

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

May 10, 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):

May 11, 2018

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, 2018

(January 1, 2018 through March 31, 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>Three months ended March 31, 2018</b>	<b>405,568</b>	<b>5.1</b>	<b>41,188</b>	<b>10.5</b>	<b>40,148</b>	<b>(1.7)</b>	<b>32,389</b>	<b>2.0</b>
Three months ended March 31, 2017	386,045	0.8	37,262	15.5	40,832	45.1	31,739	53.0

Note: Comprehensive income

Three months ended March 31, 2018:	¥15,205 million	[(30.1)%]
Three months ended March 31, 2017:	¥21,767 million	[154.9%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
<b>Three months ended March 31, 2018</b>	<b>92.74</b>	—
Three months ended March 31, 2017	90.88	—

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
<b>As of March 31, 2018</b>	<b>1,402,686</b>	<b>655,342</b>	<b>44.1</b>
As of December 31, 2017	1,415,845	665,232	44.0

Reference: Shareholders' equity

As of March 31, 2018:	¥618,464 million
As of December 31, 2017:	¥622,802 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, 2017	—	39.00	—	49.00	88.00
Fiscal year ending December 31, 2018	—				
Fiscal year ending December 31, 2018 (forecast)		45.00	—	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	Three months ended March 31, 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	Three months ended March 31, 2018	682,048 shares	Fiscal year ended December 31, 2017	681,818 shares
3) Average number of shares during period	Three months ended March 31, 2018	349,232,322 shares	Three months ended March 31, 2017	349,234,870 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 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 first three months of the fiscal year ending December 31, 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 first three months of the fiscal year ending December 31, 2018 is immaterial.

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

As of December 31, 2017 and March 31, 2018

	Millions of yen	
	As of December 31, 2017	As of March 31, 2018
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	156,634	127,004
Notes and accounts receivable – trade	165,220	181,475
Short-term sales finance receivables	161,453	171,773
Merchandise and finished goods	198,991	201,281
Work in process	52,835	51,093
Raw materials and supplies	55,802	54,469
Other	76,901	80,978
Allowance for doubtful accounts	(12,822)	(12,095)
Total current assets	855,018	855,981
<b>Non-current assets:</b>		
Property, plant and equipment	347,997	331,701
Intangible assets	11,173	10,261
Investments and other assets		
Long-term sales finance receivables	87,246	86,812
Other	116,292	119,710
Allowance for doubtful accounts	(1,882)	(1,779)
Total investments and other assets	201,655	204,742
Total non-current assets	560,827	546,705
<b>Total assets</b>	1,415,845	1,402,686
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable – trade	120,123	121,185
Electronically recorded obligations – operating	34,566	20,944
Short-term loans payable	133,725	152,829
Current portion of long-term loans payable	57,196	56,509
Provision for bonuses	13,965	19,882
Provision for product warranties	17,704	15,680
Other provision	1,674	1,570
Other	123,197	117,842
Total current liabilities	502,153	506,446
<b>Non-current liabilities:</b>		
Long-term loans payable	162,569	156,284
Net defined benefit liability	53,613	51,925
Other provision	886	739
Other	31,389	31,948
Total non-current liabilities	248,458	240,897
<b>Total liabilities</b>	750,612	747,343

	Millions of yen	
	As of December 31, 2017	As of March 31, 2018
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	85,797	<b>85,797</b>
Capital surplus	74,662	<b>74,662</b>
Retained earnings	513,182	<b>527,457</b>
Treasury shares	(722)	<b>(723)</b>
Total shareholders' equity	672,920	<b>687,194</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	35,086	<b>37,457</b>
Revaluation reserve for land	10,449	<b>10,412</b>
Foreign currency translation adjustment	(94,226)	<b>(115,960)</b>
Remeasurements of defined benefit plans	(1,427)	<b>(640)</b>
Total accumulated other comprehensive income	(50,118)	<b>(68,730)</b>
<b>Non-controlling interests</b>	42,430	<b>36,878</b>
<b>Total net assets</b>	665,232	<b>655,342</b>
<b>Total liabilities and net assets</b>	1,415,845	<b>1,402,686</b>



**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**  
*Three months ended March 31, 2017 and 2018*  
**Consolidated Statements of Income**

