YAMAHA

Increasing Corporate Value through Sustainable Growth



Annual Report 2011

Year ended December 31, 2011

Yamaha Motor Co., Ltd. is a multinational enterprise with 140 consolidated subsidiaries and equity-method affiliates in 30 countries, and about 90% of our consolidated net sales are derived from overseas markets. We operate global development, production and sales networks, and our products are sold in more than 200 countries and regions.

We have successfully diversified our business by capitalizing on our world-leading small engine, fiberglass-reinforced plastics and electronic control technologies. Today, our proprietary technologies extend to a wide variety of products, including motorcycles, marine products, power products and surface mounters.

We will move forward with restructuring and the transformation of our management base for continuous growth, to evolve Yamaha Motor into an excellent engineering, manufacturing and marketing enterprise, with a prominent presence in the global market.

Corporate Mission

*Kando** Creating Company

Offering new excitement and a more fulfilling life for people all over the world

Yamaha Motor strives to realize peoples' dreams with ingenuity and passion, and to always be a company people look to for the next exciting product or concept that provides exceptional value and deep satisfaction.

**Kando* is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value.

Management Principles

1. Creating value that surpasses customer expectations

To continue to produce value that moves people, we must remain keenly aware of customer's evolving needs.
We must strive to find success by always surpassing customer expectations with safe, high-quality products and services.

2. Establishing a corporate environment that fosters self-esteem

We must build a corporate culture that encourages enterprise and enhances corporate vitality. The focus will be on nurturing the creativity and ability of our employees, with an equitable system of evaluation and rewards.

3. Fulfilling social responsibilities globally

As a good corporate citizen, we act from a worldwide perspective and in accordance with global standards. We must conduct our corporate activities with concern for the environment and communities and fulfill our corporate social responsibility with honesty and sincerity.

Action Guidelines

Acting with Speed

Meeting change with swift and informed action

Spirit of Challenge

Courage to set higher goals without fear of failure

Persistence

Working with tenacity to achieve desired results, and then evaluating them

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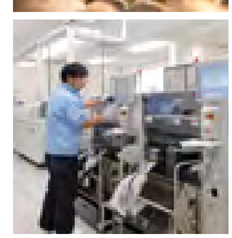
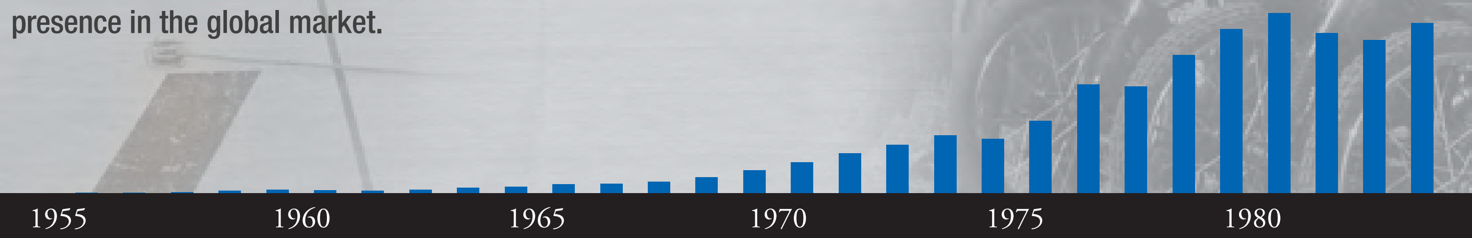



Yamaha Motor pursues the challenge of new creations

Since our founding, Yamaha Motor has constantly looked ahead with a spirit of challenge, striving to create new value for the next generation.

We will continue on this path in the future, as a *Kando* Creating Company with excellent engineering, manufacturing and marketing, and a prominent presence in the global market.



1955
Released first motorcycle, the YA1

1960
Released first outboard motor, the P-7

1960
Released first FRP boat, the CAT-21

1967
Commenced mass production of the TOYOTA 2000GT

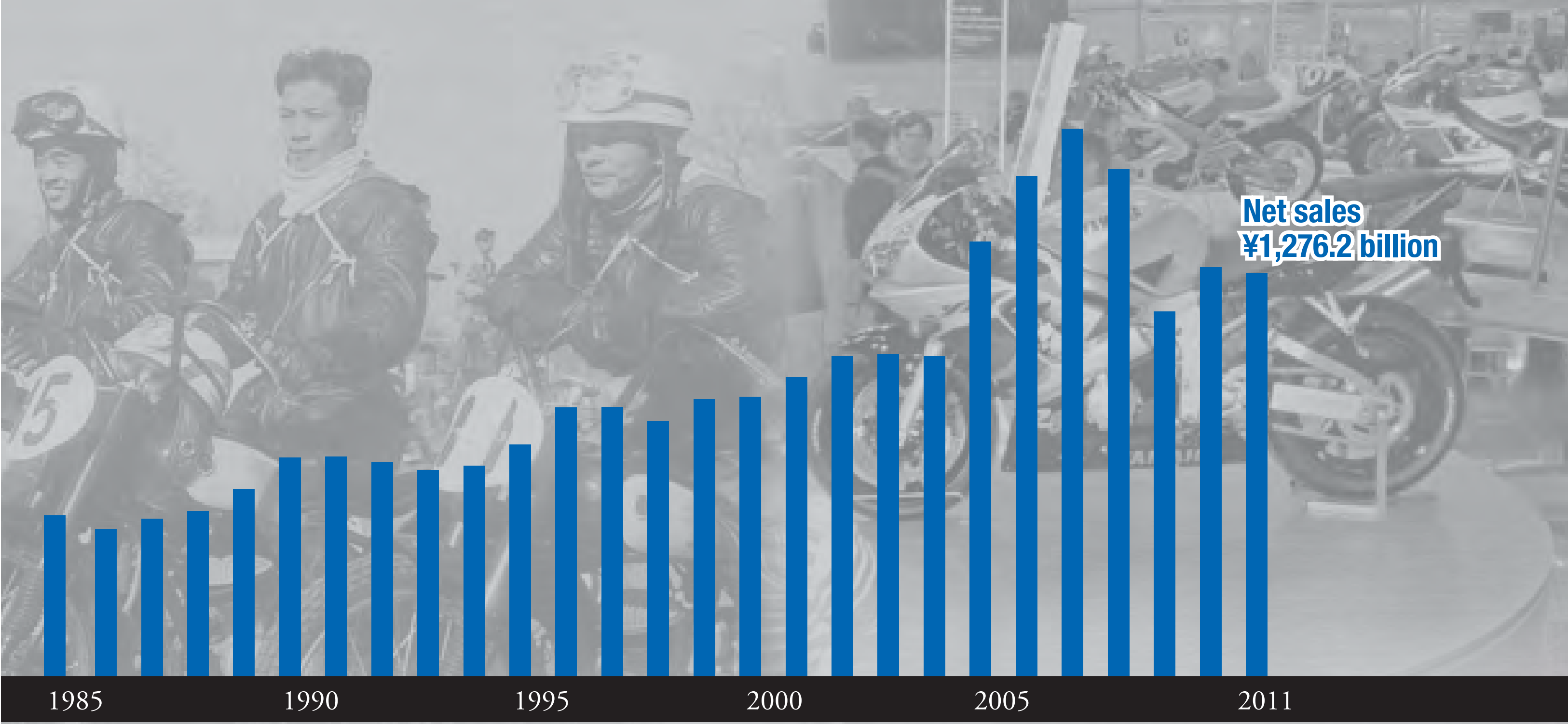
1973
Released first portable generator, the ET1250

1974
Commenced manufacturing and sales of FRP pools

1976
Released first industrial robot, an “arc welding robot”

1976
Released first marine diesel engine, the MD35

1977
Released the Passol




1978
Released first snow thrower, the YT665


1979
Released first ATV (all-terrain vehicle) in the United States, the YT125


1986
Released first personal watercraft, the MJ-500T


1987
Limited release of first industrial-use unmanned helicopter, the R-50


1993
Regional release of the PAS, an electric-hybrid bicycle


1995
Released the JW-1 electric power unit for wheelchairs


2002
Released first 4-stroke snowmobile, the RX-1


2002
Regional release of the Passol electric commuter


2007
Released world's most powerful outboard motor, the 350-horsepower F350

Operating Performance

Financial Highlights

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31

POINT

Net sales declined 1.4% from 2010, owing to yen appreciation and the impact on production from the flooding in Thailand.

In terms of profit, cost reductions from structural reforms and a reversal of accrual for product liability absorbed the negative impact on revenue resulting from yen appreciation, the flooding in Thailand and the Great East Japan Earthquake. As a result, operating income rose 4.1% from the previous year, and net income grew 47.3%.

	Millions of yen					Thousands of U.S. dollars	% change
	2007	2008	2009	2010	**2011**	**2011**	2011/2010
For the year:							
Net sales	¥1,756,707	¥1,603,881	¥1,153,642	¥ 1,294,131	**¥ 1,276,159**	**$ 16,415,732**	(1.4)%
Gross profit	476,090	377,105	202,292	295,565	**276,046**	**3,550,888**	(6.6)
Operating income (loss)	126,998	48,382	(62,580)	51,308	**53,405**	**686,969**	4.1
Ordinary income (loss)	140,338	58,872	(68,340)	66,142	**63,495**	**816,761**	(4.0)
Net income (loss)	71,222	1,851	(216,148)	18,300	**26,960**	**346,797**	47.3
Net cash provided by (used in) operating activities	122,730	(6,446)	74,096	104,531	**33,328**	**428,711**	(68.1)
Net cash provided by (used in) investing activities	(105,807)	(99,543)	(45,285)	(37,632)	**(46,517)**	**(598,366)**	23.6
Free cash flows	16,923	(105,989)	28,810	66,899	**(13,189)**	**(169,655)**	—
Net cash provided by (used in) financing activities	11,166	163,179	(32,022)	5,296	**(51,927)**	**(667,957)**	—
Capital expenditures	84,789	94,391	46,035	33,939	**45,049**	**579,483**	32.7
Depreciation expenses	54,578	59,606	53,701	36,594	**33,578**	**431,927**	(8.2)
At the year end:							
Total assets	¥1,258,430	¥1,163,173	¥ 987,077	¥ 978,343	**¥ 900,420**	**$ 11,582,454**	(8.0)%
Net assets	569,221	428,483	249,266	310,809	**309,914**	**3,986,545**	(0.3)
Interest-bearing debt	229,755	349,203	399,942	322,443	**274,721**	**3,533,844**	(14.8)
Ratios:							
Operating income margin (%)	7.2	3.0	(5.4)	4.0	**4.2**		
Return on equity (%)	14.2	0.4	(71.2)	7.5	**9.7**		
Equity ratio (%)	42.1	33.9	21.5	28.0	**31.2**		
Price/earnings ratio (times)	10.9	144.0	—	23.8	**12.6**		
Debt/equity ratio (%)	43.3	88.5	188.3	117.6	**97.8**		

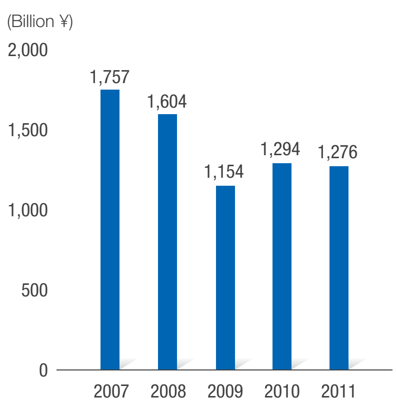
	Yen					U.S. dollars	% change
Per share amounts:							
Net income — basic	¥ 248.81	¥ 6.47	¥ (755.92)	¥ 55.50	**¥ 77.23**	**$ 0.99**	39.2%
Net income — diluted	248.73	6.47	—	55.50	**77.23**	**0.99**	39.2
Net assets	1,851.81	1,377.81	743.04	785.61	**804.26**	**10.35**	2.4
Cash dividends	41.00	25.50	0.00	0.00	**15.50**	**0.20**	—

	Millions of yen, except per share data					Thousands of U.S. dollars, except per share data	% change
Share performance (at the year end)**:**							
Price per share (yen and U.S. dollars)	¥ 2,705	¥ 932	¥ 1,166	¥ 1,323	**¥ 974**	**$ 12.53**	(26.4)%
Market capitalization	774,516	266,899	333,300	461,855	**340,018**	**4,373,784**	(26.4)

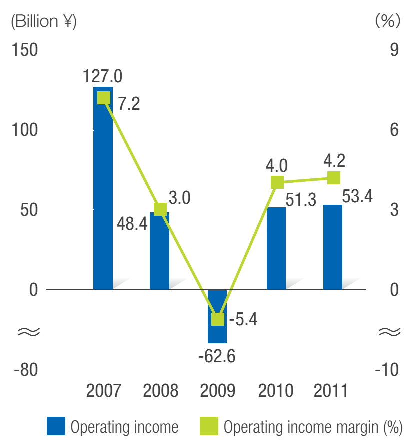
	Persons					% change
Other data (at the year end)**:**						
Number of shareholders	26,948	35,156	30,013	31,615	**32,259**	2.0%
Number of employees	46,850	49,761	49,994	52,184	**54,677**	4.8

Notes • U.S. dollar amounts are translated solely for convenience at ¥77.74 = U.S.$1.00, the rate of exchange prevailing at December 31, 2011. (See Note 6 in the Notes to Consolidated Financial Statements.)
• References to fiscal years are to 12-month periods commencing on January 1 and ending on December 31.
• With regard to amounts stated in million yen units, amounts less than ¥1 million are truncated. For amounts stated in 0.1 billion or billion yen units, amounts less than ¥0.1 billion or ¥1 billion, respectively, are rounded off.

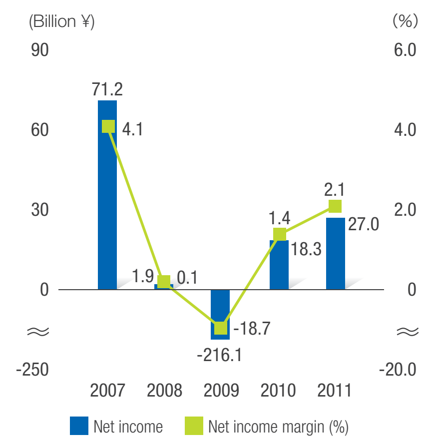
Net sales



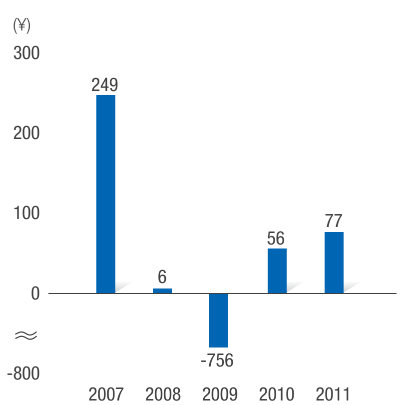
Operating income and operating income margin



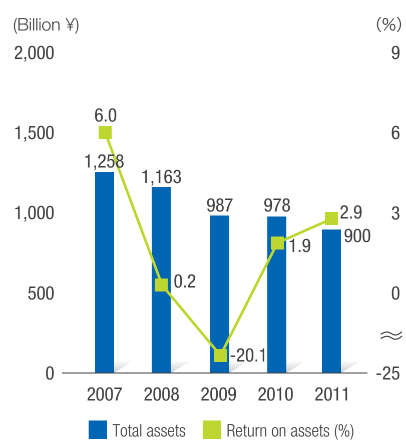
Net income and net income margin



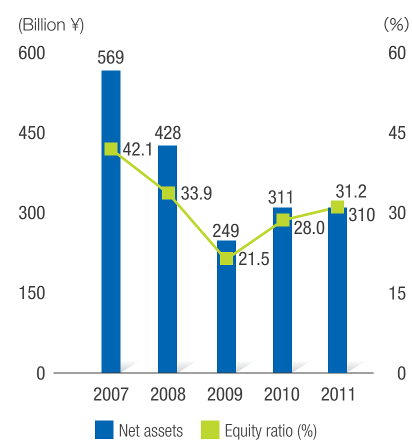
Net income per share



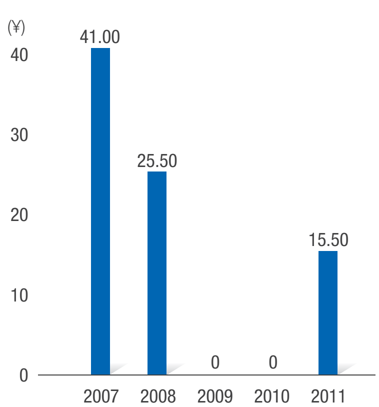
Total assets and return on assets



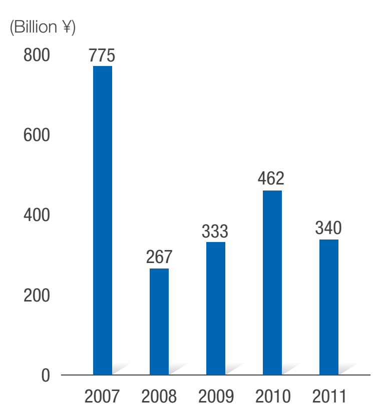
Net assets and equity ratio



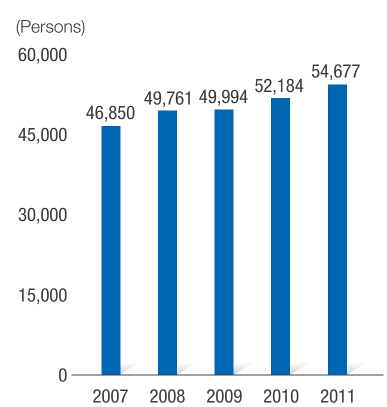
Cash dividends per share



Market capitalization



Number of employees



Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2010 and 2011

Motorcycle unit sales by market

	Thousand units 2010	Thousand units **2011**	% change 2011/2010
Japan	99	**101**	2.4%
North America	53	**64**	20.8
Europe	227	**185**	(18.5)
Asia Note	6,084	**6,059**	(0.4)
Other areas	497	**573**	15.2
Total	6,960	**6,982**	0.3%

Note Excluding Japan

Sales by market

	Motorcycle business			Marine products business			Power products business		
	Millions of yen		% change	Millions of yen		% change	Millions of yen		% change
	2010	**2011**	2011/2010	2010	**2011**	2011/2010	2010	**2011**	2011/2010
Japan	¥ 37,752	**¥ 37,047**	(1.9)%	¥ 22,085	**¥ 23,483**	6.3%	¥ 10,880	**¥ 13,261**	21.9 %
North America	34,062	**35,602**	4.5	67,672	**74,972**	10.8	53,843	**49,298**	(8.4)
Europe	112,782	**91,150**	(19.2)	34,250	**36,031**	5.2	19,239	**19,866**	3.3
Asia Note	609,254	**594,147**	(2.5)	9,708	**11,583**	19.3	6,288	**5,777**	(8.1)
Other areas	120,358	**129,607**	7.7	33,424	**32,858**	(1.7)	12,717	**12,053**	(5.2)
Total	¥914,211	**¥887,556**	(2.9)%	¥167,141	**¥178,929**	7.1%	¥102,968	**¥100,257**	(2.6)%

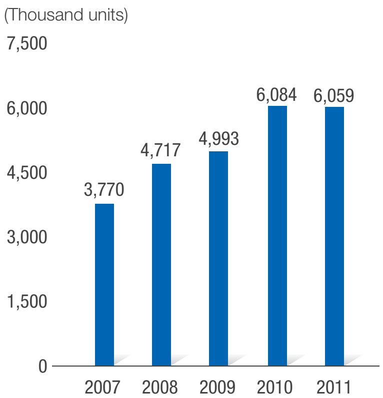
	Industrial machinery and robots business			Other products business		
	Millions of yen		% change	Millions of yen		% change
	2010	**2011**	2011/2010	2010	**2011**	2011/2010
Japan	¥13,958	**¥15,779**	13.0 %	¥ 57,701	**¥ 56,931**	(1.3)%
North America	1,058	**1,458**	37.7	38	**27**	(29.2)
Europe	2,448	**3,060**	25.0	1,650	**637**	(61.4)
Asia Note	16,983	**13,819**	(18.6)	2,645	**2,893**	9.4
Other areas	309	**208**	(32.5)	13,014	**14,600**	12.2
Total	¥34,758	**¥34,326**	(1.2)%	¥75,051	**¥75,089**	0.1%

Note Excluding Japan

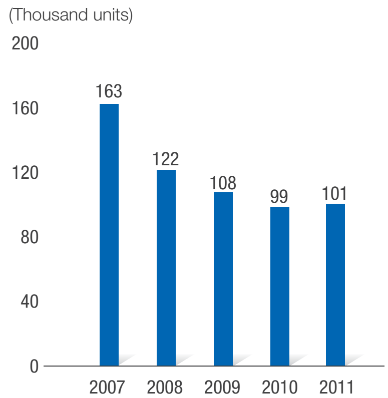
Motorcycle unit sales

Years ended December 31

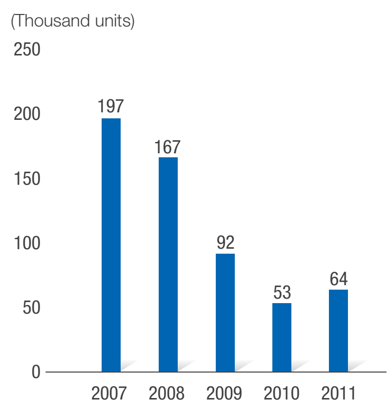
Asia



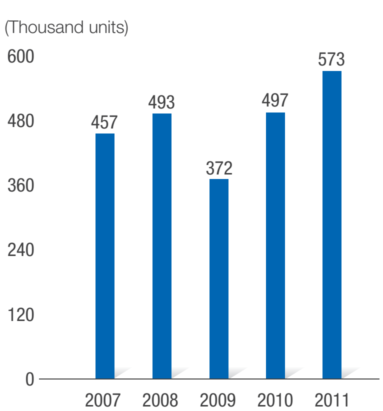
Japan



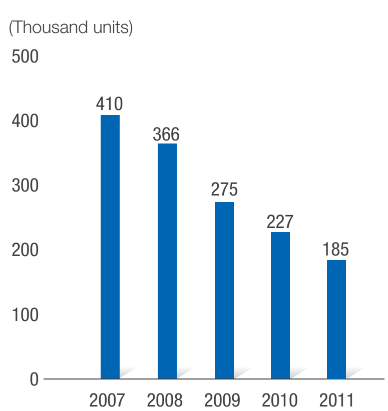
North America



Other areas



Europe

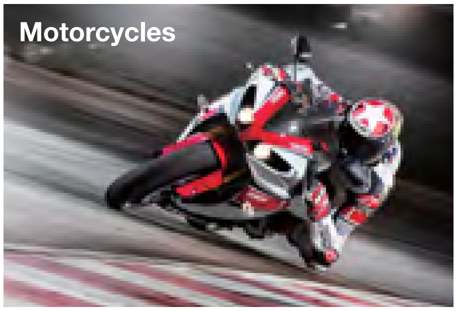


Operating Performance

Fiscal Year in Review

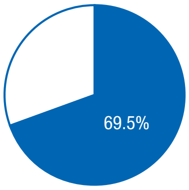
Year ended December 31, 2011

Motorcycles

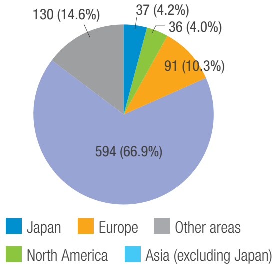

YZF-R1

Major products:
Motorcycles, knockdown parts for overseas production and intermediate parts for products

% of net sales



Sales by market (Billion ¥)

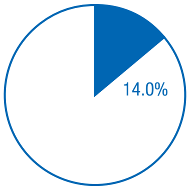


Marine Products

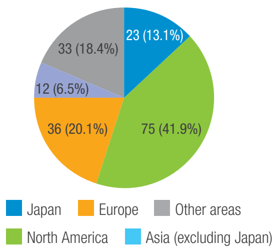

SR310

Major products:
Outboard motors, personal watercraft, boats, FRP pools, fishing boats, utility boats and diesel engines

% of net sales



Sales by market (Billion ¥)

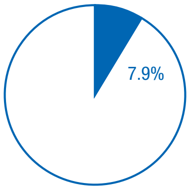


Power Products

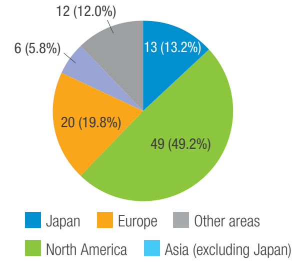

YFZ450R

Major products:
All-terrain vehicles, side-by-side vehicles, snowmobiles, golf cars, generators, small-sized snow throwers and multi-purpose engines

% of net sales



Sales by market (Billion ¥)

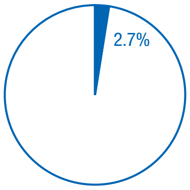


Industrial Machinery and Robots

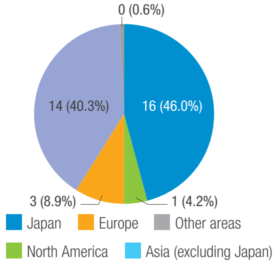

YS24

Major products:
Surface mounters, industrial robots and electrically powered wheelchairs

% of net sales



Sales by market (Billion ¥)

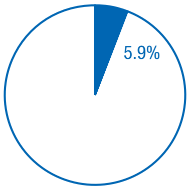


Other Products

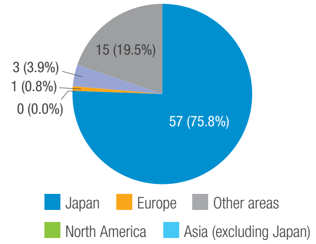

PAS

Major products:
Automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters

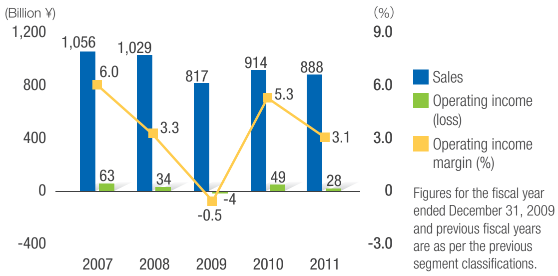
% of net sales



Sales by market (Billion ¥)



Operating results



Business review:

In developed markets, unit sales for the fiscal year ended December 31, 2011 ("fiscal 2011") rose in Japan and North America, but net sales declined as a result of the yen's appreciation. In the ASEAN market, sales grew in line with increased unit sales in Vietnam and India, but both unit sales and net sales declined in Indonesia and Thailand because of production disruptions caused by the flooding in Thailand.

As a result, net sales for fiscal 2011 declined ¥26.7 billion, or 2.9%, from fiscal 2010, to ¥887.6 billion, and operating income declined ¥21.0 billion, or 43.2%, to ¥27.6 billion.

Reference Information
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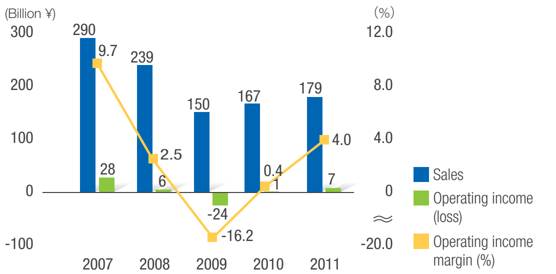
Operating results



Business review:

The outboard motor business saw business results in developed markets recover on an increase in unit sales, as demand bottomed out in North America, and on demand for earthquake recovery efforts in Japan. The Russian, Central and South American, and Asian markets remained strong as well.

As a result, net sales in fiscal 2011 rose ¥11.8 billion, or 7.1%, to ¥178.9 billion, and operating income grew ¥6.3 billion, or 846.1%, to ¥7.1 billion.

Reference Information
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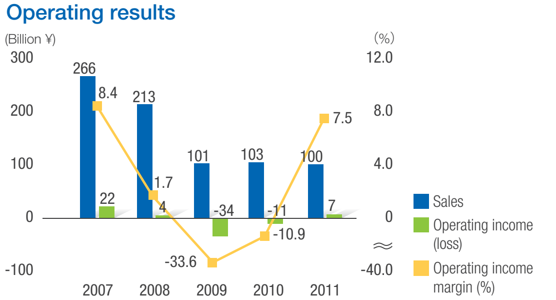
Operating results



Business review:

Although unit sales of ATVs declined in North America from a continued decrease in demand, unit sales of generators rose.

As a result, fiscal 2011 net sales declined ¥2.7 billion, or 2.6%, to ¥100.3 billion, while operating income improved by ¥18.7 billion, to a ¥7.5 billion operating profit, compared with the previous fiscal year's ¥11.3 billion operating loss.

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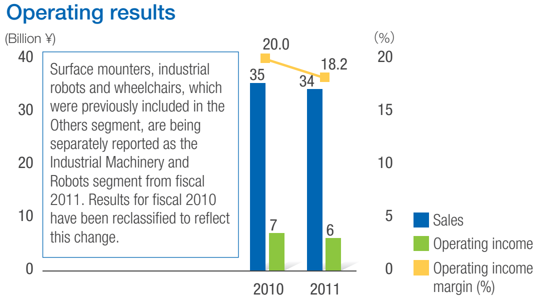
Operating results



Business review:

The industrial machinery and robots business experienced a decline in sales of surface mounters, as concerns of a slowdown in the European and North American economies led to curtailed demand for capital investment in China from the third quarter.

As a result, fiscal 2011 net sales declined ¥0.4 billion, or 1.2%, to ¥34.3 billion, with a ¥0.7 billion, or 9.9%, decrease in operating income, to ¥6.3 billion.

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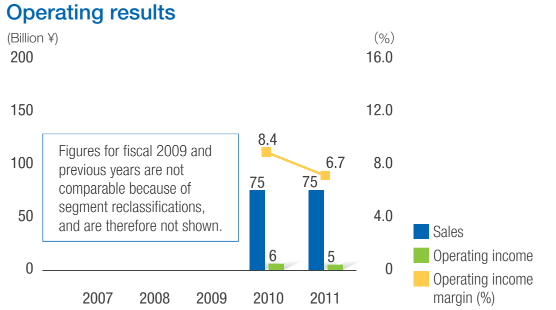
Operating results



Business review:

Sales of automobile engines declined from the impact of the earthquake, but sales of electrically power assisted bicycles grew on increased product competitiveness.

As a result, fiscal 2011 net sales were roughly flat with the previous fiscal year, growing 0.1%, to ¥75.1 billion, while operating income declined ¥1.3 billion, or 20.6%, to ¥5.0 billion.

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Hiroyuki Yanagi
President, Chief Executive Officer
and Representative Director

Takaaki Kimura
Senior Managing Executive Officer
and Representative Director

To Our Stakeholders

Moving forward with structural reforms and management foundation reform to strive for continuous growth, the Yamaha Motor group is a "*Kando** Creating Company" and an excellent engineering, manufacturing and marketing enterprise with a prominent presence in the global market.

Consolidated results for the fiscal year ended December 31, 2011 (fiscal 2011) showed profit growth on lower sales, with net sales of ¥1,276.2 billion, operating income of ¥53.4 billion and net income of ¥27.0 billion. These results illustrate that we were able to post a solid recovery despite the negative effects of the European economic crisis, an extremely strong yen, the Great East Japan Earthquake and flooding in Thailand. In addition to increased sales of motorcycles and marine products in emerging markets, these efforts also demonstrate the success of our acceleration in laying a foundation for a V-shaped recovery in results and stabilization of a profitable structure, by focusing on and jointly addressing a number of issues, and using our comprehensive group strength for structural reforms and management foundation reform, with the aim of management reorganization.

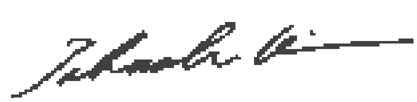
As an expression of thanks to our stakeholders for their support, and based on the judgment that progress in structural reforms made during the year is leading to improved earnings and a stronger financial position, we are pleased to announce that we are reinstating the dividend in the amount of ¥15.5 per share.

The fiscal year ending December 31, 2012 is the final year under our medium-term management plan. Along with managing the Company in an operating environment in which the yen's extreme appreciation is expected to continue, we are formulating the next medium-term management plan with a view toward expanding our global business scale, building a balanced financial structure, and augmenting our corporate strength through functional innovation and globalization. Through further structural reforms and by accelerating the investment of management resources for future growth, we have made a firm decision to move from a management phase of "a V-shaped recovery in results and stabilization of a profitable structure" to "increasing corporate value through sustainable growth."

By approaching our challenges looking forward, outward and upward as a group, the Yamaha Motor group is making every effort to meet the expectations of all of our stakeholders. We would like to sincerely thank you for your guidance and support.

April 2012

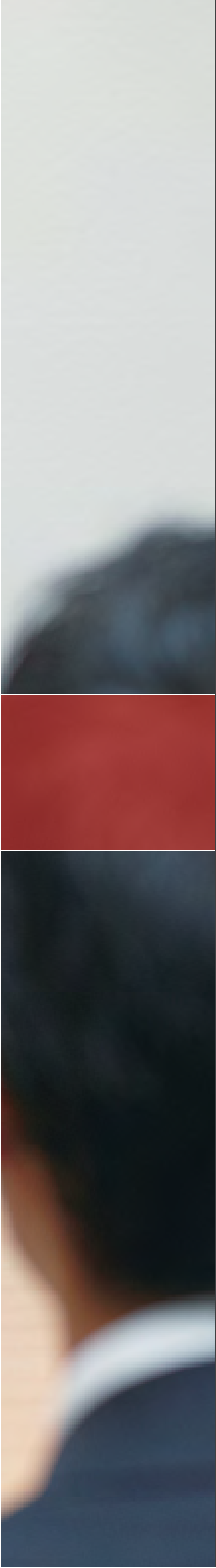
Hiroyuki Yanagi
President, Chief Executive Officer
and Representative Director



Takaaki Kimura
Senior Managing Executive Officer
and Representative Director

* *Kando* is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value.

INTERVIEW WITH THE PRESIDENT



Striving to increase corporate value by expanding our business scale, improving our financial strength and augmenting our corporate strength as a global engineering, manufacturing and marketing enterprise

The following is an interview with President Hiroyuki Yanagi on the following topics:

Fiscal 2011 Results

- Overview of operating environment and business results

Progress in Structural Reforms

- Progress in structural reforms in fiscal 2011
- Main business activities in fiscal 2011
- Activities in new growth categories

Next Medium-Term Management Plan

- Position in fiscal 2012, and issues to be carried over to the next medium-term management plan
- “Looking forward, outward and upward”
- Measures to expand business scale
- Management issues for improving financial strength and augmenting corporate strength
- Other measures pertaining to management issues in fiscal 2012
- Financial measures to address the yen’s prolonged appreciation
- Measures to strengthen the Company in terms of human resource development
- Countermeasures to address risks from earthquakes, flooding and other natural disasters
- Aspirations for “increasing corporate value through sustainable growth”

Fiscal 2011 Results

Q1

Please give us an overview of the operating environment and business results for fiscal 2011.

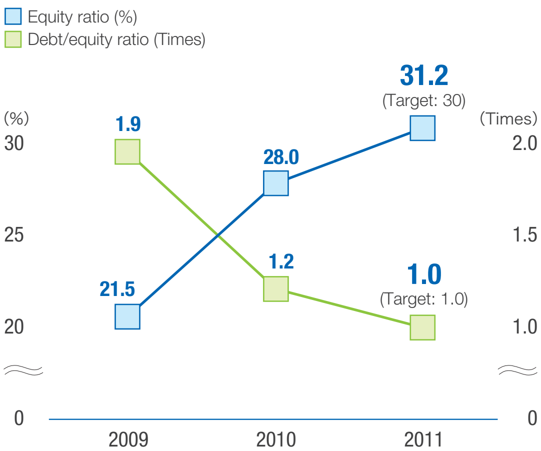
Business results recovered, supported by increased sales of motorcycles and outboard motors in emerging markets, and progress in structural reforms.

Overall, the global economy presented a difficult operating environment for Yamaha Motor's developed market business in 2011. Although the United States showed signs of a recovery in the second half of 2011, the Greek debt crisis had a major negative impact on the overall real economy in Europe; and as Japan was rebuilding from the Great East Japan Earthquake, the economy was also adversely affected by further appreciation of the yen.

In our emerging market business, however, although the damage from the flooding in Thailand had a negative effect in Thailand and Indonesia, demand for motorcycles and outboard motors continued to grow in markets such as Vietnam, India, and Central and South America. This development absorbed the negative impact of the yen's appreciation, higher prices for raw materials and the earthquake, and, as a result, the Yamaha Motor group's consolidated net sales in 2011 totaled ¥1,276.2 billion, for a 1.4% decline from 2010.

In terms of profit, the positive effect of sales growth and cost reductions from structural reforms more than offset the negative impact from the stronger yen and higher material prices, resulting in operating income of ¥53.4 billion, for a 4.1% increase from 2010, ordinary income of ¥63.5 billion, a 4.0% decline, and a 47.3% increase in net income, to ¥27.0 billion.

Fiscal 2012 targets achieved one year ahead of schedule



Looking at our financial position, our debt/equity ratio improved by 0.2 percentage point, to 1.0, and the equity ratio rose 3.2 percentage points, to 31.2%. With the aim of moving from a V-shaped recovery in results to the stabilization of a profitable structure, the medium-term management plan sets targets of an equity ratio of 30% and debt/equity ratio of 1.0, and we were able to achieve these targets one year ahead of our original schedule. Based on this performance, we have determined that our financial position has been strengthened, and we have restored the dividend in the amount of ¥15.5 per share.

At the same time, with the continued appreciation of the yen during 2011 resulting in actual exchange rates of ¥80/U.S. dollar and ¥111/euro, the operating income margin was held to 4.2%, falling short of our earnings target of an operating income margin of 5%. As we transition to our next medium-term management plan, we recognize that this extremely strong yen situation appears set to continue, and that addressing this is an important issue for our businesses. In 2012, therefore, we will improve our financial position by strengthening our market competitiveness in emerging markets to expand our business scale, and carrying out further structural reforms in developed markets.

Progress in Restructuring

Q2

Please tell us about the progress made in structural reforms during fiscal 2011.

▶ Progress in structural reforms

Consolidating to 10 factories/18 units
Targets for fiscal 2014: 7 factories/14 units

▶ Cost reduction target: 86% achieved

Raising target through 2012 to ¥75 billion (Having already achieved 86% of target as of 2011)

Further cost reductions are being pursued through measures including the reorganization of the domestic manufacturing layout.

The medium-term management plan outlines a management shift from being "market size-dependent" to "break-even point" operations. To achieve this, we are consolidating our manufacturing layout in Japan from 12 factories/25 units in 2009 to seven factories/14 units by 2014, with the aim of restructuring our developed market operations to be profitable even with domestic manufacturing of 200 thousand motorcycles, 230 thousand outboard motors and 100 thousand ATVs. During 2011, we completed the integration of motorcycle engine and body assembly, and transferred production of the two main ATV models to the United States, thereby consolidating the domestic manufacturing layout to 10 factories/18 units.

With a focus on PRO-10 (cost reduction) activities, we have reviewed the scope of potential cost reductions and raised our target through 2012 to ¥75 billion from ¥60 billion, and as of 2011 our achievement of this target reached 86%.

As a step toward globalizing our engineering, manufacturing and marketing functions, the India Procurement Center was established in India in January 2012. With integrated procurement centers in four regions—Japan, ASEAN, China and India—and maintaining an integrated parts procurement function based on technology, procurement, manufacturing and working with vendors, we have created a global parts supply structure for engineering, manufacturing and marketing that is competitive in markets around the world.

Q3

What were Yamaha Motor's main business activities in fiscal 2011?

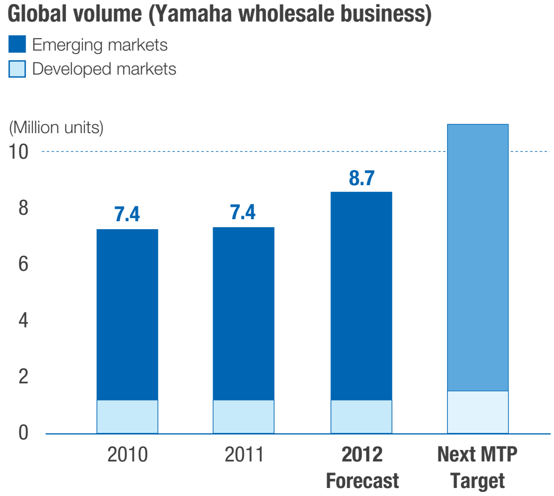
Against a backdrop of solid demand in emerging markets, we expanded our business on a global scale.

Our motorcycle unit sales in developed markets declined 7.3% in 2011, to 370 thousand units, owing to a decline in Europe as a result of the economic crisis, and despite a recovery in the United States following the previous year's correction of market inventory levels and growth in Japan on earthquake reconstruction demand. The outboard motor business saw the decline in demand in the United States bottom out; and in Japan, reconstruction demand following the earthquake led to increased demand for fishing and utility boats, generators and electrically power assisted bicycles.

In emerging markets, our motorcycle unit sales rose 0.8%, to 6.61 million units. Although production in Indonesia and Thailand declined from the effects of the flooding in Thailand, unit sales grew in Vietnam, India, and Central and South America. In India, the Yamaha brand gained popularity, particularly in the deluxe segment, and unit sales grew significantly, to 340 thousand units delivered domestically and 170 thousand units exported. Sales at the outboard motor business grew on robust demand in Asia, Russia, and Central and South America.

As a result, despite the adverse operating environment caused by the European economic crisis and the flooding in Thailand, the Yamaha Motor group's total motorcycle unit sales reached a record 6.98 million units, and total unit sales including marine products and power products grew slightly, by 0.8%, to 7.42 million units. I believe this expansion of the global scale of our business, despite a difficult operating environment, represents solid progress on the issue of structural reform under the medium-term management plan.

Global volume (Yamaha wholesale business)



Q4

Please tell us about Yamaha Motor's activities in new growth categories in fiscal 2011.

Our businesses that anticipate the future of engineering, manufacturing and marketing are showing steady growth.

The Yamaha Motor group has identified the three facets of "creating fulfilling lifestyles," "creating enjoyment in personal mobility" and "creating innovative technologies that harmonize with people, the Earth and society" in our engineering, manufacturing and marketing as a vision for future growth from 2010 to 2020—and we are accelerating our development and investment toward the achievement of this scenario.

During 2011 we worked aggressively to expand our businesses in new growth categories. In the industrial machinery and robot business, we established sales companies in Europe and the United States to strengthen our marketing of surface mounters. The generator business established an integrated production layout for generators and multipurpose engines in China, and going forward we will enter the Indonesian market utilizing our motorcycle sales network.

