

Business Results for the Fiscal Year Ended December 31, 2014
(January 1, 2014 through December 31, 2014)
(Japan GAAP)

February 12, 2015

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://global.yamaha-motor.com/ir/>

Representative:

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Date of the Ordinary General Meeting of Shareholders (scheduled):

March 26, 2015

Beginning of payment of dividends (scheduled):

March 27, 2015

Filing of securities report (scheduled):

March 27, 2015

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)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2014

(January 1, 2014 through December 31, 2014)

(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, 2014	1,521,207	7.9	87,249	58.2	97,279	61.9	68,452	55.4
Fiscal year ended December 31, 2013	1,410,472	16.8	55,137	196.5	60,092	120.4	44,057	488.3

Note: Comprehensive income

Fiscal year ended December 31, 2014: ¥108,235 million (19.5%)

Fiscal year ended December 31, 2013: ¥90,566 million (112.0%)

	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, 2014	196.06	196.04	16.2	7.9	5.7
Fiscal year ended December 31, 2013	126.20	126.20	12.7	5.7	3.9

Reference: Share of profit of entities accounted for using equity method

Fiscal year ended December 31, 2014: ¥1,896 million

Fiscal year ended December 31, 2013: ¥3,526 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, 2014	1,310,040	503,224	35.1	1,316.58
As of December 31, 2013	1,146,591	422,792	33.5	1,099.84

Reference: Shareholders' equity

As of December 31, 2014: ¥459,716 million

As of December 31, 2013: ¥383,990 million

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended December 31, 2014	93,618	(72,470)	(8,908)	137,294
Fiscal year ended December 31, 2013	66,976	(62,679)	3,620	120,033

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			
Fiscal year ended December 31, 2013	Yen —	Yen 10.00	Yen —	Yen 16.00	Yen 26.00	Millions of yen 9,078	% 20.6	% 2.6
Fiscal year ended December 31, 2014	—	14.50	—	25.50	40.00	13,968	20.4	3.3
Fiscal year ending December 31, 2015 (forecast)	—	22.00	—	22.00	44.00		20.2	

Note: The year-end dividend for the fiscal year ending December 31, 2015 is calculated with a payout ratio of 20% based on the forecast of consolidated financial results for the fiscal year ending December 31, 2015, as stated below.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2015

(January 1, 2015 through December 31, 2015)

*% 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, 2015	1,700,000	11.8	120,000	37.5	123,000	26.4	76,000	11.0	217.66

(*Notes)

(1) Changes in significant subsidiaries during period (Changes in specified subsidiaries resulting in changes in the 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: Yes

2) Changes in accounting policies arising from other factors: None

3) Changes in accounting estimates: None

4) Restatement for correction of errors: None

Note: For details, please refer to “Changes in Accounting Policies” in “(5) Notes to Consolidated Financial Statements” on page 25 of the Attachment.

(3) Number of shares outstanding (Common stock)

1) Number of shares outstanding at end of period, including treasury shares

Fiscal year ended December 31, 2014	349,847,184 shares	Fiscal year ended December 31, 2013	349,803,684 shares
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2) Number of shares of treasury shares at end of period

Fiscal year ended December 31, 2014	672,776 shares	Fiscal year ended December 31, 2013	669,056 shares
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3) Average number of shares during period

Fiscal year ended December 31, 2014	349,148,101 shares	Fiscal year ended December 31, 2013	349,110,403 shares
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(*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) The 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 a 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 79th Securities Report (filed on March 26, 2014).

For results forecast, please refer to the “Forecast for the fiscal year ending December 31, 2015 (January 1, 2015 through December 31, 2015)” in Section 1-(1), “Analysis of Operating Results” on page 10.

- (2) Briefing on the 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. A video of the briefing will be posted on the Company website on and after the next day of the briefing.

Thursday, February 12, 2015:	Briefing on the consolidated financial results for institutional investors, securities analysts and media outlets
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- (3) With regard to amounts stated in ¥100 million units in this document, amounts less than ¥100 million are rounded off.

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1. Analysis of Operating Results and Financial Position

Net Sales by Segment

	Amount: millions of yen			Volume: thousand units		
	Fiscal year ended December 31, 2013 (January 1—December 31, 2013)			Fiscal year ended December 31, 2014 (January 1—December 31, 2014)		
	Volume	Amount	%	Volume	Amount	%
Net sales:						
Japan	—	147,806	10.5	—	162,824	10.7
Overseas:						
North America	—	244,824	17.4	—	284,921	18.7
Europe	—	156,793	11.1	—	188,193	12.4
Asia	—	646,531	45.8	—	655,031	43.1
Others	—	214,515	15.2	—	230,237	15.1
Subtotal	—	1,262,665	89.5	—	1,358,383	89.3
Total	—	1,410,472	100.0	—	1,521,207	100.0
Motorcycles:						
Japan	109	37,361	4.0	123	45,987	4.7
Overseas:						
North America	76	50,315	5.4	79	53,357	5.5
Europe	162	88,985	9.6	191	116,037	11.9
Asia	5,077	610,030	65.7	4,819	612,159	62.6
Others	590	141,510	15.3	587	150,038	15.3
Subtotal	5,905	890,842	96.0	5,676	931,592	95.3
Total	6,014	928,203	65.8	5,799	977,580	64.3
Marine products:						
Japan	—	26,331	10.8	—	26,612	9.6
Overseas:						
North America	—	124,658	51.2	—	145,081	52.5
Europe	—	36,844	15.1	—	41,697	15.1
Asia	—	12,053	5.0	—	16,051	5.8
Others	—	43,473	17.9	—	46,924	17.0
Subtotal	—	217,030	89.2	—	249,754	90.4
Total	—	243,362	17.3	—	276,367	18.2
Power products:						
Japan	—	15,943	12.6	—	17,204	12.1
Overseas:						
North America	—	68,053	53.7	—	84,467	59.4
Europe	—	25,413	20.1	—	23,011	16.2
Asia	—	6,870	5.4	—	5,723	4.0
Others	—	10,441	8.2	—	11,796	8.3
Subtotal	—	110,778	87.4	—	124,999	87.9
Total	—	126,722	9.0	—	142,204	9.3
Industrial machinery and robots:						
Japan	—	12,179	37.8	—	13,776	35.4
Overseas:						
North America	—	1,796	5.6	—	2,012	5.2
Europe	—	3,930	12.2	—	5,206	13.4
Asia	—	14,152	43.9	—	17,409	44.7
Others	—	202	0.5	—	538	1.3
Subtotal	—	20,082	62.2	—	25,166	64.6
Total	—	32,261	2.3	—	38,942	2.6
Others:						
Japan	—	55,991	70.1	—	59,242	68.8
Overseas:						
North America	—	0	0.0	—	2	0.0
Europe	—	1,618	2.0	—	2,240	2.6
Asia	—	3,423	4.3	—	3,687	4.3
Others	—	18,888	23.6	—	20,940	24.3
Subtotal	—	23,930	29.9	—	26,870	31.2
Total	—	79,922	5.6	—	86,113	5.6

