

Business Results for Full Fiscal Year ended 31 December 2019



NMAX155

Yamaha Motor Co., Ltd
February 12, 2020
(Ticker symbol: 7272)

Agenda

Business Results for Full Fiscal Year ended 31 December 2019

■ Outline

President, CEO and Representative Director - Yoshihiro Hidaka

■ Details per Business Segment

Director - Tatsumi Okawa

● 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

Business Summary

2019 Summary - Sales unchanged / Operating income down

Land Mobility Business: Decrease in sales and income (increase in sales and income excluding foreign exchange effects)

- Motorcycles in developed markets improved their income due to increased sales in Europe and increased marginal income at headquarters.
- Sales and income of motorcycles in emerging markets declined due to a decrease in sales in Vietnam and Taiwan.

Marine Products Business: Increased sales and decreased income (increase in sales and income excluding foreign exchange effects)

- Improved product mix by increased sales of outboard motors over 200 hp.

Robotics Business: Increased sales, and decreased income

- Market conditions worsened. Sales increased due to M&A's. Structural reforms after M&A's are progressing as planned.

Growth Strategies: Progressing on schedule

- Long-Term Vision Progress: CASE support, new mobility development, and active investment through investment funds.
- Robotics Business: Business integration through M&A's aimed at expanding solution areas.

Business Results: 2019

Net Sales: Equivalent to the previous fiscal year. Increased income for Marine Products Business and Financial Services Business.

Operating Income: Income decreased due to decreased sales in the motorcycle business in emerging markets and robotics business, and increased growth strategy expenses.

(¥ Bil.)	2018 Results	2019 Results	Vs. Previous Year
Net Sales	1,673.1	1,664.8	99%
Operating Income	140.8	115.4	82%
Operating Income Ratio	8.4%	6.9%	-1.5pts.
Ordinary Income	138.0	119.5	87%
Net Income *	93.4	75.7	81%
(\$/€:)	110 / 130	109 / 122	-
(\$/IDR/BR\$)	14,476 / 3.7	14,087 / 3.9	-

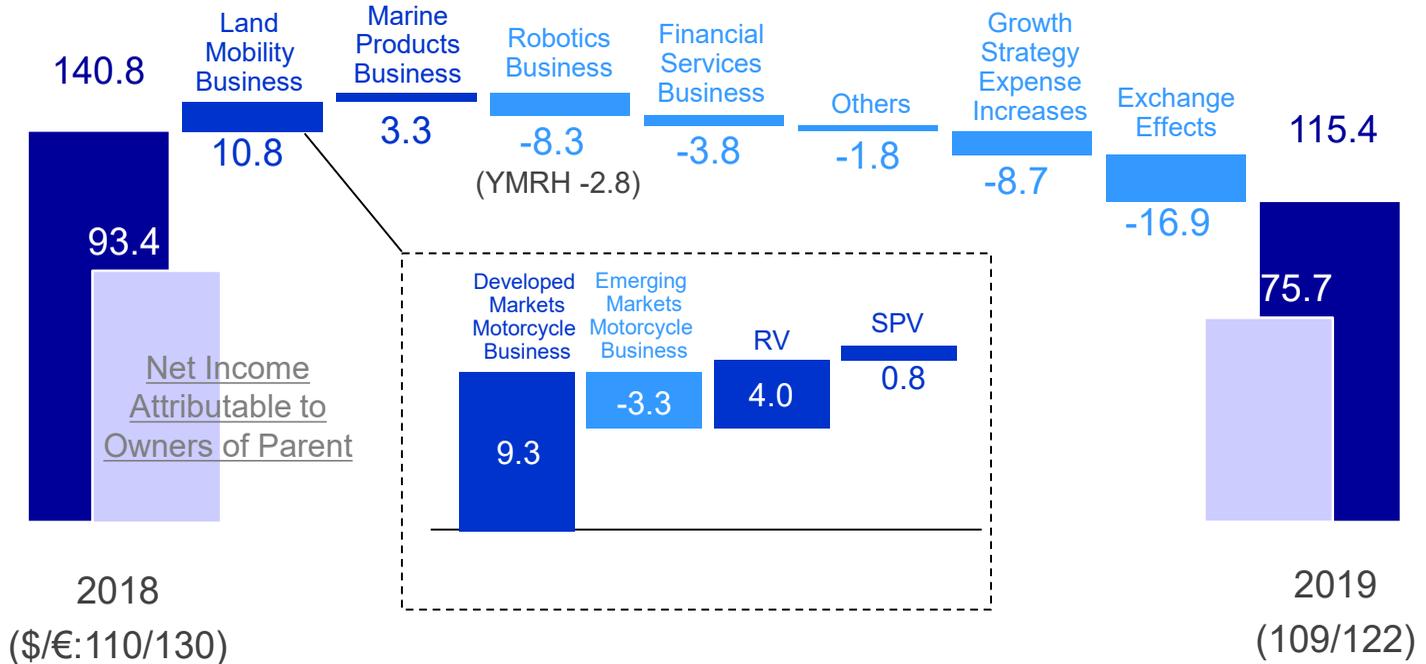
* Net Income Attributable to Owners of Parent

2019 Factors Impacting Operating Income

Significant income improvements for the motorcycle business in developed markets.
Income declined in the robotics business.

Income was in line with the previous year excluding growth strategy expenses and foreign exchange effects.

(¥ Bil.)



2020 Annual Forecast

Net Sales: Income increased mainly in the motorcycle and robotics businesses.

Operating Income: Aims to increase income by focusing on recovering profitability of existing businesses.

(¥ Bil.)	2019 Results	2020 Forecast	Vs. Previous Year
Net Sales	1,664.8	1,760.0	106%
Operating Income	115.4	123.0	107%
Operating Income Ratio	6.9%	7.0%	+0.1 pts.
Ordinary Income	119.5	128.0	107%
Net Income *	75.7	80.0	106%
(\$/€:)	109 / 122	108 / 120	-
(\$/IDR/BR\$)	14,087 / 3.9	13,700 / 4.1	-

* Net Income Attributable to Owners of Parent

2020 Market Conditions and Company Response

Market situation- Overall not optimistic.

Developed Markets Motorcycle Business:

Expected to be equivalent to the previous fiscal year

Emerging Markets Motorcycle Business:

Overall growth cannot be expected. India is still unclear. The Philippines watches volcanic risk.

Marine Products Business:

Large outboard motors are performing well, but medium and small size models are expected to continue decreasing.

Robotics Business:

Although the market is recovering, there may be some risk of coronavirus.

Company Response

- Sale's recovery in motorcycle business and Robotics business.

- Aim to increase sales and income by ensuring cost controls.

Developed Markets Motorcycle Business:

Sequential launches of EU5 models.

Emerging Markets Motorcycle Business:

Vietnam sales are in recovery. BS6 compatible models are being introduced into India.

Marine Products Business:

Increased sales of large outboard motors.

