Business Results for the Fiscal Year Ended December 31, 2013

(January 1, 2013 through December 31, 2013)

(Japan GAAP)

February 12, 2014

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://global.yamaha-motor.com/ir/

Representative:
Hiroyuki Yanagi, President, Chief Executive Officer, and Representative Director

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Date of the Ordinary General Meeting of Shareholders (scheduled):
March 25, 2014

Beginning of payment of year-end dividend (scheduled):
March 26, 2014

Filing of securities report (scheduled):
March 26, 2014

Supplementary explanatory documents related to the consolidated financial results:
Yes

Briefing on the 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 Fiscal Year Ended December 31, 2013

(January 1, 2013 through December 31, 2013)

(1) Consolidated operating results

* % represents growth results. ( ) represents negative figures.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2013	**1,410,472**	**16.8**	**55,137**	**196.5**	**60,092**	**120.4**	**44,057**	**488.3**
Fiscal year ended December 31, 2012	1,207,675	(5.4)	18,598	(65.2)	27,267	(57.1)	7,489	(72.2)

Note: Comprehensive income
Fiscal year ended December 31, 2013: ¥90,566 million (112.0%)
Fiscal year ended December 31, 2012: ¥42,729 million (393.5%)

	Net income per share — basic	Net income per share — diluted	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2013	**126.20**	**126.20**	**12.7**	**5.7**	**3.9**
Fiscal year ended December 31, 2012	21.45	—	2.5	2.9	1.5

Reference: Equity in earnings of affiliates
Fiscal year ended December 31, 2013: ¥3,526 million
Fiscal year ended December 31, 2012: ¥1,598 million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2013	**1,146,591**	**422,792**	**33.5**	**1,099.84**
As of December 31, 2012	962,329	341,561	32.0	881.88

Reference: Shareholders' equity
As of December 31, 2013: ¥383,990 million
As of December 31, 2012: ¥307,857 million

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2013	**66,976**	**(62,679)**	**3,620**	**120,033**
Fiscal year ended December 31, 2012	(2,385)	(51,081)	15,761	106,532

2. Dividends

Record date	Annual dividends per share					Total amount of dividends (Annual)	Payout ratio (Consolidated)	Ratio of total amount of dividends to net assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2012	—	5.00	—	5.00	10.00	3,491	46.6	1.2
Fiscal year ended December 31, 2013	—	10.00	—	16.00	26.00	9,078	20.6	2.6
Fiscal year ending December 31, 2014 (forecast)	—	13.00	—	13.00	26.00		20.2	

Reference: The year-end dividend for the fiscal year ending December 31, 2014 is calculated with a payout ratio of 20% based on the forecast of consolidated financial results for the fiscal year ending December 31, 2014, as stated below.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2014

(January 1, 2014 through December 31, 2014)

* % 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, 2014	**1,500,000**	**6.3**	**75,000**	**36.0**	**77,000**	**28.1**	**45,000**	**2.1**	**128.89**

(*Notes)

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting from changes in scope of consolidation): None

(2) Changes in accounting policies, changes in accounting estimates and restatement for correction of errors

1) Changes in accounting policies arising from revision of accounting standards: None
2) Changes in accounting policies arising from other factors: Yes
3) Changes in accounting estimates: Yes
4) Restatement for correction of errors: None

Note: Beginning in the fiscal year ended December 31, 2013, Yamaha Motor Co., Ltd. (the "Company") and its domestic subsidiaries have changed the principal depreciation method for property, plant and equipment from the previously used declining-balance method to the straight-line method. Since this falls under Article 14, Paragraph 7 of the Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements, "Changes in accounting policies arising from other factors" and "Changes in accounting estimates" are "Yes." For details, refer to "Changes in Accounting Policy" in "(5). Notes to Consolidated Financial Statements" on page 24 of the Attachment.

(3) Number of shares outstanding (Common stock)

1) Number of shares outstanding at the end of the period, including treasury stock	Fiscal year ended December 31, 2013	349,803,684 shares	Fiscal year ended December 31, 2012	349,757,784 shares
2) Number of shares of treasury stock at the end of the period	Fiscal year ended December 31, 2013	669,056 shares	Fiscal year ended December 31, 2012	665,301 shares
3) Average number of shares during the period	Fiscal year ended December 31, 2013	349,110,403 shares	Fiscal year ended December 31, 2012	349,093,990 shares

(*Notice regarding audit procedure for the consolidated financial statements)

The consolidated financial results presented herein are not subject to the audit procedure specified by the Financial Instruments and Exchange Act. The audit procedure for 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 the Company in light of the information currently available and is not guarantee of future performance. Actual results may differ significantly from the Company's forecast, due to various risks, uncertainties and other factors, including changes in business conditions surrounding the Yamaha Motor Group (the "Group"), changing consumer preferences, and currency exchange rate fluctuations.

For details on potential risks, uncertainties and other factors affecting the Group's operations, please see the 78th Securities Report (filed on March 27, 2013).

For results forecast, please refer to the "Forecast for the fiscal year ending December 31, 2014 (January 1, 2014 through December 31, 2014)" in Section 1-(1), "Analysis of Operating Results" on page 10.

(2) Briefing on these consolidated financial results will be held as follows. Supplementary explanatory documents related to the consolidated financial results and so on to be handed at the briefing will be posted on the Company website immediately after the briefing. Video will be posted on the Company website on and after the next day of the briefing.

Wednesday, February 12, 2014: Briefing on the consolidated financial results for institutional investors, securities analysts and media outlets

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

Contents of Attachment

1. Analysis of Operating Results and Financial Position

(Net Sales by Segment)

