

Yamaha Motor Co., Ltd.
2500 Shingai, Iwata, Shizuoka, Japan

Code No: 7272
March 2, 2011

Notice of the 76th Ordinary General Meeting of Shareholders

This document has been translated from the Japanese original, for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Dear Shareholders:

This is to inform you of the 76th Ordinary General Meeting of Shareholders, to be held at the time and place indicated below.

If you are unable to attend the meeting, you may exercise your voting rights in writing or online. Please review the reference documents provided and exercise your voting rights by 5:30 p.m. on March 23 (Wednesday), 2011.

[Exercising Voting Rights by Mail]

Please indicate your vote of approval or disapproval of each proposed resolution on the enclosed Exercise of Voting Rights Form, and return the form to us so that it arrives by the aforementioned deadline.

[Exercising Voting Rights via the Internet]

Please read the attached documents on page 68 "Procedures for Exercising Voting Rights via the Internet," and exercise your voting rights online.

1. **Date and Time:** Thursday, March 24, 2011 at 10:00 a.m.
2. **Location:** Yamaha Motor Communication Plaza, Third Floor, Large Hall
2500 Shingai, Iwata-shi, Shizuoka Prefecture, Japan
3. **Agenda of the Meeting**
 - Items to be reported:**
 1. Business Report for the 76th Fiscal Year (from January 1, 2010 through December 31, 2010); Consolidated Financial Statements applicable to the 76th Fiscal Year (from January 1, 2010 through December 31, 2010); Report of Independent Auditors on Consolidated Financial Statements; and Report of Board of Corporate Auditors on Consolidated Financial Statements
 2. Non-consolidated Financial Statements applicable to the 76th Fiscal Year (from January 1, 2010 through December 31, 2010).
 - Items to be resolved:**

| | |
|-----------------------|--|
| Proposed Resolution 1 | Reduction of the Amounts of Capital Reserve and Legal Reserve and Appropriation of Surplus |
| Proposed Resolution 2 | Election of Eleven Directors |
| Proposed Resolution 3 | Election of Three Corporate Auditors |
| Proposed Resolution 4 | Election of One Substitute Corporate Auditor |

4. Predetermined Terms of the Convening

- (1) If you do not indicate your vote of approval or disapproval for each proposed resolution on the Exercise of Voting Rights Form, we will consider you to have approved any proposed resolution on which you did not vote, as stipulated in Paragraph 3 of Article 15 of the “Share Handling Regulations.”
- (2) Duplicate voting
 - 1) If we recognize that you exercise your voting right via the Internet more than once on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 1 of Article 15 of the “Share Handling Regulations.”
 - 2) If we recognize that you exercise your voting right both in writing and via the Internet on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 2 of Article 15 of the “Share Handling Regulations.” If both votes arrive on the same day, the Internet vote will prevail and be treated as the effective vote.
- (3) A person who is to exercise voting rights on behalf of a shareholder as a proxy shall not be entitled to exercise the shareholder’s voting rights as a proxy unless the person receives an Exercise of Voting Rights Form from the shareholder and submits it to the Company, as stipulated in Paragraph 4 of Article 15 of the “Share Handling Regulations.”

5. Other Matters regarding this Notice

Among the documents which should be provided together with this Notice, the “Notes to Consolidated Financial Statements” and “Notes to Non-consolidated Financial Statements” are made available on the Company’s website at <http://www.yamaha-motor.co.jp>, pursuant to the applicable laws and regulations and Article 19 of the Articles of Incorporation of the Company. Accordingly, these notes are not provided in the attached “Business Report for the 76th Fiscal Year.”

- Notes:
1. Attendees are asked to return their completed Exercise of Voting Rights Form to the reception desk on the day of the meeting.
 2. If and when any correction is made to the Reference Documents for the General Meeting of Shareholders and Attached Documents, it will be announced on the Company’s website at <http://www.yamaha-motor.co.jp>.

Reference Documents for the 76th Ordinary General Meeting of Shareholders

Proposals and Reference Information

Proposed Resolution 1 Reduction of the Amounts of Capital Reserve and Legal Reserve and Appropriation of Surplus

For the Company's flexible capital policy and payment of dividends to our shareholders in the future, in order to replenish deficiency in retained earnings brought forward, the Company proposes to reduce the amounts of its capital reserve and legal reserve under Paragraph 1 of Article 448 of the Corporation Law of Japan. The Company also proposes appropriation of surplus under Article 452 of the Corporation Law of Japan.

1. Items Regarding Reduction of the Amounts of Capital Reserve and Legal Reserve

- (1) Items regarding decreasing reserves and their amounts
Capital reserve: 23,814,148,434 yen
Legal reserve: 3,775,736,564 yen

- (2) Items regarding increasing surplus and their amounts
Other capital reserve: 23,814,148,434 yen
Retained earnings brought forward: 3,775,736,564 yen

- (3) Items regarding decreased reserves and their amounts
Capital reserve: 73,941,967,288 yen
Legal reserve: 0 yen

2. Items Regarding Appropriation of Surplus

- (1) Item regarding decreasing surplus and its amount
Other capital reserve: 23,565,474,829 yen

- (2) Item regarding increasing surplus and its amount
Retained earnings brought forward: 23,565,474,829 yen

3. The Date on which the Reduction of the Amounts of Capital Reserve and Legal Reserve and Appropriation of Surplus Become Effective

March 24, 2011

Proposed Resolution 2 Election of Eleven Directors

Eleven Directors — Hiroyuki Yanagi, Takaaki Kimura, Toyoo Ohtsubo, Yoshiteru Takahashi, Masahito Suzuki, Hiroyuki Suzuki, Kozo Shinozaki, Shuji Ito, Masayoshi Furuhata, Eizo Kobayashi and Yuko Kawamoto — will complete their respective terms of office at the conclusion of this Ordinary General Meeting of Shareholders. Consequently, Yamaha Motor Co., Ltd. (hereinafter the “Company”) proposes to elect eleven (11) Directors.

The Director candidates are as follows.

| Candidate No. | Names (Date of birth) | Brief career summaries, positions and responsibilities in the Company and significant concurrent positions | No. of the Company shares held |
|---------------|--|--|--------------------------------|
| 1 | Hiroyuki Yanagi (November 20, 1954) | <p>April 1978: Joined the Company</p> <p>April 2000: General Manager of Soude Factory, Production Control Division, MC Operations and General Manager of Morimachi Factory, Production Control Division, MC Operations of the Company</p> <p>April 2003: Director and President of MBK Industrie</p> <p>January 2007: Senior General Manager of SyS Operations, MC Headquarters of the Company</p> <p>March 2007: Executive Officer of the Company</p> <p>March 2009: Senior Executive Officer of the Company</p> <p>November 2009: Senior General Manager of MC Business Section, MC Business Operations of the Company</p> <p>March 2010: President and Representative Director of the Company (to present)</p> <p>March 2010: President and Chief Executive Officer of the Company (to present)</p> | 12,600 |

| Candidate No. | Names (Date of birth) | Brief career summaries, positions and responsibilities in the Company and significant concurrent positions | No. of the Company shares held |
|---------------|---------------------------------------|---|--------------------------------|
| 2 | Takaaki Kimura (February 14, 1953) | <p>April 1976: Joined the Company</p> <p>June 1999: General Manager of Development Division, AM Operations of the Company</p> <p>April 2002: Senior General Manager of AM Operations of the Company</p> <p>June 2003: Executive Officer of the Company</p> <p>March 2005: Director of the Company</p> <p>March 2007: Senior Executive Officer of the Company</p> <p>January 2009: Chief General Manager of Marine Business Operations, Executive General Manager of WV Business Unit, Marine Business Operations and Chief General Manager of AM Business Unit</p> <p>November 2009: Representative Director of the Company (to present)</p> <p>November 2009: Managing Executive Officer of the Company</p> <p>March 2010: Senior Managing Executive Officer of the Company (to present)</p> <p>January 2011: Chief General Manager of Marine Business Operations, Chief General Manager of Product Assurance & Safety Promotion Center and Chief General Manager of AM Business Unit of the Company (to present)</p> | 22,700 |
| 3 | Toyoo Ohtsubo (October 14, 1949) | <p>April 1974: Joined the Company</p> <p>July 1996: General Manager of Development Division, GHP Operations of the Company</p> <p>April 2002: Senior General Manager of Legal and Intellectual Property Operations of the Company</p> <p>June 2004: Executive Officer of the Company</p> <p>September 2004: Division Manager of Legal & Intellectual Property Division, and Division Manager of Process & IT Division of the Company</p> <p>March 2005: Director of the Company (to present)</p> <p>July 2006: General Manager of Process & IT Division of the Company</p> <p>March 2007: Senior Executive Officer of the Company</p> <p>January 2009: Executive General Manager of Technology Center and Executive General Manager of Security Trade Control Center of the Company</p> <p>November 2009: Managing Executive Officer and Director of the Company (to present)</p> <p>January 2010: Chief General Manager of Technology Center, and Chief General Manager of IM Business Unit of the Company</p> <p>January 2011: Chief General Manager of Technology Center of the Company (to present)</p> | 24,400 |

| Candidate No. | Names (Date of birth) | Brief career summaries, positions and responsibilities in the Company and significant concurrent positions | No. of the Company shares held |
|---------------|--|--|--------------------------------|
| 4 | Yoshiteru Takahashi (July 22, 1950) | <p>April 1974: Joined the Company</p> <p>May 1995: General Manager of Business Planning Department, Boat Division of the Company</p> <p>July 2003: Director and President of PT. Yamaha Indonesia Motor Manufacturing</p> <p>March 2007: Executive Officer of the Company</p> <p>January 2010: Chief General Manager of MC Business Operations, Senior General Manager of MC Business Control, MC Business Operations, and Chief General Manager of Overseas Market Development Operation Business Unit of the Company</p> <p>March 2010: Director of the Company (to present)</p> <p>March 2010: Managing Executive Officer of the Company (to present)</p> <p>January 2011: Chief General Manager of MC Business Operations and Chief General Manager of Overseas Market Development Operation Business Unit of the Company (to present)</p> | 7,900 |
| 5 | Hiroyuki Suzuki (November 16, 1953) | <p>April 1978: Joined the Company</p> <p>September 2003: Director and Vice President of PT. Yamaha Indonesia Motor Manufacturing</p> <p>January 2008: Senior General Manager of Quality Assurance Operation, MC Headquarters of the Company</p> <p>March 2008: Executive Officer of the Company</p> <p>November 2009: Executive General Manager of Manufacturing Center of the Company</p> <p>January 2010: Chief General Manager in charge of power products business</p> <p>March 2010: Director of the Company (to present)</p> <p>March 2010: Senior Executive Officer of the Company (to present)</p> <p>November 2010: President and Director of India Yamaha Motor Pvt. Ltd. (to present)</p> | 9,500 |
| 6 | Kozo Shinozaki (February 14, 1956) | <p>April 1978: Joined the Company</p> <p>April 2007: General Manager of Finance & Accounting Division of the Company</p> <p>January 2009: Senior General Manager of Finance & Accounting Control, Global Corporate Administrative Center of the Company</p> <p>January 2010: Senior General Manager of Finance & Accounting Section of the Company</p> <p>March 2010: Director of the Company (to present)</p> <p>March 2010: Senior Executive Officer of the Company (to present)</p> <p>January 2011: Senior General Manager of Corporate Planning & Finance Section of the Company (to present)</p> | 6,200 |

| Candidate No. | Names (Date of birth) | Brief career summaries, positions and responsibilities in the Company and significant concurrent positions | No. of the Company shares held |
|---------------|--|--|--------------------------------|
| 7 | Yuko Kawamoto (May 31, 1958) | <p>April 1982: Joined The Bank of Tokyo, Ltd. (presently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>June 1988: Graduated from Oxford Graduate School, Master's Programme in Economics</p> <p>September 1988: Joined Tokyo Office of McKinsey & Company</p> <p>June 2001: Senior Expert, Tokyo Office of McKinsey & Company</p> <p>April 2004: Professor, Graduate School of Finance, Accounting and Law, Waseda University (to present)</p> <p>June 2004: Director of Osaka Securities Exchange Co., Ltd. (to present)</p> <p>June 2006: Director of Monex Beans Holdings, Inc. (presently Monex Group, Inc.) (to present)</p> <p>June 2006: Director of Resona Holdings, Inc. (to present)</p> <p>June 2006: Corporate Auditor of Millea Holdings, Inc. (presently Tokio Marine Holdings, Inc.) (to present)</p> <p>March 2009: Director of the Company (to present)</p> | 1,700 |
| 8 | Masamitsu Sakurai * (January 8, 1942) | <p>April 1966: Joined RICOH COMPANY, LTD.</p> <p>June 1992: Director of RICOH COMPANY, LTD.</p> <p>June 1994: Managing Director of RICOH COMPANY, LTD.</p> <p>April 1996: President and Representative Director of RICOH COMPANY, LTD.</p> <p>March 2005: Representative Director and Chairman of COCA-COLA WEST COMPANY, LIMITED</p> <p>June 2005: Representative Director, President and Chief Executive Officer of RICOH COMPANY, LTD.</p> <p>July 2006: Director of COCA-COLA WEST COMPANY, LIMITED (to present)</p> <p>April 2007: Chairman of the Board and Representative Director, Chairman of RICOH COMPANY, LTD. (to present)</p> <p>June 2008: Director of OMRON Corporation (to present)</p> <p>Significant concurrent positions Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives) Administrative Director of THE NEW TECHNOLOGY DEVELOPMENT FOUNDATION</p> | 0 |
| 9 | Mitsuru Umemura * (March 6, 1951) | <p>April 1975: Joined Nippon Gakki Co., Ltd. (presently Yamaha Corporation)</p> <p>June 2006: Managing Director of Yamaha Corporation</p> <p>June 2007: President and Representative Director of Yamaha Corporation (to present)</p> | 0 |

| Candidate No. | Names (Date of birth) | Brief career summaries, positions and responsibilities in the Company and significant concurrent positions | No. of the Company shares held |
|---------------|--|--|--------------------------------|
| 10 | Nobuya Hideshima * (January 9, 1954) | <p>April 1978: Joined the Company</p> <p>May 1999: General Manager of Production Control Department, Production Control Division, MC Operations of the Company</p> <p>April 2003: Director and President of Yamaha Motor Manufacturing Corporation of America</p> <p>January 2009: Executive General Manager of Procurement Center of the Company</p> <p>March 2009: Executive Officer of the Company</p> <p>March 2010: Senior Executive Officer of the Company (to present)</p> <p>January 2011: Chief General Manager of Procurement Center and Chief General Manager of Parts Business Unit of the Company (to present)</p> | 7,400 |
| 11 | Masahiro Takizawa * (December 23, 1954) | <p>April 1978: Joined the Company</p> <p>April 2000: General Manager of the Business Planning Department, CV Operations of the Company</p> <p>February 2004: Director and President of MBK Industrie</p> <p>January 2009: Senior General Manager of Corporate Planning Control, Global Corporate Administrative Center and General Manager of Corporate Planning Division of the Company</p> <p>March 2009: Executive Officer of the Company</p> <p>March 2010: Senior Executive Officer of the Company (to present)</p> <p>January 2011: Chief General Manager of Business Development Operations of the Company (to present)</p> | 5,650 |

Notes:

1. Each candidate has no special interests in the Company.
2. Yuko Kawamoto, Masamitsu Sakurai and Mitsuru Umemura are candidates for Outside Directors as stipulated in Item 15 of Article 2 of the Corporation Law of Japan.
3. Notes to candidates for Outside Directors are as follows.
 - (1) Reasons for nomination of candidates for Outside Directors
 - 1) Yuko Kawamoto has never been engaged in the company's management in a capacity other than as an Outside Director or Outside Corporate Auditor. The Company has judged, however, that she will make use of the advanced knowledge she has gained through her wide-ranging experience as a management consultant and in research activities for finance in the management of the Company.
 - 2) The Company believes that Masamitsu Sakurai will provide the Company's management with valuable advice and supervision based on his ample experience of managing global companies and wide range of insights.
 - 3) The Company believes that Mitsuru Umemura will provide the Company with valuable advice and supervision on whether or not the Company's management is effectively functioning toward the goal of maximizing corporate value for our shareholders from the viewpoint of a company executive as the President and Representative Director of Yamaha Corporation which is a large shareholder of the Company.
 - (2) Number of years from the time when each candidate for an Outside Director assumed the office of an Outside Director

The term of office of Yuko Kawamoto as an Outside Director of the Company will have been two years at the conclusion of this Ordinary General Meeting of Shareholders.
 - (3) Summary of details of the liability limitation agreement with candidates for Outside Directors

In order for Outside Director to fully exercise his or her expected role, the Company has entered into a

liability limitation agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Law of Japan, with Yuko Kawamoto. Upon approval of her re-election, the liability limitation agreement will be continued. A summary of the liability limitation agreement is as follows.

The liability limitation agreement is an agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Law of Japan pursuant to the provisions of Paragraph 1 of Article 427 of the Corporation Law of Japan. The maximum amount of the liability for damages under the liability limitation agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Law of Japan.

In addition, in the event the election of Masamitsu Sakurai and Mitsuru Umemura has been approved, the Company will enter into liability limitation agreements to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Law of Japan, with each of them. A summary of the liability limitation agreements is the same as above.

4. The Company has submitted Independent Directors/Corporate Auditors Notification Form to Tokyo Stock Exchange, Inc. to register Yuko Kawamoto as an independent director/corporate auditor. Also, the Company has submitted Independent Directors/Corporate Auditors Notification Form to register Masamitsu Sakurai as an independent director/corporate auditor under condition that the proposal is approved.
5. Abbreviations: MC: Motorcycle, SyS: System Supplier, AM: Automotive, WV: Water Vehicle, GHP: Gas Engine Heat-Pump, IM: Intelligent Machinery, CV: Commuter Vehicle
6. Abbreviation: CUL: Corporate Unit Leader
7. Persons shown with an asterisk (*) are new Director candidates.

Proposed Resolution 3 Election of Three Corporate Auditors

Three Corporate Auditors — Haruhiko Wakuda, Naomoto Ohta and Norihiko Shimizu — will complete their respective terms of office at the conclusion of this Ordinary General Meeting of Shareholders, and Corporate Auditor Tsutomu Mabuchi will resign at the conclusion of this Ordinary General Meeting of Shareholders. Consequently, the Company proposes to elect three (3) Corporate Auditors. This proposal is submitted with the consent of the Board of Corporate Auditors.

