Business Results for the Fiscal Year Ended December 31, 2012

(January 1, 2012 through December 31, 2012)

(Japan GAAP)

February 14, 2013

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 the 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

Contact:
Takeo Ishii, General Manager, Finance & Accounting Division
Phone: +81-538-32-1103

Date of the Ordinary General Meeting of Shareholders (scheduled):
March 26, 2013

Beginning of payment of year-end dividend (scheduled):
March 27, 2013

Filing of securities report (scheduled):
March 27, 2013

Supplementary explanatory documents related to the consolidated financial results:
Yes

Briefing on the consolidated financial results:
Yes (for institutional investors, securities analysts and media outlets)

Amounts less than one million yen are omitted.

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2012

(January 1, 2012 through December 31, 2012)

(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, 2012	**1,207,675**	**(5.4)**	**18,598**	**(65.2)**	**27,267**	**(57.1)**	**7,489**	**(72.2)**
Fiscal year ended December 31, 2011	1,276,159	(1.4)	53,405	4.1	63,495	(4.0)	26,960	47.3

Note: Comprehensive income

Fiscal year ended December 31, 2012: ¥42,729 million (393.5%)

Fiscal year ended December 31, 2011: ¥8,658 million (—%)

	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, 2012	**21.45**	**—**	**2.5**	**2.9**	**1.5**
Fiscal year ended December 31, 2011	77.23	77.23	9.7	6.8	4.2

Reference: Equity in earnings of affiliates

Fiscal year ended December 31, 2012: ¥1,598 million

Fiscal year ended December 31, 2011: ¥3,218 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, 2012	**962,329**	**341,561**	**32.0**	**881.88**
As of December 31, 2011	900,420	309,914	31.2	804.26

Reference: Shareholders' equity

As of December 31, 2012: ¥307,857 million

As of December 31, 2011: ¥280,763 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, 2012	**(2,385)**	**(51,081)**	**15,761**	**106,532**
Fiscal year ended December 31, 2011	33,328	(46,517)	(51,927)	133,593

2. Dividends

Record date	Annual dividends per share					Total amount of 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, 2011	—	0.00	—	15.50	15.50	5,411	20.1	1.9
Fiscal year ended December 31, 2012	—	5.00	—	5.00	10.00	3,491	46.6	1.2
Fiscal year ending December 31, 2013 (forecast)	—	8.50	—	8.50	17.00		21.2	

Reference: The year-end dividend for the fiscal year ending December 31, 2013 is calculated with a payout ratio of 20% based on the forecast of consolidated financial results for the fiscal year ending December 31, 2013, as stated below.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2013

(January 1, 2013 through December 31, 2013)

* % 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
Fiscal year ending December 31, 2013	1,400,000	15.9	50,000	168.8	52,000	90.7	28,000	273.9	80.21

(*Notes)

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

(2) Changes in accounting policies, changes in accounting estimates and restatement for correction of errors

1) Changes in accounting policies arising from revision of accounting standards: None
2) Changes in accounting policies arising from other factors: None
3) Changes in accounting estimates: None
4) Restatement for correction of errors: None

(3) Number of shares outstanding (Common stock)

1) Number of shares outstanding at the end of the period, including treasury stock	Fiscal year ended December 31, 2012	349,757,784 shares	Fiscal year ended December 31, 2011	349,757,784 shares
2) Number of shares of treasury stock at the end of the period	Fiscal year ended December 31, 2012	665,301 shares	Fiscal year ended December 31, 2011	662,543 shares
3) Average number of shares during the period	Fiscal year ended December 31, 2012	349,093,990 shares	Fiscal year ended December 31, 2011	349,096,063 shares

(*Notice regarding audit procedure for the consolidated financial statements)

The consolidated financial results presented herein are not subject to the audit procedure specified by the Financial Instruments and Exchange Act. The audit procedure for consolidated financial statements specified by the Financial Instruments and Exchange Act has not been completed at the time of the disclosure of these financial results.

(*Notice regarding results forecast)

(1) Results forecast presented in this document is based on the assumptions and beliefs of Yamaha Motor Co., Ltd. (the "Company") in light of the information currently available and is not guarantee of future performance. Actual results may differ significantly from the Company's forecast, due to various risks, uncertainties and other factors, including changes in business conditions surrounding the Yamaha Motor Group (the "Group"), changing consumer preferences, and currency exchange rate fluctuations.

For details on potential risks, uncertainties and other factors affecting the Group's operations, please see the 77th Securities Report (filed on March 26, 2012).

For results forecast, please refer to the "Forecast for the fiscal year ending December 31, 2013 (January 1, 2013 through December 31, 2013)" in Section 1-(1), "Analysis of Operating Results" on page 10.

(2) Briefing on these consolidated financial results will be held as follows. Supplementary explanatory documents related to the consolidated financial results and so on to be handed at the briefing will be posted on the Company website immediately after the briefing. Video will be posted on the Company website on and after the next day of the briefing.

Thursday, February 14, 2013: Briefing on the consolidated financial results for institutional investors, securities analysts and media outlets

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

Contents of Attachment

1. Analysis of Operating Results and Financial Position

(Net Sales by Segment)

Amount: millions of yen Volume: thousand units

	Fiscal year ended December 31, 2011 (January 1—December 31, 2011)			**Fiscal year ended December 31, 2012 (January 1—December 31, 2012)**		
	Volume	Amount	%	**Volume**	**Amount**	**%**
Net sales:						
Japan	—	146,503	11.5	—	152,283	12.6
Overseas:						
North America	—	*161,359*	*12.6*	—	*185,226*	*15.3*
Europe	—	*150,747*	*11.8*	—	*133,810*	*11.1*
Asia	—	*628,221*	*49.2*	—	*565,654*	*46.8*
Others	—	*189,328*	*14.9*	—	*170,699*	*14.2*
Subtotal	—	1,129,656	88.5	—	1,055,391	87.4
Total	**—**	**1,276,159**	**100.0**	**—**	**1,207,675**	**100.0**
Motorcycles:						
Japan	101	37,047	4.2	94	36,104	4.5
Overseas:						
North America	*64*	*35,602*	*4.0*	*71*	*41,632*	*5.2*
Europe	*185*	*91,150*	*10.3*	*165*	*79,187*	*9.9*
Asia	*6,059*	*594,147*	*66.9*	*5,228*	*533,049*	*66.7*
Others	*573*	*129,607*	*14.6*	*533*	*108,702*	*13.7*
Subtotal	6,881	850,508	95.8	5,996	762,572	95.5
Total	**6,982**	**887,556**	**69.5**	**6,090**	**798,676**	**66.1**
Marine products:						
Japan	—	23,483	13.1	—	26,723	13.6
Overseas:						
North America	—	*74,972*	*41.9*	—	*91,298*	*46.5*
Europe	—	*36,031*	*20.1*	—	*31,007*	*15.8*
Asia	—	*11,583*	*6.5*	—	*11,096*	*5.7*
Others	—	*32,858*	*18.4*	—	*36,194*	*18.4*
Subtotal	—	155,446	86.9	—	169,596	86.4
Total	**—**	**178,929**	**14.0**	**—**	**196,320**	**16.3**
Power products:						
Japan	—	13,261	13.2	—	15,270	14.7
Overseas:						
North America	—	*49,298*	*49.2*	—	*50,965*	*49.2*
Europe	—	*19,866*	*19.8*	—	*20,651*	*19.9*
Asia	—	*5,777*	*5.8*	—	*6,268*	*6.1*
Others	—	*12,053*	*12.0*	—	*10,432*	*10.1*
Subtotal	—	86,995	86.8	—	88,318	85.3
Total	**—**	**100,257**	**7.9**	**—**	**103,588**	**8.6**
Industrial machinery and robots:						
Japan	—	15,779	46.0	—	14,879	48.3
Overseas:						
North America	—	*1,458*	*4.2*	—	*1,327*	*4.3*
Europe	—	*3,060*	*8.9*	—	*2,231*	*7.2*
Asia	—	*13,819*	*40.3*	—	*12,152*	*39.4*
Others	—	*208*	*0.6*	—	*223*	*0.8*
Subtotal	—	18,547	54.0	—	15,934	51.7
Total	**—**	**34,326**	**2.7**	**—**	**30,813**	**2.6**
Others:						
Japan	—	56,931	75.8	—	59,306	75.8
Overseas:						
North America	—	*27*	*0.0*	—	*2*	*0.0*
Europe	—	*637*	*0.8*	—	*732*	*0.9*
Asia	—	*2,893*	*3.9*	—	*3,088*	*3.9*
Others	—	*14,600*	*19.5*	—	*15,147*	*19.4*
Subtotal	—	18,158	24.2	—	18,970	24.2
Total	**—**	**75,089**	**5.9**	**—**	**78,276**	**6.4**

