

# Financial Highlights

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries  
Years ended December 31

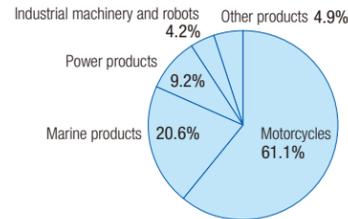
## POINT

Although sales rose at the marine products, power products, industrial machinery and robots, and other products businesses, a decline in motorcycle sales resulted in net sales being roughly flat with the previous year, at ¥1,673.1 billion.

In terms of profit, sales growth and improved profitability were unable to absorb the effects of a decline in motorcycle sales in developed markets, a foreign-exchange loss, and other factors, and profit declined at all levels.

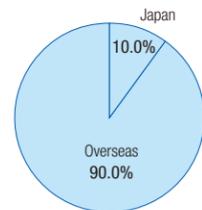
### Percentage of sales by product segment

(Year ended December 31, 2018)



### Percentage of sales by market

(Year ended December 31, 2018)



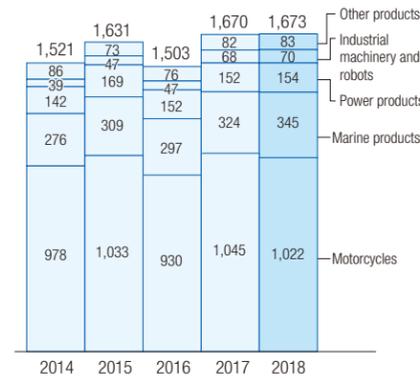
### Operating income and operating income margin

(Billion ¥) (%)



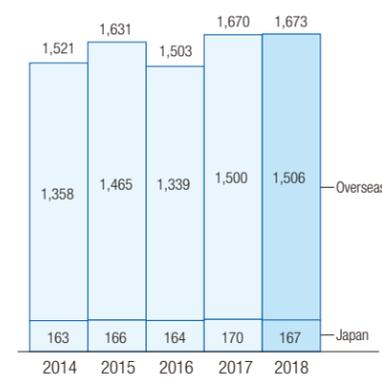
### Sales by product segment

(Billion ¥)



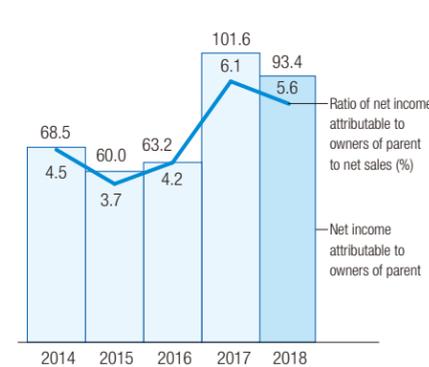
### Sales by market

(Billion ¥)



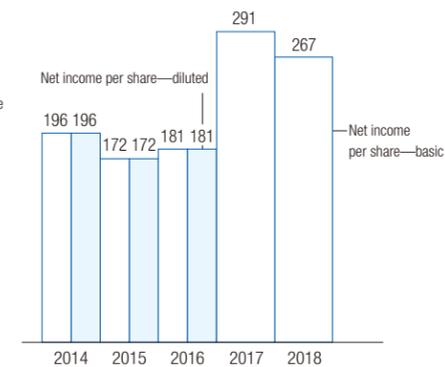
### Net income attributable to owners of parent and ratio of net income attributable to owners of parent to net sales

(Billion ¥) (%)



### Net income per share

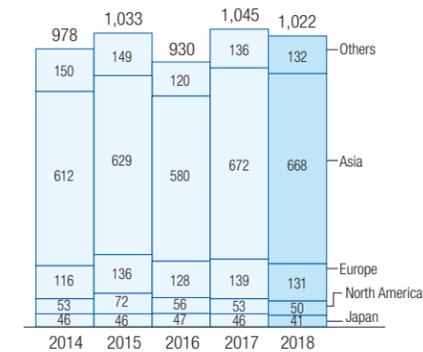
(¥)



Note: Net income per share—diluted for fiscal 2017 and 2018 are not listed as there were no potential shares with dilutive effect.

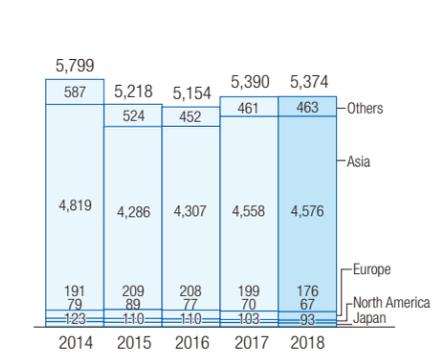
### Motorcycle sales by market

(Billion ¥)



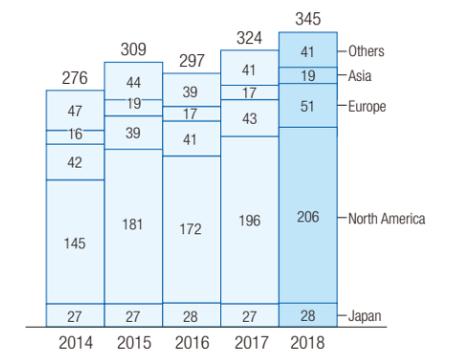
### Motorcycle unit sales by market

(Thousand units)



