Five-Year Summary

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
Years ended December 31, 2009, 2010, 2011, 2012 and 2013

	Millions of yen				
	2009	2010	2011	2012	**2013**
For the year ended					
Net sales	¥1,153,642	¥1,294,131	¥1,276,159	¥1,207,675	**¥1,410,472**
Sales by market:					
Japan	130,437	142,378	146,503	152,283	**147,806**
Overseas	1,023,205	1,151,752	1,129,656	1,055,391	**1,262,665**
Sales by product:					
Motorcycles	817,058	914,211	887,556	798,676	**928,203**
Marine products	150,113	167,141	178,929	196,320	**243,362**
Power products	100,577	102,968	100,257	103,588	**126,722**
Industrial machinery and robots	—	34,758	34,326	30,813	**32,261**
Other products	85,893	75,051	75,089	78,276	**79,922**
Cost of sales	951,350	998,565	1,000,113	972,607	**1,091,706**
Operating income (loss)	(62,580)	51,308	53,405	18,598	**55,137**
Ordinary income (loss)	(68,340)	66,142	63,495	27,267	**60,092**
Net income (loss)	(216,148)	18,300	26,960	7,489	**44,057**
Capital expenditures	46,035	33,939	45,049	48,788	**56,800**
Depreciation expenses	53,701	36,594	33,578	34,278	**36,407**
At the year end					
Total assets	¥ 987,077	¥ 978,343	¥ 900,420	¥ 962,329	**¥1,146,591**
Net assets	249,266	310,809	309,914	341,561	**422,792**

	Yen				
Per share amounts					
Net income (loss)—basic	¥ (755.92)	¥ 55.50	¥ 77.23	¥ 21.45	**¥ 126.20**
Net income—diluted	—	55.50	77.23	—	**126.20**
Cash dividends	0.00	0.00	15.50	10.00	**26.00**
Number of employees	49,994	52,184	54,677	53,958	**53,382**

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

Financial Data by Market

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

Motorcycle unit sales by market

	Thousand units 2012	Thousand units 2013	% change 2013/2012
Japan	94	**109**	15.5%
North America	71	**76**	7.8
Europe	165	**162**	(1.7)
Asia [Note]	5,228	**5,077**	(2.9)
Others	533	**590**	10.7
Total	6,090	**6,014**	(1.2)%

Note Excluding Japan

Sales by market

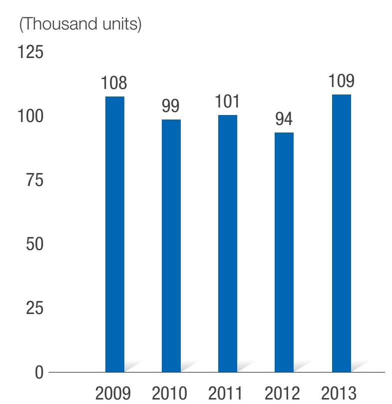
	Motorcycle			Marine products			Power products		
	Millions of yen		% change	Millions of yen		% change	Millions of yen		% change
	2012	**2013**	2013/2012	2012	**2013**	2013/2012	2012	**2013**	2013/2012
Japan	¥ 36,104	**¥37,361**	3.5%	¥ 26,723	**¥26,331**	(1.5)%	¥ 15,270	**¥15,943**	4.4%
North America	41,632	**50,315**	20.9	91,298	**124,658**	36.5	50,965	**68,053**	33.5
Europe	79,187	**88,985**	12.4	31,007	**36,844**	18.8	20,651	**25,413**	23.1
Asia [Note]	533,049	**610,030**	14.4	11,096	**12,053**	8.6	6,268	**6,870**	9.6
Others	108,702	**141,510**	30.2	36,194	**43,473**	20.1	10,432	**10,441**	0.1
Total	¥798,676	**¥928,203**	16.2%	¥196,320	**¥243,362**	24.0%	¥103,588	**¥126,722**	22.3%

	Industrial machinery and robots			Other products		
	Millions of yen		% change	Millions of yen		% change
	2012	**2013**	2013/2012	2012	**2013**	2013/2012
Japan	¥14,879	**¥12,179**	(18.1)%	¥59,306	**¥55,991**	(5.6)%
North America	1,327	**1,796**	35.4	2	**0**	(97.2)
Europe	2,231	**3,930**	76.1	732	**1,618**	120.9
Asia [Note]	12,152	**14,152**	16.5	3,088	**3,423**	10.9
Others	223	**202**	(9.4)	15,147	**18,888**	24.7
Total	¥30,813	**¥32,261**	4.7%	¥78,276	**¥79,922**	2.1%