(1) Analysis of Operating Results

The overall impression of the global economic situation in the fiscal year ended December 31, 2012 (fiscal 2012) was of spreading deceleration from April in particular, with no discernible recovery in the second half of the year.

In the U.S., the employment and housing markets improved and rising personal consumption was apparent, but there was no visible strength in the economic recovery. Amidst the ongoing financial crisis in Europe, the employment situation is dire and personal consumption has become sluggish. The economies of the emerging markets such as Asia, Central and South America, and other regions, are tending to slow down due to the factors including effects of the European economic crisis and credit tightening, and their consumption markets, which had been showing continued rapid growth, went sluggish. In Japan, although the economy was supported by reconstruction demand in the first half of the year, in the second half exports decreased due to the entrenchment of strong yen and the global economic slowdown, and economic conditions appeared to be taking another downward turn. However, the yen began weakening and share prices rising at the end of the year.

Regarding the Yamaha Motor Group's main markets, demand for motorcycles, outboard motors, and all-terrain vehicles (ATVs) in the U.S. showed a gentle recovery, and demand for motorcycles in Europe continued to fall. In the emerging markets such as Asia, Central and South America, and other regions, demand for motorcycles had been growing continuously, but then fell, and has now hit a plateau. On the other hand, demand for outboard motors and snowmobiles in Russia has grown steadily. In Japan, demand for generators, fishing boats and utility boats increased, due to factors such as reconstruction demand.

Amidst such business conditions, 2012 was the final fiscal year of the Group's medium-term management plan (from 2010 to 2012), and as such the Group prioritized the following items.

- Motorcycles in emerging markets

  In order to improve product competitiveness in the ASEAN region, the Group aggressively introduced models equipped with fuel injection, raising the proportion of this feature from 10% to 44%. Notably in Indonesia, while launching five models to upgrade the product lineup, the Group also focused on responding to the credit deposit restrictions introduced in June.

  In India, the Group launched its first model, the CYGNUS RAY, into the growing scooter market. The Group also furthered preparations for construction of a second factory (located in Chennai City), in order to expand its future scale of operations.

- Marine

  In the U.S., the Group implemented initiatives to expand sales of outboard motors by enhancing product competitiveness and strengthening ties with boatbuilders. The Group also announced a new boat control system, the Helm Master, developed jointly with AB Volvo Penta. In emerging markets, the Group has been working on aggressive sales expansion to meet demand that continues to grow among the expanding middle-income class.

  Regarding the boat business, the Group has revitalized the Japanese market by introducing the SR310 and SR-X F90 pleasure boat models, while working on disaster recovery initiatives. In China, the Group furthered preparations to develop the fishing boat market through a joint venture manufacturing and sales company in Dalian City, Liaoning Province.

  In the personal watercraft business, sales of sports boats are expanding steadily, and the Group has increased the production capacity at our factory in Tennessee, the U.S

- New growth fields

  In the surface mounter business, the Group worked to acquire new customers by completing the development of and announcing the Z:TA, which achieved industry’s top levels of high-speed performance.

  In the smart power vehicles business, the Group furthered the European market rollout of electrically power assisted bicycles and the development of high-functionality systems. In China, the Group worked on expanding sales by upgrading its electric bicycle product lineup.

  In the generator/multi-purpose engine business, the Group began operation of a new production in Taizhou City, Jiangsu Province, China. The Group also worked to expand its business in this field by acquiring new customers and developing new low fuel-consumption and low-cost engines.

- Structural reforms

  The Japanese domestic production structure was aggregated and reorganized from 12 factories and 25 units into 9 factories and 17 units. The transfer of ATVs body production from Japan to the U.S. was completed.

  The aggregation and reorganization of the European production structure from four factories into two factories was completed.

  Cost reduction activities reached those medium-term goal of a total of ¥75.0 billion. The Group also furthered the establishment of a global parts supply structure focused on four procurement centers in Japan, ASEAN, India, and China.

- Business structure

  Regarding the Group's new development structure, the ASEAN Integrated Development Center (located in Thailand), which aims to deliver product characteristics and cost levels matched precisely to market needs, began full-scale operation. Moreover, the Group furthered preparations for the establishment of the India Integrated Development Center (located in Chennai City), to begin operation early in the following fiscal year, which aims to deliver cost levels matched precisely to market quality standards. The Group is aiming to increase the proportion of local development to 30% in the medium term.

  The Group established the Design Center, and implemented initiatives to upgrade the Group's overall design strategies in areas such as products, brand image, brand communication, and human resources development.

  The establishment of the GEC (Global Executive Committee) and the GEP (Global Executive Program) was the Group's initiative to resolve global-level management issues and develop human resources.

For fiscal 2012, net sales were ¥1,207.7 billion (a decrease of 5.4% compared to the previous year). Sales of marine products, power products and automobile engines increased compared to the previous year. However, sales of motorcycles decreased compared to the previous year due to falling demand in Europe, falling demand and inventory adjustments in Indonesia and Brazil. Furthermore, there was ¥45.0 billion in negative impact of exchange rates due to yen appreciation.

Operating income was ¥18.6 billion (a decrease of 65.2% compared to the previous year), ordinary income was ¥27.3 billion (a decrease of 57.1%), and net income was ¥7.5 billion (a decrease of 72.2%). While positive factors such as cost reductions, decreased raw material costs, and expense reductions were in evidence, a decrease in sales of motorcycles in Europe and in emerging nations, the appreciating yen, the reversal of provision for product liabilities (¥13.4 billion in the previous year and ¥2.4 billion in this fiscal year), and increased development expenses aimed at future growth, all contributed to a decrease in profits.

Exchange rates for the year were ¥80 to the U.S. dollar (the same as the previous year) and ¥103 to the euro (an appreciation of ¥8 from the previous year).

Operating results by segment

[Motorcycles]

Net sales for the motorcycles business were ¥798.7 billion (a decrease of 10.0% compared to the previous year), with an operating loss of ¥0.2 billion (the previous year showed an operating income of ¥27.6 billion).

Shipments in developed countries decreased overall, with increases in the U.S. outweighed by decreases in Europe. Among the emerging nations, India and Thailand (subject to flooding in the previous year) showed increases, and Indonesia, Vietnam and Brazil, showed decreases as a result of reduced demand and inventory adjustments leading to a decrease overall. Global motorcycle shipments were 6.09 million units (a decrease of 12.8% compared to 6.98 million units in the previous year).

