Business Results for the Fiscal Year Ended December 31, 2010

(January 1, 2010 through December 31, 2010)

(Japan GAAP)

February 15, 2011

This document has been translated from the Japanese original, *Kessan Tanshin* (Flash Report), for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Company name:
Yamaha Motor Co., Ltd.

Stock listing:
Tokyo Stock Exchange First Section

Code number:
7272

URL:
http://www.yamaha-motor.co.jp/global/ir/index.html

Representative:
Hiroyuki Yanagi, President, Chief Executive Officer and Representative Director

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Date of the Ordinary General Meeting of Shareholders (scheduled):
March 24, 2011

Beginning of payment of year-end dividend (scheduled):
—

Filing of securities report (scheduled):
March 25, 2011

Amounts less than one million yen are omitted.

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2010

(January 1, 2010 through December 31, 2010)

(1) Consolidated operating results

* % represents growth results. ( ) represents negative figures.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended December 31, 2010	**1,294,131**	**12.2**	**51,308**	**—**	**66,142**	**—**	**18,300**	**—**
Fiscal year ended December 31, 2009	1,153,642	(28.1)	(62,580)	—	(68,340)	—	(216,148)	—

	Net income per share — basic	Net income per share — diluted	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended December 31, 2010	**55.50**	**55.50**	**7.5**	**6.7**	**4.0**
Fiscal year ended December 31, 2009	(755.92)	—	(71.2)	(6.4)	(5.4)

Reference: Equity in earnings of affiliates
Fiscal year ended December 31, 2010: ¥2,516 million
Fiscal year ended December 31, 2009: ¥1,911 million

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2010	**978,343**	**310,809**	**28.0**	**785.61**
As of December 31, 2009	987,077	249,266	21.5	743.04

Reference: Shareholders' equity
As of December 31, 2010: ¥274,252 million
As of December 31, 2009: ¥212,397 million

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2010	**104,531**	**(37,632)**	**5,296**	**203,878**
Fiscal year ended December 31, 2009	74,096	(45,285)	(32,022)	137,219

2. Cash Dividends

Record date	Annual cash dividends per share					Total amount of cash dividends (Annual)	Payout ratio (Consolidated)	Ratio of total amount of dividends to net assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended December 31, 2009	—	0.00	—	0.00	0.00	0	—	0.0
Fiscal year ended December 31, 2010	—	0.00	—	0.00	0.00	0	—	0.0
Fiscal year ending December 31, 2011 (forecast)	—	0.00	—	—	—		—	

Note: The year-end dividend for the fiscal year ending December 31, 2011 is yet to be determined.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2011

(January 1, 2011 through December 31, 2011)

* % represents year-on-year rate.

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter ending June 30, 2011	670,000	(0.9)	25,000	(28.6)	26,000	(40.7)	8,500	(64.2)	25.78
Fiscal year ending December 31, 2011	1,350,000	4.3	53,000	3.3	55,000	(16.8)	20,000	9.3	60.65

4. Other Information

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting from changes in scope of consolidation): None

(2) Changes in accounting principles, procedures, presentation methods and other items for the consolidated financial statements for the fiscal year (changes in notes to consolidated financial statements for the fiscal year)

①Changes arising from revision of accounting principles: Yes

②Changes arising from other factors: None

Note: For further information, please refer to Section 4-(6), “Basis of presenting consolidated financial statements” on page 23 and Section 4-(7), “Changes in notes to consolidated financial statements” on page 24.

(3) Number of shares outstanding (Common stock)

①Number of shares outstanding at the end of the period, including treasury stock	Fiscal year ended December 31, 2010	349,757,784 shares	Fiscal year ended December 31, 2009	286,507,784 shares
②Number of shares of treasury stock at the end of the period	Fiscal year ended December 31, 2010	660,749 shares	Fiscal year ended December 31, 2009	658,149 shares

Note: Please refer to “Per share information” on page 34 for the number of shares used to compute net income per share.

(*Notice regarding forward-looking statements)

(1) Forward-looking statements presented in this document are based on the assumptions and beliefs of Yamaha Motor Co., Ltd. (the “Company”) in light of the information currently available, and may differ significantly from actual financial results, due to various risks, uncertainties and other factors, including changes in business conditions surrounding the Yamaha Motor Group, changing consumer preferences, and currency exchange rate fluctuations.

For details on potential risks, uncertainties and other factors affecting the Company’s operations, please see the Securities Report (filed on March 26, 2010).

Please refer to the “Forecast for the fiscal year ending December 31, 2011 (January 1, 2011 through December 31, 2011)” in Section 1-(1), “Analysis of operating performance” on page 8 for forward-looking statements.

With regard to amounts stated in 100 million yen units in this document, amounts less than ¥100 million are rounded off.

(2) The year-end dividend for the fiscal year ending December 31, 2011 will be disclosed once it has been determined.

Please refer to Section 1-(3) on page 10, “Basic policy on profit distribution and cash dividends for the fiscal years ended December 31, 2010 and ending December 31, 2011” for the Company’s cash dividend policy for the fiscal year ending December 31, 2011.

1. Operating Performance

(Sales Breakdown by Business and Market)

Amounts less than one million yen are omitted.

Amount: millions of yen Volume: thousand units	Fiscal year ended December 31, 2009 (January 1—December 31, 2009)			**Fiscal year ended December 31, 2010 (January 1—December 31, 2010)**		
	Volume	Amount	%	**Volume**	**Amount**	**%**
Net sales:						
Japan	—	130,437	11.3	—	**142,378**	**11.0**
Overseas:						
North America	—	166,330	14.4	—	**156,676**	**12.1**
Europe	—	201,950	17.5	—	**170,371**	**13.2**
Asia	—	500,442	43.4	—	**644,881**	**49.8**
Other areas	—	154,481	13.4	—	**179,824**	**13.9**
Subtotal	—	1,023,205	88.7	—	**1,151,752**	**89.0**
Total	—	1,153,642	100.0	—	1,294,131	100.0
Motorcycles:						
Japan	108	38,015	4.7	**99**	**32,423**	**3.6**
Overseas:						
North America	92	57,979	7.1	**53**	**34,052**	**3.8**
Europe	275	143,723	17.6	**227**	**111,964**	**12.4**
Asia	4,993	478,966	58.6	**6,084**	**607,861**	**67.1**
Other areas	372	98,371	12.0	**497**	**119,675**	**13.1**
Subtotal	5,733	779,042	95.3	**6,861**	**873,553**	**96.4**
Total	5,841	817,058	70.8	**6,960**	**905,977**	**70.0**
Marine products:						
Japan	—	23,701	15.8	—	**22,085**	**13.2**
Overseas:						
North America	—	55,279	36.8	—	**67,672**	**40.5**
Europe	—	33,776	22.5	—	**34,250**	**20.5**
Asia	—	6,637	4.4	—	**9,708**	**5.8**
Other areas	—	30,716	20.5	—	**33,424**	**20.0**
Subtotal	—	126,411	84.2	—	**145,056**	**86.8**
Total	—	150,113	13.0	—	**167,141**	**12.9**
Power products:						
Japan	—	8,880	8.8	—	**10,880**	**10.6**
Overseas:						
North America	—	52,389	52.1	—	**53,843**	**52.3**
Europe	—	20,553	20.4	—	**19,239**	**18.7**
Asia	—	4,321	4.3	—	**6,288**	**6.1**
Other areas	—	14,432	14.4	—	**12,717**	**12.3**
Subtotal	—	91,697	91.2	—	**92,088**	**89.4**
Total	—	100,577	8.7	—	**102,968**	**8.0**
Other products:						
Japan	—	59,839	69.7	—	**76,989**	**65.2**
Overseas:						
North America	—	680	0.8	—	**1,108**	**0.9**
Europe	—	3,895	4.5	—	**4,916**	**4.2**
Asia	—	10,517	12.2	—	**21,022**	**17.8**
Other areas	—	10,960	12.8	—	**14,007**	**11.9**
Subtotal	—	26,054	30.3	—	**41,054**	**34.8**
Total	—	85,893	7.5	—	**118,043**	**9.1**

(1) Analysis of operating performance

During the fiscal year ended December 31, 2010 (fiscal 2010), the economic environment was characterized by sluggish economic recovery in Europe and North America, owing to such factors as lagging improvement in the employment environment in the U.S., despite an increase in personal consumption, and financial crises in marginalized countries in the Euro-zone. In Japan, despite an upturn in exports, economic prospects remained uncertain due to such factors as the continuing trend of yen appreciation. On the other hand, economic expansion in emerging nations continued, notably in Asia.

In developments in Yamaha Motor’s main markets, while the motorcycle market and all-terrain vehicle (ATVs) market contracted from the previous year in Europe and the United States, there could be seen some signs of bottoming out in the outboard motor market in the second half of the year. On the other hand, expansion of motorcycle markets in emerging nations continued, while Indonesia was showing marked growth from the previous year.

