



YAMAHA CORPORATION

Flash Report Consolidated Basis (IFRS) Results for the Fiscal Year Ended March 31, 2022 (April 1, 2021 – March 31, 2022)

May 11, 2022

Company name:	YAMAHA CORPORATION (URL https://www.yamaha.com/en/)
Code number:	7951
Stock listing:	TSE Prime Market
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Scheduled date of Ordinary General Shareholders' Meeting:	June 22, 2022
Scheduled date to submit Securities Report:	June 23, 2022
Scheduled date to begin dividend payments:	June 23, 2022
Supplementary materials to the financial statements have been prepared:	Yes
Presentation will be held to explain the financial results:	Yes (for securities analysts and institutional investors)

1. Consolidated Financial Results for FY2022.3 (April 1, 2021 – March 31, 2022)

Figures of less than ¥1 million have been omitted.

(1) Consolidated Operating Results

(Percentage figures are changes from 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	%
FY2022.3 (Ended March 31, 2022)	408,197	9.5	43,012	5.7	49,320	40.8	53,010	42.9
FY2021.3 (Ended March 31, 2021)	372,630	(10.0)	40,711	(12.2)	35,039	(19.1)	37,102	(21.4)

Note: Comprehensive income: **FY2022.3 ¥58,523 million (28.8%)**

FY2021.3 ¥82,169 million –%

	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
FY2022.3 (Ended March 31, 2022)	37,347	39.8	37,255	40.0	214.79	–
FY2021.3 (Ended March 31, 2021)	26,708	(23.0)	26,615	(23.1)	151.39	–

	Profit ratio for the period to the share attributable to owners of parent	Profit ratio before income taxes to total assets	Core operating profit ratio to revenue
	%	%	%
FY2022.3 (Ended March 31, 2022)	9.2	9.3	10.5
FY2021.3 (Ended March 31, 2021)	7.4	7.2	10.9

(For reference) Share of profit of associates accounted for using the equity method: **FY2022.3** ¥— million
FY2021.3 ¥— million

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Equity ratio attributable to owners of parent	Equity per share attributable to owners of parent
	Millions of yen	Millions of yen	Millions of yen	%	Yen
FY2022.3 (As of March 31, 2022)	580,927	415,927	414,773	71.4	2,417.89
FY2021.3 (As of March 31, 2021)	557,616	396,949	395,958	71.0	2,252.34

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY2022.3 (Ended March 31, 2022)	36,016	43,707	(44,426)	172,495
FY2021.3 (Ended March 31, 2021)	58,225	(5,785)	(20,602)	129,345

2. Dividends

	Annual dividends					Total dividends (annual)	Consolidated payout ratio	Consolidated payout ratio attributable to owners of parent
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Full fiscal year			
	Yen	Yen	Yen	Yen	Yen			
FY2021.3	—	33.00	—	33.00	66.00	11,602	43.6	3.2
FY2022.3	—	33.00	—	33.00	66.00	11,361	30.7	2.8
FY2023.3 (Forecast)	—	33.00	—	33.00	66.00		30.2	

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

	Revenue		Core operating profit		Operating profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2023.3	440,000	7.8	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

* Core operating profit corresponds to operating profit under Japanese GAAP and is calculated by subtracting selling, general and administrative expenses from gross profit.

Footnote

- (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)	FY2022.3	187,300,000 shares	FY2021.3	191,555,025 shares
(b) Number of treasury shares at the end of the period	FY2022.3	15,756,795 shares	FY2021.3	15,756,254 shares
(c) Average number of shares outstanding during the period (cumulative period)	FY2022.3	173,446,839 shares	FY2021.3	175,804,109 shares

Based on the resolution of the Board of Directors on November 26, 2021, the total number of outstanding shares decreased by 4,255,025 shares due to the cancellation of treasury shares on December 1, 2021.

