

**Business Results for the First Nine Months
of the Fiscal Year Ending December 31, 2010**
(January 1, 2010 through September 30, 2010)
(Japan GAAP)

November 4, 2010

This document has been translated from the Japanese original, *Kessan Tanshin* (Flash Report), for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Company name:

Yamaha Motor Co., Ltd.

Stock listing:

Tokyo Stock Exchange First Section

Code number:

7272

URL:

<http://www.yamaha-motor.co.jp/global/ir/index.html>

Representative:

Hiroyuki Yanagi, President, Chief Executive Officer and Representative Director

Contact:

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Filing of quarterly securities report (scheduled):

November 5, 2010

Beginning of payment of third quarter-end dividend (scheduled):

—

Supplementary explanatory documents related to the quarterly consolidated financial results:

Yes

Briefing on the quarterly consolidated financial results:

Yes (for institutional investors and securities analysts)

Amounts less than one million yen are omitted.

1. Consolidated Financial Results for the Nine Months Ended September 30, 2010

(January 1, 2010 through September 30, 2010)

(1) Consolidated operating results (cumulative)

* % represents growth results. () represents negative figures.

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|---|-----------------|-------------|------------------|---|-----------------|---|-----------------|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Nine months ended September 30, 2010 | 987,402 | 15.0 | 48,773 | — | 61,394 | — | 31,067 | — |
| Nine months ended September 30, 2009 | 858,509 | — | (44,967) | — | (43,859) | — | (158,755) | — |

| | Net income per share — basic | Net income per share — diluted |
|---|---------------------------------|-----------------------------------|
| | Yen | Yen |
| Nine months ended September 30, 2010 | 96.12 | 96.12 |
| Nine months ended September 30, 2009 | (555.15) | — |

(2) Consolidated financial position

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|---------------------------------|------------------|-----------------|----------------------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of September 30, 2010 | 1,007,521 | 331,005 | 29.1 | 840.21 |
| As of December 31, 2009 | 987,077 | 249,266 | 21.5 | 743.04 |

Reference: Shareholders' equity

As of September 30, 2010: ¥293,314 million

As of December 31, 2009: ¥212,397 million

2. Cash Dividends

| Record date | Annual cash dividends per share | | | | |
|---|---------------------------------|-----------------------|----------------------|----------|-------|
| | End of first quarter | End of second quarter | End of third quarter | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended December 31, 2009 | — | 0.00 | — | 0.00 | 0.00 |
| Fiscal year ending December 31, 2010 | — | 0.00 | — | | |
| Fiscal year ending December 31, 2010 (forecast) | | | | 0.00 | 0.00 |

Note: No revision of the forecast cash dividends for the fiscal year ending December 31, 2010 was made during the third quarter ended September 30, 2010.

3. Forecast Consolidated Financial Results for the Fiscal Year Ending December 31, 2010

(January 1, 2010 through December 31, 2010)

* % represents growth results.

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|--------------------------------------|-----------------|------|------------------|---|-----------------|---|-----------------|---|----------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Fiscal year ending December 31, 2010 | 1,300,000 | 12.7 | 50,000 | — | 64,000 | — | 26,000 | — | 78.85 |

Note: Revision of the forecast consolidated financial figures for the fiscal year ending December 31, 2010 was made during the third quarter ended September 30, 2010.

4. Other Information

For further information, please refer to Item 2, “Other Information,” in the Attachment on page 10.

(1) Changes in significant subsidiaries during the period: None

Note: Items to be disclosed in “Changes in specified subsidiaries resulting from changes in scope of consolidation” during the period

(2) Application of simplified and special accounting principles: Yes

Note: Items to be disclosed in “Application of simplified and special accounting principles to the quarterly consolidated financial statements”

(3) Changes in accounting principles, procedures, presentation methods and other items

① Changes arising from revision of accounting principles: Yes

② Changes arising from other factors: None

Note: Items to be disclosed in “Changes in accounting principles, procedures, presentation methods and other items for the quarterly consolidated financial statements in changes in notes to quarterly consolidated financial statements”

(4) Number of shares outstanding (Common stock)

① Number of shares outstanding at the end of the period, including treasury stock

② Number of treasury stocks at the end of the period

③ Average number of shares during the period

| | | | |
|--|--------------------|--------------------------------------|--------------------|
| Third quarter ended September 30, 2010 | 349,757,784 shares | Fiscal year ended December 31, 2009 | 286,507,784 shares |
| Third quarter ended September 30, 2010 | 659,838 shares | Fiscal year ended December 31, 2009 | 658,149 shares |
| Nine months ended September 30, 2010 | 323,210,432 shares | Nine months ended September 30, 2009 | 285,970,784 shares |

(*Note regarding review procedure for the quarterly consolidated financial statements)

The consolidated financial results presented herein are not subject to the quarterly review procedure specified by the Financial Instruments and Exchange Act. The review procedure for quarterly consolidated financial statements specified by the Financial Instruments and Exchange Act has not been completed at the time of the disclosure of these financial results.

(*Notice regarding forward-looking statements)

Forward-looking statements including the forecast for the fiscal year ending December 31, 2010 presented in this document are based on the assumptions and beliefs of Yamaha Motor Co., Ltd. (the “Company”) in light of the information currently available, and may differ significantly from actual financial results, due to various risks, uncertainties and other factors, including changes in business conditions surrounding the Yamaha Motor Group, changing consumer preferences, and currency exchange rate fluctuations.

For details on potential risks, uncertainties and other factors affecting the Company’s operations, please see the Securities Report (filed on March 26, 2010).

Please refer to Item 1-(3), “Qualitative Information on Forecast Results,” in the Attachment on page 9 for forward-looking statements.

Net income per share described in Section 3 “Forecast Consolidated Financial Results for the Fiscal Year Ending December 31, 2010” on page 3 is computed based on the number of shares outstanding at the end of the period.

