ANNUAL FINANCIAL REPORT
(Consolidated financial statements and notes)

Fiscal Year Ended March 31, 2025

Yamaha Corporation

Note for readers
This is an English translation of a part of the original Annual Securities Report ("Yukashoken Houkokusho") with the Director-General of the Kanto Financial Bureau in Japan.
In the event of any discrepancy between this document and the Japanese original, the original shall prevail.

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KEY PERFORMANCE INDICATORS

Consolidated financial indicators

Fiscal year ended		IFRS					
		2025.3	(Note 2)	2024.3	2023.3	2022.3	2021.3
Revenue	(Millions of yen) (Thousands of U.S. dollars)	**¥462,080**	**$3,090,422**	¥462,866	¥451,410	¥408,197	¥372,630
Profit before income taxes	(Millions of yen) (Thousands of U.S. dollars)	**22,462**	**150,228**	37,629	50,552	53,028	37,102
Profit for the period attributable to owners of parent	(Millions of yen) (Thousands of U.S. dollars)	**13,351**	**89,294**	29,642	38,183	37,268	26,615
Comprehensive income for the period attributable to owners of parent	(Millions of yen) (Thousands of U.S. dollars)	**517**	**3,459**	83,310	58,288	58,447	81,993
Equity attributable to owners of parent	(Millions of yen) (Thousands of U.S. dollars)	**448,834**	**3,001,835**	510,592	456,837	415,713	395,958
Total assets	(Millions of yen) (Thousands of U.S. dollars)	**591,278**	**3,954,510**	666,837	594,209	580,662	557,616
Equity attributable to owners of parent per share	(Yen) (U.S. dollars)	**990.62**	**6.63**	1,025.24	893.44	807.79	750.78
Basic earnings per share	(Yen) (U.S. dollars)	**27.58**	**0.18**	58.56	74.21	71.62	50.46
Diluted earnings per share	(Yen) (U.S. dollars)	–	–	–	–	–	–
Equity ratio attributable to owners of parent	(%)	**75.9**	**75.9**	76.6	76.9	71.6	71.0
Return on equity attributable to owners of parent	(%)	**2.8**	**2.8**	6.1	8.8	9.2	7.4
Price to earnings ratio	(Times)	**41.9**	**41.9**	18.6	22.9	24.9	39.7
Cash flows from operating activities	(Millions of yen) (Thousands of U.S. dollars)	**55,281**	**369,729**	43,836	(14,841)	36,016	58,225
Cash flows from investing activities	(Millions of yen) (Thousands of U.S. dollars)	**8,106**	**54,214**	(15,903)	(21,563)	43,707	(5,785)
Cash flows from financing activities	(Millions of yen) (Thousands of U.S. dollars)	**(63,140)**	**(422,286)**	(37,263)	(35,287)	(44,426)	(20,602)
Cash and cash equivalents at end of period	(Millions of yen) (Thousands of U.S. dollars)	**99,819**	**667,596**	101,587	103,886	172,495	129,345
Number of Employees	(Persons)	**18,949**	**18,949**	19,644	20,027	19,895	20,021
Average number of temporary staff	(Persons)	**5,704**	**5,704**	6,871	8,225	8,863	8,644
Total Shareholder Return	(%)	**90.6**	**90.6**	83.8	125.5	130.1	144.2
Comparative indicator: TOPIX total return index	(%)	**213.4**	**213.4**	216.8	153.4	145.0	142.1
Highest share price	(Yen) (U.S. dollars)	**1,295** **[3,815]**	**8.66** **[25.51]**	5,876	5,900	7,490	6,560
Lowest share price	(Yen) (U.S. dollars)	**1,040** **[2,505]**	**6.96** **[16.75]**	3,051	4,605	4,840	3,835

Notes: 1. Diluted earnings per share is not stated since there are no potential share that would have a dilutive effect.

2. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥149.52 to U.S.$1, the approximate exchange rate at March 31, 2025. Such translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

3. In the fiscal year ended March 2023, the Company changed its accounting policy in accordance with the IFRS Interpretations Committee's Agenda Decision, "Attributing Benefit to Periods of Service (IAS 19 Employee Benefits)," published in May 2021. As a result, key performance indicators for the fiscal year ended March 2022 have been restated to reflect the retrospective application of this accounting policy change. The cumulative effect of the change for the fiscal year ended March 2021 is reflected in the opening balance of equity for the fiscal year ended March 2022.
4. Since the allocation of the acquisition consideration for a business combination was completed in the second quarter of the fiscal year ended March 31, 2024, the provisional accounting treatment at the end of the fiscal year ended March 2023 was finalized and key performance indicators at the end of the period reflect retroactive adjustments.
5. The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024. Equity attributable to owners of parent per share and Basic earnings per share have been calculated assuming that the stock split took place at the beginning of the fiscal year ended March 31, 2021.
6. The highest and lowest share prices prior to April 3, 2022, are based on trading on the First Section of the Tokyo Stock Exchange, while those on or after April 4, 2022, are based on trading on the Prime Market of the Tokyo Stock Exchange.

   For the fiscal year ended March 2025, the highest and lowest share prices presented reflect the prices after the ex-rights date of the stock split. The figures in parentheses indicate the highest and lowest share prices before the stock split.

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Yamaha Corporation and its consolidated subsidiaries As of March 31, 2025 and 2024	Millions of yen		Thousands of U.S. dollars (Note 2)
	2025	2024	2025
Assets			
Current assets			
Cash and cash equivalents (Notes 7 and 34)	**¥99,819**	¥101,587	**$667,596**
Trade and other receivables (Notes 8, 24 and 34)	**87,331**	88,015	**584,075**
Other financial assets (Notes 14 and 34)	**5,197**	4,861	**34,763**
Inventories (Note 9)	**150,488**	164,149	**1,006,477**
Other current assets (Note 10)	**9,097**	10,733	**60,841**
Total current assets	**351,933**	369,346	**2,353,755**
Non-current assets			
Property, plant and equipment (Note 11)	**121,866**	126,526	**815,052**
Right-of-use assets (Note 12)	**19,167**	24,141	**128,195**
Goodwill (Notes 6 and 13)	–	1,194	–
Intangible assets (Note 13)	**5,411**	6,235	**36,191**
Financial assets (Notes 14 and 34)	**54,037**	103,452	**361,406**
Retirement benefit assets (Note 21)	**25,798**	21,803	**172,542**
Deferred tax assets (Note 15)	**11,042**	12,229	**73,850**
Other non-current assets	**2,020**	1,908	**13,515**
Total non-current assets	**239,344**	297,491	**1,600,755**
Total assets	**¥591,278**	¥666,837	**$3,954,510**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

As of March 31, 2025 and 2024	Millions of yen		Thousands of U.S. dollars (Note 2)
	2025	2024	2025
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables (Notes 16 and 34)	**¥64,004**	¥65,775	**$428,063**
Interest-bearing debt (Notes 17 and 34)	**5,552**	992	**37,136**
Lease liabilities (Note 34)	**5,167**	5,964	**34,557**
Other financial liabilities (Notes 18 and 34)	**9,450**	9,499	**63,207**
Income taxes payables	**7,691**	7,595	**51,441**
Provisions (Note 19)	**2,205**	3,447	**14,753**
Other current liabilities (Notes 20 and 24)	**12,586**	12,414	**84,178**
Total current liabilities	**106,658**	105,688	**713,338**
Non-current liabilities			
Lease liabilities (Note 34)	**9,238**	10,977	**61,786**
Financial liabilities (Notes 18 and 34)	**241**	365	**1,613**
Retirement benefit liabilities (Note 21)	**11,706**	14,525	**78,294**
Provisions (Note 19)	**3,576**	2,876	**23,921**
Deferred tax liabilities (Note 15)	**7,286**	18,230	**48,732**
Other non-current liabilities	**2,457**	2,362	**16,435**
Total non-current liabilities	**34,506**	49,338	**230,784**
Total liabilities	**141,165**	155,027	**944,123**
Equity			
Capital stock (Note 22)	**28,534**	28,534	**190,843**
Capital surplus (Note 22)	**1,785**	1,974	**11,943**
Retained earnings (Note 22)	**438,454**	458,299	**2,932,415**
Treasury shares (Note 22)	**(101,642)**	(96,568)	**(679,791)**
Other components of equity	**81,701**	118,352	**546,424**
Equity attributable to owners of parent	**448,834**	510,592	**3,001,835**
Non-controlling interests	**1,278**	1,218	**8,551**
Total equity	**450,113**	511,810	**3,010,387**
Total liabilities and equity	**¥591,278**	¥666,837	**$3,954,510**

CONSOLIDATED STATEMENT OF INCOME

Yamaha Corporation and its consolidated subsidiaries For the fiscal years ended March 31, 2025 and 2024	Millions of yen		Thousands of U.S. dollars (Note 2)
	2025	2024	2025
Revenue (Notes 5 and 24)	**¥462,080**	¥462,866	**$3,090,422**
Cost of sales (Notes 21 and 26)	**(285,939)**	(291,784)	**(1,912,380)**
Gross profit	**176,140**	171,081	**1,178,042**
Selling, general and administrative expenses (Notes 21, 25, 26 and 33)	**(139,419)**	(137,428)	**(932,446)**
Core operating profit (Note 5)	**36,721**	33,653	**245,595**
Other income (Note 27)	**2,269**	1,470	**15,176**
Other expenses (Notes 21 and 27)	**(18,295)**	(6,124)	**(122,361)**
Operating profit	**20,695**	28,999	**138,411**
Finance income (Note 28)	**4,631**	9,192	**30,977**
Finance expenses (Note 28)	**(2,864)**	(561)	**(19,160)**
Profit before income taxes	**22,462**	37,629	**150,228**
Income taxes (Note 15)	**(8,994)**	(7,852)	**(60,155)**
Profit for the period	**¥13,467**	¥29,776	**$90,072**
Profit for the period attributable to:			
Owners of parent	**¥13,351**	¥29,642	**$89,294**
Non-controlling interests	**116**	134	**777**
	Yen		U.S. dollars (Note 2)
Earnings per share			
Basic (Note 30)	**¥27.58**	¥58.56	**$0.18**
Diluted (Note 30)	–	–	–

The above consolidated statement of income should be read in conjunction with the accompanying notes.

Note: The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024. Earnings per share have been calculated assuming that the stock split took place at the beginning of the previous fiscal year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Yamaha Corporation and its consolidated subsidiaries For the fiscal years ended March 31, 2025 and 2024	Millions of yen		Thousands of U.S. dollars (Note 2)
	2025	2024	2025
Profit for the period	**¥13,467**	¥29,776	**$90,072**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans (Note 29)	**3,069**	5,885	**20,527**
Financial assets measured at fair value through other comprehensive income (Note 29)	**(12,064)**	23,255	**(80,686)**
Total items that will not be reclassified to profit or loss	**(8,995)**	29,141	**(60,159)**
Items that may be subsequently reclassified to profit or loss			
Exchange differences on translation of foreign operations (Note 29)	**(3,848)**	24,323	**(25,735)**
Gain or loss on cash flow hedges (Note 29)	–	284	–
Total items that may be subsequently reclassified to profit or loss	**(3,848)**	24,607	**(25,735)**
Total other comprehensive income (Note 29)	**(12,843)**	53,748	**(85,895)**
Comprehensive income for the period	**¥624**	¥83,525	**$4,177**
Comprehensive income for the period attributable to:			
Owners of parent	**¥517**	¥83,310	**$3,459**
Non-controlling interests	**107**	214	**717**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Yamaha Corporation and its consolidated subsidiaries	Millions of yen											
	Equity attributable to owners of parent										Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity					Total		
For the fiscal years ended March 31, 2025 and 2024					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Gain or loss on cash flow hedges	Total			
Balance at April 1, 2023	¥28,534	¥1,755	¥428,166	¥(78,766)	¥–	¥47,242	¥30,189	¥(284)	¥77,148	¥456,837	¥1,106	¥457,944
Profit for the period	–	–	29,642	–	–	–	–	–	–	29,642	134	29,776
Other comprehensive income	–	–	–	–	5,885	23,255	24,243	284	53,668	53,668	79	53,748
Total comprehensive income for the period	–	–	29,642	–	5,885	23,255	24,243	284	53,668	83,310	214	83,525
Purchase of treasury shares	–	–	–	(17,858)	–	–	–	–	–	(17,858)	–	(17,858)
Cancellation of treasury shares	–	–	–	–	–	–	–	–	–	–	–	–
Dividends (Note 23)	–	–	(11,869)	–	–	–	–	–	–	(11,869)	(40)	(11,910)
Share-based compensation (Note 33)	–	161	–	56	–	–	–	–	–	218	–	218
Change in scope of consolidation	–	–	(103)	–	–	–	–	–	–	(103)	–	(103)
Changes in the ownership interest of a subsidiary without a loss of control	–	57	–	–	–	–	–	–	–	57	(62)	(4)
Reclassified to retained earnings	–	–	12,464	–	(5,885)	(6,579)	–	–	(12,464)	–	–	–
Total transactions with owners	–	219	491	(17,801)	(5,885)	(6,579)	–	–	(12,464)	(29,556)	(102)	(29,658)
Balance at March 31, 2024	¥28,534	¥1,974	¥458,299	¥(96,568)	¥–	¥63,919	¥54,432	¥–	¥118,352	¥510,592	¥1,218	¥511,810
Profit for the period	–	–	13,351	–	–	–	–	–	–	13,351	116	13,467
Other comprehensive income	–	–	–	–	3,069	(12,064)	(3,839)	–	(12,834)	(12,834)	(8)	(12,843)
Total comprehensive income for the period	–	–	13,351	–	3,069	(12,064)	(3,839)	–	(12,834)	517	107	624
Purchase of treasury shares	–	–	–	(50,033)	–	–	–	–	–	(50,033)	–	(50,033)
Cancellation of treasury shares	–	(102)	(44,812)	44,914	–	–	–	–	–	–	–	–
Dividends (Note 23)	–	–	(12,200)	–	–	–	–	–	–	(12,200)	(46)	(12,247)
Share-based compensation (Note 33)	–	(85)	–	44	–	–	–	–	–	(41)	–	(41)
Change in scope of consolidation	–	–	–	–	–	–	–	–	–	–	–	–
Changes in the ownership interest of a subsidiary without a loss of control	–	–	–	–	–	–	–	–	–	–	–	–
Reclassified to retained earnings	–	–	23,816	–	(3,069)	(20,747)	–	–	(23,816)	–	–	–
Total transactions with owners	–	(188)	(33,196)	(5,073)	(3,069)	(20,747)	–	–	(23,816)	(62,275)	(46)	(62,322)
Balance at March 31, 2025	¥28,534	¥1,785	¥438,454	¥(101,642)	¥–	¥31,107	¥50,593	¥–	¥81,701	¥448,834	¥1,278	¥450,113

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Yamaha Corporation and its consolidated subsidiaries	Thousands of U.S. dollars (Note 2)											
	Equity attributable to owners of parent										Non-controlling interests	Total equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Other components of equity					Total		
					Remeasurements of defined benefit plans	Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Gain or loss on cash flow hedges	Total			
For the fiscal years ended March 31, 2025												
Balance at April 1,2024	$190,843	$13,205	$3,065,141	$(645,858)	$–	$427,497	$364,050	$–	$791,547	$3,414,877	$8,146	$3,423,024
Profit for the period	–	–	89,294	–	–	–	–	–	–	89,294	777	90,072
Other comprehensive income	–	–	–	–	20,527	(80,686)	(25,675)	–	(85,835)	(85,835)	(60)	(85,895)
Total comprehensive income for the period	–	–	89,294	–	20,527	(80,686)	(25,675)	–	(85,835)	3,459	717	4,177
Purchase of treasury shares	–	–	–	(334,624)	–	–	–	–	–	(334,624)	–	(334,624)
Cancellation of treasury shares	–	(686)	(299,708)	300,394	–	–	–	–	–	–	–	–
Dividends (Note 23)	–	–	(81,599)	–	–	–	–	–	–	(81,599)	(313)	(81,912)
Share-based compensation (Note 33)	–	(574)	–	296	–	–	–	–	–	(278)	–	(278)
Change in scope of consolidation	–	–	–	–	–	–	–	–	–	–	–	–
Changes in the ownership interest of a subsidiary without a loss of control	–	–	–	–	–	–	–	–	–	–	–	–
Reclassified to retained earnings	–	–	159,286	–	(20,527)	(138,759)	–	–	(159,286)	–	–	–
Total transactions with owners	–	(1,261)	(222,020)	(33,932)	(20,527)	(138,759)	–	–	(159,286)	(416,501)	(313)	(416,814)
Balance at March 31, 2025	$190,843	$11,943	$2,932,415	$(679,791)	$–	$208,050	$338,374	$–	$546,424	$3,001,835	$8,551	$3,010,387

