INTERVIEW WITH THE PRESIDENT

Striving to increase corporate value by expanding our business scale, improving our financial strength and augmenting our corporate strength as a global engineering, manufacturing and marketing enterprise

The following is an interview with President Hiroyuki Yanagi on the following topics:

Fiscal 2011 Results

- Overview of operating environment and business results

Progress in Structural Reforms

- Progress in structural reforms in fiscal 2011
- Main business activities in fiscal 2011
- Activities in new growth categories

Next Medium-Term Management Plan

- Position in fiscal 2012, and issues to be carried over to the next medium-term management plan
- “Looking forward, outward and upward”
- Measures to expand business scale
- Management issues for improving financial strength and augmenting corporate strength
- Other measures pertaining to management issues in fiscal 2012
- Financial measures to address the yen’s prolonged appreciation
- Measures to strengthen the Company in terms of human resource development
- Countermeasures to address risks from earthquakes, flooding and other natural disasters
- Aspirations for “increasing corporate value through sustainable growth”

INTERVIEW WITH THE PRESIDENT

Fiscal 2011 Results

Q1

Please give us an overview of the operating environment and business results for fiscal 2011.

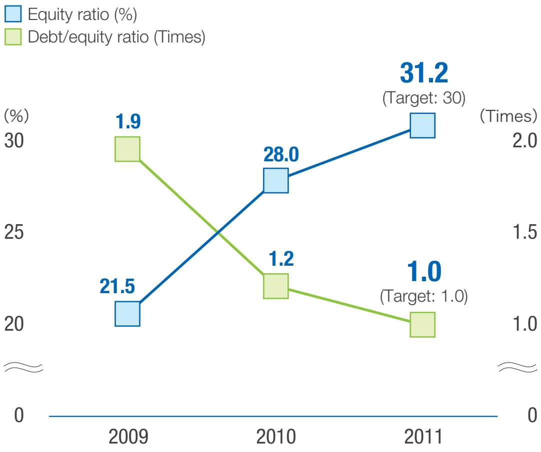
Business results recovered, supported by increased sales of motorcycles and outboard motors in emerging markets, and progress in structural reforms.

Overall, the global economy presented a difficult operating environment for Yamaha Motor's developed market business in 2011. Although the United States showed signs of a recovery in the second half of 2011, the Greek debt crisis had a major negative impact on the overall real economy in Europe; and as Japan was rebuilding from the Great East Japan Earthquake, the economy was also adversely affected by further appreciation of the yen.

In our emerging market business, however, although the damage from the flooding in Thailand had a negative effect in Thailand and Indonesia, demand for motorcycles and outboard motors continued to grow in markets such as Vietnam, India, and Central and South America. This development absorbed the negative impact of the yen's appreciation, higher prices for raw materials and the earthquake, and, as a result, the Yamaha Motor group's consolidated net sales in 2011 totaled ¥1,276.2 billion, for a 1.4% decline from 2010.

In terms of profit, the positive effect of sales growth and cost reductions from structural reforms more than offset the negative impact from the stronger yen and higher material prices, resulting in operating income of ¥53.4 billion, for a 4.1% increase from 2010, ordinary income of ¥63.5 billion, a 4.0% decline, and a 47.3% increase in net income, to ¥27.0 billion.

Fiscal 2012 targets achieved one year ahead of schedule



Looking at our financial position, our debt/equity ratio improved by 0.2 percentage point, to 1.0, and the equity ratio rose 3.2 percentage points, to 31.2%. With the aim of moving from a V-shaped recovery in results to the stabilization of a profitable structure, the medium-term management plan sets targets of an equity ratio of 30% and debt/equity ratio of 1.0, and we were able to achieve these targets one year ahead of our original schedule. Based on this performance, we have determined that our financial position has been strengthened, and we have restored the dividend in the amount of ¥15.5 per share.

