Notes to Consolidated Financial Statements

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

1. Basis of Presentation

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

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

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

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

2. Scope of Consolidation

Number of consolidated subsidiaries: 107
Number of non-consolidated subsidiaries: 12
Names of principal consolidated subsidiaries:

Yamaha Motorcycle Sales Japan Co., Ltd., Yamaha Motor Powered Products Co., Ltd., Yamaha Motor Electronics Co., Ltd., Yamaha Motor Corporation, U.S.A., Yamaha Motor Manufacturing Corporation of America, Yamaha Motor Europe N.V., Yamaha Motor España S.A., PT. Yamaha Indonesia Motor Manufacturing, Thai Yamaha Motor Co., Ltd., Yamaha Motor Vietnam Co., Ltd., and Yamaha Motor Taiwan Co., Ltd.

Yamaha Marine Co., Ltd., one of the Company's consolidated subsidiaries in Japan, entered into an absorption-type merger, with the Company as the surviving company. E&S Co., Ltd., another of the Company's consolidated subsidiaries in Japan, entered into an absorption-type merger, with YS Co., Ltd.[Note] as the surviving company. Both subsidiaries were excluded from consolidation.

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

Yamaha Motor Polska Sp.z o.o., Yamaha Motor Hungary Kft., Yamaha Motor Austria GmbH. and Yamaha Motor Czech spol. s r.o., which were overseas consolidated subsidiaries of the Company, entered into an absorption-type merger, with Yamaha Motor Middle Europe B.V. as the surviving company. They were excluded from consolidation.

Note
YS Co., Ltd. changed its name to Yamaha Motor Support & Service Co., Ltd. on January 1, 2009.

3. Scope of Application of Equity Method of Accounting

Number of non-consolidated subsidiaries accounted for by the equity method of accounting: 7

HL Yamaha Motor Research Centre Sdn. Bhd. and 6 other subsidiaries

Number of affiliates accounted for by the equity method of accounting: 26

Chongqing Jianshe Yamaha Motor Co., Ltd. and 25 other affiliates

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

4. Closing Date for Consolidated Subsidiaries

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

Notes to Consolidated Financial Statements

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Years ended December 31, 2008 and 2009

5. Accounting Standards

(1) Asset Valuation

1) Securities

Other securities

Marketable securities classified as "other" securities are carried at fair value, based on market prices as of the balance sheet date. (Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)

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

2) Derivatives

Derivatives are carried at fair value.

3) Inventories

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

(Changes in accounting policies)

Application of accounting standard for measurement of inventories

In conjunction with the application of the Accounting Standard for Measurement of Inventories (Accounting Standards Board of Japan (ASBJ) Statement No.9; July 5, 2006), effective from the fiscal year ended December 31, 2009, the Company has changed the evaluation method from the lower-of-cost-or-market-valuation accounting method to the cost method (which allows write-down of book value due to lower profitability).

The impact of this change on the statement of income for the fiscal year ended December 31, 2009 is insignificant.

(2) Depreciation and Amortization of Assets

1) Tangible fixed assets (except for leased assets)

Depreciation of tangible fixed assets is computed primarily by the declining-balance method.

(Additional Information)

Effective from the fiscal year ended December 31, 2009, the Company and its consolidated subsidiaries in Japan reviewed the useful life of certain tangible fixed assets, mainly machinery and equipment, taking advantage of a change in the Corporate Tax Law (Ministerial Ordinance to Partially Amend the Ministerial Ordinance with Regard to Useful Life of Depreciated Assets: April 30, 2008; Ordinance of the Ministry of Finance, No.32).

Applying the new accounting method, operating loss, ordinary loss, and loss before income taxes and minority interests for the fiscal 2009 each increased by ¥1,199 million ($13,018 thousand), compared with the figures derived using the previous method.

For the impact this change had on the segment information, refer to "Segment Information."

2) Intangible fixed assets (except for leased assets)

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

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

3) Leased assets

Leased assets involved in finance lease transactions which transfer ownership

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

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

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

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

(3) Significant Accruals

1) Allowance for doubtful receivables

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

2) Accrued bonuses

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

3) Accrued bonuses for Directors

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

4) Accrued warranty costs

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

5) Accrued employees' retirement benefits

Accrued employees' retirement benefits are provided mainly at an amount, deemed generated on December 31, 2009, calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

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

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

6) Accrued retirement benefits for Directors and Corporate Auditors
Accrued retirement benefits for Directors and Corporate Auditors are provided based on the amount payable as of the balance sheet date, in accordance with internal regulations of the Company.

7) Accrual for product liabilities
An accrual for product liabilities is provided, at an estimated amount of payments based on the actual results in past years, for liabilities that are not covered by product liability insurance.

8) Accrual for motorcycle recycling costs
An accrual for motorcycle recycling costs is provided at an estimated amount based on actual sales.

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

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

2) Application of consolidated tax return system
The Company applies the Consolidated Tax Return System.

6. Valuation of Assets and Liabilities of Consolidated Subsidiaries

All assets and liabilities of consolidated subsidiaries acquired through business combination are carried at fair value.

7. Amortization of Goodwill and Negative Goodwill

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

8. Range of Funds in the Consolidated Statements of Cash Flows

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

9. U.S. Dollar Amounts

The translation of yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made, as a matter of arithmetic computation only, at ¥92.10 = U.S.$1.00, the approximate rate of exchange in effect at December 31, 2009.

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

10. Changes in Accounting Principles and Procedures

(1) Application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

In conjunction with applying the Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements (ASBJ Practical Issues Task Force No.18; May 17, 2006), effective from the fiscal year ended December 31, 2009, the Company has made necessary adjustments to the consolidated financial statements.

The impact of these changes on the statement of income for the fiscal year ended December 31, 2009, and retained earnings and minority interests at the end of fiscal 2009 is insignificant.

Notes to Consolidated Financial Statements

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
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(2) Application of "Accounting Standards to Lease Transactions," etc.

Finance lease transactions which do not transfer ownership were previously computed based on an accounting method similar to the method for ordinary rental transactions. However, effective from the fiscal year ended December 31, 2009, the Company has applied the Accounting Standard for Lease Transactions (ASBJ Statement No.13; June 17, 1993: the First Committee of Business Accounting Council; revised March 30, 2007) and its Implementation Guidance (ASBJ Guidance No.16; January 18, 1994: Accounting Practice Committee of the Japanese Institute of Certified Public Accountants; revised March 30, 2007). Thus, these transactions are computed based on an accounting method similar to the method for ordinary sale and purchase transactions.

Regarding those finance lease transactions which do not transfer ownership, where the lease transaction start date was prior to the first year of the application, the Company has continued using the accounting method similar to the method for ordinary rental transactions.

The impact of this change on the consolidated statement of income for the fiscal year ended December 31, 2009 is insignificant.

(3) Important Change of Accounting Treatment in Respect to Hedge Transactions

The Company previously applied the deferred hedge accounting method for derivative transactions which meet hedge accounting criteria, the deferral hedge accounting method for foreign exchange forward contracts which meet deferral hedge accounting criteria, and the short-cut accounting method for interest rate swaps which meet short-cut accounting criteria. However, pursuant to a review of Group hedge policies, effective from the fiscal year December 31, 2009, the Company has changed to the market value method in order to properly reflect the effect of derivative transactions in the consolidated financial statements of the Group.

In its accounting method for transactions with a fixed yen settlement amount based on foreign exchange contracts prior to such transactions, the Company has been assigning the yen settlement amount as is. However, in line with the change in hedge accounting methodology, the Company has switched to a method which converts the amount using an appropriate exchange rate (the spot rate at the time of the transaction).

The impact of this change on the statement of income for the fiscal year ended December 31, 2009 is insignificant.

11. Changes in Presentation Methods

(1) Consolidated Balance Sheets

1) In conjunction with the application of the Cabinet Office Ordinance to Amend the Rules for the Terminology, Form, and Preparation Method of Consolidated Financial Statements (Cabinet Office Ordinance No. 50 of August 7, 2008), items classified as "Inventories" in the fiscal year ended December 31, 2008 were reclassified as "Merchandise and finished goods," "Work-in-process" and "Raw materials and supplies" in the fiscal year ended December 31, 2009.

