(TRANSLATION ONLY)

Yamaha Motor Co., Ltd.
2500 Shingai, Iwata, Shizuoka, Japan

Code No: 7272
March 4, 2013

Notice of the 78th Ordinary General Meeting of Shareholders

This document has been translated from the Japanese original, for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Dear Shareholders:

This is to inform you of the 78th Ordinary General Meeting of Shareholders, to be held at the time and place indicated below.

If you are unable to attend the meeting, you may exercise your voting rights by either of the methods below. Please review the reference documents provided and exercise your voting rights by 5:30 p.m. on March 25 (Monday), 2013.

[Exercising Voting Rights by Mail]
Please indicate your vote of approval or disapproval of each proposed resolution on the enclosed Exercise of Voting Rights Form, and return the form to us so that it arrives by the aforementioned deadline.

[Exercising Voting Rights by Electromagnetic Means]
Please read the attached documents on page 89 "Procedures for Exercising Voting Rights by Electromagnetic Means," and exercise your voting rights online.

1. **Date and Time:** Tuesday, March 26, 2013 at 10:00 a.m.

2. **Location:** Yamaha Motor Communication Plaza, Third Floor, Large Hall
2500 Shingai, Iwata-shi, Shizuoka Prefecture, Japan

3. **Agenda of the Meeting**

Items to be reported:

1. Business Report for the 78th Fiscal Year (from January 1, 2012 through December 31, 2012); Consolidated Financial Statements applicable to the 78th Fiscal Year (from January 1, 2012 through December 31, 2012); Report of Independent Auditors on Consolidated Financial Statements; and Report of the Board of Corporate Auditors on Consolidated Financial Statements
2. Non-consolidated Financial Statements applicable to the 78th Fiscal Year (from January 1, 2012 through December 31, 2012).

Items to be resolved:

<Company Proposals (Proposed Resolutions from 1 through 6)>

Proposed Resolution 1 Appropriation of Surplus

Proposed Resolution 2 Election of Ten Directors

Proposed Resolution 3 Election of Two Corporate Auditors

Proposed Resolution 4 Election of One Substitute Corporate Auditor

Proposed Resolution 5 Payment of Bonuses to Directors

Proposed Resolution 6 Renewal of Takeover Defense Measures against Attempts of Mass Acquisition of the Company's Shares

<Shareholder Proposal (Proposed Resolution 7)>
Proposed Resolution 7 Appropriation of Surplus

4. Predetermined Terms of the Convening

(1) If you do not indicate your vote of approval or disapproval for each proposed resolution on the Exercise of Voting Rights Form, we will consider you to have approved the Company's proposed resolutions and disapproved the shareholder's proposed resolution on which you did not vote.

(2) Duplicate voting
1) If we recognize that you exercise your voting right via the Internet, etc. more than once on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 1 of Article 15 of the "Share Handling Regulations."
2) If we recognize that you exercise your voting right both in writing and via the Internet, etc. on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 2 of Article 15 of the "Share Handling Regulations." If both votes arrive on the same day, vote via the Internet, etc. will prevail and be treated as the effective vote.

(3) A person who is to exercise voting rights on behalf of a shareholder as a proxy shall not be entitled to exercise the shareholder's voting rights as a proxy unless the person receives an Exercise of Voting Rights Form from the shareholder and submits it to the Company, as stipulated in Paragraph 4 of Article 15 of the "Share Handling Regulations."

5. Other Matters regarding this Notice

Among the documents which should be provided together with this Notice, the "Notes to Consolidated Financial Statements" and "Notes to Non-consolidated Financial Statements" are made available on the Company's website at http://www.yamaha-motor.co.jp, pursuant to the applicable laws and regulations and Article 19 of the Articles of Incorporation of the Company. Accordingly, these notes are not provided in the attached "Business Report for the 78th Fiscal Year."

Notes:
1. Attendees are asked to return their completed Exercise of Voting Rights Form to the reception desk on the day of the meeting.
2. If and when any correction is made to the Reference Documents for the General Meeting of Shareholders and Attached Documents, it will be announced on the Company's website at http://www.yamaha-motor.co.jp.
3. Proposed Resolution 1 and Proposed Resolution 7 are contradictory. Accordingly, please note that, in cases where you indicated approval in writing for both Proposed Resolution 1 and Proposed Resolution 7 in the Exercise of Voting Rights Form, the exercise of voting rights concerning Proposed Resolution 1 and Proposed Resolution 7 will be invalid.

Reference Documents for
the 78th Ordinary General Meeting of Shareholders

Proposals and Reference Information

<Company Proposals (Proposed Resolutions from 1 through 6)>
Proposed Resolutions from 1 through 6 are proposed by the Company.

Proposed Resolution 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end Dividend

Recognizing that maximizing the shareholders' interests represents one of the Company's highest management priorities, the Company has been striving to maximize its corporate value through a diversity of business operations worldwide. With regard to dividend payouts, the Company will balance active investments for growth with shareholder returns and the repayment of debt, while comprehensively considering its performance trends as well as internal reserves and other management environment factors, using a minimum payout ratio equal to 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. Decision-making body for an interim dividend is the Board of Directors, while that for a year-end dividend is the General Meeting of Shareholders. The Company's Articles of Incorporation stipulates that an interim dividend may be distributed by the resolution of the Board of Directors on June 30 each year as a record date.

The Company proposes to pay a year-end dividend of 5 yen per share for the current fiscal year. Accordingly, together with an interim dividend (5 yen per share), the total annual dividend will be 10 yen.

(1) Type of dividend property:
Cash

(2) Distribution of dividend property, and the total amount distributed:
5 yen per share of common stock
Total amount: 1,745,664,950 yen

(3) Effective date of distribution:
March 27, 2013

Proposed Resolution 2 Election of Ten Directors

Ten Directors － Hiroyuki Yanagi, Takaaki Kimura, Hiroyuki Suzuki, Kozo Shinozaki, Nobuya Hideshima, Masahiro Takizawa, Yoshiaki Hashimoto, Yuko Kawamoto, Masamitsu Sakurai and Mitsuru Umemura － will complete their respective terms of office at the conclusion of this Ordinary General Meeting of Shareholders. Consequently, Yamaha Motor Co., Ltd. (hereinafter the “Company”) proposes to elect ten (10) Directors.

The Director candidates are as follows.

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
1	Hiroyuki Yanagi (November 20, 1954)	April 1978: Joined the Company April 2000: General Manager of Soude Factory, Production Control Division, MC Operations and General Manager of Morimachi Factory, Production Control Division, MC Operations of the Company April 2003: Director and President of MBK Industrie January 2007: Senior General Manager of SyS Operations, MC Headquarters of the Company March 2007: Executive Officer of the Company March 2009: Senior Executive Officer of the Company November 2009: Senior General Manager of MC Business Section, MC Business Operations of the Company March 2010: President and Representative Director of the Company (to present) March 2010: President and Chief Executive Officer of the Company (to present) January 2012: Chief General Manager of MC Business Operations of the Company (to present)	35,200

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
2	Takaaki Kimura (February 14, 1953)	April 1976: Joined the Company June 1999: General Manager of R&D Division, AM Operations of the Company April 2002: Senior General Manager of AM Operations of the Company June 2003: Executive Officer of the Company March 2005: Director of the Company March 2007: Senior Executive Officer of the Company January 2009: Chief General Manager of Marine Business Operations and Executive General Manager of WV Business Unit, Marine Business Operations and Chief General Manager of AM Business Unit of the Company November 2009: Representative Director of the Company (to present) November 2009: Managing Executive Officer of the Company March 2010: Senior Managing Executive Officer of the Company (to present) January 2011: Chief General Manager of Marine Business Operations, Chief General Manager of Product Assurance & Safety Promotion Center and Chief General Manager of AM Business Unit of the Company January 2012: Chief General Manager of Technology Center, Chief General Manager of Marine Business Operations, Chief General Manager of Design Center and Chief General Manager of AM Business Unit of the Company (to present)	39,800
3	Hiroyuki Suzuki (November 16, 1953)	April 1978: Joined the Company September 2003: Director and Vice President of PT. Yamaha Indonesia Motor Manufacturing January 2008: Senior General Manager of Quality Assurance Operation, MC Headquarters of the Company March 2008: Executive Officer of the Company November 2009: Executive General Manager of Manufacturing Center of the Company January 2010: Executive General Manager of Manufacturing Center and Chief General Manager in charge of power products business of the Company March 2010: Director of the Company (to present) March 2010: Senior Executive Officer of the Company (to present) November 2010: President and Director of India Yamaha Motor Pvt. Ltd. (to present)	17,400

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
4	Kozo Shinozaki (February 14, 1956)	April 1978: Joined the Company April 2007: General Manager of Finance & Accounting Division of the Company January 2010: Senior General Manager of Finance & Accounting Section of the Company March 2010: Director of the Company (to present) March 2010: Senior Executive Officer of the Company (to present) January 2011: Senior General Manager of Corporate Planning & Finance Section of the Company January 2013: Executive General Manager of Corporate Planning & Finance Center of the Company (to present)	15,100
5	Nobuya Hideshima (January 9, 1954)	April 1978: Joined the Company May 1999: General Manager of Production Control Department, Production Control Division, MC Operations of the Company April 2003: Director and President of Yamaha Motor Manufacturing Corporation of America January 2009: Executive General Manager of Procurement Center of the Company March 2009: Executive Officer of the Company March 2010: Senior Executive Officer of the Company (to present) January 2011: Chief General Manager of Procurement Center and Chief General Manager of Parts Business Unit of the Company (to present) March 2011: Director of the Company (to present)	15,100
6	Masahiro Takizawa (December 23, 1954)	April 1978: Joined the Company April 2000: General Manager of the Business Planning Department, CV Operations of the Company February 2004: Director and President of MBK Industrie July 2007: General Manager of Corporate Planning Division of the Company March 2009: Executive Officer of the Company March 2010: Senior Executive Officer of the Company (to present) January 2011: Chief General Manager of Business Development Operations of the Company (to present) March 2011: Director of the Company (to present)	13,350

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
7	Yoshiaki Hashimoto (July 4, 1954)	April 1977: Joined the Company November 2001: General Manager of North American Business Division, SCM Center, MC Operations of the Company January 2007: General Manager of Human Resources Development Division of the Company March 2009: Executive Officer of the Company March 2010: Senior Executive Officer of the Company (to present) March 2010: Senior General Manager of Human Resources & General Affairs Section of the Company January 2011: Senior General Manager of Human Resources & General Affairs Section and Chief General Manager of Business Development Managing Unit of the Company January 2012: Senior General Manager of Human Resources & General Affairs Section and Chief General Manager of Product Assurance & Safety Promotion Center of the Company March 2012: Director of the Company (to present) January 2013: Executive General Manager of Human Resources & General Affairs Center and Chief General Manager of Product Assurance & Safety Promotion Center of the Company (to present)	11,300
8	Masamitsu Sakurai (January 8, 1942)	April 1966: Joined Ricoh Company, Ltd. June 1992: Director of Ricoh Company, Ltd. June 1994: Managing Director of Ricoh Company, Ltd. April 1996: President and Representative Director of Ricoh Company, Ltd. March 2005: Representative Director and Chairman of Coca-Cola West Japan Co., Ltd. (currently Coca-Cola West Co., Ltd.) June 2005: Representative Director, President and Chief Executive Officer of Ricoh Company, Ltd. July 2006: Director of Coca-Cola West Co., Ltd. (to present) April 2007: Chairman of the Board and Representative Director, Chairman of Ricoh Company, Ltd. June 2008: Director of OMRON Corporation (to present) March 2011: Director of the Company (to present) April 2011: Chairman of the Board and Director, Chairman of Ricoh Company, Ltd. (to present) Significant concurrent positions Administrative Director of THE NEW TECHNOLOGY DEVELOPMENT FOUNDATION	1,000

Candidate No.	Name (Date of birth)	Brief career summaries, positions and responsibilities in the Company and significant concurrent positions	No. of the Company shares held
9	Mitsuru Umemura (March 6, 1951)	April 1975: Joined Nippon Gakki Co., Ltd. (currently Yamaha Corporation) June 2006: Managing Director of Yamaha Corporation June 2007: President and Representative Director of Yamaha Corporation (to present) March 2011: Director of the Company (to present) Significant concurrent positions President of Yamaha Music Foundation	8,100
10	Tamotsu Adachi * (October 12, 1953)	April 1977: Joined Mitsubishi Corporation January 1988: Joined McKinsey & Company, Inc. Japan June 1995: Partner of McKinsey & Company, Inc. Japan March 1997: Managing Director of Business Development Department, GE Capital Japan March 1999: President and CEO of Japan Lease Auto Co. December 2000: President and CEO of GE Fleet Services Co. May 2003: Managing Director and Japan Representative of Carlyle Japan LLC June 2003: Director of Benesse Corporation (currently Benesse Holdings, Inc.) November 2007: Managing Director and Co-Representative of Carlyle Japan LLC (to present) June 2009: Director of Benesse Corporation (currently Benesse Holdings, Inc.: to present)	0

Notes:

1. Director candidates who have special interests with the Company are shown below:

Takaaki Kimura: Mr. Kimura is concurrently serving as Chairman of the YAMAHA MOTOR FOUNDATION FOR SPORTS, a foundation to which the Company makes contributions.

Hiroyuki Suzuki Mr. Suzuki is concurrently serving as President and Director of India Yamaha Motor Pvt. Ltd. (in which the Company holds 97.1% of voting rights), a company with which the Company has sale and purchase transactions of products and merchandise. The Company also provides guarantees to said company’s debt.

Yoshiaki Hashimoto (1) Mr. Hashimoto is concurrently serving as Chairman of the Yamaha Motor Corporate Pension Fund, a fund to which the Company entrusts contributions.
(2) Mr. Hashimoto is concurrently serving as Chairman of the Yamaha Motor Corporate Welfare Foundation, a foundation to which the Company entrusts contributions as operating funds.

Mitsuru Umemura Mr. Umemura is concurrently serving as President and Representative Director of Yamaha Corporation, a company with which the Company has sale and purchase transactions of products and merchandise.

2. Masamitsu Sakurai, Mitsuru Umemura and Tamotsu Adachi are candidates for Outside Directors as stipulated in Item 7 of Paragraph 3 of Article 2 of the Ordinance for Enforcement of the Corporation Act of Japan.

3. Notes to candidates for Outside Directors are as follows.

(1) Reasons for nomination of candidates for Outside Directors

1) The Company believes that Masamitsu Sakurai will provide the Company’s management with valuable advice and supervision based on his ample experience of managing global companies and wide range of insights.

2) The Company believes that Mitsuru Umemura will provide the Company with valuable advice and supervision on whether or not the Company’s management is effectively functioning toward the goal of maximizing corporate value for our shareholders from the viewpoint of a company executive as the President and Representative Director of Yamaha Corporation which is a large shareholder of the Company.

3) The Company has judged that Tamotsu Adachi has an ample experience and knowledge in international business, formulation of management strategy, and investment activities and he will make use of them in the management of the Company.

(2) Number of years from the time when each candidate for an Outside Director assumed the office of an Outside Director

The term of office of Masamitsu Sakurai as an Outside Director of the Company will have been two years at the conclusion of this Ordinary General Meeting of Shareholders.

The term of office of Mitsuru Umemura as an Outside Director of the Company will have been two years at the conclusion of this Ordinary General Meeting of Shareholders.

(3) Summary of details of the liability limitation agreement with candidates for Outside Directors

In order for Outside Directors to fully exercise their expected roles, the Company has entered into liability limitation agreements to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan, with Masamitsu Sakurai and Mitsuru Umemura. Upon approval of their re-election, the liability limitation agreements will be continued. A summary of the liability limitation agreement is as follows.

The liability limitation agreement is an agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan pursuant to the provisions of Paragraph 1 of Article 427 of the Corporation Act of Japan. The maximum amount of the liability for damages under the liability limitation agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Act of Japan. In addition, in the event the election of Tamotsu Adachi has been approved, the Company will enter into the liability limitation agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan, with him. A summary of the liability limitation agreement is the same as above.

4. The Company has submitted Independent Directors/Corporate Auditors Notification Form to Tokyo Stock Exchange, Inc. to register Masamitsu Sakurai as an Independent Director/Corporate Auditor. Also, the Company has submitted Independent Directors/Corporate Auditors Notification Form to register Tamotsu Adachi as an Independent Director/Corporate Auditor under condition that this proposal is approved.

5. Abbreviations: MC: Motorcycle, SyS: System Supplier, AM: Automotive, WV: Water Vehicle, CV: Commuter Vehicle, SCM: Supply Chain Management

6. Person shown with an asterisk (*) is a new Director candidate.

Proposed Resolution 3 Election of Two Corporate Auditors

Corporate Auditor Tetsuo Kawawa will complete his term of office at the conclusion of this Ordinary General Meeting of Shareholders, and Corporate Auditor Norihiko Shimizu will resign at the conclusion of this Ordinary General Meeting of Shareholders. Consequently, the Company proposes to elect two (2) Corporate Auditors. This proposal is submitted with the consent of the Board of Corporate Auditors.

The Corporate Auditor candidates are as follows.

Candidate No.	Name (Date of birth)	Brief career summaries and significant concurrent positions	No. of the Company shares held
1	Tetsuo Kawawa (June 15, 1947)	April 1975: Registered as an attorney (Tokyo Bar Association: to present) August 2002: Member of the Corporation Act (Modernization) Subcommittee, Legislative Council of the Ministry of Justice September 2002: Member of the Chief of the Special Commission of the Judicial Advisory Committee of the Japan Federation of Bar Associations (to present) June 2007: Corporate Auditor of Nisshin Seifun Group Inc. (to present) March 2009: Corporate Auditor of the Company (to present)	0
2	Isao Endo * (May 8, 1956)	April 1979: Joined the Mitsubishi Electric Corporation July 1987: Joined Boston Consulting Group October 1988: Joined Andersen Consulting (currently Accenture) September 1997: Partner of Booz Allen Hamilton (currently Booz & Company) May 2000: Managing partner of Roland Berger Japan April 2006: Chairman of Roland Berger Japan (to present) April 2006: Professor, Graduate School of Commerce, Waseda University (to present) May 2011: Director of Ryohin Keikaku Co., Ltd. (to present)	0

Notes:

1. Each candidate has no special interests in the Company.
2. Tetsuo Kawawa and Isao Endo are candidates for Outside Corporate Auditors as stipulated in Item 16 of Article 2 of the Corporation Act of Japan.
3. Notes to candidates for Outside Corporate Auditors are as follows.

(1) Reasons for nomination of candidates for Outside Corporate Auditors

1) Tetsuo Kawawa has never been engaged in the Company's management in a capacity other than as an Outside Corporate Auditor. The Company has judged, however, that he will make use of his ample specialized knowledge in corporate legal affairs as a lawyer in performing his duty as the Company's Outside Corporate Auditor.

2) The Company has judged that Isao Endo will make use of his ample experience and wide range of insights as a corporate manager in performing his duty as the Company's Outside Corporate Auditor.

(2) Number of years from the time when the candidate for an Outside Corporate Auditor assumed the office of an Outside Corporate Auditor

The term of office of Tetsuo Kawawa as an Outside Corporate Auditor of the Company will have been four years at the conclusion of this Ordinary General Meeting of Shareholders.

(3) Summary of details of the liability limitation agreement with the candidate for Outside Corporate Auditor

In order for Outside Corporate Auditor to fully exercise his or her expected role, the Company has entered into the liability limitation agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan, with Tetsuo Kawawa. Upon approval of his re-election, the liability limitation agreement will be continued. A summary of the liability limitation agreement is as follows.

The liability limitation agreement is an agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan pursuant to the provisions of Paragraph 1 of Article 427 of the Corporation Act of Japan. The maximum amount of the liability for damages under the liability limitation agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Act of Japan. In addition, in the event the election of Isao Endo has been approved, the Company will enter into the liability limitation agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan, with him. A summary of the liability limitation agreement is the same as above.

4. The Company has submitted Independent Directors/Corporate Auditors Notification Form to Tokyo Stock Exchange, Inc. to register Tetsuo Kawawa as an Independent Director/Corporate Auditor. Also, the Company has submitted Independent Directors/Corporate Auditors Notification Form to register Isao Endo as an Independent Director/Corporate Auditor under condition that this proposal is approved.
5. Person shown with an asterisk (*) is a new Corporate Auditor candidate.

Proposed Resolution 4 Election of One Substitute Corporate Auditor

In order to prepare for the contingency that the number of Corporate Auditors could fall below the minimum stipulated in the Corporation Act of Japan, the Company proposes to elect Masayuki Satake as a Substitute Corporate Auditor. This proposal is submitted with the consent of the Board of Corporate Auditors.

The Substitute Corporate Auditor candidate is as follows.

Name (Date of birth)	Brief career summaries and significant concurrent positions	No. of the Company shares held
Masayuki Satake (May 16, 1948)	April 1971: Joined Chuo Audit Corporation September 1977: Registered as the Certified Public Accountant April 1985: Representative Partner of Chuo Audit Corporation April 2007: Commissioner (on full-time basis) and Deputy Chairman of The Public Interest Corporation Commission, Cabinet Office April 2010: President of Satake Certified Public Accounting Office (to present) April 2012: Professor, Tohoku University Accounting School (to present) June 2012: Corporate Auditor of PCA CORPORATION (to present)	0

Notes:

1. The candidate has no special interests in the Company.

2. Masayuki Satake is a candidate for Substitute Outside Corporate Auditor.

3. Notes to candidate for Substitute Outside Corporate Auditor are as follows.

(1) Reasons for nomination of a candidate for Substitute Outside Corporate Auditor

The Company believes Masayuki Satake will utilize his ample experience and wide range of insight as a certified public accountant in performing his duty as the Company's Outside Corporate Auditor.

(2) Summary of details of the liability limitation agreement with the candidate for Substitute Outside Corporate Auditor

In order for Outside Corporate Auditor to fully exercise his or her expected role, the Company will enter into the liability limitation agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan, with Masayuki Satake. A summary of the liability limitation agreement is as follows.

The liability limitation agreement is an agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Act of Japan pursuant to the provisions of Paragraph 1 of Article 427 of the Corporation Act of Japan. The maximum amount of the liability for damages under the liability limitation agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Act of Japan.

Proposed Resolution 5 Payment of Bonuses to Directors

In consideration of its current consolidated results, the Company proposes the payment of bonuses of 9 million yen in total to seven (7) Directors (excluding Outside Directors) of the ten (10) Directors who held office as of the end of this fiscal year.

