Business Results for the First Six Months of the Fiscal Year Ending December 31, 2013

(January 1, 2013 through June 30, 2013)

(Japan GAAP)

August 6, 2013

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 the First Section

Code number:
7272

URL:
http://global.yamaha-motor.com/ir/

Representative:
Hiroyuki Yanagi, President, Chief Executive Officer, and Representative Director

Contact:
Takeo Ishii, General Manager, Finance & Accounting Division
Phone: +81-538-32-1103

Filing of quarterly securities report (scheduled):
August 7, 2013

Beginning of payment of dividends (scheduled):
September 10, 2013

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 omitted.

1. Consolidated Financial Results for the Six Months Ended June 30, 2013

(January 1, 2013 through June 30, 2013)

(1) Consolidated operating results (cumulative)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2013	**702,821**	**11.2**	**30,230**	**45.3**	**30,596**	**27.0**	**20,450**	**40.8**
Six months ended June 30, 2012	632,188	(4.7)	20,802	(49.9)	24,089	(50.6)	14,527	(49.8)

Note: Comprehensive income
Six months ended June 30, 2013: ¥56,852 million (177.7 %)
Six months ended June 30, 2012: ¥20,469 million (minus 48.8 %)

	Net income per share — basic	Net income per share — diluted
	Yen	Yen
Six months ended June 30, 2013	**58.58**	**58.58**
Six months ended June 30, 2012	41.62	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2013	**1,079,105**	**392,503**	**33.1**
As of December 31, 2012	962,329	341,561	32.0

Reference: Shareholders' equity
As of June 30, 2013: ¥356,877 million
As of December 31, 2012: ¥307,857 million

2. Dividends

	Annual dividends per share				
Record date	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, 2012	—	5.00	—	5.00	10.00
Fiscal year ending December 31, 2013	—	10.00			
Fiscal year ending December 31, 2013 (forecast)			—	10.00	20.00

Note: Revision to the most recently announced dividend forecast for the year ending December 31, 2013 was made.
The year-end dividend for the fiscal year ending December 31, 2013 is calculated with a payout ratio of 20% based on the forecast of consolidated financial results for the fiscal year ending December 31, 2013, as stated below.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2013

(January 1, 2013 through December 31, 2013)

* % represents year-on-year rate.

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2013	**1,450,000**	**20.1**	**55,000**	**195.7**	**59,000**	**116.4**	**34,000**	**354.0**	**97.39**

Note: Revision to the most recently announced consolidated financial figures forecast for the year ending December 31, 2013 was made.

(*Notes)

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting from changes in 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: None
2) Changes in accounting policies arising from other factors: Yes
3) Changes in accounting estimates: Yes
4) Restatement for correction of errors: None

Note: Beginning in the first quarter of the fiscal year ending December 31, 2013, Yamaha Motor Co., Ltd. (the “Company”) and its domestic subsidiaries have changed the principal depreciation method for property, plant and equipment from the previously used declining-balance method to the straight-line method. Since this falls under Article 10, Paragraph 5 of the Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements, “Changes in accounting policies arising from other factors” and “Changes in accounting estimates” are “Yes.” For details, refer to “Changes in Accounting Policies, Changes in Accounting Estimates and Corrections of Errors” in “2. Matters Regarding Summary Information (Notes)” on page 12 of the Attachment.

(4) Number of shares outstanding (Common stock)

1) Number of shares outstanding at the end of the period, including treasury stock	Second quarter ended June 30, 2013	349,784,784 shares	Fiscal year ended December 31, 2012	349,757,784 shares
2) Number of shares of treasury stock at the end of the period	Second quarter ended June 30, 2013	666,829 shares	Fiscal year ended December 31, 2012	665,301 shares
3) Average number of shares during the period	Six months ended June 30, 2013	349,099,512 shares	Six months ended June 30, 2012	349,094,693 shares

(*Notice regarding review procedure for the quarterly consolidated financial statements)

The quarterly consolidated financial results presented herein are not subject to the quarterly review procedure specified by the Financial Instruments and Exchange Act. The review procedure for quarterly consolidated financial statements specified by the Financial Instruments and Exchange Act has not been completed at the time of the disclosure of these financial results.

(*Notice regarding results forecast)

(1) Results forecast presented in this document is based on the assumptions and beliefs of the Company in light of the information currently available and is not 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 78th Securities Report (filed on March 27, 2013).

