

Business Results for the Full Fiscal Year Ended December 31, 2020



TRACER9 ABS GT

Yamaha Motor Co., Ltd.
February 12, 2021
(Ticker symbol: 7272)

Agenda

Business Results for the Full Fiscal Year Ended December 31, 2020

- Outline
Yoshihiro Hidaka President, CEO and Representative Director
- Details by Business Segment
Tatsumi Okawa Director

● Forecast Consolidated Results

The forecast consolidated results stated herein are based on 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

FY2020 – Business Summary

Net Sales 88%, Operating Income 71% (vs previous year)

Minimized the impact from COVID-19 in the world markets

1. Expense and inventory reductions follow the drop in sales volume
Demand for personal mobility and outdoor recreation recovery in developed markets provided a tailwind
2. Reductions of inventory and capital investment led to greater free cash flow
3. Balance sheet to switch from “Crisis” to “Normal” mode

FY2020 – Business Results

(¥ Bil.)	2019 Results	2020 Results	Vs. Previous Year
Net sales	1,664.8	1,471.3	88%
Operating income	115.4	81.7	71%
Operating income ratio	6.9%	5.6%	-1.4 pts.
Ordinary income	119.5	87.7	73%
Net income*	75.7	53.1	70%
EPS (JPY)	216.83	151.89	70%
(\$/€:)	109/122	107/122	–
(\$/IDR/BR\$)	14,087/3.9	14,447/5.1	–

*Net income attributable to owners of parent

Unit Sales by Main Products (Results for FY2020)

Sales in each product/region recover from 2nd Half
Inventory shortage

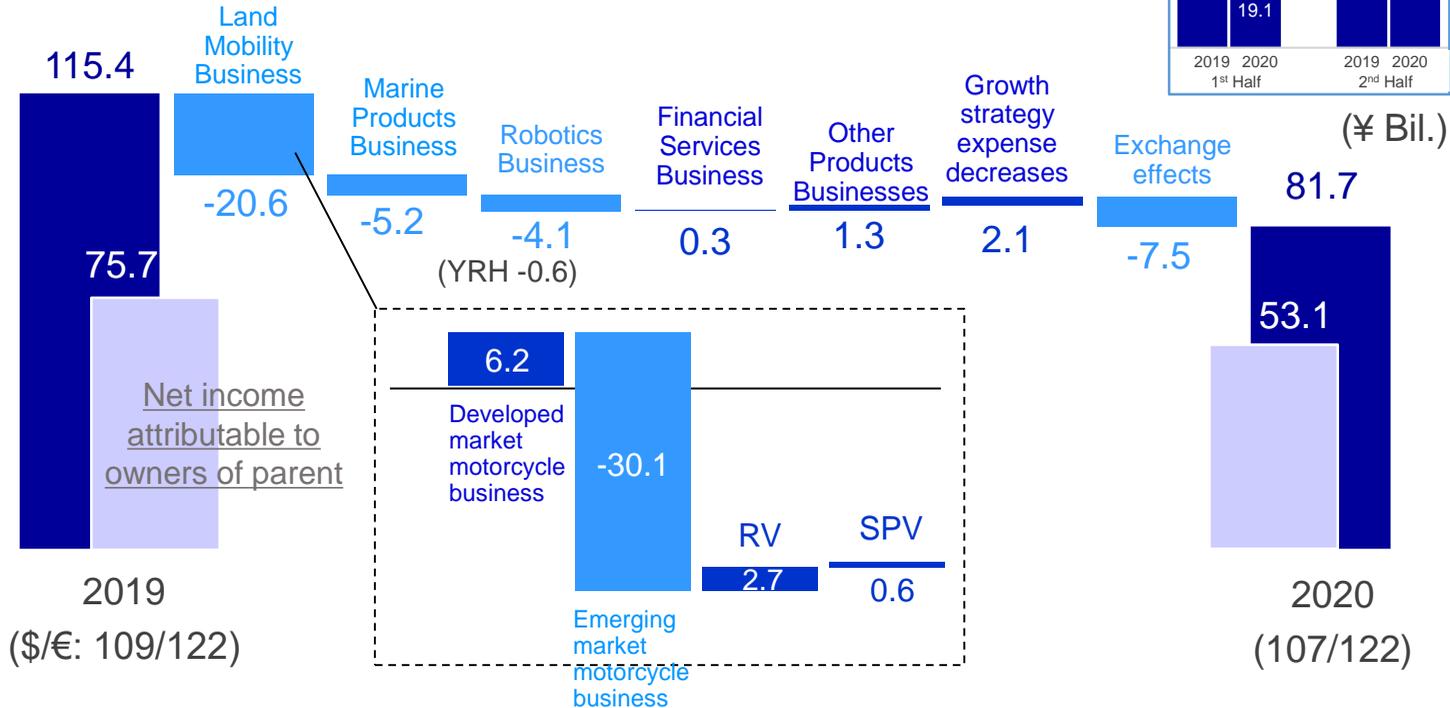
(vs. previous year)

Product / Region		1 st Half	2 nd Half	2020 Results	Inventory *
Motor-cycles	Europe, U.S., Japan	91%	102%	96%	65%
	Indonesia	55%	43%	49%	62%
	Thailand	66%	104%	84%	66%
	Vietnam	86%	93%	90%	89%
	The Philippines	53%	79%	66%	49%
	China	139%	103%	116%	89%
	India	50%	121%	81%	129%
	Brazil	94%	105%	100%	78%
ATVs/ROVs	North America	95%	117%	107%	43%
PAS		96%	110%	103%	—
Outboards	North America, Europe	86%	112%	96%	46%
Surface mounters		105%	139%	122%	—

* Motorcycles and ATVs/ROVs are dealers and Yamaha inventory, outboard motors are Yamaha inventory (Unit base)

FY2020 – Operating Income Factors

After bottoming out in 2Q, our 3Q/4Q results exceeded those of the previous year. Profitability improvements are moving forward in the developed market motorcycle business.



Future Outlook and Policy for FY2021

Net Sales 116%, Operating Income 135% (vs previous year)

- **All business recover**
 - Developed market mobility/Marine Products business:
The rise in demand for personal mobility and outdoor recreation leads to higher sales and continuing to increase production and shipments
 - Emerging market motorcycle business: Sure and steady recovery
 - Robotics business: In addition to China brisk markets, developed markets also move toward gradual recovery
- **Strengthen “Break even point” management and demand chain reform, and company structure by continuing expense, cost and inventory control**
- **Improve earning power to reallocate cash toward growth investments and stock dividends**
- **For new mid-term plan**
 - Accelerate electrification
 - Advance Yamaha Digital Transformation (DX)
 - New work styles reform
 - Strengthen BCP for the supply chain and begin global multisourcing

Annual Forecast for FY2021

Net Sales: All businesses post higher than 2019

Operating Profit: On par with 2019 due to exchange rates and slow recovery in Indonesia.