At the same time, with the continued appreciation of the yen during 2011 resulting in actual exchange rates of ¥80/U.S. dollar and ¥111/euro, the operating income margin was held to 4.2%, falling short of our earnings target of an operating income margin of 5%. As we transition to our next medium-term management plan, we recognize that this extremely strong yen situation appears set to continue, and that addressing this is an important issue for our businesses. In 2012, therefore, we will improve our financial position by strengthening our market competitiveness in emerging markets to expand our business scale, and carrying out further structural reforms in developed markets.

Progress in Restructuring

Q2

Please tell us about the progress made in structural reforms during fiscal 2011.

▶ Progress in structural reforms

Consolidating to 10 factories/18 units
Targets for fiscal 2014: 7 factories/14 units

▶ Cost reduction target: 86% achieved

Raising target through 2012 to ¥75 billion (Having already achieved 86% of target as of 2011)

Further cost reductions are being pursued through measures including the reorganization of the domestic manufacturing layout.

The medium-term management plan outlines a management shift from being "market size-dependent" to "break-even point" operations. To achieve this, we are consolidating our manufacturing layout in Japan from 12 factories/25 units in 2009 to seven factories/14 units by 2014, with the aim of restructuring our developed market operations to be profitable even with domestic manufacturing of 200 thousand motorcycles, 230 thousand outboard motors and 100 thousand ATVs. During 2011, we completed the integration of motorcycle engine and body assembly, and transferred production of the two main ATV models to the United States, thereby consolidating the domestic manufacturing layout to 10 factories/18 units.

With a focus on PRO-10 (cost reduction) activities, we have reviewed the scope of potential cost reductions and raised our target through 2012 to ¥75 billion from ¥60 billion, and as of 2011 our achievement of this target reached 86%.

As a step toward globalizing our engineering, manufacturing and marketing functions, the India Procurement Center was established in India in January 2012. With integrated procurement centers in four regions—Japan, ASEAN, China and India—and maintaining an integrated parts procurement function based on technology, procurement, manufacturing and working with vendors, we have created a global parts supply structure for engineering, manufacturing and marketing that is competitive in markets around the world.

Q3

What were Yamaha Motor's main business activities in fiscal 2011?

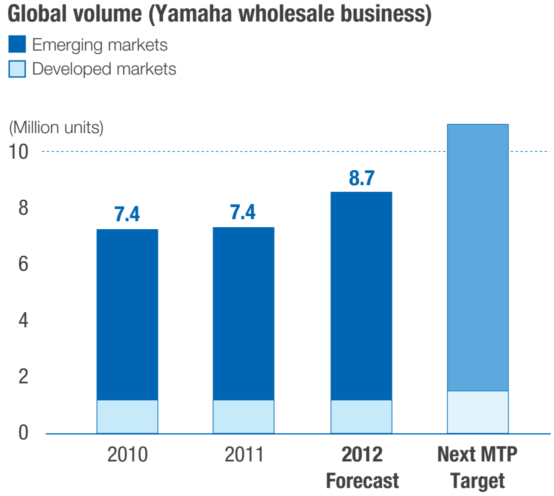
Against a backdrop of solid demand in emerging markets, we expanded our business on a global scale.

Our motorcycle unit sales in developed markets declined 7.3% in 2011, to 370 thousand units, owing to a decline in Europe as a result of the economic crisis, and despite a recovery in the United States following the previous year's correction of market inventory levels and growth in Japan on earthquake reconstruction demand. The outboard motor business saw the decline in demand in the United States bottom out; and in Japan, reconstruction demand following the earthquake led to increased demand for fishing and utility boats, generators and electrically power assisted bicycles.

In emerging markets, our motorcycle unit sales rose 0.8%, to 6.61 million units. Although production in Indonesia and Thailand declined from the effects of the flooding in Thailand, unit sales grew in Vietnam, India, and Central and South America. In India, the Yamaha brand gained popularity, particularly in the deluxe segment, and unit sales grew significantly, to 340 thousand units delivered domestically and 170 thousand units exported. Sales at the outboard motor business grew on robust demand in Asia, Russia, and Central and South America.

