

FY2014 Business Results



Yamaha Motor Co., Ltd.
February 12, 2015

Agenda

FY2014 Business Results

- Outline: Hiroyuki Yanagi
President, CEO and Representative Director
- Details: Kozo Shinozaki
Managing 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 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

Strengthening business strategies and achieving targets ahead of schedule.

– Net Sales	: 1,521.2 Billion Yen	(108%)
– Operating Income	: 87.2 Billion Yen	(158%)
– Operating Income Ratio	: 5.7%	(+1.8 pt.)
– Ordinary Income	: 97.3 Billion Yen	(162%)
– Net Income	: 68.5 Billion Yen	(155%)

(\$·€)

(106·140)

Summary of Results

Increases in sales and income across all business segments

- Sales Increase: Sales increase through product lineup expansion
Sales increase in higher price ranges
- Income increase: Effect of sales increase + cost reduction
- development expenses
- Effects of foreign exchange: Stronger currencies in developed countries
are offset by weaker currencies in emerging countries

Major Initiatives

- (1) Launching 'unique new products' into the market
 - Medium-term plan: 63% in 2014; 100% in 2015 (forecast)
- (2) Changing *Monozukuri*
 - Launch global/platform models into the market
 - Creating a foundation for "product characteristics + cost reduction"
- (3) Promoting structural reform
 - Japanese domestic production structure: Towards the final stage (6 factories, 13 units)
 - Business structure in Europe: From "One Company" to "One Entity"
- (4) Implementing future growth strategies
 - New business development, entry into new markets, finance business, etc.

Achieve results under the current medium-term plan and
step up to the next medium-term plan

- Net Sales : 1,700.0 Billion Yen (112%)
- Operating Income : 120.0 Billion Yen (138%)
- Operating Income Ratio : 7.1% (+1.4 pt.)
- Ordinary Income : 123.0 Billion Yen (126%)
- Net Income : 76.0 Billion Yen (111%)

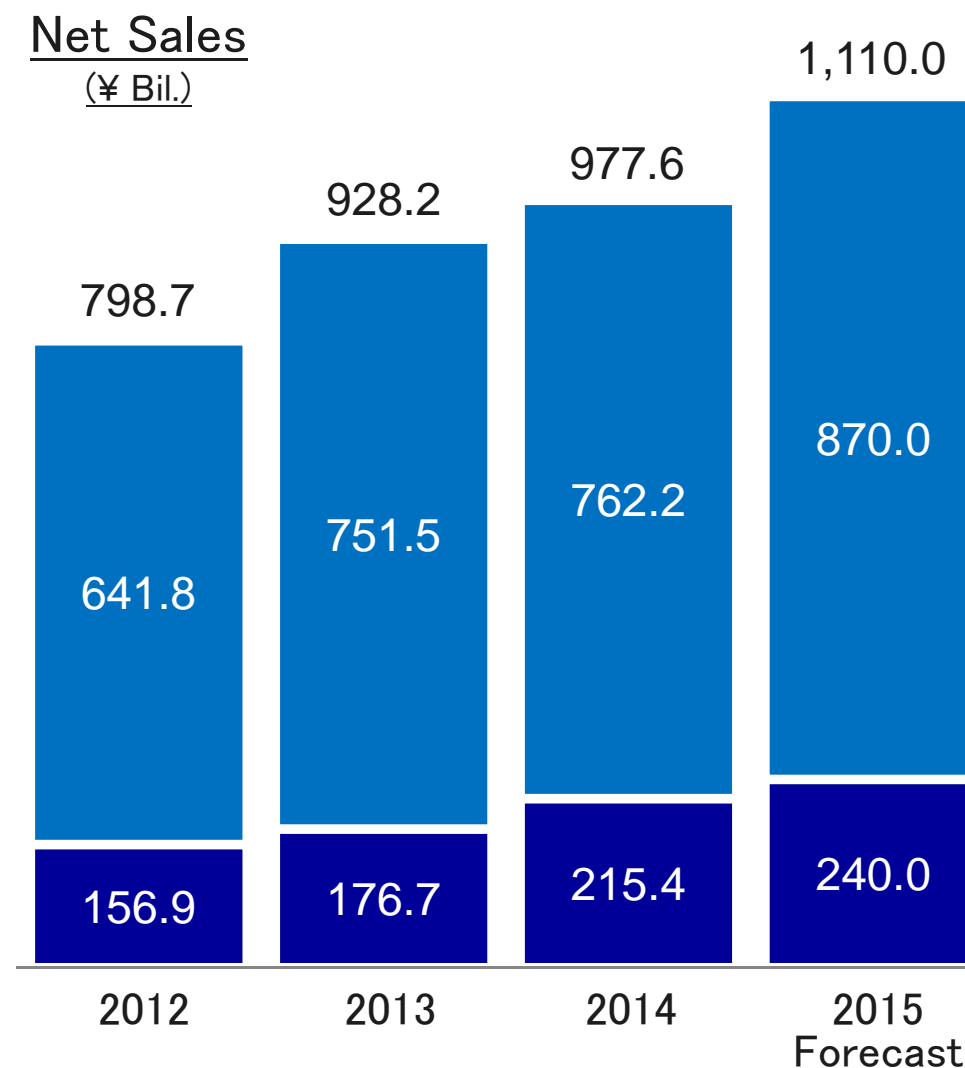
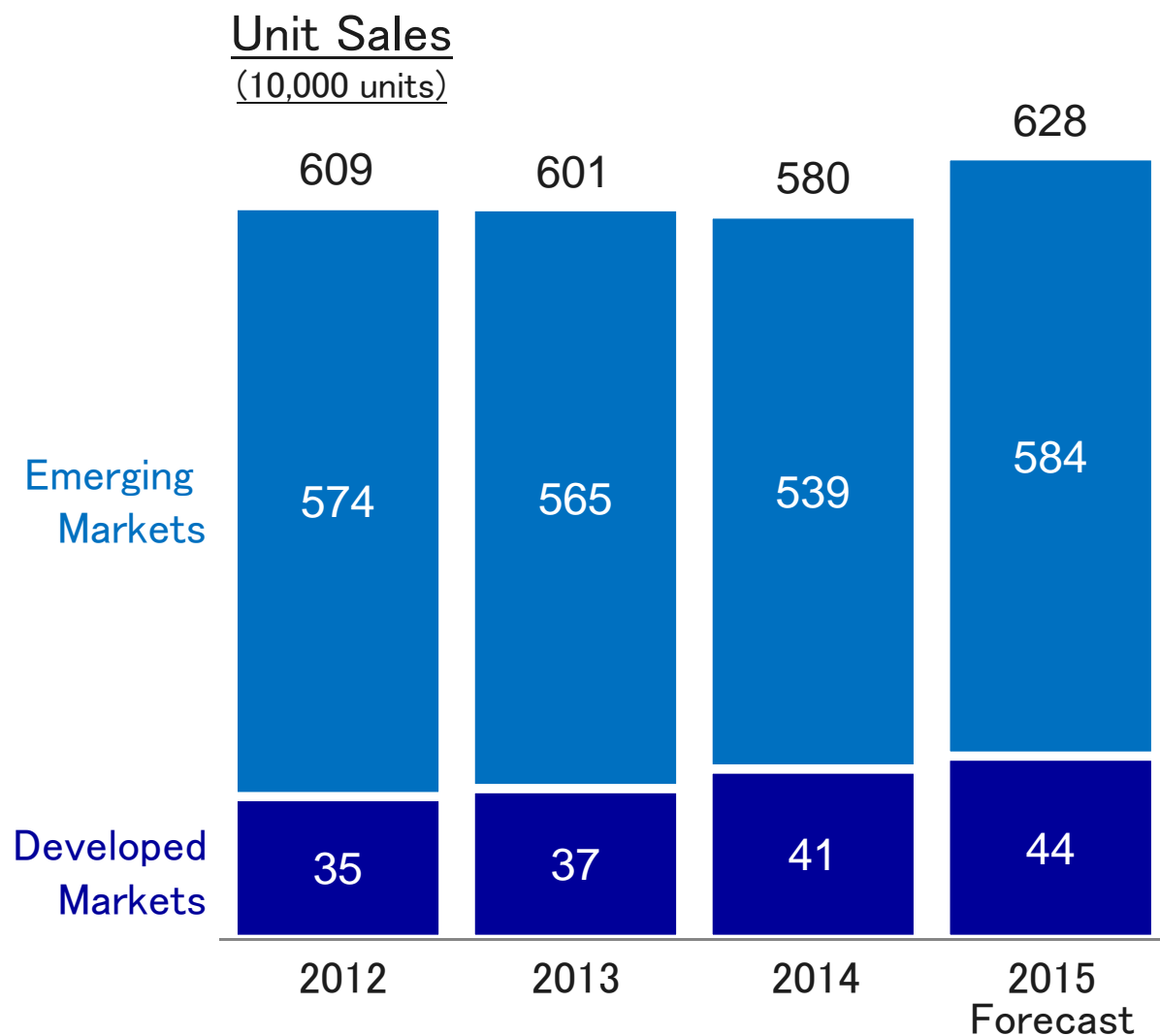
(\$·€)

(115·130)

Motorcycle Business: Overall Status

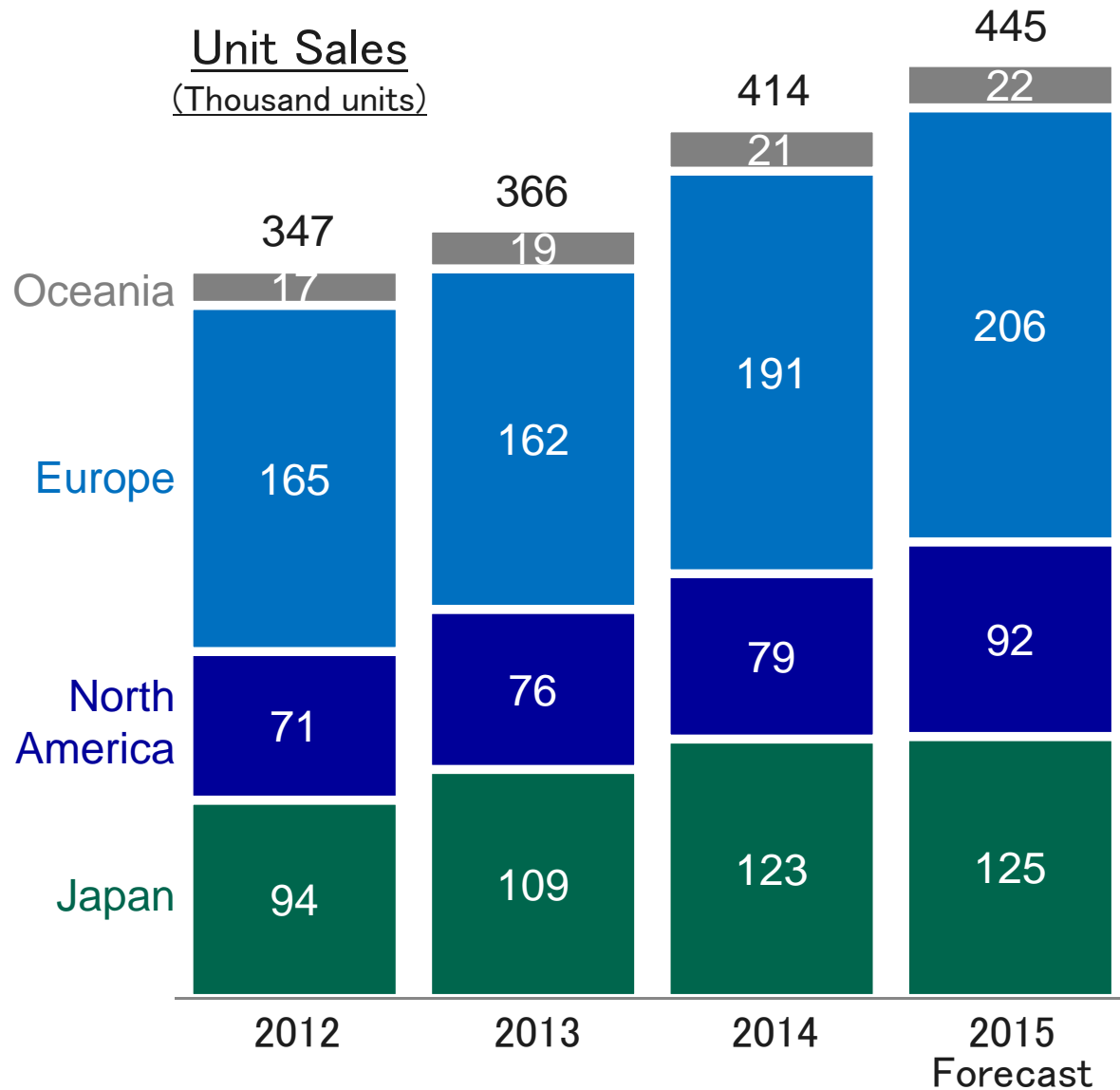


- 2014: Sales of 5.8 million units (96% on the previous year) and net sales 980.0 billion yen (+5% over the previous year).
- 2015: Sales of 6.28 million units (108% on the previous year) and net sales 1,100 billion yen (114% of the previous year) are forecast.
- Operating income ratio reaches the 5% level thanks to the expansion in product lineup, increases in products in higher price ranges, and cost reductions etc.