(1) Analysis of Operating Results

In the fiscal year ended December 31, 2014 (fiscal 2014), the global economy faced a sense of uncertainty. These doubts were particularly felt throughout the economies of developed countries despite a general recovery trend emerging, and the lull in economic growth in emerging markets persisted.

In the U.S. economy, gradual recovery continued due to improvements in employment and personal income. In Europe, recovery slowed in the second half of the year due to factors including the return of the debt crisis in Greece and currency instability in Russia. In Japan, although the yen further depreciated and stock prices remained high owing to the effects of the government's monetary easing policy, consumer spending fell as a result of the hike in the consumption tax. In emerging markets, although India experienced a recovery, a market where growth is expected, a lull in economic growth continued in ASEAN, China, South America, and other regions.

Moreover, the appreciation and depreciation of various currencies became clear. The U.S. dollar, euro, and other currencies of developed countries remained strong against the yen, and the so-called depreciation of the yen continued even further. On the other hand, the Indonesian rupiah, Brazilian real, and other emerging-market currencies remained weak against the U.S. dollar, and, as a result, import costs increased and inflation rose in these countries.

Amid such business conditions, the Group prioritized the following four items.

Introduction of unique new products

In the global market, the Group introduced a range of unique new products incorporating creativity, technologies, and designs that reflect the unique style of Yamaha. The Group completed the introduction of 63% of 250 new products under the current medium-term management plan (for the period from 2013 to 2015) in 2013 and 2014, and anticipates 100% completion in 2015. All of these products have been well received by customers, and Yamaha has increased its presence in the market.

Changes in engineering, manufacturing and marketing

A new development method involving the development of engine, frame, functional parts, and appearance parts platforms has progressed, and market introduction of new platform products has begun. In addition, market introduction of new products, planned and developed with a view to expand from ASEAN to the global market, has also begun.

Building a foundation for realizing both product appeal and low cost through procurement cost reductions, achieved through platform development and production and logistics cost reductions resulting from theoretical-value-based production, has progressed.

Progressing with structural reforms

The domestic plant restructuring plan to aggregate and reorganize the production structure from 12 factories and 25 units at the end of 2009 to 6 factories and 13 units at the end of 2015 has reached the final stage. The business organization in Europe has progressed from "One Company" (organizational and operational integration) to "One Entity" (integration into a single corporate enterprise).

Implementation of future growth strategies

Strategies for future growth progressed, including establishment of new companies and preparation for plant construction, with the aim of expanding the motorcycle business into Pakistan and Nigeria, expanding the financing business in North America and other countries, and developing other new businesses.

As a result of reinforcing business strategies on the basis of the four initiatives discussed above, sales and profit from all business segments increased in fiscal 2014.

Consolidated net sales were ¥1,521.2 billion (an increase of ¥110.7 billion, or 7.9%, year on year). Sales in all business segments rose due to factors including an increase in sales resulting from expansion of the product lineup, an increase in sales of high-priced products, and the impact of yen depreciation resulting from the strength of currencies from developed countries.

Operating income increased to ¥87.2 billion (an increase of ¥32.1 billion, or 58.2%, year on year), reaching the target of ¥80.0 billion for 2015 in the current medium-term management plan (for the period from 2013 to 2015) ahead of schedule. From a global perspective, profit rose in developed countries as higher sales and the impact of yen depreciation more than offset increases in development expenses and other items. Profit also increased in emerging markets as higher sales and the impact of cost reductions exceeded increases in purchasing costs owing to currency

depreciation, among other factors.

Ordinary income was ¥97.3 billion (an increase of ¥37.2 billion, or 61.9%, year on year), and net income was ¥68.5 billion (an increase of ¥24.4 billion, or 55.4%, year on year).

Exchange rates for the fiscal year were ¥106 to the U.S. dollar (a depreciation of ¥8 from the previous fiscal year) and ¥140 to the euro (a depreciation of ¥10 from the previous fiscal year).

Operating results by segment

[Motorcycles]

Overall net sales of the motorcycle business rose ¥49.4 billion, or 5.3%, year on year, to ¥977.6 billion, and operating income rose ¥14.6 billion, or 174.0%, year on year, to ¥22.9 billion.

Unit sales in developed countries grew 13%, owing to the bottoming out of demand and a sales increase from new product introductions. In emerging markets, unit sales rose 23% in India as a result of an increase in total demand and new product introductions. In ASEAN markets, sales fell 9% on a decrease in total demand and 2014 was model switch timing. Many new model launches are expected in 2015. Overall unit sales in the motorcycle business fell 4%, to 5.8 million units.

Key new product introductions included the MT-09 and MT-07, additions to the MT series, a product line unique to Yamaha; the R1 and R25, additions to the R series of motorcycles that draw on the Yamaha tradition of racing technology; the Nozza Grande, Grand Filano, and Mio 125 ASEAN commuter bikes equipped with the Blue Core next-generation air-cooled engine; and the Cygnus α scooter and FZS FI sports bike for the Indian market.