As a result, despite the adverse operating environment caused by the European economic crisis and the flooding in Thailand, the Yamaha Motor group's total motorcycle unit sales reached a record 6.98 million units, and total unit sales including marine products and power products grew slightly, by 0.8%, to 7.42 million units. I believe this expansion of the global scale of our business, despite a difficult operating environment, represents solid progress on the issue of structural reform under the medium-term management plan.

Global volume (Yamaha wholesale business)



Q4

Please tell us about Yamaha Motor's activities in new growth categories in fiscal 2011.

Our businesses that anticipate the future of engineering, manufacturing and marketing are showing steady growth.

The Yamaha Motor group has identified the three facets of "creating fulfilling lifestyles," "creating enjoyment in personal mobility" and "creating innovative technologies that harmonize with people, the Earth and society" in our engineering, manufacturing and marketing as a vision for future growth from 2010 to 2020—and we are accelerating our development and investment toward the achievement of this scenario.

During 2011 we worked aggressively to expand our businesses in new growth categories. In the industrial machinery and robot business, we established sales companies in Europe and the United States to strengthen our marketing of surface mounters. The generator business established an integrated production layout for generators and multipurpose engines in China, and going forward we will enter the Indonesian market utilizing our motorcycle sales network.

I would especially like to mention the Smart Power* business, which is "creating enjoyment in personal mobility." Domestic unit sales of completed PAS Electrically Power Assisted Bicycles grew by double digits in 2011, to 110 thousand units, and total unit sales of the EC-03 Electric Commuter Vehicle, released in September 2010, reached 2,000 units in December 2011. We also intend to enter the Australian pest control market with our industrial-use unmanned helicopters. These are some of the ways in which we continue to expand in a variety of new growth categories related to control electronic technologies and electric power drives.

*Smart Power: New power sources, primarily for electric vehicles, designed to create a new paradigm of mobility

For more information
please refer to page 32

Next Medium-Term Management Plan

Q5

Where are you positioned in fiscal 2012, and what issues will be carried over to the next medium-term management plan?

We will work to expand our business scale, improve our financial strength and augment our corporate strength.

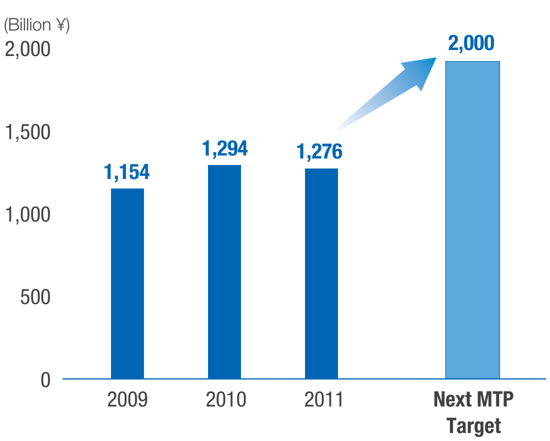
During 2012 we plan to aggressively introduce new motorcycle models and increase sales of outboard motors and other marine products in emerging markets, and we are forecasting a 9.7% increase in net sales from 2011, to ¥1,400 billion. In terms of profit, however, in addition to increased research and development expenses for future growth, we expect continued impact from the strong yen, and are forecasting a 15.7% decline in operating income, to ¥45 billion.

Since recording a large loss in 2009, we are at a stage of moving from a V-shaped recovery in results to the stabilization of a profitable structure under the current medium-term management plan. We have made steady a progress in structural reforms to build a sound management base and have successfully returned to profitability on a consolidated basis and have restored the dividend. We have also achieved the financial targets of an equity ratio of 30% and debt/equity ratio of 1.0 one year ahead of our original schedule. That said, with the yen remaining extremely strong, we have not been able to achieve the target of an operating income margin of 5%, and we will carry this over as an issue in the next medium-term management plan.

Under the next medium-term management plan, which will cover the three-year period from 2013 to 2015, we will aim to "increase corporate value through sustainable growth." By increasing new model launches in 2014 by 50% compared with 2011, under the next medium-term management plan we will address the issue of moving forward in our corporate management by working to expand our business scale to "net sales of ¥2 trillion"; improve our financial strength through management that balances investments, earnings and returns to shareholders; and further augment our corporate strength through innovation and globalization in business functions.

