



*Revs Your Heart*

Annual Report 2013

Year ended December 31, 2013

# Increasing Corporate Value Through Sustainable Growth

Yamaha Motor Co., Ltd. is a multinational enterprise with 140 consolidated subsidiaries and equity-method affiliates in 30 countries and regions, and about 90% of our consolidated net sales are derived from overseas markets. We operate global development, production and sales networks, and our products are sold in more than 200 countries and regions.

We have successfully diversified our business by capitalizing on our world-leading small engine, fiberglass-reinforced plastics and electronic control technologies. Today, our proprietary technologies extend to a wide variety of products, including motorcycles, marine products, power products and surface mounters.

We will move forward with restructuring and the transformation of our management base for continuous growth, to evolve Yamaha Motor into an excellent engineering, manufacturing and marketing enterprise, with a prominent presence in the global market.

## Corporate Mission

### *Kando*\* Creating Company

Offering new excitement and a more fulfilling life for people all over the world  
Yamaha Motor strives to realize peoples' dreams with ingenuity and passion, and to always be a company people look to for the next exciting product or concept that provides exceptional value and deep satisfaction.

\*Kando is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value.

## Management Principles

### 1. Creating value that surpasses customer expectations

To continue to produce value that moves people, we must remain keenly aware of customer's evolving needs. We must strive to find success by always surpassing customer expectations with safe, high-quality products and services.

### 2. Establishing a corporate environment that fosters self-esteem

We must build a corporate culture that encourages enterprise and enhances corporate vitality. The focus will be on nurturing the creativity and ability of our employees, with an equitable system of evaluation and rewards.

### 3. Fulfilling social responsibilities globally

As a good corporate citizen, we act from a worldwide perspective and in accordance with global standards. We must conduct our corporate activities with concern for the environment and communities and fulfill our corporate social responsibility with honesty and sincerity.

## Action Guidelines

### Acting with Speed

Meeting change with swift and informed action

### Spirit of Challenge

Courage to set higher goals without fear of failure

### Persistence

Working with tenacity to achieve desired results, and then evaluating them

Our Annual Report 2013 aims to provide a comprehensive overview of Yamaha Motor's activities during the fiscal year ended December 31, 2013, including management strategies and financial information, as well as corporate governance, corporate social responsibility (CSR), and other areas that form the foundation on which our business is built.

In addition to the printed version, we have also prepared an online version of this report. With both a printed and an online version, we hope to facilitate a better understanding of Yamaha Motor.

#### Annual Report 2013 (Online Version)



An online version of this report is also available. Please visit the following website:  
<http://global.yamaha-motor.com/ir/annual2013/>

#### Information for Investors



Please refer to the following website for detailed financial information and information regarding our business operations:  
<http://global.yamaha-motor.com/ir/>

#### Information Related to Corporate Social Responsibility (CSR)



Please refer to the following website for detailed CSR information:  
<http://global.yamaha-motor.com/about/csr/>

## CONTENTS

To Our Stakeholders	4	<b>CORPORATE INFORMATION</b>	
SNAPSHOT	6	Corporate Governance	56
Company Overview	8	Directors, Audit & Supervisory Board Members, and Executive Officers	66
Financial Highlights	10	Comments from an Outside Director	69
		Organization	70
Interview with the President	12		
		<b>Financial Section</b>	
<b>SPECIAL FEATURE</b>		Five-Year Summary	71
1. Yamaha Motor's New Technologies— A Growing World of Personal Mobility	28	Financial Data by Market	72
2. Paving New Roads Together with Indian Society	32	Management Discussion and Analysis of Operations	74
3. Bringing Freshwater to Lives Around the World	36		
		Investor Information	85
<b>CSR SECTION</b>			
Customers	42		
Employees	44		
Shareholders and Investors	46		
Business Partners	47		
The Community	48		
The Environment	50		

#### Notice Regarding Forward-Looking Statements

Statements in this annual report, except for historical facts, are forward-looking statements about the future performance of the Company and its Group companies, which are based on management's assumptions and beliefs in light of the information currently available, and involve risks and uncertainties. Please be advised that actual results may differ significantly from those discussed in the forward-looking statements.

Potential risks and uncertainties include, but are not limited to, general economic conditions in Yamaha Motor's major markets, changing consumer preferences, and currency exchange rate fluctuations.



**Hiroyuki Yanagi**  
 President, Chief  
 Executive Officer and  
 Representative Director

**Takaaki Kimura**  
 Executive Vice President  
 and Representative  
 Director

## To Our Stakeholders

Developed markets in 2013 saw the economic recovery in the United States continue, while Japan experienced a turnaround to a weaker yen and higher share prices, reflecting in part the policies of a new government. Europe, however, remained in the economic slump that has persisted for the past few years. Emerging market economies also stagnated on the continued effects of the slower economic growth and monetary tightening that began in the previous year.

This was our first year under a new Medium-Term Management Plan, and given this backdrop Yamaha Motor pursued distinctive *Monozukuri* and marketing initiatives as well as global cost reductions. Notably, we launched products highlighting Yamaha's unique qualities in both developed markets and emerging markets, and in the course of these launches production commencement dates were brought forward, innovative sales initiatives were implemented, and cost reductions exceeded targets.

Thanks to these efforts, coupled with the positive impact from a weaker yen, consolidated business results for 2013 showed increased sales in all businesses and profit growth at all levels—operating income, ordinary income, and net income.

This year, 2014, is the second year under our Medium-Term Management Plan. In Europe and emerging markets, where the economic outlook remains uncertain, we will closely watch economic developments and trends in demand, supplement and strengthen our business strategies for each market, and work to accelerate the Plan's implementation. At the same time, we will “pursue the unique style of Yamaha” and “break out of our current norms” to thoroughly change *Monozukuri* and the way we work.

We sincerely hope that our stakeholders continue to look forward to the latest developments by the Yamaha Motor Group.

April 2014

**Hiroyuki Yanagi**  
 President, Chief Executive Officer  
 and Representative Director

**Takaaki Kimura**  
 Executive Vice President  
 and Representative Director

### Changing *Monozukuri*\* and the Way We Work by “Breaking Out of Our Current Norms” and “Pursuing the Unique Style of Yamaha”

\* Engineering, manufacturing, and marketing

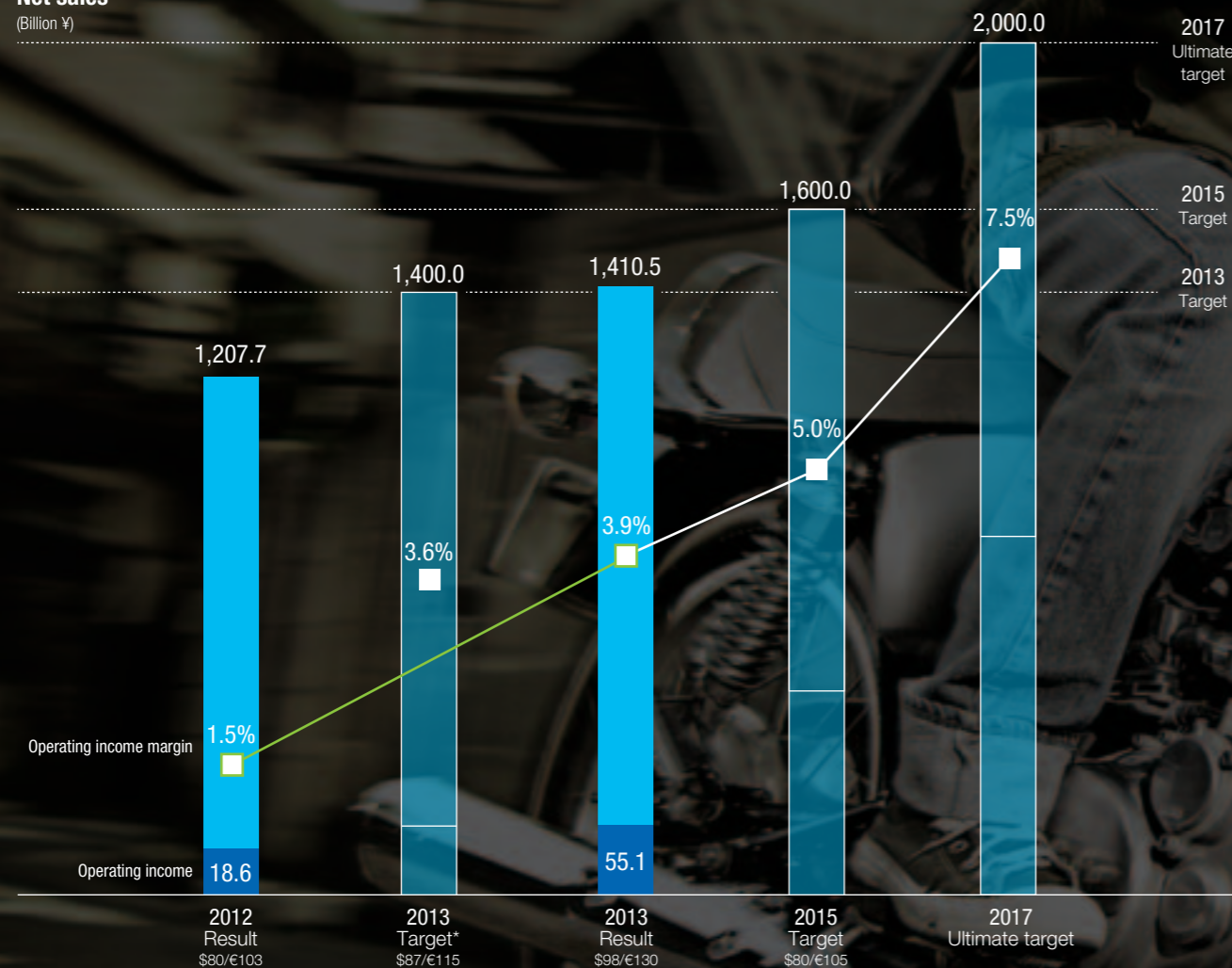
# SNAPSHOT

The first year under the Medium-Term Management Plan (MTP) marked a solid start toward the achievement of the MTP's targets.

## Medium-Term Management Plan: Management Targets

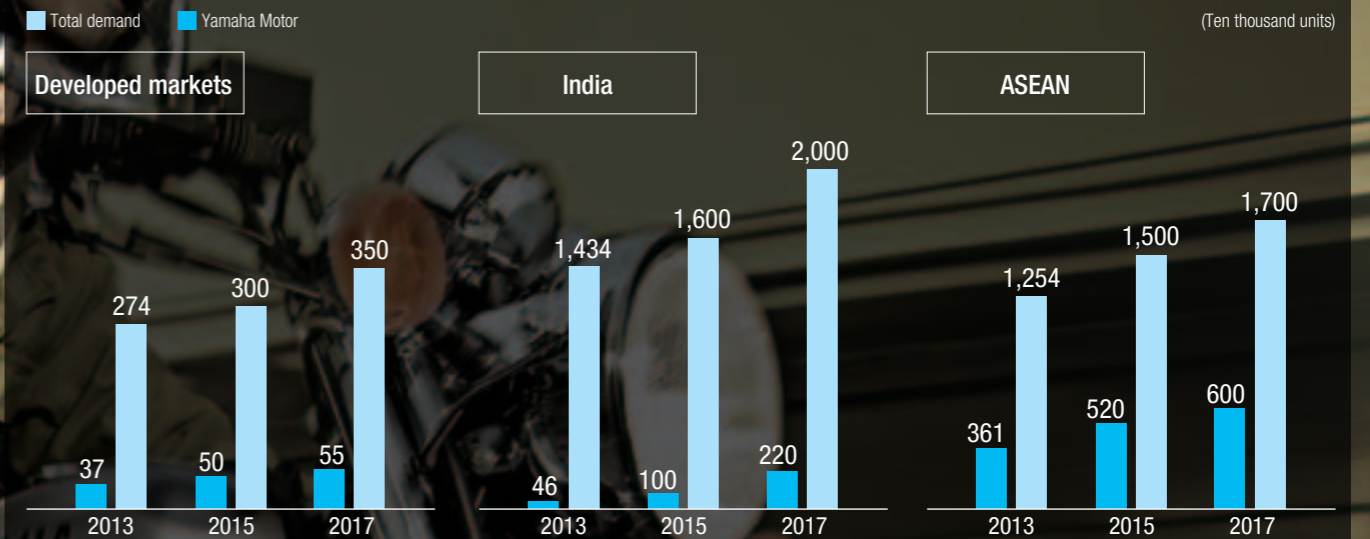
Helped by a weaker yen, all businesses recorded net sales growth in fiscal 2013. In fiscal 2014, the second year under the MTP, we will address changes in the operating environment and strengthen and refine our business strategy, with a close eye on economic developments and trends in demand for our products in each market, as we work to achieve the MTP's targets ahead of schedule.

### Net sales (Billion ¥)



ROE	2.5%	8.8%	12.7%	10%	15%
ROA	0.8%	2.9%	4.2%	4%	5%
EPS	¥21	¥80 or more	¥126	¥100 or more	¥200 or more

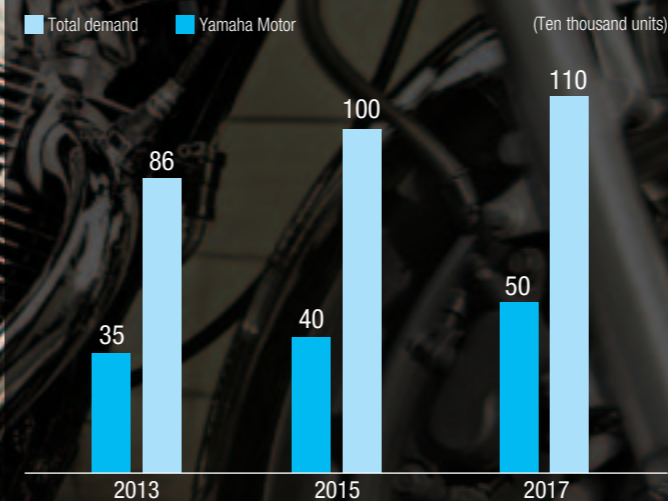
## Motorcycle Business



## Solid results in both developed and emerging markets

Unit sales in developed markets rose in fiscal 2013, with new model launches in Japan and North America resulting in growth in those markets, and an improvement in European sales during the second half of the year. In emerging markets, unit sales rose in India on growth in scooter demand and in Indonesia as overall demand recovered, but prolonged economic slowdowns led to declines in Thailand and Vietnam, for a slight decline overall.

## Marine Products Business



## Sales and profit growth in fiscal 2013

The outboard motor business recorded increased sales of large models in North America as a result of new model launches, and in emerging markets sales rose in Russia. Earnings in the personal watercraft and domestic boat businesses also showed a solid improvement.

## Cost Reduction Strategies

### Cost reductions of ¥10.4 billion in fiscal 2013 surpassed target

Cost reductions during fiscal 2013 totaled ¥10.4 billion, surpassing our target of ¥10.0 billion. We will continue to reduce costs during fiscal 2014, to achieve the targets set in the MTP.

## New Launches

### New products launched in various markets

The motorcycle business continues to launch new models in markets around the world. New model launches during fiscal 2013 included the BOLT in North America, the MT-09 in Europe, and the RayZ in India. We continue to develop new models that will lead to increased sales again in fiscal 2014.

# PERFORMANCE

Based on our corporate mission of being a *Kando* Creating Company, Yamaha Motor is engaged in global development, production, and sales, to provide customers with a diverse range of products.

As a global engineering, manufacturing and marketing company, we are constantly looking forward in the pursuit of new challenges to create new value. These numerical highlights demonstrate Yamaha Motor's unique position.

 <p><b>Motorcycles</b></p>	<p><b>Sales</b></p> <p><b>928.2</b> Billion ¥</p>	<p><b>% of net sales</b></p> <p>65.8%</p>	<p><b>Major products:</b></p> <p>Motorcycles, knockdown parts for overseas production and intermediate parts for products</p>
 <p><b>Marine Products</b></p>	<p><b>Sales</b></p> <p><b>243.4</b> Billion ¥</p>	<p><b>% of net sales</b></p> <p>17.3%</p>	<p><b>Major products:</b></p> <p>Outboard motors, personal watercraft, boats, FRP pools, fishing boats and utility boats</p>
 <p><b>Power Products</b></p>	<p><b>Sales</b></p> <p><b>126.7</b> Billion ¥</p>	<p><b>% of net sales</b></p> <p>9.0%</p>	<p><b>Major products:</b></p> <p>All-terrain vehicles, recreational off-highway vehicles, snowmobiles, golf cars, generators, small-sized snow throwers and multi-purpose engines</p>
 <p><b>Industrial Machinery and Robots</b></p>	<p><b>Sales</b></p> <p><b>32.3</b> Billion ¥</p>	<p><b>% of net sales</b></p> <p>2.3%</p>	<p><b>Major products:</b></p> <p>Surface mounters, industrial robots and wheelchair electric power units</p>
 <p><b>Other Products</b></p>	<p><b>Sales</b></p> <p><b>79.9</b> Billion ¥</p>	<p><b>% of net sales</b></p> <p>5.6%</p>	<p><b>Major products:</b></p> <p>Automobile engines, automobile components, electrically power assisted bicycles and industrial-use unmanned helicopters</p>

<p><b>2013 Motorcycle Shipments</b></p> <p><b>6,010</b> Thousand units</p> <p>Yamaha Motor's engineering, manufacturing, and marketing in markets around the world resulted in global unit sales of 6.01 million units in more than 180 countries and regions.</p>	 <p>Bolt</p>	<p><b>R&amp;D Expenses</b></p> <p><b>76.1</b> Billion ¥</p> <p>Each business proactively carries out research and development, and the ¥76.1 billion in research and development expenses recorded in 2013 marked an increase from 2012.</p>
<p><b>Overseas Sales Ratio</b></p> <p><b>89.5</b> %</p> <p>Overseas sales in 2013 totaled ¥1,262.7 billion, accounting for 89.5% of total net sales.</p>	<p><b>Number of New Models to be Launched (2013-2015)</b></p> <p><b>250</b> Models</p> <p>Yamaha Motor's businesses will launch a total of 250 new models during the three years from 2013 to 2015.</p>	 <p>MT-09</p>
 <p>Overseas <b>89.5%</b></p> <ul style="list-style-type: none"> <li>Asia 45.8%</li> <li>North America 17.4%</li> <li>Others 15.2%</li> <li>Japan 10.5%</li> <li>Europe 11.1%</li> </ul>	<p><b>Marine Products Market Share</b></p> <p><b>No.1</b></p> <p>The boat business had the largest share of the Japanese market, and the No. 1 share of the global markets for outboard motors and personal watercraft.</p>  <p>212SS</p>  <p>FX Cruiser HO</p>	

# Financial Highlights

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries  
Years ended December 31

## POINT

In addition to increased sales of motorcycles in Indonesia and India, and of outboard motors in North America, depreciation of the yen contributed to a 16.8% increase in net sales.

Profit rose on improved earnings in the marine products business, cost reductions in the motorcycle business in emerging markets, and yen depreciation. As a result, operating income increased ¥36.5 billion, and with the additional recording of deferred tax assets at overseas subsidiaries, net income increased ¥36.6 billion.

	Millions of yen					% change 2013/2012
	2009	2010	2011	2012	2013	
<b>For the year:</b>						
Net sales	¥1,153,642	¥1,294,131	¥1,276,159	¥1,207,675	<b>¥1,410,472</b>	16.8%
Gross profit	202,292	295,565	276,046	235,068	<b>318,765</b>	35.6
Operating income (loss)	(62,580)	51,308	53,405	18,598	<b>55,137</b>	196.5
Ordinary income (loss)	(68,340)	66,142	63,495	27,267	<b>60,092</b>	120.4
Net income (loss)	(216,148)	18,300	26,960	7,489	<b>44,057</b>	488.3
Net cash provided by (used in) operating activities	74,096	104,531	33,328	(2,385)	<b>66,976</b>	—
Net cash provided by (used in) investing activities	(45,285)	(37,632)	(46,517)	(51,081)	<b>(62,679)</b>	22.7
Free cash flows	28,810	66,899	(13,189)	(53,466)	<b>4,296</b>	—
Net cash provided by (used in) financing activities	(32,022)	5,296	(51,927)	15,761	<b>3,620</b>	(77.0)
Capital expenditures	46,035	33,939	45,049	48,788	<b>56,800</b>	16.4
Depreciation expenses	53,701	36,594	33,578	34,278	<b>36,407</b>	6.2
<b>At the year end:</b>						
Total assets	¥ 987,077	¥ 978,343	¥ 900,420	¥ 962,329	<b>¥1,146,591</b>	19.1%
Net assets	249,266	310,809	309,914	341,561	<b>422,792</b>	23.8
Interest-bearing debt	399,942	322,443	274,721	326,976	<b>382,929</b>	17.1

Ratios:	2009	2010	2011	2012	2013	% change
Operating income margin (%)	(5.4)	4.0	4.2	1.5	<b>3.9</b>	
Return on equity (%)	(71.2)	7.5	9.7	2.5	<b>12.7</b>	
Equity ratio (%)	21.5	28.0	31.2	32.0	<b>33.5</b>	
Price/earnings ratio (times)	—	23.8	12.6	44.2	<b>12.5</b>	
Debt/equity ratio (%)	188.3	117.6	97.8	106.2	<b>99.7</b>	

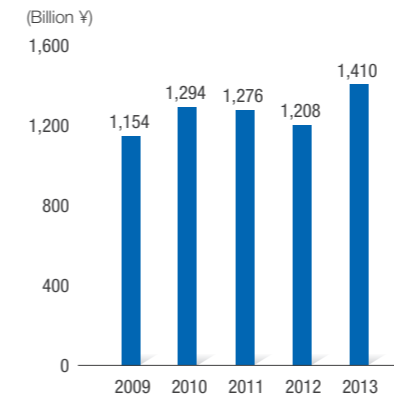
Per share amounts:	Yen					% change
	2009	2010	2011	2012	2013	
Net income — basic	¥ (755.92)	¥ 55.50	¥ 77.23	¥ 21.45	<b>¥ 126.20</b>	488.3%
Net income — diluted	—	55.50	77.23	—	<b>126.20</b>	—
Net assets	743.04	785.61	804.26	881.88	<b>1,099.84</b>	24.7
Cash dividends	0.00	0.00	15.50	10.00	<b>26.00</b>	160.0

Share performance (at the year end):	Millions of yen, except per share data					% change
	2009	2010	2011	2012	2013	
Price per share (yen)	¥ 1,166	¥ 1,323	¥ 974	¥ 949	<b>¥ 1,577</b>	66.2%
Market capitalization	333,300	461,855	340,018	331,288	<b>550,585</b>	66.2

Other data (at the year end):	Persons					% change
	2009	2010	2011	2012	2013	
Number of shareholders	30,013	31,615	32,259	32,873	<b>29,474</b>	(10.3)%
Number of employees	49,994	52,184	54,677	53,958	<b>53,382</b>	(1.1)

**Notes** • References to fiscal years are to 12-month periods commencing on January 1 and ending on December 31.  
• With regard to amounts stated in million yen units, amounts less than ¥1 million are truncated. For amounts stated in 0.1 billion or billion yen units, amounts less than ¥0.1 billion or ¥1 billion, respectively, are rounded off.

