

Business Results for the First Three Months of the Fiscal Year
Ending December 31, 2023
(January 1, 2023 through March 31, 2023)
(Japanese GAAP)

May 15, 2023

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

Contact:

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Filing of quarterly securities report (scheduled):

May 15, 2023

Beginning of payment of dividends (scheduled):

—

Supplementary explanatory documents related to the quarterly consolidated financial results:

Yes

Briefing on the quarterly consolidated financial results:

Yes (for institutional investors and securities analysts)

Amounts less than one million yen are rounded down.

1. Consolidated Financial Results for the Three Months Ended March 31, 2023

(January 1, 2023 through March 31, 2023)

(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	%
Three months ended March 31, 2023	606,460	25.9	72,824	81.7	71,681	56.8	44,814	37.4
Three months ended March 31, 2022	481,747	8.5	40,079	(16.9)	45,716	(13.5)	32,614	(21.9)

Note: Comprehensive income

Three months ended March 31, 2023:	¥63,038 million	[(6.4)%]
Three months ended March 31, 2022:	¥67,350 million	[(4.2)%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
Three months ended March 31, 2023	132.50	132.41
Three months ended March 31, 2022	94.30	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	2,352,156	1,082,949	44.0
As of December 31, 2022	2,183,291	1,054,298	45.9

Reference: Shareholders' equity

As of March 31, 2023:	¥1,033,831 million
As of December 31, 2022:	¥1,003,073 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, 2022	—	57.50	—	67.50	125.00
Fiscal year ending December 31, 2023	—				
Fiscal year ending December 31, 2023 (forecast)		65.00	—	65.00	130.00

Note: No revision to the most recently announced dividend forecast for the fiscal year ending December 31, 2023 was made.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2023

(January 1, 2023 through December 31, 2023)

*% represents year-on-year rate.

Fiscal year ending December 31, 2023	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
	2,450,000	9.0	230,000	2.3	230,000	(3.9)	160,000	(8.3)	473.07

Note: No revision to the most recently announced consolidated financial results forecast for the fiscal year ending December 31, 2023 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	Three months ended March 31, 2023	350,217,467 shares	Fiscal year ended December 31, 2022	350,217,467 shares
2) Number of shares of treasury shares at end of period	Three months ended March 31, 2023	12,002,567 shares	Fiscal year ended December 31, 2022	12,002,305 shares
3) Average number of shares during period	Three months ended March 31, 2023	338,215,087 shares	Three months ended March 31, 2022	345,860,435 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, 2022 and March 31, 2023

	Millions of yen	
	As of December 31, 2022	As of March 31, 2023
ASSETS		
Current assets:		
Cash and deposits	288,780	331,553
Notes and accounts receivable – trade, and contract assets	187,410	219,059
Short-term sales finance receivables	230,131	287,392
Merchandise and finished goods	285,432	300,183
Work in process	115,755	109,826
Raw materials and supplies	124,658	128,342
Other	90,921	104,953
Allowance for doubtful accounts	(17,408)	(18,681)
Total current assets	1,305,683	1,462,630
Non-current assets:		
Property, plant and equipment	390,978	392,714
Intangible assets	39,640	42,391
Investments and other assets		
Long-term sales finance receivables	256,382	268,119
Other	195,283	197,369
Allowance for doubtful accounts	(4,677)	(11,068)
Total investments and other assets	446,988	454,420
Total non-current assets	877,607	889,526
Total assets	2,183,291	2,352,156

	Millions of yen	
	As of December 31, 2022	As of March 31, 2023
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	148,133	165,985
Electronically recorded obligations – operating	29,597	34,065
Short-term loans payable	172,985	254,577
Current portion of bonds payable	5,156	5,645
Current portion of long-term loans payable	152,969	161,224
Income taxes payable	25,761	30,490
Provision for bonuses	18,796	26,427
Provision for product warranties	18,176	18,706
Other provision	3,159	3,316
Other	178,135	193,402
Total current liabilities	752,873	893,844
Non-current liabilities:		
Bonds payable	21,575	23,620
Long-term loans payable	250,002	249,114
Net defined benefit liability	49,297	50,278
Other provision	638	665
Other	54,604	51,684
Total non-current liabilities	376,119	375,362
Total liabilities	1,128,992	1,269,207
NET ASSETS		
Shareholders' equity:		
Capital stock	86,100	86,100
Capital surplus	68,050	68,050
Retained earnings	894,049	911,348
Treasury shares	(31,725)	(31,726)
Total shareholders' equity	1,016,475	1,033,772
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	29,166	30,535
Revaluation reserve for land	10,427	10,427
Foreign currency translation adjustment	(55,717)	(43,432)
Remeasurements of defined benefit plans	2,721	2,527
Total accumulated other comprehensive income	(13,401)	58
Non-controlling interests	51,225	49,117
Total net assets	1,054,298	1,082,949
Total liabilities and net assets	2,183,291	2,352,156