	Millions of yen	
	Three months ended March 31, 2017 (January 1— March 31, 2017)	Three months ended March 31, 2018 (January 1— March 31, 2018)
<b>Net sales</b>	386,045	<b>405,568</b>
<b>Cost of sales</b>	276,952	<b>292,123</b>
<b>Gross profit</b>	109,092	<b>113,445</b>
<b>Selling, general and administrative expenses</b>	71,829	<b>72,257</b>
<b>Operating income</b>	37,262	<b>41,188</b>
<b>Non-operating income:</b>		
Interest income	1,129	<b>995</b>
Foreign exchange gains	3,279	—
Other	2,148	<b>1,797</b>
Total non-operating income	6,557	<b>2,792</b>
<b>Non-operating expenses:</b>		
Loss on valuation of investment securities	650	—
Interest expenses	1,123	<b>726</b>
Foreign exchange losses	—	<b>1,858</b>
Other	1,213	<b>1,247</b>
Total non-operating expenses	2,986	<b>3,832</b>
<b>Ordinary income</b>	40,832	<b>40,148</b>
<b>Extraordinary income:</b>		
Gain on sales of non-current assets	77	<b>99</b>
Gain on sales of investment securities	533	<b>225</b>
Total extraordinary income	610	<b>325</b>
<b>Extraordinary losses:</b>		
Loss on sales of non-current assets	25	<b>53</b>
Loss on disposal of non-current assets	149	<b>45</b>
Impairment loss	1,449	—
Total extraordinary losses	1,624	<b>98</b>
<b>Income before income taxes</b>	39,819	<b>40,375</b>
<b>Income taxes – current</b>	8,835	<b>10,475</b>
<b>Income taxes – deferred</b>	(4,822)	<b>(6,111)</b>
<b>Total income taxes</b>	4,013	<b>4,363</b>
<b>Net income</b>	35,805	<b>36,011</b>
<b>Net income attributable to non-controlling interests</b>	4,066	<b>3,622</b>
<b>Net income attributable to owners of parent</b>	31,739	<b>32,389</b>

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Three months ended March 31, 2017 (January 1— March 31, 2017)	<b>Three months ended March 31, 2018 (January 1— March 31, 2018)</b>
<b>Net income</b>	35,805	<b>36,011</b>
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	(4,407)	<b>1,996</b>
Revaluation reserve for land	(1)	<b>(0)</b>
Foreign currency translation adjustment	(10,280)	<b>(23,193)</b>
Remeasurements of defined benefit plans, net of tax	893	<b>866</b>
Share of other comprehensive income of entities accounted for using equity method	(241)	<b>(474)</b>
Total other comprehensive income	(14,038)	<b>(20,805)</b>
<b>Comprehensive income:</b>	21,767	<b>15,205</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,611	<b>13,435</b>
Comprehensive income attributable to non-controlling interests	3,156	<b>1,770</b>

### (3) Consolidated Statements of Cash Flows

Three months ended March 31, 2017 and 2018

	Millions of yen	
	Three months ended March 31, 2017 (January 1— March 31, 2017)	Three months ended March 31, 2018 (January 1— March 31, 2018)
<b>Cash flows from operating activities:</b>		
Income before income taxes	39,819	<b>40,375</b>
Depreciation	10,768	<b>11,081</b>
Impairment loss	1,449	—
Increase (decrease) in net defined benefit liability	1,084	<b>1,150</b>
Interest and dividend income	(1,129)	<b>(995)</b>
Interest expenses	1,123	<b>726</b>
Loss (gain) on sales of property, plant and equipment and intangible assets	(51)	<b>(46)</b>
Loss (gain) on disposal of property, plant and equipment and intangible assets	149	<b>45</b>
Decrease (increase) in notes and accounts receivable – trade	(18,956)	<b>(22,919)</b>
Decrease (increase) in sales finance receivables	(23,090)	<b>(25,730)</b>
Decrease (increase) in inventories	(18,018)	<b>(11,480)</b>
Increase (decrease) in notes and accounts payable – trade	16,150	<b>(7,944)</b>
Other, net	(5,480)	<b>(1,532)</b>
Subtotal	3,817	<b>(17,270)</b>
Interest and dividend income received	1,744	<b>1,288</b>
Interest expenses paid	(1,206)	<b>(763)</b>
Income taxes paid	(10,547)	<b>(10,571)</b>
Net cash provided by (used in) operating activities	(6,191)	<b>(27,317)</b>

	Millions of yen	
	Three months ended March 31, 2017 (January 1— March 31, 2017)	Three months ended March 31, 2018 (January 1— March 31, 2018)
<b>Cash flows from investing activities:</b>		
Payments into time deposits	(14)	(73)
Proceeds from withdrawal of time deposits	29	7
Purchase of property, plant and equipment and intangible assets	(12,324)	(11,160)
Proceeds from sales of property, plant and equipment and intangible assets	1,921	1,435
Proceeds from sales of investment securities	719	225
Other, net	(185)	(435)
Net cash provided by (used in) investing activities	(9,853)	(10,000)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans payable	35,642	26,161
Proceeds from long-term loans payable	3,526	5,596
Repayment of long-term loans payable	(11,655)	(4,210)
Net decrease (increase) in treasury shares	(1)	(0)
Cash dividends paid	(10,478)	(17,114)
Dividends paid to non-controlling interests	(44)	(59)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(85)	—
Other, net	(42)	(84)
Net cash provided by (used in) financing activities	16,860	10,288
<b>Effect of exchange rate change on cash and cash equivalents</b>	(1,610)	(2,025)
<b>Net increase (decrease) in cash and cash equivalents</b>	(794)	(29,055)
<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>	134,733	126,579

## (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, 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.

Three months ended March 31, 2018 (January 1, 2018 through March 31, 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	241,159	91,537	35,850	16,324	384,872	20,696	405,568	—	405,568
Intersegment	—	—	—	—	—	8,853	8,853	(8,853)	—
Total	241,159	91,537	35,850	16,324	384,872	29,549	414,422	(8,853)	405,568
Segment income (Note 2)	14,543	20,309	912	4,249	40,015	1,173	41,188	0	41,188

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.