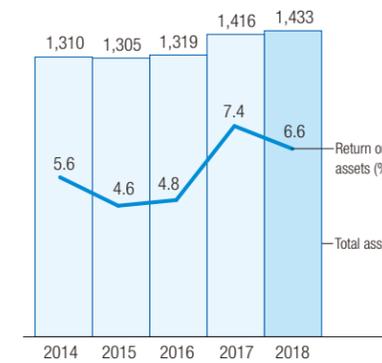
### Marine product sales by market

(Billion ¥)



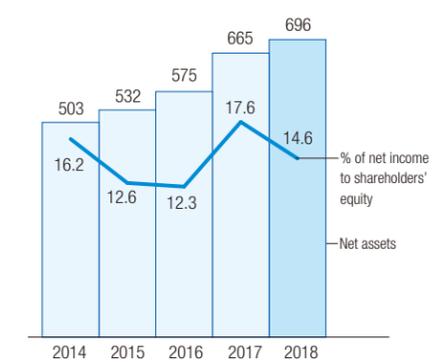
### Total assets and return on assets

(Billion ¥) (%)



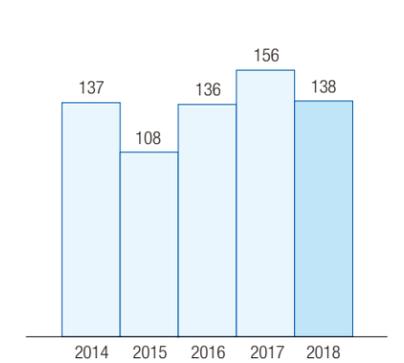
### Net assets and % of net income to shareholders' equity

(Billion ¥) (%)



### Cash and cash equivalents at the end of the year

(Billion ¥)



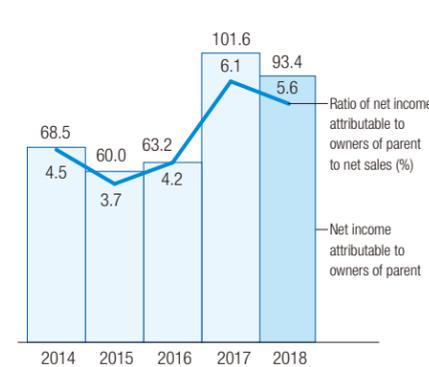
### Operating income and operating income margin

(Billion ¥) (%)



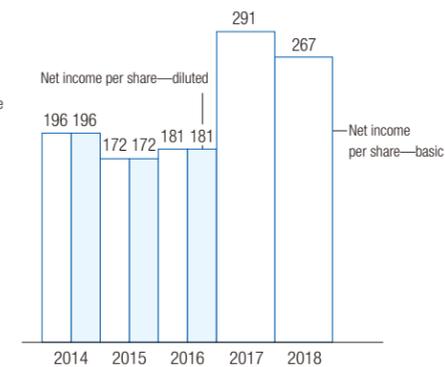
### Net income attributable to owners of parent and ratio of net income attributable to owners of parent to net sales

(Billion ¥) (%)



### Net income per share

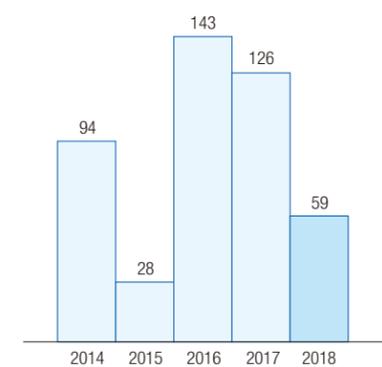
(¥)



Note: Net income per share—diluted for fiscal 2017 and 2018 are not listed as there were no potential shares with dilutive effect.

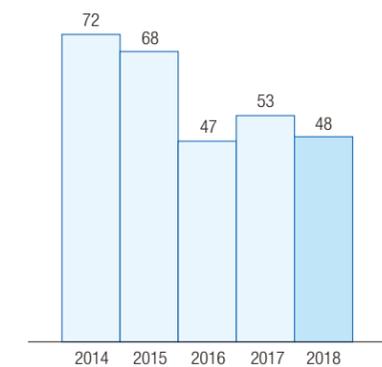
### Cash provided by operating activities

(Billion ¥)



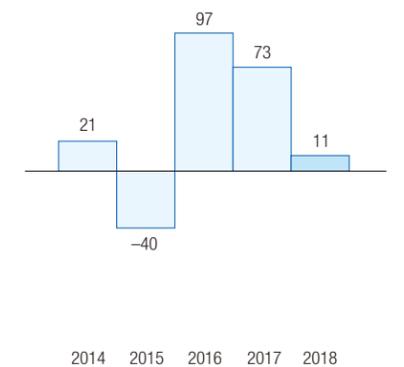
### Cash used in investing activities

(Billion ¥)



### Free cash flows

(Billion ¥)



# Ten-Year Summary

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries  
Years ended December 31

