

**Business Results for the First Six Months  
of the Fiscal Year Ending December 31, 2011**  
(January 1, 2011 through June 30, 2011)  
**(Japan GAAP)**

August 3, 2011

This document has been translated from the Japanese original, *Kessan Tanshin* (Flash Report), for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Company name:

Yamaha Motor Co., Ltd.

Stock listing:

Tokyo Stock Exchange the First Section

Code number:

7272

URL:

<http://www.yamaha-motor.co.jp/global/ir/index.html>

Representative:

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Filing of quarterly securities report (scheduled):

August 8, 2011

Beginning of payment of second quarter-end dividend (scheduled):

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Supplementary explanatory documents related to the quarterly consolidated financial results:

Yes

Briefing on the quarterly consolidated financial results:

Yes (for institutional investors, securities analysts and media outlets)

Amounts less than one million yen are omitted.

## 1. Consolidated Financial Results for the Six Months Ended June 30, 2011

(January 1, 2011 through June 30, 2011)

### (1) Consolidated operating results (cumulative)

\* % represents year-on-year rate. ( ) represents negative figures.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Six months ended June 30, 2011</b>	<b>663,132</b>	<b>(1.9)</b>	<b>41,543</b>	<b>18.6</b>	<b>48,784</b>	<b>11.4</b>	<b>28,960</b>	<b>21.8</b>
Six months ended June 30, 2010	676,166	16.7	35,030	—	43,808	—	23,776	—

	Net income per share — basic	Net income per share — diluted
	Yen	Yen
<b>Six months ended June 30, 2011</b>	<b>82.96</b>	<b>82.95</b>
Six months ended June 30, 2010	76.68	76.68

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
<b>As of June 30, 2011</b>	<b>1,000,787</b>	<b>345,656</b>	<b>30.9</b>	<b>885.82</b>
As of December 31, 2010	978,343	310,809	28.0	785.61

Reference: Shareholders' equity

As of June 30, 2011: ¥309,234 million

As of December 31, 2010: ¥274,252 million

## 2. Cash Dividends

Record date	Annual cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2010	—	0.00	—	0.00	0.00
Fiscal year ending December 31, 2011	—	0.00			
Fiscal year ending December 31, 2011 (forecast)			—	20.00	20.00

Note: Revision of the cash dividends forecast for the fiscal year ending December 31, 2011 was made during the second quarter ended June 30, 2011.

### 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2011

(January 1, 2011 through December 31, 2011)

\* % represents year-on-year rate.

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2011	1,350,000	4.3	68,000	32.5	78,000	17.9	35,000	91.3	100.26

Note: Revision of the consolidated financial figures forecast for the fiscal year ending December 31, 2011 was made during the second quarter ended June 30, 2011.

### 4. Others

For further information, please refer to Item 2, "Other Information," in the Attachment on page 11.

(1) Changes in significant subsidiaries during the period: None

Note: Items to be disclosed in "Changes in specified subsidiaries resulting from changes in scope of consolidation" during the period

(2) Application of simplified and special accounting principles: Yes

Note: Items to be disclosed in "Application of simplified and special accounting principles to the quarterly consolidated financial statements"

(3) Changes in accounting principles, procedures, presentation methods and other items

1) Changes arising from revision of accounting principles: Yes

2) Changes arising from other factors: None

Note: Items to be disclosed in "Changes in accounting principles, procedures, presentation methods and other items for the quarterly consolidated financial statements in changes in notes to quarterly consolidated financial statements"

(4) Number of shares outstanding (Common stock)

1) Number of shares outstanding at the end of the period, including treasury stock	Second quarter ended June 30, 2011	349,757,784 shares	Fiscal year ended December 31, 2010	349,757,784 shares
2) Number of shares of treasury stock at the end of the period	Second quarter ended June 30, 2011	661,687 shares	Fiscal year ended December 31, 2010	660,749 shares
3) Average number of shares during the period	Six months ended June 30, 2011	349,096,462 shares	Six months ended June 30, 2010	310,052,002 shares

(\*Note regarding review procedure for the quarterly consolidated financial statements)

The consolidated financial results presented herein are not subject to the quarterly review procedure specified by the Financial Instruments and Exchange Act. The review procedure for quarterly consolidated financial statements specified by the Financial Instruments and Exchange Act has not been completed at the time of the disclosure of these financial results.

(\*Notice regarding results forecast)

(1) Results forecast presented in this document is based on the assumptions and beliefs of Yamaha Motor Co., Ltd. (“the Company”) in light of the information currently available, and may differ significantly from actual financial results, due to various risks, uncertainties and other factors, including changes in business conditions surrounding the Yamaha Motor Group, changing consumer preferences, and currency exchange rate fluctuations.

For details on potential risks, uncertainties and other factors affecting the Company’s operations, please see the Securities Report (filed on March 25, 2011).

For results forecast, please refer to Section 1-(3), “Qualitative Information on Results Forecast” on page 9.

(2) Please refer to Section 1-(4), “Basic Policy on Profit Distribution and Cash Dividends for the Fiscal Year Ending December 31, 2011” on page 9 for the Company’s cash dividends for the fiscal year ending December 31, 2011.

(3) With regard to amounts stated in ¥100 million units in this document, amounts less than ¥100 million are rounded off.

