

# Business Results for First Quarter of the Fiscal Year Ending December 31, 2020



**TMAX 560**

Yamaha Motor Co., Ltd.  
May 29, 2020  
(Ticker symbol: 7272)

# Agenda

## Business Results for First Quarter of the Fiscal Year Ending December 31, 2020

President, CEO and Representative Director - Yoshihiro Hidaka

### ● Forecast Consolidated Results

Forecast consolidated results stated herein are based on the management's assumptions and beliefs in light of information currently available and involve risks and uncertainties.

Please be advised that actual results may differ significantly from those discussed in the Forecast Consolidated Results. Potential risks and uncertainties include, but are not limited to, general economic conditions in Yamaha Motor's major markets, changing consumer preferences and currency exchange rate fluctuations.

Effects & Measures for  
COVID-19  
(Novel Coronavirus)

# Adopted Policies Against Pandemic

## Company based emergency response policies

- 1: Prioritize the lives of our employees and stakeholders and prevent the spread of infection.  
Temporary closures of business sites and factories, early implementation of telework and staggered work styles, as well as social support activities.
- 2: Minimize business loss through quick decision making.  
Controlled production by identifying demand, thorough reduction of expenses and investment spending.
- 3: Level up of the Business Continuity Plan to cope with pandemic.  
Promoting productivity improvements through work style reforms.  
Developing flexibility of Supply Chain Management.

## Company based regional and societal contributions

- Manufacture and provision of resin face shields and sterilizing detergents to medical institutions (Japan)
- Motorcycle donations and free rental to medical staff (Thailand/Germany/ Sweden)
- Donations and support materials to medical facilities and medical support organizations (China / Italy / US / Canada)
- Donations and food distribution services for those who are in financial difficulty (Brazil / Colombia)

# Impact on Sales (Company Unit Sales)

The effects of COVID-19 have become apparent since March.

(Vs. Previous Year)

Products/Regions		January + February	March
Motorcycles	Europe•US•Japan	118%	74%
	Indonesia	104%	80%
	Thailand	82%	68%
	Vietnam	99%	87%
	The Philippines	84%	44%
	China	96%	152%
	India	84%	62%
	Brazil	114%	109%
ATVs+ROVs	North America	99%	68%
PAS		116%	83%
Outboard Motors	North America•Europe	85%	71%
Surface Mounters		115%	100%

# Current Production in Major Regions (March-May)

Resuming production in stages and recovering sales.

Keeping supply chains stable to respond flexibly to demand recovery.

Regions	Main Products	Suspension periods / Working days	Operation Status
Japan	Motorcycles	16 days / 60 days	Partially Operational
	Outboard Motors	27 days / 60 days	Suspended
US	Golf Cars / WVs / ATVs / ROVs	30 days / 63 days	Operational
Europe	Motorcycles / Motorcycle Engines	33 days / 60 days	Operational
Indonesia	Motorcycles	20 days / 56 days	Operational
Thailand	Motorcycles	13 days / 58 days	Operational
Vietnam	Motorcycles	16 days / 62 days	Partially Operational
The Philippines	Motorcycles	51 days / 62 days	Suspended
India	Motorcycles	54 days / 70 days	Partially Operational
Brazil	Motorcycles	19 days / 61 days	Operational

\*China: Reopened operation in the second half of February

\*Japan: Described in the period from April to June

# Outline

# FY2020 1st Quarter Business Results

Net sales / Operating Income: Sales decreased except for the Robotics Business and Financial Services Business. Income decreased in all businesses.

Net income: Decreased due to reversal of deferred tax assets.

(¥ Bil.)	2019 1Q	2020 1Q	Vs. Previous Year
Net Sales	429.3	395.9	92%
Operating Income	35.9	25.4	71%
Operating Income Ratio	8.4%	6.4%	-2.0 pts.
Ordinary Income	37.5	26.8	72%
Net Income*	28.3	9.6	34%