The Corporate Auditor candidates are as follows.

| Candidate No. | Names (Date of birth) | Brief career summaries, positions and significant concurrent positions | No. of the Company shares held |
|---------------|--|---|--------------------------------|
| 1 | Norihiko Shimizu (April 1, 1940) | <p>April 1963: Joined The Tokio Marine & Fire Insurance Co., Ltd. (presently Tokio Marine & Nichido Fire Insurance Co., Ltd.)</p> <p>September 1967: Joined Boston Consulting Group, Inc.</p> <p>December 1970: Vice President of Boston Consulting Group, Inc.</p> <p>July 1987: President of Shimizu & Co., Inc.</p> <p>June 1994: Corporate Auditor of Nissin Sugar Manufacturing Co., Ltd. (to present)</p> <p>April 1998: Professor, Asia-Pacific Studies, Waseda University</p> <p>October 2000: Professor, International Business Strategy of Hitotsubashi University</p> <p>April 2003: Visiting Professor, International Business Strategy of Hitotsubashi University (to present)</p> <p>November 2004: Statutory Auditor of FAST RETAILING CO., LTD. (to present)</p> <p>March 2007: Corporate Auditor of the Company (to present)</p> | 2,100 |
| 2 | Yutaka Kume * (October 7, 1953) | <p>April 1978: Joined the Company</p> <p>April 2000: General Manager of Accounting and Finance Division, Administrative Operations of the Company</p> <p>July 2006: General Manager of Finance & Accounting Division of the Company</p> <p>May 2007: President and Director of Yamaha Motor do Brasil Ltda.</p> <p>June 2010: Corporate Advisor of the Company (to present)</p> <p>June 2010: Corporate Auditor of Yamaha Corporation (to present)</p> | 5,800 |
| 3 | Shigeki Hirasawa * (March 16, 1955) | <p>December 1981: Joined the Company</p> <p>July 2006: General Manager of Legal & Intellectual Property Division of the Company</p> <p>February 2008: Director and Senior Vice-President of Yamaha Motor Europe N.V. (to present)</p> | 0 |

Notes:

- Each candidate has no special interests in the Company.
- Norihiko Shimizu is a candidate for Outside Corporate Auditor as stipulated in Item 16 of Article 2 of the Corporation Law of Japan.
- Notes to candidates for Outside Corporate Auditors are as follows.
 - Reasons for nomination of candidates for Outside Corporate Auditors
The Company believes that Norihiko Shimizu will utilize his knowledge as a researcher of global corporate

strategy and corporate governance and ample experience as outside corporate auditor in performing his duty as the Company's Corporate Auditor.

- (2) Number of years from the time when the candidate for an Outside Corporate Auditor assumed the office of an Outside Corporate Auditor

The term of office of Norihiko Shimizu as an Outside Corporate Auditor of the Company will have been four years at the conclusion of this Ordinary General Meeting of Shareholders.

- (3) Summary of details of the liability limitation agreement with the candidate for Outside Corporate Auditor

In order for Outside Corporate Auditor to fully exercise his or her expected role, the Company has entered into the liability limitation agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Law of Japan, with Norihiko Shimizu. Upon approval of his re-election, the liability limitation agreement will be continued. A summary of the liability limitation agreement is as follows.

The liability limitation agreement is an agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Law of Japan pursuant to the provisions of Paragraph 1 of Article 427 of the Corporation Law of Japan. The maximum amount of the liability for damages under the liability limitation agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Law of Japan.

4. In the event Norihiko Shimizu is elected as a Corporate Auditor of the Company, he will become the independent director/corporate auditor under the regulation of Tokyo Stock Exchange, Inc.
5. Persons shown with an asterisk (*) are new Corporate Auditor candidates.

Proposed Resolution 4 Election of One Substitute Corporate Auditor

In order to prepare for the contingency that the number of Corporate Auditors could fall below the minimum stipulated in the Corporation Law of Japan, the Company proposes to elect Masayuki Satake as a Substitute Corporate Auditor. This proposal is submitted with the consent of the Board of Corporate Auditors.

The Substitute Corporate Auditor candidate is as follows.

| Name (Date of birth) | Brief career summaries and significant concurrent positions | No. of the Company shares held |
|-----------------------------------|--|--------------------------------------|
| Masayuki Satake (May 16, 1948) | April 1971: Joined Chuo Audit Corporation (presently MISUZU Audit Corporation) September 1977: Registered as a Certified Public Accountant April 1985: Representative Partner of Chuo Audit Corporation April 2007: Full-time commissioner and Deputy Chair of Public Interest Corporation Commission (PICC) of the Cabinet Office April 2010: President of Satake Certified Public Accounting Office (to present) | 0 |

Notes:

1. The candidate has no special interests in the Company.
2. Masayuki Satake is a candidate for Substitute Outside Corporate Auditor.
3. Notes to candidate for Substitute Outside Corporate Auditor are as follows.
 - (1) Reasons for nomination of a candidate for Substitute Outside Corporate Auditor
The Company believes Masayuki Satake will utilize his ample experience and wide range of insight as a certified public accountant in performing his duty as the Company's Outside Corporate Auditor.
 - (2) Summary of details of the liability limitation agreement with the candidate for Substitute Outside Corporate Auditor
In order for Outside Corporate Auditor to fully exercise his or her expected role, the Company will enter into the liability limitation agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Law of Japan, with Masayuki Satake. A summary of the liability limitation agreement is as follows.
The liability limitation agreement is an agreement to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the Corporation Law of Japan pursuant to the provisions of Paragraph 1 of Article 427 of the Corporation Law of Japan. The maximum amount of the liability for damages under the liability limitation agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Law of Japan.

Attached Documents

Business Report

(From January 1, 2010 to December 31, 2010)

1. Current Conditions of the Yamaha Motor Group**(1) Business Developments and Results**

The world economy during the fiscal year ended December 31, 2010 (fiscal 2010) experienced a slow recovery in Europe and the United States due primarily to the slow improvement in employment situation in the United States and the financial crisis in Eurozone countries, despite the improvement in individual consumption in the United States. Meanwhile, the Japanese economy still remained unpredictable as the stronger yen persisted despite the turnaround in export. In emerging nations especially in Asia, however, economic expansion still continued.

Reviewing the Company's main markets, the motorcycles market and the all-terrain vehicles (ATVs) market in Europe and the United States shrank year-on-year, while the outboard motors market showed signs of bottoming out in the latter half of the year. On the other hand, the motorcycles markets in emerging nations kept expanding, especially in Indonesia which showed significant year-on-year expansion.

Against this backdrop, the Company achieved a return to profitability, the objective for the first phase of the medium-term management plan, as a result of groupwide implementation of structural reforms.

Turning to the outline of the performance, the Company's consolidated net sales in fiscal 2010 amounted to 1,294,131 million yen (12.2% increase from the previous fiscal year), thanks to an increase in sales of motorcycles in the markets of emerging nations, along with the recovery in sales of outboard motors as well as surface mounters, far offsetting a decrease due to the stronger yen. Consolidated operating income and consolidated ordinary income amounted to 51,308 million yen (113,900 million yen improvement from the previous fiscal year) and 66,142 million yen (134,500 million yen improvement from the previous fiscal year), respectively, thanks primarily to the increase in revenues, reduction in depreciation expenses and personnel expenses under the structural reform, as well as the cost improvement, along with the marginal profit improvement due to the recovery in the domestic production scale of motorcycles and outboard motors offsetting the reduction in earnings due to the stronger yen and the soaring price of raw materials. Consolidated net income amounted to 18,300 million yen with 234,400 million yen improvement from the previous fiscal year, as a result primarily of recording business structure improvement expenses of 103,700 million yen in fiscal 2009.

Exchange rates were 88 yen to the U.S. dollar (an appreciation of 6 yen from the previous fiscal year) and 116 yen to the euro (an appreciation of 14 yen).

| Business segment | Sales | | Sales as a percentage of net sales (%) | Overseas sales as a percentage of net sales (%) | Operating income (Millions of yen) |
|------------------|--------------------------|-------------------|--|---|------------------------------------|
| | Amount (Millions of yen) | Annual change (%) | | | |
| Motorcycles | 905,977 | 10.9 | 70.0 | 96.4 | 42,740 |
| Marine products | 167,141 | 11.3 | 12.9 | 86.8 | 748 |
| Power products | 102,968 | 2.4 | 8.0 | 89.4 | (11,252) |
| Other products | 118,043 | 37.4 | 9.1 | 34.8 | 19,073 |
| Total | 1,294,131 | 12.2 | 100.0 | 89.0 | 51,308 |

[Motorcycles]

The number of units shipped to the markets of emerging nations increased by 22.8% from the previous fiscal year, to 6.56 million, while the total number of units shipped to all markets including developed nations increased by 19.2% from the previous fiscal year, to 6.96 million. In Indonesia and Vietnam with particularly promising growth potential, manufacturing capacities were enhanced up to the level in excess of 3.6 million units and 1 million units, respectively.

Sales in the emerging nations increased from the previous fiscal year due to boosted sales quantity, while sales in the developed nations decreased from the previous fiscal year due to a decline in sales quantity given less-than-projected demand and the impact from the stronger yen. Meanwhile in the United States, the Company strived to adjust market stocks to a level commensurate with the present scale of demand.

As a result, total motorcycle sales increased by 10.9% from the previous fiscal year, to 905,977 million yen while operating income improved 46,900 million yen from the previous fiscal year, to 42,740 million yen.

[Marine products]

Retail sales and wholesale shipments of outboard motors in developed markets increased from the previous fiscal year, owing to the introduction of newly developed, next-generation, environmentally friendly outboard motors and the implementation of market stock adjustments in the previous year and a recovery in retail sales in the United States in the current year. Furthermore, sales also increased in emerging markets, including Russia and Brazil. Consequently, marine product sales increased by 11.3% from the previous fiscal year, to 167,141 million yen. Operating income was 748 million yen, representing improvement of 25,000 million yen from the previous fiscal year.

[Power products]

In the United States, retail sales of ATVs decreased from the previous year, while wholesale shipments increased from the previous fiscal year due partially to the inventory adjustment implemented in the previous year. As a result, sales of power products increased by 2.4% from the previous fiscal year, to 102,968 million yen, and operating loss improved 22,500 million yen from the previous fiscal year, to 11,252 million yen.

[Other products]

Sales of other products increased by 37.4% from the previous fiscal year, to 118,043 million yen, and operating income improved 19,500 million yen from the previous fiscal year, to 19,073 million yen, thanks primarily to the recovery in the demand for surface mounters in China as well as the increase in shipments of automobile engines, on top of the increased demand for electrically power assisted bicycles in the Japanese market.

We have focused on the following matters in particular. Firstly, restructuring of the domestic manufacturing system has progressed on schedule, along with further fixed expense reductions such as the implementation of employment adjustment including voluntary redundancy at the head office. In addition, we undertook groupwide cost reduction activities that offer prospects for achievement of the medium-term cost reduction target and decided to transfer the domestic water purifier business and withdraw from the life science business to focus on core businesses.

Furthermore, for the achievement of the future growth projected under the second phase of the medium-term management plan, we have been engaged in the development of attractive new products that are cost-competitive in the motorcycle markets in emerging nations as well as technological development for the next-generation, environmentally friendly engines. Meanwhile, we actively developed new markets including the introduction of the "EC-03" electric motorcycle.

(2) Capital Expenditures

Domestically, investments were made for research and development primarily in the motorcycles business and the marine products business, while overseas investments were made for introduction of new models and enhancement of production capacity primarily in Indonesia. As a result, total capital investment amounted to 33,939 million yen.

(3) Fund Raising

With the purpose to make aggressive investments in research and development activities toward the achievement of future growth, a total of 74,600 million yen was raised in accordance with the resolution adopted at the Meeting of the Board of Directors held on April 2, 2010, by way of a public offering in April 2010 and an allocation of new shares to a third party in conjunction with an offering through over-allotment in May 2010.

(4) Key Priorities the Group Must Address

Reviewing the future economic environment, economic expansion is expected to continue in emerging nations primarily in Asia, while the developed nations' economies are likely to make recovery albeit slow and gradual, allowing for the prospect of turnaround in demand for leisure products. In the meantime, however, there are economic downside risks including the soaring prices of crude oil and raw materials, economic stagnation in Eurozone countries and interest rates hike to curb inflation in emerging economies.

In Japan, however, despite the prospect of expansion in export to Asia, economic recovery is expected to remain a slow and gradual process due to the persistent deflationary trend along with still severe employment situation. Added to these challenges, the yen stayed strong after its rapid appreciation in the latter half of the year, which warrants the recognition that the Group's management environment still remains formidable.

To ensure our sustained growth by successfully adapting to these changes in the business environment, the Group will further accelerate the development of the medium-term management plan announced in February 2010 with concerted efforts across the Group.

1. Ongoing pursuit of the structural reform
 - 1) Restructuring of domestic manufacturing system
 - 2) Cost reduction
2. Building of an earnings structure given the exchange rates of 80 yen to the U.S. dollar and 105 yen to the Euro through reform of the management base
 - 1) Short-term: Further reduction of operation costs
 - 2) Medium-term: Ensuring a production volume beyond the break-even point
 - 3) Long-term: Reform of head office functions and promotion of enhanced value-added
3. New market development and challenges to new businesses
 - 1) Further market development and multi-product deployment in emerging nations
 - 2) Further evolution of personal mobility
 - 3) Research and development in new technology fields

By addressing these issues, the Group aims to achieve a consolidated operating income margin of 5% in fiscal 2012. This is based on the assumption that the U.S. dollar and the euro will equal 82 yen and 110 yen, respectively.

The Group will strive to enhance its corporate value, aspiring to be an excellent engineering and manufacturing enterprise with a prominent presence in the global market, while committed to fulfilling its social responsibilities by implementing CSR activities, including strict compliance with corporate ethics, as well as laws and regulations.

We would appreciate our shareholders' continued support.

(5) Operating Performance and Status of Assets for the Group

Millions of yen, except net income/loss per share

| Items | 73rd Fiscal Year (Jan. 1, 2007–Dec. 31, 2007) | 74th Fiscal Year (Jan. 1, 2008–Dec. 31, 2008) | 75th Fiscal Year (Jan. 1, 2009–Dec. 31, 2009) | 76th Fiscal Year (Jan. 1, 2010–Dec. 31, 2010) |
|--------------------------------------|---|---|---|---|
| Net sales | 1,756,707 | 1,603,881 | 1,153,642 | 1,294,131 |
| Ordinary income (loss) | 140,338 | 58,872 | (68,340) | 66,142 |
| Net income (loss) | 71,222 | 1,851 | (216,148) | 18,300 |
| Net income (loss) per share (yen) | 248.81 | 6.47 | (755.92) | 55.50 |
| Total assets | 1,258,430 | 1,163,173 | 987,077 | 978,343 |
| Net assets | 569,221 | 428,483 | 249,266 | 310,809 |

- Notes: 1. In the 73rd fiscal year, the economic downturn triggered by the credit market turmoil in addition to soaring prices of crude oil and raw materials pulled sales down in the U.S., while the motorcycle business grew steadily in Asia and Latin America, resulting in increases in both net sales and profits. Net income decreased because of factors including the Company's recording of an accrual for product liabilities as an extraordinary loss.
2. In the 74th fiscal period, the Group saw both sales and profits decrease, due to a substantial drop in net sales and ordinary income particularly in Europe and the U.S., affected by the high prices of crude oil and raw materials and the financial crisis caused by the subprime mortgage problem in the U.S. Net income declined markedly owing to factors including the Company's recording of an extraordinary impairment loss on securities as an extraordinary loss.
3. The 75th fiscal year saw a significant decrease in profits due to a downturn in the global economy and resultant abrupt decline in demand especially in Europe and the U.S. To address the rapid worsening of management environment, the Group implemented emergency countermeasures including product shipment adjustments to curtail market stocks in the U.S. and Europe as well as significant production cutbacks at the Japanese factories, reduction of cost and expenses, along with 50% year-on-year reduction in capital expenditures. However, the Group recorded a significant net loss, due primarily to recording of business structure improvement expenses under extraordinary loss, including impairment loss on fixed assets for production facilities.
4. Performance in the 76th fiscal year (consolidated financial year under review) is described in Section 1-(1) above, "Business Developments and Results."

(6) Principal Parent Company and Subsidiaries

1) Relations with a parent company
No related items.

2) Principal subsidiaries

| Names | Capital | Percentage of ownership (%) | Main business lines |
|---|---|-----------------------------|--|
| Yamaha Motorcycle Sales Japan Co., Ltd. | 490 million yen | 100.0 | Marketing of motorcycles, electrically power assisted bicycles |
| Yamaha Motor Powered Products Co., Ltd. | 275 million yen | 100.0 | Manufacture and marketing of ATVs, golf cars, and generators |
| Yamaha Motor Corporation, U.S.A. (U.S.A.) | 185,020 thousand U.S. dollars | 100.0 | Import and marketing of motorcycles, outboard motors, personal watercraft, ATVs, side-by-side vehicles, and snowmobiles |
| Yamaha Motor Manufacturing Corporation of America (U.S.A.) | 107,790 thousand U.S. dollars | *100.0 | Manufacture and marketing of personal watercraft, ATVs, side-by-side vehicles and golf cars |
| Yamaha Motor Europe N.V. (The Netherlands) | 149,759 thousand euros | 100.0 | Import and marketing of motorcycles, outboard motors, personal watercraft, ATVs, side-by-side vehicles, snowmobiles, and golf cars |
| MBK Industrie (France) | 40,386 thousand euros | *100.0 | Manufacture of motorcycles and outboard motors |
| PT. Yamaha Indonesia Motor Manufacturing (Indonesia) | 25,647,000 thousand Indonesian rupiahs | 85.0 | Manufacture and marketing of motorcycles |
| Thai Yamaha Motor Co., Ltd. (Thailand) | 1,820,312 thousand Thai bahts | 91.2 | Manufacture and marketing of motorcycles |
| Yamaha Motor Vietnam Co., Ltd. (Vietnam) | 37,000 thousand U.S. dollars | 46.0 | Manufacture and marketing of motorcycles |
| Yamaha Motor Taiwan Co., Ltd. (Taiwan) | 2,250,000 thousand new Taiwan dollars | 51.0 | Manufacture and marketing of motorcycles |
| Yamaha Motor do Brasil Ltda. (Brazil) | 374,324 thousand Brazilian reals | 100.0 | Import and marketing of motorcycles, outboard motors, ATVs and generators |

Notes: 1. Percentages with * include the Company's indirect ownership.

2. The Company has a total of 104 consolidated subsidiaries, including the 11 principal subsidiaries listed above and 33 companies accounted for by the equity method of accounting.

In the fiscal year ended December 31, 2010, the Company's consolidated net sales were 1,294,131 million yen and consolidated net income was 18,300 million yen.

