

## **Consolidated Financial Results for the First Quarter, Ended June 30, 2003 (Unaudited)**

**Name of registrant:** Yamaha Motor Co., Ltd.

(URL <http://www.yamaha-motor.co.jp/profile/ir/index.html>)

**Code No:** 7272

**Securities traded:** Tokyo Stock Exchange First Section

**Representative:** Toru Hasegawa, President and Representative Director

**Contact:** Yutaka Kume, General Manager, Accounting & Finance Division  
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### **1. Notes concerning the preparation of the consolidated statements of income and other financial statements for the quarterly period**

(1) Change in the financial accounting method and recognition method

in the most recent consolidated accounting year:

Simplified methods have been used for certain accounting procedures, such as the appropriation for the corporation tax.

(2) Change in the scope of consolidation and equity method:

Number of newly added companies on a consolidated basis	1
Number of companies excluded from consolidation	0
Number of newly added companies accounted for by the equity method	4
Number of companies excluded from accounting by the equity method	0

## 2. Summary of consolidated financial results for the first quarter, ended June 30, 2003

(April 1, 2003 through June 30, 2003)

### 1) Consolidated operating performance

	Millions of yen	
	Three months ended June 30, 2003	Fiscal year ended March 31, 2003 (For reference)
Net sales	¥257,390	¥1,013,155
Operating income	13,421	67,678
Recurring profit	16,523	67,244
Net income	8,717	25,555
	Yen	
<i>Per share amounts:</i>		
Net income	¥37.76	¥110.04
Net income, diluted	30.62	89.29

*Note:*

1. Amounts less than ¥1 million are omitted.

2. Since the Company did not make its official accounting for the first quarter of the previous year, financial data for the previous first quarter and ratios of increase/decrease from the previous first quarter were not calculated in these consolidated business results.

### Summary of consolidated financial results for the first quarter, ended June 30, 2003

The Company's consolidated net sales for the first quarter, ended June 30, 2003, amounted to ¥257.4 billion, reflecting motorcycle sales growth in North America, Asia and Europe.

- 1) In the motorcycle business, sales in Japan decreased; however, sales in North America increased, while in Asia, sales grew dramatically in ASEAN countries, led by Indonesia and Thailand. Sales in Europe also rose, due partially to the appreciation of the euro against the yen. Thus, overall motorcycle sales rose from the same period of the previous year.
- 2) In the marine business, overall sales declined from the corresponding period of the previous year, due to decreased sales in North America, affected negatively by the Iraq War. However in Europe, outboard motor sales rose from the previous first quarter.
- 3) In the power products business, unit sales of all-terrain vehicles increased in the North American market, which accounts for the majority of overall sales. However, due to the strong yen against the U.S. dollar, overall sales in North America declined. On the other hand, sales rose in Europe. In total, power product sales remained virtually unchanged from the same period of the previous year.
- 4) In the "other product" business, sales of surface mounters expanded mainly in China and the rest of Asia thus raising sales in this business segment.

As a result of the performance outlined above, operating income for the first quarter, ended June 30, 2003, totaled ¥13.4 billion. Meanwhile, the balance of non-operating income and expenses improved substantially, thus increasing recurring profit to ¥16.5 billion.

## 2) Change in consolidated financial position

	Millions of yen	
	Three months ended June 30, 2003	Fiscal year ended March 31, 2003 (For reference)
Total assets	¥729,102	¥699,087
Shareholders' equity	191,701	180,151
	Percent	
Shareholders' equity to total assets	26.3%	25.8%
	Yen	
Shareholders' equity per share	¥830.31	¥779.68

### Consolidated cash flows

	Millions of yen	
	Three months ended June 30, 2003	Fiscal year ended March 31, 2003 (For reference)
Net cash provided by (used in) operating activities	¥(2,726)	¥84,223
Net cash used in investing activities	(11,026)	(39,430)
Net cash provided by (used in) financing activities	14,437	(57,611)
Net cash and cash equivalents at end of financial year	25,193	23,839

### Consolidated financial position in the first quarter of the fiscal year ending March 31, 2004

Total assets at the end of the first quarter of the fiscal year ending March 31, 2004 increased by ¥30 billion from the previous fiscal year-end, to ¥729.1 billion. Shareholders' equity rose by ¥11.5 billion from the previous fiscal year-end, to ¥191.7 billion. As a result, the equity ratio climbed by 0.5 percentage point from the previous fiscal year-end, to 26.3 percent at the end of the first quarter.

