



Revs Your Heart

Integrated Report 2023

Fiscal year ended December 31, 2022

First Half of FY2023 Earnings Presentation

August 8, 2023

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

Integrated Report 2023 issued
<https://global.yamaha-motor.com/jp/ir/integrated-report/integrated2023/>

Business Results for the First Half of the Fiscal Year Ending December 31, 2023

President, CEO and
Representative Director

HIDAKA, Yoshihiro

Director

SHITARA, Motofumi

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

FY2023 First Half Key Points

Summary

Increased sales
and profits

2023 Forecast

Business
environment

Market

Strengthen
profitability

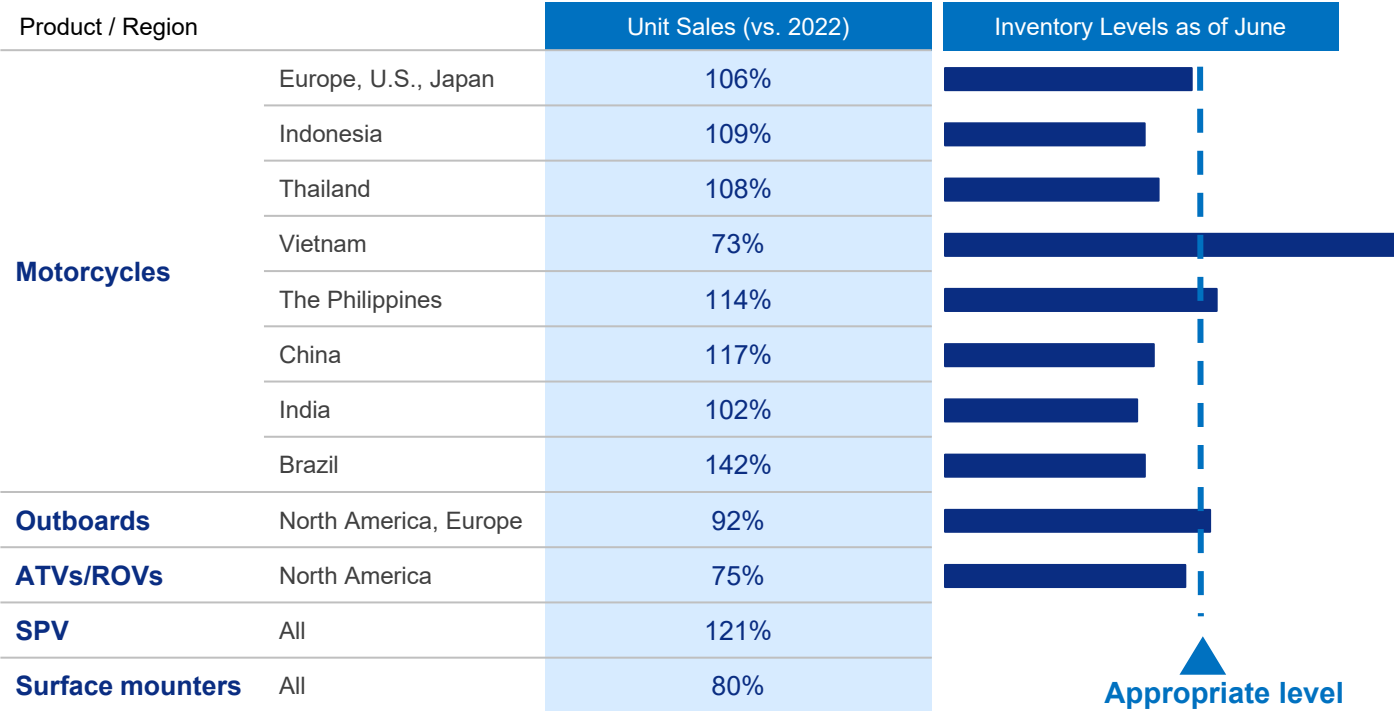
Results outlook

Shareholder returns

- Achieved record highs for net sales and operating income - Net sales of 1,226.4 billion yen (115% year on year), operating income of 142.8 billion yen (139% year on year)
- Motorcycles and Marine Products: Higher sales and profits due to increased shipments
- Robotics: A sluggish Chinese market led to lower sales and profits
- Strong domestic demand in emerging markets
- Improving semiconductor procurement provides a tailwind to premium segment model production
- Reduced logistics costs and a lull in exorbitant raw material costs
- Demand for motorcycles in emerging markets recovers while large outboard motor business performs well
- SPV market inventory adjustments required due to overstocking, robotics market recovery to drag on into next fiscal year
- Continue promoting break-even-point management
- Upward revisions to 2,500 billion yen in net sales and 250 billion yen in operating income
- Annual dividend increased to 145 yen

