

**Business Results for the First Six Months of the Fiscal Year  
Ending December 31, 2018  
(January 1, 2018 through June 30, 2018)  
(Japanese GAAP)**

August 8, 2018

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 9, 2018

Beginning of payment of dividends (scheduled):

September 7, 2018

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, 2018

(January 1, 2018 through June 30, 2018)

### (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	%
<b>Six months ended June 30, 2018</b>	<b>851,314</b>	<b>2.8</b>	<b>82,246</b>	<b>0.1</b>	<b>79,335</b>	<b>(5.0)</b>	<b>56,984</b>	<b>(6.3)</b>
Six months ended June 30, 2017	828,051	6.4	82,189	25.7	83,530	51.1	60,813	87.5

Note: Comprehensive income

Six months ended June 30, 2018:	¥50,503 million	[(20.6)%]
Six months ended June 30, 2017:	¥63,623 million	[-%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
<b>Six months ended June 30, 2018</b>	<b>163.17</b>	—
Six months ended June 30, 2017	174.13	—

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
<b>As of June 30, 2018</b>	<b>1,391,090</b>	<b>687,451</b>	<b>46.8</b>
As of December 31, 2017	1,415,845	665,232	44.0

Reference: Shareholders' equity

As of June 30, 2018:	¥650,634 million
As of December 31, 2017:	¥622,802 million

## 2. Dividends

Record date	Annual dividends per share				Total
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2017	—	39.00	—	49.00	88.00
Fiscal year ending December 31, 2018	—	45.00			
Fiscal year ending December 31, 2018 (forecast)			—	45.00	90.00

Note: No revision to the most recently announced dividend forecast for the fiscal year ending December 31, 2018 was made.

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2018

(January 1, 2018 through December 31, 2018)

\*% 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, 2018	1,700,000	1.8	150,000	0.1	155,000	0.1	103,000	1.4	294.93

Note: No revision to the most recently announced consolidated financial figures forecast for the fiscal year ending December 31, 2018 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: Please refer to page 6 of the Attachment, “Changes in Accounting Policies,” under “1. Matters Regarding Summary Information (Notes).”

(4) Number of shares outstanding (Common stock)

1) Number of shares outstanding at end of period, including treasury shares	Six months ended June 30, 2018	349,914,284 shares	Fiscal year ended December 31, 2017	349,914,284 shares
2) Number of shares of treasury shares at end of period	Six months ended June 30, 2018	682,567 shares	Fiscal year ended December 31, 2017	681,818 shares
3) Average number of shares during period	Six months ended June 30, 2018	349,232,073 shares	Six months ended June 30, 2017	349,234,484 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 83rd Securities Report (filed on March 26, 2018).

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## **1. Matters Regarding Summary Information (Notes)**

### **Changes in Accounting Policies**

(Application of IFRS 9 “Financial Instruments”)

IFRS 9 “Financial Instruments” have been applied from the first three months of the fiscal year ending December 31, 2018, excluding the Company and domestic subsidiaries that adopt JGAAP and subsidiaries in North America that adopt USGAAP. Due to this application, classifications and measurement methods for financial instruments have been revised and for financial assets, impairments have been recognized under the expected credit loss model.

Regarding the application of IFRS 9, in line with the treatments in progress of the IFRS 9, the amount of the cumulative effect has been added or subtracted from retained earnings, etc., at the beginning of the first three months of the fiscal year ending December 31, 2018.

As a result, the effect on the quarterly consolidated financial statements for the second quarter ended June 30, 2018 and for the six months ended June 30, 2018 is immaterial.

(Application of IFRS 15 “Revenue from Contracts with Customers”)

IFRS 15 “Revenue from Contracts with Customers” have been applied from the first three months of the fiscal year ending December 31, 2018, excluding the Company and domestic subsidiaries that adopt JGAAP and subsidiaries in North America that adopt USGAAP. Due to this application, recognition standards for revenue have been revised, and for all contracts—excluding items such as financial instruments, lease contracts, insurance contracts, and exchange transactions for products with competitors—revenue is now recognized at the time the agreed upon goods or services are transferred to the customer, as amounts that reflect the consideration for which rights are expected to be acquired in exchange for said goods or services.

Regarding the application of IFRS 15, in line with the treatments in progress of the IFRS 15, the amount of the cumulative effect has been added or subtracted from retained earnings at the beginning of the first three months of the fiscal year ending December 31, 2018.

As a result, the effect on the quarterly consolidated financial statements for the second quarter ended June 30, 2018 and for the six months ended June 30, 2018 is immaterial.