Against this backdrop, the Company achieved a return to profitability, the objective for the first phase of the medium-term management plan, as a result of groupwide implementation of structural reforms.

In operating performance, consolidated net sales for fiscal 2010 increased 12.2% from the previous year to ¥1,294.1 billion as a result of increased motorcycle sales in emerging countries, despite the negative impact of exchange rates due to yen appreciation, and recovery in sales of outboard motors and surface mounters. Operating income totaled ¥51.3 billion, an improvement of ¥113.9 billion, and ordinary income amounted to ¥66.1 billion, a ¥134.5 billion gain, as a result of the sales increase, reduced depreciation and personnel expenses due to structural reforms, cost reductions, marginal profit improvement attributable to recovery in domestic production volumes of motorcycles and outboard motors, and other factors, despite the negative impact of yen appreciation and higher raw material prices. Net income improved ¥233.4 billion than the previous year, to ¥18.3 billion, as a result of factors including the nonrecurrence of ¥103.7 billion in business structure improvement expenses recorded in the previous year. Exchange rates were ¥88 to the U.S. dollar (an appreciation of ¥6 from the previous year) and ¥116 to the euro (an appreciation of ¥14).

The Company addressed some high-priority matters, the first of which was the implementation of further fixed cost reductions through the reorganization of its domestic manufacturing layout and employment adjustments, including the voluntary retirement of headquarters personnel. In addition, the Company undertook groupwide cost reduction activities that offer prospects for achievement of the medium-term cost reduction target and decided to transfer the domestic water purifier business and withdraw from the life science business to focus on core businesses.

Furthermore, as the second phase of the medium-term management plan, to realize its future growth scenario, the Company proceeded with the development of cost-competitive, appealing new products in motorcycle markets in emerging countries and the technical development of next-generation environmentally friendly engines. Another notable achievement in new market development was the introduction of the "EC-03" electric motorcycle.

<u>Operating performance by segment</u>

①Business segment

[Motorcycles]

Unit sales in emerging markets rose 22.8% from the previous year to 6.56 million units. Overall unit sales, including those to developed markets, rose 19.2% to 6.96 million units. Production capacity was expanded to 3.60 million units in Indonesia and one million units in Vietnam, markets where growth is expected to continue.

In emerging markets, motorcycle sales increased from the previous year on higher sales volume. In developed markets, however, motorcycle sales decreased from the previous year as a result of a decline in sales volume due to lower than expected demand and yen appreciation. In the United States, market stock adjustments were implemented to bring stock into line with current demand.

As a result of these developments, motorcycle sales for the fiscal year ended December 31, 2010 (fiscal 2010) rose 10.9% from the previous year to ¥906.0 billion, while operating income improved by ¥46.9 billion to ¥42.7 billion.

[Marine products]

Retail sales and wholesale shipments of outboard motors in developed markets increased from the previous year, owing to the introduction of newly developed, next-generation environmentally friendly outboard motors and the implementation of market stock adjustments in the previous year and a recovery in retail sales in the United States in the current year. Furthermore, sales also rose in emerging markets, including Russia and Brazil.

Consequently, marine product sales for fiscal 2010 increased 11.3% to ¥167.1 billion. Operating income was ¥0.7 billion, representing improvement of ¥25.0 billion from the previous year.

[Power products]

Although retail sales of ATVs in the United States decreased from the previous year, wholesale shipments increased due to market stock adjustments implemented in the previous year.

As a result, total sales of power products rose 2.4% to ¥103.0 billion. Operating loss was ¥11.3 billion, representing improvement of ¥22.5 billion from the previous year.

[Other products]

Sales in this segment for fiscal 2010 increased 37.4% from the previous year to ¥118.0 billion, due to factors including a recovery in demand for surface mounters in China, an increase in the sales of automobile engines, and higher demand for electrically power assisted bicycles in Japan.

Operating income improved by ¥19.5 billion from the previous year to ¥19.1 billion.

② Geographical segment

[Japan]

Sales in Japan for the fiscal year ended December 31, 2010 (fiscal 2010) rose 17.1% from the previous year to ¥527.2 billion, reflecting sales increases for surface mounters, automobile engines and electrically power assisted bicycles. Operating loss was ¥2.5 billion, an improvement of ¥53.1 billion from the previous year. This is attributable to an improvement in marginal profit resulting from a recovery in production volumes of motorcycles for developed markets and outboard motors, coupled with fixed expense cutbacks, despite the negative impact of exchange rates due to yen appreciation.

[North America]

Sales in North America for fiscal 2010 decreased 6.4% from the previous year to ¥171.4 billion. Although sales of outboard motors and ATVs increased, motorcycle sales fell due to continued demand contraction. Operating loss improved by ¥27.5 billion, to ¥14.7 billion, owing to the impact of fixed expense reductions realized from structural reform.

[Europe]

Sales in Europe for fiscal 2010 decreased 16.1% from the previous year to ¥168.7 billion, as sales of motorcycles and ATVs fell. Operating income improved by ¥11.1 billion to ¥2.0 billion, due to factors including fixed cost reductions realized from structural reform.

[Asia]

Sales in Asia (excluding Japan) for fiscal 2010 increased 26.7% from the previous year to ¥658.2 billion. This is attributable to favorable motorcycle sales in Indonesia, Vietnam, and other markets. Operating income rose 64.6% to ¥55.2 billion.

[Other areas]

Sales in other areas for fiscal 2010 rose 19.7% from the previous year to ¥144.6 billion, thanks to increased motorcycle sales in Brazil. Operating income improved by ¥12.3 billion to ¥10.3 billion.

Sales amounts by geographical segment include intersegment sales.

Forecast for the fiscal year ending December 31, 2011

(January 1, 2011 through December 31, 2011

In fiscal 2011, although demand in emerging markets is expected to grow, primarily in Asia (excluding Japan), demand in Europe and the United States is not expected to recover for some time.

The business environment is expected to remain severe due to factors including the continuing trend of yen appreciation and increases in raw material prices.

To cope with these adverse conditions, the Yamaha Motor Group will continue to steadily implement structural reform and pursue further reductions in business costs through reform of its operational infrastructure.

Based on these assumptions, the Company forecasts its consolidated financial results for the fiscal year ending December 31, 2011 as shown in the table below.

The forecast is based on the assumption that one U.S. dollar and one euro will equal ¥82 and ¥110, respectively.

Billions of yen

	Consolidated	
	Six months ending June 30, 2011	Full year ending December 31, 2011
Net sales	670.0 Change from the fiscal year ended December 31, 2010: -0.9%	1,350.0 Change from the fiscal year ended December 31, 2010: +4.3%
Operating income	25 Change from the fiscal year ended December 31, 2010: -28.6%	53 Change from the fiscal year ended December 31, 2010: +3.3%
Ordinary income	26 Change from the fiscal year ended December 31, 2010: -40.7%	55 Change from the fiscal year ended December 31,2010: -16.8%
Net income	8.5 Change from the fiscal year ended December 31, 2010: -64.2%	20 Change from the fiscal year ended December 31,2010: +9.3%

[Potential risks and uncertainties regarding the forecast for the fiscal year ending December 31, 2011]

The forecast for the fiscal year ending December 31, 2011 summarized above is based on the Company's assumptions and beliefs in light of the information currently available, and may differ significantly from actual financial results. Please be advised that many risks and uncertainties can affect business performance, including:

- Changes in general economic conditions in Yamaha Motor's major markets, including shifting consumer preferences and market competition
- Currency exchange rate fluctuations
- Changes in governments' currency exchange and foreign investment policies, tax systems, etc.
- Dependence on suppliers for procurement of certain raw materials and parts
- Product liability
- Changes in environmental and other regulations
- Natural disasters such as the predicted "Tokai Earthquake"
- Internal corruption, leaks and similar damage involving customer information or other personal and/or confidential data.

For details on potential risks, uncertainties and other factors affecting the Company's operations, please see the 75th Securities Report (submitted on March 26, 2010).

(2) Analysis of financial position

Overview of assets, liabilities and net assets

Free cash flow amounted to ¥66.9 billion at the end of the fiscal year ended December 31, 2010, owing to the achievement of returning to profitability, cutbacks in working capital through market stock adjustment and curtailment of capital investment. As a result of the appropriation of free cash flows to repay borrowings, interest-bearing debt declined by ¥77.5 billion from the end of the previous fiscal year. Meanwhile, cash and deposits in banks increased by ¥68.0 billion and capital and additional paid-in capital rose by ¥37.3 billion, respectively, owing to such factors as a public offering conducted to fund research and development in order to achieve the Company’s growth strategy.