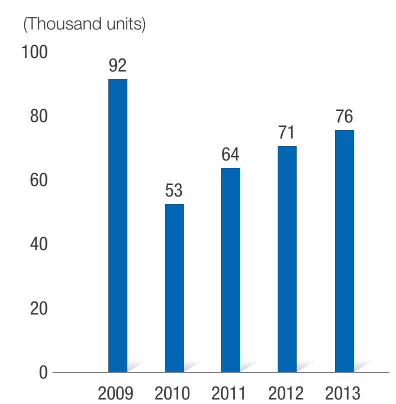
Note Excluding Japan

Motorcycle unit sales

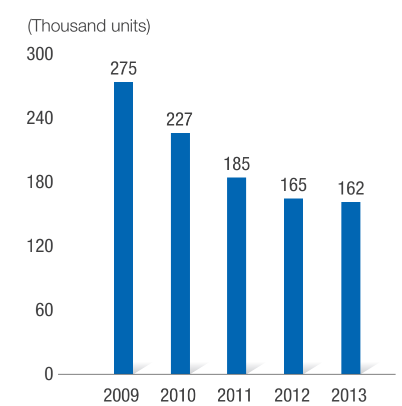
Japan



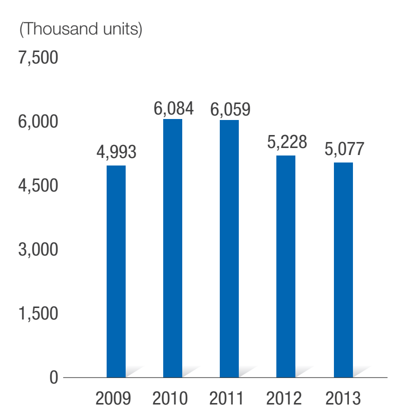
North America



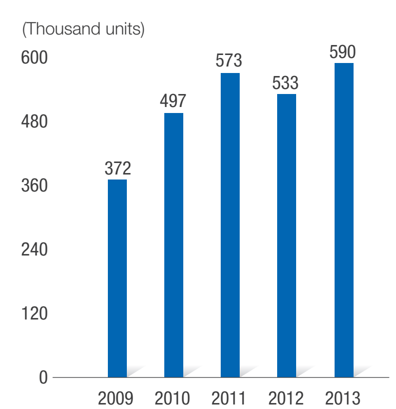
Europe



Asia



Others



Management Discussion and Analysis of Operations

Overview

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

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

Sales and Operating Income

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

Operating income increased to ¥55.1 billion (an increase of ¥36.5 billion compared to the previous year) due to a profit improvement of marine products business, cost reductions in emerging markets and the impact of yen depreciation.

Sales Performance by Business Segment

Motorcycles

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

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

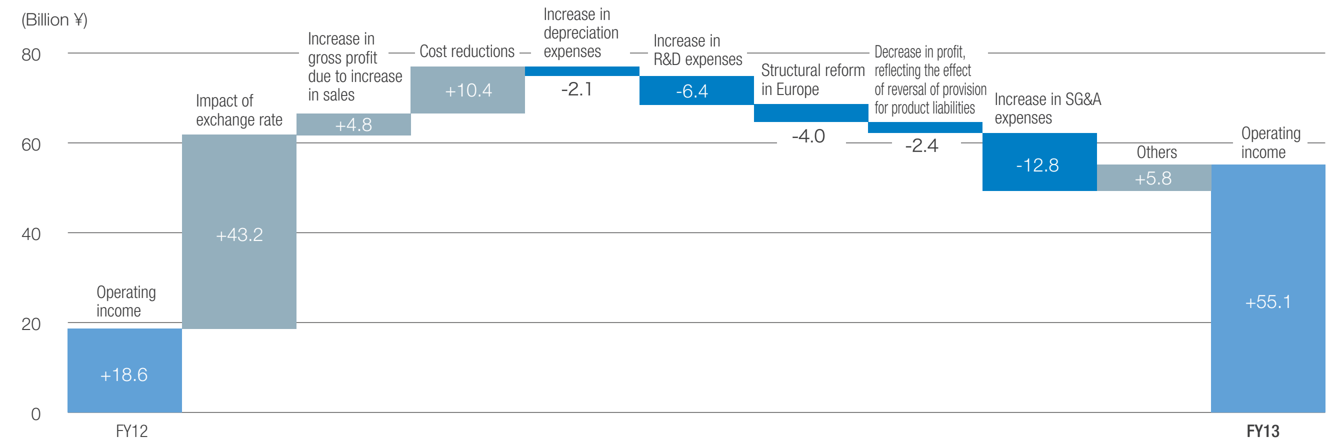
Although the Group has factored in the costs of aggressive investment in development and sales promotion in developed countries and structural reform in Europe, overall operating income increased as a result of such factors as cost reductions and the impact of yen depreciation.

Marine Products

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

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

Factors Impacting Operating Income



Power Products

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

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

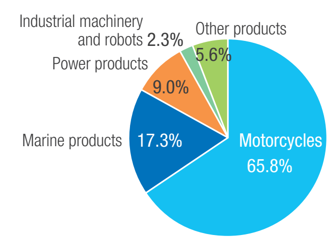
Industrial Machinery and Robots

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

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

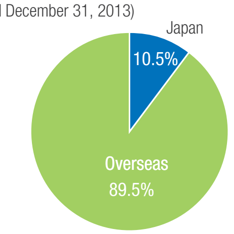
Percentage of sales by product segment

(Year ended December 31, 2013)