Proposed Resolution 6 Renewal of Takeover Defense Measures against Attempts of Mass Acquisition of the Company's Shares

In order to protect and increase the Company's corporate value and the shareholders' common interests, the Company adopted measures against attempts of mass acquisition of the Company's shares, in accordance with shareholders' approval at the 72nd Ordinary General Meeting of Shareholders held on March 27, 2007. The Company also resolved to renew the said measures based on the resolution at the Board of Directors Meeting of the Company held on February 12, 2010 and shareholders' approval at the 75th Ordinary General Meeting of Shareholders of the Company held on March 25, 2010 (the "2010 Shareholders' Meeting Approval").
Due to the fact that the effective term of the 2010 Shareholders' Meeting Approval is until the conclusion of the first Board of Directors Meeting to be held after the conclusion of this Ordinary General Meeting of Shareholders, the Company would like to obtain the approval from a majority of the voting rights of attending shareholders to renew the 2010 Shareholders' Meeting Approval (hereinafter the "Shareholders' Meeting Approval"), on incidental conditions described in 2. (1) to (6) of <Details of the Shareholders' Meeting Approval> below.
The Board of Directors Meeting held on February 14, 2013 resolved to continue the said measures in a form that has been revised to fulfill the content of the Shareholders' Meeting Approval on the condition that approval at the Shareholders' Meeting Approval is obtained (hereinafter the revised measures are referred to as the "Plan").
In addition, the terms defied in accordance with the provisions of Financial Instruments and Exchange Act (Act No. 25 of April 13, 1948, including subsequent amendments) shall be substituted with equivalent terms in amended provisions of the Act whenever the Financial Instruments and Exchange Act is amended.

<Details of the Renewal of the 2010 Shareholders' Meeting Approval>
With regards to the Shareholders' Meeting Approval, the following are the points reviewed from the 2010 Shareholders' Meeting Approval to further protect the interests of the shareholders such as by securing the swift operation of the Plan. As part of the Plan, the Corporate Value Committee is composed of four Outside Directors and Outside Corporate Auditors whose independence is secured, and arbitrariness is excluded from the operation of the Plan.

1. Regarding the Information Provision Request Period, the period of examination and discussion by the Corporate Value Committee shall start as early as possible. For this purpose, business days are changed to days (on a calendar day basis). (Refer to <Details of the Shareholders' Meeting Approval> 2. (2) described below.)

2. With respect to the period of examination and discussion by the Corporate Value Committee, it has been provided that business days are changed to days (on a calendar day basis) and the period of extension shall not exceed 30 days. Therefore, in the case of, for example, a Takeover Proposal involving an unlimited takeover of the Company's shares by a cash-only takeover bid in Japanese yen, the period of examination and discussion by the Corporate Value Committee shall be within 60 days (90 days at the longest, even if the period is extended for up to 30 days due to a reasonable cause) from the day of receipt of a Takeover Proposal by the Board of Directors (or the day of expiration of the Information Provision Request Period, whichever is earlier). (Refer to <Details of the Shareholders' Meeting Approval> 2. (3) described below.)

3. The Corporate Value Committee is required to issue an Advisory Resolution if a Takeover Proposal has been made according to procedures prescribed in the Plan and is found to satisfy all of the following requirements. (Refer to <Details of the Shareholders' Meeting Approval> 2. (4) described below.)
   (1) None of the following categories are applicable to the Takeover Proposal:
      1) It is a share buyout, in which the Takeover Proposer demands that the Company or related parties buy back purchased shares at high prices;
      2) It is structured to further the interests of the Takeover Proposer or its group companies, as well as other related parties, at the expense of the Company, such as by temporarily controlling the Company's management in order to transfer the Company's major assets;
      3) It makes the Company's assets subject to use as collateral guarantee, or use for the repayment of debts of the Takeover Proposer, its group companies, or other related parties; and/or
      4) It seeks to obtain a temporary high return at the expense of the Company's sustainable growth, such as by temporarily controlling the Company's management in order to reduce assets and funds necessary for the Company's future business and product development; by using profits from disposing of such assets and funds in order to obtain high temporary dividends, and/or by

selling the Company's shares at peak prices in an attempt to drive up the Company's share price;

(2) The mechanism and content of the Takeover Proposal do not threaten to actually or essentially compel shareholders to sell their shares, such as is consistent with a coercive two-tier takeover bid (meaning a takeover bid that does not seek to acquire all shares in the initial acquisition, and sets unfavorable or unclear acquisition terms for the second stage).

<Details of the Shareholders' Meeting Approval>

1. In order to protect and increase the corporate value and the shareholders' common interests, the Board of Directors shall perform gratis issue or shareholder allotment (hereinafter "Gratis Issue") of subscription rights to shares imposing limitation on the execution of subscription rights to shares by a Specific Acquirer and Related Parties (Note) (hereinafter "Subscription Rights to Shares") based on certain incidental conditions of the following 2. (1) and below. The Board of Directors shall be able to determine in advance about the matters regarding Gratis Issue of Subscription Rights to Shares performed when Specific Acquirer and Related Parties emerge, and also able to determine necessary matters and steps to perform the procedures stated in 2. below and others, in order to conduct the Plan smoothly.

(Note): Specific Acquirer and Related Parties refers to the following parties: (1) a Specific Acquirer; (2) (With regard to a Specific Acquirer who conducted a specific takeover attempt as described in (i) below) a joint holder (as defined in Paragraphs 5 and 6 of Article 27-23 of the Financial Instruments and Exchange Act); (3) (with regard to a Specific Acquirer who conducted a specific takeover attempt as described in (ii) below) a specific Related Party; and (4) a party substantially identified by the Board of Directors as any of the above parties.

"Specific Acquirers" are parties who engage in specific takeover attempts without obtaining the confirmation resolution prescribed in 2. (2) below before the time the specific takeover attempt was conducted by the party who conducted the specific takeover attempt (the time of the first action consistent with either (i) or (ii) below).

None of the following entities, however, shall be deemed to be Specific Acquirers:

(a) The Company, the Company's subsidiaries, the Company's employee shareholding association, or parties determined by the Board of Directors to be substantially identical to any of these.

(b) A party whose shareholding ratio becomes 20 percent or more as a result of the Company's cancellation or purchase of its own shares or other actions determined by the Board of Directors (excluding cases in which the shareholding ratio of such shareholder subsequently increases by 1 percent or more in forms other than such actions).

"Specific Takeover Attempts" refer to actions consistent with either (i) or (ii) described below:

(i) Items determined by the Board of Directors as an acquisition of the Company's shares (as defined in Paragraph 1 of Article 27-23 of the Financial Instruments and Exchange Act) whereby a shareholding ratio of the Company's shares (as defined in Paragraph 4 of Article 27-23 of the Financial Instruments and Exchange Act) becomes 20 percent or more and similar actions.

(ii) An initiation of a public takeover bid designed to acquire the Company's shares (as defined in Paragraph 1 of Article 27-2 of the Financial Instruments and Exchange Act) such that the post-acquisition shareholding percentage (as defined in Paragraph 8 of Article 27-2 of the Financial Instruments and Exchange Act, including the shareholding percentage of Specially-related parties (as defined in Paragraph 7 of Article 27-2 of the Financial Instruments and Exchange Act) of public takeover bidders (as defined in Paragraph 2 of Article 27-3 of the Financial Instruments and Exchange Act) becomes 20 percent or more (the Specific Takeover Attempt shall be deemed to have been initiated upon the arrival of the business day immediately following the day on which public notice of the initiation of a public takeover bid was made).

2. The incidental conditions shall be prescribed as follows:

(1) The Board of Directors shall, by its resolution, set up a Corporate Value Committee. The Corporate Value Committee shall examine the takeover proposal forwarded by the Board of Directors and determine whether to issue an advisory resolution, and also determine other matters forwarded by the Board of Directors. The Corporate Value Committee resolutions shall pass with the majority of all committee members' vote. Committee members shall be appointed only from within the Company's Outside Directors.

(2) The Board of Directors shall require parties intending to engage in specific takeover attempts, prior to commencing such takeover attempts, to submit the following written proposal, and to make the Company issue a Confirmation Resolution. Accordingly, parties proposing specific takeover attempts shall, prior to commencing such takeover attempts, submit the following written proposal to obtain a Confirmation Resolution from the Company: information regarding the persons proposing the specific takeover attempts, including their group companies and related parties; the purpose of the proposed takeover bid;

proposed post-takeover management policy and business plan; basis and method of takeover price calculation; proof of takeover fund availability; potential impact of the takeover on the interests of the Company's stakeholders; and other necessary information which the Company reasonably requires, as described in (4) 1) and 2) below. A proposal that fulfills these requirements shall be hereafter referred to as a "Takeover Proposal," and any party who makes such a proposal shall be hereafter referred to as a "Takeover Proposer."

"Confirmation Resolution" shall mean a resolution passed by the Board of Directors to disallow a Gratis Issue of Subscription Rights to Shares for which an advisory resolution by the Corporate Value Committee as described below has been received.

In the interest of the prompt management of the Plan, when the Company encounters a proposal that it is unable to acknowledge as a Takeover Proposal due to the lack of necessary information, it may require, if necessary, the party conducting the proposal relating to the acquisition of the Company's shares to provide information. In this case, basically, a period of 60 days, calculated from the day the first information provision request to the proposer is made, shall be set for the maximum limit to make the information provision request to the proposer and the proposer to make a response (hereinafter "Information Provision Request Period"). It shall be our basic policy that the period of examination and discussion by the Corporate Value Committee shall start upon the expiration of the Information Provision Request Period even in cases where necessary information has not been adequately provided. In cases where a request for extension is made with reasonable cause, the Company may extend the Information Provision Request Period as necessary provided that the period of extension does not exceed 30 days.

(3) The Board of Directors shall promptly forward the received Takeover Proposal to the Corporate Value Committee to request the committee's recommendation. The Corporate Value Committee shall examine the Takeover Proposal and discuss on whether to issue a resolution advising the Board of Directors to adopt a Confirmation Resolution for the Takeover Proposal (hereinafter "Advisory Resolution"). The content of the Corporate Value Committee's resolution shall be disclosed. The Corporate Value Committee shall be granted within 60 days from the day of receipt of a Takeover Proposal by the Board of Directors or the day of expiration of the Information Provision Request Period, whichever is earlier (or 90 days in cases other than a Takeover Proposal, involving an unlimited takeover of the Company's shares by a cash-only takeover bid in Japanese yen). Only in cases where there is a reasonable cause, the period of examination and discussion may be extended for up to 30 days. In such cases, the cause and planned period of extension shall be disclosed.

(4) The Corporate Value Committee shall examine and discuss the Advisory Resolution in good faith. This deliberation is conducted from the viewpoint of determining whether the Takeover Proposal serves to protect and increase the Company's corporate value and the shareholders' common interests (including the aspects listed in items 1) and 2) below). The Corporate Value Committee must issue an Advisory Resolution if a Takeover Proposal complies with the procedure of the Plan and is found to satisfy all of the following requirements.

1) None of the following categories are applicable to the Takeover Proposal:

(a) It is a share buyout, in which the Takeover Proposer demands that the Company or related parties buy back purchased shares at high prices;

(b) It is structured to further the interests of the Takeover Proposer or its group companies, as well as other related parties, at the expense of the Company, such as by temporarily controlling the Company's management in order to transfer the Company's major assets;

(c) It makes the Company's assets subject to use as collateral guarantee, or use for the repayment of debts of the Takeover Proposer, its group companies, or other related parties; and/or

(d) It seeks to obtain a temporary high return at the expense of the Company's sustainable growth, such as by temporarily controlling the Company's management in order to reduce assets and funds necessary for the Company's future business and product development; by using profits from disposing of such assets and funds in order to obtain high temporary dividends, and/or by selling the Company's shares at peak prices in an attempt to drive up the Company's share price;

2) The mechanism and content of the Takeover Proposal do not threaten to actually or essentially compel shareholders to sell their shares, such as is consistent with a coercive two-tier takeover bid (meaning a takeover bid that does not seek to acquire all shares in the initial acquisition, and sets unfavorable or unclear acquisition terms for the second stage).

(5) The Board of Directors shall adopt the Confirmation Resolution based on the Advisory Resolution of the Corporate Value Committee. If the Corporate Value Committee issues an Advisory Resolution, the Board of Directors is obliged to promptly adopt a Confirmation Resolution, unless it finds particular grounds to rule that adopting such a Confirmation Resolution obviously violates the Director's duty of care. The Board of Directors shall not be empowered to execute a Gratis Issue of Subscription Rights to Shares against any Takeover Proposal endorsed by a Confirmation Resolution.

(6) If a specific takeover attempt is executed without obtaining a Confirmation Resolution, the Board of Directors shall set a reference date for Gratis Issue of Subscription Rights to Shares, and execute this Gratis Issue such that the Company's shareholders as of the reference date receive the Subscription Rights to Shares. However, if it becomes clear that a Specific Acquirer's shareholding ratio does not reach 20 percent by a specific date, prior to the reference date for Gratis Issue and set forth by the Board of Directors (including cases where the Board of Directors finds that special circumstances similar to this arise), the Board may suspend the Gratis Issue, and stop the Subscription Rights to Shares from taking effect. Delivery of cash shall not be made to a Specific Acquirer and Related Parties as the price of forcible acquisition of Subscription Rights to Shares.

3. The effective term of the Shareholders' Meeting Approval shall continue until the conclusion of the first Board of Directors Meeting held after the conclusion of the Ordinary General Meeting of Shareholders which relates to the latest fiscal year which ends within three years after the conclusion of this Ordinary General Meeting of Shareholders. If, however, a Specific Acquirer should emerge by the end of the effective term of the Shareholders' Meeting Approval, the Approval shall remain effective as measures against the Specific Acquirer beyond its stated effective term. The Shareholders' Meeting Approval also has an effect over each resolution of the Board of Directors at its meetings held during the effective term regarding the Gratis Issue of Subscription Rights to Shares.

[Reference: Extract from our announcement dated February 14, 2013 (part of reference attachment thereto is omitted.)]

This document has been translated from the Japanese original, for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Yamaha Motor Co., Ltd. (the "Company") adopted measures against attempts of the acquisition of 20 percent or more of the Company's shares (as prescribed in (Note 1) below, "Specific Takeover Attempt"), in accordance with shareholders' approval at the 72nd Ordinary General Meeting of Shareholders held on March 27, 2007. The Company also resolved to renew the said measures based on the resolution at the Board of Directors Meeting of the Company held on February 12, 2010 and shareholders' approval at the 75th Ordinary General Meeting of Shareholders of the Company held on March 25, 2010 (the "2010 Approved Resolution").
It is our pleasure to announce that, due to the fact that the effective term of the 2010 Approved Resolution is until the conclusion of the first Board of Directors Meeting to be held after the conclusion of the 78th Ordinary General Meeting of Shareholders scheduled to be held on March 26, 2013 (hereinafter the "General Shareholders' Meeting"), the Board of Directors Meeting of the Company at its meeting held on today resolved to continue the said measures in a form that has been partially revised from the perspective of protecting shareholders and investors on the condition that approval at the General Shareholders' Meeting (the "Shareholders' Meeting Approval") is obtained.

Upon the revisions this fiscal year of the said measures, the following were the points reviewed to further protect the interests of the shareholders such as by securing the swift operation of the measures (hereinafter the revised measures are referred to as the "Plan"). As part of the Plan, the Corporate Value Committee is composed of four Outside Directors and Outside Corporate Auditors whose independence is secured, and arbitrariness is excluded from the operation of the Plan.

1. Regarding the Information Provision Request Period, the period of examination and discussion by the Corporate Value Committee shall start as early as possible. For this purpose, business days are changed to days (on a calendar day basis) (Refer to II. 2.).
2. With respect to the period of examination and discussion by the Corporate Value Committee, it has been provided that business days are changed to days (on a calendar day basis) and the period of extension shall not exceed 30 days. Therefore, in the case of, for example, a Takeover Proposal involving an unlimited takeover of the Company's shares by a cash-only takeover bid in Japanese yen, the period of examination and discussion by the Corporate Value Committee shall be within 60 days (90 days at the longest, even if the period is extended for up to 30 days due to a reasonable cause) from the day of receipt of a Takeover Proposal by the Board of Directors (or the day of expiration of the Information Provision Request Period, whichever is earlier) (Refer to II. 2.).
3. The Corporate Value Committee is required to issue an Advisory Resolution if a Takeover Proposal has been made according to procedures prescribed in the Plan and is found to satisfy all of the following requirements (Refer to II. 2.).
   1) None of the following categories are applicable to the Takeover Proposal:
      (a) It is a share buyout, in which the Takeover Proposer demands that the Company or related parties buy back purchased shares at high prices;
      (b) It is structured to further the interests of the Takeover Proposer or its group companies, as well as other related parties, at the expense of the Company, such as by temporarily controlling the Company's management in order to transfer the Company's major assets;
      (c) It makes the Company's assets subject to use as collateral guarantee, or use for the repayment of debts of the Takeover Proposer, its group companies, or other related parties; and/or
      (d) It seeks to obtain a temporary high return at the expense of the Company's sustainable growth, such as by temporarily controlling the Company's management in order to reduce assets and funds necessary for the Company's future business and product development; by using profits from disposing of such assets and funds in order to obtain high temporary dividends, and/or by selling the Company's shares at peak prices in an attempt to drive up the Company's share price;
   2) The mechanism and content of the Takeover Proposal do not threaten to actually or essentially compel shareholders to sell their shares, such as is consistent with a coercive two-tier takeover bid (meaning a takeover bid that does not seek to acquire all shares in the initial acquisition, and sets unfavorable or unclear acquisition terms for the second stage).

At this moment, the Company has not received any proposal of Specific Takeover Attempt.

(Note 1) "Specific Takeover Attempts" refer to actions consistent with either 1) or 2) described below:

1) Items determined by the Board of Directors as an acquisition of the Company's shares (as defined in Paragraph 1 of Article 27-23 of the Financial Instruments and Exchange Act) whereby a shareholding ratio of the Company's shares (as defined in Paragraph 4 of Article 27-23 of the Financial Instruments and Exchange Act) becomes 20 percent or more and similar actions.*
   * Set forth below are the details that were resolved as "items determined by the Board of Directors as attempts to purchase shares of the Company whereby a shareholding ratio of the Company's shares becomes 20 percent or more and similar actions" at the Board of Directors Meeting held today.

     The aforementioned items are actions consistent with any act described in (a) to (d) below; provided, however, that attempts to acquire shares of the Company by issuance of shares (as provided for in Paragraph 1 of Article 27-23 of the Financial Instruments and Exchange Act; the same shall apply hereafter unless otherwise provided) conducted by the Company or by disposition of shares held by themselves (including such actions subsequent to a merger, share exchange, share transfer, or company split conducted by the Company) are not included in such actions, regardless of whether such actions are consistent with any item of (a) to (d) below.

     (a) An act of "Acquisition" provided for in main clause of Paragraph 1 of Article 27-2 of the Financial Instruments and Exchange Act (meaning purchase or other type of acceptance of transfer for value of shares (as defined in Paragraph 1 of Article 27-2 of the Financial Instruments and Exchange Act), and acts as defined in Paragraph 3 of Article 6 of the Order for Enforcement of the Financial Instruments and Exchange Act, as similar actions) that brings the relevant party's shareholding ratio of the Company's shares to 20 percent or more;
     (b) In forms other than (a) above, an act whereby a shareholding ratio of the Company's shares becomes 20 percent or more as a result of the relevant party being a "Holder" as provided in Paragraph 1 or 3 of Article 27-23 of the Financial Instruments and Exchange Act;
     (c) An act whereby a shareholding ratio of the Company's shares becomes 20 percent or more as a result of the relevant party and a Holder being joint holders (Paragraph 5 of Article 27-23 of the Financial Instruments and Exchange Act) of the Company's shares;
     (d) An act whereby a shareholding ratio of the Company's shares becomes 20 percent or more as a result of the relevant party holding a relationship with a Holder of the Company's shares as prescribed in Paragraph 6 of Article 27-23 of the Financial Instruments and Exchange Act;

2) An initiation of a public takeover bid designed to acquire the Company's shares (as defined in Paragraph 1 of Article 27-2 of the Financial Instruments and Exchange Act) such that the post-acquisition shareholding percentage (as defined in Paragraph 8 of Article 27-2 of the Financial Instruments and Exchange Act, including the shareholding percentage of specially-related parties (as defined in Paragraph 7 of Article 27-2 of the Financial Instruments and Exchange Act) of public takeover bidders (as defined in Paragraph 2 of Article 27-3 of the Financial Instruments and Exchange Act) becomes 20 percent or more (the "Post-acquisition Shareholding Percentage" shall be determined pursuant to the statement in a public takeover bid report for the relevant public takeover bid, and the Specific Takeover Attempt shall be deemed to have been initiated upon the arrival of the business day immediately following the day on which public notice of the initiation of a public takeover bid was made).

I Necessity of the takeover defense measures

1. Measures to protect and increase the Company's corporate value and the shareholders' common interests

The Company, together with its group companies around the world pursues the ongoing development of business activities including motorcycles, marine products, power products, industrial machinery and robots, and other products with the corporate mission of "Kando* Creating Company: Yamaha, a company offering new excitement and more fulfilling life for people all over the world." (*Kando is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that people experience when they encounter something of exceptional value.) By realizing peoples' dreams through wisdom and passion by aiming to be a company from which people always expect the "next Kando" and by creating the Kando for customers, the Company responds to the customers' Kando, treating it as its own Kando, and strives for the new "creation of added value."

In the areas of business of Yamaha, the motorcycle business, marine products business, power products business and other businesses, the Company has created many leading products in markets around the world. From a long-term perspective, it is necessary to continuously inject resources into the development of the Company's unique technology. The Company's competitive predominance is further improved by such factors as the following: accumulation of highly unique technology and know-how gained from this process, knowledge and information of specific market sectors gained through developmental efforts, deep relationships of trust with trading partners cultivated through problem-solving spanning over many years, and high quality human resources with strong mastery of specialist fields. The Company believes these factors are also important management resources that serve as resources for the Company's corporate value now and in the future. Also, the Company's areas of activity are not limited to business activities; rather, they also include activities that contribute to society, activities that protect the environment and other activities. The Company is aware that the synergistic effect that these activities yield becomes corporate brand value and that this is constructing brand value and corporate value for the Company. To ensure the many investors continue their investment for the long term, the Company is striving to protect and increase the Company's corporate value and the shareholders' common interests into the future through the various measures outlined below.

1) Measures to increase corporate value based on the medium-term management plan

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	FY2011 results	FY2012 results	FY2015 targets	FY2017 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.

