



Analyst and Investor Briefing on Third Quarter of FY2022.3

(Fiscal year ending March 31, 2022)



February 8, 2022

Yamaha Corporation

FY2022.3 3Q Highlights

Overview

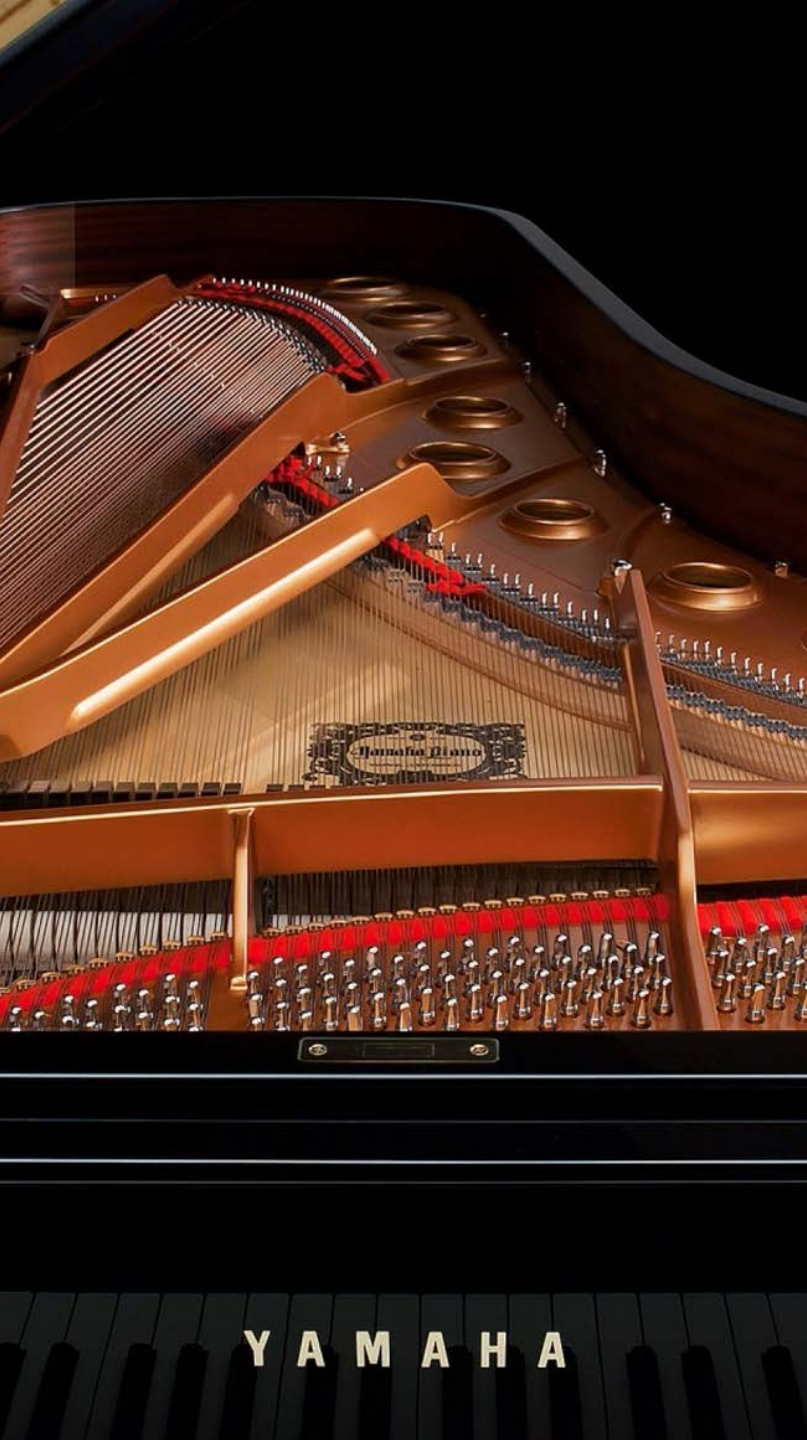
Performance in the first three quarters of FY2022.3 (nine months)

- Revenue and profit both increased year-on-year as markets continued to recover from the impact of the spread of COVID-19 infections.
- Supply shortages continued due to 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 supply shortages will continue, demand remains strong, and revenue and profit are both projected to rise.
- Taking the impact of exchange rates into account, previous projections have been revised upward by ¥5 billion for revenue and ¥1 billion for core operating profit.



1. Performance Summary

Y A M A H A

FY2022.3 3Q (Nine Months) Summary

(billions of yen)

	FY2021.3 1-3Q	FY2022.3 1-3Q	Change	
Revenue	272.3	302.3	+30.0	+11.0% ^{*2}
Core Operating Profit (Core Operating Profit Ratio)	29.0 (10.7%)	34.9 (11.5%)	+5.8	+20.1%
Net Profit ^{*1}	17.6	30.0	+12.4	+70.3%

Exchange Rate (yen)			
Revenue (Average rate during the period)	US\$	106	111
	EUR	122	131
Profit (Settlement rate)	US\$	106	111
	EUR	120	131

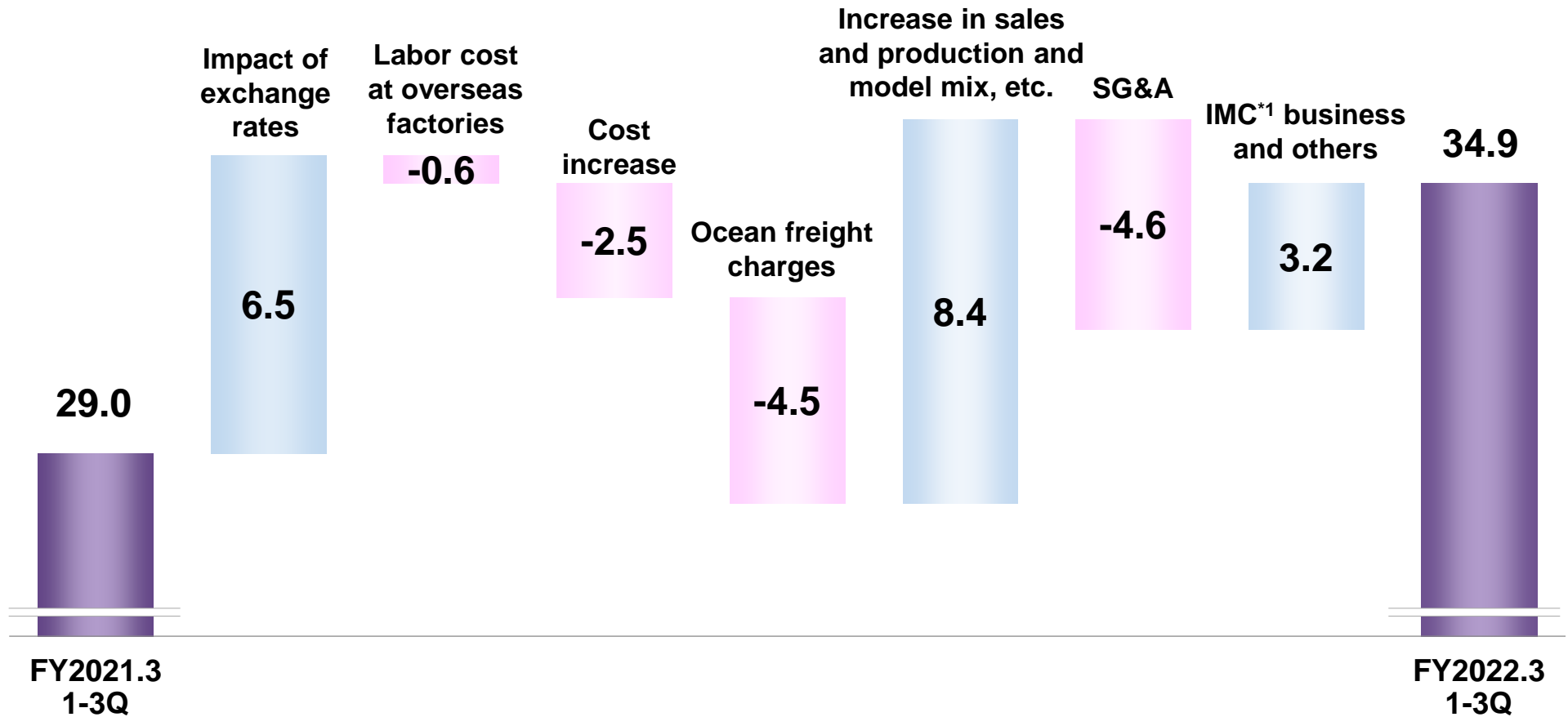
^{*2}
+5.4%
(Excluding the impact of exchange rate)