These include new shares issued by public offering and other measures to increase capital in April and May, 2010. Please refer to Item 3-(6), “Notes in the Event of Material Changes in the Amount of Shareholders’ Equity” on page 21 for the public offering and other measures.

With regard to amounts stated in 100 million yen units in this document, amounts less than ¥100 million are rounded off.

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*The Company plans to hold a briefing for institutional investors and securities analysts as shown below. Reference documents distributed at the briefing will be posted on Yamaha Motor's website immediately after the briefing.

- November 4 (Thursday), 2010 ••••• Financial results briefing for institutional investors and securities analysts

Sales Breakdown by Business and Market

Amounts less than one million yen are omitted.

| Amount: millions of yen Volume: thousand units | | | | | | | | | |
|---|--|---------|-------|---|----------------|--------------|--|---------|-------|
| | (Reference) Nine months ended September 30, 2009 (January 1—September 30, 2009) | | | Nine months ended September 30, 2010 (January 1—September 30, 2010) | | | Third quarter of FY2010 (July 1—September 30, 2010) | | |
| | Volume | Amount | % | Volume | Amount | % | Volume | Amount | % |
| | Net sales: | | | | | | | | |
| Japan | — | 98,269 | 11.4 | — | 108,725 | 11.0 | — | 35,962 | 11.6 |
| Overseas: | | | | | | | | | |
| North America | — | 134,639 | 15.7 | — | 126,032 | 12.8 | — | 38,487 | 12.4 |
| Europe | — | 163,098 | 19.0 | — | 138,074 | 14.0 | — | 35,163 | 11.3 |
| Asia | — | 352,558 | 41.1 | — | 484,423 | 49.1 | — | 156,504 | 50.3 |
| Other areas | — | 109,944 | 12.8 | — | 130,147 | 13.1 | — | 45,117 | 14.4 |
| Subtotal | — | 760,240 | 88.6 | — | 878,677 | 89.0 | — | 275,273 | 88.4 |
| Total | — | 858,509 | 100.0 | — | 987,402 | 100.0 | — | 311,235 | 100.0 |
| Motorcycles: | | | | | | | | | |
| Japan | 86 | 30,095 | 5.0 | 76 | 24,706 | 3.6 | 25 | 8,456 | 4.0 |
| Overseas: | | | | | | | | | |
| North America | 81 | 52,386 | 8.6 | 40 | 27,305 | 4.0 | 5 | 3,254 | 1.5 |
| Europe | 226 | 117,853 | 19.4 | 187 | 92,908 | 13.5 | 52 | 23,434 | 11.1 |
| Asia | 3,517 | 337,478 | 55.5 | 4,486 | 455,998 | 66.2 | 1,441 | 145,874 | 68.9 |
| Other areas | 273 | 69,998 | 11.5 | 335 | 87,419 | 12.7 | 124 | 30,829 | 14.5 |
| Subtotal | 4,097 | 577,716 | 95.0 | 5,048 | 663,631 | 96.4 | 1,621 | 203,392 | 96.0 |
| Total | 4,183 | 607,811 | 70.8 | 5,124 | 688,337 | 69.7 | 1,647 | 211,849 | 68.1 |
| Marine products: | | | | | | | | | |
| Japan | — | 17,898 | 15.2 | — | 16,584 | 12.4 | — | 5,383 | 14.3 |
| Overseas: | | | | | | | | | |
| North America | — | 45,153 | 38.3 | — | 57,130 | 42.8 | — | 16,267 | 43.1 |
| Europe | — | 28,227 | 23.9 | — | 29,176 | 21.8 | — | 5,822 | 15.4 |
| Asia | — | 4,814 | 4.1 | — | 6,985 | 5.2 | — | 2,505 | 6.6 |
| Other areas | — | 21,897 | 18.5 | — | 23,657 | 17.8 | — | 7,738 | 20.6 |
| Subtotal | — | 100,092 | 84.8 | — | 116,950 | 87.6 | — | 32,334 | 85.7 |
| Total | — | 117,991 | 13.7 | — | 133,534 | 13.5 | — | 37,718 | 12.1 |
| Power products: | | | | | | | | | |
| Japan | — | 6,807 | 9.5 | — | 8,336 | 11.1 | — | 2,722 | 8.9 |
| Overseas: | | | | | | | | | |
| North America | — | 36,643 | 51.2 | — | 40,672 | 54.2 | — | 18,677 | 60.9 |
| Europe | — | 14,522 | 20.3 | — | 12,273 | 16.4 | — | 4,566 | 14.9 |
| Asia | — | 3,302 | 4.6 | — | 4,829 | 6.4 | — | 1,629 | 5.3 |
| Other areas | — | 10,311 | 14.4 | — | 8,946 | 11.9 | — | 3,057 | 10.0 |
| Subtotal | — | 64,780 | 90.5 | — | 66,721 | 88.9 | — | 27,930 | 91.1 |
| Total | — | 71,587 | 8.3 | — | 75,058 | 7.6 | — | 30,652 | 9.8 |
| Other products: | | | | | | | | | |
| Japan | — | 43,468 | 71.1 | — | 59,098 | 65.3 | — | 19,399 | 62.5 |
| Overseas: | | | | | | | | | |
| North America | — | 454 | 0.7 | — | 925 | 1.0 | — | 288 | 0.9 |
| Europe | — | 2,495 | 4.1 | — | 3,716 | 4.1 | — | 1,339 | 4.3 |
| Asia | — | 6,962 | 11.4 | — | 16,609 | 18.4 | — | 6,494 | 20.9 |
| Other areas | — | 7,737 | 12.7 | — | 10,122 | 11.2 | — | 3,492 | 11.4 |
| Subtotal | — | 17,650 | 28.9 | — | 31,373 | 34.7 | — | 11,615 | 37.5 |
| Total | — | 61,118 | 7.2 | — | 90,471 | 9.2 | — | 31,015 | 10.0 |

