



Long Term Vision/ New Medium-Term Management Plan (FY2019-FY2021)

Dec 11, 2018

Yamaha Motor Co., LTD.

Long Term Vision



Our Tradition and Kando



Kando Creating Company

The Unique Style of Yamaha:

Innovation, Excitement, Confidence, Emotion and Ties

Technology x Sensitivity intertwined Kando

Long-Term
Vision

“Getting closer to Human”
“Expanding Human
Possibilities”

Corporate value (Finance / Non-financial)



1955

2018
Today

2030

Toward 2030

ART for Human Possibilities

Advancing
×
Robotics

Rethinking
×
Solution

Transforming
×
Mobility

4

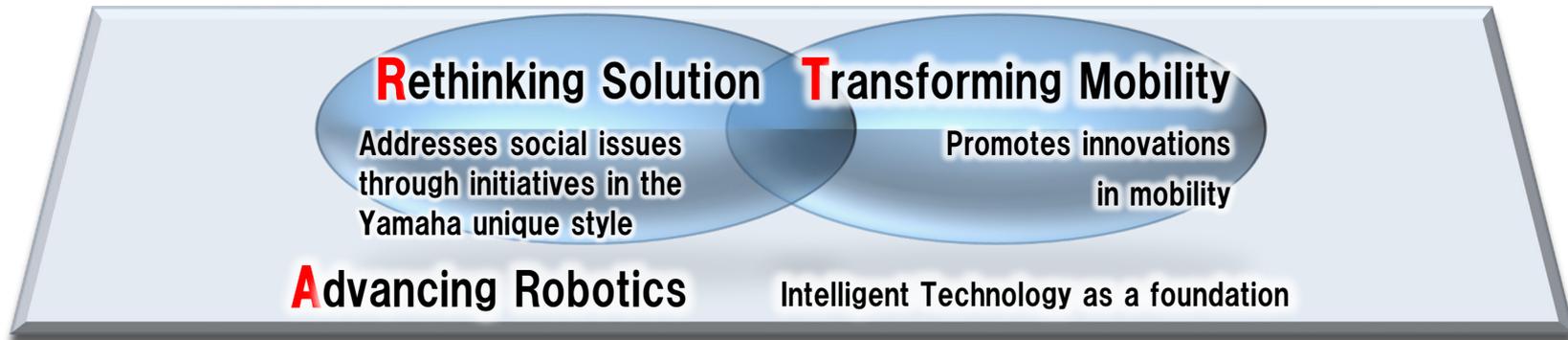
We will **A**dvance the use of Robotics,
Rethink Solution
Transform Mobility

to expand human possibilities for a better society and more fulfilling life.

