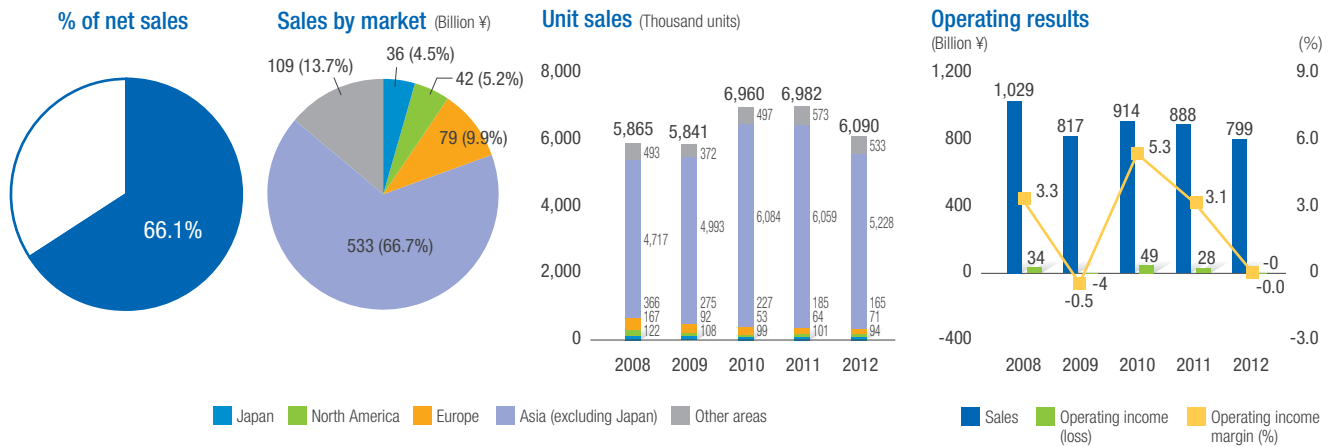


Motorcycles

Motorcycle sales in 2012 declined ¥88.9 billion, or 10.0%, from 2011, to ¥798.7 billion, and accounted for 66.1% of net sales. Operating income fell ¥27.8 billion, to a ¥0.2 billion loss from the previous year's ¥27.6 billion profit, as a result of lower sales and inventory adjustments in Europe and certain emerging markets, and the strong yen.



Figures for the fiscal year ended December 31, 2009 and previous fiscal years are as per the previous segment classifications.

Japan

Solid demand for small motorcycles

The Japanese economy remained weak and showed no signs of a major improvement in retail consumption during 2012, and motorcycle manufacturers boosted overall demand by introducing new models of small motorcycles and lightweight motorcycles. Nevertheless, in the wake of the previous year's boost in demand for Class-1 (50cc and under) and Class-2 category (51cc–125cc) scooters related to reconstruction from the March 2011 earthquake, demand in these categories declined in 2012, and overall demand for motorcycles contracted 0.6%, to 440 thousand units.

At Yamaha Motor, despite strong sales of the YZF-R1, XVS400, and SR400 small motorcycles, a large shortfall from plan for the AXIS Treet Class-2 category scooter depressed overall sales. As a result, domestic unit sales in 2012 declined 6.7%, to 94 thousand units, and net sales were 2.6% lower, at ¥36.1 billion.

With various manufacturers introducing new models in the Class-2 scooter category, total demand for this category is expected to grow in 2013, but with a waning effect from the introduction of new small motorcycle and lightweight motorcycle models, total domestic motorcycle demand is seen increasing only slightly from 2012, to 446 thousand units.

Yamaha Motor plans to introduce new models in the small motorcycle and lightweight motorcycle categories during the second half of 2013. We also expect the market to receive a boost from the release of a limited edition SR400 35th Anniversary Model, and with proactive sales promotions, we are planning for a 7.1% increase in unit sales, to 101 thousand units.

Europe

Leveraging brand strength, products, and sales network to overcome crisis conditions

With various countries implementing a series of emergency fiscal measures in response to protracted uncertainty in the public and private financial situation, retail consumption in Europe remained weak throughout 2012. Conditions were particularly difficult in Italy, Spain, and France, and total European motorcycle demand contracted 11.7%, to 1,740 thousand units.

While dealers held back on purchases because of tighter credit limits from European financial institutions, Yamaha Motor introduced two new models in 2012—the TMAX and the Xenter 125/150 (MBK brand name: OCEO). The TMAX was particularly well received and posted strong sales, reflecting Yamaha Motor's unique brand strength, as well as our



SR400

product pricing and sales promotion activities at 2,700 dealerships across Europe, and was Europe's best-selling motorcycle among all manufacturers. Promotions were also held from the beginning of the year throughout our dealer network for the XJ6 and the FZ8, our main models in the market, and our sales plans were met.