1. Qualitative Information on Consolidated Results During the Period

(1) Qualitative Information on Consolidated Operating Results

During the third quarter (July 1 through September 30) of the fiscal year ending December 31, 2010, the economic environment in Japan was characterized by continued uncertainty about the future due to factors including further yen appreciation, and the economic recovery trend in Europe and the United States remained sluggish. Against this backdrop, demand for the Yamaha Motor Group's mainstay leisure products remained low. ASEAN and other emerging nations' economies, on the other hand, continued to expand. This helped increase the Company's consolidated net sales for the third quarter by 11.5% from the previous third quarter, to ¥311.2 billion. Operating income totaled ¥13.7 billion, an improvement of ¥25.2 billion from the previous third quarter, principally arising from increased motorcycle sales in the ASEAN region and reduced depreciation, personnel and other expenses realized by reforming the profitability structure of businesses in developed nations, despite the negative impact of yen appreciation. Ordinary income amounted to ¥17.6 billion, an improvement of ¥24.6 billion from the previous third quarter. Net income stood at ¥7.3 billion, a ¥91.3 billion gain, reflecting factors including the recording in the previous third quarter of an impairment loss on fixed assets in Japan, Europe, and the United States and ¥73.5 billion for business structure improvement expenses, the cost of a special allowance for early retirement.

Consolidated net sales for the nine months ended September 30, 2010 increased 15.0% from the same period of the previous year, to ¥987.4 billion. Operating income totaled ¥48.8 billion, an improvement of ¥93.7 billion, and ordinary income reached ¥61.4 billion, a ¥105.3 billion gain. Net income stood at ¥31.1 billion, ¥189.8 billion better than the same period of the previous year.

Operating performance by segment

① Business segment

[Motorcycles]

In Europe and the United States, motorcycle sales for the third quarter (July 1 through September 30, 2010) decreased from the previous third quarter, reflecting declining demand, the negative impact of exchange rates, and ongoing market stock adjustments in the United States. In ASEAN countries and other emerging nations, on the other hand, sales increased steadily. In total, motorcycle sales rose 7.1% from the previous third quarter, to ¥211.8 billion. Operating income improved by ¥13.3 billion, to ¥11.9 billion, despite the negative impact of yen appreciation, led mainly by sales increases in the ASEAN region and fixed expense reductions realized from profitability structure reform at businesses in developed nations.

Sales for the nine months ended September 30, 2010 rose 13.2% from the same period of the previous year, to ¥688.3 billion, while operating income improved by ¥41.3 billion, to ¥38.0 billion.

[Marine products]

Retail sales and wholesale shipments of outboard motors in the United States rose from the previous third quarter. Consequently, marine product sales for the third quarter increased 8.5%, to ¥37.7 billion. However, factors including the negative impact of yen appreciation led to an operating loss of ¥0.5 billion, representing improvement of ¥5.7 billion from the previous third quarter.

Sales for the nine months increased 13.2% from the same period of the previous year, to ¥133.5 billion, while operating income improved by ¥19.6 billion, to ¥3.7 billion.

[Power products]

During the third quarter, retail sales of all-terrain vehicles (ATVs) in the United States decreased from the previous third quarter; however, wholesale shipments increased, due to market stock adjustments in the previous year. In total, sales of power products amounted to ¥30.7 billion, an improvement of 27.2% from the previous third quarter. Operating loss improved by ¥0.7 billion from the previous third quarter to ¥3.0 billion.

Sales for the nine months increased 4.8% from the same period of the previous year, to ¥75.1 billion. Operating loss for the nine months totaled ¥7.2 billion, an improvement of ¥16.4 billion from the same period of the previous year due to factors including a decrease in the provision for accrual for product liabilities.

[Other products]

Sales in this segment for the third quarter increased 38.0% from the previous third quarter, to ¥31.0 billion, due to factors including a recovery in demand for surface mounters, automobile engines, and electrically power assisted bicycles. Operating income improved by ¥5.5 billion from the previous third quarter, to ¥5.3 billion.

Sales for the nine months increased 48.0% from the same period of the previous year, to ¥90.5 billion, while operating income improved by ¥16.5 billion, to ¥14.2 billion.

② Geographical segment

[Japan]

Sales in Japan for the third quarter (July 1 through September 30, 2010) increased 44.4% from the previous third quarter, to ¥138.2 billion, reflecting sales increases for surface mounters, automobile engines, electrically power assisted bicycles, and other products. Operating loss was ¥33 million, an improvement of ¥16.3 billion from the previous third quarter. The loss is attributable to the negative impact of exchange rates due to yen appreciation, despite an increase in marginal profit resulting from expanded production volumes, coupled with fixed expense cutbacks.

Sales for the nine months ended September 30, 2010 increased 19.8% from the same period of the previous year, to ¥406.4 billion, while operating income improved by ¥45.4 billion, to ¥0.7 billion.

[North America]

Sales in North America for the third quarter increased 24.9% from the previous third quarter, to ¥43.2 billion. Although continued delay in demand recovery in leisure markets pushed motorcycle sales down, sales of outboard motors and all-terrain vehicles (ATVs) increased. Operating loss improved by ¥3.2 billion, to ¥5.3 billion.

Sales for the nine months decreased 8.7% from the same period of the previous year, to ¥136.1 billion, while operating loss improved by ¥21.0 billion, to ¥8.6 billion.

[Europe]

Sales in Europe for the third quarter decreased 13.7% from the previous third quarter, to ¥34.6 billion, as sales of motorcycles, outboard motors, and ATVs fell. Operating income improved by ¥2.7 billion, to ¥0.6 billion, due to factors including fixed expense reductions realized by reforming the profitability structure.

