

Activity Highlights at Yamaha Motor

Yamaha Motor began operating under a three-year Medium-Term Management Plan in 2010, and we achieved our initial-year target of achieving profitability on a consolidated operating income basis. Going forward, we will lay the groundwork for future growth through ongoing structural reforms and by addressing issues including the establishment of a solid earnings structure through reforms to the management foundation to deal with the yen's appreciation, with the goal of achieving a consolidated operating income margin of 5% in 2012.

2010

Consolidated operating income: returned to profitability

Laying the groundwork for future growth

✓ **Inventory reductions in U.S. motorcycle business**

To 49,000 units in 2010
from 90,000 units in 2009

✓ **Strengthening competitiveness with next-generation products**

Launching next-generation environmentally friendly engines



✓ **Growth in motorcycle unit sales**

To 6.96 million units in 2010
from 5.84 million units in 2009

✓ **Steadily enhancing motorcycle production capacity**

Reaching 3.60 million units in Indonesia,
1.00 million units in Vietnam

Management foundation reform

(Establishing profitable structure at ¥80 = US\$ / ¥105 = €)

Completing structural reforms and establishing profitable structure (¥88 = US\$ / ¥128 = € ➔ ¥88 = US\$ / ¥116 = €)

✓ **Progress in business restructuring**

To 11 from 12 factories in Japan;
932 headquarters staff applied for voluntary retirement

✓ **Cost reduction target 90% achieved**

Having already achieved 90% of ¥60 billion target for 2012, raising target to ¥75 billion

2011

2012

201X

**Consolidated operating
income margin: 5%**

Developed nations:

prepare for recovery of demand

Emerging nations:

motorcycle + marine + power products businesses

New growth category:

marketing/personal mobility/new technology

Dealing with appreciation of the yen:

short-term, medium-term, long-term policy

Reforming manufacturing layout (Japan):

headquarters + group companies

Additional cost reduction targets:

¥60 billion ➡ ¥75 billion

Details

P10: Message from the Management

P24: Special Feature