Unit Sales and Inventory Levels by Main Products (First Half)

Shipments in emerging markets for motorcycles rose thanks to strong demand. Europe requires motorcycle inventory adjustments, and we are adjusting market inventory for small to midrange outboard models and SPV products.



*Figures for motorcycles, ATVs, and ROVs are for dealer/Yamaha Motor inventory; outboard motor numbers are Yamaha Motor inventory

FY2023 First Half Business Results

Higher shipments of motorcycles and marine products and more pronounced effects from passing on prices led to record-high net sales and incomes.

(¥ Bil.)	2022 First half	2023 First half	Vs. 2022
Net Sales	1,068.9	1,226.4	115%
Operating Income	102.4	142.8	139%
Operating Income Ratio	9.6%	11.6%	+2.0 pts.
Ordinary Income	115.4	144.8	125%
Net Income*	83.0	105.3	127%
EPS(¥)	241.58	311.87	129%
(\$/€)	123/134	135/146	—
(\$/IDR/BR\$)	14,386/5.1	14,967/5.1	—

*Net income attributable to owners of parent.

Outlook for FY2023

Factoring in the impacts from slowing cost increases for raw materials, ocean freight, etc., and improved semiconductor procurement, we have made upward revisions to net sales and income forecasts.

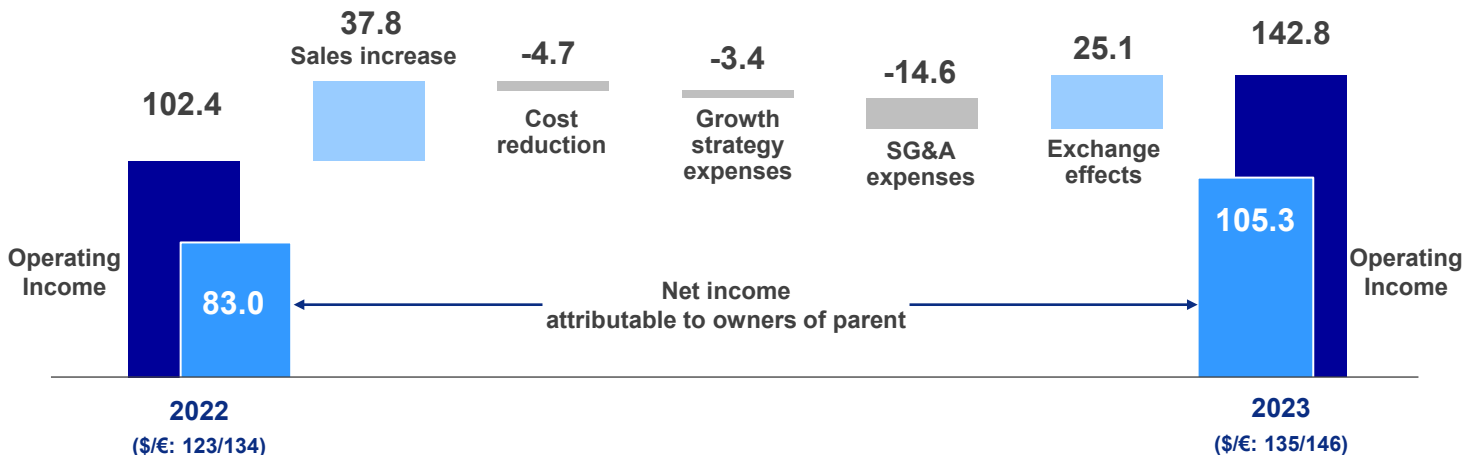
(¥ Bil.)	2022 Results	2023 Original Forecast	2023 Current Forecast	Vs. 2022	Vs. Original Forecast
Net Sales	2,248.5	2,450.0	2,500.0	111%	102%
Operating Income	224.9	230.0	250.0	111%	109%
Operating Income Ratio	10.0%	9.4%	10.0%	0 pts.	+0.6 pts.
Ordinary Income	239.3	230.0	250.0	104%	109%
Net Income*	174.4	160.0	180.0	103%	113%
EPS(¥)	511.47	473.07	535.43	105%	113%
(\$/€)	132/138	125/135	135/145	—	—
(\$/IDR/BR\$)	14,805/5.2	15,500/5.3	15,000/5.0	—	—

*Net income attributable to owners of parent.

