



November 2, 2020

For Immediate Release

Company Name: YAMAHA CORPORATION

President and Representative Executive Officer: Takuya Nakata

Code Number: 7951 (First Section of Tokyo Stock Exchange)

Yamaha Reports Second Quarter (Six Months) Results for the Fiscal Year Ending March 2021 and Full Year Outlook [IFRS]

■ **Second Quarter Results for the Fiscal Year Ending March 31, 2021 (FY2021.3)**

A Year-on-Year Decrease in Revenue and Profit

For the first six months through the second quarter of FY2021.3 (April 1, 2020 to September 30, 2020), revenue decreased ¥43.7 billion (−21.0%) year on year, to ¥164.8 billion, as a result of the impact of the COVID-19 pandemic, including a ¥2.7 billion decline in revenue due to the negative impact in foreign exchange. Core operating profit declined by ¥13.1 billion (−50.2%) year on year to ¥13.0 billion, including a ¥1.4 billion decline in profit due to the negative impact in foreign exchange. In addition to a decrease in core operating profit, profit attributable to owners of the parent declined by ¥14.0 billion (−66.5%) year on year, to ¥7.1 billion, due to negative factors including a loss of ¥2.4 billion from the suspension of operations in response to the COVID-19 pandemic reported in the first quarter.

➤ **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 ¥107.2 billion (−22.7%) and Core Operating Profit of ¥11.7 billion (−47.3%)

Sales of digital musical instruments declined, despite the strong market conditions derived from demand generated by people staying at home. The decline occurred mainly due to the COVID-19-related restrictions on the operation of plants in Indonesia and other countries which made it difficult to adequately supply products. Sales of acoustic pianos and wind instruments decreased despite a recovery in the market. Sales of guitars increased due to strong sales in Japan, Europe, North America and China.

Overall revenue in this segment declined by ¥31.4 billion year on year, including a ¥2.1 billion negative impact in foreign exchange. Core operating profit declined by ¥10.5 billion, including a ¥1.2 billion negative impact in foreign exchange.

Audio Equipment

Revenue of ¥45.2 billion (−17.1%) and Core Operating Profit of ¥1.6 billion (−57.0%)

Audio products sales declined overall, despite increased sales as a result of growth in earphones in Japan. Sales in the professional audio equipment business decreased due to lower demand for markets related to live venues and

installation. Sales for ICT equipment increased due to continued expansion of demand for conferencing systems in Japan.

Overall revenue in this segment declined by ¥9.3 billion year on year, including a ¥0.6 billion negative impact in foreign exchange. Core operating profit declined by ¥2.1 billion, including a ¥0.3 billion negative impact in foreign exchange.

Industrial Machinery/Components and Others

Revenue of ¥12.4 billion (–19.4%) and Core Operating Loss of ¥0.3 billion (Core Operating Profit of ¥0.2 billion in the same period of the previous fiscal year)

Sales decreased for electronic devices year on year but increased for FA equipment.

Overall revenue in this segment declined by ¥3.0 billion year on year. Core operating profit decreased ¥0.5 billion.

■ Forecasts for Performance in FY2021.3

Although, there is still a high degree of uncertainty regarding the future impact of the COVID-19 pandemic, the market is recovering and the Group's plants are making progress in resolving supply shortages. The Group's circumstances have improved since the previous forecast was announced.

On the other hand, a fire at one of our business partners in late October has disrupted the procurement of electronic parts, and the likelihood that production and sales will be affected is high. We are currently gathering information and considering countermeasures, but at this point it is difficult to estimate the impact on our financial results for the current fiscal year.

Based on the above, the Company has decided not to revise the previous forecasts for the full fiscal year ending March 31, 2021: revenue of ¥355.0 billion (–14.3% from the previous year), core operating profit of ¥25.0 billion (–46.1%), and the profit attributable to owners of the parent of ¥16.0 billion (–53.8%), announced on August 4.

Notes:

1. Core operating profit corresponds to operating income under Japanese GAAP and is calculated by subtracting selling, general and administrative expenses from gross profit.
2. Figures less than ¥100 million 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:

Yamaha Corporation

Corporate Communications Division, Media Relations Group

Contact form: https://inquiry.yamaha.com/contact/?act=55&lcl=en_WW

Second Quarter of FY2021.3 Performance Outline <IFRS standards>

YAMAHA CORPORATION

November 2, 2020

(1) Key Financial Indicators

(Billions of yen)

