



DIGITAL MIXING CONSOLE  
**DM3** SERIES  
DMS/DM3 Standard

# Analyst and Investor Briefing on Second Quarter of FY2024.3

(Fiscal year ending March 31, 2024)



November 2, 2023

**Yamaha Corporation**

# FY2024.3 1H Highlights

## Overview

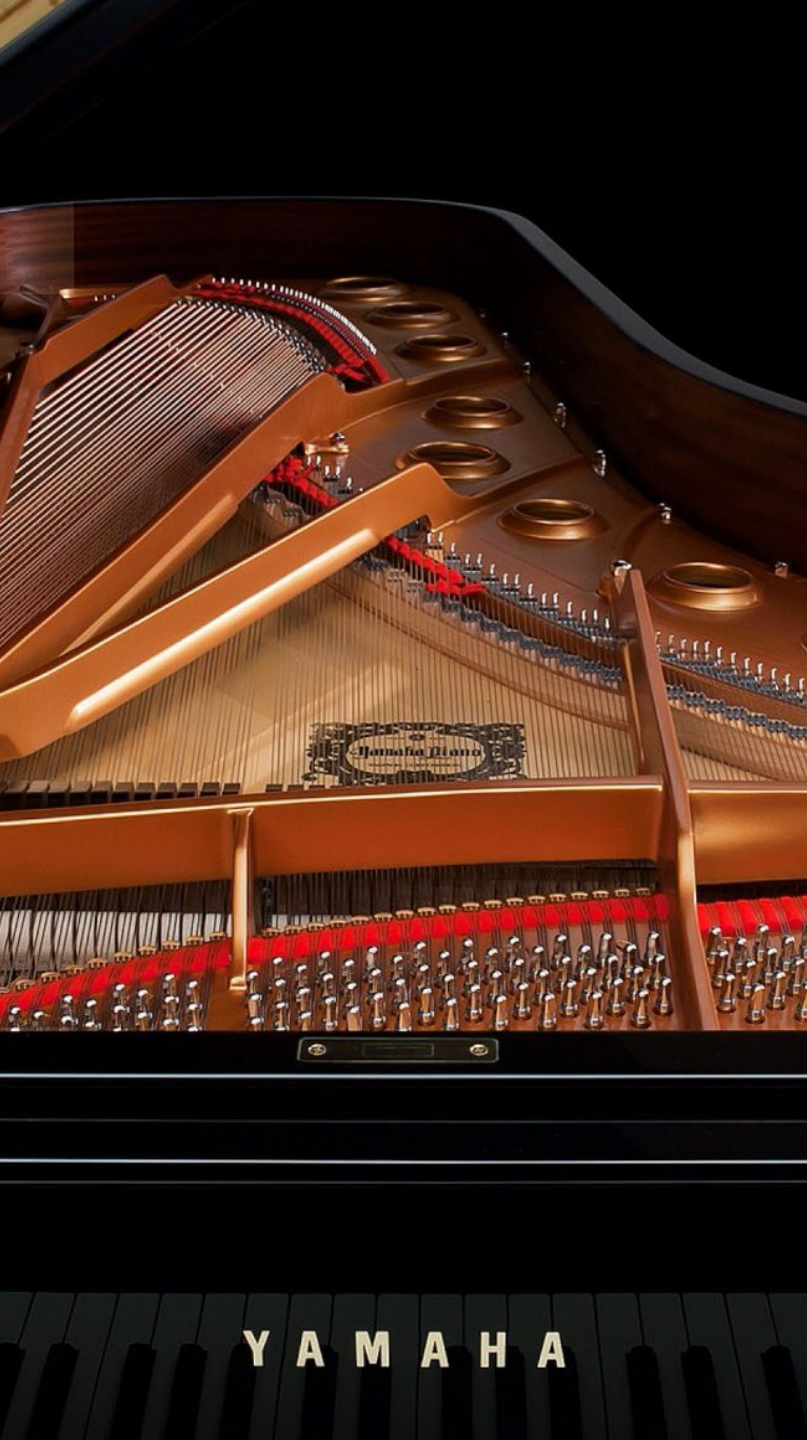
### FY2024.3 1H Achievements

- Revenue increased due to the recovery in B2B audio equipment and the impact of exchange rates, despite the sales decline in musical instruments as a result of weakness in market conditions, especially for digital pianos (DP), and slow recovery in the Chinese market.
- Profit declined reflecting the decline in revenue of musical instruments and production adjustments to reduce inventory

## Outlook

### Full Year Forecasts for FY2024.3

- Downward revision to revenue in light of the slow recovery for Chinese market.
- Downward revision to core operating profit due to a decline in sales, as well as lower factory profitability from additional production cutbacks.
- Annual dividends per share is expected to be 74 yen.



# 1. Performance Summary

Y A M A H A

# FY2024.3 1H (Six Months) Summary

(billions of yen)

	FY2023.3 1H	FY2024.3 1H	Change (YoY)	
<b>Revenue</b>	218.0	<b>219.6</b>	1.6	+0.7% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	24.4 (11.2%)	<b>15.3</b> (7.0%)	-9.1	-37.3%
<b>Net Profit</b> <sup>*1</sup>	20.8	<b>14.9</b>	-5.9	-28.2%

Exchange Rate (yen)			
<b>Revenue</b> (Average rate during the period)	<b>US \$</b>	134	<b>141</b>
	<b>EUR</b>	139	<b>153</b>
<b>Profit</b> (Settlement rate)	<b>US \$</b>	132	<b>140</b>
	<b>EUR</b>	134	<b>143</b>

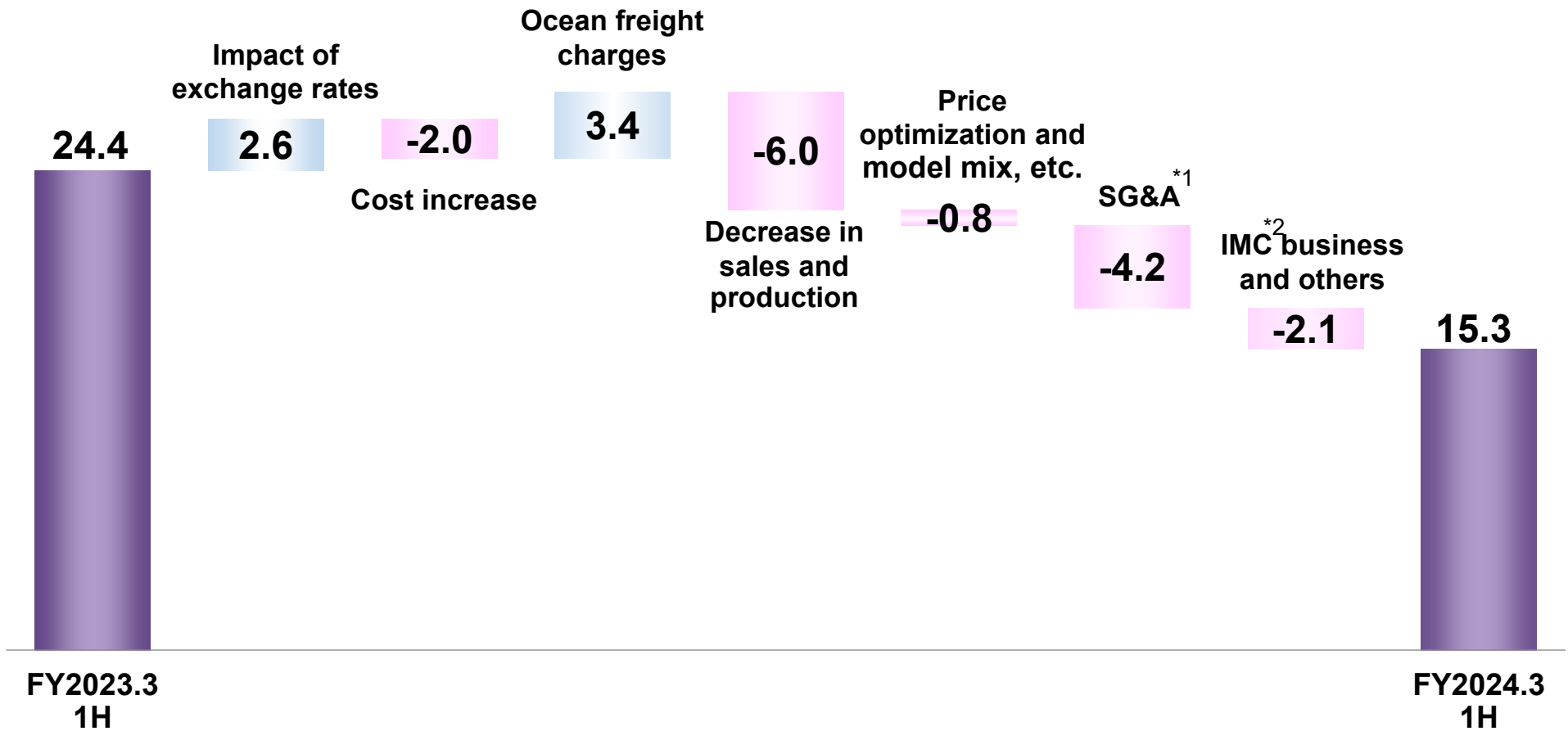
<sup>\*2</sup> -3.2%  
(Excluding the impact of exchange rate)

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

# Core Operating Profit Analysis

Versus previous year

(billions of yen)



\*1 Excludes the impact of new consolidation

\*2 Industrial Machinery and Components

# Performance by Business Segment

(billions of yen)

		FY2023.3 1H	FY2024.3 1H	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>150.1</b>	<b>148.2</b>	<b>-1.9</b>	<b>5.6</b>
	<b>Core Operating Profit</b>	<b>20.6</b>	<b>13.0</b>	<b>-7.6</b>	<b>1.9</b>
	Core Operating Profit Ratio	13.7%	8.8%	-4.9P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>47.4</b>	<b>52.7</b>	<b>5.2</b>	<b>2.5</b>
	<b>Core Operating Profit</b>	<b>0.5</b>	<b>0.7</b>	<b>0.2</b>	<b>0.3</b>
	Core Operating Profit Ratio	1.0%	1.2%	+0.3P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>20.5</b>	<b>18.7</b>	<b>-1.7</b>	<b>0.7</b>
	<b>Core Operating Profit</b>	<b>3.4</b>	<b>1.7</b>	<b>-1.7</b>	<b>0.4</b>
	Core Operating Profit Ratio	16.7%	8.9%	-7.8P	