(For Reference) Non-Consolidated Results

Non-consolidated results for FY2022.3 (April 1, 2021–March 31, 2022)

(1) Non-consolidated operating results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2022.3 (Ended March 31, 2022)	217,696	12.1	12,049	2.2	40,883	60.0	67,936	259.0
FY2021.3 (Ended March 31, 2021)	194,117	(16.3)	11,789	(35.9)	25,548	(18.6)	18,922	(27.4)

	Net income per share	Net income per share after full dilution
	Yen	Yen
FY2022.3 (Ended March 31, 2022)	391.68	—
FY2021.3 (Ended March 31, 2021)	107.63	—

(2) Non-consolidated financial data

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY2022.3 (As of March 31, 2022)	374,674	277,307	74.0	1,616.55
FY2021.3 (As of March 31, 2021)	379,165	281,249	74.2	1,599.84

(For reference) Shareholders' equity: FY2022.3 ¥277,307 million FY2021.3 ¥281,249 million

***This flash report is exempt from the auditing 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 items related to consolidated performance forecasts, please refer to page 3.

The materials distributed at the presentation of financial statements and other materials will be posted on the Company's website immediately after the presentation is concluded.

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1. Management Performance

(1) Overview of Management Performance

1. Review of the Fiscal Year (FY2022.3)

The business environment in the fiscal year ended March 31, 2022, was characterized by the recovery trend after the sharp slowdown in the global economy in 2020 caused by the COVID-19 pandemic due to progress with vaccination programs and with support from fiscal and monetary policies in each country. At the same time, the outlook for business conditions remains uncertain as the economic growth has been hampered by the shortage of semiconductors, disrupted supply chains, soaring natural resource prices as well as the impact of Russia's invasion of Ukraine after the end of the fiscal year. The business outlook is similar for the Japanese economy as it is facing the resurgence of infections of the Omicron variant that make it still difficult to forecast when the pandemic will come to an end. To support the continuation of corporate activities under various restrictions, the major issue was to balance efforts to control the spread of infection with socio-economic activities.

In these conditions, the Yamaha Group has been pursuing four key strategies under its medium-term management plan "Make Waves 1.0," with the basic policy of "develop closer ties with customers and society, and boost value creation capabilities." Financial targets were not met due to the restrictions on social activities imposed by the COVID-19 pandemic and the extensive impact on business activities caused by supply chain disruptions. Despite these setbacks, we have made steady progress in the key strategies of "Develop Closer Ties with Customers," "Create New Value," "Enhance Productivity," and "Contribute to Society through Our Business." Consequently, we achieved all of the non-financial targets that were first set in the previous medium-term management plan: corporate brand value, spreading instrumental music education in emerging countries, and certified timber use.

For the efforts to develop closer ties with customers, while consumer purchasing behavior has been changing substantially, we reinforced customer contact points and strengthened the framework for communicating our product and brand value as the strategy to enhance lifetime value (LTV). One of the key points for contact with the customers is the customer experience sites. During the year we renovated the Nagoya shop following the Ginza shop to make them into experience-oriented brand shops where we communicate the Yamaha world view by providing opportunities for customers to directly engage with our products and to sense the quality. We also responded to the increasing use of e-commerce and social media by mobilizing a dual approach of both physical stores and online initiatives, accelerating our direct value appeal to customers. In addition, we broadened the business domains by securing adoption by the Chinese automakers for our in-vehicle audio systems.

In the key strategy to create new value, the designs of the YDS-150 digital saxophone and THR30IIA Wireless amplifier for guitars were highly acclaimed and both received the DFA Design for Asia Awards in 2021. We also offered various products and services designed to provide solutions to social challenges, including the YVC Series of speakerphones that enable quality remote communication for business and education settings, the Remote Cheerer system enabling concerts, sports, and other various live events to enliven events remotely, and the Distance Viewing of next-generation live viewing service, to be held in a safe and secure manner.

For the key strategy of enhancing productivity, while there were delays in measures to the plan due to the operation suspensions and other disruptions caused by the pandemic conditions, and the need for providing some support services remotely, we made progress in various measures, such as standardizing production control and shifting to smart factories. In India, we set up a new factory and expanded production capacity and the number of models. In addition, the COVID-19 pandemic provided an opportunity for us to accelerate the promotion of new workstyles and the digitization of various procedures to improve work efficiency.