[Marine products]

Net sales of marine products were ¥196.3 billion (an increase of 9.7% compared to the previous year), and operating income was ¥10.8 billion (an increase of 53.0%).

Due to a recovery in demand in the U.S., outboard motors, personal watercraft, and sports boats shipments have moved in a positive direction. Outboard motor shipments in emerging nations such as Russia also increased. In Japan reconstruction demand has contributed to increases in shipments of fishing boats, utility boats, and outboard motors.

[Power products]

Net sales of power products overall were ¥103.6 billion (an increase of 3.3% compared to the previous year). The reversal of provision for product liabilities (¥13.4 billion in the previous year and ¥2.4 billion in this fiscal year) contributed to operating income of ¥0.5 billion (a decrease of 92.9% compared to the previous year).

Shipments of golf cars increased, but ATVs fell. Furthermore, sales of generators increased in the U.S. and Japan due to increased demand and new customer acquisition.

[Industrial machinery and robots]

Net sales of industrial machinery & robot products overall were ¥30.8 billion (a decrease of 10.2% compared to the previous year), and operating income was ¥3.8 billion (a decrease of 38.9%).

Although demand related to smartphones and tablet devices has moved in a positive direction, amid a worldwide trend toward capital investment restraint, shipments of surface mounters fell overall.

[Others]

Overall net sales of other products were ¥78.3 billion (an increase of 4.2% compared to the previous year), and operating income was ¥3.6 billion (a decrease of 28.2%).

Shipments of automobile engines increased against the previous year, when they were adversely affected by the earthquake disaster. Shipments of electrically power assisted bicycles decreased against the previous year, when there was strong demand after the earthquake disaster, but the demand is on the increase in general.

(Reference Information)

Geographical segment information (Net sales includes intersegment sales among areas.)

[Japan]

Despite lower shipments of motorcycles for Europe and the impact of yen appreciation, net sales in Japan increased 2.4% from the previous year to ¥532.6 billion, and operating loss was ¥8.8 billion, compared to operating loss of ¥14.1 billion for the previous year, reflecting higher production and shipments of outboard motors and motorcycles for the U.S. market and higher shipments of automobile engines, generators, and other products.

[North America]

Net sales in North America increased 15.9% from the previous year to ¥205.7 billion, reflecting higher sales of marine products such as outboard motors and personal watercraft, for which there was a clear demand recovery trend in the U.S., as well as higher sales of motorcycles and golf cars, despite a decrease in shipments of ATVs. Operating income fell 10.1% to ¥6.9 billion as a result of factors including the impact of yen appreciation as well as the impact of a reversal of the provision for product liabilities.

[Europe]

Net sales in Europe decreased 10.4% from the previous year to ¥135.5 billion, owing to lower shipments of motorcycles and outboard motors in Europe overall, despite higher shipments of outboard motors and snowmobiles in Russia. Operating loss was ¥4.7 billion, compared to operating loss of ¥3.6 billion for the previous year.

[Asia]

Net sales in Asia (excluding Japan) decreased 8.6% from the previous year to ¥596.0 billion, and operating income fell 55.9% to ¥21.4 billion, on lower shipments of motorcycles in Indonesia and Vietnam, which offset higher shipments in Thailand and India.

[Others]

Net sales in other areas decreased 15.0% from the previous year to ¥135.1 billion, and operating income fell 63.8% to ¥5.2 billion, due to lower shipments of motorcycles in Brazil and other Central and South American nations.

Forecast for the fiscal year ending December 31, 2013

(January 1, 2013 through December 31, 2013)

Demand for motorcycles and outboard motors is expected to recover gradually in the U.S., and a return to growth in demand for motorcycles is expected in emerging nations in Asia and Central and South America, and other regions. In response to the commercial environment imposed by the extremely strong yen, the Yamaha Motor Group has been implementing initiatives to expand the Group's scale of operations and increase profitability by improving overall business competitiveness during the fiscal year ended December 31, 2012. Based on these improvements, in fiscal 2013, the Group will seek business recovery and a return to profitability in developed countries, and business scale and earning power recovery in emerging nations by aggressively introducing new models and enhancing cost reduction measures, such as platform strategies.

The Company forecasts the following for its consolidated financial results for the fiscal year ending December 31, 2013: a sales increase, owing to higher sales of motorcycles in emerging nations and outboard motors in the U.S., and a profit increase, as positive factors including the sales increase, higher profits due to cost reductions, and yen depreciation enable the absorption of factors including an increase in selling, general and administrative expenses and R&D expenses in preparation for future growth.

The forecast is based on the assumption that the exchange rates are ¥87 against the U.S. dollar (a depreciation of ¥7 from the previous year) and ¥115 against the euro (a depreciation of ¥12 from the previous year).

Billions of yen

Net sales	1,400.0 Change from the fiscal year ended December 31, 2012: +15.9%
Operating income	50.0 Change from the fiscal year ended December 31, 2012: +168.8%
Ordinary income	52.0 Change from the fiscal year ended December 31, 2012: +90.7%
Net income	28.0 Change from the fiscal year ended December 31, 2012: +273.9%

[Potential risks and uncertainties regarding the forecast for the fiscal year ending December 31, 2013]

The forecast for the fiscal year ending December 31, 2013 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 the Group'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 liabilities
- 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 Group's operations, please see the 77th Securities Report (filed on March 26, 2012).

(2) Analysis of Financial Position

Overview of assets, liabilities and net assets

Total assets at the end of the fiscal year ended December 31, 2012 rose ¥61.9 billion from the end of the previous fiscal year to ¥962.3 billion. The increase is attributable to increase of ¥25.6 billion in current assets and ¥36.3 billion in noncurrent assets, reflecting factors including the impact of yen depreciation.

Total liabilities rose ¥30.3 billion to ¥620.8 billion, reflecting such factors as an increase in short-term loans payable.

Total net assets increased ¥31.6 billion to ¥341.6 billion, reflecting such factors as net income of ¥7.5 billion, dividends paid of ¥7.2 billion, and a change in foreign currency translation adjustment of ¥23.6 billion due to yen depreciation. The shareholders' equity ratio as of December 31, 2012 was 32.0% (an improvement of 0.8 percentage point from the end of the previous fiscal year). The gross debt-equity ratio was 1.1 times, compared with a gross debt-equity ratio of 1.0 times at the end of the previous fiscal year.

Cash flows

[Cash flows provided by (used in) operating activities]
Net cash used in operating activities during the fiscal year under review was ¥2.4 billion (¥33.3 billion in net cash provided during the previous fiscal year), reflecting factors including an increase of ¥26.4 billion in working capital (an increase of ¥4.6 billion) due to decrease of trade payables as a result of production adjustment aiming at bringing inventory to an appropriate level and income before income taxes of ¥25.8 billion (¥61.2 billion).
[Cash flows provided by (used in) investing activities]
Net cash used in investing activities during the fiscal year under review was ¥51.1 billion (¥46.5 billion in net cash used during the previous fiscal year), mainly as a result of factors including the purchase of motorcycle manufacturing facilities for future growth in emerging nations.
[Cash flows provided by (used in) financing activities]
Net cash provided by financing activities during the fiscal year under review was ¥15.8 billion (¥51.9 billion in net cash used during the previous fiscal year), due to factors including financing by means of short-term loans accompanying an increase in working capital.
As a result of the activities discussed above, free cash flows for the fiscal year under review were a negative ¥53.5 billion. Interest-bearing debt at the end of the fiscal year was ¥327.0 billion, and cash and cash equivalents totaled ¥106.5 billion. Interest-bearing debt includes ¥133.5 billion in borrowings for sales finance.