Motorcycle Business: Developed Markets

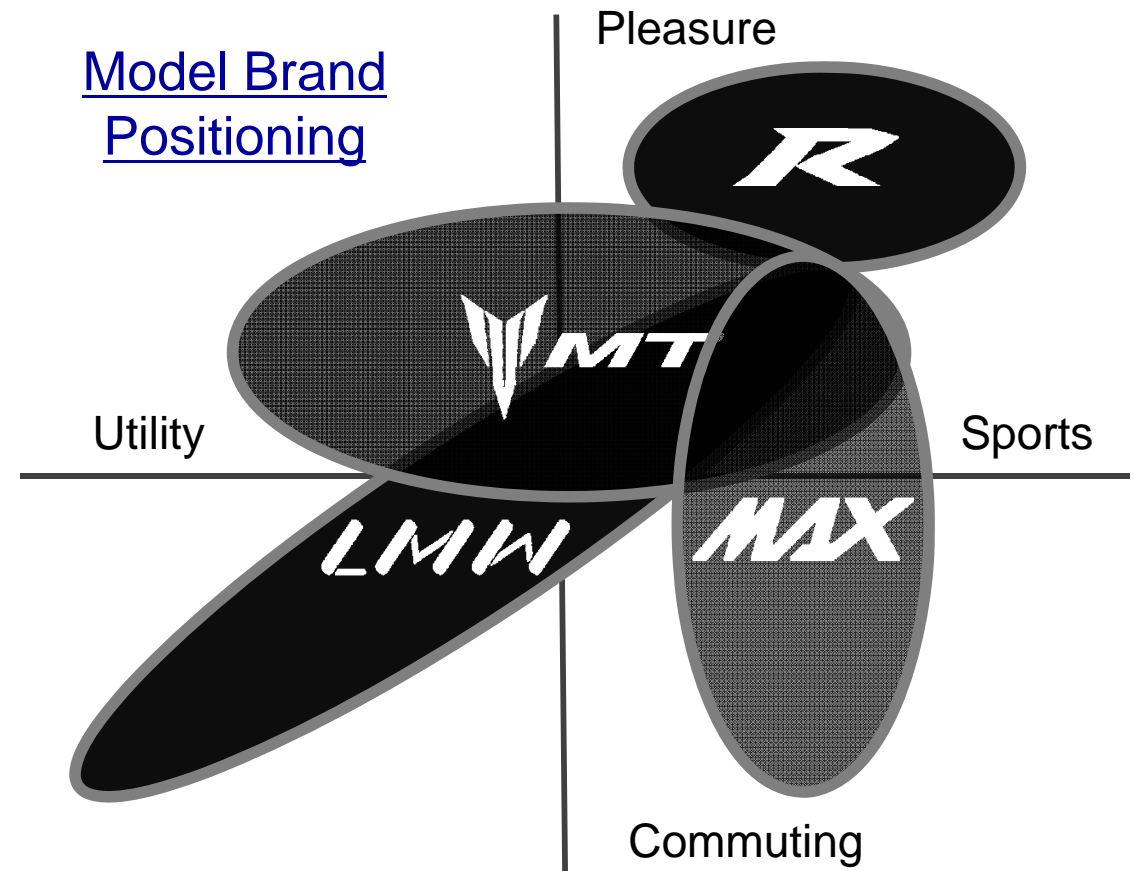
- 2014: Total demand bottomed out (105%); sales increased (113%) thanks to new product launches.
- 2015: Continuing new product launches and structural reforms to bring the business segment to profitability.



Main Initiatives

Making the brand stand out:

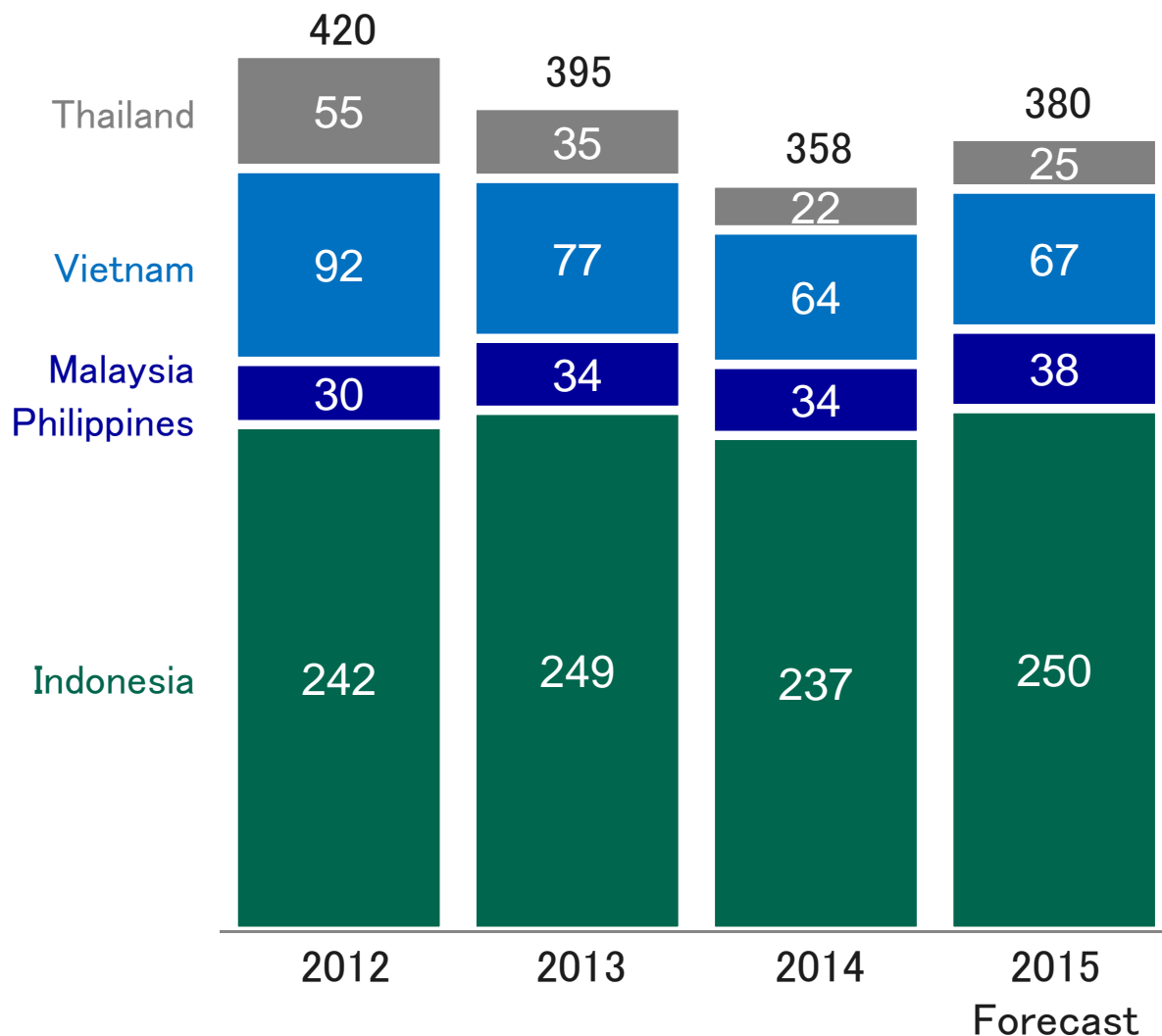
Launch of 'unique new products' into the market



- 2014: Total demand decreased (97%); sales decreased (91%) because 2014 was model switch timing. Many new model launches are expected in 2015.
- 2015: Targeting recovery in sales and profitability through maintaining the strong sports category, strengthening the AT category/full-scale introduction of platform models.

Unit Sales

(10,000 units)



Main Initiatives

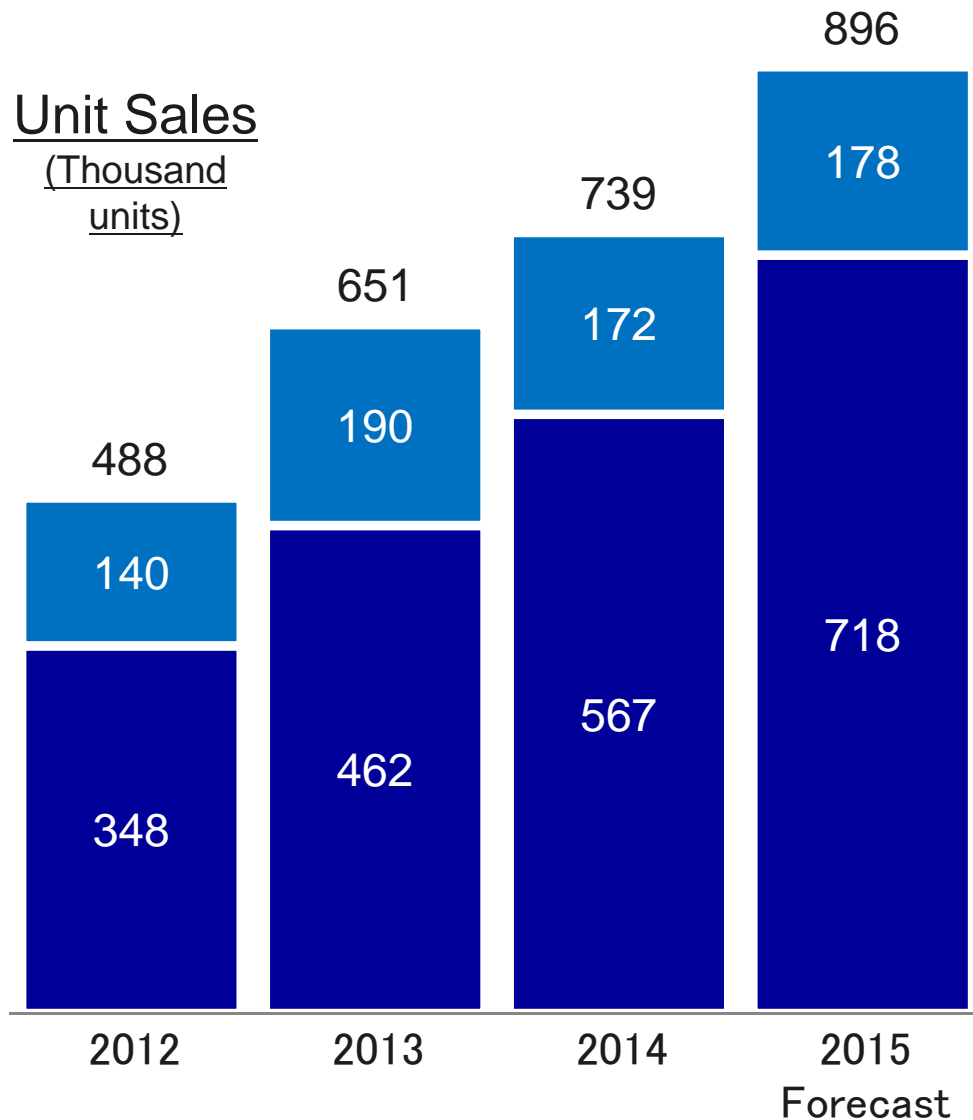
Strengthening the brand:

Successive introduction of the 1st and 2nd Blue Core models



“Fuel efficiency + Enjoyable ride”

- 2014: Total demand increased (112%); sales increased (123%) thanks to new product launches.
- 2015: Carrying out product lineup expansion and implementing cost reductions through the new business structure.



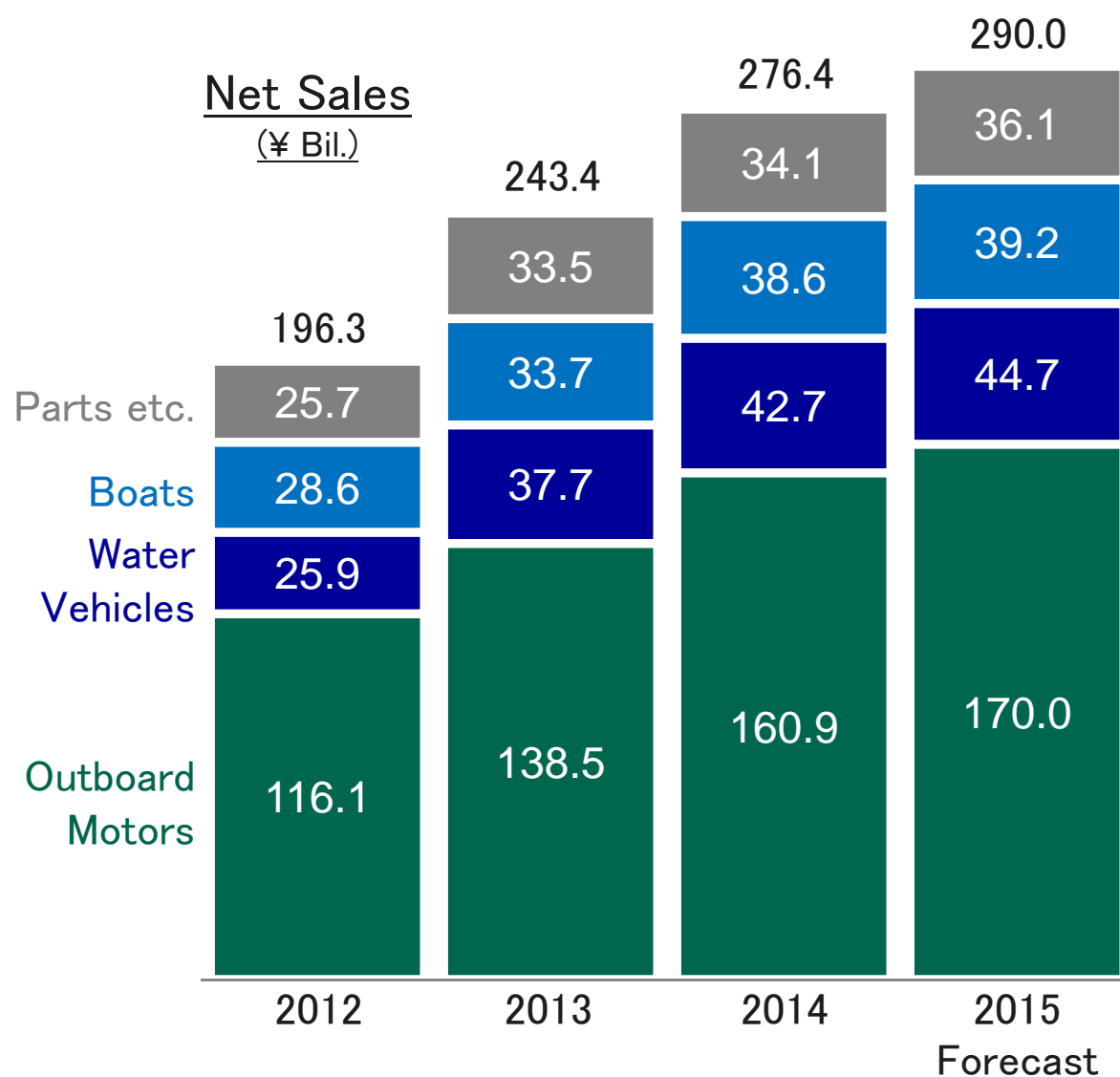
Main Initiatives

Developing networks/customer base:
Building local market share
(products/promotions)

