

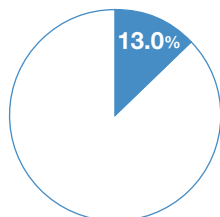
# Marine Products

**Note**

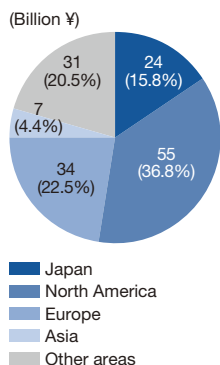
Demand figures stated herein are based on Yamaha Motor's surveys.

**Marine product sales for fiscal 2009 fell by ¥88.7 billion (\$963.1 million), or 37.1%, from fiscal 2008, to ¥150.1 billion (\$1,629.9 million), and represented 13.0% of net sales. Operating income decreased by ¥30.4 billion (\$329.5 million), resulting in an operating loss of ¥24.3 billion (\$263.6 million).**

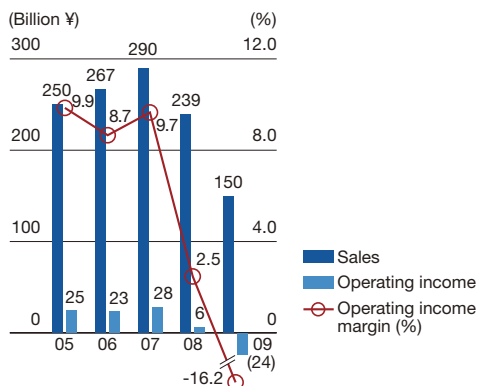
**% of net sales in 2009**



**Sales by market in 2009**



**Operating results**



## Outboard Motor Business — Demand Headed Toward Recovery

In fiscal 2009, outboard motor demand decreased in emerging and developed nations alike amid the global recession. Total worldwide demand fell 25.9% from fiscal 2008, to 623 thousand units. In these harsh business conditions, we quickly reduced production volume and adjusted shipments in order to optimize the market stock level. We successfully completed the optimization in the United States and Europe — mainstay markets for our outboard motors — in fiscal 2009. However, these re-adjustments, coupled with the negative impact of the stronger yen, decreased our unit sales in fiscal 2009 by 28.1% from fiscal 2008, to 240 thousand, and the sales amount by 36.5%, to ¥82.2 billion (\$892.5 million).

In fiscal 2010, total demand is forecast to increase slightly from fiscal 2009, reflecting industry-wide market stock optimization in the United States and Europe, as well as the bottoming out of demand in Asia (excluding Japan) and other nations. Nevertheless, a full-scale, worldwide recovery of demand is not yet on the horizon. In this environment, we will work to expand sales in global

markets by aggressively introducing lightweight four-stroke, medium- and large-displacement models offering superior performance. We will also initiate area-specific marketing designed to maintain and enhance our market position. Through these efforts, we plan to increase our unit sales for fiscal 2010 by 7.1%, to 257 thousand.



**World's most powerful 350-horsepower outboard motor, the F350A**



1,050cc VX cruiser

### Personal Watercraft Business — Harsh Market Conditions to Continue

In fiscal 2009, total demand for personal watercraft fell 32.4% from fiscal 2008, to 73 thousand units, amid the recession. Unit sales of our personal watercraft in fiscal 2009 dropped 39.5%, to 26 thousand, while the sales amount plummeted 47.4%, to ¥25.5 billion (\$276.9 million), reflecting a substantial decrease in sales in the United States — our mainstay market.

In fiscal 2010, we project worldwide demand for personal watercraft will decrease 4.1% from fiscal 2009, to 70 thousand units, as the harsh business conditions are expected to continue. Against this backdrop, we intend to increase unit sales for fiscal 2010 by 3.8%, to 27 thousand, by strengthening our marketing approach with a focus on models such as the small, affordable VX Series cruisers.

### Boat Business in Japan — Expanding Small Pleasure-use Boat Sales

In fiscal 2009, demand for pleasure-use boats, utility boats and commercial fishing boats in Japan decreased, resulting in a 22.3% decline from fiscal 2008, to 2,513 units, amid the recession. Under these harsh business conditions,

unit sales of our boats in fiscal 2009 fell 20.0%, to 690 units, and the sales amount decreased 33.9%, to ¥7.8 billion (\$84.7 million). The declines reflect the serious fall in demand, although sales of our small, low-priced pleasure-use boats grew steadily.

For fiscal 2010, demand for pleasure-use boats in Japan is expected to recover. However, demand for utility boats and commercial fishing boats is projected to continue declining. Consequently, total boat demand in Japan is forecast to decrease 1.6% from fiscal 2009, to 2,473 units. We plan to increase our unit sales for fiscal 2010 by 3.9%, to 717 units, by introducing new, low-priced, small- and medium-sized models into the pleasure-use boat market, where demand is expected to increase despite the generally harsh market conditions.



EXULT 36 Sport Saloon cruiser