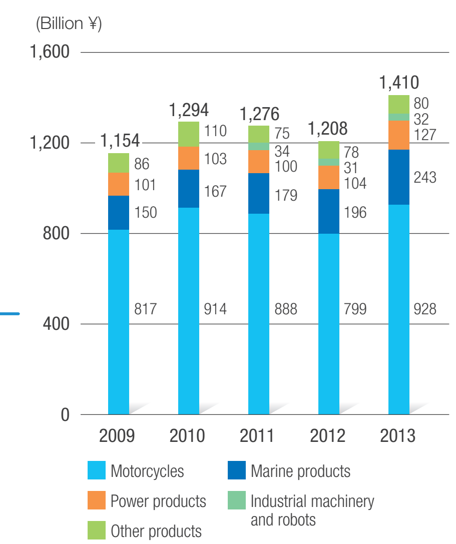


Percentage of sales by market

(Year ended December 31, 2013)

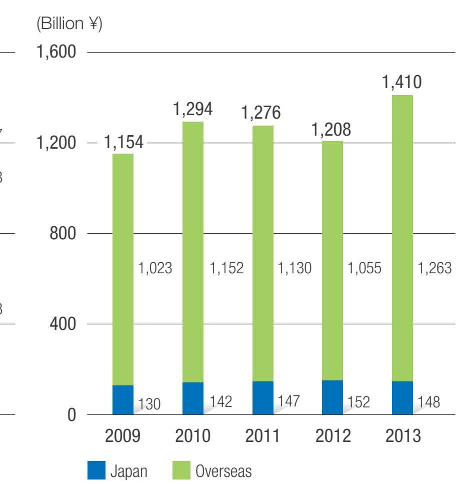


Sales by product segment



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

Sales by market



Other Products

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

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

Sales Performance and Operating Income by Geographical Segment Note 1

Japan

Net sales in Japan increased ¥63.4 billion from the previous year to ¥596.1 billion, and operating income increased ¥37.8 billion to ¥29.0 billion.

Unit sales of motorcycles, outboard motors for the U.S. market and electrically power assisted bicycles increased, and net sales rose on factors including the impact of yen depreciation.

North America

Net sales in North America increased ¥64.4 billion from the previous year to ¥270.1 billion, while operating income decreased ¥1.6 billion to ¥5.3 billion.

Unit sales of outboard motors, motorcycles, golf cars, and other products increased, and net sales rose on factors including the impact of yen depreciation.

Europe

Net sales in Europe increased ¥24.7 billion from the previous year to ¥160.2 billion, and operating loss increased to ¥10.8 billion from ¥4.7 billion in the previous year.

Net sales increased due to the impact of yen depreciation and other factors, even though unit sales of motorcycles and other products declined as personal consumption slumped amid a difficult employment and personal income situation.

Asia

Net sales in Asia (excluding Japan) increased ¥109.0 billion from the previous year to ¥704.9 billion, and operating income increased ¥9.1 billion to ¥30.5 billion.

Unit sales of motorcycles increased in Indonesia, India, and other markets and decreased in Thailand and Vietnam. Net sales increased due to the impact of yen depreciation and other factors.

Others

Net sales in other areas increased ¥35.3 billion from the previous year to ¥170.4 billion, and operating income increased ¥1.7 billion to ¥6.9 billion.

Unit sales of motorcycles increased in Brazil, Argentina, Colombia, Mexico, and other markets, and net sales rose on factors including the impact of yen depreciation.

Income and Expenses

Cost of Sales, Gross Profit and SG&A Expenses

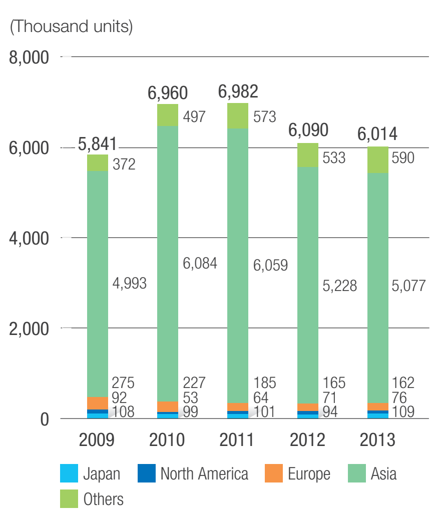
The cost of sales for fiscal 2013 increased ¥119.1 billion year on year, to ¥1,091.7 billion, representing 77.4% of net sales.

Gross profit increased ¥83.7 billion, to ¥318.8 billion, reflecting increased sales, cost reductions, an improved model mix, and yen depreciation. The gross profit margin rose 3.1 percentage points, to 22.6%.

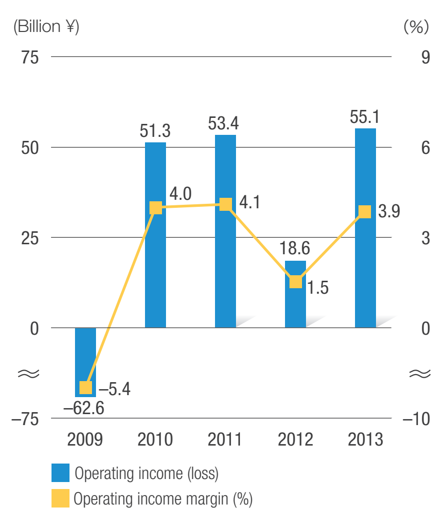
Selling, general and administrative (SG&A) expenses increased ¥47.2 billion, to ¥263.6 billion. This was mainly because of an increase in sales promotion expenses in line with higher sales and the effect on foreign-exchange conversions from yen depreciation. As a percentage of net sales, SG&A expenses rose 0.8 percentage point, to 18.7%.