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

Yamaha Corporation and its consolidated subsidiaries For the fiscal years ended March 31, 2025 and 2024	Millions of yen		Thousands of U.S. dollars (Note 2)
	2025	2024	2025
Cash flows from operating activities			
Profit before income taxes	**¥22,462**	¥37,629	**$150,228**
Depreciation and amortization	**21,495**	21,023	**143,761**
Impairment losses (reversal of impairment losses)	**12,811**	3,495	**85,682**
Finance income and finance expenses	**(2,471)**	(8,013)	**(16,530)**
Loss (gain) on disposal or sales of property, plant and equipment and intangible assets	**(355)**	6	**(2,378)**
(Increase) decrease in inventories	**12,280**	2,112	**82,131**
(Increase) decrease in trade and other receivables	**(464)**	(7,003)	**(3,106)**
Increase (decrease) in trade and other payables	**2,808**	(2,827)	**18,785**
Increase (decrease) in assets and liabilities associated with the defined benefit plans	**(1,964)**	103	**(13,136)**
Increase (decrease) in provisions	**(1,308)**	1,601	**(8,752)**
Increase (decrease) in accounts payable due to transition to defined contribution plans	**(126)**	320	**(845)**
Other, net	**971**	(331)	**6,496**
Subtotal	**66,138**	48,117	**442,336**
Interest and dividends income received	**4,490**	4,469	**30,034**
Interest expenses paid	**(581)**	(516)	**(3,886)**
Income taxes refunded (paid)	**(14,765)**	(8,233)	**(98,754)**
Net cash provided by (used in) operating activities	**55,281**	43,836	**369,729**
Cash flows from investing activities			
Net (increase) decrease in time deposits	**(403)**	(3,521)	**(2,699)**
Purchase of property, plant and equipment and intangible assets	**(22,934)**	(22,920)	**(153,390)**
Proceeds from sales of property, plant and equipment and intangible assets	**1,147**	307	**7,674**
Purchase of investment securities	**(197)**	(29)	**(1,321)**
Proceeds from sales and redemption of investment securities	**31,271**	10,363	**209,148**
Other, net	**(777)**	(102)	**(5,196)**
Net cash provided by (used in) investing activities	**8,106**	(15,903)	**54,214**
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings (Note 32)	**4,570**	(631)	**30,570**
Repayment of long-term borrowings (Note 32)	**-**	(19)	**-**
Repayment of lease liabilities (Note 32)	**(6,249)**	(6,397)	**(41,797)**
Purchase of treasury shares	**(49,108)**	(17,380)	**(328,444)**
Decrease (increase) in segregated deposits for purchase of treasury shares	**-**	(924)	**-**
Cash dividends paid (Note 23)	**(12,200)**	(11,869)	**(81,599)**
Purchase of shares of subsidiaries that do not result in change in scope of consolidation	**-**	(1)	**-**
Cash dividends paid to non-controlling interests	**(46)**	(40)	**(313)**
Other, net (Note 32)	**(104)**	1	**(701)**
Net cash provided by (used in) financing activities	**(63,140)**	(37,263)	**(422,286)**
Effect of exchange rate change on cash and cash equivalents	**(2,016)**	6,926	**(13,483)**
Net increase (decrease) in cash and cash equivalents	**(1,768)**	(2,403)	**(11,825)**
Cash and cash equivalents at beginning of period (Note 7)	**101,587**	103,886	**679,421**
Increase in cash and cash equivalents from newly consolidated subsidiaries	**-**	103	**-**
Cash and cash equivalents at end of period (Note 7)	**¥99,819**	¥101,587	**$667,596**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the fiscal years ended March 31, 2025 and 2024

1 Reporting Entity

Yamaha Corporation (hereinafter, the "Company") is a company located in Japan and listed on the Tokyo Stock Exchange. The registered address of the Company's headquarters is 10-1, Nakazawa-cho, Chuo-ku, Hamamatsu, Shizuoka, Japan. The consolidated financial statements for the fiscal year ended the March 31, 2025 comprise the financial statements of the Company and its subsidiaries (the "Group").
The Group's operations include the musical instruments business, audio equipment business, and other businesses.

2 Basis for Preparation

(1) Compliance with IFRS

The Group prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. Having met the requirements for a Specified Company under Designated International Accounting Standards, as prescribed in Article 1-2, item (i) of the Regulation on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, the consolidated financial statements of the Group have been prepared pursuant to Article 312 of the aforementioned regulation.
The consolidated financial statements are approved by Atsushi Yamaura, President and Representative Executive Officer, on June 23, 2025.

(2) Basis of measurement

The consolidated financial statements of the Group have been prepared based on the accounting policies described in "3. Material Accounting Policies." The amounts of assets and liabilities, except for financial instruments measured at fair value and assets and liabilities associated with the defined benefit plans as disclosed in Material Accounting Policies, are recorded on a historical cost basis.

(3) Functional currency and presentation currency

The consolidated financial statements of the Group are presented in Japanese yen, which is the functional currency of the Company, in units of one million yen with figures less than one million yen omitted.
The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥149.52 to U.S.$1, the approximate exchange rate at March 31, 2025. Such translation should not be construed as a representation that the Japanese yen amounts could be converted into U.S. dollars at the above or any other rate.

(4) Accounting standards and interpretations issued but not yet applied

New standards and interpretations that were either newly established or revised by the date of approval of the consolidated financial statements and have not been early adopted by the Group are listed below. The impact of adopting these standards on the consolidated financial statements is under consideration.

IFRS	Effective Date	Scheduled date of application	Overview of new and revised standards
IFRS 18 Presentation and Disclosure in Financial Statements	Annual reporting periods beginning on or after January 2027, with earlier application permitted.	Fiscal year ended March 2028	New standard replacing IAS 1, the current accounting standard for presentation and disclosure in financial statements

3 Material Accounting Policies

(1) Basis of consolidation

The consolidated financial statements of the Group are prepared using the financial statements of Group companies and associated companies of the Group based on unified accounting policies. If a subsidiary or associated company's accounting policy differs from that of the Group, the financial statements of the entity are adjusted as necessary.

A) Subsidiaries

A subsidiary is an entity controlled by the Group. The Group controls an entity when it has power over the investee, when it is exposed to, or has rights to, variable returns from its involvement in the investee, and when it has the ability to use its power over the investee to affect its returns. The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date on which control commences until the date on which control ceases. When the Group retains control over a subsidiary after divesting a portion of its interest in the company, the change in the Group's equity interest is accounted for as an equity transaction and the difference between the adjusted amount and the fair value of the non-controlling interest is directly recognized in equity attributable to owners of parent. Gains or losses are recognized when there is a loss of control.

The balance of receivables and payables and transactions among Group companies, and unrealized profit or loss from transactions between Group companies, are eliminated upon preparation of the consolidated financial statements.

Comprehensive income of subsidiaries shall be attributed to owners of the parent company and non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the accounting period of a subsidiary differs from that of the Company, the subsidiary's financial statements shall be adjusted based on the Company's accounting period.

B) Associated companies

An associated company is an entity that is not controlled by the Group but for which the Group has significant influence over its financial and operating policies. The equity method is applied to investments in associated companies initially recognized at cost at the time of acquisition. The Group's share of profit or loss and other comprehensive income is recognized as changes in the carrying amount of the investments in the associated companies from the date on which significant influence commences until the date on which significant influence ceases.

C) Business combinations

Business combinations are accounted for using the acquisition method.

The acquisition cost is measured as the sum of the acquisition-date fair value of the assets transferred, liabilities assumed, and equity instruments issued by the Company in exchange for control of the acquiree.

Transaction costs incurred in association with a business combination are expensed when incurred.

The excess of the acquisition cost over the Group's share of the net fair value of the identifiable assets acquired and liabilities assumed on the date of acquisition is recognized as goodwill. Conversely, if the difference is negative, a gain is recognized in profit or loss.

(2) Foreign currencies

A) Transactions denominated in foreign currencies

The financial statements of each of Group entity are prepared using each company's functional currency.

Transactions conducted in currencies other than the functional currency are translated into the functional currency using the exchange rate on the transaction date or an exchange rate that approximates the exchange rate on that date. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency using the exchange rate at the fiscal year-end,
and non-monetary assets and liabilities measured at fair value are translated at the exchange rate on the date of calculation of fair value. Any exchange differences arising from translation or settlement are recognized in profit or loss.

However, exchange differences arising from financial instruments measured at fair value through other comprehensive income is recognized in other comprehensive income.

B) Foreign operations

Assets and liabilities of the Group's foreign operations are translated using the exchange rates at the fiscal year-end. Income and expense items are translated at the average exchange rates for the reporting period, unless any significant change has occurred. Any exchange differences arising from these translations are recognized in other comprehensive income. If a foreign operation is disposed of, the accumulated amount of the exchange differences on translation related to the foreign operation is reclassified to profit or loss at the time the foreign operation was disposed of.

(3) Financial instruments

A) Financial assets

(a) Initial recognition and measurement

Financial assets are recognized on the trade date when the Group becomes a party to the transaction.

Financial assets other than financial assets measured at fair value through profit or loss, are measured at an amount of fair value plus transaction costs directly attributable to the acquisition of the financial asset at initial recognition. Transaction costs of financial assets measured at fair value through profit or loss are recognized in profit or loss.

(b) Classification and subsequent measurement

The Group, at initial recognition, classifies financial assets as (i) financial assets measured at amortized cost, (ii) financial assets measured at fair value through other comprehensive income, or (iii) financial assets measured at fair value through profit or loss.

(i) Financial assets measured at amortized cost

Among financial assets, debt instruments are categorized as financial assets measured at amortized costs if both of the following conditions are met:

• They are held based on a business model whose objective is to hold financial assets in order to collect contractual cash flows.

• The contractual terms of these instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, financial assets for which these conditions are met is measured at amortized cost using the effective interest rate method. The amortized amount using the effective interest rate method and profit or loss, in cases where a financial asset is derecognized, is recognized in profit or loss.

(ii) Financial assets measured at fair value through other comprehensive income

Among financial assets, debt instruments are categorized as financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

• They are held based on a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.

• The contractual terms of these instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity instruments, such as shares of Yamaha Motor Co., Ltd., which uses a common brand as the Group, and shares of companies related to other businesses, are categorized upon initial recognition as financial assets measured at fair value through other comprehensive income.

After initial recognition, changes in the fair value of equity instruments measured at fair value through other comprehensive income are recognized as other comprehensive income. When financial assets are derecognized or the fair value decreases materially, the cumulative gain or loss recognized in other comprehensive income is reclassified to retained earnings. Dividends from such financial assets are recognized in profit or loss as finance income.

(iii) Financial assets measured at fair value through profit or loss

Financial assets other than the above are categorized as financial assets measured at fair value through profit or loss.

Changes in the fair value of financial assets measured at fair value through profit or loss after initial recognition are recognized in profit or loss.

(c) Impairment of financial assets

For trade and other receivables, the Group recognizes an allowance for doubtful accounts equivalent to the expected credit loss over the full period. For trade and other receivables for which repayment is doubtful or potentially doubtful, the impairment loss on such assets is assessed individually or as a group for assets of similar types of risk and accounted for in the allowance for doubtful accounts.

For trade and other receivables that do not fall into the above category, impairment loss is assessed primarily based on the historical actual default rate and accounted for in the allowance for doubtful accounts.

For trade and other receivables for which impairment loss was previously recognized and the impairment amount decreased due to a subsequent event, the previously recognized impairment loss is reversed and recognized in profit or loss.

For trade and other receivables that is no reasonable expectation of recovery, the unrecoverable amount is written off directly.

(d) Derecognition

The Group derecognizes a financial asset when the contractual rights to cash flows from the financial asset expire or when such rights are transferred by the Group and all the risks and rewards of ownership of the financial asset are substantially transferred.

B) Financial liabilities

(a) Initial recognition and measurement

Financial liabilities are recognized on the trade date when the Group becomes a party to the transaction.

Financial liabilities measured at amortized cost are measured at fair value less the associated direct transaction costs at initial recognition.

(b) Categorization and subsequent measurement

Financial liabilities are classified as financial liabilities measured at amortized cost at initial recognition.

After initial recognition, financial liabilities measured at amortized cost are measured at amortized cost using the effective interest rate method. The amortized amount using the effective interest rate method and gains and losses on derecognition are recognized in profit or loss.

(c) Derecognition

Financial liability is derecognized when it is extinguished, i.e., when the obligation specified in the contract is discharged, cancelled, or expires.

C) Presentation of financial instruments

Financial assets and liabilities are offset and presented at a net amount in the consolidated statement of financial position when the Group has a legally enforceable right to offset the financial asset and liability balances and it intends either to settle on a net basis or to realize financial assets and settle financial liabilities simultaneously.

(4) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term investments that are readily convertible into cash, are not exposed to significant risk related to changes in value, and are redeemable within three months of the date of acquisition.

(5) Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories is determined principally based on the weighted-average method and includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale, taking into account the salability.

(6) Property, plant and equipment

The Company applied the cost model for the property, plant and equipment and subsequently measured at cost less accumulated depreciation and accumulated impairment.
The acquisition cost of property, plant and equipment comprises any costs directly attributable to the acquisition of the item, the initial estimate for disassembly, removal, or other restoration costs and borrowing costs that should be capitalized.
Depreciation costs on an item of property, plant and equipment, except for land and construction in progress, are accounted for using the straight-line method over the estimated useful lives. The range of estimated useful lives by major asset items is as follows:

Buildings: 31 to 50 years (Mainly 15 years for equipment attached to buildings)
Structures: 10 to 30 years
Machinery and equipment: 4 to 12 years
Tools, furniture and fixtures: 5 to 6 years

Estimated useful lives, residual values, and depreciation methods are reviewed at the end of each fiscal year and, if there is a change, the depreciation charge is adjusted prospectively as changes in accounting estimates.

(7) Right-of-use assets

The Group leases a portion of its property, plant, and equipment.

The initial measurement of a right-of-use asset is calculated based on cost using the present value of the lease payments during a non-cancellable period plus reasonably certain extension option period (hereafter, "lease period"), and any lease prepayments prior to the commencement date, initial direct costs and the amount of the initial estimate for disassembly, removal, or other restoration costs and less any lease incentives received.
Lease liabilities are set at the initial measurement of the present value of the lease payments during the lease period. When there are changes in the lease period or lease payments subsequent to the initial measurement, the lease liability is remeasured, and the cost of a right-of-use asset and corresponding lease liability are adjusted.

Right-of-use assets are accounted for using the cost model and measured at cost less accumulated depreciation and the accumulated impairment losses. Lease liabilities are stated at the initial measurement amount and adjusted for any remeasurement less lease payments and adjusted for interest. Depreciation cost of right-of-use assets is accounted for using the straight-line method over the lease period. Interest expenses associated with lease liabilities are classified separately from depreciation costs on right-of-use assets and included in finance expenses. However, short-term leases with lease periods of 12 months or less and underlying assets with low value are not recognized as right-of-use assets or lease liabilities and lease payments are recognized in profit or loss either by applying the straight-line method or other established standards to the lease amount.

(8) Goodwill and intangible assets

A) Goodwill

The measurement method at the date of initial recognition of goodwill is stated in "(1) Basis of consolidation, C) Business combinations." Goodwill is presented based on acquisition cost less accumulated impairment losses.

B) Intangible assets

Intangible assets are accounted for using the cost model and measured at acquisition cost less accumulated amortization and accumulated impairment losses.

(9) Impairment of non-financial assets

Non-financial assets (excluding inventories, deferred tax assets, and assets associated with employee benefits) are assessed whether indications of impairment exist at the end of each reporting period and tested for impairment when indications exist. Impairment tests are conducted annually and each time indications of impairment are identified for goodwill, intangible assets with indefinite useful lives, and intangible assets which are not available for use at the end of the reporting period.
Impairment loss is recognized if an impairment test indicates that the book value of the asset or a cash-generating unit exceeds the recoverable amount of the asset.
For assets not tested individually under impairment tests, assets are grouped into the smallest cash-generating unit that generates cash inflows that are largely independent of the cash inflows of other assets or asset groups. The recoverable amount of an asset or a cash-generating unit is the higher of its value in use and its fair value less the cost of disposal. In determining the value in use, estimated future cash flows arising from assets and cash-generating units are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
The measurement of impairment loss of cash-generating units, including goodwill, is conducted by first reducing the book value of the goodwill that was allocated to the cash-generating unit, and then proportionately allocating the impairment loss based on the book value of each asset of the cash-generating unit.

If there are indications that an impairment loss recognized in a previous period no longer exists or has decreased and the recoverable amount of the asset or cash-generating unit exceeds the book value, the impairment loss is reversed. The impairment loss is reversed up to the lower of the calculated recoverable amount or book value less the necessary depreciation and amortization had the impairment loss not been recognized previously. Impairment loss on goodwill is not reversed.

