

Business Overview

Land Mobility

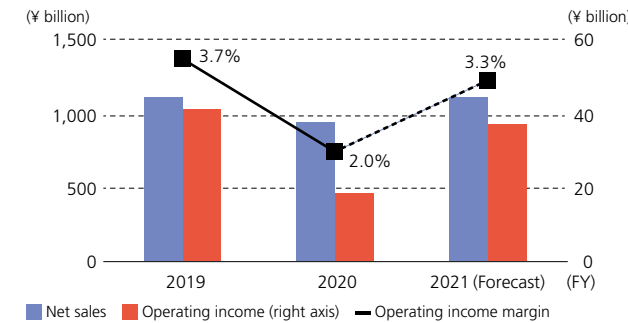
Primarily composed of the motorcycle, recreational vehicle (RV), and Smart Power Vehicle (SPV) businesses, the Land Mobility business offers its diverse range of products—spanning practical, everyday means of transportation and recreational products to products for commercial use and motorsport—to markets in line with their individual characteristics, and is building business platforms to be ready for a new era of mobility.

Medium-Term Priority Initiatives

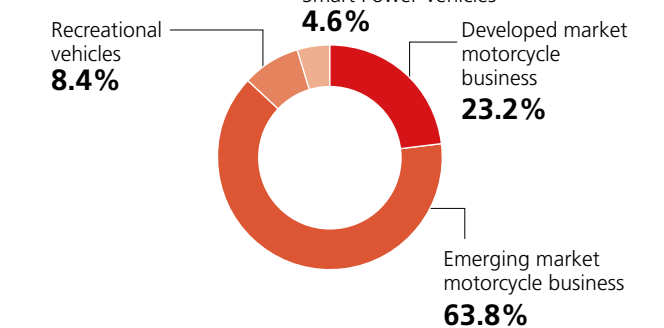
Building business platforms ready for the shift to a new era of mobility

- Revamp current capabilities to boost the efficiency of manufacturing and sales operations
- Promote swifter management to improve the speed of decision-making
- Accelerate the shift toward new business fields

Net Sales / Operating Income / Operating Income Margin



Net Sales Breakdown by Major Product Category (Fiscal 2020)



Marine Products

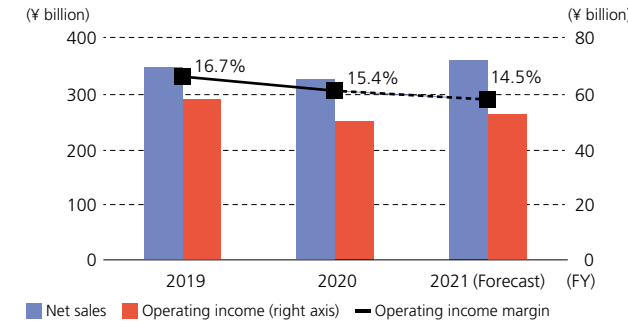
The Marine Products business' portfolio includes marine engines, boats, personal watercraft, and pools. The business has built a presence as a global leader in the marine products market and is working to strengthen its high-profit business structure as well as establish platforms for sustainable growth.

Medium-Term Priority Initiatives

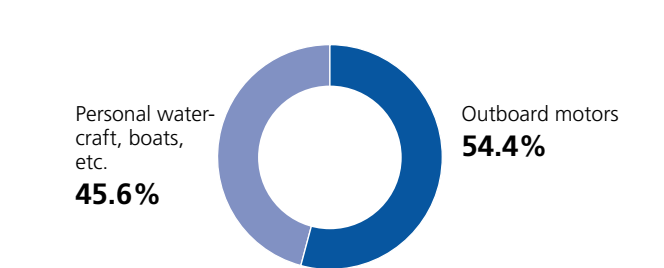
Strengthening the business' high-profit structure and building platforms for sustainable growth

- Realize the Marine Long-Term Vision
- Promote a global production scheme for outboard motors
- Progress as a system supplier through a comprehensive marine business strategy
- Work on product development strategies to offer more attractive products and services

