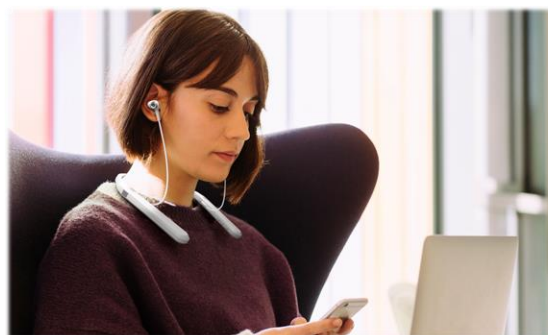


# Analyst and Investor Briefing on Second Quarter of FY2021.3

(Fiscal year ending March 31, 2021)



November 4, 2020

**Yamaha Corporation**

# FY2021.3 1H Highlights

## Overview

Figures in parentheses are year-on-year comparisons

### FY2021.3 1H Achievements

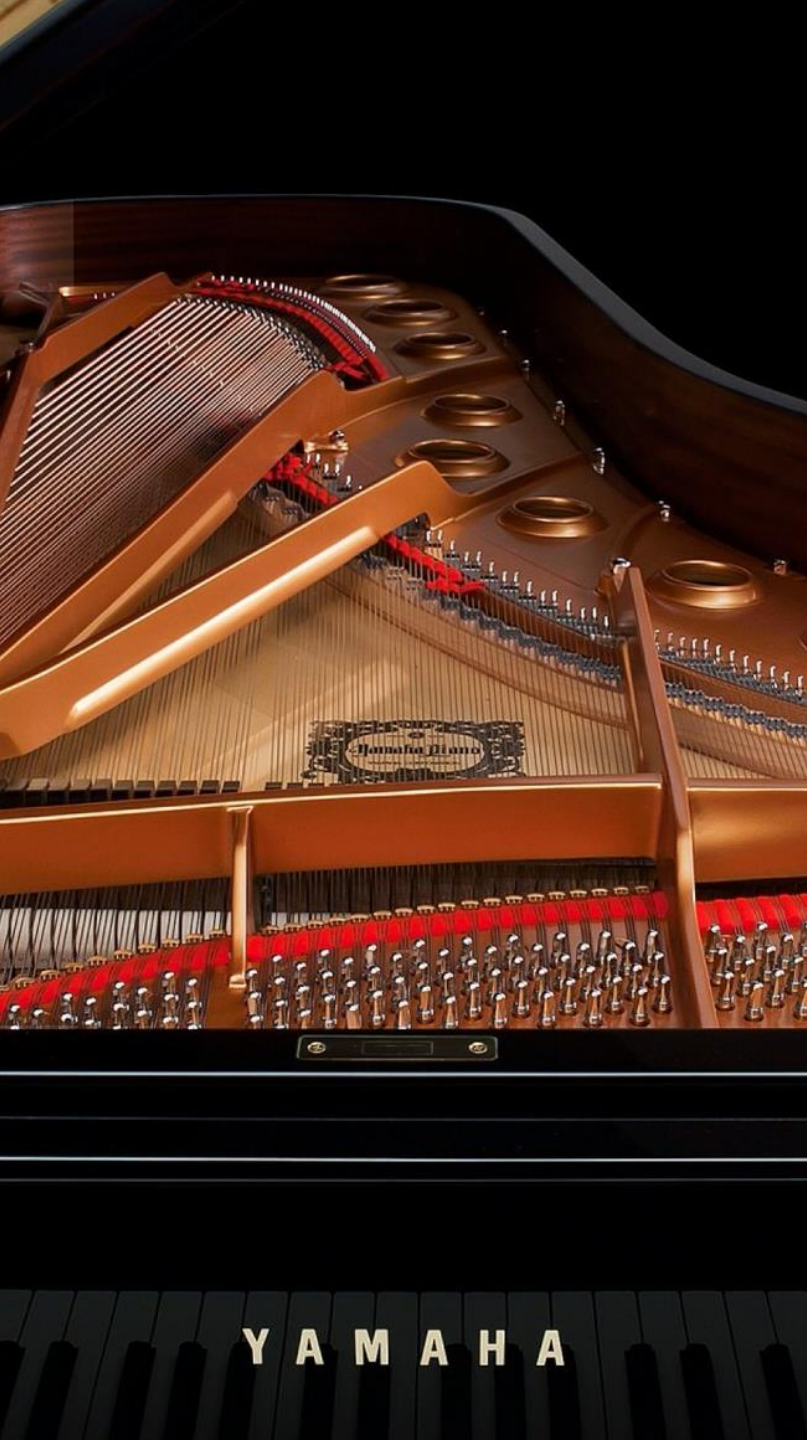
- The market is on the recovery trend due to stay-at-home demand, but both revenue and profit declined in part due to supply shortages caused by factory operating restrictions
- The first half revenue amounted to ¥164.8 billion (down 21.0%), core operating profit totalled ¥13.0 billion (down 50.2%), and the core operating profit ratio was 7.9% (down 4.6 percentage point)

## Outlook

### FY2021.3 Full Year Outlook

- Business conditions are improving as market conditions recover and the Group's plants are making progress in resolving supply shortages. However, a fire at a parts supplier's plant at the end of October 2020 may have an impact on future results due to difficulties in procuring electronic parts.

At this point in time, it is difficult to estimate the impact of the fire on our financial results for the current fiscal year, and therefore we are not revising our full-year results.



# 1. Performance Summary

# FY2021.3 1H (Six Months) Summary

(billions of yen)

	FY2020.3 1H	FY2021.3 1H	Change	
			Change	% Change
<b>Revenue</b>	208.5	<b>164.8</b>	-43.7	-21.0% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	26.1 (12.5%)	<b>13.0</b> (7.9%)	-13.1	-50.2%
<b>Net Profit</b> <sup>*1</sup>	21.1	<b>7.1</b>	-14.0	-66.5%

## Exchange Rate (yen)

<b>Revenue</b> (Average rate during the period)	<b>US\$</b>	109	<b>107</b>
	<b>EUR</b>	121	<b>121</b>
<b>Profit</b> (Settlement rate)	<b>US\$</b>	109	<b>107</b>
	<b>EUR</b>	124	<b>119</b>

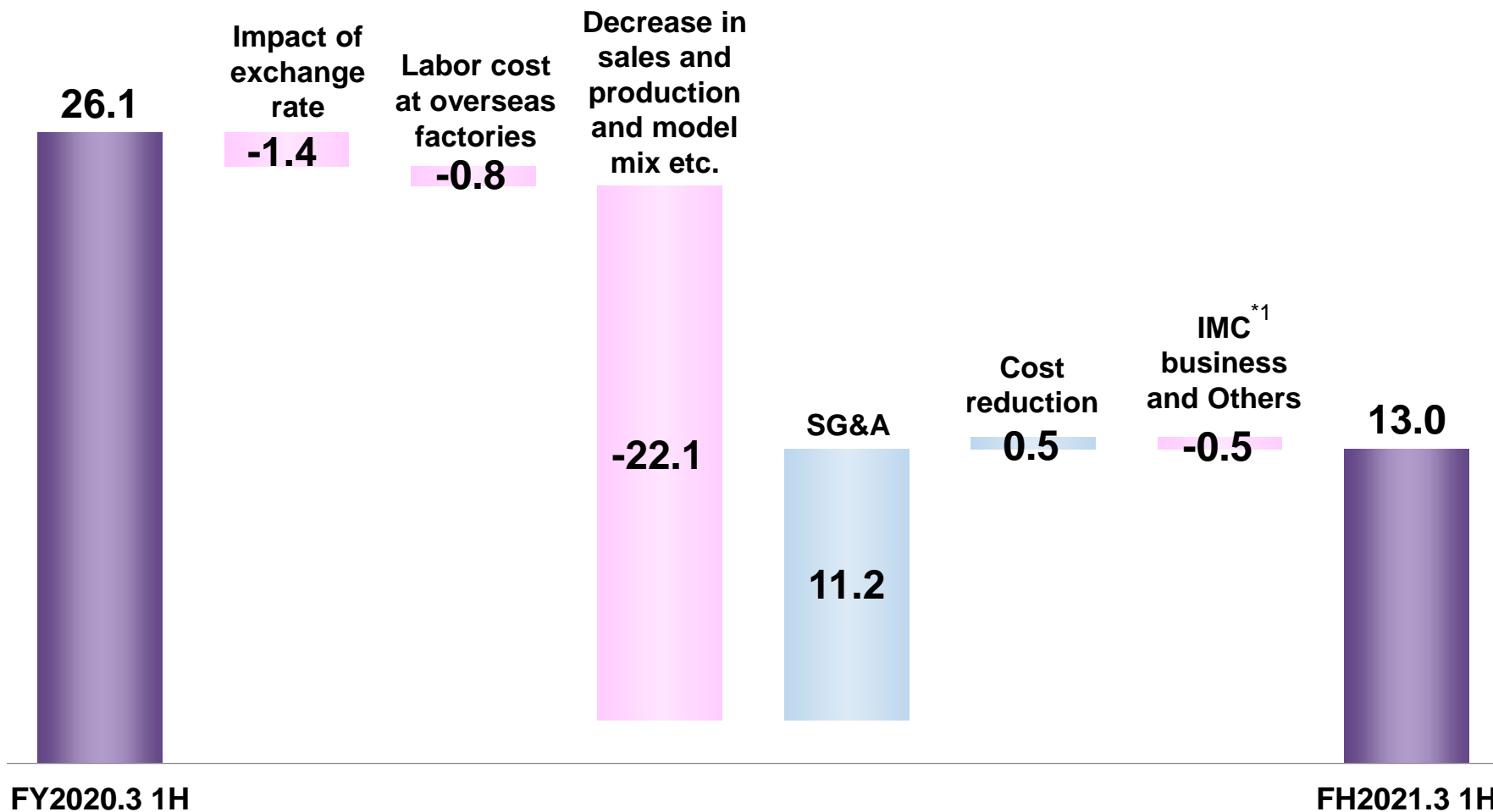
<sup>\*2</sup> -19.7%  
(Excluding the impact of exchange rate)

\*1 Net profit is presented as profit attributable to owners of the parent on the consolidated financial statements.

