

Revs Your Heart

Annual Report 2015

Year ended December 31, 2015

Increasing Corporate Value Through Sustainable Growth

Yamaha Motor Co., Ltd. is a multinational enterprise with 140 consolidated subsidiaries and equity-method affiliates in 30 countries and regions, 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 180 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 customers' 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 social responsibility with honesty and sincerity.

Action Guidelines

Acting with Speed

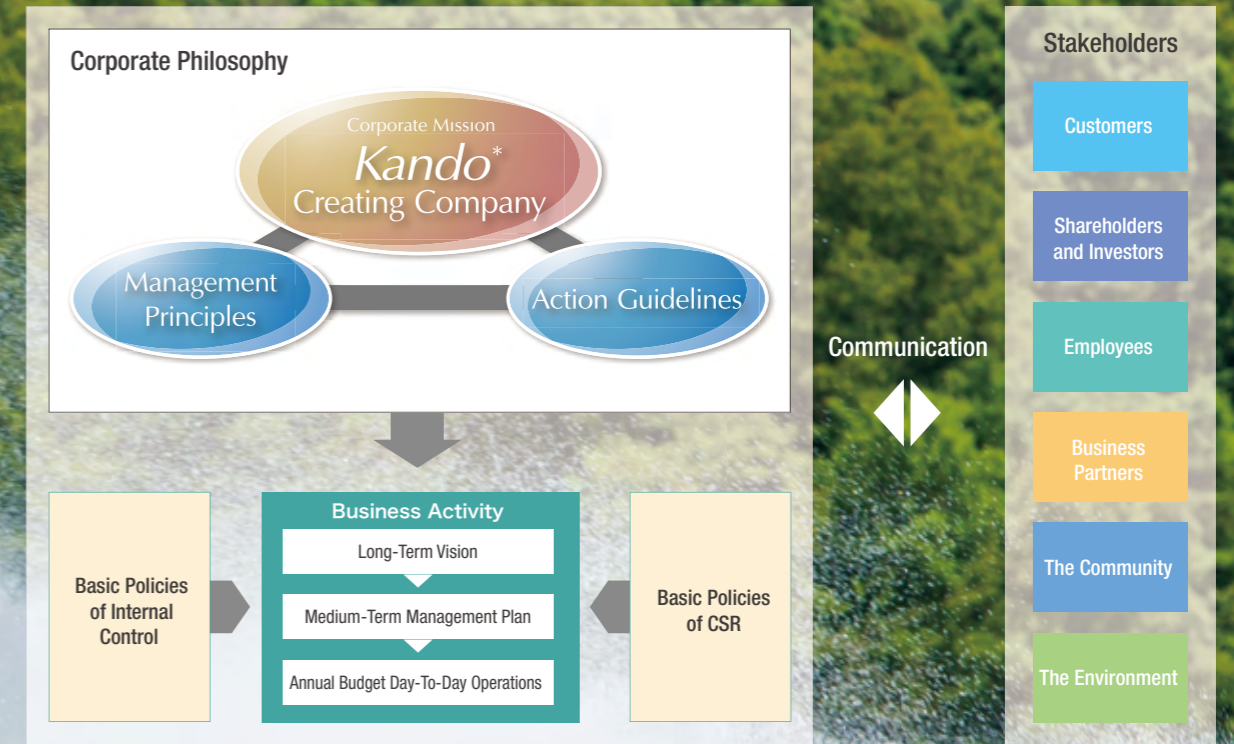
Meeting change with swift and informed action

Spirit of Challenge

Courage to set higher goals without fear of failure

Persistence

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



Notice Regarding Forward-Looking Statements

Statements in this annual report, except for historical facts, are forward-looking statements about the future performance of the Company and its Group companies, which are based on management's assumptions and beliefs in light of the information currently available, and involve risks and uncertainties. Please be aware that actual results may differ significantly from those discussed in the forward-looking statements.

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

Our Annual Report 2015 aims to provide a comprehensive overview of Yamaha Motor's activities during the fiscal year ended December 31, 2015, including management strategies and financial information, as well as corporate governance, corporate social responsibility (CSR), and other areas that form the foundation on which our business is built.

In addition to the printed version, we have also prepared an online version of this report. With both a printed and an online version, we hope to facilitate a better understanding of Yamaha Motor.

Annual Report 2015 (Online Version)



An online version of this report is also available. Please visit the following website:
<http://global.yamaha-motor.com/ir/annual2015/>

Information for Investors



Please refer to the following website for detailed financial information and information regarding our business operations:
<http://global.yamaha-motor.com/ir/>

Information Related to Corporate Social Responsibility (CSR)



Please refer to the following website for detailed CSR information:
<http://global.yamaha-motor.com/about/csr/>

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Hiroyuki Yanagi
President, Chief Executive Officer
and Representative Director

Takaaki Kimura
Executive Vice President
and Representative Director

Instilling the “Revs your Heart” spirit while aiming to be a unique company that continues to achieve dynamic milestones

The Yamaha Motor Group has used the brand slogan “Revs your Heart” Groupwide since 2013, and our corporate activities have sought to deliver exceptional value and experiences that enrich the lives of everyone who comes into contact with Yamaha. We will maintain the “Revs your Heart” spirit and passion from 2016, with the further enhancement and refinement of Yamaha’s brand value as our primary objective for corporate management.

For the fiscal year ended December 2015, net sales, operating income, and ordinary income rose from the previous year on sales and profit growth in major developed market businesses. Net income declined, but this was mainly because of one-time factors including the payment of additional corporate income taxes. We were also mostly able to achieve the management targets set in the Medium-Term Management Plan (MTP) covering the period from 2013 to 2015.

During the three years from 2016, as a long-term vision that goes beyond 2020, we are aiming to be a unique company that continues to achieve dynamic milestones. We are positioning those first three years, which are covered by the new MTP beginning in 2016, as a time to achieve a significant increase in corporate strength, and begin laying the foundation for even greater strength going forward.

I ask for your continued guidance and support in these endeavors.

April 2016

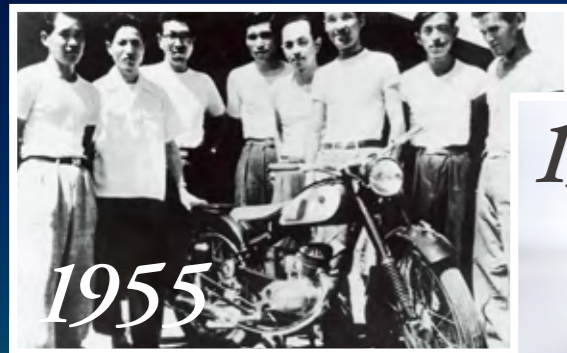
Hiroyuki Yanagi
President, Chief Executive Officer
and Representative Director

Takaaki Kimura
Executive Vice President
and Representative Director

Creating Value over Time

HISTORY

Since its founding, Yamaha Motor has constantly worked to create new value and paved the way for the next age. As a *Kando* creating company with excellent engineering, manufacturing and marketing and a prominent presence in the global market, we will continue to map new futures going forward.



1955

Taking up the challenge of the motorcycle business

Only eight months after Genichi Kawakami, the fourth president of Nippon Gakki Co., Ltd. (the current Yamaha Corporation), decided to enter the motorcycle market, Yamaha's first motorcycle, the YA-1, saw the light of day in January 1955. Yamaha Motor Co., Ltd. was born in July 1955.



1959

Development of boats made of new material FRP

In our development of motorboats, the leading product in marine sports, our focus on the new material FRP received increasing attention, and we broadened the field of this technology to include commercial-use boats.



1968

Opening of new *Trail* genre

The release of a new type of motorcycle for off-road use as well as on public roads received a great deal of attention in Japan and in the United States, and was the starting point for all of Yamaha's off-road sports businesses.



1968

Emergence of the snowmobile

Applying our engine technologies, we improved the quality of our snowmobiles by learning while building, and creating while learning, and our share of the market grew as a result.



1967

Release of the Toyota 2000GT

Created through a technological tie-up with Toyota Motor Corporation, the 2000GT was equipped with the most technologically advanced features of its time, including a DOHC engine.



1977

Development of the Passol targeting women

Based on the concept of gentleness in a bike that women could drive while wearing a skirt, the Passol's small size, light weight, and economic performance established a new "soft bike" genre.



1975

Creating new demand—birth of golf cars and snow throwers

Yamaha's product lineup expanded with the release of our first golf car, the YG-292, in 1975, and our first snow thrower, the six-horsepower YT665, in October 1978.



1984

Setting sights on ATVs

With the spread of the market for all-terrain vehicles (ATVs) from the United States to the rest of the world, Yamaha's ATVs gained widespread popularity in locations around the world, thanks to mobility that even makes them suitable for seaside patrols in Japan. Against this backdrop, we released our first four-wheeled ATV, the YFM200, with greater durability and load capacity than three-wheeled ATVs.



2010

Development of the Yamaha Clean Water Supply System

The Yamaha Clean Water Supply System was created with an eye toward social issues in local communities. Since its launch in Indonesia, systems have been installed throughout Southeast Asia and Africa.



2015

Development of Yamaha's humanoid riding robot, MOTOBOT

Through a fusion of motorcycle and robotics technologies, we created MOTOBOT, a humanoid riding robot of the future. We are using the technologies gained through the creation of MOTOBOT as a launch pad for the development of the technologies of tomorrow.



2014

Birth of the TRICITY, our first LMW

The TRICITY is our first Leaning Multi-Wheel (LMW) bike, with two front wheels that lean in unison with the chassis when making a turn. Light and sporty handling and a good feeling of stability create a completely new, enjoyable riding experience. With a design that is both dynamic and elegant, the TRICITY has developed a large fan base.



2002

Realization of the electric commuter Passol

A completely new riding experience based on a completely new concept, with no exhaust or engine noise, this environmentally friendly urban commuter vehicle sets a new scooter style.

Company Overview

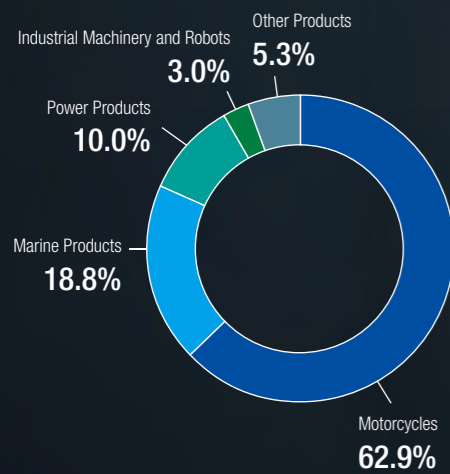
PERFORMANCE

Based on our corporate mission of being a *Kando* Creating Company, Yamaha Motor is engaged in global development, production and sales to provide customers with a diverse range of products.

Sales

1,615.4
Billion ¥

% of Net Sales



Motorcycles



Sales

1,016.0
Billion ¥

Major products:

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

Marine Products



Sales

303.4
Billion ¥

Major products:

Outboard motors, personal watercraft, boats, FRP pools, fishing boats and utility boats

Power Products



Sales

161.5
Billion ¥

Major products:

All-terrain vehicles, recreational off-highway vehicles, snowmobiles, golf cars, generators, small-sized snow throwers and multi-purpose engines

Industrial Machinery and Robots



Sales

48.7
Billion ¥

Major products:

Surface mounters, industrial robots and wheelchair electric power units

Other Products



Sales

85.8
Billion ¥

Major products:

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

Key Performance Data

2015 Motorcycle Shipments

5.22
Million units



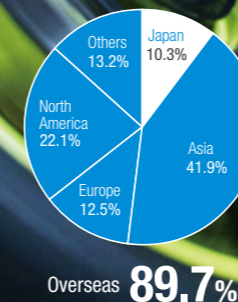
Yamaha Motor's engineering, manufacturing and marketing in markets around the world resulted in global unit sales of 5.22 million units in more than 180 countries and regions.

R&D Expenses

91.3
Billion ¥

Each business proactively carries out research and development, and the ¥91.3 billion in research and development expenses recorded in 2015 marked an increase from 2014.

Overseas Sales Ratio



Overseas sales in 2015 totaled ¥1,449.3 billion, accounting for 89.7% of total net sales.

Number of New Models to be Launched (2013–2015)

250
Models

Yamaha Motor's businesses will launch a total of 250 new models during the three years from 2013 to 2015.

Marine Products Market Share

No. 1

The boat business had the largest share of the Japanese market and the No. 1 share of the global market for outboard motors and personal watercraft.

Annual Highlights

January

- Released the new MT-09 TRACER ABS based on the MT-09 platform development model
- Launched the 3rd ROV model, the Wolverine, in North America and other markets
- Aggregate production of outboard motors reached three million units

February

- Released the new YZF-R3 ABS global model, with emphasis on ease of daily use and superior riding performance

March

- Released the new Soul GT 125cc scooter, a platform model featuring the BLUE CORE engine, in Indonesia
- Completed construction of new ZYS head office
- Held ceremony to hand over water purification system (with solar power generation) in Benin
- Held opening ceremony for U.S. finance company YMFUS

July

- Launched the new E-VINO, an electric version of the VINO and our 4th electric commuter product
- The YAMAHA FACTORY RACING TEAM entered the Suzuka 8 Hours Endurance Road Race for the first time in 13 years, and won it for the 5th time

August

- Released the new BLUE CORE engine-equipped Fino125 in Thailand

September

- Launched 4th ROV, the pure sports model YXZ1000R, featuring a newly developed 998cc liquid-cooled 3-cylinder engine, in North America and other markets
- MC assembly plant in Kenya commenced operations
- Aggregate MC production of LYM reached one million units



MT-09 TRACER ABS



Wolverine



Aggregate production of YMMC reaches three million units



YZF-R3 ABS



Ceremony to hand over water purification system (with solar power generation) in Benin



Saluto



F.A.S.T.23 F115



Fascino



The YAMAHA FACTORY RACING TEAM wins the Suzuka 8 Hours Endurance Road Race

YXZ1000R SE



E-Vino



Fino125

Operations commence at MC assembly plant in Kenya



MJ-VX Deluxe



190 FSH SPORT

April

- New motorcycle development company in Indonesia commenced operations as new base to strengthen functionality of ASEAN Integrated Development Center
- Released the 125cc Saluto, a new model for India's largest motorcycle segment
- Opened the Marine Test Center
- Held our Global Suppliers Conference

May

- Released two new sporty PAS electrically power assisted bicycle models for 2015, both featuring a next-generation drive unit and even lighter weight
- Launched the new Fascino, a trend-setting fashionable scooter for the Indian market

June

- Released the new MT-25, part of the MT Series of platform models, in Indonesia
- Launched the new F.A.S.T.23 fishing boat, which emphasizes ease of fishing and functionality
- Showcased at the 17th Jisso Process Technology Exhibition

October

- Launched VX series WaveRunner with newly developed engine
- Released new Cygnus-X XC125SR

November

- Released new 190 FSH SPORT sports boat model, featuring jet power and our first center console model

December

- Announced new Medium-Term Management Plan as path to becoming "a unique company that continues to achieve dynamic milestones"
- Formulated Yamaha Motor's Corporate Governance Guidelines

Financial Highlights

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

POINT

Net sales rose 6.2% from the previous year, to ¥1,615.4 billion, thanks to growth in sales volume from the introduction of new products and an expanded product lineup in all business segments.

In terms of profit, operating income grew 38.0%, to ¥120.4 billion, with sales growth and the effect of yen depreciation in developed markets and sales growth and cost reductions in emerging markets absorbing a decline in sales in some emerging markets, for a third consecutive year of profit growth. Net income declined, partly due to one-time factors.

	Millions of yen					% change
	2011	2012	2013	2014	2015	2015/2014
For the year:						
Net sales	¥1,276,159	¥1,207,675	¥1,410,472	¥1,521,207	¥1,615,350	6.2%
Gross profit	276,046	235,068	318,765	372,849	427,422	14.6
Operating income	53,405	18,598	55,137	87,249	120,436	38.0
Ordinary income	63,495	27,267	60,092	97,279	125,231	28.7
Net income	26,960	7,489	44,057	68,452	60,023	(12.3)
Net cash provided by (used in) operating activities	33,328	(2,385)	66,976	93,618	23,988	(74.4)
Net cash used in investing activities	(46,517)	(51,081)	(62,679)	(72,470)	(63,989)	(11.7)
Free cash flows	(13,189)	(53,466)	4,296	21,148	(40,000)	—
Net cash provided by (used in) financing activities	(51,927)	15,761	3,620	(8,908)	6,845	—
Capital expenditures	45,049	48,788	56,800	65,871	64,064	(2.7)
Depreciation expenses	33,578	34,278	36,407	37,667	44,324	17.7
At year-end:						
Total assets	¥ 900,420	¥ 962,329	¥1,146,591	¥1,310,040	¥1,305,236	(0.4)%
Net assets	309,914	341,561	422,792	503,224	531,700	5.7
Interest-bearing debt	274,721	326,976	382,929	403,652	410,148	1.6
Ratios:						
Operating income margin (%)	4.2	1.5	3.9	5.7	7.5	
Return on equity (%)	9.7	2.5	12.7	16.2	12.6	
Equity ratio (%)	31.2	32.0	33.5	35.1	37.6	
Price/earnings ratio (times)	12.6	44.2	12.5	12.5	16.0	
Debt/equity ratio (%)	97.8	106.2	99.7	87.8	83.6	

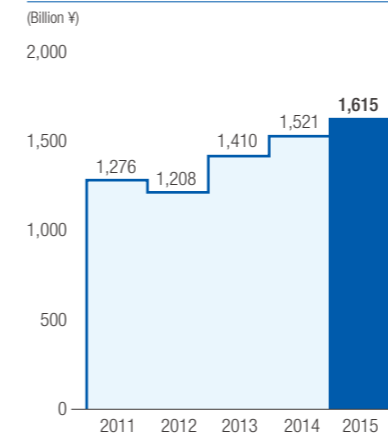
	Yen					% change
Per share amounts:						
Net income—basic	¥ 77.23	¥ 21.45	¥ 126.20	¥ 196.06	¥ 171.89	(12.3)%
Net income—diluted	77.23	—	126.20	196.04	171.88	(12.3)
Net assets	804.26	881.88	1,099.84	1,316.58	1,405.35	6.7
Cash dividends	15.50	10.00	26.00	40.00	44.00	10.0

	Millions of yen, except per share data					% change
Share performance (at year-end):						
Price per share (yen)	¥ 974	¥ 949	¥ 1,577	¥ 2,442	¥ 2,744	12.4%
Market capitalization	340,018	331,288	550,585	852,683	958,264	12.4

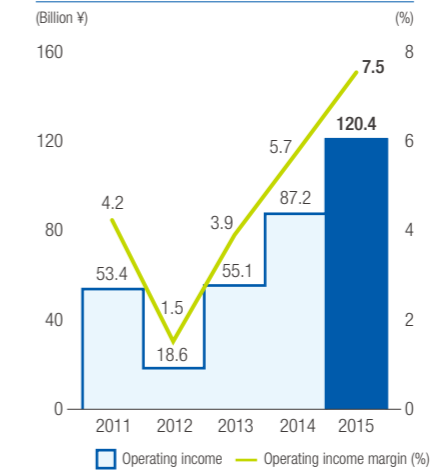
	Persons					% change
Other data (at year-end):						
Number of shareholders	32,259	32,873	29,474	30,416	34,214	12.5%
Number of employees	54,677	53,958	53,382	52,662	53,306	1.2

Notes • 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.

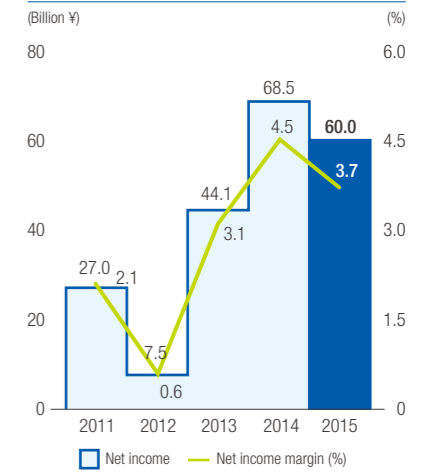
Net sales



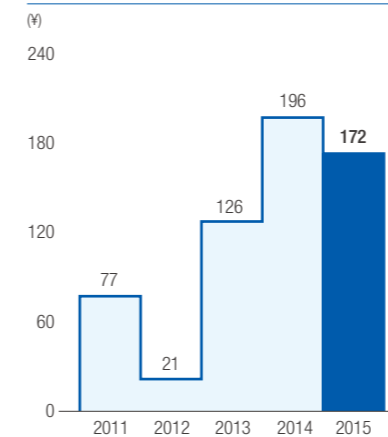
Operating income and operating income margin



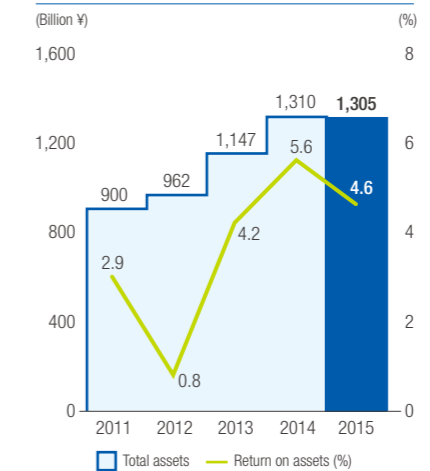
Net income and net income margin



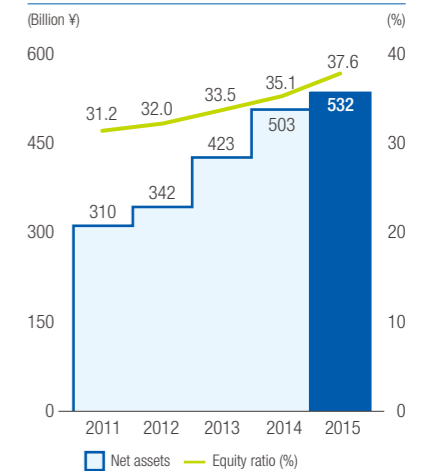
Net income per share



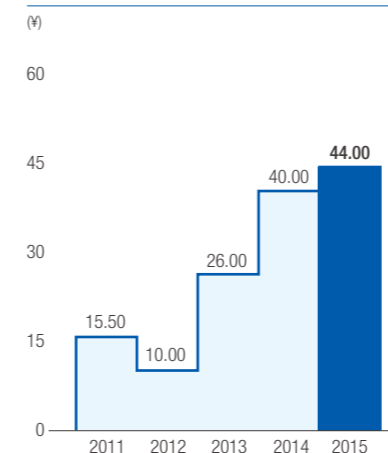
Total assets and return on assets



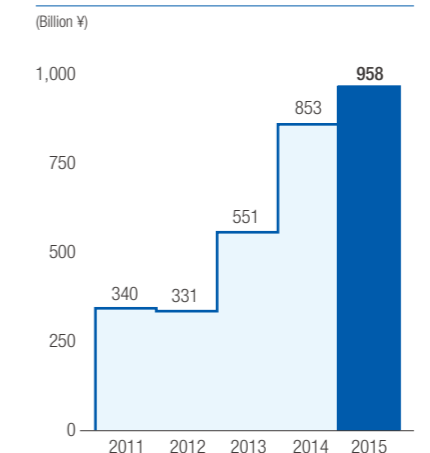
Net assets and equity ratio



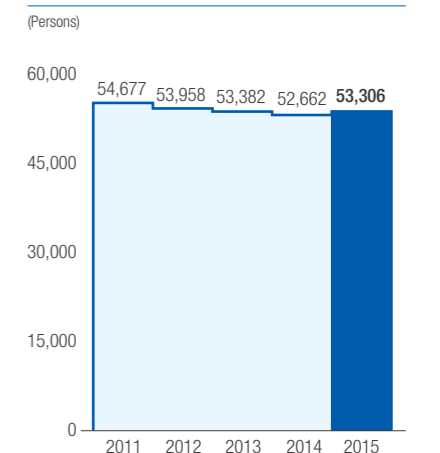
Cash dividends per share



Market capitalization



Number of employees





INTERVIEW
WITH THE PRESIDENT

NEW GROWTH, NEW MILESTONES

A Unique Company that Continues to Achieve Dynamic Milestones

The Yamaha Motor Group launched its new Medium-Term Management Plan in January 2016. Building on the recovery in level of performance and earnings power achieved under the previous Medium-Term Management Plan, the new Medium-Term Management Plan charts a course for new growth with the aim of being a unique company that continues to achieve dynamic milestones and lives up to our “Revs your Heart” slogan.

In the following interview, the President addresses these key issues:

- > Would you please summarize the results achieved under the previous Medium-Term Management Plan (MTP)?
- > What management targets does the new MTP set?
- > What is Yamaha's financial strategy under the new MTP?
- > How will you strengthen the product competitiveness that underpins the earnings power of existing businesses?
- > Can you tell us more about the global management being pursued under the new MTP?
- > What are the growth strategies included in the new MTP?
- > What is the strategy for the motorcycle business under the new MTP?
- > What are the motorcycle business's strategies in key regions?
- > What initiatives will be implemented for the marine products business?
- > What initiatives are being taken in the power products and other businesses?
- > Can you tell us about your policy regarding returns to shareholders?
- > Do you have any other messages for stakeholders?