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\*The Company plans to hold a briefing as shown below. Reference documents distributed at the briefing will be posted on the Company's website immediately after the briefing. Video of the briefing will be posted on the website after a 24-hour period.

- Wednesday, August 3, 2011   • • • Financial results briefing for institutional investors, securities analysts and media outlets

**(Net Sales by Segment)**

Amount: millions of yen    Volume: thousand units									
	(Reference) Six months ended June 30, 2010 (January 1—June 30, 2010)			Six months ended June 30, 2011 (January 1—June 30, 2011)			Second quarter of FY2011 (April 1—June 30, 2011)		
	Volume	Amount	%	Volume	Amount	%	Volume	Amount	%
<b>Net sales:</b>									
<b>Japan</b>	—	72,762	10.8	—	69,763	10.5	—	35,587	10.3
<b>Overseas:</b>									
North America	—	87,545	12.9	—	88,645	13.4	—	43,828	12.7
Europe	—	102,910	15.2	—	90,862	13.7	—	51,652	15.0
Asia	—	327,918	48.5	—	321,473	48.5	—	166,530	48.3
Others	—	85,029	12.6	—	92,386	13.9	—	46,935	13.7
Subtotal	—	603,404	89.2	—	593,368	89.5	—	308,947	89.7
Total	—	676,166	100.0	—	<b>663,132</b>	<b>100.0</b>	—	<b>344,534</b>	<b>100.0</b>
<b>Motorcycles:</b>									
<b>Japan</b>	51	20,014	4.2	55	18,795	4.1	29	9,878	4.1
<b>Overseas:</b>									
North America	35	24,050	5.0	31	19,840	4.3	15	9,848	4.1
Europe	135	69,473	14.5	108	55,414	12.0	64	32,541	13.4
Asia	3,045	310,343	64.6	3,008	304,068	65.8	1,533	156,769	64.6
Others	211	56,590	11.7	268	64,145	13.8	139	33,495	13.8
Subtotal	3,427	460,458	95.8	3,414	443,469	95.9	1,751	232,655	95.9
Total	3,478	480,473	71.1	<b>3,469</b>	<b>462,264</b>	<b>69.7</b>	<b>1,780</b>	<b>242,533</b>	<b>70.4</b>
<b>Marine products:</b>									
<b>Japan</b>	—	11,200	11.7	—	11,141	10.9	—	5,912	11.5
<b>Overseas:</b>									
North America	—	40,862	42.6	—	45,380	44.5	—	21,819	42.4
Europe	—	23,354	24.4	—	25,501	25.0	—	14,402	28.0
Asia	—	4,479	4.7	—	4,940	4.8	—	2,405	4.7
Others	—	15,919	16.6	—	15,078	14.8	—	6,865	13.4
Subtotal	—	84,615	88.3	—	90,900	89.1	—	45,492	88.5
Total	—	95,816	14.2	—	<b>102,041</b>	<b>15.4</b>	—	<b>51,405</b>	<b>14.9</b>
<b>Power products:</b>									
<b>Japan</b>	—	5,613	12.6	—	5,389	12.0	—	3,141	13.6
<b>Overseas:</b>									
North America	—	21,994	49.5	—	22,555	50.4	—	11,595	50.3
Europe	—	7,706	17.4	—	8,005	17.9	—	3,803	16.5
Asia	—	3,200	7.2	—	3,074	6.9	—	1,765	7.7
Others	—	5,889	13.3	—	5,739	12.8	—	2,728	11.9
Subtotal	—	38,791	87.4	—	39,375	88.0	—	19,893	86.4
Total	—	44,405	6.6	—	<b>44,765</b>	<b>6.8</b>	—	<b>23,035</b>	<b>6.7</b>
<b>Other products:</b>									
<b>Japan</b>	—	35,933	64.8	—	34,437	63.7	—	16,653	60.4
<b>Overseas:</b>									
North America	—	637	1.1	—	868	1.6	—	565	2.1
Europe	—	2,376	4.3	—	1,941	3.6	—	905	3.3
Asia	—	9,894	17.8	—	9,390	17.4	—	5,589	20.3
Others	—	6,629	12.0	—	7,422	13.7	—	3,846	13.9
Subtotal	—	19,537	35.2	—	19,622	36.3	—	10,906	39.6
Total	—	55,471	8.1	—	<b>54,060</b>	<b>8.1</b>	—	<b>27,560</b>	<b>8.0</b>

Note: The figures for the first six months in the previous fiscal year have been restated to reflect the segments for the fiscal year ending December 31, 2011.

# 1. Qualitative Information on Consolidated Results During the Period

## (1) Qualitative Information on Consolidated Operating Results

In the economic environment during the second quarter (April 1 through June 30) of the fiscal year ending December 31, 2011, the pace of economic recovery slowed, primarily in developed countries. The U.S. economy, which had been on a recovery trend, stagnated, and the European financial crisis worsened. Although economic expansion continues in emerging nations, signs of economic overheating have led to a trend toward rising prices and monetary tightening. In Japan, although yen appreciation continues, there are signs of a recovery in economic activities from the steep decline in the aftermath of the Great East Japan Earthquake, including a supply chain recovery.

