

Business Results for First Half of Fiscal Year Ending December 31, 2022



Yamaha Marine Club Sea-Style
Yamaha Marine Club Sea-Style *JET*

Yamaha Motor Co., Ltd.
August 5, 2022
(Ticker symbol: 7272)

Agenda

Business Results for First half of the Fiscal Year Ending December 31, 2022

HIDAKA, Yoshihiro President, CEO and Representative Director
SHITARA, Motofumi Director and Senior Executive Officer

● Forecast Consolidated Results

The forecast consolidated results stated herein are based on management's assumptions and beliefs in light of information currently available and involve risks and uncertainties. Please be advised that actual results may differ significantly from those discussed in the Forecast Consolidated Results. Potential risks and uncertainties include, but are not limited to, general economic conditions in Yamaha Motor's major markets, changing consumer preferences and currency exchange rate fluctuations.

Outline

Key Points in First Half-Year

FY2022 First Half-Year Summary

In line with forecasts, sales grew but profits fell

- Motorcycle Business
Continued recovery in demand led to higher sales, but the effects of rising costs put profits on par with the previous year
- Marine Products Business
Demand remained robust and increased unit sales of outboard motors resulted in higher sales and profits
- Robotics Business
The Shanghai COVID-19 lockdown and semiconductor supply shortage led to lower sales and profits

FY2022 Forecast: Net Sales of 2,200 billion yen and Operating Income of 200 billion yen

Operating environment

- Projecting continued high costs for raw materials, parts, ocean freight fees, and more
- Expecting semiconductor supply to improve, but to take until next year onward to return to normal. It will likely take some time for supply chains in the U.S. to normalize as well.
- A weakened yen will work in our favor

Market

- Expecting demand to remain strong but there is a continuing need to be wary of economic fluctuations and inflation

Enhance profitability

- Maintain our break-even-point management style by controlling expenses
- Mitigate rising costs through expense reduction measures and passing on costs

Unit Sales by Main Products (First Half-Year)

Supply of outboard motors is on a recovery trend, but there is insufficient motorcycle inventory, mainly for premium segment models.

Product / Region		Vs. 2021		Vs. 2019		Inv* Vs. March 2022
		1Q WS	2Q WS	1Q WS	2Q WS	
Motorcycles	Europe, U.S., Japan	102%	90%	104%	105%	93%
	Indonesia	109%	108%	86%	76%	61%
	Thailand	92%	112%	107%	105%	87%
	Vietnam	92%	111%	88%	118%	79%
	The Philippines	83%	98%	68%	82%	92%
	China	120%	100%	268%	176%	90%
	India	68%	182%	61%	85%	85%
	Brazil	121%	98%	147%	148%	97%
ATVs/ROVs	North America	107%	100%	112%	180%	93%
PAS		79%	69%	96%	90%	—
Outboards	North America, Europe	107%	116%	92%	109%	114%
Surface mounters		68%	98%	144%	181%	—

*Figures for motorcycles, ATVs, and ROVs are for dealer/Yamaha Motor inventory; outboard motor numbers are Yamaha Motor inventory (as of the end of June 2022)

FY2022 First Half-Year Business Results

Recorded our highest-ever net sales numbers for the first half of a fiscal year. Despite the challenging external environment, secured an operating income ratio over 9%.

(¥ Bil.)	2019 First half	2021 First half	2022 First half
Net Sales	855.9	920.1	1,068.9
Operating Income	69.0	109.2	102.4
Operating Income Ratio	8.1%	11.9%	9.6%
Ordinary Income	70.2	115.1	115.4
Net Income*	52.0	93.1	83.0

Vs. 2019	Vs. 2021
125%	116%
148%	94%
+1.5 pts.	-2.3 pts.
164%	100%
160%	89%

EPS (JPY)	148.79	266.28	241.58
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164%	91%
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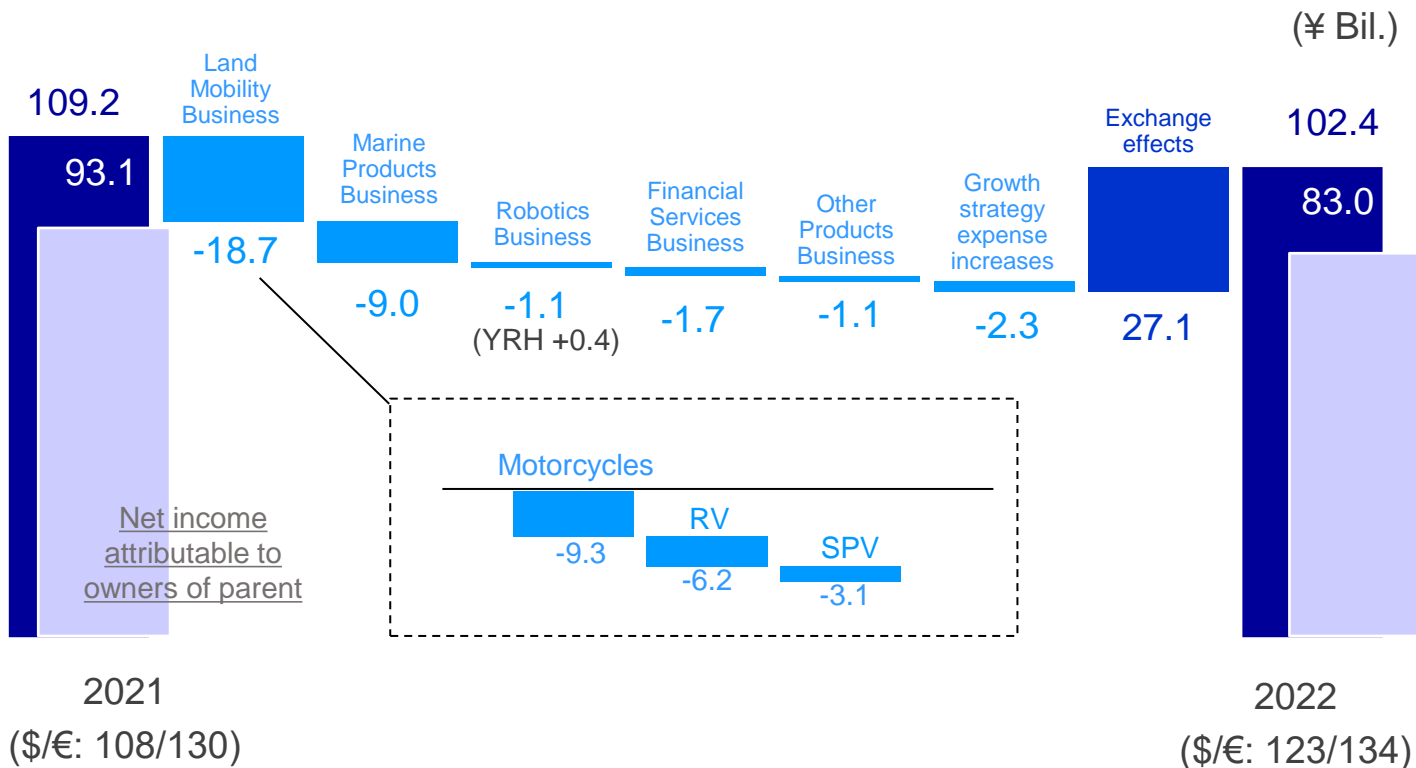
(\$/€)	110/124	108/130	123/134
(\$/IDR/BR\$)	14,126 / 3.8	14,206 / 5.4	14,386 / 5.1

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*Net income attributable to owners of parent.