Robotics Business:

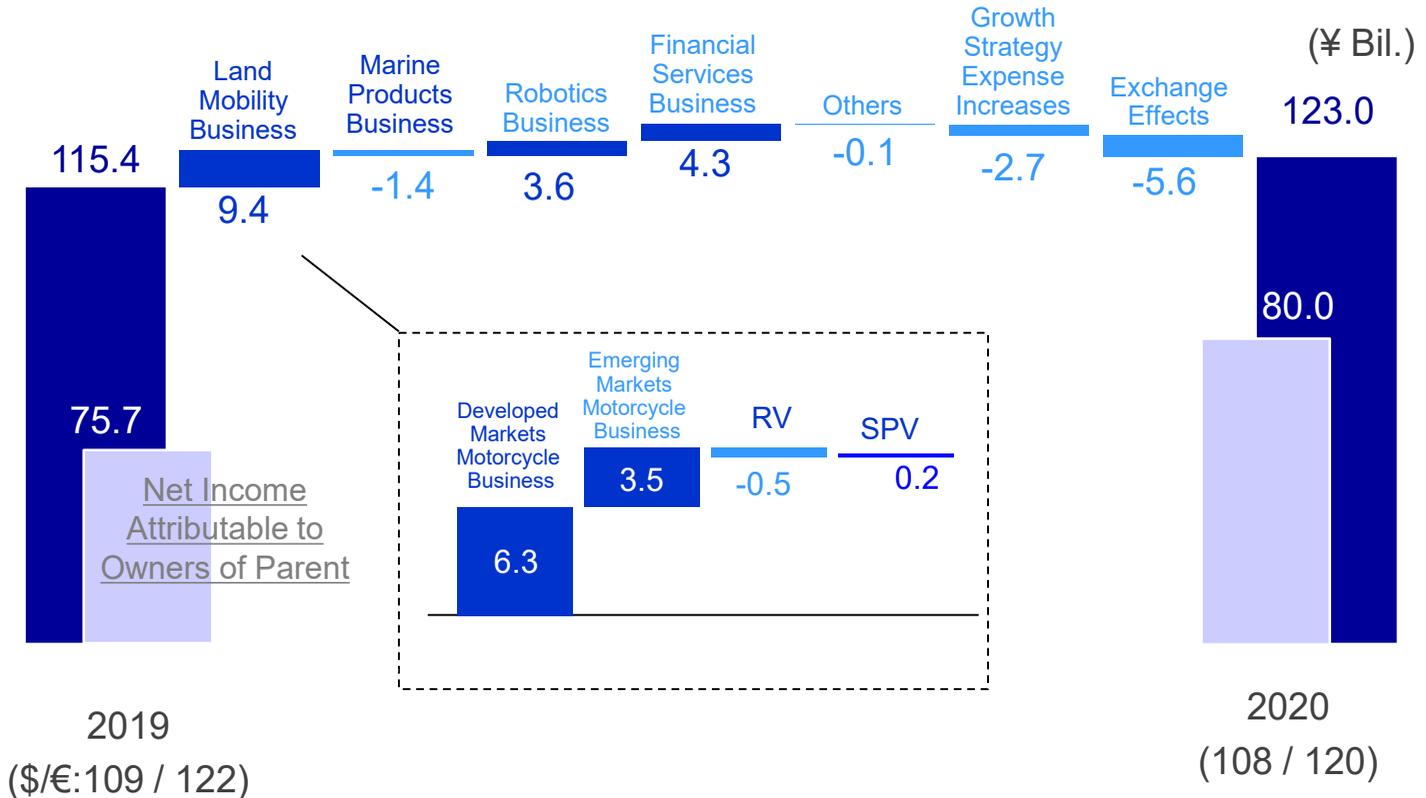
Aiming to secure orders by launching new products.

Growth Strategy Expenses:

Controlling total amounts while prioritizing.

Factors Impacting Operating Income (Annual Forecast)

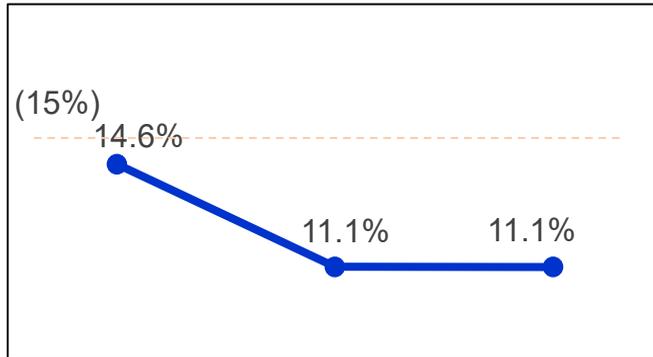
Increased income in the Motorcycle, Robotics, and Financial Services Businesses.
Income increased even though increased growth strategy expenses and exchange rate impact were absorbed.



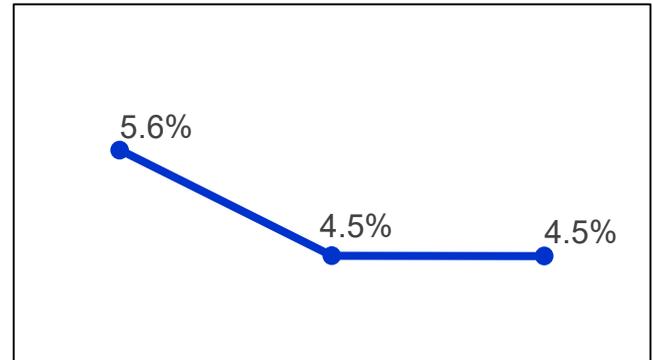
Key Financial Indicators

2020: Increasing the asset efficiency of existing businesses as Financial Services Business expands.

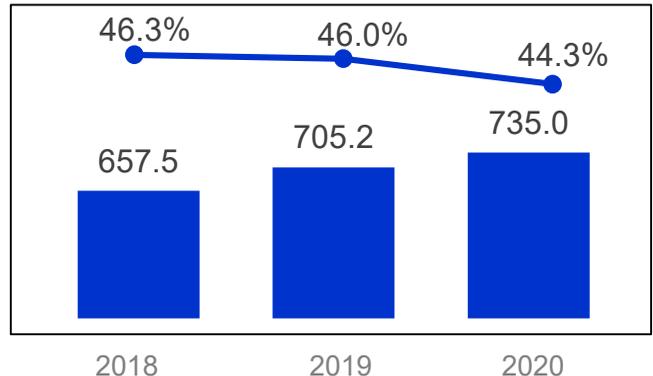
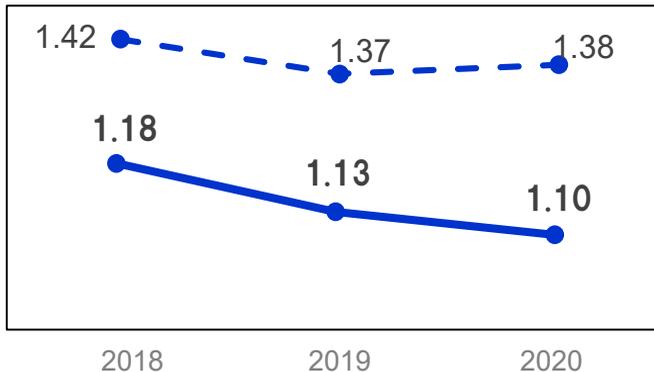
ROE