For results forecast, please refer to "1. Qualitative Information on Consolidated Results During the Period, (4) Qualitative Information on Results Forecast" on page 11 of the Attachment.

(2) Briefing on the quarterly consolidated financial results will be held as follows. Supplementary explanatory documents related to the consolidated financial results and so on to be handed at the briefing will be posted on the Company website immediately after the briefing.

Tuesday, August 6, 2013: Briefing on the consolidated financial results for institutional investors and securities analysts and media outlets

(3) With regard to amounts stated in ¥100 million units in this document, amounts less than ¥100 million are rounded off.

Contents of Attachment

(Net Sales by Segment)

Amount: millions of yen Volume: thousand units

	Six months ended June 30, 2012 (January 1—June 30, 2012)			**Six months ended June 30, 2013 (January 1—June 30, 2013)**		
	Volume	Amount	%	**Volume**	**Amount**	**%**
Net sales:						
Japan	—	78,963	12.5	—	71,685	10.2
Overseas:				—		
North America	—	*102,559*	*16.2*	—	*119,046*	*16.9*
Europe	—	*78,444*	*12.4*	—	*82,388*	*11.7*
Asia	—	*287,462*	*45.5*	—	*329,910*	*46.9*
Others	—	*84,759*	*13.4*	—	*99,790*	*14.3*
Subtotal	—	553,225	87.5	—	631,135	89.8
Total	**—**	**632,188**	**100.0**	**—**	**702,821**	**100.0**
Motorcycles:						
Japan	49	18,622	4.5	55	17,732	3.8
Overseas:						
North America	*38*	*24,047*	*5.8*	*38*	*24,407*	*5.2*
Europe	*99*	*48,408*	*11.7*	*88*	*47,180*	*10.1*
Asia	*2,661*	*269,622*	*65.0*	*2,554*	*312,032*	*66.8*
Others	*259*	*54,043*	*13.0*	*265*	*65,546*	*14.1*
Subtotal	3,056	396,121	95.5	2,945	449,166	96.2
Total	**3,105**	**414,744**	**65.6**	**3,000**	**466,898**	**66.4**
Marine products:						
Japan	—	13,333	11.7	—	13,628	10.4
Overseas:						
North America	—	*55,115*	*48.5*	—	*68,467*	*52.0*
Europe	—	*21,882*	*19.3*	—	*23,783*	*18.1*
Asia	—	*5,609*	*4.9*	—	*5,642*	*4.3*
Others	—	*17,648*	*15.6*	—	*20,028*	*15.2*
Subtotal	—	100,256	88.3	—	117,921	89.6
Total	**—**	**113,590**	**18.0**	**—**	**131,550**	**18.7**
Power products:						
Japan	—	7,577	16.6	—	7,466	14.9
Overseas:						
North America	—	*22,781*	*49.8*	—	*25,330*	*50.7*
Europe	—	*6,520*	*14.3*	—	*8,732*	*17.5*
Asia	—	*3,486*	*7.6*	—	*3,587*	*7.2*
Others	—	*5,348*	*11.7*	—	*4,885*	*9.7*
Subtotal	—	38,137	83.4	—	42,535	85.1
Total	**—**	**45,715**	**7.2**	**—**	**50,002**	**7.1**
Industrial machinery and robots:						
Japan	—	8,108	46.4	—	5,881	37.8
Overseas:						
North America	—	*614*	*3.5*	—	*840*	*5.4*
Europe	—	*1,263*	*7.2*	—	*1,800*	*11.6*
Asia	—	*7,381*	*42.3*	—	*6,961*	*44.8*
Others	—	*91*	*0.6*	—	*65*	*0.4*
Subtotal	—	9,350	53.6	—	9,668	62.2
Total	**—**	**17,458**	**2.8**	**—**	**15,550**	**2.2**
Others:						
Japan	—	31,321	77.0	—	26,976	69.5
Overseas:						
North America	—	*1*	*0.0*	—	*0*	*0.0*
Europe	—	*368*	*0.9*	—	*892*	*2.3*
Asia	—	*1,361*	*3.3*	—	*1,685*	*4.3*
Others	—	*7,626*	*18.8*	—	*9,264*	*23.9*
Subtotal	—	9,358	23.0	—	11,843	30.5
Total	**—**	**40,679**	**6.4**	**—**	**38,819**	**5.6**

1. Qualitative Information on Consolidated Results During the Period

(1) Qualitative Information on Consolidated Operating Results

In the economic environment during the first six months (January 1 through June 30, 2013) of the fiscal year ending December 31, 2013, although in the U.S. the unemployment rate and personal consumption improved and the economy remained on a gradual recovery track, in Europe continuing adversity in the employment and personal income environment resulted in sluggish personal consumption. Economic growth continued to slow in emerging markets in Asia, Central and South America, and other regions. In Japan, recovery in stock prices and expectations for improvement in corporate earnings and government economic policies led to an upturn in personal consumption.

