

# Business Results for Full Fiscal year ended 31 December 2018



Yamaha Motor Corporation  
February 12, 2019  
(Ticker symbol: 7272)

**PPM (Public Personal Mobility)**

# Agenda

## Business Results for Full Fiscal year ended 31 December 2018

### ■ 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

## Summary of Medium-Term Management

### Targeted Net Sales and Operating Income were not achieved

- The motorcycle business in developed countries did not achieve a surplus, and the ROV business is in rebuilding process

### Profitability Improvements/Stabilized Financial Platform

- Operating Income Ratio 9% level achieved
- ROE 15% level achieved, Equity Ratio is over 45%

### Achievement of growth strategies (technology development)

- Create new value in each area, introduce 235 models over a 3 year period

## Outlook for 2019

### Net Sales and Operating Income

Lowering the line that represents the maximum estimates of currency risk in light of the uncertain external environment.

### Financial Strategies

Cash flow improvements, active investment in growth and allocations of shareholder returns

# Business Results: 2018

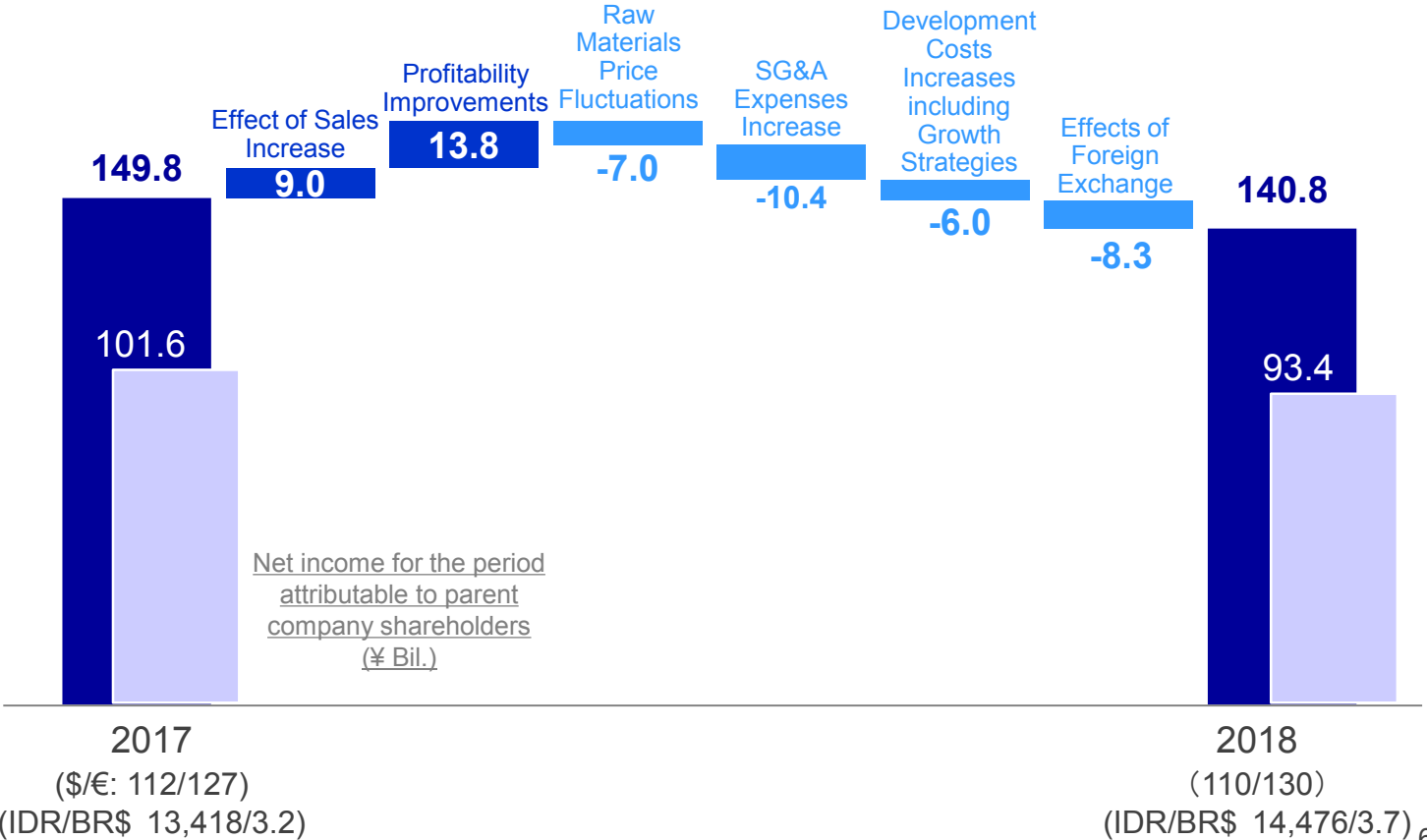
Lower income due to reduced sales of motorcycles in developed countries, currency effects, and rising raw material costs.

(¥ Bil.)	2017 Results	2018 Results	Vs. Previous Year
Net Sales	1670.1	1673.1	100%
Operating Income	149.8	140.8	94%
Operating Income Ratio	9.0%	8.4%	-0.6pts.
Ordinary Income	154.8	138.0	89%
Net Income *	101.6	93.4	92%
(\$/€)	112 / 127	110 / 130	—
(\$/IDR·BR\$)	13,418 / 3.2	14,476 / 3.7	—

\*Net income attributable to parent company shareholders

# Business Results: Factors Impacting Operating Income

(¥ Bil.)



# Business Results: 2019 (Annual Forecast)

Creating stable profits in the current of foreign exchange impact

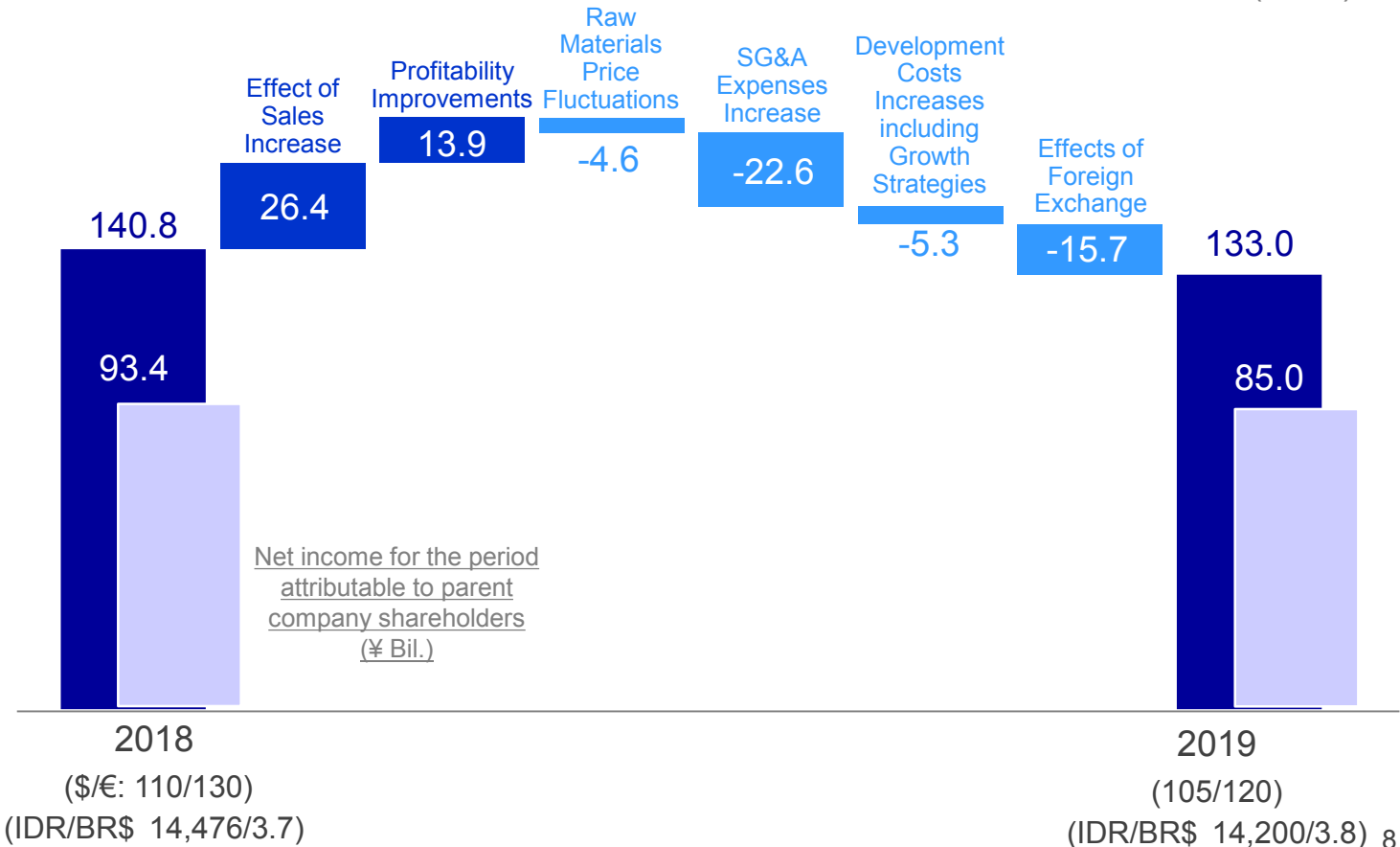
(¥ Bil.)	2018 Results	2019 Forecast	Vs. Previous Year
Net Sales	1673.1	1700.0	102%
Operating Income	140.8	133.0	94%
Operating Income Ratio	8.4%	7.8%	-0.6 pts.
Ordinary Income	138.0	135.0	98%
Net Income *	93.4	85.0	91%