Annual Forecast	Vs. Previous Year
To be determined	—

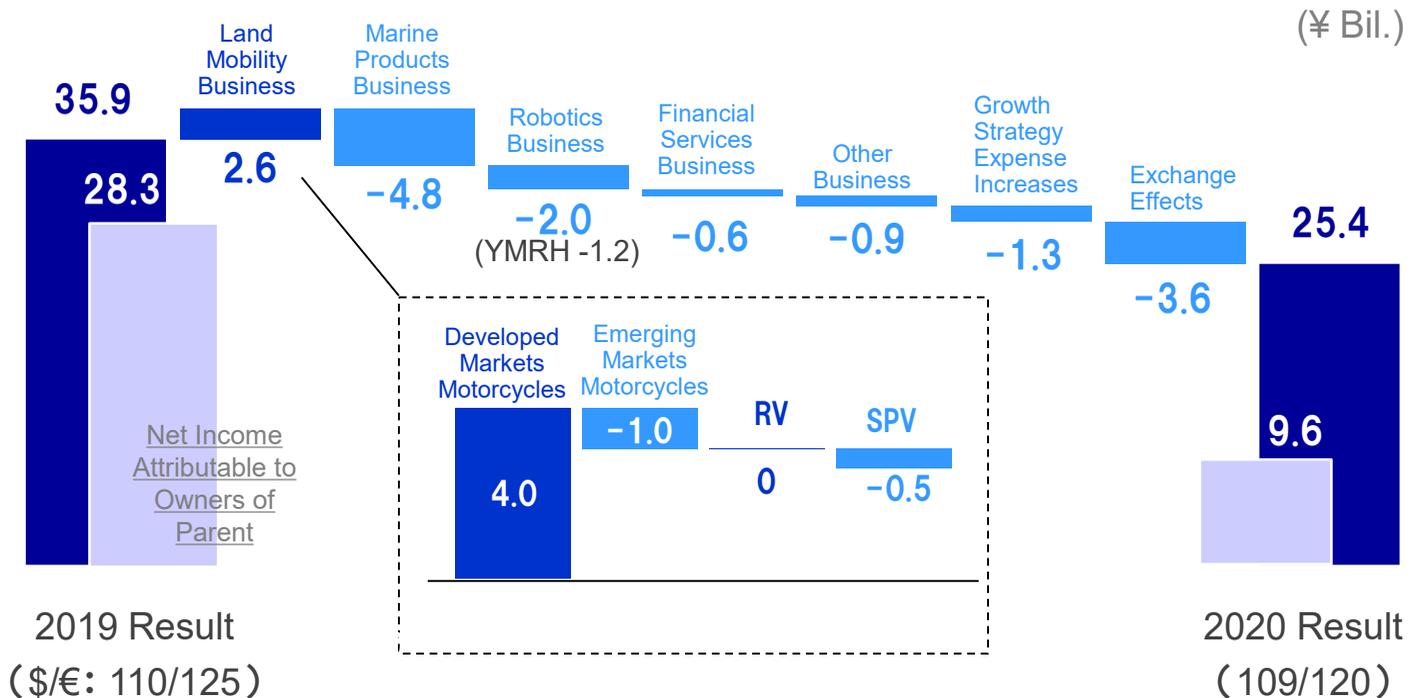
(\$•€)	110 / 125	109 / 120	—
(\$/IDR•BR\$)	14,077 / 3.8	14,119 / 4.4	—

108 / 120	—
13,700 / 4.1	—

\*Net Income Attributable to Owners of Parent

# FY2020 1st Quarter - Factors Impacting Operating Income

Profitability improvements for the Motorcycle Business in Developed Markets.  
Income decreased mainly in the Marine Products and Robotics Businesses.

