

**Business Results for the First Six Months of the Fiscal Year
Ending December 31, 2023**
(January 1, 2023 through June 30, 2023)
(Japanese GAAP)

August 8, 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):

August 9, 2023

Beginning of payment of dividends (scheduled):

September 8, 2023

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, 2023

(January 1, 2023 through June 30, 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	%
Six months ended June 30, 2023	1,226,403	14.7	142,753	39.4	144,797	25.4	105,265	26.9
Six months ended June 30, 2022	1,068,927	16.2	102,419	(6.2)	115,440	0.3	82,978	(10.8)

Note: Comprehensive income

Six months ended June 30, 2023:	¥187,707 million	[11.3%]
Six months ended June 30, 2022:	¥168,608 million	[31.3%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
Six months ended June 30, 2023	311.87	311.78
Six months ended June 30, 2022	241.58	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	2,476,313	1,190,580	45.9
As of December 31, 2022	2,183,291	1,054,298	45.9

Reference: Shareholders' equity

As of June 30, 2023:	¥1,137,611 million
As of December 31, 2022:	¥1,003,073 million

2. Dividends

Record date	Annual dividends per share				Total
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2022	—	57.50	—	67.50	125.00
Fiscal year ending December 31, 2023	—	72.50			
Fiscal year ending December 31, 2023 (forecast)			—	72.50	145.00

Note: 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.

	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, 2023	2,500,000	11.2	250,000	11.2	250,000	4.5	180,000	3.2	535.43

Note: 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	Six months ended June 30, 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	Six months ended June 30, 2023	15,611,691 shares	Fiscal year ended December 31, 2022	12,002,305 shares
3) Average number of shares during period	Six months ended June 30, 2023	337,527,072 shares	Six months ended June 30, 2022	343,484,620 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 June 30, 2023

	Millions of yen	
	As of December 31, 2022	As of June 30, 2023
ASSETS		
Current assets:		
Cash and deposits	288,780	316,091
Notes and accounts receivable – trade, and contract assets	187,410	220,044
Short-term sales finance receivables	230,131	309,339
Merchandise and finished goods	285,432	324,033
Work in process	115,755	111,413
Raw materials and supplies	124,658	132,001
Other	90,921	107,159
Allowance for doubtful accounts	(17,408)	(20,773)
Total current assets	1,305,683	1,499,310
Non-current assets:		
Property, plant and equipment	390,978	412,906
Intangible assets	39,640	44,817
Investments and other assets		
Long-term sales finance receivables	256,382	316,304
Other	195,283	217,452
Allowance for doubtful accounts	(4,677)	(14,477)
Total investments and other assets	446,988	519,279
Total non-current assets	877,607	977,003
Total assets	2,183,291	2,476,313

	Millions of yen	
	As of December 31, 2022	As of June 30, 2023
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	148,133	171,052
Electronically recorded obligations – operating	29,597	19,940
Short-term loans payable	172,985	274,426
Current portion of bonds payable	5,156	14,386
Current portion of long-term loans payable	152,969	163,833
Income taxes payable	25,761	23,705
Provision for bonuses	18,796	18,658
Provision for product warranties	18,176	18,863
Other provision	3,159	3,687
Other	178,135	191,619
Total current liabilities	752,873	900,174
Non-current liabilities:		
Bonds payable	21,575	33,714
Long-term loans payable	250,002	242,296
Net defined benefit liability	49,297	52,670
Other provision	638	761
Other	54,604	56,115
Total non-current liabilities	376,119	385,558
Total liabilities	1,128,992	1,285,733
NET ASSETS		
Shareholders' equity:		
Capital stock	86,100	86,100
Capital surplus	68,050	68,050
Retained earnings	894,049	972,332
Treasury shares	(31,725)	(44,985)
Total shareholders' equity	1,016,475	1,081,498
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	29,166	35,290
Revaluation reserve for land	10,427	9,893
Foreign currency translation adjustment	(55,717)	8,442
Remeasurements of defined benefit plans	2,721	2,485
Total accumulated other comprehensive income	(13,401)	56,112
Non-controlling interests	51,225	52,969
Total net assets	1,054,298	1,190,580
Total liabilities and net assets	2,183,291	2,476,313

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

Six months ended June 30, 2022 and 2023

Consolidated Statements of Income

	Millions of yen	
	Six months ended June 30, 2022 (January 1— June 30, 2022)	Six months ended June 30, 2023 (January 1— June 30, 2023)
Net sales	1,068,927	1,226,403
Cost of sales	781,683	872,015
Gross profit	287,243	354,388
Selling, general and administrative expenses	184,824	211,634
Operating income	102,419	142,753
Non-operating income:		
Interest income	1,980	3,886
Share of profit of entities accounted for using equity method	2,699	2,781
Foreign exchange gains	7,078	—
Other	6,148	3,709
Total non-operating income	17,907	10,378
Non-operating expenses:		
Interest expenses	1,633	2,852
Loss on valuation of investment securities	983	53
Loss on valuation of derivatives	—	1,944
Other	2,270	3,484
Total non-operating expenses	4,887	8,335
Ordinary income	115,440	144,797
Extraordinary income:		
Gain on sales of non-current assets	446	919
Gain on sales of investment securities	4,882	—
Total extraordinary income	5,329	919
Extraordinary losses:		
Loss on sales of non-current assets	27	49
Loss on disposal of non-current assets	466	561
Impairment loss	—	1,422
Total extraordinary losses	493	2,033
Income before income taxes	120,275	143,682
Income taxes – current	29,681	41,902
Income taxes – deferred	677	(9,743)
Total income taxes	30,358	32,159
Net income	89,917	111,523
Net income attributable to non-controlling interests	6,938	6,257
Net income attributable to owners of parent	82,978	105,265

