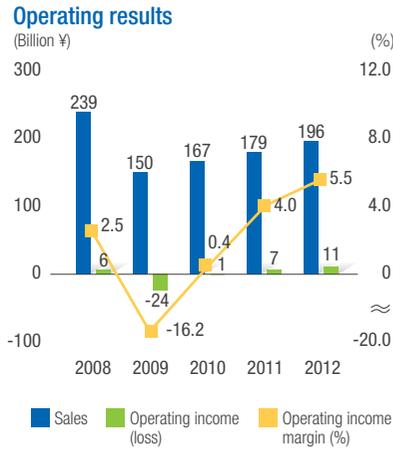
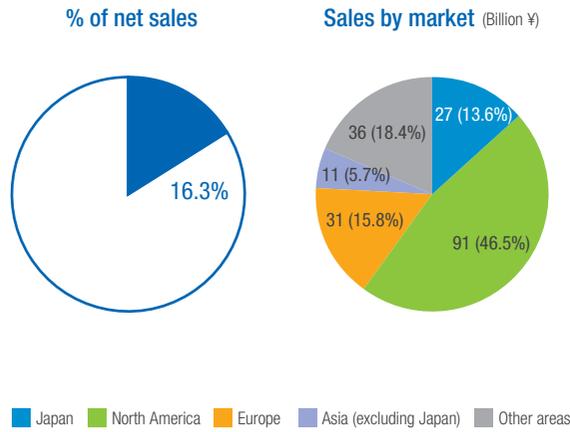


Marine Products

Sales of marine products in 2012 rose ¥17.4 billion, or 9.7%, from 2011, to ¥196.3 billion, and accounted for 16.3% of net sales. Operating income grew ¥3.8 billion, or 53.0%, to ¥10.8 billion.



Outboard Motor Business

Increasing sales by accurately addressing demand

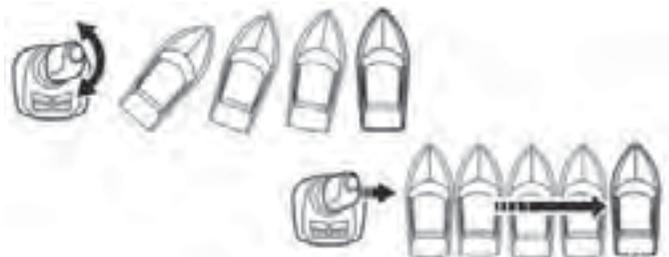
Demand for outboard motors in 2012 rebounded along with the gradual recovery in the U.S. economy, and grew in the Russian market as the middle class expanded in line with stable economic growth. As a result, global demand grew 5.7% from 2011, to 760 thousand units.

Yamaha Motor strove to accurately address demand by strengthening tie-ups with boat builders and pursuing increased sales of medium-sized and large models in developed markets. In emerging markets, we successfully strengthened and expanded our sales channels to attract new customers, and as a result, in 2012 the business recorded a 6.1% increase in unit sales, to 320 thousand units, with a 5.7% increase in net sales, to ¥116.1 billion.

For 2013, we expect protracted weakness in the European economy and a drop in demand related to post-earthquake reconstruction in Japan, but we see a continued recovery in North American demand and market growth in emerging markets, led by Russia. Based on these assumptions, we are projecting a 3.6% increase in total demand, to 790 thousand units. At Yamaha Motor, we will pursue sales growth in each market, and are planning for a 0.7% increase in unit sales, to 320 thousand units.

With regard to products, we began selling the compact, 4-stroke F200F outboard motor, which has the lightest weight in its class, at the beginning of the year. We are also working to stimulate demand by providing new value to boat builders with which we have tie-ups in North America and Europe with the Helm Master, the world's first control system for outboard motor powered boats, which we have jointly developed with Volvo Penta.

Helm Master





VX Deluxe

Personal Watercraft Business

Sales recovering, led by North America

With the gradual recovery of the U.S. economy, total demand for personal watercraft in 2012 grew 6.2%, to 78 thousand units.

At Yamaha Motor, sales of new models in the FX series showed strong growth in all markets, and the VX series achieved solid sales with each model leading its class. With a particularly significant recovery in developed market sales, our total 2012 unit sales grew 36.1%, to 40 thousand units.

Jet propulsion sports boats continued to record solid sales, led by North America, and we have begun increasing production capacity at our facility in Tennessee. As a result, the personal watercraft business recorded a 31.1% increase in net sales in 2012, to ¥37.8 billion.

We expect North American demand to continue to recover in 2013, and are projecting an increase in total demand for personal watercraft. Yamaha Motor will focus on sales promotions and building sales networks to cultivate new customers, and we are aiming for further sales growth.

Boat Business in Japan

Preparing to enter the Chinese market

Japanese domestic boat demand, including pleasure boats, grew 47.9% in 2012, to 5,096 units, on continued growth in demand for both utility and fishing boats associated with reconstruction following the Great East Japan Earthquake.

Domestically, Yamaha Motor maintained a solid pace of production and shipments in response to demand from the fishing industry in areas

rebuilding from the earthquake, and in the pleasure boat market, we launched the SRX and YF24 and acquired a market share of more than 20%. Through these efforts, 2012 unit sales in the boat business in Japan rose 79.7%, to 3,351 units, with a 25.0% increase in net sales to ¥9.5 billion.

We estimate that Japanese domestic boat demand will contract 33.8%, to 3,373 units, in 2013 as demand related to earthquake reconstruction ends, and at Yamaha Motor we are forecasting a 48.1% decline in unit sales of Japanese domestic boats, to 1,739 units.

As part of our growth strategy, we have set up a joint venture with Zhangzidao Group Co., Ltd., which is based in Dalian City, China, and are making preparations to enter the 500,000-vessel market for motorized fishing and work boats in China.



YF24