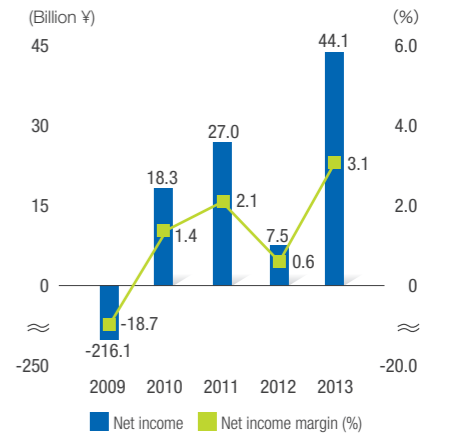
### Net sales



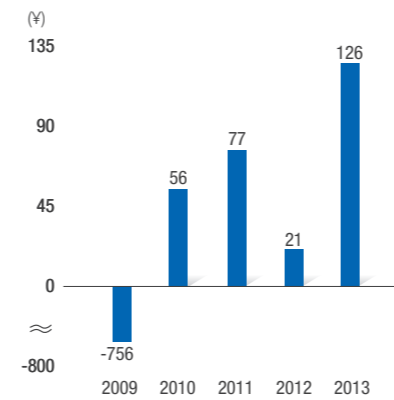
### Operating income and operating income margin



### Net income and net income margin



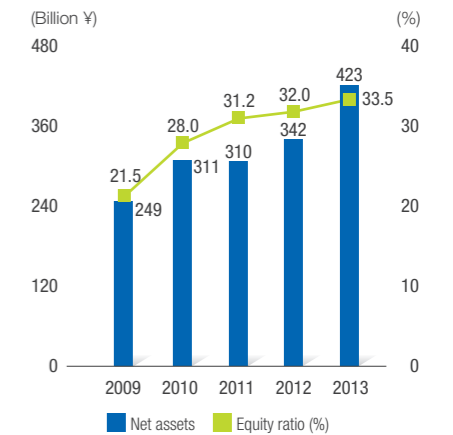
### Net income per share



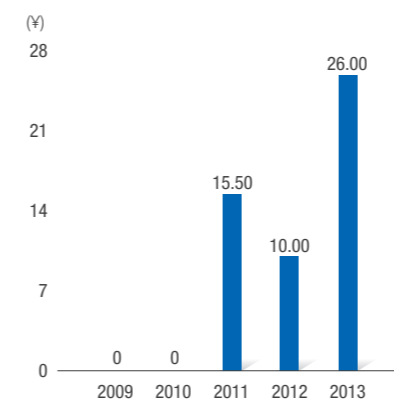
### Total assets and return on assets



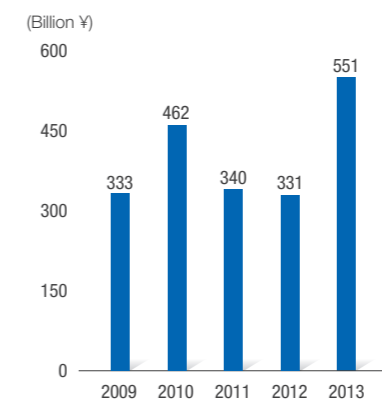
### Net assets and equity ratio



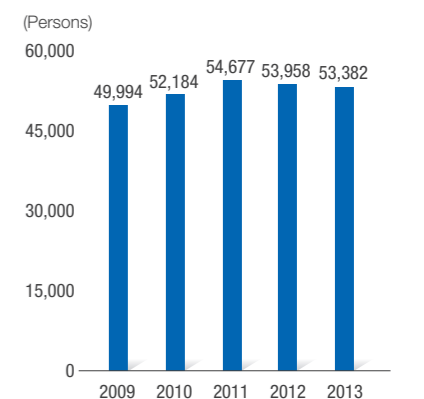
### Cash dividends per share



### Market capitalization



### Number of employees



# Solid Start Toward Achievement of Medium-Term Management Plan Targets

Hiroyuki Yanagi

President, Chief Executive Officer and Representative Director, Yamaha Motor Co., Ltd.

The following interview provides an overview of the Group's overall business results for 2013, the first year under the Medium-Term Management Plan (MTP), along with a review of the year and initiatives going forward for individual businesses, and an explanation of the Group's management targets for 2014.

In the following interview, the President addresses these key issues:

Business results for fiscal 2013, the first year under the MTP

Initiatives the motorcycle business is pursuing in developed markets

Initiatives the motorcycle business is pursuing in emerging markets

Initiatives being pursued in the marine products business

Activities in other businesses

Progress in the area of management reforms during 2013

Yamaha Motor's long-term strategy

Management targets for fiscal 2014, relative to the achievement of the MTP

Returns to shareholders

Message for stakeholders



**Q1** Please give us an overview of Yamaha Motor's business results for fiscal 2013, the first year under the Medium-Term Management Plan.

**We achieved sales growth in all businesses.**

Looking at the global economy in 2013, the United States posted a significant recovery and there were major expectations for a recovery in Japan as well. However, European economies remained sluggish and growth appeared to stall in emerging markets in Asia and Central and South America. Against this backdrop, the Yamaha Motor Group made a comprehensive effort to achieve sustainable growth in terms of business scale, financial strength, and corporate strength as outlined in the Medium-Term Management Plan (MTP), which sets fiscal 2015 Group targets of ¥1,600.0 billion in net sales and ¥80.0 billion in operating income (for an operating income margin of 5%).

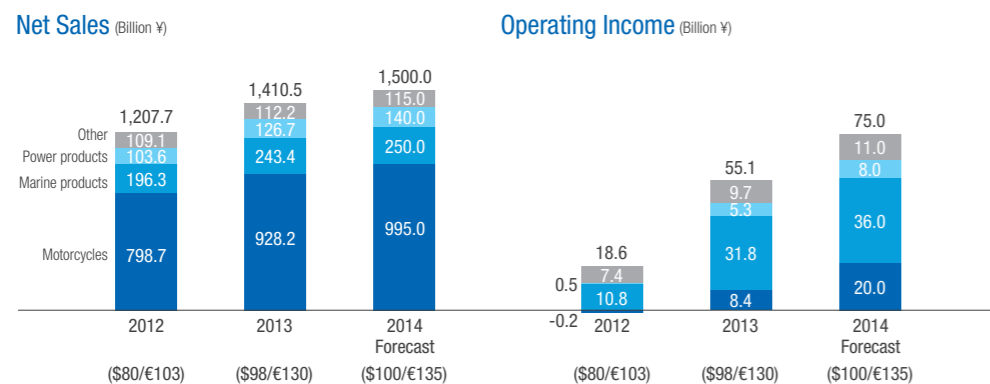
In fiscal 2013, the Group recorded a 16.8% increase in net sales, to ¥1,410.5 billion. Net sales rose in all business segments, on increased unit sales of motorcycles in Indonesia and India and outboard motors in North America, coupled with the impact of yen depreciation.

Operating income totaled ¥55.1 billion, a ¥36.5 billion increase from fiscal 2012. This reflected improved earnings in the marine products business and cost reductions in the motorcycle business in emerging markets, as well as yen depreciation. Ordinary income and net income rose significantly, with a ¥32.8 billion increase in ordinary income, to ¥60.1 billion, and a ¥36.6 billion increase in net income, to ¥44.1 billion, which included the additional recording of deferred tax assets at overseas subsidiaries.

Our financial position remained stable, with a net debt-equity (D/E) ratio of 0.7 times, unchanged from the end of the previous year, and a 1.5 percentage point improvement in the shareholders' equity ratio, to 33.5%.

**Sales and Operating Income by Business Segment**

2013: Operating income: motorcycles bottoming out, large improvements in marine products  
 2014: Increases in sales and income for all business segments



**Q2** What initiatives are the motorcycle business pursuing in developed markets?

**We are working to further enhance our product lineup.**

Yamaha's motorcycle shipments in developed markets had been declining since the global financial crisis, but turned around in 2013 to a 6% increase from the previous year, to 370 thousand units. New product launches included the new 950cc BOLT cruiser in North America, the new 850cc, three-cylinder MT-09 sports bike in Europe, and the Majesty S, our first 155cc sports commuter in Japan, and all three of these models recorded solid sales.

In addition to this solid progress under the MTP, which emphasizes new product development and enhanced product strength, there was a positive effect from yen depreciation, and I am pleased with our improved earnings.

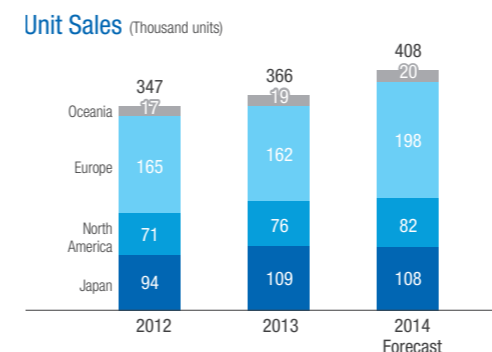
Looking ahead to 2014, we expect the size of the market to be flat with 2013 in Europe, and to grow in Japan and North America, and are forecasting an 11% increase in Yamaha Motor's shipments, to 410 thousand units.

We will strengthen our product lineup in 2014 by continuing to proactively release new models like the MT-07 from 2013, highlighting their high performance, light weight, low fuel consumption, and superior design.



**Motorcycle Business: Developed Markets**

2013: Yamaha sales at 370,000 units/106%. Decline bottoms out, recovery in progress  
 Japan: 115%; North America: 99% (first half); 118% (second half)  
 Europe: 89% (first half); 113% (second half)  
 2014: Overall demand increases in Japan and North America. In Europe, figures are similar to last year. Yamaha forecasts sales of 410,000 units/111%



**Main Initiatives (2014)**

- High-performance, lightweight, fuel-efficient + design concept
- Expansion of MT and other categories



**Q3 | What about the motorcycle business in emerging markets?**

We are working to expand our business, focusing on India and Indonesia.

With slowing economies and fiscal tightening, the lull in emerging economies' motorcycle markets continued in 2013. Nevertheless, we enhanced our product competitiveness with new model launches, and sales grew in all markets with the exceptions of Thailand and Vietnam, which were affected by economic slowdowns. The growth was led by solid scooter sales in India, and sales in Indonesia, which is experiencing a recovery in demand. Cost reductions and yen depreciation also contributed to improved earnings.

In terms of sales, we beefed up promotional events, including large-scale test-drive events in Indonesia and India. We also strove to provide even greater value-added solutions, we added to our sales network, and we pursued marketing activities that aim to create a "Yamaha world." On the production side, we moved forward with preparations for the start-up of a new factory in Chennai, India (scheduled for October 2014).

By market, initiatives for 2014 will include strengthening our position in the scooter category in India with additional launches of new models, including the CYGNUS  $\alpha$ , and creating demand by introducing new models in the deluxe category. With the new factory in Chennai scheduled to commence operations in October 2014, we will work to cultivate markets and customers and expand sales from cities to the countryside.

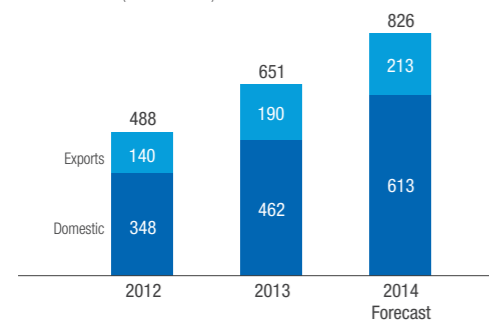
**Motorcycle Business: Indian Market**

2013: Overall demand recovers after 3Q, 14.34 million units/104%

Yamaha sales is set at 650,000 units; domestic: 133%; export: 136%

2014: Forecast of overall demand at 15 million units, with Yamaha sales forecast at 830,000 units/127%

Unit Sales (Thousand units)



**Main Initiatives (2014)**

- Strengthen scooter and deluxe categories
- Market/customer development: from urban areas to regional areas
- New factory launch (scheduled for October)



In Indonesia, where demand is recovering, we will strengthen our position in the sports category by launching the R15 in addition to the GT125, to offer new value.

For the entire ASEAN region, we will also release global models and develop new platform models featuring next-generation engines. We plan to release the R25 superbike that you can ride every day, and the TRICITY, which offers both a lightweight, sporty drive as well as a feeling of stability. These models will offer unique features in terms of being high performance and lightweight with low fuel consumption, combined with a superior design and cost performance, and we will strive to cultivate new customers by promoting these models beyond Asia to the rest of the world.

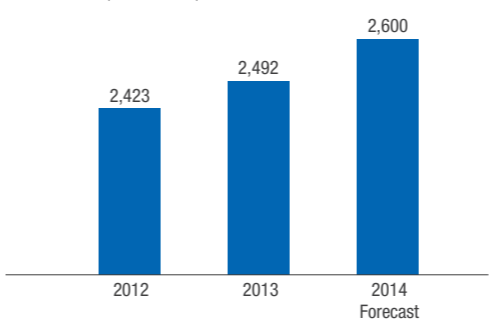


**Motorcycle Business: Indonesian Market**

2013: Overall demand turns upward after down-payment restriction, with sales of 7.74 million units/110%. Yamaha sales also increases, with sales of 2.49 million units/103%

2014: Forecast of overall demand at 7.8 million units, with Yamaha sales forecast of 2.6 million units/104%

Unit Sales (Thousand units)



**Main Initiatives (2014)**

- Strengthen sports category, etc.
- New generation engine + Platform, global model launch



In addition to strengthening our motorcycle product lineup, we are launching unique, cost-competitive new products in Asia for global markets.

INTERVIEW WITH THE PRESIDENT



# LAUNCHING 250 NEW MODELS

**Q4** | What initiatives are being pursued in marine products?

We are working to further increase earnings.

New model launches in 2013 included the F200F and F150C large outboard motors, as well as the Helm Master outboard motor control system jointly developed with Volvo Penta. With strong demand for these types of large models in North America, sales grew. The previous year's solid sales of personal watercraft continued as well, and the domestic boat business benefited from an invigorated market and the weaker yen. Earnings showed a significant improvement as a result, and the marine products business once again achieved profitability.

In 2014, we will accelerate our new product launches for outboard motors in developed markets, and reduce costs by moving production of small outboard motors from France to Thailand, optimizing the geographic location of manufacturing. In China, we aim to enter the fishing boat market and have a new local factory scheduled to start production, and are targeting further sales and profit growth based on an integrated marine products growth strategy.



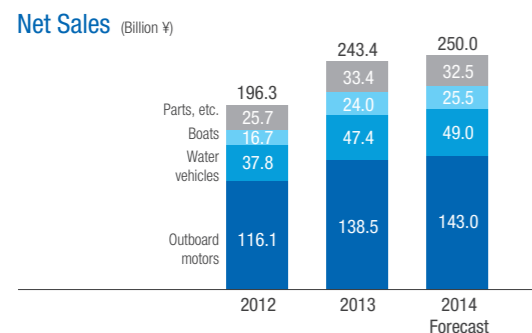
**Marine Products Business**

2013: Profitability and revenue improve, with notable gains in the operating income ratio.

Sales of outboard motors in North America increase due to new product launches (200 H.P. models, etc.)

2014: Aiming for further increases in sales and income

Operating Income Ratio 5.5% 13.1% 14.4%



**Main Initiatives (2014)**

- Developed markets: Continue launches of new products (115 H.P. models, etc.)
- Emerging markets: Commence production of outboard motors (Thailand)
- China: Launch fishing boat manufacturing plant (scheduled for September)



Chinese fishing boat market



Yamaha FRP aquaculture boat and Yamaha outboard motors

**Q5** | What are your activities in other businesses?

Earnings are improving as we introduce new products and win new customers.

» **Recreational vehicle business**

In 2013, Yamaha Motor introduced a new type of recreational off-highway vehicle (ROV), the three-person VIKING. With this start, we intend to revitalize our powerful lineup through continuous launches of new products over the next five years.

In snowmobiles, sales in Russia increased and business efficiency improved through tie-ups with other companies in North America, and the new SR VIPER, produced under an OEM\* arrangement, also contributed to increased sales. Going forward, we plan to revitalize our strong product lineup with products that offer high performance and reliability.

These efforts will expand our customer base, thereby establishing a stable earnings structure for the business.

\* OEM: original equipment manufacturing

» **Smart Power vehicle business**

In the area of electrically power assisted bicycles (PAS), Yamaha Motor released a new model in 2013 that was an industry first with triple sensors, and this combined with activities to attract a broader range of customers led to a large increase in units sold in Japan. We also developed the lightweight, compact E-Kit drive system for the European market, and are expanding our business tie-ups with overseas manufacturers to lay the groundwork for future sales growth.

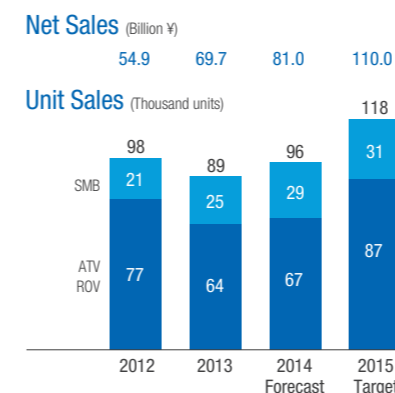
In 2014, we will continue to release models with improved functionality and ease of use in Japan, and expand our network of partners in Europe.

**Recreational Vehicles Business**

2013: Yamaha reaches sales of 89,000 units/91%, an increase in sales of 127%

- ROV: Work towards rebuilding a strengthened lineup by continued product introductions over the next 5 years
- Snowmobiles: New product introduction through OEMs, sales increase in Russian market

2014: Yamaha forecasts sales of 96,000 units/108%, increase in sales of 116%



**Main Initiatives (2014)**

- Creating products with both high performance and high reliability
- Expanding lineup to widen customer base



VIKING



SR VIPER

RV: Recreational vehicle; ROV: Recreational off-highway vehicle; SMB: Snowmobile

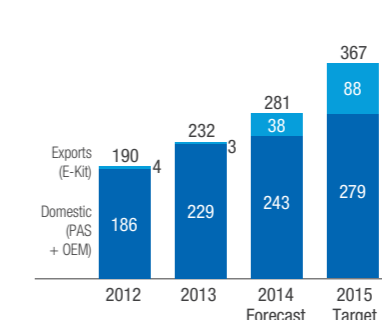
**SPV Business (PAS)**

2013: Yamaha sales of 230,000 units/122%

- Domestic: Introduction of a triple sensor, new demand development
- Europe: Business tie-ups with 3 to 4 companies (with several more expected), expansion preparations in progress

2014: Yamaha forecasts sales of 280,000 units/121%

Unit Sales (Thousand units)

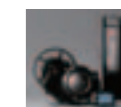


**Main Initiatives (2014)**

- Introduction of new power unit; further expansion of high-performance features
- Widening of customer base in domestic and international markets



PAS KISS MINI (child seat model)



Europe E-Kit



**We are aiming for further revenue and profit growth in marine products, building on improved earnings in 2013.**

INTERVIEW WITH THE PRESIDENT

# **NO.1 SHARE OF THE GLOBAL MARKET**



**Q6** | What progress was made in the area of management reforms during 2013?

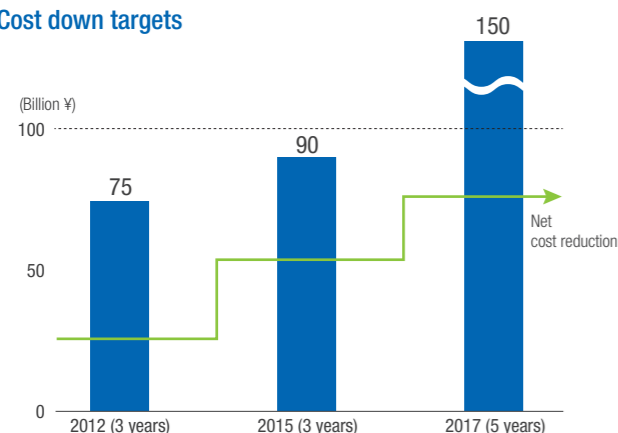
We moved forward with global business restructuring and cost reductions.

The MTP identifies both increasing earnings strength and expansion of the business scale as equally important issues, and we are building on the work begun under the previous MTP to restructure our developed markets business. We have consolidated and realigned our domestic production structure to eight factories and 16 units as of the end of 2013, from 12 factories and 25 units at the end of 2009. We have also made progress in restructuring our business organization in Europe.

In terms of cost reductions, our target for the three years from fiscal 2013 under the MTP is for ¥90.0 billion. We are working toward this goal with market-specific design at our integrated development centers in ASEAN and India, and at the same time we have reduced procurement costs for platform parts. As part of our strategy to build strategic partnerships, we have set up a joint venture with KYB Corporation for the development and production of suspensions. We will continue to pursue proactive cost reductions in 2014.

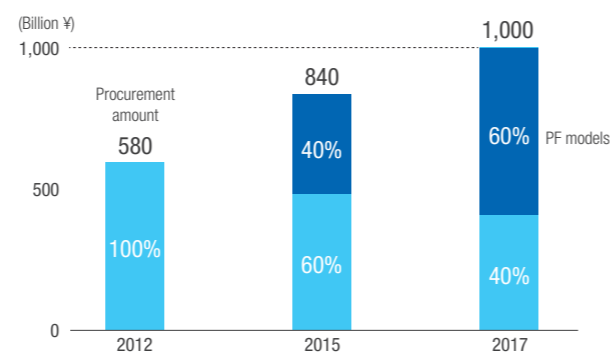
**Cost Reduction Strategies: “Change Global Manufacturing”**

**Cost down targets**



**Consolidate to PF**

Scale effects in procurement and production



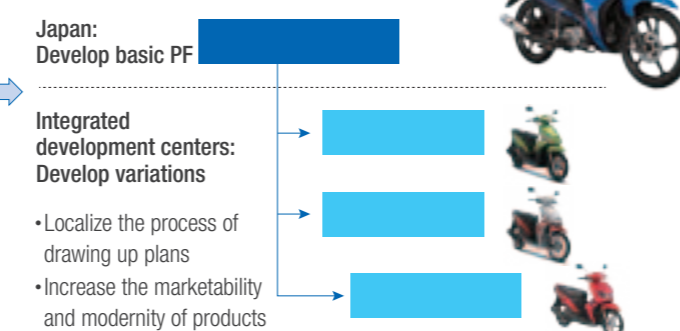
**Change drawings based on each market**

- Operate integrated development centers (for motorcycle)
- Design products and draw up plans based on market quality standards



**Change the development process**

- Consolidate to PF and expand variations
- Reduce the lead time for product development by 30%



**Q7** | What is your long-term strategy?

We want to provide a growing world of personal mobility.