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Six months ended June 30, 2022 (January 1— June 30, 2022)	Six months ended June 30, 2023 (January 1— June 30, 2023)
Net income	89,917	111,523
Other comprehensive income:		
Valuation difference on available-for-sale securities	(7,745)	6,128
Foreign currency translation adjustment	82,337	69,331
Remeasurements of defined benefit plans, net of tax	1,500	(216)
Share of other comprehensive income of entities accounted for using equity method	2,598	941
Total other comprehensive income	78,691	76,184
Comprehensive income:	168,608	187,707
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	155,996	175,367
Comprehensive income attributable to non-controlling interests	12,612	12,340

(3) Consolidated Statements of Cash Flows

Six months ended June 30, 2022 and 2023

	Millions of yen	
	Six months ended June 30, 2022 (January 1— June 30, 2022)	Six months ended June 30, 2023 (January 1— June 30, 2023)
Cash flows from operating activities:		
Income before income taxes	120,275	143,682
Depreciation	28,703	30,645
Impairment loss	—	1,422
Increase (decrease) in allowance for doubtful accounts	1,468	3,197
Increase (decrease) in retirement benefit liability	417	45
Decrease (increase) in retirement benefit asset	(2,031)	(1,178)
Interest and dividend income	(2,476)	(4,420)
Interest expenses	1,633	2,852
Share of (profit) loss of entities accounted for using equity method	(2,699)	(2,781)
Loss (gain) on sales of property, plant and equipment and intangible assets	(419)	(869)
Loss on disposal of property, plant and equipment and intangible assets	466	561
Loss (gain) on sales of investment securities	(4,882)	—
Decrease (increase) in trade receivables	(26,924)	(13,599)
Decrease (increase) in sales finance receivables	(25,054)	(80,860)
Decrease (increase) in inventories	(22,839)	4,762
Increase (decrease) in trade payables	11,518	2,497
Other, net	(5,219)	4,614
Subtotal	71,935	90,572
Interest and dividend income received	4,725	7,517
Interest expenses paid	(1,633)	(2,858)
Income taxes paid	(31,583)	(47,024)
Net cash provided by (used in) operating activities	43,443	48,207

	Millions of yen	
	Six months ended June 30, 2022 (January 1— June 30, 2022)	Six months ended June 30, 2023 (January 1— June 30, 2023)
Cash flows from investing activities:		
Payments into time deposits	(4,129)	(3,025)
Proceeds from withdrawal of time deposits	3,939	3,401
Purchase of property, plant and equipment and intangible assets	(37,131)	(48,732)
Proceeds from sales of property, plant and equipment and intangible assets	3,511	4,207
Purchase of investment securities	(7,498)	(8,090)
Proceeds from sales of investment securities	21,651	—
Payments of long-term loans receivable	(40)	(75)
Collection of long-term loans receivable	56	63
Other, net	2	(678)
Net cash provided by (used in) investing activities	(19,638)	(52,930)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	43,296	75,629
Proceeds from long-term loans payable	26,771	51,210
Repayment of long-term loans payable	(14,685)	(74,671)
Proceeds from issuance of bonds	15,840	20,000
Redemption of bonds	—	(5,990)
Net decrease (increase) in treasury shares	(20,001)	(13,668)
Cash dividends paid	(22,483)	(22,832)
Dividends paid to non-controlling interests	(5,677)	(10,386)
Other, net	(2,712)	(2,980)
Net cash provided by (used in) financing activities	20,347	16,312
Effect of exchange rate change on cash and cash equivalents	12,888	11,150
Net increase (decrease) in cash and cash equivalents	57,041	22,739
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	331,977	319,884

(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.

Segment Information

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 consolidated 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 small-sized snow throwers.
2. Total of segment income (loss) corresponds to operating income in the Consolidated Statements of Income.

Six months ended June 30, 2023 (January 1, 2023 through June 30, 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	794,961	299,753	46,037	38,483	1,179,236	47,167	1,226,403	—	1,226,403
Intersegment	—	—	—	—	—	29,015	29,015	(29,015)	—
Total	794,961	299,753	46,037	38,483	1,179,236	76,182	1,255,418	(29,015)	1,226,403
Segment income (Note 2)	69,426	68,436	380	4,251	142,494	259	142,753	—	142,753

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 corresponds to operating income in the Consolidated Statements of Income.

Significant Subsequent Events

(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. And the company has been purchasing treasury shares.

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 July 31, 2023

- | | |
|------------------------------------|---|
| (1) Class of shares purchased | : Common stock |
| (2) Number of shares purchased | : 2,181,800 shares |
| (3) Total cost of shares purchased | : ¥8,883,430,599 |
| (4) Period for share purchase | : From July 1, 2023 to July 31, 2023 (contract basis) |
| (5) Method of purchase | : Purchase on the Tokyo Stock Exchange market |

Number of shares purchased and total cost of shares purchased under the resolution of the Board of Directors are as follows.

- | | |
|------------------------------------|--------------------|
| (1) Number of shares purchased | : 5,919,000 shares |
| (2) Total cost of shares purchased | : ¥22,543,376,752 |