

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

November 7, 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:

Mikio Muramatsu, General Manager, Finance & Accounting Division
Phone: +81-538-32-1144

Filing of quarterly securities report (scheduled):

November 8, 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 Nine Months Ended September 30, 2023

(January 1, 2023 through September 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	%
Nine months ended September 30, 2023	1,835,211	9.4	208,236	19.5	205,895	8.4	149,304	12.2
Nine months ended September 30, 2022	1,677,127	23.1	174,185	12.6	189,953	18.3	133,073	(2.9)

Note: Comprehensive income

Nine months ended September 30, 2023:	¥239,963 million	[1.3%]
Nine months ended September 30, 2022:	¥236,773 million	[37.9%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
Nine months ended September 30, 2023	444.84	444.71
Nine months ended September 30, 2022	389.21	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	2,526,784	1,202,234	45.3
As of December 31, 2022	2,183,291	1,054,298	45.9

Reference: Shareholders' equity

As of September 30, 2023:	¥1,144,434 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	—	72.50	—		
Fiscal year ending December 31, 2023 (forecast)				72.50	145.00

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
	2,500,000	11.2	250,000	11.2	250,000	4.5	180,000	3.2	538.19

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

*The Company has purchased treasury shares based on the resolution of the Board of Directors held on February 13, 2023, and the impact of the purchase of treasury shares has been taken into "Earnings per share – basic" for Forecast of Consolidated Financial Results.

(*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

Nine months ended September 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

Nine months ended September 30, 2023	19,706,852 shares	Fiscal year ended December 31, 2022	12,002,305 shares
--------------------------------------	-------------------	-------------------------------------	-------------------

3) Average number of shares during period

Nine months ended September 30, 2023	335,636,132 shares	Nine months ended September 30, 2022	341,903,865 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	11
Segment Information	12
Significant Subsequent Events.....	13

Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

As of December 31, 2022 and September 30, 2023

	Millions of yen	
	As of December 31, 2022	As of September 30, 2023
ASSETS		
Current assets:		
Cash and deposits	288,780	305,146
Notes and accounts receivable – trade, and contract assets	187,410	197,342
Short-term sales finance receivables	230,131	324,973
Merchandise and finished goods	285,432	342,368
Work in process	115,755	116,040
Raw materials and supplies	124,658	133,804
Other	90,921	114,915
Allowance for doubtful accounts	(17,408)	(21,084)
Total current assets	1,305,683	1,513,507
Non-current assets:		
Property, plant and equipment	390,978	422,059
Intangible assets	39,640	48,683
Investments and other assets		
Long-term sales finance receivables	256,382	336,034
Other	195,283	222,303
Allowance for doubtful accounts	(4,677)	(15,803)
Total investments and other assets	446,988	542,534
Total non-current assets	877,607	1,013,276
Total assets	2,183,291	2,526,784

	Millions of yen	
	As of December 31, 2022	As of September 30, 2023
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	148,133	164,515
Electronically recorded obligations – operating	29,597	3,384
Short-term loans payable	172,985	228,113
Current portion of bonds payable	5,156	14,670
Current portion of long-term loans payable	152,969	91,376
Income taxes payable	25,761	25,148
Provision for bonuses	18,796	30,172
Provision for product warranties	18,176	21,235
Other provision	3,159	3,964
Other	178,135	199,948
Total current liabilities	752,873	782,531
Non-current liabilities:		
Bonds payable	21,575	48,855
Long-term loans payable	250,002	383,454
Net defined benefit liability	49,297	53,403
Other provision	638	769
Other	54,604	55,536
Total non-current liabilities	376,119	542,018
Total liabilities	1,128,992	1,324,549
NET ASSETS		
Shareholders' equity:		
Capital stock	86,100	86,100
Capital surplus	68,050	68,113
Retained earnings	894,049	992,110
Treasury shares	(31,725)	(61,388)
Total shareholders' equity	1,016,475	1,084,935
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	29,166	28,237
Revaluation reserve for land	10,427	9,893
Foreign currency translation adjustment	(55,717)	18,902
Remeasurements of defined benefit plans	2,721	2,464
Total accumulated other comprehensive income	(13,401)	59,498
Non-controlling interests	51,225	57,800
Total net assets	1,054,298	1,202,234
Total liabilities and net assets	2,183,291	2,526,784

