

FY2012 2nd Quarter Business Results

【Design award winning models】



reddot design award
winner 2012



TMAX (Europe)



YZF-R15 (India)

Yamaha Motor Co., Ltd.

Aug 7, 2012

Agenda

Consolidated Financial Results for the 2nd Quarter of the FY2012 Revised Forecasts of Financial Target for the FY2012

- **Outline - Hiroyuki Yanagi**
President and CEO
Representative Director

- **Details - Kozo Shinozaki**
Senior Executive Officer and Director

- **Notice regarding the forecast consolidated results:**

Forecast consolidated results stated herein are based on the management's assumptions and beliefs in light of the information currently available, and involve risks and uncertainties. Please be advised that actual results may differ significantly from those discussed in the forecast consolidated results.

Potential risks and uncertainties include, but are not limited to, general economic conditions in Yamaha Motor's major markets, changing consumer preferences, and currency exchange rate fluctuations.

Outline

Hiroyuki Yanagi
President and CEO
Representative Director

Financial Results for FY 2012 (2Q 6-months)



Sales and profit decreased.

Motorcycles and Marine sales was recovered in the U.S.

In emerging markets, despite aggressive new product launches, due to retail finance problem, motorcycle demand slow down.

(¥ Bil.)	Last Year	Results	Forecasts (Feb.15)
Net Sales	663.1	632.2	700.0
Operating Income	41.5	20.8	25.0
%	6.3%	3.3%	3.6%
Ordinary Income	48.8	24.1	26.0
Net Income	29.0	14.5	11.0
FX Rate (\$/€)	\$82 €115	\$80 € 103	\$77 € 100

- Developed markets: Continue to improve profitability
(Increase Marine/Motorcycles Sales in the U.S., Structural reforms)
- Motorcycles in emerging markets: Rebuild immediately in Indonesia/Brazil.
Strengthen product and cost competitiveness.

Business scale

■ Motorcycles in emerging markets

- Launch new 16 models in FY2012
- Decide factory construction in south India

■ Marine new technology (develop with Volvo Penta)

■ Launch new surface mouter (The world's fastest level)

■ Structural reforms

- Reforming business layout (6 factories/13 units)
- Reforming manufacturing layout in Europe, 4 ⇒ 2 (completed)
- ATV production transferred to U.S. (to be completed in 2012)
- Cost reduction, Target (2012) 75 billion yen: 92% achieved

Management foundation

■ Strengthen development/procurement to adapt to market's needs ASEAN Integrated development center, India Procurement Center

■ Start new Organizational structure for Design

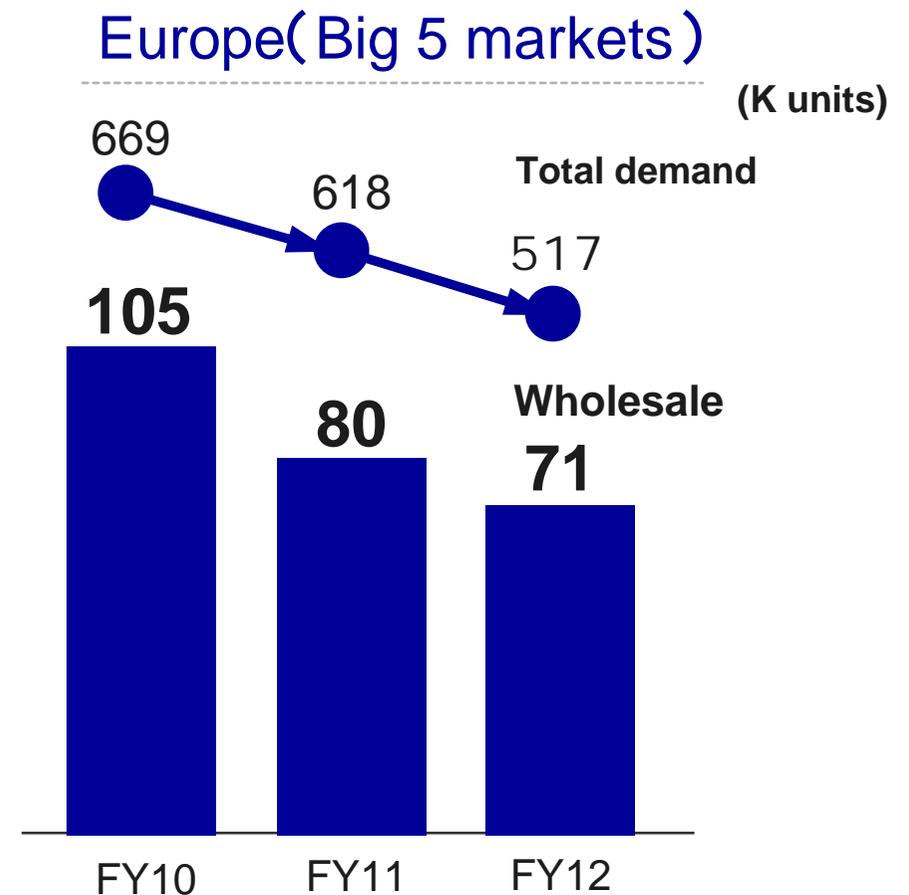
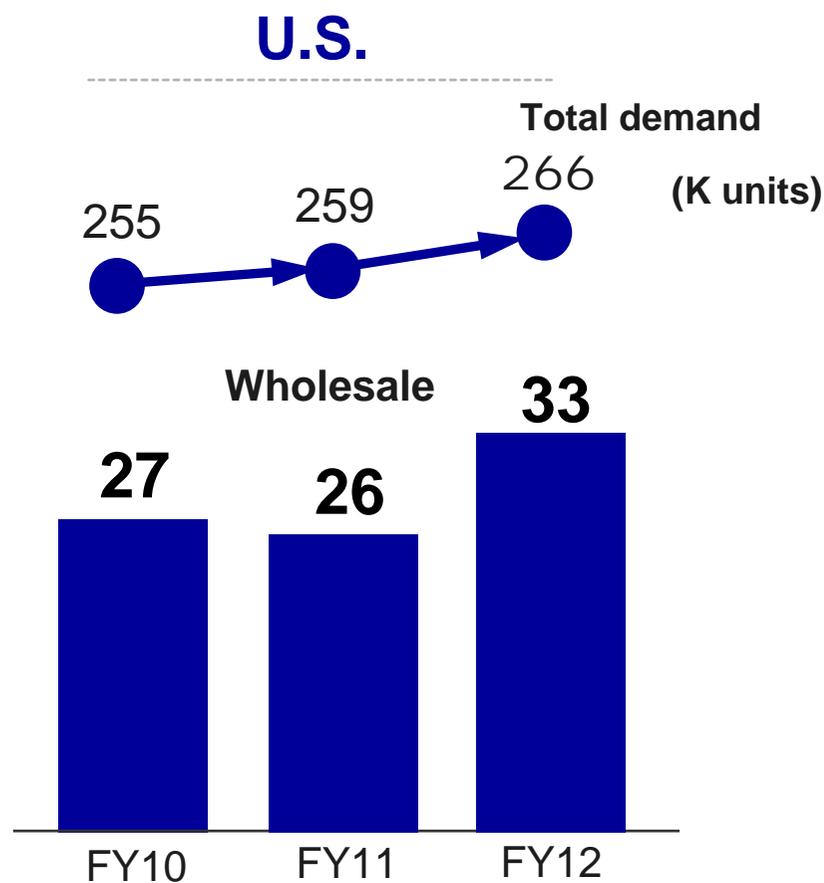
Motorcycle business in U.S. and Europe (2Q 6-months)



U.S. :Demand bottoming out (+2%) , Sales increased (+26%)

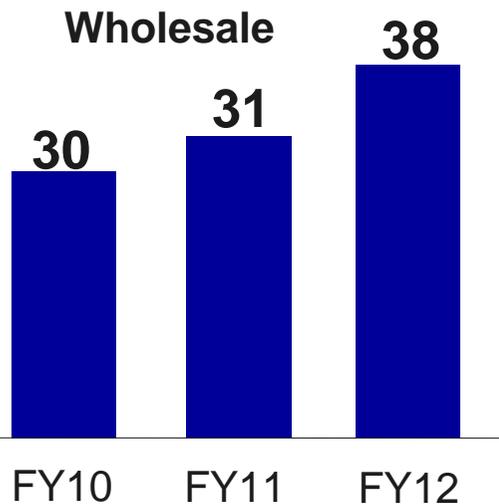
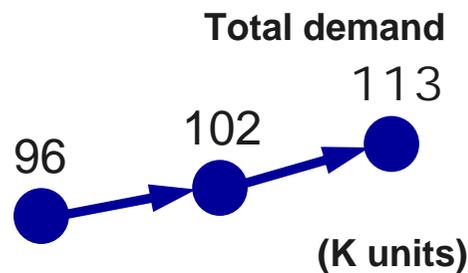
Europe: Demand continue decreasing (-16%), Sales decrease (-11%)

Maintain the proper inventory level in both U.S. and Europe

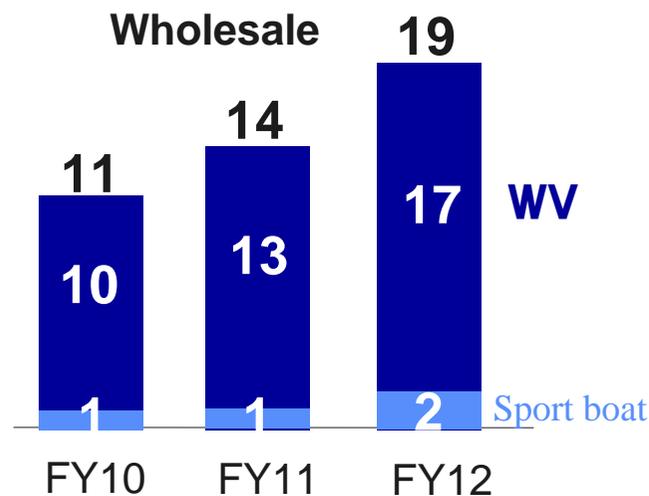
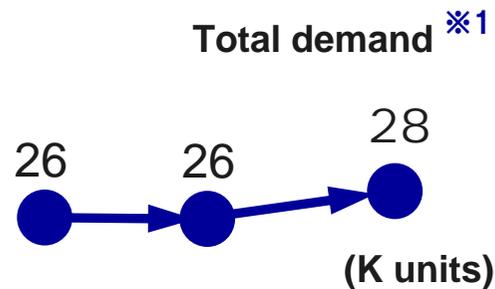


U.S. market is in recovery trend, emerging markets continue growth ^{※2}

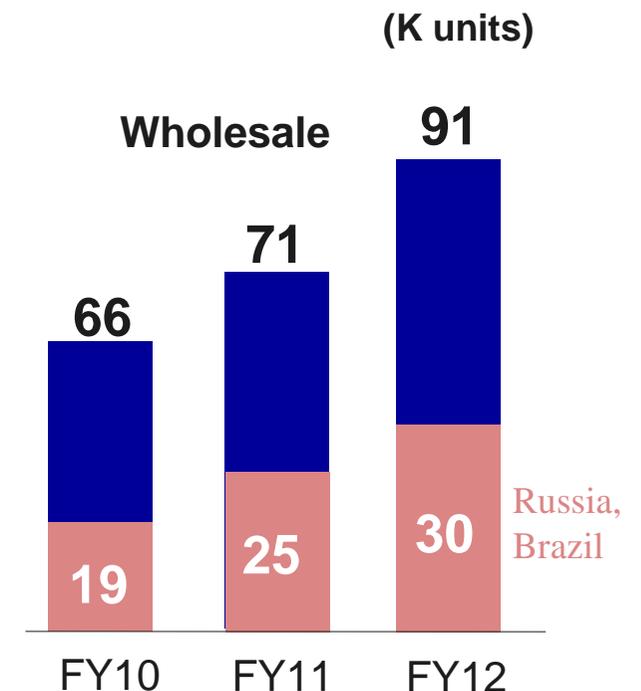
Outboard motors In the U.S.