In this business environment, the Yamaha Motor Group (the "Group") addressed the following matters.

・Profit improvement in developed countries

Profit improvement in the marine products business progressed as a result of strong sales of outboard motors in the U.S. due to the introduction of new products including the F200F, a large outboard motor characterized by its light weight and compact size, and Helm Master, an outboard motor control system, coupled with the impact of yen depreciation. In the motorcycle business, Yamaha proceeded with preparations for business scale and profit improvement in the next period and beyond by introducing the new BOLT cruiser and launching the new MT-09 sport bike equipped with a 3-cylinder engine.

・Scale recovery in the motorcycle business in emerging markets

Yamaha boosted product competitiveness by means including the continuing introduction of new products and models equipped with a fuel injection (FI) system. In Indonesia and India, branding activities were strengthened by stepping up promotions such as large-scale test-ride events and sales network development. Principal new products Yamaha introduced were scooters and mopeds equipped with a fuel injection (FI) system with excellent fuel efficiency in the ASEAN region: the Xeon RC, Mio GT, X Ride, and FORCE in Indonesia and the FINO in Thailand. In India, the introduction of the CYGNUS RAY Z strengthened Yamaha's product range in the growing scooter market.

・Expansion of other businesses

Yamaha announced a new recreational off-highway vehicle (ROV) and proceeded with preparations for a series of new product introductions over the coming five years aimed at reviving a powerful product range. Yamaha expanded the scale of the snowmobile business in the Russian market, which continues to grow, and prepared for the introduction of new OEM products in North America. In Japan, Yamaha introduced new electrically power assisted bicycles equipped with the triple sensor system. To increase sales in Europe, Yamaha worked to open new customers by means including business alliances with overseas manufacturers. To develop new business fields, Yamaha prepared for the introduction of products such as a leaning multi-wheel (LMW) vehicle in the medium term.

・Structural Reform Initiatives

The reorganization of domestic factories, involving integration and reorganization from the original production structure of 12 factories and 25 units to 8 factories and 16 units, progressed according to plan. In cost reduction activities, to achieve the target of ¥90.0 billion for the three-year period beginning in 2013, Yamaha launched the India Integrated Development Center, prepared for strategic cooperative activities with global partners for the purpose of integrating platform parts, and prepared to establish a joint venture company with KYB Motorcycle Suspension to pave the way for the development and production of suspensions, which are key platform components. Yamaha also implemented reform of the European business structure in preparation for recovery in profitability in the next period and beyond.

Net sales in the first six months of the fiscal year ending December 31, 2013 rose 11.2% from the same period of the previous year to ¥702.8 billion.

Although second-quarter (April to June) sales rose from the same period of the previous year, unit sales in the first six months fell slightly. This decline, however, was more than offset by various factors, including the impact of yen depreciation, which led to an increase in net sales.

Overall operating income rose 45.3% to ¥30.2 billion. In developed countries, operating income rose owing to the impact of strong outboard motor sales in the U.S. and yen depreciation. In emerging markets, operating income rose due to the impact of cost reductions and other factors. Ordinary income rose 27.0% to ¥30.6 billion, and net income rose 40.8% to ¥20.5 billion.

Exchange rates for the first six months of the fiscal year ending December 31, 2013, were ¥96 to the U.S. dollar (a depreciation of ¥16 from the same period of the previous year) and ¥126 to the euro (a depreciation of ¥23).

Operating performance by segment

[Motorcycles]

Overall net sales of the motorcycle business rose 12.6% from the same period of the previous year to ¥466.9 billion, and operating income fell 19.4% to ¥3.6 billion

Unit sales in developed countries declined overall. Although sales increased in Japan and second-quarter (April to June) sales in the U.S. rose from the same period of the previous year as a result of factors including new product introductions and retail sales promotion measures, sales in Europe declined due to market stagnation. Unit sales in emerging markets declined overall. While sales increased in India on strong scooter sales, and second-quarter (April to June) sales in Indonesia rose from the same period of the previous year, sales in Thailand, Vietnam, Brazil, and other markets fell due to an economic slowdown and other factors. As a result, although unit sales declined overall, net sales rose due to the impact of yen depreciation, among other factors.

