

# FY2017 First Half-Year Business Results



Yamaha Motor Co., Ltd.

August 8, 2017

(Ticker symbol:7272)

Suzuka 8-Hours Endurance Race  
Yamaha Factory Racing Team secure  
Yamaha's first-ever third consecutive Suzuka win.

# Agenda

## FY2017 First Half-Year Business Results

- Outline: Hiroyuki Yanagi,  
President, CEO and Representative Director
- Details per Segment: Yoshihiro Hidaka Director
- 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.

# Outline

## First Half-Year Results

Sales (106%) and income (operating income 126%, net income 188%) increased, achieving Yamaha Motor's highest income level and income ratio ever.

(¥ Bil.)	2016	2017	Vs. Previous Year
Net Sales	778.3	828.1	106%
Operating Income	65.4	82.2	126%
Operating Income Ratio	8.4%	9.9%	+1.5 pts
Ordinary Income	55.3	83.5	151%
Net Income *	324	608	188%
(\$•€)	112 / 125	112 / 122	—
(\$/IDR•BR\$)	13,377 / 3.7	13,131 / 3.1	—

\*Net Income for this Half-Year Attributable to Parent Company Shareholders

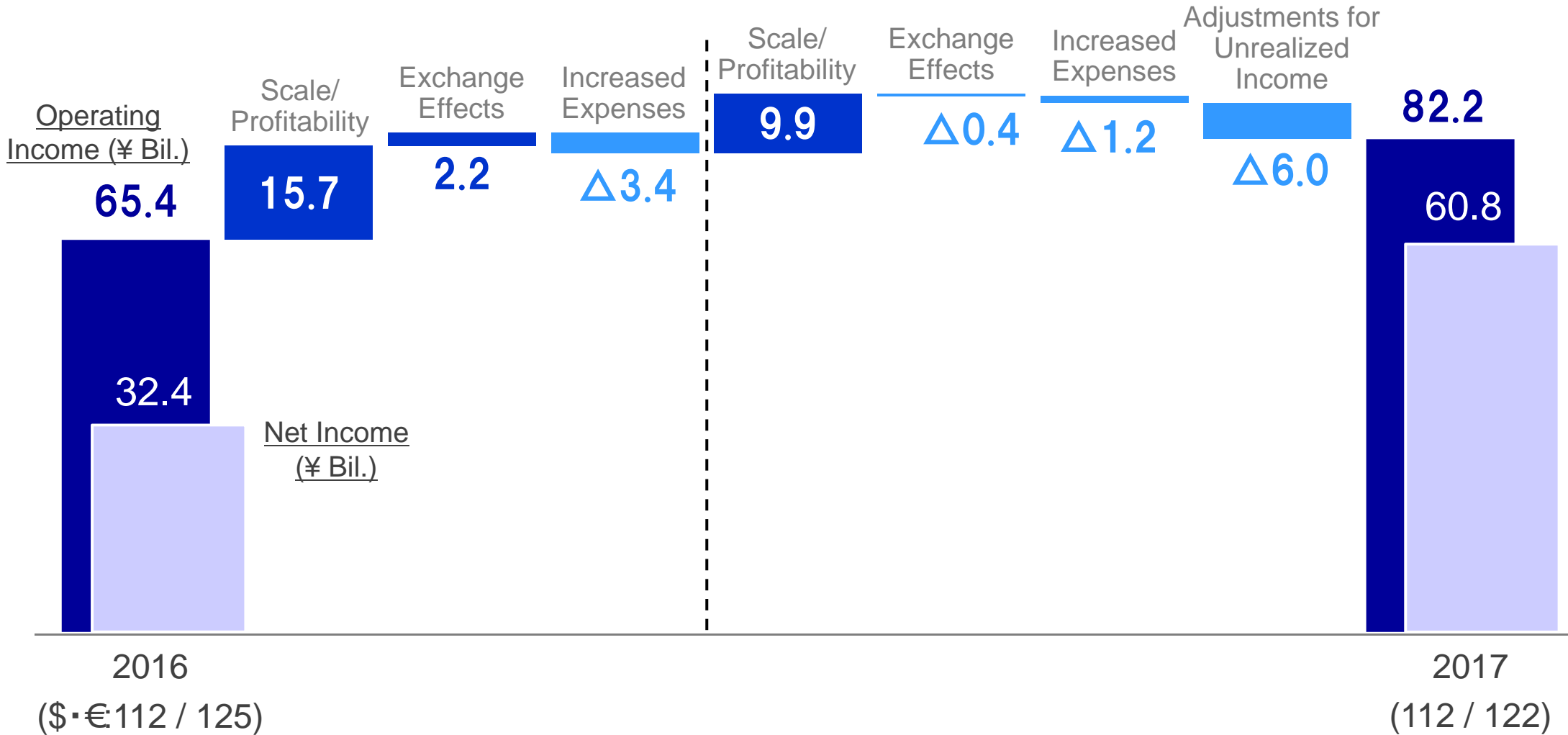
# Business Results (2017)

## First Half-Year Results: Factors Impacting Operating Income

Profitability improvements continue, but effects of unrealized income remain.

Emerging Markets Motorcycle Business  
 31.0 billion yen (Increase of 14.5 billion yen compared with the previous fiscal year)

Developed Markets Business  
 51.2 billion yen (Increase of 2.4 billion yen compared with the previous fiscal year)



## Annual Forecast

Sales (108%) and income (operating income 124%, net income 143%) increase. Forecasts of operating income at the highest-ever level, and net income to reach its highest-ever point.

(¥ Bil.)	2016 Results	2017 Initial Forecast	2017 Revised Forecast	Vs. Previous Year
Net Sales	1,502.8	1,600.0	1,630.0	108%
Operating Income	108.6	120.0	135.0	124%
Operating Income Ratio	7.2%	7.5%	8.3%	+1.1 pts
Ordinary Income	102.1	120.0	135.0	132%
Net Income*	63.2	75.0	90.0	143%
(\$•€)	109 / 120	110 / 115	(Annual) 111 / 118 Second half-year (110 / 115)	—
(\$/IDR•BR\$)	13,300 / 3.5	13,200 / 3.2	(Annual) 13,200 / 3.2 Second half-year (13,200 / 3.2)	—

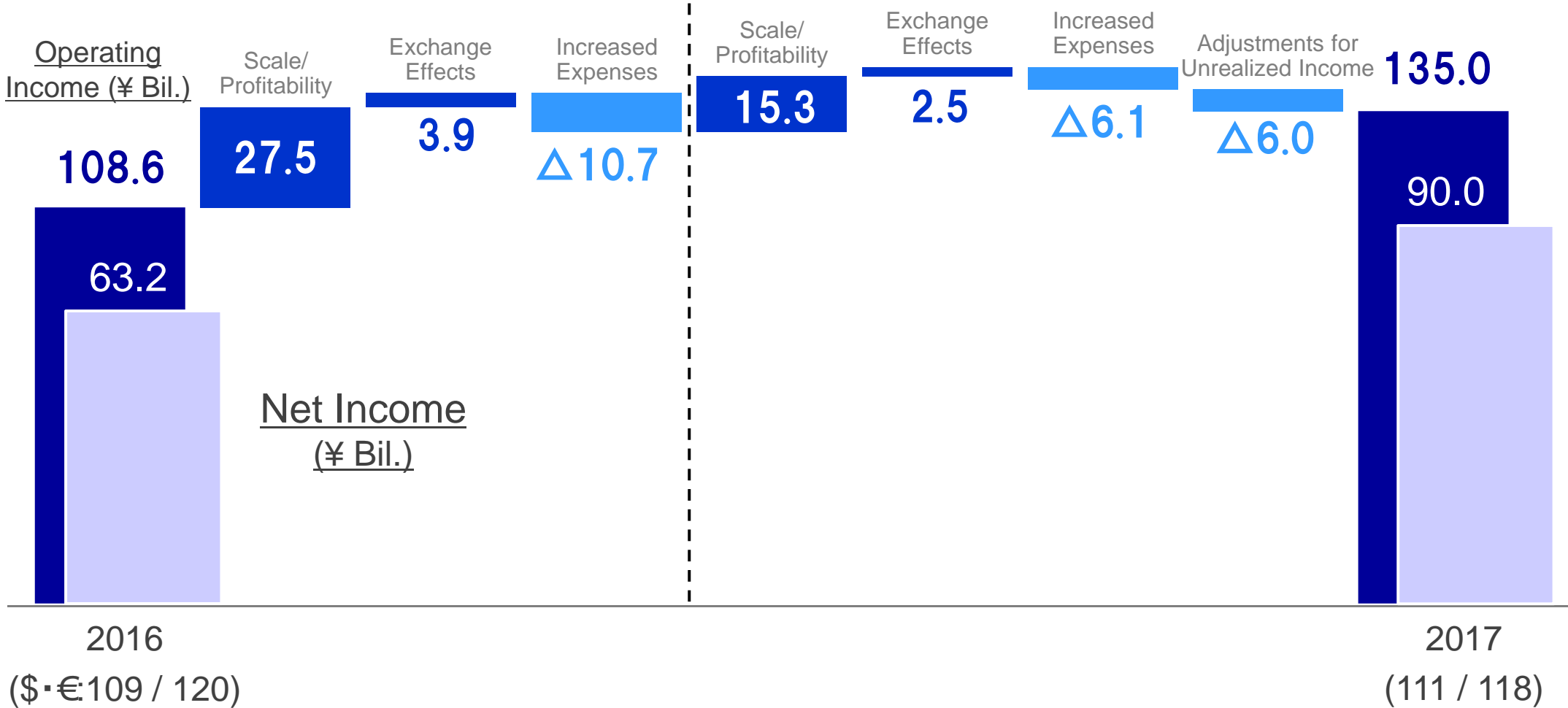
\*Net Income Attributable to Parent Company Shareholders

## Annual Forecast: Factors Impacting Operating Income

### Profitability improvements progress.

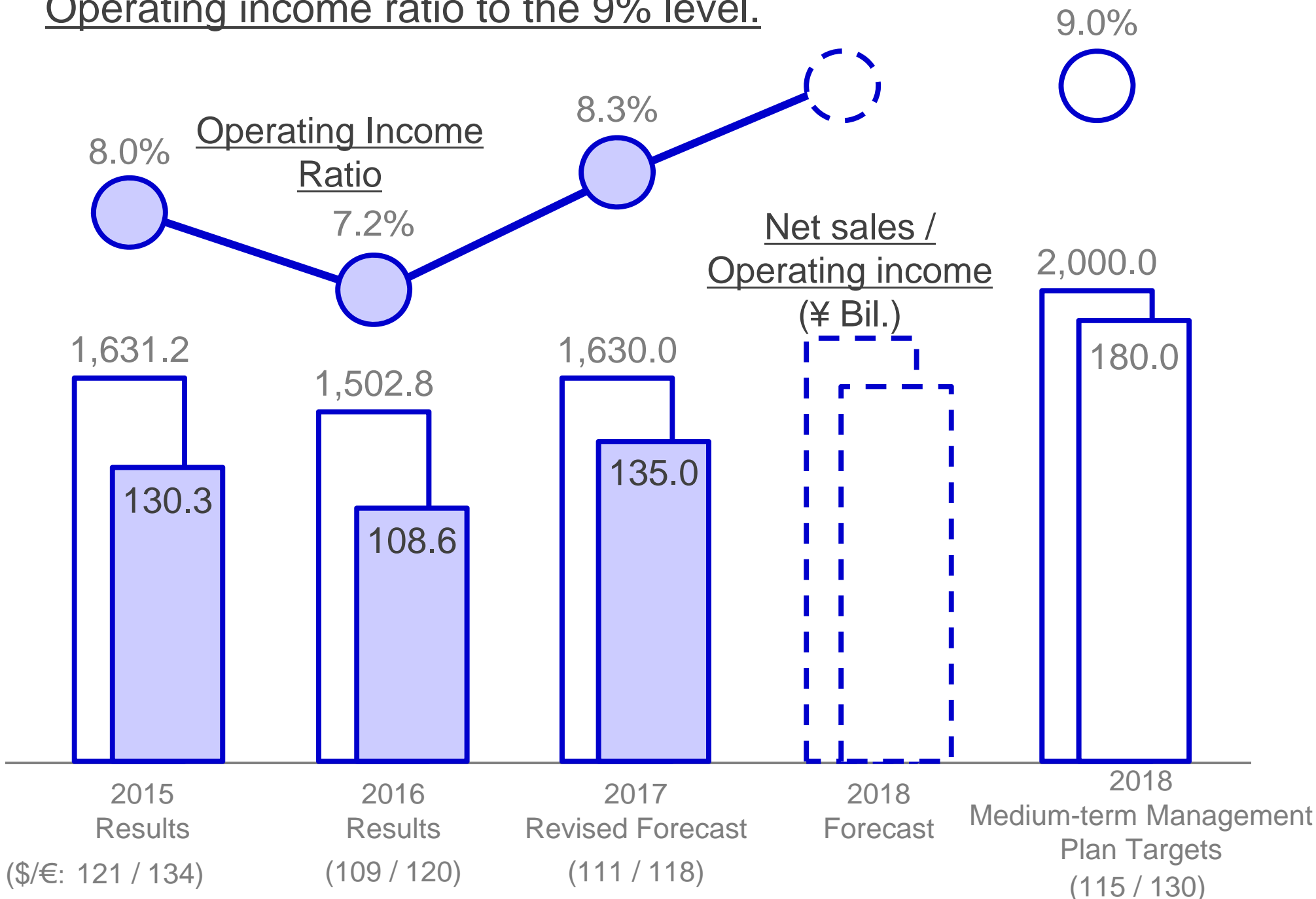
Emerging Markets Motorcycle Business  
66.5 billion yen (Increase of 20.7 billion yen compared with the previous fiscal year)