New business structure in Chennai

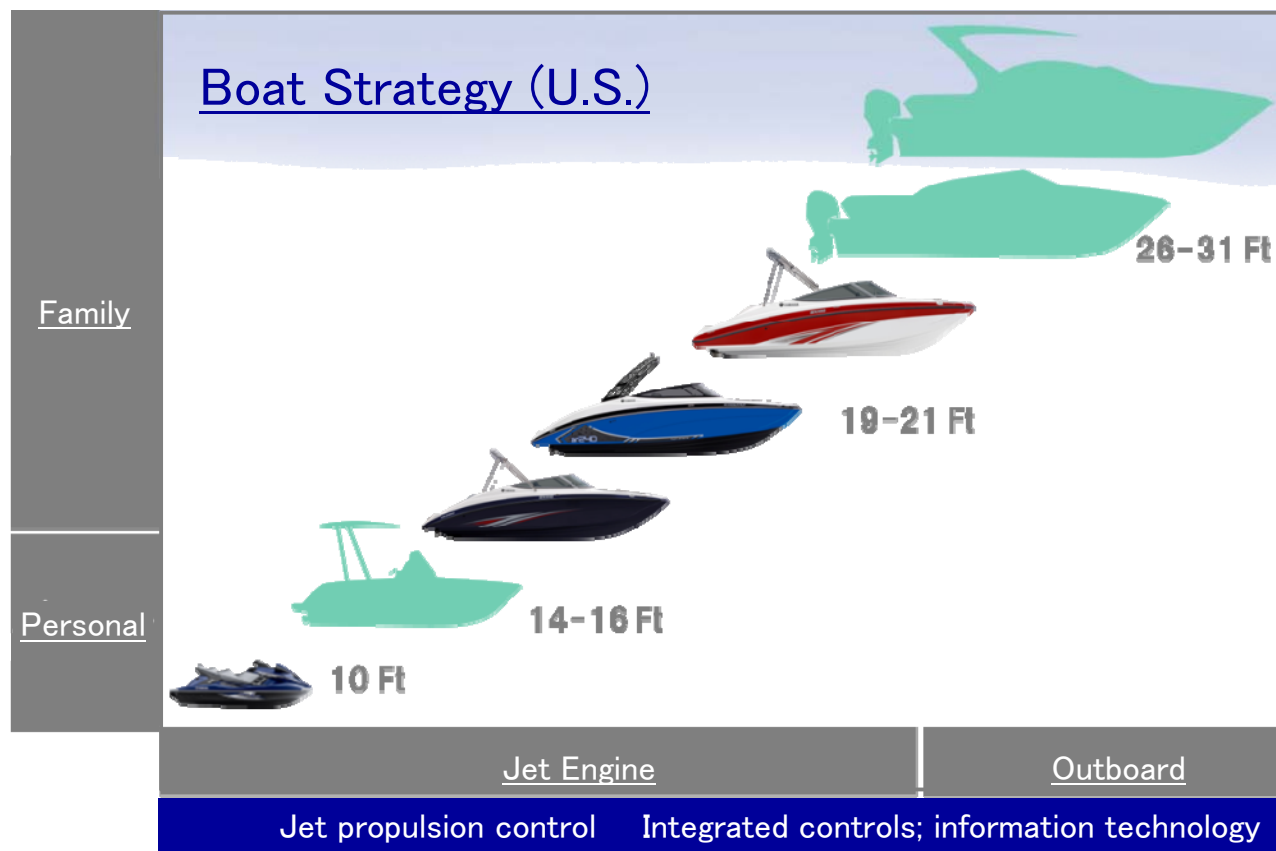


- 2014: Toward a high-profitability business model through brand strength (total business strength, reliability, network strength).
- 2015: Toward net sales of 300 billion yen and operating income ratio in the 20% range.



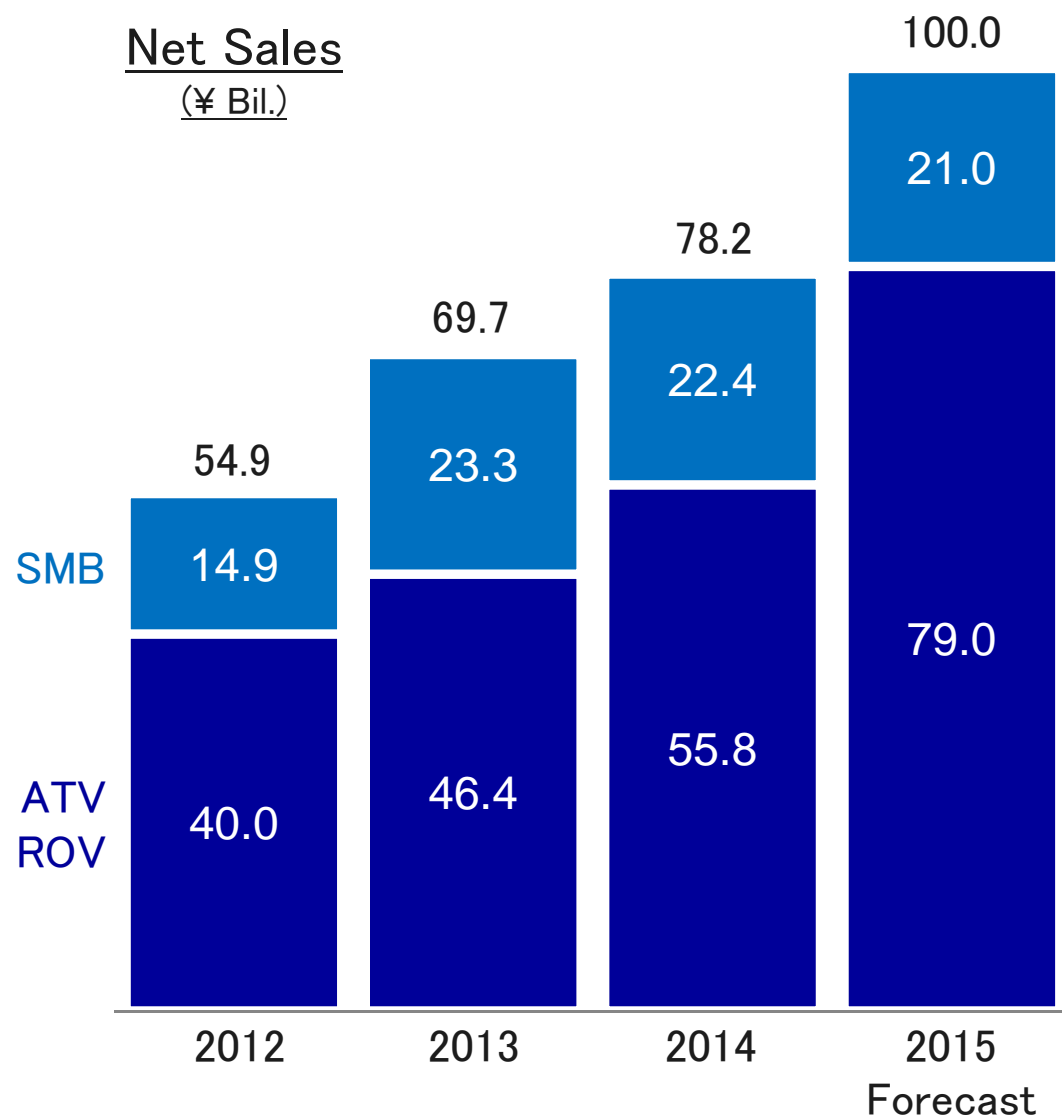
Main Initiatives

Developing networks/customer base:
Promotion of engine/peripheral equipment + boat strategies



*Net sales of sport boats is reclassified from the water vehicles segment to the boats segment from 2014_2Q_business report onwards

- 2014: Expansion of ROV/SMB Product Lineup Progressed.
- 2015: Return to growth and profitability with net sales of 100 billion yen.

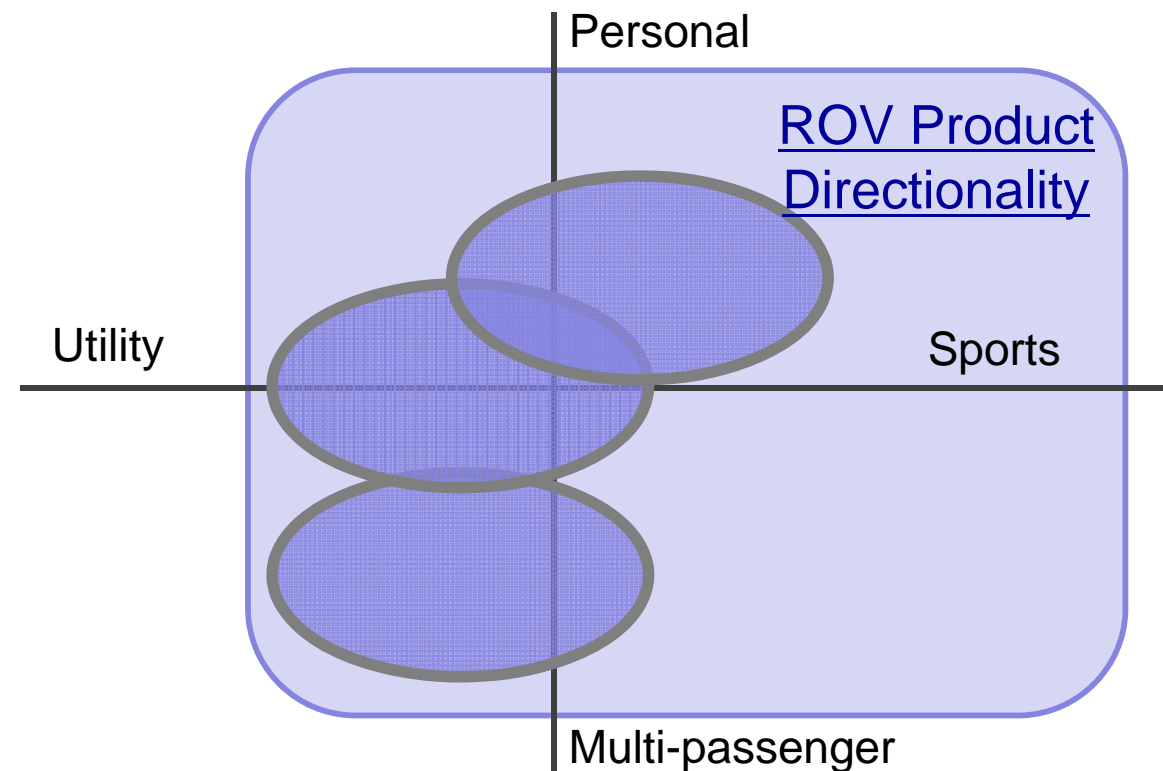


Main Initiatives

Increase market presence:

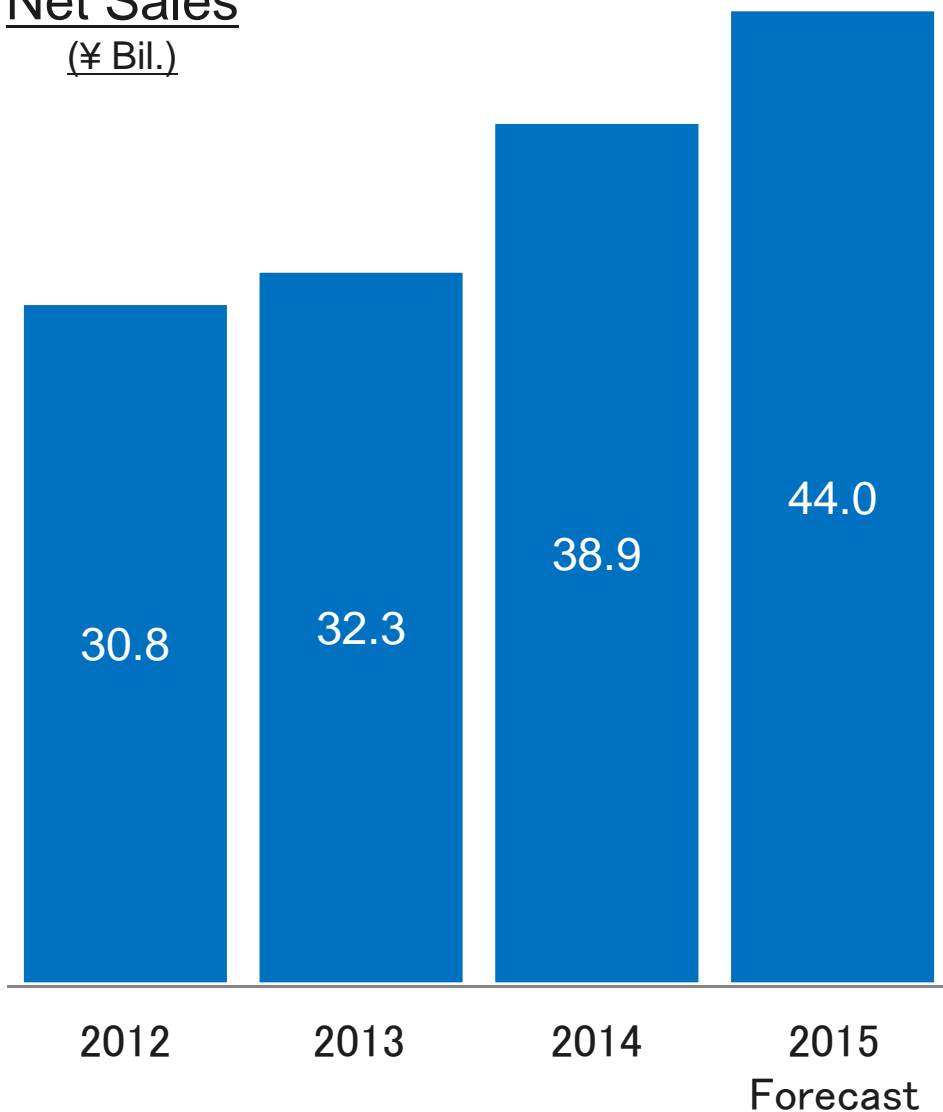
(ROV) Toward the long-awaited sports category

(SMB) Maintain the Russian market, building North American market share



- 2014: Recovery in equipment investment demand, incorporating businesses of other companies.
- 2015: Building share in the full-scale high-speed mounter market, development of a new market category.