I would especially like to mention the Smart Power* business, which is "creating enjoyment in personal mobility." Domestic unit sales of completed PAS Electrically Power Assisted Bicycles grew by double digits in 2011, to 110 thousand units, and total unit sales of the EC-03 Electric Commuter Vehicle, released in September 2010, reached 2,000 units in December 2011. We also intend to enter the Australian pest control market with our industrial-use unmanned helicopters. These are some of the ways in which we continue to expand in a variety of new growth categories related to control electronic technologies and electric power drives.

*Smart Power: New power sources, primarily for electric vehicles, designed to create a new paradigm of mobility

For more information
please refer to page 32

Next Medium-Term Management Plan

Q5

Where are you positioned in fiscal 2012, and what issues will be carried over to the next medium-term management plan?

We will work to expand our business scale, improve our financial strength and augment our corporate strength.

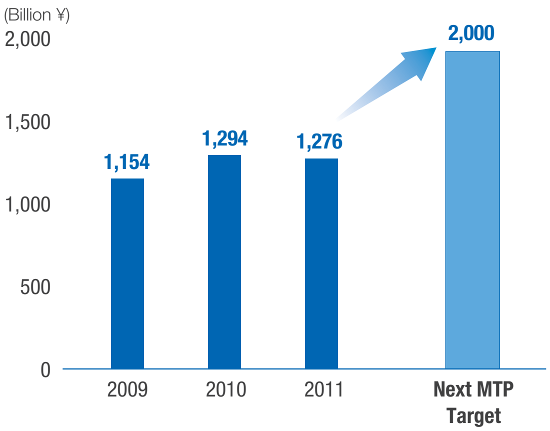
During 2012 we plan to aggressively introduce new motorcycle models and increase sales of outboard motors and other marine products in emerging markets, and we are forecasting a 9.7% increase in net sales from 2011, to ¥1,400 billion. In terms of profit, however, in addition to increased research and development expenses for future growth, we expect continued impact from the strong yen, and are forecasting a 15.7% decline in operating income, to ¥45 billion.

Since recording a large loss in 2009, we are at a stage of moving from a V-shaped recovery in results to the stabilization of a profitable structure under the current medium-term management plan. We have made steady a progress in structural reforms to build a sound management base and have successfully returned to profitability on a consolidated basis and have restored the dividend. We have also achieved the financial targets of an equity ratio of 30% and debt/equity ratio of 1.0 one year ahead of our original schedule. That said, with the yen remaining extremely strong, we have not been able to achieve the target of an operating income margin of 5%, and we will carry this over as an issue in the next medium-term management plan.

Under the next medium-term management plan, which will cover the three-year period from 2013 to 2015, we will aim to “increase corporate value through sustainable growth.” By increasing new model launches in 2014 by 50% compared with 2011, under the next medium-term management plan we will address the issue of moving forward in our corporate management by working to expand our business scale to “net sales of ¥2 trillion”; improve our financial strength through management that balances investments, earnings and returns to shareholders; and further augment our corporate strength through innovation and globalization in business functions.

From this foundation, we will approach our work from 2012 by promoting a mindset of “looking forward, outward and upward,” and begin to shift from managing on a daily operational level to expanding our business scale, improving our financial strength and augmenting our corporate strength.

Targeting ¥2 trillion in net sales



Q6

Please tell us more about "looking forward, outward and upward."

This expresses our determination to ensure sustainable growth and to increase our value as an engineering, manufacturing and marketing enterprise.

"Looking forward" expresses an increased awareness of the vector in our corporate activities of moving from "a V-shaped recovery in results to the stabilization of a profitable structure" to "increasing corporate value through sustainable growth." With each group employee approaching their daily activities with a mindset of expanding our business scale, improving our financial strength and augmenting our corporate strength, we will secure the strong potential that will bring about sustainable growth, and that in itself will increase Yamaha Motor's corporate value.

"Looking outward" means placing the ultimate priority on the customer (market) as the source of our engineering, manufacturing and marketing, and concentrating the focus of our work on creating value for customers. This will lead to increased value as a global company.

"Looking upward" refers to an attitude of not being content with past achievements, and continuously taking up the challenge of even higher goals. The success we achieved in 2011 in moving from a V-shaped recovery in results to the stabilization of a profitable structure is only a transitory point. The Yamaha Motor group will take up the spirit of challenge that has been at the core of the group since its founding, and work toward increasing corporate value through sustainable growth.

Q7

What measures are being taken to expand the scale of Yamaha Motor's business?

SSV: side-by-side vehicle
ATV: all-terrain vehicle

We are outlining growth scenarios for each respective business, with the aim of growing in scale to net sales of ¥2 trillion.

As we aim for a scale of ¥2 trillion in net sales, it is first necessary to achieve our budgets. In addition, as we transition to the next medium-term management plan, we are classifying our current businesses into five categories: (1) expansion in scale and higher earnings in motorcycles in emerging markets, marine engines and parts; (2) expansion in scale and development in the intelligent machinery, the Smart Power vehicle, the unmanned aerial vehicle, the pool and the automotive businesses; (3) expansion in scale and market development in power products, motorcycles in Africa, among other products; (4) business improvement to achieve profitability in snowmobiles, personal watercraft, golf cars and boats; and (5) vitalization for profitability in motorcycles in developed markets and SSVs/ATVs. Each business has begun to work toward the achievement of these goals by outlining scenarios based on "why and how."

Q8

What management issues are being addressed to improve Yamaha Motor's financial strength and augment its corporate strength?

We are improving our financial strength through management that balances investments, earnings and returns to shareholders to support sustainable growth. We are augmenting our corporate strength through the innovation of corporate functions from eight perspectives in pursuit of the Yamaha spirit.

I see three issues with regard to improving our financial strength.

First, we will continue with the structural reforms begun under the current medium-term management plan and move forward to a next stage of cost reductions and reorganization of our domestic manufacturing layout.

Next, we will transform management by reorganizing our management in India, achieving profitability on a non-consolidated basis, and restructuring our developed market operations.

And finally, we will address such financial indicators as ROA and ROE.

Through these activities, we will strengthen our financial position through balanced management of investments, earnings and returns to shareholders to support sustainable growth.

At the same time, we will work to increase corporate value through innovation in the eight functions of technology, procurement, manufacturing, marketing, administration, human resources, design, and quality and safety, while placing a primary emphasis on strengthening our global competitiveness as we pursue further globalization.

Q9

What do you see as other management issues for 2012?

We are also addressing "technology management" and "design."

In terms of "technology management," we will establish a new Technology Management Committee to set a companywide technology policy and strategy, and determine what resources (human resources, physical assets, capital) to invest. Next, we will establish a Technology Committee as a forum for sharing development progress and information on individual themes like next-generation engines, Smart Power, controls, materials and manufacturing technologies, and from this foundation we will work to create a structure that is highly motivating and encourages superior performance.

In addition, the newly established Design Center will pursue an integrated brand identity incorporating product creation, interaction with customers and public relations, so that the concept of Yamaha design is consistent throughout the group's activities.

Q10

What financial measures are you taking to address the yen's prolonged appreciation?

We continue to pursue an earnings structure that can achieve profitability at ¥77/dollar and ¥100/euro.

We expect the situation of an extremely strong yen to continue, and are forecasting net sales of ¥1,400 billion with ¥45 billion in operating income in fiscal 2012, based on exchange rate assumptions of ¥77/dollar (an appreciation of ¥3 compared with 2011) and ¥100/euro (an appreciation of ¥11 compared with 2011).

As business responses to the extremely strong yen, we intend to increase new model launches by 50% in 2014 compared with 2011, accelerate research and development and capital investment, and strengthen our product competitiveness. We will also work to thoroughly reduce costs by increasing the percentage of parts procured overseas for domestic production to 30%, and expanding the lineup of global models produced overseas. Our third response will be to develop technology strategies and develop basic technologies at the Head Office while shifting management closer to overseas markets, globalizing business functions and strengthening our market competitiveness, which will include shifting some product development functions to the ASEAN Integrated Development Center that will be commencing operations this spring. Finally, we will explore ways to further streamline our business in developed markets to improve profitability as this unprecedented environment of an extremely strong yen continues.

Q11

What measures are being taken to augment corporate strength in terms of human resource development?

Global Executive Committee holding its first meeting, April 2012

We are developing human resources that will form the basis for the creation of a global management framework.

Human resources are the most important management resource for supporting the expansion of our global business scale. Currently we have 77 overseas bases with local staff accounting for approximately 50% of management, and in the future I would like to increase this figure to 80%.

We have established a Global Executive Committee to ensure that Japanese and local managers share common management policies and actively address global issues, and we are setting up a Global Executive Program to cultivate global managers among both Japanese and overseas local staff. We are also proactively working to develop human resources who can operate globally by expanding our training programs for Japanese staff at various levels in the Company. This will include overseas business trips for all staff within four years of their joining the Company, programs including overseas postings to gain international experience, and strengthening our program of overseas study and training.

Q12

What countermeasures are being taken to address risks from earthquakes, flooding and other disasters?

We are reviewing our damage scenarios and formulating Business Continuity Plans.

Looking back at the Great East Japan Earthquake and the flooding in Thailand in 2011, we realize that damage from natural disasters is unavoidable. Therefore, we have identified priority businesses and urgently formulated Business Continuity Plans (BCPs) for the early restoration of operations at these businesses. Our next step going forward will be to formulate BCPs for business partners.

The BCPs include both a reorganization of our manufacturing layout based on simulations of damage from natural disasters and ¥2 billion of investments for the establishment and implementation of a backup structure for parts supplies. These plans will therefore also contribute to “increasing corporate value through sustainable growth.”

Q13

What are your aspirations for "increasing corporate value through sustainable growth"?

We are striving to increase our value as an "excellent engineering, manufacturing and marketing enterprise with a prominent presence in the global market."

Under our current medium-term management plan, the Yamaha Motor group has been pursuing structural reforms and management foundation reform to establish a base from which to move from "a V-shaped recovery in results to the stabilization of a profitable structure." Nevertheless, I firmly believe that fulfilling our Corporate Mission of "offering new excitement and a more fulfilling life for people all over the world" to achieve sustainable growth embodies the corporate value that Yamaha Motor presents to its stakeholders as a "*Kando* Creating Company."

The Yamaha Motor group is built on a strong organization of individuals who carry out tasks based on the action guidelines of "Acting with Speed," a "Spirit of Challenge" and "Persistence," and through transparent management we will maintain a relationship of trust with our stakeholders. We will strive to increase corporate value through global expansion of scale and sustainable growth, as a group organized around an "excellent engineering, manufacturing and marketing enterprise with a prominent presence in the global market."

SPECIAL FEATURES

SPECIAL FEATURE 1

Enhancing Presence in Emerging Markets through Engineering, Manufacturing and Marketing

Accelerating strategy for quantitative and qualitative growth in emerging markets

The Yamaha Motor group views the ASEAN* market, with its continued solid growth, and India, where demand is showing steady growth, as important strategic zones for the growth of our emerging markets business, and we are pursuing a strategy for quantitative and qualitative growth focusing on these two markets. As an engineering, manufacturing and marketing enterprise, Yamaha Motor is pursuing original product, sales, development and procurement strategies to establish a predominant presence in emerging markets as a "*Kando*** Creating Company."

* Yamaha Motor's ASEAN market comprises Indonesia, Thailand, Vietnam, the Philippines and Malaysia.

** *Kando* is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value.

Mio J

JKT48 is the celebrity face of the Yamaha Motor brand in Indonesia (and is the Jakarta-based sister group of the Akihabara-based female idol group AKB48).

YZF-R15

ASEAN

Creating confidence as an engineering, manufacturing and marketing enterprise

Shifting to FI in all ASEAN market models

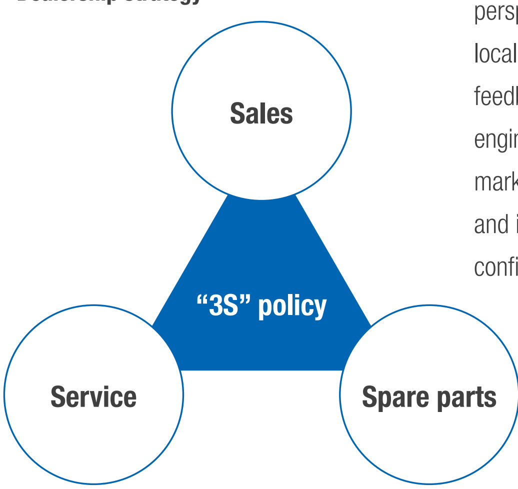
High gasoline prices make improving fuel economy a major key to gaining the support of customers in the ASEAN market. The Yamaha Motor group is accelerating the shift from conventional carburetor models to models equipped with our highly fuel-efficient fuel injection (FI: electronically controlled fuel injection) system. In particular, we are targeting the market's popular scooter category with the introduction of models equipped with the YMJET-FI* system for scooters and commuter vehicles, and in 2012 we expect to have FI models account for roughly 40% of unit sales in the market. Under the next medium-term management plan, we will work to enhance our competitiveness by shifting to FI in all models in the ASEAN market to build further confidence in the Yamaha brand.

* YMJET-FI = Yamaha Mixture Jet-Fuel Injection. A fuel injection system employing an auxiliary air intake passage in addition to the main passage, to provide an "air assist" for more efficient mixing of the air and fuel that helps improve fuel economy in the practical use range.

Fostering confidence in Yamaha through area marketing and the "3S" policy

The Yamaha Motor Group is developing sales channels in the ASEAN market through a "3S" policy of (motorcycle) Sales, (after-sale) Service and (sales of) Spare parts to comprehensively raise the level of customer satisfaction. In addition, given the market's regional differences in culture, tastes, infrastructure and traffic environment, we are posting local sales staff and positioning products for specific areas, to develop a unique structure of area marketing that shares points of appeal and always takes a customer perspective through highly localized activities. This results in feedback that leads to optimal engineering, manufacturing and marketing based on market needs, and is the source of the market's confidence in the Yamaha brand.

Dealership strategy



Unit sales of Yamaha motorcycles in Indonesia, Thailand and Vietnam

Localizing development functions at ASEAN Integrated Development Center

The ASEAN Integrated Development Center commenced operations in February 2012 to promote the globalization of engineering, manufacturing and marketing functions, in order to enhance our business competitiveness and increase earnings.

While Yamaha Motor in Japan will retain responsibility for developing core and advanced technologies for future growth, this center will carry out on-site product development as an integrated development center for manufacturing, purchasing and technologies that address the needs of customers in the local market. The center will reinforce the technological development and procurement functions being performed by Yamaha Motor Asian Center Co., Ltd. (YMAC) in Thailand for motorcycle development and parts procurement. Going forward, the role of this center will be expanded to cover the entire ASEAN region, and similar centers will be built in Taiwan and China to carry out optimal global product development.

PRODUCTS

Indonesia **Mio J**

Achieving superior fuel economy and cost performance at highest level in its class

AT models account for roughly 50% of the Indonesian market, a development that has been driven by Yamaha Motor's Mio series. The Mio J represents an approximately 30% improvement in fuel efficiency compared with the previous Mio model, and was launched to meet the market's need for fuel efficiency.

By incorporating YMJET-FI in a newly developed 115cc engine, the Mio J achieves superior fuel economy and cost performance at the highest level in its class, and is winning over the market with its stylish design and generous storage capacity.

Vietnam **Nozza**

Comfortable, stylish new product targeting women

With women taking an increasingly active role in society, the Nozza was launched in Vietnam in the autumn of 2011 as a product targeting women. Combining a sleek design with a 115cc air-cooled, 4-stroke engine that uses YMJET-FI for superior fuel efficiency, this comfortable vehicle is stylish and convenient, and has proven especially popular among female students and office workers in urban areas.

INDIA

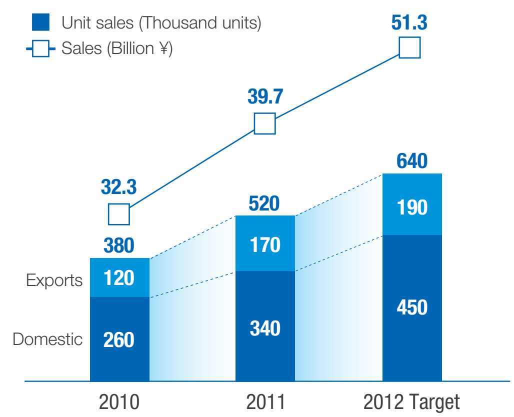
Accelerating growth as an engineering, manufacturing and marketing center

Market growth accelerating on both domestic and overseas demand

The Indian business has been developed as a low-cost manufacturing and procurement center for models for overseas export, but the domestic market is growing as well, with total annual motorcycle demand exceeding 12 million units. In 2011, Yamaha Motor introduced new models in the deluxe segment and our market share increased to 13.4% from 9.7%, as domestic unit sales grew to 340 thousand units and exports rose to 170 thousand units.

In 2012, we intend to expand our domestic sales network, and along with increasing our market share in the deluxe segment, to enter the volume zone of scooters. We also plan to invest ¥12 billion for facilities and equipment to increase our production capacity to the one million unit level, and are targeting domestic unit sales of 450 thousand units and exports of 190 thousand units.

Sales of Yamaha Motor motorcycles in India



India **YZF-R15 (150cc sport model)**

Full-fledged supersport model revolutionizing the market

While India is the world's second-largest market in terms of potential demand, motorcycles are still viewed primarily as a means of commuting. Launched as a model "bred for riding enjoyment," the YZF-R15 has introduced a new concept of motorcycle value to the Indian market. With a 150cc liquid-cooled, 4-stroke engine with FI, and continuing with the popular design of the YZF-R series, this model has become popular among younger customers for its sporty drive and comfortable ride, and has increased Yamaha Motor's share of the deluxe segment.

SPECIAL FEATURE 2

"Feel the Future in the Wind" from Yamaha Motor

Yamaha Motor's message for 2012 is "Feel the Future in the Wind." We pursue the possibilities of "vehicles that move you" in a variety of fields all around the world through our engineering, manufacturing and marketing, which is the first step toward achieving new breakthroughs.

PAS WITH

Y125 MOEGI

PAS WITH

"Feel the Future in the Wind" at the Tokyo Motor Show

Yamaha Motor displayed 20 motorcycles including concept models, and a special exhibit of five models showing the diversity of personal mobility, at the 42nd Tokyo Motor Show (November 30–December 11, 2011, held at Tokyo Big Site). Yamaha Motor's booth at the 2011 show conveyed a message of "Feel the Future in the Wind." This theme expresses a sense of anticipation for "vehicles that move you," which includes the fun and exhilaration, as well as the usefulness and convenience, that motorcycles and other personal mobility vehicles offer, plus the wealth of possibilities the future has in store. Based on this theme, the world premier models of the EC-Miu electric scooter and the PAS WITH Electrically Power Assisted Bicycle were displayed for the very first time, and along with these novel designs, services using Communications-linked, Next-generation Vehicles had wide appeal, stemming from the expectations they raise for next-generation mobility. As a joint exhibit with Toyota Motor Corporation, our partner in this venture, the booth received a great deal of attention.

Visitors showed much interest in the Y125 MOEGI, which combines the Yamaha design philosophy with the familiar look and feel of a bicycle, and the XTW250 RYOKU, an SUV motorcycle that offers superior mobility and convenience. Our presence was further enhanced by a novel sound demonstration using the latest in speaker systems with the help of Yamaha Corporation, with which we share a common brand. More than 840,000 people were moved by Yamaha Motor's message of "Feel the Future in the Wind," as they experienced new possibilities for motorcycles.

Strengthening cooperation with Toyota Motor Corporation

Beginning with the joint development of the Toyota 2000GT, which was released in 1967, Yamaha Motor has had a cooperative relationship with Toyota Motor Corporation. In November 2011, the two companies agreed to further strengthen this cooperation by working together in the new field of building social infrastructure with next-generation mobility, including the development of services using Communications-linked, Next-generation Vehicles.

Communications-linked, Next-generation Vehicles are a tangible step in the new areas of "creating fulfilling lifestyles" and "creating enjoyment in personal mobility" included in Yamaha Motor's vision for future growth. Under this agreement, automobiles and motorcycles will share recharging infrastructure, and by linking to Toyota Motor's TOYOTA Smart Center energy management system, we aim to build a comprehensive information infrastructure and establish new traffic systems like vehicle sharing at an early date. Verification testing is about to begin, with the aim of commercializing vehicles and services that use communications-linked functionality.

Vehicle navigation and telematics services that use smartphones and Wi-Fi communications will be made available for certain Yamaha Motor motorcycles to provide communications-linked services including information on charging-station locations and availability, charging-completion notification, and, in the future, vehicle sharing information such as reservations, recharging confirmation, billing, and so on. The two companies will also work together to expand charging infrastructure, like the "G-Station" charging station to be provided by Toyota Media Service Corporation for use with EVs and PHVs, that can service both motorcycles and automobiles.

TOPICS

Smart Power

EC-03 Zero-Emission Electric Commuter Vehicle

Aiming to create enjoyment in personal mobility, the Yamaha Motor group launched the EC-03 Electric Commuter Vehicle in the Japanese market in September 2010. In addition to a quiet, smooth ride driven by a clean electric motor that emits no exhaust, the design and compact operability distinguish the vehicle from a Class 1 scooter, making it increasingly popular in tourist areas and at resort facilities, as well as being a convenient means of transportation for short distances in urban areas. A total of 2,000 units were delivered from the September 2010 launch through December 2011.

PAS VIENTA Electrically Power Assisted Bicycle
Sporty, casual bicycle mainly targeting women

As an expression of Smart Power that is based on a philosophy of placing “priority on human sensations,” the functionality and specifications of Yamaha Motor’s PAS units for electrically power assisted bicycles have developed over the years, leading to smaller and lighter units with improved battery performance. Launched in September 2011, the PAS VIENTA uses Yamaha Motor’s unique S.P.E.C.8 (Shift Position Electric Control and in-hub 8-speed gear) mechanism for a sporty, responsive ride. The stylish appearance and comfortable build has made the PAS VIENTA popular among women.

Industrial-Use Unmanned Helicopter

RMAX Type Ⅱ G
Contributing to increased efficiency and labor savings in agricultural operations

Yamaha Motor released the world’s first industrial-use unmanned helicopter in 1987. These helicopters have established a solid position in pest control systems, primarily for spraying agricultural chemicals over rice paddies and soy and wheat fields, and the surface area covered by these systems continues to show rapid growth. With small engine and electronic control technologies developed in motorcycles and outboard motors as the core technologies, these helicopters can maintain a stable flight and contribute to improved efficiency and energy conservation in agricultural operations. As the agricultural workforce contracts and ages, these products are indispensable in today’s agriculture for addressing such issues as reducing the cost of agricultural products.

We have also developed the RMAX Auto-Navigating Aerial Vehicle, based on the RMAX line and equipped with an automated control system, and it has earned a solid reputation in the field of agriculture. With a programmable radius of three kilometers, these unmanned helicopters are able to collect information and conduct surveys and measurements in dangerous areas that people or manned helicopters cannot enter. The scope of aerial operations has spread in recent years to a variety of fields involving measuring, monitoring and surveying.

Industrial Machinery and Robots

Z:TA YSM40 Surface Mounter
Achieving industry’s top levels of mounting speed and productivity

The industrial machinery and robot business is a source of increasing expectations for the future. Demand is being driven by mobile information devices like smartphones and tablet computers, and Yamaha Motor will be releasing the Z:TA YSM40 surface mounter, which boasts one of the industry’s highest component mounting speeds, for this market.

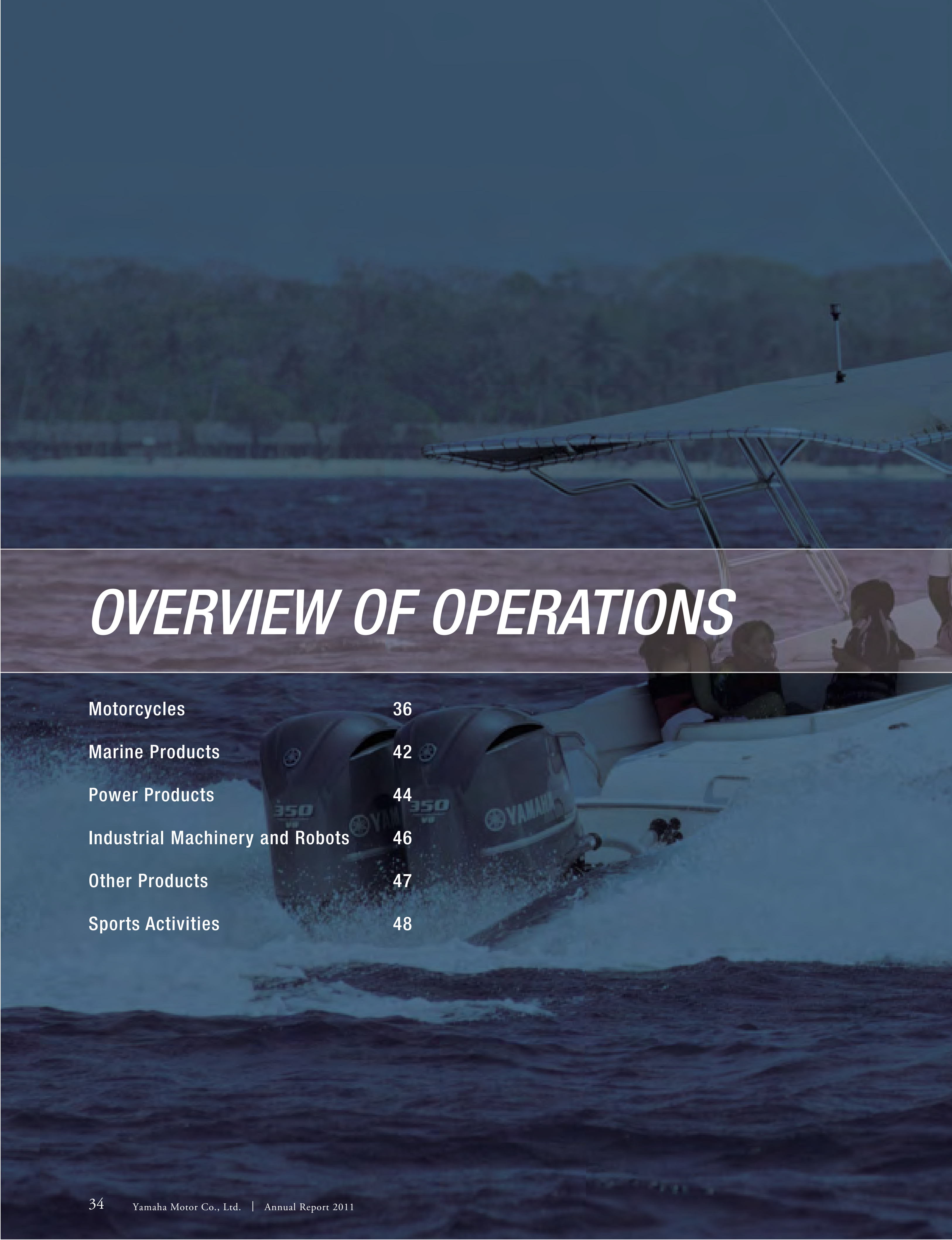
With a 4-stage, 4-head layout and conveyors that allow for a variety of conveyance patterns, this product can mount more than 100,000 components per hour, putting it at the top end of the industry in terms of component mounting capacity. The YSM40 can also be used together with Yamaha Motor’s newly developed ZS Feeder electric-powered tape feeder for continuous, nonstop production. The interchangeable heads provide a high degree of versatility, accommodating a wide range of components from super-small chips to large, odd-shaped components. We expect this product to lead to the growth of the high-speed machinery market, as such production equipment is optimally suited for the small and medium-sized boards contained in the digital electronic machinery equipment that is driving the growth of the surface mounter market.

Generators and Multipurpose Engines

EF1600iS Inverter Generator
Lightweight, compact, retro-modern design

Portable generators sold in Japan are primarily used as a commercial power source, but they received renewed attention as an emergency power source for homes and companies following the Great East Japan Earthquake and the subsequent rolling blackouts. Demand has risen for inverter generators, which provide quality electricity that can be used as a power source for personal computers and precision instruments. Following the March 2011 earthquake, Yamaha Motor provided 500 of its inverter generators to the stricken area.

The EF1600iS uses a very lightweight, small engine and resin parts for a compact design. Although providing a high output of 1.6kVA, this lightweight generator weighs only 20 kilograms. The use of an inverter system provides quality electricity at the same level as a residential power source, making it possible to use the EF1600iS with confidence to run products containing built-in microcomputers or microcomputer-controlled electric tools. In addition to complying with emission standards and running with low noise, this generator boasts 90% recyclability, indicative of Yamaha Motor’s engineering, manufacturing and marketing standards.



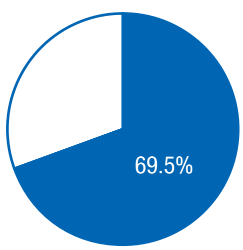
OVERVIEW OF OPERATIONS


Fiancé

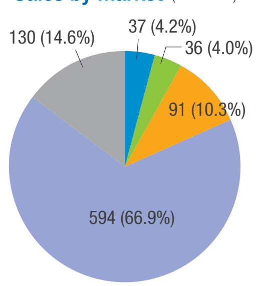
Motorcycles

Motorcycle sales in 2011 declined ¥26.7 billion, or 2.9%, from 2010, to ¥887.6 billion, and accounted for 69.5% of net sales. Operating income declined ¥21.0 billion, or 43.2%, to ¥27.6 billion.

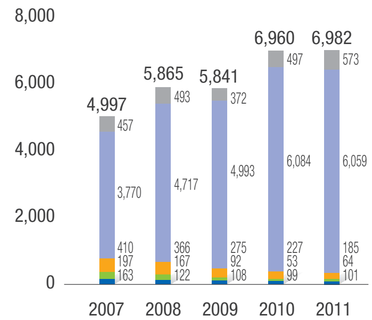
% of net sales



Sales by market (Billion ¥)

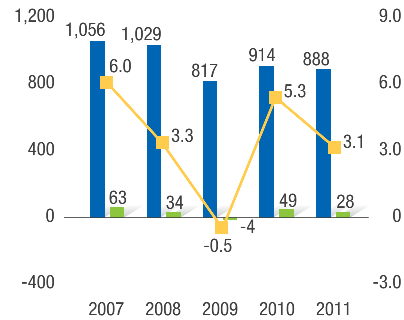


Unit sales
(Thousand units)



Japan North America Europe Asia (excluding Japan) Other areas

Operating results
(Billion ¥) (%)



Sales Operating income (loss) Operating income margin (%)

Figures for the fiscal year ended December 31, 2009 and previous fiscal years are as per the previous segment classifications.

Japan

Class-1 category scooters driving earthquake reconstruction demand

Despite a cooling of consumer sentiment from the effects of the Great East Japan Earthquake and the yen's appreciation, total domestic motorcycle demand in 2011 rose 5.0% from 2010, to 445 thousand units, driven by the Class-1 (50cc and under) scooter category, which received renewed attention for its maneuverability and fuel efficiency in connection with reconstruction demand in the wake of the disaster.

Yamaha recorded solid sales, with growth in demand for the main JOG/JOG Deluxe series in the Class-1 category exceeding demand, and strong sales of customized versions of the standardized AXIS Treet in the Class-2 (51cc–125cc) category. In addition, with increased recognition from heightened environmental awareness, total unit sales of the EC-03 Electric Commuter Vehicle, which Yamaha Motor released in September 2010 as a Smart Power vehicle, totaled 2,000 units in December 2011. As a result, Yamaha Motor's fiscal 2011 domestic sales rose 2.4% from fiscal 2010, to 101 thousand units, and net sales declined 1.9%, to ¥37.0 billion.

With little indication of an improvement in the domestic economy in 2012, the long-term trend of decline in the scooter category is seen continuing, and total domestic motorcycle demand is expected to be 433 thousand units.

Yamaha Motor will work to vitalize the market by introducing limited- and special-edition versions of our main models in each category, such as the YZF-R1 to commemorate the 50th anniversary of our participation in the WGP. We are planning for a 6.0% decline in unit sales, to 95 thousand units.

JOG

X enter 125

Europe

Addressing economic weakness by expanding market territory

Europe experienced a major impact in the real economy in 2011, as the Greek debt crisis spread to neighboring countries. Declines in motorcycle demand continued, especially in Italy and Spain, on weak retail consumption, and total motorcycle demand in Europe contracted 3.2%, to 1,976 thousand units.

Yamaha Motor strove to stimulate demand with the release of 2012 models of the TMAX and “X enter 150” in November 2011. Despite such efforts, dealers held back on their stock procurement due to weak retail consumption coupled with tighter lending standards by European financial institutions. As a result, Yamaha Motor’s unit sales in 2011 declined 18.5%, to 185 thousand units, and net sales were down 19.2%, at ¥91.2 billion. Meanwhile, production adjustments to reduce inventories continued, resulting in inventories being reduced to 57 thousand units as of the end of 2011, from 66 thousand units at the end of 2010.

With the European economic crisis seen continuing for some time and a rapid economic recovery appearing unlikely, the decline in overall motorcycle demand is expected to continue in 2012 with a 4.1% decrease, to 1,896 thousand units.

Yamaha Motor will expand the scooter category to release new 2012 models of the TMAX, primarily to Italy and France, while at the same time entering the HighWheel model segment with the introduction of the “X enter 125.” We are therefore projecting a 3.3% increase in unit sales, to 191 thousand units.

TMAX

North America

Successfully bringing inventories to appropriate levels

The North American market saw a lackluster economic recovery in 2011 on delayed improvements in employment and retail consumption, but signs of improvement in such key economic indicators as the unemployment rate were seen in the second half of the year. Nevertheless, overall demand was roughly flat with the previous year, at 490 thousand units.

The market continues to polarize. On the one hand, sales of higher-priced models to active, older consumers are strong. At the same time, the competitiveness of Japanese motorcycles, which are primarily in the off-road category, lagged among younger consumers, who felt the effects of a decline in purchasing power, the strong yen and higher crude oil prices. The Yamaha Motor group struggled in the cruiser category, with many non current models still in stock, but sales of models like the TW200 and XT250 in the dual purpose category were strong. In addition, our efforts to bring market inventories to appropriate levels were successful, and Yamaha Motor's unit sales rose 20.8% from the previous year, to 64 thousand units, and net sales grew 4.5%, to ¥35.6 billion.

With signs of a bottoming out in 2011, a gradual rebound in overall North American demand is forecast for 2012, with a 3.1% increase, to 505 thousand units. Yamaha Motor will introduce a 50th anniversary color model of the YZF-R1 and YZF-R6, which have competed in the World Grand Prix, while at the same time strengthening sales of the Stryker (1,300cc) in the cruiser category, a model that drives overall demand. We will also strengthen dealer networks and implement more thorough area marketing, and are forecasting a 12.5% increase in unit sales, to 72 thousand units.

Stryker

Asia

Growth able to overcome impact of Thai flooding

Asian (excluding Japanese) motorcycle demand in 2011 grew 4.8%, to 45,529 thousand units, as the benefits of generally stable economic growth more than offset the negative effects of slower growth in China stemming from the European economic crisis, and damage from the flooding in Thailand.

Although Yamaha Motor's 2011 sales declined in Indonesia, Thailand and China from the effects of the flooding in Thailand, growth in Vietnam and India held the overall decline in volume to 0.4%, to 6,059 thousand units, while net sales declined 2.5%, to ¥594.1 billion.

Total demand in 2012 is expected to rise 7.1%, to 48,756 thousand units, against a backdrop of stable economic growth and insufficient social infrastructure.

Yamaha Motor will aggressively introduce new models and work to increase sales, both quantitatively and qualitatively, and we are forecasting an 18.8% increase in unit sales, to 7,197 thousand units.

ASEAN

Preparations for full introduction of FI accelerating

Total motorcycle demand in Indonesia grew 10.6% in 2011, to 8,001 thousand units, reflecting an environment of stable economic growth, the region's population demographic and underdeveloped transportation infrastructure.

Yamaha Motor is implementing a strategy to differentiate itself in this highly competitive market using a "3S" policy—(motorcycle) Sales, (after-sale) Service and (sales of) Spare parts—to comprehensively raise the level of customer satisfaction. In 2011, we achieved solid sales in the Mio series in the automatic transmission (AT) segment, which represents the market's volume zone. Production of some models was affected by the flooding in Thailand in September 2011, however, and our 2011 unit sales declined 5.7%, to 3,136 thousand units, with a 6.8% decline in sales, to ¥328.0 billion.

The Indonesian market is expected to continue to expand in 2012, with a forecast of 8.7% growth, to 8,700 thousand vehicles. Along with our differentiation strategy to increase confidence in Yamaha Motor based on CCS (Customer and Community Satisfaction), we are accelerating the introduction of new models including the Mio J with fuel injection (FI) after a full model change, and the Mio Fino that has proven popular in Thailand, and are forecasting an 18.0% increase in 2012 unit sales, to 3,700 thousand units.

Total 2011 motorcycle demand in the Thai market grew 8.7% from the previous year, to 2,007 thousand units, as a strong economy boosted by solid exports absorbed the economic damage caused by the flooding.

Mio J

Nozza

Yamaha Motor's mainstay product, Fino, an automatic transmission (AT) model, has established strong customer support in the volume-zone AT category. However, with the floods limiting the number of models produced, we were unable to meet the expectations of the market, and our 2011 unit sales declined 6.5%, to 473 thousand units, and net sales declined 9.4%, to ¥71.6 billion.

The Thai motorcycle market is expected to trend flat in 2012, at 2,000 thousand units, and with our own production recovering, we introduced the Mio115i, which is popular in Indonesia, in January 2012. By introducing new models including FI models, and building sales channels, we are aiming for a 26.8% increase in 2012 unit sales, to 600 thousand units.

Growth in the Vietnamese market in 2011 was weakened by the government's anti-inflation policies, but nevertheless total motorcycle demand grew 16.0% from the previous year, to 3,562 thousand units.

Yamaha Motor introduced the 135cc Exciter in the sports moped category, which is represented by Yamaha Motor alone, and our first model targeting women in Vietnam, the Nozza with FI in the AT category. These models have proven popular with younger customers, especially in urban areas. Affordably priced models like the Sirius also posted solid sales, based on engine performance and confidence in the brand achieved over many years. As a result, Yamaha Motor's 2011 unit sales in Thailand rose 27.3%, to 988 thousand units, with a 14.5% increase in net sales, to ¥81.1 billion.

Despite a slowing economy, total motorcycle demand in Vietnam in 2012 is seen being supported by a stable economic environment, including sufficient financing—and 10.7% market growth, to 3,943 thousand units, is forecast. At Yamaha Motor, we will work to make market inroads with products that were popular in 2011 and are aiming for a 21.5% increase in unit sales, to 1,200 thousand units.

India — Increasing share in deluxe segment

The Indian market experienced an economic slowdown in 2011, but solid retail consumption continued to increase amid rising interest rates and inflation. As a result, total demand for motorcycles grew 16.0%, to 13,078 thousand units.

Yamaha Motor continued to record robust sales, especially sales of the FZ series. We also introduced a model change for the YZF-R15 150cc motorcycle in the deluxe segment, and with strong interest in this model, we were able to increase our market share in this segment to 13.4% from 9.7%. Consequently, Yamaha Motor's 2011 unit sales in India grew 32.4%, to 343 thousand units, with a 22.9% increase in net sales, to ¥39.7 billion.

FZ

With a growing population and stable consumer base, the Indian market is expected to show solid growth in 2012 with a 15.0% increase in total motorcycle demand, to 15,040 thousand units.

In addition to introducing a new scooter targeting women, in the autumn of 2012, our first product in the scooter category, Yamaha Motor will continue to expand its sales network to reach the target of 2,000 dealerships under our next medium-term management plan (covering 2013–2015). We are also building a production layout that can produce more than one million units annually, with a view toward increasing exports. Against this backdrop, we are forecasting 31.2% growth in unit sales, to 450 thousand units.

YZF-R15

China — Strength in affordably priced motorcycles

The Chinese market saw a slowdown in spending for durable goods during 2011, reflecting slower economic growth and rising prices. Motorcycle demand was also affected by low-priced, electrically powered bicycles, and as a result, total demand declined 12.8% from the previous year, to 14,034 thousand units.

Yamaha Motor recorded strong sales of the affordably priced YB125-Z and Future 100 (100cc scooter) models introduced in 2010, but this was unable to offset the impact of product changeovers to comply with emission standards. As a result, our 2011 unit sales declined 13.1%, to 608 thousand units.

The disruption caused by the new emission standards appears to be abating, and we expect total motorcycle demand in 2012 to be roughly flat with 2011, at 14,000 thousand units (a 0.2% decline). Yamaha Motor will continue to strengthen its sales network in rural areas and will also aggressively promote the 10th anniversary of the release of its mainstay model, the YB125. We are therefore projecting a 16.1% increase in unit sales, to 706 thousand units.

Central and South America — Strong business focusing on mainstay models

Supported by stable economic growth, Brazil's total motorcycle demand grew 7.6% in 2011, to 1,938 thousand units. Neighboring emerging markets also grew in tandem, for a 12.5% increase in total demand in Central and South America, to 4,461 thousand units.

Yamaha Motor conducted nationwide sales promotions in Brazil, focusing on its mainstay YBR125 model, but unit sales growth was held to 6.6%, to 242 thousand units, in the absence of an improvement in financing approval rates and delays in cultivating sales networks. In neighboring countries, however, the sporty FZ16 gained support among Argentine customers for its stylish design, and the "BW'S" (125cc scooter) posted strong sales in Colombia. As a result, our overall unit sales in Central and South America rose 17.3%, to 487 thousand units.

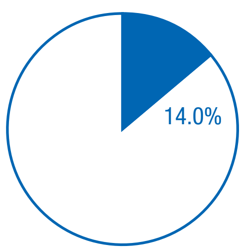
Overall solid growth is expected in Central and South America again in 2012, with Brazil's total motorcycle demand seen growing 4.1%, to 2,018 thousand units, and 6.1% growth, to 4,734 thousand units, is forecast for the entire region. Yamaha Motor is projecting 20.2% unit sales growth, to 291 thousand units, in Brazil, and a 27.5% increase, to 621 thousand units, for all of Central and South America, as we launch new models and accelerate the expansion of our sales network with a strategic focus on the rapidly growing northeast area of the region.

BW'S

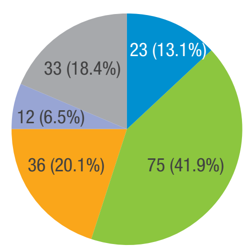
Marine Products

Sales of marine products in 2011 rose ¥11.8 billion, or 7.1%, from 2010, to ¥178.9 billion, and accounted for 14.0% of Yamaha Motor's total net sales. Operating income grew ¥6.3 billion, or 846.1%, to ¥7.1 billion.