Net Income Ratio

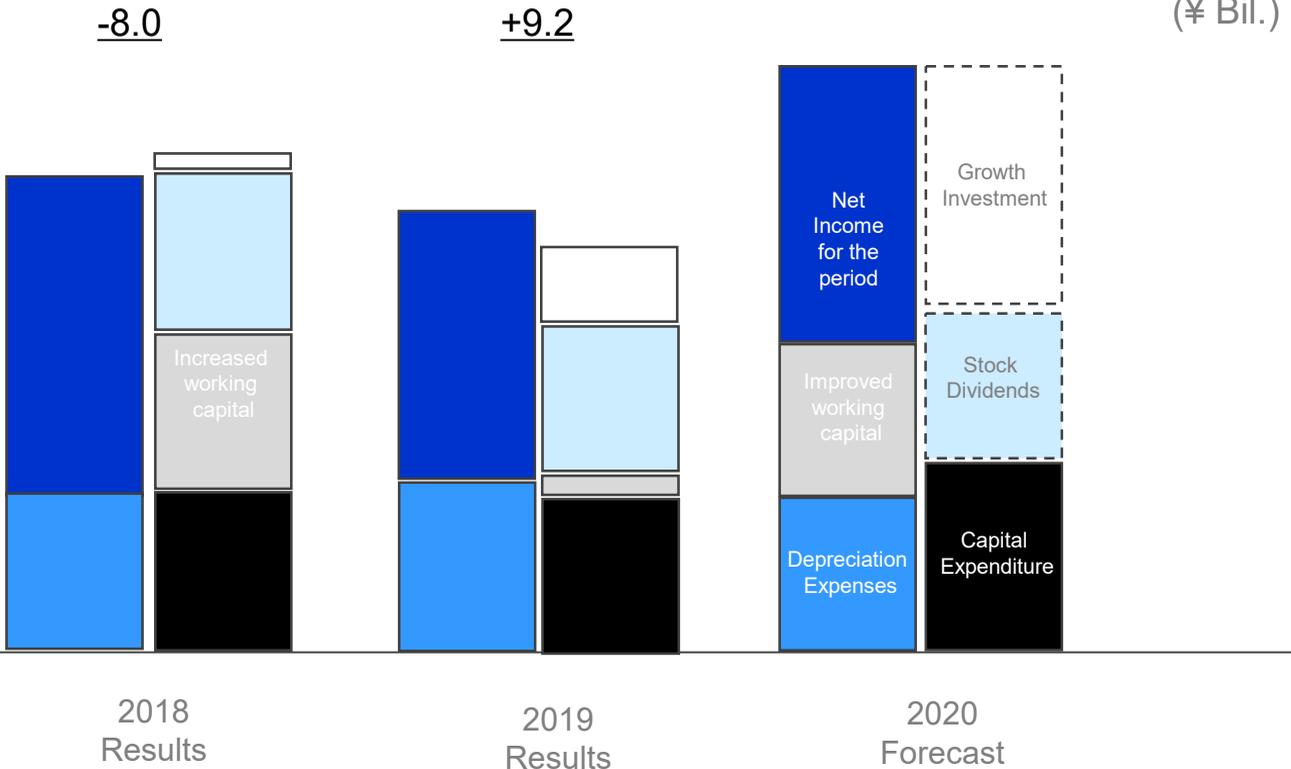


Total Assets Turnover (Dotted Line: Excludes Sales Finance) Equity (¥ Bil.), Equity Ratio



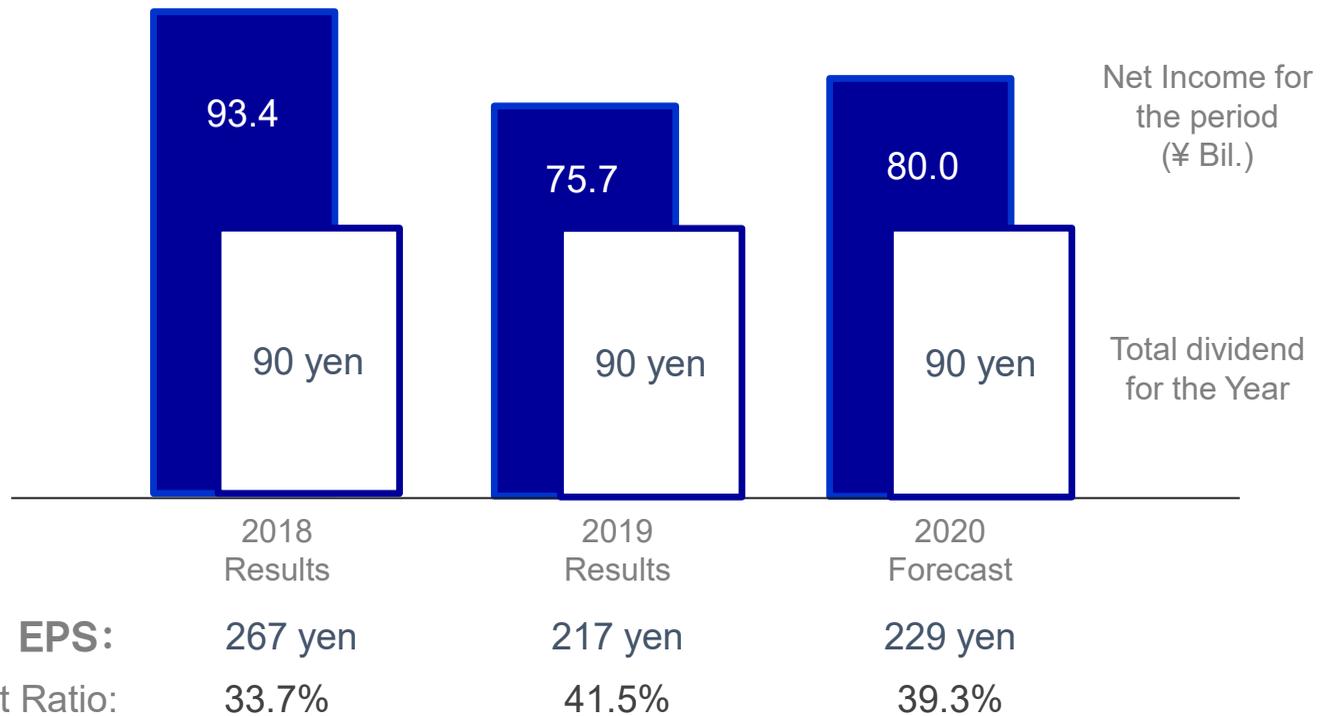
Cash Flow (excluding Sales Finance)

Improving earning ability and working capital for growth investment and shareholder returns.



Stock Dividends

Continuing to pay out a 90-yen dividend.



Medium-to-Long Term Measures: ART for Human Possibilities Activities Report

Aiming to expand the business in a range of solution proposals.