	Six Months Results Ended Sept. 30, 2019		Six Months Results Ended Sept. 30, 2020		Results (Previous Year)		Projections ^(*) (Full Year)		Previous Projections (Full Year) (Announced on Aug. 4, 2020)	
	FY2020.3		FY2021.3		FY2020.3		FY2021.3		FY2021.3	
Revenue	208.5		164.8		414.2		355.0		355.0	
Japan	61.9	(29.7%)	47.5	(28.8%)	123.6	(29.8%)	99.0	(27.9%)	99.0	(27.9%)
Overseas	146.6	(70.3%)	117.3	(71.2%)	290.6	(70.2%)	255.9	(72.1%)	255.9	(72.1%)
Core Operating Profit ^(**)	26.1	(12.5%)	13.0	(7.9%)	46.4	(11.2%)	25.0	(7.0%)	25.0	(7.0%)
Operating Profit	27.6	(13.2%)	10.7	(6.5%)	43.3	(10.5%)	22.5	(6.3%)	22.5	(6.3%)
Profit before Income Tax	28.9	(13.8%)	10.1	(6.1%)	47.2	(11.4%)	23.7	(6.7%)	23.7	(6.7%)
Net Profit ^(***)	21.1	(10.1%)	7.1	(4.3%)	34.6	(8.4%)	16.0	(4.5%)	16.0	(4.5%)
Currency Exchange Rate ^(***) (Settlement Rate) (=yen)	109/US\$ 124/EUR		107/US\$ 119/EUR		109/US\$ 122/EUR		108/US\$ ^(***) 120/EUR		108/US\$ 120/EUR	
ROE ^(***)	11.9%		4.3%		10.1%		4.8%		4.8%	
ROA ^(***)	8.2%		3.0%		7.0%		3.4%		3.4%	
Basic Profit per Share	118.3yen		40.3yen		194.7yen		91.0yen		91.0yen	
Capital Expenditures (Depreciation Expenses)	7.2 (5.4)		5.4 (5.6)		20.5 (11.2)		14.8 (11.8)		14.8 (11.8)	
R&D Expenses	12.3		11.9		24.8		24.0		24.0	
Cash Flows										
Operating Activities	19.0		20.7		57.2		26.0		26.0	
Investing Activities	-5.4		-0.1		-21.1		-10.0		-10.0	
Free Cash Flow	13.6		20.6		36.1		16.0		16.0	
Inventories at End of Period	106.1		100.0		100.1		95.0		95.0	
Number of Employees										
Japan	5,736		5,730		5,623		5,600		5,600	
Overseas	14,668		14,320		14,580		14,400		14,400	
Total ^(***) (Changes from the changes in the scope of consolidation)	20,404		20,050		20,203		20,000		20,000	
Temporary Staff (Average during the period)	8,261		7,632		8,064		7,800		7,800	
Revenue by Business Segment										
Musical Instruments	138.7	(66.5%)	107.2	(65.1%)	269.4	(65.0%)	228.0	(64.2%)	228.0	(64.2%)
Audio Equipment	54.5	(26.2%)	45.2	(27.4%)	114.4	(27.6%)	100.0	(28.2%)	100.0	(28.2%)
Others	15.3	(7.3%)	12.4	(7.5%)	30.5	(7.4%)	27.0	(7.6%)	27.0	(7.6%)
Core Operating Profit by Business Segment										
Musical Instruments	22.3		11.7		37.8		20.0		20.0	
Audio Equipment	3.7		1.6		8.6		5.0		5.0	
Others	0.2		-0.3		0.0		0.0		0.0	

(2) Revenue by Business Segment and Region

(Billions of yen)

Six Months Results Ended Sept. 30, 2020 (April-Sept, 2020)	Musical Instruments		Audio Equipment		Others		Total	
	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)	Revenue	Change ^(***)
Japan	24.8	66%	14.6	112%	8.1	72%	47.5	77%
North America	22.4	81%	10.1	79%	1.5	83%	34.1	81%
Europe	19.5	84%	11.8	78%	0.2	139%	31.4	82%
China	23.1	92%	3.2	78% (87%)	1.1	124%	27.4	91%
Other Areas	17.3	77%	5.5	63%	1.6	123%	24.3	75%
Total	107.2	79%	45.2	84% (85%)	12.4	81%	164.8	80%

*1 Full year projections remain unchanged from the previous announcement on August 4, 2020.

*2 Core operating profit is corresponding to operating income under the Japanese GAAP, and is calculated deducting SG&A from gross profit.

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

*4, 8 Currency exchange rate is the export and import transaction rate applied to profit calculation. 2H Currency Exchange Rates US\$=109JPY EUR=121JPY

*5, 6 ROE and ROA are calculated on an annually adjusted basis.

*7 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 change excluding the sales of OEM products.

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.