Net Sales (¥ Bil.)



Main Initiatives

Developing the customer base:
Begin new development/production/sales structure



Z:ta

Achieving world-top class processing speeds

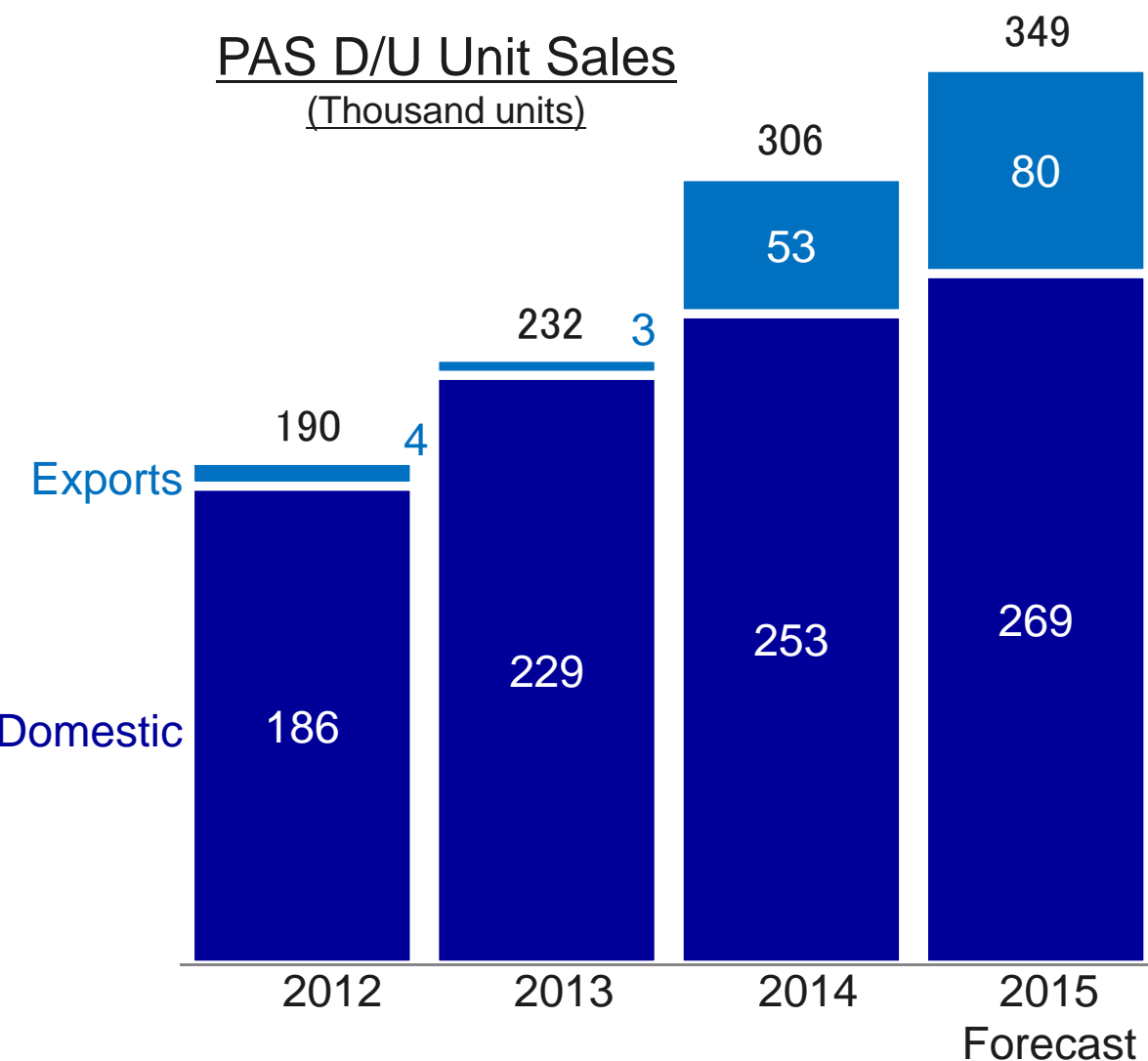


Z:LEX

Combining high-speed performance and flexibility

- 2014: Domestic sales increased (110%) through introduction of new technologies, full-scale export to Europe began.
- 2015: Expanding the smart power business through ongoing introduction of new technologies and products.

PAS D/U Unit Sales
(Thousand units)



Main Initiatives

Developing networks/customer base:

(PAS) Introducing next-generation drive units to the market

(EV) Introducing products that combine performance with affordability



“Harmony with the Earth
+ Enjoyable ride”

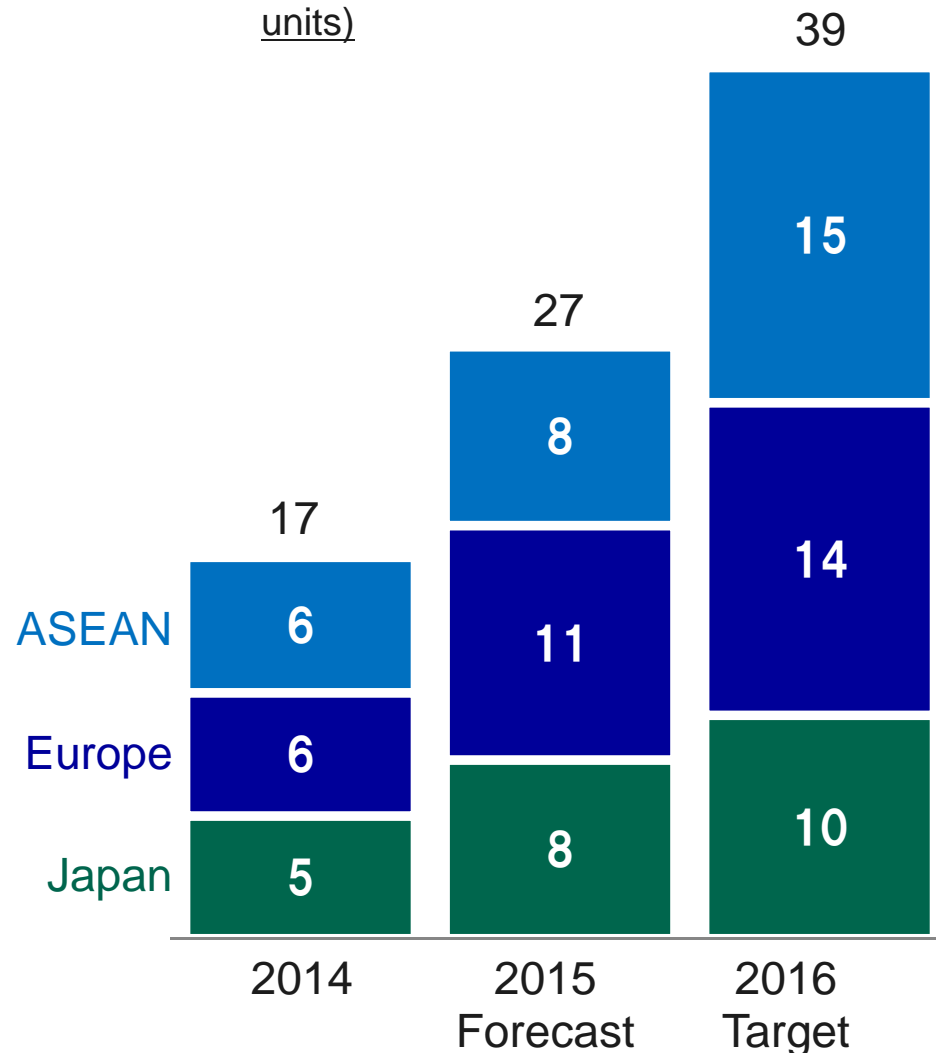


E-VINO

Introduction of “*LMW* - the Third-vehicle Category” to the Market

- 2014: Introduced the new category to the market, and achieved sales targets in developed markets (121%).
- 2015: Creating a new brand image to develop the customer base.

Unit Sales
(Thousand units)



Main Initiatives

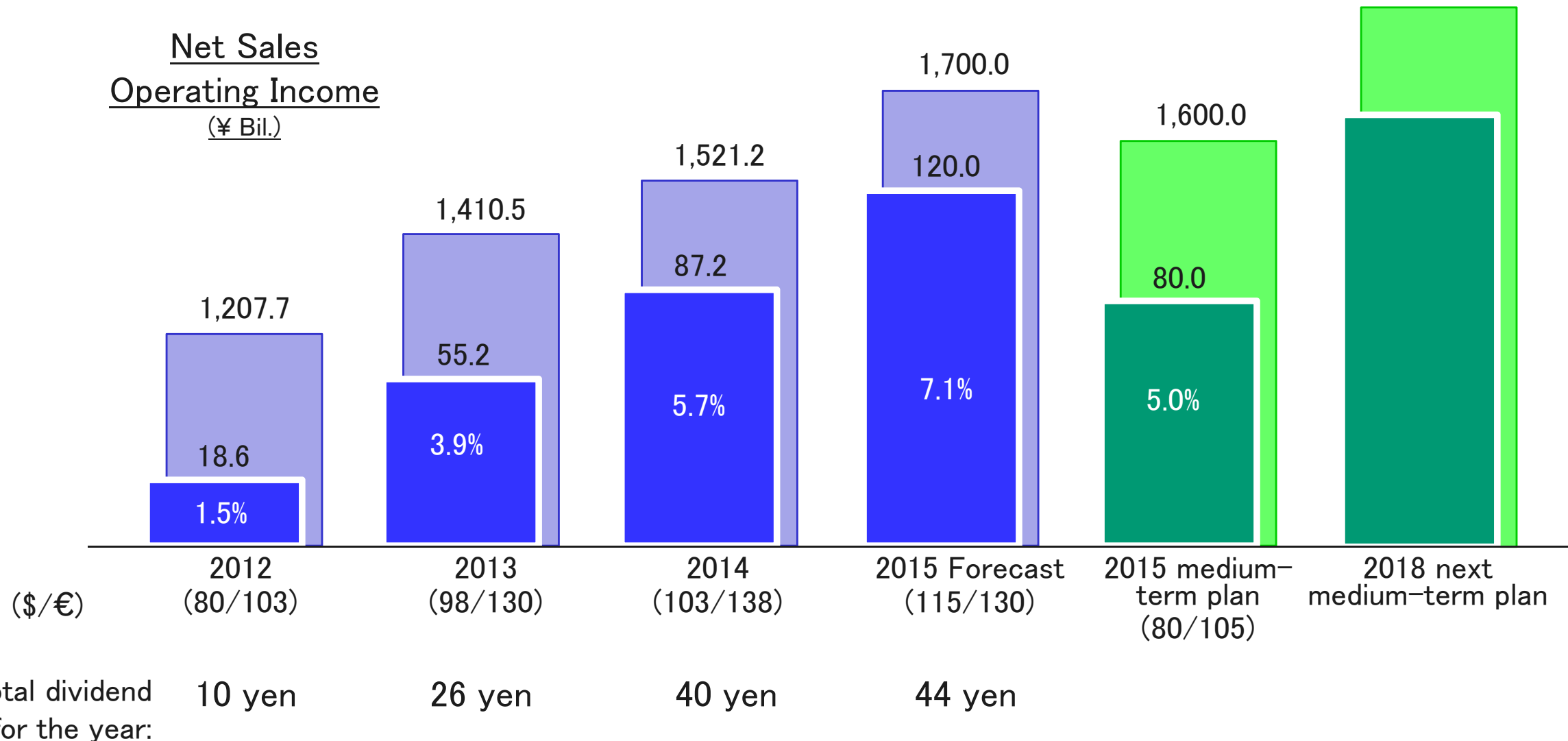
Developing the customer-base:

(Japan) Incorporating younger riders

(Europe) Incorporating non-motorcyclists



- Achieve results under the current medium-term plan and step up to the next medium-term plan:
Three growth strategies, unique Yamaha-style Monozukuri, and reform of the business foundation
- Total dividend for the year: (2014) 40 yen, (2015) 44 yen forecast