(Reference) Trends in cash flow and related indexes

	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010	Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012
Shareholders' equity ratio (%)	33.9	21.5	28.0	31.2	32.0
Shareholders' equity ratio at market value (%)	22.9	33.8	47.2	37.8	34.4
Ratio of interest-bearing debt to cash flows (%)	—	539.8	308.5	824.3	—
Interest coverage ratio	—	6.7	12.1	5.0	—

Notes:
1. 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/cash flows
    - Interest coverage ratio: Cash flows/interest expenses
2. Each index is calculated using consolidated financial figures.
3. 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.
4. Interest-bearing debt refers to all the debts in the Consolidated Balance Sheets that involve interest payment.
5. Cash flows refer to net cash provided by operating activities detailed in the Consolidated Statements of Cash Flows.

6. Interest expenses refer to the figure for the amount of interest paid in the Consolidated Statements of Cash Flows.
7. Ratio of interest-bearing debt to cash flows and interest coverage ratio for the fiscal years ended December 31, 2008 (fiscal 2008) and ended December 31, 2012 (fiscal 2012) are not listed, due to the negative status of cash flows from operating activities for fiscal 2008 and for 2012.

(3) Basic Policy on Profit Distribution and Dividends for the Fiscal Years Ended December 31, 2012 and Ending December 31, 2013

Recognizing that shareholders' interests represent one of the Company'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 aims to balance aggressive growth investments with stock dividends and loan repayments and provide shareholder returns that reflect comprehensive consideration of the business environment, including trends in business performance and retained earnings, while maintaining a minimum dividend payout ratio of 20% of consolidated net income.

The Company has a basic policy of paying dividends from surplus twice a year as an interim dividend and a year-end dividend. The decision-making bodies for dividends are the Board of Directors for interim dividends and the General Meeting of Shareholders for year-end dividends. The Company's Articles of Incorporation stipulate that the Company may, by a resolution of the Board of Directors, pay interim dividends, with June 30 of each year designated as the record date.

Regarding the year-end dividend for fiscal 2012, a dividend of ¥5 per share is planned to be placed on the agenda of the 78th Ordinary General Meeting of Shareholders, scheduled for March 26, 2013. Added to the interim dividend (¥5 per share), this gives a total dividend for the year of ¥10 per share.

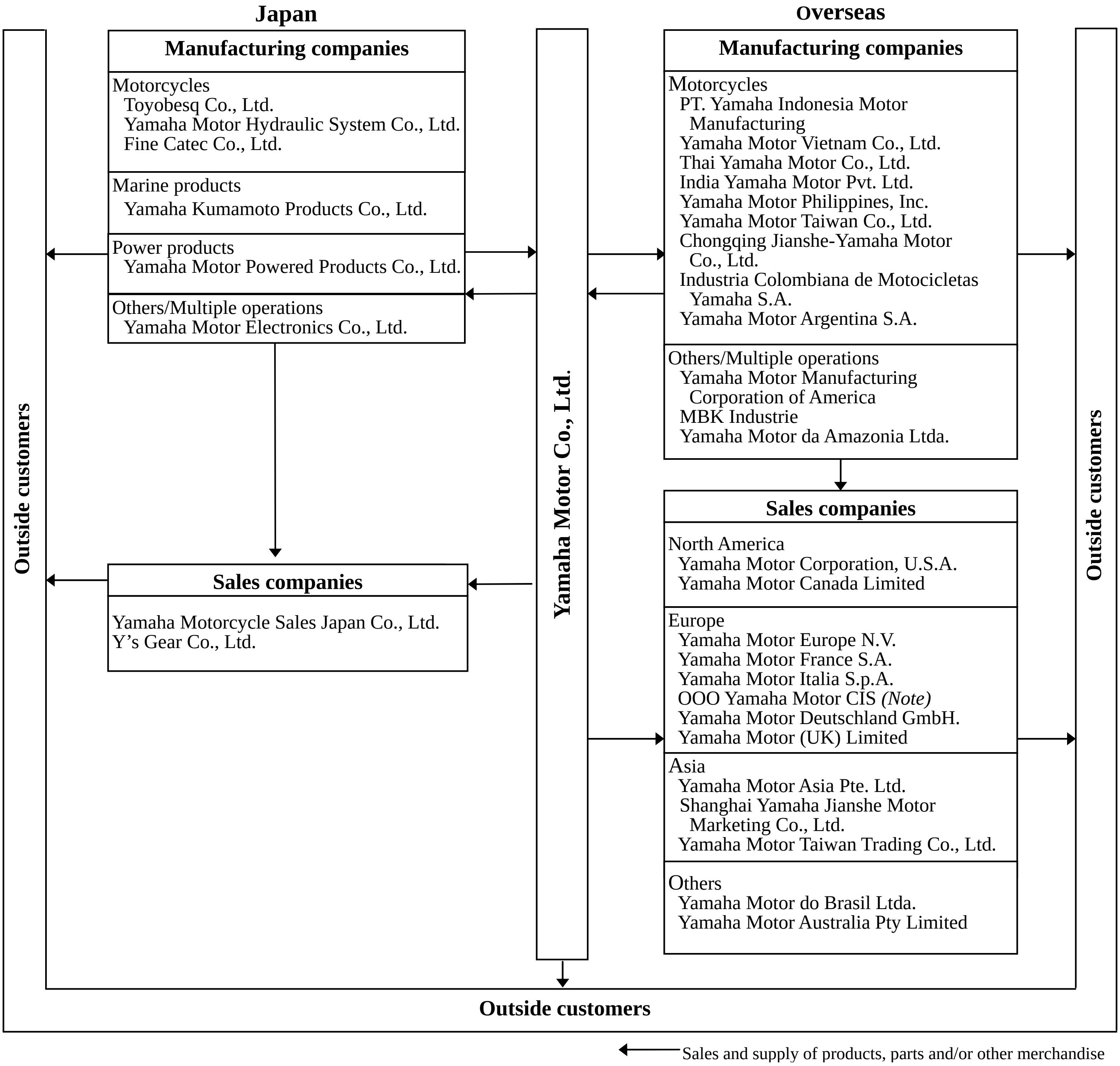
In addition, based on the fiscal 2013 full-year forecast, the Company will pay annual dividends of ¥17 per share (an interim dividend of ¥8.5 and a year-end dividend of ¥8.5) with a payout ratio (consolidated basis) of 20% for fiscal 2013.

2. Overview of Group Companies

<u>Group structure and major group companies</u>

The Yamaha Motor Group is comprised of Yamaha Motor Co., Ltd. and its 140 related companies (114 subsidiaries and 26 affiliates, as of December 31, 2012) in Japan and overseas. The Group is mainly engaged in the manufacture and sale of motorcycles, outboard motors, personal watercraft, boats, fishing boats, utility boats, all-terrain vehicles, side-by-side vehicles, golf cars, snowmobiles, generators, multi-purpose engines surface mounters and automobile engines. Four businesses, namely “Motorcycles,” “Marine products,” “Power products” and “Industrial machinery and robots” constitute the Group’s reporting segments based on similarities of product type and target market, and business segments not included in the reporting segments are classified as “Others.”

The relationship between the Company and major associated companies within the Group is illustrated below.



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

3. Management Policies

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

On December 18, 2012, the Company released its new medium-term management plan, which is set to commence from 2013.

The new medium-term management plan is an extension of the previous one which targeted a V-shaped recovery and stable profitability, and is intended to aggressively expand our business scale and improve profitability, to increase its corporate value through sustained growth.