Hiroyuki Yanagi

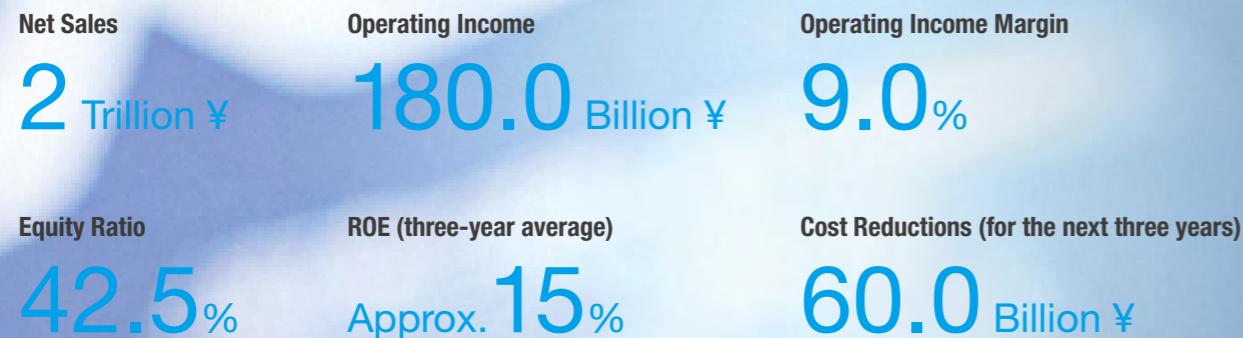
President, Chief Executive Officer
and Representative Director,
Yamaha Motor Co., Ltd.

New Medium-Term Management Plan

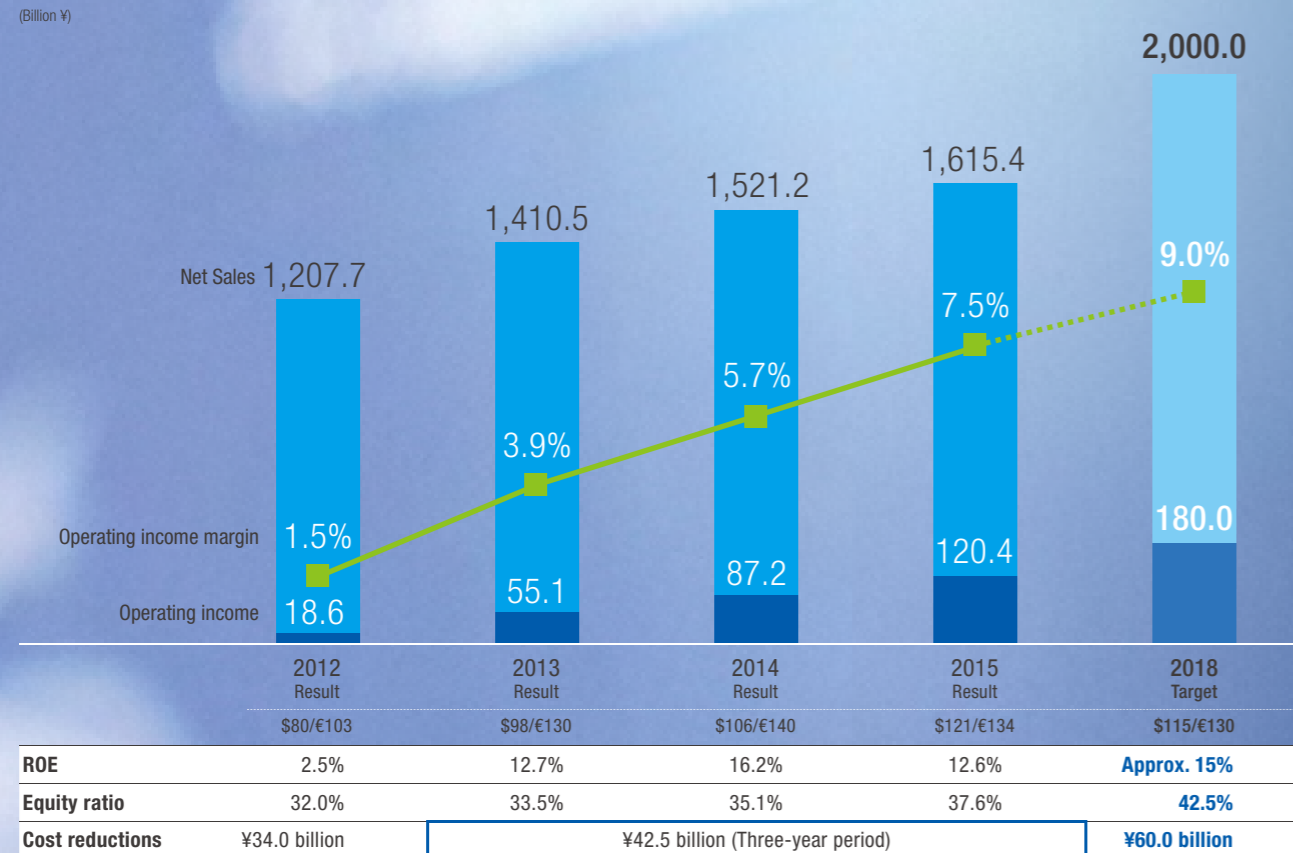
A unique company that continues to achieve dynamic milestones

We will increase the earnings power of existing businesses (marginal profit, investment efficiency, business efficiency), while creating a stable financial foundation and increasing new growth investment and stock dividends.

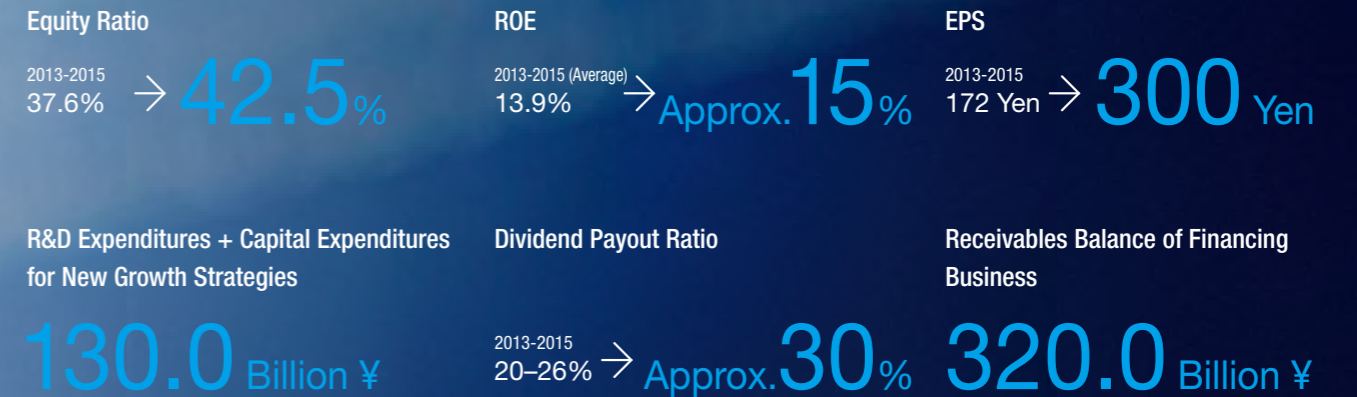
Numerical Targets



Net Sales and Operating Income (Recent Results and FY2018 Target)



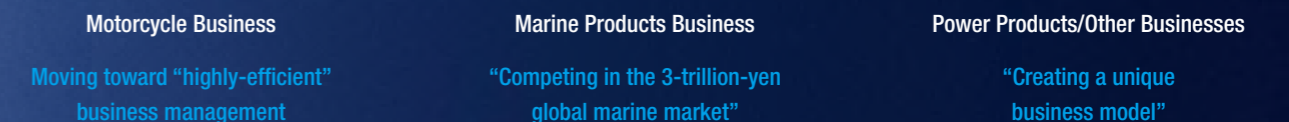
Financial Strategies [More detail P.21-](#)



Management Strategies [More detail P.23-](#)



Key Business Strategies [More detail P.25-](#)



Q1 Would you please summarize the results achieved under the previous Medium-Term Management Plan (MTP)?

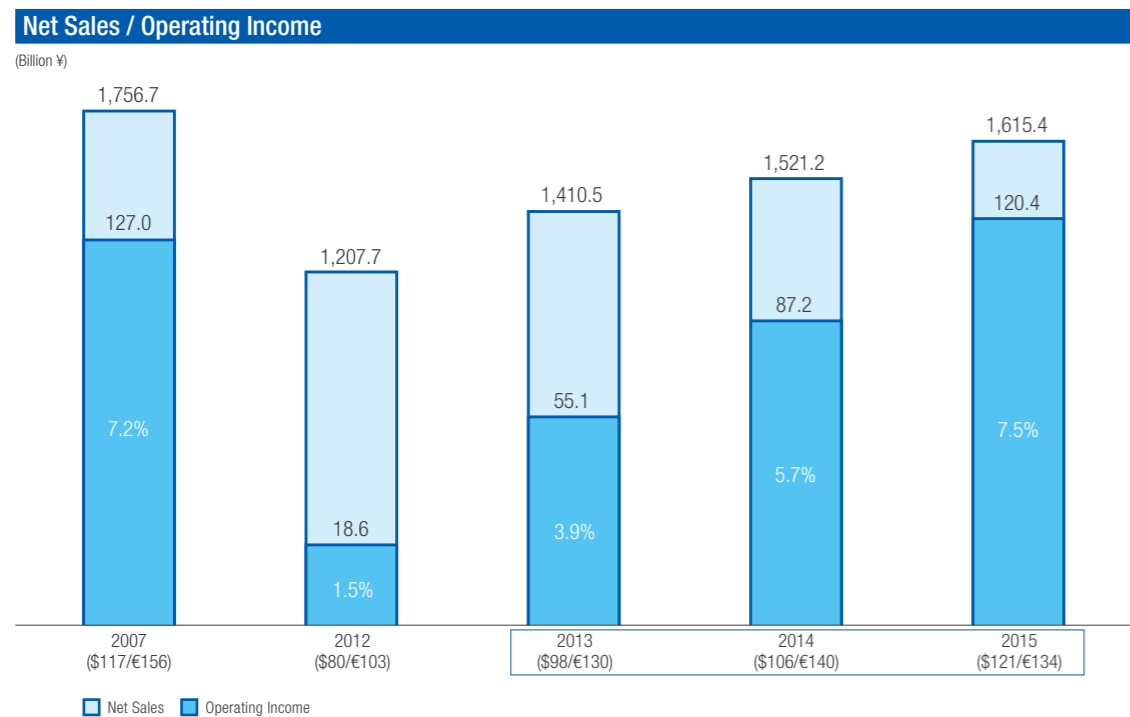
A We recovered the Yamaha Motor Group's original level of performance and earnings power.

The previous MTP (2013–2015) set management targets of ¥1,600.0 billion in net sales with operating income of ¥80.0 billion (for an operating income ratio of 5%). Working toward these targets, we strengthened Yamaha's product competitiveness, incorporated changes to our *Monozukuri*,* carried out structural reforms, implemented growth strategies to reinforce our profit structure and achieved cost reductions.

As a result of these efforts, in the fiscal year ended December 31, 2015, the final year under the plan, we achieved net sales of ¥1,615.4 billion with operating income of ¥120.4 billion, marking the third consecutive year of revenue and profit growth. Although production volume for key products declined by roughly 600,000 units over the three-year period, sales rose on solid results in developed markets and the introduction of higher-priced models in emerging markets. In addition, the market share grew for our motorcycle business in markets except the Association of Southeast Asian Nations (ASEAN) region and our recreational off-highway vehicles (ROVs) business, and the market share of large outboard motors increased for our marine products business. The 5% operating income ratio target was achieved one year early, in 2014, and rose to 7.5% in 2015. Our financial position remained stable, with return on equity (ROE) at 12.6% (16.7% excluding the effect of the APA**), a shareholders' equity ratio of 37.6% (a 2.5 percentage-point improvement from the previous fiscal year-end), net income per share of ¥171.88 (¥232.59 excluding the effect of the APA**), and market capitalization over ¥1 trillion.

In terms of both level of performance and earnings power, we are returning to the levels of 2007 when the Group recorded record high profit. Going forward, we will pursue the next round of management reforms with the aim of further dynamic growth.

* An approach to engineering, manufacturing and marketing products that emphasizes craftsmanship and excellence
** Advance Pricing Agreement – prior approval related to taxation on transfer pricing



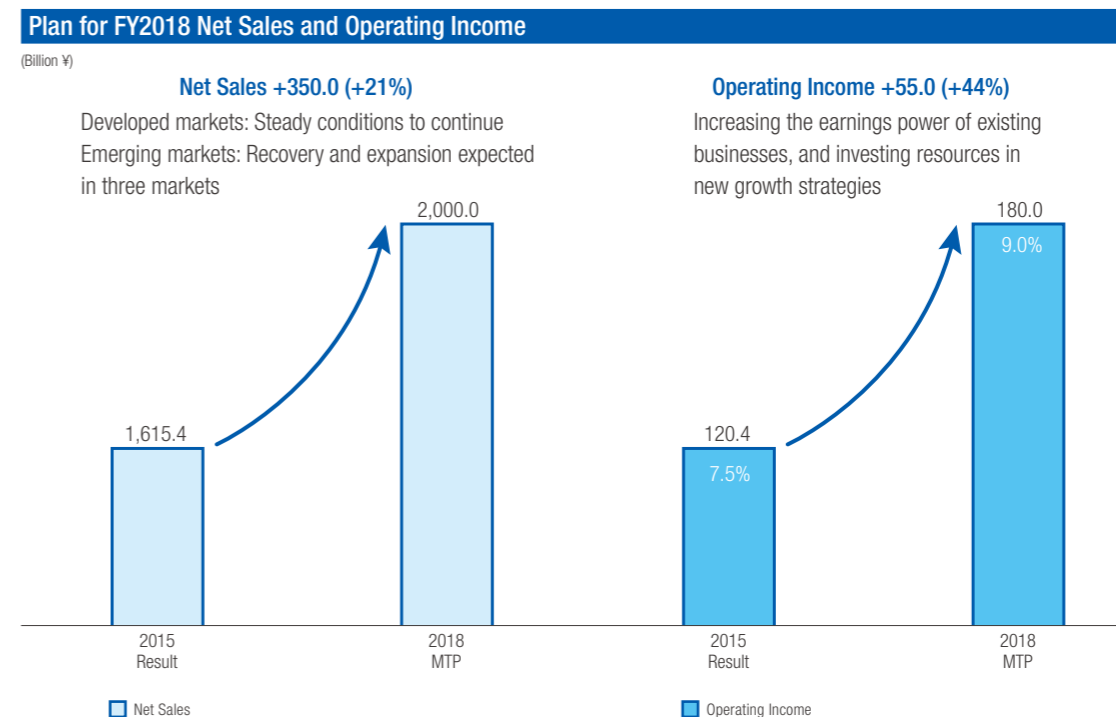
Q2 What management targets does the new MTP set?

A We are aiming for new growth with net sales of ¥2 trillion and a 10% operating income ratio.

During the three years under the previous MTP, developed markets remained solid but there was a sense of weakening in emerging markets, and by successfully recalibrating the relative positions of the developing and emerging market businesses, results recovered to the levels recorded prior to the 2008 global financial crisis, and we were able to build a stable financial foundation to support continuous growth.

For the next three years under the new MTP (2016-2018), we expect economic conditions to remain solid in developed markets and to recover in some emerging markets. Based on these assumptions, we are positioning 2018, the final year of the new MTP, as the year for having laid the groundwork for new growth to realize the next milestone, with net sales of ¥2 trillion and ¥180.0 billion in operating income (for a 10% operating income ratio).

To achieve this, over the next three years we will work to enhance the earnings power of existing businesses even further, by maintaining the strength of the motorcycle, marine products, and recreational vehicles (RVs) businesses in developed markets, and increasing earnings in emerging markets with a focus on Indonesia, India, and Vietnam. While continuing to reduce costs and implement structural reforms to maintain and strengthen our stable financial foundation, we will use the stable earnings generated by existing businesses to invest in new growth strategies.





While further strengthening earnings power, using a stable financial foundation as a foothold for proactive investment in resources for new growth strategies.

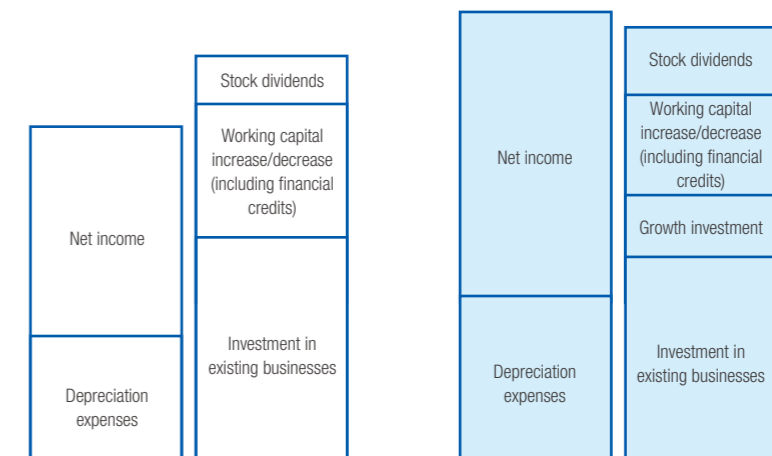
Q3 What is Yamaha's financial strategy under the new MTP?

A We will enhance the earnings power of existing businesses to maintain and strengthen our stable financial foundation.

The fundamental financial strategy of the new MTP is to enhance the earnings power of existing businesses, and use this stable financial foundation as a source of new investments for growth and increased returns to shareholders. The plan sets financial targets for 2018 of a shareholders' equity ratio of 42.5%, an average ROE of 15% over the three-year period, a dividend payout ratio of 30%, and earnings per share (EPS) of at least ¥300. It also stresses management's awareness of marginal profit, investment efficiency, and business efficiency.

Financial Strategies

Increasing the earnings power of existing businesses (marginal profit, investment efficiency, business efficiency), while creating a stable financial foundation and increasing new growth investment and stock dividends



	2013-2015	2016-2018
Equity ratio	37.6%	42.5%
Shareholders' equity	¥490.8 billion	¥700.0 billion
ROE (average)	13.9%	Approx. 15%
Dividend payout ratio	20-26%	Approx. 30%
EPS	¥172	¥300 or more

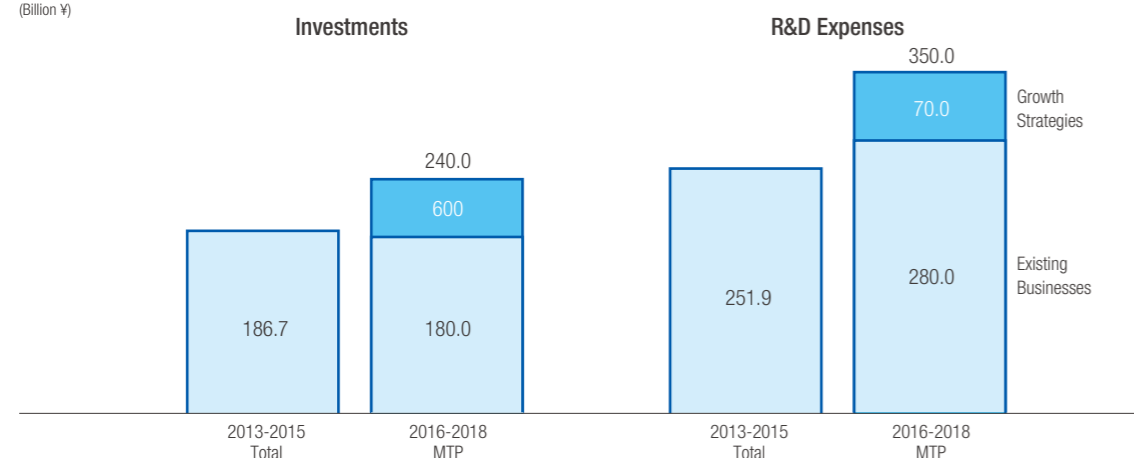
Investing management resources in new growth strategies

To realize these growth strategies, the new MTP is to keep investment in existing businesses at the same level as the previous plan, and calls for proactive investment in strategies for new growth totaling ¥130.0 billion.

Capital expenditure in existing businesses is to be held to ¥180.0 billion, the same level as under the previous plan, with an additional ¥60.0 billion for investment in new growth strategies bringing the total to ¥240.0 billion. The plan for R&D expenses is for a total of ¥350.0 billion, broken down as ¥280.0 billion for existing businesses and ¥70.0 billion for new growth strategies, to bring about strategic growth that will lead to the next milestone.

Investing Management Resources in New Growth Strategies

(Billion ¥)

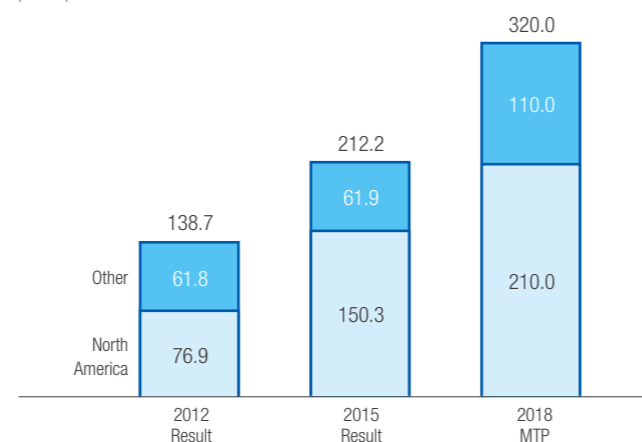


Expanding the financial business to support existing businesses

The Yamaha Motor Group has sales finance companies in the United States and Canada, and we have begun full-fledged finance operations to support existing businesses. We are strengthening our operational foundation focusing on North America, and intend to grow the business to have a receivables balance of ¥300.0 billion.

Balance of Finance Receivables

(Billion ¥)



Q4

How will you strengthen the product competitiveness that underpins the earnings power of existing businesses?

A

We will accelerate Yamaha *Monozukuri* and introduce 270 new models.

I believe the most important issues for increasing the earnings power of existing businesses are to strengthen our product competitiveness by using the unique style of Yamaha *Monozukuri* while raising the quality of products and work, and increasing brand power and earnings power. Under the previous plan, we released 250 new models during the three years to 2015. For the new plan, we intend to bring 270 models to market. Yamaha's emphasis on *Monozukuri*, which consists of the five key themes GEN, Play & Sure, S-EX-Y, and Ties, enables us to deliver new products that embody the unique style of Yamaha to markets around the world.

Q5

Can you tell us more about the global management being pursued under the new MTP?

A

We will further globalize development and human resource management.

The Yamaha Motor Group is a global company with overseas sales accounting for roughly 90% of both total sales volume and production volume for key products. In terms of globalizing development, our target is to have 35% of development in the motorcycle business, including vehicle bodies and engines, carried out locally in three years. For the power products business, our goal is for 70% local development for recreational vehicle (RV) bodies, and we aim to raise the share of local development of hulls for watercraft (WV) and sports boats (SB) to 80% in the marine products business.

We will also transfer management functions overseas and are implementing training programs to cultivate local leaders, as well as promoting diversity in human resources management by hiring and appointing non-Japanese staff and women to management positions.

Q6 What are the growth strategies included in the new MTP?

A We will pursue four growth strategies in three business areas.

The new MTP designates the following four strategic themes for growth that will guide our efforts for the foreseeable future in the three business areas of “fulfilling lifestyles,” “enjoyment in personal mobility,” and “innovative technologies that harmonize with people, the Earth and society.”

The growing world of personal mobility

Yamaha Motor has expanded the world of personal mobility, from the development of PAS electrically power-assisted bicycles in 1993 to the release of the industry’s first electric motorcycle in 2002 and the creation of the commuter vehicle (CV) market in 2004, as well as the development of unique motorcycles. Under the new MTP, we will pursue the growing world of personal mobility by continuing the development of products in the “third-vehicle category” which incorporate our leaning multi-wheel (LMW) technology used in the TRICITY line announced in 2014, to fully achieve a pure sports ROV. As part of this pursuit, we will also adapt motorcycle technologies to compact four-wheeled vehicles (C4W) to expand their application.

Competing in the 3-trillion-yen global marine market

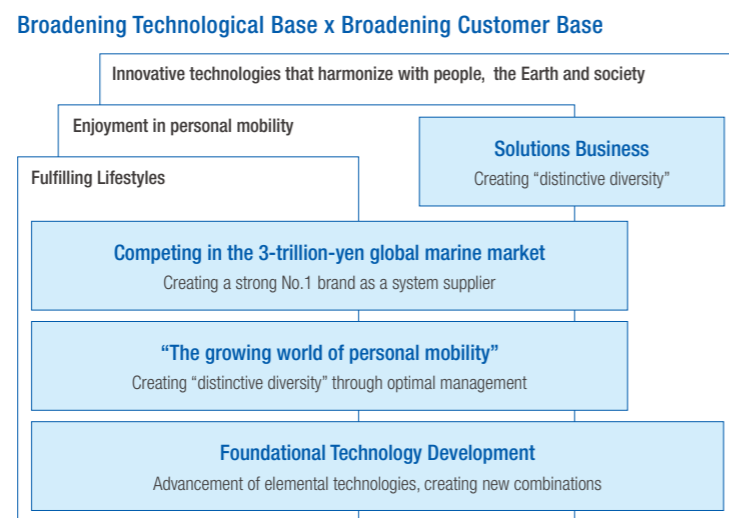
The marine products business will move from being an engine supplier that provides highly reliable, lightweight, fuel-efficient engines to establishing a solid No. 1 brand as a system supplier that approaches all areas of marine life, providing comprehensive marine life value to everyone who comes into contact with Yamaha Motor.