FY2023 First Half Operating Income Factors

In addition to the scale increase, the effects of raising prices grew, while profits increased significantly thanks to controlling expenses.

(¥ Bil.)



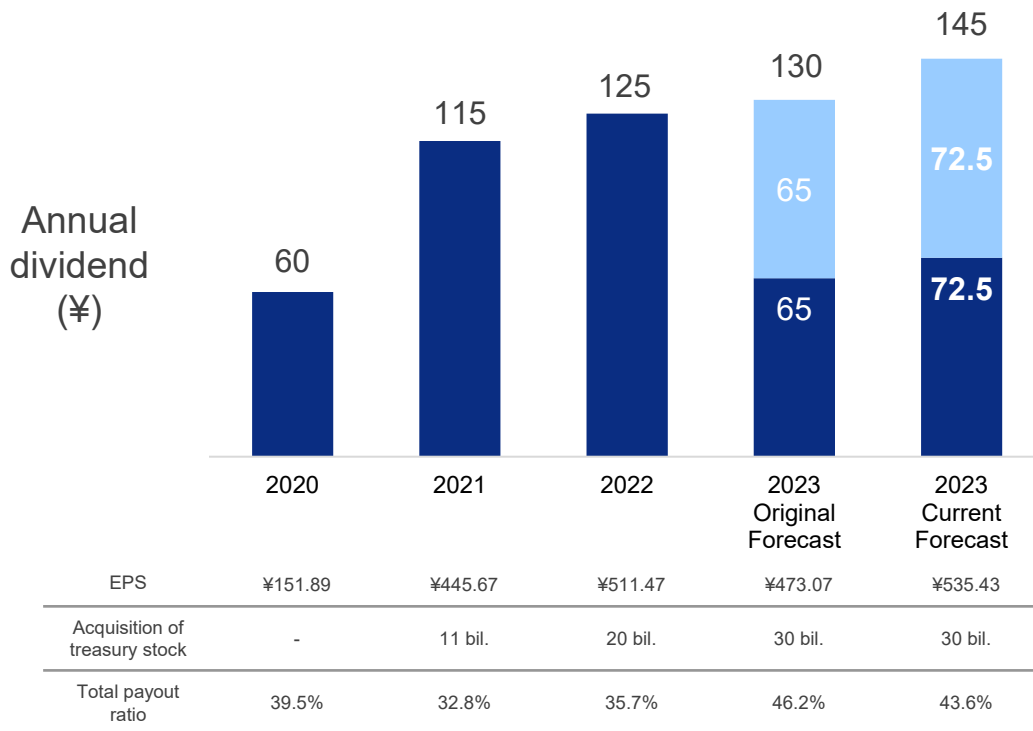
2022
(\$/€: 123/134)

2023
(\$/€: 135/146)

Breakdown of sales growth effects				Cost reduction breakdown		Breakdown of SG&A expenses	
Scale increase	+12.0	Price raises	+41.7	Cost reductions	+10.3	Labor costs	-3.9
Mix, etc.	-21.6	Unrealized profits	+9.5	Cost raises	-14.9	Logistics costs	-0.2
		Financial Services	-3.7			Operating expenses	-3.2
						Others	-7.4

Shareholder Returns

Based on the Company's shareholder return policy, the annual dividend was increased to 145 yen.