Amount: millions of yen Volume: thousand units

	Fiscal year ended December 31, 2012 (January 1—December 31, 2012)			**Fiscal year ended December 31, 2013 (January 1—December 31, 2013)**		
	Volume	Amount	%	**Volume**	**Amount**	**%**
Net sales:						
Japan	—	152,283	12.6	—	147,806	10.5
Overseas:						
North America	—	*185,226*	*15.3*	—	*244,824*	*17.4*
Europe	—	*133,810*	*11.1*	—	*156,793*	*11.1*
Asia	—	*565,654*	*46.8*	—	*646,531*	*45.8*
Others	—	*170,699*	*14.2*	—	*214,515*	*15.2*
Subtotal	—	1,055,391	87.4	—	1,262,665	89.5
Total	**—**	**1,207,675**	**100.0**	**—**	**1,410,472**	**100.0**
Motorcycles:						
Japan	94	36,104	4.5	109	37,361	4.0
Overseas:						
North America	*71*	*41,632*	*5.2*	*76*	*50,315*	*5.4*
Europe	*165*	*79,187*	*9.9*	*162*	*88,985*	*9.6*
Asia	*5,228*	*533,049*	*66.7*	*5,077*	*610,030*	*65.7*
Others	*533*	*108,702*	*13.7*	*590*	*141,510*	*15.3*
Subtotal	5,996	762,572	95.5	5,905	890,842	96.0
Total	**6,090**	**798,676**	**66.1**	**6,014**	**928,203**	**65.8**
Marine products:						
Japan	—	26,723	13.6	—	26,331	10.8
Overseas:						
North America	—	*91,298*	*46.5*	—	*124,658*	*51.2*
Europe	—	*31,007*	*15.8*	—	*36,844*	*15.1*
Asia	—	*11,096*	*5.7*	—	*12,053*	*5.0*
Others	—	*36,194*	*18.4*	—	*43,473*	*17.9*
Subtotal	—	169,596	86.4	—	217,030	89.2
Total	**—**	**196,320**	**16.3**	**—**	**243,362**	**17.3**
Power products:						
Japan	—	15,270	14.7	—	15,943	12.6
Overseas:						
North America	—	*50,965*	*49.2*	—	*68,053*	*53.7*
Europe	—	*20,651*	*19.9*	—	*25,413*	*20.1*
Asia	—	*6,268*	*6.1*	—	*6,870*	*5.4*
Others	—	*10,432*	*10.1*	—	*10,441*	*8.2*
Subtotal	—	88,318	*85.3*	—	110,778	87.4
Total	**—**	**103,588**	**8.6**	**—**	**126,722**	**9.0**
Industrial machinery and robots:						
Japan	—	14,879	48.3	—	12,179	37.8
Overseas:						
North America	—	*1,327*	*4.3*	—	*1,796*	*5.6*
Europe	—	*2,231*	*7.2*	—	*3,930*	*12.2*
Asia	—	*12,152*	*39.4*	—	*14,152*	*43.9*
Others	—	*223*	*0.8*	—	*202*	*0.5*
Subtotal	—	15,934	51.7	—	20,082	62.2
Total	**—**	**30,813**	**2.6**	**—**	**32,261**	**2.3**
Others:						
Japan	—	59,306	75.8	—	55,991	70.1
Overseas:						
North America	—	*2*	*0.0*	—	*0*	*0.0*
Europe	—	*732*	*0.9*	—	*1,618*	*2.0*
Asia	—	*3,088*	*3.9*	—	*3,423*	*4.3*
Others	—	*15,147*	*19.4*	—	*18,888*	*23.6*
Subtotal	—	18,970	24.2	—	23,930	29.9
Total	**—**	**78,276**	**6.4**	**—**	**79,922**	**5.6**

(1) Analysis of Operating Results

The global economic situation in the fiscal year ended December 31, 2013 (fiscal 2013) was mixed. In the U.S. economy, recovery continued due to improvement in the employment situation and personal consumption. In Europe, the employment and personal income situation remained difficult and personal consumption slumped, despite the appearance of signs of bottoming out of the economy. In emerging markets in Asia, Central and South America, and other regions, a lull in economic growth continued due to the effects of a business slowdown and credit tightening. In Japan, a recovery trend in personal consumption appeared as a result of recovery in stock prices and expectations for corporate earnings recovery and government economic policies.

Regarding the Yamaha Motor Group's main markets, while demand for motorcycles, outboard motors, and all-terrain vehicles (ATVs) in North America showed gradual recovery, demand for motorcycles in Europe fell. In emerging markets, although demand for motorcycles rose in Indonesia and India, it fell in Thailand and Vietnam, where an economic slowdown continued. In Japan, demand for motorcycles, electrically power assisted bicycles, pleasure boats, and other products increased.

Amidst such business conditions, the Group prioritized the following items.

- Profit improvement in businesses in developed countries
  In the motorcycles business, overall sales in developed countries increased compared to the previous year as a result of the introduction of new products, including the new 950cc BOLT cruiser in the U.S., the new 850cc MT-09 sport bike equipped with a 3-cylinder engine in Europe, and the Majesty S, Yamaha’s first 155cc sports commuter bike, in Japan. In the marine products business, profit improved substantially as a result of increased sales in the North American market due to the introduction of new products such as the F200F and F150C lightweight, compact large outboard motors and Helm Master, an outboard motor control system. The Group achieved overall operating profitability in developed countries as a result of these new product introductions and the impact of yen depreciation.

- Scale recovery in the motorcycle business in emerging markets
  First, in product development activities, the Group implemented new product introductions as planned while proceeding with the introduction of models equipped with fuel injection (FI) and furthered development of platform sharing models equipped with next-generation motors for introduction beginning in 2014 and beyond. Next, with regard to sales, In Indonesia and India and other countries, the Group stepped up promotions such as large-scale test ride events and strengthened sales network development and branding activities. In production, the Group furthered preparations for the start-up of the new plant in India (scheduled for October 2014), among other initiatives. The Group introduced models equipped with fuel injection (FI) system with excellent fuel efficiency as major new products: namely, the Xeon RC, Mio GT, X Ride, and Force in Indonesia and the FINO in Thailand. In India, the Group introduced the CYGNUS RAY Z, bolstering the product lineup in the growing scooter segment.

- Expansion of other businesses
  In the RV business, the Group introduced the new VIKING three-person recreational off-highway vehicle (ROV) and furthered preparations to revive a powerful product lineup. Sales of snowmobiles increased in the North American market, where the Group introduced the new SR VIPER under an OEM arrangement, and in the Russian market, which continues to grow. Sales of electrically power assisted bicycles increased substantially in Japan due to the impact of the introduction of new products equipped with the industry’s first triple sensor system as well as the results of efforts to expand customer segments. The Group also furthered preparations for sales expansion by developing a lightweight, compact drive unit for the European market and expanding business alliances with overseas manufacturers. In the surface mounter business, Group introduced the Z:TA, Yamaha’s first high-speed model, and worked to acquire new customers.

- Long-term strategies
  As part of its strategic direction of technological expansion from two-wheel to three-wheel and four wheel vehicles and customer expansion, the Group will propose a “growing world of personal mobility” unique to Yamaha from long-term perspective. Specifically, the Group has furthered preparations for the development and introduction in 2014 of the TRICITY three-wheel commuter,

a Leaning Multi Wheel (LMW) scooter. The Group also exhibited the MOTIV, a four-wheel vehicle in research and development as a reference exhibition at the Tokyo Motor Show. The Group will continue its quest to create new products by applying creative concepts, outstanding technologies, and stylish designs unique to Yamaha.

- Structural reforms

  The Japanese domestic production structure was aggregated and reorganized from 12 factories and 25 units at the end of 2009 into 8 factories and 16 units as of the end of 2013. The Group also furthered reform of the business structure in Europe.