(7) Main Business Lines

| Segments | Major products |
|-----------------|--|
| Motorcycles | Motorcycles and knockdown parts for overseas production |
| Marine products | Outboard motors, personal watercraft, pleasure boats, FRP swimming 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, automotive engines, automotive components, electrically power assisted bicycles, unmanned industrial helicopters, electrically powered wheelchairs and the intermediate parts for all business segments |

(8) Main Bases and Facilities for the Group

1) Yamaha Motor Co., Ltd.

| Head Quarter | |
|---|--|
| | Iwata City, Shizuoka Prefecture |
| Category | Name (location) |
| Factories | Iwata Factory (Iwata City, Shizuoka Prefecture) |
| | Toyooka Factory (Iwata City, Shizuoka Prefecture) |
| | Hamakita Factory (Hamakita-ku, Hamamatsu City, Shizuoka Prefecture) |
| | Nakaze Factory (Hamakita-ku, Hamamatsu City, Shizuoka Prefecture) |
| | Hamamatsu South Factory (Minami-ku, Hamamatsu City, Shizuoka Prefecture) |
| | Soude Factory (Naka-ku, Hamamatsu City, Shizuoka Prefecture) |
| | Fukuroi Factory (Fukuroi City, Shizuoka Prefecture) |
| | Fukuroi South Factory (Fukuroi City, Shizuoka Prefecture) |
| | Morimachi Factory (Morimachi, Shuchi-gun, Shizuoka Prefecture) |
| Arai Factory (Araimachi, Kosai City, Shizuoka Prefecture) | |

2) Subsidiaries

| Category | Name (location) |
|----------|--|
| Domestic | Yamaha Motorcycle Sales Japan Co., Ltd. (Minato-ku, Tokyo) |
| | Yamaha Motor Powered Products Co., Ltd. (Kakegawa City, Shizuoka Prefecture) |
| Overseas | Yamaha Motor Corporation, U.S.A. (U.S.A.) |
| | Yamaha Motor Manufacturing Corporation of America (U.S.A.) |
| | Yamaha Motor Europe N.V. (The Netherlands) |
| | MBK Industrie (France) |
| | PT. Yamaha Indonesia Motor Manufacturing (Indonesia) |
| | Thai Yamaha Motor Co., Ltd. (Thailand) |
| | Yamaha Motor Vietnam Co., Ltd. (Vietnam) |
| | Yamaha Motor Taiwan Co., Ltd. (Taiwan) |
| | Yamaha Motor do Brasil Ltda. (Brazil) |

(9) Employees

| Segments | Number of employees | Annual change |
|-----------------|---------------------|---------------|
| Motorcycles | 39,570 | +2,368 |
| Marine products | 4,353 | -250 |
| Power products | 1,787 | -202 |
| Other products | 6,474 | +274 |
| Total | 52,184 | +2,190 |

Notes: 1. The figures above represent the number of workers employed full time and exclude temporary employees.

2. The number of employees in the power products business decreased by 202 from the end of the previous fiscal year. This is primarily because the number of employees dropped by 104 in Yamaha Motor Corporation, U.S.A., our consolidated subsidiary in the U.S., and its consolidated subsidiaries.

3. 932 employees left the Company as a result of the voluntary redundancies implemented in the fiscal year under review. Workforce rationalization was also implemented in the U.S. consolidated subsidiary Yamaha Motor Corporation, U.S.A. and its consolidated subsidiaries, along with the European consolidated subsidiary Yamaha Motor Europe N.V. and its consolidated subsidiaries. In the meantime, total number of employees increased by 2,190 from the end of the fiscal 2009, due to increases in workforce at the Company's operation in ASEAN markets namely PT. Yamaha Motor Parts Manufacturing Indonesia and Yamaha Motor Vietnam Co., Ltd.

(10) Principal Lenders and Loan Balances

Millions of yen

| Lenders | Loan balances |
|--|---------------|
| Sumitomo Mitsui Banking Corporation | 38,091 |
| The Shizuoka Bank, Ltd. | 33,393 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 31,039 |
| Mizuho Corporate Bank, Ltd. | 25,036 |
| The Sumitomo Trust and Banking Co., Ltd. | 20,000 |
| Development Bank of Japan Inc. | 20,000 |
| The Chuo Mitsui Trust and Banking Company, Limited | 20,000 |

(11) Other Important Matters Relating to the Present Situation of the Group

Nothing to be especially reported.

2. The Company's Stocks

(1) Maximum Number of Shares Authorized to be Issued: 900,000,000

(2) Number of Shares Outstanding: 349,757,784 (including 623,211 shares of treasury stock)

Notes: 1. Number of shares outstanding increased by 55,000,000, as a result of the new share issue in a public offering with a payment date of April 20, 2010.

2. Number of shares outstanding increased by 8,250,000, as a result of the new share issue in a third party allotment with a payment date of May 11, 2010.

(3) Number of Shareholders: 31,615

(4) Principal Shareholders (Top 10)

| Shareholders | Number of shares held (Thousand shares) | Ownership (%) |
|---|--|------------------|
| Yamaha Corporation | 42,271 | 12.11 |
| State Street Bank & Trust Company | 29,954 | 8.58 |
| Toyota Motor Corporation | 12,500 | 3.58 |
| Mizuho Bank, Ltd. | 10,938 | 3.13 |
| Japan Trustee Services Bank, Ltd. (trust account) | 10,391 | 2.98 |
| The Master Trust Bank of Japan, Ltd. (trust account) | 9,085 | 2.60 |
| Mitsui & Co., Ltd. | 8,586 | 2.46 |
| The Bank of New York, Treaty JASDEC Account | 8,440 | 2.42 |
| The Shizuoka Bank, Ltd. | 6,813 | 1.95 |
| The Chase Manhattan Bank, N.A. London S.L. Omnibus Account | 5,613 | 1.61 |

Note: Percentage of ownership is calculated excluding treasury stock.

■ Breakdown of Shareholders

| | Number of shareholders | Number of shares held (Thousand shares) |
|---------------------------------|------------------------|--|
| Individual investors and others | 30,794 | 28,191 |
| Financial institutions | 79 | 91,443 |
| Other domestic companies | 297 | 69,402 |
| Foreigners | 402 | 158,683 |
| Securities companies | 43 | 2,039 |

Note: "Individual investors and others" includes treasury stock.

3. The Company's Stock Acquisition Rights

(1) Outline of the Stock Acquisition Rights Held by the Directors of the Company as of December 31, 2010 (Granted in Consideration of the Performance of Duties)

| Issue (Issue date) | Number of stock acquisition rights | Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights | Issue price of stock acquisition rights | Paid-in amount upon exercise of stock acquisition rights | Exercise period | Number of holders |
|-----------------------|------------------------------------|--|---|--|-------------------------------------|---|
| Forth (June 13, 2008) | 150 | Common stock: 15,000 | 535 yen per share | 2,205 yen per share | From June 13, 2010 to June 12, 2014 | 6 directors (excluding Outside Directors) |
| Fifth (June 16, 2009) | 235 | Common stock: 23,500 | 380 yen per share | 1,207 yen per share | From June 16, 2011 to June 15, 2015 | 6 directors (excluding Outside Directors) |
| Sixth (June 15, 2010) | 290 | Common stock: 29,000 | 465.27 yen per share | 1,396 yen per share | From June 15, 2012 to June 14, 2016 | 7 directors (excluding Outside Directors) |

Notes: Conditions concerning the exercise of stock acquisition rights

1. Individuals to whom stock acquisition rights are allocated ("Stock Acquisition Rights Holders") may not exercise the stock acquisition rights when they lose Director or Executive Officer status due to removal from office, dismissal or any other reason stipulated in the "Stock Acquisition Rights Allocation Agreement" to be concluded between the Company and Stock Acquisition Rights Holders in accordance with the Board of Directors' resolution on the stock acquisition rights issuance.
2. Heirs of Stock Acquisition Rights Holders may not exercise the stock acquisition rights.
3. Other conditions shall be provided in the "Stock Acquisition Rights Allocation Agreement" to be concluded between the Company and Stock Acquisition Rights Holders.

(2) Outline of the Stock Acquisition Rights Granted to the Employees of the Company and Officers and Employees of Subsidiaries in Consideration of Their Performance of Duties During the Fiscal Year under Review

| Issue (Issue date) | Number of stock acquisition rights | Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights | Issue price of stock acquisition rights | Paid-in amount upon exercise of stock acquisition rights | Exercise period | Number of employees of the Company to whom granted (excluding Directors of the Company) |
|-----------------------|------------------------------------|--|---|--|-------------------------------------|---|
| Sixth (June 15, 2010) | 275 | Common stock: 27,500 | 465.27 yen per share | 1,396 yen per share | From June 15, 2012 to June 14, 2016 | 17 |

Note: Conditions concerning the exercise of stock acquisition rights

These are the same as described in the note to the Outline of the Stock Acquisition Rights held by the Directors of the Company as of December 31, 2010 (granted in consideration of the performance of duties).

4. Directors and Corporate Auditors

(1) Names, Positions, and Responsibilities of Directors and Corporate Auditors

| Names | Positions | Responsibilities |
|------------------------|----------------------------|---|
| Hiroyuki Yanagi ** | President and Director * | President and Chief Executive Officer |
| Takaaki Kimura | Director * | Senior Managing Executive Officer, Chief General Manager of Marine Business Operations, Executive General Manager of WV Business Unit, Marine Business Operations, and Chief General Manager in charge of AM Business Unit |
| Toyoo Ohtsubo | Director | Managing Executive Officer, Chief General Manager of Technology Center, and Chief General Manager in charge of IM Business Unit |
| Yoshiteru Takahashi ** | Director | Managing Executive Officer, Chief General Manager of MC Business Operations, Senior General Manager of MC Business Control, MC Business Operations, and Chief General Manager in charge of Overseas Market Development Operation Business Unit |
| Masahito Suzuki | Director | Senior Executive Officer, Chief General Manager of Product Assurance Center, Chief General Manager of Business Development Managing Unit, and Chief General Manager in charge of SP Business Development Managing Unit |
| Hiroyuki Suzuki ** | Director | Senior Executive Officer, President and Director of India Yamaha Motor Pvt. Ltd. |
| Kozo Shinozaki ** | Director | Senior Executive Officer, and Senior General Manager of Finance & Accounting Section |
| Shuji Ito | Director | Corporate Special Advisor of Yamaha Corporation President of the Yamaha Music Foundation |
| Masayoshi Furuhata | Director | |
| Eizo Kobayashi | Director | Senior Managing Director and Representative Director of JAPAN SECURITIES FINANCE CO., LTD. Outside Director of Cross Plus Inc. |
| Yuko Kawamoto | Director | Professor, Graduate School of Finance, Accounting and Law, Waseda University Outside Director of Osaka Securities Exchange Co., Ltd. Outside Director of Resona Holdings, Inc. Outside Director of Monex Group, Inc. Outside Corporate Auditor of Tokio Marine Holdings, Inc. |
| Haruhiko Wakuda | Standing Corporate Auditor | |
| Tsutomu Mabuchi | Standing Corporate Auditor | |
| Naomoto Ohta | Corporate Auditor | |
| Norihiko Shimizu | Corporate Auditor | Visiting Professor, International Business Strategy of Hitotsubashi University Outside Corporate Auditor of Nissin Sugar Manufacturing Co., Ltd. Statutory Auditor of Fast Retailing Co., Ltd. |

| Names | Positions | Responsibilities |
|---------------|-------------------|--|
| Tetsuo Kawawa | Corporate Auditor | Attorney Outside Corporate Auditor of Nisshin Seifun Group Inc. |

- Notes: 1. Directors denoted by an asterisk (*) are Representative Directors.
2. The Directors Shuji Ito, Masayoshi Furuhashi, Eizo Kobayashi, and Yuko Kawamoto are Outside Directors as stipulated in Item 15 of Article 2 of the Corporation Law of Japan.
3. The Corporate Auditors Naomoto Ohta, Norihiko Shimizu, and Tetsuo Kawawa are Outside Corporate Auditors as stipulated in Item 16 of Article 2 of the Corporation Law of Japan.
4. The Company has registered Masayoshi Furuhashi, Eizo Kobayashi, Yuko Kawamoto, Norihiko Shimizu, and Tetsuo Kawawa with the Tokyo Stock Exchange, Inc. as independent directors/corporate auditors under the regulation of the said stock exchange.
5. Personnel changes during fiscal 2010:
The Directors denoted by double asterisks (**) were newly elected by resolution of the 75th General Meeting of Shareholders held on March 25, 2010 and took office as indicated, pursuant to the resolution.
6. Abbreviation: WV: Water Vehicle, AM: Automotive, IM: Intelligent Machinery, MC: Motorcycle, SP: Smart Power

(2) Changes of Directors after Fiscal 2010

Changes in responsibilities and significant concurrent positions

(As of January 1 and February 1, 2011)

| Names | After the change | Before the change |
|------------------------|---|--|
| Takaaki Kimura * | Senior Managing Executive Officer, Chief General Manager of Marine Business Operations, Chief General Manager in charge of Product Assurance & Safety Promotion Center, and Chief General Manager in charge of AM Business Unit | Senior Managing Executive Officer, Chief General Manager of Marine Business Operations, Executive General Manager of WV Business Unit, Marine Business Operations, and Chief General Manager in charge of AM Business Unit |
| Toyoo Ohtsubo | Managing Executive Officer, and Chief General Manager of Technology Center | Managing Executive Officer, Chief General Manager of Technology Center, and Chief General Manager in charge of IM Business Unit |
| Yoshiteru Takahashi ** | Managing Executive Officer, Chief General Manager of MC Business Operations, and Chief General Manager in charge of Overseas Market Development Operation Business Unit | Managing Executive Officer, Chief General Manager of MC Business Operations, Senior General Manager of MC Business Control, MC Business Operations, and Chief General Manager in charge of Overseas Market Development Operation Business Unit |
| Masahito Suzuki | Senior Executive Officer, and Chairman and Director of Yamaha Motor Electronics Co., Ltd. | Senior Executive Officer, Chief General Manager of Product Assurance Center, Chief General Manager of Business Development Managing Unit, and Chief General Manager in charge of SP Business Development Managing Unit |
| Kozo Shinozaki ** | Senior Executive Officer, and Senior General Manager of Corporate Planning & Finance Section | Senior Executive Officer, and Senior General Manager of Finance & Accounting Section |

Notes: 1. Director denoted by an asterisk (*) is Representative Director.

2. The Directors denoted by double asterisks (**) were newly elected by resolution of the 75th General Meeting of Shareholders held on March 25, 2010 and took office as indicated, pursuant to the resolution.

3. Abbreviation: WV: Water Vehicle, AM: Automotive, IM: Intelligent Machinery, MC: Motorcycle, SP: Smart Power

(3) Name and Other Information regarding the Executive Officers

The Company has adopted an Executive Officer system for the purpose of prompt business execution, which was designed to enhance management supervisory capabilities by clearly defining the role of Executive Officers as “business execution of the Group,” while defining the role of the Board of Directors as “approval of basic policy and the supervision of business execution within the Group.” As of December 31, 2010, the Company is served by 24 Executive Officers comprising the aforementioned 7 concurrently serving as Directors and following 17 others.

| Names | Positions | Responsibilities and significant concurrent positions |
|--------------------|--------------------------|--|
| Nobuya Hideshima | Senior Executive Officer | Executive General Manager of Procurement Center |
| Yoshiaki Hashimoto | Senior Executive Officer | Senior General Manager of Human Resources & General Affairs Section |
| Kunihiko Miwa | Senior Executive Officer | Senior General Manager of Engineering Section, MC Business Operations, and Executive General Manager of CV Business Control, MC Business Operations |
| Masahiro Takizawa | Senior Executive Officer | Senior General Manager of Corporate Planning Section, General Manager of Corporate Planning Division, Corporate Planning Section, Chief General Manager in charge of Parts Business Unit, and Chief General Manager in charge of Power Business Unit |
| Toshimitsu Iio | Executive Officer | Director and President of Yamaha Motor Manufacturing Corporation of America |
| Masao Furusawa | Executive Officer | Senior General Manager of Technology Infrastructure Section, Technology Center, and General Manager in charge of MS development for Engineering Section, MC Business Operations |
| Nobuaki Shiraishi | Executive Officer | Executive General Manager of RV Business Control, MC Business Operations |
| Tadakazu Ishibashi | Executive Officer | Executive General Manager of Business Development Managing Unit, and Senior General Manager of New Business Development Section, Business Development Managing Unit |
| Soichi Sasagawa | Executive Officer | Executive General Manager of Boat Business Unit, Marine Business Operations |
| Hajime Yamaji | Executive Officer | Director and President of Yamaha Motor Europe N.V. |
| Toshizumi Kato | Executive Officer | Senior General Manager of Sales Section, MC Business Operations |
| Hiroshi Yoshii | Executive Officer | Senior General Manager of Manufacturing Technology Section, Technology Center |
| Takahiko Goan | Executive Officer | Executive General Manager of Overseas Market Development Operation Business Unit |
| Masato Adachi | Executive Officer | Director and President of Yamaha Motor Corporation, U.S.A. |
| Masanori Kobayashi | Executive Officer | Executive General Manager of SP Business Development Managing Unit, Senior General Manager of PAS Business Development Section, SP Business Development Managing Unit, and Executive General Manager of EV Business Control, MC Business Operations |
| Yoichiro Kojima | Executive Officer | Executive General Manager of Marine Engine Business Unit, Marine Business Operations |
| Katsuaki Watanabe | Executive Officer | Chief General Manager of Manufacturing Center |

Note: Abbreviation: MC: Motorcycle, CV: Commuter Vehicle, MS: Motor Sports, RV: Recreational Vehicle, SP: Smart Power, EV: Electric Vehicle, ME: Marine Engine

(4) Changes of Executive Officers after Fiscal 2010

Changes in responsibilities and significant concurrent positions

(As of January 1, and February 1, 2011)

| Names | After the change | Before the change |
|--------------------|---|--|
| Nobuya Hideshima | Senior Executive Officer, Chief General Manager of Procurement Center, and Chief General Manager in charge of Parts Business Unit | Senior Executive Officer, Executive General Manager of Procurement Center |
| Yoshiaki Hashimoto | Senior Executive Officer, Senior General Manager of Human Resources & General Affairs Section, and Chief General Manager in charge of Business Development Managing Unit | Senior Executive Officer, Senior General Manager of Human Resources & General Affairs Section |
| Kunihiko Miwa | Senior Executive Officer, Senior General Manager of Engineering Section, MC Business Operations | Senior Executive Officer, Senior General Manager of Engineering Section, MC Business Operations, and Executive General Manager of CV Business Control, MC Business Operations |
| Masahiro Takizawa | Senior Executive Officer, Chief General Manager of Business Development Operations | Senior Executive Officer, Senior General Manager of Corporate Planning Section, General Manager of Corporate Planning Division, Corporate Planning Section, Chief General Manager in charge of Parts Business Unit, and Chief General Manager in charge of Power Business Unit |
| Toshimitsu Iio | Executive Officer | Executive Officer, Director and President of Yamaha Motor Manufacturing Corporation of America |
| Masao Furusawa | Executive Officer | Executive Officer, Senior General Manager of Technology Infrastructure Section, Technology Center, and General Manager in charge of MS development for Engineering Section, MC Business Operations |
| Nobuaki Shiraishi | Executive Officer, Executive General Manager of RV Business Unit, MC Business Operations | Executive Officer, Executive General Manager of RV Business Control, MC Business Operations |
| Tadakazu Ishibashi | Executive Officer, Executive General Manager of Product Assurance & Safety Promotion Center, General Manager of Safety Promotion & Traffic System Division, Product Assurance & Safety Promotion Center, and Executive General Manager of Business Development Managing Unit | Executive Officer, Executive General Manager of Business Development Managing Unit, and Senior General Manager of New Business Development Section, Business Development Managing Unit |

| Name | After the change | Before the change |
|--------------------|--|--|
| Soichi Sasagawa | Executive Officer, Yamaha Motor Powered Products Co., Ltd. | Executive Officer, Executive General Manager of Boat Business Unit, Marine Business Operations |
| Toshizumi Kato | Executive Officer, Director and President of Yamaha Motor Corporation, U.S.A. | Executive Officer, Senior General Manager of Sales Section, MC Business Operations |
| Masato Adachi | Executive Officer, Executive General Manager of Boat Business Unit, Marine Business Operations | Executive Officer, Director and President of Yamaha Motor Corporation, U.S.A. |
| Masanori Kobayashi | Executive Officer, Executive General Manager of SPV Business Unit, Business Development Operations, and General Manager of PAS Development Division, SPV Business Unit, Business Development Operations | Executive Officer, Executive General Manager of SP Business Development Managing Unit, Senior General Manager of PAS Business Development Section, SP Business Development Managing Unit, and Executive General Manager of EV Business Control, MC Business Operations |

Note: Abbreviation: MC: Motorcycle, CV: Commuter Vehicle, RV: Recreational Vehicle, MS: Motor Sports, SPV: Smart Power Vehicle, SP: Smart Power, EV: Electric Vehicle

(5) Remuneration for Directors and Corporate Auditors

1) Policies on determining the amounts of remuneration or the calculation method thereof

The Company's Directors' Remuneration Plan is comprised of basic compensation (monthly salary) in a fixed amount, Directors' bonuses, reflecting the short-term performance of the Company overall, compensation linked to each Director's individual performance, a stock compensation plan reflecting the medium- to long-term performance of the Company overall, and stock acquisition rights offered as stock options (Stock options have been integrated into stock compensation plan from the 77th fiscal year).