Operating income rose in emerging markets as a result of cost reductions and other factors. In developed countries, development costs and sales promotion expenses, coupled with structural reform expenses in Europe, more than offset the positive impact of yen depreciation. As a result, operating income declined overall.

[Marine products]

Overall net sales of the marine products business rose 15.8% from the same period of the previous year to ¥131.6 billion, and operating income rose 103.7% to ¥21.5 billion.

Both sales and income rose due to factors including strong outboard motor sales in the U.S., fueled by new product introductions and higher sales of large models, and the impact of yen depreciation.

[Power products]

Overall net sales of the power products business rose 9.4% from the same period of the previous year to ¥50.0 billion, and operating income rose 67.7% to ¥0.4 billion.

Both sales and income rose as higher sales of golf cars and snowmobiles and the impact of yen depreciation compensated for lower sales of all-terrain vehicles (ATVs).

[Industrial machinery and robots]

Overall net sales in the industrial machinery and robots businesses fell 10.9% from the same period of the previous year to ¥15.6 billion, and operating income fell 47.8% to ¥1.6 billion.

Although unit sales of surface mounters decreased, mainly reflecting a worldwide decline in capital investment demand, they recovered to the prior-year level in the second quarter (April to June).

[Others]

Overall net sales of other products were decreased 4.6% from the same period of the previous year to ¥38.8 billion, and operating income rose 27.5% to ¥3.0 billion.

Although unit sales of electrically power assisted bicycles rose due to the introduction of new products and other factors, unit sales of automobile engines declined.

Major products in each business segment are as follows.

Segment	Main Products
Motorcycles	Motorcycles, the intermediate parts for products and knockdown parts for overseas production
Marine products	Outboard motors, personal watercraft, boats, FRP pools, fishing boats and utility boats
Power products	All-terrain vehicles, recreational off-highway vehicles, golf cars, snowmobiles, generators, small-sized snow throwers and multi-purpose engines
Industrial machinery and robots	Surface mounters, industrial robots and electrically powered wheelchairs
Others	Automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters

(Reference Information)
Geographical segment information (Net sales includes intersegment sales among areas.)

[Japan]
Net sales in Japan rose 5.0% from the same period of the previous year to ¥292.0 billion, and operating income increased from ¥0.1 billion in the same period of the previous year to ¥19.3 billion.

Unit sales of outboard motors for the U.S. market and electrically power assisted bicycles increased from the same period of the previous year, while unit sales of surface mounters and automobile engines declined. Net sales increased due to the impact of yen depreciation and other factors.

[North America]
Net sales in North America increased 17.9% from the same period of the previous year to ¥132.5 billion, and operating income fell 71.0% to ¥1.6 billion.

Net sales increased on higher unit sales of outboard motors and golf cars, the impact of yen depreciation, and other factors increased, despite lower unit sales of motorcycles and ATVs.

[Europe]
Net sales in Europe increased 6.0% from the same period of the previous year to ¥83.9 billion, and operating loss increased to ¥7.0 billion from ¥0.4 billion in the same period of the previous year.

Net sales increased due to the impact of yen depreciation, even though unit sales of motorcycles and other products declined, reflecting weak personal consumption in a difficult employment and income environment.

[Asia]
Net sales in Asia (excluding Japan) increased 17.7% from the same period of the previous year to ¥356.9 billion, and operating income rose 17.6% to ¥14.9 billion.

Net sales increased on higher unit sales of motorcycles in India and Taiwan, the impact of yen depreciation, and other factors, despite lower unit sales in Thailand, Indonesia, Vietnam, and other countries.

[Others]
Net sales in other areas increased 17.6% from the same period of the previous year to ¥79.2 billion, and operating income fell 4.1% to ¥3.3 billion.

Unit sales of motorcycles increased in Colombia, Argentina, Mexico, and other markets, but declined in Brazil. Net sales increased due to the impact of yen depreciation and other factors.

(2) Qualitative Information on Consolidated Financial Position

Total assets at the end of the first six months of the fiscal year ending December 31, 2013 increased ¥116.8 billion from the end of the previous fiscal year to ¥1,079.1 billion, partly attributable to the impact of foreign currency translation adjustment arising from yen depreciation. Current assets increased ¥83.0 billion, and noncurrent assets increased ¥33.8 billion.