% of net sales

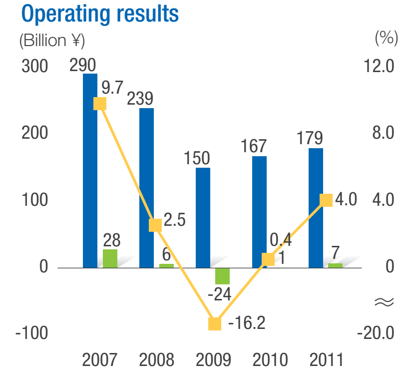


Sales by market (Billion ¥)



Japan | North America | Europe | Asia (excluding Japan) | Other areas

Operating results



Sales | Operating income (loss) | Operating income margin (%)

F150

Outboard Motor Business

Sales growth led by emerging markets

The overall trend of decline for outboard motors ended in 2011, primarily in emerging markets including Russia, Central and South America, and Asia, and total demand rose 4.0% from the previous year, to 718 thousand units.

Yamaha Motor continued to build on the previous year's efforts to enhance its product strength, and strove to proactively increase sales by pursuing a strategy of tie-ups with boat builders in developing markets and focusing on affluent customers in emerging markets. As a result, sales of entry-level and family boats rebounded, and lightweight, high-powered models like the F115 and F150 recorded strong sales. Solid growth in unit sales was supported by growing demand from Central and South America, Russia and Asia, a recovery in North American demand, and reconstruction demand in Japan. As a result, Yamaha Motor's unit sales grew 11.4% in 2011, to 303 thousand units, and net sales increased 7.3%, to ¥109.9 billion.

Total demand for outboard motors in 2012 is expected to grow 3.1%, to 740 thousand units, led by emerging markets—in particular, Russia and Central and South America. Utilizing our products' strengths in terms of being lightweight, compact, fuel-efficient and clean, we are further strengthening our product competitiveness through a technological tie-up with the Swedish manufacturer AB Volvo Penta. We are also bolstering our cooperation with boat builders to increase our sales of related parts such as riggings and propellers. We are therefore planning for a 6.0% increase in 2012 sales, to 321 thousand units. We will work to increase sales in all regions with the exceptions of Europe, where the economic outlook is uncertain, and Japan, where reconstruction demand is leveling off, as we work to establish a firm position with a view to "attaining far and away the top share in the global market."

Personal Watercraft Business Inventory adjustments successful

Despite weak markets in Japan and Europe, total demand for personal watercraft in 2011 rose 9.0%, to 73 thousand units, primarily on demand from Central and South America.

Although Yamaha Motor's production was affected by the Great East Japan Earthquake, the success of efforts initiated in 2010 to bring inventories to appropriate levels, a recovery in demand in the United States and increased sales of the VX700 model for emerging markets led to solid sales in all of our markets. As a result, 2011 unit sales grew 19.0%, to 29 thousand units, with a 20.5% increase in net sales, to ¥28.8 billion.

Total demand in 2012 is seen growing 9.6%, to 80 thousand units, as emerging markets continue to develop and demand continues to grow. Yamaha Motor will proactively work to increase sales, focusing on the new VXR and VXS models and the SJ700, a "stand-up riding" model representing a class from which competitors have withdrawn. We are projecting 2012 unit sales of 39 thousand units, for a 33.3% increase in 2011.

VXR

Boat Business in Japan Large growth in utility boats on reconstruction demand

Japanese domestic boat demand in 2011 showed large growth in demand for utility boats and fishing boats in response to the Great East Japan Earthquake, and total domestic demand including pleasure boats rose 48.2%, to 3,446 units.

Yamaha Motor responded to the earthquake by providing boats to support early reconstruction, which resulted in a large increase in unit sales of utility boats, for 669.4% growth from the previous year, to 1,308 units. We also sought to stimulate demand in the pleasure-use boat market with the introduction of the strategic SR-X model, and combined with strong sales of the YF-24, the successor model to the highly popular YF-23, domestic boat unit sales in 2011 rose 160.5%, to 1,865 units, with a 14.3% increase in net sales, to ¥7.6 billion.

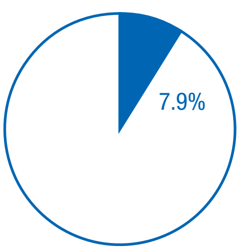
YF-24

Central government-led demand related to reconstruction is seen continuing in 2012 and utility boat unit sales are seen peaking, and total domestic boat demand is expected to grow 52.9%, to 5,268 units. Yamaha Motor has set up a structure to increase production for the restoration of the fishing industry in areas damaged by the earthquake, and we are planning for a 93.6% increase in utility boat unit sales, to 2,532 units. We will also be launching the global NYTRO model in the pleasure-use boat segment in May, and are targeting a 71.8% increase in total boat sales in Japan, to 3,205 units.

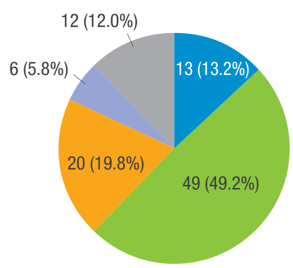
Power Products

Sales of power products in 2011 declined ¥2.7 billion, or 2.6%, from 2010, to ¥100.3 billion, and accounted for 7.9% of net sales. Operating income improved ¥18.7 billion, to a ¥7.5 billion operating profit (compared with an ¥11.3 billion operating loss in 2010), from the reversal of accrual for product liability and reconstruction demand for generators.

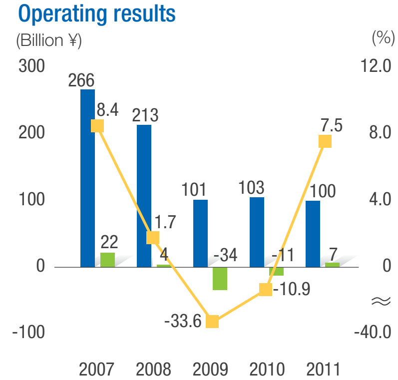
% of net sales



Sales by market (Billion ¥)



Operating results



ATV/SSV Business — Market polarization accelerating

Total demand for all-terrain vehicles (ATVs) declined 0.7% in 2011, to 519 thousand units. In the United States, our main market, the uncertain economic outlook led to weak demand, while consumer sentiment in Europe cooled resulting from the economic crisis. The market is showing a trend of polarization between utility products, primarily four-wheel drive models, and restrained purchasing of sports products.

In the sports category, Yamaha Motor's area of strength, we had no choice but to reduce production, and with a delayed launch of the new Grizzly 300 model, our ATV unit sales declined 6.9% in 2011, to 75 thousand vehicles. On the other hand, our unit sales of side-by-side vehicles (SSVs) grew 21.3% from 2010, to four thousand units, on strong interest from dealers that led to increased production in the second half of the year. As a result, the ATV/SSV business recorded a 7.5% decline in 2011 net sales, to ¥41.9 billion.

Total demand for ATVs in 2012 is seen declining 2.6%, to 505 thousand units, on sluggish demand from a weaker global economy. Yamaha Motor is forecasting a 6.3% decline in our ATV unit sales, to 71 thousand units in 2012. In the United States, we will continue to carry out area marketing and the PRO-YAMAHA sales network strategy with the Grizzly 550/700 as our top-of-the-line models. We are also forecasting a 62.5% increase in SSV unit sales, to six thousand units.

Grizzly 700

Grizzly 700

Snowmobile Business

Lower sales from insufficient snowfall

Total demand for snowmobiles recovered in 2011, growing 12.0% from 2010, to 139 thousand units, on growth in the Russian market and a halt to the decline in North American demand. Nevertheless, increased uncertainty regarding snowfall and the slowing of the global economy raise concerns of a decline in demand going forward.

Yamaha Motor proactively held test drive events to promote our new models with power steering—an industry first—but with insufficient snowfall and competition from new models introduced by other manufacturers, North American sales declined. As a result, total unit sales in 2011 fell 1.6%, to 21 thousand units, with a 4.3% drop in net sales, to ¥15.1 billion.

FX Nytro RTX

Golf Car Business

Exchange rates adversely impacting sales

Demand for golf cars declined in Japan as a result of the earthquake, but grew in emerging markets, for a total increase in 2011 of 5.8%, to 164 thousand units.

Yamaha Motor worked to aggressively expand sales, especially in North America, and our unit sales grew 6.4%, to 48 thousand units, as a result. With the impact of movements in exchange rates, however, net sales declined 4.7%, to ¥18.1 billion.

Note: As demand requirements were changed in fiscal 2011, unit sales for the previous fiscal year were revised from 225 thousand to 155 thousand units.

G30A

Generators and Other Power Products

Growing demand for electricity conservation

Total demand for generators in 2011 outpaced initial estimates, growing 5.0% from 2010, to 10.06 million units, on renewed popularity in Japan as a means of reducing electricity consumption in the face of rolling blackouts.

Yamaha Motor recorded higher unit sales reflecting this demand for reconstruction and electricity conservation, with unit sales growing 9.8% from 2010, to 160 thousand units, and a 9.6% increase in net sales, to ¥25.1 billion.

To address the generator market's growing demand, primarily in emerging markets, in 2011 Yamaha Motor set up a new factory in Jiangsu, China, with an annual production capacity of 200,000 units, and established an integrated production structure for engines and generators. This facility will commence operations in 2012, and we also plan to enter the Indonesian market utilizing our motorcycle sales network.

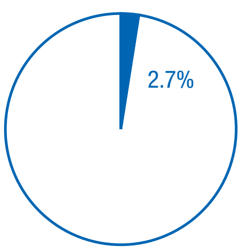
EF1600iS

Industrial Machinery and Robots

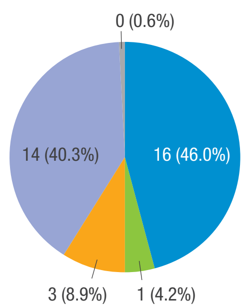
Note: Previously included in Other Products, the Industrial Machinery and Robots business was made a reporting segment from fiscal 2011 because of the business's increased quantitative significance.

Net sales in 2011 in the industrial machinery and robots business declined ¥0.4 billion, or 1.2%, from 2010, to ¥34.3 billion, accounting for 2.7% of Yamaha Motor's total net sales. Operating income declined ¥0.7 billion, or 9.9%, to ¥6.3 billion.

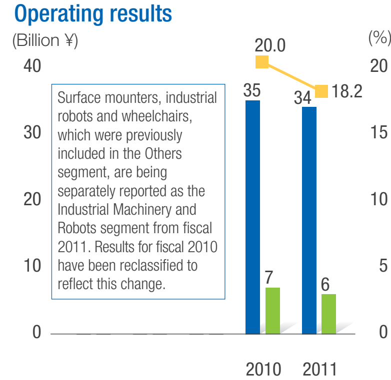
% of net sales



Sales by market (Billion ¥)



Operating results



IM Business

Establishing sales companies in Europe and the United States

The Intelligent Machinery (IM) business manufactures and sells various types of industrial robots, primarily surface mounters.

The surface mounter market in 2011 recorded 15.0% growth in total demand, to 16 thousand units, as strong markets for mobile information devices like smartphones and tablet computers more than offset restrained capital investment demand in China stemming from concerns of an economic slowdown in Europe.

Yamaha Motor recorded strong sales of device-related and automotive-related products, but with stagnant sales in China because of restrained capital investment, unit sales of surface mounters in 2011 declined 6.0% from the previous year, to two thousand units, and total net sales in the IM business declined 1.2%, to ¥34.3 billion. As surface mounters are a global product with high growth potential, Yamaha Motor established sales companies in Europe and the United States in July 2011, to develop a comprehensive business that will not be impacted by developments in individual countries.

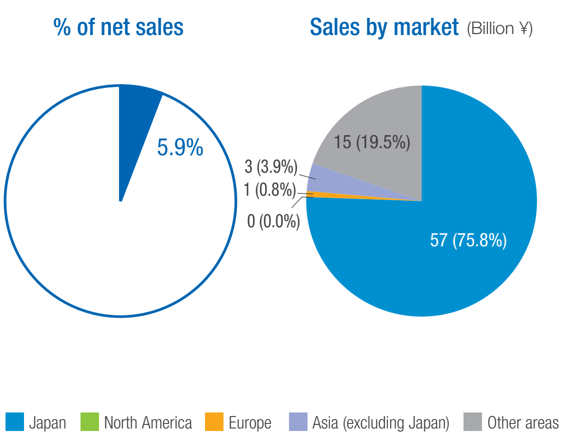
Despite elements of uncertainty including the situation in Europe, the market for mobile information devices is expected to continue to drive growth in total demand for surface mounters, and an 8.3% increase, to 18 thousand units, is forecast for 2012. A recovery in capital investment in China is expected as a result of the easing of tight monetary policies, and we have introduced the Z:TA surface mounter, an industry leader in terms of component mounting speed, for the growing market in China, primarily for mobile information devices. We will also develop relationships with Taiwanese EMS* customers. In addition, we are aiming to increase sales by strengthening our sales network through the sales companies established in Europe and the United States.

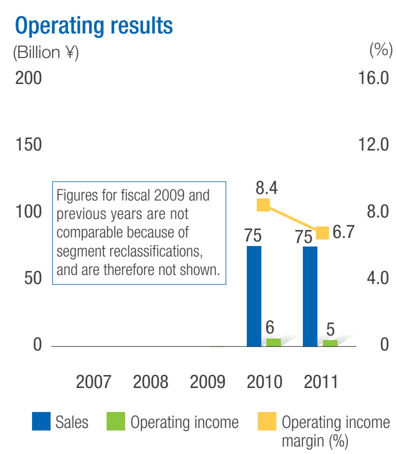
*Electronics Manufacturing Service: Manufacturers that carry out subcontracted production of electronic devices

Z:TA

Other Products

Sales of other power products were basically flat year on year with a 0.1% increase, to ¥75.1 billion, and accounted for 5.9% of net sales. Operating income declined ¥1.3 billion, or 20.6%, to ¥5.0 billion.





PAS Business — Solid sales of models with large-capacity batteries

Total demand for electrically power assisted bicycles in Japan rose temporarily in 2011 from demand related to reconstruction following the earthquake, but the impact of the weak economy held the increase to 9.9%, to 422 thousand units.

To enhance product competitiveness, Yamaha Motor carried out its first full model change in eight years in 2011. As a result, the PAS business recorded strong sales, with domestic unit sales of complete PAS Electrically Power Assisted Bicycles growing 12.6%, to 105 thousand units, and a 7.4% increase in net sales, to ¥15.6 billion.

Total demand in Japan for electrically power assisted bicycles is seen growing 6.1% in 2012, to 448 thousand units. Yamaha Motor will work to increase sales by adding new models that meet the diverse needs of customers for enhanced features, and we are planning for a 6.9% increase in domestic unit sales of complete PAS bicycles in 2012, to 112 thousand units.

Automotive Business — Negatively impacted by earthquake

Utilizing our engine technologies developed for motorcycles, Yamaha Motor provides high-performance engines, Performance Damper anti-vibration dampers, and Relative Absorber System (REAS) automotive suspensions to automakers in Japan and around the world. Automakers significantly curtailed manufacturing during 2011 because of the effects of the earthquake and flooding in Thailand, resulting in a large decrease in Yamaha Motor's unit sales. Net sales in the Automotive business declined 13.4% from 2010, to ¥27.0 billion.

Other Products — Aggressively developing new growth categories

The industrial-use unmanned helicopter business plans to enter Australia's pest control market in 2012. The business is also addressing demand in Japan for monitoring and measuring the areas around volcanoes and in disaster-stricken areas, and we are strengthening our exports to Korea in the agricultural field.

Sports Activities

The Yamaha Motor group aims to be a *Kando* Creating Company that uses ingenuity and passion to offer new excitement and a more fulfilling life for people all over the world. By boldly taking up the spirit of challenge through our participation and promotion of racing and a variety of other sports activities, we contribute to the development of a healthy society.

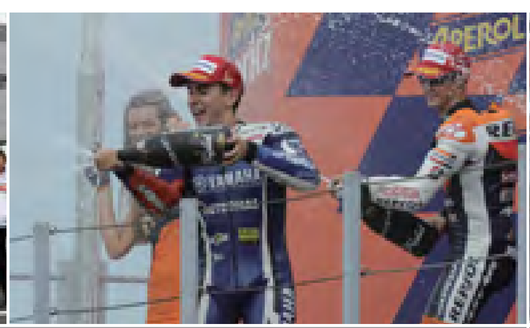
Racing Activities

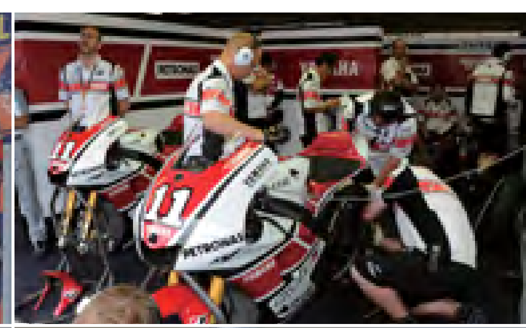
Sharing a sense of excitement with people around the world

Yamaha Motor first participated in a motorcycle racing event only 10 days after the Company was founded, on July 10, 1955, at the Mount Fuji Ascent Race, one of Japan's largest. By winning the event with our newly released YA-1, Yamaha Motor moved people by demonstrating its spirit of challenge.

Since then, Yamaha Motor has positioned racing events as a venue for offering excitement to people around the world, and continues to engage in this important corporate activity that develops and tests advanced technologies, and also cultivates the spirit of challenge contained in our founding philosophy.

In 2011, the 50th anniversary of our participation in world-class motorcycle road racing, Yamaha Motor again demonstrated its strength with Jorge Lorenzo of the Yamaha Factory Racing team ranking No. 2 for the year in the MotoGP class, and in the World Motocross Championship MX1 class, Monster Energy Yamaha's Gautier Paulin participating for the first time—and winning—the final race of the season.





Rugby — Pursuing dreams as one with players

Players and fans join together in sharing passion and excitement. Sports activities embody Yamaha's ideal of being a *Kando* Creating Company.

The Yamaha Jubilo rugby football club, which belongs to Japan's Top League, symbolizes this ideal with the fresh excitement that the club constantly provides. The Yamaha Stadium *Manpai* (Filled to Capacity) Project was launched with the aim of having at least 10,000 people attending home matches to cheer on the players, including Ayumu Goromaru, who in 2011 was the league's top point scorer and best kicker, and was selected as a member of the league's best 15 at the fullback position. Yamaha Motor employees' proactive efforts to support the club through PR activities in their communities and the organization of fan clubs come together in a moment of shared excitement that can be seen as the ultimate expression of the Yamaha spirit.

Sports Promotion — Passing on the spirit of challenge to the next generation

The Yamaha Motor Foundation for Sports (YMFS) was established in November 2006 to commemorate the 50th anniversary of Yamaha Motor's founding. The foundation operates globally in the field of sports to convey the joy of having dreams and the value of pursuing those dreams, through "sports challenge" subsidy programs designed to develop confident individuals, sports promotion programs to encourage children to be healthy in mind and body, and sports culture and education programs to enrich society.

Recipients of YMFS subsidies and scholarships during 2011

CORPORATE INFORMATION

Corporate Governance

Basic Corporate Governance Policies

Yamaha Motor Co., Ltd. (the "Company") recognizes that corporate governance is an important tool to ensure disciplined management and maximize long-term corporate value. Based on this realization, the Company has been striving to speed up management decision-making; make the accountability system clearer; develop a transparent system of Director selection and remuneration; and establish an internal control system. Because it is one of its most important management issues, the Company also plans to implement other measures to strengthen and solidify corporate governance. At the same time, the Company is enhancing Investor Relations services, in order to build on the relationship of trust with its shareholders and investors.

Summary of Corporate Governance and Reasons for Adopting the System

1) Reasons for adopting current system

The Company maintains a corporate auditor system, and most of the Company's Directors are full-time Directors with considerable knowledge of business matters. The Company draws on the supervisory function of outside executives through appointment and had three (3) Outside Directors in addition to two (2) Outside Auditors as of March 26, 2012. The Company also emphasizes efforts to strengthen corporate governance, underpinned by an Executive Officer system, the Executive Personnel Committee and an internal auditing system.

2) Summary of current system

Directors and the Board of Directors and Executive Officers

The Company introduced an Executive Officer system to expedite business execution. It then strengthened management supervision by clarifying the respective roles of Executive Officers and the Board of Directors. Executive Officers are responsible for "business execution" itself, while the Board of Directors is charged with "approving the basic policies of the Yamaha Motor group and supervising the group's business execution."

The Company's Articles of Incorporation stipulate that the number of Directors shall not be more than fifteen (15). As of March 26, 2012, there were ten (10) Directors, three (3) of whom are Outside Directors. The Board of Directors will in principle meet once every month, and whenever else it may be necessary.

The Articles also stipulate that resolutions for the election of Directors shall be adopted by a majority of the voting rights held by the shareholders present at the General Meeting of Shareholders. These voting shareholders must hold shares representing, in the aggregate, not less than one-third (1/3) of the voting rights of all shareholders entitled to exercise the rights and not using cumulative votes.

As of March 26, 2012, there were twenty-three (23) Executive Officers, and seven (7) Directors concurrently serving as Executive Officers. A Management Committee comprising Executive Officers with specific posts has been formed to deliberate matters of business execution, speeding up the Company's decision-making process.

Directors and Executive Officers will serve a one-year term, a period limited to assure accountability.

Executive Personnel Committee

In August 2001, the Company established the Executive Personnel Committee as an advisory body of the Board of Directors, in order to improve transparency in nominating candidates for Director and Executive Officer, and to determine the remuneration for these officers. The Committee comprises several full-time Directors and several Outside Directors of the Company, in addition to the President and Chief Executive Officer. It deliberates on candidates for Director and Executive Officer, the remuneration and bonus system, and the overall direction of governance.

Corporate Auditors and the Board of Corporate Auditors

As of March 26, 2012, the number of Corporate Auditors stood at four (4), of whom two (2) are Outside Corporate Auditors. Corporate Auditors attend Board of Directors, Management Committee and other important meetings, in addition to executing audits, receiving business execution reports from Directors, perusing important documents in the decision-making process, and conducting audits at the Company's subsidiaries.

In support of these audit services performed by Corporate Auditors, the Company has established the Corporate Auditors' Office, with staff exclusively dedicated to assisting auditors.

Internal Auditing

The Integrated Auditing Division established an Internal Control Auditing Division (consisting of twenty-seven (27) staff members as of March 26, 2012) under the direct control of the President and Chief Executive Officer. The Division audits, based on annual audit plans, the appropriateness, reasonableness, and efficiency of business execution at the Company and each group company, and submits evaluations and makes proposals.

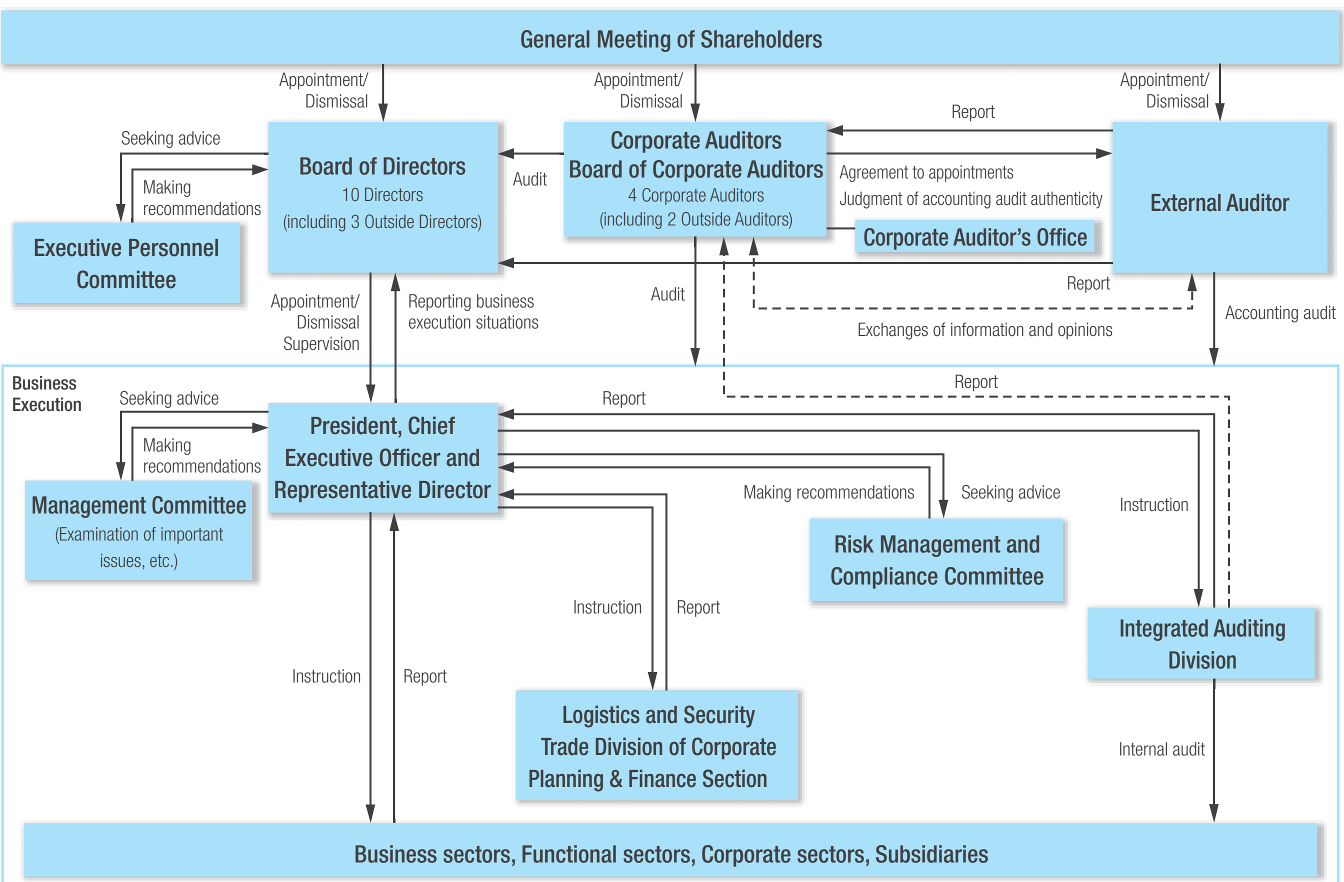
Communication among Outside Directors, Corporate Auditors (including Outside Corporate Auditors), Accounting Auditor, Internal Auditing Division and Internal Control Division

Outside Directors assess the current status of the group and identify issues of interest through regular receipt of internal audit reports from the Integrated Auditing Division. Opinions are voiced at Board of Directors' meetings when necessary.

In their association with the Accounting Auditor, Corporate Auditors, including Outside Corporate Auditors, receive an auditor's report, in accordance with prevailing laws, and review the fairness of the report. Both sides pursue communication through the exchange of information and opinions whenever necessary. In their association with the Internal Auditing Division, Corporate Auditors, including Outside Corporate Auditors, seek to improve the effectiveness and efficiency of auditors' audits through access to internal audit plans and reports on the results of audits.

The internal control division offers reports, when necessary, to the Internal Auditing Division, Corporate Auditors and the Accounting Auditor on the status of internal control measures, specifically their establishment and application.

Yamaha Motor's Corporate Governance System and Internal Control System (As of March 26, 2012)



Outside Directors and Outside Corporate Auditors

1) Function and role of Outside Directors and Outside Corporate Auditors in achieving proper corporate governance

The Company had three (3) Outside Directors and two (2) Outside Corporate Auditors as of March 26, 2012. These executives offer advice and supervision from an independent and objective perspective regarding management policies and strategies and decisions on executive personnel and their remuneration.

2) Appointment of Outside Directors and Outside Corporate Auditors

Positions	Names	Reasons for Appointment
Outside Directors	Yuko Kawamoto	With wide-ranging experience as a management consultant and considerable expertise in finance-oriented research activities, Ms. Kawamoto brings high-level know-how valuable to the Company in its management efforts. Ms. Kawamoto has no special interests in the Company and will, in her capacity as an Outside Director, provide advice and supervision from an independent perspective. The Company registered Ms. Kawamoto as an Independent Director since she does not have any attributes that would require additional disclosure as defined by the Tokyo Stock Exchange.
	Masamitsu Sakurai	Having acquired ample experience and broad-based insights through the management of global corporations, Mr. Sakurai will utilize this background to provide advice and supervision from an independent perspective. He has no special interests in the Company. The Company registered Mr. Sakurai as an Independent Director since he does not have any attributes that would require additional disclosure as defined by the Tokyo Stock Exchange.
	Mitsuru Umemura	As President and Representative Director of Yamaha Corporation, a major shareholder of the Company, Mr. Umemura brings the viewpoint of a company executive to the Company and provides valuable advice and supervision that ensures effective corporate management functions underpinning efforts to maximize corporate value for shareholders.
Outside Corporate Auditors	Norihiko Shimizu	Formerly a management consultant and currently a scholar, Mr. Shimizu has acquired in-depth experience and expertise in management strategy and corporate governance, which will reinforce the Company's auditing capabilities. He has no special interests in the Company and provides advice and supervision from an independent perspective. The Company registered Mr. Sakurai as an Independent Corporate Auditor since he does not have any attributes that would require additional disclosure as defined by the Tokyo Stock Exchange.
	Tetsuo Kawawa	As a lawyer, Mr. Kawawa has ample specialized knowledge in corporate law that can be applied to the Company's auditing activities. He has no special interests in the Company and provides advice and supervision from an independent perspective. The Company registered Mr. Kawawa as an Independent Corporate Auditor since he does not have any attributes that would require additional disclosure as defined by the Tokyo Stock Exchange.

3) Vested interests of the Outside Directors and Outside Corporate Auditors at Yamaha Motor Co., Ltd.

Outside Director Mitsuru Umemura is President and Representative Director of Yamaha Corporation, which holds 12.09% of the Company's shares, as of December 31, 2011.

Outside Directors Yuko Kawamoto and Masamitsu Sakurai and Outside Corporate Auditors Norihiko Shimizu and Tetsuo Kawawa have no special interests in the Company other than Company shareholdings.

Overview of Agreements that Limit Liabilities for Damages

The Company has entered into agreements with Outside Directors and Outside Corporate Auditors, in accordance with the provisions of Paragraph 1 of Article 427 of the Company Law, which limit these executive's liabilities (as specified in Paragraph 1 of Article 423 of the Company Law) for damages. The upper limit of liability for damages in the agreements is the amount as specified in the Law.

The Company limits liabilities for damages charged to the Outside Directors and the Outside Corporate Auditors only when they acted with good will and the liability did not arise because they committed serious negligence in executing their duties.

Remuneration and Other Compensation for Directors and Corporate Auditors

1) Policies on determining the amounts of remuneration or the calculation method thereof

The Company's Directors' Remuneration Plan comprises basic compensation (monthly salary) in a fixed amount, Directors' bonuses, reflecting the short-term performance of the Company overall, compensation linked to each Director's individual performance, a stock compensation plan reflecting the medium- to long-term performance of the Company overall, and share warrants offered as stock options. Note that stock options are integrated into a stock compensation plan from the Company's 77th fiscal year (fiscal 2011).

The stock compensation plan allows Directors to acquire a certain number of the Company's shares monthly through the Company's Director Shareholding Association, and to hold the shares while in office, thus further pegging Director remuneration to shareholder value. However, the performance-based remuneration system and stock compensation plan do not apply to compensation for Outside Directors and Corporate Auditors.

2) Directors' remuneration

Remuneration and other compensation for the Company's Directors and Corporate Auditors in fiscal 2011 are as follows.

(Millions of yen)

Classification	Basic compensation	Compensation linked to performance		Stock compensation plan	Total
		Directors' bonuses	Compensation linked to each Director's individual performance		
Directors (15)	218	65	2	44	330
Outside Directors (6)	(28)	—	—	—	(28)
Corporate Auditors (7)	68	—	—	—	68
Outside Corporate Auditors (3)	(19)	—	—	—	(19)
Total	287	65	2	44	399

Notes **1.** The directors' bonuses under "Compensation linked to performance" represent the amount posted as accrued bonuses for Directors for the fiscal year under review. It was resolved by the 77th Ordinary General Meeting of Shareholders held on March 23, 2012, that the total amount of the directors' bonuses be ¥52 million within the range of the accrued bonuses for Directors.

2. The numbers above include amounts for four Directors and three Corporate Auditors who retired, effective from the closing of the 76th Ordinary General Meeting of Shareholders held on March 24, 2011.

3. In addition to the remuneration presented above, ¥61 million—equivalent to employee salaries—was paid to four Directors concurrently serving as employees.

3) No names are listed because no Director or Corporate Auditor received more than ¥100 million in aggregate remuneration and other compensation.

Matters to Be Resolved at the General Meeting of Shareholders that Can Be Adopted at the Board of Directors' Meeting

1. The Company's Articles of Incorporation stipulate that the Company may, by a resolution of the Board of Directors, acquire its own shares, in accordance with the provisions of Paragraph 2 of Article 165 of the Company Law. This is to ensure that the Company can acquire its own shares through market transactions or other methods and implement a flexible capital policy response to changes in the management environment.

2. The Company's Articles of Incorporation stipulate that in accordance with the provisions of Paragraph 1 of Article 426 of the Company Law, the Company may, by a resolution of the Board of Directors, exempt its Directors (including former Directors) and Corporate Auditors (including former Corporate Auditors) from liabilities for damages arising from negligence of their duties, within the limits prescribed by laws and ordinances. This is to ensure that Directors and Corporate Auditors can successfully fulfill their expected roles.

3. 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, in accordance with the provisions of Paragraph 5 of Article 454 of the Company Law. This allows the Company flexibility in returning profits to shareholders.

Special Resolution Requirement for General Meeting of Shareholders

The Company has stipulated a special resolution requirement at General Meeting of Shareholders in the Articles of Incorporation, in accordance with the provision of Paragraph 2 of Article 309 of the Company Law, as follows: The resolution shall be authorized by a two-thirds (2/3) majority of the voting rights held by the holders of shares present at the General Meeting of Shareholders. These voting shareholders must hold shares representing, in the aggregate, not less than one-third (1/3) of the voting rights of all shareholders entitled to exercise the rights.

This relaxes the number of required votes for special resolutions at any General Meeting of Shareholders, enabling shareholder meetings to progress smoothly.

Improving Investor Relations (IR)

The Company has been aggressively pursuing IR activities worldwide, designed to ensure accountability by providing shareholders and investors with appropriate, accurate and timely information regarding the Company's management performance and business operations. They include quarterly financial results briefings, an "IR road show" for overseas investors, efforts to improve information disclosure on the IR homepage, and interviews in response to requests from analysts and media.

State of Audit

The Company has designated Ernst & Young ShinNihon LLC as the independent auditing company with review responsibilities for Company audits. Certified Public Accountants who engaged in the certification of audit are as follows.

Kazuhiro Fujita
Designated Limited Liability and Engagement Partner
Takahiro Takiguchi
Designated Limited Liability and Engagement Partner
Masahiko Tsukahara
Designated Limited Liability and Engagement Partner

The number of continuous years the Certified Public Accountants have served the Company is omitted because it is under seven (7) years for all of them.

Ernst & Young ShinNihon LLC has introduced a voluntary system for rotating engagement partners in its employ so that none exceeds a certain number of years in continuous service.

Support staff for the audit includes seven (7) certified public accountants and twenty-six (26) other assistants.

Basic Policy Regarding the Internal Control System and the State of Its Development

The Company, in accordance with the Company Law, passed a resolution at a Board of Directors meeting regarding development of a system to ensure the conduct of its business is appropriate. The Company considers risk management and compliance its most important issues, and is therefore continuing to develop the internal control system.

1) Systems to ensure Director compliance with laws, regulations and the Company's Articles of Incorporation

1. The Board of Directors shall supervise Directors in the execution of their responsibilities, to ensure that the Directors exercise the duty of care and duty of loyalty to the standard of good administrators. The Board is also charged with ensuring that all Directors' activities are lawful.
2. Corporate Auditors, in accordance with the criteria and methodology established by the Board of Corporate Auditors, shall audit the performance of the Directors' duties.
3. The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. It shall reinforce this commitment in its Code of Ethics.
4. The Company shall form such organizations and develop such rules as necessary to ensure that the Company and its subsidiaries maintain appropriate financial information, and prepare and release reliable financial statements.

2) Disposition of documentation and other information concerning the performance of Directors' duties

1. Documents and other forms of information storage that detail the execution of duties by Directors are properly produced, stored and managed through the establishment and application of required in-house rules.
2. The Company ensures correct handling of classified information, including the content of documents and other forms of information storage that detail the execution of duties by Directors, through the establishment and application of required in-house rules.
3. The Company has the necessary structures and internal rules in place to facilitate timely and accurate disclosure of important corporate information.

3) Rules relating to risk control against loss

1. A Risk Management and Compliance Committee shall be established to formulate and promote measures for integrated risk control.
2. Control of each serious risk factor shall be assigned to a specific section, which shall work to mitigate the risk factor for which it is responsible.
3. The necessary in-house rules are in place and are carefully observed to ensure integrated control of individual departmental risk management activities.
4. If a serious crisis arises, an Emergency Countermeasures Headquarters shall be established as provided in the Emergency Response Manual, with the President and Chief Executive Officer as its head, in order to minimize damage and negative impact from the event.

4) Systems to ensure efficient execution of Directors' duties

1. The authority and responsibilities of the Board of Directors, President and Chief Executive Officer and sector heads, and the system for transferring authority between them, shall be better defined by strengthening the Board of Directors Rules, Decision-making Rules and other important rules. This will allow these officers to execute their responsibilities more efficiently.
2. Resolutions to be proposed at the Board of Directors' Meetings shall first be subject to deliberation by the Management Committee and other relevant committees to ensure they are appropriate and meet procedural criteria for subsequent deliberation by the Board of Directors.
3. After the Medium-Term Management Plan and the budget for the fiscal year are formulated, management control systems such as "management by objectives" shall be established to achieve the plan's goals and targets.

5) Systems to ensure employee compliance with laws, regulations and the Company's Articles of Incorporation

1. A Risk Management and Compliance Committee shall be established to deliberate and offer opinions concerning compliance measures.
2. The Company shall enhance its Code of Ethics, and provide ethics and compliance training appropriate to each position in the Company.
3. An internal reporting system shall be established to directly inform top executive management concerning any unlawful act, or the possibility of illegal or improper activity that could damage trust and confidence in the Company.
4. The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. It shall reinforce this commitment in its Code of Ethics.
5. The Company shall form such organizations and develop such rules as necessary to ensure that the Company and its subsidiaries maintain appropriate financial information, and prepare and release reliable financial statements.

6) Systems to ensure the Yamaha Motor group (composed of the Company and its subsidiaries) conducts business appropriately

1. In order to assure proper business conduct by the group, internal policies shall be established, defining the controlling sectors in charge of each subsidiary, responsibilities, authority, management methods of subsidiaries, and other rules.
2. In order to audit the appropriateness of operations of the Company and its subsidiaries, an internal auditing sector shall be established under the direct control of the President and Chief Executive Officer.
3. Each Japanese subsidiary, in principle, shall have a Board of Directors and a Corporate Auditor; overseas subsidiaries shall design their organizations in accordance with local law.
4. At least one Director of each subsidiary shall concurrently serve as a Director, Executive Officer or employee of another company in the group.
5. The section with oversight for financial information offers guidance and training to subsidiaries to ensure that they handle financial information appropriately.
6. The section with oversight for risk management provides subsidiaries with guidance and training on risk management practices.
7. The section supervising compliance shall provide subsidiaries with guidance and education on compliance.

7) Employee to assist Corporate Auditors

A Corporate Auditors' Office shall be established with a full-time employee dedicated to assisting the Corporate Auditors in the execution of their duties.

8) Employee assisting Corporate Auditors' independence from Directors

1. Any dismissal or personnel changes concerning the employee assisting Corporate Auditors in the execution of their duties shall be approved by the Board of Corporate Auditors in advance.
2. No employee assisting Corporate Auditors in the execution of their duties shall concurrently hold a post involving other business operations. The employee shall perform his or her duties under the direction of the Corporate Auditors, whose opinions shall be taken into consideration in evaluating the employee.

9) Rules concerning Directors and employees reporting to the Board of Corporate Auditors

Directors and employees shall report on the following matters to the Board of Corporate Auditors periodically, or, when necessary, at its request.

1. Establishment and operation of internal control systems, and related subjects
2. Results of internal audits conducted by the internal audit section
3. Operation of the internal reporting system, and receipt of reports
4. Director malpractice and/or acts conducted in violation of the law or the Company's Articles of Incorporation
5. Incidents that could cause the Company considerable damage

10) Other systems to ensure effective auditing by Corporate Auditors

1. The Representative Directors shall meet with the Corporate Auditors periodically to exchange opinions.
2. Corporate Auditors shall attend important meetings of bodies including the Management Committee, the Risk Management and Compliance Committee, and the Expanded Executive Committee.
3. The internal audit section shall explain its internal audit plan to Corporate Auditors in advance.
4. The minutes of the Management Committee meetings and any other meetings that the Board of Corporate Auditors may specify, and Decision-making Forms shall be made available for Corporate Auditors' perusal.
5. Auditing assistance from outside experts shall be secured when deemed necessary by the Board of Corporate Auditors.