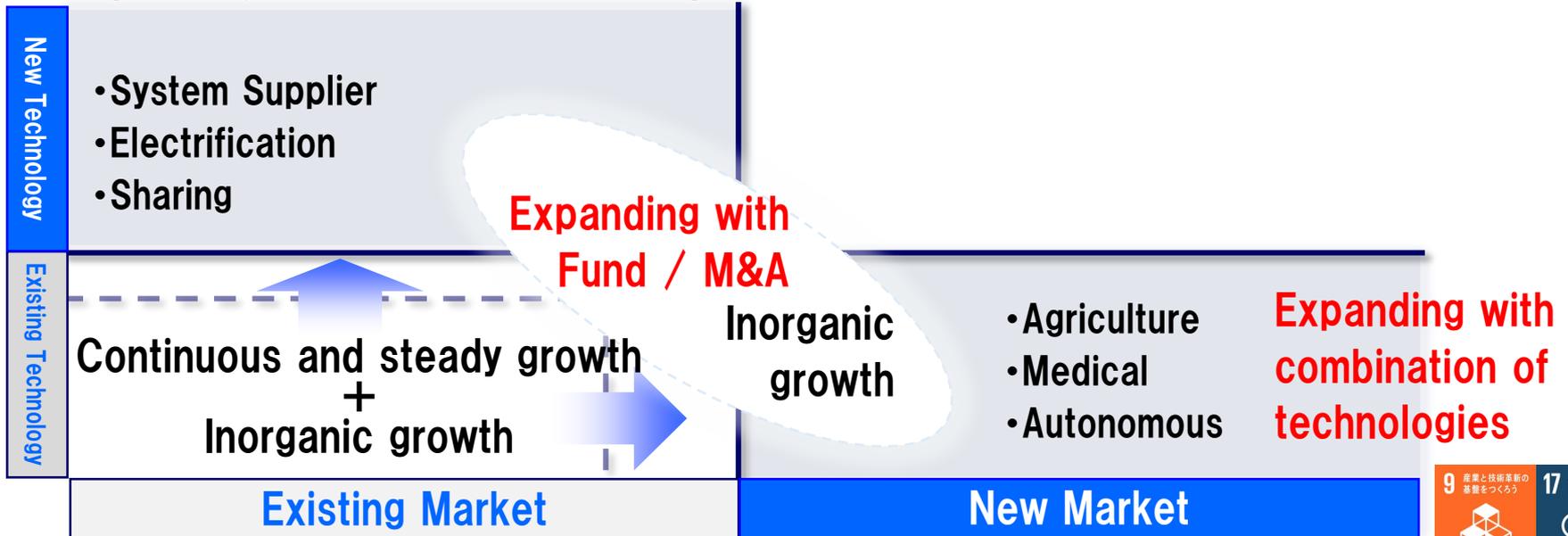


Mid-to-Long term
Growth Strategies

Three focus areas and growth strategies



Expanding with co-creation with partners



Transforming Mobility

Product, Technology ×



Technology Focus ×

New category
Compact vehicles

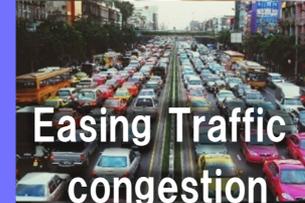
Electrification

Connected

Autonomous



Social Issues



+ Fun



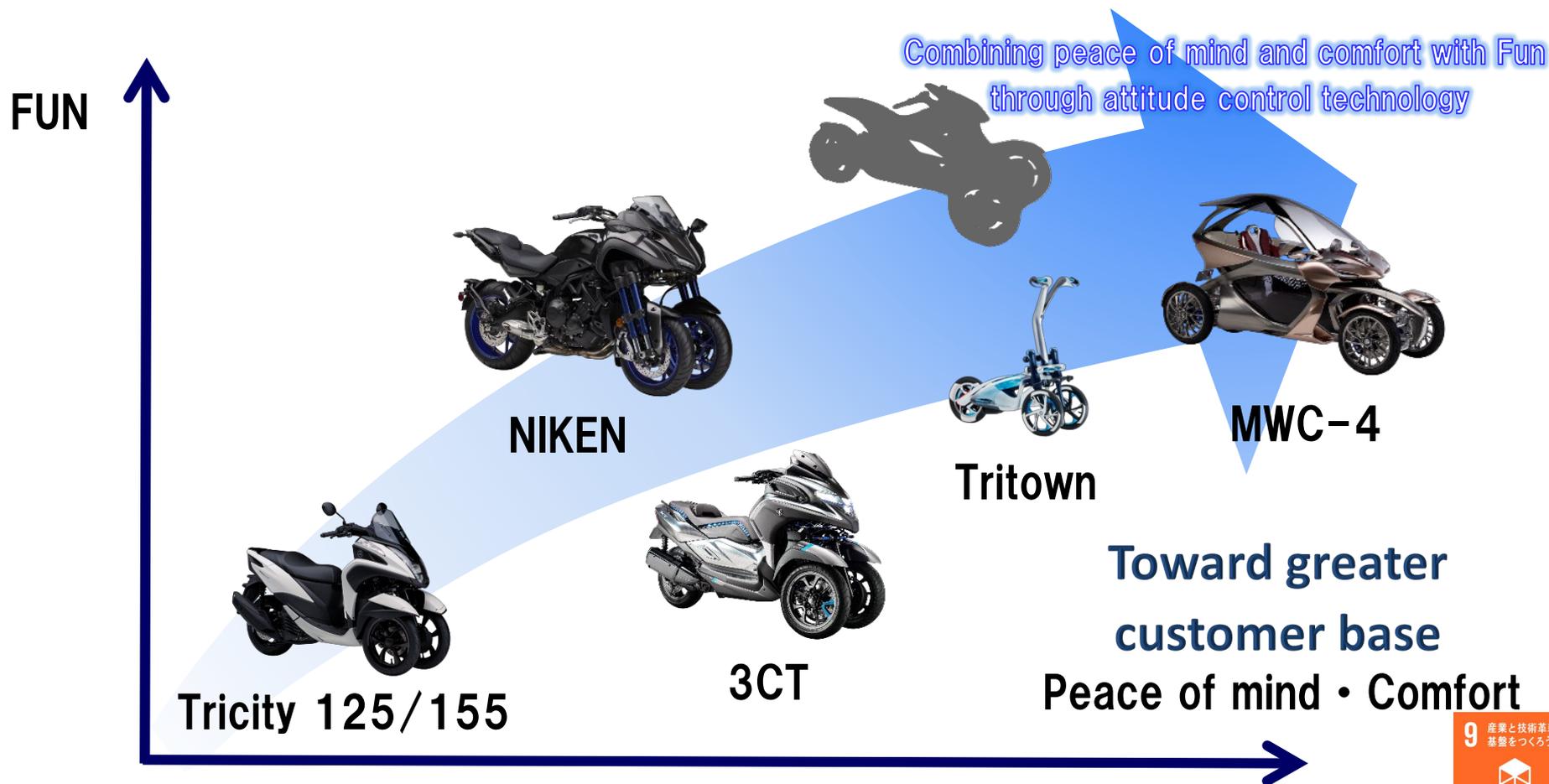
Yamaha unique style proposals to social challenges in mobility domain



Transforming Mobility : LMW

Opening up to a new world of mobility

Value Proposition: Peace of mind, Comfort, Fun



Transforming Mobility : EV



Value Proposition: Promoting Electrification

Toward a Greater Range of Power



Rethinking Solution :

Low speed autonomous operation systems

Value Proposition: Low Cost Last-Mile Mobility Solution
Public **P**ersonal **M**obility



Electric compact low speed vehicles
which can also operate autonomously

Platforms Designed for All Purposes

- Alternative mobility systems designed for the elderly, and for depopulated areas (low-speed autonomous running)
- Multiple use for passenger and cargo options (autonomous on-demand running)

* Experimental tests are underway in several regions in Japan

7 エネルギーをみんなに
そしてクリーンに



11 住み続けられる
まちづくりを



13 気候変動に
具体的な対策を



Rethinking Solution : Marine

Value Proposition: Marine life with Peace of Mind and Comfort



Advancing Robotics : Agriculture

Value Proposition: Labor Saving, Automation, and Productivity Improvements

– World's agricultural robot & drone market: ¥ 4 trillion

■ Development/Mass production of Agricultural Equipment

– Land & sky vehicle solutions

■ Expansion and growth strategy centered on the pesticide spraying business

– Promoting automation in horticulture



Target Areas

Seeding &
Seedling Work

Management

Harvesting

Post
Harvest

2 飢餓を
ゼロに



9 産業と技術革新の
基盤をつくらう



Advancing Robotics : Medical

Value Proposition: Labor savings, faster drug discovery

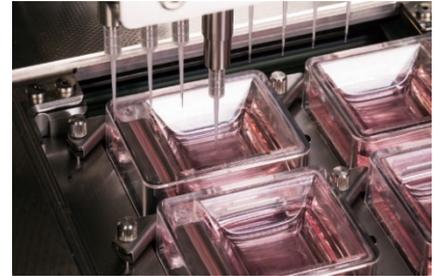
— World's personalized medicine, antibodies, and drug discovery market: ¥ 3 trillion

■ Promotion of device development and sales

— Starting overseas sales

■ Expanding the range of applications through collaborative research

— Considering business solution possibilities



CELL HANDLER™

CELL HANDLER Scope

Drug discovery
Screening

Toxicity
Tests

Cell Panels

Personalized
Medicine



Purpose

Screening

Hlt to lead

Pre-clinical

Clinical trials

PI

PII

PIII

Applications

Launch



3 すべての人に
健康と福祉を



9 産業と技術革新の
基盤をつくらう



Fund Establishment

■ Accelerating innovation, fostering synergies

2015 – 2018

- Establishment of YMVSV
- 9 companies / Total investment: US\$ 47 Million
- Collaboration and implementation of joint projects

→ Contributing to clarify company growth strategies through activities

2019 – 2021

- Full-scale operation of Company fund
"Yamaha Motor Exploratory Fund, L.P."
(Total investment US\$100 Million / Operation period 10-years)
- Accelerate strategic investment in early stage venture companies



Accelerate Innovation

Co-creation and alliance with partners empathizing our Long-Term Vision

Advancing Robotics



Commenced work with US based NVIDIA Inc. in product intelligence projects

Transforming Mobility



Commenced usability study for electric assisted bicycles with India based Hero Cycles

Transforming Mobility



Commenced exploring the possibilities of collaborative work with Taiwanese Gogoro Inc. in EV business

9 産業と技術革新の基盤をつくろう



13 気候変動に具体的な対策を



Taking on important social issues

Solutions for social Issues based on the Unique Style of Yamaha

Environment & Resources



50% reduction in product CO2 emissions by 2050



Safe water supply



Transportation, Education & Industry



Promotion fishery in developing countries



Last-mile mobility for all



Innovation



Proposing new styles of mobility



Accelerating innovation through collaboration



Life/Work balance, Productivity



Safe and secure work environments



Diverse and inclusive society



The background of the slide is a vibrant blue gradient. On the right side, there is a large, 3D-style blue arrow pointing upwards and to the right. The background is also filled with a pattern of small, light blue icons representing various business and financial concepts, such as a pie chart, a bar graph, a lightbulb, a gear, and a document.

New Medium-Term Management Plan

Overview of current FY2016–2018 MTP

Targets for net sales of 2 trillion yen and operating income of 180.0 billion yen were not reached

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

Operating income ratio achieved the 9% level.