The stock compensation plan allows Directors to acquire a certain number of the Company's shares monthly through the Company's Director Shareholding Association, and to hold the shares while in office, thus further pegging Director remuneration to shareholder value. However, the performance based remuneration system and stock compensation plan do not apply to remuneration for Outside Directors and Corporate Auditors.

Retirement benefits for Directors were abolished at the conclusion of the 70th Ordinary General Meeting of Shareholders held on March 29, 2005. However, retirement benefits for Directors during their terms in office up to that date will be paid when each Director retires, in accordance with the resolution for payment approved at the 73rd Ordinary General Meeting of Shareholders held on March 26, 2008.

2) Amounts of remuneration

Millions of yen

| | Basic compensation | Compensation linked to performance | | Stock compensation plan | Total |
|--|--------------------|------------------------------------|---|-------------------------|-------|
| | | Directors' bonuses | Compensation linked to each Director's individual performance | | |
| Directors (15) | 188 | — | — | 48 | 236 |
| Of which, Outside Directors (4) | (29) | | | | (29) |
| Corporate Auditors (5) | 70 | | | | 70 |
| Of which, Outside Corporate Auditors (3) | (22) | | | | (22) |
| Total | 259 | — | — | 48 | 307 |

Notes: 1. The above includes remuneration for the four Directors who retired as at the conclusion of the 75th Ordinary General Meeting of Shareholders held on March 25, 2010.

2. In addition to the remuneration listed above, 38 million yen was paid to Directors and concurrent employees, as the equivalent of salary to employees.

3. Neither Directors' bonuses nor compensation linked to each Director's individual performance was paid as remunerations for Directors were generally cut as a result of the unfavorable business results in the fiscal year under review.

4. Remuneration related to the stock options is included in the stock compensation plan.

(6) Matters Relating to Outside Directors and Outside Corporate Auditors

- 1) Significant concurrent positions Outside Directors and Corporate Auditors are engaged in at other companies, and relationships between the Company and said other companies

| Positions | Names | Significant concurrent positions |
|--------------------|------------------|---|
| Directors | Shuji Ito | Corporate Special Advisor of Yamaha Corporation President of the Yamaha Music Foundation |
| | Eizo Kobayashi | Senior Managing Director and Representative Director of JAPAN SECURITIES FINANCE CO.,LTD. Outside Director of Cross Plus Inc. |
| | Yuko Kawamoto | Professor, Graduate School of Finance, Accounting and Law, Waseda University Outside Director of Osaka Securities Exchange Co., Ltd. Outside Director of Resona Holdings, Inc. Outside Director of Monex Group, Inc. Outside Corporate Auditor of Tokio Marine Holdings, Inc. |
| Corporate Auditors | Norihiko Shimizu | Visiting Professor, International Business Strategy of Hitotsubashi University Outside Corporate Auditor of Nissin Sugar Manufacturing Co., Ltd. Statutory Auditor of Fast Retailing Co., Ltd. |
| | Tetsuo Kawawa | Attorney Outside Corporate Auditor of Nisshin Seifun Group Inc. |

- Notes: 1. Yamaha Corporation, for which Shuji Ito concurrently serves as Corporate Special Advisor, is a principal shareholder holding 12.11% of the Company's shares.
2. The Company has no significant transactional relationships with companies for which Directors and Corporate Auditors hold concurrent positions.

2) Main activities during fiscal 2010

| Categories | Names | Main activities |
|---------------------------|---------------------|---|
| Outside Director | Shuji Ito | Attended 13 Meetings of the 16 Meetings of the Board of Directors held during fiscal 2010. He stated his opinions based on his knowledge acquired as a Chairman and Director of a listed company. |
| Outside Director | Masayoshi Furuhashi | Attended 15 Meetings of the 16 Meetings of the Board of Directors held during fiscal 2010. He stated his opinions based on his long international experience and knowledge of the industry. |
| Outside Director | Eizo Kobayashi | Attended 12 Meetings of the 16 Meetings of the Board of Directors held during fiscal 2010. He stated his opinions based on his extensive knowledge of economics and financial conditions in general. |
| Outside Director | Yuko Kawamoto | Attended 14 Meetings of the 16 Meetings of the Board of Directors held during fiscal 2010. She stated her opinions based on her wide-ranging experience and knowledge as a management consultant and in research activities for finance. |
| Outside Corporate Auditor | Naomoto Ohta | Attended all the 16 Meetings of the Board of Directors, and all the 14 Meetings of the Board of Corporate Auditors held during fiscal 2010. He stated his opinions based on his extensive experience and knowledge as a corporate auditor. |
| Outside Corporate Auditor | Norihiko Shimizu | Attended 14 Meetings of the 16 Meetings of the Board of Directors, and 12 Meetings of the 14 Meetings of the Board of Corporate Auditors held during fiscal 2010. He stated his opinions based on his extensive experience and knowledge from his research on international corporate strategies. |
| Outside Corporate Auditor | Tetsuo Kawawa | Attended 14 Meetings of the 16 Meetings of the Board of Directors, and 12 Meetings of the 14 Meetings of the Board of Corporate Auditors held during fiscal 2010. He stated his opinions based on his extensive experience and knowledge as a lawyer well-versed in corporate legal affairs. |

3) Agreement on limitation of liability

The Company has concluded liability limitation agreements with all Outside Directors and Outside Corporate Auditors in accordance with the provisions of Paragraph 1 of Article 427 of the Corporation Law of Japan, to limit the liability for damages stipulated in Paragraph 1 of Article 423 of the said Law.

The maximum liability for damages to be borne by the Outside Directors and Outside Corporate Auditors under the agreement is the minimum amount of liability stipulated in Paragraph 1 of Article 425 of the Corporation Law of Japan.

5. Independent Auditor

(1) Contracted Independent Auditor

Ernst & Young ShinNihon LLC

(2) Remuneration Paid to the Independent Auditor during Fiscal 2010

| | |
|--|-----------------|
| 1) Remuneration Paid to the Independent Auditor during fiscal 2010: | 98 million yen |
| 2) Total remuneration payable by the Company and its consolidated subsidiaries to the Independent Auditor: | 128 million yen |

Note: The amount of remuneration for audit under the Corporation Law of Japan and the amount under the Financial Instruments and Exchange Law are not classified differently in the audit contract between the Company and the accounting auditor, nor would it be practical to do so. Therefore, the above amounts each are totals for their respective categories of remuneration.

Each of the following important subsidiaries of the Company contracts another certified public accountant or audit corporation (or a person having an equivalent qualification in the foreign country concerned) for auditing (or equivalent service prescribed by a law equivalent to the Corporation Law of Japan or the Financial Instruments and Exchange Law in the foreign country): Yamaha Motor Corporation, U.S.A.; Yamaha Motor Manufacturing Corporation of America; Yamaha Motor Europe N.V.; MBK Industrie; PT. Yamaha Indonesia Motor Manufacturing; Thai Yamaha Motor Co., Ltd.; Yamaha Motor Vietnam Co., Ltd.; Yamaha Motor Taiwan Co., Ltd.; and Yamaha Motor do Brasil Ltda.

(3) Non-audit Services Provided by the Independent Auditor

The Company entrusts the independent auditor with, and pays compensation for, the following types of work which are not prescribed in Paragraph 1 of Article 2 of the Certified Public Accountants Law (non-audit services):

- 1) Preparation of the comfort letter in respect of issuance of new stocks
- 2) Review of the accounting standard adopted by the Yamaha Motor Group
- 3) Review of the annual report
- 4) Review of the English translation of the notice of convocation of the ordinary general meeting of shareholders.

(4) Policy for Determining the Dismissal or Non-reappointment of Independent Auditor

In addition to the dismissal of an independent auditor by the Board of Corporate Auditors stipulated in Article 340 of the Corporation Law of Japan, the Company shall, with the approval or upon request from the Board of Corporate Auditors, propose an agenda to dismiss or not to reappoint an independent auditor to a general meeting of shareholders, if it is deemed difficult for the independent auditor to perform his or her duties.

6. Systems to Ensure Proper Business Operations

(1) Systems to Ensure the Directors Compliance with Laws, Regulations and the Company's Articles of Incorporation

- The Board of Directors shall supervise Directors in the implementation of their responsibilities, to ensure that they exercise the duty of care and duty of loyalty to the standard of good administrators. The Board is also charged with ensuring that all Directors' activities are lawful.
- Corporate Auditors, in accordance with the criteria and methodology established by the Board of Corporate Auditors, shall audit the business conduct of the Directors.
- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. It shall reinforce this commitment in its Code of Ethics.
- The Company shall form such organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

(2) Disposition of Documentation and Other Information Concerning the Business Conduct of Directors

- Documents and other forms of information on the business conduct of Directors shall be prepared, maintained and administered appropriately by establishing and operating necessary arrangement involving internal regulations.
- Confidential information including documents and other forms of information on the business conduct of Directors shall be handled appropriately by establishing and operating necessary arrangement involving internal regulations.
- The Company shall form such organizations and develop such rules as necessary to ensure timely and appropriate disclosure of significant company information.

(3) Rules Relating to Risk Control against Loss

- A Risk Management Compliance Committee shall be established to formulate measures for integrated risk control, and promote such measures.
- Control of each serious risk factor shall be assigned to a specific section, which shall work to mitigate the risk factor for which it is responsible.
- The Company shall develop and operate internal regulations, etc. as necessary to ensure integrated control of individual departmental risk management activities.
- If a serious crisis arises, an Emergency Countermeasures Headquarters shall be established as provided in the internal regulations, etc., with President and Chief Executive Officer as its head, in order to minimize damage and negative impact from the event.

(4) Systems to Ensure Efficient Execution of Directors' Duties

- The authority and responsibilities of the Board of Directors, President and Chief Executive Officer and sector heads, and the system for transferring authority between them, shall be better defined by strengthening Board of Directors Rules, Decision-making Rules and other important rules.
- Resolutions to be proposed at the Board of Directors' Meetings shall first be subject to deliberation by the Management Committee and other committees to ensure they are appropriate and meet procedural criteria for subsequent deliberation by the Board of Directors.
- After the medium-term management plan and the budget for the fiscal year are formulated, management control systems such as a "management by objectives system" shall be established to achieve the plan's goals and targets.

(5) Systems to Ensure Employee Compliance with Laws, Regulations and the Company's Articles of Incorporation

- A Risk Management Compliance Committee shall be established to deliberate and offer opinions concerning compliance measures.
- The Company shall enhance its Code of Ethics, and provide ethics and compliance training appropriate to each position in the Company.
- An internal reporting system shall be established to directly inform top executive management

concerning any unlawful act, or the possibility of illegal or improper activity that could damage trust and confidence in the Company.

- The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. It shall reinforce this commitment in its Code of Ethics.
- The Company shall form such organizations and develop such rules as necessary to ensure the maintenance of appropriate financial information, and prepare and release reliable financial statements.

(6) Systems to Ensure the Yamaha Motor Group (Composed of the Company and Its Subsidiaries) Conducts Business Appropriately

- Internal rules shall be established that define the controlling sectors in charge of supervising each subsidiary, and the authority, responsibilities and management methods of subsidiaries.
- In order to audit the appropriateness of operations of the Company and its subsidiaries, an internal auditing sector shall be established under the direct control of the President and Chief Executive Officer.
- Each domestic subsidiary, in principle, shall have a Board of Directors and a Corporate Auditor; overseas subsidiaries shall design in accordance with local laws.
- At least one Director of each subsidiary, in principle, shall concurrently serve as a Director, Executive Officer, or employee of another company in the Group.
- The section supervising financial reporting shall provide subsidiaries with guidance and education to ensure appropriateness of financial information.
- The section supervising risk management shall provide subsidiaries with guidance and education in respect of risk management activities.
- The section supervising compliance shall provide subsidiaries with guidance and education on compliance.

(7) Employee to Assist Corporate Auditors

A Corporate Auditors' Office shall be established with a full-time employee dedicated to assisting the Corporate Auditors in the execution of their duties.

(8) Employee Assisting Corporate Auditors Independence from Directors

- Any dismissal or personnel changes concerning the employee assisting Corporate Auditors in the execution of their duties shall be approved by the Board of Corporate Auditors in advance.
- No employee assisting Corporate Auditors in the execution of their duties shall concurrently hold a post involving other business operations. The employee shall perform his or her duties under the direction of the Corporate Auditors, whose opinions shall be taken into consideration in evaluating the employee.

(9) Rules Concerning Directors and Employees Reporting to the Board of Corporate Auditors

Directors and employees shall report the following matters to the Board of Corporate Auditors periodically, or when necessary, at its request:

- Establishment and operation of internal control systems, and related subjects
- Results of internal audits conducted by the internal audit section
- Operation of the internal reporting system, and receipt of reports
- Director malpractice and/or acts conducted in violation of the law or the Company's Articles of Incorporation
- Incidents that could cause the Company considerable damage

(10) Other Systems to Ensure Effective Auditing by Corporate Auditors

- The Representative Directors shall meet with the Corporate Auditors periodically to exchange opinions.
- Corporate Auditors shall attend important meetings of bodies including the Management Committee, Risk Management Compliance Committee, and Executive Committee.
- The internal audit section shall explain its internal audit plan to Corporate Auditors in advance.
- The minutes of the Management Committee meeting and any other meetings as the Corporate Auditors may specify shall be made available for their perusal. The Corporate Auditors shall be granted similar access to any approved proposal memorandums they may specify.
- Auditing assistance from outside experts shall be secured when deemed necessary by the Board of Corporate Auditors.

7. Basic Policy on Control of the Company

(1) Outline of the Basic Policy

The Company has been producing many market-leading products on a global scale in its business domains including motorcycles, marine products and power products. Although it takes continuous investment of resources from a long-term perspective to develop proprietary technologies, the highly unique technologies and know-how accumulated in the process, knowledge and information of specific market sectors gained through development effort, and deep relationship of trust with trading partners cultivated over many years through the regular problem-solving efforts as well as high quality human resources in specialist fields are all enhancing the Company's competitive advantages to an even higher level, which are believed to provide significant management resources promoting its corporate value into the future. The Company's field of activities extends beyond its business operations to activities such as philanthropy and environmental preservation. The Company fully recognizes that a wide variety of business operations coupled with such activities can produce a synergy that builds Yamaha Motor's brand and corporate value. To further enhance such brand value and corporate value, the Company must aggressively introduce new models and develop new value-added products incorporating new technologies. As a prerequisite for creating breakthrough technologies, the Company must strengthen its research and development (R&D) activities. Furthermore, high profitability and growth are projected in the next-generation environmental technologies, such as the development of environment-conscious low-fuel-consumption engines and electric-powered motorcycles. In order to earn profit in these fields of activities, it is crucial to aggressively promote a R&D basis for the foundation of these activities. The Company believes that an acquisition of the Company by parties who poorly understand the elements that comprise the brand and corporate value of the Group (described above) would damage the corporate value and hinder the common interests of the shareholders. Once in control of financial and business decisions, such parties could act only from short-term profit motives and dismantle management policies that have been planned and developed over time from a medium-and long-term perspective. Such actions might include excessive reductions in manufacturing costs, R&D expenses, and other expenditures — all decisions which would damage the Group's competitiveness. Not only above-mentioned case but also certain acquisition schemes would negatively impact corporate value and work against the common interests of the Company's shareholders.

In order to protect and enhance the Company's corporate value and the common interests of the Company's shareholders, the Company deems it necessary that a would-be acquirer adequately disclose the following information prior to any takeover attempt: the proposed management policy and business plan intended by the would-be acquirer; the impact the takeover proposal would have on the Company's shareholders, the management, and the many stakeholders surrounding the Company; and the acquirer's attitudes toward social responsibilities, including the safety of the products. Furthermore, the Company deems it necessary that reasonable time to examine a takeover proposal, and reasonable negotiation power against the would-be acquirer are secured.

(2) Outline of Special Efforts Towards Realizing the Effective Use of the Company's Assets, the Establishment of an Appropriate Corporate Group, and Other Basic Policy

For the achievement of our corporate mission, "Kando Creating Company" - to offer new excitement and a more fulfilling life for people all over the world, the Company is working to secure and enhance the corporate value and the common interests of the Company's shareholders by implementing various measures mentioned hereunder, in a planned and consistent way from a medium to long-term perspective.

1) Efforts to enhance corporate value with a medium-term management plan

In the new medium-term management plan (from fiscal 2010 to fiscal 2012), the Company is going to accelerate structural reforms that have been pushed ahead since the previous fiscal year, promptly establish a profit structure, and address the following significant issues to realize future growth scenario:

1. In businesses in the developed countries, the Company will assume more severe future demand, further lower the target number of production units at break-even point, and reduce fixed costs by restructuring the global production structure and retrenching of staff size. Moreover, it will reduce procurement cost by means such as an expansion of overseas procurement. By these measures to reform, the Company will improve the profitability.
2. In the motorcycle business in the emerging countries where growth is expected, the Company will strengthen the competitiveness of products that respond to customers' needs, and provide low price

and attractive products in the Asian markets where the demand expansion is anticipated. The Company will increase the procurement of equipment parts from local manufacturers and aim for the expansion of the business by raised competitiveness resulting from the further cost-down achieved by such measures.

3. The Company will promote the measures to promptly commercialize the next-generation environmental technology. In addition to the development of environment-conscious low-fuel-consumption engines for motorcycles and outboard motors and efforts to launch electric-powered motorcycles in markets, it will expand the sales of electrically power assisted bicycles, whose demand growth is expected, to overseas.

Through taking on these challenges, the Company aims to achieve consolidated operating profit in fiscal 2010, and achieve a consolidated operating profit margin of 5% in fiscal 2012.

2) Efforts to increase corporate value by strengthening corporate governance

The Company recognizes that corporate governance is an important tool to “ensure disciplined management and maximize long-term corporate value.” Based on this recognition, the Company has been striving to speed up management decision-making; make the accountability of Directors regarding business results clearer; and develop a transparent system of director selection and remuneration. Specifically, in addition to introducing an Executive Officer system, the Company elects multiple Outside Directors. While striving on one hand to separate the roles of business execution and business supervision, the Company has shortened the term of office of Directors from two years to one year in order to assure accountability of Directors to the shareholders. The Company has also established the “Executive Personnel Committee” as a voluntary committee comprised of several full-time Directors and several Outside Directors. This committee aims to increase suitability and transparency through discussions about nominating candidates for Director and Executive Officer and determining remuneration systems and remuneration amounts for these officers. Such discussions of this committee have already formed the basis of the change to a remuneration system that is highly correlated to performance and the abolition of retirement benefits for Directors and Corporate Auditors. Looking ahead, the Company shall work to more clearly designate the role of the Board of Directors as “approval of core policy of the Group and supervision of the execution of duties” and the role of executive officers as “management of the Yamaha Motor Group and execution of duties,” and it shall build a system of management to match this demarcation of duties.