Total liabilities rose ¥65.8 billion to ¥686.6 billion, reflecting factors including an increase in short-term loans.

Total net assets increased ¥50.9 billion to ¥392.5 billion as a result of factors including ¥20.5 billion in net income and a ¥25.3 billion change in foreign currency translation adjustment arising from yen depreciation. As a result, the shareholders' equity ratio as of June 30, 2013 was 33.1%, compared with 32.0% at the end of the previous fiscal year. The net debt-equity ratio was 0.7 times, unchanged from the end of the previous fiscal year.

(3) Qualitative Information on Consolidated Cash Flows

[Cash flows provided by (used in) operating activities]
Net cash provided by operating activities during the first six months (January 1 through June 30, 2013) was ¥14.1 billion (¥20.8 billion in cash used during the same period of the previous year), attributable to income before income taxes of ¥29.8 billion (¥23.5 billion in the same period of the previous year), despite an increase in working capital due to an increase in notes and accounts receivable-trade of ¥25.3 billion (an increase of ¥21.3 billion), an increase in inventories of ¥11.9 billion (an increase of ¥12.8 billion), and an increase in notes and accounts payable-trade of ¥17.7 billion (a decrease of ¥2.0 billion).

[Cash flows provided by (used in) investing activities]
Net cash used in investing activities during the first six months (January 1 through June 30, 2013) was ¥25.6 billion (¥27.0 billion in cash used during the same period of the previous year), as a result of capital investments for new model production and other purposes of ¥23.7 billion (¥23.9 billion in the same period of the previous year).

[Cash flows provided by (used in) financing activities]
Net cash provided by financing activities during the first six months (January 1 through June 30, 2013) was ¥3.5 billion (¥29.3 billion in cash provided during the same period of the previous year), partly attributable to financing by means of short-term loans accompanying an increase in working capital.

As a result of the activities discussed above, free cash flow for the first six months (January 1 through June30, 2013) was a negative ¥11.5 billion. Interest-bearing debt at the end of the second quarter under review was ¥360.9 billion, and cash and cash equivalents totaled ¥103.7 billion. Interest-bearing debt includes ¥145.5 billion in borrowings for sales finance.

(4) Qualitative Information on Results Forecast

Although the U.S. economy is on a gradual recovery track, the Company continues to face an adverse business environment due to continuing market stagnation in Europe and slowing of the pace of economic growth in emerging nations, among other factors.

The Company expects operating income in emerging markets to be in line with its original forecast, and it forecasts higher sales and income in developed countries owing to strong sales in the marine products business in the U.S. and the impact of yen depreciation.

As a result of these factors, the Company expects full-year consolidated net sales and income to exceed its original forecast.

Billions of yen

Net sales		**1,450.0**
	Change from the original forecast:	+3.6%
	Change from the fiscal year ended December 31, 2012:	+20.1%
Operating income		**55.0**
	Change from the original forecast:	+10.0%
	Change from the fiscal year ended December31, 2012:	+195.7%
Ordinary income		**59.0**
	Change from the original forecast:	+13.5%
	Change from the fiscal year ended December 31, 2012:	+116.4%
Net income		**34.0**
	Change from the original forecast:	+21.4%
	Change from the fiscal year ended December 31, 2012:	+354.0%

Note: Changes from the original forecast refers to increase or decrease from the results forecast for the fiscal year ending December 31, 2013, originally announced on February 14, 2013.

Second-half exchange rate assumptions are ¥95 to the U.S. dollar (a depreciation of ¥8 from the original projection and a depreciation of ¥15 from the previous second-half) and ¥125 to the euro (a depreciation of ¥10 from the original projection and a depreciation of ¥23 from the previous second-half). Full-year assumptions are ¥95 to the U.S. dollar (a depreciation of ¥8 from the original projection and a depreciation of ¥15 from the previous year) and ¥125 to the euro (a depreciation of ¥10 from the original projection and a depreciation of ¥22 from the previous year).

(5) Basic Policy on Profit Distribution and Dividends for the Fiscal Year Ending December, 2013

Recognizing that shareholders' interests represent one of the Company's highest management priorities, the Company has been striving to meet shareholder expectations by working to maximize its corporate value through a diversity of business operations worldwide. The Company aims to balance aggressive growth investments with stock dividends and loan repayments and provide shareholder returns that reflect comprehensive consideration of the business environment, including trends in business performance and retained earnings, while maintaining a minimum dividend payout ratio of 20% of consolidated net income.