Against this backdrop, the Company's consolidated net sales for the second quarter (April 1 through June 30, 2011) fell 5.9% from the previous second quarter to ¥344.5 billion, due to factors including the negative impact of exchange rates because of yen appreciation and the impact of the earthquake disaster. Operating income fell 12.7% to ¥20.9 billion, ordinary income declined 20.5% to ¥22.5 billion, and net income fell 4.6% to ¥15.5 billion, owing to the negative impact of exchange rates, lower sales, and other factors, despite cost reductions due to structural reforms and a reversal of the provision for product liabilities.

Consolidated net sales for the six months ended June 30, 2011 fell 1.9% from the same period of the previous year to ¥663.1 billion. Operating income rose 18.6% to ¥41.5 billion, ordinary income rose 11.4% to ¥48.8 billion, and net income rose 21.8% to ¥29.0 billion, mainly as a result of a recovery in sales of outboard motors and other products and cost reductions due to structural reforms, despite the negative impact of exchange rates and the earthquake disaster.

### Operating performance by segment

#### [Motorcycles]

Net sales of motorcycles for the second quarter (April 1 through June 30, 2011) were ¥242.5 billion, down 6.8% from the second quarter of the previous year, due mainly to shipment adjustments in Indonesia to address market stock adjustments as well as lower sales in Europe, and the negative impact of exchange rates because of yen appreciation. Operating income fell 36.6% to ¥10.3 billion, also as a result of the sales decrease, the impact of yen appreciation and other factors.

Net sales for the six months ended June 30, 2011 decreased 3.8% from the same period of the previous year to ¥462.3 billion, attributable to factors including sales decreases in Europe and Asia and the negative impact of exchange rates because of yen appreciation, despite sales increases in Central and South America and other regions. Operating income fell 20.2% to ¥23.6 billion.

#### [Marine products]

Net sales of marine products for the second quarter (April 1 through June 30, 2011) fell 2.7% from the previous second quarter to ¥51.4 billion, reflecting factors including the negative impact of exchange rates and a sales decrease in the U.S., which was triggered by supply delays following the earthquake in Japan, despite increases in outboard motor sales in Russia, Brazil, and other markets. Operating income fell 43.6% to ¥1.7 billion.

Net sales for the six months increased 6.5% from the same period of the previous year to ¥102.0 billion, thanks to factors including a recovery in demand for outboard motors and personal watercraft. Operating income rose 40.9% to ¥5.9 billion.

#### [Power products]

Net sales of power products for the second quarter (April 1 through June 30, 2011) fell 4.5% from the previous second quarter to ¥23.0 billion, reflecting a decrease in sales of all-terrain vehicles (ATVs) in North America and the negative impact of exchange rates. Operating income rose 401.1% to ¥5.1 billion, attributable mainly to a reversal of the provision for product liabilities and cost reductions due to structural reforms.

Net sales for the six months increased 0.8% from the same period of the previous year to ¥44.8 billion. Operating income was ¥5.7 billion, an improvement of ¥9.8 billion from the same period of the previous year.

#### [Others]

Net sales in this segment for the second quarter (April 1 through June 30, 2011) fell 4.7% from the previous second quarter to ¥27.6 billion as a result of lower unit sales of automobile engines affected by the earthquake disaster and

other factors, despite an increase in net sales of electrically power assisted bicycles. Operating income rose 2.9% to ¥3.9 billion.

Net sales for the six months fell 2.5% from the same period of the previous year to ¥54.1 billion, while operating income rose 17.4% to ¥6.5 billion.

In comparison with the same period of the previous year, the figures for the second quarter of the previous year have been restated to reflect the segments for the fiscal year ending December 31, 2011.

(Reference Information)

Geographical segment information for the six months ended June 30, 2011 (Net sales includes intersegment sales among areas)

[Japan]

Net sales in Japan for the six months ended June 30, 2011 decreased 6.8% from the same period of the previous year to ¥250.1 billion, reflecting lower unit sales of automobile engines due to the impact of the earthquake disaster and the negative impact of yen appreciation, despite sales increases for surface mounters, electrically power assisted bicycles and other products. Operating loss was ¥5.2 billion, a decrease of ¥5.9 billion from the same period of the previous year, as a result of lower net sales and the negative impact of yen appreciation, despite cost reductions due to structural reforms.

[North America]

Net sales in North America for the six months ended June 30, 2011 increased 3.6% from the same period of the previous year to ¥96.2 billion on higher sales of personal watercraft, outboard motors and other products, thanks to a recovery in the marine products market, despite the negative impact of exchange rates. Operating income was ¥5.8 billion, an improvement of ¥9.2 billion from the same period of the previous year attributable to a reversal of the provision for product liabilities and the impact of cost reductions due to structural reforms.

[Europe]

Net sales in Europe for the six months ended June 30, 2011 decreased 10.5% from the same period of the previous year to ¥91.5 billion on lower sales of motorcycles and ATVs, due to an economic slump stemming from fiscal problems in countries in and around the euro zone. Operating income fell 5.1% to ¥2.4 billion, owing to the sales decrease.

[Asia]

Net sales in Asia (excluding Japan) for the six months ended June 30, 2011 decreased 0.9% from the same period of the previous year to ¥332.3 billion. Although motorcycle sales continued to increase in India, Vietnam and other countries, sales were negatively affected by the impact of exhaust regulations in China and the impact of exchange rates. Operating income fell 6.2% to ¥29.9 billion.

