

# Business Results for the Fiscal Year ended December 2012



Jorge Lorenzo, 2012 MotoGP Champion

Yamaha Motor Co., Ltd.  
14 February 2013

# Agenda

## **Consolidated Business Results for the Fiscal Year ended December 2012**

## **Forecast consolidated results for the Fiscal Year ending December 2013**

- Outline     Hiroyuki Yanagi  
                  President, CEO and Representative Director
- Details     Kozo Shinozaki  
                  Senior Executive Officer and Director

### **●Regarding the forecast consolidated results**

Forecast consolidated results stated herein are based on the management's assumptions and beliefs in light of the 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.

# Outline

**Hiroyuki Yanagi**

*President, CEO and  
Representative Director*

2012: Income and sales showed a decrease for the period.

2013: Sales and Profit recovery to 2011 levels.

(¥ Bil.)

	FY 2011 Results	FY 2012 Results	FY 2013 Forecast
Net Sales	<b>1,276.2</b>	<b>1,207.7</b>	<b>1,400.0</b>
Operating Income	<b>53.4</b>	<b>18.6</b>	<b>50.0</b>
Income Ratio	<b>4.2%</b>	<b>1.5%</b>	<b>3.6%</b>
Net income for the fiscal year	<b>27.0</b>	<b>7.5</b>	<b>28.0</b>
Currency rate (\$/€)	<b>\$80 yen/€111 yen</b>	<b>\$80 yen/€103 yen</b>	<b>\$87 yen/€115 yen</b>

## [2012]

Loss of sales and income are due to market factors, appreciation of the yen, and a lack of product competitiveness in Developed markets. Especially in the 4th quarter, the results deviated from the interim forecasts due to stock adjustments for the next term and an increase in temporary costs.

- (1) Motorcycles: Total unit sales: 6.09 million (-890,000 units vs. previous year).  
The European market is in decline, and emerging markets are temporarily in decline due to an economic slowdown and financial restrictions.
- (2) Marine Products: Total unit sales: 320,000 (+20,000 units vs. previous year).  
In the outboard motor business, the market in the United States is recovering and emerging markets are also seeing growth.  
WV and Boat businesses increased sales and income vs. previous year.
- (3) Others: Net Sales: 212.7 billion yen (+3 billion yen vs. previous year)  
The increase in net sales in the power product and automotive engines segments outweighs that of the decrease in net sales in the IM business segment.

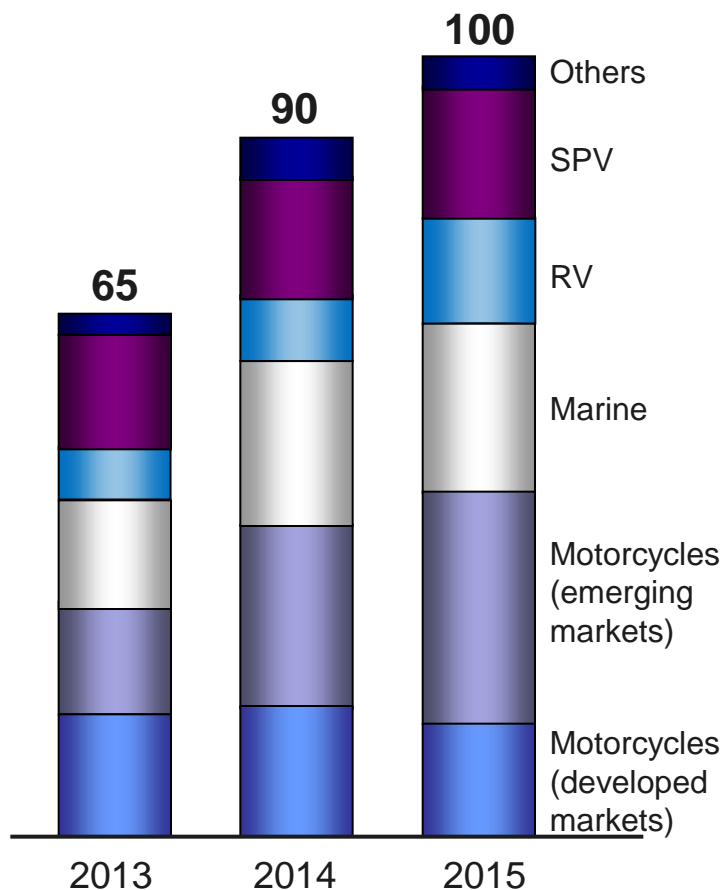
## [2013]

Sales and Profit increase ,Positioned as the first year of the medium-term management plan (2015 target: net Sales 1.6 trillion yen, operating income margin 5%).

- (1) Motorcycles (emerging markets): Introduce new products, strengthen marketing, standardize finance  
=> Recovery of 6.5 million units.
- (2) Motorcycles (developed markets): Introduce new products / Create the “YAMAHA world” => Set on path to recovery
- (3) Marine Products: Overall growth strategy => net Sales 300 billion yen, implement strategies to strengthen no.1 status.
- (4) RV / SPV / Power Products: Growth strategy => Shift from foundation laying to reaping profits.
- (5) Global cost reduction, restructuring of the European business, reorganization of domestic production, etc.

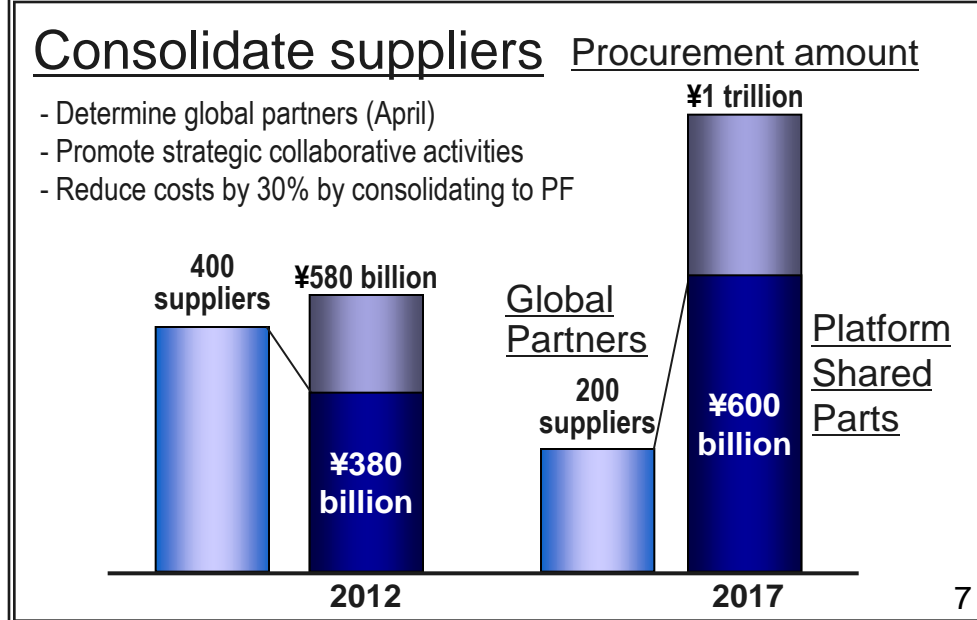
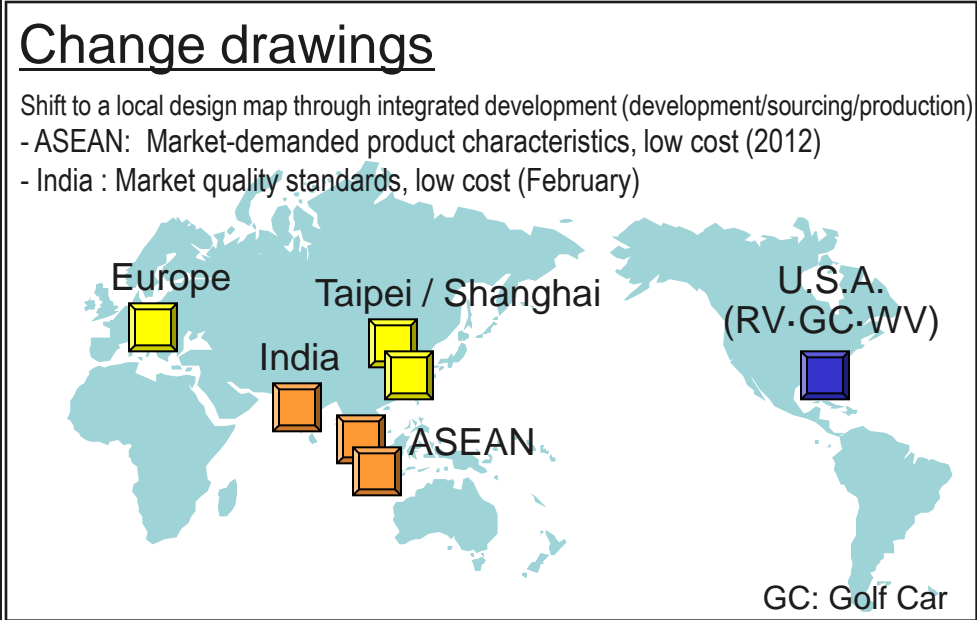
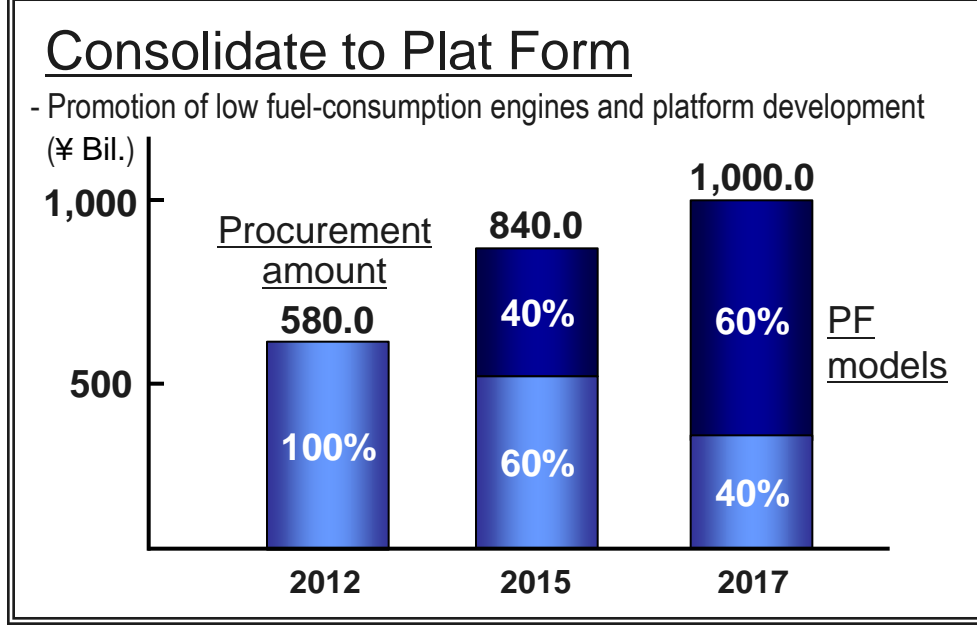
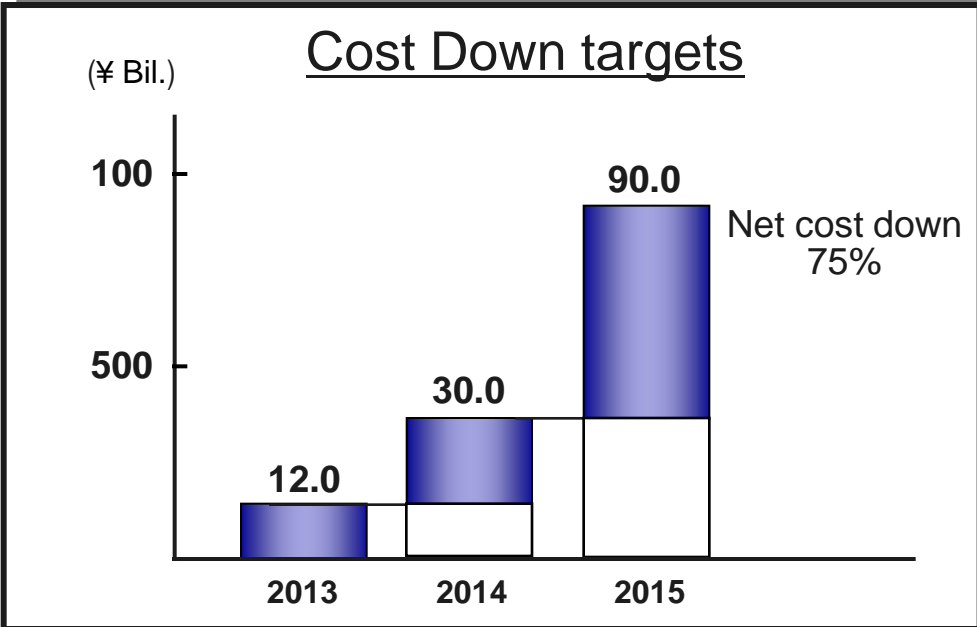
- (1) 2013: Increase new model releases by 50% vs. previous year (65 models)
- (2) Craftsmanship with unique Yamaha 'Concept', 'Technology', and 'Design'
- (3) Further increase new model releases in 2014 / 2015

