

**Business Results for the First Three Months of the Fiscal Year  
Ending December 31, 2019**  
(January 1, 2019 through March 31, 2019)  
(Japanese GAAP)

May 7, 2019

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 8, 2019

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, 2019

(January 1, 2019 through March 31, 2019)

### (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, 2019</b>	<b>429,349</b>	<b>5.9</b>	<b>35,920</b>	<b>(12.8)</b>	<b>37,542</b>	<b>(6.5)</b>	<b>28,338</b>	<b>(12.5)</b>
Three Months Ended March 31, 2018	405,568	5.1	41,188	10.5	40,148	(1.7)	32,389	2.0

Note: Comprehensive income

Three Months Ended March 31, 2019:	¥41,562 million	[173.3%]
Three Months Ended March 31, 2018:	¥15,205 million	[(30.1)%]

	Earnings per share – basic	Earnings per share – diluted
	Yen	Yen
<b>Three Months Ended March 31, 2019</b>	<b>81.15</b>	—
Three Months Ended March 31, 2018	92.74	—

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
<b>As of March 31, 2019</b>	<b>1,512,620</b>	<b>707,115</b>	<b>44.3</b>
As of December 31, 2018	1,420,854	695,743	46.3

Reference: Shareholders' equity

As of March 31, 2019:	¥669,655 million
As of December 31, 2018:	¥657,474 million

Note: The presentation method has changed from the first three months of the fiscal year ending December 31, 2019, and the figures for the fiscal year ended December 31, 2018 have been adjusted retrospectively. Please refer to page 6 of the Attachment, "Additional Information," under "1. Matters Regarding Summary Information (Notes)."

## 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, 2018	—	45.00	—	45.00	90.00
Fiscal year ending December 31, 2019	—				
Fiscal year ending December 31, 2019 (forecast)		45.00	—	45.00	90.00

Note: No revision to the most recently announced dividend forecast for the fiscal year ending December 31, 2019 was made.

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2019

(January 1, 2019 through December 31, 2019)

\*% 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, 2019	1,700,000	1.6	133,000	(5.5)	135,000	(2.2)	85,000	(9.0)	243.39

Note: No revision to the most recently announced consolidated financial figures forecast for the fiscal year ending December 31, 2019 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)” for the details of 1) above.

(4) Number of shares outstanding (Common stock)

1) Number of shares outstanding at end of period, including treasury shares	Three months ended March 31, 2019	349,914,284 shares	Fiscal year ended December 31, 2018	349,914,284 shares
2) Number of shares of treasury shares at end of period	Three months ended March 31, 2019	684,030 shares	Fiscal year ended December 31, 2018	683,554 shares
3) Average number of shares during period	Three months ended March 31, 2019	349,230,458 shares	Three months ended March 31, 2018	349,232,322 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 84th Securities Report (filed on March 28, 2019).

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## 1. Matters Regarding Summary Information (Notes)

### Changes in Accounting Policies

(Application of Financial Accounting Standards Board Accounting Standards Update (ASU) No. 2014-09 “Revenue from Contracts with Customers”)

Subsidiaries in North America that adopt USGAAP have applied ASU No. 2014-09 “Revenue from Contracts with Customers” from the first three months of the fiscal year ending December 31, 2019. Due to this application, the Company has revised the standard for revenue recognition, and recognizes revenue for all contracts (excluding financial instruments, lease contracts, insurance contracts and transactions to exchange products, etc. with peer companies) at the expected amount of consideration for the promised goods or services at the time of transfer to the customer.

In applying the accounting standard, as retained earnings have been adjusted for the cumulative effects of the application at the beginning of the first three months of the fiscal year ending December 31, 2019 in line with the transitional treatment of the standard, the balance of retained earnings at the beginning of the current period declined by ¥9,957 million.

As a result, “other” in current assets, in investments and other assets, in current liabilities and in non-current liabilities were ¥1,941 million, ¥7,677 million, ¥9,183 million and ¥10,718 million greater, respectively, while retained earnings were ¥10,280 million smaller than if the former accounting standard was applied at the end of the first three months of the fiscal year ending December 31, 2019. The effect of this adjustment on net sales, operating income, ordinary income, income before income taxes, and net income for the first three months of the fiscal year ending December 31, 2019 is immaterial.