(\$/€)	110 / 130	105 / 120	—
(\$/IDR·BR\$)	14,476 / 3.7	14,200 / 3.8	—

\*Net income attributable to parent company shareholders

# Business Results: Factors Impacting Operating Income (Annual Forecast)

(¥ Bil.)

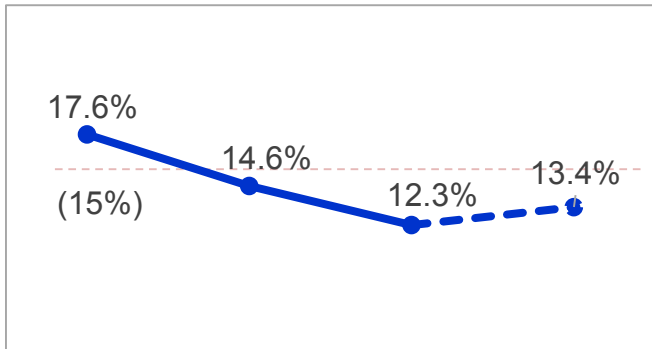




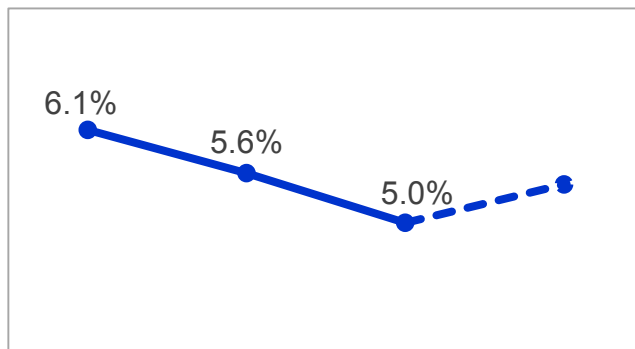
# Key Financial Indicators

Investment in development for growth aiming for future returns.