Consequently, total assets at the end of the fiscal year ended December 31, 2010 fell by ¥8.7 billion from the end of the previous fiscal year to ¥978.3 billion, while total liabilities fell by ¥70.3 billion to ¥667.5 billion. Net assets rose by ¥61.5 billion to ¥310.8 billion, and shareholders’ equity ratio rose by 6.5 percentage points from the end of the previous year to 28.0%.

Cash flows

Net cash provided by operating activities during the fiscal year under review stood at ¥104.5 billion, due mainly to income before income taxes and minority interests totaling ¥58.9 billion, depreciation expenses totaling ¥36.6 billion, and an increase in notes and accounts payable totaling ¥22.4 billion.

Net cash used in investing activities amounted to ¥37.6 billion, ¥7.7 billion lower than the previous year, due mainly to payments for purchase of fixed assets totaling ¥31.9 billion as a result of holding capital investment of fixed assets below the level of depreciation expenses. Consequently, free cash flows totaled ¥66.9 billion.

Net cash provided by financing activities was ¥5.3 billion. The figure mainly reflects ¥74.6 billion raised in a public offering to fund research and development of low-priced motorcycles for emerging countries and next-generation environmentally friendly engines and the appropriation of free cash flows to repay short-term borrowings and long-term debt.

Consequent to the developments discussed above, interest-bearing debt at the end of the fiscal year decreased by ¥77.5 billion from the end of the previous year, to ¥322.4 billion, while cash and cash equivalents rose by ¥66.7 billion to ¥203.9 billion. Interest-bearing debt includes ¥114.2 billion in borrowings for sales financing.

(Reference) Trends in cash flow and related indexes

	Fiscal year ended December 31, 2006	Fiscal year ended December 31, 2007	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010
Shareholders’ equity ratio (%)	41.7	42.1	33.9	21.5	28.0
Shareholders’ equity ratio at market value (%)	94.8	61.5	22.9	33.8	47.2
Ratio of interest-bearing debt to cash flows (%)	207.3	187.2	—	539.8	308.5
Interest coverage ratio	13.2	14.6	—	6.7	12.1

Notes: The formulas for the indexes above are as follows:

- Shareholders’ equity ratio: Shareholders’ equity/total assets
- Shareholders’ equity ratio at market value: Aggregate market value of corporate stock/total assets
- Ratio of interest-bearing debt to cash flows: Interest-bearing debt/net cash provided by operating activities
- Interest coverage ratio: Net cash provided by operating activities/interest expenses

*Each index is calculated using consolidated financial figures.

*Aggregate market value of corporate stock is calculated by multiplying the closing stock price at the end of each period by the number of shares issued (excluding treasury stock) at the end of that period.

*Interest-bearing debt refers to all the debts in the Consolidated Balance Sheets that involve interest payment.

*Net cash provided by operating activities refers to net cash provided by operating activities detailed in the Consolidated Statements of Cash Flows.

*Interest expenses refer to the figure for the amount of interest paid in the Consolidated Statements of Cash Flows.

*Ratio of interest-bearing debt to cash flows and interest coverage ratio for the fiscal year ended December 31, 2008 (fiscal 2008) is not listed, due to the negative status of cash flows from operating activities for fiscal 2008.

(3) Basic policy on profit distribution and cash dividends for the fiscal years ended December 31, 2010 and ending December 31, 2011

Recognizing that shareholders' interests represent one of Yamaha Motor's highest management priorities, the Company has been striving to meet shareholder expectations by working to maximize its corporate value through a diversity of business operations worldwide.

The Company's policy centers on paying cash dividends based on a long-term perspective, reflecting its consolidated financial performance and other factors in a comprehensive manner, using the payout ratio as an indicator.

As a result of vigorous structural reform throughout the Group, the Company achieved profitability on a consolidated operating income basis and business performance is steadily recovering. Nevertheless, the Company was unable to secure sufficient retained earnings to make possible a dividend payment and regrets to announce that it has suspended its dividend payout for fiscal 2010.

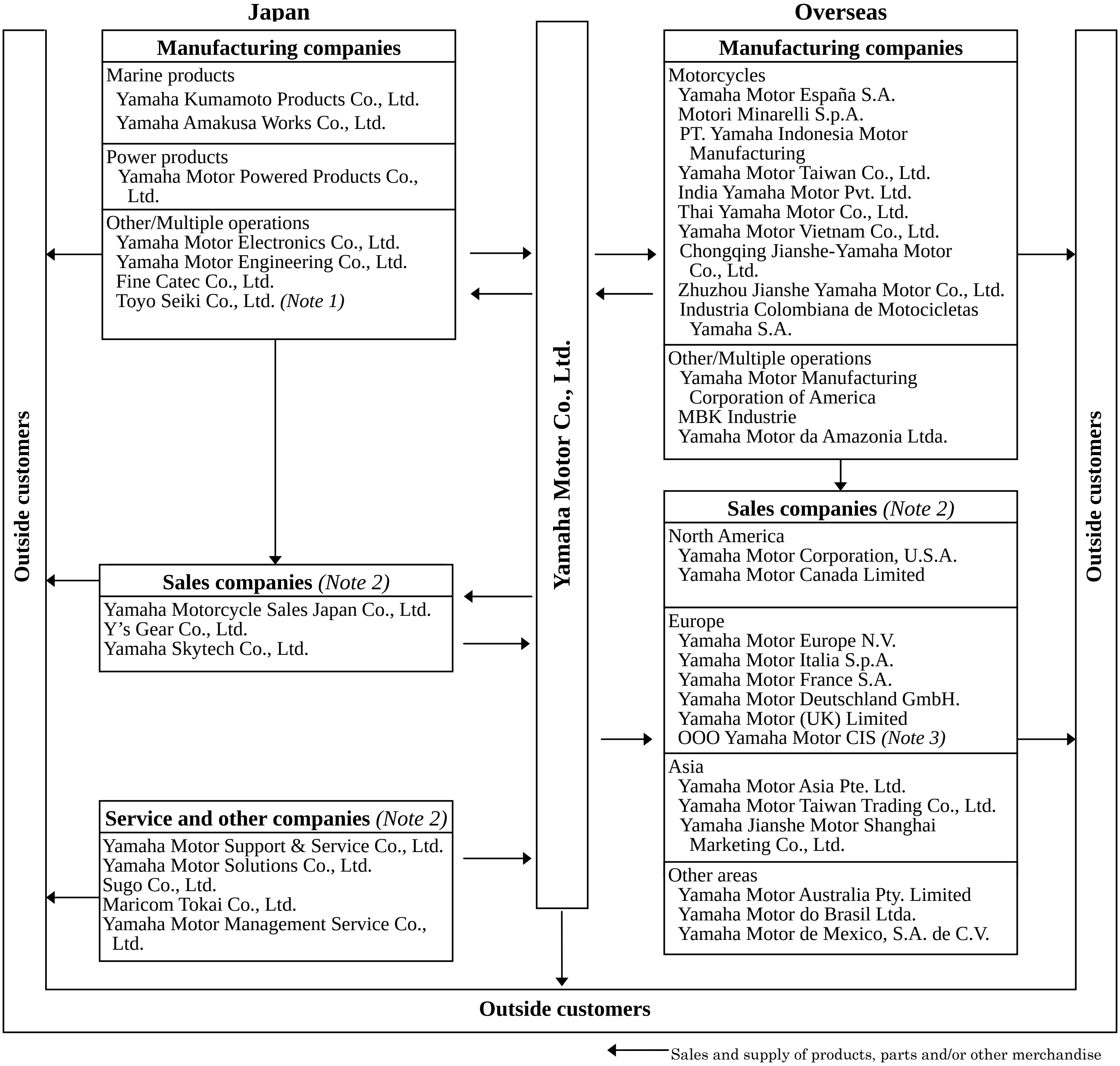
To secure sufficient funds at an early date and resume dividend payments, as per the "Announcement Concerning Reduction in the Amounts of Additional Paid-in Capital and Legal Reserve and Appropriation of Surplus" announced today, the Company has decided to submit a proposal concerning reduction in the amounts of additional paid-in capital and legal reserve and appropriation of surplus at the 76th Ordinary General Meeting of Shareholders to be held on March 24, 2011.

Nevertheless, the business environment in which the Group operates remains extremely challenging resulting from such factors as the continuing trend of yen appreciation that rapidly accelerated in the second half of the year. For fiscal 2011, the Company forecasts no dividend payment at the end of the second quarter, and the year-end dividend forecast is undecided.