The numerical targets are set to work towards consolidated net sales of ¥2,000.0 billion and a consolidated operating income margin of 7.5% by 2017. In the interim, the plan aims for consolidated net sales of ¥1,600.0 billion and a consolidated operating income margin of 5% (¥80.0 billion) by 2015. These are based on the assumption that the U.S. dollar will trade at ¥80 during the period and the euro at ¥105.

Management Strategy

The basic framework of the strategy is to make advancements in engineering, marketing and new businesses to surpass customer’s expectations through original concepts unique to Yamaha, as well as continuing to commit to management reforms. Details of management reforms include cost reductions, structural reforms and true globalization.

Business Development Strategies

The Group will categorize the strategies into three layers (existing core businesses, next profit-gaining businesses and new business segments), and invest appropriate management resources into each layer:

1. Target stable growth in current core businesses (motorcycles, marine products, and automobile engine business for technical foundations) by developing new technologies, strengthening product competitiveness, and expanding the markets.
2. Shift towards profit gain phase in segments where foundations were being made for future growth in the businesses of smart power vehicles, power products and industrial machinery & robots.
3. As new business segments, aim towards introducing the new off-road vehicle and new concept mobility into the markets, as well as introducing new technologies for unmanned systems (land/sea/air).

Product Development Strategies

The Group will introduce 250 new models during the three-year period (twice as many as in the previous medium-term plan).

We will strive for engineering that exceeds the expectations of our customers through creative concepts, technologies that achieve unsurpassed performance and function, and refined design that expresses the dynamic beauty that are uniquely Yamaha.

Cost Reduction Strategies

The company will undertake a cost reduction of ¥90.0 billion in the three-year period through two types of framework:

1. With the purpose of changing global manufacturing, the Group will progress with consolidation to platform, changing of drawings based on each market and expand variations based on the basic platform.
2. With the purpose of expanding global procurement and supply, the Group will promote strategic collaborative activities by consolidating our suppliers strengthen manufacturing competence and streamline logistics.

Financial Strategies

The Group will aim to strike a balance between active investments for future growth and returns to shareholders / loan repayments.

In the previous medium-term plan, we prioritized a stronger financial position by setting a ceiling on investments within the level of depreciation expenses. The new medium-term plan eases the ceiling on investments to "deprecation expenses plus 1/2 net income" while striking a balance between returns to shareholders and loan repayments. The total investment amount in the previous medium-term plan was ¥125.0 billion. In the new plan, the planned total investment amount is ¥190.0 billion.

As with our previous plan, returns to shareholders will continue to be set to the dividend payout ratio (consolidated) to 20% or more.

Brand Strategies

To coincide with the start of the new medium-term management plan, the Company has been preparing a new brand message to be used both internally and externally as a common concept of the global group companies. With the purpose of being the “Kando* creating company”, the Group will disseminate its new slogan “Revs your Heart” throughout the world. This new slogan represents our enthusiasm for creating exceptional value and experiences that enrich the lives of our customers, and provide Kando experience and values that exceed expectations, empowered by a passion for innovation.

*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.

Management Targets

	FY2010 results	FY 2011 results	FY 2012 results	FY 2015 targets	FY 2017 goals
Unit sales of all products (million units)	7.3	7.4	6.5	9.0	12.0
Consolidated net sales (billion yen)	1,294.1	1,276.2	1,207.7	1,600.0	2,000.0
Consolidated operating income (billion yen)	51.3	53.4	18.6	80.0	150.0
Consolidated operating income margin (%)	4.0	4.2	1.5	5.0	7.5
ROE (%)*	6.7	9.6	2.4	10	15
Equity ratio (%)	28	31	32	33	35
Debt-equity ratio (multiples)	1.2	1.0	1.1	1.0	1.0
Cost reduction (billion yen)	—	—	75.0 (three-year period)	90.0 (three-year period)	150.0 (five-year period from 2013)
Exchange rates ($/€)	$1 = ¥88 €1 = ¥116	$1 = ¥80 €1 = ¥111	$1 = ¥80 €1 = ¥103	$1 = ¥80 €1 = ¥105	$1 = ¥80 €1 = ¥105

*ROE = Net income/Shareholders’ equity at end of period

Lastly, the Yamaha Motor Group will work to further increase its corporate value by being "an excellent engineering, manufacturing and marketing enterprise with a prominent presence in the global market". Also, the Group will meet its social responsibilities by promoting CSR activities, including the strict observation of laws, regulations, and corporate ethics. While making advances with our global management, the Group will endeavor to maintain and enhance trusting relationships with the stakeholders by continuing to improve corporate governance and carrying out transparent management.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of December 31, 2011 and 2012

( ) represents negative figures.

	Millions of yen	
	As of December 31, 2011	**As of December 31, 2012**
ASSETS		
Current assets:		
Cash and deposits	133,707	**106,462**
Notes and accounts receivable-trade	166,531	**192,143**
Merchandise and finished goods	134,215	**153,109**
Work-in-process	39,971	**40,438**
Raw materials and supplies	39,372	**39,880**
Other	53,705	**61,838**
Allowance for doubtful accounts	(6,297)	**(7,074)**
Total current assets	561,205	**586,797**
Noncurrent assets:		
Property, plant and equipment		
Buildings and structures, net	75,072	**77,076**
Machinery, equipment and vehicles, net	65,140	**78,851**
Land	75,726	**78,613**
Construction in progress	17,936	**21,449**
Other, net	14,554	**16,951**
Total property, plant and equipment	248,430	**272,942**
Intangible assets	3,469	**3,940**
Investments and other assets:		
Investment securities	35,549	**41,010**
Long-term loans receivable	36,017	**40,560**
Other	17,344	**18,532**
Allowance for doubtful accounts	(1,596)	**(1,454)**
Total investments and other assets	87,314	**98,648**
Total noncurrent assets	339,214	**375,531**
Total assets	900,420	**962,329**

( ) represents negative figures.

	Millions of yen	
	As of December 31, 2011	**As of December 31, 2012**
LIABILITIES		
Current liabilities:		
Notes and accounts payable-trade	121,974	**114,344**
Short-term loans payable	42,919	**102,476**
Current portion of long-term loans payable	69,398	**58,158**
Income taxes payable	2,853	**3,236**
Provision for bonuses	9,292	**9,230**
Provision for product warranties	25,112	**19,952**
Other provision	1,137	**1,102**
Other	93,727	**82,651**
Total current liabilities	366,415	**391,153**
Noncurrent liabilities:		
Long-term loans payable	162,403	**166,340**
Deferred tax liabilities for land revaluation	6,143	**6,107**
Provision for retirement benefits	39,611	**44,098**
Provision for product liabilities	6,261	**3,539**
Other provisions	1,329	**315**
Other	8,341	**9,212**
Total noncurrent liabilities	224,090	**229,614**
Total liabilities	590,505	**620,767**
NET ASSETS		
Shareholders' equity:		
Capital stock	85,666	**85,666**
Capital surplus	74,582	**74,582**
Retained earnings	249,478	**249,724**
Treasury stock	(683)	**(686)**
Total shareholders' equity	409,044	**409,287**
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	(1,470)	**1,843**
Revaluation reserve for land	11,050	**10,982**
Foreign currency translation adjustment	(137,860)	**(114,255)**
Total other accumulated comprehensive income	(128,280)	**(101,429)**
Subscription rights to shares	109	**109**
Minority interests	29,042	**33,595**
Total net assets	309,914	**341,561**
Total liabilities and net assets	900,420	**962,329**

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Fiscal years ended December 31, 2011 and 2012

(Consolidated Statements of Income)

