



February 7, 2023

For Immediate Release

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Takuya Nakata

Code Number: 7951 (TSE Prime Market)

Yamaha Reports Third Quarter (Nine Months) Results for the Fiscal Year Ending March 2023 and Full Year Outlook [IFRS]

□ Third Quarter Results for the Fiscal Year Ending March 31, 2023 (FY2023.3)

A Year-on-Year Increase in Revenue and Profit

For the period through the third quarter of FY2023.3 (April 1, 2022, to December 31, 2022), revenue increased by ¥35.9 billion (+11.9%) year on year to ¥338.2 billion, due to the significant depreciation of the yen against the US dollar, despite semiconductor procurement difficulties, lower demand for entry-level models, and disruptions caused by COVID-19 infections in China. Core operating profit increased by ¥3.9 billion (+11.1%) year on year to ¥38.7 billion due, along with increased revenue, to the contribution of foreign exchange rates, amid rising material and other costs. Profit attributable to owners of the parent was ¥30.0 billion, up ¥2 million year on year, despite the increase in core operating profit, due to reporting of a ¥4.7 billion gain on sales of fixed assets in the previous fiscal year.

➤ Revenue and Profit/Loss by Reportable Segment

Figures in parentheses are percentage changes from the same period of the previous fiscal year, unless indicated otherwise.

Musical Instruments

Revenue of ¥230.4 billion (+12.6%) and core operating profit of ¥31.4 billion (+7.8%)

Revenue of acoustic pianos declined, due to the impact of disruption caused by the COVID-19 infection in China. Sales of digital musical instruments were at roughly the same level as the previous fiscal year, despite a decline in demand for entry-level models. Revenue of guitars increased due to strong sales of electric guitars. Revenue of wind, string, and percussion instruments increased due to significant sales growth in North America.

Revenue of the musical instruments segment overall increased by ¥25.7 billion year on year. Core operating profit increased by ¥2.3 billion.

Audio Equipment

Revenue of ¥76.1 billion (+7.7%) and core operating profit of ¥1.7 billion (+8.5%)

Revenue of audio products declined due to the impact of semiconductor procurement difficulties and sluggish sales of entry-level models. Revenue of professional audio equipment increased due to a partial easing of semiconductor

procurement difficulties and improved supply. Revenue of ICT equipment increased due to continued strong sales of network-related products.

Revenue of the audio equipment segment overall increased by ¥5.4 billion year on year. Core operating profit increased by ¥0.1 billion.

Industrial Machinery/Components and Others

Revenue of ¥31.6 billion (+17.6%) and core operating profit of ¥5.6 billion (+34.9%)

Revenue of electronic devices increased but factory automation (FA) equipment declined. Revenue of golf products increased substantially.

Revenue of the industrial machinery/components and others segment overall increased by ¥4.7 billion year on year. Core operating profit rose by ¥1.5 billion.

□ Outlook for Performance in FY2023.3

Revised Downward to Factor in Deteriorating Market Conditions

Although there are signs of improvement in the product supply shortages that have resulted from semiconductor procurement difficulties and other factors, the Company has revised downward its forecasts for revenue, core operating profit, and profit for the period attributable to owners of the parent, in light of the continued disruption caused by the COVID-19 infection in China and growing cooling of consumption in Europe, as well as revision of foreign exchange rates against the US dollar.

As a result, the Company has revised its full-year earnings forecast for the fiscal year ending March 31, 2023, announced on November 2, 2022, from ¥470.0 billion in revenue (+15.1% year on year) to ¥450.0 billion (+10.2% year on year); from ¥52.0 billion in core operating profit (+20.9%) to ¥48.0 billion (+11.6%); and from ¥41.0 billion in profit for the period attributable to owners of the parent (+10.1%) to ¥37.0 billion (-0.7%).

Of note, the foreign currency exchange rates used in computing these forecasts for the fourth quarter are ¥130 to US\$1 and ¥140 to €1.

1. Core operating profit corresponds to operating profit under Japanese GAAP and is calculated by subtracting selling, general and administrative expenses from gross profit.
2. Figures for revenue and profit or loss in the text of this release have, in principle, been rounded to the nearest ¥100 million.

For further information, please contact:

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Third Quarter of FY2023.3 Performance Outline <IFRS>

