

## SPECIAL FEATURE 1

# Enhancing Presence in Emerging Markets through Engineering, Manufacturing and Marketing

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### Accelerating strategy for quantitative and qualitative growth in emerging markets

The Yamaha Motor group views the ASEAN\* market, with its continued solid growth, and India, where demand is showing steady growth, as important strategic zones for the growth of our emerging markets business, and we are pursuing a strategy for quantitative and qualitative growth focusing on these two markets. As an engineering, manufacturing and marketing enterprise, Yamaha Motor is pursuing original product, sales, development and procurement strategies to establish a predominant presence in emerging markets as a “*Kando*\*\* Creating Company.”

\* Yamaha Motor’s ASEAN market comprises Indonesia, Thailand, Vietnam, the Philippines and Malaysia.

\*\* *Kando* is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value.



Mio J



YZF-R15



JKT48 is the celebrity face of the Yamaha Motor brand in Indonesia (and is the Jakarta-based sister group of the Akihabara-based female idol group AKB48).

## Creating confidence as an engineering, manufacturing and marketing enterprise

### Shifting to FI in all ASEAN market models

High gasoline prices make improving fuel economy a major key to gaining the support of customers in the ASEAN market. The Yamaha Motor group is accelerating the shift from conventional carburetor models to models equipped with our highly fuel-efficient fuel injection (FI: electronically controlled fuel injection) system. In particular, we are targeting the market's popular scooter category with the introduction of models equipped with the YMJET-FI\* system for scooters and commuter vehicles, and in 2012 we expect to have FI models account for roughly 40% of unit sales in the market. Under the next medium-term management plan, we will work to enhance our competitiveness by shifting to FI in all models in the ASEAN market to build further confidence in the Yamaha brand.

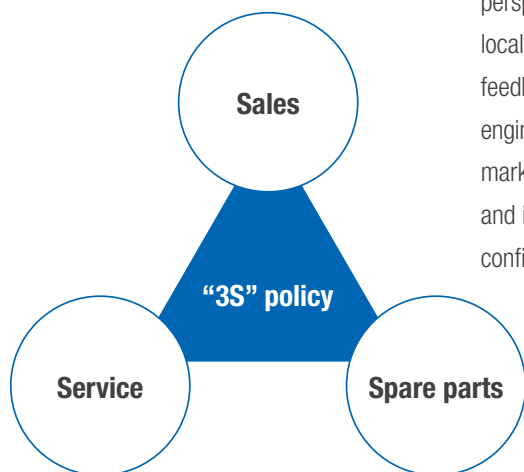


\* YMJET-FI = Yamaha Mixture Jet-Fuel Injection. A fuel injection system employing an auxiliary air intake passage in addition to the main passage, to provide an "air assist" for more efficient mixing of the air and fuel that helps improve fuel economy in the practical use range.

### Fostering confidence in Yamaha through area marketing and the "3S" policy

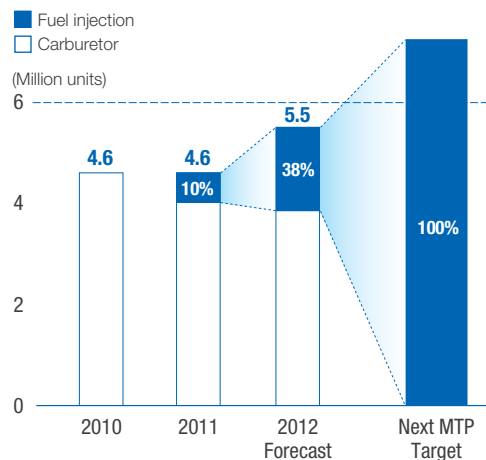
The Yamaha Motor Group is developing sales channels in the ASEAN market through a "3S" policy of (motorcycle) Sales, (after-sale) Service and (sales of) Spare parts to comprehensively raise the level of customer satisfaction. In addition, given the market's regional differences in culture, tastes, infrastructure and traffic environment, we are posting local sales staff and positioning products for specific areas, to develop a unique structure of area marketing that shares points of appeal

#### Dealership strategy



and always takes a customer perspective through highly localized activities. This results in feedback that leads to optimal engineering, manufacturing and marketing based on market needs, and is the source of the market's confidence in the Yamaha brand.