\*1 Industrial Machinery and Components

# FY2024.3 Outlook

(billions of yen)

	FY2023.3 Full year	FY2024.3 Full year (previous projections)	FY2024.3 Full year (projections)	Change	Change from the previous projections
<b>Revenue</b>	451.4	<b>470.0</b>	<b>465.0</b>	+ 13.6	-5.0
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	45.9 (10.2%)	<b>50.0</b> (10.6%)	<b>42.0</b> (9.0%)	-3.9	-8.0
<b>Net Profit</b> <sup>*1</sup>	38.2	<b>38.5</b>	<b>34.5</b>	-3.7	-4.0

## Exchange Rate (yen)

## Currency sensitivity per JPY1

<b>Revenue</b> (Average rate during the period)	<b>US \$</b>	135	<b>136</b>	<b>141</b>	JPY 1,010 million
	<b>EUR</b>	141	<b>146</b>	<b>152</b>	JPY 670 million
<b>Profit</b> (Settlement rate)	<b>US \$</b>	136	<b>135</b>	<b>140</b>	JPY 110 million
	<b>EUR</b>	136	<b>144</b>	<b>146</b>	JPY 430 million

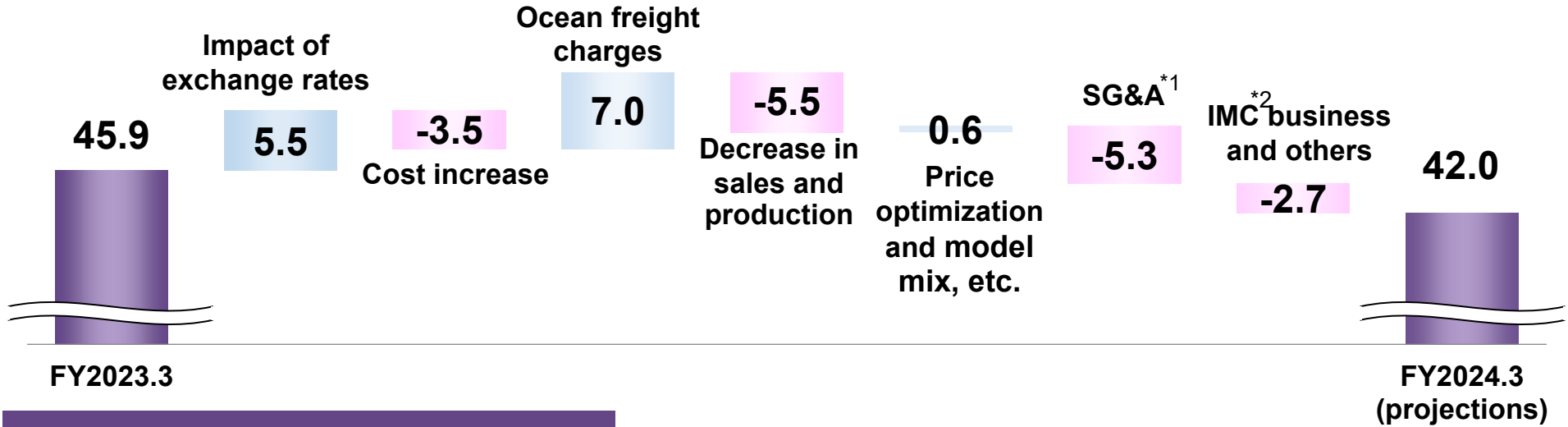
\*1 Net profit is presented as net profit attributable to owners of parent on the consolidated financial statements.

\* 2H currency exchange rates  
US\$=140JPY, EUR=150JPY

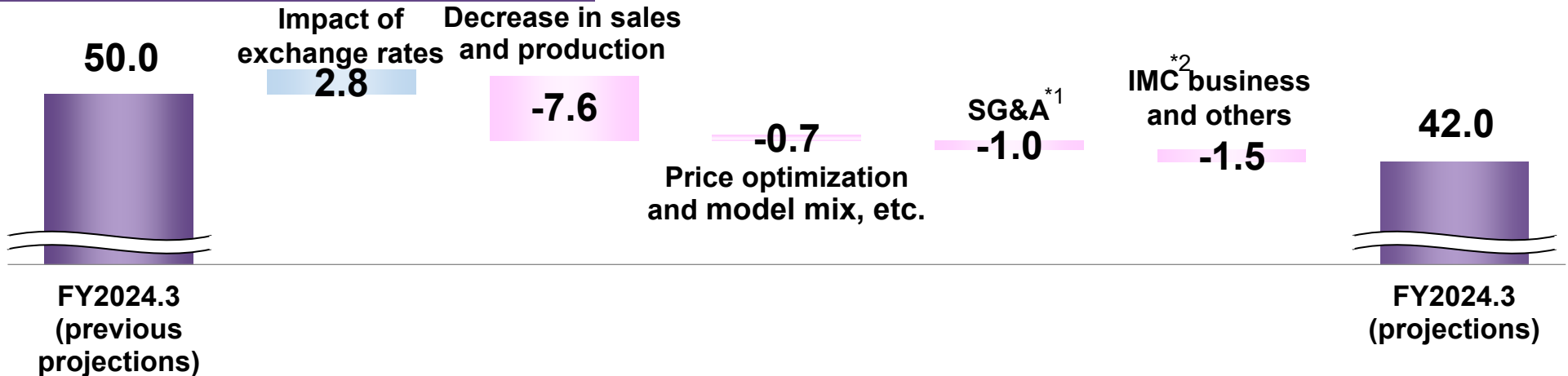
# Core Operating Profit Analysis

## Versus previous year

(billions of yen)



## Versus previous projections



\*1 Excludes the impact of new consolidation \*2 Industrial Machinery and Components

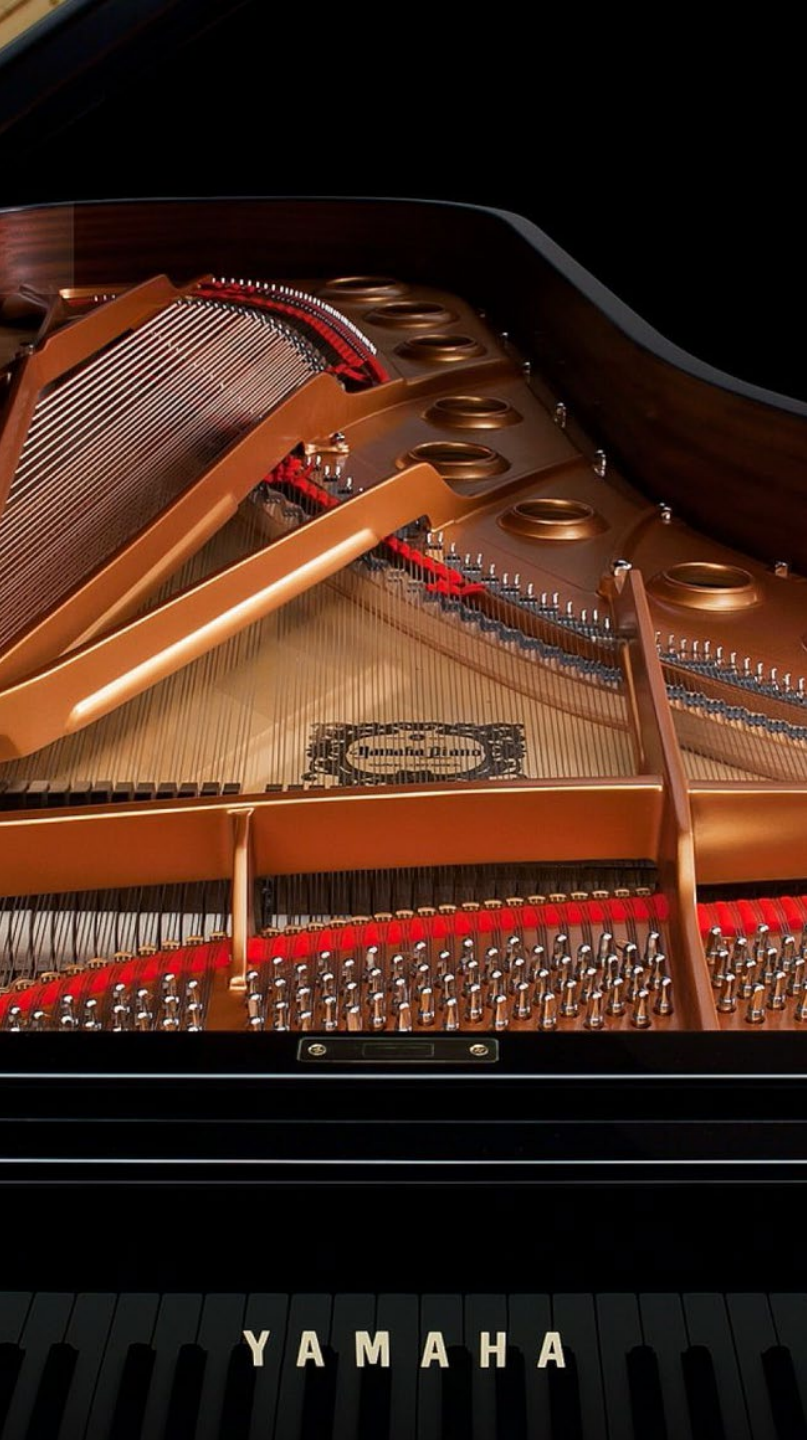


# Outlook by Business Segment

(billions of yen)