Nevertheless, the contraction of the overall market had a major impact, and Yamaha Motor's unit sales on a shipment basis decreased 11.1%, to 165 thousand units, while net sales declined 13.1%, to ¥79.2 billion.

Europe's public and private financial uncertainty is seen persisting in 2013, and weak consumption is expected to have a continued effect

on motorcycle demand. We therefore anticipate a 2.8% decline in total demand, to 1,700 thousand units. At Yamaha Motor, we will introduce a new model of the FJR in the sports category, and further strengthen our position in the scooter category with the new XMAX400. We will also enhance our lineup in the 50cc category with the release of a new model of the AEROX sports scooter, along with low-priced models of the Bw's50 (MBK brand name: Booster) and the Neo's50 (MBK brand name: Ovetto), and are forecasting an 8.8% increase in total unit sales, to 179 thousand units.

Xenter 125/150



XJ6

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North America

Solid growth on rebound in demand

Against a backdrop of a gradual recovery in major economic indicators including unemployment rates and consumer confidence in the United States, the North American motorcycle market showed solid sales of higher-priced models in 2012, along with a noticeable rebound for lower-priced models. As a result, total North American demand grew 2.5%, to 502 thousand units.

In the United States, Yamaha Motor faced stiff competition in the cruiser and competition categories, but by leveraging our strengths in the dual purpose category with the TW200 and XT250, and in smaller scooter and dirt bike models, we recorded solid sales. As a result, Yamaha Motor's North American unit sales in 2012 rose 10.3%, to 71 thousand units, with a 16.9% increase in net sales, to ¥41.6 billion.

Against a backdrop of a recovery in North American demand in 2013, we anticipate a pickup in medium-priced models, and are forecasting a 3.8% increase in total demand, to 521 thousand units.

At Yamaha Motor, we will strengthen our model competitiveness by expanding our lineup, including aggressive launches in the competition and sports categories. Based on these measures, we are planning for a 3.2% increase in North American unit sales in 2013, to 73 thousand units.

Asia

Decline in demand beginning to slow

In 2012, the Asian market (excluding Japan) experienced an economic slowdown from the effects of fiscal tightening in certain emerging markets and the European financial crisis, and total motorcycle demand contracted 3.1%, to 44,100 thousand units.

Yamaha Motor's 2012 unit sales rose in Thailand following the effects of the previous year's flooding, and in India, but overall sales declined as a result of fourth-quarter inventory adjustments implemented in response to lower demand in Indonesia and Vietnam. Unit sales declined 13.7%, to 5,230 thousand units, and net sales fell 10.3%, to ¥533.0 billion.

We anticipate a return to stable economic growth in 2013 and expect a slight increase in motorcycle demand in Asia, edging up 0.4%, to 44,300 thousand units.

Yamaha Motor will continue to aggressively release new models and strengthen our marketing, and we are planning for a 13.6% increase in unit sales, to 5,940 thousand units.

ASEAN

After pause, enhancing brand strength to expand scale

The Indonesian economy recorded solid GDP growth of more than 5% in 2012. However, a drop in commodity prices and down payment regulations for credit purchases significantly impacted performance, with total motorcycle demand contracting 9.2%, to 7.27 million units.

Yamaha Motor recorded strong sales of the V-IXION and the BYSON in the sports category, but the Mio J, our flagship model in the increasingly popular automatic transmission (AT) category, failed to fully win over customers and our share of the AT category declined. As a result, our 2012 unit sales decreased 22.7%, to 2,420 thousand units, and net sales fell 19.4%, to ¥264.5 billion.

Given Indonesia's solid economic growth and the importance of two-wheeled vehicles in people's lives, we expect total motorcycle demand in 2013 to grow 4.6%, to 7.60 million units.

To address this growing market, we will introduce large made-in-Japan models, and strengthen our contact with customers by holding Yamaha Motor Shows at 1,000 locations across the country and KIDS

Jupiter Z1



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Yamaha Safe Riding Science (YSRS) events nationwide. We will also strengthen our branding through racing activities and with apparel and accessories, and are planning for a 13.5% increase in 2013 unit sales, to 2,750 thousand units.

V-IXION



To facilitate recovery from the previous year's flood damage, in 2012 the Thai government implemented economic stimulus measures including an automobile subsidy program, and, supported by robust internal demand, Thailand's total motorcycle demand rose 6.1%, to a record 2,130 thousand units.

Yamaha Motor proactively launched new models in 2012, with five FI-equipped models including the Filano, TTX, and Mio 125i, and the powerful, fuel-efficient, FI-equipped Spark 115i in the manual transmission (MT) category. The success of these models led to a 16.1% increase in our 2012 unit sales, to 550 thousand units, resulting in a 4.0% increase in net sales, to ¥74.5 billion.