	2009	2010	2011	2012	2013	2014	2015	2016	2017	Millions of yen 2018	% change 2018/2017
<b>For the year:</b>											
Net sales	¥1,153,642	¥1,294,131	¥1,276,159	¥1,207,675	¥1,410,472	¥1,521,207	¥1,631,158	¥1,502,834	¥1,670,090	¥1,673,137	0.2 %
Sales by product:											
Motorcycles	817,058	914,211	887,556	798,676	928,203	977,580	1,032,560	930,112	1,045,211	1,022,174	(2.2)
Marine products	150,113	167,141	178,929	196,320	243,362	276,367	309,337	297,216	323,838	344,658	6.4
Power products	100,577	102,968	100,257	103,588	126,722	142,204	169,495	152,310	151,622	153,778	1.4
Industrial machinery and robots	—	34,758	34,326	30,813	32,261	38,942	46,501	46,871	67,571	69,891	3.4
Other products	85,893	75,051	75,089	78,276	79,922	86,113	73,262	76,322	81,845	82,634	1.0
Gross profit	202,292	295,565	276,046	235,068	318,765	372,849	436,525	402,660	458,629	455,173	(0.8)
Operating income (loss)	(62,580)	51,308	53,405	18,598	55,137	87,249	130,329	108,594	149,782	140,787	(6.0)
Ordinary income (loss)	(68,340)	66,142	63,495	27,267	60,092	97,279	125,231	102,073	154,826	137,969	(10.9)
Net income (loss) attributable to owners of parent	(216,148)	18,300	26,960	7,489	44,057	68,452	60,023	63,153	101,603	93,366	(8.1)
Net cash provided by (used in) operating activities	74,096	104,531	33,328	(2,385)	66,976	93,618	28,475	143,163	126,342	58,858	(53.4)
Net cash used in investing activities	(45,285)	(37,632)	(46,517)	(51,081)	(62,679)	(72,470)	(68,475)	(46,541)	(53,194)	(48,274)	(9.3)
Free cash flows	28,810	66,899	(13,189)	(53,466)	4,296	21,148	(40,000)	96,622	73,147	10,584	(85.5)
Net cash provided by (used in) financing activities	(32,022)	5,296	(51,927)	15,761	3,620	(8,908)	6,845	(67,627)	(52,830)	(26,423)	(50.0)
Capital expenditures	46,035	33,939	45,049	48,788	56,800	65,871	64,064	61,330	56,532	55,068	(2.6)
Depreciation expenses	53,701	36,594	33,578	34,278	36,407	37,667	44,324	42,434	45,457	46,405	2.1
<b>At year-end:</b>											
Total assets	¥ 987,077	¥ 978,343	¥ 900,420	¥ 962,329	¥1,146,591	¥1,310,040	¥1,305,236	¥1,318,776	¥1,415,845	¥1,433,458	1.2 %
Net assets	249,266	310,809	309,914	341,561	422,792	503,224	531,700	575,404	665,232	695,743	4.6
Interest-bearing debt	399,942	322,443	274,721	326,976	382,929	403,652	410,148	364,381	353,490	356,688	0.9
<b>Ratios:</b>											
Operating income margin (%)	(5.4)	4.0	4.2	1.5	3.9	5.7	8.0	7.2	9.0	8.4	
Return on equity (%)	(71.2)	7.5	9.7	2.5	12.7	16.2	12.6	12.3	17.6	14.6	
Equity ratio (%)	21.5	28.0	31.2	32.0	33.5	35.1	37.6	40.5	44.0	45.9	
Price/earnings ratio (times)	—	23.8	12.6	44.2	12.5	12.5	16.0	14.2	12.7	8.1	
Debt/equity ratio (%)	188.3	117.6	97.8	106.2	99.7	87.8	83.6	68.2	56.8	54.3	
										Yen	% change
<b>Per share amounts:</b>											
Net income (loss)—basic	¥ (755.92)	¥ 55.50	¥ 77.23	¥ 21.45	¥ 126.20	¥ 196.06	¥ 171.89	¥ 180.84	¥ 290.93	¥ 267.35	(8.1)%
Net income—diluted	—	55.50	77.23	—	126.20	196.04	171.88	180.83	—	—	—
Net assets	743.04	785.61	804.26	881.88	1,099.84	1,316.58	1,405.35	1,529.53	1,783.35	1,882.64	5.6
Cash dividends	0.00	0.00	15.50	10.00	26.00	40.00	44.00	60.00	88.00	90.00	2.3
										Millions of yen, except per share data	% change
<b>Share performance (at year-end):</b>											
Price per share (yen)	¥ 1,166	¥ 1,323	¥ 974	¥ 949	¥ 1,577	¥ 2,442	¥ 2,744	¥ 2,574	¥ 3,695	¥ 2,159	(41.6)%
Market capitalization	333,300	461,855	340,018	331,288	550,585	852,683	958,264	898,931	1,290,413	753,989	(41.6)
										Persons	% change
<b>Other data (at year-end):</b>											
Number of shareholders	30,013	31,615	32,259	32,873	29,474	30,416	34,214	42,031	34,566	51,113	47.9 %
Number of employees	49,994	52,184	54,677	53,958	53,382	52,662	53,306	53,150	53,579	53,977	0.7

Notes: • References to fiscal years are to 12-month periods commencing on January 1 and ending on December 31.

- With regard to amounts stated in million yen units, amounts less than ¥1 million are truncated. For amounts stated in 0.1 billion or billion yen units, amounts less than ¥0.1 billion or ¥1 billion, respectively, are rounded off.
- From the fiscal year ended December 31, 2016, the presentation of sales finance-related income and expenses has changed from recording under "Selling, general and administrative expenses," "Non-operating income," and "Non-operating expenses" to recording under "Net sales," "Cost of sales," and "Selling, general and administrative expenses." To reflect this change in presentation method, the consolidated financial statements for the fiscal year ended December 31, 2016 and the fiscal year ended December 31, 2015 have been reclassified.
- Figures for the fiscal year ended December 31, 2009 are as per the previous segment classifications.

