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For Immediate Release

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Takuya Nakata

Code Number: 7951 (TSE Prime Market)

Yamaha Reports Second Quarter (Six Months) Results for the Fiscal Year Ending March 2024 and Full Year Outlook [IFRS]

□ Second Quarter Results for the Fiscal Year Ending March 31, 2024 (FY2024.3)

A Year-on-Year Increase in Revenue but Decline in Profit

For the period through the second quarter of FY2024.3 (April 1, 2023, to September 30, 2023), revenue increased by ¥1.6 billion (+0.7%) year on year to ¥219.6 billion. This increase was due to the recovery in sales of audio equipment for business use as well as the impact of the yen depreciation, despite sluggish sales of musical instruments due to continued soft demand for digital pianos, especially for entry-level models, and a slow recovery in market conditions in the Chinese market. Core operating profit decreased by ¥9.1 billion (-37.3%) year on year to ¥15.3 billion, partly due to lower sales in the musical instruments business and production adjustments to reduce inventories. Profit attributable to owners of the parent decreased by ¥5.9 billion (-28.2%) to ¥14.9 billion.

➤ 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 ¥148.2 billion (-1.2%) and core operating profit of ¥13.0 billion (-36.8%).

Revenue of acoustic pianos declined due to sluggish sales in China. Revenue of digital musical instruments decreased due to a continued decline in demand for entry-level models. On the other hand, revenue of wind, string and percussion instruments increased partly due to the recovery of demand in Japan and Europe, in addition to continued strong sales in North America.

Revenue of the musical instruments segment overall declined by ¥1.9 billion year on year. Core operating profit decreased by ¥7.6 billion.

Audio Equipment

Revenue of ¥52.7 billion (+11.0%) and core operating profit of ¥0.7 billion (+45.0%)

Revenue of business for consumer use declined due to continued sluggish market conditions. Revenue of business for business use increased significantly due to a recovery in demand for professional audio equipment and the effect of new products.

Revenue of the audio equipment segment overall increased by ¥5.2 billion year on year. Core operating profit increased by ¥0.2 billion year on year.

Industrial Machinery/Components and Others

Revenue of ¥18.7 billion (-8.5%) and core operating profit of ¥1.7 billion (-51.1%)

Revenue of electronic devices increased, while revenue of factory automation (FA) equipment and golf products declined.

Revenue of the industrial machinery/components and others segment overall declined by ¥1.7 billion year on year. Core operating profit declined by ¥1.7 billion.

□ Outlook for Performance in FY2024.3

Downward Revision due to Delay in Market Recovery and Other Factors

Taking into account a delay in the recovery of market conditions in the Chinese market and the deterioration in profitability at its plants due to the resulting production cutbacks, the Company has revised downward its forecast for revenue, core operating profit and profit for the period attributable to owners of the parent.

As a result, the Company has revised its full-year earnings forecast for the fiscal year ending March 31, 2024, announced on August 2, 2023, from ¥470.0 billion in revenue (+4.1% year on year), ¥50.0 billion in core operating profit (+9.0% year on year) and ¥38.5 billion in profit for the period attributable to owners of the parent (+0.8% year on year), to ¥465.0 billion (+3.0% year on year), ¥42.0 billion (-8.4% year on year), and ¥34.5 billion (-9.6% year on year), respectively.

Of note, the foreign currency exchange rates used in computing these forecasts for the third quarter onwards are ¥140 to US\$1 and ¥150 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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Second Quarter of FY2024.3 Performance Outline <IFRS>

YAMAHA CORPORATION
November 1, 2023

(1) Key Financial Indicators

(Billions of yen)