### Unit sales of Yamaha motorcycles in Indonesia, Thailand and Vietnam





## Localizing development functions at ASEAN Integrated Development Center

The ASEAN Integrated Development Center commenced operations in February 2012 to promote the globalization of engineering, manufacturing and marketing functions, in order to enhance our business competitiveness and increase earnings.

While Yamaha Motor in Japan will retain responsibility for developing core and advanced technologies for future growth, this center will carry out on-site product development as an integrated development center for manufacturing, purchasing and technologies that address the needs of customers in the local market. The center will reinforce the technological development and procurement functions being performed by Yamaha Motor Asian Center Co., Ltd. (YMAC) in Thailand for motorcycle development and parts procurement. Going forward, the role of this center will be expanded to cover the entire ASEAN region, and similar centers will be built in Taiwan and China to carry out optimal global product development.

## PRODUCTS



### Indonesia Mio J

#### Achieving superior fuel economy and cost performance at highest level in its class

AT models account for roughly 50% of the Indonesian market, a development that has been driven by Yamaha Motor's Mio series. The Mio J represents an approximately 30% improvement in fuel efficiency compared with the previous Mio model, and was launched to meet the market's need for fuel efficiency.

By incorporating YMJET-FI in a newly developed 115cc engine, the Mio J achieves superior fuel economy and cost performance at the highest level in its class, and is winning over the market with its stylish design and generous storage capacity.



### Vietnam Nozza

#### Comfortable, stylish new product targeting women

With women taking an increasingly active role in society, the Nozza was launched in Vietnam in the autumn of 2011 as a product targeting women. Combining a sleek design with a 115cc air-cooled, 4-stroke engine that uses YMJET-FI for superior fuel efficiency, this comfortable vehicle is stylish and convenient, and has proven especially popular among female students and office workers in urban areas.

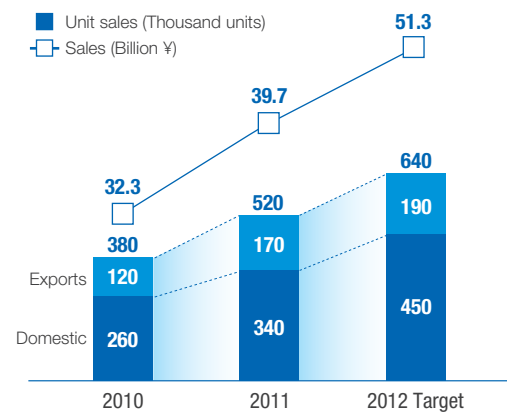
## Accelerating growth as an engineering, manufacturing and marketing center

### Market growth accelerating on both domestic and overseas demand

The Indian business has been developed as a low-cost manufacturing and procurement center for models for overseas export, but the domestic market is growing as well, with total annual motorcycle demand exceeding 12 million units. In 2011, Yamaha Motor introduced new models in the deluxe segment and our market share increased to 13.4% from 9.7%, as domestic unit sales grew to 340 thousand units and exports rose to 170 thousand units.

In 2012, we intend to expand our domestic sales network, and along with increasing our market share in the deluxe segment, to enter the volume zone of scooters. We also plan to invest ¥12 billion for facilities and equipment to increase our production capacity to the one million unit level, and are targeting domestic unit sales of 450 thousand units and exports of 190 thousand units.

Sales of Yamaha Motor motorcycles in India



### India YZF-R15 (150cc sport model)

#### Full-fledged supersport model revolutionizing the market

While India is the world's second-largest market in terms of potential demand, motorcycles are still viewed primarily as a means of commuting. Launched as a model "bred for riding enjoyment," the YZF-R15 has introduced a new concept of motorcycle value to the Indian market. With a 150cc liquid-cooled, 4-stroke engine with FI, and continuing with the popular design of the YZF-R series, this model has become popular among younger customers for its sporty drive and comfortable ride, and has increased Yamaha Motor's share of the deluxe segment.

