



Takuya Kinoshita

Executive Officer,
Chief General Manager of
Motorcycle Business Operations

Opportunities

- Expansion of middle-income markets in ASEAN and emerging economies
- Evolution of marketing through digital technologies
- Global rollout of models compliant with emissions regulations

Risks

- Lack of interest in mobility among young people in Japan
- Shift in industrial structure due to innovative technologies and new competitors
- Tighter emissions regulations in each country

Strengths

- Established global brand position for motorcycles
- Diverse product lineup combining both high performance and quality through our cultivated core technologies
- Relationship of trust with customers through products and services

Overview of Primary Products and Main Competitors

	Markets and conditions at Yamaha Motor	Main competitors
Motorcycles and commuter vehicles for developed markets	Motorcycles with a high sport / recreational focus are popular but overall demand has remained largely flat since the 2008 global financial crisis. We are making timely rollouts of models compliant with new emissions regulations.	Honda, Suzuki, Kawasaki, Harley-Davidson, BMW, Ducati, Triumph, KTM, Aprilia, Piaggio, Kymco
Motorcycles and commuter vehicles for emerging markets	We are introducing models compliant with new regulations in India, the world's largest motorcycle market. Despite the presence of many competitors in emerging markets, our brand strength has helped drive sales growth of premium-segment models in Indonesia.	Honda, Suzuki, Kawasaki, Hero, Bajaj
ROVs / ATVs	The North American market accounts for the majority of demand and its scale is increasing year by year as uses for recreational off-highway vehicles (ROVs) broaden.	Polaris, BRP, Honda, Kawasaki
Electrically power-assisted bicycles and OEM drive units	Yamaha Motor is the pioneer of e-bikes and OEM shipments have been rising in step with the growth of the European market in recent years.	Panasonic, Bosch, Shimano

We will answer the diverse needs of the new era of mobility by harnessing our creative capabilities.

Comprising the motorcycle, recreational vehicle (RV), and the Smart Power Vehicle (SPV) businesses, Land Mobility is one of the Company's core operations. Leveraging the engine technologies, development and manufacturing technologies, and expertise cultivated through the motorcycle business the Company has developed since its founding, the Land Mobility business offers a wide range of products in line with the characteristics of its markets, from practical, everyday means of transportation and recreational products to ones for commercial use and motorsport.

In recent years, the image and concepts surrounding mobility have been changing significantly due to technological advancements, changes in emissions regulations, and diversifying values with regard to life and lifestyles. Going forward, while many people will seek the conveniences yielded by autonomous driving and other technologies, I believe they will also seek the self-fulfilling value in driving themselves and enjoying experiences more than ever. We are a brand that has always excelled in the innate leisure and recreational focus of the latter, so while ascertaining the needs of the former, we intend to offer products and services that not only provide convenience but also allow the new time generated by autonomous driving and labor-saving technologies to be used for self-fulfillment.

Also, as a company specializing in personal mobility, this entails a responsibility to our customers' safety and peace of mind. As such, we are continuing the development of Leaning Multi-Wheel (LMW) models—which offer greater rider confidence—under the slogan “To someday create bikes that lean but do not fall,” proceeding with the creation of vehicle safety communication systems in coordination with other manufacturers, and engaging in safety promotions and training programs around the world. The Yamaha Riding Academy (YRA), for example, aims to reduce traffic accidents and currently has certified instructors in 15 countries holding riding safety courses. The YRA holds courses 1,300 times annually with approximately 120,000 people participating. The goal is to expand the program to 20 countries and hold courses 2,000 times with 180,000 participants in 2021.

We will continue delivering *Kando* to customers through products and services that answer diverse needs, and aim to create a more sustainable society.



Medium-Term Priority Measures by Market and Product



Overview of Fiscal 2019

We saw an improvement in overall earnings in the motorcycle business in developed markets thanks to an increase in unit sales centered on models compliant with new European emissions regulations and the accompanying increase in marginal profit at our headquarters. However, the business in emerging markets saw sales volume decrease in the highly profitable countries of Vietnam, India, and Taiwan. As a result, net sales decreased 1.6% year on year, to ¥1,100.4 billion, and operating income decreased 14.1% year on year, to ¥41.8 billion. These decreases include losses of ¥29.3 billion on net sales and ¥12.0 billion on operating income due to adverse foreign exchange effects.

Measures Going Forward

For developed markets, we will continue promptly introducing models compliant with new regulations while moving forward with our plan to increase efficiency of the Iwata Main Factory with the aim of improving profitability through restructuring.