WV + Sport boat In the U.S.



Outboard motors In emerging markets ^{※2}



※1 Total demand : WV only

※2 Outboard motors In emerging markets : Russian, Central and latin America, Asia(excluding Japan), Middle and Near East, Africa

Demand slowdown, FY12 forecast 52 mil.unit (-4%)

Yamaha wholesale FY12 forecast 6 mil.unit (-10%)

Preparing to market recovery and growth after 2013, strengthening actions in each market

(K units)	1 st H(Jan.-Jun.)				Full Year forecast			
	Total Demand		Yamaha wholesale		Total Demand		Yamaha wholesale	
	FY11	FY12	FY11	FY12	FY11	FY12 Forecast	FY11	FY12 Forecast
Indonesia	3,850	3,640	1,650	1,310	8,000	7,000	3,140	2,400
Vietnam	1,580	1,480	430	430	3,560	3,290	990	950
Thailand	1,080	1,090	270	300	2,010	2,180	470	630
India	6,280	6,960	150	160	13,080	14,000	340	410
Brazil	920	850	120	90	1,940	1,670	240	170
Emerging markets total	26,340	26,110	3,270	2,910	54,340	52,100	6,610	5,910

* total demand :Yamaha survey

* emerging markets: Asia, Latin America, Middle and Near East, Africa

Indonesia / Brazil Business conditions



FY12 wholesale	Products	Sales	Management foundation															
<p>Indonesia (K units)</p> <table border="1"> <caption>Indonesia Wholesale (K units)</caption> <thead> <tr> <th>Quarter</th> <th>Units</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>1Q</td> <td>710</td> <td>Result</td> </tr> <tr> <td>2Q</td> <td>600</td> <td></td> </tr> <tr> <td>3Q</td> <td>460</td> <td>forecast</td> </tr> <tr> <td>4Q</td> <td>630</td> <td></td> </tr> </tbody> </table>	Quarter	Units	Type	1Q	710	Result	2Q	600		3Q	460	forecast	4Q	630		<p>FY12 2ndH</p> <ol style="list-style-type: none"> AT <ul style="list-style-type: none"> Strengthen sales & marketing for new models Moped Launch new model JUPITER Z1 (July) Sports Launch New models <p>FY13</p> <ul style="list-style-type: none"> Continuous new models Launch 	<ol style="list-style-type: none"> Promote FI models <ul style="list-style-type: none"> Test ride for 3mil.people Retail finance <ul style="list-style-type: none"> From quality to quantity of A/R Enhance cooperation with financial institutions Islamic finance Strengthen the sales network 	<p>Towards the demand recovery after down payment regulation impact</p> <ol style="list-style-type: none"> strengthening the market adaptation by local development (ASEAN Integrated development center) Continuous launch of new products in the med-term Improve profitability by accelerating cost reduction
Quarter	Units	Type																
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<p>Brazil</p> <table border="1"> <caption>Brazil Wholesale</caption> <thead> <tr> <th>Quarter</th> <th>Units</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>1Q</td> <td>44</td> <td>Result</td> </tr> <tr> <td>2Q</td> <td>43</td> <td></td> </tr> <tr> <td>3Q</td> <td>40</td> <td>forecast</td> </tr> <tr> <td>4Q</td> <td>42</td> <td></td> </tr> </tbody> </table>	Quarter	Units	Type	1Q	44	Result	2Q	43		3Q	40	forecast	4Q	42		<p>FY12 2ndH</p> <ol style="list-style-type: none"> Launch new model capable of using gasoline and/or ethanol fuel <ul style="list-style-type: none"> YS250 Flex (July) Expansion of big models <ul style="list-style-type: none"> over 600cc (XJ6 etc.) Strengthen moped models <p>FY13</p> <ul style="list-style-type: none"> Launch New models 	<ol style="list-style-type: none"> Expansion to the countryside <ul style="list-style-type: none"> Continue PIT stop activity Retail finance <ul style="list-style-type: none"> Expanding the company's finance Volume Reinforce the "Consortios" (Brazilian Joint purchasing system) Enhance cooperation with financial institutions Strengthen the sales network 	<p>Towards the demand recovery after the normalization of retail finance</p> <ol style="list-style-type: none"> Continuous launch of new products in the med-term Structural reforms for environmental changes <ul style="list-style-type: none"> Lower break-even point countermeasure for fluctuation of exchange
Quarter	Units	Type																
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Financial Forecasts for FY 2012



Sales and Operating income decline, Net income keeps original forecast
Annual dividend payment plan is 10 yen per share,
carry out an interim dividend

(¥ Bil.)	Last Year	Rev.Forecasts (Aug.7)	Forecasts (Feb.15)
Net Sales	1,276.2	1,200.0	1,400.0
Operating Income	53.4	28.0	45.0
%	4.2%	2.3%	3.2%
Ordinary Income	63.5	34.0	47.0
Net Income	27.0	17.0	17.0
FX Rate (\$/€)	\$80 /€111 (2ndH) \$78 /€107	\$78/€102 (2ndH) \$77 /€100	\$77/€100 (2ndH) \$77 /€100
Dividend payment	¥ 15.5	¥ 10 1stH ¥ 5	¥ 10 1stH ¥ 5

Details

Kozo Shinozaki

Director

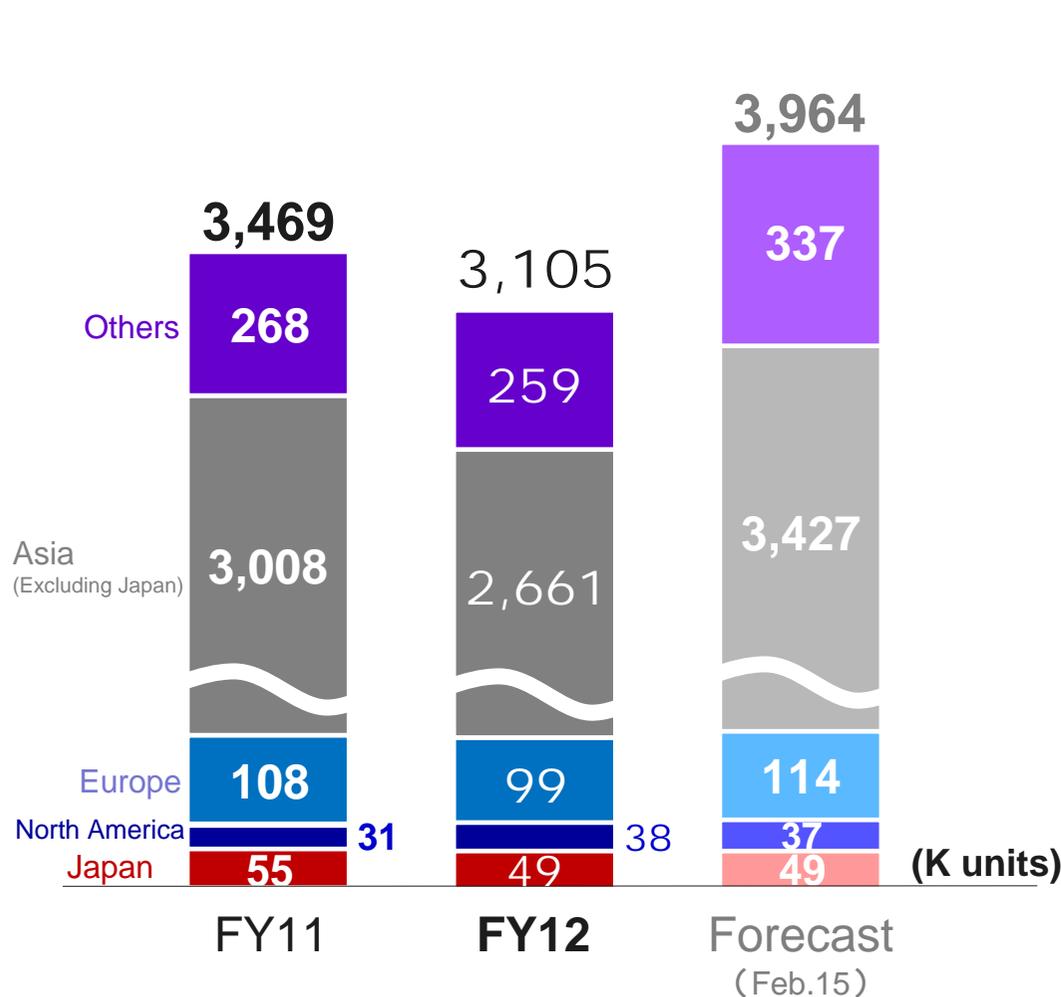
Motorcycle Sales (2Q 6-months)



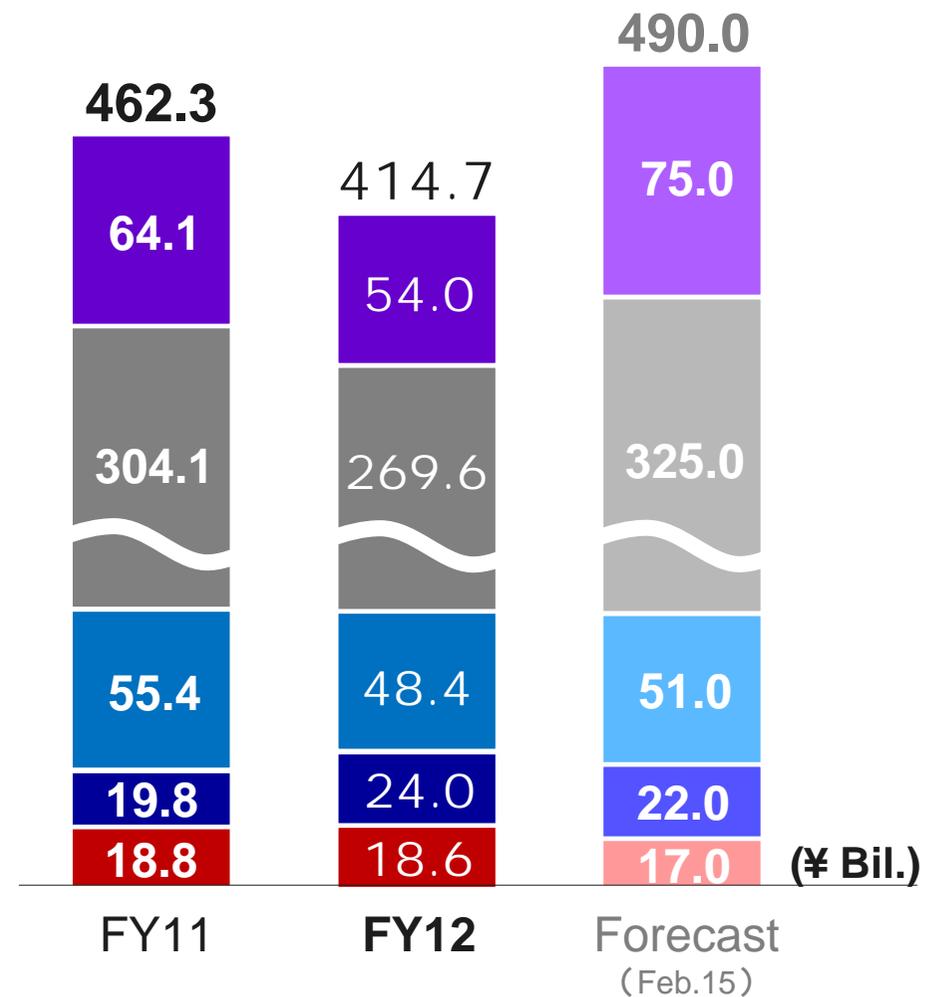
Net sales decreased.