Developed Markets Business  
68.5 billion yen (Increase of 5.7 billion yen compared with the previous fiscal year)



# Business Results Situation

Operating income ratio to the 9% level.





# Medium-term Management Plan Progress

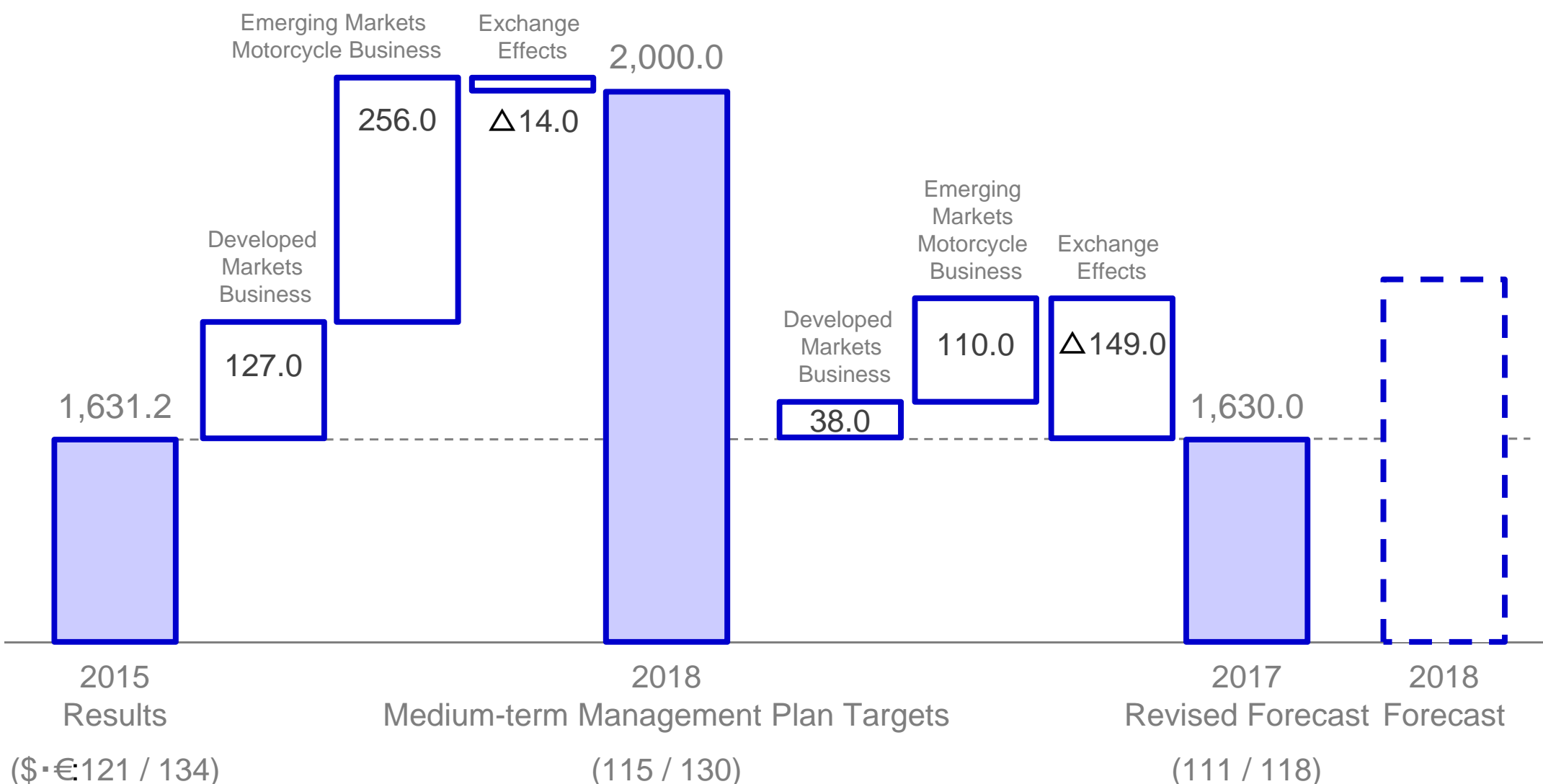
## Net Sales Progress

Developed Markets Business:

Motorcycles, marine, and IM increased within the range planned, RV decreased by being significantly behind plan.

Emerging Markets Motorcycle Business:

Vietnam, the Philippines, and Thailand increased ahead of plan, whereas India and Indonesia are behind plan.



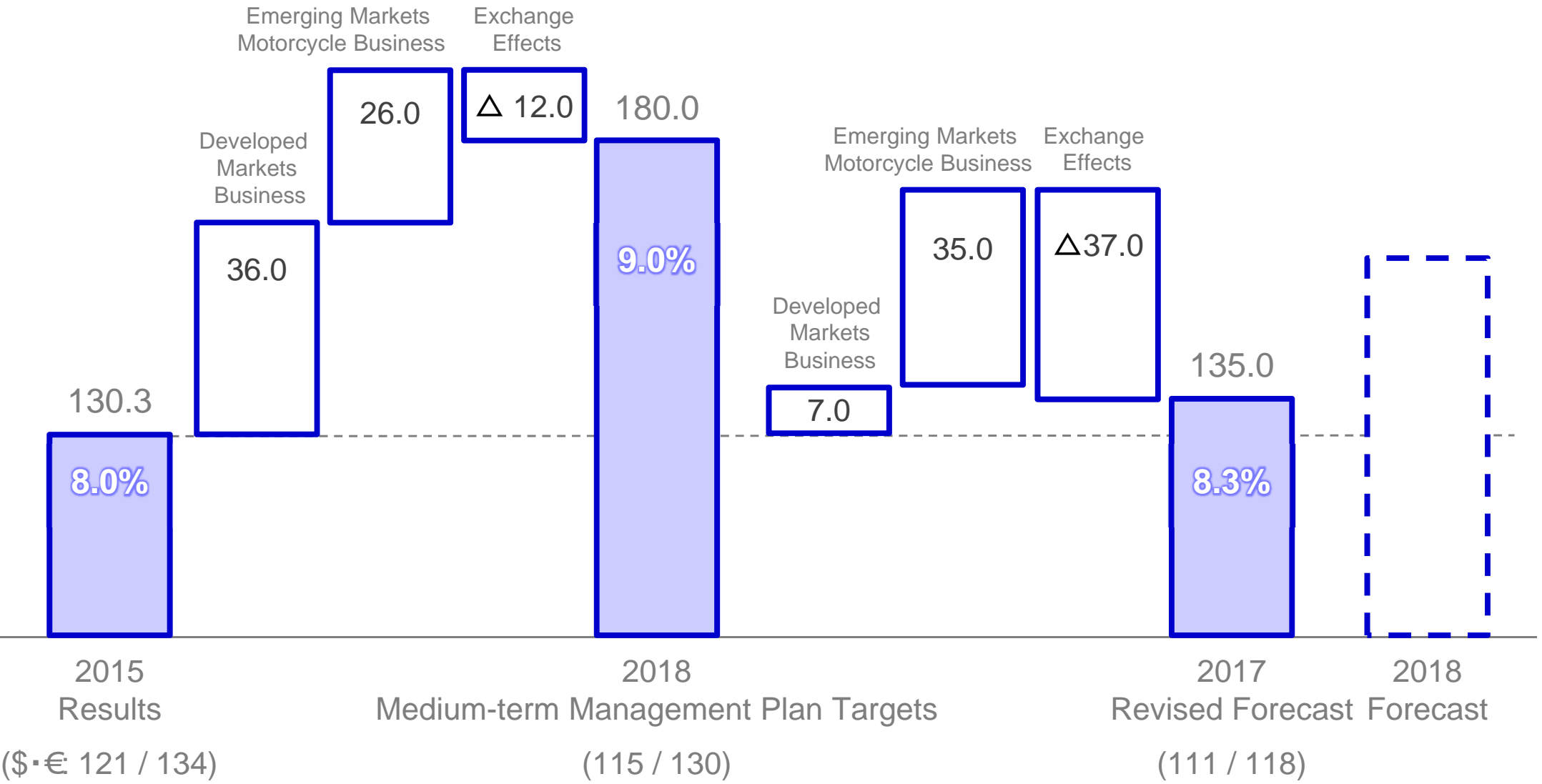
# Operating Income Progress

Developed Markets Business:

Motorcycles, marine, and IM increased within the range planned, RV decreased by being significantly behind plan.

Emerging Markets Motorcycle Business:

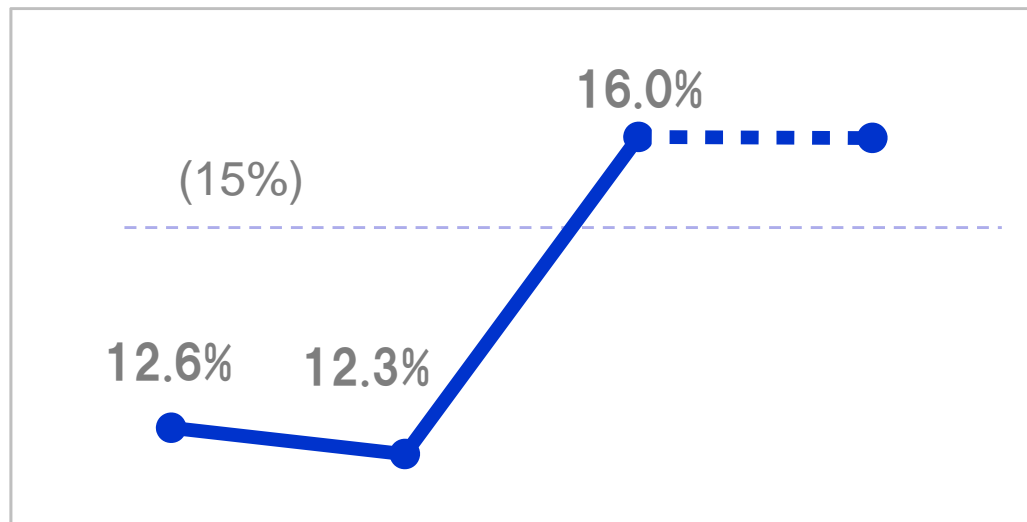
ASEAN increased ahead of plan, and Brazil increased ahead of plan as structural reforms progressed.