The amounts of the "Merchandise and finished goods," "Work-in-process" and "Raw materials and supplies" columns in the balance sheet in the fiscal year ended December 31, 2008 were ¥230,378 million, ¥49,119 million and ¥39,399 million, respectively.

2) "Other provisions (long-term liabilities)" included in the "Other (long-term liabilities)" column in the balance sheet in the fiscal year ended December 31, 2008 have been classified separately in the balance sheet in the fiscal year ended December 31, 2009, due to the application of the Rules for the Terminology, Form, and Preparation Method of the Quarterly Consolidated Financial Statement (Cabinet Office Ordinance No. 64 of August 10, 2007).

The amount of "Other provisions (long-term liabilities)" included in the "Other (long-term liabilities)" column in the balance sheet in the fiscal year ended December 31, 2008 totaled ¥624 million.

(2) Consolidated Statements of Income

"Loss on disposal of fixed assets" in the fiscal year ended December 31, 2008 included "Loss on sale of fixed assets," which was listed in the notes to the consolidated statement of income. However, effective from the fiscal year ended December 31, 2009, "Loss on disposal of fixed assets" and "Loss on sale of fixed assets" have been classified separately, in order to improve comparability of the consolidated financial statements, in conjunction with the introduction of XBRL to EDINET.

"Loss on sale of fixed assets" included in "Loss on disposal of fixed assets" in the fiscal year ended December 31, 2008 totaled ¥1,393 million.

12. Additional Information

Impact of a Revision in the Fund-raising Program, Prompted by the Liquidation of Receivables

The Company revised its fund-raising program, prompted by the liquidation of receivables of Yamaha Motor Corporation, U.S.A., a consolidated subsidiary in the United States, during fiscal 2009. Reflecting this revision, the Company posted U.S.$600 million[Note] in trade notes and accounts receivable, and U.S.$600 million in short-term borrowing, in the Consolidated Balance Sheet for the second quarter of fiscal 2009. Those accounts are subjects of the fund-raising program, which had not been posted in the previous Consolidated Balance Sheets.

The impact arising from the revision on cash flows was insignificant. Therefore, the impact in the Consolidated Statement of Cash Flows for fiscal year ended December 31, 2009 has been eliminated.

Note
The balance of foreign currency on December 31, 2009 totaled U.S.$ 301 million, equivalent to ¥27,698 million, computed at the rate on December 31, 2009.

13. Consolidated Balance Sheets

Information regarding consolidated balance sheets at December 31, 2008 and 2009 is as follows.

(1) Accumulated depreciation of tangible fixed assets

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
	¥481,615	**¥516,478**	**$5,607,796**

(2) Pledged assets and secured liabilities

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Pledged assets:			
Trade notes and accounts receivable	¥ 5,967	**¥ 66,815**	**$ 725,461**
Inventories	4,964	**—**	**—**
Merchandise and finished goods	—	**2,152**	**23,366**
Work-in-process	—	**464**	**5,038**
Raw materials and supplies	—	**2,124**	**23,062**
Other current assets	—	**9,772**	**106,102**
Buildings and structures (net)	1,309	**182**	**1,976**
Machinery and transportation equipment (net)	5,294	**8,758**	**95,092**
Land	1,432	**1,528**	**16,591**
Construction in progress	2,673	**1,130**	**12,269**
Tangible fixed assets — other (net)	183	**327**	**3,550**
Investment securities	27	**27**	**293**
Long-term loans receivable	—	**23,994**	**260,521**
Investments and other assets — other	—	**1,050**	**11,401**
Total	¥21,852	**¥118,328**	**$1,284,777**
Secured liabilities:			
Short-term borrowing	¥ 9,694	**¥ 41,837**	**$ 454,256**
Long-term debt	—	**24,039**	**261,010**
Long-term liabilities — other	1,225	**1,476**	**16,026**
Total	¥10,919	**¥ 67,352**	**$ 731,292**

The fiscal 2009 amount includes pledged assets of ¥61,913 million ($672,237 thousand) registered in fiscal 2009, in conjunction with a revision in the fund-raising program, prompted by the liquidation of receivables of Yamaha Motor Corporation, U.S.A., a consolidated subsidiary in the United States. Secured liabilities corresponding to these pledged assets amount to ¥27,698 million ($300,738 thousand).

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

a) Date of revaluation March 31, 2000

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

c) Fair value of the land used for business after revaluation
The fair value of the land used for business after revaluation at the end of fiscal 2008 and 2009 was below its book value by ¥20,681 million and ¥5,272 million ($57,242 thousand), respectively.

(4) Guarantee obligations

Guarantees are given for the following companies' debt from financial institutions.

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Subsidiaries or affiliates:			
Amagasaki Woodland of Health Co., Ltd.	¥339	¥316	$3,431
Fuzhou Jiaxin Soqi Power Products Co., Ltd.	51	—	—
Other companies:			
Enrum Marina Muroran Inc.	74	65	706
Marina Kawage Co., Ltd.	36	25	271
Total	¥501	¥408	$4,430

Guarantee obligations described above include amounts arising from acts resembling guarantees: ¥375 million and ¥342 million ($3,713 thousand) at the end of fiscal 2008 and 2009, respectively.

(5) Discounts on trade notes receivable

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
	¥1,709	¥1,117	$12,128

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

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Investment securities (stock)	¥17,029	¥18,644	$202,432
Investment in partnerships	415	426	4,625

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

	Millions of yen		Thousands of U.S. dollars
	2008	2009	2009
Notes receivable-trade	¥1,444	¥326	$3,540
Notes payable-trade	906	259	2,812

14. Consolidated Statements of Income

Information regarding consolidated statements of income for the years ended December 31, 2008 and 2009 is as follows.

(1) Loss on devaluation of inventories arising from write-down of book value due to lower profitability included in cost of sales

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
	—	**¥10,362**	**$112,508**

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

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Advertising expenses	¥33,541	**¥21,910**	**$237,894**
Sales promotion expenses	32,109	**18,871**	**204,897**
Transportation expenses	43,485	**29,887**	**324,506**
Provision for accrued warranty costs	13,418	**6,768**	**73,485**
Provision for allowance for doubtful receivables	1,334	**2,533**	**27,503**
Provision for accrual for product liabilities	—	**13,041**	**141,596**
Provision for accrual for motorcycle recycling costs	59	**62**	**673**
Salaries	84,598	**73,560**	**798,697**
Provision for accrued bonuses	3,029	**2,693**	**29,240**
Provision for accrued employees' retirement benefits	2,901	**3,251**	**35,299**
Provision for accrued retirement benefits for Directors and Corporate Auditors	9	**—**	**—**

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

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
	¥85,090	**¥62,066**	**$673,898**

(4) Breakdown of gain on sale of fixed assets

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Buildings and structures (net)	¥ 41	**¥ 11**	**$ 119**
Machinery and transportation equipment (net)	366	**319**	**3,464**
Land	400	**—**	**—**
Other (net)	19	**36**	**391**
Total	¥828	**¥367**	**$3,985**

(5) Breakdown of loss on sale of fixed assets

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Buildings and structures (net)	¥ —	**¥ 97**	**$1,053**
Machinery and transportation equipment (net)	—	**302**	**3,279**
Land	—	**14**	**152**
Other (net)	—	**116**	**1,260**
Total	¥ —	**¥531**	**$5,765**

(6) Breakdown of loss on disposal of fixed assets

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Buildings and structures (net)	¥ 811	**¥ 283**	**$ 3,073**
Machinery and transportation equipment (net)	1,808	**665**	**7,220**
Land	320	**—**	**—**
Other (net)	877	**238**	**2,584**
Total	¥3,818	**¥1,186**	**$12,877**

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(7) Details concerning impairment loss included in business structure improvement expenses