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2011 (January 1— December 31, 2011)	**Fiscal year ended December 31, 2012 (January 1— December 31, 2012)**
Net sales	1,276,159	**1,207,675**
Cost of sales	1,000,113	**972,607**
Gross profit	276,046	**235,068**
Selling, general and administrative expenses	222,640	**216,470**
Operating income	53,405	**18,598**
Non-operating income:		
Interest income	8,324	**5,935**
Dividends income	525	**433**
Equity in earnings of affiliates	3,218	**1,598**
Gain on revaluation of sales finance assets	344	**574**
Sales finance-related income	1,549	**3,120**
Other	9,859	**8,470**
Total non-operating income	23,821	**20,133**
Non-operating expenses:		
Interest expenses	6,814	**6,687**
Foreign exchange losses	3,138	**1,304**
Other	3,779	**3,471**
Total non-operating expenses	13,732	**11,464**
Ordinary income	63,495	**27,267**
Extraordinary income:		
Gain on sales of noncurrent assets	323	**244**
Gain on change in equity	—	**460**
Total extraordinary income	323	**705**
Extraordinary loss:		
Loss on sales of noncurrent assets	149	**192**
Loss on disposal of noncurrent assets	735	**811**
Impairment loss	776	**1,127**
Loss on sales of investment securities	81	**9**
Loss on adjustment for changes of accounting standard for asset retirement obligations	552	—
Loss on disaster	316	—
Total extraordinary losses	2,610	**2,141**

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2011 (January 1— December 31, 2011)	**Fiscal year ended December 31, 2012 (January 1— December 31, 2012)**
Income before income taxes	61,207	**25,831**
Income taxes — current	26,477	**15,986**
Income taxes — deferred	396	**(1,971)**
Total income taxes	26,873	**14,015**
Income before minority interests	34,333	**11,815**
Minority interests in income	7,372	**4,326**
Net income	26,960	**7,489**

(Consolidated Statements of Comprehensive Income)

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2011 (January 1— December 31, 2011)	**Fiscal year ended December 31, 2012 (January 1— December 31, 2012)**
Income before minority interests	34,333	**11,815**
Other comprehensive income		
Valuation difference on available-for-sale securities	(4,186)	**3,311**
Revaluation reserve for land	865	**—**
Foreign currency translation adjustment	(21,968)	**26,122**
Share of other comprehensive income of associates accounted for using equity method	(386)	**1,480**
Total other comprehensive income	(25,675)	**30,913**
Comprehensive income	8,658	**42,729**
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,752	**34,470**
Comprehensive income attributable to minority interests	1,905	**8,259**

(3) Consolidated Statements of Changes in Net Assets

Fiscal years ended December 31, 2011 and 2012

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2011 (January 1— December 31, 2011)	**Fiscal year ended December 31, 2012 (January 1— December 31, 2012)**
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	85,666	**85,666**
Balance at the end of current period	85,666	**85,666**
Capital surplus		
Balance at the beginning of current period	98,147	**74,582**
Changes of items during the period		
Deficit disposition	(23,565)	**—**
Disposal of treasury stock	0	**(0)**
Total changes of items during the period	(23,565)	**(0)**
Balance at the end of current period	74,582	**74,582**
Retained earnings		
Balance at the beginning of current period	199,190	**249,478**
Changes of items during the period		
Deficit disposition	23,565	**—**
Reversal of revaluation reserve for land	1	**67**
Dividends from surplus	—	**(7,157)**
Net income	26,960	**7,489**
Increase in consolidated subsidiaries	(251)	**100**
Decrease in affiliates accounted for by the equity method	11	**(255)**
Total changes of items during the period	50,288	**245**
Balance at the end of current period	249,478	**249,724**
Treasury stock		
Balance at the beginning of current period	(681)	**(683)**
Changes of items during the period		
Purchase of treasury stock	(2)	**(2)**
Disposal of treasury stock	0	**0**
Total changes of items during the period	(2)	**(2)**
Balance at the end of current period	(683)	**(686)**

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2011 (January 1— December 31, 2011)	**Fiscal year ended December 31, 2012 (January 1— December 31, 2012)**
Total shareholders' equity		
Balance at the beginning of current period	382,323	**409,044**
Changes of items during the period		
Deficit disposition	0	**—**
Reversal of revaluation reserve for land	1	**67**
Dividends from surplus	—	**(7,157)**
Net income	26,960	**7,489**
Increase in consolidated subsidiaries	(251)	**100**
Decrease in affiliates accounted for by the equity method	11	**(255)**
Purchase of treasury stock	(2)	**(2)**
Disposal of treasury stock	0	**0**
Total changes of items during the period	26,720	**242**
Balance at the end of current period	409,044	**409,287**
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	2,719	**(1,470)**
Changes of items during the period		
Net changes of items other than shareholders' equity	(4,190)	**3,313**
Total changes of items during the period	(4,190)	**3,313**
Balance at the end of current period	(1,470)	**1,843**
Revaluation reserve for land		
Balance at the beginning of current period	10,186	**11,050**
Changes of items during the period		
Net changes of items other than shareholders' equity	863	**(67)**
Total changes of items during the period	863	**(67)**
Balance at the end of current period	11,050	**10,982**
Foreign currency translation adjustment		
Balance at the beginning of current period	(120,977)	**(137,860)**
Changes of items during the period		
Net changes of items other than shareholders' equity	(16,883)	**23,605**
Total changes of items during the period	(16,883)	**23,605**
Balance at the end of current period	(137,860)	**(114,255)**

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2011 (January 1— December 31, 2011)	**Fiscal year ended December 31, 2012 (January 1— December 31, 2012)**
Other total accumulated comprehensive income		
Balance at the beginning of current period	(108,070)	**(128,280)**
Changes of items during the period		
Net changes of items other than shareholders' equity	(20,209)	**26,851**
Total changes of items during the period	(20,209)	**26,851**
Balance at the end of current period	(128,280)	**(101,429)**
Subscription rights to shares		
Balance at the beginning of current period	102	**109**
Changes of items during the period		
Net changes of items other than shareholders' equity	6	**—**
Total changes of items during the period	6	**—**
Balance at the end of current period	109	**109**
Minority interests		
Balance at the beginning of current period	36,454	**29,042**
Changes of items during the period		
Net changes of items other than shareholders' equity	(7,412)	**4,552**
Total changes of items during the period	(7,412)	**4,552**
Balance at the end of current period	29,042	**33,595**
Total net assets		
Balance at the beginning of current period	310,809	**309,914**
Changes of items during the period		
Reversal of revaluation reserve for land	1	**67**
Dividends from surplus	—	**(7,157)**
Net income	26,960	**7,489**
Increase in consolidated subsidiaries	(251)	**100**
Decrease in affiliates accounted for by the equity method	11	**(255)**
Purchase of treasury stock	(2)	**(2)**
Disposal of treasury stock	0	**0**
Net changes of items other than shareholders' equity	(27,615)	**31,404**
Total changes of items during the period	(895)	**31,647**
Balance at the end of current period	309,914	**341,561**

