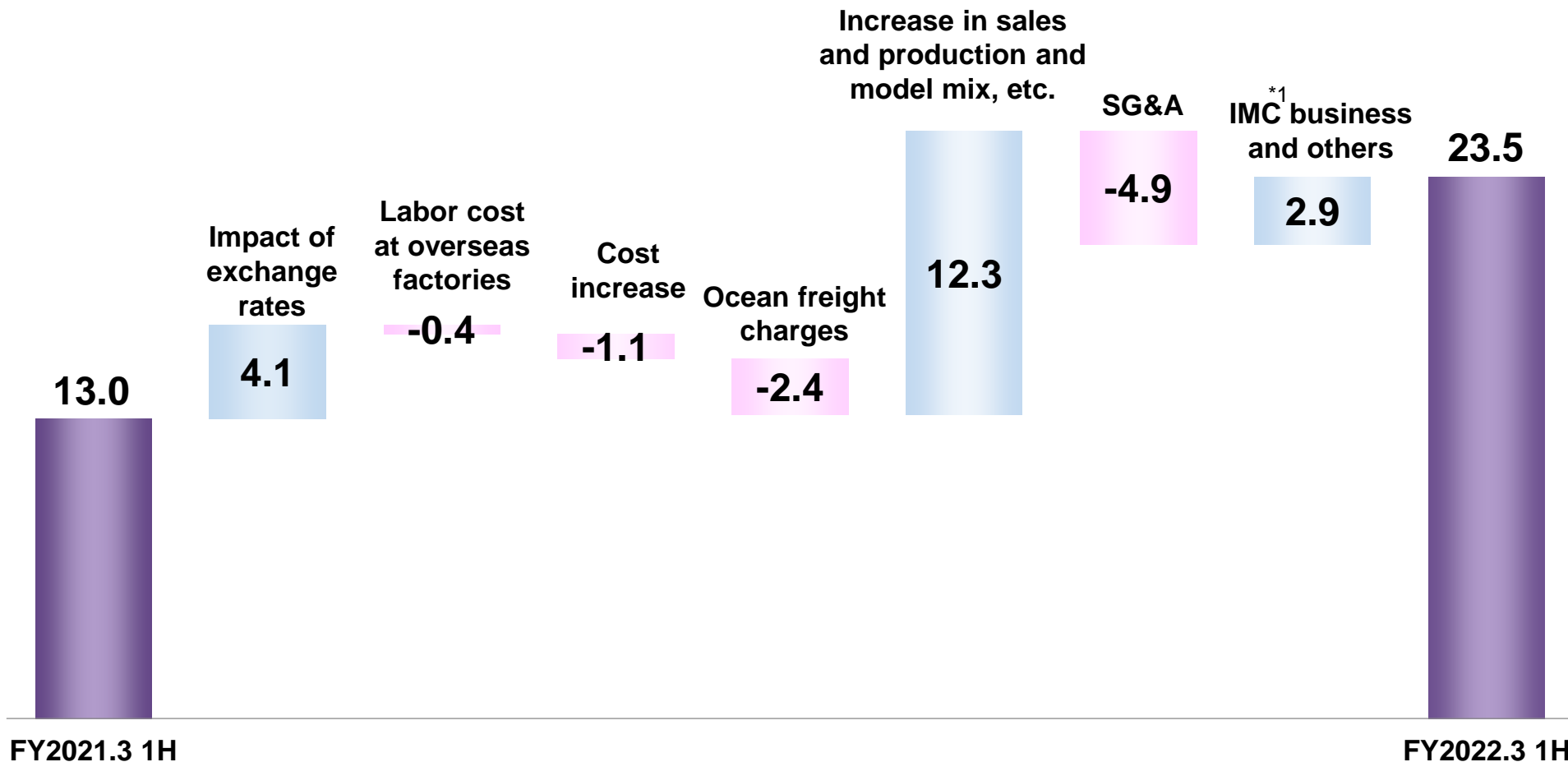
<sup>\*2</sup> +14.8%  
(Excluding the impact of exchange rate)

\*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
<b>Musical Instruments</b>	<b>Revenue</b>	<b>107.2</b>	<b>133.8</b>	<b>+26.6</b>	<b>7.1</b>
	<b>Core Operating Profit</b>	<b>11.7</b>	<b>19.3</b>	<b>+7.5</b>	<b>3.3</b>
	Core Operating Profit Ratio	10.9%	14.4%	+3.5P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>45.2</b>	<b>47.4</b>	<b>+2.2</b>	<b>2.1</b>
	<b>Core Operating Profit</b>	<b>1.6</b>	<b>1.6</b>	<b>0</b>	<b>0.8</b>
	Core Operating Profit Ratio	3.5%	3.4%	-0.1P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>12.4</b>	<b>17.2</b>	<b>+4.9</b>	<b>0.2</b>
	<b>Core Operating Profit</b>	<b>-0.3</b>	<b>2.6</b>	<b>+2.9</b>	<b>0</b>
	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
<b>Revenue</b>	372.6	<b>400.0</b>	<b>390.0</b>	+17.4	-10.0
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	40.7 (10.9%)	<b>47.0</b> (11.8%)	<b>40.0</b> (10.3%)	-0.7	-7.0
<b>Net Profit</b> <sup>*1</sup>	26.6	<b>41.0</b>	<b>34.5</b>	+7.9	-6.5

## Exchange Rate (yen)

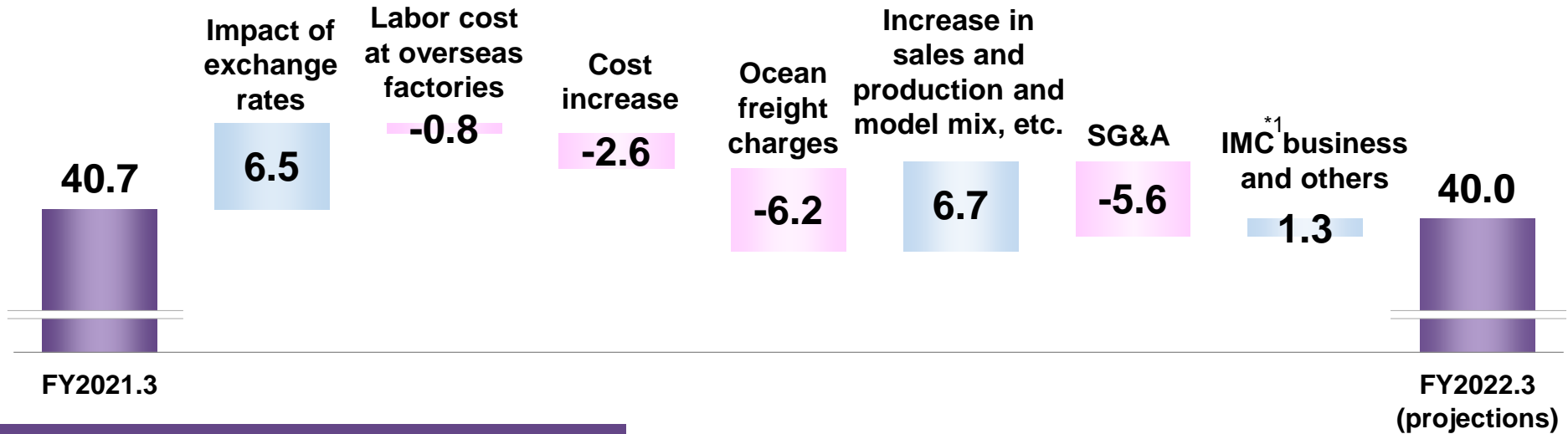
<b>Revenue</b> (Average rate during the period)	<b>US\$</b>	106	<b>105</b>	<b>107</b>
	<b>EUR</b>	124	<b>125</b>	<b>129</b>
<b>Profit</b> (Settlement rate)	<b>US\$</b>	106	<b>105</b>	<b>107</b>
	<b>EUR</b>	121	<b>125</b>	<b>129</b>

