

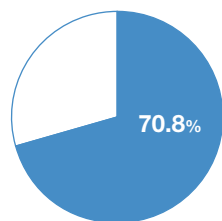
Motorcycles

Notes

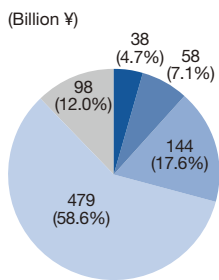
- Demand stated herein includes motorcycles made in China, India and Taiwan.
- Demand figures stated herein are based on Yamaha Motor's surveys.

Motorcycle sales for fiscal 2009 decreased by ¥211.8 billion (\$2,299.1 million), or 20.6%, from fiscal 2008, to ¥817.1 billion (\$8,871.4 million), and accounted for 70.8% of net sales. Operating income declined by ¥37.8 billion (\$409.9 million), generating an operating loss of ¥4.2 billion (\$45.1 million).

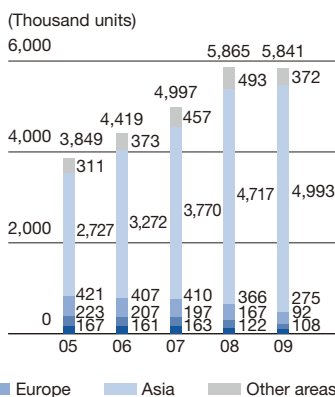
% of net sales in 2009



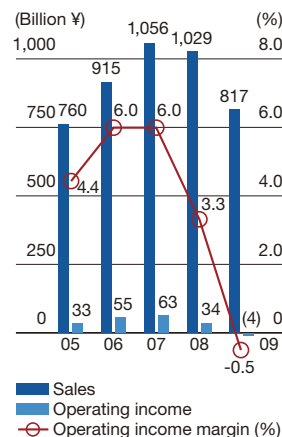
Sales by market in 2009



Unit sales



Operating results



Japan — Increased Market Share Despite Sluggish Demand

In Japan, motorcycle demand in fiscal 2009 decreased 23.5% from fiscal 2008, to 434 thousand units, reflecting the severe economic downturn. Demand fell significantly in all motorcycle categories, with especially sharp declines in the mini-sized category (engine displacement of 126cc to 250cc) and the Class-2 category (51cc to 125cc).

Despite these harsh market conditions, the 50cc Jog and new Jog ZR scooters sold well, which kept unit sales virtually unchanged from fiscal 2008 in the Class-1 category (50cc and under). In the Class-2 category, the new 125cc Axis Treet scooter enjoyed robust sales; however, overall unit sales in this category fell from fiscal 2008. In the mini-sized category, unit sales decreased, due mainly to a sharp decline for scooters. Sales were also down in the small-sized category (251cc and over). Amid these challenging business conditions, fiscal 2009 unit sales in Japan fell 11.5%, to 108 thousand. However, this decline was less severe than the rate at which overall market demand fell. Meanwhile, the motorcycle sales amount also dropped, by 12.5%, to ¥38.0 billion (\$412.8 million).

In fiscal 2010, motorcycle demand in Japan is forecast to decrease 6.9% from fiscal 2009, to 404 thousand units.

In view of this downward trend, we are putting marketing emphasis on models such as the 1,680cc sport bike VMAX, 1,000cc supersport YZF-R1, and 125cc Axis Treet scooter, hoping to expand their already robust sales. Meanwhile, we are strengthening the quality of the Yamaha exclusive dealer network, promoting sales of large scooters, and expanding the lineup of 50cc standard scooter models. We also remain active in industry-wide efforts to resolve motorcycle parking problems and reduce high expressway tolls for motorcycles. All of these actions aim to maintain our unit sales for fiscal 2010 near the fiscal 2009 level, at 110 thousand units.



125cc Axis Treet scooter

Europe — Reducing Market Stocks in a Challenging Business Climate

Motorcycle demand in Europe^{Note 1} for fiscal 2009 decreased 21.1% from fiscal 2008, to 2,116 thousand units. Although the “scrap incentive”^{Note 2} initiated in Italy



800cc FZ8 sport bike

mitigated the fall in demand, buyer motivation remained low, reflecting uncertainty about future economic conditions, and stricter screening of loan applications in France and Spain, where loan purchases make up a high percentage of total transactions.

