

**Business Results for the First Six Months of the Fiscal Year
Ending December 31, 2021
(January 1, 2021 through June 30, 2021)
(Japanese GAAP)**

August 5, 2021

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

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Filing of quarterly securities report (scheduled):

August 6, 2021

Beginning of payment of dividends (scheduled):

September 10, 2021

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, 2021

(January 1, 2021 through June 30, 2021)

(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, 2021	920,053	34.2	109,163	471.9	115,076	454.8	93,058	—
Six months ended June 30, 2020	685,499	(19.9)	19,087	(72.3)	20,743	(70.5)	(2,758)	—

Note: Comprehensive income

Six months ended June 30, 2021:	¥128,372 million	[—%]
Six months ended June 30, 2020:	¥(33,189) million	[—%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
Six months ended June 30, 2021	266.28	—
Six months ended June 30, 2020	(7.90)	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	1,797,845	852,753	45.4
As of December 31, 2020	1,640,913	749,158	43.6

Reference: Shareholders' equity

As of June 30, 2021:	¥815,342 million
As of December 31, 2020:	¥714,644 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, 2020	—	0.00	—	60.00	60.00
Fiscal year ending December 31, 2021	—	50.00			
Fiscal year ending December 31, 2021 (forecast)			—	50.00	100.00

Note: Revision to the most recently announced dividend forecast for the fiscal year ending December 31, 2021 was made.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2021

(January 1, 2021 through December 31, 2021)

*% represents year-on-year rate.

Fiscal year ending December 31, 2021	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
	1,850,000	25.7	160,000	95.9	165,000	88.2	112,000	111.0	320.46

Note: Revision to the most recently announced consolidated financial results forecast for the fiscal year ending December 31, 2021 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: None

2) Changes in accounting policies arising from other factors: None

3) Changes in accounting estimates: None

4) Restatement for correction of errors: None

(4) Number of shares outstanding (Common stock)

1) Number of shares outstanding at end of period, including treasury shares

Six months ended June 30, 2021	350,217,467 shares	Fiscal year ended December 31, 2020	350,122,835 shares
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2) Number of shares of treasury shares at end of period

Six months ended June 30, 2021	691,048 shares	Fiscal year ended December 31, 2020	689,820 shares
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3) Average number of shares during period

Six months ended June 30, 2021	349,472,811 shares	Six months ended June 30, 2020	349,372,051 shares
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(*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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Significant Changes in Business Risks

In the first six months of the fiscal year ending December 31, 2021, the following are significant changes to the business risks described in the securities report for the previous fiscal year.

The number attached to the following headings is the item number in the securities report for the previous fiscal year, and changes are underlined below.

Matters relating to the future in this document are based on the assumptions and beliefs of the Group in light of the information as of the first six months of the fiscal year ending December 31, 2021.

(5) Dependence on specific suppliers for procurement of raw materials and parts

The Group procures raw materials and parts used in the manufacture of its products from a number of suppliers outside the Group, and is dependent on specific suppliers for some of these items. Although the Group are taking measures such as switching to compatible parts and raw materials, and securing the number of parts and materials by providing long-term unofficial quantity quotations, the Group may not be able to continue procuring these raw materials and parts efficiently and at a stable cost due to market conditions, disasters, or other factors beyond our control. It may affect the operating results and financial position of the Group. At present, the prices of raw materials such as rhodium, iron, aluminum, and resin are rising sharply, and the global shortage of semiconductors continues. If the price of raw materials rises higher than expected or the shortage of semiconductors continues for a prolonged period, it may affect the operating results and financial position of the Group.

(12) Natural Disasters, Epidemics, Pandemic, Wars, Terrorism, Strikes, Protests, etc.

In the event of natural disasters, epidemics, pandemic, wars, terrorism, strikes, protests, etc., the operations of the Group may be delayed or interrupted. Furthermore, if the factories of the Group are directly damaged, it may affect the operating results and financial position of the Group. Since the Group's main factories in Japan are concentrated near the epicenter of the anticipated Nankai Trough earthquake, the Group is taking measures such as seismic reinforcement works for major buildings to minimize damage and establishing a system to enable early restoration after a disaster. The Group also takes out earthquake insurances for buildings, inventory, etc. owned by the Group. In addition, the Group has established a business continuity plan for outbreaks of new strains of influenza. Although the Group are continuously reviewing these measures and insurances, in some cases, disasters that exceed the Group's expectation may occur.