  In cost reduction efforts, to achieve the ¥90.0 billion three-year target in the medium-term management plan launched in 2013, the Group engaged in market quality standards at the ASEAN Integrated Development Center and India Integrated Development Center and pursued platform component procurement cost reduction in collaboration with global partners. The establishment of a joint venture with KYB Corporation to prepare for the development and production of suspensions, a key platform component, is a part of strategic collaborative relationship building. In 2013, the Group achieved the cost-reduction target of ¥10.0 billion.

As a result, for fiscal 2013, consolidated net sales were ¥1,410.5 billion (an increase of ¥202.8 billion compared to the previous year). Sales of all businesses increased as a result of higher sales of motorcycles in Indonesia and India, and sales of outboard motors in North America and the impact of yen depreciation.

Operating income increased to ¥55.1 billion (an increase of ¥36.5 billion compared to the previous year) due to a profit improvement of marine products business, cost reductions in emerging markets and the impact of yen depreciation. Ordinary income was ¥60.1 billion (an increase of ¥32.8 billion), and net income was ¥44.1 billion (an increase of ¥36.6 billion), due in part to the additional recording of deferred tax assets at overseas subsidiaries.

Exchange rates for the year were ¥98 to the U.S. dollar (a depreciation of ¥18 from the previous year) and ¥130 to the euro (a depreciation of ¥27 from the previous year).

Operating results by segment

[Motorcycles]

Overall net sales of the motorcycles business were ¥928.2 billion (an increase of ¥129.5 billion compared to the previous year), and operating income was ¥8.4 billion (an increase of ¥8.6 billion).

Unit sales in developed countries increased overall as a result of factors such as higher sales in Japan and North America for reasons including the impact of new product introductions and sales improvement in Europe in the second half (July to December). On the other hand, overall unit sales in emerging markets declined slightly. Although unit sales rose in India, where demand for scooters is increasing, and Indonesia, where demand is recovering, they fell in Thailand and Vietnam, where an economic slowdown continues. As a result, although worldwide unit sales of motorcycles decreased slightly, net sales rose due to model mix improvement and the impact of yen depreciation.
Although the Group has factored in the costs of aggressive investment in development and sales promotion in developed countries and structural reform in Europe, overall operating income increased as a result of such factors as cost reductions and the impact of yen depreciation.

[Marine products]

Overall net sales of marine products business were ¥243.4 billion (an increase of ¥47.0 billion compared to the previous year), and operating income was ¥31.8 billion (an increase of ¥20.9 billion).

In the outboard motor business, overall sales and income rose as a result of higher sales of large models in North America attributable to factors including the impact of new products, sales expansion in Russia and other emerging markets. And profits of personal watercraft business and boat business were improved. Overall sales and income rose as a result of such factors and the impact of yen depreciation.

[Power products]

Overall net sales of power products business were ¥126.7 billion (an increase of ¥23.1 billion compared to the previous year), and operating income was ¥5.3 billion (an increase of ¥4.7 billion).

Overall sales and income rose as a result of the introduction of new recreational off-highway vehicles (ROVs), higher sales of snowmobiles and golf cars, the impact of yen depreciation, and other factors.

[Industrial machinery and robots]

Overall net sales of industrial machinery and robot products businesses were ¥32.3 billion (an increase of ¥1.4 billion compared to the previous year), and operating income was ¥3.1 billion (a decrease of ¥0.8 billion).

Sales of surface mounters increased from the previous fiscal year in the second half and for the full year, despite a decrease in the first half due to the impact of slowing capital investment.

[Others]

Overall net sales of other products were ¥79.9 billion (an increase of ¥1.6 billion compared to the previous year), and operating income was ¥6.7 billion (an increase of ¥3.1 billion).

Sales of electrically power assisted bicycles and industrial-use unmanned helicopters increased due to the introduction of new products, among other factors. Although sales of automobile engines declined, both sales and income of other products rose overall.

(Reference Information)

Geographical segment information (Net sales includes intersegment sales among areas.)

[Japan]

Net sales in Japan increased ¥63.4 billion from the previous year to ¥596.1 billion, and operating income increased ¥37.8 billion to ¥29.0 billion. Unit sales of motorcycles, outboard motors for the U.S. market and electrically power assisted bicycles increased, and net sales rose on factors including the impact of yen depreciation.

[North America]

Net sales in North America increased ¥64.4 billion from the previous year to ¥270.1 billion, while operating income decreased ¥1.6 billion to ¥5.3 billion. Unit sales of outboard motors, motorcycles, golf cars, and other products increased, and net sales rose on factors including the impact of yen depreciation.

[Europe]

Net sales in Europe increased ¥24.7 billion from the previous year to ¥160.2 billion, and operating loss increased to ¥10.8 billion from ¥4.7 billion in the previous year. Net sales increased due to the impact of yen depreciation and other factors, even though unit sales of motorcycles and other products declined as personal consumption slumped amid a difficult employment and personal income situation.

[Asia]

Net sales in Asia (excluding Japan) increased ¥109.0 billion from the previous year to ¥704.9 billion, and operating income increased ¥9.1 billion to ¥30.5 billion. Unit sales of motorcycles increased in Indonesia, India, and other markets and decreased in Thailand and Vietnam. Net sales increased due to the impact of yen depreciation and other factors.

[Others]

Net sales in other areas increased ¥35.3 billion from the previous year to ¥170.4 billion, and operating income increased ¥1.7 billion to ¥6.9 billion. Unit sales of motorcycles increased in Brazil, Argentina, Colombia, Mexico, and other markets, and net sales rose on factors including the impact of yen depreciation.

Forecast for the fiscal year ending December 31, 2014
(January 1, 2014 through December 31, 2014)

In the current business environment, although a trend of yen depreciation against the currencies of other developed countries continues, there are concerns about sluggish economic recovery in Europe and an economic slowdown and currency depreciation in emerging markets. To cope with this change in the business environment, in fiscal 2014, the second year of the medium-term management plan, the Company will reinforce its business strategy while closely watching economic and demand trends in the Group's markets.

The Company forecasts the following for its consolidated financial results for the fiscal year ending December 31, 2014: higher sales in the motorcycle business, in the marine products business and in the power products business by proactive introduction of new models; and a profit increase, as higher profits from the sales increase and cost reductions and other factors enable the absorption of factors including increases in selling expenses and R&D expenses in preparation for future growth.

The forecast is based on the assumption that the exchange rates are ¥100 against the U.S. dollar (a depreciation of ¥2 from the previous year) and ¥135 against the euro (a depreciation of ¥5 from the previous year).

Billions of yen

Net sales	1,500.0 (+89.5)
Operating income	75.0 (+19.9)
Ordinary income	77.0 (+16.9)
Net income	45.0 (+0.9)

Note: ( ) represents increase/decrease amount from the fiscal year ended December 31, 2013.