2) Measures to increase corporate value by strengthening corporate governance

The Company recognizes that corporate governance is an important tool to "ensure disciplined management and maximize long-term corporate value." Based on this recognition, the Company has been striving to speed up management decision-making; make the accountability of Directors regarding business results clearer; and develop a transparent system of director selection and remuneration. Specifically, in addition to introducing an Executive Officer system, the Company elects multiple Outside Directors. While striving on one hand to separate the roles of business execution and business supervision, the Company has shortened the term of office of Directors from two years to one year in order to assure accountability of Directors to the shareholders. The Company has also established the "Executive Personnel Committee" as a voluntary committee comprised of several full-time Directors and several Outside Directors. This committee aims to increase suitability and transparency through discussions about nominating candidates for Director and Executive Officer and determining remuneration systems and remuneration amounts for these officers. Such discussions of this committee have already formed the basis of the change to a remuneration system that is highly correlated to performance and the abolition of retirement benefits for Directors and Corporate Auditors. Looking ahead, the Company shall work to more clearly designate the role of the Board of Directors as "approval of core policy of the Group and supervision of the execution of duties" and the role of executive officers as "management of the Yamaha Motor Group and execution of duties," and it shall build a system of management to match this demarcation of duties.

While working to do this, the Company aims to build a long-term relationship of trust with the shareholders by holding briefing sessions for institutional investors and securities analysts, and improving the scope of IR activities for individual investors. While giving top priority to the task of increasing the profit of the shareholders and striving to further increase its earning power, the Company aims to meet the expectations of the shareholders by following a basic policy for cash dividends based on long-term perspectives and also reflecting consolidated financial performance and other factors in a comprehensive manner, using the payout ratio as an indicator.

2. Details of Basic Policy Regarding Parties Who Control of the Company in Deciding Its Policies on Finance and Business (hereinafter "Basic Policy")

In order to further increase the brand value and corporate value of the Yamaha Motor Group as mentioned above in I. 1, it is essential that the Company actively invests in new models and, in particular, develops new value-added products by adopting new technology. To make this possible, it is important to make further progress in research and development to produce the new technology. The Company expects next-generation environmentally friendly technologies aimed at the development of environment-conscious low-fuel-consumption small engines and electric-powered motorcycles, to be fields of business that will be highly profitable and grow in scale in the future. In order to increase profitability of the Yamaha Motor Group in such business fields, it is essential to actively pursue the research and development that is core to these businesses. In order to realize this, the Company must undertake bold measures based on a long-term perspective.

The Company believes that if a party lacking the understanding of the source of the brand value and corporate value of the Yamaha Motor Group as described above were to acquire the Company, control the decision of its policies on finance and business and act in a way that is contrary to a sustainable and strategic management policy based on a medium- to long-term perspective, such as by focusing only on short-term economic efficiency and excessively reducing production costs and research and development costs to the detriment of competitive strength, this would be to the detriment of the corporate value and the shareholders' common interests.

Because it is a publicly listed company, the Company acknowledges that the choice to respond or not respond to an attempt to purchase the Company's shares is ultimately a decision and judgment that must be made by the shareholders.

On the other hand, there are some attempts to purchase shares that, due to their conditions, are harmful to the Company's corporate value and the shareholders' common interests. Conceivable examples of purchases detrimental to the corporate value and the shareholders' common interests include the following: purchases aimed at gaining temporary control of management for the purpose of transferring items that are necessary to the long-term sustained growth of the Company, such as intellectual property rights, know-how, corporate confidential information, major trading partners and customers, to the acquirer or company belonging to the acquirer's corporate group; purchases for the purpose of, upon securing control of management, using the Company's assets etc. as collateral guarantee, or use for the repayment of debts of the acquirer; purchases aimed at gaining temporary control of management for the purpose of sacrificing the Company's long-term sustained growth as a corporation such as by depleting the assets and funds set aside for the Company's future such as for business and product development in order to realize temporary high returns; or purchases made irrespective of any true intention to participate in management where the Company or a party related to the Company is forced to buy the Company's shares at a premium (so-called greenmailing). There are also cases where the acquirer does not seek to acquire all shares in the initial acquisition, for example purchases only 51%, and does not disclose terms or sets unfavorable terms for later acquisitions thereby practically compelling shareholders to sell their shares or harming the interests of shareholders remaining as minority shareholders.

In order for it to protect and increase the corporate value and the shareholders' common interests, the Company believes that before a purchase it is necessary to disclose sufficient information concerning matters such as the following: the contents of the management policy and the business plan held by the acquirer; the effect that the takeover proposal will have on the shareholders and the Company's management; the effect on the many related parties of the Company; and the acquirer's thinking etc. towards corporate social responsibility, particularly with respect to product safety. Also, in order to ensure it has the opportunity to ask reasonable questions or request the acquirer for improvements to the terms of purchase, or to submit to the shareholders an alternate plan with merit for them, the Company also believes that it is necessary to ensure that there is a suitable period for examination and that the Company has negotiating power.

II. Overview of the Plan

1. Procedures etc. pertaining to renewal

With regard to the Shareholders' Meeting Approval, the approval of the shareholders is requested for shareholder allotment or gratis issue (hereinafter "Gratis Issue") of subscription rights to shares imposing limitation on the execution of subscription rights to shares by a Specific Acquirer and Related Parties (Note 2) (hereinafter "Subscription Rights to Shares") based on certain incidental conditions that are found as suitable

from the perspective of protecting and increasing the corporate value and the shareholders' common interests. The details of the Shareholders' Meeting Approval that includes incidental conditions relating to Gratis Issue of Subscription Rights to Shares make up the fundamental contents of the Plan. The Shareholders' Meeting Approval shall require the approval of more than half the voting rights of shareholders in attendance (provided that this shall include the exercise of voting rights by voting forms; the same shall apply hereafter).
The Board of Directors, at the meeting held today, passed the resolution on matters relating to specific details of the Plan such as gratis issue of the Subscription Rights to Shares (for details see **Reference 1**). At present, because such gratis issues of Subscription Rights to Shares are issued when a Specific Acquirer (Note 2) emerges, no Subscription Rights to Shares shall actually be conducted. Because the Company believes it to be in the interest of the shareholders and investors from the perspective of predictability, the contents relating to gratis issues of Subscription Rights to Shares within the scope of possibility has been decided and is being disclosed in advance.

(Note 2) Specific Acquirer and Related Parties refers to the following parties: (1) a Specific Acquirer; (2) (With regard to a Specific Acquirer who conducted a Specific Takeover Attempt as described above in (Note 1) 1)) a joint holder (as defined in Paragraphs 5 and 6 of Article 27-23 of the Financial Instruments and Exchange Act); (3) (with regard to a Specific Acquirer who conducted a Specific Takeover Attempt as described above in (Note 1) 2)a Specific Related Part; and (4) a party substantially identified by the Board of Directors as any of the above parties.*

* The Board of Directors at a meeting held today passed a resolution concerning "(4) A party substantially identified by the Board of Directors as any of the above parties." The details are as follows.

Any party who the Board of Directors reasonably deems consistent with any one of the following.

(a) Any party who is transferred, or succeeds to, the Subscription Rights to Shares without obtaining approval of the Company from parties consistent with (1) to (3) above;

(b) "Related Parties" related to parties who are consistent with (1) to (3) above and (a) above. "Related Parties" shall mean any entities who substantially control the parties, are substantially controlled by the parties, are under common control with the parties, or work together with the parties. Upon determination of "Related Parties" related to a partnership or funds, the substantial identities of the fund managers or other specific conditions will be considered. The Board of Directors may deem the following as "Related Parties" related to entities who, among (1), conducted Specific Takeover Attempts as defined in 1) of Note 1 above, or who are consistent with (2) above. They are entities who make agreements on name-lending or loans of the Company's shares, transfers of the Company's shares to be issued as a result of the exercise or acquisition of the Subscription Rights to Shares, or other similar special agreements with any entities who, among (1), conducted Specific Takeover Attempts as defined in 1) of (Note 1) above, or who are consistent with (2) above,

"Specific Acquirers" are parties who engage in Specific Takeover Attempts without obtaining the Confirmation Resolution prescribed in 2. below before the time the Specific Takeover Attempt was conducted by the party who conducted the Specific Takeover Attempt (the time of the first action consistent with either 1) or 2) of (Note 1) above).
None of the following entities, however, shall be deemed to be Specific Acquirers:

(a) The Company, the Company's subsidiaries, the Company's employee shareholding association, or parties determined by the Board of Directors to be substantially identical to any of these.*

(b) A party whose shareholding ratio becomes 20 percent or more as a result of the Company's cancellation or purchase of its own shares or other actions determined by the Board of Directors* (excluding cases in which the shareholding ratio of such shareholder increases by 1 percent or more in forms other than such actions);

* In the resolution passed by the Board of Directors at a meeting held today it was determined that "(a) parties determined by the Board of Directors to be substantially identical to any of these" is "parties holding the Company's shares for the Company's employee shareholding association" and "(b) actions determined by the Board of Directors" is "actions made by the Company that decrease the total number of shares issued or voting rights, or the allotment, execution, or forcible acquisition of Subscription Rights to Shares."

2. If a Takeover Proposer Emerges

The purpose of the Plan is to address the impact etc. of a Specific Takeover Attempt on the Company's corporate value and the shareholders' common interests by ensuring there is necessary and sufficient information disclosure and suitable time periods for examination and discussion in advance and protecting and increasing the corporate value and the shareholders' common interests.

The Board of Directors shall require parties intending to engage in Specific Takeover Attempts to submit a proposal relating to a Specific Takeover Attempt (such proposal shall contain the necessary information reasonably required by the Company, which includes items listed below in (a) to (h); such proposal containing the necessary information shall hereinafter be described as the "Takeover Proposal" and the party making the Takeover Proposal shall hereinafter be described as the "Takeover Proposer") in writing to the Company in advance and to have the Company issue a Confirmation Resolution. Accordingly, any parties intending to engage in a Specific Takeover Attempt shall submit a Takeover Proposal to obtain a Confirmation Resolution from the Company before commencing the takeover attempt.

(a) information on the parties intending to engage in the Specific Takeover Attempt (including their group companies and related parties);
(b) the purpose of the takeover bid;
(c) (i) In cases where the acquisition of control or participation in management is intended, the method for acquisition of control or participation in management; in cases where a change in the Company's management policies, business plan, organization, or composition of officers, or any other action that results in a material change in or material impact on the Company's management policies after acquisition is intended, the content and necessity thereof; (ii) in cases of pure investment or political investment, the shareholding policy and sales policy, and the policy for the exercise of voting rights, and the reasons for such policies, after the acquisition of shares; in cases of acquisition as political investment for long-term capital alliance, such necessity;
(d) whether or not an additional acquisition of the Company's shares is planned after the Specific Takeover Attempt, and if planned, the reasons and contents of the plan;
(e) basis and method of takeover price calculation;
(f) proof of takeover fund availability;
(g) potential impact of the takeover on the interests of the Company's stakeholders;
(h) necessary information reasonably required by the Company as information pertaining to items listed in 1) and 2) below.

"Confirmation Resolution" shall mean a resolution passed by the Board of Directors to disallow a Gratis Issue of Subscription Rights to Shares for which an advisory resolution by the Corporate Value Committee as described below has been received.

In the interest of the prompt management of the Plan, when the Company encounters a proposal that it is unable to acknowledge as a Takeover Proposal due to the lack of necessary information, it may require, if necessary, the party conducting the proposal relating to the acquisition of the Company's shares to provide information.

In this case, basically, a period of 60 days, calculated from the day the first information provision request to the proposer is made, shall be set for the maximum limit to make the information provision request to the proposer and the proposer to make a response (hereinafter "Information Provision Request Period"). It shall be our Basic Policy that the period of examination and discussion by the Corporate Value Committee shall start upon the expiration of the Information Provision Request Period even in cases where necessary information has not been adequately provided. In cases where a request for extension is made with reasonable cause, the Company may extend the Information Provision Request Period as necessary provided that the period of extension does not exceed 30 days.

The Board of Directors shall promptly forward the received Takeover Proposal to the Corporate Value Committee to request the committee's recommendation and disclose the matter as required by laws and regulations. The Corporate Value Committee shall examine the Takeover Proposal and discuss on whether to issue a resolution advising the Board of Directors to adopt a Confirmation Resolution for the Takeover Proposal (hereinafter "Advisory Resolution"). The content of the Corporate Value Committee's resolution shall be disclosed.

The Corporate Value Committee shall examine a Takeover Proposal forwarded by the Board of Directors in order to determine whether to issue an Advisory Resolution and discuss other matters forwarded by the Board, and such resolution shall pass by a majority vote of all committee members. Members of the Corporate Value Committee shall be elected from among Outside Directors and Outside Corporate Auditors at a Board of Directors meeting. If the Shareholders' Meeting Approval is obtained, the following four members will be appointed as members of the Corporate Value Committee on the condition that they are elected as Directors or Corporate Auditors at the General Shareholders' Meeting: Masamitsu Sakurai, who is the current Outside Director of the Company and a candidate for Outside Director at the General Shareholders' Meeting; Tetsuo Kawawa, who is the current Outside Corporate Auditor of the Company and a candidate for Outside Corporate Auditor at the General Shareholders' Meeting; Tamotsu Adachi, who is a candidate for Outside Director of the Company at the General Shareholders' Meeting; and Isao Endo, who is a candidate for

Outside Corporate Auditor at the General Shareholders' Meeting.

The period of examination and discussion by the Corporate Value Committee shall be within 60 days from the day of receipt of a Takeover Proposal by the Board of Directors or the day of expiration of the Information Provision Request Period, whichever is earlier (or 90 days in cases other than a Takeover Proposal involving an unlimited takeover of the Company's shares by a cash-only takeover bid in Japanese yen). Only in cases where there is a reasonable cause, the period of examination and discussion may be extended for up to 30 days. In such cases, the cause and planned period of extension shall be disclosed.
The Corporate Value Committee shall examine and discuss the Advisory Resolution in good faith. This deliberation is conducted from the viewpoint of determining whether the Takeover Proposal serves to protect and increase the Company's corporate value and the shareholders' common interests (including the aspects listed in items 1) and 2) below). The Corporate Value Committee must issue an Advisory Resolution if a Takeover Proposal complies with the procedure of the Plan and is found to satisfy all of the following requirements.

1) None of the following categories are applicable to the Takeover Proposal:
   - (a) It is a share buyout, in which the Takeover Proposer demands that the Company or related parties buy back purchased shares at high prices;
   - (b) It is structured to further the interests of the Takeover Proposer or its group companies, as well as other related parties, at the expense of the Company, such as by temporarily controlling the Company's management in order to transfer the Company's major assets;
   - (c) It makes the Company's assets subject to use as collateral guarantee, or use for the repayment of debts of the Takeover Proposer, its group companies, or other related parties; and/or
   - (d) It seeks to obtain a temporary high return at the expense of the Company's sustainable growth, such as by temporarily controlling the Company's management in order to reduce assets and funds necessary for the Company's future business and product development; by using profits from disposing of such assets and funds in order to obtain high temporary dividends, and/or by selling the Company's shares at peak prices in an attempt to drive up the Company's share price;
2) The mechanism and content of the Takeover Proposal do not threaten to actually or essentially compel shareholders to sell their shares, such as is consistent with a coercive two-tier takeover bid (meaning a takeover bid that does not seek to acquire all shares in the initial acquisition, and sets unfavorable or unclear acquisition terms for the second stage).

The Board of Directors shall adopt the Confirmation Resolution based on the Advisory Resolution of the Corporate Value Committee. If the Corporate Value Committee issues an Advisory Resolution, the Board of Directors is obliged to promptly adopt a Confirmation Resolution, unless it finds particular grounds to rule that adopting such a Confirmation Resolution obviously violates the Director's duty of care. The Board of Directors shall not be empowered to execute a Gratis Issue of Subscription Rights to Shares against any Takeover Proposal endorsed by a Confirmation Resolution.

3. If a Specific Acquirer Emerges

If a Specific Acquirer emerges (whether a Specific Acquirer emerges is determined by a Report of Possession of Large Volume submitted to the Company, a Public Takeover Bid Notification or by other appropriate means), in other words, if a Specific Takeover Attempt without obtaining a Confirmation Resolution is initiated, the Board of Directors shall announce the emergence of the Specific Acquirer, and determine, by resolution, a date for a Gratis Issue, an effective date for a Gratis Issue, and other necessary matters with respect to a Gratis Issue of Subscription Rights to Shares, and execute the Gratis Issue of Subscription Rights to Shares upon announcing the matters determined. However, if any of the events listed in (a) to (c) arise before the day* determined by the Board of Directors on a day prior to reference date of a Gratis Issue, The Board of Directors may determine, by resolution by the above date, not to make effective the Gratis Issue of Subscription Rights to Shares determined by resolution.

(a) A Report of Possession of Large Volume stating that the shareholding ratio of a Specific Acquirer falls below 20 percent is submitted from the Specific Acquirer;

(b) A public takeover bid consistent with Specific Takeover Attempts is initiated, and a holder of the Company's shares whose shareholding ratio exceeds 20 percent does not emerge as a result of expiration or revocation of the open takeover bid;

(c) In addition to (a) or (b) above, the Board of Directors reasonably acknowledges that the menace from Specific Takeover Attempts has ceased.

* In the resolution passed by the Board of Directors at a meeting held today it was determined that "the day determined by the Board of Directors on a day prior to the reference date of a Gratis Issue" was "the day four business days prior to the reference date of a Gratis Issue."

4. Effective Terms of the Shareholders' Meeting Approval and the Plan

The effective term of the Shareholders' Meeting Approval shall continue until the conclusion of the first Board of Directors Meeting held after the Ordinary General Meeting of Shareholders in 2016. As described in 5. (5) below, during the effective term for the Shareholders' Meeting Approval, the Board of Directors may determine the contents of the Plan on a yearly basis, within the scope authorized by the Shareholders' Meeting Approval upon adoption. Therefore, the effective term of the Plan shall continue until the end of the first Board of Directors meeting to be held after the Ordinary General Meeting of Shareholders in the following year. If, however, a Specific Acquirer should emerge by the end of the effective term of the Shareholders' Meeting Approval or the Plan, they shall remain effective against the Specific Acquirer beyond its stated effective date.

A confirmation or verification of "shareholding ratio," "holders," "joint-holders," "shareholding percentage," "specially-related parties," "Specific Acquires and Related Parties," "Related Parties," "substantial identity" or other necessary matters to be made by the Company upon operations of the Plan may be based on information that has been reasonably obtained by the Company at the time when such confirmation or verification is required.

In the Plan, the terms defined in accordance with the provisions of the Financial Instruments and Exchange Act (Act No. 25 of April 13, 1948, including subsequent amendments) shall be substituted with equivalent terms in amended provisions of the law whenever the Financial Instruments and Exchange Act is amended. In addition, citation of the provisions of laws and regulations in this resolution is based on the provisions in effect as of February 14, 2013. If it becomes necessary, on or after the same date, to amend the provisions or terminology defined in the above provisions as a consequence of amendments or abolishment of laws and regulations, the Board of Directors may replace them from time to time within a reasonable range, in light of the purposes of the amendments or abolishment.

5. Scheme to Improve the Rationality of the Plan (Special Measures to Reflect Intention of Shareholders)

The Plan is adopted and renewed to protect and increase the Company's corporate value and the shareholders' common interests. To improve the rationality of the Plan, a special scheme shall be implemented as follows.

(1) Confirmation of the Intention of Shareholders upon Adoption and Renewal

The Company, to obtain the opportunity to appropriately reflect the intention of the shareholders, shall seek the approval of the shareholders at the Ordinary General Meeting of Shareholders for the adoption and the renewal of the Plan. The contents of the Shareholders' Meeting Approval, including the incidental conditions shall make up the fundamental contents of the Plan. The Board of Directors shall submit to the contents of the Shareholders' Meeting Approval and determine the matters relating to the Gratis Issue of subscription rights to shares and important matters and measures for the smooth execution of the Plan.

(2) Possibility of Abandonment of the Plan through a One-Time Shareholders' Resolution

The terms of office of the Company's Directors is one year and non-coinciding terms of office or no extra weighting occurs from ordinary resolutions for cases of dismissal. It is therefore possible for the Plan to be abandoned by resolution of the Board of Directors by election or dismissal of Directors based on a one-time ordinary resolution of a general meeting of shareholders. This means that the intention of the shareholders will be reflected in this point as well.

(3) Binding Advisory Powers of the Corporate Value Committee Comprised of Outside Directors and Outside Corporate Auditors Whose Independence from the Company's Management Is Secured

To guarantee the neutrality of judgments in the Plan, the Corporate Value Committee, which is comprised only of Outside Directors and Outside Corporate Auditors who do not engage in the execution of the Company's business and whose independence from the Company's management is secured, conducts an examination of the details of the Takeover Proposal and, while upholding a legal duty to the Company as officers of the Company, discusses in good faith the Takeover Proposal from the viewpoint of determining whether the Takeover Proposal serves to protect and increase the Company's corporate value and the shareholders' common interests.

Furthermore, if the Corporate Value Committee issues an Advisory Resolution to advise the Board of Directors to adopt a Confirmation Resolution, the Board of Directors must follow the Advisory Resolution and adopt a Confirmation Resolution; provided that there are no special grounds to rule that adopting such a Confirmation Resolution obviously violates the Director's duty of care.

(4) Scheme for Increasing Objectivity

The Corporate Value Committee is required to issue an Advisory Resolution, if a Takeover Proposal is found to satisfy all of the requirements described in 1) and 2) of 2. above. This scheme is adopted to increase objectivity.

(5) Establishment of an Effective Term for the Shareholders' Meeting Approval

As described in 4. above, the effective term for the Shareholders' Meeting Approval upon adoption is set as three years from the General Shareholders' Meeting. During the effective term, the Board of Directors may determine the contents of the Plan on a yearly basis, within the scope authorized by the Shareholders' Meeting Approval upon adoption, and it is possible that the term will change to reflect changes in relevant laws and other circumstances surrounding the Company. On the day when three years have elapsed, the Board of Directors will once again confirm the intention of shareholders, which shall include a review of incidental conditions, and ask the shareholders for their judgment. However, as described in (2) above, it is possible to abandon the Plan at anytime within the three year period by resolution of the Board of Directors through election or dismissal of Directors by ordinary resolution of the General Meeting of Shareholders.

(6) Completely Satisfying all Applicable Legal Requirements and Requirements for Rationality of Government Guidelines

The Plan completely satisfies the applicable legal requirements (the requirements that must be satisfied in order to prevent the issue of the Subscription Rights to Shares from being halted.) and the requirements for rationality (to ensure the understanding of the stakeholders such as shareholders and investors) as prescribed in "Guidelines With Respect To Anti Takeover Policy For Securing And Enhancing Corporate Value and Shareholders' Common Interests" made by Ministry of Economy, Trade and Industry and Ministry of Justice and dated May 27, 2005. Also, the plan conforms to the opinions offered in "Takeover Defense Measures in Light of Recent Environmental Changes" made by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry and dated June 30, 2008.