Solutions business

The intelligent machinery (IM) business will expand the scope of its operations to include the general industrial and general lifestyle segments, and the unmanned systems (UMS) business will widen the use of industrial-use unmanned helicopters beyond agriculture to include monitoring and infrastructure applications. We will also attempt to use our technologies in new segments as we work to develop Yamaha’s “distinctive diversity.”

Foundational technology development

Along with further refining Yamaha’s proprietary engine and smart power technologies, we will work to develop new foundational technologies in areas including robotics, intelligent capabilities, and information technology, as we pursue innovation through the advancement of elemental technologies and through new combinations.



Q7 What is the strategy for the motorcycle business under the new MTP?

A We will shift to highly efficient business management that emphasizes profitability.

The motorcycle business will pursue highly efficient business management to achieve its final-year, 2018 target of net sales of ¥1,300.0 billion with operating income of ¥74.0 billion. This will involve highly efficient product development and cost reductions with an emphasis on high management efficiency and product competitiveness regardless of unit volume to create a business that increases earnings power to secure stable earnings.

Increasing efficiency of product development

Under the new MTP, we will make maximum use of platform models to consolidate the number of engines and bodies while expanding the model lineup to meet diversifying customer needs with unique new products delivered promptly, quickly, and with freshness.

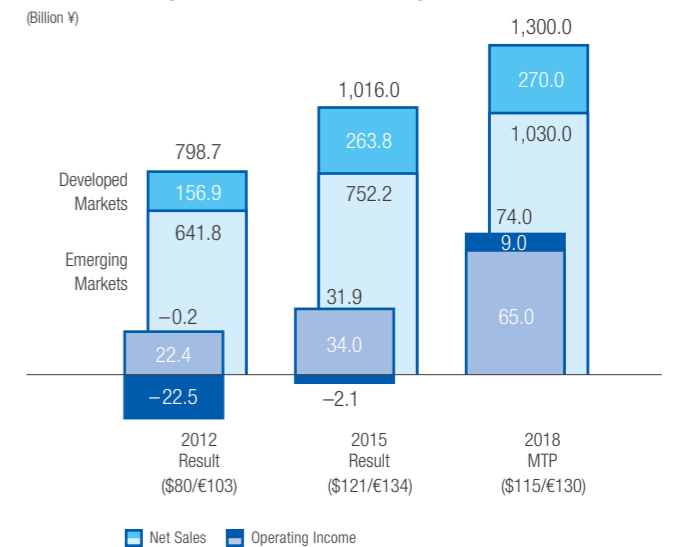
Continued cost reductions

By pursuing cost reductions in procurement, manufacturing, and logistics, we aim to reduce costs by a total of ¥60.0 billion, equivalent to 5% of material purchase costs. We will work to reduce costs of platform models and consolidate the global supplier network to 350 suppliers from the current 650. We also aim to reduce logistics costs by applying the concept of Yamaha’s unique theoretical-value-based production to logistics.

Marketing that connects with customers

We will develop a sales and marketing network that puts us even closer to customers. In terms of sales, we will divide the network in Europe into three blocks according to customer needs – Feel, Move, and Race – and position stores in line with these needs. To capture market growth, we will collaborate with Yamaha Music Foundation and provide venues where our products can be enjoyed.

Business Management Plan for the Motorcycle Business



Implementing growth strategies tailored to each business, we are on our way toward becoming a unique company that continues to achieve dynamic milestones.



Q8 What are the motorcycle business's strategies in key regions?

A We will develop highly efficient strategies for the motorcycle business that are optimal for each key market.

We will look closely at market trends to determine the markets in which we will pursue sales volume and those in which we will give priority to stable earnings, to deliver distinctive new products that optimally incorporate Yamaha's distinctive originality, technology, and design in each key region.

We are positioning ASEAN, India, Brazil/China, and developed markets, which account for the majority of our sales, as key regions.

ASEAN – Capture market share and high profitability

We will step up the introduction of platform models in the three ASEAN countries in which we operate. In particular, under the new MTP, we expect to recover market share and improve earnings in the Indonesian market, and we will roll out highly detailed area marketing to increase sales volume. Specifically, we will further strengthen the sports category and increase product marketability through platform variations, and engage in marketing that strengthens our contact points with customers.



Fino

India – Increase volume scale to achieve stable profit

We are targeting high growth in the Indian market, and aim to increase volume scale by expanding the product lineup focusing on the mass-market segment. Specifically, we will launch strategic models for emerging markets, and work to strengthen our contact points with customers by building up our sales network both quantitatively and qualitatively, focusing on rural regions.



Saluto

Brazil/China – Achieve stable profit using a break-even point business model

Demand is declining in these markets, and given various factors of uncertainty including exchange rates, the economy, and the political situation, we will manage the businesses to lower the break-even point to secure stable profits.

Developed markets – Stabilizing profit using brand power and through structural reform

We will proactively launch distinctive new products that convey Yamaha's strong brand power and pursue further structural reforms to maintain a stable profit structure.



MT-10

Q9 What initiatives will be implemented for the marine products business?

A To achieve further growth, we will reposition the business from being an engine supplier to being a system supplier.

The marine products business is well on its way to competing in the 3-trillion-yen global marine market.

The Yamaha Motor Group boasts strong brand power in markets around the world based on its overall business strength, reliability, and network strength. The marine products business has grown to generate net sales of ¥300.0 billion with a 20% operating income ratio in 2015. In particular, as the North American market shifts toward larger models, Yamaha's F200 outboard motor, with superior product technology, has gained the overwhelming support of purchasers for its reliability.

The new MTP targets a business model for further growth beyond being an engine supplier, enhancing its potential to become a system supplier that offers a broad range of value in addition to engines, including hulls and peripheral equipment. Our aim is to establish a solid position as the No. 1 global brand that satisfies professionals, that upper- and mid-tier customers cannot live without, and that first-time customers regularly come back to.

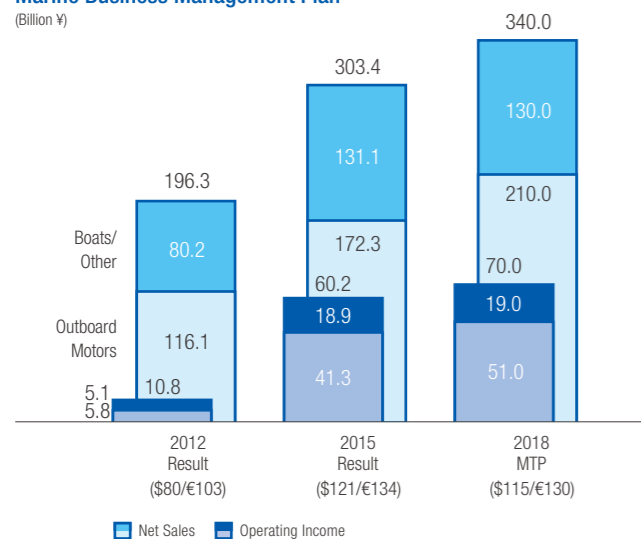
Achieving this requires us to enhance our three strengths: our overall business strength derived from a wide range of business fields and our product lineup; our reliability as a business partner in addition to the reliability of our products and systems; and our global network through which we conduct sales and provide services that are closely tailored to each market.



F200

Marine Business Management Plan

(Billion ¥)



Q10 What initiatives are being taken in the power products and other businesses?

A We are creating a unique business model for growth by thoroughly increasing added value.

The main goal of the power products and other businesses is to create a unique business model. By developing this unique model, we will strive for further growth beyond the businesses' current total net sales of ¥350.0 billion and 10% operating income ratio.

Recreational vehicles (RVs)

The power products business has positioned RVs as the third core business after motorcycles and marine products, and is accelerating the development of products that thoroughly increase differentiation and added value, with a 2018 target of net sales of ¥200.0 billion and a 10% operating income ratio.

The market for the RV business's core product, recreational off-highway vehicles (ROVs), is growing, reflecting people's high preference for leisure and a shift from all-terrain vehicles (ATVs) in North America. Under the new MTP, the business will incorporate Yamaha's expertise as a motorcycle manufacturer to develop products that only we can. While the sports category will be the main product area, we will also emphasize product differentiation in the category of recreation to increase our market share in both categories, with the aim of being the No. 1 brand in the sports category. We will work to increase our presence in the North American market by increasing our share there from the current 7% to 12% by 2018.

Intelligent machinery (IM)

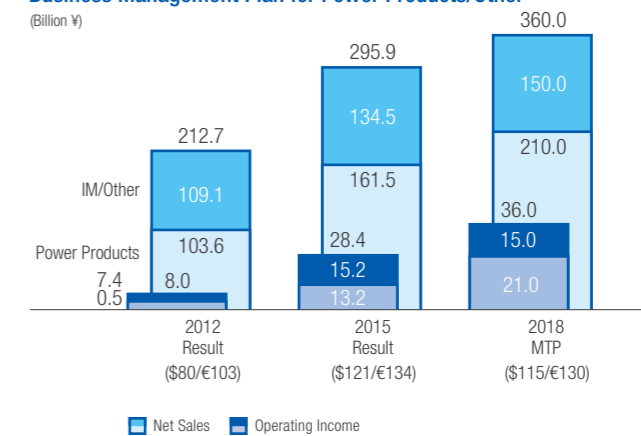
The IM business is creating a high-profitability business model targeting net sales of ¥60.0 billion with a 20% operating income ratio. This will involve the use of Yamaha's strength in timely management that integrates development, manufacturing, and sales, making maximum use of the absorption of Hitachi High-Technologies' business division and its extensive customer base, and the expansion of sales channels to the automotive, home appliances and LED, mobile, and electronics manufacturing services (EMS) fields.

Unmanned systems (UMS)

The industrial unmanned helicopter business is creating a business model for net sales of ¥10.0 billion, and pursuing global growth. Along with developing product technologies for business growth, we are working to reposition the business beyond the agricultural segment to become a solutions business that also encompasses monitoring and infrastructure. With the launch of a crop dusting business in the United States, we are also developing a global market.

Business Management Plan for Power Products/Other

(Billion ¥)



Q11 Can you tell us about your policy regarding returns to shareholders?

A We will strengthen and maintain our stable financial foundation, and carry out returns to shareholders at a 30% dividend payout ratio.

The new MTP uses a dividend payout ratio of 30% for returns to shareholders.

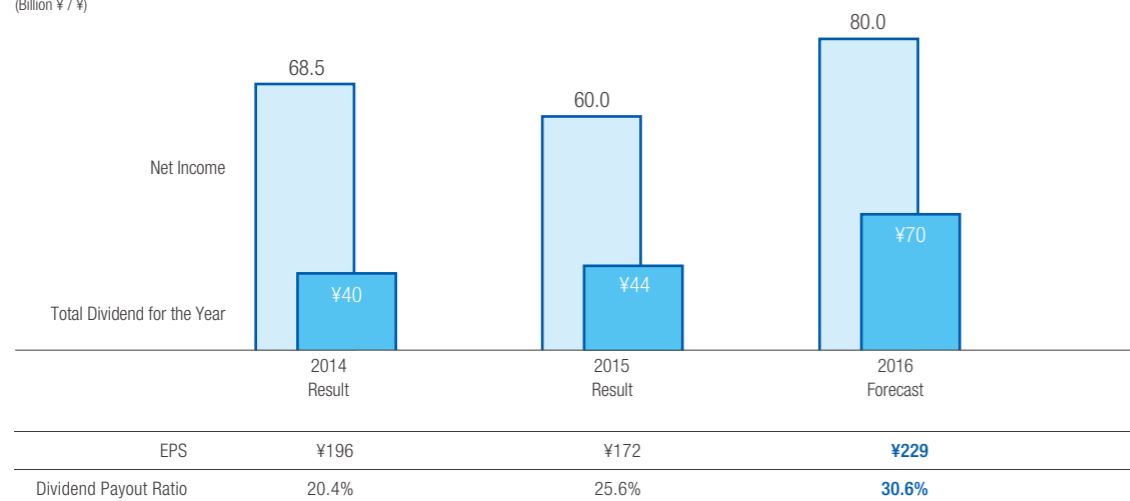
Under the previous MTP, we maintained an (average) ROE of 13.9%, achieved net income per share of ¥172 (¥233 excluding the effect of the APA), and maintained the dividend payout ratio at the 20-26% level. In terms of returns to shareholders, in 2015 we paid a total dividend for the year (including the interim dividend) of ¥44 per share. Based on the steady earnings we are forecasting for all businesses in 2016, this year we intend to pay a total dividend for the year of ¥70 per share.

Returns to Shareholders

Toward a 30% dividend payout ratio
2015: ¥44 (actual); 2016: ¥70 (forecast)

Net Income/Total Dividend for the Year

(Billion ¥ / ¥)



Q12 Do you have any other messages for stakeholders?

A We will achieve “Revs your Heart” with dynamic milestones.

The Yamaha Motor Group's spirit of challenge means that we have belief in our potential and set high goals, and put all of our effort into achieving those goals, with activities like our participation in MotoGP and the YAMAHA JUBILO RUGBY FOOTBALL CLUB providing excitement to people around the world. Having wholeheartedly applied this spirit under the previous MTP, we are returning to the Group's former level of performance and earnings power.

To ensure that this growth takes hold, the new MTP calls for each and every Group employee to embrace a spirit of challenge to make the Yamaha Motor Group a unique company that achieves dynamic milestones. In the spirit of our “Revs your Heart” brand slogan, I hope to share exceptional value and experiences that enrich the lives of all stakeholders.

I ask for your continued support.



SPECIAL FEATURE
01

Making Mobility More Exciting—

Creating a growing world of personal mobility

Using our unique concepts to create a “growing world of personal mobility,” Yamaha Motor delivers value and excitement that surpass customer expectations.



Technology
Technology that customers trust

技術力



獨創性

Originality

Original and innovative products in the unique style of Yamaha



挑戰的

Challenge

Challenging to create excitement that surpasses customer expectations



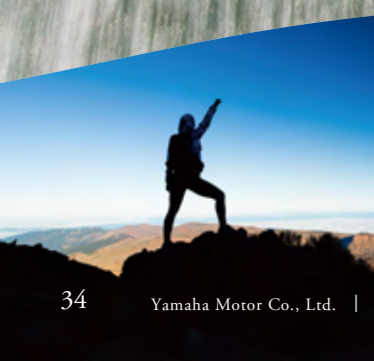
Revs Your Heart

Just like trying to increase an engine's rpm, we hope to lift people's spirits. This message symbolizes the Yamaha brand's sense of mission. As a *Kanda* Creating Company, the Yamaha Motor Group pursues the unique style of Yamaha, and delivers value and excitement that surpass customer expectations along with a "growing world of personal mobility."

Design

Designs that express Refined Dynamism

魅力的



SPECIAL FEATURE
02

Adapting Yamaha Race Machine Technologies for Consumer Vehicles

Since our establishment, racing activities have always been a part of Yamaha's motorcycle business. By adapting the latest technologies, cultivated through the challenges of racing, to consumer vehicles, we incorporate the "Revs your Heart" spirit as we provide people with *Jin-Ki Kanno* (the seductive exhilaration of being one with the machine).



Crossplane Crankshaft

Contributing the linear control needed when making a deep-lean turn or exiting a curve, this crossplane crankshaft provides steady turning and sharp initial acceleration.



6-axis IMU

The world's first 6-axis IMU* on a production motorcycle provides efficient vehicle performance and supports the rider's concentration when riding.

*Inertial Measurement Unit



Aluminum Deltabox Frame

Lightweight while balancing superior strength and rigidity for enhanced stability at high speeds and turning performance. When coupled with the crossplane crankshaft and IMU, this technology is an expression of "Yamaha Handling."



Air Intake System and Cowling

The air intake system, cowling and screen developed from our racing technologies enhance performance and also shield the rider from oncoming wind.

A rich lineup from sports bikes to racing bikes



YZR-M1

A factory machine developed for MotoGP in 2002, the YZR-M1 has captured seven world championships to date.



YZF-R1

Our flagship super sports model allows riders to experience the technological thinking that went into the YZR-M1 MotoGP machine. Enhanced handling delivers performance that allows the rider to concentrate on riding.



YZF-R25

Developed on the concept of a superbike that you can ride every day, the YZF-R25 achieves an enhanced dimension of performance with the most powerful engine in the 250cc class,* and has changed the image of a 250cc road sports model.

* According to Yamaha Motor data



YZ450FM

Based on the YZ450F that incorporates numerous innovative technologies, this factory machine was developed to win global and all-Japan motocross championships.

MOTOBOT The birth of Yamaha's rider of the future



MOTOBOT is a humanoid riding robot designed to ride an unmodified motorcycle in the same way as a human. Using high-precision GPS positioning and six computer controls, MOTOBOT attempts to operate the motorcycle like a human, but at speeds of more than 200 kilometers per hour on a riding circuit, beyond what human beings can handle. We will then adapt the knowledge and sophisticated elemental technologies gained through this challenge to develop products and create new value.

SPECIAL
FEATURE
03

ROVs' Growing Presence in Developed Markets

In addition to commercial uses like agriculture and dairy farming, ROVs represent a wide-ranging market that includes recreation and pure sports, and demand is growing, led by North America. Under the new Medium-Term Management Plan (MTP), we will continue to develop products that utilize our strengths to build an even greater presence in the North American market.

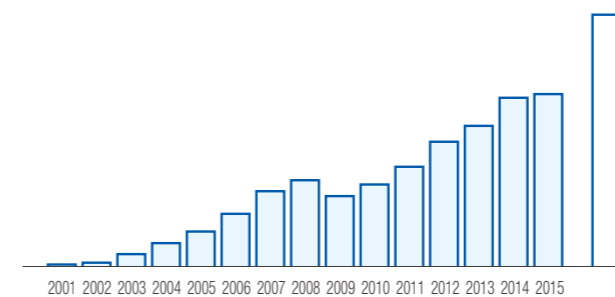


ROV market continues to grow

The ROV market continues to grow, reflecting people's high preference for leisure, a large percentage of first-time buyers, a shift from ATVs to ROVs and additional purchases. The range of uses for these vehicles is also showing a sharp increase, from commercial activities like farm and forest management to leisure activities in mountain forests and deserts. Sales of Yamaha's VIKING and VIKING VI multi-purpose models, Wolverine recreational model, and YXZ1000R pure sports model have been growing as well.

Total North American demand

(Thousand units)



Strategy for the North American market

The new MTP focuses on two key strategies: establishing the No. 1 brand position in the sports category that is Yamaha's specialty, and thoroughly differentiating our products in the recreational category.

We intend to use these two strategies to increase our sales volume in North America. In addition, to differentiate our products even further, we will base our ROV product development on a concept we call "Real TECH," which stands for Tough, Exciting, Confident, and Human.

Specifically, we will develop new products to address the special characteristics of each category through combinations of various technologies for vehicle bodies, engines, drivetrains, and controls.

Going forward, we aim to increase sales even further by introducing ROV products that meet the expectations of customers through a broad product lineup encompassing multi-purpose, recreational, and pure sports models.

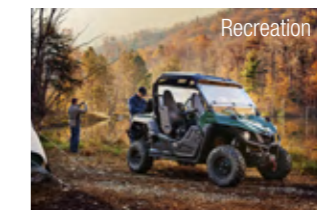
Yamaha's product lineup

Multi-purpose models adapted for commercial uses including agriculture and dairy farming.



Recreational model achieving superior off-road handling with an enhanced degree of comfort.

Pure sports model created for sports use in a variety of environments including the wilderness and deserts.



From multipurpose and recreation to pure sports



CSR SECTION

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Basic Policies of CSR

The Yamaha Motor Group strives to contribute to the sustainable development of society through our business activities based on our corporate philosophy and to always abide by the letter and spirit of domestic and international laws and regulations. We are dedicated to earning the trust of the global community, and we place great value on communicating with all stakeholders. We expect all of our business partners to share our principles and to act in accordance.

Customers

- We offer new excitement and a more fulfilling life for people all over the world through high-quality products and services that combine safety and innovation.
- We provide practical, helpful information about products and services to customers.
- We make every effort to protect the personal information of our customers and others involved in our business.

Shareholders and Investors

- We aim to deliver stable, long-term growth to enhance corporate value.
- We disclose appropriate corporate operational results and financial status in a timely manner.

Employees

- We provide equal employment opportunities to build a diverse and discrimination-free workforce.
- We provide fair working conditions while maintaining and improving a safe and healthy working environment.
- We maintain respect for human rights and never tolerate child labor or forced labor in any form.
- We work toward building success for both our employees and the Company through honest communication and dialogue founded on mutual trust.

Business Partners

- We respect our suppliers, dealers, and other business partners and aim to build mutual long-term growth founded on mutual trust.
- We maintain an open door to new business partners around the world and choose companies based on comprehensive value, regardless of nationality or size.
- We respect the competition laws of each nation and region and maintain fair business practices.

The Community

- We honor the culture and customs of every country and community, and we strive as a corporate citizen to act in balance with society.
- We work to contribute to the development of sound communities by providing means of mobility, creating employment opportunities, and fulfilling our tax obligations.
- We promote social action programs including personal mental and physical development, environmental preservation and safety activities, as well as supporting private initiatives undertaken by employees.
- We maintain honest and fair relationships with government agencies and public authorities.

The Environment

- We develop environmental technologies to create products that balance economic needs with environmental well-being.
- We aim to minimize the environmental impacts of our operations and make efficient use of limited natural resources.
- We form wide-ranging partnerships with communities around the world to perform environmental conservation activities.

Customers



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

Yamaha's product quality and *Monozukuri* (engineering, manufacturing and marketing) are based on ongoing, close relationships with our customers. Going forward, we believe we must continue to strive to enhance this product quality by taking a customer-oriented approach. To do this, all divisions are striving to raise the quality of the work they perform. The Yamaha Motor Group places its highest priority on customer safety. In addition to product quality, we give our maximum effort to teach customers, in an appropriate way, how to use our products properly, to ensure that customers are not injured and do not have accidents while using our products. Our relationship with customers is one of the core components of our CSR policy, and the following are some of our ongoing initiatives related to customers.

* *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.

Working to Improve Quality

Yamaha Motor aims to further enhance product quality on a Groupwide basis, to constantly provide peace of mind, confidence and a sense of excitement to customers. We strive to achieve the best quality possible, by creating suitable standards of safety and reliability to realize high-quality products and services effectively, taking a customer-oriented approach that emphasizes a deep sense of emotion in accordance with the spirit of the Yamaha Brand Charter.

Offering New Excitement

Yamaha Motor aims to be a "*Kando* Creating Company" through products and services that are in harmony with society and the environment, and that provide customers around the world with joy and unexpected exhilaration of the kind that enriches their lives with new fulfillment.

To achieve this, we want to continue to be an excellent engineering, manufacturing and marketing enterprise with a prominent presence in the global market. Product creation is a process that begins with customers. Our mission is to create products that are attractive, reliable, and cost competitive, to maximize and optimize the value we provide our customers in ways that exceed their expectations.

[Transforming Agriculture from the Air—Industrial-use unmanned helicopters](http://global.yamaha-motor.com/about/brand/)
<http://global.yamaha-motor.com/about/brand/>



< This video is available at the above website.

Some of the products and technologies that provide a new sense of excitement are introduced on our corporate website.

Customer Service

The Yamaha Motor Group views opinions and requests from customers as expressions of their expectations for our products and services, so we carefully respond to each opinion and request we receive, in the belief that raising the level of customer satisfaction will lead to trust. We are continuously working to strengthen our services to learn how customers view and use our products, so that we can use this insight to improve product quality and create new products for the future.

Riding Safety Promotion Activities

Customer safety is our first priority, and in addition to enhancing product quality, we continue to put our maximum effort into activities which explain to customers in an appropriate manner how to use our products correctly.

This starts with catalogs and brochures that convey the attractiveness of our products, and extends to a variety of other methods including product manuals that explain how to use a product correctly, and riding schools that let customers understand first-hand how to use our products.

TOPICS

Teaching safe riding in Brazil

In October 2015 we held the YRA Offroad Special Training for Police, where police officers and firefighters in Brazil were taught how to ride motorcycles safely, correctly, and effectively.

With YMC Trainers and local trainers from our affiliate in Brazil, Yamaha Motor do Brasil Ltda. (YMDB), as instructors, 40 police officers and firefighters worked on developing their off-road riding skills.

Road surfaces and pavements in Brazil are often in poor condition, and there are many off-road situations in which motorcycles are suited for police and firefighting operations, creating a need for skills in fast, safe riding. The course consisted of the basic YRA program plus additional curricula in line with local requirements as determined by the local police and YMDB.

By teaching safe riding utilizing the special features of Yamaha products, we were able to contribute to the smooth operation of public activities.