We see Thailand's economic environment remaining strong in 2013, and are forecasting a 3.3% increase in total demand, to 2.20 million units.

At Yamaha Motor, we will bolster our product strength by introducing an FI option to the main Fino model, and strengthen our customer contact through events including Spark 115i test drive events at 50 locations nationwide, to increase our market presence in areas outside major cities. We are therefore aiming for a 5.5% increase in 2013 unit sales, to 580 thousand units.



Nozza

The Vietnamese market saw slower economic growth in 2012 from fiscal tightening imposed by the government since 2011 to rein in inflation, and dampened consumer sentiment led to a 6.6% contraction in total demand, to 3,110 thousand units (excluding Chinese vehicles).

Although Yamaha Motor's sales declined in line with the contraction in total demand, the 135cc Exciter in the sports moped category and the FI-equipped Nozza in the AT category, which targets women, maintained solid sales. In addition, our Sirius volume segment model recorded steady sales, supported by stable sales in rural areas. As a result, we were able to minimize the effect of the decline in total demand, as 2012 unit sales declined 6.6%, to 920 thousand units. Net sales, however, increased 10.2%, to ¥89.3 billion.

In 2013, we see the Vietnamese market recovering from the previous year, and are looking for a 1.0% increase in total demand, to 3.14 million units.

We will launch three new FI-equipped models and step up our area marketing in 2013, and are aiming for a 5.4% increase in unit sales, to 972 thousand units.



Spark 115i

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India

Entering the scooter market

The Indian market experienced an increasing sense of inflation-driven economic stagnation during 2012, and as a result, growth in total motorcycle demand slowed 5.6%, to 13,810 thousand units.

Given this market environment, Yamaha Motor's sales declined, particularly in higher-priced models. On the other hand, the scooter category continues to grow, and in September 2012 Yamaha Motor launched the CYGNUS RAY as our first model in this category. Sales of this scooter have grown, with young women in southern and western India as the main customer segment.

In light of these conditions, our unit sales growth in 2012 was held to 1.4%, to 350 thousand units, with a 0.4% increase in net sales, to ¥39.8 billion.

The Indian market is expected to benefit from the effects of the government's economic policies and the growth of the middle class in 2013, and we are forecasting a solid 4.3% increase in total motorcycle demand, to 14,400 thousand units.

At Yamaha Motor, we will launch various models of the CYGNUS RAY, and focus our marketing on southern and western India, which account for 70% of the market's scooter demand. By expanding and working through our sales network with proactive promotional campaigns targeting women, we are aiming for a 43.5% increase in unit sales, to 500 thousand vehicles.



CYGNUS RAY

China

Sales slowing on lower economic growth

China's economic growth slowed in 2012, as economic weakness in Europe and the United States led to a decline in exports. In addition to a decline in spending for durable goods, tighter limits on license plate issuance by Guangdong Province and the increased popularity of four-wheeled vehicles and electrically powered bicycles had an impact on motorcycle demand, which decreased 10.0%, to 12,630 thousand units.

With a drop-off in purchases of the previously popular Future 100 (100cc scooter) in the scooter category and the newly introduced YB-125-SP, Yamaha Motor's 2012 unit sales declined 19.0%, to 490 thousand units.

The downward trend in total motorcycle demand is seen continuing in 2013, and we expect a 10.3% contraction, to 11,330 thousand units.

Yamaha Motor will aggressively promote sales to our main customer segment of younger rural riders, and we are aiming for a 21.8% increase in unit sales, to 600,000 units.

Central and South America

Strength in neighboring countries unable to cover Brazil's slowdown

In Central and South America in 2012, Brazil's economy slowed as a result of economic stagnation in Europe and China, causing financial institutions to tighten credit and leading to a 14.7% decline in motorcycle demand, to 1.65 million units. Although demand grew in neighboring countries including Colombia and Mexico, this was insufficient to cover the contraction in Brazil, and as a result, total motorcycle demand in Central and South America declined 9.2%, to 4.05 million units.

In Brazil, Yamaha Motor recorded solid sales of higher priced, 600cc and larger models, but sales declined significantly in the main 125cc street category, where interest rates for consumer finance are high, and our total unit sales declined 32.4%, to 160 thousand units. As a result, Yamaha Motor's total unit sales in Central and South America declined 11.3%, to 432 thousand units.

In 2013, we see credit approval rates improving in Brazil and expect a recovery in the market from the second half. We estimate that Brazil's motorcycle demand will grow 5.3%, to 1.74 million units, and that total demand for Central and South America will increase 12.5%, to 4.56 million units. With new models being introduced, we are forecasting a 25.3% increase in Yamaha Motor's unit sales in Brazil, to 210 thousand units, with 24.7% growth, to 540 thousand units, for Central and South America as a whole.

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