Equity Holdings

1) Total number of companies and amounts on the balance sheet for equity holdings that are not held for the purpose of pure investment

68 companies ¥16,154 million

2) Companies, number of shares, balance sheet amounts and purpose of holding for equity holdings that are not for pure investment

Fiscal 2010

Companies	Number of shares (shares)	Balance sheet amounts (Millions of yen)	Purpose of holding
Yamaha Corporation	10,326,701	10,409	To perpetuate a business relationship as companies utilizing a common brand
Toyota Motor Corporation	501,210	1,613	To maintain a stable business relationship
Nippon Seiki Co., Ltd.	1,217,502	1,184	To maintain a stable business relationship
Imasen Electric Industrial Co., Ltd.	613,750	750	To maintain a stable business relationship
Mizuho Financial Group, Inc.	2,288,340	734	To maintain a stable business relationship as a financial institution with which the Company has transactions
The Shizuoka Bank, Ltd.	825,706	618	To maintain a stable business relationship as a financial institution with which the Company has transactions
Enshu Limited	6,457,395	542	To maintain a stable business relationship
Stanley Electric Co., Ltd.	100,000	151	To maintain a stable business relationship
Sumitomo Mitsui Financial Group, Inc.	46,355	134	To maintain a stable business relationship as a financial institution with which the Company has transactions
Ahresty Corporation	134,722	116	To maintain a stable business relationship

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Fiscal 2011

Companies	Number of shares (shares)	Balance sheet amounts (Millions of yen)	Purpose of holding
Yamaha Corporation	10,326,701	7,290	To perpetuate a business relationship as companies utilizing a common brand
Toyota Motor Corporation	501,210	1,285	To maintain a stable business relationship
Sumitomo Metal Industries, Ltd.	8,400,000	1,176	To maintain a stable business relationship
Nippon Seiki Co., Ltd.	1,217,502	1,016	To maintain a stable business relationship
KOITO MANUFACTURING CO., LTD.	913,000	986	To maintain a stable business relationship
Mizuho Financial Group, Inc.	2,288,340	671	To maintain a stable business relationship as a financial institution with which the Company has transactions
The Shizuoka Bank, Ltd.	825,706	669	To maintain a stable business relationship as a financial institution with which the Company has transactions
Enshu Limited	6,457,395	574	To maintain a stable business relationship
Imasen Electric Industrial Co., Ltd.	613,750	528	To maintain a stable business relationship
Akebono Brake Industry Co., Ltd.	1,347,800	447	To maintain a stable business relationship
EXEDY Corporation	105,000	233	To maintain a stable business relationship
JTEKT CORPORATION	236,000	178	To maintain a stable business relationship
STANLEY ELECTRIC CO., LTD.	100,000	113	To maintain a stable business relationship
Sumitomo Mitsui Financial Group, Inc.	46,355	99	To maintain a stable business relationship as a financial institution with which the Company has transactions
Ahresty Corporation	134,722	49	To maintain a stable business relationship
MIKUNI CORPORATION	300,794	43	To maintain a stable business relationship
Mitsubishi UFJ Financial Group, Inc.	113,200	37	To maintain a stable business relationship as a financial institution with which the Company has transactions
Sumitomo Mitsui Trust Holdings, Inc.	149,000	33	To maintain a stable business relationship as a financial institution with which the Company has transactions
TOBA, INC.	10,000	15	To maintain a stable business relationship
Nomura Holdings, Inc.	20,600	4	To maintain a stable business relationship as a financial institution with which the Company has transactions
JEUGIA Corporation	33,000	3	To maintain a stable business relationship
Fuji Heavy Industries Ltd.	1,000	0	To collect information such as the method of providing information to shareholders
Canon Inc.	100	0	To collect information such as the method of providing information to shareholders
Eisai Co., Ltd.	100	0	To collect information such as the method of providing information to shareholders
Hamamatsu Photonics K.K.	100	0	To collect information such as the method of providing information to shareholders
Honda Motor Co., Ltd.	100	0	To collect information such as the method of providing information to shareholders
Kawasaki Heavy Industries, Ltd.	1,000	0	To collect information such as the method of providing information to shareholders
Bridgestone Corporation	100	0	To collect information such as the method of providing information to shareholders
SUZUKI MOTOR CORPORATION	100	0	To collect information such as the method of providing information to shareholders
MITSUI & CO., LTD.	100	0	To collect information such as the method of providing information to shareholders

3) Pure investment equity holdings

No related items.

Takeover Defense Measures Against Attempts of Mass Acquisition of the Company's Shares

The revisions this fiscal year of the Plan are based on the content of opinions offered in "Takeover Defense Measures in Light of Recent Environmental Changes" made by Corporate Value Study Group of the Ministry of Economy, Trade and Industry and dated June 30, 2008, and other considerations. The following were the points reviewed to further protect the interests of the shareholders such as by securing the swift operation of the Plan. As part of the Plan, the Corporate Value Committee is composed of four Outside Directors and Outside Corporate Auditors whose independence is secured, and arbitrariness is excluded from the operation of the Plan.

1. To swiftly operate the Plan and avoid unnecessary prolonging of the period for the Company to respond to the Takeover Proposal beyond a reasonable time period, in addition to clearly specifying the provisions that enable the Company to request to the party making the Takeover Proposal the provision of information, the maximum limit of the Information Provision Request Period was basically set at 60 business days calculated from the day the Board of Directors made the first information provision request to the proposer and it was made our Basic Policy that the period of examination and discussion by the Corporate Value Committee shall start upon the expiration of the Information Provision Request Period even in cases where necessary information has not been adequately provided.

2. Provisions clearly specifying that the Corporate Value Committee's period for examination and discussion shall not be extended without reasonable cause, were set forth.

3. The Corporate Value Committee is required to issue an Advisory Resolution if a Takeover Proposal satisfies all of the requirements listed in items 1) to 7) of main clause II-2. In the Plan, moreover, it was set forth that, even if a Takeover Proposal does not satisfy some of the requirements, in cases where it is found reasonable in light of the protection and increase of the Company's corporate value and the shareholders' common interests, an Advisory Resolution shall be issued.

4. By withdrawing reference to "interests of stakeholders" and "fundamental value" in the judgment guidelines for ascertaining whether or not to issue an Advisory Resolution for the Takeover Proposal, and other measures, the amended provisions were set forth to prevent a broad interpretation of what interests should be protected, rather than determining whether the Takeover Proposal serves to protect and increase the Company's corporate value and the shareholders' common interests, by referring to interests of stakeholders other than shareholders.

5. Provisions clearly specifying that when an Advisory Resolution has been issued by the Corporate Value Committee, the Board of Directors must "promptly" adopt a Confirmation Resolution unless there are no special grounds to rule that adopting such a Confirmation Resolution obviously violates the Director's duty of care, were set forth.

6. Provisions clearly mentioning that "delivery of cash shall not be made" to a Specific Acquirer and Related Parties as the price of forcible acquisition of stock acquisition rights, were set forth.

Please refer to the following URL for more information.
http://www.yamaha-motor.co.jp/global/news/2012/0323/prevent.html

Corporate Information

Directors, Corporate Auditors and Executive Officers

As of March 23, 2012

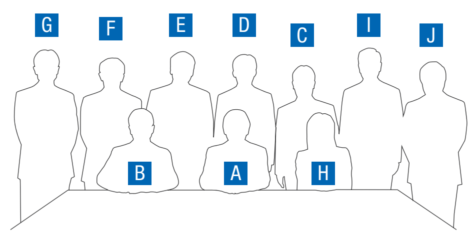
Board of Directors

A President and Representative Director
Hiroyuki Yanagi

April 1978: Joined the Company
April 2000: General Manager of Soude Factory, Production Control Division, MC Operations and General Manager of Morimachi Factory, Production Control Division, MC Operations of the Company
April 2003: President of MBK Industrie
February 2004: Managing Director of Yamaha Motor India Pvt. Ltd. (presently India Yamaha Motor Pvt. Ltd.)
January 2006: Senior General Manager of China Business Operation of the Company
January 2007: Senior General Manager of SyS Operations, MC Headquarters
March 2007: Executive Officer of the Company and Senior General Manager of SyS Operations, MC Headquarters
January 2009: Executive Officer of the Company and Executive General Manager of Manufacturing Center
March 2009: Senior Executive Officer of the Company and Chief General Manager of Manufacturing Center
November 2009: Senior Executive Officer of the Company and Senior General Manager of MC Business Section, MC Business Operations
March 2010: President, Chief Executive Officer and Representative Director
June 2011: Director of Yamaha Corporation (to present)
January 2012: President, Chief Executive Officer and Representative Director of the Company and Chief General Manager of Motorcycle Business Operations (to present)

B Representative Director
Takaaki Kimura

April 1976: Joined the Company
June 1999: General Manager of R&D Division, AM Operations of the Company
April 2002: Senior General Manager of AM Operations
June 2003: Executive Officer of the Company, Senior General Manager of AM Operations
March 2005: Director of the Company, Senior General Manager of AM Operations
March 2007: Senior Executive Officer and Director of the Company, Senior General Manager of AM Operations
January 2009: Senior Executive Officer and Director of the Company, Chief General Manager of Marine Business Operations and Executive General Manager of WV Business Unit, Marine Business Operations
November 2009: Managing Executive Officer and Representative Director of the Company, Chief General Manager of Marine Business Operations and Executive General Manager of WV Business Unit, Marine Business Operations
March 2010: Senior Managing Executive Officer and Representative Director of the Company, Chief General Manager of Marine Business Operations and Executive General Manager of WV Business Unit, Marine Business Operations
January 2011: Senior Managing Executive Officer and Representative Director of the Company, Chief General Manager of Marine Business Operations
January 2012: Senior Managing Executive Officer and Representative Director of the Company, Chief General Manager of Technology Center and Chief General Manager of Marine Business Operations (to present)



C Director
Hiroyuki Suzuki

April 1978: Joined the Company
May 1997: Director of PT. Yamaha Indonesia Motor Manufacturing
September 2003: Vice President of PT. Yamaha Indonesia Motor Manufacturing
January 2006: General Manager of 2nd SyS, SyS Operations, MC Headquarters of the Company
January 2008: Senior General Manager of Quality Assurance Operations, MC Headquarters
March 2008: Executive Officer of the Company, Senior General Manager of Quality Assurance Operations, MC Headquarters
November 2009: Executive Officer of the Company, Executive General Manager of Manufacturing Center
March 2010: Senior Executive Officer and Director of the Company, Chief General Manager of Manufacturing Center
November 2010: Senior Executive Officer and Director of the Company, Managing Director of India Yamaha Motor Pvt. Ltd. (to present)

D Director
Kozo Shinozaki

April 1978: Joined the Company
April 1999: Vice President of Siam Yamaha Co., Ltd. (presently Thai Yamaha Motor Co., Ltd.)
April 2007: General Manager of Finance & Accounting Division of the Company
January 2009: Senior General Manager of Finance & Accounting Control, Global Corporate Administrative Center and General Manager of Finance & Accounting Division, Global Corporate Administrative Center
January 2010: Senior General Manager of Finance & Accounting Section and General Manager of Finance & Accounting Division, Finance & Accounting Section
February 2010: Senior General Manager of Finance & Accounting Section
March 2010: Senior Executive Officer and Director of the Company, Senior General Manager of Finance & Accounting Section
January 2011: Senior Executive Officer and Director of the Company, Senior General Manager of Corporate Planning & Finance Section and General Manager of Finance & Accounting Division, Corporate Planning & Finance Section
February 2011: Senior Executive Officer and Director of the Company, Senior General Manager of Corporate Planning & Finance Section (to present)

E Director
Nobuya Hideshima

April 1978: Joined the Company
May 1999: General Manager of Production Control Department, Production Control Division, MC Operations of the Company
May 2001: General Manager of GSyS Planning Department, GSyS Management Division, GEM Center, MC Operations and General Manager of GSyS Production Control Department, GSyS Management Division, GEM Center, MC Operations
April 2003: President of Yamaha Motor Manufacturing Corporation of America
January 2006: General Manager of 3rd SyS, SyS Operations, MC Headquarters
January 2008: Senior General Manager of Procurement Operations, MC Headquarters
January 2009: Executive General Manager of Procurement Center
March 2009: Executive Officer of the Company, Executive General Manager of Procurement Center
March 2010: Senior Executive Officer of the Company, Chief General Manager of Procurement Center
March 2011: Senior Executive Officer and Director of Yamaha Motor Co., Ltd., Chief General Manager of Procurement Center (to present)

*Outside Director

F Director
Masahiro Takizawa

April 1978: Joined the Company
June 1985: Graduated from the University of Pittsburgh Graduate School of Engineering, Department of Management Science and Engineering
April 2000: General Manager of Business Planning Department, CV Operations of the Company
October 2002: Senior General Manager of China Business Operations, General Manager of Business Planning Department, MC Operations and General Manager of China Business Strategy Department, China Business Operations, MC Operations
February 2004: President of MBK Industrie
July 2007: General Manager of Corporate Planning Division of the Company
January 2009: Senior General Manager of Corporate Planning Control, Global Corporate Administrative Center and General Manager of Corporate Planning Division, Global Corporate Administrative Center
March 2009: Executive Officer of the Company, Senior General Manager of Corporate Planning Control, Global Corporate Administrative Center and General Manager of Corporate Planning Division, Global Corporate Administrative Center
December 2009: Executive Officer of the Company, General Manager of Corporate Planning Division
March 2010: Senior Executive Officer of the Company, Senior General Manager of Corporate Planning Section and General Manager of Corporate Planning Division, Corporate Planning Section
January 2011: Senior Executive Officer of the Company, Chief General Manager of Business Development Operations
March 2011: Senior Executive Officer and Director of the Company, Chief General Manager of Business Development Operations (to present)

G Director
Yoshiaki Hashimoto

April 1977: Joined the Company
November 2001: General Manager of North American Business Division, SCM Center, MC Operations of the Company
April 2004: General Manager of Sales & Marketing Division, RV Division, MC Operations
July 2006: General Manager of RV Sales & Marketing Division, RV Company
January 2007: General Manager of Human Resources Development Division
January 2009: Senior General Manager of General Affairs Control, Global Corporate Administrative Center and General Manager of Human Resources Development Division, Global Corporate Administrative Center
March 2009: Executive Officer of the Company, Senior General Manager of General Affairs Control, Global Corporate Administrative Center and General Manager of Human Resources Development Division, Global Corporate Administrative Center
January 2010: Executive Officer of the Company, Senior General Manager of General Affairs Section and General Manager of Human Resources Development Division, General Affairs Section
February 2010: Executive Officer of the Company, Senior General Manager of Human Resources & General Affairs Section
March 2010: Senior Executive Officer of the Company, Senior General Manager of Human Resources & General Affairs Section
March 2012: Senior Executive Officer and Director of the Company, Senior General Manager of Human Resources & General Affairs Section (to present)

MC: Motorcycle
SyS: System Supplier
AM: Automotive
WV: Water Vehicle
GEM: Global Engineering & Manufacturing
GSyS: Global System Supplier
CV: Commuter Vehicle
SCM: Supply Chain Management
RV: Recreational Vehicle

H Director
Yuko Kawamoto*

April 1982: Joined the Bank of Tokyo, Ltd. (presently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
June 1988: Graduated from Oxford Graduate School, Master's Programme in Economics
September 1988: Joined Tokyo Office of McKinsey & Company
June 2001: Senior Expert, Tokyo Office of McKinsey & Company
April 2004: Professor, Graduate School of Finance, Accounting and Law, Waseda University (to present)
June 2004: Director of Osaka Securities Exchange Co., Ltd. (to present)
June 2006: Director of Monex Beans, Inc. (presently Monex Group, Inc.) (to present)
June 2006: Director of Resona Holdings, Inc.
June 2006: Corporate Auditor of Millea Holdings, Inc. (presently Tokio Marine Holdings, Inc.) (to present)
March 2009: Director of the Company (to present)
June 2011: Director of ITOCHU Corporation (to present)

I Director
Masamitsu Sakurai*

April 1966: Joined the Ricoh Company, Ltd.
June 1992: Director of Ricoh Company, Ltd.
June 1994: Managing Director of Ricoh Company, Ltd.
April 1996: President and Representative Director of Ricoh Company, Ltd.
June 2005: Chairman of the Board, President and Chief Executive Officer of Ricoh Company, Ltd.
July 2006: Director of Coca-Cola West Holdings Co., Ltd. (presently Coca-Cola West Co., Ltd.) (to present)
April 2007: Chairman of the Board and Representative Director of Ricoh Company, Ltd.
April 2007: Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives)
April 2008: Chairman of the Board of Directors of The New Technology Development Foundation (to present)
June 2008: Director of OMRON Corporation (to present)
March 2011: Director of the Company (to present)
April 2011: Chairman of the Board and Director, Chairman of Ricoh Company, Ltd. (to present)

J Director
Mitsuru Umemura*

April 1975: Joined Nippon Gakki Co., Ltd. (presently Yamaha Corporation)
April 2000: President and Director of Yamaha Corporation of America
February 2001: Executive Officer of Yamaha Corporation
May 2003: Executive Officer of Yamaha Corporation and General Manager of Musical Instruments Group of Yamaha Corporation
June 2003: Senior Executive Officer of Yamaha Corporation
June 2006: Managing Director of Yamaha Corporation
June 2007: President and Representative Director of Yamaha Corporation (to present)
March 2011: Director of Yamaha Motor Co., Ltd. (to present)

Corporate Auditors

**Outside Corporate Auditor

Yutaka Kume

April 1978: Joined the Company
April 2000: General Manager of Finance & Accounting Division, Administrative Operations of the Company
July 2006: General Manager of Finance & Accounting Division of the Company
May 2007: President of Yamaha Motor do Brasil Ltda.
June 2010: Corporate Auditor of Yamaha Corporation
March 2011: Standing Corporate Auditor of the Company (to present)

Shigeki Hirasawa

December 1981: Joined the Company
July 2006: General Manager of Legal & Intellectual Property Division of the Company
February 2008: Senior Vice President of Yamaha Motor Europe N.V.
March 2011: Standing Corporate Auditor of the Company (to present)

Norihiko Shimizu**

April 1963: Joined Tokio Marine & Fire Insurance Co., Ltd. (presently Tokio Marine & Nichido Fire Insurance Co., Ltd.)
June 1967: Graduated from Graduate School of Business, Stanford University
September 1967: Joined Boston Consulting Group, Inc.
December 1970: Vice President of Boston Consulting Group, Inc.
July 1987: President of Shimizu & Co., Inc.
June 1994: Corporate Auditor of Nissin Sugar Manufacturing Co., Ltd.
April 1998: Professor, Graduate School of Asia-Pacific Studies, Waseda University
October 2000: Professor, Graduate School of International Corporate Strategy, Hitotsubashi University
April 2003: Visiting Professor, Graduate School of International Corporate Strategy, Hitotsubashi University (to present)
November 2004: Statutory Auditor of Fast Retailing Co., Ltd. (to present)
November 2005: Statutory Auditor of Uniqlo Co., Ltd.
March 2007: Corporate Auditor of the Company (to present)

Tetsuo Kawawa**

April 1975: Registered as an attorney (Tokyo Bar Association: to present)
August 2002: Member of the Corporation Law (Modernization) Subcommittee, Legislative Council of the Ministry of Justice
September 2002: Member of the Chief of the Special Commission of the Judicial Advisory Committee of the Japan Federation of Bar Associations (to present)
June 2007: Corporate Auditor of Nisshin Seifun Group Inc. (to present)
March 2009: Corporate Auditor of the Company (to present)

Executive Officers

President and
Chief Executive Officer
Hiroyuki Yanagi
Chief General Manager of Motorcycle Business Operations

Senior Managing Executive Officer
Takaaki Kimura
Chief General Manager of Technology Center, Chief General Manager of Marine Business Operations, Chief General Manager of Design Center and Chief General Manager of Automotive Business Unit

Senior Executive Officer
Hiroyuki Suzuki
Managing Director of India Yamaha Motor Pvt. Ltd.

Senior Executive Officer
Kozo Shinozaki
Senior General Manager of Corporate Planning & Finance Section

Senior Executive Officer
Nobuya Hideshima
Chief General Manager of Procurement Center and Chief General Manager of Parts Business Unit

Senior Executive Officer
Masahiro Takizawa
Chief General Manager of Business Development Operations

Senior Executive Officer
Yoshiaki Hashimoto
Senior General Manager of Human Resources & General Affairs Section, and Chief General Manager of Product Assurance & Safety Promotion Center

Senior Executive Officer
Kunihiko Miwa
Executive General Manager of 2nd Business Unit, Motorcycle Business Operations

Senior Executive Officer
Katsuaki Watanabe
Chief General Manager of Manufacturing Center

Senior Executive Officer
Hajime Yamaji
President of Yamaha Motor Europe N. V.

Senior Executive Officer
Ryouichi Sumioka
Executive General Manager of 3rd Business Unit, Motorcycle Business Operations and Chief General Manager of Overseas Market Development Operation Business Unit

Senior Executive Officer
Toshizumi Kato
President of Yamaha Motor Corporation, U.S.A.

Senior Executive Officer
Yoichiro Kojima
Executive General Manager of Marine Engine Business Unit, Marine Business Operations

Executive Officer
Souichi Sasagawa
President and Representative Director of Yamaha Motor Powered Products Co., Ltd.

Executive Officer
Hiroshi Yoshii
Senior General Manager of Manufacturing Technology Section, Technology Center

Executive Officer
Takahiko Goan
Executive General Manager of Overseas Market Development Operation Business Unit

Executive Officer
Masato Adachi
Executive General Manager of Boat Business Unit, Marine Business Operations

Executive Officer
Masanori Kobayashi
Executive General Manager of Product Assurance & Safety Promotion Center, General Manager of Safety Promotion & Traffic System Division, Product Assurance & Safety Promotion Center and General Manager of Communications-Linked BIKEs Promotion Division, Technology Center

Executive Officer
Tsuneji Suzuki
President of PT. Yamaha Indonesia Motor Manufacturing and President of PT. Yamaha Motor Manufacturing West Java

Executive Officer
Hiroaki Fujita
Executive General Manager of IM Business Unit, Business Development Operations and General Manager of Quality Assurance Division, IM* Business Unit, Business Development Operations and President and Representative Director of i-Pulse Co., Ltd.

Executive Officer
Masaru Ono
Executive General Manager of Parts Business Unit

Executive Officer
Katsuhito Yamaji
Senior General Manager of Engine Manufacturing Section, Manufacturing Center and General Manager of Engine SyS Engineering Division, Engine Manufacturing Section, Manufacturing Center

Executive Officer
Toshinori Kuromoto
Executive General Manager of 1st Business Unit, Motorcycle Business Operations and Executive General Manager of Design Center

*IM: Intelligent Machinery

Corporate Governance and Outside Directors

Outside Director
Yuko Kawamoto

In corporate management, governance refers to a structure and rules for achieving sustainable growth for the company while coordinating its diverse stakeholders. Governance has become important because in the age of global competition and constant technological innovation, having a good "compass" is the key to the company's successful performance. This compass—governance—provides disciplines on which a company is managed.

In an uncertain operating environment, effective checks and balances is a crucial element for executive leadership. Because company leaders need to address incessant changes in customers' needs, their thinking must be objective and incorporate a diverse range of viewpoints in decision making.

Governance is the framework for successfully managing this process, with external governance supplementing internal governance. Internal governance is a structure within the company's organization, while the capital markets and outside directors perform the role of external governance.

Human errors cannot be eradicated. Corporate governance, while aiming to increase corporate value, is to establish the system that can quickly identify and rectify those errors within organizations on a daily basis. For this purpose, it is important for both managers and organizations to have objective self-awareness and the ability to correct mistakes on their own, and for top management to take the initiative in this process.

It is corporate managers who have a detailed understanding of the company's business, and manage daily operations in order to increase corporate value. Outside directors share the goal of increasing corporate value with managers, but their role is to oversee management with "outside eyes." At Board of Directors' meetings, outside directors seek clarification regarding what are the bases of their decision making. They also play an important role by asking questions to make managers "aware," so that as they seek solutions to difficult issues they do not become overly subjective in their thinking or try to resolve the issues in terms of only short-term solutions. In conducting this task outside directors need to maintain close communication with managers. To this end, I strive to understand Yamaha Motor's products and customers, markets and competitors, and factories and dealerships.

Yamaha Motor is a robust and vibrant company that possesses technologies of global levels and irreplaceable human resources. Under strong leadership, management works as a united team, and is noteworthy for its openness as it constantly seeks the views of shareholders, customers and employees. As a Japan-based manufacturer, the Company must of course continue to work to adapt quickly to changes in markets and customers' needs around the world. Using my experience, I hope to contribute to Yamaha Motor by working hard to continuously ensure that management makes the right decisions.

Corporate Information

Corporate Social Responsibility

Please refer to the following URL for more information:
http://www.yamaha-motor.co.jp/global/about/csr/

Customers

Aiming to be an engineering, manufacturing and marketing enterprise that gives customers a sense of *Kando*

Engineering, manufacturing and marketing creates the value that is provided to customers. Yamaha Motor always takes a customer perspective as we plan, develop, manufacture, sell and service products for mobility, without forgetting the importance of "looking outward." By enhancing the quality, safety and originality of mobility products, we continue to provide value that exceeds customers' expectations.

Smart Power creating dreams for the next generation

Yamaha Motor released the Passol, the first mass-produced electric motorcycle, in 2002, and with next-generation, environmentally friendly engines that reduce fuel consumption, we have been aggressively developing new power sources that we call Smart Power.

The EC-03 Electric Commuter Vehicle, released in September 2010, incorporates a plug-in system that allows for recharging from a residential power source, and by December 2011, domestic unit sales had reached 2,000 units. Support for the PAS Electrically Power Assisted Bicycle has been growing among housewives, seniors, students and office workers for commuting, as well as among government offices and companies for their operating activities, against a backdrop of increased health consciousness and environmental awareness.

In November 2011, we strengthened our partnership with Toyota Motor Corporation and announced the *Tsunagaru* Bike (Communications-linked, Next-generation Vehicles) Service, which will pave the way for new traffic systems through the joint use of recharging and information infrastructures, and vehicle sharing. Smart Power will play a role in next-generation traffic infrastructures that open up even greater possibilities for mobility.

Building confidence in ASEAN through the "3S" policy

The Yamaha Motor Group is striving to bolster its comprehensive sales services in ASEAN, Central and South America, and other regions around the world. This includes renovating showrooms and facilities, staff training to teach appropriate manners for dealing with customers and develop skills in explaining our products, and building supply structures for customers who do not live near dealers.

In 2011, in particular, we made progress in strengthening our "3S" policy—(motorcycle) Sales, (after-sale) Service and (sales of) Spare parts—to comprehensively raise the level of customer satisfaction in the ASEAN market. Customers' satisfaction with the sales services they experience increases confidence in the Yamaha brand, and in this way we are establishing strong loyalty in the ASEAN market.

Globally promoting and developing activities for safe driving

The Yamaha Motor Group holds Yamaha Riding Academy (YRA) courses around the world to improve customers' safe driving skills. These courses integrate and organize the three elements of promoting safe driving, promoting motor sports and promoting products in product areas including motorcycles, ATVs, personal watercraft and snowmobiles.

In March 2011, Yamaha boat license schools added a new "Class 2 Practical Test Exemption Course," which allows boat enthusiasts to obtain a small boat operator license (a Class 2 license) without taking the practical test. This course is being steadily rolled out at licensing centers in the Kanto region, and is contributing to an increase in the number of people obtaining boat licenses.

Employees

Creating an organization to facilitate co-ownership of value from a global perspective

The Yamaha Motor group strives to create workplaces that respect diversity, with the aim of achieving an organizational structure based on sharing ideas and the same high ambitions and spirit, cooperation, and joy in our work among the company and its employees from a global perspective.

Aiming for a workplace environment that fosters autonomous creativity

The Yamaha Motor group defines its relationship with employees as a business partnership, and the company's role as providing an attractive workplace for autonomous individuals. We aim to create workplaces that maintain a diversity of working styles and a positive work–life balance by supporting career advancement plans based on mutual assumptions, providing programs for child and nursing care leave and post-retirement reemployment, and promoting employment opportunities for persons with disabilities.

We are also promoting the creation of safe workplace environments globally through programs including OSHMS*.

*OSHMS: Occupational Safety & Health Management System

Developing global human resources

In line with the growth in the size of the group's businesses around the world, Yamaha Motor is aggressively working to cultivate human resources that are increasingly able to operate globally.

A Global Executive Program (GEP) was launched in January 2012 to expand management training and promotion opportunities for locally hired overseas staff. A Global Executive Committee (GEC) was also established to promote a shared understanding of Yamaha Motor's management principles and corporate DNA. We are also working to provide greater overseas experience for Japanese staff, and to promote communication between staff within and outside Japan.

Business Partners

A global procurement and sales network based on a spirit of cooperation and fairness

As our procurement and sales structures become increasingly global, the Yamaha Motor group is establishing cooperative relationships with suppliers and dealers in Japan and around the world based on a spirit of mutual trust and mutual benefit. We strive to maintain fairness in our dealings through compliance with the Ministry of Economy, Trade and Industry's Fair Trade Guidelines for the Automotive Industry in Japan, and with laws to protect competitiveness in other countries and regions, to establish partnerships that aim for mutual, sustainable growth.

Activities in supply chains

We have established Green Procurement Guidelines with a view toward reducing environmental impact and efficiently using resources and energy as a manufacturer of mobility products, and in July 2010 we formulated CSR Guidelines for Suppliers covering the areas of safety, quality and compliance. By sharing information with suppliers, we are promoting fair and clean procurement.

Activities at dealerships

As our contact point with customers around the world, dealerships play an important role in conveying Yamaha's "next sense of excitement." By strengthening relationships with dealers through regularly held dealer meetings, and activities to promote safe driving and support local communities, the Yamaha Group is building a sales network that provides common value.

The Community

Creating and sharing a sense of *Kando* through bonds with local communities

With a Corporate Mission of "offering new excitement and a more fulfilling life to people all over the world," the Yamaha Motor group contributes to local communities and builds solid relationships of trust by making maximum use of our products, technologies, human resources and facilities.

Smart Power assisting local governments and vitalizing tourist areas

The Yamaha Motor Group has been operating the PASCRU business since 2009, leasing vehicles to government offices and companies to promote Smart Power as a means of next-generation mobility.

Kawaguchi City in Saitama Prefecture has been taking proactive steps to address global warming, and made effective use of the PASCRU system in 2011 as part of a verification business for the introduction of next-generation vehicles.

We have also made a major contribution to the vitalization of tourist areas and regional cities by providing EC-03 Electric Commuter Vehicles to the Guru-Toku Cycle business in Tokushima City, Tokushima Prefecture, and to the Tajimi City Electric Commuter Vehicle Leasing Organization in Gifu Prefecture, which uses a solar power generation system to recharge the commuter vehicles, and also by providing PAS Electrically Power Assisted Bicycles to Rokkosan Pasture and to Hoshino Station on the Maya Ropeway in Kobe.

Supporting employees' voluntary social contributions

In addition to corporate social contribution activities, we have developed a "40,000 People's V Campaign," using our intranet to provide information to foster a sense of volunteerism among our 40,000 group employees, as a means of supporting employees' voluntary social contribution activities. The system was used by 40,294 people in 2011, achieving our target for the fourth consecutive year.

Activities supporting earthquake-affected areas

Immediately following the Great East Japan Earthquake that struck on March 11, 2011, Yamaha Motor quickly provided emergency goods including Yamaha inverter-type generators, drinking water and emergency food supplies, with ¥100 million worth of goods sent by March 15. We also provided 139 PAS Electrically Power Assisted Bicycles to local governments and emergency response teams in stricken areas as a means of communication and movement among evacuation centers and regional government offices. In addition, a ¥20 million contribution, consisting of a corporate donation and employee donations through employee labor unions, was quickly provided via the Japan Red Cross Society.

When Thailand experienced severe flooding in October 2011, Yamaha Motor, together with local group companies including Thai Yamaha Motor Co., Ltd., provided a total of ¥30 million in relief goods including life jackets, water pumps and boat engines.

The Environment

Existing in harmony with the global environment to achieve sustainable growth

Based on our newly formulated Environmental Plan 2020, the Yamaha Motor group is striving to raise corporate value through sustainable growth, by carrying out all of our corporate activities in harmony with the global environment and coexisting with a diversity of life and values.

Activities to reduce CO_2 emissions

With our electrically power assisted bicycles and electric motorcycles, Yamaha Motor is leading the way toward the achievement of a low-carbon society. We consider the reduction of greenhouse gas emissions to be the most critical environmental issue we face, and are striving to reduce greenhouse gas emissions over the entire life cycle of our products—from product development and manufacturing to use and disposal. We have also installed solar and wind power generation systems at our Nakase Plant (Hamamatsu City, Shizuoka Prefecture), as we accelerate our efforts to reduce greenhouse gas emissions across all of our business activities.

Activities to reduce the use of substances that have a negative environmental impact

The Yamaha Motor group identifies and reports on emissions and waste generated that includes chemical substances that are harmful to humans and the environment, in compliance with the regulations of each country in which we operate. More than 99% of the substances released from our facilities, subject to reporting under the Pollutant Release and Transfer Register (PRTR) system, are volatile organic compounds (VOC). Almost all of these are generated during painting processes, and we are working to address this through the use of low-VOC paints, improved painting efficiency and waste reduction. We are also strengthening our management of chemical substances in products sold in Europe as per the European Community's regulations for the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH).

Activities to conserve resources and energy

The Yamaha Motor Group has set goals of 100% recycling for products and factories and ensuring long product life. We endeavor to thoroughly incorporate the 3Rs—reduce, reuse, recycle—in each stage of our operations, from product development and manufacturing to use and disposal, by reducing the number of parts in our products and reducing their size, using parts made for reusable materials, and expanding the application of a system that collects data on parts recyclability.

Activities to protect biodiversity

Prior to starting construction of our motorcycle test course in Kikugawa City, Shizuoka Prefecture in June 2011, Yamaha Motor conducted an environmental assessment on the site and in surrounding areas, and presented the results to the Shizuoka prefectural government in the form of a Natural Environment Conservation Agreement. We are working to protect the natural environment and maintain the biodiversity of the surrounding area by preserving existing vegetation within a fixed distance from the outer perimeter of the facility, and ensuring that no damage is done to the current plant environment in the forests beyond that area.

Raising environmental awareness groupwide

The Yamaha Motor Group is striving to raise the level of environmental protection activities across the entire group through the development of our original Global Environmental Information Network System (G-YECOS) and the use of our intranet to foster an eco-minded perspective.

Corporate Information

Organization

Yamaha Motor Co., Ltd., as of January 1, 2012

- General Meeting of Shareholders
  - Board of Corporate Auditors — Corporate Auditors' Office
- Board of Directors
- President & CEO*
  - Management Committee
  - Risk Management and Compliance Committee
  - Integrated Auditing Division
  - Human Resources & General Affairs Section
    - Human Resources Development Division
    - General Affairs Division
    - Group Administration Division
    - Legal & Intellectual Property Division
    - Public Relations & Advertising Division
    - Tokyo Office
  - Corporate Planning & Finance Section
    - Corporate Planning Division
    - Finance & Accounting Division
    - Business Management Division
    - Logistics and Security Trade Division
    - Process & IT* Division
  - CGM* — Product Assurance & Safety Promotion Center
  - CGM* — Design Center
  - Technology Center
    - Research & Development Section
    - Manufacturing Technology Section
    - Technology Infrastructure Section
    - Advanced Development Section
  - Manufacturing Center
    - Manufacturing Planning Section
    - Body Manufacturing Section
    - Engine Manufacturing Section
  - Procurement Center
    - Procurement Section
    - Cost Innovation Section
  - Motorcycle Business Operations
    - 1st Business Unit
    - 2nd Business Unit
    - 3rd Business Unit
    - Engineering Section
    - Quality Assurance Section
  - Marine Business Operations
    - Marine Engine Business Unit
      - Engineering Section
    - Water Vehicle Business Unit
    - Boat Business Unit
  - CGM* — Automotive Business Unit
  - CGM* — Overseas Market Development Operation Business Unit
  - CGM* — Parts Business Unit
  - Business Development Operations
    - IM* Business Unit
    - RV* Business Unit
    - Smart Power Vehicle Business Unit
    - Unmanned Aerial Vehicle Business Development Section
    - Pool Business Development Section

*Abbreviations:
CEO: Chief Executive Officer
CGM: Chief General Manager
IT: Information Technology
RV: Recreational Vehicles
IM: Intelligent Machinery

Risk Factors

Of the matters related to business and accounting conditions, etc., which are stated in the securities report, the following risks are considered to have the potential to significantly affect investor judgments about the group. Forward-looking statements in this section are based on the information available to the group as of the submission date of the securities report (March 26, 2012).

Risks Related to Business Operations

For risks discussed below, to which our business is normally exposed, the Yamaha Motor group (the "group") incorporates hedging policies in its business plans, and takes hedging measures in its Medium-Term Management Plan and budgets. The group also closely monitors conditions and developments, and promptly responds to changes. Nevertheless, if risks emerge that exceed the scope for which means of control have been prepared, the group's business results and financial standing could be adversely impacted.

Economic Conditions

The group conducts businesses in nations and regions around the globe, including Japan, North America, Europe and Asia. In these markets, purchasing our products may not be essential or imperative for consumers. If demand in these markets were to shrink more than it has already due to such developments as financial instability in countries bordering the euro zone and rising interest rates to curb inflation in emerging markets, the group's business development may be negatively impacted.

Market Competition

The group is exposed to intense competition in many of the markets in which it does business, and such competition may prevent the group from advantageous product pricing. Intense market competition increases pressure on group profits, and this profit squeeze can become especially pronounced when market demand slackens. Although the group must continue introducing attractive new products in order to maintain or gain an advantage amid tough competition, there is no assurance that the group can in fact allocate sufficient resources to develop such new products. Furthermore, there is no way to assure that the group can successfully market the products it does develop with the resources invested.

Currency Fluctuations

Most of the motorcycles and outboard motors sold in volume by the group in North America and Europe are manufactured in Japan and exported as completed products. Therefore, fluctuations in the exchange rates of the Japanese yen against major currencies, such as the U.S. dollar and the euro, significantly impact not only the group's sales, but also profits and other results. Generally, the appreciation of the yen against other currencies has a negative impact, while the yen's depreciation positively affects the group's business performance. Although the group uses hedging instruments in an effort to minimize the negative effects of the Japanese yen's fluctuations against the U.S. dollar, the euro and other major currencies, dramatic exchange rate fluctuations may impact planned procurement, production and marketing activities. Furthermore, by utilizing hedging instruments, the group potentially loses profits that would result from the exchange rates moving in the direction opposite the hedge forecast. The group's business results and financial standing are stated based on the consolidated financial statements, prepared by translating local-currency-denominated business results of the Company's overseas subsidiaries into yen. Thus, fluctuations in the exchange rates of the yen against these currencies may have a significant impact on their results, and, in turn, the Company's consolidated financial statements.

Business Operations in Overseas Markets

The group does business in many nations and regions around the globe. On a consolidated basis, the ratio of overseas sales to net sales for the fiscal year ended December 31, 2011 stood at 88.5%. Particularly in the motorcycle business, sluggish sales in developed nations make the group increasingly dependent on sales and profits in Asian and other emerging markets. In the more strategically important of these markets, the group may forecast growth in demand or anticipate developments that will strongly impact neighboring nations and regions. In these situations, the group may need to make large strategic investments long before any profit can be expected. If factors that could not be anticipated when the investment decisions were made should subsequently materialize in those nations and regions, such as changes in governments' currency exchange policies, foreign investment policies, and tax systems, demand may decrease substantially, possibly delaying or entirely preventing recovery of the investment.

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Joint Ventures

In some nations and regions, the group operates businesses through joint ventures with local enterprises, due to legal and other requirements in those nations and regions. These joint-venture businesses may be affected by factors involving the group's business partners, such as the policies or conditions of their management.

Dependence on Suppliers for Procurement of Certain Raw Materials and Parts

The group procures raw materials, parts and other goods used to manufacture products from many suppliers outside the group, and relies heavily on several key suppliers for certain items. Whether the group can continue procuring these raw materials and parts efficiently at low cost depends on many factors, some of which, such as market conditions and natural disasters, are not within the group's control.

Dependence on Corporate Customers

The group not only supplies consumer products such as motorcycles and outboard motors to consumer markets, but also automobile engines to automakers. The group's sales could be affected by factors outside the group's control, such as the management and procurement policies of the client companies.

Retirement Benefit Obligation

The group's employees' retirement benefits and the obligation thereto are computed by applying actuarial assumptions to the discount rate and the expected rate of return on the pension asset fund. Should the actual results differ from the assumptions, or should the assumptions change, the effects generated by these events are calculated cumulatively, thus repeatedly impacting results—and, generally, expenses and obligations—in the future. Therefore, decreases in discount rates, and/or lower-than-expected returns from pension asset management, may have a negative impact on the group.

Unrealized Loss on Land

Pursuant to the "Law Concerning the Revaluation of Land," the fair value of land at December 31, 2011 was lower than the book value after the revaluation by ¥6.8 billion, resulting in unrealized loss. Consequently, the unrealized loss on land may materialize when the land is sold, thus negatively impacting the business performance of the group.

Natural Disasters and Others Factors

Natural disasters, diseases, wars, terrorism and other unforeseen events may affect the operations of the group, directly or indirectly. Specifically, the occurrence of any of these incidents or events could delay or disrupt group operations. Furthermore, if group manufacturing plants or other facilities are directly damaged, substantial expenditure may be required to repair or replace the damaged facilities.

Significant Risks Related to the Business Foundation

The group has identified significant risks which may negatively impact its business foundation, and which require priority countermeasures. The Risk Management and Compliance Committee conducts integrated management of such risks and implements the countermeasures. As for individual risks considered significant, the Company is to clarify the department in charge, whereupon that department works to decrease the risk. Should even more serious risks than these materialize, an Emergency Countermeasures Headquarters headed by the President and Chief Executive Officer will be organized, in order to establish a system for minimizing the damage and negative effects. Main risks of this nature are described below. If an incident more severe than assumed in contingency planning occurs, it may negatively affect business results of the group.

Product Liability

Recognizing that it is our social responsibility to provide products of high quality, the group manufactures motorcycles and other products at its factories worldwide under a strict quality assurance system, based on the group's Quality Assurance Standards. However, it is practically impossible to ensure zero defects for all products or eliminate the possibility of recalls in the future. Consequently, the group is covered with product liability insurance, but there is no assurance that the maximum amount of compensation provided by the insurance policy can provide the total amount required. Furthermore, situations may arise in which the group is unable to continue purchasing the insurance policy under acceptable conditions for the group. Should a large-scale recall or a product defect trigger a product liability case, the group could incur major expenses, and its credibility could be damaged. Such a development may decrease sales and negatively affect business results of the group. In order to provide for the payment of liabilities that may not be covered by product liability insurance, the group allocates an accrual for product liabilities at an estimated amount of payment, based on the actual results in past years. Such provision notwithstanding, however, the development of product liability lawsuits—particularly cases involving side-by-side vehicles in the United States—could adversely effect the group's business performance.

Environmental and Other Regulations

In many countries and regions where the group operates, the group and its products are subject to a wide range of environmental and other regulations, encompassing product safety, fuel economy, exhaust emission levels and the levels of pollutants generated from manufacturing facilities. These regulations may be revised and made stricter in the future. The group has been promoting environmental preservation activities, in accordance with the "CSR Policy" and the "Year 2010 Yamaha Motor Group Environmental Plan," such as formulating green procurement guidelines to reduce environmentally hazardous emissions from products and factories, and establishing dedicated teams. Nevertheless, major changes in the regulations or laws in the countries and regions where the group does business may necessitate significant further expenditure.

Protection of Intellectual Properties

The group protects its many patent rights, trademark rights and other intellectual properties, which help differentiate the group's products from others, through legal measures and procedures. However, in some nations and regions where the group operates, complete protection of intellectual property rights may not be possible, or intellectual property rights may only be protected on a limited basis. In such nations and regions, the group may not be able to exercise its intellectual property rights to effectively prohibit the production of similar products.

Tokai Earthquake

The group's main Japanese factories are concentrated in an area subject to "intensified measures against earthquake disasters" in anticipation of a potentially severe predicted earthquake, referred to as the Tokai Earthquake. The group has been promoting seismic retrofitting for its main buildings and structures, establishing systems that will facilitate early post-earthquake restoration, and regularly reviewing these systems and measures with the aim of minimizing damage and achieving early restoration in the event of an earthquake. However, an earthquake exceeding the group's predicted magnitude could occur. The buildings and inventories owned by the group are covered by earthquake insurance policies, but earthquake damage may exceed the maximum compensation limits for such assets and properties.