(3) Efforts to Prevent the Decisions on Financial and Business Policies of the Company to Be Controlled by Parties Inappropriate in the Light of the Company’s Basic Policy

In order to protect and increase the corporate value and the common interests of the shareholders, the Company adopted measures (hereinafter “the Plan”) using the gratis issue of stock acquisition rights, according to the details of “Renewal of Takeover Defense Measures Against Attempts of Mass Acquisition of the Company’s Shares” approved at the 75th General Meeting of Shareholders held on March 25, 2010. An overview of the Plan is as follows:

- 1) The Board of Directors shall, by its resolution, set up a Corporate Value Committee. The Corporate Value Committee shall examine the takeover proposal forwarded by the Board of Directors and determine whether to issue an advisory resolution, and also determine other matters forwarded by the Board of Directors. The Corporate Value Committee resolutions shall pass with the majority of all committee members’ vote. Committee members shall be appointed only from within the Company’s Outside Directors.
- 2) The Board of Directors shall require parties intending to engage in specific takeover attempts, prior to commencing such takeover attempts, to submit the following written proposal, and to make the Company issue a Confirmation Resolution. Accordingly, parties proposing specific takeover attempts shall, prior to commencing such takeover attempts, submit the following written proposal to obtain a Confirmation Resolution from the Company: information regarding the persons proposing the specific takeover attempts, including their group companies and related parties; the purpose of the proposed takeover bid; proposed post-takeover management policy and business plan; basis and method of takeover price calculation; proof of takeover fund availability; potential impact of the takeover on the interests of the Company’s stakeholders; and other necessary information which the Company reasonably requires, as described in (4) 1) to 7) below. A proposal that fulfills these requirements shall be hereafter referred to as a “Takeover Proposal,” and any party who makes such a proposal shall be hereafter referred to as a

“Takeover Proposer.” “Confirmation Resolution” shall mean a resolution passed by the Board of Directors to disallow a Gratis Issue of Stock Acquisition Rights (hereinafter the “Stock Acquisition Rights”) for which an advisory resolution by the Corporate Value Committee as described below has been received.

In the interest of the prompt management of the Plan, when the Company encounters a proposal that it is unable to acknowledge as a Takeover Proposal due to the lack of necessary information, it may require, if necessary, the party conducting the proposal relating to the acquisition of the Company’s shares to provide information. In this case, basically, a period of 60 business days, calculated from the day the first information provision request to the proposer is made, shall be set for the maximum limit to make the information provision request to the proposer and the proposer to make a response (hereinafter “Information Provision Request Period”). It shall be our basic policy that the period of examination and discussion by the Corporate Value Committee shall start upon the expiration of the Information Provision Request Period even in cases where necessary information has not been adequately provided. In cases where a request for extension is made with reasonable cause, the Company may extend the Information Provision Request Period as necessary provided that the period of extension does not exceed 30 business days.

- 3) The Board of Directors shall promptly forward the received Takeover Proposal to the Corporate Value Committee to request the committee’s recommendation. The Corporate Value Committee shall examine the Takeover Proposal and discuss on whether to issue a resolution advising the Board of Directors to adopt a Confirmation Resolution for the Takeover Proposal (hereinafter “Advisory Resolution”). The content of the Corporate Value Committee’s resolution shall be disclosed. The Corporate Value Committee shall be granted 60 business days from the day of receipt of a Takeover Proposal by the Board of Directors or the day of expiration of the Information Provision Request Period, whichever is earlier (or 90 business days in cases other than a Takeover Proposal, involving an unlimited takeover of the Company’s shares by a cash-only takeover bid in Japanese yen). This period shall not be extended without reasonable cause (in cases where the period is extended, the cause shall be disclosed).
- 4) The Corporate Value Committee shall examine and discuss the Advisory Resolution in good faith. This deliberation is conducted from the viewpoint of determining whether the Takeover Proposal serves to protect and increase the Company’s corporate value and the shareholders’ common interests (including the aspects listed in items 1) to 7) below). The Corporate Value Committee is required to issue an Advisory Resolution if a Takeover Proposal is found to satisfy all of the following requirements and, even if a Takeover Proposal does not satisfy some of the following requirements, in cases where it is found reasonable in light of the protection and increase of the Company’s corporate value and the shareholders’ common interests, an Advisory Resolution shall be issued.
 - (1) None of the following categories are applicable to the Takeover Proposal:
 - (i) It is a share buyout, in which the Takeover Proposer demands that the Company or related parties buy back purchased shares at high prices;
 - (ii) It is structured to further the interests of the Takeover Proposer or its group companies, as well as other related parties, at the expense of the Company, such as by temporarily controlling the Company’s management in order to transfer the Company’s major assets;
 - (iii) It makes the Company’s assets subject to use as collateral guarantee, or use for the repayment of debts of the Takeover Proposer, its group companies, or other related parties;
 - (iv) It seeks to obtain a temporary high return at the expense of the Company’s sustainable growth, such as by temporarily controlling the Company’s management in order to reduce assets and funds necessary for the Company’s future business and product development; by using profits from disposing of such assets and funds in order to obtain high temporary dividends, and/or by selling the Company’s shares at peak prices in an attempt to drive up the Company’s share price; and/or
 - (v) It realizes the interests of the Takeover Proposer, its group companies or other related parties by unfairly damaging the important management resources that are the source of the Company’s corporate value (highly unique technology and know-how, knowledge and information of specific market sectors, deep relationships of trust with trading partners cultivated over many years, and high quality human resources in specialist fields; through the party conducting the specific takeover attempt acquiring control of the Company;
 - (2) The mechanism and content of the Takeover Proposal comply with all relevant laws and regulations;
 - (3) The mechanism and content of the Takeover Proposal do not threaten to actually or essentially compel shareholders of the Company to sell their shares, such as is consistent with a coercive two-tier tender offer (meaning a tender offer that does not seek to acquire all shares in the initial acquisition, and sets unfavorable or unclear acquisition terms for the second stage);
 - (4) Any and all information required, and which is not fallacious, to properly examine the Takeover Proposal is offered, as necessary, to the Company upon its request, and the Takeover Proposer

- responds in good faith to the procedures prescribed in the Plan;
- (5) A specified period for the Company to examine the Takeover Proposal (including the examination and proposal of alternate plans to the Company's shareholders) is secured (60 business days for examination and discussion of the Takeover Proposal from the time it is received, or 90 business days in cases other than a Takeover Proposal, involving an unlimited takeover of the Company's shares by a cash-only takeover bid in Japanese yen. If there is reasonable cause to exceed the period, the applicable number of business days).
 - (6) The Takeover Proposal does not contain any provisions that can be deemed insufficient or inappropriate in light of the Company's corporate value and shareholders' common interests; and,
 - (7) The Takeover Proposal can reasonably be deemed to protect and increase the Company's corporate value and shareholders' common interests.
- 5) The Board of Directors shall adopt the Confirmation Resolution based on the Advisory Resolution of the Corporate Value Committee. If the Corporate Value Committee issues an Advisory Resolution, the Board of Directors is obliged to promptly adopt a Confirmation Resolution, unless it finds particular grounds to rule that adopting such a Confirmation Resolution obviously violates the Directors' duty of care. The Board of Directors shall not be empowered to execute a Gratis Issue of Stock Acquisition Rights against any Takeover Proposal which is endorsed by a Confirmation Resolution.
 - 6) If a specific takeover attempt is executed without obtaining a Confirmation Resolution, the Board of Directors shall set a reference date for Gratis Issue of Stock Acquisition Rights, and execute this Gratis Issue such that the Company's shareholders as of the reference date receive the Stock Acquisition Rights. However, if it becomes clear that a specific acquirer's shareholding ratio does not reach 20 percent by a specific date, prior to the reference date for Gratis Issue and set forth by the Board of Directors (including cases where the Board of Directors finds that special circumstances similar to this arise), the Board may suspend the Gratis Issue, and stop the Stock Acquisition Rights from taking effect. No cash is to be paid to the specific acquirer in return for this compulsory assignment of the stock acquisition rights.

(4) The Decision of the Board of Directors and the Grounds for Such Decision

The Plan is adopted to protect and increase the Company's corporate value and the shareholders' common interests. To improve the rationality of the Plan, a special scheme shall be implemented as follows.

- 1) The Plan was approved by the Company's shareholders at the 75th General Meeting of Shareholders held on March 25, 2010.
- 2) The terms of office of the Company's Directors is one year and non-coinciding terms of office or no extra weighting occurs from ordinary resolutions for cases of dismissal. It is therefore possible for the Plan to be abandoned by resolution of the Board of Directors by election or dismissal of Directors based on a one-time ordinary resolution of a general meeting of shareholders. This means that the intention of the shareholders will be reflected in this point as well.
- 3) To guarantee the neutrality of judgments in the Plan, the Corporate Value Committee, which is comprised only of Outside Directors and Outside Corporate Auditors who do not engage in the execution of the Company's business and whose independence from the Company's management is secured, conducts an examination of the details of the Takeover Proposal and, while upholding a legal duty to the Company as officers of the Company, discusses in good faith the Takeover Proposal from the viewpoint of determining whether the Takeover Proposal serves to protect and increase the Company's corporate value and the shareholders' common interests.
Furthermore, if the Corporate Value Committee issues an Advisory Resolution to advise the Board of Directors to adopt a Confirmation Resolution, the Board of Directors must follow the Advisory Resolution and adopt a Confirmation Resolution; provided that there are no special grounds to rule that adopting such a Confirmation Resolution obviously violates the Director's duty of care.
- 4) The Corporate Value Committee is required to issue an Advisory Resolution if a Takeover Proposal is found to satisfy all of the requirements described in 4) (1) to (7) of (3) above and, even if a Takeover Proposal does not satisfy some of those requirements, in cases where it is found reasonable in light of the protection and increase of the Company's corporate value and the shareholders' common interests, an Advisory Resolution shall be issued. This scheme is adopted to increase objectivity.
- 5) The effective term for the shareholders' meeting approval upon adoption is set as three years from the 75th General Meeting of Shareholders. During the effective term, the Board of Directors may determine the contents of the Plan on a yearly basis, within the scope authorized by the Shareholders' Meeting Approval upon adoption, and it is possible that the term will change to reflect changes in relevant laws and other circumstances surrounding the Company. On the day when three years have elapsed, the Board of Directors will once again confirm the intention of shareholders, which shall include a review of

incidental conditions, and ask the shareholders for their judgment. However, as described in (2) above, it is possible to abandon the Plan at anytime within the three year period by resolution of the Board of Directors through election or dismissal of Directors by ordinary resolution of the General Meeting of Shareholders.

- 6) The Plan completely satisfies the applicable legal requirements (the requirements that must be satisfied in order to prevent the issue of the Stock Acquisition Rights from being halted.) and the requirements for rationality (to ensure the understanding of the stakeholders such as shareholders and investors) as prescribed in "Guidelines With Respect To Anti Takeover Policy For Securing And Enhancing Corporate Value and Shareholders' Common Interests" made by Ministry of Economy, Trade and Industry and Ministry of Justice and dated May 27, 2005. Also, the plan conforms to the opinions offered in "Takeover Defense Measures in Light of Recent Environmental Changes" made by the Corporate Value Study Group of the Ministry of Economy, Trade and Industry and dated June 30, 2008.

Consolidated Balance Sheets

Millions of yen

| | As of December 31, 2010 | (Reference) As of December 31, 2009 |
|---|-------------------------|--|
| ASSETS | | |
| I. Current assets: | | |
| Cash and deposits in banks | 205,362 | 137,328 |
| Trade notes and accounts receivable | 183,711 | 201,684 |
| Merchandise and finished goods | 136,308 | 147,380 |
| Work-in-process | 37,423 | 42,746 |
| Raw materials and supplies | 39,903 | 33,401 |
| Deferred tax assets | — | 3,276 |
| Others | 43,822 | 63,273 |
| Less: Allowance for doubtful receivables | (7,503) | (8,291) |
| Total current assets | 639,028 | 620,800 |
| II. Fixed assets: | | |
| 1. Tangible fixed assets: | | |
| Buildings and structures, net | 83,630 | 94,743 |
| Machinery and transportation equipment, net | 65,610 | 76,114 |
| Land | 72,486 | 73,829 |
| Construction in progress | 12,658 | 13,444 |
| Others, net | 15,935 | 17,424 |
| Total tangible fixed assets | 250,320 | 275,556 |
| 2. Intangible fixed assets: | | |
| Leasehold rights | 3,144 | 2,021 |
| Others | 1,102 | 2,781 |
| Total intangible fixed assets | 4,247 | 4,802 |
| 3. Investments and other assets: | | |
| Investment securities | 35,316 | 38,137 |
| Long-term loans receivable | 37,034 | 32,390 |
| Deferred tax assets | — | 5,707 |
| Others | 13,868 | 10,987 |
| Less: Allowance for doubtful receivables | (1,473) | (1,305) |
| Total investments and other assets | 84,745 | 85,917 |
| Total fixed assets | 339,314 | 366,276 |
| Total assets | 978,343 | 987,077 |

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Millions of yen

| | As of December 31, 2010 | (Reference) As of December 31, 2009 |
|--|-------------------------|--|
| LIABILITIES | | |
| I. Current liabilities: | | |
| Notes and accounts payable | 125,809 | 110,147 |
| Short-term loans | 35,455 | 87,574 |
| Current portion of long-term debt | 57,576 | 30,470 |
| Accrued expenses | — | 49,328 |
| Income taxes payable | 8,282 | 2,480 |
| Accrued bonuses | 8,800 | 8,052 |
| Accrued warranty costs | 28,356 | 22,403 |
| Other provisions | 1,083 | 926 |
| Others | 99,765 | 68,313 |
| Total current liabilities | 365,131 | 379,698 |
| II. Long-term liabilities: | | |
| Long-term debt | 229,410 | 281,898 |
| Deferred tax liabilities on unrealized revaluation gain on land | 7,009 | 7,024 |
| Accrued employees' retirement benefits | 35,423 | 34,748 |
| Accrued retirement benefits for Directors and Corporate Auditors | — | 156 |
| Accrual for product liabilities | 20,882 | 24,715 |
| Accrual for motorcycle recycling costs | — | 1,183 |
| Other provisions | 1,529 | 407 |
| Others | 8,147 | 7,978 |
| Total long-term liabilities | 302,401 | 358,111 |
| Total liabilities | 667,533 | 737,810 |
| NET ASSETS | | |
| I. Shareholders' equity: | | |
| 1. Common stock | 85,666 | 48,342 |
| 2. Capital surplus | 98,147 | 60,824 |
| 3. Retained earnings | 199,190 | 180,880 |
| 4. Treasury stock | (681) | (677) |
| Total shareholders' equity | 382,323 | 289,369 |
| II. Valuation and translation adjustments: | | |
| 1. Unrealized holding gain on other securities | 2,719 | 4,039 |
| 2. Unrealized revaluation gain on land | 10,186 | 10,208 |
| 3. Foreign currency translation adjustments | (120,977) | (91,220) |
| Total valuation and translation adjustments | (108,070) | (76,971) |
| III. Stock acquisition rights | 102 | 72 |
| IV. Minority interests | 36,454 | 36,796 |
| Total net assets | 310,809 | 249,266 |
| Total liabilities and net assets | 978,343 | 987,077 |

Note: Amounts less than one million yen have been omitted.

Consolidated Statements of Income

Millions of yen

| | (Reference) | |
|--|--|---|
| | Current Fiscal Year (January 1, 2010– December 31, 2010) | Previous Fiscal Year (January 1, 2009– December 31, 2009) |
| I. Net sales | 1,294,131 | 1,153,642 |
| II. Cost of sales | 998,565 | 951,350 |
| Gross profit | 295,565 | 202,292 |
| III. Selling, general and administrative expenses | 244,256 | 264,872 |
| Operating income (loss) | 51,308 | (62,580) |
| IV. Non-operating income | | |
| Interest income | 8,734 | 8,367 |
| Dividend income | 676 | 532 |
| Equity in earnings of affiliates | 2,516 | 1,911 |
| Foreign exchange gain | 4,072 | — |
| Others | 13,071 | 12,443 |
| Total non-operating income | 29,071 | 23,255 |
| V. Non-operating expenses | | |
| Interest expense | 8,023 | 9,984 |
| Early retirement benefit expenses | — | 35 |
| Sales finance-related expenses | — | 1,378 |
| Loss on revaluation of sales finance assets | 321 | 3,056 |
| Foreign exchange loss | — | 2,559 |
| Others | 5,892 | 12,001 |
| Total non-operating expenses | 14,238 | 29,015 |
| Ordinary income (loss) | 66,142 | (68,340) |
| VI. Extraordinary profits | | |
| Gain on sales of fixed assets | 544 | 367 |
| Gain on sales of investment securities | 34 | 4 |
| Gain on transfer of business | 106 | — |
| Total extraordinary profits | 685 | 372 |
| VII. Extraordinary losses | | |
| Loss on sales of fixed assets | 175 | 531 |
| Loss on disposal of fixed assets | 1,038 | 1,186 |
| Impairment loss on fixed assets | 6,628 | 239 |
| Loss on sale of investment securities | 3 | 15 |
| Loss on cancellation of lease contracts | 34 | — |
| Business structure improvement expenses | — | 103,729 |
| Total extraordinary losses | 7,879 | 105,701 |
| Income (loss) before income taxes and minority interests | 58,947 | (173,669) |
| Income taxes — current | 31,671 | 14,114 |
| Refund of income taxes | — | (13,553) |
| Income taxes — deferred | 126 | 38,697 |
| Total income taxes | 31,798 | 39,258 |
| Minority interests | 8,849 | 3,220 |
| Net income (loss) | 18,300 | (216,148) |

Note: Amounts less than one million yen have been omitted.