# Management Discussion and Analysis of Operations

## Overview

During the fiscal year ended December 31, 2018 (fiscal 2018), while the global economy was on a recovery trend overall, the effects of trade issues and currency depreciation in emerging markets were accompanied by a rise in U.S. interest rates that manifested in the latter part of the year. In developed markets, economic growth was seen in the U.S. due to the increase in the number of employees, improvement in corporate earnings, and other factors. The economy recovered moderately in Japan, while in Europe the economy slowed down. In emerging markets, economic growth continued in Vietnam and India, while in Brazil the economy recovered moderately. In Indonesia, despite the economic expansion due to strong domestic demand, the economy was destabilized by currency depreciation and natural disasters.

Against this backdrop, the Company's consolidated net sales for the fiscal year under review rose ¥3.0 billion, or 0.2%, year on year, to ¥1,673.1 billion, operating income declined ¥9.0 billion, or 6.0%, to ¥140.8 billion, ordinary income declined ¥16.9 billion, or 10.9%, to ¥138.0 billion, and net income attributable to owners of parent declined ¥8.2 billion, or 8.1%, to ¥93.4 billion.

## Sales Performance by Business Segment

### Motorcycles

Net sales declined ¥23.0 billion, or 2.2%, year on year, to ¥1,022.2 billion, and operating income declined ¥14.3 billion, or 20.8%, year on year, to ¥54.5 billion.

Unit sales increased in countries such as the Philippines, Indonesia and Brazil, but declined in developed markets, Taiwan and Vietnam, and other countries. As a result, unit sales totaled 5.37 million across the business as a whole (a year-on-year decline of 0.3%), resulting in decreased sales and profits.

Profitability will be boosted by strengthening sales of high-priced products in ASEAN countries and sports models in India. In developed markets, the Company is focusing on restructuring manufacturing and sales capabilities.

### Marine Products

Net sales rose ¥20.8 billion, or 6.4%, year on year, to ¥344.7 billion, and operating income rose ¥4.2 billion, or 7.1%, to ¥63.7 billion.

Unit sales of outboard motors, personal watercraft and sport boats increased year on year. In addition, also with the improvement in the product mix owing to expanded sales of large models of outboard motors in North America, both sales and profits increased.

In order to flexibly respond to the growth in demand of outboard motors, the Company is improving production capacity through measures including the review of the global production layout for outboard motors.

### Power Products

Net sales increased ¥2.2 billion, or 1.4%, year on year, to ¥153.8 billion, and operating income was ¥0.2 billion, against an operating loss of ¥1.5 billion in the fiscal year ended December 31, 2017.

Both sales and profits increased due to a year-on-year increase in unit sales of golf cars and multi-purpose engines as well as cost reductions for recreational off-highway vehicles (ROVs).

The Company is working to strengthen ROV marketing capabilities and is preparing to introduce new platform models that meet market needs.

### Industrial Machinery and Robots

Net sales rose ¥2.3 billion, or 3.4%, year on year, to ¥69.9 billion, and operating income rose ¥0.8 billion, or 5.4%, to ¥16.4 billion.

Favorable sales of surface mounters for in-vehicle electronics led to an increase in net sales and operating income.

The Company will strengthen solution proposals by new products and services that optimize plants in their entirety and increase the value provided to customers.

### Other Products

Net sales rose ¥0.8 billion, or 1.0%, year on year, to ¥82.6 billion, and operating income declined ¥1.4 billion, or 19.3%, to ¥5.9 billion.

In terms of electrically power-assisted bicycles, although exports of the E-kit (drive unit for electrically power-assisted bicycles) to Europe rose, unit sales of finished bicycles in Japan decreased and the product mix deteriorated, resulting in increased sales and decreased profits.

The Company is strengthening sales of the E-kit in Europe and electrically power-assisted bicycles in Japan, and promoting the development of new markets in the U.S.

## Income and Expenses

### R&D Expenses

The Yamaha Motor Group's corporate objective is to be a "Kando Creating Company." We aspire to offer new excitement and a more fulfilling life for people all over the world. To this end, we provide unique and high-quality products and services made available through our technology to interweave human logic with sensibility by continuously striving to achieve "the unique style of Yamaha Motor's engineering, manufacturing and marketing," aiming at creating "new, original and innovative ideas and messages," "technology that creates joy and trust among customers," "attractive designs to express Refined Dynamism," and "power to build up a lifetime relationship with customers."

We make ongoing efforts to gain recognition from our various stakeholders that "the unique style of Yamaha Motor" constitutes the "Yamaha" brand, and to make our products and services the lifelong preferred choice for stakeholders. We believe that these efforts will enable us to achieve sustainable growth and enhance our medium- to long-term corporate value.

We carry out measures to achieve sustainable growth and enhancement of corporate value under our Long-Term Vision, with an eye on 2030 and the Medium-Term Management Plan that runs for three years from 2019.

Specifically, we carry out strategic investments for growth in such efforts as "Rethinking Solution" unique to Yamaha and "Transforming Mobility," as we implement "Advancing Robotics" as our core technologies. We also expand human possibilities and contribute to the realization of better society and more fulfilling life (through our concept of "ART for Human Possibilities").