Sales for the nine months decreased 16.0% from the same period of the previous year, to ¥136.8 billion, while operating income improved by ¥6.9 billion, to ¥3.1 billion.

[Asia]

Sales in Asia (excluding Japan) for the third quarter increased 12.7% from the previous third quarter, to ¥158.8 billion. This is mainly attributable to favorable motorcycle sales in Indonesia, Thailand, and Vietnam. Operating income rose 43.7%, to ¥14.6 billion.

Sales for the nine months increased 33.6% from the same period of the previous year, to ¥494.0 billion, while operating income jumped 121.8%, to ¥46.5 billion.

[Other areas]

Sales in other areas for the third quarter increased 19.6% from the previous third quarter, to ¥36.4 billion. This increase is mainly attributable to increased motorcycle unit sales in Brazil. Operating income increased ¥4.1 billion, to ¥4.1 billion.

Sales for the nine months rose 21.8% from the same period of the previous year, to ¥104.1 billion, while operating income improved by ¥6.8 billion, to ¥6.4 billion.

Sales amounts by geographical segment include intersegment sales.

(2) Qualitative Information on the Consolidated Financial Position

Total assets at the end of the third quarter increased by ¥20.4 billion from the end of the previous fiscal year, to ¥1,007.5 billion, due mainly to an increase of ¥47.0 billion in current assets, although fixed assets decreased by ¥26.5 billion. Net assets increased by ¥81.7 billion, to ¥331.0 billion, reflecting an increase of ¥37.3 billion in both common stock and capital surplus, raised by public offering, and an increase of ¥31.1 billion in retained earnings, among other factors.

Net cash provided by operating activities during the third quarter (July 1 through September 30, 2010) stood at ¥33.0 billion, while net cash used in investing activities totaled ¥10.1 billion. Consequently, free cash flows during the third quarter amounted to ¥22.9 billion. Net cash used in financing activities totaled ¥14.1 billion.

Net cash provided by operating activities during the nine months ended September 30, 2010 stood at ¥117.2 billion, due mainly to income before income taxes and minority interests totaling ¥61.2 billion, depreciation expenses totaling ¥27.7 billion, and an increase in notes and accounts payable totaling ¥20.5 billion.

Net cash used in investing activities during the nine months amounted to ¥23.5 billion, due mainly to payments for purchase of fixed assets totaling ¥21.8 billion as a result of holding capital investment of fixed assets below the level of depreciation expenses. Consequently, free cash flows during the nine months totaled ¥93.8 billion.

Net cash provided by financing activities was ¥7.3 billion. The figure mainly reflects ¥74.6 billion raised in a public offering and the appropriation of free cash flows to repay long-term debt and short-term borrowing.

As a result of the activities discussed above, interest-bearing debt at the end of the third quarter under review decreased by ¥77.7 billion from the end of the previous year, to ¥322.2 billion — including ¥109.8 billion in borrowing for sales finance — while cash and cash equivalents increased by ¥96.1 billion, to ¥233.3 billion.

(3) Qualitative Information on Forecast Results

The Company is revising its full-year consolidated forecast results for the fiscal year ending December 31, 2010 from the figures announced on August 4, 2010 as follows due to an expected increase in motorcycle unit sales in the ASEAN region and continuing contribution from cost reductions, despite yen appreciation against the U.S. dollar.

The projected exchange rates for the fourth quarter are ¥80 against the U.S. dollar (an appreciation of ¥5 from the previous forecast and ¥10 from the previous fourth quarter) and ¥110 against the euro (a depreciation of ¥2 from the previous forecast and an appreciation of ¥23 from the previous fourth quarter). The rates projected for the full year are ¥87 against the U.S. dollar (an appreciation of ¥1 from the previous forecast, and ¥7 from the previous year) and ¥115 against the euro (same as the previous forecast and an appreciation of ¥15 from the previous year).

| | | Billions of yen |
|------------------|--|-----------------|
| | | Consolidated |
| Net sales | | 1,300.0 |
| | Change from the previous forecast: | No change |
| | Change from the fiscal year ended December 31, 2009: | +12.7% |
| Operating income | | 50.0 |
| | Increase from the previous forecast: | +5.0 |
| | Increase from the fiscal year ended December 31, 2009: | +112.6 |
| Ordinary income | | 64.0 |
| | Increase from the previous forecast: | +9.0 |
| | Increase from the fiscal year ended December 31, 2009: | +132.3 |
| Net income | | 26.0 |
| | Increase from the previous forecast: | +1.0 |
| | Increase from the fiscal year ended December 31, 2009: | +242.1 |

Note: "Change or increase from the previous forecast" indicates the amount of increase from the forecast results for the fiscal year ending December 31, 2010, which was announced on August 4, 2010.

2. Other Information

(1) Outline of Changes in Significant Subsidiaries

None

(2) Outline of Application of Simplified and Special Accounting Principles

① Simplified accounting

(Measurement method for inventories)

In computing inventories at the end of the third quarter of the fiscal year ending December 31, 2010, the Company has applied a rationalized computation method, based on the actual inventory count at the end of the previous fiscal year, eliminating the need to physically take inventory.

(Computation method for fixed asset depreciation expenses)

In computing the depreciation of assets using the declining-balance method, the Company has allocated the annual depreciation expenses of the fiscal year to the relevant periods.

② Special accounting applied to preparation of the quarterly consolidated financial statements

None

(3) Outline of Changes in Accounting Principles, Procedures, Presentation Methods and Other Items

(Application of Accounting Standards for Business Combinations and Related Matters)

Beginning with the third quarter of the fiscal year ending December 31, 2010, the Company has applied the following accounting standards: Accounting Standard for Business Combinations (ASBJ Statement No. 21, issued December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, issued December 26, 2008), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23, issued December 26, 2008), Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7, issued December 26, 2008), Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16, issued December 26, 2008), and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, issued December 26, 2008).