For emerging markets, we will focus on sales of high-value-added products as we aim to increase unit sales and improve profitability in our various markets with measures that include bolstering our brand strength in Vietnam, introducing models compliant with new emissions regulations in India, and expanding sales of electric motorcycles in Taiwan.

For RVs, we will improve earnings through new platforms and strengthened marketing efforts.

With electrically power-assisted bicycles, we are seeing diversifying demand due in part to social factors, such as an increase in health and environmental awareness, changes in traffic environments, and fluctuations in the price of gasoline. In anticipation of continued market scale expansion, the Company will continue working to grow the electrically

Progress of Priority Initiatives

- In anticipation of greater demand, resolved to enhance production capacity at the motorcycle factory in the Philippines
- Commenced field testing of the TRITOWN electric micromobility LMW model to verify usability in real-world environments and feasibility for the tourism industry
- In cooperation with Gogoro Inc., developed and launched the EC-05 as a new electric scooter in line with the Company's electric product strategy
- Established a consortium comprised of Yamaha Motor, Honda Motor Co., Ltd., Kawasaki Heavy Industries, Ltd., and Suzuki Motor Corporation with the goal of popularizing electric motorcycles in Japan

power-assisted bicycle business in step with the continuously expanding market by introducing newly developed models with power-assist control features and allocating more tasks to regional bases to strengthen sales capabilities.

Although demand decreased in markets throughout the world due to the effect of lockdown measures and staying home following the outbreak of the COVID-19 pandemic in the first half of 2020, we are beginning to see signs of demand recovery as we enter the second half of the year. Trends toward an expansion in demand are particularly pronounced in developed markets as the value of our products as a means of personal transportation for avoiding closed spaces, crowded gatherings, and close contact with other people and as handy outdoor tools are being reaffirmed. We will implement measures tailored to each market while carefully monitoring demand fluctuations going forward.

Message from Management

As a growing new middle class emerges in Indonesia, we are increasing sales by filling out the lineup of mid-range commuter models targeting that sector. In particular, we are running sales promotions for the XMAX, NMAX, Aerox, and LEXi models under the MAXI brand, and this is helping establish a strong brand image of MAXI offerings as bikes admired and desired by many. These models were also all chosen as “Best Bike of the Year” between 2015 and 2020. In addition, YIMM has gained recognition for its high production quality in producing and exporting the NMAX, YZF-R25, and other global models to developed markets like Europe and Japan and several other countries worldwide.

As chief operating officer, I will devote myself to improving the value of the Yamaha brand in the ASEAN market, including Indonesia, and enhancing the product value of global models as well as business value.



Dyonisius Beti

Executive Officer,
Chief Operating Officer,
PT. Yamaha Indonesia Motor Manufacturing (YIMM)

Marine Products



Hirofumi Usui

Senior Executive Officer,
Chief General Manager of
Marine Business Operations

Opportunities

- Growing demand for large outboard motors centered on developed markets
- Expansion of peripheral equipment business due to advances with integrated control technologies
- Changes in values regarding marine leisure triggered by the impact of the COVID-19 pandemic

Risks

- Making flexibility adjustments to manufacturing and sales structures in response to recent demand fluctuations due to the COVID-19 pandemic, etc.
- Creating a business structure resilient against changes in exchange rates and regulations

Strengths

- Overall business strength of the Marine Products business (wide-ranging fields of operation and product lineup)
- Unquestioned product reliability centered around integrated control technologies
- Sales and service capabilities spanning the global market

Overview of Primary Products and Main Competitors

	Markets and conditions at Yamaha Motor	Main competitors
Outboard motors	As demand for outboard motors is increasing with the rise in demand for pleasure-use boats, primarily in North America and Europe, we will build a global production structure with the flexibility to keep pace with demand.	Mercury Marine, Suzuki, Honda, Tohatsu, Evinrude
Boats	The domestic boat market is relatively stable and we will offer higher value-added pleasure-use boats. With "Sea-Style" and our other service-based businesses, we will strengthen our development of services in line with customer preferences.	Yanmar, Toyota, Suzuki, Tohatsu
Personal watercraft	The North American market accounts for the majority of demand and is growing in scale yearly as uses for personal watercraft broaden.	BRP, Kawasaki

We aim to offer enriching marine lifestyles by building a base for sustainable growth.