Information Management

Protection of personal and/or confidential information, including customer information, is essential for maintaining a company's credibility and ensuring smooth business operations. The group takes extensive measures to protect information assets, such as establishing corporate regulations, conducting in-house education, and constructing information security systems. However, there is no guarantee that leaks or unauthorized transfers of information will not occur. Should such an incident occur in the group, the reputation of the group would be damaged considerably, and the group could be held liable for damage caused to customers. Dependence on information systems, as well as their importance in the group's business activities, continue to grow. Therefore, if an information system should fail to function properly, the group's operations, business performance and financial conditions may be negatively impacted.

Corporate Information

History of the Yamaha Motor Group

1955
- Motorcycle operations spun off from Nippon Gakki Co., Ltd. (presently Yamaha Corporation) and made independent in Hamakita City as Yamaha Motor Co., Ltd.
- Production of our first product, the 125cc Yamaha motorcycle YA-1, began
- YA-1 won the 125cc class at the 3rd Mount Fuji Ascent Race
- YA-1 captured first, second and third place in the 125cc class at the 1st Asama Highlands Race

1956
- Won both the 125cc and 250cc classes at the 4th Mount Fuji Ascent Race

1957
- Won both the 125cc and 250cc classes at the 2nd Asama Highlands Race

1958
- Took 6th place in first attempt at the Catalina Grand Prix in the U.S. (International racing debut)
- Yamaha de Mexico established

1960
- Yamaha International Corporation (YIC) founded in the U.S.

1961
- Listed on First Section of the Tokyo Stock Exchange (Capitalized at ¥800 million, 1.6 million shares)
- First appearance in road race World GP (Franc GP)
- Took 6th place in World GP 250cc class in round 4, the Isle of Man TT Race in Britain
- CAT-21 won 1st Pacific 1,000km Motorboat Marathon

1962
- Won Novice 250/350cc classes at the 1st All Japan Road Race Championship
- STR-18 won 2nd Pacific 1,000km Motorboat Marathon

1963
- Pearl Yamaha in India started production and sales of mopeds
- RD56 set a new record in winning the Daytona Grand Prix in the U.S.
- Won first 250cc class in the Belgium GP leg of the World GP

1964
- Boat production business transferred from Nippon Gakki
- Won 1st Japan Motocross GP in the 251cc and above class
- Captured first manufacturer and rider titles in the 250cc class (RD65) of the road race World GP
- Siam Yamaha founded in Thailand
- Yamaha Motor acknowledged in Japan as a company contributing to exports

1965
- Won 125cc class at the Isle of Man TT Race in the World GP for first time
- Captured manufacturer and rider titles for the second consecutive year in the 250cc class of the road race World GP

1966
- Yamaha-built Toyota 2000GT set world records in 13 categories at speed trials
- Technical assistance agreement made for motorcycle production in Taiwan

1967
- Took 125cc class manufacturer and rider titles at the road race World GP

1968
- Joint venture established with Wei-Ming Co. for local production for motorcycles in Malaysia
- First overseas subsidiary, Yamaha Motor Europe N.V. (YMENV), founded in the Netherlands

1969
- Yamaha Motor Malaysia began local production of motorcycles
- Completion of Yamaha test course at Fukuroi City

1970
- Yamaha Motor do Brasil (YMDB) founded
- Took 250cc class manufacturer and rider titles at the road race World GP (TD2)

1971
- Local production of motorcycles begun in Indonesia
- Won snowmobile manufacturer title at the Eagle River World Championship in the U.S.

1972
- Headquarters moved to present location in Iwata City
- First wins in Motocross WGP at the Swedish GP (250cc class) and Luxembourg GP (500cc class)
- Yamaha Motor Deutschland GmbH. (YMG) founded in Germany

1973
- Yamaha Motor Canada (YMCA) founded
- Opening of Yamaha Technical Center in Iwata City
- Won first manufacturer and rider titles in the 250cc class of the Motocross WGP

1974
- Joint venture PT. Yamaha Indonesia Motor Manufacturing (YIMM) founded
- Won manufacturer titles in the 125cc, 250cc, 350cc and 500cc classes of the road race World GP

1975
- Representative office in Nigeria opened
- *Wing of Yamaha* won 1st Single-Handed Transpacific Yacht Race

1976
- YZR750 finished 1-2 in the 13th All Japan Grand Prix Road Race

1977
- Yamaha Motor Corporation, U.S.A. (YMUS) founded
- KD production of motorcycles begun in Peru

1978
- R&D Minnesota opened in the U.S.
- Yamaha-built *Magician 5* won the quarter-ton world championship sailboat competition

1979
- Sino-Japanese friendship “Guangzhou Yamaha Exhibition” held in China
- R&D Amsterdam opened in the Netherlands
- XT500 won the 1st Paris-Dakar Rally
- Won Formula 750 class road race of the World GP for the sixth straight year

1980
- R&D California opened in the U.S.
- Joint venture with Benemoto Co. to produce motorcycles in Venezuela

1981
- Service center opened in Guangzhou and Beijing, China
- Took rider title in the 250cc class of the Motocross WGP

1982
- Sale of two-wheeled vehicle technology to NHW Co. in West Germany
- Two-wheeled vehicle production and marketing tie-up with Motobecane in France
- Joint venture with SEMSA Co. began production of motorcycles in Spain

1983
- Local production begun in Portugal through technical assistance agreement with SIS Co.
- Yamaha Motor Australia (YMA) founded in Sydney
- Joint venture with Escorts to produce motorcycles in India

1984
- Commercial tie-up to supply engines to Ford Motor in the U.S.
- Local production begun in France with technical assistance agreement given to MBK Industrie
- 13th consecutive Yamaha victory at the Daytona 200 Mile Race in U.S.

1985
- Signed contract to develop, produce and supply automobile engines to Ford Motor in the U.S.

1986
- Yamaha Motor Taiwan (YMT) founded
- Motorcycle production begun in Italy
- Yamaha automobile racing engine OX66 won first place in the All Japan F2 Championship Series
- Yamaha Motor Manufacturing Corporation of America (YMMC) founded

1987
- Yamaha Motor España S.A. (YMES) established in Spain
- YZF750 won the Suzuka 8-Hours Endurance Race
- Cosworth Yamaha OX77 won the first All Japan F3000 Championship race in its second appearance

1988
- Production of DOHC engine SHO for Ford Motor begun
- Completion of Hamaoka test course in Shizuoka Prefecture
- Cosworth Yamaha OX77 won series title in the All Japan F3000 Championship

1989
- West Zakspeed Yamaha team formed in Yamaha's first F1 challenge

1990
- Corporate Mission — *Kando* Creating Company — and long-term management vision announced
- Yamaha constructed 1992 America's Cup challenge boat, *Nippon*
- Yamaha Motor Portugal (YMP) founded

1991
- Established the Environment Affairs Division
- Functions of customer consultation offices expanded and strengthened
- Technical Training Center (TTC) completed
- Yamaha Motor France S.A. (YMF) founded
- Yamaha Motor de Mexico, S.A. de C.V. (YMMEX) founded

1992
- Established CCS (Customer Community Satisfaction) Committee
- Established Yamaha Football Club Co., Ltd.
- Chongqing-Jianshe Yamaha Motorcycle Co., Ltd. (CJYM) established in China

1993
- European distribution center began operations in the Netherlands
- Announcement of the Action Plan for Environmental Conservation
- Signed agreement with Brunswick Co. in the U.S. to jointly develop 4-stroke outboard motors

1994
- Technical tie-up for manufacture and sale of surface mounters with Philips EMT
- YZF750 won the 58th Bordeaux 24-Hours Endurance Road Race
- Yamaha victorious in the 6th Whitbread Round the World Yacht Race

1995
- Escorts Yamaha Motor Ltd. established in India
- Yamaha Motor Thailand established

1996
- Yamaha Motor Argentina S.A. (YMARG) founded
- PT. Yamaha Motor Parts Manufacturing Indonesia (YPMI) founded
- Yamaha motorcycles, snowmobiles, ATVs acquired ISO 9002 certification

1997
- Yamaha Motor Nuansa Indonesia (YMNI) founded
- Motorcycle service skills training center opened in Colombia
- Second-place finish at the Hungary F1 GP world championships

1998
- Yamaha Motor Asia Pte. Ltd. (YMAP) established in Singapore
- Yamaha Motor Marketing Japan Co., Ltd. established

1999
- Announced 2010 Environmental Action Plan, Eco Cite YAMAHA
- Nine Yamaha Motor factory and office sites acquired ISO 14001 certification
- Production of motorcycles began at Yamaha Motor Vietnam Co., Ltd. (YMVN)

2000
- Corporate ties with Toyota Motor Co. strengthened
- IM Division reorganized as an in-house company

2001
- Won manufacturer and rider titles in the 500cc class of the Motocross WGP

2002
- Initiated three-year Medium-Term Management Plan, NEXT50
- Yamaha branding strategy launched
- Production of scooters for the Japanese market transferred to Yamaha Motor Taiwan (YMT)

2003
- Marine Engine Division reorganized as an in-house company
- Yamaha Boating Systems Co., Ltd. founded
- Yamaha Motor Distribution Singapore Pte. Ltd. (YDS) founded
- Net sales topped one trillion yen for the first time
- All-Yamaha ASEAN Cup Race started

2004
- Won the rider title at the MotoGP
- Won the MX1 class rider title of the Motocross WGP
- Sixteen bases at all nine Yamaha Motor office and factory sites in Japan acquired international certification for integrated Environmental Management Systems (EMS)

2005
- Initiated new three-year Medium-Term Management Plan, NEXT50-Phase II
- 50th anniversary
- Won manufacturer, team and rider titles at the MotoGP
- Won the manufacturer and rider titles in the MXI class of the Motocross WGP, repeating the 2003 success
- OOO Yamaha Motor CIS (YMCIS) established in Russia
- Completed the Life Science Laboratory, an R&D center for the biotechnology business

2006
- PT. Yamaha Motor Manufacturing West Java (YMMWJ) began operation (Indonesia)
- Global Parts Center (Fukuroi City) began full-scale operation
- Established the Compliance Special Committee
- Plant for astaxanthin raw material completed; mass production begun
- Yamaha Motor Foundation for Sports established

2007
- Yamaha Motor Philippines, Inc. (YMPH) began manufacturing and sales of motorcycles
- Announced CF magnesium die casting technology and the world's first use of the technology in rear frames of mass-produced motorcycles
- Yamaha Motor's first health supplement, "ASTIVO," launched in the market

2008
- Launched the long-term vision "Frontier 2020" and initiated Phase I of the vision, the new Medium-Term Management Plan
- Yamaha Motor Cambodia Co., Ltd. (YMKH), a joint venture company for the manufacture and sale of motorcycles, founded
- India Yamaha Private Limited (IYM) founded jointly with Mitsui & Co., Ltd. for the manufacture of motorcycles
- Global Training Center opened in Indonesia
- Yamaha Riding Academy established in Thailand to promote motorcycle riding safety
- Won the manufacturer, team and rider titles at the MotoGP, repeating the triple crown performance of 2005

2009
- Announced policies and measures to "return to profitability on a consolidated income basis in fiscal 2010" and "achieve a consolidated operating income margin of 5% in fiscal 2012," in view of the revised forecasts of business performance
- Yamaha Motor Co., Ltd. and Yamaha Marine Co., Ltd. merged
- Announced the commercialization of the Y.C.A.T. (Yamaha Compact Automatic Transmission), a continuously variable transmission for moped-type motorcycles
- Won the manufacturer, team and rider titles at the MotoGP, claiming the triple crown for the second consecutive year

2010
- Yamaha Motor withdrew from life science business

2011
- Consolidation of Iwata South Factory's engine assembly lines with Main Factory's motorcycle assembly plant completed
- IM business established YIME in Europe and YIMA in the United States
- Commenced increased production of utility boats to support reconstruction efforts in eastern Japan
- Tie-up with Toyota Motor Corporation in Communications-linked, Next-generation Vehicles to build a "new mobility society"

Principal Subsidiaries and Affiliates

As of December 31, 2011

Consolidated Subsidiaries

Company	Location	Principal business lines
Japan		
❶ Yamaha Motorcycle Sales Japan Co., Ltd.	Minato, Tokyo	Marketing of Yamaha Motor products
❷ Yamaha Kumamoto Products Co., Ltd.	Yatsushiro, Kumamoto	Manufacture of outboard motors and other products
❸ Yamaha Motor Powered Products Co., Ltd. (YMPC)	Kakegawa, Shizuoka	Manufacture of power products and motorcycle frames
❹ Yamaha Motor Electronics Co., Ltd.	Mori-machi, Shizuoka	Manufacture and marketing of motorcycle electric parts
U.S.A.		
❺ Yamaha Motor Corporation, U.S.A. (YMUS)	Los Angeles, California	Regional headquarters for North America (importing and marketing of Yamaha Motor products)
❻ Yamaha Motor Manufacturing Corporation of America (YMMC)	Atlanta, Georgia	Manufacture and development of golf cars, personal watercraft and all-terrain vehicles
❼ Century Boat Company, Inc.	Panama City, Florida	Manufacture and marketing of FRP boats
❽ Skeeter Products, Inc.	Dallas, Texas	Manufacture and marketing of FRP boats and aluminum boats
❾ Precision Propeller Industries, Inc. (PPI)	Indianapolis, Indiana	Manufacture and marketing of outboard motor propellers
❿ Tennessee Water Craft, Inc.	Knoxville, Tennessee	Manufacture of jet boats
⓫ Yamaha Golf-Car Company (YGC)	Atlanta, Georgia	Marketing of golf cars
⓬ Yamaha Motor Distribution Latin America Inc. (YDLA)	Miami, Florida	Exporting and importing of spare parts and accessories for Central and South America and the Caribbean
Canada		
⓭ Yamaha Motor Canada Limited (YMCA)	Toronto	Importing and marketing of Yamaha Motor products
The Netherlands		
⓮ Yamaha Motor Europe N.V. (YMENV)	Amsterdam	Regional headquarters for Europe (importing and marketing of Yamaha Motor products, and marketing, product planning, and finance within Europe)
⓯ Yamaha Motor Netherland B.V. (YMNL)	Amsterdam	Marketing of Yamaha Motor products
⓰ Yamaha Motor Middle Europe B.V. (YMME)	Amsterdam	Management of sales companies and branches in Germany and the United Kingdom
France		
⓱ Yamaha Motor France S.A. (YMF)	Paris	Marketing of Yamaha Motor products
⓲ MBK Industrie (MBK)	Saint Quentin	Manufacture and marketing of scooters, outboard motors and MBK-brand bicycles
Italy		
⓳ Yamaha Motor Italia S.p.A. (YMIT)	Milan	Manufacture of Yamaha Motor products
⓴ Motori Minarelli S.p.A.	Bologna	Manufacture of motorcycle engines
㉑ Yamaha Motor Research & Development Europe S.r.l. (YMRE)	Milan	Research and development of motorcycles
Spain		
㉒ Yamaha Motor España S.A. (YMES)	Barcelona	Manufacturing of motorcycles
㉓ Yamaha Motor España Marketing S.L. (YMESM)	Barcelona	Marketing of Yamaha Motor products
Portugal		
㉔ Yamaha Motor Portugal S.A. (YMP)	Lisbon	Marketing of Yamaha Motor products
United Kingdom		
㉕ Yamaha Motor (UK) Limited (YMUK)	London	Marketing of Yamaha Motor products
Germany		
㉖ Yamaha Motor Deutschland GmbH. (YMG)	Düsseldorf	Marketing of Yamaha Motor products
Sweden		
㉗ Yamaha Motor Scandinavia AB (YMS)	Stockholm	Marketing of Yamaha Motor products
Russia		
㉘ OOO Yamaha Motor CIS (YMCIS)	Moscow	Importing and marketing of Yamaha Motor products
Australia		
㉙ Yamaha Motor Australia Pty Limited (YMA)	Sydney	Importing and marketing of Yamaha Motor products
New Zealand		
㉚ Yamaha Motor New Zealand Limited (YMNZ)	Auckland	Importing and marketing of Yamaha Motor products

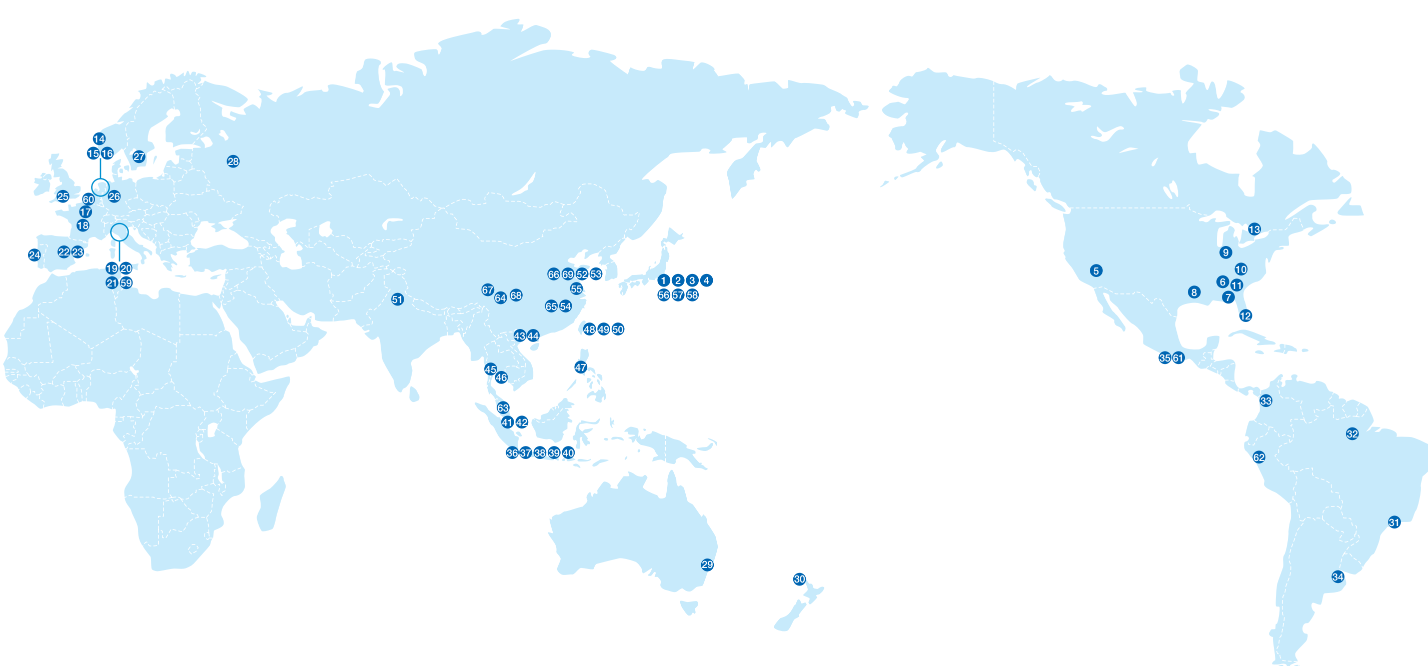
Company	Location	Principal business lines
Brazil		
㉛ Yamaha Motor do Brasil Ltda. (YMDB)	São Paulo	Importing and marketing of Yamaha Motor products
㉜ Yamaha Motor da Amazonia Ltda. (YMDA)	Manaus	Manufacture and marketing of motorcycles and outboard motors
Colombia		
㉝ Industria Colombiana de Motocicletas Yamaha S.A. (INCOLMOTOS)	Medellin	Assembly and marketing of motorcycles, and sales of spare parts
Argentina		
㉞ Yamaha Motor Argentina S.A. (YMARG)	Buenos Aires	Importing and marketing of Yamaha Motor products
Mexico		
㉟ Yamaha Motor de Mexico, S.A. de C.V. (YMMEX)	Mexico City	Importing and marketing of Yamaha Motor products
Indonesia		
㊱ PT. Yamaha Indonesia Motor Manufacturing (YIMM)	Jakarta	Manufacture and marketing of motorcycles
㊲ PT. Yamaha Motor Kencana Indonesia (YMKI)	Jakarta	Marketing of motorcycles
㊳ PT. Yamaha Motor Manufacturing West Java (YMMWJ)	Karawang	Manufacture of motorcycles
㊴ PT. Yamaha Motor Parts Manufacturing Indonesia (YPMI)	Jakarta	Manufacture and marketing of motorcycle parts
㊵ PT. Yamaha Motor Nuansa Indonesia (YMNI)	Jakarta	Manufacture and marketing of water purifiers
Singapore		
㊶ Yamaha Motor Asia Pte. Ltd. (YMAP)	Singapore	Financing center for Asia production bases
㊷ Yamaha Motor Distribution Singapore Pte. Ltd. (YDS)	Singapore	Exporting and importing of parts and accessories for Yamaha Motor products
Vietnam		
㊸ Yamaha Motor Vietnam Co., Ltd. (YMVN)	Hanoi	Manufacture and marketing of motorcycles
㊹ Yamaha Motor Parts Manufacturing Vietnam Co., Ltd. (YPMV)	Hanoi	Manufacture of motorcycle parts
Thailand		
㊺ Thai Yamaha Motor Co., Ltd. (TYM)	Bangkok	Manufacture and marketing of motorcycles
㊻ Yamaha Motor Asian Center Co., Ltd. (YMAC)	Bangkok	Regional headquarters for ASEAN nations (development of motorcycles, operation of ancillary businesses, and intermediation of three-country trade)
The Philippines		
㊼ Yamaha Motor Philippines, Inc. (YMPH)	Batangas	Manufacture and marketing of motorcycles
Taiwan		
㊽ Yamaha Motor Taiwan Co., Ltd. (YMT)	Taipei	Manufacture and marketing of motorcycles
㊾ Yamaha Motor Taiwan Trading Co., Ltd. (YMTT)	Taipei	Export of motorcycles and parts for those products
㊿ Yamaha Motor R&D Taiwan Co., Ltd. (YMRT)	Taipei	Research and development of motorcycles
India		
51 India Yamaha Motor Pvt. Ltd. (IYM)	Delhi	Manufacture, marketing and export of motorcycles
China		
52 Yamaha Motor Commercial Trading (Shanghai) Co. Ltd. (YMCT)	Shanghai	Exporting, importing, and marketing of Yamaha Motor products, and exporting of parts
53 Shanghai Yamaha Jianshe Motor Marketing Co., Ltd. (YMSM)	Shanghai	Marketing and after-sales service of Yamaha Motor products
54 Zhuzhou Yamaha Motor Shockabsorber Co., Ltd. (ZYS)	Zhuzhou, Hunan	Manufacture of motorcycle suspensions
55 Yamaha Motor R&D Shanghai Co., Ltd. (YMRS)	Shanghai	Research and development of Yamaha Motor Products

Other consolidated subsidiaries: 52 companies
Total consolidated subsidiaries: 107 companies

Subsidiaries and Affiliates Accounted for by the Equity Method

Company	Location	Principal business lines
Japan		
56 Yokohama Bay Side Marina Co., Ltd.	Yokohama, Kanagawa	Management of a marina and related business
57 Yamaha Football Club Co., Ltd.	Iwata, Shizuoka	Management of a professional soccer team
58 Mikasa Unyu Co., Ltd.	Kakegawa, Shizuoka	Distribution
Italy		
59 Yamaha Motor Racing S.r.l. (YMR)	Milan	Coordination and management of operations related to MotoGP and machine development testing
Belgium		
60 D'Ieteren Sport S.A.	Brussels	Marketing of Yamaha Motor products
Mexico		
61 Industria Mexicana de Equipo Marino, S.A. de C.V. (IMEMSA)	Mexico City	Manufacture and marketing of FRP boats; importing and marketing of other Yamaha Motor products
Peru		
62 Yamaha Motor del Perú S.A. (YMDP)	Lima	Marketing of motorcycles, all-terrain vehicles, parts and other related products
Malaysia		
63 Hong Leong Yamaha Motor Sdn. Bhd. (HLYM)	Kuala Lumpur	Manufacture and marketing of motorcycles
China		
64 Chongqing Jianshe·Yamaha Motor Co., Ltd. (CJYM)	Chongqing, Sichuan	Manufacture of motorcycles
65 Zhuzhou Jianshe Yamaha Motor Co., Ltd. (ZJYM)	Zhuzhou, Hunan	Manufacture of motorcycles
66 Jiangsu Linhai Yamaha Motor Co., Ltd. (LYM)	Taizhou, Jiangsu	Manufacture and marketing of motorcycle engines
67 Sichuan Huachuan Yamaha Motor Parts Manufacturing Co., Ltd. (SHY)	Chengdu, Sichuan	Manufacture and marketing of electrical components for motorcycles
68 Chongqing Pingshan TK Carburetor Co., Ltd. (PTK)	Chongqing, Sichuan	Manufacture and marketing of motorcycle carburetors
69 Yamaha Motor Taizhou O.P.E. Co., Ltd. (YMTO)	Taizhou, Jiangsu	Manufacture of multi-purpose engines

Other subsidiaries and affiliates accounted for by the equity method: 17 companies
Total subsidiaries and affiliates accounted for by the equity method: 31 companies



Financial Section

Management Discussion and Analysis of Operations

Overview

During the fiscal year ended December 31, 2011 (fiscal 2011), although economic recovery in the U.S. was sluggish due to slow improvement in the employment situation, personal consumption, and other areas of concern, in the second half of the year signs of improvement in the unemployment rate and other indicators emerged. In Europe, economic recovery slowed markedly as the sovereign debt crisis negatively affected the real economy. Although stable growth continued in emerging nations in Asia, Central and South America, and other regions, negative impact from worsening economic conditions in Europe was also in evidence. In Japan, the economy showed a recovery trend after temporarily slumping in the aftermath of the Great East Japan Earthquake (the earthquake). However, the improvement trend slowed due to factors including the global economic slowdown and yen appreciation.

In developments in Yamaha Motor's main markets, although demand for motorcycles and outboard motors bottomed out in the U.S., demand for all-terrain vehicles (ATVs) continued to fall. In Europe, demand for motorcycles continued to contract, mainly in Italy and Spain. On the other hand, demand for motorcycles and outboard motors continued to expand in emerging nations in Asia, Central and South America, and other regions. In Japan, demand for generators, fishing boats and utility boats, and electrically power assisted bicycles increased year on year, underpinned in part by the earthquake reconstruction demand.

Scope of Consolidation

The number of consolidated subsidiaries at the end of fiscal 2011 increased by three from fiscal 2010, to 107, and the number of companies accounted for by the equity method decreased by two, to 31.

Impact of Exchange Rate Fluctuations

Fluctuating exchange rates had a negative effect on net sales and gross profit, causing year-on-year reductions of ¥72.2 billion ($928.8 million) to net sales and ¥32.2 billion ($414.2 million) to gross profit.

The impact of exchange rate fluctuations on net sales is defined as the difference between yen-translated amounts of foreign currency-denominated sales generated at overseas subsidiaries in fiscal 2011 calculated at exchange rates that prevailed at the end of fiscal 2011 and respective exchange rates applied in fiscal 2010. Similarly, the impact of exchange rate fluctuations on gross profit is defined as the difference between yen-translated amounts of foreign currency-denominated gross profit generated at overseas subsidiaries in fiscal 2011 calculated at exchange rates that prevailed at the end of fiscal 2011 and respective exchange rates applied in fiscal 2010. The impact of exchange rate fluctuations does not take into account changes in the selling prices of group products.

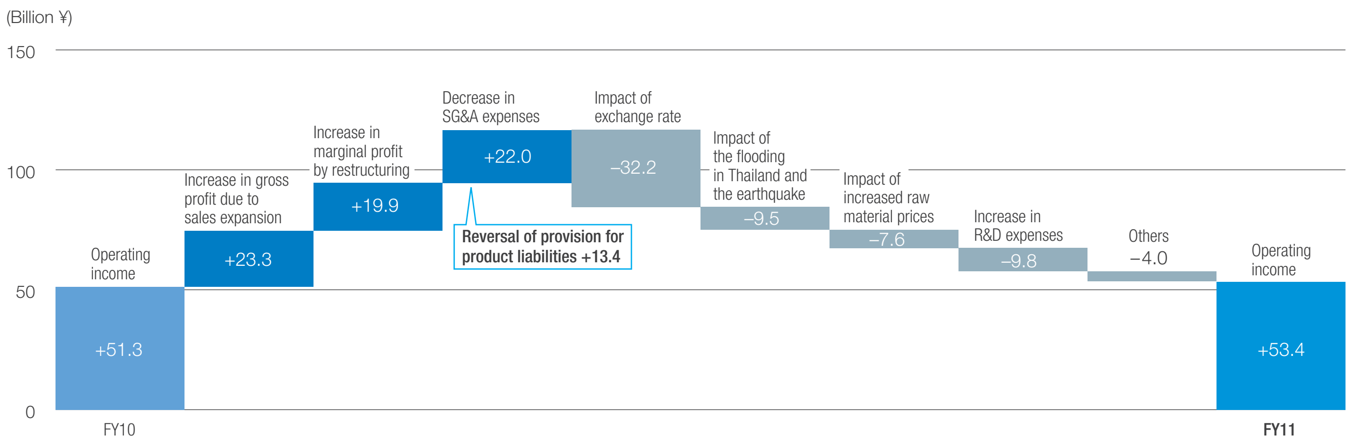
The exchange rates used in converting foreign currency-denominated amounts into yen on the consolidated financial statements for fiscal 2011 were ¥80 to the U.S. dollar, appreciating ¥8 from fiscal 2010, and ¥111 to the euro, appreciating ¥5 from fiscal 2010.

Sales and Operating Income

In operating performance, consolidated net sales for fiscal 2011 decreased 1.4% year on year to ¥1,276.2 billion ($16,415.7 million). In the first three quarters (January to September), sales fell slightly year on year as higher sales of motorcycles and outboard motors in emerging nations were unable to offset the negative impact of yen appreciation and the earthquake. In the fourth quarter (October to December), net sales fell 5.3% from the previous fourth quarter to ¥290.4 billion ($3,735.6 million) due to further yen appreciation and the flooding in Thailand, despite higher sales of outboard motors and some other products.

Operating income increased 4.1% year on year to ¥53.4 billion ($687.0 million). In cumulative results for the first three quarters (January to September), each profit measure showed a large year-on-year increase as higher unit sales, cost reductions due to structural reforms, and the impact of a reversal of the provision for product liabilities enabled the absorption of profit-impacting factors such as yen appreciation, increases in raw material prices, and the impact of the earthquake. In the fourth quarter (October to December), the Company recorded operating loss of ¥7.3 billion ($94.1 million) as a result of factors including further yen appreciation, the impact of flooding in Thailand, and lower demand in Europe and North America.

Factors Impacting Operating Income



Sales Performance by Business Segment

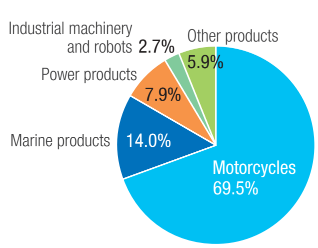
Motorcycles

Although unit sales in emerging markets including Vietnam, India, and Central and South America increased, unit sales in Indonesia and Thailand decreased due to the impact of manufacturing after the flooding in Thailand. As a result, unit sales in emerging markets edged up 0.8% from the previous year to 6.61 million units. Unit sales in developed markets fell 7.3% to 0.37 million units, reflecting lower unit sales in Europe owing to the impact of the economic crisis despite increases in unit sales in Japan due to reconstruction demand following the earthquake and in the U.S., where unit sales recovered due to market stock adjustment in the previous year.

As a result of these developments, overall unit sales rose slightly, increasing 0.3%, to 6.98 million units. Net sales for the fiscal year ended December 31, 2011 (fiscal 2011) fell 2.9% from the previous year to ¥887.6 billion ($11,417.0 million), due to yen appreciation. Also, operating income fell 43.2% to ¥27.6 billion ($354.7 million) owing to the impact of yen appreciation, the flooding in Thailand, and an increase in research and development expenses.

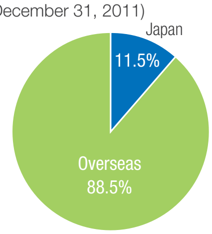
Percentage of sales by product segment

(Year ended December 31, 2011)

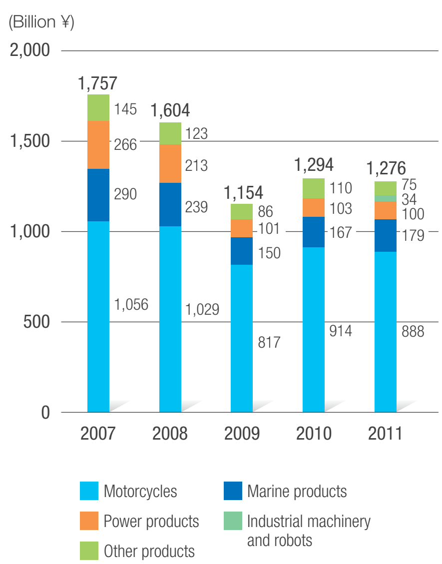


Percentage of sales by market

(Year ended December 31, 2011)

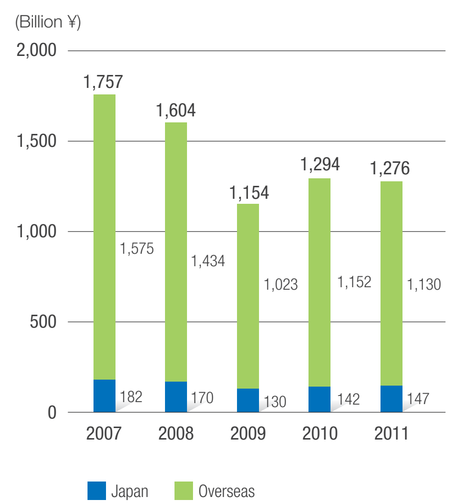


Sales by product segment



Note
"Industrial machinery and robots," which was previously included in the "Other products" segment, is being reported in a separate segment effective from fiscal 2011.

Sales by market



Marine Products

Unit sales of outboard motors increased 11.4% from the previous year to 0.3 million units, attributable to expanding demand in Central and South America, and Russia. This was also due to higher unit sales in the U.S., where demand had bottomed out. In addition, unit sales of personal watercraft increased, reflecting factors including a recovery in demand in the U.S.

As a result, net sales for fiscal 2011 rose 7.1% from the previous year to ¥178.9 billion ($2,301.6 million), while operating income rose 846.1% to ¥7.1 billion ($91.0 million), despite the negative impact of yen appreciation.

Power Products

Unit sales of ATVs declined 6.9% from the previous year to 0.08 million units, due to a continuous drop in demand in North America. Unit sales of generators increased, owing to factors such as reconstruction demand in Japan following the earthquake. Net sales of power products for fiscal 2011 fell 2.6% from the previous year to ¥100.3 billion ($1,289.6 million), due to factors including the negative impact of yen appreciation. Operating income was ¥7.5 billion ($96.1 million), as a result of factors including a reversal of the provision for product liabilities and cost reductions, while operating loss in the previous year was ¥11.3 billion.

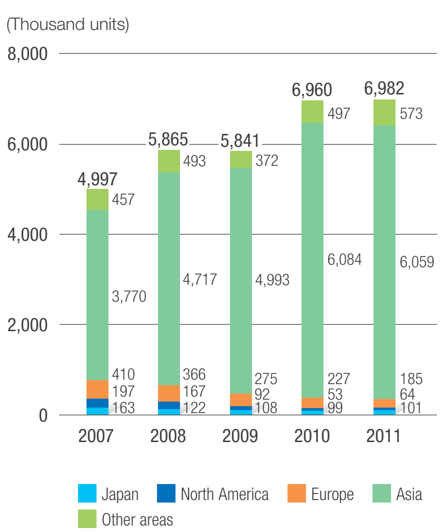
Industrial Machinery and Robots

Net sales in this segment for fiscal 2011 fell 1.2% from the previous year to ¥34.3 billion ($441.5 million), as a result of lower unit sales of surface mounters in China, where capital investment declined due to the worldwide economic slowdown. Also, operating income fell 9.9% from the previous year to ¥6.3 billion ($80.6 million).

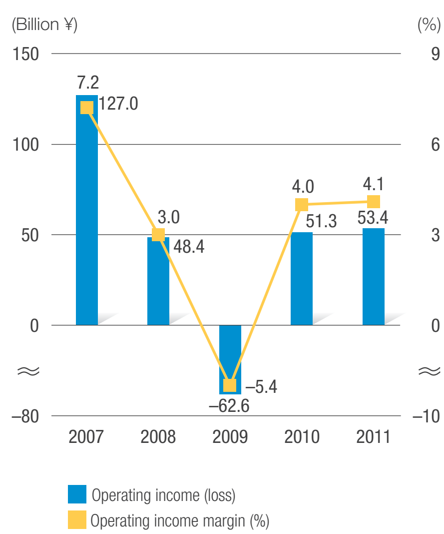
Others

Although unit sales of electrically power assisted bicycles rose due to favorable demand, unit sales of automobile engines declined owing to the impact of the earthquake. Net sales for fiscal 2011 rose slightly 0.1% from the previous year to ¥75.1 billion ($965.9 million). Operating income fell 20.6% from the previous year to ¥5.0 billion ($64.5 million).

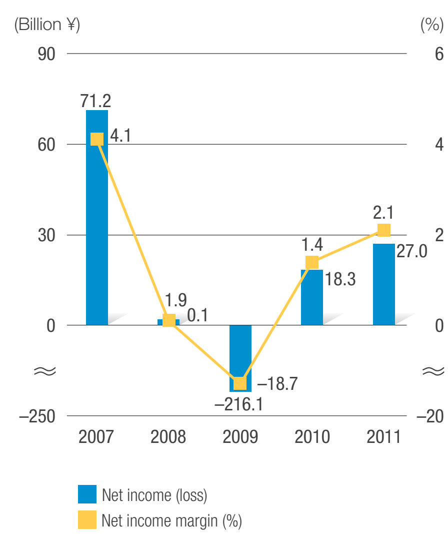
Motorcycle unit sales



Operating income (loss) and operating income margin



Net income (loss) and net income margin



Sales Performance and Operating Income by Geographical Segment Note 1

Japan

Net sales in Japan for fiscal 2011 decreased 1.3% from the previous year to ¥520.4 billion ($6,693.7 million), reflecting factors including a decline in unit sales of automobile engines and the negative impact of yen appreciation, despite an increase in unit sales of electrically power assisted bicycles and generators. Operating loss was ¥14.1 billion ($181.4 million), while operating loss in the previous year was ¥2.5 billion. The loss mainly resulted from the negative impact of yen appreciation, despite cost reductions due to structural reforms.

North America

Net sales in North America for fiscal 2011 increased 3.5% to ¥177.5 billion ($2,282.7 million), reflecting factors including an increase in unit sales of personal watercraft and outboard motors, despite the negative impact of yen appreciation. Operating income was ¥7.7 billion ($98.6 million), owing mainly to a reversal of the provision for product liabilities and the impact of cost reductions due to structural reforms, while operating loss in the previous year was ¥14.7 billion.

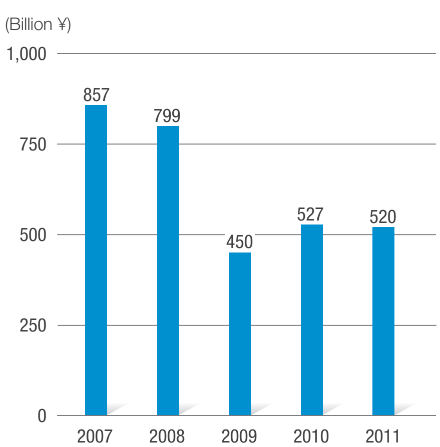
Europe

Net sales in Europe for fiscal 2011 decreased 10.3% from the previous year to ¥151.3 billion ($1,946.0 million), owing to such factors as a decrease in unit sales of motorcycles and the negative impact of yen appreciation, despite an increase in unit sales of outboard motors in Russia. Operating loss was ¥3.6 billion ($46.4 million), while operating income in the previous year was ¥2.0 billion.

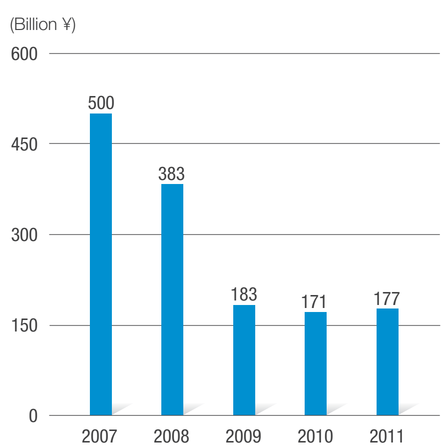
Asia

Net sales in Asia for fiscal 2011 declined 1.0% from the previous year to ¥651.7 billion ($8,383.5 million), despite an increase in unit sales of motorcycles in Vietnam, India, and other markets. This was due to factors including a decrease in unit sales of motorcycles in Indonesia, Thailand, and other markets owing to the flooding in Thailand, and the negative impact of yen appreciation. Operating income fell 12.1% to ¥48.6 billion ($624.9 million), reflecting factors including the negative impact of yen appreciation and increases in raw material prices.

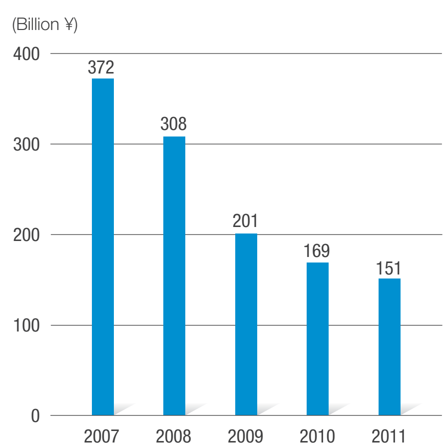
Sales by geographical segment Note 1 —Japan



Sales by geographical segment Note 1 —North America



Sales by geographical segment Note 1 —Europe



Other Areas

Net sales in other areas for fiscal 2011 increased 9.9% from the previous year to ¥158.9 billion ($2,044.3 million), due to factors including higher unit sales of motorcycles and outboard motors in Central and South America including Brazil, and other markets, despite the negative impact of yen appreciation. Operating income rose 40.1% to ¥14.4 billion ($184.8 million).

Note 1
Sales amounts by geographical segment include intersegment sales.

Income and Expenses

Cost of Sales, Gross Profit and SG&A Expenses

Cost of sales for fiscal 2011 increased 0.2% from fiscal 2010 to ¥1,000.1 billion ($12,864.8 million), representing 78.4% of net sales.

Gross profit decreased ¥19.5 billion ($251.1 million) to ¥276.0 billion ($3,550.9 million). This change was largely due to negative factors such as yen appreciation in exchange rates, the negative impact of the flooding in Thailand and the earthquake, increases in raw material prices and a rise in development expenses, which could not be fully offset by positive factors such as a rise in profit from increased sales of outboard motors and motorcycles in emerging nations and cost reductions realized from structural reform. The gross profit margin dropped to 21.6%, a 1.2-percentage-point deterioration from fiscal 2010.