# Core Operating Profit Analysis

Versus previous year

(billions of yen)



\*1 Industrial Machinery and Components

# Performance by Business Segment

(billions of yen)

		FY2020.3 1H	FY2021.3 1H	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>138.7</b>	<b>107.2</b>	<b>-31.4</b>	<b>-2.1</b>
	<b>Core Operating Profit</b>	<b>22.3</b>	<b>11.7</b>	<b>-10.5</b>	<b>-1.2</b>
	Core Operating Profit Ratio	16.1%	10.9%	-5.1P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>54.5</b>	<b>45.2</b>	<b>-9.3</b>	<b>-0.6</b>
	<b>Core Operating Profit</b>	<b>3.7</b>	<b>1.6</b>	<b>-2.1</b>	<b>-0.3</b>
	Core Operating Profit Ratio	6.7%	3.5%	-3.2P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>15.3</b>	<b>12.4</b>	<b>-3.0</b>	<b>-0.1</b>
	<b>Core Operating Profit</b>	<b>0.2</b>	<b>-0.3</b>	<b>-0.5</b>	<b>0</b>
	Core Operating Profit Ratio	1.2%	-2.3%	-3.5P	

\*1 Industrial Machinery and Components



# FY2021.3 Outlook

\*Full year projections remain unchanged from the previous announcement on August 4, 2020.  
(billions of yen)

	FY2020.3 Full year	FY2021.3 Full year (projections)	Change	
<b>Revenue</b>	<b>414.2</b>	<b>355.0</b>	-59.2	-14.3% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	<b>46.4</b> (11.2%)	<b>25.0</b> (7.0%)	-21.4	-46.1%
<b>Net Profit</b> <sup>*1</sup>	<b>34.6</b>	<b>16.0</b>	-18.6	-53.8%

## Exchange Rate (yen)

<b>Revenue</b> (Average rate during the period)	<b>US\$</b>	<b>109</b>	<b>108</b>
	<b>EUR</b>	<b>121</b>	<b>120</b>
<b>Profit</b> (Settlement rate)	<b>US\$</b>	<b>109</b>	<b>108</b>
	<b>EUR</b>	<b>122</b>	<b>120</b>

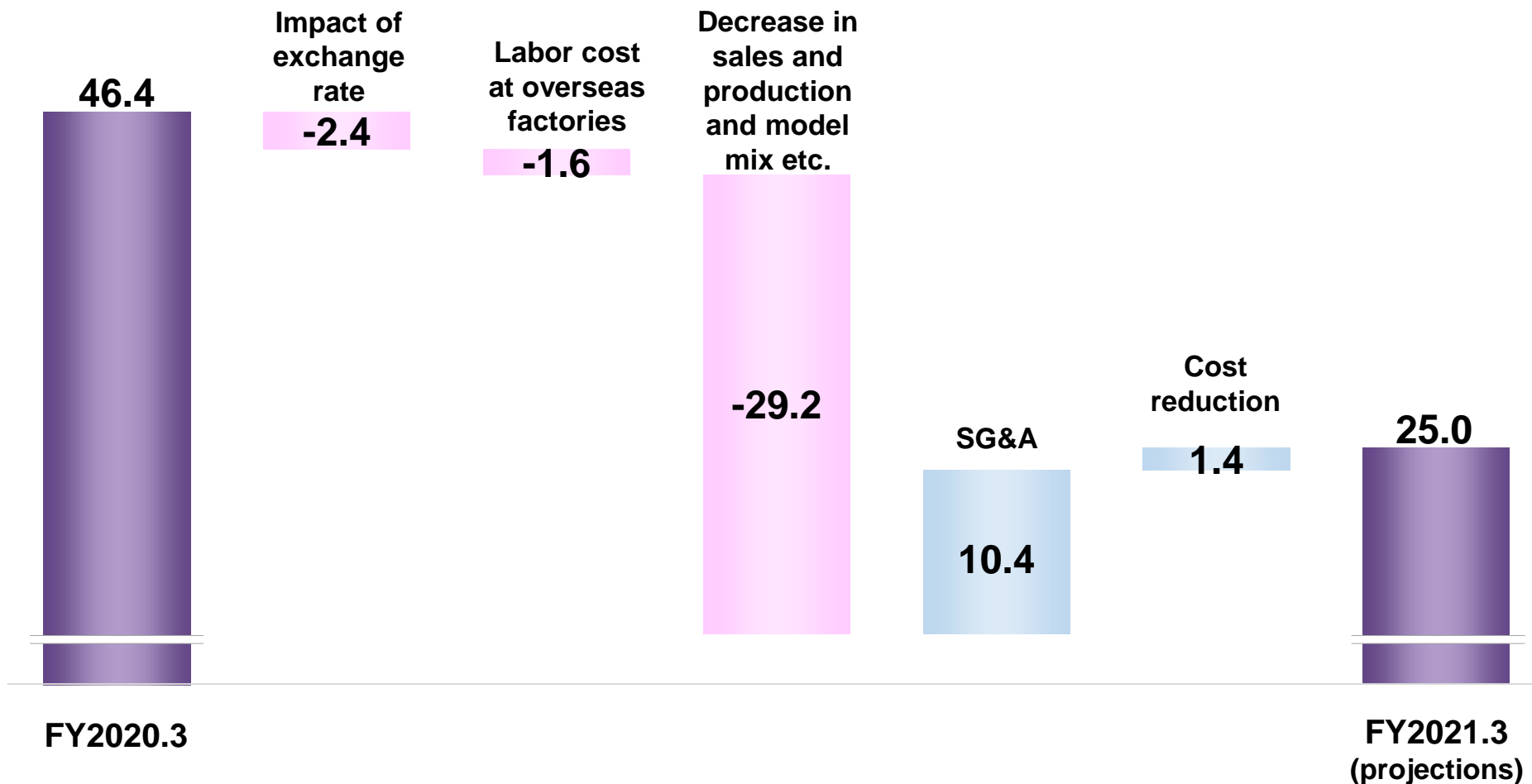
<sup>\*2</sup> -12.9%  
(Excluding the impact of exchange rate)

\*1 Net profit is presented as profit attributable to owners of the parent on the consolidated financial statements.

# Core Operating Profit Analysis

\*Full year projections remain unchanged from the previous announcement on August 4, 2020.  
(billions of yen)

## Versus previous year



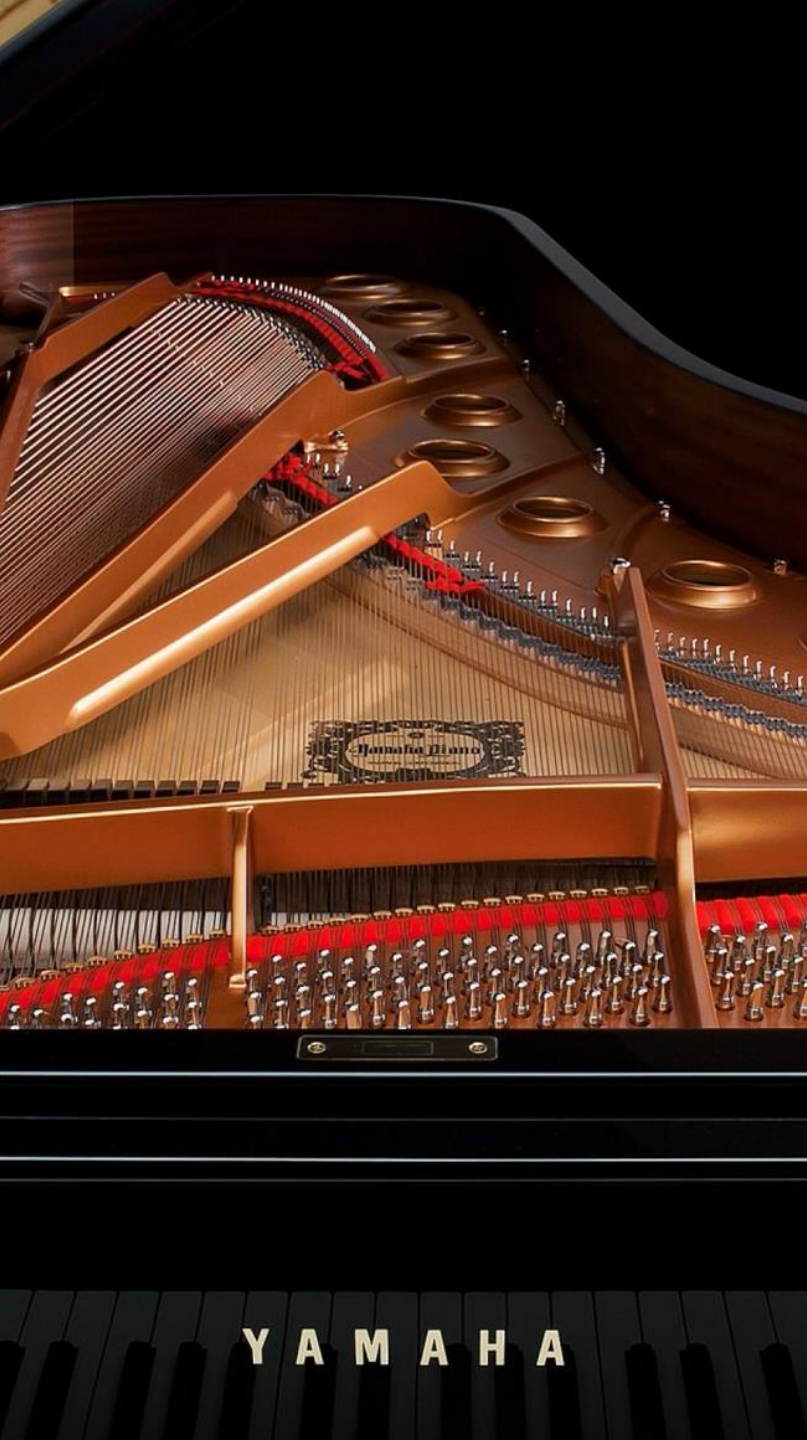


# Outlook by Business Segment

\*Full year projections remain unchanged from the previous announcement on August 4, 2020.  
(billions of yen)