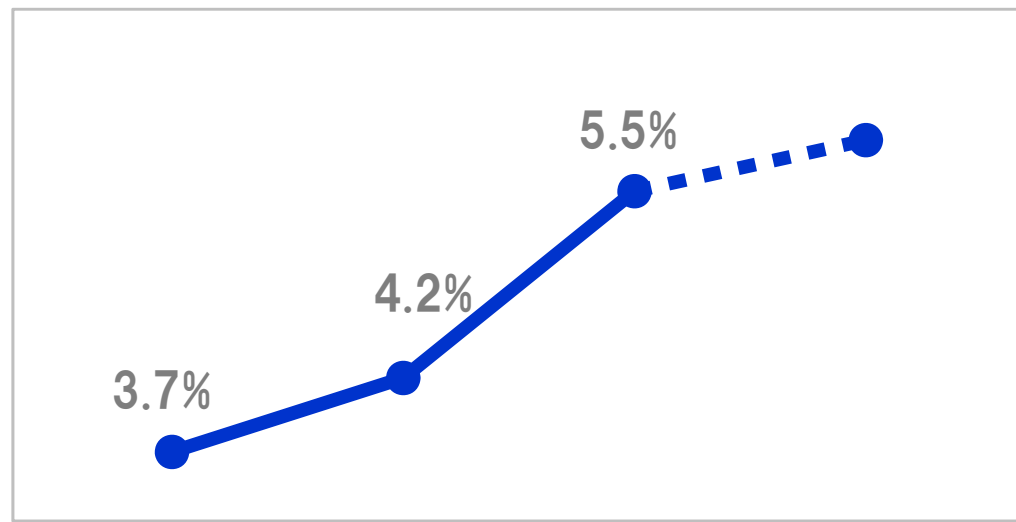
# ROE Results

ROE reached the 15% level while increasing equity

ROE



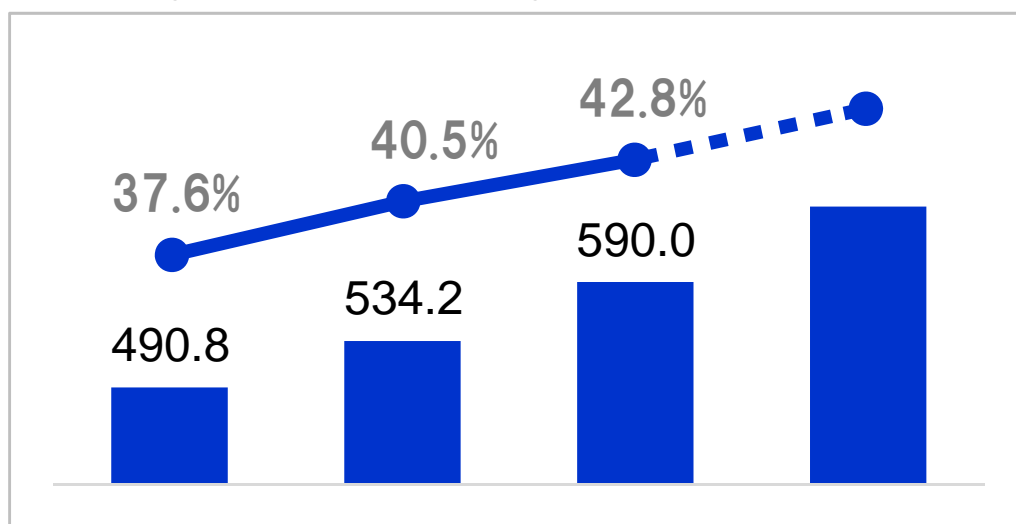
Net Income Ratio



Total Asset Turnover



Equity (¥ Bil.), Equity Ratio

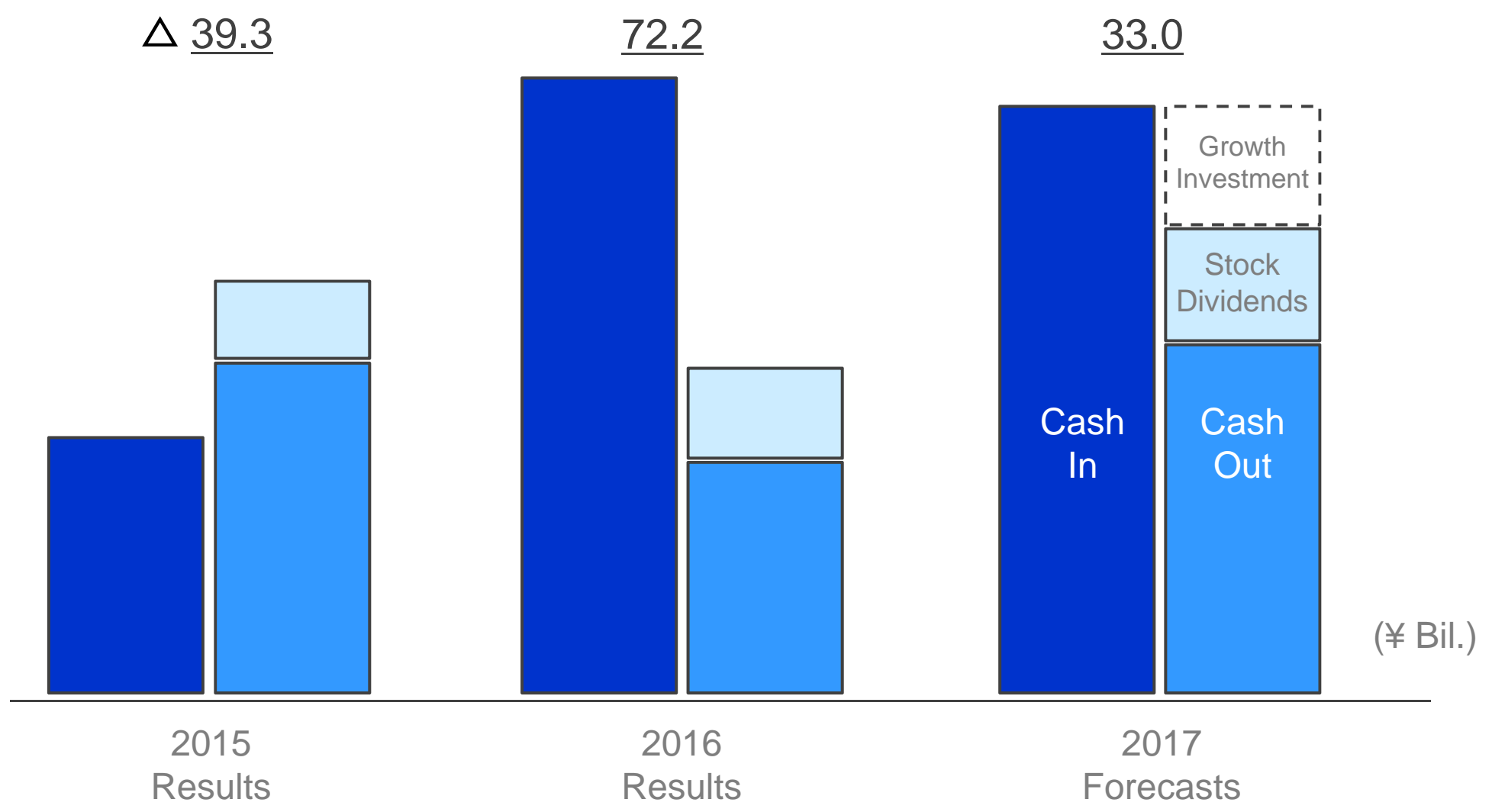


2015 2016 2017 2018

2015 2016 2017 2018

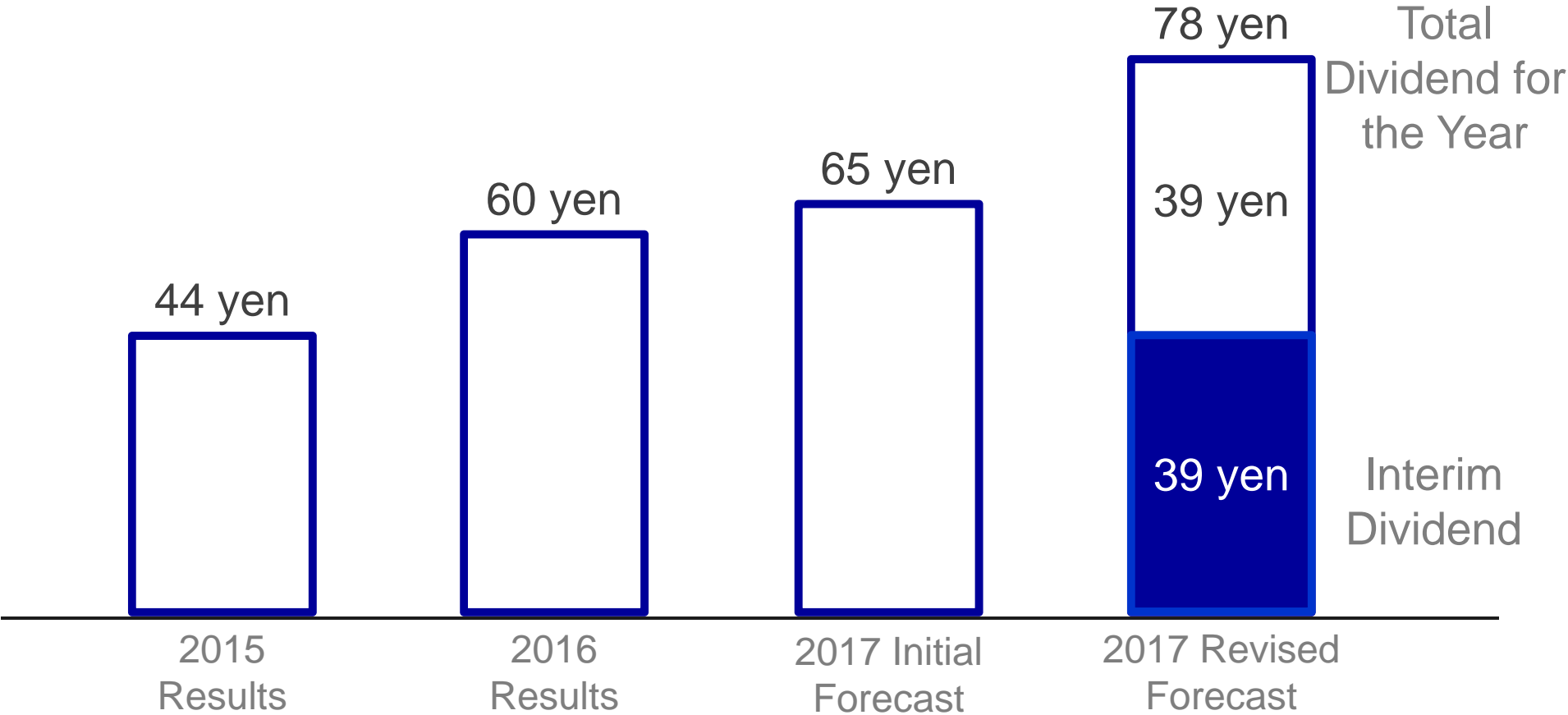
# Cash Flow Management

Proactive enacting of stock dividends and growth investment.



# Stock Dividends

Increased Dividends for Five Years Running.