*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 1-3Q	FY2022.3 1-3Q	Change	Exchange rate impact
Musical Instruments	Revenue	175.9	204.7	+28.8	11.6
	Core Operating Profit	23.0	29.1	+6.1	5.5
	Core Operating Profit Ratio	13.1%	14.2%	1.1p	
Audio Equipment	Revenue	74.8	70.7	-4.1	3.3
	Core Operating Profit	5.1	1.6	-3.5	0.9
	Core Operating Profit Ratio	6.8%	2.2%	-4.5p	
IMC^{*1} Business and Others	Revenue	21.6	26.9	5.3	0.5
	Core Operating Profit	1.0	4.2	3.2	0.1
	Core Operating Profit Ratio	4.4%	15.5%	11.1p	

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	390.0	395.0	+22.4 ^{*2}	+5.0
Core Operating Profit (Core Operating Profit Ratio)	40.7 (10.9%)	40.0 (10.3%)	41.0 (10.4%)	+0.3	+1.0
Net Profit ^{*1}	26.6	34.5	35.0	+8.4	+0.5

Exchange Rate (yen)

Revenue (Average rate during the period)	US\$	106	107	111
	EUR	124	129	130
Profit (Settlement rate)	US\$	106	107	111
	EUR	121	129	130

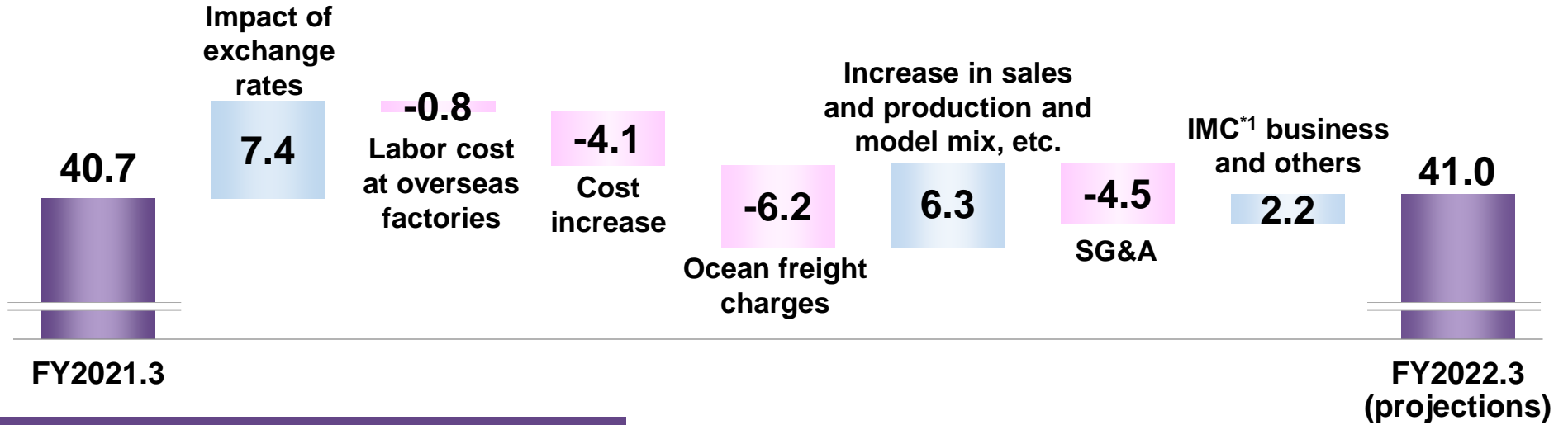
^{*2} +1.3%
(Excluding the impact of
exchange rate)

* 4Q currency exchange rates
US\$=110JPY, 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
Musical Instruments	Revenue	239.0	270.0	+31.0	13.3
	Core Operating Profit	32.4	37.5	+5.1	6.3
	Core Operating Profit Ratio	13.6%	13.9%	+0.3p	
Audio Equipment	Revenue	103.8	90.0	-13.8	3.7
	Core Operating Profit	7.1	0.0	-7.1	1.0
	Core Operating Profit Ratio	6.8%	0.0%	-6.8p	
IMC^{*1} Business and Others	Revenue	29.8	35.0	+5.2	0.7
	Core Operating Profit	1.2	3.5	+2.3	0.1
	Core Operating Profit Ratio	4.1%	10.0%	+5.9p	

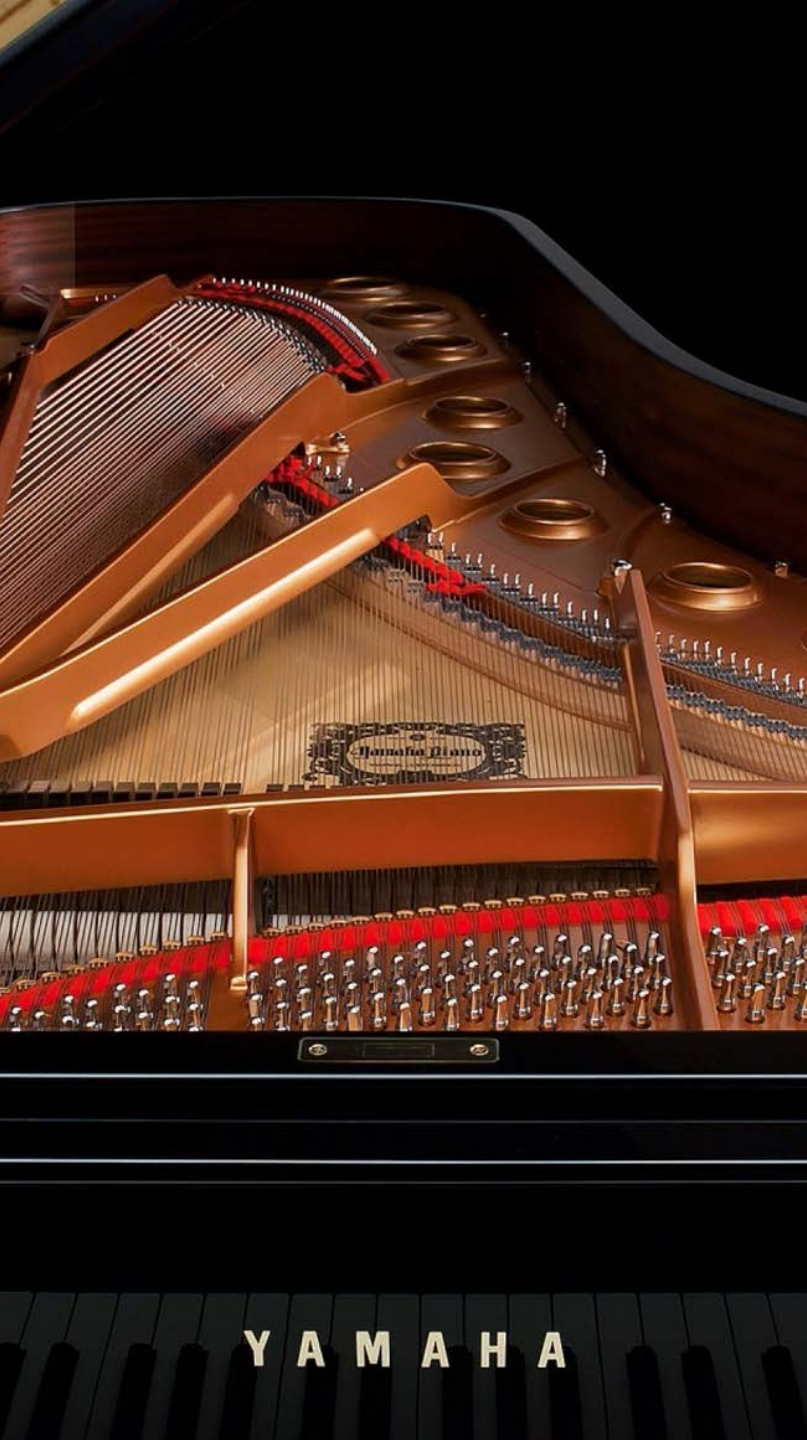
*1 Industrial Machinery and Components

Outlook by Business Segment

(billions of yen)