(¥ Bil.)	2019 Results	2020 Results	2021 Forecast	Vs. Previous Year
Net sales	1,664.8	1,471.3	1,700.0	116%
Operating income	115.4	81.7	110.0	135%
Operating income ratio	6.9%	5.6%	6.5%	+0.9 pts.
Ordinary income	119.5	87.7	110.0	125%
Net income*	75.7	53.1	72.0	136%
EPS (JPY)	216.83	151.89	206.05	136%
(\$/€:)	109/122	107/122	103/126	—
(\$/IDR/BR\$)	14,087/3.9	14,447/5.1	13,900/5.2	—

*Net income attributable to owners of parent 9

Unit Sales by Main Products (2021 Forecast)

Expecting many products/regions to exceed 2019's wholesale figures

Continuing to improve ASEAN sales recovery

(vs. 2019)

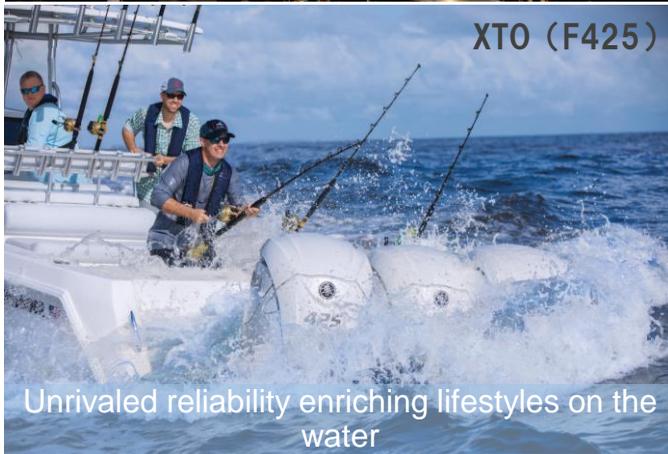
(vs. 2020)

Product / Region		1st Half	2nd Half	Total
Motor-cycles	Europe, U.S., Japan	110%	100%	105%
	Indonesia	60%	90%	75%
	Thailand	90%	85%	90%
	Vietnam	95%	100%	100%
	The Philippines	85%	80%	80%
	China	165%	100%	125%
	India	100%	125%	110%
	Brazil	130%	115%	120%
ATVs/ROVs	North America	165%	115%	140%
PAS		125%	115%	120%
Outboards	North America, Europe	100%	110%	105%
Surface mounters		150%	100%	125%

1st Half	2nd Half	Total
120%	95%	110%
110%	210%	155%
135%	80%	105%
110%	105%	110%
160%	100%	125%
120%	100%	110%
200%	105%	135%
135%	110%	120%
175%	100%	130%
130%	105%	115%
120%	95%	110%
145%	70%	105%

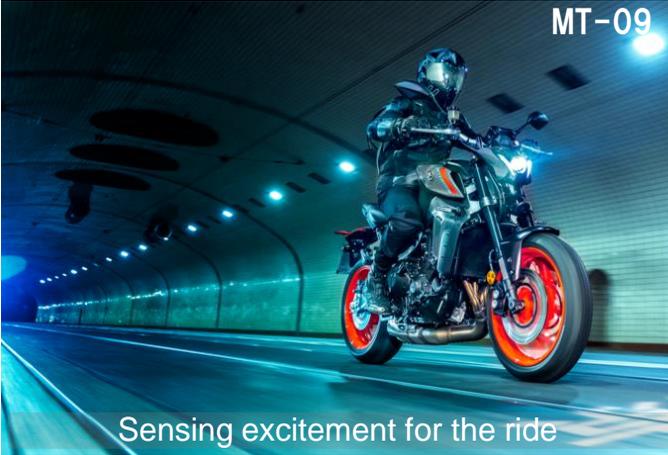
Yamaha Markets During and After COVID-19

U.S: Providing value to outdoor and family recreation



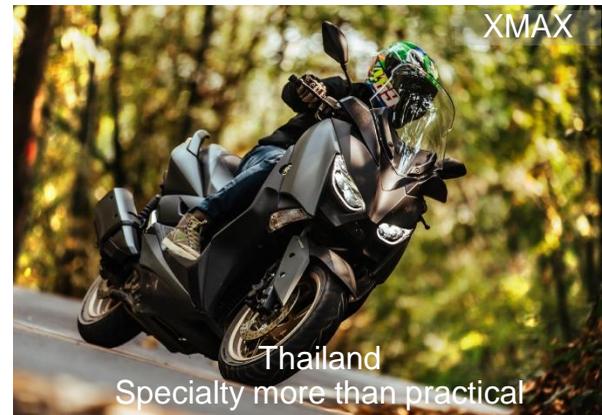
Yamaha Markets During and After COVID-19

Europe/Japan: Providing value for personal mobility



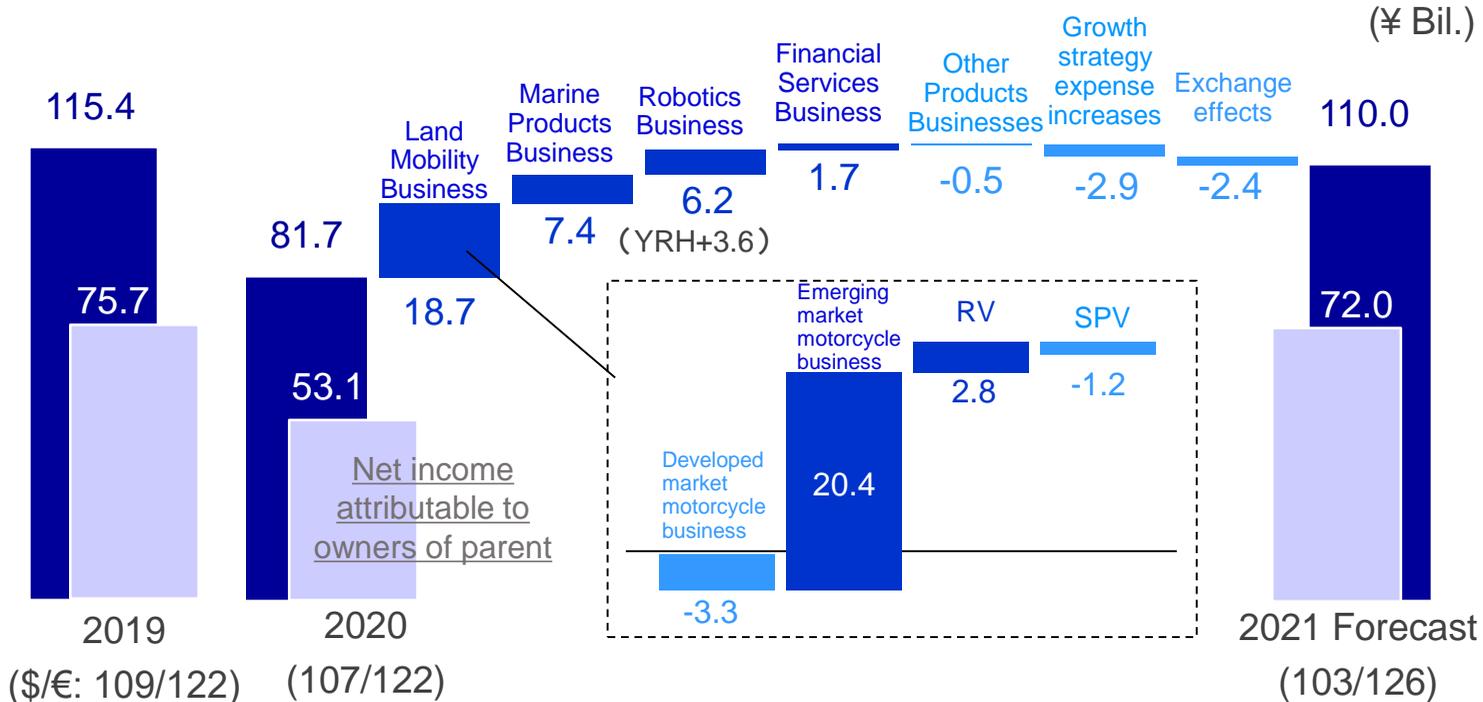
Yamaha Markets During and After COVID-19