From this foundation, we will approach our work from 2012 by promoting a mindset of "looking forward, outward and upward," and begin to shift from managing on a daily operational level to expanding our business scale, improving our financial strength and augmenting our corporate strength.

Targeting ¥2 trillion in net sales



Q6

Please tell us more about "looking forward, outward and upward."

This expresses our determination to ensure sustainable growth and to increase our value as an engineering, manufacturing and marketing enterprise.

"Looking forward" expresses an increased awareness of the vector in our corporate activities of moving from "a V-shaped recovery in results to the stabilization of a profitable structure" to "increasing corporate value through sustainable growth." With each group employee approaching their daily activities with a mindset of expanding our business scale, improving our financial strength and augmenting our corporate strength, we will secure the strong potential that will bring about sustainable growth, and that in itself will increase Yamaha Motor's corporate value.

"Looking outward" means placing the ultimate priority on the customer (market) as the source of our engineering, manufacturing and marketing, and concentrating the focus of our work on creating value for customers. This will lead to increased value as a global company.

"Looking upward" refers to an attitude of not being content with past achievements, and continuously taking up the challenge of even higher goals. The success we achieved in 2011 in moving from a V-shaped recovery in results to the stabilization of a profitable structure is only a transitory point. The Yamaha Motor group will take up the spirit of challenge that has been at the core of the group since its founding, and work toward increasing corporate value through sustainable growth.

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Financial Section

Q7

What measures are being taken to expand the scale of Yamaha Motor's business?

SSV: side-by-side vehicle
ATV: all-terrain vehicle

We are outlining growth scenarios for each respective business, with the aim of growing in scale to net sales of ¥2 trillion.

As we aim for a scale of ¥2 trillion in net sales, it is first necessary to achieve our budgets. In addition, as we transition to the next medium-term management plan, we are classifying our current businesses into five categories: (1) expansion in scale and higher earnings in motorcycles in emerging markets, marine engines and parts; (2) expansion in scale and development in the intelligent machinery, the Smart Power vehicle, the unmanned aerial vehicle, the pool and the automotive businesses; (3) expansion in scale and market development in power products, motorcycles in Africa, among other products; (4) business improvement to achieve profitability in snowmobiles, personal watercraft, golf cars and boats; and (5) vitalization for profitability in motorcycles in developed markets and SSVs/ATVs. Each business has begun to work toward the achievement of these goals by outlining scenarios based on "why and how."

Q8

What management issues are being addressed to improve Yamaha Motor's financial strength and augment its corporate strength?

We are improving our financial strength through management that balances investments, earnings and returns to shareholders to support sustainable growth. We are augmenting our corporate strength through the innovation of corporate functions from eight perspectives in pursuit of the Yamaha spirit.

I see three issues with regard to improving our financial strength.

First, we will continue with the structural reforms begun under the current medium-term management plan and move forward to a next stage of cost reductions and reorganization of our domestic manufacturing layout.

Next, we will transform management by reorganizing our management in India, achieving profitability on a non-consolidated basis, and restructuring our developed market operations.

And finally, we will address such financial indicators as ROA and ROE.

Through these activities, we will strengthen our financial position through balanced management of investments, earnings and returns to shareholders to support sustainable growth.

At the same time, we will work to increase corporate value through innovation in the eight functions of technology, procurement, manufacturing, marketing, administration, human resources, design, and quality and safety, while placing a primary emphasis on strengthening our global competitiveness as we pursue further globalization.

Q9

What do you see as other management issues for 2012?

We are also addressing "technology management" and "design."

In terms of "technology management," we will establish a new Technology Management Committee to set a companywide technology policy and strategy, and determine what resources (human resources, physical assets, capital) to invest. Next, we will establish a Technology Committee as a forum for sharing development progress and information on individual themes like next-generation engines, Smart Power, controls, materials and manufacturing technologies, and from this foundation we will work to create a structure that is highly motivating and encourages superior performance.