## [Medium-term] Introduce new models



## [2013] Introduce new main models

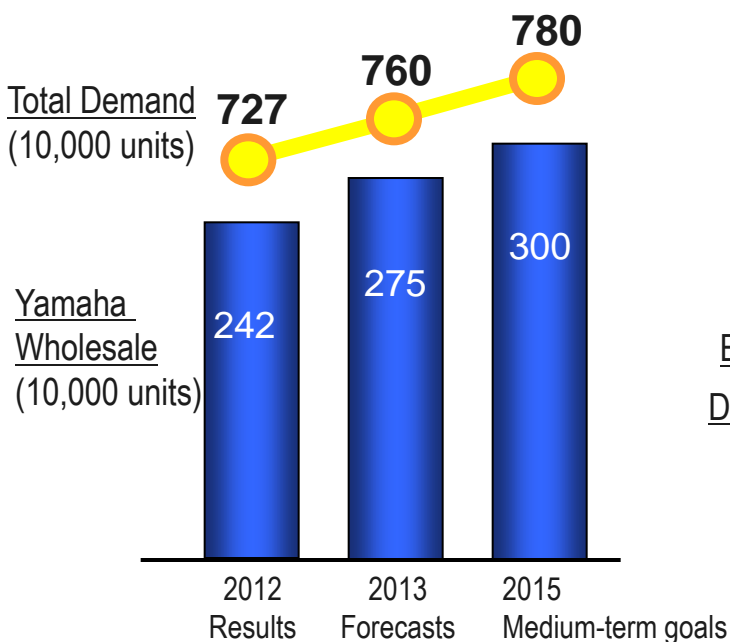
- Motorcycles (developed markets)
  - Introduce a new lineup in sports, cruiser, competitions, and other segments
- Motorcycles (emerging markets)
  - ASEAN: Strengthen all segments, outfitting fuel injection systems (67%)
  - Brazil: Introduce a new lineup
  - India: Strengthen the SC segment
- Marine
  - Introduce "Helm Master" control system
  - Outboard Motors: Introduce large, lightweight, and compact models
- RV
  - Introduce new off-road vehicles
- SPV
  - PAS: Introduce Multifunctional (triple sensor) models
  - Cats: Expand the existing lineup (e.g. lithium models)
- IM
  - Full-fledged introduction of high-speed surface mounter (Z:TA), further gain new customers



## Indonesia

**Rebuilding our brand in response to the diversification of customer needs in a steadily growing market.**

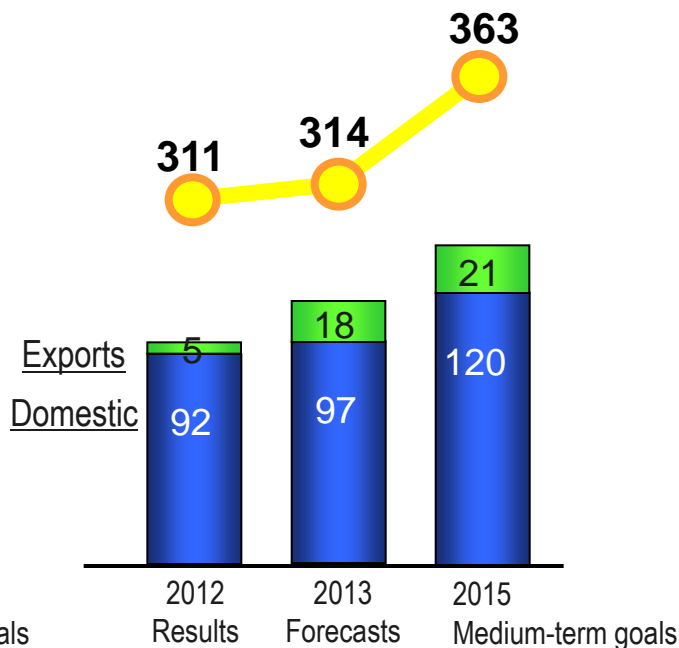
- (1) Product competitiveness
  - Locally produced: introducing 5 models (including local development, fuel injection fitting proportion will move from 55% to 70%)
  - Produced in Japan: introduce 4 models
- (2) Marketing
  - Nationwide rollout of new promotions (Yamaha Motor Show, races etc.)
  - Reintroduction of Accessories / Apparel
- (3) Normalization and volume expansion of finance



## Vietnam

**Upgrading our brand image to capture scale in a market showing stable growth.**

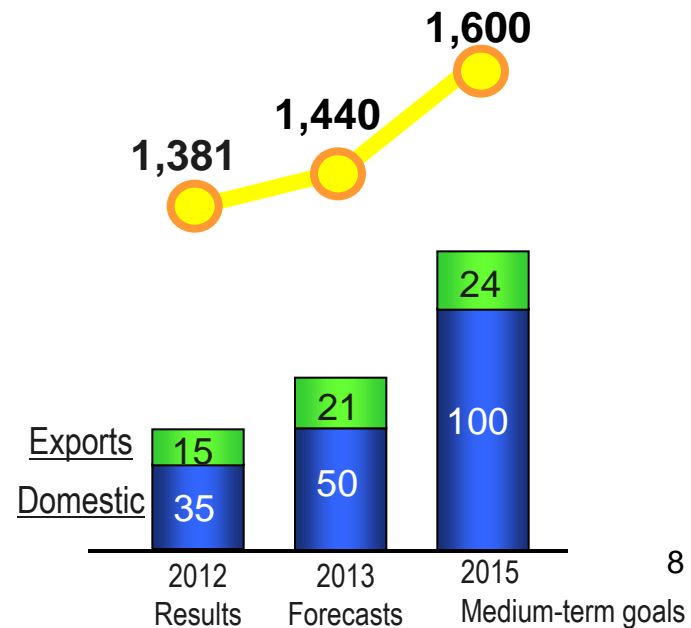
- (1) Product competitiveness
  - Locally produced introducing 3 models (fuel injection fitting proportion will move from 21% to 40%)
- (2) Marketing
  - Upgrading customer contact points
  - Expansion of sales network
- (3) Production
  - Expansion of completed vehicle exports within the region



## India

**Building foundations in a rapidly growing market**

- (1) Product competitiveness
  - Upgrading Scooter (expansion of target customers)
- (2) Marketing
  - Upgrading customer contact points
  - Creating global-standard retail stores
- (3) Development / production
  - Startup of integrated development center (Market quality standards, low cost design)
  - Construction of second factory (Chennai)