Net Sales / Operating Income / Operating Income Margin



Net Sales Breakdown by Major Product Category (Fiscal 2020)



Robotics

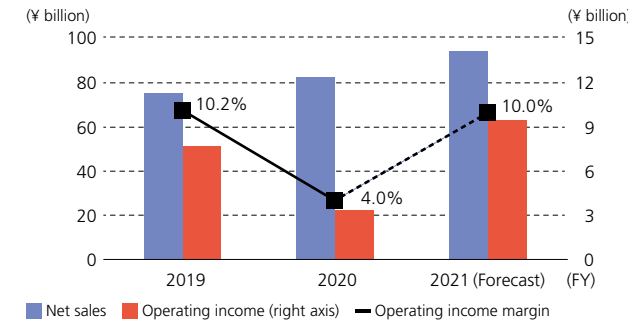
Our Robotics business traces its roots back to technologies used in the production of our motorcycles. Today, the business offers industrial robots for factory automation, surface mount technology (SMT) equipment for manufacturing printed circuit boards, semiconductor manufacturing equipment, industrial-use unmanned helicopters and drones leveraging Yamaha Motor's core competency in electronic control technologies, and other products for a variety of clients. The priorities of this business are expanding its scale and domains of operation alongside bolstering profitability.

Medium-Term Priority Initiatives

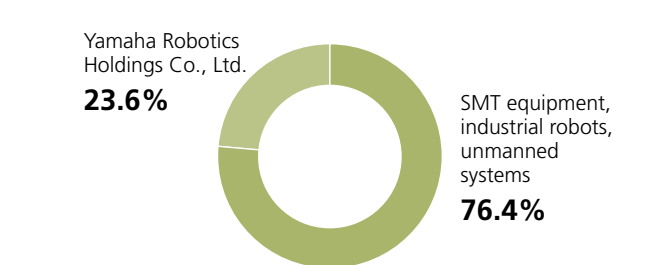
Expanding business scale and domains and bolstering profitability

- Accelerate factory automation
- Contribute to laborsavings in new fields
- Build robust business platforms through in-house technologies and organizational reinforcement

Net Sales / Operating Income / Operating Income Margin



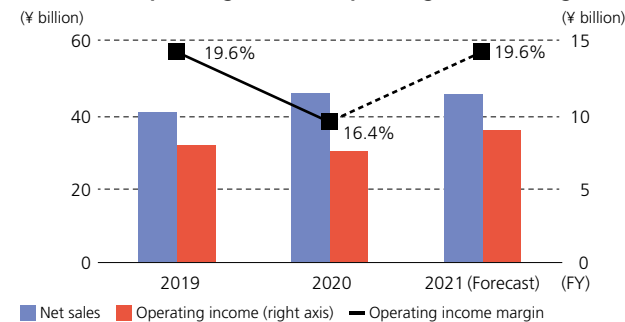
Net Sales Breakdown by Major Product Category (Fiscal 2020)



Financial Services

The Financial Services business offers retail and wholesale financing, leasing, and insurance packages for dealerships and customers with the goal of strengthening Yamaha Motor's business operation platforms. This business aims to ensure stable earnings by strengthening our ties with customers.

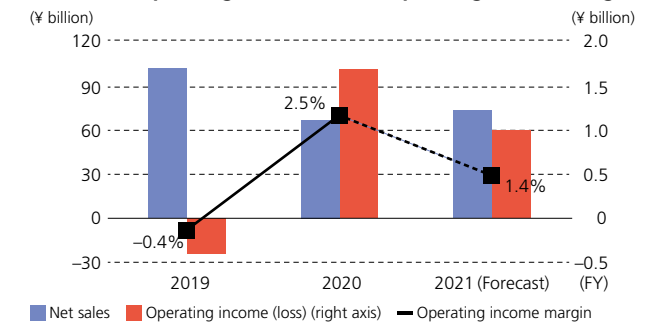
Net Sales / Operating Income / Operating Income Margin



Other Products

The Other Products business manufactures and sells electric wheelchairs for supporting people's daily lives, the golf cars found at golf courses and resort facilities, portable generators and multipurpose engines adapting Yamaha Motor's small-engine technologies, snow blowers for regions with heavy snowfall, and other products.