Medium- to Long-Term Measures Progress Report

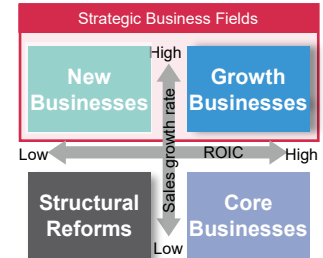
Portfolio Management Practices

Progress with business restructuring

- Conclusion of business transfer agreement for our multi-purpose engines, generators, and snowblowers*
- Decision to withdraw from swimming pool and snowmobile business

Ramping up our *Monozukuri* capabilities in the electronics field, bolstering human resource acquisition, and strengthening purchasing power

- Started considering a possible merger with consolidated subsidiary Yamaha Motor Electronics Co., Ltd. (YEJP)



Initiatives to Achieve Carbon Neutrality



Jointly established a technological research association with Japan's 3 other major motorcycle manufacturers to develop hydrogen-powered engines for small mobility products.**

Creation of Safe and User-Friendly Mobility



Launched Japan's first Level 4 autonomous driving mobility service

* The execution of this transfer is premised on the acquisition of clearances, permits, etc., as required by competition law and other laws and regulations.

** Motorcycles, ultra-compact vehicles, small marine vessels, construction equipment, and drones

The slide features a white background with decorative geometric shapes. In the top-left corner, there are several overlapping triangles in various shades of gray. In the bottom-right corner, there is a large blue triangle pointing towards the center, with a smaller white triangle nested inside it.

Details by Business Segment

Net Sales and Operating Income by Business (First Half)

Net Sales

(¥ Bil.)	2022 First half	2023 First half	Vs. 2022
Land Mobility	688.7	795.0	115%
Motorcycles	606.0	705.8	116%
RVs	60.8	64.8	107%
SPVs	21.9	24.4	111%
Marine Products	255.9	299.8	117%
Robotics	57.8	46.0	80%
Financial Services	28.0	38.5	137%
Other Products	38.5	47.2	123%
Companywide	1,068.9	1,226.4	115%

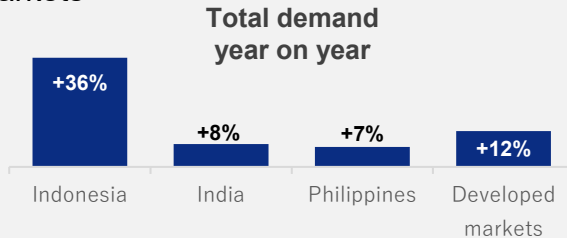
Operating Income

(¥ Bil.)	2022 First half	2023 First half	Vs. 2022
Land Mobility	36.7	69.4	189%
Motorcycles	36.1	62.0	172%
RVs	-0.3	5.3	-
SPVs	1.0	2.1	218%
Marine Products	49.6	68.4	138%
Robotics	8.1	0.4	5%
Financial Services	9.3	4.3	46%
Other Products	-1.4	0.3	-
Companywide	102.4	142.8	139%

(\$/€) 2022 (123/134) 2023 (135/146)

- **Result:** Shipments increased. Sales and profits rose thanks to the effects of passing on prices and mitigating the impacts of cost increases.
- **Forecast:** Higher shipments of the NMAX and other premium segment scooters leads to performance exceeding initial forecasts.

—Markets—

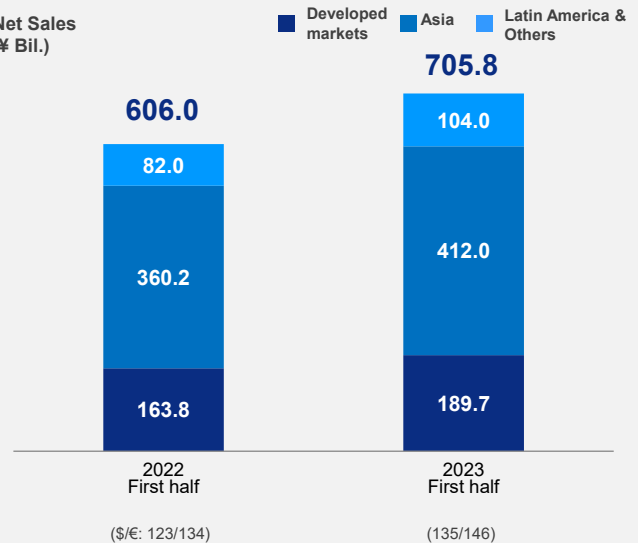


- Emerging markets: Improved supply following the Shanghai lockdown and the COVID-19 pandemic
- Developed markets: Improved supply to Europe and U.S., plus strong demand in the U.S. from trade-in purchases

—Yamaha Motor—

Year-on-year increase in global shipments, emerging markets continue to face supply shortages of premium segment models

R15M

Operating Income Ratio **6.0%****8.8%**Net Sales
(¥ Bil.)