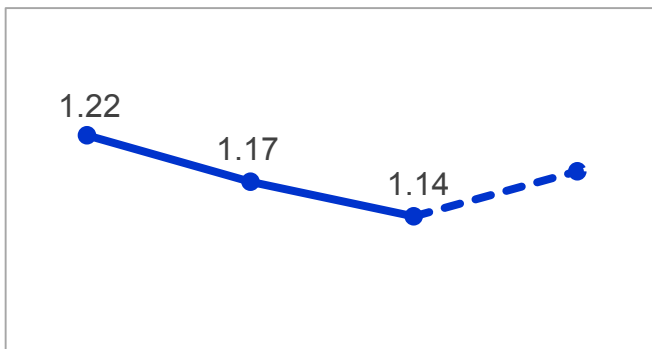
## ROE



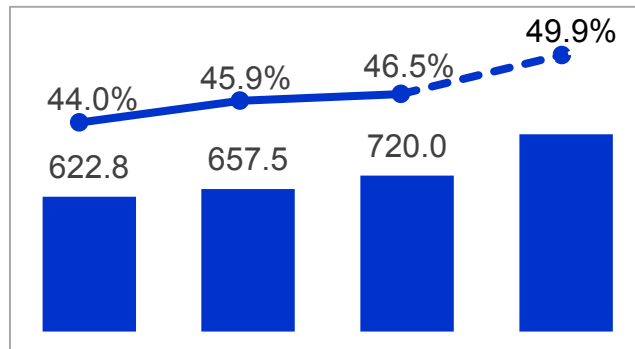
## Net Income Ratio



## Total Assets Turnover



## Equity (¥ Bil.), Equity Ratio



2017

2018

2019

2021

2017

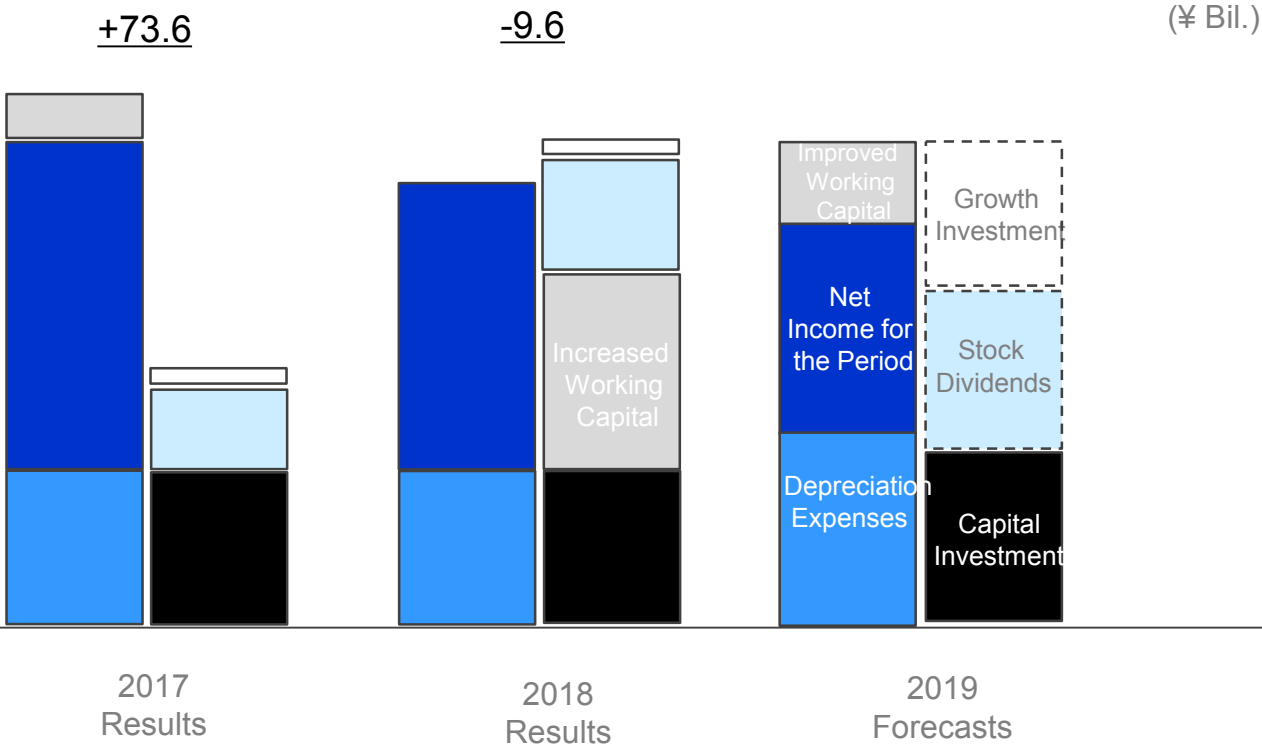
2018

2019

2021

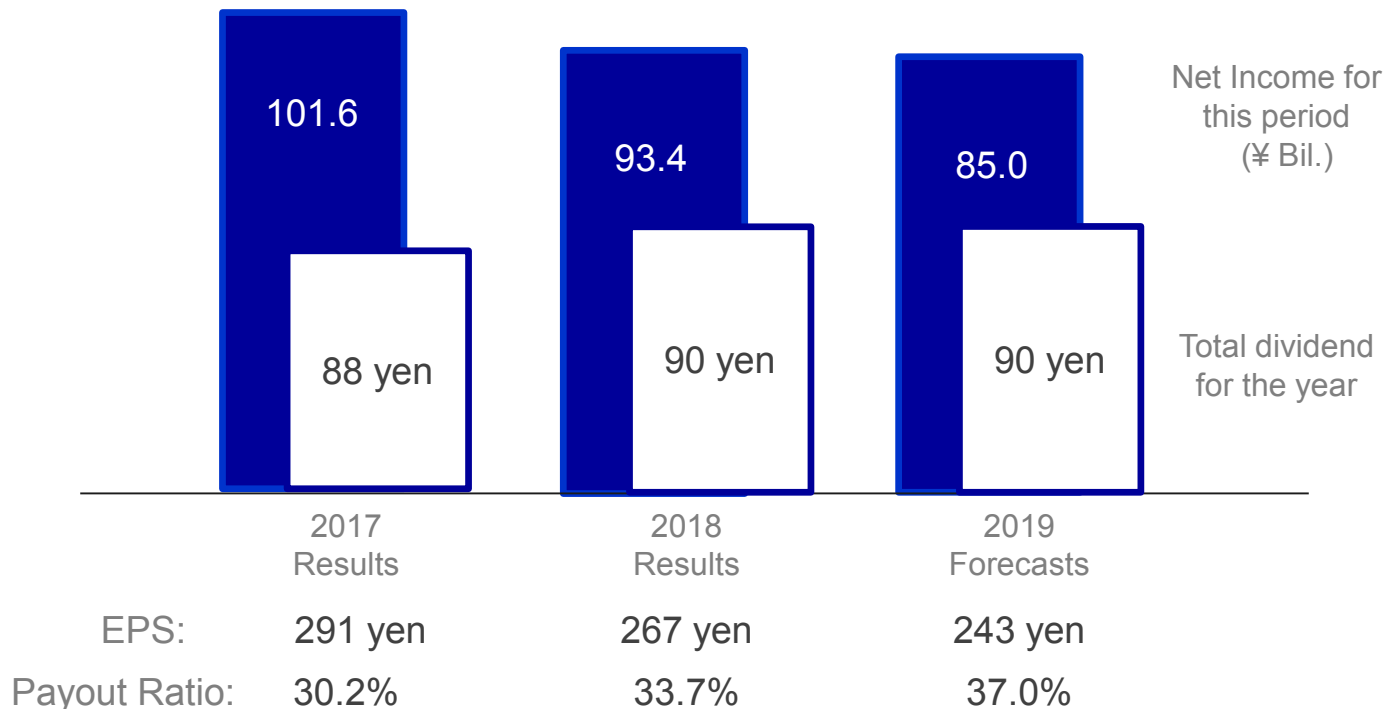
# Cash Flow (excluding Sales Finance)

Creating substantial dividends for shareholders, full-scale growth investment



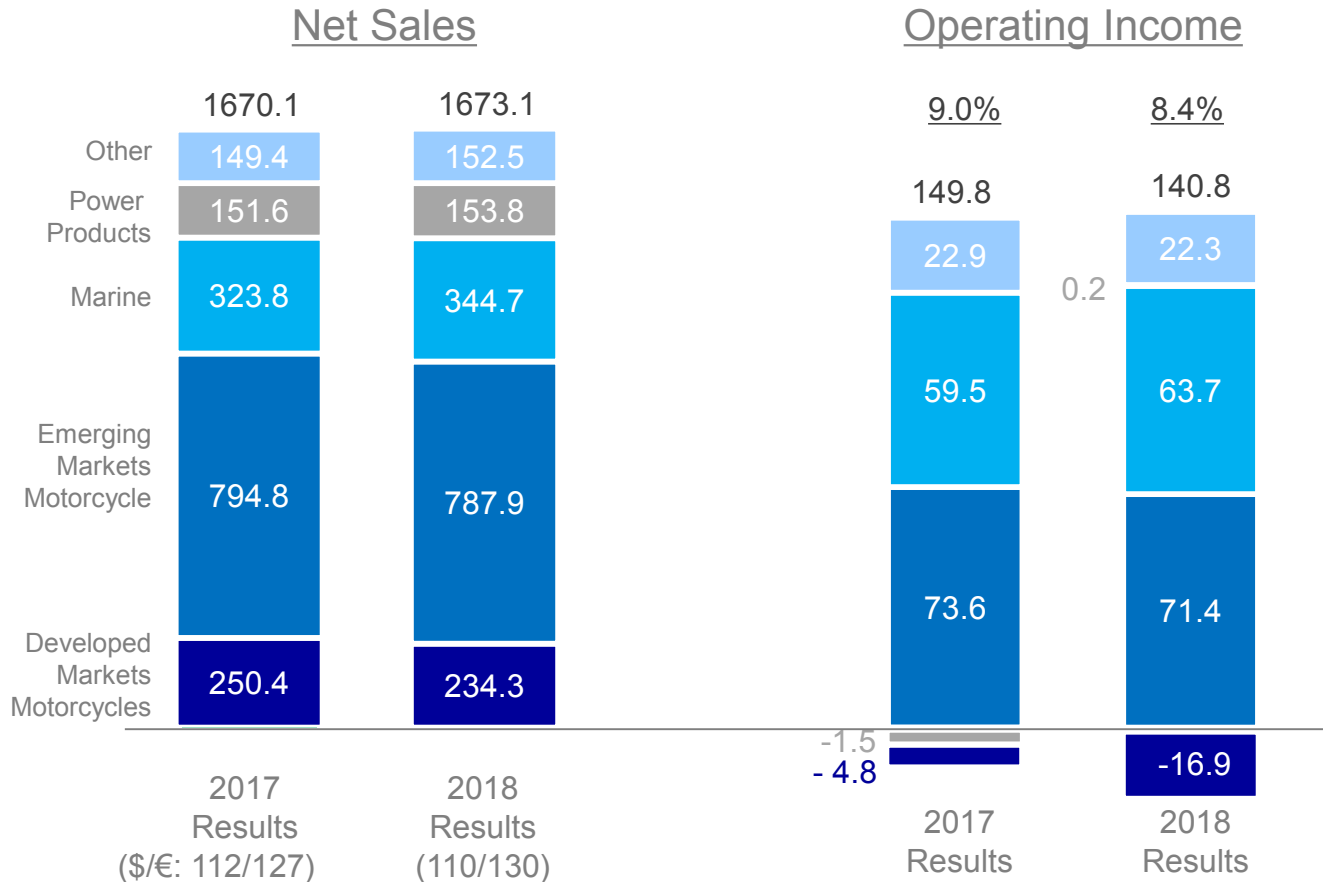
# Stock Dividends

Continuing to pay out a 90-yen dividend for 2019.