R&D expenses included in general and administrative expenses and manufacturing costs increased ¥6.4 billion year on year, to ¥76.1 billion.

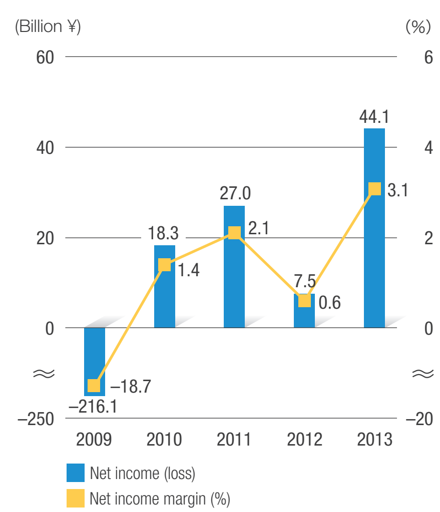
Motorcycle unit sales



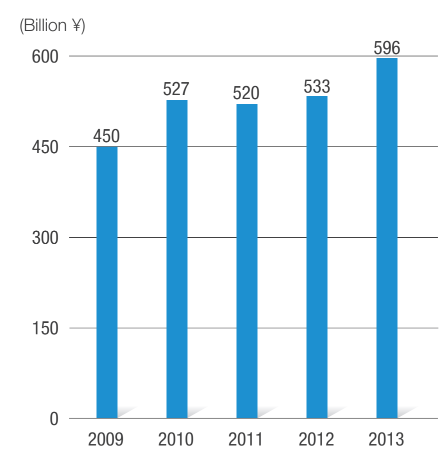
Operating income (loss) and operating income margin



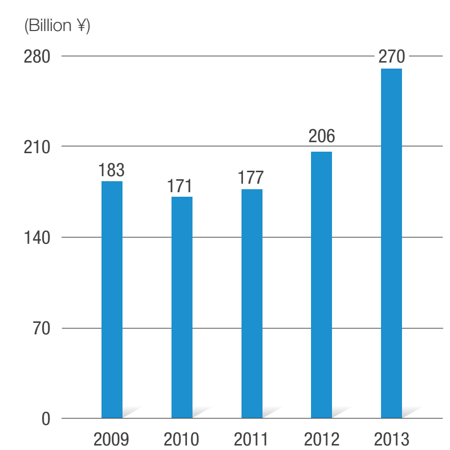
Net income (loss) and net income margin



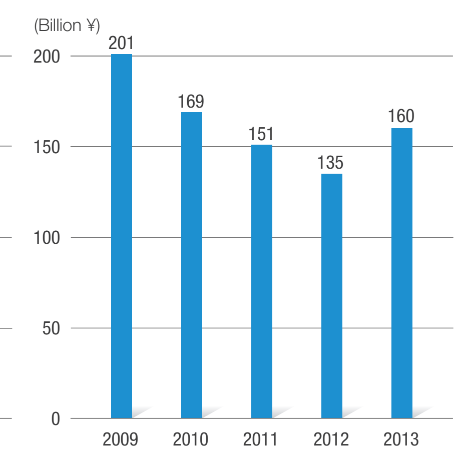
Sales by geographical segment Note 1 —Japan



Sales by geographical segment Note 1 —North America



Sales by geographical segment Note 1 —Europe



R&D Expenses

With the aim of being a *Kando* Creating Company, the Yamaha Motor Group proactively carries out research and development in technologies related to engines, smart power, vehicles, boats, controls, materials, and production, as well as environmental and advanced safety technologies, along the three growth tracks of "fulfilling lifestyles," "enjoyment in personal mobility," and "innovative technologies that harmonize with people, society, and the Earth," to constantly provide products that are "high-quality, high-performance, lightweight, and compact."

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

To enhance our competitiveness in terms of *Monozukuri* in India, we have built an India Integrated Development Center, which commenced operations during fiscal 2013 as our second integrated development center following the ASEAN Integrated Development Center.

Operating Income

Operating income for fiscal 2013 was ¥55.1 billion, a ¥36.5 billion increase year on year. This resulted in a 2.4 percentage point increase in the operating income margin, to 3.9%.

The motorcycle business recorded an ¥8.6 billion increase in operating income, to ¥8.4 billion. In addition to proactive outlays for R&D and sales promotions in developed markets, the business incurred restructuring expenses in Europe, but profit grew as a result of cost reductions and yen depreciation.

Operating income in the marine products business was ¥31.8 billion, a ¥20.9 billion increase year on year. This was driven by strong sales of outboard motors in North America and Russia, along with improved earnings in the personal watercraft and domestic boat businesses. Yen depreciation also contributed to overall profit growth.

The power products business recorded operating income of ¥5.3 billion, for a ¥4.7 billion increase year on year. This reflected increased sales of snowmobiles, golf cars, and new types of recreational off-highway vehicles (ROVs), as well as yen depreciation.

