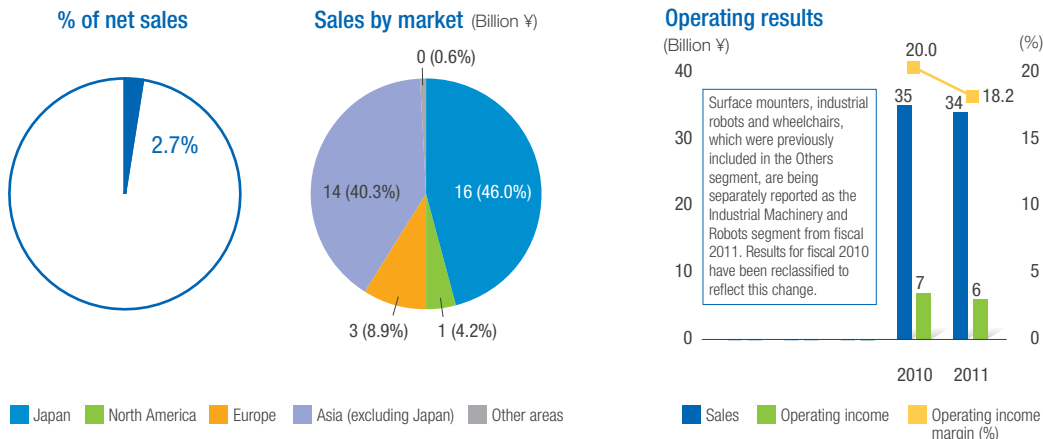


Industrial Machinery and Robots

Note: Previously included in Other Products, the Industrial Machinery and Robots business was made a reporting segment from fiscal 2011 because of the business's increased quantitative significance.

Net sales in 2011 in the industrial machinery and robots business declined ¥0.4 billion, or 1.2%, from 2010, to ¥34.3 billion, accounting for 2.7% of Yamaha Motor's total net sales. Operating income declined ¥0.7 billion, or 9.9%, to ¥6.3 billion.



IM Business

Establishing sales companies in Europe and the United States

The Intelligent Machinery (IM) business manufactures and sells various types of industrial robots, primarily surface mounters.

The surface mounter market in 2011 recorded 15.0% growth in total demand, to 16 thousand units, as strong markets for mobile information devices like smartphones and tablet computers more than offset restrained capital investment demand in China stemming from concerns of an economic slowdown in Europe.

Yamaha Motor recorded strong sales of device-related and automotive-related products, but with stagnant sales in China because of restrained capital investment, unit sales of surface mounters in 2011 declined 6.0% from the previous year, to two thousand units, and total net sales in the IM business declined 1.2%, to ¥34.3 billion. As surface mounters are a global product with high growth potential, Yamaha Motor established sales companies in Europe and the United States in July 2011, to develop a comprehensive business that will not be impacted by developments in individual countries.

Despite elements of uncertainty including the situation in Europe, the market for mobile information devices is expected to continue to drive growth in total demand for surface mounters, and an 8.3% increase, to 18 thousand units, is forecast for 2012. A recovery in capital investment in China is expected as a result of the easing of tight monetary policies, and we have introduced the Z:TA surface mounter, an industry leader in terms of component mounting speed, for the growing market in China, primarily for mobile information devices. We will also develop relationships with Taiwanese EMS* customers. In addition, we are aiming to increase sales by strengthening our sales network through the sales companies established in Europe and the United States.

*Electronics Manufacturing Service: Manufacturers that carry out subcontracted production of electronic devices



Z:TA