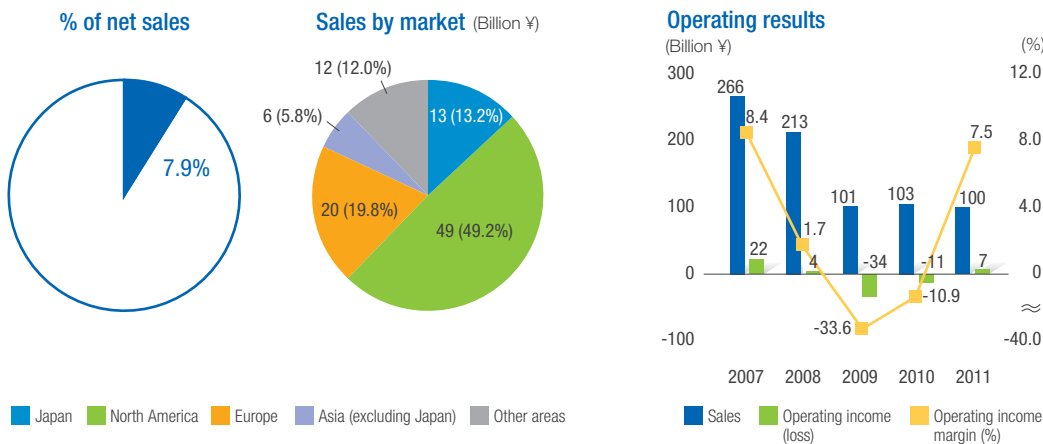


Power Products

Sales of power products in 2011 declined ¥2.7 billion, or 2.6%, from 2010, to ¥100.3 billion, and accounted for 7.9% of net sales. Operating income improved ¥18.7 billion, to a ¥7.5 billion operating profit (compared with an ¥11.3 billion operating loss in 2010), from the reversal of accrual for product liability and reconstruction demand for generators.



ATV/SSV Business

Market polarization accelerating

Total demand for all-terrain vehicles (ATVs) declined 0.7% in 2011, to 519 thousand units. In the United States, our main market, the uncertain economic outlook led to weak demand, while consumer sentiment in Europe cooled resulting from the economic crisis. The market is showing a trend of polarization between utility products, primarily four-wheel drive models, and restrained purchasing of sports products.

In the sports category, Yamaha Motor's area of strength, we had no choice but to reduce production, and with a delayed launch of the new Grizzly 300 model, our ATV unit sales declined 6.9% in 2011, to 75 thousand vehicles. On the other hand, our unit sales of side-by-side vehicles (SSVs) grew 21.3% from 2010, to four thousand units, on strong interest from dealers that led to increased production in the second half of the year. As a result, the ATV/SSV business recorded a 7.5% decline in 2011 net sales, to ¥41.9 billion.

Grizzly 700



Total demand for ATVs in 2012 is seen declining 2.6%, to 505 thousand units, on sluggish demand from a weaker global economy. Yamaha Motor is forecasting a 6.3% decline in our ATV unit sales, to 71 thousand units in 2012. In the United States, we will continue to carry out area marketing and the PRO-YAMAHA sales network strategy with the Grizzly 550/700 as our top-of-the-line models. We are also forecasting a 62.5% increase in SSV unit sales, to six thousand units.



Grizzly 700

Snowmobile Business

Lower sales from insufficient snowfall

Total demand for snowmobiles recovered in 2011, growing 12.0% from 2010, to 139 thousand units, on growth in the Russian market and a halt to the decline in North American demand. Nevertheless, increased uncertainty regarding snowfall and the slowing of the global economy raise concerns of a decline in demand going forward.

Yamaha Motor proactively held test drive events to promote our new models with power steering—an industry first—but with insufficient snowfall and competition from new models introduced by other manufacturers, North American sales declined. As a result, total unit sales in 2011 fell 1.6%, to 21 thousand units, with a 4.3% drop in net sales, to ¥15.1 billion.



FX Nytro RTX

Golf Car Business

Exchange rates adversely impacting sales

Demand for golf cars declined in Japan as a result of the earthquake, but grew in emerging markets, for a total increase in 2011 of 5.8%, to 164 thousand units.

Yamaha Motor worked to aggressively expand sales, especially in North America, and our unit sales grew 6.4%, to 48 thousand units, as a result. With the impact of movements in exchange rates, however, net sales declined 4.7%, to ¥18.1 billion.

Note: As demand requirements were changed in fiscal 2011, unit sales for the previous fiscal year were revised from 225 thousand to 155 thousand units.



G30A

Generators and Other Power Products

Growing demand for electricity conservation

Total demand for generators in 2011 outpaced initial estimates, growing 5.0% from 2010, to 10.06 million units, on renewed popularity in Japan as a means of reducing electricity consumption in the face of rolling blackouts.

Yamaha Motor recorded higher unit sales reflecting this demand for reconstruction and electricity conservation, with unit sales growing 9.8% from 2010, to 160 thousand units, and a 9.6% increase in net sales, to ¥25.1 billion.

To address the generator market's growing demand, primarily in emerging markets, in 2011 Yamaha Motor set up a new factory in Jiangsu, China, with an annual production capacity of 200,000 units, and established an integrated production structure for engines and generators. This facility will commence operations in 2012, and we also plan to enter the Indonesian market utilizing our motorcycle sales network.



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