Sales in Asia, Latin America, Europe decreased, U.S. increased.

Unit Sales



Sales Amount



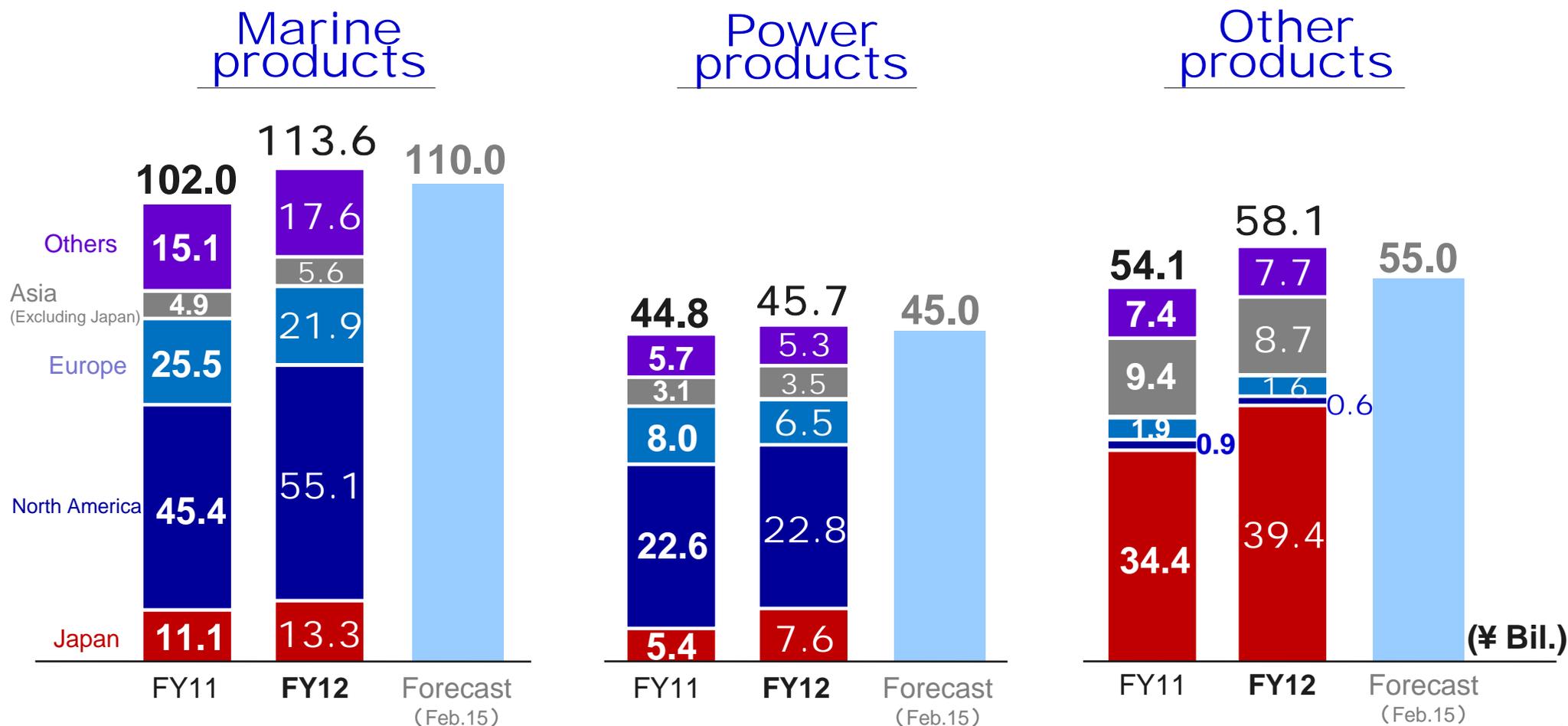
Marine/ Power/ Other Products Sales (2Q 6-months)



Marine products :Sales for outboard motor and personal water craft increased from LY due to North American market recovery

Power products :Generator sales increased in Japan

Other products :Automobile engine sales recovered



* Other products : includes industrial machinery and robots

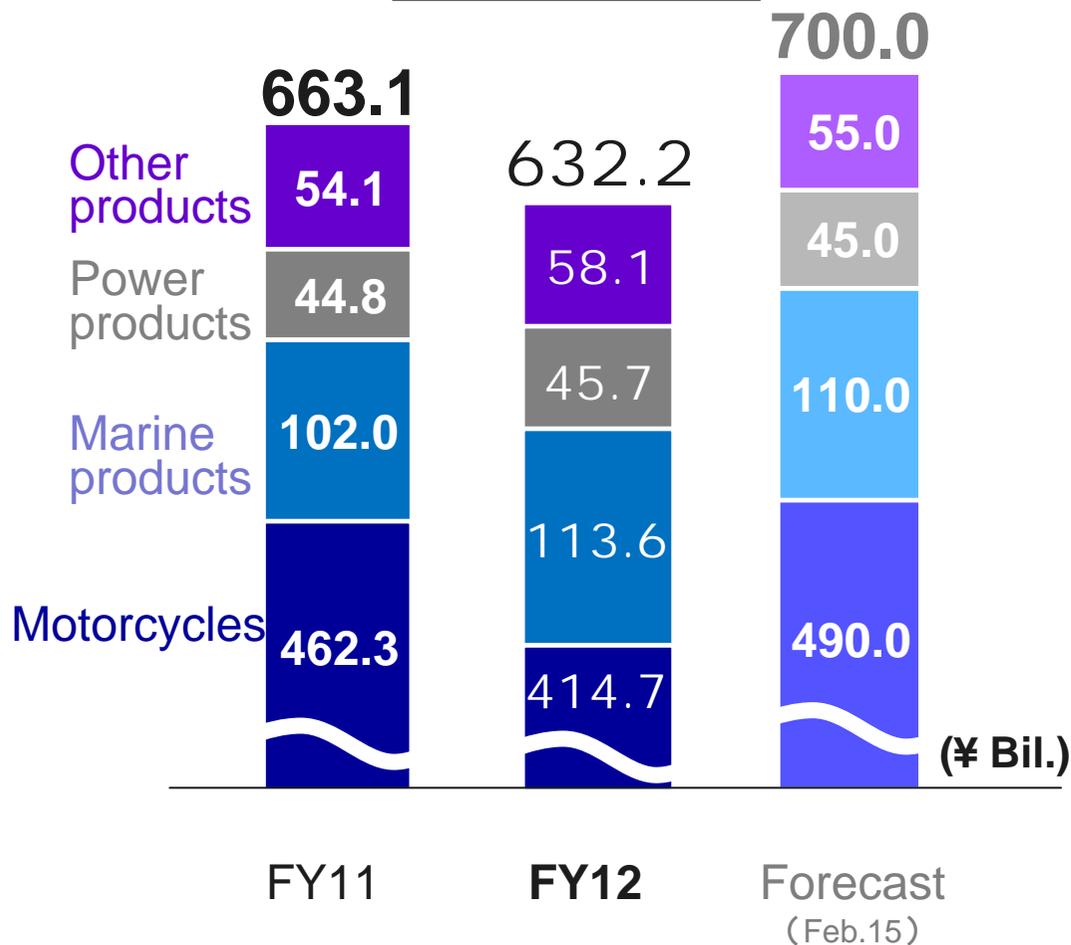
Sales and Operating income by Business Segment (2Q 6-months)



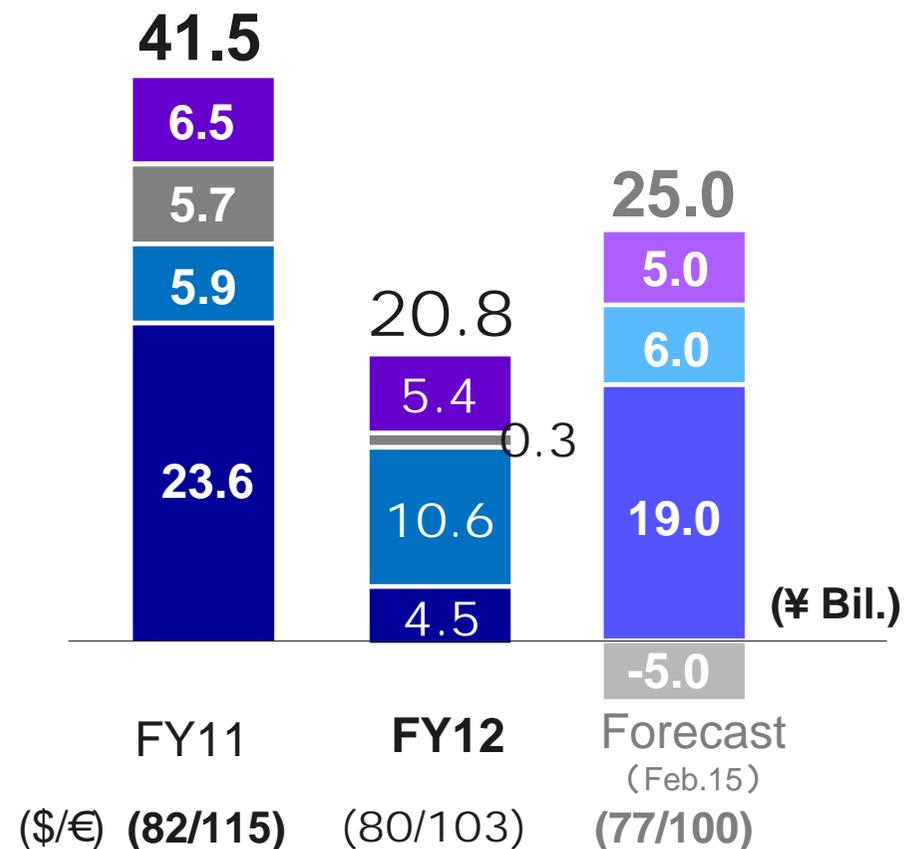
Total sales decreased by motorcycles in emerging markets and impact of exchange rate(-36.2 bil.yen).