- Improve profitability by platform strategies, and cost reductions for each business

Stable financial base

- ROE 15% level achieved, equity ratio is over 45%

Achievement of growth strategies (technology development)

- Create new value in each area



Growing World of Personal Mobility

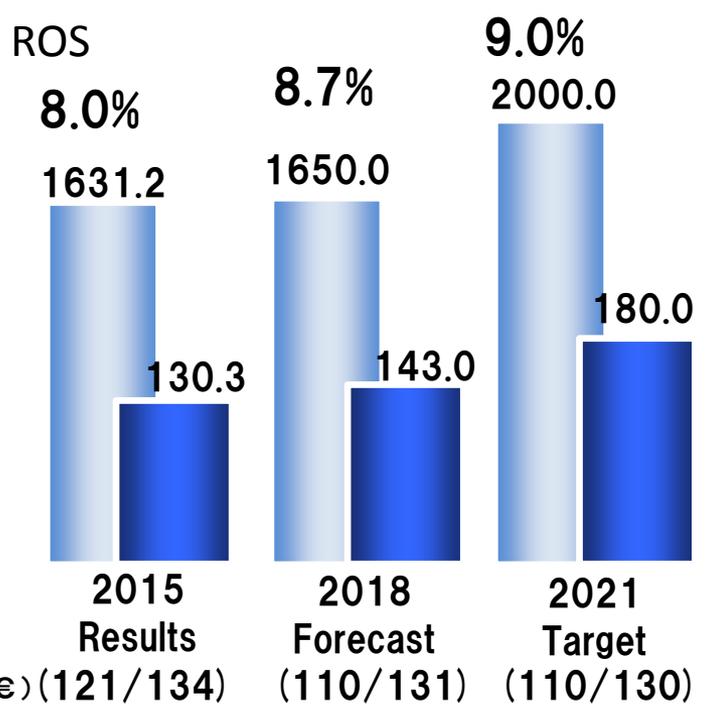
Competing in the 3-trillion-yen marine market

Solution Business

New medium-term management plan FY2019-2021

Taking on the challenge once more for sales of 2 trillion yen while promoting new business development

Net Sales/Operating Income (¥ Bil.)

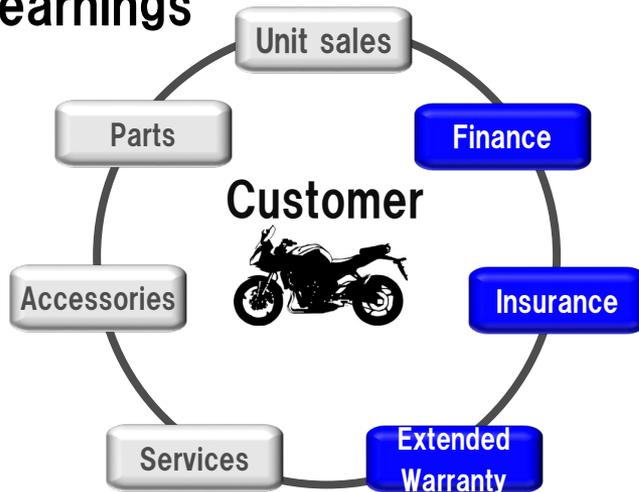


- Increase in existing business net sales: ¥325 Bil.
 - Mobility
 - Marine
 - Robotics
- Strategic Growth increase net sales: ¥25 Bil.
 - Growing Personal Mobility
 - Finance Service
- Strategic Growth Expenses: ¥70 Bil. while maintaining ROS 9%

*2015 Results: After reclassification in financial business

Financial services business

Enhance ties with customers and securing stable earnings



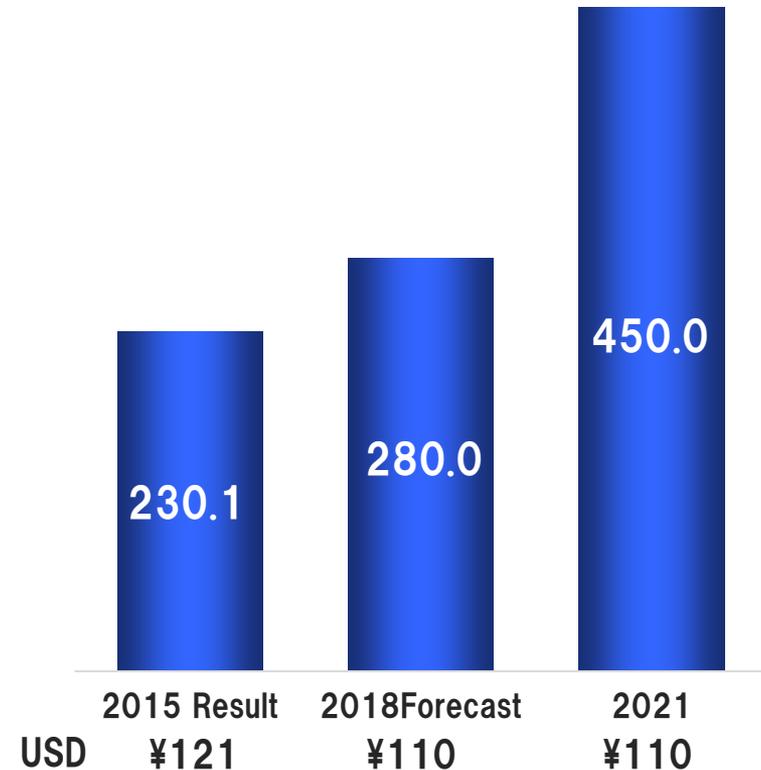
2016-2018

- Strengthen business operating platforms (US, Canada, Australia, Brazil)
- Receivables balance of ¥300.0 Bil.

2019-2021

- Expanding region and business areas
- Aiming a receivables balance of ¥450.0 Bil.

Receivable balance
in financial services (¥ Bil.)

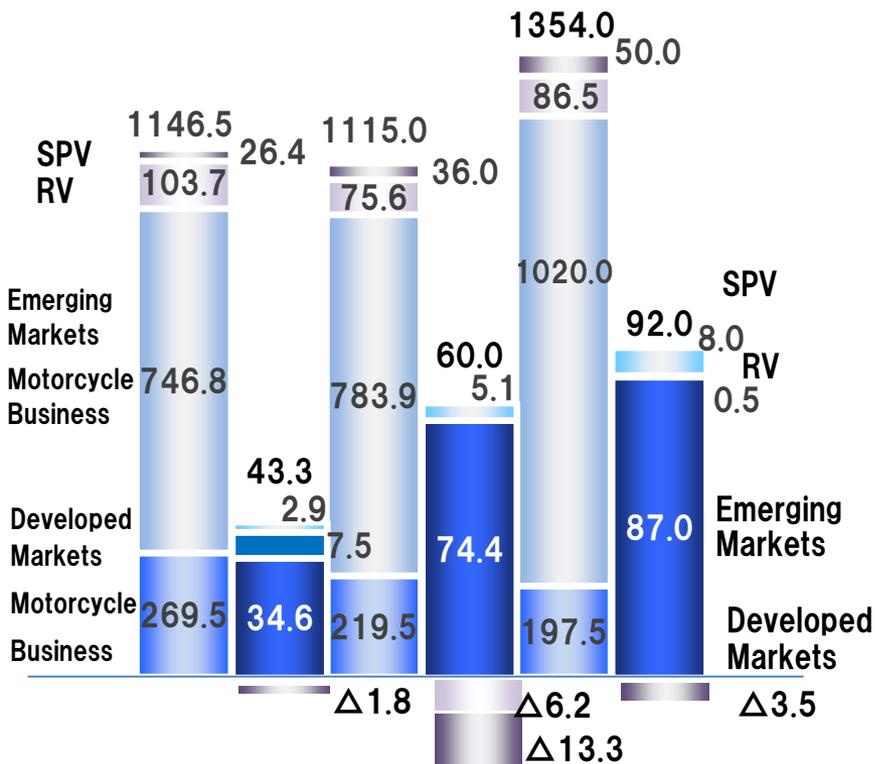


Land Mobility

Priority Measures and Targets in the Medium-Term

Establishing the business foundation that can respond to the new era of mobility

Net Sales/Operating Income (¥ Bil.)