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

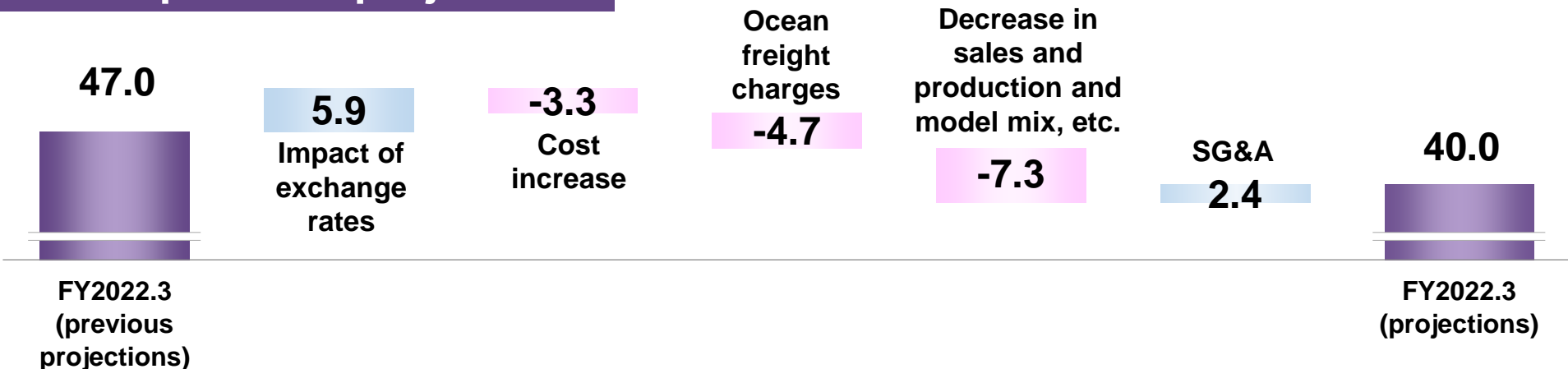
# Core Operating Profit Analysis

(billions of yen)

## Versus previous year



## Versus previous projections



\*1 Industrial Machinery and Components

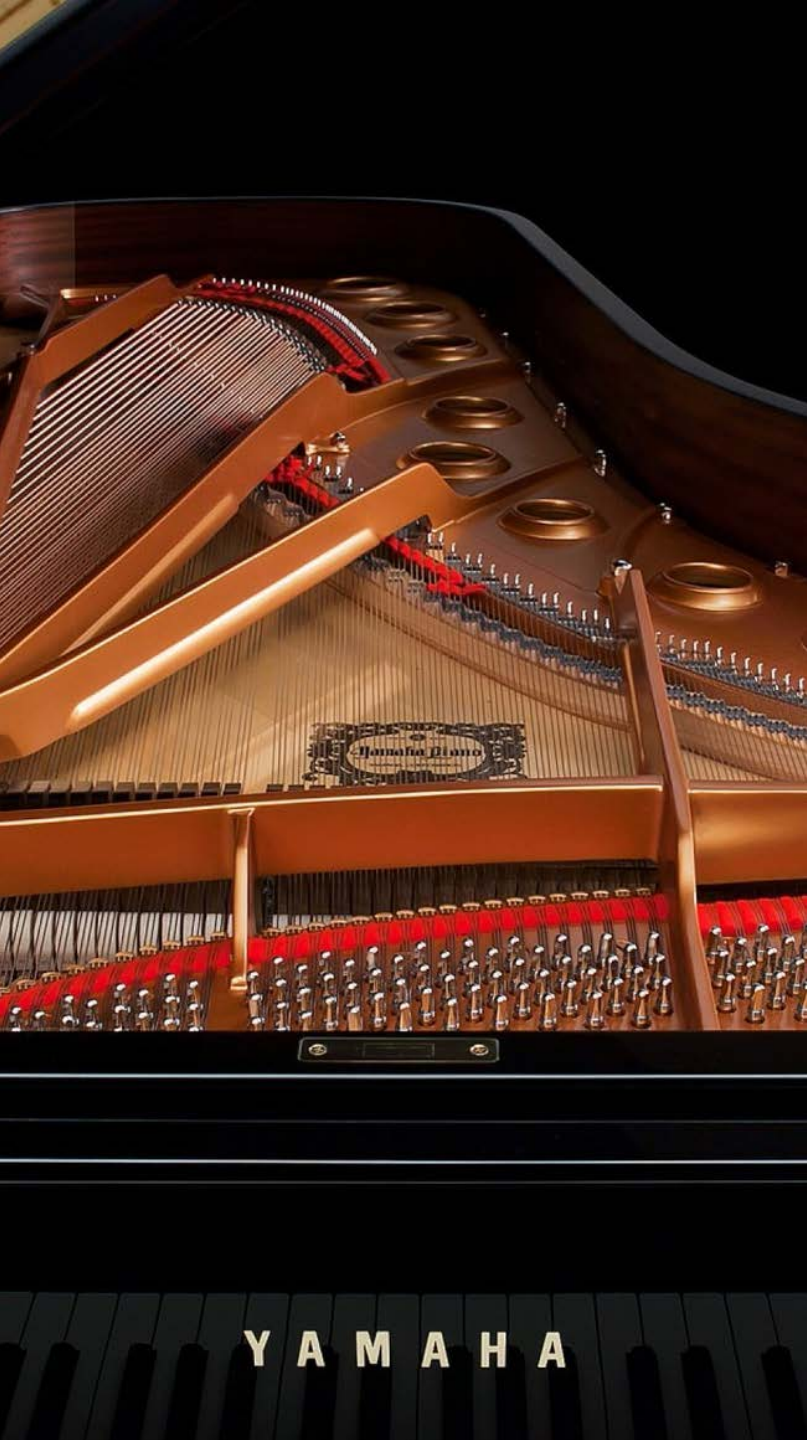


# Outlook by Business Segment

(billions of yen)

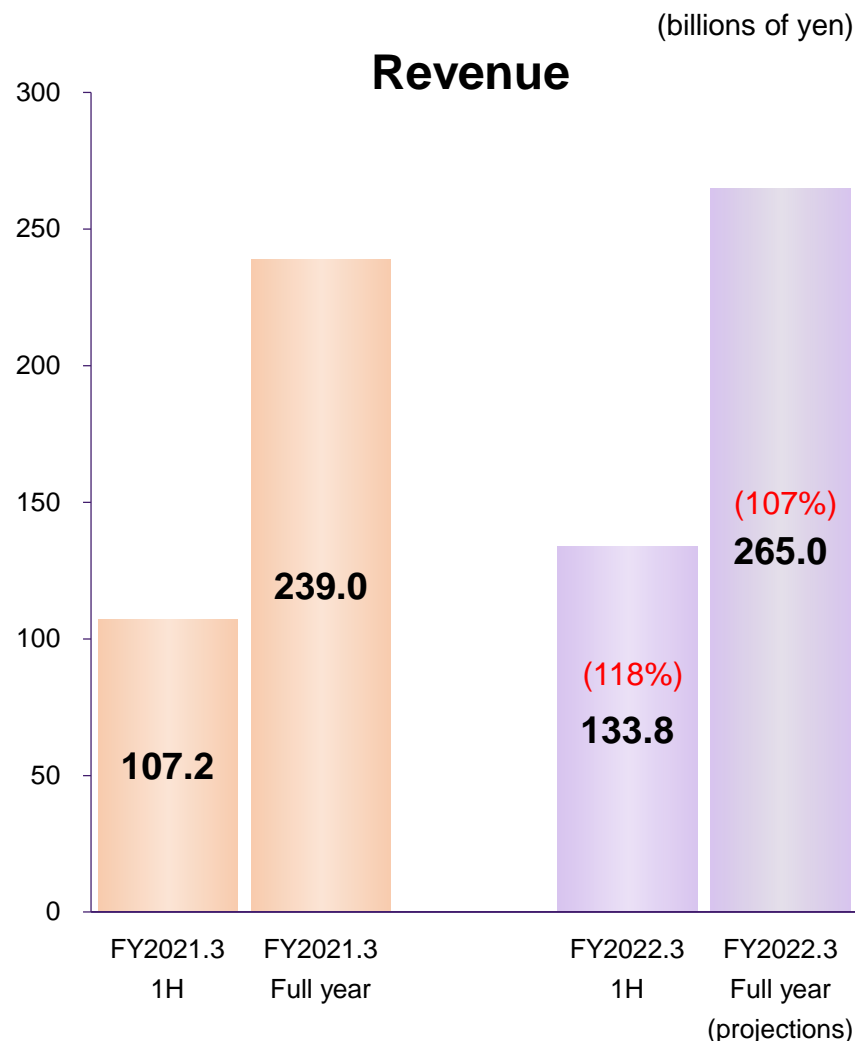
		FY2021.3 Full year	FY2022.3 Full year (projections)	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>239.0</b>	<b>265.0</b>	<b>+26.0</b>	<b>8.4</b>
	<b>Core Operating Profit</b>	<b>32.4</b>	<b>36.5</b>	<b>+4.1</b>	<b>5.2</b>
	Core Operating Profit Ratio	13.6%	13.8%	+0.2P	
<b>Audio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