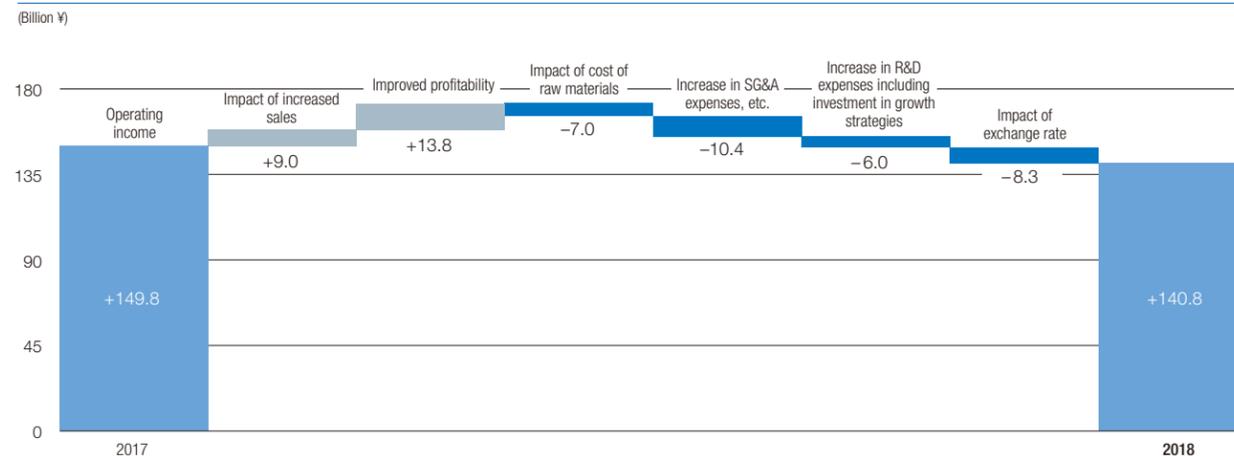
Under these circumstances, the Group's overall R&D expenses were ¥102.8 billion.

## Capital Resources and Liquidity

### Assets, Liabilities and Total Net Assets

Total assets as of December 31, 2018, increased ¥17.6 billion, from December 31, 2017, to ¥1,433.5 billion. Current assets increased ¥19.2 billion, as a result of factors including an increase in inventories and short-term sales finance receivables. Non-current assets

## Factors Impacting Operating Income



decreased ¥1.6 billion as a result of factors including a decrease in property, plant and equipment and intangible assets despite an increase in long-term sales finance receivables.

Total liabilities decreased ¥12.9 billion, to ¥737.7 billion, mainly from a decrease in electronically recorded obligations – operating and notes and accounts payable – trade.

Total net assets increased ¥30.5 billion, to ¥695.7 billion, which included the recording of ¥93.4 billion of net income attributable to owners of parent and ¥32.8 billion of cash dividends paid. As a result, the shareholders' equity ratio as of December 31, 2018 was 45.9% (an increase of 1.9 percentage points from the end of the previous fiscal year). The net debt-equity ratio was 0.3 times, compared with 0.3 times at the end of the previous fiscal year.

Note 1: Equity ratio: (Shareholders' equity + Accumulated other comprehensive income)/ Total assets x 100 (%)

### Capital Expenditures

The Group made investments of ¥55.1 billion in total during fiscal 2018.

In the motorcycle business, investments of ¥29.2 billion were made mainly for new products in Japan and overseas, maintenance and repairs of production facilities, and enhancement of production capacity in India. In the marine products business, investments of

¥11.8 billion were made mainly for replacing an aging process line, etc. and enhancing production capacity mainly for outboard motors. In the power products business, investments of ¥9.1 billion were made mainly for new products of recreational off-highway vehicles (ROVs) and production facilities of new golf car products. In the industrial machinery and robots business, investments of ¥1.0 billion were made mainly for research and development of new industrial machinery products. In the other products business, investments of ¥3.9 billion were made mainly for research and development of automobile engines and electrically power-assisted bicycles as well as production facilities of industrial multirotors.

### Cash Flows

Net cash provided by operating activities during fiscal 2018 was ¥58.9 billion (¥126.3 billion in net cash provided in the previous fiscal year). This mainly reflected cash provided from ¥136.9 billion in income before income taxes (¥152.3 billion), ¥46.4 billion in depreciation (¥45.5 billion), and other factors, against cash used for a combined increase in inventories of ¥36.6 billion (an increase of ¥11.2 billion), an increase in notes and accounts receivable – trade and sales finance receivables of ¥35.0 billion (an increase of ¥50.3 billion), a decrease of ¥8.3 billion in notes and accounts payable – trade (an increase of ¥10.4 billion), and other factors.

Net cash used in investing activities during fiscal 2018 was ¥48.3 billion (¥53.2 billion in net cash used in the previous fiscal year), primarily reflecting ¥54.0 billion used for purchase of property, plant and equipment and intangible assets (¥64.4 billion).

Net cash used in financing activities during fiscal 2018 was ¥26.4 billion (¥52.8 billion in net cash used in the previous fiscal year), primarily reflecting cash dividends paid and the repayment of loans payable.

As a result of the activities discussed above, free cash flow for fiscal 2018 was a positive ¥10.6 billion (a positive ¥73.1 billion for the previous fiscal year), and interest-bearing debt at the end of the fiscal year was ¥356.7 billion (an increase of ¥3.2 billion from the end of the previous fiscal year) and cash and cash equivalents totaled ¥138.2 billion (a decrease of ¥17.5 billion from the end of the previous fiscal year). Interest-bearing debt includes ¥262.8 billion in borrowings for sales finance (an increase of ¥14.1 billion).