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

As of December 31, 2017 and June 30, 2018

	Millions of yen	
	As of December 31, 2017	As of June 30, 2018
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	156,634	138,656
Notes and accounts receivable – trade	165,220	182,866
Short-term sales finance receivables	161,453	159,710
Merchandise and finished goods	198,991	180,252
Work in process	52,835	54,082
Raw materials and supplies	55,802	55,628
Other	76,901	72,746
Allowance for doubtful accounts	(12,822)	(11,862)
Total current assets	855,018	832,081
<b>Non-current assets:</b>		
Property, plant and equipment	347,997	327,240
Intangible assets	11,173	10,393
Investments and other assets		
Long-term sales finance receivables	87,246	93,188
Other	116,292	130,150
Allowance for doubtful accounts	(1,882)	(1,963)
Total investments and other assets	201,655	221,375
Total non-current assets	560,827	559,009
<b>Total assets</b>	1,415,845	1,391,090
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable – trade	120,123	113,290
Electronically recorded obligations – operating	34,566	18,235
Short-term loans payable	133,725	131,872
Current portion of long-term loans payable	57,196	80,664
Provision for product warranties	17,704	15,355
Other provision	15,640	14,420
Other	123,197	107,748
Total current liabilities	502,153	481,587
<b>Non-current liabilities:</b>		
Long-term loans payable	162,569	134,963
Net defined benefit liability	53,613	51,182
Other provision	886	847
Other	31,389	35,057
Total non-current liabilities	248,458	222,050
<b>Total liabilities</b>	750,612	703,638

	Millions of yen	
	As of December 31, 2017	As of June 30, 2018
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	85,797	85,797
Capital surplus	74,662	74,663
Retained earnings	513,182	552,041
Treasury shares	(722)	(725)
Total shareholders' equity	672,920	711,776
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	35,086	45,522
Revaluation reserve for land	10,449	10,412
Foreign currency translation adjustment	(94,226)	(116,958)
Remeasurements of defined benefit plans	(1,427)	(119)
Total accumulated other comprehensive income	(50,118)	(61,142)
<b>Non-controlling interests</b>	42,430	36,817
<b>Total net assets</b>	665,232	687,451
<b>Total liabilities and net assets</b>	1,415,845	1,391,090



**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**  
*Six months ended June 30, 2017 and 2018*  
**Consolidated Statements of Income**

	Millions of yen	
	Six months ended June 30, 2017 (January 1— June 30, 2017)	Six months ended June 30, 2018 (January 1— June 30, 2018)
<b>Net sales</b>	828,051	851,314
<b>Cost of sales</b>	596,513	619,976
<b>Gross profit</b>	231,537	231,338
<b>Selling, general and administrative expenses</b>	149,348	149,091
<b>Operating income</b>	82,189	82,246
<b>Non-operating income:</b>		
Interest income	2,296	2,052
Other	4,638	4,385
Total non-operating income	6,934	6,437
<b>Non-operating expenses:</b>		
Interest expenses	2,084	1,548
Foreign exchange losses	1,121	6,490
Other	2,387	1,308
Total non-operating expenses	5,593	9,348
<b>Ordinary income</b>	83,530	79,335
<b>Extraordinary income:</b>		
Gain on sales of non-current assets	322	182
Gain on sales of investment securities	818	225
Total extraordinary income	1,141	407
<b>Extraordinary losses:</b>		
Loss on sales of non-current assets	39	75
Loss on disposal of non-current assets	484	385
Impairment loss	1,449	154
Loss on revision of retirement benefit plan	237	—
Total extraordinary losses	2,210	616
<b>Income before income taxes</b>	82,460	79,127
<b>Income taxes – current</b>	14,961	18,886
<b>Income taxes – deferred</b>	(939)	(3,366)
<b>Total income taxes</b>	14,022	15,520
<b>Net income</b>	68,438	63,606
<b>Net income attributable to non-controlling interests</b>	7,624	6,622
<b>Net income attributable to owners of parent</b>	60,813	56,984

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Six months ended June 30, 2017 (January 1— June 30, 2017)	Six months ended June 30, 2018 (January 1— June 30, 2018)
<b>Net income</b>	68,438	<b>63,606</b>
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	1,305	<b>10,060</b>
Revaluation reserve for land	(1)	<b>(0)</b>
Foreign currency translation adjustment	(7,277)	<b>(23,730)</b>
Remeasurements of defined benefit plans, net of tax	1,319	<b>1,429</b>
Share of other comprehensive income of entities accounted for using equity method	(161)	<b>(861)</b>
Total other comprehensive income	(4,815)	<b>(13,102)</b>
<b>Comprehensive income:</b>	63,623	<b>50,503</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	56,786	<b>45,618</b>
Comprehensive income attributable to non-controlling interests	6,836	<b>4,885</b>