Full-scale entry into the forest
surveying business with industrial
unmanned helicopters



Aiming to enter the collaborative robot field
by being affiliated with Tokyo Robotics



Image courtesy of Tokyo Robotics

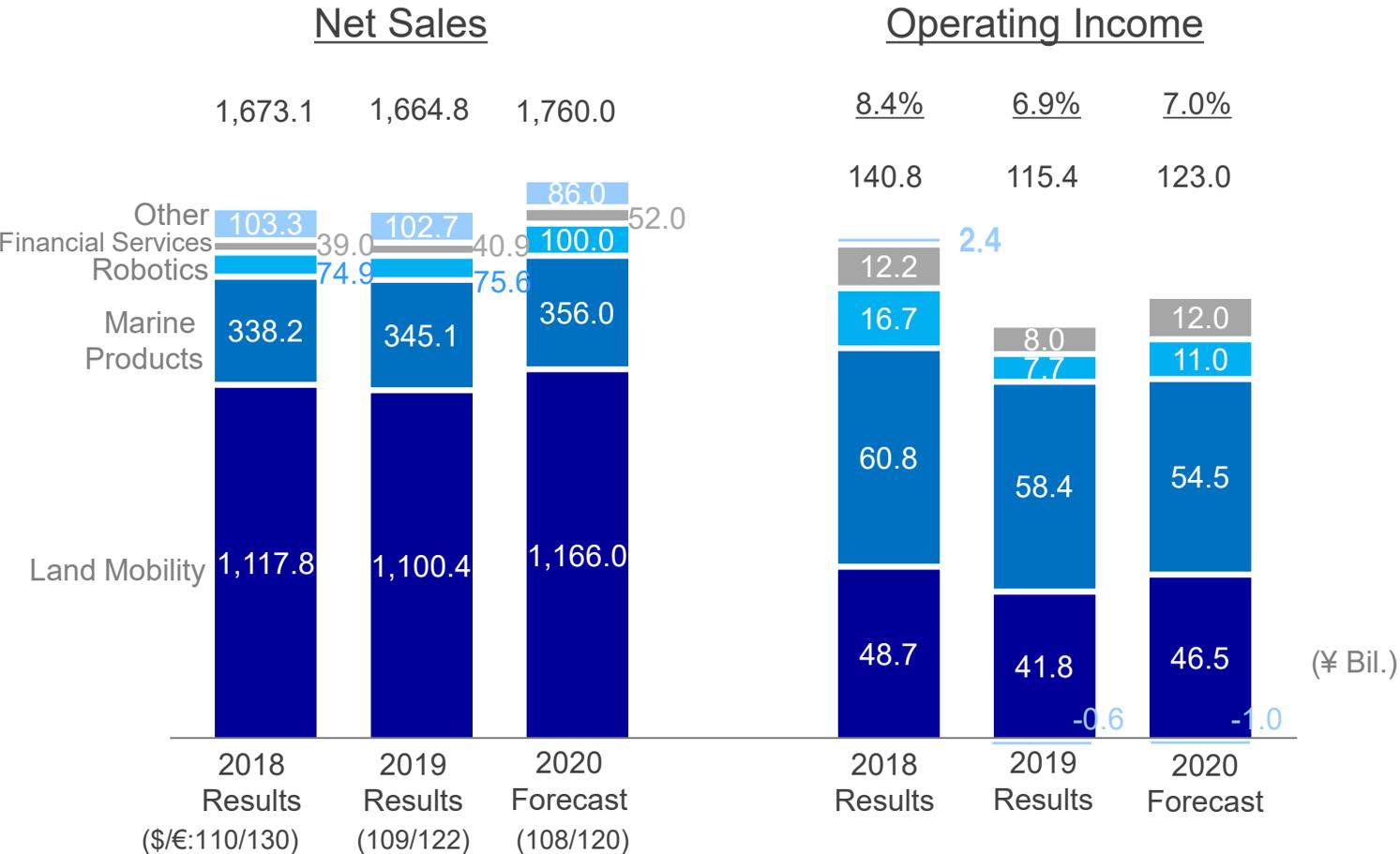


Medium-to-Long Term Measures: ART for Human Possibilities Progress Report

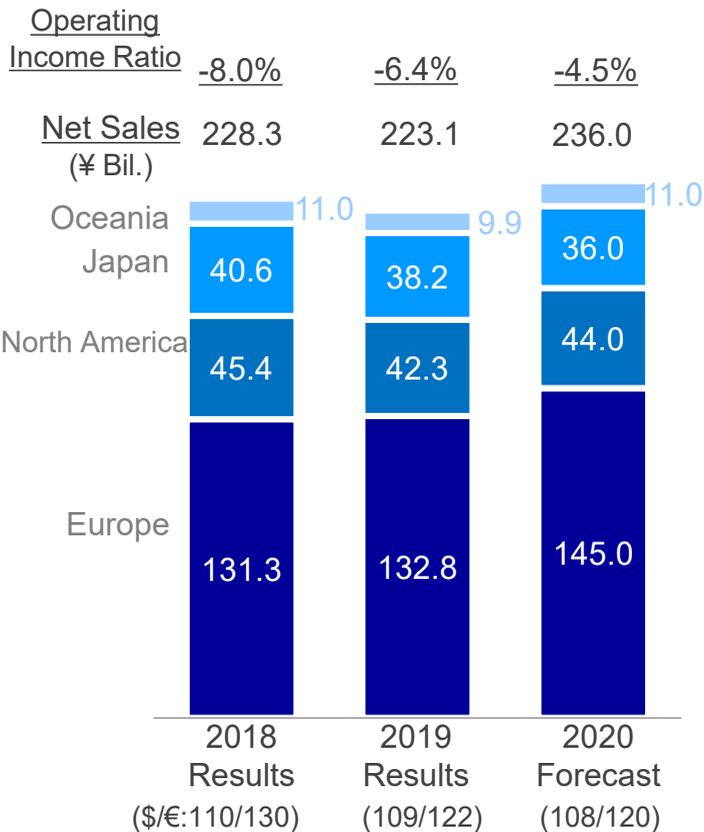
		Executed Projects	Prospects Headed for Commercialization
CASE	MaaS/ Autonomous Driving	<ul style="list-style-type: none"> •Low-speed autonomous driving demonstrations (Wajima City, Iwata City, Unnan City) 	Aiming to commercialize in 2021
	Autonomous Driving	<ul style="list-style-type: none"> •Investments in AI computing company DMP and in autonomous driving technology developer Tier IV •Joint development with Sony: Start of entertainment vehicle SC-1 service (Okinawa) 	<ul style="list-style-type: none"> •Under considering a business in and inexperienced field by acquisition of core technologies •Under progressing commercialization in the entertainment area
	EV	<ul style="list-style-type: none"> •Announcement of participation in electric motorcycle battery consortium •Launch of battery-swapping electric scooter in Taiwan •Development of electric motor units for EV's 	<ul style="list-style-type: none"> •Continue to develop optimal products while paying close attention to battery technology innovation and electrification policy of each countries.
	Sharing	<ul style="list-style-type: none"> •Strategic business alliance with Grab - 150 million USD investment 	<ul style="list-style-type: none"> •Promote collaboration and establishing a business model
ART	Transforming Mobility	<ul style="list-style-type: none"> •Evaluation trials begin of the small standing mobility 「TRITOWN」 •4th LMW-TRICITY300 announced •YAMAHA MW-VISION announced at the Tokyo Motor Show 	<ul style="list-style-type: none"> •Expanding LMW lineup •Accelerating R&D and promoting commercialization
	Advancing Robotics	<ul style="list-style-type: none"> •Business integration with Shinkawa and Apic Yamada - 10-billion-yen investment •Investment in Tokyo Robotics 	<ul style="list-style-type: none"> •Advancing the pace of YMRH's PMI, and implementing structural reforms
	Rethinking Solution	<ul style="list-style-type: none"> •Beginning trial of agricultural UGVs (Unmanned Ground Vehicles) •Land Link Concept announced at the Tokyo Motor Show 	<ul style="list-style-type: none"> •Consideration into business through collaboration with startups

