



YAMAHA CORPORATION

Flash Report Consolidated Basis (IFRS) Results for the First Quarter of the Fiscal Year Ending March 31, 2023 (April 1, 2022 – June 30, 2022)

August 3, 2022

Company name: YAMAHA CORPORATION
(URL <https://www.yamaha.com/en/>)

Code number: 7951

Stock listing: TSE Prime Market

Address of headquarters: 10-1, Nakazawa-cho, Naka-ku, Hamamatsu, Shizuoka 430-8650, Japan

Representative: Takuya Nakata, President and Representative Executive Officer

For further information, please contact: Tsunemitsu Torie, General Manager, Corporate Finance Division

Telephone: +81-53-460-2156

Scheduled date to submit Quarterly Securities Report: August 12, 2022

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 FY2023.3 (April 1, 2022 – June 30, 2022)

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 FY2023.3	105,889	3.3	10,977	(18.0)	11,083	(39.4)	12,573	(32.7)
First quarter of FY2022.3	102,465	42.7	13,382	—	18,297	—	18,689	—

Note: Comprehensive income: **First quarter of FY2023.3** **¥19,990 million (19.5%)**
 First quarter of FY2022.3 ¥24,834 million 136.7%

	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 FY2023.3	8,622	(35.7)	8,592	(35.9)	50.08	—
First quarter of FY2022.3	13,411	—	13,413	—	76.30	—

(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 FY2023.3 (As of June 30, 2022)	576,961	430,297	429,100	74.4
FY2022.3 (As of March 31, 2022)	580,927	415,927	414,773	71.4

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
FY2022.3	—	33.00	—	33.00	66.00
FY2023.3	—				
FY2023.3 (Forecast)		33.00	—	33.00	66.00

Note: Revisions from recently announced dividend forecast: None

3. Consolidated Financial Forecasts for FY2023.3 (April 1, 2022–March 31, 2023)

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

	Revenue		Core operating profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2023.3	460,000	12.7	50,000	16.2	50,000	1.4

	Profit before income taxes		Profit for the period attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
FY2023.3	52,000	(1.9)	37,500	0.7	218.60

Note: Revisions from recently announced performance forecast: Yes

* 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 FY2023.3	187,300,000 shares	FY2022.3	187,300,000 shares
(b) Number of treasury shares at the end of the period	First quarter of FY2023.3	15,641,713 shares	FY2022.3	15,756,795 shares
(c) Average number of shares outstanding during the period (cumulative period)	First quarter of FY2023.3	171,571,904 shares	First quarter of FY2022.3	175,798,178 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 FY2023.3, please refer to “Yamaha Reports First Quarter (Three Months) Results for the Fiscal Year Ending March 2023 and Full Year Outlook [IFRS]”, which was released today (August 3, 2022).

(Revisions from Recently Announced Consolidated Financial Forecasts)

Despite the continued shortages in product supply due to semiconductor procurement difficulties, as well as the prolonged Shanghai lockdown, the Company will revise its revenue upward due to a review of the exchange rate against the US dollar. On the other hand, profit will remain unchanged due to the limited impact of foreign exchange rates.

As a result, the Company has revised the full-year earnings forecast for the fiscal year ending March 31, 2023, which was announced on May 11, 2022, from ¥440.0 billion in revenue to ¥460.0 billion, and has left unchanged, core operating profit of ¥50.0 billion, operating profit of ¥50.0 billion, profit before income taxes of ¥52.0 billion and profit for the period attributable to owners of the parent of ¥37.5 billion.

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)

	FY2022.3 (as of March 31, 2022)	First quarter of FY2023.3 (as of June 30, 2022)
Assets		
Current assets		
Cash and cash equivalents	172,495	149,628
Trade and other receivables	60,018	62,510
Other financial assets	4,352	3,679
Inventories	118,640	136,747
Other current assets	7,169	8,030
Total current assets	362,676	360,595
Non-current assets		
Property, plant and equipment	102,898	105,522
Right-of-use assets	21,655	22,170
Goodwill	177	198
Intangible assets	3,045	3,107
Financial assets	70,319	65,305
Deferred tax assets	7,892	8,710
Other non-current assets	12,261	11,351
Total non-current assets	218,250	216,366
Total assets	580,927	576,961

(Millions of yen)

	FY2022.3 (as of March 31, 2022)	First quarter of FY2023.3 (as of June 30, 2022)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	63,184	59,189
Interest-bearing debt	10,523	9,114
Lease liabilities	5,727	5,619
Other financial liabilities	10,156	10,865
Income tax payables	20,260	5,318
Provisions	2,086	2,011
Other current liabilities	14,174	16,529
Total current liabilities	126,114	108,647
Non-current liabilities		
Lease liabilities	11,647	11,354
Financial liabilities	110	116
Retirement benefit liabilities	14,544	15,509
Provisions	2,399	2,392
Deferred tax liabilities	7,954	6,396
Other non-current liabilities	2,228	2,247
Total non-current liabilities	38,884	38,016
Total liabilities	164,999	146,664
Equity		
Capital stock	28,534	28,534
Capital surplus	2,114	1,568
Retained earnings	397,665	400,005
Treasury shares	(73,288)	(72,644)
Other components of equity	59,746	71,637
Equity attributable to owners of parent	414,773	429,100
Non-controlling interests	1,154	1,196
Total equity	415,927	430,297
Total liabilities and equity	580,927	576,961