In our drive to contribute to society through our business, we garnered a cumulative total of 1.29 million students to the target of a "cumulative total of 1 million students through promoting instrumental music education in emerging markets." As a result of our efforts to promote the spread of music, we opened the Yamaha Music School Riyadh in November 2021 as the country's first authorized music education facility in the Kingdom of Saudi Arabia. We also achieved the target of "50% certified timber use rate," which was at 52% and exceeding the plan.

In the fiscal year ended March 31, 2022, revenue increased by ¥35,566 million (9.5%) year on year to ¥408,197 million, mainly due to progress in the recovery from the impact of the COVID-19 pandemic, despite continued shortages in the product supply caused by difficulties in procuring semiconductors and disruptions in logistics. Core operating profit increased by ¥2,301 million (5.7%) year on year to ¥43,012 million due to increase in revenue. Profit for the period attributable to owners of parent increased ¥10,640 million (40.0%) year on year to ¥37,255 million.

Results of operations by segment were as follows:

Musical Instruments

Revenue increased in all products as market conditions recovered, despite continued shortages in the product supply due to difficulties in procuring semiconductors such as sound-generating LSIs and disruptions in logistics. Revenue also increased in all regions respectively.

As a result, the musical instruments business posted a revenue increase of ¥37,172 million (15.6%) year on year to ¥276,153 million. Core operating profit increased by ¥4,899 million (15.1%) to ¥37,317 million.

Audio Equipment

Revenue of audio equipment and ICT equipment declined due to the significant effect of semiconductor procurement difficulties. Revenue of professional audio equipment increased due to a recovery trend in demand.

As a result, the audio equipment business recorded a revenue decline of ¥6,889 million (-6.6%) year on year to ¥96,924 million. Core operating profit declined by ¥5,531 million (-78.3%) to ¥1,536 million.

Others

Revenue of electronic devices and the automobile interior wood components increased due to the market recovery, but revenue for factory automation (FA) equipment declined.

As a result, revenue of others business overall increased by ¥5,282 million (17.7%) year on year to ¥35,119 million. Core operating profit increased by ¥2,932 million to ¥4,158 million, compared to ¥1,225 million in the previous fiscal year.

2. Forecast for FY2023.3

With regard to the consolidated performance for the fiscal year ending March 31, 2023, although product supply shortages continue due to difficulties in procuring semiconductors, taking into consideration market conditions, especially in the musical instruments business, and the improvement in the product supply conditions, the Company forecasts revenue of ¥440 billion, core operating profit of ¥50 billion, and profit for the period attributable to owners of the parent of ¥37.5 billion.

<p>The forward-looking statements in this flash report contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results achieved.</p>
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(2) Overview of Financial Position

1. Consolidated Financial Position

Total assets at the end of the fiscal year amounted to ¥580,927 million, an increase of ¥23,310 million (4.2%) from ¥557,616 million at the end of the previous fiscal year.

Current assets increased ¥61,573 million (20.4%) from the end of the previous fiscal year to ¥362,676 million, and non-current assets decreased ¥38,262 million (14.9%) to ¥218,250 million. In current assets, cash and cash equivalents increased and inventories increased due to an increase in raw materials as a result of production delays in some products caused by shortage of semiconductor components and other factors, as well as the impact of foreign exchange rate fluctuations. In non-current assets, financial assets decreased due to the sale of investment securities.

Total liabilities at the end of the fiscal year were ¥164,999 million, an increase of ¥4,332 million (2.7%) from ¥160,667 million at the end of the previous fiscal year.

Current liabilities increased ¥25,261 million (25.0%) from the end of the previous fiscal year to ¥126,114 million, and non-current liabilities decreased ¥20,929 million (35.0%) to ¥38,884 million. Due to the sale of investment securities, income tax payables increased in current liabilities, and deferred tax liabilities decreased in non-current liabilities. Retirement benefit liabilities decreased due to contribution to the retirement benefit trust.