Overall net sales rose on increased sales in developed countries, India, and other markets, which exceeded a sales decline in ASEAN markets. Operating income rose as the increase in net sales, cost reductions, and the impact of yen depreciation more than offset the impact of depreciation of emerging market currencies and higher development costs.

[Marine products]

Overall net sales of the marine products business rose ¥33.0 billion, or 13.6%, year on year, to ¥276.4 billion, and operating income rose ¥14.0 billion, or 44.1%, year on year, to ¥45.8 billion. Strong brand power stemming from overall business strength, reliability, networks, and other assets has resulted in a highly profitable business model.

In North America, the increase in sales of large motors was striking, the result of a continuing recovery in overall demand in the lake, river, and ocean markets and a progressing product shift from inboard motors to outboard motors. Sales rose in emerging markets as well.

Key new product launches included the F175 large motor, the F115 mid-size motor, the F4/5/6 small motors made in Thailand, and FX and FZS personal watercraft adopted new technologies.

Sales and profit increased as a result of factors including higher sales of large outboard motors, cost reductions, and the impact of yen depreciation as well as the introduction of new personal watercraft and boats.

[Power products]

Overall net sales of the power products business rose ¥15.5 billion, or 12.2%, year on year, to ¥142.2 billion, and operating income rose ¥1.3 billion, or 23.9%, year on year, to ¥6.5 billion.

Overall sales and profit rose on higher sales of recreational off-highway vehicles (ROVs) due to the introduction of the VIKING VI, the second product in the VIKING lineup. As well as expanded lineup of snowmobiles and golf cars.

[Industrial machinery and robots]

Overall net sales of the industrial machinery and robots business rose ¥6.7 billion, or 20.7%, year on year, to ¥38.9 billion, and operating income rose ¥2.0 billion, or 63.8%, year on year, to ¥5.0 billion.

Sales of surface mounters increased in China, Asia, and Europe due to a recovery in capital investment and the introduction of new medium-speed and high-speed mounters. In addition, the Company prepared a strategy for full-scale entry into the high-speed mounter market from a transfer of assets from Hitachi High-Tech Group.

[Others]

Overall net sales of the other products business rose ¥6.2 billion, or 7.7%, year on year, to ¥86.1 billion, and operating income rose ¥0.3 billion, or 5.2%, year on year, to ¥7.0 billion.

Sales of electrically power assisted bicycles rose, owing to an expanded lineup of models equipped with the triple sensor system and an increase in E-kit (electrically power assisted bicycle system kit) exports to Europe. In addition,

the Company introduced the Green Core next-generation smart power drive unit and the E-VINO electric scooter, which offers both performance and low cost.

Sales of automobile engines also increased, leading to overall increases in both sales and profit.

Major products in each business segment are as follows.

Segment	Main 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, recreational off-highway 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
Others	Automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters

(Reference Information)

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

[Japan]

Net sales in Japan increased ¥62.9 billion, or 10.6%, year on year, to ¥659.0 billion, and operating income increased ¥8.2 billion, or 28.2%, to ¥37.2 billion.

Unit sales increased overall, including sales of motorcycles in Japan and for the European and North American markets, mainly the MT series, and sales of large outboard motors for the North American market, as well as exports of the E-kit (electrically power assisted bicycle system kit).

[North America]

Net sales in North America increased ¥45.2 billion, or 16.7%, year on year, to ¥315.2 billion, and operating income increased ¥6.6 billion, or 124.8%, year on year, to ¥11.9 billion.

Unit sales of large outboard motors, recreational off-highway vehicles (ROVs) and golf cars increased.

[Europe]

Net sales in Europe increased ¥30.1 billion, or 18.8%, year on year, to ¥190.3 billion, and operating income increased ¥15.6 billion, to ¥4.8 billion, from the ¥10.8 billion operating loss in the previous fiscal year.

Unit sales of motorcycles increased due to the impact of new product introductions, including the MT series.

[Asia]

Net sales in Asia (excluding Japan) increased ¥15.4 billion, or 2.2%, year on year, to ¥720.3 billion, while operating income decreased ¥3.0 billion, or 10.0%, year on year, to ¥27.5 billion.

Unit sales of motorcycles decreased in the ASEAN market overall, although they increased in India and Taiwan. The impact of yen depreciation contributed to the increase in net sales.

[Others]

Net sales in other areas increased ¥12.2 billion, or 7.2%, year on year, to ¥182.6 billion, and operating income increased ¥3.2 billion, or 46.0%, year on year, to ¥10.0 billion.

Unit sales of motorcycles increased in Brazil, Colombia, Mexico, and other markets.

Forecast for the fiscal year ending December 31, 2015

(January 1, 2015 through December 31, 2015)

The Company forecasts continued sales and profit increases in all business segments for its consolidated financial results for the fiscal year ending December 31, 2015, the final year of the current medium-term management plan.

The Company will expand the lineup of global models and other product lines and proceed with further market rollouts of high-priced products in the motorcycle business, expand the motor product lineup, shift to high-priced products, implement a hull strategy in the marine products business, and expand the ROV product lineup and other product lines in the power products business, forecasting higher sales in all business segments.

The Company forecasts profit increases in all businesses to result from factors including higher sales and the impact of cost reductions. The Company forecasts an operating income ratio approaching the 5% level in the motorcycle business on profitability in developed countries and profit improvement in emerging markets, and an operating income ratio expected 20% level in the marine products business to result from higher sales of high-priced products and cost reductions.

	Billions of yen
Net sales	1,700.0 (+178.8, 11.8%)
Operating income	120.0 (+32.8, 37.5%)
Ordinary income	123.0 (+25.7, 26.4%)
Net income	76.0 (+7.5, 11.0%)

Note: The figures in the parentheses indicate amount and percentage changes from the fiscal year ended December 31, 2014.