Net Sales / Operating Income (Loss) / Operating Income Margin





Takuya Kinoshita

Senior Executive Officer,
Chief General Manager of Land Mobility Business Operations,
and Executive General Manager of Motorcycle Business Unit,
Land Mobility Business Operations

Strengths

- Diverse and global product lineup combining both high performance and quality through our cultivated core technologies
- Established global brand position for motorcycles
- Pedigree of constantly pioneering new markets by creating new forms of mobility

Opportunities

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

Risks

- Tighter emissions regulations in each country
- Structural shift in the industry from new technologies and competitors
- Shift away from mobility and vehicle ownership among younger generations in Japan

Overview of Primary Products and Main Competitors

	Markets and conditions at Yamaha Motor	Main competitors
Motorcycles and commuter vehicles for developed markets	Overall demand has remained largely flat since the 2008 global financial crisis. Demand decreased in the first half of fiscal 2020 as a result of the lockdowns instituted in response to the COVID-19 pandemic, but demand for outdoor recreation and personal mobility offered a boost in the second half of the year.	Honda, Suzuki, Kawasaki, Harley-Davidson, BMW, Ducati, Triumph, KTM, Aprilia, Piaggio, KYMCO
Motorcycles and commuter vehicles for emerging markets	Unit sales fell in our mainstay market of Indonesia and other markets across the globe due to the COVID-19 pandemic.	Honda, Suzuki, Kawasaki, Hero, Bajaj
ROVs / ATVs	The North American market accounts for the majority of demand. A rise in demand was seen prior to the summer season of 2020.	Polaris, BRP, Honda, Kawasaki
Electrically power-assisted bicycles and OEM drive units	Yamaha Motor is the pioneer of e-Bikes, demand for which is recovering in eco-conscious Europe.	Panasonic, Bosch, Shimano

We will redefine the value of mobility and strive to create *Kando* that goes beyond the boundaries of mobility.

We had a difficult year in fiscal 2020 with sales and profits both falling due to the COVID-19 pandemic. However, thanks to managing risks while adapting to market trends and endeavoring to cut expenses at the same time, our results show that we were able to avoid the worst-case scenario we projected for April 2020 that estimated the impacts of the virus on our business. That being said, Yamaha Motor's demand chain management practices traditionally keep product inventory to a minimum in line with demand, so the drastic demand fluctuations seen in fiscal 2020 made it very difficult for us to respond. This made the immediate issues with our production planning and supply capabilities clear, and we will address these matters with vigor going forward.

The progression of technology and environmental regulations as well as the value placed on day-to-day life and life in general have grown even more diverse amid the pandemic, and the view on what constitutes "mobility" has also greatly changed. Under these circumstances, thinking about what users are really looking for as well as the reasons why is part of Yamaha's corporate agenda. At the same time, I think it is vital that, with our products, we redefine the value they provide to elevate them beyond being just a way to move from one place to another. Whether it is musical instruments or mobility, owning a Yamaha-brand product is about fun and the user's happiness. I believe redefining the value of mobility to go beyond simple "use of a consumer product" is key to delivering value that connects to the human happiness expressed in our Long-Term Vision of ART for Human Possibilities. Simply raising product performance will not suffice. As we redefine mobility and think about the kind of *Kando* we want to deliver to our customers, we also need to ponder where the source of our future *Kando* will come from.