Marine sales and income increased, Power products keep profit

Unit Sales



Sales Amount



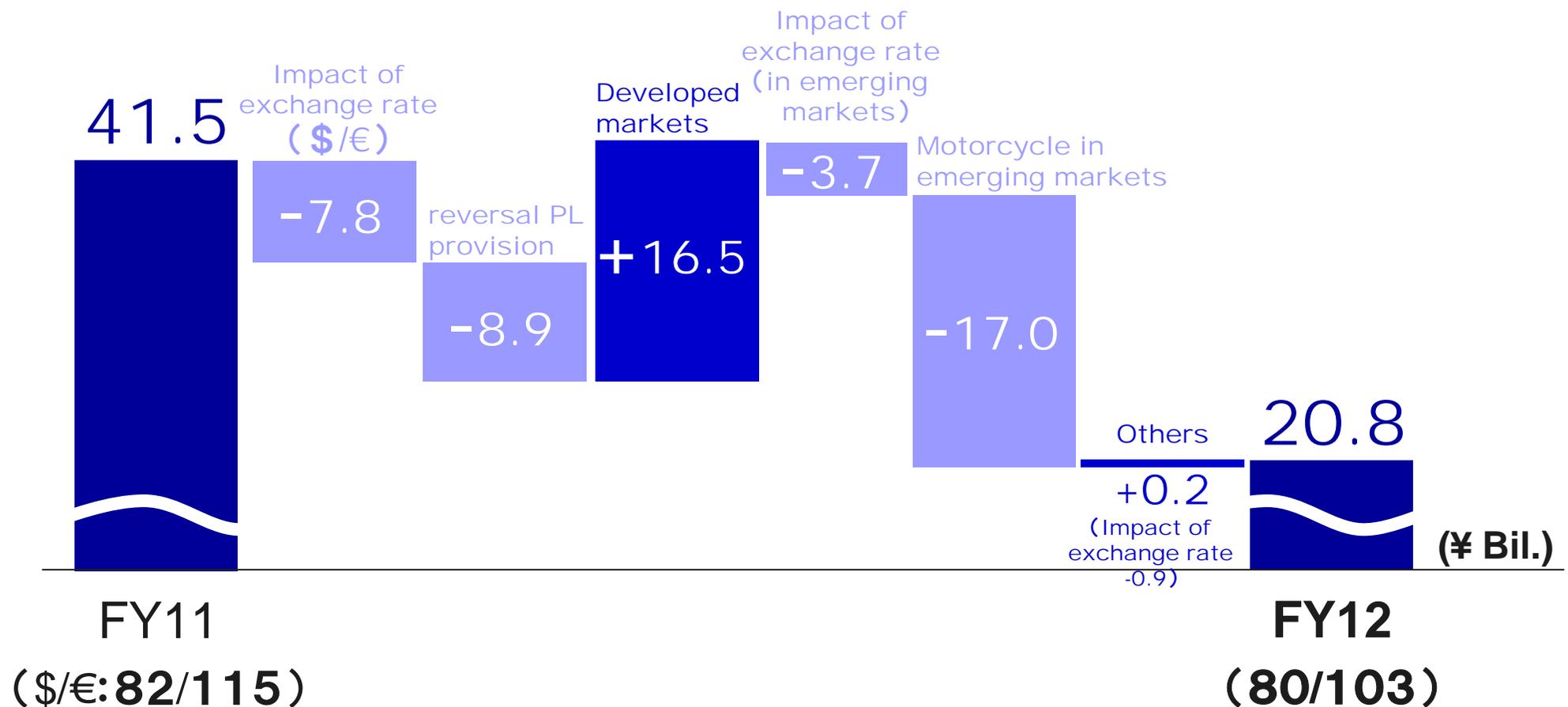
* Other products : includes industrial machinery and robots

Changes in Operating Income vs. FY11 (2Q 6-months)



Developed markets: Profit Improvement absorb appreciation of the yen and the impact reversal PL provision

Motorcycle in emerging markets: Income decreased by Motorcycles sales in Indonesia/Brazil

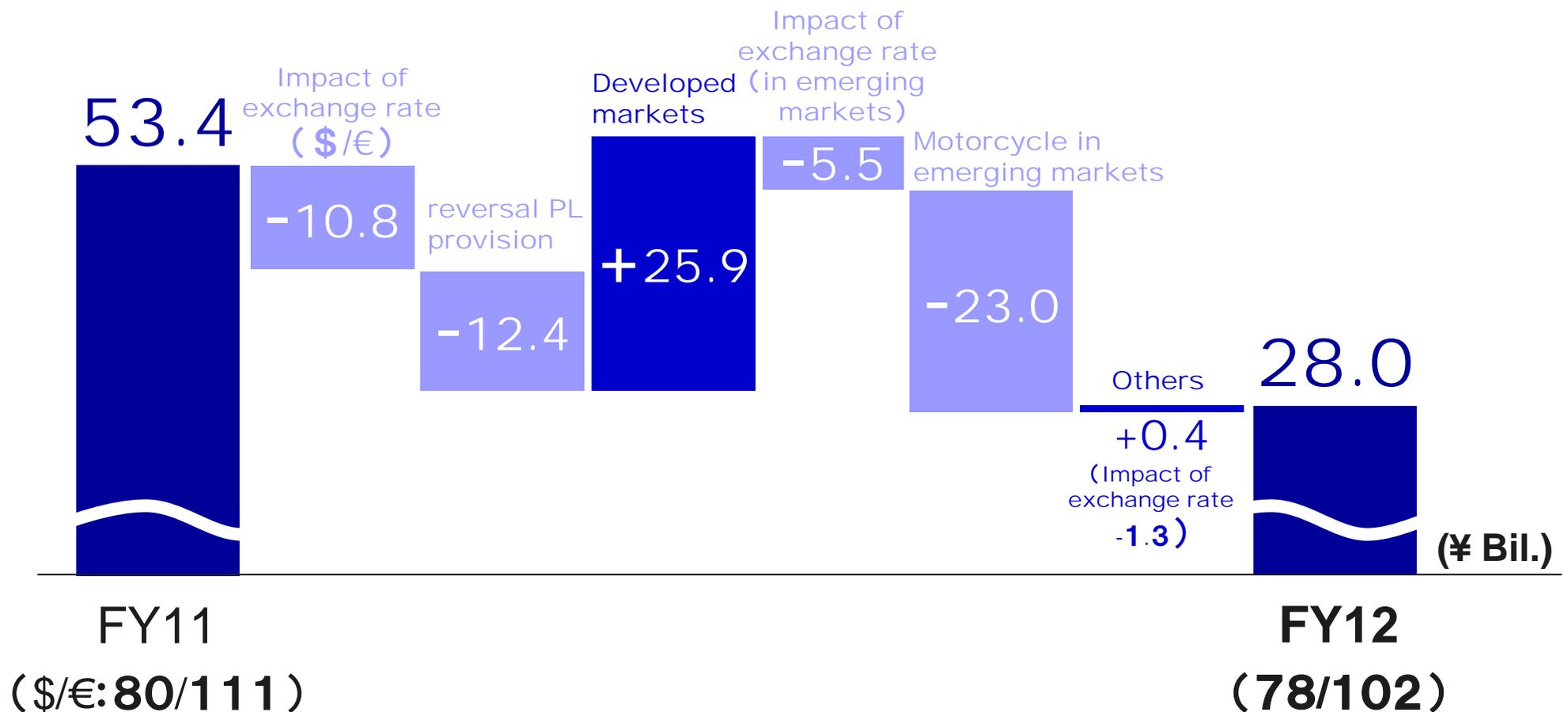


Changes in Operating Income vs. FY11 (2012 Forecast)



Developed markets: Profit Improvement absorb appreciation of the yen and the impact reversal PL provision in full year

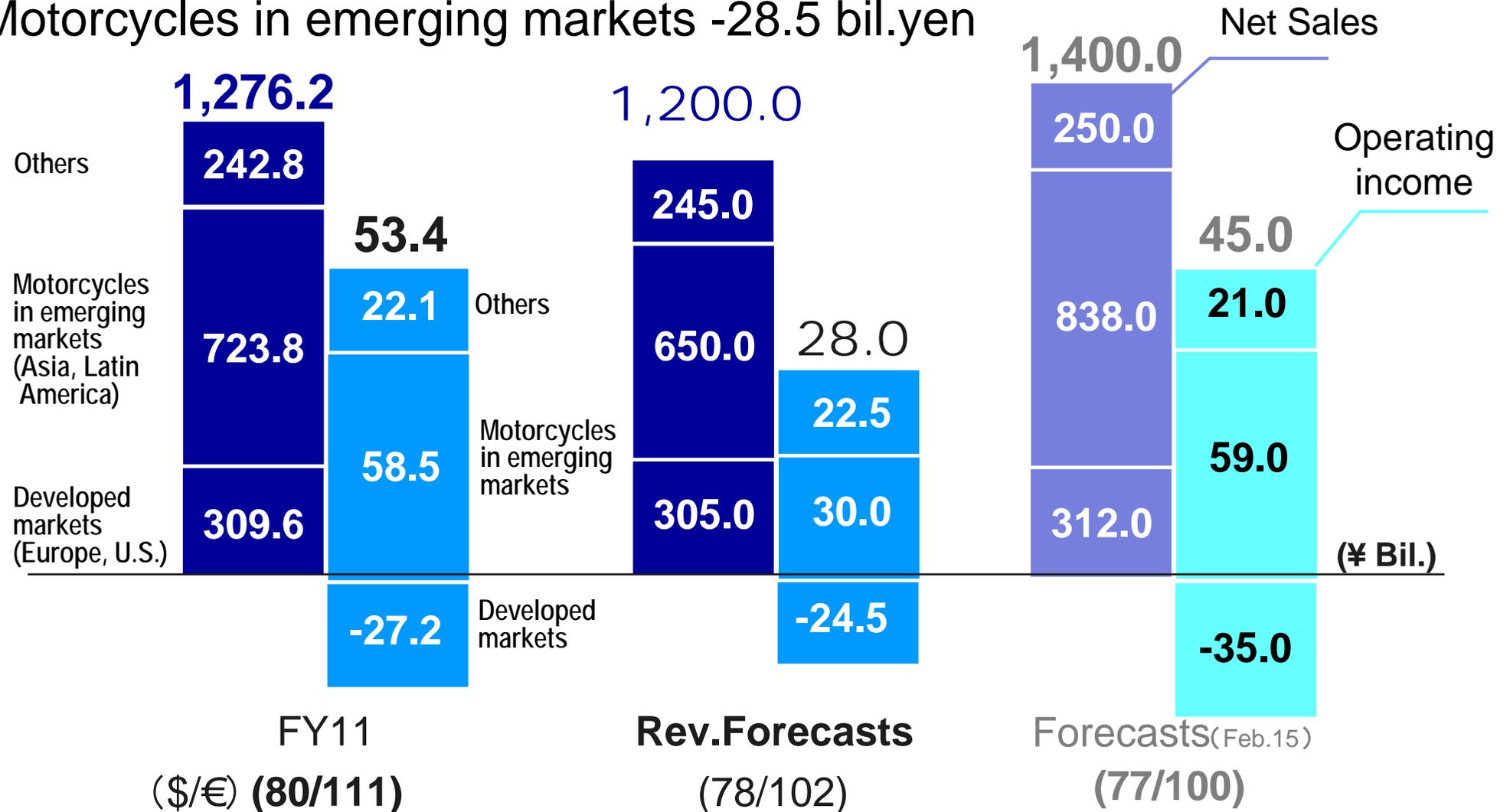
Motorcycle in emerging markets: Income decrease despite early inventory adjustment and marketing enhancement



Sales and Operating income (2012 Forecast)



Operating income vs LY : Developed markets +2.7 bil.(Absorbing impact of strong yen and reversal of PL provision -23.2 bil.yen)
 Motorcycles in emerging markets -28.5 bil.yen