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

As of September 30, 2010 and December 31, 2009

Amounts less than one million yen are omitted. () represents negative figures.

| | Millions of yen | |
|--|--------------------------|-------------------------|
| | As of September 30, 2010 | As of December 31, 2009 |
| ASSETS | | |
| Current assets: | | |
| Cash and deposits in banks | 234,085 | 137,328 |
| Trade notes and accounts receivable | 181,483 | 201,684 |
| Merchandise and finished goods | 138,637 | 147,380 |
| Work-in-process | 37,884 | 42,746 |
| Raw materials and supplies | 36,985 | 33,401 |
| Other | 45,565 | 66,550 |
| Less: Allowance for doubtful receivables | (6,878) | (8,291) |
| Total current assets | 667,763 | 620,800 |
| Fixed assets: | | |
| Tangible fixed assets | 255,252 | 275,556 |
| Intangible fixed assets | 4,128 | 4,802 |
| Investments and other assets: | | |
| Investments and other assets | 81,809 | 87,222 |
| Less: Allowance for doubtful receivables | (1,433) | (1,305) |
| Total investments and other assets | 80,376 | 85,917 |
| Total fixed assets | 339,757 | 366,276 |
| Total assets | 1,007,521 | 987,077 |
| LIABILITIES | | |
| Current liabilities: | | |
| Notes and accounts payable | 126,243 | 110,147 |
| Short-term borrowing | 35,138 | 87,574 |
| Current portion of long-term debt | 15,617 | 30,470 |
| Income taxes payable | 8,223 | 2,480 |
| Provisions: | | |
| Accrued bonuses | 12,792 | 8,052 |
| Accrued warranty costs | 26,853 | 22,403 |
| Other provisions | 1,609 | 926 |
| Subtotal | 41,255 | 31,383 |
| Other | 102,088 | 117,642 |
| Total current liabilities | 328,566 | 379,698 |
| Long-term liabilities: | | |
| Long-term debt | 271,456 | 281,898 |
| Provisions: | | |
| Accrued employees' retirement benefits | 37,343 | 34,748 |
| Accrual for product liabilities | 23,819 | 24,715 |
| Other provisions | 1,294 | 1,746 |
| Subtotal | 62,457 | 61,210 |
| Other | 14,035 | 15,002 |
| Total long-term liabilities | 347,948 | 358,111 |
| Total liabilities | 676,515 | 737,810 |

Amounts less than one million yen are omitted. () represents negative figures.

| | Millions of yen | |
|---|--------------------------|-------------------------|
| | As of September 30, 2010 | As of December 31, 2009 |
| NET ASSETS | | |
| Shareholders' equity: | | |
| Common stock | 85,666 | 48,342 |
| Capital surplus | 98,147 | 60,824 |
| Retained earnings | 211,936 | 180,880 |
| Treasury stock | (680) | (677) |
| Total shareholders' equity | 395,070 | 289,369 |
| Valuation and translation adjustments: | | |
| Unrealized gain on other securities | 2,057 | 4,039 |
| Unrealized revaluation gain on land | 10,208 | 10,208 |
| Translation adjustments | (114,022) | (91,220) |
| Total valuation and translation adjustments | (101,756) | (76,971) |
| Share warrants | 96 | 72 |
| Minority interests | 37,595 | 36,796 |
| Total net assets | 331,005 | 249,266 |
| Total liabilities and net assets | 1,007,521 | 987,077 |

(2) Consolidated Statements of Income

Nine months ended September 30, 2009 and 2010

Amounts less than one million yen are omitted. () represents negative figures.

| | Millions of yen | |
|---|---|---|
| | Nine months ended September 30, 2009 (January 1—September 30, 2009) | Nine months ended September 30, 2010 (January 1—September 30, 2010) |
| Net sales | 858,509 | 987,402 |
| Cost of sales | 704,895 | 761,855 |
| Gross profit | 153,614 | 225,547 |
| Selling, general and administrative expenses | 198,582 | 176,773 |
| Operating income (loss) | (44,967) | 48,773 |
| Non-operating income: | | |
| Interest income | 6,166 | 6,743 |
| Other | 9,626 | 16,095 |
| Total non-operating income | 15,792 | 22,839 |
| Non-operating expenses: | | |
| Interest expense | 7,823 | 6,274 |
| Other | 6,860 | 3,944 |
| Total non-operating expenses | 14,683 | 10,219 |
| Ordinary income (loss) | (43,859) | 61,394 |
| Extraordinary profits: | | |
| Gain on sale of fixed assets | 273 | 418 |
| Gain on transfer of business | — | 106 |
| Other | 2 | 3 |
| Total extraordinary profits | 276 | 528 |
| Extraordinary losses: | | |
| Loss on sale of fixed assets | 185 | 140 |
| Loss on disposal of fixed assets | 661 | 542 |
| Impairment loss | 239 | 0 |
| Business structure improvement expenses | 73,466 | — |
| Other | 11 | 37 |
| Total extraordinary losses | 74,563 | 720 |
| Income (loss) before income taxes and minority interests | (118,146) | 61,202 |
| Income taxes — current | 10,007 | 25,002 |
| Income taxes — deferred | 28,690 | (1,371) |
| Total income taxes | 38,697 | 23,631 |
| Minority interests | 1,911 | 6,503 |
| Net income (loss) | (158,755) | 31,067 |

Third quarter ended September 30, 2009 and 2010

Amounts less than one million yen are omitted. () represents negative figures.