2. Overview of Group Companies

Group structure and major group companies

The Yamaha Motor Group is comprised of Yamaha Motor Co., Ltd. (the “Company”) and its 143 related companies (115 subsidiaries and 28 affiliates, as of December 31, 2010) in Japan and overseas. The Group is mainly engaged in the manufacture and sale of motorcycles, outboard motors, boats, personal watercraft, all-terrain vehicles, side-by-side vehicles, snowmobiles, automobile engines and surface mounters, as well as the management of leisure and recreation facilities. These business operations are divided into four segments — motorcycles, marine products, power products, and other products — based on similarities of product type and target market, among other characteristics. The positioning of the Company and major associated companies within the Group, as well as their respective business segment relationships, are as follows.



Notes:

1. On January 1, 2011 the Company merged with Yamaha Motor’s subsidiary Besq Inc. and changed its trade name to Toyobesq Co., Ltd.

2. Sales, service and “other” companies are engaged in the marketing of products related to more than one business segment.

3. The “OOO” in the company name means Limited Liability Company.

Changes in status of related companies (excluding insignificant companies)

Yamaha Boating System Co., Ltd. was excluded from the roster of related companies in the fiscal year under review due to liquidation.

The description of “Status of related companies” has been omitted, since there has been no major change, expect for the company described above, in the status of related companies from those disclosed in the most recent Securities Report filed on March 26, 2010.

3. Management Policies

Basic management policies, medium- and long-term management strategies, and key priorities the Group must address

Regarding the economic outlook, business expansion in emerging countries, centering on Asia, is expected to continue, with gradual business recovery in developed countries and a resumption in demand for leisure products. Nevertheless, there are downside business risks, including higher prices of crude oil and raw materials, economic stagnation in marginalized countries in the Euro-zone, and interest rate increases to curb inflation in emerging countries.

In Japan, although expansion of exports to Asia is expected, the economic recovery trend is likely to remain gradual as a result of a persistently adverse employment situation and continuation of the deflationary trend.

The Company recognizes that the business environment surrounding the Yamaha Motor Group remains extremely challenging due to these factors, as well as the continuing trend of yen appreciation that rapidly accelerated in the second half of the year.

To cope with such changes in the operating environment and achieve sustained growth, the Group will further accelerate implementation of its medium-term management plan, announced in February 2010, and focus its collective strength on achieving the plan's objectives.

1. Continuation of structural reform
   ① Reorganization of manufacturing layout
   ② Cost reduction

2. Development of a business structure that is profitable at exchange rates of ¥80 to one U.S. dollar and ¥105 to one Euro through operational infrastructure reform
   ① Short term: further business cost reductions
   ② Medium term: attainment of production volume that exceeds the breakeven point for production units
   ③ Long-term: Reform of headquarters functions and pursuit of high added value

3. Renewed market development and exploration of new fields
   ① Further market development and broad product offerings in emerging countries
   ② Further evolution of personal mobility
   ③ Research and development in new technological fields

By addressing these key priorities, the Company aims to achieve a consolidated operating profit margin of 5% in fiscal 2012.This is based on the assumption that one U.S. dollar and one euro will equal ¥82 and ¥110, respectively.

The Yamaha Motor Group will strive to be an excellent engineering and manufacturing enterprise with a prominent presence in the global market, which will raise the Group's corporate value. At the same time, the Group is committed to fulfilling its social responsibilities by implementing CSR activities, including strict compliance with corporate ethics as well as laws and regulations.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of December 31, 2009 and 2010

Amounts less than one million yen are omitted. ( ) represents negative figures.

	Millions of yen	
	As of December 31, 2009	**As of December 31, 2010**
ASSETS		
Current assets:		
Cash and deposits in banks	137,328	**205,362**
Trade notes and accounts receivable	201,684	**183,711**
Merchandise and finished goods	147,380	**136,308**
Work-in-process	42,746	**37,423**
Raw materials and supplies	33,401	**39,903**
Deferred tax assets	3,276	**—**
Other	63,273	**43,822**
Less: Allowance for doubtful receivables	(8,291)	**(7,503)**
Total current assets	620,800	**639,028**
Fixed assets:		
Tangible fixed assets:		
Buildings and structures (net)	94,743	**83,630**
Machinery and transportation equipment (net)	76,114	**65,610**
Land	73,829	**72,486**
Construction in progress	13,444	**12,658**
Other (net)	17,424	**15,935**
Total tangible fixed assets	275,556	**250,320**
Intangible fixed assets	4,802	**4,247**
Investments and other assets:		
Investment securities	38,137	**35,316**
Long-term loans receivable	32,390	**37,034**
Deferred tax assets	5,707	**—**
Other	10,987	**13,868**
Less: Allowance for doubtful receivables	(1,305)	**(1,473)**
Total investments and other assets	85,917	**84,745**
Total fixed assets	366,276	**339,314**
Total assets	987,077	**978,343**
LIABILITIES		
Current liabilities:		
Notes and accounts payable	110,147	**125,809**
Short-term borrowing	87,574	**35,455**
Current portion of long-term debt	30,470	**57,576**
Accrued expenses	49,328	**—**
Income taxes payable	2,480	**8,282**
Accrued bonuses	8,052	**8,800**
Accrued warranty costs	22,403	**28,356**
Other provisions	926	**1,083**
Other	68,313	**99,765**
Total current liabilities	379,698	**365,131**

Amounts less than one million yen are omitted. ( ) represents negative figures.

	Millions of yen	
	As of December 31, 2009	**As of December 31, 2010**
Long-term liabilities:		
Long-term debt	281,898	**229,410**
Deferred tax liabilities on unrealized revaluation gain on land	7,024	**7,009**
Accrued employees' retirement benefits	34,748	**35,423**
Accrued retirement benefits for Directors and Corporate Auditors	156	**—**
Accrual for product liabilities	24,715	**20,882**
Accrual for motorcycle recycling costs	1,183	**—**
Other provisions	407	**1,529**
Other	7,978	**8,147**
Total long-term liabilities	358,111	**302,401**
Total liabilities	737,810	**667,533**
NET ASSETS		
Shareholders' equity:		
Common stock	48,342	**85,666**
Capital surplus	60,824	**98,147**
Retained earnings	180,880	**199,190**
Treasury stock	(677)	**(681)**
Total shareholders' equity	289,369	**382,323**
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	4,039	**2,719**
Revaluation reserve for land	10,208	**10,186**
Foreign currency translation adjustment	(91,220)	**(120,977)**
Total valuation and translation adjustments	(76,971)	**(108,070)**
Share warrants	72	**102**
Minority interests	36,796	**36,454**
Total net assets	249,266	**310,809**
Total liabilities and net assets	987,077	**978,343**

(2) Consolidated Statements of Income

Fiscal years ended December 31, 2009 and 2010

Amounts less than one million yen are omitted. ( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2009 (January 1, 2009— December 31, 2009)	**Fiscal year ended December 31, 2010 (January 1, 2010— December 31, 2010)**
Net sales	1,153,642	**1,294,131**
Cost of sales	951,350	**998,565**
Gross profit	202,292	**295,565**
Selling, general and administrative expenses	264,872	**244,256**
Operating income (loss)	(62,580)	**51,308**
Non-operating income:		
Interest income	8,367	**8,734**
Dividend income	532	**676**
Equity in earnings of affiliates	1,911	**2,516**
Foreign exchange gains	—	**4,072**
Other	12,443	**13,071**
Total non-operating income	23,255	**29,071**
Non-operating expenses:		
Interest expenses	9,984	**8,023**
Early retirement benefit expenses	35	**—**
Sales finance-related expenses	1,378	**—**
Loss on revaluation of sales finance assets	3,056	**321**
Foreign exchange losses	2,559	**—**
Other	12,001	**5,892**
Total non-operating expenses	29,015	**14,238**
Ordinary income (loss)	(68,340)	**66,142**
Extraordinary profits:		
Gain on sale of fixed assets	367	**544**
Gain on sale of investment securities	4	**34**
Gain on transfer of business	—	**106**
Total extraordinary profits	372	**685**
Extraordinary losses:		
Loss on sale of fixed assets	531	**175**
Loss on disposal of fixed assets	1,186	**1,038**
Impairment loss	239	**6,628**
Loss on sale of investment securities	15	**3**
Loss on cancel of lease contracts	—	**34**
Business structure improvement expenses	103,729	**—**
Total extraordinary losses	105,701	**7,879**

Amounts less than one million yen are omitted. ( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2009 (January 1, 2009— December 31, 2009)	**Fiscal year ended December 31, 2010 (January 1, 2010— December 31, 2010)**
Income (loss) before income taxes and minority interests	(173,669)	**58,947**
Income taxes — current	14,114	**31,671**
Refund of income taxes	(13,553)	**—**
Income taxes — deferred	38,697	**126**
Total income taxes	39,258	**31,798**
Minority interests	3,220	**8,849**
Net income (loss)	(216,148)	**18,300**