Fiscal year ended December 31, 2009

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

Use	Location	Impairment loss		
		Item	Millions of yen	Thousands of U.S. dollars
Motorcycles	Iwata City (Shizuoka, Japan), U.S.A., Brazil, France, Italy, Hungary, other	Buildings and structures	¥ 8,701	$ 94,473
		Machinery and transportation equipment	25,804	280,174
		Land	12,242	132,921
		Other	5,586	60,651
		Intangible fixed assets	61	662
		Total	¥52,398	$568,925
Marine products	Hamamatsu City (Shizuoka, Japan), U.S.A., France, other	Buildings and structures	¥ 1,004	$ 10,901
		Machinery and transportation equipment	9,788	106,276
		Land	29	315
		Construction in progress	624	6,775
		Other	223	2,421
		Intangible fixed assets	149	1,618
		Total	¥11,819	$128,328
Power products	Kakegawa City (Shizuoka, Japan), U.S.A., other	Buildings and structures	¥ 1,116	$ 12,117
		Machinery and transportation equipment	5,914	64,213
		Land	4,795	52,063
		Construction in progress	1,315	14,278
		Other	944	10,250
		Intangible fixed assets	3	33
		Total	¥14,091	$152,997
Other products	Iwata City (Shizuoka, Japan), other	Buildings and structures	¥ 406	$ 4,408
		Machinery and transportation equipment	3,310	35,939
		Land	54	586
		Other	274	2,975
		Intangible fixed assets	6	65
		Total	¥ 4,052	$ 43,996
Idle assets	Hamamatsu City (Shizuoka, Japan), other	Buildings and structures	¥ 100	$ 1,086
		Machinery and transportation equipment	408	4,430
		Land	121	1,314
		Construction in progress	21	228
		Other	37	402
		Intangible fixed assets	6	65
		Total	¥ 697	$ 7,568

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

3) Background to the recognition of impairment losses
Impairment losses recognized in the motorcycle, marine, power product and other product business directly correlate to the significant deterioration of the market in these segments. Impairment losses were also identified among certain idle assets not serving business uses. Specifically, losses were recognized for those idle assets whose market prices have significantly declined from their book values.

4) Computation of recoverable values
The recoverable value represents the utility value, computed using the discount rate of 4.0% (mainly based on the future cash flows by each asset group); the estimated value based on real-estate appraisal criteria; or the net sale value, reasonably computed using the inheritance tax value determined by land assessment, whichever is greater.

(8) Loss on sale of investment securities includes a ¥9 million ($98 thousand) loss from the sale of shares in subsidiaries and affiliates.

(9) Breakdown of business structure improvement expenses
Business structure improvement expenses comprise ¥82,819 million ($899,229 thousand) in impairment losses on fixed assets; ¥20,160 million ($218,893 thousand) in early retirement benefit expenses; and ¥749 million ($8,132 thousand) in expenses resulting from the improvement and reorganization of the manufacturing system.

(10) The refund of income taxes is estimated computed based on the refund involving past year transactions of Yamaha Motor Corporation, U.S.A., the Company's U.S. subsidiary.

15. Consolidated Statements of Changes in Net Assets

Information regarding consolidated statements of changes in net assets for the years ended December 31, 2008 and 2009 is as follows.

Fiscal year ended December 31, 2008

(1) Type and number of outstanding shares

	Shares			
	Number of shares as of December 31, 2007	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2008
Common stock	286,457,784	50,000	0	286,507,784

Note The reasons for the increase in the number of shares are as follows:
•Increase due to the exercise of share warrants: 50,000 shares

(2) Type and number of treasury stocks

	Shares			
	Number of shares as of December 31, 2007	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2008
Common stock	129,915	16,801	12,258	134,458

Note The reasons for the increase or decrease in the number of shares are as follows:
•Increase due to the purchase of less-than-one-unit shares from shareholders: 8,971 shares
•Increase due to the acquisition of subsidiaries and affiliates accounted for by the equity method: 7,830 shares
•Decrease due to requests for additional purchase of less-than-one-unit shares by shareholders: 12,258 shares

(3) Share warrants and own share warrants

Classification	Description of share warrants	Type of shares to be issued by the exercise of share warrants	Number of shares issued by the exercise of share warrants (shares)				Balance as of December 31, 2008 (Millions of yen)
			December 31, 2007	Increase during the fiscal year under review	Decrease during the fiscal year under review	December 31, 2008	
Yamaha Motor Co. Ltd.	Fourth unsecured convertible bonds Note 1	Common stock	—	—	—	—	—
	Share warrants as stock options Note 2	—	—	—	—	—	¥30
	Total	—	—	—	—	—	¥30

Notes **1** The number of shares to be issued by the exercise of share warrants has been omitted, because it is considered insignificant in the aggregate relative to the total number of shares outstanding at the end of fiscal 2008. Also, the fourth unsecured convertible bonds had no balance at the end of fiscal 2008, because they were issued in accordance with the former Commercial Code in Japan.
2 Among share warrants exercised as stock options, none had an exercise period that had begun at the end of fiscal 2008.

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(4) Dividends

•Amount of dividends paid

Resolution	Type of share	Total amount of dividends	Dividend per share	Record date	Effective date
		Millions of yen	Yen		
Ordinary General Meeting of Shareholders held on March 26, 2008	Common stock	¥5,870	¥20.50	December 31, 2007	March 27, 2008
Board of Directors Meeting held on July 31, 2008	Common stock	¥5,870	¥20.50	June 30, 2008	September 10, 2008

•Dividends with an effective date during the following fiscal year, but with a record date during the fiscal year under review

Resolution	Type of share	Total amount of dividends	Source of dividend	Dividend per share	Record date	Effective date
		Millions of yen		Yen		
Ordinary General Meeting of Shareholders held on March 25, 2009	Common stock	¥1,432	Retained earnings	¥5.00	December 31, 2008	March 26, 2009

Fiscal year ended December 31, 2009

(1) Type and number of outstanding shares

	Shares			
	Number of shares as of December 31, 2008	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2009
Common stock	**286,507,784**	**0**	**0**	**286,507,784**

(2) Type and number of treasury stocks

	Shares			
	Number of shares as of December 31, 2008	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2009
Common stock	**134,458**	**524,176**	**485**	**658,149**

Note The reasons for the increase or decrease in the number of shares are as follows:
•Increase due to the share purchase requested under the Article 797 (1) of the Company Law: 520,000 shares*
•Increase due to the purchase of less-than-one-unit shares from shareholders: 2,713 shares
•Increase due to the acquisition of subsidiaries and affiliates accounted for by the equity method: 1,463 shares
•Decrease due to requests for additional purchase of less-than-one-unit shares by shareholders: 485 shares
*This increase resulted from a share purchase request from shareholders dissenting against the absorption-type merger of Yamaha Marine Co., Ltd. (YMEC) on January 1, 2009.

(3) Share warrants and own share warrants

Classification	Description of share warrants	Type of shares to be issued by the exercise of share warrants	Number of shares issued by the exercise of share warrants (shares)				Balance as of December 31, 2009	
			December 31, 2008	Increase during the fiscal year under review	Decrease during the fiscal year under review	December 31, 2009	Millions of yen	Thousands of U.S. dollars
Yamaha Motor Co. Ltd.	Share warrants as stock options Note	—	**—**	**—**	**—**	**—**	**¥72**	**$782**
	Total	—	**—**	**—**	**—**	**—**	**¥72**	**$782**

Note The exercise periods of the fourth and fifth share warrants are June 13, 2010 through June 12, 2014 and June 16, 2011 through June 15, 2015, respectively. Thus, the first day of the exercise periods has not come as of the end of the fiscal year ended December 31, 2009.

(4) Dividends

•Amount of dividends paid

Resolution	Type of share	Total amount of dividends		Dividend per share		Record date	Effective date
		Millions of yen	Thousands of U.S. dollars	Yen	U.S. dollars		
Ordinary General Meeting of Shareholders held on March 25, 2009	Common stock	**¥1,432**	**$15,548**	**¥5.00**	**$0.05**	**December 31, 2008**	**March 26, 2009**

•Dividends with an effective date after the fiscal year under review, but with a record date during the period

No related items.

16. Consolidated Statements of Cash Flows

Information regarding consolidated statements of cash flows for the years ended December 31, 2008 and 2009 is as follows.