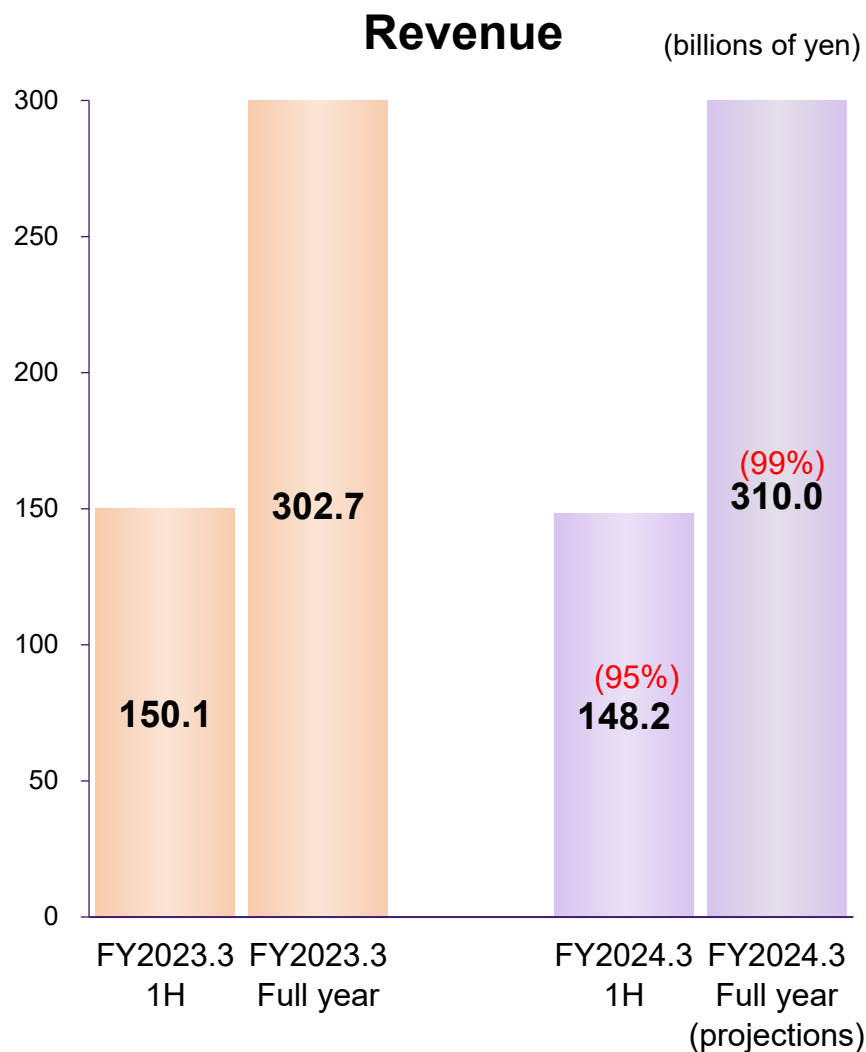
		FY2023.3 Full year	FY2024.3 Full year (projections)	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>302.7</b>	<b>310.0</b>	<b>7.3</b>	<b>9.4</b>
	<b>Core Operating Profit</b>	<b>36.2</b>	<b>32.0</b>	<b>-4.2</b>	<b>3.7</b>
	Core Operating Profit Ratio	12.0%	10.3%	-1.7P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>107.6</b>	<b>115.0</b>	<b>7.4</b>	<b>4.1</b>
	<b>Core Operating Profit</b>	<b>3.5</b>	<b>6.0</b>	<b>2.5</b>	<b>1.3</b>
	Core Operating Profit Ratio	3.2%	5.2%	+2.0P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>41.1</b>	<b>40.0</b>	<b>-1.1</b>	<b>0.8</b>
	<b>Core Operating Profit</b>	<b>6.2</b>	<b>4.0</b>	<b>-2.2</b>	<b>0.5</b>
	Core Operating Profit Ratio	15.1%	10.0%	-5.1P	

\*1 Industrial Machinery and Components



## 2. Segment Overview & Updates

# Segment Revenue and Core Operating Profit



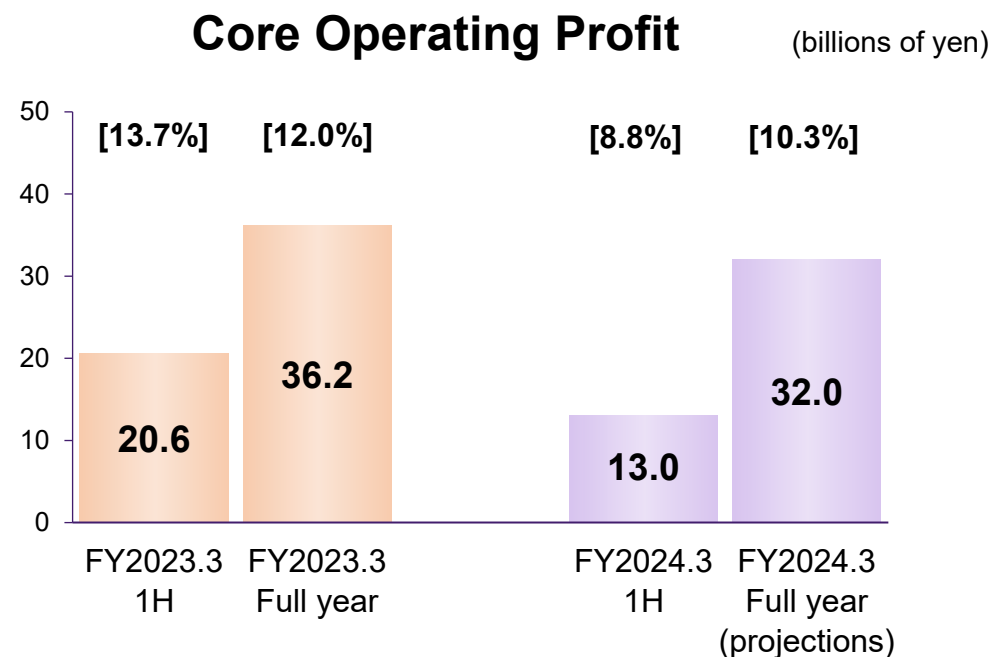
**1H overview:** Revenue declined as piano and digital piano (DP) sales continued to decrease

- Piano sales declined due to slow recovery in China. Digital musical instrument sales declined as DP sales continued to decrease. Wind, string, and percussion instrument sales rose due to robust demand from school bands. Guitar sales rose amid challenging market conditions with the addition of Cordoba joining the Yamaha Guitar Group.

**FY2024.3 Projections:** Sales are expected to decline due to severe conditions in China and the DP market

- Piano sales are expected to decline due to the prolonged stagnation in China. Digital musical instrument sales are expected to decline due to the longer time required for market inventory adjustments. Wind, string, and percussion instrument sales are expected to rise due to firm demand. Guitar sales are expected to rise in all regions excluding China.

(Comments are on local currency basis)



# Revenue by Major Product Category

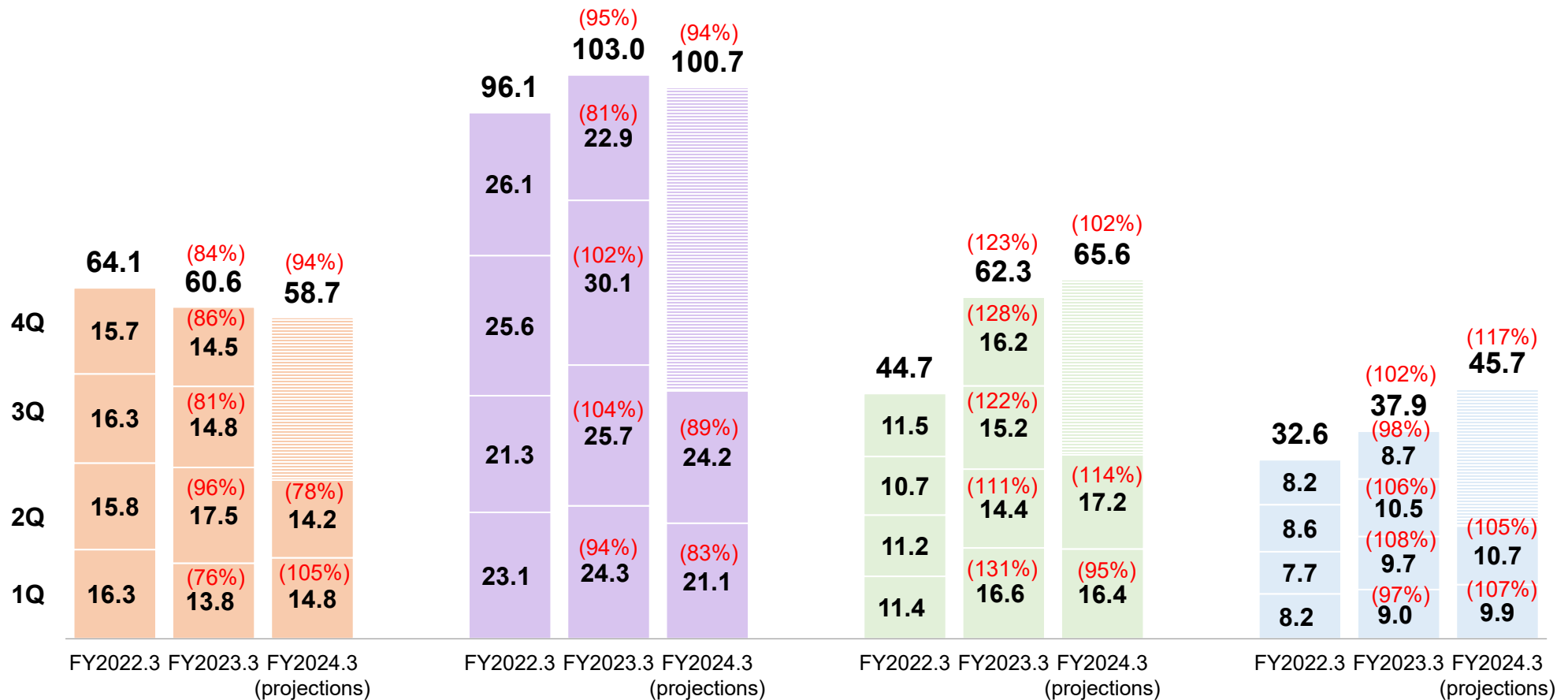
(billions of yen)