Details per Business Segment

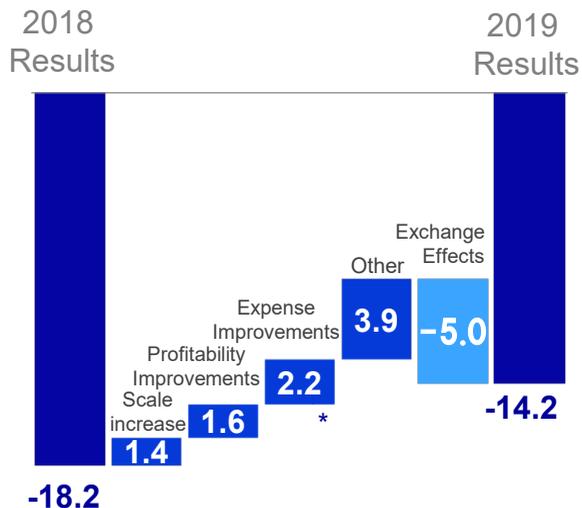
Details of Net Sales and Operating Income



Sales increase of European production models. Improved operation rate at the headquarter factory also.



Breakdown of Income Improvements
2019 Results Compared with Previous Year

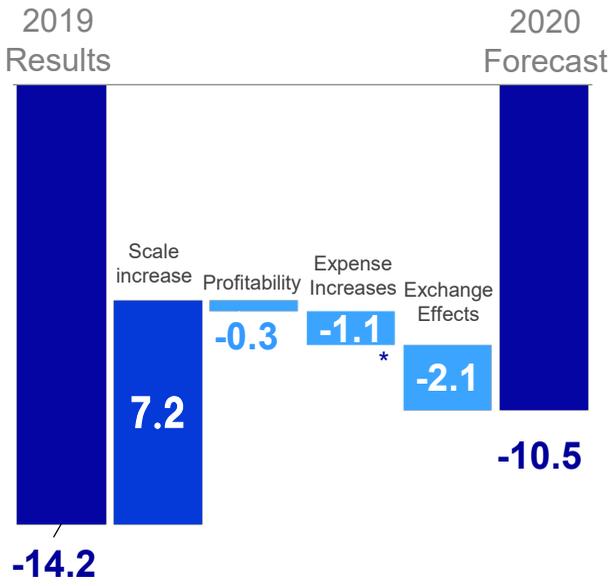


*Includes increased growth strategy expenses of -0.7 17

Developed Markets Motorcycle Business

Income further improved due to increased sales of new European regulatory models.

Breakdown of Income Improvements 2020 Forecast Compared with Previous Year



*Includes increased growth strategy expenses of -0.6

New 2020 Models



T-MAX

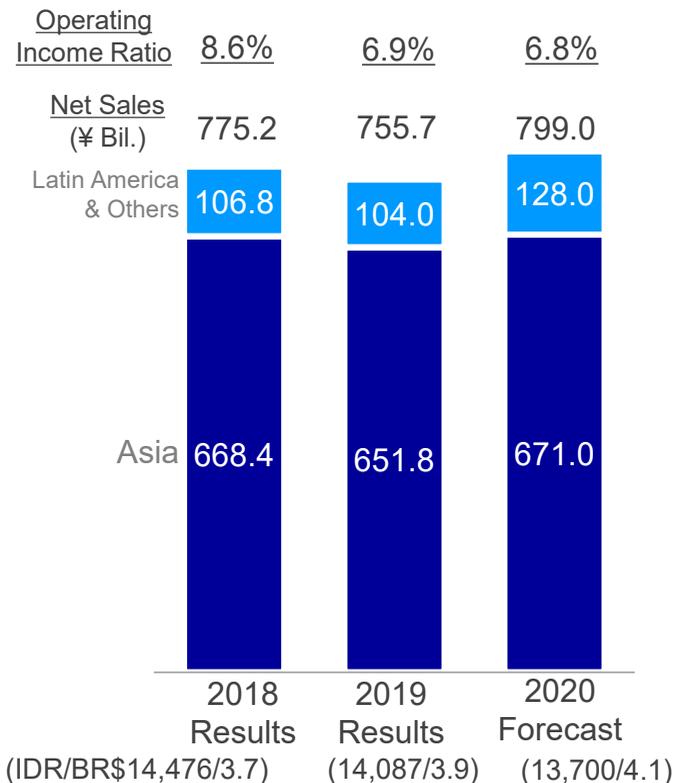


Tracer 700

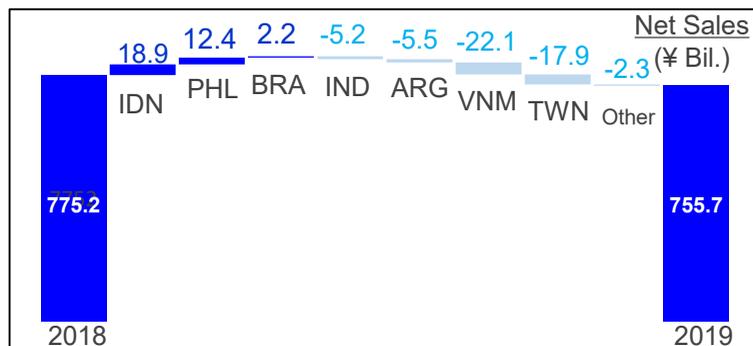
Emerging Markets Motorcycle Business

2019: Increased sales in Indonesia's high price range. Favorable sales continue in the Philippines.