Yamaha Motor developed the world's first electrically power-assisted bicycle and brought the side-by-side ROV to market, providing users with fresh experiential value over the years. In this way, it is in our DNA to pioneer new markets by creating new forms of mobility, and by doing so, we have established a firm position in each of our fields. While coordinating our efforts internally and externally, we will apply the unique advantages, technologies, and know-how we have accumulated from engaging in a wide range of segments—from electrically power-assisted products to low- and high-speed mobility—toward creating new forms of mobility that embody our corporate values and thereby ensure we seize any opportunities that arise.

Overview of Fiscal 2020

The spread of COVID-19 led to a fall in sales volume and expenses and product inventory decreased in turn. In developed markets, the swift recovery of demand for outdoor recreation and personal mobility following the lifting of lockdowns became a tailwind that

helped minimize the damage to our numbers despite lower sales and profits. However, product stock remains at a low level in almost all regions and in fiscal 2021 we intend to realign our production plans to meet the surge in demand.

Progress of Priority Initiatives

- Transferred ownership shares to an Italian motorcycle engine manufacturer and began reallocating production duties at the Iwata Main Factory and surrounding factories as part of production base structural reforms aimed at raising production efficiency and market adaptability
- Developed and launched the Wolverine RMAX 1000 as an ROV platform model
- Released a flagship e-MTB model incorporating knowledge gained through motorcycle development, etc.
- Began accepting commissions for prototype electric motor development for EVs

Fiscal 2021 Initiatives

As motorcycles continue to be reassessed for their role in personal mobility and commuting, we will ramp up launches of products tailored to the individual market characteristics of each country and build platforms for profitability in the growth areas unique to our brand to capture rising demand. For the motorcycle and recreational vehicle (RV) businesses in developed markets, we will

aim to improve profitability through structural reforms and the release of new models. With electrically power-assisted bicycles, we plan to develop new products using novel technologies and leverage strategic partnerships to offer value across-the-board in order to expand the business on a global basis.

Future Measures for Realizing Our Long-Term Vision

Produce Synergy between the Motorcycle and SPV Businesses

A strength of the Land Mobility business is its full lineup of products available around the world. To boost competitiveness, the Smart Power Vehicle Business Unit was merged with our Motorcycle Business Operations in fiscal 2020 in an organizational restructuring that formed our Land Mobility Business Operations. With fiscal 2021 as the final year of the current Medium-Term Management Plan, our target figures and the like remain the

same. For the next plan, however, we will move forward with initiatives to produce synergy between the motorcycle and SPV businesses. There will be difficulties in integrating two different business systems, but we are committed to furthering our strengths in order to drive not only product electrification but also the creation of new forms of mobility.

Accelerate Our Digital Transformation Strategies to Better Connect with Customers

The Land Mobility business is moving forward with its digital transformation strategies for both products and marketing, and these are aimed at delivering the following types of value by forming connections among products, customers, and traffic environments.

1. Even greater convenience and value in mobility
2. A safer, more secure mobility experience by constructing a connected traffic environment

3. Support for self-actualization by providing data and evaluations on vehicle operation
 4. Community building to strengthen ties with customers
- Work to implement the strategies with our products is being carried out in stages while integration methods and deployment timetables for services offered around the world, such as the Yamaha Riding Academy riding safety program and the bLU cRU amateur racer support program, are under consideration.

Message from Management

With years of respect and widespread recognition in the European market, the Yamaha brand is the market leader in certain countries and product lines and has carved out a position among the top three motorcycle brands in the 41 countries served by Yamaha Motor Europe. The strength of the brand and our products helped us establish our monobrand network that accounts for over 80% of our sales in those countries.

We are also now seeing new additions to our customer base and higher expectations for our products as solutions that improve our customers' quality of life. Yamaha Motor products are answers to expectations that include 1) new electric and eco-friendly (Euro 5-compliant) mobility, 2) mobility providing new freedom in a post-COVID-19 world, and 3) mobility creating the better world our customers hope for. At the same time, they support both the market of today and of tomorrow.

Thanks to our distribution networks, high level of technical expertise, and, of course, our competitive lineup, Yamaha Motor already enjoys a trustworthy reputation in the market, so from here it is up to us to build a bright future for the brand in Europe.