The Marine Products business portfolio includes marine engines, boats, personal watercraft, and pools, and is the Company's second largest operation after the Land Mobility business. The business has built its presence as a global leader in the marine products market with its strengths of cutting-edge and highly reliable engine and hull technologies, and its worldwide service network.

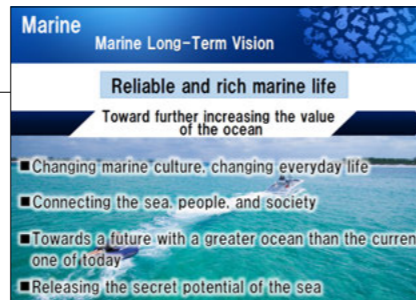
In fiscal 2019, the first year of the current Medium-Term Management Plan, we were able to steadily move forward with priority objectives. Demand for large outboard motors of over 200 horsepower in North America and Europe—our main markets for outboard motors—showed solid growth and the shift away from propulsion units such as inboard motors and stern drives is proceeding.

In light of this market environment, we set bolstering the global production structure for outboard motors as a priority measure in the current Medium-Term Management Plan. In fiscal 2019, we began increasing our production capacity for large outboard motors and enhancing production flexibility between Yamaha Motor's Iwata Main Factory, Yamaha Kumamoto Products Co., Ltd., and Thai Yamaha Motor Co., Ltd. as planned, and are making progress.

In addition, with the aim of furthering our system supplier strategy, we are focusing on promoting the development of sophisticated boat control support features using integrated control technologies—a Company strength—and we launched in fiscal 2019 a new steering device to the market in a sport boat. Over the long term, we intend to advance technology and product development with an eye on introducing highly reliable and high-value-added automated boat control systems and more.

In 2020, we anticipate a dramatic change in the business environment due to the worsening economic conditions accompanying the global COVID-19 pandemic. Nevertheless, from a medium- to long-term perspective, we believe that the culture of marine leisure fostered to date will remain unchanged, and we may even see positive changes. To help offer reliable and rich marine lifestyles as laid out in the Marine Long-Term Vision, we will seek to fortify our high-profit business structure and to build a base for sustainable growth, despite the severity of the current business environment.

Progress: In addition to continuing our activities to date, in fiscal 2019, we took part in survey work aimed at resolving the issue of ocean plastic waste.

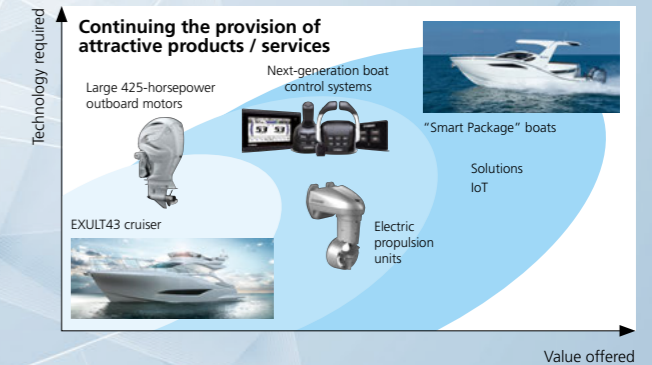


Integrated Marine Business Strategy

Product Development Strategies

Toward reliable and rich marine lifestyles

- **System supplier strategy:** To provide more reliable boats, we will shift from an outboard motor-focused business to growing the peripheral systems business, including boat control systems.
- **Over the long term, we will introduce products such as highly reliable and high-value-added automated boat control systems to evolve the business from one that provides products to one that provides experiences.**



Overview of Fiscal 2019

In North America and Europe, our main markets for outboard motors, the transition toward large outboard motors continues and net sales increased due to an improvement in the product mix stemming from this rising demand. However, foreign exchange effects incurred losses of ¥6.4 billion on net sales and ¥4.1 billion on operating income, resulting in an overall net sales increase of 2.0% year on year, to ¥345.1 billion, while seeing operating income fall 3.9%, to ¥58.4 billion.

Progress of Priority Initiatives

- Increased production capacity for large outboard motors
- Developed DRiVE, an innovative next-generation boat control system which offers easy, comfortable, and enjoyable boat operation
- Developed and commenced sales of the 275SD sport boat, a large craft that provides sharp, sporty handling thanks to a newly designed hull and boasts elegant styling and spacious onboard comfort

Measures Going Forward

In fiscal 2020, we had planned to capture more of the ongoing steady demand for large outboard motors, personal watercraft, and large boats in North America, Europe, and other markets. However, we anticipate a significant impact on our plans from the global COVID-19 pandemic. While swiftly and flexibly implementing adjustments to production and

sales in response to demand fluctuations, we will continue our product development and R&D efforts unfazed in anticipation of a recovery over the medium to long term.