Net cash used in operating activities in the first quarter amounted to ¥2.7 billion. This total mainly reflects temporary increases in trade notes and accounts receivable, and in inventories, resulting from seasonal fluctuation, as North America and Europe entered a season of high demand for motorcycles and marine products. Payment of the corporation tax during the period was also a major factor.

Net cash used in investing activities in the first quarter totaled ¥11.0 billion. This was mainly attributable to the purchase of production facilities and equipment. To raise the funds to accommodate these purchases, the Company increased short-term bank loans and other borrowings. Accordingly, net cash provided by financing activities totaled ¥14.4 billion.

As a result of the cash flow activities, interest-bearing debt totaled ¥217.6 billion at the end of the first quarter. Meanwhile, cash and cash equivalents at the end of the first quarter stood at ¥25.2 billion.

**(Reference 1) Unconsolidated financial results for the first quarter, ended June 30, 2003**  
*(April 1, 2003 through June 30, 2003)*

	Millions of yen	
	Three months ended June 30, 2003	Fiscal year ended March 31, 2003 (For reference)
Net sales	¥128,108	¥607,909
Operating income	1,270	24,494
Recurring profit	2,375	24,618
Net income	1,135	8,020
Total assets	425,282	430,480
Shareholders' equity	144,608	144,244

**3. Forecasts for consolidated results for the fiscal year ending March 31, 2004**

*(April 1, 2003 through March 31, 2004)*

	Millions of yen	
	First half-year ending September 30, 2003	Fiscal year ending March 31, 2004
Net sales	¥530,000	¥1,030,000
Recurring profit	30,000	68,000
Net income	14,000	32,000
	Yen	

*Per share amounts:*

Net income	¥138.60
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**Outlook for business performance**

The consolidated business results for the first quarter were roughly in line with predictions. Therefore, there is no change in the forecasts for interim and full-year business results announced earlier.

**(Reference 2) Forecasts for unconsolidated results for the fiscal year ending March 31, 2004**

*(April 1, 2003 through March 31, 2004)*

	Millions of yen	
	First half-year ending September 30, 2003	Fiscal year ending March 31, 2004
Net sales	¥255,000	¥585,000
Recurring profit	2,000	15,000
Net income	1,000	8,000
	Yen	

*Per share amounts:*

First half-year	5.00	
Fiscal year		5.00
Total		10.00

**Note:** Forecasts for consolidated financial results stated herein are based on management's assumptions and beliefs in light of the information currently available, and involve risks and uncertainties. Please be advised that actual results may differ significantly from those stated herein, due to various factors.

(Attached materials)