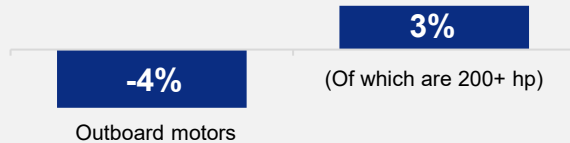
Premium scooters: Increased production of the popular Max series



- **Result:** Higher sales from increased shipments of large outboard motors and improved supply of PWCs. Profits increased due to higher scale and the effects of passing on prices.
- **Forecast:** As production of small to midrange outboard models falls, shipments of large outboards and PWCs progresses, roughly in line with the original forecast

—Markets—

Year-on-year outboard motor retail registrations in the U.S.



- Demand for outboard motors of 200+ hp increased slightly
- Demand for small to midrange outboard motor models decreased slightly due to economic recession concerns

—Yamaha Motor—

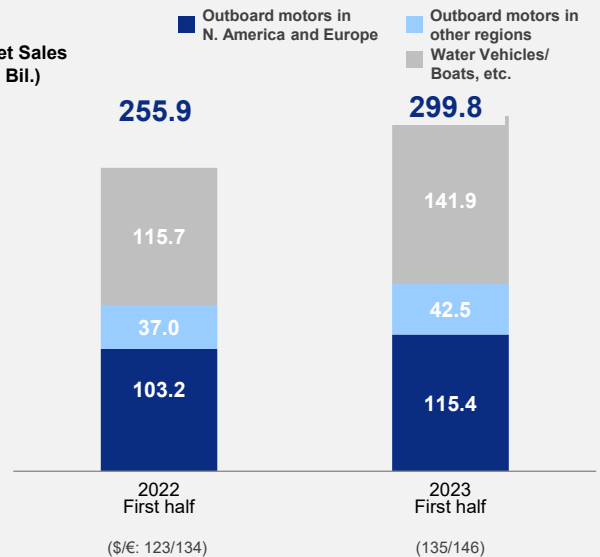
Outboard Motors

- Large models: Higher year-on-year shipments
- Small to midrange models: Began cutting back production in Q2
- ASEAN nations and China: Increased shipments due to recovery in the fishing and tourism markets

Operating
Income Ratio **19.4%**

22.8%

Net Sales
(¥ Bil.)



Recreational Vehicles Business

- Result: Slowing demand, but sales and profits increased thanks to improved production efficiency.
- Forecast: On track with original forecast despite fewer shipments.

Operating Income Ratio **-0.5%** **8.2%**

Net Sales
(¥ Bil.)

60.8



2022
First half

(\$/€: 123/134)

64.8



2023
First half

(135/146)

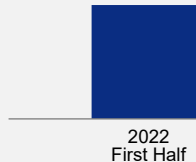
Financial Services Business

- Result: Higher sales due to an increase in receivables. Profits fell due to increased costs from interest rate fluctuations, etc.
- Forecast: Lower than initial forecast due to changes in the external environment.

Operating Income Ratio **33.2%** **11.0%**

Net Sales
(¥ Bil.)

28.0



2022
First Half

38.5



2023
First half

Receivables balance at end of period.
(¥ Bil.) **478.8**

(\$: 137)

645.6

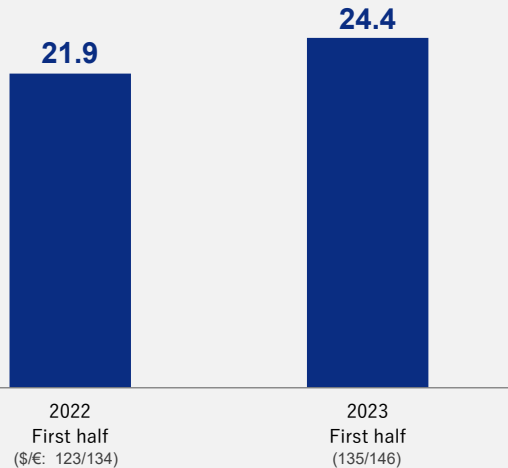
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SPV Business

- Result: Impacted by the Shanghai lockdown last year. e-Kit shipments rose, increasing sales and profits.
- Forecast: Continue inventory adjustments and investments for the future.