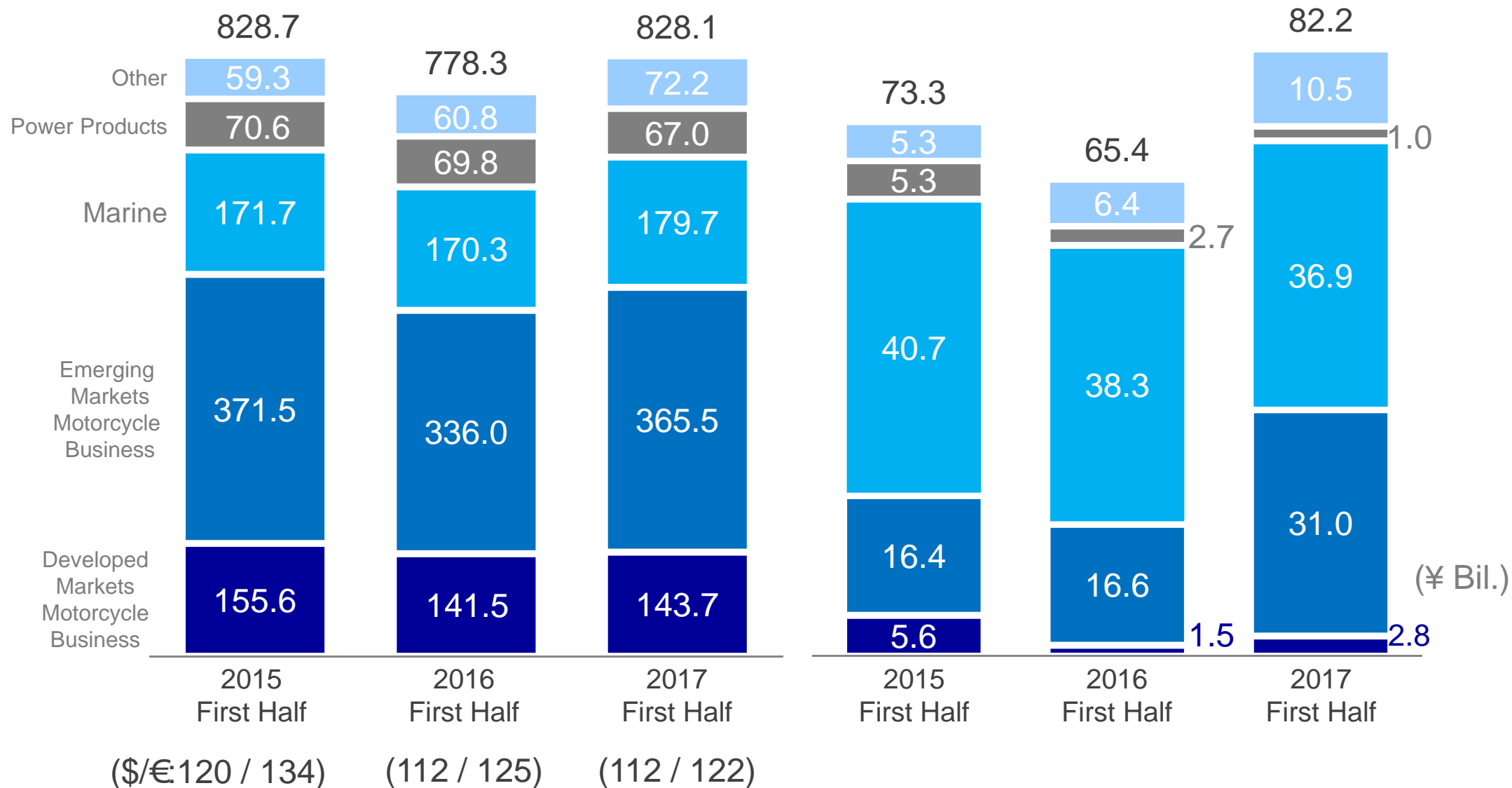
EPS:	172 yen	181 yen	215 yen	258 yen
Payout Ratio:	26%	33%	30%	30%

# Details per Segment

# First-Half Status of Businesses

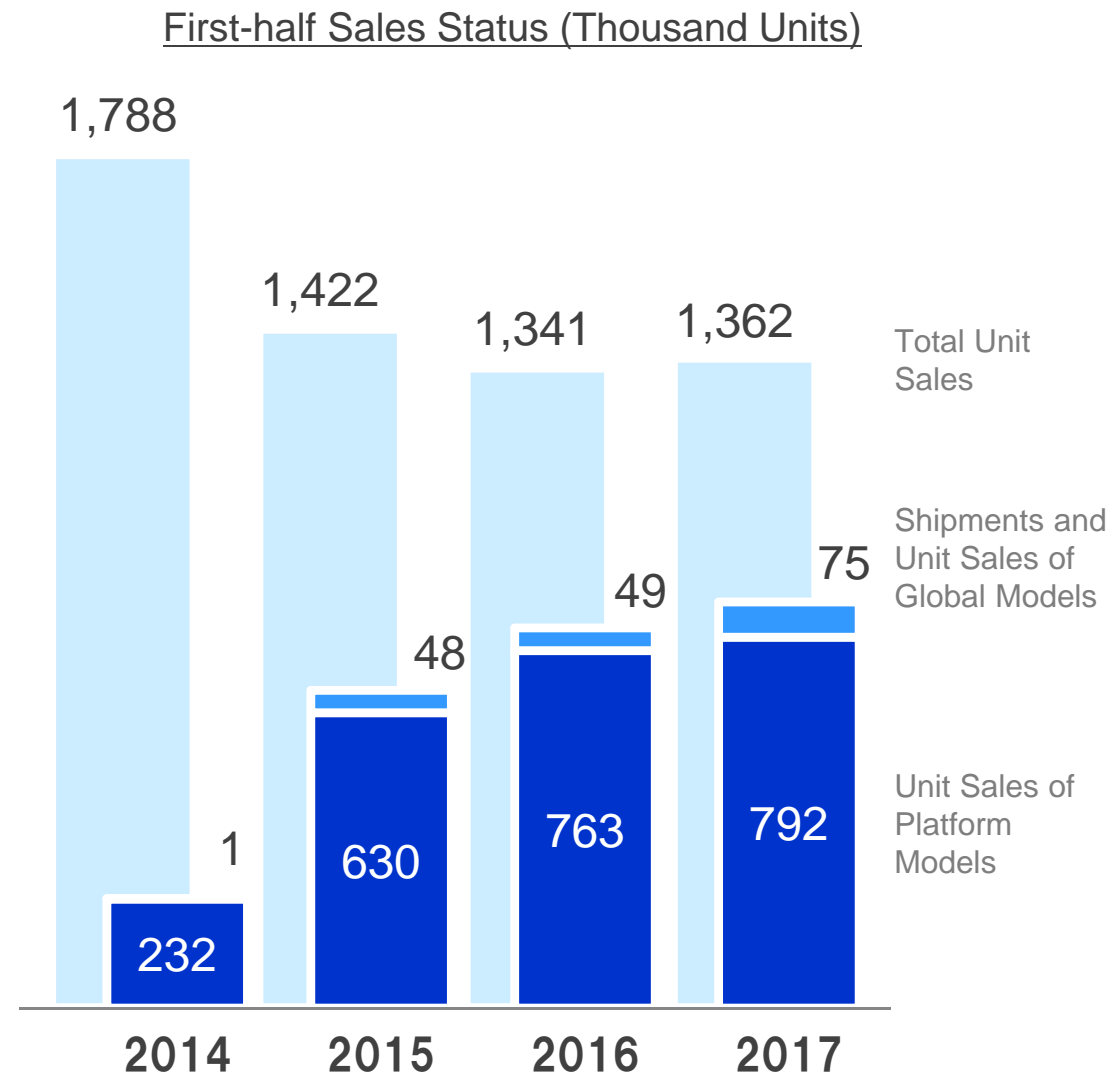
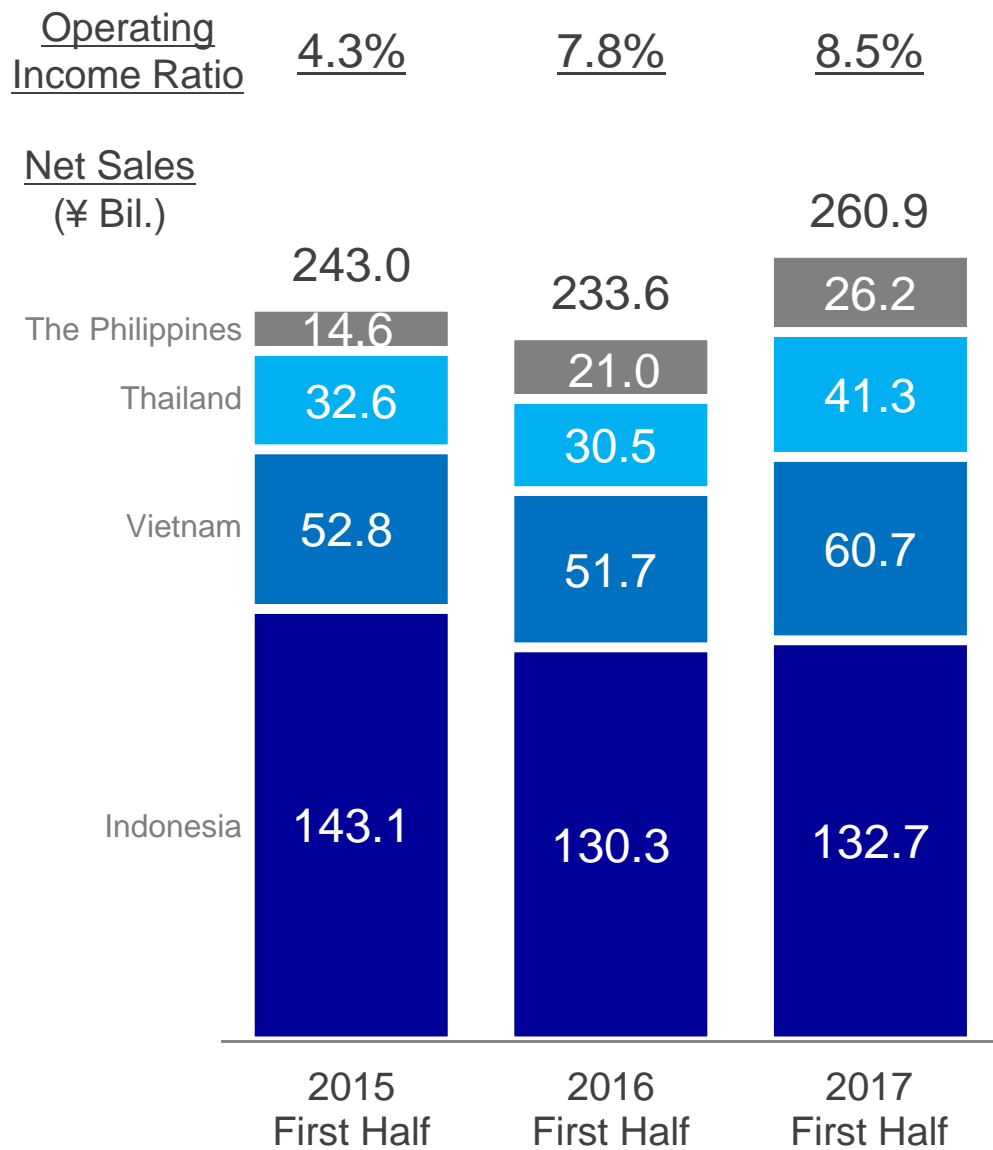
## Net Sales

## Operating Income



# ASEAN

Working on recovery of sales in the Indonesian market while promoting profitability improvements and the provision of new value through platform models.