(Application of IFRS 16 “Leases”)

IFRS 16 “Leases” has been applied from the first three months of the fiscal year ending December 31, 2019, excluding the Company and domestic subsidiaries that adopt JGAAP and subsidiaries in North America that adopt USGAAP. Due to this application, lessees, in principle, record all leases as assets and liabilities on the balance sheets. There are no significant changes to lessor accounting.

In applying the accounting standard, retained earnings, related items in non-current assets and liabilities have been adjusted for the cumulative effects of the application at the beginning of the first three months of the fiscal year ending December 31, 2019 in line with the transitional treatment of the standard. The effect of this adjustment on the balance of retained earnings at the beginning of the current period is immaterial.

As a result, “other” in current assets was ¥312 million smaller, while non-current assets, “other” in current liabilities and in non-current liabilities were ¥8,089 million, ¥231 million, and ¥7,767 million greater, respectively, than if the former accounting standard was applied. The effect of this adjustment on operating income, ordinary income, income before income taxes, and net income for the first three months of the fiscal year ending December 31, 2019 is immaterial.

### Additional Information

“Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 28, February 16, 2018), etc. have been applied from the first three months of the fiscal year ending December 31, 2019. Accordingly, deferred tax assets have been reclassified under investments and other assets, and deferred tax liabilities have been reclassified under non-current liabilities.

As a result, on the consolidated balance sheets for the fiscal year ended December 31, 2018, “other” in current assets, in current liabilities, and in non-current liabilities decreased by ¥24,490 million, ¥3,646 million, and ¥8,957 million, respectively, while “other” in investments and other assets increased by ¥11,886 million.

## 2. Consolidated Financial Statements and Primary Notes

### (1) Consolidated Balance Sheets

As of December 31, 2018 and March 31, 2019

	Millions of yen	
	As of December 31, 2018	As of March 31, 2019
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	138,264	123,775
Notes and accounts receivable – trade	164,375	198,594
Short-term sales finance receivables	165,168	201,994
Merchandise and finished goods	208,443	205,603
Work in process	58,676	58,081
Raw materials and supplies	62,047	62,737
Other	64,523	60,601
Allowance for doubtful accounts	(11,737)	(11,765)
Total current assets	849,763	899,621
<b>Non-current assets:</b>		
Property, plant and equipment	335,763	340,201
Intangible assets	8,518	8,210
Investments and other assets		
Long-term sales finance receivables	97,680	97,074
Other	131,111	169,508
Allowance for doubtful accounts	(1,982)	(1,996)
Total investments and other assets	226,809	264,586
Total non-current assets	571,091	612,999
<b>Total assets</b>	1,420,854	1,512,620
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable – trade	118,303	116,838
Electronically recorded obligations – operating	21,696	22,158
Short-term loans payable	162,950	208,279
Current portion of long-term loans payable	124,299	119,196
Provision for bonuses	14,111	20,175
Provision for product warranties	17,954	17,391
Other provision	1,393	1,489
Other	119,871	131,773
Total current liabilities	580,580	637,302
<b>Non-current liabilities:</b>		
Long-term loans payable	69,439	73,414
Net defined benefit liability	56,408	58,081
Other provision	582	571
Other	18,099	36,135
Total non-current liabilities	144,530	168,202
<b>Total liabilities</b>	725,111	805,504

	Millions of yen	
	As of December 31, 2018	As of March 31, 2019
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	85,797	<b>85,797</b>
Capital surplus	74,663	<b>74,663</b>
Retained earnings	572,707	<b>575,392</b>
Treasury shares	(727)	<b>(728)</b>
Total shareholders' equity	732,440	<b>735,124</b>
<b>Accumulated other comprehensive income:</b>		
Valuation difference on available-for-sale securities	35,210	<b>41,765</b>
Revaluation reserve for land	10,412	<b>10,412</b>
Foreign currency translation adjustment	(118,281)	<b>(116,026)</b>
Remeasurements of defined benefit plans	(2,307)	<b>(1,621)</b>
Total accumulated other comprehensive income	(74,965)	<b>(65,469)</b>
<b>Non-controlling interests</b>	38,268	<b>37,460</b>
<b>Total net assets</b>	695,743	<b>707,115</b>
<b>Total liabilities and net assets</b>	1,420,854	<b>1,512,620</b>