In fiscal 2009, Yamaha motorcycle unit shipments in Europe decreased 24.9%, to 275 thousand. This was attributable to demand plunging far beyond the predicted decline, coupled with expanded sales of Chinese and Taiwanese models in a segment which has been enjoying growth: low-priced scooters. Overall, the sales amount fell 33.2%, to ¥143.7 billion (\$1,560.5 million). Production cutbacks and selling out previous models successfully reduced market stocks from 122 thousand units at the end of 2008 to 44 thousand at the end of 2009, a level we believe is appropriate.

Europe’s economy is expected to recover gradually in the second half of 2010. However, motorcycle demand for fiscal 2010 will decrease 5.4% from fiscal 2009, to 2,002

thousand units. Major reasons for this negative forecast include continuing high unemployment rates, uncertainty about relaxing loan application screening, and termination of Italy’s “scrap incentive” at the end of 2009.

Against this backdrop, we will strive to expand sales by launching new models such as the 125/250cc XMAX scooter, 800cc FZ8 sport bike and 1,200cc XT1200Z (Ténéré) sport bike. We will also strengthen the dealerships that offer advantages in marketing commuter vehicles, and those that carry a full Yamaha model lineup, backed by high quality services. These will be the core dealerships for each territory. Furthermore, we will aggressively promote a retail sales stimulus package, designed to drive customer traffic to Yamaha dealerships and provide more opportunities to test-ride Yamaha motorcycles. However, these efforts notwithstanding, we expect

our shipping units to decrease by 4.7% in fiscal 2010, to 262 thousand.

Note 1

Demand in Europe includes both Western and Eastern Europe, as well as Turkey and Russia.

Note 2

Scrap incentive: A government program offering consumers incentives to scrap their old vehicles for new purchases, in order to stimulate sales and improve the economy.



250cc XMAX scooter

Motorcycles

North America — Stimulating Retail Sales and Further Reducing Market Stocks

In fiscal 2009, motorcycle demand in North America decreased 39.7% from fiscal 2008, to 585 thousand units. This reflects several factors: declining buying power as unemployment worsened amid the continuing recession; and a drop in loan purchases due to stricter screening of loan applications.



1,680cc VMAX sport bike

In response to plunging demand, we focused on marketing new models such as the 1,680cc VMAX sport bike, 950cc XVS950 cruiser, and 1,000cc YZF-R1 supersport, while reducing market stocks by significantly rolling back production. Despite these efforts, our unit sales in fiscal 2009 plummeted 44.9%, to 92 thousand, affected mainly by the slumping demand, coupled with the negative impact of the stronger yen. Thus, the sales amount also declined, by 45.9%, to ¥58.0 billion (\$629.5 million).

In fiscal 2010, motorcycle demand in North America is forecast to decrease 7.7% from fiscal 2009, to 540 thousand units, as unemployment rates remain stubbornly high, and there is no sign of recovery in loan purchasing.

We reduced our market stock in the United States — the mainstay market in this segment — from 124 thousand

units at the end of fiscal 2008 to 90 thousand at the end of fiscal 2009. Despite this improvement, market stocks remain high in the United States. Therefore, we will continue reducing production volume and shipments, while working to stimulate retail sales, in order to roll back market stocks to 40 thousand units at the end of fiscal 2010. At the same time, we will work hard to enhance customer satisfaction through initiatives such as the Pro-YAMAHA program, designed to develop excellent dealerships. However, we anticipate unit sales for fiscal 2010 will nevertheless decrease 39.1% from fiscal 2009, to 56 thousand.

ASIA (excluding Japan) — Spearheading Sales and Profits in Our Motorcycle Business

In fiscal 2009, motorcycle demand in Asia (excluding Japan) increased 4.6% from fiscal 2008, to 39,440 thousand units. Demand decreases in Indonesia and Thailand were more than offset by steady gains in China and India, resulting in an overall increase in the region.

Against this backdrop, fiscal 2009 unit sales of Yamaha motorcycles in Asia (excluding Japan) increased 5.9%, to 4,993 thousand units, led by favorable sales in Indonesia, Vietnam and India. However, the sales amount fell 7.9%, to ¥479.0 billion (\$5,200.5 million), reflecting the negative impact of the stronger yen.

