

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

May 13, 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 the First Section

Code number:

7272

URL:

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

Representative:

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

Contact:

Toshinari Maegawa, General Manager, Finance & Accounting Division
Phone: +81-538-32-1144

Filing of quarterly securities report (scheduled):

May 13, 2022

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, 2022

(January 1, 2022 through March 31, 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	%
Three Months Ended March 31, 2022	481,747	8.5	40,079	(16.9)	45,716	(13.5)	32,614	(21.9)
Three Months Ended March 31, 2021	444,120	12.2	48,252	89.8	52,856	96.9	41,779	334.8

Note: Comprehensive income

Three Months Ended March 31, 2022:	¥67,350 million	[(4.2)%]
Three Months Ended March 31, 2021:	¥70,299 million	[-%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
Three Months Ended March 31, 2022	94.30	—
Three Months Ended March 31, 2021	119.56	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	2,012,727	941,668	44.6
As of December 31, 2021	1,832,917	900,670	46.9

Reference: Shareholders' equity

As of March 31, 2022:	¥897,798 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	—				
Fiscal year ending December 31, 2022 (forecast)		57.50	—	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	2,000,000	10.3	190,000	4.2	190,000	0.3	130,000	(16.4)	375.87

Note: No 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	Three months ended March 31, 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	Three months ended March 31, 2022	4,357,111 shares	Fiscal year ended December 31, 2021	4,356,972 shares
3) Average number of shares during period	Three months ended March 31, 2022	345,860,435 shares	Three months ended March 31, 2021	349,432,527 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.

Contents of Attachment

Consolidated Financial Statements and Primary Notes.....	5
(1) Consolidated Balance Sheets.....	5
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	7
(3) Consolidated Statements of Cash Flows	9
(4) Notes to Quarterly Consolidated Financial Statements.....	11
Notes Regarding Going-concern Assumptions	11
Notes in the Event of Material Changes in the Amount of Shareholders' Equity	11
Changes in Accounting Policies.....	11
Additional Information	12
Segment Information	13
Significant Subsequent Events.....	14

Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

As of December 31, 2021 and March 31, 2022

	Millions of yen	
	As of December 31, 2021	As of March 31, 2022
ASSETS		
Current assets:		
Cash and deposits	276,412	305,576
Notes and accounts receivable – trade	161,626	—
Notes and accounts receivable – trade, and contract assets	—	199,961
Short-term sales finance receivables	154,599	180,094
Merchandise and finished goods	211,920	245,004
Work in process	92,070	104,592
Raw materials and supplies	101,369	116,725
Other	61,499	71,004
Allowance for doubtful accounts	(14,799)	(16,354)
Total current assets	1,044,698	1,206,606
Non-current assets:		
Property, plant and equipment	354,127	372,074
Intangible assets	28,419	31,822
Investments and other assets		
Long-term sales finance receivables	208,209	225,183
Other	200,396	180,647
Allowance for doubtful accounts	(2,934)	(3,606)
Total investments and other assets	405,671	402,224
Total non-current assets	788,218	806,121
Total assets	1,832,917	2,012,727

	Millions of yen	
	As of December 31, 2021	As of March 31, 2022
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	140,524	162,290
Electronically recorded obligations – operating	24,653	31,204
Short-term loans payable	62,954	109,273
Current portion of bonds payable	2,240	2,855
Current portion of long-term loans payable	77,132	88,523
Provision for bonuses	15,334	24,236
Provision for product warranties	17,267	19,085
Other provision	2,153	2,438
Other	171,005	185,788
Total current liabilities	513,265	625,697
Non-current liabilities:		
Bonds payable	7,552	9,648
Long-term loans payable	308,634	325,953
Net defined benefit liability	51,840	53,089
Other provision	307	665
Other	50,645	56,004
Total non-current liabilities	418,980	445,361
Total liabilities	932,246	1,071,058
NET ASSETS		
Shareholders' equity:		
Capital stock	86,100	86,100
Capital surplus	68,101	68,086
Retained earnings	761,483	771,496
Treasury shares	(11,722)	(11,723)
Total shareholders' equity	903,962	913,960
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	41,522	32,663
Revaluation reserve for land	10,427	10,427
Foreign currency translation adjustment	(103,471)	(66,649)
Remeasurements of defined benefit plans	6,785	7,397
Total accumulated other comprehensive income	(44,736)	(16,161)
Non-controlling interests	41,444	43,869
Total net assets	900,670	941,668
Total liabilities and net assets	1,832,917	2,012,727

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**
Three months ended March 31, 2021 and 2022
Consolidated Statements of Income

	Millions of yen	
	Three months ended March 31, 2021 (January 1— March 31, 2021)	Three months ended March 31, 2022 (January 1— March 31, 2022)
Net sales	444,120	481,747
Cost of sales	321,562	354,598
Gross profit	122,558	127,149
Selling, general and administrative expenses	74,306	87,069
Operating income	48,252	40,079
Non-operating income:		
Share of profit of entities accounted for using equity method	1,279	1,250
Foreign exchange gains	2,597	3,244
Other	2,267	3,940
Total non-operating income	6,143	8,435
Non-operating expenses:		
Loss on valuation of investment securities	—	983
Interest expenses	530	664
Other	1,008	1,150
Total non-operating expenses	1,539	2,798
Ordinary income	52,856	45,716
Extraordinary income:		
Gain on sales of non-current assets	48	78
Gain on sales of investment securities	—	4,882
Total extraordinary income	48	4,961
Extraordinary losses:		
Loss on sales of non-current assets	21	18
Loss on disposal of non-current assets	115	123
Total extraordinary losses	136	141
Income before income taxes	52,767	50,535
Income taxes – current	13,664	15,413
Income taxes – deferred	(5,667)	(937)
Total income taxes	7,997	14,475
Net income	44,770	36,060
Net income attributable to non-controlling interests	2,990	3,445
Net income attributable to owners of parent	41,779	32,614

