

Yanmar Announces Fiscal 2014 Business Results and Fiscal 2015 Forecast

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In fiscal 2014, the European economy has continued its recovery and the positive outlook in America is gradually increasing. In general, growth in South East Asia has somewhat slowed down in pace, while GDP growth in China has continued to decrease.

In Japan, the aftermath to increased consumer spending and capital investments, prior to the consumption tax hike in April 2014, led to a slump in growth in the first semester. This was partially offset by a boost in exports arising from a weak yen and global economies regaining their ground. Negative GDP growth for fiscal 2014 indicates that on the whole the Japanese economy hasn't been strong.

Rising interest rates in the U.S. could potentially be harmful to the global economy, in addition to the risks associated with geopolitical instability in Ukraine and the Middle East.

Against this backdrop to ensure long term growth of the Yanmar Group, our major activities in fiscal 2014 were as follows:

1.Fiscal 2014 Results

Intensify Existing Operations and Take on New Areas

- Created new business opportunities, by strengthening collaboration between Yanmar's extensive business units in different locations and markets
- Promoted development of new businesses

Create a Solid Structure Ensuring Growth of the Group

- Drastically reduced lead time through supply-chain management
- Introduced a global business management system

Consistently Provide Products and Services that Exceed Customer Expectations

- Brought Premium Brand products to the market in the minimum amount of time
- Implemented ICT driven business models

Continued Regional Contributions to Make the World a Better Place

- Created new and strengthened existing environmentally sustainable business models
- Implemented Group-wide policies that contribute to society and environmental conservation

In this regard, fiscal 2014 consolidated Group results indicate Net Sales of ¥655 billion, up 0.7% on fiscal 2013. Ordinary Profit came in at ¥39.6 billion, a decrease of 11.7% on the previous year. Return on Sales reached 6.1%. Net Profit for the period decreased 20.9% on fiscal 2013 to ¥23.6 billion.

Net Sales outside Japan rose 16% to ¥288.8 billion, making up 44.1% of consolidated Group Net Sales.

2.Fiscal 2015 Forecast

Currently, consolidated Group Net Sales are forecast to increase 11.5% to ¥730 billion, Operating Profit to decrease 4.2% to ¥38.1 billion, Ordinary Profit to decrease 0.5% to ¥39.4 billion, and Net Profit is expected to come to ¥21.6 billion over the period, a decrease of 8.6%.

In addition, Shareholders' Equity is also expected to fall 8.6% to ¥21.6 billion.

Source: Yanmar Co., Ltd.