## Motorcycles (United States)

Rebuilding our brand image in this market heading for recovery by:

- upgrading product competitiveness (cruisers, sports, competition etc.)
- upgrading the sales network
- conducting specialized market specific promotions

## Motorcycles (Europe)

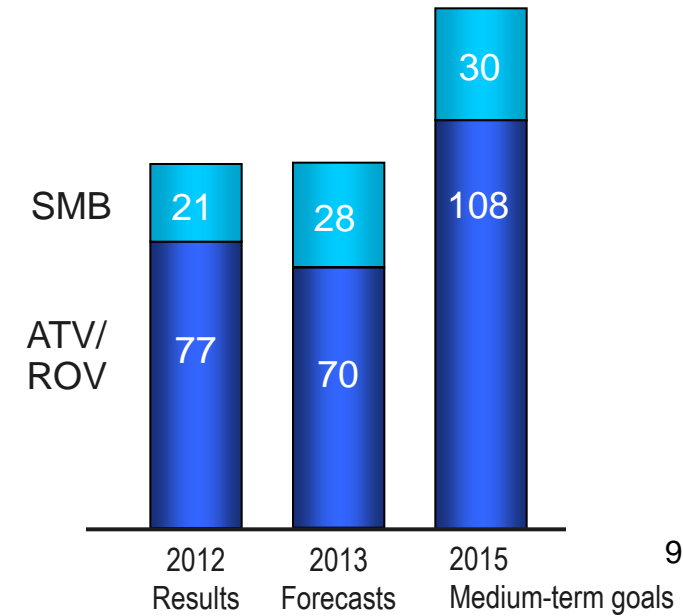
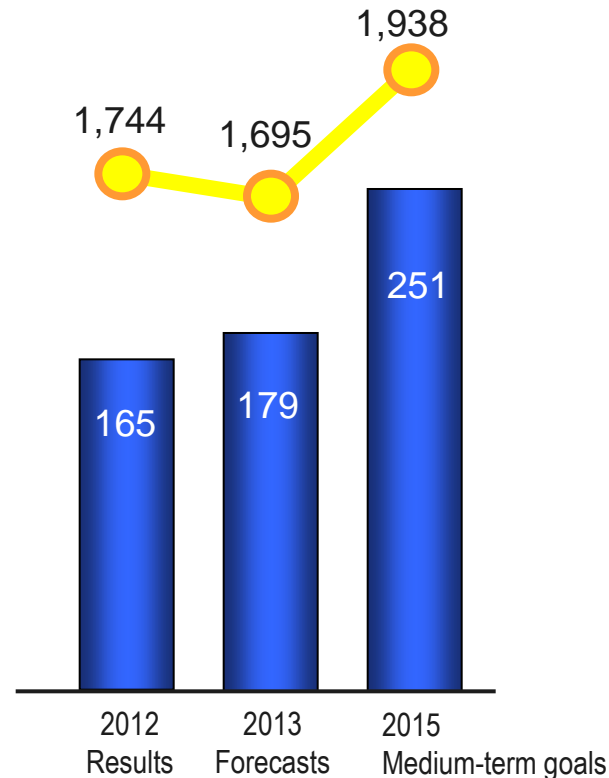
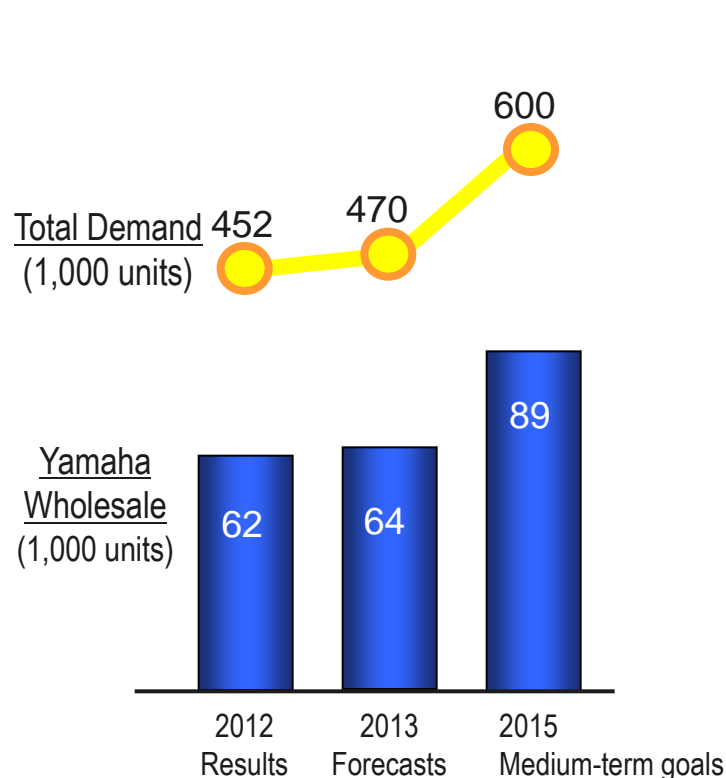
In a market that shows signs of bottoming out, we will work to recover business profitability by:

- upgrading product competitiveness (sports, scooters etc.)
- rebuilding business structure (Euro One Company)

## RV (United States,others)

As demand in this market is remaining sluggish, we will work on a recovery in business profitability by:

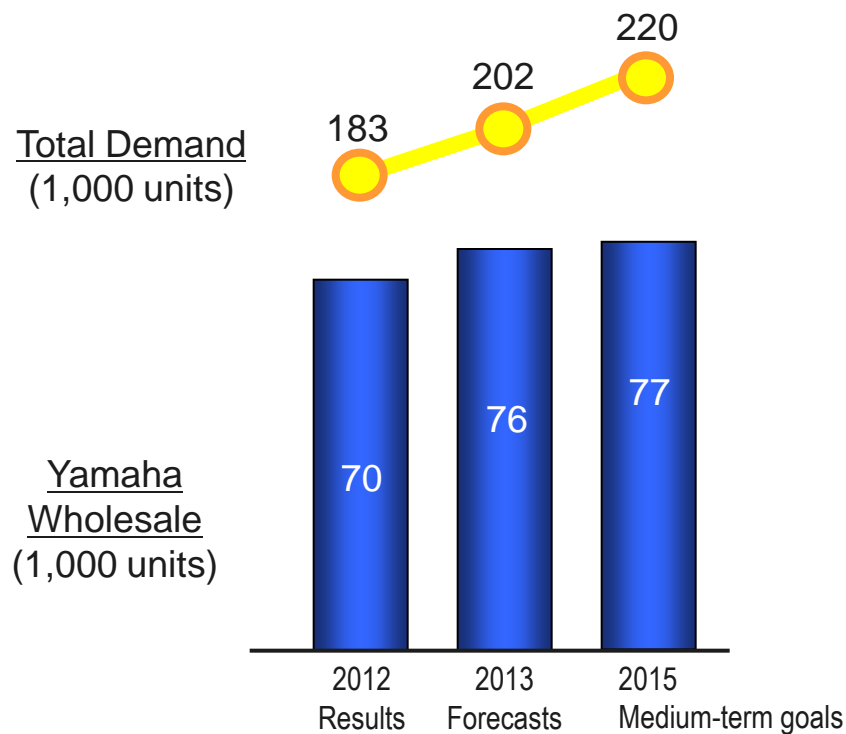
- introducing new off-road vehicles
- conducting business tie-ups with North American companies
- implementing new engine sourcing strategies



## United States Outboard Motors

As these markets continue to recover, we will secure stable market share by:

- introducing new technology (joint development with Volvo Penta)
- upgrading product competitiveness (freshwater market)
- upgrading ties with boat-builders

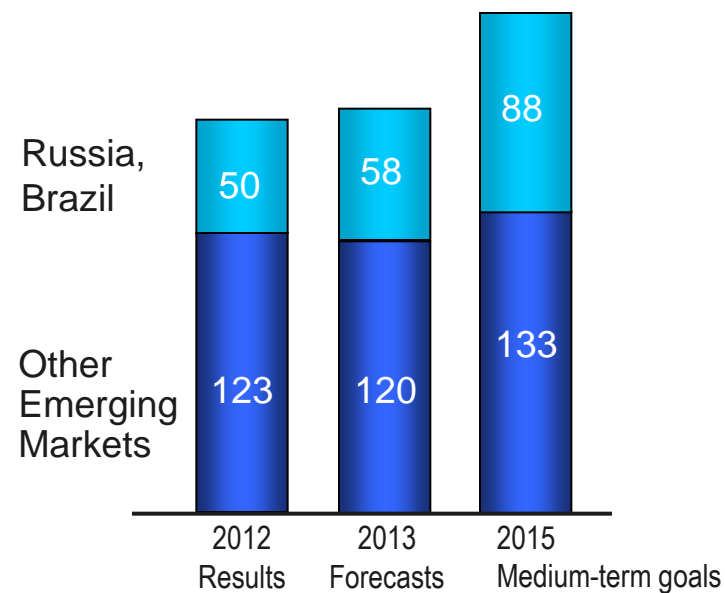


## Emerging Markets Outboard Motors

In each of the national markets where demand is expanding, we will sustain our powerful market position by:

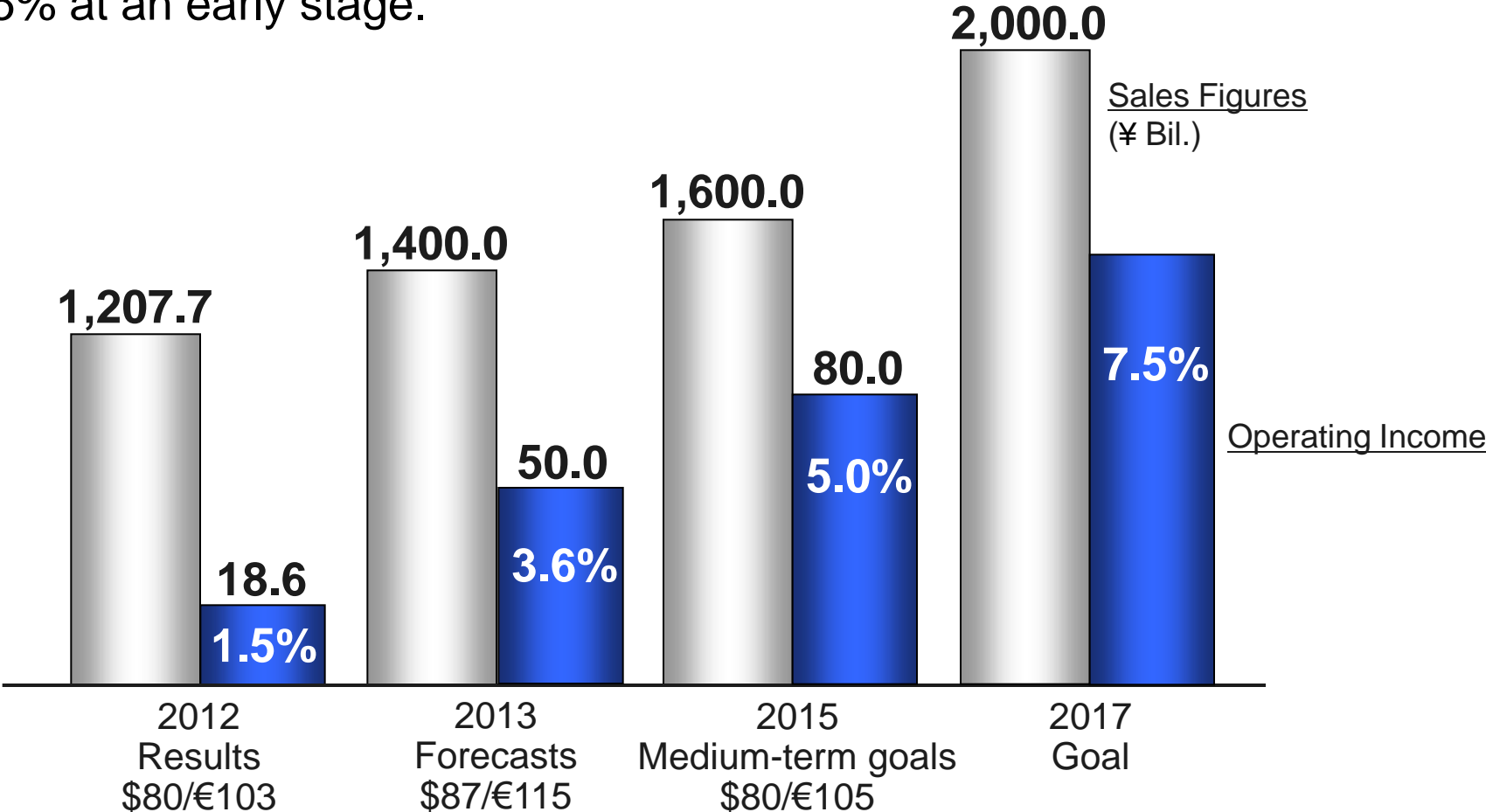
- upgrading product competitiveness (high trustworthiness)
- upgrading ties with boat-builders

Moreover, in the Chinese market, we will move into untapped commercial boat field.



For the first year of the new medium-term management plan, we will work to recover sales volume and profitability, and strengthen the foundations of our business.

We are aiming to reach net sales of 2 trillion yen by 2017 and an operating profit rate of 7.5% at an early stage.



2012: Keep Dividend forecast

2013: Maintaining 20% or more payout ratio

	2011	2012 (expected)	2013 Forecast
Dividend payment at end of second quarter	----	5 yen	8.5 yen
Dividend payment at end of fiscal year	15.5 yen	5 yen	8.5 yen
Yearly dividend payment	15.5 yen	10 yen	17 yen

# Details

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**Kozo Shinozaki**

*Senior Executive  
Officer and Director*

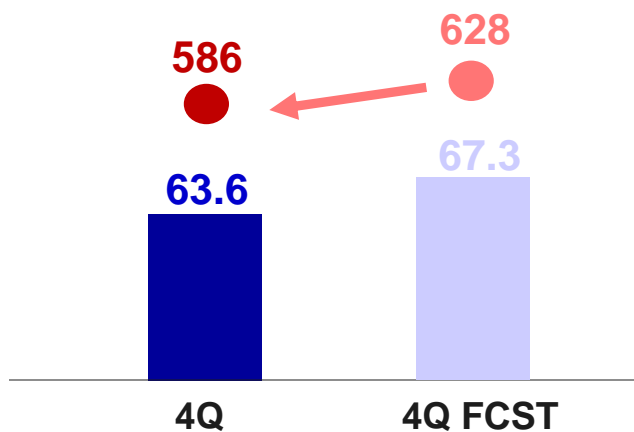
Despite increased sales and income in developed markets (mainly in the marine business), overall profit fell due to stock adjustment of motorcycles in emerging markets

(¥ Bil.)

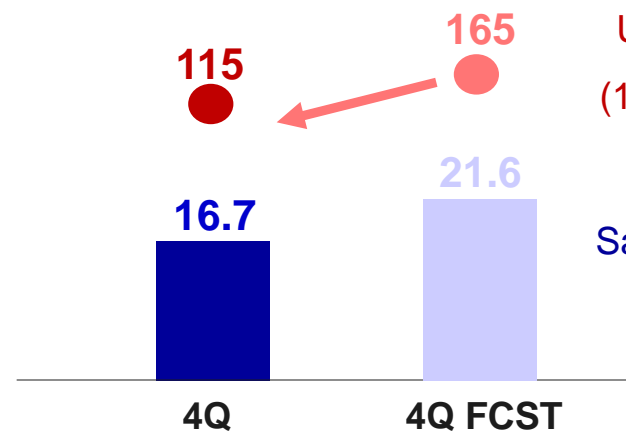
	FY 2012 Forecasts (Announced August 7)	FY2012 Results
Net Sales	<b>1,200.0</b>	<b>1,207.7</b>
Operating Income	<b>28.0</b>	<b>18.6</b>
Income Ratio	<b>2.3%</b>	<b>1.5%</b>
Ordinary Income	<b>34.0</b>	<b>27.3</b>
Net income for the fiscal year	<b>17.0</b>	<b>7.5</b>
Currency Rate (\$/€)	<b>\$78 yen/ €102 yen</b>	<b>\$80 yen/ €103 yen</b>

Motorcycles in emerging markets:  
 Unit sales in the 4th quarter = 160,000 below forecast  
 Production adjustments for proper inventory level

## Indonesia (YIMM)



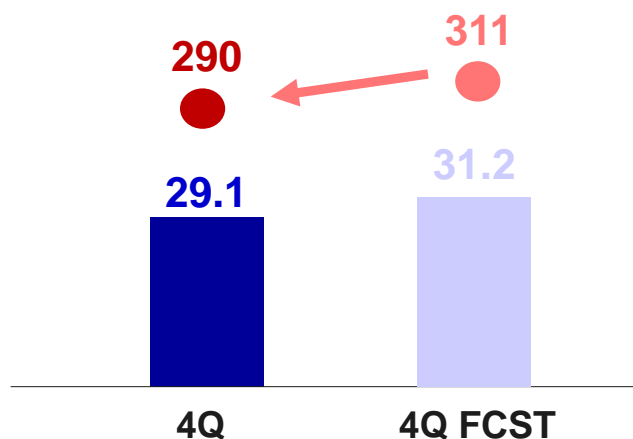
## Thailand (TYM)



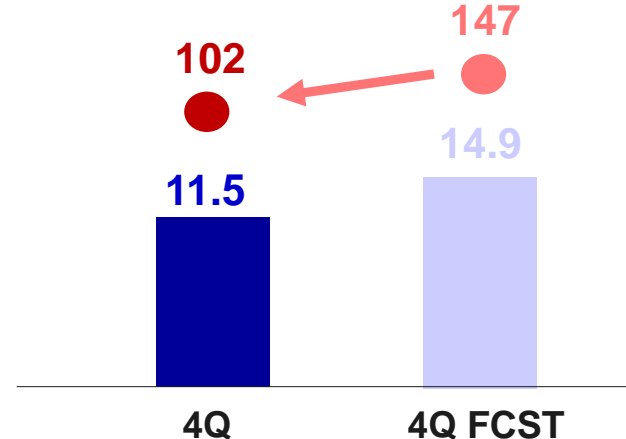
Unit sales  
(1,000 units)

Sales Figures  
(¥ Bil.)