Total equity at the end of the fiscal year amounted to ¥415,927 million, an increase of ¥18,978 million (4.8%) from ¥396,949 million at the end of the previous fiscal year. The overall increase was due to an increase in retained earnings resulting from the recording of profit for the period and an increase in other components of equity resulting from foreign exchange rate fluctuations, which offset a decrease due to the purchase of treasury shares and the cash dividends paid. In addition, capital surplus and retained earnings decreased due to the cancellation of treasury shares.

2. Cash Flows

Cash and cash equivalents (hereinafter, cash) at the end of the fiscal year increased ¥43,150 million (compared to an increase of ¥36,673 million in the previous fiscal year) and stood at ¥172,495 million.

Cash Flows from Operating Activities

Net cash provided by operating activities for the fiscal year amounted to ¥36,016 million (compared to net cash provided by operating activities of ¥58,225 million in the previous fiscal year). This net cash inflow was due mainly to the contribution of profit before income taxes.

Cash Flows from Investing Activities

Net cash provided by investing activities for the fiscal year amounted to ¥43,707 million (compared to net cash used in investing activities of ¥5,785 million in the previous fiscal year). This net cash inflow was primarily due to the proceeds from the sale and redemption of investment securities.

Cash Flows from Financing Activities

Net cash used in financing activities for the fiscal year amounted to ¥44,426 million (compared to net cash used in financing activities of ¥20,602 million in the previous fiscal year). This net cash outflow was primarily due to the purchase of treasury shares and the cash dividends paid.

3. Forecasts for FY2023.3

For the fiscal year ending March 31, 2023, the Company forecasts cash flows provided by operating activities of ¥31.0 billion, cash flows used in investing activities of ¥21.0 billion, and a free cash inflow of ¥10.0 billion.

The forward-looking statements in this flash report contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results achieved.

(3) Basic Policy for Allocation of Profit and Dividends for FY2022.3 and FY2023.3

In consideration of the improvement of ROE (Return on equity attributable to owners of parent,) the Company undertakes investments for growth—including R&D, for marketing capabilities and the making of other capital investments—on the basis of its medium-term consolidated profit level, while actively returning profits to shareholders. Taking continuous and steady cash dividends as the basis of its shareholder returns, the Company will implement flexible shareholder returns as it sees fit with the aim of improving its capital efficiency, while giving due consideration to the maintaining of a balance between adequate internal reserves of investment for future growth. The Company will implement shareholder returns with a target consolidated total return ratio of 50% (cumulative amount of medium-term management plan period).

For the year-end dividend for FY2022.3, the Company decided to pay a regular dividend on its common shares of ¥33.00 per share (¥66.00 per share for the full fiscal year) in view of the above-mentioned policy, its financial position, and other factors. Regarding dividends for the fiscal year ending March 31, 2023, the Company is planning to pay a regular dividend of ¥66.00 per share for the full fiscal year (consisting of an interim dividend of ¥33.00 per share and a year-end dividend of ¥33.00 per share).

The forward-looking statements in this flash report contain inherent risks and uncertainties insofar as they are based on future projections and plans that may differ materially from the actual results achieved.

2. Basic Approach to Selection of Accounting Standards

The Yamaha Group has voluntarily adopted the International Financial Reporting Standards (IFRS), with the aims of increasing the feasibility of international comparisons of financial information in financial markets and improving the level of management globally.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	FY2021.3 (as of March 31, 2021)	FY2022.3 (as of March 31, 2022)
Assets		
Current assets		
Cash and cash equivalents	129,345	172,495
Trade and other receivables	57,329	60,018
Other financial assets	8,573	4,352
Inventories	96,803	118,640
Other current assets	7,871	7,169
Subtotal	299,924	362,676
Assets held for sale	1,179	—
Total current assets	301,103	362,676
Non-current assets		
Property, plant and equipment	96,142	102,898
Right-of-use assets	22,231	21,655
Goodwill	160	177
Intangible assets	2,529	3,045
Financial assets	120,058	70,319
Deferred tax assets	7,407	7,892
Other non-current assets	7,983	12,261
Total non-current assets	256,513	218,250
Total assets	557,616	580,927