## Pianos

## Digital Musical Instruments

## Winds, Strings /Percussion

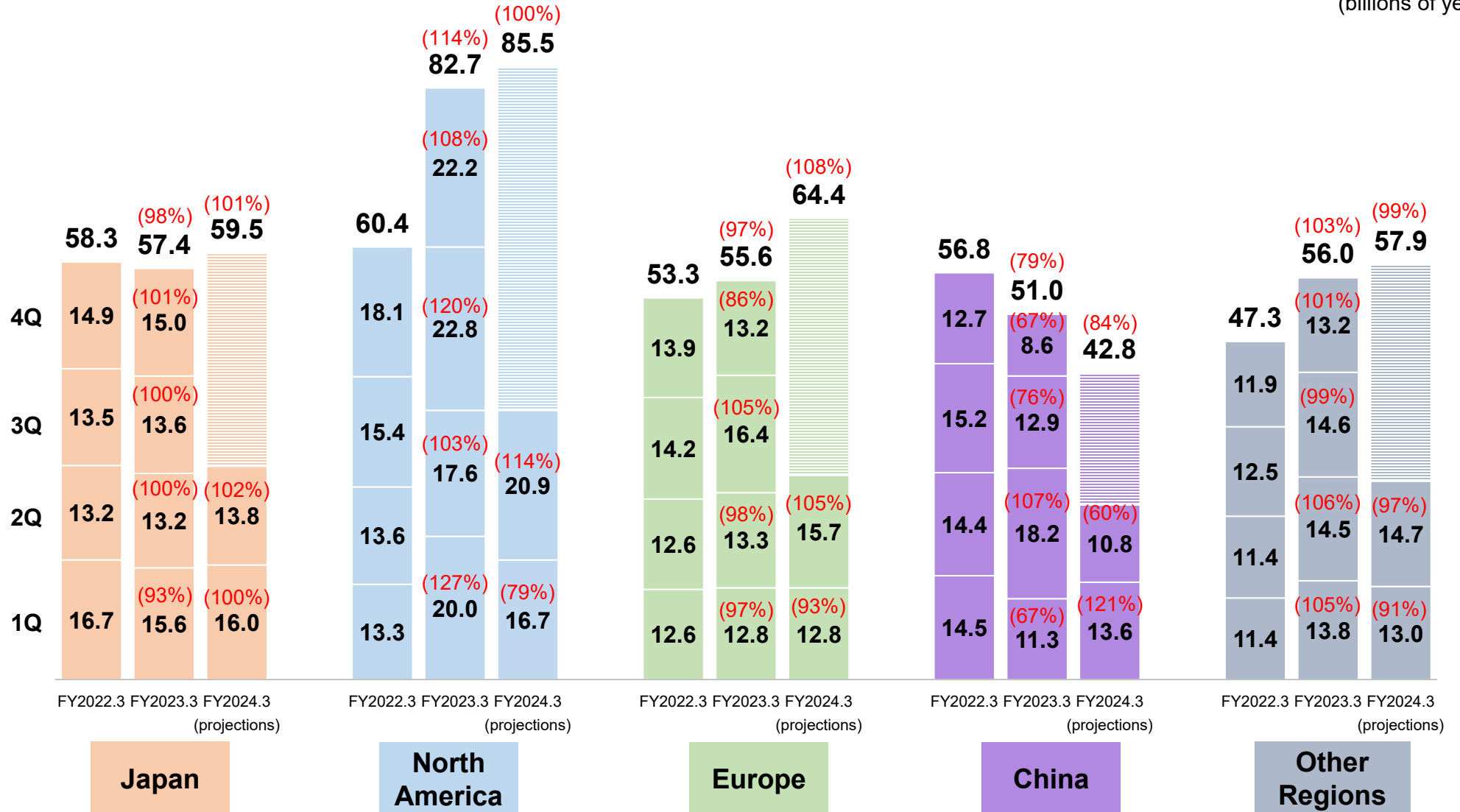
## Guitars



Red figures show actual YoY changes discounting impact of exchange rates

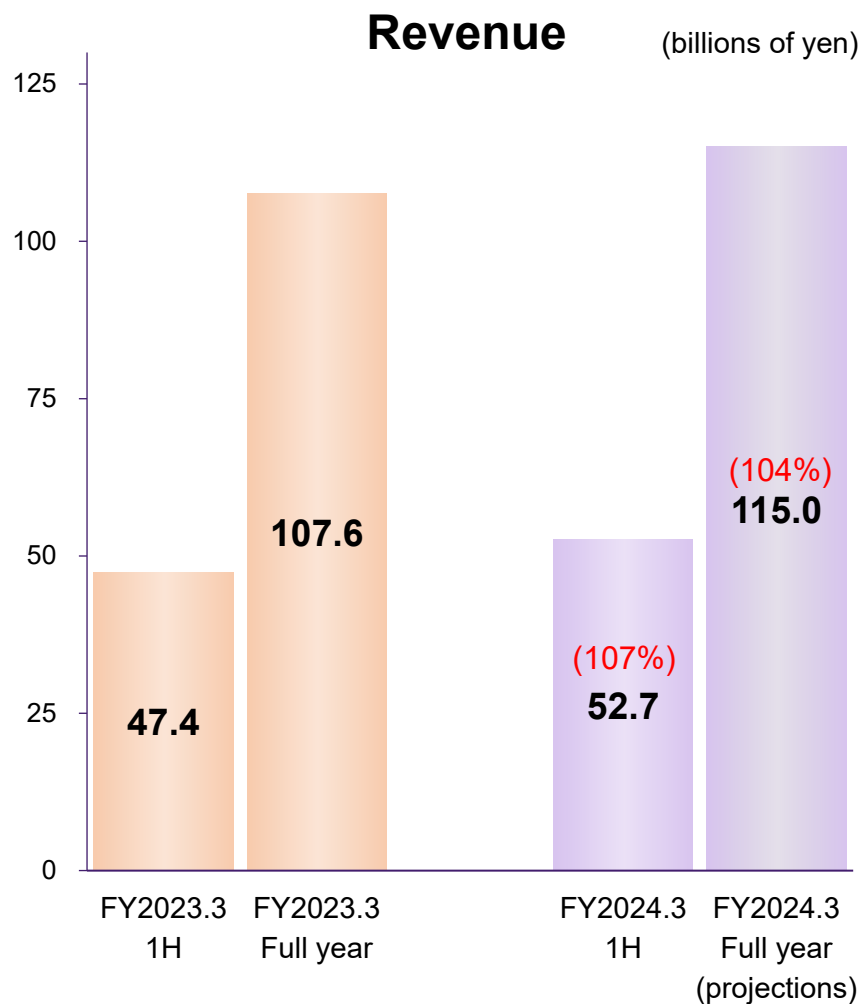
# Revenue by Region

(billions of yen)



\* Software products and music schools included  
 Red figures show actual YoY changes discounting impact of exchange rates

# Segment Revenue and Core Operating Profit



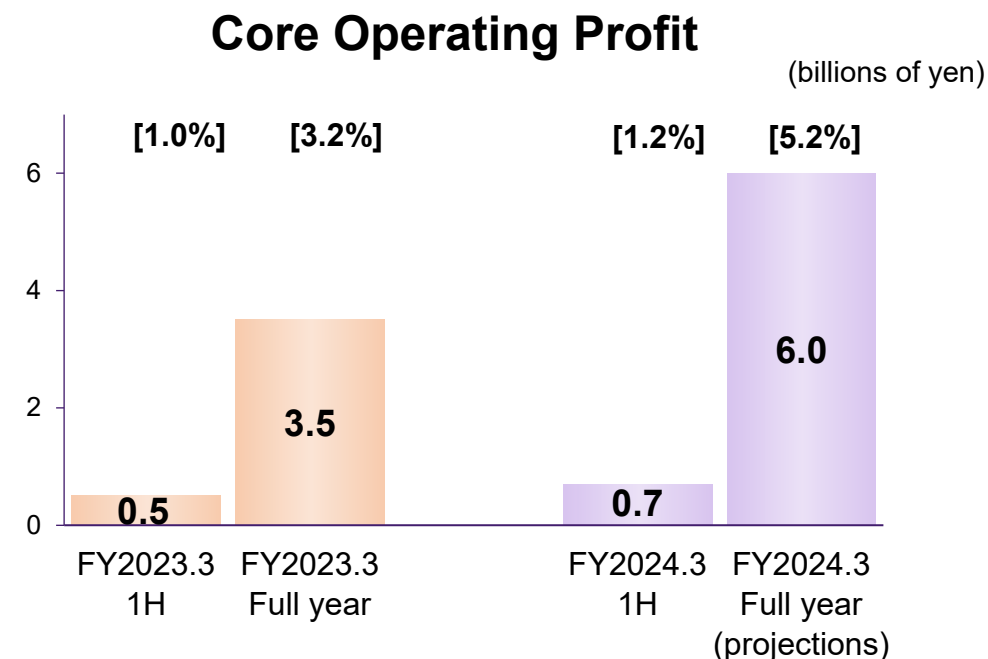
### 1H overview: B2B product drove a rise in revenue

- Sales of consumer products declined
- B2B product sales were brisk as the live entertainment market remained robust and the new product launch were favorable.

### FY2024.3 Projections: Sales are expected to rise due to strong B2B demand.

- Sales of consumer products are expected to decline due to continued decrease in demand.
- B2B sales are expected to rise significantly due to continued firm demand and the effects of new products.