[Find out about more details at:](http://global.yamaha-motor.com/about/csr/customers/riding-safety-promotion/brazil/)

<http://global.yamaha-motor.com/about/csr/customers/riding-safety-promotion/brazil/>



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.

Nurturing Personnel and Supporting Their Careers

As our business becomes increasingly global in scale, we need to step up our efforts in areas including corporate governance and human resource development. In terms of human resource development in particular, we are enhancing our global development programs with the aim of hiring local persons for 60% of senior management positions at overseas locations by 2018.

Supporting Work–Life Balance

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, among other efforts. We are also expanding the options for employees so that they can work in ways that suit their individual circumstances.

Workplace Safety and Health

Creating a workplace environment that offers peace of mind and comfort

Led by its Central Safety and Health Committee, Yamaha Motor is promoting the establishment of safer working environments globally. Risk assessment is performed in accordance with the Occupational Safety and Health Management System (OSHMS) to detect potential dangers or harmful conditions at workplaces, and measures are taken to prevent occupational accidents. Through job-specific education and training, such as safety manager training programs and skill improvement programs for supervisors, as well as holding occupational safety and health meetings, we are focused on developing human resources that can support occupational safety.

Workplaces Thriving on Diversity

To maintain continuous growth, we believe it is important that our workforce incorporates diverse viewpoints and values, reflecting different experiences, skills, and attributes. We have therefore established a Global Human Resources Development Division at our headquarters to develop and implement common management development programs around the world, and introduced global human resource systems to train and hire talented staff. We are also working to build an organization that utilizes global experience and knowledge.

As we promote global management, we are hiring superior management personnel regardless of their nationality or place of birth. At overseas subsidiaries in particular, we are proactively hiring local staff

for management positions, with the aim of having 60% of these positions filled by local managers by 2018. We are also continuing human resource training at our headquarters to create an organization that maximizes management capabilities that are mutually complimentary with the experiences and skills of local staff.

In addition, to promote the participation of women, we have announced and are pursuing a goal of doubling the number of female managers from the 2014 level by 2020, and having three times the 2014 level by 2025. By hiring non-Japanese managers, and increasing the number of non-Japanese employees and female managers, we are striving to bring further diversity to our workforce and increase people's choices for how they work.

TOPICS

New company to promote hiring of people with disabilities

Yamaha Motor established a new company, Yamaha Motor MIRAI Co., Ltd., on October 1, 2015, to provide a place where people with disabilities can participate actively in accordance with their capabilities, and to promote their social independence.

To date, Yamaha has arranged its work environment to employ persons with disabilities in a variety of occupations based on the concept of enabling persons with and without disabilities to work side by side.

The new company will strive to promote hiring and ensure a workplace where people with intellectual or various other disabilities can express their individual potential, while also developing each employee's abilities and supporting their social independence.

Find out about more details at:

<http://global.yamaha-motor.com/news/2015/0701/mirai.html>

Shareholders and Investors

In order to ensure accountability by providing shareholders and investors with appropriate, accurate and timely information, Yamaha Motor has established a specialized division which engages in IR activities inside as well as outside Japan.

In addition to quarterly earnings briefings and the annual shareholders' meeting, the division visited and held meetings with overseas investors, provided information via the IR website, and operated a website to provide information to individual investors. To even more proactively disseminate information, the division held a business briefing for analysts and journalists, and made a video of the briefing publicly available on the Company's website to enable all shareholders and investors better understand Yamaha Motor's business strategy.

[New Medium-Term Management Plan \(2016-2018\)](http://global.yamaha-motor.com/ir/mtp/)

<http://global.yamaha-motor.com/ir/mtp/>

[PDF presentation of new Medium-Term Management Plan](http://global.yamaha-motor.com/ir/report/pdf/mmp/2016medium-plan-e.pdf)

<http://global.yamaha-motor.com/ir/report/pdf/mmp/2016medium-plan-e.pdf>

[Video presentation of New Medium-Term Management Plan](https://www.youtube.com/watch?v=phfFnf-0yCO&feature=youtu.be)

<https://www.youtube.com/watch?v=phfFnf-0yCO&feature=youtu.be>



Information for shareholders and investors is available on the websites below

Disclosure Policy

<http://global.yamaha-motor.com/ir/policy/>

Dividend Policy

<http://global.yamaha-motor.com/ir/shareholder/dividend/>

For Investors (index page)

<http://global.yamaha-motor.com/ir/>



IR website

Business Partners

A Global Procurement and Sales Network based on a Spirit of Cooperation and Fairness

Yamaha Motor products are created through collaboration with numerous suppliers in Japan and other countries. As our procurement and sales structures expand with our increasingly global business, 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. For this reason, we strive to conduct fair business in compliance with the competition laws of all countries and regions while working to create partnerships that aim for mutual, sustainable growth.

Activities in Supply Chains

The Yamaha Motor Group regards its relationship with the supply chain not just as conducting procurement, but as procurement that emphasizes the incorporation of both cost and quality into its engineering, manufacturing and marketing. An example of these activities is the implementation of "theoretical-value-based production" with suppliers. This does not simply mean demanding cost reductions, but instead involves analyzing the absolute value of engineering, manufacturing and marketing together with suppliers and then working together to find more ways to improve cost competitiveness. We have trained some of our employees to serve as "theoretical-value instructors" in order to promote the implementation of "theoretical-

value-based production" at suppliers inside and outside Japan as an initiative to strengthen our cost competitiveness in concert with them. In addition, we are promoting fair and clean procurement activities globally through training programs covering our Green Procurement Guidelines (detailing how to reduce our environmental impact and ensure the efficient use of resources and energy) and CSR Guidelines for Suppliers (which cover areas related to safety, quality and compliance).

Activities at Dealerships

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

In Japan, dealers mainly in Yamaha Sports Plaza (YSP), an official Yamaha sports bike dealer system, and Yamaha Motorcycle Sales Japan Co., Ltd. play an important role in building ties with local communities and society by cooperating in a range of measures including motorcycle infrastructure development, motorcycle etiquette training, motorcycle recycling, tree planting, and other environmental campaigns, as well as fundraising for seeing-eye dog training.



The Community

The Yamaha Motor Group operates in locations around the world, and our business activities help support those local communities. Our products also play a role in enriching the lives of people around the world. We recognize the importance of maintaining a sustainable relationship through which the Company and local communities can coexist and mutually prosper, and to achieve this, we place great importance on maintaining and enhancing a relationship of trust through

daily communication with stakeholders in those communities.

The Yamaha Motor Group carries out activities to fulfill its corporate social responsibility in four main areas: developing future leaders, environmental conservation, improving traffic safety, and community issues. The following are some highlights of our social contribution activities in 2015.

Important Areas of Activities Contributing to Society

Key Themes	Global Issues			Local Issues
	Developing Future Leaders	Environmental Conservation	Improving Traffic Safety	Community Issues
Activities	<ul style="list-style-type: none"> Promoting mental/emotional and physical health through sports Promoting creativity through engineering, manufacturing, and marketing 	<ul style="list-style-type: none"> Environmental education for local communities Respecting biodiversity 	<ul style="list-style-type: none"> Providing traffic safety education to the community Raising awareness 	<ul style="list-style-type: none"> Supporting the community with Yamaha Motor's products, human resources, and know-how

Developing Future Leaders

Accepting interns in Japan

Through various corporate activities, the Yamaha Group is engaged in activities to develop future leaders in countries and regions around the world.

At the headquarters of Yamaha Motor, we have been accepting roughly 10 students annually, for more than 20 years, from nearby medical schools as interns studying industrial hygiene.

Also, in Japan, YEC* is in its 10th year of providing internships to students who want to become engineers, and has a total of 32 interns as of 2015.

*YEC: YAMAHA MOTOR ENGINEERING CO., LTD.



Find out about our other activities at:

<http://global.yamaha-motor.com/about/csr/communities/activities/human-resource/>

Environmental Conservation

Beach cleanup campaign

Beach cleanup activities aim to preserve beach environments, which promote coastal fishing and marine sports. Group companies are continuously engaged in these activities around the world.

In Vietnam, 300 employees participated in YMVN's* beach cleanup campaign in June 2015.

At beaches close to our headquarters in Japan, 2015 marked the 25th year since the commencement of our baby turtle observation tour and beach cleanup campaign. Roughly 500 people participated in this joint event with Yamaha Corporation to strengthen the bond of our common brand.

*YMVN: Yamaha Motor Vietnam Co., Ltd.



Beach cleanup campaign in Vietnam



Turtle observation tour and beach cleanup campaign

Find out about our other activities at:

<http://global.yamaha-motor.com/about/csr/communities/activities/environment/index.html>

Improving Traffic Safety

Holding Yamaha Riding Academies around the world

To reduce the number of traffic accidents involving motorcycles, the Yamaha Motor Group holds a variety of safe riding programs around the world.

In Colombia, Incolmotos*¹ holds YFRT*² programs to teach the basics of traffic rules, safe riding and the importance of hazard anticipation, and through 2015, more than 350 female riders had participated.

*¹ Incolmotos: Industria Colombiana de Motocicletas Yamaha S.A.

*² YFRT: Yamaha Female Riding Academy



Find out about our other activities at:

<http://global.yamaha-motor.com/about/csr/communities/activities/safe-driving-diffusion/>

Community Issues

YMUS,* a Feed The Children corporate partner

In the United States, YMUS has been a corporate partner of the U.S. nonprofit Feed The Children since 1994, and has been making donations to assist children living in poverty. In 2015, YMUS held a ceremony to present a donation of foodstuffs and other goods.

*YMUS: Yamaha Motor Corporation, U.S.A.



Find out about our other activities at:

<http://global.yamaha-motor.com/about/csr/communities/activities/local-society-task/>

The Environment

Strive to harmonize with the environment for sustainable social development

The Yamaha Motor Group aims to be a company that fulfills its corporate social responsibility by striving to maintain harmony with the environment and society based on Yamaha Motor Group Environmental Plan 2020, formulated in 2010.

Plan for Environmental Activities

Yamaha Motor Group Environmental Plan 2020

Action Areas	Priority Actions	2020 Targets	
Eco Products	Raise environmental attractiveness through product development from the perspectives of the environment and customers	In the Eco Products area, implement the Frontier 2020 Groupwide long-term vision	
Eco Operations	<ul style="list-style-type: none"> Reduce risks from environmentally hazardous substances <ul style="list-style-type: none"> Implement green procurement 	Identify environmentally hazardous substances and support the use of alternatives	
	Reduce emissions of greenhouse gases <ul style="list-style-type: none"> Implement the 3 R's through the 3 E's <ul style="list-style-type: none"> Reduce water consumption (3 E's: Easy to make, Easy to repair, Easy to disassemble) (3 R's: Reduce, Reuse, Recycle) 	Reduce CO ₂ emissions per unit of sales by 1% (annual average) Support the effective use and recycling of limited resources	
Eco Management	Environmental management through reinforcement of Group environmental governance systems	Create and operate Groupwide environmental management systems Link Groupwide operations with local activities	
Eco Mind	Environmental contributions through diverse initiatives that seek to create a sustainable environment	Change attitudes through continuous environmental education	Have all Group employees actively undertake environmental measures with a high awareness of targets
		<ul style="list-style-type: none"> Improve sensory environments (odors, noise, etc.) Communicate with local communities Preserve ecosystems 	Be trusted and respected as a corporate citizen by local communities
	Proactively disclose information from an environmental perspective	Well received by the community as an environmentally advanced company	

Organizational Structures for Promoting Environmental Management

The Yamaha Motor Group has established an Environment Committee, chaired by the Executive Vice President, as the central organization responsible for the Group's environmental activities in Japan and overseas. The committee deliberates on policies and visions for the future concerning environmental initiatives, medium- and long-term environmental policies, strategic investment proposals relating to environmental preservation, environmental monitoring topics and responses to issues, and other key issues relating to environmental management. The policies and activities discussed are reported to the Board of Directors.

Activities to Identify and Reduce Both Direct and Indirect Greenhouse Gas Emissions

The Yamaha Motor Group endeavors to identify greenhouse gas emissions resulting both directly (e.g., from the burning of fuel at factories) and indirectly (e.g., from electricity use at factories and offices) from its corporate activities in each location in which it operates, and to reduce those amounts. We will also work to more precisely measure direct and indirect emissions in each location, and to further reduce emissions at all factories and offices.

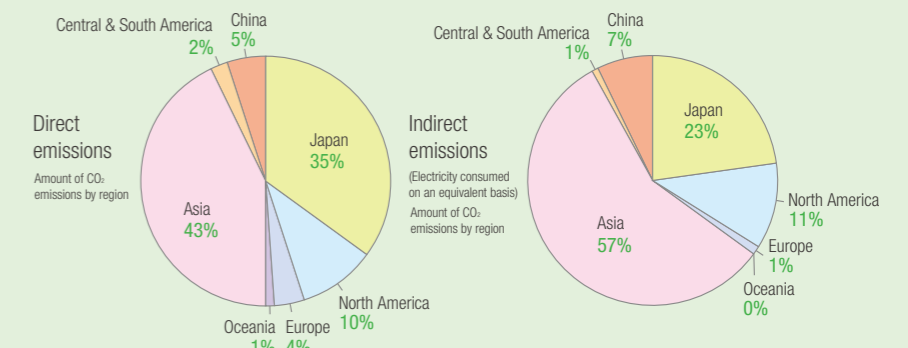
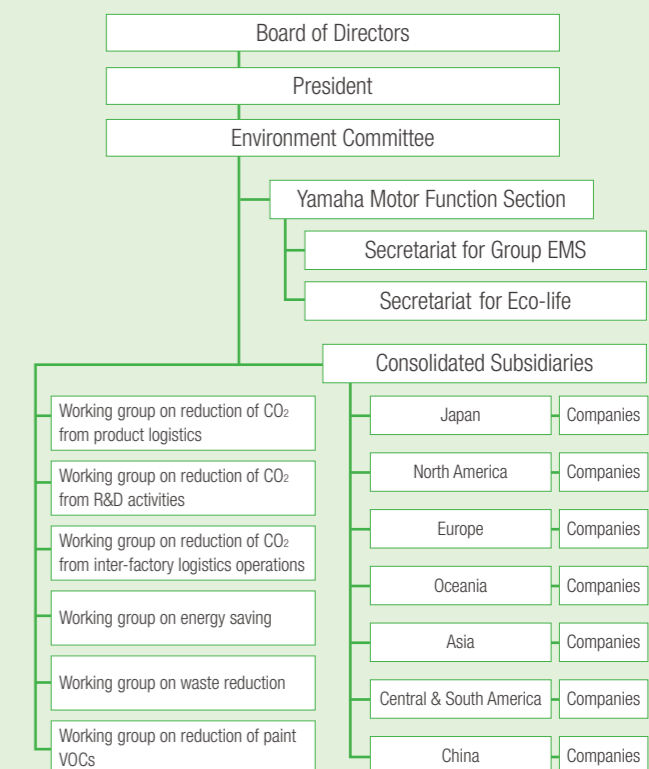
Direct emissions

149 thousand t-CO₂

Indirect emissions

408 thousand t-CO₂

The Yamaha Motor Group Organizational Structure for Environmental Planning and Promotion



CO₂ Emissions at the Yamaha Motor Group

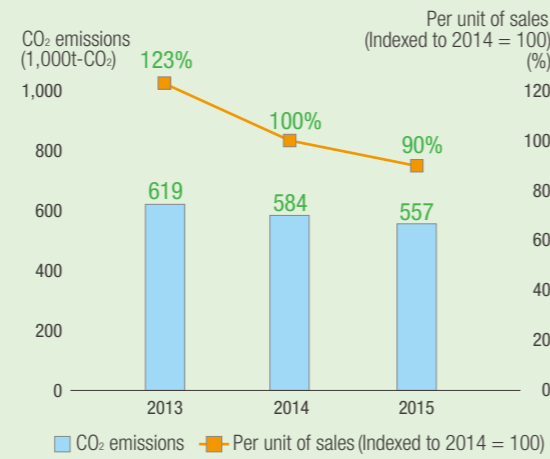
As a manufacturer of motorcycles and other transportation machinery, the Yamaha Motor Group considers the reduction of greenhouse gas emissions to be the most critical environmental issue facing the world today.

We are targeting an annual 1% reduction in CO₂ emissions per unit of sales as a common goal for the entire Group, and are working to reduce emissions in all of our business activities including product development and manufacturing.

We began working to reduce global utility costs in 2013, with the aim of establishing both economic and environmental considerations (CO₂ reductions). We are also increasing the efficiency of the overall Group by providing the energy-saving technologies developed in Japan to Group companies in Japan and overseas.

CO₂ emissions: **557** thousand t-CO₂

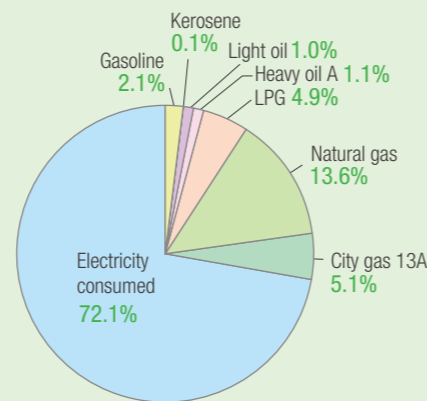
Yamaha Motor Group CO₂ Emissions



Energy Input at the Yamaha Motor Group

We are systematically implementing various measures to reduce the amount of energy used, including the introduction of equipment that makes it possible to analyze and reduce electricity consumption, and the installation of energy-saving equipment at factories and LED lighting in offices.

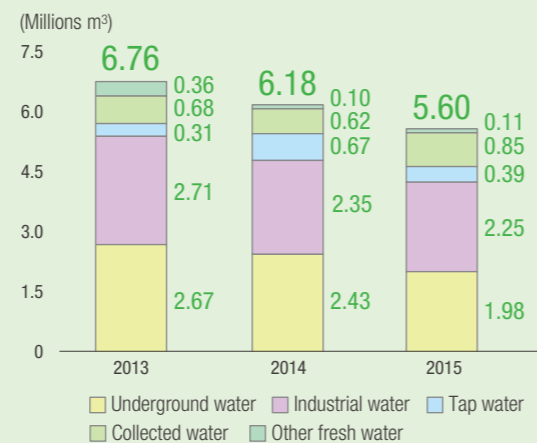
Total energy input: **10.51 million** GJ (electricity: **7.58 million** GJ)



Measuring and Reducing Water Resources

We strive to use limited water resources effectively, including through recycling. We will continue to strive to measure our global use of water resources, and reduce our water resource consumption through programs including the reuse of coolant water and water collection (rainwater and other sources) at factories.

Water resources used: **5.60 million** m³



TOPICS

New NMAX features style of MAX series in BLUE CORE engine-equipped 125cc global prestige city commuter

Yamaha Motor launched the new NMAX, with a water-cooled 4-stroke SOHC, 4-valve 124 cm³ fuel injection BLUE CORE engine in a body that carries on the MAX series DNA, in March 2016.

The NMAX expresses a “global prestige city commuter” concept, in a two-wheel moped (125cc) with the superior style and handling of the MAX series, which also includes the popular TMAX line in Europe and Japan and the XMAX line in Europe.

This is the first model for Japan featuring the BLUE CORE* engine, which achieves new dimensions in the joy of riding, fuel efficiency and environmental performance. ABS is also included as a standard feature.



* Yamaha Motor introduced the BLUE CORE engine in 2014, as an engine design concept that achieves new dimensions in terms of the joy of riding, fuel efficiency and environmental performance. This concept focuses on the three aspects of increasing combustion efficiency, increasing cooling efficiency, and reducing power loss. The engine for the NMAX125 was developed based on the BLUE CORE concept.

Additional global environmental ISO 14001 unified certification

“Eco management” is one of the action areas in Yamaha Motor Group Environmental Plan 2020, and based on this the Group has pursued global environmental ISO 14001 unified certification, which strengthens the Group’s environmental governance framework and achieves efficient environmental management operations, at locations in Japan and overseas since April 2012.

This program covers main manufacturing centers representing 38 companies in Japan, Europe, the United States, ASEAN, China, Taiwan, India and South America, and as of the end of 2015, unified certification had been obtained by 33 companies (87%). We will continue to pursue 100% unified certification in 2016 and beyond.

The Yamaha Motor Group has also introduced an in-house environmental management certification system for companies that have a relatively smaller environmental impact, as part of our global environmental management system (EMS) activities. For overseas Group companies in particular, we have introduced customized audits using third-party institutions to develop activities that emphasize effectiveness and efficiency.

Through these activities, information is shared across the Group, and in addition to identifying environmental risks and EMS management issues at individual group companies, this has achieved significant progress regarding Groupwide environmental governance. In terms of efficiency, unified certification has also led to significant cost reductions.



Briefing on introduction of environmental ISO 14001 unified certification at YPMV*
* YPMV: Yamaha Motor Parts Manufacturing Vietnam Co., Ltd.

GOVERNANCE INFORMATION

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Corporate Governance

Basic Corporate Governance Policies

The Company's Management Principles and Management Strategies

Yamaha Motor's corporate objective is to be a "Kando* creating company." We aspire to offer new excitement and a more fulfilling life for people all over the world. To this end, we provide unique and high-quality products and services made available through our technology to interweave human logic with sensibility by continuously striving to achieve "the unique style of Yamaha Motor's engineering, manufacturing and marketing" aiming at creating "new, original and innovative ideas and messages," "technology that creates joy and trust among customers," "attractive designs to express Refined Dynamism," and "power to build up a lifetime relationship with customers."

We make ongoing efforts to gain recognition from our various stakeholders that "the unique style of Yamaha Motor" constitutes the "Yamaha" brand, and to make our products and services the lifelong preferred choice for stakeholders. We believe that these efforts will enable us to achieve sustainable growth and enhance our medium- to long-term corporate value.

Under the Medium-Term Management Plan (2016-2018), we will carry out specific measures to achieve sustainable growth and enhancement of corporate value. While maintaining and strengthening a stable financial base, we proactively make strategic investments for growth in the following three domains: "fulfilling lifestyles," "enjoyment in personal mobility," and "innovative technologies that harmonize with people, society and the Earth," to provide our shareholders with enhanced returns.

* *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.

Basic views on corporate governance

To ensure the implementation of the Company's growth strategies for the future, Yamaha Motor's Board of Directors establishes an environment that supports management's appropriate risk-taking and decisive decision-making activities, and multilaterally understands and appropriately oversees issues and risks associated with the implementation of the Company's management strategies from the viewpoint of fulfilling responsibilities to various stakeholders including shareholders and investors.

This structure is designed to implement speedy and decisive decision-making, and appropriate, transparent and fair supervision and monitoring as the Company's corporate governance. Accordingly, we formulate the following corporate governance guidelines and put them into practice in an appropriate manner.

<Corporate Governance Guidelines>

- Chapter 1 Ensuring shareholders' rights and equality, and basic views on dialogue with shareholders
- Chapter 2 Appropriate collaboration with various stakeholders
- Chapter 3 Appropriate information disclosure and ensuring transparency
- Chapter 4 Responsibilities of the Board of Directors, etc.
- Attachment 1: Standards for selecting independent outside officers
- Attachment 2: Policies to promote constructive dialogue with shareholders

For the full text of "Yamaha Motor's Corporate Governance Guidelines," please visit our website:
http://global.yamaha-motor.com/ir/governance/pdf/corporate_governance_guidelines-e.pdf

Summary of Corporate Governance and Reasons for Adopting the System

1) Reasons for adopting current system

Yamaha Motor supplies various kinds of products and services to markets around the world, including sensibility-focused personal mobility for individual customers' recreational purposes, user friendly and practicality-focused personal mobility for travelling and transportation purposes, marine products to be used for a wide range of applications from recreational to business purposes, industrial robots, vehicle engines, and unmanned helicopters for corporate customers business use.

Overseas sales account for approximately 90% of the Company's consolidated net sales. With the principal concept of developing and producing locally where the products are consumed, our development, procurement, production and sales and other activities have expanded worldwide.

To sustainably develop operational activities that are capable of flexibly responding to customer diversity, product diversity and the globally expanding market, we acknowledge that adequate risk-taking and decisive decision-making are necessary. We also place importance on multilaterally understanding and appropriately overseeing issues and risks associated with the implementation of management strategies. We believe it is effective to structure a corporate governance system consisting of the Board of Directors, made up of Directors of the Company who are familiar with the Company's customer characteristics, products, business operations and functions and Outside Directors who have a wealth of knowledge in global corporate management, and the Audit & Supervisory Board whose members include Outside Audit & Supervisory Board Members

with professional knowledge in areas including accounting, legal affairs, and management administration.

Under this corporate governance system, Executive Officers are appointed to execute operational duties in a timely manner, and the Board of Directors delegates matters related to the execution of business operations to the Executive Officers.

2) Summary of current system

Composition of the Board of Directors and Audit & Supervisory Board

The Board of Directors and the Audit & Supervisory Board, which implement corporate governance, consist of eight (8) Directors, three (3) Outside Directors (including two (2) Independent Outside Directors), two (2) Standing Audit & Supervisory Board Members, and two (2) Independent Outside Audit & Supervisory Board Members. Of the fifteen (15) Directors and Audit & Supervisory Board Members in total, five (5) are Outside Officers.