Message from Management

COVID-19 showed Americans that social distancing at home provided more time to spend in the great outdoors. When more people spend time with their family boating and fishing, it can create growth opportunities for Yamaha Marine while the economy slowly recovers.

We see new buyers are purchasing more premium products with greater feature content. The 200+ horsepower market has seen the most positive recovery due to more advances, reliable power, and integrated boat control systems. We plan to continue to focus on our new XTO425 platform as well as the new Helm Master EX, the next generation of integrated boat control systems with fully electric steering.

Like most companies, boat manufacturing plants paused production in March and April; now nearly all our core customers are back to pre-COVID-19 capacity. With the lack of package-boat supply during the shutdowns and retail remaining above previous fiscal years' volume, our dealers are low on inventory. This means we need to listen and respond more quickly to match supply to demand for the remainder of 2020. Going forward, I will lead our team to make quick decisions to respond while listening carefully to market demand in order to sufficiently supply products to our customers.



Ben Speciale

Deputy Executive Officer,
Senior Vice President, Yamaha
Motor Corporation, U.S.A. (YMUS)
President, U.S. Marine Business Unit



Hiroyuki Ota

Executive Officer,
Chief General Manager of
Solution Business Operations

- Opportunities**
- Growing need for automation due to labor shortages in Japan and rising labor costs in emerging markets
 - Progression of more advanced automation in line with the development of new fields such as the IoT and “connected, autonomous, shared & services, and electric” (CASE) vehicles

- Risks**
- Deterioration of demand due to changes in world affairs
 - Intensifying competition resulting from new players entering the market

- Strengths**
- Ability to mass-produce with high quality and at low cost
 - A mixture of technologies via business integration with YMRH and provision of complete solutions for clients

We will free up new time for clients by offering solutions to problems present in various fields.

Our Robotics business began with the commencing of development aimed at streamlining the production of our motorcycles. Today, the business’ offerings include industrial robots used for automating processes at various client factories, surface mount technology (SMT) devices and equipment used for manufacturing the electronic circuit boards built into all kinds of products, and industrial-use unmanned helicopters and drones leveraging Yamaha’s core competency in electronic control.

With the increase in demand for automation in recent years, we set “business scale and area expansion and reinforcement of high profitability” as a medium-term priority measure, and we will move to expand our lineup of products and services for accelerating factory automation while also examining new fields where we can contribute to labor savings, including outside the factory sphere.

In July 2019, the Company acquired SHINKAWA LTD., renaming it Yamaha Motor Robotics Holdings Co., Ltd. (YMRH) in the process, and is working to set up a structure to offer complete solutions, from semiconductor post-processing through to surface mounting processes, by combining the technologies and products of both companies. In addition, we intend to move toward a platform model for surface mounting processes to increase the value delivered to clients.

Furthermore, in the Robotics business we are focusing our efforts on the agricultural sector in particular in order to realize the Long-Term Vision. Developed markets are starting to see increasingly higher labor shortages in fruit and vegetable farming, so to further increase labor savings and productivity in agriculture going forward, we will apply the expertise we have accrued both domestically and internationally in the unmanned helicopter space and more aggressively bring drones and unmanned ground vehicles (UGVs) to market. In this way, we will contribute toward a more stable provision of foodstuffs.

Utilizing robotics, we will free up new time for clients by offering solutions to problems present in a variety of sectors, including manufacturing, agriculture, and medical research.