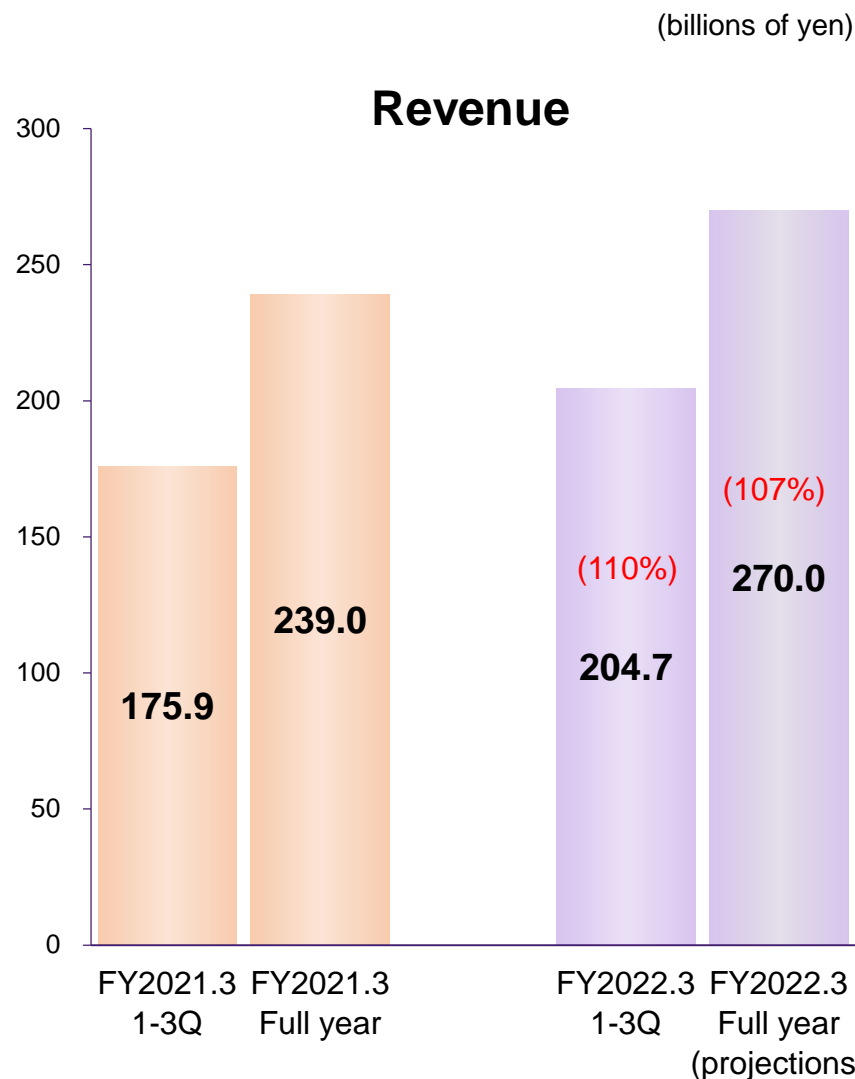
		FY2022.3 Full year (previous projections)	FY2022.3 Full year (projections)	Change	Exchange rate impact
Musical Instruments	Revenue	265.0	270.0	+5.0	4.9
	Core Operating Profit	36.5	37.5	+1.0	1.3
	Core Operating Profit Ratio	13.8%	13.9%	+0.1p	
Audio Equipment	Revenue	90.0	90.0	0	1.2
	Core Operating Profit	1.0	0	-1.0	-0.2
	Core Operating Profit Ratio	1.1%	0.0%	-1.1p	
IMC^{*1} Business and Others	Revenue	35.0	35.0	0	0.5
	Core Operating Profit	2.5	3.5	+1.0	0.1
	Core Operating Profit Ratio	7.1%	10.0%	+2.9p	

*1 Industrial Machinery and Components



2. Segment Overview & Updates

Segment Revenue and Core Operating Profit



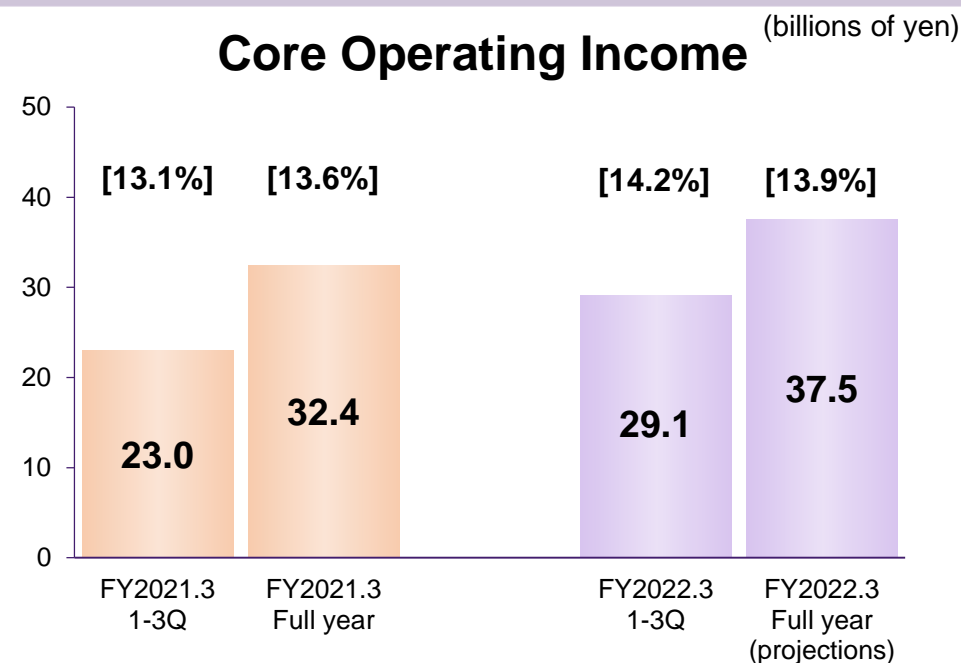
Nine months: Revenue increased in all product categories

- Amid ongoing supply shortages, sales of pianos and wind, string, and percussion instruments grew by double digits, and brisk demand also continued to drive increased sales of digital musical instruments and guitars.

- Sales increased in all markets as market conditions recovered.

Full year projection: Despite supply shortages, revenue is expected to increase due to recovery in market conditions

- Sales of digital musical instruments are expected to decrease due to supply constraints caused by difficulties procuring semiconductors including sound LSIs, but recovery in market conditions is projected to drive higher sales of piano, wind, string and percussion instruments, and guitars.
- Recovery is expected in all regions.



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)