From the viewpoint of maintaining an overall balance in terms of knowledge, experience and ability, and in consideration of diversity and size, the composition of the Board of Directors and Audit & Supervisory Board are defined as follows:

1. The Articles of Incorporation stipulate the number of Directors to be up to fifteen (15), and the number of Audit & Supervisory Board Members to be up to five (5).
2. Regardless of gender, age, or nationality, executives must adequately understand the viewpoints and standpoints of various stakeholders including shareholders, and must have long-term visions, abundant experience, extensive insight, and a high degree of expertise in addition to appropriate human characteristic elements such as ethical views and fairness.
3. Directors of the Company shall be individuals who can deal with the diversity of customer' special characteristics, products, business operations, and functions, as well as global aspects of markets.
4. Outside Directors shall be individuals who have experience in global corporate management, professional insight in management, and knowledge of the industry among others.
5. At least one-half (1/2) of Audit & Supervisory Board Members shall be made up of Outside Audit & Supervisory Board Members, including those who have adequate insight in areas such as accounting, legal affairs and management administration.

Roles of the Board of Directors

To ensure the implementation of the Company's growth strategies for the future, the Board of Directors establishes an environment that

supports management's appropriate risk-taking and decisive decision-making activities. In addition, the Board of Directors multilaterally understands and appropriately oversees issues and risks associated with the execution of management strategies from the viewpoint of fulfilling its responsibilities to various stakeholders including shareholders and investors. We acknowledge that these tasks are their roles in supporting the Company's sustainable growth and enhancement of its corporate and brand value.

To ensure prompt execution of business operations, the Board of Directors appoints Executive Officers and delegates matters related to execution of business operations to them.

In accordance with the policies outlined above, matters to be judged and determined by the Board of Directors and matters to be delegated to Executive Officers are as follows:

1. Mattered to be judged and determined by the Board of Directors
 - Determining matters provided for in laws and regulations and the Articles of Incorporation
 - Overseeing the execution of Directors' duties
 - Determining strategies and policies
 - Determining Corporate Philosophy, Code of Ethics, Basic Policies on Internal Control, Basic Policies on CSR, Governance Policies on the Yamaha brand, Long-term Management Visions, Medium-Term Management Plan, etc.
 - Overseeing execution of business operations
 - Approval of annual management plans, approval of financial statements, oversight of the execution of duties, approval of internal auditing plans, oversight of the status of development of internal control systems and risk management systems in accordance with Basic Policies on Internal Control, etc.
2. Matters to be delegated to Executive Officers
 - Matters related to the execution of business operations
 - Formulating the Medium-Term Management Plan, annual management plans and other plans and decision-making on the execution thereof, preparing the draft of financial results, formulating individual business strategies, decision-making on the execution of operations such as development, production and sales, developing risk management systems, and other related matters
 - Other matters delegated by the Board of Directors, excluding matters to be judged and determined by the Board of Directors

Executive Personnel Committee

Yamaha Motor has established an Executive Personnel Committee as a voluntary advisory body of the Board of Directors, to improve transparency and validity in nominating candidates for executive

positions, and to determine their remuneration.

The Executive Personnel Committee deliberates matters including candidates for executive positions, the remuneration system, remuneration and bonus plans, composition of Directors, Audit & Supervisory Board Members and Executive Officers, and the evaluation of Executive Officers. The Executive Personnel Committee reports to the Board of Directors.

The Executive Personnel Committee also evaluates candidates for senior executive positions including the Chief Executive Officer.

The Executive Personnel Committee consists of Representative Directors and Outside Directors of the Company, and the current members are as follows:

Chairman: President and Representative Director Hiroyuki Yanagi
 Committee member: Representative Director Takaaki Kimura
 Committee member: Outside Director (Independent) Tamotsu Adachi

Committee member: Outside Director Takuya Nakata
 Committee member: Outside Director (Independent) Atsushi Niimi

Audit & Supervisory Board Members and the Audit & Supervisory Board

The Audit & Supervisory Board Members are made up of two (2) Standing Audit & Supervisory Board Members and two (2) Outside Audit & Supervisory Board Members. On the basis of fiduciary responsibilities to shareholders, Audit & Supervisory Board Members and the Audit & Supervisory Board, as a body independent from the Board of Directors, request the Company and its subsidiaries to submit reports on their business activities in accordance with laws and regulations, survey the status of business operations and property, exercise rights in respect of appointing or dismissing an External Accounting Auditor and audit compensation, attend meetings

of the Board of Directors and other important meetings, and provide opinions as needed. Through these tasks, Audit & Supervisory Board Members and the Audit & Supervisory Board audit the legality and appropriateness of Directors' execution of duties, internal control systems, and the performance and financial position of the Company and its subsidiaries. An Audit & Supervisory Board Members' Office, with a dedicated staff of two (2) persons, has been established to assist the Audit & Supervisory Board Members with their audit and supervisory operations. In principle, the Audit & Supervisory Board meets monthly, and additionally from time to time as necessary.

Executive Officers and Management Committee, etc.

The Company has twenty-nine (29) Executive Officers, of whom eight (8) serve concurrently as Directors. A Management Committee, comprising eleven (11) Executive Officers with specific posts, has been established to deliberate on matters of business execution, speeding up the Company's decision-making process. In principle, the Management Committee meets at least monthly, and additionally from time to time as necessary.

In addition, a Global Executive Committee has been established to deliberate on important management policies and issues related to the Group's management. The Global Executive Committee includes the Company's President and Chief Executive Officer, all Executive Officers with specific posts, and senior local managers of major Group companies, and has thirty-seven (37) members, of whom twenty-five (25) are Japanese and twelve (12) are non-Japanese. In principle, the Global Executive Committee meets at least once annually, and additionally from time to time as necessary.

Risk Management and Compliance Committee

A Risk Management and Compliance Committee, comprising eleven (11) Executive Officers with specific posts, has been established to deliberate measures related to risk management and compliance. In principle, the Risk Management and Compliance Committee meets at least twice annually, and additionally from time to time as necessary.

Internal auditing

The Integrated Auditing Division, with twenty-six (26) members and reporting directly to the President and Chief Executive Officer, has been established as an internal auditing sector to audit the appropriateness of operational activities at the Company and its subsidiaries. In addition, internal audit functions have been installed at major subsidiaries, working together with the Company's internal auditing sector to audit divisions and subsidiaries.

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

The Company, in accordance with the Companies Act and the Ordinance for Enforcement of the Companies Act, 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.

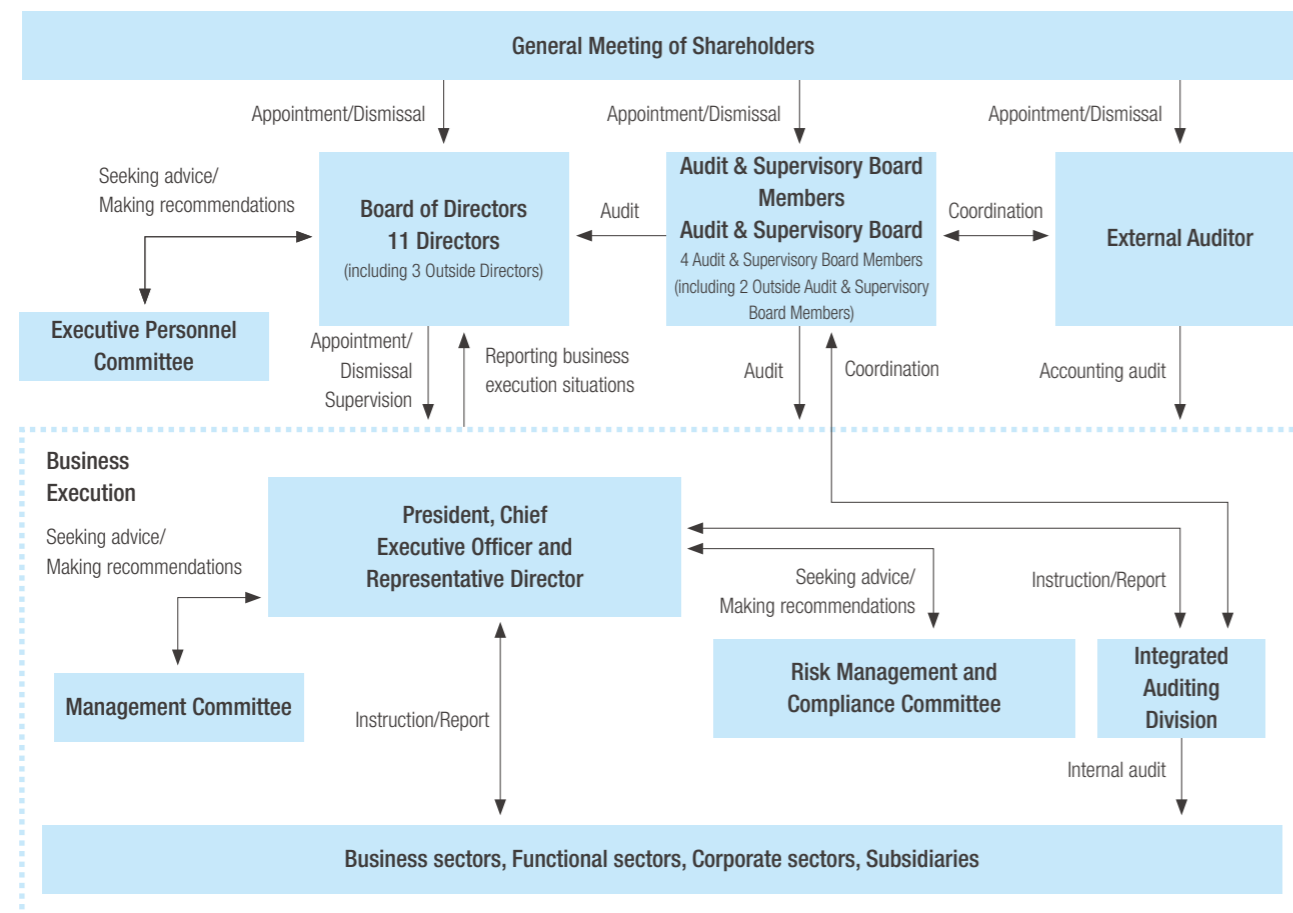
1) Systems to ensure the Directors compliance with acts, regulations and the Company's Articles of Incorporation

- The Board of Directors shall supervise Directors in the implementation of their responsibilities, to ensure that they 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.
- Audit & Supervisory Board Members, in accordance with the criteria and methodology established by the Audit & Supervisory Board, shall audit the business conduct of the Directors.
- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company shall reinforce this commitment in its Code of Ethics.
- The Company shall form such organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

2) Maintenance and administration of information concerning the business conduct of Directors

- Documents and other forms of information on the business conduct of Directors shall be prepared, maintained and administered appropriately by establishing and operating necessary arrangement involving internal regulations.
- Confidential information including documents and other forms of information on the business conduct of Directors shall be handled appropriately by establishing and operating necessary arrangement involving internal regulations.
- The Company shall form such organizations and develop such rules as necessary to ensure timely and appropriate disclosure of significant company information.

Yamaha Motor's Corporate Governance System and Internal Control System (As of March 28, 2016)



3) Rules relating to risk control against loss

- The Company shall establish a Risk Management and Compliance Committee as an organization carrying out deliberation on its risk management measures, and shall establish a risk management supervising section for developing regulations concerning risk management of the Company and its subsidiaries, conducting risk assessment and structuring system for monitoring the risk management.
- 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.
- The Company shall develop and operate internal regulations, etc. as necessary to ensure integrated control of individual departmental risk management activities.
- If a serious crisis arises, an Emergency Countermeasures Headquarters shall be established as provided in the internal regulations, etc., 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

- 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 Board of Directors Rules, Decision-making Rules and other important rules.
- Resolutions to be proposed at the Board of Directors' Meetings shall first be subject to deliberation by the Management Committee and other committees to ensure they are appropriate and meet procedural criteria for subsequent deliberation by the Board of Directors.
- After the Medium-term Management Plan and the budget for the fiscal year are formulated, management control systems such as a "management by objectives system" shall be established to achieve the plan's goals and targets.

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

- The Company shall establish the Risk Management and Compliance Committee as an organization carrying out deliberation on its compliance measures, and shall establish a compliance supervising section for enhancing and educating its Code of Ethics to the Company and its subsidiaries.
- The Company shall establish an internal reporting hotline in a

third-party organization outside of the Company which enables one to directly report on any unlawful act, or the possibility of illegal or improper activity that could damage trust and confidence in the Company, which directly informs Audit & Supervisory Board Members and the President and Chief Executive Officer concerning such report.

- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company shall reinforce this commitment in its Code of Ethics.
- The Company shall form organizations and develop rules necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

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

- The Company's Group Companies Management Rules and Decision-making Rules shall be established that define the controlling sectors in charge of supervising each subsidiary, and the authority, responsibilities and management methods of subsidiaries.
- In order to audit the appropriateness of operations of the Company and its subsidiaries, an internal auditing sector shall be established in the Company under the direct control of the President and Chief Executive Officer. An internal auditing function shall be established in major subsidiaries as well, and shall conduct audits of sections and subsidiaries collaborating with the internal auditing sector of the Company.
- Each domestic subsidiary, in principle, shall have a Board of Directors and an Audit & Supervisory Board Member; overseas subsidiaries shall design the governing body in accordance with local laws.
- At least one Director of each subsidiary, in principle, shall concurrently serve as a Director, Executive Officer, or employee of another company in the Group.
- The section supervising financial reporting of the Company shall provide subsidiaries with guidance and education to ensure appropriateness of financial information.

7) Systems to report to the Company on matters concerning the execution of duties at the Company's subsidiaries by Directors, employees who execute business, and any person in an equivalent position (Directors, etc.)

- The Group Companies Management Rules of the Company

stipulates that Directors, etc. of its subsidiaries must report to the Company on their financial status and other important information.

- The Company shall request Directors, etc. of its significant subsidiaries to make a report on their business execution at the Management Committee meetings, etc. of the Company on a regular basis.

8) Rules relating to risk management against loss by the Company's subsidiaries and other systems

- The Company's risk management supervising section shall set out rules on managing risks of the Company and its subsidiaries, and establish a system to monitor the risk assessment and its implementation plans and results.
- The Company's risk management supervising section shall provide subsidiaries with guidance and education with respect to risk management initiatives carried out by each subsidiary.
- Standards of conduct shall be set out in the internal rules, etc. to allow the Company to promptly and adequately deal with significant issues about the Company and its subsidiaries when they arise and to minimize the damage from such issues.

9) Systems to ensure efficient execution of duties by Directors, etc. of the Company's subsidiaries

- Decision-making processes, responsibilities and authority shall be clarified by strengthening the Board of Directors Rules, Decision-making Rules and other important rules.
- The Group Medium-term Management Plan and the budget for the fiscal year shall be set out.
- A common management control system shall be adopted by the Company and its subsidiaries.
- Global Executive Committee meetings, comprising Executive Officers of the Company and its major subsidiaries, shall be held regularly to share information on the group management policy and deliberate on the policy to deal with important issues.

10) Systems to ensure that the execution of duties by Directors, etc. and employees of the Company's subsidiaries complies with acts, regulations and the Company's articles of Incorporation

- The compliance supervising section of the Company shall enhance the Code of Ethics to be complied with by the Company and its subsidiaries, and shall provide subsidiaries with education on compliance.
- The compliance supervising section of the Company shall provide

subsidiaries with guidance and education in respect of compliance initiatives taken by each subsidiary.

- The Company and its subsidiaries shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. The Company and its subsidiaries shall reinforce this commitment in their Code of Ethics.
- The Company and its subsidiaries shall form organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.
- The internal auditing sector of the Company shall work in collaboration with the internal auditing functions of its subsidiaries and perform audits on the system for compliance with acts and regulations of the subsidiaries.
- Audit & Supervisory Board Members of the Company shall perform audits on the status of Directors' execution of duties, internal control, risk management, measures to deal with compliance, and asset management status, etc. of its subsidiaries in accordance with the criteria and methodology established by the Audit & Supervisory Board.

11) Employee to assist Audit & Supervisory Board Members

- An Audit & Supervisory Board Members' Office shall be established with a full-time employee dedicated to assisting the Audit & Supervisory Board Members in the execution of their duties.

12) Employee assisting Audit & Supervisory Board Members independence from Directors

- The internal rules provides that the authority to give instructions and orders to the employees assisting Audit & Supervisory Board Members shall be delegated to each Audit & Supervisory Board Member.
- Any dismissal or personnel changes concerning the employee assisting Audit & Supervisory Board Members in the execution of their duties shall be approved by the Audit & Supervisory Board in advance.

13) Matters in respect of ensuring the effectiveness of instructions given by Audit & Supervisory Board Members to the employees assisting Audit & Supervisory Board Members

- No employee assisting Audit & Supervisory Board Members 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 Audit & Supervisory Board Members, whose opinions shall be taken into consideration in evaluating the employee.

14) Rules concerning Directors and employees reporting to the Audit & Supervisory Board Members

- Directors and employees shall report to Audit & Supervisory Board Members on malpractice and/or acts concerning the execution of duties by Directors or employees, fact which violates the law and the Company's Article of Incorporation, and incidents that could cause the Company considerable damage, depending on the importance and urgency thereof.
- Directors and employees shall report the following matters to the Audit & Supervisory Board Members periodically, or when necessary, at their request:
 - Establishment and operation of internal control systems, and related subjects
 - Results of internal audits conducted by the internal audit section
 - Operation of the internal reporting system, and receipt of reports

15) Rules to submit a report to Audit & Supervisory Board Members by the subsidiaries' Directors, Audit & Supervisory Board Members, employees who execute business, any other person in an equivalent position and employees or any person who received reports from aforementioned persons

- The subsidiaries' Directors, Audit & Supervisory Board Members, Executive Officers, employees, and any person who received reports from these persons shall report to the Company's Audit & Supervisory Board Members on malpractice and/or acts concerning the execution of duties by Directors and employees of the Company and its subsidiaries, fact which violates the law and Company's Articles of Incorporation, and incidents that could cause the Company considerable damage, when they recognize that such facts are present, depending on the importance and urgency thereof.
- The subsidiaries' Directors, Audit & Supervisory Board Members, Executive Officers and employees and any person who received reports from these persons shall report to Audit & Supervisory Board

Members of the Company, at their request, on the following matters on a regular basis or when needed.

- Matters in respect of the business execution
- Result of audits performed by Audit & Supervisory Board Members of the domestic subsidiaries
- Result of internal audits performed by the Company's internal auditing sector
- Status of compliance and risk management, etc.

16) Systems to ensure that any person who reports as described in the preceding paragraph will not receive any disadvantageous treatment due to such reporting

- The Company shall stipulate in its internal rules that any person who reports as described in the preceding paragraph will not receive any disadvantageous treatment due to such reporting.

17) Matters regarding the policy for handling expenses or liabilities incurred in relation to the procedures for the advance payment or reimbursement of expenses incurred during the execution of duties by Audit & Supervisory Board Members, and other expenses or liabilities incurred during execution of the said duties

- In order to pay expenses, etc., incurred in the course of the Audit & Supervisory Board Members' execution of duties, a certain amount of budget shall be allocated annually.
- When requests such as payment of expenses in advance are made by Audit & Supervisory Board Members in accordance with Article 388 of the Corporation Act of Japan, payment of such expenses or liabilities shall be made or discharged in a prompt manner.

18) Other systems to ensure effective auditing by Audit & Supervisory Board Members

- The Representative Directors shall meet with the Audit & Supervisory Board Members periodically to exchange opinions.
- Audit & Supervisory Board Members shall attend important meetings of bodies including the Management Committee, Risk Management and Compliance Committee, and Executive Committee.
- The internal audit section shall explain its internal audit plan to Audit & Supervisory Board Members in advance.
- The minutes of the Management Committee meeting and any other meetings as the Audit & Supervisory Board Members may specify shall be made available for their perusal. The Audit & Supervisory Board Members shall be granted similar access to any approved

proposal memorandums they may specify.

- Auditing assistance from outside experts shall be secured when deemed necessary by the Audit & Supervisory Board.

Communication among Outside Directors, Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members), 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 Internal Auditing Division. Opinions are voiced at Board of Directors' meetings when necessary.
- In their association with the Accounting Auditor, Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members, 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, Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members, 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, Audit & Supervisory Board Members, and the Accounting Auditor on the status of internal control measures, specifically their establishment and application.

Outside Directors and Outside Audit & Supervisory Board Members

1) Function and role of Outside Directors and Outside Audit & Supervisory Board Members in achieving proper corporate governance

The Company had three (3) Outside Directors and two (2) Outside Audit & Supervisory Board Members. Outside Directors provide management with advice and supervision from an independent and objective perspective, based on extensive experience and wide-ranging knowledge as managers of global companies, and expertise in strategic planning and investing.

Outside Audit & Supervisory Board Members audit the Company using vast experience and knowledge as a corporate executive and professor at the graduate school level and significant expertise as a certified public accountant and attorney.

In addition to the required criteria for independence stipulated by the Tokyo Stock Exchange, the Company has formulated its own "Standards for Selecting Independent Outside Officers" to evaluate the independence and objectivity of Outside Directors and Outside Audit & Supervisory Board Members.

Summary of "Standards for Selecting Independent Outside Officers" Independent Outside Officers may not be:

1. Employees or former employees of the company
2. Major shareholders
3. Individuals in a "major customer" relationship with our corporate group
4. Individuals from companies that have accepted a director from Yamaha Motor Group
5. Individuals with a vested interest in the Yamaha Motor Group
6. Individuals who might have a conflict of interest with our general shareholders
7. In office more than 8 years

Moreover, individuals who are second-degree relatives, or cohabiting relatives, of any of those mentioned above in 1 through 5 may not be officers.

For the full text of Yamaha Motor's "Standards for Selecting Independent Outside Officers," please visit:

http://global.yamaha-motor.com/ir/governance/pdf/independent_en.pdf

2) Appointment of Outside Directors and Outside Audit & Supervisory Board Members

Positions	Names	Reasons for appointment
Outside Directors	Tamotsu Adachi	Tamotsu Adachi provides management with advice and supervision as an Outside Director, based on his ample experience in international business and in the formulation of management strategy, investment activities and wide range of insights. Mr. Adachi meets the requirements for independence stipulated by the Tokyo Stock Exchange and the "Standards for Selecting Independent Outside Officers" and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.
	Takuya Nakata	As President and Representative Director of Yamaha Corporation, a major shareholder of the Company, Takuya Nakata provides management with advice and supervision as a corporate executive, and has been elected as an Outside Director to enhance the value of the Yamaha brand name that is used by both companies. Similarly, the Company's President and Representative Director, Hiroyuki Yanagi, concurrently serves as an Outside Director of Yamaha Corporation.
	Atsushi Niimi	Atsushi Niimi provides management with advice and supervision as an Outside Director, based on his extensive experience and wide-ranging knowledge as a corporate executive at several global organizations. Mr. Niimi meets the requirements for independence stipulated by the Tokyo Stock Exchange and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.
Outside Audit & Supervisory Board Members	Isao Endo	Isao Endo uses his vast experience and wide-ranging knowledge as a corporate executive and professor at the graduate school level in auditing the Company. Mr. Endo meets the requirements for independence stipulated by the Tokyo Stock Exchange and the "Standards for Selecting Independent Outside Officers" and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.
	Tomomi Yatsu	Tomomi Yatsu uses her significant expertise as a certified public accountant and attorney as well as her vast experience and wide-ranging knowledge as an outside auditor for a corporation in performing her duty as one of the Company's Audit & Supervisory Board Members (Outside). Ms. Yatsu meets the requirements for independence stipulated by the Tokyo Stock Exchange and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of her designation as an Outside Officer.

3) Vested interests of the Outside Directors and Outside Audit & Supervisory Board Members at Yamaha Motor Co., Ltd.

Outside Director Takuya Nakata is President and Representative Director of Yamaha Corporation, which holds 12.19% of the Company's shares, as of December 31, 2015; the Company has transactions such as real estate leases with this company.

Outside Director Atsushi Niimi is Chairman & Representative Director of JTEKT Corporation, a company from which the Company procures parts for products. Payments made from the Company to JTEKT Corporation during the most recent fiscal year corresponded to 0.1% of the Company's consolidated net sales. The amount of these transactions is less than "2% of the Company's consolidated aggregate sales for the most recent fiscal year," stipulated in the "Standards for Selecting Independent Outside Officers," and Mr. Niimi is therefore deemed to have no conflict of interest with the Company's general shareholders.

Outside Audit & Supervisory Board Member Tomomi Yatsu is employed by the law firm TMI Associates. During fiscal 2015, the Company paid TMI Associates ¥1 million as per a contract for

outsourced operations.

Outside Director Tamotsu Adachi and Outside Audit & Supervisory Board Members Isao Endo have no special interests in the Company other than Company shareholdings.

4) Support structure for Outside Directors and Outside Audit & Supervisory Board Members

When the Board of Director's meetings are held, the relevant Executive Officer or business department will provide Outside Directors with explanations of the resolutions to be proposed, as necessary and in advance, and Standing Audit & Supervisory Board Members will provide similar explanations to Outside Audit & Supervisory Board Members. In addition, a Management Research Committee has been established as a venue for Outside Directors and Outside Audit & Supervisory Board Members to regularly confer with Executive Officers who are responsible for the execution of business, and it meets following the conclusion of the Board of Directors' meetings.