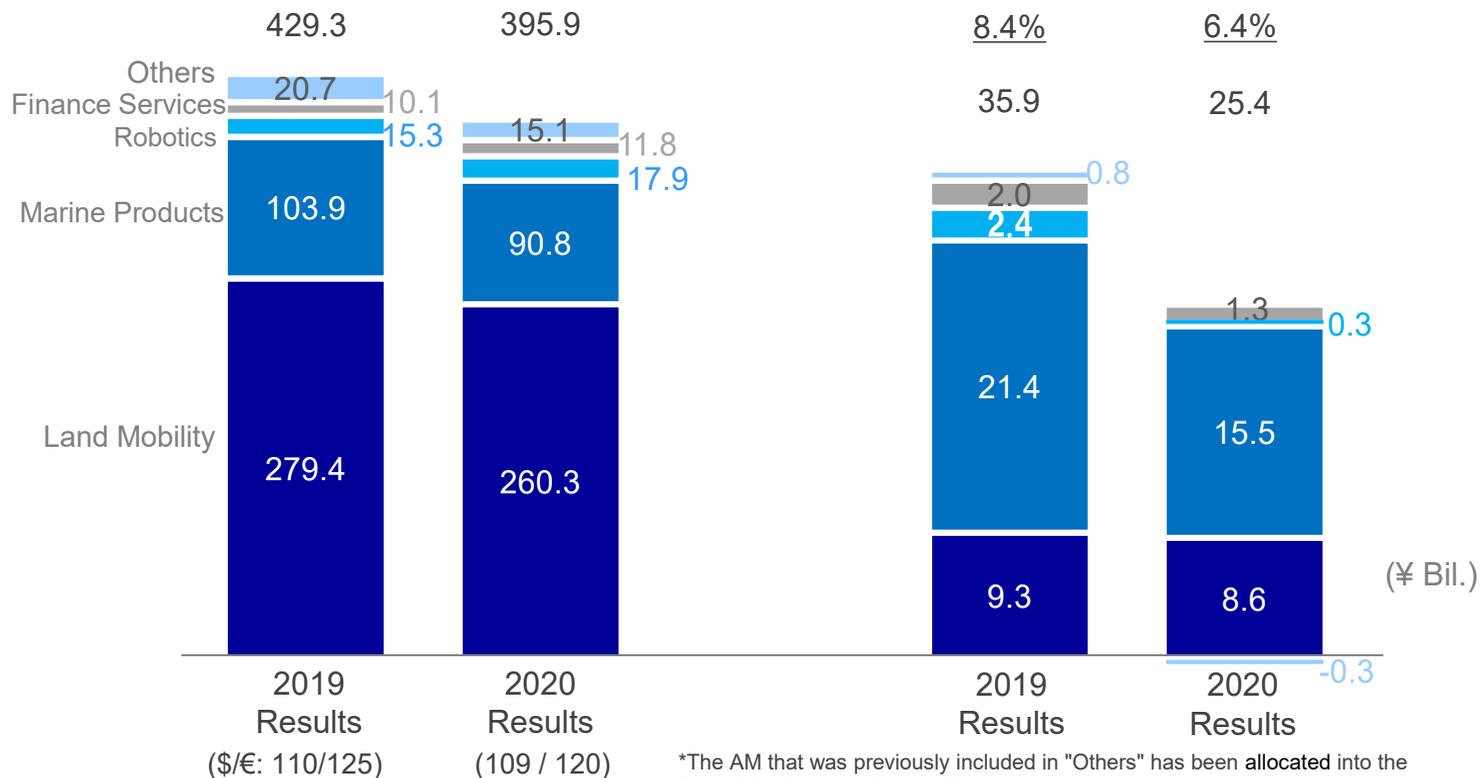


# Details per Business Segment

# Details of Net Sales and Operating Income per Business Segment

## Net sales

## Operating Income

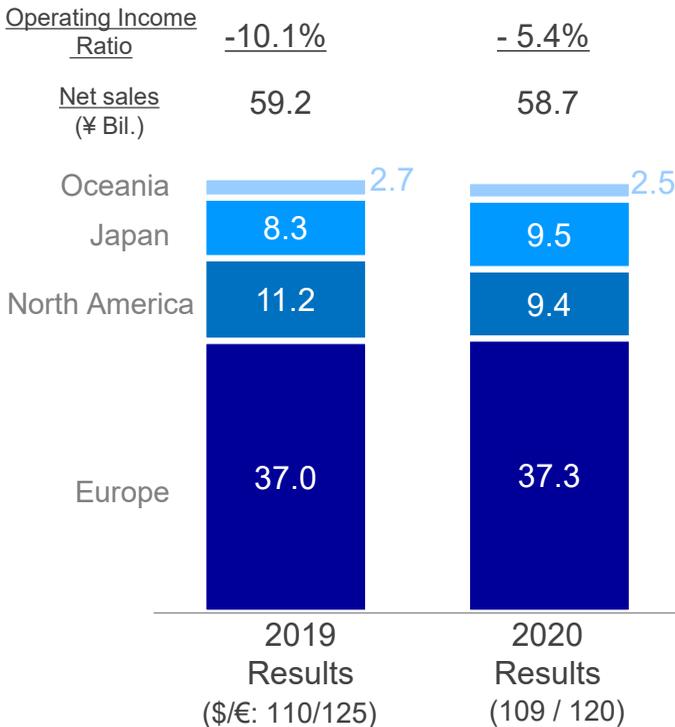


\*The AM that was previously included in "Others" has been allocated into the "Land Mobility" and "Marine Products" businesses