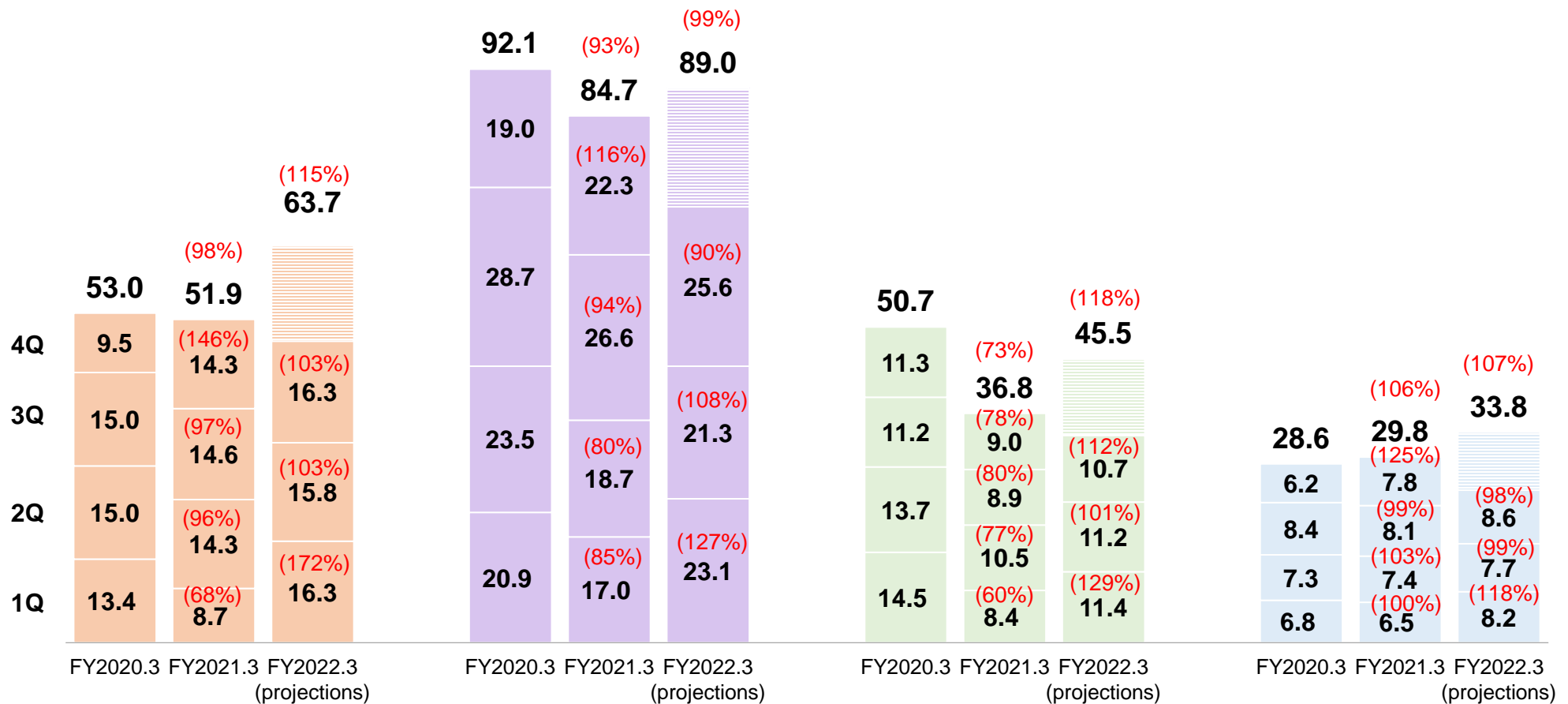
Pianos

Digital Musical Instruments

Winds, Strings /Percussion

Guitars

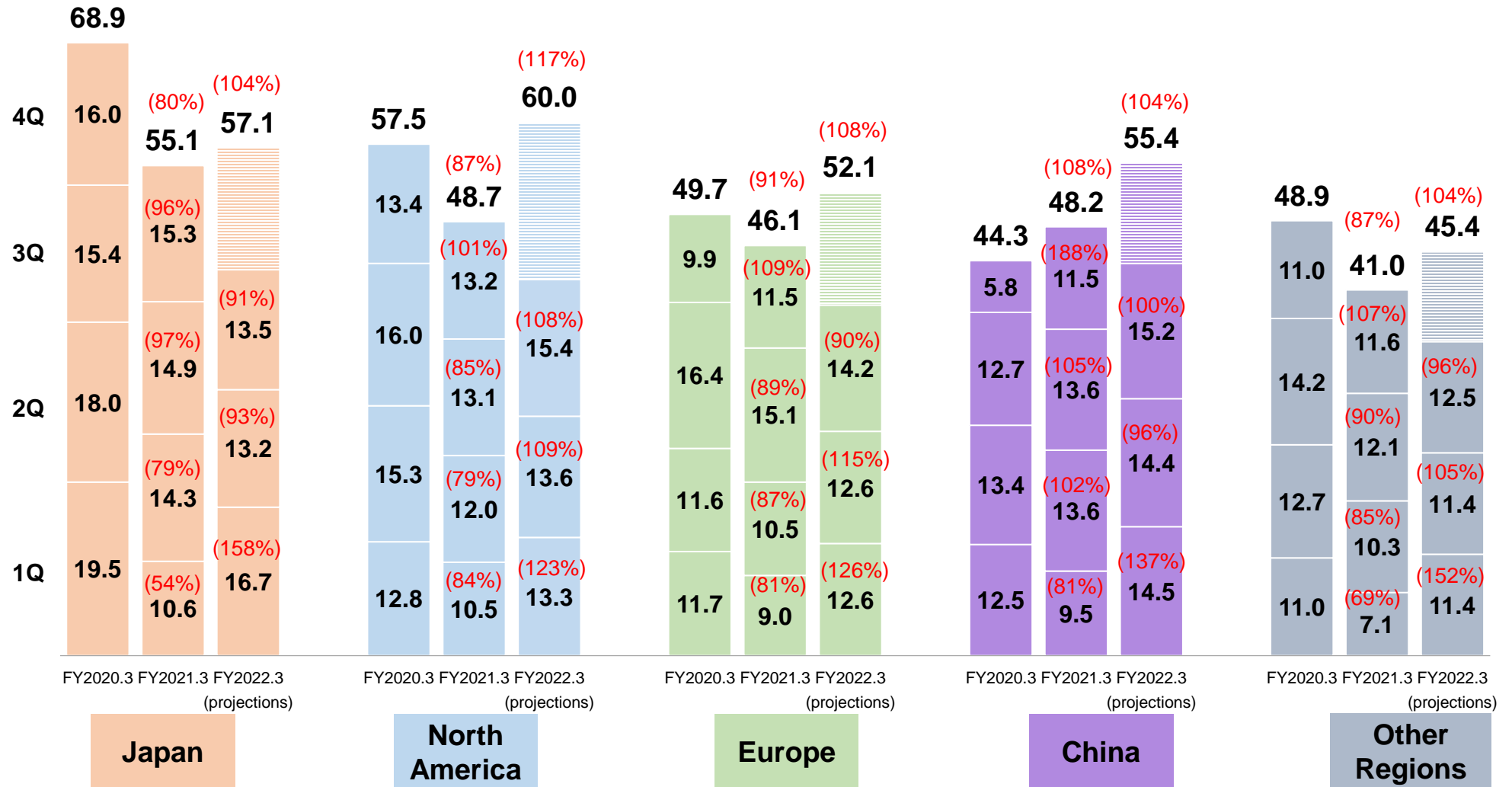
* Guitars include Line 6 and Ampeg products



Red figures show actual YoY changes discounting impact of exchange rates

Revenue by Region

(billions of yen)

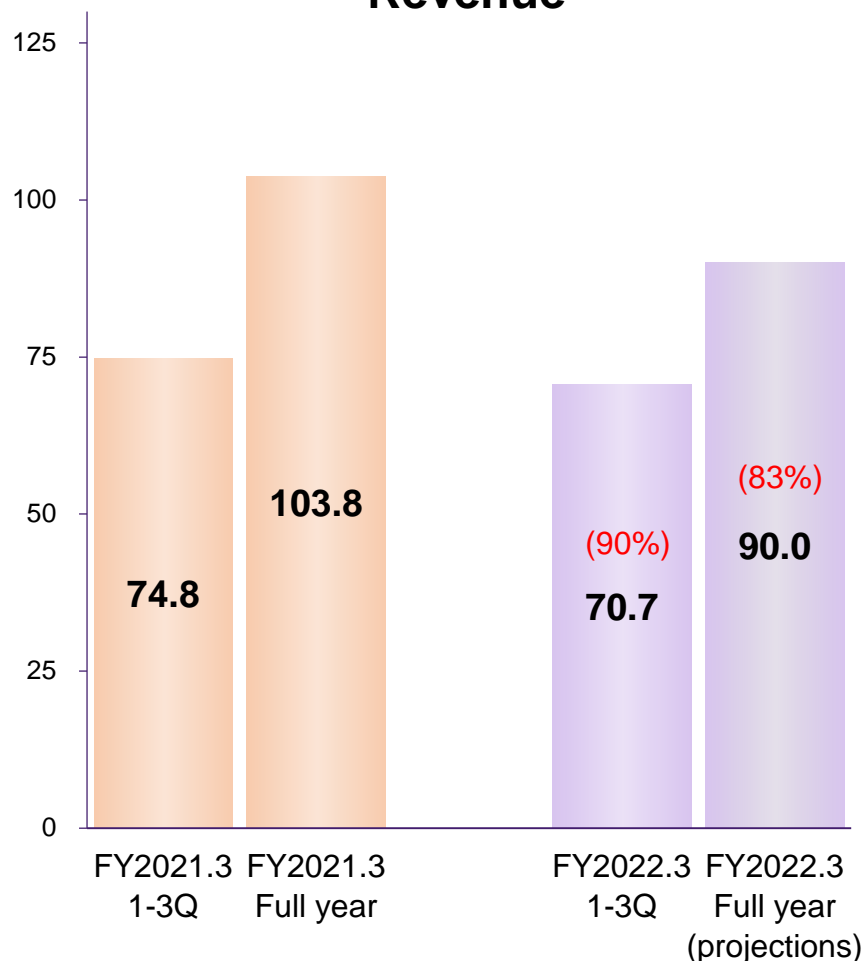


* Software products and music schools included
 Red figures show actual YoY changes discounting impact of exchange rates

Segment Revenue and Core Operating Profit

(billions of yen)

Revenue



Red figures show actual YoY changes discounting impact of exchange rates

Nine months: Revenue declined for AV and ICT, but increased for PA

- AV: Revenue declined due to supply shortages stemming from difficulties procuring semiconductors.
- PA: Revenue increased as the live performance market rebounded.
- ICT: Despite ongoing demand for network devices, revenue decreased due to supply shortages.