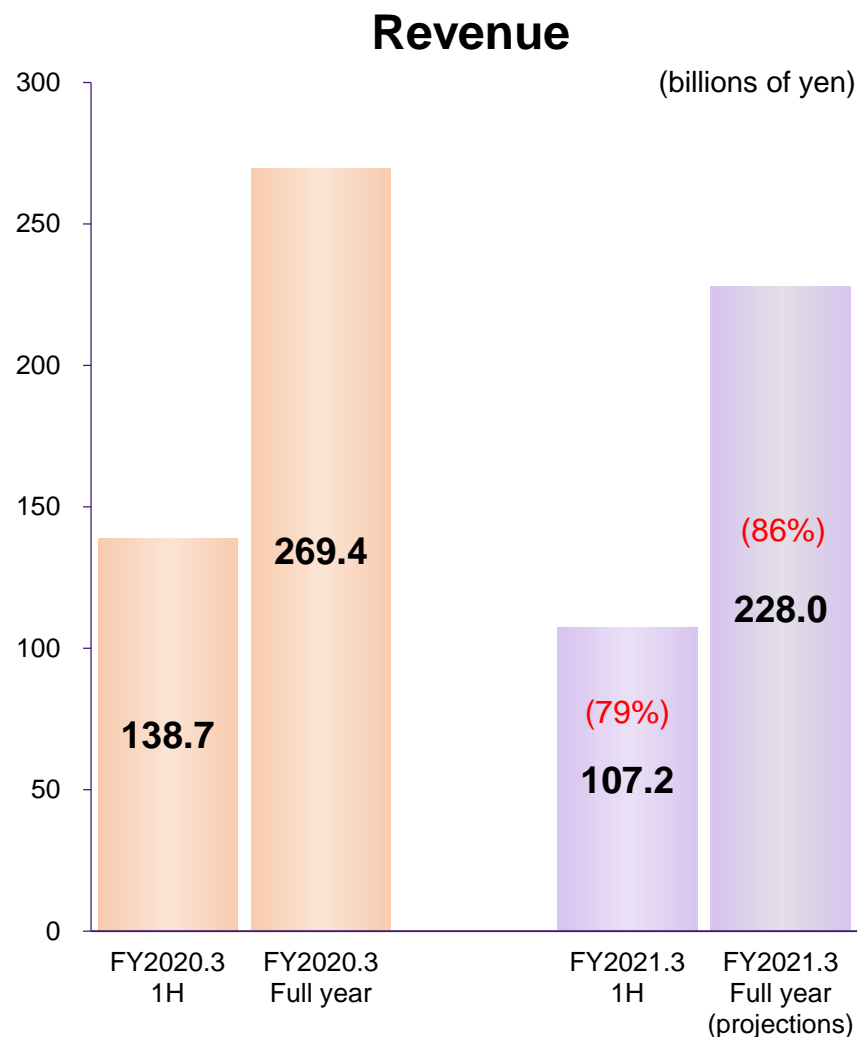
		FY2020.3 Full Year	FY2021.3 Full year (projections)	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	269.4	228.0	-41.4	-4.4
	<b>Core Operating Profit</b>	37.8	20.0	-17.8	-1.9
	Core Operating Profit Ratio	14.0%	8.8%	-5.2P	
<b>Audio Equipment</b>	<b>Revenue</b>	114.4	100.0	-14.4	-1.5
	<b>Core Operating Profit</b>	8.6	5.0	-3.6	-0.5
	Core Operating Profit Ratio	7.5%	5.0%	-2.5P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	30.5	27.0	-3.5	-0.1
	<b>Core Operating Profit</b>	0.0	0.0	0	-0
	Core Operating Profit Ratio	0.1%	0.0%	-0.1P	

\*1 Industrial Machinery and Components



## 2. Segment Overview & Updates

# Segment Revenue and Core Operating Profit

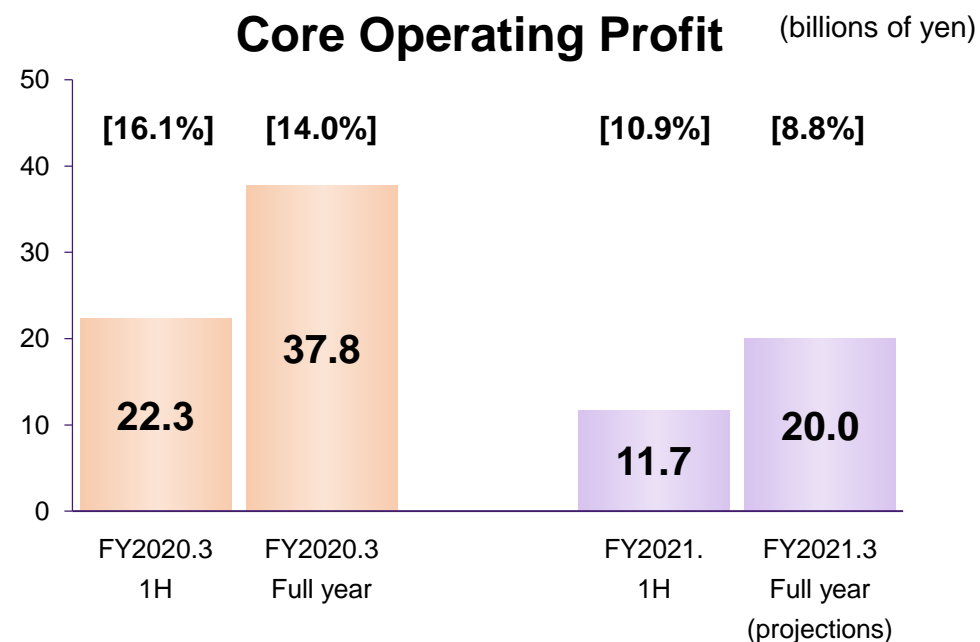


**1H overview:** Steady demand for stay-at-home, but revenue and profit declined due to supply shortages

- Piano sales showed signs of recovery as stores reopened; digital musical instrument sales declined due to supply shortages, though stay-at-home demand continued; demand for wind, string, and percussion instruments was sluggish due to schools being slow to reopen; robust demand drove growth in guitar sales
- By region: China market recovering, and other regions are on the recovering trend as well, but sales declined due to supply shortages

**Full year projection:** In 2H, market conditions expected to recover, but sales difficult to estimate due to electronic parts procurement difficulties

- Piano market conditions to recover in 2H; digital musical instruments to decline due to supply shortages from electronic parts procurement difficulties; wind, string, and percussion instruments expected to struggle due to school demand contraction; guitar sales projected to increase on strong demand
- China sales expected to increase; sales in other regions to decline



Red figures show actual YoY changes discounting impact of exchange rates

Figures in [ ] indicate core operating profit ratio

# Revenue by Major Product Category

(billions of yen)