III. Impact of the Plan on Shareholders and Investors

1. Impact of the Plan on Shareholders and Investors

The Plan, as described in I. above, aims to protect and increase the Company's corporate value and the shareholders' common interests; thus, the Company believes that it will benefit the Company's shareholders and investors. Adoption or renewal of the Plan will not affect the rights of shareholders and investors, since the Subscription Rights to Shares will not be issued at the time of adoption and renewal.

As defined in II. 3 above, all shareholders will be assigned a Gratis Issue of Subscription Rights to Shares and allotted Subscription Rights to Shares automatically if and when a Specific Acquirer emerges - in other words, should a Specific Takeover Attempt be executed without obtaining a Confirmation Resolution. Therefore, no shareholders will lose any of their subscription rights to shares as a result of any failure to apply for assignment of their Subscription Rights to Shares. In addition, the Plan makes it possible for the Company to forcibly and simultaneously acquire all of the Subscription Rights to Shares, and assign the Company's shares to those Subscription Rights to Shares that fulfill the conditions for the exercise of Subscription Rights to Shares. It should be noted that the Company does not plan to suspend a Gratis Issue, as described in II. 3 above, or acquire Subscription Rights to Shares at no cost from the date three (3) business days prior to the record date for the Gratis Issue.

2. Required Procedures for Shareholders and Investors

At the time of the Plan's adoption and renewal, no special procedures are required of the Company's shareholders and investors.

If a Specific Acquirer should emerge, the Board of Directors, as prescribed in 1. above, will adopt and announce a resolution and set the record date for the Gratis Issue of Subscription Rights to Shares. The Subscription Rights to Shares will be automatically assigned to all of the Company's shareholders at no cost and allotted Subscription Rights to Shares on the Issue's record date for the Gratis Issue. The Company will therefore ask the shareholders to implement applicable procedures in accordance with the Company's announcement as described above.

Should a Gratis Issue of Subscription Rights to Shares be executed, the Company's shareholders may exercise their Subscription Rights to Shares by submitting the Company's designated Subscription Rights to Shares exercise request and other forms required by the Company, and making a 1-yen-per-share payment for the shares to be acquired. However, if the forcible acquisition defined in 1. above is executed, the Company's shares will be automatically assigned to the Subscription Rights to Shares that fulfill the conditions for the exercise of Subscription Rights to Shares. Therefore, no special procedures are required of the Company's shareholders with regard to the execution of their Subscription Rights to Shares. However, the Company plans to establish a reasonable procedure in order to confirm that a shareholder does not match the category of a Specific Acquirer and Related Parties.

IV. Other

At the meeting of the Board of Directors on February 14, 2013, the Board of Directors unanimously approved for the Plan to be renewed subject to the approval of the shareholders at the General Shareholders' Meeting. Consent was also obtained from all Corporate Auditors including the two Outside Corporate Auditors.

(TRANSLATION ONLY)
Reference

Contents of the Subscription Rights to Shares and Gratis Issue

I. Contents of the Subscription Rights to Shares are as follows:

1. Type of shares to be issued by the exercise of the Subscription Rights to Shares
   The Company's common stock

2. Number of shares to be issued by the exercise of the Subscription Rights to Shares
   The number of shares to be issued by the exercise of one (1) Stock Acquisition Right shall be two (2) shares or under, as separately determined by the Board of Directors.

3. Value of the assets to be invested upon the exercise of the Subscription Rights to Shares
   The subject matter of investment upon the exercise of the Subscription Rights to Shares shall be money. The value shall be the number of shares to be issued by the exercise of the Subscription Rights to Shares, multiplied by 1 yen.

4. Exercise period for Subscription Rights to Shares
   A period of time shall start from the day on which the Gratis Issue takes effect to a date to be separately decided by the Board of Directors. If, however, the last day of the exercise period falls on a holiday in the place designated for payment upon exercise, the immediately prior business day shall be the last day.

5. Conditions for exercising Subscription Rights to Shares
   (1) Subscription Rights to Shares held by the Specific Acquirer and Related Parties (including virtual possession) cannot be exercised;
   (2) A holder of Subscription Rights to Shares may exercise the Subscription Rights to Shares only if the holder submits to the Company a document with an assertion that the conditions of 5. (1) above have been fulfilled (if exercised on behalf of third parties, the third parties shall also fulfill the conditions of 5. (1) above), a warranty clause, an indemnification clause, and other matters stipulated by the Company, together with materials representing the fulfillment of the conditions requested by the Company within a reasonable range, and necessary documents in accordance with laws and regulations.
   (3) If a holder of Subscription Rights to Shares who resides within the jurisdiction of applicable foreign securities laws and other legislation needs to implement applicable procedures and meet established conditions to exercise the Subscription Rights to Shares, the holder who resides in the applicable jurisdiction may only exercise the rights if the Company acknowledges that the holder has executed and fulfilled all applicable procedures and conditions. However, even if a person residing in the applicable jurisdiction is qualified to exercise the Subscription Rights to Shares, if the Company executes the procedures and fulfills the conditions, as mentioned above, the Company shall not be obligated to execute and fulfill such exercise of the Subscription Rights to Shares.
   (4) A confirmation that fulfills the conditions described in 5. (3) above shall be subject to equivalent procedures described in 5. (2) above, to be determined by the Board of Directors.

6. Procedures for the exercise of Subscription Rights to Shares
   (1) Upon the exercise of the Subscription Rights to Shares, the Company's designated exercise request for the Subscription Rights to Shares, the number of the Subscription Rights to Shares to be exercised, the number of shares, the address, and other necessary matters separately determined by resolution of the Board of Directors, with the signature and seal affixed thereon, together with necessary documents to be separately determined by resolution of the Board of Directors, shall be submitted to a place separately designated for payment by resolution of the Board of Directors, and the total amount stipulated in 3. above shall be paid at the place designated for payment.
   (2) An exercise request for a Stock Acquisition Right shall be in effect when, in accordance with 6. (1) above, the Stock Acquisition Right exercise request and attachments for exercise arrive at the place designated for payment. The exercise of the Stock Acquisition Right shall be in effect when the exercise request for the Stock Acquisition Right becomes effective, and the amount equivalent to the total exercise price of shares to be issued for the purpose of exercising the

Stock Acquisition Right is paid in the place designated for payment.

7. Transfer approval
Acquisition of the Subscription Rights to Shares by transfer requires an approval of the Board of Directors (or an institution designated by the Board of Directors in accordance with the proviso of Paragraph 1 of Article 265 of the Corporation Act).

8. Acquisition clause
(1) On a date which is to be determined by the Board of Directors and which falls after the Gratis Issue takes effect, the Company may acquire unexercised Subscription Rights to Shares which (held by persons who are verified not to be a Specific Acquirer or Related Parties, including individuals who meet the conditions described in 5. (3) above; referred to as the "Exercisable Subscription Rights to Shares" in 8. (2) below) may be exercised in accordance with the provisions of 5. (1) and (2) as defined above, by delivering the whole number portion of the Company's common shares, which is the product of the number of Subscription Rights to Shares involved in the acquisition multiplied by the number of shares to be issued by one (1) Stock Acquisition Right.
(2) On a date which is to be separately determined by the Board of Directors and which falls after the Gratis Issue takes effect, the Company may acquire unexercised Subscription Rights to Shares other than the Exercisable Subscription Rights to Shares, by delivering a number of Subscription Rights to Shares identical to the number of Subscription Rights to Shares involved in the acquisition, with limitations on the exercise by the Specific Acquirer and Related Parties (in accordance with provisions including transfer approval, as stipulated by the Board of Directors). A delivery of cash shall not be made for the above acquisition.
(3) Confirmation that fulfills the conditions for the forceful acquisition of Subscription Rights to Shares shall be subject to the equivalent procedures described in 5. (2) above, as determined by the Board of Directors.

9. Stated capital and reserve
Matters regarding the exercise of the Subscription Rights to Shares, and stated capital and reserve to be increased as a result of acquisition under the acquisition clause, shall be stipulated in accordance with laws and regulations.

10. Fractional figures
When the number of shares issued to the persons who exercise Subscription Rights to Shares includes fractional figures, i.e., less than one (1) share, the figure will be rounded off. If, however, a holder of the Stock Acquisition Right exercises multiple Subscription Rights to Shares at one time, the fractional figure produced from the number of the shares to be issued to the holder of the Subscription Rights to Shares may be computed by adding up the number of shares to be issued by the exercise of each Stock Acquisition Right.

11. Issuance of Stock Acquisition Right certificates
No certificates of Subscription Rights to Shares shall be issued.

II. Contents of the Gratis Issue of Subscription Rights to Shares shall be as follows:

1. Number of Subscription Rights to Shares to be assigned to shareholders
One (1) Stock Acquisition Right shall be assigned to one (1) share of the Company's common stock (excluding the common stock shares owned by the Company). The total number of assignable Subscription Rights to Shares shall be the total number of the Company's outstanding shares at the closing of the record date of the Gratis Issue (excluding the common stock shares owned by the Company).

2. Shareholders to whom Subscription Rights to Shares shall be assigned
All shareholders of the Company's common stock whose names are stated or recorded in the Company's register of shareholders (excluding the Company) at the closing of the record date of the Gratis Issue.

3. The effective date of the Gratis Issue of the Subscription Rights to Shares
A date on or after the record date of the Gratis Issue, to be separately established by the Board of Directors

<Shareholder Proposal (Proposed Resolution 7)>
Proposed Resolution 7 is proposed by one (1) shareholder.

Proposed Resolution 7 Appropriation of Surplus

Details of the Proposed Resolution and Reason for Proposal

Yamaha Motor Co. Ltd. ("Yamaha Motor") in the 77th fiscal year paid out 15.50 yen per share as the year-end dividend alone based on its payout ratio of 20% of net income. In the current 78th fiscal year, Yamaha Motor has proposed an interim dividend of 5 yen per share and a year-end dividend of 5 yen per share for an annual dividend of 10 yen per share. The dividend payout structure has been designed so that dividend payouts decline in line with the decline in net income. However, despite repeated perusal, I was unable to understand the current situation of Yamaha Motor in the Business Report for the 77th fiscal year or in the Interim Report for the 78th fiscal year. These Reports merely list external factors such as the European debt crisis and the strong yen. The crucial point seems to be "The large impact of the decrease in motorcycle sales in emerging nations due to changes in the market environment is anticipated to erode the initial forecast for full-year net sales, operating income and ordinary income," which is mentioned only in passing in the Interim Report for the 78th fiscal year. Yamaha Motor needs to review the full implication of having fallen behind HONDA in the emerging nations, particularly in Indonesia. However, it is hard to believe that Yamaha Motor is making active investments for sustained growth upon implementing such a review. Sound dividend payouts should essentially be based on the operating income derived by a company's core business and not on the company's financial technique.

Therefore, in light of the above, I propose that Yamaha Motor, upon guaranteeing to conduct an appropriate review, pay no year-end dividend for the current fiscal term in order to aim for a V-shaped recovery and sustainable growth.

Opinion of the Board of Directors of the Company

The Board of Directors is opposed to this Proposed Resolution for the following reason:

The Company has brought up the Proposed Resolution 1 "Appropriation of Surplus" at this General Meeting of Shareholders. As stated in "Year-end Dividend," the Company deems it appropriate to pay out year-end dividends for the current fiscal year.

Attached Documents

Business Report

(From January 1, 2012 to December 31, 2012)

1. Current Conditions of the Yamaha Motor Group

(1) Business Developments and Results

During the fiscal year ended December 31, 2012 (fiscal 2012), the overall impression of the global economy was of growing signs of a slowdown from April onwards in particular, and there was no obvious improvement seen in the latter half of the year.

The United States saw a recovery trend in individual consumption with improvement in employment and housing market, however, no firm progress in economic recovery was observed. In Europe, as the debt crisis continues, an employment environment was severe and individual consumption stagnated. In emerging nations in Asia, Central and South America and other regions, a trend leaned toward an economic slowdown with the effect of the European economic crisis and financial restraint, and the consumer market, which had been showing continued rapid growth, slowed down for the moment. In Japan, reconstruction demand propped up the economy during the first half of the year, but in the latter half, economic conditions became weak due to factors such as persistent yen appreciation and a decrease in exports due to the economic slowdown worldwide. At the end of the year, however, a trend toward yen depreciation and a rise in stock prices was observed.

In the Company's main markets, there was a mild recovery in demand for motorcycles, outboard motors, and all-terrain vehicles (ATVs) in the United States. Demand for motorcycles continued to decline in Europe, while in emerging nations in Asia, Central and South America, and other regions, demand for motorcycles, which had been growing, saw a decline and leveled off since then. On the other hand, Russia saw increased demand for outboard motors and snowmobiles, and in Japan, demand rose for generators, fishing boats and utility boats due in part to reconstruction demand.

Against this backdrop, the Group engaged mainly in the following matters in the final year of the medium-term management plan (from fiscal 2010 to fiscal 2012).

- Motorcycles in emerging nations

  In the ASEAN region, the Group strove to enhance product competitiveness by proactively introducing models equipped with fuel injection systems, raising the ratio of equipped models from 10% to 44%. In Indonesia in particular, we strengthened the product lineup with the introduction of five models, while at the same time focusing effort on response to the credit down-payment regulations implemented in June.

  In India, where demand is growing in the scooter field, the Group introduced its first model, CYGNUS RAY. In addition, we moved ahead with preparations for construction of the second factory (in Chennai City) with a view to expand the scale of business in the future.

- Marine products

  In the outboard motor business, in the United States, the Group worked to expand sales mainly by enhancing product competitiveness and strengthening the alliance with boat builders. In addition, we launched a new control system Helm Master, jointly developed with AB Volvo Penta. Meanwhile, we worked actively to increase sales in emerging markets where demand continues to expand due to growth of the middle-income sector.

  In the boat business, in Japan, the Group made efforts toward post-earthquake reconstruction, while at the same time revitalizing the market by launching pleasure boat models SR310 and SR-X F90. Furthermore, in China, we proceeded with preparations to open up the fishing boat market through a manufacturing and sales joint venture (in Dalian City, Liaoning Province).

  In the personal watercraft business, sales of sports boats expanded steadily, and the Group worked to boost production capacity at the United States production factory (in Tennessee State).

- New growth sectors

  In the surface mounter business, the Group moved ahead with capturing new customers by completing development of and launching a high speed model Z:TA of the highest level in the industry.

  In the smart power vehicle business, the Group proceeded with development of the European market and the development of high-function systems for electrically power assisted bicycles. Additionally, in China, we strove to expand sales by enhancing the product lineup for electrically power assisted bicycles.

  In the generators and multi-purpose engine business, the new production factory in China (in Taizhou City, Jiangsu Province) commenced operations. In addition, the Group endeavored to acquire new customers and to develop fuel efficient, low cost engines with a view to expanding the business.

- Structural reforms

  The Group moved ahead with consolidation and reorganization of the domestic production structure from the original 12 factories and 25 units to 9 factories and 17 units. Furthermore, the shift of ATV body production from Japan to the United States was completed.

  Consolidation and reorganization of the European production structure was completed, moving from the original 4 factories to 2 factories.

  With regard to cost reduction activities, the Group met its medium-term cumulative target of 75 billion yen. In addition, we moved ahead with building a global parts supply structure, centered on four procurement centers in Japan, the ASEAN region, India, and China.

- Business structure

  Looking at the development structure, the ASEAN Integrated Development Center (in Thailand) began full-scale operations with the goal of realizing merchantability and cost levels consistent with market requirements. Also, preparations are underway for the establishment of the Indian Integrated Development Center (in Chennai City) so as to start operations early in the next fiscal year, with the goal of realizing cost levels consistent with market quality standards. For the medium term, a target of 30% has been set for the local development ratio.

  The Group established Design Center in order to enhance overall design strength including products, brand image, brand communication, and human resources development.

  The GEC (Global Executive Committee) and GEP (Global Executive Program) were launched to resolve global management issues and develop human resources.

Net sales for fiscal 2012 amounted to 1,207.7 billion yen (5.4% decrease from the previous fiscal year). The marine products business, power products business and automotive engines business saw a year-on-year increase, while the motorcycle business was down year-on-year due to a decline in demand in Europe, and a decline in demand and product inventory adjustments in Indonesia and Brazil. Furthermore, the impact of the exchange rate was negative 45.0 billion yen as a result of yen appreciation.

Operating income amounted to 18.6 billion yen (65.2% decrease from the previous fiscal year), ordinary income amounted to 27.3 billion yen (57.1% decrease from the previous fiscal year), and net income amounted to 7.5 billion yen (72.2% decrease from the previous fiscal year). This is mainly attributable to a decrease in motorcycle sales in Europe and emerging nations, and the impact of yen appreciation, combined with the effects of reversal of provision for product liabilities (13.4 billion yen in the previous fiscal year, 2.4 billion yen in fiscal 2012), and an increase in development expenses aimed at future growth, which offset factors contributing to a rise in income such as cost reductions, falling cost of raw materials, and other expense reductions.

The exchange rates for the year were 80 yen to the U.S. dollar (same as the previous fiscal year) and 103 yen to the euro (an appreciation of 8 yen compared to the previous fiscal year).

Business segments	Sales		Sales as a percentage of net sales (%)	Overseas sales as a percentage of net sales (%)	Operating income (Millions of yen)
	Amount (Millions of yen)	Annual change (%)			
Motorcycles	798,676	(10.0)	66.1	95.5	(191)
Marine products	196,320	9.7	16.3	86.4	10,829
Power products	103,588	3.3	8.6	85.3	527
Industrial machinery and robots	30,813	(10.2)	2.6	51.7	3,829
Others	78,276	4.2	6.4	24.2	3,602
Total	1,207,675	(5.4)	100.0	87.4	18,598

Motorcycles [Main business lines: Motorcycles, intermediate parts for products and knockdown parts for overseas production]

Net sales of the motorcycles business overall decreased by 10.0% from the previous fiscal year, to 798.7 billion yen, and operating loss amounted to 0.2 billion yen (operating income of 27.6 billion yen for the previous fiscal year).

Shipment units in developed countries decreased overall, with increases in the United States outweighed by decreases in Europe. Among the emerging nations, India and Thailand that was effected by flooding in the previous year showed increases, while Indonesia, Vietnam and Brazil showed decreases as a result of reduced demand and inventory adjustments leading to a decrease overall. Global shipment unit decreased by 12.8% from the previous fiscal year (6.98 million units), to 6.09 million units.

Marine products [Main business lines: Outboard motors, personal watercraft, boats, FRP swimming pools, fishing boats and utility boats]

Net sales of marine products business overall increased by 9.7% from the previous fiscal year, to 196.3 billion yen, and operating income was increased by 53.0% from the previous fiscal year, to 10.8 billion yen.

Due to a recovery in demand in the United States, shipment units of outboard motors, personal watercraft, and sports boats were strong. Also, shipment units of outboard motor in emerging nations such as Russia increased. In Japan, reconstruction demand has contributed to increases in shipment units of fishing boats, utility boats and outboard motors.

Power products [Main business lines: All-terrain vehicles, side-by-side vehicles, golf cars, snowmobiles, generators, small-sized snow throwers and multi-purpose engines]

Net sales of power products business overall increased by 3.3% from the previous fiscal year, to 103.6 billion yen. Operating income decreased by 92.9% from the previous fiscal year, to 0.5 billion yen, due to factors such as reversal of provision for product liabilities (13.4 billion yen in the previous fiscal year, 2.4 billion yen in fiscal 2012).

Shipment units of golf cars increased, but ATVs fell. Furthermore, shipment units of generators increased in the United States and Japan due to increased demand and new customer acquisition.

Industrial machinery and robots [Main business lines: Surface mounters, industrial robots and electrically powered wheelchairs]

Net sales of industrial machinery and robots business overall decreased by 10.2% from the previous fiscal year, to 30.8 billion yen, and operating income decreased by 38.9% from the previous fiscal year, to 3.8 billion yen.

Although demand related to smartphones and tablet devices was strong, amid a worldwide trend toward capital investment restraint, shipment units of surface mounters declined overall.

Others [Main business lines: Automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters]

Net sales of other products business overall increased by 4.2% from the previous fiscal year, to 78.3 billion yen, and operating income decreased by 28.2% from the previous fiscal year, to 3.6 billion yen.

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

(2) Capital Expenditures

Domestically, investments of 13.7 billion yen were primarily made for production of new models, research and development, and restructuring of the domestic manufacturing system in the motorcycles business and the marine products business. Overseas, investments of 35.1 billion yen were made for the factors such as enhancement of production capacity in India and production of new models in regions including the ASEAN.
As a result, total capital investments amounted to 48.8 billion yen.

(3) Fund Raising

Nothing to be especially reported.

(4) 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 yen 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 yen and a consolidated operating income margin of 5% (80.0 billion yen) by 2015. These are based on the assumption that the U.S. dollar will trade at 80 yen during the period and the euro at 105 yen.

<u>Management Strategy</u>
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.

<u>Business Development Strategies</u>
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).

<u>Product Development Strategies</u>
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.

<u>Cost Reduction Strategies</u>
The company will undertake a cost reduction of 90.0 billion yen 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 yen. In the new plan, the planned total investment amount is 190.0 billion yen.

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.

We would appreciate our shareholders’ continued support.

(5) Operating Performance and Status of Assets for the Group

Millions of yen, except net income/loss per share

Items	75th Fiscal Year (Jan. 1, 2009 – Dec. 31, 2009)	76th Fiscal Year (Jan. 1, 2010 – Dec. 31, 2010)	77th Fiscal Year (Jan. 1, 2011 – Dec. 31, 2011)	78th Fiscal Year (Jan. 1, 2012 – Dec. 31, 2012)
Net sales	1,153,642	1,294,131	1,276,159	1,207,675
Ordinary income (loss)	(68,340)	66,142	63,495	27,267
Net income (loss)	(216,148)	18,300	26,960	7,489
Net income (loss) per share (yen)	(755.92)	55.50	77.23	21.45
Total assets	987,077	978,343	900,420	962,329
Net assets	249,266	310,809	309,914	341,561

(6) Principal Parent Company and Subsidiaries

1) Relations with a parent company
   No related items.