(1) Reconciliation of "cash and cash equivalents" as of December 31, 2008 and 2009 to amounts in the various accounts appearing in the accompanying consolidated balance sheets

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Cash and deposits in banks	¥133,906	**¥137,328**	**$1,491,075**
Time deposits with maturity in excess of three months	(148)	**(721)**	**(7,828)**
Other current assets	606	**612**	**6,645**
Cash and cash equivalents	¥134,364	**¥137,219**	**$1,489,891**

(2) Business structure improvement expenses posted in the consolidated statement of cash flows for the fiscal year ended December 31, 2009 were impairment losses, which were included in the business structure improvement expenses posted in the consolidated statement of income for fiscal 2009.

17. Lease Information

Information regarding leases for the years ended December 31, 2008 and 2009 is as follows.

Fiscal year ended December 31, 2008

(1) Finance leases for which ownership does not transfer to lessees

a) Amounts equivalent to acquisition cost, accumulated depreciation and the net book value of leased property at December 31, 2008

	Millions of yen		
	Acquisition cost	Accumulated depreciation	Net book value
Other (tools, furniture and fixtures)	¥7,578	¥5,918	¥1,660

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

b) Amounts equivalent to future minimum lease payments at December 31, 2008

	Millions of yen
Payable within one year	¥ 757
Payable after one year	903
Total	¥1,660

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

c) Amounts equivalent to lease payments and depreciation

	Millions of yen
Lease payments	¥ 800
Depreciation	800

d) Computation of amounts equivalent to depreciation

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

(2) Operating lease transactions

Amounts equivalent to future minimum lease payments at December 31, 2008

	Millions of yen
Payable within one year	¥1,559
Payable after one year	3,145
Total	¥4,704

Fiscal year ended December 31, 2009

(1) Finance lease transactions (as a lessee)

Finance lease transactions which do not transfer ownership

1) Subject leased assets

Tangible fixed assets

Mainly vehicles

2) Depreciation method of leased assets

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

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

a) Amounts equivalent to acquisition cost, accumulated depreciation and the net book value of leased property at December 31, 2009

	Millions of yen			Thousands of U.S. dollars		
	Acquisition cost	Accumulated depreciation	Net book value	Acquisition cost	Accumulated depreciation	Net book value
Other (tools, furniture and fixtures)	**¥6,357**	**¥5,536**	**¥821**	**$69,023**	**$60,109**	**$8,914**

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

b) Amounts equivalent to future minimum lease payments at December 31, 2009

	Millions of yen	Thousands of U.S. dollars
Payable within one year	**¥ 471**	**$ 5,114**
Payable after one year	**349**	**3,789**
Total	**¥ 821**	**$ 8,914**

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

c) Amounts equivalent to lease payments and depreciation

	Millions of yen	Thousands of U.S. dollars
Lease payments	**¥ 655**	**$ 7,112**
Depreciation	**655**	**7,112**

d) Computation of amounts equivalent to depreciation

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

(2) Operating lease transactions

Future minimum lease payments for noncancellable operating lease transactions

	Millions of yen	Thousands of U.S. dollars
Payable within one year	**¥1,412**	**$15,331**
Payable after one year	**3,420**	**37,134**
Total	**¥4,832**	**$52,465**

18. Marketable Securities

Information regarding marketable securities for the years ended December 31, 2008 and 2009 is as follows.

Fiscal year ended December 31, 2008

(1) Other securities with fair value (as of December 31, 2008)

		Millions of yen		
	Type	Acquisition cost	Carrying value	Unrealized gain
Securities whose carrying value exceeds their acquisition cost	(1) Equity securities	¥ 1,391	¥ 2,689	¥ 1,298
	(2) Bonds:			
	1) National and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other bonds	—	—	—
	(3) Other	—	—	—
	Sub-total	1,391	2,689	1,298
Securities whose acquisition cost exceeds their carrying value	(1) Equity securities	¥12,395	¥11,354	¥(1,041)
	(2) Bonds:			
	1) National and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other bonds	—	—	—
	(3) Other	—	—	—
	Sub-total	12,395	11,354	(1,041)
	Total	¥13,787	¥14,043	¥ 256

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

(2) Other marketable securities sold during the fiscal year (January 1, 2008 through December 31, 2008)

	Millions of yen		
	Amount sold	Total gains	Total losses
	¥58	¥0	¥6

(3) Carrying value of securities whose fair value is not available (as of December 31, 2008)

	Millions of yen
	Carrying value
Other securities:	
Unlisted equity securities	¥1,063

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Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
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Fiscal year ended December 31, 2009

(1) Other securities with fair value (as of December 31, 2009)

	Type	Millions of yen			Thousands of U.S. dollars		
		Acquisition cost	Carrying value	Unrealized gain	Acquisition cost	Carrying value	Unrealized gain
Securities whose carrying value exceeds their acquisition cost	(1) Equity securities	**¥10,084**	**¥15,330**	**¥5,245**	**$109,490**	**$166,450**	**$56,949**
	(2) Bonds:						
	1) National and local government bonds	—	—	—	—	—	—
	2) Corporate bonds	—	—	—	—	—	—
	3) Other bonds	—	—	—	—	—	—
	(3) Other	—	—	—	—	—	—
	Sub-total	**10,084**	**15,330**	**5,245**	**109,490**	**166,450**	**56,949**
Securities whose acquisition cost exceeds their carrying value	(1) Equity securities	**¥ 3,624**	**¥ 3,078**	**¥ (545)**	**$ 39,349**	**$ 33,420**	**$ (5,917)**
	(2) Bonds:						
	1) National and local government bonds	—	—	—	—	—	—
	2) Corporate bonds	—	—	—	—	—	—
	3) Other bonds	—	—	—	—	—	—
	(3) Other	—	—	—	—	—	—
	Sub-total	**3,624**	**3,078**	**(545)**	**39,349**	**33,420**	**(5,917)**
	Total	**¥13,709**	**¥18,408**	**¥4,699**	**$148,849**	**$199,870**	**$51,021**

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

(2) Other marketable securities sold during the fiscal year (January 1, 2009 through December 31, 2009)

Millions of yen			Thousands of U.S. dollars		
Amount sold	Total gains	Total losses	Amount sold	Total gains	Total losses
¥62	**¥4**	**¥15**	**$673**	**$43**	**$163**

(3) Carrying value of securities whose fair value is not available (as of December 31, 2009)

	Millions of yen	Thousands of U.S. dollars
	Carrying value	Carrying value
Other securities:		
Unlisted equity securities	**¥1,084**	**$11,770**

19. Derivative Transactions

1. Matters concerning the status of transactions

(1) Nature of transactions

Derivative transactions which the Yamaha Motor Group employs are foreign exchange forward contracts, currency option transactions, interest-rate swap transactions and other transactions related to sales finance.

(2) Basic policy and purpose of transactions

The Yamaha Motor Group is engaged in derivative transactions principally involving credits, debts and borrowings.

The purpose of derivative transactions is to hedge certain risks arising from adverse fluctuations in foreign currency exchange rates and interest rates in business and financing operations. Specifically, in order to negate the effect of adverse foreign exchange rate fluctuations on the collection of the Group's foreign currency-denominated accounts receivable, the Group is employing foreign exchange forward contracts and currency option transactions. Also, the Group is employing interest-rate swap transactions in order to fix a part of the interest expense resulting from long-term debt with variable interest rates, or to convert a part of the interest expense resulting from long-term debt with fixed interest rates into variable interest. The Group is employing other transactions intended to promote sales while reducing the credit risk involved in sales finance.

(3) Risks involved in transactions

In order to reduce credit risks, hedging transactions are implemented with financial institutions globally recognized for excellence.

(4) Risk management system

Foreign exchange forward contracts and interest-rate swaps are employed in compliance with internal rules for forward exchange contracts, in order to assure leveling of foreign exchange contracts used to hedge foreign exchange rate fluctuation risks related to foreign currency monetary assets. At the same time, these transactions are designed to secure mobility in case of sudden foreign exchange market fluctuations. Also, the Group periodically checks forward contract balances with financial institutions.

For interest-rate swap transactions, the Group keeps track of interest receipt and payment amounts and settlement dates with each financial institution. Also, the Group periodically checks the content of these transactions with the financial institutions.

The Group also periodically checks the contents of other transactions with the financial institutions.

The finance division of each company is in control of all such derivative transactions.