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

Nine months ended September 30, 2022 and 2023

Consolidated Statements of Income

	Millions of yen	
	Nine months ended September 30, 2022 (January 1— September 30, 2022)	Nine months ended September 30, 2023 (January 1— September 30, 2023)
Net sales	1,677,127	1,835,211
Cost of sales	1,213,712	1,292,304
Gross profit	463,415	542,906
Selling, general and administrative expenses	289,229	334,670
Operating income	174,185	208,236
Non-operating income:		
Interest income	3,195	6,227
Share of profit of entities accounted for using equity method	4,151	4,065
Foreign exchange gains	6,934	—
Other	9,189	5,157
Total non-operating income	23,470	15,450
Non-operating expenses:		
Interest expenses	2,731	6,093
Loss on valuation of investment securities	1,395	3,376
Other	3,576	8,321
Total non-operating expenses	7,703	17,791
Ordinary income	189,953	205,895
Extraordinary income:		
Gain on sales of non-current assets	707	1,038
Gain on sales of investment securities	4,882	—
Total extraordinary income	5,590	1,038
Extraordinary losses:		
Loss on sales of non-current assets	39	71
Loss on disposal of non-current assets	743	916
Impairment loss	—	1,439
Loss on sales of investment securities	128	357
Total extraordinary losses	911	2,786
Income before income taxes	194,632	204,147
Income taxes – current	46,794	61,945
Income taxes – deferred	2,687	(17,396)
Total income taxes	49,481	44,548
Net income	145,150	159,598
Net income attributable to non-controlling interests	12,076	10,293
Net income attributable to owners of parent	133,073	149,304

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Nine months ended September 30, 2022 (January 1— September 30, 2022)	Nine months ended September 30, 2023 (January 1— September 30, 2023)
Net income	145,150	159,598
Other comprehensive income:		
Valuation difference on available-for-sale securities	(11,139)	(922)
Foreign currency translation adjustment	98,076	79,788
Remeasurements of defined benefit plans, net of tax	1,508	(239)
Share of other comprehensive income of entities accounted for using equity method	3,178	1,739
Total other comprehensive income	91,623	80,365
Comprehensive income:	236,773	239,963
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	218,582	222,792
Comprehensive income attributable to non-controlling interests	18,191	17,170

(3) Consolidated Statements of Cash Flows

Nine months ended September 30, 2022 and 2023

	Millions of yen	
	Nine months ended September 30, 2022 (January 1— September 30, 2022)	Nine months ended September 30, 2023 (January 1— September 30, 2023)
Cash flows from operating activities:		
Income before income taxes	194,632	204,147
Depreciation	43,096	46,491
Impairment loss	—	1,439
Increase (decrease) in allowance for doubtful accounts	1,435	4,392
Increase (decrease) in retirement benefit liability	877	527
Decrease (increase) in retirement benefit asset	(2,698)	(1,772)
Interest and dividend income	(3,691)	(6,760)
Interest expenses	2,731	6,093
Share of (profit) loss of entities accounted for using equity method	(4,151)	(4,065)
Loss (gain) on sales of property, plant and equipment and intangible assets	(668)	(966)
Loss on disposal of property, plant and equipment and intangible assets	743	916
Loss (gain) on sales of investment securities	(4,754)	357
Decrease (increase) in trade receivables	(15,392)	10,102
Decrease (increase) in sales finance receivables	(38,467)	(90,985)
Decrease (increase) in inventories	(51,934)	(12,303)
Increase (decrease) in trade payables	18,138	(20,119)
Other, net	2,276	27,956
Subtotal	142,173	165,451
Interest and dividend income received	5,937	9,883
Interest expenses paid	(2,807)	(6,129)
Income taxes paid	(44,056)	(69,782)
Net cash provided by (used in) operating activities	101,245	99,422

	Millions of yen	
	Nine months ended September 30, 2022 (January 1— September 30, 2022)	Nine months ended September 30, 2023 (January 1— September 30, 2023)
Cash flows from investing activities:		
Payments into time deposits	(4,359)	(4,367)
Proceeds from withdrawal of time deposits	4,154	4,369
Purchase of property, plant and equipment and intangible assets	(53,665)	(75,522)
Proceeds from sales of property, plant and equipment and intangible assets	5,633	5,738
Purchase of investment securities	(10,431)	(13,505)
Proceeds from sales of investment securities	22,258	3
Payments of long-term loans receivable	(59)	(240)
Collection of long-term loans receivable	82	88
Other, net	(9)	975
Net cash provided by (used in) investing activities	(36,396)	(82,460)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	43,400	25,788
Proceeds from long-term loans payable	43,175	197,213
Repayment of long-term loans payable	(27,998)	(160,940)
Proceeds from issuance of bonds	15,840	34,800
Redemption of bonds	—	(5,990)
Net decrease (increase) in treasury shares	(20,002)	(30,092)
Dividends paid	(41,932)	(47,093)
Dividends paid to non-controlling interests	(6,443)	(10,507)
Other, net	(4,036)	(4,862)
Net cash provided by (used in) financing activities	2,002	(1,685)
Effect of exchange rate change on cash and cash equivalents	11,839	(65)
Net increase (decrease) in cash and cash equivalents	78,691	15,210
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	353,627	312,354