The Company's Corporate Planning Division and the Audit &

Supervisory Board Members' Office that has been established to assist the Audit & Supervisory Board Members with their audit and supervisory operations work together to ensure that Outside Directors and Outside Audit & Supervisory Board Members receive the information they require, and that their contact and coordination with senior management is mutually appropriate.

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.

Shinji Tamiya

Designated Limited Liability and Engagement Partner

Takahiro Takiguchi

Designated Limited Liability and Engagement Partner

Masanori Enomoto

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 fourteen (14) Certified Public Accountants and nineteen (19) other assistants.

Overview of Agreements That Limit Liabilities for Damages

The Company has entered into agreements with Outside Directors and Audit & Supervisory Board Members, in accordance with the provisions of Paragraph 1 of Article 427 of the Companies Act, which limit these executives' liabilities (as specified in Paragraph 1 of Article 423 of the Companies Act) for damages. The upper limit of liability for damages in the agreements is the amount as specified by laws and regulations.

The Company limits liabilities for damages charged to the Outside Directors and the Audit & Supervisory Board Members only when they acted with goodwill and the liability did not arise because they committed serious negligence in executing their duties.

Remuneration and Other Compensation for Directors and Audit & Supervisory Board Members

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

The Company's Director's Remuneration Plan is comprised of basic compensation (monthly remuneration), Director's bonuses, reflecting the short-term consolidated performance of the Company overall, compensation linked to each Director's individual performance and a stock compensation plan reflecting the medium- to long-term consolidated performance of the Company overall.

Directors' bonuses shall not exceed 0.5% of the consolidated net income of the previous fiscal year, which is calculated correlating with net income and return on assets for the consolidated performance as well as taking into account dividends to shareholders and the level of consolidated performance against the budget. Then the amount calculated is resolved at the Board of Directors Meeting after the deliberation of the Executive Personnel Committee comprised Representative Directors and Outside Directors.

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 remuneration for Outside Directors and Audit & Supervisory Board Members.

2) Directors' remuneration

Remuneration and other compensation for the Company's Directors and Audit & Supervisory Board Members in fiscal 2015 are as follows.

(Millions of yen)

Officer classification	Basic compensation	Compensation linked to performance		Stock compensation plan	Total
		Directors' bonuses	Individual performance-linked		
Directors (14)	303	216	43	48	612
Outside Directors (4)	(25)	—	—	—	(25)
Audit & Supervisory Board Members (7)	77	—	—	—	77
Outside, Audit & Supervisory Board Members (3)	(18)	—	—	—	(18)
Total	381	216	43	48	689

Notes 1. The annual amount of remuneration for Directors excluding Directors' bonuses shall be ¥540 million or less (including ¥50 million or less for Outside Directors), and the annual amount of remuneration for Audit & Supervisory Board Members shall be ¥90 million or less.

2. The Directors' bonuses under "Compensation linked to performance" are the amounts scheduled to be paid.

3. The figures above include amounts for three Directors and three Audit & Supervisory Board Members who retired as of the closing of the 80th Ordinary General Meeting of Shareholders, held on March 26, 2015.

4. In addition to the remuneration shown above, ¥66 million was paid as employee salaries to Directors concurrently serving as employees.

3) Director or Audit & Supervisory Board Member received more than ¥100 million in aggregate remuneration and other compensation

(Millions of yen)

Name	Officer classification	Company classification	Basic compensation	Compensation linked to performance		Stock compensation plan	Total
				Directors' bonuses	Individual performance-linked		
Hiroyuki Yanagi	Director	The Company	80	69	—	11	161
Takaaki Kimura	Director	The Company	68	59	—	9	137

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

- 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 Companies Act. 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.
- The Company's Articles of Incorporation stipulate that in accordance with the provisions of Paragraph 1 of Article 426 of the Companies Act, the Company may, by a resolution of the Board of

Directors, exempt its Directors (including former Directors) and Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liabilities for damages arising from negligence of their duties, within the limits prescribed by laws and regulations. This is to ensure that Directors and Audit & Supervisory Board Members can successfully fulfill their expected roles.

- 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 Companies Act. This allows the Company flexibility in returning profits to shareholders.

Special Resolution Requirement for the General Meeting of Shareholders

The Company has stipulated a special resolution requirement at the General Meeting of Shareholders in the Articles of Incorporation, in accordance with the provision of Paragraph 2 of Article 309 of the Companies Act, 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. Specific activities include quarterly financial results briefings, "IR road shows" for overseas investors, briefings to explain the Company's businesses, efforts to improve information disclosure on the IR website, individual meetings with analysts and media interviews.

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

69 companies ¥54,946 million

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

Fiscal 2014

Companies	Number of shares (Shares)	Balance sheet amounts (Millions of yen)	Purpose of holding
Yamaha Corporation	10,326,701	18,536	To perpetuate a business relationship as companies utilizing a common brand
Toyota Motor Corporation	501,210	3,788	To maintain a stable business relationship
KOITO MANUFACTURING CO., LTD.	913,000	3,382	To maintain a stable business relationship
Nippon Seiki Co., Ltd.	1,217,502	3,329	To maintain a stable business relationship
NGK SPARK PLUG CO., LTD.	545,000	2,002	To maintain a stable business relationship
NIPPON STEEL & SUMITOMO METAL CORPORATION	6,174,000	1,857	To maintain a stable business relationship
Imasen Electric Industrial Co., Ltd.	613,750	1,040	To maintain a stable business relationship
The Shizuoka Bank, Ltd.	825,706	914	To maintain a stable business relationship as a financial institution with which the Company has transactions
Mizuho Financial Group, Inc.	2,288,340	797	To maintain a stable business relationship as a financial institution with which the Company has transactions
Enshu Limited	6,457,395	749	To maintain a stable business relationship
Akebono Brake Industry Co., Ltd.	1,347,800	571	To maintain a stable business relationship
KAYABA INDUSTRY CO., LTD.	1,093,000	565	To maintain a stable business relationship
JTEKT CORPORATION	236,000	484	To maintain a stable business relationship
EXEDY Corporation	105,000	305	To maintain a stable business relationship
MIKUNI CORPORATION	618,794	277	To maintain a stable business relationship
STANLEY ELECTRIC CO., LTD.	100,000	262	To maintain a stable business relationship
Sumitomo Mitsui Financial Group, Inc.	46,355	202	To maintain a stable business relationship as a financial institution with which the Company has transactions
Ahresty Corporation	134,722	100	To maintain a stable business relationship
Mitsubishi UFJ Financial Group, Inc.	113,200	75	To maintain a stable business relationship as a financial institution with which the Company has transactions
Sumitomo Mitsui Trust Holdings, Inc.	149,000	69	To maintain a stable business relationship as a financial institution with which the Company has transactions
TOBA, INC.	10,000	18	To maintain a stable business relationship
Nomura Holdings, Inc.	20,600	14	To maintain a stable business relationship as a financial institution with which the Company has transactions
JEUGIA Corporation	33,000	4	To maintain a stable business relationship
Fuji Heavy Industries Ltd.	1,000	4	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
Kawasaki Heavy Industries, Ltd.	1,000	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
Bridgestone Corporation	100	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
SUZUKI MOTOR CORPORATION	100	0	To collect information such as the method of providing information to shareholders

Fiscal 2015

Companies	Number of shares (Shares)	Balance sheet amounts (Millions of yen)	Purpose of holding
Yamaha Corporation	10,326,701	30,453	To perpetuate a business relationship as companies utilizing a common brand
KOITO MANUFACTURING CO., LTD.	913,000	4,574	To maintain a stable business relationship
Toyota Motor Corporation	501,210	3,753	To maintain a stable business relationship
Nippon Seiki Co., Ltd.	1,217,502	3,379	To maintain a stable business relationship
NGK SPARK PLUG CO., LTD.	545,000	1,752	To maintain a stable business relationship
NIPPON STEEL & SUMITOMO METAL CORPORATION	617,400	1,491	To maintain a stable business relationship
Mizuho Financial Group, Inc.	4,823,160	1,174	To maintain a stable business relationship as a financial institution with which the Company has transactions
The Shizuoka Bank, Ltd.	825,706	975	To maintain a stable business relationship as a financial institution with which the Company has transactions
Imasen Electric Industrial Co., Ltd.	613,750	765	To maintain a stable business relationship
Enshu Limited	6,457,395	600	To maintain a stable business relationship
JTEKT CORPORATION	236,000	473	To maintain a stable business relationship
Akebono Brake Industry Co., Ltd.	1,347,800	407	To maintain a stable business relationship
KYB Corporation	1,093,000	402	To maintain a stable business relationship
EXEDY Corporation	105,000	308	To maintain a stable business relationship
STANLEY ELECTRIC CO., LTD.	100,000	267	To maintain a stable business relationship
MIKUNI CORPORATION	618,794	259	To maintain a stable business relationship
Sumitomo Mitsui Financial Group, Inc.	46,355	213	To maintain a stable business relationship as a financial institution with which the Company has transactions
Ahresty Corporation	134,722	97	To maintain a stable business relationship
Mitsubishi UFJ Financial Group, Inc.	113,200	85	To maintain a stable business relationship as a financial institution with which the Company has transactions
Sumitomo Mitsui Trust Holdings, Inc.	149,000	68	To maintain a stable business relationship as a financial institution with which the Company has transactions
TOBA, INC.	10,000	20	To maintain a stable business relationship
Nomura Holdings, Inc.	20,600	13	To maintain a stable business relationship as a financial institution with which the Company has transactions
Fuji Heavy Industries Ltd.	1,000	5	To collect information such as the method of providing information to shareholders
JEUGIA Corporation	33,000	4	To maintain a stable business relationship
Eisai Co., Ltd.	100	0	To collect information such as the method of providing information to shareholders
Hamamatsu Photonics K.K.	200	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
Honda Motor Co., Ltd.	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

3) Pure investment equity holdings

No related items.

Directors, Audit & Supervisory Board Members, and Executive Officers

As of April 1, 2016

MC: Motorcycle
AM: Automotive
WV: Water Vehicle
CS: Customer Service
PF: Platform
ME: Marine Engine
NLV: New Land Vehicle

Board of Directors



A President and Representative Director Hiroyuki Yanagi

April 1978: Joined the Company
March 2009: Senior Executive Officer, Chief General Manager of Manufacturing Center
November 2009: Senior Executive Officer, 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, Chief General Manager of MC Business Operations
January 2015: President, Chief Executive Officer and Representative Director (to present)

B Representative Director Takaaki Kimura

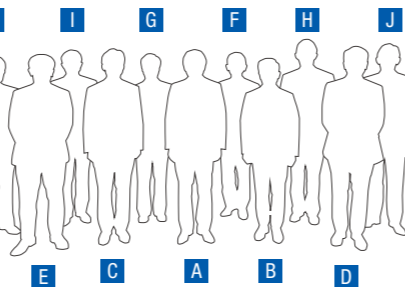
April 1976: Joined the Company
March 2005: Director, Senior General Manager of AM Operations
March 2007: Senior Executive Officer and Director, Senior General Manager of AM Operations
January 2009: Senior Executive Officer and Director, Chief General Manager of Marine Business Operations and Executive General Manager of WV Business Unit, Marine Business Operations
November 2009: Managing Executive Officer and Representative Director, 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, Chief General Manager of Marine Business Operations and Executive General Manager of WV Business Unit, Marine Business Operations
January 2012: Senior Managing Executive Officer and Representative Director, Chief General Manager of Technology Center and Chief General Manager of Marine Business Operations
March 2014: Executive Vice President and Representative Director, Chief General Manager of Technology Center, Chief General Manager of Design Center, and Chief General Manager of Marine Business Operations
July 2014: Executive Vice President and Representative Director, Chief General Manager of Technology Center and Chief General Manager of Marine Business Operations (to present)

C Director Koza Shinozaki

April 1978: Joined the Company
March 2010: Senior Executive Officer and Director, Senior General Manager of Finance & Accounting Section
January 2011: Senior Executive Officer and Director, 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, Senior General Manager of Corporate Planning & Finance Section
January 2013: Senior Executive Officer and Director, Executive General Manager of Corporate Planning & Finance Center
March 2013: Managing Executive Officer and Director, Chief General Manager of Corporate Planning & Finance Center

D Director Nobuya Hideshima

April 1978: Joined the Company
March 2010: Senior Executive Officer, Chief General Manager of Procurement Center
March 2011: Senior Executive Officer and Director, Chief General Manager of Procurement Center
March 2013: Managing Executive Officer and Director, Chief General Manager of Procurement Center
January 2014: Managing Executive Officer and Director, Chief General Manager of Engine Unit and Chief General Manager of CS Center
January 2016: Managing Executive Officer and Director, Chief General Manager of Engine Unit (to present)



E Director Masahiro Takizawa

April 1978: Joined the Company
March 2010: Senior Executive Officer, Senior General Manager of Corporate Planning Section and General Manager of Corporate Planning Division, Corporate Planning Section
January 2011: Senior Executive Officer, Chief General Manager of Business Development Operations
March 2011: Senior Executive Officer and Director, Chief General Manager of Business Development Operations
March 2013: Managing Executive Officer and Director, Chief General Manager of Business Development Operations
January 2016: Managing Executive Officer and Director, Chief General Manager of New Business Development Center (to present)

F Director Katsuaki Watanabe

April 1982: Joined the Company
March 2011: Senior Executive Officer and Chief General Manager of Manufacturing Center
April 2013: Senior Executive Officer, Executive General Manager of 1st Business Unit, MC Business Operations and Chief General Manager of Manufacturing Center
January 2014: Senior Executive Officer, Executive General Manager of 1st Business Unit, MC Business Operations and Chief General Manager of PF Model Unit
March 2014: Senior Executive Officer and Director, Executive General Manager of 1st Business Unit, MC Business Operations and Chief General Manager of PF Model Unit
January 2015: Senior Executive Officer and Director, Chief General Manager of MC Business Operations and Executive General Manager of 1st Business Unit, MC Business Operations
July 2015: Senior Executive Officer and Director, Chief General Manager of MC Business Operations, and Executive General Manager of Overseas Market Development Operation Business Unit
January 2016: Senior Executive Officer and Director, Chief General Manager of MC Business Operations
March 2016: Managing Executive Officer and Director, Chief General Manager of MC Business Operations (to present)

I Director (Outside) Tamotsu Adachi

April 1977: Joined Mitsubishi Corporation
January 1988: Joined McKinsey & Company, Inc. Japan
June 1995: Partner of McKinsey & Company, Inc. Japan
March 1997: Managing Director of Business Development Department, GE Capital Japan
March 1999: President and CEO of Japan Lease Auto Co.
December 2000: President and CEO of GE Fleet Services Co.
May 2003: Managing Director and Japan Representative of Carlyle Japan LLC
June 2003: Outside Director of Benesse Corporation (currently Benesse Holdings, Inc.)
November 2007: Managing Director and Co-Representative of Carlyle Japan LLC (to present)
June 2009: Outside Director of Benesse Corporation (currently Benesse Holdings, Inc.) (to present)
March 2013: Outside Director (to present)

G Director Toshizumi Kato

June 1986: Joined the Company
January 2011: Director and President of Yamaha Motor Corporation, U.S.A.
March 2012: Senior Executive Officer, Director
March 2014: Senior Executive Officer and Director
January 2015: Senior Executive Officer and Director, Chief General Manager of Vehicle & Solution Business Operations and Senior General Manager of Financial Service Business Development Section
January 2016: Senior Executive Officer and Director, Chief General Manager of Vehicle & Solution Business Operations
March 2016: Managing Executive Officer and Director, Chief General Manager of Vehicle & Solution Business Operations (to present)

J Director (Outside) Takuya Nakata

April 1981: Joined Nippon Gakki Co., Ltd. (currently Yamaha Corporation)
October 2005: General Manager of PA/DMI Division of Yamaha Corporation
June 2006: Executive Officer of Yamaha Corporation
June 2009: Director & Executive Officer of Yamaha Corporation
April 2010: President of Yamaha Corporation of America
June 2010: Senior Executive Officer of Yamaha Corporation
June 2013: President and Representative Director of Yamaha Corporation (to present)
March 2014: Outside Director (to present)

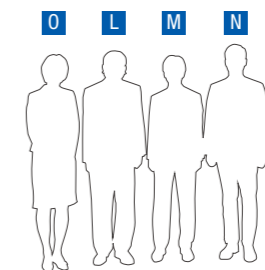
H Director Yoichiro Kojima

April 1981: Joined the Company
March 2012: Senior Executive Officer, and Executive General Manager of ME Business Unit, Marine Business Operations
January 2013: Director and President of PT. Yamaha Indonesia Motor Manufacturing
March 2015: Director and President of Yamaha Indonesia Motor Manufacturing
January 2016: Senior Executive Officer and Director, Deputy Chief General Manager of New Business Development Center, and Senior General Manager of New Land Vehicle Business Development Section, New Business Development Center (to present)

K Director (Outside) Atsushi Niimi

April 1971: Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)
June 2000: Director of Toyota Motor Corporation
June 2003: Managing Officer of Toyota Motor Corporation
June 2004: Director of Toyota Motor Corporation
June 2005: Senior Managing Director of Toyota Motor Corporation
June 2009: Executive Vice President, Member of the Board of Toyota Motor Corporation
June 2013: President and Representative Director of Yamaha Corporation (to present)
March 2014: Outside Director (to present)
June 2013: Chairman & Representative Director of JTEKT Corporation (to present)
March 2015: Outside Director (to present)

Audit & Supervisory Board Members



L Standing Audit & Supervisory Board Member Hiroshi Ito

April 1980: Joined the Company
January 2011: Director and President of Yamaha Motor Manufacturing Corporation of America
January 2015: Chief General Manager in charge of planning, Corporate Planning Division, Corporate Planning & Finance Center
March 2015: Audit & Supervisory Board Member (to present)

N Audit & Supervisory Board Member (Outside) Isao Endo

April 1979: Joined Mitsubishi Electric Corporation
October 1988: Joined Boston Consulting Group
October 1992: Joined Andersen Consulting (currently Accenture)
September 1997: Partner and Director of Booz Allen Hamilton (currently Booz & Company)
May 2000: Managing partner of Roland Berger Japan
April 2006: Chairman of Roland Berger Japan (to present)
April 2006: Professor, Graduate School of Commerce, Waseda University
May 2011: Outside Director of Ryojin Keikaku Co., Ltd. (to present)
March 2013: Outside Audit & Supervisory Board Member (to present)
June 2014: Outside Director of Sampo Japan Nipponkoa Holdings, Inc. (to present)
Outside Director of Nishin Steel Co., Ltd. (to present)

O Audit & Supervisory Board Member (Outside) Tomomi Yatsu

April 1983: Joined Tokyo Electron Limited
October 1986: Joined Tohmatsu Awaki & Sarwa (currently Deloitte Touche Tohmatsu LLC)
September 1990: Registered as a certified public accountant
November 2001: Registered as an attorney
Joined New Tokyo Law Office
(currently Bingham Sakai Mimura Aizawa-Foreign Law Joint Enterprise)
April 2007: Partner of Bingham Sakai Mimura Aizawa-Foreign Law Joint Enterprise (to present)
June 2009: Outside Audit & Supervisory Board Member of CALBEE, Inc. (to present)
June 2010: Outside Audit & Supervisory Board Member of Taiho Pharmaceutical Co., Ltd.
March 2012: Outside Statutory Auditor of Kokuyo Co., Ltd.
March 2015: Outside Audit & Supervisory Board Member (to present)
April 2015: Partner of TMI Associates (to present)

M Standing Audit & Supervisory Board Member Kenji Hironaga

April 1982: Joined the Company
February 2010: General Manager of Human Resources Development Division, Human Resources & General Affairs Section
September 2014: Chief General Manager in charge of planning, Audit & Supervisory Board Member's Office
March 2015: Audit & Supervisory Board Member (to present)

Executive Officers

President and Chief Executive Officer Hiroyuki Yanagi Chief General Manager of Corporate Planning & Finance Center		Executive Vice President Takaaki Kimura Chief General Manager of Technology Center and Chief General Manager of Marine Business Operations		
Managing Executive Officer Kozo Shinozaki Chief General Manager of Corporate Planning & Finance Center	Managing Executive Officer Nobuya Hideshima Chief General Manager of Engine Unit	Managing Executive Officer Masahiro Takizawa Chief General Manager of New Business Development Center	Managing Executive Officer Katsuaki Watanabe Chief General Manager of Motorcycle Business Operations	Managing Executive Officer Toshizumi Kato Chief General Manager of Vehicle & Solution Business Operations
Senior Executive Officer Yoichiro Kojima Deputy Chief General Manager of New Business Development Center and Senior General Manager of New Land Vehicle Business Development Section, New Business Development Center	Senior Executive Officer Ryouichi Sumioka Deputy Chief General Manager of Corporate Planning & Finance Center	Senior Executive Officer Hiroaki Fujita Managing Director of Yamaha Motor India Pvt. Ltd.	Senior Executive Officer Katsuhito Yamaji Chief General Manager of Manufacturing Center	Senior Executive Officer Makoto Shimamoto Chief General Manager of PF Model Unit and Senior General Manager of PF Model Development Section, PF Model Unit
Executive Officer Masaru Ono Chief General Manager of CS Center	Executive Officer Masaki Asano Managing Director of Yamaha Motor India Sales Pvt. Ltd.	Executive Officer Yoshitaka Noda Senior General Manager of Component Section, Engine Unit	Executive Officer Masahiro Inoue Chief General Manager of Procurement Center, and General Manager of Procurement Planning Division, Procurement Center, and Senior General Manager of Cost Innovation Section, PF Model Unit	Executive Officer Kazuhiro Kuwata President of Yamaha Motor Europe N.V.
Executive Officer Yoshihiro Hidaka Executive General Manager of 1st Business Unit, Motorcycle Business Operations, and General Manager of Southeast & East Asia Sales Division, 1st Business Unit, Motorcycle Business Operations	Executive Officer Tatsumi Okawa President of Yamaha Motor Corporation, U.S.A. and Deputy Chief General Manager of Marine Business Operations	Executive Officer Junzo Saitoh Chief General Manager of Human Resources & General Affairs Center	Executive Officer Akihiro Nagaya Chief General Manager of Design Center	Executive Officer Heiji Maruyama Deputy Chief General Manager of Engine Unit, and Senior General Manager of Engine Development Section, Engine Unit, and Executive General Manager of Automotive Business Unit
Executive Officer Hirofumi Usui Senior General Manager of Marketing Section, Marine Business Operations	Executive Officer Satohiko Matsuyama Executive General Manager of Recreational Vehicle Business Unit, Vehicle & Solution Business Operations	Executive Officer Minoru Morimoto President of PT. Yamaha Indonesia Motor Manufacturing	Executive Officer Yasuo Tanaka Senior General Manager of After Sales Section, CS Center	Executive Officer Motofumi Shitara Executive General Manager of Marine Engine Business Unit, Marine Business Operations
Executive Officer Eric de Seynes COO of Yamaha Motor Europe N.V.	Executive Officer Dyonisius Beti COO of PT. Yamaha Indonesia Motor Manufacturing	CS: Customer Service PF: Platform		

Comments from an Outside Director and Outside Audit & Supervisory Board Member



Tamotsu Adachi
Outside Director

With the Corporate Governance Code having taken effect, the role of an Outside Directors has become even more important. In essence, I believe it is vital for Outside Directors to provide guidance based on their experience without the Company, taking a comprehensive view of corporate management. From this perspective, in addition to participating in deliberations about how to enhance corporate value over the medium to long term and monitoring the implementation of such decisions, I intend to offer proactive input on other important issues that are central to determining corporate value, including organizational issues and compliance and risk management.

Yamaha Motor provides many opportunities for Outside Directors to give input, such as at Board of Directors' meetings, as well as at Management Research Committee and Executive Personnel Committee meetings, and has established a culture whereby management makes active use of this input. I believe that this fundamental stance and culture function very effectively as a foundation for proper corporate governance.

To ensure Yamaha Motor continues to develop going forward, I believe it is important to expand new businesses while also raising current levels of productivity and efficiency at existing businesses to generate solid cash flow. We will leverage these positive developments to create innovative, unique products, and popularizing these products around the world, to lay a sure path toward continuous growth. I hope that Outside Directors can make further contributions to these discussions.