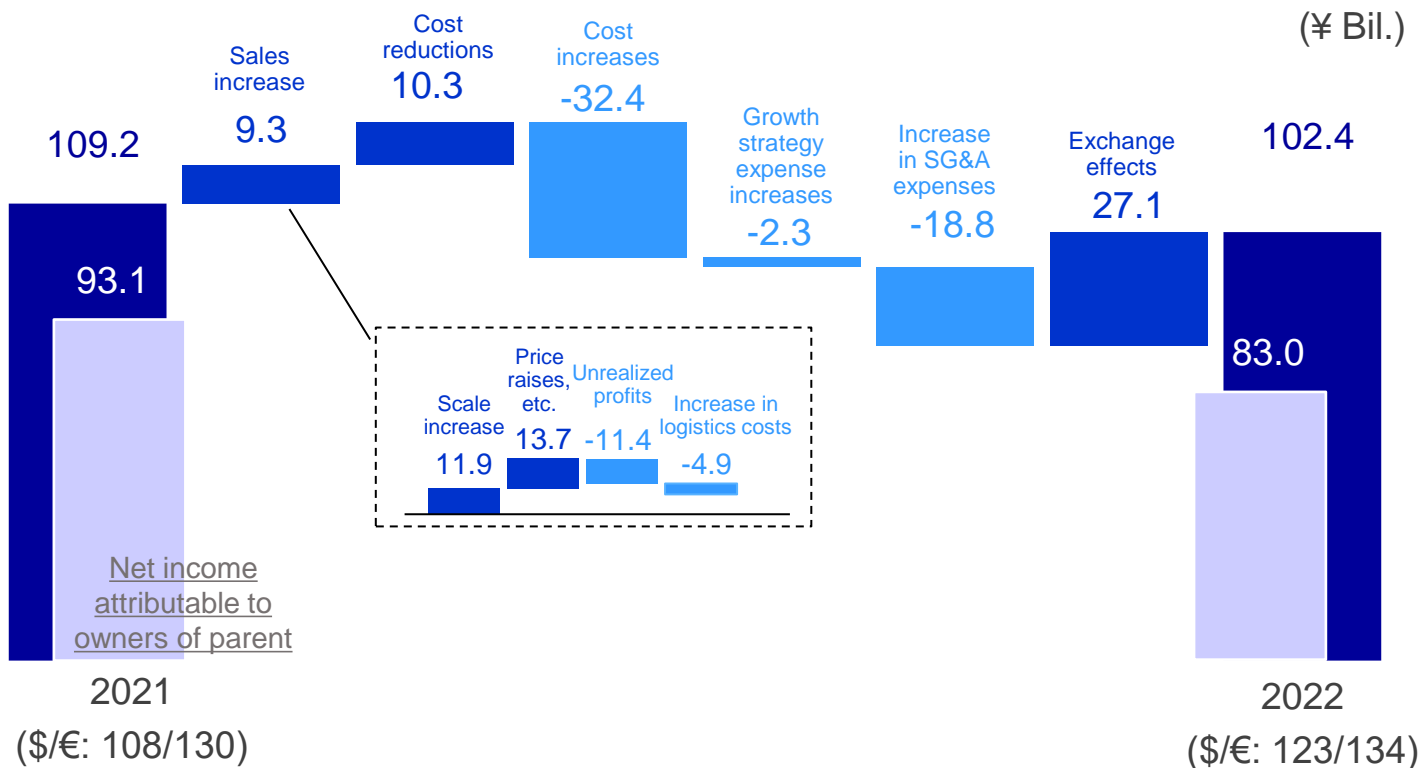
FY2022 First Half-Year – Operating Income Factors (by segment)

Excluding foreign exchange effects, profits declined in all businesses due to cost increases, part shortages, and the Shanghai lockdown.



FY2022 First Half-Year – Operating Income Factors (by factor)

Cost reductions, the passing on of costs, and the depreciating yen absorbed the increases to costs and logistics expenses. Profits decreased slightly due to higher SG&A expenses accompanying the recovery in sales.



Unit Sales (FY2022 Forecast)

Sales expected to increase in the second half due to continued steady demand and a step up in production volume.

Product / Region		(Vs. 2021)			(Vs. 2019)		
		Q1-Q2 Result	Q3-Q4 Forecast	FY2022 Forecast	Q1-Q2 Result	Q3-Q4 Forecast	FY2022 Forecast
Motorcycles	Europe, U.S., Japan	95%	110%	100%	105%	110%	105%
	Indonesia	108%	100%	105%	81%	75%	80%
	Thailand	101%	120%	110%	106%	100%	105%
	Vietnam	100%	145%	120%	101%	95%	100%
	The Philippines	90%	115%	105%	75%	80%	80%
	China	108%	130%	120%	210%	140%	165%
	India	105%	95%	100%	73%	105%	85%
	Brazil	108%	125%	120%	148%	175%	160%
ATVs/ROVs	North America	103%	100%	100%	143%	135%	125%
PAS		74%	125%	100%	93%	160%	135%
Outboards	North America, Europe	111%	110%	110%	109%	145%	120%
Surface mounters		83%	150%	110%	164%	195%	180%

Business Results (FY2022 Forecast)

Forecasting record-high net sales and operating income through the thorough implementation of our break-even-point management style.

(¥ Bil.)	2019 Results	2021 Results	2022 Previous Forecast	2022 Current Forecast	Vs. 2021
Net Sales	1,664.8	1,812.5	2,000.0	2,200.0	121%
Operating Income	115.4	182.3	190.0	200.0	110%
Operating Income Ratio	6.9%	10.1%	9.5%	9.1%	-1.0 pts.
Ordinary Income	119.5	189.4	190.0	210.0	111%
Net Income*	75.7	155.6	130.0	145.0	93%