# I. Operating Performance and Financial Position

## 1) Operating performance

### Business/market segment sales information

	Three months ended June 30, 2003			Fiscal year ended March 31, 2003		
	Volume	Amount	%	Volume	Amount	%
<i>Amount: millions of yen    Volume: thousand units</i>						
<b>Net sales:</b>						
<b>Japan</b>		¥38,774	15.1%		¥161,996	16.0%
<b>Overseas:</b>						
North America		86,386	33.6		380,427	37.5
Europe		67,425	26.2		210,484	20.8
Asia		42,487	16.5		174,028	17.2
Other areas		22,316	8.6		86,218	8.5
Sub-total		218,615	84.9		851,159	84.0
Total		¥257,390	100.0%		¥1,013,155	100.0%
<b>Motorcycles:</b>						
<b>Japan</b>	48	¥15,461	11.0%	203	¥63,373	12.0%
<b>Overseas:</b>						
North America	43	25,937	18.4	199	111,422	21.0
Europe	103	50,195	35.7	383	155,288	29.3
Asia	359	36,192	25.7	1,332	150,801	28.5
Other areas	53	12,992	9.2	218	49,015	9.2
Sub-total	558	125,318	89.0	2,133	466,527	88.0
Total	605	¥140,779	54.7%	2,335	¥529,901	52.3%
<b>Marine products:</b>						
<b>Japan</b>		¥6,498	12.3%		¥31,744	15.0%
<b>Overseas:</b>						
North America		28,591	53.9		119,501	56.5
Europe		9,612	18.1		26,407	12.5
Asia		1,695	3.2		7,133	3.4
Other areas		6,629	12.5		26,748	12.6
Sub-total		46,530	87.7		179,791	85.0
Total		¥53,028	20.6%		¥211,536	20.9%
<b>Power products:</b>						
<b>Japan</b>		¥3,551	8.3%		¥13,752	7.2%
<b>Overseas:</b>						
North America		31,052	72.6		147,344	77.3
Europe		5,144	12.0		17,464	9.2
Asia		765	1.8		3,171	1.7
Other areas		2,249	5.3		8,897	4.6
Sub-total		39,212	91.7		176,877	92.8
Total		¥42,763	16.6%		¥190,629	18.8%
<b>Other products:</b>						
<b>Japan</b>		¥13,263	63.7%		¥53,125	65.5%
<b>Overseas:</b>						
North America		804	3.9		2,159	2.7
Europe		2,472	11.9		11,323	14.0
Asia		3,834	18.4		12,921	15.9
Other areas		444	2.1		1,557	1.9
Sub-total		7,555	36.3		27,962	34.5
Total		¥20,819	8.1%		¥81,088	8.0%

Note: Amounts less than ¥1 million are omitted.

## II. Consolidated Financial Statements

### 1) Consolidated statements of income

	Millions of yen			
	Three months ended June 30, 2003		Fiscal year ended March 31, 2003	
Net sales	¥257,390	100.0%	¥1,013,155	100.0%
Cost of sales	194,581	75.6	726,759	71.7
<b>Gross profit</b>	<b>62,808</b>	<b>24.4</b>	286,395	28.3
Selling, general and administrative expenses	49,387	19.2	218,717	21.6
<b>Operating income</b>	<b>13,421</b>	<b>5.2</b>	67,678	6.7
Non-operating income	5,598	2.2	18,483	1.8
Non-operating expenses	2,496	1.0	18,917	1.9
<b>Recurring profit</b>	<b>16,523</b>	<b>6.4</b>	67,244	6.6
Extraordinary income	124	0.05	418	0.04
Extraordinary loss	475	0.2	12,103	1.2
Amortization of goodwill	(0)		(9,460)	
Other extraordinary loss	(475)		(2,642)	
<b>Income before income taxes and minority interests</b>	<b>16,172</b>	<b>6.3</b>	55,559	5.5
Income taxes	6,826		29,641	
Minority interests	628	0.2	362	0.04
<b>Net income</b>	<b>¥8,717</b>	<b>3.4%</b>	¥25,555	2.5%

Note: Amounts less than ¥1 million are omitted.

### 2) Consolidated statements of surplus

	Millions of yen	
	Three months ended June 30, 2003	Fiscal year ended March 31, 2003
<b>(Capital surplus)</b>		
<b>Capital surplus at beginning of the financial year</b>	<b>34,419</b>	34,365
<b>Increase in capital surplus</b>	<b>0</b>	53
Conversion of convertible bonds	0	53
<b>Capital surplus at end of the period</b>	<b>34,419</b>	34,419
<b>(Retained earnings)</b>		
<b>Retained earnings at beginning of the period</b>	<b>142,847</b>	118,948
<b>Increases in retained earnings</b>	<b>8,749</b>	25,819
Increase (decrease) due to inclusion in consolidation of subsidiaries and affiliates	0	3
Increase (decrease) due to inclusion in the equity method of subsidiaries and affiliates	42	(55)
Unrealized revaluation gain on land	(10)	316
Net income	8,717	25,555
<b>Decreases in retained earnings</b>	<b>1,539</b>	1,920
Cash dividends paid	1,385	1,848
Bonuses to directors and corporate auditors	154	114
Decrease (increase) due to exclusion from consolidation of subsidiaries and affiliates	0	(42)
Decrease (increase) due to exclusion from the equity method of subsidiaries and affiliates	0	0
<b>Retained earnings at end of the period</b>	<b>150,058</b>	142,847

Note: Amounts less than ¥1 million are omitted.