Taking into account that the revised forecast of consolidated financial results for the fiscal year ending December 31, 2013, announced today, represents an improvement over the previous forecast, the Company has revised the full-year dividend forecast to ¥20 per share (original forecast of ¥17) on the basis of a dividend payout ratio of 20% of consolidated net income. Accordingly, the Company has decided to pay an interim dividend of ¥10 per share and has revised the year-end dividend forecast to ¥10 per share.

2. Matters Regarding Summary Information (Notes)

Changes in Accounting Policies, Changes in Accounting Estimates and Restatement for Correction of Errors

(Change in depreciation methods for property, plant and equipment)
Effective from the first quarter of the fiscal year ending December 31, 2013, the Company and its domestic subsidiaries have changed the principal depreciation method for property, plant and equipment from the previously used declining-balance method to the straight-line method.

Under the previous medium-term management plan (for the period from 2010 to 2012), the Group reorganized the domestic production structure in line with demand in developed countries as part of profit structure reform. In the fiscal year ended December 31, 2012, the final year of the previous medium-term management plan, a certain degree of progress was made with the initially planned reorganization. Under the current medium-term management plan (for the period from 2013 to 2015) the Group's policy is to invest in its domestic production facilities for the purpose of maintaining and further developing its core operations.

For this reason, domestic production facilities are expected to operate stably over their useful lives, and the Company has determined that the straight-line method, which more appropriately matches cost to profit, is a rational approach.

As a result of this change, operating income, ordinary income, and income before income taxes for the six months ended June 30, 2013 increased by ¥1,441 million, respectively. The impact on segment information is described in "3. Consolidated Financial Statements, (6) Segment Information" on page 20.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of December 31, 2012 and June 30, 2013

( ) represents negative figures.

	Millions of yen	
	As of December 31, 2012	**As of June 30, 2013**
ASSETS		
Current assets:		
Cash and deposits	106,462	**103,612**
Notes and accounts receivable-trade	192,143	**239,686**
Merchandise and finished goods	153,109	**172,663**
Work in process	40,438	**44,962**
Raw materials and supplies	39,880	**46,074**
Other	61,838	**71,390**
Allowance for doubtful accounts	(7,074)	**(8,603)**
Total current assets	586,797	**669,786**
Noncurrent assets:		
Property, plant and equipment	272,942	**289,464**
Intangible assets	3,940	**4,703**
Investments and other assets:		
Investments and other assets	100,102	**116,643**
Allowance for doubtful accounts	(1,454)	**(1,491)**
Total investments and other assets	98,648	**115,151**
Total noncurrent assets	375,531	**409,318**
Total assets	962,329	**1,079,105**
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	114,344	**139,485**
Short-term loans payable	102,476	**132,376**
Current portion of long-term loans payable	58,158	**44,860**
Provision for bonuses	9,230	**10,608**
Provision for product warranties	19,952	**18,831**
Other provision	1,102	**1,416**
Other	85,887	**89,107**
Total current liabilities	391,153	**436,686**
Noncurrent liabilities:		
Long-term loans payable	166,340	**183,632**
Provision for retirement benefits	44,098	**45,969**
Other provisions	3,854	**2,835**
Other	15,320	**17,478**
Total noncurrent liabilities	229,614	**249,915**
Total liabilities	620,767	**686,601**

( ) represents negative figures.

	Millions of yen	
	As of December 31, 2012	**As of June 30, 2013**
NET ASSETS		
Shareholders' equity:		
Capital stock	85,666	**85,688**
Capital surplus	74,582	**74,603**
Retained earnings	249,724	**268,429**
Treasury stock	(686)	**(688)**
Total shareholders' equity	409,287	**428,033**
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	1,843	**6,789**
Revaluation reserve for land	10,982	**10,982**
Foreign currency translation adjustment	(114,255)	**(88,927)**
Total other accumulated comprehensive income	(101,429)	**(71,155)**
Subscription rights to shares	109	**98**
Minority interests	33,595	**35,526**
Total net assets	341,561	**392,503**
Total liabilities and net assets	962,329	**1,079,105**

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

Six months ended June 30, 2012 and 2013

(Consolidated Statements of Income)

( ) represents negative figures.