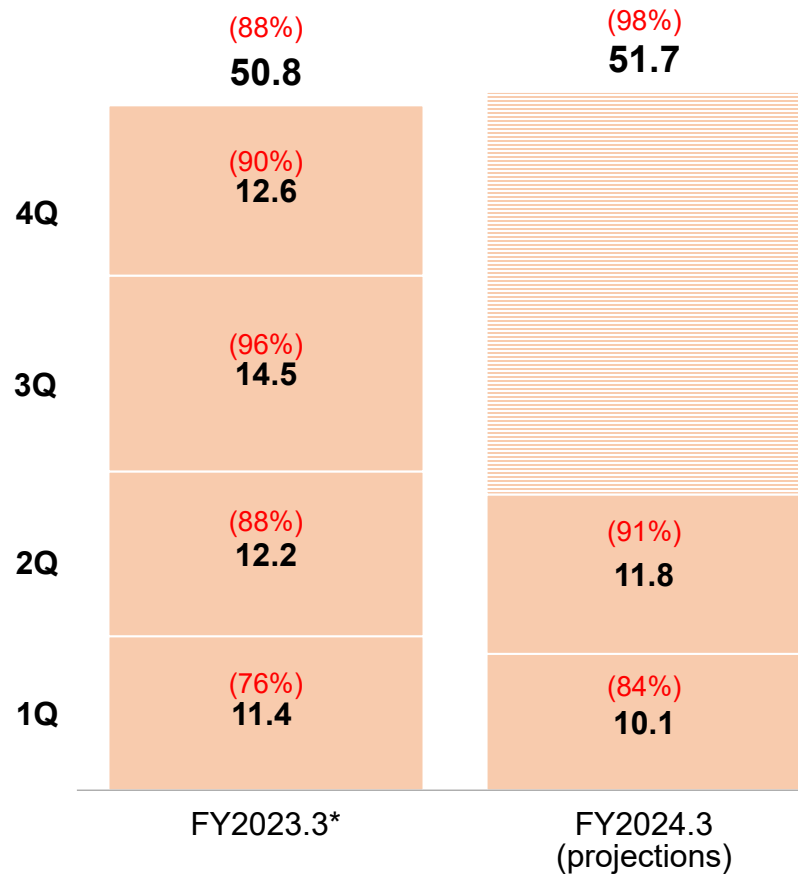
(Comments are on local currency basis)



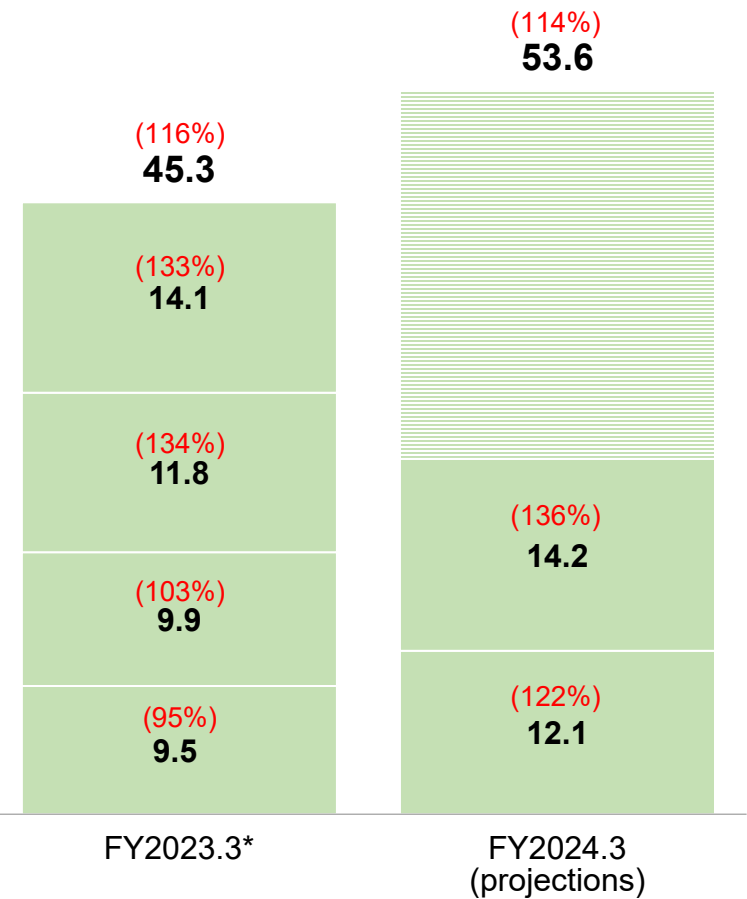
# Revenue by Major Product Category

(billions of yen)

## Consumer Products



## B2B Products

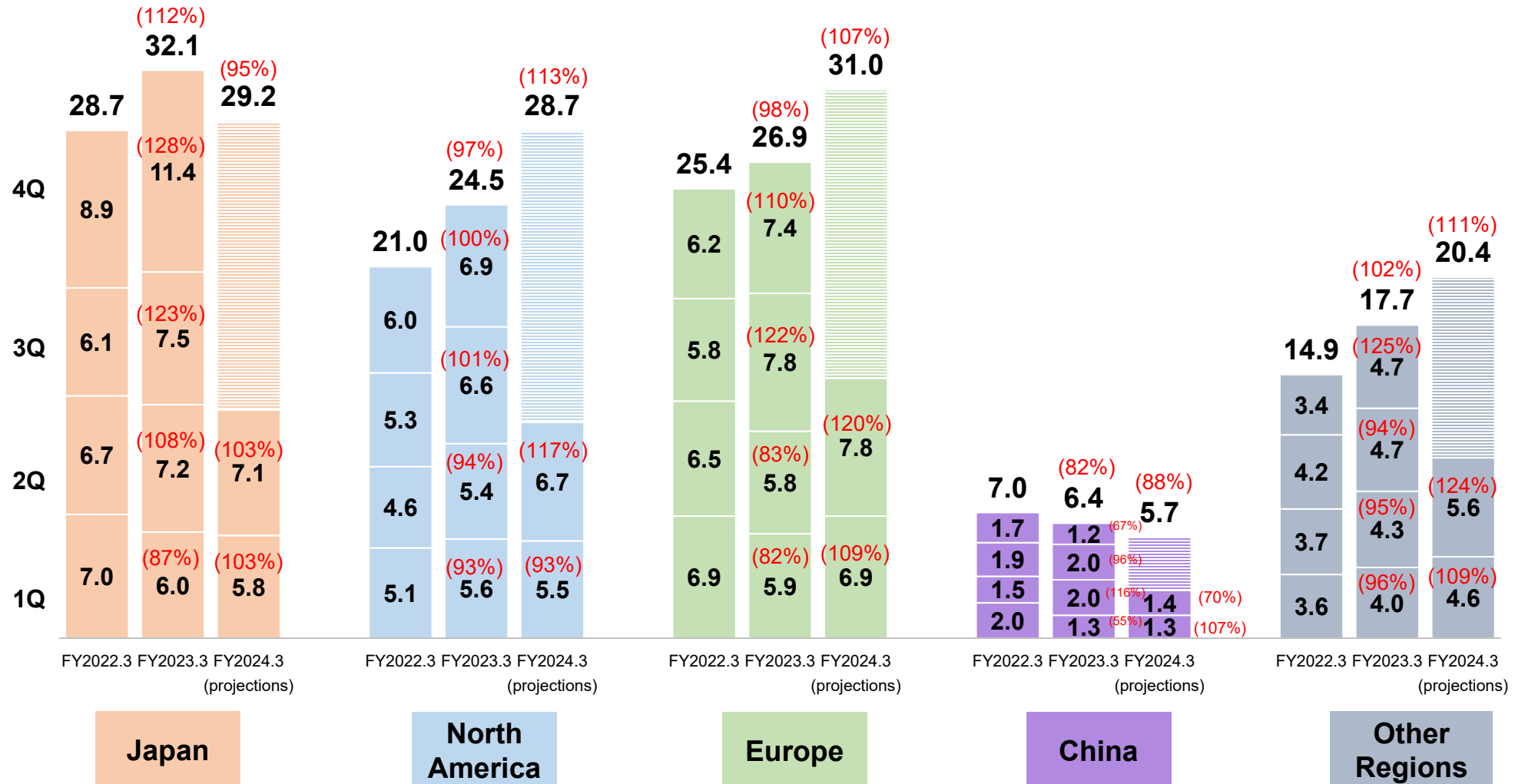


\*FY2023.3 figures have been adjusted to reflect the segment change from FY2024.3

Red figures show actual YoY changes discounting impact of exchange rates

# Revenue by Region

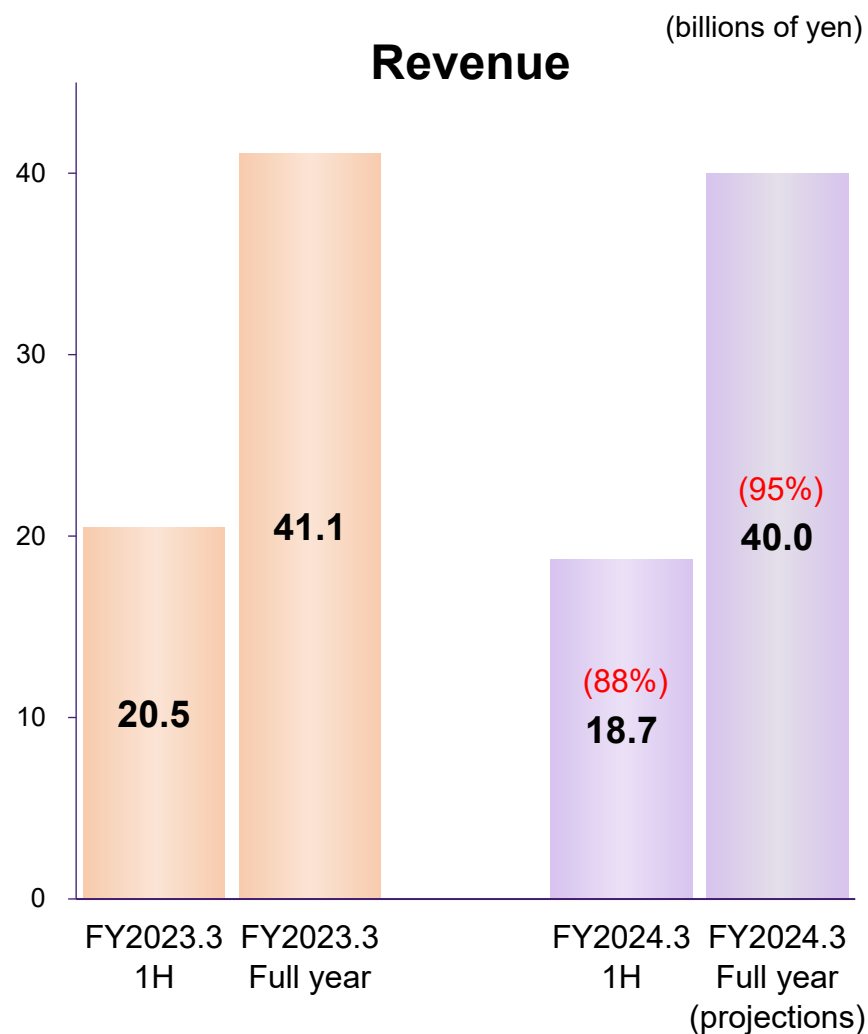
(billions of yen)