2. Matters concerning the market value of transactions

Fiscal year ended December 31, 2008

No items reported.

Items to which hedge accounting is applicable are not subject to reporting.

Fiscal year ended December 31, 2009

The Company changed the accounting method for derivative transactions from hedge accounting to the market value-based method during the fiscal year under review. The change was made in conjunction with a groupwide review of hedging policy and other factors.

(1) Currency related

		Millions of yen			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
	Forward exchange contract				
	Sell:				
	USD	¥27,776	¥—	¥28,287	¥(511)
	EUR	22,734	—	22,503	231
	CAD	6,054	—	6,137	(83)
	GBP	4,948	—	4,936	11
Non-market transactions	PLN	1,631	—	1,663	(31)
	AUD	1,612	—	1,635	(23)
	HUF	428	—	434	(6)
	CZK	199	—	197	2
	JPY	20	—	19	0
	Buy:				
	USD	14,553	—	14,592	39
	JPY	863	—	875	12
	Total	¥49,988	¥—	¥50,346	¥(358)

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		Thousands of U.S. dollars			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Forward exchange contract				
	Sell:				
	USD	$301,585	$—	$307,134	$(5,548)
	EUR	246,840	—	244,332	2,508
	CAD	65,733	—	66,634	(901)
	GBP	53,724	—	53,594	119
	PLN	17,709	—	18,056	(337)
	AUD	17,503	—	17,752	(250)
	HUF	4,647	—	4,712	(65)
	CZK	2,161	—	2,139	22
	JPY	217	—	206	0
	Buy:				
	USD	158,013	—	158,436	423
	JPY	9,370	—	9,501	130
	Total	$542,758	$—	$546,645	$(3,887)

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

(2) Interest-rate related

		Millions of yen			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Interest-rate swap contract				
	Receipts fixed, payments floating	¥ 29,531	¥ 29,531	¥(203)	¥(203)
	Receipts floating, payments fixed	86,238	81,557	(662)	(662)
	Total	¥115,770	¥111,089	¥(866)	¥(866)

		Thousands of U.S. dollars			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Interest-rate swap contract				
	Receipts fixed, payments floating	$ 320,641	$ 320,641	$(2,204)	$(2,204)
	Receipts floating, payments fixed	936,352	885,527	(7,188)	(7,188)
	Total	$1,257,003	$1,206,178	$(9,403)	$(9,403)

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

(3) Other

		Millions of yen			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Other	¥183,020	¥41,572	¥89	¥89
	Total	¥183,020	¥41,572	¥89	¥89

		Thousands of U.S. dollars			
Classification	Transaction	Contractual value	Contractual value over 1 year	Market value	Unrealized gain or loss
Non-market transactions	Other	$1,987,188	$451,379	$966	$966
	Total	$1,987,188	$451,379	$966	$966

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

20. Retirement Benefit Plans

Information regarding retirement benefit plans for the years ended December 31, 2008 and 2009 is as follows.

(1) Outline of retirement benefit plans

The Company and certain of its domestic consolidated subsidiaries have cash balance pension plans and lump-sum payment plans. Certain of its other domestic consolidated subsidiaries have defined-benefit plans, i.e., welfare pension funds, tax-qualified pension plans and lump-sum payment plans.

Certain overseas consolidated subsidiaries have defined-contribution pension plans, in addition to defined-benefit plans.

(2) Retirement benefit obligation and related items

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Retirement benefit obligation	¥(147,245)	**¥(149,076)**	**$(1,618,632)**
Plan assets at fair value	96,957	**97,423**	**1,057,796**
Unfunded retirement benefit obligation	(50,288)	**(51,653)**	**(560,836)**
Unrecognized actuarial gain or loss	20,521	**18,644**	**202,432**
Unrecognized prior service cost	(1,362)	**(1,512)**	**(16,417)**
Net retirement benefit obligation	(31,129)	**(34,521)**	**(374,821)**
Prepaid pension cost	252	**226**	**2,454**
Accrued retirement benefits	¥ (31,381)	**¥ (34,748)**	**$ (377,286)**

Note Certain of the Company's subsidiaries adopt the simplified method to compute their retirement benefit obligation.

(3) Retirement benefit expenses and related items

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Service cost	¥6,589	**¥ 7,014**	**$ 76,156**
Interest cost	3,676	**3,630**	**39,414**
Expected return on plan assets	(3,059)	**(2,671)**	**(29,001)**
Amortization of actuarial gain or loss	2,164	**3,423**	**37,166**
Amortization of prior service cost	(161)	**(209)**	**(2,269)**
Total	¥9,209	**¥11,188**	**$121,477**

Notes
1 In addition to the retirement benefit expenses above, special incentives and other expenses amounting to ¥362 million at December 31, 2008, as well as contributions into defined-contribution plans amounting to ¥873 million, were registered separately in fiscal 2008.
2 In addition to the retirement benefit expenses above, employees' early retirement expenses amounting to ¥20,160 million ($218,893 thousand) as business structure improvement expenses of extraordinary losses in fiscal 2009, as well as incentives amounting to ¥35 million ($380 thousand) as early retirement benefit expenses of non-operating expenses were registered separately in fiscal 2009.
3 In addition to the retirement benefit expenses above, contributions into defined-contribution plans amounting to ¥689 million ($7,481 thousand) were registered separately in fiscal 2009.
4 Retirement benefit expenses of the Company's consolidated subsidiaries, which were accounted for by the simplified method, were registered under the classification "service cost" in the above table.

(4) Assumptions and policies adopted in the calculation of retirement benefit obligation

	2008	**2009**
Attribution method for retirement benefits in the period	Straight-line method	**Straight-line method**
Discount rate	Mainly 2.0%	**Mainly 2.0%**
Expected rate of return on plan assets	Mainly 2.5%	**Mainly 2.5%**
Amortization years of actuarial gain or loss	Mainly 10 years Amortized in the year following the year in which the gain or loss is recognized, primarily by the straight-line method, over a period which is shorter than the average remaining years of service of the employees.	**Mainly 10 years Amortized in the year following the year in which the gain or loss is recognized, primarily by the straight-line method, over a period which is shorter than the average remaining years of service of the employees.**
Amortization years of prior service cost	Mainly 10 years Amortized as incurred, by the straight-line method over a period which is shorter than the average remaining years of service of the employees.	**Mainly 10 years Amortized as incurred, by the straight-line method over a period which is shorter than the average remaining years of service of the employees.**

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21. Stock Options

Information regarding stock options for the years ended December 31, 2008 and 2009 is as follows.

Fiscal year ended December 31, 2008

1. Expenses associated with stock options during fiscal 2008 and the category in which they were classified:
   Selling, general and administrative expenses: ¥30 million.

2. Outline of stock options and changes

(1) Outline of stock options

		2004 Stock options		2008 Stock options	
Title and number of grantees	(Persons)	Directors of Yamaha Motor Co., Ltd.:	11	Directors of Yamaha Motor Co., Ltd.:	9
		Executive Officers of Yamaha Motor Co., Ltd.:	14	Executive Officers of Yamaha Motor Co., Ltd.:	15
		Employees of Yamaha Motor Co., Ltd.:	12		
		Directors of Yamaha Motor's subsidiaries and affiliates:	46		
		Executive Officers of Yamaha Motor's subsidiaries and affiliates:	5		
Number of stock options [Note 1]	(Shares)	Common shares 298,000		Common shares 75,500	
Grant date		August 2, 2004		June 13, 2008	
Condition for vesting [Note 2]		N.A.		Persons who have received allocations of common stock must serve a full term that includes the grant date (June 13, 2008).	
Requisite service period		N.A.		Same period as listed under condition for vesting	
Exercise period		August 2, 2006 to August 1, 2008		June 13, 2010 to June 12, 2014	

Notes **1** Stock options are converted into a number of shares.
2 Conditions for the exercise of stock options
(1) Persons who have received allocations of share warrants may not exercise the rights when they lose their status as Director or Executive Officer of Yamaha Motor Co., Ltd., for any reason stipulated in the "Agreement on Allocation of Share Warrants" concluded between the Company and the grantee.
(2) Share warrants may not be inherited.
(3) Other conditions governing the exercise of stock option rights are based on the provisions of the "Agreement on Allocation of Share Warrants" concluded between the Company and the grantee.