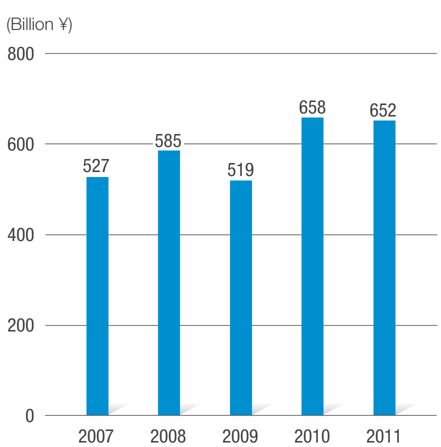
Selling, general and administrative expenses decreased ¥21.6 billion ($278.1 million) to ¥222.6 billion ($2,863.9 million), mainly due to a reversal of the provision for product liabilities. Selling, general and administrative expenses as a percentage of net sales was 17.4%, which was 1.4 percentage points less than in fiscal 2010. R&D expenses for fiscal 2011 increased ¥9.8 billion ($126.5 million) from fiscal 2010 to ¥65.0 billion ($836.3 million).

R&D Expenses

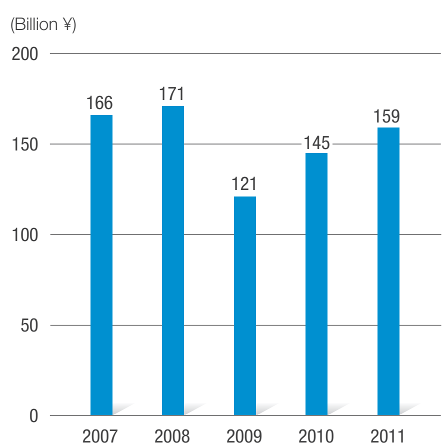
Under the corporate philosophy of being a *Kando* Creating Company, the group is aggressively engaged in R&D activities in various technological fields, including small engine, FRP processing, control, component, environmental and safety technologies, in order to provide customers worldwide with “high-quality, high-performance, lightweight and compact” products.

To create products that precisely meet the needs of customers around the world, we have built an R&D structure that is organized around the headquarters, carrying out research and development in close cooperation with group companies in Japan and overseas.

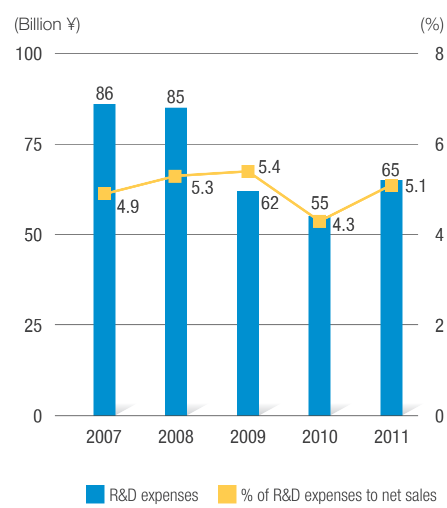
Sales by geographical segment Note 1 **—Asia**



Sales by geographical segment Note 1 **—Other areas**



R&D expenses and % of R&D expenses to net sales



R&D expenses for fiscal 2011 increased 17.8% from fiscal 2010 to ¥65.0 billion ($836.3 million), which was equivalent to 5.1% of net sales. Broken down by business segment, R&D expenses stood at ¥42.1 billion ($541.5 million) in the motorcycle business; ¥7.4 billion ($95.2 million) in the marine products business; ¥6.6 billion ($84.9 million) in the power products business; ¥3.9 billion ($50.2 million) in the industrial machinery and robots business; and ¥5.0 billion ($64.3 million) in the other products business.

Under the new medium-term management plan in place from fiscal 2010 through 2012, the Company will focus on developing affordably priced motorcycles to be marketed in China, India and other emerging nations. The Company will also work to simultaneously increase the appeal and profitability of motorcycles in Indonesia, Vietnam, and other ASEAN nations by incorporating Yamaha's exclusive fuel injection system, while reducing the costs of these products. Furthermore, it will develop next-generation, environmentally friendly engines for motorcycles and outboard motors, as well as Smart Power[Note 2] technology for electric motorcycles and electrically power assisted bicycles.

Note 2
Smart Power: New power sources, primarily for electric vehicles, designed to create a new paradigm of mobility

Operating Income

The Company posted operating income in fiscal 2011, increasing 4.1% from fiscal 2010 to ¥53.4 billion ($687.0 million). As a result, the operating income ratio jumped 0.2 percentage point, to 4.2%.

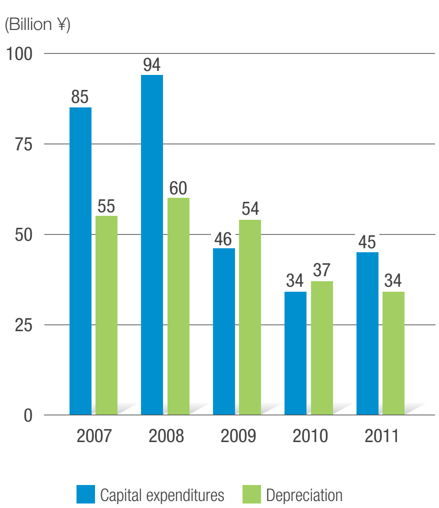
By key operating segments, the motorcycle business recorded operating income of ¥27.6 billion ($354.7 million), a 43.2% decline from the previous year, largely affected by such negative impacts as yen appreciation, the flooding in Thailand and an increase in R&D expenses.

The marine products business had operating income of ¥7.1 billion ($91.0 million), an 846.1% boost from the previous year, thanks to an increase in unit sales of outboard motors and personal watercraft despite the impact of yen appreciation.

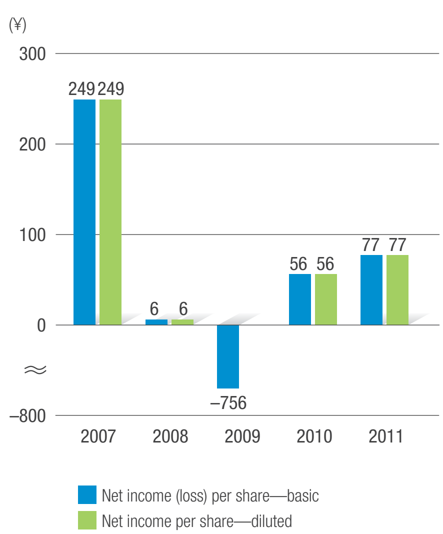
The power products business moved into the black, with ¥7.5 billion ($96.1 million) in operating income, an ¥18.7 billion ($240.9 million) improvement from an ¥11.3 billion operating loss a year earlier through the reversal of the provision for product liabilities and cost reductions.

The industrial machinery and robots business posted operating income of ¥6.3 billion ($80.6 million), a 9.9% decline from the previous year, mainly affected by a decline in units sold in China.

Capital expenditures and depreciation

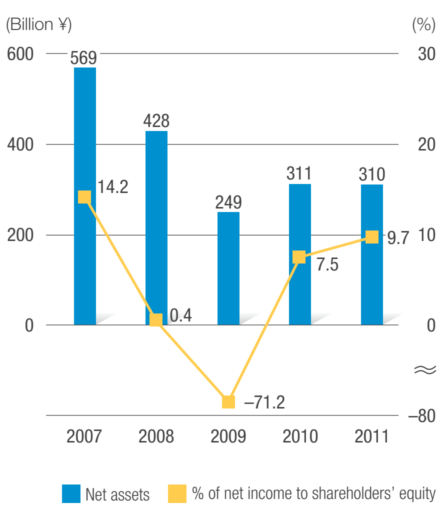


Net income (loss) per share



Note
Net income per share—diluted for fiscal 2009 is not listed, since the Company registered a net loss per share for the period.

Net assets and % of net income to shareholders' equity



The other products business had operating income of ¥5.0 billion ($64.5 million), a 20.6% decline from the previous year, largely affected by a reduction in unit sales of automobile engines due to the impact of the earthquake despite an increase in unit sales of electrically power assisted bicycles.

Non-Operating Income and Expenses

The Company posted non-operating income of ¥10.1 billion ($129.8 million), or ¥4.7 billion ($61.0 million) less than in fiscal 2010, mainly due to the impact of exchange rates of ¥7.2 billion ($92.7 million).

Extraordinary Income and Loss

Extraordinary income for fiscal 2011 amounted to ¥0.3 billion ($4.2 million) due to a gain on the sale of noncurrent assets.

The Company posted an extraordinary loss of ¥2.6 billion ($33.6 million), down ¥5.3 billion ($67.8 million) from the previous year. The primary components of the extraordinary loss in fiscal 2011 were a ¥0.7 billion ($9.5 million) loss on disposal of noncurrent assets, a ¥0.8 billion ($10.0 million) impairment loss and a ¥0.6 billion ($7.1 million) loss on adjustment for changes of accounting standard for asset retirement obligations.

Income before Income Taxes

Income before income taxes for fiscal 2011 increased 3.8% from the previous year to ¥61.2 billion ($787.3 million).

Income Taxes

In fiscal 2011, income taxes decreased ¥4.9 billion ($63.4 million) from fiscal 2010 to ¥26.9 billion ($345.7 million).

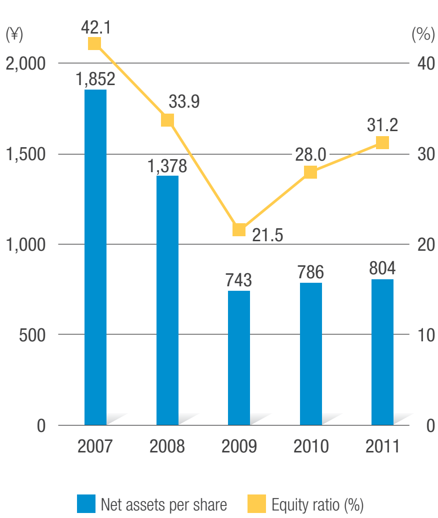
Minority Interests in Income

Minority interests in income—including interests owned by minority shareholders in PT. Yamaha Indonesia Motor Manufacturing, Yamaha Motor Taiwan Co., Ltd., Yamaha Motor Vietnam Co., Ltd., Industria Colombiana de Motocicletas Yamaha S.A. and others—decreased ¥1.5 billion ($19.0 million) from fiscal 2010 to ¥7.4 billion ($94.8 million).

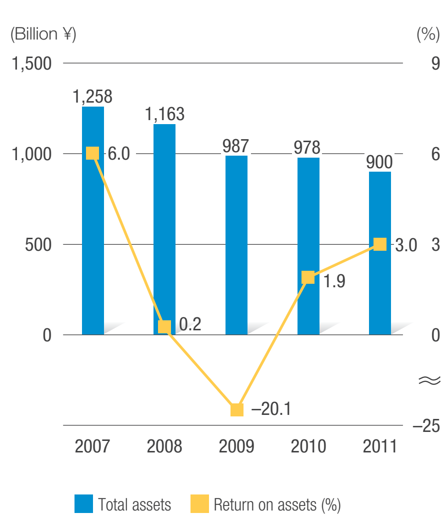
Net Income

Net income for fiscal 2011 increased 47.3% from the previous year to ¥27.0 billion ($346.8 million). Basic net income per share rose ¥21.73 ($0.28) from ¥55.50 for fiscal 2010 to ¥77.23 ($0.99) in fiscal 2011.

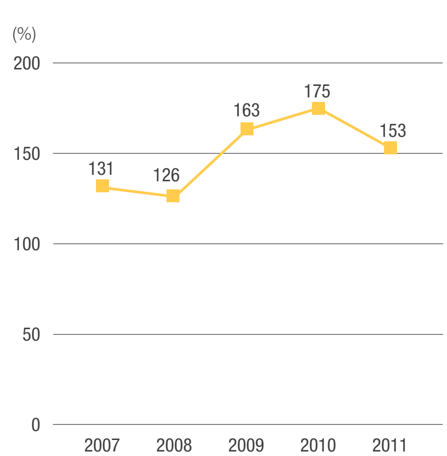
Net assets per share and equity ratio Note 3



Total assets and return on assets



Current ratio



Capital Resources and Liquidity

Assets, Liabilities and Total Net Assets

Total assets as of December 31, 2011 fell ¥77.9 billion ($1,002.4 million) from the end of the previous fiscal year to ¥900.4 billion ($11,582.5 million), reflecting factors including a decrease in cash and deposits and the negative impact of yen appreciation.

Total liabilities fell ¥77.0 billion ($990.8 million) to ¥590.5 billion ($7,595.9 million), reflecting such factors as repayments of long-term loans payable and a reversal of the provision for product liabilities.

Although shareholders' equity increased ¥26.7 billion ($343.7 million) from the end of the previous fiscal year as a result of net income and other factors, total net assets decreased ¥0.9 billion ($11.5 million) to ¥309.9 billion ($3,986.5 million), reflecting such factors as the change in foreign currency translation adjustment due to yen appreciation. The shareholders' equity ratio as of December 31, 2011 was 31.2% (an improvement of 3.2 percentage points from the end of the previous fiscal year). The gross debt/equity ratio was 1.0 times, compared with a gross debt/equity ratio of 1.2 times at the end of the previous fiscal year.

Note 3

Equity ratio: (Shareholders' equity + Accumulated other comprehensive income)/Total assets x 100 (%)

Capital Expenditures

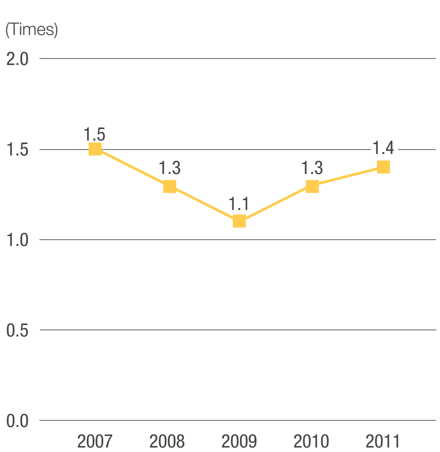
Capital expenditures for fiscal 2011 totaled ¥45.0 billion ($579.5 million), centering on investments in manufacturing equipment and facilities for the production of new models and production capacity enhancements—primarily for the motorcycle and marine products businesses—as well as investments in research and development operations.

Broken down by business segment, capital expenditures for the motorcycle business totaled ¥32.9 billion ($423.7 million). In Asia (excluding Japan) and Central and South America, the investments focused on the equipment, facilities and molds for manufacturing new models and production capacity enhancements. In Japan, the investments focused on restructuring domestic production systems.

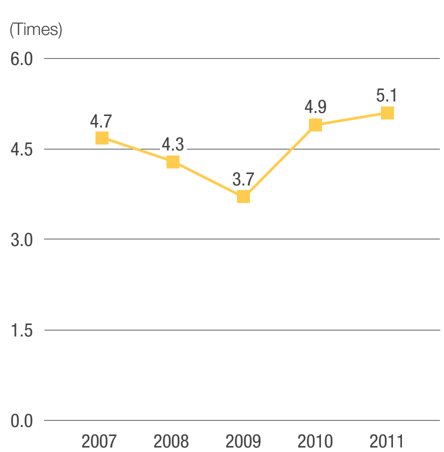
Capital expenditures for the marine products business amounted to ¥5.4 billion ($69.1 million), invested mainly in research and development operations, the restructuring of domestic production systems and production capacity enhancement for pleasure-use boats.

Capital expenditures for the power products business totaled ¥2.6 billion ($33.6 million), invested mainly in production of all-terrain vehicles in the United States.

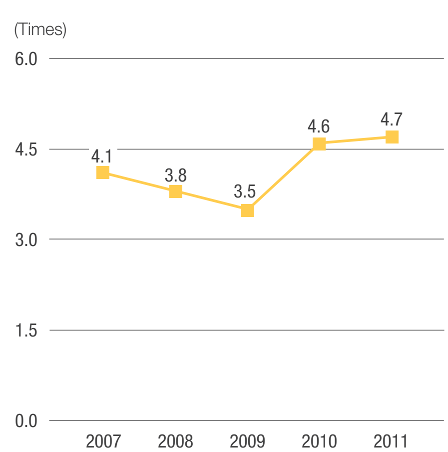
Total asset turnover



Property, plant and equipment turnover



Inventory turnover



Capital expenditures for the industrial machinery and robots business totaled ¥1.3 billion ($16.6 million), invested mainly to acquire land and buildings toward the expansion of business.

Capital expenditures for the other products business totaled ¥2.8 billion ($36.4 million), invested mainly in research and development operations in the automobile engine field.

The entire amount of the expenditures discussed above was funded by internal resources. During fiscal 2011, there was no disposal or sale of important facilities or similar assets.

Cash Flows

Net cash provided by operating activities during the fiscal year under review declined ¥71.2 billion ($915.9 million) from fiscal 2010, to ¥33.3 billion ($428.7 million), compared with ¥53.4 billion ($687.1 million) during the nine months ended September 30, 2011, reflecting factors including income before income taxes and an increase in notes and accounts payable–trade. This was due to such factors as a loss before income taxes of ¥5.4 billion ($69.4 million), owing to the flooding in Thailand and the negative impact of yen appreciation, and net cash used in operating activities of ¥20.1 billion ($258.4 million) as a result of factors including an increase in notes and accounts receivable–trade, and a decrease in notes and accounts payable–trade, all occurring during the fourth quarter (October 1—December 31, 2011).

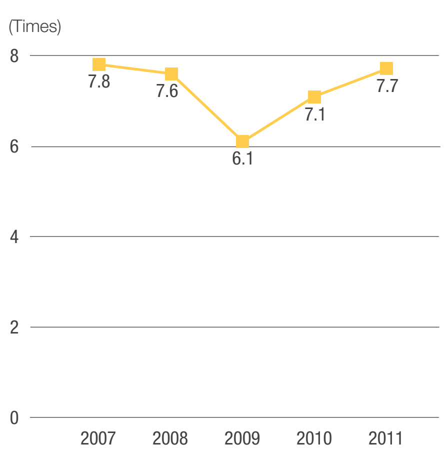
Net cash used in investing activities was ¥46.5 billion ($598.4 million), mainly as a result of the purchase of facilities in Indonesia and Vietnam to increase production. Consequently, free cash flows declined ¥80.1 billion from fiscal 2010, to a negative ¥13.2 billion ($169.7 million).

Net cash used in financing activities was ¥51.9 billion ($668.0 million) compared with ¥5.3 billion provided by financing activities in fiscal 2010, a difference of ¥57.2 billion ($736.1 million), due to factors including repayment of long-term loans payable.

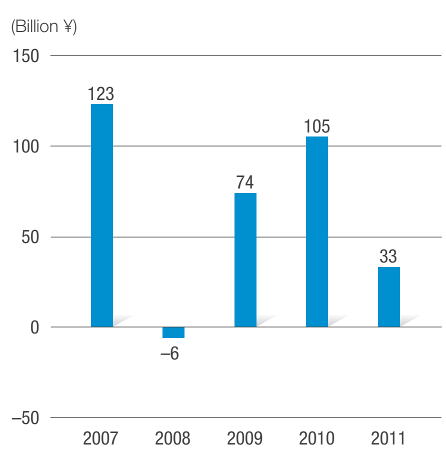
Demand for Funds

Within the group, funds are primarily required to cover the cost of procuring materials and parts used in product manufacturing and costs incurred in the manufacturing process, as well as purchasing costs of products and merchandise, selling, general and administrative expenses, working capital and capital expenditures.

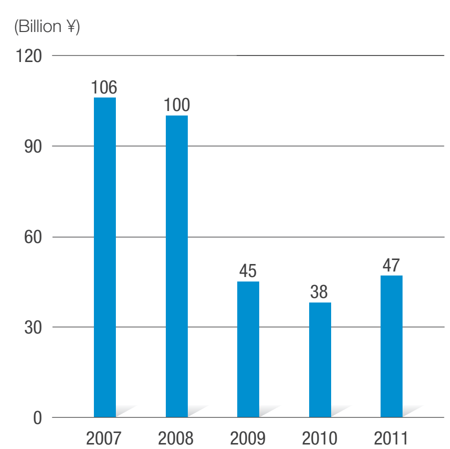
Account receivable turnover



Cash provided by (used in) operating activities



Cash used in investing activities



In Japan, funds of ¥13.2 billion ($169.8 million) were allocated mainly to research and development activities in the motorcycles and marine products segments, investments in association with the restructuring of domestic production systems and the acquisition of land and buildings toward an expansion of the business scale of the industrial machinery and robots business.

Overseas, funds of ¥31.8 billion ($409.1 million) were applied mainly to the implementation of new equipment and expanded production capacity in the motorcycle business, especially in Asia (excluding Japan) and Central and South America.

As a result, total capital expenditures in fiscal 2011 amounted to ¥45.0 billion ($579.5 million).

Cash Dividends

The Company aims to actively invest for sustained growth and provide shareholder returns that reflect comprehensive consideration of the business environment, including trends in business performance and retained earnings, while maintaining a minimum dividend payout ratio of 20% of consolidated net income.

The Company judged that improvement in its business performance and financial position had been achieved through the steady implementation of structural reforms. As such, it submitted a proposal for the declaration of a year-end dividend of ¥15.5 ($0.2) per share in accordance with a payout ratio of 20% at the 77th Ordinary General Meeting of Shareholders, held on March 23, 2012.

Fund Procurement Conditions

Group companies acquire short-term loans payable denominated in local currencies to use as working capital. Meanwhile, funds for plant and equipment investment come primarily from internal reserves, including paid-in capital and retained earnings.

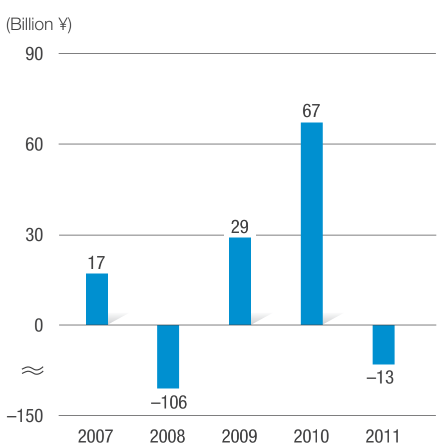
The annual amounts of interest-bearing debt to be repaid are as follows:

(Billion ¥)

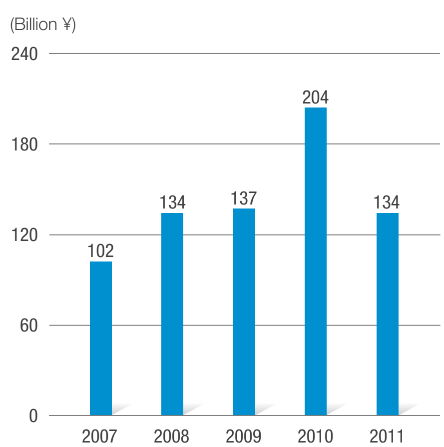
	Total	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Short-term loans payable	42.9	42.9	—	—	—	—	—
Long-term loans payable	231.8	69.4	77.5	63.0	11.0	10.9	—

Note Long-term loans payable includes current portion of long-term loans payable.

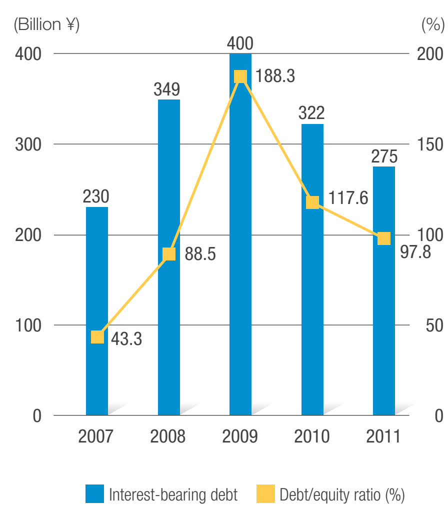
Free cash flows



Cash and cash equivalents at the end of the year



Interest-bearing debt and debt/equity ratio



Share Performance

Price per share decreased from ¥1,323 at December 31, 2010 to ¥974 ($12.5) at December 31, 2011. The number of shares outstanding, excluding treasury stock, decreased from 349,097,035 shares at December 31, 2010 to 349,095,241 shares at December 31, 2011. As a result, the market capitalization of the Company decreased from ¥461.9 billion at December 31, 2010 to ¥340.0 billion ($4,373.8 million) at December 31, 2011.

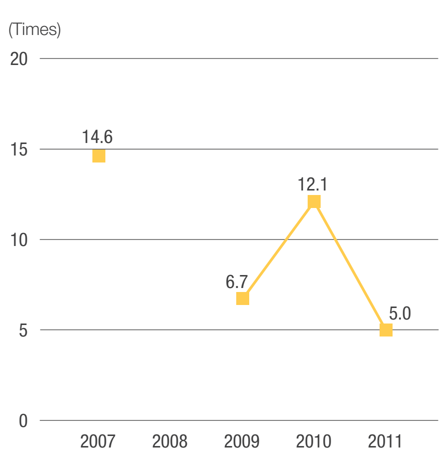
Forecast for Fiscal 2012

In fiscal 2012, demand for motorcycles in emerging nations is expected to grow, primarily in Asia and Central and South America. Demand for motorcycles and outboard motors in the U.S. is expected to recover slowly after bottoming out. On the other hand, demand for motorcycles in Europe is expected to decline, due to a slowdown in the economy.

Based on these assumptions, the Company forecasts the following for its consolidated financial results for fiscal 2012: an increase in sales, owing to an aggressive launch of new motorcycle models in emerging nations and higher sales of marine products, including outboard motors; and a decline in profits, due to the large impact of further yen appreciation and increases in raw material prices, in addition to increases in research and development expenses and depreciation in preparation for future growth.

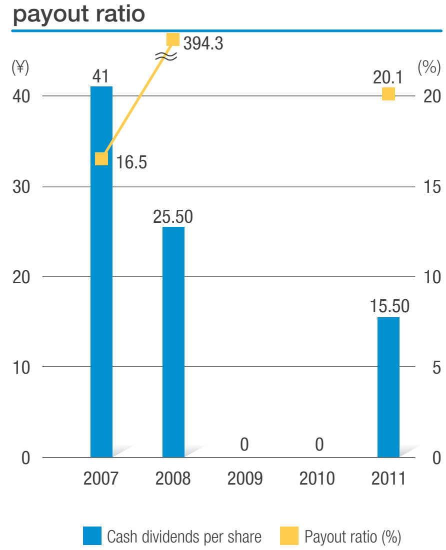
The forecast is based on the assumption that the exchange rates are ¥77 against the U.S. dollar (an appreciation of ¥3 from the previous year) and ¥100 against the euro (an appreciation of ¥11 from the previous year).

Interest coverage



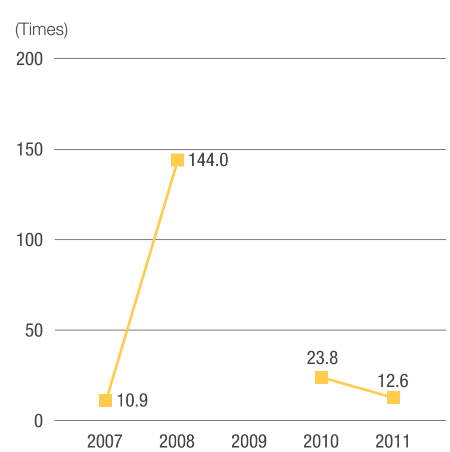
Note
Interest coverage for fiscal 2008 is not listed, due to the negative status of cash flows from operating activities during the period.

Cash dividends per share and payout ratio



Note
The payout ratio for fiscal 2009 is not listed, since the Company registered a net loss for the period.
The payout ratio for fiscal 2010 is not listed, since the Company did not pay out any dividends.

Price/earnings ratio



Note
The price/earnings ratio for fiscal 2009 is not listed, since the Company registered a net loss for the period.

Five-Year Summary

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2007, 2008, 2009, 2010 and 2011

	Millions of yen				
	2007	2008	2009	2010	**2011**
For the year ended					
Net sales	¥1,756,707	¥1,603,881	¥1,153,642	¥1,294,131	**¥1,276,159**
Sales by market:					
Japan	181,586	170,208	130,437	142,378	**146,503**
Overseas	1,575,120	1,433,672	1,023,205	1,151,752	**1,129,656**
Sales by product:					
Motorcycles	1,056,212	1,028,809	817,058	914,211	**887,556**
Marine products	289,867	238,814	150,113	167,141	**178,929**
Power products	265,606	213,259	100,577	102,968	**100,257**
Industrial machinery and robots	—	—	—	34,758	**34,326**
Other products	145,021	122,997	85,893	75,051	**75,089**
Cost of sales	1,280,616	1,226,775	951,350	998,565	**1,000,113**
Operating income (loss)	126,998	48,382	(62,580)	51,308	**53,405**
Ordinary income (loss)	140,338	58,872	(68,340)	66,142	**63,495**
Net income (loss)	71,222	1,851	(216,148)	18,300	**26,960**
Capital expenditures	84,789	94,391	46,035	33,939	**45,049**
Depreciation expenses	54,578	59,606	53,701	36,594	**33,578**
At the year end					
Total assets	¥1,258,430	¥1,163,173	¥ 987,077	¥ 978,343	**¥ 900,420**
Net assets	569,221	428,483	249,266	310,809	**309,914**
	Yen				
Per share amounts					
Net income (loss)—basic	¥ 248.81	¥ 6.47	¥ (755.92)	¥ 55.50	**¥ 77.23**
Net income—diluted	248.73	6.47	—	55.50	**77.23**
Cash dividends	41.00	25.50	0.00	0.00	**15.50**
Number of employees	46,850	49,761	49,994	52,184	**54,677**

Note Figures for the fiscal year ended December 31, 2009 and previous fiscal years are as per the previous segment classifications.

Quarterly Financial Information

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Year ended December 31, 2011

	Millions of yen			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
For the period				
Net sales	¥ 318,597	¥ 663,132	¥ 985,751	¥1,276,159
Operating income	20,623	41,543	60,723	53,405
Net income	13,446	28,960	39,989	26,960
At the end of period				
Total assets	¥1,035,252	¥1,000,787	¥ 939,487	¥ 900,420
Net assets	331,893	345,656	328,406	309,914
	Yen			
Per share amounts				
Net income—basic	¥ 38.52	¥ 82.96	¥ 114.55	¥ 77.23
Net income—diluted	38.51	82.95	114.55	77.23

Consolidated Balance Sheets

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
December 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 6)
	2010	2011	2011
ASSETS			
Current assets:			
Cash and deposits	¥205,362	¥133,707	$ 1,719,925
Notes and accounts receivable–trade (Notes 10 (2) and 10 (7))	183,711	166,531	2,142,153
Merchandise and finished goods (Note 10 (2))	136,308	134,215	1,726,460
Work-in-process (Note 10 (2))	37,423	39,971	514,163
Raw materials and supplies (Note 10 (2))	39,903	39,372	506,457
Other (Note 10 (2))	43,822	53,705	690,828
Allowance for doubtful receivables	(7,503)	(6,297)	(81,001)
Total current assets	639,028	561,205	7,218,999
Noncurrent assets:			
Property, plant and equipment:			
Buildings and structures, net (Notes 10 (1) and 10 (2))	83,630	75,072	965,680
Machinery, equipment and vehicles, net (Notes 10 (1) and 10 (2))	65,610	65,140	837,921
Land (Notes 10 (2) and 10 (3))	72,486	75,726	974,093
Construction in progress (Note 10 (2))	12,658	17,936	230,718
Other, net (Notes 10 (1) and 10 (2))	15,935	14,554	187,214
Total property, plant and equipment	250,320	248,430	3,195,652
Intangible assets	4,247	3,469	44,623
Investments and other assets:			
Investment securities (Notes 10 (2) and 10 (6))	35,316	35,549	457,281
Long-term loans receivable (Note 10 (2))	37,034	36,017	463,301
Other (Notes 10 (2) and 10 (6))	13,868	17,344	223,103
Allowance for doubtful receivables	(1,473)	(1,596)	(20,530)
Total investments and other assets	84,745	87,314	1,123,154
Total noncurrent assets	339,314	339,214	4,363,442
Total assets	¥978,343	¥900,420	$11,582,454

See accompanying notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 6)
	2010	2011	2011
LIABILITIES			
Current liabilities:			
Notes and accounts payable–trade (Note 10 (7))	¥ 125,809	**¥ 121,974**	**$ 1,568,999**
Short-term loans payable (Note 10 (2))	35,455	**42,919**	**552,084**
Current portion of long-term loans payable (Note 10 (2))	57,576	**69,398**	**892,694**
Income taxes payable	8,282	**2,853**	**36,699**
Provision for bonuses	8,800	**9,292**	**119,527**
Provision for product warranties	28,356	**25,112**	**323,025**
Other provision	1,083	**1,137**	**14,626**
Other	99,765	**93,727**	**1,205,647**
Total current liabilities	365,131	**366,415**	**4,713,339**
Noncurrent liabilities:			
Long-term loans payable (Note 10 (2))	229,410	**162,403**	**2,089,053**
Deferred tax liabilities for land revaluation (Note 10 (3))	7,009	**6,143**	**79,020**
Provision for retirement benefits	35,423	**39,611**	**509,532**
Provision for product liabilities	20,882	**6,261**	**80,538**
Other provision	1,529	**1,329**	**17,095**
Other (Note 10 (2))	8,147	**8,341**	**107,294**
Total noncurrent liabilities	302,401	**224,090**	**2,882,557**
Total liabilities	667,533	**590,505**	**7,595,897**
NET ASSETS			
Shareholders' equity:			
Capital stock	85,666	**85,666**	**1,101,955**
Capital surplus	98,147	**74,582**	**959,377**
Retained earnings	199,190	**249,478**	**3,209,133**
Treasury stock	(681)	**(683)**	**(8,786)**
Total shareholders' equity	382,323	**409,044**	**5,261,693**
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	2,719	**(1,470)**	**(18,909)**
Revaluation reserve for land (Note 10 (3))	10,186	**11,050**	**142,140**
Foreign currency translation adjustment	(120,977)	**(137,860)**	**(1,773,347)**
Total accumulated other comprehensive income	(108,070)	**(128,280)**	**(1,650,116)**
Subscription rights to shares	102	**109**	**1,402**
Minority interests	36,454	**29,042**	**373,579**
Total net assets	310,809	**309,914**	**3,986,545**
Total liabilities and net assets	¥ 978,343	**¥ 900,420**	**$11,582,454**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 6)
	2010	2011	2011
Net sales	¥1,294,131	**¥1,276,159**	**$16,415,732**
Cost of sales (Notes 11 (1) and 11 (3))	998,565	**1,000,113**	**12,864,844**
Gross profit	295,565	**276,046**	**3,550,888**
Selling, general and administrative expenses (Notes 11 (2) and 11 (3))	244,256	**222,640**	**2,863,905**
Operating income	51,308	**53,405**	**686,969**
Non-operating income:			
Interest income	8,734	**8,324**	**107,075**
Dividends income	676	**525**	**6,753**
Equity in earnings of affiliates	2,516	**3,218**	**41,394**
Gain on revaluation of sales finance assets	—	**344**	**4,425**
Foreign exchange gains	4,072	**—**	**—**
Other	13,071	**11,408**	**146,746**
Total non-operating income	29,071	**23,821**	**306,419**
Non-operating expenses:			
Interest expenses	8,023	**6,814**	**87,651**
Loss on revaluation of sales finance assets	321	**—**	**—**
Foreign exchange losses	—	**3,138**	**40,365**
Other	5,892	**3,779**	**48,611**
Total non-operating expenses	14,238	**13,732**	**176,640**
Ordinary income	66,142	**63,495**	**816,761**
Extraordinary income:			
Gain on sales of noncurrent assets (Note 11 (4))	544	**323**	**4,155**
Gain on sales of investment securities	34	**—**	**—**
Gain on transfer of business	106	**—**	**—**
Total extraordinary income	685	**323**	**4,155**
Extraordinary loss:			
Loss on sales of noncurrent assets (Note 11 (5))	175	**149**	**1,917**
Loss on disposal of noncurrent assets (Note 11 (6))	1,038	**735**	**9,455**
Impairment loss (Note 11 (7))	6,628	**776**	**9,982**
Loss on sales of investment securities	3	**81**	**1,042**
Loss on cancellation of lease contracts	34	**—**	**—**
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	**552**	**7,101**
Loss on disaster (Note 11 (8))	—	**316**	**4,065**
Total extraordinary losses	7,879	**2,610**	**33,573**
Income before income taxes	58,947	**61,207**	**787,330**
Income taxes:			
Current	31,671	**26,477**	**340,584**
Deferred	126	**396**	**5,094**
Total income taxes	31,798	**26,873**	**345,678**
Income before minority interests	—	**34,333**	**441,639**
Minority interests in income	8,849	**7,372**	**94,829**
Net income	¥ 18,300	**¥ 26,960**	**$ 346,797**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Comprehensive Income

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 6)
	2010	2011	2011
Income before minority interests	¥—	**¥ 34,333**	**$ 441,639**
Other comprehensive income:			
Valuation difference on available-for-sale securities	—	**(4,186)**	**(53,846)**
Revaluation reserve for land	—	**865**	**11,127**
Foreign currency translation adjustment	—	**(21,968)**	**(282,583)**
Share of other comprehensive income of associates accounted for using equity method	—	**(386)**	**(4,965)**
Total other comprehensive income (Note 12 (2))	—	**(25,675)**	**(330,268)**
Comprehensive income (Note 12 (1))	¥—	**¥ 8,658**	**$ 111,371**
Attributable to:			
Owners of the parent	¥—	**¥ 6,752**	**$ 86,854**
Minority interests	—	**1,905**	**24,505**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 6)
	2010	2011	2011
Shareholders' equity			
Capital stock:			
Balance at the end of previous period	¥ 48,342	¥ 85,666	$1,101,955
Changes in items during the period:			
Issuance of new stocks	37,323	—	—
Total of changes in items during the period	37,323	—	—
Balance at the end of current period	85,666	85,666	1,101,955
Capital surplus:			
Balance at the end of previous period	60,824	98,147	1,262,503
Changes in items during the period:			
Issuance of new stocks	37,323	—	—
Deficit disposition	—	(23,565)	(303,126)
Disposal of treasury stock	0	0	0
Total of changes in items during the period	37,323	(23,565)	(303,126)
Balance at the end of current period	98,147	74,582	959,377
Retained earnings:			
Balance at the end of previous period	180,880	199,190	2,562,259
Changes in items during the period:			
Deficit disposition	—	23,565	303,126
Reversal of revaluation reserve on land	21	1	13
Net income	18,300	26,960	346,797
Increase of consolidated subsidiaries	(12)	(251)	(3,229)
Decrease in subsidiaries and affiliates accounted for by the equity method	—	11	141
Total of changes in items during the period	18,309	50,288	646,874
Balance at the end of current period	199,190	249,478	3,209,133
Treasury stock:			
Balance at the end of previous period	(677)	(681)	(8,760)
Changes in items during the period:			
Acquisition of treasury stock	(3)	(2)	(26)
Disposal of treasury stock	0	0	0
Total of changes in items during the period	(3)	(2)	(26)
Balance at the end of current period	¥ (681)	¥ (683)	$ (8,786)

See accompanying notes to consolidated financial statements.

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 6)
	2010	2011	2011
Total shareholders' equity:			
Balance at the end of previous period	¥ 289,369	¥ 382,323	$ 4,917,970
Changes in items during the period:			
Issuance of new stocks	74,647	—	—
Deficit disposition	—	0	0
Reversal of revaluation reserve on land	21	1	13
Net income	18,300	26,960	346,797
Increase of consolidated subsidiaries	(12)	(251)	(3,229)
Decrease in subsidiaries and affiliates accounted for by the equity method	—	11	141
Acquisition of treasury stock	(3)	(2)	(26)
Disposal of treasury stock	0	0	0
Total of changes in items during the period	92,953	26,720	343,710
Balance at the end of current period	382,323	409,044	5,261,693
Total accumulated other comprehensive income			
Valuation difference on available-for-sale securities:			
Balance at the end of previous period	4,039	2,719	34,976
Changes in items during the period:			
Net changes of items other than shareholders' equity	(1,320)	(4,190)	(53,898)
Total of changes in items during the period	(1,320)	(4,190)	(53,898)
Balance at the end of current period	2,719	(1,470)	(18,909)
Revaluation reserve for land:			
Balance at the end of previous period	10,208	10,186	131,026
Changes in items during the period:			
Net changes of items other than shareholders' equity	(21)	863	11,101
Total of changes in items during the period	(21)	863	11,101
Balance at the end of current period	10,186	11,050	142,140
Foreign currency translation adjustment:			
Balance at the end of previous period	(91,220)	(120,977)	(1,556,174)
Changes in items during the period:			
Net changes of items other than shareholders' equity	(29,757)	(16,883)	(217,173)
Total of changes in items during the period	(29,757)	(16,883)	(217,173)
Balance at the end of current period	¥(120,977)	¥(137,860)	$(1,773,347)

See accompanying notes to consolidated financial statements.