# FY2020 1st Quarter Business Results

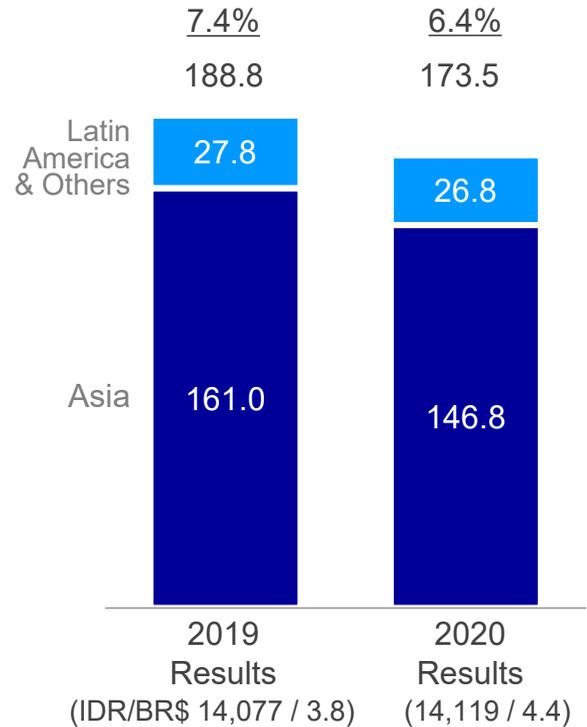
## Land Mobility Developed Markets - Motorcycles

Increased sales in Japan. Improvements of the European model mix. Utilization rates increased at Europe & Headquarter factories.



## Land Mobility Emerging Markets - Motorcycles

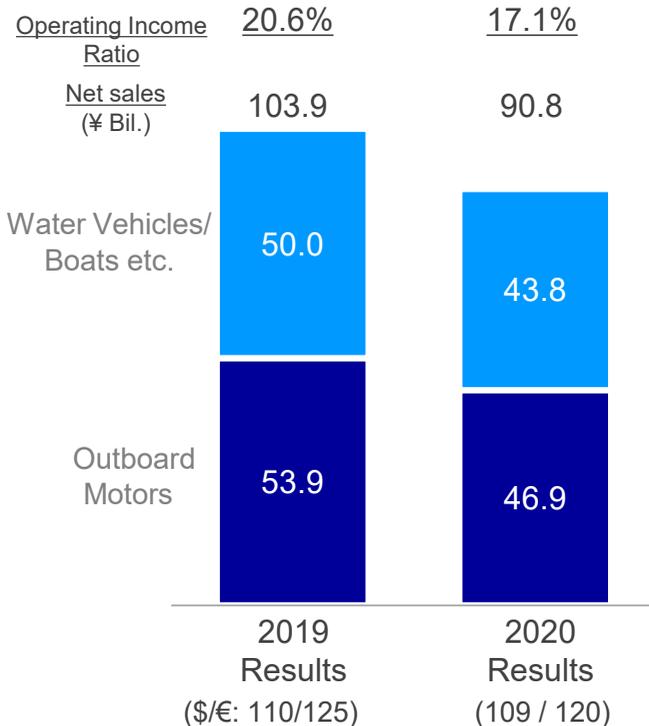
Sales decreased in the Philippines, India and Vietnam. Model mixes worsened in Vietnam and India.