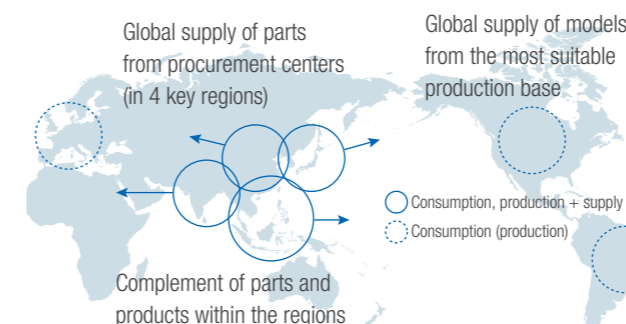
The Yamaha Motor Group is pursuing new business segments by introducing new concepts in personal mobility. The exploration of a growing world of personal mobility has led to an expansion of technologies and customers from two wheels to three and to four, and we are positioning this as one part of our long-term development strategy for new businesses.

In 2013, we developed the leaning multi-wheel TRICITY concept three-wheeled commuter, and we are working toward a 2014 market launch. Further building on the multi-wheel concept, we are researching and developing the small four-wheeled MOTIV, which we exhibited at the Tokyo Motor Show.

Going forward, we will pursue original and innovative concepts, technologies that achieve superior performance and functionality, and design that expresses refined dynamism, incorporating Yamaha’s unique engineering, manufacturing, and marketing, to vastly expand the world of personal mobility.

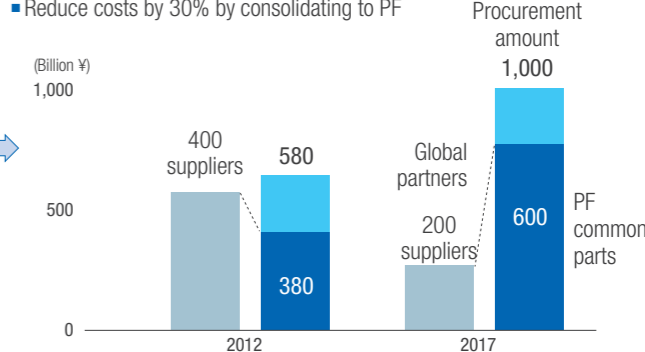
**Cost Reduction Strategies: “Expand Global Procurement and Supply”**

**Expand global procurement and supply**



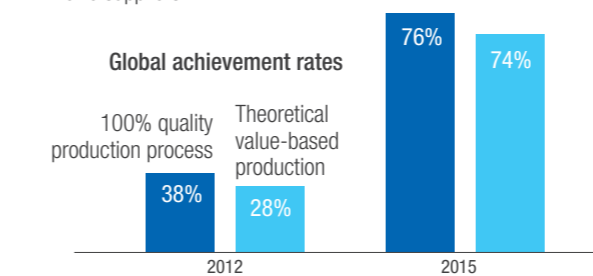
**Consolidate suppliers**

- Promote strategic collaborative activities
- Reduce costs by 30% by consolidating to PF



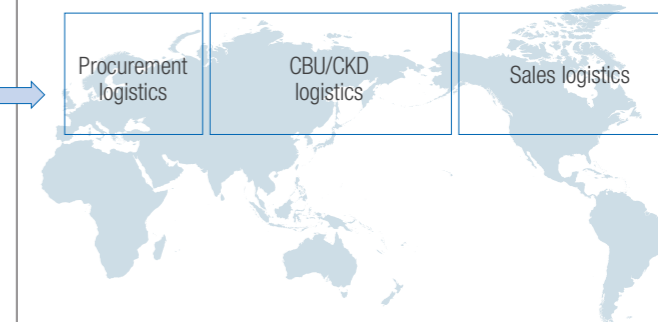
**Strengthen manufacturing competence**

- Gain “great technological strengths” and “outstanding competence at factories”
- Augment “mother” and “global” functions
- Involve suppliers



**Streamline logistics**

- Overall review of logistics in procurement, production and sales
- Reduce costs by ¥10 billion



**Q8** | What are your management targets for fiscal 2014, relative to the achievement of the MTP?

We are aiming for an operating income margin of 5% one year earlier than planned.

The current MTP covering the three years from fiscal 2013 through fiscal 2015 sets fiscal 2015 targets of consolidated net sales of ¥1,600.0 billion and an operating income margin of 5% (operating income of ¥80.0 billion), along with expanding the Group's business scale and enhancing its financial strength and corporate strength.

The current operating environment includes a continuing trend of yen depreciation relative to developed market currencies, but also concerns of a delayed economic recovery in Europe, and economic slowdowns and weaker currencies in emerging markets. In fiscal 2014, the second year under the MTP, we will address these changes in the operating environment and supplement our business strategies with a close eye on the economic situation and product demand in each market, as we work to achieve the MTP's targets ahead of schedule.

We are forecasting an increase in consolidated net sales in fiscal 2014, from aggressive new product launches in motorcycles, marine products, and power products. We are also projecting profit growth, with sales growth and cost reductions more than absorbing increased outlays for the future in the form of R&D expenses and selling expenses.



**Q9** | Would you give us more detail with regard to returns to shareholders?

We will maintain stable returns to shareholders, based on an increase in net income per share.

Yamaha Motor's management places a priority on increasing benefits to stakeholders, and operates businesses around the world from a global perspective in an effort to increase corporate value. In terms of the dividend, we strive to maintain a minimum payout ratio of 20% of consolidated net income while maintaining a balance between proactive investments for growth with returns to shareholders and the repayment of borrowings, as part of a comprehensive judgment that also takes into account business results, retained earnings, and other management issues. Management also looks at ROE (return on equity) and ROA (return on assets) as important indicators for maintaining a balance between proactive investments for growth and stable earnings with returns to shareholders—the most important aspects of our financial strategy.

We intend to maintain stable returns to shareholders going forward.

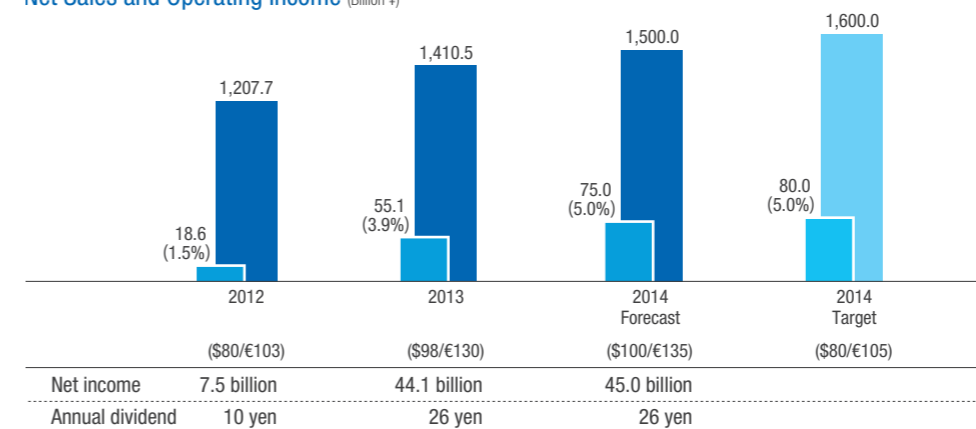
**2013 Dividend and 2014 Consolidated Results Forecast**

2013: Paid annual dividend of 26 yen per share (payout ratio: 20%)

2014: Forecasting net sales of 1.5 trillion yen, with operating income of 75 billion yen and annual dividend of 26 yen

Reinforce business strategy and build on achievements of MTP

Net Sales and Operating Income (Billion ¥)



**Q10** | Do you have any message for stakeholders?

We will continue to raise Yamaha Motor's profile around the world with unique engineering, manufacturing, and marketing.

The growth in the Yamaha Motor Group's fiscal 2013 business results reflects our continued pursuit of management reform, and the entire Group working together toward the achievement of the MTP. I still believe, however, that the sustainable growth that these efforts will produce is just beginning.

The global "Revs your Heart" brand message that we announced with the launch of the current MTP represents our strong determination to use uniquely Yamaha concepts to continue to provide value and *Kando* that exceed customers' expectations.

The Yamaha Motor Group will continue to pursue sustainable growth in terms of business scale, financial strength, and corporate strength by acting with speed and a spirit of challenge and persistence, to raise Yamaha Motor's profile as a company with unique engineering, manufacturing, and marketing. I ask for the continued support of our stakeholders in this endeavor.

# INTRODUCING MOBILITY to the WORLD

Yamaha Motor's New Technologies—A Growing World of Personal Mobility

## “Revs your Heart”

Stirring people's hearts with excitement and emotion, like the building revs of an engine.

This message symbolizes the Yamaha brand's mission. As a *Kando* Creating Company, the Yamaha Motor Group seeks a unique experience that exceeds customers' expectations for value, satisfaction, and excitement, and provides a “growing world of personal mobility.”



### Yamaha's unique “growing world of personal mobility”

In our pursuit of creating new concepts in personal mobility, Yamaha Motor seeks to create an experience we call “uniquely Yamaha,” based on the three concepts of “fulfilling lifestyles,” “enjoyment in personal mobility,” and “innovative technologies that harmonize with people, society and the Earth.” We do this by thoroughly implementing three elements in our development, manufacturing, and marketing: “proposing original and innovative concepts,” “creating outstanding technologies,” and “expressing Refined Dynamism through our designs.” With products and features like the Smart Power vehicles that grew out of the new field of electrically power assisted bicycles, the new sports motorcycle lineup of EV sports motorcycles, a new type of mobility with Leaning Multi-Wheel and 4-Wheel technology developed from motorcycles, Yamaha Motor offers a uniquely Yamaha “growing world of personal mobility” that exceeds customers' expectations.

### Expanding existing business areas

In the area of Smart Power vehicles, which we created over 20 years ago with PAS electronically power assisted bicycles, we are making further

advances in the Smart Power technologies of motors, batteries, and controls. With drive units and batteries that are among the smallest and lightest in their class, and service functions that link smartphones and vehicle information, we are opening new fields in the area of electronically power assisted bicycles.

Based on the existing gasoline engine scooter VINO, we have developed the EVINO EV scooter concept model, which offers superior performance as well as environmental features. Also, we are marketing this EV power unit module as the EKIDS concept model for children, which aims to bring enjoyment to a broad range of customers.

In sports motorcycles, we are working to create new value with EV sports motorcycles, which we aim to launch in the near future, with the development of the small, on-road sports PES1, as well as the PED1, which are being developed to expand the scope of electric vehicles to the off-road world. In addition to the advantages of being electrically powered, these motorcycles will offer the operability expected by existing motorcycle fans, together with a new riding experience.

We offer the joy of riding to a variety of customers, with the MT-07 sports bike that uses a newly developed engine, based on the crossplane concept, to enable the rider to directly experience the joy of riding; the





**EVINO**

This EV scooter concept model is positioned as a convenient commuter vehicle with all the necessary functions for short-distance trips, at an affordable price.

**EKIDS**

A motor control provides easy maneuvering and a gentle ride in this concept model for young riders who are new to motorcycles.



simple but expressive BOLT Café that owners can customize themselves; and the R25, developed to be a “super bike that you ride every day,” as an entry-model sports bike for the developed markets of Japan and Europe and as a high-performance sports bike for emerging markets, especially in Asia.

The market for recreational off-highway vehicles (ROVs) continues to grow. Yamaha Motor introduced its first three-person model, the VIKING, in 2013. With outstanding driving performance and an environmentally friendly design, this vehicle's performance has already won the support of a wide range of customers, from hunters and other recreational users to work environments like agriculture and dairy farming, mainly in North America. Continued growth is expected for this market, and we intend to meet that growth with new product launches over the next five years.

**Creating new markets**

The three growth axes of “fulfilling lifestyles,” “enjoyment in personal mobility,” and “innovative technologies that harmonize with people, society and the Earth” do not depend on the number of vehicles produced or sold. We pursue the challenge of creating new markets as a way of broadening our customer base through technological expansion.



**TRICITY Concept**

This three-wheeled commuter concept model currently under development offers a light and sporty ride along with ease of use, boasting a beautifully designed exterior with playful appeal.



**MOTIV**

This four-wheeled model is being developed in the pursuit of driving pleasure derived from an organic integration of driver and machine.

**INTRODUCING MOBILITY to the WORLD**



**VIKING FI 4X4 EPS**

With a 700cc fuel-injection engine, this new off-road vehicle is ideal for outdoor leisure, as well as for practical uses like agriculture and dairy farming.

Leaning Multi-Wheel brings a new type of mobility to traditional motorcycle performance. Our first vehicle, the TRICITY Concept, is a three-wheeled commuter that combines riding ease with innovation. Based on the Smart for All design concept, this line will achieve new enjoyment with an attractive appearance to create a new customer segment.

**Introducing the ROV and developing new-concept personal vehicles for the city**

Our research and development for the MOTIV four-wheeled multi-wheel mobility vehicle, using proprietary technologies acquired in motorcycles,

is also moving forward. This represents the next step in the multi-wheel trend that uses motorcycles as a starting point for two-wheeled, three-wheeled, and four-wheeled vehicles. This new-concept personal vehicle for the city delivers driving pleasure with operation and light weight that organically integrate the driver and machine, to achieve a new experience that evokes the joy of riding a motorcycle.

By working to create a “growing world of personal mobility” based on uniquely Yamaha concepts, the Yamaha Motor Group will continue to rev the hearts of people around the world by delivering value, satisfaction, and excitement that exceed expectations.

# Paving New Roads Together with Indian Society

India's motorcycle market continues to grow by the year, and in 2012 surpassed China as the world's largest. Yamaha Motor has positioned India as a major market along with Indonesia, and we are working to build up our motorcycle business in India.

For this special feature, we spoke with Hiroyuki Suzuki, who has served as managing director of India Yamaha Motor Pvt. Ltd. (IYM) for three years, during which IYM has built up a solid business in India. We asked Mr. Suzuki about IYM's path to future growth.

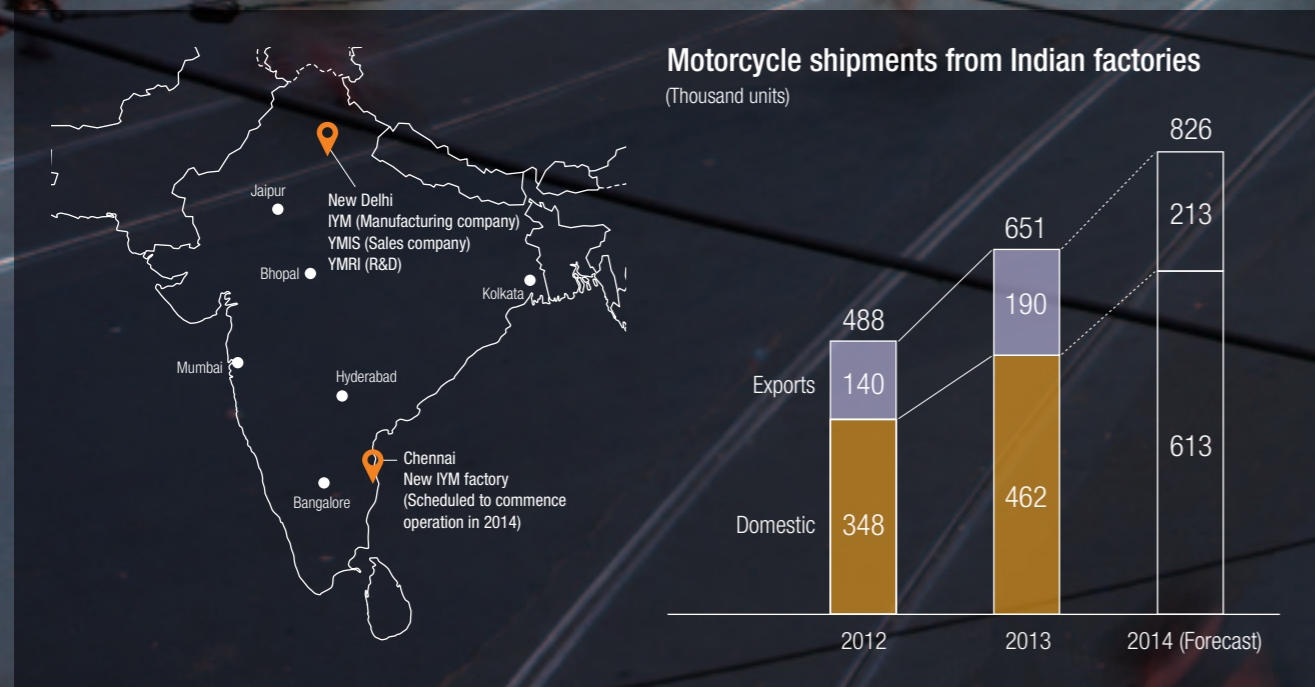


## Profile

**Hiroyuki Suzuki**  
**Managing Director, India Yamaha Motor Pvt. Ltd.**

Joined Yamaha Motor in April 1978.

After serving in positions including vice president of PT. Yamaha Indonesia Motor Manufacturing, Hiroyuki Suzuki was appointed senior executive officer and director of the Company in March 2010. In addition to continuing to serve in those positions, Mr. Suzuki has served as managing director of India Yamaha Motor Pvt. Ltd. since November 2010.



## India's motorcycle market today

India has recently experienced a cooling of consumer sentiment as a result of high interest rates and rising prices for goods including gasoline, and the growth of the overall market is slowing. Nevertheless, in our specialty area of scooters, Yamaha's annual shipments grew by 20% in both 2011 and 2012, and scooters' share of the Indian motorcycle market rose from 18% in 2011 to 23% in 2012. Scooters' share of other Asian markets averages around 30%–40%, and we expect the Indian market to have a similar composition in the near future.

In addition, women are playing an increasingly public role in Indian society, and we are developing compact, easy-to-use models to present a new image to win the support of women and families.

## Yamaha Motor's product strategy

With an emphasis on design and a fresh appeal, Yamaha launched the CYGNUS RAY in September 2012. With input from female employees included in the development and evaluation stages, the model is easy to use and thoroughly tailored to women. In addition, popular Bollywood actress Deepika Padukone, IYM's brand ambassador for Yamaha scooters in India, presents an image of "cool beauty" that has contributed to the success of Yamaha's first scooter in the Indian market. The CYGNUS RAY's compact size and ease of use proved popular with men as well as with women. In response, the CYGNUS RAY Z targeting men was released in May 2013, and shipments have been showing steady growth.

IYM is also promoting the Yamaha brand in India with high-end products that convey a sporty, stylish and trendy, racing image. These activities to present Yamaha as a quality brand appeal directly to the yearning for a "rich, enjoyable life" that is taking root in the Indian market. Going forward, IYM will strive to increase shipments through sales of high-end models, and also by strengthening its scooter lineup and introducing models that target young customers and families. The medium-term management plan sets a target of capturing 10% of the Indian market by 2017, and IYM will continue to reinforce the presence of "Yamaha in India."

## Increasing scooter production capacity with an eye on exports

Yamaha is addressing India's growing demand for scooters with a plan to have a 2.8 million-unit production structure in place by 2018, by increasing capacity at the Surajpur plant to one million units and building a plant at Chennai with a capacity of 1.8 million units. IYM's activities are not limited to the domestic Indian market, either. IYM is beginning to play an important role as a base for the development of new markets, with roughly 30% of production on a unit basis going to exports to Africa and neighboring countries. IYM's projected business model for Africa is very similar to the Indian business,



**CYGNUS RAY**  
Offering a stylish design and compact body, this scooter is tailored with features for female customers.

**CYGNUS RAY Z**  
With the CYGNUS RAY's compact body and handling ease proving popular with men as well, this model was developed targeting male customers.



and we see activities originating in India making a contribution in many other geographic regions. We are confident that IYM's efforts in India will lead directly to sales growth in Africa as well.

**Social and educational aspects in addition to earnings, to establish the presence of "Yamaha in India"**

At Yamaha, we believe a company should have three goals. The first is to create "earnings," and there is no question that management's mission is to grow the business and improve earnings. Nevertheless, to continue to successfully carry out this mission going forward, we need to establish

brand strength that establishes the presence of "Yamaha in India." To achieve this, we need to be successful in "social" and "educational" pursuits. By providing employment we create value, and our manufactured products contribute to society. We believe it is important to create this type of cycle in which each business process makes a contribution. Today, with women playing an increasingly active public role, we are not only providing scooters that appeal to women, we are also promoting women's participation in society by providing places to work and study. Involving local citizens, and providing opportunities for work and study, will lead to earnings. This is IYM's ultimate goal.

**Ability to create and instill value; Monozukuri means human resource development**

Yamaha manufactures motorcycles as a product, but at the same time we always maintain a strong awareness of developing people. Our mission is to provide *Kando*, and to achieve that we need to provide value. All value comes from the awareness, care, and the presence of our employees themselves. This is why I believe human resource development is so important.

First, it is important to motivate employees. In my experience, increasing motivation naturally leads to higher morals and skills. At times, when I have felt that employees were performing their jobs as rote operations, I gave them more discretion in how to do the job. This meant that they were no longer simply carrying out an operation, and by taking

an active, personal interest they grew beyond recognition. Working with a feeling of independence and initiative also creates a sense of personal responsibility, and here in India the majority of employees who have been with us for more than a year proactively approach their work with a visible sense of their own value. This simultaneously leads to a sense of self-worth and a social contribution, and once this cycle takes hold the effects are more powerful than one can imagine.

**Rev myself to Rev your Heart**

Yamaha's brand slogan is "Revs your Heart," but to achieve this I believe we first need a sense of "Revs myself." We cannot provide *Kando* if we do not experience the feeling ourselves. That is why IYM has a strong sense of "Revs myself." This translates to the creation of products that have value in terms of being attractive, reliable, and cost competitive, and Yamaha is gaining popularity in India as a result. This is where the business in India stands today.

Going forward, I want to realize the maximum potential of the Indian people, while continuing to create workplaces and products that have a shared resonance, to continue to grow and increase our presence in the Indian market.

**Supporting women's increased public role**

**Assembly technology course at Uttar Pradesh state government's industrial training center**

Currently, approximately 200 women in their late teens or early 20s work on the motorcycle engine production and motorcycle assembly lines at the Surajpur plant. This began in September 2012 as part of a program at an industrial training facility set up by the Uttar Pradesh state government. These women work in an actual plant for three years to acquire and improve their assembly skills through first-hand experience, and by passing a test they are able to receive a degree from a technical college. There is still a tendency to view women as having an inferior position in India's highly patriarchal society. By accepting these women with no work experience and little education, IYM not only gives them an opportunity to earn money, but also gives them the self-confidence to feel that they can contribute to society. By providing these jobs that cultivate a strong sense of motivation, we hope to contribute to the independence and growth of women.