In the industrial machinery and robots business, operating income declined ¥0.8 billion, to ¥3.1 billion. Although full-year unit sales of surface mounters rose year on year, profit declined.

Operating income in the other products business was ¥6.7 billion, a ¥3.1 billion increase year on year. Increased sales of electrically power assisted bicycles and industrial-use unmanned helicopters led to overall profit growth.

Non-Operating Income and Expenses

Net non-operating income was positive in the amount of ¥5.0 billion, which was ¥3.7 billion less than in the previous year. This included ¥6.7 billion of interest income, compared with ¥5.9 billion in the previous year.

Extraordinary Income and Loss

Extraordinary income totaled ¥0.3 billion, marking a ¥0.4 billion decrease year on year. The main item was a ¥0.3 billion gain from the sale of noncurrent assets, compared with ¥0.2 billion in the previous year.

Extraordinary losses totaled ¥2.7 billion, for a ¥0.6 billion increase year on year. The main extraordinary losses were a ¥1.1 billion loss on disposal of noncurrent assets, compared with ¥0.8 billion in the previous year, and an impairment loss of ¥1.1 billion, which was roughly unchanged from the previous year.

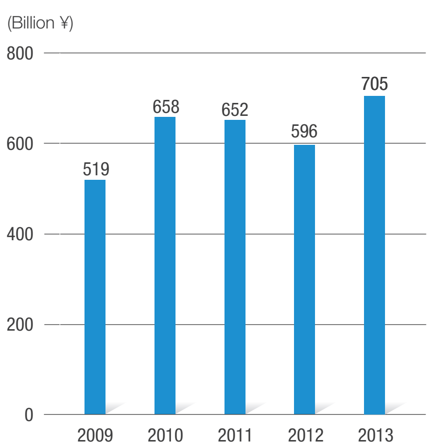
Income before Income Taxes

Income before income taxes for fiscal 2013 increased ¥31.8 billion year on year, to ¥57.7 billion.

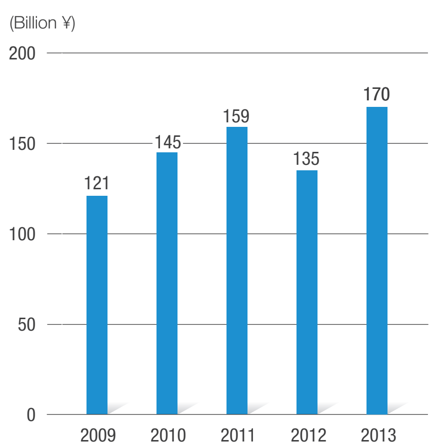
Income Taxes

With the additional recording of deferred tax assets at overseas subsidiaries, income taxes for fiscal 2013 decreased ¥5.8 billion year on year, to ¥8.2 billion.

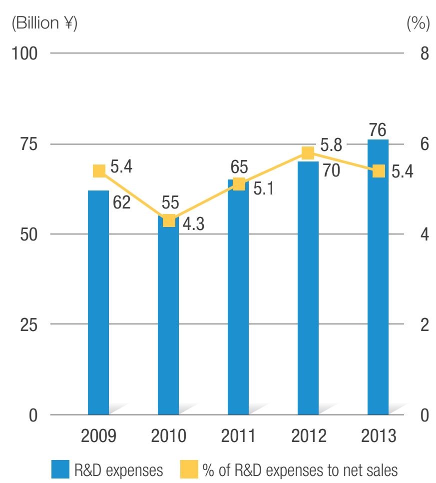
Sales by geographical segment Note 1 —Asia



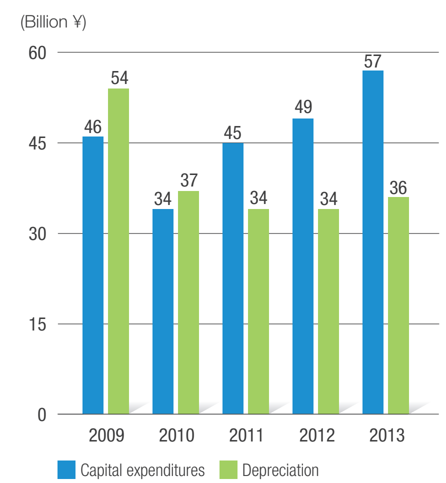
Sales by geographical segment Note 1 —Others



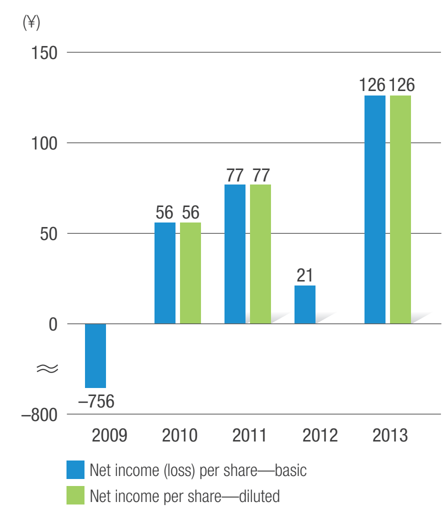
R&D expenses and % of R&D expenses to net sales