### Demand for Funds

The Group's fund requirements are primarily to cover the cost of procuring materials and parts used in product manufacturing and costs incurred in the manufacturing process, as well as purchasing costs for products and merchandise, SG&A expenses, working capital and capital expenditures.

### Cash Dividends

The Company considers enhancing the interests of shareholders an important management issue, and endeavors to enhance corporate value.

In regard to dividends, the Company seeks to “create a stable financial foundation, and increase new growth investment and stock dividends,” and sets a benchmark for its dividend payout ratio as 30% of net income attributable to owners of parent.

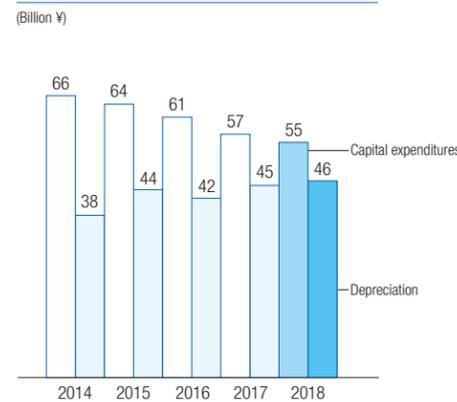
The Company has a basic policy of paying an interim dividend and a year-end dividend. The decision-making bodies for dividends are the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends. In addition, the Company's Articles of Incorporation provides that the record date for the interim dividend shall be June 30, and December 31 for the year-end dividend.

The Company decided to pay a year-end dividend of ¥45 per share for fiscal 2018. Added to the interim dividend (¥45 per share), this gave a total dividend for the year of ¥90 per share.

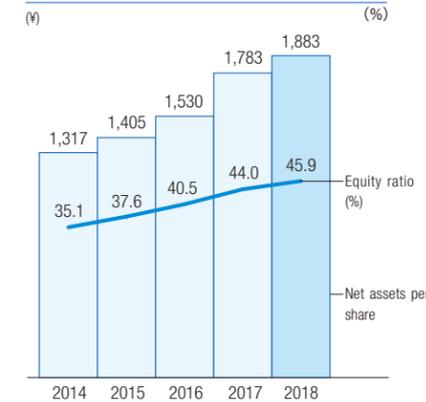
### R&D expenses and % of R&D expenses to net sales



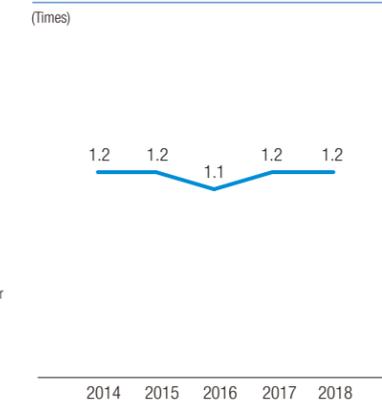
### Capital expenditures and depreciation



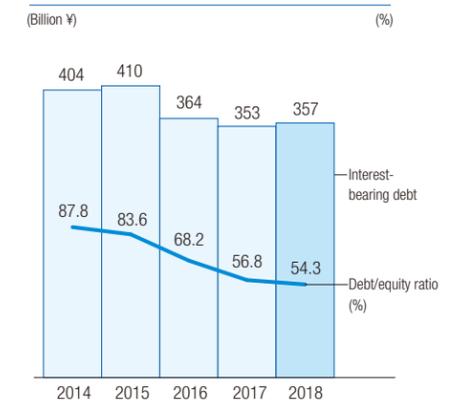
### Net assets per share and equity ratio



### Total asset turnover



### Interest-bearing debt and debt/equity ratio



### Fund Procurement Conditions

Group companies acquire short-term loans payable denominated in local currencies to use as working capital. Meanwhile, funds for plant and equipment investment come primarily from internal reserves, including paid-in capital and retained earnings.

The annual amounts of interest-bearing debt to be repaid are as follows:

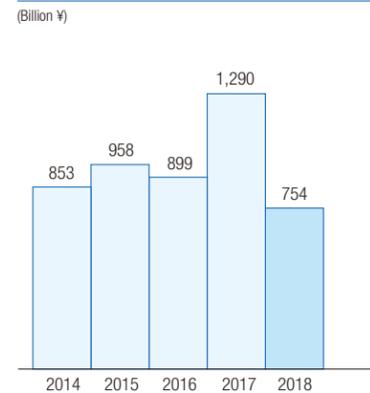
	(Billion ¥)						
	Total	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Short-term loans payable	163.0	163.0	—	—	—	—	—
Long-term loans payable	193.7	124.3	33.1	25.7	10.2	0.4	—

Note 2: Long-term loans payable includes current portion of long-term loans payable.

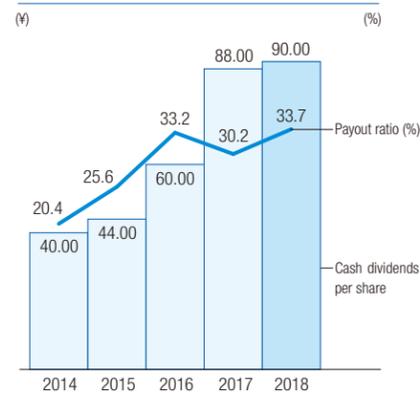
### Share Performance

Price per share decreased from ¥3,695 at December 31, 2017, to ¥2,159 at December 31, 2018. The number of shares outstanding, excluding treasury stock, decreased from 349,232,466 shares at December 31, 2017, to 349,230,730 shares at December 31, 2018. As a result, the market capitalization of the Company decreased from ¥1,290.4 billion at December 31, 2017, to ¥754.0 billion at December 31, 2018.