In response to the outbreak of COVID-19, the Group will continue to work unitedly in providing various responses and measures to minimize damage in accordance with the business continuity plan for outbreaks of new strains of influenza. However, since the beginning of this year, the spread of COVID-19 has resulted in temporary suspended operations and reduced operation rates in India, Indonesia, Taiwan, Thailand, Malaysia, and other countries. If the impact of COVID-19 continues to spread and become more prolonged than expected, it may affect the operating results and financial position of the Group.

Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

As of December 31, 2020 and June 30, 2021

	Millions of yen	
	As of December 31, 2020	As of June 30, 2021
ASSETS		
Current assets:		
Cash and deposits	272,373	307,522
Notes and accounts receivable – trade	145,997	183,807
Short-term sales finance receivables	149,746	150,572
Merchandise and finished goods	169,829	184,361
Work in process	74,936	85,730
Raw materials and supplies	67,558	82,188
Other	55,781	53,896
Allowance for doubtful accounts	(14,659)	(14,631)
Total current assets	921,563	1,033,447
Non-current assets:		
Property, plant and equipment	338,788	343,092
Intangible assets	11,235	16,730
Investments and other assets		
Long-term sales finance receivables	185,852	203,618
Other	185,725	203,602
Allowance for doubtful accounts	(2,251)	(2,646)
Total investments and other assets	369,325	404,575
Total non-current assets	719,349	764,397
Total assets	1,640,913	1,797,845
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	121,218	130,274
Electronically recorded obligations – operating	22,727	26,356
Short-term loans payable	85,998	85,891
Current portion of bonds payable	2,062	2,349
Current portion of long-term loans payable	24,459	47,441
Provision for product warranties	18,147	18,716
Other provision	16,164	15,861
Other	140,034	158,618
Total current liabilities	430,812	485,509
Non-current liabilities:		
Bonds payable	2,062	10,228
Long-term loans payable	352,354	338,724
Net defined benefit liability	60,421	62,706
Other provision	149	174
Other	45,954	47,748
Total non-current liabilities	460,942	459,582
Total liabilities	891,754	945,091

	Millions of yen	
	As of December 31, 2020	As of June 30, 2021
NET ASSETS		
Shareholders' equity:		
Capital stock	85,973	86,100
Capital surplus	67,973	68,099
Retained earnings	644,350	716,441
Treasury shares	(734)	(736)
Total shareholders' equity	797,563	869,905
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	43,861	46,064
Revaluation reserve for land	10,428	10,427
Foreign currency translation adjustment	(141,133)	(115,376)
Remeasurements of defined benefit plans	3,924	4,321
Total accumulated other comprehensive income	(82,919)	(54,562)
Non-controlling interests	34,514	37,411
Total net assets	749,158	852,753
Total liabilities and net assets	1,640,913	1,797,845

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**
Six months ended June 30, 2020 and 2021
Consolidated Statements of Income

	Millions of yen	
	Six months ended June 30, 2020 (January 1— June 30, 2020)	Six months ended June 30, 2021 (January 1— June 30, 2021)
Net sales	685,499	920,053
Cost of sales	525,039	658,096
Gross profit	160,459	261,957
Selling, general and administrative expenses	141,372	152,793
Operating income	19,087	109,163
Non-operating income:		
Share of profit of entities accounted for using equity method	500	2,918
Foreign exchange gains	1,933	2,533
Other	4,294	4,642
Total non-operating income	6,728	10,094
Non-operating expenses:		
Loss on valuation of investment securities	1,527	1,140
Interest expenses	1,938	1,152
Other	1,607	1,888
Total non-operating expenses	5,073	4,181
Ordinary income	20,743	115,076
Extraordinary income:		
Gain on sales of non-current assets	114	94
Gain on sales of investment securities	15	—
Total extraordinary income	129	94
Extraordinary losses:		
Loss on sales of non-current assets	28	28
Loss on disposal of non-current assets	341	329
Impairment loss	—	368
Loss on sales of investment securities	—	301
Total extraordinary losses	370	1,027
Income before income taxes	20,502	114,144
Income taxes – current	12,587	24,821
Income taxes – deferred	10,253	(8,956)
Total income taxes	22,840	15,864
Net income (loss)	(2,338)	98,279
Net income attributable to non-controlling interests	419	5,221
Net income (loss) attributable to owners of parent	(2,758)	93,058