# Bringing Freshwater to Lives Around the World

## Yamaha Clean Water Supply System



Photograph by Shinichi Kuno/JICA

### Engaged in “business for societal value” since the 1960s

The Yamaha Clean Water Supply System is an activity that transcends traditional business categories by providing a direct benefit in a short period of time, which we refer to as a “business for societal value.”

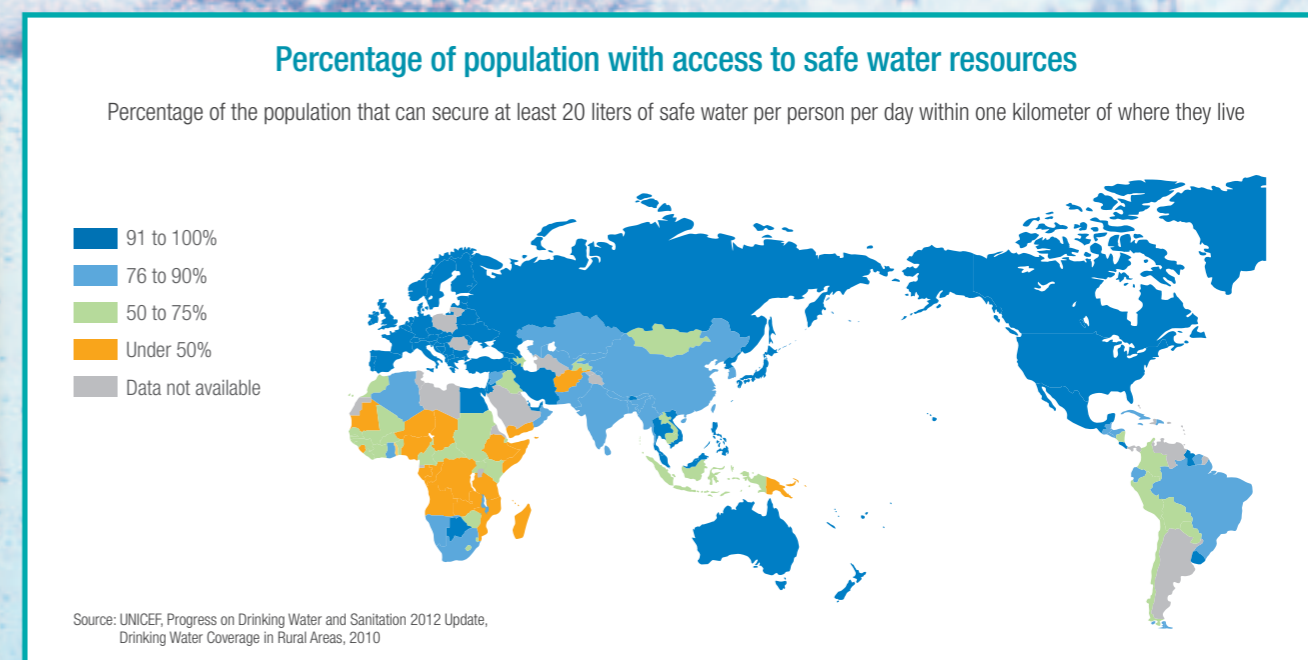
Yamaha Motor’s business for societal value has a long history, dating to the Company’s founding. Yamaha Motor has worked to develop and expand markets since its establishment in 1955, and we now operate in more than 180 countries and regions around the world. We have been active in various regions in Africa, an area neglected by

many companies from developed countries, since the 1960s. To sell outboard motors and fishing boats, we first had to instruct the local people in efficient fishing methods. In addition to making a large contribution to higher living standards, this also helped to foster local industries. In addition to the pursuit of value in existing markets, Yamaha Motor has since its founding worked to create markets that resolve social issues through sound economic development and environmental preservation.

## Bringing Prosperity and Happiness to People Around the World

Two-thirds of our earth is covered by water, but most of this is ocean and only 0.01% is freshwater that people can use in their daily lives. Furthermore, rapid population growth is adversely impacting the planet’s water environment and water resources are becoming increasingly scarce, meaning that today there are many places where it is difficult to secure potable water.

To help improve this situation, Yamaha Motor developed a proprietary water purification system (the Yamaha Clean Water Supply System), and operates a business of providing clean water in areas where it is needed.

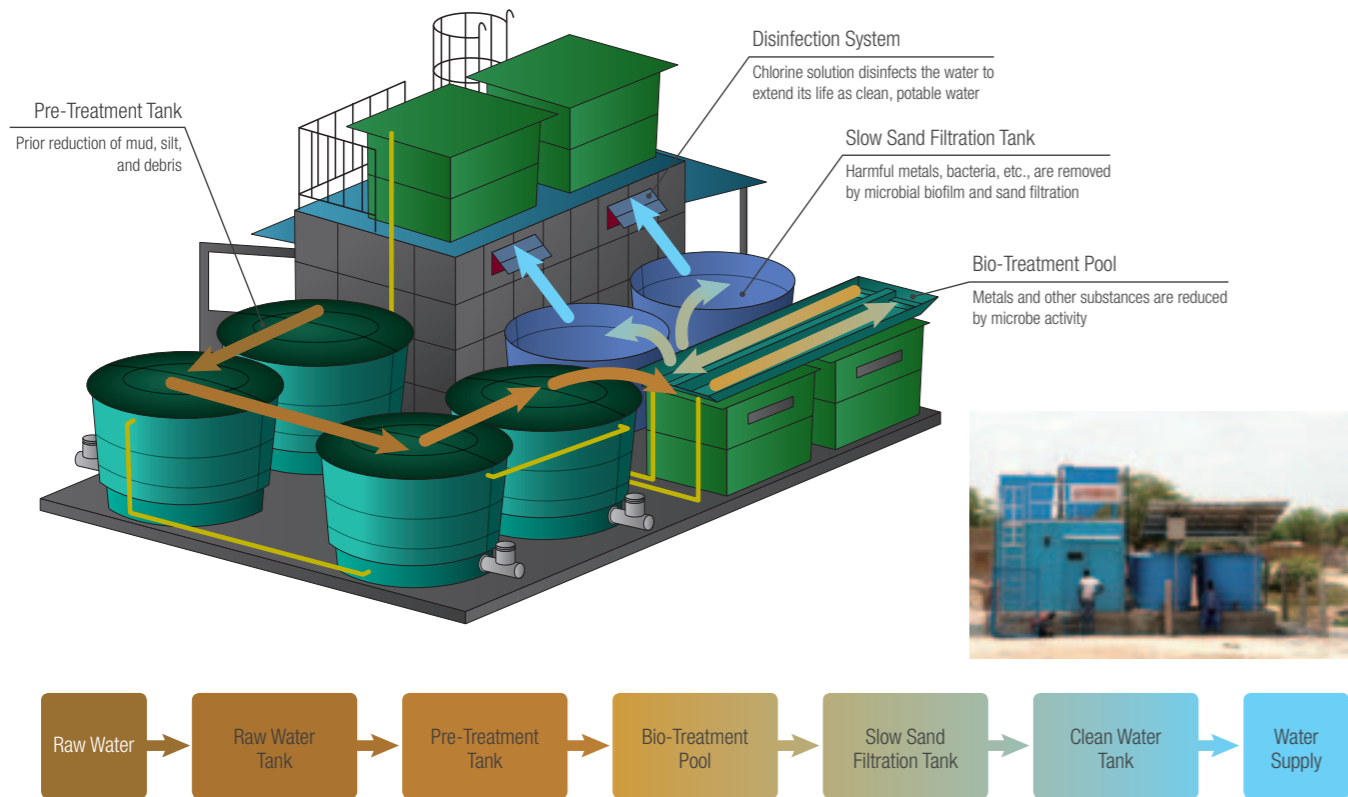


### Improving local water conditions with the Yamaha Clean Water Supply System

The Yamaha Clean Water Supply System was created with a view toward local social issues. When YIMM’s factory was established in Indonesia in 1974, the families of our Japanese staff complained that the tap water was brown and muddy. In response, we began to develop equipment to clean the tap water, and in 1991 we began selling home-use water purification systems. Next, we looked at how to improve water conditions at neighboring towns and villages, and began developing water purification equipment that used river water. Over the next few years, with

support from the Japanese government and international organizations, we developed projects to study the feasibility and verify the effectiveness of water businesses in Indonesia, Vietnam, and Cambodia. The Yamaha Clean Water Supply System went on sale in Indonesia in 2010, and is now being introduced in other Asian countries as well as in Africa.

\* Yamaha Indonesia Motor Manufacturing



### Facilitating independent local management

Water supports human life and activity, and is our most important resource. Being able to rely on access to this resource requires long-term solutions to the issues of “how to use and manage the resource locally.” The Yamaha Clean Water Supply System uses natural sand, gravel, and waterborne bacteria in a “slow sand filtration” system to purify water. Using water from rivers and lakes, this method can provide 8,000 liters of potable water per day (enough for roughly 800–1,200 people). In addition, because the system is simple and does not require a large supply of electricity or special coagulant chemicals, there are almost no operating costs after the initial installation. This also makes maintenance easy, allowing local residents to operate water supply stations themselves.

### Clean water creates time and business

If the water changes, lives change as well. Clean water makes people in the local community more conscious of hygiene, and leads to a significant reduction in illnesses like diarrhea and fever. In countries where water resources have historically been scarce, drawing water involved very

heavy labor. Moreover, this was considered the work of women and children, so women and children spent a great deal of time getting water. Today, with women and children in villages with the Yamaha Clean Water Supply System freed from the task of getting water, they have more time to spend in more productive activities and in education. This has also spurred ideas for new businesses like water delivery, cleaning, and ice making, injecting vitality into these villages.



With no need for filters or coagulant chemicals, maintenance is easy and does not require specialists

### Introduction of the clean water supply system has led to



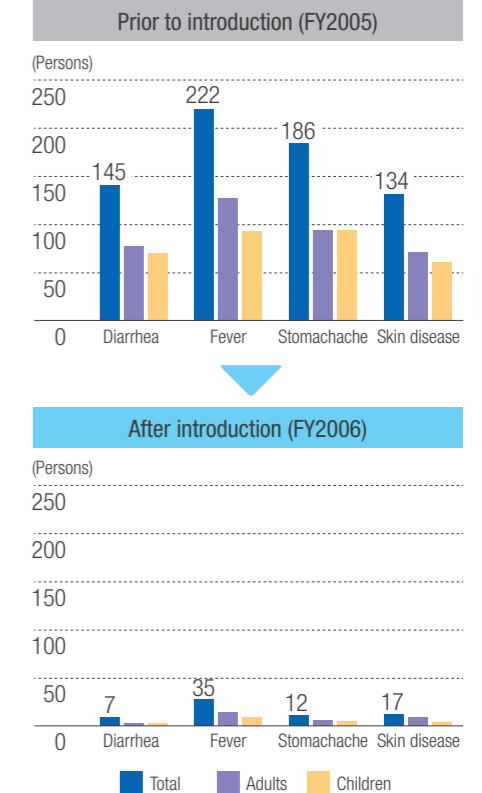
Improved hygiene, resulting in a significant reduction in illnesses like diarrhea and fever



An increase in the amount of time available for education and more productive activities, with less time spent drawing water



The creation of new businesses to spur community development



Note: From interviews at Indonesian system test site (100 households in Wanasarri)

### Clean water changes people and communities

Living with clean water changes the way people think about hygiene, and promotes higher standards of living. In a village in Senegal with the Yamaha Clean Water Supply System, a committee was set up to operate the equipment, carry out daily maintenance, and sell the water. This also led to transfers of technology and a greater capacity for local self-governance.

Along with the Yamaha Clean Water Supply System, Yamaha Motor

is working to introduce solar power generation, rainwater irrigation systems, and sanitary facilities, with the aim of addressing climate change and reducing emissions while also contributing to improved agricultural productivity and economic stability. The true resolution of these social problems is by no means easy, but by earnestly addressing the actual needs of individual villages, we will continue to work to contribute to a brighter future for these communities.

### Good Design Gold Award recognizes “superior system that understands the situation in emerging markets”

The Yamaha Clean Water Supply System was awarded the “Good Design Gold Award” at the Good Design Award 2013, held by the Japan Institute of Design Promotion. The awards committee gave the system a high rating as an initiative to secure “safe water” (an essential for life) in emerging markets, and a model contribution to global society by Japanese companies. The committee called the system an excellent example of system design that understands the situation in emerging markets and provides the lifestyle values of technologically developed markets, calling both the system itself and the project an initiative that leads the way for the future of Japanese design.



Photograph by Shinichi Kuno/JICA

## Basic Policies of CSR

Yamaha Motor Group strives to contribute to the sustainable development of society through our business activities based on our corporate philosophy and to always abide by the letter and spirit of domestic and international laws and regulations. We are dedicated to earning the trust of the global community, and we place great value on communicating with all stakeholders. We expect all of our business partners to share our principles and to act in accordance.

### Customers

- We offer new excitement and a more fulfilling life for people all over the world through high-quality products and services that combine safety and innovation.
- We provide practical, helpful information about products and services to customers.
- We make every effort to protect the personal information of our customers and others involved in our business.

### Shareholders and Investors

- We aim to deliver stable, long-term growth to enhance corporate value.
- We disclose appropriate corporate operational results and financial status in a timely manner.

### Employees

- We provide equal employment opportunities to build a diverse and discrimination-free workforce.
- We provide fair working conditions while maintaining and improving a safe and healthy working environment.
- We maintain respect for human rights and never tolerate child labor or forced labor in any form.
- We work toward building success for both our employees and the Company through honest communication and dialogue founded on mutual trust.

### Business Partners

- We respect our suppliers, dealers, and other business partners and aim to build mutual long-term growth founded on mutual trust.
- We maintain an open door to new business partners around the world and choose companies based on comprehensive value, regardless of nationality or size.
- We respect the competition laws of each nation and region and maintain fair business practices.

### The Community

- We honor the culture and customs of every country and community, and we strive as a corporate citizen to act in balance with society.
- We work to contribute to the development of sound communities by providing means of mobility, creating employment opportunities, and fulfilling our tax obligations.
- We promote social action programs including personal mental and physical development, environmental preservation and safety activities, as well as supporting private initiatives undertaken by employees.
- We maintain honest and fair relationships with government agencies and public authorities.

### The Environment

- We develop environmental technologies to create products that balance economic needs with environmental well-being.
- We aim to minimize the environmental impacts of our operations and make efficient use of limited natural resources.
- We form wide-ranging partnerships with communities around the world to perform environmental conservation activities.

# CSR SECTION

Customers	42
Employees	44
Shareholders and Investors	46
Business Partners	47
The Community	48
The Environment	50



## Customers



### Aiming to be an engineering, manufacturing, and marketing enterprise that gives customers a sense of *Kando*\*

We believe that Yamaha's product quality is enhanced through ongoing, close relationships with our customers, and we expect all employees to constantly strive to enhance the quality of our products. To strengthen our customer-oriented approach and ensure that customers' views are reflected in our engineering, manufacturing, and marketing, the Yamaha Motor Group will continue to pursue improvements in quality so that we can deliver products with an even higher level of customer satisfaction. Our relationship with customers is one of the core components of our CSR policy, and the following are some of our priority initiatives related to customers.

\* *Kando* is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that we experience when we encounter something of exceptional value.

#### Working to Improve Quality

YMTT\* held a conference on product quality in Taiwan in July 2013, with 88 persons from 39 major business partners participating. General Manager of Yamaha Motor's Procurement Quality Control Division, attended the conference and gave a presentation explaining our global policy for product quality. YMTT's programs to improve product quality are based on sharing quality-related information, formulating action plans, and training. The "Taiwan Team," consisting of YMTT and its suppliers in Taiwan will continue to provide high-quality parts to Yamaha Motor's factories around the world.

\* Yamaha Motor Taiwan Trading Co., Ltd.



Conference on product quality at YMTT

#### Offering New Excitement

Yamaha Motor exhibited a "growing world of personal mobility," through its core business of small vehicles for personal mobility, at the 43rd Tokyo Motor Show 2013. Exhibits included the TRICITY Concept, which uses a Leaning Multi-Wheel design to add a new dimension of enjoyment to the high degree of mobility offered by two-wheeled vehicles. The TRICITY Concept uses Yamaha's proprietary LMW structure, in which the two front wheels tilt along with the body when turning, to achieve harmony between the vehicle's unique design and geometry to provide a new level of enjoyment with lightweight, sporty handling along with stability when driving.



TRICITY Concept

#### Customer Service

##### Outboard motor service clinic in Australia

In Australia, YMA\* held two outboard motor service clinics during 2013. A joint team from YMA and Yamaha Motor visited large salmon and oyster farms and tour boat operators in Tasmania, and assessed the outboard motors being used in these rough commercial environments.

YMA will continue to hold these service clinics and other activities closely tied to its market, to maintain a solid No. 1 position in the outboard motor market and further strengthen its relationships of trust with customers.

\* Yamaha Motor Australia Pty Limited

#### Riding Safety Promotion Activities

##### Yamaha Female Riding Training (YFRT) program for women in India

Following the release of the CYGNUS RAY, IYM\* launched the Yamaha Female Riding Training (YFRT) program to teach safe riding to women in India. The program is held regularly throughout the year at educational institutions and universities. IYM aims to prevent traffic accidents by teaching young Indian women how to drive safely.

\* India Yamaha Motor Pvt. Ltd.



#### TOPICS

##### Aggregate outboard motor production tops 10 million units

A ceremony was held at the Fukuroi Factory to commemorate aggregate outboard motor production surpassing 10 million units. People involved in the outboard motor business held a tape-cutting ceremony as the 10 millionth unit, a new model, the F200F, rolled off the production line.

Yamaha's 4-stroke outboard motors are compact and lightweight, and deliver a performance that is both powerful and environmentally friendly. The F200C, F200F, F175A, F150A, F115B, F90B, and F80B models feature fuel injection. These models use multiple sensors to monitor the engine's operation, and feature an Engine Control Module (ECM) that precisely controls combustion at an optimal level for engine, as well as a diagnostic system to facilitate servicing. The F200F and F115B use a direct-action, in-line 4-cylinder engine and are the lightest in their classes.\* In addition to lower fuel consumption and faster acceleration, these models are compatible with an even greater number of boats.

\* As per Yamaha Motor's comparison with other 200 horsepower, 4-stroke outboard motors (as of February 2014)



# Employees



## Creating an organization to facilitate co-ownership of value from a global perspective

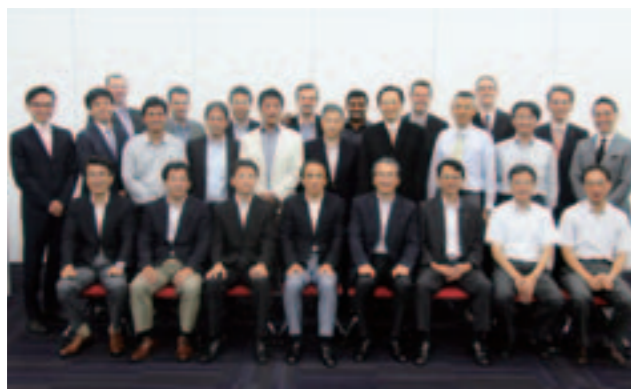
The Yamaha Motor Group strives to create workplaces that respect diversity, with the aim of achieving an organizational structure based on sharing ideas and the same high ambitions and spirit, cooperation, and joy in our work among the Company and its employees from a global perspective.

### Developing Human Resources for Global Leadership

Yamaha Motor Co., Ltd. set up a committee to discuss and share business challenges with top managements of Group companies and is currently pursuing aggressive initiatives to nurture personnel for positions with global responsibility in the worldwide Yamaha Motor Group, by promoting talented employees at overseas Group companies to the top management positions and accelerating overseas work experiences among Japanese employees, in line with the globally growing business.

The third and final session of the first module of the GEP\* was held in September 2013. The 15 participants from nine countries were divided into three groups, through which proposals were made for the Yamaha Motor Group's business activities for the next 10 years. At the conclusion, the participants were presented with diplomas. This program will link the stages for Global Human Resources around the world.

\* Global Executive Program



### Supporting Work-Life Balance

#### Aiming for a workplace environment that fosters autonomous creativity

The Yamaha Motor Group defines its relationship with employees as a business partnership, and the Company's role as providing an attractive workplace for autonomous individuals. We aim to create workplaces that maintain a diversity of working styles and a positive work-life balance by supporting career advancement plans based on mutual assumptions, providing programs for child and nursing care leave, etc. We are also expanding the options for employees so that they can work in ways that suit their individual circumstances. The percentage of employees taking paid leave was 77.9%\* in 2013.

\* The percentage is calculated as the ratio of the actual leave taken during the year to the annual paid leave due for all regular employees.

### Workplace Safety and Health

#### Creating a workplace environment that offers peace of mind and comfort

Led by its Central Safety and Health Committee, Yamaha Motor is promoting the establishment of safer working environments globally. Risk assessment is performed in accordance with the Occupational Safety and Health Management System (OSHMS) to detect potential dangers or harmful conditions at workplaces, and measures are taken to prevent occupational accidents. Through job-specific education and training, such as safety manager training programs and skill improvement programs for supervisors, as well as holding occupational safety and health meetings, we are focused on developing human resources that can support occupational safety.

Since 2008, Yamaha Motor has introduced OSHMS at its Group companies and as of the end of 2013, eight domestic companies and nine overseas companies have acquired group certification.

### Workplaces Thriving on Diversity

Based on our fundamental belief that "all corporate activity originates first of all with and for people," the Yamaha Motor Group has clearly defined its stance on human rights in its Basic Policies of CSR and Code of Ethics.

In accordance with our policy of "operating workplaces where the disabled can work together with the able-bodied," Yamaha Motor has established the Disabled Employment Promotion Committee, and is working to improve the workplace environment through measures such as having analyses of organizational work and other tasks conducted by committee members assigned to each division. As of December 31, 2012, the Company employed 78 severely disabled persons and 63 mildly disabled persons, thus achieving a disabled employment rate of 1.96% (141 persons in total). From April 1, 2013, the Japanese government raised the legally mandated disabled employment rate to 2.0% from 1.8%, and Yamaha Motor is implementing additional measures to raise the number of employees with disabilities. We will continue to promote the hiring of persons with disabilities going forward, as we seek to create a society in which persons with and without disabilities can live and work together.



Sign language classes and condensed transcription training are held to support communication in workplaces that include persons with disabilities.