(10) Provisions

Provisions are recognized when the Group has a present legal or constructive obligation arising from past circumstances and it is probable that an outflow of resources embodying economic benefits to settle the obligation and a reliable estimate can be determined.
When the time value of money becomes material, the provision amount is measured based on estimated future cash flows discounted to their present value using a discount rate reflecting the time value of money and risks specific to the liability.

(11) Employee benefits

A) Post-employment benefits

The Group maintains defined benefit plans and defined contribution plans as post-employment benefit plans for employees.

Defined benefit obligation is determined using the projected unit credit method based on the present value of the defined benefit obligation

and related current and past service costs. The discount rate used to discount to the present value of defined benefit obligations is determined by referring to the market yields of high-quality corporate bonds matching the currency and the maturity date with the retirement benefit obligation. Assets or liabilities related to the defined benefit plans are calculated as the net amount of the present value of the defined benefit obligation and the fair value of plan assets for each plan. Differences arising in remeasurement of defined benefit plans are recognized in other comprehensive income in the period they are incurred and immediately reclassified to retained earnings. Past service costs are recognized as profit or loss in the period they are incurred. Contributions to defined contribution plans are recognized as expenses at the time the relevant service is provided.

B) Short-term employee benefits

Short-term employee benefits are not discounted and are recognized as an expense at the time service is provided.
Bonuses and paid leave costs are recognized as a liability in the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(12) Government grants

Government grants are recognized at their fair value when the conditions attached to the grants are fulfilled and there is reasonable assurance that the grant will be received.
A grant related to an asset is treated as deferred revenue and recorded in revenue on a systematic basis during the period the associated asset incurs expenses. A grant-related revenue is regularly recognized in profit or loss in the period in which such costs corresponding to grants are incurred.

(13) Equity

Proceeds from the issuance of common shares are recorded as capital stock and capital surplus, with costs associated with the issuance deducted from capital surplus.
Treasury shares are recognized at the acquisition cost and treated as a deduction from equity. In the event that treasury shares are sold, the difference between the book value at the time of sale and the actual amount received is recognized in capital surplus.

(14) Share-based compensation

The Group has introduced equity-settled and cash-settled share-based compensation plans for directors (excluding outside directors), executive officers and certain operating officers to further promote sustainable increases in corporate value and shared value with shareholders. Equity-settled share-based compensation is a stock compensation plan with a restriction on share transfer. Among the granted shares, a certain number of shares that are expected to release of restriction on transfer is measured at the fair value referred at the time they are granted and are recognized as an expense under profit or loss over the corresponding service, and an equivalent amount is recognized as an increase of equity. Cash-settled share-based compensation is a stock compensation plan similar to equity-settled share-based compensation, the estimated future payment amount of which is measured at the end of each reporting period at fair value and recognized as an expense under profit or loss over the corresponding service.

(15) Revenue recognition

Revenue is recognized through the following steps in accordance with IFRS 15 “Revenue from Contracts with Customers.”

Step 1. Identify the contract(s) with a customer.
Step 2. Identify the performance obligations in the contract.
Step 3. Determine the transaction price.
Step 4. Allocate the transaction price to each performance obligation.
Step 5. Recognize revenue when/as a performance obligation is satisfied.

The Group’s main business is the manufacture and sale of musical instruments, audio equipment, and other products. In principle, the customer takes possession of an item at the time of transfer and this is deemed as fulfilling the performance obligation. In most circumstances, revenue from sale of finished goods is recognized at the time of transfer.
Revenue is measured as the amount set at the time of the contract is entered into with customers less any discounts, rebates, or sales returns.

(16) Income taxes

Income taxes comprise current and deferred tax and are recognized in profit or loss with the exception of items related to business combinations or recognized directly in equity or in other comprehensive income.

Current tax is measured at the amount expected to be paid to or refunded from the tax authorities. The amount of current tax is determined based on the tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

In the event of uncertainty concerning the tax position for treatment under income tax, if there is a high probability of the tax position to occur based on the tax laws, then a reasonable estimated amount is recognized as an asset or liability.

Deferred tax is recognized on the temporary difference between the carrying amount of the assets and liabilities at the end of the reporting period and their tax basis, losses carried forward, and tax credits carried forward.

A deferred tax asset is recognized for future deductible temporary differences, losses carried forward, and tax credits carried forward to the extent that it is probable that taxable income is available against which the deductible temporary difference can be utilized.

A deferred tax liability is, in principle, recognized for all future taxable temporary differences. A deferred tax asset is reviewed each fiscal period and adjusted to the extent that the tax benefit is no longer probable to be realized.

Deferred tax assets and liabilities are not recognized for the following temporary differences:

- Future taxable temporary differences arising from the initial recognition of goodwill.
- Temporary differences that arise from the initial recognition of assets and liabilities in transactions other than business combinations, which at the time of the transaction affect neither accounting profit nor taxable income, and do not result in equal amounts of taxable and deductible temporary differences in future periods.
- Future taxable temporary differences associated with investments in subsidiaries and associated companies to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.
- Future deductible temporary differences associated with investments in subsidiaries and associated companies to the extent it is not probable that sufficient taxable income will be available to utilize the temporary difference or that it is not probable that the deductible temporary difference will be realized in the foreseeable future.
- Temporary differences related to income tax arising from the rule for the global minimum tax in accordance with the exceptions set forth in IAS 12.

Deferred tax assets and liabilities are measured at the tax rates that are expected to be applied in the period when the asset is realized or liability is settled, based on statutory tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are netted:

if and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

The Company and some of its subsidiaries have adopted the consolidated taxation system (in Japan, Group Tax Relief Regime Accounting) .

4 Significant Accounting Estimates and Judgments

The Group utilizes estimates and assumptions concerning the application of accounting policies and measurement of assets, liabilities, revenues, and expenditures in the preparation of the consolidated financial statements. Management made the judgment for the estimates and assumptions based on the best available information in consideration of the latest actual results and other various factors considered to be reasonable at the end of the reporting period.

However, actual results could differ from those estimates and assumptions due to their inherent uncertainty.

The estimates and the underlying assumptions are reviewed on an ongoing basis, and the effects of changes in accounting estimates are recognized in the period in which the estimates are changed and in future periods that are affected by the changes. Judgments, estimates, and assumptions that may have significant effects on the amounts recognized in the consolidated financial statements of the Group are as follows:

• Scope of subsidiaries (“3. Material accounting policies (1) Basis of consolidation”)

Whether a subsidiary is eligible for inclusion in consolidation is determined by whether the Group has control over the company.

• Valuation of Inventory (“3. Material accounting policies (5) Inventories,” and “9. Inventories”)

The revaluation is based on net realizable value with future marketability considered in accordance with

“3. Material accounting policies (5) Inventories,” and “9. Inventories”. The Group assumes estimated revaluation loss on inventories based on its future sales plan, selling prices, costs necessary to make the sale. However, the future economic conditions are uncertain, and the Group performance may also be impacted by unanticipated developments in economic conditions. If such changes require management to revise its outlook, the impact on the consolidated financial statements could be material.

• Impairment of non-financial assets (“3. Material accounting policies (9) Impairment of non-financial assets,” and “27. Other Income and Other Expenses”)

The Group conducts impairment tests in accordance with “3. Material accounting policies” on property, plant and equipment, right-of-use assets, goodwill, and intangible assets. The impairment tests to calculate recoverable amount include assumptions for future cash flows, discount rates, and other items. Management uses their best estimates and judgment to set the assumptions;
however, the test results can be affected by changes in uncertain future economic conditions. When changes in accounting estimates are necessary, the changes can have a material effect on the consolidated financial statements.

• Recognition and measurement of provisions (“3. Material accounting policies (10) Provisions,” and “19. Provisions”)

Provisions are measured based on the best estimates of payments to settle future liabilities on the reporting date with the amounts of the payments calculated in consideration of all possible future outcomes. The estimates used to calculate such provisions can be affected by changes in uncertain future economic conditions and therefore contain the risk that the measurement of the provisions may require significant revision in the future.

• Measurement of retirement benefit obligation (“3. Material accounting policies (11) Employee benefits,” and “21. Employee Benefits”)

Under the defined benefit corporate pension plan, the net amount of the defined benefit obligation and fair value of plan assets as assets or liabilities is recognized. The defined benefit obligation is calculated using actuarial calculations, which include estimates for the discount rate, retirement rate, mortality rate, and rate of salary increase. These assumptions are determined based on a comprehensive judgment using available information, such as market trends in interest rate fluctuations. The assumptions for the actuarial calculations can be affected by changes in uncertain future economic conditions as well as social circumstances and therefore contain the risk that the measurement of the retirement benefit obligation may require significant revision in the future.

• Recoverability of deferred tax assets (“3. Material accounting policies (16) Income taxes,” and “15. Income Taxes”)

Deferred tax assets are recognized based on the assumption that it is probable the Company will generate taxable income that can be applied to future deductible temporary differences. The judgment of whether sufficient taxable income will be generated is based on projections in the business plan of when and how much income is expected. Management uses their best estimates and judgment to set the assumptions; however, actual results can be affected by uncertain changes in future economic conditions.

The above estimates include judgments based on the prospective performance of the Group and assumptions, whose basis are the business plan developed based on the future sales forecast and outlook of the foreign exchange rates. Furthermore, the implementation of U.S. reciprocal tariffs was decided after the end of the fiscal year ended March 31, 2025. While the Company recognizes that this will have a certain influence on its business, the impact is fluid and is not reflected in the Company’s future business plan.

In addition, the estimates and assumptions used in the preparation of the consolidated financial statements are based on management’s best estimates as of the end of the fiscal year. However, they may be affected by unanticipated changes in economic conditions, including the effect of the reciprocal tariffs. If such changes require management to revise its outlook, there could be a significant impact on the Company’s consolidated financial statements.

5 Segment Information

(1) Summary of reportable segments

The Group's reportable segments are composed of business units for which 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 decision making of management resource allocation. 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:

The accounting methods of the reported business segments are the same as those presented in "3. Material Accounting Policies."

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.

	Millions of yen						
	Reportable segment						
For the fiscal year ended March 31, 2025	Musical instruments	Audio equipment	Total	Others	Total	Adjustments	Consolidated
Revenue							
Revenue from external customers	**¥296,100**	**¥128,382**	**¥424,483**	**¥37,596**	**¥462,080**	**¥–**	**¥462,080**
Intersegment revenue*	**–**	**–**	**–**	**354**	**354**	**(354)**	**–**
Total	**296,100**	**128,382**	**424,483**	**37,951**	**462,434**	**(354)**	**462,080**
Core operating profit (Segment profit)	**22,068**	**11,820**	**33,888**	**2,832**	**36,721**	**–**	**36,721**
Other income							**2,269**
Other expenses							**(18,295)**
Operating profit							**20,695**
Finance income							**4,631**
Finance expenses							**(2,864)**
Profit before income taxes							**22,462**
Other items**							
Depreciation and amortization	**(10,850)**	**(3,695)**	**(14,545)**	**(1,108)**	**(15,653)**	**–**	**(15,653)**
Impairment losses	**(12,766)**	**(35)**	**(12,802)**	**(8)**	**(12,811)**	**–**	**(12,811)**
Capital expenditures	**14,957**	**3,759**	**18,716**	**1,701**	**20,417**	**–**	**20,417**

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

** Capital expenditures represent increases in expenditures for property, plant and equipment, intangible assets and right-of-use assets. Depreciation and amortization represent amounts corresponding to capital expenditures.

For the fiscal year ended March 31, 2024	Millions of yen						
	Reportable segment						
	Musical instruments	Audio equipment	Total	Others	Total	Adjustments	Consolidated
Revenue							
Revenue from external customers	¥305,195	¥121,108	¥426,304	¥36,562	¥462,866	¥–	¥462,866
Intersegment revenue*	–	–	–	242	242	(242)	–
Total	305,195	121,108	426,304	36,804	463,108	(242)	462,866
Core operating profit (Segment profit)	25,317	6,409	31,727	1,926	33,653	–	33,653
Other income							1,470
Other expenses							(6,124)
Operating profit							28,999
Finance income							9,192
Finance expenses							(561)
Profit before income taxes							37,629
Other items**							
Depreciation and amortization	(10,562)	(3,618)	(14,180)	(1,074)	(15,254)	–	(15,254)
Impairment losses	(3,204)	(10)	(3,215)	(279)	(3,495)	–	(3,495)
Capital expenditures	21,008	5,125	26,133	1,686	27,820	–	27,820

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

** Capital expenditures represent increases in expenditures for property, plant and equipment, intangible assets and right-of-use assets. Depreciation and amortization represent amounts corresponding to capital expenditures.

(3) Information about products and services

Disclosure is omitted since similar information is presented in “(1) Summary of reportable segments” and “(2) Reportable segment information.”

(4) Information about geographical areas

Information on revenue and non-current assets by geographical areas is as follows:

***A*) Revenue**

	Millions of yen	
	2025	2024
Japan	**¥106,819**	¥109,156
North America	**122,277**	121,955
[Of which, U.S.A.]	**[102,259]**	[104,166]
Europe	**95,990**	93,908
China	**50,375**	54,816
Other	**86,617**	83,028
Total	**¥462,080**	¥462,866

Notes: 1. Revenue is classified by countries or areas based on the location of customers.

2. Major countries or areas included in geographical category other than Japan and China

North America	U.S.A., Canada
Europe	Germany, France, U.K.
Other	Republic of Korea, Australia

B) Non-current assets (excluding financial assets, deferred tax assets, and retirement benefit assets)

	Millions of yen	
	2025	2024
Japan	**¥88,373**	¥86,343
North America	**13,924**	12,750
Europe	**6,988**	7,189
China	**12,208**	20,036
Other	**26,971**	33,686
[Of which, Indonesia]	**[16,852]**	[22,131]
Total	**¥148,466**	¥160,006

Note: Major countries or areas included in geographical category other than Japan and China

North America	U.S.A., Canada
Europe	Germany, France, U.K.
Other	Indonesia, India, Malaysia

(5) Information about major customers

Disclosure is omitted since no single external customer accounts for 10% or more of the Group's revenue.

6 Business Combinations

For the fiscal year ended March 31, 2025

Not applicable.

For the fiscal year ended March 31, 2024

With respect to Cordoba Music Group, LLC, which was acquired by Yamaha Guitar Group, Inc., a consolidated subsidiary of the Company, on February 7, 2023, provisional accounting treatment was applied because the allocation of the consideration for the acquisition was not completed at the end of the fiscal year ended March 31, 2023. However, since the allocation of the acquisition consideration was completed in the second quarter for the fiscal year ended March 31, 2024, the tentatively calculated amount has been revised.
The consideration paid has also been revised due to the completion of adjustments based on the balance of cash, deposits and liabilities as well as changes in working capital at the time of closing.

In conjunction with the finalization of this provisional accounting treatment, the amounts as of the end of the previous fiscal year in the Consolidated Statement of Financial Position have been retroactively adjusted. The main resulting changes were an increase in inventories and intangible assets of ¥102 million and ¥3,418 million, respectively, and a decrease in goodwill of ¥3,572 million, compared to before the retroactive adjustment.

(1) Fair value of consideration paid, assets acquired and liabilities assumed as of the acquisition date

	Millions of yen
Fair value of consideration paid	**¥5,122**
Fair value of assets acquired and liabilities assumed	
Assets	
Cash and cash equivalents	**265**
Trade and other receivables*1	**232**
Inventories	**1,651**
Property, plant and equipment	**117**
Intangible assets*2	**3,390**
Others	**239**
Liabilities	
Trade and other payables	**(404)**
Interest-bearing debt	**(1,010)**
Others	**(213)**
Fair value of assets acquired and liabilities assumed (Net)	**4,269**
Goodwill*3	**852**

*1. The fair value of acquired trade and other receivables and the contractual amounts receivable are approximately the same. No amounts are expected to be uncollectible.

*2. Intangible assets consist of customer-related assets of ¥2,874 million, trademark rights of ¥278 million, and technology-related assets of ¥238 million.

*3. Goodwill consists primarily of synergies with existing businesses and excess earning power expected to arise from the acquisition that do not qualify for separate recognition. It is expected to be deductible for tax purposes.

*4. Acquisition-related expenses related to this business combination amounted to ¥(515) million, and are all included in "Selling, general and administrative expenses." Of this amount, the acquisition-related expenses recorded in the previous fiscal year amounted to ¥(502) million.

(2) Cash flows from acquisition

	Millions of yen
Cash and cash equivalents paid for acquisition	**¥(5,122)**
Cash and cash equivalents held by the acquired company at the time of acquisition	**265**
Payments for acquisition of subsidiaries, net	**(4,856)**

7 Cash and Cash Equivalents

The breakdown of cash and cash equivalents is as follows:

	Millions of yen	
	2025	2024
Cash and deposits	**¥99,819**	¥101,587
Total	**¥99,819**	¥101,587

Note: The balance of "cash and cash equivalents" on the consolidated statement of financial position is the same as the balance of "cash and cash equivalents" at end of period on the consolidated statement of cash flows.

