

Business Results for the First Nine Months of the Fiscal Year
Ending December 31, 2022
(January 1, 2022 through September 30, 2022)
(Japanese GAAP)

November 7, 2022

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

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Filing of quarterly securities report (scheduled):

November 8, 2022

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, 2022

(January 1, 2022 through September 30, 2022)

(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, 2022	1,677,127	23.1	174,185	12.6	189,953	18.3	133,073	(2.9)
Nine months ended September 30, 2021	1,362,618	27.7	154,629	174.4	160,595	168.9	137,014	242.0

Note: Comprehensive income

Nine months ended September 30, 2022: ¥236,773 million [37.9%]
 Nine months ended September 30, 2021: ¥171,761 million [—%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
Nine months ended September 30, 2022	389.21	—
Nine months ended September 30, 2021	392.04	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	2,245,360	1,068,400	45.2
As of December 31, 2021	1,832,917	900,670	46.9

Reference: Shareholders' equity

As of September 30, 2022: ¥1,015,881 million
 As of December 31, 2021: ¥859,226 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, 2021	—	50.00	—	65.00	115.00
Fiscal year ending December 31, 2022	—	57.50	—		
Fiscal year ending December 31, 2022 (forecast)			—	57.50	115.00

Note: No revision to the most recently announced dividend forecast for the fiscal year ending December 31, 2022 was made.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2022

(January 1, 2022 through December 31, 2022)

*% represents year-on-year rate.

	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
Fiscal year ending December 31, 2022	2,270,000	25.2	220,000	20.7	233,000	23.0	163,000	4.8	477.93

Note: Revision to the most recently announced consolidated financial results forecast for the fiscal year ending December 31, 2022 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: 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, 2022	350,217,467 shares	Fiscal year ended December 31, 2021	350,217,467 shares
2) Number of shares of treasury shares at end of period	Nine months ended September 30, 2022	12,002,134 shares	Fiscal year ended December 31, 2021	4,356,972 shares
3) Average number of shares during period	Nine months ended September 30, 2022	341,903,865 shares	Nine months ended September 30, 2021	349,488,839 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.

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Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

As of December 31, 2021 and September 30, 2022

	Millions of yen	
	As of December 31, 2021	As of September 30, 2022
ASSETS		
Current assets:		
Cash and deposits	276,412	345,838
Notes and accounts receivable – trade	161,626	—
Notes and accounts receivable – trade, and contract assets	—	197,280
Short-term sales finance receivables	154,599	222,188
Merchandise and finished goods	211,920	260,093
Work in process	92,070	125,719
Raw materials and supplies	101,369	129,988
Other	61,499	99,136
Allowance for doubtful accounts	(14,799)	(19,015)
Total current assets	1,044,698	1,361,230
Non-current assets:		
Property, plant and equipment	354,127	390,902
Intangible assets	28,419	37,890
Investments and other assets		
Long-term sales finance receivables	208,209	272,076
Other	200,396	187,870
Allowance for doubtful accounts	(2,934)	(4,610)
Total investments and other assets	405,671	455,336
Total non-current assets	788,218	884,129
Total assets	1,832,917	2,245,360

	Millions of yen	
	As of December 31, 2021	As of September 30, 2022
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	140,524	171,411
Electronically recorded obligations – operating	24,653	29,554
Short-term loans payable	62,954	123,575
Current portion of bonds payable	2,240	8,561
Current portion of long-term loans payable	77,132	204,906
Provision for bonuses	15,334	27,921
Provision for product warranties	17,267	19,204
Other provision	2,153	3,333
Other	171,005	201,251
Total current liabilities	513,265	789,719
Non-current liabilities:		
Bonds payable	7,552	22,519
Long-term loans payable	308,634	252,359
Net defined benefit liability	51,840	55,273
Other provision	307	709
Other	50,645	56,377
Total non-current liabilities	418,980	387,240
Total liabilities	932,246	1,176,959
NET ASSETS		
Shareholders' equity:		
Capital stock	86,100	86,100
Capital surplus	68,101	68,050
Retained earnings	761,483	852,682
Treasury shares	(11,722)	(31,725)
Total shareholders' equity	903,962	975,108
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	41,522	30,378
Revaluation reserve for land	10,427	10,427
Foreign currency translation adjustment	(103,471)	(8,215)
Remeasurements of defined benefit plans	6,785	8,182
Total accumulated other comprehensive income	(44,736)	40,772
Non-controlling interests	41,444	52,519
Total net assets	900,670	1,068,400
Total liabilities and net assets	1,832,917	2,245,360

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**
Nine months ended September 30, 2021 and 2022
Consolidated Statements of Income