(2) Stock options granted and changes
Stock options outstanding in fiscal 2008 are counted and converted into a number of shares.

a) Number of stock options

	Shares	
	2004 Stock options	2008 Stock options
Before vesting:		
Previous fiscal year-end	—	—
Granted	—	75,500
Forfeited	—	—
Vested	—	—
Outstanding	—	75,500
After vesting:		
Previous fiscal year-end	56,000	—
Vested	—	—
Exercised	50,000	—
Forfeited	6,000	—
Exercisable	—	—

b) Price information

	Yen	
	2004 Stock option	2008 Stock option
Exercise price	¥1,705	¥2,205
Average exercise price	2,010	—
Fair value at the grant date	—	535

3. Technique used for valuating the fair value of stock options

Stock options granted in the fiscal year were valuated using the following valuation technique.

a) Valuation technique: Black-Scholes option-pricing model

b) Principal parameters used in the option-pricing model

	2008 Stock option
Expected volatility Note 1	34.4%
Average expected life Note 2	4 years
Expected dividends Note 3	¥41 per share
Risk-free interest rate Note 4	1.321%

Notes 1 Calculated based on the actual stock prices during the four years ending on the stock option grant date (June 13, 2008).
2 The average expected life could not be reasonably estimated due to insufficient data. Therefore, it was estimated assuming that the options were exercised at the mid-point of the exercise period.
3 The actual dividends on common stock for the fiscal year ended December 31, 2007.
4 Japanese government bond yield corresponding to the average expected life.

4. Method of estimating number of stock options vested

Only the actual number of forfeited stock options is reflected because it is difficult to reasonably estimate the number of stock options that will be forfeited in the future.

Fiscal year ended December 31, 2009

1. Expenses associated with stock options during fiscal 2009 and the category in which they were classified:

Selling, general and administrative expenses: ¥42 million ($456 thousand).

2. Outline of stock options and changes

(1) Outline of stock options

		2008 Stock options		2009 Stock options	
Title and number of grantees	(Persons)	Directors of Yamaha Motor Co., Ltd.:	9	Directors of Yamaha Motor Co., Ltd.:	7
		Executive Officers of Yamaha Motor Co., Ltd.:	15	Executive Officers of Yamaha Motor Co., Ltd.:	18
Number of stock options Note 1	(Shares)	Common shares 75,500		Common shares 112,000	
Grant date		June 13, 2008		June 16, 2009	
Condition for vesting Note 2		Persons who have received allocations of common stock must serve a full term that includes the grant date (June 13, 2008).		Persons who have received allocations of common stock must serve a full term that includes the grant date (June 16, 2009).	
Requisite service period		Same period as listed under condition for vesting		Same period as listed under condition for vesting	
Exercise period		June 13, 2010 to June 12, 2014		June 16, 2011 to June 15, 2015	

Notes 1 Stock options are converted into a number of shares.
2 Conditions for the exercise of stock options
(1) Persons who have received allocations of share warrants may not exercise the rights when they lose their status as Director or Executive Officer of Yamaha Motor Co., Ltd., for any reason stipulated in the "Agreement on Allocation of Share Warrants" concluded between the Company and the grantee.
(2) Share warrants may not be inherited.
(3) Other conditions governing the exercise of stock option rights are based on the provisions of the "Agreement on Allocation of Share Warrants" concluded between the Company and the grantee.

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(2) Stock options granted and changes
Stock options outstanding in fiscal 2009 are counted and converted into a number of shares.

a) Number of stock options

	Shares	
	2008 Stock options	2009 Stock options
Before vesting:		
Previous fiscal year-end	75,500	—
Granted	—	112,000
Forfeited	—	—
Vested	75,500	—
Outstanding	—	112,000
After vesting:		
Previous fiscal year-end	—	—
Vested	75,500	—
Exercised	—	—
Forfeited	—	—
Exercisable	75,500	—

b) Price information

	Yen		U.S. dollars	
	2008 Stock option	2009 Stock option	2008 Stock option	2009 Stock option
Exercise price	¥2,205	¥1,207	$23.94	$13.11
Average exercise price	—	—	—	—
Fair value at the grant date	535	380	5.81	4.13

3. Technique used for valuating the fair value of stock options
Stock options granted in the fiscal year were valuated using the following technique.
a) Valuation technique: Black-Scholes option-pricing model
b) Principal parameters used in the option-pricing model

	2009 Stock option
Expected volatility Note 1	46.82%
Average expected life Note 2	4 years
Expected dividends Note 3	¥25.50 per share
Risk-free interest rate Note 4	0.71%

Notes **1** Calculated based on the actual stock prices during the four years ending on the stock option grant date (June 16, 2009).
2 The average expected life could not be reasonably estimated due to insufficient data. Therefore, it was estimated assuming that the options were exercised at the mid-point of the exercise period.
3 The actual dividends on common stock for the fiscal year ended December 31, 2008.
4 Japanese government bond yield corresponding to the average expected life.

4. Method of estimating number of stock options vested
Only the actual number of forfeited stock options is reflected because it is difficult to reasonably estimate the number of stock options that will be forfeited in the future.

22. Deferred Tax Accounting

Information regarding deferred tax accounting at December 31, 2008 and 2009 is as follows.

(1) Principal deferred tax assets and liabilities

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Deferred tax assets:			
Losses carried forward for tax purposes	¥ —	**¥56,905**	**$ 617,861**
Excess depreciation	8,694	**30,542**	**331,618**
Accrued retirement benefits	11,370	**11,468**	**124,517**
Accrual for product liabilities	2,948	**9,849**	**106,938**
Accounts payable	9,604	**9,382**	**101,868**
Inventory write-downs	3,365	**6,758**	**73,377**
Accrued warranty cost	8,468	**6,315**	**68,567**
Accrued bonuses	3,044	**2,144**	**23,279**
Securities write-downs	7,320	**1,572**	**17,068**
Allowance for doubtful receivables	725	**971**	**10,543**
Other	15,411	**5,995**	**65,092**
Gross deferred tax assets	70,955	**141,906**	**1,540,782**
Valuation allowance	(11,010)	**(131,828)**	**(1,431,357)**
Total deferred tax assets	59,944	**10,077**	**109,414**
Deferred tax liabilities:			
Unrealized gain on other securities	(67)	**(578)**	**(6,276)**
Reserve for advanced depreciation	(219)	**(436)**	**(4,734)**
Depreciation expenses	(3,000)	**—**	**—**
Reserve for special depreciation	(26)	**—**	**—**
Other	(8,446)	**(4,821)**	**(52,345)**
Total deferred tax liabilities	(11,760)	**(5,836)**	**(63,366)**
Net deferred tax assets	50,895	**8,983**	**97,535**
Net deferred tax liabilities	¥ (2,712)	**¥ (4,742)**	**$ (51,488)**

(2) Principal reasons for the difference between the statutory tax rate and the rate of income taxes after application of deferred tax accounting

Fiscal year ended December 31, 2008

	2008
Statutory tax rate	39.7%
Effect of:	
Valuation allowance, revaluation loss on securities and impairment loss on fixed assets	22.8
Dividends received from overseas consolidated subsidiaries	19.7
Net losses at consolidated subsidiaries	13.3
Foreign taxes and other taxes	11.0
Unrecognized tax effect on unrealized gain	8.2
Tax rate difference of overseas consolidated subsidiaries, etc.	(32.7)
Other, net	(0.5)
Effective tax rates	81.5%

Fiscal year ended December 31, 2009

This note is omitted because the Company recorded loss before income taxes and minority interests in fiscal 2009.

Notes to Consolidated Financial Statements

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

23. Segment Information

The Company and its consolidated subsidiaries are primarily engaged in the manufacture and sale of products in Japan and overseas. The operations of the Company and its consolidated subsidiaries have been classified into four business segments: Motorcycles, Marine Products, Power Products, and Other Products. Major products in the Motorcycles segment include motorcycles and knockdown parts for overseas production; in the Marine Products segment: outboard motors, personal watercraft, pleasure-use boats, fiberglass-reinforced plastic pools, fishing boats, utility boats and diesel engines; in the Power Products segment: all-terrain vehicles, side-by-side vehicles, snowmobiles, golf cars, generators, small-sized snow throwers and multi-purpose engines; and in the Other Products segment: surface mounters, industrial robots, automobile engines, automobile components, electrically power assisted bicycles, unmanned industrial helicopters, electrically powered wheelchairs and the intermediate parts for products in all business segments.