Emerging countries: Premium models for upper-middle classes



Operating Income Factors (Annual Forecast)

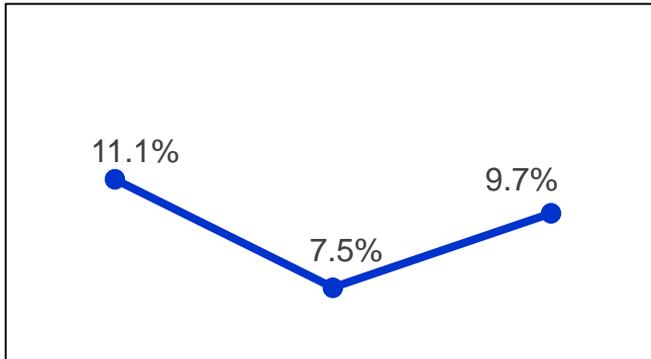
Target profitability on par with 2019 with a focus on improving the emerging market motorcycle business



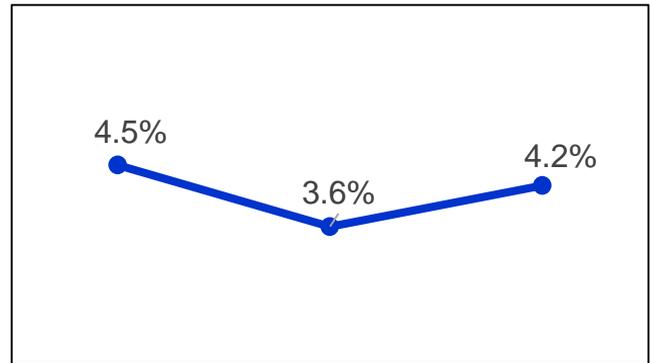
Key Financial Indicators

Get back our earning power and recover our ROE

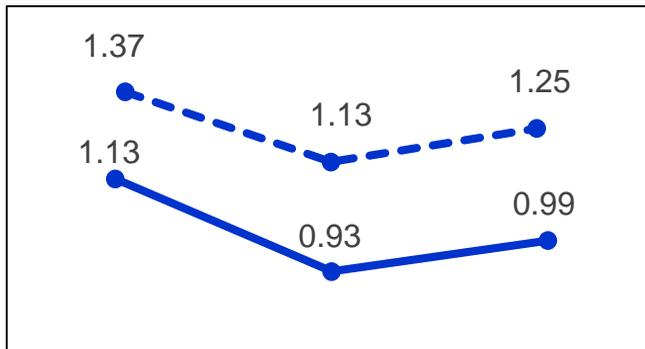
ROE



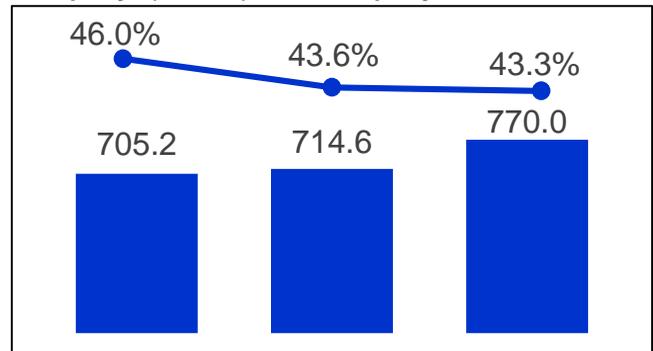
Net Income Ratio



Total Assets Turnover (Dotted line: excluding sales finance)



Equity (¥ Bil.) and Equity Ratio



2019

2020

2021

2019

2020

2021

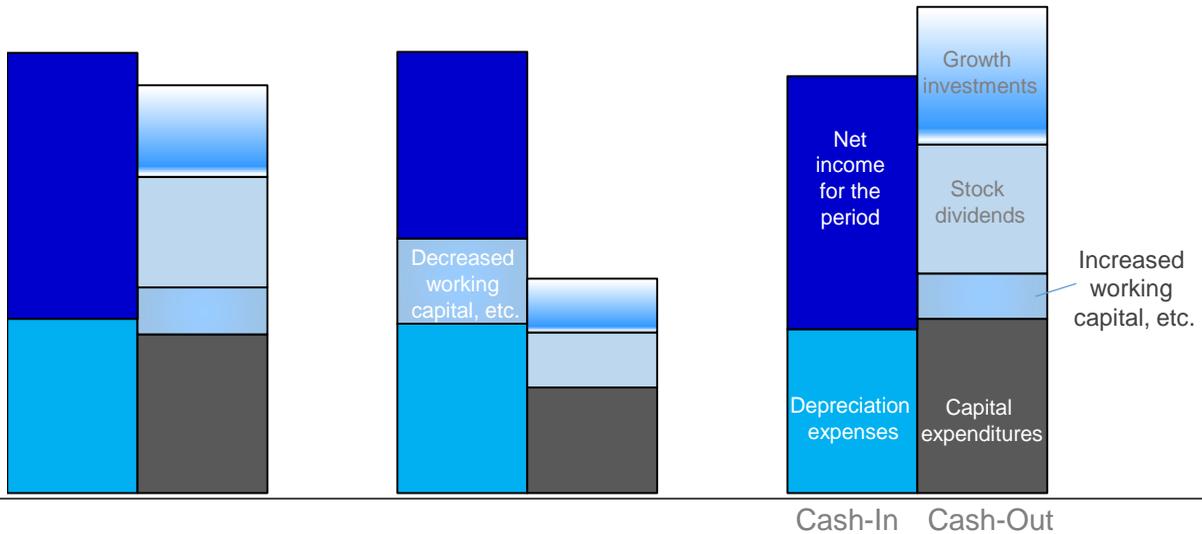
Cash Flow (Excluding Sales Finance)

Improve earning power and reallocate cash toward growth investments and stock dividends.

+9.2

+64.6

(¥ Bil.)