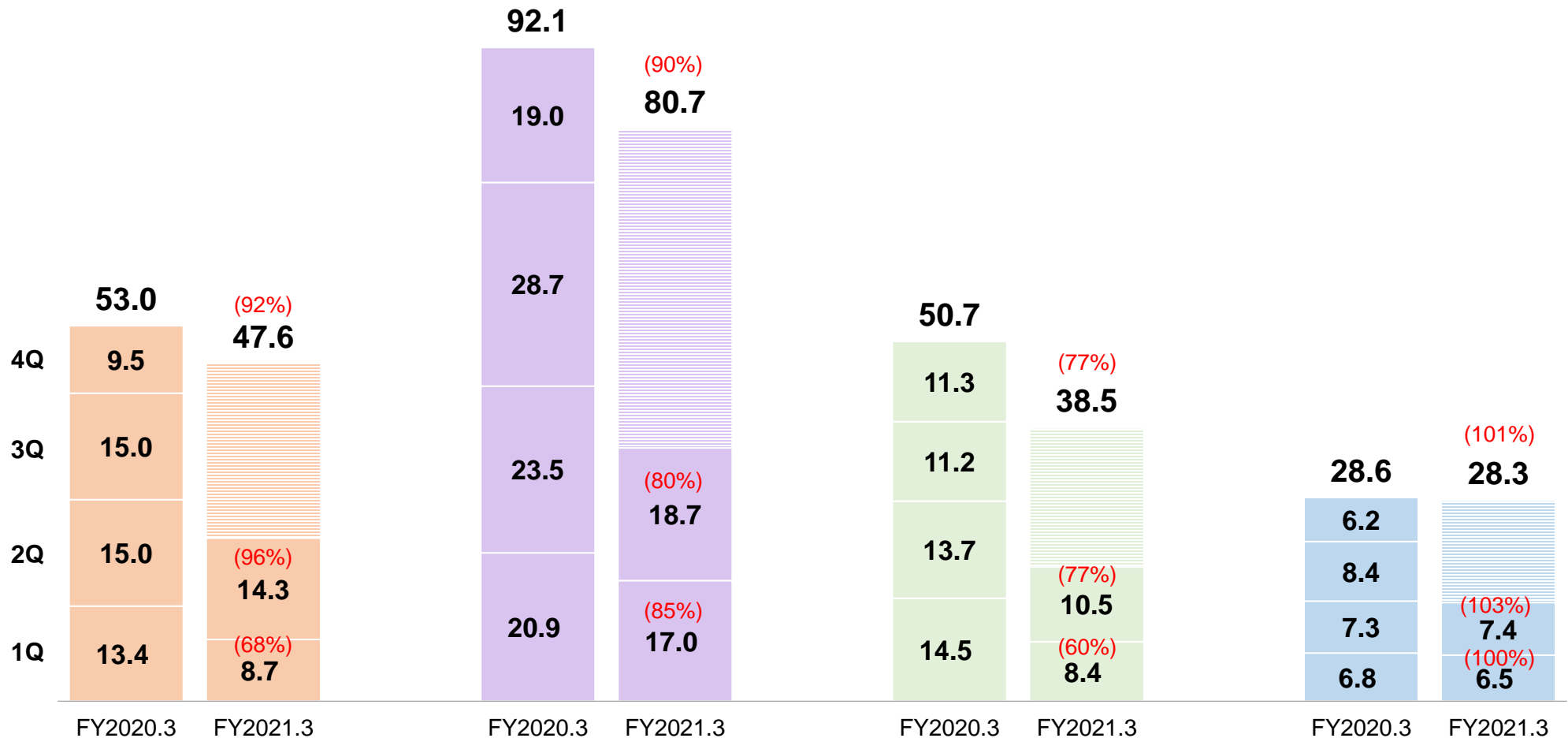
## Pianos

## Digital Musical Instruments

## Winds, Strings /Percussion

## Guitars

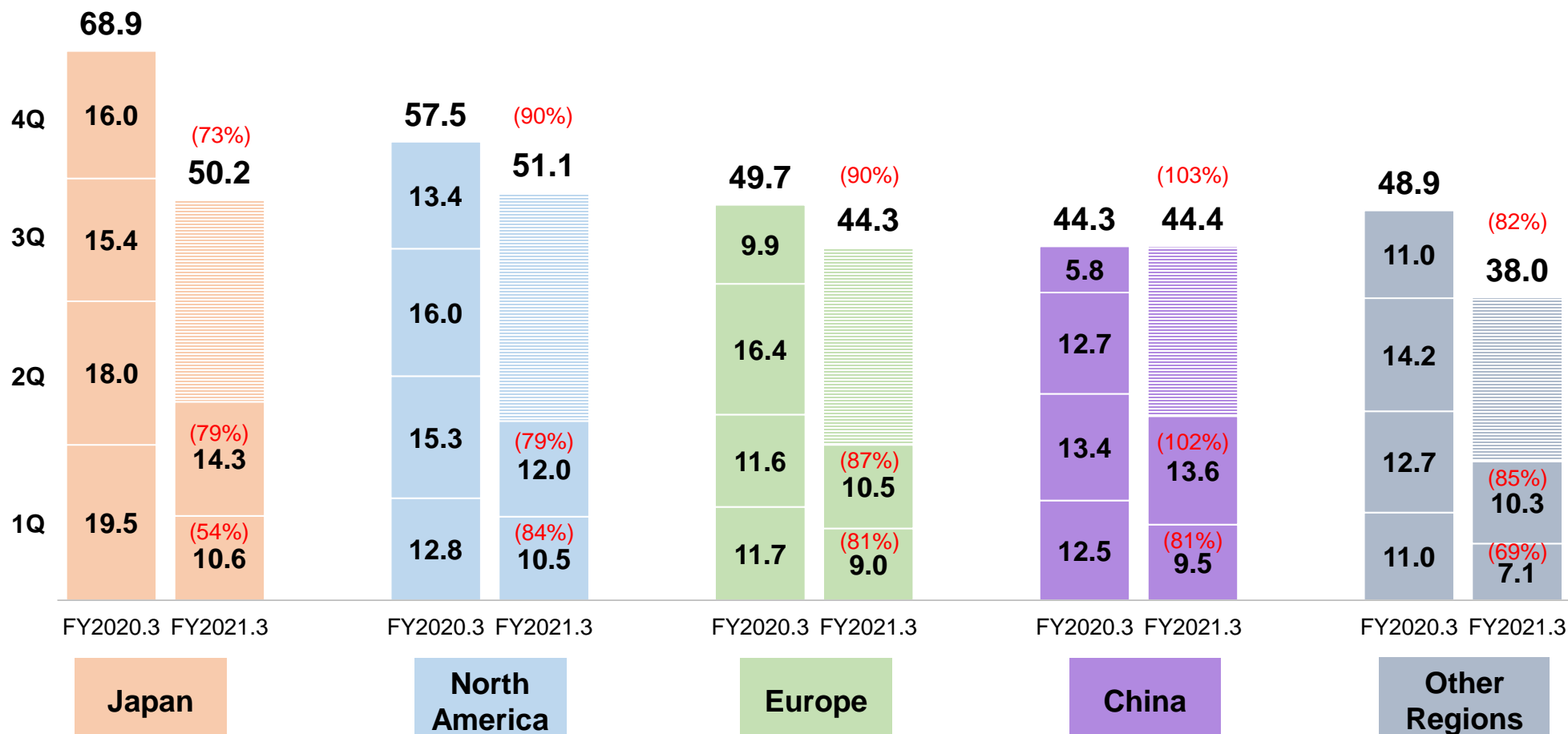
\* Guitars include Line 6 and Ampeg products



Red figures show actual YoY changes discounting impact of exchange rates

# Revenue by Region

(billions of yen)



\* Software products and music schools included

Red figures show actual YoY changes discounting impact of exchange rates

# Develop Products with Distinctive Individuality

## Distinctive product line-up fusing a wide range of technologies

Clavinova digital piano  
**CLP-700 series**



Weighted, graded keys reproduce the authentic touch, response and natural key return of a grand piano.

Acoustic Desktop Amp  
**THR30IIA Wireless**



The THR30IIA Wireless amplifier is designed specifically for acoustic guitarists.

Digital Saxophone  
**YDS-150**



The Integrated Bell Acoustic System, created by the fusion of acoustic and digital technologies, delivers an incredibly authentic, gorgeous sound that feels and responds as if you were playing an acoustic instrument.

Arranger Workstation Keyboard  
**PSR-SX600**



Offers professional features and content at an affordable price, making it an ideal choice for performers, hobbyists, or budding songwriters alike.

Bösendorfer Grands  
**250 Years Beethoven Edition  
Secession**



A limited number of specially designed models

Baritone Saxophones  
**YBS-82, YBS-62, YBS-480**



After years of research and development, the new lineup for the first time in 26 years with the addition of the premier model.



# Develop Products with Distinctive Individuality

Worldwide acclaim for Yamaha Design supports Yamaha growth and the brand enhancement



German Design Award 2021\* winners



## Stage piano CP88

The CP88 stage pianos boast authentic acoustic and electric piano sound, realistic piano touch, and an intuitive one-to-one user interface.

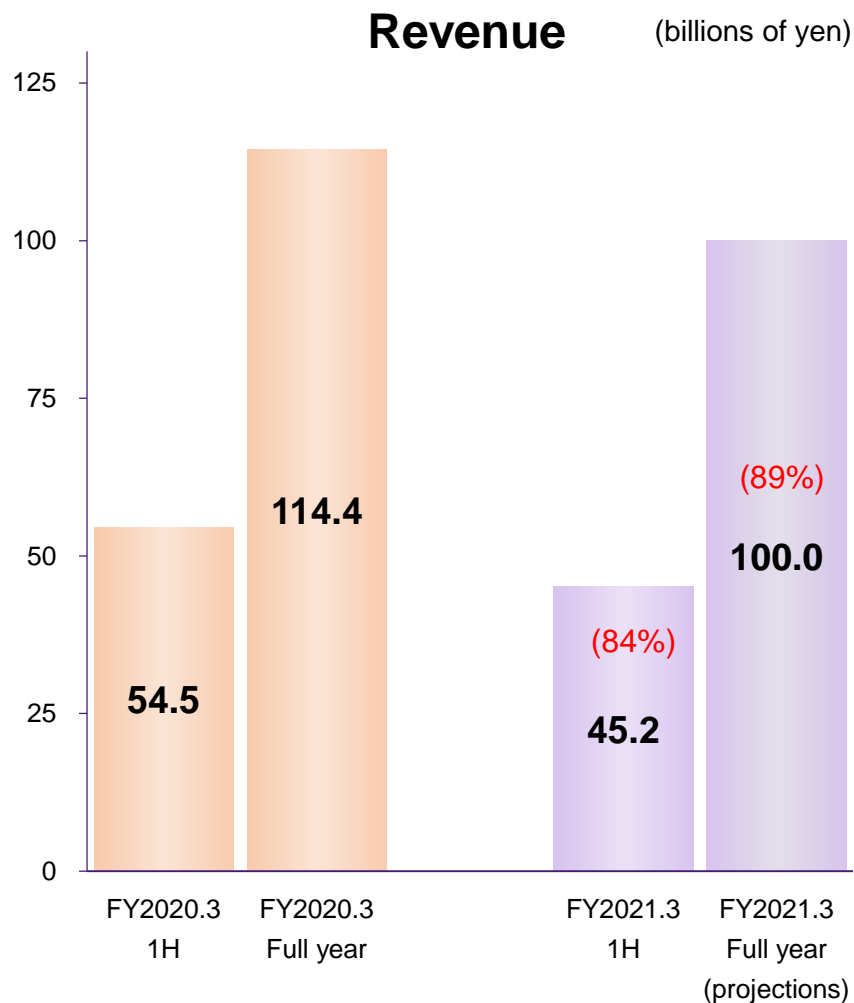


## Sonogenic SHS-500 Keytars

The Sonogenic SHS-500 is a "keytar," a digital keyboard that can be held like a guitar, designed to allow anyone to experience the fun of musical performance immediately, even if they've never played a keyboard before.



# Segment Revenue and Core Operating Profit

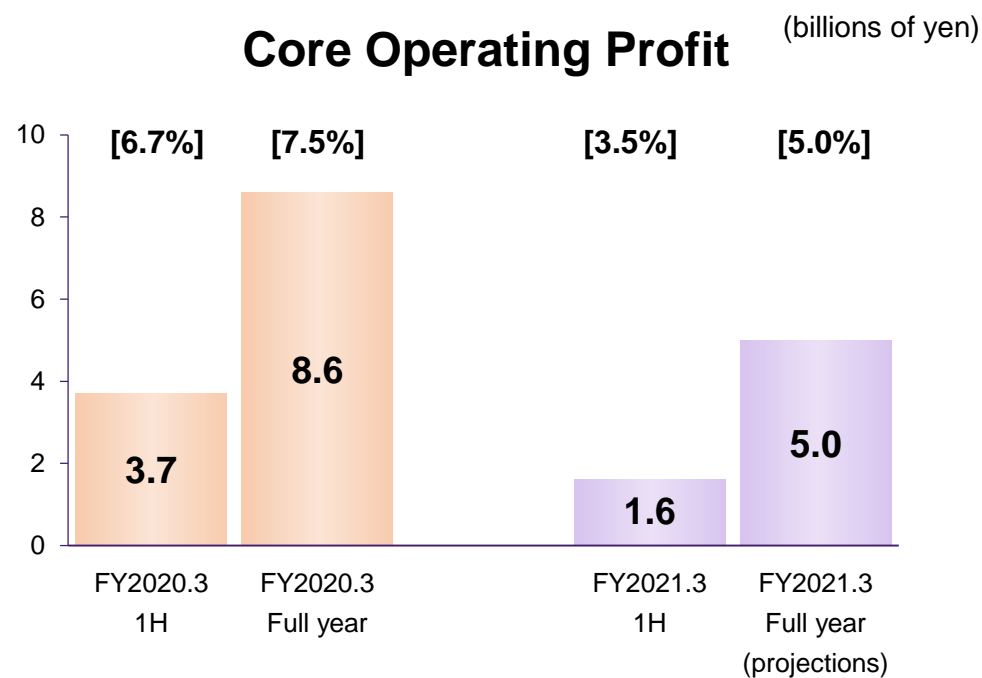


**1H overview:** Continued stay-at-home demand for AV products; slow recovery in PA equipment

- AV products: earphone and wireless speaker sales robust; sound bars and HiFi components solid
- PA equipment: demand growth in personal music production items, but continued stagnation in live performance market
- ICT equipment: continued strength as telework normalized

**Full year projection:** Continued stay-at-home demand, but sales difficult to estimate due to electronic parts procurement difficulties

- AV products: expected growth in earphones and sound bars; receiver sales expected to decline due to supply shortages from parts procurement difficulties
- PA equipment: personal music production strong, but sales expected to decline due to slow recovery in live performance market
- ICT equipment: double-digit growth projected as teleworking and remote conferencing become well-established