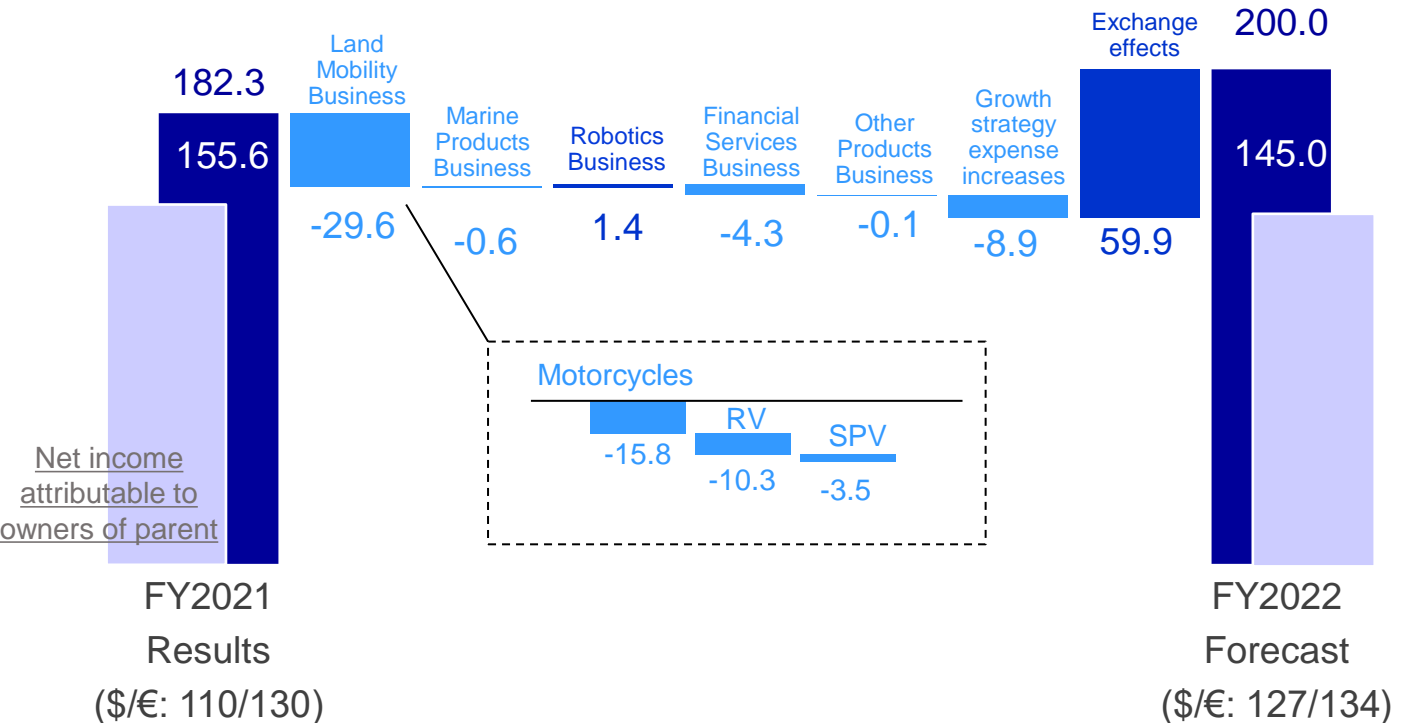
(\$/€)	109/122	110/130	113/128	127/134
(\$/IDR / BR\$)	14,087 / 3.9	14,236 / 5.4	14,300 / 5.6	14,700 / 5.2

*Net income attributable to owners of parent.

FY2022 – Operating Income Factors (2021 vs. current forecast by segment)

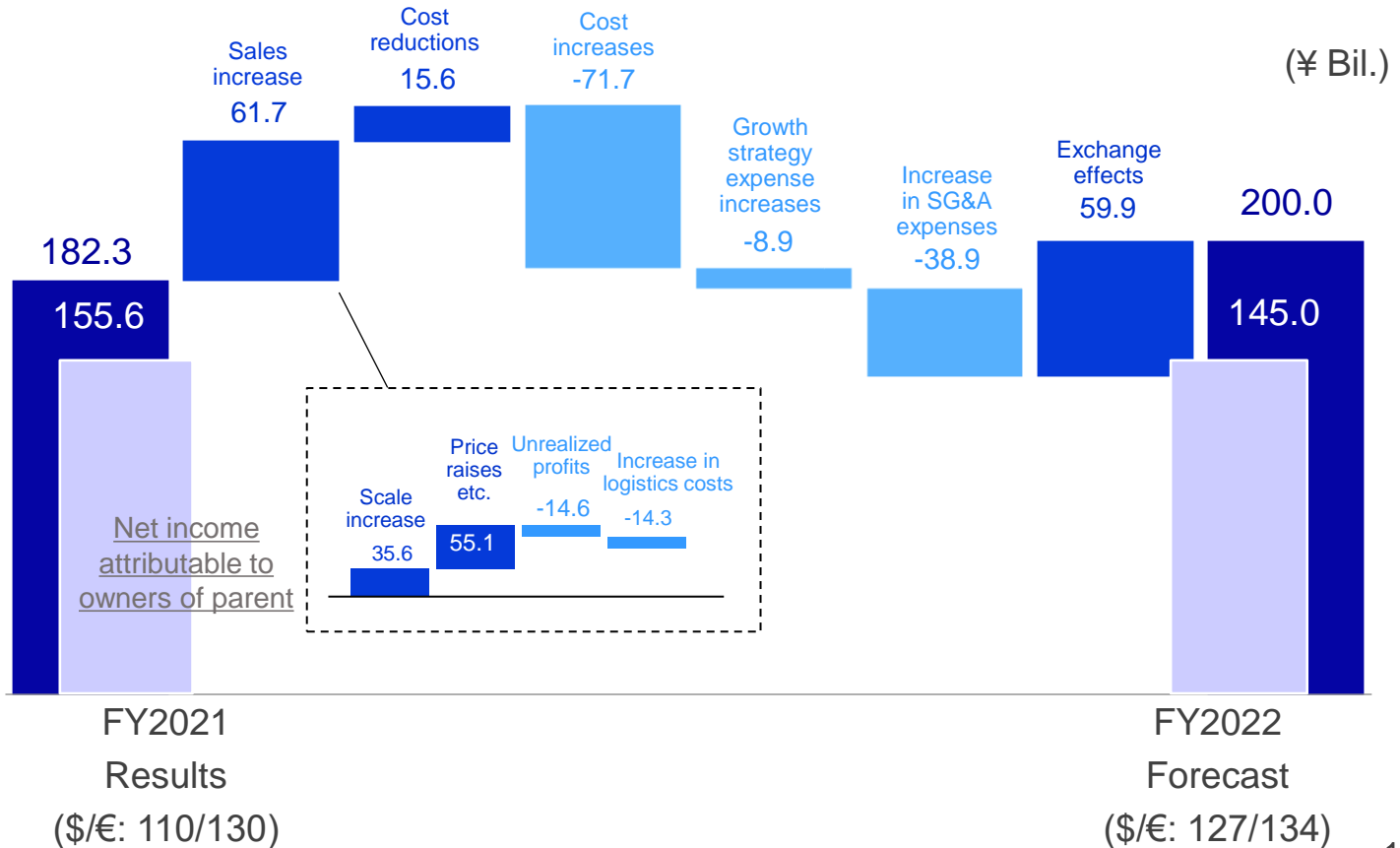
Expecting the Land Mobility business to be significantly affected by supply chain disruptions and cost increases throughout the year.

(¥ Bil.)



FY2022 – Operating Income Factors (2021 vs. current forecast by factor)

Absorb cost increases with cost reductions and cost pass-through. Work to keep sales activity expenses under control.



Medium- to Long-Term Measures Progress Report

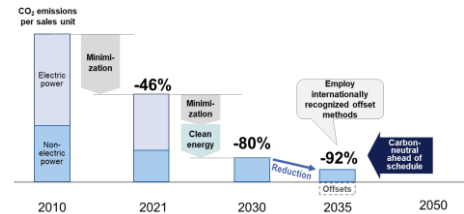
Carbon Neutrality

13 CLIMATE ACTION



Expediting Carbon Neutrality Goal for Company Factories to 2035

Yamaha Motor is moving to achieve a 92% reduction in CO2 emissions (compared to 2010) by 2035 from production operations at its domestic and international factories. Remaining CO2 emissions will be offset by internationally recognized methods to carry out the Company's plan to achieve carbon neutrality at all its factories.