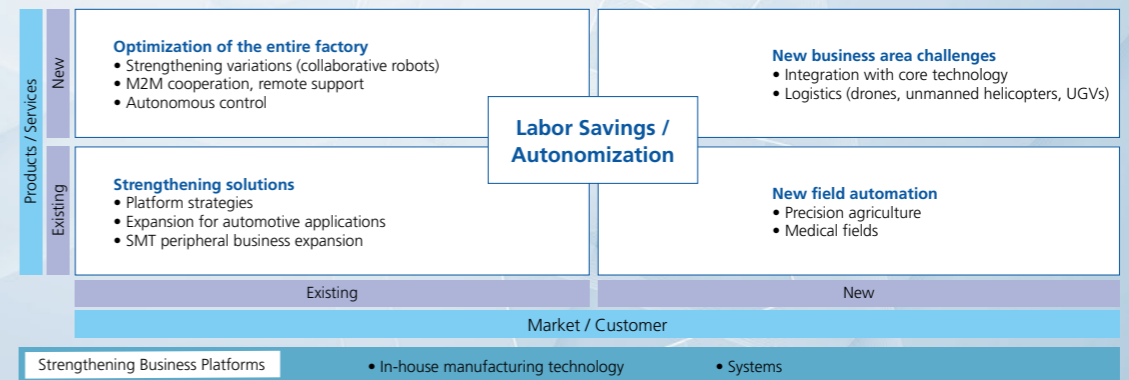


Overview of Primary Products and Main Competitors

	Markets and conditions at Yamaha Motor	Main competitors
SMT	We are pursuing both tangible and intangible commonalities under our platform strategy to expand our business scale and reinforce our profitability.	Fuji Machine, Panasonic, ASM Pacific Technology, JUKI, Hanwha Techwin
Industrial robots	We are strengthening model variations while pursuing both tangible and intangible commonalities to expand our business scale and reinforce our profitability.	Epson, Mitsubishi, Denso, IAI
Unmanned helicopters and drones	We are launching multirotor drones in addition to our proven unmanned helicopters and will also establish a track record for precision agriculture.	DJI
Semiconductor post-processing equipment	We are working to further build our customer base by building a seamless collaborative system that offers one-stop proposals that cover the entire semiconductor manufacturing process.	ASM, Besi, Fuji, Towa

Medium- to Long-Term Growth Strategies

Aim for growth in each field with labor savings and autonomization as core values



Overview of Fiscal 2019

Although revenue increased thanks to the creation of YMRH as a subsidiary, unit sales of surface mounters and industrial-use robots declined due to stagnant market conditions triggered by trade friction between the United States and China. As a result, net sales in fiscal 2019 increased 1.1% year on year, to ¥75.6 billion, while operating income fell 53.9% year on year, to ¥7.7 billion.

Measures Going Forward

In terms of market conditions from 2020 onward, we are seeing investments in 5G-related base stations and mobile devices and signs of recovery with built-in CASE systems for vehicles. Keeping a close watch on demand trends and anticipating changes in lifestyles from the COVID-19 pandemic, we will accelerate the offering of bundled product proposals and mutual sales channel utilization by leveraging the synergy born from new model introductions and business integration.

Furthermore, to augment business synergy, Yamaha Motor made YMRH a wholly owned subsidiary in April 2020 with a takeover bid and we look to raise the Robotics business’ rate of growth with more unified

Progress of Priority Initiatives

- Following the establishment of YMRH, proceeded with restructuring efforts that included the reorganization of bases and integration of procurement schemes. Initiatives such as joint product development and cross sales underway as planned.
- Released a precision agricultural platform
- Invested in a Taiwanese industrial equipment manufacturer to strengthen market competitiveness. Expecting stable supply of high-quality parts at low prices.

management. In addition, as we aim to expand the industrial robot business by entering the collaborative robot field, we will proceed with investments in and technical cooperation with Tokyo Robotics Inc.

To achieve sustainable growth for the future, we will move forward with robotics R&D and strengthen our production structure and thereby contribute to labor savings and autonomization in the manufacturing field.

Message from Management

In the Robotics business, we are carrying out a platform strategy focused on increasing shared elements and efficiencies in manufacturing. By introducing shared hardware and software, we will not only reduce development lead time and achieve greater parts standardization but also provide more value to clients, such as reducing upkeep costs, standardizing operations, and shortening equipment delivery times. As a first step, we have developed the new YRM20 premium, high-efficiency modular surface mounter. By sharing the platform for manufacturing high-speed, high-added-value models as well as highly cost-efficient economical models, we will offer unique and highly effective products that embody the “Unique & Proven!” concept of the SMT business.

As leader of the Robotics business, I will strive to achieve ongoing growth.



Ayako Egashira

Executive Chief General Manager
of Robotics Business Unit,
Solution Business Operations

Financial Services



Overview of Fiscal 2019

During fiscal 2019, the Company established Yamaha Motor Finance France S.A.S (YMFF) in France, where Yamaha motorcycles command a significant share of the market, and commenced operations. As a result of this and other measures, our outstanding receivables balance for the region steadily grew.

