

Yamaha Motor Net Sales up Slightly for 3 Quarters – Operating income hurt by developed-market bike sales, forex and material costs –

IWATA, October 31, 2018

IWATA, October 31, 2018 - Yamaha Motor Co., Ltd. (Tokyo: 7272) announces consolidated business results for the first nine months.

Net sales for Yamaha Motor Co., Ltd.'s consolidated accounting period for the first nine months of the fiscal year ending December 31, 2018 were 1,262.0 billion yen, an increase of 11.3 billion yen (0.9%) compared with the same period the previous fiscal year. Operating income was 115.5 billion yen, a decrease of 5.3 billion yen (4.4%), ordinary income was 113.4 billion yen, a decrease of 10.7 billion yen (8.6%), and net income for the period attributed to owners of parents was 81.8 billion yen, a decrease of 7.4 billion yen (8.3%) compared with the previous fiscal year.

Net sales increased thanks to healthy sales in the marine business, the power products business, and the emerging markets motorcycle business.

Operating income decreased due to lower income in the developed markets motorcycle business as well as foreign exchange effects and increased raw material costs.

For the first nine months consolidated accounting period, the U.S. dollar traded at 110 yen (an appreciation of 2 yen from the same period the previous fiscal year), and the euro at 131 yen (a depreciation of 6 yen).

Results by Business Segment

■ **Motorcycles:**

Net sales were 770.3 billion yen (a decrease of 11.8 billion yen or 1.5% compared with the same period the previous fiscal year), and operating income was 45.3 billion yen (a decrease of 9.1 billion yen or 16.7%).

In emerging markets such as Indonesia and the Philippines, increased unit sales, product mix improvements etc. led to increased sales and income. In developed markets, the decrease in unit sales led to decreased sales and income.

■ **Marine:**

Net sales were 268.3 billion yen (an increase of 17.4 billion yen or 6.9% compared with the same period the previous fiscal year), and operating income was 53.1 billion yen (an increase of 4.5 billion yen or 9.2%).

Sales and income increased thanks to the effects of increased outboard motor production starting to become apparent, as well as healthy sales of water vehicles and sports boats.

■ **Power Products:**

Net sales were 112.1 billion yen (an increase of 5.6 billion yen or 5.3% compared with the same period the previous fiscal year), and operating income was 0.8 billion yen (a decrease of 0.5 billion yen or 37.9%).

Sales increased thanks to healthy sales of golf cars and multi-purpose engines, but income decreased due to lower unit sales of snowmobiles.

■ **Industrial Machinery & Robot Products:**

Net sales were 51.8 billion yen (an increase of 2.3 billion yen or 4.6% compared with the same period the previous fiscal year), and operating income was 12.7 billion yen (an increase of 1.2 billion yen or 10.2%).

Increases in sales and income were achieved thanks to healthy sales of surface mounters for automotive applications.

Other Products:

Net sales were 59.6 billion yen (a decrease of 2.3 billion yen or 3.7% compared with the same period the previous fiscal year), and operating income was 3.5 billion yen (a decrease of 1.4 billion yen or 28.2%).

Sales and income decreased due to the deterioration of the product mix and lower unit sales in Japan of electrically power assisted bicycles.

Forecast of Consolidated Business Results:

Regarding the anticipated consolidated business results for the entire fiscal year ending December 31, 2018, net sales are expected to be below the initial forecast due to the decrease in unit sales in the developed markets motorcycle business, and operating income is expected to be below the initial forecast due to decreased income in the emerging markets motorcycle business, the effects of emerging market currency depreciation, and increased raw material costs, etc. In addition, ordinary income is expected to be below the initial forecast due to foreign exchange losses caused by emerging market currency depreciation.

Net Sales	1,650.0 billion yen (a decrease of 50.0 billion yen/2.9% from the initial forecast) (a decrease of 20.1 billion yen/1.2% compared with the previous fiscal year)
Operating Income	143.0 billion yen (a decrease of 7.0 billion yen/4.7% from the initial forecast) (a decrease of 6.8 billion yen/4.5% compared with the previous fiscal year)
Ordinary Income	140.0 billion yen (a decrease of 15.0 billion yen/9.7% from the initial forecast) (a decrease of 14.8 billion yen/9.6% compared with the previous fiscal year)
Net Income Attributed to Owners of Parents	95.0 billion yen (a decrease of 8.0 billion yen/7.8% from the initial forecast) (a decrease of 6.6 billion yen/6.5% compared with the previous fiscal year)

	Actual exchange rates for the previous consolidated fiscal year (year ended December 31, 2017)	Previously-announced forecasts	New revised forecast
(U.S. dollar / euro)	112 / 127	105 / 130	(4th quarter) 110 / 130

			(Annual) 110 / 131
(Indonesian rupiah and Brazilian real v.s. U.S. dollar)	13,400 / 3.2	13,300 / 3.3	(4th quarter) 15,200 / 3.7 (Annual) 14,300 / 3.7

Basic policy concerning profit distribution and dividends for the current and subsequent fiscal year

Recognizing that shareholders' interests represent one of the Company's highest management priorities, the Company has been striving to meet shareholder expectations by working to maximize its corporate value.

With regards to dividends, the Company is aiming toward a payout ratio of 30% of net income attributed to owners of parents and focusing on maintaining and increasing a stable financial platform and increasing new growth investment and stock dividends.

Regarding dividends for the period, while there are changes in the anticipated consolidated business results for the fiscal year ending December 31, 2018, the forecast dividend for the year will be maintained at the initial forecast of 90 yen per share, and the final dividend will therefore be 45 yen per share.