**(2) Consolidated Statements of Income and  
Consolidated Statements of Comprehensive Income**  
*Three months ended March 31, 2018 and 2019*  
**Consolidated Statements of Income**

	Millions of yen	
	Three months ended March 31, 2018 (January 1— March 31, 2018)	Three months ended March 31, 2019 (January 1— March 31, 2019)
<b>Net sales</b>	405,568	429,349
<b>Cost of sales</b>	292,123	316,897
<b>Gross profit</b>	113,445	112,451
<b>Selling, general and administrative expenses</b>	72,257	76,531
<b>Operating income</b>	41,188	35,920
<b>Non-operating income:</b>		
Interest income	995	1,031
Foreign exchange gains	—	432
Other	1,797	2,123
Total non-operating income	2,792	3,587
<b>Non-operating expenses:</b>		
Interest expenses	726	991
Foreign exchange losses	1,858	—
Other	1,247	974
Total non-operating expenses	3,832	1,965
<b>Ordinary income</b>	40,148	37,542
<b>Extraordinary income:</b>		
Gain on sales of non-current assets	99	98
Gain on sales of investment securities	225	—
Total extraordinary income	325	98
<b>Extraordinary losses:</b>		
Loss on sales of non-current assets	53	64
Loss on disposal of non-current assets	45	185
Impairment loss	—	65
Loss on sales of investment securities	—	0
Total extraordinary losses	98	315
<b>Income before income taxes</b>	40,375	37,325
<b>Income taxes – current</b>	10,475	11,301
<b>Income taxes – deferred</b>	(6,111)	(5,460)
<b>Total income taxes</b>	4,363	5,841
<b>Net income</b>	36,011	31,484
<b>Net income attributable to non-controlling interests</b>	3,622	3,145
<b>Net income attributable to owners of parent</b>	32,389	28,338

## Consolidated Statements of Comprehensive Income

	Millions of yen	
	Three months ended March 31, 2018 (January 1— March 31, 2018)	<b>Three months ended March 31, 2019 (January 1— March 31, 2019)</b>
<b>Net income</b>	36,011	<b>31,484</b>
<b>Other comprehensive income:</b>		
Valuation difference on available-for-sale securities	1,996	<b>6,558</b>
Revaluation reserve for land	(0)	—
Foreign currency translation adjustment	(23,193)	<b>2,624</b>
Remeasurements of defined benefit plans, net of tax	866	<b>717</b>
Share of other comprehensive income of entities accounted for using equity method	(474)	<b>176</b>
Total other comprehensive income	(20,805)	<b>10,077</b>
<b>Comprehensive income:</b>	15,205	<b>41,562</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,435	<b>37,834</b>
Comprehensive income attributable to non-controlling interests	1,770	<b>3,727</b>

### (3) Consolidated Statements of Cash Flows

Three months ended March 31, 2018 and 2019

	Millions of yen	
	Three months ended March 31, 2018 (January 1— March 31, 2018)	Three months ended March 31, 2019 (January 1— March 31, 2019)
<b>Cash flows from operating activities:</b>		
Income before income taxes	40,375	37,325
Depreciation	11,081	12,197
Impairment loss	—	65
Increase (decrease) in net defined benefit liability	1,150	2,143
Interest and dividend income	(995)	(1,067)
Interest expenses	726	991
Loss (gain) on sales of property, plant and equipment and intangible assets	(46)	(34)
Loss (gain) on disposal of property, plant and equipment and intangible assets	45	185
Decrease (increase) in notes and accounts receivable – trade	(22,919)	(34,302)
Decrease (increase) in sales finance receivables	(25,730)	(35,739)
Decrease (increase) in inventories	(11,480)	3,000
Increase (decrease) in notes and accounts payable – trade	(7,944)	(3,457)
Other, net	(1,532)	12,540
Subtotal	(17,270)	(6,151)
Interest and dividend income received	1,288	1,489
Interest expenses paid	(763)	(1,010)
Income taxes paid	(10,571)	(12,903)
Net cash provided by (used in) operating activities	(27,317)	(18,576)