In fiscal 2010, motorcycle demand in Asia (excluding Japan) is forecast to increase 0.5%, to 39,644 thousand units, almost on a par with fiscal 2009. The increase is attributable to demand recovery in Indonesia and Thailand combined with strong demand growth in India, although environmental regulations are likely to drive demand down in China temporarily.

We project that our fiscal 2010 unit sales will grow in all markets in Asia (excluding Japan), increasing 13.9% from fiscal 2009, to 5,689 thousand units.

ASEAN

In Indonesia, the largest motorcycle market in the ASEAN region, fiscal 2009 motorcycle demand decreased 11.7% from fiscal 2008, to 5,692 thousand units, amid the economic slowdown. However, our unit sales expanded steadily — by 7.5% — to 2,651 thousand. This favorable performance was attributable to two main factors. Sales were robust for the new 115cc Vega-ZR, introduced in the low-priced moped^{Note} segment, which makes up about half of the motorcycle demand in the market. We also enjoyed a significant increase in unit sales of our automatic commuter vehicles, a segment Yamaha pioneered, and one in which we maintain a prominent presence. We are convinced that the solid customer trust in the Yamaha brand we have built was also a major contributor to these excellent results. Indonesian customers have trust in our products, pricing and dealerships.

Motorcycle demand in Indonesia in fiscal 2010 is forecast to increase 12.4% from fiscal 2009, to 6,400 thousand units. Demand will recover due to a combination of factors — the nation's demographic composition, its underdeveloped transportation infrastructure, and relaxation of loan application screening — all against a backdrop of a general economic recovery. We aim to take advantage of these market conditions to increase unit sales by 13.2%, to 3.0 million in fiscal 2010. Specifically, we intend to enhance the product lineup, run far-reaching promotions, improve the sales network, ensure price control, and build a stronger foundation for loan sales.

In Thailand, motorcycle demand for fiscal 2009 decreased 9.8%, to 1,536 thousand units, due to the economic slowdown. Despite the unfavorable market conditions, our unit sales declined only slightly — by 4.8% — to 432 thousand. This was mainly attributable to the popularity of our mainstay 115cc Fino automatic transmission commuter vehicle and the introduction of the new 110cc Spark Nano manual transmission model.

In fiscal 2010, motorcycle demand in Thailand is projected to increase 6.1% from fiscal 2009, to 1,630 thousand units, thanks to the nation's stable economic growth. We anticipate an increase of 4.2% in our unit sales, to 450 thousand, driven by aggressive new model releases, along with measures to enhance the sales network and the Yamaha brand image.

In Vietnam, motorcycle demand plummeted during the second half of fiscal 2008, but recovered as signs of an overall economic recovery began to appear in 2009. Overall, fiscal 2009 motorcycle demand in Vietnam increased 1.3%, to 2,745 thousand units, remaining nearly unchanged from fiscal 2008. Unit sales of Yamaha motorcycles in fiscal 2009 climbed steadily — at a significantly higher rate than overall market growth — rising 34.2%, to 643 thousand.

In fiscal 2010, motorcycle demand in Vietnam is projected to increase 2.4% from fiscal 2009, to 2,810 thousand units, due to factors including the nation's underdeveloped transportation infrastructure and a growing youth population, the strongest motorcycle purchasing demographic. Meanwhile, Vietnamese consumers show a strong desire for brand products that will translate to demand for Japanese motorcycles. Against this backdrop, we plan to increase our unit sales by 12.8%, to 725 thousand, by pursuing an intensive area marketing strategy, strengthening sales capabilities, and enhancing the Yamaha brand image among Vietnamese youth.

Note

A **moped** is a small motorcycle characterized by an easy-to-mount downward curving mainframe and large-diameter (often 17 inch) tires on the front and rear. It is also called an underbone-type motorcycle.



115cc Mio Soul automatic commuter vehicle selling well in Indonesia

Motorcycles

Promoting Safe and Proper Motorcycle Riding



Yamaha Riding Academy held by TYM

Thai Yamaha Motor Co., Ltd. (TYM), our motorcycle manufacturing and marketing subsidiary in Thailand, started

the Yamaha Riding Academy (YRA) in 2008, to increase awareness of safe and proper motorcycle riding skills.

YRA offers riding safety lectures and practical training to people with motorcycle licenses, and runs programs to train safe-riding instructors. In addition, YRA also operates a motorcycle licensing program and gives the government-administered test to issue motorcycle operating licenses.