1. Current ability update
2. Agile management
3. Shift to new area

■ Net Sales **¥1,350 Bil.**

■ Operating Income **¥92 Bil.**

■ Operating Margin **5.3% → 6.8%**

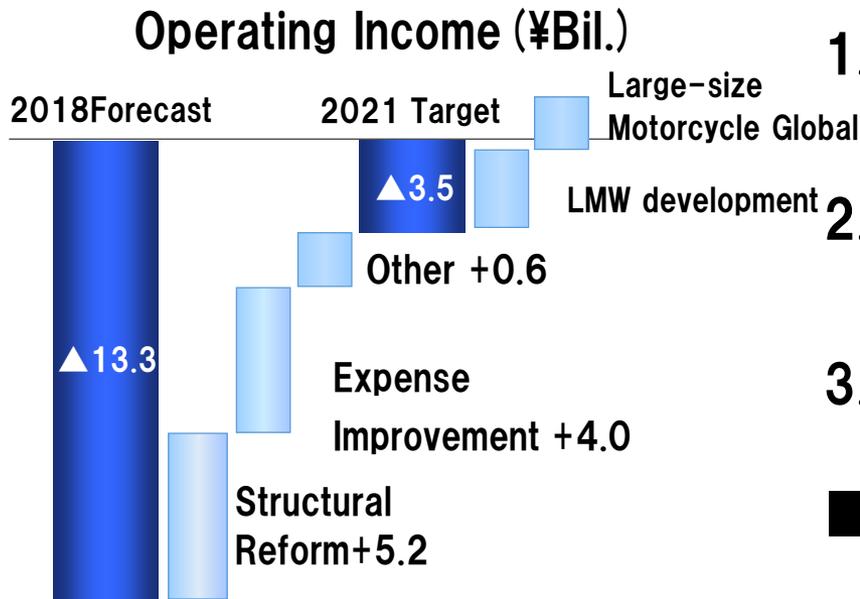
2015 Results (\$/€) (121/134) 2018 Forecast (110/131) 2021 Target (110/130)

*excluding Finance Service business and growth strategy expenses

Land Mobility

Motorcycle in developed market

Continue to update the unique style of Yamaha with new technology development and embody brand



1. Structural reform of manufacture and sales function globally

2. LMW development and Increase global sales on CBU

3. Growth as a total business model

■ Structural reform **¥9.8 Bil.**

+ New field expanding

YZ



R



MT



XSR



Tracer



LMW



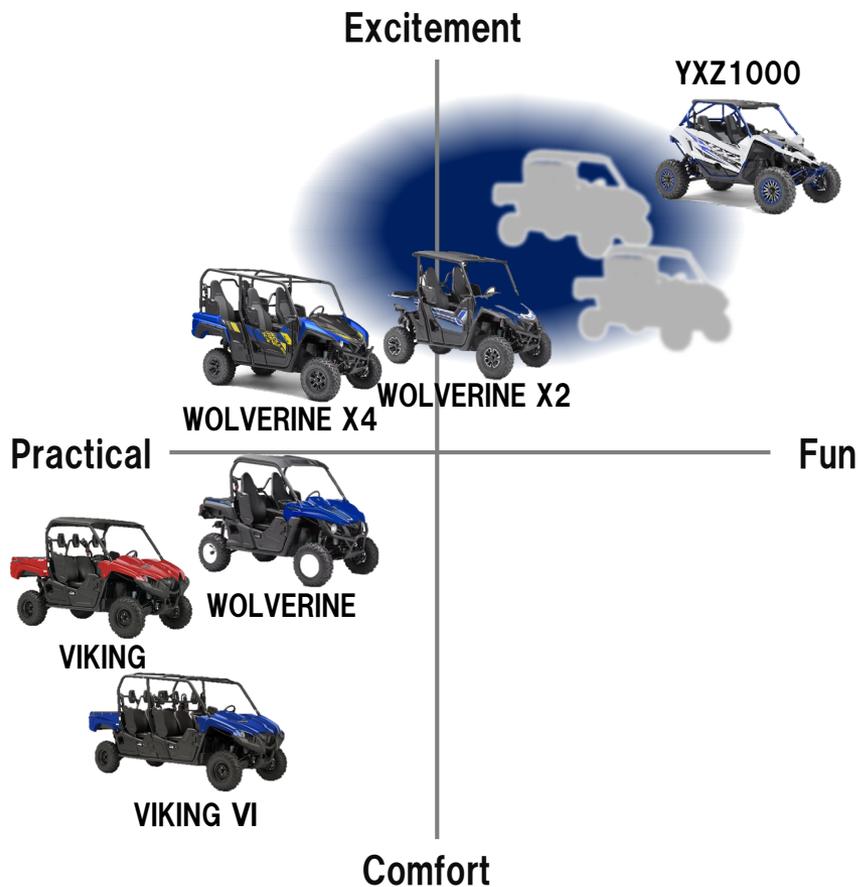
MAX



Land Mobility

Recreational Vehicle in North America

Introduce new PF models, and acquire greater share in ROV



1. Enhance the function under the Motorcycle business operations
2. Introduction of new PF group to meet customer demand
3. Apply PF cost down to RV

■ Market share of RV

5% → 14%

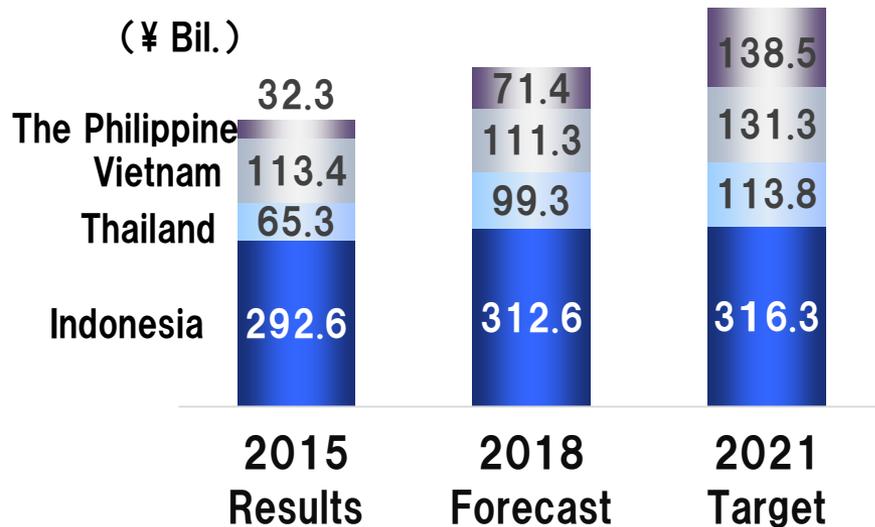
Land Mobility

Motorcycle in ASEAN market

Establish revenue base on growing specialty areas and new business.

Net sales of major ASEAN nations

(¥ Bil.)



1. Segment Share No.1
2. Improving productivity through virtual large factories
3. New territory collaboration and business development

■ Middle class Yamaha total 1.2M units



AEROX



N-MAX



X-MAX

Land Mobility

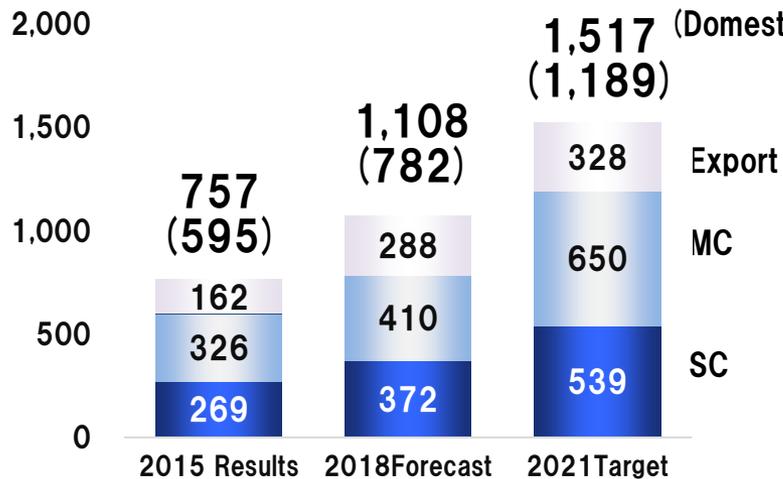
Motorcycle in India market

Restructure of brands and earnings base, development of new territory.