Established Sustainability Investment Fund

We established the Yamaha Motor Sustainability Fund for investing in companies working to address problems concerning the environment. It has a total investment value of \$100 million dollars and will be run for a period of 15 years.

New Business: Low-Speed Automated Vehicles

11 SUSTAINABLE CITIES AND COMMUNITIES



Additional Investment in TIER IV Inc.

We made a third additional investment in TIER IV with the aim of establishing autonomous driving technology as well as promoting its commercialization, including automated transport solutions business for factory grounds.

Collaborative Agreement with JAF

This aims to provide sustainable mobility services by enabling the introduction of low-speed mobility vehicles and after-sales services in areas with insufficient access to or lacking public transportation.



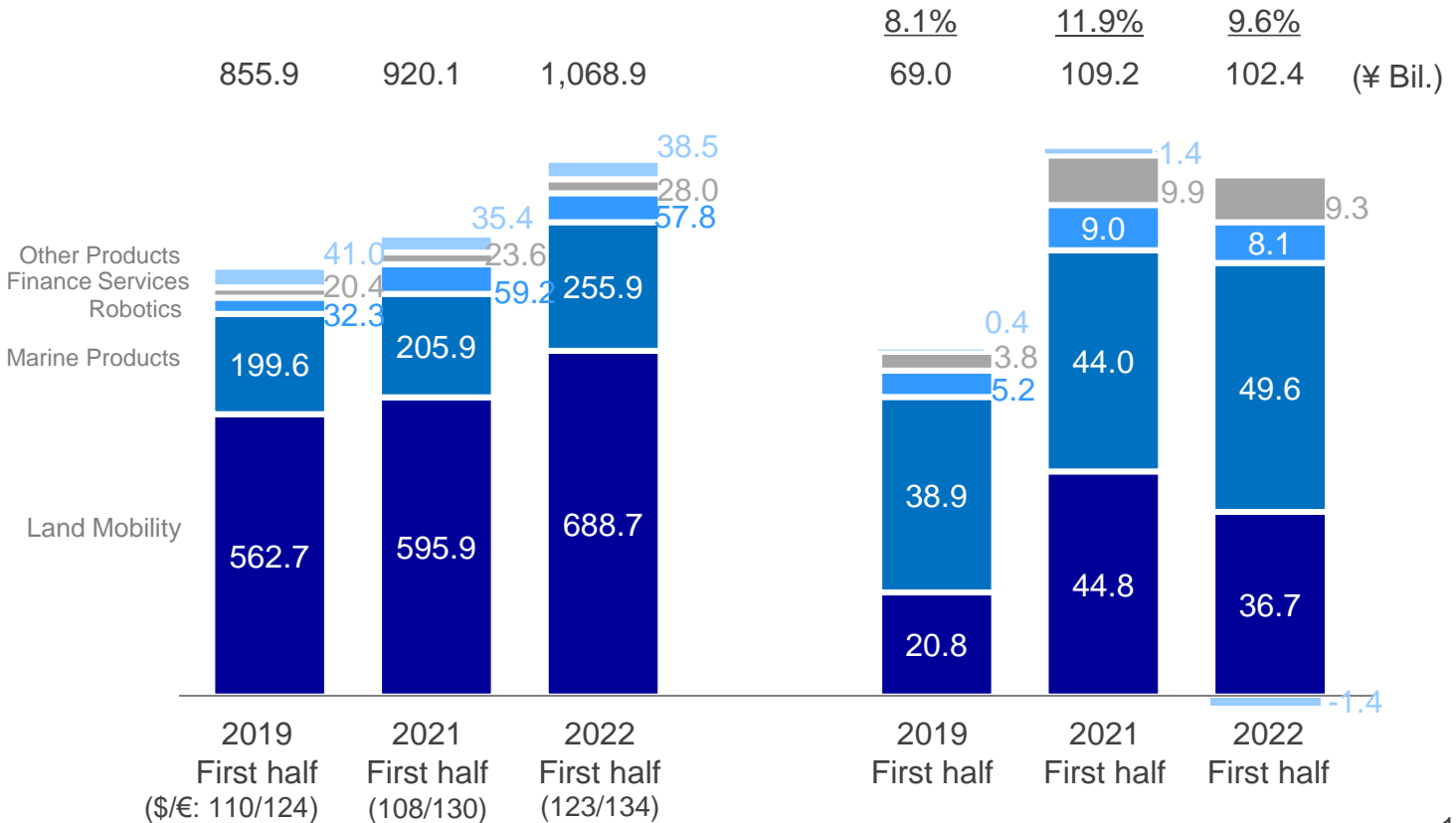
Low-speed mobility service in Tomonoura district of Fukuyama, Hiroshima Pref.

Details by Business Segment

Net Sales and Operating Income by Business

Net Sales

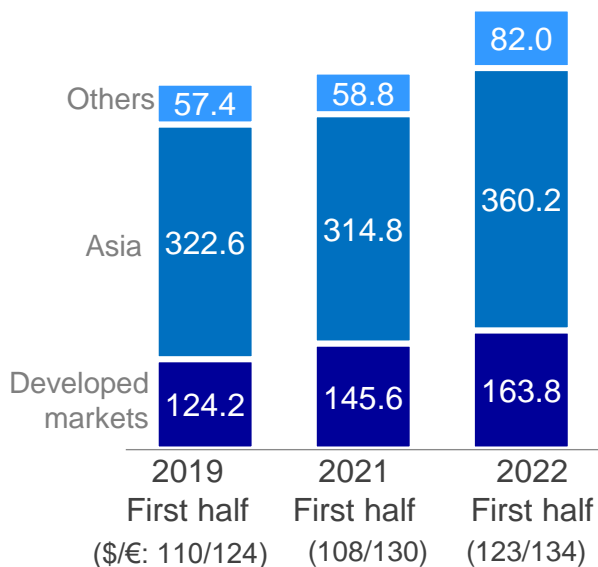
Operating Income



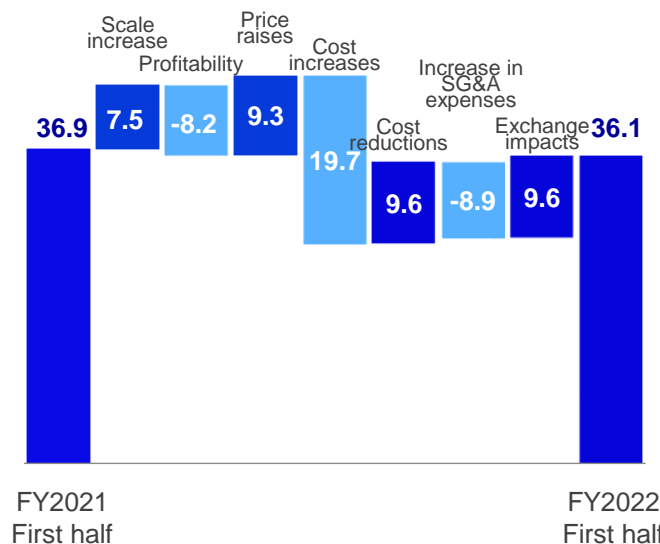
Motorcycle Business

Higher sales in Indonesia, India, and other emerging markets led to higher net sales. Profits were on par with the previous year from reducing costs and implementing pass-throughs to absorb the impact of cost increases and a worsening model mix.