## Vietnam (YMVN)

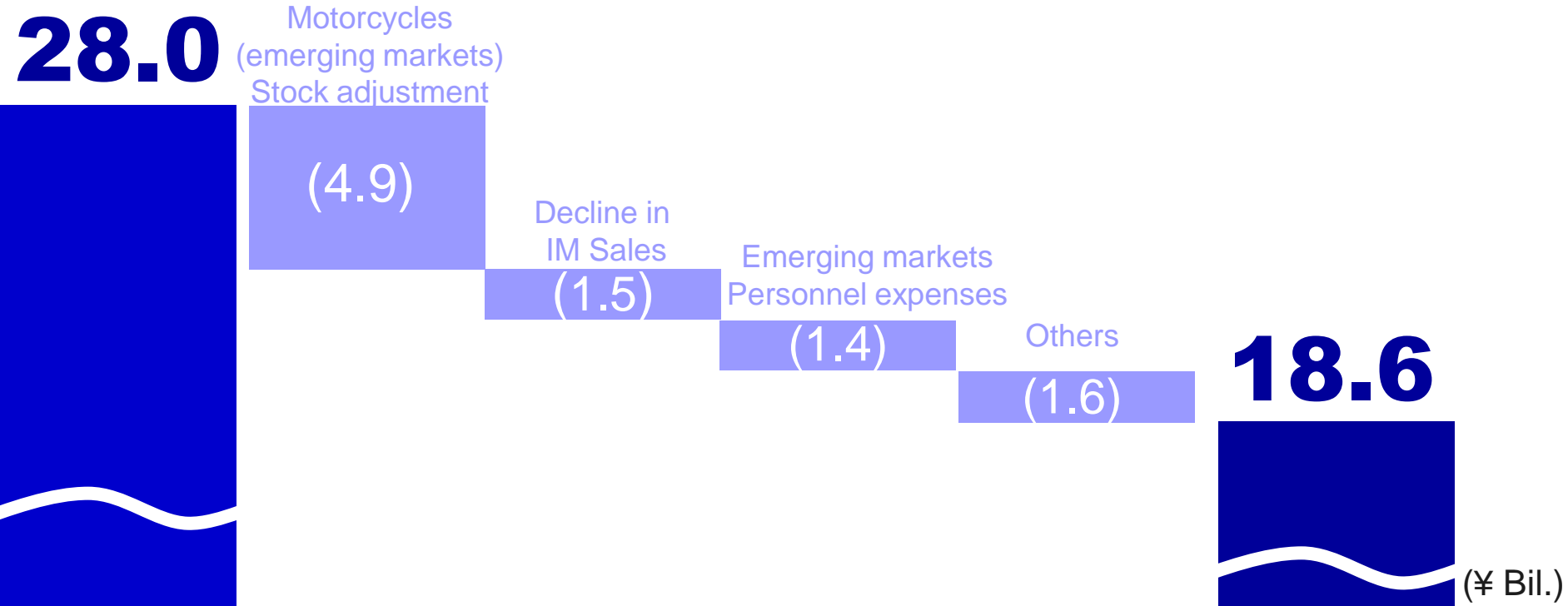


## India (IYM)



\*Unit Sales: Domestic unit sales only. Sales figures: Includes export sales.

Unable to achieve the forecast due to the stock adjustment for motorcycles in emerging markets and a decline in IM sales



**FY12 Forecasts**  
(Announced August 7)  
(\$/€:78/102)

**FY12**  
(80/103)

(¥ Bil.)



# 2013 Sales/Profit: Recovery to 2011 levels

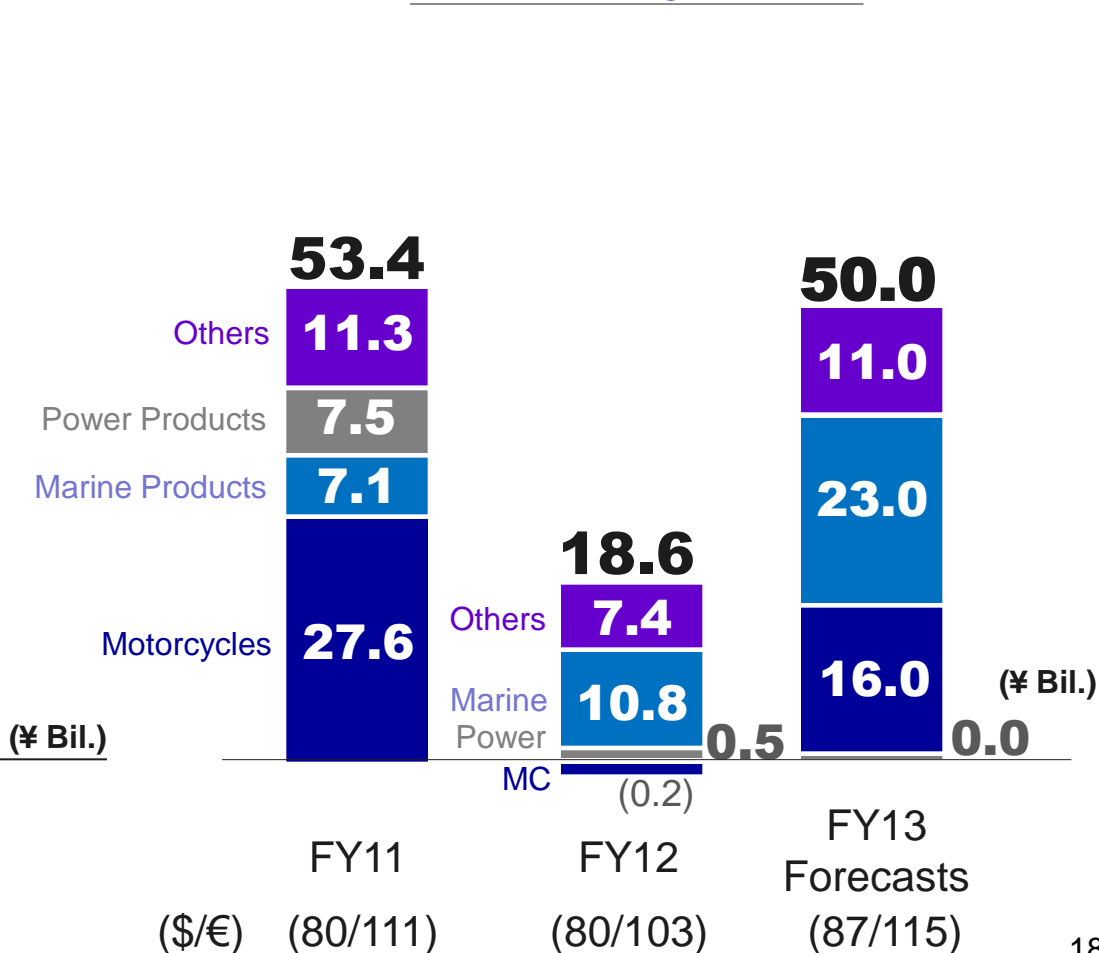
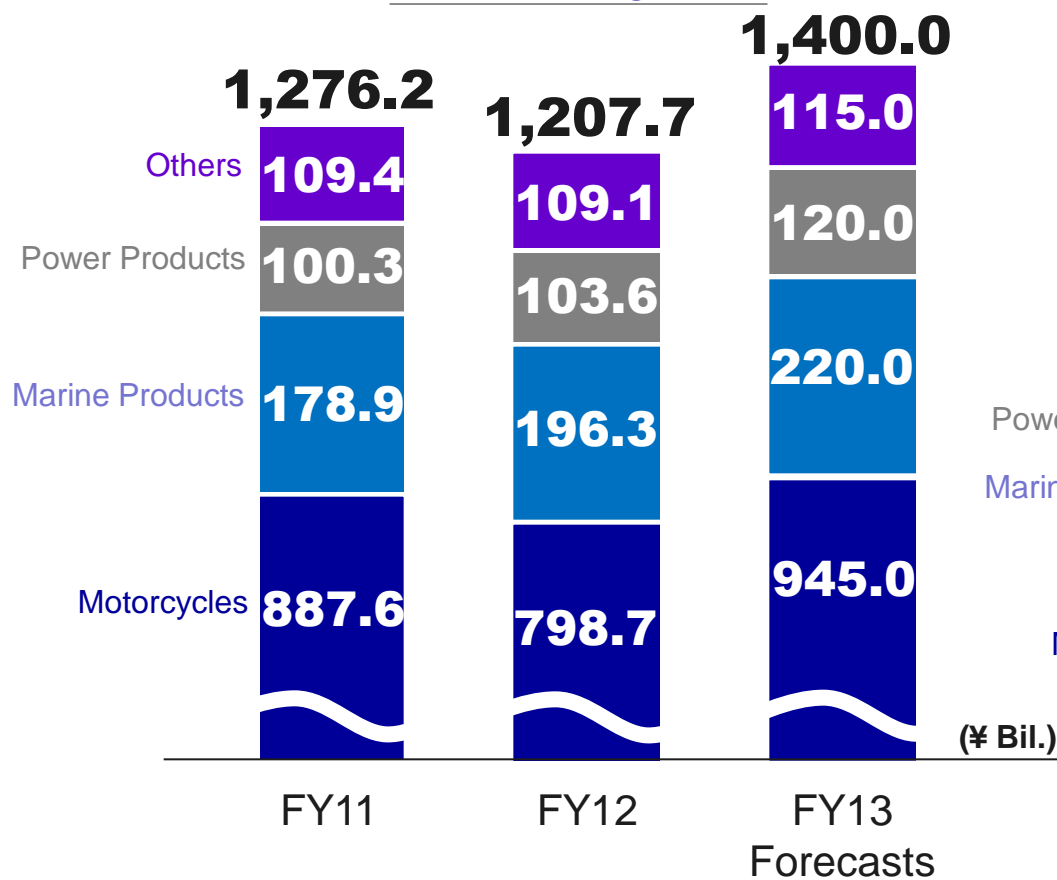
(¥ Bil.)