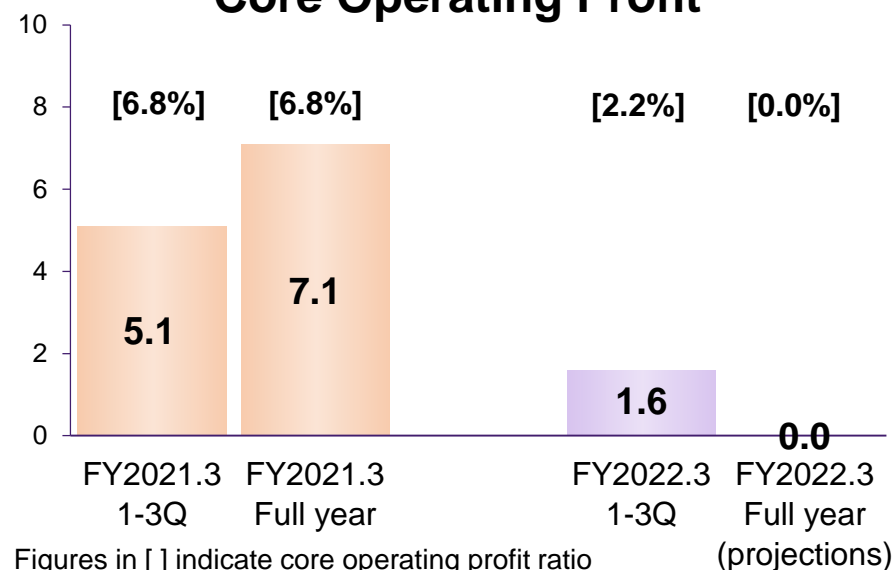
Full year projection: Although market conditions are expected to recover, revenue is projected to decline due to the large impact of semiconductor procurement difficulties

- AV: Revenue is projected to decrease due to supply shortages stemming from semiconductor procurement difficulties.
- PA: Although the live performance market is rebounding, the emergence of semiconductor procurement difficulties is expected to reduce revenue.
- ICT: Special orders of UC* products have subsided, and although demand for network devices is strong, revenue is projected to decline due to supply shortages.

*UC products: conference systems

(billions of yen)

Core Operating Profit

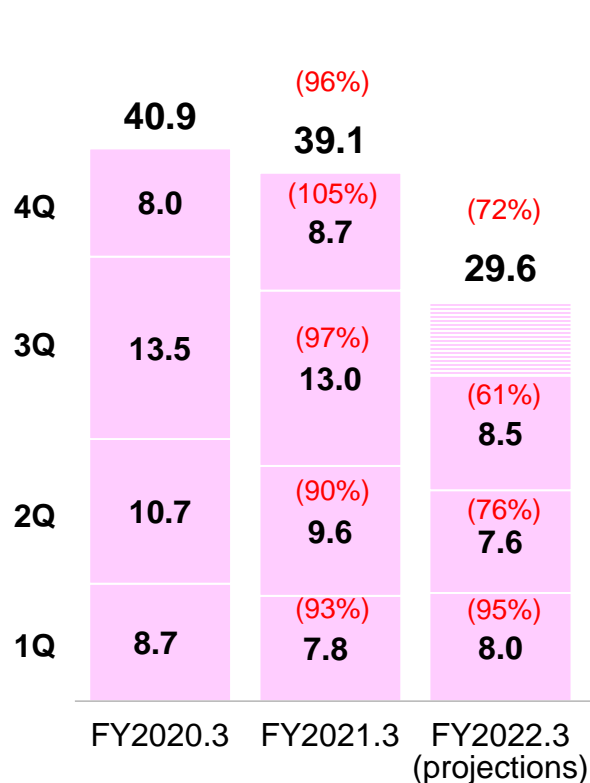


Figures in [] indicate core operating profit ratio

Revenue by Major Product Category

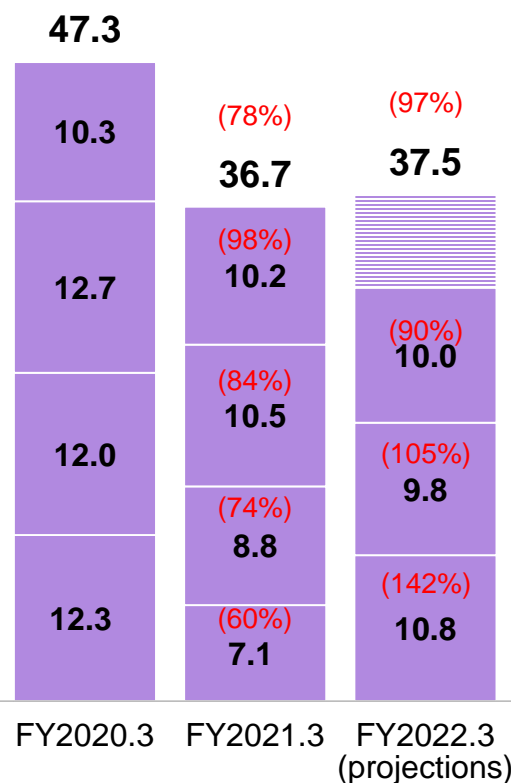
(billions of yen)