# FY2020 1st Quarter Business Results

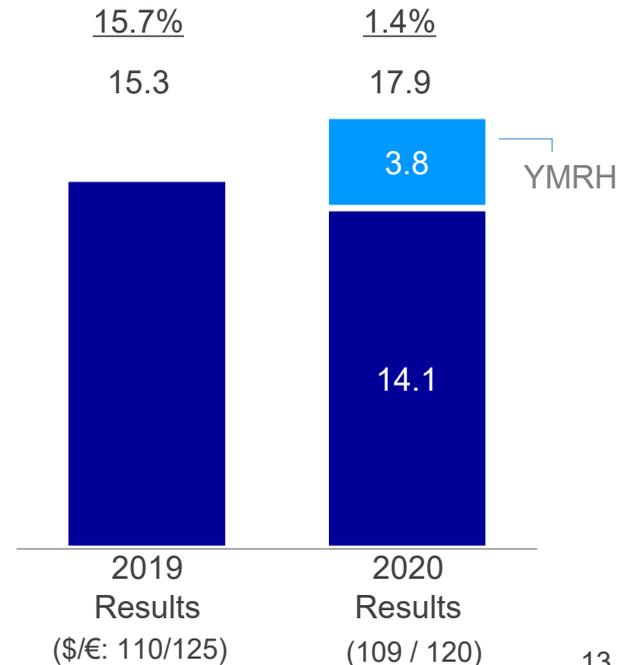
## Marine Products Business

Production adjustments for the outboard motors. Production/Sales decreased in the WVs/Boats etc due to the COVID-19 influence.



## Robotics Business

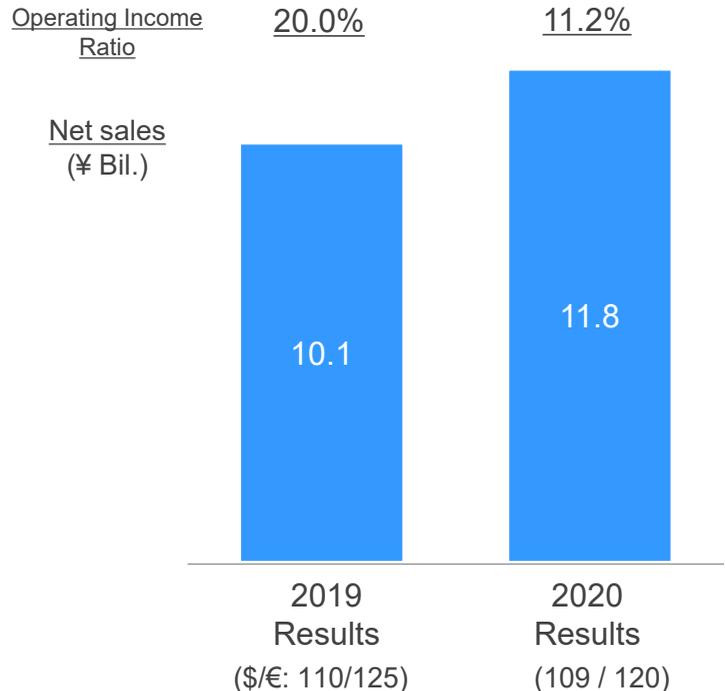
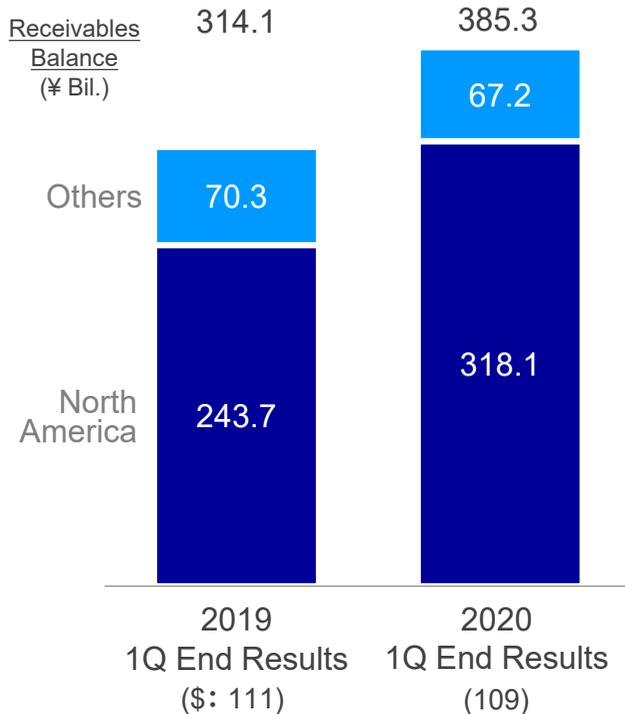
The model mix worsened due to a decrease in automotive products. Preparing for sales activities in the wake of COVID-19.



# FY2020 1st Quarter Business Results

## Financial Services Business

Increased receivables balance due to company development of its own financial programs for US prime sector. Income decreased due to an increase in the allowance for doubtful accounts in anticipation of effects from the COVID-19 pandemic.