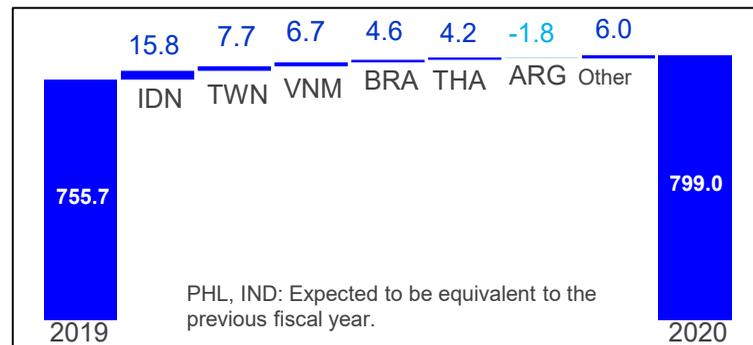
2020: Toward a Taiwan / Vietnam counterattack. Expect impact from a drop in Indian total demand.



Net Sales Variations in Key Markets
2019 Results Compared with Previous Year



2020 Forecast Compared with Previous Year



Recreational Vehicle Business and Smart Power Vehicle Business

Recreational Vehicle Business

ATV sales in North America continue to increase.

Operating Income Ratio -7.4% -3.3% -4.3%

Net Sales
(¥ Bil.)



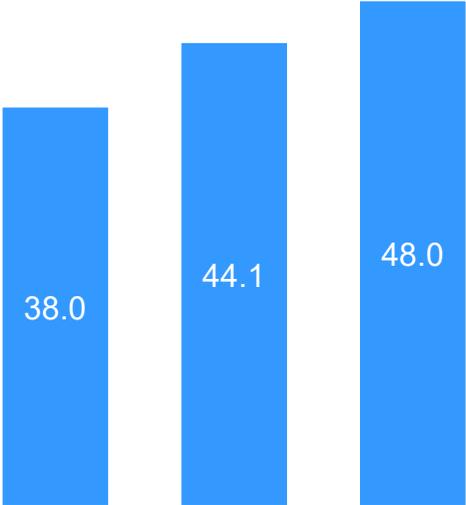
2018 Results (\$/€: 110/130)
2019 Results (109/122)
2020 Forecast (108/120)

Smart Power Vehicle Business

E-kits for Europe and domestic sales increased.

Operating Income Ratio 15.3% 14.6% 13.6%

Net Sales
(¥ Bil.)



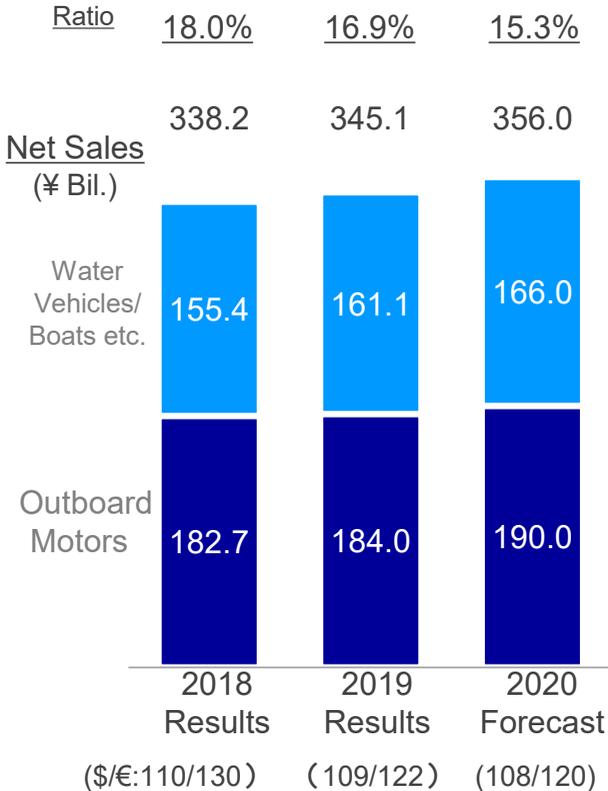
2018 Results
2019 Results
2020 Forecast

Marine Products Business

2019: Sales of 200 hp and over outboard motors, water vehicle and sports boats increased.

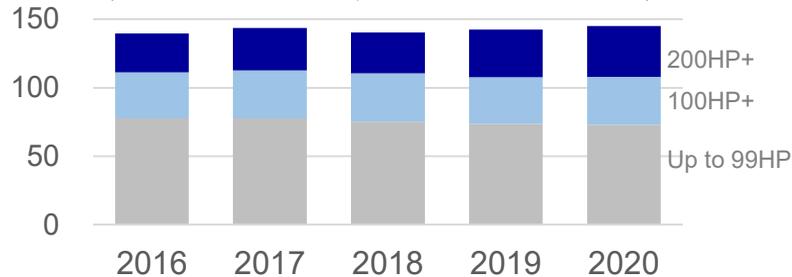
2020: Expected reduction in headquarters outboard motor production, and increase the number of North American control system developers

Operating Income

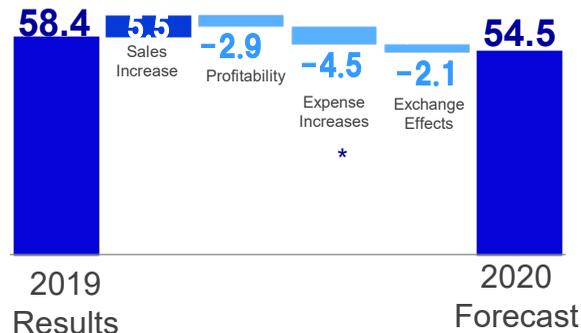


Outboard Motors - Sales Status

(North American and European markets: Thousand units)



Breakdown of Income Improvements 2020 Forecast Compared with Previous Year

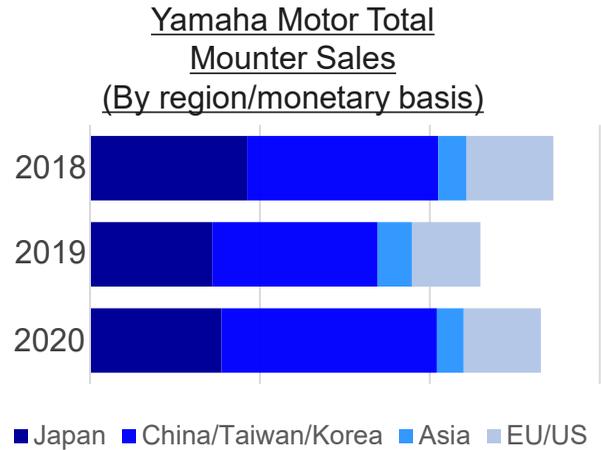
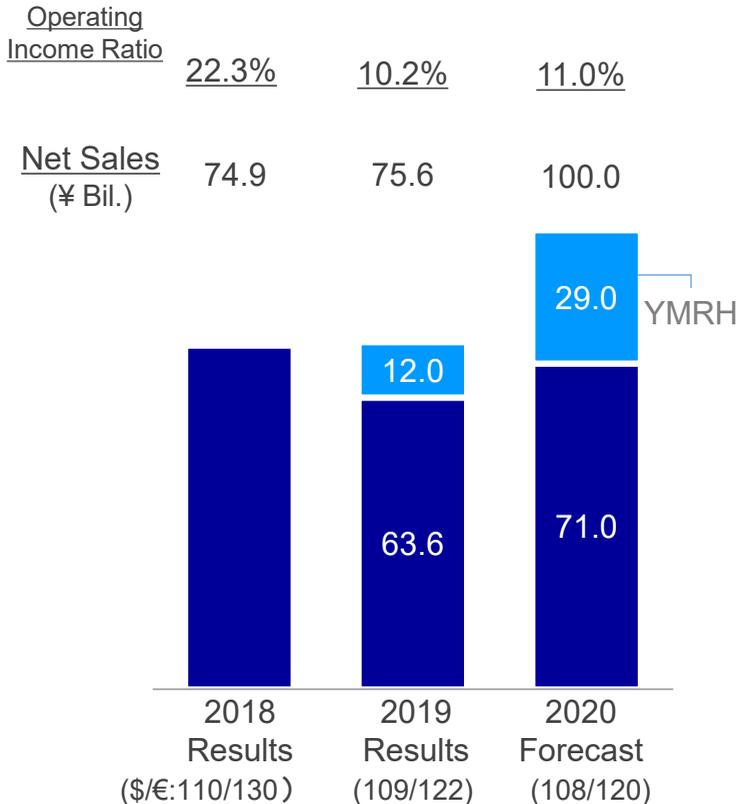