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

Three months ended March 31, 2022 and 2023

Consolidated Statements of Income

	Millions of yen	
	Three months ended March 31, 2022 (January 1— March 31, 2022)	Three months ended March 31, 2023 (January 1— March 31, 2023)
Net sales	481,747	606,460
Cost of sales	354,598	431,052
Gross profit	127,149	175,408
Selling, general and administrative expenses	87,069	102,584
Operating income	40,079	72,824
Non-operating income:		
Interest income	1,217	1,871
Share of profit of entities accounted for using equity method	1,250	785
Foreign exchange gains	3,244	—
Other	2,723	1,987
Total non-operating income	8,435	4,644
Non-operating expenses:		
Interest expenses	664	1,141
Loss on valuation of investment securities	983	33
Foreign exchange losses	—	2,269
Loss on valuation of derivatives	—	1,284
Other	1,150	1,057
Total non-operating expenses	2,798	5,786
Ordinary income	45,716	71,681
Extraordinary income:		
Gain on sales of non-current assets	78	824
Gain on sales of investment securities	4,882	—
Total extraordinary income	4,961	824
Extraordinary losses:		
Loss on sales of non-current assets	18	17
Loss on disposal of non-current assets	123	119
Impairment loss	—	266
Total extraordinary losses	141	403
Income before income taxes	50,535	72,103
Income taxes – current	15,413	24,377
Income taxes – deferred	(937)	(385)
Total income taxes	14,475	23,991
Net income	36,060	48,111
Net income attributable to non-controlling interests	3,445	3,296
Net income attributable to owners of parent	32,614	44,814

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Three months ended March 31, 2022 (January 1— March 31, 2022)	Three months ended March 31, 2023 (January 1— March 31, 2023)
Net income	36,060	48,111
Other comprehensive income:		
Valuation difference on available-for-sale securities	(8,855)	1,372
Foreign currency translation adjustment	38,240	13,685
Remeasurements of defined benefit plans, net of tax	622	(197)
Share of other comprehensive income of entities accounted for using equity method	1,283	66
Total other comprehensive income	31,290	14,927
Comprehensive income:	67,350	63,038
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	61,188	58,329
Comprehensive income attributable to non-controlling interests	6,161	4,709

(3) Consolidated Statements of Cash Flows

Three months ended March 31, 2022 and 2023

	Millions of yen	
	Three months ended March 31, 2022 (January 1— March 31, 2022)	Three months ended March 31, 2023 (January 1— March 31, 2023)
Cash flows from operating activities:		
Income before income taxes	50,535	72,103
Depreciation	13,544	15,189
Impairment loss	—	266
Increase (decrease) in allowance for doubtful accounts	228	859
Increase (decrease) in retirement benefit liability	306	(32)
Decrease (increase) in retirement benefit asset	(1,367)	(598)
Interest and dividend income	(1,217)	(1,871)
Interest expenses	664	1,141
Share of (profit) loss of entities accounted for using equity method	(1,250)	(785)
Loss (gain) on sales of property, plant and equipment and intangible assets	(59)	(806)
Loss on disposal of property, plant and equipment and intangible assets	123	119
Loss (gain) on sales of investment securities	(4,882)	—
Decrease (increase) in trade receivables	(29,681)	(26,813)
Decrease (increase) in sales finance receivables	(10,654)	(62,935)
Decrease (increase) in inventories	(38,391)	(3,380)
Increase (decrease) in trade payables	19,195	12,693
Other, net	4,937	18,410
Subtotal	2,031	23,559
Interest and dividend income received	1,215	2,265
Interest expenses paid	(740)	(1,210)
Income taxes paid	(15,051)	(23,041)
Net cash provided by (used in) operating activities	(12,545)	1,572

	Millions of yen	
	Three months ended March 31, 2022 (January 1— March 31, 2022)	Three months ended March 31, 2023 (January 1— March 31, 2023)
Cash flows from investing activities:		
Payments into time deposits	(1,118)	(1,277)
Proceeds from withdrawal of time deposits	1,002	1,481
Purchase of property, plant and equipment and intangible assets	(14,969)	(19,273)
Proceeds from sales of property, plant and equipment and intangible assets	1,633	2,213
Purchase of investment securities	(1,380)	(5,211)
Proceeds from sales of investment securities	21,651	—
Payments of long-term loans receivable	(16)	(52)
Collection of long-term loans receivable	26	34
Other, net	29	(647)
Net cash provided by (used in) investing activities	6,857	(22,732)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	39,545	77,304
Proceeds from long-term loans payable	21,538	20,468
Repayment of long-term loans payable	(10,029)	(15,294)
Net decrease (increase) in treasury shares	(0)	(0)
Cash dividends paid	(22,483)	(22,832)
Dividends paid to non-controlling interests	(72)	(85)
Other, net	(624)	(1,574)
Net cash provided by (used in) financing activities	27,874	57,985
Effect of exchange rate change on cash and cash equivalents	5,835	4,013
Net increase (decrease) in cash and cash equivalents	28,021	40,838
Cash and cash equivalents at beginning of period	274,936	296,819
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	—	325
Cash and cash equivalents at end of period	302,957	337,983