(3) Consolidated Statements of Changes in Net Assets

Fiscal years ended December 31, 2009 and 2010

Amounts less than one million yen are omitted. ( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2009 (January 1, 2009— December 31, 2009)	**Fiscal year ended December 31, 2010 (January 1, 2010— December 31, 2010)**
Shareholders' equity		
Common stock		
Balance at the end of previous period	48,342	**48,342**
Changes in items during the period		
Issuance of new shares	—	**37,323**
Total changes in items during the period	—	**37,323**
Balance at the end of current period	48,342	**85,666**
Capital surplus		
Balance at the end of previous period	60,824	**60,824**
Changes in items during the period		
Issuance of new shares	—	**37,323**
Disposal of treasury stock	(0)	**0**
Total changes in items during the period	(0)	**37,323**
Balance at the end of current period	60,824	**98,147**
Retained earnings		
Balance at the end of previous period	392,025	**180,880**
Effect of changes in accounting policies applied to foreign subsidiaries	(609)	**—**
Changes in items during the period		
Reversal of revaluation reserve on land	7,045	**21**
Dividends from surplus	(1,432)	**—**
Net income (loss)	(216,148)	**18,300**
Increase in consolidated subsidiaries	—	**(12)**
Total changes in items during the period	(210,535)	**18,309**
Balance at the end of current period	180,880	**199,190**
Treasury stock		
Balance at the end of previous period	(181)	**(677)**
Changes in items during the period		
Purchase of treasury stock	(497)	**(3)**
Disposal of treasury stock	0	**0**
Total changes in items during the period	(496)	**(3)**
Balance at the end of current period	(677)	**(681)**

Amounts less than one million yen are omitted. ( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2009 (January 1, 2009— December 31, 2009)	**Fiscal year ended December 31, 2010 (January 1, 2010— December 31, 2010)**
Total shareholders' equity		
Balance at the end of previous period	501,011	**289,369**
Effect of changes in accounting policies applied to foreign subsidiaries	(609)	—
Changes in items during the period		
Issuance of new shares	—	**74,647**
Reversal of revaluation reserve on land	7,045	**21**
Dividends from surplus	(1,432)	—
Net income (loss)	(216,148)	**18,300**
Increase in consolidated subsidiaries	—	**(12)**
Purchase of treasury stock	(497)	**(3)**
Disposal of treasury stock	0	**0**
Total changes in items during the period	(211,032)	**92,953**
Balance at the end of current period	289,369	**382,323**
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	100	**4,039**
Changes in items during the period		
Net changes in items other than shareholders' equity	3,939	**(1,320)**
Total changes in items during the period	3,939	**(1,320)**
Balance at the end of current period	4,039	**2,719**
Deferred losses on hedges		
Balance at the end of previous period	1,992	—
Changes in items during the period		
Net changes in items other than shareholders' equity	(1,992)	—
Total changes in items during the period	(1,992)	—
Balance at the end of current period	—	—
Revaluation reserve for land		
Balance at the end of previous period	17,254	**10,208**
Changes in items during the period		
Net changes in items other than shareholders' equity	(7,045)	**(21)**
Total changes in items during the period	(7,045)	**(21)**
Balance at the end of current period	10,208	**10,186**
Foreign currency translation adjustment		
Balance at the end of previous period	(125,791)	**(91,220)**
Changes in items during the period		
Net changes in items other than shareholders' equity	34,570	**(29,757)**
Total changes in items during the period	34,570	**(29,757)**
Balance at the end of current period	(91,220)	**(120,977)**

Amounts less than one million yen are omitted. ( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2009 (January 1, 2009— December 31, 2009)	**Fiscal year ended December 31, 2010 (January 1, 2010— December 31, 2010)**
Total valuation and translation adjustments		
Balance at the end of previous period	(106,443)	**(76,971)**
Changes in items during the period		
Net changes in items other than shareholders' equity	29,471	**(31,099)**
Total changes in items during the period	29,471	**(31,099)**
Balance at the end of current period	(76,971)	**(108,070)**
Share warrants		
Balance at the end of previous period	30	**72**
Changes in items during the period		
Net changes in items other than shareholders' equity	42	**30**
Total changes in items during the period	42	**30**
Balance at the end of current period	72	**102**
Minority interests		
Balance at the end of previous period	33,885	**36,796**
Effect of changes in accounting policies applied to foreign subsidiaries	(57)	**—**
Changes in items during the period		
Net changes in items other than shareholders' equity	2,969	**(342)**
Total changes in items during the period	2,969	**(342)**
Balance at the end of current period	36,796	**36,454**
Total net assets		
Balance at the end of previous period	428,483	**249,266**
Effect of changes in accounting policies applied to foreign subsidiaries	(667)	**—**
Changes in items during the period		
Issuance of new shares	—	**74,647**
Reversal of revaluation reserve on land	7,045	**21**
Dividends from surplus	(1,432)	**—**
Net income (loss)	(216,148)	**18,300**
Increase in consolidated subsidiaries	—	**(12)**
Purchase of treasury stock	(497)	**(3)**
Disposal of treasury stock	0	**0**
Net changes in items other than shareholders' equity	32,483	**(31,410)**
Total changes in items during the period	(178,549)	**61,543**
Balance at the end of current period	249,266	**310,809**

(4) Consolidated Statements of Cash Flows

Fiscal years ended December 31, 2009 and 2010

Amounts less than one million yen are omitted. ( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2009 (January 1, 2009— December 31, 2009)	**Fiscal year ended December 31, 2010 (January 1, 2010— December 31, 2010)**
Cash flows from operating activities:		
Income (loss) before income taxes and minority interests	(173,669)	**58,947**
Depreciation expenses	53,701	**36,594**
Impairment loss	239	**6,628**
Business structure improvement expenses	82,819	**—**
Loss (gain) on transfer of business	—	**(106)**
Increase (decrease) in allowance for doubtful receivables	2,407	**263**
Increase in accrued employees' retirement benefits	2,799	**1,513**
Increase (decrease) in accrual for product liabilities	8,271	**(2,165)**
Interest and dividend income	(8,900)	**(9,410)**
Interest expenses	9,984	**8,023**
Foreign exchange losses	153	**—**
Equity in earnings of affiliates	(1,911)	**(2,516)**
Loss (gain) on sale of fixed assets	163	**(369)**
Loss on disposal of fixed assets	1,186	**1,038**
Loss (gain) on sale of investment securities	10	**(30)**
Decrease (increase) in trade notes and accounts receivable	61,028	**(6,774)**
Decrease (increase) in inventories	116,810	**(8,394)**
(Decrease) increase in notes and accounts payable	(55,858)	**22,377**
Other	(18,617)	**6,160**
Subtotal	80,618	**111,779**
Interest and dividends received	9,955	**11,213**
Interest paid	(11,125)	**(8,613)**
Income taxes refund (paid)	(5,351)	**(9,848)**
Net cash provided by operating activities	74,096	**104,531**
Cash flows from investing activities:		
Increase in time deposits	(1,042)	**(3,252)**
Decrease in time deposits	484	**1,959**
Payments for purchase of fixed assets	(47,786)	**(31,867)**
Proceeds from sales of fixed assets	7,187	**2,048**
Payments for purchase of investment securities	(0)	**(3)**
Proceeds from sales of investment securities	60	**51**
Payments for long-term loans receivable	(3,972)	**(4,437)**
Proceeds from collections of long-term loans receivable	204	**971**
Proceeds from transfer of business	—	**250**
Other	(421)	**(3,352)**
Net cash used in investing activities	(45,285)	**(37,632)**

Amounts less than one million yen are omitted. ( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2009 (January 1, 2009— December 31, 2009)	**Fiscal year ended December 31, 2010 (January 1, 2010— December 31, 2010)**
Cash flows from financing activities:		
Increase (decrease) in short-term borrowing	(215,013)	**(45,711)**
Proceeds from long-term debt	209,343	**21,719**
Repayment of long-term debt	(21,807)	**(38,473)**
Proceeds from stock issuance to minority shareholders	16	**—**
Redemption of bonds	(3)	**—**
Proceeds from issuance of common stock	—	**74,647**
Cash dividends paid	(1,432)	**—**
Cash dividends paid to minority shareholders	(2,011)	**(6,355)**
Purchase of treasury stock	(496)	**(3)**
Other	(617)	**(526)**
Net cash provided by (used in) financing activities	(32,022)	**5,296**
Effect of exchange rate changes on cash and cash equivalents	6,066	**(5,605)**
Net increase in cash and cash equivalents	2,854	**66,590**
Cash and cash equivalents at beginning of the period	134,364	**137,219**
Increase in cash and cash equivalents from newly consolidated subsidiary	—	**68**
Cash and cash equivalents at end of the period	137,219	**203,878**

(5) Notes Regarding Going-concern Assumptions

Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)

NA

(6) Basis of Presenting Consolidated Financial Statements

Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)

Scope of consolidation

Number of consolidated subsidiaries 104

Major subsidiaries: Yamaha Motor Corporation, U.S.A.; Yamaha Motor Europe N.V.; and PT. Yamaha Indonesia Motor Manufacturing

(Number of newly included subsidiaries) 1

Yamaha Motor Sanayi ve Ticaret Limited Sirketi

(Number of excluded subsidiaries) 4

T.C. Co., Ltd.