India Domestic (per Segment) + Export Units

Unit : thousands

(Domestic TTL)



1. Streamlining north and south factory efficient 1.5 million system
2. Strengthening cost competitiveness by introducing global PF
3. Expanding cooperation with land mobility scope

■ Domestic sales **1.2M** units



R15



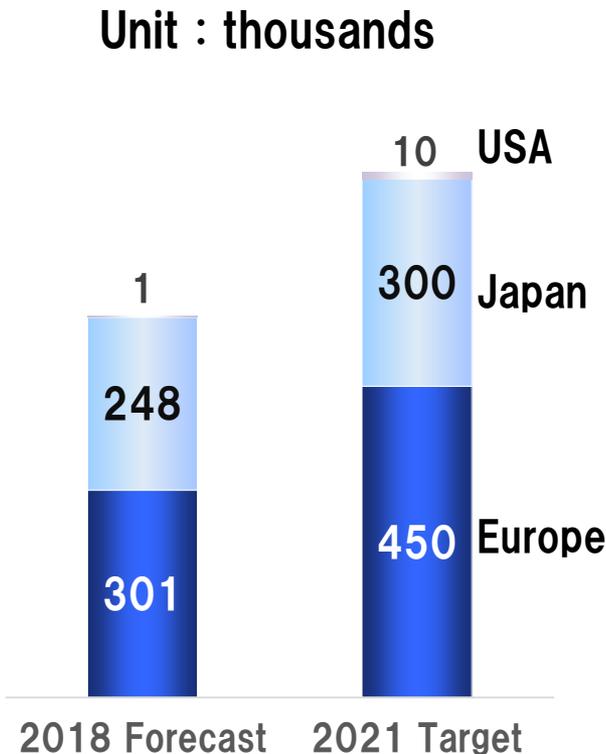
FZ15

Land Mobility

Smart Power Vehicle Business

Strategic partnerships, global business expansion

Next generation drive unit development, new value creation



E-KIT OEM and finished vehicle deployment using drive units as the core



Europe E-KIT OEM Area-specific strategy



Japan Differentiation of the finished vehicle business, E-KIT OEM



USA Development of business model

Other regions Demand Creation,

Market / Business development



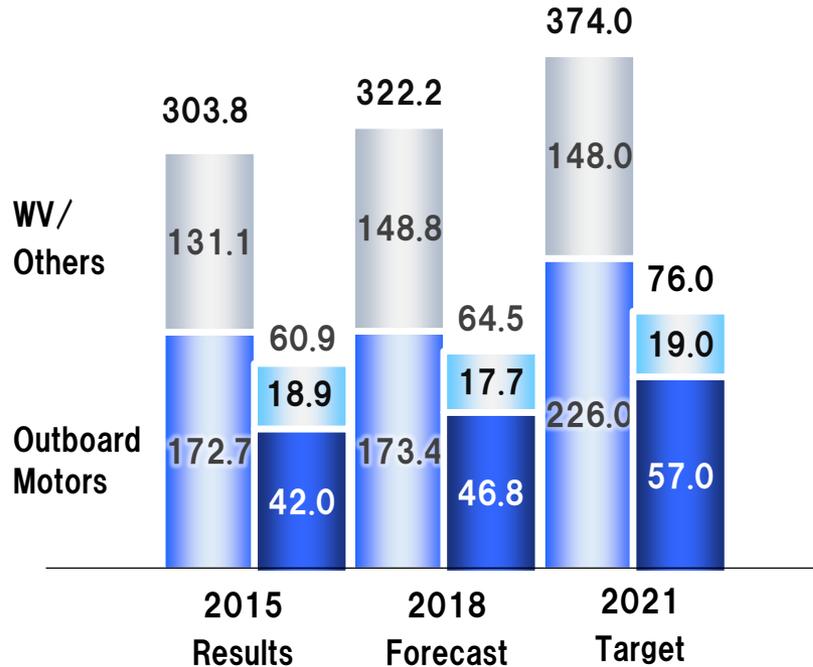
Marine



Marine

Priority Measures over the Medium-Term

Net Sales/Operating Income (¥ Bil.)



(\$/€) (121/134) (110/131) (110/130)

*excluding Finance Service business
and growth strategy expenses

Reinforce high-profitability and establish base of sustainable growth

Net sales 374.0 billion, ROS 20%

- Global production layout for outboard motors
Improving production capacity and flexibility
- Expansion of integrated marine business strategy
Evolution as a system supplier
- Product Development Strategies
Providing attractive items and services
- Marine Long-Term Vision
Reliable and rich marine life
Toward further increasing the value
of the ocean

Marine

Outboard motor global production layout

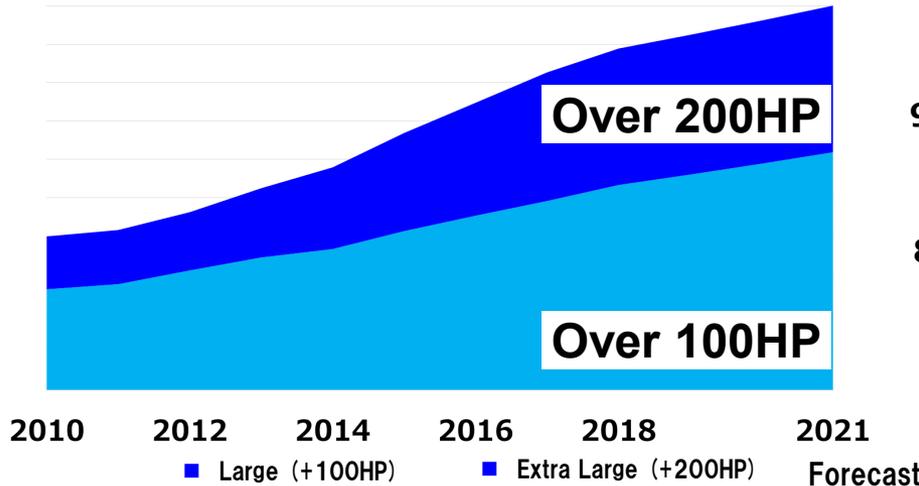
Outboard motor production base

Improve production capacity and flexibility through global production layout restructuring