Under the current medium-term management plan, the Company has improved its profit structure and financial position. As a result, in the fiscal year ending December 31, 2015, the Company forecasts earnings approaching record-high levels and shareholders' equity exceeding ¥500.0 billion and income per share above ¥200, and expects to maintain ROE of 15%. In this way, in the fiscal year ending December 31, 2015, the Company aims to restore earnings and the financial position to the level before the financial crisis (the fiscal year ended December 31, 2007).

The forecast is based on the assumption that the exchange rates are ¥115 against the U.S. dollar (a depreciation of ¥9 from the previous fiscal year) and ¥130 against the euro (a depreciation of ¥10 from the previous fiscal year).

[Potential risks and uncertainties regarding the forecast for the fiscal year ending December 31, 2015]

The forecast for the fiscal year ending December 31, 2015 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
- Changes in governments' currency exchange and foreign investment policies, tax systems, etc.
- Currency exchange fluctuations
- Dependence on corporate customers and specific suppliers for procurement of raw materials and parts
- Legal procedures, etc.
- Changes in environmental and other regulations
- Internal corruption, leaks and similar damage involving customer information or other personal and/or confidential data.
- Natural disaster, epidemic, war, terrorism, strikes, demonstrations, etc.

For details on potential risks, uncertainties and other factors affecting the Group's operations, please see the 79th Securities Report (filed on March 26, 2014).

(2) Analysis of Financial Position

Overview of assets, liabilities and net assets

Total assets at the end of the fiscal year ended December 31, 2014 rose ¥163.4 billion from the end of the previous fiscal year to ¥1,310.0 billion. Current assets rose ¥99.0 billion, mainly from increases in inventories and accounts receivable – trade, and non-current assets rose ¥64.4 billion, mainly from an increase in property, plant and equipment.

Total liabilities rose ¥83.0 billion to ¥806.8 billion, reflecting such factors as increases in interest-bearing debt and accounts payable – trade.

Total net assets increased ¥80.4 billion to ¥503.2 billion, reflecting such factors as net income of ¥68.5 billion, dividends paid of ¥10.6 billion, and a change in foreign currency translation adjustment of ¥28.8 billion due to yen depreciation. As a result, the shareholders' equity ratio as of December 31, 2014 was 35.1% (an improvement of 1.6 percentage points from the end of the previous fiscal year). The net debt-equity ratio increased to 0.6 times from 0.7 times at the end of the previous fiscal year.

Cash flows

[Cash flows from operating activities]

Net cash provided by operating activities during the fiscal year under review was ¥93.6 billion (¥67.0 billion in net cash provided during the previous fiscal year), owing to ¥97.8 billion in income before income taxes and minority interests (¥57.7 billion) more than offsetting a ¥28.3 billion increase in working capital (a ¥6.4 billion increase) accompanying a sales increase, and other factors.

[Cash flows from investing activities]

Net cash used in investing activities during the fiscal year under review was ¥72.5 billion (¥62.7 billion in net cash used during the previous fiscal year), as a result of factors including ¥61.9 billion for the purchase of property, plant and equipment and intangible assets (¥53.4 billion) for purposes including capital investments, mainly for production capacity increases in India.

[Cash flows from financing activities]

Net cash used in financing activities during the fiscal year under review was ¥8.9 billion (¥3.6 billion in net cash provided during the previous fiscal year), due to factors including ¥10.6 billion in cash dividends paid.

As a result of the activities discussed above, free cash flow for the fiscal year under review was a positive ¥21.1 billion. Interest-bearing debt at the end of the fiscal year under review was ¥403.7 billion, and cash and cash equivalents totaled ¥137.3 billion. Interest-bearing debt includes ¥186.7 billion in borrowings for sales finance.

(Reference) Trends in cash flow and related indexes

	Fiscal year ended December 31, 2010	Fiscal year ended December 31, 2011	Fiscal year ended December 31, 2012	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014
Shareholders' equity ratio (%)	28.0	31.2	32.0	33.5	35.1
Shareholders' equity ratio at market value (%)	47.2	37.8	34.4	48.0	65.1
Ratio of interest-bearing debt to cash flows (%)	308.5	824.3	—	571.7	431.2
Interest coverage ratio	12.1	5.0	—	9.6	11.1

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. Cash flows refer to net cash provided by operating activities detailed in the Consolidated Statements of Cash Flows.
5. Interest-bearing debt refers to all the debts in the Consolidated Balance Sheets that involve interest payment.
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 year ended December 31, 2012 (fiscal 2012) are not listed, due to the negative status of cash flows from operating activities for fiscal 2012.

(3) Basic Policy on Profit Distribution and Dividends for the Fiscal Years Ended December 31, 2014 and Ending December 31, 2015

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 provide shareholder returns through comprehensive consideration of the business environment, including business performance, retained earnings, and a balance between aggressive growth investments and stock divides and loan repayments, while maintaining a minimum dividend payout ratio of 20% of consolidated net income, under the current medium-term management plan. 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 2014, a dividend of ¥25.50 per share is planned to be placed on the agenda of the 80th Ordinary General Meeting of Shareholders, scheduled for March 25, 2015.

Added to the interim dividend (¥14.50 per share), this gives a total dividend for the year of ¥40 per share.

In addition, based on the fiscal 2015 full-year forecast, the Company will pay annual dividends of ¥44 per share (an interim dividend of ¥22 and a year-end dividend of ¥22) with a payout ratio (consolidated basis) of 20% for fiscal 2015.

2. Management Policies

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

In the current medium-term management plan (for the period from 2013 to 2015), the Company has addressed various issues to increase its corporate value through sustainable growth of business scale, financial strength, and corporate strength, aiming to achieve consolidated net sales of ¥1,600.0 billion and an operating income ratio of 5% (consolidated operating income of ¥80.0 billion).

In fiscal 2014, the Company achieved the operating income target in the current medium-term management plan (2015: ¥80.0 billion) ahead of schedule by reinforcing its business strategies.

In fiscal 2015, the Company will maximize results from initiatives undertaken in the current medium-term management plan, further increase sales and profit, and prepare to advance to the next medium-term management plan (for the period from 2016 to 2018).