With motorcycle penetration increasing in ASEAN markets, YRA is now training instructors for Yamaha dealerships beyond Thailand, promoting safe riding and safety awareness throughout the region.

We have long delivered high-quality motorcycles. With our programs to promote safe and proper riding, we are also striving to show people how fun and convenient motorcycles can be.

Comment of YRA participant



I love riding my big bike out of Bangkok. The YRA program not only increased my safety, but my bike-riding enjoyment. It was a perfect fit for my lifestyle.

Mr. Nimibutra Sakuludomtham

Business Owner (Bangkok, Thailand)
Program: Large motorcycle riding safety

Comment of YRA staff member



Being a YRA instructor and a TYM representative is an honor. I have a key role to play in promoting safe riding and safety consciousness for all riders. In this way, I can make a great social contribution — better traffic safety and the creation of a zero-accident environment.

Mr. Chainarong Prasertsud

Head of Riding Activity Division (Bangkok, Thailand)

China — Rapid Response to Emission Regulations

In fiscal 2009, motorcycle demand in China rose 7.4% from fiscal 2008, to 17.4 million units, reflecting the economic recovery that began during the second half of the year. Against the backdrop of a recovering market, we expanded our sales networks nationwide and implemented aggressive promotions. These efforts paid off with significantly increased sales in both the scooter and underbone product segments. Consequently, our overall fiscal 2009 unit sales in China increased 6.3%, to 608 thousand.



Chongqing Jianshe-Yamaha Motor Co., Ltd. — the Company's motorcycle manufacturing affiliate in China

In fiscal 2010, we anticipate a temporary dip in sales, primarily due to two negative factors. Market stocks have increased in the wake of surging product shipments in the domestic market in fiscal 2009. Meanwhile, emission regulations scheduled to take effect in July will increase retail prices. Fiscal 2010 motorcycle demand in China is therefore forecast to decrease 9.3% from fiscal 2009, to 15.8 million units. However, we plan to increase our unit sales by 15.1%, to 700 thousand, in fiscal 2010, by expanding the lineup of products that comply with the new emission regulations.

India — Aggressive Expansion Strategy

In fiscal 2009, motorcycle demand in India increased significantly — by 17.9% — from fiscal 2008, to 8.6



A Yamaha dealership in India

million units, as loan application screening was relaxed, the industry worked to stimulate demand, and the economy recovered. Spurred by the strong demand growth, Yamaha motorcycle sales climbed substantially, particularly for 150cc sport bikes such as the FZ16 and the new Fazer. Overall, unit sales of Yamaha motorcycles in fiscal 2009 rose 61.0%, to 219 thousand.

In fiscal 2010, motorcycle demand in India is expected to increase 8.8%, to 9.4 million units, owing to solid

demand growth supported by the economic recovery. We have been marketing high-value-added models focused on younger consumers. We also plan to initiate a strategy to expand the product lineup with a focus on versatility. With the new strategy, combined with a drive to enhance the sales network, we expect to achieve a 23.3% increase in unit sales, amounting to 270 thousand, in fiscal 2010.

Latin America — Meeting Regional Requirements

In Latin America, total motorcycle demand in fiscal 2009 decreased 22.6% from fiscal 2008, to 3.4 million units. In Brazil, our mainstay market in the region, demand decreased 16.3%, to 1.6 million units, due primarily to the economic slowdown and stricter screening of loan applications. Demand in Argentina, Colombia and Mexico also declined substantially.

Amid these harsh market conditions, our fiscal 2009 unit sales in Latin America decreased 24.2%, to 322 thousand. The regional decrease was attributable to a 22.8% drop in unit sales in our mainstay market in Brazil, to 193 thousand, as well as significant declines in Argentina and Mexico. However, our unit sales in Colombia were only slightly lower than fiscal 2008.

Motorcycle demand in Latin America for fiscal 2010 is forecast to remain almost on a par with fiscal 2009, standing at 3.4 million units. In Brazil, motorcycle demand is expected to increase 3.6%, to 1.7 million units, reflecting steady economic growth,

while other nations in the region are also likely to achieve gradual economic recovery. Anticipating a recovery in demand, we will implement sales strategies designed to meet regional requirements with pinpoint precision. At the same time, we will aggressively launch new products, aiming to increase our unit sales by 18.9% from fiscal 2009, to 383 thousand in fiscal 2010.