### (3) Consolidated Statements of Cash Flows

Six months ended June 30, 2017 and 2018

	Millions of yen	
	Six months ended June 30, 2017 (January 1— June 30, 2017)	Six months ended June 30, 2018 (January 1— June 30, 2018)
<b>Cash flows from operating activities:</b>		
Income before income taxes	82,460	79,127
Depreciation	22,358	22,536
Impairment loss	1,449	154
Increase (decrease) in net defined benefit liability	1,850	1,613
Interest and dividend income	(2,907)	(2,653)
Interest expenses	2,084	1,548
Loss (gain) on sales of property, plant and equipment and intangible assets	(283)	(106)
Loss (gain) on disposal of property, plant and equipment and intangible assets	484	385
Decrease (increase) in notes and accounts receivable – trade	(40,952)	(26,292)
Decrease (increase) in sales finance receivables	(14,252)	(15,976)
Decrease (increase) in inventories	(1,873)	4,753
Increase (decrease) in notes and accounts payable – trade	10,734	(15,517)
Other, net	513	(927)
Subtotal	61,666	48,646
Interest and dividend income received	3,877	4,105
Interest expenses paid	(2,123)	(1,549)
Income taxes paid	(18,175)	(25,936)
Net cash provided by (used in) operating activities	45,245	25,266

	Millions of yen	
	Six months ended June 30, 2017 (January 1— June 30, 2017)	Six months ended June 30, 2018 (January 1— June 30, 2018)
<b>Cash flows from investing activities:</b>		
Payments into time deposits	(1,140)	(105)
Proceeds from withdrawal of time deposits	30	1,121
Purchase of property, plant and equipment and intangible assets	(32,210)	(23,710)
Proceeds from sales of property, plant and equipment and intangible assets	2,540	2,216
Purchase of investment securities	(236)	(946)
Proceeds from sales of investment securities	1,722	225
Other, net	(511)	(168)
Net cash provided by (used in) investing activities	(29,806)	(21,368)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans payable	21,957	5,206
Proceeds from long-term loans payable	19,172	9,494
Repayment of long-term loans payable	(28,846)	(7,418)
Net decrease (increase) in treasury shares	(3)	(2)
Cash dividends paid	(10,478)	(17,114)
Dividends paid to non-controlling interests	(10,328)	(10,436)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(85)	—
Other, net	(87)	(123)
Net cash provided by (used in) financing activities	(8,699)	(20,393)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(1,101)	(551)
<b>Net increase (decrease) in cash and cash equivalents</b>	5,637	(17,048)
<b>Cash and cash equivalents at beginning of period</b>	135,527	155,635
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	0	—
<b>Cash and cash equivalents at end of period</b>	141,165	138,587

## (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

### Segment Information

Segment information

Six months ended June 30, 2017 (January 1, 2017 through June 30, 2017)

#### 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
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total				
Net sales:									
Outside customers	509,184	179,708	67,002	30,808	786,704	41,347	828,051	—	828,051
Intersegment	—	—	—	—	—	17,498	17,498	(17,498)	—
Total	509,184	179,708	67,002	30,808	786,704	58,845	845,549	(17,498)	828,051
Segment income (Note 2)	33,787	36,909	950	6,296	77,944	4,245	82,189	0	82,189

Notes:

1. "Others" is a business segment not included in the reporting segments. It includes businesses involving the business of electrically power assisted bicycles, automobile engines, automobile components, industrial-use unmanned helicopters and electrically powered wheelchairs.
2. Total of segment income corresponds to operating income in the Consolidated Statements of Income.

Six months ended June 30, 2018 (January 1, 2018 through June 30, 2018)

#### 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
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total				
Net sales:									
Outside customers	515,388	188,692	71,339	35,310	810,731	40,582	851,314	—	851,314
Intersegment	—	—	—	—	—	17,861	17,861	(17,861)	—
Total	515,388	188,692	71,339	35,310	810,731	58,443	869,175	(17,861)	851,314
Segment income (Note 2)	31,238	38,184	1,127	8,834	79,383	2,862	82,246	0	82,246

Notes:

1. "Others" is a business segment not included in the reporting segments. It includes businesses involving the business of electrically power assisted bicycles, automobile engines, automobile components, industrial-use unmanned helicopters and electrically powered wheelchairs.
2. Total of segment income corresponds to operating income in the Consolidated Statements of Income.