(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; hereinafter the "Fair Value Measurement Guidance") 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 Fair Value Measurement Guidance, the Company has prospectively applied the new accounting policy provided in the Fair Value Measurement Guidance. 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

Nine months ended September 30, 2022 (January 1, 2022 through September 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	1,085,341	398,700	87,840	44,602	1,616,485	60,641	1,677,127	—	1,677,127
Intersegment	—	—	—	—	—	43,691	43,691	(43,691)	—
Total	1,085,341	398,700	87,840	44,602	1,616,485	104,332	1,720,818	(43,691)	1,677,127
Segment income (loss) (Note 2)	66,172	84,263	10,929	13,484	174,849	(663)	174,185	—	174,185

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.

Nine months ended September 30, 2023 (January 1, 2023 through September 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	1,199,874	431,374	70,592	61,354	1,763,196	72,014	1,835,211	—	1,835,211
Intersegment	—	—	—	—	—	45,047	45,047	(45,047)	—
Total	1,199,874	431,374	70,592	61,354	1,763,196	117,061	1,880,258	(45,047)	1,835,211
Segment income (loss) (Note 2)	106,008	94,441	(1,305)	10,061	209,206	(970)	208,236	—	208,236

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.

Significant Subsequent Events

(Stock Split, Partial Amendment to the Articles of Incorporation)

The Company resolved to implement a stock split, and accordingly, partially amend the Articles of Incorporation.

1. Purpose of the stock split

The purpose is to expand the investor base by reducing the Company's stock price per investment unit.

2. Overview of the stock split

(1) Method of the stock split

Each share of common stock owned by shareholders recorded in the closing register of shareholders on the record date of Sunday, December 31, 2023 will be split into 3 shares per share.

Since this day falls on a non-business day of the shareholder registry administrator, the substantial record date will be Friday, December 29, 2023.

(2) Number of shares to be increased by the stock split

Total number of issued shares before the stock split	350,217,467 shares
Number of shares to be increased by the stock split	700,434,934 shares
Total number of issued shares following the stock split	1,050,652,401 shares
Total number of authorized shares following the stock split	2,700,000,000 shares

(3) Schedule of the stock split

Public notice of record date	Friday, December 15, 2023
Record date	Sunday, December 31, 2023
Effective date	Monday, January 1, 2024

(4) Effect on per share information

Per share information assuming that the stock split was conducted at the beginning of the fiscal year ended December 31, 2022 are as follows.

	Nine months ended September 30, 2022 (January 1 – September 30, 2022)	Nine months ended September 30, 2023 (January 1 - September 30, 2023)
Earnings per share – basic	129.74 yen	148.24 yen
Earnings per share - diluted	-	148.24 yen

Note: Earnings per share - diluted is not shown as there are no dilutive securities for the nine months ended September 30, 2022.

(5) Others

1) There is no change in the amount of stated capital as a result of this stock split.

2) As the stock split takes effect on Monday, January 1, 2024, the year-end dividend for the fiscal year ended December 2023 which has a dividend record date of Sunday, December 31, 2023 will be paid based on the shares before the stock split.

3. Partial amendment to the Articles of Incorporation in connection with the stock split

(1) Reason for the amendment

In connection with the stock split, an associated part of the Articles of Incorporation will be amended effective Monday, January 1, 2024 in accordance with Article 184, Paragraph 2 of the Companies Act.

(2) Details of the amendment

The details of the amendment are as follows.

(Underlined parts indicate the amendments.)

Current Articles of Incorporation	Proposed amendment
(Maximum Number of Shares to Be Issued) Article 6. The maximum number of shares which the Company can issue is <u>900,000,000</u> .	(Maximum Number of Shares to Be Issued) Article 6. The maximum number of shares which the Company can issue is <u>2,700,000,000</u> .

(3) Schedule of the amendment

Date of resolution by Board of Directors

Tuesday, November 7, 2023

Effective Date

Monday, January 1, 2024