Eric de Seynes
Senior Executive Officer,
President,
Yamaha Motor Europe N.V.
(YMENV)

Marine Products



Hirofumi Usui

Senior Executive Officer,
Chief General Manager of Marine Business Operations

Strengths

- Unquestioned product reliability centered on integrated control technologies
- Overall business strength supported by wide-ranging business domains and an expansive product lineup
- Sales and service capabilities spanning the global market

Opportunities

- Growing demand for large outboard motors centered on developed markets
- Expansion of peripheral equipment business due to advances with integrated control technologies
- Changing sense of value pertaining to marine recreation spurred by staycation demand

Risks

- Dramatic market changes against the backdrop of climate change, rapid technological innovation, etc.
- 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

Seeing dramatic market changes as opportunities, we will seek to offer experiences with higher added value.

In fiscal 2020, the COVID-19 pandemic drastically affected our business and our performance suffered as a result. Nevertheless, we were still able to make steady progress with the priority initiatives outlined in our current Medium-Term Management Plan. These run from continuing our transformation into a system supplier with the launch of the new Helm Master™ EX boat steering system in developed markets and reinforcing our development structure with R&D functions in North America to engaging in new IoT-powered initiatives for early issue detection and predictive maintenance services.

Further, as demand for outdoor recreation rose in developed markets, positive developments also emerged, such as consumer reevaluations of marine recreation, seeing it as an accessible form of leisure requiring little to no long-distance travel. We can also expect future trade-in demand with more people purchasing a Yamaha marine product for the time, hence the roots of our business are growing. In fiscal 2021, we will accurately gauge the various levels of demand and bolster our product supply systems, as well as move forward with our new Marine CASE strategy as our business policy for the future.

This strategy is centered on achieving our Marine Long-Term Vision of a “Reliable and rich marine life” and incorporates the priority initiatives we have engaged in thus far. It is aimed at transforming customers’ marine lifestyles with experiences that provide even greater peace of mind and comfort. We will respond to the drastic market changes taking place against the backdrop of thwarting climate change, rapid technological innovation, and other developments, as well as take on the challenge of lowering the hurdles to marine product ownership—expensive product prices, costly maintenance, and the required boating skills—all in line with our CASE approach. Doing so will turn risks into opportunities and we will leverage our strengths as a manufacturer as we strive to build greater marine product demand from the ground up. Through our CASE strategy, we will seek to offer enriching marine lifestyles as we create higher-value-added experiences and transition to a business model that fosters customer self-actualization.



Overview of Primary Products and Main Competitors

	Markets and conditions at Yamaha Motor	Main competitors
Outboard motors	Outdoor and family recreation demand surged after the end of lockdowns, mainly in North America. We will build a global production scheme with the flexibility to keep pace with demand growth.	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

Overview of Fiscal 2020 and Fiscal 2021 Initiatives

The effects of COVID-19 in the first half of fiscal 2020 caused North American boatbuilders to halt operations, dealers to close their doors, and the temporary shutdowns of the Iwata Main Factory in Japan and our manufacturing facilities in the United States, driving down sales. However, following the lifting of lockdowns, demand for outdoor recreation spiked and by ramping up capacity utilization rates, we were able to post higher outboard motor unit sales in North America and Europe in the latter half of the fiscal year. Still, the Company was unable to fully recoup the

results of the first half and recorded lower sales and profits for fiscal 2020 overall. For fiscal 2021, we will gauge the growing demand for outboard motors and personal watercraft—driven by rising outdoor recreation demand—and will swiftly and flexibly enact adjustments to our production and sales plans in order to adapt to demand fluctuations. At the same time, to make further progress with our system supplier strategy, we will carry out our product and technology strategies to expand our marine business across the board.