8 Trade and Other Receivables

The breakdown of trade and other receivables is as follows:

	Millions of yen	
	2025	2024
Notes and trade receivables	**¥76,313**	¥75,937
Other	**12,749**	13,837
Allowance for doubtful accounts	**(1,731)**	(1,759)
Total	**¥87,331**	¥88,015

Note: 1. "Trade and other receivables" are classified as financial assets measured at amortized cost except for contract assets.
2. Contract assets are included in notes and trade receivables.

9 Inventories

The breakdown of inventories is as follows:

	Millions of yen	
	2025	2024
Finished goods and merchandise	**¥101,365**	¥109,670
Work in process	**15,889**	15,055
Raw materials and supplies	**33,232**	39,422
Total	**¥150,488**	¥164,149

Note: The amounts of write-downs (reversal of write-downs) of inventories recognized in "Cost of sales" for the fiscal years ended March 31, 2025 and 2024 were ¥1,526 million and ¥4,097 million, respectively.
Note that write-downs of inventories include provision for write-downs of parts, materials and other items ordered in advance during the period when it was difficult to procure semiconductors. The amount of such parts, materials and other items recorded in the consolidated statement of financial position as of March 31, 2025 was ¥7,720 million, and ¥3,326 million was either reduced from acquisition cost of materials and other items or recorded as a liability as write-downs. Write-downs are recorded for those portions of the parts and materials that are expected to be difficult to use in the future and are likely to be disposed of due to changes in market conditions after the order has been placed.

10 Other Current Assets

The breakdown of other current assets is as follows:

	Millions of yen	
	2025	2024
Income taxes receivable	**¥2,025**	¥3,110
Other	**7,071**	7,622
Total	**¥9,097**	¥10,733

11 Property, Plant and Equipment

Changes in carrying amount, cost, accumulated depreciation and impairment losses of property, plant and equipment are as follows:

(1) Carrying amount

	Millions of yen					
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance as of April 1, 2023	¥42,024	¥24,626	¥11,422	¥16,044	¥18,027	¥112,145
Acquisition	1,066	1,996	2,776	–	21,093	26,931
Depreciation*1	(3,971)	(5,166)	(4,701)	–	–	(13,839)
Impairment losses or reversal of impairment losses*2	(178)	(2,519)	(50)	(28)	(439)	(3,216)
Sales or disposals	(79)	(118)	(88)	(0)	(24)	(310)
Reclassification	3,557	4,358	1,418	1,162	(10,496)	–
Exchange differences on translation	1,578	1,966	731	171	366	4,814
Other	–	–	–	–	0	0
Balance as of March 31, 2024	¥43,998	¥25,142	¥11,507	¥17,349	¥28,527	¥126,526
Acquisition	1,946	1,502	2,758	3	13,720	19,931
Depreciation*1	(4,709)	(4,832)	(4,774)	–	–	(14,315)
Impairment losses or reversal of impairment losses*2	(628)	(6,721)	(524)	(4)	(960)	(8,839)
Sales or disposals	(251)	(202)	(137)	(85)	(424)	(1,102)
Reclassification	26,483	3,097	3,224	136	(32,942)	–
Exchange differences on translation	(142)	(70)	(0)	(9)	(107)	(330)
Other	–	–	–	–	(2)	(2)
Balance as of March 31, 2025	**¥66,696**	**¥17,915**	**¥12,053**	**¥17,390**	**¥7,811**	**¥121,866**

*1. Depreciation of property, plant and equipment is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of income.

*2. Impairment losses or reversal of impairment losses are included in “Other income” and “Other expenses” in the consolidated statement of income. The breakdown and details are shown in "27. Other income and Other expenses".

(2) Cost

	Millions of yen					
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance as of April 1, 2023	¥128,613	¥98,918	¥78,279	¥25,916	¥18,027	¥349,755
Balance as of March 31, 2024	133,320	108,285	82,055	27,241	28,966	379,870
Balance as of March 31, 2025	**157,929**	**106,920**	**82,518**	**27,285**	**8,748**	**383,401**

(3) Accumulated depreciation and impairment losses

	Millions of yen					
	Buildings and structures	Machinery and vehicles	Tools, furniture and fixtures	Land	Construction in progress	Total
Balance as of April 1, 2023	¥(86,588)	¥(74,291)	¥(66,857)	¥(9,871)	¥–	¥(237,609)
Balance as of March 31, 2024	(89,322)	(83,143)	(70,547)	(9,891)	(439)	(253,344)
Balance as of March 31, 2025	**(91,232)**	**(89,004)**	**(70,464)**	**(9,895)**	**(937)**	**(261,535)**

12 Leases

The Group leases land, buildings and structures, machinery and vehicles, and tools, furniture and fixtures. Land and buildings are real estate properties used as offices, factories, stores and music schools.

	Millions of yen	
	2025	2024
Depreciation of right-of-use assets		
Land as underlying asset	**¥(315)**	¥(303)
Buildings and structures as underlying assets	**(5,260)**	(5,395)
Machinery and vehicles as underlying assets	**(379)**	(291)
Tools, furniture and fixtures as underlying assets	**(35)**	(25)
Total depreciation	**(5,992)**	(6,015)
Impairment losses on right-of-use assets		
Land as underlying asset	**(1,754)**	–
Buildings and structures as underlying assets	**(951)**	–
Total impairment losses	**(2,706)**	–
Interest expenses on lease liabilities	**(418)**	(321)
Lease expense where the recognition exemption is applied for short-term leases and leases of low-value assets	**(2,669)**	(3,020)
Total amount of cash outflows for leases (Note)	**(8,919)**	(9,418)
Increase in right-of-use assets	**4,073**	6,351
Breakdown of the balance of right-of-use assets		
Land as underlying asset	**7,930**	9,888
Buildings and structures as underlying assets	**10,313**	13,342
Machinery and vehicles as underlying assets	**852**	833
Tools, furniture and fixtures as underlying assets	**70**	77
Total balance of right-of-use assets	**¥19,167**	¥24,141

13 Goodwill and Intangible Assets

Changes in carrying amount, cost, accumulated amortization and impairment losses of goodwill and intangible assets are as follows:

(1) Carrying amount

	Millions of yen				
		Intangible assets			
	Goodwill	Capitalized development costs	Customer-related assets	Other	Total
Balance as of April 1,2023	¥1,053	¥473	¥2,897	¥3,022	¥7,446
Acquisition	–	–	–	735	735
Amortization (Note)	–	(145)	(228)	(795)	(1,170)
Impairment	–	(277)	–	(1)	(278)
Sales or disposal	–	–	–	(20)	(20)
Exchange differences on translation	141	–	377	198	716
Other	–	–	–	0	0
Balance as of March 31, 2024	¥1,194	¥50	¥3,046	¥3,138	¥7,430
Acquisition	–	–	–	457	457
Amortization (Note)	–	(25)	(207)	(928)	(1,161)
Impairment	(1,204)	(25)	–	(35)	(1,265)
Sales or disposal	–	–	–	(4)	(4)
Exchange differences on translation	9	–	(34)	(21)	(45)
Other	–	–	–	0	0
Balance as of March 31, 2025	**¥–**	**¥–**	**¥2,805**	**¥2,606**	**¥5,411**

Note: Amortization is included in “Cost of sales” and “Selling, general and administrative expenses” in the consolidated statement of income.

(2) Cost

	Millions of yen				
		Intangible assets			
	Goodwill	Capitalized development costs	Customer-related assets	Other	Total
Balance as of April 1, 2023	¥1,053	¥727	¥2,897	¥7,432	¥12,111
Balance as of March 31, 2024	1,194	727	3,285	8,791	13,999
Balance as of March 31, 2025	**1,179**	–	**3,372**	**8,837**	**13,389**

(3) Accumulated amortization and impairment losses

	Millions of yen				
		Intangible assets			
	Goodwill	Capitalized development costs	Customer-related assets	Other	Total
Balance as of April 1, 2023	¥–	¥(254)	¥—	¥(4,409)	¥(4,664)
Balance as of March 31, 2024	–	(677)	(239)	(5,652)	(6,569)
Balance as of March 31, 2025	**(1,179)**	–	**(566)**	**(6,232)**	**(7,978)**

(4) Impairment test of goodwill and intangible assets with indefinite useful lives

The carrying amounts of the main goodwill and indefinite-lived intangible assets allocated to the cash-generating units and the assumptions used for impairment testing are as follows:

For the fiscal year ended March 31, 2025

(Yamaha Guitar Group, Inc. and its subsidiaries)

The carrying amount of goodwill was ¥1,194 million as of March 31, 2024. However, as an impairment loss was recognized during the current fiscal year, there is no remaining balance as of March 31, 2025.

The impairment test related to the goodwill is conducted by allocating the book value to a cash-generating unit group that encompasses the entire business of Yamaha Guitar Group, Inc. and its subsidiaries. The recoverable amount used for the impairment test is calculated based on the fair value less costs of disposal. The determination of fair value less costs of disposal combines the multiple method and the discounted cash flow method. The fair value determined by the multiple method is calculated based on the projected sales revenue for the current consolidated fiscal year and future periods, referencing the sales multiples of peer companies in active markets, and calculating the control premium based on market transaction cases and other relevant data. Regarding the fair value measurement hierarchy, since the fair value includes significant unobservable inputs, it is classified as Level 3. The fair value determined by the discounted cash flow method is calculated by discounting the estimated future cash flows based on a 10-year business plan to their present value, and revenue growth rate, gross margin, and other operating expenses in the business plan are key assumptions. Taking into account the market conditions of the cash generating unit group, continuing growth rate is set at 2.5%. The discount rate used in the calculation of the discounted cash flow method for the fiscal year is 12.5% (after tax).

As a result of the impairment test, it is expected that the carrying amount of goodwill cannot be recovered at all through future cash flows. Accordingly, the entire carrying amount was reduced, and the decrease was recognized as an impairment loss. The recognized impairment loss is stated in “27. Other Income and Other Expenses”.

For the fiscal year ended March 31, 2024

(Yamaha Guitar Group, Inc. and its subsidiaries)

The carrying amount of goodwill was ¥1,053 million and ¥1,194 million as of March 31, 2023 and 2024, respectively. The impairment test for this goodwill was performed by allocating the carrying amount to the group of cash-generating units formed by the entire business of Yamaha Guitar Group, Inc. and its subsidiaries, and using value in use as the recoverable amount. The value in use is calculated by discounting the estimated cash flows based on a five-year business plan to their present value. The growth rate used to estimate the estimated future cash flows over the period covered by the business plan is 2.5% to 3.2%, mainly taking into account the market conditions in which the cash-generating unit group operates.

The discount rate used to estimate the value in use for the current fiscal year was 16.5%. The recoverable amount exceeded the carrying amount in the current fiscal year. The key assumptions used for impairment testing, such as revenue growth rate during the business plan period, may be affected by future uncertainties.

14 Other Financial Assets

The status of other financial assets under current assets and financial assets under non-current assets is as follows:

(1) Breakdown of other financial assets

	Millions of yen	
	2025	2024
Financial assets measured at amortized cost		
Time deposits with a maturity of more than three months	**¥5,154**	¥4,816
Other	**3,127**	4,024
Subtotal	**¥8,281**	¥8,841
Financial assets measured at fair value through profit or loss		
Debt instruments	**276**	186
Derivative assets	**–**	–
Subtotal	**¥276**	¥186
Financial assets measured at fair value through other comprehensive income		
Equity instruments	**50,676**	99,285
Subtotal	**¥50,676**	¥99,285
Total	**¥59,235**	¥108,313

(2) Equity instruments measured at fair value through other comprehensive income

The Group designates stocks of Yamaha Motor Co., Ltd., which uses the common brand name and other stocks of the companies which is related to businesses as equity instruments measured at fair value through other comprehensive income.

A) Major stocks and their fair value

Names of major equity instruments measured at fair value through other comprehensive income and their fair value are as follows:

As of March 31, 2025	Millions of yen
Listed companies	
Yamaha Motor Co., Ltd.	**¥34,482**
Shizuoka Financial Group, Inc.	**3,961**
Audinate Group Limited	**3,670**
Sumitomo Mitsui Financial Group, Inc.	**2,029**
Mizuho Financial Group, Inc.	**626**
Other	**227**
Unlisted companies	**5,678**
Total	**¥50,676**

As of March 31, 2024	Millions of yen
Listed companies	
Yamaha Motor Co., Ltd.	¥66,802
Audinate Group Limited	12,986
MS&AD Insurance Group Holdings, Inc.	7,520
Shizuoka Financial Group, Inc.	3,532
Sumitomo Mitsui Financial Group, Inc.	1,984
Other	966
Unlisted companies	5,491
Total	¥99,285

B) Equity instruments measured at fair value through other comprehensive income, derecognized during the period

The Board of Directors of the Company regularly and continuously reviews the status of equity instruments held by the Group whether the holding purpose is reasonably appropriate in terms of business relationship with each issuer or the capital costs are worth the benefits or risks involved. Based on such reviews, the Group proceeds with the reduction of its cross-holdings.

The fair value at the time of derecognition (e.g., sale) and cumulative gain or loss upon sale, before tax, is as follows:

	Millions of yen	
	2025	2024
Fair value	**¥32,970**	¥10,313
Cumulative gain or loss, before tax	**29,555**	8,608

Note: Cumulative gain or loss in other comprehensive income is reclassified to retained earnings upon derecognition after tax adjustment.

15 Income Taxes

(1) Breakdown and reconciliation of deferred tax assets and deferred tax liabilities

The breakdown and reconciliation of deferred tax assets and deferred tax liabilities by major components are as follows:

	Millions of yen			
For the fiscal year ended March 31, 2025	Beginning of the period	Recognized through profit or loss	Recognized through other comprehensive income	End of the period
(Deferred tax assets)				
Loss on write-downs of inventories	**¥3,563**	**¥(71)**	**¥–**	**¥3,491**
Unrealized gain on inventory, property, plant and equipment	**4,615**	**76**	**–**	**4,692**
Excess of depreciation and amortization	**8,563**	**(770)**	**–**	**7,792**
Impairment losses on non-financial assets	**363**	**1,399**	**–**	**1,762**
Accrued employees' bonuses	**2,198**	**(28)**	**–**	**2,170**
Provision for product warranty	**1,027**	**(241)**	**–**	**785**
Retirement benefit assets and liabilities	**76**	**(76)**	**–**	**–**
Tax loss carryforwards	**1,193**	**(668)**	**–**	**524**
Lease liabilities	**4,001**	**(958)**	**–**	**3,043**
Other	**10,712**	**(1,216)**	**–**	**9,496**
Deferred tax assets, subtotal	**¥36,315**	**¥(2,556)**	**¥–**	**¥33,759**
(Deferred tax liabilities)				
Reserve for deferred gain on property, plant and equipment	**(2,375)**	**(1,083)**	**–**	**(3,458)**
Reserve for special account on acquisition of replacement property	**(1,122)**	**1,122**	**–**	**–**
Retained earnings of overseas subsidiaries	**(5,623)**	**(243)**	**–**	**(5,866)**
Change in fair value of financial assets	**(27,135)**	**–**	**13,366**	**(13,769)**
Retirement benefit assets and liabilities	**–**	**(344)**	**(1,568)**	**(1,913)**
Right-of-use assets	**(3,480)**	**874**	**–**	**(2,606)**
Other	**(2,578)**	**189**	**–**	**(2,388)**
Deferred tax liabilities, subtotal	**¥(42,316)**	**¥514**	**¥11,797**	**¥30,003**
Deferred tax assets or liabilities, net	**¥(6,000)**	**¥(2,041)**	**¥11,797**	**¥3,755**

* Changes due to foreign exchange fluctuations are included in the amounts recognized through profit or loss.

＊ Revision of the amount of deferred tax assets and deferred tax liabilities due to the change in tax rates of income taxes.

Due to the enactment of the Act on Partial Revision of the Income Tax Act and Other Acts (Act No. 13 of 2025) in the National Diet on March 31, 2025, the "Special Corporate Tax for National Defense" will be imposed starting from fiscal years beginning on or after April 1, 2026. Accordingly, the effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities for temporary differences, which are expected to be eliminated in or after fiscal years beginning on or after April 1, 2026, has been revised from 29.9% to 30.8%. The impact of the tax rate change on the financial statements of the fiscal year under review is immaterial.