# Details per Business Segment

# Business Results: Net Sales and Operating Income per Business Segment (Results)

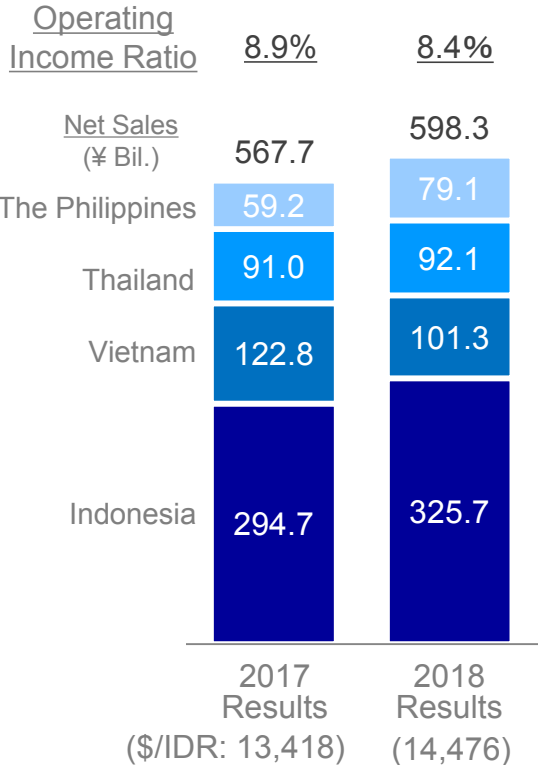


\* Other Products: Includes industrial machinery & robot products

# Motorcycle Business

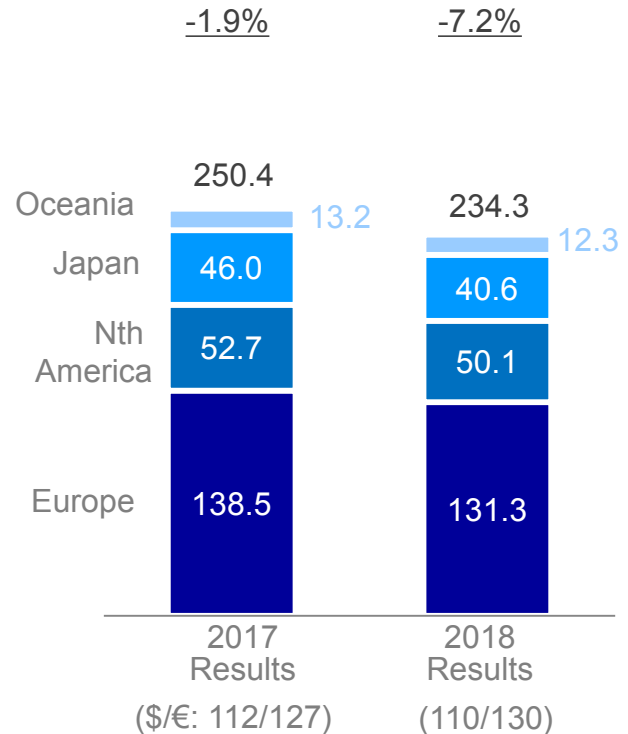
## ASEAN

Sales increased in the Philippines and Indonesia, but income declined due to sales decreases in Vietnam.



## Developed Markets

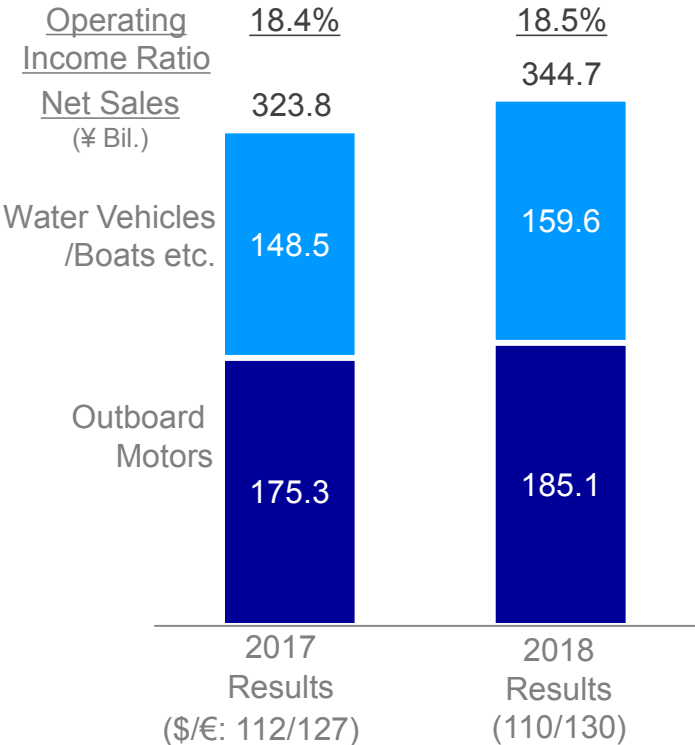
Operating Income Ratio dropped remarkably due to sales decreases in Europe.



# Marine Products and Industrial Machinery & Robot Products Business Segments

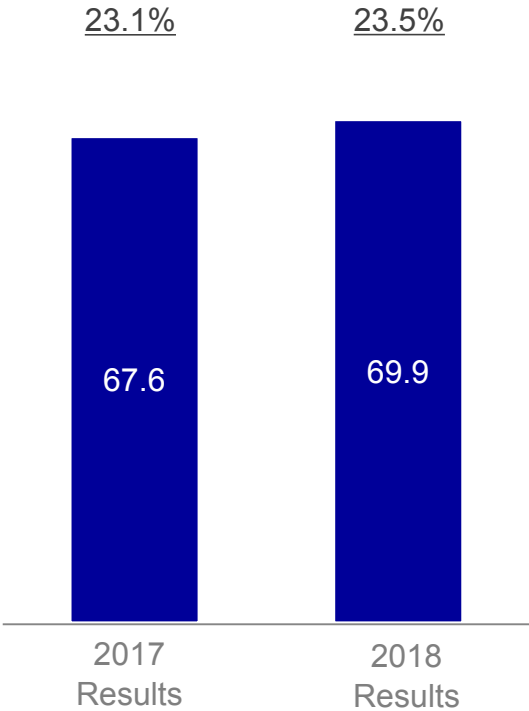
## Marine Products

Sales increases in Outboard Motors,  
Water Vehicles and Boats



## Industrial Machinery & Robot Products

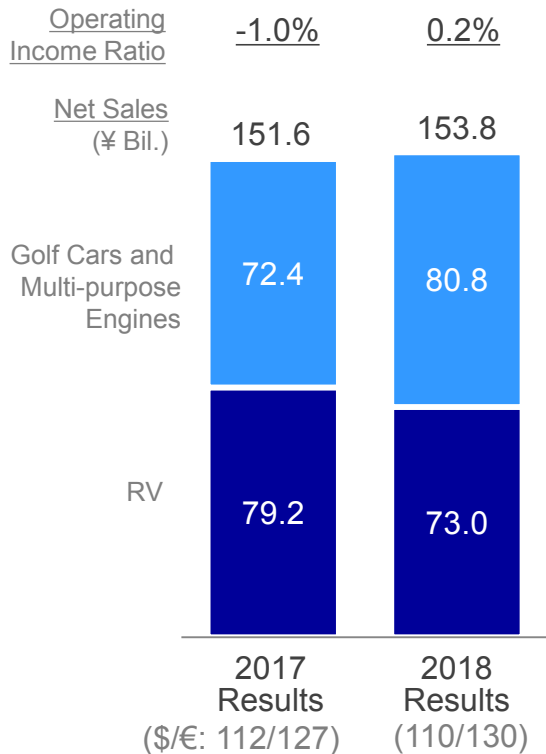
Surface mounters product mix  
improvements.