[Potential risks and uncertainties regarding the forecast for the fiscal year ending December 31, 2014]

The forecast for the fiscal year ending December 31, 2014 summarized above is based on the Company's assumptions and beliefs in light of the information currently available, and may differ significantly from actual financial results. Please be advised that many risks and uncertainties can affect business performance, including:

- Changes in general economic conditions in the Group's major markets, including shifting consumer preferences and market competition
- Currency exchange rate fluctuations
- Changes in governments' currency exchange and foreign investment policies, tax systems, etc.
- Dependence on suppliers for procurement of certain raw materials and parts
- Product liabilities
- Changes in environmental and other regulations
- Huge Nankai Trough earthquake (Including Tokai Earthquake)
- Internal corruption, leaks and similar damage involving customer information or other personal and/or confidential data.

For details on potential risks, uncertainties and other factors affecting the Group's operations, please see the 78th Securities Report (filed on March 27, 2013).

(2) Analysis of Financial Position

Overview of assets, liabilities and net assets

Total assets at the end of the fiscal year ended December 31, 2013 rose ¥184.3 billion from the end of the previous fiscal year to ¥1,146.6 billion. The increase is attributable to factors including foreign currency translation adjustment arising from yen depreciation. Current assets rose ¥116.7 billion, and non-current assets rose ¥67.5 billion.

Total liabilities rose ¥103.0 billion to ¥723.8 billion, reflecting such factors as an increase in notes and accounts payable-trade or short-term loans.

Total net assets increased ¥81.2 billion to ¥422.8 billion, reflecting such factors as net income of ¥44.1 billion, dividends paid of ¥5.2 billion, and a change in foreign currency translation adjustment of ¥27.0 billion due to yen depreciation. As a result, the shareholders' equity ratio as of December 31, 2013 was 33.5% (an improvement of 1.5 percentage points from the end of the previous fiscal year). The net debt-equity ratio was 0.7 times, unchanged from the end of the previous fiscal year.

Cash flows

[Cash flows provided by (used in) operating activities]
Net cash provided by operating activities during the fiscal year under review was ¥67.0 billion (¥2.4 billion in net cash used during the previous fiscal year), reflecting factors including income before income taxes of ¥57.7 billion (¥25.8 billion) and an increase of ¥6.4 billion in working capital (an increase of ¥26.4 billion) accompanying a sales increase.

[Cash flows provided by (used in) investing activities]
Net cash used in investing activities during the fiscal year under review was ¥62.7 billion (¥51.1 billion in net cash used during the previous fiscal year), as a result of factors including ¥53.4 billion in capital investments for new model production and other purposes (¥47.6 billion).

[Cash flows provided by (used in) financing activities]
Net cash provided by financing activities during the fiscal year under review was ¥3.6 billion (¥15.8 billion in net cash provided during the previous fiscal year), due to factors including financing by means of short-term loans accompanying an increase in working capital.

As a result of the activities discussed above, free cash flows for the fiscal year under review were a positive ¥4.3 billion. Interest-bearing debt at the end of the fiscal year was ¥382.9 billion, and cash and cash equivalents totaled ¥120.0 billion. Interest-bearing debt includes ¥162.0 billion in borrowings for sales finance.

(Reference) Trends in cash flow and related indexes

	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010	Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012	Fiscal year ended December 31, 2013
Shareholders' equity ratio (%)	21.5	28.0	31.2	32.0	33.5
Shareholders' equity ratio at market value (%)	33.8	47.2	37.8	34.4	48.0
Ratio of interest-bearing debt to cash flows (%)	539.8	308.5	824.3	—	571.7
Interest coverage ratio	6.7	12.1	5.0	—	9.6

Notes:

1. The formulas for the indexes above are as follows:
   - Shareholders' equity ratio: Shareholders' equity/total assets
   - Shareholders' equity ratio at market value: Aggregate market value of corporate stock/total assets
   - Ratio of interest-bearing debt to cash flows: Interest-bearing debt/cash flows
   - Interest coverage ratio: Cash flows/interest expenses
2. Each index is calculated using consolidated financial figures.
3. Aggregate market value of corporate stock is calculated by multiplying the closing stock price at the end of each period by the number of shares issued (excluding treasury stock) at the end of that period.
4. Interest-bearing debt refers to all the debts in the Consolidated Balance Sheets that involve interest payment.
5. Cash flows refer to net cash provided by operating activities detailed in the Consolidated Statements of Cash Flows.
6. Interest expenses refer to the figure for the amount of interest paid in the Consolidated Statements of Cash Flows.
7. Ratio of interest-bearing debt to cash flows and interest coverage ratio for the fiscal year ended December 31, 2012 (fiscal 2012) are not listed, due to the negative status of cash flows from operating activities for fiscal 2012.

(3) Basic Policy on Profit Distribution and Dividends for the Fiscal Years Ended December 31, 2013 and Ending December 31, 2014

Recognizing that shareholders' interests represent one of the Company'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 aims to provide shareholder returns through comprehensive consideration of the business environment, including business performance, retained earnings, and a balance between aggressive growth investments and stock dividends and loan repayments, while maintaining a minimum dividend payout ratio of 20% of consolidated net income.

The Company has a basic policy of paying dividends from surplus twice a year as an interim dividend and a year-end dividend. The decision-making bodies for dividends are the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends. The Company's Articles of Incorporation stipulate that the Company may, by a resolution of the Board of Directors, pay interim dividends, with June 30 of each year designated as the record date.

Regarding the year-end dividend for fiscal 2013, a dividend of ¥16 per share is planned to be placed on the agenda of the 79th Ordinary General Meeting of Shareholders, scheduled for March 25, 2014. Added to the interim dividend (¥10 per share), this gives a total dividend for the year of ¥26 per share.

In addition, based on the fiscal 2014 full-year forecast, the Company will pay annual dividends of ¥26 per share (an interim dividend of ¥13 and a year-end dividend of ¥13) with a payout ratio (consolidated basis) of 20% for fiscal 2014.

2. Management Policies

Basic management policies, medium- and long-term management strategies, and key priorities the Group must address

In the current medium-term management plan (for the period from 2013 to 2015), the Company aims to increase its corporate value through sustained growth of business scale, financial strength, and corporate strength, has set targets of consolidated net sales of ¥1,600.0 billion and consolidated operating income of ¥80.0 billion (an operating income ratio of 5%), and is mounting an all-out effort to achieve the targets with its group companies.

In the current business environment, although a trend of yen depreciation against the currencies of other developed countries continues, there is concern about an economic slowdown and currency depreciation in emerging markets. To cope with this change in the business environment, in fiscal 2014, the second year of the medium-term management plan, the Company will reinforce its business strategy while closely watching economic and demand trends in the Group's markets.

Key initiatives are as follows.

■ Motorcycles

To achieve business scale recovery and expansion and realize a stable earnings structure:

- Increase product competitiveness with a strategy of combining high performance, light weight, and fuel efficiency with design.
- Implement cost reductions based on platform development.
- Expand high-quality sales networks trusted by customers.