Capital expenditures and depreciation

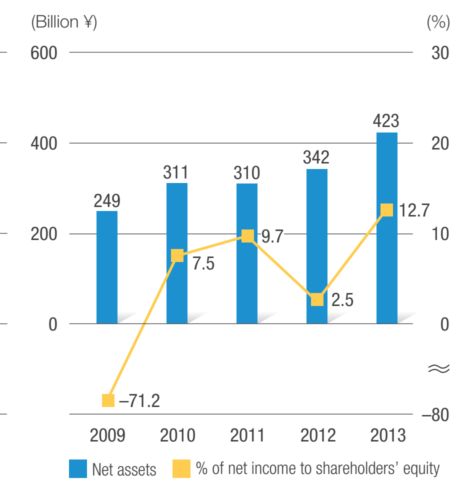


Net income (loss) per share



Notes • Net income per share—diluted for fiscal 2009 is not listed, since the Company registered a net loss per share for the period.
• Net income per share—diluted for fiscal 2012 is not listed as there were no potential shares with dilutive effect.

Net assets and % of net income to shareholders' equity



Minority Interests in Income

Minority interests in income include interests owned by minority shareholders in PT. Yamaha Indonesia Motor Manufacturing, Yamaha Motor Taiwan Co., Ltd., Yamaha Motor Vietnam Co., Ltd., and Industria Colombiana de Motocicletas Yamaha S.A., and increased ¥1.1 billion year on year, to ¥5.4 billion.

Net Income

Net income for fiscal 2013 increased ¥36.6 billion year on year, to ¥44.1 billion. Basic net income per share grew ¥104.75, to ¥126.20 in fiscal 2013 from ¥21.45 in fiscal 2012.

Capital Resources and Liquidity

Assets, Liabilities and Total Net Assets

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

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

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

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

Capital Expenditures

Capital expenditures for fiscal 2013 totaled ¥56.8 billion, mainly for manufacturing equipment and facilities for the production of new models in the motorcycle and marine products businesses, production capacity enhancements, research and development operations, and the realignment of the production structure.

By business segment, capital expenditures for the motorcycle business totaled ¥38.6 billion. Overseas, this included investments for the production of new models in ASEAN and Central and South America, and production capacity enhancements in India. The main investments in Japan were for the realignment of the production structure.

Capital expenditures in the marine products business totaled ¥8.8 billion, mostly for research and development facilities and equipment, and for the realignment of the domestic production structure.

In the power products business, expenditures totaled ¥6.1 billion, mainly for ROVs manufacturing facilities and equipment in the United States.

The industrial machinery and robots business invested ¥0.6 billion, mostly for the production of new machines.

The other products business invested ¥2.7 billion, mostly for facilities and equipment for the research and development of automobile engines and smart power vehicles.

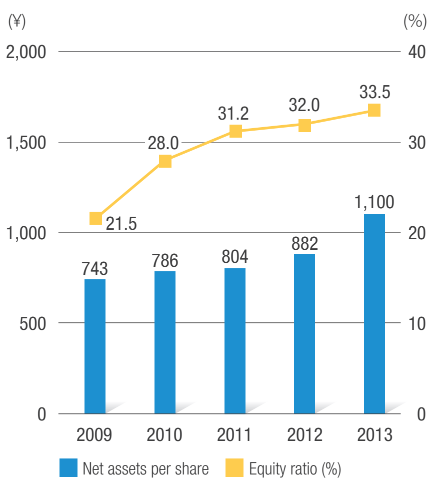
The entire amount of the above expenditures was funded by internal resources.

There were no disposals or sales of important facilities or similar assets during fiscal 2013.

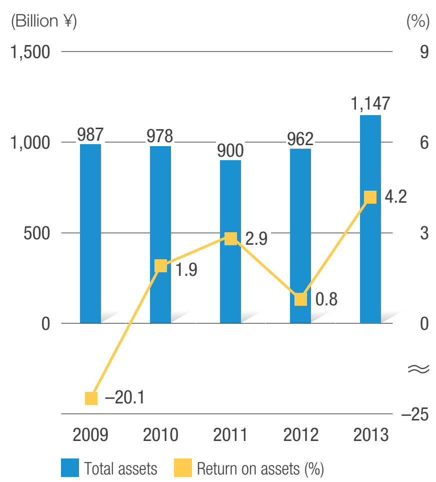
Cash Flows

Net cash provided by operating activities during fiscal 2013 was ¥67.0 billion (¥2.4 billion in net cash used during fiscal 2012), reflecting factors including income before income taxes of ¥57.7 billion (¥25.8 billion) and an increase of ¥6.4 billion in working capital (an increase of ¥26.4 billion) accompanying a sales increase.