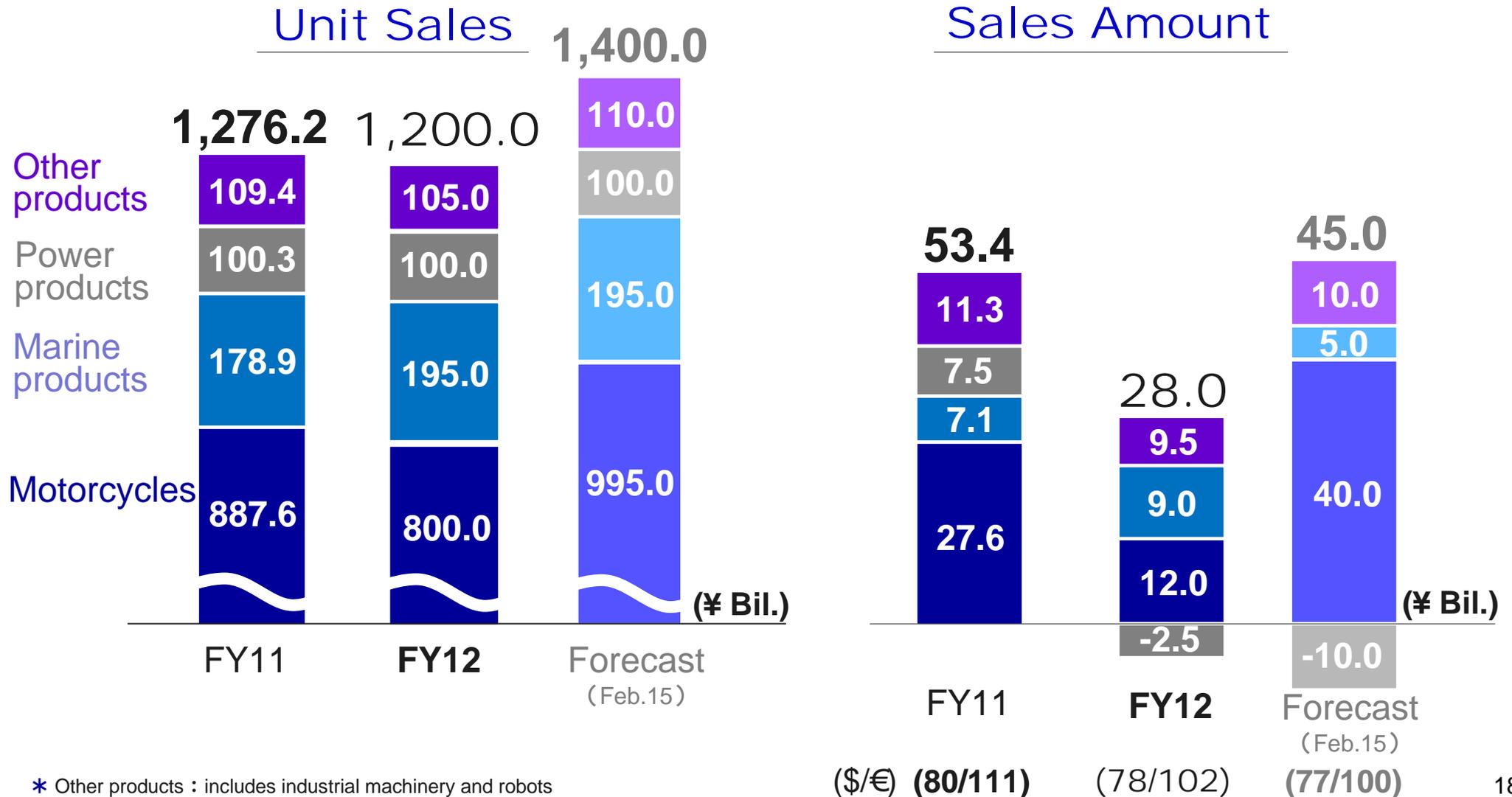


* Developed markets : Motorcycles in Japan, U.S. and Europe; and All-Terrain Vehicles, Outboard Motors, Personal Watercrafts and Snowmobiles
 ** Others : Except Developed markets and Motorcycles in Emerging markets

Sales and Operating income by Business Segment



Total sales decreased by motorcycles in emerging markets, and impact of exchange rate(-53.7 bil.yen). Marine sales and income increased, Power products expected to reduce red ink compared to previous forecast.



* Other products : includes industrial machinery and robots

Capital Expenditure, Dividend payment FY2012 forecast



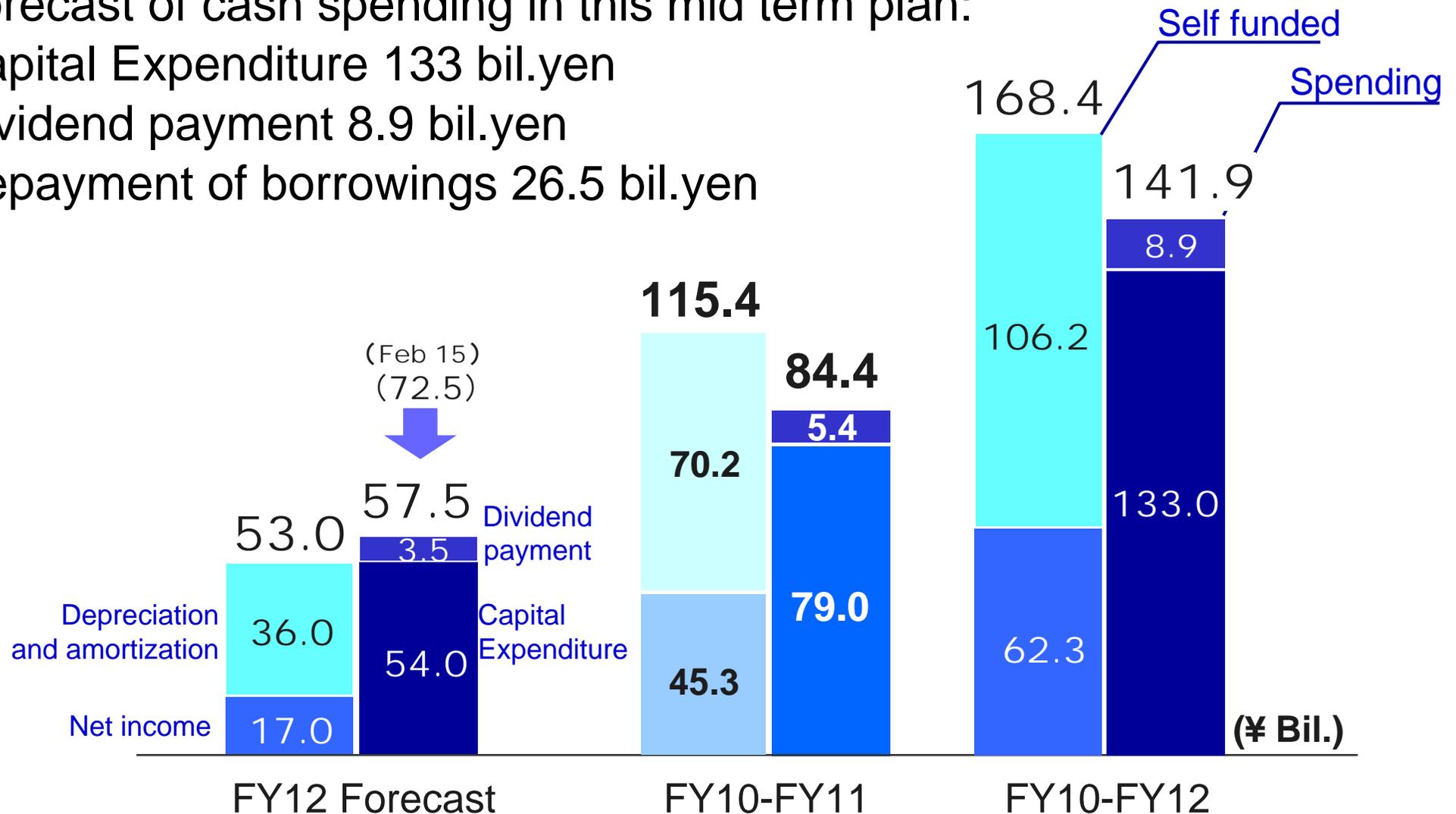
Cut 15 bil.yen capital expenditure vs original forecast_(Feb.15). (69 ⇒ 54bil.)

Forecast of cash spending in this mid term plan:

Capital Expenditure 133 bil.yen

Dividend payment 8.9 bil.yen

Repayment of borrowings 26.5 bil.yen





Unit Data (Total Demand/Yamaha Wholesales)



	Total demand (Yamaha survey)	
	FY11	FY12 Forecasts
Japan	445	448
North America	490	505
Europe	1,976	1,774
Indonesia	8,001	7,000
Thailand	2,007	2,180
India	13,078	14,000
Vietnam	3,562	3,290
Taiwan	644	640
China	14,034	11,930
Other Asian countries	4,204	4,699
Asia (Total)	45,529	43,739
Brazil	1,938	1,673
Other countries	6,974	6,786
Other countries (Total)	8,911	8,459
Motorcycles	57,351	54,925
Outboard motors	718	746
ATVs	519	524
PASs	422	400

K units

	Yamaha wholesales			
	FY09	FY10	FY11	FY12 Forecasts
Japan	108	99	101	95
North America	92	53	64	72
Europe	275	227	185	173
Indonesia	2,651	3,326	3,136	2,400
Thailand	432	506	473	630
India	219	259	343	413
Vietnam	643	776	988	950
Taiwan	146	173	183	180
China	608	700	608	493
Other Asian countries	295	343	327	313
Asia (Total)	4,993	6,084	6,059	5,379
Brazil	193	227	242	169
Other countries	179	271	331	378
Other countries (Total)	372	497	573	547
Motorcycles	5,841	6,960	6,982	6,266
Outboard motors	240	272	303	317
ATVs	82	81	75	71
PASs	80	93	105	101

* ATV : All-terrain vehicle PAS: Electrical power assisted bicycle

Sales and Operating income by Business Segment (2Q: 3-months/ 6-months)



Sales (Billion yen)

	2Q (6-months)					2Q (3-months)	
	FY11 Results	FY12 Forecasts	FY12 Results	vs FY11	vs Forecasts	FY11 Results	FY12 Results
Motorcycles	462.3	490.0	414.7	-10.3%	-15.4%	242.5	204.8
Marine Products	102.0	110.0	113.6	11.3%	3.3%	51.4	59.0
Power Products	44.8	45.0	45.7	2.1%	1.6%	23.0	23.6
Industrial Machinery & Robots	17.9	19.0	17.5	-2.4%	-8.1%	9.5	9.8
Other Products	36.2	36.0	40.7	12.5%	13.0%	18.0	19.0
Total	663.1	700.0	632.2	-4.7%	-9.7%	344.5	316.3

Operating Income (Billion yen)

Motorcycles	23.6	19.0	4.5	-80.8%	-76.2%	10.3	-0.9
Marine Products	5.9	6.0	10.6	80.2%	76.3%	1.7	6.4
Power Products	5.7	-5.0	0.3	-95.4%	-	5.1	0.4
Industrial Machinery & Robots	3.7	2.8	3.1	-17.2%	10.9%	2.1	2.3
Other Products	2.7	2.2	2.3	-13.4%	6.3%	1.8	0.2
Total	41.5	25.0	20.8	-49.9%	-16.8%	20.9	8.4