Yamaha Boating System Co., Ltd.

Yamaha Boating Create Co., Ltd.

TYM Marketing Co., Ltd.

Number of non-consolidated subsidiaries 11

Total assets, net sales, net income and retained earnings of non-consolidated subsidiaries are not significant in the aggregate, in relation to the total figures for these items in the consolidated financial statements. Seven non-consolidated subsidiaries are accounted for by the equity method.

Scope of application of equity method

Number of non-consolidated subsidiaries and affiliates accounted for by the equity method 33

Major non-consolidated subsidiaries and affiliates:

Chongqing Jianshe Yamaha Motor Co., Ltd.; Zhuzhou Jianshe Yamaha Motor Co., Ltd.; Sakura Kogyo Co., Ltd.; and Industria Mexicana de Equipo Marino, S.A. de C.V.

Four non-consolidated subsidiaries and two affiliates, which are not accounted for by the equity method, are each insignificant in the consolidated statements of income and the consolidated statements of retained earnings, and are not significant in the aggregate. Therefore, the Company's investments in these subsidiaries and affiliates are stated at cost, instead of being accounted for by the equity method.

Accounting for significant allowances

5) Provision for accrued employees' retirement benefit

To provide for employee retirement benefits, provision for accrued employees' retirement benefits are calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the end of the fiscal year ended December 31, 2010.

Prior service cost is being amortized as incurred by the straight-line method over a period (usually 10 years), which is shorter than the average remaining years of service of the employees.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized, by the straight-line method, over a period, (usually 10 years), which is shorter than the average remaining years of service of the employees.

(Changes in accounting policies)

Effective from the fiscal year ended December 31, 2010, the Company has applied Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19, issued on July 31, 2008).

This change has no impact on the consolidated statements of income for the fiscal year ended December 31, 2010.

With regard to the basis of presenting consolidated financial statements, details on items other than “Scope of consolidation,” “Scope of application of equity method,” and “Accounting for significant allowances” described above have been omitted since there have been no significant changes from the description in the Company’s most recent Securities Report (submitted on March 26, 2010).

(7) Changes in Notes to Consolidated Financial Statements

Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)

Changes in accounting principles, procedures

(Application of Accounting Standard for Business Combinations)

The Company has applied Accounting Standard for Business Combinations (ASBJ Statement No. 21, December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, December 26, 2008), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23, December 26, 2008), Accounting Standard for Business Divestitures (ASBJ Statement No. 7, December 26, 2008), Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, December 26, 2008), and Implementation Guidance on Accounting Standard for Business Combinations and Business Divestitures (ASBJ Guidance No. 10, December 26, 2008).

Changes in presentation methods

(Consolidated Balance Sheets)

1) “Deferred tax assets” (¥3,669 million at the end of the fiscal year ended December 31, 2010), which until the previous fiscal year were recorded as a separate item under “Current assets,” have been included in “Other” under “Current assets” since the amount is not more than 1% of total assets.

2) “Deferred tax assets” (¥3,797 million at the end of the fiscal year ended December 31, 2010), which until the previous fiscal year were recorded as a separate item under “Investments and other assets,” have been included in “Other” under “Investments and other assets” since the amount is not more than 1% of total assets.

3) “Accrued expenses” (¥34,334 million at the end of the fiscal year ended December 31, 2010), which until the previous fiscal year were recorded as a separate item under “Current liabilities,” have been included in “Other” under “Current liabilities” since the amount is not more than 5% of total liabilities and net assets.

4) “Accrued retirement benefits for Directors and Corporate Auditors” (¥76 million at the end of the fiscal year ended December 31, 2010), which until the previous fiscal year were recorded as a separate item under “Long-term liabilities,” have been included in “Other provisions” under “Long-term liabilities” since the amount is not more than 1% of total liabilities and net assets.

5) “Accrual for motorcycle recycling costs” (¥1,228million at the end of the fiscal year ended December 31, 2010), which until the previous fiscal year were recorded as a separate item under “Long-term liabilities,” have been included in “Other provisions” under “Long-term liabilities” since the amount is not more than 1% of total liabilities and net assets.

(Consolidated Statements of Income)

1) “Early retirement benefit expenses” (¥11million for the fiscal year ended December 31, 2010), which until the previous fiscal year were recorded as a separate item under “Non-operating expenses,” have been included in “Other” under “Non-operating expenses” since the amount is not more than 10% of total non-operating

expenses.

2) "Refund of income taxes" (¥(628) million for the fiscal year ended December 31, 2010), which until the previous fiscal year were recorded as a separate item, have been included in "Income taxes — current" since the amount has become insignificant.

(8) Notes to Consolidated Financial Statements

Fiscal years ended December 31, 2009 and 2010

Consolidated Balance Sheets

1) Accumulated depreciation of tangible fixed assets

	Millions of yen	
	As of December 31, 2009	**As of December 31, 2010**
	516,478	**515,876**

2) Pledged assets and secured liabilities

	Millions of yen	
	As of December 31, 2009	**As of December 31, 2010**
Pledged assets	118,328	**109,739**
Secured liabilities	67,352	**38,643**

3) Contingent liabilities

	Millions of yen	
	As of December 31, 2009	**As of December 31, 2010**
	408	**365**

4) Discounts on trade notes receivable

	Millions of yen	
	As of December 31, 2009	**As of December 31, 2010**
	1,117	**1,765**

5) Pursuant to the "Law Concerning the Revaluation of Land" (No. 24, enacted on March 31, 1999), land used for the Company's business operations was revalued. The income tax effect of the difference between the book value and the revalued amount has been presented under liabilities as "Deferred tax liabilities on unrealized revaluation gain on land" and the remaining balance has been presented under net assets as "Revaluation reserve for land" in the accompanying consolidated balance sheets.

①Date of revaluation March 31, 2000

②Method of revaluation

Under Article 2-4 of the Ordinance Implementing the Law Concerning Land Revaluation (Article 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Law Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

③Fair value of the land used for business after revaluation

The fair value of the land used for business after revaluation at the end of fiscal 2010 was below its book value by ¥6,287 million.

Consolidated Statements of Income

1) Breakdown of major selling, general and administrative expenses

	Millions of yen	
	Fiscal year ended December 31, 2009 (January 1, 2009 through December 31, 2009)	**Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)**
Transportation expenses	29,887	**30,504**
Provision for accrued warranty costs	6,768	**15,476**
Provision for allowance for doubtful receivables	2,533	**1,376**
Salaries	73,560	**71,392**
Provision for accrued bonuses	2,693	**2,160**
Provision for accrued employees' retirement benefits	3,251	**4,446**
Advertising expenses	21,910	
Sales promotion expenses	18,871	
Provision for accrual for product liabilities	13,041	
Provision for accrued motorcycle recycling costs	62	

2) Research and development expenses included in selling, general and administrative expenses and manufacturing costs

Millions of yen	
Fiscal year ended December 31, 2009 (January 1, 2009 through December 31, 2009)	**Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)**
62,066	**55,183**

3) Details concerning impairment losses

①Summary of asset groups for which impairment losses have been identified

Use	Location	Impairment loss	
		Item	Millions of yen
Motorcycles	India, other	Buildings and structures	1,369
		Machinery and transportation equipment	4,039
		Other	134
		Intangible fixed assets	413
		Total	5,957
Idle assets	Kakegawa City (Shizuoka, Japan), other	Buildings and structures	309
		Machinery and transportation equipment	6
		Land	298
		Other	56
		Total	670

②Method for grouping assets

An asset group is defined as the minimum unit within a business segment that generates cash flows generally independent from other asset groups in that segment.

③Background to the recognition of impairment losses

Since a delay in profitability recovery is forecasted as a result of a review of future business plans conducted in the fiscal year ended December 31, 2010, principally at the consolidated subsidiary in India, impairment loss was recognized in the motorcycle business. Impairment losses were also identified among idle assets not serving business uses. Specifically, losses were recognized for those idle assets whose market prices have significantly declined from their book values.

④Computation of recoverable values

The recoverable value was computed by the appraisal value or the net sale value reasonably calculated and obtained using the disposal price.