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Three months ended March 31, 2021 (January 1— March 31, 2021)	Three months ended March 31, 2022 (January 1— March 31, 2022)
Net income	44,770	36,060
Other comprehensive income:		
Valuation difference on available-for-sale securities	1,813	(8,855)
Foreign currency translation adjustment	22,909	38,240
Remeasurements of defined benefit plans, net of tax	6	622
Share of other comprehensive income of entities accounted for using equity method	798	1,283
Total other comprehensive income	25,528	31,290
Comprehensive income:	70,299	67,350
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	65,672	61,188
Comprehensive income attributable to non-controlling interests	4,626	6,161

(3) Consolidated Statements of Cash Flows

Three months ended March 31, 2021 and 2022

	Millions of yen	
	Three months ended March 31, 2021 (January 1— March 31, 2021)	Three months ended March 31, 2022 (January 1— March 31, 2022)
Cash flows from operating activities:		
Income before income taxes	52,767	50,535
Depreciation	12,901	13,544
Increase (decrease) in allowance for doubtful accounts	(525)	228
Increase (decrease) in retirement benefit liability	2,918	306
Decrease (increase) in retirement benefit asset	(2,468)	(1,367)
Interest and dividend income	(684)	(1,217)
Interest expenses	530	664
Share of (profit) loss of entities accounted for using equity method	(1,279)	(1,250)
Loss (gain) on sales of property, plant and equipment and intangible assets	(26)	(59)
Loss on disposal of property, plant and equipment and intangible assets	115	123
Loss (gain) on sale of investment securities	—	(4,882)
Decrease (increase) in notes and accounts receivable – trade	(39,071)	(29,681)
Decrease (increase) in sales finance receivables	(1,816)	(10,654)
Decrease (increase) in inventories	(32,316)	(38,391)
Increase (decrease) in notes and accounts payable – trade	26,499	19,195
Other, net	9,130	4,937
Subtotal	26,674	2,031
Interest and dividend income received	1,096	1,215
Interest expenses paid	(606)	(740)
Income taxes paid	(7,279)	(15,051)
Net cash provided by (used in) operating activities	19,884	(12,545)

	Millions of yen	
	Three months ended March 31, 2021 (January 1— March 31, 2021)	Three months ended March 31, 2022 (January 1— March 31, 2022)
Cash flows from investing activities:		
Payments into time deposits	(504)	(1,118)
Proceeds from withdrawal of time deposits	516	1,002
Purchase of property, plant and equipment and intangible assets	(13,126)	(14,969)
Proceeds from sales of property, plant and equipment and intangible assets	625	1,633
Purchase of investment securities	(679)	(1,380)
Proceeds from sales of investment securities	—	21,651
Payments of long-term loans receivable	(14)	(16)
Collection of long-term loans receivable	25	26
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(664)	—
Other, net	(124)	29
Net cash provided by (used in) investing activities	(13,948)	6,857
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	1,531	39,545
Proceeds from long-term loans payable	13,231	21,538
Repayment of long-term loans payable	(4,285)	(10,029)
Net decrease (increase) in treasury shares	(0)	(0)
Cash dividends paid	(20,968)	(22,483)
Dividends paid to non-controlling interests	(59)	(72)
Other, net	(997)	(624)
Net cash provided by (used in) financing activities	(11,547)	27,874
Effect of exchange rate change on cash and cash equivalents	5,415	5,835
Net increase (decrease) in cash and cash equivalents	(196)	28,021
Cash and cash equivalents at beginning of period	267,180	274,936
Cash and cash equivalents at end of period	266,983	302,957

(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 three 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 three months of the fiscal year ending December 31, 2022, “property, plant and equipment” increased by ¥7,856 million, “other” in current liabilities increased by ¥1,638 million, and “other” in non-current liabilities increased by ¥6,275 million. The impact on operating income, ordinary income, income before income taxes, and net income for the first three 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

Three months ended March 31, 2021 (January 1, 2021 through March 31, 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	290,432	97,514	27,110	11,255	426,312	17,808	444,120	—	444,120
Intersegment	—	—	—	—	—	11,190	11,190	(11,190)	—
Total	290,432	97,514	27,110	11,255	426,312	28,998	455,311	(11,190)	444,120
Segment income (Note 2)	19,881	19,307	3,090	4,747	47,027	1,224	48,252	—	48,252

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.

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

Significant Subsequent Events

(Acquisition of treasury shares)

The Company resolved the following items related to the acquisition 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 March 23, 2022, and has been acquiring treasury shares since April 1, 2022.

1. Reason for Acquisition of Treasury Shares

The objective is to improve shareholder returns and capital efficiency.

2. Details of Items Related to Acquisition

- | | |
|--|--|
| (1) Type of shares to be acquired: | Common stock of the Company |
| (2) Total number of shares to be acquired: | 11,000,000 shares (maximum)
(Representing 3.18% of outstanding shares, excluding treasury shares) |
| (3) Total amount of acquisition: | ¥20.0 billion (maximum) |
| (4) Acquisition period: | April 1, 2022 to June 23, 2022 |
| (5) Acquisition method: | Purchase on the Tokyo Stock Exchange market |

3. Acquisition Status as of the End of April 2022

- | | |
|--------------------------------------|---|
| (1) Type of shares acquired: | Common stock of the Company |
| (2) Total number of shares acquired: | 3,048,700 shares |
| (3) Total amount of acquisition: | ¥8,040,894,799 |
| (4) Acquisition period: | April 1 to April 28, 2022 (contract basis) |
| (5) Acquisition method: | Purchase on the Tokyo Stock Exchange market |