\* Rate at end of period

Outlook and  
Medium to Long-Term  
Measures Progress

# Company Unit Sales by Main Products (April Results / May + June Forecast)

Many products/regions are expected to fall below the previous year.

(Vs. Previous Year)

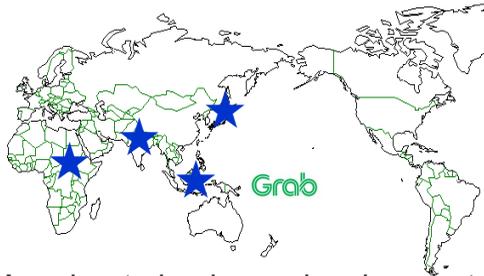
Products/Regions		April	May+June Forecast
Motorcycles	Europe•US•Japan	55%	80%
	Indonesia	21%	20%
	Thailand	44%	50%
	Vietnam	37%	95%
	The Philippines	4%	25%
	China	203%	115%
	India	-	50%
	Brazil	31%	80%
ATVs+ROVs	North America	91%	105%
PAS		73%	100%
Outboard Motors	North America•Europe	46%	85%
Surface Mounters		95%	80%

# Medium to Long-Term Measures

## ART for Human Possibilities Progress

### New field

#### Mobility Service



Accelerate business development for MaaS

#### Low-Speed Autonomous Driving Vehicles



Automated operation of factory logistics

#### Labor Saving in Horticulture



Image provided by Abundant Robotics

Promoting projects with Investees

### Core Business

#### Land mobility Business



Transforming Mobility:  
Expand LMW lineup

#### Marine Product Business



HARMO (electric propulsion system):  
Demonstration test  
(planning in summer 2020)

#### Robotics Business



Wholly Owned Subsidiary(YMRH):  
Strengthen total solutions

# Future Outlook

## **Business management**

Normalization of factories and supply chains with ensuring safety in business.  
Continuing drastic cost reduction in preparation for risks.

## **Securing Funds**

Prompt inventory optimization and investment reduction through production adjustments.

Securing necessary funds by flexible borrowing.

## **Growth Strategy Expenses / Investments**

Narrowing down across the board through selection and concentration.  
The minimum investments for the future growth and strengthening of the existing businesses are to continue.

## **Stock Dividends**

Interim dividends have been cancelled to secure cash on hand.  
The annual dividend, based on our dividend pay-out policy (30%) will be announced as soon as it becomes possible.