Tomomi Yatsu
Outside Audit & Supervisory Board Member

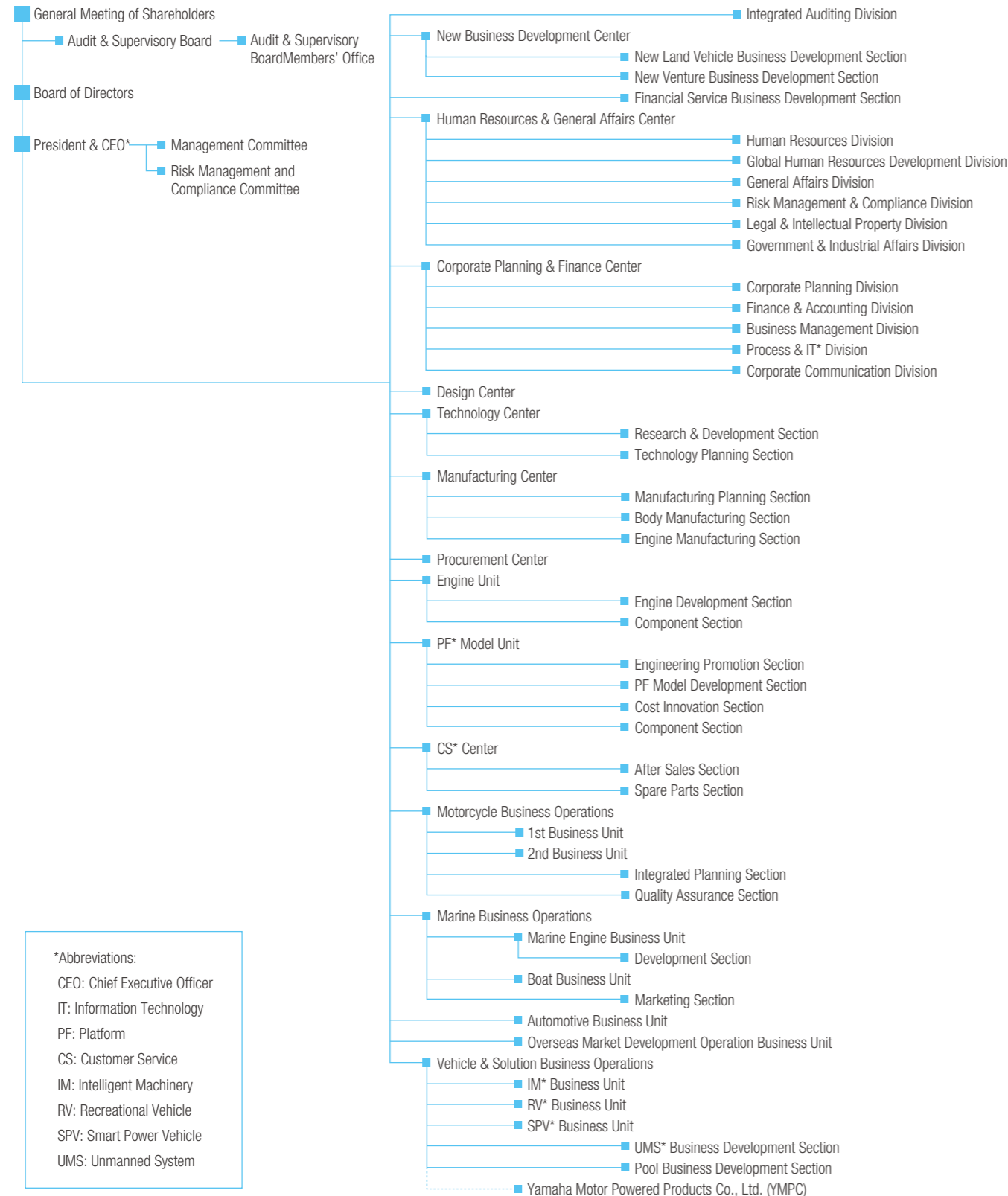
With the establishment last year of the Corporate Governance Code that lays out the main principles of effective corporate governance, "offensive governance" that contributes to enhanced corporate value has gained momentum in Japan. The Board of Directors of Yamaha Motor has favored offensive governance since before the Corporate Governance Code was enacted, and has striven to fulfill the responsibilities of a global company through proactive deliberations of management issues including management vision and strategy from a long-term perspective.

Like the motorcycles that Yamaha Motor manufactures, a powerful engine and a reliable brake are indispensable for a company's continuous growth, and technologies for effective operations are necessary as well. Yamaha Motor has strong leadership, and its management carefully listens to the opinions of Outside Directors as well. Going forward, I expect the Company to maintain a determined course as it navigates an increasingly complex and challenging business environment.

Outside Directors act as a crucial "protection" for the Board of Directors, offering advice from diverse viewpoints. From my perspective as a woman, and also as a specialist in law and accounting, I hope to contribute to the enhancement of Yamaha Motor's corporate value as a company that is loved by everyone.

Organization

Yamaha Motor Co., Ltd., as of April 1, 2016



Five-Year Summary

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2011, 2012, 2013, 2014 and 2015

	Millions of yen				
	2011	2012	2013	2014	2015
For the year ended					
Net sales	¥1,276,159	¥1,207,675	¥1,410,472	¥1,521,207	¥1,615,350
Sales by market:					
Japan	146,503	152,283	147,806	162,824	166,017
Overseas	1,129,656	1,055,391	1,262,665	1,358,383	1,449,333
Sales by product:					
Motorcycles	887,556	798,676	928,203	977,580	1,015,986
Marine products	178,929	196,320	243,362	276,367	303,433
Power products	100,257	103,588	126,722	142,204	161,450
Industrial machinery and robots	34,326	30,813	32,261	38,942	48,699
Other products	75,089	78,276	79,922	86,113	85,780
Cost of sales	1,000,113	972,607	1,091,706	1,148,357	1,187,927
Operating income	53,405	18,598	55,137	87,249	120,436
Ordinary income	63,495	27,267	60,092	97,279	125,231
Net income	26,960	7,489	44,057	68,452	60,023
Capital expenditures	45,049	48,788	56,800	65,871	64,064
Depreciation expenses	33,578	34,278	36,407	37,667	44,324

At year-end					
Total assets	¥ 900,420	¥ 962,329	¥1,146,591	¥1,310,040	¥1,305,236
Net assets	309,914	341,561	422,792	503,224	531,700

Yen					
Per share amounts					
Net income—basic	¥ 77.23	¥ 21.45	¥ 126.20	¥ 196.06	¥ 171.89
Net income—diluted	77.23	—	126.20	196.04	171.88
Cash dividends	15.50	10.00	26.00	40.00	44.00
Number of employees	54,677	53,958	53,382	52,662	53,306

*Abbreviations:
CEO: Chief Executive Officer
IT: Information Technology
PF: Platform
CS: Customer Service
IM: Intelligent Machinery
RV: Recreational Vehicle
SPV: Smart Power Vehicle
UMS: Unmanned System

Financial Data by Market

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2014 and 2015

Motorcycle unit sales by market

	Thousand units	Thousand units	% change
	2014	2015	2015/2014
Japan	123	110	(11.1)%
North America	79	89	13.0
Europe	191	209	9.4
Asia ^{Note}	4,819	4,286	(11.1)
Others	587	524	(10.7)
Total	5,799	5,218	(10.0)%

Note Excluding Japan

Sales by market

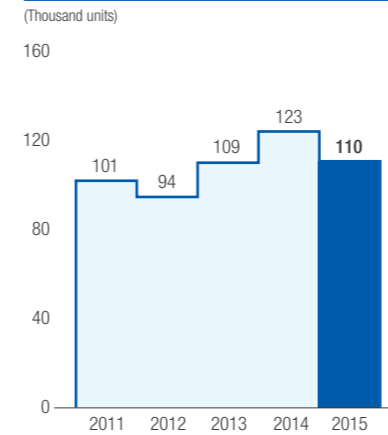
	Motorcycles			Marine products			Power products		
	Millions of yen	% change		Millions of yen	% change		Millions of yen	% change	
	2014	2015	2015/2014	2014	2015	2015/2014	2014	2015	2015/2014
Japan	¥45,987	¥46,289	0.7%	¥26,612	¥26,607	(0.0)%	¥17,204	¥15,586	(9.4)%
North America	53,357	67,575	26.6	145,081	176,488	21.6	84,467	110,055	30.3
Europe	116,037	136,185	17.4	41,697	39,187	(6.0)	23,011	17,456	(24.1)
Asia ^{Note}	612,159	628,705	2.7	16,051	18,696	16.5	5,723	5,931	3.6
Others	150,038	137,231	(8.5)	46,924	42,454	(9.5)	11,796	12,420	5.3
Total	¥977,580	¥1,015,986	3.9%	¥276,367	¥303,433	9.8%	¥142,204	¥161,450	13.5%

	Industrial machinery and robots			Other products		
	Millions of yen	% change		Millions of yen	% change	
	2014	2015	2015/2014	2014	2015	2015/2014
Japan	¥13,776	¥19,359	40.5%	¥59,242	¥58,174	(1.8)%
North America	2,012	2,792	38.8	2	0	(78.5)
Europe	5,206	4,793	(7.9)	2,240	4,971	121.9
Asia ^{Note}	17,409	20,901	20.1	3,687	3,312	(10.2)
Others	538	851	58.3	20,940	19,322	(7.7)
Total	¥38,942	¥48,699	25.1%	¥86,113	¥85,780	(0.4)%

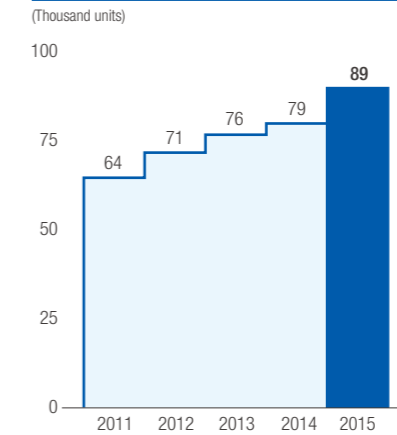
Note Excluding Japan

Motorcycle unit sales

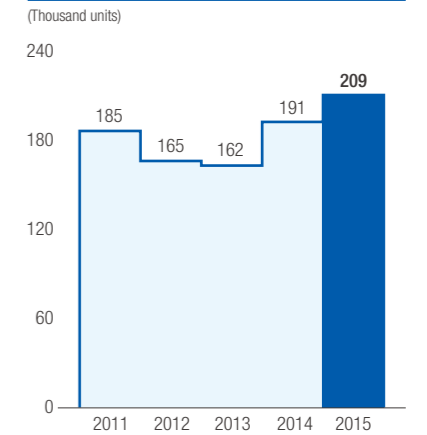
Japan



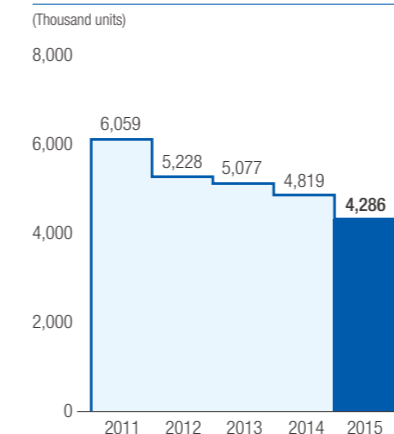
North America



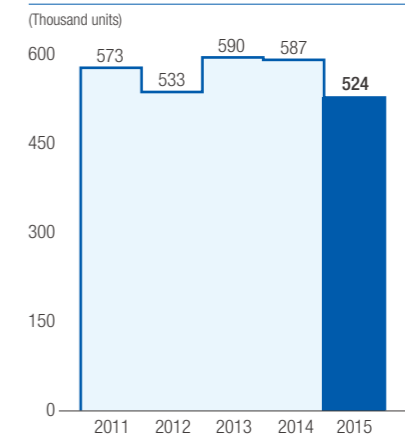
Europe



Asia



Others



Management Discussion and Analysis of Operations

Overview

During the fiscal year ended December 31, 2015 (fiscal 2015), the U.S. economy continued to show a gradual recovery driven by domestic demand, while the gradual recovery of the European economy also continued, led by personal consumption despite a backdrop of geopolitical risks including terrorist attacks. Japan's underlying tone of economic recovery continued despite weak personal consumption. The impact of falling resource prices, the economic downturn in China and currency depreciation strengthened the sense of deceleration in emerging countries such as Asia and Central and South America, among others.

In terms of the Company's major markets, there was a gradual recovery in demand for motorcycles and outboard motors in the United States, and motorcycle demand rebounded in Europe. In Japan, motorcycle demand declined, while demand for electrically power assisted bicycles remained flat versus the previous year. The emerging markets of Vietnam, the Philippines, and Taiwan experienced a growth in demand, but demand contracted in Indonesia, Brazil, and China, among other emerging markets.

Against this backdrop, the Company's consolidated net sales for the fiscal year rose ¥94.1 billion, or 6.2%, year on year, to ¥1,615.4 billion, and operating income rose ¥33.2 billion, or 38.0%, to ¥120.4 billion.

Sales Performance by Business Segment

Motorcycles

Overall net sales of the motorcycle business rose ¥38.4 billion, or 3.9%, year on year, to ¥1,016.0 billion, and operating income rose ¥9.0 billion, or 39.1%, to ¥31.9 billion.

In developed markets, unit sales rose in North America and Europe, while in Japan unit sales of large motorcycles rose, but unit sales of mopeds declined. Unit sales also increased in emerging markets including Vietnam, the Philippines, and Taiwan, but declines were recorded in Indonesia, Brazil, and China, among other emerging markets.

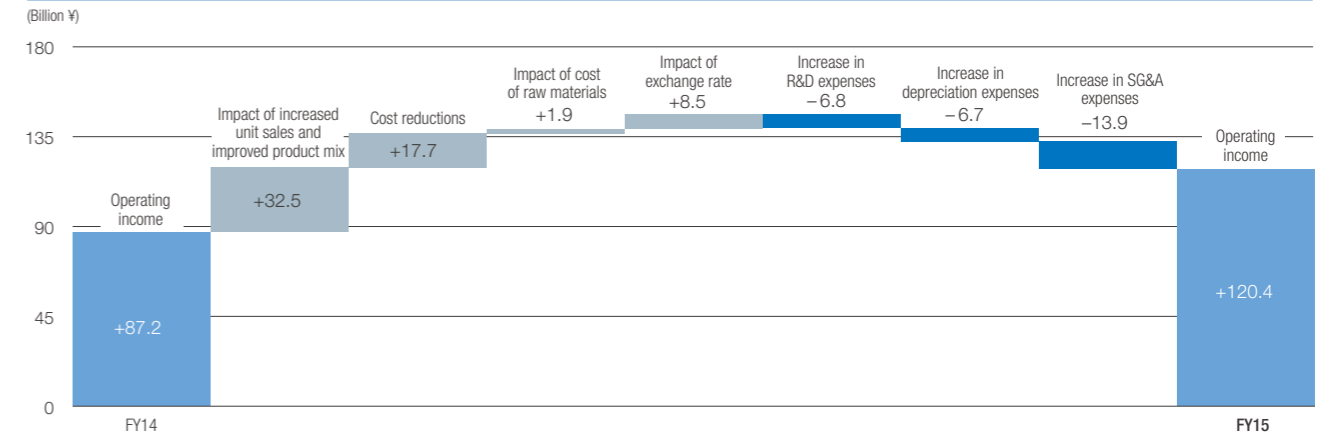
Net sales grew on the introduction of the MT series and other new products, and from increased sales of higher-priced products. Operating income was boosted by factors including increased unit sales, an improved product mix, and cost reductions, which offset the negative effects of emerging market currency depreciation and higher development expenses for overall profit growth.

Marine Products

Overall net sales of the marine products business rose ¥27.1 billion, or 9.8%, year on year, to ¥303.4 billion, and operating income rose ¥14.4 billion, or 31.5%, to ¥60.2 billion.

Sales and profit grew in North America on increased sales of large outboard motors and personal watercraft, and from yen depreciation.

Factors Impacting Operating Income



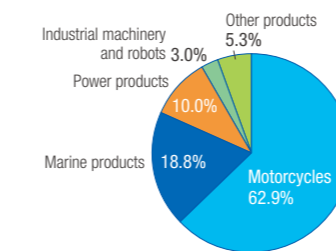
Power Products

Overall net sales of the power products business rose ¥19.2 billion, or 13.5%, year on year, to ¥161.5 billion, and operating income rose ¥6.7 billion, or 102.5%, to ¥13.2 billion.

Increased sales of recreational off-highway vehicles (ROVs), reflecting an enhanced product lineup, resulted in revenue and profit growth.

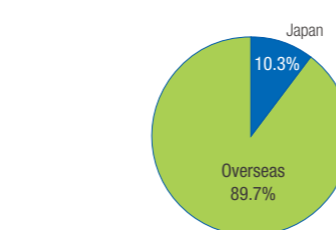
Percentage of sales by product segment

(Year ended December 31, 2015)



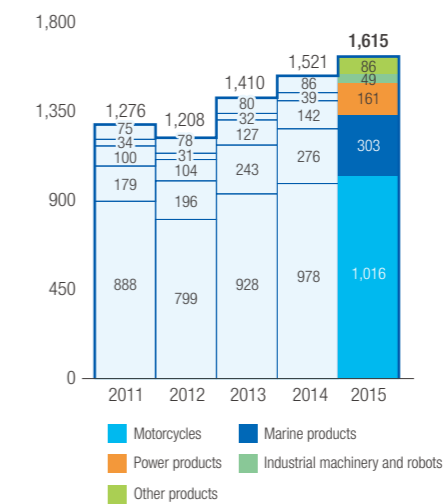
Percentage of sales by market

(Year ended December 31, 2015)



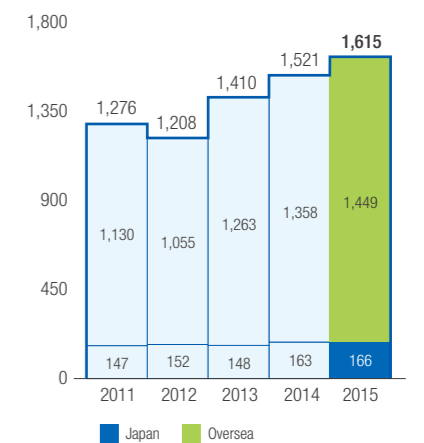
Sales by product segment

(Billion ¥)



Sales by market

(Billion ¥)



Industrial Machinery and Robots

Overall net sales of the industrial machinery and robots business rose ¥9.8 billion, or 25.1%, year on year, to ¥48.7 billion, and operating income rose ¥2.7 billion, or 54.2%, to ¥7.8 billion.

Unit sales of surface mounters grew, led by Asia and Japan. The business absorption via transfer of assets from the Hitachi High-Tech Group moved forward, contributing to sales growth.

Other Products

Overall net sales of the other products business decreased ¥0.3 billion, or 0.4%, year on year, to ¥85.8 billion, and operating income increased ¥0.4 billion, or 5.6%, to ¥7.4 billion.

Unit sales of electrically power assisted bicycles rose both in Japan and overseas, as a result of new products and the cultivation of new customers.

Sales Performance and Operating Income by Geographical Segment ^{Note 1}

Japan

Net sales in Japan increased ¥59.2 billion, or 9.0%, year on year, to ¥718.3 billion, and operating income increased ¥5.6 billion, or 15.1%, to ¥42.8 billion.

Unit sales grew, on increased sales of motorcycles in developed markets driven by the MT series, large outboard motors in North America, and electrically power assisted bicycles.

North America

Net sales in North America increased ¥78.1 billion, or 24.8%, year on year, to ¥393.4 billion, and operating income increased ¥15.4 billion, or 129.7%, to ¥27.2 billion.

Unit sales grew, mainly from large outboard motors and ROVs.

Europe

Net sales in Europe increased ¥8.6 billion, or 4.5%, year on year, to ¥198.9 billion, and operating income increased ¥5.5 billion, or 114.9%, to ¥10.3 billion.

Unit sales of motorcycles rose on the introduction of new products including the MT series.

Asia

Net sales in Asia (excluding Japan) increased ¥45.5 billion, or 6.3%, year on year, to ¥765.8 billion, and operating income increased ¥11.1 billion, or 40.3%, to ¥38.5 billion.

Unit sales of motorcycles grew in Vietnam, the Philippines and Taiwan but declined in Indonesia and China.

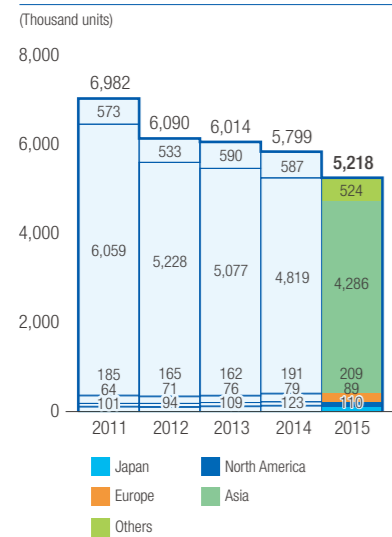
Others

Net sales in other areas decreased ¥20.6 billion, or 11.3%, year on year, to ¥162.0 billion, and operating income decreased ¥5.3 billion, or 52.8%, to ¥4.7 billion.

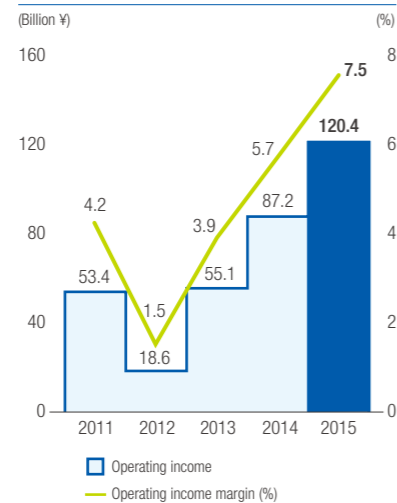
Unit sales of motorcycles declined in Brazil, Argentina, and other markets.

Note 1 Net sales by geographical segment information includes intersegment sales.

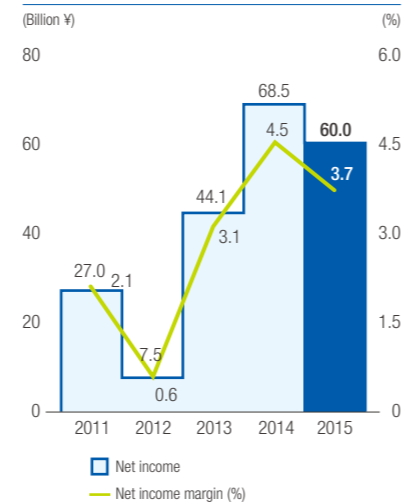
Motorcycle unit sales



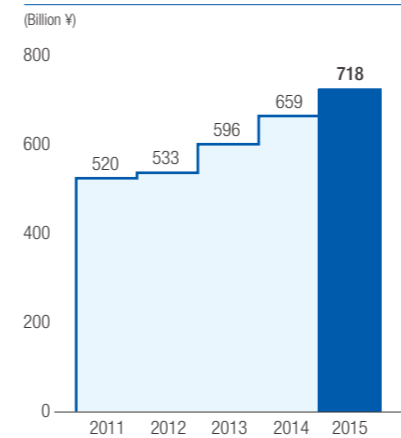
Operating income and operating income margin



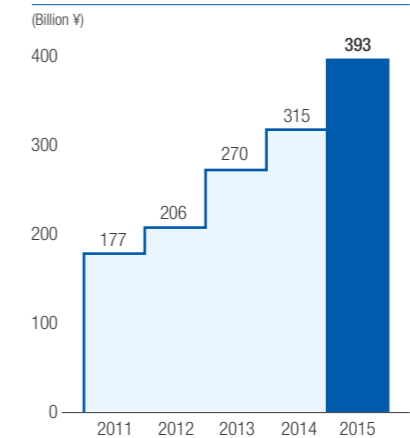
Net income and net income margin



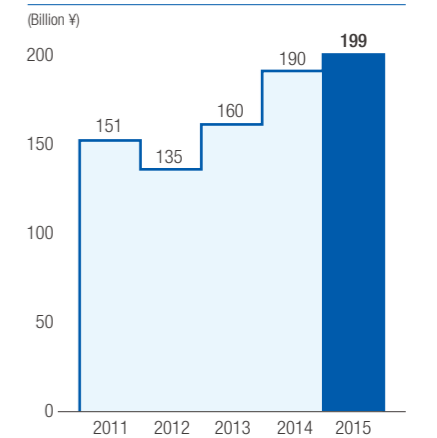
Sales by geographical segment — Japan ^{Note 1}



Sales by geographical segment — North America ^{Note 1}



Sales by geographical segment — Europe ^{Note 1}



Income and Expenses

R&D Expenses

The Yamaha Motor Group pursues continuous growth as an excellent engineering, manufacturing and marketing enterprise with a prominent presence in the global market, with the aim of being a “Kando Creating Company.” Our *Monozukuri* (engineering, manufacturing and marketing) standards are original and innovative concepts underpinned by outstanding technologies based on the unique style of Yamaha, projecting a “refined dynamism” in design. We continuously pursue the three areas of “fulfilling lifestyles,” “enjoyment in personal mobility,” and “innovative technologies that harmonize with people, the Earth and society” Our R&D activities seek to offer original, innovative solutions that build on our optimal control

technologies for power sources, vehicle bodies, boats and airframes, to create products that incorporate logic and emotion through core technologies including high performance, light weight, fuel efficiency and compactness, with an emphasis on original styling, shape, material and appeal to fascinate our customers.

By delivering products that embody the unique style of Yamaha, we seek to create strong connections with customers around the world. Our global R&D structure is at the core of these efforts, and we are proactively pursuing R&D activities in close cooperation with affiliated companies in Japan and overseas.

Under these circumstances, the Group’s overall R&D expenses were ¥91.3 billion.