	Millions of yen		Thousands of U.S. dollars (Note 6)
	2010	2011	2011
Total accumulated other comprehensive income:			
Balance at the end of previous period	¥ (76,971)	¥(108,070)	$(1,390,147)
Changes in items during the period:			
Net changes of items other than shareholders' equity	(31,099)	(20,209)	(259,956)
Total of changes in items during the period	(31,099)	(20,209)	(259,956)
Balance at the end of current period	(108,070)	(128,280)	(1,650,116)
Subscription rights to shares			
Balance at the end of previous period	72	102	1,312
Changes in items during the period:			
Net changes of items other than shareholders' equity	30	6	77
Total of changes in items during the period	30	6	77
Balance at the end of current period	102	109	1,402
Minority interests			
Balance at the end of previous period	36,796	36,454	468,922
Changes in items during the period:			
Net changes of items other than shareholders' equity	(342)	(7,412)	(95,343)
Total of changes in items during the period	(342)	(7,412)	(95,343)
Balance at the end of current period	36,454	29,042	373,579
Total net assets			
Balance at the end of previous period	249,266	310,809	3,998,058
Changes in items during the period:			
Issuance of new stocks	74,647	—	—
Reversal of revaluation reserve on land	21	1	13
Net income	18,300	26,960	346,797
Increase of consolidated subsidiaries	(12)	(251)	(3,229)
Decrease in subsidiaries and affiliates accounted for by the equity method	—	11	141
Acquisition of treasury stock	(3)	(2)	(26)
Disposal of treasury stock	0	0	0
Net changes of items other than shareholders' equity	(31,410)	(27,615)	(355,223)
Total of changes in items during the period	61,543	(895)	(11,513)
Balance at the end of current period	¥ 310,809	¥ 309,914	$ 3,986,545

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2010 and 2011

	Millions of yen		Thousands of U.S. dollars (Note 6)
	2010	2011	2011
Net cash provided by (used in) operating activities:			
Income before income taxes	¥ 58,947	¥ 61,207	$ 787,330
Depreciation and amortization	36,594	33,578	431,927
Impairment loss	6,628	776	9,982
Loss (gain) on transfer of business	(106)	—	—
Increase (decrease) in allowance for doubtful accounts	263	(466)	(5,994)
Increase (decrease) in provision for retirement benefits	1,513	4,840	62,259
Increase (decrease) in provision for product liabilities	(2,165)	(14,429)	(185,606)
Interest and dividends income	(9,410)	(8,850)	(113,841)
Interest expenses	8,023	6,814	87,651
Equity in (earnings) losses of affiliates	(2,516)	(3,218)	(41,394)
Loss (gain) on sales of property, plant and equipment and intangible assets	(369)	(174)	(2,238)
Loss (gain) on disposal of property, plant and equipment and intangible assets	1,038	735	9,455
Loss (gain) on sales of investment securities	(30)	81	1,042
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	552	7,101
Decrease (increase) in notes and accounts receivable–trade	(6,774)	958	12,323
Decrease (increase) in inventories	(8,394)	(11,229)	(144,443)
Increase (decrease) in notes and accounts payable–trade	22,377	5,665	72,871
Other	6,160	(14,264)	(183,483)
Subtotal	111,779	62,578	804,965
Interest and dividends income received	11,213	10,321	132,763
Interest expenses paid	(8,613)	(6,691)	(86,069)
Income taxes (paid) refund (Note 14 (2))	(9,848)	(32,879)	(422,935)
Net cash provided by (used in) operating activities	104,531	33,328	428,711
Net cash provided by (used in) investing activities:			
Payments into time deposits	(3,252)	(1,400)	(18,009)
Proceeds from withdrawal of time deposits	1,959	3,084	39,671
Purchase of property, plant and equipment and intangible assets	(31,867)	(42,550)	(547,337)
Proceeds from sales of property, plant and equipment and intangible assets	2,048	1,234	15,873
Purchase of investment securities	(3)	(3,628)	(46,668)
Proceeds from sales of investment securities	51	8	103
Payments for long-term loans receivable	(4,437)	(4,940)	(63,545)
Collections of long-term loans receivable	971	2,646	34,037
Proceeds from transfer of business	250	—	—
Other	(3,352)	(970)	(12,477)
Net cash provided by (used in) investing activities	(37,632)	(46,517)	(598,366)
Net cash provided by (used in) financing activities:			
Increase (decrease) in short-term loans payable	(45,711)	10,335	132,943
Proceeds from long-term loans payable	21,719	21,469	276,164
Repayment of long-term loans payable	(38,473)	(78,274)	(1,006,869)
Proceeds from issuance of common stock	74,647	—	—
Cash dividends paid to minority shareholders	(6,355)	(4,924)	(63,339)
Decrease (increase) in treasury stock	(3)	(2)	(26)
Other	(526)	(530)	(6,818)
Net cash provided by (used in) financing activities	5,296	(51,927)	(667,957)
Effect of exchange rate change on cash and cash equivalents	(5,605)	(5,266)	(67,739)
Net increase (decrease) in cash and cash equivalents	66,590	(70,382)	(905,351)
Cash and cash equivalents at beginning of period	137,219	203,878	2,622,562
Increase in cash and cash equivalents from newly consolidated subsidiary	68	97	1,248
Cash and cash equivalents at end of period (Note 14 (1))	¥203,878	¥133,593	$ 1,718,459

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2010 and 2011

1. Basis of Presentation

Yamaha Motor Co., Ltd. (The "Company") and its domestic subsidiaries maintain their accounting records and prepare their financial statements in accordance with accounting principles generally accepted in Japan, and its foreign subsidiaries maintain their books of account in conformity with those of their countries of domicile.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of the International Financial Reporting Standards.

The text in the sections which follow comprise the English version of the securities report.

As permitted by the Financial Instruments and Exchange Act, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily equal the sum of the individual amounts.

2. Scope of Consolidation

Number of consolidated subsidiaries: 107
Number of non-consolidated subsidiaries: 10
Names of principal consolidated 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., MBK Industrie, PT. Yamaha Indonesia Motor Manufacturing, Yamaha Motor Vietnam Co., Ltd., Thai Yamaha Motor Co., Ltd., Yamaha Motor Taiwan Co., Ltd., and Yamaha Motor do Brasil Ltda.

Effective from the fiscal year ended December 31, 2011, Motor Center BCN S.A., which was a non-consolidated subsidiary accounted for by the equity method of accounting, and PT. Melco Indonesia and Yamaha Motor Electronics do Brasil Ltda., which were non-consolidated subsidiaries, have been included in the scope of consolidation in view of their increased significance. Additionally, Yamaha Motor Espana Marketing, S.L., which was newly established in the fiscal year ended December 31, 2011, has been included in the scope of consolidation.

On the other hand, Besq. Co., Ltd., which was a consolidated subsidiary, was excluded from the scope of consolidation due to an absorption-type merger with Toyo Seiki Co., Ltd.*, which was also a consolidated subsidiary, as the surviving company.

Total assets, net sales, net income or loss, retained earnings and other financial indexes of non-consolidated subsidiaries, including HL Yamaha Motor Research Centre Sdn. Bhd., were not significant in the aggregate to the Company's consolidated financial statements. Therefore, these companies were excluded from the Company's scope of consolidation.

*Toyo Seiki Co., Ltd. changed its name to TOYOBESQ CO., LTD. on January 1, 2011.

3. Scope of Application of Equity Method of Accounting

Number of non-consolidated subsidiaries accounted for by the equity method of accounting: 6

HL Yamaha Motor Research Centre Sdn. Bhd. and 5 other subsidiaries

Number of affiliates accounted for by the equity method of accounting: 25

Chongqing Jianshe Yamaha Motor Co., Ltd. and 24 other affiliates

Effective from the fiscal year ended December 31, 2011, Motor Center BCN S.A., which was a non-consolidated subsidiary accounted for by the equity method of accounting, has been changed to a consolidated subsidiary in view of its increased significance. Additionally, Onahama Marina Co., Ltd., which was an affiliate accounted for by the equity method of accounting, was excluded from the scope of application of the equity method of accounting due to its liquidation.

Four non-consolidated subsidiaries including Yamaha Motor Cambodia Co., Ltd., and an affiliate, Y² Marine Manufacturing Co., Ltd., 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.

(Changes in accounting policies)
Effective from the fiscal year ended December 31, 2011, the Company has applied the Accounting Standard for Equity Method of Accounting for Investments (Accounting Standards Board of Japan ("ASBJ") Statement No. 16; March 10, 2008) and the Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method (ASBJ Practical Issues Task Force No. 24; March 10, 2008), and has made necessary revisions on the consolidated financial statements.

The application of the said accounting standard, etc. has no significant impact on the statement of income.

4. Closing Date for Consolidated Subsidiaries

The final date of the business year for all the Company's consolidated subsidiaries is established in accordance with the Company's annual closing date for its consolidated financial accounting.

5. Accounting Standards

(1) Asset Valuation

1) Securities

Other securities

Marketable securities classified as other securities are carried at fair value, based on market prices as of the balance sheet date.

(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)

Non-marketable securities classified as other securities are carried at cost, determined by the moving-average method.

2) Derivatives

Derivatives are carried at fair value.

3) Inventories

Inventories are stated at cost, determined primarily by the average method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability.)

(2) Depreciation and Amortization of Assets

1) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is computed primarily by the declining-balance method.

2) Intangible assets (excluding leased assets)

Amortization of intangible assets is computed by the straight-line method.

Amortization of capitalized software for internal use is computed by the straight-line method over the software's estimated useful life (five years).

3) Leased assets

Leased assets involved in finance lease transactions which transfer ownership

Computed using the same depreciation method applicable to self-owned fixed assets.

Leased assets involved in finance lease transactions which do not transfer ownership

Computed based on the assumption that the useful life equals the lease term, and the residual value equals zero.

Those finance lease transactions which do not transfer ownership, where the lease transaction start date was prior to December 31, 2008, are computed based on an accounting method similar to the method for ordinary rental transactions.

(3) Significant Accruals

1) Allowance for doubtful receivables

In order to evaluate accounts receivable–trade, and loans and other equivalents, an allowance for doubtful receivables is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties.

2) Provision for bonuses

Provision for bonuses are stated at an estimated amount of the bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

3) Provision for bonuses for Directors

Provision for bonuses for Directors are stated at an estimated amount of the bonuses to be paid to Directors, based on their services for the current fiscal period.

4) Provision for product warranties

Provision for product warranties are provided to cover after-sale service expenses anticipated to be incurred during the warranty periods of products sold, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated by multiplying sales during the warranty period by a factor (after-sales service expenses/sales of products) based on actual costs in the past years and sales during the warranty period.

5) Provision for retirement benefits

Provision for retirement benefits are provided mainly at an amount, deemed generated on December 31, 2011, calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

Prior service cost is being amortized as incurred by the straight-line method over a period, 10 years, which is shorter than the average remaining years of service of the employees.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized, by the straight-line method, over a period, 10 years, which is shorter than the average remaining years of service of the employees.

6) Provision for product liabilities

Provision for product liabilities are provided, at an estimated amount of payments based on the actual results in past years, for liabilities that are not covered by product liability insurance.

(4) Amortization Method and Period for Amortization of Goodwill

The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries ("goodwill") is amortized by the straight-line method over years estimated, based on substantive judgment as incurred.

(5) Range of Funds in the Consolidated Statements of Cash Flows

In the consolidated statements of cash flows, funds (cash and cash equivalents) include cash on hand, deposits that can be withdrawn when needed, and short-term investments with a maturity of less than three months from the date of acquisition that are marketable and subject to minimum fluctuation in value.

(6) Other Items of Significance in Drawing up Consolidated Financial Statements

1) Consumption taxes

Transactions subject to national and/or local consumption tax are recorded at an amount exclusive of the consumption taxes.

2) Application of consolidated tax return system

The Company applies the Consolidated Tax Return System.

6. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at ¥77.74 = U.S.$1.00, the approximate rate of exchange in effect at December 31, 2011.

The translation should not be construed as a representation that yen have been, could have been, or could be converted into U.S. dollars at this or any other rate.

7. Changes in Accounting Principles and Procedures

(Application of "Accounting Standard for Asset Retirement Obligations")

Effective from the fiscal year ended December 31, 2011, the Company has applied the Accounting Standard for Asset Retirement Obligations (ASBJ Statement No. 18; March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21; March 31, 2008).

The application of the said accounting standard, etc. has no significant impact on the statement of income.

8. Changes in Presentation

Consolidated Statements of Income

Effective from the fiscal year ended December 31, 2011, the Company has applied the Cabinet Office Ordinance of Partial Amendment to Regulation for Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5; March 24, 2009) based on the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; December 26, 2008). As a result, an account of "Income before minority interests" is presented in the Consolidated Statements of Income.

9. Additional Information

(Application of Accounting Standard for Presentation of Comprehensive Income)

Effective from the fiscal year ended December 31, 2011, the Company has applied the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, June 30, 2010). However, the amounts of "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" in the previous fiscal year are recorded as the amounts of "Valuation and translation adjustments" and "Total valuation and translation adjustments."

10. Consolidated Balance Sheets

Information regarding consolidated balance sheets at December 31, 2010 and 2011 is as follows.

(1) Accumulated depreciation of property, plant and equipment

	Millions of yen		Thousands of U.S. dollars
	2010	**2011**	**2011**
	¥515,876	**¥509,550**	**$6,554,541**

(2) Pledged assets and secured liabilities

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Pledged assets:			
Notes and accounts receivable–trade	¥ 61,144	¥ 56,296	$ 724,157
Merchandise and finished goods	648	1,217	15,655
Work-in-process	783	1,022	13,146
Raw materials and supplies	3,473	2,477	31,863
Current assets—other	9,842	11,888	152,920
Buildings and structures	166	322	4,142
Machinery, equipment and vehicles	9,229	7,943	102,174
Land	44	95	1,222
Construction in progress	295	833	10,715
Property, plant and equipment—other	309	286	3,679
Investment securities	38	50	643
Long-term loans receivable	21,276	21,101	271,430
Investments and other assets—other	2,486	5,730	73,707
Total	¥109,739	¥109,265	$1,405,518
Secured liabilities:			
Short-term loans payable	¥ 10,656	¥ 11,794	$ 151,711
Current portion of long-term loans payable	—	3,256	41,883
Long-term loans payable	26,752	33,558	431,670
Noncurrent liabilities—other	1,233	397	5,107
Total	¥ 38,643	¥ 49,006	$ 630,383

(3) Pursuant to the "Law Concerning the Revaluation of Land" (No. 24, enacted on March 31, 1999), land used for the Company's business operations was revalued. The income tax effect of the difference between the book value and the revalued amount has been presented under liabilities as "Deferred tax liabilities for land revaluation" and the remaining balance has been presented under net assets as "Revaluation reserve for land" in the accompanying consolidated balance sheets.

a) Date of revaluation March 31, 2000

b) Method of revaluation
Under Item 4 of Article 2 of the Order For Enforcement on Law on Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Law Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

c) Fair value of the land used for business after revaluation
The fair value of the land used for business after revaluation at the end of fiscal 2010 and 2011 was below its book value by ¥6,287 million and ¥6,787 million ($87,304 thousand), respectively.

(4) Guarantee obligations
Guarantees are given for the following companies' loans from financial institutions.

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Subsidiaries or affiliates:			
Amagasaki Woodland of Health Co., Ltd.	¥293	¥268	$3,447
Other companies:			
Enrum Marina Muroran Inc.	57	49	630
Marina Kawage Co., Ltd.	15	5	64
Total	¥365	¥323	$4,155

Guarantee obligations described above include ¥308 million and ¥274 million ($3,525 thousand) at the end of fiscal 2010 and 2011 arising from acts resembling guarantees.

(5) Discounts on notes receivable–trade

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
	¥1,765	¥2,414	$31,052

(6) Investment securities and investment in partnerships with non-consolidated subsidiaries and affiliates are as follows.

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Investment securities (stock)	¥17,825	¥18,637	$239,735
Investment in partnerships	756	244	3,139

(7) Notes maturing at the end of the fiscal year were settled on the date of clearing. As the end of fiscal 2010 and 2011 fell on a holiday for financial institutions in Japan, the following notes maturing on the fiscal year-end date are included in the balance as of the fiscal year-end.

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Notes receivable–trade	¥1,025	¥942	$12,117
Notes payable–trade	260	250	3,216

11. Consolidated Statements of Income

Information regarding consolidated statements of income for the years ended December 31, 2010 and 2011 is as follows.

(1) Loss on devaluation of inventories after reversal of refund by the lower of cost or market method following write-down of book value due to lower profitability included in cost of sales

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
	¥(4,281)	¥(1,115)	$(14,343)

(2) Breakdown of major selling, general and administrative expenses

	Millions of yen
	2010
Transportation expenses	¥30,504
Provision for product warranties	15,476
Provision for allowance for doubtful accounts	1,376
Salaries	71,392
Provision for bonuses	2,160
Provision for retirement benefits	4,446

	Millions of yen	Thousands of U.S. dollars
	2011	2011
Transportation expenses	¥30,278	$389,478
Provision for product warranties	11,428	147,003
Provision for allowance for doubtful accounts	1,681	21,623
Salaries	69,725	896,900
Provision for bonuses	3,017	38,809
Provision for retirement benefits	4,940	63,545

(3) Research and development expenses included in selling, general and administrative expenses and manufacturing costs

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
	¥55,183	**¥65,015**	**$836,313**

(4) Breakdown of gain on sales of noncurrent assets

	Millions of yen
	2010
Buildings and structures	¥ 76
Machinery, equipment and vehicles	434
Other	33
Total	¥544

	Millions of yen	Thousands of U.S. dollars
	2011	2011
Machinery, equipment and vehicles	**¥290**	**$3,730**
Other	**33**	**424**
Total	**¥323**	**$4,155**

(5) Breakdown of loss on sales of noncurrent assets

	Millions of yen
	2010
Machinery, equipment and vehicles	¥156
Other	18
Total	¥175

	Millions of yen	Thousands of U.S. dollars
	2011	2011
Buildings and structures	**¥ 22**	**$ 283**
Machinery, equipment and vehicles	**76**	**978**
Other	**50**	**643**
Total	**¥149**	**$1,917**

(6) Breakdown of loss on disposal of noncurrent assets

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Buildings and structures	¥ 300	**¥281**	**$3,615**
Machinery, equipment and vehicles	328	**256**	**3,293**
Other	408	**196**	**2,521**
Total	¥1,038	**¥735**	**$9,455**

(7) Details concerning impairment loss

Fiscal year ended December 31, 2010

1) Summary of asset groups for which impairment loss has been identified

Use	Location	Item	Impairment loss Millions of yen 2010
Motorcycles	India, other	Buildings and structures	¥1,369
		Machinery, equipment and vehicles	4,039
		Other	134
		Intangible assets	413
		Total	¥5,957
Idle assets	Kakegawa City (Shizuoka, Japan), other	Buildings and structures	¥ 309
		Machinery, equipment and vehicles	6
		Land	298
		Other	56
		Total	¥ 670

2) Method for grouping assets
An asset group is defined as the minimum unit within a business segment that generates cash flows, generally independent from other asset groups in that segment.

3) Background to the recognition of impairment loss
Since a delay in profitability recovery is forecasted as a result of a review of future business plans conducted in the fiscal year ended December 31, 2010, principally at the consolidated subsidiary in India, impairment loss was recognized in the motorcycle business. Impairment loss was also identified among idle assets not serving business uses. Specifically, losses were recognized for those idle assets whose market prices have significantly declined from their book values.

4) Computation of recoverable values
The recoverable value was computed by the appraisal value or the net sale value reasonably calculated and obtained using the disposal price.

Fiscal year ended December 31, 2011

No related items.

(8) Details concerning loss on disaster

Fiscal year ended December 31, 2010

No related items.

Fiscal year ended December 31, 2011

Loss on disaster accounts for the losses from the earthquake which occurred in March 2011. These losses are principally the expenses for repair of damaged assets, relief support for business partners affected by the earthquake and relief supplies for the stricken areas.

12. Consolidated Statements of Comprehensive Income

Information regarding consolidated statements of comprehensive income for the years ended December 31, 2010 and 2011 is as follows.

Fiscal year ended December 31, 2010

No related items.

Fiscal year ended December 31, 2011

(1) Comprehensive income in the previous fiscal year

	Millions of yen
	2010
Comprehensive income attributable to owners of the parent	¥(12,777)
Comprehensive income attributable to minority interests	6,107
Total	¥ (6,669)

(2) Other comprehensive income in the previous fiscal year

	Millions of yen
	2010
Valuation difference on available-for-sale securities	¥ (1,321)
Foreign currency translation adjustment	(31,289)
Share of other comprehensive income of associates accounted for using equity method	(1,208)
Total	¥(33,819)

13. Consolidated Statements of Changes in Net Assets

Information regarding consolidated statements of changes in net assets for the years ended December 31, 2010 and 2011 is as follows.

Fiscal year ended December 31, 2010

(1) Type and number of outstanding shares

	Shares			
	Number of shares as of December 31, 2009	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2010
Capital stock	286,507,784	63,250,000	0	349,757,784

Note The reasons for the increase or decrease in the number of shares are as follows:
- Increase due to issuance of new shares through public offering: 55,000,000 shares
- Increase due to issuance of new shares through third-party allocation: 8,250,000 shares

(2) Type and number of treasury stocks

	Shares			
	Number of shares as of December 31, 2009	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2010
Capital stock	658,149	2,776	176	660,749

Note The reasons for the increase or decrease in the number of shares are as follows:
- Increase due to the purchase of less-than-one-unit shares from shareholders: 1,652 shares
- Increase due to the acquisition of subsidiaries and affiliates accounted for by the equity method: 1,124 shares
- Decrease due to requests for additional purchase of less-than-one-unit shares by shareholders: 176 shares

(3) Subscription rights to shares and own subscription rights to shares

Classification	Description of subscription rights to shares	Type of shares to be issued by the exercise of subscription rights to shares	Number of shares issued by the exercise of subscription rights to shares (shares): December 31, 2009	Increase during the fiscal year under review	Decrease during the fiscal year under review	December 31, 2010	Balance as of December 31, 2010: Millions of yen
Yamaha Motor Co., Ltd.	Subscription rights to shares as stock options Note	—	—	—	—	—	¥102
	Total	—	—	—	—	—	¥102

Note The exercise periods of the fifth and sixth subscription rights to shares are June 16, 2011 through June 15, 2015 and June 15, 2012 through June 14, 2016, respectively. Thus, the first day of the exercise periods has not come as of the end of the fiscal year ended December 31, 2010.

(4) Dividends

• Amount of dividends paid

No related items.

• Dividends whose record date falls in fiscal 2010 and whose effective date falls in fiscal 2011.

No related items.

Fiscal year ended December 31, 2011

(1) Type and number of outstanding shares

	Number of shares as of December 31, 2010	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2011
	Shares			
Capital stock	**349,757,784**	**0**	**0**	**349,757,784**

(2) Type and number of treasury stocks

	Number of shares as of December 31, 2010	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2011
	Shares			
Capital stock	**660,749**	**1,918**	**124**	**662,543**

Note The reasons for the increase or decrease in the number of shares are as follows:

- Increase due to the purchase of less-than-one-unit shares from shareholders: 795 shares
- Increase due to the acquisition of subsidiaries and affiliates accounted for by the equity method: 1,123 shares
- Decrease due to requests for additional purchase of less-than-one-unit shares by shareholders: 124 shares

(3) Subscription rights to shares and own subscription rights to shares

Classification	Description of subscription rights to shares	Type of shares to be issued by the exercise of subscription rights to shares	Number of shares issued by the exercise of subscription rights to shares (shares): December 31, 2010	Increase during the fiscal year under review	Decrease during the fiscal year under review	December 31, 2011	Balance as of December 31, 2011: Millions of yen	Thousands of U.S. dollars
Yamaha Motor Co., Ltd.	Subscription rights to shares as stock options Note	—	—	—	—	—	**¥109**	**$1,402**
	Total	—	—	—	—	—	**¥109**	**$1,402**

Note The exercise period of the sixth subscription rights to shares is June 15, 2012 through June 14, 2016. Thus, the first day of the exercise period has not come as of the end of the fiscal year ended December 31, 2011.

(4) Dividends

• Amount of dividends paid

No related items.

• Dividends whose record date falls in fiscal 2011 and whose effective date falls in fiscal 2012

Resolution	Type of share	Total amount of dividends	Resource of dividends	Dividend per share	Record date	Effective date
		Millions of yen		Yen		
Ordinary General Meeting of Shareholders held on March 23, 2012	**Capital stock**	**¥5,411**	**Retained earnings**	**¥15.50**	**December 31, 2011**	**March 26, 2012**

14. Consolidated Statements of Cash Flows

Information regarding consolidated statements of cash flows for the years ended December 31, 2010 and 2011 is as follows.

(1) Reconciliation of "cash and cash equivalents" as of December 31, 2010 and 2011 to amounts in the various accounts appearing in the accompanying consolidated balance sheets

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Cash and deposits	¥205,362	**¥133,707**	**$1,719,925**
Time deposits with maturity in excess of three months	(2,016)	**(354)**	**(4,554)**
Other current assets	532	**240**	**3,087**
Cash and cash equivalents	¥203,878	**¥133,593**	**$1,718,459**

(2) Income taxes (paid) refund includes a ¥13,835 million refund on transactions in fiscal 2010 at consolidated subsidiary Yamaha Motor Corporation, U.S.A.

15. Lease Information

Information regarding leases for the years ended December 31, 2010 and 2011 is as follows.

Fiscal year ended December 31, 2010

(1) Finance lease transactions (as a lessee)
Finance lease transactions which do not transfer ownership
1) Subject leased assets
Property, plant and equipment
Mainly vehicles

2) Depreciation method of leased assets
As described in sub-section (2), "Depreciation and Amortization of Assets," of section (5) "Accounting Standards."

Those finance lease transactions which do not transfer ownership, where the transaction start date was prior to December 31, 2008, are computed based on an accounting method similar to the method for ordinary rental transactions, described below.

a) Amounts equivalent to acquisition cost, accumulated depreciation and the net book value of leased property at December 31, 2010

	Millions of yen		
	Acquisition cost	Accumulated depreciation	Net book value
Other (tools, furniture and fixtures)	¥5,351	¥5,019	¥332

Acquisition costs of leased property were computed based on the inclusion of their interest portion, due to the lower ratio of the balance for future minimum lease payments to the balance for property, plant and equipment at the end of the fiscal year.

b) Amounts equivalent to future minimum lease payments at December 31, 2010

	Millions of yen
Payable within one year	¥178
Payable after one year	153
Total	¥332

Future minimum lease payments of leased property were computed based on the inclusion of their interest portion, due to the lower ratio of the balance for future minimum lease payments to the balance for property, plant and equipment at the end of the fiscal year.

c) Amounts equivalent to lease payments and depreciation

	Millions of yen
Lease payments	¥427
Depreciation	427

d) Computation of amounts equivalent to depreciation
The computation of amounts equivalent to depreciation is made by the straight-line method, assuming that useful life equals to the lease term and the residual value equals to zero.

(2) Operating lease transactions
Future minimum lease payments for noncancellable operating lease transactions

	Millions of yen
Payable within one year	¥1,019
Payable after one year	2,779
Total	¥3,799

Fiscal year ended December 31, 2011

(1) Finance lease transactions (as a lessee)
Finance lease transactions which do not transfer ownership
1) Subject leased assets
Property, plant and equipment
Mainly machinery, equipment and vehicles

2) Depreciation method of leased assets
As described in sub-section (2), "Depreciation and Amortization of Assets," of section (5) "Accounting Standards."

Those finance lease transactions which do not transfer ownership, where the transaction start date was prior to December 31, 2008, are computed based on an accounting method similar to the method for ordinary rental transactions, described below.

a) Amounts equivalent to acquisition cost, accumulated depreciation and the net book value of leased property at December 31, 2011

	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Machinery, equipment and vehicles	¥4,018	¥3,898	¥119	$51,685	$50,141	$1,531
Other	830	797	32	10,677	10,252	412
Total	¥4,848	¥4,696	¥152	$62,362	$60,406	$1,955

Acquisition costs of leased property were computed based on the inclusion of their interest portion, due to the lower ratio of the balance for future minimum lease payments to the balance for property, plant and equipment at the end of the fiscal year.

b) Amounts equivalent to future minimum lease payments at December 31, 2011

	Millions of yen	Thousands of U.S. dollars
Payable within one year	¥ 89	$1,145
Payable after one year	62	798
Total	¥152	$1,955

Future minimum lease payments of leased property were computed based on the inclusion of their interest portion, due to the lower ratio of the balance for future minimum lease payments to the balance for property, plant and equipment at the end of the fiscal year.

c) Amounts equivalent to lease payments and depreciation

	Millions of yen	Thousands of U.S. dollars
Lease payments	¥142	$1,827
Depreciation	142	1,827

d) Computation of amounts equivalent to depreciation
The computation of amounts equivalent to depreciation is made by the straight-line method, assuming that useful life equals to the lease term and the residual value equals to zero.

(2) Operating lease transactions
Future minimum lease payments for noncancellable operating lease transactions

	Millions of yen	Thousands of U.S. dollars
Payable within one year	¥ 857	$11,024
Payable after one year	2,284	29,380
Total	¥3,141	$40,404

16. Financial Instruments and Related Disclosure

Information regarding financial instruments and related disclosure for the years ended December 31, 2010 and 2011 is as follows.

Fiscal year ended December 31, 2010

1. Status of financial instruments held by the group

1) Policies on financial instruments

The Group restricts its asset management to short-term deposits, etc. in principle and raises funds mainly through bank borrowings. Derivative transactions are used to mitigate the risks described below and the Group has no intention to engage in speculative trading.

2) Details of financial instruments and related risks

Notes and accounts receivable–trade, which are operating receivables, are exposed to credit risk of customers. Foreign currency-denominated operating receivables resulting from the Group conducting business globally are exposed to risk of foreign currency exchange fluctuations, which is mitigated in principle by securing foreign exchange forward contracts on the net position of foreign currency-denominated operating receivables and payables.

Investment securities, mainly stocks of companies with which the Group has business relationships, are exposed to risk of market price fluctuations.

Notes and accounts payable–trade, which are operating payables, are mostly due within one year. Some of them are denominated in foreign currency, reflecting imports of raw materials, etc., and exposed to risk of foreign currency exchange fluctuations. However, they are continuously below the balance of accounts receivable denominated in the same foreign currency.

Short-term loans payable and long-term loans payable are intended for working capital, and some of them with variable interest rates are exposed to risk of interest rate fluctuations.

Derivative transactions used by the Company are mainly foreign exchange forward contracts to mitigate risk of foreign currency exchange fluctuations in connection with foreign currency-denominated operating receivables and payables, and interest rate swap transactions to mitigate risk of fluctuations in interest paid on the Company's borrowings.

3) Risk management system for financial instruments

(a) Management of credit risk (risks associated with the defaults of customers)

The Company and its consolidated subsidiaries have their administrative sections in individual business divisions periodically monitor main business partners with regard to operating receivables and keep track of the due date and the balance for each business partner, while trying to identify doubtful receivables due to worsened financial conditions of the business partners at an early stage and seek to reduce their consequences.

In engaging in derivative transactions, the Company enters into transactions only with financial institutions with a high credit rating in order to mitigate counterparty risk.

(b) Management of market risk (foreign currency exchange and interest rate fluctuation risks)

The Company and some of its consolidated subsidiaries use foreign exchange forward contracts, etc. to mitigate foreign currency exchange fluctuation risk of foreign currency-denominated operating receivables and payables, which is identified for different currencies on a monthly basis. Foreign exchange forward contracts, etc. are also used for foreign currency-denominated operating receivables, which are certain to be generated as a result of scheduled export transactions. Additionally, the Company and some of its consolidated subsidiaries use interest rate swap transactions to reduce risk of fluctuations in interest paid on their borrowings.

The Company periodically monitors the market prices of investment securities and the financial conditions of the issuers (business partners) and reviews its holding of investment securities on an ongoing basis, taking relationships with the business partners into account.

The Company's finance & accounting division carries out derivative transactions based on the internal rules prescribing transaction authority, the upper limit and others, keeps records and cross-checks the balance with financial institutions. Transactions of foreign exchange forward contracts, etc. are reported to Executive Officers in the position of Senior Executive Officer or higher, Standing Corporate Auditors, and heads of the finance & accounting division and the division responsible for managing positions at least twice a month. The Company also monitors consolidated subsidiaries in accordance with the internal rules.

(c) Management of liquidity risk related to financing (risks in which the Company being unable to repay within the due date)

The Company and each of its consolidated subsidiaries control liquidity risk by formulating and revising a cash position plan as needed, while maintaining liquidity on hand at an appropriate level.

4) Supplementary explanation concerning fair values, etc. of financial instruments

Fair values of financial instruments comprise values determined based on market prices and values determined reasonably when there is no market price. Since variable factors are incorporated in computing the relevant fair values, such fair values may vary depending on the different assumptions.

2. Fair values of financial instruments

Carrying amount, fair value and differences of the financial instruments as of December 31, 2010 are as follows. Financial instruments whose fair values are not readily determinable are excluded from the following table: (See Note 2.)

	Millions of yen		
	Carrying amount	Fair value	Differences
(1) Cash and deposits	¥205,362	¥205,362	¥ —
(2) Notes and accounts receivable–trade	183,711		
Allowance for doubtful receivables *1	(5,860)		
	177,850	177,816	(34)
(3) Investment securities	16,469	16,469	—
(4) Long-term loans receivable	37,034		
Allowance for doubtful receivables *1	(1,419)		
	35,615	40,233	4,618
Total assets	¥435,297	¥439,881	¥4,583
(5) Notes and accounts payable–trade	125,809	125,809	—
(6) Short-term loans payable	35,455	35,455	—
(7) Current portion of long-term loans payable	57,576	57,576	—
(8) Long-term loans payable	229,410	233,762	4,351
Total liabilities	¥448,252	¥452,604	¥4,351
Derivative transactions *2	344	344	—

*1 Allowance for doubtful receivables are deducted from notes and accounts receivable–trade and long-term loans receivable.
*2 Receivables and payables, which were derived from derivative transactions, are presented in net amount.

Notes 1 Calculation method of fair values of financial instruments and matters concerning marketable securities and derivative transactions

Assets:

(1) Cash and deposits
These assets are recorded using book values as the fair values are almost equal to the book values because of their short-term maturities.

(2) Notes and accounts receivable–trade
The fair values of these assets are measured at the present values of their future cash flows from which an allowance for doubtful receivables equivalent to credit risk are deducted. In order to compute the present values of the future cash flows of these assets, the assets are categorized by specified time period, and future cash flows in each category are discounted at a rate in accordance with appropriate indices such as government bond yields.

(3) Investment securities
Investment securities are determined using the quoted price at the stock exchange.

(4) Long-term loans receivable
For long-term loans receivable with variable rates, fair value is calculated based on book values, as they reflect market interest rates in the short run.
For long-term loans receivable with fixed rates, the fair values are measured at their present values from which an allowance for doubtful receivables equivalent to credit risk are deducted. The present values of these assets are computed by discounting for each collection period at a rate in accordance with appropriate indices such as government bond yields.

Liabilities:

(5) Notes and accounts payable–trade, (6) Short-term loans payable, (7) Current portion of long-term loans payable
These liabilities are recorded using book values as the fair values are almost equal to the book values because of their short-term maturities.

(8) Long-term loans payable
For long-term loans payable with variable rates, fair value is calculated based on book values, as they reflect market interest rates in the short run.
For long-term loans payable with fixed rates, the fair values are determined by computing the present values, discounted for each collection period at a projected interest rate if a similar borrowing is taken out.

Derivative transactions

Their fair values are calculated based on the quoted price obtained from the financial institutions.

2 Financial instruments whose fair values are not readily determinable

	Millions of yen
Category	Carrying amount
Unlisted equity securities	¥18,847

The foregoing items are not included in "(3) Investment securities," because there is no market price, and it is deemed difficult to measure the fair values.

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3 Redemption schedule for monetary claims and held-to-maturity securities with maturity dates subsequent to the fiscal year-end

	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	More than 10 years
Cash and deposits	¥205,362	¥ —	¥—	¥ —
Notes and accounts receivable–trade	183,157	554	—	—
Long-term loans receivable	—	36,844	70	119
Total	¥388,520	¥37,399	¥70	¥119

4 Redemption schedule for long-term loans payable subsequent to the fiscal year-end
See “Fund Procurement Conditions.”

(Additional Information)
Effective from the fiscal year ended December 31, 2010, the Company has adopted “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, March 10, 2008) and “Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19 Guidance, March 10, 2008).

Fiscal year ended December 31, 2011

1. Status of financial instruments held by the group

1) Policies on financial instruments

The Group restricts its asset management to short-term deposits, etc. in principle and raises funds mainly through bank borrowings. Derivative transactions are used to mitigate the risks described below and the Group has no intention to engage in speculative trading.

2) Details of financial instruments and related risks

Notes and accounts receivable–trade, which are operating receivables, are exposed to credit risk of customers. Foreign currency-denominated operating receivables resulting from the Group conducting business globally are exposed to risk of foreign currency exchange fluctuations, which is mitigated in principle by securing foreign exchange forward contracts on the net position of foreign currency-denominated operating receivables and payables.

Investment securities, mainly stocks of companies with which the Group has business relationships, are exposed to risk of market price fluctuations.

Notes and accounts payable–trade, which are operating payables, are mostly due within one year. Some of them are denominated in foreign currency, reflecting imports of raw materials, etc., and exposed to risk of foreign currency exchange fluctuations. However, they are continuously below the balance of accounts receivable denominated in the same foreign currency.

Short-term loans payable and long-term loans payable are intended for working capital, and some of them with variable interest rates are exposed to risk of interest rate fluctuations.

Derivative transactions used by the Company are mainly foreign exchange forward contracts to mitigate risk of foreign currency exchange fluctuations in connection with foreign currency-denominated operating receivables and payables, and interest rate swap transactions to mitigate risk of fluctuations in interest paid on the Company’s borrowings.

3) Risk management system for financial instruments

(a) Management of credit risk (risks associated with the defaults of customers)
The Company and its consolidated subsidiaries have their administrative sections in individual business divisions periodically monitor main business partners with regard to operating receivables and keep track of the due date and the balance for each business partner, while trying to identify doubtful receivables due to worsened financial conditions of the business partners at an early stage and seek to reduce their consequences.

In engaging in derivative transactions, the Company enters into transactions only with financial institutions with a high credit rating in order to mitigate counterparty risk.

(b) Management of market risk (foreign currency exchange and interest rate fluctuation risks)
The Company and some of its consolidated subsidiaries use foreign exchange forward contracts, etc. to mitigate foreign currency exchange fluctuation risk of foreign currency-denominated operating receivables and payables, which is identified for different currencies on a monthly basis. Foreign exchange forward contracts, etc. are also used for foreign currency-denominated operating receivables, which are certain to be generated as a result of scheduled export transactions. Additionally, the Company and some of its consolidated subsidiaries use interest rate swap transactions to reduce risk of fluctuations in interest paid on their borrowings.

The Company periodically monitors the market prices of investment securities and the financial conditions of the issuers (business partners) and reviews its holding of investment securities on an ongoing basis, taking relationships with the business partners into account.

The Company’s finance & accounting division carries out derivative transactions based on the internal rules prescribing transaction authority, the upper limit and others, keeps records and cross-checks the balance with financial institutions. Transactions of foreign exchange forward contracts, etc. are reported to Executive Officers in the position of Senior Executive Officer or higher, Standing Corporate Auditors, and heads of the finance & accounting division and the division responsible for managing positions at least twice a month. The Company also monitors consolidated subsidiaries in accordance with the internal rules.

(c) Management of liquidity risk related to financing (risks in which the Company being unable to repay within the due date)
The Company and each of its consolidated subsidiaries control liquidity risk by formulating and revising a cash position plan as needed, while maintaining liquidity on hand at an appropriate level.

4) Supplementary explanation concerning fair values, etc. of financial instruments
Fair values of financial instruments comprise values determined based on market prices and values determined reasonably when there is no market price. Since variable factors are incorporated in computing the relevant fair values, such fair values may vary depending on the different assumptions.

2. Fair values of financial instruments

Carrying amount, fair value and differences of the financial instruments as of December 31, 2011 are as follows. Financial instruments whose fair values are not readily determinable are excluded from the following table: (See Note 2.)

	Millions of yen			Thousands of U.S. dollars		
	Carrying amount	Fair value	Differences	Carrying amount	Fair value	Differences
(1) Cash and deposits	¥133,707	¥133,707	¥ —	$1,719,925	$1,719,925	$ —
(2) Notes and accounts receivable–trade	166,531			2,142,153		
Allowance for doubtful receivables *1	(5,114)			(65,783)		
	161,416	161,387	(28)	2,076,357	2,075,984	(360)
(3) Investment securities	15,483	15,483	—	199,164	199,164	—
(4) Long-term loans receivable	36,017			463,301		
Allowance for doubtful receivables *1	(1,565)			(20,131)		
	34,452	40,927	6,474	443,170	526,460	83,278
Total assets	¥345,060	¥351,506	¥6,445	$4,438,642	$4,521,559	$82,905
(5) Notes and accounts payable–trade	121,974	121,974	—	1,568,999	1,568,999	—
(6) Short-term loans payable	42,919	42,919	—	552,084	552,084	—
(7) Current portion of long-term loans payable	69,398	69,398	—	892,694	892,694	—
(8) Long-term loans payable	162,403	165,022	2,619	2,089,053	2,122,742	33,689
Total liabilities	¥396,695	¥399,314	¥2,619	$5,102,843	$5,136,532	$33,689
Derivative transactions *2	(1,069)	(1,069)	—	(13,751)	(13,751)	—

*1 Allowance for doubtful receivables are deducted from notes and accounts receivable–trade and long-term loans receivable.
*2 Receivables and payables, which were derived from derivative transactions, are represented in net amount. The figures in parentheses indicate net payables.

Notes 1 Calculation method of fair values of financial instruments and matters concerning marketable securities and derivative transactions

Assets:

(1) Cash and deposits
These assets are recorded using book values as the fair values are almost equal to the book values because of their short-term maturities.

(2) Notes and accounts receivable–trade
The fair values of these assets are measured at the present values of their future cash flows from which an allowance for doubtful receivables equivalent to credit risk are deducted. In order to compute the present values of the future cash flows of these assets, the assets are categorized by specified time period, and future cash flows in each category are discounted at a rate in accordance with appropriate indices such as government bond yields.

(3) Investment securities
Investment securities are determined using the quoted price at the stock exchange.

(4) Long-term loans receivable
For long-term loans receivable with variable rates, fair value is calculated based on book values, as they reflect market interest rates in the short run.
For long-term loans receivable with fixed rates, the fair values are measured at their present values from which an allowance for doubtful receivables equivalent to credit risk are deducted. The present values of these assets are computed by discounting for each collection period at a rate in accordance with appropriate indices such as government bond yields.

Liabilities:

(5) Notes and accounts payable–trade, (6) Short-term loans payable, (7) Current portion of long-term loans payable
These liabilities are recorded using book values as the fair values are almost equal to the book values because of their short-term maturities.

(8) Long-term loans payable
For long-term loans payable with variable rates, fair value is calculated based on book values, as they reflect market interest rates in the short run.
For long-term loans payable with fixed rates, the fair values are determined by computing the present values, discounted for each repayment period at a projected interest rate if a similar borrowing is taken out.

Derivative transactions

Their fair values are calculated based on the quoted price obtained from the financial institutions.

2 Financial instruments whose fair values are not readily determinable

	Millions of yen	Thousands of U.S. dollars
Category	Carrying amount	Carrying amount
Unlisted equity securities	¥20,065	$258,104

The foregoing items are not included in "(3) Investment securities," because there is no market price, and it is deemed difficult to measure the fair values.

3 Redemption schedule for monetary claims and held-to-maturity securities with maturity dates subsequent to the fiscal year-end

	Millions of yen				Thousands of U.S. dollars			
	1 year or less	1 to 5 years	5 to 10 years	More than 10 years	1 year or less	1 to 5 years	5 to 10 years	More than 10 years
Cash and deposits	¥133,707	¥ —	¥—	¥ —	$1,719,925	$ —	$ —	$ —
Notes and accounts receivable–trade	166,118	407	4	—	2,136,841	5,235	51	—
Long-term loans receivable	—	35,834	71	111	—	460,947	913	1,428
Total	¥299,826	¥36,241	¥76	¥111	$3,856,779	$466,182	$978	$1,428

4 Redemption schedule for long-term loans payable subsequent to the fiscal year-end

See "Fund Procurement Conditions."

17. Marketable Securities

Information regarding marketable securities for the years ended December 31, 2010 and 2011 is as follows.