Consolidated Statement of Changes in Net Assets

Current Fiscal Year (From January 1, 2010 through December 31, 2010)

Millions of yen

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance at December 31, 2009 | 48,342 | 60,824 | 180,880 | (677) | 289,369 |
| Changes in items during the period | | | | | |
| Issuance of new stocks | 37,323 | 37,323 | | | 74,647 |
| Reversal of revaluation reserve on land | | | 21 | | 21 |
| Net income | | | 18,300 | | 18,300 |
| Increase of consolidated subsidiaries | | | (12) | | (12) |
| Acquisition of treasury stock | | | | (3) | (3) |
| Disposal of treasury stock | | 0 | | 0 | 0 |
| Net changes of items other than shareholders' equity | | | | | |
| Total of changes in items during the period | 37,323 | 37,323 | 18,309 | (3) | 92,953 |
| Balance at December 31, 2010 | 85,666 | 98,147 | 199,190 | (681) | 382,323 |

| | Valuation and translation adjustments | | | |
|--|---|-------------------------------------|--|---|
| | Unrealized holding gain on other securities | Unrealized revaluation gain on land | Foreign currency translation adjustments | Total valuation and translation adjustments |
| Balance at December 31, 2009 | 4,039 | 10,208 | (91,220) | (76,971) |
| Changes in items during the period | | | | |
| Issuance of new stocks | | | | |
| Reversal of revaluation reserve on land | | | | |
| Net income | | | | |
| Increase of consolidated subsidiaries | | | | |
| Acquisition of treasury stock | | | | |
| Disposal of treasury stock | | | | |
| Net changes of items other than shareholders' equity | (1,320) | (21) | (29,757) | (31,099) |
| Total of changes in items during the period | (1,320) | (21) | (29,757) | (31,099) |
| Balance at December 31, 2010 | 2,719 | 10,186 | (120,977) | (108,070) |

| | Stock acquisition rights | Minority interests | Total net assets |
|--|--------------------------|--------------------|------------------|
| Balance at December 31, 2009 | 72 | 36,796 | 249,266 |
| Changes in items during the period | | | |
| Issuance of new stocks | | | 74,647 |
| Reversal of revaluation reserve on land | | | 21 |
| Net income | | | 18,300 |
| Increase of consolidated subsidiaries | | | (12) |
| Acquisition of treasury stock | | | (3) |
| Disposal of treasury stock | | | 0 |
| Net changes of items other than shareholders' equity | 30 | (342) | (31,410) |
| Total of changes in items during the period | 30 | (342) | 61,543 |
| Balance at December 31, 2010 | 102 | 36,454 | 310,809 |

Note: Amounts less than one million yen have been omitted.

(Reference)

Consolidated Statement of Changes in Net Assets

Previous Fiscal Year (From January 1, 2009 through December 31, 2009)

Millions of yen

| | Shareholders' equity | | | | Total shareholders' equity |
|--|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | |
| Balance at December 31, 2008 | 48,342 | 60,824 | 392,025 | (181) | 501,011 |
| Effect of changes in accounting policies applied to foreign subsidiaries | | | (609) | | (609) |
| Changes in items during the period | | | | | |
| Reversal of revaluation reserve on land | | | 7,045 | | 7,045 |
| Dividends from surplus | | | (1,432) | | (1,432) |
| Net loss | | | (216,148) | | (216,148) |
| Acquisition of treasury stock | | | | (497) | (497) |
| Disposal of treasury stock | | (0) | | 0 | 0 |
| Net changes of items other than shareholders' equity | | | | | |
| Total of changes in items during the period | 0 | (0) | (210,535) | (496) | (211,032) |
| Balance at December 31, 2009 | 48,342 | 60,824 | 180,880 | (677) | 289,369 |

| | Valuation and translation adjustments | | | | Total valuation and foreign currency translation adjustments |
|--|---|------------------------------------|-------------------------------------|--|--|
| | Unrealized holding gain on other securities | Deferred gains or losses on hedges | Unrealized revaluation gain on land | Foreign currency translation adjustments | |
| Balance at December 31, 2008 | 100 | 1,992 | 17,254 | (125,791) | (106,443) |
| Effect of changes in accounting policies applied to foreign subsidiaries | | | | | |
| Changes in items during the period | | | | | |
| Reversal of revaluation reserve on land | | | | | |
| Dividends from surplus | | | | | |
| Net loss | | | | | |
| Acquisition of treasury stock | | | | | |
| Disposal of treasury stock | | | | | |
| Net changes of items other than shareholders' equity | 3,939 | (1,992) | (7,045) | 34,570 | 29,471 |
| Total of changes in items during the period | 3,939 | (1,992) | (7,045) | 34,570 | 29,471 |
| Balance at December 31, 2009 | 4,039 | 0 | 10,208 | (91,220) | (76,971) |

| | Stock acquisition rights | Minority interests | Total net assets |
|--|--------------------------|--------------------|------------------|
| Balance at December 31, 2008 | 30 | 33,885 | 428,483 |
| Effect of changes in accounting policies applied to foreign subsidiaries | | (57) | (667) |
| Changes in items during the period | | | |
| Reversal of revaluation reserve on land | | | 7,045 |
| Dividends from surplus | | | (1,432) |
| Net loss | | | (216,148) |
| Acquisition of treasury stock | | | (497) |
| Disposal of treasury stock | | | 0 |
| Net changes of items other than shareholders' equity | 42 | 2,969 | 32,483 |
| Total of changes in items during the period | 42 | 2,969 | (178,549) |
| Balance at December 31, 2009 | 72 | 36,796 | 249,266 |

Note: Amounts less than one million yen have been omitted.

Notes to Consolidated Financial Statements

1. Notes regarding Basic Items of Significance in Drawing up Consolidated Financial Statements

(1) Scope of Consolidation

1) Number of consolidated subsidiaries: 104

2) Names of principal consolidated subsidiaries:

Yamaha Motorcycle Sales Japan Co., Ltd., Yamaha Motor Powered Products Co., Ltd., Yamaha Motor Corporation, U.S.A., Yamaha Motor Manufacturing Corporation of America, Yamaha Motor Europe N.V., MBK Industrie, PT. Yamaha Indonesia Motor Manufacturing, Thai Yamaha Motor Co., Ltd., Yamaha Motor Vietnam Co., Ltd., Yamaha Motor Taiwan Co., Ltd., and Yamaha Motor do Brasil Ltda.

3) Principal non-consolidated subsidiaries and the reason for excluding these companies from consolidation:

Total assets, net sales, net income or loss, retained earnings and other financial indexes of non-consolidated subsidiaries, including HL Yamaha Motor Research Centre Sdn. Bhd., were not significant in the aggregate to the Company's consolidated financial statements. Therefore, these companies were excluded from the Company's scope of consolidation.

(2) Scope of Application of Equity Method of Accounting

1) Number of non-consolidated subsidiaries and affiliates accounted for by the equity method of accounting, and names of principal companies among them:

Number of non-consolidated subsidiaries accounted for by the equity method of accounting: 7

HL Yamaha Motor Research Centre Sdn. Bhd. and 6 other subsidiaries

Number of affiliates accounted for by the equity method of accounting: 26

Chongqing Jianshe Yamaha Motor Co., Ltd. and 25 other affiliates

2) Principal non-consolidated subsidiaries and affiliates not accounted for by the equity method of accounting, and the reason they are not accounted for by the equity method of accounting:

Four non-consolidated subsidiaries including PT. Melco Indonesia, and two affiliates including Y² Marine Manufacturing Co., Ltd. were individually insignificant to the Company's consolidated net income, consolidated retained earnings and other consolidated financial indexes, and were not significant in the aggregate. Therefore, the Company's investments in these companies were stated at cost, instead of being accounted for by the equity method of accounting.

(3) Accounting Standards

1) Asset Valuation

(a) Securities

Other securities

Marketable securities classified as other securities are carried at fair value, based on market prices as of the balance sheet date.

(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)

Non-marketable securities classified as other securities are carried at cost, determined by the moving-average method.

(b) Derivatives

Derivatives are carried at fair value.

(c) Inventories

Inventories are stated at cost, determined primarily by the average method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)

2) Depreciation and Amortization of Assets

(a) Tangible fixed assets (excluding leased asset)

Depreciation of tangible fixed assets is computed primarily by the declining-balance method.

(b) Intangible fixed assets (excluding leased asset)

Amortization of intangible assets is computed by the straight-line method.

Amortization of capitalized software for internal use is computed by the straight-line method over the software's estimated useful life (five years).

(c) Leased assets

Leased assets involved in finance lease transactions which transfer ownership

Computed using the same depreciation method applicable to self-owned fixed assets.

Leased assets involved in finance lease transactions which do not transfer ownership

Computed based on the assumption that the useful life equals the lease term and the residual value equals zero.

Those finance lease transactions which do not transfer ownership, where the lease transaction start date was prior to December 31, 2008, are computed based on an accounting method similar to the method for ordinary rental transactions.

3) Significant Accruals

(a) Allowance for doubtful receivables

In order to evaluate accounts receivable, and loans and other equivalents, an allowance for doubtful receivables is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties.

(b) Accrued bonuses

Accrued bonuses are stated at an estimated amount of the bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

(c) Accrued bonuses for Directors

Accrued bonuses are stated at an estimated amount of the bonuses to be paid to Directors, based on their services for the current fiscal period.

(d) Accrued warranty costs

Accrued warranty costs are provided to cover after-sale service expenses anticipated to be incurred during the warranty periods of products sold, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated by multiplying sales during the warranty period by a factor (after-sales service expenses/sales of products) based on actual costs in the past years and sales during the warranty period.

(e) Accrued employees' retirement benefits

Accrued employees' retirement benefits are provided mainly at an amount, deemed generated on December 31, 2010, calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

Prior service cost is being amortized as incurred by the straight-line method over a period, 10 years, which is shorter than the average remaining years of service of the employees.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized, by the straight-line method, over a period, 10 years, which is shorter than the average remaining years of service of the employees.

(Changes in accounting policies)

Effective from the fiscal year ended December 31, 2010, the Company has applied Partial Amendments

to Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19; July 31, 2008).
This change has no impact on the statement of income for the fiscal year ended December 31, 2010.

(f) Accrued retirement benefits for Directors and Corporate Auditors
Accrued retirement benefits for Directors and Corporate Auditors are provided based on the amount payable as of the balance sheet date, in accordance with internal regulations of the Companies.

(g) Accrual for product liabilities
An accrual for product liabilities is provided, at an estimated amount of payments based on the actual results in past years, for liabilities that are not covered by product liability insurance.

(h) Accrual for motorcycle recycling costs
An accrual for motorcycle recycling costs is provided at an estimated amount based on actual sales.

4) Other Items of Significance in Drawing up Consolidated Financial Statements

(a) Consumption taxes
Transactions subject to national and/or local consumption tax are recorded at an amount exclusive of consumption taxes.

(b) Application of consolidated tax return system
The Company applies the Consolidated Tax Return System.

(c) Amortization of goodwill and negative goodwill
The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries (“goodwill”) is amortized by the straight-line method over years estimated, based on substantive judgment as incurred.

(4) Valuation of Assets and Liabilities of Consolidated Subsidiaries

All assets and liabilities of consolidated subsidiaries acquired through business combination are carried at fair value.

2. Changes in Financial Accounting Method

(1) Changes to the scope of Consolidation

Effective from the fiscal year ended December 31, 2010, Yamaha Motor Sanayi ve Ticaret Limited Sirketi has been included in the scope of consolidation in view of its increased significance. On the other hand, T.C. Co., Ltd., Yamaha Boating System Co., Ltd. and Yamaha Boating Create Co., Ltd., which had previously been included in the scope of consolidation, were excluded from the scope of consolidation due to liquidation. TYM Marketing Co., Ltd. was also excluded from the scope of consolidation after the Company sold all the shares it held in the subsidiary.

(2) Change in Accounting Policies and Procedures

Application of “Accounting Standards for Business Combinations and Related Matters,” etc.

The Company has applied the following accounting standards: Accounting Standard for Business Combinations (ASBJ Statement No. 21; December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; December 26, 2008), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23; December 26, 2008), Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7; December 26, 2008), Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16; December 26, 2008), and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Statement No. 10; December 26, 2008).

(3) Changes in Presentation

Consolidated Balance Sheets

1) “Deferred tax assets,” which had been separately listed under current assets for the fiscal year ended December 31, 2009, is now included in “Others” under current assets because the amount of the deferred tax assets (3,669 million yen as of December 31, 2010) turned out not exceeding one percent of the amount of the total assets.

- 2) “Deferred tax assets,” which had been separately listed under investments and other assets for the fiscal year ended December 31, 2009, is now included in “Others” under investments and other assets because the amount of the deferred tax assets (3,797 million yen as of December 31, 2010) turned out not exceeding one percent of the amount of the total assets.
- 3) “Accrued expenses,” which had been separately listed under current liabilities until the fiscal year ended December 31, 2009, is now included in “Others” under current liabilities because the amount of the accrued expenses (34,334 million yen as of December 31, 2010) turned out not exceeding five percent of the amount of the total liabilities and net assets.
- 4) “Accrued retirement benefits for Directors and Corporate Auditors,” which had been separately listed under long-term liabilities for the fiscal year ended December 31, 2009, is now included in “Other provisions” under long-term liabilities because the amount of the accrued retirement benefits for Directors and Corporate Auditors (76 million yen as of December 31, 2010) turned out not exceeding one percent of the amount of the total liabilities and net assets.
- 5) “Accrual for motorcycle recycling costs,” which had been separately listed under long-term liabilities for the fiscal year ended December 31, 2009, is now included in “Other provisions” under long-term liabilities because the amount of the accrual for motorcycle recycling costs (1,228 million yen as of December 31, 2010) turned out not exceeding one percent of the amount of the total liabilities and net assets.

Consolidated Statements of Income

- 1) “Early retirement benefit expenses,” which had been separately listed under non-operating expenses for the fiscal year ended December 31, 2009, is now included in “Others” under non-operating expenses because the amount of the early retirement benefit expenses (11 million yen for the fiscal year ended December 31, 2010) turned out not exceeding ten percent of the total amount of the non-operating expenses.
- 2) “Refund of income taxes,” which had been separately listed for the fiscal year ended December 31, 2009, is now included in “Income taxes — current” because of its insignificance in amount (a payment of 628 million yen for the fiscal year ended December 31, 2010).

3. Notes to Consolidated Balance Sheets

| | |
|--|-----------------|
| | Millions of yen |
| (1) Accumulated Depreciation of Tangible Fixed Assets | 515,876 |

(2) Pledged Assets

Pledged Assets are as follows:

| | |
|--|--------------|
| Trade notes and accounts receivable | 61,144 |
| Merchandise and finished goods | 648 |
| Work-in-process | 783 |
| Raw materials and supplies | 3,473 |
| Current assets - Others | 9,842 |
| Buildings and structures | 166 |
| Machinery and transportation equipment | 9,229 |
| Land | 44 |
| Construction in progress | 295 |
| Tangible fixed assets - Others | 309 |
| Investment securities | 38 |
| Long-term loans receivable | 21,276 |
| <u>Investments and other assets - Others</u> | <u>2,486</u> |
| Total | 109,739 |

Secured liabilities are as follows:

| | |
|--------------------------------------|--------------|
| Short-term loans | 10,656 |
| Long-term debt | 26,752 |
| <u>Long-term liabilities - Other</u> | <u>1,233</u> |
| Total | 38,643 |

(3) Discounts on Trade Notes Receivable 1,765

(4) Guarantee Obligations

Guarantees are given for the following companies' loans from financial institutions.

| | |
|--|-----|
| Subsidiaries or affiliates: | |
| Amagasaki Woodland of Health Co., Ltd. | 293 |
| Other companies: | |
| Enrum Marina Muroran Inc. | 57 |
| Marina Kawage Co., Ltd. | 15 |
| Total | 365 |

Guarantee obligations described above include 308 million yen arising from acts resembling guarantees.

(5) Unrealized Revaluation Gain on Land

Pursuant to the "Law Concerning the Revaluation of Land" (No. 24, enacted on March 31, 1999), land used for the Company's business operations was revalued. The income tax effect of the difference between the book value and the revalued amount has been presented under liabilities as "Deferred tax liabilities on unrealized revaluation gain on land" and the remaining balance has been presented under net assets as "Unrealized revaluation gain on land" in the accompanying consolidated balance sheets.

1) Date of revaluation March 31, 2000

2) Method of revaluation

Under Item 4 of Article 2 of the Order for Enforcement on Law on Revaluation of Land (No. 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Law Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

3) Fair value of the land used for business after revaluation

The fair value of the land used for business after revaluation at the end of fiscal 2010 was below its book value by 6,287 million yen.

4. Notes to Consolidated Statement of Changes in Net Assets

(1) Type and Number of Outstanding Shares:

Common stock 349,757,784 shares

(2) Dividends

1) Amount of dividends paid

No related items.

2) Dividends whose record date falls in FY2010 and whose effective date falls in FY2011

No related items.

(3) Stock Acquisition Rights

Stock acquisition rights at December 31, 2010 are as follows.

| | Fourth stock acquisition rights (issued on June 13, 2008) | Fifth stock acquisition rights (issued on June 16, 2009) (Note) | Sixth stock acquisition rights (issued on June 15, 2010) (Note) |
|--|--|---|---|
| Number of stock acquisition rights | 755 | 1,120 | 565 |
| Class of shares to be issued or transferred upon exercise of stock acquisition rights | Common stock | Common stock | Common stock |
| Number of shares to be issued or transferred upon exercise of stock acquisition rights | 75,500 | 112,000 | 56,500 |

Note: The exercise periods of the fifth stock acquisition rights and sixth stock acquisition rights are from June 16, 2011 to June 15, 2015 and from June 15, 2012 to June 14, 2016, respectively. The first day of each exercise period has not yet arrived as at December 31, 2010.

5. Notes to Financial Instruments**(1) Status of Financial Instruments Held by the Group**

1) Policies on financial instruments

The Group restricts its asset management to short-term deposits, etc. in principle and raises funds mainly through bank borrowings. Derivative transactions are used to mitigate the risks described below and the Group has no intention to engage in speculative trading.

2) Details of financial instruments and related risks

Trade notes and accounts receivable, which are operating receivables, are exposed to credit risk of customers. Foreign currency-denominated operating receivables resulting from the Group conducting business globally are exposed to risk of foreign currency exchange fluctuations, which is mitigated in principle by securing foreign exchange forward contracts on the net position of foreign currency-denominated operating receivables and payables.

Investment securities, mainly stocks of companies with which the Group has business relationships, are exposed to risk of market price fluctuations.

Trade notes and accounts payable, which are operating payables, are mostly due within one year. Some of them are denominated in foreign currency, reflecting imports of raw materials, etc., and exposed to risk of foreign currency exchange fluctuations. However, they are continuously below the balance of accounts receivable denominated in the same foreign currency.

Short-term loans and long-term debts are intended for working capital, and some of them with variable interest rates are exposed to risk of interest rate fluctuations.

Derivative transactions used by the Company are mainly foreign exchange forward contracts to mitigate risk of foreign currency exchange fluctuations in connection with foreign currency-denominated operating receivables and payables, and interest rate swap transactions to mitigate risk of fluctuations in interest paid on the Company's borrowings.

3) Risk management system for financial instruments

(a) Management of credit risk (risks associated with the defaults of customers)

The Company and its consolidated subsidiaries have their administrative sections in individual business divisions periodically monitor main business partners with regard to operating receivables and keep track of the due date and the balance for each business partner, while trying to identify doubtful receivables due to worsened financial conditions of the business partners at an early stage and seek to reduce their consequences.

In engaging in derivative transactions, the Company enters into transaction only with financial institutions with a high credit rating in order to mitigate counterparty risk.

(b) Management of market risk (foreign currency exchange and interest rate fluctuation risks)

The Company and some of its consolidated subsidiaries use foreign exchange forward contracts, etc. to mitigate foreign currency exchange fluctuation risk of foreign currency-denominated operating receivables and payables, which is identified for different currencies on a monthly basis. Foreign exchange forward contracts, etc. are also used for foreign currency-denominated operating receivables, which are certain to be generated as a result of scheduled export transactions. Additionally, the Company and some of its consolidated subsidiaries use interest rate swap transactions to reduce risk of fluctuations in interest paid on their borrowings.

The Company periodically monitors the market prices of investment securities and the financial conditions of the issuers (business partners) and reviews its holding of investment securities on an ongoing basis, taking relationships with the business partners into account.