2) Principal subsidiaries

Name	Location	Capital	Percentage of ownership (%)	Main business lines
Yamaha Motorcycle Sales Japan Co., Ltd.	Ota-ku, Tokyo	490 million yen	100.0	Marketing of motorcycles, electrically power assisted bicycles
Yamaha Motor Powered Products Co., Ltd.	Kakegawa City, Shizuoka Prefecture	275 million yen	100.0	Manufacture and marketing of ATVs, golf cars, and generators
Yamaha Motor Corporation, U.S.A.	The United States	185,020 thousand U.S. dollars	100.0	Import and marketing of motorcycles, outboard motors, personal watercraft, ATVs, side-by-side vehicles, snowmobiles and generators
Yamaha Motor Manufacturing Corporation of America	The United States	107,790 thousand U.S. dollars	*100.0	Manufacture of personal watercraft, ATVs, side-by-side vehicles and golf cars
Yamaha Motor Europe N.V.	The Netherlands	149,759 thousand euros	100.0	Import and marketing of motorcycles, outboard motors, personal watercraft, ATVs, snowmobiles, and golf cars
MBK Industrie	France	45,000 thousand euros	*100.0	Manufacture of motorcycles and outboard motors
PT. Yamaha Indonesia Motor Manufacturing	Indonesia	25,647,000 thousand Indonesian rupiahs	85.0	Manufacture and marketing of motorcycles
Yamaha Motor Vietnam Co., Ltd.	Vietnam	37,000 thousand U.S. dollars	46.0	Manufacture and marketing of motorcycles
Thai Yamaha Motor Co., Ltd.	Thailand	1,820,312 thousand Thai bahts	91.2	Manufacture and marketing of motorcycles
Yamaha Motor Taiwan Co., Ltd.	Taiwan	2,395,600 thousand new Taiwan dollars	*51.0	Manufacture and marketing of motorcycles
Yamaha Motor do Brasil Ltda.	Brazil	374,324 thousand Brazilian reals	100.0	Import and marketing of motorcycles, outboard motors, personal watercraft, and ATVs

Notes: 1. Percentages with * include the Company's indirect ownership.
2. The Company has a total of 109 consolidated subsidiaries, including 11 principal subsidiaries listed above and 28 companies accounted for by the equity method of accounting.
In the fiscal year ended December 31, 2012, the Company's consolidated net sales were 1,207,675 million yen and consolidated net income was 7,489 million yen.

(7) Main Bases and Facilities for the Group

1) Yamaha Motor Co., Ltd.

Headquarter	Iwata City, Shizuoka Prefecture

Category	Name (location)
Factories	Iwata Factory (Iwata City, Shizuoka Prefecture) Hamakita Factory (Hamakita-ku, Hamamatsu City, Shizuoka Prefecture) Nakaze Factory (Hamakita-ku, Hamamatsu City, Shizuoka Prefecture) Hamamatsu South Factory (Minami-ku, Hamamatsu City, Shizuoka Prefecture) Soude Factory (Naka-ku, Hamamatsu City, Shizuoka Prefecture) Fukuroi Factory (Fukuroi City, Shizuoka Prefecture) Fukuroi South Factory (Fukuroi City, Shizuoka Prefecture) Morimachi Factory (Morimachi, Shuchi-gun, Shizuoka Prefecture)

2) Subsidiaries
Please refer to page 40 (6) Principal Parent Company and Subsidiaries 2) Principal subsidiaries.

(8) Employees

Segments	Number of employees	Annual change
Motorcycles	43,986	(966)
Marine products	4,919	+263
Power products	1,848	(71)
Industrial machinery and robots	872	+147
Others	2,333	(92)
Total	53,958	(719)

Note: The number of employees refers to workers employed full time (excluding workers dispatched from the Company and its consolidated subsidiaries to companies outside of the scope of consolidation), and does not include temporary employees (direct contract employees with employment contract terms of less than one year).

(9) Principal Lenders and Loan Balances

Millions of yen

Lenders	Loan balances
Sumitomo Mitsui Trust Bank, Limited	43,441
Mizuho Corporate Bank, Ltd.	31,702
The Shizuoka Bank, Ltd.	25,974
Sumitomo Mitsui Banking Corporation	24,820
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	15,027

(10) Other Important Matters Relating to the Present Situation of the Group

Nothing to be especially reported.

2. The Company's Stocks

(1) Maximum Number of Shares Authorized to be Issued: 900,000,000

(2) Number of Shares Outstanding: 349,757,784 (including 624,794 shares of treasury stock)

(3) Number of Shareholders: 32,873

(4) Principal Shareholders (Top 10)

Shareholders	Number of shares held (Thousand shares)	Ownership (%)
Yamaha Corporation	42,619	12.21
State Street Bank & Trust Company	33,775	9.67
Japan Trustee Services Bank, Ltd. (trust account)	12,504	3.58
Toyota Motor Corporation	12,500	3.58
Mizuho Bank, Ltd.	10,938	3.13
The Master Trust Bank of Japan, Ltd. (trust account)	8,808	2.52
Mitsui & Co., Ltd.	8,586	2.46
The Bank of New York, Treaty JASDEC Account	6,881	1.97
The Shizuoka Bank, Ltd.	6,813	1.95
Japan Trustee Services Bank, Ltd. (trust account 9)	6,783	1.94

Note: Percentage of ownership is calculated excluding treasury stock.

■Breakdown of Shareholders

	Number of shareholders	Number of shares held (Thousand shares)
Individual investors and others	32,098	30,742
Financial institutions	62	90,963
Other domestic companies	288	73,254
Foreigners	378	153,310
Securities companies	47	1,489

Note: "Individual investors and others" includes treasury stock.

3. The Company's Subscription Rights to Shares

(1) Outline of the Subscription Rights to Shares Held by the Directors of the Company as of December 31, 2012 (Granted in Consideration of the Performance of Duties)

Issue (Issue date)	Number of subscription rights to shares	Class and number of shares to be issued or transferred upon exercise of the subscription rights to shares	Issue price of subscription rights to shares	Paid-in amount upon exercise of subscription rights to shares	Exercise period	Number of holders
Fourth (June 13, 2008)	70	Common stock: 7,000	535 yen per share	2,205 yen per share	From June 13, 2010 to June 12, 2014	3 directors (excluding Outside Directors)
Fifth (June 16, 2009)	205	Common stock: 20,500	380 yen per share	1,207 yen per share	From June 16, 2011 to June 15, 2015	6 directors (excluding Outside Directors)
Sixth (June 15, 2010)	245	Common stock: 24,500	465.27 yen per share	1,396 yen per share	From June 15, 2012 to June 14, 2016	7 directors (excluding Outside Directors)

Notes: Conditions concerning the exercise of subscription rights to shares

1. Individuals to whom subscription rights to shares are allocated ("Subscription Rights to Shares Holders") may not exercise the subscription rights to shares when they lose Director or Executive Officer status due to removal from office, dismissal or any other reason stipulated in the "Subscription Rights to Shares Allocation Agreement" to be concluded between the Company and Subscription rights to shares Holders in accordance with the Board of Directors' resolution on the subscription rights to shares issuance.
2. Heirs of Subscription Rights to Shares Holders may not exercise the subscription rights to shares.
3. Other conditions shall be provided in the "Subscription Rights to Shares Allocation Agreement" to be concluded between the Company and Subscription Rights to Shares Holders.

(2) Outline of the Subscription Rights to Shares Granted to the Employees of the Company and Officers and Employees of Subsidiaries in Consideration of Their Performance of Duties during the Fiscal Year under Review

No related items.

4. Directors and Corporate Auditors

(1) Names, Positions, and Responsibilities of Directors and Corporate Auditors

Name	Position	Responsibilities
Hiroyuki Yanagi	President and Director *	President and Chief Executive Officer, Chief General Manager of MC Business Operations
Takaaki Kimura	Director *	Senior Managing Executive Officer, Chief General Manager of Technology Center, Chief General Manager of Marine Business Operations, Chief General Manager of Design Center, Chief General Manager of AM Business Unit
Hiroyuki Suzuki	Director	Senior Executive Officer, President and Director of India Yamaha Motor Pvt. Ltd.
Kozo Shinozaki	Director	Senior Executive Officer, Senior General Manager of Corporate Planning & Finance Section
Nobuya Hideshima	Director	Senior Executive Officer, Chief General Manager of Procurement Center, Chief General Manager of Parts Business Unit
Masahiro Takizawa	Director	Senior Executive Officer, Chief General Manager of Business Development Operations
Yoshiaki Hashimoto **	Director	Senior Executive Officer, Senior General Manager of Human Resources & General Affairs Section, Chief General Manager of Product Assurance & Safety Promotion Center
Yuko Kawamoto	Director	Professor, Graduate School of Finance, Accounting and Act, Waseda University Outside Director of Osaka Securities Exchange Co., Ltd. (currently Japan Exchange Group, Inc.) Outside Director of Monex Group, Inc. Outside Corporate Auditor of Tokio Marine Holdings, Inc. Outside Director of ITOCHU Corporation
Masamitsu Sakurai	Director	Chairman of the Board and Director, Chairman of Ricoh Company, Ltd. Director of Coca-Cola West Co., Ltd. Outside Director of OMRON Corporation Administrative Director of THE NEW TECHNOLOGY DEVELOPMENT FOUNDATION
Mitsuru Umemura	Director	President and Representative Director of Yamaha Corporation President of Yamaha Music Foundation
Yutaka Kume	Standing Corporate Auditor	
Shigeki Hirasawa	Standing Corporate Auditor	
Norihiko Shimizu	Corporate Auditor	Visiting Professor, International Business Strategy of Hitotsubashi University
Tetsuo Kawawa	Corporate Auditor	Attorney Outside Corporate Auditor of Nisshin Seifun Group Inc.

Notes: 1. Directors denoted by an asterisk (*) are Representative Directors.
2. The Directors Yuko Kawamoto, Masamitsu Sakurai, and Mitsuru Umemura are Outside Directors as stipulated in Item 15 of Article 2 of the Corporation Act of Japan.
3. The Corporate Auditors Norihiko Shimizu and Tetsuo Kawawa are Outside Corporate Auditors as stipulated in Item 16 of Article 2 of the Corporation Act of Japan.
4. The Company has registered Yuko Kawamoto, Masamitsu Sakurai, Norihiko Shimizu, and Tetsuo Kawawa with the Tokyo Stock Exchange, Inc. as independent directors/corporate auditors under the regulation of the said stock exchange.
5. Personnel changes during fiscal 2012:
   The Director denoted by double asterisks (**) was newly elected by resolution of the 77th Ordinary General Meeting of Shareholders held on March 23, 2012 and took office as indicated, pursuant to the resolution.
6. Abbreviation: MC: Motorcycle, AM: Automotive

(2) Changes of Directors after Fiscal 2012

Changes in responsibilities and significant concurrent positions

(As of January 1, 2013)

Name	After the change	Before the change
Kozo Shinozaki	Senior Executive Officer, Executive General Manager of Corporate Planning & Finance Center	Senior Executive Officer, Senior General Manager of Corporate Planning & Finance Section
Yoshiaki Hashimoto	Senior Executive Officer, Executive General Manager of Human Resources & General Affairs Center, Chief General Manager of Product Assurance & Safety Promotion Center	Senior Executive Officer, Senior General Manager of Human Resources & General Affairs Section, Chief General Manager of Product Assurance & Safety Promotion Center

(3) Name and Other Information regarding the Executive Officers

The Company has adopted an Executive Officer system for the purpose of prompt business execution, which was designed to enhance management supervisory capabilities by clearly defining the role of Executive Officers as “business execution of the Group,” while defining the role of the Board of Directors as “approval of basic policy and the supervision of business execution within the Group.” As of December 31, 2012, the Company is served by 23 Executive Officers comprising the aforementioned 7 concurrently serving as Directors and following 16 others.

Name	Position	Responsibilities and significant concurrent positions
Kunihiko Miwa	Senior Executive Officer	Executive General Manager of 2nd Business Unit, MC Business Operations
Katsuaki Watanabe	Senior Executive Officer	Chief General Manager of Manufacturing Center
Hajime Yamaji	Senior Executive Officer	Director and President of Yamaha Motor Europe N.V.
Ryoichi Sumioka	Senior Executive Officer	Executive General Manager of 3rd Business Unit, MC Business Operations, Chief General Manager of Overseas Market Development Operation Business Unit
Toshizumi Kato	Senior Executive Officer	Director and President of Yamaha Motor Corporation, U.S.A.
Yoichiro Kojima	Senior Executive Officer	PT. Yamaha Indonesia Motor Manufacturing
Soichi Sasagawa	Executive Officer	President and Representative Director of Yamaha Motor Powered Products Co., Ltd.
Hiroshi Yoshii	Executive Officer	Senior General Manager of Manufacturing Technology Section, Technology Center
Takahiko Goan	Executive Officer	Executive General Manager of Overseas Market Development Operation Business Unit
Masato Adachi	Executive Officer	Executive General Manager of Boat Business Unit, Marine Business Operations
Masanori Kobayashi	Executive Officer	Executive General Manager of Product Assurance & Safety Promotion Center, General Manager of Safety Promotion & Traffic System Division, Product Assurance & Safety Promotion Center, General Manager of Communications-Linked BIKEs Promotion Division, Technology Center
Tsuneji Suzuki	Executive Officer	Director and President of PT. Yamaha Indonesia Motor Manufacturing, Director and President of PT. Yamaha Motor Manufacturing West Java
Hiroaki Fujita	Executive Officer	Executive General Manager of IM Business Unit, Business Development Operations, General Manager of Quality Assurance Division, IM Business Unit, Business Development Operations, President and Representative Director of i-PULSE Co., Ltd.
Masaru Ono	Executive Officer	Director and President of Yamaha Motor Vietnam Co., Ltd.
Katsuhito Yamaji	Executive Officer	Senior General Manager of EG Manufacturing Section, Manufacturing Center
Toshinori Kuromoto	Executive Officer	Executive General Manager of 1st Business Unit, MC Business Operations, Executive General Manager of Design Center

Note: Abbreviation: MC: Motorcycle, IM: Intelligent Machinery, EG: Engine

(4) Changes of Executive Officers after Fiscal 2012

Changes in responsibilities and significant concurrent positions

(As of January 1, 2013)

Name	After the change	Before the change
Ryoichi Sumioka	Senior Executive Officer, Assistant Executive General Manager of Corporate Planning & Finance Center, Chief General Manager of Business Management, MC Business Operations, Chief General Manager of Overseas Market Development Operation Business Unit	Senior Executive Officer, Executive General Manager of 3rd Business Unit, MC Business Operations, Chief General Manager of Overseas Market Development Operation Business Unit
Yoichiro Kojima	Senior Executive Officer, President of PT. Yamaha Indonesia Motor Manufacturing, President of PT. Yamaha Motor Manufacturing West Java	Senior Executive Officer, PT. Yamaha Indonesia Motor Manufacturing
Tsuneji Suzuki	Executive Officer, Yamaha Motor Powered Products Co., Ltd.	Executive Officer, Director and President of PT. Yamaha Indonesia Motor Manufacturing, Director and President of PT. Yamaha Motor Manufacturing West Java
Hiroaki Fujita	Executive Officer, Assistant Executive General Manager of Business Development Operations, Executive General Manager of IM Business Unit, Business Development Operations, General Manager of Quality Assurance Division, IM Business Unit, Business Development Operations, President and Representative Director of i-PULSE Co., Ltd.	Executive Officer, Executive General Manager of IM Business Unit, Business Development Operations, General Manager of Quality Assurance Division, IM Business Unit, Business Development Operations, President Representative Director of i-PULSE Co., Ltd.

Note: Abbreviation: MC: Motorcycle, IM: Intelligent Machinery

(5) Remuneration for Directors and Corporate Auditors

1) Policies on determining the amounts of remuneration or the calculation method thereof

The Company's Directors' Remuneration Plan is comprised of basic compensation (monthly renumeration) in a fixed amount, Directors' bonuses, reflecting the short-term performance of the Company overall, compensation linked to each Director's individual performance, and a stock compensation plan reflecting the medium- to long-term performance of the Company overall.

The stock compensation plan allows Directors to acquire a certain number of the Company's shares monthly through the Company's Director Shareholding Association, and to hold the shares while in office, thus further pegging Director remuneration to shareholder value. However, the performance based remuneration system and stock compensation plan do not apply to remuneration for Outside Directors and Corporate Auditors.

2) Amounts of remuneration

Millions of yen

	Basic compensation	Compensation linked to performance		Stock compensation plan	Total
		Directors' bonuses	Compensation linked to each Director's individual performance		
Directors (12)	209	20	29	39	299
Of which, Outside Directors (3)	28				28
Corporate Auditors (4)	77				77
Of which, Outside Corporate Auditors (2)	18				18
Total	287	20	29	39	377

Notes: 1. The above Directors' bonuses in Compensation linked to performance state the provision for directors' bonuses for fiscal 2012. A total payment of 9 million yen for Directors' bonuses from within the said provision is suggested in Proposed Resolution 5 (Payment of Bonuses to Directors) to be submitted at the 78th Ordinary General Meeting of Shareholders scheduled for March 26, 2013.

2. The above includes remuneration for the two Directors who retired as at the conclusion of the 77th Ordinary General Meeting of Shareholders held on March 23, 2012.

3. In addition to the remuneration listed above, 99 million yen was paid to Directors and concurrent employees, as the equivalent of salary to employees.

(6) Matters Relating to Outside Directors and Outside Corporate Auditors

1) Significant concurrent positions Outside Directors and Corporate Auditors are engaged in at other companies, and relationships between the Company and said other companies

Position	Name	Significant concurrent positions
Directors	Yuko Kawamoto	- Professor, Graduate School of Finance, Accounting and Act, Waseda University - Outside Director of Osaka Securities Exchange Co., Ltd. (currently Japan Exchange Group, Inc.) - Outside Director of Monex Group, Inc. - Outside Corporate Auditor of Tokio Marine Holdings, Inc. - Outside Director of ITOCHU Corporation There is no special relationship between the Company and the corporations where the significant concurrent positions are held.
	Masamitsu Sakurai	- Chairman of the Board and Director, Chairman of Ricoh Company, Ltd. - Director of Coca-Cola West Co., Ltd. - Outside Director of OMRON Corporation - Administrative Director of THE NEW TECHNOLOGY DEVELOPMENT FOUNDATION There is no special relationship between the Company and the corporations where the significant concurrent positions are held.
	Mitsuru Umemura	- President and Representative Director of Yamaha Corporation Yamaha Corporation is a shareholder that holds 12.21 % of the Company’s shares, and the Company has sale and purchase transactions of products and merchandise with this company. - President of Yamaha Music Foundation There is no special relationship between the Company and the corporation where the significant concurrent position is held.
Corporate Auditors	Norihiko Shimizu	- Visiting Professor, Graduate School of International Corporate Strategy, Hitotsubashi University There is no special relationship between the Company and the corporations where the significant concurrent positions are held.
	Tetsuo Kawawa	- Attorney - Outside Corporate Auditor of Nisshin Seifun Group Inc. There is no special relationship between the Company and the corporation where the significant concurrent position is held.

2) Principal activities during fiscal 2012

Position	Name	Principal activities
Outside Director	Yuko Kawamoto	Attended all 15 Board of Directors Meetings held during fiscal 2012. She stated her opinions based on her wide-ranging experience and knowledge as a management consultant and in research activities for finance.
Outside Director	Masamitsu Sakurai	Attended 12 out of 15 Board of Directors Meetings held during fiscal 2012. He stated his opinions based on his knowledge acquired as a vastly-experienced manager of listed companies.
Outside Director	Mitsuru Umemura	Attended 14 out of 15 Board of Directors Meetings held during fiscal 2012. He stated his opinions based on his knowledge acquired as a manager of a listed company.
Outside Corporate Auditor	Norihiko Shimizu	Attended all 15 Board of Directors Meetings, and all 14 Board of Corporate Auditors Meetings held during fiscal 2012. He stated his opinions based on his extensive experience and knowledge from his research on international corporate strategies.
Outside Corporate Auditor	Tetsuo Kawawa	Attended 14 out of 15 Board of Directors Meetings, and 13 out of 14 Board of Corporate Auditors Meetings held during fiscal 2012. He stated his opinions based on his extensive experience and knowledge as a lawyer well-versed in corporate legal affairs.

3) Agreement on limitation of liability

The Company has concluded liability limitation agreements with all Outside Directors and Outside Corporate Auditors in accordance with the provisions of Paragraph 1 of Article 427 of the Corporation Act of Japan, to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the said Act.

The maximum liability for damages to be borne by the Outside Directors and Outside Corporate Auditors under the agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Act of Japan.

5. Independent Auditor

(1) Name of Independent Auditor

Ernst & Young ShinNihon LLC

(2) Remuneration Paid to the Independent Auditor during Fiscal 2012

1) Remuneration Paid to the Independent Auditor during fiscal 2012:	98	million yen
2) Total remuneration payable by the Company and its consolidated subsidiaries to the Independent Auditor:	124	million yen

Note: The amount of remuneration for audit under the Corporation Act of Japan and the amount under the Financial Instruments and Exchange Act are not classified differently in the audit contract between the Company and the Independent Auditor, nor would it be practical to do so. Therefore, the above amounts each are totals for their respective categories of remuneration.

Each of the following principal subsidiaries of the Company contracts another certified public accountant or audit corporation (including a person having an equivalent qualification in the foreign country concerned) for auditing (prescribed by the Corporation Act of Japan or the Financial Instruments and Exchange Act (including laws equivalent to aforementioned acts in the foreign country)):
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.

(3) Non-audit Services Provided by the Independent Auditor

The Company entrusts the Independent Auditor with, and pays compensation for, the following types of work which are not prescribed in Paragraph 1 of Article 2 of the Certified Public Accountants Act (non-audit services):

1) Review of the Yamaha Motor Group Accounting Standard
2) Review of the annual report
3) Review of the English translation of the Notice of the Ordinary General Meeting of Shareholders

(4) Policy for Determining the Dismissal or Non-reappointment of Independent Auditor

In addition to the dismissal of an Independent Auditor by the Board of Corporate Auditors stipulated in Article 340 of the Corporation Act of Japan, the Company shall, with the approval or upon request from the Board of Corporate Auditors, propose an agenda to dismiss or not to reappoint an Independent Auditor to a General Meeting of Shareholders, if it is deemed difficult for the Independent Auditor to perform his or her duties.

6. Systems to Ensure Proper Business Operations

(1) Systems to Ensure the Directors Compliance with Acts, Regulations and the Company's Articles of Incorporation

- The Board of Directors shall supervise Directors in the implementation of their responsibilities, to ensure that they exercise the duty of care and duty of loyalty to the standard of good administrators. The Board is also charged with ensuring that all Directors' activities are lawful.
- Corporate Auditors, in accordance with the criteria and methodology established by the Board of Corporate Auditors, shall audit the business conduct of the Directors.
- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. It shall reinforce this commitment in its Code of Ethics.
- The Company shall form such organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

(2) Disposition of Documentation and Other Information Concerning the Business Conduct of Directors

- Documents and other forms of information on the business conduct of Directors shall be prepared, maintained and administered appropriately by establishing and operating necessary arrangement involving internal regulations.
- Confidential information including documents and other forms of information on the business conduct of Directors shall be handled appropriately by establishing and operating necessary arrangement involving internal regulations.
- The Company shall form such organizations and develop such rules as necessary to ensure timely and appropriate disclosure of significant company information.