# Power Products, Other Products

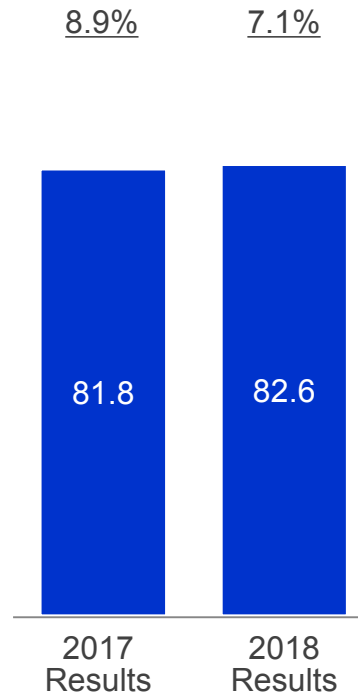
## Power Products

Increased sales of golf cars and multi-purpose engines.



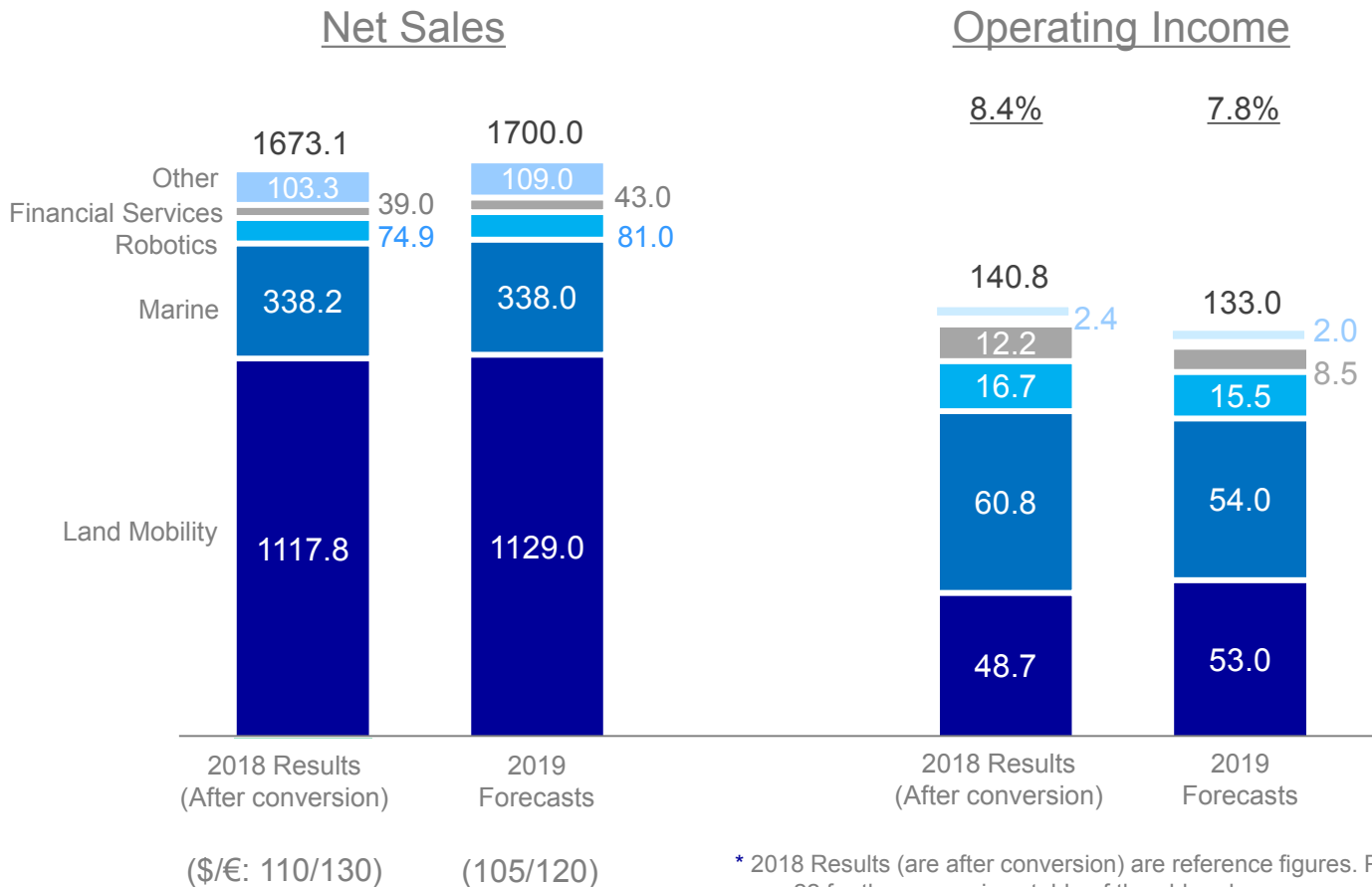
## Others

Worsening product mix of electrically power assisted bicycles





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

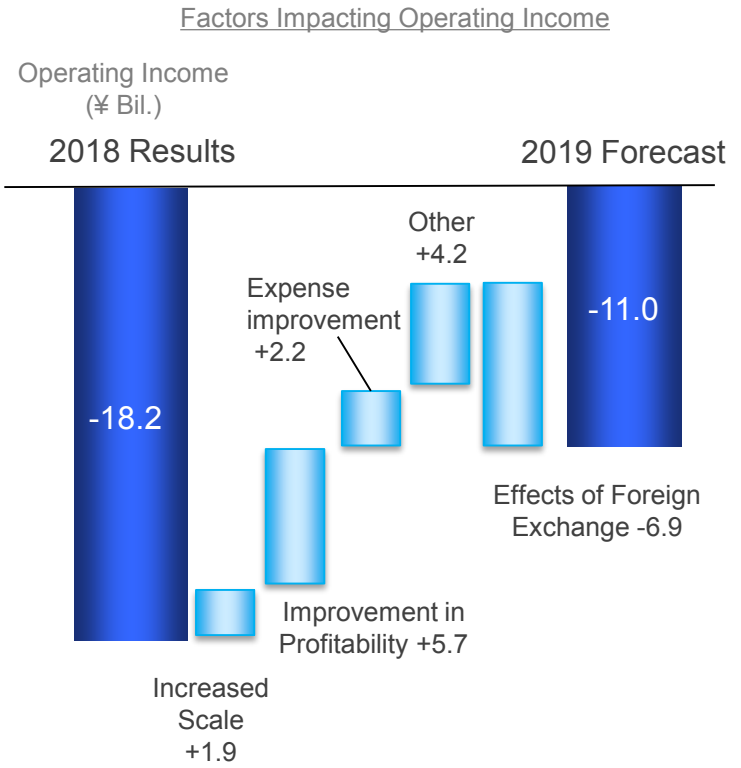
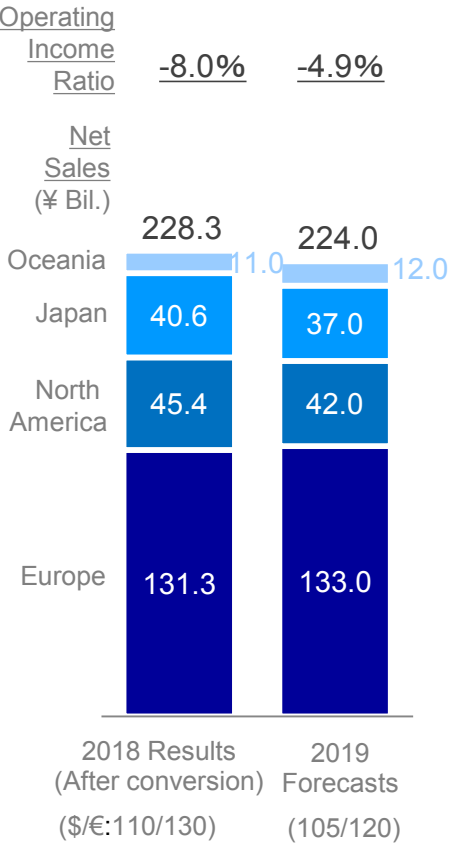


\* 2018 Results (are after conversion) are reference figures. Please see p22 for the comparison table of the old and new segments.

