



# Consolidated Business Results Summary— Fiscal Year 2018 Ending December 31 —

February 12, 2019

## Consolidated Business Results

**IWATA, February 12, 2019**—Yamaha Motor Co., Ltd. (Tokyo: 7272) announces results for the current consolidated accounting year. Net sales were 1,673.1 billion yen, an increase of 3 billion yen (0.2%) compared with the previous fiscal year. Operating income was 140.8 billion yen, a decrease of 9 billion yen (6.0%), ordinary income was 138.0 billion yen, a decrease of 16.9 billion yen (10.9%), and net income attributable to parent company shareholders was 93.4 billion yen, a decrease of 8.2 billion yen (8.1%) compared with the previous fiscal year. For the fiscal year, the U.S. dollar traded at 110 yen (an appreciation of 2 yen against the previous fiscal year), and the euro at 130 yen (a depreciation of 3 yen against the previous fiscal year).

For net sales although increases in the marine, power products, industrial machinery & robots, and other segments were achieved, a decrease in the motorcycle business lead to a result at the same level as the previous fiscal year.

In terms of operating income, profitability improvements increased thanks to the effect of sales increases in the marine business and industrial machinery & robots segment, as well as from development and manufacturing methods of platform models and global models in the motorcycle business segment, however a decline in income resulted as we were unable to fully absorb losses from less net sales in the motorcycle business in developed markets, foreign exchange losses and rising raw materials costs centered on developing markets.

## Results by Business Segment

### Motorcycles:

Net sales were 1,022.2 billion yen (a decrease of 23.0 billion yen or 2.2% compared with the previous fiscal year), and operating income was 54.5 billion yen (a decrease of 14.3 billion yen or 20.8%).

Unit sales in emerging markets such as the Philippines, Indonesia, and Brazil increased, but decreased in developed markets, Vietnam, and Taiwan. As a result, overall unit sales were 5.37 million (a decrease of 0.3% compared with the previous fiscal year) resulting in lower sales and income.

We will boost profitability by strengthening sales of high-priced products in the ASEAN region as well as bolstering sports models in India. In developed markets, we are promoting structural reforms in manufacturing and sales functions.

### **Marine:**

Net sales were 344.7 billion yen (an increase of 20.8 billion yen or 6.4% compared with the previous fiscal year), and operating income was 63.7 billion yen (an increase of 4.2 billion yen or 7.1%).

For unit sales, increases were seen in sales of outboard motors, water vehicles, and sports boats. In addition, increases in sales and income were achieved due to improvements in product mix initiatives thanks to increased unit sales of large outboard motors in North America.

In terms of outboard motors, improvements in production capacity are progressing that include reviews of global production layouts, so that we can respond in a more flexible way to growing demand.

### **Power Products:**

Net sales were 153.8 billion yen (an increase of 2.2 billion yen or 1.4%), and operating income was 0.2 billion yen (an operating loss of 1.5 billion yen on the previous fiscal year).

Increases in sales and income were achieved thanks to increased unit sales of golf cars and general-purpose engines, and cost reductions of recreational off-highway vehicles (ROV).

In terms of ROV, we are working to strengthen our marketing functionality, and are preparing to introduce a new platform model that meets market needs.

### **Industrial Machinery & Robot Products:**

Net sales were 69.9 billion yen (an increase of 2.3 billion yen or 3.4% compared with the previous fiscal year), and operating income was 16.4 billion yen (an increase of 0.8 billion yen or 5.4%).

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

We will further strengthen solution proposals for new products and new services that optimize the entire factory to increase the value offered to our customers.

### **Other Products:**

Net sales were 82.6 billion yen (an increase of 0.8 billion yen or 1.0% compared with the same period the previous fiscal year), and operating income was 5.9 billion yen (a decrease of 1.4 billion yen or 19.3%).

For electrically power assisted bicycles, exports of E-kits (drive units for electrically power assisted bicycles) to Europe increased, however due to a decrease in unit sales of built-up units in Japan, and a worsening product mix, this resulted in increased sales yet less income.

We are promoting sales of E-kits for electrically power assisted bicycles for Europe and Japan and developing new markets in the United States.

## Forecast of Consolidated Business Results:

In the next fiscal year, it is expected that the business environment will remain uncertain, due to factors such as the European economic slowdown and the US-China trade issue.

While identifying trends in economies and the demands of each market, we will maintain growth and stable income in existing businesses and promote new business development. The forecast consolidated business results are as follows.

Sales	<b>1,700.0 billion yen</b> (an increase of 26.9 billion yen/1.6% from the previous fiscal year)
Operating Income	<b>133.0 Billion yen</b> (a decrease of 7.8 billion yen/5.5% compared with the previous fiscal year)
Ordinary Income	<b>135.0 billion yen</b> (a decrease of 3.0 billion yen/2.2% compared with the previous fiscal year)
Net Income Attributable to Parent Company Shareholders Net Income	<b>85.0 Billion yen</b> (a decrease of 8.4 billion yen/9.0% compared with the previous fiscal year)

These forecast figures are based on the U.S. dollar trading at 105 yen during the fiscal year (an appreciation of 5 yen on this period), and the euro at 120 yen (an appreciation of 10 yen compared with the same period).

### 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.

The Company works on the principle of paying an interim dividend and a final dividend. Decisions with regards to the dividends are made by the Board of Directors for the interim dividend, and the Ordinary General Meeting of Shareholders for the final dividend. The dividend record dates are stated in the Articles of Incorporation as June 30 for the interim dividend and December 31 for the final dividend.

Regarding the final dividend for the current fiscal year, a dividend of 45 yen per share is planned to be placed on the agenda of the 84th Ordinary General Meeting of Shareholders, scheduled for March 27, 2019. With the interim dividend of 45 yen per share, this gives a total dividend for the year of 90 yen per share based on the above. With regards to the dividend payment for the next fiscal year, a total of 90 yen (interim dividend of 45 yen and final dividend of 45 yen) is planned.