	FY 2011 Results	FY 2012 Results	FY 2013 Forecasts
Net Sales	<b>1,276.2</b>	<b>1,207.7</b>	<b>1,400.0</b>
Operating Income	<b>53.4</b>	<b>18.6</b>	<b>50.0</b>
Income Ratio	<b>4.2%</b>	<b>1.5%</b>	<b>3.6%</b>
Ordinary Income	<b>27.0</b>	<b>7.5</b>	<b>28.0</b>
Currency Rate (\$/€)	\$80 yen/ €111 yen	\$80 yen/ €103 yen	\$87 yen/ €115 yen
D/E Ratio (Gross)	<b>1.0</b>	<b>1.1</b>	<b>1.0</b>
Equity Ratio	<b>31.2%</b>	<b>32.0%</b>	<b>32.5%</b>
ROE	<b>9.7%</b>	<b>2.5%</b>	<b>8.8%</b>

Sales increase expected in all business segments, large-increase in income expected for the marine business, and motorcycle business expected to make recovery

## Sales Figures

## Operating Profit



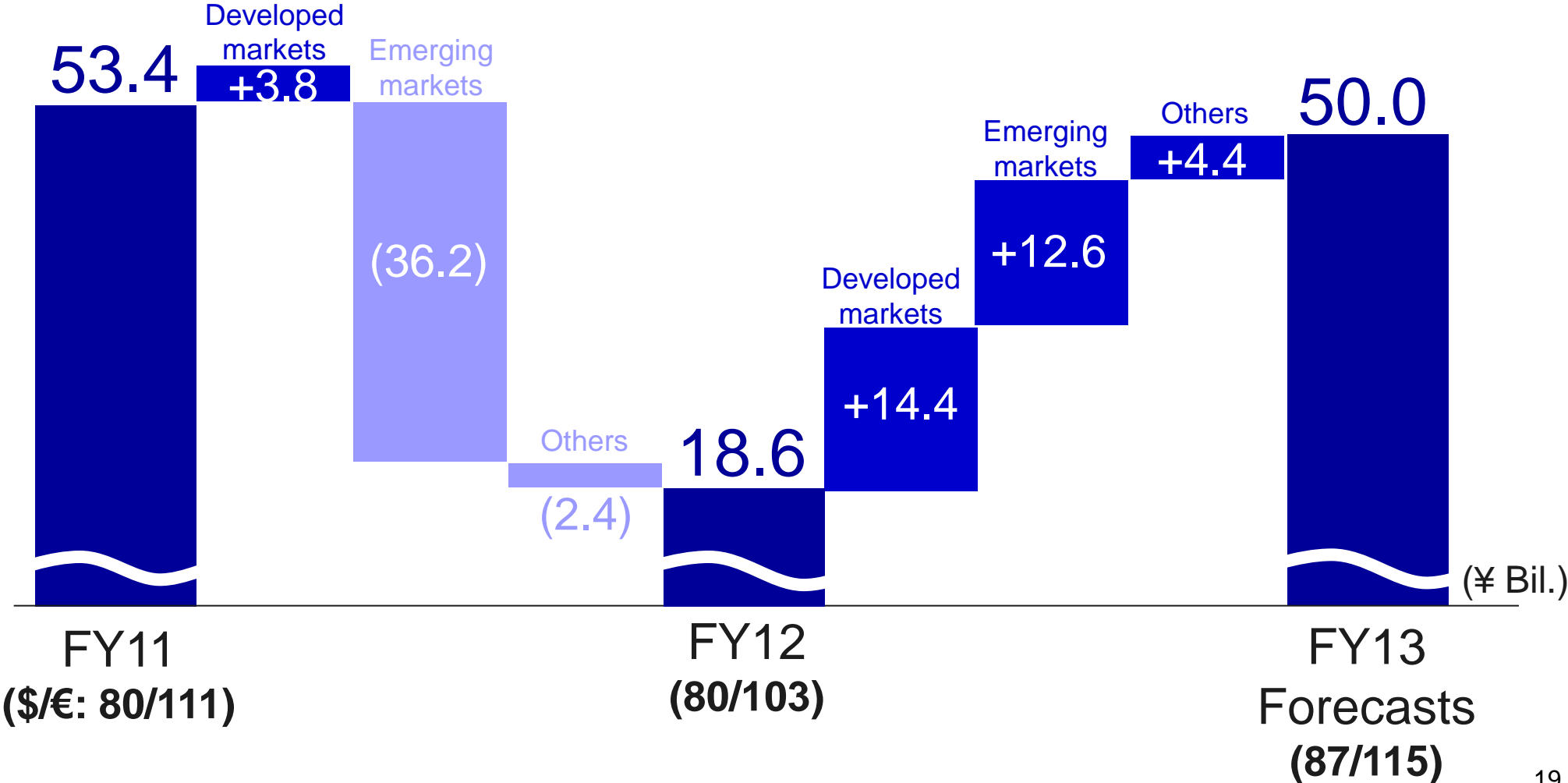
\* Others: Includes Industrial Machinery & Robots

# Changes in 2012 / 2013 forecasts vs. previous year

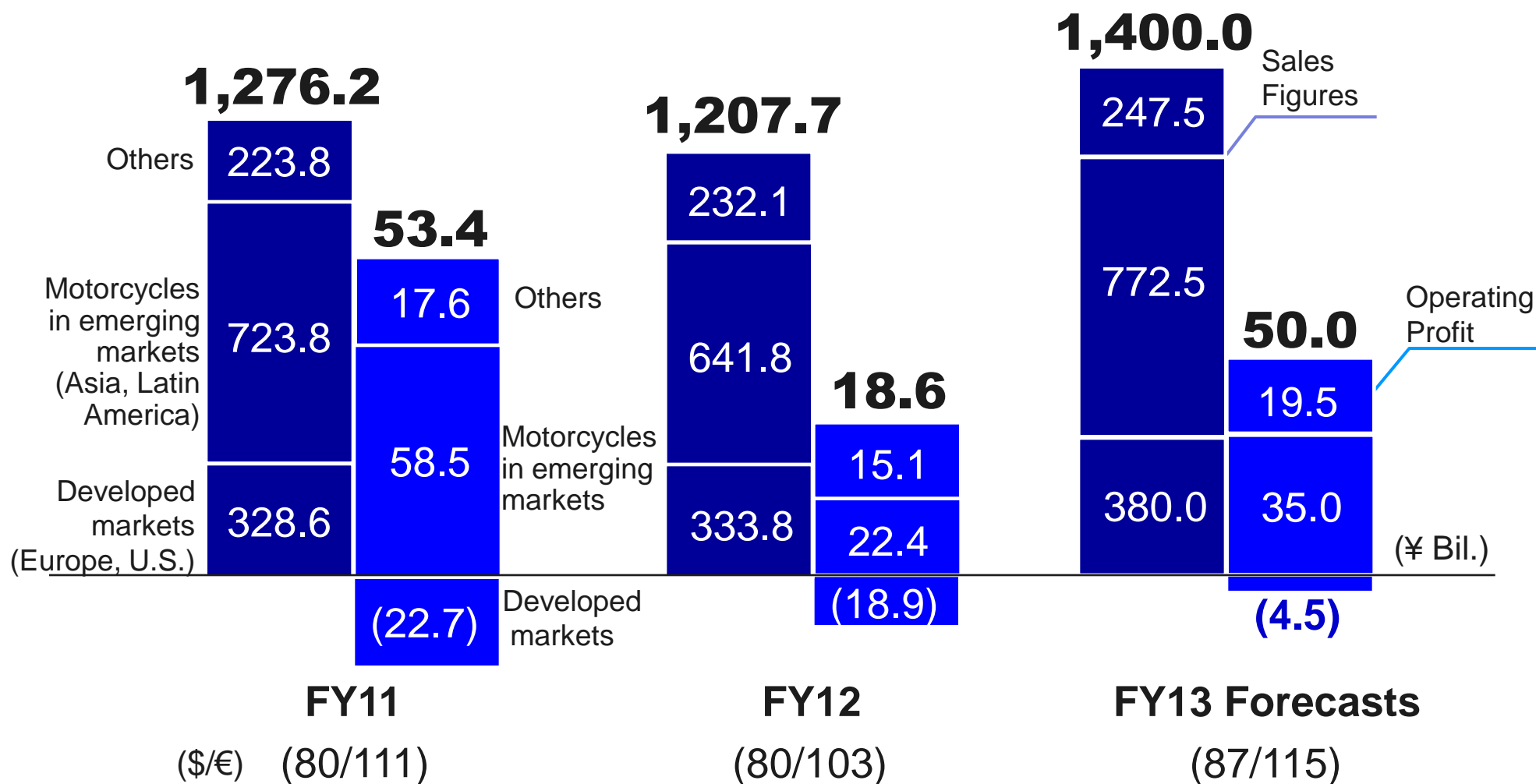


2012: Profit loss due to the slowdown in the motorcycle segment of emerging markets

2013: Large-scale profit increase through improvements in developed markets and the expansion of emerging markets



Expecting significant improvements to businesses in developed markets  
 Increase in motorcycle sales and income in emerging markets



\* Developed markets: Motorcycles in Japan, U.S. and Europe; and All-Terrain Vehicles, Outboard Motors, Personal Watercrafts and Snowmobiles

\*\* Others: Except Developed markets and Motorcycles in Emerging markets

# **Brand Slogan**

*Revs Your Heart*



# *Revs Your Heart*

**Empowered by a passion for innovation, we create exceptional value and experiences that enrich the lives of our customers.**



**YAMAHA**

*Revs Your Heart*

# Unit Data (Total Demand/Yamaha Wholesales)



K units

	Total demand (Yamaha survey)	
	FY12	FY13 Forecasts
Japan	442	446
North America	502	521
Europe	1,744	1,695
Indonesia	7,266	7,600
Thailand	2,129	2,200
India	13,806	14,400
Vietnam	3,109	3,140
Taiwan	628	660
China	12,630	11,330
Other Asian countries	4,537	4,971
Asia (Total)	44,105	44,301
Brazil	1,654	1,741
Other countries	7,244	8,141
Other countries (Total)	8,897	9,882
<b>Motorcycles</b>	<b>55,691</b>	<b>56,846</b>
<b>Outboard motors</b>	<b>759</b>	<b>786</b>
<b>ATVs</b>	<b>516</b>	<b>511</b>
<b>PASs</b>	<b>386</b>	<b>412</b>