For the fiscal year ended March 31, 2024	Millions of yen			
	Beginning of the period	Recognized through profit or loss	Recognized through other comprehensive income	End of the period
(Deferred tax assets)				
Loss on write-downs of inventories	¥2,256	¥1,307	¥–	¥3,563
Unrealized gain on inventory, property, plant and equipment	3,480	1,135	–	4,615
Excess of depreciation and amortization	7,853	710	–	8,563
Impairment losses on non-financial assets	650	(287)	–	363
Accrued employees' bonuses	2,461	(263)	–	2,198
Provision for product warranty	646	380	–	1,027
Retirement benefit liabilities	2,344	216	(2,484)	76
Tax loss carryforwards	1,421	(227)	–	1,193
Lease liabilities	4,223	(221)	–	4,001
Other	7,127	3,706	(120)	10,712
Deferred tax assets, subtotal	¥32,465	¥6,455	¥(2,605)	¥36,315
(Deferred tax liabilities)				
Reserve for deferred gain on property, plant and equipment	(2,474)	99	–	(2,375)
Reserve for special account on acquisition of replacement property	(1,122)	–	–	(1,122)
Retained earnings of overseas subsidiaries	(4,639)	(984)	–	(5,623)
Change in fair value of financial assets	(19,477)	–	(7,658)	(27,135)
Right-of-use assets	(3,461)	(18)	–	(3,480)
Other	(3,276)	698	–	(2,578)
Deferred tax liabilities, subtotal	¥(34,452)	¥(204)	¥(7,658)	¥(42,316)
Deferred tax assets or liabilities, net	¥(1,987)	¥6,250	¥(10,263)	¥(6,000)

* Changes due to foreign exchange fluctuations are included in the amounts recognized through profit or loss.

(2) Future deductible temporary differences and tax loss carryforwards for which deferred tax assets were not recognized

Future deductible temporary differences and tax loss carryforwards (tax base) for which deferred tax assets were not recognized are as follows:

	Millions of yen	
	2025	2024
Future deductible temporary differences	**¥12,449**	¥17,338
Tax loss carryforwards*	**4,042**	4,527
Total	**¥16,491**	¥21,865

* The amounts of tax loss carryforwards include the amounts of tax credit carryforwards.

The above tax loss carryforwards (tax base) expire as follows:

	Millions of yen	
	2025	2024
Within one year	**¥172**	¥95
Between one and two years	**20**	490
Between two and three years	–	292
Between three and four years	**29**	177
Over four years	**3,820**	3,470
Total	**¥4,042**	¥4,527

(3) Future taxable temporary differences for which deferred tax liabilities were not recognized

Future taxable temporary differences (temporary difference base) for which deferred tax liabilities were not recognized are as follows:

Future taxable temporary differences associated with investments in subsidiaries are not recognized since the Group can control the timing of reversal of those temporary differences and it is probable that such temporary differences will not reverse in the foreseeable period.

	Millions of yen	
	2025	2024
Total amount of future taxable temporary differences associated with investments in subsidiaries	**¥132,134**	¥134,239

(4) Breakdown of income tax expense

The breakdown of income tax expense is as follows:

	Millions of yen	
	2025	2024
Current		
Current year*	**¥(6,926)**	¥(12,504)
Amendment of past year	**(267)**	(1,025)
Deferred		
Temporary differences originated or reversed	**702**	4,353
Change in unrecognized deferred tax assets	**(2,503)**	1,322
Total	**¥(8,994)**	¥(7,852)

*For the fiscal year ended March 31, 2025, ¥(123) million tax levy related to the Pillar II model rule is included.

(5) Reconciliation of statutory effective tax rate and average effective tax rate

The Company is subject to corporate tax, inhabitant tax and enterprise tax., The statutory effective tax rate calculated based on these taxes was 29.9% for the fiscal years ended March 31, 2024 and 2025. The Company's subsidiaries are subject to corporate and other taxes in their country of domicile. The reconciliation between the statutory effective tax rate and the average effective tax rate is as follows:

	Millions of yen	
	2025	2024
Statutory effective tax rate	**29.9%**	29.9%
Tax adjustments other than temporary differences	**3.9**	1.2
Difference in tax rates applied for foreign operations	**0.5**	(3.2)
Change in unrecognized deferred tax assets	**11.1**	(3.5)
Special tax credit for research and development expenses	**(7.8)**	(5.4)
Foreign withholding taxes (including deferred tax expenses for retained earnings of overseas subsidiaries)	**3.3**	2.7
Other	**(0.9)**	(0.8)
Average effective tax rate	**40.0%**	20.9%

16 Trade and Other Payables

The breakdown of trade and other payables is as follows:

	Millions of yen	
	2025	2024
Notes and trade payables	**¥16,818**	¥17,253
Other	**47,185**	48,521
Total	**¥64,004**	¥65,775

Note: "Trade and other payables" are classified as financial liabilities measured at amortized cost.

17 Interest-Bearing Debt

The breakdown of interest-bearing debt is as follows:

	Millions of yen		Average	Repayment
	2025	2024	interest rate	date
Short-term borrowings	**¥5,552**	¥992	**1.10%**	–

Notes: 1. Borrowings are classified as financial liabilities measured at amortized cost.

2. The average interest rate represents the weighted-average interest rate applied to the balance of the borrowings as of the end of the current fiscal year.

18 Other Financial Liabilities

The breakdown of other financial liabilities under current liabilities and financial liabilities under non-current liabilities is as follows:

	Millions of yen	
	2025	2024
Financial liabilities measured at amortized cost		
Resort membership deposits	**¥8,707**	¥8,809
Other	**985**	953
Subtotal	**¥9,692**	¥9,762
Financial liabilities measured at fair value through profit or loss		
Derivative liabilities	–	102
Subtotal	**¥–**	¥102
Total	**¥9,692**	¥9,864

19 Provisions

The breakdown of provisions and changes during the year are as follows:

	Millions of yen			
	Provision for product warranty	Asset retirement obligations	Other	Total
Balance as of April 1, 2023	¥2,934	¥1,906	¥18	¥4,859
Increase	2,410	1,125	–	3,535
Decrease (utilized as intended)	(998)	(643)	(18)	(1,661)
Decrease (reversal)	(163)	(494)	–	(658)
Unwinding of discount	–	3	–	3
Exchange differences on translation	210	35	–	245
Balance as of March 31, 2024	¥4,393	¥1,930	¥–	¥6,323
Increase	596	1,415	–	2,011
Decrease (utilized as intended)	(1,298)	(663)	–	(1,962)
Decrease (reversal)	(65)	(511)	–	(577)
Unwinding of discount	–	32	–	32
Exchange differences on translation	(38)	(6)	–	(45)
Balance as of March 31, 2025	**¥3,586**	**¥2,196**	**¥–**	**¥5,782**

Provision for product warranty is accounted for post-sales repair expenses based on historical experience considering revenue, sales volumes, or on individual estimates. Although payments for repairs are mainly made within one year after a claim, certain payments are made over one year. Asset retirement obligations are accounted for future payments for dismantling and removing assets and restoring the site. It is assumed that payments to settle these obligations will be required mainly after one year or more, and the amounts of the obligations may be affected by future business strategy.

20 Other Current Liabilities

The breakdown of other current liabilities is as follows:

	Millions of yen	
	2025	2024
Accrued paid leave	**¥5,371**	¥5,329
Contract liabilities	**3,765**	3,732
Other	**3,449**	3,352
Total	**¥12,586**	¥12,414

21 Employee Benefits

(1) Post-employment benefits

The Company and certain subsidiaries provide funded or unfunded defined benefit plans and defined contribution plans as retirement benefits for employees. The amount of benefits is generally determined based on each employee's length of service, salary, and other requirements. The defined benefit plans are exposed to general risks such as investment risk, interest risk, inflation risk and other risks.

The defined benefit pension plan (funded and unfunded plans) pays a lump-sum or an annual pension based on the employee compensation point system.

The funded defined benefit plan is operated by the Yamaha Corporate Pension Fund ("the Fund") and other administrators that are legally independent from the Group in accordance with the Defined-Benefit Corporate Pension Act (the "Act"). As stipulated in the Act, the Board of Directors of the pension fund and the pension management trustee should act in the best interest of the plan participants and have responsibilities to manage the Fund assets based on the prescribed policies. Effective April 1, 2025, the Company and certain consolidated subsidiaries transitioned, in principle, from a funded defined benefit plan to a defined contribution pension plan for the benefits arising from future employment. This plan did not result in the recognition of any past service cost.

In addition, the Company's lump-sum retirement benefit plan is presented separately as a funded plan with a retirement benefit trust. Furthermore, there are certain cases that the Group may pay extra retirement allowances to employees, which are not subject to actuarial calculations. Please see "3. Material Accounting Policies (11) Employee benefits, A) Post-employment benefits for the accounting policies for post-employment benefits".

A) Defined benefit plans (funded and unfunded)

(a) Reconciliation for defined benefit obligation and plan assets

Reconciliation of balances of the defined benefit obligation and plan assets and amounts recognized in the consolidated statement of financial position is as follows:

	Millions of yen	
	2025	2024
Present value of defined benefit obligation of funded plan	**¥71,706**	¥79,919
Fair value of plan assets	**(93,738)**	(96,968)
Funded status	**(22,032)**	(17,048)
Present value of defined benefit obligation of unfunded plan	**7,940**	9,770
Defined benefit obligation and assets, net	**(14,091)**	(7,277)
Amounts on the consolidated statement of financial position		
Retirement benefit liabilities	**11,706**	14,525
Retirement benefit assets	**(25,798)**	(21,803)
Net defined benefit liabilities (assets) on the consolidated statement of financial position	**¥(14,091)**	¥(7,277)

(b) Changes in present value of defined benefit obligations

Changes in present value of defined benefit obligations are as follows:

	Millions of yen	
	2025	2024
Present value of defined benefit obligations at the beginning of the period	**¥89,690**	¥93,139
Service cost	**3,478**	3,565
Interest expense	**1,704**	1,600
Payments from the plan	**(7,249)**	(6,843)
Remeasurements		
Actuarial differences arising from changes in demographic assumptions	**(9)**	(247)
Actuarial differences arising from changes in financial assumptions	**(5,584)**	(2,187)
Other	**255**	541
Exchange differences on translation of foreign operations	**(547)**	846
Transfer to accounts payable upon company liquidation*2	**(1,716)**	–
Other	**(376)**	(722)
Present value of defined benefit obligations at the end of the period*1	**¥79,647**	¥89,690

*1. The weighted-average duration of defined benefit obligations were 10.7 years as of March 31, 2024 and 10.5 years as of March 31, 2025.

*2. The transfer to accounts payable during the current fiscal year was due to the decision to liquidate certain subsidiaries in Indonesia. As a result, the related obligations were reclassified to accounts payable as liabilities associated with Business restructuring.

(c) Changes in fair value of plan assets

Changes in fair value of plan assets are as follows:

	Millions of yen	
	2025	2024
Present value of plan assets at the beginning of the period	**¥96,968**	¥93,090
Interest income	**1,510**	1,199
Remeasurements		
Income on plan assets other than interest income	**(700)**	6,475
Employer's contributions	**1,310**	1,368
Payments from the plan	**(4,885)**	(4,890)
Exchange differences on translation of foreign operations	**(464)**	(275)
Present value of plan assets at the end of the period	**¥93,738**	¥96,968

The Group plans to contribute ¥100 million for the fiscal year ending March 31, 2026.

(d) Breakdown of plan assets and their fair value

The plan assets under the funded defined benefit plan are operated mainly by the Yamaha Corporate Pension Fund (the "Fund"). As a basic policy, the Fund manages plan assets by determining an appropriate asset mix from a medium- to long-term perspective.

In particular, under the policy, the Fund determines the operating target based on the assumed interest rate for the pension fund and their operating expenses; selects assets that would be appropriate investments to achieve the target; determines the policy asset mix allocation that would be the best asset mix for the future, after considering the expected rate of return on assets, the risk of return, and the correlation coefficient between the returns of investments; and maintains those asset mixes. In addition, the Fund reviews those asset allocations on a regular or as-needed basis.
For management of the plan assets, the board of representatives will make decisions based on discussions by the asset management committee. The board of representatives and the asset management committee consist of personnel with appropriate qualifications including directors of the Company's finance division and human resources division. The labor union leaders are also included as the representative of the beneficiaries.
In addition, a retirement benefit trust was established for the Company's lump-sum retirement benefit plan. The trust assets are managed by the trust management trustee based on the contract details in accordance with the management policy decided by the Board of Directors of the Company. The breakdown of the plan assets by major category is as follows:

	Millions of yen					
Quoted price in active market	2025			2024		
	Available	Not available	Total	Available	Not available	Total
Cash and deposits	**¥889**	**¥–**	**¥889**	¥1,193	¥–	¥1,193
Equity securities	**19,654**	–	**19,654**	20,874	–	20,874
Debt securities	**28,250**	–	**28,250**	28,912	–	28,912
Life insurance general accounts	–	**34,798**	**34,798**	–	36,043	36,043
Other	–	**10,145**	**10,145**	–	9,945	9,945
Total	**¥48,795**	**¥44,943**	**¥93,738**	¥50,980	¥45,988	¥96,968

(e) Actuarial assumptions

The major actuarial assumption used to determine the present value of defined benefit obligations is as follows:

	Millions of yen	
	2025	2024
Discount rate	**2.28%**	1.57%

(f) Sensitivity analysis

The effect to the defined benefit obligations when the major actuarial assumption changes is as follows:

This analysis assumes all other variables are consistent. In reality, however, a change of any other variables may affect the results of this sensitivity analysis.

	Millions of yen	
	2025	2024
Increase of 0.5% in discount rate	**¥(4,135)**	¥(4,727)
Decrease of 0.5% in discount rate	**4,157**	4,786

B) Defined contribution plans

The amounts recognized as expenses for defined contribution plans were ¥(8,014) million and ¥(8,460) million for the fiscal years ended March 31, 2024 and 2025, respectively.

(2) Employee benefit expenses

Total amounts of employee benefit expenses included in "Cost of sales," "Selling, general and administrative expenses," and "Other expenses" in the consolidated statement of income were ¥(131,743) million and ¥(132,195) million for the fiscal years ended March 31, 2024 and 2025, respectively.

22 Equity

(1) Policy on equity

With the aim of improving consolidated return on equity, the Group will distribute profit to shareholders while investing in research and development, marketing and, capital expenditures to drive corporate growth, based on prospective levels of medium-term consolidated earnings. Although the Group's basic policy is to distribute profit to shareholders on a continuous and stable basis, the Group will also flexibly distribute profit for the purposes of improving capital efficiency, while balancing and building adequate internal reserves for investments in future corporate growth.
The major indicators applied by the Group in capital management are ROE and ROIC. ROE were 6.1% and 2.8% for the fiscal years ended March 31,2024 and 2025, respectively. ROIC were 5.5% and 4.4% for the fiscal years ended March 31,2024 and 2025, respectively.
* ROIC = Core operating profit after income taxes / (Shareholders' equity attributable to owners of the parent + Interest-bearing debt)

(2) Share capital and treasury shares

	Shares	
	2025	2024
Number of authorized shares	**700,000,000**	700,000,000
Number of outstanding shares		
Beginning of the period	**187,300,000**	187,300,000
Increase*1,2	**362,000,000**	–
Decrease*3	**18,300,000**	–
End of the period	**531,000,000**	187,300,000
Number of treasury shares		
Beginning of the period	**21,292,664**	16,858,633
Increase*1,4	**74,931,370**	4,446,031
Decrease*5	**18,310,000**	12,000
End of the period	**77,914,034**	21,292,664

*1. The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024.
*2. The increase for the fiscal year ended March 31, 2025 is due to the following:
Increase due to stock split – 362,000,000 shares.
*3. The decrease for the fiscal year ended March 31, 2025 is due to the following:
Decrease due to cancellation of treasury shares – 18,300,000 shares.
*4. The increase for the fiscal year ended March 31, 2024 is due to the following:
Increase due to purchase of treasury shares pursuant to a resolution of the Board of Directors – 4,423,400 shares.
Increase due to return of restricted stock compensation without payment before completion of the restricted period – 21,400 shares.
Increase due to purchase of fractional shares of less than one trading unit – 1,231 shares.
The increase for the fiscal year ended March 31, 2025 is due to the following:
Increase due to stock split – 34,515,014 shares.
Increase due to purchase of treasury shares pursuant to a resolution of the Board of Directors – 40,400,300 shares.
Increase due to return of restricted stock compensation without payment before completion of the restricted period – 14,600 shares.
Increase due to purchase of fractional shares of less than one trading unit – 1,456 shares.
*5. The decrease for the fiscal year ended March 31, 2024 is due to the following:
Decrease due to disposal of treasury shares as restricted stock compensation – 12,000 shares
The decrease for the fiscal year ended March 31, 2025 is due to the following:
Decrease due to cancellation of treasury shares – 18,300,000 shares.
Decrease due to disposal of treasury shares as restricted stock compensation – 10,000 shares.