■ Marine Products

Realize net sales of ¥300.0 billion and a highly profitable business structure by means of an integrated marine products growth strategy.

■ RVs

Restore a powerful product lineup and realize a stable earnings structure through the introduction of new products of recreational off-highway vehicle (ROV) and snowmobile.

■ Implement the medium-term growth strategy for other businesses.

■ Engage in new business development, the long-term strategy.

■ Implement strategies including the brand strategy and global human resources strategy.

Lastly, the Yamaha Motor Group will work to further increase its corporate value by being "an excellent engineering, manufacturing and marketing enterprise with a prominent presence in the global market". Also, the Group will meet its social responsibilities by promoting CSR activities, including the strict observation of laws, regulations, and corporate ethics. While making advances with our global management, the Group will endeavor to maintain and enhance trusting relationships with the stakeholders by continuing to improve corporate governance.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of December 31, 2012 and 2013

( ) represents negative figures.

	Millions of yen	
	As of December 31, 2012	**As of December 31, 2013**
ASSETS		
Current assets:		
Cash and deposits	106,462	**119,859**
Notes and accounts receivable-trade	192,143	**238,102**
Merchandise and finished goods	153,109	**177,796**
Work-in-process	40,438	**45,531**
Raw materials and supplies	39,880	**48,217**
Deferred tax assets	1,843	**14,043**
Other	59,995	**69,475**
Allowance for doubtful accounts	(7,074)	**(9,512)**
Total current assets	586,797	**703,514**
Non-current assets:		
Property, plant and equipment		
Buildings and structures, net	77,076	**88,742**
Machinery, equipment and vehicles, net	78,851	**86,413**
Land	78,613	**82,519**
Construction in progress	21,449	**22,770**
Other, net	16,951	**20,663**
Total property, plant and equipment	272,942	**301,109**
Intangible assets	3,940	**6,791**
Investments and other assets:		
Investment securities	41,010	**67,007**
Long-term loans receivable	40,560	**43,788**
Deferred tax assets	6,608	**11,622**
Other	11,923	**14,268**
Allowance for doubtful accounts	(1,454)	**(1,510)**
Total investments and other assets	98,648	**135,176**
Total non-current assets	375,531	**443,077**
Total assets	962,329	**1,146,591**

( ) represents negative figures.

	Millions of yen	
	As of December 31, 2012	**As of December 31, 2013**
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	114,344	**141,710**
Short-term loans payable	102,476	**170,328**
Current portion of long-term loans payable	58,158	**73,230**
Income taxes payable	3,236	**5,467**
Provision for bonuses	9,230	**10,277**
Provision for product warranties	19,952	**18,292**
Other provision	1,102	**1,609**
Other	82,651	**94,309**
Total current liabilities	391,153	**515,226**
Non-current liabilities:		
Long-term loans payable	166,340	**139,370**
Deferred tax liabilities for land revaluation	6,107	**6,105**
Provision for retirement benefits	44,098	**45,321**
Provision for product liabilities	3,539	**1,102**
Other provisions	315	**255**
Other	9,212	**16,416**
Total non-current liabilities	229,614	**208,572**
Total liabilities	620,767	**723,799**
NET ASSETS		
Shareholders' equity:		
Capital stock	85,666	**85,703**
Capital surplus	74,582	**74,619**
Retained earnings	249,724	**288,548**
Treasury stock	(686)	**(691)**
Total shareholders' equity	409,287	**448,179**
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	1,843	**12,110**
Revaluation reserve for land	10,982	**10,978**
Foreign currency translation adjustment	(114,255)	**(87,277)**
Total other accumulated comprehensive income	(101,429)	**(64,188)**
Subscription rights to shares	109	**91**
Minority interests	33,595	**38,709**
Total net assets	341,561	**422,792**
Total liabilities and net assets	962,329	**1,146,591**

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Fiscal years ended December 31, 2012 and 2013

(Consolidated Statements of Income)

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1— December 31, 2012)	**Fiscal year ended December 31, 2013 (January 1— December 31, 2013)**
Net sales	1,207,675	**1,410,472**
Cost of sales	972,607	**1,091,706**
Gross profit	235,068	**318,765**
Selling, general and administrative expenses	216,470	**263,628**
Operating income	18,598	**55,137**
Non-operating income:		
Interest income	5,935	**6,725**
Dividends income	433	**551**
Equity in earnings of affiliates	1,598	**3,526**
Gain on revaluation of sales finance assets	574	**—**
Sales finance-related income	3,120	**1,919**
Other	8,470	**13,497**
Total non-operating income	20,133	**26,220**
Non-operating expenses:		
Interest expenses	6,687	**6,739**
Foreign exchange losses	1,304	**7,310**
Loss on revaluation of sales finance assets	—	**1,883**
Other	3,471	**5,332**
Total non-operating expenses	11,464	**21,266**
Ordinary income	27,267	**60,092**
Extraordinary income:		
Gain on sales of non-current assets	244	**292**
Gain on change in equity	460	**—**
Other	—	**8**
Total extraordinary income	705	**301**
Extraordinary loss:		
Loss on sales of non-current assets	192	**372**
Loss on disposal of non-current assets	811	**1,113**
Impairment loss	1,127	**1,110**
Loss on sales of investment securities	9	**142**
Total extraordinary losses	2,141	**2,739**

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1— December 31, 2012)	**Fiscal year ended December 31, 2013 (January 1— December 31, 2013)**
Income before income taxes	25,831	**57,654**
Income taxes — current	15,986	**20,447**
Income taxes — deferred	(1,971)	**(12,265)**
Total income taxes	14,015	**8,182**
Income before minority interests	11,815	**49,472**
Minority interests in income	4,326	**5,414**
Net income	7,489	**44,057**

(Consolidated Statements of Comprehensive Income)

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1— December 31, 2012)	**Fiscal year ended December 31, 2013 (January 1— December 31, 2013)**
Income before minority interests	11,815	**49,472**
Other comprehensive income		
Valuation difference on available-for-sale securities	3,311	**10,208**
Revaluation reserve for land	—	**(0)**
Foreign currency translation adjustment	26,122	**27,544**
Share of other comprehensive income of associates accounted for using equity method	1,480	**3,341**
Total other comprehensive income	30,913	**41,093**
Comprehensive income	42,729	**90,566**
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	34,470	**81,255**
Comprehensive income attributable to minority interests	8,259	**9,310**

(3) Consolidated Statements of Changes in Net Assets

Fiscal year ended December 31, 2012 (January 1—December 31, 2012)

( ) represents negative figures.