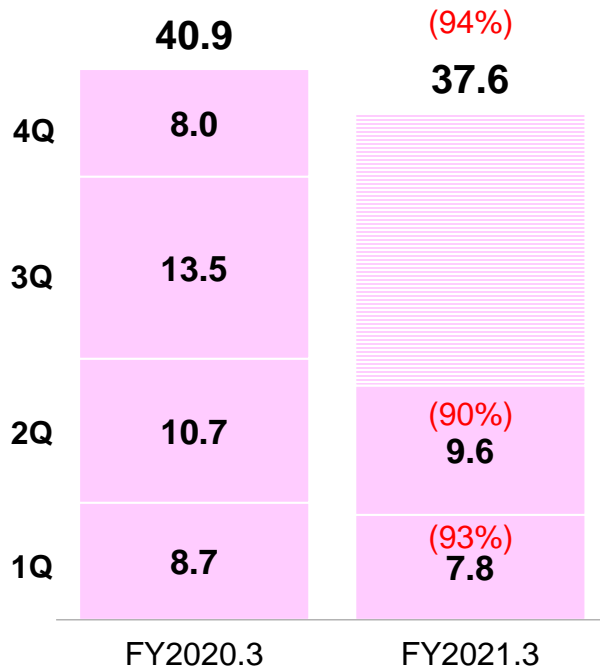
Red figures show actual YoY changes discounting impact of exchange rates

Figures in [ ] indicate core operating profit ratio

# Revenue by Major Product Category

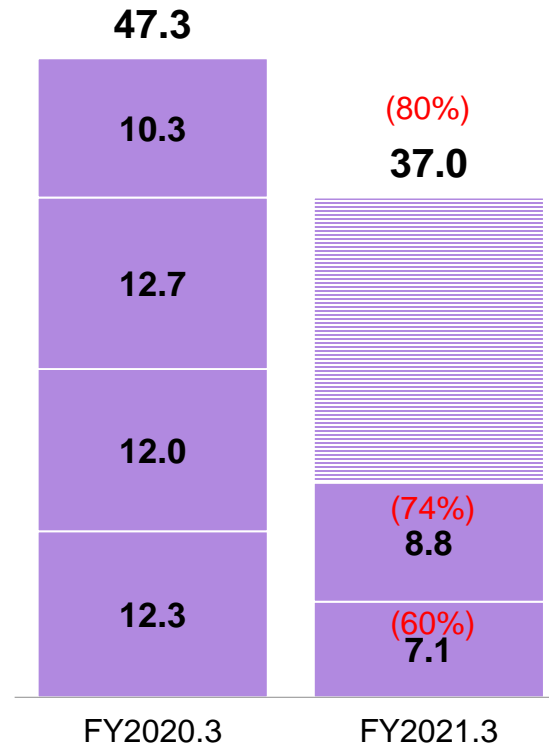
(billions of yen)

## AV Products

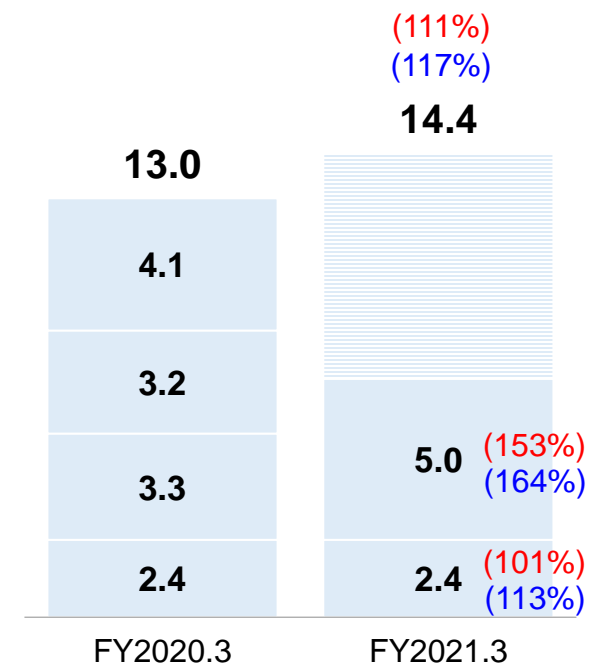


## PA Equipment

\*Includes only sales of products for PA Equipment (excluding engineering and installation services)

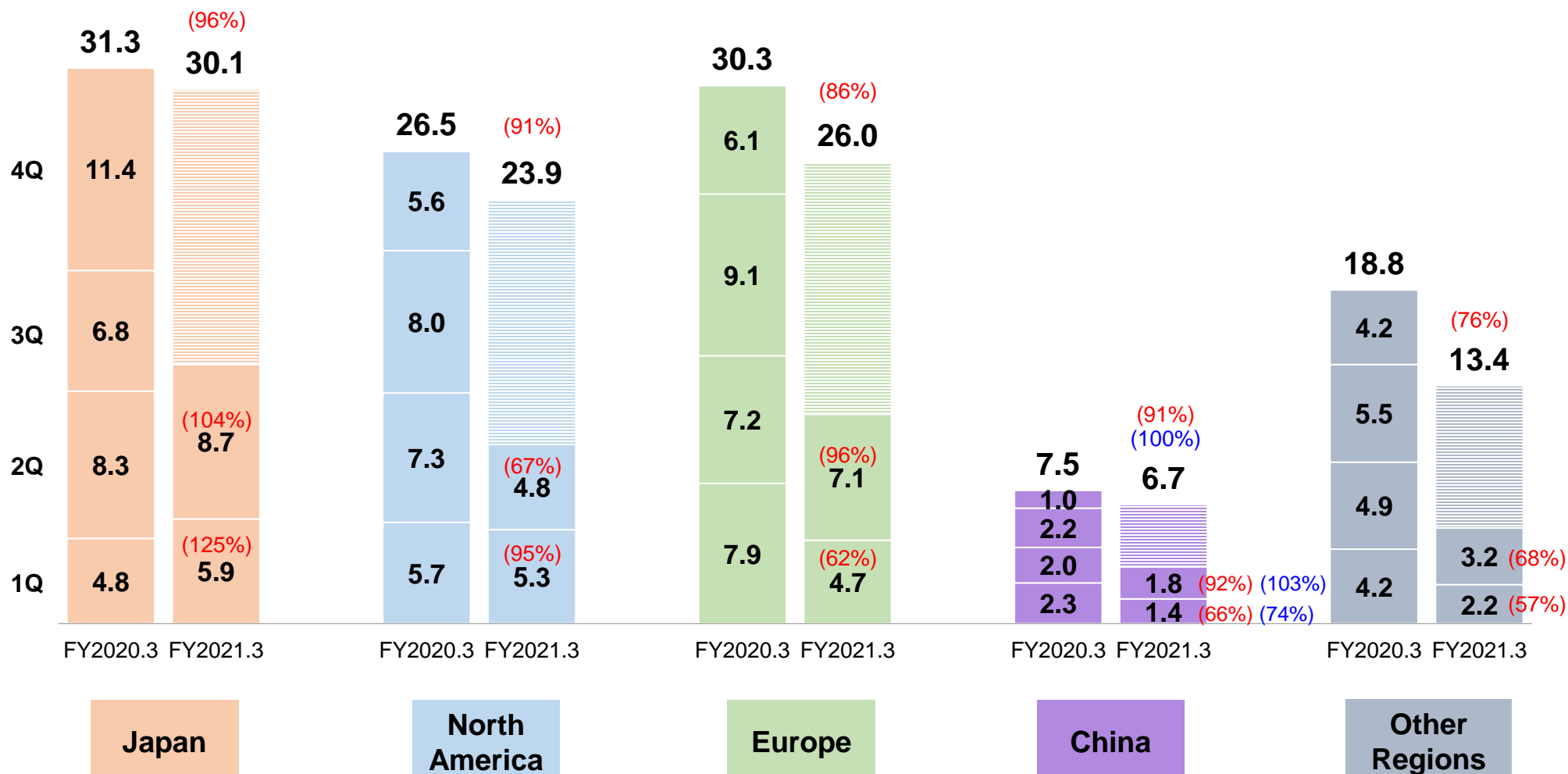


## ICT Equipment



# Revenue by Region

(billions of yen)



Red figures show actual YoY changes discounting impact of exchange rates

Blue figures show actual YoY changes excluding the sales of OEM products

# Develop Products with Distinctive Individuality

## Strong product lineups to meet diverse needs in the audio equipment field

### Digital Mixing Systems RIVAGE PM5, RIVAGE PM3



The new additions to Rivage PM series with intuitive operability, lightweight that is surprisingly slim

### Wireless Noise-Cancelling Earphones EP-E70A



With our unique and proprietary technology, these are the only earphones that truly adapt to you and your environment.

### Speaker System **NS-3000**



The NS-3000 is a breakthrough in high-fidelity speaker design - fusing the latest innovation with an unparalleled musical heritage to convey the finest nuances in the music.

### Sound Bar **SR-C20A**



The most compact\* Sound Bar with uncompromised Clear and Immersive sound and built-in subwoofer

\* A comparison of the volume of our sound bar products

### AV Receivers **RX-V6A/V4A**



New design and circuit structure for improved video and audio performance

# Develop Products with Distinctive Individuality

Offer various meeting solutions for open workspaces and conference rooms to deliver intuitive meeting experience under flexible working style

Ceiling Solution **ADECIA**



A family of products designed to be easily installed and work seamlessly together to provide complete and customizable communications solutions.

Portable USB and Bluetooth Conference Phone  
**YVC-330**



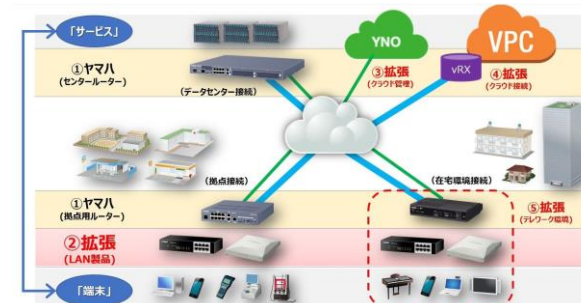
Best of Show Award winner at Interop Online Tokyo 2020

**Yamaha awarded 1<sup>st</sup> place in the network device category of the Customer Satisfaction Survey 2020-2021 of Nikkei Computer Magazine for the five consecutive year**

Yamaha again placed 1<sup>st</sup> in the network device category of the Customer Satisfaction Survey 2020-2021 published in the September 3, 2020 issue of Nikkei Computer magazine. (for the sixth time in total) Yamaha's corporate clients rated the company highly reliable, operability, and cost.

