

SPECIAL FEATURE 2

Developing and Launching Smart Power Technologies

Smart Power is a general term for Yamaha Motor's new power sources, which were primarily developed for electric vehicles and designed to create a new paradigm of mobility. By developing and introducing Smart Power vehicles that "provide enjoyable and sustainable mobility," Yamaha Motor aims to become a world leader in next-generation personal mobility.



EC-03

Motorcycle business

Launching the EC-03 electric motorcycle in Japan

In 2002, Yamaha Motor became the first manufacturer to market a production-model electric commuter, the Passol, as a "Smart Minimal Commuter" designed to play a role in next-generation urban transportation. The EC-03 electric motorcycle for the Japan market was announced in September 2010, marking Yamaha Motor's return to the electric motorcycle business. With a smooth ride from an electric motor with zero exhaust emissions, the EC-03 sports a slim body that is distinct from conventional Class-1 category scooters. Expectations are high for the EC-03's role as a new-age "Smart Minimal Commuter" for traveling short distances in cities striving to achieve a "low-carbon society" status.



EC-03

Orders outpacing annual sales plan

In addition to its slim design and comfortable ride, the highly functional EC-03 can be recharged from an ordinary grounded 100-volt residential outlet. Sales have been strong, with orders during the first three months after the release already reaching the initial sales target of 1,000 units within the first year from the date of launch. Going forward, we plan to roll out the EC-03 in overseas markets including Taiwan and Europe in 2011. Along with developing variations and a commercial model, we are making technological advances in terms of batteries, motors, core control technologies and production costs, with the aim of achieving the top share in the global electric motorcycle market.



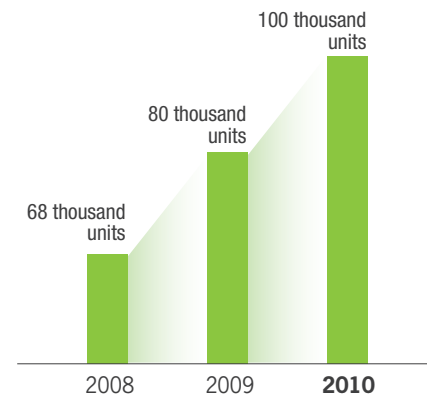
PAS electrically power assisted bicycle business

Expecting growth in the PAS electrically power assisted bicycle business

As part of our development of Smart Power, the Yamaha Motor group's PAS electrically power assisted bicycle business continues to record steady growth in Japan as well as the European markets. We have improved our products and expanded our lineup to comply with regulations allowing two infant passengers, and by developing products from the perspective of customer convenience we are enhancing our image as a pioneering manufacturer. During fiscal 2010, we announced new models that incorporate our proprietary S.P.E.C.3* system with a highly durable in-hub 3-speed gear mechanism for a powerful assisted ride.