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	85,666	74,582	249,478	(683)	409,044
Changes of items during the period					
Reversal of revaluation reserve for land			67		67
Dividends from surplus			(7,157)		(7,157)
Net income			7,489		7,489
Increase in consolidated subsidiaries			100		100
Decrease in affiliates accounted for by the equity method			(255)		(255)
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		(0)		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(0)	245	(2)	242
Balance at the end of current period	85,666	74,582	249,724	(686)	409,287

	Millions of yen						
	Other accumulated comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Other total accumulated comprehensive income			
Balance at the beginning of current period	(1,470)	11,050	(137,860)	(128,280)	109	29,042	309,914
Changes of items during the period							
Reversal of revaluation reserve for land							67
Dividends from surplus							(7,157)
Net income							7,489
Increase in consolidated subsidiaries							100
Decrease in affiliates accounted for by the equity method							(255)
Purchase of treasury stock							(2)
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	3,313	(67)	23,605	26,851	—	4,552	31,404
Total changes of items during the period	3,313	(67)	23,605	26,851	—	4,552	31,647
Balance at the end of current period	1,843	10,982	(114,255)	(101,429)	109	33,595	341,561

Fiscal year ended December 31, 2013 (January 1―December 31, 2013)

( ) represents negative figures.

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	85,666	74,582	249,724	(686)	409,287
Changes of items during the period					
Issuance of new shares	36	36			73
Reversal of revaluation reserve for land			3		3
Dividends from surplus			(5,237)		(5,237)
Net income			44,057		44,057
Purchase of treasury stock				(5)	(5)
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	36	36	38,824	(5)	38,892
Balance at the end of current period	85,703	74,619	288,548	(691)	448,179

	Millions of yen						
	Other accumulated comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Other total accumulated comprehensive income			
Balance at the beginning of current period	1,843	10,982	(114,255)	(101,429)	109	33,595	341,561
Changes of items during the period							
Issuance of new shares							73
Reversal of revaluation reserve for land							3
Dividends from surplus							(5,237)
Net income							44,057
Purchase of treasury stock							(5)
Disposal of treasury stock							0
Net changes of items other than shareholders' equity	10,267	(3)	26,977	37,240	(17)	5,114	42,337
Total changes of items during the period	10,267	(3)	26,977	37,240	(17)	5,114	81,230
Balance at the end of current period	12,110	10,978	(87,277)	(64,188)	91	38,709	422,792

(4) Consolidated Statements of Cash Flows

Fiscal years ended December 31, 2012 and 2013

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1— December 31, 2012)	**Fiscal year ended December 31, 2013 (January 1— December 31, 2013)**
Net cash provided by (used in) operating activities:		
Income before income taxes	25,831	**57,654**
Depreciation and amortization	34,278	**36,407**
Impairment loss	1,127	**1,110**
Increase (decrease) in allowance for doubtful accounts	(520)	**1,430**
Increase (decrease) in provision for retirement benefits	3,277	**790**
Increase (decrease) in provision for product liabilities	(2,790)	**(2,490)**
Interest and dividends income	(6,369)	**(7,277)**
Interest expenses	6,687	**6,739**
Equity in (earnings) losses of affiliates	(1,598)	**(3,526)**
Loss (gain) on sales of property, plant and equipment and intangible assets	(51)	**80**
Loss (gain) on disposal of property, plant and equipment and intangible assets	811	**1,113**
Loss (gain) on sales of investment securities	9	**142**
Loss (gain) on change in equity	(460)	**—**
Decrease (increase) in notes and accounts receivable-trade	(7,016)	**(14,400)**
Decrease (increase) in inventories	(1,135)	**(8,171)**
Increase (decrease) in notes and accounts payable-trade	(18,235)	**16,212**
Other	(12,840)	**(2,632)**
Subtotal	21,002	**83,182**
Interest and dividends income received	7,995	**8,639**
Interest expenses paid	(6,999)	**(7,012)**
Income taxes (paid) refund	(24,383)	**(17,832)**
Net cash provided by (used in) operating activities	(2,385)	**66,976**

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1— December 31, 2012)	**Fiscal year ended December 31, 2013 (January 1— December 31, 2013)**
Net cash provided by (used in) investing activities:		
Payments into time deposits	(351)	**(375)**
Proceeds from withdrawal of time deposits	508	**428**
Purchase of property, plant and equipment and intangible assets	(47,560)	**(53,447)**
Proceeds from sales of property, plant and equipment and intangible assets	1,638	**3,868**
Purchase of investment securities	(1,149)	**(6,482)**
Payments for long-term loans receivable	(10,302)	**(13,174)**
Collections of long-term loans receivable	6,741	**7,608**
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(3,029)	**—**
Other	2,423	**(1,105)**
Net cash provided by (used in) investing activities	(51,081)	**(62,679)**
Net cash provided by (used in) financing activities:		
Increase (decrease) in short-term loans payable	52,462	**47,071**
Proceeds from long-term loans payable	89,505	**32,447**
Repayment of long-term loans payable	(111,633)	**(66,401)**
Cash dividends paid	(7,157)	**(5,237)**
Cash dividends paid to minority shareholders	(7,033)	**(4,035)**
Net decrease (increase) in treasury stock	(2)	**(5)**
Proceeds from exercise of stock option	—	**55**
Other	(379)	**(275)**
Net cash provided by (used in) financing activities	15,761	**3,620**
Effect of exchange rate change on cash and cash equivalents	10,096	**5,583**
Net increase (decrease) in cash and cash equivalents	(27,608)	**13,500**
Cash and cash equivalents at beginning of period	133,593	**106,532**
Increase in cash and cash equivalents from newly consolidated subsidiary	548	**—**
Cash and cash equivalents at end of period	106,532	**120,033**

(5) Notes to Consolidated Financial Statements

Notes Regarding Going-concern Assumptions

None

Basis of Presenting Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries 109

Name of major subsidiaries:
Yamaha Motorcycle Sales Japan Co., Ltd.; Yamaha Motor Powered Products Co., Ltd.;
Yamaha Motor Corporation, U.S.A.; Yamaha Motor Manufacturing Corporation of America;
Yamaha Motor Europe N.V.; PT. Yamaha Indonesia Motor Manufacturing;
Yamaha Motor Vietnam Co., Ltd.; Yamaha Motor Taiwan Co., Ltd.; Thai Yamaha Motor Co., Ltd.;
India Yamaha Motor Pvt. Ltd.; and Yamaha Motor do Brasil Ltda.

Effective from the fiscal year ended December 31, 2013, two newly established companies have been included in the scope of consolidation. Two companies were excluded from the scope of consolidation due to an absorption-type merger with the Company.

Yamaha Motor Racing S.r.l. and other non-consolidated subsidiaries were excluded from the scope of consolidation since their total assets, net sales, net income or loss, retained earnings, and other financial indexes were not significant in the aggregate to the Company's consolidated financial statements.