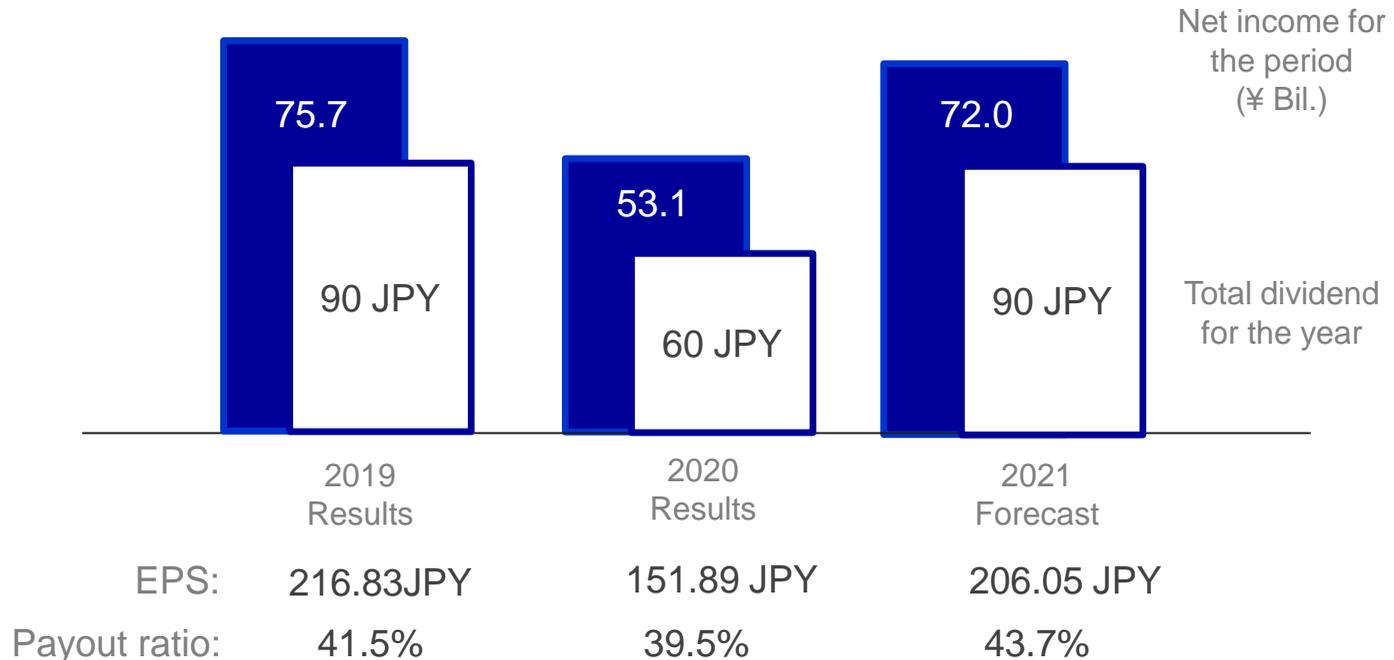
2019
Results

2020
Results

2021
Forecast

Stock Dividends

We will increase annual dividend for 2021 by returning to 90 yen.



Advance Our Digital Transformation (DX)

Marketing Space: Creating new customer value with real and digital

Indonesia

《Y-Connect/My Yamaha》

Expanding service by connecting products, customers, and dealers



India

《E-Commerce》

Providing One-to-One marketing



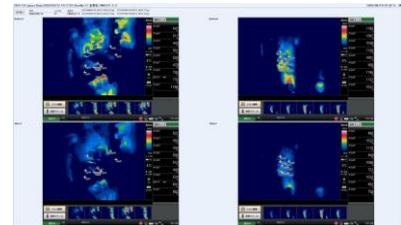
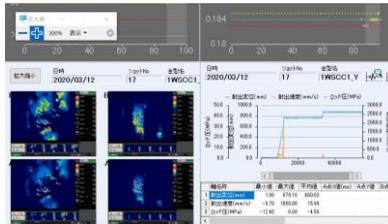
US

《XTO(F425)》

Providing reliability by connecting products and customers



Smart Factories: Improve productivity and flexibility and quality by condition monitoring and AI analysis High value addition of human resources



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

Narrowed down important societal issues and made progress even with the COVID-19 pandemic. Accelerate electrification toward achieving carbon neutrality.

Results in 2020

Advancing × Robotics

- Began new product development leveraging technical synergy with YRH
- Released drone capable of automatic flight
- Collaborated with the collaborative robot

Rethinking × Solution

- Product development in line with system supplier strategy
- Established joint venture company for automated transport solutions
- Promoting agricultural business of labor PoC
- Medical-related new products development

Transforming × Mobility

- New product launches (Connected NMAX, LMWs, e-Bikes)
- EVs (started field trials of next-generation boat control system, electric motor development)
- Increased coordination with MaaS platforms