### Supporting Employees in Maintaining a Healthy Mind and Body

Yamaha Motor promotes a wide range of initiatives for helping employees maintain and improve their emotional and physical health. We are committed to creating healthy and vital workplaces for the prevention of and recovery from lifestyle-related diseases. For instance, we support endurance improvement and obesity prevention through exercise habits, such as by hosting walk rally events and holding the Walk, Walk Campaign twice a year. In partnership with a health insurance association, we have also been providing antismoking products and are teaching smoking cessation skills to interested employees to help them in their efforts to quit

smoking. Measures to reduce smoking rates and prevent second-hand smoke during 2013 included restricting smoking to certain times, setting up smoking areas outside offices, and creating support programs for persons trying to give up smoking, which resulted in a 0.8 percentage point (81-person) decrease from the previous year in the smoking rate among employees, to 30.3%. In terms of support for mental/emotional health, we have continued to engage in efforts such as health guidance given by occupational health physicians, mental/emotional health seminars for new managers and supervisors, and support for expatriates and mid-career recruits.

### TOPICS

#### First Global Brand Meeting (GBM) held

With the start of a new Medium-Term Management Plan in 2013, Yamaha Motor announced the "Revs your Heart" brand slogan and a brand statement as a mutual concept for the entire Yamaha Motor Group globally, as a message to be conveyed both internally and externally. With the aim of having each Yamaha Motor Group employee around the world able to embody the Yamaha brand, a GBM was held in September 2013, with brand promotion managers from 13 countries outside Japan and 10 business divisions from two locations in Japan attending.





## Shareholders and Investors



## Business Partners



In order to ensure accountability by providing shareholders and investors with appropriate, accurate, and timely information, Yamaha Motor has established a specialized division which engages in IR activities inside as well as outside Japan.

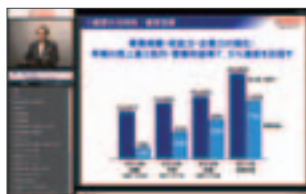
In addition to quarterly earnings briefings and the annual shareholders' meeting, during 2013 the division visited and held meetings with overseas investors, provided information via the IR website, and operated a website to provide information to individual investors. To even more proactively disseminate information, the division held a business briefing for analysts and journalists in July, and made a video of the briefing publicly available to enable all shareholders and investors to better understand Yamaha Motor's business strategy.

[Materials from the business briefing \(July 3, 2013\)](#)

[http://global.yamaha-motor.com/jp/ir/report/pdf/2013/Yamaha-motor\\_Business\\_information\\_session\\_jp.pdf](http://global.yamaha-motor.com/jp/ir/report/pdf/2013/Yamaha-motor_Business_information_session_jp.pdf)

[Video of the business briefing](#)

<http://www.irbroadcasting.net/ir/7272/jigyuu/#index=1>



### Information for shareholders and investors is available on the websites below

#### Disclosure Policy

<http://global.yamaha-motor.com/jp/ir/policy/>

#### Dividend Policy

<http://global.yamaha-motor.com/jp/ir/shareholder/dividend/>

#### For Investors (index page)

<http://global.yamaha-motor.com/jp/ir/>



IR website

### A Global Procurement and Sales Network based on a Spirit of Cooperation and Fairness

Yamaha Motor products are created through collaboration with numerous suppliers in Japan and other countries. As our procurement and sales structures expand with our increasingly global business, the Yamaha Motor Group is establishing cooperative relationships with suppliers and dealers in Japan and around the world based on a spirit of mutual trust and mutual benefit. For this reason, we strive to conduct fair business in compliance with the competition laws of all countries and regions while working to create partnerships that aim for mutual, sustainable growth.

### Activities in Supply Chains

The Yamaha Motor Group regards its relationship with the supply chain not just as conducting procurement, but as procurement that emphasizes the incorporation of both cost and quality into its engineering, manufacturing, and marketing. An example of these activities is the implementation of "theoretical-value-based production" with suppliers. This does not simply mean demanding cost reductions, but instead involves analyzing the absolute value of engineering, manufacturing, and marketing together with suppliers and then working together to find more ways to improve cost competitiveness. We have trained some of our employees to serve as "theoretical-value instructors" in order to promote the implementation of

"theoretical-value-based production" at suppliers inside and outside Japan as an initiative to strengthen our cost competitiveness in concert with them. In addition, we are promoting fair and clean procurement activities globally through training programs covering our Green Procurement Guidelines (detailing how to reduce our environmental impact and ensure the efficient use of resources and energy) and CSR Guidelines for Suppliers (which cover areas related to safety, quality, and compliance).

### Activities at Dealerships

As our contact point with customers around the world, dealerships play an important role in conveying Yamaha's "next *Kando*." By strengthening relationships with dealers through regularly held dealer meetings and activities to promote safe driving and support local communities, the Yamaha Motor Group is building a sales network that provides common value. In Japan, dealers mainly in Yamaha Sports Plaza (YSP), an official Yamaha sports bike dealer system, and Yamaha Motorcycle Sales Japan Co., Ltd. play an important role in building ties with local communities and society by cooperating in a range of measures including motorcycle infrastructure development, motorcycle etiquette training, motorcycle recycling, tree planting, and other environmental campaigns, as well as fundraising for seeing-eye dog training.

# The Community



The Yamaha Motor Group operates in locations around the world, and our business activities help support those local communities. Our products also play a role in enriching the lives of people around the world. We recognize the importance of maintaining a sustainable relationship through which the Company and local communities can coexist and mutually prosper, and to achieve this, we place great importance on maintaining and enhancing a relationship of trust through daily communication with stakeholders in those communities.

The Yamaha Motor Group carries out activities to fulfill its corporate social responsibility in four main areas: developing future leaders, environmental conservation, improving traffic safety, and community issues. By focusing the social contribution activities carried out by Group companies on these areas and sharing information internally, we are continuously fostering an awareness that will lead to the creation of common social value (CSV). Below we introduce some of the activities from the CSR activity reports made by 78 Group companies (21 domestic, 57 overseas) during 2013.

### Important Areas of Activities Contributing to Society

Key Themes	Global Issues			Local Issues
	Developing Future Leaders	Environmental Conservation	Improving Traffic Safety	Community Issues
Activities	<ul style="list-style-type: none"> <li>Promoting mental/emotional and physical health through sports</li> <li>Promoting creativity through engineering, manufacturing, and marketing</li> </ul>	<ul style="list-style-type: none"> <li>Environmental education for local communities</li> <li>Respecting biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>Providing traffic safety education to the community</li> <li>Raising awareness</li> </ul>	<ul style="list-style-type: none"> <li>Supporting the community with Yamaha Motor's products, human resources, and know-how</li> </ul>

### Cooperation with Variety, the Children's Charity in Australia

In Australia, YMA\* collects funds each year to support the daily lives, health, and education of children who are sick, disadvantaged, or have special needs. The Yamaha Variety Jet Trek is a tour for Yamaha personal watercraft of various scenic locations held in cooperation with Variety, the Children's Charity, and was held for the eighth time in 2013. Entry fees are donated to charity, enabling participants to enjoy picturesque scenery while also supporting the charity. The 2013 event brought together 60 personal watercraft and visited 11 towns,



traveling a total of 667 kilometers and raising \$125,000 in total.

\* Yamaha Motor Australia Pty Limited

### Global Afforestation Activities to Preserve the Environment

The Yamaha Motor Group is engaged in afforestation activities in cooperation with local governments in Japan and where it has local entities around the world. In Thailand, 114 employees of YPMT\*1 collaborated with the environment promotion division of Chonburi Province, whose coastline faces the Gulf of Thailand, and planted 200 young mangrove trees to preserve the beautiful Sattahip



seaside for future generations. In the United States, 60 employees of YMUS\*2 planted cacti and participated in cleanup activities in the San Bernardino National Forest.

\*1 Yamaha Motor Parts Manufacturing (Thailand) Co., Ltd.

\*2 Yamaha Motor Corporation, U.S.A.

### Yamaha Riding Academy (YRA) Held in Various Countries

One of the world's largest Yamaha Riding Academies for children (Kids-YSRS) was held in Indonesia in 2013, at the site of the Yamaha ASEAN Cup Race. With 500 elementary



school students and their parents participating, 100 instructors from YIMM\* taught traffic safety and allowed students to experience driving the PW50 and the TTR50. In addition to the children operating motorcycles for the first time, adults in attendance also got caught up in the enthusiasm generated.

\* Yamaha Indonesia Motor Manufacturing

### Employee Volunteer Activities Recognized at 38th President's Awards

We initiated the "40,000 People's V Campaign" in 2004 with the objective of raising awareness among employees about volunteering and also providing the required impetus for employees to participate in volunteer activities. The aim is for all employees to volunteer at least once a year, meaning that total participation in social contribution programs for the entire Group reaches 40,000 people. Participation in 2013 totaled 37,730, falling short of our 40,000 target, but we will analyze the circumstances behind this and continue to promote measures that foster a sense of volunteerism in employees.

The Yamaha Motor Group also holds regular President's Awards to identify and recognize individuals or organizations that have contributed to business results and the enhancement of Yamaha brand value, as a way of providing motivation and encouragement to individuals and organizations. The criteria for selection are: "Achieving superior earnings or results through activities that are consistent with Yamaha Motor's corporate mission and philosophy," "Making a significant contribution to the enhancement of Yamaha brand value," and "Making a major contribution to society." In 2013, the award was presented to 20 persons from employee volunteer groups for "contributing to earnings and enhancing brand value by building and providing utility boats for the revival of fishing in Tohoku," and the "Fun Engine Lab course on *Monozukuri* for children."

### Aid for Typhoon-Damaged Areas of the Philippines

Representing the Yamaha Motor Group, on November 29, 2013, Yamaha Motor, YMPC,\*1 and locally incorporated YMPH\*2 presented emergency goods and Yamaha multi-purpose engines (with a value of ¥1 million) and a cash donation (a total of ¥13 million) to the ABS-CBN Lingkod Kapamilya Foundation, a highly regarded support organization in the Philippines.

As additional aid, YMPH and its employees distributed food supplies, including rice and water, and sanitary kits and other relief supplies (2,403 packages with a value of roughly ¥2.8 million), along with relief supplies collected by employees, in the damaged region. We will continue to support various efforts to bring about the recovery of the region and its people as quickly as possible.



\*1 Yamaha Motor Powered Products Co., Ltd.

\*2 Yamaha Motor Philippines, Inc.

# The Environment

## Strive to harmonize with the environment for sustainable social development

The Yamaha Motor Group aims to be a company that fulfills its corporate social responsibility by striving to maintain harmony with the environment and society based on the Environmental Plan 2020, formulated in 2010.

### Plan for Environmental Activities

#### Yamaha Motor Group Environmental Plan 2020

Action Areas		Priority Actions	2020 Targets
Eco Products	Raise environmental attractiveness through product development from the perspectives of the environment and customers	In the Eco Products area, implement the Frontier 2020 Groupwide long-term vision	
		<ul style="list-style-type: none"> <li>Reduce risks from environmentally hazardous substances</li> <li>Implement green procurement</li> </ul>	Identify environmentally hazardous substances and support the use of alternatives
Eco Operations	Environmental preservation through global business activities that aim to minimize environmental impact	Reduce emissions of greenhouse gases	Reduce CO <sub>2</sub> emissions per unit of sales by 1% (annual average)
		<ul style="list-style-type: none"> <li>Implement the 3 R's through the 3 E's</li> <li>Reduce water consumption</li> <li>3 R's: Reduce, Reuse, Recycle</li> <li>3 E's: Easy to make, Easy to repair, Easy to disassemble</li> </ul>	Support the effective use and recycling of limited resources
Eco Management	Environmental management through reinforcement of Group environmental governance systems	Create and operate Groupwide environmental management systems	Link Groupwide operations with local activities
Eco Mind	Environmental contributions through diverse initiatives that seek to create a sustainable environment	Change attitudes through continuous environmental education	Have all Group employees actively undertake environmental measures with a high awareness of targets
		<ul style="list-style-type: none"> <li>Improve sensory environments (odors, noise, etc.)</li> <li>Communicate with local communities</li> <li>Preserve ecosystems</li> </ul>	Be trusted and respected as a corporate citizen by local communities
		Proactively disclose information from an environmental perspective	Well received by the community as an environmentally advanced company

### Organizational Structures for Promoting Environmental Management

Within the Yamaha Motor Group, the Environment Committee is positioned as a central organization in the implementation of domestic and overseas environmental initiatives and receives counsel from Chief General

Managers who are responsible for those initiatives. The committee deliberates on policies and visions for the future concerning environmental initiatives, medium- and long-term environmental policies, strategic investment proposals relating to environmental preservation, environmental monitoring topics and responses to issues, and other key issues relating to environmental management.

### Activities to Identify and Reduce Both Direct and Indirect Greenhouse Gas Emissions

The Yamaha Motor Group endeavors to identify greenhouse gas emissions resulting both directly (e.g., from the burning of fuel at factories) and indirectly (e.g., from electricity use at factories and offices) from its corporate activities in each location in which it operates, and to reduce those amounts. In 2013, we were able to reduce the total amount of emissions compared with 2012 through measures including the introduction of energy-saving equipment, even though production volumes increased.

Our Hamakita Factory installed a new heat-pump-type\* heating system in 2013 to reduce the electricity consumption of washing equipment used in metalworking. With this system, we were able to reduce electricity consumption by 25% compared with conventional electric heaters. This is the second Yamaha Motor factory to use this system, after the Fukuroi Minami Factory, which installed a heat pump system in 2011.

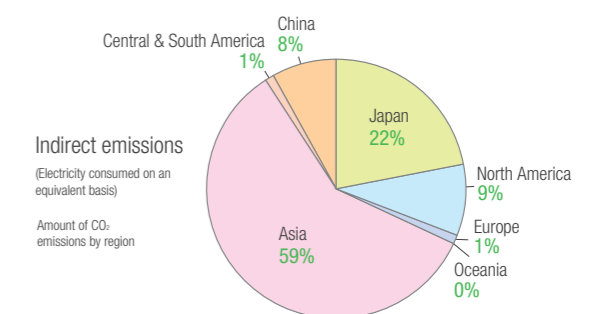
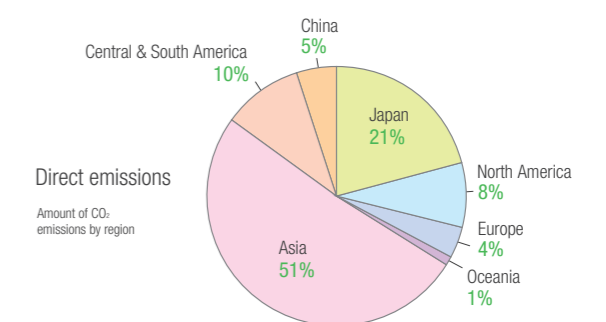
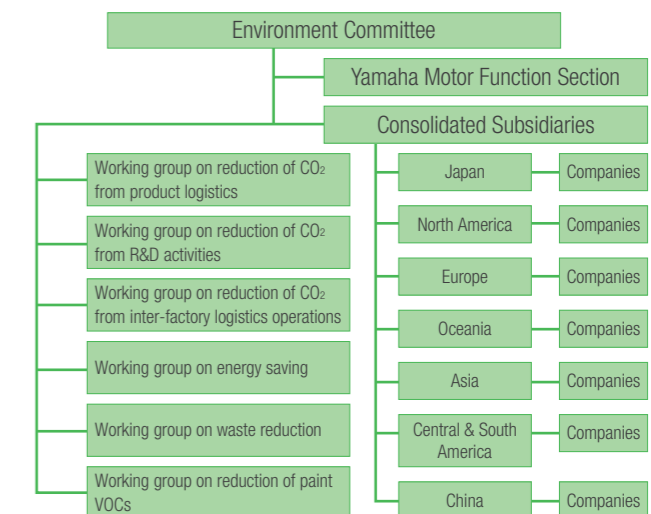
Going forward, we plan to introduce heat-pump-type heating systems in factories in other countries and regions. We will also work to more precisely measure direct and indirect emissions in each location, and to further reduce emissions at all factories and offices.

\* A heat pump uses the natural principle that vapor becomes warm when compressed and cools when expanded, to pull in and use heat from the surrounding air. This energy-saving technology creates a large amount of thermal energy with only a small amount of energy input.



Hamakita Factory's heating system

### The Yamaha Motor Group Organizational Structure for Environmental Planning and Promotion



### CO<sub>2</sub> Emissions at the Yamaha Motor Group

As a manufacturer of motorcycles and other transportation machinery, the Yamaha Motor Group considers the reduction of greenhouse gas emissions to be the most critical environmental issue facing the world today.

We are targeting an annual 1% reduction in CO<sub>2</sub> emissions per unit of sales as a common goal for the entire Group, and are working to reduce emissions in all of our business activities including product development and manufacturing. In 2013, we reduced CO<sub>2</sub> emissions per unit of sales by 14% compared with 2012, and despite an increase in production volume, the Group's CO<sub>2</sub> emissions were reduced by two thousand tons, to 619 thousand tons. Going forward, we will work to reduce greenhouse gas emissions effectively, by monitoring efforts to reduce energy usage at Group companies in Japan and overseas, and providing support to Group companies.

### Energy Input at the Yamaha Motor Group

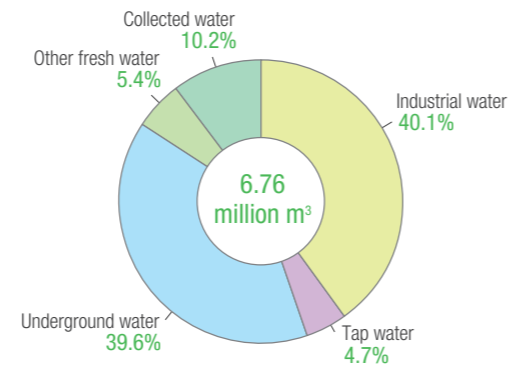
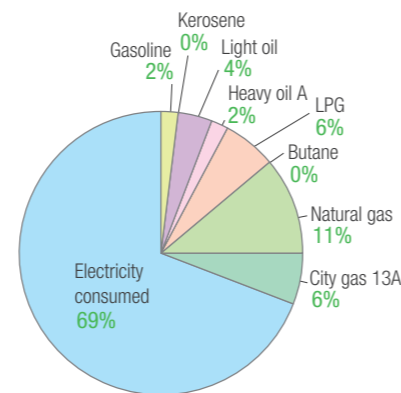
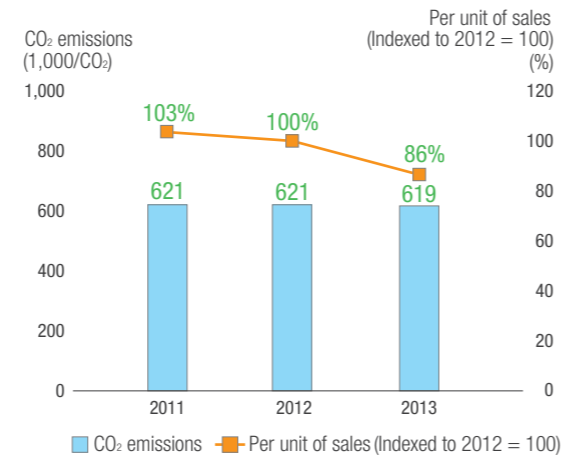
The total amount of energy input at the Yamaha Motor Group in 2013 was 11.54 million GJ, with electricity accounting for approximately 69% (7.98 million GJ). Of this amount, approximately 80% was used in Asia including Japan. We are systematically implementing various measures to reduce the amount of energy used, including the introduction of equipment that makes it possible to analyze and reduce electricity consumption, and the installation of energy-saving equipment at factories and LED lighting in offices.

### Measuring and Reducing Water Resources

The Yamaha Motor Group endeavors to measure the amount of water resources it uses. The Group used 6.76 million m<sup>3</sup> of water resources in 2013, of which 2.71 million m<sup>3</sup> (40.1%) was industrial water and 2.67 million m<sup>3</sup> was underground water.

We strive to use limited water resources effectively, including through recycling. We will continue to strive to measure our global use of water resources, and reduce our water resource consumption through programs including the reuse of coolant water and water collection (rainwater and other sources) at factories.

### Yamaha Motor Group CO<sub>2</sub> Emissions



### TOPICS

#### New model of FAZER, developed as next-generation industrial-use unmanned helicopter, released in early November 2013

The FAZER was developed with the main features of 1) maintaining a stable payload; 2) offering a highly adaptable next-generation body platform; and 3) being compliant with future environmental regulations, as a product that can contribute to the "offensive agriculture" that is part of our growth strategy for Japan. The FAZER also has the capacity and utility to be adaptable overseas for use in agriculture and in measuring, monitoring, and surveying.

This new model builds on previous models with 1) increased engine output (+24% compared with previous models) for heavier load capacity (+50%); 2) a newly designed transmitter and new control system for improved operability; and 3) a 4-stroke engine with fuel injection for clean exhaust and low noise.



#### Environmental Features

**Reduced noise**  
73dB → 70dB  
Yamaha Motor's measurement, from a distance of 50 meters

**Reduced fuel consumption**  
Fuel consumption rate reduced by 20% (approx. 20 liters/day)

**Improved emission performance**  
The 4-stroke engine reduces hydrocarbons by more than 95%

#### Environmental ISO Certification: Unifying 39 Companies Around the World

Yamaha Motor began work in April 2012 to receive single registration of the ISO 14001 environmental management system installed at Group companies in Japan and around the world. Currently, 39 Yamaha Motor Group companies in Japan, Europe, North and South America, ASEAN countries, China, Taiwan, and India have installed the system and have been individually inspected by certification bodies. By unifying globally with one certification body, we expect to enhance corporate governance through centralized management, raise the level of our environmental activities, and significantly reduce costs through greater efficiency.



Briefing on single registration at Yamaha Motor Taiwan

# CORPORATE INFORMATION

Corporate Governance	56
Directors, Audit & Supervisory Board Members, and Executive Officers	66
Comments from an Outside Director	69
Organization	70

# Corporate Governance

## Basic Corporate Governance Policies

Yamaha Motor Co., Ltd. (the "Company") recognizes that corporate governance is an important tool to ensure disciplined management and maximize long-term corporate value. Based on this realization, the Company has been striving to speed up management decision-making; make the accountability system clearer; develop a transparent system of Director selection and remuneration; and establish an internal control system. Because it is one of its most important management issues, the Company also plans to implement other measures to strengthen and solidify corporate governance. At the same time, the Company is enhancing Investor Relations services, in order to build on the relationship of trust with its shareholders and investors.

## Summary of Corporate Governance and Reasons for Adopting the System

### 1) Reasons for adopting current system

The Company maintains an Audit & Supervisory Board Member system, and most of the Company's Directors are full-time Directors with considerable knowledge of business matters. The Company draws on the supervisory function of outside executives through appointment and had three (3) Outside Directors in addition to two (2) Outside Audit & Supervisory Board Members as of March 26, 2014. The Company also emphasizes efforts to strengthen corporate governance, underpinned by an Executive Officer system, the Executive Personnel Committee, and an internal auditing system.