	Yamaha Wholesales			
	FY10	FY11	FY12	FY13 Forecasts
Japan	99	101	94	101
North America	53	64	71	73
Europe	227	185	165	179
Indonesia	3,326	3,136	2,423	2,750
Thailand	506	473	550	580
India	259	343	348	500
Vietnam	776	988	922	972
Taiwan	173	183	179	192
China	700	608	492	600
Other Asian countries	343	327	313	346
Asia (Total)	6,084	6,059	5,228	5,940
Brazil	227	242	164	205
Other countries	271	331	369	453
Other countries (Total)	497	573	533	658
<b>Motorcycles</b>	<b>6,960</b>	<b>6,982</b>	<b>6,090</b>	<b>6,951</b>
<b>Outboard motors</b>	<b>272</b>	<b>303</b>	<b>322</b>	<b>324</b>
<b>ATVs</b>	<b>81</b>	<b>75</b>	<b>70</b>	<b>64</b>
<b>PASs</b>	<b>93</b>	<b>105</b>	<b>104</b>	<b>111</b>



# Sales and Operating income by Business Segment

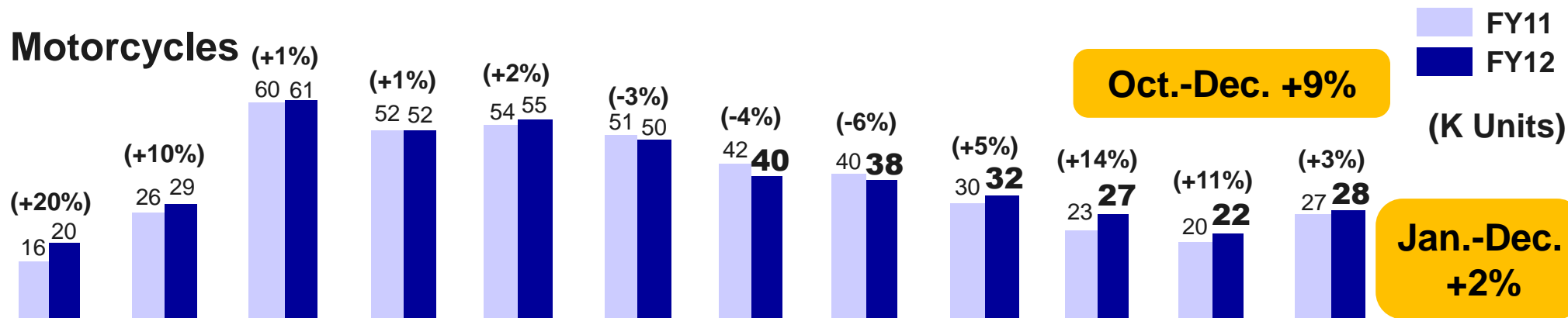


Net sales (¥ Bil.)	Full year			4Q	
	FY2011	FY2012	FY2013 Forecasts	FY2011	FY2012
Motorcycles	887.6	<b>798.7</b>	<b>945.0</b>	196.0	<b>200.9</b>
Marine Products	178.9	<b>196.3</b>	<b>220.0</b>	38.5	<b>42.3</b>
Power Products	100.3	<b>103.6</b>	<b>120.0</b>	29.1	<b>30.8</b>
Industrial Machinery & Robots	34.3	<b>30.8</b>	<b>41.0</b>	7.8	<b>6.0</b>
Other Products	75.1	<b>78.3</b>	<b>74.0</b>	19.0	<b>18.1</b>
<b>Total</b>	<b>1,276.2</b>	<b>1,207.7</b>	<b>1,400.0</b>	<b>290.4</b>	<b>298.2</b>
<b>Operating income</b>					
Motorcycles	27.6	<b>-0.2</b>	<b>16.0</b>	-5.4	<b>-2.9</b>
Marine Products	7.1	<b>10.8</b>	<b>23.0</b>	-1.5	<b>0.1</b>
Power Products	7.5	<b>0.5</b>	<b>0</b>	-1.9	<b>-2.1</b>
Industrial Machinery & Robots	6.3	<b>3.8</b>	<b>6.9</b>	0.8	<b>0</b>
Other Products	5.0	<b>3.6</b>	<b>4.2</b>	0.6	<b>0.7</b>
<b>Total</b>	<b>53.4</b>	<b>18.6</b>	<b>50.0</b>	<b>-7.3</b>	<b>-4.2</b>
<b>Operating income margin</b>					
Motorcycles	3.1%	<b>-0.0%</b>	<b>1.7%</b>	-2.7%	<b>-1.5%</b>
Marine Products	4.0	<b>5.5</b>	<b>10.5</b>	-3.8	<b>0.3</b>
Power Products	7.5	<b>0.5</b>	<b>0.0</b>	-6.4	<b>-7.0</b>
Industrial Machinery & Robots	18.2	<b>12.4</b>	<b>16.7</b>	10.5	<b>0.6</b>
Other Products	6.7	<b>4.6</b>	<b>5.6</b>	3.0	<b>4.0</b>
<b>Total</b>	<b>4.2</b>	<b>1.5</b>	<b>3.6</b>	<b>-2.5</b>	<b>-1.4</b>
<b>(Reference) Motorcycles + ATVs</b>					
Sales	929.5	<b>838.7</b>	<b>988.0</b>	206.1	<b>210.4</b>
Operating income	32.7	<b>-3.7</b>	<b>10.8</b>	-5.7	<b>-5.3</b>
Operating income Margin	3.5%	<b>-0.4%</b>	<b>1.1%</b>	-2.8%	<b>-2.5%</b>

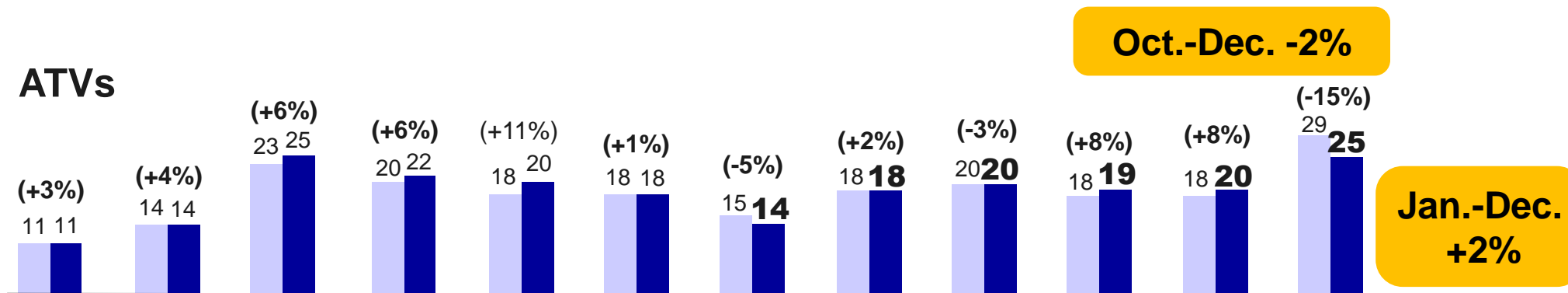
# Monthly Total Demand for Major U.S. Products



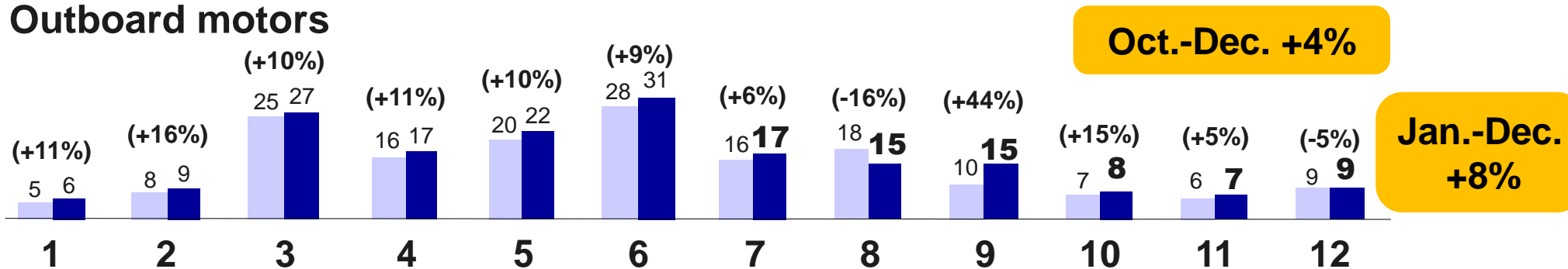
## Motorcycles



## ATVs



## Outboard motors



Data) Motorcycle and ATV: MIC, Outboard motor: NMMMA

## Retail

(K units)