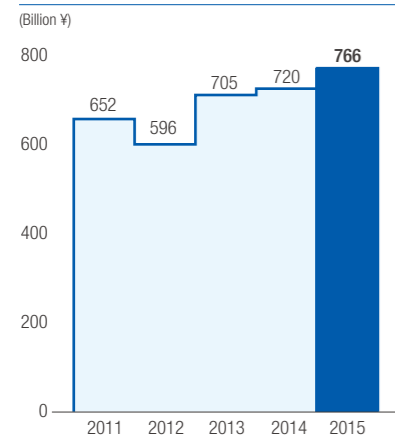
Non-Operating Income and Expenses

Net non-operating income was positive in the amount of ¥4.8 billion, which was ¥5.2 billion, or 52.2%, lower than in the previous year. This included ¥9.9 billion of interest income (compared with ¥7.8 billion in the previous year), a ¥2.0 billion of gain on revaluation of sales finance assets (compared with a year-earlier ¥0.7 billion of loss) and ¥1.9 billion of sales finance-related income (compared with ¥0.5 billion) at North American subsidiaries, and foreign exchange losses of ¥9.2 billion (compared with a ¥5.1 billion gain last year) at subsidiaries in mainly Asia and Central and South America.

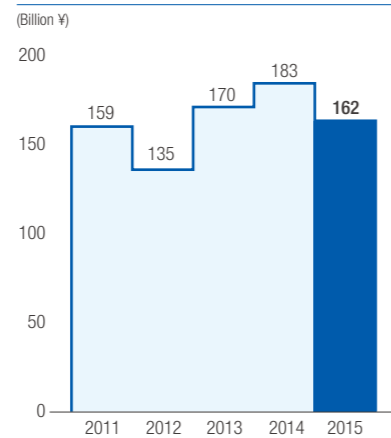
Extraordinary Income and Loss

Net extraordinary income was negative in the amount of ¥2.6 billion, compared with a positive ¥0.5 billion in the previous year. This was mainly from a loss on sales of non-current assets totaling ¥1.3 billion (compared with ¥0.2 billion in the previous year), a loss on disposal of non-current assets of ¥1.1 billion (compared with ¥1.0 billion in the previous year), and a gain on sales of non-current assets of ¥0.5 billion (compared with ¥0.4 billion in the previous year) at the Company and Japanese subsidiaries.

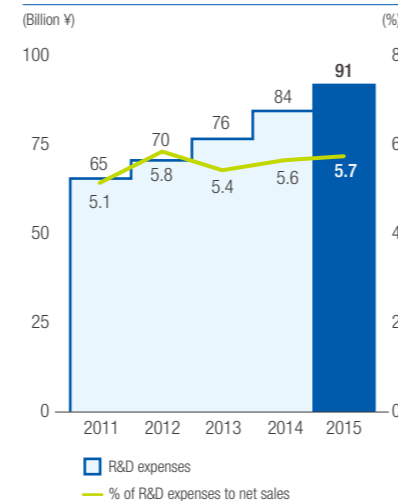
Sales by geographical segment —Asia ^{Note 1}



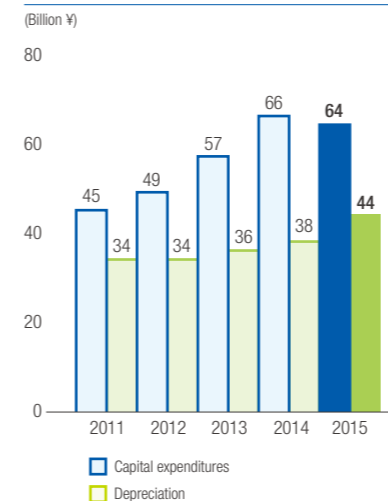
Sales by geographical segment —Others ^{Note 1}



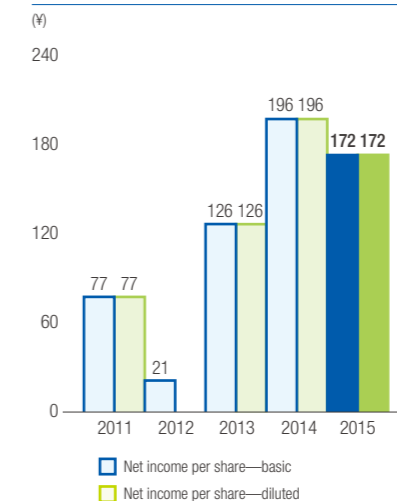
R&D expenses and % of R&D expenses to net sales



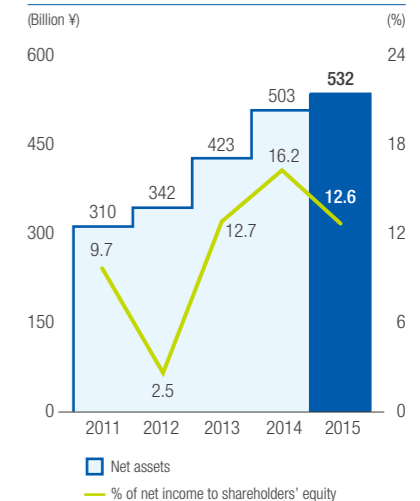
Capital expenditures and depreciation



Net income per share



Net assets and % of net income to shareholders’ equity



Note Net income per share—diluted for fiscal 2012 is not listed as there were no potential shares with dilutive effect.

Income Taxes

Income taxes increased ¥29.9 billion, or 123.0%, year on year, to ¥54.2 billion. This increase included the additional payment of ¥35.6 billion of corporate income taxes by U.S. subsidiaries as a result of a mutual agreement procedure between Japan and U.S. tax authorities regarding the Advance Pricing Agreement pertaining to transfer pricing (APA) and the additional recording of ¥14.4 billion of deferred tax assets at the Company.

Minority Interests in Income

Minority interests in income include interests owned by minority shareholders in Yamaha Motor Vietnam Co., Ltd., Yamaha Motor Taiwan Co., Ltd., PT. Yamaha Indonesia Motor Manufacturing, Industria Colombiana de Motocicletas Yamaha S.A., and India Yamaha Motor Pvt. Ltd., and increased ¥3.4 billion, or 66.5%, from the previous year, to ¥8.4 billion.

Capital Resources and Liquidity

Assets, Liabilities and Total Net Assets

Total assets as of December 31, 2015, decreased ¥4.8 billion compared with December 31, 2014, to ¥1,305.2 billion. Current assets declined ¥1.1 billion. Despite an increase in finance receivables related to the commencement of in-house wholesale finance operations in Canada, decreases in cash and deposits and the effects of foreign exchange rates resulted in an overall decrease. Non-current assets declined ¥3.7 billion, primarily from the effects of foreign exchange rates.

Total liabilities decreased ¥33.3 billion, to ¥773.5 billion, mainly from reductions in claims payable—trade and net defined benefit liability, as well as from the effects of foreign exchange rates.

Total net assets increased ¥28.5 billion, to ¥531.7 billion, reflecting such factors as net income of ¥60.0 billion, dividends paid of ¥24.4 billion, and a change in foreign currency translation adjustment of ¥27.5 billion due to yen depreciation. As a result, the shareholders' equity ratio as of December 31, 2015 was 37.6% (an

improvement of 2.5 percentage points from the end of the previous fiscal year). The net debt-equity ratio remained at 0.6 times, the same as at the end of the previous fiscal year.

Note 2 Equity ratio: (Shareholders' equity + Accumulated other comprehensive income) / Total assets x 100 (%)

Capital Expenditures

The Group made investments of ¥64.1 billion in total during fiscal 2015.

The motorcycle business invested ¥37.7 billion for new products and to increase production capacity in India and Pakistan. The marine products business invested ¥10.8 billion for new products, R&D, and the restructuring of the domestic manufacturing system. The power products business invested ¥9.8 billion, which included new products of ROVs. The industrial machinery and robots business invested ¥2.1 billion, and expenditures at the other products business totaled ¥3.6 billion.

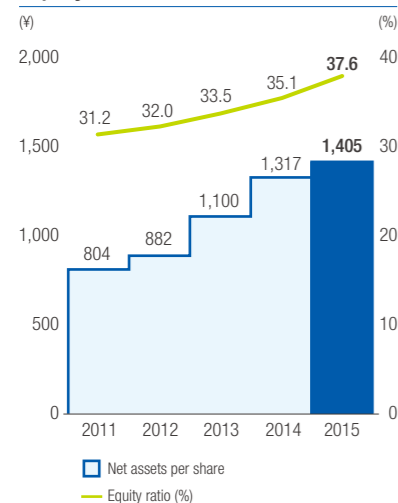
Cash Flows

Net cash provided by operating activities during fiscal 2015 was ¥24.0 billion (compared with ¥93.6 billion provided in fiscal 2014), with income before taxes and minority interests of ¥122.6 billion (¥97.8 billion) more than offsetting factors including a ¥66.8 billion increase (a year-earlier ¥28.3 billion increase) in working capital associated with an increase in receivables from the commencement of in-house wholesale finance operations in Canada and increased sales, and the additional corporate income tax payment in the U.S. associated with the APA.

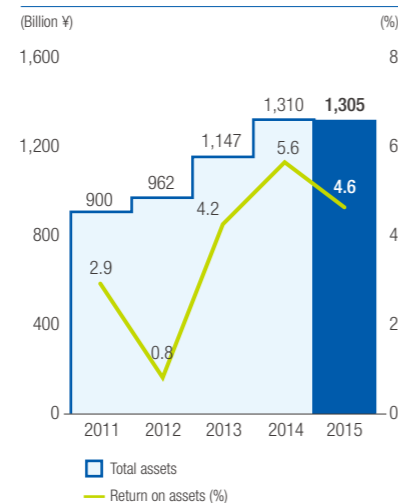
Net cash used in investing activities during fiscal 2015 was ¥64.0 billion (¥72.5 billion in net cash used during fiscal 2014), as a result of factors including ¥67.5 billion for capital investments for production capacity increases in India and purchase of intangible assets by the Company (¥61.9 billion).

Net cash provided by financing activities during fiscal

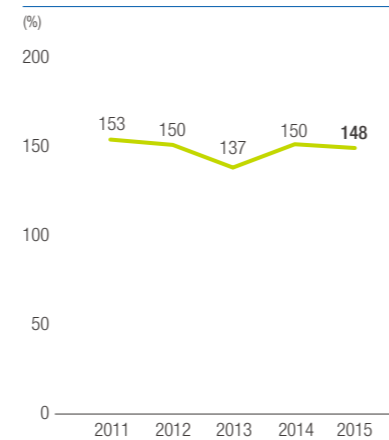
Net assets per share and equity ratio Note 2



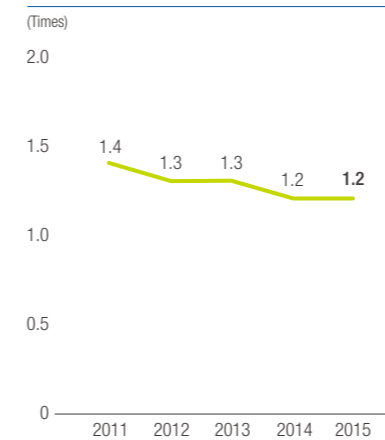
Total assets and return on assets



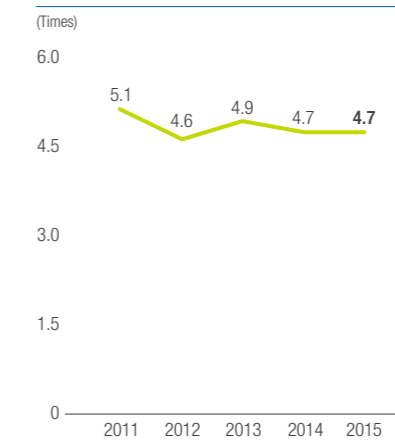
Current ratio



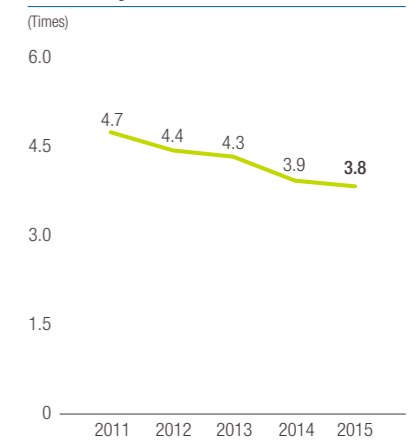
Total asset turnover



Property, plant and equipment turnover



Inventory turnover



2015 was ¥6.8 billion (¥8.9 billion in net cash used during fiscal 2014), due to factors including fund procurement for working capital and sales finance.

As a result of the activities discussed above, free cash flows for fiscal 2015 were a negative ¥40.0 billion (compared with a ¥21.1 billion positive free cash flow in fiscal 2014). Interest-bearing debt at the end of the fiscal year was ¥410.1 billion (a ¥6.5 billion increase), and cash and cash equivalents totaled ¥107.6 billion (a ¥29.7 billion decrease). Interest-bearing debt included ¥202.5 billion (a ¥15.8 billion increase) in borrowings for sales finance.

Demand for Funds

The Group's fund requirements are primarily 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 for products and merchandise, SG&A expenses, working capital and capital expenditures.

Cash Dividends

Recognizing that shareholders' interests represent one of the Company's highest management priorities, the Company has been striving to meet shareholder expectations by working to maximize its corporate value.

The Company aims to provide shareholder returns through comprehensive consideration of the business environment, including business performance, retained earnings, and a balance between aggressive growth investments and stock dividends and loan repayments, while maintaining a minimum dividend payout ratio of 20% of consolidated net income for fiscal 2015.

The Company decided to pay a year-end dividend of ¥22 per share for fiscal 2015. Added to the interim dividend (¥22 per share), this gave a total dividend for the year of ¥44 per share.

Fund Procurement Conditions

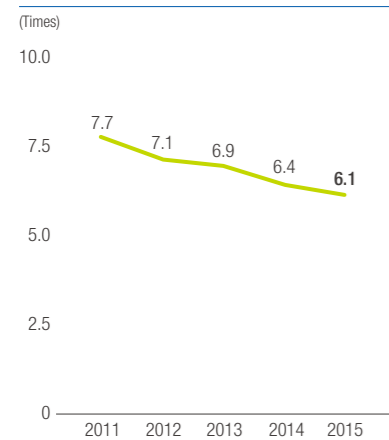
Group companies acquire short-term loans payable denominated in local currencies to use as working capital. Meanwhile, funds for plant and equipment investment come primarily from internal reserves, including paid-in capital and retained earnings.

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

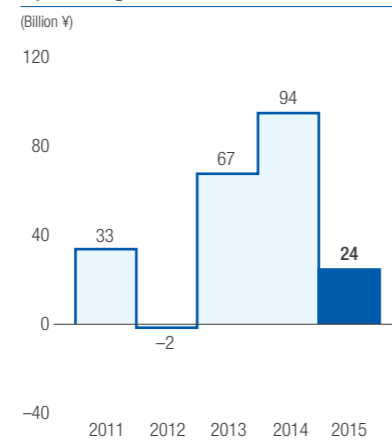
	(Billion ¥)						
	Total	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Short-term loans payable	220.7	220.7	—	—	—	—	—
Long-term loans payable	189.5	39.2	54.8	48.7	41.8	0.9	4.2

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

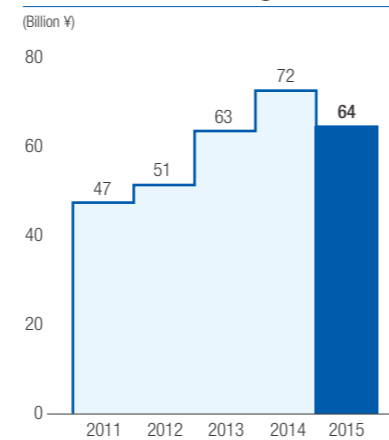
Account receivable turnover



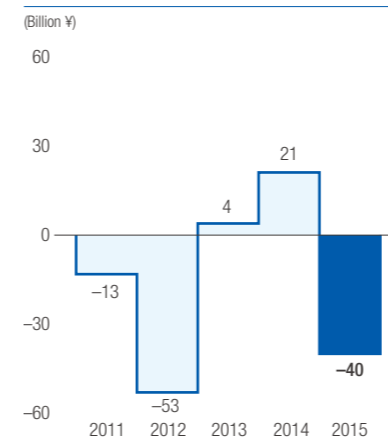
Cash provided by (used in) operating activities



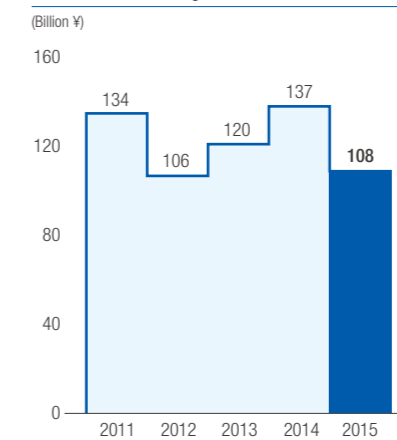
Cash used in investing activities



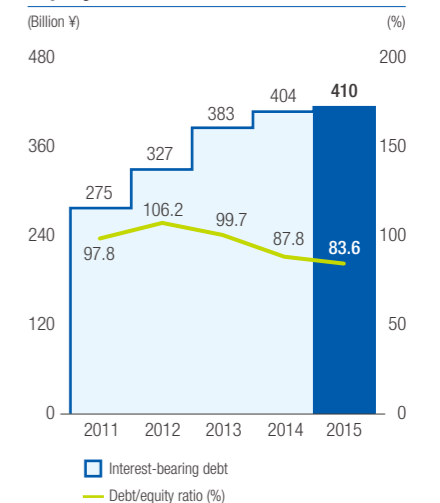
Free cash flows



Cash and cash equivalents at the end of the year



Interest-bearing debt and debt/equity ratio



Share Performance

Price per share increased from ¥2,442 at December 31, 2014 to ¥2,744 at December 31, 2015. The number of shares outstanding, excluding treasury stock, increased from 349,174,408 shares at December 31, 2014 to 349,221,663 shares at December 31, 2015.

As a result, the market capitalization of the Company increased from ¥852.7 billion at December 31, 2014 to ¥958.3 billion at December 31, 2015.

Forecast for Fiscal 2016

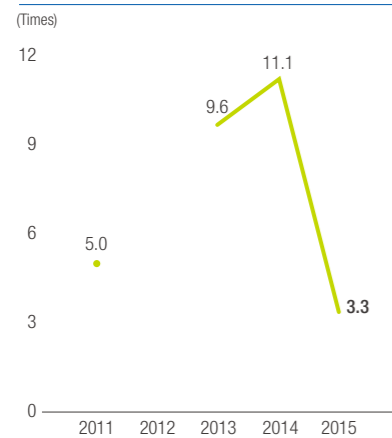
The Company's demand forecast for major businesses in 2016 is for continued solid macroeconomic conditions in developed markets, but with uncertainty continuing in emerging markets due to declining resource prices and weaker currencies in countries like Indonesia and Brazil.

Given these expectations, the Company plans to increase the earnings power of all its businesses. This will be achieved by further developing the market for platform models in the motorcycle business, leveraging the strength of the brand to maintain high profitability in the

marine products business, and strengthening the sports segment for ROVs in the power products business. These earnings will then be invested to facilitate lasting growth, with the aim of evolving into "a unique company that continues to achieve dynamic milestones."

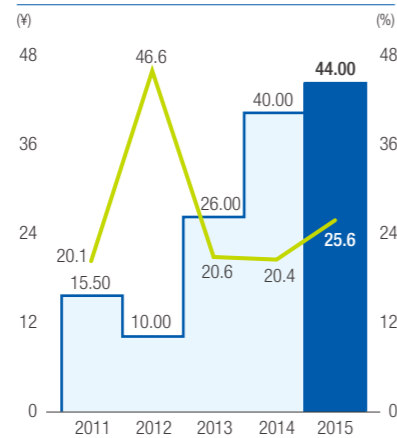
The forecast is based on the assumption that the exchange rates are ¥117 against the U.S. dollar (an appreciation of ¥4 from fiscal 2015) and ¥127 against the euro (an appreciation of ¥7 from fiscal 2015).

Interest coverage



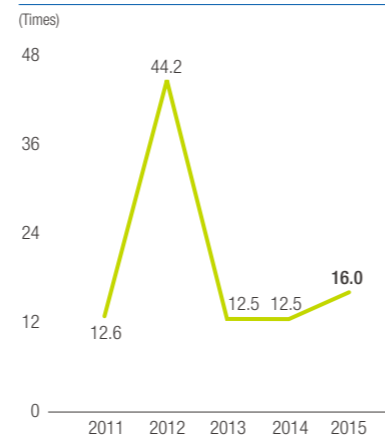
Note Interest coverage for fiscal 2012 is not listed, due to the negative status of cash flow from operating activities during the period.

Cash dividends per share and payout ratio



Legend: Cash dividends per share (Bar), Payout ratio (%) (Line)

Price/earnings ratio



Investor Information

As of December 31, 2015

Yamaha Motor Co., Ltd.

Headquarters

2500 Shingai, Iwata, Shizuoka 438-8501, Japan
Telephone: +81-538-37-0134
Facsimile: +81-538-37-4250

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.
PT. Yamaha Indonesia Motor Manufacturing
Yamaha Motor Vietnam Co., Ltd.
Yamaha Motor Taiwan Co., Ltd.
India Yamaha Motor Pvt. Ltd.
Thai Yamaha Motor Co., Ltd.
Yamaha Motor do Brasil Ltda.

Capital Stock

Authorized: 900,000,000 shares
Issued: 349,898,284 shares
Number of Shareholders: 34,214

Principal Shareholders

Yamaha Corporation	12.19%
State Street Bank & Trust Company	10.80
Japan Trustee Services Bank, Ltd. (trust account)	5.47
The Master Trust Bank of Japan, Ltd. (trust account)	4.31
Toyota Motor Corporation	3.57
Mizuho Bank, Ltd.	3.38
Mitsui & Co., Ltd.	2.45
The Shizuoka Bank, Ltd.	1.95
Japan Trustee Services Bank, Ltd. (trust account 9)	1.72
State Street Bank West Client Treaty 505234	1.16

Annual Meeting of Shareholders

The Ordinary General Meeting of Shareholders is held in March each year in Iwata, Shizuoka, Japan.

Securities Exchange

Tokyo Stock Exchange, Inc.

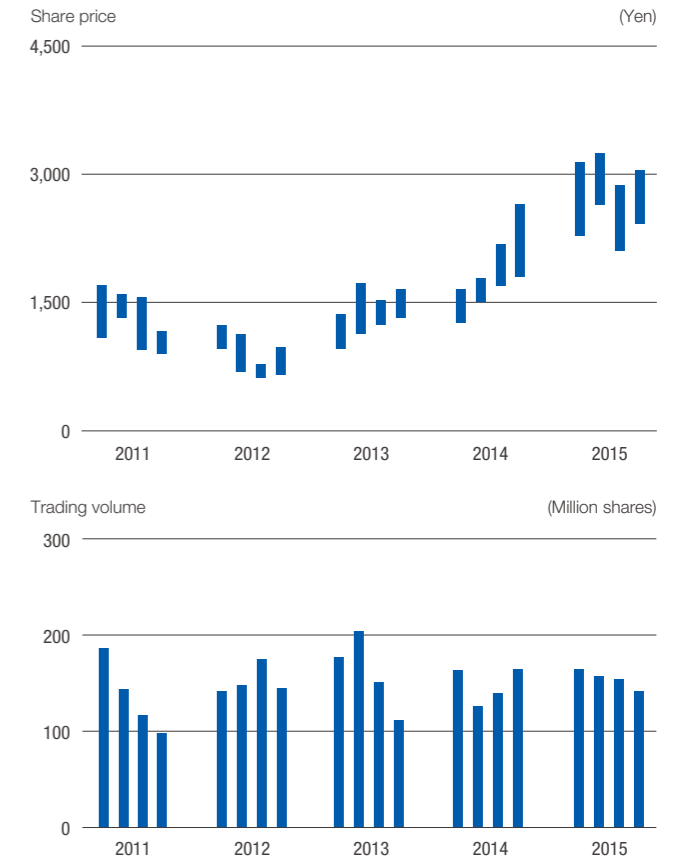
Transfer Agent for Capital Stock

Sumitomo Mitsui Trust Bank, Limited
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

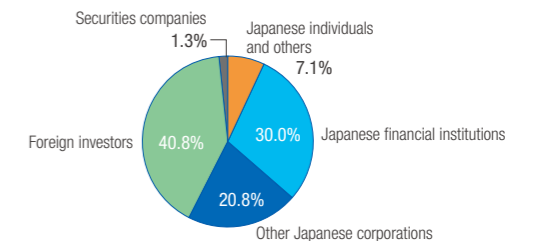
Auditor

Ernst & Young ShinNihon LLC

Yamaha Motor's Share Price and Trading Volume on the Tokyo Stock Exchange



Shareholder Composition



For further information, please contact:

Yamaha Motor Co., Ltd.
IR/SR Group, Corporate Communication Division
2500 Shingai, Iwata, Shizuoka 438-8501, Japan
Telephone: +81-538-37-0134
Facsimile: +81-538-37-4250
<http://global.yamaha-motor.com/ir/>

You are also invited to review the Fact Book and Financial Data on Yamaha Motor's website at <http://global.yamaha-motor.com/>



YAMAHA MOTOR CO., LTD.

2500 SHINGAI, IWATA, SHIZUOKA, JAPAN

www.yamaha-motor.co.jp



Enriching people's lives and livelihoods on
the land, water, snow and in the sky