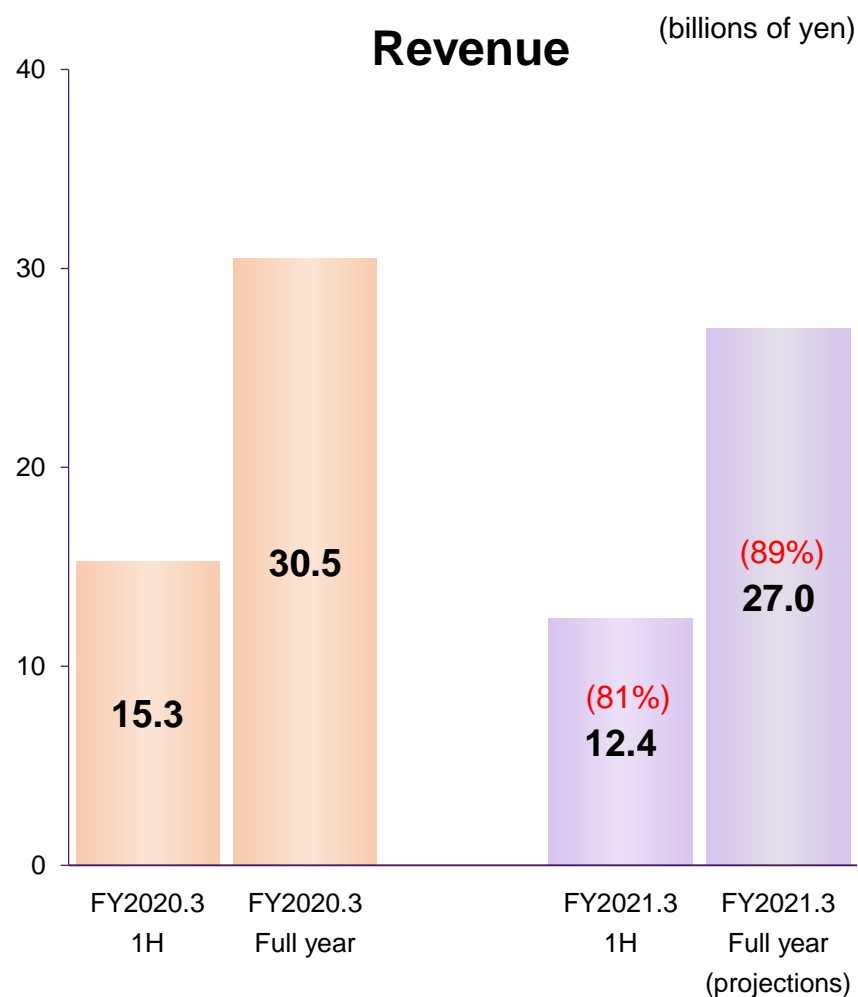


Customer Satisfaction Survey  
2020-2021



Yamaha product lineup

# Segment Revenue and Core Operating Profit

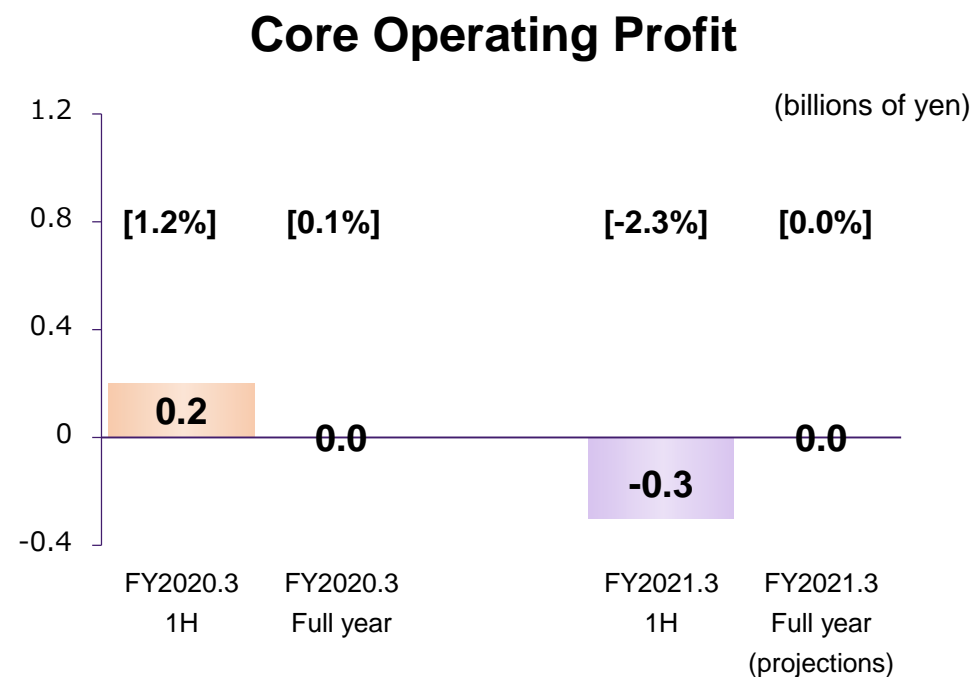


## 1H overview:

- Electronic devices and automobile interior wood components down year on year; increase in factory automation equipment sales

## Full year projection:

- In electronic devices, 2H increase expected for in-vehicle audio devices; in factory automation equipment, expected increase in inspection device demand and increase in automobile interior wood components





# Develop Products with Distinctive Individuality

## Shift into growing total in-vehicle solution domain

Yamaha's First Ever Automotive Sound System to Bring Superior Sound Experience to Automotive Vehicles

### Lynk & Co New Electric Vehicle



Concept car announced at Auto China 2020 modeled on Yamaha-equipped EV



Yamaha's automotive sound system

### New MG5 from SAIC Motor's MG



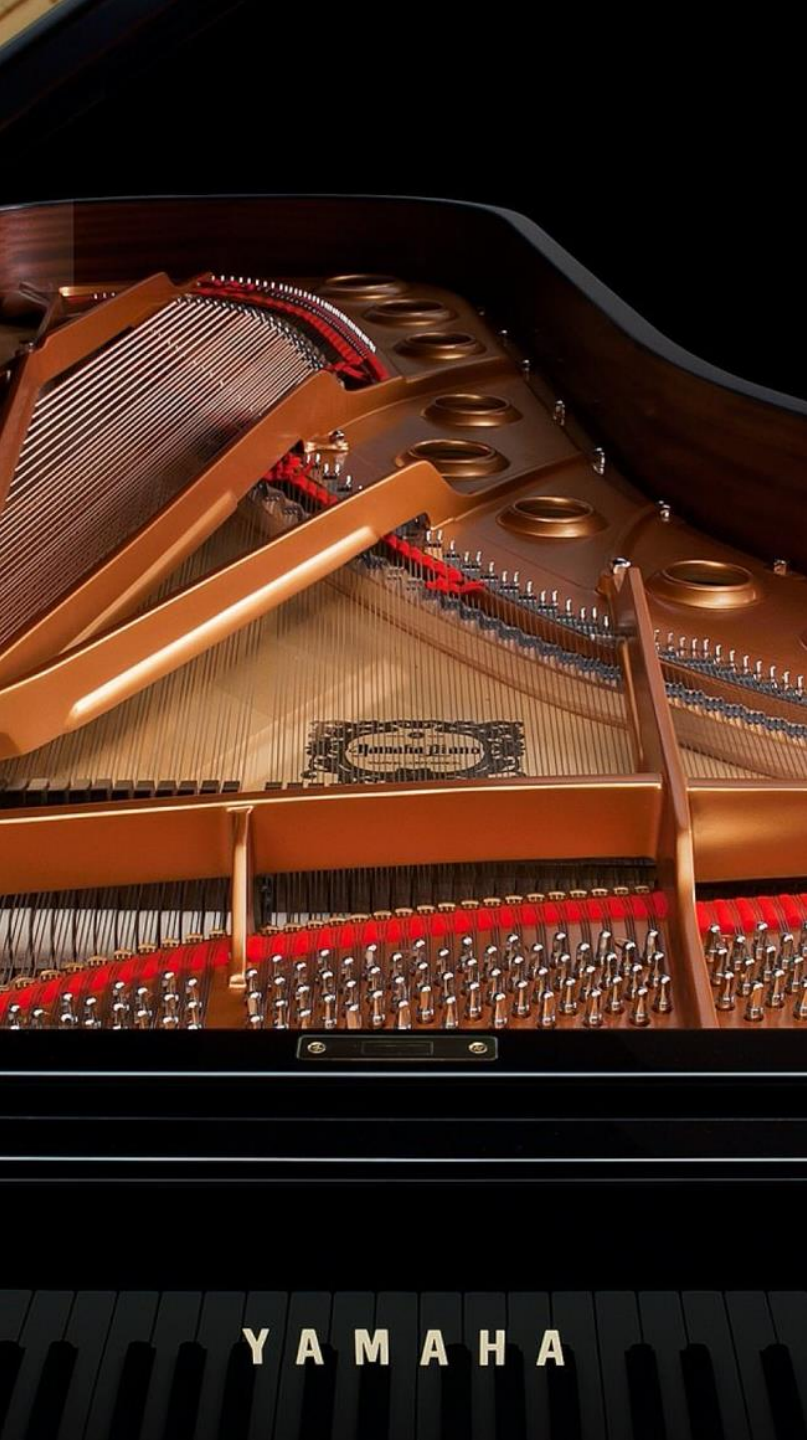
New MG5 set to feature the speaker system



Yamaha brand logo on the door speaker grill

Through all of its speakers, amplifiers, and digital signal processing, Yamaha's automotive sound system is committed to faithfully reproducing musical instruments. By specially designing a sound system that integrates with the individuality and concept of each vehicle and the values of each manufacturer, Yamaha creates optimum audio that can only be truly experienced inside that car. Yamaha also offers a variety of audio solutions inside the vehicle to color the driving experience with sound.