	Millions of yen	
	Nine months ended September 30, 2021 (January 1— September 30, 2021)	Nine months ended September 30, 2022 (January 1— September 30, 2022)
Net sales	1,362,618	1,677,127
Cost of sales	976,436	1,213,712
Gross profit	386,181	463,415
Selling, general and administrative expenses	231,551	289,229
Operating income	154,629	174,185
Non-operating income:		
Share of profit of entities accounted for using equity method	3,521	4,151
Foreign exchange gains	1,705	6,934
Other	7,773	12,385
Total non-operating income	13,000	23,470
Non-operating expenses:		
Interest expenses	1,876	2,731
Other	5,158	4,972
Total non-operating expenses	7,035	7,703
Ordinary income	160,595	189,953
Extraordinary income:		
Gain on sales of non-current assets	203	707
Gain on sales of investment securities	12,819	4,882
Total extraordinary income	13,022	5,590
Extraordinary losses:		
Loss on sales of non-current assets	94	39
Loss on disposal of non-current assets	596	743
Impairment loss	368	—
Loss on sales of investment securities	301	128
Loss on disaster	697	—
Total extraordinary losses	2,058	911
Income before income taxes	171,559	194,632
Income taxes – current	36,803	46,794
Income taxes – deferred	(9,263)	2,687
Total income taxes	27,540	49,481
Net income	144,019	145,150
Net income attributable to non-controlling interests	7,005	12,076
Net income attributable to owners of parent	137,014	133,073

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Nine months ended September 30, 2021 (January 1— September 30, 2021)	Nine months ended September 30, 2022 (January 1— September 30, 2022)
Net income	144,019	145,150
Other comprehensive income:		
Valuation difference on available-for-sale securities	2	(11,139)
Foreign currency translation adjustment	25,538	98,076
Remeasurements of defined benefit plans, net of tax	827	1,508
Share of other comprehensive income of entities accounted for using equity method	1,373	3,178
Total other comprehensive income	27,741	91,623
Comprehensive income:	171,761	236,773
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	162,722	218,582
Comprehensive income attributable to non-controlling interests	9,039	18,191

(3) Consolidated Statements of Cash Flows

Nine months ended September 30, 2021 and 2022

	Millions of yen	
	Nine months ended September 30, 2021 (January 1— September 30, 2021)	Nine months ended September 30, 2022 (January 1— September 30, 2022)
Cash flows from operating activities:		
Income before income taxes	171,559	194,632
Depreciation	37,342	43,096
Impairment loss	368	—
Increase (decrease) in allowance for doubtful accounts	(544)	1,435
Increase (decrease) in retirement benefit liability	1,494	877
Decrease (increase) in retirement benefit asset	(3,597)	(2,698)
Interest and dividend income	(3,106)	(3,691)
Interest expenses	1,876	2,731
Share of (profit) loss of entities accounted for using equity method	(3,521)	(4,151)
Loss (gain) on sales of property, plant and equipment and intangible assets	(109)	(668)
Loss on disposal of property, plant and equipment and intangible assets	596	743
Loss (gain) on sale of investment securities	(12,517)	(4,754)
Decrease (increase) in notes and accounts receivable – trade	(5,152)	(15,392)
Decrease (increase) in sales finance receivables	8,971	(38,467)
Decrease (increase) in inventories	(45,983)	(51,934)
Increase (decrease) in notes and accounts payable – trade	6,113	18,138
Other, net	6,077	2,276
Subtotal	159,868	142,173
Interest and dividend income received	5,779	5,937
Interest expenses paid	(1,952)	(2,807)
Income taxes paid	(22,922)	(44,056)
Net cash provided by (used in) operating activities	140,772	101,245

	Millions of yen	
	Nine months ended September 30, 2021 (January 1— September 30, 2021)	Nine months ended September 30, 2022 (January 1— September 30, 2022)
Cash flows from investing activities:		
Payments into time deposits	(2,847)	(4,359)
Proceeds from withdrawal of time deposits	2,863	4,154
Purchase of property, plant and equipment and intangible assets	(45,198)	(53,665)
Proceeds from sales of property, plant and equipment and intangible assets	4,305	5,633
Purchase of investment securities	(3,085)	(10,431)
Proceeds from sales of investment securities	15,018	22,258
Payments of long-term loans receivable	(37)	(59)
Collection of long-term loans receivable	68	82
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(664)	—
Other, net	958	(9)
Net cash provided by (used in) investing activities	(28,618)	(36,396)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	(37,831)	43,400
Proceeds from long-term loans payable	30,799	43,175
Repayment of long-term loans payable	(28,582)	(27,998)
Proceeds from issuance of bonds	7,248	15,840
Net decrease (increase) in treasury shares	(2)	(20,002)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(1)	—
Cash dividends paid	(38,447)	(41,932)
Dividends paid to non-controlling interests	(4,399)	(6,443)
Other, net	(3,387)	(4,036)
Net cash provided by (used in) financing activities	(74,604)	2,002
Effect of exchange rate change on cash and cash equivalents	7,442	11,839
Net increase (decrease) in cash and cash equivalents	44,992	78,691
Cash and cash equivalents at beginning of period	267,180	274,936
Cash and cash equivalents at end of period	312,172	353,627

(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 the Accounting Standard for Revenue Recognition, etc.)