Consolidated Statements of Changes in Net Assets

Fiscal year ended December 31, 2009 (January 1, 2009 through December 31, 2009)

1. Type and number of outstanding shares

	Number of shares as of December 31, 2008	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2009
Common stock (Shares)	286,507,784	0	0	286,507,784

2. Type and number of shares of treasury stock

	Number of shares as of December 31, 2008	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2009
Common stock (Shares)	134,458	524,176	485	658,149

Notes: The reasons for the increase or decrease in the number of shares are as follows:

- ･Increase due to the share purchase requested under the Article 797 (1) of the Company Law: 520,000 shares*
- ･Increase due to the purchase of less-than-one-unit shares from shareholders: 2,713 shares
- ･Increase due to the acquisition of subsidiaries and affiliates accounted for by the equity method: 1,463 shares
- ･Decrease due to requests for additional purchase of less-than-one-unit shares by shareholders: 485 shares

*This increase was resulted from the share purchase request from the shareholders dissenting against the absorption-type merger Yamaha Marine Co., Ltd. on January 1, 2009.

3. Share warrants and own share warrants

Classification	Description of share warrants	Type of shares to be issued by the exercise of share warrants	Number of shares issued by the exercise of share warrants				Balance as of December 31, 2009 (Millions of yen)
			As of December 31, 2008	Increase during the fiscal year under review	Decrease during the fiscal year under review	As of December 31, 2009	
Yamaha Motor Co. Ltd.	Share warrants as stock options	—	—	—	—	—	72
Total		—	—	—	—	—	72

Note: The exercise periods of the fourth and fifth share warrants are June 13, 2010 through June 12, 2014 and June 16, 2011 through June 15, 2015, respectively. Thus, the first day of the exercise periods has not come as of the end of the fiscal year ended December 31, 2009.

4. Dividends

(1) Amount of dividends paid

Resolution	Type of share	Total amount of dividends	Dividend per share	Record date	Effective date
		Millions of yen	Yen		
Ordinary General Meeting of Shareholders held on March 25, 2009	Common stock	1,432	5.00	December 31, 2008	March 26, 2009

(2) Dividends recorded in this fiscal year but effective in the next fiscal year

NA

Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)

1. Type and number of outstanding shares

	Number of shares as of December 31, 2009	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2010
Common stock (Shares)	286,507,784	63,250,000	0	349,757,784

Notes: The reasons for the increase or decrease in the number of shares are as follows:
- Increase due to issuance of new shares through public offering: 55,000,000 shares
- Increase due to issuance of new shares through third-party allocation: 8,250,000 shares

2. Type and number of shares of treasury stock

	Number of shares as of December 31, 2009	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2010
Common stock (Shares)	658,149	2,776	176	660,749

Notes: The reasons for the increase or decrease in the number of shares are as follows:
- Increase due to the purchase of less-than-one-unit shares from shareholders: 1,652 shares
- Increase due to the acquisition of subsidiaries and affiliates accounted for by the equity method: 1,124 shares
- Decrease due to requests for additional purchase of less-than-one-unit shares by shareholders: 176 shares

3. Share warrants and own share warrants

Classification	Description of share warrants	Type of shares to be issued by the exercise of share warrants	Number of shares issued by the exercise of share warrants				Balance as of December 31, 2010 (Millions of yen)
			As of December 31, 2009	Increase during the fiscal year under review	Decrease during the fiscal year under review	As of December 31, 2010	
Yamaha Motor Co. Ltd.	Share warrants as stock options Note	—	—	—	—	—	102
Total		—	—	—	—	—	102

Note: The exercise periods of the fifth and sixth share warrants are June 16, 2011 through June 15, 2015 and June 15, 2012 through June 14, 2016, respectively. Thus, the first day of the exercise periods has not come as of the end of the fiscal year ended December 31, 2010.

4. Dividends

(1) Amount of dividends paid

NA

(2) Dividends recorded in this fiscal year but effective in the next fiscal year

NA

Consolidated Statements of Cash Flows

1) Income taxes paid or refunded

The figure includes the refund of income tax of ¥13,835 million involving transactions of Yamaha Motor Corporation, U.S.A., the Company's U.S. subsidiary over the previous fiscal year.

2) The reconciliation of "cash and cash equivalents" as of December 31, 2009 and 2010 to amounts in the various accounts appearing in the accompanying consolidated balance sheets is as follows:

	Millions of yen	
	As of December 31, 2009	**As of December 31, 2010**
Cash and deposits in banks	137,328	**205,362**
Time deposits with maturity in excess of three months	(721)	**(2,016)**
Other current assets	612	**532**
Cash and cash equivalents	137,219	**203,878**

Segment Information

1) Business segment information
Fiscal years ended December 31, 2009 and 2010

Fiscal year ended December 31, 2009 (January 1, 2009 through December 31, 2009)

Amounts less than one million yen are omitted.

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	817,058	150,113	100,577	85,893	1,153,642	—	1,153,642
Intersegment	—	—	—	77,770	77,770	(77,770)	—
Total	817,058	150,113	100,577	163,664	1,231,413	(77,770)	1,153,642
Operating expenses	821,209	174,387	134,345	164,050	1,293,993	(77,770)	1,216,222
Operating loss	(4,151)	(24,274)	(33,768)	(386)	(62,580)	0	(62,580)
Assets	607,311	169,122	115,082	95,561	987,077	—	987,077
Depreciation	32,521	10,052	3,993	7,134	53,701	—	53,701
Impairment loss	52,633	12,077	14,183	4,164	83,058	—	83,058
Capital expenditures	29,932	6,660	3,660	5,780	46,035	—	46,035

Notes:
1. Business segments correspond to categories classified primarily by similarity of products and markets.
2. Major products in each business segment:

Business segment	Major products
Motorcycles	Motorcycles and knockdown parts for overseas production
Marine products	Outboard motors, personal watercrafts, boats, FRP pools, fishing boats, utility boats and diesel engines
Power products	All-terrain vehicles, side-by-side vehicles, snowmobiles, golf cars, generators, snow throwers and multi-purpose engines
Other products	Surface mounters, industrial robots, automobile engines, automobile components, electrically power assisted bicycles, unmanned industrial helicopters, electrically powered wheelchairs and the intermediate parts for products in all business segments

3. All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
4. Impairment losses on idle assets are included in the business to which the respective idle assets belong.
5. Depreciation and amortization of assets
   As described in “Basis of presenting consolidated financial statements,” the Company and its consolidated subsidiaries in Japan reviewed the useful life of certain tangible fixed assets, mainly machinery and equipment, taking advantage of the change in the Corporate Tax Law (Ministerial Ordinance to Partially Amend the Ministerial Ordinance with Regard to Useful Life of Depreciated Assets: April 30, 2008; Ordinance of the Ministry of Finance, No.32). Applying the new accounting method, operating expenses in fiscal 2009 increased ¥353 million in the motorcycle business, ¥560 million in the marine product business, ¥64 million in the power product business, and ¥221 million in the other products business, while operating loss in each business segment increased the same amount, compared with the figures derived using the previous method alone.

Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)

Amounts less than one million yen are omitted.

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	905,977	167,141	102,968	118,043	1,294,131	—	1,294,131
Intersegment	—	—	—	81,795	81,795	(81,795)	—
Total	905,977	167,141	102,968	199,838	1,375,926	(81,795)	1,294,131
Operating expenses	863,237	166,393	114,221	180,765	1,324,617	(81,795)	1,242,822
Operating income (loss)	42,740	748	(11,252)	19,073	51,308	0	51,308
Assets	609,948	162,026	103,934	102,433	978,343	—	978,343
Depreciation	24,158	5,917	1,789	4,728	36,594	—	36,594
Impairment loss	6,063	196	146	220	6,628	—	6,628
Capital expenditures	23,784	3,635	2,460	4,058	33,939	—	33,939

Notes:
1. Business segments: Classified in the same way as for the fiscal year ended December 31, 2009.
2. Major products in each business segment: Classified in the same way as for the fiscal year ended December 31, 2009.
3. All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
4. Impairment losses on idle assets are included in the business to which the respective idle assets belong.

2) Geographical segment information

Fiscal years ended December 31, 2009 and 2010

Fiscal year ended December 31, 2009 (January 1, 2009 through December 31, 2009)

Amounts less than one million yen are omitted.