	Millions of yen	
	Three months ended March 31, 2018 (January 1— March 31, 2018)	Three months ended March 31, 2019 (January 1— March 31, 2019)
<b>Cash flows from investing activities:</b>		
Payments into time deposits	(73)	(100)
Proceeds from withdrawal of time deposits	7	19
Purchase of property, plant and equipment and intangible assets	(11,160)	(10,947)
Proceeds from sales of property, plant and equipment and intangible assets	1,435	813
Purchase of investment securities	(538)	(17,668)
Proceeds from sales of investment securities	225	1
Other, net	102	(262)
Net cash provided by (used in) investing activities	(10,000)	(28,145)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term loans payable	26,161	46,152
Proceeds from long-term loans payable	5,596	7,641
Repayment of long-term loans payable	(4,210)	(8,979)
Proceeds from share issuance to non-controlling interests	—	2,165
Net decrease (increase) in treasury shares	(0)	(1)
Cash dividends paid	(17,114)	(15,717)
Dividends paid to non-controlling interests	(59)	(52)
Other, net	(84)	(209)
Net cash provided by (used in) financing activities	10,288	30,998
<b>Effect of exchange rate change on cash and cash equivalents</b>	(2,025)	1,184
<b>Net increase (decrease) in cash and cash equivalents</b>	(29,055)	(14,538)
<b>Cash and cash equivalents at beginning of period</b>	155,635	138,156
<b>Cash and cash equivalents at end of period</b>	126,579	123,618

## (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, 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
	Land mobility	Marine products	Robotics	Financial services	Total				
Net sales:									
Outside customers	265,477	90,099	17,351	8,579	381,507	24,060	405,568	—	405,568
Intersegment	—	—	—	—	—	8,853	8,853	(8,853)	—
Total	265,477	90,099	17,351	8,579	381,507	32,914	414,422	(8,853)	405,568
Segment income (Note 2)	14,955	19,601	4,264	1,660	40,483	705	41,188	0	41,188

Notes:

1. "Others" is a business segment not included in the reporting segments. It includes businesses involving golf cars, generators, multi-purpose engines, snow throwers, automobile engines, automobile components, and electrically powered wheelchairs.
2. Total of segment income corresponds to operating income in the Consolidated Statements of Income.

Three months ended March 31, 2019 (January 1, 2019 through March 31, 2019)

#### 1. 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	275,922	102,982	15,265	10,084	404,255	25,094	429,349	—	429,349
Intersegment	—	—	—	—	—	9,664	9,664	(9,664)	—
Total	275,922	102,982	15,265	10,084	404,255	34,759	439,014	(9,664)	429,349
Segment income (Note 2)	9,355	21,457	2,398	2,013	35,225	694	35,920	0	35,920

Notes:

1. "Others" is a business segment not included in the reporting segments. It includes businesses involving golf cars, generators, multi-purpose engines, snow throwers, automobile engines, automobile components, and electrically powered wheelchairs.
2. Total of segment income corresponds to operating income in the Consolidated Statements of Income.

## **2. Matters concerning changes in reporting segments**

From the first three months of the fiscal year ending December 31, 2019, the reporting segments have changed from the former “Motorcycles,” “Marine products,” “Power products,” and “Industrial machinery and robots” to “Land mobility,” “Marine products,” “Robotics,” and “Financial services.”

In December 2018, the Company announced its Long-Term Vision looking ahead to 2030 alongside a New Medium-Term Management Plan spanning FY2019 through FY2021.

The reporting segments have been changed as a result of revising business administration categories in line with the priority measures to accomplish the New Medium-Term Management Plan: Land Mobility “Establishing the business foundation that can respond to the new era of mobility”; Marine “Reinforce high-profitability and establish base of sustainable growth”; and Robotics “Business scale and area expansion and reinforcement of high-profitability,” as well as the expansion of the financial services business as seen in the launch of a financial subsidiary in France following the U.S., Australia, Brazil and other areas.

Specific changes to the reporting segments are as follows:

- (1) “Motorcycles,” all-terrain vehicles, recreational off-highway vehicles, and snowmobiles which were included in “Power products,” and electrically power assisted bicycles which were included in “Others” are now classified as “Land mobility.”
- (2) “Industrial machinery and robots” and industrial-use unmanned helicopters which were included in “Others” are now classified as “Robotics.”
- (3) Revenues, etc., for financial services which were included in each reporting segment are now classified as “Financial services” in line with the revised business administration categories.

Classifications after the change have been applied to segment information for the first three months ended March 31, 2018 (January 1, 2018 through March 31, 2018).