The Company and its domestic consolidated subsidiaries that apply Japanese GAAP have adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020; hereinafter “Accounting Standard for Revenue Recognition”), etc. effective as of the beginning of the first three months of the fiscal year ending December 31, 2022, and will recognize revenue at the amount expected to be received in exchange for goods or services when control of the promised goods or services has been transferred to a customer.

With respect to application of the Accounting Standard for Revenue Recognition, etc., in accordance with the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospective application of the new accounting policy prior to the beginning of the first three months of the fiscal year ending December 31, 2022 is added to or deducted from retained earnings at the beginning of the first three months of the fiscal year ending December 31, 2022, and the new accounting policy is applied from such beginning balance. However, the new accounting policy was not applied retrospectively to contracts for which almost all revenue amounts had been recognized in accordance with the previous treatment prior to the beginning of the first three months of the fiscal year ending December 31, 2022, in accordance with the method prescribed in Paragraph 86 of the Accounting Standard for Revenue Recognition. In addition, having applied the method prescribed in proviso (1) of Paragraph 86 of the Accounting Standard for Revenue Recognition, contract changes made prior to the beginning of the first three months of the fiscal year ending December 31, 2022 are accounted for based on the contract terms after reflecting all contract changes, and the cumulative effect of such changes is added to or deducted from retained earnings at the beginning of the first three months of the fiscal year ending December 31, 2022. The effect of this change on the quarterly consolidated financial statements is immaterial.

Due to the application of the Accounting Standard for Revenue Recognition, etc., “notes and accounts receivable – trade,” which were included in “current assets” in the consolidated balance sheet for the previous fiscal year, are included in “notes and accounts receivable – trade, and contract assets” from the first three months of the fiscal year ending December 31, 2022. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made for the previous fiscal year using the new presentation. Furthermore, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No. 12, March 31, 2020), information concerning disaggregating revenue from contracts with customers for the first nine months of the previous fiscal year is not presented.

(Adoption of Accounting Standard for Fair Value Measurement, etc.)

The Company and its domestic consolidated subsidiaries that apply Japanese GAAP have adopted the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019; hereinafter “Accounting Standard for Fair Value Measurement”), etc. effective as of the beginning of the first three months of the fiscal year ending December 31, 2022, and will prospectively apply the new accounting policies prescribed by the Accounting Standard for Fair Value Measurement, etc., in accordance with the transitional treatment stipulated in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no impact on the quarterly consolidated financial statements.

(Adoption of FASB Accounting Standards Codification (ASC) Topic 842, “Leases”)

The Company’s North American subsidiaries that apply U.S. GAAP have adopted ASC Topic 842, “Leases,” effective as of the beginning of the first three months of the fiscal year ending December 31, 2022. Consequently, lessees are in

principle required to recognize all leases as assets and liabilities on their balance sheets. There are no significant changes in the accounting treatment of lessors.

In applying this accounting standard, the accepted method for the transitional treatment which the cumulative effect of a change in accounting policy is recognized at the date of adoption has been adopted.

As a result, at the end of the first nine months of the fiscal year ending December 31, 2022, “property, plant and equipment” increased by ¥8,672 million, “other” in current liabilities increased by ¥1,789 million, and “other” in non-current liabilities increased by ¥6,971 million. The impact on operating income, ordinary income, income before income taxes, and net income for the first nine months of the fiscal year ending December 31, 2022 is immaterial.

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

Nine months ended September 30, 2021 (January 1, 2021 through September 30, 2021)

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	882,039	302,550	88,559	35,897	1,309,048	53,570	1,362,618	—	1,362,618
Intersegment	—	—	—	—	—	34,163	34,163	(34,163)	—
Total	882,039	302,550	88,559	35,897	1,309,048	87,733	1,396,781	(34,163)	1,362,618
Segment income (Note 2)	60,391	64,545	13,812	14,975	153,725	904	154,629	—	154,629

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.

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 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 snow throwers.
2. Total of segment income (loss) corresponds to operating income in the Consolidated Statements of Income.