Operating Income Ratio **4.5%** **8.8%**

Net Sales
(¥ Bil.)

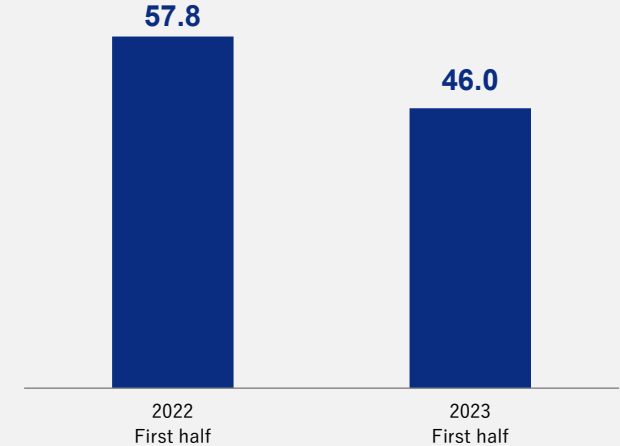


Robotics Business

- Result: Sales and profits decreased due to a sluggish Chinese market.
- Forecast: Lower than forecasted results despite the moderate economic recovery.

Operating Income Ratio **14.1%** **0.8%**

Net Sales
(¥ Bil.)





Net Sales and Operating Income by Business (2023 Forecast)

Net Sales

(¥ Bil.)	2022 Result	2023 Original Forecast	2023 Current Forecast
Land Mobility	1,468.2	1,611.0	1,660.0
Motorcycles	1,291.7	1,391.0	1,468.0
RVs	123.3	141.0	144.0
SPVs	53.3	79.0	48.0
Marine Products	517.0	541.0	540.0
Robotics	115.9	129.0	115.0
Financial Services	62.2	71.0	78.0
Other Products	85.1	98.0	107.0
Companywide	2,248.5	2,450.0	2,500.0

Operating Income

(¥ Bil.)	2022 Result	2023 Original Forecast	2023 Current Forecast
Land Mobility	87.4	78.0	105.0
Motorcycles	84.7	67.0	103.0
RVs	-2.9	4.0	4.0
SPVs	5.6	7.0	-2.0
Marine Products	109.2	118.0	120.0
Robotics	11.9	14.0	6.5
Financial Services	17.5	15.0	12.0
Other Products	-1.2	5.0	6.5
Companywide	224.9	230.0	250.0

(\$/€)

2022 Result
(132/138)

2023 Original Forecast
(125/135)

2023 Current Forecast
(135/145)

Unit Sales/Net Sales by Region (First Half-Year)

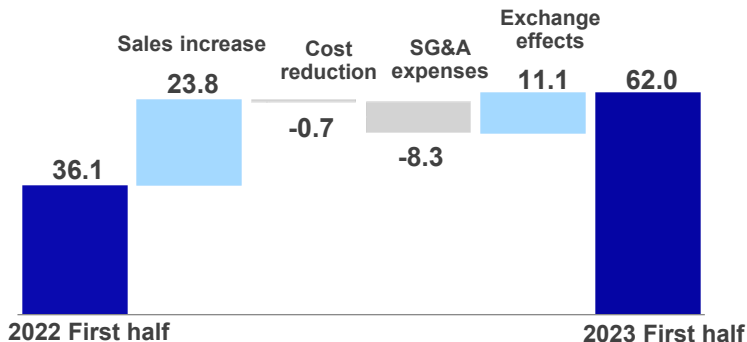
Motorcycle Unit Sales

(1,000 units)	2022	2023	vs. 2022
Japan	48	38	79%
N. America	36	45	124%
Europe	108	121	112%
Asia	1,865	1,961	105%
Others	288	297	103%
All	2,345	2,462	105%