Social Value That We Create

Environment and
resources

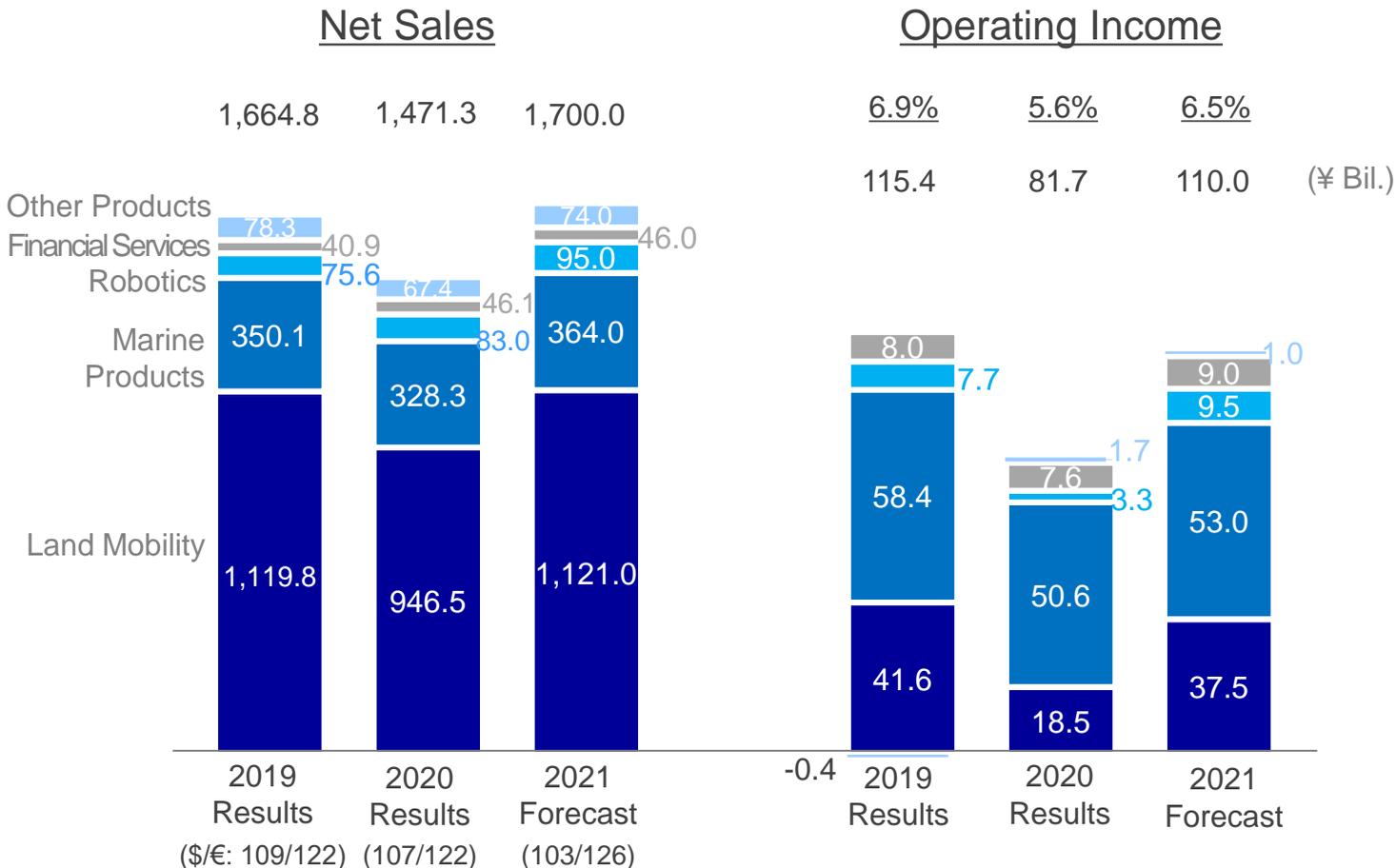
Transportation,
education, and
industry

Innovation

Human capital
management

Details by Business Segment

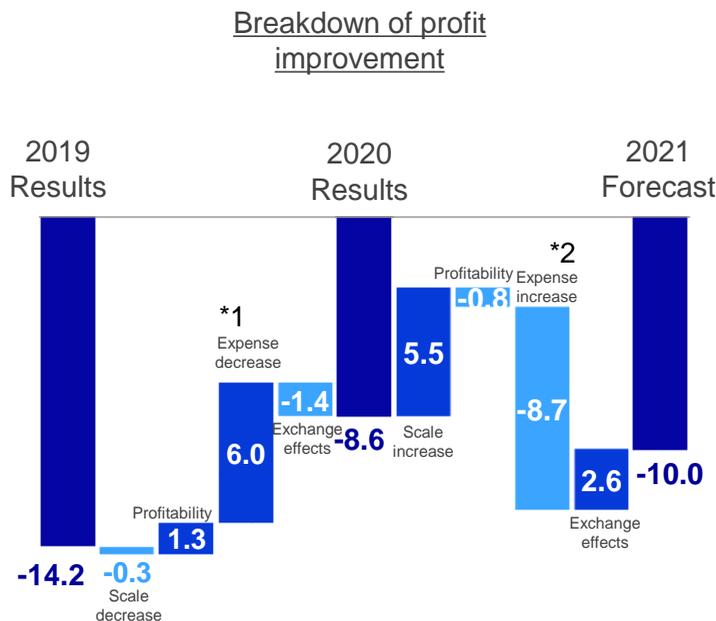
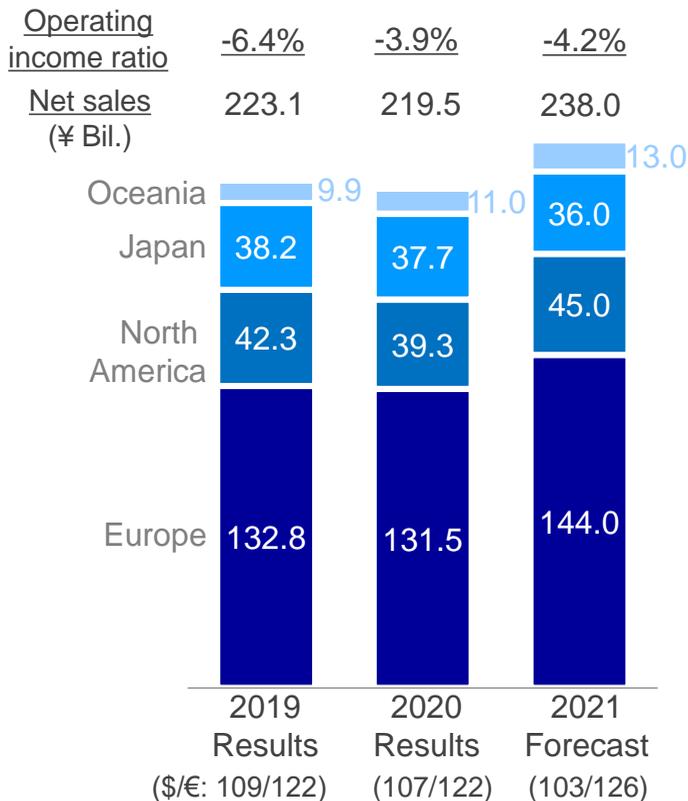
Net Sales and Operating Income by Business



*Figures for 2019 have been rearranged due to the Automotive business formerly being included in "Others" and now being divided and consolidated among the "Land Mobility" and "Marine" segments.

Developed Markets Motorcycle Business

Demand increased and sales were on par with the previous year. Reducing costs led to an improved operating income ratio. We expect sales will continue to grow in 2021 but freight cost will increase.

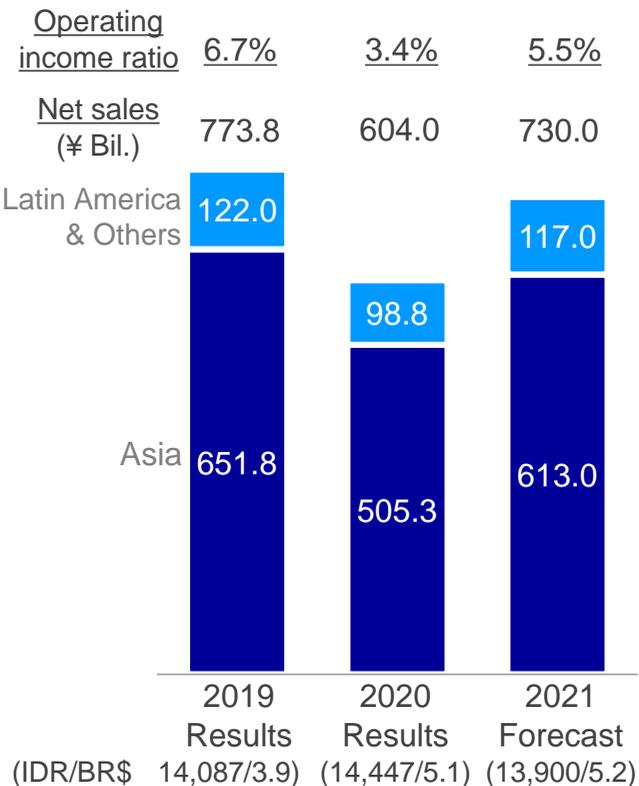


*1: Includes decreased growth strategy expenses of +0.7

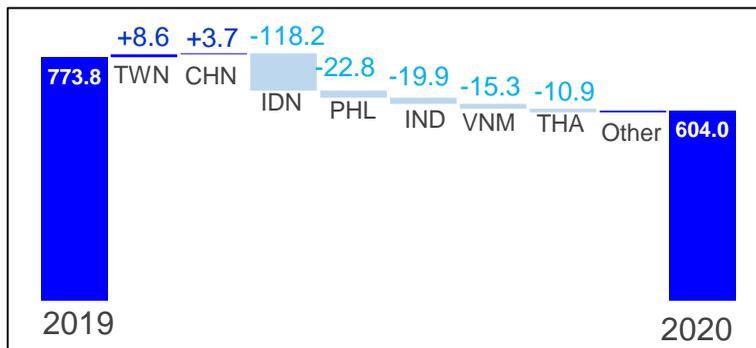
*2: Includes increased growth strategy expenses of -0.6

Emerging Markets Motorcycle Business

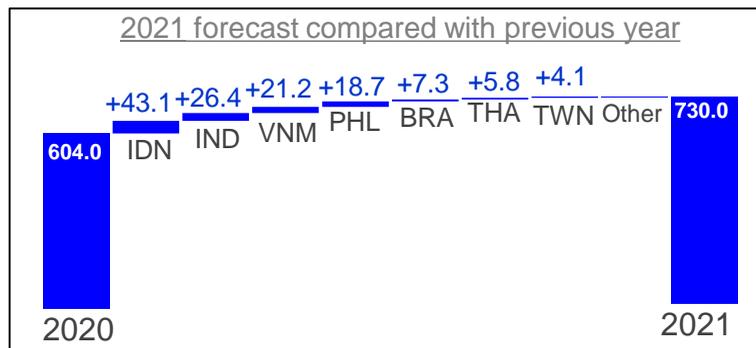
Demand gradually recovered from the second half of 2020. Unit sales expected to grow in each country in 2021, but Indonesia will need time to recover.