First, the Company will address the following business priorities to further increase sales and profit:

- Motorcycles: Achieve net sales exceeding ¥1,000.0 billion and an operating income ratio at the 5% level.
- Marine products: Achieve net sales of ¥300.0 billion and an operating income ratio at the 20% level.
- Recreational vehicles: Achieve net sales of ¥100.0 billion and restore the business to growth and profitability.
- Intelligent Machinery: Implement a full-scale strategy for the high-speed moulder market and open up new business fields.
- Smart Power Vehicles: Expand the smart power business.
- Customer service: Create a new business foundation with Time Commitment Service.

Second, in the next medium-term management plan, the Company will address the following three key priorities under a management policy of “Taking corporate value to the next level while growing into an even more unique and distinctive company.”

- Implement our growth strategy
- Pursue the unique style of Yamaha through *Monozukuri** and break out of our current norms
- Continue structural reforms to increase management resource efficiency

*Engineering, manufacturing, and marketing

With respect to the growth strategy in particular, the Company will focus on four themes to realize “fulfilling lifestyles,” “enjoyment in personal mobility,” and “innovative technologies that harmonize with people, society and the Earth.”

“Expand the world of mobility”

Expand technology, market and customer

“Challenge to marine ¥3 trillion market”

Expand business by combination of engine, rigging and boat

“Challenge to uniqueness and diversification”

Create new business models, acquire new customers

“Innovation in fundamental technology”

Robotics, Hu-MAX, engines and others

Lastly, the Yamaha Motor Group will endeavor to continue to improve corporate governance and further enhance trusting relationships with its stakeholders while meeting its social responsibilities by strictly observing laws, regulations, and corporate ethics and practicing global management.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of December 31, 2013 and 2014

() represents negative figures.

	Millions of yen	
	As of December 31, 2013	As of December 31, 2014
ASSETS		
Current assets:		
Cash and deposits	119,859	137,082
Notes and accounts receivable – trade	238,102	265,818
Merchandise and finished goods	177,796	208,093
Work in process	45,531	52,556
Raw materials and supplies	48,217	54,811
Deferred tax assets	14,043	14,555
Other	69,475	83,870
Allowance for doubtful accounts	(9,512)	(14,247)
Total current assets	703,514	802,541
Non-current assets:		
Property, plant and equipment		
Buildings and structures, net	88,742	95,363
Machinery, equipment and vehicles, net	86,413	95,774
Land	82,519	86,083
Construction in progress	22,770	40,735
Other, net	20,663	25,889
Total property, plant and equipment	301,109	343,846
Intangible assets	6,791	7,290
Investments and other assets:		
Investment securities	67,007	78,155
Long-term loans receivable	43,788	46,007
Deferred tax assets	11,622	16,658
Other	14,268	17,257
Allowance for doubtful accounts	(1,510)	(1,717)
Total investments and other assets	135,176	156,361
Total non-current assets	443,077	507,499
Total assets	1,146,591	1,310,040

() represents negative figures.

	Millions of yen	
	As of December 31, 2013	As of December 31, 2014
LIABILITIES		
Current liabilities:		
Notes and accounts payable – trade	141,710	158,318
Short-term loans payable	170,328	125,908
Current portion of long-term loans payable	73,230	97,340
Income taxes payable	5,467	6,173
Provision for bonuses	10,277	11,464
Provision for product warranties	18,292	19,533
Other provision	1,609	1,689
Other	94,309	115,737
Total current liabilities	515,226	536,165
Non-current liabilities:		
Long-term loans payable	139,370	180,403
Deferred tax liabilities for land revaluation	6,105	6,080
Provision for retirement benefits	45,321	—
Net defined benefit liability	—	61,927
Other provision	1,358	1,494
Other	16,416	20,744
Total non-current liabilities	208,572	270,650
Total liabilities	723,799	806,815
NET ASSETS		
Shareholders' equity:		
Capital stock	85,703	85,739
Capital surplus	74,619	74,655
Retained earnings	288,548	346,284
Treasury shares	(691)	(698)
Total shareholders' equity	448,179	505,981
Accumulated other comprehensive income:		
Valuation difference on available-for-sale securities	12,110	15,029
Revaluation reserve for land	10,978	10,931
Foreign currency translation adjustment	(87,277)	(58,442)
Remeasurements of defined benefit plans	—	(13,783)
Total accumulated other comprehensive income	(64,188)	(46,264)
Subscription rights to shares	91	33
Minority interests	38,709	43,474
Total net assets	422,792	503,224
Total liabilities and net assets	1,146,591	1,310,040

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

Fiscal years ended December 31, 2013 and 2014

Consolidated Statements of Income

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)
Net sales	1,410,472	1,521,207
Cost of sales	1,091,706	1,148,357
Gross profit	318,765	372,849
Selling, general and administrative expenses	263,628	285,600
Operating income	55,137	87,249
Non-operating income:		
Interest income	6,725	7,772
Dividend income	551	856
Share of profit of entities accounted for using equity method	3,526	1,896
Foreign exchange gains	—	5,136
Sales finance-related income	1,919	480
Other	13,497	10,201
Total non-operating income	26,220	26,344
Non-operating expenses:		
Interest expenses	6,739	8,048
Foreign exchange losses	7,310	—
Loss on revaluation of sales finance assets	1,883	695
Other	5,332	7,570
Total non-operating expenses	21,266	16,315
Ordinary income	60,092	97,279
Extraordinary income:		
Gain on sales of non-current assets	292	368
Gain on change in equity	—	40
Gain on reversal of subscription rights to shares	—	1,442
Other	8	6
Total extraordinary income	301	1,857
Extraordinary losses:		
Loss on sales of non-current assets	372	245
Loss on disposal of non-current assets	1,113	971
Impairment loss	1,110	125
Other	142	0
Total extraordinary losses	2,739	1,342
Income before income taxes and minority interests	57,654	97,793

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)
Income taxes – current	20,447	24,232
Income taxes – deferred	(12,265)	60
Total income taxes	8,182	24,292
Income before minority interests	49,472	73,500
Minority interests in income	5,414	5,048
Net income	44,057	68,452

Consolidated Statements of Comprehensive Income

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)
Income before minority interests	49,472	73,500
Other comprehensive income:		
Valuation difference on available-for-sale securities	10,208	2,912
Revaluation reserve for land	(0)	(1)
Foreign currency translation adjustment	27,544	29,441
Share of other comprehensive income of entities accounted for using equity method	3,341	2,382
Total other comprehensive income	41,093	34,734
Comprehensive income:	90,566	108,235
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	81,255	100,173
Comprehensive income attributable to minority interests	9,310	8,062

(3) Consolidated Statements of Changes in Equity

Fiscal year ended December 31, 2013 (January 1—December 31, 2013)

() represents negative figures.