# Creating Fashionable ASEAN Models



QBIX



(Air-cooled 155cc)



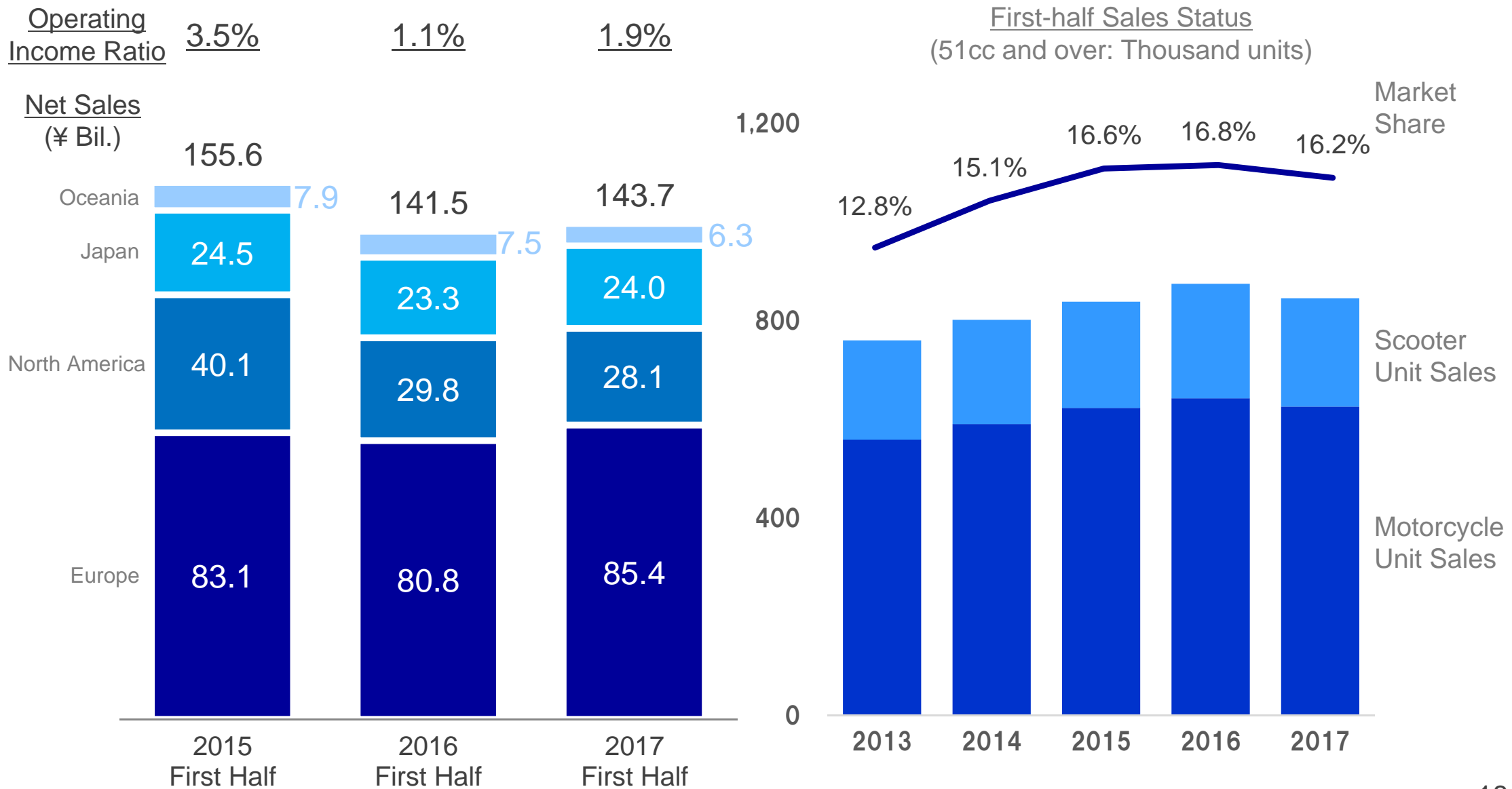
AEROX



(Liquid-cooled 155cc)

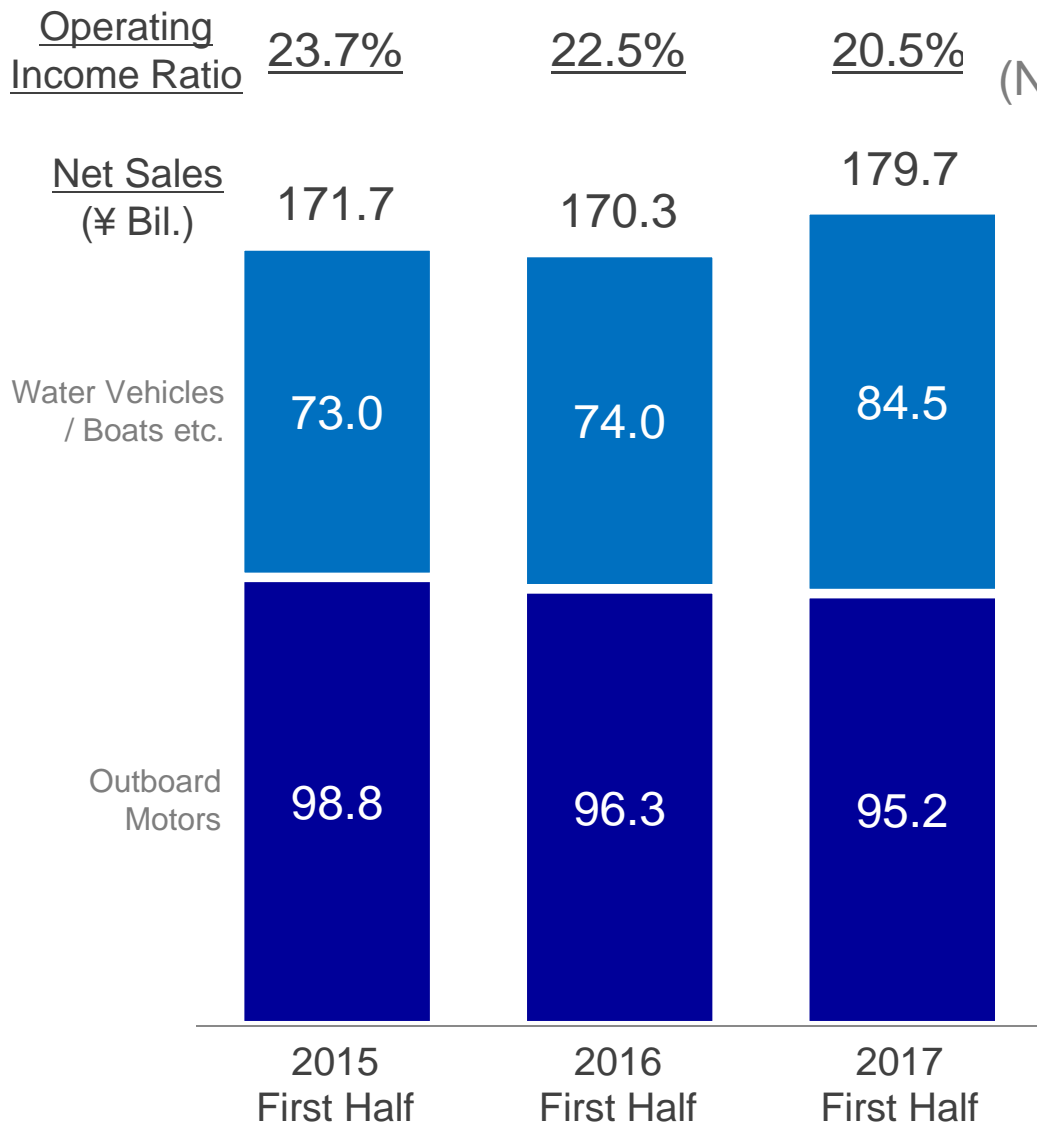
# Developed Markets

Continuing business structural reform while rolling out products and marketing which show off brand uniqueness.

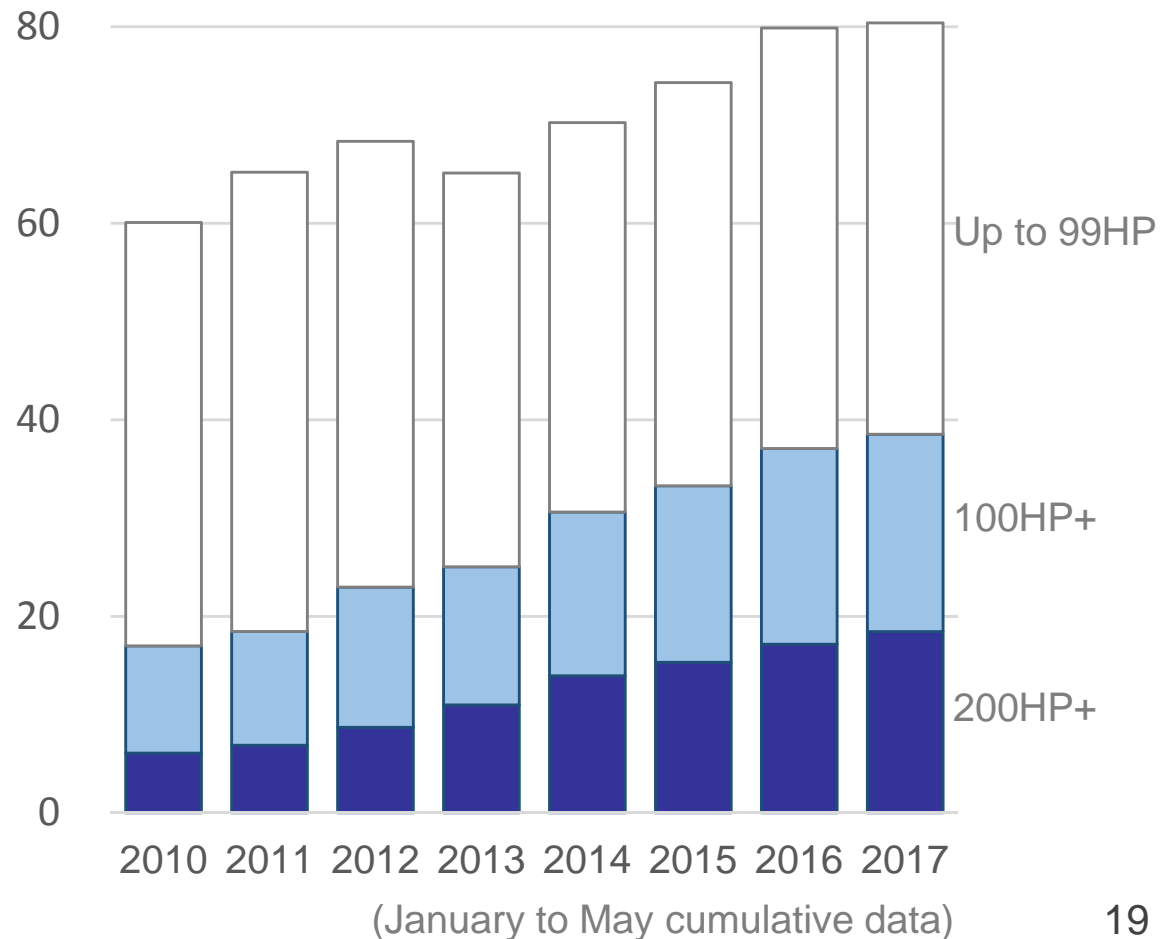


# Marine Products Business

Moving towards a business model of becoming a system supplier while further enhancing brand strength through comprehensive business strength, reliability, and networking.