Red figures show actual YoY changes discounting impact of exchange rates



# Revenue by Region



## 1H overview:

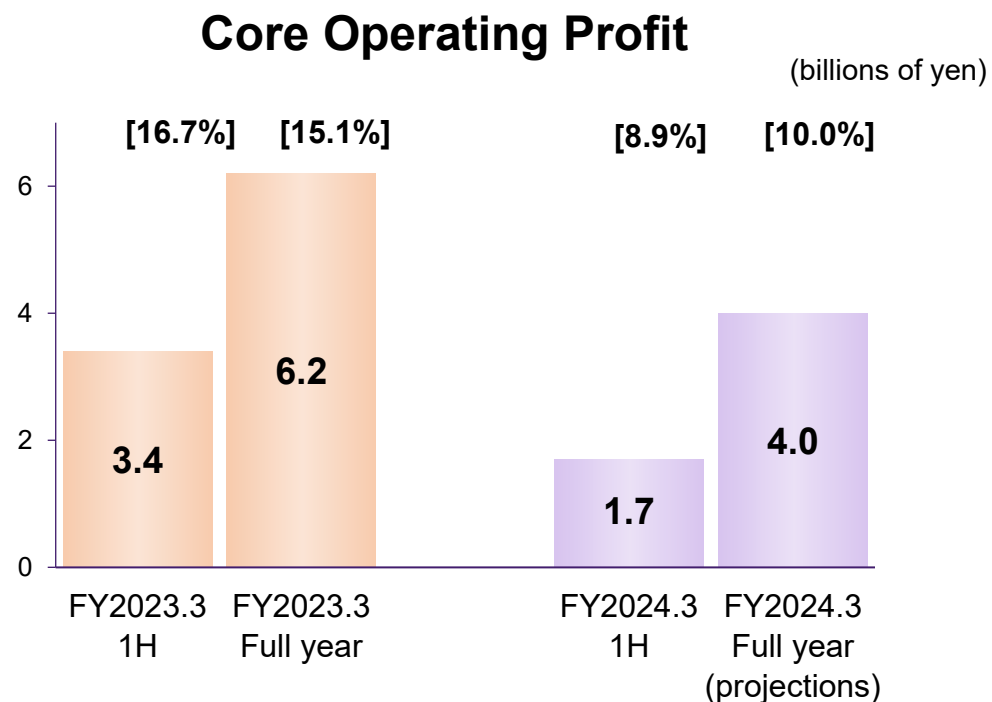
- IMC\* sales rose driven by sales of automotive sound systems.

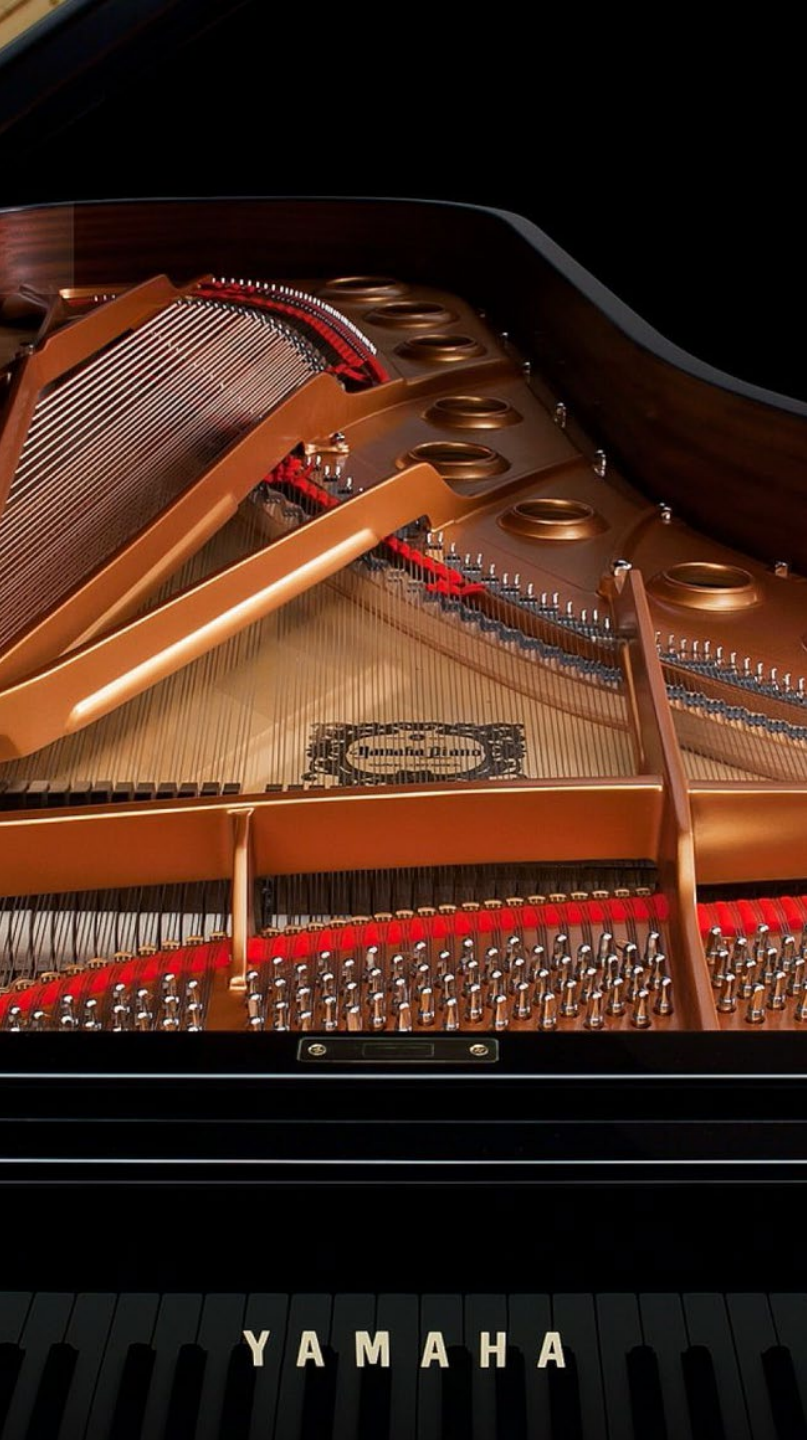
## FY2024.3 Projections:

- IMC sales are expected to rise due to the sales growth of automotive sound systems.
- Golf product sales are expected to decline against special demand in the previous year.

\* Industrial Machinery and Components

(Comments are on local currency basis)





## 3. Other Financial Figures

# Balance Sheet Summary

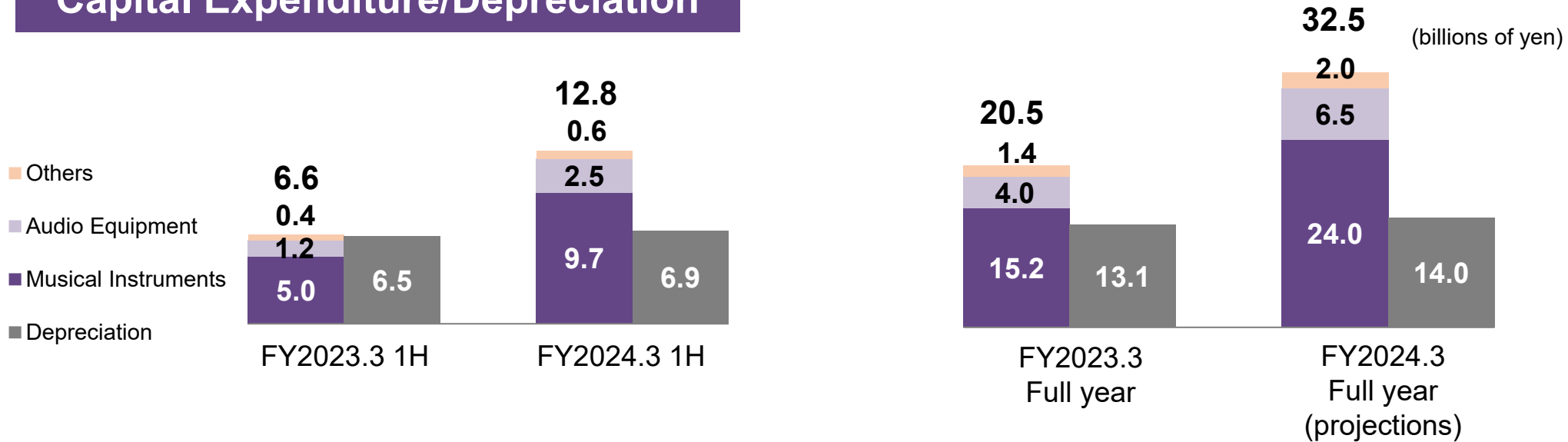
(billions of yen)

	As of March 31, 2023	As of Sept. 30, 2023	Change	As of March 31, 2024 (projections)
Cash and cash equivalents	103.9	97.8	-6.1	125.0
Trade and other receivables	75.4	77.6	2.2	75.0
Other financial assets	1.1	2.8	1.7	1.5
Inventories	153.7	176.8	23.1	142.0
Other current assets	12.6	8.8	-3.8	9.0
Non-current assets	247.5	279.0	31.5	286.5
<b>Total Assets</b>	<b>594.2</b>	<b>642.8</b>	<b>48.5</b>	<b>639.0</b>
Current liabilities	95.1	106.0	10.9	100.5
Non-current liabilities	41.2	46.7	5.6	45.5
Total equity	457.9	490.0	32.1	493.0
<b>Total liabilities and equity</b>	<b>594.2</b>	<b>642.8</b>	<b>48.5</b>	<b>639.0</b>