(4) Consolidated Statements of Cash Flows

Fiscal years ended December 31, 2011 and 2012

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2011 (January 1— December 31, 2011)	**Fiscal year ended December 31, 2012 (January 1— December 31, 2012)**
Net cash provided by (used in) operating activities:		
Income before income taxes	61,207	**25,831**
Depreciation and amortization	33,578	**34,278**
Impairment loss	776	**1,127**
Increase (decrease) in allowance for doubtful accounts	(466)	**(520)**
Increase (decrease) in provision for retirement benefits	4,840	**3,277**
Increase (decrease) in provision for product liabilities	(14,429)	**(2,790)**
Interest and dividends income	(8,850)	**(6,369)**
Interest expenses	6,814	**6,687**
Equity in (earnings) losses of affiliates	(3,218)	**(1,598)**
Loss (gain) on sales of property, plant and equipment and intangible assets	(174)	**(51)**
Loss (gain) on disposal of property, plant and equipment and intangible assets	735	**811**
Loss (gain) on sales of investment securities	81	**9**
Loss on adjustment for changes of accounting standard for asset retirement obligations	552	**—**
Loss (gain) on change in equity	—	**(460)**
Decrease (increase) in notes and accounts receivable-trade	958	**(7,016)**
Decrease (increase) in inventories	(11,229)	**(1,135)**
Increase (decrease) in notes and accounts payable-trade	5,665	**(18,235)**
Other	(14,264)	**(12,840)**
Subtotal	62,578	**21,002**
Interest and dividends income received	10,321	**7,995**
Interest expenses paid	(6,691)	**(6,999)**
Income taxes (paid) refund	(32,879)	**(24,383)**
Net cash provided by (used in) operating activities	33,328	**(2,385)**

( ) represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2011 (January 1— December 31, 2011)	**Fiscal year ended December 31, 2012 (January 1— December 31, 2012)**
Net cash provided by (used in) investing activities:		
Payments into time deposits	(1,400)	**(351)**
Proceeds from withdrawal of time deposits	3,084	**508**
Purchase of property, plant and equipment and intangible assets	(42,550)	**(47,560)**
Proceeds from sales of property, plant and equipment and intangible assets	1,234	**1,638**
Purchase of investment securities	(3,628)	**(1,149)**
Proceeds from sales of investment securities	8	**—**
Payments for long-term loans receivable	(4,940)	**(10,302)**
Collections of long-term loans receivable	2,646	**6,741**
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	—	**(3,029)**
Other	(970)	**2,423**
Net cash provided by (used in) investing activities	(46,517)	**(51,081)**
Net cash provided by (used in) financing activities:		
Increase (decrease) in short-term loans payable	10,335	**52,462**
Proceeds from long-term loans payable	21,469	**89,505**
Repayment of long-term loans payable	(78,274)	**(111,633)**
Cash dividends paid	—	**(7,157)**
Cash dividends paid to minority shareholders	(4,924)	**(7,033)**
Net decrease (increase) in treasury stock	(2)	**(2)**
Other	(530)	**(379)**
Net cash provided by (used in) financing activities	(51,927)	**15,761**
Effect of exchange rate change on cash and cash equivalents	(5,266)	**10,096**
Net increase (decrease) in cash and cash equivalents	(70,382)	**(27,608)**
Cash and cash equivalents at beginning of period	203,878	**133,593**
Increase in cash and cash equivalents from newly consolidated subsidiary	97	**548**
Cash and cash equivalents at end of period	133,593	**106,532**

(5) Notes Regarding Going-concern Assumptions

None

(6) Basis of Presenting Consolidated Financial Statements

1 Scope of consolidation

Number of consolidated subsidiaries 109

Name of major subsidiaries:
Yamaha Motorcycle Sales Japan Co., Ltd.; Yamaha Motor Powered Products Co., Ltd.;
Yamaha Motor Corporation, U.S.A.; Yamaha Motor Manufacturing Corporation of America;
Yamaha Motor Europe N.V.; MBK Industrie; PT. Yamaha Indonesia Motor Manufacturing;
Yamaha Motor Vietnam Co., Ltd.; Thai Yamaha Motor Co., Ltd.;
Yamaha Motor Taiwan Co., Ltd.; and Yamaha Motor do Brasil Ltda.

Effective from the fiscal year ended December 31, 2012, one newly established company, two subsidiaries accounted for by the equity method whose significance increased, and three non-consolidated subsidiaries have been included in the scope of consolidation. One company was excluded from the scope of consolidation due to the sale of its shares, two companies were excluded due to liquidation, and one company was excluded due to an absorption-type merger with another consolidated subsidiary.

HL Yamaha Motor Research Centre Sdn. Bhd. and other non-consolidated subsidiaries were excluded from the scope of consolidation since their total assets, net sales, net income or loss, retained earnings, and other financial indexes were not significant in the aggregate to the Company’s consolidated financial statements.

2 Scope of application of equity method

Number of subsidiaries accounted for by the equity method 3
HL Yamaha Motor Research Centre Sdn. Bhd. and 2 other subsidiaries

Number of affiliates accounted for by the equity method 25
Chongqing Jianshe-Yamaha Motor Co., Ltd. and 24 other affiliates

Effective from the fiscal year ended December 31, 2012, two subsidiaries accounted for by the equity method whose significance increased have been changed to consolidated subsidiaries. One affiliate accounted for by the equity method was excluded from the scope of application of the equity method due to the sale of its shares.

Yamaha Motor Cambodia Co., Ltd. and other non-consolidated subsidiaries and an affiliate, Y^2 Marine Manufacturing Co., Ltd., were individually insignificant to the Company’s consolidated net income or loss, consolidated retained earnings, and other consolidated financial indexes, and were not significant in the aggregate. Therefore, the Company’s investments in these companies were stated at cost, instead of being accounted for by the equity method of accounting.

With regard to the basis of presenting consolidated financial statements, details on items other than “Scope of consolidation,” and “Scope of application of equity method,” described above have been omitted since there have been no significant changes from the description in the Company’s 77th Securities Report (filed on March 26, 2012).

Changes in presenting methods

(Consolidated Statements of Income)
Effective from the fiscal year ended December 31, 2012, “Sales finance-related income,” which had been included in “Other” under non-operating income in the previous fiscal year, has now been separately presented under non-operating income, because the amount of contribution exceeded 10 percent of total non-operating income. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presenting method.

As a result, the ¥11,408 million entry for “Other” under non-operating income in the previous fiscal year has been restated as entries of ¥1,549 million for “Sales finance-related income” and ¥9,859 million for “Other.”

Additional information

(Application of Accounting Changes and Error Corrections)

In terms of changes in accounting policies and correction of errors contained in past reports after the beginning of the fiscal year ended December 31, 2012, the “Accounting Changes and Error Corrections” (ASBJ Statement No. 24 issued on December 4, 2009) and the “Guidance on Accounting Changes and Error Corrections” (ASBJ Guidance No. 24 issued on December 4, 2009) have been applied.

(7) Notes to Consolidated Financial Statements

Consolidated Balance Sheets

1) Accumulated depreciation of property, plant and equipment

	Millions of yen	
	As of December 31, 2011	**As of December 31, 2012**
Accumulated depreciation of property, plant and equipment	509,550	**536,924**

2) Pledged assets and secured liabilities

	Millions of yen	
	As of December 31, 2011	**As of December 31, 2012**
Pledged assets	109,265	**133,043**
Secured liabilities	49,006	**71,690**

Consolidated Statements of Income

1) Breakdown of major selling, general and administrative expenses is as follows:

	Millions of yen	
	Fiscal year ended December 31, 2011 (January 1—December 31, 2011)	**Fiscal year ended December 31, 2012 (January 1—December 31, 2012)**
Transportation expenses	30,278	**26,853**
Provision for product warranties	11,428	**9,893**
Provision of allowance for doubtful accounts	1,681	**1,115**
Salaries	69,725	**68,627**
Provision for bonuses	3,017	**3,387**
Provision for retirement benefits	4,940	**4,159**

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

	Millions of yen	
	Fiscal year ended December 31, 2011 (January 1—December 31, 2011)	**Fiscal year ended December 31, 2012 (January 1—December 31, 2012)**
Research and development expenses	65,015	**69,713**

Segment Information

Segment information

1. Overview of reporting segments

The Group's reporting segments are regularly reviewed by the Board of Directors of the Company, etc., using the segregated financial information available within each segment of the Group to determine the allocation of management resources and evaluate business results.