	Six Months Results Ended Sept. 30, 2022		Six Months Results Ended Sept. 30, 2023		Results ^(*) (Previous Year)		Projections (Full Year)		Previous Projections (Full Year) (Announced on Aug. 2, 2023)	
	FY2023.3		FY2024.3		FY2023.3		FY2024.3		FY2024.3	
Revenue	218.0		219.6		451.4		465.0		470.0	
Japan	50.1	(23.0%)	51.9	(23.6%)	108.6	(24.1%)	108.2	(23.3%)	106.8	(22.7%)
Overseas	167.9	(77.0%)	167.7	(76.4%)	342.8	(75.9%)	356.8	(76.7%)	363.2	(77.3%)
Core Operating Profit ^(*)	24.4	(11.2%)	15.3	(7.0%)	45.9	(10.2%)	42.0	(9.0%)	50.0	(10.6%)
Operating Profit	24.7	(11.3%)	15.4	(7.0%)	46.5	(10.3%)	42.0	(9.0%)	50.0	(10.6%)
Profit before Income Tax	30.1	(13.8%)	21.7	(9.9%)	50.6	(11.2%)	47.5	(10.2%)	53.0	(11.3%)
Net Profit ^(*)	20.8	(9.5%)	14.9	(6.8%)	38.2	(8.5%)	34.5	(7.4%)	38.5	(8.2%)
Currency Exchange Rate ^(**) (Settlement Rate) (=yen)	132/US\$ 134/EUR		140/US\$ 143/EUR		136/US\$ 136/EUR		140/US\$ 146/EUR		135/US\$ 144/EUR	
ROE ^(*)	9.6%		6.3%		8.8%		7.3%		8.2%	
ROIC ^(**)	7.7%		4.4%		7.8%		6.4%		7.7%	
ROA ^(*)	7.1%		4.8%		6.5%		5.6%		6.3%	
Basic Earnings per Share	121.2yen		88.3yen		222.6yen		204.1yen		227.8yen	
Capital Expenditures (Depreciation Expenses)	6.6 (6.5)		12.8 (6.9)		20.5 (13.1)		32.5 (14.0)		33.5 (14.5)	
R&D Expenses	12.3		13.0		25.1		25.5		26.0	
Cash Flows										
Operating Activities	-14.3		19.7		-14.8		73.0		81.5	
Investing Activities	-6.1		-15.8		-21.6		-28.0		-29.0	
Free Cash Flow	-20.4		3.9		-36.4		45.0		52.5	
Inventories at End of Period	156.5		176.8		153.7		142.0		136.0	
Number of Employees										
Japan	5,690		5,624		5,573		5,600		5,600	
Overseas	14,367		14,449		14,454		14,500		14,800	
Total ^(*)	20,057		20,073		20,027		20,100		20,400	
Temporary Staff (Average during the period)	8,796		7,302		8,225		7,400		7,700	
Revenue by Business Segment										
Musical Instruments	150.1	(68.8%)	148.2	(67.5%)	302.7	(67.1%)	310.0	(66.7%)	318.0	(67.7%)
Audio Equipment	47.4	(21.8%)	52.7	(24.0%)	107.6	(23.8%)	115.0	(24.7%)	112.0	(23.8%)
Others	20.5	(9.4%)	18.7	(8.5%)	41.1	(9.1%)	40.0	(8.6%)	40.0	(8.5%)
Core Operating Profit ^(*) by Business Segment										
Musical Instruments	20.6		13.0		36.2		32.0		39.0	
Audio Equipment	0.5		0.7		3.5		6.0		6.0	
Others	3.4		1.7		6.2		4.0		5.0	

(2) Revenue by Business Segment and Region

(Billions of yen)

Six Months Results Ended Sept. 30, 2023 (April-Sept. 2023)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(*)	Revenue	Change ^(*)	Revenue	Change ^(*)	Revenue	Change ^(*)
Japan	29.8	101%	12.9	103%	9.2	112%	51.9	103%
North America	37.6	96%	12.2	105%	4.0	97%	53.8	98%
Europe	28.6	99%	14.8	114%	0.1	62%	43.4	104%
China	24.4	83%	2.7	84%	3.2	183%	30.3	88%
Other Areas	27.8	94%	10.1	117%	2.3	32%	40.2	89%
Total	148.2	95%	52.7	107%	18.7	88%	219.6	97%

*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. 2H Currency Exchange Rates US\$=140JPY EUR=150JPY

*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.

*10 Since the allocation of the acquisition consideration for the business combination was completed in the second quarter of the current fiscal year, the provisional accounting treatment at the end of the previous fiscal year was finalized and key financial indicators at the end of the previous period reflect retroactive adjustments.

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.