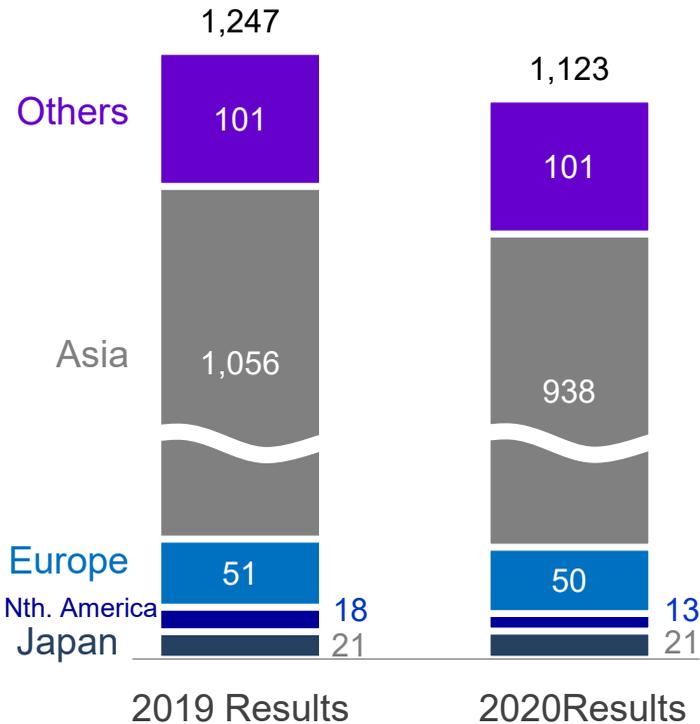


**YAMAHA**

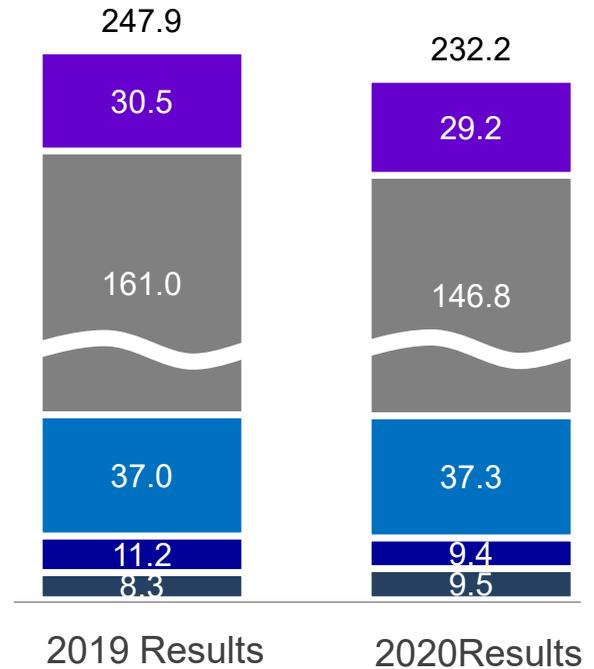
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# Sales Units/Net Sales of Motorcycles (1st Quarter)

Unit sales  
(Thousand units)



Net sales  
(¥ Bil.)

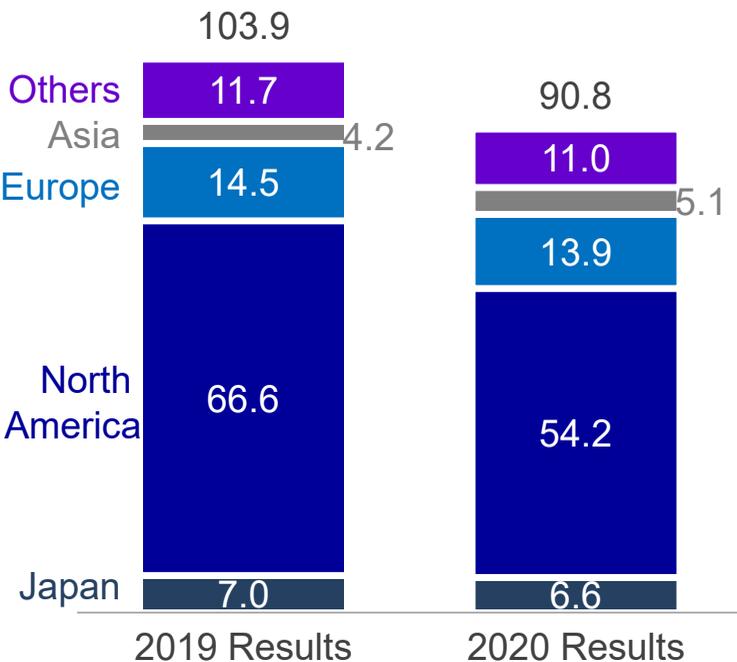


(\$/€: 110/125)

(109/120)

# Net sales in Marine Products and Robotics (1st Quarter)

## Marine Products



(\$/€: 110/125)

(109 / 120)

## Robotics



(¥ Bil.)

# Capital Expenditure / Depreciation and Amortization Expenses / Research and Development Expenses / Interest-bearing Debt

(¥ Bil.)

	2019 1Q	2020 1Q
Capital Expenditure	7.6	12.1
Depreciation and Amortization Expenses	12.2	12.7
Research and Development Expenses Including Growth Strategy Costs	27.0	29.5
Interest-bearing Debt	400.9	511.1

# Effects of Foreign Exchange (Compared to Previous Year)

	1Q (3 months)			
	US\$	EURO	Other	Total
	(¥ Bil.)			
Foreign Exchange Effects on HQ Imports and Exports	-0.4	-1.0	-0.4	-1.8
Foreign Exchange Effects on Purchases (Overseas Subsidiaries)	0	0	-1.2	-1.2
Foreign Exchange Effects on Gross Income (Overseas Subsidiaries)	-0.2	-0.5	-1.5	-2.2
Foreign Exchange Effects on SG&A Expenses (Overseas Subsidiaries)	0.2	0.4	1.2	1.7
Foreign Exchange Effects on Operating Income	-0.5	-1.1	-1.9	-3.6

## Foreign Exchange Sensitivity

Effects on operating income per yen of foreign exchange fluctuations

US\$      EURO  
0.3 ¥ Bil.    0.2 ¥ Bil.



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