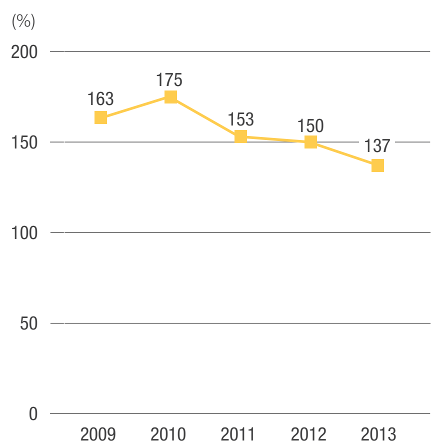
Net assets per share and equity ratio Note 2



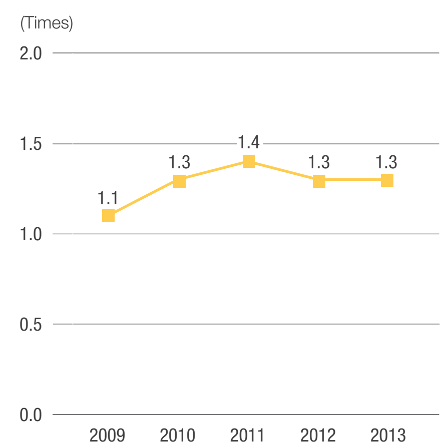
Total assets and return on assets



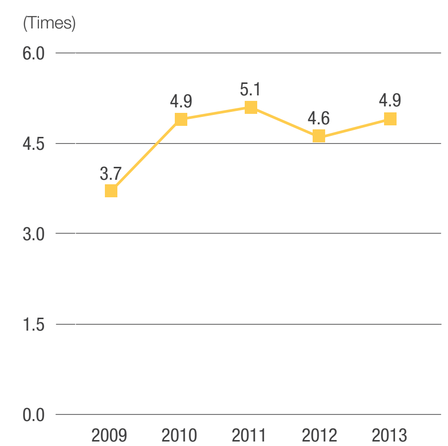
Current ratio



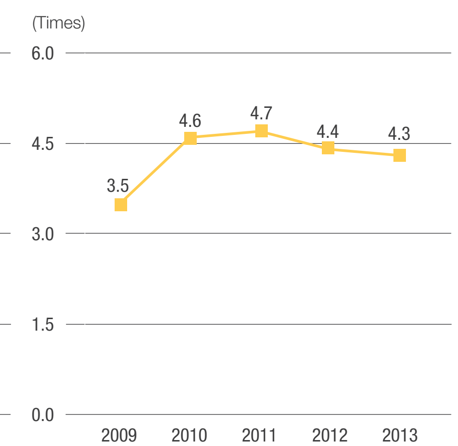
Total asset turnover



Property, plant and equipment turnover



Inventory turnover



Net cash used in investing activities during fiscal 2013 was ¥62.7 billion (¥51.1 billion in net cash used during fiscal 2012), as a result of factors including ¥53.4 billion in capital investments for new model production and other purposes (¥47.6 billion).

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

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

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.

Domestic capital investment in fiscal 2013 totaled ¥19.0 billion, and was used primarily for producing new models in the motorcycle and marine products businesses, research and development, and the realignment of the domestic production structure. Capital investment overseas totaled ¥37.8 billion, mostly to produce new models in ASEAN and Central and South America, and to increase production capacity in India.

As a result, capital expenditures in fiscal 2013 totaled ¥56.8 billion.

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

The year-end dividend for fiscal 2013 was determined to be ¥16 per share. Added to the interim dividend (¥10 per share), this gives a total dividend for the year of ¥26 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 ¥)

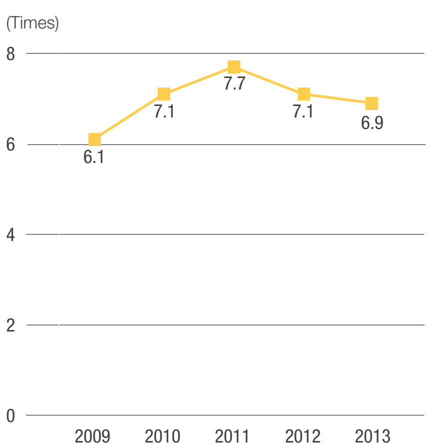
	Total	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Short-term loans payable	170.3	170.3	—	—	—	—	—
Long-term loans payable	212.6	73.2	84.8	35.6	14.1	1.2	3.7

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

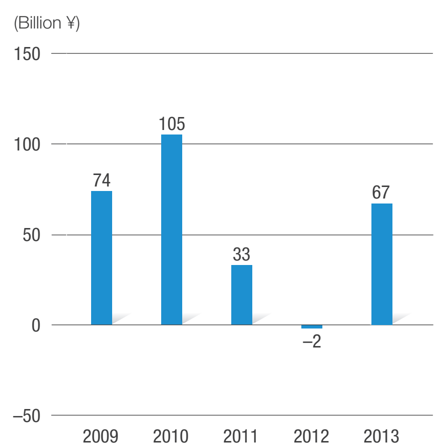
Share Performance

Price per share increased from ¥949 at December 31, 2012 to ¥1,577 at December 31, 2013. The number of shares outstanding, excluding treasury stock, increased from 349,092,483 shares at December 31, 2012 to 349,134,628 shares at December 31, 2013. As a result, the market capitalization of the Company increased from ¥331.3 billion at December 31, 2012 to ¥550.6 billion at December 31, 2013.

