

**Business Results for the First Six Months of the Fiscal Year
Ending December 31, 2022**
(January 1, 2022 through June 30, 2022)
(Japanese GAAP)

August 5, 2022

This document has been translated from the Japanese original, *Kessan Tanshin* (Flash Report), for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Company name:

Yamaha Motor Co., Ltd.

Stock listing:

Tokyo Stock Exchange Prime Market

Code number:

7272

URL:

<https://global.yamaha-motor.com/ir/>

Representative:

Yoshihiro Hidaka, President, Chief Executive Officer, and Representative Director

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Filing of quarterly securities report (scheduled):

August 8, 2022

Beginning of payment of dividends (scheduled):

September 9, 2022

Supplementary explanatory documents related to the quarterly consolidated financial results:

Yes

Briefing on the quarterly consolidated financial results:

Yes (for institutional investors, securities analysts and media outlets)

Amounts less than one million yen are rounded down.

1. Consolidated Financial Results for the Six Months Ended June 30, 2022

(January 1, 2022 through June 30, 2022)

(1) Consolidated operating results (cumulative)

*% represents growth results. () represents negative figures.

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2022	1,068,927	16.2	102,419	(6.2)	115,440	0.3	82,978	(10.8)
Six months ended June 30, 2021	920,053	34.2	109,163	471.9	115,076	454.8	93,058	—

Note: Comprehensive income

Six months ended June 30, 2022:	¥168,608 million	[31.3%]
Six months ended June 30, 2021:	¥128,372 million	[—%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
Six months ended June 30, 2022	241.58	—
Six months ended June 30, 2021	266.28	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	2,140,263	1,020,713	45.4
As of December 31, 2021	1,832,917	900,670	46.9

Reference: Shareholders' equity

As of June 30, 2022:	¥972,562 million
As of December 31, 2021:	¥859,226 million

2. Dividends

Record date	Annual dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2021	—	50.00	—	65.00	115.00
Fiscal year ending December 31, 2022	—	57.50			
Fiscal year ending December 31, 2022 (forecast)			—	57.50	115.00

Note: No revision to the most recently announced dividend forecast for the fiscal year ending December 31, 2022 was made.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2022

(January 1, 2022 through December 31, 2022)

*% represents year-on-year rate.

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Earnings per share – basic
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2022	2,200,000	21.4	200,000	9.7	210,000	10.9	145,000	(6.8)	425.15

Note: Revision to the most recently announced consolidated financial results forecast for the fiscal year ending December 31, 2022 was made.

(*Notes)

(1) Changes in significant subsidiaries during period (Changes in specified subsidiaries resulting in changes in the scope of consolidation): None

(2) Application of special accounting principles to the quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and restatement for correction of errors

1) Changes in accounting policies arising from revision of accounting standards: Yes

2) Changes in accounting policies arising from other factors: None

3) Changes in accounting estimates: None

4) Restatement for correction of errors: None

(Note) For details of 1), please see “Consolidated Financial Statements and Primary Notes (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 11 in Attachment.

(4) Number of shares outstanding (Common stock)

1) Number of shares outstanding at end of period, including treasury shares	Six months ended June 30, 2022	350,217,467 shares	Fiscal year ended December 31, 2021	350,217,467 shares
2) Number of shares of treasury shares at end of period	Six months ended June 30, 2022	12,001,818 shares	Fiscal year ended December 31, 2021	4,356,972 shares
3) Average number of shares during period	Six months ended June 30, 2022	343,484,620 shares	Six months ended June 30, 2021	349,472,811 shares

(*The quarterly consolidated financial results presented herein are not subject to the quarterly review of a certified public accountant or audit corporation.)

(*Notice regarding results forecast)

The results forecast presented in this document is based on the assumptions and beliefs of Yamaha Motor Co., Ltd. (the “Company”) in light of the information currently available and is not a guarantee of future performance. Actual results may differ significantly from the Company’s forecast, due to various risks, uncertainties and other factors, including changes in business conditions surrounding the Yamaha Motor Group (the “Group”), changing consumer preferences, and currency exchange rate fluctuations.

For details on potential risks, uncertainties and other factors affecting the Group’s operations, please see the latest Securities Report and Quarterly Securities Report which have been announced by the Company.