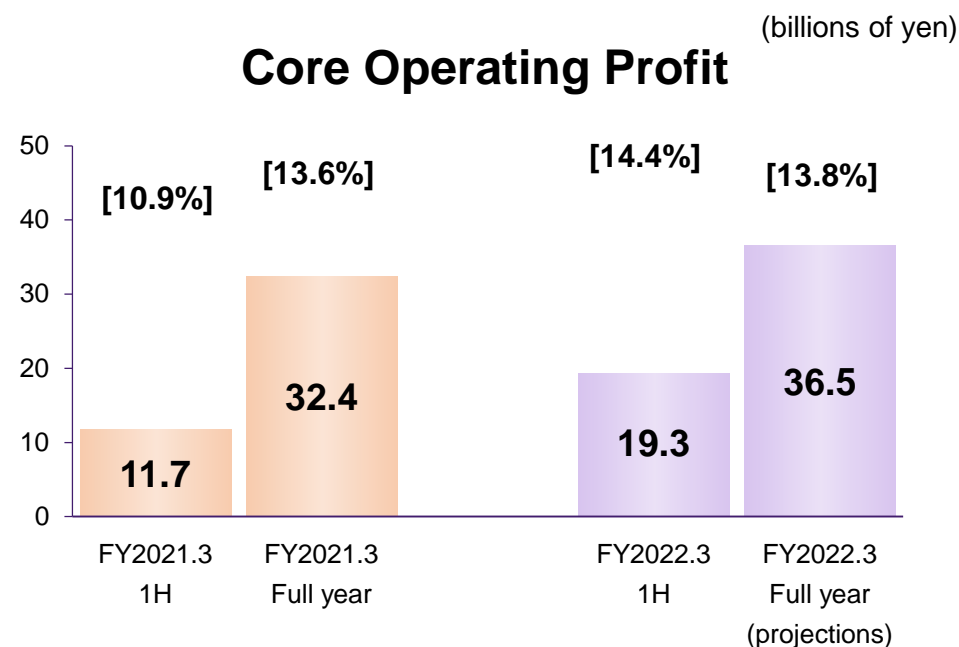


### 1H overview: Revenue increased in all product categories

- 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)