YAMAHA CORPORATION
February 7, 2023

(1) Key Financial Indicators

	Three Months Results Ended Dec. 31, 2021	Three Months Results Ended Dec. 31, 2022	Nine Months Results Ended Dec. 31, 2021	Nine Months Results Ended Dec. 31, 2022	Results (Previous Year)	Projections (Full Year)	Previous Projections (Full Year) (Announced on Nov. 2, 2022)
	FY2022.3	FY2023.3	FY2022.3	FY2023.3	FY2022.3	FY2023.3	FY2023.3
Revenue	103.8	120.2	302.3	338.2	408.2	450.0	470.0
Japan	25.3 (24.4%)	27.3 (22.7%)	77.7 (25.7%)	77.4 (22.9%)	105.4 (25.8%)	106.1 (23.6%)	106.1 (22.6%)
Overseas	78.5 (75.6%)	92.9 (77.3%)	224.6 (74.3%)	260.8 (77.1%)	302.8 (74.2%)	343.9 (76.4%)	363.9 (77.4%)
Core Operating Profit ^(*)	11.4 (10.9%)	14.3 (11.9%)	34.9 (11.5%)	38.7 (11.5%)	43.0 (10.5%)	48.0 (10.7%)	52.0 (11.1%)
Operating Profit	11.9 (11.4%)	14.4 (12.0%)	40.6 (13.4%)	39.2 (11.6%)	49.3 (12.1%)	48.5 (10.8%)	52.5 (11.2%)
Profit before Income Tax	12.4 (11.9%)	11.7 (9.8%)	41.9 (13.8%)	41.8 (12.4%)	53.0 (13.0%)	51.5 (11.4%)	57.5 (12.2%)
Net Profit ^(**)	8.6 (8.3%)	9.2 (7.7%)	30.0 (9.9%)	30.0 (8.9%)	37.3 (9.1%)	37.0 (8.2%)	41.0 (8.7%)
Currency Exchange Rate ^(***) (Settlement Rate) (=yen)	113/US\$ 133/EUR	144/US\$ 137/EUR	111/US\$ 131/EUR	136/US\$ 135/EUR	112/US\$ 131/EUR	135/US\$ 136/EUR	136/US\$ 137/EUR
ROE ^(***)	8.6%	8.3%	10.1%	9.4%	9.2%	8.6%	9.4%
ROIC ^(***)	7.8%	9.8%	8.2%	8.5%	7.3%	7.9%	8.4%
ROA ^(***)	6.1%	6.3%	7.1%	6.9%	6.5%	6.3%	6.9%
Basic Earnings per Share	49.8yen	53.6yen	172.4yen	174.8yen	214.8yen	215.6yen	238.9yen
Capital Expenditures (Depreciation Expenses)	3.9 (3.0)	6.3 (3.3)	9.9 (8.9)	12.9 (9.8)	14.8 (12.1)	25.5 (13.0)	25.6 (13.2)
R&D Expenses	6.3	6.2	17.8	18.5	24.0	25.5	25.5
Cash Flows							
Operating Activities	6.8	-12.8	34.8	-27.1	36.0	12.0	28.0
Investing Activities	-2.1	-1.6	47.1	-7.7	43.7	-17.0	-19.0
Free Cash Flow	4.7	-14.4	81.9	-34.8	79.7	-5.0	9.0
Inventories at End of Period	-	-	111.8	156.2	118.6	147.0	143.0
Number of Employees							
Japan	-	-	5,666	5,634	5,615	5,600	5,700
Overseas	-	-	14,271	14,424	14,280	14,700	14,800
Total ^(***)	-	-	19,937	20,058	19,895	20,300	20,500
Temporary Staff (Average during the period)	-	-	8,917	8,388	8,863	8,300	8,500
Revenue by Business Segment							
Musical Instruments	70.9 (68.2%)	80.3 (66.8%)	204.7 (67.7%)	230.4 (68.1%)	276.2 (67.7%)	303.0 (67.3%)	320.0 (68.1%)
Audio Equipment	23.3 (22.5%)	28.7 (23.9%)	70.7 (23.4%)	76.1 (22.5%)	96.9 (23.7%)	106.0 (23.6%)	108.0 (23.0%)
Others	9.7 (9.3%)	11.2 (9.3%)	26.9 (8.9%)	31.6 (9.4%)	35.1 (8.6%)	41.0 (9.1%)	42.0 (8.9%)
Core Operating Profit ^(***) by Business Segment							
Musical Instruments	9.8	10.8	29.1	31.4	37.3	39.0	44.0
Audio Equipment	-0.0	1.3	1.6	1.7	1.5	3.0	3.0
Others	1.6	2.2	4.2	5.6	4.2	6.0	5.0

(2) Revenue by Business Segment and Region

(Billions of yen)

Nine Months Results Ended Dec. 31, 2022 (April-Dec., 2021)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(*)	Revenue	Change ^(*)	Revenue	Change ^(*)	Revenue	Change ^(*)
Japan	42.4	97%	20.7	105%	14.3	99%	77.4	100%
North America	60.4	117%	17.7	96%	5.4	99%	83.5	111%
Europe	42.5	100%	19.5	95%	0.2	42%	62.2	98%
China	42.4	83%	5.3	86% (85%)	3.4	116%	51.0	85%
Other Areas	42.8	103%	13.0	95%	8.4	139%	64.2	105%
Total	230.4	100%	76.1	97% (97%)	31.6	107%	338.2	100%

- *1 Core operating profit is corresponding to operating income under the Japanese GAAP, and is calculated deducting SG&A from gross profit.
*2 Net profit is presented as net profit attributable to owners of the parent on the consolidated financial statements.
*3 Currency exchange rate is the export and import transaction rate applied to profit calculation.
4Q Currency Exchange Rates: US\$=130JPY EUR=140JPY
*4, 5, 7 ROE and ROA are calculated on an annually adjusted basis.
*6 ROIC = core operating profit after income taxes / (equity attributable to owners of parent + interest-bearing debt)
*8 Number of employees = Number of full-time staff at end of the period
*9 The Change indicates actual year-on-year changes discounting impact of exchange rates and figures in parenthesis show actual year-on-year

The Company made a decision related to the acquisition of treasury shares at the meeting of the Board of Directors held on February 7, 2023. The effect of this decision on acquisition of treasury shares has not been taken into the projections for FY2023.3.

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.