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,666	74,582	249,724	(686)	409,287
Changes of items during period					
Issuance of new shares	36	36			73
Reversal of revaluation reserve for land			3		3
Dividends of surplus			(5,237)		(5,237)
Net income			44,057		44,057
Increase in consolidated subsidiaries			—		—
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	36	36	38,824	(5)	38,892
Balance at end of current period	85,703	74,619	288,548	(691)	448,179

	Millions of yen							
	Other accumulated comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	1,843	10,982	(114,255)	—	(101,429)	109	33,595	341,561
Changes of items during period								
Issuance of new shares								73
Reversal of revaluation reserve for land								3
Dividends of surplus								(5,237)
Net income								44,057
Increase in consolidated subsidiaries								—
Purchase of treasury shares								(5)
Disposal of treasury shares								0
Net changes of items other than shareholders' equity	10,267	(3)	26,977	—	37,240	(17)	5,114	42,337
Total changes of items during period	10,267	(3)	26,977	—	37,240	(17)	5,114	81,230
Balance at end of current period	12,110	10,978	(87,277)	—	(64,188)	91	38,709	422,792

Fiscal year ended December 31, 2014 (January 1—December 31, 2014)

() represents negative figures.

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	85,703	74,619	288,548	(691)	448,179
Changes of items during period					
Issuance of new shares	36	36			72
Reversal of revaluation reserve for land			45		45
Dividends of surplus			(10,649)		(10,649)
Net income			68,452		68,452
Increase in consolidated subsidiaries			(111)		(111)
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during period	36	36	57,736	(7)	57,801
Balance at end of current period	85,739	74,655	346,284	(698)	505,981

	Millions of yen							
	Other accumulated comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	12,110	10,978	(87,277)	—	(64,188)	91	38,709	422,792
Changes of items during period								
Issuance of new shares								72
Reversal of revaluation reserve for land								45
Dividends of surplus								(10,649)
Net income								68,452
Increase in consolidated subsidiaries								(111)
Purchase of treasury shares								(7)
Disposal of treasury shares								0
Net changes of items other than shareholders' equity	2,919	(47)	28,835	(13,783)	17,923	(57)	4,764	22,630
Total changes of items during period	2,919	(47)	28,835	(13,783)	17,923	(57)	4,764	80,432
Balance at end of current period	15,029	10,931	(58,442)	(13,783)	(46,264)	33	43,474	503,224

(4) Consolidated Statements of Cash Flows

Fiscal years ended December 31, 2013 and 2014

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)
Cash flows from operating activities:		
Income before income taxes and minority interests	57,654	97,793
Depreciation	36,407	37,667
Impairment loss	1,110	125
Increase (decrease) in allowance for doubtful accounts	1,430	4,665
Increase (decrease) in provision for retirement benefits	790	—
Increase (decrease) in net defined benefit liability	—	(961)
Interest and dividend income	(7,277)	(8,629)
Interest expenses	6,739	8,048
Share of (profit) loss of entities accounted for using equity method	(3,526)	(1,896)
Loss (gain) on sales of property, plant and equipment and intangible assets	80	(122)
Loss (gain) on disposal of property, plant and equipment and intangible assets	1,113	971
Loss (gain) on change in equity	—	(1,442)
Decrease (increase) in notes and accounts receivable – trade	(14,400)	(9,008)
Decrease (increase) in inventories	(8,171)	(29,123)
Increase (decrease) in notes and accounts payable – trade	16,212	9,856
Other, net	(4,980)	3,074
Subtotal	83,182	111,018
Interest and dividend income received	8,639	10,606
Interest expenses paid	(7,012)	(8,469)
Income taxes (paid) refund	(17,832)	(19,536)
Net cash provided by (used in) operating activities	66,976	93,618

() represents negative figures.

	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1— December 31, 2013)	Fiscal year ended December 31, 2014 (January 1— December 31, 2014)
Cash flows from investing activities:		
Payments into time deposits	(375)	(271)
Proceeds from withdrawal of time deposits	428	455
Purchase of property, plant and equipment and intangible assets	(53,447)	(61,855)
Proceeds from sales of property, plant and equipment and intangible assets	3,868	3,288
Purchase of investment securities	(6,482)	(5,812)
Payments of long-term loans receivable	(13,174)	(15,868)
Collection of long-term loans receivable	7,608	11,137
Other, net	(1,105)	(3,543)
Net cash provided by (used in) investing activities	(62,679)	(72,470)
Cash flows from financing activities:		
Increase (decrease) in short-term loans payable	47,071	(44,936)
Proceeds from long-term loans payable	32,447	132,434
Repayment of long-term loans payable	(66,401)	(83,760)
Proceeds from share issuance to minority shareholders	—	3,300
Cash dividends paid	(5,237)	(10,649)
Cash dividends paid to minority shareholders	(4,035)	(4,868)
Decrease (increase) in treasury shares	(5)	(7)
Proceeds from exercise of share options	55	54
Other, net	(275)	(474)
Net cash provided by (used in) financing activities	3,620	(8,908)
Effect of exchange rate change on cash and cash equivalents	5,583	3,561
Net increase (decrease) in cash and cash equivalents	13,500	15,802
Cash and cash equivalents at beginning of period	106,532	120,033
Increase in cash and cash equivalents from newly consolidated subsidiary	—	1,458
Cash and cash equivalents at end of period	120,033	137,294

(5) Notes to Consolidated Financial Statements

Notes Regarding Going-concern Assumptions

None

Basis of Presenting Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries: 104

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.; PT. Yamaha Indonesia Motor Manufacturing;
Yamaha Motor Vietnam Co., Ltd.; Yamaha Motor Taiwan Co., Ltd.; India Yamaha Motor Pvt. Ltd.;
Thai Yamaha Motor Co., Ltd.; and Yamaha Motor do Brasil Ltda.