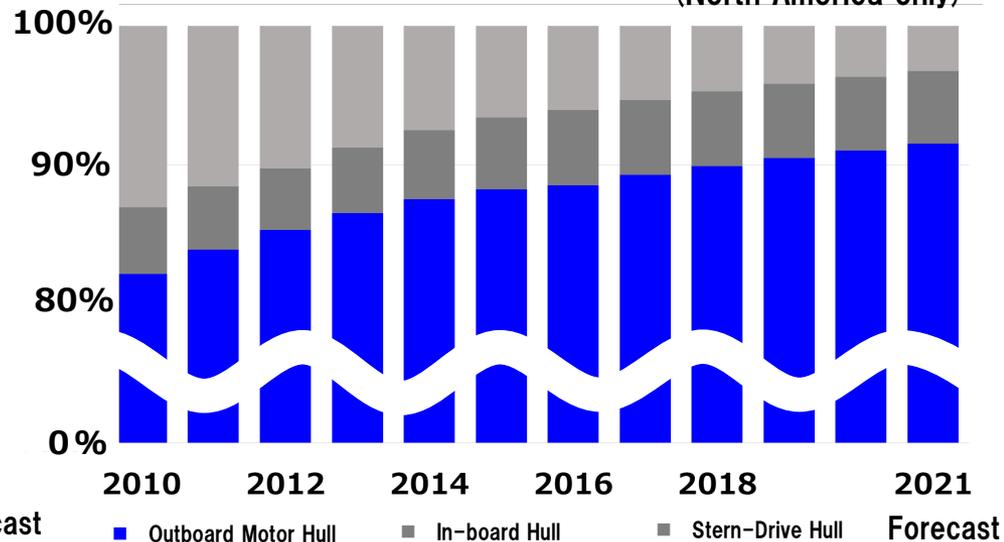


Large Size Models: Yamaha Motor Co., LTD.
 Medium Size Models: Yamaha Kumamoto Products Co., Ltd.
 Small Size Models: Thai Yamaha Motor Co., Ltd.

Total demand shift for large sized outboard motors (Europe & North America)



Trends in Boat Sales Ratio by Propulsion Units (North America only)



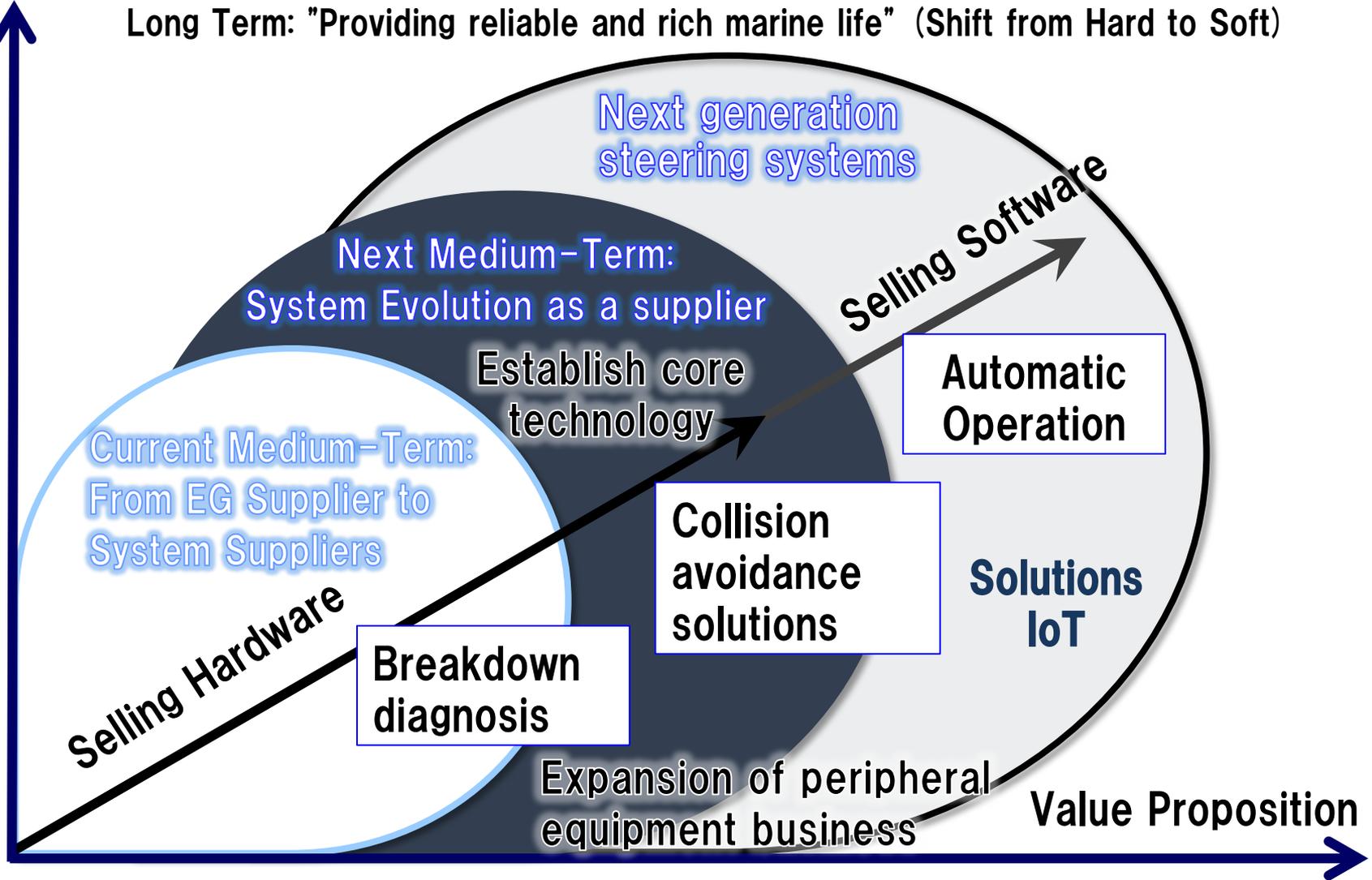
Marine

Expansion of integrated marine business strategy



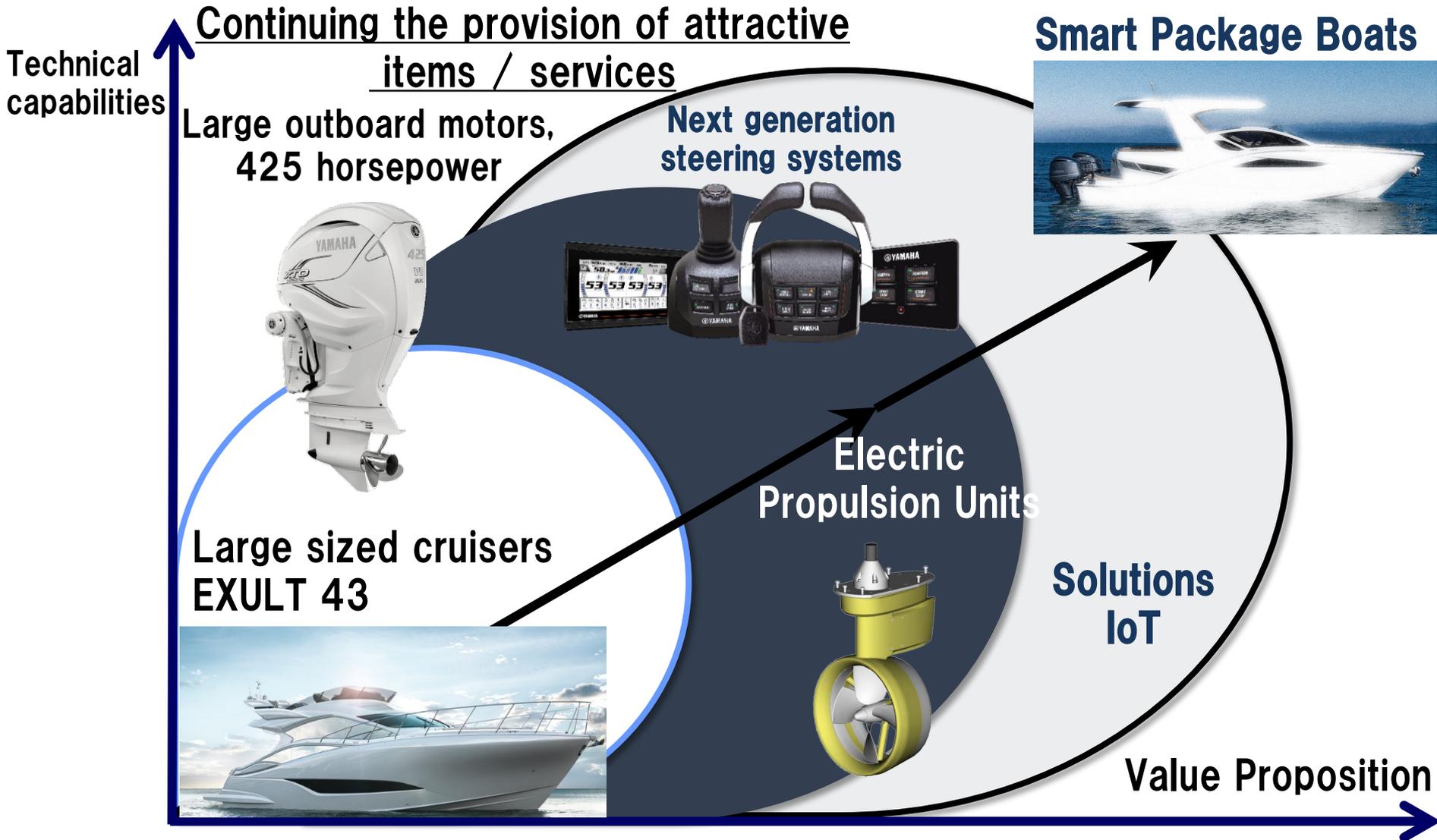
Long Term: "Providing reliable and rich marine life" (Shift from Hard to Soft)