Operating Income Margin (%)

Motorcycles	5.1%	3.9%	1.1%	-4.0%	-2.8%	4.2%	-0.5%
Marine Products	5.8%	5.5%	9.3%	3.6%	3.9%	3.2%	10.8%
Power Products	12.6%	-11.1%	0.6%	-12.1%	11.7%	22.0%	1.6%
Industrial Machinery & Robots	21.0%	14.7%	17.8%	-3.2%	3.1%	21.8%	23.8%
Other Products	7.5%	6.1%	5.7%	-1.7%	-0.4%	10.1%	1.2%
Total	6.3%	3.6%	3.3%	-3.0%	-0.3%	6.1%	2.6%

(Reference) Motorcycles + ATVs

Sales	483.8	509.0	434.2	-10.3%	-14.7%	253.7	215.0
Operating Income	27.8	13.5	2.6	-90.5%	-80.5%	14.0	-2.1
Operating Income Margin	5.7%	2.7%	0.6%	-5.1%	-2.0%	5.5%	-1.0%

* ATV : All-terrain vehicle

Sales and Operating Income by Business Segment



Sales (Billion yen)

	Full Year				
	FY11	Forecasts (Feb.15)	Rev.forecasts (Aug.7)	vs LY	vs Forecasts (Feb.15)
Motorcycles	887.6	995.0	800.0	-9.9%	-19.6%
Marine Products	178.9	195.0	195.0	9.0%	0.0%
Power Products	100.3	100.0	100.0	-0.3%	0.0%
Industrial Machinery & Robots	34.3	39.0	35.0	2.0%	-10.3%
Other Products	75.1	71.0	70.0	-6.8%	-1.4%
Total	1,276.2	1,400.0	1,200.0	-6.0%	-14.3%

Operating Income (Billion yen)

Motorcycles	27.6	40.0	12.0	-56.5%	-70.0%
Marine Products	7.1	5.0	9.0	27.2%	80.0%
Power Products	7.5	-10.0	-2.5	-	-
Industrial Machinery & Robots	6.3	6.5	5.3	-15.4%	-18.5%
Other Products	5.0	3.5	4.2	-16.3%	20.0%
Total	53.4	45.0	28.0	-47.6%	-37.8%

Operating Income Margin (%)

Motorcycles	3.1%	4.0%	1.5%	-1.6%	-2.5%
Marine Products	4.0%	2.6%	4.6%	0.7%	2.1%
Power Products	7.5%	-10.0%	-2.5%	-10.0%	7.5%
Industrial Machinery & Robots	18.2%	16.7%	15.1%	-3.1%	-1.5%
Other Products	6.7%	4.9%	6.0%	-0.7%	1.1%
Total	4.2%	3.2%	2.3%	-1.9%	-0.9%

(Reference) Motorcycles + ATVs

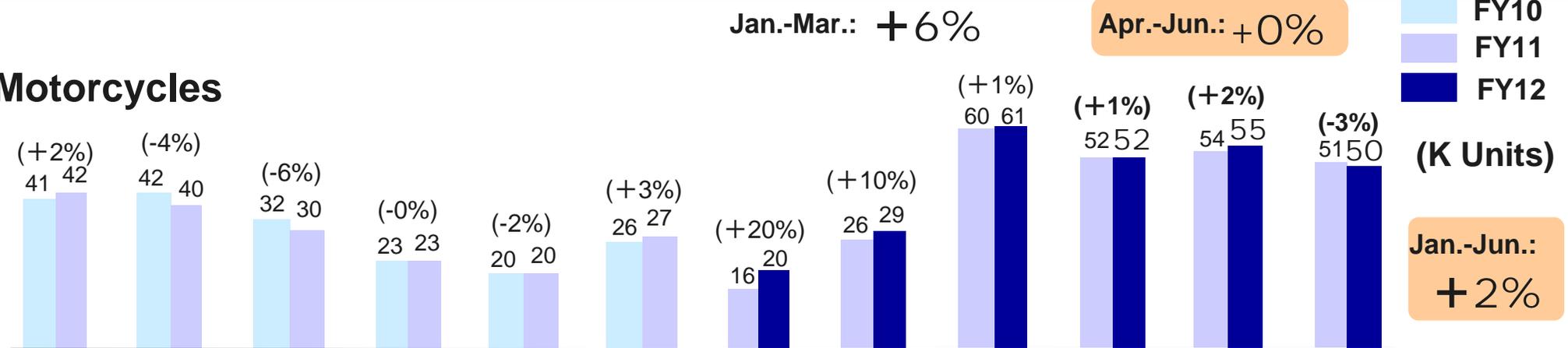
Sales	929.5	1,035.0	839.0	-9.7%	-18.9%
Operating Income	32.7	29.0	7.0	-78.6%	-75.9%
Operating Income Margin	3.5%	2.8%	0.8%	-2.7%	-2.0%

* ATV : All-terrain vehicle

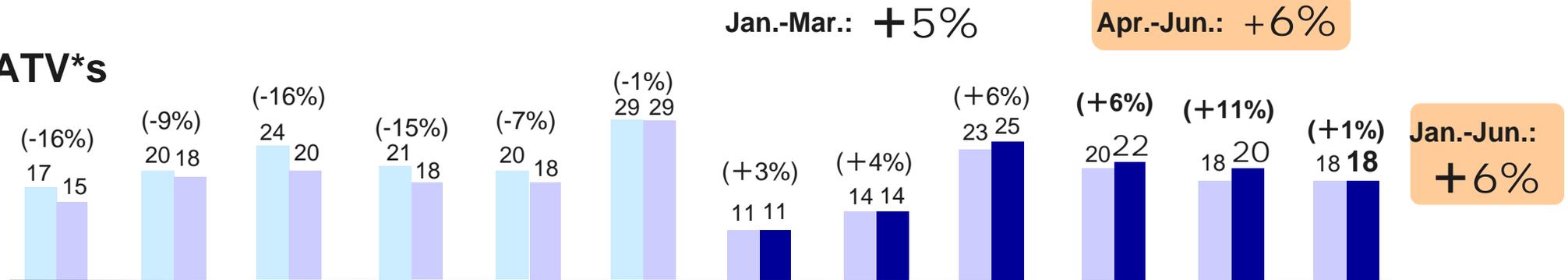
Monthly Total Demand for Major U.S. Products



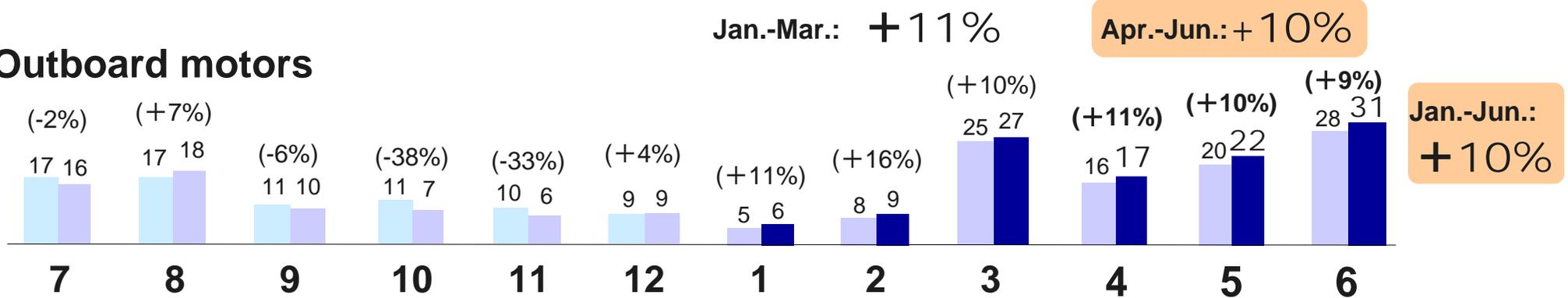
Motorcycles



ATV*s



Outboard motors



* ATV : All-terrain vehicle

Data) Motorcycle and ATV: MIC, Outboard motor: NMMA

Retail

(K units)

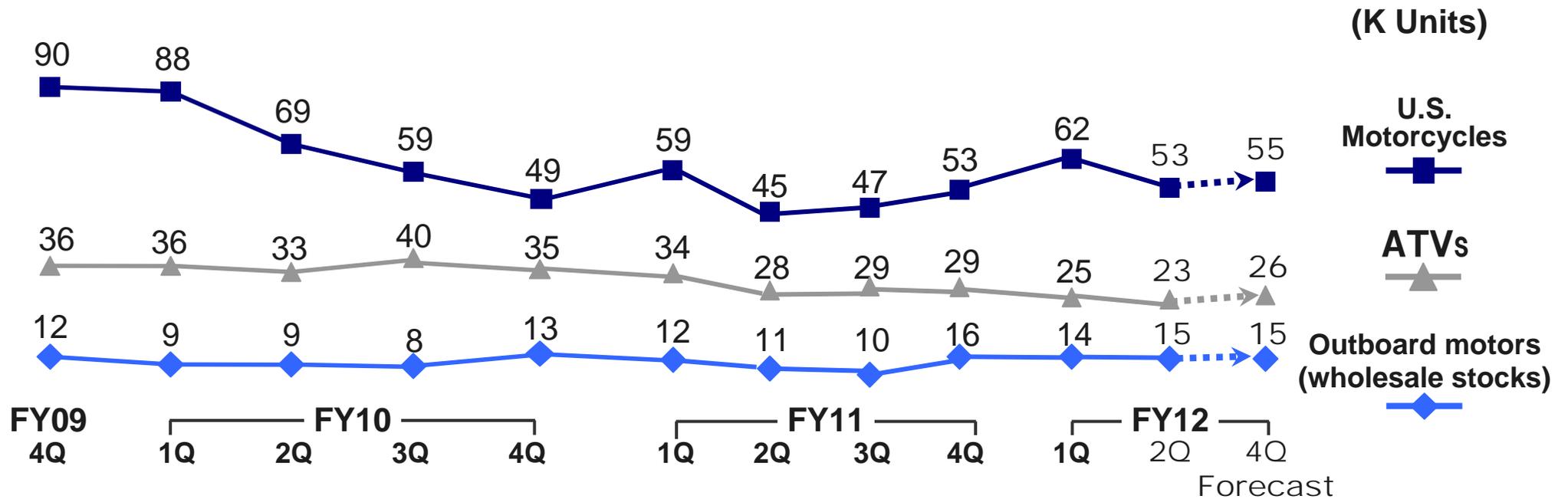
	2Q (3-months)					2Q (6-months)				
	FY11	FY12 Forecast	FY12 Results	vs LY	vs Forecast	FY11	FY12 Forecast	FY12 Results	vs LY	vs Forecast
Motorcycle	24	23	23	-5%	-3%	37	36	37	0%	+3%
ATVs	10	8	10	-2%	+25%	18	14	18	0%	+24%
Outboard motors	17	19	23	+33%	+24%	34	36	40	+19%	+13%

Wholesale

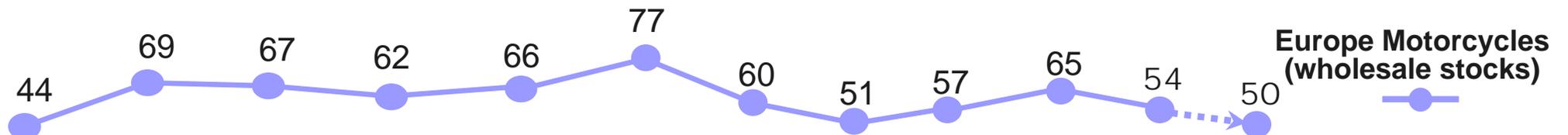
(K units)

	2Q (3-months)					2Q (6-months)				
	FY11	FY12 Forecast	FY12 Results	vs LY	vs Forecast	FY11	FY12 Forecast	FY12 Results	vs LY	vs Forecast
Motorcycle	13	13	16	+20%	+23%	26	31	33	+26%	+8%
ATVs	9	8	6	-29%	-16%	17	14	14	-16%	+3%
Outboard motors	14	17	17	+19%	-2%	31	37	38	+23%	+2%

Major Products in the U.S.



