



YANMAR

News Release

November 30, 2016

Yanmar Holdings Co., Ltd.

Yanmar Announces FY2016 Interim Results (April 1, 2016–March 31, 2017)

Yanmar Group Business Results for First Six Months of FY2016 (April–September 2016)

While the US economy was sluggish from April until September it has began to improve. Europe has slowly continued to recover at a moderate pace, whereas China's slowdown has continued gradually. In Japan, consumer spending has seen signs of a recovery, however a stronger yen has impacted Japanese enterprises. The impacts have been strongest in the manufacturing sector, with uncertainties remaining for the future.

Against this backdrop to ensure long term growth of the Yanmar Group, our major activities in fiscal 2016 were as follows:

- 1. Investments needed to expand the final-finished-product businesses**
 - Introducing new products in the locations we currently operate in and transforming sales and after-service
 - Engine and component product development for new markets

- 2. Increasing market share in developed markets and tapping into growth markets**
 - Retaining and increasing market share in developed markets
 - Gaining strongholds in Asia's growth markets
 - Creating strategies for future growth in crucial markets

- 3. Making structural foundations needed for global competitiveness**
 - Acquiring additional capital for future growth through cost reduction
 - Strengthening operations that deliver customer value

These undertakings led to the following consolidated results: Net sales of JPY 389.8 billion, 10% more than for the same term in FY2015, ordinary profit of JPY 6.7 billion, 61.7% less than for the same term in FY2015, net sales ratio of 1.7%, and net profit of JPY 3.2 billion, 70% less than for the same term in FY2015. Sales outside of Japan rose by 22.2% to a total of JPY 212.1 billion, accounting for 54.4% of net sales.

To better manage and more accurately reflect this fiscal year's consolidated interim results, the end of the accounting period for foreign subsidiaries was changed from December 31 to the end of the consolidated accounting period which is March 31. As a result, the interim accounting period for foreign subsidiaries

affected by the change was 9 months, from January 1 until September 30. Due to this, we have also provided the following results which exclude this inconsistency: Net sales of JPY 330 billion, 6.9% less than for the same term in FY2015, ordinary profit of JPY 2.7 billion, 84.4% less than for the same term in FY2015, net sales ratio of 0.8%, and net profit of JPY 500 million, 94.9% less than for the same term in FY2015.

Yanmar Group Fiscal 2016 Forecast

For fiscal 2016, we expect consolidated net sales of JPY 747 billion, operating profit of JPY 13 billion, and ordinary profit of JPY 16 billion.

Note: The above forecast is based on currently available data, and subject to changes in market demand, exchange rates and other economic variables.

In fiscal 2016, a portion of foreign subsidiaries changed their accounting period. As a result, the Yanmar Group consolidated accounting period will end in March. For overseas subsidiaries whose accounting period had ended on December 31, their accounting period is 15 months (January 1, 2016–March 31, 2017), while for foreign subsidiaries whose accounting period ends in March, their accounting period remains as 12 months (April 1, 2016–March 31, 2017). In accordance with this change, percentages relating to increases and decreases on the previous fiscal year have not been included.

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