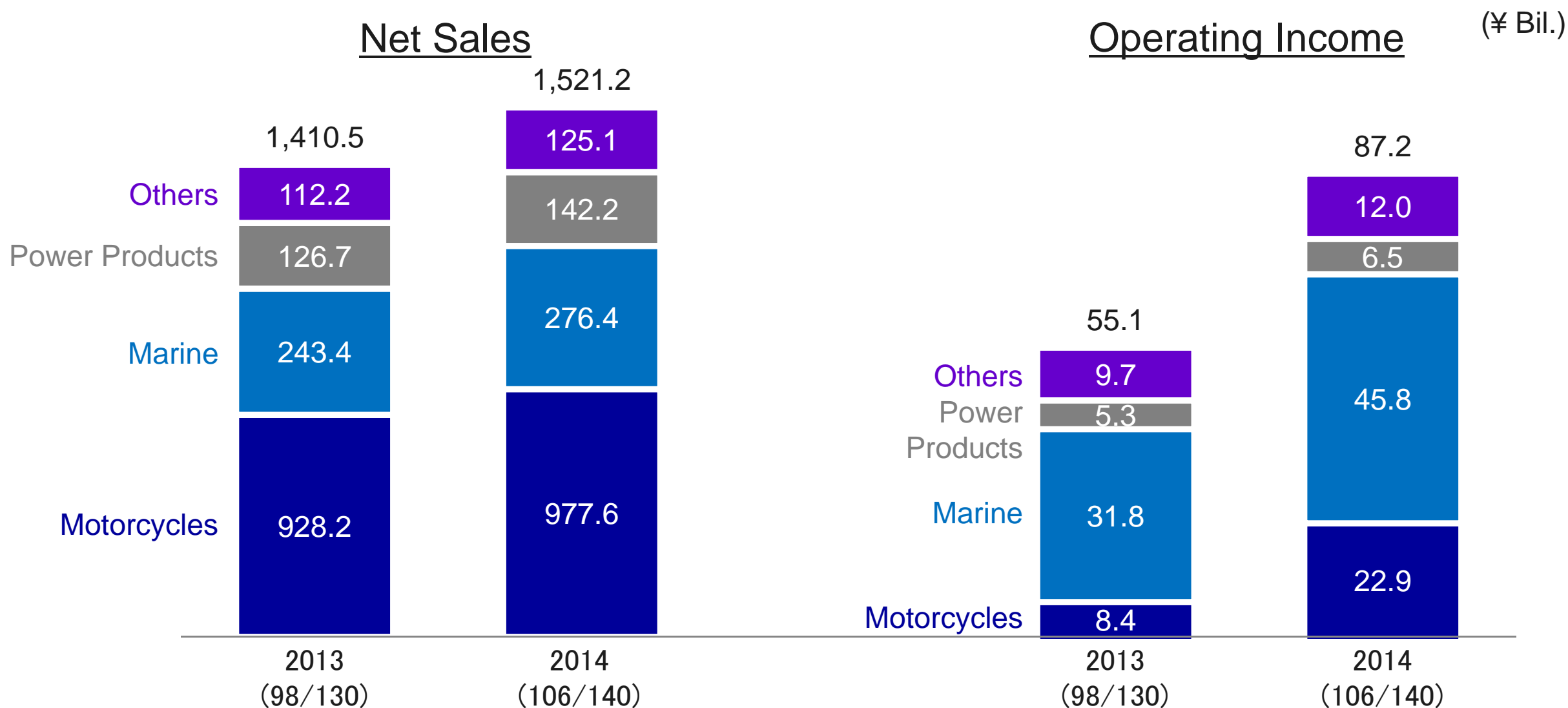
Details per Segment

Details of Net Sales and Operating Income by Business (FY14)



Achieve increases in sales and income in all business segments.

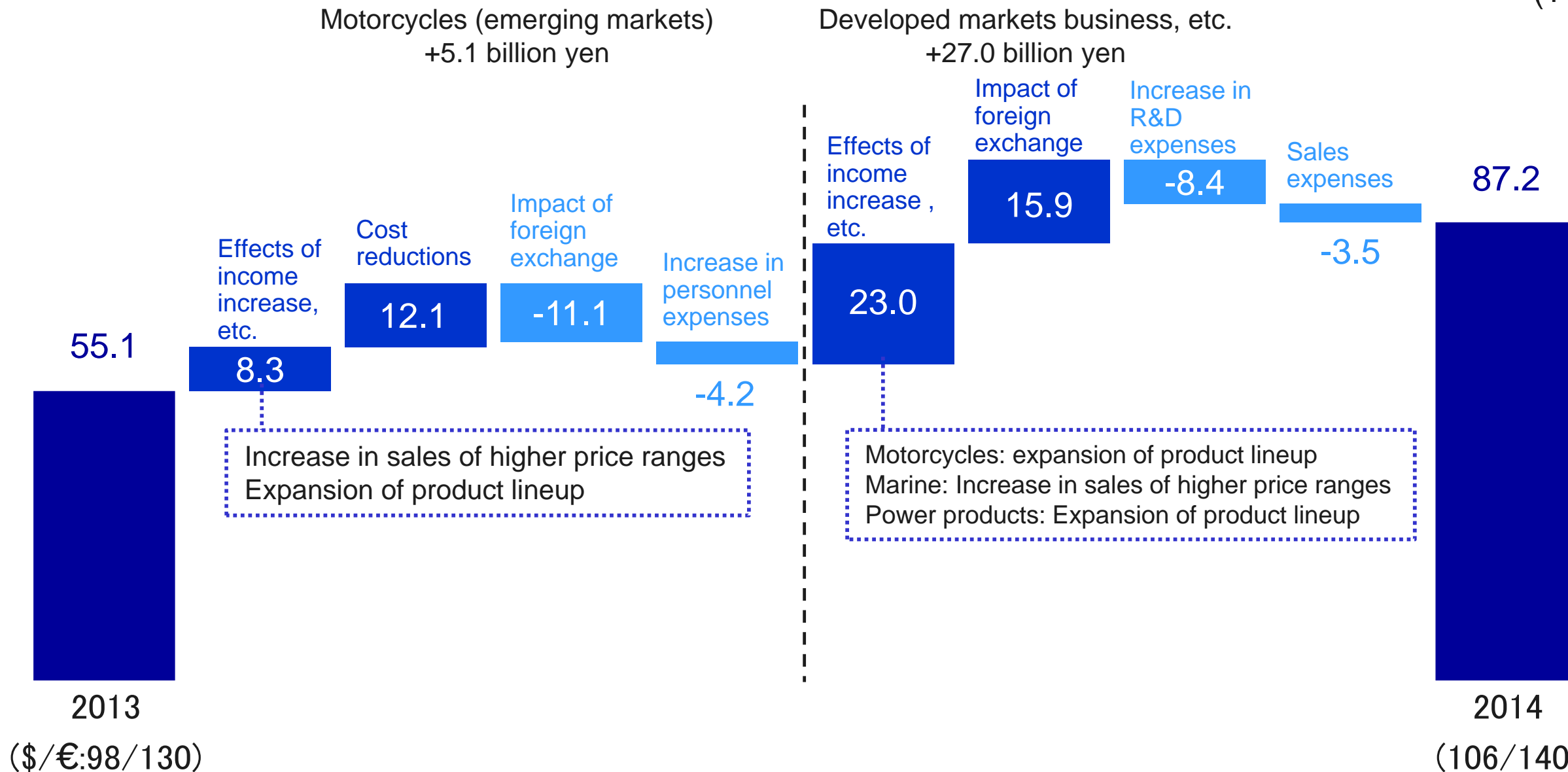
- **Motorcycles:** The effect of sales increases, cost reductions, and yen depreciation outweighed the effects of currency depreciation in emerging countries, resulting in income increase.
- **Marine:** Income increased thanks to sales increases (introduction of larger engines, etc.), cost reductions, and the effect of yen depreciation.



Causes of changes in operating income (FY14)

- Motorcycles (emerging markets): The effect of sales increases and cost reductions outweighed the effects of currency depreciation, resulting in income increase.
- Developed markets etc.: Income increased as the effects of sales increases and yen depreciation outweighed increases in various expenses such as on research and development.

(¥ Bil.)



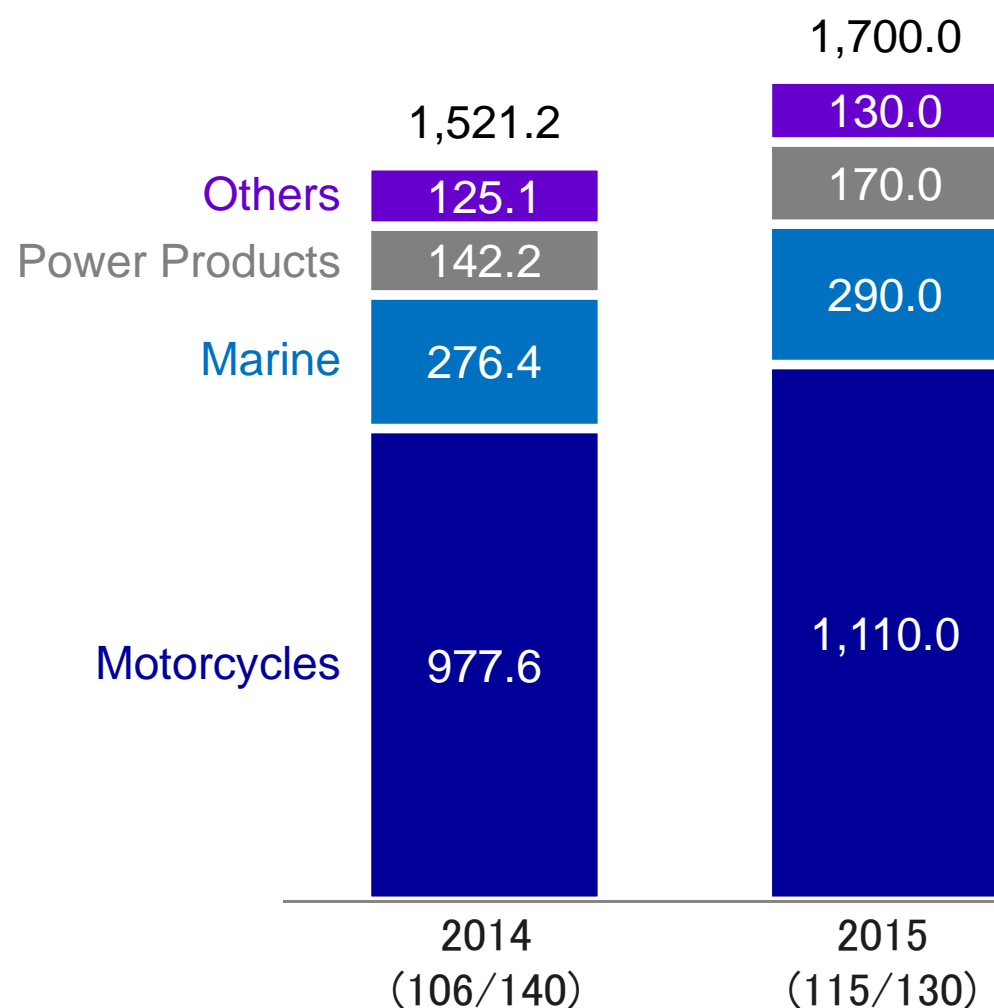
Details of Net Sales and Operating Income by Business (FY15 Forecast)



Continue to achieve increases in sales and income in all business segments.

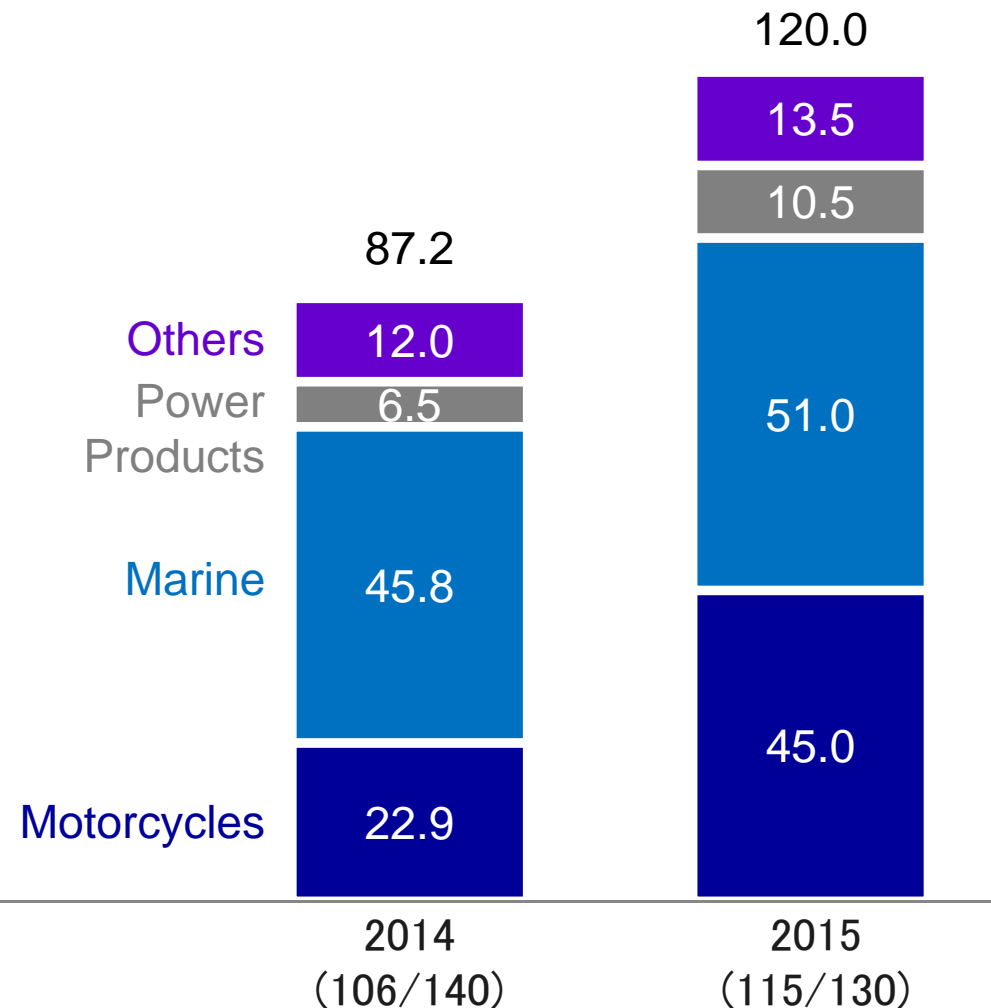
- Motorcycles: Achieve profitability in developed markets and further improve income in emerging markets to reach operating income ratio of 5%.
- Marine: Reach operating income ratio of 20% through introduction of larger models and cost reductions.