	Millions of yen							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net sales:								
Outside customers	188,276	165,528	197,641	482,370	119,825	1,153,642	—	1,153,642
Intersegment	261,973	17,654	3,503	37,098	937	321,167	(321,167)	—
Total	450,250	183,183	201,144	519,469	120,762	1,474,810	(321,167)	1,153,642
Operating expenses	505,833	225,451	210,293	485,912	122,802	1,550,292	(334,069)	1,216,222
Operating income (loss)	(55,582)	(42,268)	(9,148)	33,556	(2,039)	(75,481)	12,901	(62,580)
Assets	455,349	192,638	119,148	273,632	133,301	1,174,069	(186,991)	987,077

Notes:
1. Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
2. Nations and regions included in segments outside Japan:
   (1) North America: U.S.A. and Canada
   (2) Europe: The Netherlands, France, Italy, Spain and Russia
   (3) Asia: Indonesia, Taiwan, Thailand, Singapore, Vietnam, China and India
   (4) Other areas: Brazil, Australia, Colombia and Mexico
3. All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
4. Depreciation and amortization of assets
   As described in “Basis of presenting consolidated financial statements,” the Company and its consolidated subsidiaries in Japan reviewed the useful life of certain tangible fixed assets, mainly machinery and equipment, taking advantage of the change in the Corporate Tax Law (Ministerial Ordinance to Partially Amend the Ministerial Ordinance with Regard to Useful Life of Depreciated Assets: April 30, 2008; Ordinance of the Ministry of Finance, No.32). Applying the new accounting method, operating expenses in Japan in fiscal 2009 increased ¥1,199 million, while operating loss increased the same amount, compared with the figures derived using the previous method alone.

Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)

Amounts less than one million yen are omitted.

	Millions of yen							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net sales:								
Outside customers	216,353	155,336	165,602	613,350	143,488	1,294,131	—	1,294,131
Intersegment	310,881	16,043	3,088	44,843	1,108	375,966	(375,966)	—
Total	527,235	171,379	168,691	658,194	144,597	1,670,098	(375,966)	1,294,131
Operating expenses	529,754	186,102	166,722	602,945	134,337	1,619,862	(377,039)	1,242,822
Operating income (loss)	(2,519)	(14,722)	1,968	55,248	10,259	50,235	1,073	51,308
Assets	560,568	136,031	105,725	277,110	131,918	1,211,353	(233,010)	978,343

Notes:
1. Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
2. Nations and regions included in segments outside Japan:
   (1) North America: U.S.A. and Canada
   (2) Europe: The Netherlands, France, Italy, Spain and Russia
   (3) Asia: Indonesia, Vietnam, Thailand, Taiwan, China, Singapore and India
   (4) Other areas: Brazil, Australia, Colombia and Mexico
3. All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.

3) Overseas sales

Fiscal years ended December 31, 2009 and 2010

Fiscal year ended December 31, 2009 (January 1, 2009 through December 31, 2009)

Amounts less than one million yen are omitted.

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
I. Overseas sales	166,330	201,950	500,442	154,481	1,023,205
II. Consolidated sales					1,153,642
III. Overseas sales ratio	14.4%	17.5%	43.4%	13.4%	88.7%

Notes:
1. Overseas segments are groupings of nations and regions, primarily based on geographical proximity.
2. Nations and regions included in segments outside Japan:
   (1) North America: U.S.A. and Canada
   (2) Europe: Italy, France, Spain, Russia and Germany
   (3) Asia: Indonesia, Vietnam, Thailand, China, Taiwan and India
   (4) Other areas: Brazil, Australia and South Africa
3. Overseas sales consist of export sales of the Company and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)

Amounts less than one million yen are omitted.

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
I. Overseas sales	156,676	170,371	644,881	179,824	1,151,752
II. Consolidated sales					1,294,131
III. Overseas sales ratio	12.1%	13.2%	49.8%	13.9%	89.0%

Notes:
1. Overseas segments are groupings of nations and regions, primarily based on geographical proximity.
2. Nations and regions included in segments outside Japan:
   (1) North America: U.S.A. and Canada
   (2) Europe: France, Italy, Germany, U.K. and Russia
   (3) Asia: Indonesia, Vietnam, Thailand, China, Taiwan and India
   (4) Other areas: Brazil, Australia and South Africa
3. Overseas sales consist of export sales of the Company and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

Per Share Information

Fiscal year ended December 31, 2009 (January 1, 2009 through December 31, 2009)		Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)	
	Yen		Yen
Net assets per share	743.04	Net assets per share	**785.61**
Net loss per share — basic	(755.92)	Net income per share — basic	**55.50**
The Company registered a net loss per share — basic in the fiscal year ended December 31, 2009 (fiscal 2009). Therefore, net income per share — diluted in fiscal 2009 was not described herein, although there were latent shares during fiscal 2009.		Net income per share — diluted	**55.50**

Note 1. Net assets per share are calculated based on the following:

	As of December 31, 2009	As of December 31, 2010
Total net assets (Millions of yen)	249,266	**310,809**
Amount excluded from total net assets (Millions of yen)	36,869	**36,557**
Share warrants	72	**102**
Minority interests	36,796	**36,454**
Net assets attributable to common stock at the end of the period (Millions of yen)	212,397	**274,252**
Number of shares of common stock outstanding at the end of the period calculated under "Net assets per share" (Shares)	285,849,635	**349,097,035**

Note 2. Net income (loss) per share — basic and net income per share — diluted are calculated based on the following:

	Fiscal year ended December 31, 2009 (January 1, 2009 through December 31, 2009)	Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)
Net income (loss) per share — basic:		
Net income (loss) (Millions of yen)	(216,148)	**18,300**
Amount not attributable to common stockholders (Millions of yen)	—	—
Net income (loss) attributable to common stock (Millions of yen)	(216,148)	**18,300**
Average number of shares outstanding during the period (Shares)	285,942,863	**329,735,395**
Net income per share — diluted	Net income per share — diluted in fiscal 2009 was not described herein, since the Company registered net loss per share in fiscal 2009.	
Adjustment for net income (Millions of yen)		—
Increase in the number of shares of common stock (Shares)		**3,766**
Share warrants		**3,766**
Dilutive securities not calculated under "Net income per share — diluted" because they do not have dilutive effect:		Resolution of Board of Directors Meeting held on May 29, 2008: Stock options (Total number of shares: 75,500) Resolution of Board of Directors Meeting held on May 28, 2010: Stock options (Total number of shares: 56,500)

Information Omitted

Notes regarding items including lease transactions, related party transactions, deferred tax accounting, financial products, marketable securities, derivative transactions, employees' retirement benefits, stock options, and business combinations have been omitted because the effect of these items on the consolidated financial results for fiscal 2010 is deemed insignificant.

Significant Subsequent Events

Fiscal year ended December 31, 2010 (January 1, 2010 through December 31, 2010)

Reduction in the amounts of additional paid-in capital and legal retained earnings and appropriation of surplus

At the meeting of the Board of Directors held on February 15, 2011, the Company decided to submit a proposal concerning reduction in the amounts of additional paid-in capital and legal retained earnings and appropriation of surplus at the 76th Ordinary General Meeting of Shareholders to be held on March 24, 2011, as described below.

1. Purpose of reduction in the amounts of additional paid-in capital and legal retained earnings and appropriation of surplus

The Company will reduce the amounts of additional paid-in capital and legal retained earnings and appropriate surpluses for the purpose of applying retained earnings brought forward to disposition of deficit to secure future mobility and flexibility in capital policy and provide future dividends to shareholders.

2. Method of reduction in the amounts of additional paid-in capital and legal retained earnings and appropriation of surplus

(1) Pursuant the provisions of Article 448, paragraph 1 of the Company Law, the Company will reduce the amount of the additional paid-in capital and transfer the amount to other capital surplus and reduce the total amount of the legal retained earnings and transfer the amount to retained earnings brought forward.

①Items and amounts of reserve to be reduced

Additional paid-in capital	¥23,814,148,434
Legal retained earnings	¥3,775,736,564

②Items and amounts of surplus to be increased

Other capital surplus	¥23,814,148,434
Retained earnings brought forward	¥3,775,736,564

③Items and amounts of reserve after the reduction

Additional paid-in capital	¥73,941,967,288
Legal retained earnings	¥0

(2) Pursuant to the provisions of Article 452 of the Company Law, after the transfer of additional paid-in capital described above, the Company will transfer the amount of other capital surplus to retained earnings brought forward and apply it to disposition of deficit.

①Item and amount of surplus to be reduced

Other capital surplus	¥23,565,474,829

②Item and amount of surplus to be increased

Retained earnings brought forward	¥23,565,474,829

3. Schedule for reduction in the amounts of additional paid-in capital and legal retained earnings and appropriation of surplus

(1) Resolution of the Board of Directors:	February 15, 2011
(2) Ordinary General Meeting of Shareholders:	March 24, 2011 (scheduled)
(3) Effective date:	March 24, 2011 (scheduled)

Since this matter falls under the conditions of the proviso to Article 449, paragraph 1 of the Company Law, objection procedures for creditors will not arise.

4. Outlook

Since this matter will be a transfer between accounts under net assets, no change in the amount of the Company's net assets will occur, and the matter will have no impact on business performance. The details described above are subject to the approval of the 76th Ordinary General Meeting of Shareholders to be held on March 24, 2011.

5. Others

Executive Transfers

The executive transfers effective March 24, 2011 were officially announced on December 21, 2010.
For details, please see the Company website:
http://www.yamaha-motor.co.jp/global/news/