Net sales variations in key markets
2020 results compared with previous year



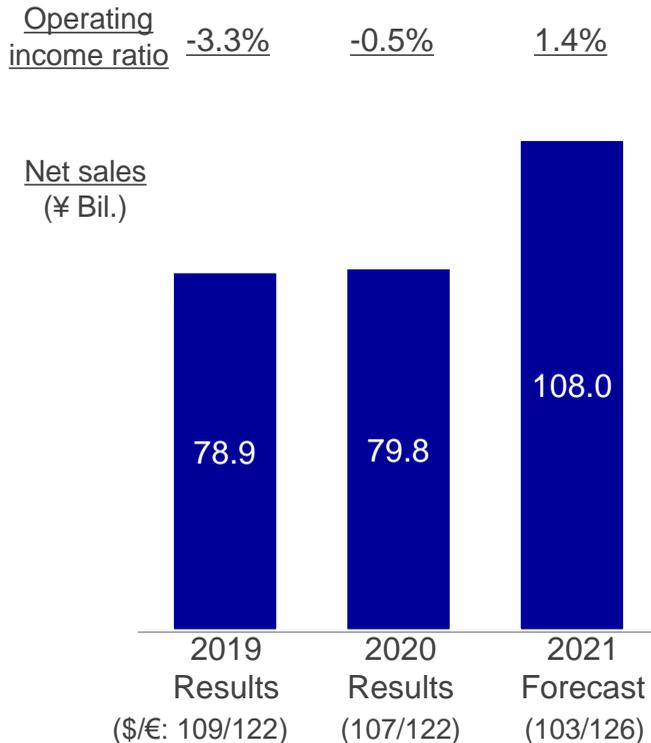
2021 forecast compared with previous year



RV and SPV

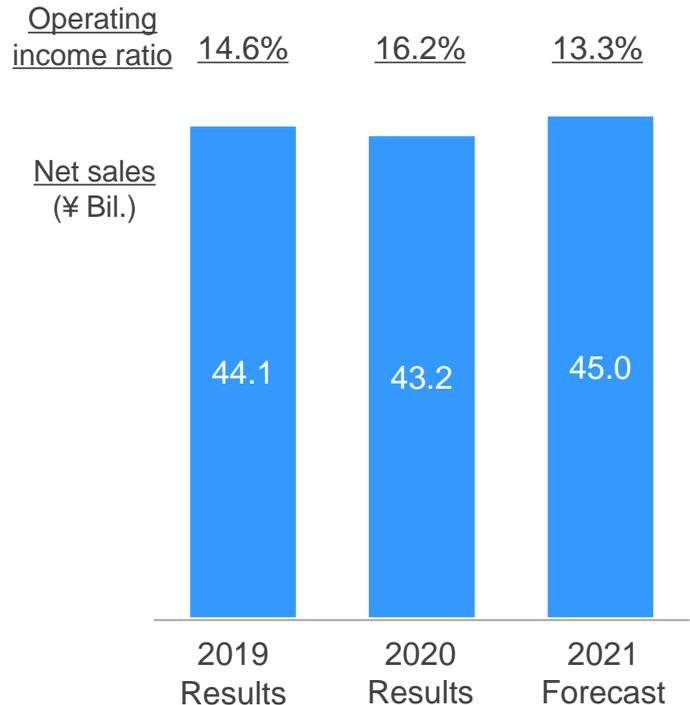
Recreational Vehicle Business

Unit sales up due to greater demand.
Aim to restore profitability in 2021.



Smart Power Vehicle Business

E-kit sales increased. Sales continues increase in 2021 but having procurement risk.

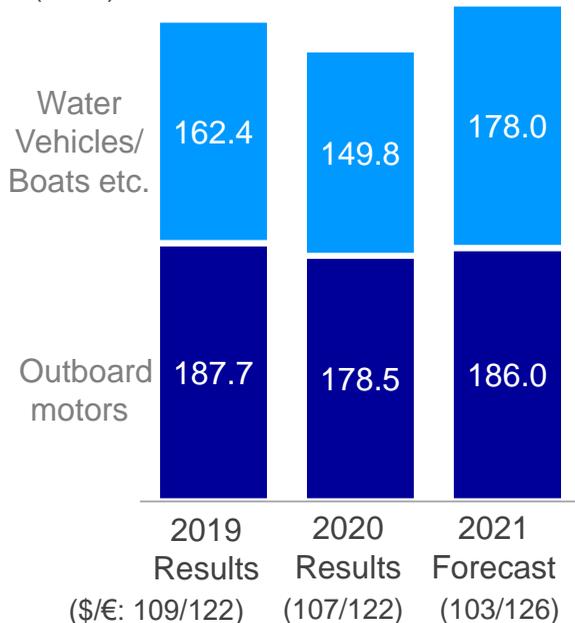


Marine Products Business

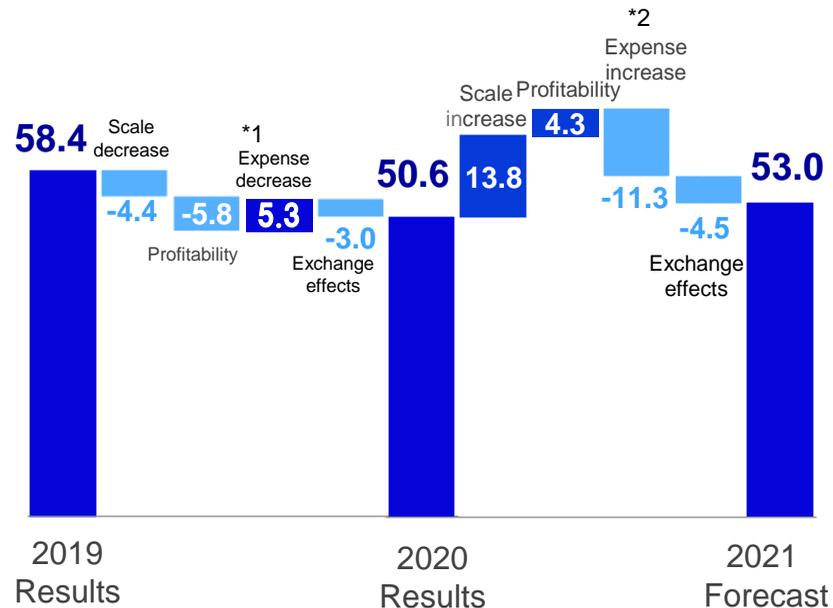
Supply could not keep up with the rapid recovery of total demand, resulting in lower sales and profits. In 2021, production will run at full capacity to increase unit sales.