	Millions of yen	
	Six months ended June 30, 2012 (January 1— June 30, 2012)	**Six months ended June 30, 2013 (January 1— June 30, 2013)**
Net sales	632,188	**702,821**
Cost of sales	501,291	**543,118**
Gross profit	130,896	**159,702**
Selling, general and administrative expenses	110,094	**129,471**
Operating income	20,802	**30,230**
Non-operating income:		
Interest income	3,117	**3,280**
Other	7,298	**9,560**
Total non-operating income	10,416	**12,840**
Non-operating expenses:		
Interest expenses	3,461	**3,319**
Foreign exchange losses	2,108	**6,784**
Other	1,559	**2,371**
Total non-operating expenses	7,129	**12,475**
Ordinary income	24,089	**30,596**
Extraordinary income:		
Gain on sales of noncurrent assets	120	**138**
Other	—	**8**
Total extraordinary income	120	**147**
Extraordinary loss:		
Loss on disposal of noncurrent assets	329	**656**
Impairment loss	296	**270**
Other	96	**28**
Total extraordinary losses	722	**955**
Income before income taxes	23,487	**29,788**
Income taxes — current	10,001	**10,743**
Income taxes — deferred	(2,968)	**(4,137)**
Total income taxes	7,032	**6,606**
Income before minority interests	16,454	**23,181**
Minority interests in income	1,926	**2,731**
Net income	14,527	**20,450**

(Consolidated Statements of Comprehensive Income)

( ) represents negative figures.

	Millions of yen	
	Six months ended June 30, 2012 (January 1— June 30, 2012)	**Six months ended June 30, 2013 (January 1— June 30, 2013)**
Income before minority interests	16,454	**23,181**
Other comprehensive income		
Valuation difference on available-for-sale securities	1,615	**4,941**
Revaluation reserve for land	—	**(0)**
Foreign currency translation adjustment	2,016	**26,237**
Share of other comprehensive income of associates accounted for using equity method	383	**2,491**
Total other comprehensive income	4,015	**33,670**
Comprehensive income	20,469	**56,852**
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	17,441	**50,724**
Comprehensive income attributable to minority interests	3,028	**6,127**

(3) Consolidated Statements of Cash Flows

Six months ended June 30, 2012 and 2013

( ) represents negative figures.

	Millions of yen	
	Six months ended June 30, 2012 (January 1— June 30, 2012)	**Six months ended June 30, 2013 (January 1— June 30, 2013)**
Net cash provided by (used in) operating activities:		
Income before income taxes	23,487	**29,788**
Depreciation and amortization	16,403	**17,449**
Impairment loss	296	**270**
Increase (decrease) in provision for retirement benefits	1,666	**622**
Interest and dividends income	(3,408)	**(3,604)**
Interest expenses	3,461	**3,319**
Loss (gain) on sales of property, plant and equipment and intangible assets	(32)	**(109)**
Loss (gain) on disposal of property, plant and equipment and intangible assets	329	**656**
Decrease (increase) in notes and accounts receivable-trade	(21,323)	**(25,333)**
Decrease (increase) in inventories	(12,763)	**(11,895)**
Increase (decrease) in notes and accounts payable-trade	(2,016)	**17,657**
Other	(13,846)	**(4,512)**
Subtotal	(7,747)	**24,307**
Interest and dividends income received	4,599	**4,578**
Interest expenses paid	(3,633)	**(3,648)**
Income taxes paid	(14,047)	**(11,130)**
Net cash provided by (used in) operating activities	(20,828)	**14,106**

( ) represents negative figures.

	Millions of yen	
	Six months ended June 30, 2012 (January 1— June 30, 2012)	**Six months ended June 30, 2013 (January 1— June 30, 2013)**
Net cash provided by (used in) investing activities:		
Payments into time deposits	(210)	**(256)**
Proceeds from withdrawal of time deposits	311	**327**
Purchase of property, plant and equipment and intangible assets	(23,894)	**(23,657)**
Proceeds from sales of property, plant and equipment and intangible assets	551	**1,223**
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(3,029)	**—**
Other	(744)	**(3,228)**
Net cash provided by (used in) investing activities	(27,015)	**(25,591)**
Net cash provided by (used in) financing activities:		
Increase (decrease) in short-term loans payable	20,954	**18,965**
Proceeds from long-term loans payable	65,895	**20,230**
Repayment of long-term loans payable	(45,433)	**(29,758)**
Decrease (increase) in treasury stock	(1)	**(1)**
Cash dividends paid	(5,411)	**(1,745)**
Cash dividends paid to minority shareholders	(6,506)	**(4,035)**
Proceeds from exercise of stock option	—	**32**
Other	(224)	**(152)**
Net cash provided by (used in) financing activities	29,272	**3,535**
Effect of exchange rate change on cash and cash equivalents	2,577	**5,162**
Net increase (decrease) in cash and cash equivalents	(15,994)	**(2,787)**
Cash and cash equivalents at beginning of period	133,593	**106,532**
Increase in cash and cash equivalents from newly consolidated subsidiary	548	**—**
Cash and cash equivalents at end of period	118,146	**103,744**