Progress of Priority Initiatives

- Investments for augmenting large outboard motor production capacity mostly complete
- Field testing of the new HARMO boat control system, which combines an electric propulsion unit, steering system, and more, underway in Otaru in Hokkaido Prefecture, Japan
- Launched the F/FL425A 4-stroke outboard motor, Yamaha’s most powerful offering at 425 hp and released to industry acclaim in the United States, in the Japanese market
- Developed an all-new single-rider SuperJet stand-up PWC model, improving its performance, eco-friendliness, and fun factor

Future Measures for Realizing Our Long-Term Vision

Promotion of Marine CASE Strategy

We will move forward with our Marine CASE strategy, which aggregates the various initiatives we have carried out to date as part of our growth strategy, and plan to position it at the center of our work under the duration of the next Medium-Term Management Plan covering fiscal 2022 and onward.

With Connected, we will provide ample peace of mind by bringing connectivity to time on the water using engine information. For Autonomous, we will create systems that deliver smooth, intuitive boat control for user assurance and comfort. Electrification will yield quieter operation and, subsequently, increased comfort. These measures remain congruent with our

original system supplier strategy, and we will implement each with an eye on combining them all into a single system in the future.

Furthermore, we will put the products incorporating the aforementioned advancements to use in our membership-based Sea-Style boat rental club and offer more opportunities to experience the marine lifestyle through Shared. Under the key theme of providing peace of mind, comfort, and experiences, we will apply the latest technologies toward transforming the marine lifestyles of our customers into experiences with even greater peace of mind and comfort to help enrich their marine lifestyles as a whole.

Marine CASE Strategy

Connected
Connected for peace of mind

Investment in Siren Marine, LLC
Development of technologies for IoT-ready connected boats

Shared
From experience to self-fulfillment

Sea-Style memberships
Up 13% from 2018

Boating license course participants
Up 12% from 2018

Autonomous
Comfortable, worry-free, and accessible marine recreation

New boat control system
Developed market launch complete

Electric
Quiet times and spaces

Field testing with Otaru Canal Cruise services

Message from Management

Fiscal 2020 showed that the marine industry can thrive even in the most challenging economic environment. Yamaha Marine customers upgraded or replaced their products and first-time Yamaha Marine product buyers nearly doubled, returning the industry to pre-recession volumes. We are seeing continued growth in fiscal 2021, and we will be aligning our manufacturing capacity and flexibility to better suit this more dynamic market at each of our U.S. manufacturing facilities.

We are also bolstering our product lineups. Following the successful launch of the 425-horsepower XTO Offshore integrated platform, we are now bringing these big-horsepower integrated systems to 250- to 300-horsepower V6 Offshore models. Along with the new Helm Master™ EX, we are creating new value and excitement for Yamaha Marine product owners.

Further, adding CASE to our integration strategy will enrich the consumer experience and provide even more reliability. I will continue to support our experienced Yamaha Marine team to meet market demand and create new Yamaha brand value for the future.



Ben Speciale

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



Hiroyuki Ota

Senior Executive Officer,
Chief General Manager of Solution Business Operations

Strengths

- Technological and production capabilities delivering high-quality, low-cost, and timely supply
- A mixture of technologies via business integration with YRH and provision of complete solutions for clients
- Co-creative capacities founded on strong relationships with business partners

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 IoT and “connected, autonomous, shared, and electric” (CASE) vehicles

Risks

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

Overview of Primary Products and Main Competitors

	Markets and conditions at Yamaha Motor	Main competitors
Surface mount technology (SMT)	Demand continues to grow for printed circuit boards, including those for IoT, 5G, and CASE applications. We are pursuing both product and service 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 (factory automation)	Automation needs are rising rapidly amid soaring personnel expenses and labor shortages. We are strengthening model variations while pursuing both product and service 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	Semiconductors are becoming increasingly scarce. 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, K&S, Towa

We aim to expand business synergies while offering customers optimal solutions.