[Others]

Net sales in other areas for the six months ended June 30, 2011 increased 16.2% from the same period of the previous year to ¥78.6 billion, due to factors including higher sales of motorcycles and outboard motors in Brazil. Operating income rose 291.8% to ¥8.9 billion.

## **(2) Qualitative Information on the Consolidated Financial Position**

Total assets at the end of the second quarter increased ¥22.4 billion from the end of the previous fiscal year to ¥1,000.8 billion, attributable mainly to increases of ¥4.7 billion in current assets and ¥17.8 billion in noncurrent assets. Shareholders' equity increased ¥28.7 billion from the end of the previous fiscal year, total net assets increased ¥34.8 billion to ¥345.7 billion, and the shareholders' equity ratio as of June 30, 2011 was 30.9% (an improvement of 2.9 points).

Net cash provided by operating activities during the second quarter (April 1 through June 30, 2011) was ¥28.6 billion, due to a decrease in notes and accounts receivable-trade as a result of collection of accounts receivables and a



decrease in inventories. Net cash used in investing activities was ¥12.4 billion. Consequently, free cash flows were ¥16.2 billion. Net cash used in financing activities was ¥25.3 billion.

Net cash provided by operating activities during the six months ended June 30, 2011 was ¥25.5 billion, due to factors including income before income taxes of ¥47.8 billion and ¥20.2 billion in income taxes paid. Net cash used in investing activities was ¥25.9 billion. Consequently, free cash flows were a negative ¥0.4 billion. Net cash used in financing activities was ¥15.5 billion, mainly because of factors including the repayment of short-term and long-term loans payables.

As a result of the activities discussed above, interest-bearing debt at the end of the second quarter under review was ¥322.4 billion, approximately the level of the end of the previous period. Cash and cash equivalents decreased by ¥15.3 billion from the end of the previous fiscal year to ¥188.6 billion. Interest-bearing debt includes ¥121.2 billion in borrowings for sales finance.

### (3) Qualitative Information on Results Forecast

The business environment remains extremely adverse, due to the negative effects of sustained yen appreciation, further increases in raw materials prices, and the continued impact of the earthquake disaster, while the Company is accelerating its research and development activities in its efforts to shift toward growth. In these circumstances, full-year consolidated operating results are projected to exceed the original forecast owing mainly to profit improvement in the first half as well as prospects for continued sales increases in the motorcycle business in Central and South America and the marine products business and cost reductions due to structural reforms.

		Billions of yen
		Consolidated
Net sales		<b>1,350.0</b>
	Change from the original forecast:	None
	Change from the fiscal year ended December 31, 2010:	+4.3%
Operating income		<b>68.0</b>
	Change from the original forecast:	+28.3%
	Change from the fiscal year ended December 31, 2010:	+32.5%
Ordinary income		<b>78.0</b>
	Change from the original forecast:	+41.8%
	Change from the fiscal year ended December 31, 2010:	+17.9%
Net income		<b>35.0</b>
	Change from the original forecast:	+75.0%
	Change from the fiscal year ended December 31, 2010:	+91.3%

Note: Change from the original forecast refers to increase or decrease from the results forecast for the fiscal year ending December 31, 2011, originally announced on February 15, 2011.

The exchange rate assumptions for the second half-year are ¥80 against the U.S. dollar (an appreciation of ¥2 from the original projection and ¥4 from the previous second half-year) and ¥110 against the euro (the same as the original projection and an appreciation of ¥1 from the previous second half-year). The assumptions for the full year are ¥81 against the U.S. dollar (an appreciation of ¥1 from the original projection and ¥7 from the previous year) and ¥113 against the euro (a depreciation of ¥3 from the original projection and an appreciation of ¥3 from the previous year).

### (4) Basic Policy on Profit Distribution and Cash Dividends for the Fiscal Year Ending December 31, 2011

Recognizing that shareholders' interests represent one of Yamaha Motor's highest management priorities, the Company has been striving to meet shareholder expectations by working to maximize its corporate value through a diversity of business operations worldwide.

The Company's policy centers on paying cash dividends based on a long-term perspective, reflecting its consolidated financial performance and other factors in a comprehensive manner, with the payout ratio as an indicator.

Although the year-end dividend forecast for the fiscal year ending December 31, 2011 was undecided, operating results have improved thanks to steady progress in structural reforms and expected improvement in the Company's financial structure. Consequently, the Company has judged that prospects are good for resumption of dividends and has decided a policy of declaring a year-end dividend of ¥20 per share in accordance with the payout ratio of 20%, calculated based on consolidated net income for the fiscal year ending December 31, 2011.

## **2. Other Information**

### **(1) Outline of Changes in Significant Subsidiaries**

None

### **(2) Outline of Application of Simplified and Special Accounting Principles**

#### 1) Simplified accounting

(Measurement method for inventories)

In computing inventories at the end of the second quarter of the fiscal year ending December 31, 2011, the Company has applied a rationalized computation method, based on the actual inventory count at the end of the previous fiscal year, eliminating the need to physically take inventory.

(Computation method for fixed asset depreciation expenses)

In computing the depreciation of assets using the declining-balance method, the Company has allocated the annual depreciation expenses of the fiscal year to the relevant periods.