| | Millions of yen | |
|---|--|--|
| | Third quarter ended September 30, 2009 (July 1—September 30, 2009) | Third quarter ended September 30, 2010 (July 1—September 30, 2010) |
| Net sales | 279,116 | 311,235 |
| Cost of sales | 229,049 | 237,821 |
| Gross profit | 50,067 | 73,414 |
| Selling, general and administrative expenses | 61,551 | 59,710 |
| Operating income (loss) | (11,483) | 13,704 |
| Non-operating income: | | |
| Interest income | 2,222 | 2,124 |
| Other | 5,694 | 4,962 |
| Total non-operating income | 7,916 | 7,086 |
| Non-operating expenses: | | |
| Interest expense | 2,320 | 1,796 |
| Loss on valuation of derivatives | — | 1,103 |
| Other | 1,088 | 305 |
| Total non-operating expenses | 3,408 | 3,205 |
| Ordinary income (loss) | (6,975) | 17,585 |
| Extraordinary profits: | | |
| Gain on sale of fixed assets | 63 | 227 |
| Gain on transfer of business | — | 106 |
| Total extraordinary profits | 63 | 333 |
| Extraordinary losses: | | |
| Loss on sale of fixed assets | 14 | 76 |
| Loss on disposal of fixed assets | 298 | 182 |
| Business structure improvement expenses | 73,466 | — |
| Other | — | 34 |
| Total extraordinary losses | 73,779 | 293 |
| Income (loss) before income taxes and minority interests | (80,691) | 17,624 |
| Income taxes — current | 3,516 | 6,394 |
| Income taxes — deferred | (1,148) | 1,833 |
| Total income taxes | 2,367 | 8,228 |
| Minority interests | 984 | 2,104 |
| Net income (loss) | (84,043) | 7,291 |

(3) Consolidated Statements of Cash Flows

Nine months ended September 30, 2009 and 2010

Amounts less than one million yen are omitted. () represents negative figures.

| | Millions of yen | |
|--|---|---|
| | Nine months ended September 30, 2009 (January 1— September 30, 2009) | Nine months ended September 30, 2010 (January 1— September 30, 2010) |
| Cash flows from operating activities: | | |
| Income (loss) before income taxes and minority interests | (118,146) | 61,202 |
| Depreciation expenses | 43,003 | 27,689 |
| Impairment loss | 239 | 0 |
| Business structure improvement expenses | 70,300 | — |
| Loss (gain) on transfer of business | — | (106) |
| Increase (decrease) in allowance for doubtful receivables | 1,738 | (603) |
| Increase in accrued employees' retirement benefits | 3,311 | 3,146 |
| Increase (decrease) in accrual for product liabilities | 10,864 | 410 |
| Interest and dividend income | (6,486) | (7,353) |
| Interest expenses | 7,823 | 6,274 |
| Gain on sale of fixed assets | (87) | (278) |
| Loss on disposal of fixed assets | 661 | 542 |
| Decrease (increase) in trade notes and accounts receivable | 61,984 | 535 |
| Decrease (increase) in inventories | 81,605 | (3,429) |
| (Decrease) increase in notes and accounts payable | (69,881) | 20,474 |
| Other | (27,660) | 10,538 |
| Subtotal | 59,269 | 119,045 |
| Interest and dividends received | 6,907 | 7,750 |
| Interest paid | (7,532) | (6,099) |
| Income taxes refund (paid) | (1,435) | (3,466) |
| Net cash provided by operating activities | 57,209 | 117,230 |
| Cash flows from investing activities: | | |
| Increase in time deposits | (399) | (2,254) |
| Decrease in time deposits | 461 | 1,604 |
| Payments for purchase of fixed assets | (38,341) | (21,816) |
| Proceeds from sales of fixed assets | 5,409 | 1,577 |
| Proceeds from transfer of business | — | 250 |
| Other | (5,215) | (2,817) |
| Net cash used in investing activities | (38,085) | (23,455) |
| Cash flows from financing activities: | | |
| Decrease in short-term borrowing and commercial papers | (136,578) | (45,456) |
| Proceeds from long-term debt | 190,573 | 20,472 |
| Repayment of long-term debt | (21,654) | (38,375) |
| Proceeds from issuance of common stock | — | 74,647 |
| Purchase of treasury stock | (496) | (2) |
| Cash dividends paid | (1,432) | — |
| Cash dividends paid to minority shareholders | (2,011) | (3,750) |
| Other | (510) | (208) |
| Net cash provided by financing activities | 27,890 | 7,326 |

Amounts less than one million yen are omitted. () represents negative figures.

| | Millions of yen | |
|---|---|---|
| | Nine months ended September 30, 2009 (January 1— September 30, 2009) | Nine months ended September 30, 2010 (January 1— September 30, 2010) |
| Effect of exchange rate changes on cash and cash equivalents | 3,971 | (5,093) |
| Net increase in cash and cash equivalents | 50,985 | 96,007 |
| Cash and cash equivalents at beginning of the period | 134,364 | 137,219 |
| Increase due to inclusion of subsidiaries in consolidation | — | 68 |
| Cash and cash equivalents at end of the period | 185,349 | 233,295 |

(4) Notes Regarding Going-concern Assumptions

None

(5) Segment Information

Business segment information

Third quarter ended September 30, 2009 (July 1, 2009 through September 30, 2009)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | | | |
|-------------------|-----------------|-----------------|----------------|----------------|----------|--------------|--------------|
| | Motorcycles | Marine products | Power products | Other products | Total | Eliminations | Consolidated |
| Net sales: | | | | | | | |
| Outside customers | 197,777 | 34,777 | 24,094 | 22,467 | 279,116 | — | 279,116 |
| Intersegment | — | — | — | 18,327 | 18,327 | (18,327) | — |
| Total | 197,777 | 34,777 | 24,094 | 40,794 | 297,443 | (18,327) | 279,116 |
| Operating loss | (1,324) | (6,216) | (3,676) | (267) | (11,483) | 0 | (11,483) |

Notes:

1. Business segments correspond to categories classified primarily by similarity of products and markets.
2. Major products in each business segment:

| Business segment | Major products |
|------------------|--|
| Motorcycles | Motorcycles and knockdown parts for overseas production |
| Marine products | Outboard motors, personal watercraft, boats, FRP pools, fishing boats, utility boats and diesel engines |
| Power products | All-terrain vehicles, side-by-side vehicles, snowmobiles, golf cars, generators, small-sized snow throwers and multi-purpose engines |
| Other products | Surface mounters, industrial robots, automobile engines, automobile components, electrically power assisted bicycles, unmanned industrial helicopters, electrically powered wheelchairs and the intermediate parts for products in all business segments |

Third quarter ended September 30, 2010 (July 1, 2010 through September 30, 2010)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | | | |
|-------------------------|-----------------|-----------------|----------------|----------------|---------|--------------|--------------|
| | Motorcycles | Marine products | Power products | Other products | Total | Eliminations | Consolidated |
| Net sales: | | | | | | | |
| Outside customers | 211,849 | 37,718 | 30,652 | 31,015 | 311,235 | — | 311,235 |
| Intersegment | — | — | — | 19,968 | 19,968 | (19,968) | — |
| Total | 211,849 | 37,718 | 30,652 | 50,984 | 331,204 | (19,968) | 311,235 |
| Operating income (loss) | 11,935 | (468) | (3,012) | 5,250 | 13,704 | 0 | 13,704 |

Notes:

1. Business segments: Classified in the same way as for the third quarter ended September 30, 2009.
2. Major products in each business segment: Classified in the same way as for the third quarter ended September 30, 2009.

Nine months ended September 30, 2009 (January 1, 2009 through September 30, 2009)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | | | |
|-------------------|-----------------|-----------------|----------------|----------------|----------|--------------|--------------|
| | Motorcycles | Marine products | Power products | Other products | Total | Eliminations | Consolidated |
| Net sales: | | | | | | | |
| Outside customers | 607,811 | 117,991 | 71,587 | 61,118 | 858,509 | — | 858,509 |
| Intersegment | — | — | — | 57,143 | 57,143 | (57,143) | — |
| Total | 607,811 | 117,991 | 71,587 | 118,262 | 915,653 | (57,143) | 858,509 |
| Operating loss | (3,238) | (15,884) | (23,595) | (2,249) | (44,967) | 0 | (44,967) |

Notes:

1. Business segments: Classified in the same way as for the third quarter ended September 30, 2009.
2. Major products in each business segment: Classified in the same way as for the third quarter ended September 30, 2009.

Nine months ended September 30, 2010 (January 1, 2010 through September 30, 2010)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | | | |
|-------------------------|-----------------|-----------------|----------------|----------------|-----------|--------------|--------------|
| | Motorcycles | Marine products | Power products | Other products | Total | Eliminations | Consolidated |
| Net sales: | | | | | | | |
| Outside customers | 688,337 | 133,534 | 75,058 | 90,471 | 987,402 | — | 987,402 |
| Intersegment | — | — | — | 61,110 | 61,110 | (61,110) | — |
| Total | 688,337 | 133,534 | 75,058 | 151,582 | 1,048,513 | (61,110) | 987,402 |
| Operating income (loss) | 38,014 | 3,698 | (7,170) | 14,231 | 48,773 | 0 | 48,773 |

Notes:

1. Business segments: Classified in the same way as for the third quarter ended September 30, 2009.
2. Major products in each business segment: Classified in the same way as for the third quarter ended September 30, 2009.

Geographical segment information

Third quarter ended September 30, 2009 (July 1, 2009 through September 30, 2009)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | | | | |
|-------------------------|-----------------|---------------|---------|---------|-------------|----------|--------------|--------------|
| | Japan | North America | Europe | Asia | Other areas | Total | Eliminations | Consolidated |
| Net sales: | | | | | | | | |
| Outside customers | 46,294 | 31,015 | 39,218 | 132,325 | 30,263 | 279,116 | — | 279,116 |
| Intersegment | 49,415 | 3,577 | 832 | 8,559 | 168 | 62,553 | (62,553) | — |
| Total | 95,710 | 34,592 | 40,051 | 140,884 | 30,431 | 341,670 | (62,553) | 279,116 |
| Operating income (loss) | (16,358) | (8,456) | (2,070) | 10,179 | 13 | (16,692) | 5,208 | (11,483) |

Notes:

1. Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
2. Nations and regions included in segments outside Japan:
 - (1) North America: U.S.A. and Canada
 - (2) Europe: The Netherlands, France, Italy, Spain and Russia
 - (3) Asia: Indonesia, Taiwan, Thailand, Singapore, China, Vietnam and India
 - (4) Other areas: Brazil, Australia, Colombia and Mexico

Third quarter ended September 30, 2010 (July 1, 2010 through September 30, 2010)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | | | | |
|-------------------------|-----------------|---------------|--------|---------|-------------|---------|--------------|--------------|
| | Japan | North America | Europe | Asia | Other areas | Total | Eliminations | Consolidated |
| Net sales: | | | | | | | | |
| Outside customers | 55,446 | 38,260 | 33,905 | 147,649 | 35,973 | 311,235 | — | 311,235 |
| Intersegment | 82,738 | 4,943 | 649 | 11,133 | 429 | 99,894 | (99,894) | — |
| Total | 138,185 | 43,203 | 34,555 | 158,783 | 36,402 | 411,130 | (99,894) | 311,235 |
| Operating income (loss) | (33) | (5,261) | 608 | 14,626 | 4,134 | 14,074 | (369) | 13,704 |

Notes:

- Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan:
 - North America: U.S.A. and Canada
 - Europe: The Netherlands, France, Italy, Spain and Russia
 - Asia: Indonesia, Vietnam, Thailand, Taiwan, China, Singapore and India
 - Other areas: Brazil, Australia, Colombia and Mexico

Nine months ended September 30, 2009 (January 1, 2009 through September 30, 2009)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | | | | |
|-------------------------|-----------------|---------------|---------|---------|-------------|-----------|--------------|--------------|
| | Japan | North America | Europe | Asia | Other areas | Total | Eliminations | Consolidated |
| Net sales: | | | | | | | | |
| Outside customers | 139,006 | 134,300 | 160,407 | 340,196 | 84,598 | 858,509 | — | 858,509 |
| Intersegment | 200,079 | 14,688 | 2,466 | 29,590 | 840 | 247,666 | (247,666) | — |
| Total | 339,086 | 148,989 | 162,874 | 369,787 | 85,439 | 1,106,176 | (247,666) | 858,509 |
| Operating income (loss) | (44,656) | (29,572) | (3,768) | 20,942 | (435) | (57,489) | 12,521 | (44,967) |

Notes:

- Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan: The same as the areas listed above for the third quarter ended September 30, 2009.