Operating income ratio 16.7% 15.4% 14.6%

Net sales (¥ Bil.) 350.1 328.3 364.0



Breakdown of profit improvement

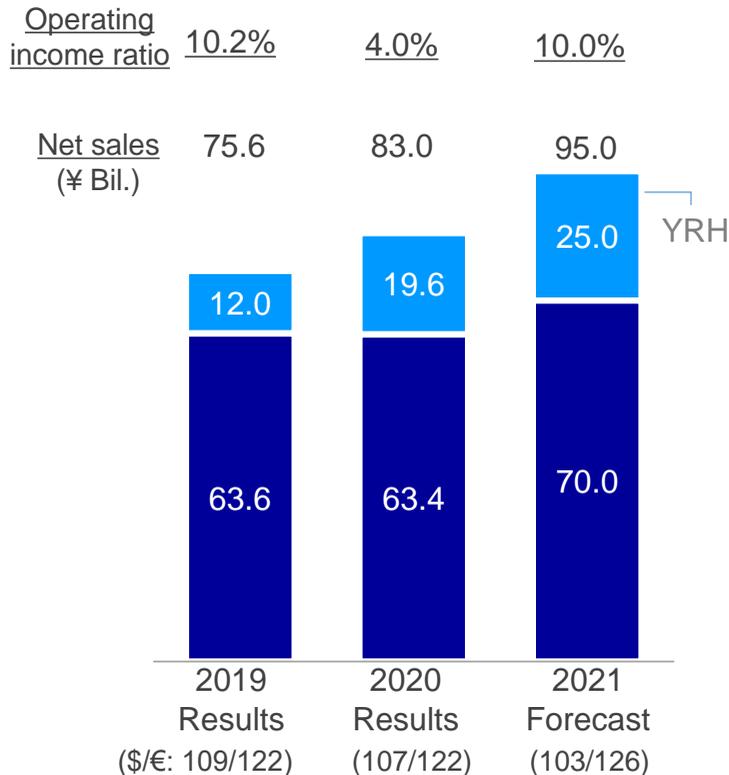


*1: Includes decreased growth strategy expenses of +0.4

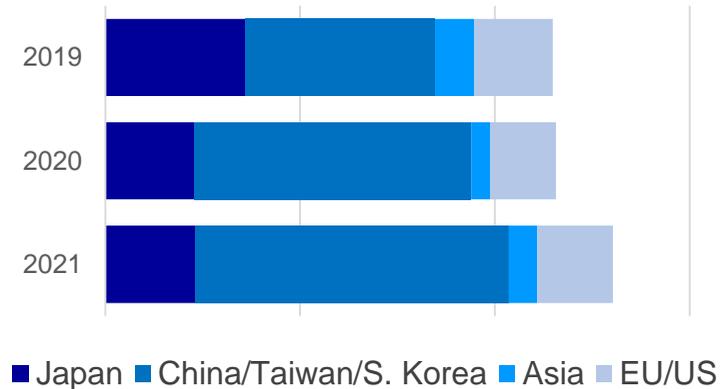
*2: Includes increased growth strategy expenses of -0.5

Robotics Business

Strong sales in China brought higher net sales. With the gradual recovery of demand in developed markets and by making YRH profitable, aim for higher sales and profits.



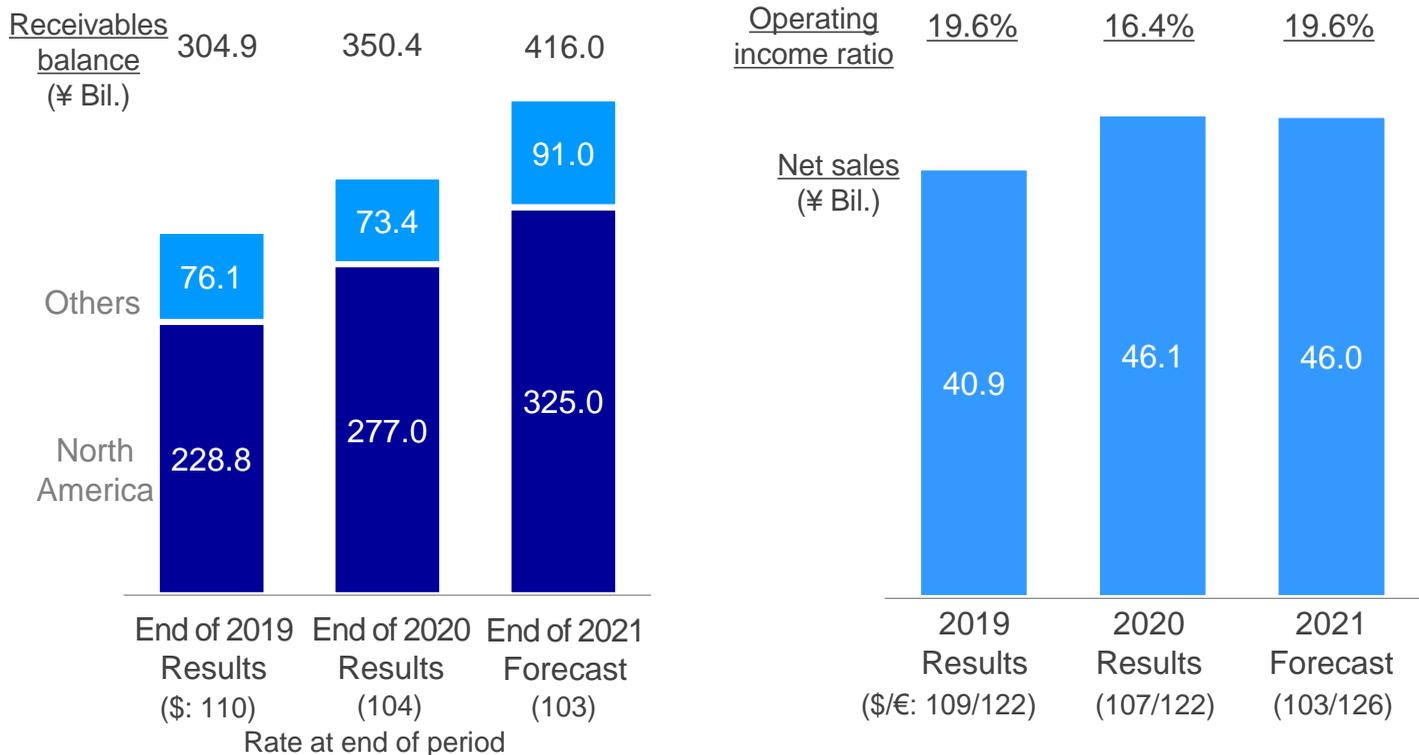
Surface mounter sales and forecast
(By region on a monetary basis)



Financial Services Business

Started to provide full line service after company development of its own financial programs for US prime sector.

Expected to exceed profits in 2019 as receivable increase in 2021.