(Millions of yen)

	FY2021.3 (as of March 31, 2021)	FY2022.3 (as of March 31, 2022)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	56,915	63,184
Interest-bearing debt	7,980	10,523
Lease liabilities	5,696	5,727
Other financial liabilities	9,745	10,156
Income taxes payables	4,045	20,260
Provisions	1,806	2,086
Other current liabilities	14,664	14,174
Total current liabilities	100,852	126,114
Non-current liabilities		
Interest-bearing debt	387	—
Lease liabilities	14,465	11,647
Other financial liabilities	178	110
Retirement benefit liabilities	22,576	14,544
Provisions	1,823	2,399
Deferred tax liabilities	18,244	7,954
Other non-current liabilities	2,137	2,228
Total non-current liabilities	59,814	38,884
Total liabilities	160,667	164,999
Equity		
Capital stock	28,534	28,534
Capital surplus	21,430	2,114
Retained earnings	337,923	397,665
Treasury shares	(65,086)	(73,288)
Other components of equity	73,156	59,746
Equity attributable to owners of parent	395,958	414,773
Non-controlling interests	991	1,154
Total equity	396,949	415,927
Total liabilities and equity	557,616	580,927

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	FY2021.3 (April 1, 2020 – March 31, 2021)	FY2022.3 (April 1, 2021 – March 31, 2022)
Revenue	372,630	408,197
Cost of sales	(229,720)	(253,476)
Gross profit	142,909	154,720
Selling, general and administrative expenses	(102,198)	(111,708)
Core operating profit	40,711	43,012
Other income	1,909	7,558
Other expenses	(7,580)	(1,250)
Operating profit	35,039	49,320
Finance income	3,366	5,792
Finance expenses	(1,303)	(2,102)
Profit before income taxes	37,102	53,010
Income taxes	(10,393)	(15,663)
Profit for the period	26,708	37,347
Profit for the period attributable to:		
Owners of parent	26,615	37,255
Non-controlling interests	93	92
Earnings per share		
Basic (Yen)	151.39	214.79
Diluted (Yen)	—	—

Consolidated Statement of Comprehensive Income

(Millions of yen)

	FY2021.3 (April 1, 2020 – March 31, 2021)	FY2022.3 (April 1, 2021 – March 31, 2022)
Profit for the period	26,708	37,347
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	5,687	2,901
Financial assets measured at fair value through other comprehensive income	37,927	(582)
Total items that will not be reclassified to profit or loss	43,614	2,319
Items that may be subsequently reclassified to profit or loss		
Exchange differences on translation of foreign operations	12,037	19,077
Gain or loss on cash flow hedges	(191)	(221)
Total items that may be subsequently reclassified to profit or loss	11,846	18,856
Total other comprehensive income	55,460	21,175
Comprehensive income for the period	82,169	58,523
Comprehensive income for the period attributable to:		
Owners of parent	81,993	58,290
Non-controlling interests	175	232

(3) Consolidated Statement of Changes in Equity

FY2021.3 (April 1, 2020 – March 31, 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	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations
Balance at April 1, 2020	28,534	21,277	316,899	(65,093)	—	34,183	(10,461)
Profit for the period	—	—	26,615	—	—	—	—
Other comprehensive income	—	—	—	—	5,687	37,927	11,955
Total comprehensive income for the period	—	—	26,615	—	5,687	37,927	11,955
Purchase of treasury shares	—	—	—	(9)	—	—	—
Cancellation of treasury shares	—	—	—	—	—	—	—
Dividends	—	—	(11,603)	—	—	—	—
Share-based compensation	—	152	—	16	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control	—	0	—	—	—	—	—
Reclassified to retained earnings	—	—	6,011	—	(5,687)	(324)	—
Total transactions with owners	—	152	(5,591)	6	(5,687)	(324)	—
Balance at March 31, 2021	28,534	21,430	337,923	(65,086)	—	71,786	1,494