Effective from the fiscal year ended December 31, 2014, one newly established company and one non-consolidated subsidiary whose significance increased have been included in the scope of consolidation. Seven companies were excluded from the scope of consolidation due to an absorption-type merger with the other consolidated subsidiaries of the Company.

Yamaha Motor Racing S.r.l. 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: 4
Yamaha Motor Racing S.r.l. and 3 other subsidiaries

Number of affiliates accounted for by the equity method: 26
Chongqing Jianshe-Yamaha Motor Co., Ltd. and 25 other affiliates

The net income or loss (amount corresponding to the Company's equity interest), retained earnings (amount corresponding to the Company's equity interest), and other financial indexes of Yamaha Motor Cambodia Co., Ltd. and other non-consolidated subsidiaries, and KYB Motorcycle Suspension India Pvt. Ltd. and other affiliates, were not significant in the aggregate to the Company's consolidated financial statements. 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, and "Changes in Accounting Policies" described below, have been omitted since there have been no significant changes from the description in the Company's 79th Securities Report (filed on March 26, 2014).

Changes in Accounting Policies

Accounting Standard for Retirement Benefits (ASBJ Statement No. 26, May 17, 2012, hereafter “Retirement Benefits Accounting Standard”) and Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25, May 17, 2012, hereafter “Guidance on Retirement Benefits”) are applied from the end of the fiscal year ended December 31, 2014 (excluding the regulations stipulated under Article No. 35 of Retirement Benefits Accounting Standard and Article No. 67 of Guidance on Retirement Benefits). According to this, the Company changed the calculation method of net defined benefit liability to deducting the amount of pension assets from retirement benefit obligations; and unrecognized actuarial gains and losses and unrecognized prior service costs are recorded under net defined benefit liability.

The Retirement Benefits Accounting Standard was applied, following the transitional measure stipulated under Article No. 37 of Retirement Benefits Accounting Standard, and the impact of the changes in accounting policies was added to or deducted from remeasurements of defined benefit plans under accumulated other comprehensive income.

As a result, ¥61,927 million of net defined benefit liability is recorded at the end of the fiscal year ended December 31, 2014, and accumulated other comprehensive income and minority interests decreased ¥13,783 million and ¥399 million respectively.

Please see per share information for its impact on per share amount.

Changes in Presenting Methods

Consolidated Balance Sheets

Effective from the fiscal year ended December 31, 2014, “Provision for product liabilities,” which had been separately presented under non-current liabilities in the previous fiscal year, has been included in “Other provision” due to reduced financial importance. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presenting methods.

As a result, the ¥1,102 million entry for “Provision for product liabilities” under non-current liabilities in the Consolidated Balance Sheets for the previous fiscal year has been restated under “Other provision.”

Consolidated Statements of Income

Effective from the fiscal year ended December 31, 2014, “Loss on sales of investment securities,” which had been separately presented under extraordinary loss in the previous fiscal year, has been included in “Other” due to reduced financial importance. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presenting methods.

As a result, the ¥142 million entry for “Loss on sales of investment securities” under extraordinary loss in the Consolidated Statements of Income for the previous fiscal year has been restated as “Other.”

Consolidated Statements of Cash Flows

- 1) Effective from the fiscal year ended December 31, 2014, “Increase (decrease) in provision for product liabilities,” which had been separately presented under cash flows from operating activities in the Consolidated Statements of Cash Flows in the previous fiscal year, has been included in “Other, net” due to reduced financial importance. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presenting methods.

As a result, the ¥2,490 million entry for “Increase (decrease) in provision for product liabilities” under cash flows from operating activities in the Consolidated Statements of Cash Flows for the previous fiscal year has been restated under “Other, net.”

- 2) Effective from the fiscal year ended December 31, 2014, “Loss (gain) on sales of investment securities,” which had been separately presented under cash flows from operating activities in the Consolidated Statements of Cash Flows in the previous fiscal year, has been included in “Other, net” due to reduced financial importance. The consolidated financial statements for the previous fiscal year have been restated to reflect this change in presenting methods.

As a result, the ¥142 million entry for “Loss (gain) on sales of investment securities” under cash flows from operating activities in the Consolidated Statements of Cash Flows for the previous fiscal year has been restated under “Other, net.”

Consolidated Balance Sheets

1. Pledged assets and secured liabilities

	Millions of yen	
	As of December 31, 2013	As of December 31, 2014
Pledged assets	122,340	127,852
Secured liabilities	52,483	47,088

2. Contingent liabilities

(1) Guarantee obligations

Guarantee obligations are guarantees for the following companies' loans from financial institutions.

		Millions of yen	
As of December 31, 2013		As of December 31, 2014	
Subsidiaries or Affiliates:		Subsidiaries or Affiliates:	
Amagasaki Woodland of Health Co., Ltd.	222	PT. Bussan Auto Finance	15,526
		KYB Motorcycle Suspension India Pvt. Ltd.	275
		Amagasaki Woodland of Health Co., Ltd.	199
		Yamaha Motor Pakistan Pvt. Ltd.	85
Total		Total	
	222		16,087

The above amounts include amounts arising from acts resembling guarantees of ¥199 million.

(2) Other

Bilateral consultations are being held under the applicable tax treaties to obtain relief from double taxation on transactions between the Company and overseas affiliates. At the present time it is difficult to make a reasonable estimate of any financial effect that may arise from these consultations, and the financial effect, if any, has not been reflected in the consolidated financial statements for the fiscal year ended December 31, 2014.