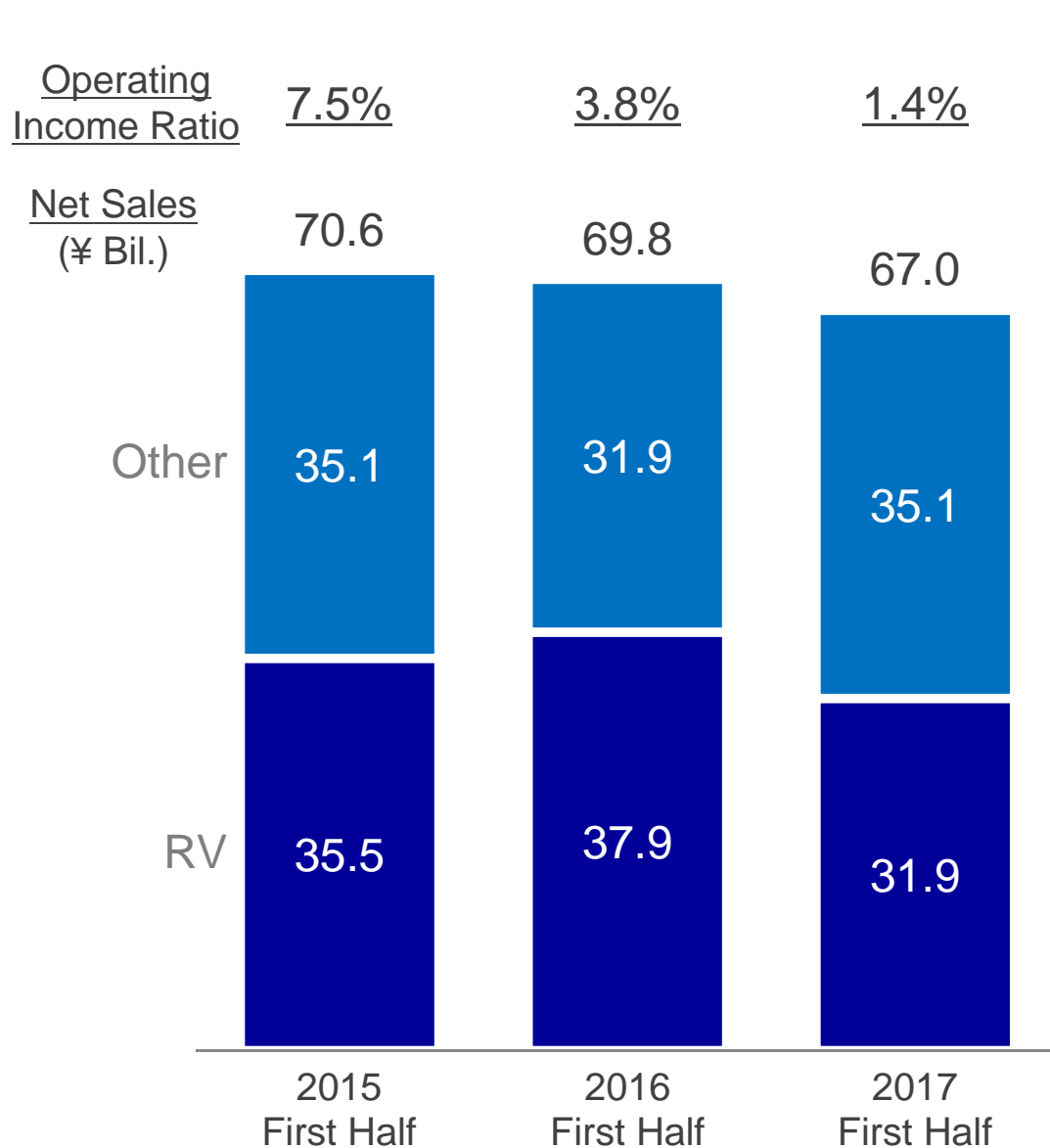


Outboard Motors First-half Sales Status  
(North American and European markets: Thousand units)

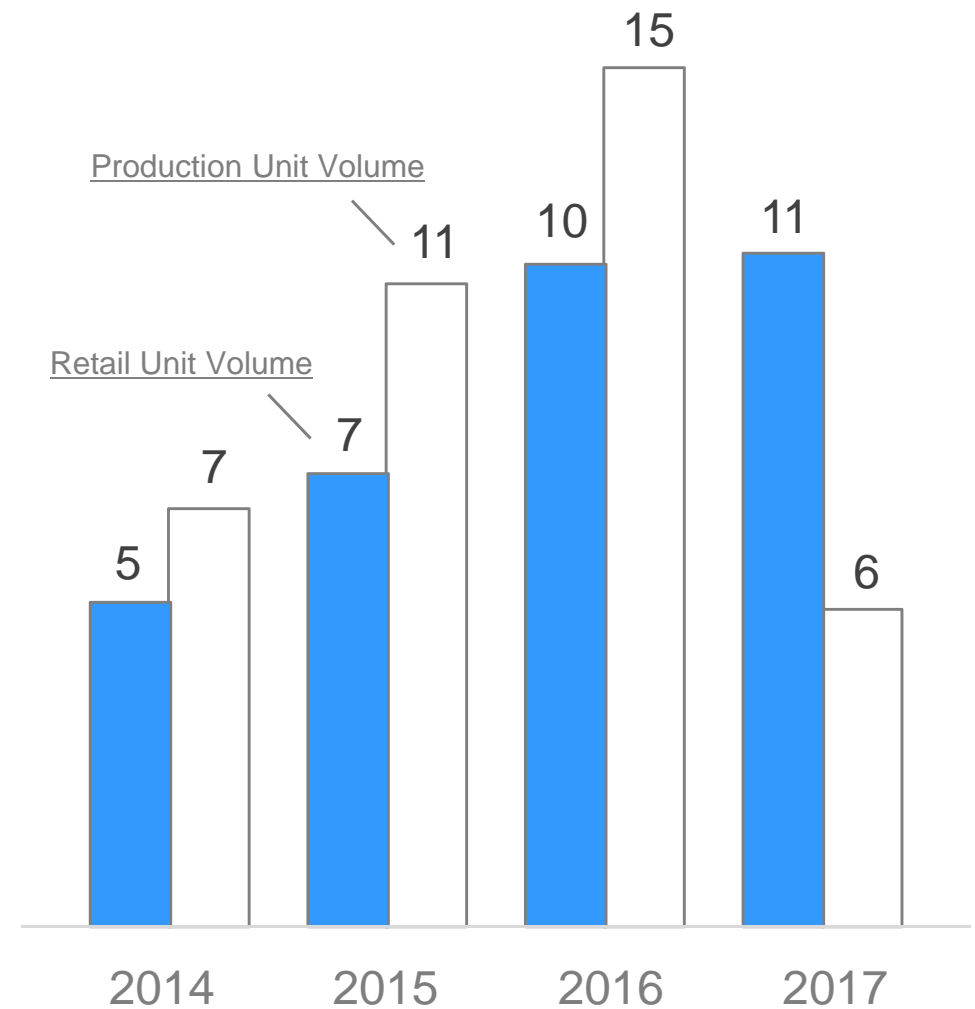


# Power Products Business

Business normalization is completed, working on expanding the customer base through new platform models.

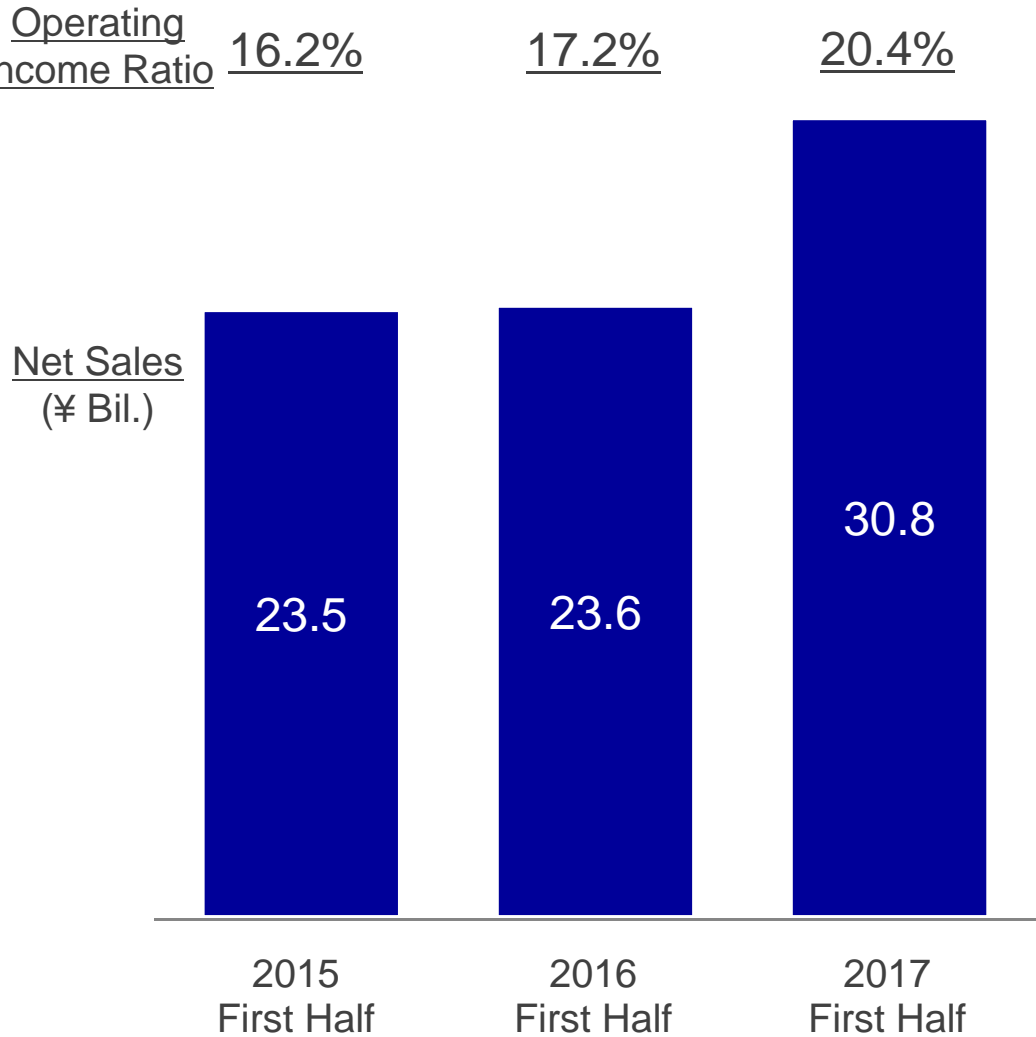


ROV First-half Sales and Production Status  
(Global Market: Thousand units)



# IM Business

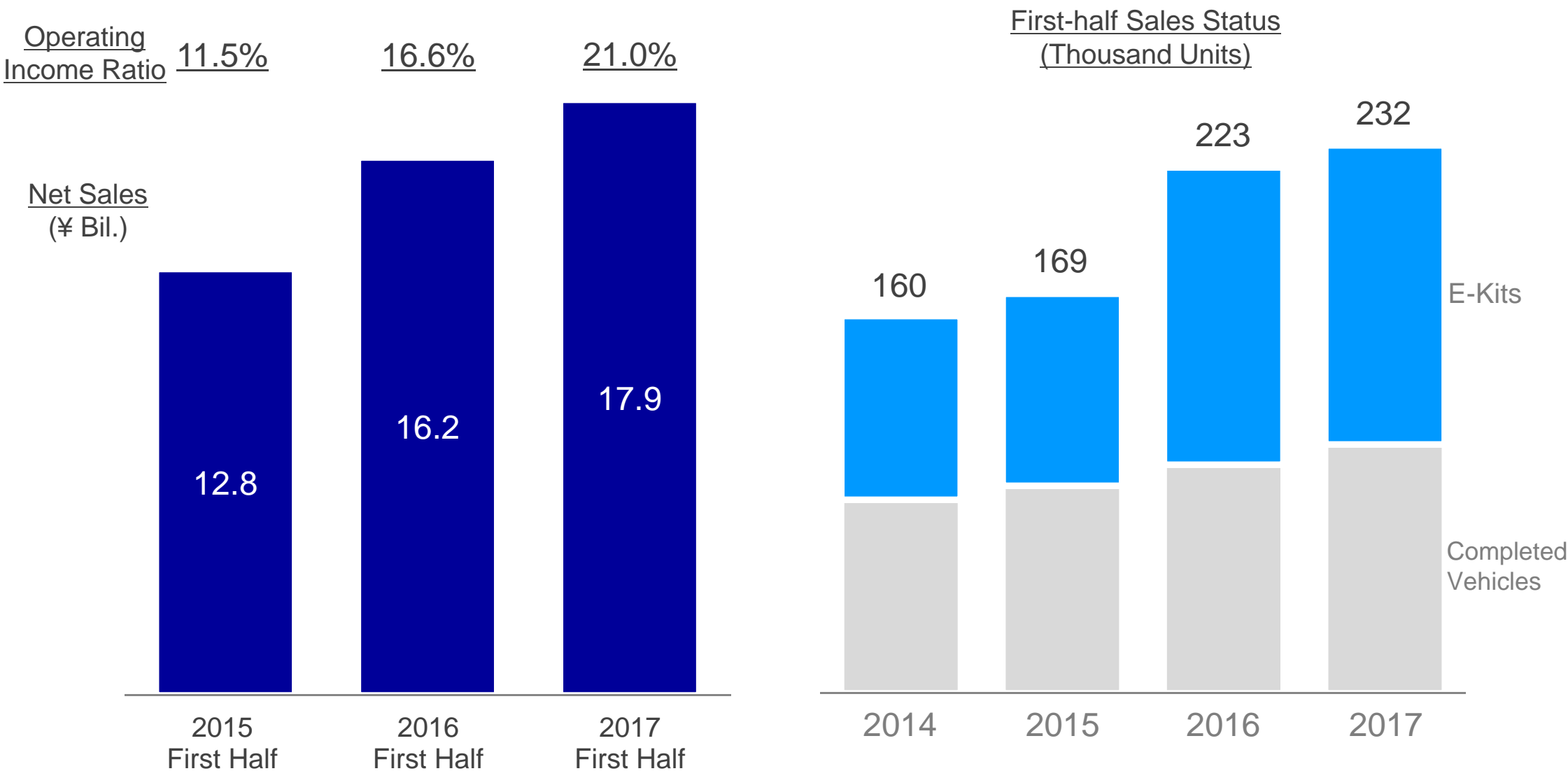
Providing high-efficiency solutions through developments of industry-leading extremely high-speed and high-precision pick and place technology and industry-first integrated factory automation technology.