#### 2) Special accounting applied to preparation of the quarterly consolidated financial statements

None

### **(3) Outline of Changes in Accounting Principles, Procedures, Presentation Methods and Other Items**

(Application of “Accounting Standard for Equity Method of Accounting for Investments” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”)

Beginning in the first quarter of the fiscal year ending December 31, 2011, the Company has applied “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, March 10, 2008) and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ PITF No. 24, March 10, 2008) and made necessary adjustments to its consolidated financial reports.

The impact of application of the accounting standard on income and loss will be minor.

(Application of “Accounting Standard for Asset Retirement Obligations”)

Beginning in the first quarter of the fiscal year ending December 31, 2011, the Company has applied “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008).

The impact of application of the accounting standard on income and loss will be minor.

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

As of June 30, 2011 and December 31, 2010

	Millions of yen	
	As of June 30, 2011	As of December 31, 2010
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and deposits	189,334	205,362
Notes and accounts receivable-trade	198,915	183,711
Merchandise and finished goods	127,179	136,308
Work-in-process	44,065	37,423
Raw materials and supplies	39,811	39,903
Other	50,739	43,822
Allowance for doubtful accounts	(6,352)	(7,503)
Total current assets	<b>643,693</b>	<b>639,028</b>
<b>Noncurrent assets:</b>		
Property, plant and equipment	258,699	250,320
Intangible assets	4,024	4,247
Investments and other assets:		
Investments and other assets	96,054	86,219
Allowance for doubtful accounts	(1,683)	(1,473)
Total investments and other assets	<b>94,370</b>	<b>84,745</b>
Total noncurrent assets	<b>357,093</b>	<b>339,314</b>
<b>Total assets</b>	<b>1,000,787</b>	<b>978,343</b>
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Notes and accounts payable-trade	129,942	125,809
Short-term loans payable	29,902	35,455
Current portion of long-term loans payable	125,141	57,576
Income taxes payable	3,236	8,282
Provisions:		
Provision for bonuses	9,547	8,800
Provision for product warranties	30,440	28,356
Other provisions	1,503	1,083
Total provisions	<b>41,491</b>	<b>38,241</b>
Other	91,671	99,765
Total current liabilities	<b>421,385</b>	<b>365,131</b>

	Millions of yen	
	As of June 30, 2011	As of December 31, 2010
<b>Noncurrent liabilities:</b>		
Long-term loans payable	167,385	229,410
Provisions:		
Provision for retirement benefits	38,279	35,423
Provision for product liabilities	11,000	20,882
Other provisions	1,312	1,529
Total provisions	50,592	57,834
Other	15,766	15,156
Total noncurrent liabilities	233,745	302,401
<b>Total liabilities</b>	<b>655,130</b>	<b>667,533</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity:</b>		
Capital stock	85,666	85,666
Capital surplus	74,582	98,147
Retained earnings	251,476	199,190
Treasury stock	(682)	(681)
Total shareholders' equity	411,043	382,323
<b>Valuation and translation adjustments:</b>		
Valuation difference on available-for-sale securities	1,881	2,719
Revaluation reserve for land	10,186	10,186
Foreign currency translation adjustment	(113,876)	(120,977)
Total valuation and translation adjustments	(101,808)	(108,070)
<b>Subscription rights to shares</b>	<b>109</b>	<b>102</b>
<b>Minority interests</b>	<b>36,312</b>	<b>36,454</b>
<b>Total net assets</b>	<b>345,656</b>	<b>310,809</b>
<b>Total liabilities and net assets</b>	<b>1,000,787</b>	<b>978,343</b>

## (2) Consolidated Statements of Income

Six months ended June 30, 2010 and 2011

	Millions of yen	
	Six months ended June 30, 2010 (January 1— June 30, 2010)	Six months ended June 30, 2011 (January 1— June 30, 2011)
<b>Net sales</b>	676,166	<b>663,132</b>
<b>Cost of sales</b>	524,033	<b>511,551</b>
<b>Gross profit</b>	152,132	<b>151,580</b>
<b>Selling, general and administrative expenses</b>	117,102	<b>110,037</b>
<b>Operating income</b>	35,030	<b>41,543</b>
<b>Non-operating income:</b>		
Interest income	4,619	<b>4,082</b>
Other	11,516	<b>8,964</b>
Total non-operating income	16,136	<b>13,046</b>
<b>Non-operating expenses:</b>		
Interest expenses	4,478	<b>3,577</b>
Other	2,878	<b>2,228</b>
Total non-operating expenses	7,357	<b>5,805</b>
<b>Ordinary income</b>	43,808	<b>48,784</b>
<b>Extraordinary income:</b>		
Gain on sales of noncurrent assets	191	<b>199</b>
Other	3	—
Total extraordinary income	195	<b>199</b>
<b>Extraordinary losses:</b>		
Loss on sales of noncurrent assets	63	<b>56</b>
Loss on disposal of noncurrent assets	359	<b>253</b>
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	<b>552</b>
Loss on disaster	—	<b>274</b>
Other	3	<b>3</b>
Total extraordinary losses	426	<b>1,140</b>
<b>Income before income taxes</b>	43,578	<b>47,842</b>
<b>Income taxes — current</b>	18,608	<b>14,741</b>
<b>Income taxes — deferred</b>	(3,204)	<b>(364)</b>
<b>Total income taxes</b>	15,403	<b>14,377</b>
<b>Income before minority interests</b>	—	<b>33,465</b>
<b>Minority interests in income</b>	4,398	<b>4,504</b>
<b>Net income</b>	23,776	<b>28,960</b>

