

**Business Results for the First Three Months of the Fiscal Year
Ending December 31, 2017
(January 1, 2017 through March 31, 2017)
(Japanese GAAP)**

May 12, 2017

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:

Hiroyuki Yanagi, President, Chief Executive Officer, and Representative Director

Contact:

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Filing of quarterly securities report (scheduled):

May 15, 2017

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 Three Months Ended March 31, 2017

(January 1, 2017 through March 31, 2017)

(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	%
Three months ended March 31, 2017	386,045	0.8	37,262	15.5	40,832	45.1	31,739	53.0
Three months ended March 31, 2016	382,900	(1.7)	32,267	(11.8)	28,144	(22.1)	20,749	(19.7)

Note: Comprehensive income

Three months ended March 31, 2017:	¥21,767 million [154.9%]
Three months ended March 31, 2016:	¥8,540 million [(54.6)%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
Three months ended March 31, 2017	90.88	–
Three months ended March 31, 2016	59.42	59.41

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2017	1,356,849	578,079	40.0
As of December 31, 2016	1,318,776	575,404	40.5

Reference: Shareholders' equity

As of March 31, 2017:	¥542,248 million
As of December 31, 2016:	¥534,166 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, 2016	—	30.00	—	30.00	60.00
Fiscal year ending December 31, 2017	—				
Fiscal year ending December 31, 2017 (forecast)		32.50	—	32.50	65.00

Note: No revision to the most recently announced dividend forecast for the fiscal year ending December 31, 2017 was made.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2017

(January 1, 2017 through December 31, 2017)

*% 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, 2017	1,600,000	6.5	120,000	10.5	120,000	17.6	75,000	18.8	214.76

Note: No revision to the most recently announced consolidated financial figures forecast for the fiscal year ending December 31, 2017 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: None
 - 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, “Additional Information,” 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	Three months ended March 31, 2017	349,914,284 shares	Fiscal year ended December 31, 2016	349,914,284 shares
2) Number of shares of treasury shares at end of period	Three months ended March 31, 2017	679,777 shares	Fiscal year ended December 31, 2016	679,162 shares
3) Average number of shares during period	Three months ended March 31, 2017	349,234,870 shares	Three months ended March 31, 2016	349,221,481 shares

(*The quarterly consolidated financial results presented herein are not subject to the quarterly review.)

(*Notice regarding results forecast)

(1) 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 82nd Securities Report (filed on March 24, 2017).

(2) Briefing on the quarterly consolidated financial results will be held as follows. Supplementary explanatory documents related to the consolidated financial results and so on to be handed at the briefing will be posted on the Company website immediately after the briefing.

Friday, May 12, 2017:

Briefing on the consolidated financial results for institutional investors and securities analysts

(3) With regard to amounts stated in ¥100 million units in this document, amounts less than ¥100 million are rounded off.

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1. Matters Regarding Summary Information (Notes)

Additional Information

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

“Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016) has been applied from the first quarter of the fiscal year ending December 31, 2017.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of December 31, 2016 and March 31, 2017

	Millions of yen	
	As of December 31, 2016	As of March 31, 2017
ASSETS		
Current assets:		
Cash and deposits	135,525	134,803
Notes and accounts receivable – trade	145,698	162,150
Short-term sales finance receivables	157,581	168,947
Merchandise and finished goods	188,032	204,338
Work in process	52,694	50,374
Raw materials and supplies	53,563	51,992
Other	72,995	80,481
Allowance for doubtful accounts	(11,147)	(10,435)
Total current assets	794,943	842,653
Non-current assets:		
Property, plant and equipment	350,668	341,822
Intangible assets	8,658	8,893
Investments and other assets		
Long-term sales finance receivables	57,034	63,528
Other	109,373	102,174
Allowance for doubtful accounts	(1,901)	(2,222)
Total investments and other assets	164,506	163,480
Total non-current assets	523,833	514,196
Total assets	1,318,776	1,356,849
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	113,036	127,409
Electronically recorded obligations – operating	30,753	35,045
Short-term loans payable	128,517	161,134
Current portion of long-term loans payable	53,904	45,753
Provision for bonuses	12,971	17,886
Provision for product warranties	22,905	21,353
Other provision	1,466	1,427
Other	111,066	105,527
Total current liabilities	474,621	515,538
Non-current liabilities:		
Long-term loans payable	181,960	179,038
Net defined benefit liability	55,404	54,989
Other provision	754	774
Other	30,630	28,429
Total non-current liabilities	268,750	263,232
Total liabilities	743,371	778,770

	Millions of yen	
	As of December 31, 2016	As of March 31, 2017
NET ASSETS		
Shareholders' equity:		
Capital stock	85,797	85,797
Capital surplus	74,712	74,662
Retained earnings	434,361	456,128
Treasury shares	(714)	(715)
Total shareholders' equity	594,157	615,872
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	28,945	24,536
Revaluation reserve for land	11,769	11,262
Foreign currency translation adjustment	(93,530)	(103,068)
Remeasurements of defined benefit plans	(7,174)	(6,354)
Total accumulated other comprehensive income	(59,990)	(73,623)
Non-controlling interests	41,238	35,831
Total net assets	575,404	578,079
Total liabilities and net assets	1,318,776	1,356,849

**(2) Consolidated Statements of Income and
Consolidated Statements of Comprehensive Income**
Three months ended March 31, 2016 and 2017
Consolidated Statements of Income