*Includes increased growth strategy expenses of -0.5 21

Robotics Business

2020: Secure demand recovery and aim to increase sales by launching new models and synergy with YMRH.

Accelerate profitability by making YMRH a 100% owned subsidiary through TOB.

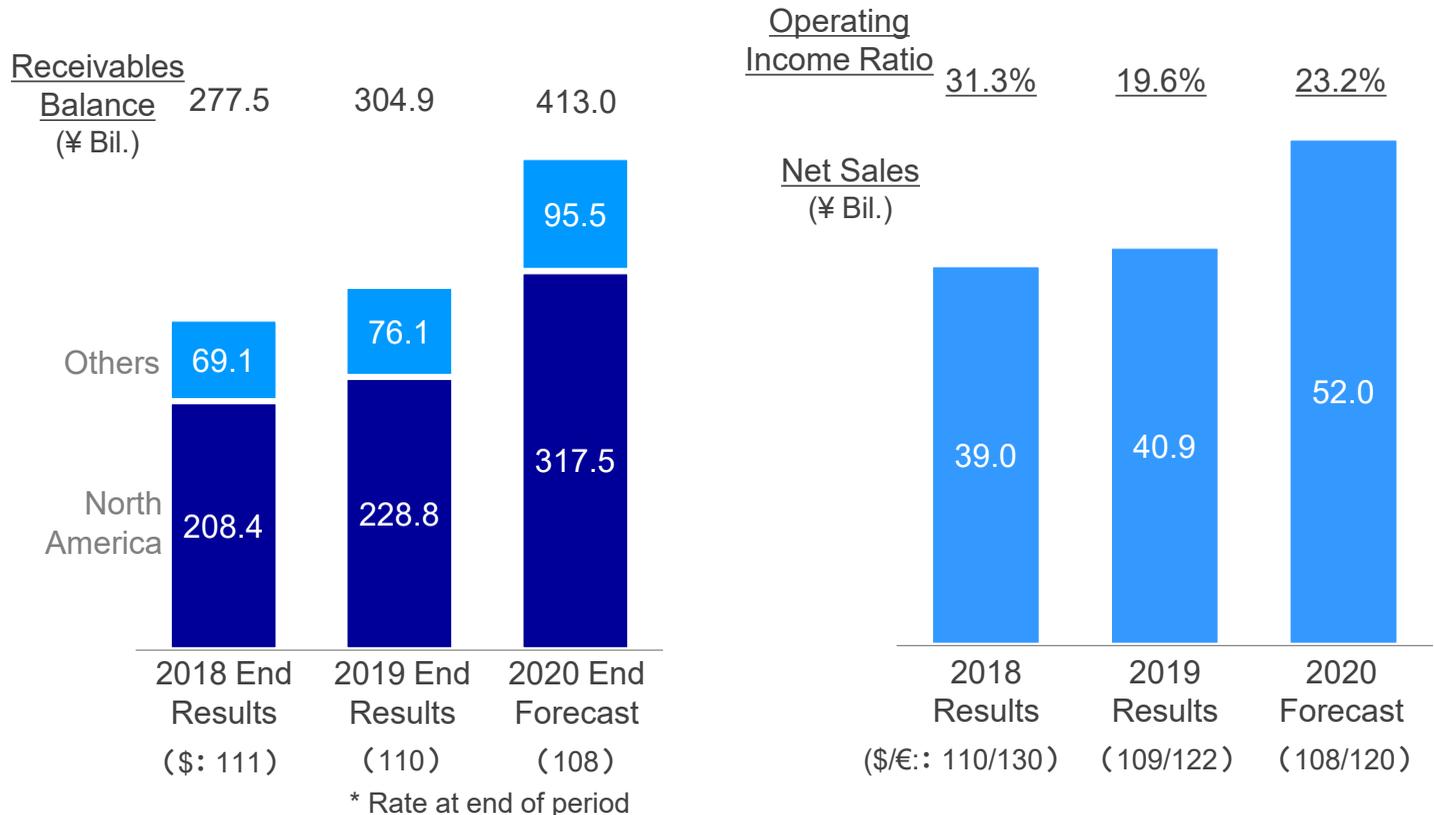


YMRH 2019 July- December: Results

Net Sales: 12.0 Billion yen
Operating Income: -2.8 Billion yen

Financial Services Business

Steady growth of business. Expanding customer base and geography to provide even better services.