Second quarter ended June 30, 2010 and 2011

	Millions of yen	
	Second quarter ended June 30, 2010 (April 1— June 30, 2010)	Second quarter ended June 30, 2011 (April 1— June 30, 2011)
<b>Net sales</b>	366,268	344,534
<b>Cost of sales</b>	282,674	266,041
<b>Gross profit</b>	83,593	78,493
<b>Selling, general and administrative expenses</b>	59,621	57,574
<b>Operating income</b>	23,971	20,919
<b>Non-operating income:</b>		
Interest income	2,215	1,911
Other	6,815	3,823
Total non-operating income	9,030	5,734
<b>Non-operating expenses:</b>		
Interest expenses	2,500	1,891
Foreign exchange losses	—	897
Loss on revaluation of sales finance assets	—	35
Other	2,213	1,352
Total non-operating expenses	4,713	4,178
<b>Ordinary income</b>	28,288	22,475
<b>Extraordinary income:</b>		
Gain on sales of noncurrent assets	142	111
Total extraordinary income	142	111
<b>Extraordinary losses:</b>		
Loss on sales of noncurrent assets	33	27
Loss on disposal of noncurrent assets	255	113
Loss on disaster	—	102
Other	—	3
Total extraordinary losses	289	247
<b>Income before income taxes</b>	28,141	22,339
<b>Income taxes — current</b>	11,003	6,252
<b>Income taxes — deferred</b>	(1,405)	(1,716)
<b>Total income taxes</b>	9,597	4,536
<b>Income before minority interests</b>	—	17,803
<b>Minority interests in income</b>	2,279	2,288
<b>Net income</b>	16,264	15,514

### (3) Consolidated Statements of Cash Flows

Six months ended June 30, 2010 and 2011

	Millions of yen	
	Six months ended June 30, 2010 (January 1— June 30, 2010)	Six months ended June 30, 2011 (January 1— June 30, 2011)
<b>Net cash provided by (used in) operating activities:</b>		
Income before income taxes	43,578	<b>47,842</b>
Depreciation and amortization	18,589	<b>16,310</b>
Increase (decrease) in allowance for doubtful accounts	(340)	<b>(1,290)</b>
Increase (decrease) in provision for retirement benefits	2,235	<b>2,594</b>
Increase (decrease) in provision for product liabilities	(98)	<b>(9,872)</b>
Interest and dividends income	(5,245)	<b>(4,529)</b>
Interest expenses	4,478	<b>3,577</b>
Loss (gain) on sales of property, plant and equipment and intangible assets	(128)	<b>(143)</b>
Loss (gain) on disposal of property, plant and equipment and intangible assets	359	<b>253</b>
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	<b>552</b>
Decrease (increase) in notes and accounts receivable-trade	(34,083)	<b>(10,264)</b>
Decrease (increase) in inventories	16,061	<b>8,360</b>
Increase (decrease) in notes and accounts payable-trade	27,475	<b>1,878</b>
Other	7,907	<b>(11,560)</b>
Subtotal	80,789	<b>43,709</b>
Interest and dividends income received	5,685	<b>5,490</b>
Interest expenses paid	(4,511)	<b>(3,501)</b>
Income taxes refund (paid)	2,261	<b>(20,173)</b>
Net cash provided by (used in) operating activities	84,224	<b>25,525</b>
<b>Net cash provided by (used in) investing activities:</b>		
Payments into time deposits	(1,103)	<b>(1,271)</b>
Proceeds from withdrawal of time deposits	1,554	<b>2,535</b>
Purchase of property, plant and equipment and intangible assets	(15,209)	<b>(23,958)</b>
Proceeds from sales of property, plant and equipment and intangible assets	1,402	<b>703</b>
Other	(41)	<b>(3,900)</b>
Net cash provided by (used in) investing activities	(13,397)	<b>(25,891)</b>



	Millions of yen	
	Six months ended June 30, 2010 (January 1— June 30, 2010)	Six months ended June 30, 2011 (January 1— June 30, 2011)
<b>Net cash provided by (used in) financing activities:</b>		
Increase (decrease) in short-term bank loans and commercial papers	(36,508)	<b>(6,526)</b>
Proceeds from long-term loans payable	19,562	<b>2,961</b>
Repayment of long-term loans payable	(32,399)	<b>(6,831)</b>
Proceeds from issuance of common stock	74,647	—
Decrease (increase) in treasury stock	(1)	<b>(1)</b>
Cash dividends paid to minority shareholders	(3,747)	<b>(4,924)</b>
Other	(111)	<b>(188)</b>
Net cash provided by (used in) financing activities	21,441	<b>(15,510)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(4,145)	<b>451</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	88,122	<b>(15,425)</b>
<b>Cash and cash equivalents at beginning of period</b>	137,219	<b>203,878</b>
<b>Increase in cash and cash equivalents from newly consolidated subsidiary</b>	68	<b>97</b>
<b>Cash and cash equivalents at end of period</b>	225,410	<b>188,550</b>

#### (4) Notes Regarding Going-concern Assumptions

None

#### (5) Segment Information

##### Business segment information

Second quarter ended June 30, 2010 (April 1, 2010 through June 30, 2010)