## 3. Other Financial Figures

# Balance Sheet Summary

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

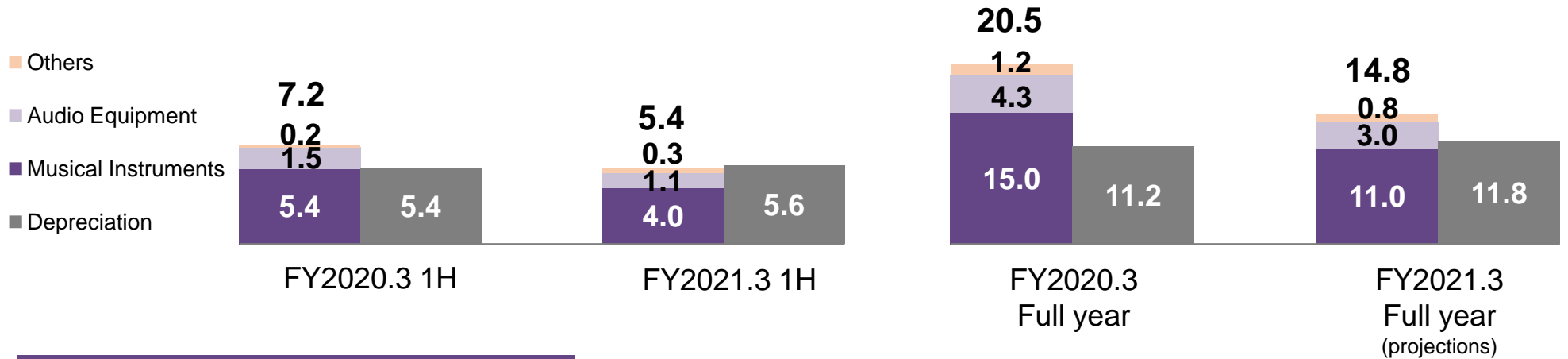
	As of Mar. 31, 2020	As of Sept. 30, 2020	Change	As of March 31, 2021 (projections)	(billions of yen)
Cash and cash equivalents	92.7	104.7	12.0	89.2	
Trade and other receivables	58.1	49.4	-8.7	59.0	
Other financial assets	12.9	6.5	-6.5	7.4	
Inventories	100.1	100.0	-0	95.0	
Other current assets	6.5	7.9	1.4	9.7	
Non-current assets	203.8	210.9	7.0	214.3	
<b>Total assets</b>	<b>474.0</b>	<b>479.3</b>	<b>5.3</b>	<b>474.5</b>	
Current liabilities	99.1	96.9	-2.3	86.3	
Non-current liabilities	48.4	44.5	-3.9	45.1	
Total equity	326.5	337.9	11.5	343.1	
<b>Total liabilities and equity</b>	<b>474.0</b>	<b>479.3</b>	<b>5.3</b>	<b>474.5</b>	

# Capital Expenditure/Depreciation, R&D Expense

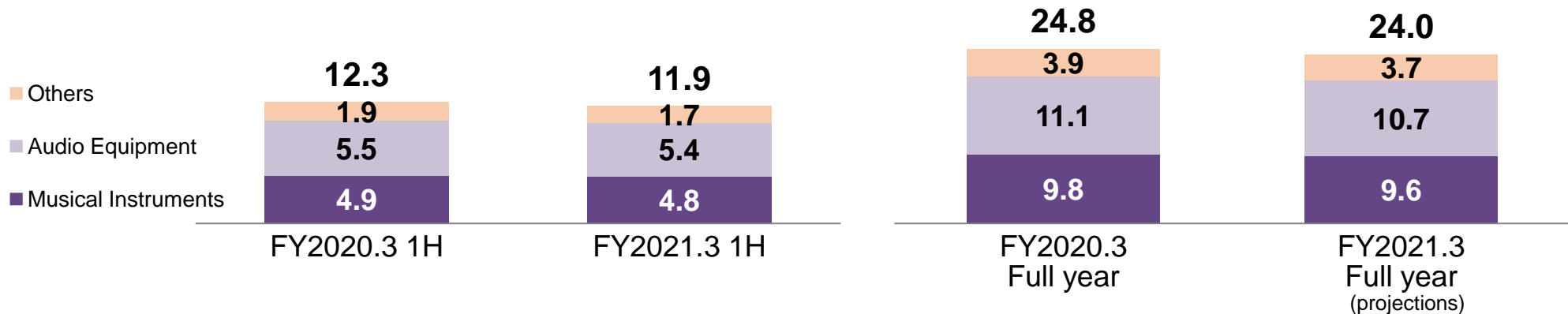
\*Full year projections remain unchanged from the previous announcement on August 4, 2020.

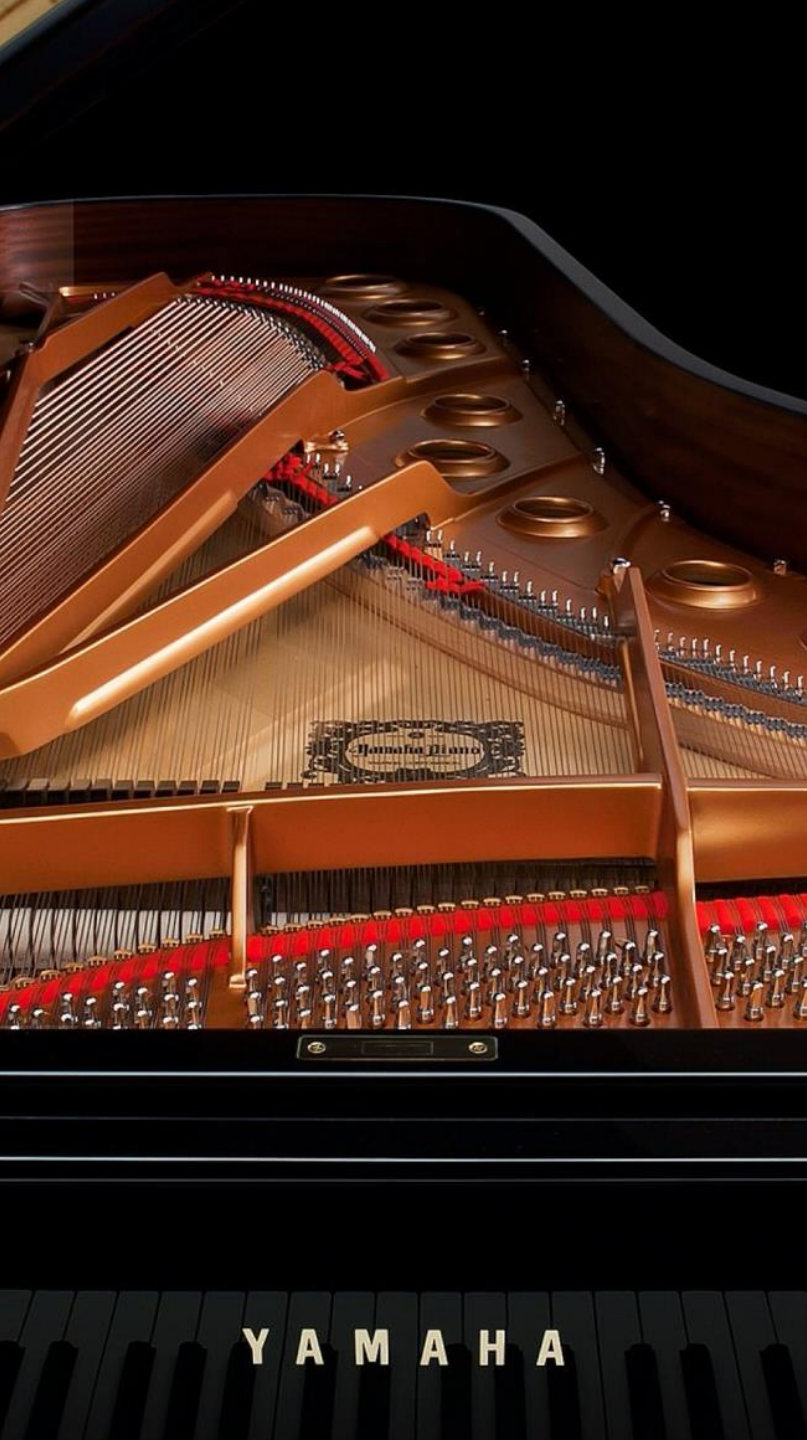
## Capital Expenditure/Depreciation

(billions of yen)



## R&D Expenses





## 4. ESG



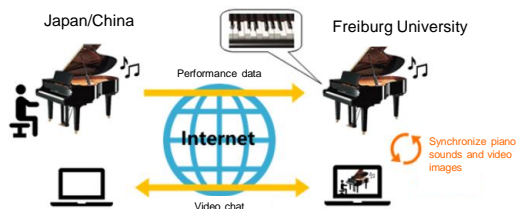
# ESG

## Contribute to sustainable development of music culture and society

### Support for remote entrance exams at Freiburg University of Music in Germany

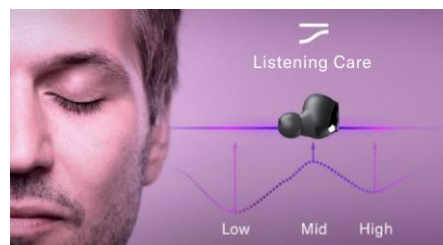


Using Yamaha's Disklavier, Yamaha supported remote entrance exams by establishing internet connections between Germany and Japan and China



Performance data from Disklavier™ player piano transmitted from Japan and China to piano in Germany that accurately reproduces keystrokes and pedal manipulation practically in real time

### Proprietary ear-protecting technology proposing new value in response to hearing loss risks facing youths worldwide



Make Listening Safe

Listening Care, a proprietary technology that automatically adjusts sound balances in conjunction with volume levels

WHO\* Makes Listening Safe initiative logo  
\* World Health Organization

Proposing new value for the 1.1 billion people with hearing burden: Ear Protection

### Creating social value through music promotion in emerging countries



Classes restarted with masks and face shields (Malaysia)

Yamaha provides a package of musical instruments, teaching materials, and instructional expertise to public elementary schools in emerging countries. With the addition of Brazil and the UAE, we are expanding the activities in a total six countries\*.

\* Indonesia, Malaysia, Vietnam, India, Brazil, and UAE

### Makes possible new services for new lifestyles Launched SoundUD\* Acoustic Communications Module



Examples of services for new lifestyles

Sample applications  
Cashless settlement for MOV taxi app, ride stamps provided for KQ Stamp, an app for alleviating congestion; etc.

Embedding in an app or service makes possible contact-free interactions and more

\*Sound Universal Design

# Topics

## Receipt of Minister of Internal Affairs and Communications' Award in 25th AMD Award Program

A collaborative work of AI reproduction, a legendary singer Hibari Misora, using Yamaha's VOCALOID: AI™ singing voice synthesis technology won with the Minister of Internal Affairs and Communications' Award, the grand prize in the 25th AMD Award, Digital Content of the Year 2019 program sponsored by Association of Media in Digital (AMD). This project was selected from among 110 candidates for this award.