(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 FASB Accounting Standards Codification (ASC) 326, "Financial Instruments - Credit Loss")

ASC 326 "Financial Instruments - Credit Loss" has been applied to our North American subsidiaries that have adopted U.S. GAAP since the beginning of the first quarter consolidated fiscal period. This change in accounting policy requires us to review how we measure financial instruments and recognize allowances from expected credit loss models for financial assets.

In applying this accounting standard, we have adopted a method of recognizing the cumulative impact of the change in accounting policy that the company recognized as the transitional treatment on the effective date of application.

As a result, at the beginning of the first quarter of the fiscal year under review, "Retained earnings" decreased by 4,634 million yen (net of tax), "Allowances for doubtful accounts" of current assets increased by 368 million yen, "Other" in investments, and other assets increased by 1,544 million yen. "Allowances for doubtful accounts" of non-current assets increased by 5,810 million yen, respectively.

(Adoption of Implementation Guidance on Accounting Standard for Fair Value Measurement)

"Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) has been applied to the Company and its domestic subsidiaries that have adopted Japanese GAAP since the beginning of the first quarter consolidated fiscal period. Furthermore, in accordance with the transitional treatment prescribed in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement, the Company has prospectively applied the new accounting policy provided in the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no impact on the quarterly consolidated financial statements.

Additional Information

(Adoption of the Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System)

The Company and its domestic consolidated subsidiaries have transitioned from the Consolidated Taxation System to the Group Tax Sharing System since the first three months of the fiscal year ending December 31, 2023. Accordingly, the accounting treatment and disclosure of corporate income taxes, local corporate income taxes, and tax effect accounting follows the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42 issued August 12, 2021; hereinafter the “PITF No. 42”). In addition, in accordance with Paragraph 32 (1) of the PITF No. 42, the Company has deemed that there is no impact from the change in accounting policy upon the application of the PITF No. 42.

(Purchase of treasury shares)

The Company resolved the following items related to the purchase of treasury shares based on the application of the provisions of Article 156 of Japan’s Companies Act pursuant to the rewording of Article 165-3 at the meeting of the Board of Directors held on February 13, 2023.

1. Purpose of purchase of treasury shares

To return profits to shareholders and improve capital efficiency.

2. Details of purchase

- | | |
|--|--|
| (1) Class of shares to be purchased | : Common stock |
| (2) Number of shares to be purchased | : Up to 12,000,000 shares
(3.5% of the number of shares outstanding, excluding treasury shares) |
| (3) Total cost of shares to be purchased | : Up to ¥30.0 billion |
| (4) Period for share purchase | : From February 14, 2023 to September 29, 2023 |
| (5) Method of purchase | : Purchase on the Tokyo Stock Exchange market |

3. Purchase status as of April 30, 2023

- | | |
|------------------------------------|---|
| (1) Class of shares purchased | : Common stock |
| (2) Number of shares purchased | : 0 shares |
| (3) Total cost of shares purchased | : ¥0 |
| (4) Period for share purchase | : From April 1, 2023 to April 30, 2023 (contract basis) |
| (5) Method of purchase | : Purchase on the Tokyo Stock Exchange market |

Segment Information

Three months ended March 31, 2022 (January 1, 2022 through March 31, 2022)

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	315,445	108,671	26,232	12,760	463,110	18,637	481,747	—	481,747
Intersegment	—	—	—	—	—	13,824	13,824	(13,824)	—
Total	315,445	108,671	26,232	12,760	463,110	32,462	495,572	(13,824)	481,747
Segment income (loss) (Note 2)	12,152	20,351	3,700	4,427	40,632	(553)	40,079	—	40,079

Notes:

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

Three months ended March 31, 2023 (January 1, 2023 through March 31, 2023)

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	400,561	146,080	19,754	17,906	584,304	22,156	606,460	—	606,460
Intersegment	—	—	—	—	—	13,435	13,435	(13,435)	—
Total	400,561	146,080	19,754	17,906	584,304	35,591	619,896	(13,435)	606,460
Segment income (loss) (Note 2)	33,714	37,951	(461)	1,630	72,833	(9)	72,824	—	72,824

Notes:

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