



**YANMAR**

News Release

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Yanmar Holdings Co., Ltd.

## Yanmar announces fiscal 2016 consolidated business results and fiscal 2017 forecast

Amongst the major economies this fiscal year, the US saw a slow upswing in economic growth as a result of recent measures to improve the employment situation. The European economy has also managed to maintain moderate growth despite Britain's decision to exit the EU. Economic slowdown in China, however, continues in the wake of a decline in private investments.

In Japan, increases in private sector capital investments alongside efforts to improve the employment and income situation have stabilized consumer spending, leading to a moderate recovery of the Japanese economy.

The future direction of both US economic policy and political backlash against the EU continue to be looming threats to the global economy.

In the face of these conditions, throughout fiscal 2016 the Yanmar Group focused its efforts in the following key areas in accordance with our medium-term business management policy.

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

Fiscal 2016 consolidated net sales for the Yanmar Group increased 6.5% from the previous fiscal year at JPY 749.3 billion. Ordinary profit was JPY 11.3 billion, a decrease of 51.9% on the previous fiscal year and ROS was 1.5%. Net loss attributable to shareholders was JPY 1.3 billion, compared to a net income of JPY 9.3 billion for the previous fiscal year. Net sales for international operations rose 15.5% to JPY 382.2 billion, accounting for 51% of consolidated net sales.

In FY2016 the fiscal-year end for consolidated foreign subsidiaries was changed from December 31 to March 31 to more accurately manage and reflect the operations of the Yanmar Group. Due to these changes, the fiscal year for companies which changes apply to spanned 15 months, from January 1, 2016 to March 31, 2017. When excluding the impact of the extended financial period for the respective consolidated foreign subsidiaries (Jan 1, 2016 to March 31, 2017), net sales were JPY 689.5 billion, 2% down from the previous fiscal year. Ordinary profit was JPY 7.3 billion, 68.8% less than the previous fiscal year, and ROS was 1.1%. Net loss attributable to shareholders was JPY 4.1 billion compared to a net income of JPY 9.3 billion for the previous fiscal year.

### **Fiscal 2017 Forecast**

Consolidated net sales for the Yanmar Group are projected to be JPY 735 billion. Operating profit is projected to be JPY 21.3 billion with an ordinary profit of JPY 23 billion. Net income attributable to shareholders is projected to be JPY 11.8 billion.

### **About Yanmar**

With beginnings in Osaka, Japan in 1912, Yanmar was the first ever to succeed in making a compact diesel engine of a practical size in 1933. Moving on, with industrial diesel engines as the cornerstone of the enterprise, Yanmar has continued to expand its product range, services, and expertise to deliver total solutions as an industrial equipment manufacturer. As a provider of small and large engines, agricultural machinery and facilities, construction equipment, energy systems, marine, machine tools, and components — Yanmar's global business operations span seven domains.

On land, at sea, and in the city, Yanmar's Mission of "providing sustainable solutions focused on the challenges customers face, in food production and harnessing power, thereby enriching people's lives for all our tomorrows," stands testament to Yanmar's determination to provide us with "A Sustainable Future." For more information, visit Yanmar Co., Ltd. at its global website at <https://www.yanmar.com/global/about/>.

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