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Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

As of December 31, 2021 and June 30, 2022

	Millions of yen	
	As of December 31, 2021	As of June 30, 2022
ASSETS		
Current assets:		
Cash and deposits	276,412	334,031
Notes and accounts receivable – trade	161,626	—
Notes and accounts receivable – trade, and contract assets	—	207,340
Short-term sales finance receivables	154,599	202,312
Merchandise and finished goods	211,920	236,639
Work in process	92,070	113,145
Raw materials and supplies	101,369	125,970
Other	61,499	79,213
Allowance for doubtful accounts	(14,799)	(18,443)
Total current assets	1,044,698	1,280,210
Non-current assets:		
Property, plant and equipment	354,127	384,969
Intangible assets	28,419	35,641
Investments and other assets		
Long-term sales finance receivables	208,209	255,240
Other	200,396	188,511
Allowance for doubtful accounts	(2,934)	(4,310)
Total investments and other assets	405,671	439,441
Total non-current assets	788,218	860,052
Total assets	1,832,917	2,140,263

	Millions of yen	
	As of December 31, 2021	As of June 30, 2022
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	140,524	163,440
Electronically recorded obligations – operating	24,653	27,525
Short-term loans payable	62,954	120,505
Current portion of bonds payable	2,240	7,963
Current portion of long-term loans payable	77,132	126,608
Provision for product warranties	17,267	18,885
Other provision	17,487	20,148
Other	171,005	189,143
Total current liabilities	513,265	674,220
Non-current liabilities:		
Bonds payable	7,552	20,936
Long-term loans payable	308,634	313,206
Net defined benefit liability	51,840	54,102
Other provision	307	651
Other	50,645	56,432
Total non-current liabilities	418,980	445,329
Total liabilities	932,246	1,119,549
NET ASSETS		
Shareholders' equity:		
Capital stock	86,100	86,100
Capital surplus	68,101	68,050
Retained earnings	761,483	821,853
Treasury shares	(11,722)	(31,724)
Total shareholders' equity	903,962	944,280
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	41,522	33,769
Revaluation reserve for land	10,427	10,427
Foreign currency translation adjustment	(103,471)	(24,101)
Remeasurements of defined benefit plans	6,785	8,186
Total accumulated other comprehensive income	(44,736)	28,281
Non-controlling interests	41,444	48,150
Total net assets	900,670	1,020,713
Total liabilities and net assets	1,832,917	2,140,263

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**
Six months ended June 30, 2021 and 2022
Consolidated Statements of Income

	Millions of yen	
	Six months ended June 30, 2021 (January 1— June 30, 2021)	Six months ended June 30, 2022 (January 1— June 30, 2022)
Net sales	920,053	1,068,927
Cost of sales	658,096	781,683
Gross profit	261,957	287,243
Selling, general and administrative expenses	152,793	184,824
Operating income	109,163	102,419
Non-operating income:		
Share of profit of entities accounted for using equity method	2,918	2,699
Foreign exchange gains	2,533	7,078
Other	4,642	8,129
Total non-operating income	10,094	17,907
Non-operating expenses:		
Loss on valuation of investment securities	1,140	983
Interest expenses	1,152	1,633
Other	1,888	2,270
Total non-operating expenses	4,181	4,887
Ordinary income	115,076	115,440
Extraordinary income:		
Gain on sales of non-current assets	94	446
Gain on sales of investment securities	—	4,882
Total extraordinary income	94	5,329
Extraordinary losses:		
Loss on sales of non-current assets	28	27
Loss on disposal of non-current assets	329	466
Impairment loss	368	—
Loss on sales of investment securities	301	—
Total extraordinary losses	1,027	493
Income before income taxes	114,144	120,275
Income taxes – current	24,821	29,681
Income taxes – deferred	(8,956)	677
Total income taxes	15,864	30,358
Net income	98,279	89,917
Net income attributable to non-controlling interests	5,221	6,938
Net income attributable to owners of parent	93,058	82,978

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Six months ended June 30, 2021 (January 1— June 30, 2021)	Six months ended June 30, 2022 (January 1— June 30, 2022)
Net income	98,279	89,917
Other comprehensive income:		
Valuation difference on available-for-sale securities	2,200	(7,745)
Foreign currency translation adjustment	26,284	82,337
Remeasurements of defined benefit plans, net of tax	420	1,500
Share of other comprehensive income of entities accounted for using equity method	1,187	2,598
Total other comprehensive income	30,093	78,691
Comprehensive income:	128,372	168,608
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	121,417	155,996
Comprehensive income attributable to non-controlling interests	6,955	12,612