Four businesses, namely "Motorcycles," "Marine products," "Power products" and "Industrial machinery and robots" constitute the Group's reporting segments based on similarities of product type and target market.

Major products in each reporting segment are as follows.

Reporting segment	Major products
Motorcycles	Motorcycles, intermediate parts for products and knockdown parts for overseas production
Marine products	Outboard motors, personal watercraft, boats, FRP pools, fishing boats and utility boats
Power products	All-terrain vehicles, side-by-side vehicles, golf cars, snowmobiles, generators, small-sized snow throwers and multi-purpose engines
Industrial machinery and robots	Surface mounters, industrial robots and electrically powered wheelchairs

2. Basis for calculating net sales, income or loss, assets, liabilities, and other items by reporting segment

The accounting policies for the reporting segments are the same as those described in "Basis of Presenting Consolidated Financial Statements."

Segment income corresponds to operating income in the Consolidated Statements of Income.

Amounts for intersegment transactions or transfers are calculated based on market prices.

3. Information concerning net sales, income or loss, assets, liabilities, and other items by reporting segment

Fiscal year ended December 31, 2011 (January 1, 2011 through December 31, 2011)

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amounts on consolidated financial statements
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total				
Net sales:									
Outside customers	887,556	178,929	100,257	34,326	1,201,070	75,089	1,276,159	—	1,276,159
Intersegment	—	—	—	—	—	27,738	27,738	(27,738)	—
Total	887,556	178,929	100,257	34,326	1,201,070	102,828	1,303,898	(27,738)	1,276,159
Segment income (Note 3)	27,573	7,076	7,473	6,263	48,387	5,018	53,405	0	53,405
Segment assets	575,631	154,214	96,230	19,969	846,046	54,374	900,420	—	900,420
Other items									
Depreciation and amortization (Note 4)	24,928	4,643	1,800	449	31,821	1,629	33,451	—	33,451
Investments in subsidiaries and affiliates accounted for by the equity method	11,808	1,816	452	—	14,078	3,941	18,019	—	18,019
Increase in property, plant and equipment, and intangible assets	32,937	5,374	2,612	1,294	42,219	2,830	45,049	—	45,049

Notes:

1. “Others” is a business segment not included in the reporting segments. It includes businesses involving the business of automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters.
2. Adjustments represent intersegment transaction eliminations.
3. Total of segment income corresponds to operating income in the Consolidated Statements of Income.
4. Depreciation and amortization does not include amortization of goodwill.

Fiscal year ended December 31, 2012 (January 1, 2012 through December 31, 2012)

	Millions of yen								
	Reporting segment					Others (Note 1)	Total	Adjustments (Note 2)	Amounts on consolidated financial statements
	Motorcycles	Marine products	Power products	Industrial machinery and robots	Total				
Net sales:									
Outside customers	798,676	196,320	103,588	30,813	1,129,399	78,276	1,207,675	—	1,207,675
Intersegment	—	—	—	—	—	26,711	26,711	(26,711)	—
Total	798,676	196,320	103,588	30,813	1,129,399	104,987	1,234,387	(26,711)	1,207,675
Segment income (loss) (Note 3)	(191)	10,829	527	3,829	14,995	3,602	18,598	0	18,598
Segment assets	607,700	172,024	107,726	19,600	907,051	55,277	962,329	—	962,329
Other items									
Depreciation and amortization (Note 4)	25,450	4,650	2,013	461	32,576	1,622	34,198	—	34,198
Investments in subsidiaries and affiliates accounted for by the equity method	12,764	1,933	545	—	15,242	3,878	19,120	—	19,120
Increase in property, plant and equipment, and intangible assets	36,390	5,842	3,973	626	46,833	1,954	48,788	—	48,788

Notes:

1. “Others” is a business segment not included in the reporting segments. It includes businesses involving the business of automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters.
2. Adjustments represent intersegment transaction eliminations.
3. Total of segment income (loss) corresponds to operating income in the Consolidated Statements of Income.
4. Depreciation and amortization does not include amortization of goodwill.

(Reference Information)

Geographical segment information

Fiscal year ended December 31, 2011 (January 1, 2011 through December 31, 2011)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	214,515	160,211	146,483	597,208	157,741	1,276,159	—	1,276,159
Intersegment	305,856	17,243	4,799	54,529	1,183	383,611	(383,611)	—
Total	520,371	177,455	151,282	651,737	158,924	1,659,771	(383,611)	1,276,159
Operating income (loss)	(14,102)	7,665	(3,610)	48,578	14,369	52,900	505	53,405

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, Thailand, Vietnam, China, Taiwan, Singapore and India
   (4) Others: Brazil, Australia, Colombia and Mexico

Fiscal year ended December 31, 2012 (January 1, 2012 through December 31, 2012)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	220,694	185,506	131,350	535,950	134,173	1,207,675	—	1,207,675
Intersegment	311,946	20,165	4,139	60,001	902	397,155	(397,155)	—
Total	532,640	205,672	135,489	595,951	135,076	1,604,830	(397,155)	1,207,675
Operating income (loss)	(8,797)	6,887	(4,653)	21,405	5,201	20,042	(1,444)	18,598

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, China, Taiwan, Thailand, Singapore and India
   (4) Others: Brazil, Australia, Colombia and Mexico

Per Share Information

	Fiscal year ended December 31, 2011 (January 1—December 31, 2011)	Fiscal year ended December 31, 2012 (January 1—December 31, 2012)
	Yen	Yen
Net assets per share	804.26	881.88
Net income per share — basic	77.23	21.45
Net income per share — diluted	77.23	—

Note 1. Net income per share — diluted for the fiscal year ended December 31, 2012 is not stated as there were no potential shares with dilutive effect.

Note 2. Net assets per share are calculated based on the following:

	As of December 31, 2011	As of December 31, 2012
Total net assets (Millions of yen)	309,914	341,561
Amount excluded from total net assets (Millions of yen)	29,151	33,704
Subscription rights to shares	109	109
Minority interests	29,042	33,595
Net assets attributable to common stock at the end of the period (Millions of yen)	280,763	307,857
Number of shares of common stock outstanding at the end of the period calculated under "Net assets per share" (Shares)	349,095,241	349,092,483

Note 3. Net income per share — basic and net income per share — diluted are calculated based on the following:

	Fiscal year ended December 31, 2011 (January 1—December 31, 2011)	Fiscal year ended December 31, 2012 (January 1—December 31, 2012)
Net income per share — basic:		
Net income (Millions of yen)	26,960	7,489
Amount not attributable to common stockholders (Millions of yen)	—	—
Net income attributable to common stock (Millions of yen)	26,960	7,489
Average number of shares outstanding during the period (Shares)	349,096,063	349,093,990
Net income per share — diluted:		
Adjustment for net income (Millions of yen)	—	—
Increase in the number of shares of common stock (Shares)	7,611	—
Subscription rights to shares	7,611	—
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)	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 29, 2009: Stock options (Total number of shares: 112,000) Resolution of Board of Directors Meeting held on May 28, 2010: Stock options (Total number of shares: 56,500)

Significant Subsequent Events

None

5. Others

Executive Transfers

The executive transfers effective March 26, 2013 were officially announced on December 26, 2012 and January 31, 2013.
For details, please see the Company website:
http://www.yamaha-motor.co.jp/global/news/