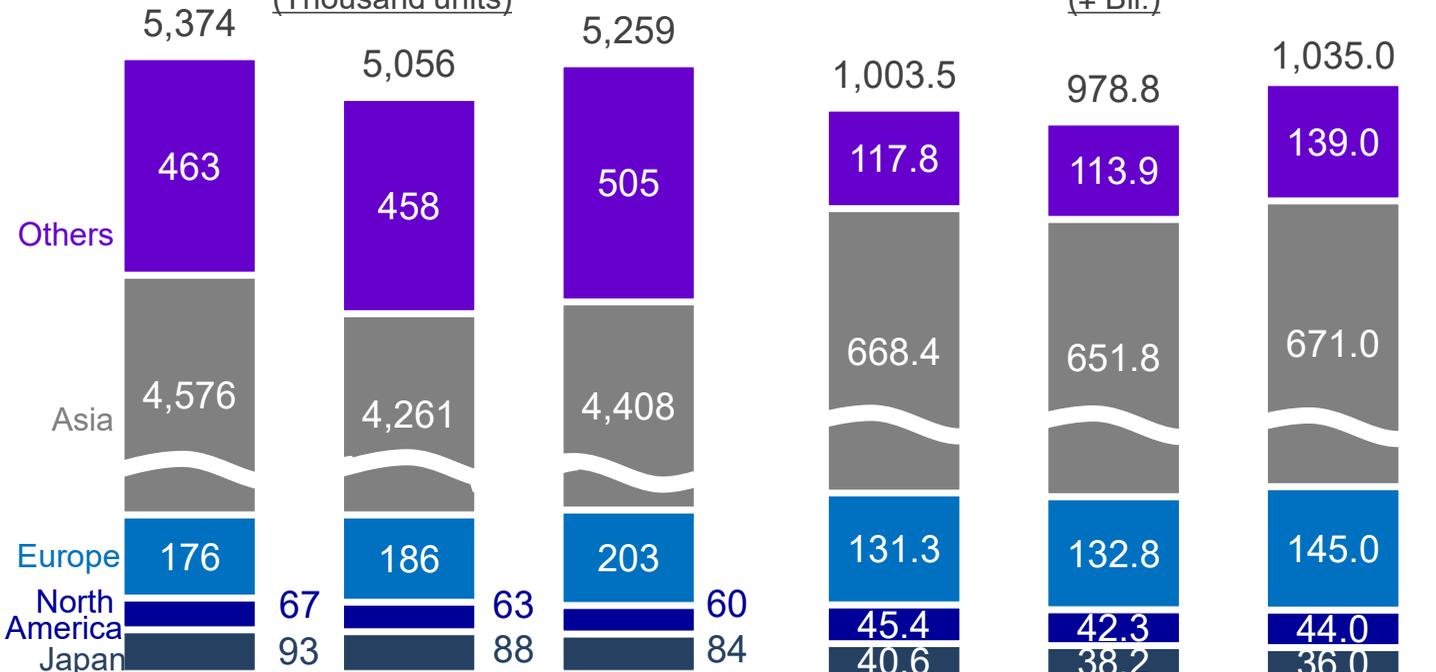
YAMAHA

Revs Your Heart

Motorcycle Sales Units/Net Sales

Unit Sales
(Thousand units)

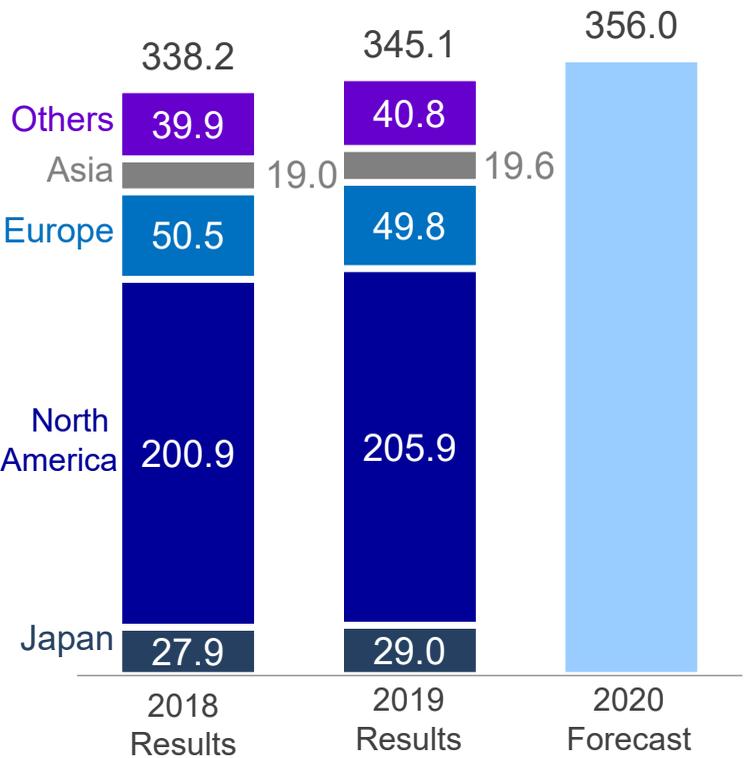
Net Sales
(¥ Bil.)



(\$/€) (110/130) (109/122) (108/120)

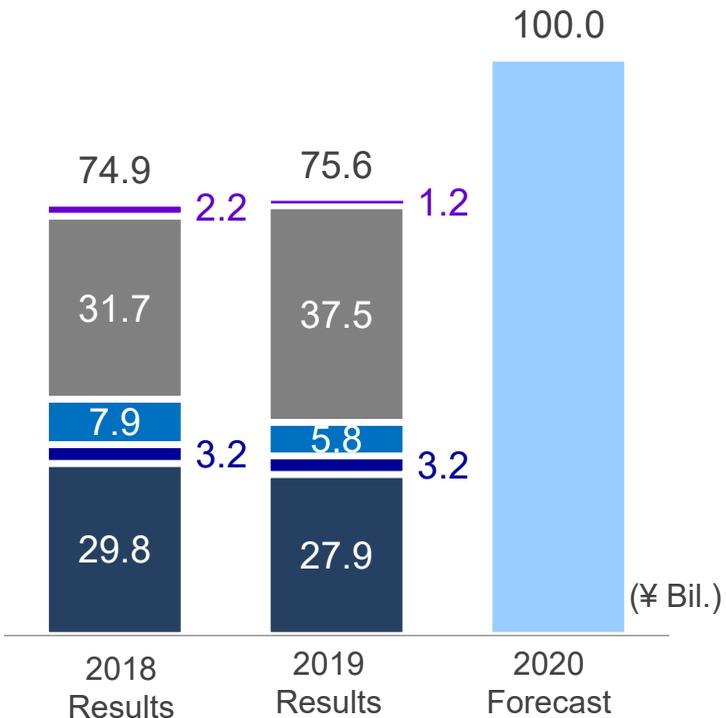
Net Sales of Marine Products and Robotics Businesses

Marine Products Business



(\$/€) (110/130) (109/122) (108/120)

Robotics Business



(¥ Bil.)

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

(¥ Bil.)

	2018	2019
Capital Expenditure	48.3	58.1
Depreciation and Amortization Expenses	46.4	49.7
Research and Development Expenses Including Growth Strategy Expenses	114.7	122.6
Interest-bearing Debt	356.7	365.0

Effects of Foreign Exchange (Compared to Previous Year)

(¥ Bil)	2019 Results (Annual)				2020 Forecast (Annual)			
	US\$	EURO	Other	Total	US\$	EURO	Other	Total
Foreign Exchange Effects on HQ Imports and Exports	-2.0	-5.4	-1.9	-9.2	-1.8	-2.0	0	-3.8
Foreign Exchange Effects on Purchases (Overseas Subsidiaries)	0	0	-5.7	-5.7	0	0	-0.1	-0.1
Conversion Effects on Gross Income (Overseas Subsidiaries)	-0.8	-2.9	-5.2	-8.9	-1.1	-1.5	-4.0	-6.6
Conversion Effects on SG&A Expenses (Overseas Subsidiaries)	0.7	2.2	3.9	6.9	0.7	1.0	3.2	5.0
Foreign Exchange Effects on Operating Income	-2.0	-6.0	-8.9	-16.9	-2.1	-2.5	-1.0	-5.6

Foreign Exchange Sensitivity

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

US\$ 1.6 ¥ Bil
EURO 0.6 ¥ Bil

US\$ 1.6 ¥ Bil
EURO 0.7 ¥ Bil



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