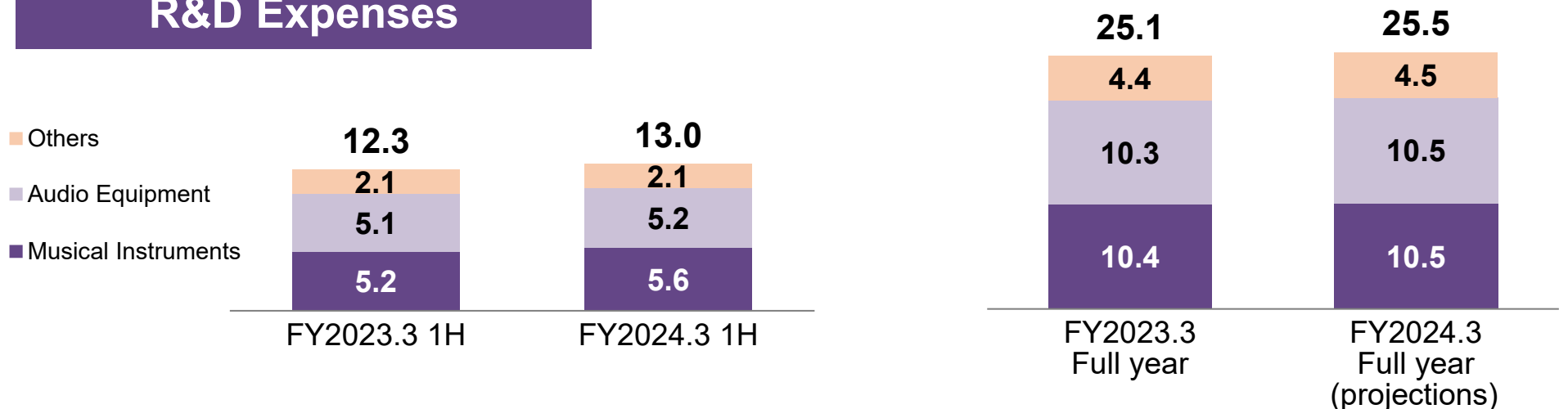
Figures for the fiscal year ended March 31, 2023 have been retroactively adjusted to reflect the finalization of the provisional accounting treatment for the acquisition of Cordoba Music Group, LLC

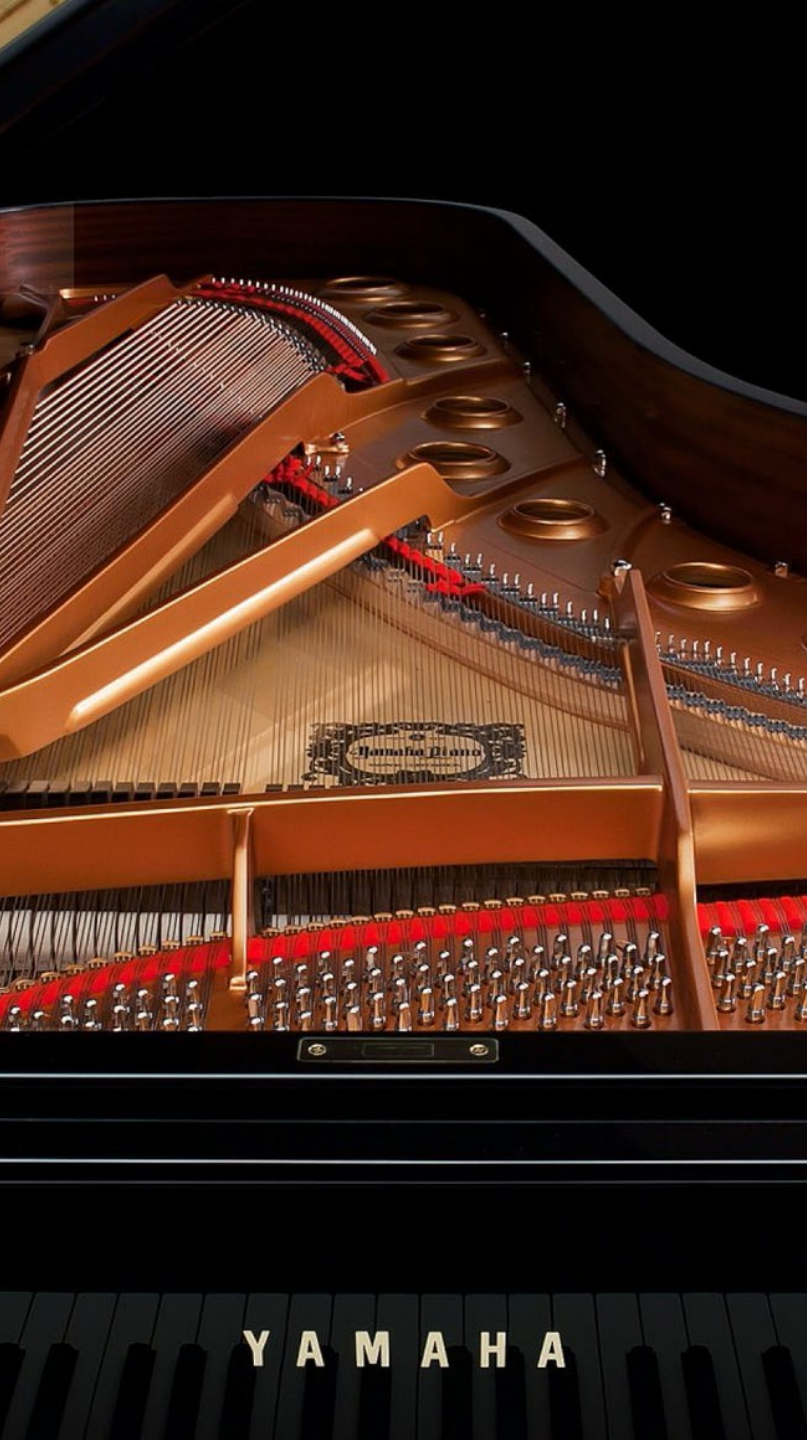
# Capital Expenditure/Depreciation, R&D Expense

## Capital Expenditure/Depreciation



## R&D Expenses





## 4. Topics

# Priority Themes of Make Waves 2.0 (1)

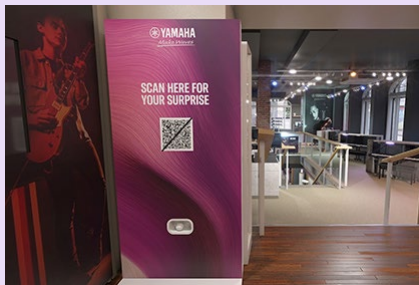
## Further strengthen the business foundation

### (1) Develop closer ties with customers

**Yamaha Music London, Yamaha's Only European Flagship Store, Reopens in October**



The largest selection of products in Europe and a workshop to be connected to our customers



Introduced store check-in system using the Yamaha Music ID member's ID  
[https://www.yamaha.com/en/news\\_release/2023/23101201/](https://www.yamaha.com/en/news_release/2023/23101201/)

**Hands-on brand store where all visitors are free to enjoy music and musical instruments**

Opening in spring of 2024 at Yokohama Symphostage



[https://www.yamaha.com/ja/news\\_release/2023/23082901/](https://www.yamaha.com/ja/news_release/2023/23082901/)

(in Japanese only)

### Expand business domain

Yamaha speaker units installed in Toyota's new Century model



New Century model  
 Courtesy of Toyota Motor Corporation

[https://www.yamaha.com/ja/news\\_release/2023/23091201/](https://www.yamaha.com/ja/news_release/2023/23091201/)

(in Japanese only)

### (2) Create new value

#### Develop Products with Distinctive Individuality

New generation drum Finger Drum Pads



Ergonomic layout allows you to play drums anytime, anywhere, using your fingers

[https://usa.yamaha.com/products/musical\\_instruments/drums/finger-drum-pads/fqdp-50/index.html](https://usa.yamaha.com/products/musical_instruments/drums/finger-drum-pads/fqdp-50/index.html)

### (3) Be more flexible and resilient

#### Fortifying our intellectual property infrastructure to generate innovation

Successful legal action for infringement of copyright against Chinese digital music instruments manufacturer

[https://www.yamaha.com/en/news\\_release/2023/23101001/](https://www.yamaha.com/en/news_release/2023/23101001/)

# Priority Themes of Make Waves 2.0 (2)

## Set sustainability as a source of value

[Environment]

### (1) Build a value chain that supports the future of the earth and society

#### Energy Conservation

Progressing introduction of power monitoring systems at total 5 sites of head office and domestic and overseas production sites.