Technical capabilities



Marine

Product Development Strategies



Marine

Marine Long-Term Vision

Reliable and rich marine life

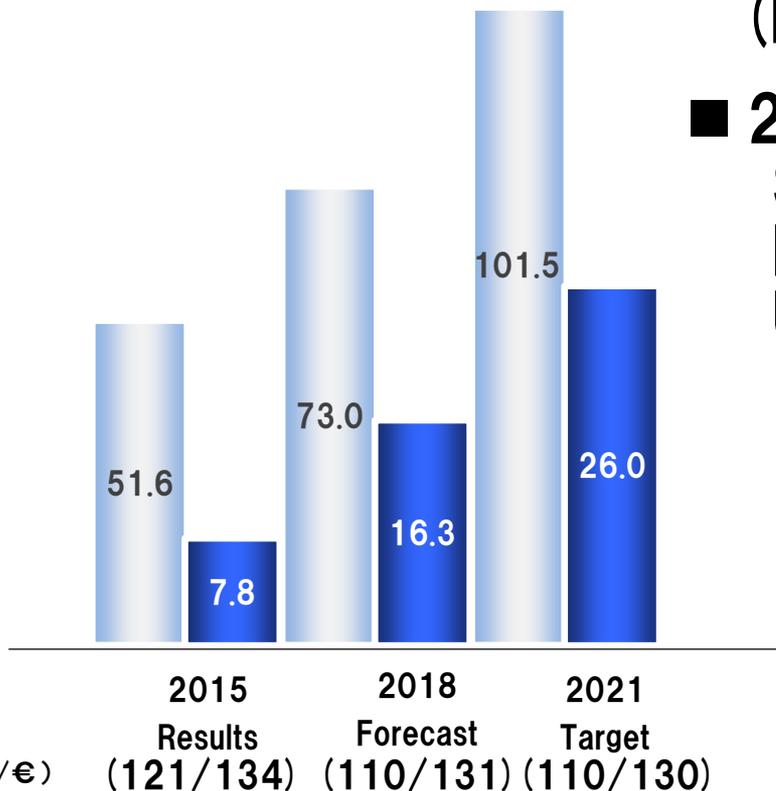
Toward further increasing the value
of the ocean

- Changing marine culture, changing everyday life
- Connecting the sea, people, and society
- Towards a future with a greater ocean than the current one of today
- Releasing the secret potential of the sea

Robotics

Priority Measures over the Medium-Term

Net Sales/Operating
Income (¥ Bil.)



- Business scale and area expansion and reinforcement of high-profitability (Net sales over 100.0 billion, ROS 26%)
- 2021 Target (vs 2018)
 - SMT 136%
 - F A 200%
 - UMS 160%

Accelerating automation within plants +
Contributing to labor saving in new fields