Operating Income Ratio	3.7%	7.1%	6.0%
Net Sales (¥ Bil.)	504.2	519.3	606.0



Breakdown of Operating Income Variances



*2021 figures have been reclassified because the AM allocation was changed from others to developed countries

Marine Products Business

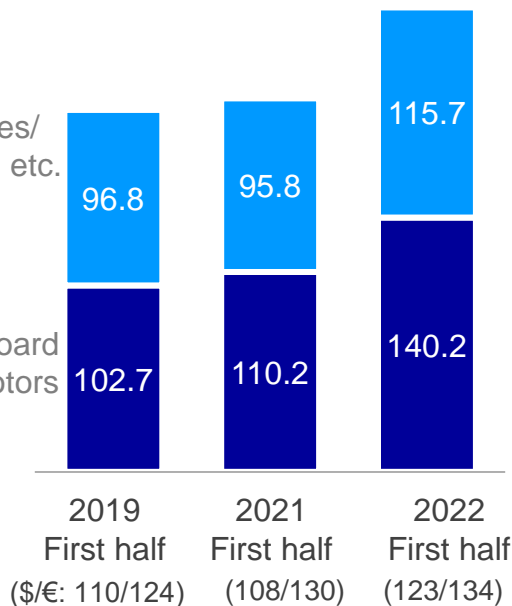
Staycation demand continued and the overall robust demand is expected to remain. Outboard motor and Sports Boat unit sales rose, bringing higher sales and profits.

Operating Income Ratio 19.5% 21.4% 19.5%

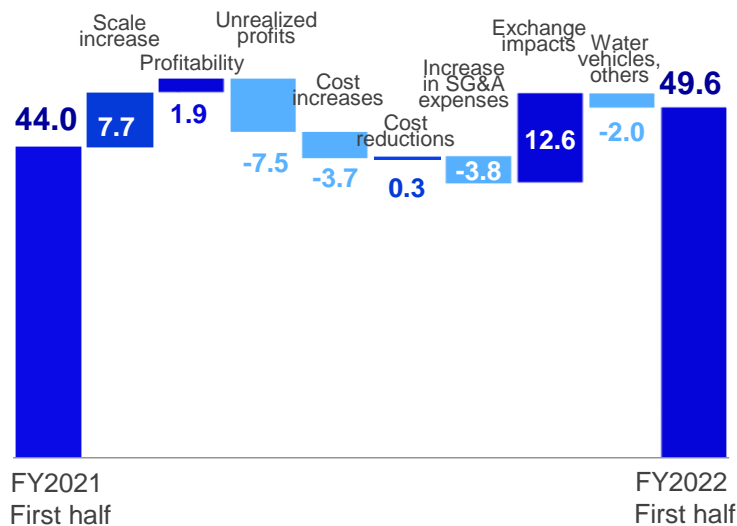
Net Sales (¥ Bil.) 199.6 205.9 255.9

Water Vehicles/Boats, etc.

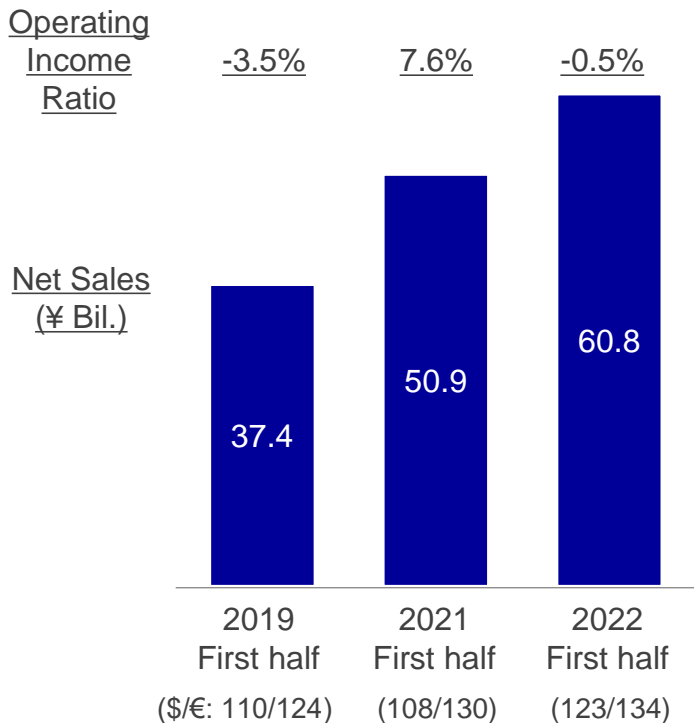
Outboard Motors



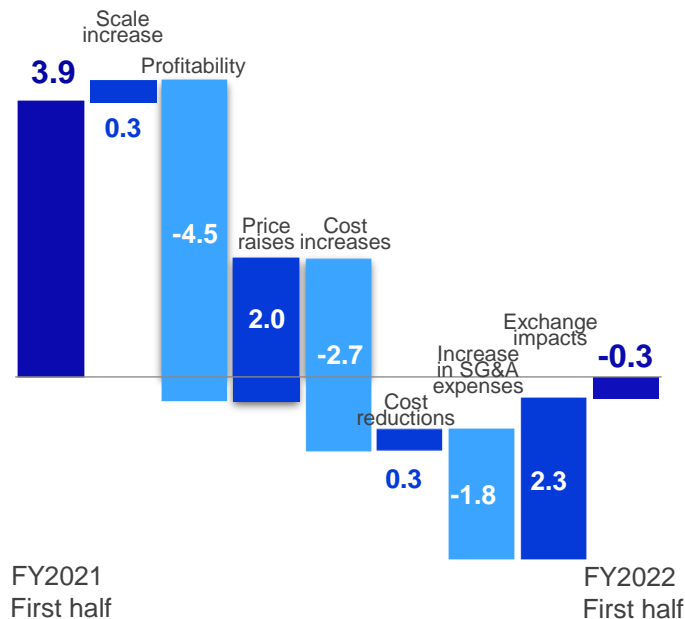
Breakdown of Factors Improving Operating Income



There is robust market demand. Amid ongoing supply chain disruptions, focusing our resources on ROVs brought higher sales. Continuing to carry out improvements to normalize production operations.