Net Sales



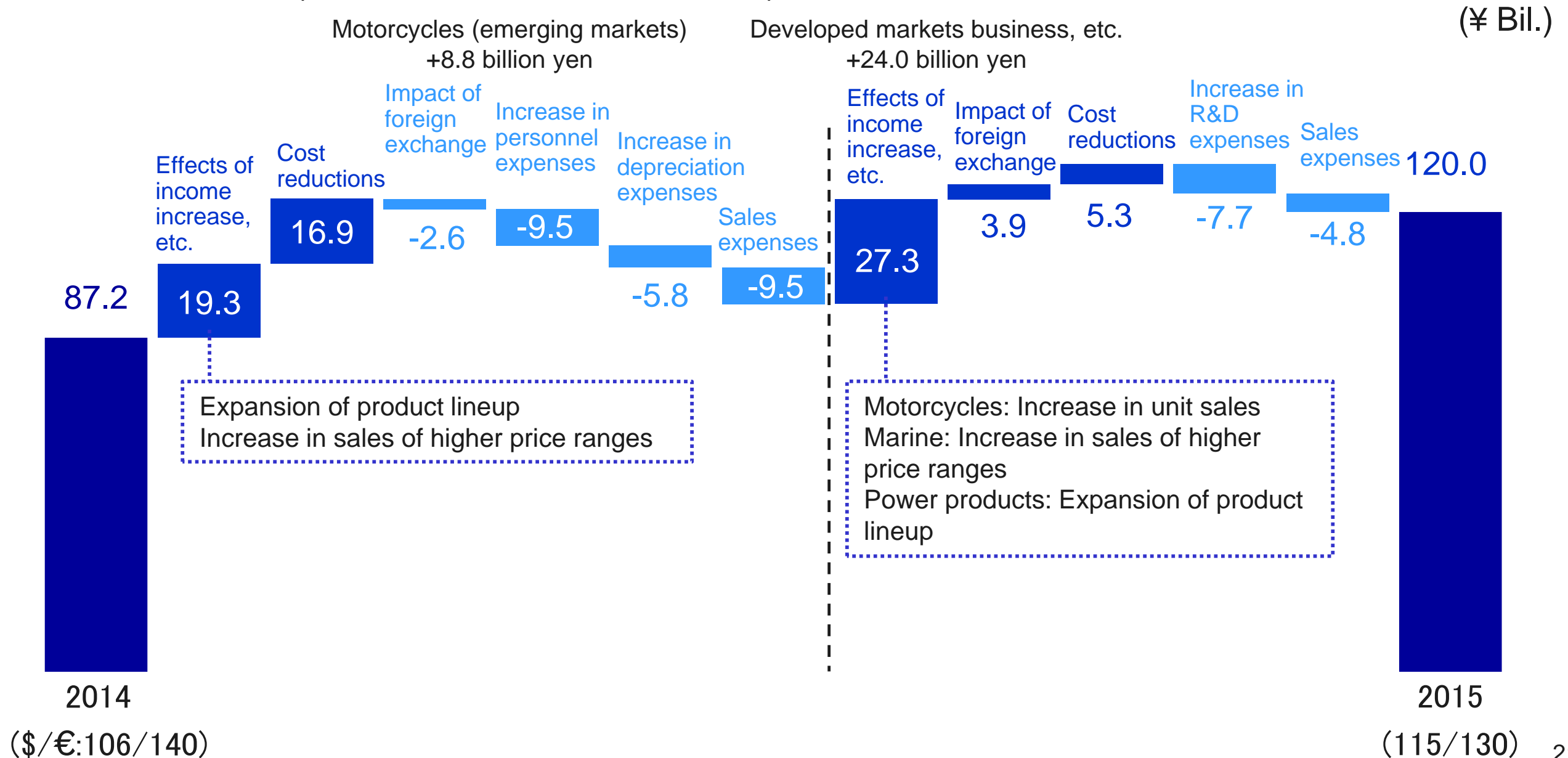
Operating Income

(¥ Bil.)



Causes of changes in operating income (FY15 Forecast)

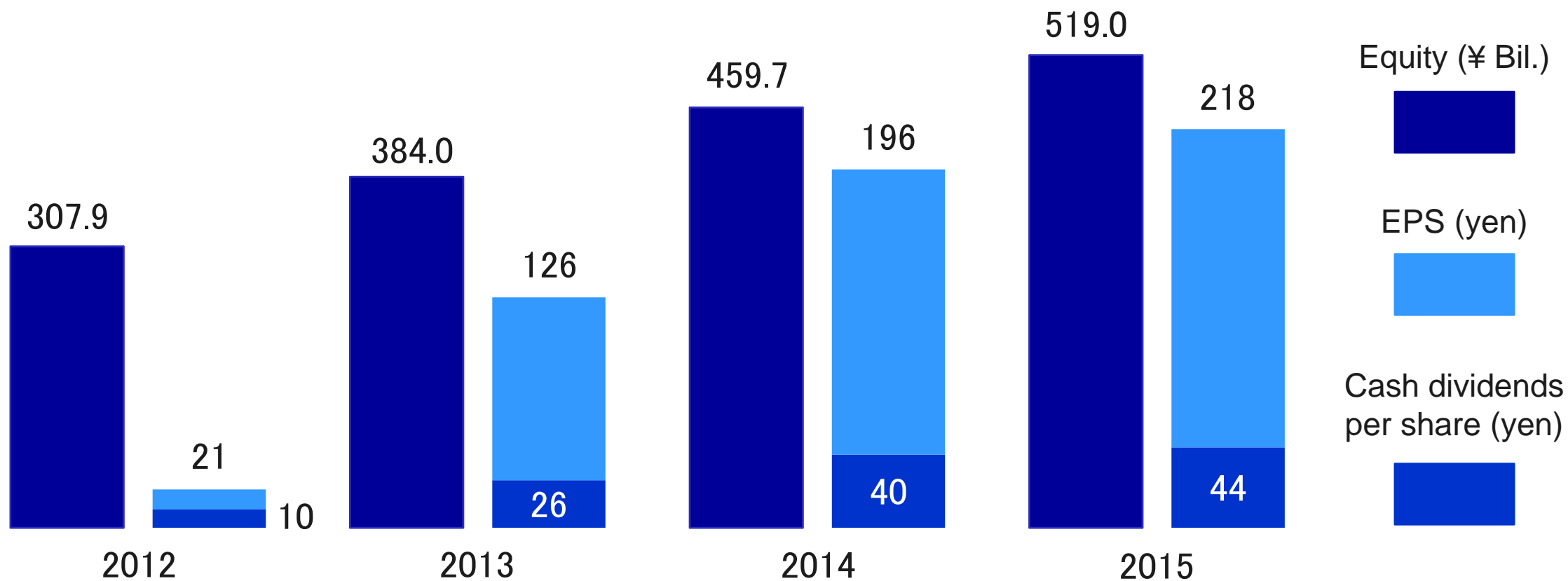
- Motorcycles (emerging markets): The effect of sales increases and cost reductions expected to outweigh expenses, resulting in income increases.
- Developed markets etc.: Income expected to increase as the effects of sales increase in each business segment outweigh increases in various expenses such as on research and development.



Improvements in Financial Resilience



- Target recovery of equity to over 500 billion yen and EPS to a level exceeding 200 yen.
- Maintain high level of ROE while increasing financial resilience.



ROE	2.5%	12.7%	16.2%	15.5%
ROA	0.8%	4.2%	5.6%	5.8%
Consolidated equity ratio	32.0%	33.5%	35.1%	39.2%



YAMAHA

Revs Your Heart

Overall Demand/Unit Sales by Yamaha Motor (for major products)



Thousand units

	Overall demand (Yamaha Motor estimate)				Unit sales by Yamaha Motor		
	2013 Results	2014 Results	2015 Forecast		2013 Results	2014 Results	2015 Forecast
Japan	460	450	457	Japan	109	123	125
North America	520	539	580	North America	76	79	92
Europe	1,649	1,515	1,513	Europe	162	191	206
Indonesia	7,744	7,686	7,600	Indonesia	2,492	2,371	2,500
Thailand	2,004	1,696	1,900	Thailand	348	223	250
India	14,343	15,996	17,000	India	462	567	718
Vietnam	2,793	2,711	2,613	Vietnam	766	643	670
Taiwan	668	666	650	Taiwan	189	210	236
China	11,627	10,655	9,764	China	465	445	455
Other	4,365	4,365	4,627	Other	355	359	435
Asia Total	43,544	43,805	44,154	Asia Total	5,077	4,819	5,263
Brazil	1,515	1,430	1,375	Brazil	179	181	180
Other	7,989	7,931	8,317	Other	411	406	414
Other Total	9,504	9,360	9,692	Other Total	590	587	594
Motorcycles Total	55,678	55,669	56,396	Motorcycles Total	6,014	5,799	6,281
Outboard Motors	781	808	719	Outboard Motors	313	329	313
ATV	523	436	443	ATV	55	53	58
Electrically power assisted bicycles (Japan)	435	473	500	PAS (Complete vehicle)	131	150	160

Details of Net Sales and Operating Income by Business



Net Sales (¥ Bil.)

	Annual			4Q	
	2013 Results	2014 Results	2015 Forecast	2013 Results	2014 Results
Motorcycles	928.2	977.6	1,110.0	232.6	253.6
Marine	243.4	276.4	290.0	58.1	67.2
Power Products	126.7	142.2	170.0	42.6	45.2
Other	112.2	125.1	130.0	29.3	30.5
TOTAL	1,410.5	1,521.2	1,700.0	362.6	396.6

Operating Income (¥ Bil.)

Motorcycles	8.4	22.9	45.0	2.2	5.2
Marine	31.8	45.8	51.0	7.2	8.1
Power Products	5.3	6.5	10.5	1.1	1.0
Other	9.7	12.0	13.5	2.5	1.9
TOTAL	55.1	87.2	120.0	13.0	16.2

Operating Income Ratio (%)

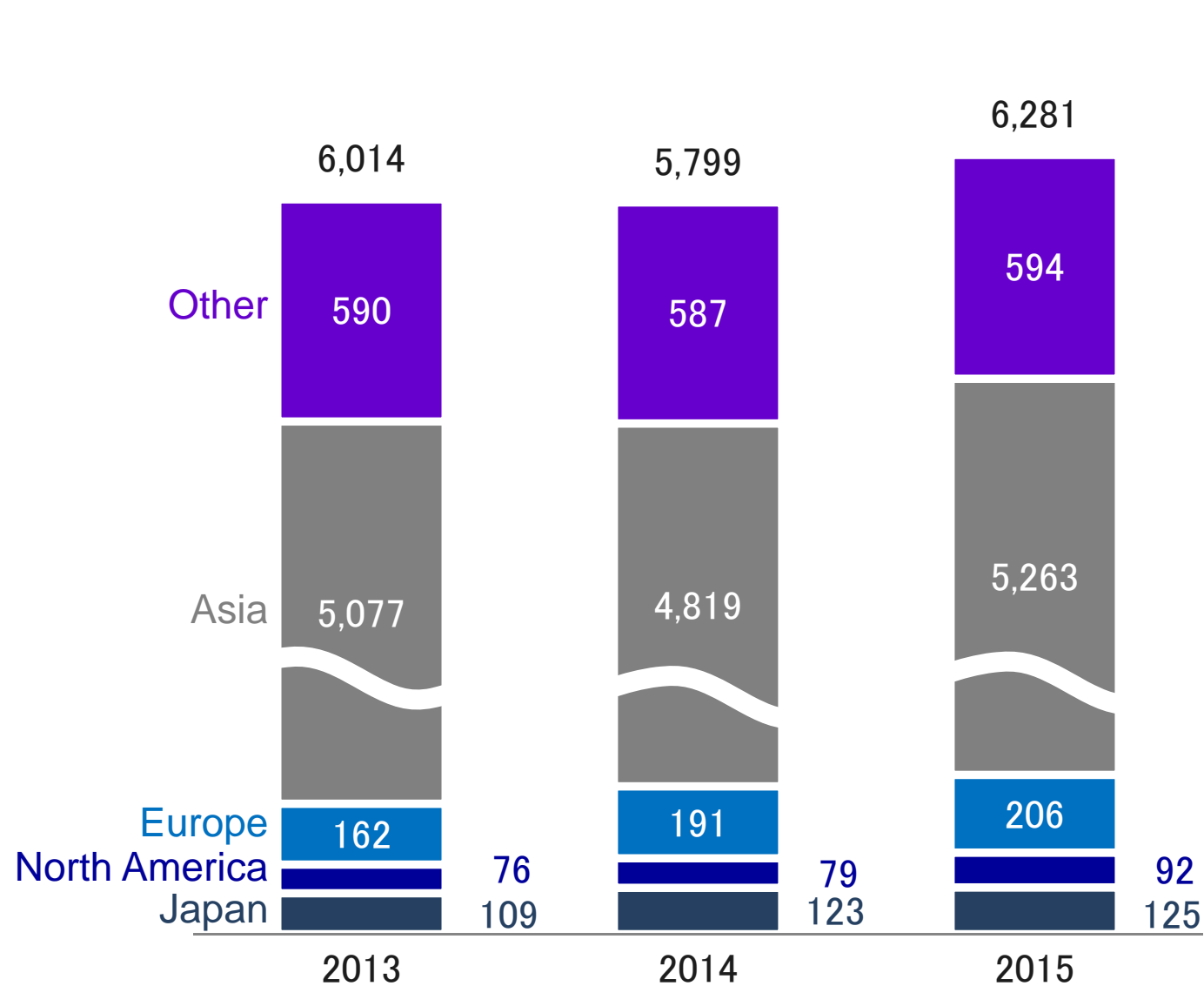
Motorcycles	0.9	2.3	4.1	1.0	2.1
Marine	13.1	16.6	17.6	12.4	12.0
Power Products	4.2	4.6	6.2	2.5	2.3
Other	8.7	9.6	10.4	8.4	6.1
TOTAL	3.9	5.7	7.1	3.6	4.1