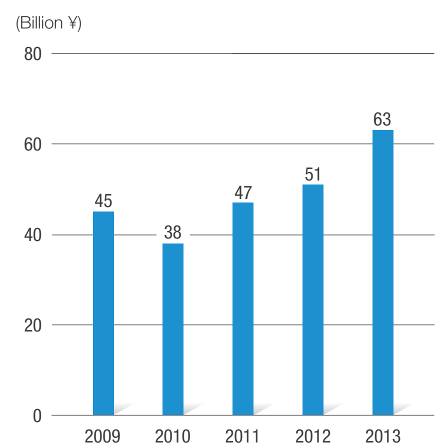
Account receivable turnover



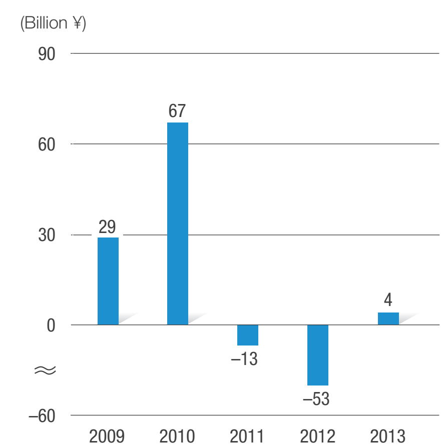
Cash provided by (used in) operating activities



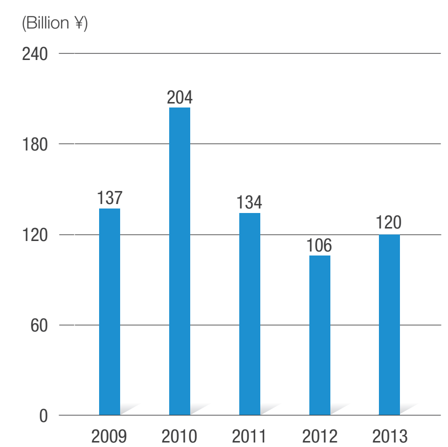
Cash used in investing activities



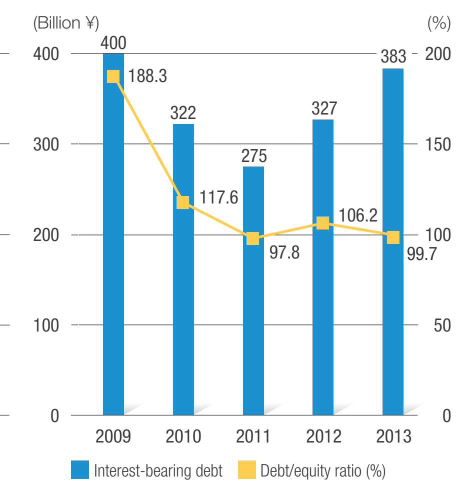
Free cash flows



Cash and cash equivalents at the end of the year



Interest-bearing debt and debt/equity ratio



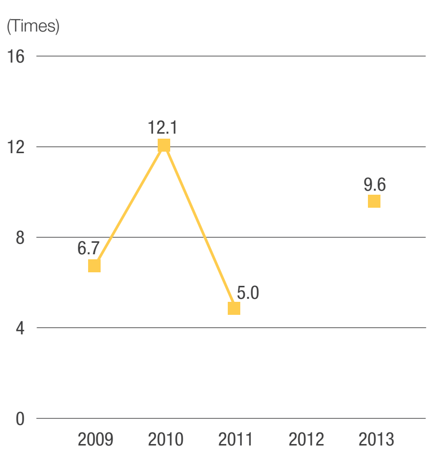
Forecast for Fiscal 2014

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

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

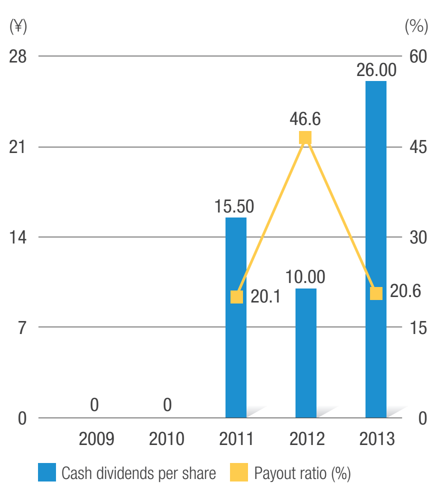
The forecast is based on the assumption that the exchange rates are ¥100 against the U.S. dollar (a depreciation of ¥2 from the previous year) and ¥135 against the euro (a depreciation of ¥5 from the previous year).

Interest coverage



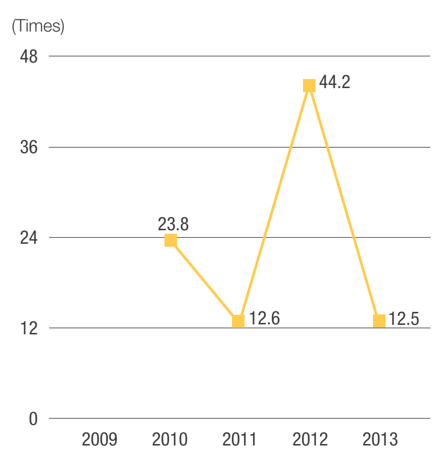
Note Interest coverage for fiscal 2012 is not listed, due to the negative status of cash flow from operating activities during the period.

Cash dividends per share and payout ratio



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

Price/earnings ratio



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