Fiscal year ended December 31, 2010

(1) Other marketable securities with fair value (as of December 31, 2010)

		Millions of yen		
	Type	Carrying amount	Acquisition cost	Unrealized gain or loss
Securities whose carrying amount exceeds their acquisition cost	(1) Equity securities	¥14,253	¥10,160	¥4,092
	(2) Bonds:			
	1) National and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other bonds	—	—	—
	(3) Other	—	—	—
	Sub-total	14,253	10,160	4,092
Securities whose acquisition cost exceeds their carrying amount	(1) Equity securities	¥ 2,215	¥ 3,081	¥ (865)
	(2) Bonds:			
	1) National and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other bonds	—	—	—
	(3) Other	—	—	—
	Sub-total	2,215	3,081	(865)
	Total	¥16,469	¥13,241	¥3,227

Note Unlisted stocks (¥1,022 million booked on the consolidated balance sheet) have no market price and the effort to pinpoint fair value is deemed extremely difficult so they are excluded from "Other marketable securities" in the preceding table.

(2) Other marketable securities sold during the fiscal year (January 1, 2010 through December 31, 2010)

	Millions of yen		
Type	Amount sold	Total gains	Total losses
(1) Equity securities	¥51	¥34	¥3
(2) Bonds:			
1) National and local government bonds	—	—	—
2) Corporate bonds	—	—	—
3) Other bonds	—	—	—
(3) Other	—	—	—
Total	¥51	¥34	¥3

(3) Impaired marketable securities
For the fiscal year ended December 31, 2010, the Company recorded an impairment loss of ¥511 million on investment securities (¥477 million on listed stock under other marketable securities and ¥31 million on unlisted stocks and ¥1 million on equity in affiliates).

The Company generally posts the entire amount of impairment loss on all securities whose fair value at the end of the fiscal year is less than 50% of the acquisition cost. For securities whose fair value at the end of the fiscal year decreases by 30 to 50% from their acquisition cost, the Company posts an impairment loss when it is judged necessary, by examining the importance and recoverability of the amount in question.

Fiscal year ended December 31, 2011

(1) Other marketable securities with fair value (as of December 31, 2011)

		Millions of yen			Thousands of U.S. dollars		
	Type	Carrying amount	Acquisition cost	Unrealized gain or loss	Carrying amount	Acquisition cost	Unrealized gain or loss
Securities whose carrying amount exceeds their acquisition cost	(1) Equity securities	¥ 3,215	¥ 1,619	¥ 1,596	$ 41,356	$ 20,826	$ 20,530
	(2) Bonds:						
	1) National and local government bonds	—	—	—	—	—	—
	2) Corporate bonds	—	—	—	—	—	—
	3) Other bonds	—	—	—	—	—	—
	(3) Other	—	—	—	—	—	—
	Sub-total	3,215	1,619	1,596	41,356	20,826	20,530
Securities whose acquisition cost exceeds their carrying amount	(1) Equity securities	¥12,267	¥15,247	¥(2,980)	$157,795	$196,128	$(38,333)
	(2) Bonds:						
	1) National and local government bonds	—	—	—	—	—	—
	2) Corporate bonds	—	—	—	—	—	—
	3) Other bonds	—	—	—	—	—	—
	(3) Other	—	—	—	—	—	—
	Sub-total	12,267	15,247	(2,980)	157,795	196,128	(38,333)
	Total	¥15,483	¥16,867	¥(1,383)	$199,164	$216,967	$(17,790)

Note Unlisted stocks (¥905 million ($11,641 thousand) booked on the consolidated balance sheet) have no market price and the effort to pinpoint fair value is deemed extremely difficult so they are excluded from "Other marketable securities" in the preceding table.

(2) Other marketable securities sold during the fiscal year (January 1, 2011 through December 31, 2011)

	Millions of yen			Thousands of U.S. dollars		
Type	Amount sold	Total gains	Total losses	Amount sold	Total gains	Total losses
(1) Equity securities	¥12	¥—	¥81	$154	$—	$1,042
(2) Bonds:						
1) National and local government bonds	—	—	—	—	—	—
2) Corporate bonds	—	—	—	—	—	—
3) Other bonds	—	—	—	—	—	—
(3) Other	—	—	—	—	—	—
Total	¥12	¥—	¥81	$154	$—	$1,042

(3) Impaired marketable securities
For the fiscal year ended December 31, 2011, the Company recorded an impairment loss of ¥18 million ($232 thousand) on investment securities (¥7 million ($90 thousand) on listed stock under other marketable securities and ¥10 million ($129 thousand) on unlisted stocks).

The Company generally posts the entire amount of impairment loss on all securities whose fair value at the end of the fiscal year is less than 50% of the acquisition cost. For securities whose fair value at the end of the fiscal year decreases by 30 to 50% from their acquisition cost, the Company posts an impairment loss when it is judged necessary, by examining the importance and recoverability of the amount in question.

18. Derivative Transactions

Fiscal year ended December 31, 2010

1. Derivative financial instruments for which hedge accounting is not applied

(1) Currency related

Classification	Transaction		Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
			Millions of yen			
Non-market transactions	Forward exchange contract					
	Sell:					
		USD	¥51,201	¥—	¥ 942	¥ 942
		EUR	12,579	—	219	219
		CAD	2,531	—	4	4
		PLN	1,597	—	(6)	(6)
		JPY	1,257	—	(8)	(8)
		HUF	463	—	(2)	(2)
		SGD	374	—	(3)	(3)
		GBP	360	—	1	1
	Buy:					
		USD	10,870	—	100	100
		EUR	7,504	—	(119)	(119)
		JPY	1,111	—	36	36
		SEK	240	—	0	0
	Total		¥50,640	¥—	¥1,164	¥1,164

Note Market values are computed based on forward rates at the end of the fiscal year.

(2) Interest-rate related

Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
		Millions of yen			
Non-market transactions	Interest-rate swap contract				
	Receipts fixed, payments floating	¥ 35,738	¥32,876	¥ (109)	¥ (109)
	Receipts floating, payments fixed	92,881	31,186	(1,101)	(1,101)
	Total	¥128,620	¥64,042	¥(1,211)	¥(1,211)

Note Market values are computed based on quotes from financial institutions, among other sources.

(3) Other

Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
		Millions of yen			
Non-market transactions	Other	¥134,760	¥41,411	¥391	¥391
	Total	¥134,760	¥41,411	¥391	¥391

Notes 1 Derivative transactions related to sales finance.
2 Market values are generally computed by estimating the future cash flow, and discounting it with an appropriate market interest rate.

2. Derivative financial instruments for which hedge accounting is applied

No related items.

Fiscal year ended December 31, 2011

1. Derivative financial instruments for which hedge accounting is not applied

(1) Currency related

		Millions of yen			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Forward exchange contract				
	Sell:				
	USD	¥60,126	¥—	¥(395)	¥(395)
	EUR	12,996	—	484	484
	CAD	2,151	—	(13)	(13)
	JPY	1,228	—	10	10
	Buy:				
	USD	3,236	—	(0)	(0)
	JPY	718	—	26	26
	SEK	336	—	3	3
	THB	79	—	(1)	(1)
	SGD	73	—	(2)	(2)
	Total	¥72,059	¥—	¥ 111	¥ 111

		Thousands of U.S. dollars			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Forward exchange contract				
	Sell:				
	USD	$773,424	$—	$(5,081)	$(5,081)
	EUR	167,173	—	6,226	6,226
	CAD	27,669	—	(167)	(167)
	JPY	15,796	—	129	129
	Buy:				
	USD	41,626	—	(0)	(0)
	JPY	9,236	—	334	334
	SEK	4,322	—	39	39
	THB	1,016	—	(13)	(13)
	SGD	939	—	(26)	(26)
	Total	$926,923	$—	$ 1,428	$ 1,428

Note Market values are computed based on forward rates at the end of the fiscal year.

(2) Interest-rate related

		Millions of yen			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Interest-rate swap contract				
	Receipts fixed, payments floating	¥ 31,405	¥30,052	¥ (801)	¥ (801)
	Receipts floating, payments fixed	74,565	55,130	(1,038)	(1,038)
	Total	¥105,971	¥85,183	¥(1,839)	¥(1,839)

		Thousands of U.S. dollars			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Interest-rate swap contract				
	Receipts fixed, payments floating	$ 403,975	$ 386,571	$(10,304)	$(10,304)
	Receipts floating, payments fixed	959,159	709,159	(13,352)	(13,352)
	Total	$1,363,146	$1,095,742	$(23,656)	$(23,656)

Note Market values are computed based on quotes from financial institutions, among other sources.

(3) Other

		Millions of yen			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Other	**¥107,078**	**¥50,806**	**¥658**	**¥658**
	Total	**¥107,078**	**¥50,806**	**¥658**	**¥658**

		Thousands of U.S. dollars			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Other	**$1,377,386**	**$653,537**	**$8,464**	**$8,464**
	Total	**$1,377,386**	**$653,537**	**$8,464**	**$8,464**

Notes 1 Derivative transactions related to sales finance.
2 Market values are generally computed by estimating the future cash flow, and discounting it with an appropriate market interest rate.

2. Derivative financial instruments for which hedge accounting is applied

No related items.

19. Retirement Benefit Plans

Information regarding retirement benefit plans for the years ended December 31, 2010 and 2011 is as follows.

Fiscal year ended December 31, 2010

(1) Outline of retirement benefit plans

The Company and certain of its domestic consolidated subsidiaries have cash balance pension plans and lump-sum payment plans. Certain of its other domestic consolidated subsidiaries have defined-benefit plans, i.e., welfare pension funds, tax-qualified pension plans and lump-sum payment plans.

Certain overseas consolidated subsidiaries have defined contribution pension plans, in addition to defined-benefit plans.

(2) Retirement benefit obligation and related items (As of December 31, 2010)

	Millions of yen
	2010
(1) Retirement benefit obligation	¥(150,126)
(2) Plan assets at fair value	97,130
(3) Unfunded retirement benefit obligation (1) + (2)	(52,996)
(4) Unrecognized actuarial gain or loss	18,301
(5) Unrecognized prior service cost	(510)
(6) Net retirement benefit obligation (3) + (4) + (5)	(35,204)
(7) Prepaid pension cost	218
(8) Provision for retirement benefits (6) – (7)	¥ (35,423)

Note Certain of the Company's subsidiaries adopt the simplified method to compute their retirement benefit obligation.

(3) Retirement benefit expenses and related items (Fiscal year ended December 31, 2010)

	Millions of yen
	2010
(1) Service cost	¥ 6,552
(2) Interest cost	3,558
(3) Expected return on plan assets	(2,964)
(4) Amortization of actuarial gain or loss	4,084
(5) Amortization of prior service cost	278
(6) Total (1) + (2) + (3) + (4) + (5)	¥11,508

Notes 1 In addition to the aforementioned retirement benefit expenses, in fiscal 2010, the Company recorded ¥11 million for special incentives and other payments related to the voluntary early retirement program offer presented to employees in 2010 and ¥551 million in contributions to defined contribution pension plans.
2 Retirement benefit expenses of the Company's consolidated subsidiaries, which were accounted for by the simplified method, were registered under the classification "(1) Service cost" in the above table.

(4) Assumptions and policies adopted in the calculation of retirement benefit obligation (As of December 31, 2010)

	2010
(1) Attribution method for retirement benefits in the period	Straight-line method
(2) Discount rate	Mainly 2.0%
(3) Expected rate of return on plan assets	Mainly 3.0%
(4) Amortization years of actuarial gain or loss	Mainly 10 years Amortized in the year following the year in which the gain or loss is recognized, primarily by the straight-line method, over a period which is shorter than the average remaining years of service of the employees.
(5) Amortization years of prior service cost	Mainly 10 years Amortized as incurred, by the straight-line method over a period which is shorter than the average remaining years of service of the employees.

Fiscal year ended December 31, 2011

(1) Outline of retirement benefit plans
The Company and certain of its domestic consolidated subsidiaries have cash balance pension plans and lump-sum payment plans. Certain of its other domestic consolidated subsidiaries have defined-benefit plans, i.e., welfare pension funds and lump-sum payment plans.

Certain overseas consolidated subsidiaries have defined contribution pension plans, in addition to defined-benefit plans.

(2) Retirement benefit obligation and related items (As of December 31, 2011)

	Millions of yen	Thousands of U.S. dollars
	2011	2011
(1) Retirement benefit obligation	¥(153,467)	$(1,974,106)
(2) Plan assets at fair value	95,223	1,224,891
(3) Unfunded retirement benefit obligation (1) + (2)	(58,243)	(749,202)
(4) Unrecognized actuarial gain or loss	19,214	247,157
(5) Unrecognized prior service cost	(249)	(3,203)
(6) Net retirement benefit obligation (3) + (4) + (5)	(39,278)	(505,248)
(7) Prepaid pension cost	333	4,284
(8) Provision for retirement benefits (6) – (7)	¥ (39,611)	$ (509,532)

Note Certain of the Company's subsidiaries adopt the simplified method to compute their retirement benefit obligation.

(3) Retirement benefit expenses and related items (Fiscal year ended December 31, 2011)

	Millions of yen	Thousands of U.S. dollars
	2011	2011
(1) Service cost	¥ 6,541	$ 84,139
(2) Interest cost	3,821	49,151
(3) Expected return on plan assets	(2,413)	(31,039)
(4) Amortization of actuarial gain or loss	4,135	53,190
(5) Amortization of prior service cost	(146)	(1,878)
(6) Total (1) + (2) + (3) + (4) + (5)	¥11,939	$153,576

Notes 1 In addition to the aforementioned retirement benefit expenses, in fiscal 2011, the Company recorded ¥572 million ($7,358 thousand) in contributions to defined contribution pension plans.
2 Retirement benefit expenses of the Company's consolidated subsidiaries, which were accounted for by the simplified method, were registered under the classification "(1) Service cost" in the above table.

(4) Assumptions and policies adopted in the calculation of retirement benefit obligation (As of December 31, 2011)

	2011
(1) Attribution method for retirement benefits in the period	**Straight-line method**
(2) Discount rate	**Mainly 2.0%**
(3) Expected rate of return on plan assets	**Mainly 2.5%**
(4) Amortization years of actuarial gain or loss	**Mainly 10 years** **Amortized in the year following the year in which the gain or loss is recognized, primarily by the straight-line method, over a period which is shorter than the average remaining years of service of the employees.**
(5) Amortization years of prior service cost	**Mainly 10 years** **Amortized as incurred, by the straight-line method over a period which is shorter than the average remaining years of service of the employees.**

20. Stock Options

Information regarding stock options for the years ended December 31, 2010 and 2011 is as follows.

Fiscal year ended December 31, 2010

1. Expenses associated with stock options during fiscal 2010 and the category in which they were classified:
   Selling, general and administrative expenses: ¥30 million.

2. Outline of stock options and changes

(1) Outline of stock options

		2008 Stock options		2009 Stock options		2010 Stock options	
Title and number of grantees	(Persons)	Directors of Yamaha Motor Co., Ltd.:	9	Directors of Yamaha Motor Co., Ltd.:	7	Directors of Yamaha Motor Co., Ltd.:	7
		Executive Officers of Yamaha Motor Co., Ltd.:	15	Executive Officers of Yamaha Motor Co., Ltd.:	18	Executive Officers of Yamaha Motor Co., Ltd.:	17
Number of stock options Note 1	(Shares)	Capital shares 75,500		Capital shares 112,000		Capital shares 56,500	
Grant date		June 13, 2008		June 16, 2009		June 15, 2010	
Condition for vesting Note 2		Persons who have received allocations of capital stock must serve a full term that includes the grant date (June 13, 2008).		Persons who have received allocations of capital stock must serve a full term that includes the grant date (June 16, 2009).		Persons who have received allocations of capital stock must serve a full term that includes the grant date (June 15, 2010).	
Requisite service period		Same period as listed under condition for vesting		Same period as listed under condition for vesting		Same period as listed under condition for vesting	
Exercise period		June 13, 2010 to June 12, 2014		June 16, 2011 to June 15, 2015		June 15, 2012 to June 14, 2016	

Notes 1 Stock options are converted into a number of shares.
2 Conditions for the exercise of stock options
(1) Persons who have received allocations of subscription rights to shares may not exercise the rights when they lose their status as Director or Executive Officer of Yamaha Motor Co., Ltd., for any reason stipulated in the "Agreement on Allocation of Subscription Rights to Shares" concluded between the Company and the grantee.
(2) Subscription rights to shares may not be inherited.
(3) Other conditions governing the exercise of stock option rights are based on the provisions of the "Agreement on Allocation of Subscription Rights to Shares" concluded between the Company and the grantee.

(2) Stock options granted and changes
Stock options outstanding in fiscal 2010 are counted and converted into a number of shares.

a) Number of stock options

	Shares		
	2008 Stock options	2009 Stock options	2010 Stock options
Before vesting:			
Previous fiscal year-end	—	112,000	—
Granted	—	—	56,500
Forfeited	—	—	—
Vested	—	112,000	—
Outstanding	—	—	56,500
After vesting:			
Previous fiscal year-end	75,500	—	—
Vested	—	112,000	—
Exercised	—	—	—
Forfeited	—	—	—
Exercisable	75,500	112,000	—

b) Price information

	Yen		
	2008 Stock options	2009 Stock options	2010 Stock options
Exercise price	¥2,205	¥1,207	¥1,396
Average exercise price	—	—	—
Fair value at the grant date	535	380	465

3. Technique used for valuating the fair value of stock options
Stock options granted in the fiscal year were valuated using the following technique.
a) Valuation technique: Black-Scholes option-pricing model
b) Principal parameters used in the option-pricing model

	2010 Stock options
Expected volatility Note 1	48.41%
Average expected life Note 2	4 years
Expected dividends Note 3	¥0 per share
Risk-free interest rate Note 4	0.31%

Notes 1 Calculated based on the actual stock prices during the four years ending on the stock option grant date (June 15, 2010).
2 The average expected life could not be reasonably estimated due to insufficient data. Therefore, it was estimated assuming that the options were exercised at the mid-point of the exercise period.
3 The actual dividends on capital stock for the fiscal year ended December 31, 2009.
4 Japanese government bond yield corresponding to the average expected life.

4. Method of estimating number of stock options vested
Only the actual number of forfeited stock options is reflected because it is difficult to reasonably estimate the number of stock options that will be forfeited in the future.

Fiscal year ended December 31, 2011

1. Expenses associated with stock options during fiscal 2011 and the category in which they were classified:
   Selling, general and administrative expenses: ¥6 million ($77 thousand).

2. Outline of stock options and changes

(1) Outline of stock options

		2008 Stock options	2009 Stock options	2010 Stock options
Title and number of grantees	(Persons)	Directors of Yamaha Motor Co., Ltd.: 9	Directors of Yamaha Motor Co., Ltd.: 7	Directors of Yamaha Motor Co., Ltd.: 7
		Executive Officers of Yamaha Motor Co., Ltd.: 15	Executive Officers of Yamaha Motor Co., Ltd.: 18	Executive Officers of Yamaha Motor Co., Ltd.: 17
Number of stock options Note 1	(Shares)	Capital shares 75,500	Capital shares 112,000	Capital shares 56,500
Grant date		June 13, 2008	June 16, 2009	June 15, 2010
Condition for vesting Note 2		Persons who have received allocations of capital stock must serve a full term that includes the grant date (June 13, 2008).	Persons who have received allocations of capital stock must serve a full term that includes the grant date (June 16, 2009).	Persons who have received allocations of capital stock must serve a full term that includes the grant date (June 15, 2010).
Requisite service period		Same period as listed under condition for vesting	Same period as listed under condition for vesting	Same period as listed under condition for vesting
Exercise period		June 13, 2010 to June 12, 2014	June 16, 2011 to June 15, 2015	June 15, 2012 to June 14, 2016

Notes 1 Stock options are converted into a number of shares.
2 Conditions for the exercise of stock options
(1) Persons who have received allocations of subscription rights to shares may not exercise the rights when they lose their status as Director or Executive Officer of Yamaha Motor Co., Ltd., for any reason stipulated in the "Agreement on Allocation of Subscription Rights to Shares" concluded between the Company and the grantee.
(2) Subscription rights to shares may not be inherited.
(3) Other conditions governing the exercise of stock option rights are based on the provisions of the "Agreement on Allocation of Subscription Rights to Shares" concluded between the Company and the grantee.

(2) Stock options granted and changes
Stock options outstanding in fiscal 2011 are counted and converted into a number of shares.

a) Number of stock options

	Shares		
	2008 Stock options	2009 Stock options	2010 Stock options
Before vesting:			
Previous fiscal year-end	—	—	56,500
Granted	—	—	—
Forfeited	—	—	—
Vested	—	—	56,500
Outstanding	—	—	—
After vesting:			
Previous fiscal year-end	75,500	112,000	—
Vested	—	—	56,500
Exercised	—	—	—
Forfeited	—	—	—
Exercisable	75,500	112,000	56,500

b) Price information

	Yen			U.S. dollars		
	2008 Stock options	2009 Stock options	2010 Stock options	2008 Stock options	2009 Stock options	2010 Stock options
Exercise price	¥2,205	¥1,207	¥1,396	$28.36	$15.53	$17.96
Average exercise price	—	—	—	—	—	—
Fair value at the grant date	535	380	465	6.88	4.89	5.98

3. Method of estimating number of stock options vested
Only the actual number of forfeited stock options is reflected because it is difficult to reasonably estimate the number of stock options that will be forfeited in the future.

21. Deferred Tax Accounting

Information regarding deferred tax accounting at December 31, 2010 and 2011 is as follows.

Fiscal year ended December 31, 2010

(1) Principal deferred tax assets and liabilities

	Millions of yen 2010
Deferred tax assets:	
Losses carried forward for tax purposes	¥ 63,275
Excess of depreciation for noncurrent assets	23,247
Provision for retirement benefits	12,030
Provision for product warranties	10,280
Other payables and provision for expenses	9,838
Provision for product liabilities	8,842
Loss on devaluation of inventory	3,441
Provision for bonuses	2,236
Allowance for doubtful receivables	1,711
Loss on valuation of securities	1,410
Other	5,285
Gross deferred tax assets	141,598
Valuation allowance	(131,463)
Total deferred tax assets	10,134
Deferred tax liabilities:	
Valuation difference on available-for-sale securities	(436)
Reserve for advanced depreciation	(422)
Other	(6,383)
Total deferred tax liabilities	(7,242)
Net deferred tax assets	7,467
Net deferred tax liabilities	¥ (4,575)

(2) Principal reasons for the difference between the statutory tax rate and the rate of income taxes after application of deferred tax accounting

	2010
Statutory tax rate	39.7%
Effect of:	
Net losses at consolidated subsidiaries	15.4
Foreign taxes and other taxes	11.2
Tax rate difference of overseas consolidated subsidiaries, etc.	(13.5)
Valuation allowance, revaluation loss on securities and impairment loss on fixed assets	(0.6)
Other, net	1.8
Effective tax rate	53.9%

Fiscal year ended December 31, 2011

(1) Principal deferred tax assets and liabilities

	Millions of yen	Thousands of U.S. dollars
	2011	2011
Deferred tax assets:		
Losses carried forward for tax purposes	¥ 69,959	$ 899,910
Excess of depreciation for noncurrent assets	16,254	209,082
Provision for retirement benefits	13,133	168,935
Provision for product warranties	8,798	113,172
Other payables and provision for expenses	7,974	102,573
Loss on devaluation of inventory	2,827	36,365
Provision for bonuses	2,657	34,178
Provision for product liabilities	2,382	30,641
Allowance for doubtful receivables	1,666	21,430
Loss on valuation of securities	1,290	16,594
Other	6,302	81,065
Gross deferred tax assets	133,246	1,713,995
Valuation allowance	(123,237)	(1,585,246)
Total deferred tax assets	10,009	128,750
Deferred tax liabilities:		
Depreciation and amortization	(987)	(12,696)
Reserve for advanced depreciation	(362)	(4,657)
Other	(6,094)	(78,390)
Total deferred tax liabilities	(7,444)	(95,755)
Net deferred tax assets	6,603	84,937
Net deferred tax liabilities	¥ (4,039)	$ (51,955)

(2) Principal reasons for the difference between the statutory tax rate and the rate of income taxes after application of deferred tax accounting

	2011
Statutory tax rate	39.7%
Effect of:	
Foreign taxes and other taxes	8.7
Net losses at consolidated subsidiaries	8.3
Valuation allowance, revaluation loss on securities and impairment loss on fixed assets	2.9
Tax rate difference of overseas consolidated subsidiaries, etc.	(15.5)
Other, net	(0.2)
Effective tax rate	43.9%

(3) Adjustment of deferred tax assets and liabilities pursuant to the change in the corporate tax rates

Following the promulgation on December 2, 2011, of the "Act for Partial Revision of the Income Tax Act, etc., for the Purpose of Creating a Taxation System Responding to Changes in Economic and Social Structures" (Act No. 114 of 2011) and the "Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake" (Act No. 117 of 2011), effective from fiscal years beginning on and after April 1, 2012, corporate tax rates will be reduced and a special temporary recovery tax will be imposed. In accordance with this reform, the effective statutory tax rate, used to measure deferred tax assets and deferred tax liabilities, will be reduced to 37.2% from 39.7% for temporary differences that are expected to be realized during the period from the fiscal year beginning on January 1, 2013, to the fiscal year beginning on January 1, 2015, and to 34.8% from 39.7% for temporary differences that are expected to be realized during and after the fiscal year beginning on January 1, 2016.

The changes in the effective statutory tax rates above had a minor impact on deferred tax assets and liabilities and other account items.

22. Segment Information

Information regarding business segments at December 31, 2010 and 2011 is as follows.

Fiscal year ended December 31, 2010

(1) Business segment information

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	¥905,977	¥167,141	¥102,968	¥118,043	¥1,294,131	¥ —	¥1,294,131
Intersegment	—	—	—	81,795	81,795	(81,795)	—
Total	905,977	167,141	102,968	199,838	1,375,926	(81,795)	1,294,131
Operating expenses	863,237	166,393	114,221	180,765	1,324,617	(81,795)	1,242,822
Operating income (loss)	¥ 42,740	¥ 748	¥ (11,252)	¥ 19,073	¥ 51,308	¥ 0	¥ 51,308
Assets	¥609,948	¥162,026	¥103,934	¥102,433	¥ 978,343	¥ —	¥ 978,343
Depreciation	24,158	5,917	1,789	4,728	36,594	—	36,594
Impairment loss	6,063	196	146	220	6,628	—	6,628
Capital expenditures	23,784	3,635	2,460	4,058	33,939	—	33,939

Notes 1 Business segments correspond to categories classified by similarities of product type and target market.

2 Major products in each business segment:

Business segment	Major products
Motorcycles	Motorcycles and knockdown parts for overseas production
Marine products	Outboard motors, personal watercrafts, 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, industrial-use unmanned helicopters, electrically powered wheelchairs and the intermediate parts for products in all business segments

3 All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.

4 Impairment loss on idle assets is included in the business to which the respective idle assets belong.

(2) Geographical segment information

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	¥216,353	¥155,336	¥165,602	¥613,350	¥143,488	¥1,294,131	¥ —	¥1,294,131
Intersegment	310,881	16,043	3,088	44,843	1,108	375,966	(375,966)	—
Total	527,235	171,379	168,691	658,194	144,597	1,670,098	(375,966)	1,294,131
Operating expenses	529,754	186,102	166,722	602,945	134,337	1,619,862	(377,039)	1,242,822
Operating income (loss)	¥ (2,519)	¥ (14,722)	¥ 1,968	¥ 55,248	¥ 10,259	¥ 50,235	¥ 1,073	¥ 51,308
Assets	¥560,568	¥136,031	¥105,725	¥277,110	¥131,918	¥1,211,353	¥(233,010)	¥ 978,343

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, Thailand, Taiwan, China, Singapore and India
(4) Others: Brazil, Australia, Colombia and Mexico
3 All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.

(3) Overseas sales

	Millions of yen				
	North America	Europe	Asia	Others	Total
Overseas sales	¥156,676	¥170,371	¥644,881	¥179,824	¥1,151,752
Consolidated sales					1,294,131
Overseas sales ratio	12.1%	13.2%	49.8%	13.9%	89.0%

Notes **1** Overseas 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: France, Italy, Germany, U.K. and Russia
(3) Asia: Indonesia, Vietnam, Thailand, China, Taiwan and India
(4) Others: Brazil, Australia and South Africa
3 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.

Fiscal year ended December 31, 2011

(Additional information)
Effective from the fiscal year ended 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).

In addition, accompanying the increase in its quantitative importance, "Industrial machinery and robots," which was previously included in the "Others" segment, is being reported in a separate reporting segment in the fiscal year ended December 31, 2011.

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.

Four businesses, namely "Motorcycles," "Marine products," "Power products" and "Industrial machinery and robots" constitute the Company'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, knockdown parts for overseas production and intermediate parts for products
Marine products	Outboard motors, personal watercrafts, 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
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 "Notes to 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, 2010

Millions of yen

	Reporting segment								
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total	Others Note 1	Total	Adjustments Note 2	Amounts on consolidated statements of income
Net sales:									
Outside customers	¥914,211	¥167,141	¥102,968	¥34,758	¥1,219,079	¥ 75,051	¥1,294,131	¥ —	¥1,294,131
Intersegment	—	—	—	—	—	28,370	28,370	(28,370)	—
Total	914,211	167,141	102,968	34,758	1,219,079	103,422	1,322,502	(28,370)	1,294,131
Segment income (loss) Note 3	¥ 48,544	¥ 748	¥ (11,252)	¥ 6,949	¥ 44,989	¥ 6,319	¥ 51,308	¥ 0	¥ 51,308
Segment assets	¥638,524	¥162,026	¥103,934	¥18,692	¥ 923,178	¥ 55,164	¥ 978,343	¥ —	¥ 978,343
Other items									
Depreciation and amortization Note 4	26,524	5,893	1,782	491	34,691	1,757	36,449	—	36,449
Investments in subsidiaries and affiliates accounted for by the equity method	11,118	1,923	546	—	13,588	3,660	17,249	—	17,249
Increase in property, plant and equipment, and intangible assets	25,784	3,635	2,460	327	32,208	1,731	33,939	—	33,939

Notes 1 "Others" is a business segment not included in the reporting segments. It includes businesses involving the manufacture and sale of automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters.

2 Adjustments represent intersegment transaction eliminations.

3 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, 2011

	Millions of yen								
	Reporting segment								
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total	Others Note 1	Total	Adjustments Note 2	Amounts on consolidated statements of income
Net sales:									
Outside customers	¥887,556	¥178,929	¥100,257	¥34,326	¥1,201,070	¥ 75,089	¥1,276,159	¥ —	¥1,276,159
Intersegment	—	—	—	—	—	27,738	27,738	(27,738)	—
Total	887,556	178,929	100,257	34,326	1,201,070	102,828	1,303,898	(27,738)	1,276,159
Segment income Note 3	¥ 27,573	¥ 7,076	¥ 7,473	¥ 6,263	¥ 48,387	¥ 5,018	¥ 53,405	¥ 0	¥ 53,405
Segment assets	¥575,631	¥154,214	¥ 96,230	¥19,969	¥ 846,046	¥ 54,374	¥ 900,420	¥ —	¥ 900,420
Other items									
Depreciation and amortization Note 4	24,928	4,643	1,800	449	31,821	1,629	33,451	—	33,451
Investments in subsidiaries and affiliates accounted for by the equity method	11,808	1,816	452	—	14,078	3,941	18,019	—	18,019
Increase in property, plant and equipment, and intangible assets	32,937	5,374	2,612	1,294	42,219	2,830	45,049	—	45,049

	Thousands of U.S. dollars								
	Reporting segment								
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total	Others Note 1	Total	Adjustments Note 2	Amounts on consolidated statements of income
Net sales:									
Outside customers	$11,416,980	$2,301,634	$1,289,645	$441,549	$15,449,833	$ 965,899	$16,415,732	$ —	$16,415,732
Intersegment	—	—	—	—	—	356,805	356,805	(356,805)	—
Total	11,416,980	2,301,634	1,289,645	441,549	15,449,833	1,322,717	16,772,550	(356,805)	16,415,732
Segment income Note 3	$ 354,682	$ 91,021	$ 96,128	$ 80,563	$ 622,421	$ 64,548	$ 686,969	$ 0	$ 686,969
Segment assets	$ 7,404,567	$1,983,715	$1,237,844	$256,869	$10,883,020	$ 699,434	$11,582,454	$ —	$11,582,454
Other items									
Depreciation and amortization Note 4	320,659	59,725	23,154	5,776	409,326	20,954	430,293	—	430,293
Investments in subsidiaries and affiliates accounted for by the equity method	151,891	23,360	5,814	—	181,091	50,695	231,785	—	231,785
Increase in property, plant and equipment, and intangible assets	423,682	69,128	33,599	16,645	543,079	36,403	579,483	—	579,483

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

4. Related Information

Fiscal year ended December 31, 2011

(1) Information by product/service

The disclosure of relevant information is omitted as the segmentation of products and services is the same as that for the reporting segments.

(2) Information by region

1) Net sales

Millions of yen

	North America			Asia			
Japan		U.S.A.	Europe		Indonesia	Others	Total
¥146,503	¥161,359	¥140,003	¥150,747	¥628,221	¥313,487	¥189,328	¥1,276,159

Thousands of U.S. dollars

	North America			Asia			
Japan		U.S.A.	Europe		Indonesia	Others	Total
$1,884,525	$2,075,624	$1,800,913	$1,939,118	$8,081,052	$4,032,506	$2,435,400	$16,415,732

Note Net sales are based on categories of the locations of major customers of the group companies, classified primarily by nations and regions.

2) Property, plant and equipment

Millions of yen

			Asia			
Japan	North America	Europe		Indonesia	Others	Total
¥111,209	¥15,193	¥11,229	¥92,890	¥50,185	¥17,906	¥248,430

Thousands of U.S. dollars

			Asia			
Japan	North America	Europe		Indonesia	Others	Total
$1,430,525	$195,433	$144,443	$1,194,880	$645,549	$230,332	$3,195,652

(3) Information by major customer

As net sales to any specific customer within net sales to outside customers do not account for more than 10% of total net sales in the consolidated statements of income, the disclosure of relevant information is omitted.

5. Information on Impairment Loss on Noncurrent Assets by Reporting Segment

Fiscal year ended December 31, 2011

	Millions of yen							
	Reporting segment							
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total	Others	Corporate or eliminations	Total
Impairment loss	¥730	¥27	¥13	¥—	¥772	¥3	¥—	¥776

	Thousands of U.S. dollars							
	Reporting segment							
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total	Others	Corporate or eliminations	Total
Impairment loss	$9,390	$347	$167	$—	$9,931	$39	$—	$9,982

6. Information on Amortization of Goodwill and Unamortized Balance by Reporting Segment

Fiscal year ended December 31, 2011

	Millions of yen							
	Reporting segment							
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total	Others	Corporate or eliminations	Total
Amortization in fiscal 2011	¥81	¥27	¥8	¥—	¥118	¥ 9	¥—	¥127
Unamortized balance as of December 31, 2011	¥64	¥22	¥9	¥—	¥96	¥23	¥—	¥119

	Thousands of U.S. dollars							
	Reporting segment							
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total	Others	Corporate or eliminations	Total
Amortization in fiscal 2011	$1,042	$347	$103	$—	$1,518	$116	$—	$1,634
Unamortized balance as of December 31, 2011	$ 823	$283	$116	$—	$1,235	$296	$—	$1,531

7. Information on Gain on Negative Goodwill by Reporting Segment

Fiscal year ended December 31, 2011
No related items.

8. Related Party Information

Fiscal year ended December 31, 2010
No related items.

Fiscal year ended December 31, 2011
No related items.

23. Per Share Information

Information regarding per share amounts for the years ended December 31, 2010 and 2011 is as follows.

	Yen		U.S. dollars
	2010	2011	2011
Net assets per share Note 1	¥785.61	**¥804.26**	**$10.35**
Net income per share—basic Note 2	55.50	**77.23**	**0.99**
Net income per share—diluted Note 2	55.50	**77.23**	**0.99**

Note 1 Net assets per share are calculated based on the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Total net assets	¥310,809	**¥309,914**	**$3,986,545**
Amount excluded from total net assets	36,557	**29,151**	**374,981**
Subscription rights to shares	102	**109**	**1,402**
Minority interests	36,454	**29,042**	**373,579**
Net assets attributable to capital stock at the end of the period	274,252	**280,763**	**3,611,564**

	Thousand shares	
Number of capital stock outstanding at the end of the period calculated under "Net assets per share"	349,097	**349,095**

Note 2 Net income per share—basic and net income per share—diluted are calculated based on the following:

	Millions of yen		Thousands of U.S. dollars
	2010	2011	2011
Net income per share—basic:			
Net income	¥18,300	**¥26,960**	**$346,797**
Amount not attributable to common stockholders	—	**—**	**—**
Net income attributable to capital stock	18,300	**26,960**	**346,797**

	Thousand shares	
Average number outstanding during the period	329,735	**349,096**

	Millions of yen	
Net income per share—diluted:		
Adjustment for net income	—	**—**

	Shares	
Increase in the number of capital stock	3,766	**7,611**
Subscription rights to shares	3,766	**7,611**
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 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: 56,500)**

24. Significant Subsequent Events

Information regarding significant subsequent events for the years ended December 31, 2010 and 2011 is as follows.

Fiscal year ended December 31, 2010

Reduction of the Amounts of Capital Reserve and Legal Reserve and Appropriation of Surplus
A proposal to reduce the Company's capital and legal reserves and appropriate surplus, as described below, was approved by shareholders at the 76th Ordinary General Meeting of Shareholders on March 24, 2011, and put into effect the same day.

1. Purpose
   Management's goal was to promote flexible implementation of capital policies and facilitate payment of future dividends to shareholders by reducing capital and legal reserves and appropriating the surplus to cover the deficit in retained earnings brought forward.

2. Method
   (1) The Company has reduced capital reserves and transferred these funds to other capital surplus, and decreased the total amount of legal reserves and transferred these funds to retained earnings brought forward, in accordance with Paragraph 1 of Article 448 of the Corporation Law.

   i) Items regarding decreasing reserves and their amounts

Capital reserve	¥23,814,148,434
Legal reserve	¥ 3,775,736,564

   ii) Items regarding increasing surplus and their amounts

Other capital reserve	¥23,814,148,434
Retained earnings brought forward	¥ 3,775,736,564

   iii) Items regarding decreased reserves and their amounts

Capital reserve	¥73,941,967,288
Legal reserve	¥ 0

   (2) Following the transfers of capital reserves outlined above, the Company appropriated other capital surplus to retained earnings brought forward to cover the deficit, in accordance with the provisions of Article 452 of the Corporation Law.

   i) Items regarding decreasing surplus and its amounts

Other capital reserve	¥23,565,474,829

   ii) Items regarding increasing surplus and its amounts

Retained earnings brought forward	¥23,565,474,829

3. Effective date
   March 24, 2011

Fiscal year ended December 31, 2011
No related items.

Investor Information

As of December 31, 2011

Yamaha Motor Co., Ltd.

Headquarters
2500 Shingai, Iwata, Shizuoka 438-8501, Japan
Telephone: +81-538-32-1103
Facsimile: +81-538-37-4252

Date of Establishment
July 1, 1955

Major Consolidated 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.
MBK Industrie
PT. Yamaha Indonesia Motor Manufacturing
Thai Yamaha Motor Co., Ltd.
Yamaha Motor Vietnam Co., Ltd.
Yamaha Motor Taiwan Co., Ltd.
Yamaha Motor do Brasil Ltda.

Capital Stock

Authorized:	900,000,000 shares
Issued:	349,757,784 shares
Number of Shareholders:	32,259

Principal Shareholders

Yamaha Corporation	12.11%
State Street Bank and Trust Company	8.73
Toyota Motor Corporation	3.58
Japan Trustee Services Bank, Ltd. (trust account)	3.27
Mizuho Bank, Ltd.	3.13
Mitsui & Co., Ltd.	2.46
The Master Trust Bank of Japan, Ltd. (trust account)	2.37
The Shizuoka Bank, Ltd.	1.95
The Bank of New York, Treaty JASDEC Account	1.73
National Mutual Insurance Federation of Agricultural Cooperatives	1.69

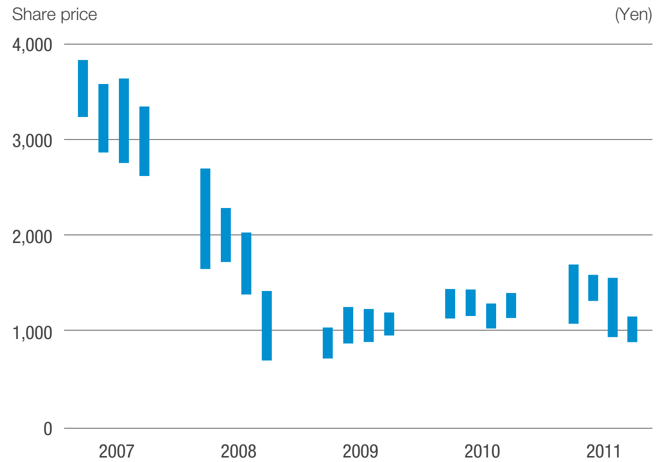
Annual Meeting of Shareholders
The Ordinary General Meeting of Shareholders is held in March each year in Iwata, Shizuoka, Japan.

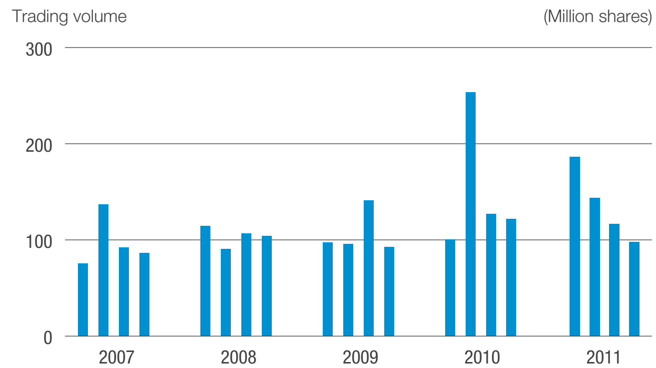
Securities Traded
Tokyo Stock Exchange, Inc.

Transfer Agent for Capital Stock
Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

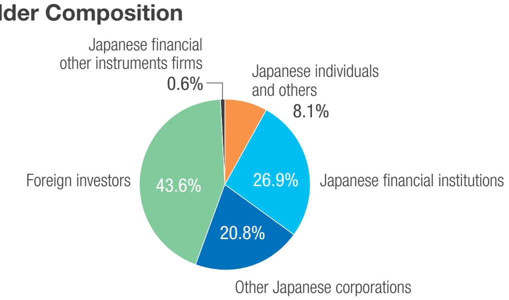
Auditor
Ernst & Young ShinNihon LLC

Yamaha Motor's Share Price and Trading Volume on the Tokyo Stock Exchange





Shareholder Composition



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You are also invited to review the Fact Book, Financial Data, and CSR Report on Yamaha Motor's website at
http://www.yamaha-motor.co.jp/global/index.html

YAMAHA
In harmony with nature

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