Consolidated Statements of Income

1. Research and development expenses included in selling, general and administrative expenses and manufacturing costs

	Millions of yen	
	Fiscal year ended December 31, 2013 (January 1—December 31, 2013)	Fiscal year ended December 31, 2014 (January 1—December 31, 2014)
Research and development expenses	76,081	84,494

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, recreational off-highway 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, 2013 (January 1, 2013 through December 31, 2013)

	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	928,203	243,362	126,722	32,261	1,330,549	79,922	1,410,472	—	1,410,472
Intersegment	—	—	—	—	—	28,797	28,797	(28,797)	—
Total	928,203	243,362	126,722	32,261	1,330,549	108,719	1,439,269	(28,797)	1,410,472
Segment income (Note 3)	8,363	31,774	5,262	3,069	48,469	6,667	55,137	0	55,137
Segment assets	716,474	212,324	134,016	21,778	1,084,594	61,997	1,146,591	—	1,146,591
Other items									
Depreciation (Note 4)	26,300	4,798	3,262	731	35,093	1,174	36,268	—	36,268
Investments in entities accounted for using equity method	21,028	2,100	555	—	23,685	4,475	28,161	—	28,161
Increase in property, plant and equipment, and intangible assets	38,586	8,844	6,073	640	54,145	2,655	56,800	—	56,800

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 does not include amortization of goodwill.

Fiscal year ended December 31, 2014 (January 1, 2014 through December 31, 2014)

	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	977,580	276,367	142,204	38,942	1,435,094	86,113	1,521,207	—	1,521,207
Intersegment	—	—	—	—	—	32,258	32,258	(32,258)	—
Total	977,580	276,367	142,204	38,942	1,435,094	118,371	1,553,466	(32,258)	1,521,207
Segment income (Note 3)	22,917	45,771	6,521	5,027	80,238	7,011	87,249	0	87,249
Segment assets	822,055	241,119	145,405	27,257	1,235,838	74,202	1,310,040	—	1,310,040
Other items									
Depreciation (Note 4)	26,523	5,408	3,985	350	36,267	1,267	37,535	—	37,535
Investments in entities accounted for using equity method	23,092	1,813	615	—	25,521	4,823	30,345	—	30,345
Increase in property, plant and equipment, and intangible assets	41,378	11,449	6,170	709	59,707	6,163	65,871	—	65,871

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 does not include amortization of goodwill.

(Reference Information)
Geographical segment information

Fiscal year ended December 31, 2013 (January 1, 2013 through December 31, 2013)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	223,894	244,646	154,503	618,325	169,101	1,410,472	—	1,410,472
Intersegment	372,178	25,407	5,695	86,581	1,275	491,138	(491,138)	—
Total	596,073	270,054	160,199	704,906	170,376	1,901,610	(491,138)	1,410,472
Operating income (loss)	29,021	5,275	(10,792)	30,514	6,877	60,896	(5,758)	55,137

Notes:

- Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan:
 - North America: U.S.A. and Canada
 - Europe: The Netherlands, France, Italy, Russia and Sweden
 - Asia: Indonesia, Vietnam, Taiwan, Thailand, China, Singapore and India
 - Others: Brazil, Australia, Colombia and Argentina

Fiscal year ended December 31, 2014 (January 1, 2014 through December 31, 2014)

	Millions of yen							
	Japan	North America	Europe	Asia	Others	Total	Eliminations	Consolidated
Net sales:								
Outside customers	252,397	282,359	184,106	622,115	180,227	1,521,207	—	1,521,207
Intersegment	406,624	32,875	6,162	98,231	2,335	546,230	(546,230)	—
Total	659,022	315,235	190,269	720,347	182,563	2,067,437	(546,230)	1,521,207
Operating income (loss)	37,216	11,858	4,775	27,477	10,039	91,368	(4,118)	87,249

Notes:

- Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan:
 - North America: U.S.A. and Canada
 - Europe: The Netherlands, France, Russia, Italy and Sweden
 - Asia: Indonesia, Vietnam, Taiwan, China, Singapore, Thailand and India
 - Others: Brazil, Australia, Colombia and Argentina

Per Share Information

	Fiscal year ended December 31, 2013 (January 1—December 31, 2013)	Fiscal year ended December 31, 2014 (January 1—December 31, 2014)
	Yen	Yen
Net assets per share	1,099.84	1,316.58
Net income per share — basic	126.20	196.06
Net income per share — diluted	126.20	196.04

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

	As of December 31, 2013	As of December 31, 2014
Total net assets (Millions of yen)	422,792	503,224
Amount excluded from total net assets (Millions of yen)	38,801	43,508
Subscription rights to shares	91	33
Minority interests	38,709	43,474
Net assets attributable to common stock at end of period (Millions of yen)	383,990	459,716
Number of shares of common stock outstanding at end of period calculated under “Net assets per share” (Shares)	349,134,628	349,174,408

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

	Fiscal year ended December 31, 2013 (January 1—December 31, 2013)	Fiscal year ended December 31, 2014 (January 1—December 31, 2014)
Net income per share — basic:		
Net income (Millions of yen)	44,057	68,452
Amount not attributable to common stockholders (Millions of yen)	—	—
Net income attributable to common stock (Millions of yen)	44,057	68,452
Average number of shares outstanding during period (Shares)	349,110,403	349,148,101
Net income per share — diluted:		
Adjustment for net income (Millions of yen)	—	—
Increase in the number of shares of common stock (Shares)	10,938	31,293
Subscription rights to shares	10,938	31,293
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: 53,500)	—

Note 3. As mentioned in “Changes in Accounting Policies,” the Company applied Retirement Benefits Accounting Standard, following the transitional measure stipulated under Article No. 37 of Retirement Benefits Accounting Standard. As a result, net assets per share for the fiscal year ended December 31, 2014 decreased ¥39.47.

Significant Subsequent Events

None

4. Others

Executive Transfers

The executive transfers effective March 26, 2015 were officially announced on December 25, 2014.

For details, please see the Company's website: <http://global.yamaha-motor.com/news/>