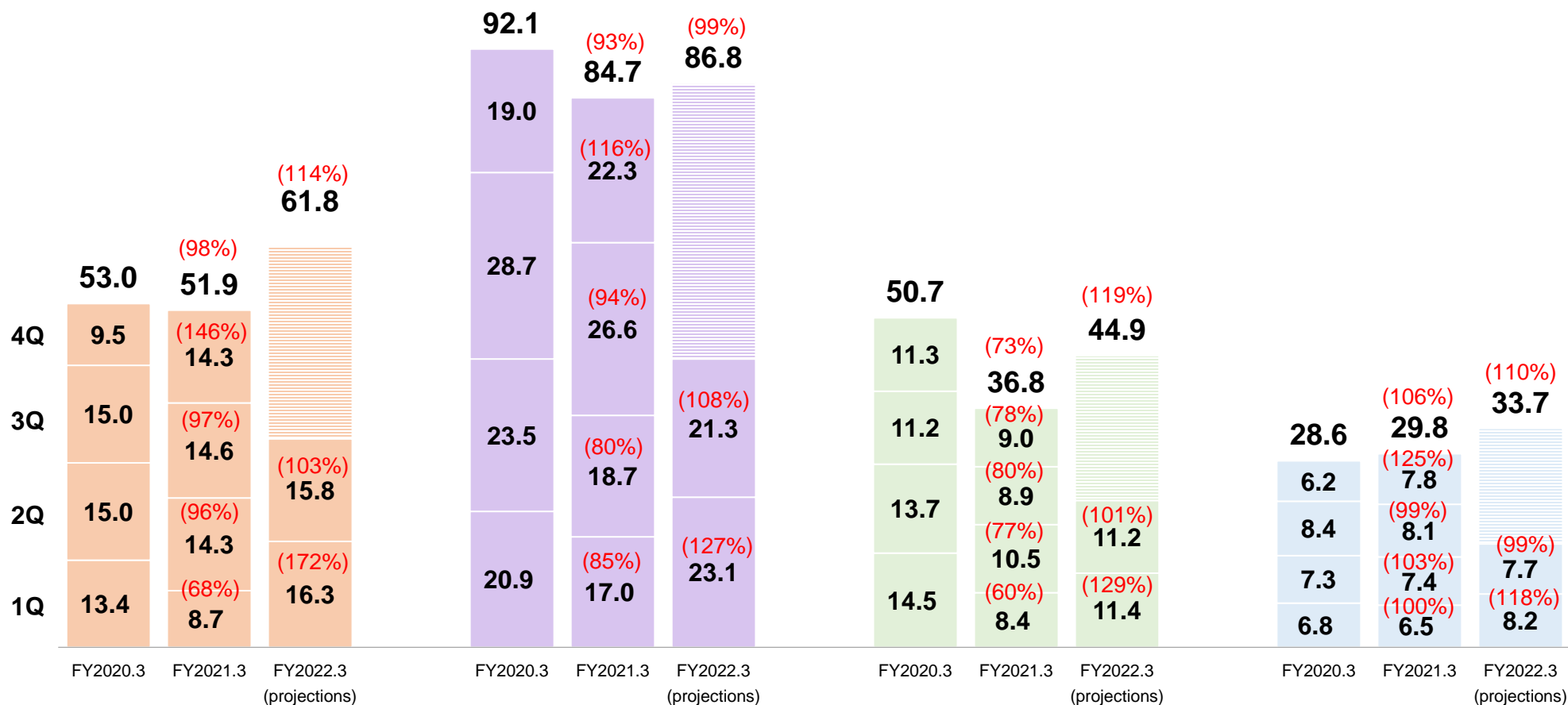
## Pianos

## Digital Musical Instruments

## Winds, Strings /Percussion

## Guitars

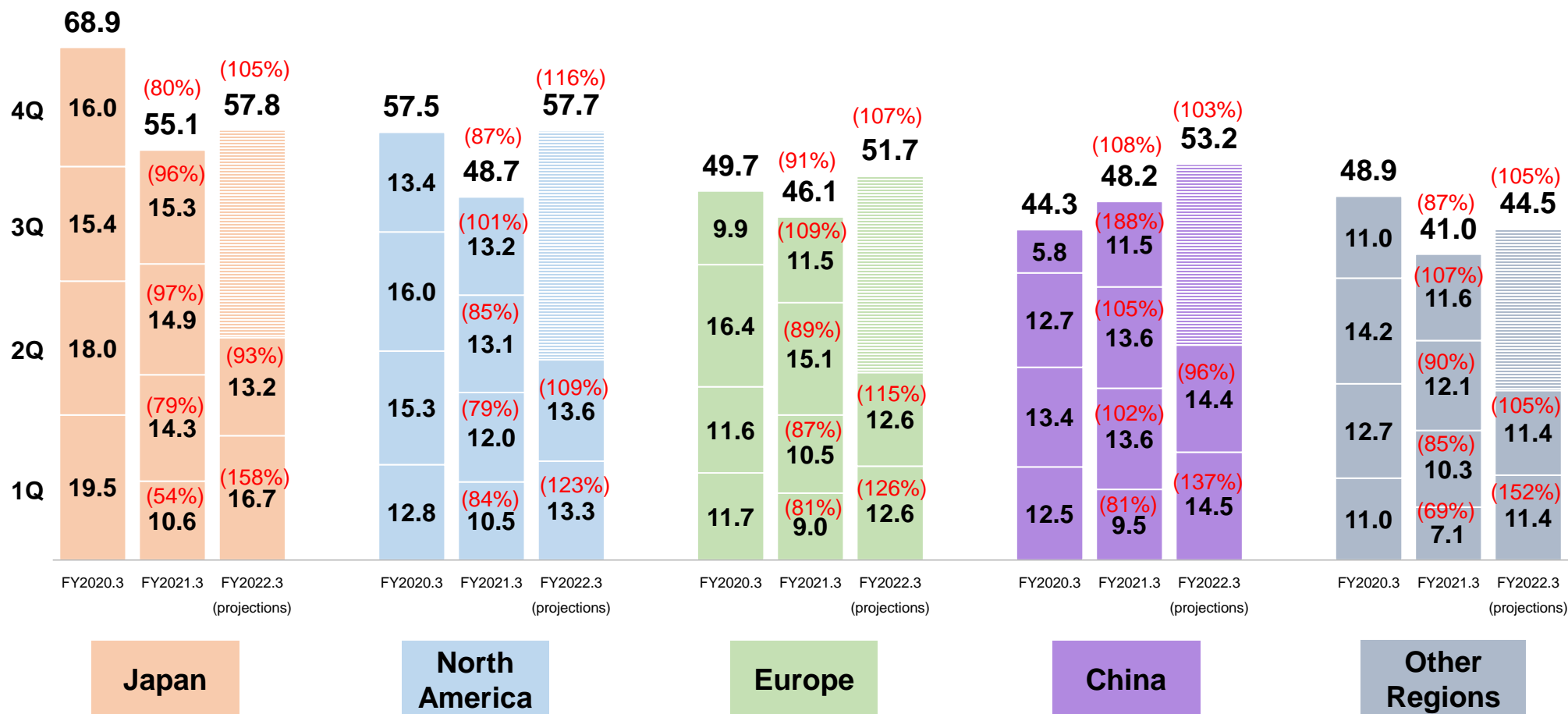
\* Guitars include Line 6 and Ampeg products



Red figures show actual YoY changes discounting impact of exchange rates

# Revenue by Region

(billions of yen)

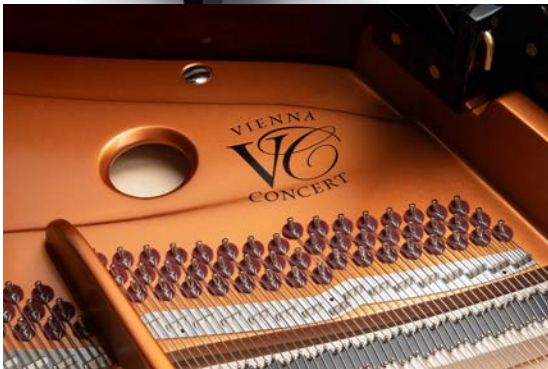


\* Software products and music schools included  
 Red figures show actual YoY changes discounting impact of exchange rates

# 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](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/dtx10_series/index.html)  
[https://usa.yamaha.com/products/musical\\_instruments/drums/el\\_drums/drum\\_kits/dtx8\\_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/](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**



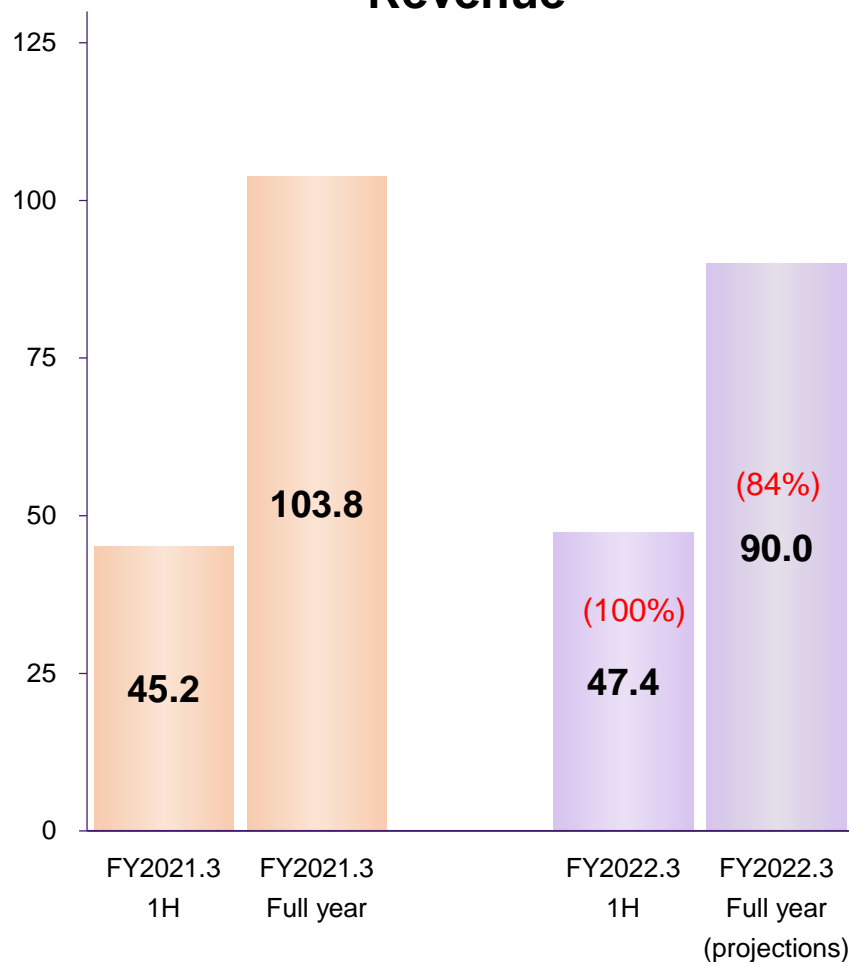
**THR-II Guitar Amp  
Gold Award**

[https://www.yamaha.com/en/news\\_release/2021/21102601/](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**

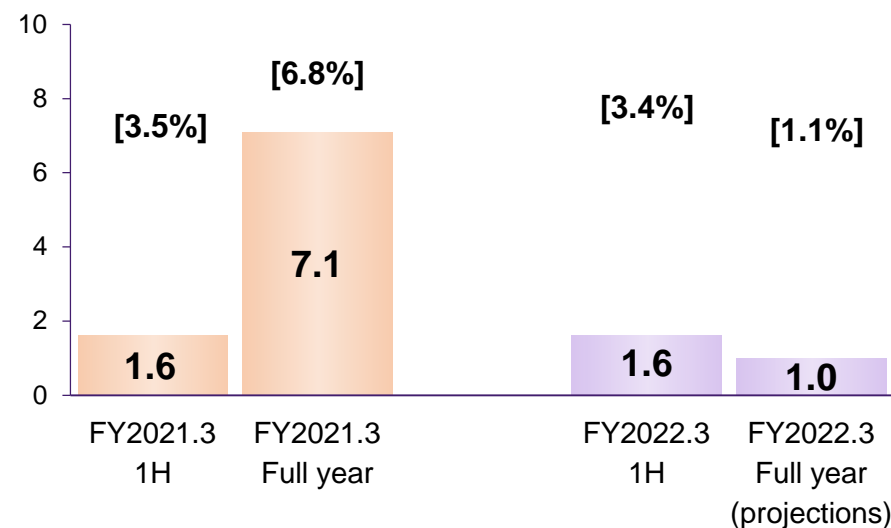
- AV products: revenue declined due to supply shortages stemming from factors including operating restrictions at overseas factories and difficulties procuring semiconductors.
- PA equipment: demand trended upward as it started to shift from stay-at-home to live performance activities.
- ICT equipment: 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