#### Longer Product Life

Upgrade your products to the latest features



Disklavier™ ENSPIRE player piano upgrade unit



SILENT Piano retrofit unit

[https://www.yamaha.com/ja/news\\_release/2023/23083001/](https://www.yamaha.com/ja/news_release/2023/23083001/)  
[https://www.yamaha.com/ja/news\\_release/2023/23041901/](https://www.yamaha.com/ja/news_release/2023/23041901/)

(in Japanese only)

#### Aim to create sustainable musical instruments

Utilizing unused wood and thinned timber, and challenges to reduce plastic usage



Sustainable keyboard



Upcycling guitar

[https://www.yamaha.com/en/news\\_release/2023/23082201/](https://www.yamaha.com/en/news_release/2023/23082201/)  
[https://www.yamaha.com/ja/news\\_release/2023/23090602/](https://www.yamaha.com/ja/news_release/2023/23090602/)

(in Japanese only)

[Culture]

### (3) Expand market through the promotion and development of music culture

#### Expand instrumental music education initiatives in emerging countries



Introduction of pianica and recorder lessons begins in the 4<sup>th</sup> grade of Vietnamese public elementary schools in September following the revision of the Vietnamese national curriculum



Training on teaching methods for local teachers

Pilot introduction of music education using keyboards in 11 public elementary schools in Malaysia



[https://www.yamaha.com/ja/news\\_release/2023/23090802/](https://www.yamaha.com/ja/news_release/2023/23090802/)

(in Japanese only)

#### Nurture children's sensitivity through "sound" experiences

Yamaha designs children's interactive musical space at the Metropolitan Museum of Art



Courtesy of The Metropolitan Museum of Art

<https://youtu.be/UM-35FJbFJk>



[https://www.yamaha.com/en/news\\_release/2023/23090801/](https://www.yamaha.com/en/news_release/2023/23090801/)

[https://www.yamaha.com/ja/about/design/events\\_topics/material\\_orchestra/](https://www.yamaha.com/ja/about/design/events_topics/material_orchestra/)

# Priority Themes of Make Waves 2.0 (3)

Enable Yamaha colleagues to be more valued, more engaged and more committed

(3) Foster open organizational culture where people can proactively take on challenges

Deepening bonds and fostering a sense of unity among Yamaha affiliates around the world

Yamaha Day, a day to reflect on the Yamaha brand, a global in-house event held in real and online (every year on October 12)



Yamaha Awards 2023 presidential award grand prix and winners



A music video of employees playing the instruments, compiled as a single video



<https://www.youtube.com/watch?v=DwrhZTBFppY>  
[https://www.yamaha.com/en/csr/activity\\_report/social/labor\\_relations/](https://www.yamaha.com/en/csr/activity_report/social/labor_relations/)

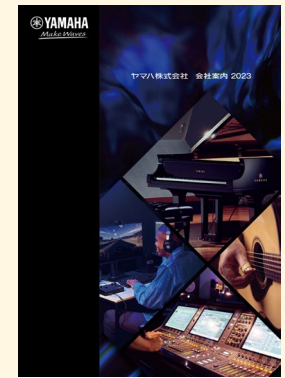
Engagement tools published

Annual Report 2023



<https://www.yamaha.com/en/ir/publications/>  
 (English version to be published in November)

Corporate Profile



<https://www.yamaha.com/en/about/>  
 (English version to be published in December)

Sustainability Report 2023



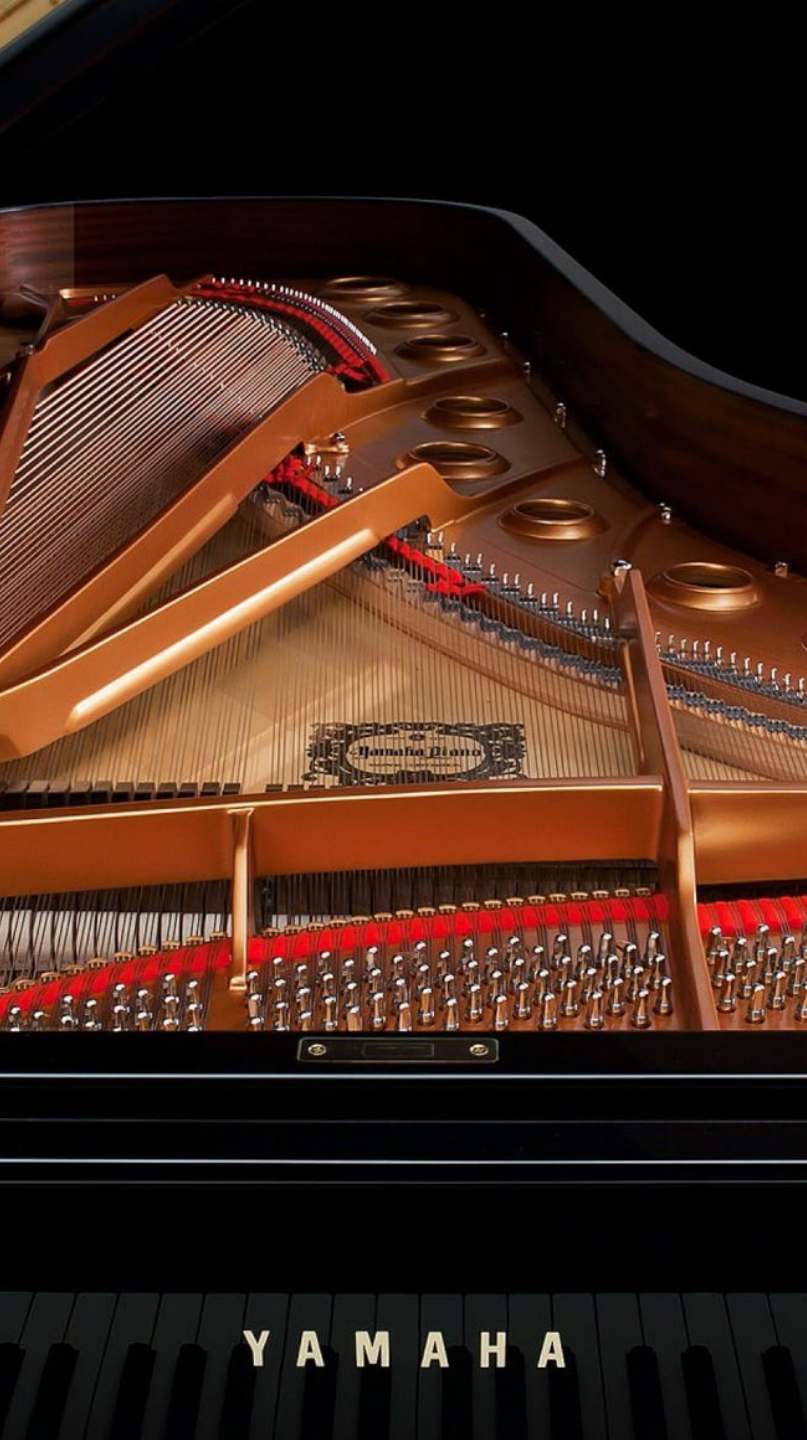
<https://www.yamaha.com/en/csr/download/>

Corporate Profile Video



<https://youtu.be/ggQVQleulRw>





# Appendix

# Performance in 2Q FY2024.3 (Three Months)

(billions of yen)

	FY2023.3 2Q	FY2024.3 2Q	Change	
<b>Revenue</b>	112.1	<b>113.4</b>	1.3	+1.2% <sup>*2</sup>
<b>Core Operating Profit</b> (Core Operating Profit Ratio)	13.4 (12.0%)	<b>8.8</b> (7.8%)	-4.7	-34.6%
<b>Net Profit</b> <sup>*1</sup>	12.2	<b>8.5</b>	-3.8	-30.7%

Exchange Rate (yen)			
<b>Revenue</b> (Average rate during the period)	<b>US \$</b>	138	<b>145</b>
	<b>EUR</b>	139	<b>157</b>
<b>Profit</b> (Settlement rate)	<b>US \$</b>	137	<b>144</b>
	<b>EUR</b>	137	<b>145</b>

<sup>\*2</sup>  
-3.2 %  
(Excluding the impact of exchange rate)

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

# Performance by Business Segment in 2Q FY2023.3 (Three Months)

(billions of yen)

		FY2023.3 2Q	FY2024.3 2Q	Change	Exchange rate impact
<b>Musical Instruments</b>	<b>Revenue</b>	<b>76.7</b>	<b>76.0</b>	<b>-0.7</b>	<b>3.2</b>
	<b>Core Operating Profit</b>	<b>11.0</b>	<b>8.3</b>	<b>-2.7</b>	<b>1.1</b>
	Core Operating Profit Ratio	14.3%	10.9%	-3.4P	
<b>Audio Equipment</b>	<b>Revenue</b>	<b>24.7</b>	<b>28.5</b>	<b>3.9</b>	<b>1.5</b>
	<b>Core Operating Profit</b>	<b>0.8</b>	<b>0.6</b>	<b>-0.3</b>	<b>0.2</b>
	Core Operating Profit Ratio	3.4%	1.9%	-1.5P	
<b>IMC<sup>*1</sup> Business and Others</b>	<b>Revenue</b>	<b>10.7</b>	<b>8.9</b>	<b>-1.8</b>	<b>0.3</b>
	<b>Core Operating Profit</b>	<b>1.6</b>	<b>-0</b>	<b>-1.7</b>	<b>0.2</b>
	Core Operating Profit Ratio	15.1%	-0.4%	-15.5P	

\*1 Industrial Machinery and Components

# 1H Other Income and Expenses (Six Months)

(billions of yen)

		FY2023.3 1H	FY2024.3 1H
<b>Core Operating Profit</b>		<b>24.4</b>	<b>15.3</b>
<b>Other Income and Expenses</b>	Profit from (loss on) disposal of fixed assets	-0	-0
	Others	0.3	0.1
	<b>Total</b>	<b>0.3</b>	<b>0.1</b>
<b>Operating Profit</b>		<b>24.7</b>	<b>15.4</b>
<b>Financial Income and Expenses</b>	Dividends income	1.3	1.6
	Others	4.1	4.7
	<b>Total</b>	<b>5.4</b>	<b>6.3</b>
<b>Profit before Income Taxes</b>		<b>30.1</b>	<b>21.7</b>
Income taxes		-9.3	-6.7
Net profit attributable to non-controlling interests		0	0
<b>Net Profit <sup>*1</sup></b>		<b>20.8</b>	<b>14.9</b>

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

# Full Year Other Income and Expenses

(billions of yen)

		FY2023.3 Full year	FY2024.3 Full year (projections)
<b>Core Operating Profit</b>		<b>45.9</b>	<b>42.0</b>
<b>Other Income and Expenses</b>	Profit from (loss on) disposal of fixed assets	-0	-0
	Others	0.6	0
	<b>Total</b>	<b>0.6</b>	<b>-0</b>
<b>Operating Profit</b>		<b>46.5</b>	<b>42.0</b>
<b>Financial Income and Expenses</b>	Dividends income	2.6	3.0
	Others	1.5	2.5
	<b>Total</b>	<b>4.1</b>	<b>5.5</b>
<b>Profit before Income Taxes</b>		<b>50.6</b>	<b>47.5</b>
Income taxes		-12.4	-12.9
Net profit attributable to non-controlling interests		-0	0.1
<b>Net Profit <sup>*1</sup></b>		<b>38.2</b>	<b>34.5</b>

\*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.**