### 2) Summary of current system

#### Directors and the Board of Directors and Executive Officers

The Company introduced an Executive Officer system to expedite business execution. It then strengthened management supervision by clarifying the respective roles of Executive Officers and the Board of Directors. Executive Officers are responsible for "business execution" itself, while the Board of Directors is charged with "approving the basic policies of the Yamaha Motor Group and supervising the Group's business execution."

The Company's Articles of Incorporation stipulate that the number of Directors shall not be more than fifteen (15). As of March 26, 2014, there were twelve (12) Directors, of whom three (3) were Outside Directors. The Board of Directors will in principle meet once every month, and whenever else it may be necessary.

The Articles also stipulate that resolutions for the election of Directors shall be adopted by a majority of the voting rights held by the shareholders present at the General Meeting of Shareholders. These voting shareholders must hold shares representing, in the aggregate, not less than one-third (1/3) of the voting rights of all shareholders entitled to exercise the rights and not using cumulative votes.

As of March 26, 2014, there were twenty-five (25) Executive Officers, and nine (9) Directors concurrently serving as Executive Officers. A Management Committee comprising nine (9) Executive Officers with specific posts has been formed to deliberate matters of business execution, speeding up the Company's decision-making process. The Management Committee meets monthly in principle, with additional meetings held as needed. To ensure accountability, Directors and Executive Officers serve for one-year terms.

In addition, a Global Executive Committee has been established to deliberate important global management policies and issues related to the Group's management. As of March 26, 2014, the Global Executive Committee had thirty-two (32) members, of whom twenty (20) were Japanese and twelve (12) non-Japanese, comprising the Company's President and Chief Executive Officer, all Executive Officers with specific posts, and senior local managers of major Group companies. The Global Executive Committee meets monthly in principle, with additional meetings held as needed.

#### Executive Personnel Committee

In August 2001, the Company established the Executive Personnel Committee as an advisory body of the Board of Directors, in order to improve transparency in nominating candidates for Director and Executive Officer, and to determine the remuneration for these officers. As of March 26, 2014, the Executive Personnel Committee had five (5) members, comprising the Company's two (2) Representative Directors and three (3) Outside Directors. The Executive Personnel Committee deliberates on candidates for Director and Executive Officer, the remuneration and bonus system, and the overall direction of governance.

#### Audit & Supervisory Board Members and the Audit & Supervisory Board

As of March 26, 2014, the number of Audit & Supervisory Board Members stood at four (4), of whom two (2) were Outside Audit & Supervisory Board Members. Audit & Supervisory Board Members attend Board of Directors', Management Committee, and other important meetings, in addition to executing audits, receiving business execution reports from Directors, perusing important documents in the decision-making process, and conducting audits at the Company's subsidiaries.

In support of these audit services performed by Audit & Supervisory Board Members, the Company has established the Audit & Supervisory Board Members' Office, with staff exclusively dedicated to assisting auditors. The Audit & Supervisory Board meets monthly in principle, with additional meetings held as needed.

#### Internal Auditing

The Integrated Auditing Division established an Internal Control Auditing Division (consisting of twenty-seven [27] staff members as of March 26, 2014) under the direct control of the President and Chief Executive Officer. The Division audits, based on annual audit plans, the appropriateness, reasonableness, and efficiency of business execution at the Company and each Group company, and submits evaluations and makes proposals.

#### Communication among Outside Directors, Audit & Supervisory Board Members (including Outside Audit & Supervisory Board Members), Accounting Auditor, Internal Auditing Division, and Internal Control Division

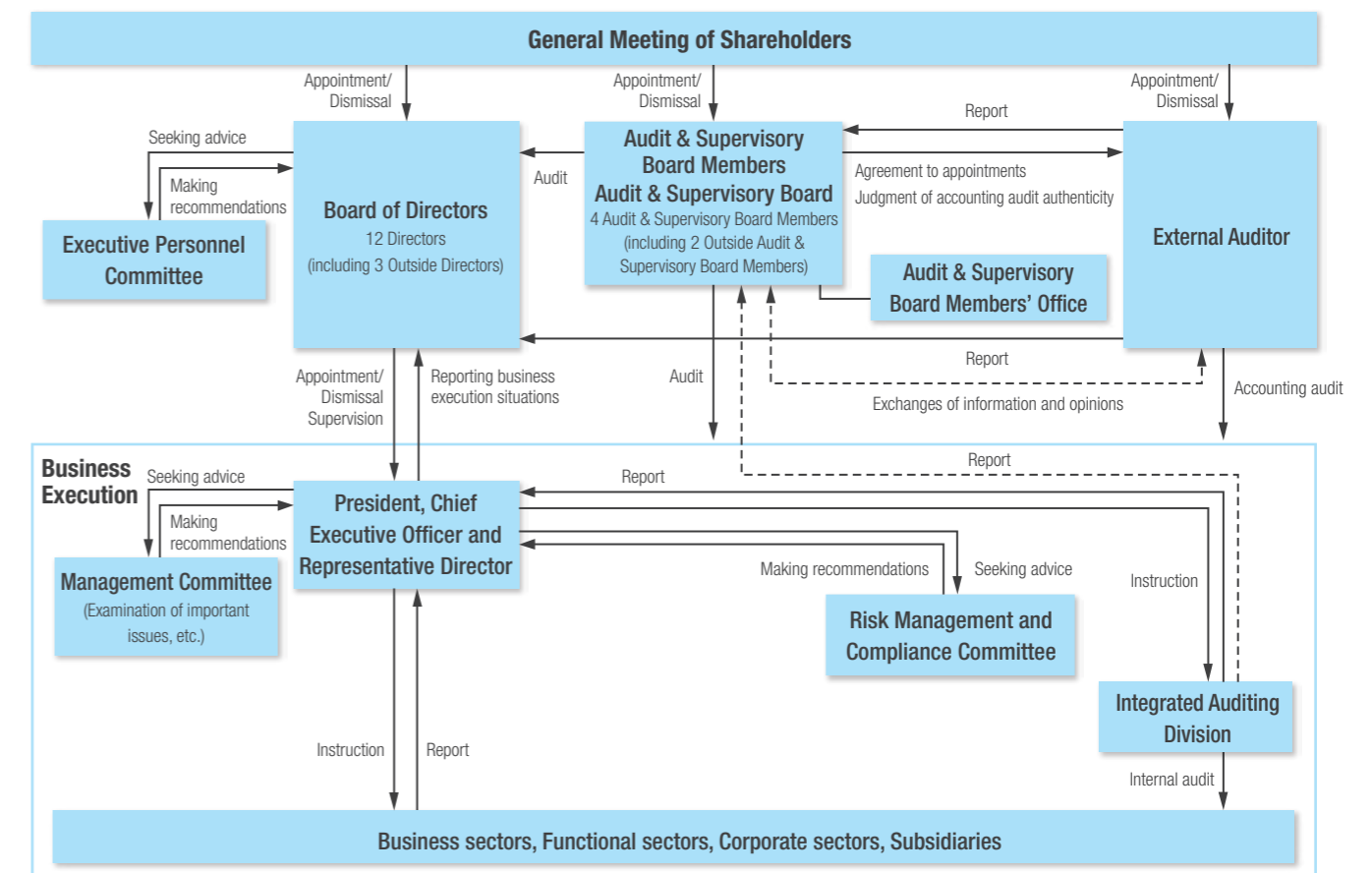
Outside Directors assess the current status of the Group and identify issues of interest through regular receipt of internal audit reports from

the Integrated Auditing Division. Opinions are voiced at Board of Directors' meetings when necessary.

In their association with the Accounting Auditor, Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members, receive an auditor's report, in accordance with prevailing laws, and review the fairness of the report. Both sides pursue communication through the exchange of information and opinions whenever necessary. In their association with the Internal Auditing Division, Audit & Supervisory Board Members, including Outside Audit & Supervisory Board Members, seek to improve the effectiveness and efficiency of auditors' audits through access to internal audit plans and reports on the results of audits.

The internal control division offers reports, when necessary, to the Internal Auditing Division, Audit & Supervisory Board Members, and the Accounting Auditor on the status of internal control measures, specifically their establishment and application.

### Yamaha Motor's Corporate Governance System and Internal Control System (As of March 26, 2014)



**Outside Directors and Outside Audit & Supervisory Board Members**

**1) Function and role of Outside Directors and Outside Audit & Supervisory Board Members in achieving proper corporate governance**

The Company had three (3) Outside Directors and two (2) Outside Audit & Supervisory Board Members as of March 26, 2014. Outside Directors provide management with advice and supervision from an independent and objective perspective, based on their extensive experience and wide-ranging knowledge as managers of global companies, and their expertise in strategic planning and investing. Outside Audit & Supervisory Board Members audit the Company using their expertise and vast experience as a lawyer in corporate legal affairs, as a corporate manager, and as a graduate school professor.

To evaluate the independence and objectivity of Outside Directors and Outside Audit & Supervisory Board Members, the Company has formulated "Standards for Selecting Independent Outside Officers," based on the standards established by the Tokyo Stock Exchange for judging the

independence of officers.

Summary of "Standards for Selecting Independent Outside Officers" Independent Outside Officers may not be:

1. Employees or former employees of the Company
2. Major shareholders
3. Individuals in a "major customer" relationship with our corporate group
4. Individuals from companies that have appointed a director from the Yamaha Motor Group
5. Individuals with some other type of vested interest in the Group
6. Individuals who might have a conflict with our general shareholders
7. In office more than eight years

Furthermore, individuals who are second-degree relatives, or cohabiting relatives, of any of those mentioned in 1 through 5 above may not be Independent Outside Officers.

The above is a summary of the "Standards for Selecting Independent Outside Officers." For the full text, please refer to our website at: [http://global.yamaha-motor.com/ir/governance/pdf/independent\\_en.pdf](http://global.yamaha-motor.com/ir/governance/pdf/independent_en.pdf)

**2) Appointment of Outside Directors and Outside Audit & Supervisory Board Members**

Positions	Names	Reasons for Appointment
Outside Directors	Masamitsu Sakurai	Masamitsu Sakurai provides management with advice and supervision as an Outside Director, based on his extensive experience and wide-ranging knowledge as a manager of global companies. Mr. Sakurai meets the requirements for independence stipulated by the Tokyo Stock Exchange for independent directors and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.
	Tamotsu Adachi	Tamotsu Adachi brings a wealth of experience and expertise in international business, strategic planning, and investing to the Company's management. Mr. Adachi meets the requirements for independence stipulated by the Tokyo Stock Exchange for independent directors and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.
	Takuya Nakata	As President and Representative Director of Yamaha Corporation, a major shareholder of the Company, Takuya Nakata provides management with advice and supervision as a corporate executive, and has been elected as an Outside Director to enhance the value of the Yamaha brand name that is used by both companies. In addition, the Company's President and Representative Director, Hiroyuki Yanagi, concurrently serves as an Outside Director of Yamaha Corporation.
Outside Audit & Supervisory Board Members	Tetsuo Kawawa	As a lawyer, Tetsuo Kawawa uses his extensive expertise in corporate law in auditing the Company. Mr. Kawawa meets the requirements for independence stipulated by the Tokyo Stock Exchange for independent directors and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.
	Isao Endo	Isao Endo uses his vast experience and wide-ranging knowledge as a corporate executive in auditing the Company. Mr. Endo meets the requirements for independence stipulated by the Tokyo Stock Exchange for independent directors and the "Standards for Selecting Independent Outside Officers," and the Tokyo Stock Exchange has been duly notified of his designation as an Outside Officer.

**3) Vested interests of the Outside Directors and Outside Audit & Supervisory Board Members at Yamaha Motor Co., Ltd.**

Outside Director Takuya Nakata is President and Representative Director of Yamaha Corporation, which holds 12.18% of the Company's shares, as of December 31, 2013; the Company engages in business transactions with this company.

Outside Directors Masamitsu Sakurai and Tamotsu Adachi and Outside Audit & Supervisory Board Members Tetsuo Kawawa and Isao Endo have no special interests in the Company other than Company shareholdings.

**4) Support structure for Outside Directors and Outside Audit & Supervisory Board Members**

When the Board of Directors' meetings are held, the responsible Executive Officer or business department will provide Outside Directors with explanations of the resolutions to be proposed, as necessary and in advance, and Standing Audit & Supervisory Board Members will provide similar explanations to Outside Audit & Supervisory Board Members. In the event the Outside Officer is unable to attend the meeting, the Outside Officer will be provided with an explanation of the business conducted. In addition, a Management Research Committee has been established as a venue for Outside Directors and Outside Audit & Supervisory Board Members to regularly confer with responsible Executive Officers, and it meets following the conclusion of the Board of Directors' meetings.

**Overview of Agreements That Limit Liabilities for Damages**

The Company has entered into agreements with Outside Directors and

Outside Audit & Supervisory Board Members, in accordance with the provisions of Paragraph 1 of Article 427 of the Company Law, which limit these executives' liabilities (as specified in Paragraph 1 of Article 423 of the Company Law) for damages. The upper limit of liability for damages in the agreements is the amount as specified in the Law.

The Company limits liabilities for damages charged to the Outside Directors and the Outside Audit & Supervisory Board Members only when they acted with goodwill and the liability did not arise because they committed serious negligence in executing their duties.

**Remuneration and Other Compensation for Directors and Audit & Supervisory Board Members**

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

The Company's Directors' Remuneration Plan consists of basic compensation (a monthly salary), compensation linked to each Director's individual performance, a stock compensation plan reflecting the medium- to long-term performance of the Company overall, and Directors' bonuses, reflecting the short-term performance of the Company overall.

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 Outside Directors and Audit & Supervisory Board Members.

**2) Directors' remuneration**

Remuneration and other compensation for the Company's Directors and Audit & Supervisory Board Members in fiscal 2013 are as follows.

(Millions of yen)

Officer classification	Basic compensation	Compensation linked to performance		Stock compensation plan	Total
		Directors' bonuses	Individual performance-linked		
Directors (11)	264	110	21	40	436
Outside Directors (4)	(28)	—	—	—	(28)
Audit & Supervisory Board Members (5)	77	—	—	—	77
Outside Audit & Supervisory Board Members (3)	(18)	—	—	—	(18)
Total	342	110	21	40	514

**Notes** 1. The directors' bonuses under "Compensation linked to performance" represent the amount posted as accrued bonuses for Directors for fiscal 2013. It was resolved by the 79th Ordinary General Meeting of Shareholders held on March 25, 2014, that the total amount of the directors' bonuses be ¥106 million within the range of the accrued bonuses for Directors.  
 2. The figures above include amounts for one Director and one Audit & Supervisory Board Member who retired as of the closing of the 78th Ordinary General Meeting of Shareholders, held on March 26, 2013.  
 3. In addition to the remuneration shown above, ¥46 million was paid as employee salaries to five Directors concurrently serving as employees.

3) Director or Audit & Supervisory Board Member received more than ¥100 million in aggregate remuneration and other compensation

(Millions of yen)

Name	Officer classification	Company classification	Basic compensation	Compensation linked to performance		Stock compensation plan	Total
				Directors' bonuses	Individual performance-linked		
Hiroyuki Yanagi	Director	Filing company	80	37	—	11	129
Takaaki Kimura	Director	Filing company	63	28	—	9	101

**Matters to Be Resolved at the General Meeting of Shareholders That Can Be Adopted at the Board of Directors' Meeting**

- The Company's Articles of Incorporation stipulate that the Company may, by a resolution of the Board of Directors, acquire its own shares, in accordance with the provisions of Paragraph 2 of Article 165 of the Company Law. This is to ensure that the Company can acquire its own shares through market transactions or other methods and implement a flexible capital policy response to changes in the management environment.
- The Company's Articles of Incorporation stipulate that in accordance with the provisions of Paragraph 1 of Article 426 of the Company Law, the Company may, by a resolution of the Board of Directors, exempt its Directors (including former Directors) and Audit & Supervisory Board Members (including former Audit & Supervisory Board Members) from liabilities for damages arising from negligence of their duties, within the limits prescribed by laws and ordinances. This is to ensure that Directors and Audit & Supervisory Board Members can successfully fulfill their expected roles.
- The Company's Articles of Incorporation stipulate that the Company may, by a resolution of the Board of Directors, pay interim dividends, with June 30 of each year designated as the record date, in accordance with the provisions of Paragraph 5 of Article 454 of the Company Law. This allows the Company flexibility in returning profits to shareholders.

**Special Resolution Requirement for General Meeting of Shareholders**

The Company has stipulated a special resolution requirement at the General Meeting of Shareholders in the Articles of Incorporation, in accordance with the provision of Paragraph 2 of Article 309 of the Company Law, as follows: The resolution shall be authorized by a two-thirds (2/3) majority of the voting rights held by the holders of shares

present at the General Meeting of Shareholders. These voting shareholders must hold shares representing, in the aggregate, not less than one-third (1/3) of the voting rights of all shareholders entitled to exercise the rights.

This relaxes the number of required votes for special resolutions at any General Meeting of Shareholders, enabling shareholder meetings to progress smoothly.

**Improving Investor Relations (IR)**

The Company has been aggressively pursuing IR activities worldwide, designed to ensure accountability by providing shareholders and investors with appropriate, accurate, and timely information regarding the Company's management performance and business operations. Specific activities include quarterly financial results briefings, "IR road shows" for overseas investors, business briefings to explain the Company's businesses, efforts to improve information disclosure on the IR website, and individual meetings with analysts and media interviews.

**State of Audit**

The Company has designated Ernst & Young ShinNihon LLC as the independent auditing company with review responsibilities for Company audits. Certified Public Accountants who engaged in the certification of audit are as follows.

- Shinji Tamiya  
*Designated Limited Liability and Engagement Partner*
- Takahiro Takiguchi  
*Designated Limited Liability and Engagement Partner*
- Masahiko Tsukahara  
*Designated Limited Liability and Engagement Partner*

The number of continuous years the Certified Public Accountants have served the Company is omitted because it is under seven (7) years for all of them.

Ernst & Young ShinNihon LLC has introduced a voluntary system for rotating engagement partners in its employ so that none exceeds a certain

number of years in continuous service.

Support staff for the audit includes ten (10) Certified Public Accountants and eighteen (18) other assistants.

**Basic Policy Regarding the Internal Control System and the State of Its Development**

The Company, in accordance with the Company Law, passed a resolution at a Board of Directors' meeting regarding development of a system to ensure the conduct of its business is appropriate. The Company considers risk management and compliance its most important issues, and is therefore continuing to develop the internal control system.

**1) Systems to ensure Director compliance with laws, regulations, and the Company's Articles of Incorporation**

- The Board of Directors shall supervise Directors in the execution of their responsibilities, to ensure that the Directors 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.
- Audit & Supervisory Board Members, in accordance with the criteria and methodology established by the Audit & Supervisory Board, shall audit the performance of the Directors' duties.
- 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 that the Company and its subsidiaries maintain appropriate financial information, and prepare and release reliable financial statements.

**2) Disposition of documentation and other information concerning the performance of Directors' duties**

- Documents and other forms of information storage that detail the execution of duties by Directors are properly produced, stored, and managed through the establishment and application of required in-house rules.
- The Company ensures correct handling of classified information, including the content of documents and other forms of information storage that detail the execution of duties by Directors, through the establishment and application of required in-house rules.
- The Company has the necessary structures and internal rules in place to facilitate timely and accurate disclosure of important corporate information.

**3) Rules relating to risk control against loss**

- A Risk Management and Compliance Committee shall be established to formulate and promote measures for integrated risk control.
- 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 necessary in-house rules are in place and are carefully observed 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 Emergency Response Manual, with the 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 the Board of Directors' Rules, Decision-making Rules, and other important rules. This will allow these officers to execute their responsibilities more efficiently.
- Resolutions to be proposed at the Board of Directors' Meetings shall first be subject to deliberation by the Management Committee and other relevant 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 "management by objectives" 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 and 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.



5. The Company shall form such organizations and develop such rules as necessary to ensure that the Company and its subsidiaries maintain 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**

1. In order to assure proper business conduct by the Group, internal policies shall be established, defining the controlling sectors in charge of each subsidiary, responsibilities, authority, management methods of subsidiaries, and other rules.
2. 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.
3. Each Japanese subsidiary, in principle, shall have a Board of Directors and an Audit & Supervisory Board Member; overseas subsidiaries shall design their organizations in accordance with local law.
4. At least one Director of each subsidiary shall concurrently serve as a Director, Executive Officer, or employee of another company in the Group.
5. The section with oversight for financial information offers guidance and training to subsidiaries to ensure that they handle financial information appropriately.
6. The section with oversight for risk management provides subsidiaries with guidance and training on risk management practices.
7. The section supervising compliance shall provide subsidiaries with guidance and education on compliance.

**7) Employee to assist Audit & Supervisory Board Members**

An Audit & Supervisory Board Members' Office shall be established with a full-time employee dedicated to assisting the Audit & Supervisory Board Members in the execution of their duties.

**8) Employee assisting Audit & Supervisory Board Members' independence from Directors**

1. Any dismissal or personnel changes concerning the employee assisting Audit & Supervisory Board Members in the execution of their duties shall be approved by the Audit & Supervisory Board in advance.
2. No employee assisting Audit & Supervisory Board Members 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 Audit & Supervisory Board Members, whose opinions shall be taken into consideration in evaluating the employee.

**9) Rules concerning Directors and employees reporting to the Audit & Supervisory Board**

Directors and employees shall report on the following matters to the Audit & Supervisory Board periodically, or, when necessary, at its request.

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

**10) Other systems to ensure effective auditing by Audit & Supervisory Board Members**

1. The Representative Directors shall meet with the Audit & Supervisory Board Members periodically to exchange opinions.
2. Audit & Supervisory Board Members shall attend important meetings of bodies including the Management Committee, the Risk Management and Compliance Committee, and the Expanded Executive Committee.
3. The internal audit section shall explain its internal audit plan to Audit & Supervisory Board Members in advance.
4. The minutes of the Management Committee meetings and any other meetings that the Audit & Supervisory Board may specify, and Decision-making Forms shall be made available for Audit & Supervisory Board Members' perusal.
5. Auditing assistance from outside experts shall be secured when deemed necessary by the Audit & Supervisory Board.