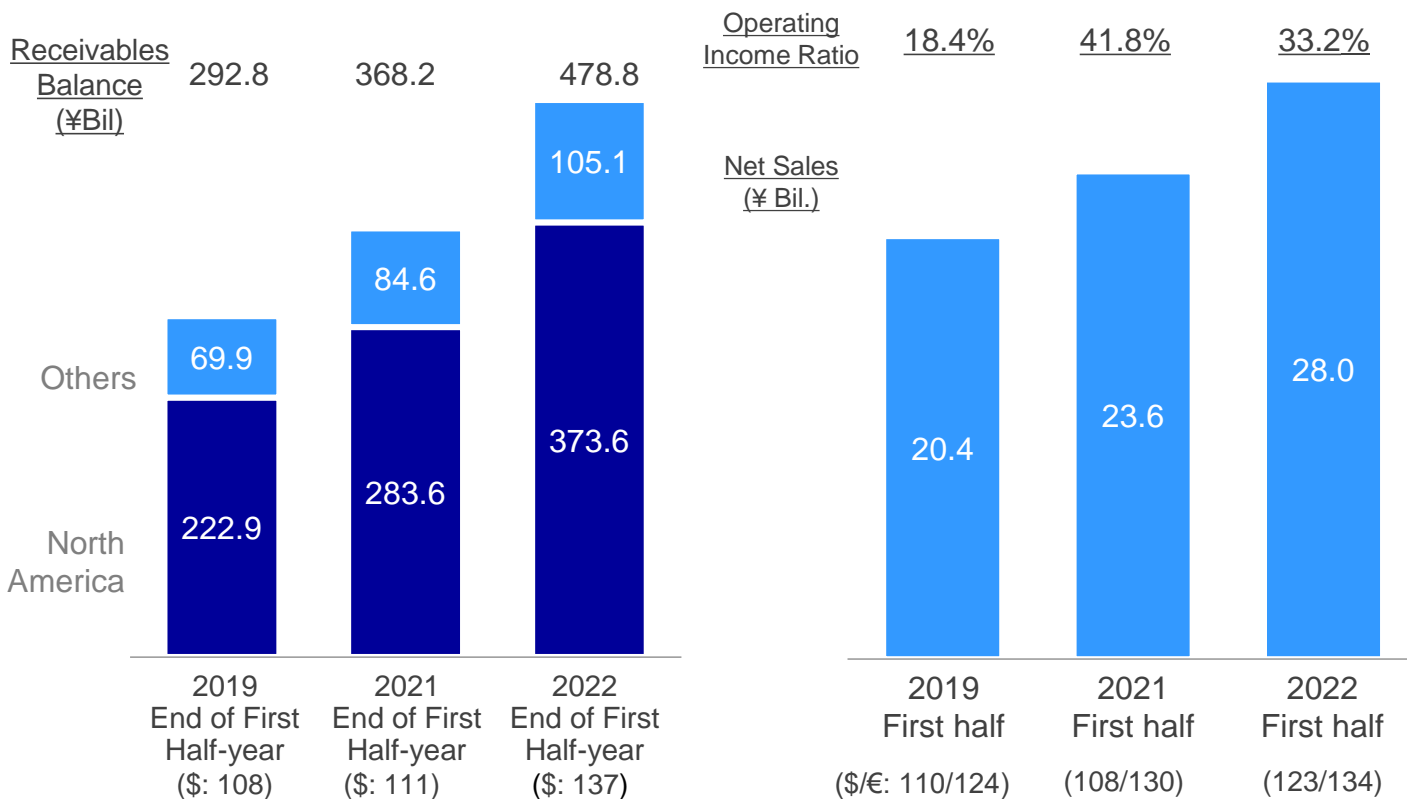


Breakdown of Operating Income Variances



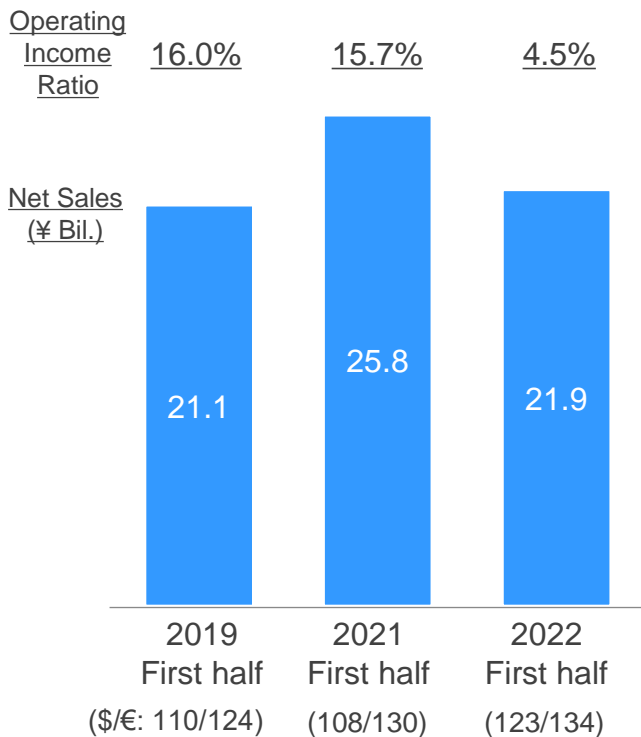
Financial Services Business

Receivables increased in the U.S. and Brazil. Effects manifested from the one-time allowance for doubtful accounts in the previous year.

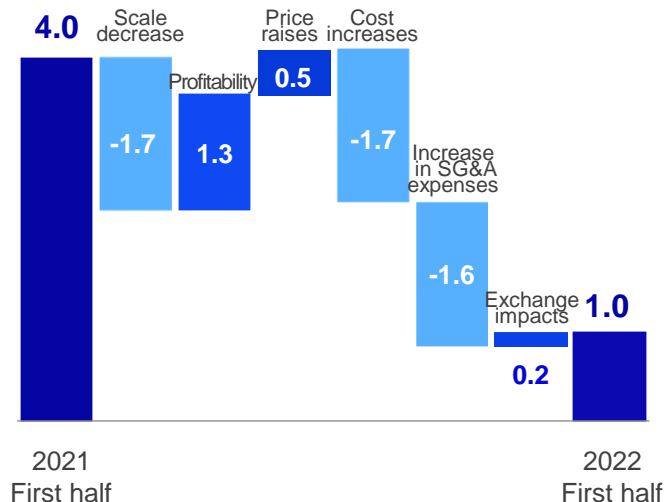


*Rate at end of period.

Production delays occurred due to part supply shortages and the Shanghai lockdown. Profitability suffered due to the impacts of rising costs and provisions for product warranties recorded in Q1. Looking to stage a recovery in the second half of FY2022.