The Company's finance & accounting division carries out derivative transactions based on the internal rules prescribing transaction authority, the upper limit and others, keeps records and cross-checks the balance with financial institutions. Transactions of foreign exchange forward contracts, etc. are reported to Executive Officers in the position of Senior Executive Officer or higher, Standing Corporate Auditors, and heads of the finance & accounting division and the division responsible for managing positions at least twice a month. The Company also monitors consolidated subsidiaries in accordance with the internal rules.

(c) Management of liquidity risk related to financing (risks in which the Company being unable to repay within the due date)

The Company and each of its consolidated subsidiaries control liquidity risk by formulating and revising a cash position plan as needed, while maintaining liquidity on hand at an appropriate level.

4) Supplementary explanation concerning fair values, etc. of financial instruments

Fair values of financial instruments comprise values determined based on market prices and values determined reasonably when there is no market price. Since variable factors are incorporated in computing the relevant fair values, such fair values may vary depending on the different assumptions.

(2) Fair Values of Financial Instruments

Carrying amount, fair value and differences of the financial instruments as of December 31, 2010 are as follows. Financial instruments whose fair values are not readily determinable are excluded from the following table: (See Note 2.)

| | Millions of yen | | |
|---|-----------------|----------------|--------------|
| | Carrying amount | Fair value | Differences |
| (1) Cash and deposits in banks | 205,362 | 205,362 | — |
| (2) Trade notes and accounts receivable | 183,711 | | |
| Allowance for doubtful receivables (*1) | (5,860) | | |
| | 177,850 | 177,816 | (34) |
| (3) Investment securities | 16,469 | 16,469 | — |
| (4) Long-term loans receivable | 37,034 | | |
| Allowance for doubtful receivables (*1) | (1,419) | | |
| | 35,615 | 40,233 | 4,618 |
| Total assets | 435,297 | 439,881 | 4,583 |
| (5) Notes and accounts payable | 125,809 | 125,809 | — |
| (6) Short-term loans | 35,455 | 35,455 | — |
| (7) Current portion of long-term debt | 57,576 | 57,576 | — |
| (8) Long-term debt | 229,410 | 233,762 | 4,351 |
| Total liabilities | 448,252 | 452,604 | 4,351 |
| Derivative transactions (*2) | 344 | 344 | — |

(*1) Allowance for doubtful receivables are deducted from trade notes and accounts receivable and long-term loans receivable.

(*2) Receivables and payables, which were derived from derivative transactions, are presented in net amount.

Notes: 1. Calculation method of fair values of financial instruments and matters concerning marketable securities and derivative transactions

Assets:

(1) Cash and deposits in banks

These assets are recorded using book values as the fair values are almost equal to the book values because of their short-term maturities.

(2) Trade notes and accounts receivable

The fair values of these assets are measured at the present values of their future cash flows from which an allowance for doubtful receivables equivalent to credit risk are deducted. In order to compute the present values of the future cash flows of these assets, the assets are categorized by specified time period, and future cash flows in each category are discounted at a rate in accordance with appropriate indices such as government bond yields.

(3) Investment securities

Investment securities are determined using the quoted price at the stock exchange.

(4) Long-term loans receivable

For long-term loans receivable with variable rates, fair value is calculated based on book values, as they reflect market interest rates in the short run.

For long-term loans receivable with fixed rates, the fair values are measured at their present values from which an allowance for doubtful receivables equivalent to credit risk are deducted. The present values of these assets are computed by discounting for each collection period at a rate in accordance with appropriate indices such as government bond yields.

Liabilities:

(5) Notes and accounts payable, (6) Short-term loans, (7) Current portion of long-term debt

These liabilities are recorded using book values as the fair values are almost equal to the book values because of their short-term maturities.

(8) Long-term debt

For long-term debts with variable rates, fair value is calculated based on book values, as they reflect market interest rates in the short run.

(TRANSLATION ONLY)

For long-term debts with fixed rates, the fair values are determined by computing the present values, discounted for each collection period at a projected interest rate if a similar borrowing is taken out.

Derivative transactions:

Their fair values are calculated based on the quoted price obtained from the financial institutions.

2. Financial instruments whose fair values are not readily determinable

| Millions of yen | |
|----------------------------|-----------------|
| Category | Carrying amount |
| Unlisted equity securities | 18,847 |

The foregoing items are not included in “(3) Investment securities,” because there is no market price, and it is deemed difficult to measure the fair values.

(Additional information)

Effective from the fiscal year ended December 31, 2010, the Company has applied Accounting Standard for Financial Instruments (ASBJ Statement No. 10; March 10, 2008) and Guidance on Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No. 19; March 10, 2008).

6. Notes to Per Share Information

| | |
|--------------------------|------------|
| (1) Net Assets per Share | 785.61 yen |
| (2) Net Income per Share | 55.50 yen |

Non-consolidated Balance Sheets

Millions of yen

| | As of December 31, 2010 | (Reference) As of December 31, 2009 |
|---|-------------------------|--|
| ASSETS | | |
| I. Current assets: | | |
| Cash and deposits in banks | 96,397 | 35,126 |
| Trade notes receivable | 4,293 | 2,675 |
| Trade accounts receivable | 43,497 | 41,001 |
| Merchandise and finished goods | 32,130 | 27,966 |
| Work-in-process | 13,272 | 15,069 |
| Raw materials and supplies | 11,503 | 10,085 |
| Advanced payments | 463 | 505 |
| Prepaid expenses | 442 | 470 |
| Other receivables | 8,643 | 7,169 |
| Short-term loans receivable | 39,156 | 13,919 |
| Others | 498 | 200 |
| Less: Allowance for doubtful receivables | (1,783) | (1,406) |
| Total current assets | 248,516 | 152,785 |
| II. Fixed assets: | | |
| 1. Tangible fixed assets: | | |
| Buildings, net | 32,823 | 35,018 |
| Structures, net | 1,780 | 1,882 |
| Machinery and equipment, net | 8,110 | 8,056 |
| Boats, net | 59 | 85 |
| Vehicles, net | 227 | 96 |
| Tools, furniture and fixtures, net | 3,029 | 3,262 |
| Land | 48,290 | 48,483 |
| Construction in progress | 2,781 | 4,943 |
| Total tangible fixed assets | 97,104 | 101,829 |
| 2. Intangible fixed assets: | | |
| Leasehold rights | 514 | 534 |
| Others | 138 | 156 |
| Total intangible fixed assets | 653 | 691 |
| 3. Investments and other assets: | | |
| Investment securities | 17,172 | 19,127 |
| Investment in subsidiaries' and affiliates' stock | 126,745 | 126,804 |
| Investment in partnership | 3 | 3 |
| Investment in subsidiaries and affiliates | 21,472 | 21,320 |
| Long-term loans receivable | 21 | 21 |
| Long-term loans to employees | 17 | 23 |
| Long-term loans to subsidiaries and affiliates | 1,443 | 1,740 |
| Long-term prepaid expenses | 45 | 48 |
| Security deposits | 824 | 1,078 |
| Others | 3 | — |
| Less: Allowance for doubtful receivables | (74) | (69) |
| Total investments and other assets | 167,674 | 170,099 |
| Total fixed assets | 265,432 | 272,620 |
| Total assets | 513,948 | 425,406 |

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

Millions of yen

| | As of December 31, 2010 | (Reference) As of December 31, 2009 |
|--|-------------------------|--|
| LIABILITIES | | |
| I. Current liabilities: | | |
| Trade notes payable | 4,781 | 2,875 |
| Construction notes payable | 259 | 272 |
| Trade accounts payable | 49,803 | 40,680 |
| Short-term loans | 6,284 | 3,451 |
| Current portion of long-term debt | 47,850 | 23,800 |
| Lease obligations | 32 | 40 |
| Other payables | 11,833 | 23,673 |
| Construction accounts payable | 3,596 | 3,918 |
| Accrued expenses | 3,884 | 3,822 |
| Income taxes payable | — | 110 |
| Deferred tax liabilities | 34 | 271 |
| Advances received | 1,994 | 1,396 |
| Deposits received | 1,594 | 2,048 |
| Accrued bonuses | 4,175 | 3,895 |
| Accrued warranty costs | 18,458 | 14,138 |
| Others | 448 | 1,356 |
| Total current liabilities | 155,033 | 125,752 |
| II. Long-term liabilities: | | |
| Long-term debt | 140,150 | 188,000 |
| Lease obligations | 1,055 | 1,083 |
| Deferred tax liabilities | 869 | 1,033 |
| Deferred tax liabilities on unrealized revaluation gain on land | 7,009 | 7,024 |
| Accrued employees' retirement benefits | 26,224 | 26,167 |
| Accrued retirement benefits for Directors and Corporate Auditors | 31 | 110 |
| Accrual for product liabilities | 8,959 | 10,504 |
| Accrual for motorcycle recycling costs | 1,228 | 1,183 |
| Allowance for investment loss | 109 | 713 |
| Others | 672 | 669 |
| Total long-term liabilities | 186,310 | 236,490 |
| Total liabilities | 341,343 | 362,243 |
| NET ASSETS | | |
| I. Shareholders' equity: | | |
| 1. Common stock | 85,666 | 48,342 |
| 2. Capital surplus | | |
| (1) Capital reserve | 97,756 | 60,432 |
| (2) Other capital reserve | 391 | 391 |
| Total capital surplus | 98,147 | 60,824 |
| 3. Retained earnings | | |
| (1) Legal reserve | 3,775 | 3,775 |
| (2) Other retained earnings | | |
| Reserve for special depreciation | 22 | 30 |
| Reserve for advanced depreciation | 327 | 330 |
| Retained earnings brought forward | (27,690) | (63,812) |
| Total retained earnings | (23,565) | (59,675) |
| 4. Treasury stock | (640) | (638) |
| Total shareholders' equity | 159,608 | 48,852 |
| II. Valuation and translation adjustments: | | |
| 1. Unrealized holding gain on other securities | 2,706 | 4,029 |
| 2. Unrealized revaluation gain on land | 10,186 | 10,208 |
| Total valuation and translation adjustments | 12,893 | 14,237 |
| III. Share warrants | | |
| Total net assets | 172,604 | 63,162 |
| Total liabilities and net assets | 513,948 | 425,406 |

Note: Amounts less than one million yen have been omitted.

Non-consolidated Statements of Income

Millions of yen

| | (Reference) | |
|--|--|---|
| | Current Fiscal Year (January 1, 2010– December 31, 2010) | Previous Fiscal Year (January 1, 2009– December 31, 2009) |
| I. Net sales | 470,134 | 401,828 |
| II. Cost of sales | 407,578 | 378,732 |
| Gross profit | 62,556 | 23,095 |
| III. Selling, general and administrative expenses | 71,300 | 78,394 |
| Operating loss | (8,743) | (55,299) |
| IV. Non-operating income | | |
| Interest income | 272 | 439 |
| Dividend income | 64,884 | 10,588 |
| Foreign exchange gain | 2,581 | — |
| Others | 3,359 | 4,508 |
| Total non-operating income | 71,097 | 15,535 |
| V. Non-operating expenses | | |
| Interest expense | 2,813 | 2,658 |
| Contribution | — | 870 |
| Outplacement support expenses | — | 35 |
| Foreign exchange loss | — | 1,815 |
| Loss on valuation of investment securities | 480 | 44 |
| Loss on valuation of investment in subsidiaries' and affiliates' stock | 13,808 | 11,922 |
| Others | 1,519 | 4,192 |
| Total non-operating expenses | 18,621 | 21,540 |
| Ordinary income (loss) | 43,731 | (61,303) |
| VI. Extraordinary profits | | |
| Gain on sale of fixed assets | 148 | 72 |
| Gain on sale of investment securities | 28 | 1 |
| Gain on transfer of business | 106 | — |
| Gain on liquidation of subsidiaries | 39 | — |
| Gain on extinguishment of tie-in shares | — | 10,842 |
| Total extraordinary profits | 322 | 10,915 |
| VII. Extraordinary losses | | |
| Loss on sale of fixed assets | 8 | 104 |
| Loss on disposal of fixed assets | 300 | 757 |
| Impairment loss on fixed assets | 196 | 239 |
| Loss on sales of investment securities | 3 | 5 |
| Loss on sale of investment in affiliates' stock | — | 9 |
| Business structure improvement expenses | — | 79,377 |
| Total extraordinary losses | 508 | 80,493 |
| Income (loss) before income taxes | 43,545 | (130,881) |
| Income taxes — current | 7,732 | 1,972 |
| Income taxes — deferred | (275) | 25,581 |
| Total income taxes | 7,457 | 27,553 |
| Net income (loss) | 36,088 | (158,435) |

Note: Amounts less than one million yen have been omitted.

Non-consolidated Statement of Changes in Net Assets

Current Fiscal Year (From January 1, 2010 through December 31, 2010)

Millions of yen

| | Shareholders' equity | | | | | |
|--|----------------------|-----------------|-----------------------|-----------------------|-------------------|---|
| | Common stock | Capital surplus | | | Retained earnings | |
| | | Capital reserve | Other capital reserve | Total capital surplus | Legal reserve | Other retained earnings Reserve for special depreciation |
| Balance at December 31, 2009 | 48,342 | 60,432 | 391 | 60,824 | 3,775 | 30 |
| Changes in items during the period | | | | | | |
| Issuance of new stocks | 37,323 | 37,323 | | 37,323 | | |
| Reversal of reserve for special depreciation | | | | | | (8) |
| Reversal of reserve for advanced depreciation | | | | | | |
| Reversal of revaluation reserve on land | | | | | | |
| Net income | | | | | | |
| Acquisition of treasury stock | | | | | | |
| Disposal of treasury stock | | | 0 | 0 | | |
| Net changes of items other than shareholders' equity | | | | | | |
| Total of changes in items during the period | 37,323 | 37,323 | 0 | 37,323 | 0 | (8) |
| Balance at December 31, 2010 | 85,666 | 97,756 | 391 | 98,147 | 3,775 | 22 |

| | Shareholders' equity | | | | |
|--|-----------------------------------|-----------------------------------|-------------------------|----------------|----------------------------|
| | Retained earnings | | | Treasury stock | Total shareholders' equity |
| | Other retained earnings | | Total retained earnings | | |
| | Reserve for advanced depreciation | Retained earnings brought forward | | | |
| Balance at December 31, 2009 | 330 | (63,812) | (59,675) | (638) | 48,852 |
| Changes in items during the period | | | | | |
| Issuance of new stocks | | | | | 74,647 |
| Reversal of reserve for special depreciation | | 8 | 0 | | 0 |
| Reversal of reserve for advanced depreciation | (3) | 3 | 0 | | 0 |
| Reversal of revaluation reserve on land | | 21 | 21 | | 21 |
| Net income | | 36,088 | 36,088 | | 36,088 |
| Acquisition of treasury stock | | | | (2) | (2) |
| Disposal of treasury stock | | | | 0 | 0 |
| Net changes of items other than shareholders' equity | | | | | |
| Total of changes in items during the period | (3) | 36,121 | 36,110 | (1) | 110,756 |
| Balance at December 31, 2010 | 327 | (27,690) | (23,565) | (640) | 159,608 |

| | Valuation and translation adjustments | | | Stock acquisition rights | Total net assets |
|--|---|-------------------------------------|--|--------------------------|------------------|
| | Unrealized holding gain on other securities | Unrealized revaluation gain on land | Total of valuation and translation adjustments | | |
| Balance at December 31, 2009 | 4,029 | 10,208 | 14,237 | 72 | 63,162 |
| Changes in items during the period | | | | | |
| Issuance of new stocks | | | | | 74,647 |
| Reversal of reserve for special depreciation | | | | | 0 |
| Reversal of reserve for advanced depreciation | | | | | 0 |
| Reversal of revaluation reserve on land | | | | | 21 |
| Net income | | | | | 36,088 |
| Acquisition of treasury stock | | | | | (2) |
| Disposal of treasury stock | | | | | 0 |
| Net changes of items other than shareholders' equity | (1,322) | (21) | (1,344) | 30 | (1,313) |
| Total of changes in items during the period | (1,322) | (21) | (1,344) | 30 | 109,442 |
| Balance at December 31, 2010 | 2,706 | 10,186 | 12,893 | 102 | 172,604 |

Note: Amounts less than one million yen have been omitted.

(Reference)

Non-consolidated Statement of Changes in Net Assets

Previous Fiscal Year (From January 1, 2009 through December 31, 2009)

Millions of yen

| | Shareholders' equity | | | | | |
|--|----------------------|-----------------|-----------------------|-----------------------|-------------------|---|
| | Common stock | Capital surplus | | | Retained earnings | |
| | | Capital reserve | Other capital reserve | Total capital surplus | Legal reserve | Other retained earnings Reserve for special depreciation |
| Balance at December 31, 2008 | 48,342 | 60,432 | 391 | 60,824 | 3,775 | 40 |
| Changes in items during the period | | | | | | |
| Reversal of reserve for special depreciation | | | | | | (9) |
| Reversal of reserve for advanced depreciation | | | | | | |
| Reversal of general reserve | | | | | | |
| Reversal of revaluation reserve on land | | | | | | |
| Dividends from surplus | | | | | | |
| Net loss | | | | | | |
| Decrease by corporate division-split-off type | | | | | | |
| Acquisition of treasury stock | | | | | | |
| Disposal of treasury stock | | | (0) | (0) | | |
| Net changes of items other than shareholders' equity | | | | | | |
| Total of changes in items during the period | 0 | 0 | (0) | (0) | 0 | (9) |
| Balance at December 31, 2009 | 48,342 | 60,432 | 391 | 60,824 | 3,775 | 30 |

| | Shareholders' equity | | | | | | |
|--|-----------------------------------|-----------------|-----------------------------------|-------------------------|-------|----------------|----------------------------|
| | Retained earnings | | | | | Treasury stock | Total shareholders' equity |
| | Other retained earnings | | | Total retained earnings | | | |
| | Reserve for advanced depreciation | General reserve | Retained earnings brought forward | | | | |
| Balance at December 31, 2008 | 333 | 86,465 | 3,194 | 93,810 | (154) | 202,822 | |
| Changes in items during the period | | | | | | | |
| Reversal of reserve for special depreciation | | | 9 | 0 | | 0 | |
| Reversal of reserve for advanced depreciation | (3) | | 3 | 0 | | 0 | |
| Reversal of general reserve | | (86,465) | 86,465 | 0 | | 0 | |
| Reversal of revaluation reserve on land | | | 7,045 | 7,045 | | 7,045 | |
| Dividends from surplus | | | (1,432) | (1,432) | | (1,432) | |
| Net loss | | | (158,435) | (158,435) | | (158,435) | |
| Decrease by corporate division-split-off type | | | (664) | (664) | | (664) | |
| Acquisition of treasury stock | | | | | (484) | (484) | |
| Disposal of treasury stock | | | | | 0 | 0 | |
| Net changes of items other than shareholders' equity | | | | | | | |
| Total of changes in items during the period | (3) | (86,465) | (67,007) | (153,486) | (484) | (153,970) | |
| Balance at December 31, 2009 | 330 | 0 | (63,812) | (59,675) | (638) | 48,852 | |

| | Valuation and translation adjustments | | | | Stock acquisition rights | Total net assets |
|--|---|------------------------------------|-------------------------------------|--|--------------------------|------------------|
| | Unrealized holding gain on other securities | Deferred gains or losses on hedges | Unrealized revaluation gain on land | Total of valuation and translation adjustments | | |
| Balance at December 31, 2008 | 68 | 1,322 | 17,254 | 18,645 | 30 | 221,498 |
| Changes in items during the period | | | | | | |
| Reversal of reserve for special depreciation | | | | | | 0 |
| Reversal of reserve for advanced depreciation | | | | | | 0 |
| Reversal of general reserve | | | | | | 0 |
| Reversal of revaluation reserve on land | | | | | | 7,045 |
| Dividends from surplus | | | | | | (1,432) |
| Net loss | | | | | | (158,435) |
| Decrease by corporate division-split-off type | | | | | | (664) |
| Acquisition of treasury stock | | | | | | (484) |
| Disposal of treasury stock | | | | | | 0 |
| Net changes of items other than shareholders' equity | 3,960 | (1,322) | (7,045) | (4,407) | 42 | (4,365) |
| Total of changes in items during the period | 3,960 | (1,322) | (7,045) | (4,407) | 42 | (158,336) |
| Balance at December 31, 2009 | 4,029 | 0 | 10,208 | 14,237 | 72 | 63,162 |

Note: Amounts less than one million yen have been omitted.