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	258,459	52,855	24,123	30,829	366,268	—	366,268
Intersegment	—	—	—	21,391	21,391	(21,391)	—
Total	258,459	52,855	24,123	52,221	387,660	(21,391)	366,268
Operating income	14,232	2,960	1,010	5,768	23,971	0	23,971

Notes:

1. Business segments correspond to categories classified primarily by similarity of products and markets.
2. Major products in each business segment:

Business segment	Major products
Motorcycles	Motorcycles and knockdown parts for overseas production
Marine products	Outboard motors, personal watercraft, boats, FRP pools, fishing boats, utility boats and diesel engines
Power products	All-terrain vehicles, side-by-side vehicles, snowmobiles, golf cars, generators, small-sized snow throwers and multi-purpose engines
Other products	Surface mounters, industrial robots, automobile engines, automobile components, electrically power assisted bicycles, unmanned industrial helicopters, electrically powered wheelchairs and the intermediate parts for products in all business segments

Six months ended June 30, 2010 (January 1, 2010 through June 30, 2010)

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	476,488	95,816	44,405	59,456	676,166	—	676,166
Intersegment	—	—	—	41,142	41,142	(41,142)	—
Total	476,488	95,816	44,405	100,598	717,308	(41,142)	676,166
Operating income (loss)	26,039	4,167	(4,157)	8,981	35,030	0	35,030

Notes:

1. Business segments: Classified in the same way as for the second quarter ended June 30, 2010.
2. Major products in each business segment: The same as those listed above for the second quarter ended June 30, 2010.

## Geographical segment information

Second quarter ended June 30, 2010 (April 1, 2010 through June 30, 2010)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	57,629	47,967	56,991	167,737	35,942	366,268	—	366,268
Intersegment	81,755	2,771	917	11,485	260	97,190	(97,190)	—
Total	139,384	50,738	57,909	179,223	36,202	463,459	(97,190)	366,268
Operating income	3,247	1,259	842	16,192	2,422	23,965	6	23,971

Notes:

- Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan:
  - North America: U.S.A. and Canada
  - Europe: The Netherlands, France, Italy, Spain and Russia
  - Asia: Indonesia, Vietnam, Thailand, Taiwan, China, Singapore and India
  - Others: Brazil, Australia, Colombia and Mexico

Six months ended June 30, 2010 (January 1, 2010 through June 30, 2010)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	109,198	86,650	100,584	312,526	67,207	676,166	—	676,166
Intersegment	158,986	6,224	1,658	22,727	448	190,044	(190,044)	—
Total	268,184	92,874	102,243	335,253	67,655	866,211	(190,044)	676,166
Operating income (loss)	739	(3,368)	2,538	31,828	2,267	34,006	1,023	35,030

Notes:

- Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan: The same as the areas listed above for the second quarter ended June 30, 2010.

## Overseas sales

### Second quarter ended June 30, 2010 (April 1, 2010 through June 30, 2010)

	Millions of yen				
	North America	Europe	Asia	Others	Total
I. Overseas sales	48,501	57,917	176,989	45,191	328,600
II. Consolidated sales					366,268
III. Percentage of overseas sales to consolidated sales	13.2%	15.8%	48.3%	12.4%	89.7%

Notes:

- Overseas segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan:
  - North America: U.S.A. and Canada
  - Europe: France, Italy, Germany, UK and Russia
  - Asia: Indonesia, Vietnam, Thailand, China, Taiwan and India
  - Others: Brazil, Australia and South Africa
- Overseas sales consist of export sales of the Company and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

### Six months ended June 30, 2010 (January 1, 2010 through June 30, 2010)

	Millions of yen				
	North America	Europe	Asia	Others	Total
I. Overseas sales	87,545	102,910	327,918	85,029	603,404
II. Consolidated sales					676,166
III. Percentage of overseas sales to consolidated sales	12.9%	15.2%	48.5%	12.6%	89.2%

Notes:

- Overseas segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan: The same as the areas listed above for the second quarter ended June 30, 2010.
- Overseas sales consist of export sales of the Company and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

## Segment Information

### 1. Overview of reporting segments

The Company's reporting segments are regularly reviewed by the Board of Directors, etc., using the segregated financial information available within each segment of the Company to determine the allocation of management resources and evaluate business results.

3 businesses, namely "Motorcycles", "Marine products" and "Power products" constitute the Company's reporting segments classified primarily by similarity of products and markets.

Major products in each reporting segment are as follows.

Reporting segment	Major products
Motorcycles	Motorcycles, knockdown parts for overseas production and intermediate parts for products
Marine products	Outboard motors, personal watercraft, boats, FRP pools, fishing boats, utility boats and diesel engines
Power products	All-terrain vehicles, side-by-side vehicles, snowmobiles, golf cars, generators, small-sized snow throwers and multi-purpose engines

### 2. Information concerning net sales and income or loss by reporting segment

Six months ended June 30, 2011 (January 1, 2011 through June 30, 2011)

	Millions of yen							
	Reporting Segment				Others (Note 1)	Total	Adjustments	Amounts on statements of income (Note 2)
	Motorcycles	Marine products	Power products	Total				
Net sales:								
Outside customers	462,264	102,041	44,765	609,072	54,060	663,132	—	663,132
Inter-segment	—	—	—	—	13,437	13,437	(13,437)	—
Total	462,264	102,041	44,765	609,072	67,497	676,569	(13,437)	663,132
Segment income	23,564	5,870	5,656	35,091	6,451	41,543	0	41,543

Notes:

- "Others" is a business segment not included in the reporting segments. It includes businesses involving the manufacture and sale of surface mounters, industrial robots, automobile engines, automobile components, electrically power assisted bicycles, unmanned industrial helicopters and electrically powered wheelchairs.
- Segment income corresponds to operating income in the Consolidated Statements of Income.