Motorcycle Unit Sales and Net Sales (Annual)



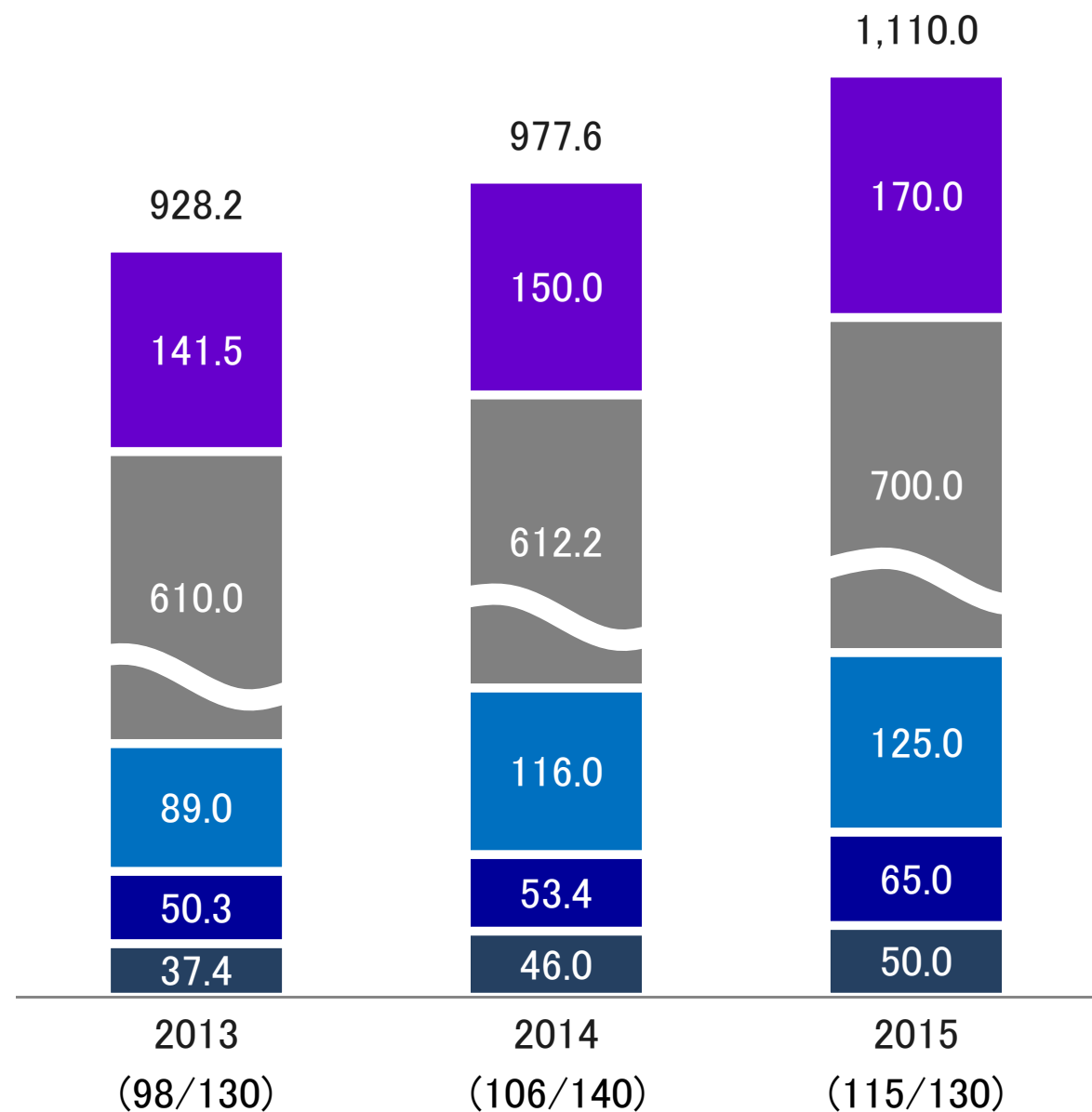
Unit Sales

(Thousand units)



Net Sales

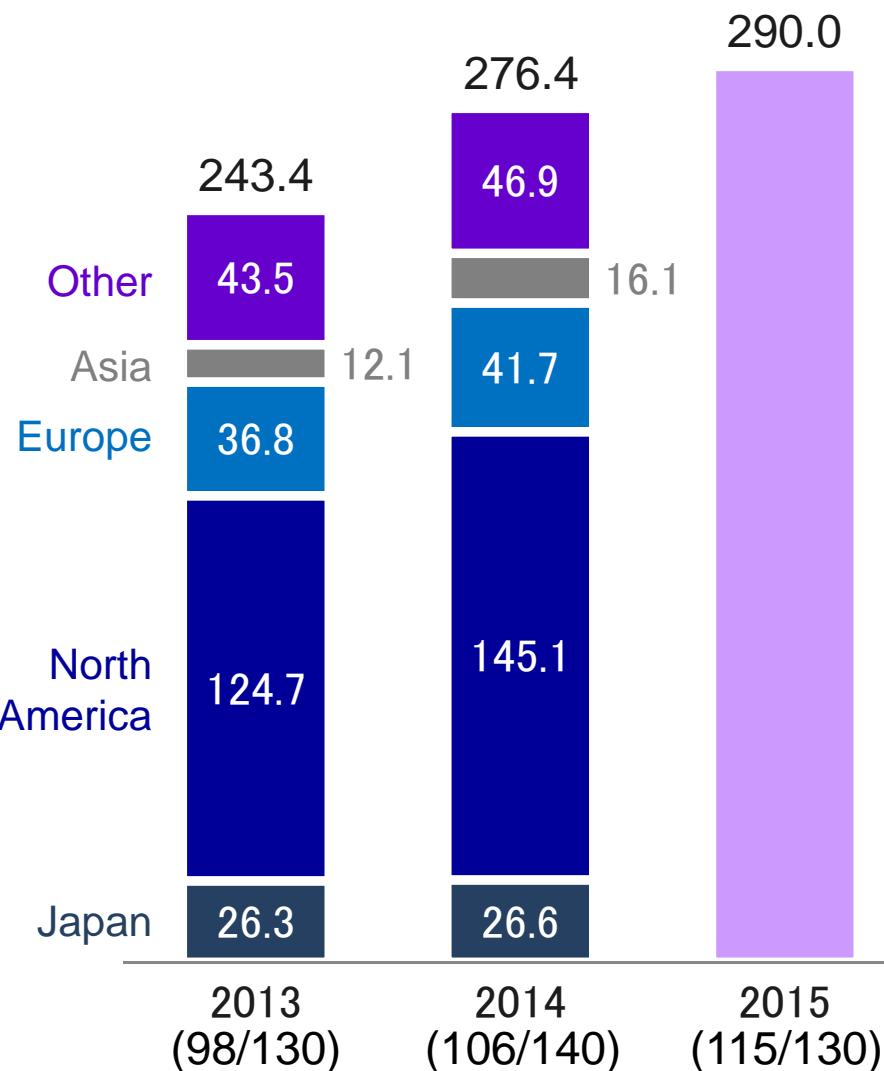
(¥ Bil.)



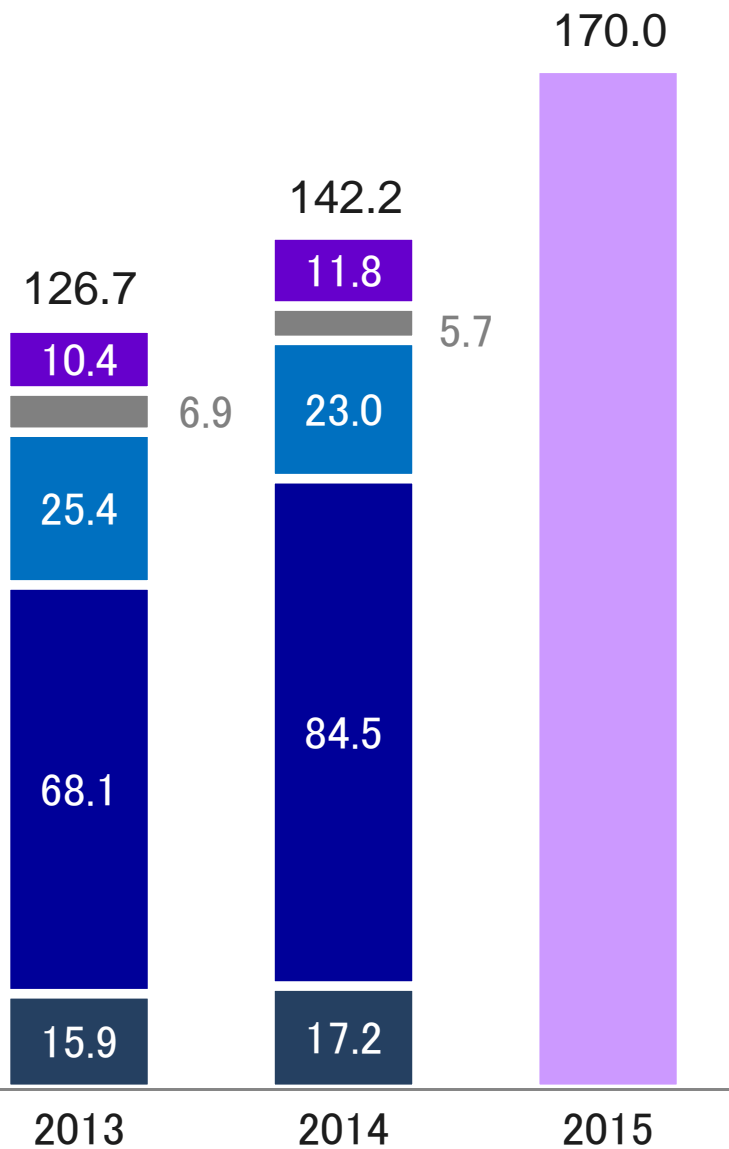
Net sales of Marine, Power Products, and Other (Annual)



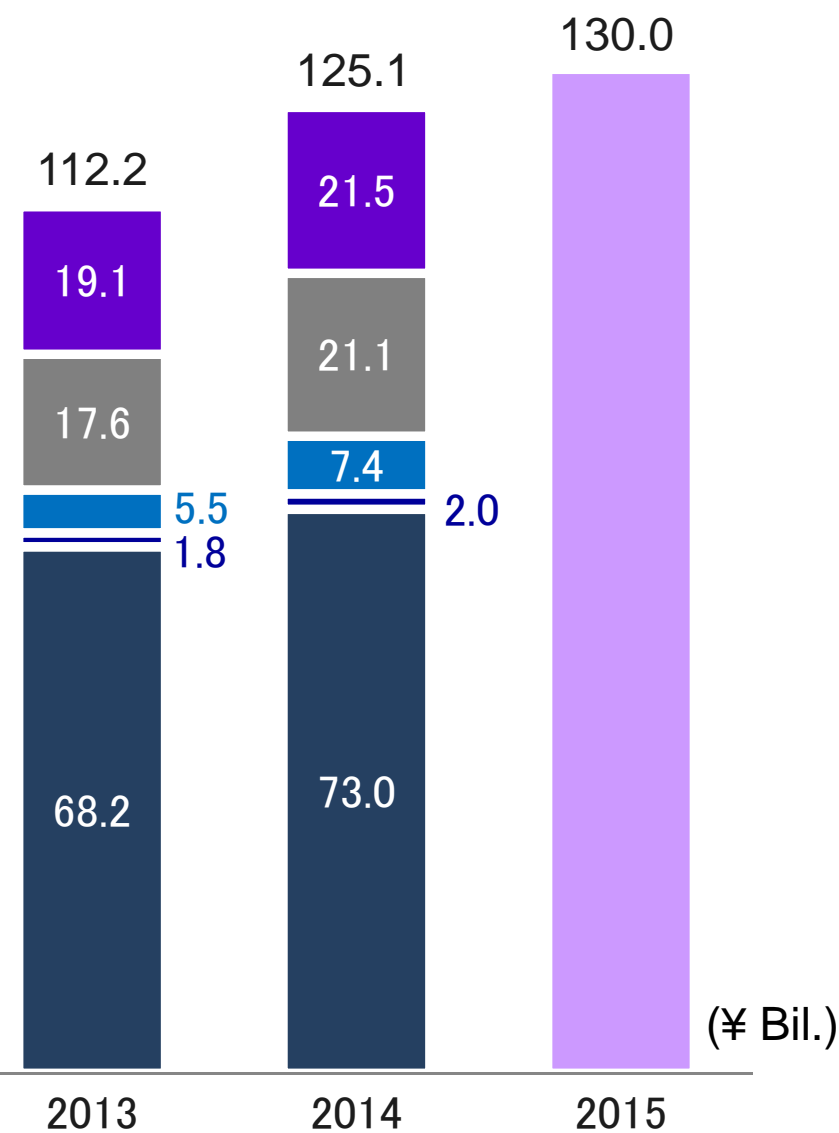
Marine



Power Products



Other



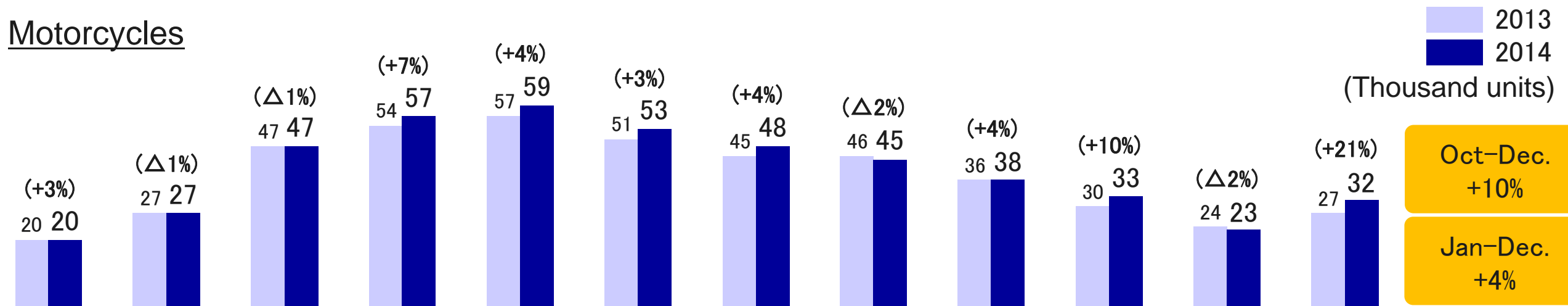
(¥ Bil.)