**Equity Holdings**

**1) Total number of companies and amounts on the balance sheet for equity holdings that are not held for the purpose of pure investment**

68 companies ¥34,804 million

**2) Companies, number of shares, balance sheet amounts, and purpose of holding for equity holdings that are not for pure investment**

**Fiscal 2012**

Companies	Number of shares (shares)	Balance sheet amounts (Millions of yen)	Purpose of holding
Yamaha Corporation	10,326,701	9,376	To perpetuate a business relationship as companies utilizing a common brand
Toyota Motor Corporation	501,210	2,007	To maintain a stable business relationship
NIPPON STEEL & SUMITOMO METAL CORPORATION	6,174,000	1,296	To maintain a stable business relationship
KOITO MANUFACTURING CO., LTD.	913,000	1,139	To maintain a stable business relationship
Nippon Seiki Co., Ltd.	1,217,502	1,133	To maintain a stable business relationship
Mizuho Financial Group, Inc.	2,288,340	739	To maintain a stable business relationship as a financial institution with which the Company has transactions
Enshu Limited	6,457,395	710	To maintain a stable business relationship
The Shizuoka Bank, Ltd.	825,706	694	To maintain a stable business relationship as a financial institution with which the Company has transactions
NGK SPARK PLUG CO., LTD.	545,000	621	To maintain a stable business relationship
Imasen Electric Industrial Co., Ltd.	613,750	619	To maintain a stable business relationship
Akebono Brake Industry Co., Ltd.	1,347,800	541	To maintain a stable business relationship
EXEDY Corporation	105,000	198	To maintain a stable business relationship
JTEKT CORPORATION	236,000	192	To maintain a stable business relationship
Sumitomo Mitsui Financial Group, Inc.	46,355	144	To maintain a stable business relationship as a financial institution with which the Company has transactions
STANLEY ELECTRIC CO., LTD.	100,000	122	To maintain a stable business relationship
Ahresty Corporation	134,722	64	To maintain a stable business relationship
MIKUNI CORPORATION	300,794	53	To maintain a stable business relationship
Mitsubishi UFJ Financial Group, Inc.	113,200	52	To maintain a stable business relationship as a financial institution with which the Company has transactions
Sumitomo Mitsui Trust Holdings, Inc.	149,000	44	To maintain a stable business relationship as a financial institution with which the Company has transactions
TOBA, INC.	10,000	17	To maintain a stable business relationship
Nomura Holdings, Inc.	20,600	10	To maintain a stable business relationship as a financial institution with which the Company has transactions
JEUGIA Corporation	33,000	4	To maintain a stable business relationship
Fuji Heavy Industries Ltd.	1,000	1	To collect information such as the method of providing information to shareholders
Eisai Co., Ltd.	100	0	To collect information such as the method of providing information to shareholders
Canon Inc.	100	0	To collect information such as the method of providing information to shareholders
Honda Motor Co., Ltd.	100	0	To collect information such as the method of providing information to shareholders
Hamamatsu Photonics K.K.	100	0	To collect information such as the method of providing information to shareholders
Kawasaki Heavy Industries, Ltd.	1,000	0	To collect information such as the method of providing information to shareholders
SUZUKI MOTOR CORPORATION	100	0	To collect information such as the method of providing information to shareholders
Bridgestone Corporation	100	0	To collect information such as the method of providing information to shareholders

## Fiscal 2013

Companies	Number of shares (shares)	Balance sheet amounts (Millions of yen)	Purpose of holding
Yamaha Corporation	10,326,701	17,235	To perpetuate a business relationship as companies utilizing a common brand
Toyota Motor Corporation	501,210	3,217	To maintain a stable business relationship
Nippon Seiki Co., Ltd.	1,217,502	2,476	To maintain a stable business relationship
NIPPON STEEL & SUMITOMO METAL CORPORATION	6,174,000	2,173	To maintain a stable business relationship
KOITO MANUFACTURING CO., LTD.	913,000	1,832	To maintain a stable business relationship
NGK SPARK PLUG CO., LTD.	545,000	1,357	To maintain a stable business relationship
Enshu Limited	6,457,395	994	To maintain a stable business relationship
The Shizuoka Bank, Ltd.	825,706	926	To maintain a stable business relationship as a financial institution with which the Company has transactions
Imasen Electric Industrial Co., Ltd.	613,750	926	To maintain a stable business relationship
Mizuho Financial Group, Inc.	2,288,340	830	To maintain a stable business relationship as a financial institution with which the Company has transactions
Akebono Brake Industry Co., Ltd.	1,347,800	630	To maintain a stable business relationship
JTEKT CORPORATION	236,000	422	To maintain a stable business relationship
EXEDY Corporation	105,000	322	To maintain a stable business relationship
Sumitomo Mitsui Financial Group, Inc.	46,355	251	To maintain a stable business relationship as a financial institution with which the Company has transactions
STANLEY ELECTRIC CO., LTD.	100,000	240	To maintain a stable business relationship
MIKUNI CORPORATION	300,794	120	To maintain a stable business relationship
Ahresty Corporation	134,722	113	To maintain a stable business relationship
Sumitomo Mitsui Trust Holdings, Inc.	149,000	82	To maintain a stable business relationship as a financial institution with which the Company has transactions
Mitsubishi UFJ Financial Group, Inc.	113,200	78	To maintain a stable business relationship as a financial institution with which the Company has transactions
TOBA, INC.	10,000	17	To maintain a stable business relationship
Nomura Holdings, Inc.	20,600	16	To maintain a stable business relationship as a financial institution with which the Company has transactions
JEUGIA Corporation	33,000	4	To maintain a stable business relationship
Fuji Heavy Industries Ltd.	1,000	3	To collect information such as the method of providing information to shareholders
Kawasaki Heavy Industries, Ltd.	1,000	0	To collect information such as the method of providing information to shareholders
Honda Motor Co., Ltd.	100	0	To collect information such as the method of providing information to shareholders
Hamamatsu Photonics K.K.	100	0	To collect information such as the method of providing information to shareholders
Eisai Co., Ltd.	100	0	To collect information such as the method of providing information to shareholders
Bridgestone Corporation	100	0	To collect information such as the method of providing information to shareholders
Canon Inc.	100	0	To collect information such as the method of providing information to shareholders
SUZUKI MOTOR CORPORATION	100	0	To collect information such as the method of providing information to shareholders

## 3) Pure investment equity holdings

No related items.

### Takeover Defense Measures Against Attempts of Mass Acquisition of the Company's Shares

Yamaha Motor Co., Ltd. announced that at the Board of Directors' meeting held on March 25, 2014, it had resolved on the continuation of takeover defense measures against attempts of mass acquisition of the Company's shares (the "Plan") for the protection and enhancement of the Company's corporate value and the shareholders' common interests.

The Company, through the resolution at its Board of Directors' meeting held on February 14, 2013, revised the Plan that had been implemented until then from the perspective of protecting shareholders and investors. The fundamental contents of the revision were endorsed by the approval of shareholders at the 78th Ordinary General Meeting of Shareholders held on March 26, 2013. Please refer to the Company's press release dated February 14, 2013, titled "Announcement Concerning the Continuation of Takeover Defense Measures Against Attempts of Mass Acquisition of the Company's Shares," for details of the Plan.

<http://global.yamaha-motor.com/news/2014/0325/pdf/prevent.pdf>

# Directors, Audit & Supervisory Board Members, and Executive Officers

As of April 1, 2014

## Board of Directors



### A President and Representative Director Hiroyuki Yanagi

April 1978: Joined the Company  
April 2000: General Manager of Soude Factory, Production Control Division, MC Operations and General Manager of Morimachi Factory, Production Control Division, MC Operations  
April 2003: President of MBK Industrie  
February 2004: Managing Director of Yamaha Motor India Pvt. Ltd. (currently India Yamaha Motor Pvt. Ltd.)  
January 2006: Senior General Manager of China Business Operation  
January 2007: Senior General Manager of Sys Operations, MC Headquarters  
March 2007: Executive Officer, Senior General Manager of Sys Operations, MC Headquarters  
January 2009: Executive Officer, Executive General Manager of Manufacturing Center  
March 2009: Senior Executive Officer, Chief General Manager of Manufacturing Center  
November 2009: Senior Executive Officer, Senior General Manager of MC Business Section  
MC Business Operations  
March 2010: President, Chief Executive Officer and Representative Director  
June 2011: Director of Yamaha Corporation (to present)  
January 2012: President, Chief Executive Officer and Representative Director, Chief General Manager of Motorcycle Business Operations (to present)

### B Representative Director Takaaki Kimura

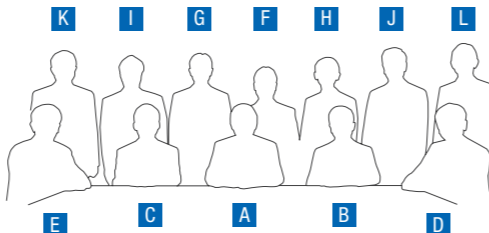
April 1976: Joined the Company  
June 1999: General Manager of R&D Division, AM Operations  
April 2002: Senior General Manager of AM Operations  
June 2003: Executive Officer, Senior General Manager of AM Operations  
March 2005: Director, Senior General Manager of AM Operations  
March 2007: Senior Executive Officer and Director, Senior General Manager of AM Operations  
January 2009: Senior Executive Officer and Director, Chief General Manager of Marine Business Operations and Executive General Manager of WV Business Unit, Marine Business Operations  
November 2009: Managing Executive Officer and Representative Director, Chief General Manager of Marine Business Operations and Executive General Manager of WV Business Unit, Marine Business Operations  
March 2010: Senior Managing Executive Officer and Representative Director, Chief General Manager of Marine Business Operations and Executive General Manager of WV Business Unit, Marine Business Operations  
January 2011: Senior Managing Executive Officer and Representative Director, Chief General Manager of Marine Business Operations  
January 2012: Senior Managing Executive Officer and Representative Director, Chief General Manager of Technology Center and Chief General Manager of Marine Business Operations  
April 2013: Senior Managing Executive Officer and Representative Director, Chief General Manager of Technology Center, Chief General Manager of Design Center, and Chief General Manager of Marine Business Operations  
March 2014: Executive Vice President and Representative Director, Chief General Manager of Technology Center, Chief General Manager of Design Center, and Chief General Manager of Marine Business Operations (to present)

### C Director Kozo Shinozaki

April 1978: Joined the Company  
April 1999: Vice President of Siam Yamaha Co., Ltd. (currently Thai Yamaha Motor Co., Ltd.)  
April 2007: General Manager of Finance & Accounting Division  
January 2009: Senior General Manager of Finance & Accounting Control, Global Corporate Administrative Center and General Manager of Finance & Accounting Division, Global Corporate Administrative Center  
January 2010: Senior General Manager of Finance & Accounting Section and General Manager of Finance & Accounting Division, Finance & Accounting Section  
February 2010: Senior General Manager of Finance & Accounting Section  
March 2010: Senior Executive Officer and Director, Senior General Manager of Finance & Accounting Section  
January 2011: Senior Executive Officer and Director, Senior General Manager of Corporate Planning & Finance Section and General Manager of Finance & Accounting Division, Corporate Planning & Finance Section  
February 2011: Senior Executive Officer and Director, Senior General Manager of Corporate Planning & Finance Section  
January 2013: Senior Executive Officer and Director, Executive General Manager of Corporate Planning & Finance Center  
March 2013: Managing Executive Officer and Director, Chief General Manager of Corporate Planning & Finance Center (to present)

### D Director Nobuya Hideshima

April 1978: Joined the Company  
May 1999: General Manager of Production Control Department, Production Control Division, MC Operations  
May 2001: General Manager of GS/S Planning Department, GS/S Management Division, GEM Center, MC Operations and General Manager of GS/S Production Control Department, GS/S Management Division, GEM Center, MC Operations  
April 2003: President of Yamaha Motor Manufacturing Corporation of America  
January 2006: General Manager of 3rd Sys, Sys Operations, MC Headquarters  
January 2008: Senior General Manager of Procurement Operations, MC Headquarters  
January 2009: Executive General Manager of Procurement Center  
March 2009: Executive Officer, Executive General Manager of Procurement Center  
March 2010: Senior Executive Officer, Chief General Manager of Procurement Center  
March 2011: Senior Executive Officer and Director, Chief General Manager of Procurement Center  
March 2013: Managing Executive Officer and Director, Chief General Manager of Procurement Center  
January 2014: Managing Executive Officer and Director, Chief General Manager of Engine Unit, Chief General Manager of CS Center (to present)



### E Director Masahiro Takizawa

April 1978: Joined the Company  
April 2000: General Manager of Business Planning Department, CV Operations  
October 2002: Senior General Manager of China Business Operations, General Manager of Business Planning Department, MC Operations and General Manager of China Business Strategy Department, China Business Operations, MC Operations  
February 2004: President of MBK Industrie  
July 2007: General Manager of Corporate Planning Division  
January 2009: Senior General Manager of Corporate Planning Control, Global Corporate Administrative Center and General Manager of Corporate Planning Division, Global Corporate Administrative Center  
March 2009: Executive Officer, Senior General Manager of Corporate Planning Control, Global Corporate Administrative Center and General Manager of Corporate Planning Division, Global Corporate Administrative Center  
December 2009: Executive Officer, General Manager of Corporate Planning Division  
March 2010: Senior Executive Officer, Senior General Manager of Corporate Planning Section and General Manager of Corporate Planning Division, Corporate Planning Section  
January 2011: Senior Executive Officer, Chief General Manager of Business Development Operations  
March 2011: Senior Executive Officer and Director, Chief General Manager of Business Development Operations  
March 2013: Managing Executive Officer and Director, Chief General Manager of Business Development Operations (to present)

### F Director Hiroyuki Suzuki

April 1978: Joined the Company  
May 1997: Director of PT. Yamaha Indonesia Motor Manufacturing  
September 2003: Vice President of PT. Yamaha Indonesia Motor Manufacturing  
January 2006: General Manager of 2nd Sys, Sys Operations, MC Headquarters  
January 2008: Senior General Manager of Quality Assurance Operations, MC Headquarters  
March 2008: Executive Officer, Senior General Manager of Quality Assurance Operations, MC Headquarters  
November 2009: Executive Officer, Executive General Manager of Manufacturing Center  
March 2010: Senior Executive Officer and Director, Chief General Manager of Manufacturing Center  
November 2010: Senior Executive Officer and Director, Managing Director of India Yamaha Motor Pvt. Ltd. (to present)

### I Director Toshizumi Kato

June 1986: Joined the Company  
April 2003: Vice President of IM Company  
January 2005: Director and President of Yamaha Motor Australia Pty Limited  
March 2007: President of IM Company  
March 2008: Executive Officer  
January 2010: Senior General Manager of Sales Operations, MC Business Operations  
January 2011: Director and President of Yamaha Motor Corporation, U.S.A.  
March 2012: Senior Executive Officer, Director and President of Yamaha Motor Corporation, U.S.A.  
March 2014: Senior Executive Officer and Director, Director and President of Yamaha Motor Corporation, U.S.A. (to present)

### L Director (Outside) Takuya Nakata

April 1981: Joined Nippon Gakki Co., Ltd. (currently Yamaha Corporation)  
October 2005: General Manager of PAV/DMI Division of Yamaha Corporation  
June 2006: Executive Officer of Yamaha Corporation  
June 2009: Director & Executive Officer of Yamaha Corporation  
April 2010: President of Yamaha Corporation of America  
June 2010: Senior Executive Officer of Yamaha Corporation  
June 2013: President and Representative Director of Yamaha Corporation (to present)  
March 2014: Director (to present)

### G Director Yoshiaki Hashimoto

April 1977: Joined the Company  
November 2001: General Manager of North American Business Division, SCM Center, MC Operations  
April 2004: General Manager of Sales & Marketing Division, RV Division, MC Operations  
July 2006: General Manager of RV Sales & Marketing Division, RV Company  
January 2007: General Manager of Human Resources Development Division  
January 2009: Senior General Manager of General Affairs Control, Global Corporate Administrative Center and General Manager of Human Resources Development Division, Global Corporate Administrative Center  
March 2009: Executive Officer, Senior General Manager of General Affairs Control, Global Corporate Administrative Center and General Manager of Human Resources Development Division, Global Corporate Administrative Center  
January 2010: Executive Officer, Senior General Manager of General Affairs Section and General Manager of Human Resources Development Division, General Affairs Section  
February 2010: Executive Officer, Senior General Manager of Human Resources & General Affairs Section  
March 2010: Senior Executive Officer, Senior General Manager of Human Resources & General Affairs Section  
March 2012: Senior Executive Officer and Director, Senior General Manager of Human Resources & General Affairs Section  
March 2013: Senior Executive Officer and Director, Chief General Manager of Human Resources & General Affairs Center (to present)

### J Director (Outside) Masamitsu Sakurai

April 1966: Joined the Ricoh Company, Ltd.  
June 1992: Director of Ricoh Company, Ltd.  
June 1994: Managing Director of Ricoh Company, Ltd.  
April 1996: President and Representative Director of Ricoh Company, Ltd.  
June 2005: Chairman of the Board, President and Chief Executive Officer of Ricoh Company, Ltd.  
July 2006: Director of Coca-Cola West Holdings Co., Ltd. (currently Coca-Cola West Co., Ltd.)  
April 2007: Chairman of the Board and Representative Director of Ricoh Company, Ltd.  
April 2007: Chairman of KEIZAI DOYUKAI (Japan Association of Corporate Executives)  
April 2008: Chairman of the Board of Directors of The New Technology Development Foundation  
June 2008: Director of OMRON Corporation  
March 2011: Director (to present)  
April 2011: Chairman of the Board and Director, Chairman of Ricoh Company, Ltd.  
April 2013: Executive Advisor to Ricoh Company, Ltd. (to present)  
June 2013: Chairman of The New Technology Development Foundation (to present)

### H Director Katsuaki Watanabe

April 1982: Joined the Company  
January 2004: Director of MBK Industrie  
January 2005: General Director of Yamaha Motor Vietnam Co., Ltd.  
January 2007: Director and President of Yamaha Motor Parts Manufacturing Vietnam Co., Ltd.  
January 2009: Senior General Manager of BD Manufacturing Section, Manufacturing Center  
March 2010: Executive Officer  
November 2010: Chief General Manager of Manufacturing Center  
March 2011: Senior Executive Officer  
April 2013: Senior Executive Officer, Executive General Manager of 1st Business Unit, MC Business Operations and Chief General Manager of Manufacturing Center  
January 2014: Senior Executive Officer, Executive General Manager of 1st Business Unit, MC Business Operations and Chief General Manager of PF Model Unit  
March 2014: Senior Executive Officer and Director, Executive General Manager of 1st Business Unit, MC Business Operations and Chief General Manager of PF Model Unit (to present)

### K Director (Outside) Tamotsu Adachi

April 1977: Joined Mitsubishi Corporation  
January 1988: Joined McKinsey & Company, Inc. Japan  
June 1995: Partner of McKinsey & Company, Inc. Japan  
March 1997: Managing Director of Business Development Department, GE Capital Japan  
March 1999: President and CEO of Japan Lease Auto Co.  
December 2000: President and CEO of GE Fleet Services Co.  
May 2003: Managing Director and Japan Representative of Carlyle Japan LLC  
June 2003: Director of Benesse Corporation (currently Benesse Holdings, Inc.)  
November 2007: Managing Director and Co-Representative of Carlyle Japan LLC (to present)  
June 2009: Director of Benesse Corporation (currently Benesse Holdings, Inc.: to present)  
March 2013: Director (to present)

MC: Motorcycle  
Sys: System Supplier  
AM: Automotive  
WV: Water Vehicle  
GEM: Global Engineering & Manufacturing  
GS/S: Global System Supplier  
CS: Customer Service  
CV: Commuter Vehicle  
SCM: Supply Chain Management  
RV: Recreational Vehicle  
BD: Body  
PF: Platform  
IM: Intelligent Machinery

## Audit & Supervisory Board Members



### Standing Audit & Supervisory Board Member Yutaka Kume

April 1978: Joined the Company  
April 2000: General Manager of Finance & Accounting Division, Administrative Operations  
July 2006: General Manager of Finance & Accounting Division  
May 2007: President of Yamaha Motor do Brasil Ltda.  
June 2010: Corporate Auditor of Yamaha Corporation  
March 2011: Audit & Supervisory Board Member (to present)



### Standing Audit & Supervisory Board Member Shigeki Hirasawa

December 1981: Joined the Company  
July 2006: General Manager of Legal & Intellectual Property Division  
February 2008: Senior Vice President of Yamaha Motor Europe N.V.  
March 2011: Audit & Supervisory Board Member (to present)



### Audit & Supervisory Board Member (Outside) Tetsuo Kawawa

April 1975: Registered as an attorney (Tokyo Bar Association: to present)  
August 2002: Member of the Corporation Law (Modernization) Subcommittee, Legislative Council of the Ministry of Justice  
September 2002: Member of the Chief of the Special Commission of the Judicial Advisory Committee of the Japan Federation of Bar Associations (to present)  
June 2007: Corporate Auditor of Nishin Seifun Group Inc. (to present)  
March 2009: Audit & Supervisory Board Member (Outside) (to present)



### Audit & Supervisory Board Member (Outside) Isao Endo

April 1979: Joined the Mitsubishi Electric Corporation  
October 1988: Joined Boston Consulting Group  
October 1992: Joined Andersen Consulting (currently Accenture)  
October 1996: Partner of Andersen Consulting (currently Accenture)  
September 1997: Partner and Director of Booz Allen Hamilton (currently Booz & Company)  
May 2000: Managing partner of Roland Berger Japan  
April 2006: Chairman of Roland Berger Japan (to present)  
April 2006: Professor, Graduate School of Commerce, Waseda University (to present)  
May 2011: Director of Ryohin Keikaku Co., Ltd. (to present)  
March 2013: Audit & Supervisory Board Member (Outside) (to present)

**Executive Officers**

President and Chief Executive Officer <b>Hiroyuki Yanagi</b> Chief General Manager of Motorcycle Business Operations	Executive Vice President <b>Takaaki Kimura</b> Chief General Manager of Technology Center, Chief General Manager of Design Center, and Chief General Manager of Marine Business Operations		
Managing Executive Officer <b>Kozo Shinozaki</b> Chief General Manager of Corporate Planning & Finance Center	Managing Executive Officer <b>Nobuya Hideshima</b> Chief General Manager of Engine Unit, Chief General Manager of CS Center	Managing Executive Officer <b>Masahiro Takizawa</b> Chief General Manager of Business Development Operations	
Senior Executive Officer <b>Hiroyuki Suzuki</b> Managing Director of India Yamaha Motor Pvt. Ltd.	Senior Executive Officer <b>Yoshiaki Hashimoto</b> Chief General Manager of Human Resources & General Affairs Center	Senior Executive Officer <b>Katsuaki Watanabe</b> Executive General Manager of 1st Business Unit, Motorcycle Business Operations and Chief General Manager of PF Model Unit	Senior Executive Officer <b>Toshizumi Kato</b> President of Yamaha Motor Corporation, U.S.A.
Senior Executive Officer <b>Kunihiko Miwa</b> Executive General Manager of 2nd Business Unit, Motorcycle Business Operations	Senior Executive Officer <b>Hajime Yamaji</b> Chairman and Director of Yamaha Motor Europe N. V.	Senior Executive Officer <b>Ryouichi Sumioka</b> Deputy Chief General Manager of Corporate Planning & Finance Center	Senior Executive Officer <b>Yoichiro Kojima</b> President of PT. Yamaha Indonesia Motor Manufacturing and President of PT. Yamaha Motor Manufacturing West Java
Executive Officer <b>Masato Adachi</b> Executive General Manager of Boat Business Unit, Marine Business Operations	Executive Officer <b>Tsuneji Suzuki</b> President and Representative Director of Yamaha Motor Powered Products Co., Ltd.	Executive Officer <b>Hiroaki Fujita</b> Deputy Chief General Manager of Business Development Operations, Executive General Manager of IM Business Unit, Business Development Operations, General Manager of Quality Assurance Division, IM Business Unit, Business Development Operations	Executive Officer <b>Masaru Ono</b> General Director of Yamaha Motor Vietnam Co., Ltd.
Executive Officer <b>Katsuhito Yamaji</b> Chief General Manager of Manufacturing Center	Executive Officer <b>Masaki Asano</b> Managing Director of Yamaha Motor India Sales Pvt. Ltd.	Executive Officer <b>Yoshitaka Noda</b> Chief General Manager of Component Control Division, Engine Unit	Executive Officer <b>Masahiro Inoue</b> Chief General Manager of Procurement Center
Executive Officer <b>Kazuhiro Kuwata</b> President of Yamaha Motor Europe N.V.	Executive Officer <b>Makoto Shimamoto</b> Chief General Manager of PF Model Unit Development Control Division, PF Model Unit	Executive Officer <b>Yoshihiro Hidaka</b> Executive General Manager of 3rd Business Unit, Motorcycle Business Operations	Executive Officer <b>Tatsumi Ohkawa</b> Executive General Manager of ME Business Unit, Marine Business Operations

CS: Customer Service  
PF: Platform  
IM: Intelligent Machinery  
ME: Marine Engine

Comments from an Outside Director



**Tamotsu Adachi**  
Outside Director

During my year as an Outside Director of Yamaha Motor, I have been impressed by two things that are particularly unique and truly progressive. The first is the way Yamaha Motor uses its corporate value to provide people around the world with the pleasure and enjoyment of dreams. Yamaha Motor has been a world leader in developing many new ways of bringing enjoyment to customers. The second thing is the fact that Yamaha Motor was one of the first Japanese companies to set its sights on customers around the world and to become a global company. Even though there is still room for improvement, Yamaha Motor is undeniably a leading Japanese company in terms of its experience and ability to produce and sell products globally. This ability is underpinned by extremely high levels of technical capabilities and product quality.