Second quarter ended June 30, 2011 (April 1, 2011 through June 30, 2011)

	Millions of yen							
	Reporting Segment				Others (Note 1)	Total	Adjustments	Amounts on statements of income (Note 2)
	Motorcycles	Marine products	Power products	Total				
Net sales:								
Outside customers	242,533	51,405	23,035	316,974	27,560	344,534	—	344,534
Inter- segment	—	—	—	—	7,015	7,015	(7,015)	—
Total	242,533	51,405	23,035	316,974	34,575	351,549	(7,015)	344,534
Segment income	10,277	1,668	5,063	17,009	3,909	20,919	0	20,919

Notes:

1. "Others": The same as the segment listed above for the six months ended June 30, 2011.
2. Segment income corresponds to operating income in the Consolidated Statements of Income.

(Additional Information)

Beginning in the first quarter of the fiscal year ending December 31, 2011, the Company has applied “Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No. 17, March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No.20, March 21, 2008).

Segment information for the second quarter and first six months of the previous year presented based on this accounting standard is as follows.

**Information concerning net sales and income or loss by reporting segment**

Six months ended June 30, 2010 (January 1, 2010 through June 30, 2010)

	Millions of yen							
	Reporting Segment				Others (Note)	Total	Adjustments	Amounts on statements of income
	Motorcycles	Marine products	Power products	Total				
Net sales:								
Outside customers	480,473	95,816	44,405	620,694	55,471	676,166	—	676,166
Inter-segment	—	—	—	—	14,172	14,172	(14,172)	—
Total	480,473	95,816	44,405	620,694	69,643	690,338	(14,172)	676,166
Segment income (loss)	29,525	4,167	(4,157)	29,534	5,495	35,030	0	35,030

Note: “Others” is a business segment not included in the reporting segments. It includes businesses involving the manufacture and sale of surface mounters, industrial robots, automobile engines, automobile components, electrically power assisted bicycles, unmanned industrial helicopters and electrically powered wheelchairs.

Second quarter ended June 30, 2010 (April 1, 2010 through June 30, 2010)

	Millions of yen							
	Reporting Segment				Others (Note)	Total	Adjustments	Amounts on statements of income
	Motorcycles	Marine products	Power products	Total				
Net sales:								
Outside customers	260,365	52,855	24,123	337,344	28,924	366,268	—	366,268
Inter-segment	—	—	—	—	7,445	7,445	(7,445)	—
Total	260,365	52,855	24,123	337,344	36,369	373,713	(7,445)	366,268
Segment income	16,199	2,960	1,010	20,170	3,801	23,971	0	23,971

Note: “Others”: The same as the segment listed above for the six months ended June 30, 2010.

(Reference Information)

## Geographical segment information

Six months ended June 30, 2011 (January 1, 2011 through June 30, 2011)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	102,882	88,050	88,642	305,508	78,047	663,132	—	663,132
Intersegment	147,174	8,152	2,821	26,790	554	185,493	(185,493)	—
Total	250,057	96,203	91,464	332,298	78,601	848,625	(185,493)	663,132
Operating income (loss)	(5,195)	5,799	2,410	29,856	8,884	41,755	(212)	41,543

Notes:

1. Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
2. Nations and regions included in segments outside Japan:
  - (1) North America: U.S.A. and Canada
  - (2) Europe: The Netherlands, France, Italy, Spain and Russia
  - (3) Asia: Indonesia, Thailand, Vietnam, China, Taiwan, Singapore and India
  - (4) Others: Brazil, Australia, Colombia and Mexico

## (6) Notes in the Event of Material Changes in the Amount of Shareholders' Equity

In accordance with a resolution at the 76th Ordinary General Meeting of Shareholders held on March 24, 2011, the Company has reduced the amounts of legal capital surplus and legal retained earnings by ¥23,814 million and ¥3,775 million, respectively, transferred the amounts to other capital surplus and retained earnings brought forward, respectively, and transferred ¥23,565 million in other capital surplus to retained earnings brought forward in order to dispose of deficits, in the first quarter of the fiscal year ending December 31, 2011.

## (7) Other Notes

(Note to consolidated statements of income)

Six months ended June 30, 2011 (January 1, 2011 through June 30, 2011)

Losses resulting from the Great East Japan Earthquake of March 2011 are recorded in "Loss on disaster" reported under extraordinary loss. These losses are principally expenses relating to repair of damaged assets and relief supplies and donations.

Second quarter ended June 30, 2011 (April 1, 2011 through June 30, 2011)

Losses resulting from the Great East Japan Earthquake of March 2011 are recorded in "Loss on disaster" reported under extraordinary loss. These losses are principally expenses relating to relief supplies and donations.