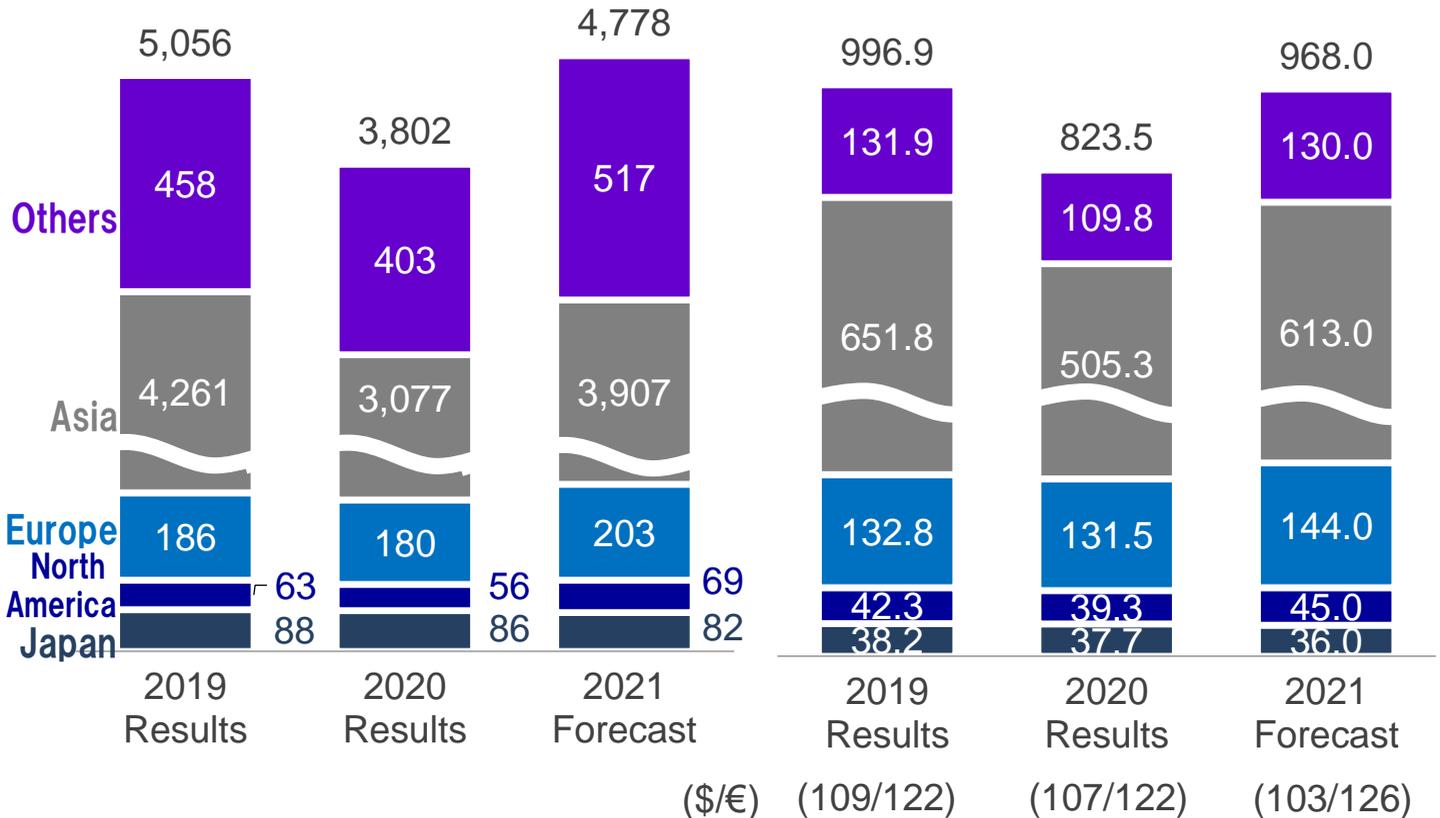
YAMAHA

Revs Your Heart

Motorcycle Unit Sales/Net Sales

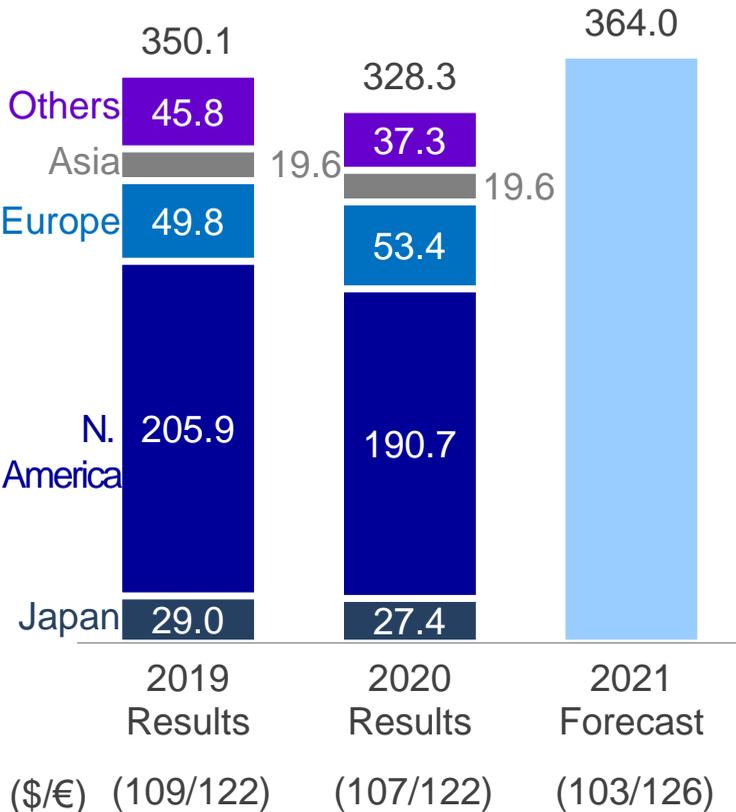
Unit Sales
(Thousand units)

Net Sales
(¥ Bil.)



Marine and Robotics Net Sales

Marine Products Business



Robotics Business



Capital Expenditures / Depreciation and Amortization Expenses / R&D Expenses / Interest-bearing Debt

(¥ Bil.)

	2019	2020
Capital expenditures	58.1	53.8
Depreciation and amortization expenses	49.7	48.2
R&D expenses	102.0	94.0
Interest-bearing debt	365.0	466.9

Foreign Exchange Effects (Compared to Previous Year)

(¥ Bil.)	2020 Results				2021 Forecast			
	US\$	EURO	Others	Total	US\$	EURO	Others	Total
Foreign exchange effects on HQ imports and exports	-3.3	-0.4	-0.7	-4.4	-7.2	3.7	1.2	-2.3
Foreign exchange effects on purchases (overseas subsidiaries)	0	0	-2.0	-2.0	0	0	0.3	0.3
Conversion effects on gross income (overseas subsidiaries)	-1.6	-0.3	-6.4	-8.3	-2.6	1.8	-0.9	-1.8
Conversion effects on SG&A expenses (overseas subsidiaries)	1.1	0.1	6.0	7.2	1.8	-1.3	0.9	1.4
Foreign exchange effects on operating income	-3.9	-0.5	-3.1	-7.5	-8.0	4.3	1.4	-2.4

Foreign Exchange Sensitivity

Effects on operating income per yen of foreign exchange fluctuations

US\$ EURO
1.3 ¥Bil. 0.5 ¥Bil.

US\$ EURO
1.8 ¥Bil. 0.9 ¥Bil.



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