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Gain or loss on cash flow hedges	Total			
Balance at April 1, 2020	67	23,789	325,409	1,040	326,450
Profit for the period	—	—	26,615	93	26,708
Other comprehensive income	(191)	55,378	55,378	82	55,460
Total comprehensive income for the period	(191)	55,378	81,993	175	82,169
Purchase of treasury shares	—	—	(9)	—	(9)
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	(11,603)	(59)	(11,663)
Share-based compensation	—	—	168	—	168
Changes in the ownership interest of a subsidiary without a loss of control	—	—	0	(165)	(165)
Reclassified to retained earnings	—	(6,011)	—	—	—
Total transactions with owners	—	(6,011)	(11,444)	(225)	(11,669)
Balance at March 31, 2021	(123)	73,156	395,958	991	396,949

FY2022.3 (April 1, 2021 – March 31, 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	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	—	—	37,255	—	—	—	—
Other comprehensive income	—	—	—	—	2,901	(582)	18,938
Total comprehensive income for the period	—	—	37,255	—	2,901	(582)	18,938
Purchase of treasury shares	—	—	—	(28,009)	—	—	—
Cancellation of treasury shares	—	(19,333)	(457)	19,790	—	—	—
Dividends	—	—	(11,501)	—	—	—	—
Share-based compensation	—	18	—	16	—	—	—
Changes in the ownership interest of a subsidiary without a loss of control	—	—	—	—	—	—	—
Reclassified to retained earnings	—	—	34,445	—	(2,901)	(31,544)	—
Total transactions with owners	—	(19,315)	22,487	(8,201)	(2,901)	(31,544)	—
Balance at March 31, 2022	28,534	2,114	397,665	(73,288)	—	39,659	20,432

(Millions of yen)

	Equity attributable to owners of parent			Non-controlling interests	Total equity
	Other components of equity		Total		
	Gain or loss on cash flow hedges	Total			
Balance at April 1, 2021	(123)	73,156	395,958	991	396,949
Profit for the period	—	—	37,255	92	37,347
Other comprehensive income	(221)	21,035	21,035	139	21,175
Total comprehensive income for the period	(221)	21,035	58,290	232	58,523
Purchase of treasury shares	—	—	(28,009)	—	(28,009)
Cancellation of treasury shares	—	—	—	—	—
Dividends	—	—	(11,501)	(68)	(11,570)
Share-based compensation	—	—	34	—	34
Changes in the ownership interest of a subsidiary without a loss of control	—	—	—	—	—
Reclassified to retained earnings	—	(34,445)	—	—	—
Total transactions with owners	—	(34,445)	(39,476)	(68)	(39,544)
Balance at March 31, 2022	(345)	59,746	414,773	1,154	415,927

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	FY2021.3 (April 1, 2020 – March 31, 2021)	FY2022.3 (April 1, 2021 – March 31, 2022)
Cash flows from operating activities:		
Profit before income taxes	37,102	53,010
Depreciation and amortization	17,056	17,314
Impairment losses (reversal of impairment losses)	3,553	322
Finance income and finance expenses	(2,854)	(3,367)
Loss (gain) on disposal or sales of property, plant and equipment and intangible assets	93	(4,597)
(Increase) decrease in inventories	7,666	(13,751)
(Increase) decrease in trade and other receivables	3,077	582
Increase (decrease) in trade and other payables	3,081	3,950
Increase (decrease) in retirement benefit assets and liabilities	794	(8,938)
Increase (decrease) in provisions	(1,232)	530
Increase (decrease) in amount payables due to transition to defined contribution plans	(1,447)	(1,487)
Other, net	(1,490)	(245)
Subtotal	65,401	43,323
Interest and dividends income received	3,401	4,255
Interest expenses paid	(565)	(404)
Income taxes refunded (paid)	(10,011)	(11,158)
Cash flows from operating activities	58,225	36,016
Cash flows from investing activities:		
Net (increase) decrease in time deposits	5,007	4,850
Purchase of property, plant and equipment and intangible assets	(12,572)	(14,530)
Proceeds from sales of property, plant and equipment and intangible assets	382	6,111
Purchase of investment securities	(1)	(0)
Proceeds from sales and redemption of investment securities	1,405	47,255
Other, net	(7)	21
Cash flows from investing activities	(5,785)	43,707
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(3,398)	679
Proceeds from long-term borrowings	795	955
Repayments of long-term borrowings	—	(449)
Repayment of lease liabilities	(6,063)	(6,022)
Purchase of treasury shares	(9)	(28,009)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(165)	—
Cash dividends paid	(11,603)	(11,501)
Cash dividends paid to non-controlling interests	(59)	(68)
Other, net	(97)	(8)
Cash flows from financing activities	(20,602)	(44,426)
Effect of exchange rate change on cash and cash equivalents	4,836	7,852
Net increase (decrease) in cash and cash equivalents	36,673	43,150
Cash and cash equivalents at beginning of period	92,671	129,345
Cash and cash equivalents at end of period	129,345	172,495