Up until fiscal 2021, the Robotics business has acted in accordance with our medium-term priority initiative of expanding business scale and areas as well as bolstering profitability. Based on this, we have proceeded to reinforce our lineup of products and services for accelerating factory automation while contributing to laborsavings in new and other fields outside of factories. The chief mission of the Robotics business is to free up time for clients by providing laborsaving solutions through our robot technologies and to thereby help create environments where people can continue working as people. This objective coincides with the aims of the Long-Term Vision.

In light of the recent rise in automation needs, we are working to transition to in-house options for our core technologies while implementing our platform strategies to provide our signature One-Stop Smart Solution. Moving our core technologies in-house will enable swifter responses to client needs while achieving highly functional machine-to-machine communications between Yamaha Motor equipment—especially in the SMT equipment field—and will make it possible to bring higher added value to automation and autonomization.

We faced difficulties developing our overseas operations in the agriculture field during fiscal 2020 due to the COVID-19 pandemic, but steady progress was made in Japan. Looking ahead, we plan to aggressively launch drones and other new products that leverage the knowledge and experience we have accrued to date in Japan in order to contribute to greater laborsavings and improved productivity in agriculture. We will also continue to expand our overseas operations while accounting for COVID-19 developments.



Overview of Fiscal 2020

In fiscal 2020, the curbing of investments in the automotive sector in Japan and other markets led to a less beneficial model mix for our mainstay surface mounters. This factor, coupled with the impacts of making Yamaha Robotics Holdings Co., Ltd. (YRH) (name changed from Yamaha Motor Robotics Holdings Co., Ltd. on January 1, 2021) a new subsidiary, resulted in a rise in sales but a decline in profits. Conversely, surface mounter sales grew

throughout the year in China, Taiwan, South Korea, and other parts of Asia, and sales volumes began recovering in Europe and the United States in the second half of the fiscal year. In this manner, we are seeing an upward trend in profit margins. Progress was also made with structural reforms at YRH and we have a clear idea of when the company will achieve profitability.

Progress of Priority Initiatives

- Reinforced sales and service systems for all three fields—surface mount technology (SMT) devices and equipment, factory automation (industrial robots), and semiconductor manufacturing equipment—through reorganization and augmentation of sales bases in South China to grow the business and build foundations
- Entered collaborative robot field through a technical tie-up with Tokyo Robotics Inc. with the goal of expanding industrial robot operations
- Advanced development of next-generation mounter platforms and released the YRM20 premium, high-efficiency modular
- Launched YMR-08AP industrial-use multirotor drone to contribute to laborsavings and higher efficiency in farm work through automatic flight

Fiscal 2021 Initiatives

To accelerate the offering of bundled product proposals and mutual sales channel utilization by leveraging the synergies born of business integration, the Robotics Business Unit will approach new customers through region- and product-focused cross-selling strategies in fiscal 2021 while developing new products with an eye on the next Medium-Term Management Plan. Meanwhile, we are engaged in joint development with Tokyo Robotics Inc. in the collaborative robot field and will make sure steps forward toward launching products in fiscal 2022, targeting a 10% market share in the future.

Also, we carried out an organizational restructuring in January of fiscal 2021 to allow for more robust implementation of growth strategies for the Unmanned Systems business. By positioning the

Unmanned System Business Development Section under the direct jurisdiction of our Solution Business Operations, we have created an organization to swiftly provide the unmanned systems the market demands, which will be utilized to improve product competitiveness as well as to grow the business domestically and internationally.

We have an approximate timetable for the completion of structural reforms aimed at recovering the financial health of YRH, and we will look to speed up the growth of this company through management integration going forward. Focuses at YRH in fiscal 2021 will be on achieving profitability on a full-fiscal-year basis and developing new models by capitalizing on the recovery of the semiconductor market.