2. Scope of application of equity method

Number of subsidiaries accounted for by the equity method 4
Yamaha Motor Racing S.r.l. and 3 other subsidiaries

Number of affiliates accounted for by the equity method 26
Chongqing Jianshe-Yamaha Motor Co., Ltd. and 25 other affiliates

Effective from the fiscal year ended December 31, 2013, one subsidiary whose significance increased, one affiliate that the Company newly invested in and one affiliate that was additionally invested in were included in the scope of application of the equity method. One affiliate accounted for by the equity method was excluded from the scope of application of the equity method due to the sale of its shares.

Yamaha Motor Cambodia Co., Ltd. and other non-consolidated subsidiaries, and Y^2 Marine Manufacturing Co., Ltd. and other affiliates, were individually insignificant to the Company's consolidated net income or loss, consolidated retained earnings, and other consolidated financial indexes, and were not significant in the aggregate. Therefore, the Company's investments in these companies were stated at cost, instead of being accounted for by the equity method of accounting.

With regard to the basis of presenting consolidated financial statements, details on items other than "Scope of consolidation," and "Scope of application of equity method," described above, and "Changing in Accounting Policy (Change in depreciation method for property, plant and equipment)" described below have been omitted since there have been no significant changes from the description in the Company's 78th Securities Report (filed on March 27, 2013).

Change in Accounting Policy

(Change in depreciation method for property, plant and equipment)

Beginning in the fiscal year ended December 31, 2013, the Company and its domestic subsidiaries have changed the principal depreciation method for property, plant and equipment from the previously used declining-balance method to the straight-line method.

Under the previous medium-term management plan (for the years fiscal 2010 to fiscal 2012), the Group reorganized the domestic production structure in line with demand in developed countries as part of profit structure reform. In fiscal 2012, the final year of the previous medium-term management plan, a measure of success was attained with the originally planned reorganization, and in the current medium-term management plan (for the years fiscal 2013 to fiscal 2015), the Group's policy for investment in domestic production facilities is to focus on maintenance and development of its core operation.

For this reason, domestic production facilities are expected to achieve long-term stable operation over the course of their service lives, and the Company judged that the straight-line method, by which costs are more appropriately aligned with revenue, is reasonable.

As a result of this change, operating income, ordinary income, and income before income taxes for the fiscal year ended December 31, 2013 have each increased by ¥4,040 million. The impact on the segment information is described in " (5) Notes to Consolidated Financial Statements, Segment Information"

Changes in Presenting Methods

(Consolidated Balance Sheets)

1) Effective from the fiscal year ended December 31, 2013, "Deferred tax assets," which had been included in "Other" under current assets in the previous fiscal year, is now separately presented because the amount of contribution exceeded one percent of total current assets. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presenting methods.

   As a result, the ¥61,838 million entry for "Other" under current assets in the consolidated balance sheets for the previous fiscal year has been restated as entries of ¥1,843 million for "Deferred tax assets" and ¥59,995 million for "Other."

2) Effective from the fiscal year ended December 31, 2013, " Deferred tax assets," which had been included in "Other" under investments and other assets in the previous fiscal year, is now separately presented because the amount of contribution exceeded one percent of investments and other assets. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presenting methods.

   As a result, the ¥18,532 million entry for "Other" under investments and other assets in the consolidated balance sheets for the previous fiscal year has been restated as entries of ¥6,608 million for "Deferred tax assets" and ¥11,923 million for "Other."

Consolidated Balance Sheets

1. Accumulated depreciation of property, plant and equipment

	Millions of yen	
	As of December 31, 2012	**As of December 31, 2013**
Accumulated depreciation of property, plant and equipment	536,924	**575,945**

2. Pledged assets and secured liabilities

	Millions of yen	
	As of December 31, 2012	**As of December 31, 2013**
Pledged assets	133,043	**122,340**
Secured liabilities	71,690	**52,483**

3. Contingent liabilities

1) Guarantee obligation

Guarantee obligation are arising from acts resembling guarantees for the following companies' loans from financial institutions.

Millions of yen			
As of December 31, 2012		**As of December 31, 2013**	
Subsidiaries or Affiliates:		**Subsidiaries or Affiliates:**	
Amagasaki Woodland of Health Co., Ltd.	245	**Amagasaki Woodland of Health Co., Ltd.**	**222**

2) Other

Although bilateral consultations are being held under the applicable tax treaties to obtain relief from double taxation on transactions between the Company and overseas affiliates, at the present time it is difficult to make a reasonable estimate of any financial effect that may arise from these consultations, and the financial effect, if any, has not been reflected in the consolidated financial statements for the fiscal year ended December 31, 2013.

Consolidated Statements of Income

1. Breakdown of major selling, general and administrative expenses is as follows:

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1—December 31, 2012)	**Fiscal year ended December 31, 2013 (January 1—December 31, 2013)**
Freightage and packing expenses	26,853	**30,715**
Provision for product warranties	9,893	**7,575**
Provision of allowance for doubtful accounts	1,115	**2,171**
Salaries	68,627	**83,463**
Provision for bonuses	3,387	**3,957**
Provision for retirement benefits	4,159	**4,530**

2. Research and development expenses included in selling, general and administrative expenses and manufacturing costs

	Millions of yen	
	Fiscal year ended December 31, 2012 (January 1—December 31, 2012)	**Fiscal year ended December 31, 2013 (January 1—December 31, 2013)**
Research and development expenses	69,713	**76,081**

Segment Information

Segment information

1. Overview of reporting segments

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

Four businesses, namely "Motorcycles," "Marine products," "Power products" and "Industrial machinery and robots" constitute the Group's reporting segments based on similarities of product type and target market.

Major products in each reporting segment are as follows.

Reporting segment	Major products
Motorcycles	Motorcycles, intermediate parts for products and knockdown parts for overseas production
Marine products	Outboard motors, personal watercraft, boats, FRP pools, fishing boats and utility boats
Power products	All-terrain vehicles, recreational off-highway vehicles, golf cars, snowmobiles, generators, small-sized snow throwers and multi-purpose engines
Industrial machinery and robots	Surface mounters, industrial robots and electrically powered wheelchairs

2. Basis for calculating net sales, income or loss, assets, liabilities, and other items by reporting segment

The accounting policies for the reporting segments are the same as those described in "Basis of Presenting Consolidated Financial Statements."

Segment income corresponds to operating income in the Consolidated Statements of Income.

Amounts for intersegment transactions or transfers are calculated based on market prices.