(1) Business segment information

Business segment information for the Company and its subsidiaries for the years ended December 31, 2008 and 2009 is summarized as follows.

Fiscal year ended December 31, 2008

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	¥1,028,809	¥238,814	¥213,259	¥122,997	¥1,603,881	¥ —	¥1,603,881
Intersegment	—	—	—	122,131	122,131	(122,131)	—
Total	1,028,809	238,814	213,259	245,128	1,726,012	(122,131)	1,603,881
Operating expenses	995,203	232,737	209,694	239,994	1,677,630	(122,131)	1,555,499
Operating income	¥ 33,605	¥ 6,077	¥ 3,565	¥ 5,134	¥ 48,382	¥ 0	¥ 48,382
Assets	¥ 675,159	¥209,836	¥167,038	¥111,138	¥1,163,173	¥ —	¥1,163,173
Depreciation	36,309	10,318	5,090	7,888	59,606	—	59,606
Capital expenditures	64,517	12,927	6,702	10,243	94,391	—	94,391

Notes 1 Business segments correspond to categories classified primarily by similarity of products and markets.
2 All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
3 Depreciation and amortization of assets
Pursuant to an amendment to the Corporate Tax Law, the Company and its consolidated subsidiaries in Japan have applied the following accounting method for tangible fixed assets acquired on and before March 31, 2007. When such assets are depreciated to 5% of their acquisition costs under the previous method, the difference between that value (5% of the acquisition costs) and the assets' memorandum value is depreciated by the straight-line method over five years starting from the following fiscal year, and the amount is included in depreciation expenses.
Applying the new accounting method, operating expenses in fiscal 2008 increased ¥775 million in the motorcycle business, ¥103 million in the marine product business, ¥192 million in the power product business, and ¥249 million in the other products business, while operating income in each business segment decreased the same amount, compared with the figures derived using the previous method.

Fiscal year ended December 31, 2009

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	**¥817,058**	**¥150,113**	**¥100,577**	**¥ 85,893**	**¥1,153,642**	**¥ —**	**¥1,153,642**
Intersegment	**—**	**—**	**—**	**77,770**	**77,770**	**(77,770)**	**—**
Total	**817,058**	**150,113**	**100,577**	**163,664**	**1,231,413**	**(77,770)**	**1,153,642**
Operating expenses	**821,209**	**174,387**	**134,345**	**164,050**	**1,293,993**	**(77,770)**	**1,216,222**
Operating loss	**¥ (4,151)**	**¥ (24,274)**	**¥ (33,768)**	**¥ (386)**	**¥ (62,580)**	**¥ 0**	**¥ (62,580)**
Assets	**¥607,311**	**¥169,122**	**¥115,082**	**¥ 95,561**	**¥ 987,077**	**¥ —**	**¥ 987,077**
Depreciation	**32,521**	**10,052**	**3,993**	**7,134**	**53,701**	**—**	**53,701**
Impairment loss	**52,633**	**12,077**	**14,183**	**4,164**	**83,058**	**—**	**83,058**
Capital expenditures	**29,932**	**6,660**	**3,660**	**5,780**	**46,035**	**—**	**46,035**

	Thousands of U.S. dollars						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	$8,871,422	$1,629,891	$1,092,041	$ 932,606	$12,525,972	$ —	$12,525,972
Intersegment	—	—	—	844,408	844,408	(844,408)	—
Total	8,871,422	1,629,891	1,092,041	1,777,025	13,370,391	(844,408)	12,525,972
Operating expenses	8,916,493	1,893,453	1,458,686	1,781,216	14,049,870	(844,408)	13,205,451
Operating loss	$ (45,071)	$ (263,561)	$ (366,645)	$ (4,191)	$ (679,479)	$ 0	$ (679,479)
Assets	$6,594,039	$1,836,287	$1,249,533	$1,037,579	$10,717,448	$ —	$10,717,448
Depreciation	353,105	109,142	43,355	77,459	583,073	—	583,073
Impairment loss	571,477	131,129	153,996	45,212	901,824	—	901,824
Capital expenditures	324,995	72,313	39,739	62,758	499,837	—	499,837

Notes 1 Business segments: Classified in the same way as for the fiscal year ended December 31, 2008.
2 All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
3 Impairment losses on idle assets are included in the business to which the respective idle assets belong.
4 Depreciation and amortization of assets
As described in "Depreciation and Amortization of Assets," of "Accounting Standards," the Company and its consolidated subsidiaries in Japan reviewed the useful life of certain tangible fixed assets, mainly machinery and equipment, taking advantage of the change in the Corporate Tax Law (Ministerial Ordinance to Partially Amend the Ministerial Ordinance with Regard to Useful Life of Depreciated Assets: April 30, 2008; Ordinance of the Ministry of Finance, No.32).
Applying the new accounting method, operating expenses in fiscal 2009 increased ¥353 million ($3,833 thousand) in the motorcycle business, ¥560 million ($6,080 thousand) in the marine product business, ¥64 million ($695 thousand) in the power product business, and ¥221 million ($2,400 thousand) in the other products business, while operating loss in each business segment increased the same amount, compared with the figures derived using the previous method.

(2) Geographical segment information

The geographical segments of the Company and its subsidiaries for the years ended December 31, 2008 and 2009 are summarized as follows.

Fiscal year ended December 31, 2008

	Millions of yen							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net sales:								
Outside customers	¥267,683	¥346,506	¥302,689	¥519,172	¥167,829	¥1,603,881	¥ —	¥1,603,881
Intersegment	531,722	36,571	5,137	65,644	3,364	642,440	(642,440)	—
Total	799,405	383,077	307,827	584,816	171,194	2,246,321	(642,440)	1,603,881
Operating expenses	822,345	376,531	297,365	549,483	159,014	2,204,739	(649,240)	1,555,499
Operating income (loss)	¥ (22,939)	¥ 6,546	¥ 10,461	¥ 35,333	¥ 12,180	¥ 41,582	¥ 6,799	¥ 48,382
Assets	¥649,923	¥225,972	¥171,346	¥236,688	¥108,117	¥1,392,047	¥(228,874)	¥1,163,173

Notes 1 Geographic segments correspond to categories of geographical similarity, classified primarily by nations and regions.
2 Nations and regions included in segments outside Japan:
(1) North America: U.S.A. and Canada
(2) Europe: The Netherlands, France, Italy, Spain and Russia
(3) Asia: Indonesia, Taiwan, Thailand, Singapore, Vietnam, China and India
(4) Other areas: Brazil, Australia, Colombia and Mexico
3 All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
4 Depreciation and amortization of assets
Pursuant to an amendment to the Corporate Tax Law, the Company and its consolidated subsidiaries in Japan have applied the following accounting method for tangible fixed assets acquired on and before March 31, 2007. When such assets are depreciated to 5% of their acquisition costs under the previous method, the difference between that value (5% of the acquisition costs) and the assets' memorandum value is depreciated by the straight-line method over five years starting from the following fiscal year, and the amount is included in depreciation expenses.
Applying the new accounting method, operating expenses in Japan in fiscal 2008 increased ¥1,320 million, while operating loss increased the same amount, compared with the figures derived using the previous method.