(3) Rules Relating to Risk Control against Loss

- A Risk Management Compliance Committee shall be established to formulate measures for integrated risk control, and promote such measures.
- Control of each serious risk factor shall be assigned to a specific section, which shall work to mitigate the risk factor for which it is responsible.
- The Company shall develop and operate internal regulations, etc. as necessary to ensure integrated control of individual departmental risk management activities.
- If a serious crisis arises, an Emergency Countermeasures Headquarters shall be established as provided in the internal regulations, etc., with President and Chief Executive Officer as its head, in order to minimize damage and negative impact from the event.

(4) Systems to Ensure Efficient Execution of Directors' Duties

- The authority and responsibilities of the Board of Directors, President and Chief Executive Officer and sector heads, and the system for transferring authority between them, shall be better defined by strengthening Board of Directors Rules, Decision-making Rules and other important rules.
- Resolutions to be proposed at the Board of Directors' Meetings shall first be subject to deliberation by the Management Committee and other committees to ensure they are appropriate and meet procedural criteria for subsequent deliberation by the Board of Directors.
- After the medium-term management plan and the budget for the fiscal year are formulated, management control systems such as a "management by objectives system" shall be established to achieve the plan's goals and targets.

(5) Systems to Ensure Employee Compliance with Acts, Regulations and the Company's Articles of Incorporation

- A Risk Management Compliance Committee shall be established to deliberate and offer opinions concerning compliance measures.
- The Company shall enhance its Code of Ethics, and provide ethics and compliance training appropriate to each position in the Company.
- An internal reporting system shall be established to directly inform top executive management

concerning any unlawful act, or the possibility of illegal or improper activity that could damage trust and confidence in the Company.

- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. It shall reinforce this commitment in its Code of Ethics.
- The Company shall form such organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

(6) Systems to Ensure the Yamaha Motor Group (Composed of the Company and Its Subsidiaries) Conducts Business Appropriately

- Internal rules shall be established that define the controlling sectors in charge of supervising each subsidiary, and the authority, responsibilities and management methods of subsidiaries.
- In order to audit the appropriateness of operations of the Company and its subsidiaries, an internal auditing sector shall be established under the direct control of the President and Chief Executive Officer.
- Each domestic subsidiary, in principle, shall have a Board of Directors and a Corporate Auditor; overseas subsidiaries shall design in accordance with local laws.
- At least one Director of each subsidiary, in principle, shall concurrently serve as a Director, Executive Officer, or employee of another company in the Group.
- The section supervising financial reporting shall provide subsidiaries with guidance and education to ensure appropriateness of financial information.
- The section supervising risk management shall provide subsidiaries with guidance and education in respect of risk management activities.
- The section supervising compliance shall provide subsidiaries with guidance and education on compliance.

(7) Employee to Assist Corporate Auditors

A Corporate Auditors' Office shall be established with a full-time employee dedicated to assisting the Corporate Auditors in the execution of their duties.

(8) Employee Assisting Corporate Auditors Independence from Directors

- Any dismissal or personnel changes concerning the employee assisting Corporate Auditors in the execution of their duties shall be approved by the Board of Corporate Auditors in advance.
- No employee assisting Corporate Auditors in the execution of their duties shall concurrently hold a post involving other business operations. The employee shall perform his or her duties under the direction of the Corporate Auditors, whose opinions shall be taken into consideration in evaluating the employee.

(9) Rules Concerning Directors and Employees Reporting to the Board of Corporate Auditors

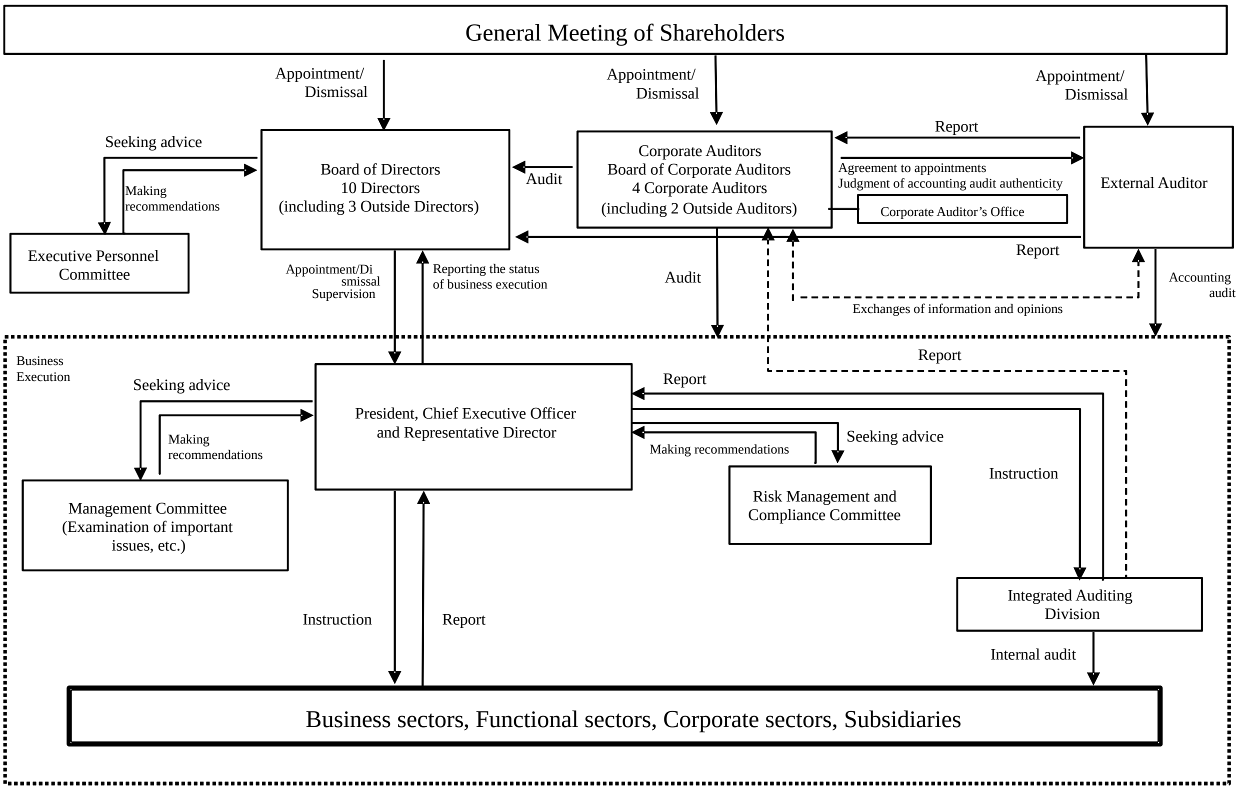
Directors and employees shall report the following matters to the Board of Corporate Auditors periodically, or when necessary, at its request:

- Establishment and operation of internal control systems, and related subjects
- Results of internal audits conducted by the internal audit section
- Operation of the internal reporting system, and receipt of reports
- Director malpractice and/or acts conducted in violation of the law or the Company's Articles of Incorporation
- Incidents that could cause the Company considerable damage

(10) Other Systems to Ensure Effective Auditing by Corporate Auditors

- The Representative Directors shall meet with the Corporate Auditors periodically to exchange opinions.
- Corporate Auditors shall attend important meetings of bodies including the Management Committee, Risk Management Compliance Committee, and Executive Committee.
- The internal audit section shall explain its internal audit plan to Corporate Auditors in advance.
- The minutes of the Management Committee meeting and any other meetings as the Corporate Auditors may specify shall be made available for their perusal. The Corporate Auditors shall be granted similar access to any approved proposal memorandums they may specify.
- Auditing assistance from outside experts shall be secured when deemed necessary by the Board of Corporate Auditors.

Diagram of Corporate Governance System and Internal Control System (As of December 31, 2012)



7. Basic Policy on Control of the Company

(1) Outline of the Basic Policy

The Company has been producing many market-leading products on a global scale in its business domains including motorcycles, marine products and power products. Although it takes continuous investment of resources from a long-term perspective to develop proprietary technologies, the highly unique technologies and know-how accumulated in the process, knowledge and information of specific market sectors gained through development effort, and deep relationship of trust with trading partners cultivated over many years through the regular problem-solving efforts as well as high quality human resources in specialist fields are all enhancing the Company's competitive advantages to an even higher level, which are believed to provide significant management resources promoting its corporate value into the future. The Company's field of activities extends beyond its business operations to activities such as philanthropy and environmental preservation. The Company fully recognizes that a wide variety of business operations coupled with such activities can produce a synergy that builds Yamaha Motor's brand and corporate value. To further enhance such brand value and corporate value, the Company must aggressively introduce new models and develop new value-added products incorporating new technologies. As a prerequisite for creating breakthrough technologies, the Company must strengthen its research and development (R&D) activities. Furthermore, high profitability and growth are projected in the next-generation environmental technologies, such as the development of environment-conscious low-fuel-consumption engines and electric-powered motorcycles. In order to earn profit in these fields of activities, it is crucial to aggressively promote a R&D basis for the foundation of these activities. The Company believes that an acquisition of the Company by parties who poorly understand the elements that comprise the brand and corporate value of the Group (described above) would damage the corporate value and hinder the common interests of the shareholders. Once in control of financial and business decisions, such parties could act only from short-term profit motives and dismantle management policies that have been planned and developed over time from a medium-and long-term perspective. Such actions might include excessive reductions in manufacturing costs, R&D expenses, and other expenditures — all decisions which would damage the Group's competitiveness. Not only above-mentioned case but also certain acquisition schemes would negatively impact corporate value and work against the common interests of the Company's shareholders.

In order to protect and enhance the Company's corporate value and the common interests of the Company's shareholders, the Company deems it necessary that a would-be acquirer adequately disclose the following information prior to any takeover attempt: the proposed management policy and business plan intended by the would-be acquirer; the impact the takeover proposal would have on the Company's shareholders, the management, and the many stakeholders surrounding the Company; and the acquirer's attitudes toward social responsibilities, including the safety of the products. Furthermore, the Company deems it necessary that reasonable time to examine a takeover proposal, and reasonable negotiation power against the would-be acquirer are secured.

(2) Outline of Special Efforts towards Realizing the Effective Use of the Company's Assets, the Establishment of an Appropriate Corporate Group, and Other Basic Policy

For the achievement of our corporate mission, "*Kando* Creating Company" - to offer new excitement and a more fulfilling life for people all over the world, the Company is working to secure and enhance the corporate value and the common interests of the Company's shareholders by implementing various measures mentioned hereunder, in a planned and consistent way from a medium to long-term perspective.

1) Efforts to enhance corporate value with a medium-term management plan
In the medium-term management plan (from fiscal 2010 to fiscal 2012), the Company is going to accelerate structural reforms that have been pushed ahead since fiscal 2010, promptly establish a profit structure, and address the following significant issues to realize future growth scenario:

1. In businesses in the developed countries, the Company will assume more severe future demand, further lower the target number of production units at break-even point, and reduce fixed costs by restructuring the global production structure and retrenching of staff size. Moreover, it will reduce procurement cost by means such as an expansion of overseas procurement. By these measures to reform, the Company will improve the profitability.

2. In the motorcycle business in the emerging countries where growth is expected, the Company will strengthen the competitiveness of products that respond to customers' needs, and provide low price

and attractive products in the Asian markets where the demand expansion is anticipated. The Company will increase the procurement of equipment parts from local manufacturers and aim for the expansion of the business by raised competitiveness resulting from the further cost-down achieved by such measures.

3. The Company will promote the measures to promptly commercialize the next-generation environmental technology. In addition to the development of environment-conscious low-fuel-consumption engines for motorcycles and outboard motors and efforts to launch electric-powered motorcycles in markets, it will expand the sales of electrically power assisted bicycles, whose demand growth is expected, to overseas.

2) Efforts to increase corporate value by strengthening corporate governance
The Company recognizes that corporate governance is an important tool to "ensure disciplined management and maximize long-term corporate value." Based on this recognition, the Company has been striving to speed up management decision-making; make the accountability of Directors regarding business results clearer; and develop a transparent system of director selection and remuneration. Specifically, in addition to introducing an Executive Officer system, the Company elects multiple Outside Directors. While striving on one hand to separate the roles of business execution and business supervision, the Company has shortened the term of office of Directors from two years to one year in order to assure accountability of Directors to the shareholders. The Company has also established the "Executive Personnel Committee" as a voluntary committee comprised of several full-time Directors and several Outside Directors. This committee aims to increase suitability and transparency through discussions about nominating candidates for Director and Executive Officer and determining remuneration systems and remuneration amounts for these officers. Such discussions of this committee have already formed the basis of the change to a remuneration system that is highly correlated to performance and the abolition of retirement benefits for Directors and Corporate Auditors. Looking ahead, the Company shall work to more clearly designate the role of the Board of Directors as "approval of core policy of the Group and supervision of the execution of duties" and the role of executive officers as "management of the Yamaha Motor Group and execution of duties," and it shall build a system of management to match this demarcation of duties.

(3) Efforts to Prevent the Decisions on Financial and Business Policies of the Company to Be Controlled by Parties Inappropriate in the Light of the Company's Basic Policy

In order to protect and increase the corporate value and the common interests of the shareholders, the Company adopted measures (hereinafter the "Plan") using the gratis issue of subscription rights to shares, according to the details of "Renewal of Takeover Defense Measures Against Attempts of Mass Acquisition of the Company's Shares" approved at the 75th General Meeting of Shareholders held on March 25, 2010. An overview of the Plan is as follows:

1) The Board of Directors shall, by its resolution, set up a Corporate Value Committee. The Corporate Value Committee shall examine the takeover proposal forwarded by the Board of Directors and determine whether to issue an advisory resolution, and also determine other matters forwarded by the Board of Directors. The Corporate Value Committee resolutions shall pass with the majority of all committee members' vote. Committee members shall be appointed only from within the Company's Outside Directors.
2) The Board of Directors shall require parties intending to engage in specific takeover attempts, prior to commencing such takeover attempts, to submit the following written proposal, and to make the Company issue a Confirmation Resolution. Accordingly, parties proposing specific takeover attempts shall, prior to commencing such takeover attempts, submit the following written proposal to obtain a Confirmation Resolution from the Company: information regarding the persons proposing the specific takeover attempts, including their group companies and related parties; the purpose of the proposed takeover bid; proposed post-takeover management policy and business plan; basis and method of takeover price calculation; proof of takeover fund availability; potential impact of the takeover on the interests of the Company's stakeholders; and other necessary information which the Company reasonably requires, as described in 4) (1) to (7) below. A proposal that fulfills these requirements shall be hereafter referred to as a "Takeover Proposal," and any party who makes such a proposal shall be hereafter referred to as a "Takeover Proposer." "Confirmation Resolution" shall mean a resolution passed by the Board of Directors to disallow a Gratis Issue of Subscription Rights to Shares (hereinafter the "Subscription Rights to Shares") for which an advisory resolution by the Corporate Value Committee as described

below has been received.

In the interest of the prompt management of the Plan, when the Company encounters a proposal that it is unable to acknowledge as a Takeover Proposal due to the lack of necessary information, it may require, if necessary, the party conducting the proposal relating to the acquisition of the Company's shares to provide information. In this case, basically, a period of 60 business days, calculated from the day the first information provision request to the proposer is made, shall be set for the maximum limit to make the information provision request to the proposer and the proposer to make a response (hereinafter "Information Provision Request Period"). It shall be our basic policy that the period of examination and discussion by the Corporate Value Committee shall start upon the expiration of the Information Provision Request Period even in cases where necessary information has not been adequately provided. In cases where a request for extension is made with reasonable cause, the Company may extend the Information Provision Request Period as necessary provided that the period of extension does not exceed 30 business days.

3) The Board of Directors shall promptly forward the received Takeover Proposal to the Corporate Value Committee to request the committee's recommendation. The Corporate Value Committee shall examine the Takeover Proposal and discuss on whether to issue a resolution advising the Board of Directors to adopt a Confirmation Resolution for the Takeover Proposal (hereinafter "Advisory Resolution"). The content of the Corporate Value Committee's resolution shall be disclosed. The Corporate Value Committee shall be granted 60 business days from the day of receipt of a Takeover Proposal by the Board of Directors or the day of expiration of the Information Provision Request Period, whichever is earlier (or 90 business days in cases other than a Takeover Proposal, involving an unlimited takeover of the Company's shares by a cash-only takeover bid in Japanese yen). This period shall not be extended without reasonable cause (in cases where the period is extended, the cause shall be disclosed).

4) The Corporate Value Committee shall examine and discuss the Advisory Resolution in good faith. This deliberation is conducted from the viewpoint of determining whether the Takeover Proposal serves to protect and increase the Company's corporate value and the shareholders' common interests (including the aspects listed in items 1) to 7) below). The Corporate Value Committee is required to issue an Advisory Resolution if a Takeover Proposal is found to satisfy all of the following requirements and, even if a Takeover Proposal does not satisfy some of the following requirements, in cases where it is found reasonable in light of the protection and increase of the Company's corporate value and the shareholders' common interests, an Advisory Resolution shall be issued.

(1) None of the following categories are applicable to the Takeover Proposal:

(i) It is a share buyout, in which the Takeover Proposer demands that the Company or related parties buy back purchased shares at high prices;

(ii) It is structured to further the interests of the Takeover Proposer or its group companies, as well as other related parties, at the expense of the Company, such as by temporarily controlling the Company's management in order to transfer the Company's major assets;

(iii) It makes the Company's assets subject to use as collateral guarantee, or use for the repayment of debts of the Takeover Proposer, its group companies, or other related parties;

(iv) It seeks to obtain a temporary high return at the expense of the Company's sustainable growth, such as by temporarily controlling the Company's management in order to reduce assets and funds necessary for the Company's future business and product development; by using profits from disposing of such assets and funds in order to obtain high temporary dividends, and/or by selling the Company's shares at peak prices in an attempt to drive up the Company's share price; and/or

(v) It realizes the interests of the Takeover Proposer, its group companies or other related parties by unfairly damaging the important management resources that are the source of the Company's corporate value (highly unique technology and know-how, knowledge and information of specific market sectors, deep relationships of trust with trading partners cultivated over many years, and high quality human resources in specialist fields; through the party conducting the specific takeover attempt acquiring control of the Company;

(2) The mechanism and content of the Takeover Proposal comply with all relevant laws and regulations;

(3) The mechanism and content of the Takeover Proposal do not threaten to actually or essentially compel shareholders of the Company to sell their shares, such as is consistent with a coercive two-tier tender offer (meaning a tender offer that does not seek to acquire all shares in the initial acquisition, and sets unfavorable or unclear acquisition terms for the second stage);

(4) Any and all information required, and which is not fallacious, to properly examine the Takeover Proposal is offered, as necessary, to the Company upon its request, and the Takeover Proposer responds in good faith to the procedures prescribed in the Plan;

(5) A specified period for the Company to examine the Takeover Proposal (including the examination and proposal of alternate plans to the Company's shareholders) is secured (60 business days for

examination and discussion of the Takeover Proposal from the time it is received, or 90 business days in cases other than a Takeover Proposal, involving an unlimited takeover of the Company's shares by a cash-only takeover bid in Japanese yen. If there is reasonable cause to exceed the period, the applicable number of business days).

(6) The Takeover Proposal does not contain any provisions that can be deemed insufficient or inappropriate in light of the Company's corporate value and shareholders' common interests; and,

(7) The Takeover Proposal can reasonably be deemed to protect and increase the Company's corporate value and shareholders' common interests.

5) The Board of Directors shall adopt the Confirmation Resolution based on the Advisory Resolution of the Corporate Value Committee. If the Corporate Value Committee issues an Advisory Resolution, the Board of Directors is obliged to promptly adopt a Confirmation Resolution, unless it finds particular grounds to rule that adopting such a Confirmation Resolution obviously violates the Directors' duty of care. The Board of Directors shall not be empowered to execute a Gratis Issue of Subscription Rights to Shares against any Takeover Proposal which is endorsed by a Confirmation Resolution.

6) If a specific takeover attempt is executed without obtaining a Confirmation Resolution, the Board of Directors shall set a reference date for Gratis Issue of Subscription Rights to Shares, and execute this Gratis Issue such that the Company's shareholders as of the reference date receive the Subscription Rights to Shares. However, if it becomes clear that a specific acquirer's shareholding ratio does not reach 20 percent by a specific date, prior to the reference date for Gratis Issue and set forth by the Board of Directors (including cases where the Board of Directors finds that special circumstances similar to this arise), the Board may suspend the Gratis Issue, and stop the Subscription Rights to Shares from taking effect. No cash is to be paid to the specific acquirer in return for this compulsory assignment of the subscription rights to shares.

(4) The Decision of the Board of Directors and the Grounds for Such Decision

The Plan is adopted to protect and increase the Company's corporate value and the shareholders' common interests. To improve the rationality of the Plan, a special scheme shall be implemented as follows.

1) The Plan was approved by the Company's shareholders at the 75th General Meeting of Shareholders held on March 25, 2010.

2) The terms of office of the Company's Directors is one year and non-coinciding terms of office or no extra weighting occurs from ordinary resolutions for cases of dismissal. It is therefore possible for the Plan to be abandoned by resolution of the Board of Directors by election or dismissal of Directors based on a one-time ordinary resolution of a general meeting of shareholders. This means that the intention of the shareholders will be reflected in this point as well.

3) To guarantee the neutrality of judgments in the Plan, the Corporate Value Committee, which is comprised only of Outside Directors and Outside Corporate Auditors who do not engage in the execution of the Company's business and whose independence from the Company's management is secured, conducts an examination of the details of the Takeover Proposal and, while upholding a legal duty to the Company as officers of the Company, discusses in good faith the Takeover Proposal from the viewpoint of determining whether the Takeover Proposal serves to protect and increase the Company's corporate value and the shareholders' common interests.

   Furthermore, if the Corporate Value Committee issues an Advisory Resolution to advise the Board of Directors to adopt a Confirmation Resolution, the Board of Directors must follow the Advisory Resolution and adopt a Confirmation Resolution; provided that there are no special grounds to rule that adopting such a Confirmation Resolution obviously violates the Director's duty of care.