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Six months ended June 30, 2020 (January 1— June 30, 2020)	Six months ended June 30, 2021 (January 1— June 30, 2021)
Net income (loss)	(2,338)	98,279
Other comprehensive income:		
Valuation difference on available-for-sale securities	(9,322)	2,200
Foreign currency translation adjustment	(21,054)	26,284
Remeasurements of defined benefit plans, net of tax	288	420
Share of other comprehensive income of entities accounted for using equity method	(761)	1,187
Total other comprehensive income	(30,850)	30,093
Comprehensive income:	(33,189)	128,372
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(32,015)	121,417
Comprehensive income attributable to non-controlling interests	(1,173)	6,955

(3) Consolidated Statements of Cash Flows

Six months ended June 30, 2020 and 2021

	Millions of yen	
	Six months ended June 30, 2020 (January 1— June 30, 2020)	Six months ended June 30, 2021 (January 1— June 30, 2021)
Cash flows from operating activities:		
Income before income taxes	20,502	114,144
Depreciation	24,414	25,160
Impairment loss	—	368
Increase (decrease) in allowance for doubtful accounts	5,615	(870)
Increase (decrease) in retirement benefit liability	274	1,773
Decrease (increase) in retirement benefit asset	(918)	(3,031)
Interest and dividend income	(1,802)	(1,870)
Interest expenses	1,938	1,152
Share of (profit) loss of entities accounted for using equity method	(500)	(2,918)
Loss (gain) on sales of property, plant and equipment and intangible assets	(85)	(66)
Loss on disposal of property, plant and equipment and intangible assets	341	329
Decrease (increase) in notes and accounts receivable – trade	5,667	(32,219)
Decrease (increase) in sales finance receivables	(71,657)	5,491
Decrease (increase) in inventories	22,237	(27,491)
Increase (decrease) in notes and accounts payable – trade	(37,534)	8,509
Other, net	5,521	10,657
Subtotal	(25,986)	99,116
Interest and dividend income received	2,678	4,543
Interest expenses paid	(1,881)	(1,153)
Income taxes paid	(12,361)	(14,412)
Net cash provided by (used in) operating activities	(37,551)	88,093

	Millions of yen	
	Six months ended June 30, 2020 (January 1— June 30, 2020)	Six months ended June 30, 2021 (January 1— June 30, 2021)
Cash flows from investing activities:		
Payments into time deposits	(2,303)	(1,457)
Proceeds from withdrawal of time deposits	360	1,538
Purchase of property, plant and equipment and intangible assets	(26,900)	(29,984)
Proceeds from sales of property, plant and equipment and intangible assets	2,627	2,558
Purchase of investment securities	(1,640)	(1,875)
Proceeds from sales of investment securities	63	318
Payments of long-term loans receivable	(54)	(25)
Collection of long-term loans receivable	81	47
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(664)
Other, net	(815)	580
Net cash provided by (used in) investing activities	(28,581)	(28,965)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	205,801	(4,764)
Proceeds from long-term loans payable	184,698	16,384
Repayment of long-term loans payable	(17,827)	(22,002)
Proceeds from issuance of bonds	—	7,248
Net decrease (increase) in treasury shares	(0)	(1)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(13,646)	—
Cash dividends paid	(15,721)	(20,968)
Dividends paid to non-controlling interests	(3,185)	(2,852)
Other, net	(1,887)	(2,844)
Net cash provided by (used in) financing activities	338,230	(29,801)
Effect of exchange rate change on cash and cash equivalents	(3,465)	5,193
Net increase (decrease) in cash and cash equivalents	268,632	34,519
Cash and cash equivalents at beginning of period	122,719	267,180
Cash and cash equivalents at end of period	391,352	301,699

(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

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

Six months ended June 30, 2020 (January 1, 2020 through June 30, 2020)

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	429,039	166,972	37,438	22,599	656,049	29,449	685,499	—	685,499
Intersegment	—	—	—	—	—	18,296	18,296	(18,296)	—
Total	429,039	166,972	37,438	22,599	656,049	47,746	703,795	(18,296)	685,499
Segment income (loss) (Note 2)	(6,719)	25,434	570	294	19,579	(491)	19,087	—	19,087

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.

Six months ended June 30, 2021 (January 1, 2021 through June 30, 2021)

Information concerning net sales, income or loss, by reporting segment

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments	Amounts on statements of income
	Land mobility	Marine products	Robotics	Financial services	Total				
Net sales:									
Outside customers	595,930	205,941	59,223	23,569	884,665	35,388	920,053	—	920,053
Intersegment	—	—	—	—	—	24,497	24,497	(24,497)	—
Total	595,930	205,941	59,223	23,569	884,665	59,886	944,551	(24,497)	920,053
Segment income (Note 2)	44,811	44,047	9,034	9,859	107,753	1,410	109,163	—	109,163

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.