Providing Solutions to the Medical Market

# PAS Business

Providing a wide range of solutions domestically and overseas while developing PAS technology.





**YAMAHA**

*Revs Your Heart*

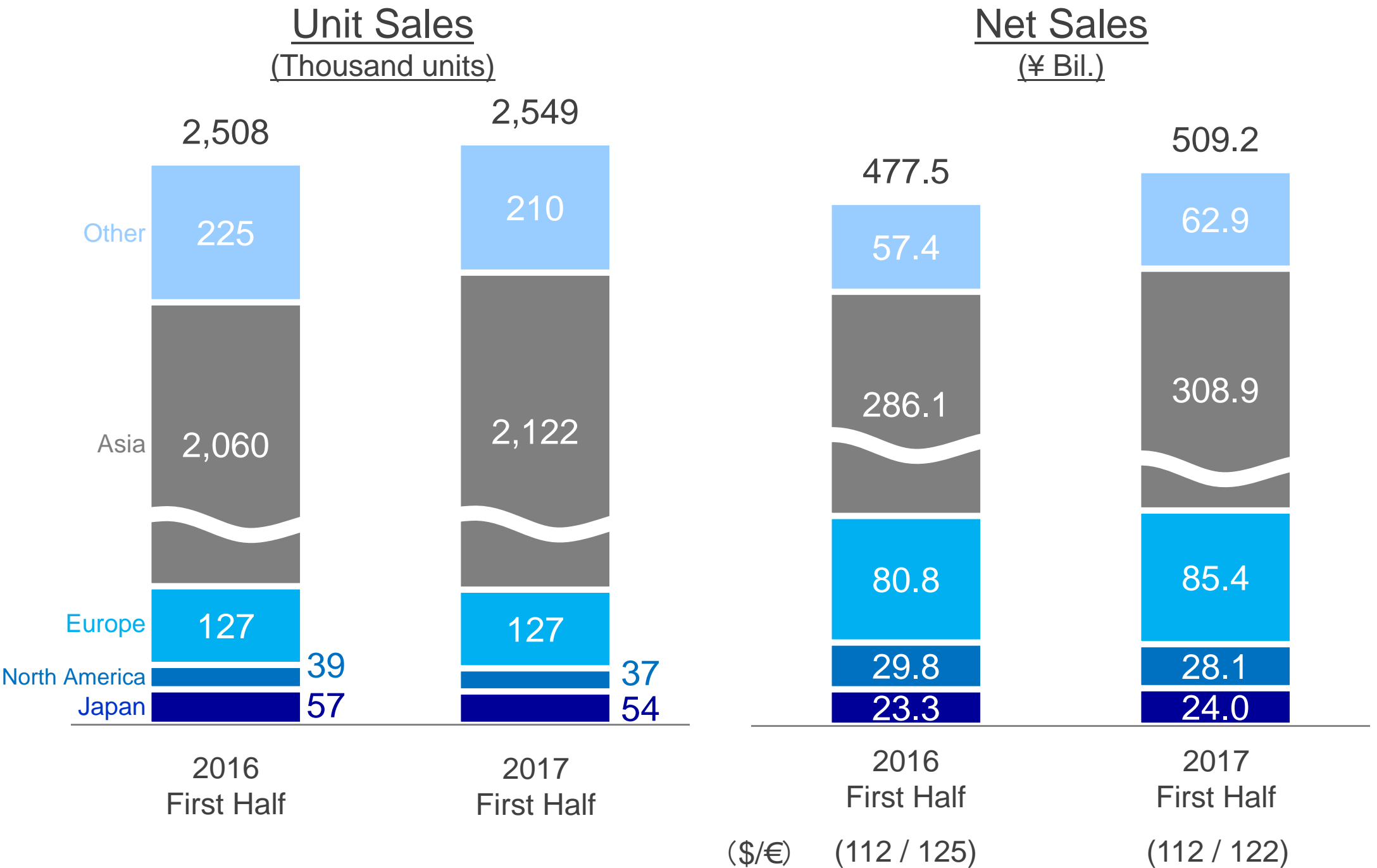
# Total Demand/Company Unit Sales for Major Products

(Units: 1,000)

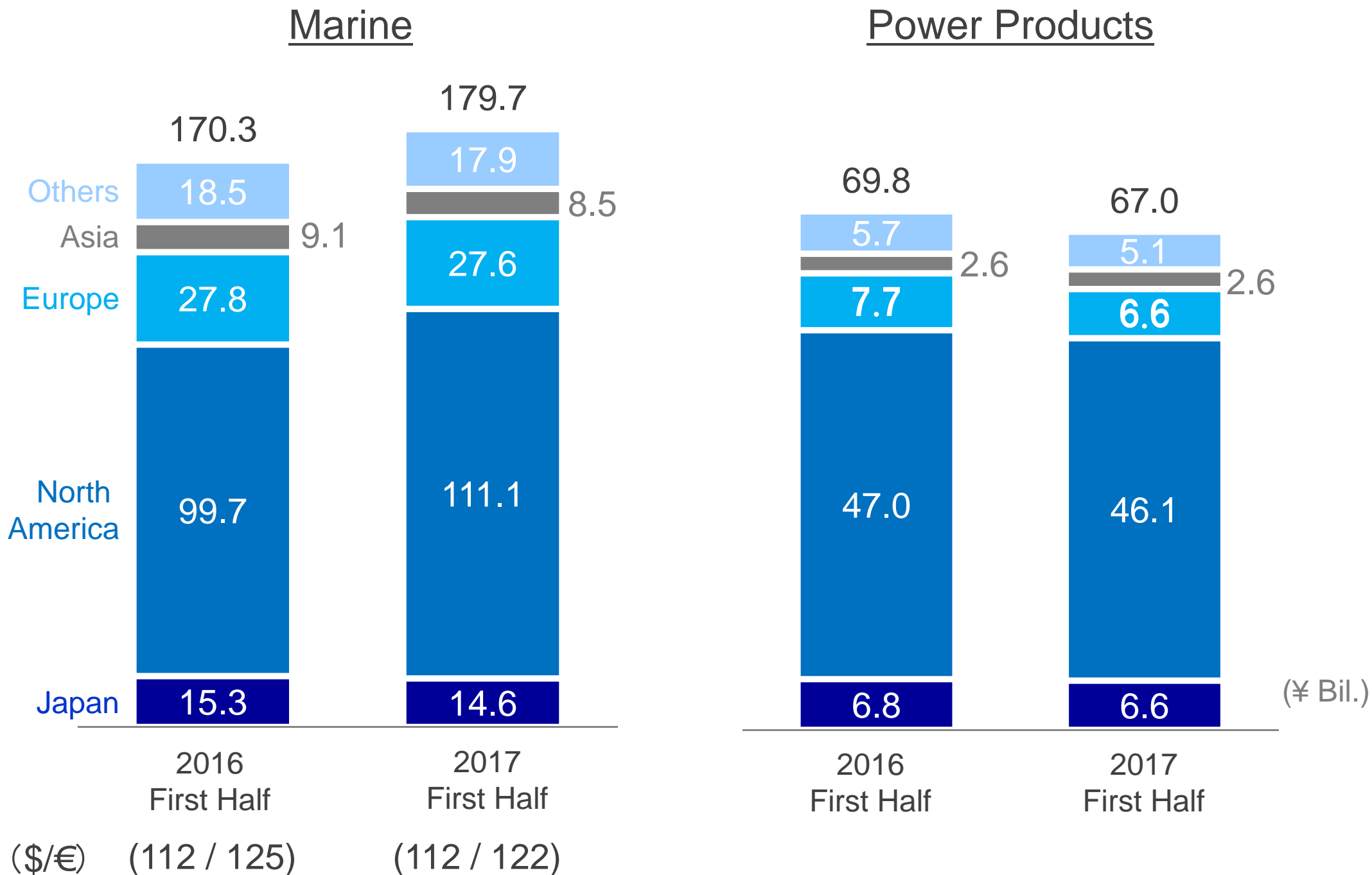
	Total Demand (Yamaha Motor Estimate)				Yamaha Motor Unit Sales		
	2015 Results	2016 Results	2017 Forecasts		2015 Results	2016 Results	17 Forecasts
Japan	407	373	375	Japan	110	110	101
North America	559	547	540	North America	89	77	76
Europe	1,525	1,576	1,576	Europe	209	208	208
Indonesia	6,465	5,557	5,400	Indonesia	1,799	1,394	1,500
Thailand	1,677	1,743	1,800	Thailand	225	240	306
India	16,089	17,641	18,723	India	595	786	888
Vietnam	2,849	3,120	3,300	Vietnam	719	844	950
Taiwan	706	852	880	Taiwan	226	254	291
China	9,080	7,992	7,641	China	307	247	248
Other	4,070	4,822	5,580	Other	415	540	671
Asia Total	40,937	41,728	43,325	Asia Total	4,286	4,307	4,855
Brazil	1,208	884	848	Brazil	131	100	107
Other	8,000	6,666	6,460	Other	393	353	356
Other Total	9,209	7,550	7,307	Other Total	524	452	463
<b>Motorcycles Total</b>	<b>52,637</b>	<b>51,774</b>	<b>53,123</b>	<b>Motorcycles Total</b>	<b>5,218</b>	<b>5,154</b>	<b>5,703</b>
Outboard Motors	742	717	775	Outboard Motors	300	292	295
ATV	435	412	399	ATV	55	57	56