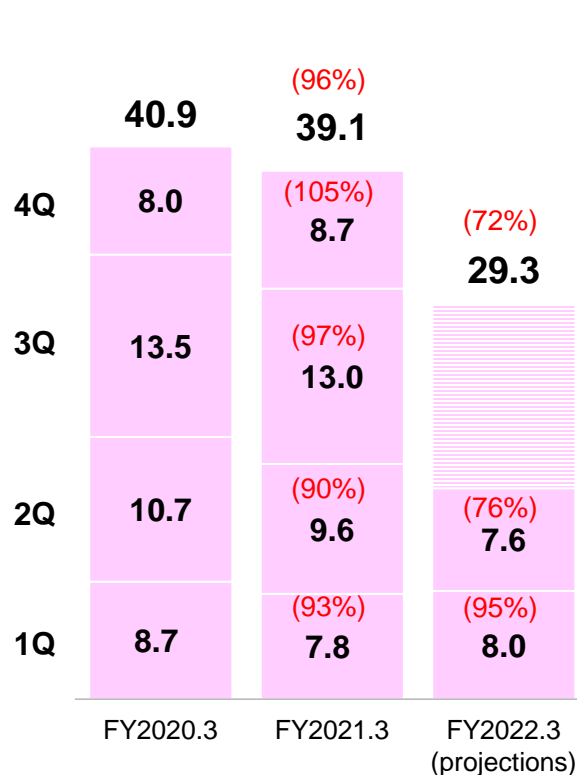
Figures in [ ] indicate core operating profit ratio



# Revenue by Major Product Category

(billions of yen)

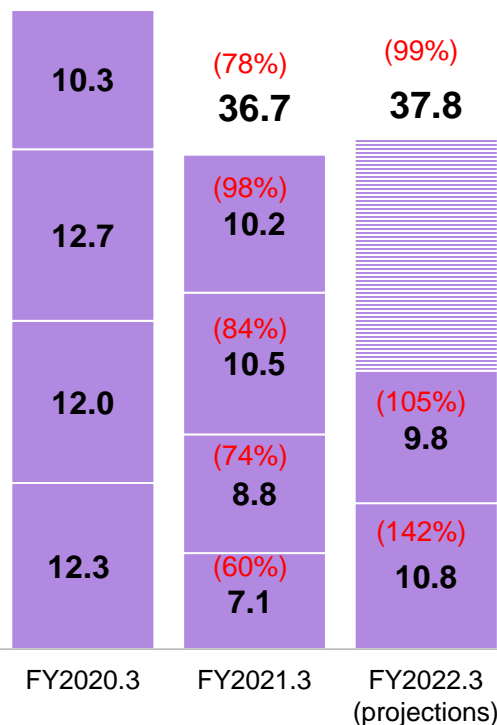
## AV Products



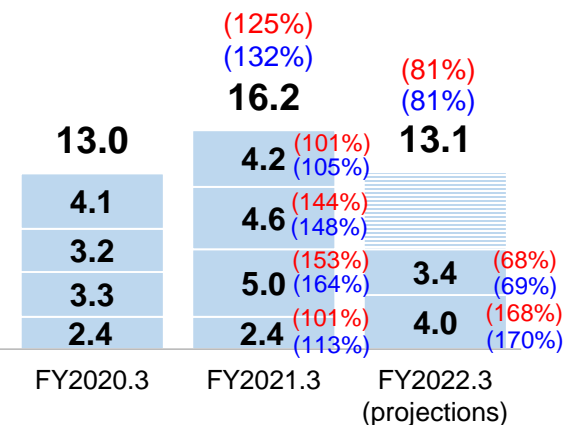
## PA Equipment

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

47.3

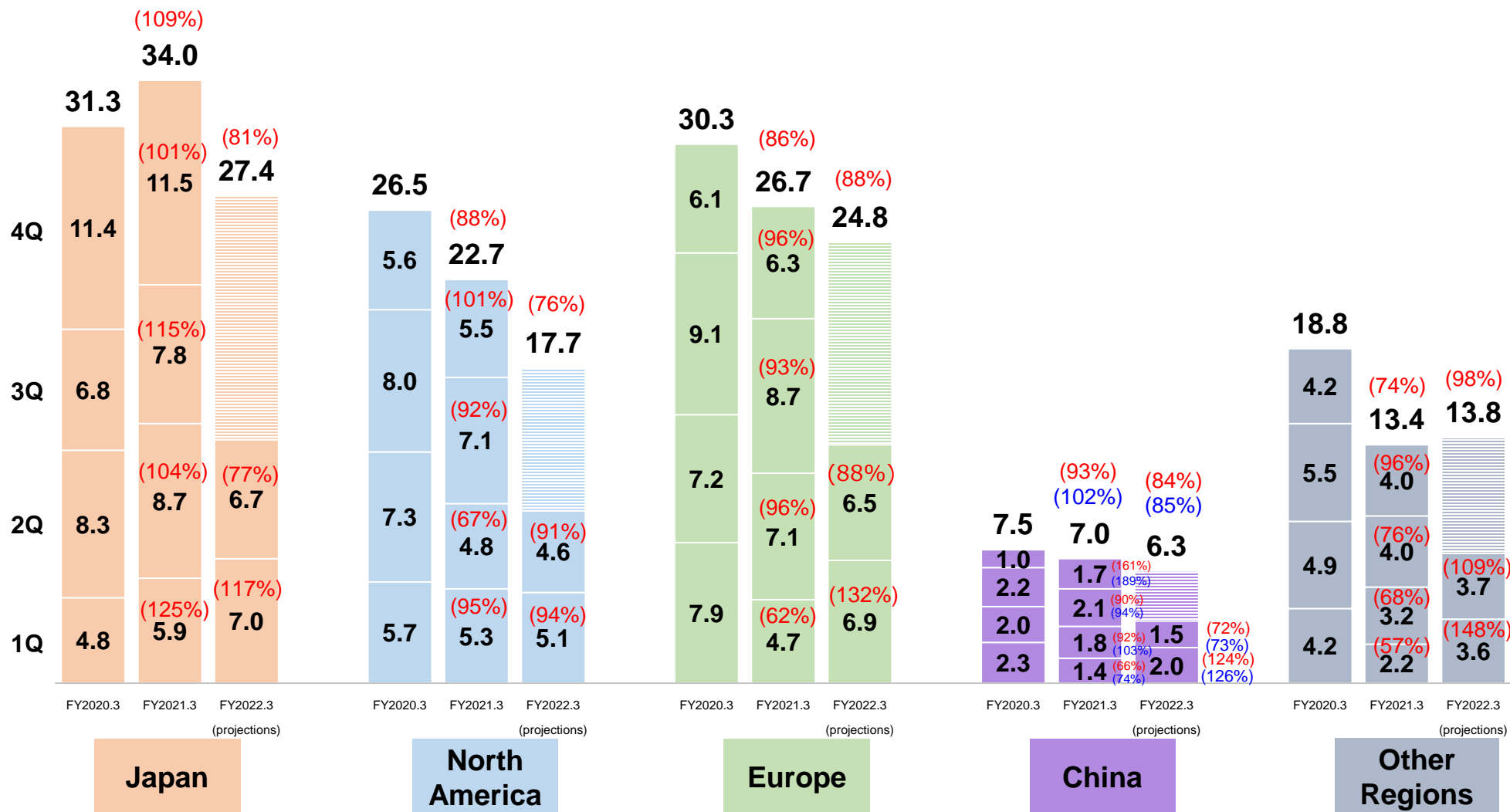


## ICT Equipment



# Revenue by Region

(billions of yen)



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

Red figures show actual YoY changes discounting impact of exchange rates

# 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

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

# 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 1<sup>st</sup> place in the network device category of the Customer Satisfaction Survey 2021-2022 of Nikkei Computer Magazine for the six consecutive year