Motorcycles in Europe



* ATV : All-terrain vehicle

Sales in main countries in Asia (2Q-3months)



Mio J
(Launched in Feb. 2012)



Soul GT
(Launched in Apl. 2012)

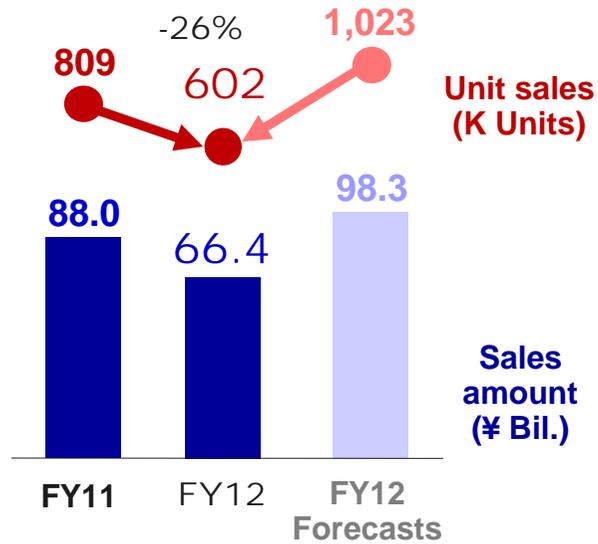


Fino
(Launched in Feb. 2012)

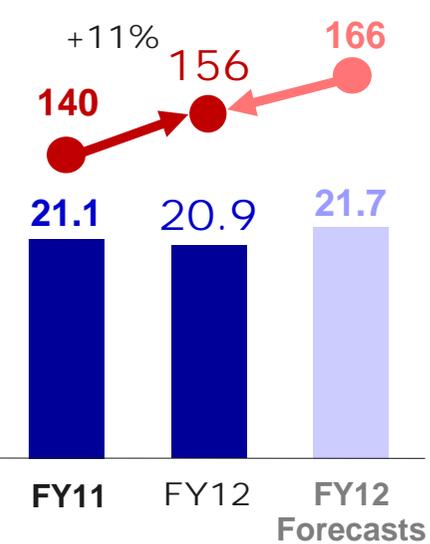


Nouvo SX
(Launched in Mar. 2012)

Indonesia (YIMM)



Thailand (TYM)



Mio 115i
(Launched in Jan. 2012)



Nouvo SX
(Launched in Mar. 2012)

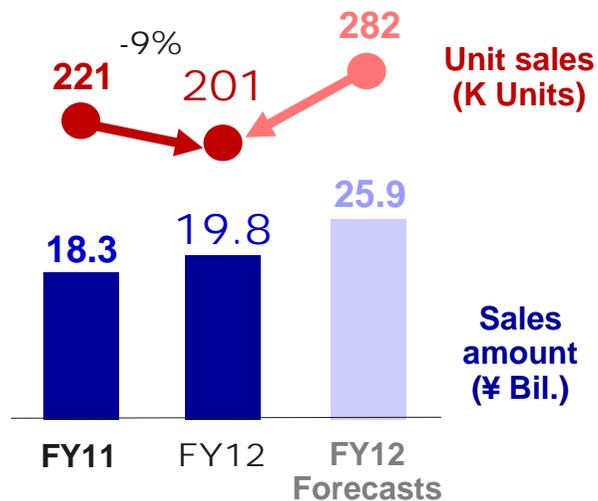


Filano
(Launched in Jan. 2012)

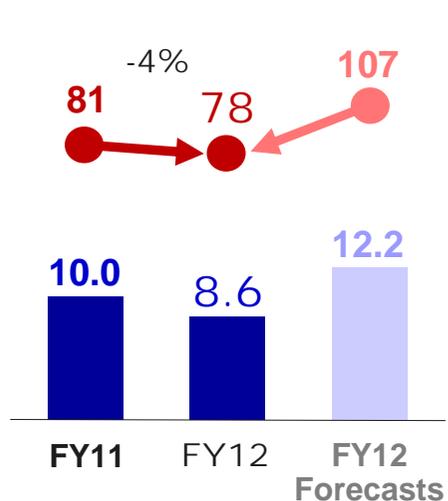


TTX
(Launched in Mar. 2012)

Vietnam (YMVN)



India (IYM)



Ray
(Delhi Expo Exhibition Model)
(will be launched in this autumn)

* Unit sales consist only of sales in each nation, while sales amount includes exports from each nation.

Sales in main countries in Asia (2Q-6months)



Mio J
(Launched in Feb. 2012)



Soul GT
(Launched in Apl. 2012)

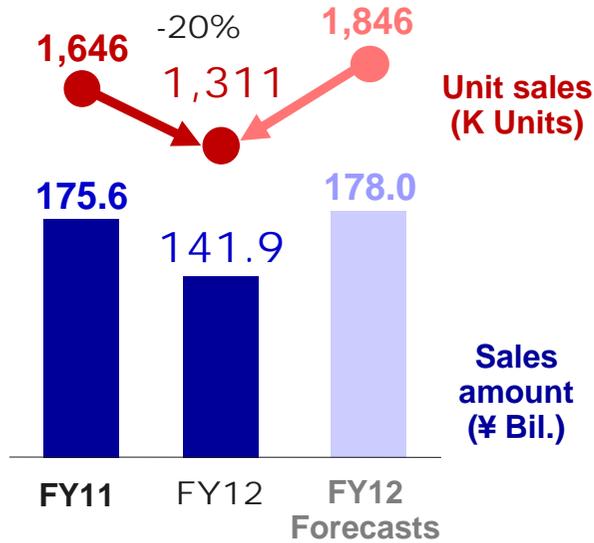


Fino
(Launched in Feb. 2012)

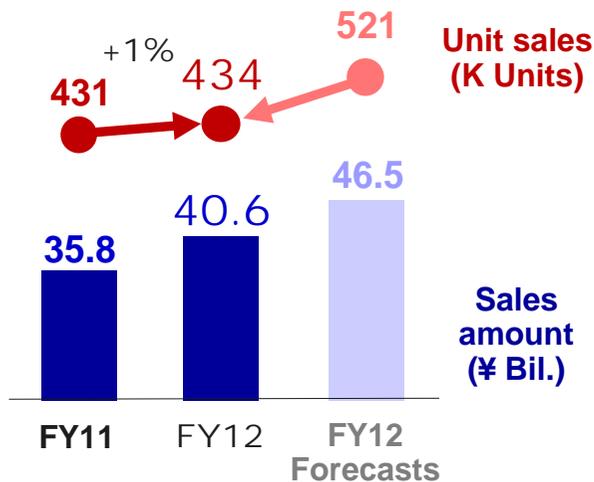


Nouvo SX
(Launched in Mar. 2012)

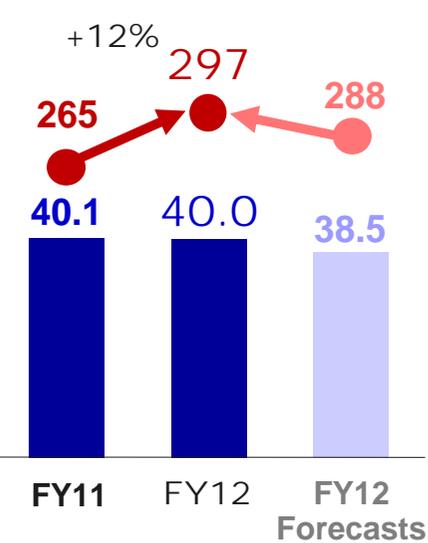
Indonesia (YIMM)



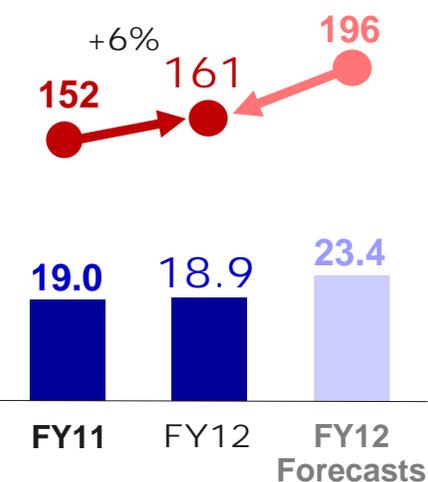
Vietnam (YMVN)



Thailand (TYM)



India (IYM)



Mio 115i
(Launched in Jan. 2012)



Nouvo SX
(Launched in Mar. 2012)



Filano
(Launched in Jan. 2012)



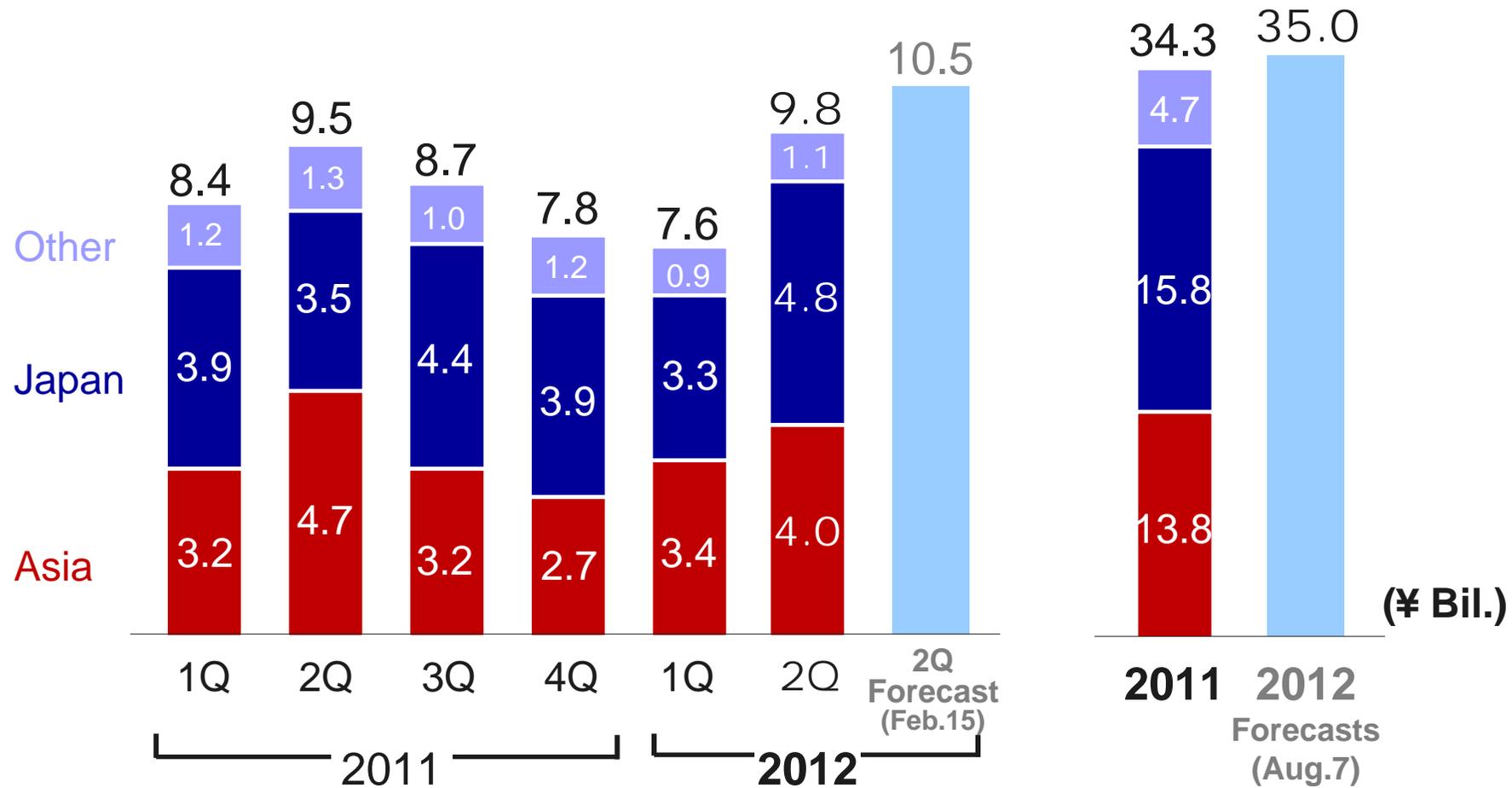
TTX
(Launched in Mar. 2012)