Notes to Non-consolidated Financial Statements

1. Notes regarding Significant Accounting Policies

(1) Asset Valuation

1) Securities

Investment in subsidiaries and affiliates are carried at cost, determined by the moving-average method.

Other securities

Marketable securities classified as other securities are carried at fair value, based on market prices as of the balance sheet date.

(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in net assets. The cost of securities sold is determined by the moving average method.)

Non-marketable securities classified as other securities are carried at cost, determined by the moving-average method.

2) Derivatives

Derivatives are carried at fair value.

3) Inventories

Inventories are stated at cost, determined primarily by the average method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)

Stated at cost based on the last-purchase-price method. (Values stated in the balance sheets are computed through the write-down of book value due to lower profitability)

(2) Depreciation and Amortization of Assets

1) Tangible fixed assets (excluding leased assets)

Depreciation of tangible fixed assets is computed primarily by the declining-balance method.

2) Intangible fixed assets (excluding leased assets)

Amortization of intangible fixed assets is computed by the straight-line method.

Capitalized software for internal use is amortized by the straight-line method over its estimated useful life (five years).

3) Leased assets

Leased assets involved in finance lease transactions which transfer ownership

Computed using the same depreciation method applicable to self-owned fixed assets.

Leased assets involved in finance lease transactions which do not transfer ownership

Computed based on the assumption that the useful life equals the lease term and the residual value equals zero.

Those finance lease transactions which do not transfer ownership, where the lease transaction start date was prior to December 31, 2008, are computed based on an accounting method similar to the method for ordinary rental transactions.

(3) Significant Accruals

1) Allowance for doubtful receivables

In order to evaluate accounts receivable, and loans and other equivalents, an allowance for doubtful receivables is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties.

2) Accrued bonuses

Accrued bonuses are stated at an estimated amount of the bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

3) Accrued bonuses for Directors

Accrued bonuses are stated at an estimated amount of the bonuses to be paid to Directors, based on their services for the current fiscal period.

4) Accrued warranty costs

Accrued warranty costs are provided to cover after-sale service expenses anticipated to be incurred during the warranty periods of products sold, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated by multiplying sales during the warranty period by a factor (after-sales service expenses/sales of products) based on actual costs in the past years and sales during the warranty period.

5) Accrued employees' retirement benefits

Accrued employees' retirement benefits are provided mainly at an amount, deemed generated on December 31, 2010, calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

Prior service cost is being amortized as incurred by the straight-line method over a period, 10 years, which is shorter than the average remaining years of service of the employees.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized, by the straight-line method, over a period, 10 years, which is shorter than the average remaining years of service of the employees.

(Changes in accounting policies)

Effective from the fiscal year ended December 31, 2010, the Company has applied Partial Amendments to Accounting Standard for Retirement Benefits (Part 3) (ASBJ Statement No. 19; July 31, 2008).

This change has no impact on the statement of income for the fiscal year ended December 31, 2010.

6) Accrued retirement benefits for Directors and Corporate Auditors

Accrued retirement benefits for Directors and Corporate Auditors are provided based on the amount payable as of the balance sheet date, in accordance with internal regulations of the Company.

7) Accrual for product liabilities

An accrual for product liabilities is provided, at an estimated amount of payments based on the actual results in past years, for liabilities that are not covered by product liability insurance.

8) Accrual for motorcycle recycling costs

An accrual for motorcycle recycling costs is provided at an estimated amount based on actual sales.

9) Allowance for investment losses

In order to prepare against possible losses resulting from the Company's investments in its subsidiaries and affiliates, an allowance for investment losses is provided based on the amount deemed necessary in relation to financial conditions at the subsidiaries and affiliates.

(4) Other Basic Items of Significance in Drawing up Non-consolidated Financial Statements

1) Consumption taxes

Transactions subject to national and/or local consumption tax are recorded at an amount exclusive of consumption taxes.

2) Application of consolidated tax return system

The Company applies the Consolidated Tax Return System.

2. Notes regarding Changes in Accounting Policies

Application of "Accounting Standards for Business Combinations and Related Matters," etc.

The Company has applied the following accounting standards: Accounting Standard for Business Combinations (ASBJ Statement No. 21; December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; December 26, 2008), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23; December 26, 2008), Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7; December 26, 2008), Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16; December 26, 2008), and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Statement No. 10; December 26, 2008).

3. Changes in Presentation

Non-consolidated Statement of Income

- (1) "Contribution," which had been separately presented under non-operating expenses for the fiscal year ended December 31, 2009, is now included in "Others" under non-operating expenses because the amount of the contribution (166 million yen for the fiscal year ended December 31, 2010) turned out not exceeding ten percent of the total amount of the non-operating expenses.
- (2) "Outplacement support expenses," which had been separately presented under non-operating expenses for the fiscal year ended December 31, 2009, is now included in "Others" under non-operating expenses because the amount of the outplacement support expenses (11 million yen for the fiscal year ended December 31, 2010) turned out not exceeding ten percent of the total amount of the non-operating expenses.

4. Notes to Non-consolidated Balance Sheets

| | Millions of yen |
|--|-----------------|
| (1) Accumulated Depreciation of Tangible Fixed Assets | 308,579 |
| (2) Pledged Assets | |
| Shares of subsidiaries and affiliates | 22 |
| Shares of subsidiaries and affiliates are pledged as collateral for loans from financial institutions made by the subsidiaries and affiliates. | |
| (3) Receivables from and Payables to Subsidiaries and Affiliates | |
| Short-term receivables: | 75,013 |
| Long-term receivables: | 1,449 |
| Short-term payables: | 18,161 |
| Long-term payables: | 1,052 |
| (4) Discounts on Trade Notes Receivable | 5,532 |

(5) Guarantee Obligations

Guarantees are given for the following companies' loans from financial institutions.

| | |
|--|--------|
| Subsidiaries and Affiliates: | |
| Yamaha Motor Corporation, U.S.A. | 47,467 |
| Yamaha Motor Australia Pty Ltd. | 9,016 |
| India Yamaha Motor Pvt. Ltd. | 7,517 |
| Amagasaki Woodland of Health Co., Ltd. | 293 |
| Other companies: | |
| Enrum Marina Muroran Inc. | 57 |
| Marina Kawage Co., Ltd. | 15 |
| Total | 64,367 |

Guarantee obligations described above include 308 million yen arising from acts resembling guarantees.

(6) Unrealized Revaluation Gain on Land

Pursuant to the "Law Concerning the Revaluation of Land" (No. 24, enacted on March 31, 1999), land used for the Company's business operations was revalued. The income tax effect of the difference between the

7. Notes to Deferred Tax Accounting

Principal deferred tax assets and liabilities

| | Millions of yen |
|---|-----------------|
| Deferred tax assets: | |
| Losses carried forward for tax purposes | 42,202 |
| Loss on valuation of securities | 26,807 |
| Excess of depreciation for fixed assets | 19,994 |
| Accrued retirement benefits | 10,410 |
| Accrued warranty costs | 7,328 |
| Accrual for product liabilities | 3,557 |
| Other payable and accrued expenses | 2,286 |
| Accrued bonuses | 1,657 |
| Loss on devaluation of inventory | 1,460 |
| Others | 3,955 |
| Gross deferral tax assets | 119,660 |
| Valuation allowance | (119,660) |
| Total deferred tax assets | 0 |
| Deferred tax liabilities: | |
| Unrealized holding gain on other securities | (432) |
| Reserve for advanced depreciation | (422) |
| Others | (49) |
| Total deferred tax liabilities | (904) |
| Net deferred tax assets | (904) |

8. Notes to Leased Fixed Assets

| | Millions of yen |
|--|-----------------|
| (1) Amount Equivalent to Acquisition Costs of Leased Property at December 31, 2010 | 931 |
| (2) Amount Equivalent to Accumulated Depreciation of Leased Property at December 31, 2010 | 682 |
| (3) Amount Equivalent to Future Minimum Lease Payments Subsequent to December 31, 2010 | 248 |

Acquisition costs of leased property were computed based on the inclusion of their interest portion, due to the lower ratio of the balance for future minimum lease payments to the balance for tangible fixed assets at December 31, 2010.

9. Notes to Transactions with Related Parties

Millions of yen

| Type | Names of company, etc. | Ownership of voting rights, etc. | Relationship with affiliated parties | Details of transaction | Amount of transaction | Account | Balance as of the end of the fiscal term |
|------------|--|---|--|--------------------------------------|-----------------------|-----------------------------|--|
| Subsidiary | Yamaha Motor Corporation, U.S.A. | Direct ownership 100.0% | Sale of products of the Company, etc. | Net sales (Note 1) | 67,672 | Accounts receivable | 2,763 |
| | | | | Debt guarantee (Note 2) | 47,467 | - | - |
| Subsidiary | Yamaha Motor Europe N.V. | Direct ownership 100.0% | Sale of products of the Company, etc. | Net sales (Note 1) | 90,933 | Accounts receivable | 2,625 |
| | | | | Lending of funds (Note 3) | 26,975 | Short-term loans receivable | 26,975 |
| Subsidiary | PT. Yamaha Indonesia Motor Manufacturing | Direct ownership 85.0% | Manufacturing of products of the Company, etc. | Net sales (Note 1) | 21,765 | Accounts receivable | 5,813 |
| Subsidiary | Yamaha Motor Australia Pty Ltd. | Direct ownership 100.0% | Sale of products of the Company, etc. | Debt guarantee (Note 2) | 9,016 | - | - |
| Subsidiary | India Yamaha Motor Pvt. Ltd. | Direct ownership 86.75% Indirect 0.43% | Manufacturing of products of the Company, etc. | Debt guarantee (Note 2) | 7,517 | - | - |
| | | | | Acceptance of issued shares (Note 4) | 13,793 | - | - |

- Notes: 1. Trade conditions such as prices are determined through negotiations with the subsidiaries.
2. As debt guarantee is off-balance transaction, its accounts item and balance are not stated on the balance sheets.
3. For funds loaned to Yamaha Motor Europe N.V., the interest rate is set in a reasonable manner, taking market rates into account.
4. The Company accepted new shares issued by India Yamaha Motor Pvt. Ltd for capital increase by way of issuance of shares to a third party.
5. The amounts of the transaction and accounts receivable of overseas subsidiaries are exclusive of consumption taxes. The amount of accounts receivable of domestic subsidiaries includes consumption taxes.

10. Notes to Per Share Information**(1) Net Assets per Share** 494.09 yen**(2) Net Income per Share** 109.44 yen

Report of Independent Auditors

February 7, 2011

To the Board of Directors
Yamaha Motor Co., Ltd.

Ernst & Young ShinNihon LLC

Kazuhiro Fujita (Seal)
Certified Public Accountant
Designated and Engagement Partner

Shinji Tamiya (Seal)
Certified Public Accountant
Designated and Engagement Partner

Masahiko Tsukahara (Seal)
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Corporation Law of Japan, we have audited the consolidated balance sheets, the consolidated statements of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Yamaha Motor Co., Ltd. (the “Company”) applicable to the fiscal year from January 1, 2010 through December 31, 2010. These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Yamaha Motor Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended December 31, 2010 in conformity with accounting principles generally accepted in Japan.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Report of Independent Auditors

February 7, 2011

To the Board of Directors
Yamaha Motor Co., Ltd.

Ernst & Young Shin Nihon LLC

Kazuhiro Fujita (Seal)
Certified Public Accountant
Designated and Engagement Partner

Shinji Tamiya (Seal)
Certified Public Accountant
Designated and Engagement Partner

Masahiko Tsukahara (Seal)
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Corporation Law of Japan, we have audited the balance sheets, the statements of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Yamaha Motor Co., Ltd. (the "Company") applicable to the 76th fiscal year from January 1, 2010 through December 31, 2010. These financial statements and the related supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the related supplementary schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Yamaha Motor Co., Ltd. applicable to the 76th fiscal year ended December 31, 2010 in conformity with accounting principles generally accepted in Japan.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

Copy of Audit Report of the Board of Corporate Auditors

Audit Report

February 14, 2011

We at the Board of Corporate Auditors, having discussed the Directors' performance of duties during the 76th business year, from January 1, 2010 through December 31, 2010, based on audit reports from each Corporate Auditor, prepared this Audit Report of the Board of Corporate Auditors. Our audit opinion is as follows.

1. Methods and Contents of the Audit Implemented by Corporate Auditors and the Board of Corporate Auditors

The Board of Corporate Auditors established its audit policy, assigned responsibilities to each Corporate Auditor in carrying out the policy, and received reports from each Corporate Auditor on audit implementation and results. In addition, the Board of Corporate Auditors, when necessary, requested reports and received explanations from Directors, other executives and accounting auditors concerning the execution of their duties.

Each corporate auditor, in accordance with the Corporate Auditors standard of audit, established by the Board of Corporate Auditors, as well as other relevant audit policy, executed assigned responsibilities, and communicated with Directors, internal audit divisions, and other employees, in order to gather information and develop an optimal audit environment. At the same time, each Corporate Auditor attended meetings of the Board of Directors and other important meetings, received reports on the execution of duties from Directors, employees and other personnel, requested reports and received explanations from them whenever necessary, perused important documents, including those subject to executive approval, and examined the conditions of assets and business at the head office and other major business office. In addition, each Corporate Auditor has reviewed the contents of the Board of Directors' resolutions on a system which assures that the execution of Directors' duties comply with laws and regulations and the Articles of Incorporation, and monitored improvements to the system for assuring the propriety of operations of a corporation, as stipulated in Paragraphs 1 and 3 of Article 100 of the Ordinance for Enforcement of the Corporation Law of Japan. Each Corporate Auditor also verified that improvements had been made to the internal control system, in accordance with the Board of Directors' resolutions. The contents of the basic policy set forth in Item 3(a) of Article 118 of the Ordinance for Enforcement of the Corporation Law of Japan stated in the business reports and each approach set forth in (b) of the same item are reviewed based on the status of deliberations of the Board of Directors and other management entities. With regard to the Company's subsidiaries, each Corporate Auditor communicated and exchanged information with Directors, Corporate Auditors, and other employees of the subsidiaries, and received reports from them when necessary. Based on the methods described above, the Board of Corporate Auditors reviewed the business report and its supplementary schedules for the business year.

Further, each Corporate Auditor has monitored the accounting auditor to verify their independence and the propriety of their audit implementation, and has requested reports and received explanations from them when necessary. In addition, each Corporate Auditor received a notice from the accounting auditor that "the system for securing appropriate execution of duties" (in each items of Article 131 of the Corporate Accounting Rules) has been developed in accordance with "the Standard on Quality Control Concerning Audit" (established by the Business Accounting Council on October 28, 2005), and requested reports and received explanations from them when necessary. Based on the methods described above, the Board of Corporate Auditors reviewed non-consolidated financial statements (non-consolidated balance sheets, non-consolidated statements of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and their supplementary schedules, as well as consolidated financial statements (consolidated balance sheets, consolidated statements of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the business year.

2. Results of Audit

(1) Results of the audit of the business report and other documents

- 1) The business report and its supplementary schedules present fairly the condition of the Company in accordance with applicable laws and regulations, as well as the Articles of Incorporation.
- 2) With regard to the execution of Directors' duties, we have found no misconduct or material matters in

violation of laws, regulations, or the Articles of Incorporation.

3) We find the content of the Board of Directors' resolution on the internal control system sufficient. Also, with regard to the internal control system itself, nothing unusual is to be pointed out.

4) There are no matters requiring additional mention with respect to basic policy on the conduct of persons controlling decisions on the financial and business policies of companies stated in the business reports. We admit that each approach set forth in Item 3(b) of Article 118 of the Ordinance for Enforcement of the Corporation Law of Japan that are stated in the business reports conforms with such basic policy, is in no way obstructive of any common interests of shareholders, and is not adopted with the intention to maintain the positions of Directors and Corporate Auditors.

(2) Results of the audit of non-consolidated financial statements and their supplementary schedules

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's independent auditor, are recognized as fair and proper.

(3) Results of the audit of consolidated financial statements

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's independent auditor, are recognized as fair and proper.

**The Board of Corporate Auditors
Yamaha Motor Co., Ltd.**

Haruhiko Wakuda
Standing Corporate Auditor

Tsutomu Mabuchi
Standing Corporate Auditor

Naomoto Ohta
Outside Corporate Auditor

Norihiko Shimizu
Outside Corporate Auditor

Tetsuo Kawawa
Outside Corporate Auditor

Procedures for Exercising Voting Rights via the Internet

1. To the Individual Shareholders via the Internet

Regarding the exercise of voting rights via the Internet, please note the following.

- 1) Voting rights may only be exercised via the Internet by using the site (<http://www.web54.net>) designated by the Company for the purpose.
Please be advised that voting rights cannot be exercised by accessing the site from cellular phones.
- 2) The exercise of voting rights via the Internet requires the assigned password and voting right code indicated on the right-hand side of the Exercise of Voting Rights Form. The password you have received is effective only for this Ordinary General Meeting of Shareholders. A new password will be assigned for the next Ordinary General Meeting of Shareholders.
- 3) If you choose to exercise your voting right via the Internet, you are requested to do so before 5:30 pm on March 23 (Wednesday), 2011, one day prior to the date of the Ordinary General Meeting of Shareholders, in order to allow sufficient time to tabulate the results of the vote in advance of the meeting.
- 4) If we recognize that you exercise your voting right via the Internet more than once on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 1 of Article 15 of the “Share Handling Regulations.”
- 5) If we recognize that you exercise your voting right both in writing and via the Internet on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 2 of Article 15 of the “Share Handling Regulations.” If both votes arrive on the same day, the Internet vote will prevail and be treated as the effective vote.
- 6) Any expenses arising from access to the voting site shall be the responsibility of the shareholder.

- For inquiries regarding the exercise of voting rights via the Internet, please contact:

The Chuo Mitsui Trust & Banking Company Limited, Transfer Agency Web Support Desk

Phone: +81-120-65-2031 (toll-free within Japan)

Hours: 9:00 - 21:00, closed on Saturdays, Sundays and national holidays

2. To Institutional Investors

If registered shareholders (including standing proxies) such as trust and banking companies apply in advance for the use of the electronic proxy platform, they may use the platform as an electronic method for the exercise of voting rights at the General Meeting of Shareholders.