3. Information concerning net sales, income or loss, assets, liabilities, and other items by reporting segment

Fiscal year ended December 31, 2012 (January 1, 2012 through December 31, 2012)

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amounts on consolidated financial statements
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total				
Net sales:									
Outside customers	798,676	196,320	103,588	30,813	1,129,399	78,276	1,207,675	—	1,207,675
Intersegment	—	—	—	—	—	26,711	26,711	(26,711)	—
Total	798,676	196,320	103,588	30,813	1,129,399	104,987	1,234,387	(26,711)	1,207,675
Segment income (loss) (Note 3)	(191)	10,829	527	3,829	14,995	3,602	18,598	0	18,598
Segment assets	607,700	172,024	107,726	19,600	907,051	55,277	962,329	—	962,329
Other items									
Depreciation and amortization (Note 4)	25,450	4,650	2,013	461	32,576	1,622	34,198	—	34,198
Investments in subsidiaries and affiliates accounted for by the equity method	12,764	1,933	545	—	15,242	3,878	19,120	—	19,120
Increase in property, plant and equipment, and intangible assets	36,390	5,842	3,973	626	46,833	1,954	48,788	—	48,788

Notes:
1. "Others" is a business segment not included in the reporting segments. It includes businesses involving the business of automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters.
2. Adjustments represent intersegment transaction eliminations.
3. Total of segment income (loss) corresponds to operating income in the Consolidated Statements of Income.
4. Depreciation and amortization does not include amortization of goodwill.

Fiscal year ended December 31, 2013 (January 1, 2013 through December 31, 2013)

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amounts on consolidated financial statements
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total				
Net sales:									
Outside customers	928,203	243,362	126,722	32,261	1,330,549	79,922	1,410,472	—	1,410,472
Intersegment	—	—	—	—	—	28,797	28,797	(28,797)	—
Total	928,203	243,362	126,722	32,261	1,330,549	108,719	1,439,269	(28,797)	1,410,472
Segment income (Note 3)	8,363	31,774	5,262	3,069	48,469	6,667	55,137	0	55,137
Segment assets	716,474	212,324	134,016	21,778	1,084,594	61,997	1,146,591	—	1,146,591
Other items									
Depreciation and amortization (Note 4)	26,300	4,798	3,262	731	35,093	1,174	36,268	—	36,268
Investments in subsidiaries and affiliates accounted for by the equity method	21,028	2,100	555	—	23,685	4,475	28,161	—	28,161
Increase in property, plant and equipment, and intangible assets	38,586	8,844	6,073	640	54,145	2,655	56,800	—	56,800

Notes:
1. "Others" is a business segment not included in the reporting segments. It includes businesses involving the business of automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters.
2. Adjustments represent intersegment transaction eliminations.
3. Total of segment income corresponds to operating income in the Consolidated Statements of Income.
4. Depreciation and amortization does not include amortization of goodwill.

4. Items concerning changes to reporting segments

(Change in depreciation method for property, plant and equipment)

As described in "(5) Notes to Consolidated Financial Statements, Change in Accounting Policy," effective from the beginning in the fiscal year ended December 31, 2013, the Company and its domestic subsidiaries have changed the principal depreciation method for property, plant and equipment from the previously used declining-balance method to the straight-line method.

As a result of this change, segment income for the fiscal year ended December 31, 2013 increased by ¥1,873 million for the motorcycles business, ¥1,100 million for the marine products business, ¥434 million for the power products business, ¥168 million for the industrial machinery and robots business, and ¥463 million for other businesses.

(Reference Information)

Geographical segment information

Fiscal year ended December 31, 2012 (January 1, 2012 through December 31, 2012)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	220,694	185,506	131,350	535,950	134,173	1,207,675	—	1,207,675
Intersegment	311,946	20,165	4,139	60,001	902	397,155	(397,155)	—
Total	532,640	205,672	135,489	595,951	135,076	1,604,830	(397,155)	1,207,675
Operating income (loss)	(8,797)	6,887	(4,653)	21,405	5,201	20,042	(1,444)	18,598

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, Vietnam, China, Taiwan, Thailand, Singapore and India
   (4) Others: Brazil, Australia, Colombia and Mexico

Fiscal year ended December 31, 2013 (January 1, 2013 through December 31, 2013)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	223,894	244,646	154,503	618,325	169,101	1,410,472	—	1,410,472
Intersegment	372,178	25,407	5,695	86,581	1,275	491,138	(491,138)	—
Total	596,073	270,054	160,199	704,906	170,376	1,901,610	(491,138)	1,410,472
Operating income (loss)	29,021	5,275	(10,792)	30,514	6,877	60,896	(5,758)	55,137

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, Russia and Sweden
   (3) Asia: Indonesia, Vietnam, Taiwan, Thailand, China, Singapore and India
   (4) Others: Brazil, Australia, Colombia and Argentina

Per Share Information

	Fiscal year ended December 31, 2012 (January 1—December 31, 2012)	Fiscal year ended December 31, 2013 (January 1—December 31, 2013)
	Yen	Yen
Net assets per share	881.88	1,099.84
Net income per share — basic	21.45	126.20
Net income per share — diluted	—	126.20

Note 1. Net income per share — diluted for the fiscal year ended December 31, 2012 is not stated as there were no potential shares with dilutive effect.

Note 2. Net assets per share are calculated based on the following:

	As of December 31, 2012	As of December 31, 2013
Total net assets (Millions of yen)	341,561	422,792
Amount excluded from total net assets (Millions of yen)	33,704	38,801
Subscription rights to shares	109	91
Minority interests	33,595	38,709
Net assets attributable to common stock at the end of the period (Millions of yen)	307,857	383,990
Number of shares of common stock outstanding at the end of the period calculated under "Net assets per share" (Shares)	349,092,483	349,134,628

Note 3. Net income per share — basic and net income per share — diluted are calculated based on the following:

	Fiscal year ended December 31, 2012 (January 1—December 31, 2012)	Fiscal year ended December 31, 2013 (January 1—December 31, 2013)
Net income per share — basic:		
Net income (Millions of yen)	7,489	44,057
Amount not attributable to common stockholders (Millions of yen)	—	—
Net income attributable to common stock (Millions of yen)	7,489	44,057
Average number of shares outstanding during the period (Shares)	349,093,990	349,110,403
Net income per share — diluted:		
Adjustment for net income (Millions of yen)	—	—
Increase in the number of shares of common stock (Shares)	—	10,938
Subscription rights to shares	—	10,938
Dilutive securities not calculated under "Net income per share — diluted" because they do not have dilutive effect:	Resolution of Board of Directors Meeting held on May 29, 2008: Stock options (Total number of shares: 75,500) Resolution of Board of Directors Meeting held on May 29, 2009: Stock options (Total number of shares: 112,000) Resolution of Board of Directors Meeting held on May 28, 2010: Stock options (Total number of shares: 56,500)	Resolution of Board of Directors Meeting held on May 29, 2008: Stock options (Total number of shares: 75,500) Resolution of Board of Directors Meeting held on May 28, 2010: Stock options (Total number of shares: 53,500)

Significant Subsequent Events

None

4. Others

Executive Transfers

The executive transfers effective March 25, 2014 were officially announced on December 26, 2013.
For details, please see the Company's website: http://global.yamaha-motor.com/news/