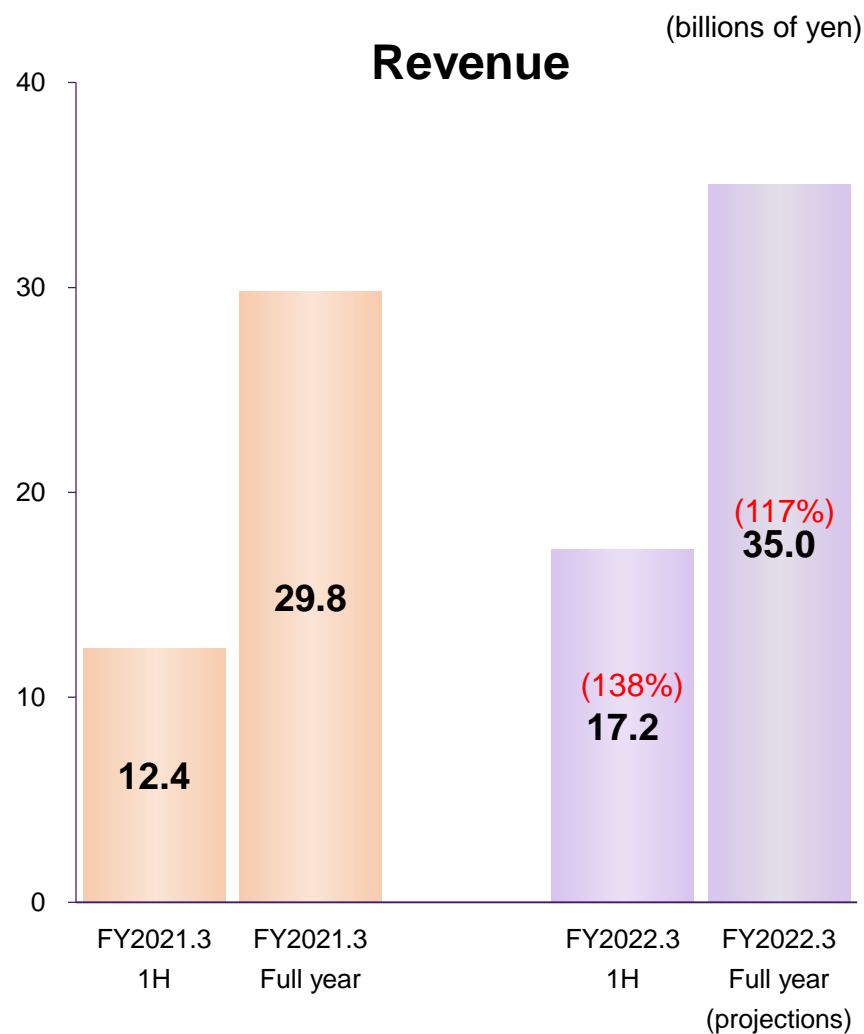
Seven time awarded 1<sup>st</sup> place in total: 2007, 2016-2021  
 Yamaha's corporate clients highly rated the company for its' operability and cost.



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

[https://www.yamaha.com/ja/news\\_release/2021/21081602/](https://www.yamaha.com/ja/news_release/2021/21081602/)  
 (in Japanese)

# Segment Revenue and Core Operating Profit

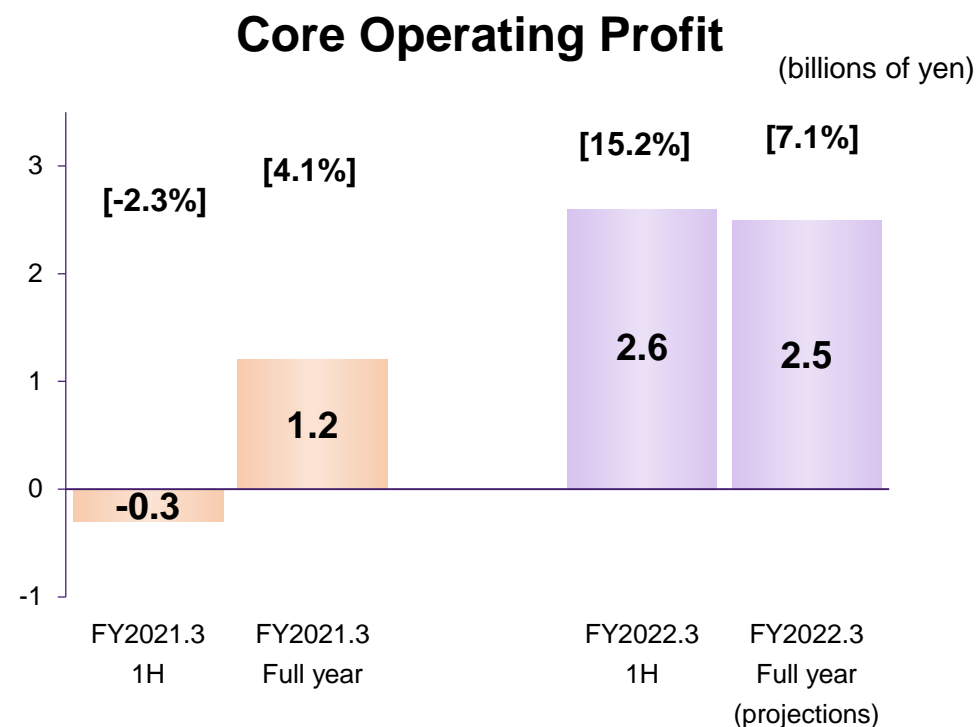


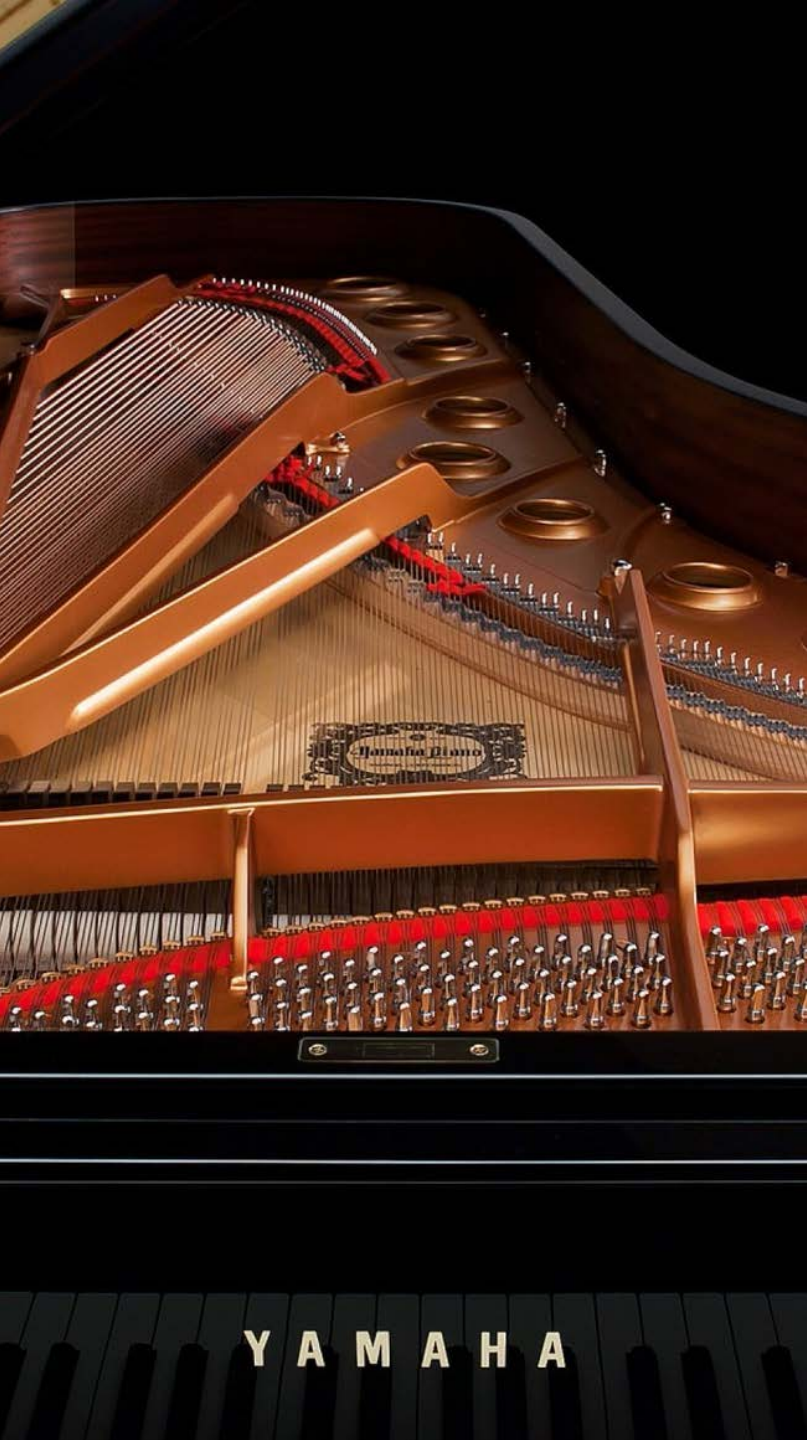
## 1H Overview:

- 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

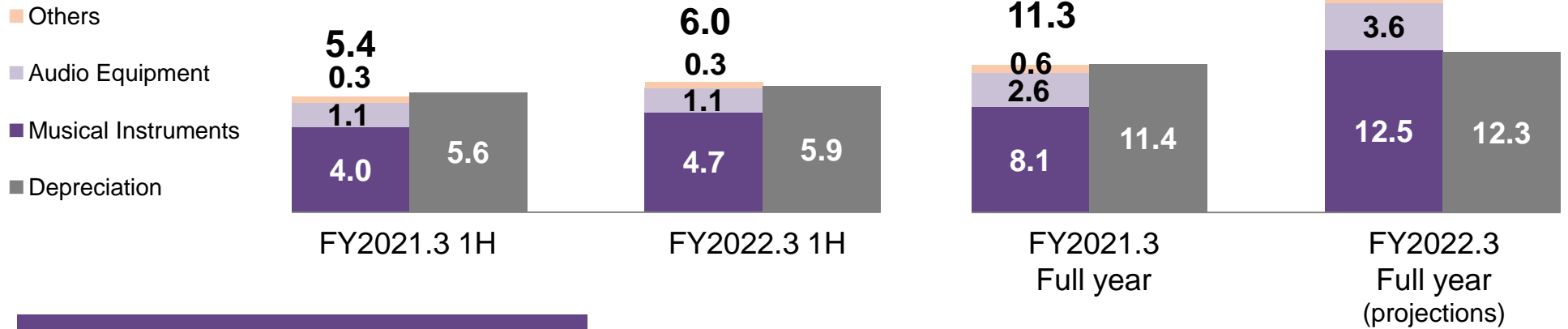
(billions of yen)

	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
<b>Total Assets</b>	<b>557.6</b>	<b>561.7</b>	<b>4.1</b>	<b>560.0</b>
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
<b>Total liabilities and equity</b>	<b>557.6</b>	<b>561.7</b>	<b>4.1</b>	<b>560.0</b>

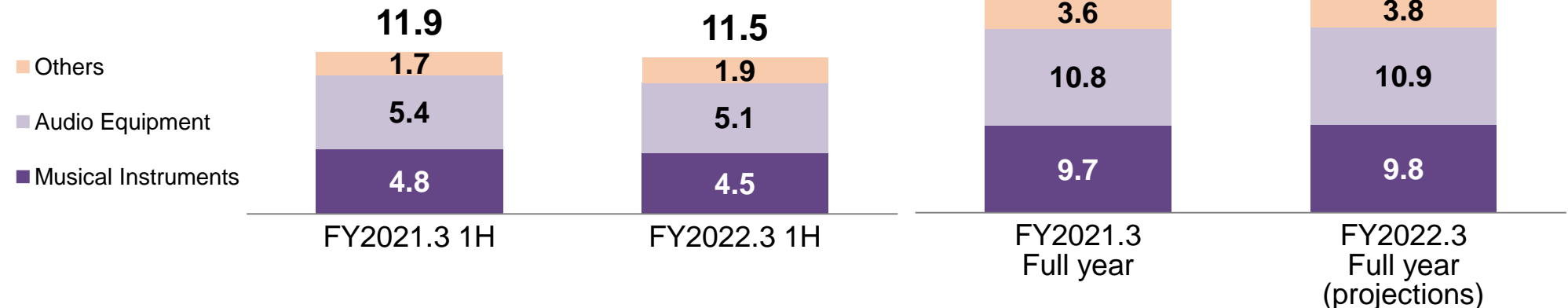
# Capital Expenditure/Depreciation, R&D Expense

## Capital Expenditure/Depreciation

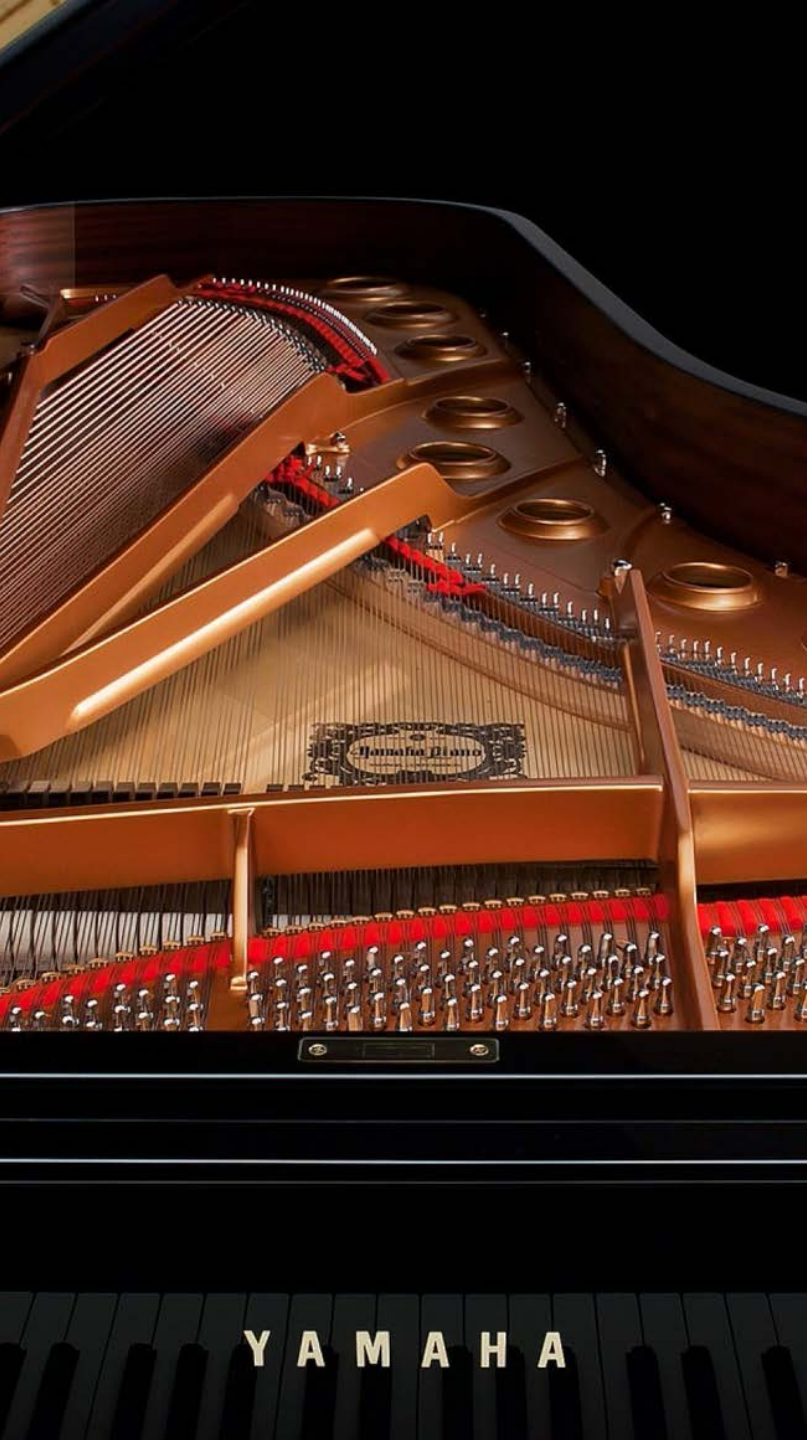
(billions of yen)