(4) Notes Regarding Going-concern Assumptions

None

(5) Notes in the Event of Material Changes in the Amount of Shareholders' Equity

None

(6) Segment Information

Segment information

Six months ended June 30, 2012 (January 1, 2012 through June 30, 2012)
Information concerning net sales and income or loss by reporting segment

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments	Amounts on consolidated statements of income
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total				
Net sales:									
Outside customers	414,744	113,590	45,715	17,458	591,509	40,679	632,188	—	632,188
Intersegment	—	—	—	—	—	13,412	13,412	(13,412)	—
Total	414,744	113,590	45,715	17,458	591,509	54,091	645,600	(13,412)	632,188
Segment income (Note 2)	4,516	10,580	261	3,106	18,464	2,338	20,802	0	20,802

Notes:
1. "Others" is a business segment not included in the reporting segments. It includes businesses involving the business of automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters.
2. Total of segment income corresponds to operating income in the consolidated statements of income.

Six months ended June 30, 2013 (January 1, 2013 through June 30, 2013)

1. Information concerning net sales and income or loss by reporting segment

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments	Amounts on consolidated statements of income
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total				
Net sales:									
Outside customers	466,898	131,550	50,002	15,550	664,001	38,819	702,821	—	702,821
Intersegment	—	—	—	—	—	13,579	13,579	(13,579)	—
Total	466,898	131,550	50,002	15,550	664,001	52,399	716,400	(13,579)	702,821
Segment income (Note 2)	3,641	21,546	438	1,622	27,249	2,981	30,230	0	30,230

Notes:

1. "Others" is a business segment not included in the reporting segments. It includes businesses involving the business of automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters.
2. Total of segment income corresponds to operating income in the consolidated statements of income.

2. Items concerning changes to reporting segments

(Change in depreciation methods for property, plant and equipment)

As described in "2. Matters Regarding Summary Information (Notes), Changes in Accounting Policies, Changes in Accounting Estimates and Restatement for Correction of Errors", effective from the first quarter of the fiscal year ending December 31, 2013, the Company and its domestic consolidated subsidiaries have changed the principal depreciation method for property, plant and equipment from the previously used declining-balance method to the straight-line method.

As a result of this change, segment income for the six months ended June 30, 2013 increased by ¥650 million for the motorcycles business, ¥421 million for the marine products business, ¥154 million for the power products business, ¥55 million for the industrial machinery and robots business, and ¥160 million for other businesses.

(Reference Information)
Geographical segment information

Six months ended June 30, 2012 (January 1, 2012 through June 30, 2012)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	114,752	102,510	77,058	271,007	66,859	632,188	—	632,188
Intersegment	163,245	9,886	2,069	32,289	460	207,950	(207,950)	—
Total	277,998	112,396	79,127	303,296	67,319	840,138	(207,950)	632,188
Operating income (loss)	125	5,362	(372)	12,650	3,434	21,201	(398)	20,802

Notes:
1. Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
2. Nations and regions included in segments outside Japan:
   (1) North America: U.S.A. and Canada
   (2) Europe: The Netherlands, France, Italy, Spain and Russia
   (3) Asia: Indonesia, Vietnam, China, Taiwan, Thailand, Singapore and India
   (4) Others: Brazil, Australia, Colombia and Mexico

Six months ended June 30, 2013 (January 1, 2013 through June 30, 2013)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	105,524	120,740	80,994	317,137	78,424	702,821	—	702,821
Intersegment	186,482	11,779	2,900	39,747	773	241,683	(241,683)	—
Total	292,006	132,519	83,895	356,884	79,198	944,504	(241,683)	702,821
Operating income (loss)	19,264	1,555	(6,985)	14,876	3,292	32,003	(1,772)	30,230

Notes:
1. Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
2. Nations and regions included in segments outside Japan:
   (1) North America: U.S.A. and Canada
   (2) Europe: The Netherlands, France, Italy, Russia and Sweden
   (3) Asia: Indonesia, Vietnam, Taiwan, Thailand, China, Singapore and India
   (4) Others: Brazil, Australia, Colombia and Argentina.