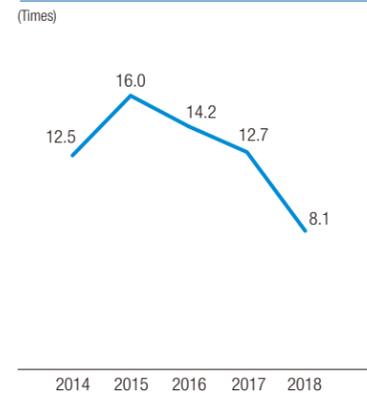
### Market capitalization



### Cash dividends per share and payout ratio



### Price/earnings ratio



### Forecast for Fiscal 2019

In the fiscal year ending December 31, 2019, the Company expects that the business environment will remain uncertain due to factors including the economic slowdown in Europe and trade issues between the U.S. and China. Considering market conditions and demand trends, the Company plans to maintain stable growth and profit in existing businesses and proceed with developing new businesses.

The consolidated financial results forecast is as follows:

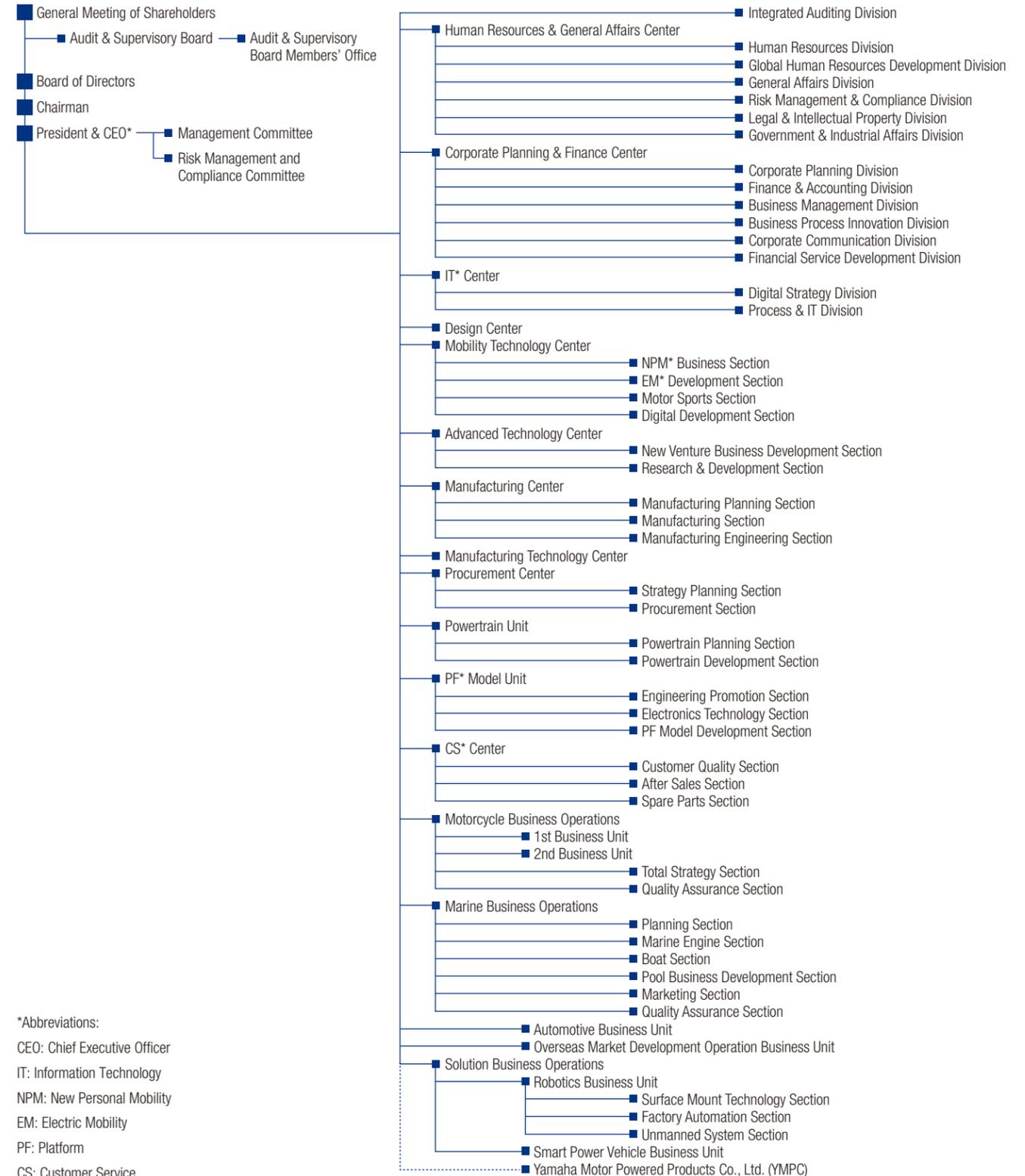
	(Billion ¥)
Net sales	1,700.0 (+26.9, 1.6%)
Operating income	133.0 (-7.8, 5.5%)
Ordinary income	135.0 (-3.0, 2.2%)
Net income attributable to owners of parent	85.0 (-8.4, 9.0%)

Note 3: The figures in parentheses indicate amount and percentage changes from the fiscal year ended December 31, 2018.