4) The Corporate Value Committee is required to issue an Advisory Resolution if a Takeover Proposal is found to satisfy all of the requirements described in 4) (1) to (7) of (3) above and, even if a Takeover Proposal does not satisfy some of those requirements, in cases where it is found reasonable in light of the protection and increase of the Company's corporate value and the shareholders' common interests, an Advisory Resolution shall be issued. This scheme is adopted to increase objectivity.

5) The effective term for the shareholders' meeting approval upon adoption is set as three years from the 75th General Meeting of Shareholders. During the effective term, the Board of Directors may determine the contents of the Plan on a yearly basis, within the scope authorized by the Shareholders' Meeting Approval upon adoption, and it is possible that the term will change to reflect changes in relevant laws and other circumstances surrounding the Company. On the day when three years have elapsed, the Board of Directors will once again confirm the intention of shareholders, which shall include a review of incidental conditions, and ask the shareholders for their judgment. However, as described in (2) above, it is possible to abandon the Plan at anytime within the three year period by resolution of the Board of

Directors through election or dismissal of Directors by ordinary resolution of the General Meeting of Shareholders.

6) The Plan completely satisfies the applicable legal requirements (the requirements that must be satisfied in order to prevent the issue of the Subscription Rights to Shares from being halted.) and the requirements for rationality (to ensure the understanding of the stakeholders such as shareholders and investors) as prescribed in “Guidelines With Respect To Anti Takeover Policy For Securing And Enhancing Corporate Value and Shareholders’ Common Interests” made by Ministry of Economy, Trade and Industry and Ministry of Justice and dated May 27, 2005. Also, the plan conforms to the opinions offered in "Takeover Defense Measures in Light of Recent Environmental Changes" made by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry and dated June 30, 2008.

(Reference)

The plan prescribed in “7. Basic Policy on Control of the Company, (3) Efforts to Prevent the Decisions on Financial and Business Policies of the Company to Be Controlled by Parties Inappropriate in the Light of the Company’s Basic Policy,” with a partial amendments in the view of protecting shareholders and investors, passed resolution at the Board of Directors’ Meeting (held on February 14, 2013), under the condition that it is approved at the 78th Ordinary General Meeting of Shareholders (to be held on March 26, 2013). The Company proposes it as an agenda at the 78th Ordinary General Meeting of Shareholders. Please refer to the Notice of the 78th Ordinary General Meeting of Shareholders, Reference Documents, Proposed Resolution 6 (from page 14) for detail.

(TRANSLATION ONLY)

Consolidated Balance Sheets

Millions of yen

	As of December 31, 2012	(Reference) As of December 31, 2011
ASSETS		
I. Current assets:		
Cash and deposits	106,462	133,707
Notes and accounts receivable-trade	192,143	166,531
Merchandise and finished goods	153,109	134,215
Work-in-process	40,438	39,971
Raw materials and supplies	39,880	39,372
Other	61,838	53,705
Allowance for doubtful accounts	(7,074)	(6,297)
Total current assets	586,797	561,205
II. Noncurrent assets:		
1. Property, plant and equipment:		
Buildings and structures, net	77,076	75,072
Machinery, equipment and vehicles, net	78,851	65,140
Land	78,613	75,726
Construction in progress	21,449	17,936
Other, net	16,951	14,554
Total property, plant and equipment	272,942	248,430
2. Intangible assets:		
Leasehold rights	3,073	2,705
Other	867	764
Total intangible assets	3,940	3,469
3. Investments and other assets:		
Investment securities	41,010	35,549
Long-term loans receivable	40,560	36,017
Other	18,532	17,344
Allowance for doubtful accounts	(1,454)	(1,596)
Total investments and other assets	98,648	87,314
Total noncurrent assets	375,531	339,214
Total assets	962,329	900,420

Note: Amounts less than one million yen have been omitted.

Millions of yen

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

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Consolidated Statements of Income

Millions of yen

		Current Fiscal Year (January 1, 2012– December 31, 2012)	(Reference) Previous Fiscal Year (January 1, 2011– December 31, 2011)
I.	Net sales	1,207,675	1,276,159
II.	Cost of sales	972,607	1,000,113
	Gross profit	235,068	276,046
III.	Selling, general and administrative expenses	216,470	222,640
	Operating income	18,598	53,405
IV.	Non-operating income		
	Interest income	5,935	8,324
	Dividends income	433	525
	Equity in earnings of affiliates	1,598	3,218
	Gain on revaluation of sales finance assets	574	344
	Sales finance-related income	3,120	1,549
	Other	8,470	9,859
	Total non-operating income	20,133	23,821
V.	Non-operating expenses		
	Interest expenses	6,687	6,814
	Foreign exchange losses	1,304	3,138
	Other	3,471	3,779
	Total non-operating expenses	11,464	13,732
	Ordinary income	27,267	63,495
VI.	Extraordinary income		
	Gain on sales of noncurrent assets	244	323
	Gain on change in equity	460	—
	Total extraordinary income	705	323
VII.	Extraordinary loss		
	Loss on sales of noncurrent assets	192	149
	Loss on disposal of noncurrent assets	811	735
	Impairment loss	1,127	776
	Loss on sales of investment securities	9	81
	Loss on adjustment for changes of accounting standard for asset retirement obligations	—	552
	Loss on disaster	—	316
	Total extraordinary loss	2,141	2,610
	Income before income taxes	25,831	61,207
	Income taxes — current	15,986	26,477
	Income taxes — deferred	(1,971)	396
	Total income taxes	14,015	26,873
	Income before minority interests	11,815	34,333
	Minority interests in income	4,326	7,372
	Net income	7,489	26,960

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Consolidated Statement of Changes in Net Assets

Current Fiscal Year (From January 1, 2012 through December 31, 2012)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	85,666	74,582	249,478	(683)	409,044
Changes in items during the period					
Reversal of revaluation reserve for land			67		67
Dividends from surplus			(7,157)		(7,157)
Net income			7,489		7,489
Increase of consolidated subsidiaries			100		100
Decrease in subsidiaries and affiliates accounted for by the equity method			(255)		(255)
Acquisition of treasury stock				(2)	(2)
Disposal of treasury stock		(0)		0	0
Net changes of items other than shareholders' equity					
Total of changes in items during the period	0	(0)	245	(2)	242
Balance at the end of current period	85,666	74,582	249,724	(686)	409,287

	Accumulated other comprehensive income			
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at the beginning of current period	(1,470)	11,050	(137,860)	(128,280)
Changes in items during the period				
Reversal of revaluation reserve for land				
Dividends from surplus				
Net income				
Increase of consolidated subsidiaries				
Decrease in subsidiaries and affiliates accounted for by the equity method				
Acquisition of treasury stock				
Disposal of treasury stock				
Net changes of items other than shareholders' equity	3,313	(67)	23,605	26,851
Total of changes in items during the period	3,313	(67)	23,605	26,851
Balance at the end of current period	1,843	10,982	(114,255)	(101,429)

	Subscription rights to shares	Minority interests	Total net assets
Balance at the beginning of current period	109	29,042	309,914
Changes in items during the period			
Reversal of revaluation reserve for land			67
Dividends from surplus			(7,157)
Net income			7,489
Increase of consolidated subsidiaries			100
Decrease in subsidiaries and affiliates accounted for by the equity method			(255)
Acquisition of treasury stock			(2)
Disposal of treasury stock			0
Net changes of items other than shareholders' equity		4,552	31,404
Total of changes in items during the period	0	4,552	31,647
Balance at the end of current period	109	33,595	341,561

Note: Amounts less than one million yen have been omitted.

Notes to Consolidated Financial Statements

1. Notes regarding Basic Items of Significance in Drawing up Consolidated Financial Statements

(1) Scope of Consolidation

1) Number of consolidated subsidiaries: 109

2) Names of principal consolidated 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.

3) Changes to the Scope of Consolidation

Effective from the fiscal year ended December 31, 2012, one newly established company, two non-consolidated subsidiaries was accounted for by the equity method of accounting and three non-consolidated subsidiaries, which have increased their significance, have been included in the scope of consolidation. On the other hand, one company due to sales of stocks, two companies due to liquidation, and one company due to an absorption-type merger by other consolidated subsidiary were excluded from the scope of consolidation.

4) Principal non-consolidated subsidiaries and the reason for excluding these companies from consolidation:

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

(2) Scope of Application of Equity Method of Accounting

1) Number of non-consolidated subsidiaries and affiliates accounted for by the equity method of accounting, and names of principal companies among them:

Number of non-consolidated subsidiaries accounted for by the equity method of accounting: 3
HL Yamaha Motor Research Centre Sdn. Bhd. and 2 other subsidiaries
Number of affiliates accounted for by the equity method of accounting: 25
Chongqing Jianshe Yamaha Motor Co., Ltd. and 24 other affiliates

2) Changes to the scope of application of the equity method of accounting:

Effective from the fiscal year ended December 31, 2012, two non-consolidated subsidiaries accounted for by the equity method of accounting, which have increased their significance, have been changed to consolidated subsidiaries. Additionally, one non-consolidated subsidiary accounted for by the equity method of accounting was excluded from the scope of application of the equity method of accounting due to sales of stocks.

3) Names of non-consolidated subsidiaries and affiliates not accounted for by the equity method of accounting, and the reason they are not accounted for by the equity method of accounting:

Non-consolidated subsidiaries including Yamaha Motor Cambodia Co., Ltd., 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.

(3) Accounting Standards

1) Policies and Methods of Valuation for Significant Assets

(a) Securities
Other securities
Marketable securities classified as other securities are carried at fair value, based on market prices as of the balance sheet date.
(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)
Non-marketable securities classified as other securities are carried at cost, determined by the moving-average method.

(b) Derivatives
Derivatives are carried at fair value.

(c) Inventories
Inventories are stated at cost, determined primarily by the average method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability.)

2) Depreciation and Amortization of Significant Depreciable Assets

(a) Property, plant and equipment (excluding leased assets)
Depreciation of property, plant and equipment is computed primarily by the declining-balance method.

(b) Intangible assets (excluding leased assets)
Amortization of intangible assets is computed by the straight-line method.

(c) Leased assets
Leased assets involved in finance lease transactions which transfer ownership
Computed using the same depreciation method applicable to self-owned fixed assets.

Leased assets involved in finance lease transactions which do not transfer ownership
Computed based on the assumption that the useful life equals the lease term and the residual value equals zero.
Those finance lease transactions which do not transfer ownership, where the lease transaction start date was prior to December 31, 2008, are computed based on an accounting method similar to the method for ordinary rental transactions.

3) Accounting Criteria for Significant Accruals
(a) Allowance for doubtful accounts
In order to evaluate accounts receivable-trade, and loans and other equivalents, an allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties.

(b) Provision for bonuses
Provision for bonuses are stated at an estimated amount of the bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

(c) Provision for product warranties
Provision for product warranties are provided to cover after-sale service expenses anticipated to be incurred during the warranty periods of products sold, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated by multiplying sales during the warranty period by a factor (after-sales service expenses/sales of products) based on actual costs in the past years and sales during the warranty period.

(d) Provision for retirement benefits

Provision for retirement benefits are provided mainly at an amount, deemed generated on December 31, 2012, calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

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

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

(e) Provision for product liabilities

Provision for product liabilities are provided, at an estimated amount of payments based on the actual results in past years, for liabilities that are not covered by product liability insurance.

4) Other Items of Significance in Drawing up Consolidated Financial Statements

(a) Accounting treatment of consumption taxes

Transactions subject to national and/or local consumption tax are recorded at an amount exclusive of consumption taxes.

(b) Application of consolidated tax return system

The Company applies the Consolidated Tax Return System.

(c) Amortization of goodwill

The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries ("goodwill") is amortized by the straight-line method over years estimated, based on substantive judgment as incurred.

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.

2. Changes in Presentation

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 for the fiscal year ended December 31, 2011, is now separately presented because the amount of the sales finance-related income turned out exceeding ten percent of the non-operating income.

3. Notes to Consolidated Balance Sheets

	Millions of yen
(1) Accumulated Depreciation of Property, plant and equipment	536,924

(2) Pledged Assets

Pledged Assets are as follows:

Notes and accounts receivable-trade	69,760
Merchandise and finished goods	1,982
Work-in-process	450
Raw materials and supplies	3,798
Current assets - Other	14,117
Buildings and structures	307
Machinery, equipment and vehicles	12,368
Land	96
Construction in progress	2,455
Property, plant and equipment - Other	363
Investment securities	47
Long-term loans receivable	22,117
Investments and other assets - Other	5,176
Total	133,043

Secured liabilities are as follows:

Short-term loans payable	28,850
Current portion of long-term loans payable	7,702
Long-term loans payable	34,766
Noncurrent liabilities - Other	371
Total	71,690

(3) Discounts on Notes Receivable-Trade	931

(4) Guarantee Obligations

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

Subsidiaries or affiliates:

Amagasaki Woodland of Health Co., Ltd.	245

(5) Revaluation Reserve for Land

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

1) Date of revaluation March 31, 2000

2) Method of revaluation

Under Item 4 of Article 2 of the Order for Enforcement on Act on Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Act Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

3) Fair value of the land used for business after revaluation

The fair value of the land used for business after revaluation at the end of fiscal 2012 was below its book value by 7,378 million yen.

4. Notes to Consolidated Statement of Changes in Net Assets

(1) Type and Number of Outstanding Shares:

Capital stock 349,757,784 shares

(2) Dividends

1) Amount of dividends paid

Resolution	Type of share	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Reference date	Effective date
Ordinary General Meeting of Shareholders held on Mar. 23, 2012	Capital stock	5,411	15.50	Dec. 31, 2011	Mar. 26, 2012
Board of Directors held on Aug. 7, 2012	Capital stock	1,745	5.00	June 30, 2012	Sep. 10, 2012

2) Dividends whose record date falls in FY2012 and whose effective date falls in FY2013

Resolution	Type of share	Total amount of dividends (Millions of yen)	Resource of dividends	Dividend per share (Yen)	Reference date	Effective date
Ordinary General Meeting of Shareholders held on Mar. 26, 2013	Capital stock	1,745	Retained earnings	5.00	Dec. 31, 2012	Mar. 27, 2013

(3) Subscription rights to shares

Subscription rights to shares at December 31, 2012 are as follows.

	Fourth subscription rights to shares (issued on June 13, 2008)	Fifth subscription rights to shares (issued on June 16, 2009)	Sixth subscription rights to shares (issued on June 15, 2010)
Number of subscription rights to shares	755	1,120	565
Class of shares to be issued or transferred upon exercise of subscription rights to shares	Capital stock	Capital stock	Capital stock
Number of shares to be issued or transferred upon exercise of subscription rights to shares	75,500	112,000	56,500

5. Notes to Financial Instruments

(1) Status of Financial Instruments Held by the Group

1) Policies on financial instruments

The Group restricts its asset management to short-term deposits, etc. in principle and raises funds mainly through bank borrowings. Derivative transactions are used to mitigate the risks described below and the Group has no intention to engage in speculative trading.

2) Details of financial instruments and related risks

Notes and accounts receivable-trade, which are operating receivables, are exposed to credit risk of customers. Foreign currency-denominated operating receivables resulting from the Group conducting business globally are exposed to risk of foreign currency exchange fluctuations, which is mitigated in principle by securing foreign exchange forward contracts on the net position of foreign currency-denominated operating receivables and payables.

Investment securities, mainly stocks of companies with which the Group has business relationships, are exposed to risk of market price fluctuations.

Notes and accounts payable-trade, which are operating payables, are mostly due within one year. Some of them are denominated in foreign currency, reflecting imports of raw materials, etc., and exposed to risk of foreign currency exchange fluctuations. However, they are continuously below the balance of accounts receivable denominated in the same foreign currency.

Short-term loans payable and long-term loans payable are intended for working capital, and some of them with variable interest rates are exposed to risk of interest rate fluctuations.

Derivative transactions used by the Company are mainly foreign exchange forward contracts to mitigate risk of foreign currency exchange fluctuations in connection with foreign currency-denominated operating receivables and payables, and interest rate swap transactions to mitigate risk of fluctuations in interest paid on the Company’s borrowings.

3) Risk management system for financial instruments

(a) Management of credit risk (risks associated with the defaults of customers)

The Company and its consolidated subsidiaries have their administrative sections in individual business divisions periodically monitor main business partners with regard to operating receivables and keep track of the due date and the balance for each business partner, while trying to identify doubtful receivables due to worsened financial conditions of the business partners at an early stage and seek to reduce their consequences.

In engaging in derivative transactions, the Company enters into transaction only with financial institutions with a high credit rating in order to mitigate counterparty risk.

(b) Management of market risk (foreign currency exchange and interest rate fluctuation risks)

The Company and some of its consolidated subsidiaries use foreign exchange forward contracts, etc. to mitigate foreign currency exchange fluctuation risk of foreign currency-denominated operating receivables and payables, which is identified for different currencies on a monthly basis. Foreign exchange forward contracts, etc. are also used for foreign currency-denominated operating receivables, which are certain to be generated as a result of scheduled export transactions. Additionally, the Company and some of its consolidated subsidiaries use interest rate swap transactions to reduce risk of fluctuations in interest paid on their borrowings.

The Company periodically monitors the market prices of investment securities and the financial conditions of the issuers (business partners) and reviews its holding of investment securities on an ongoing basis, taking relationships with the business partners into account.

The Company's finance & accounting division carries out derivative transactions based on the internal rules prescribing transaction authority, the upper limit and others, keeps records and cross-checks the balance with financial institutions. Transactions of foreign exchange forward contracts, etc. are reported to Executive Officers in the position of Senior Executive Officer or higher, Standing Corporate Auditors, and heads of the finance & accounting division and the division responsible for managing positions at least once a month. The Company also monitors consolidated subsidiaries in accordance with the internal rules.

(c) Management of liquidity risk related to financing (risks in which the Company being unable to repay within the due date)

The Company and each of its consolidated subsidiaries control liquidity risk by formulating and revising a cash position plan as needed, while maintaining liquidity on hand at an appropriate level.

4) Supplementary explanation concerning fair values, etc. of financial instruments

Fair values of financial instruments comprise values determined based on market prices and values determined reasonably when there is no market price. Since variable factors are incorporated in computing the relevant fair values, such fair values may vary depending on the different assumptions.

(2) Fair Values of Financial Instruments

Carrying amount, fair value and differences of the financial instruments as of December 31, 2012 are as follows. Financial instruments whose fair values are not readily determinable are excluded from the following table: (See Note 2.)

Millions of yen

	Carrying amount	Fair value	Differences
(1) Cash and deposits	106,462	106,462	—
(2) Notes and accounts receivable-trade	192,143		
Allowance for doubtful accounts (*1)	(4,691)		
	187,451	187,424	(26)
(3) Investment securities	19,832	19,832	—
(4) Long-term loans receivable	40,560		
Allowance for doubtful accounts (*1)	(1,423)		
	39,137	47,001	7,864
Total assets	352,883	360,721	7,837
(5) Notes and accounts payable-trade	114,344	114,344	—
(6) Short-term loans payable	102,476	102,476	—
(7) Current portion of long-term loans payable	58,158	58,158	—
(8) Long-term loans payable	166,340	169,567	3,226
Total liabilities	441,321	444,547	3,226
Derivative transactions (*2)	(2,251)	(2,251)	—

(*1) Allowance for doubtful accounts are deducted from notes and accounts receivable-trade and long-term loans receivable.

(*2) Receivables and payables, which were derived from derivative transactions, are presented in net amount. The figures in parentheses indicate net payables.

Notes: 1. Calculation method of fair values of financial instruments and matters concerning marketable securities and derivative transactions

Assets:

(1) Cash and deposits

These assets are recorded using book values as the fair values are almost equal to the book values because of their short-term maturities.

(2) Notes and accounts receivable-trade

The fair values of these assets are measured at the present values of their future cash flows from which an allowance for doubtful accounts equivalent to credit risk are deducted. In order to compute the present values of the future cash flows of these assets, the assets are categorized by specified time period, and future cash flows in each category are discounted at a rate in accordance with appropriate indices such as government bond yields.

(3) Investment securities

Investment securities are determined using the quoted price at the stock exchange.

(4) Long-term loans receivable

For long-term loans receivable with variable rates, fair value is calculated based on book values, as they reflect market interest rates in the short run.

For long-term loans receivable with fixed rates, the fair values are measured at their present values from which an allowance for doubtful accounts equivalent to credit risk are deducted. The present values of these assets are computed by discounting for each collection period at a rate in accordance with appropriate indices such as government bond yields.

Liabilities:

(5) Notes and accounts payable-trade, (6) Short-term loans payable, (7) Current portion of long-term loans payable

These liabilities are recorded using book values as the fair values are almost equal to the book values because of their short-term maturities.

(8) Long-term loans payable

For long-term loans payable with variable rates, fair value is calculated based on book values, as they reflect market interest rates in the short run.

For long-term loans payable with fixed rates, the fair values are determined by computing the present values, discounted for each repayment period at a projected interest rate if a similar borrowing is taken out.

Derivative transactions:

Their fair values are calculated based on the quoted price obtained from the financial institutions.

2. Financial instruments whose fair values are not readily determinable

Millions of yen

Category	Carrying amount
Unlisted equity securities	21,178

The foregoing items are not included in “(3) Investment securities,” because there is no market price, and it is deemed difficult to measure the fair values.

6. Notes to Per Share Information

(1) Net Assets per Share 881.88 yen

(2) Net Income per Share 21.45 yen

(TRANSLATION ONLY)

Non-consolidated Balance Sheets

Millions of yen

	As of December 31, 2012	(Reference) As of December 31, 2011
ASSETS		
I. Current assets:		
Cash and deposits	29,340	31,333
Notes receivable-trade	3,673	3,513
Accounts receivable-trade	57,145	55,162
Merchandise and finished goods	29,802	26,922
Work-in-process	11,992	12,665
Raw materials and supplies	11,772	11,272
Advanced payments-trade	963	113
Prepaid expenses	580	470
Accounts receivable-other	6,800	29,835
Short-term loans receivable	9,441	61,480
Other	148	158
Allowance for doubtful accounts	(2,190)	(2,081)
Total current assets	159,470	230,847
II. Noncurrent assets:		
1. Property, plant and equipment:		
Buildings, net	28,891	30,310
Structures, net	1,870	1,710
Machinery and equipment, net	9,270	8,890
Vessels, net	71	59
Vehicles, net	240	270
Tools, furniture and fixtures, net	3,192	3,690
Land	49,283	49,495
Construction in progress	6,848	4,235
Total property, plant and equipment	99,669	98,663
2. Intangible assets:		
Leasehold right	510	514
Other	119	126
Total intangible assets	629	641
3. Investments and other assets:		
Investment securities	20,496	16,154
Stocks of subsidiaries and affiliates	134,572	121,904
Investment in capital	3	3
Investment in capital of subsidiaries and affiliates	21,472	21,472
Long-term loans receivable	21	21
Long-term loans receivable from employees	7	13
Long-term loans receivable from subsidiaries and affiliates	840	1,144
Long-term prepaid expenses	40	43
Other	604	693
Allowance for doubtful accounts	(25)	(47)
Total investments and other assets	178,033	161,402
Total noncurrent assets	278,332	260,707
Total assets	437,803	491,554

Note: Amounts less than one million yen have been omitted.