AV Products

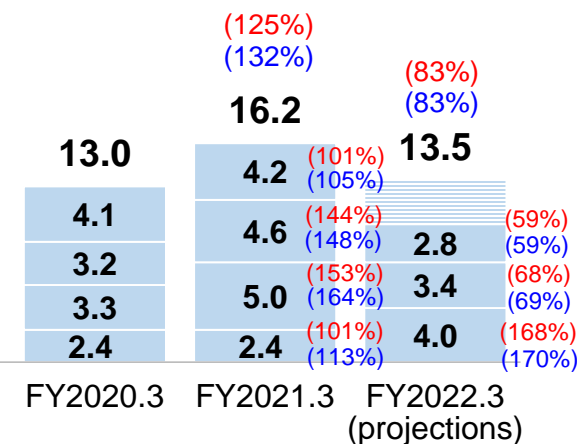


PA Equipment

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

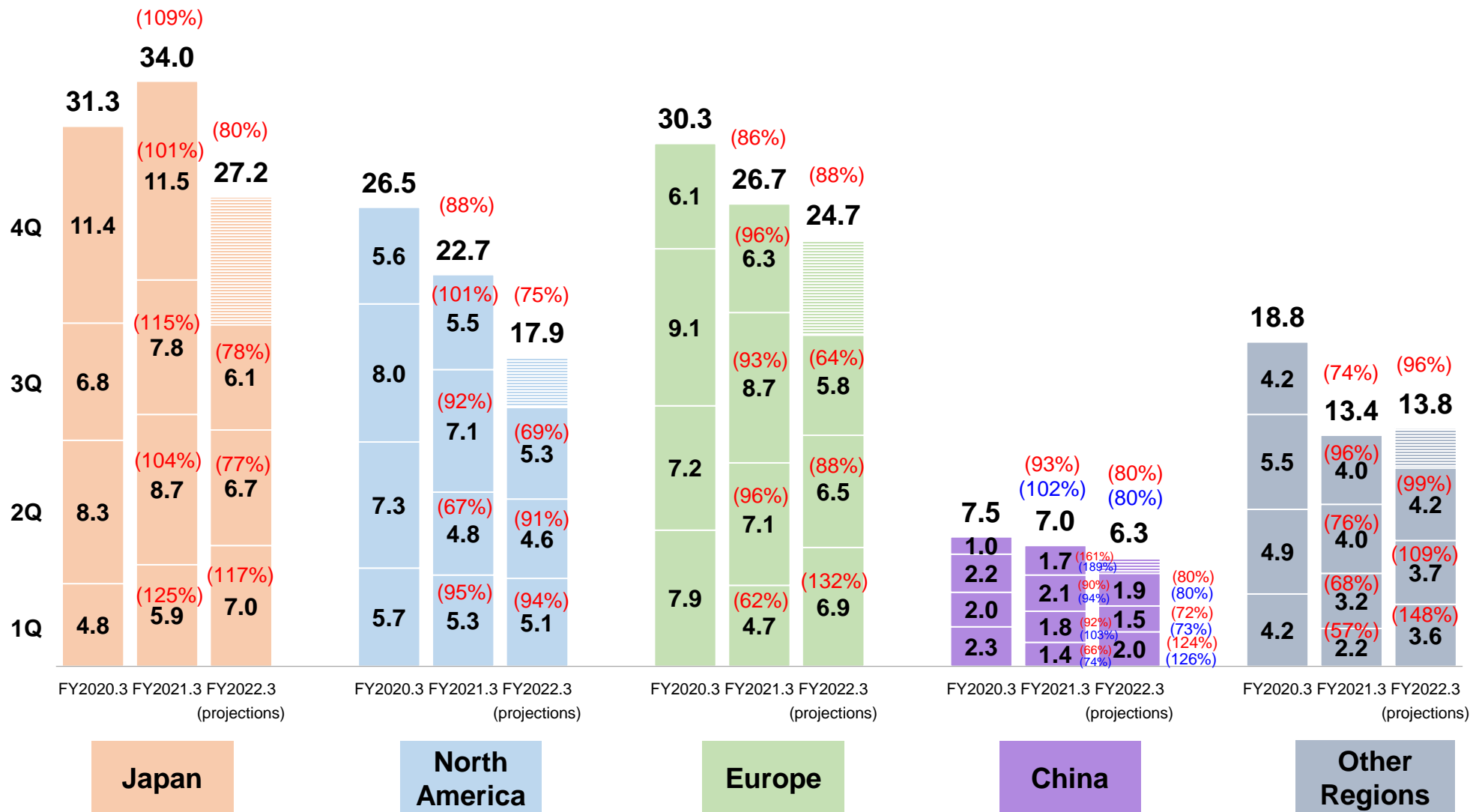


ICT Equipment



Revenue by Region

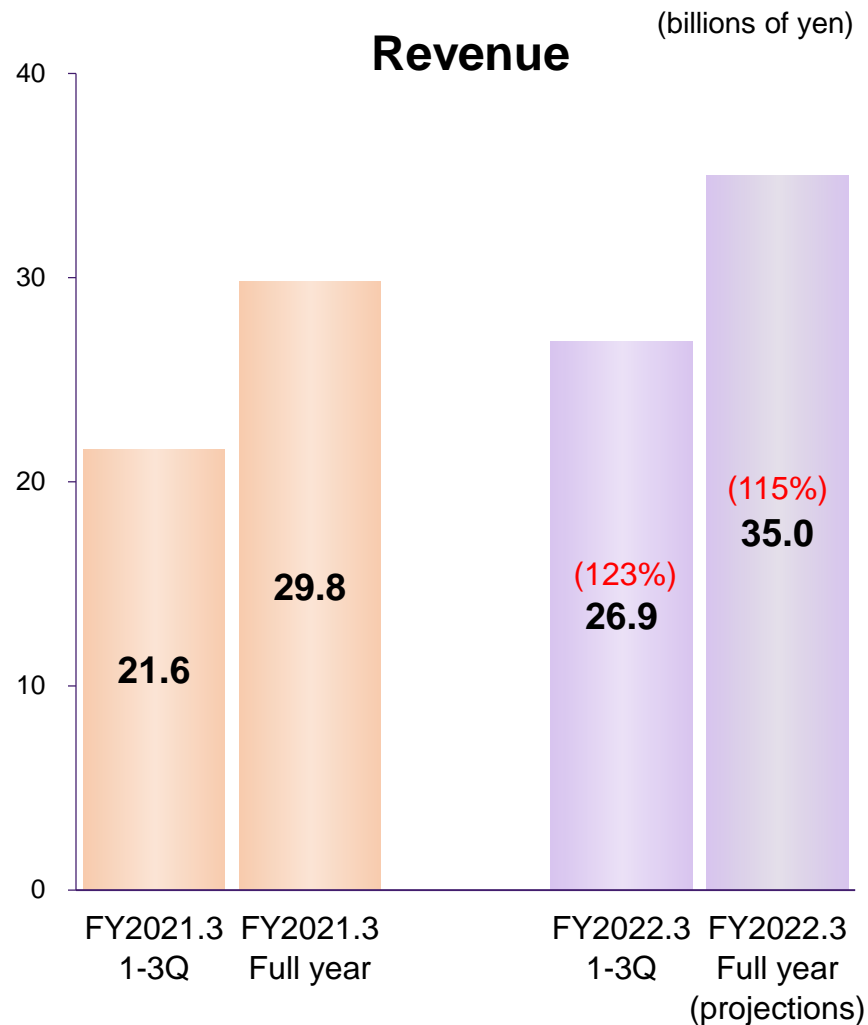
(billions of yen)



Red figures show actual YoY changes discounting impact of exchange rates

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

Segment Revenue and Core Operating Profit

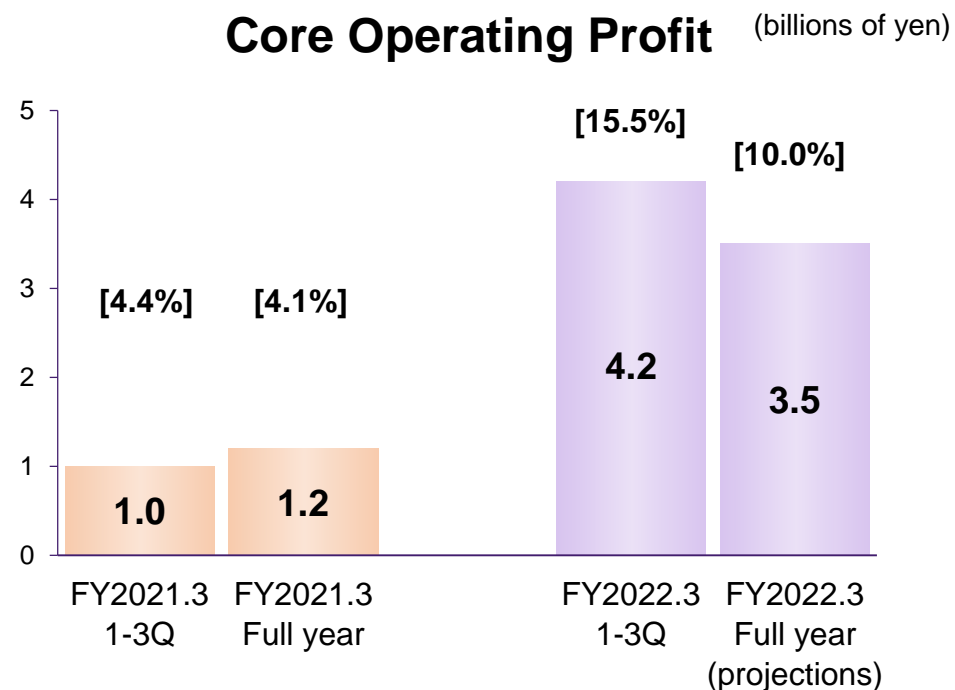


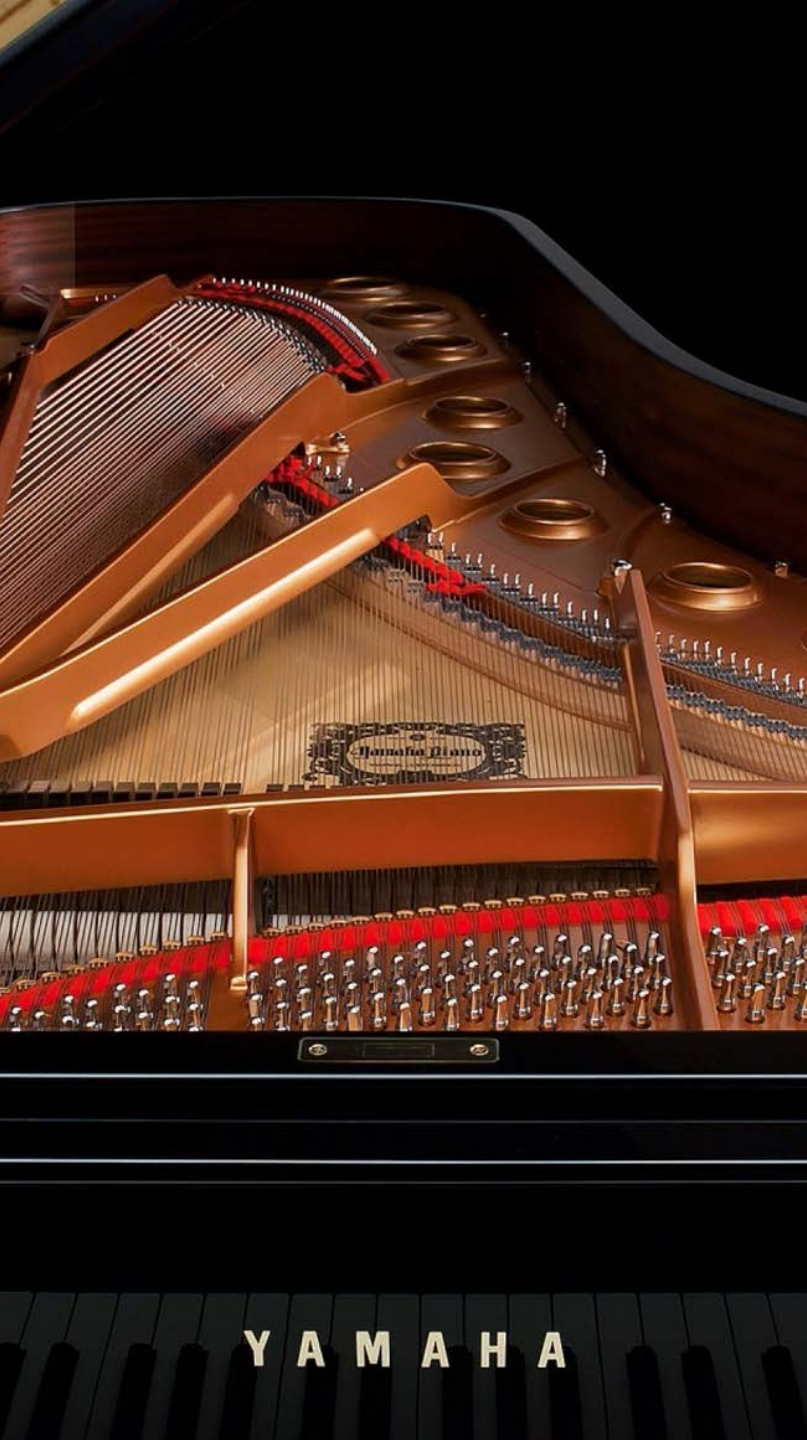
Nine months:

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

Full year projection:

- Although semiconductor procurement difficulties and reduced production by corporate customers will have an impact, revenue is projected to rise due to recovery in market conditions.
- Progress in improving the model mix and reducing fixed costs is expected to increase profits year-on-year.





3. Other Financial Figures

Balance Sheet Summary

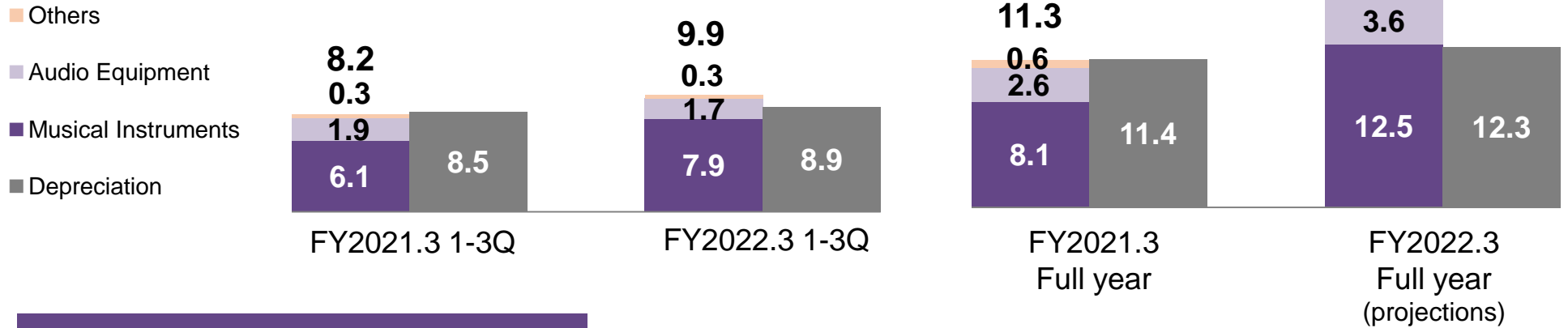
(billions of yen)

	As of March 31, 2021	As of Dec. 31, 2021	Change	As of March 31, 2022 (projections)
Cash and cash equivalents	129.3	171.5	42.2	178.0
Trade and other receivables	57.3	54.4	-2.9	53.0
Other financial assets	8.6	4.7	-3.9	5.0
Inventories	96.8	111.8	15.0	109.0
Other current assets	9.1	6.1	-2.9	6.0
Non-current assets	256.5	213.8	-42.7	217.0
Total Assets	557.6	562.4	4.8	568.0
Current liabilities	100.9	116.8	16.0	117.0
Non-current liabilities	59.8	48.9	-10.9	49.0
Total equity	396.9	396.7	-0.2	402.0
Total liabilities and equity	557.6	562.4	4.8	568.0

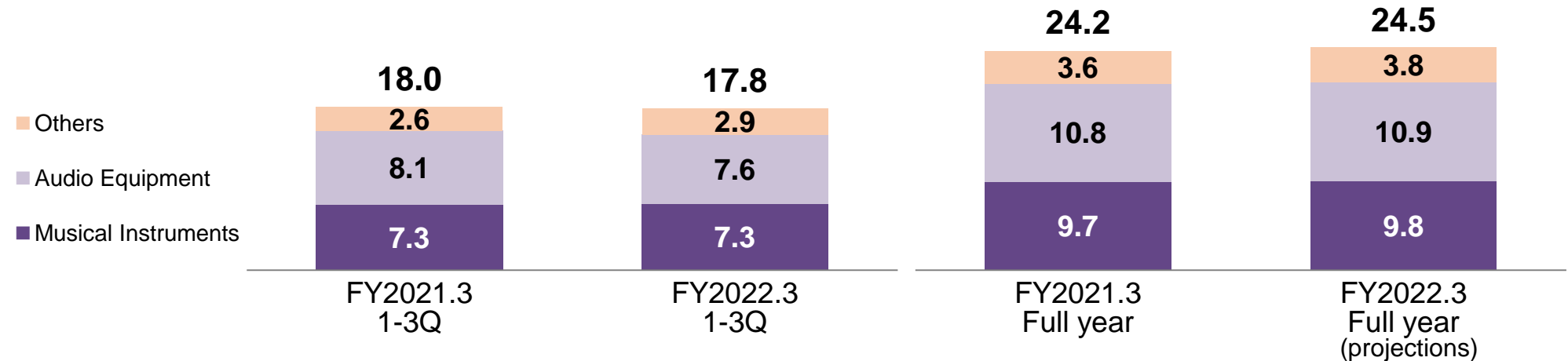
Capital Expenditure/Depreciation, R&D Expense

