

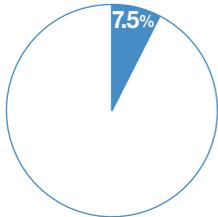
Other Products

Note

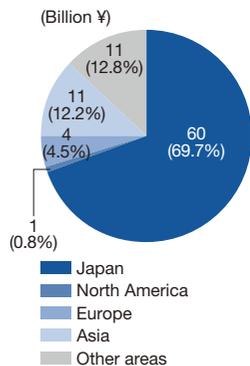
Demand figures stated herein are based on Yamaha Motor's surveys.

Sales of other products for fiscal 2009 plunged by ¥37.1 billion (\$402.9 million), or 30.2% from fiscal 2008, to ¥85.9 billion (\$932.6 million), and made up 7.5% of net sales. Operating income fell by ¥5.5 billion (\$59.9 million), resulting in an operating loss of ¥0.4 billion (\$4.2 million).

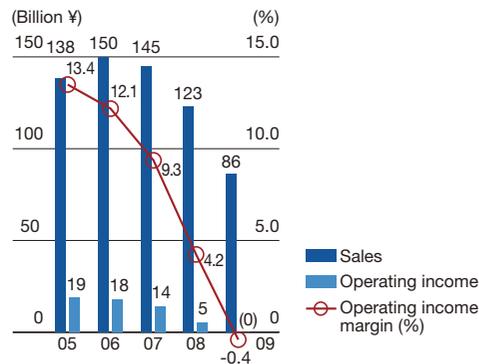
% of net sales in 2009



Sales by market in 2009



Operating results



High-performance, ultra-high-speed compact YS24 modular surface mounter

IM Business — Sales Shift from Recovery to Expansion

Sales of surface mounters account for about 80% of the total sales in our Intelligent Machinery (IM) business. In fiscal 2009, total demand for surface mounters fell by half from fiscal 2008. However, there were some signs of demand recovery in the second half of the year, mainly in Asia (excluding Japan), due to positive factors such as increased investment in mobile phone and LCD TV production

equipment and facilities. Against this backdrop, unit sales of our surface mounters in fiscal 2009 fell 45.9%, to 960 units, negatively impacted by corporate capital expenditure rollbacks amid the recession. However, signs of sales recovery emerged in the latter half of fiscal 2009 with the release of the YS series product lineup — next-generation, modular surface mounters. Overall, sales in the IM business in fiscal 2009 declined 51.5%, to ¥15.1 billion (\$164.0 million).

The decline in demand bottomed out in 2009, and surface mounter demand is expected to increase steadily as corporate capital expenditures recover moving forward. Accordingly, total demand in fiscal 2010 is forecast to climb some 30% from

fiscal 2009. In response to space- and cost-saving trends in the market, we plan to introduce high-performance mounting solutions featuring more productive, ultra-high-speed and compact YS24 and versatile, high-speed and compact YS24X modular surface mounters, together with a wide range of testers and other peripheral equipment, all while strengthening our overseas sales network. Through these efforts, we intend to increase unit sales of our surface mounters for fiscal 2010 by 29.2%, to 1,240 units.

Automotive Engine Business — Significant Decline in Demand

We supply high-performance automobile engines — developed from technologies gained in our motorcycle business — to automakers worldwide. We also sell the Relative Absorber System (REAS), an automobile suspension that delivers higher-quality driving comfort and stability in passenger vehicles, and the Performance Damper, an anti-vibration damper for automobiles, mainly to automakers in Japan.

In fiscal 2009, automobile engine sales plunged 38.4% from fiscal 2008, to ¥24.1 billion (\$261.7 million), as engine orders from automakers decreased dramatically amid the recession.



4,800cc V10 automobile engine

PAS Business — Maintaining Steady Sales

In fiscal 2009, total demand for electrically power assisted bicycles in Japan increased 17.7% from fiscal 2008, to 365 thousand units, favorably impacted when local governments lifted their ban on the release of models designed to accommodate two infants. We expanded the lineup of models that comply with the revised law, and strengthened promotions, for example offering more frequent events with test-riding opportunities. As a result, our unit sales in fiscal 2009 increased 18.2%, to 162 thousand, while the sales amount rose 21.2%, to ¥12 billion (\$130.3 million). Both figures include OEM-supply units.

Total demand in fiscal 2010 is forecast to increase 9.6% from fiscal 2009, to 400 thousand units, as the number of customers purchasing their first electrically power assisted bicycles grows rapidly, in tandem with rising environmental



PAS Raffini electrically power assisted bicycle

awareness and health concerns. In addition, use of these bicycles as commuter vehicles is also growing. We will continue proactively improving the products to meet emerging user needs, and promoting these vehicles aggressively, aiming to increase sales units in fiscal 2010 by 20.4%, to 195 thousand units.

Other Products — Business Conditions Remain Harsh

Other products in this business segment include unmanned industrial helicopters, the intermediate parts that are supplied to each business segment within Yamaha Motor, and astaxanthin — manufactured and sold as an ingredient in health supplements in the Life Science business. Sales from these products in fiscal 2009 decreased 19.1% from fiscal 2008, to ¥34.7 billion (\$376.8 million), due to a continuing fall in demand.

Other Products

Backdrop of the Robust PAS Business

Offering Optimal Products and Services to Meet Diverse Needs

In Japan, the law regulating the assist rate of electrically power assisted bicycles was revised^{Note 1} in December 2008. In response, we developed the new S.P.E.C.^{Note 2} mechanism, designed to supply the optimum power assist over a wider speed range for gear setting. The system provides a stronger, smoother, more effective power assist across the entire operating range, from starting through acceleration and cruising. We are now expanding the lineup of S.P.E.C.-equipped models.

We have introduced new models that comply with Japan's recently adopted safety standard for bicycles with two infant seats, which took effect in July 2009. Our design complies with the revision and enforcement of the rule in each prefecture, as implemented under the auspices of the prefecture's public safety commissioner.

All of these moves aim to develop optimal products for diverse customer needs and applications. At the same time, we are focused on enhancing customer service, by, for example, integrating product maintenance, inspection and other services, and improving our corporate lease and rental capabilities.

Note 1

The maximum ratio of pedaling force to assist power at speeds lower than 15 km/hour was 1 to 1 in the previous version of the law. The recent revision changed this maximum assist ratio to 1 to 2 or less at speeds under 10 km/hour.

Note 2

S.P.E.C. is the abbreviation for **Shift Position Electric Control**.

Comments about the PAS



More and more of today's customers emphasize design features such as color and style in their purchasing decisions. Against this backdrop, I believe Yamaha brand products rate highly among customers seeking more stylish, sporty models.

Mr. Masayori Iizumi (right)

Owner of ASSIST — electrically power assisted bicycle specialty shop (Tokyo, Japan)

I chose the PAS Brace because I liked its stylish design. When I learned Yamaha Motor built the world's first electrically power assisted bicycles, I grew still more confident in Yamaha Motor's engineering superiority and track record. It was a major factor in selecting the PAS Brace.

Mr. Yuta Seto

Company employee (Tokyo, Japan)