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Yamaha Motor Co., Ltd. and Consolidated Subsidiaries
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Fiscal year ended December 31, 2009

	Millions of yen							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net sales:								
Outside customers	¥188,276	¥165,528	¥197,641	¥482,370	¥119,825	¥1,153,642	¥ —	¥1,153,642
Intersegment	261,973	17,654	3,503	37,098	937	321,167	(321,167)	—
Total	450,250	183,183	201,144	519,469	120,762	1,474,810	(321,167)	1,153,642
Operating expenses	505,833	225,451	210,293	485,912	122,802	1,550,292	(334,069)	1,216,222
Operating income (loss)	¥ (55,582)	¥ (42,268)	¥ (9,148)	¥ 33,556	¥ (2,039)	¥ (75,481)	¥ 12,901	¥ (62,580)
Assets	¥455,349	¥192,638	¥119,148	¥273,632	¥133,301	¥1,174,069	¥(186,991)	¥ 987,077

	Thousands of U.S. dollars							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net sales:								
Outside customers	$2,044,256	$1,797,264	$2,145,939	$5,237,459	$1,301,031	$12,525,972	$ —	$12,525,972
Intersegment	2,844,441	191,683	38,035	402,801	10,174	3,487,155	(3,487,155)	—
Total	4,888,708	1,988,958	2,183,974	5,640,271	1,311,205	16,013,138	(3,487,155)	12,525,972
Operating expenses	5,492,215	2,447,894	2,283,312	5,275,917	1,333,355	16,832,704	(3,627,242)	13,205,451
Operating income (loss)	$ (603,496)	$ (458,936)	$ (99,327)	$ 364,343	$ (22,139)	$ (819,555)	$ 140,076	$ (679,479)
Assets	$4,944,072	$2,091,618	$1,293,681	$2,971,031	$1,447,351	$12,747,763	$(2,030,304)	$10,717,448

Notes 1 Geographic segments correspond to categories of geographical similarity, classified primarily by nations and regions.
2 Nations and regions included in segments outside Japan:
The same as the areas listed above for the fiscal year ended December 31, 2008.
3 All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
4 Depreciation and amortization of assets
As described in "Depreciation and Amortization of Assets," of "Accounting Standards," the Company and its consolidated subsidiaries in Japan reviewed the useful life of certain tangible fixed assets, mainly machinery and equipment, taking advantage of the change in the Corporate Tax Law (Ministerial Ordinance to Partially Amend the Ministerial Ordinance with Regard to Useful Life of Depreciated Assets: April 30, 2008; Ordinance of the Ministry of Finance, No.32).
Applying the new accounting method, operating expenses in Japan in fiscal 2009 increased ¥1,199 million ($13,018 thousand), while operating loss increased the same amount, compared with the figures derived using the previous method.

(3) Overseas sales

Overseas sales, which include export sales of the Company and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of foreign consolidated subsidiaries, for the years ended December 31, 2008 and 2009 are summarized as follows.

Fiscal year ended December 31, 2008

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
Overseas sales	¥347,977	¥312,877	¥549,223	¥223,594	¥1,433,672
Consolidated sales					1,603,881
Overseas sales to net sales	21.7%	19.5%	34.2%	14.0%	89.4%

Notes 1 Overseas segments correspond to categories of geographical similarity, classified primarily by nations and regions.
2 Nations and regions included in segments outside Japan:
(1) North America: U.S.A. and Canada
(2) Europe: Italy, France, Spain, Russia and Germany
(3) Asia: Indonesia, Vietnam, Thailand, China, Taiwan and India
(4) Other areas: Brazil, Australia and South Africa
3 Overseas sales consist of export sales of Yamaha Motor and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

Fiscal year ended December 31, 2009

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
Overseas sales	**¥166,330**	**¥201,950**	**¥500,442**	**¥154,481**	**¥1,023,205**
Consolidated sales					**1,153,642**
Overseas sales to net sales	**14.4%**	**17.5%**	**43.4%**	**13.4%**	**88.7%**

	Thousands of U.S. dollars				
	North America	Europe	Asia	Other areas	Total
Overseas sales	**$1,805,972**	**$2,192,725**	**$5,433,681**	**$1,677,318**	**$11,109,718**
Consolidated sales					**12,525,972**
Overseas sales to net sales	**14.4%**	**17.5%**	**43,4%**	**13.4%**	**88.7%**

Notes **1** Overseas segments correspond to categories of geographical similarity, classified primarily by nations and regions.
2 Nations and regions included in segments outside Japan:
The same as the areas listed above for the fiscal year ended December 31, 2008.
3 Overseas sales consist of export sales of Yamaha Motor and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

(4) Related party transactions

No related items.

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24. Per Share Information

Information regarding per share for the years ended December 31, 2008 and 2009 is as follows.

	Yen		U.S. dollars
	2008	**2009**	**2009**
Net assets per share Note 2	¥1,377.81	**¥743.04**	**$8.07**
Net income (loss) per share —basic Note 3	6.47	**(755.92)**	**(8.21)**
Net income per share — diluted Note 3	6.47	**— Note 1**	**— Note 1**

Note 1 The Company registered a basic net loss per share in the fiscal year ended December 31, 2009 (fiscal 2009). Therefore, diluted net income per share in fiscal 2009 is not described herein, although there were latent shares during the period.

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

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Total net assets	¥428,483	**¥249,266**	**$2,706,471**
Amount excluded from total net assets	33,915	**36,869**	**400,315**
Share warrants	30	**72**	**782**
Minority interests	33,885	**36,796**	**399,522**
Net assets attributable to common stock at the end of the period	394,568	**212,397**	**2,306,156**
	Thousand shares		
Number of common stocks outstanding at the end of the period, calculated under "Net assets per share"	286,373	**285,849**	

Note 3 Basic net income (loss) per share and diluted net income per share are calculated based on the following:

	Millions of yen		Thousands of U.S. dollars
	2008	**2009**	**2009**
Net income (loss) per share — basic:			
Net income (loss)	¥1,851	**¥(216,148)**	**$(2,346,884)**
Amount not attributable to common stockholders	—	**—**	**—**
Net income (loss) attributable to common stock	1,851	**(216,148)**	**$(2,346,884)**
	Thousand shares		
Average number of shares outstanding during the period	286,347	**285,942**	

	Millions of yen		
Net income per share — diluted:		**Diluted net income per share in fiscal 2009 is not described herein, since the Company registered a net loss per share in fiscal 2009.**	**Diluted net income per share in fiscal 2009 is not described herein, since the Company registered a net loss per share in fiscal 2009.**
Adjustment for net income	—		
	Thousand shares		
Increase in the number of common stocks	3		
Convertible bonds	3		
Share warrants	0		
Dilutive securities not calculated under "Diluted net income per share" because they do not have dilutive effect:	Resolution of Board of Directors Meeting held on May 29, 2008: Stock options (Total number of shares: 75.5)		

25. Significant Subsequent Events

Information regarding significant subsequent events for the years ended December 31, 2008 and 2009 is as follows.

Fiscal year ended December 31, 2008

1. In order to secure long-term capital after the closing date of fiscal 2008, the Company signed the following borrowing contracts, with appropriate interest rate conditions based on market interest rates.

(1) Signed on March 6, 2009

a) Type:	Syndicated long-term debt
b) Arranged by:	Mizuho Corporate Bank, Ltd.
c) Borrowed amount:	¥42.3 billion
d) Term:	One year and three years
e) Repayment:	Lump-sum repayment on maturity
f) Security and guarantee:	None

(2) Signed on March 25, 2009

a) Type:	Long-term debt
b) Lender:	Development Bank of Japan Inc.
c) Borrowed amount:	¥10.0 billion
d) Term:	Five years
e) Repayment:	Seven installment repayments over five years
f) Security and guarantee:	None

2. In order to secure long-term working capital after the closing date of fiscal 2008, Yamaha Motor Corporation, U.S.A., the Company's consolidated subsidiary, signed the following borrowing contracts, with appropriate interest rate conditions based on market interest rates.

(1) Signed on March 18, 2009

a) Type:	Long-term debt derived from joint financing between Japan Finance Corporation (Japan Bank for International Cooperation) and private financial institutions
b) Borrowed amount:	U.S.$350 million
c) Term:	Three years
d) Repayment:	Lump-sum repayment on maturity
e) Security and guarantee:	None

(2) Signed on March 19, 2009

a) Type:	Long-term debt with insurance by Nippon Export and Investment Insurance (an Independent Administrative Institution)
b) Lender:	Sumitomo Mitsui Banking Corporation
c) Borrowed amount:	U.S.$200 million
d) Term:	Three years
e) Repayment:	Lump-sum repayment on maturity
f) Security and guarantee:	None

Fiscal year ended December 31, 2009

No related items.