### 3) Consolidated balance sheets

	Millions of yen		
	June 30, 2003	March 31, 2003	Change from March 31, 2003
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and deposits in banks	¥28,419	25,475	2,944
Trade notes and accounts receivable	146,225	135,012	11,213
Inventories	174,520	160,232	14,287
Deferred tax assets	29,443	29,266	176
Other	16,251	19,189	(2,938)
Less: Allowance for doubtful receivables	(5,136)	(4,731)	(404)
<b>Total current assets</b>	<b>389,724</b>	<b>364,444</b>	<b>25,279</b>
<b>Fixed assets</b>			
<b>Tangible fixed assets:</b>			
Buildings and structures	84,454	83,475	979
Machinery and transportation equipment	77,626	79,119	(1,492)
Land	93,185	93,141	43
Construction in progress	10,267	7,990	2,277
Other	16,920	17,224	(304)
<b>Total tangible fixed assets</b>	<b>282,454</b>	<b>280,950</b>	<b>1,504</b>
<b>Intangible fixed assets</b>			
Other intangible fixed assets	5,014	4,303	711
<b>Total intangible fixed assets</b>	<b>5,014</b>	<b>4,303</b>	<b>711</b>
<b>Investments and other assets:</b>			
Investment securities	23,801	22,686	1,114
Deferred tax assets	21,971	22,389	(418)
Other	9,344	7,512	1,831
Less: Allowance for doubtful receivables	(3,208)	(3,200)	(8)
<b>Total investments and other assets</b>	<b>51,908</b>	<b>49,388</b>	<b>2,519</b>
<b>Total fixed assets</b>	<b>339,378</b>	<b>334,642</b>	<b>4,736</b>
<b>Total assets</b>	<b>¥729,102</b>	<b>699,087</b>	<b>30,015</b>

Note: Amounts less than ¥1 million are omitted.

	Millions of yen		
	June 30, 2003	March 31, 2003	Change from March 31, 2003
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Notes and accounts payable	¥116,662	¥112,934	¥3,728
Short-term loans	111,431	68,897	42,534
Current portion of convertible bonds	19,326	24,326	(5,000)
Commercial paper	6,224	21,376	(15,151)
Accrued expenses	33,504	35,819	(2,315)
Accrued income taxes	7,861	15,251	(7,390)
Reserve for bonuses	19,874	14,061	5,813
Reserve for warranty costs	15,477	15,723	(246)
Other	45,562	45,394	167
<b>Total current liabilities</b>	<b>375,925</b>	<b>353,784</b>	<b>22,140</b>
<b>Long-term liabilities:</b>			
Bonds	44,893	44,893	0
Long-term debt	35,713	39,935	(4,222)
Deferred tax liabilities on unrealized revaluation gain on land	13,867	13,860	6
Accrued retirement benefits	41,352	41,303	48
Retirement benefits for directors and corporate auditors	1,264	1,273	(8)
Reserve for product liabilities	4,014	4,046	(31)
Other long-term liabilities	7,843	7,638	205
<b>Total long-term liabilities</b>	<b>148,949</b>	<b>152,951</b>	<b>(4,001)</b>
<b>Total liabilities</b>	<b>524,874</b>	<b>506,735</b>	<b>18,139</b>
<b>Minority interests</b>	<b>12,526</b>	<b>12,199</b>	<b>326</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Common stock, with no par value</b>	<b>23,251</b>	<b>23,251</b>	<b>0</b>
<b>Capital surplus</b>	<b>34,419</b>	<b>34,419</b>	<b>0</b>
<b>Retained earnings</b>	<b>150,058</b>	<b>142,847</b>	<b>7,210</b>
<b>Unrealized revaluation gain on land</b>	<b>21,062</b>	<b>21,052</b>	<b>10</b>
<b>Unrealized holding gain (loss) on securities</b>	<b>986</b>	<b>252</b>	<b>734</b>
<b>Translation adjustments</b>	<b>(37,813)</b>	<b>(41,413)</b>	<b>3,599</b>
<b>Less: Treasury stock, at cost</b>	<b>(262)</b>	<b>(257)</b>	<b>(4)</b>
<b>Total shareholders' equity</b>	<b>191,701</b>	<b>180,151</b>	<b>11,549</b>
<b>Total liabilities and   shareholders' equity</b>	<b>¥729,102</b>	<b>¥699,087</b>	<b>¥30,015</b>

Note: Amounts less than ¥1 million are omitted.