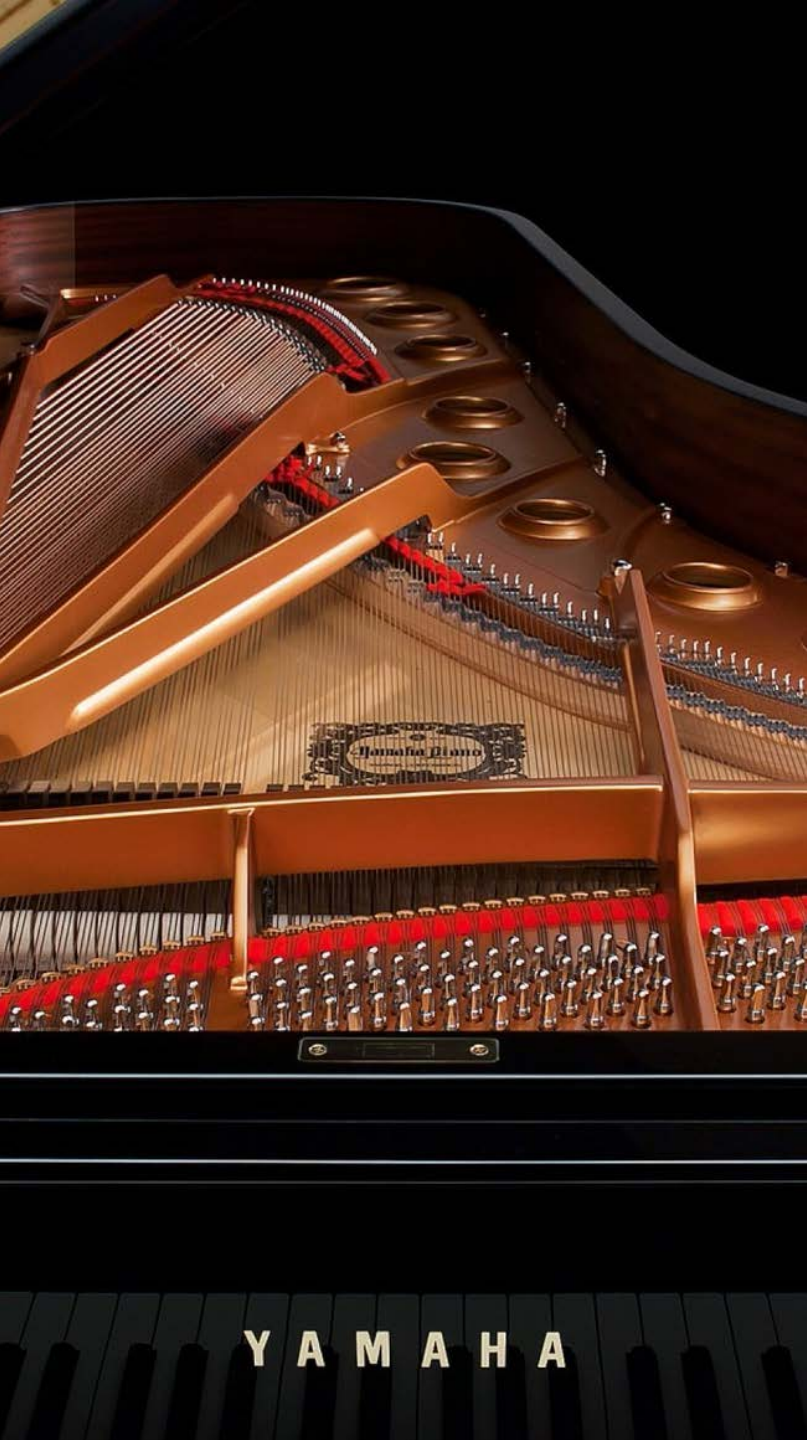
Capital Expenditure/Depreciation

(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

Introducing Japanese instrumental music education to Egypt



We support the Sustainable Development Goals

https://www.yamaha.com/en/news_release/2021/21121502/

Yamaha Music School established in Riyadh



The first officially authorized music education facility in the Kingdom of Saudi Arabia

https://www.yamaha.com/en/news_release/2021/21121501/

Society

Enhance diversity and fulfillment of the people we work with

Awarded the highest ranking of Gold in the PRIDE INDEX 2021 for three consecutive years

work with Pride



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

Yamaha Corporation Headquarters construction of new office building



https://www.yamaha.com/ja/news_release/2021/21121501/ (in Japanese)

Environment

Coexist with the natural environment

Yamaha Group recognized with prestigious "A" score for climate change by CDP

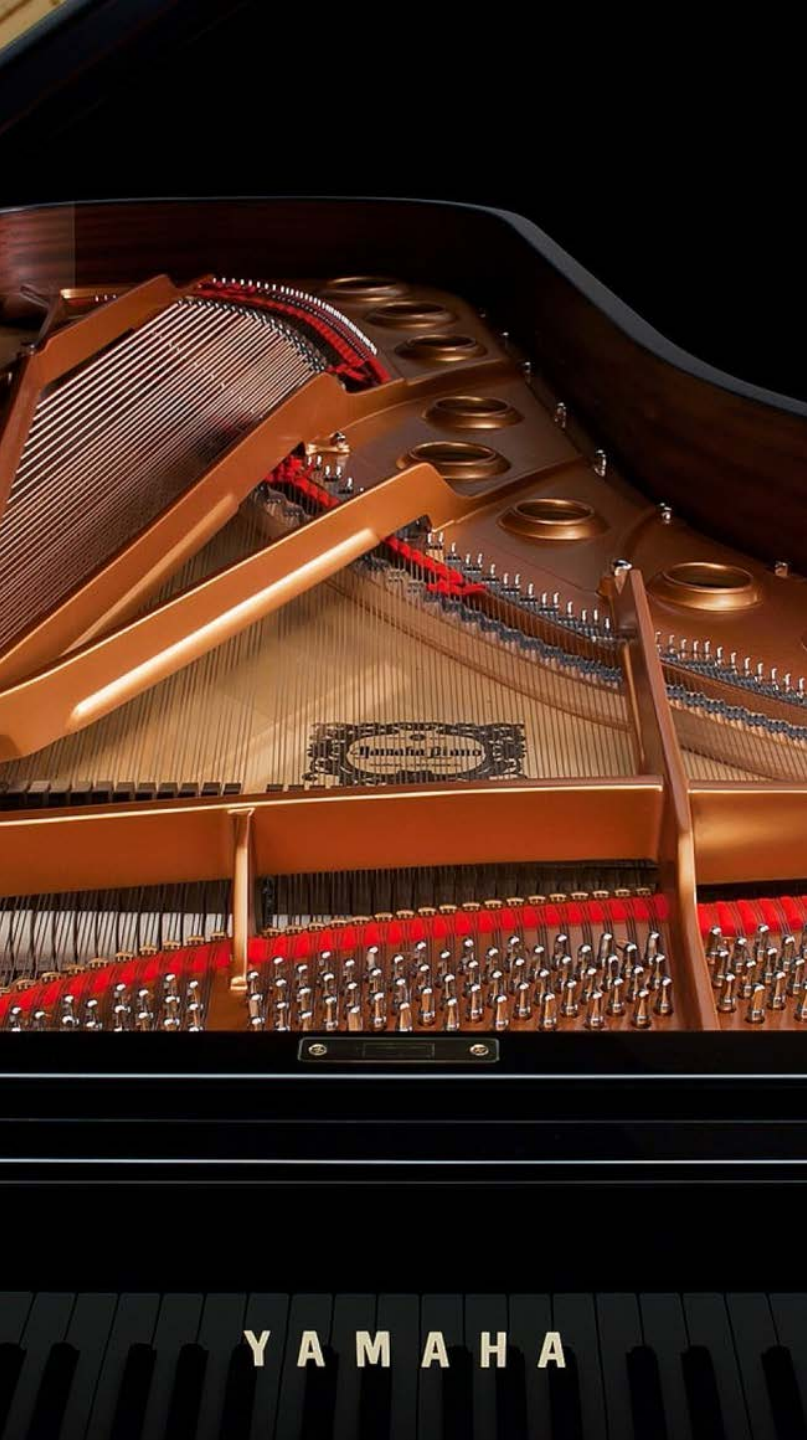


CLIMATE

First to be selected as an A-list company for climate change in 2021

https://www.yamaha.com/en/news_release/2021/21120801/

* CDP is a global non-profit organization that runs the world's environmental information disclosure system for companies, cities, states and regions



Appendix

Performance in 3Q FY2022.3 (Three Months)

(billions of yen)

	FY2021.3 3Q	FY2022.3 3Q	Change	
Revenue	107.5	103.8	-3.7	-3.4% ^{*2}
Core Operating Profit (Core Operating Profit Ratio)	16.0 (14.9%)	11.4 (10.9%)	-4.6	-29.0%
Net Profit ^{*1}	10.5	8.6	-2.0	-18.7%

Exchange Rate (yen)

Revenue (Average rate during the period)	US\$	105	114
	EUR	125	130
Profit (Settlement rate)	US\$	105	113
	EUR	121	133

^{*2} -9.0%
(Excluding the impact of exchange rate)

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

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

(billions of yen)

		FY2021.3 3Q	FY2022.3 3Q	Change	Exchange rate impact
Musical Instruments	Revenue	68.7	70.9	2.2	4.5
	Core Operating Profit	11.3	9.8	-1.4	2.2
	Core Operating Profit Ratio	16.4%	13.9%	-2.5p	
Audio Equipment	Revenue	29.6	23.3	-6.3	1.2
	Core Operating Profit	3.5	-0.0	-3.5	0.1
	Core Operating Profit Ratio	11.8%	-0.1%	-11.9p	
IMC^{*1} Business and Others	Revenue	9.2	9.7	0.5	0.3
	Core Operating Profit	1.2	1.6	0.3	0.1
	Core Operating Profit Ratio	13.5%	16.2%	2.7p	

3Q Other Income and Expenses (Nine Months)

(billions of yen)

		FY2021.3 1-3Q	FY2022.3 1-3Q
Core Operating Profit		29.0	34.9
Other Income and Expenses	Profit from (loss on) disposal of fixed assets	-0.1	4.6
	Others	-2.3	1.1
	Total	-2.3	5.8
Operating Profit		26.7	40.6
Financial Income and Expenses	Dividends income	0.6	2.4
	Others	-1.5	-1.2
	Total	-0.9	1.2
Profit before Income Taxes		25.8	41.9
Income taxes		8.1	11.8
Net profit attributable to non-controlling interests		0.1	0
Net Profit ^{*1}		17.6	30.0

*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	41.0
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	46.5
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	48.0
Income taxes		10.4	12.8
Net profit attributable to non-controlling interests		0.1	0.2
Net Profit ^{*1}		26.6	35.0

*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.