	Millions of yen	
	Three months ended March 31, 2016 (January 1— March 31, 2016)	Three months ended March 31, 2017 (January 1— March 31, 2017)
Net sales	382,900	386,045
Cost of sales	278,785	276,952
Gross profit	104,114	109,092
Selling, general and administrative expenses	71,846	71,829
Operating income	32,267	37,262
Non-operating income:		
Interest income	926	1,129
Foreign exchange gains	—	3,279
Other	1,444	2,148
Total non-operating income	2,370	6,557
Non-operating expenses:		
Loss on valuation of investment securities	—	650
Interest expenses	1,387	1,123
Foreign exchange losses	4,527	—
Other	579	1,213
Total non-operating expenses	6,494	2,986
Ordinary income	28,144	40,832
Extraordinary income:		
Gain on sales of non-current assets	53	77
Gain on sales of investment securities	—	533
Total extraordinary income	53	610
Extraordinary losses:		
Loss on sales of non-current assets	3	25
Loss on disposal of non-current assets	144	149
Impairment loss	102	1,449
Total extraordinary losses	250	1,624
Income before income taxes	27,946	39,819
Income taxes – current	9,105	8,835
Income taxes – deferred	(4,706)	(4,822)
Total income taxes	4,399	4,013
Net income	23,547	35,805
Net income attributable to non-controlling interests	2,798	4,066
Net income attributable to owners of parent	20,749	31,739

Consolidated Statements of Comprehensive Income

	Millions of yen	
	Three months ended March 31, 2016 (January 1— March 31, 2016)	Three months ended March 31, 2017 (January 1— March 31, 2017)
Net income	23,547	35,805
Other comprehensive income:		
Valuation difference on available-for-sale securities	1,080	(4,407)
Revaluation reserve for land	279	(1)
Foreign currency translation adjustment	(16,213)	(10,280)
Remeasurements of defined benefit plans, net of tax	608	893
Share of other comprehensive income of entities accounted for using equity method	(762)	(241)
Total other comprehensive income	(15,006)	(14,038)
Comprehensive income:	8,540	21,767
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,567	18,611
Comprehensive income attributable to non-controlling interests	973	3,156

(3) Consolidated Statements of Cash Flows

Three months ended March 31, 2016 and 2017

	Millions of yen	
	Three months ended March 31, 2016 (January 1— March 31, 2016)	Three months ended March 31, 2017 (January 1— March 31, 2017)
Cash flows from operating activities:		
Income before income taxes	27,946	39,819
Depreciation	10,845	10,768
Impairment loss	102	1,449
Increase (decrease) in net defined benefit liability	508	1,084
Interest and dividend income	(926)	(1,129)
Interest expenses	1,387	1,123
Loss (gain) on sales of property, plant and equipment and intangible assets	(49)	(51)
Loss (gain) on disposal of property, plant and equipment and intangible assets	144	149
Decrease (increase) in notes and accounts receivable – trade	(20,819)	(18,956)
Decrease (increase) in sales finance receivables	(19,431)	(23,090)
Decrease (increase) in inventories	(17,306)	(18,018)
Increase (decrease) in notes and accounts payable – trade	8,828	16,150
Other, net	10,604	(5,480)
Subtotal	1,836	3,817
Interest and dividend income received	1,751	1,744
Interest expenses paid	(1,458)	(1,206)
Income taxes paid	(7,468)	(10,547)
Net cash provided by (used in) operating activities	(5,339)	(6,191)

	Millions of yen	
	Three months ended March 31, 2016 (January 1— March 31, 2016)	Three months ended March 31, 2017 (January 1— March 31, 2017)
Cash flows from investing activities:		
Payments into time deposits	(1)	(14)
Proceeds from withdrawal of time deposits	58	29
Purchase of property, plant and equipment and intangible assets	(11,406)	(12,324)
Proceeds from sales of property, plant and equipment and intangible assets	1,159	1,921
Proceeds from sales of investment securities	—	719
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,280)	—
Other, net	(195)	(185)
Net cash provided by (used in) investing activities	(11,665)	(9,853)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	29,655	35,642
Proceeds from long-term loans payable	3,259	3,526
Repayment of long-term loans payable	(3,870)	(11,655)
Net decrease (increase) in treasury shares	(0)	(1)
Cash dividends paid	(7,683)	(10,478)
Dividends paid to non-controlling interests	(52)	(44)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(85)
Other, net	(820)	(42)
Net cash provided by (used in) financing activities	20,486	16,860
Effect of exchange rate change on cash and cash equivalents	(334)	(1,610)
Net increase (decrease) in cash and cash equivalents	3,146	(794)
Cash and cash equivalents at beginning of period	107,622	135,527
Increase in cash and cash equivalents from newly consolidated subsidiary	259	0
Cash and cash equivalents at end of period	111,029	134,733

(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

Three months ended March 31, 2016 (January 1, 2016 through March 31, 2016)

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	229,796	84,385	38,264	10,907	363,352	19,547	382,900	—	382,900
Intersegment	—	—	—	—	—	7,791	7,791	(7,791)	—
Total	229,796	84,385	38,264	10,907	363,352	27,339	390,692	(7,791)	382,900
Segment income (Note 2)	7,579	19,999	1,906	1,586	31,072	1,195	32,267	0	32,267

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.

Three months ended March 31, 2017 (January 1, 2017 through March 31, 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	232,492	86,477	33,672	12,259	364,902	21,142	386,045	—	386,045
Intersegment	—	—	—	—	—	8,974	8,974	(8,974)	—
Total	232,492	86,477	33,672	12,259	364,902	30,116	395,019	(8,974)	386,045
Segment income (Note 2)	13,943	17,997	663	1,974	34,579	2,683	37,262	0	37,262

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.