

**Business Results for the First Six Months of the Fiscal Year  
Ending December 31, 2017**  
(January 1, 2017 through June 30, 2017)  
**(Japanese GAAP)**

August 8, 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:

Takahiko Matsushita, General Manager, Finance & Accounting Division  
Phone: +81-538-32-1103

Filing of quarterly securities report (scheduled):

August 9, 2017

Beginning of payment of dividends (scheduled):

September 8, 2017

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, 2017

(January 1, 2017 through June 30, 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	%
<b>Six months ended June 30, 2017</b>	<b>828,051</b>	<b>6.4</b>	<b>82,189</b>	<b>25.7</b>	<b>83,530</b>	<b>51.1</b>	<b>60,813</b>	<b>87.5</b>
Six months ended June 30, 2016	778,338	(6.1)	65,377	(10.9)	55,292	(25.7)	32,429	(37.8)

Note: Comprehensive income

Six months ended June 30, 2017: ¥63,623 million [-%]  
Six months ended June 30, 2016: ¥(13,897) million [-%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
<b>Six months ended June 30, 2017</b>	<b>174.13</b>	—
Six months ended June 30, 2016	92.86	92.86

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
<b>As of June 30, 2017</b>	<b>1,368,111</b>	<b>617,973</b>	<b>42.4</b>
As of December 31, 2016	1,318,776	575,404	40.5

Reference: Shareholders' equity

As of June 30, 2017: ¥580,422 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	—	39.00			
Fiscal year ending December 31, 2017 (forecast)			—	39.00	78.00

Note: 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	1,630,000	8.5	135,000	24.3	135,000	32.3	90,000	42.5	257.71

Note: 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	Six months ended June 30, 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	Six months ended June 30, 2017	680,502 shares	Fiscal year ended December 31, 2016	679,162 shares
3) Average number of shares during period	Six months ended June 30, 2017	349,234,484 shares	Six months ended June 30, 2016	349,225,353 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.

Tuesday, August 8, 2017:

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

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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 and Primary Notes

### (1) Consolidated Balance Sheets

As of December 31, 2016 and June 30, 2017

	Millions of yen	
	As of December 31, 2016	As of June 30, 2017
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	135,525	142,461
Notes and accounts receivable – trade	145,698	188,477
Short-term sales finance receivables	157,581	149,329
Merchandise and finished goods	188,032	191,007
Work in process	52,694	50,115
Raw materials and supplies	53,563	51,691
Other	72,995	75,960
Allowance for doubtful accounts	(11,147)	(11,825)
Total current assets	794,943	837,219
<b>Non-current assets:</b>		
Property, plant and equipment	350,668	342,699
Intangible assets	8,658	9,250
Investments and other assets		
Long-term sales finance receivables	57,034	72,984
Other	109,373	107,703
Allowance for doubtful accounts	(1,901)	(1,745)
Total investments and other assets	164,506	178,942
Total non-current assets	523,833	530,891
<b>Total assets</b>	1,318,776	1,368,111
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable – trade	113,036	117,131
Electronically recorded obligations – operating	30,753	34,032
Short-term loans payable	128,517	152,086
Current portion of long-term loans payable	53,904	32,212
Provision for product warranties	22,905	19,804
Other provision	14,437	13,045
Other	111,066	102,640
Total current liabilities	474,621	470,953
<b>Non-current liabilities:</b>		
Long-term loans payable	181,960	190,624
Net defined benefit liability	55,404	55,571
Other provision	754	943
Other	30,630	32,044
Total non-current liabilities	268,750	279,184
<b>Total liabilities</b>	743,371	750,137

	Millions of yen	
	As of December 31, 2016	As of June 30, 2017
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	85,797	<b>85,797</b>
Capital surplus	74,712	<b>74,662</b>
Retained earnings	434,361	<b>485,202</b>
Treasury shares	(714)	<b>(717)</b>
Total shareholders' equity	594,157	<b>644,944</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	28,945	<b>30,249</b>
Revaluation reserve for land	11,769	<b>11,262</b>
Foreign currency translation adjustment	(93,530)	<b>(100,090)</b>
Remeasurements of defined benefit plans	(7,174)	<b>(5,944)</b>
Total accumulated other comprehensive income	(59,990)	<b>(64,522)</b>
<b>Non-controlling interests</b>	41,238	<b>37,551</b>
<b>Total net assets</b>	575,404	<b>617,973</b>
<b>Total liabilities and net assets</b>	1,318,776	<b>1,368,111</b>



**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**  
*Six months ended June 30, 2016 and 2017*  
**Consolidated Statements of Income**