The forecast is based on the assumption that the exchange rates are ¥105 against the U.S. dollar (an appreciation of ¥5 from the previous fiscal year) and ¥120 against the euro (an appreciation of ¥10 from the previous fiscal year).

## Organization

Yamaha Motor Co., Ltd., as of April 1, 2019



\*Abbreviations:  
 CEO: Chief Executive Officer  
 IT: Information Technology  
 NPM: New Personal Mobility  
 EM: Electric Mobility  
 PF: Platform  
 CS: Customer Service

# Investor Information

As of December 31, 2018

## Yamaha Motor Co., Ltd.

### Headquarters

2500 Shingai, Iwata, Shizuoka 438-8501, Japan  
 Telephone: +81-538-37-0134  
 Facsimile: +81-538-37-4250

### Date of Establishment

July 1, 1955

### Major Consolidated Subsidiaries

Yamaha Motorcycle Sales Japan Co., Ltd.  
 Yamaha Motor Powered Products Co., Ltd.  
 Yamaha Motor Corporation, U.S.A.  
 Yamaha Motor Manufacturing Corporation of America  
 Yamaha Motor Europe N.V.  
 PT. Yamaha Indonesia Motor Manufacturing  
 India Yamaha Motor Pvt. Ltd.  
 Yamaha Motor Vietnam Co., Ltd.  
 Thai Yamaha Motor Co., Ltd.  
 Yamaha Motor Philippines, Inc.  
 Yamaha Motor do Brasil Ltda.

### Capital Stock

Authorized: 900,000,000 shares (Common stock)  
 Issued: 349,914,284 shares  
 Number of Shareholders: 51,113

### Principal Shareholders

The Master Trust Bank of Japan, Ltd. (trust account)	11.21%
Yamaha Corporation	9.92
Japan Trustee Services Bank, Ltd. (trust account)	6.74
State Street Bank & Trust Company	5.01
Toyota Motor Corporation	3.58
Mitsui & Co., Ltd.	2.46
Mizuho Bank, Ltd.	2.37
Japan Trustee Services Bank, Ltd. (trust account 9)	2.26
Trust & Custody Services Bank, Ltd. (securities investment trust account)	1.78
SMBC Nikko Securities Inc.	1.64

### Annual Meeting of Shareholders

The Ordinary General Meeting of Shareholders is held in March each year in Iwata or Hamamatsu, Shizuoka, Japan.

### Securities Exchange

Tokyo Stock Exchange, Inc.

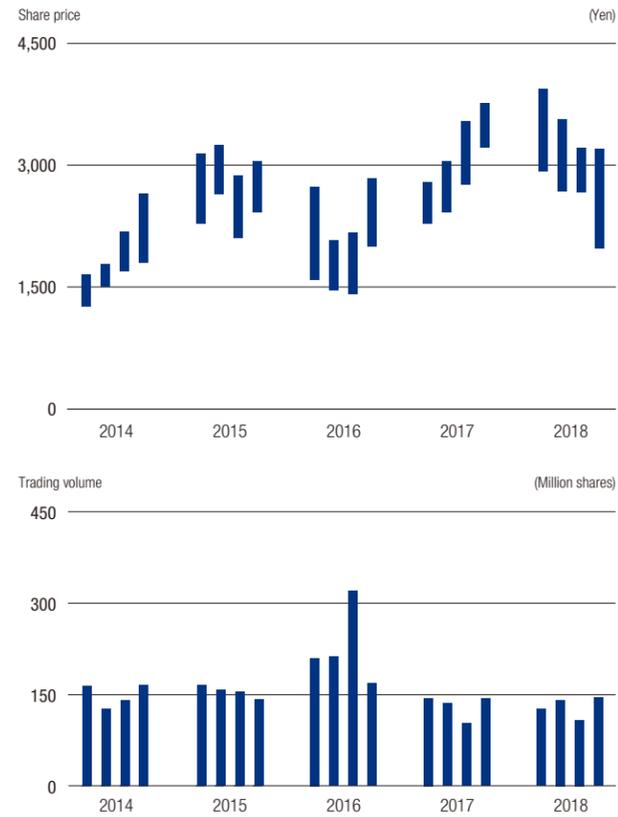
### Transfer Agent for Capital Stock

Sumitomo Mitsui Trust Bank, Limited  
 4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

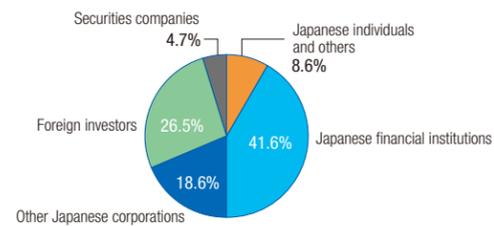
### Auditor

Ernst & Young ShinNihon LLC

## Yamaha Motor's Share Price and Trading Volume on the Tokyo Stock Exchange



## Shareholder Composition



For further information, please contact:

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 IR/SR Group, Corporate Communication Division  
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 Telephone: +81-538-37-0134  
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<https://global.yamaha-motor.com/ir/>

You are also invited to review the Fact Book and Financial Data on Yamaha Motor's website at <https://global.yamaha-motor.com/>