(3) Capital surplus and retained earnings

Capital surplus consists of the legal capital reserve and other capital surplus and represents the amount not included in share capital upon the issuance of shares.
The Companies Act in Japan requires that 50% or more of paid-in capital for the issuance of shares shall be accounted for as share capital and the remaining amount shall be accounted for as the legal capital reserve. Other capital surplus includes an amount of surplus arising from reversal of the legal capital reserve, gain or loss on disposal of treasury shares, and a decrease due to cancellation of treasury shares.
Retained earnings consist of legal retained earnings and other retained earnings that include unappropriated retained earnings. In addition, the cancellation of treasury shares of which those that are not treated as a decrease in other capital surplus are treated as a decrease in retained earnings.
The Company determines the amount available for dividends under the Companies Act in Japan, based on the amount of retained earnings on the Company's unconsolidated financial statements which are prepared in accordance with Japanese GAAP. The Company distributes retained earnings to its shareholders within certain limitations as stipulated by the Companies Act in Japan on the amount available for dividends.

23 Dividends

The dividends paid are as follows:

For the fiscal year ended March 31, 2025

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Effective date
		Millions of yen	Yen		
Annual shareholders' meeting held on June 24, 2024	Common stock	**¥6,142**	**¥37.00**	**March 31, 2024**	**June 25, 2024**
Board of Directors' meeting held on November 1, 2024	Common stock	**¥6,058**	**¥37.00**	**September 30, 2024**	**December 5, 2024**

Note: The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024. Dividends per share are stated as the amount before the stock split.

For the fiscal year ended March 31, 2024

Resolution	Class of shares	Total dividends	Dividends per share	Record date	Effective date
		Millions of yen	Yen		
Annual shareholders' meeting held on June 23, 2023	Common stock	**¥5,624**	**¥33.00**	**March 31, 2023**	**June 26, 2023**
Board of Directors' meeting held on November 1, 2023	Common stock	**¥6,245**	**¥37.00**	**September 30, 2023**	**December 7, 2023**

The dividends with a record date in the current fiscal year and effective date in the next fiscal year are as follows:

For the fiscal year ended March 31, 2025

Resolution	Class of shares	Source	Total dividends	Dividends per share	Record date	Effective date
			Millions of yen	Yen		
Annual shareholders' meeting held on June 20,2025	Common stock	Retained earnings	¥5,890	¥13.00	March 31, 2025	June 23, 2025

24 Revenue

The breakdown of revenue is as follows:

(1) Breakdown of revenue

Based on economic features and similarity of products and services, the Group classifies its revenue into two reportable segments, "musical instruments" and "audio equipment," and includes other businesses in the "others" segment. Revenue is also presented by region based on customer location. The breakdown of revenue and segment revenue is disclosed in the following table.
See "5. Segment Information" for product and geographical information about each segment.

	Millions of yen			
	Reportable segment			
For the fiscal year ended March 31, 2025	Musical instruments	Audio equipment	Others	Total
Japan	**¥59,009**	**¥32,820**	**¥14,989**	**¥106,819**
North America	**82,354**	**31,024**	**8,898**	**122,277**
Europe	**61,865**	**33,895**	**229**	**95,990**
China	**34,231**	**5,380**	**10,763**	**50,375**
Other	**58,639**	**25,261**	**2,716**	**86,617**
Total	**¥296,100**	**¥128,382**	**¥37,596**	**¥462,080**
Revenue recognized from contracts with customers	**¥294,891**	**¥128,133**	**¥37,335**	**¥460,360**
Revenue recognized from other sources	**1,209**	**248**	**261**	**1,719**

Main countries or areas included in geographical category other than Japan and China:

North America	U.S.A., Canada
Europe	Germany, France, U.K.
Other	Republic of Korea, Australia

	Millions of yen			
	Reportable segment			
For the fiscal year ended March 31, 2024	Musical instruments	Audio equipment	Others	Total
Japan	¥59,597	¥31,195	¥18,364	¥109,156
North America	84,019	30,274	7,660	121,955
Europe	62,196	31,524	187	93,908
China	42,848	5,544	6,423	54,816
Other	56,533	22,569	3,925	83,028
Total	¥305,195	¥121,108	¥36,562	¥462,866
Revenue recognized from contracts with customers	¥303,829	¥120,918	¥36,387	¥461,135
Revenue recognized from other sources	1,365	190	174	1,730

Main countries or areas included in geographical category other than Japan and China:

North America	U.S.A., Canada
Europe	Germany, France, U.K.
Other	Republic of Korea, Australia

The Group's revenues mostly consist of the sale of finished goods and merchandise. Revenues from the sale of finished goods and merchandise are recognized when control of finished goods and merchandise is transferred to a customer. Specifically, the Group recognizes revenue when a customer accepts the delivery of finished goods and merchandise, since the legal title, physical possession, and significant risk and rewards of ownership of the item are transferred to the customer at that point in time, and the performance obligation has been satisfied.
Revenues are measured as the amount agreed to at the time the contract with a customer was entered into less any discounts, rebates, or sales returns. In addition, the Group provides services, such as music school business, in which revenue from the services is recognized when the services are performed since the performance obligation has been satisfied at that point.

(2) Balances of contracts

Balances of receivables arising from customer contracts, contract assets and contract liabilities are as follows:

	Millions of yen		
	2025	2024	2023
Receivables arising from customer contracts	**¥75,320**	¥75,821	¥62,812
Contract assets	**993**	116	816
Contract liabilities	**3,765**	3,732	3,823

Contract assets represent a receivable from construction in progress.
Contract liabilities mainly represent advances received from customers.

The revenue included in the beginning balances of contract liabilities for the fiscal years ended March 31, 2024 and 2025, were ¥3,537 million and ¥3,481 million, respectively. In addition, there is no significant revenue recognized from the performance obligation fulfilled in the past. There is no significant contract whose expected period of performance obligation exceeds one year. A significant amount of the consideration arising from a contract with a customer is all included in the transaction amount.

25 Selling, General and Administrative Expenses

The breakdown of selling, general and administrative expenses is as follows:

	Millions of yen	
	2025	2024
Freight and transportation expenses	**¥(17,074)**	¥(16,509)
Advertising and sales promotion expenses	**(12,299)**	(14,333)
Employee benefit expenses	**(62,404)**	(61,708)
Depreciation and amortization	**(6,719)**	(5,793)
Other	**(40,920)**	(39,083)
Total	**¥(139,419)**	¥(137,428)

26 Research and Development Expenses

The amount of research and development expenses included in "Cost of sales" and "Selling, general and administrative expenses" in the consolidated statement of income is as follows:

	Millions of yen	
	2025	2024
Research and development expenses	**¥(26,977)**	¥(26,903)

27 Other Income and Other Expenses

The breakdown of other income and other expenses is as follows:

	Millions of yen	
	2025	2024
Other income and other expenses		
Gain on sale of fixed assets	**¥751**	¥172
Government grants	**502**	403
Loss on sale and retirement of fixed assets	**(395)**	(178)
Impairment losses*2	**(2,419)**	(326)
Business restructuring expenses*1*2	**(14,263)**	(4,329)
Other	**(201)**	(394)

***1 Business restructuring expenses**

For the fiscal year ended March 31, 2025

In recent years, the piano market has experienced a significant decline in demand due to environmental changes in China, which is the largest market, as well as continued deterioration of market conditions in other regions following the COVID-19 pandemic. In response to this situation, during this fiscal year, the Company temporarily suspended operations in the production processes in China and Indonesia, and decided to cease production at Yamaha Indonesia (hereinafter referred to as YI) and Yamaha Musical Products Asia (hereinafter referred to as YMPA). As a result, as described in " *2 Impairment of non-financial assets" the Company has recorded an impairment loss of ¥(10,391) million related to piano production facilities in China and Indonesia. In addition to the additional retirement benefit of ¥(3,483) million related to the aforementioned impairment loss, the Company has recorded business restructuring expenses of ¥(388) million, including costs related to the disposal of equipment and materials and expenses for reducing personnel at other overseas locations.

For the fiscal year ended March 31, 2024

The Company is reviewing its production strategy as a response to market changes, declining benefits of overseas production, dispersion of technology and skills, and the risk of not being able to pass them on. As a result of this review, the Company recorded an impairment losses of ¥(3,168) million related to facilities that were determined unlikely to be used in the future, as described in "*2 Impairment of non-financial assets" below. In addition, the Company recorded a loss of ¥(1,161) million as business restructuring expenses due to the cost of scrapping equipment and parts related to the impairment losses, extra retirement payments resulting from personnel reductions at overseas manufacturing and sales sites, and other factors.

***2 Impairment of non-financial assets**

For the fiscal year ended March 31, 2025

A) Impairment loss on piano production facilities

An impairment loss of ¥(10,391) million was recognized on piano production facilities and other assts in China and Indonesia in the musical instruments segment and recorded under "Other expenses."

The breakdown of the impairment loss is as follows.

Millions of yen

Segment	Location	Impairment loss	
		Type	Amount
Musical instruments	China	Property, plant and equipment	
		Machinery and vehicles	¥(4,495)
		Others	(1,098)
		Intangible assets	(21)
		Subtotal	¥(5,615)
	Indonesia	Property, plant and equipment	
		Machinery and vehicles	¥(2,165)
		Others	(855)
		Right-of-use assets	(1,754)
		Subtotal	¥(4,775)
	Total		¥(10,391)

The impairment loss mentioned above is included in business restructuring expenses.

(a) Method of asset grouping

The Group classifies assets in the smallest cash-generating units that generally generate independent cash inflows. Leased assets, idle assets, and assets scheduled for disposal are grouped by individual asset.

(b) Background leading to the recognition of an impairment loss

In recent years, the piano market has experienced a significant decline in demand due to environmental changes in China, which is the largest market. Additionally, the market conditions have remained weak in other regions following the COVID-19 pandemic. Considering this situation, in the second quarter, the Company decided to temporarily suspend certain production processes in China and Indonesia and recorded an impairment loss on piano production facilities and other assets that are not expected to be used in the future and for which the return on investment is regarded as difficult.

In addition, in order to reorganize the production system to align with the scale of its business, the Company decided to terminate production at YI and YMPA, which are the piano production bases in Indonesia, and to initiate the process of liquidating the companies. As a result, in the third quarter, the Company recorded an additional impairment loss on assets that are not expected to be used in the future and for which the return on investment is regarded as difficult.

At YI, the Company produced entry-level finished pianos for the global market, while at YMPA, it focused on the production of piano wood parts. The Company plans to transfer and consolidate the production to Japan and China. In Japan, which has technical expertise, the Company will focus on producing high value-added products, including the transfer of some finished products from Indonesia. In China, with its well-equipped facilities, the Company will continue production aimed at the global market in addition to the Chinese market. Although the Company is seeing a significant decrease in demand in China, the Company still recognizes it as the largest market for pianos and will continue to supply higher value-added products to this market in the future.

The Group's piano business is currently facing a very challenging profit and loss situation, as the rapid decline in demand has outpaced the reduction of fixed costs. Since last year, the Company has been advancing structural reforms in response to the decrease in demand, and with this reorganization decision, the Company has established a plan to optimize its production scale in line with future demand forecasts. Moving forward, the Company will swiftly implement the reorganization to rebuild its piano business as soon as possible and provide the best piano experience to more customers. YMPA plans to terminate production by March 2025, while YI aims to conclude production by December 2025, with both companies proceeding with liquidation procedures.

(c) Calculation method of recoverable amount

The recoverable amount is measured by the higher of value in use or value on sale. For equipment that is no longer expected to be used in the future, the recoverable amount is assessed as zero. The value in use is calculated by discounting the future cash flows primarily at a rate of 12.0% (pre-tax).

B) Impairment of goodwill of Yamaha Guitar Group Inc. and its subsidiaries

Impairment loss of ¥(1,204) million was recognized for ¥4,080 million of non-current assets of the U.S. guitar business in the musical instruments segment and recorded under "Other expenses."

The breakdown of the impairment loss is as follows.

Millions of yen

Segment	Location	Impairment loss	
		Type	Amount
Musical instruments	U.S.A.	Goodwill	¥(1,204)

(a) Method of asset grouping

The Group classifies assets in the smallest cash-generating units that generally generate independent cash inflows. In principle, the Company identifies cash-generating units based on the business segments used for management control. The impairment test related to the goodwill is conducted by allocating the book value to a cash-generating unit group that encompasses the entire business of Yamaha Guitar Group, Inc. and its subsidiaries.

(b) Background leading to the recognition of an impairment loss

The consolidated subsidiary Yamaha Guitar Group, Inc., which manufactures and sells guitar-related products in the United States, and its subsidiaries acquired Cordoba Music Group, LLC in 2023 and expanded their product lineup, aiming for high growth targets. However, due to the sluggish market conditions in Europe and the United States, they are currently performing below the initial plan.

In light of changes in the business environment, a review of the future business plan was conducted. As a result, an impairment test was performed on non-current assets, including goodwill, for Yamaha Guitar Group, Inc. and its subsidiaries. Since it is expected that the book value of goodwill cannot be recovered at all through future cash flows, the entire book value was reduced, and the decrease was recognized as an impairment loss.

(c) Calculation method of recoverable amount

The recoverable amount used for the impairment test is calculated based on the fair value less costs of disposal. The determination of fair value less costs of disposal combines the multiple method and the discounted cash flow method.

The fair value determined by the multiple method is calculated based on the projected sales revenue for the consolidated fiscal year and future periods, referencing the sales multiples of peer companies in active markets, and calculating the control premium based on market transaction cases and other relevant data. Regarding the fair value measurement hierarchy, since the fair value includes significant unobservable inputs, it is classified as Level 3.

The fair value determined by the discounted cash flow method is calculated by discounting the estimated future cash flows based on a 10-year business plan to their present value, and revenue growth rate, gross margin, and other operating expenses in the business plan are key assumptions. Taking into account the market conditions of the cash-generating unit group, continuing growth rate is set at 2.5%. The discount rate used in the calculation of the discounted cash flow method for the fiscal year is 12.5% (after tax).

C) Impairment of fixed assets for business use for sales and music schools

An impairment loss of ¥(1,104) million was recognized in the musical instruments segment in China and in the musical instruments and audio equipment segment in Singapore and recorded under "Other expenses."

The breakdown of the impairment loss is as follows.

Millions of yen

Segment	Location	Impairment loss	
		Type	Amount
Musical instruments Audio equipment	Singapore and China	Property, plant and equipment	
		Tools, furniture and fixtures, and others	¥(186)
		Right-of-use assets	(904)
		Intangible assets	(14)
		Total	¥(1,104)

(a) Method of asset grouping

The Group classifies assets in the smallest cash-generating units that generally generate independent cash inflows.

In principle, the Company identifies cash-generating units based on the business segments used for management control.

(b) Background leading to the recognition of an impairment loss

The music school business in China, as well as the musical instruments and audio equipment sales and music school business in Singapore, are experiencing a deterioration in the revenue environment due to a decrease in sales caused by changes in the business environment, as well as rising rent and cost pressures.

Taking these changes in the business environment into account, the Company has reviewed its future business plans and has determined that there are indications of impairment because the expected revenue will fall below the initial projections. Therefore, after estimating the future cash flows, it was determined that the recoverable amount was less than the book value. As a result, the book value was reduced to the recoverable amount, and the decrease was recognized as an impairment loss.

(c) Calculation method of recoverable amount

The recoverable amount is measured by the value in use. The value in use is calculated by discounting primarily future cash flows at a rate of 10.0% (pre-tax) for the Chinese music school business, and at a rate of 11.9% (pre-tax) for the Singapore musical instruments and audio equipment sales and music school business.

For the fiscal year ended March 31, 2024

In the consolidated fiscal year ended March 31, 2024, an impairment loss of ¥(3,168) million was recognized on piano manufacturing facilities in China and Indonesia in the musical instruments segment.

The breakdown of the impairment losses are as follows.

Millions of yen

Segment	Location	Impairment loss	
		Type	Amount
Musical instruments	China	Property, plant and equipment	
		Machinery and vehicles	¥(1,638)
		Others	(505)
		Subtotal	¥(2,144)
	Indonesia	Property, plant and equipment	
		Machinery and vehicles	¥ (882)
		Others	(142)
		Subtotal	¥(1,024)
	Total		¥(3,168)

The above impairment losses are included in business restructuring expenses.

1) Method of asset grouping

The Group classifies assets in the smallest cash-generating units that generally generate independent cash inflows. Leased assets, idle assets, and assets scheduled for disposal are grouped by individual asset.

2) Background leading to the recognition of an impairment loss

Yamaha's production strategy to date has been to actively transfer processes to overseas factories. However, as issues such as risks associated with the dispersion of technologies and skills and the risk of not being able to pass them on, the continued depreciation of the yen and rising overseas production costs, as well as geopolitical risks have become apparent, Yamaha has been considering a new production strategy to strengthen its manufacturing resilience. As part of this effort, Yamaha has decided to concentrate its resources in Japan and consolidate operations with regard to the piano frame manufacturing process, which previously took place at two sites in Japan and China, in light of the recent market environment and production conditions. As a result of this decision, an impairment loss was recognized on its manufacturing facilities to be retired.