	Millions of yen	
	Six months ended June 30, 2016 (January 1— June 30, 2016)	Six months ended June 30, 2017 (January 1— June 30, 2017)
<b>Net sales</b>	778,338	<b>828,051</b>
<b>Cost of sales</b>	567,893	<b>596,513</b>
<b>Gross profit</b>	210,445	<b>231,537</b>
<b>Selling, general and administrative expenses</b>	145,067	<b>149,348</b>
<b>Operating income</b>	65,377	<b>82,189</b>
<b>Non-operating income:</b>		
Interest income	1,865	<b>2,296</b>
Other	2,846	<b>4,638</b>
Total non-operating income	4,712	<b>6,934</b>
<b>Non-operating expenses:</b>		
Interest expenses	2,786	<b>2,084</b>
Foreign exchange losses	10,148	<b>1,121</b>
Other	1,861	<b>2,387</b>
Total non-operating expenses	14,797	<b>5,593</b>
<b>Ordinary income</b>	55,292	<b>83,530</b>
<b>Extraordinary income:</b>		
Gain on sales of non-current assets	112	<b>322</b>
Gain on sales of investment securities	—	<b>818</b>
Gain on reversal of subscription rights to shares	4	—
Total extraordinary income	116	<b>1,141</b>
<b>Extraordinary losses:</b>		
Loss on sales of non-current assets	37	<b>39</b>
Loss on disposal of non-current assets	419	<b>484</b>
Impairment loss	709	<b>1,449</b>
Loss on revision of retirement benefit plan	—	<b>237</b>
Total extraordinary losses	1,165	<b>2,210</b>
<b>Income before income taxes</b>	54,243	<b>82,460</b>
<b>Income taxes – current</b>	14,895	<b>14,961</b>
<b>Income taxes – deferred</b>	1,284	<b>(939)</b>
<b>Total income taxes</b>	16,179	<b>14,022</b>
<b>Net income</b>	38,063	<b>68,438</b>
<b>Net income attributable to non-controlling interests</b>	5,633	<b>7,624</b>
<b>Net income attributable to owners of parent</b>	32,429	<b>60,813</b>

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Six months ended June 30, 2016 (January 1— June 30, 2016)	Six months ended June 30, 2017 (January 1— June 30, 2017)
<b>Net income</b>	38,063	<b>68,438</b>
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	(5,409)	<b>1,305</b>
Revaluation reserve for land	279	<b>(1)</b>
Foreign currency translation adjustment	(45,370)	<b>(7,277)</b>
Remeasurements of defined benefit plans, net of tax	1,258	<b>1,319</b>
Share of other comprehensive income of entities accounted for using equity method	(2,719)	<b>(161)</b>
Total other comprehensive income	(51,960)	<b>(4,815)</b>
<b>Comprehensive income:</b>	(13,897)	<b>63,623</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(14,722)	<b>56,786</b>
Comprehensive income attributable to non-controlling interests	825	<b>6,836</b>

### (3) Consolidated Statements of Cash Flows

Six months ended June 30, 2016 and 2017

	Millions of yen	
	Six months ended June 30, 2016 (January 1— June 30, 2016)	Six months ended June 30, 2017 (January 1— June 30, 2017)
<b>Cash flows from operating activities:</b>		
Income before income taxes	54,243	82,460
Depreciation	21,325	22,358
Impairment loss	709	1,449
Increase (decrease) in net defined benefit liability	1,317	1,850
Interest and dividend income	(2,412)	(2,907)
Interest expenses	2,786	2,084
Loss (gain) on sales of property, plant and equipment and intangible assets	(75)	(283)
Loss (gain) on disposal of property, plant and equipment and intangible assets	419	484
Decrease (increase) in notes and accounts receivable – trade	(24,107)	(40,952)
Decrease (increase) in sales finance receivables	2,757	(14,252)
Decrease (increase) in inventories	4,821	(1,873)
Increase (decrease) in notes and accounts payable – trade	(2,336)	10,734
Other, net	7,575	513
Subtotal	67,023	61,666
Interest and dividend income received	4,240	3,877
Interest expenses paid	(2,815)	(2,123)
Income taxes paid	(14,816)	(18,175)
Net cash provided by (used in) operating activities	53,632	45,245

	Millions of yen	
	Six months ended June 30, 2016 (January 1— June 30, 2016)	Six months ended June 30, 2017 (January 1— June 30, 2017)
<b>Cash flows from investing activities:</b>		
Payments into time deposits	(8)	(1,140)
Proceeds from withdrawal of time deposits	64	30
Purchase of property, plant and equipment and intangible assets	(24,296)	(32,210)
Proceeds from sales of property, plant and equipment and intangible assets	2,074	2,540
Proceeds from sales of investment securities	—	1,722
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(1,280)	—
Other, net	(102)	(748)
Net cash provided by (used in) investing activities	(23,548)	(29,806)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans payable	(53,254)	21,957
Proceeds from long-term loans payable	46,602	19,172
Repayment of long-term loans payable	(26,973)	(28,846)
Net decrease (increase) in treasury shares	(1)	(3)
Cash dividends paid	(7,683)	(10,478)
Dividends paid to non-controlling interests	(8,234)	(10,328)
Proceeds from exercise of share options	22	—
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	(85)
Other, net	(2,232)	(87)
Net cash provided by (used in) financing activities	(51,756)	(8,699)
<b>Effect of exchange rate change on cash and cash equivalents</b>	(1,527)	(1,101)
<b>Net increase (decrease) in cash and cash equivalents</b>	(23,199)	5,637
<b>Cash and cash equivalents at beginning of period</b>	107,622	135,527
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	259	0
<b>Cash and cash equivalents at end of period</b>	84,682	141,165

## (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, 2016 (January 1, 2016 through June 30, 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	477,518	170,298	69,761	23,626	741,205	37,133	778,338	—	778,338
Intersegment	—	—	—	—	—	15,306	15,306	(15,306)	—
Total	477,518	170,298	69,761	23,626	741,205	52,440	793,645	(15,306)	778,338
Segment income (Note 2)	18,090	38,265	2,654	4,067	63,078	2,299	65,377	0	65,377

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, 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.