# Land Mobility Business

## Developed Markets Motorcycle Business

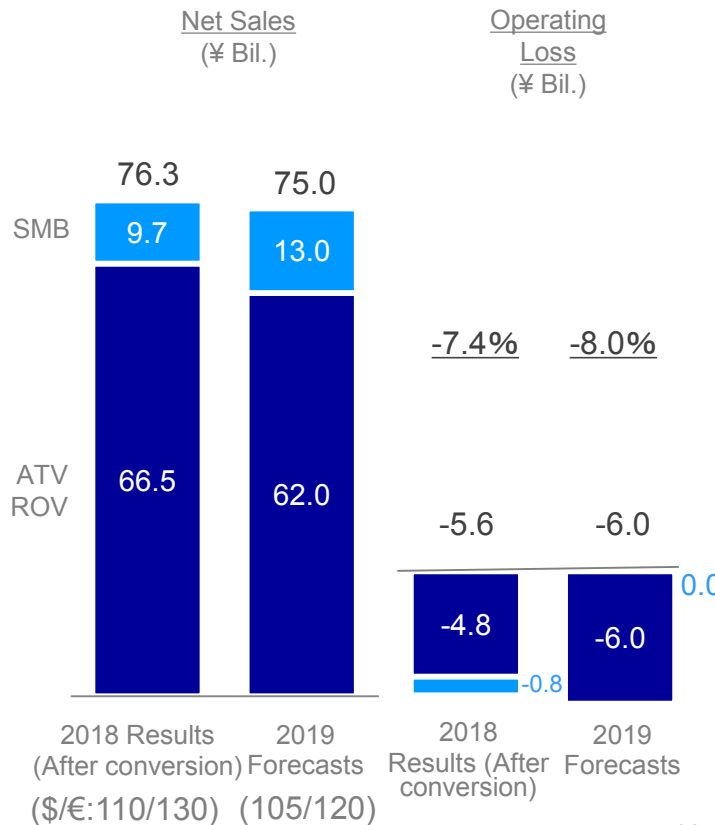
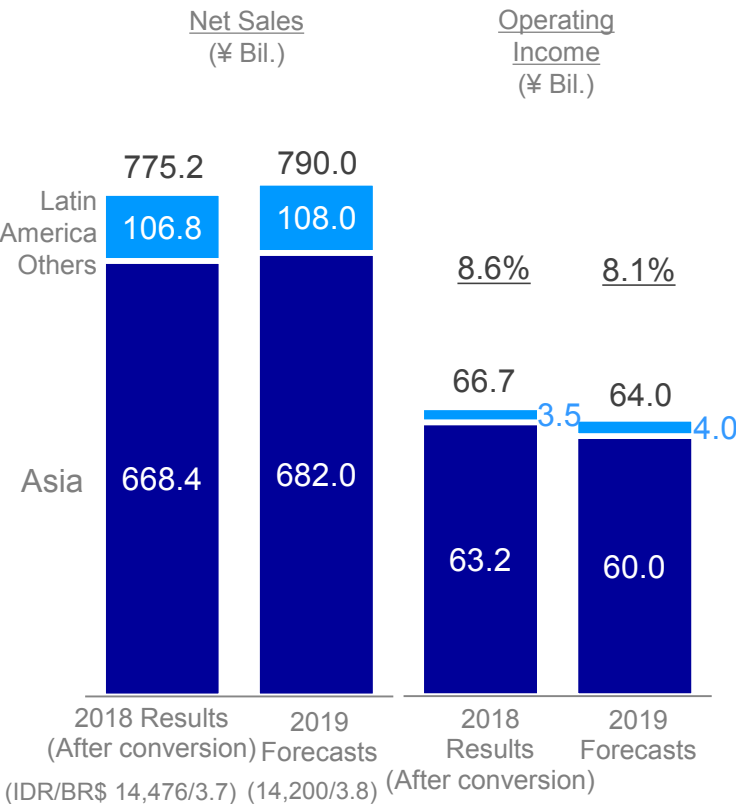
We are promoting structural reforms in manufacturing and sales, and focusing on business improvements



\* 2018 Results (are after conversion) are reference figures. 18

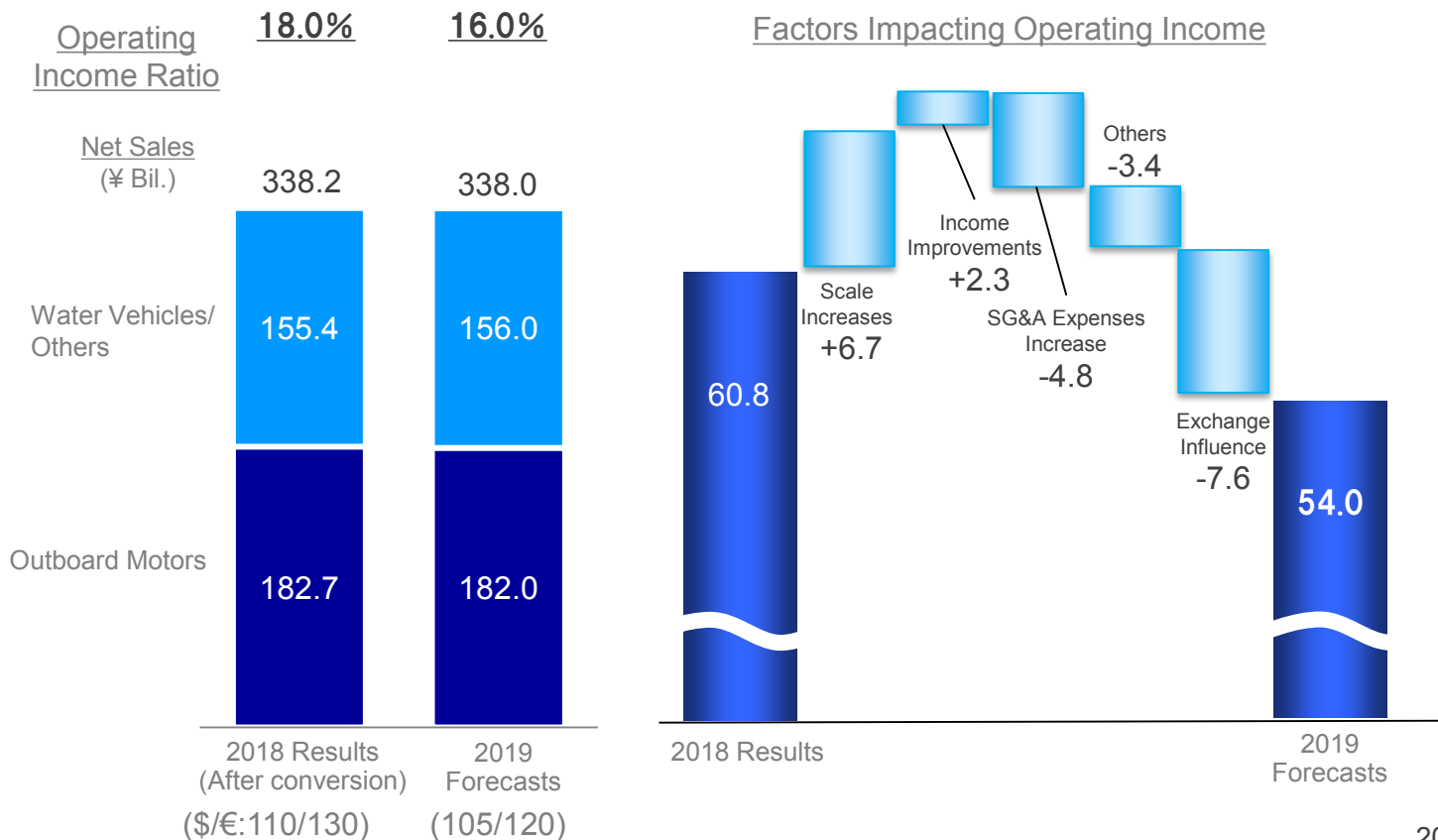
Under the influence of foreign exchange, we aim to increase sales of high-priced motorcycles for the new middle class.