## R&D Expenses







## 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/en/csr/community/music_culture/#02)  
[https://www.yamaha.com/ja/news\\_release/2021/21081601/](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/en/about/design/synapses/id_116/)  
[https://www.yamaha.com/ja/news\\_release/2021/21101901/](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/](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/en/csr/human_rights_and_labor_practices/diversity/#02)

[https://www.yamaha.com/ja/news\\_release/2021/21090301/](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/en/csr/human_rights_and_labor_practices/diversity/#07)

[https://www.yamaha.com/ja/news\\_release/2021/21062501/](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/](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/](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



**CEATEC  
AWARD  
2021**

[https://www.ceatec.com/en/award/award03\\_03.html](https://www.ceatec.com/en/award/award03_03.html)

[https://www.yamaha.com/ja/news\\_release/2021/21101801/](https://www.yamaha.com/ja/news_release/2021/21101801/)  
(in Japanese)

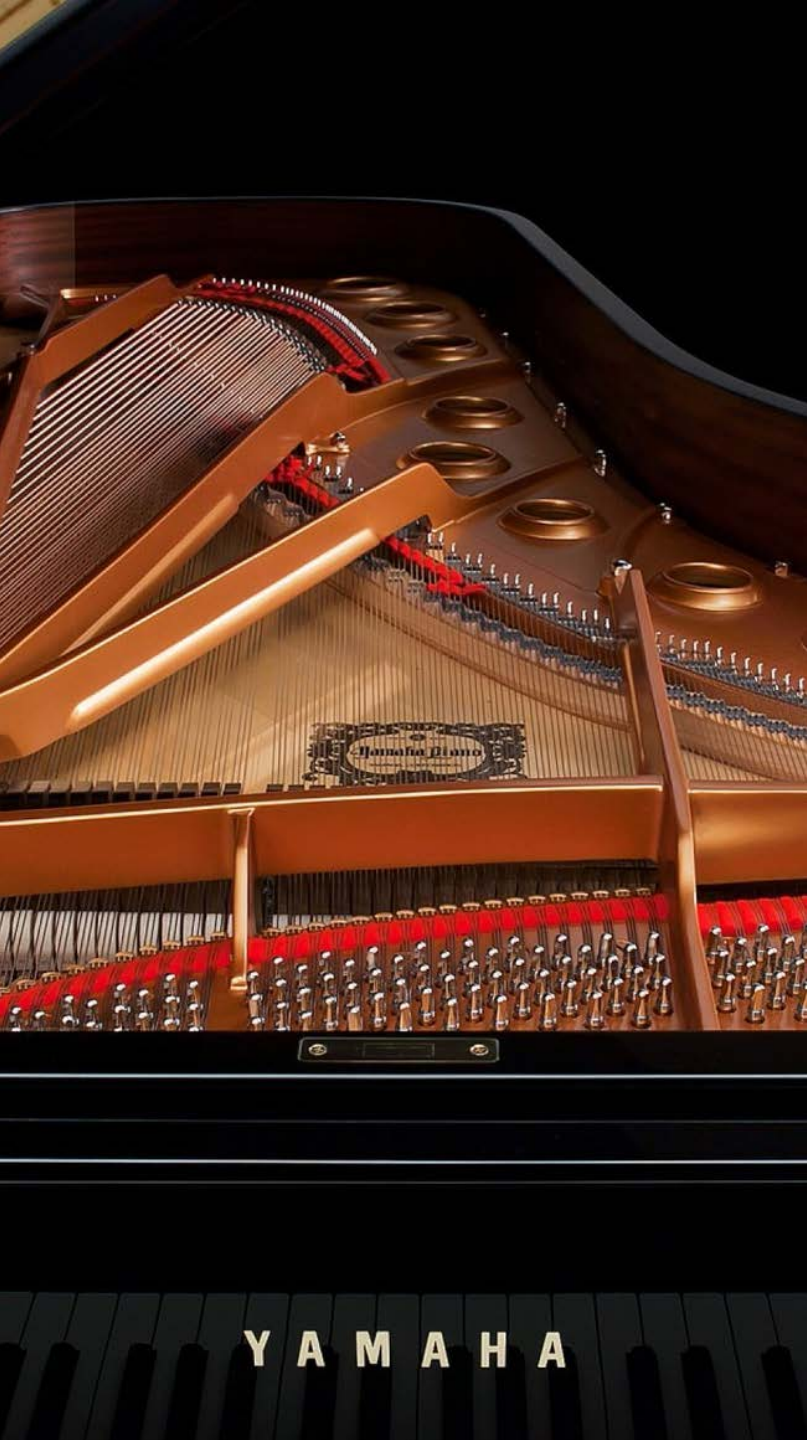
## Yamaha Dear Glenn Project\* wins Silver at Prestigious Cannes Lions International Festival of Creativity



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



[https://www.yamaha.com/en/news\\_release/2021/21071201/](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	
<b>Revenue</b>	93.0	<b>96.0</b>	+3.0	+3.2% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	11.9 (12.8%)	<b>10.1</b> <b>(10.5%)</b>	-1.8	-14.9%
<b>Net Profit</b> <sup>*1</sup>	8.9	<b>8.0</b>	-0.9	-9.8%

## Exchange Rate (yen)

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

<sup>\*2</sup> -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
<b>Musical Instruments</b>	<b>Revenue</b>	<b>60.6</b>	<b>65.3</b>	<b>+4.7</b>	<b>3.1</b>
	<b>Core Operating Profit</b>	<b>9.2</b>	<b>8.9</b>	<b>-0.3</b>	<b>1.8</b>
	Core Operating Profit Ratio	15.2%	13.6%	-1.6P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>25.7</b>	<b>22.9</b>	<b>-2.7</b>	<b>0.8</b>
	<b>Core Operating Profit</b>	<b>2.7</b>	<b>0.3</b>	<b>-2.4</b>	<b>0.4</b>
	Core Operating Profit Ratio	10.4%	1.2%	-9.2P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>6.8</b>	<b>7.8</b>	<b>+1.1</b>	<b>0.1</b>
	<b>Core Operating Profit</b>	<b>0</b>	<b>1.0</b>	<b>+1.0</b>	<b>0</b>
	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
<b>Core Operating Profit</b>		<b>13.0</b>	<b>23.5</b>
<b>Other Income and Expenses</b>	Profit from (loss on) disposal of fixed assets	-0	4.7
	Others	-2.3	0.6
	Total	-2.3	5.3
<b>Operating Profit</b>		<b>10.7</b>	<b>28.8</b>
<b>Financial Income and Expenses</b>	Dividends income	0.4	2.2
	Others	-1.0	-1.5
	Total	-0.6	0.7
<b>Profit before Income Taxes</b>		<b>10.1</b>	<b>29.5</b>
Income taxes		3.0	8.1
Net profit attributable to non-controlling interests		0	-0
<b>Net Profit<sup>*1</sup></b>		<b>7.1</b>	<b>21.4</b>

\*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)
<b>Core Operating Profit</b>		<b>40.7</b>	<b>40.0</b>
<b>Other Income and Expenses</b>	Profit from (loss on) disposal of fixed assets	-0.1	4.6
	Others	-5.6	0.9
	<b>Total</b>	<b>-5.7</b>	<b>5.5</b>
<b>Operating Profit</b>		<b>35.0</b>	<b>45.5</b>
<b>Financial Income and Expenses</b>	Dividends income	2.7	3.2
	Others	-0.6	-1.7
	<b>Total</b>	<b>2.1</b>	<b>1.5</b>
<b>Profit before Income Taxes</b>		<b>37.1</b>	<b>47.0</b>
Income taxes		10.4	12.4
Net profit attributable to non-controlling interests		0.1	0.1
<b>Net Profit<sup>*1</sup></b>		<b>26.6</b>	<b>34.5</b>

\*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.**