(3) Consolidated Statements of Cash Flows

Six months ended June 30, 2021 and 2022

	Millions of yen	
	Six months ended June 30, 2021 (January 1— June 30, 2021)	Six months ended June 30, 2022 (January 1— June 30, 2022)
Cash flows from operating activities:		
Income before income taxes	114,144	120,275
Depreciation	25,160	28,703
Impairment loss	368	—
Increase (decrease) in allowance for doubtful accounts	(870)	1,468
Increase (decrease) in retirement benefit liability	1,773	417
Decrease (increase) in retirement benefit asset	(3,031)	(2,031)
Interest and dividend income	(1,870)	(2,476)
Interest expenses	1,152	1,633
Share of (profit) loss of entities accounted for using equity method	(2,918)	(2,699)
Loss (gain) on sales of property, plant and equipment and intangible assets	(66)	(419)
Loss on disposal of property, plant and equipment and intangible assets	329	466
Loss (gain) on sale of investment securities	301	(4,882)
Decrease (increase) in notes and accounts receivable – trade	(32,219)	(26,924)
Decrease (increase) in sales finance receivables	5,491	(25,054)
Decrease (increase) in inventories	(27,491)	(22,839)
Increase (decrease) in notes and accounts payable – trade	8,509	11,518
Other, net	10,355	(5,219)
Subtotal	99,116	71,935
Interest and dividend income received	4,543	4,725
Interest expenses paid	(1,153)	(1,633)
Income taxes paid	(14,412)	(31,583)
Net cash provided by (used in) operating activities	88,093	43,443

	Millions of yen	
	Six months ended June 30, 2021 (January 1— June 30, 2021)	Six months ended June 30, 2022 (January 1— June 30, 2022)
Cash flows from investing activities:		
Payments into time deposits	(1,457)	(4,129)
Proceeds from withdrawal of time deposits	1,538	3,939
Purchase of property, plant and equipment and intangible assets	(29,984)	(37,131)
Proceeds from sales of property, plant and equipment and intangible assets	2,558	3,511
Purchase of investment securities	(1,875)	(7,498)
Proceeds from sales of investment securities	318	21,651
Payments of long-term loans receivable	(25)	(40)
Collection of long-term loans receivable	47	56
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(664)	—
Other, net	580	2
Net cash provided by (used in) investing activities	(28,965)	(19,638)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	(4,764)	43,296
Proceeds from long-term loans payable	16,384	26,771
Repayment of long-term loans payable	(22,002)	(14,685)
Proceeds from issuance of bonds	7,248	15,840
Net decrease (increase) in treasury shares	(1)	(20,001)
Cash dividends paid	(20,968)	(22,483)
Dividends paid to non-controlling interests	(2,852)	(5,677)
Other, net	(2,844)	(2,712)
Net cash provided by (used in) financing activities	(29,801)	20,347
Effect of exchange rate change on cash and cash equivalents	5,193	12,888
Net increase (decrease) in cash and cash equivalents	34,519	57,041
Cash and cash equivalents at beginning of period	267,180	274,936
Cash and cash equivalents at end of period	301,699	331,977

(4) Notes to Quarterly Consolidated Financial Statements

Notes Regarding Going-concern Assumptions

None

Notes in the Event of Material Changes in the Amount of Shareholders' Equity

None

Changes in Accounting Policies

(Adoption of the Accounting Standard for Revenue Recognition, etc.)

The Company and its domestic consolidated subsidiaries that apply Japanese GAAP have adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter “Accounting Standard for Revenue Recognition”), etc. effective as of the beginning of the first three months of the fiscal year ending December 31, 2022, and will recognize revenue at the amount expected to be received in exchange for goods or services when control of the promised goods or services has been transferred to a customer.

With respect to application of the Accounting Standard for Revenue Recognition, etc., in accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospective application of the new accounting policy prior to the beginning of the first three months of the fiscal year ending December 31, 2022 is added to or deducted from retained earnings at the beginning of the first three months of the fiscal year ending December 31, 2022, and the new accounting policy is applied from such beginning balance. However, the new accounting policy was not applied retrospectively to contracts for which almost all revenue amounts had been recognized in accordance with the previous treatment prior to the beginning of the first three months of the fiscal year ending December 31, 2022, in accordance with the method prescribed in Paragraph 86 of the Accounting Standard for Revenue Recognition. In addition, having applied the method prescribed in proviso (1) of Paragraph 86 of the Accounting Standard for Revenue Recognition, contract changes made prior to the beginning of the first three months of the fiscal year ending December 31, 2022 are accounted for based on the contract terms after reflecting all contract changes, and the cumulative effect of such changes is added to or deducted from retained earnings at the beginning of the first three months of the fiscal year ending December 31, 2022. The effect of this change on the quarterly consolidated financial statements is immaterial.