Development of new PF Models is progressing.



# Marine Products Business

Although currency exchange fluctuations have an effect, the increases in large outboard motor production is showing its influence.

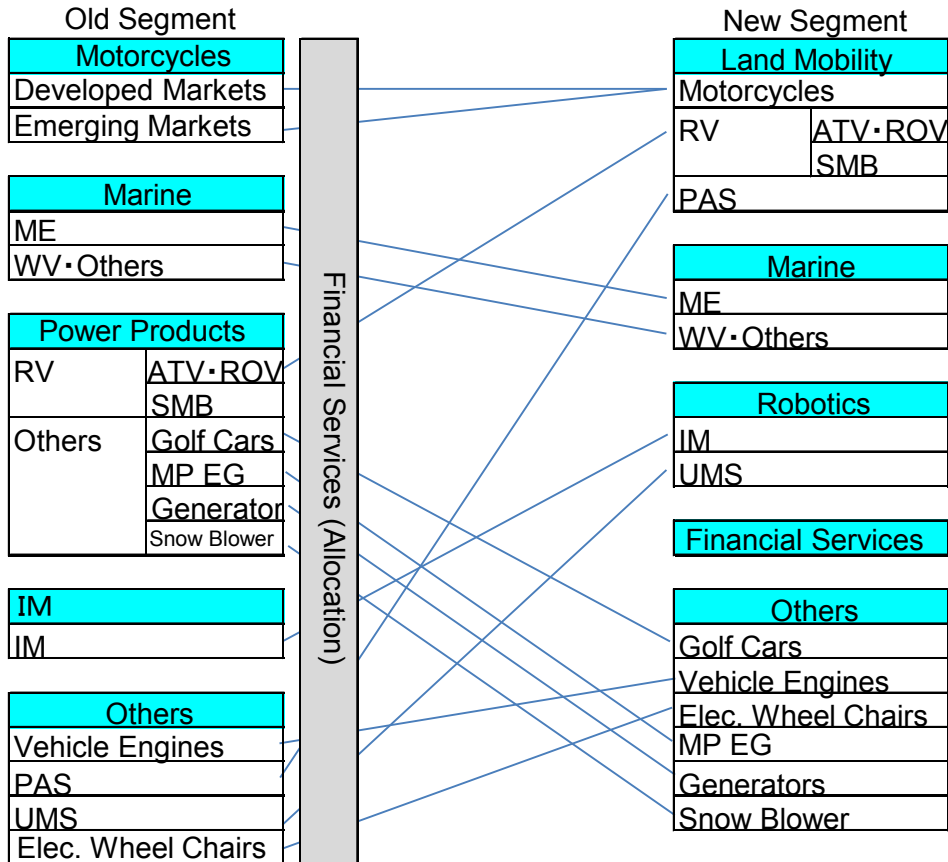




**YAMAHA**

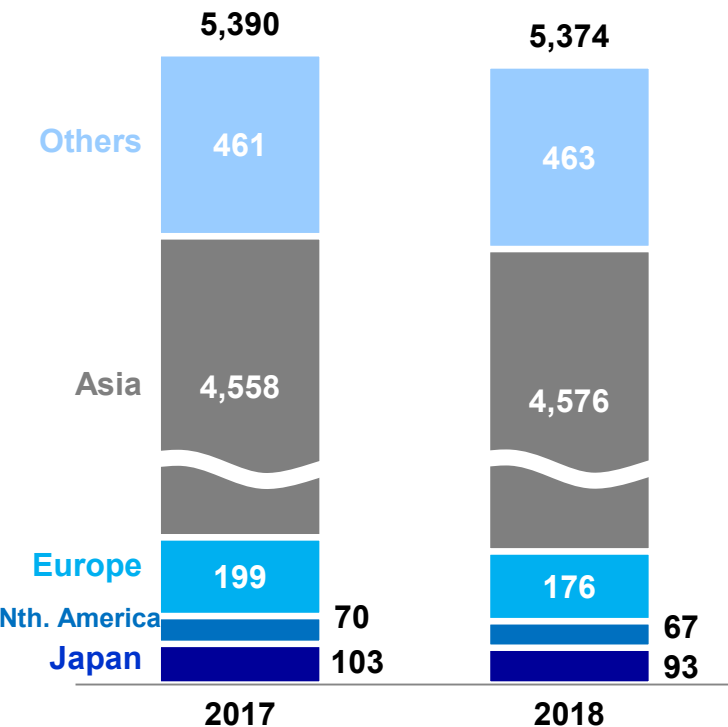
*Revs Your Heart*

# Reference: New/Old Segment Comparison

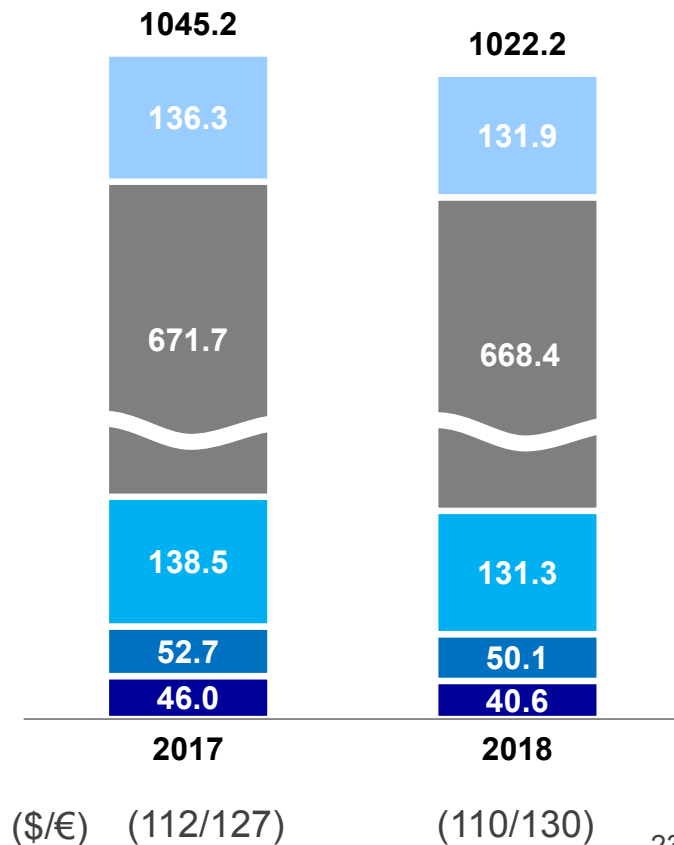


# Motorcycle Unit Sales/Net Sales (Annual)

Unit Sales  
(Thousand units)

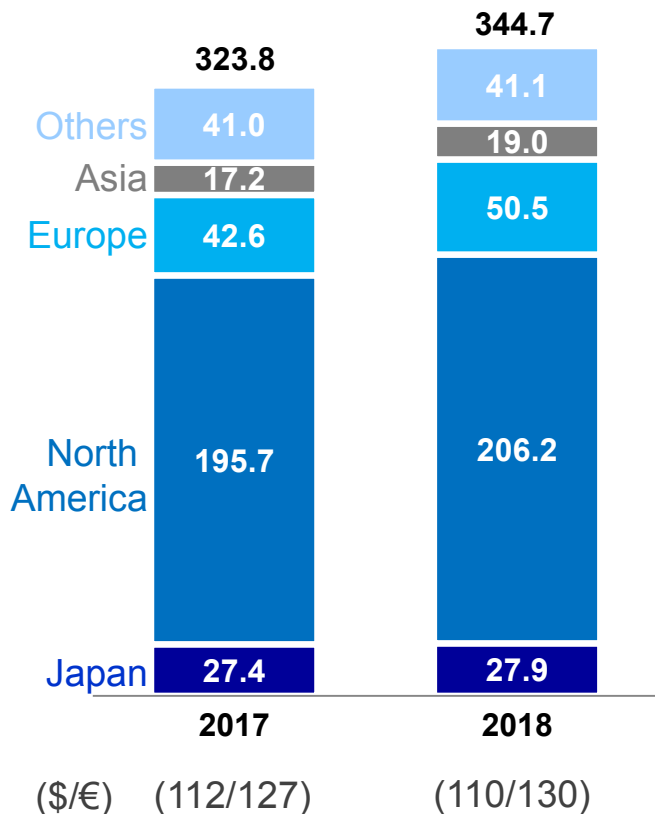


Net Sales  
(¥ Bil.)