Future Measures for Realizing Our Long-Term Vision

Promote Our Platform Strategy

Solution Business Operations is an organization unique even at Yamaha Motor due to it singularly possessing all of the requisite functions to operate, from development, procurement, and production to sales and after-sales services. To ensure that we use the organization’s advantages to propose and provide optimal solutions to our clients, we are carrying out a platform strategy focused on promoting commonization and raising efficiency in manufacturing. By introducing shared hardware and software, we

will not only reduce development lead times and achieve greater part sharing but also provide more value to clients with reduced upkeep costs, standardized operations, and shorter equipment delivery times.

Through this platform strategy, we will roll out highly effective products and contribute to fully optimized, labor-efficient and autonomous operations for a wide variety of clients.

Message from Management

Based on our Yamaha One-Stop Smart Solution concept, the Robotics Business Unit helps automate and autonomize operations at client production sites with a robust lineup of products in the surface mount technology field (surface mounters and related electronic component mounting equipment), factory automation (industrial robots), and semiconductor manufacturing. Doing so is how we contribute to the resolution of societal issues such as medium- to long-term labor shortages and soaring personnel expenses. To ensure we continue to deliver products and services that allow people to continue working as people as well as attain greater happiness, we are sharing and evolving common-element technologies and insights within the Robotics Group and accelerating the commonization of components. Furthermore, frameworks for developing new technologies are being enhanced to build solid business platforms and drive sustainable growth.



Ayako Egashira

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



Overview of Fiscal 2020

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 U.S. financial institutions, with an in-house service. This change enabled YMFUS to supply a full-line of services for all customer groups while cutting costs. The outstanding receivables balance rose as a result of this transition, climbing to ¥350.4 billion at the end of fiscal 2020, an increase of 14.9% year on year, while net sales grew by 12.5% year on year, to ¥46.1 billion. Conversely, operating income was down 5.9% year on year, to ¥7.6 billion, and the operating income margin was 16.4% as a result of foreign exchange influences, an increase in allowance for doubtful accounts, and a decrease in receivables from wholesale sales.

Message from Management

As the Financial Services business continues to mature and we reflect on the changes in the lending industry due to the global COVID-19 pandemic, we are accelerating our efforts in the following three key areas:

- 1. Customers:** Through expansion of our digital transformation efforts, we will keep pace with the growing trend of omni-channel purchasing habits. Adapting our “in-store” financing model (where we are) to a “mobile” one (where our customers are) will ensure Yamaha Financial Services maintains its strong value proposition for its business unit partners, dealers, and end-consumers. We are also transforming our business model to reflect the future long-term growth strategy. As part of the ART in our Long-Term Vision, the Financial Services business must rethink its own solutions to ensure strong long-term support of Yamaha Motor’s business.
- 2. Investors:** We will continue to refine and strengthen our enterprise risk management framework to ensure strong and effective corporate governance. More coordinated, global risk assessments will be a key pillar of our business management.
- 3. Employees:** We are building a more connected global financial services community. Fully leveraging the strength of our greatest strategic asset, talented personnel, through a new management system and our ongoing Global Execution Transformation (GET) efforts will be the key enabler of all of our future initiatives.



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 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, and other factors.

The Financial Services business is involved in all of 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.

Fiscal 2021 Initiatives

In fiscal 2021, the outstanding receivables balance is expected to rise to ¥416.0 billion due to increases in receivables from wholesale and retail sales, and operating income is projected to surpass the levels seen in fiscal 2019.

By continuing to put forward attractive financing programs, Yamaha Motor will establish an environment facilitating the purchase of its products to help increase sales and thus drive the sustainable growth of the Financial Services business.

Other Products

The Other Products business engages in the development and sale of golf cars, portable generators, snow blowers, multipurpose engines, 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 such as snow blowers—a welcome tool in regions with heavy snowfall—and multipurpose engines to enrich people’s lives and bring them peace of mind.

Yamaha golf cars, which originated from the development of land cars for resort facilities, are produced in Japan, the United States, and Thailand. 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 been increasingly used outside of golf courses and resort facilities as a means of mobility for underpopulated areas and villages with narrow roads, thereby contributing to the spread of mobility and its culture.



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 placed on caregivers, among other goals.