Nine months ended September 30, 2010 (January 1, 2010 through September 30, 2010)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | | | | |
|-------------------------|-----------------|---------------|---------|---------|-------------|-----------|--------------|--------------|
| | Japan | North America | Europe | Asia | Other areas | Total | Eliminations | Consolidated |
| Net sales: | | | | | | | | |
| Outside customers | 164,645 | 124,911 | 134,490 | 460,175 | 103,180 | 987,402 | — | 987,402 |
| Intersegment | 241,724 | 11,167 | 2,308 | 33,861 | 878 | 289,939 | (289,939) | — |
| Total | 406,369 | 136,078 | 136,798 | 494,037 | 104,058 | 1,277,341 | (289,939) | 987,402 |
| Operating income (loss) | 706 | (8,590) | 3,147 | 46,454 | 6,402 | 48,120 | 653 | 48,773 |

Notes:

- Geographical segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan: The same as the areas listed above for the third quarter ended September 30, 2010.

Overseas sales

Third quarter ended September 30, 2009 (July 1, 2009 through September 30, 2009)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | |
|----------------------------------|-----------------|--------|---------|-------------|---------|
| | North America | Europe | Asia | Other areas | Total |
| I. Overseas sales | 32,273 | 39,943 | 138,025 | 35,767 | 246,010 |
| II. Consolidated sales | | | | | 279,116 |
| III. Overseas sales to net sales | 11.6% | 14.3% | 49.5% | 12.7% | 88.1% |

Notes:

- Overseas segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan:
 - North America: U.S.A. and Canada
 - Europe: Italy, France, Spain, Germany and Russia
 - Asia: Indonesia, Thailand, Vietnam, Taiwan, China and India
 - Other areas: Brazil, Australia and South Africa
- Overseas sales consist of export sales of the Company and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

Third quarter ended September 30, 2010 (July 1, 2010 through September 30, 2010)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | |
|----------------------------------|-----------------|---------------|----------------|---------------|----------------|
| | North America | Europe | Asia | Other areas | Total |
| I. Overseas sales | 38,487 | 35,163 | 156,504 | 45,117 | 275,273 |
| II. Consolidated sales | | | | | 311,235 |
| III. Overseas sales to net sales | 12.4% | 11.3% | 50.3% | 14.4% | 88.4% |

Notes:

- Overseas segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan:
 - North America: U.S.A. and Canada
 - Europe: France, Italy, Germany, U.K. and Russia
 - Asia: Indonesia, Vietnam, Thailand, China, Taiwan and India
 - Other areas: Brazil, Australia and South Africa
- Overseas sales consist of export sales of the Company and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

Nine months ended September 30, 2009 (January 1, 2009 through September 30, 2009)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | |
|----------------------------------|-----------------|---------|---------|-------------|---------|
| | North America | Europe | Asia | Other areas | Total |
| I. Overseas sales | 134,639 | 163,098 | 352,558 | 109,944 | 760,240 |
| II. Consolidated sales | | | | | 858,509 |
| III. Overseas sales to net sales | 15.7% | 19.0% | 41.1% | 12.8% | 88.6% |

Notes:

- Overseas segments are groupings of nations and regions, primarily based on geographical proximity.
- Nations and regions included in segments outside Japan: The same as the areas listed above for the third quarter ended September 30, 2009.
- Overseas sales consist of export sales of the Company and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

Nine months ended September 30, 2010 (January 1, 2010 through September 30, 2010)

Amounts less than one million yen are omitted.

| | Millions of yen | | | | |
|----------------------------------|-----------------|----------------|----------------|----------------|----------------|
| | North America | Europe | Asia | Other areas | Total |
| I. Overseas sales | 126,032 | 138,074 | 484,423 | 130,147 | 878,677 |
| II. Consolidated sales | | | | | 987,402 |
| III. Overseas sales to net sales | 12.8% | 14.0% | 49.1% | 13.1% | 89.0% |

Notes:

1. Overseas segments are groupings of nations and regions, primarily based on geographical proximity.
2. Nations and regions included in segments outside Japan: The same as the areas listed above for the third quarter ended September 30, 2010.
3. Overseas sales consist of export sales of the Company and its domestic consolidated subsidiaries, and sales (other than exports to Japan) of its foreign consolidated subsidiaries.

(6) Notes in the Event of Material Changes in the Amount of Shareholders' Equity

The Company issued new shares with a payment date of April 20, 2010 in a public offering. This increased the number of shares outstanding by 55,000,000, the amount of capital by ¥32,455 million, and the amount of additional paid-in capital by ¥32,455 million.

Furthermore, new shares issued in a third-party allotment, with a payment date of May 11, 2010, increased the number of shares outstanding by 8,250,000, the amount of capital by ¥4,868 million, and the amount of additional paid-in capital by ¥4,868 million.

Consequently, the Company's capital and additional paid-in capital each increased by ¥37,323 million during the nine months ended September 30, 2010. Thus, capital totaled ¥85,666 million and additional paid-in capital stood at ¥97,756 million at the end of the third quarter, 2010.