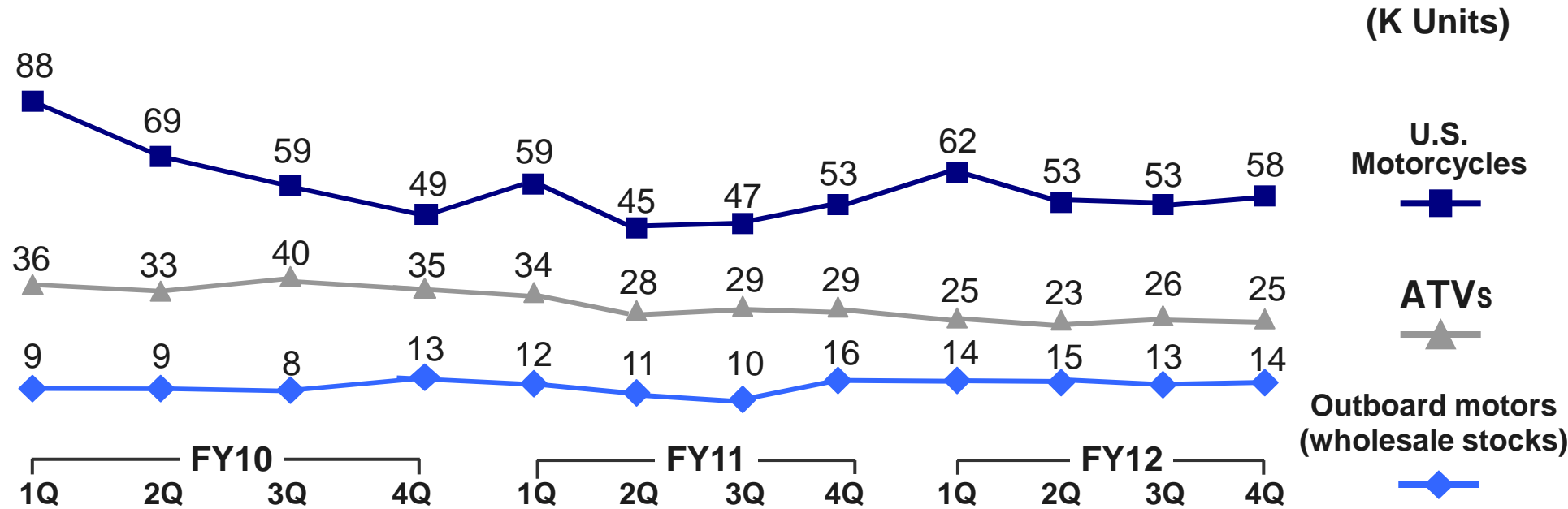
	FY11		FY12		vs LY	
	4Q	Full year	4Q	Full year	4Q	Full year
Motorcycle	11	63	11	62	0%	-2%
ATVs	11	37	9	34	-18%	-8%
Outboard motors	10	58	9	66	-7%	14%

## Wholesale

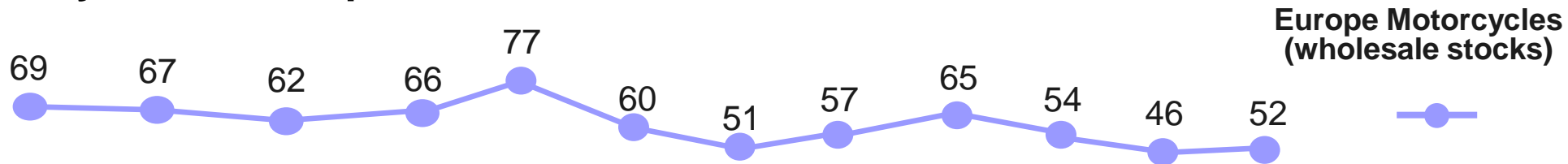
(K units)

	FY11		FY12		vs LY	
	4Q	Full year	4Q	Full year	4Q	Full year
Motorcycle	17	56	18	62	+4%	+11%
ATVs	9	35	8	33	-7%	-5%
Outboard motors	12	59	15	70	+31%	+19%

## Major Products in the U.S.



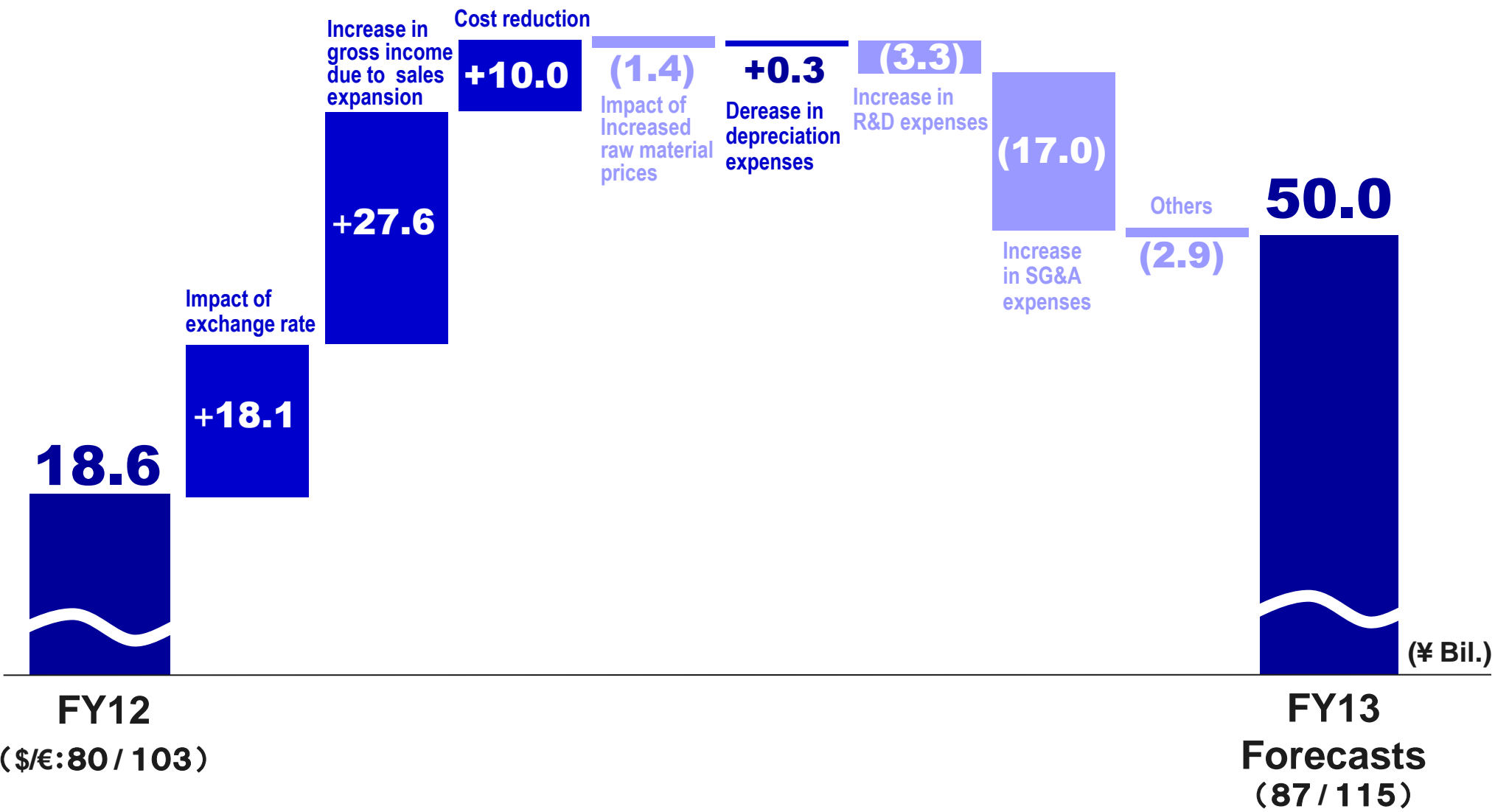
## Motorcycles in Europe



# Changes in Operating Income vs. FY11



# Changes in Operating Income vs. FY12 (2013 Forecasts)



FY12  
(\$/€:80 / 103)

FY13  
Forecasts  
(87 / 115)

# Exchange Rate Impacts



(Billion yen)	FY2012(4Q)				FY2012 ( Full year )				FY2013 Forecast			
	US\$	EURO	other	Total	US\$	EURO	other	Total	US\$	EURO	other	Total
Exchange rate (sales)												
① Impact on gross income due to the difference of exchange rates used to translate sales	2.2	0.2	0.1	2.5	0.1	-4.2	-0.2	-4.3	11.8	6.0	0.1	17.8
※ Difference between exchange rate and purchasing rate (non-operating income or losses)	-1.6	-1.2	0.0	-2.8	-5.4	-1.6	-0.0	-7.0	1.8	-0.5	-0.0	1.3
Substantial impact (purchasing rate)	0.6	-1.0	0.1	-0.3	-5.3	-5.8	-0.2	-11.3	13.5	5.5	0.0	19.1
Exchange rate of income/losses												
' 11 rate (Results: yen)	77	104			80	111			80	103		
' 12 rate (Results: yen)	81	105			80	103			80	103		
' 13 rate (Forecasts: yen)									87	115		
② Impact on gross income due to the difference of exchange rates used to translate income/losses	0.3	0.0	0.6	0.9	-0.2	-1.7	-5.8	-7.7	1.9	2.1	3.1	7.0
①+② Total impact on gross income	2.5	0.2	0.7	3.4	-0.1	-5.9	-6.0	-12.0	13.6	8.0	3.1	24.8
Impact on SG&A expenses				-0.8				7.0				-6.7
Impact on operating income				2.6				-5.0				18.1
Impact on ordinary income				-0.2				-12.0				19.3
Impact of one yen fluctuation	US\$ EURO		US\$ EURO		US\$ EURO		US\$ EURO		US\$ EURO		US\$ EURO	
	0.6 0.1		2.5 0.5		1.7 0.5							

Notes: ① Impact on gross income due to the difference between the exchange rate used in the year to translate foreign currency-denominated sales into Japanese yen, versus the translation exchange rate applied in the previous year.

② Impact on gross income due to the difference between the exchange rate used in the year to consolidate foreign currency-denominated items posted in non-consolidated financial statements into Japanese yen, versus the consolidation exchange rate applied in the previous year.

※: Impact on non-operating income or losses due to the difference between the exchange rate used in the year to translate foreign currency-denominated sales into Japanese yen and purchasing rate of foreign currencies in the same year, versus that difference applied in the previous year.

**You are also welcome to review the IR information on  
Yamaha Motor website.**

**Yamaha Motor website**  
(Global site: English)

<http://www.yamaha-motor.co.jp/global/>

**For investors**

<http://www.yamaha-motor.co.jp/global/ir/>

Investor meeting presentation  
IR materials

<http://www.yamaha-motor.co.jp/global/ir/report/>  
<http://www.yamaha-motor.co.jp/global/ir/annual/>