(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, 2021 and 2022

(Millions of yen)

	First quarter of FY2022.3 (April 1, 2021 – June 30, 2021)	First quarter of FY2023.3 (April 1, 2022 – June 30, 2022)
Revenue	102,465	105,889
Cost of sales	(62,020)	(64,880)
Gross profit	40,445	41,009
Selling, general and administrative expenses	(27,062)	(30,032)
Core operating profit	13,382	10,977
Other income	5,130	290
Other expenses	(214)	(184)
Operating profit	18,297	11,083
Finance income	532	1,606
Finance expenses	(140)	(117)
Profit before income taxes	18,689	12,573
Income taxes	(5,278)	(3,951)
Profit for the period	13,411	8,622
Profit for the period attributable to:		
Owners of parent	13,413	8,592
Non-controlling interests	(2)	29
Earnings per share		
Basic (Yen)	76.30	50.08
Diluted (Yen)	—	—

Condensed Quarterly Consolidated Statement of Comprehensive Income

First quarter (three months) ended June 30, 2021 and 2022

(Millions of yen)

	First quarter of FY2022.3 (April 1, 2021 – June 30, 2021)	First quarter of FY2023.3 (April 1, 2022 – June 30, 2022)
Profit for the period	13,411	8,622
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	856	(591)
Gains (losses) on financial assets measured at fair value through other comprehensive income	8,770	(3,519)
Total items that will not be reclassified to profit or loss	9,627	(4,111)
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	1,602	15,944
Gains (losses) on cash flow hedges	193	(465)
Total items that may be subsequently reclassified to profit or loss	1,795	15,479
Total other comprehensive income	11,423	11,368
Comprehensive income for the period	24,834	19,990
Comprehensive income for the period attributable to:		
Owners of parent	24,823	19,891
Non-controlling interests	10	98

(3) Condensed Quarterly Consolidated Statement of Changes in Equity

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 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 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

First quarter of FY2023.3 (April 1, 2022 – June 30, 2022)

(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, 2022	28,534	2,114	397,665	(73,288)	—	39,659	20,432
Profit for the period	—	—	8,592	—	—	—	—
Other comprehensive income	—	—	—	—	(591)	(3,519)	15,875
Total comprehensive income for the period	—	—	8,592	—	(591)	(3,519)	15,875
Purchase of treasury shares	—	—	—	(1)	—	—	—
Dividends	—	—	(5,660)	—	—	—	—
Share-based compensation	—	(546)	—	644	—	—	—
Reclassified to retained earnings	—	—	(591)	—	591	—	—
Total transactions with owners	—	(546)	(6,252)	643	591	—	—
Balance at June 30, 2022	28,534	1,568	400,005	(72,644)	—	36,139	36,308

(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, 2022	(345)	59,746	414,773	1,154	415,927
Profit for the period	—	—	8,592	29	8,622
Other comprehensive income	(465)	11,299	11,299	68	11,368
Total comprehensive income for the period	(465)	11,299	19,891	98	19,990
Purchase of treasury shares	—	—	(1)	—	(1)
Dividends	—	—	(5,660)	(56)	(5,717)
Share-based compensation	—	—	98	—	98
Reclassified to retained earnings	—	591	—	—	—
Total transactions with owners	—	591	(5,563)	(56)	(5,620)
Balance at June 30, 2022	(811)	71,637	429,100	1,196	430,297

(4) Notes to the Condensed Quarterly Consolidated Financial Statements

Notes Regarding Assumptions as a Going Concern

Not applicable

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 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 [Segment profit]	10,387	1,337	11,725	1,656	13,382	—	13,382
Other income							5,130
Other expenses							(214)
Operating profit							18,297
Finance income							532
Finance expenses							(140)
Profit before income taxes							18,689

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

First quarter of FY2023.3 (April 1, 2022 – June 30, 2022)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	73,371	22,766	96,138	9,750	105,889	—	105,889
Intersegment revenue	—	—	—	74	74	(74)	—
Total	73,371	22,766	96,138	9,825	105,963	(74)	105,889
Core operating profit [Segment profit (loss)]	9,557	(385)	9,171	1,805	10,977	—	10,977
Other income							290
Other expenses							(184)
Operating profit							11,083
Finance income							1,606
Finance expenses							(117)
Profit before income taxes							12,573

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

Subsequent Events

There are no important sequent events to note.