Motorcycle Net Sales

(¥ Bil.)	2022	2023	vs. 2022
Japan	28.2	22.3	79%
N. America	30.2	41.0	136%
Europe	98.0	119.4	122%
Asia	360.2	412.0	114%
Others	89.4	111.1	124%
All	606.0	705.8	116%

Breakdown of Profit Improvement



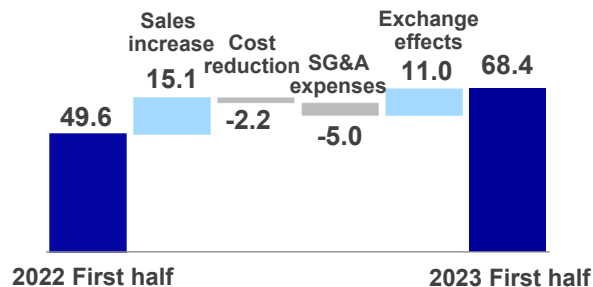
(\$/€) 2022 (123/134) 2023 (135/146)

Unit Sales/Net Sales by Region (First Half-Year)

Marine Product Net Sales

(¥ Bil.)	2022	2023	vs. 2022
Japan	17.1	15.0	88%
N. America	152.8	188.2	123%
Europe	45.9	39.5	86%
Asia	11.1	21.8	196%
Others	29.0	35.4	122%
All	255.9	299.8	117%

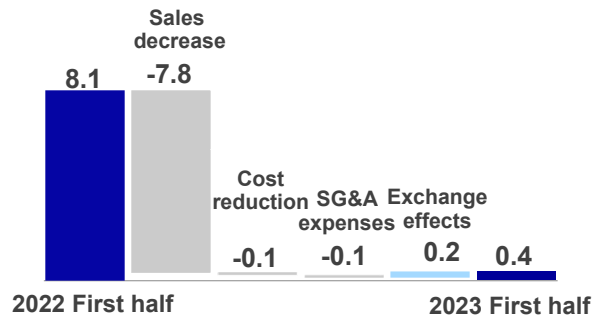
Breakdown of Profit Improvement



Robotics Net Sales

(¥ Bil.)	2022	2023	vs. 2022
Japan	12.6	12.7	101%
N. America	1.5	1.8	120%
Europe	4.9	5.0	103%
Asia	38.5	26.2	68%
Others	0.4	0.4	94%
All	57.8	46.0	80%

Breakdown of Profit Improvement



(\$/€) 2022 (123/134) 2023 (135/146)

Financial Condition

(¥ Bil.)	2022 First half	2023 First half
Cash flows from operating	43.4	48.2
Cash flows from investing	-19.6	-52.9
Free cash flow	23.8	-4.7
Cash flows from financing	20.3	16.3

Capital expenditures	30.5	35.5
Depreciation	28.7	30.6
R&D expenditures	50.0	51.9

(¥ Bil.)	End of December 2022	End of June 2023
Cash and cash equivalents at end of period	296.8	319.9
Interest-bearing debt balance at end of period	602.7	728.7
Net cash	-305.9	-408.8
Net cash (excluding the Financial Services business)	102.0	103.5

Foreign Exchange Effects (vs. 2022 / Current Forecast)

(¥ Bil.)	First half (6 months)				FY2023 Current forecast			
	US \$	EURO	Others	Total	US \$	EURO	Others	Total
Foreign exchange effects on HQ imports and exports	9.2	5.5	1.7	16.5	3.3	7.8	0	11.1
Foreign exchange effects on purchases (overseas subsidiaries)	0	0	2.8	2.8	0	0	1.3	1.3
Conversion effects on gross income (overseas subsidiaries)	5.6	3.1	6.0	14.7	1.5	4.4	-2.1	3.8
Conversion effects on SG&A expenses (overseas subsidiaries)	-3.6	-2.0	-3.3	-8.9	-0.4	-3.1	1.8	-1.7
Foreign exchange effects on operating income	11.2	6.6	7.3	25.1	4.5	9.1	1.0	14.6

(¥ Bil.)	US \$	EURO	US \$	EURO
Foreign Exchange Sensitivity				
Effects on operating income per yen of foreign exchange fluctuation		0.9	0.6	2.1
				1.3