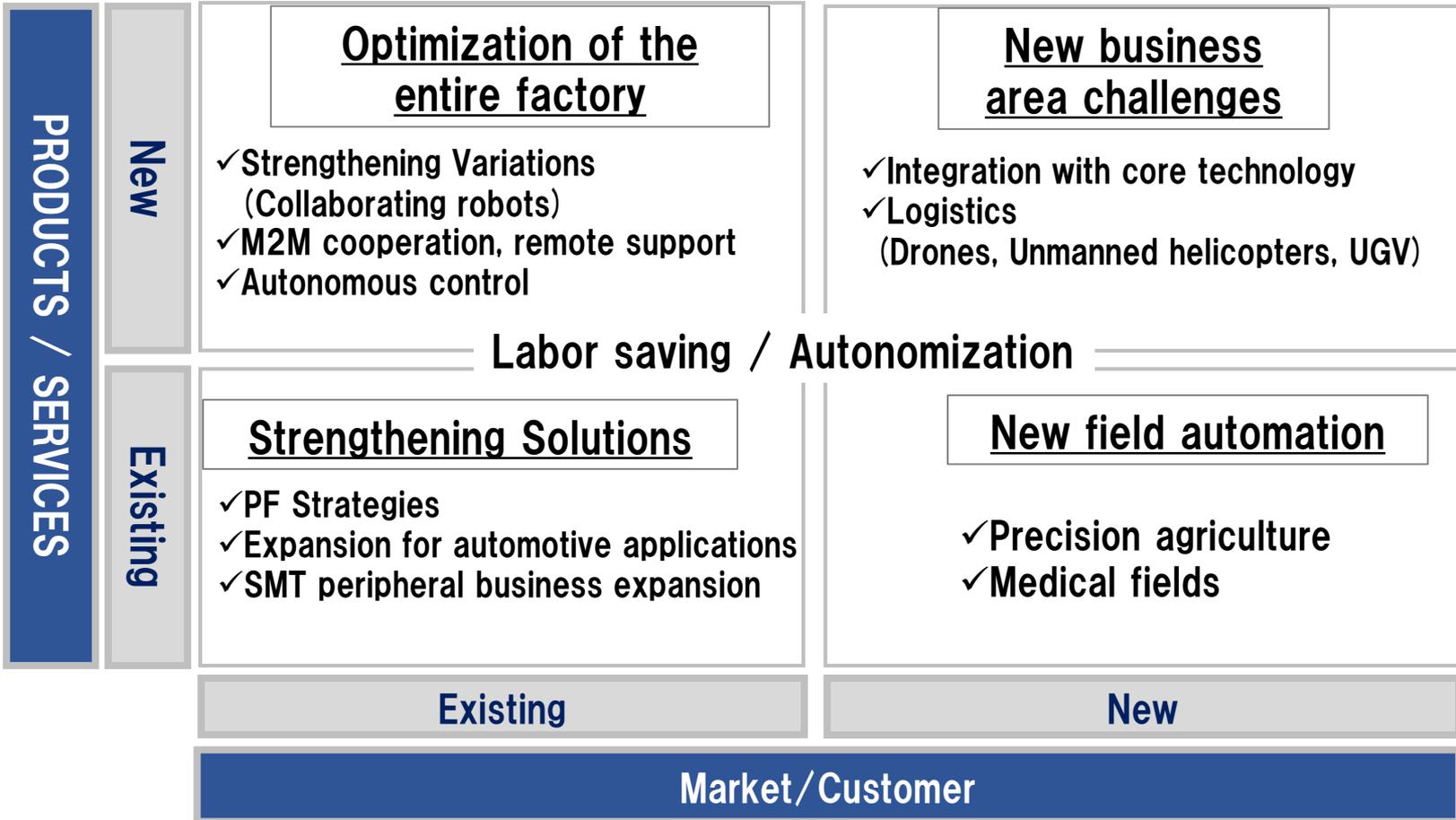


*Including SMT, FA and UMS

*excluding Finance Service business and growth strategy expenses

Robotics

Growth Strategy 1



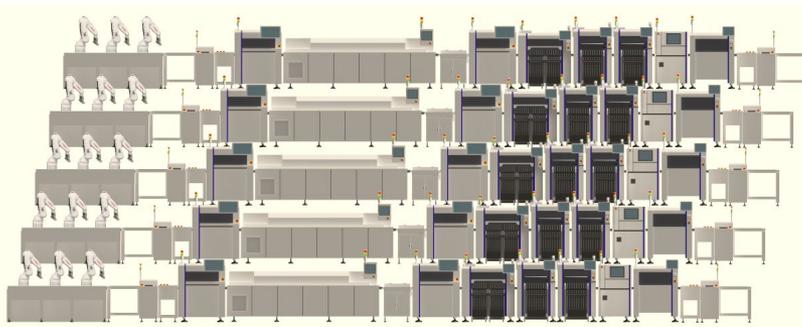
Robotics

Growth Strategy 2



Example of Growth Strategy Solution

Optimization of the Entire Factory



Logistics

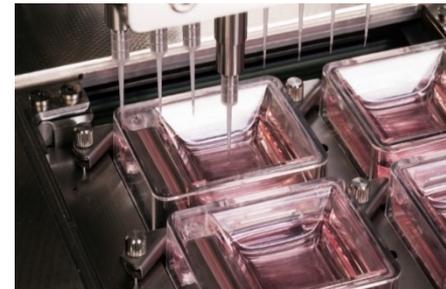


UGV transportation



Unmanned Helicopter transportation

Agriculture, Medical



CELL HANDLER

Robotics

Strengthening Robotics and Business Platforms

Reinforce base that supports next growth

■ In-house manufacturing technology

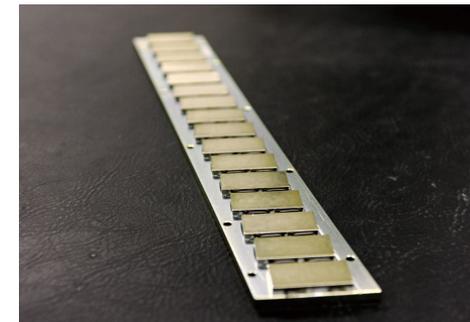
- AI Picking
- Machine Vision
- Linear Motor
- Autonomous flight, driving, and navigation

■ System Strengthening

- R&D Base Expansion
- Production, procurement systems
- External alliances



AI Picking by using machine vision



In-house linear motor

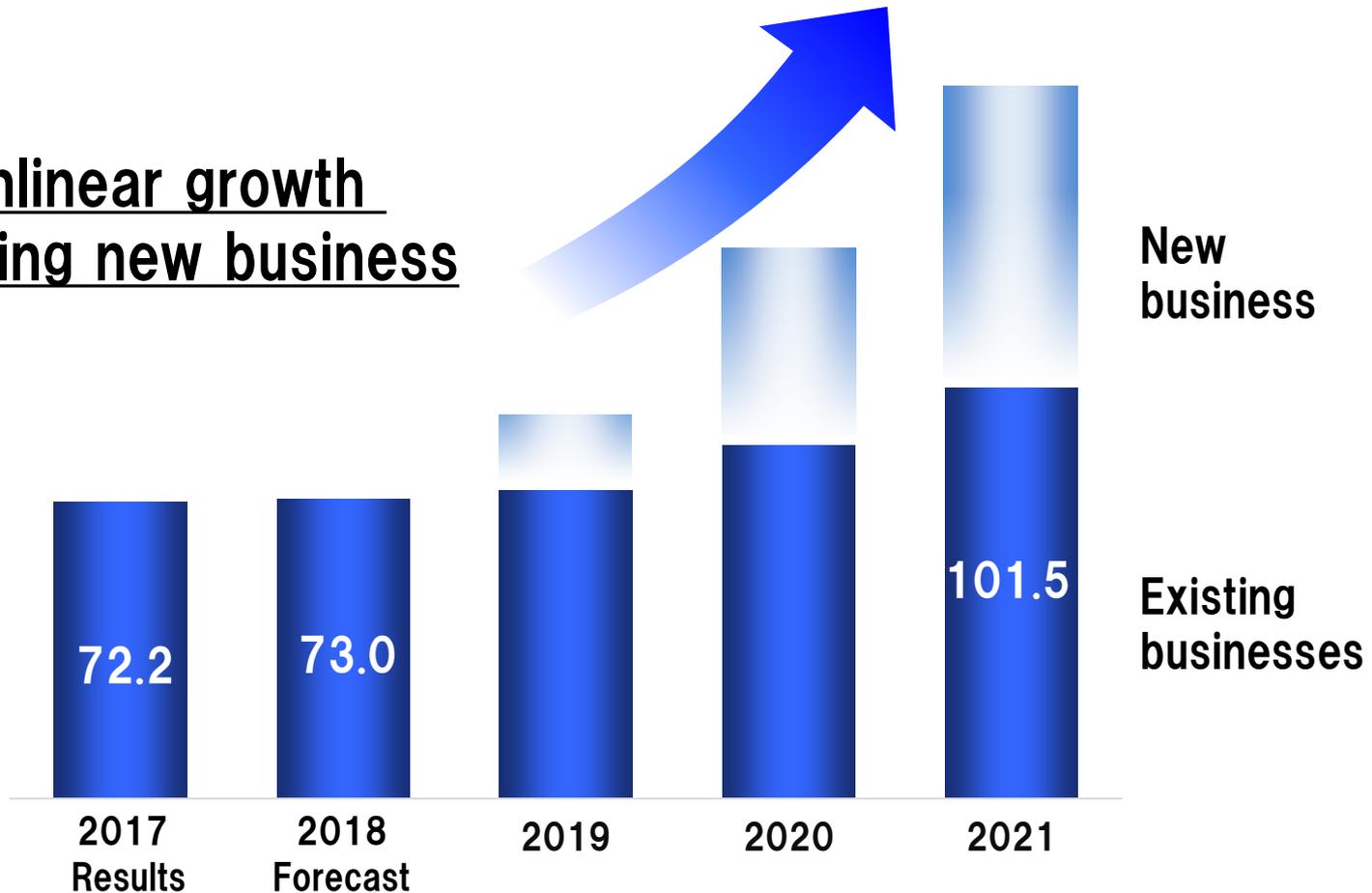
Robotics

Challenging New Business Areas



Net Sales (¥ Bil.)

Nonlinear growth
including new business





YAMAHA

Revs Your Heart