(5) Notes to the Consolidated Financial Statements

Notes Regarding Assumptions as a Going Concern

Not applicable

Additional Information

Sale of a portion of the shares of Yamaha Motor Co., Ltd.

During the second quarter of the consolidated fiscal year, the Company sold a portion of its holdings of the shares of Yamaha Motor Co., Ltd. The proceeds from this sale, after deduction of commissions and other expenses, amounted to ¥46,087 million. This stock is classified as financial assets measured at fair value through other comprehensive income, and since there is no gain on sales of investment securities from the sale of these shares in the consolidated income statements, the impact on profit for the period is minimal.

Contribution to retirement benefit trust

In March 2022, the Company established a retirement benefit trust for a non-funded retirement benefit plan for its employees and contributed ¥10,000 million in cash and cash equivalents. As a result, retirement benefits liabilities decreased by the same amount.

Other Income

Gain on sales of fixed assets

The Company sold the land (Chuo-ku, Sapporo, Hokkaido), categorized as “Assets held for sale” in the consolidated statement of financial position, to ALJ Sapporo RE2 TMK (Chiyoda-ku, Tokyo) in the first quarter of the fiscal year ended March 31, 2022. As a result of the sale, the Company recorded a gain on sales of fixed assets of ¥4,700 million in other income.

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.

In addition, 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.

FY2021.3 (April 1, 2020 – March 31, 2021)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	238,981	103,813	342,794	29,836	372,630	—	372,630
Intersegment revenue	—	—	—	254	254	(254)	—
Total	238,981	103,813	342,794	30,090	372,884	(254)	372,630
Core operating profit (Segment profit)	32,417	7,067	39,485	1,225	40,711	—	40,711
Other income							1,909
Other expenses							(7,580)
Operating profit							35,039
Finance income							3,366
Finance expenses							(1,303)
Profit before income taxes							37,102

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

FY2022.3 (April 1, 2021 – March 31, 2022)

(Millions of yen)

	Reportable segment			Others	Total	Adjustments	Consolidated
	Musical instruments	Audio equipment	Total				
Revenue							
Revenue from external customers	276,153	96,924	373,077	35,119	408,197	—	408,197
Intersegment revenue	—	—	—	301	301	(301)	—
Total	276,153	96,924	373,077	35,420	408,498	(301)	408,197
Core operating profit (Segment profit)	37,317	1,536	38,854	4,158	43,012	—	43,012
Other income							7,558
Other expenses							(1,250)
Operating profit							49,320
Finance income							5,792
Finance expenses							(2,102)
Profit before income taxes							53,010

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

Earnings Per Share

Basic earnings per share and basis for calculations are as follows.

	FY2021.3 (April 1, 2020 – March 31, 2021)	FY2022.3 (April 1, 2021 – March 31, 2022)
Profit for the period attributable to owners of parent (million yen)	26,615	37,255
Weighted-average number of common shares (thousand shares)	175,804	173,446
Basic earnings per share (yen)	151.39	214.79

Notes: Diluted earnings per share is not stated because there are no latent shares with the dilution effect.

Subsequent Events

There are no important sequential events to note.