25th AMD Award ceremony



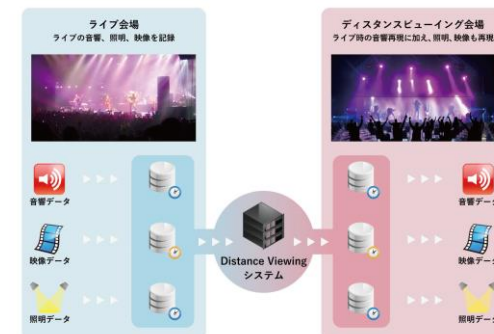
Receipt of award from Minister of Internal Affairs and Communications (right)

## Distance Viewing, a next-generation live-performance viewing service Proposing a new format for live music in the “new normal”

Distance Viewing fully reproduces live audio, provides realistic, life-sized video and live-event-style lighting production in order to recreate the performance on stage—a live viewing service that provides the excitement of a live music club. It was developed to provide live performance content as a new source of customer mobilization for live music clubs struggling with the coronavirus crisis.



Distance Viewing (rendering)



Integrates live sound reproduction, lighting, and video data to recreate a real sense of excitement

# Topics

## Brand Experience Area opens at Yamaha Ginza Shop to provide interactive musical experiences

Enhanced customer contact, further shift to interactive experience at directly managed shops

The new Brand Experience Area has been opened in the Yamaha Ginza Shop, Yamaha's flagship store and one of the largest musical instrument stores in Japan, to provide various, interactive musical experiences. Store visitors can enjoy diverse musical experiences, not only listening to music and watching video but also touching and feeling sound and music.



Yamaha Ginza building



1st floor event space



2nd floor café-lounge



Virtual live-music space in café-lounge

## World's first\* singing robot; talks by singing—your best companion Prototype of the communication robot Charlie™ released

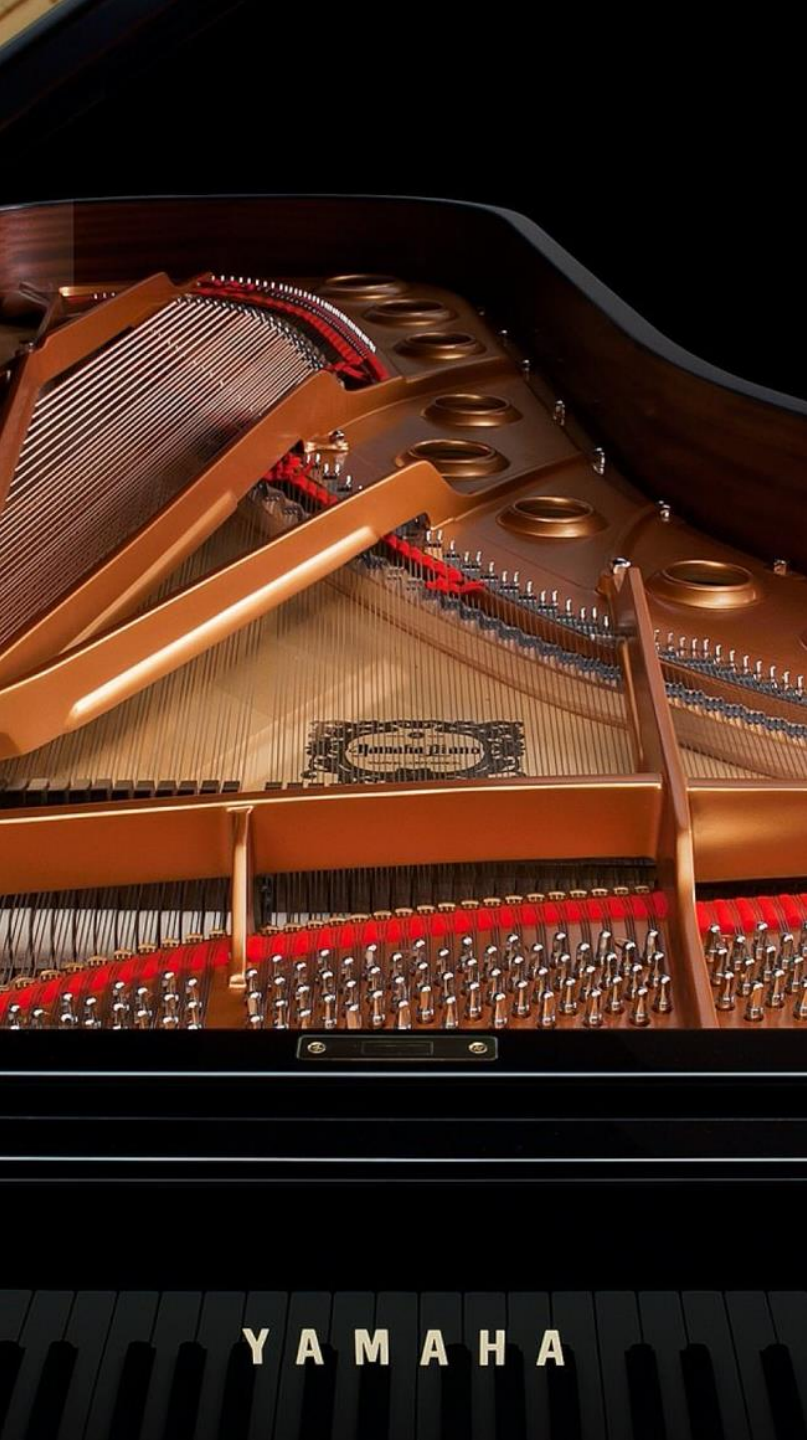
Charlie is a robot that talks by setting its words to melodies. Utilizing Yamaha's VOCALOID, automated composing and other technologies, when the user speaks to it, the robot responds by singing a melody like in a musical. Yamaha is continuing to develop the product, adding a monitor, etc., and hopes to launch sales in spring of 2021.



Communication robot "Charlie"

\*First robot that communicates through singing alone (as of October 27, 2020; Yamaha survey)





# Appendix

# Performance in 2Q FY2021.3 (Three Months)

(billions of yen)

	FY2020.3 2Q	FY2021.3 2Q	Change	
<b>Revenue</b>	109.0	<b>93.0</b>	-16.0	-14.7% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	15.4 (14.1%)	<b>11.9</b> (12.8%)	-3.5	-22.5%
<b>Net Profit</b> <sup>*1</sup>	13.8	<b>8.9</b>	-4.9	-35.7%

## Exchange Rate (yen)

<b>Revenue</b> (Average rate during the period)	<b>US\$</b>	107	<b>106</b>
	<b>EUR</b>	119	<b>124</b>
<b>Profit</b> (Settlement rate)	<b>US\$</b>	108	<b>106</b>
	<b>EUR</b>	123	<b>118</b>

<sup>\*2</sup> -14.4 %  
(Excluding the impact of exchange rate)

\*1 Net profit is presented as profit attributable to owners of the parent on the consolidated financial statements.

# Performance by Business Segment in 2Q FY2021.3 (Three Months)

(billions of yen)

		FY2020.3 2Q	FY2021.3 2Q	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>71.1</b>	<b>60.6</b>	<b>-10.5</b>	<b>-0.3</b>
	<b>Core Operating Profit</b>	<b>12.4</b>	<b>9.2</b>	<b>-3.2</b>	<b>-0.6</b>
	Core Operating Profit Ratio	17.5%	15.2%	-2.3P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>29.7</b>	<b>25.7</b>	<b>-4.1</b>	<b>0</b>
	<b>Core Operating Profit</b>	<b>2.8</b>	<b>2.7</b>	<b>-0.1</b>	<b>-0.1</b>
	Core Operating Profit Ratio	9.4%	10.4%	1.0P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>8.2</b>	<b>6.8</b>	<b>-1.4</b>	<b>-0</b>
	<b>Core Operating Profit</b>	<b>0.1</b>	<b>0</b>	<b>-0.1</b>	<b>0</b>
	Core Operating Profit Ratio	1.5%	0.1%	-1.3P	

\*1 Industrial Machinery and Components

# 1H Other Income and Expenses (Six Months)

		FY2020.3 1H	FY2021.3 1H
<b>Core Operating Profit</b>		<b>26.1</b>	<b>13.0</b>
<b>Other Income and Expenses</b>	Profit from (loss on) disposal of fixed assets	0.2	-0
	Others	1.2	-2.3
	<b>Total</b>	<b>1.4</b>	<b>-2.3</b>
<b>Operating Profit</b>		<b>27.6</b>	<b>10.7</b>
<b>Financial Income and Expenses</b>	Dividends income	1.9	0.4
	Others	-0.6	-1.0
	<b>Total</b>	<b>1.3</b>	<b>-0.6</b>
<b>Profit before Income Taxes</b>		<b>28.9</b>	<b>10.1</b>
Income taxes		7.6	3.0
Net profit attributable to non-controlling interests		0.1	0
<b>Net Profit<sup>*1</sup></b>		<b>21.1</b>	<b>7.1</b>

(billions of yen)

\*1 Net profit is presented as profit attributable to owners of the parent on the consolidated financial statements.

# Full Year Other Income and Expenses

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

		FY2020.3 Full year	FY2021.3 Full year (projections)
<b>Core Operating Profit</b>		<b>46.4</b>	<b>25.0</b>
<b>Other Income and Expenses</b>	Profit from (loss on) disposal of fixed assets	0.3	-0
	Others	-3.3	-2.5
	<b>Total</b>	<b>-3.0</b>	<b>-2.5</b>
<b>Operating Profit</b>		<b>43.3</b>	<b>22.5</b>
<b>Financial Income and Expenses</b>	Dividends income	3.7	2.1
	Others	0.2	-0.8
	<b>Total</b>	<b>3.9</b>	<b>1.3</b>
<b>Profit before Income Taxes</b>		<b>47.2</b>	<b>23.7</b>
Income taxes		12.5	7.6
Net profit attributable to non-controlling interests		0.1	0.1
<b>Net Profit <sup>*1</sup></b>		<b>34.6</b>	<b>16.0</b>

(billions of yen)

\*1 Net profit is presented as profit attributable to owners of the parent on the consolidated financial statements.

**In this report, the figures forecast for the Company's future performance have been calculated on the basis of information currently available to Yamaha and the Yamaha Group. Forecasts are, therefore, subject to risks and uncertainties.**

**Accordingly, actual performance may differ greatly from our projections depending on changes in the economic conditions surrounding our business, demand trends, and the value of key currencies, such as the U.S. dollar and the euro.**