In addition, amid a review of Yamaha's production strategy, an impairment loss was recognized on the portion of its piano production facilities at its Indonesian site that is not expected to be effectively utilized in the future, based on the most recent market environment and production conditions.

3) Calculation method of recoverable amount

The recoverable amount is measured based on value in use. The recoverable amount of fixed assets that are no longer expected to be used in the future is zero because no future cash flows are expected.

28 Finance Income and Finance Expenses

The breakdown of finance income and finance expenses is as follows:

	Millions of yen	
	2025	2024
Interest income		
Financial assets measured at amortized cost	**¥1,937**	¥1,534
Dividend income		
Financial assets measured at fair value through other comprehensive income	**2,553**	2,975
Gain on revaluation of investment securities		
Financial assets measured at fair value through profit or losses	**141**	26
Interest expenses		
Financial liabilities measured at amortized cost	**(163)**	(240)
Lease liabilities	**(418)**	(321)
Loss on revaluation of investment securities		
Financial assets measured at fair value through profit or losses	**(25)**	–
Commission fee on sales of securities (Note)	**(936)**	–
Foreign exchange gain or loss	**(1,320)**	4,655
Total	**¥1,766**	¥8,630

Note: Commission fee on sales of securities

For the fiscal year ended March 31, 2025, the Company recognized Commission fee on sales of securities due to the partial sale of shares of Yamaha Motor Co., Ltd..

The breakdown of dividend income is as follows:

	Millions of yen	
	2025	2024
Financial assets derecognized during the period	**¥815**	¥179
Financial assets held at the end of the period	**1,737**	2,796
Total	**¥2,553**	¥2,975

29 Other Comprehensive Income

The adjustments and reclassifications by items of other comprehensive income and income tax adjustment are as follows:

For the fiscal year ended March 31, 2025	Millions of yen				
	Amount arising during the period	Reclassification adjustment	Before income tax adjustment	Income tax adjustment	After income tax adjustment
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plans	**¥4,638**	**¥–**	**¥4,638**	**¥(1,568)**	**¥3,069**
Financial assets measured at fair value through other comprehensive income	**(16,622)**	**–**	**(16,622)**	**4,558**	**(12,064)**
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations	**(3,848)**	**–**	**(3,848)**	**–**	**(3,848)**
Gain or loss on cash flow hedges	**–**	**–**	**–**	**–**	**–**
Total other comprehensive income	**¥(15,832)**	**¥–**	**¥(15,832)**	**¥2,989**	**¥(12,843)**

For the fiscal year ended March 31, 2024	Millions of yen				
	Amount arising during the period	Reclassification adjustment	Before income tax adjustment	Income tax adjustment	After income tax adjustment
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit plans	¥8,369	¥–	¥8,369	¥(2,484)	¥5,885
Financial assets measured at fair value through other comprehensive income	32,947	–	32,947	(9,691)	23,255
Items that may be subsequently reclassified to profit or loss					
Exchange differences on translation of foreign operations	24,323	–	24,323	–	24,323
Gain or loss on cash flow hedges	(3,078)	3,484	405	(120)	284
Total other comprehensive income	¥62,560	¥3,484	¥66,044	¥(12,296)	¥53,748

30 Earnings per Share

Basic earnings per share and the basis for its calculation are as follows:

	Millions of yen	
	2025	2024
Profit for the period attributable to owners of parent	**¥13,351**	¥29,642
Weighted-average number of common shares (Thousand shares)	**484,139**	506,185

	Yen	
	2025	2024
Basic earnings per share	**¥27.58**	¥58.56

Notes: 1. Diluted earnings per share is not stated since there are no potential share that would have a dilutive effect.

2. The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024. Basic earnings per share have been calculated assuming that the stock split took place at the beginning of the previous fiscal year.

31 Non-Cash Transactions

The breakdown of major non-cash transactions is as follows:

	Millions of yen	
	2025	2024
Increase in right-of-use assets in connection with recognition of lease liabilities	**¥4,055**	¥6,318

32 Reconciliation of Liabilities Arising from Financing Activities

Changes in liabilities arising from financing activities are as follows:

	Millions of yen				
			Non-cash changes		
For the fiscal year ended March 31, 2025	Balance at beginning of the period	Changes due to cash flows from financing activities	Acquisition of right-of- use assets	Effect of changes in foreign exchange rates	Balance at end of the period
Lease liabilities	**¥16,941**	**¥(6,249)**	**¥3,934**	**¥(220)**	**¥14,405**
Interest-bearing debt	**992**	**4,570**	**–**	**(10)**	**5,552**
Resort membership deposits	**8,809**	**(102)**	**–**	**–**	**8,707**

	Millions of yen				
			Non-cash changes		
For the fiscal year ended March 31, 2024	Balance at beginning of the period	Changes due to cash flows from financing activities	Acquisition of right-of- use assets	Effect of changes in foreign exchange rates	Balance at end of the period
Lease liabilities	¥16,173	¥(6,397)	¥6,193	¥971	¥16,941
Interest-bearing debt	1,495	(651)	–	148	992
Resort membership deposits	8,803	5	–	–	8,809

33 Share-Based Compensation Payments

(1) Overview of share-based compensation plans

The Group has introduced equity-settled and cash-settled share-based compensation plans for directors (excluding outside directors), executive officers and certain operating officers to further promote sustainable increases in corporate value and shared value with shareholders.

As the equity-settled share-based compensation plan, the Group has a compensation plan with a restriction on share transfer. The Group grants monetary compensation receivables to eligible directors (excluding outside directors), executive officers and certain operating officers and has them pay in all these receivables as contributed assets to issue or dispose of shares of the Company's common stock.

With the aim of sustainably enhancing its corporate value and sharing value with shareholders, the Company grants the share-based compensation with a restriction on share transfer depending on the level of the position and responsibilities at the commencement of the Medium-Term Management Plan. For the purpose of giving incentive to achieve performance targets in the medium term, the Group grants one-third of entire compensation on the condition that the officer remains in the position and two-thirds are corresponding to operating performance, while considering performance indicators.

The evaluation indicators in the Company's performance consist of "Financial Targets", "Non-Financial Targets" with a focus on sustainability, and "Corporate Value Targets". "Financial Targets" and "Non-Financial Targets" have been set for the indicators put forth by the medium-term management plan while a "Corporate Value Targets" has been established for total shareholder return (TSR). The ratio of impact on compensation in the form of restricted stock is planned as follows.

Financial Targets: Non-Financial Targets: Corporate Value Targets = 50% : 30% : 20%

With the aim of sharing value with shareholders over a long term after the Medium-Term Business Plan, the transfer restrictions shall not be released until the retirement as officers or 30 years have passed after granting. In addition, a claw back provision shall be applied if any significant fraudulent accounting or significant losses were revealed, so that all or a part of the accumulated number of restricted shares shall be returned free of charge, depending on the responsibilities of each directors and officer.

The payment terms of the cash-settled share-based compensation plan are the same as the compensation plan with a restriction on share transfer.

(2) Number of shares granted during the period and their fair value

Restriction on transfer of stock compensation

	2025	2024
Date of grant	**June 21,2024**	June 21,2023
Number of shares granted (Shares)	**30,000**	36,000
Fair value at the date of grant (Yen)	**¥33,530,000**	¥67,680,000

Notes: 1. Fair value was measured using the price of company shares at the time they are granted, and no adjustment was made in consideration of prospective dividend.

2. The Company conducted a 3-for-1 stock split for shares of its common stock, with an effective date of October 1, 2024. Number of shares have been calculated assuming that the stock split took place at the beginning of the previous fiscal year.

(3) Share-based compensation expenses

	Millions of yen	
	2025	2024
Equity-settled	**¥20**	¥(218)
Cash-settled	**(4)**	15
Total	**¥15**	¥(202)

Note: The amount of compensation during the fiscal year ended March 31, 2025 is, based on the degree of achievement of the Company's performance, calculated by reducing the reversal of the past years' expense from the expense of the compensation for the current fiscal year.

(4) Liabilities for share-based compensation

	Millions of yen	
	2025	2024
Book value of liabilities	**¥–**	¥31
[Of which, amount vested]	**–**	–

34 Financial Instruments

(1) Policy on capital management

The Group, in principle, limits its cash management to deposits for which the principal is guaranteed and interest rates are fixed. The Company, its domestic subsidiaries, and certain overseas subsidiaries execute the group finance for the effective use of the funds among the Group companies. In addition, the Company and certain subsidiaries borrow funds from financial institutions after comprehensively considering borrowing conditions such as amounts, terms, and interest rates. The Group uses derivatives for the purpose of hedging risks mentioned below and limits derivative transactions to actual exposure. The Group does not enter into derivative transactions for speculative purposes.
The major indicators applied by the Group in capital management are shown in "22 Equity (1) Policy on equity".

(2) Financial risk management

The Group is exposed to various financial risks including credit risk, liquidity risk, and market risk in the course of its business activities. To mitigate such risks, the Group has established a risk management system; that is, the Group has set up the Group Financial Policies and Rules, and the Company and its consolidated subsidiaries have prepared rules based on the Policies and Rules.

A) Credit risk

(a) Credit risk management

The Group is exposed to credit risk that the Group may suffer a financial loss if a counterparty of holding financial assets could not perform contractual obligations.
As to trade receivables from domestic and overseas customers, the Group is exposed to a risk that those receivables may become uncollectible due to deterioration in credit standing or bankruptcy of customers. Establishing rules for managing its credit exposure and trade receivables, the Group evaluates and manages a credit limit by customer, keeps records of receivables and, confirms outstanding balances on a regular basis. For receivables that become overdue, the Group monitors the cause and estimates when they will be collectible.
Regarding excess funds, the Group, in principle, limits investments to principal guaranteed deposits with fixed interest rates, thereby emphasizing safety and security.
Derivative transactions are executed based on the Group's Policy and Rules. Limiting derivative transactions to actual exposure, the Group does not enter into derivative transactions for speculative purposes. In addition, in order to mitigate counterparty credit risk, the Group only enters into derivative transactions with financial institutions with high-credit ratings.
The maximum credit risk exposures for financial assets are presented based on the book value in the consolidated financial statements.

(b) Credit risk exposures

Credit risk exposures to the receivables held by the Group are as follows:

	Millions of yen	
Overdue period	2025	2024
Not yet overdue	**¥83,975**	¥87,329
Within 90 days	**4,652**	3,769
Over 90 days	**837**	824
Total	**¥89,465**	¥91,923

(c) Changes in allowance for doubtful accounts

Changes in allowance for doubtful accounts are as follows:

	Millions of yen	
	2025	2024
Balance at beginning of the period	**¥1,829**	¥1,388
Increase	**611**	562
Decrease (charge-off)	**(450)**	(132)
Decrease (reversal)	**(196)**	(120)
Other	**2**	132
Balance at end of the period	**¥1,796**	¥1,829

B) Liquidity risk

Liquidity risk is the risk that the Group may not perform its obligations to repay financial liabilities on their due dates.

The Group establishes a cash management plan based on the annual business plan, prepares and updates a cash flow budget to control cash flows, and monitors the budget and actual cash flows on a continuous basis. In addition, the Company, its domestic subsidiaries, and certain overseas subsidiaries manage the liquidity risk by execution of group finance.

Balances of major financial liabilities and lease liabilities by due date are as follows. The amounts of assets or liabilities arisen from derivative transactions are shown in net.

	Millions of yen							
As of March 31, 2025	Carrying amount	Contractual amount	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Over five years
Non-derivative liabilities								
Trade and other payables	**¥64,004**	**¥64,004**	**¥64,004**	**¥–**	**¥–**	**¥–**	**¥–**	**¥–**
Interest-bearing debt	**5,552**	**5,552**	**5,552**	**–**	**–**	**–**	**–**	**–**
Lease liabilities	**14,405**	**15,266**	**5,304**	**3,602**	**2,139**	**1,137**	**576**	**2,506**
Derivative liabilities								
Currency-related	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

	Millions of yen							
As of March 31, 2024	Carrying amount	Contractual amount	Within one year	Between one and two years	Between two and three years	Between three and four years	Between four and five years	Over five years
Non-derivative liabilities								
Trade and other payables	¥65,775	¥65,775	¥65,775	¥ –	¥ –	¥ –	¥ –	¥ –
Interest-bearing debt	992	992	992	–	–	–	–	–
Lease liabilities	16,941	18,273	6,126	4,167	2,587	1,547	874	2,970
Derivative liabilities								
Currency-related	102	102	102	–	–	–	–	–

C) Market risk

(a) Foreign exchange risk

Receivables and payables denominated in foreign currencies are exposed to foreign currency fluctuation risk.

In order to mitigate a risk arising from foreign currency fluctuation in connection with regular export and import transactions, the Group uses foreign exchange forward contracts to hedge actual exposures of net positions of trade receivables and payables denominated in foreign currencies.

The details of derivative transactions are as follows:

	Millions of yen					
	2025			2024		
	Contractual amount	Over one year	Fair value	Contractual amount	Over one year	Fair value
Foreign exchange forward contracts						
Sell	¥–	¥–	¥–	¥1,856	¥–	¥(102)

Note: Derivative assets and derivative liabilities are included in "Other financial assets" or "Other financial liabilities," respectively, in the consolidated statement of financial position.

(b) Sensitivity analysis

As to financial instruments denominated in foreign currencies held by the Group for the fiscal years ended March 31, 2025 and 2024, the table below shows the potential impact on profit before income taxes in the consolidated statement of income if the Japanese yen appreciated against related foreign currencies by 1.0%. This analysis does not include the effects of foreign currency translation into Japanese yen with regard to financial instruments denominated in functional currencies and assets, liabilities, revenues, and expenditures of foreign operations. In addition, it excludes the amount for which foreign exchange fluctuation risk is hedged by derivative transactions.

	Millions of yen	
	2025	2024
U.S. dollars	**¥(427)**	¥(429)
Euro	**(31)**	(8)

(c) Price fluctuation risk of equity instruments

The Company holds equity instruments including stocks of companies with which it has business relationships, and therefore, is exposed to a market price fluctuation risk. The Company continuously monitors the status of changes in fair value of these equity instruments. The Group does not hold equity instruments for short-term trading purposes and does not actively trade them.
As to equity instruments held by the Group during the fiscal years ended March 31, 2025 and 2024, the table below shows the potential impact on other comprehensive income before income taxes in the consolidated statement of comprehensive income if the market prices of listed stocks declined by 10% as at year-end. This analysis assumes other variables remain constant.

	Millions of yen	
	2025	2024
Potential impact on other comprehensive income	**¥(4,499)**	¥(9,379)

(3) Fair value of financial instruments

A) Fair value hierarchy

The fair value hierarchy is as follows:

Level 1: Fair value measured by unadjusted quoted prices in active markets

Level 2: Fair value measured by inputs other than Level 1 inputs that are observable either directly or indirectly

Level 3: Fair value measured by valuation techniques that rely on unobservable inputs

The Group recognizes transfers between levels by deeming that they have occurred at the end of each reporting period. For the fiscal years ended March 31, 2025 and 2024, no significant financial assets were transferred between levels.

B) Fair value measurement method

Fair value measurement method of major financial instruments is as follows:

(a) Cash and cash equivalents, financial assets and liabilities (excluding borrowings and lease liabilities) measured at amortized cost

The carrying amount of cash and cash equivalents, short-term investments, and receivables and payables (excluding borrowings and lease liabilities) measured at amortized cost in the consolidated statement of financial position approximate fair value due to these being settled in a short period of time or financial instruments which are payable on demand.

(b) Equity instruments and debt instruments measured at fair value through profit or loss

Listed stocks are measured at market price as at the end of each reporting period, and classified as Level 1. Unlisted stocks, investments in capital and, debt instruments measured at fair value through profit or loss are measured by the financial statements of portfolio companies and applying appropriate valuation techniques such as valuation based on market values of similar companies, and are classified as Level 3.

(c) Borrowings

The carrying amount of short-term borrowings in the consolidated statement of financial position approximates fair value due to these being settled in a short period of time.
Fair value of long-term borrowings is calculated by discounting future cash flows by interest rates assumed for new similar borrowings, and classified as Level 2.

(d) Derivatives transactions

Fair value of derivative transactions is measured at prices obtained from counterparty financial institutions, and classified as Level 2.

C) Financial instruments measured at amortized cost

The fair value of financial instruments measured at amortized cost approximates their carrying amount. Therefore, comparison between carrying amounts and fair values has been omitted from the disclosure.