In addition, the newly established Design Center will pursue an integrated brand identity incorporating product creation, interaction with customers and public relations, so that the concept of Yamaha design is consistent throughout the group's activities.

Q10

What financial measures are you taking to address the yen's prolonged appreciation?

We continue to pursue an earnings structure that can achieve profitability at ¥77/dollar and ¥100/euro.

We expect the situation of an extremely strong yen to continue, and are forecasting net sales of ¥1,400 billion with ¥45 billion in operating income in fiscal 2012, based on exchange rate assumptions of ¥77/dollar (an appreciation of ¥3 compared with 2011) and ¥100/euro (an appreciation of ¥11 compared with 2011).

As business responses to the extremely strong yen, we intend to increase new model launches by 50% in 2014 compared with 2011, accelerate research and development and capital investment, and strengthen our product competitiveness. We will also work to thoroughly reduce costs by increasing the percentage of parts procured overseas for domestic production to 30%, and expanding the lineup of global models produced overseas. Our third response will be to develop technology strategies and develop basic technologies at the Head Office while shifting management closer to overseas markets, globalizing business functions and strengthening our market competitiveness, which will include shifting some product development functions to the ASEAN Integrated Development Center that will be commencing operations this spring. Finally, we will explore ways to further streamline our business in developed markets to improve profitability as this unprecedented environment of an extremely strong yen continues.

Q11

What measures are being taken to augment corporate strength in terms of human resource development?

Global Executive Committee holding its first meeting, April 2012

We are developing human resources that will form the basis for the creation of a global management framework.

Human resources are the most important management resource for supporting the expansion of our global business scale. Currently we have 77 overseas bases with local staff accounting for approximately 50% of management, and in the future I would like to increase this figure to 80%.

We have established a Global Executive Committee to ensure that Japanese and local managers share common management policies and actively address global issues, and we are setting up a Global Executive Program to cultivate global managers among both Japanese and overseas local staff. We are also proactively working to develop human resources who can operate globally by expanding our training programs for Japanese staff at various levels in the Company. This will include overseas business trips for all staff within four years of their joining the Company, programs including overseas postings to gain international experience, and strengthening our program of overseas study and training.

Q12

What countermeasures are being taken to address risks from earthquakes, flooding and other disasters?

We are reviewing our damage scenarios and formulating Business Continuity Plans.

Looking back at the Great East Japan Earthquake and the flooding in Thailand in 2011, we realize that damage from natural disasters is unavoidable. Therefore, we have identified priority businesses and urgently formulated Business Continuity Plans (BCPs) for the early restoration of operations at these businesses. Our next step going forward will be to formulate BCPs for business partners.

The BCPs include both a reorganization of our manufacturing layout based on simulations of damage from natural disasters and ¥2 billion of investments for the establishment and implementation of a backup structure for parts supplies. These plans will therefore also contribute to “increasing corporate value through sustainable growth.”

Q13

What are your aspirations for "increasing corporate value through sustainable growth"?

We are striving to increase our value as an "excellent engineering, manufacturing and marketing enterprise with a prominent presence in the global market."

Under our current medium-term management plan, the Yamaha Motor group has been pursuing structural reforms and management foundation reform to establish a base from which to move from "a V-shaped recovery in results to the stabilization of a profitable structure." Nevertheless, I firmly believe that fulfilling our Corporate Mission of "offering new excitement and a more fulfilling life for people all over the world" to achieve sustainable growth embodies the corporate value that Yamaha Motor presents to its stakeholders as a "*Kando* Creating Company."

The Yamaha Motor group is built on a strong organization of individuals who carry out tasks based on the action guidelines of "Acting with Speed," a "Spirit of Challenge" and "Persistence," and through transparent management we will maintain a relationship of trust with our stakeholders. We will strive to increase corporate value through global expansion of scale and sustainable growth, as a group organized around an "excellent engineering, manufacturing and marketing enterprise with a prominent presence in the global market."