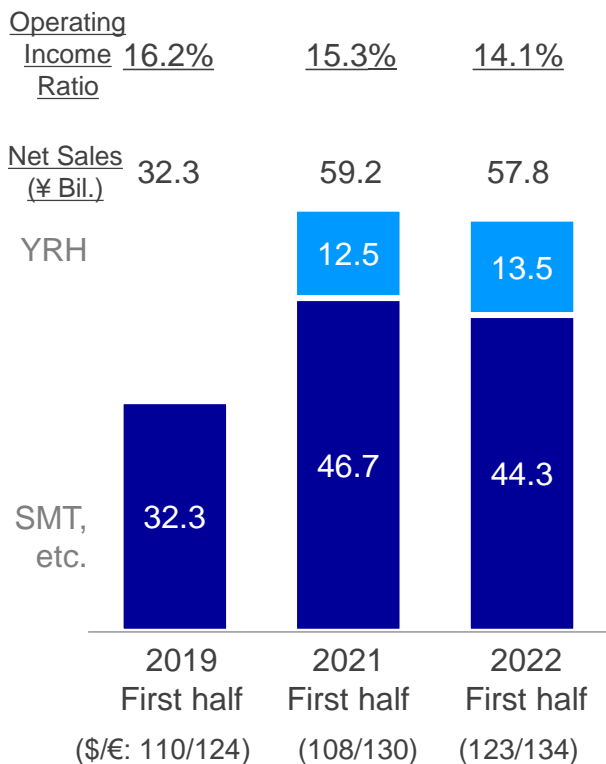


Breakdown of Operating Income Variances

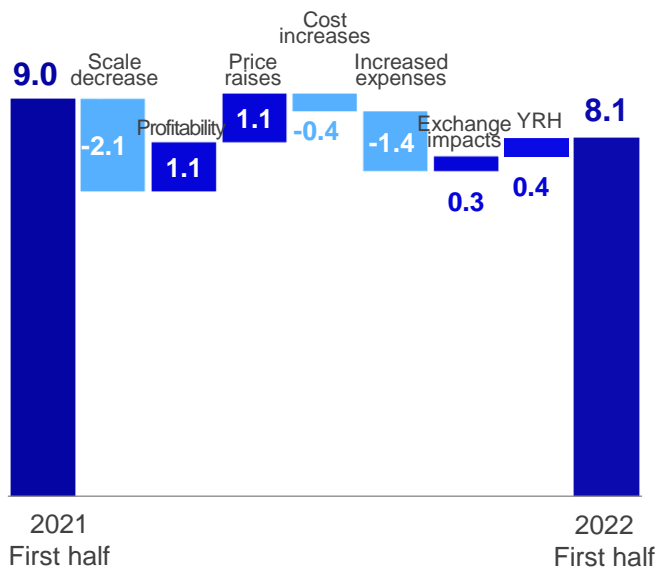


Robotics Business

Sales fell due to the Shanghai lockdown and short supply of semiconductors. Sales for developed markets are robust. From Q4, bolster supply capacity to expand sales.



Breakdown of Operating Income Variances





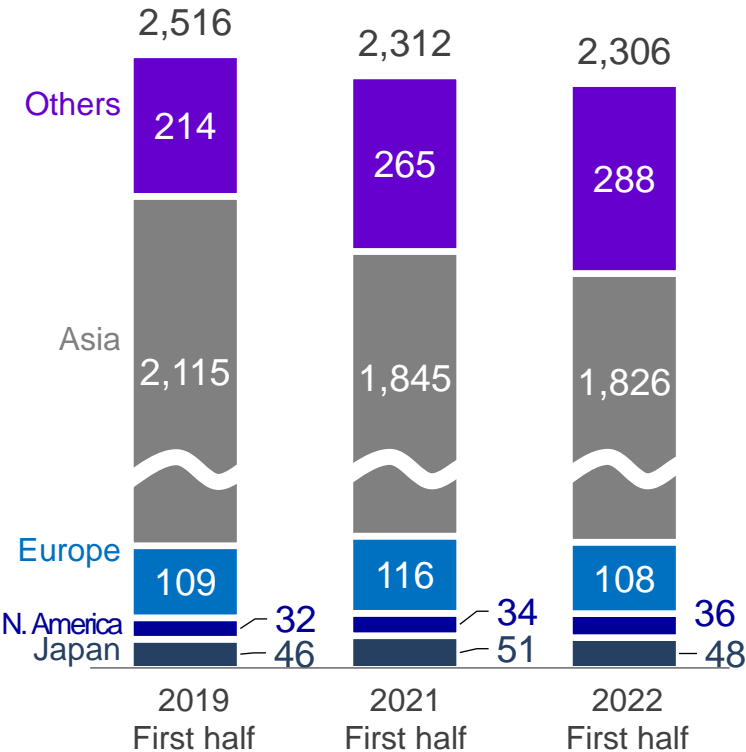
YAMAHA

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Motorcycle Unit Sales/Net Sales (First Half)

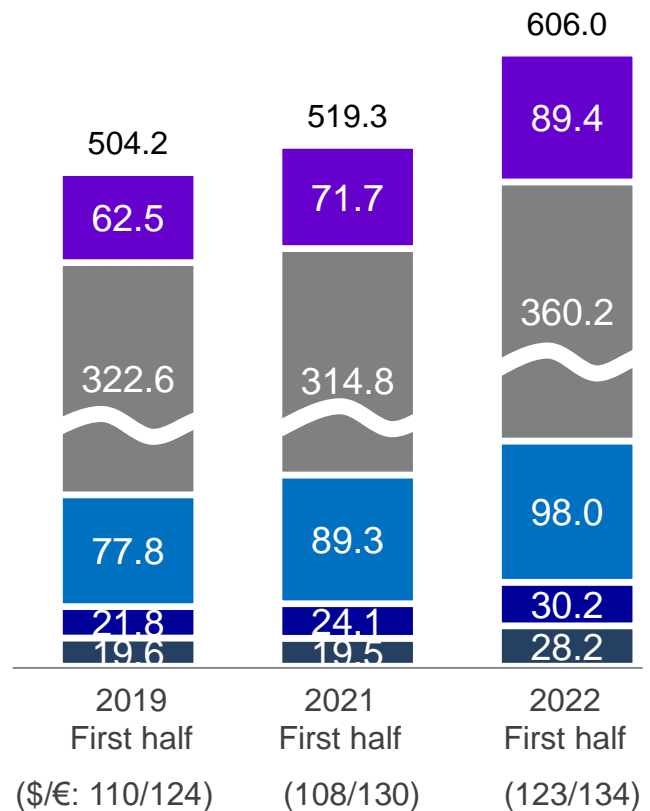
Unit Sales

(1,000 units)