However, due to temporary profits recorded in Brazil in 2018 and other effects, the business saw a rise in sales but a fall in profits, with net sales climbing 4.8% year on year, to ¥40.9 billion, while operating income fell 34.2% year on year, to ¥8.0 billion.

Message from Management

To enable financial services to be a driver of Yamaha Motor's growth going forward, we have launched the Global Execution Transformation (GET) initiative in the business, with the aim of ensuring it has a global and sustainable business model into the future. The GET initiative's vision for financial services entails sharing the best practices of various countries and improving overall management of business operations and risks, in addition to contributing to business performance by driving unit sales and establishing an appropriate corporate governance system.

As joint leader of the GET strategy, I will establish a global business strategy and business structure with the goal of ensuring that the financial services we provide are the best in the industry for our dealers and all our customers and clients.



Jeffrey Young

Deputy Executive Officer, President,
Yamaha Motor Finance Corporation, U.S.A. (YMFUS)

Overview

To create an environment that makes it easier for dealerships to sell Yamaha Motor products and easier for customers to purchase them, the Financial Services business offers financial services such as retail and wholesale financing, leasing, and insurance packages for dealerships and customers through sales finance subsidiaries in the United States, Canada, Australia, France, Mexico, Brazil, and other markets. In addition, the Financial Services business is conducted through approaches tailored to the various regions in which we operate via our own operations, local partnerships, and other means in order to stay in line with local business environments, regulations, etc.

The Financial Services business is involved in all the Company's businesses and products, including motorcycles, all-terrain vehicles (ATVs), recreational off-highway vehicles (ROVs), and marine products. With this in mind, the Company has positioned the Financial Services business as one of its key medium- to long-term strategies, and is aiming to enhance its ties with dealerships and customers while securing stable earnings.

Measures Going Forward

In fiscal 2020, we will promote more autonomy in our financial operations in North America while moving ahead with business development in Europe. In January 2020, Yamaha Motor Finance Corporation, U.S.A. (YMFUS) replaced its financing program for "Prime" customers, which it had hitherto operated in a tie-up with American financial institutions, with an in-house service. As a result, YMFUS is now able to provide its own financial services for individual customers and sales channels across the spectrum in the United States.

By continuing to put forward attractive financing programs, the Company will establish an environment that facilitates the purchase of Yamaha Motor products by customers and thus help grow sales.

Others



The Other Products business engages in the development of golf cars, portable generators, snow blowers, multipurpose engines, automobile engines, automobile components, electric wheelchairs, and other products. The following are two of the many products that fall under this segment.

Power Products

First created by adapting the Company's small-engine technology, Yamaha generators are utilized not only for camping and other recreational activities but also as a backup power source in times of emergency such as during power outages or in disaster-afflicted areas. We also manufacture and sell products like snow blowers—a welcome tool in regions with heavy snowfall—and multipurpose engines.

Yamaha golf cars, which originated from the development of land cars for resort facilities, are produced in Japan, the United States, and Thailand, where aggregate production exceeds one million units. North America in particular accounts for over 75% of global demand, making it the leading market for golf cars and the focus of the Company's sales. In recent years, our golf cars have attracted a great deal of attention beyond golf courses and resort facilities as a means of automated low-speed first/last-mile mobility for underpopulated areas and villages with narrow roads.

Electric Wheelchairs

By adapting the Company's technologies for electronic control, drivetrains, and more to develop power units for converting manual wheelchairs into electric ones, we created a new market for simpler electric wheelchairs that are foldable and easy to carry. In addition to fully electric wheelchairs, we currently manufacture and sell electrically power-assisted units for installation on manual wheelchairs as well as complete electrically power-assisted wheelchairs, both employing technologies from our power-assisted bicycles.

Through such products, we will facilitate the mobility of the elderly and persons with disabilities, seek to deliver greater comfort and convenience for users, and help alleviate the burdens and more placed on caregivers.



Message from Management

In 2020, we will celebrate the 25th anniversary of our electric wheelchairs and the role they play in contributing to the health and welfare field as well as in addressing the issues of an aging society. While awareness has grown in recent years of various forms of electric mobility serving as means of transportation, we believe there is tremendous potential in electric wheelchairs as an electric single-passenger form of mobility.

Moving forward, we will aim to establish a business model that enables us to contribute to society by offering people the freedom of mobility through our products.



Michiyo Yamazaki

General Manager of JW Wheelchairs Division,
Smart Power Vehicle Business Unit,
Solution Business Operations