Millions of yen

	As of December 31, 2012	(Reference) As of December 31, 2011
LIABILITIES		
I. Current liabilities:		
Notes payable-trade	3,992	4,684
Notes payable-facilities	347	327
Accounts payable-trade	45,372	54,333
Short-term loans payable	8,016	5,489
Current portion of long-term loans payable	28,850	35,350
Lease obligations	106	103
Accounts payable-other	11,064	10,920
Accounts payable-facilities	6,702	5,574
Accrued expenses	4,021	4,123
Advances received	1,742	1,678
Deposits received	2,291	1,956
Provision for bonuses	4,685	4,600
Provision for directors’ bonuses	20	65
Provision for product warranties	11,754	16,570
Asset retirement obligations	—	48
Other	1,451	469
Total current liabilities	130,418	146,296
II. Noncurrent liabilities:		
Long-term loans payable	60,950	104,800
Lease obligations	1,152	1,259
Deferred tax liabilities	854	379
Deferred tax liabilities for land revaluation	6,107	6,143
Provision for retirement benefits	31,207	29,490
Provision for product liabilities	3,295	4,075
Provision for motorcycle recycling costs	285	1,282
Allowance for investment loss	—	702
Asset retirement obligations	764	751
Other	632	659
Total noncurrent liabilities	105,250	149,542
Total liabilities	235,668	295,839
NET ASSETS		
I. Shareholders’ equity:		
1. Capital stock	85,666	85,666
2. Capital surplus		
(1) Legal capital surplus	73,941	73,941
(2) Other capital surplus	640	640
Total capital surplus	74,582	74,582
3. Retained earnings		
Other retained earnings		
Reserve for special depreciation	—	15
Reserve for reduction entry	347	350
Retained earnings brought forward	29,256	26,059
Total retained earnings	29,604	26,425
4. Treasury stock	(642)	(641)
Total shareholders’ equity	189,211	186,032
II. Valuation and translation adjustments:		
1. Valuation difference on available-for-sale securities	1,831	(1,477)
2. Revaluation reserve for land	10,982	11,050
Total valuation and translation adjustments	12,814	9,573
III. Subscription rights to shares	109	109
Total net assets	202,134	195,715
Total liabilities and net assets	437,803	491,554

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Non-consolidated Statements of Income

Millions of yen

	Current Fiscal Year (January 1, 2012– December 31, 2012)	(Reference) Previous Fiscal Year (January 1, 2011– December 31, 2011)
I. Net sales	474,589	463,292
II. Cost of sales	428,104	416,786
Gross profit	46,484	46,505
III. Selling, general and administrative expenses	60,403	65,196
Operating loss	(13,918)	(18,690)
IV. Non-operating income		
Interest income	277	637
Dividends income	29,204	46,707
Other	2,783	2,358
Total non-operating income	32,265	49,703
V. Non-operating expenses		
Interest expenses	1,845	2,636
Foreign exchange losses	901	1,212
Loss on revaluation of investment in subsidiaries' and affiliates' stock	—	3,409
Other	792	1,209
Total non-operating expenses	3,539	8,467
Ordinary income	14,808	22,545
VI. Extraordinary income		
Gain on sales of noncurrent assets	77	113
Gain on sales of investment in affiliates' stock	19	10,646
Total extraordinary income	97	10,759
VII. Extraordinary loss		
Loss on sales of noncurrent assets	37	35
Loss on disposal of noncurrent assets	292	407
Impairment loss	60	52
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	533
Loss on disaster	—	266
Total extraordinary loss	390	1,296
Income before income taxes	14,515	32,008
Income taxes — current	4,242	5,679
Income taxes — deferred	3	(94)
Total income taxes	4,246	5,585
Net income	10,268	26,423

Note: Amounts less than one million yen have been omitted.

Non-consolidated Statement of Changes in Net Assets

Current Fiscal Year (From January 1, 2012 through December 31, 2012)

Millions of yen

	Shareholders' equity				
	Capital stock	Capital surplus			Retained earnings
					Other retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus	Reserve for special depreciation
Balance at the beginning of current period	85,666	73,941	640	74,582	15
Changes in items during the period					
Reversal of reserve for special depreciation					(15)
Reversal of reserve for reduction entry					
Reversal of revaluation reserve for land					
Dividends from surplus					
Net income					
Acquisition of treasury stock					
Disposal of treasury stock			(0)	(0)	
Net changes of items other than shareholders' equity					
Total of changes in items during the period	0	0	(0)	(0)	(15)
Balance at the end of current period	85,666	73,941	640	74,582	—

	Shareholders' equity				
	Retained earnings			Treasury stock	Total shareholders' equity
	Other retained earnings		Total retained earnings		
	Reserve for reduction entry	Retained earnings brought forward			
Balance at the beginning of current period	350	26,059	26,425	(641)	186,032
Changes in items during the period					
Reversal of reserve for special depreciation		15	0		0
Reversal of reserve for reduction entry	(2)	2	0		0
Reversal of revaluation reserve for land		67	67		67
Dividends from surplus		(7,157)	(7,157)		(7,157)
Net income		10,268	10,268		10,268
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock				0	0
Net changes of items other than shareholders' equity					
Total of changes in items during the period	(2)	3,197	3,179	(0)	3,178
Balance at the end of current period	347	29,256	29,604	(642)	189,211

(TRANSLATION ONLY)

Millions of yen

	Valuation and translation adjustments			Subscription rights to shares	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Total valuation and translation adjustments		
Balance at the beginning of current period	(1,477)	11,050	9,573	109	195,715
Changes in items during the period					
Reversal of reserve for special depreciation					0
Reversal of reserve for reduction entry					0
Reversal of revaluation reserve for land					67
Dividends from surplus					(7,157)
Net income					10,268
Acquisition of treasury stock					(0)
Disposal of treasury stock					0
Net changes of items other than shareholders' equity	3,309	(67)	3,241		3,241
Total of changes in items during the period	3,309	(67)	3,241	0	6,419
Balance at the end of current period	1,831	10,982	12,814	109	202,134

Note: Amounts less than one million yen have been omitted.

Notes to Non-consolidated Financial Statements

1. Notes regarding Significant Accounting Policies

(1) Asset Valuation

1) Securities

Stocks of subsidiaries and affiliates are carried at cost, determined by the moving-average method.

Other securities

Marketable securities classified as other securities are carried at fair value, based on market prices as of the balance sheet date.

(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)

Non-marketable securities classified as other securities are carried at cost, determined by the moving-average method.

2) Derivatives

Derivatives are carried at fair value.

3) Inventories

Finished goods and work-in-process are stated at cost, determined primarily by the average method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)

Merchandise, raw materials and supplies are stated at cost based on the last-purchase-price method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)

(2) Depreciation and Amortization of Assets

1) Property, plant and equipment (excluding leased assets)

Depreciation of property, plant and equipment is computed primarily by the declining-balance method.

2) Intangible assets (excluding leased assets)

Amortization of intangible assets is computed by the straight-line method.

3) Leased assets

Leased assets involved in finance lease transactions which transfer ownership

Computed using the same depreciation method applicable to self-owned fixed assets.

Leased assets involved in finance lease transactions which do not transfer ownership

Computed based on the assumption that the useful life equals the lease term and the residual value equals zero.

Those finance lease transactions which do not transfer ownership, where the lease transaction start date was prior to December 31, 2008, are computed based on an accounting method similar to the method for ordinary rental transactions.

(3) Significant Accruals

1) Allowance for doubtful accounts

In order to evaluate accounts receivable-trade, and loans and other equivalents, an allowance for doubtful accounts is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties.

2) Provision for bonuses

Provision for bonuses are stated at an estimated amount of the bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

3) Provision for directors' bonuses

Provision for directors' bonuses are stated at an estimated amount of the bonuses to be paid to Directors, based on their services for the current fiscal period.

4) Provision for product warranties

Provision for product warranties are provided to cover after-sale service expenses anticipated to be incurred during the warranty periods of products sold, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated by multiplying sales during the warranty period by a factor (after-sales service expenses/sales of products) based on actual costs in the past years and sales during the warranty period.

5) Provision for retirement benefits

Provision for retirement benefits are provided mainly at an amount, deemed generated on December 31, 2012, calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

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

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

6) Provision for product liabilities

Provision for product liabilities are provided, at an estimated amount of payments based on the actual results in past years, for liabilities that are not covered by product liability insurance.

7) Provision for motorcycle recycling costs

Provision for motorcycle recycling costs are provided at an estimated amount based on actual sales.

8) Allowance for investment loss

In order to prepare against possible losses resulting from the Company's investments in its subsidiaries and affiliates, an allowance for investment loss is provided based on the amount deemed necessary in relation to financial conditions at the subsidiaries and affiliates.

(4) Other Basic Items of Significance in Drawing up Non-consolidated Financial Statements

1) Consumption taxes

Transactions subject to national and/or local consumption tax are recorded at an amount exclusive of consumption taxes.

2) Application of consolidated tax return system

The Company applies the Consolidated Tax Return System.

Additional Information

Application of Accounting Standard for Accounting Changes and Error Corrections, etc.

The Company has applied the Accounting Standard for Accounting Changes and Error Corrections (ASBJ Statement No. 24; December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No. 24; December 4, 2009) for accounting changes and corrections of prior period errors which are made from the beginning of the fiscal year ended December 31, 2012.

2. Changes in Presentation

Non-consolidated Balance Sheets

1) Effective from the fiscal year ended December 31, 2012, "Dividends receivable from subsidiaries and affiliates," which had been separately presented under current assets for the fiscal year ended December 31, 2011, is now included in "Accounts receivable-other" because the amount of the dividends receivable from subsidiaries and affiliates turned out not exceeding one percent of the total assets.
2) Effective from the fiscal year ended December 31, 2012, "Security deposits," which had been separately presented under investments and other assets for the fiscal year ended December 31, 2011, is now included in "Other" due to its insignificance in amount.

Non-consolidated Statements of Income

Effective from the fiscal year ended December 31, 2012, "Loss on revaluation of investment securities," which had been separately presented under non-operating expenses for the fiscal year ended December 31, 2011, is now included in "Other" due to its insignificance in amount.

3. Notes to Non-consolidated Balance Sheets

	Millions of yen
(1) Accumulated Depreciation of Property, Plant and Equipment	303,504

(2) Pledged Assets

Stocks of subsidiaries and affiliates	22

Stocks of subsidiaries and affiliates are pledged as collateral for loans from financial institutions made by the subsidiaries and affiliates.

(3) Receivables from and Payables to Subsidiaries and Affiliates

Short-term receivables:	59,880
Long-term receivables:	919
Short-term payables:	20,072
Long-term payables:	983

(4) Discounts on Notes Receivable-Trade	824

(5) Guarantee Obligations

Guarantees are given for the following companies' loans from financial institutions.

Subsidiaries and Affiliates:	
Yamaha Motor Australia Pty Limited	9,579
India Yamaha Motor Pvt. Ltd.	5,077
Amagasaki Woodland of Health Co., Ltd.	245
Total	14,902

Guarantee obligations described above include 245 million yen arising from acts resembling guarantees.

(6) Revaluation Reserve for Land

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

1) Date of revaluation March 31, 2000

2) Method of revaluation

Under Item 4 of Article 2 of the Order For Enforcement on Act on Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Act Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

3) Fair value of the land used for business after revaluation

The fair value of the land used for business after revaluation at the end of fiscal 2012 was below its book value by 7,378 million yen.

4. Notes to Non-consolidated Statements of Income

Transactions with Subsidiaries and Affiliates

	Millions of yen
Net Sales	335,152
Purchases	127,268
Non-operating income	30,091
Non-operating expenses	40

5. Notes to Non-consolidated Statement of Changes in Net Assets

Number of shares in treasury stock at December 31, 2012

	Shares
Capital stock	624,794

6. Notes to Deferred Tax Accounting

Principal deferred tax assets and liabilities

	Millions of yen
Deferred tax assets:	
Losses carried forward for tax purposes	51,651
Loss on valuation of securities	24,835
Excess of depreciation	12,716
Provision for retirement benefits	10,860
Provision for product warranties	4,372
Provision for bonuses	1,742
Other payables and provision for expenses	1,552
Other	4,917
Gross deferred tax assets	112,649
Valuation allowance	(112,649)
Total deferred tax assets	0
Deferred tax liabilities:	
Valuation difference on available-for-sale securities	(435)
Reserve for reduction entry	(351)
Other	(67)
Total deferred tax liabilities	(854)
Net deferred tax liabilities	(854)

7. Notes to Leased Noncurrent Assets

	Millions of yen
(1) Amount Equivalent to Acquisition Costs of Leased Property at December 31, 2012	319
(2) Amount Equivalent to Accumulated Depreciation of Leased Property at December 31, 2012	264
(3) Amount Equivalent to Future Minimum Lease Payments Subsequent to December 31, 2012	54

Acquisition costs of leased property were computed based on the inclusion of their interest portion, due to the lower ratio of the balance for future minimum lease payments to the balance for property, plant and equipment at December 31, 2012.

8. Notes to Transactions with Related Parties

Millions of yen

Type	Name of company, etc.	Ownership of voting rights, etc.	Relationship with related parties	Details of transaction	Amount of transaction	Account	Balance as of the end of the fiscal year
Subsidiary	Yamaha Motorcycle Sales Japan Co., Ltd.	Direct ownership 100.0%	Sale of products of the Company, etc.	Net sales (Note 1)	28,232	Accounts receivable-trade	5,007
Subsidiary	Yamaha Motor Corporation, U.S.A. (The United States)	Direct ownership 100.0%	Sale of products of the Company, etc.	Net sales (Note 1)	73,986	Accounts receivable-trade	5,988
Subsidiary	Yamaha Motor Europe N.V. (The Netherlands)	Direct ownership 100.0%	Sale of products of the Company, etc.	Net sales (Note 1)	61,775	Accounts receivable-trade	6,236
Subsidiary	Yamaha Motor Australia Pty Limited (Australia)	Direct ownership 100.0%	Sale of products of the Company, etc.	Debt guarantee (Note 2)	9,579	-	-
Subsidiary	India Yamaha Motor Pvt. Ltd. (India)	Direct ownership 97.0% Indirect ownership 0.1%	Manufacture of products of the Company, etc.	Debt guarantee (Note 2)	5,077	-	-
				Acceptance of capital increase	12,660	-	-
				Reduction of capital without compensation (Note 3)	15,540		

Notes: 1. Trade conditions such as prices are determined by taking into account actual market prices and based on general terms of transactions.
2. Debt guarantee is related to loans from financial institutions of subsidiaries.
3. Representing acceptance of capital increase through allocation of shares to the Company and reduction of capital without compensation conducted by India Yamaha Motor Pvt. Ltd.

9. Notes to Per Share Information

(1) Net Assets per Share 578.65 yen

(2) Net Income per Share 29.41 yen

(TRANSLATION ONLY)

Copy of Audit Report of the Accounting Auditor for Consolidated Financial Statements

Independent Auditor's Report

February 8, 2013

To the Board of Directors
Yamaha Motor Co., Ltd.

Ernst & Young ShinNihon LLC

Kazuhiro Fujita (Seal)
Certified Public Accountant
Designated and Engagement Partner

Takahiro Takiguchi (Seal)
Certified Public Accountant
Designated and Engagement Partner

Masahiko Tsukahara (Seal)
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Yamaha Motor Co., Ltd. (the "Company") applicable to the fiscal year from January 1, 2012 through December 31, 2012.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Yamaha Motor Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended December 31, 2012 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest
We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(TRANSLATION ONLY)

Copy of Audit Report of the Accounting Auditor for Non-Consolidated Financial Statements

Independent Auditor's Report

February 8, 2013

To the Board of Directors
Yamaha Motor Co., Ltd.

Ernst & Young ShinNihon LLC

Kazuhiro Fujita (Seal)
Certified Public Accountant
Designated and Engagement Partner

Takahiro Takiguchi (Seal)
Certified Public Accountant
Designated and Engagement Partner

Masahiko Tsukahara (Seal)
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Yamaha Motor Co., Ltd. (the "Company") applicable to the 78th fiscal year from January 1, 2012 through December 31, 2012.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of these financial statements and the related supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Yamaha Motor Co., Ltd. applicable to the 78th fiscal year ended December 31, 2012 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

(TRANSLATION ONLY)

Copy of Audit Report of the Board of Corporate Auditors

Audit Report

February 13, 2013

We at the Board of Corporate Auditors, having discussed the Directors' performance of duties during the 78th business year, from January 1, 2012 through December 31, 2012, based on audit reports from each Corporate Auditor, prepared this Audit Report of the Board of Corporate Auditors. Our audit opinion is as follows.

1. Methods and Contents of the Audit Implemented by Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors established its audit policy, assigned responsibilities to each Corporate Auditor in carrying out the policy, and received reports from each Corporate Auditor on audit implementation and results. In addition, the Board of Corporate Auditors, when necessary, requested reports and received explanations from Directors, other executives and accounting auditors concerning the execution of their duties.

Each corporate auditor, in accordance with the Corporate Auditors standard of audit, established by the Board of Corporate Auditors, as well as other relevant audit policy, executed assigned responsibilities, and communicated with Directors, internal audit divisions, and other employees, in order to gather information and develop an optimal audit environment. At the same time, each Corporate Auditor attended meetings of the Board of Directors and other important meetings, received reports on the execution of duties from Directors, employees and other personnel, requested reports and received explanations from them whenever necessary, perused important documents, including those subject to executive approval, and examined the conditions of assets and business at the head office and other major business office. In addition, concerning the resolution adopted by the Board of Directors about designing the system which assures that the execution of Directors' duties comply with laws and regulations and the Articles of Incorporation and designing the other system for assuring the proper business operations of the company, as stipulated in Paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Corporation Act of Japan, and the internal control system, designed in accordance with the Board of Directors' resolution, each Corporate Auditor periodically received reports of the status of establishing and operating these systems from Directors, employees and other personnel, requested reports and received explanations from them whenever necessary. The contents of the basic policy set forth in Item 3(a) of Article 118 of the Ordinance for Enforcement of the Corporation Act of Japan stated in the business reports and each approach set forth in (b) of the same item are reviewed based on the status of deliberations of the Board of Directors and other management entities. With regard to the Company's subsidiaries, each Corporate Auditor communicated and exchanged information with Directors, Corporate Auditors, and other employees of the subsidiaries, and received reports from them when necessary. Based on the methods described above, the Board of Corporate Auditors reviewed the business report and its supplementary schedules for the business year.

Further, each Corporate Auditor has monitored the accounting auditor to verify their independence and the propriety of their audit implementation, and has requested reports and received explanations from them when necessary. In addition, each Corporate Auditor received a notice from the accounting auditor that "the system for securing appropriate execution of duties" (in each items of Article 131 of the Corporate Accounting Rules) has been developed in accordance with "the Standard on Quality Control Concerning Audit" (established by the Business Accounting Council on October 28, 2005), and requested reports and received explanations from them when necessary. Based on the methods described above, the Board of Corporate Auditors reviewed non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and their supplementary schedules, as well as consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the business year.

2. Results of Audit

(1) Results of the audit of the business report and other documents

1) The business report and its supplementary schedules present fairly the condition of the Company in accordance with applicable laws and regulations, as well as the Articles of Incorporation.

2) With regard to the execution of Directors' duties, we have found no misconduct or material matters in violation of laws, regulations, or the Articles of Incorporation.

3) We find the content of the Board of Directors' resolution on the internal control system sufficient. Also, with regard to the internal control system itself, nothing unusual is to be pointed out.

4) There are no matters requiring additional mention with respect to basic policy on the conduct of persons controlling decisions on the financial and business policies of companies stated in the business reports. We admit that each approach set forth in Item 3(b) of Article 118 of the Ordinance for Enforcement of the Corporation Act of Japan that are stated in the business reports conforms with such basic policy, is in no way obstructive of any common interests of shareholders, and is not adopted with the intention to maintain the positions of Directors and Corporate Auditors.

(2) Results of the audit of non-consolidated financial statements and their supplementary schedules

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's independent auditor, are recognized as fair and proper.

(3) Results of the audit of consolidated financial statements

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's independent auditor, are recognized as fair and proper.

The Board of Corporate Auditors
Yamaha Motor Co., Ltd.

Yutaka Kume
Standing Corporate Auditor

Shigeki Hirasawa
Standing Corporate Auditor

Norihiko Shimizu
Outside Corporate Auditor

Tetsuo Kawawa
Outside Corporate Auditor

Procedures for Exercising Voting Rights by Electromagnetic Means

1. To Shareholders who exercise the voting rights via the Internet

Regarding the exercise of voting rights via the Internet, please note the following.

1) Voting rights via the Internet may only be exercised by using the site (http://www.web54.net) designated by the Company for the purpose.
Please be advised that voting rights cannot be exercised by accessing the site from cellular phones.

2) The exercise of voting rights via the Internet requires the assigned password and voting right code indicated on the right-hand side of the Exercise of Voting Rights Form. The password you have received is effective only for this Ordinary General Meeting of Shareholders. A new password will be assigned for the next Ordinary General Meeting of Shareholders.

3) If you choose to exercise your voting right via the Internet, you are requested to do so before 5:30 pm on March 25 (Monday), 2013, one day prior to the date of the Ordinary General Meeting of Shareholders, in order to allow sufficient time to tabulate the results of the vote in advance of the meeting.

4) If we recognize that you exercise your voting right via the Internet more than once on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 1 of Article 15 of the “Share Handling Regulations” of the Company.

5) If we recognize that you exercise your voting right both in writing and via the Internet on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 2 of Article 15 of the “Share Handling Regulations” of the Company. If both votes arrive on the same day, the Internet vote will prevail and be treated as the effective vote.

6) Any expenses arising from access to the voting site shall be the responsibility of the shareholder.

●For inquiries regarding the exercise of voting rights via the Internet, please contact:

Sumitomo Mitsui Trust Bank, Limited, Transfer Agency Web Support Desk
Phone: +81-120-652-031 (toll-free within Japan)
Hours: 9:00 - 21:00

2. To Institutional Investors

If registered shareholders (including standing proxies) such as trust and banking companies apply in advance for the use of the electromagnetic proxy platform, they may use the platform as an electromagnetic method for the exercise of voting rights at the General Meeting of Shareholders.