# Motorcycle Sales Units/Net Sales (First Half)



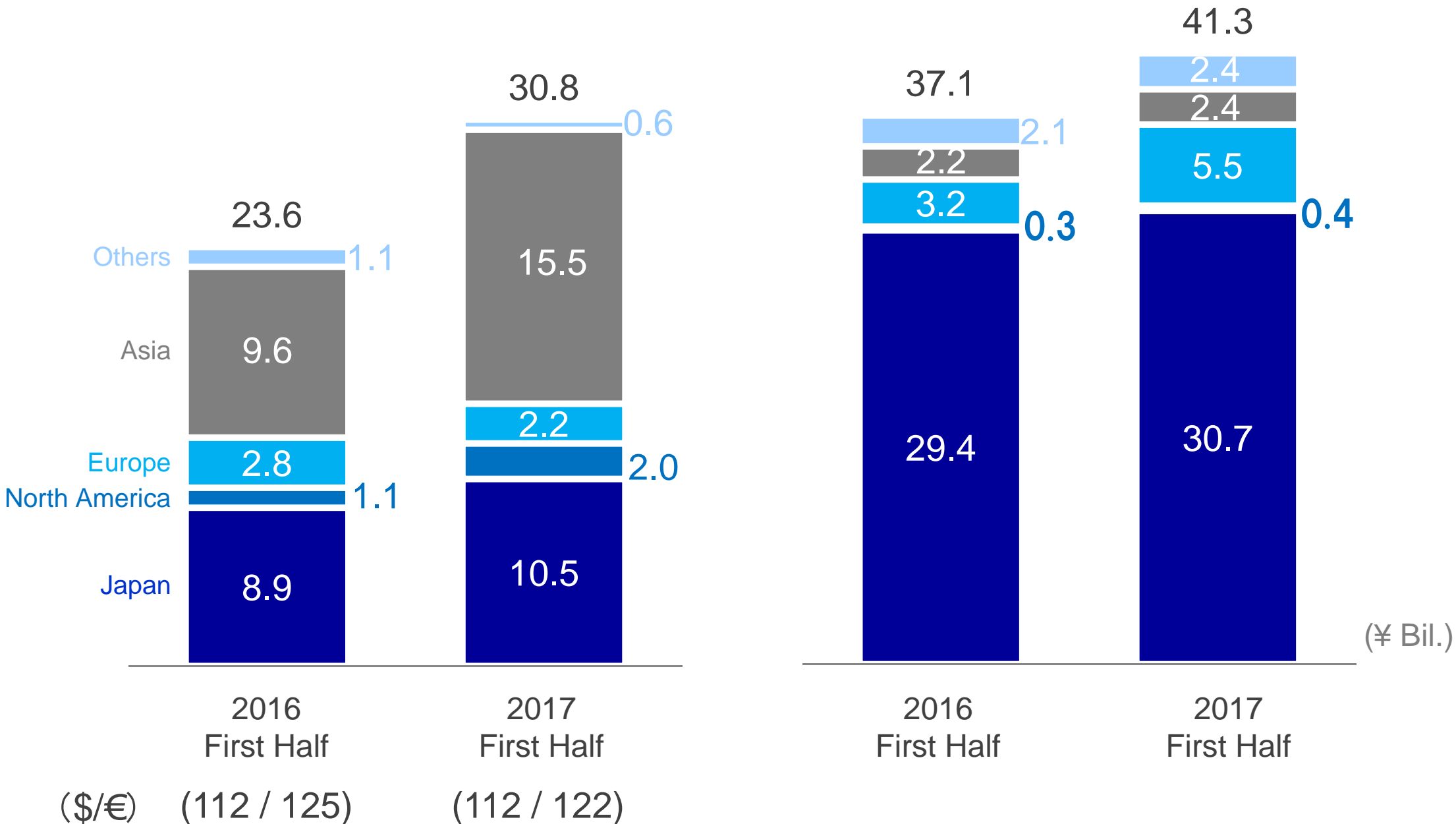
# Net Sales of Marine/Power Products/Others (First Half)



# Net Sales of IM/Others (First Half)

## IM

## Others



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

(¥ Bil.)

	2016 First Half Results	2017 First Half Results
Capital Expenditure	<b>22.8</b>	<b>21.9</b>
Depreciation and Amortization Expenses	<b>21.3</b>	<b>22.4</b>
Research and Development Expenses	<b>47.0</b>	<b>47.7</b>
Interest-bearing Debt	<b>340.9</b>	<b>374.9</b>
(Includes Sales Financing)	<b>185.4</b>	<b>232.5</b>

# Effects of Foreign Exchange (Compared to Previous Year)

(¥ Bil.)	2017 Results (First Half)				2017 Forecasts (Annual)			
	US\$	Euro	Others	Total	US\$	Euro	Others	Total
Foreign Exchange Effects on HQ Imports and Exports	0.4	△1.7	0.9	△0.4	3.0	△1.9	1.3	2.3
Foreign Exchange Effects on Purchases (Overseas Subsidiaries)	0	0	1.6	1.6	0	0	2.0	2.0
Conversion Effects on Gross Income (Overseas Subsidiaries)	0.3	△0.4	2.3	2.2	1.3	△0.5	5.6	6.4
Conversion Effects on SG&A Expenses (Overseas Subsidiaries)	△0.2	0.3	△1.7	△1.6	△1.2	0.5	△3.6	△4.4
Foreign Exchange Effects on Operating Income	0.4	△1.8	3.1	1.8	3.1	△2.0	5.2	6.4

## Foreign Exchange Sensitivity

Amount of effect on operating income per yen of foreign exchange fluctuations

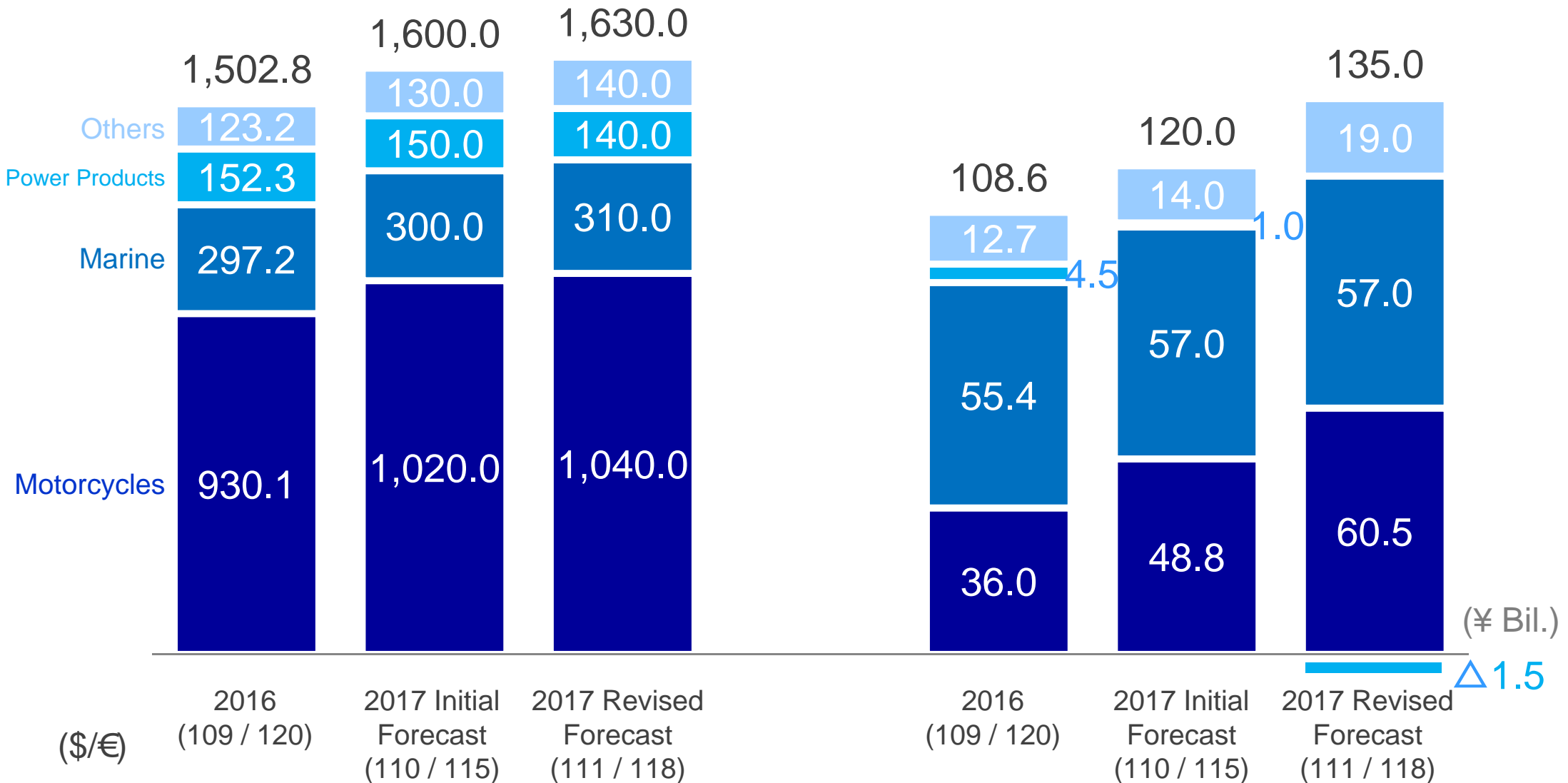
US\$ 0.7 ¥ Bil.  
Euro 0.3 ¥ Bil.

US\$ 1.4 ¥ Bil.  
Euro 0.8 ¥ Bil.

# Net Sales and Operating Income per Business Segment (Annual Forecast)

## Net Sales

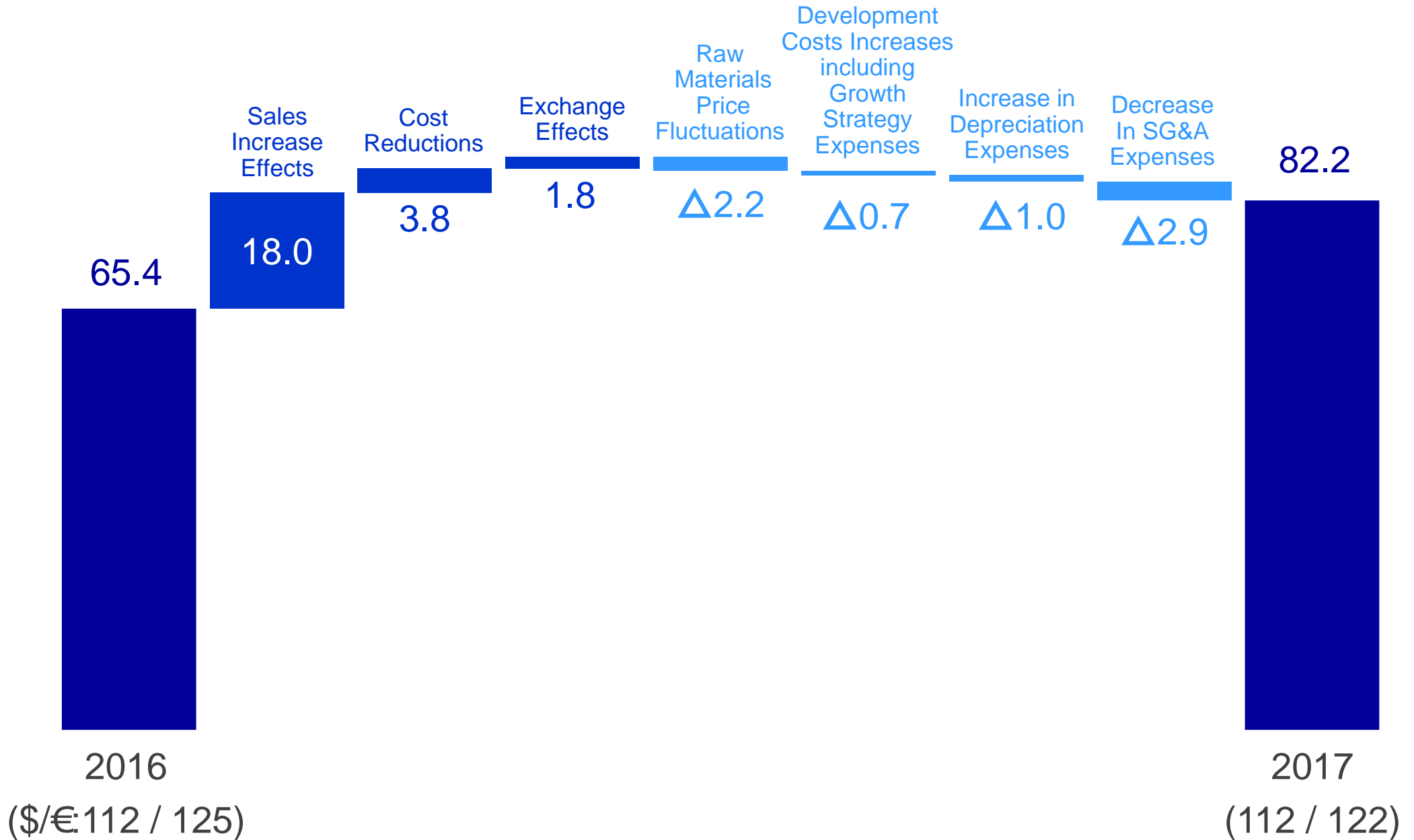
## Operating Income



\* Other Products: Includes industrial machinery & robot products

# Factors Impacting Operating Income (First Half-Year)

(¥ Bil.)



# Factors Impacting Operating Income (Annual Forecast)

(¥ Bil.)