*Other: incl. Industrial Machinery & Robot Products

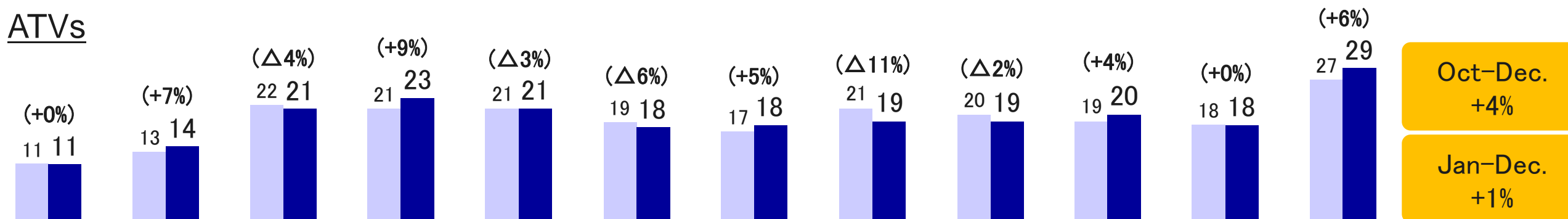
Monthly Total Demand for Major U.S. Products



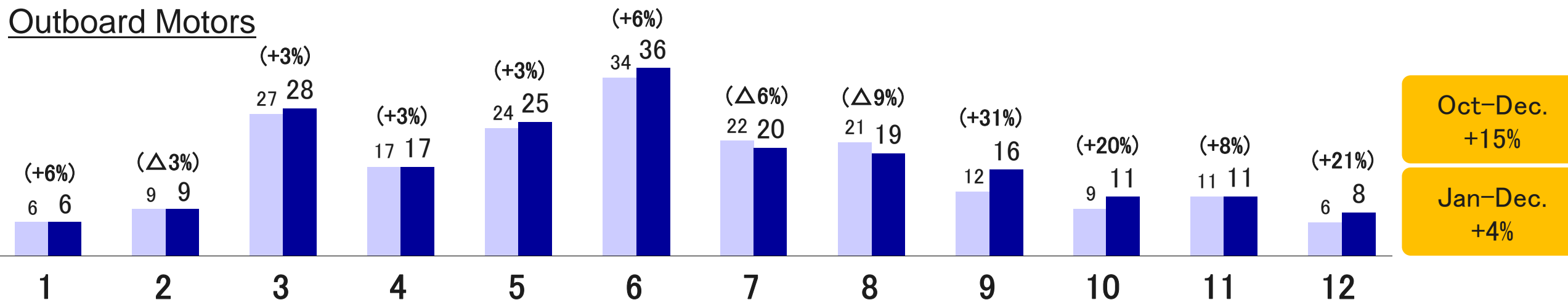
Motorcycles



ATVs



Outboard Motors



Retail

(Thousand units)

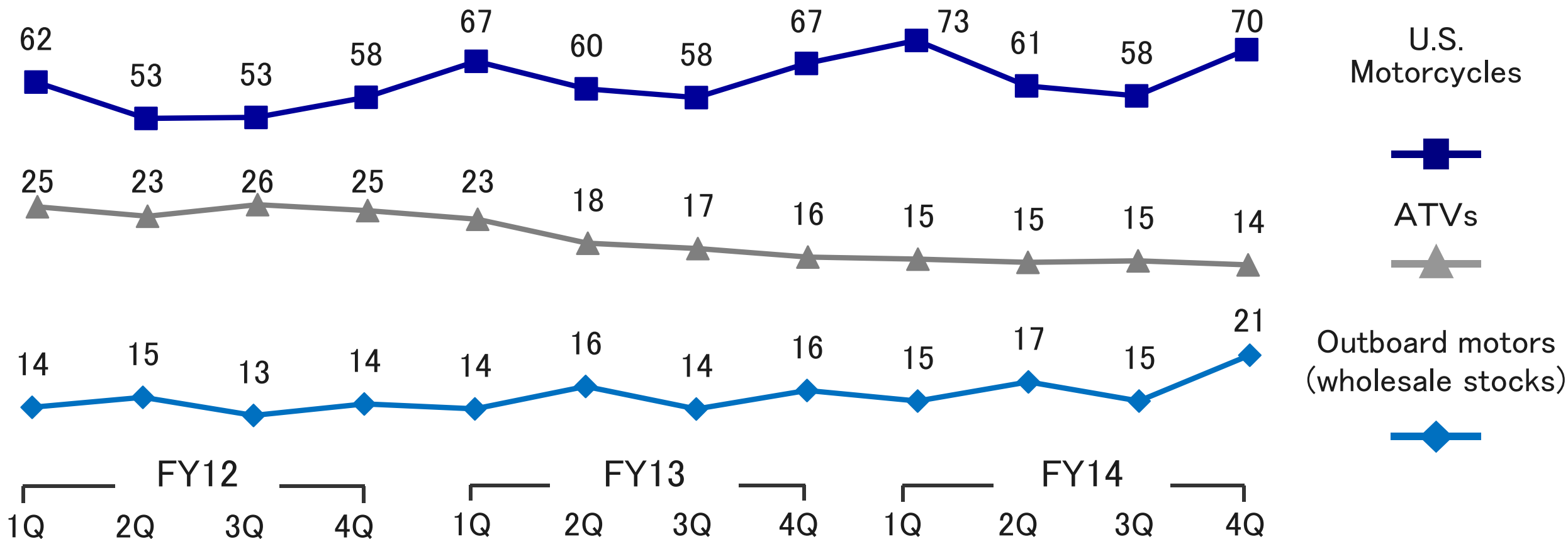
	FY13		FY14		vs LY	
	4Q	Full year	4Q	Full year	4Q	Full year
Motorcycles	11	62	16	71	+50%	+16%
ATVs	7	31	7	28	△8%	△10%
ROVs	2	6	3	10	+40%	+76%
Outboard motors	11	74	13	75	+19%	+2%

Wholesale

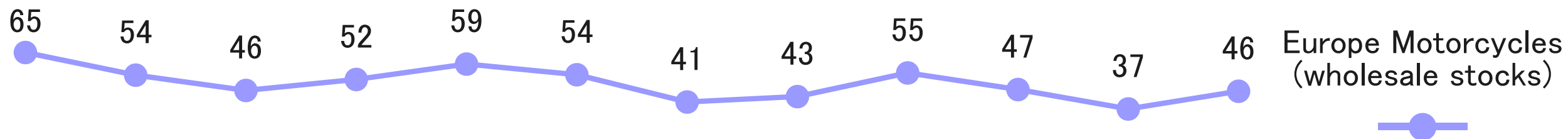
(Thousand units)

	FY13		FY14		vs LY	
	4Q	Full year	4Q	Full year	4Q	Full year
Motorcycles	20	67	21	67	+2%	△1%
ATVs	6	26	6	25	+5%	△4%
ROVs	3	7	3	11	0%	+67%
Outboard motors	16	77	16	82	0%	+7%

Major Products in the U.S.



Motorcycles in Europe



Impact of Foreign Exchange vs. Last Year



(¥ Bil.)	2014 (annual)				2015 (annual)			
	US\$	EURO	Other	Total	US\$	EURO	Other	Total
Currency Rate Impact on HQ Imports and Exports	12.4	3.9	-1.2	15.1	12.3	-5.9	-1.6	4.8
Impact on Procurement Cost (Overseas Subsidiaries)	0	0	-11.1	-11.1	0	0	-5.9	-5.9
Impact on Gross Income (Overseas Subsidiaries)	3.8	2.5	1.4	7.7	4.6	-2.8	6.2	8.1
Impact on SG&A Expenses (Overseas Subsidiaries)	-3.3	-2.2	-1.4	-6.9	-3.2	2.3	-4.7	-5.6
Impact on Operating Income	12.8	4.1	-12.2	4.8	13.7	-6.4	-6.0	1.3

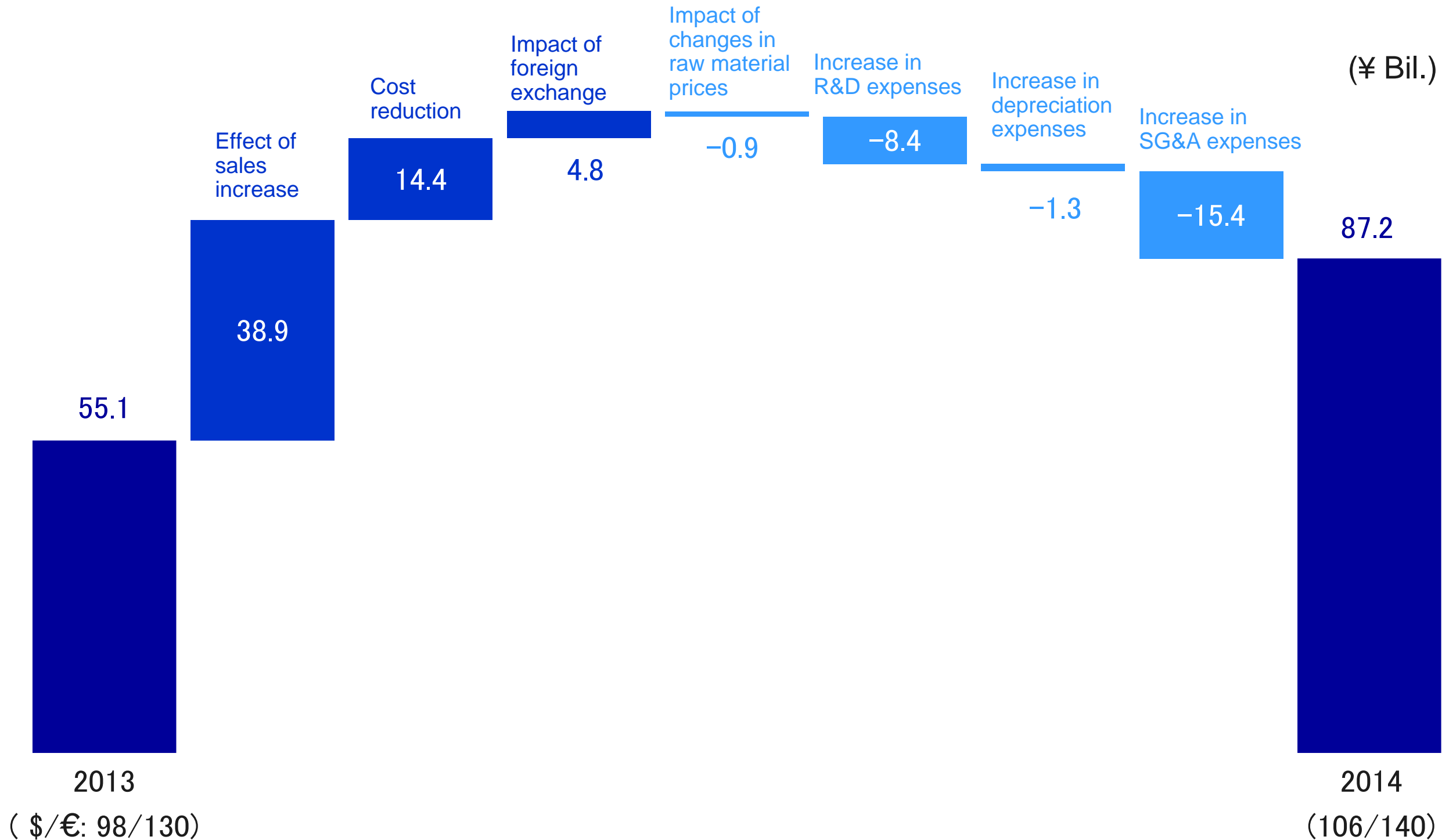
Foreign Exchange Sensitivity

Amount of impact on the operating income per yen of foreign exchange fluctuations

US\$	EURO
1.5	0.4
Bil. Yen	Bil. Yen

US\$	EURO
1.4	0.6
Bil. Yen	Bil. Yen

Causes of changes in operating income (Annual)



Causes of changes in operating income (Annual Forecast)