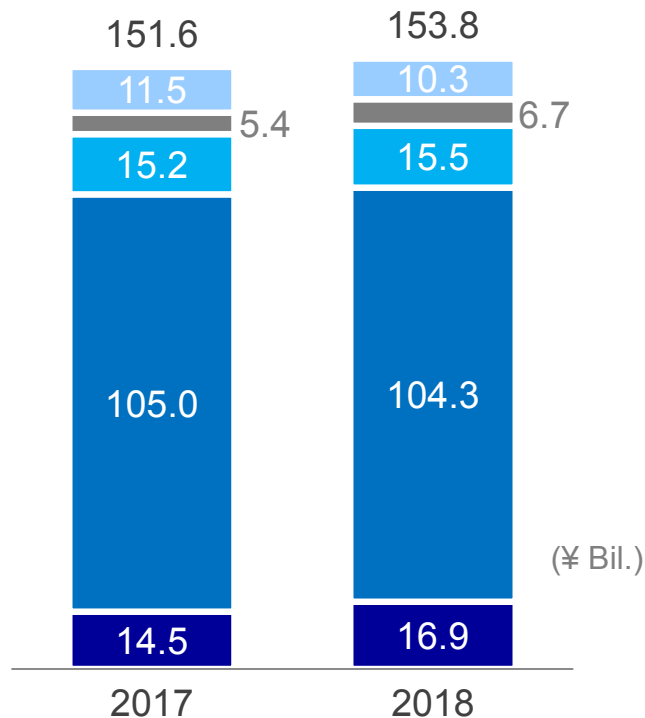


# Net Sales of Marine/Power Products (Annual)

## Marine Products



## Power Products

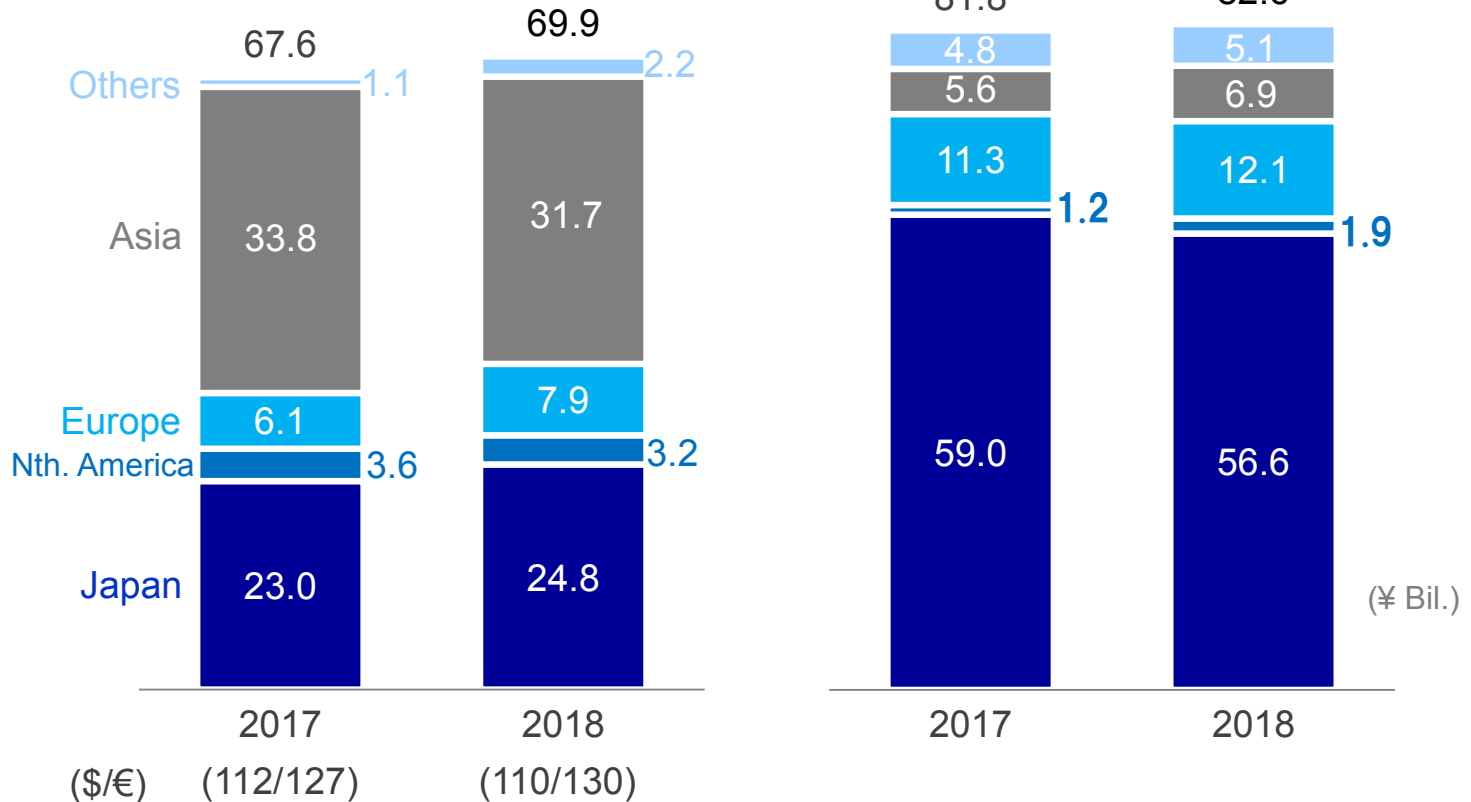




# Net Sales of Industrial Machinery & Robot Products and Other Products (Annual)

## Industrial Machinery & Robot Products:

## Other Products



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

(¥ Bil.)

	2017	2018
Capital Expenditure	<b>56.5</b>	<b>55.1</b>
Depreciation and Amortization Expenses	<b>45.5</b>	<b>46.4</b>
Research and Development Expenses	<b>99.2</b>	<b>102.8</b>
Interest-bearing Debt	<b>353.5</b>	<b>356.7</b>
(Includes Sales Financing)	<b>248.7</b>	<b>262.8</b>

# Effects of Foreign Exchange (Compared to Previous Year)

(¥ Bil.)	2018 Results (Annual)				2019 Forecasts (Annual)			
	US\$	EURO	Others	Total	US\$	EURO	Others	Total
Foreign Exchange Effects on HQ Imports and Exports	-2.6	2.9	-1.7	-1.4	-7.7	-6.4	0	-14.1
Foreign Exchange Effects on Purchases (Overseas Subsidiaries)	0	0	-2.7	-2.7	0	0	3.0	3.0
Conversion Effects on Gross Income (Overseas Subsidiaries)	-1.2	1.5	-10.9	-10.6	-4.0	-3.9	-7.2	-15.0
Conversion Effects on SG&A Expenses (Overseas Subsidiaries)	0.8	-0.9	6.6	6.5	3.0	2.8	4.6	10.4
<b>Foreign Exchange Effects on Operating Income</b>	<b>-2.9</b>	<b>3.4</b>	<b>-8.8</b>	<b>-8.3</b>	<b>-8.6</b>	<b>-7.5</b>	<b>0.4</b>	<b>-15.7</b>

## Foreign Exchange Sensitivity

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

US\$ 1.7¥ Bil  
EURO 0.7¥ Bil.

US\$ 1.5¥ Bil.  
EURO 0.6 ¥Bil.