#### 4) Consolidated statements of cash flows

	Millions of yen	
	<b>Three months ended June 30, 2003</b>	Fiscal year ended March 31, 2003
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥16,172	¥55,559
Depreciation expenses	7,749	36,490
Amortization of goodwill	4	12,266
Interest and dividend income	(1,502)	(5,547)
Interest expense	2,143	9,083
Equity in (earnings) losses of affiliates	(534)	244
(Increase) decrease in trade notes and accounts receivable	(9,308)	(13,369)
(Increase) decrease in inventories	(10,524)	(4,068)
Increase in notes and accounts payable	2,245	20,091
Bonuses to directors and corporate auditors	(154)	(114)
Other, net	5,027	4,265
Sub-total	<b>11,318</b>	114,901
Interest and dividends received	2,182	5,788
Interest paid	(1,869)	(9,832)
Income taxes paid	(14,359)	(26,634)
<b>Net cash provided by operating activities</b>	<b>(2,726)</b>	84,223
<b>Cash flows from investing activities:</b>		
(Increase) decrease in fixed deposits	(1,315)	1,276
Purchase of fixed assets	(8,160)	(35,806)
Purchase of investment securities	(146)	(1,266)
Decrease in long-term loans receivable	113	106
Additional acquisition of shares of consolidated subsidiaries		(4,243)
Other	(1,517)	502
<b>Net cash used in investing activities</b>	<b>(11,026)</b>	(39,430)
<b>Cash flows from financing activities:</b>		
Increase (decrease) of short-term loans	22,046	(33,622)
Proceeds from long-term loans payable	11	7,733
Repayment of long-term loans payable	(1,230)	(29,635)
Proceeds from the issuance of bonds	(5,000)	0
Cash dividends paid	(1,385)	(1,848)
Purchase and sale of treasury stock	(4)	(239)
<b>Net cash provided by (used in) financing activities</b>	<b>14,437</b>	(57,611)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>670</b>	(1,008)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,354</b>	(13,827)
<b>Cash and cash equivalents at beginning of the period</b>	<b>23,839</b>	36,481
<b>Increase due to inclusion of subsidiaries in consolidation</b>	<b>0</b>	1,326
<b>Decrease due to exclusion of subsidiaries from consolidation</b>	<b>0</b>	(140)
<b>Cash and cash equivalents at end of the period</b>	<b>¥25,193</b>	¥23,839
Note: Reconciliation of cash and cash equivalents at end of the period		
Cash and deposits in banks	28,419	25,475
Other (current assets)	249	474
Time deposits with maturity in excess of three months	(3,474)	(2,110)
Total	<b>25,193</b>	23,839

Note: Amounts less than ¥1 million are omitted.

### III. Segment Information

#### 1) Business segment information

	Millions of yen	
	Three months ended June 30, 2003	Fiscal year ended March 31, 2003
<b>Net sales:</b>		
Motorcycles	¥140,779	¥529,901
Marine products	53,028	211,536
Power products	42,763	190,629
Other products	20,819	81,088
Total	¥257,390	¥1,013,155
<b>Operating expenses:</b>		
Motorcycles	¥136,435	¥509,815
Marine products	50,425	196,195
Power products	37,573	164,861
Other products	19,534	74,604
Total	¥243,968	¥945,477
<b>Operating income:</b>		
Motorcycles	¥4,343	¥20,085
Marine products	2,602	15,340
Power products	5,189	25,768
Other products	1,285	6,484
Total	¥13,421	¥67,678

Notes:

1. Business segments correspond to categories of activity classified primarily by products and market.

2. Major products in each business segment:

<i>Business segment</i>	<i>Major products</i>
<i>Motorcycles</i>	<i>Motorcycles and knockdown parts for overseas production</i>
<i>Marine products</i>	<i>Boats, sail boats, fishing boats, utility boats, FRP pools, outboard motors and personal watercraft</i>
<i>Power products</i>	<i>All-terrain vehicles, snowmobiles, golf cars and generators</i>
<i>Other products</i>	<i>DOHC automobile engines, industrial robots and bicycles</i>

3. All cost of sales is assigned to individual segments, and there was no cost of sales that could not be distributed to segments.

4. Amounts less than ¥1 million are omitted.

## 2) Geographical segment information

	Millions of yen	
	Three months ended June 30, 2003	Fiscal year ended March 31, 2003
<b>Net sales:</b>		
Japan		
Outside customers	¥60,087	¥256,168
Intersegment	80,599	414,864
North America		
Outside customers	83,354	365,639
Intersegment	2,972	14,943
Europe		
Outside customers	70,250	213,210
Intersegment	380	2,960
Asia		
Outside customers	31,376	127,980
Intersegment	5,610	17,639
Other areas		
Outside customers	12,321	50,154
Intersegment	92	1,443
Sub-total	<u>347,046</u>	<u>1,465,006</u>
Eliminations	<u>(89,655)</u>	<u>(451,851)</u>
Consolidated	<u>¥257,390</u>	<u>¥1,013,155</u>
<b>Operating expenses:</b>		
Japan	¥138,182	¥639,252
North America	83,651	357,432
Europe	65,229	210,347
Asia	33,530	138,656
Other areas	12,487	51,048
Sub-total	<u>333,082</u>	<u>1,396,737</u>
Eliminations	<u>(89,113)</u>	<u>(451,260)</u>
Consolidated	<u>¥243,968</u>	<u>¥945,477</u>
<b>Operating income:</b>		
Japan	¥2,503	¥31,780
North America	2,675	23,150
Europe	5,401	5,823
Asia	3,456	6,963
Other areas	(73)	549
Sub-total	<u>13,963</u>	<u>68,268</u>
Eliminations	<u>(542)</u>	<u>(590)</u>
Consolidated	<u>¥13,421</u>	<u>¥67,678</u>

*Notes:*

1. Geographic segments correspond to categories of geographical similarity, classified primarily by nations and regions.
2. Segments outside Japan are composed of the following nations and regions:
  - (1) North America: U.S.A. and Canada
  - (2) Europe: The Netherlands, France, Italy and Spain
  - (3) Asia: Indonesia, Taiwan, India, Thailand and China
  - (4) Other areas: Australia, Mexico, Brazil and Colombia
3. All cost of sales is assigned to individual segments, and there was no cost of sales that could not be distributed to segments.
4. Amounts less than ¥1 million are omitted.

### 3) Overseas sales

	Three months ended June 30, 2003		Fiscal year ended March 31, 2003	
	Sales Millions of yen	Percentage Overseas sales to net sales	Sales Millions of yen	Percentage Overseas sales to net sales
North America	<b>¥86,386</b>	<b>33.6%</b>	¥380,427	37.5%
Europe	<b>67,425</b>	<b>26.2</b>	210,484	20.8
Asia	<b>42,487</b>	<b>16.5</b>	174,028	17.2
Other areas	<b>22,316</b>	<b>8.6</b>	86,218	8.5
Overseas sales total	<b>218,615</b>	<b>84.9</b>	851,159	84.0
Consolidated	<b>¥257,390</b>	<b>100.0%</b>	¥1,013,155	100.0%

*Notes:*

1. Overseas segments correspond to categories of geographical similarity, classified primarily by nations and regions.
2. Segments outside Japan are composed of the following nations and regions:
  - (1) North America: U.S.A. and Canada
  - (2) Europe: Germany, France and Italy
  - (3) Asia: Indonesia, Taiwan, China, India and Thailand
  - (4) Other areas: Australia, Brazil and South Africa
3. Amounts less than ¥1 million are omitted.