Ray
(Delhi Expo Exhibition Model)
(will be launched in this autumn)

* Unit sales consist only of sales in each nation, while sales amount includes exports from each nation.

Sales in Industrial Machinery and Robots Business



* Sales includes surface mounters, Robot and wheelchair.

Exchange Rate Impacts (11 vs. 12)



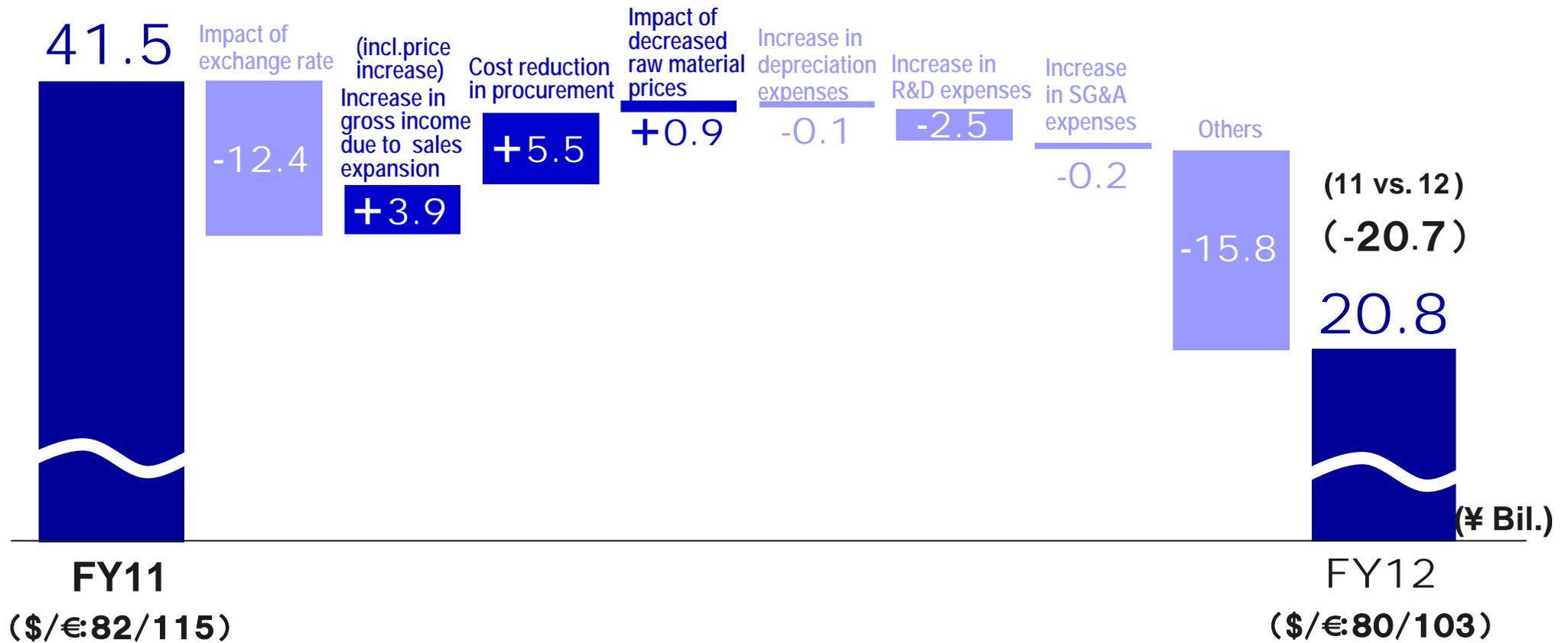
(Billion yen)	2Q (3-months)				2Q (6-months)				Full year Rev.forecasts			
	US\$	EURO	other	Total	US\$	EURO	other	Total	US\$	EURO	other	Total
Exchange rate (sales)												
① Impact on gross income due to the difference of exchange rates used to translate sales	-0.8	-1.7	-0.1	-2.5	-2.6	-3.1	-0.3	-6.0	-3.2	-4.7	-0.4	-8.4
※ Difference between exchange rate and purchasing rate (non-operating income or losses)	-1.1	0.2	0.1	-0.9	-2.4	-0.2	0.1	-2.5	-2.0	-1.0	-0.1	-3.0
Substantial impact (purchasing rate)	-1.9	-1.5	-0.1	-3.4	-5.0	-3.3	-0.2	-8.5	-5.2	-5.7	-0.5	-11.4
Exchange rate of income/losses												
'11 rate (Results: yen)	82	117			82	115			80	111		
'12 rate (Results: yen)	80	103			80	103						
'12 rate (Rev.forecasts: yen)									78	102		
② Impact on gross income due to the difference of exchange rates used to translate income/losses	-0.2	-0.9	-2.9	-3.9	-0.5	-1.2	-4.6	-6.4	-0.6	-1.8	-6.8	-9.2
①+② Total impact on gross income	-0.9	-2.5	-3.0	-6.5	-3.2	-4.3	-4.9	-12.4	-3.8	-6.5	-7.2	-17.6
Impact on SG&A expenses				3.3				5.4				8.1
Impact on operating income				-3.1				-7.0				-9.4
Impact on ordinary income				-4.0				-9.5				-12.5
Impact of one yen fluctuation	US\$ EURO 0.6 0.1				US\$ EURO 1.3 0.3				US\$ EURO 2.1 0.5			

Notes: ① Impact on gross income due to the difference between the exchange rate used in the year to translate foreign currency-denominated sales into Japanese yen, versus the translation exchange rate applied in the previous year.

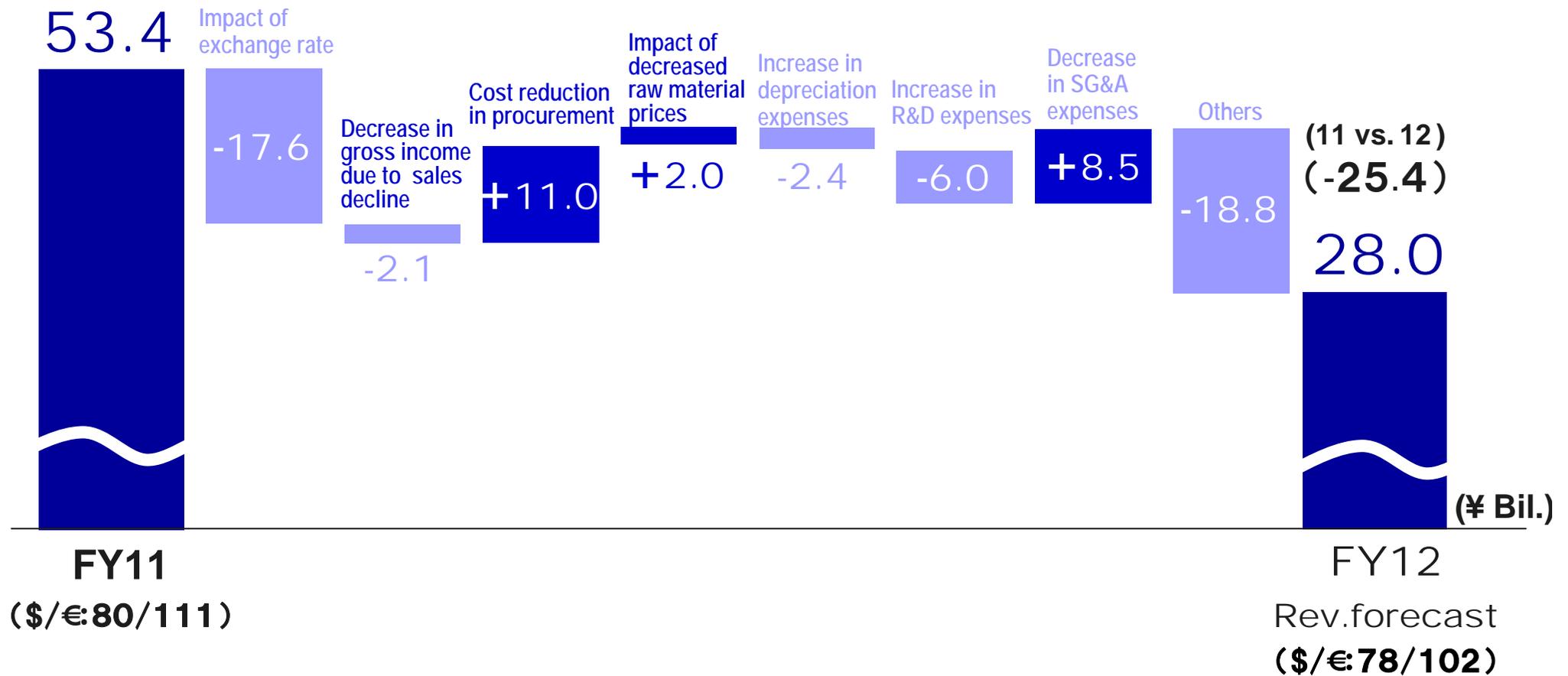
② Impact on gross income due to the difference between the exchange rate used in the year to consolidate foreign currency-denominated items posted in non-consolidated financial statements into Japanese yen, versus the consolidation exchange rate applied in the previous year.

※: Impact on non-operating income or losses due to the difference between the exchange rate used in the year to translate foreign currency-denominated sales into Japanese yen and purchasing rate of foreign currencies in the same year, versus that difference applied in the previous year.

Changes in Operating Income vs. FY11 (2Q 6-months)



Changes in Operating Income vs. FY11 (2012 Forecast)



You are also welcome to review the IR information on Yamaha Motor's website.

Yamaha Motor website
(Global site: English)

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

For investors

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

Investor meeting presentation
IR materials

<http://www.yamaha-motor.co.jp/global/ir/explanation/>
<http://www.yamaha-motor.co.jp/global/ir/material/>