Net Sales

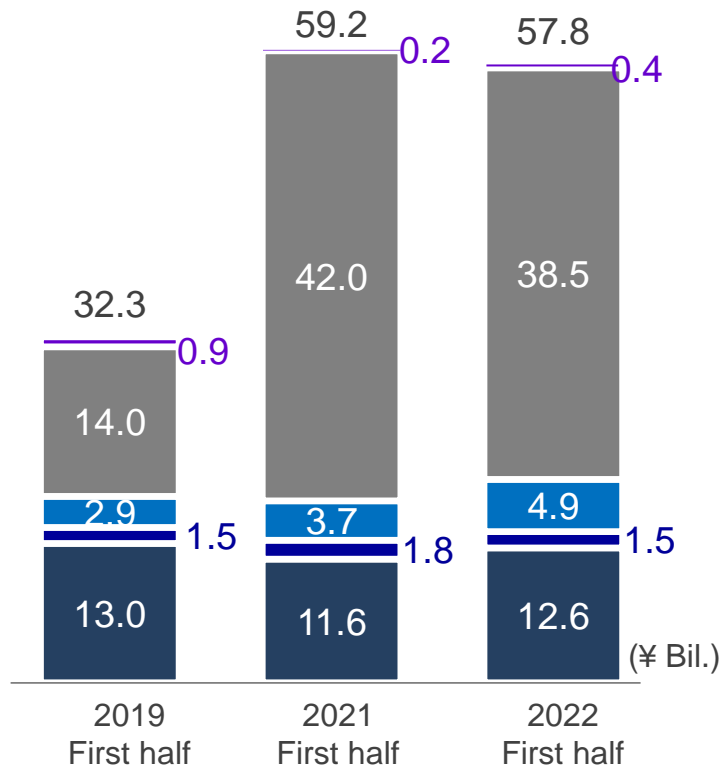
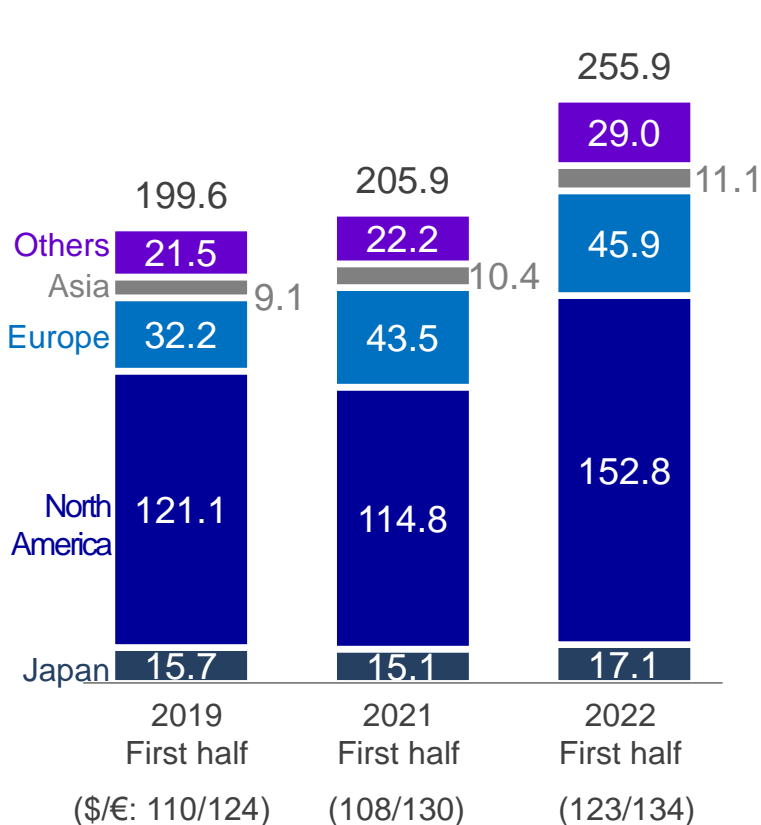
(¥ Bil.)



Marine Products/Robotics Business Net Sales (First Half)

Marine Products

Robotics



Capital Expenditures / Depreciation and Amortization Expenses / Research and Development Expenses / Interest-Bearing Debt

(¥ Bil.)

	2019 First half	2021 First half	2022 First half
Capital expenditures	19.7	26.1	30.5
Depreciation and amortization expenses	25.3	25.2	28.7
R&D expenses	47.2	45.0	50.0
Interest-bearing debt	344.1	484.6	589.2

Foreign Exchange Effects (Compared to Previous Year)

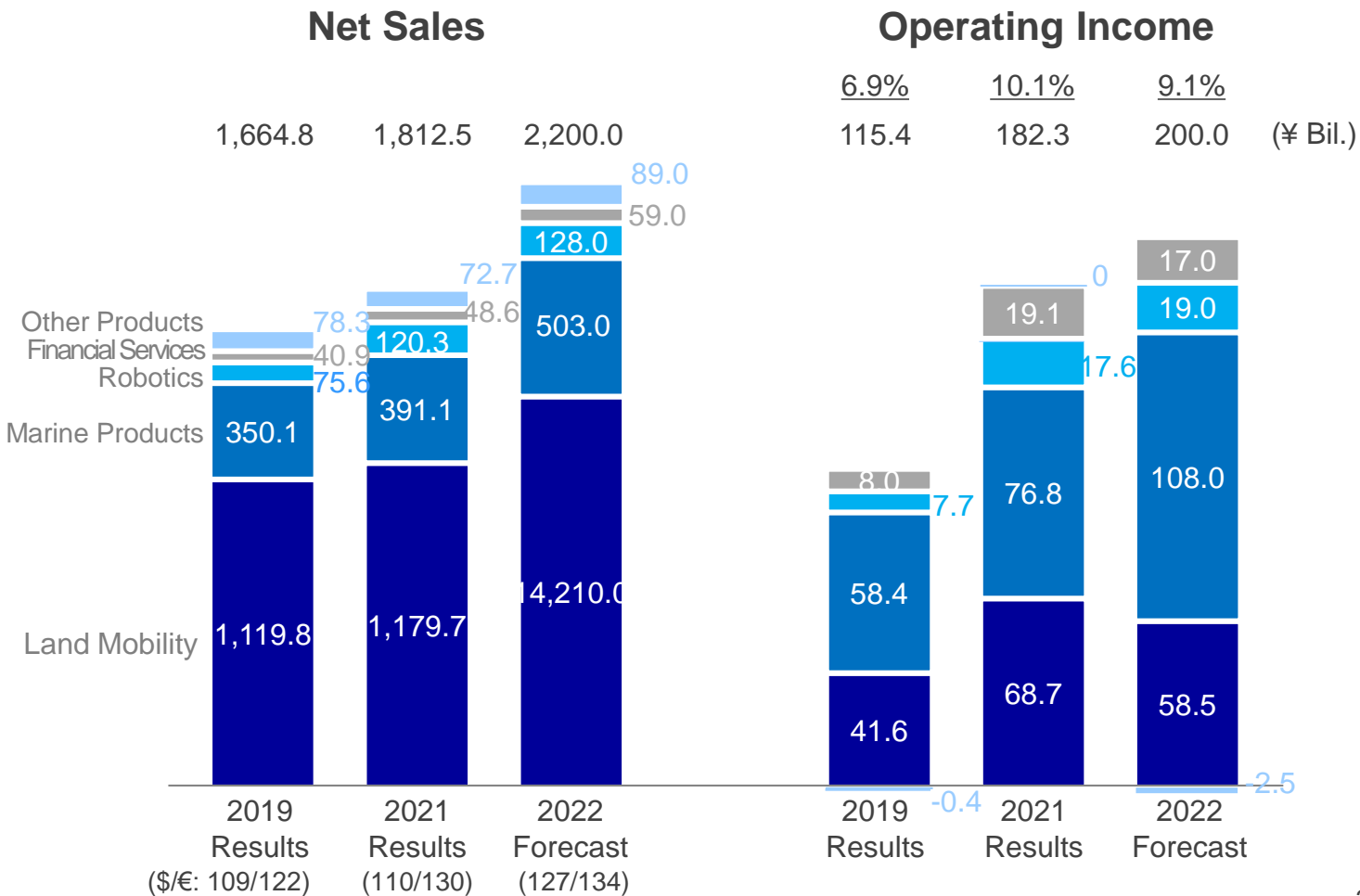
	First half				
	(¥ Bil.)	US\$	EURO	Other	Total
Foreign exchange effects on HQ imports and exports		14.7	1.7	1.7	18.1
Foreign exchange effects on purchases (overseas subsidiaries)		0.0	0.0	2.9	2.9
Conversion effects on gross income (overseas subsidiaries)		6.5	1.3	9.8	17.6
Conversion effects on SG&A expenses (overseas subsidiaries)		-4.5	-0.7	-6.3	-11.5
Foreign exchange effects on operating income		16.8	2.2	8.1	27.1

Foreign Exchange Sensitivity

Effects on operating income per yen of foreign exchange fluctuations

US\$ EURO
0.9 ¥ Bil. 0.5 ¥ Bil.

Net Sales and Operating Income by Business (Forecast)





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