Due to the application of the Accounting Standard for Revenue Recognition, etc., “notes and accounts receivable – trade,” which were included in “current assets” in the consolidated balance sheet for the previous fiscal year, are included in “notes and accounts receivable – trade, and contract assets” from the first three months of the fiscal year ending December 31, 2022. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made for the previous fiscal year using the new presentation. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No. 12, March 31, 2020), information concerning disaggregating revenue from contracts with customers for the first six months of the previous fiscal year is not presented.

(Adoption of Accounting Standard for Fair Value Measurement, etc.)

The Company and its domestic consolidated subsidiaries that apply Japanese GAAP have adopted the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter “Accounting Standard for Fair Value Measurement”), etc. effective as of the beginning of the first three months of the fiscal year ending December 31, 2022, and will prospectively apply the new accounting policies prescribed by the Accounting Standard for Fair Value Measurement, etc., in accordance with the transitional treatment stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no impact on the quarterly consolidated financial statements.

(Adoption of FASB Accounting Standards Codification (ASC) Topic 842, “Leases”)

The Company’s North American subsidiaries that apply U.S. GAAP have adopted ASC Topic 842, “Leases,” effective as of the beginning of the first three months of the fiscal year ending December 31, 2022. Consequently, lessees are in

principle required to recognize all leases as assets and liabilities on their balance sheets. There are no significant changes in the accounting treatment of lessors.

In applying this accounting standard, the accepted method for the transitional treatment which the cumulative effect of a change in accounting policy is recognized at the date of adoption have been adopted.

As a result, at the end of the first six months of the fiscal year ending December 31, 2022, “property, plant and equipment” increased by ¥8,826 million, “other” in current liabilities increased by ¥1,840 million, and “other” in non-current liabilities increased by ¥7,071 million. The impact on operating income, ordinary income, income before income taxes, and net income for the first six months of the fiscal year ending December 31, 2022 is immaterial.

Additional Information

(Adoption of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System)

With respect to items subject to the review of the Non-Consolidated Taxation System conducted to coincide with transition from the Consolidated Taxation System to the Group Tax Sharing System, which was created under the Act on Partial Revision of the Income Tax Act, etc. (Act No. 8 of 2020), the Company and its domestic consolidated subsidiaries have not applied the provisions of Paragraph 44 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28 issued February 16, 2018) in accordance with the treatment set out in Paragraph 3 of Practical Solution on the Treatment of Tax Effect Accounting for the Transition from the Consolidated Taxation System to the Group Tax Sharing System (PITF No.39 issued March 31, 2020) and the amounts of deferred tax liabilities and deferred tax assets are based on the provisions of tax laws before the revision.

(Accounting estimates with regard to the effects of COVID-19)

Although prospects for containment of COVID-19 are still uncertain, there have been no material changes since the end of the previous fiscal year based on the judgement made in light of the information currently available. The Company has made estimates of the recoverability of deferred tax assets, allowance for doubtful accounts, etc. on the assumption that the effects of COVID-19 in the future would be limited.

Segment Information

Six months ended June 30, 2021 (January 1, 2021 through June 30, 2021)

Information concerning net sales, income or loss, by reporting segment

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments	Amounts on consolidated statements of income
	Land mobility	Marine products	Robotics	Financial services	Total				
Net sales:									
Outside customers	595,930	205,941	59,223	23,569	884,665	35,388	920,053	—	920,053
Intersegment	—	—	—	—	—	24,497	24,497	(24,497)	—
Total	595,930	205,941	59,223	23,569	884,665	59,886	944,551	(24,497)	920,053
Segment income (Note 2)	44,811	44,047	9,034	9,859	107,753	1,410	109,163	—	109,163

Notes:

1. "Others" is a business segment not included in the reporting segments. It includes businesses involving golf cars, generators, multi-purpose engines and snow throwers.
2. Total of segment income corresponds to operating income in the Consolidated Statements of Income.

Six months ended June 30, 2022 (January 1, 2022 through June 30, 2022)

Information concerning net sales, income or loss, by reporting segment

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments	Amounts on statements of income
	Land mobility	Marine products	Robotics	Financial services	Total				
Net sales:									
Outside customers	688,682	255,911	57,846	28,012	1,030,452	38,474	1,068,927	—	1,068,927
Intersegment	—	—	—	—	—	28,542	28,542	(28,542)	—
Total	688,682	255,911	57,846	28,012	1,030,452	67,017	1,097,470	(28,542)	1,068,927
Segment income (loss) (Note 2)	36,748	49,609	8,131	9,292	103,781	(1,361)	102,419	—	102,419

Notes:

1. "Others" is a business segment not included in the reporting segments. It includes businesses involving golf cars, generators, multi-purpose engines and snow throwers.
2. Total of segment income (loss) corresponds to operating income in the Consolidated Statements of Income.