D) Financial instruments measured at fair value

The breakdown of financial instruments measured at fair value is as follows:

	Millions of yen			
As of March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Debt instruments	**¥–**	**¥–**	**¥276**	**¥276**
Derivative assets	–	–	–	–
Financial assets measured at fair value through other comprehensive income				
Equity instruments	**44,998**	**–**	**5,678**	**50,676**
Total	**¥44,998**	**¥–**	**¥5,955**	**¥50,953**
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	–	–	–
Total	**¥–**	**¥–**	**¥–**	**¥–**

	Millions of yen			
As of March 31, 2024	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at fair value through profit or loss				
Debt instruments	¥–	¥–	¥186	¥186
Derivative assets	–	–	–	–
Financial assets measured at fair value through other comprehensive income				
Equity instruments	93,794	–	5,491	99,285
Total	¥93,794	¥–	¥5,678	¥99,472
Financial liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	–	102	–	102
Total	¥–	¥102	¥–	¥102

The breakdown of financial instruments measured at fair value on a recurring basis and classified as Level 3 is as follows:

	Millions of yen	
	2025	2024
Balance at beginning of the period	**¥5,678**	¥4,918
Gain or loss*1	**115**	26
Other comprehensive income*2	**170**	1,609
Purchase	**197**	29
Sale/redemption	**(205)**	(905)
Balance at end of the period	**¥5,955**	¥5,678

*1. Gain or loss relates to financial assets measured at fair value through profit or loss and is included in “Finance income” or “Finance expenses” in the consolidated statement of income.

*2. Other comprehensive income relates to financial assets measured at fair value through other comprehensive income and included in “Financial assets measured at fair value through other comprehensive income”, in the consolidated statement of comprehensive income.

The corresponding financial instruments are mainly unlisted stocks, investments in capital, and debt instruments measured at fair value through profit or loss. They are measured using the financial statements of portfolio companies and applying appropriate valuation techniques such as valuation based on market values of similar companies.

(4) Offset of financial assets and financial liabilities

The following summarizes the amounts of financial assets and financial liabilities off-set for presentation in the consolidated statement of financial position as of March 31, 2025 and 2024.

As of March 31, 2025

Not applicable.

	Millions of yen		
As of March 31, 2024	Gross amount of financial assets and financial liabilities	Amounts of financial assets and financial liabilities offset for presentation in the consolidated statement of financial position	Net amounts presented in the consolidated statement of financial position
Financial assets			
Derivatives	**¥–**	**¥–**	**¥–**
Financial liabilities			
Derivatives	**102**	**–**	**102**

35 Related-Party Transactions

(1) Transactions with related parties

There are no significant related-party transactions to be disclosed.

(2) Remuneration to key management personnel

The remuneration to key management personnel of the Group, which includes the Company's directors and executive officers, for the fiscal years ended March 31, 2025 and 2024 is as follows:

	Millions of yen	
	2025	2024
Fixed compensation	**¥(342)**	¥(290)
Performance-based bonuses	**(21)**	(70)
Restricted share-based compensation	**20**	(134)
Total	**¥(343)**	¥(494)

Note: Shares as compensation in the form of restricted stock were granted in a lump sum in the 199th fiscal year (fiscal year ended March 31, 2023), the first year of the Medium-Term Management Plan" Make Waves 2.0" and the share-based compensation is recorded proportionally over the three-year period of the Medium-Term Management Plan. The amount of compensation stated above is, based on the degree of achievement of the Company's performance, calculated by reducing the reversal of the past years' expense from the expense of the restricted stock compensation for the current fiscal year.

36 Major Subsidiaries

Major subsidiaries are as follows:
There is no subsidiary with significant non-controlling interests.

Company name	Capital		The Company's holding ratio	Major business
Yamaha Corporation of America	50,000	Thousands of U.S. dollars	100.00%	Import and sales of musical instruments and audio equipment
Yamaha Music Europe GmbH	70,000	Thousands of euros	100.00%	Import and sales of musical instruments and audio equipment
Yamaha Music & Electronics (China) Co., Ltd.	782,023	Thousands of Chinese yuan renminbi	100.00%	Investment management for subsidiaries in China; sales of musical instruments and audio equipment
Xiaoshan Yamaha Musical Instruments Co., Ltd.	274,888	Thousands of Chinese yuan renminbi	100.00%	Manufacturing of musical instruments
Yamaha Electronics (Suzhou) Co., Ltd.	328,754	Thousands of Chinese yuan renminbi	100.00%	Manufacturing of musical instruments and audio equipment
Hangzhou Yamaha Musical Instruments Co., Ltd.	396,121	Thousands of Chinese yuan renminbi	100.00%	Manufacturing of musical instruments
PT. Yamaha Music Manufacturing Asia	82,450	Millions of Indonesian rupiah	100.00%	Manufacturing of musical instruments and audio equipment
Yamaha Electronics Manufacturing (M) Sdn. Bhd.	31,000	Thousands of Malaysian ringgit	100.00%	Manufacturing of audio equipment
Yamaha Music India Pvt. Ltd.	3,700	Millions of Indian rupee	100.00%	Import, sales and manufacturing of musical instruments and audio equipment
Yamaha Music Japan Co., Ltd.	100	Millions of yen	100.00%	Sales of musical instruments and audio equipment

37 Contingent Liabilities

Yamaha Music Europe GmbH (hereinafter "YME"), a consolidated subsidiary of Yamaha Corporation, was served with a following collective proceedings competition law claim on December 29, 2022. No provision has been made for this lawsuit because the proceedings are not in progress and the financial impact cannot be reliably estimated at this time.

(1) Cause of action and circumstances leading to the filing of the lawsuit

YME was subject to a UK competition law decision finding that it engaged in resale price maintenance practices with one UK business partner in the online sale of our musical instrument products in the UK from March 2013 to March 2017. A collective proceedings claim has been filed by consumers alleging that the actions of the company resulted in consumers paying higher prices for products and seeking compensation for the resulting damages.

(2) Outline of the litigants

The group of plaintiffs represented by Elisabetta Sciallis of the consumer organization "Which?" (located in London, UK), and consumers in the United Kingdomof the relevant products are eligible to join the plaintiffs.

(3) Description of the lawsuit and compensation for damages

A) Description of the lawsuit

This lawsuit is against YME and YME's parent company, the Company, claiming compensation for damages alleged to have been potentially incurred by consumers due to YME's resale price maintenance.

B) Value of the purpose of the lawsuit

The total amount of damages claimed by the plaintiffs against YME and the Company has not been disclosed.

(4) Outlook

The size of the plaintiffs' group and the value of the claim are expected to become known in due course.

38 Subsequent Events

Cancellation of treasury stock

The Company resolved to cancel its treasury stock at the meeting of the Board of Directors held on March 26, 2025, based on Article 178 of the Company Act, and the cancellation was implemented on April 1, 2025.

(1) Reasons for the cancellation of treasury shares: To enhance shareholder returns and improve capital efficiency.

(2) Type of treasury shares cancelled: The Company's common stock

(3) Number of treasury shares cancelled: 28,000,000 shares
(representing 5.27% of Company shares issued prior to the cancellation)

(4) Date of cancellation: April 1, 2025

(5) Method of cancellation: Reduction from capital surplus and retained earnings

Note: After the cancellation of shares, the total number of shares issued is 503,000,000.

Independent Auditor's Report

The Board of Directors
YAMAHA CORPORATION

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of YAMAHA CORPORATION (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of deferred tax assets of the parent company	
Description of Key Audit Matter	**Auditor's Response**
As described in Note 4 "Significant Accounting Estimates and Judgments" and Note 15 "Income Taxes" to Consolidated Financial Statements, as of March 31, 2025, the Company recognized deferred tax assets of ¥33,759 million (before being offset against deferred tax liabilities and accounting for 5.7% of total assets), the majority of which comprised deferred tax assets of the parent company.	We performed the following audit procedures in examining the recoverability of deferred tax assets, among others: ・We assessed the balance of deductible temporary differences by involving tax specialists to verify whether such balance is appropriate and considered the scheduling of the reversal of this balance.

The Company determines the recoverability of deferred tax assets in consideration of estimated future taxable income based on future profitability. Estimated future taxable income on the basis of future profitability is based on future business plans, and the significant assumptions underlying such plans are future sales forecast and foreign exchange rates. Given that the future sales forecasts and foreign exchange rates used in determining the recoverability of deferred tax assets contain uncertainty of estimates and require management's judgment, we have determined that the recoverability of deferred tax assets of the parent company is a key audit matter.	・We assessed future business plans that is the basis for the estimate of future taxable income to evaluate the reasonableness of the estimate. We also assessed whether such future business plans are consistent with the most recent budget approved by management. ・We compared prior year business plans with actual results to evaluate the effectiveness of the estimation process in formulating business plans by management. ・Regarding the future sales forecast and foreign exchange rates, which are significant assumptions included in future business plans, we discussed with management, performed trend analysis based on historical data, and compared the assumptions to the latest available external data in order to evaluate the reasonableness of such significant assumptions. ・We performed a sensitivity analysis for significant assumptions to evaluate the appropriateness of management's assessment of the uncertainty of estimates included in future business plans.
Valuation of parts, materials and other items ordered in advance	
Description of Key Audit Matter	**Auditor's Response**
As described in Note 4 "Significant Accounting Estimates and Judgments" and Note 9 "Inventories" to Consolidated Financial Statements, the Company made provisions for write-downs related to parts, materials and other items ordered in advance during a period while it was difficult to procure semiconductors. As of March 31, 2025, the Company recorded an amount of ¥7,720 million (1.3% of total assets) on the consolidated statement of financial position for these parts, materials and other items ordered in advance, and accounted for a write-down of ¥3,326 million by either reducing its acquisition cost or recording the amount as a liability. The Company recorded a write-down for the parts, materials and other items as it is anticipated that changes in market conditions following the orders may render them difficult to use in the future, thus making it	We performed the following audit procedures in examining the reasonableness of the valuation of parts, materials and other items ordered in advance, among others: ・We obtained a subledger of the parts, materials and other items to verify its completeness, and verify their consistency comparing selected samples with supporting documentation, such as requests for approval, that indicate they were ordered in advance. ・We compared the estimates of the future product sales forecast, which are significant assumptions, of the fiscal year ended March 31, 2024 ("previous fiscal year"), with that of the actual results of the fiscal year ended March 31, 2025 ("current fiscal year").

likely that they will be disposed of. The significant assumptions underlying the write-down are the future sales forecast for the products that will utilize these parts, materials and other items. Given that the future product sales forecast used in valuation of the parts, materials and other items ordered in advance contain uncertainty of estimates and require management's judgment, we have determined that the valuation of parts, materials and other items ordered in advance is a key audit matter.	・In order to assess the reasonableness of the write-down estimate, we compared the actual disposal of the parts, materials and other items with the provision for write-down amount at the end of the previous fiscal year. ・We performed trend analysis of past results regarding the significant assumption of the future product sales forecasts and discussed with management and business division managers. ・We verified the consistency and the relevant data and the accuracy of calculations with the involvement of IT specialists.
Recognition and measurement of impairment losses related to the non-current assets of the Yamaha Guitar Group	
Description of Key Audit Matter	**Auditor's Response**
As described in Note 4 "Significant Accounting Estimates and Judgments" and Note 27 "Other Income and Other Expenses" to Consolidated Financial Statements, as of March 31, 2025, the Company recorded an amount of ¥4,080 million (0.7% of total assets) on the consolidated statement of financial position for non-current assets subject to impairment testing held by its consolidated subsidiary, Yamaha Guitar Group, Inc. and its subsidiaries. The Company recorded an impairment loss of ¥1,204 million related to goodwill. As described in (9) "Impairment of non-financial assets" under Note 3 "Material Accounting Policies" to Consolidated Financial Statements, the Company performs impairment testing for cash-generating units containing goodwill every fiscal year, in addition to when an indication of impairment exists. In impairment testing, when the recoverable amount is less than the carrying amount, the carrying amount is reduced to the recoverable amount, and the resulting decrease in the carrying amount is recognized as an impairment loss. The recoverable amount is the higher of value in use or fair value less costs of disposal. For cash-generating units that contain goodwill, an impairment loss is first charged to goodwill. The Company deems the entire business of	To assess the reasonableness of recognizing and measuring impairment losses on non-current assets of the cash-generating unit comprising Yamaha Guitar Group, Inc. and its subsidiaries, we instructed the auditor of Yamaha Guitar Group, Inc. to perform an audit of the non-current assets. We received a report on the results of the audit procedures performed, which included the following procedures, and evaluated whether sufficient and appropriate audit evidence had been obtained. 1. Determination of Cash-Generating Unit Assessing the reasonableness of deeming Yamaha Guitar Group, Inc. and its subsidiaries as the smallest cash-generating unit in light of operations, performance management, decision-making units, and organizational structure. 2. Estimation of Fair Value Less Costs of Disposal (1) Assessment of business plan underlying future cash flows Assessing the accuracy of the management's forecasts by comparing the revenue growth rate, gross margin, and other operating expenses in the past business plan to the actual results, and inquiring of management regarding the strategies that support those forecasts in the business plan.

Yamaha Guitar Group, Inc. and its subsidiaries, which operate the US guitar business in the musical instruments segment, as the smallest cash-generating unit. The recoverable amount of the asset group is determined based on its fair value less costs of disposal. Fair value less costs of disposal is determined by a combination of the multiple method and the discounted cash flow method. Under the multiple method, fair value is determined by referencing the sales multiples of comparable companies in an active market, based on the forecasted sales revenue for the current fiscal year and future periods, considering the control premium. Under the discounted cash flow method, fair value is determined by discounting future cash flows, estimated based on the business plan, to their present value using a discount rate that reflects the associated risks. Significant assumptions include the revenue growth rates, gross margin, and other operating expenses in the business plan. Given that the revenue growth rates, gross margin, and other operating expenses used in measuring the recoverable amount contain uncertainty of estimates and require management's judgment, we have determined that the recognition and measurement of impairment losses related to the asset group is a key audit matter.	Also comparing the forecasts to publicly available performance forecasts of peer companies and external information related to medium- to long-term market growth in the musical instrument industry to examine whether there were any significant inconsistencies with management's estimates. (2) Performing the following audit procedures by involving valuation specialists from the network firm to which the auditor of Yamaha Guitar Group, Inc. belongs: 1) Assessment of the reasonableness of selected evaluation methods, formulas, and weighting of combinations 2) Assessment of the reasonableness of the following assumptions used in evaluation methods and the changes made from the past: Multiple method: Selection of reference companies and multiple ranges Discounted cash flow method: Discount rate and long-term growth rate 3) Assessment of the accuracy of calculations by performing recalculations

Other Information

The other information comprises the information included in Annual Financial Report (Consolidated financial statements and notes) that contains audited consolidated financial statements but does not include the consolidated financial statements and our auditor’s report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the Group’s reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by IFRS Accounting Standards, matters related to going concern.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with IFRS Accounting Standards.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of the Company and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2025 are 391 million yen and 149 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Hamamatsu, Japan

June 23, 2025
Ryogo Ichikawa
Designated Engagement Partner
Certified Public Accountant

Daisuke Sumita
Designated Engagement Partner
Certified Public Accountant

Shuji Okamoto
Designated Engagement Partner
Certified Public Accountant

UNAUDITED SUPPLEMENTAL MATERIAL

The other information disclosed in the original Annual Securities Report ("Yukashoken Houkokusho") is available in English on the relevant corporate websites that provide similar content.

Exhibit Description	Website
Company Overview	
History	https://www.yamaha.com/en/about/history/
Philosophy & Vision	https://www.yamaha.com/en/vision/
Description of business	https://www.yamaha.com/en/about/business/
Business Overview	
Medium-Term Management Plan	https://www.yamaha.com/en/ir/management/medium-term/
Sustainability	https://www.yamaha.com/en/sustainability/
Sustainability Report	https://www.yamaha.com/en/sustainability/download/
Risk Management	https://www.yamaha.com/en/sustainability/governance/risk-management/
Management Performance*1	https://www.yamaha.com/en/ir/stock/shareholder-info/pdf/201shareholders.pdf
Research and Development	https://www.yamaha.com/en/tech-design/research/
Corporate Governance	
Description of Corporate Governance	https://www.yamaha.com/en/ir/management/governance/
Directors and Officers	https://www.yamaha.com/en/about/officers/
Status of Shares, Shareholder Return and ESG Data	
General Stock Information	https://www.yamaha.com/en/ir/stock/stock-info/
Shareholder Return Policy	https://www.yamaha.com/en/ir/investor-digest/shareholder-return/
ESG Data*2	https://www.yamaha.com/en/sustainability/related-information/esg-data/

*1. Management Performance is described in the Business Report included in the Notice of the Ordinary General Shareholders' Meeting.
*2. ESG Data - Social includes information about Employment and DE&I (Diversity, Equity & Inclusion).
*3. This supplemental material and websites are not subject to certified public accountant's or audit firm's audit.
*4. Due to updates, the content of the corporate websites and other related information may change or become unavailable after publication of this Annual Financial Report.