*S.P.E.C.3: Shift Position Electric Control and in-hub 3-speed gear mechanism

Increase in volume of actual unit sales



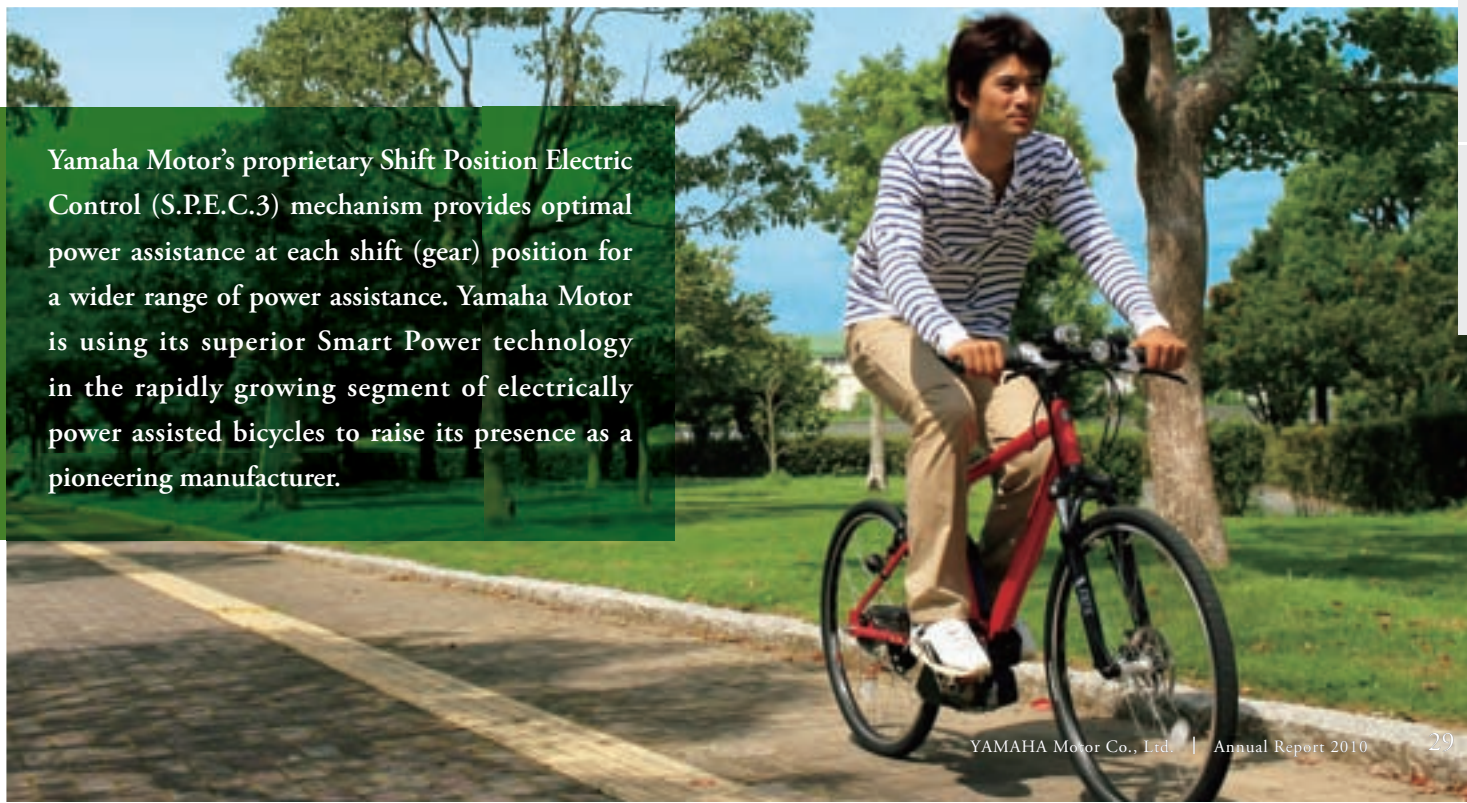
PAS Raffini

Activities in the Japanese market, rapidly growing European market

Accelerating sales network expansion and strengthening services to maintain high growth rates

Sales in Japan of electrically power assisted bicycles maintained high growth in 2010, totaling 384 thousand units. We are working to raise market recognition of the Yamaha name, expanding our sales network and strengthening services, and conducting sales promotions including test-ride events, with the aim of securing a 30% share of the Japanese market. The European market is also showing a rapid 50% annual growth rate. In addition to increasing our supply of power assisted units to local bicycle manufacturers, we are considering the introduction of completed vehicles in this market going forward.

PAS Brace-L



Yamaha Motor's proprietary Shift Position Electric Control (S.P.E.C.3) mechanism provides optimal power assistance at each shift (gear) position for a wider range of power assistance. Yamaha Motor is using its superior Smart Power technology in the rapidly growing segment of electrically power assisted bicycles to raise its presence as a pioneering manufacturer.