These outstanding qualities notwithstanding, I have concerns about the fact that these activities have not translated to earnings at a global standard. In particular, profit margins in the main motorcycle business are significantly lower than at our competitors, and this must be improved if Yamaha Motor is to continue its outstanding business activities.

I believe there are two reasons for this situation. The first is costs. It seems to me that in its drive to create interesting, quality products, the Company has lagged behind other manufacturers in creating efficient design and

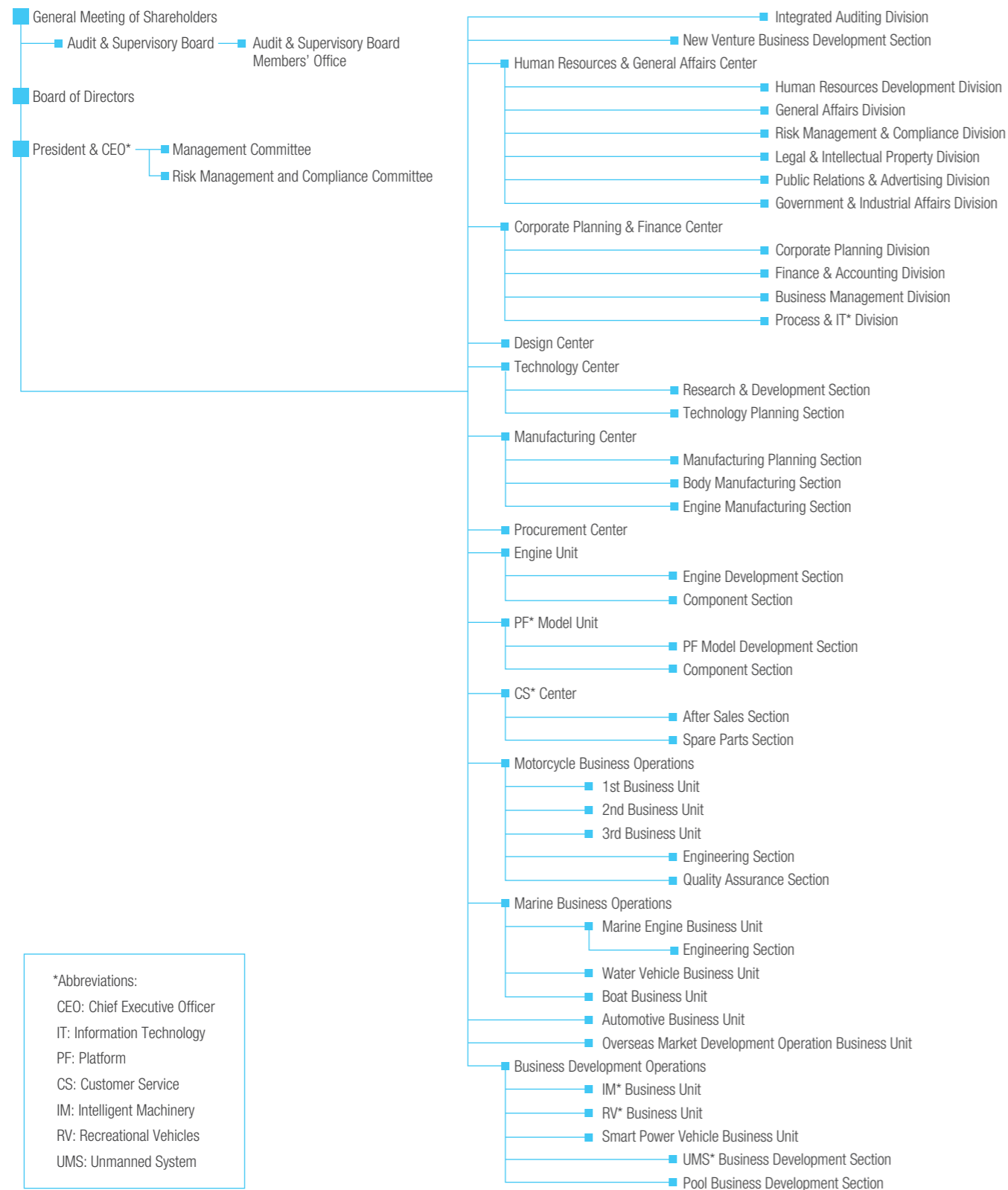
production processes. The other reason I see is that the Company has not been able to achieve an even higher level of global operations. I believe that further strengthening overseas structures across the board, from planning and development to sales, and only producing products that are suited to each market, would reduce costs and also increase the likelihood of creating hit products.

The main problem is how to resolve such issues quickly. Leaders need to make decisions that are required for the Company's continued success, even if they involve some pain along the way, and employees need to think seriously about the Company's ultimate reason for existing. It is fine to enjoy making various products, but enjoyment alone will not enable the Company to survive its competition.

Maintaining Yamaha Motor's unique qualities means remaining enthusiastic about creating quality products that give people joy and excitement, while also understanding the importance of maintaining solid profitability. I am confident that Yamaha Motor will be an even more outstanding company if everyone from senior management to factory employees pays more attention to this balance.

# Organization

Yamaha Motor Co., Ltd., as of January 1, 2014



\*Abbreviations:  
 CEO: Chief Executive Officer  
 IT: Information Technology  
 PF: Platform  
 CS: Customer Service  
 IM: Intelligent Machinery  
 RV: Recreational Vehicles  
 UMS: Unmanned System

# Five-Year Summary

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries  
 Years ended December 31, 2009, 2010, 2011, 2012 and 2013

	Millions of yen				
	2009	2010	2011	2012	2013
<b>For the year ended</b>					
Net sales	¥1,153,642	¥1,294,131	¥1,276,159	¥1,207,675	¥1,410,472
Sales by market:					
Japan	130,437	142,378	146,503	152,283	147,806
Overseas	1,023,205	1,151,752	1,129,656	1,055,391	1,262,665
Sales by product:					
Motorcycles	817,058	914,211	887,556	798,676	928,203
Marine products	150,113	167,141	178,929	196,320	243,362
Power products	100,577	102,968	100,257	103,588	126,722
Industrial machinery and robots	—	34,758	34,326	30,813	32,261
Other products	85,893	75,051	75,089	78,276	79,922
Cost of sales	951,350	998,565	1,000,113	972,607	1,091,706
Operating income (loss)	(62,580)	51,308	53,405	18,598	55,137
Ordinary income (loss)	(68,340)	66,142	63,495	27,267	60,092
Net income (loss)	(216,148)	18,300	26,960	7,489	44,057
Capital expenditures	46,035	33,939	45,049	48,788	56,800
Depreciation expenses	53,701	36,594	33,578	34,278	36,407
<b>At the year end</b>					
Total assets	¥ 987,077	¥ 978,343	¥ 900,420	¥ 962,329	¥1,146,591
Net assets	249,266	310,809	309,914	341,561	422,792

	Yen				
<b>Per share amounts</b>					
Net income (loss)—basic	¥ (755.92)	¥ 55.50	¥ 77.23	¥ 21.45	¥ 126.20
Net income—diluted	—	55.50	77.23	—	126.20
Cash dividends	0.00	0.00	15.50	10.00	26.00
Number of employees	49,994	52,184	54,677	53,958	53,382

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

# Financial Data by Market

Yamaha Motor Co., Ltd. and Consolidated Subsidiaries  
Years ended December 31, 2012 and 2013

## Motorcycle unit sales by market

	Thousand units	Thousand units	% change
	2012	2013	2013/2012
Japan	94	109	15.5%
North America	71	76	7.8
Europe	165	162	(1.7)
Asia <sup>Note</sup>	5,228	5,077	(2.9)
Others	533	590	10.7
Total	6,090	6,014	(1.2)%

**Note** Excluding Japan

## Sales by market

	Motorcycle			Marine products			Power products		
	Millions of yen	% change		Millions of yen	% change		Millions of yen	% change	
	2012	2013	2013/2012	2012	2013	2013/2012	2012	2013	2013/2012
Japan	¥ 36,104	¥37,361	3.5%	¥ 26,723	¥26,331	(1.5)%	¥ 15,270	¥15,943	4.4%
North America	41,632	50,315	20.9	91,298	124,658	36.5	50,965	68,053	33.5
Europe	79,187	88,985	12.4	31,007	36,844	18.8	20,651	25,413	23.1
Asia <sup>Note</sup>	533,049	610,030	14.4	11,096	12,053	8.6	6,268	6,870	9.6
Others	108,702	141,510	30.2	36,194	43,473	20.1	10,432	10,441	0.1
Total	¥798,676	¥928,203	16.2%	¥196,320	¥243,362	24.0%	¥103,588	¥126,722	22.3%

	Industrial machinery and robots			Other products		
	Millions of yen	% change		Millions of yen	% change	
	2012	2013	2013/2012	2012	2013	2013/2012
Japan	¥14,879	¥12,179	(18.1)%	¥59,306	¥55,991	(5.6)%
North America	1,327	1,796	35.4	2	0	(97.2)
Europe	2,231	3,930	76.1	732	1,618	120.9
Asia <sup>Note</sup>	12,152	14,152	16.5	3,088	3,423	10.9
Others	223	202	(9.4)	15,147	18,888	24.7
Total	¥30,813	¥32,261	4.7%	¥78,276	¥79,922	2.1%

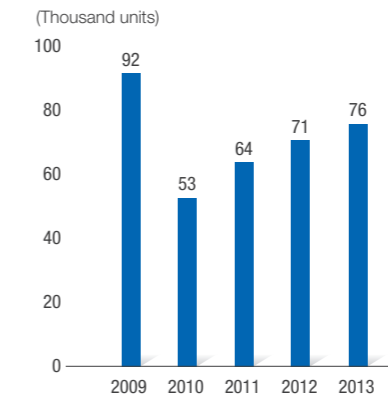
**Note** Excluding Japan

## Motorcycle unit sales

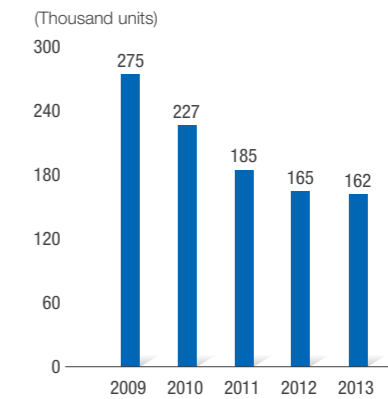
### Japan



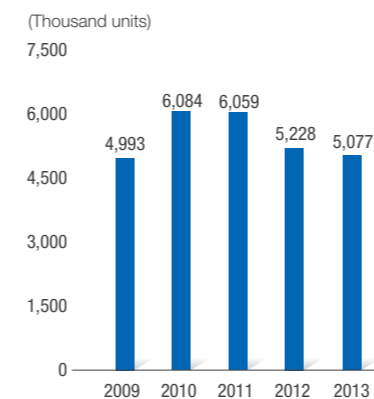
### North America



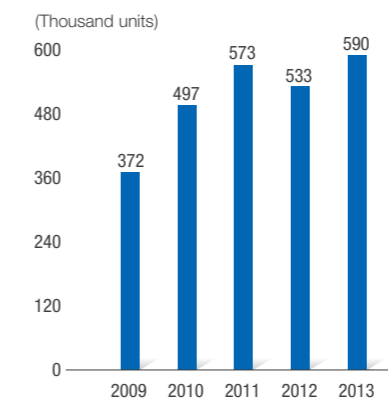
### Europe



### Asia



### Others



# Management Discussion and Analysis of Operations

## Overview

The global economic situation in the fiscal year ended December 31, 2013 (fiscal 2013) was mixed. In the U.S. economy, recovery continued due to improvement in the employment situation and personal consumption. In Europe, the employment and personal income situation remained difficult and personal consumption slumped, despite the appearance of signs of bottoming out of the economy. In emerging markets in Asia, Central and South America, and other regions, a lull in economic growth continued due to the effects of a business slowdown and credit tightening. In Japan, a recovery trend in personal consumption appeared as a result of recovery in stock prices and expectations for corporate earnings recovery and government economic policies.

Regarding the Yamaha Motor Group's main markets, while demand for motorcycles, outboard motors, and all-terrain vehicles (ATVs) in North America showed gradual recovery, demand for motorcycles in Europe fell. In emerging markets, although demand for motorcycles rose in Indonesia and India, it fell in Thailand and Vietnam, where an economic slowdown continued. In Japan, demand for motorcycles, electrically power assisted bicycles, pleasure boats, and other products increased.

## Sales and Operating Income

For fiscal 2013, consolidated net sales were ¥1,410.5 billion (an increase of ¥202.8 billion compared to the previous year). Sales of all businesses increased as a result of higher sales of motorcycles in Indonesia and India, and sales of outboard motors in North America and the impact of yen depreciation.

Operating income increased to ¥55.1 billion (an increase of ¥36.5 billion compared to the previous year) due to a profit improvement of marine products business, cost reductions in emerging markets and the impact of yen depreciation.

## Sales Performance by Business Segment

### Motorcycles

Overall net sales of motorcycles business were ¥928.2 billion (an increase of ¥129.5 billion compared to the previous year), and operating income was ¥8.4 billion (an increase of ¥8.6 billion).

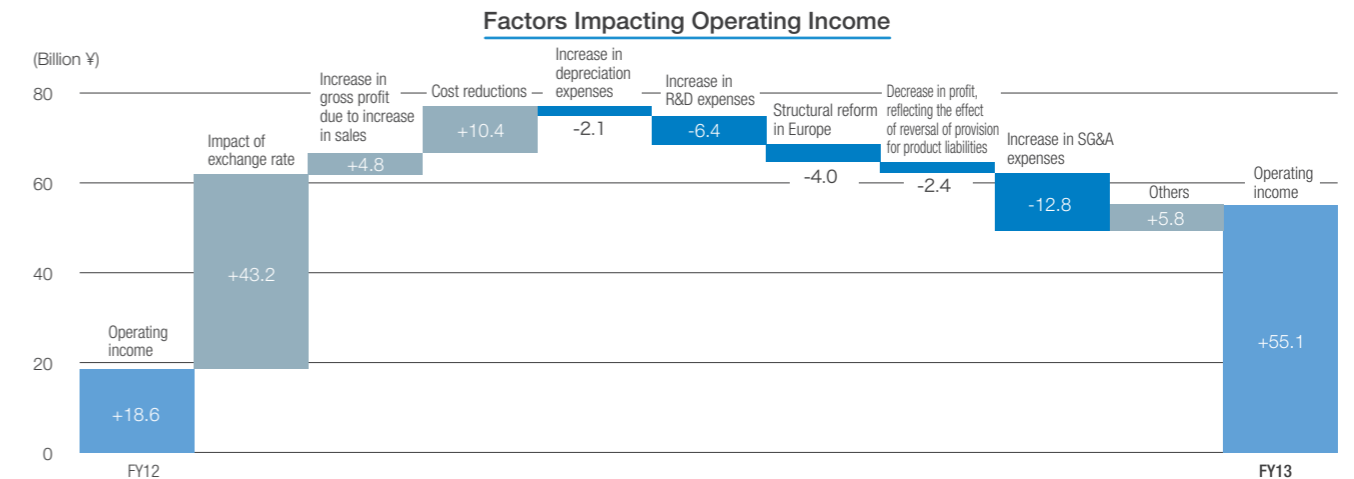
Unit sales in developed countries increased overall as a result of factors such as higher sales in Japan and North America for reasons including the impact of new product introductions and sales improvement in Europe in the second half (July to December). On the other hand, overall unit sales in emerging markets declined slightly. Although unit sales rose in India, where demand for scooters is increasing, and Indonesia, where demand is recovering, they fell in Thailand and Vietnam, where an economic slowdown continues. As a result, although worldwide unit sales of motorcycles decreased slightly, net sales rose due to model mix improvement and the impact of yen depreciation.

Although the Group has factored in the costs of aggressive investment in development and sales promotion in developed countries and structural reform in Europe, overall operating income increased as a result of such factors as cost reductions and the impact of yen depreciation.

### Marine Products

Overall net sales of marine products business were ¥243.4 billion (an increase of ¥47.0 billion compared to the previous year), and operating income was ¥31.8 billion (an increase of ¥20.9 billion).

In the outboard motor business, overall sales and income rose as a result of higher sales of large models in North America attributable to factors including the impact of new products, sales expansion in Russia and other emerging markets. And profits of personal watercraft business and boat business were improved. Overall sales and income rose as a result of such factors and the impact of yen depreciation.



### Power Products

Overall net sales of power products business were ¥126.7 billion (an increase of ¥23.1 billion compared to the previous year), and operating income was ¥5.3 billion (an increase of ¥4.7 billion).

Overall sales and income rose as a result of the introduction of new recreational off-highway vehicles (ROVs), higher sales of snowmobiles and golf cars, the impact of yen depreciation, and other factors.

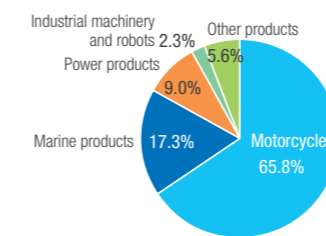
### Industrial Machinery and Robots

Overall net sales of industrial machinery and robots business were ¥32.3 billion (an increase of ¥1.4 billion compared to the previous year), and operating income was ¥3.1 billion (a decrease of ¥0.8 billion).

Sales of surface mounters increased from the previous fiscal year in the second half and for the full year, despite a decrease in the first half due to the impact of slowing capital investment.

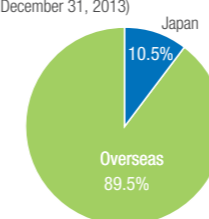
## Percentage of sales by product segment

(Year ended December 31, 2013)



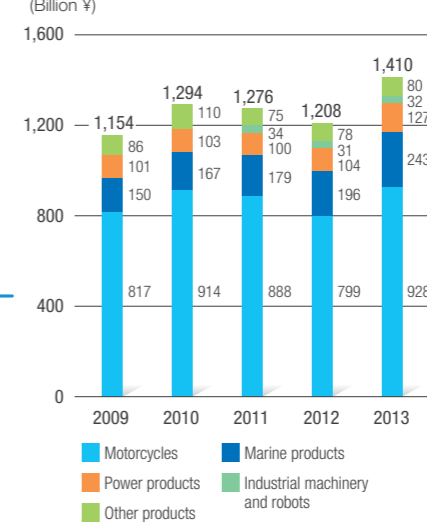
## Percentage of sales by market

(Year ended December 31, 2013)



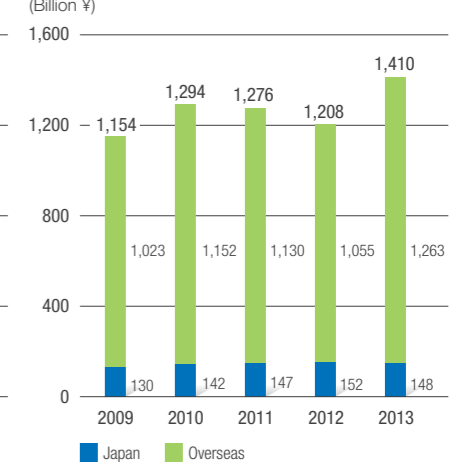
## Sales by product segment

(Billion ¥)



## Sales by market

(Billion ¥)



Note "Industrial machinery and robots," which was previously included in the "Other products" segment, is being reported in a separate segment effective from fiscal 2011.

Other Products

Overall net sales of other products business were ¥79.9 billion (an increase of ¥1.6 billion compared to the previous year), and operating income was ¥6.7 billion (an increase of ¥3.1 billion).

Sales of electrically power assisted bicycles and industrial-use unmanned helicopters increased due to the introduction of new products, among other factors. Although sales of automobile engines declined, both sales and income of other products rose overall.

Sales Performance and Operating Income by Geographical Segment <sup>Note 1</sup>

Japan

Net sales in Japan increased ¥63.4 billion from the previous year to ¥596.1 billion, and operating income increased ¥37.8 billion to ¥29.0 billion.

Unit sales of motorcycles, outboard motors for the U.S. market and electrically power assisted bicycles increased, and net sales rose on factors including the impact of yen depreciation.

North America

Net sales in North America increased ¥64.4 billion from the previous year to ¥270.1 billion, while operating income decreased ¥1.6 billion to ¥5.3 billion.

Unit sales of outboard motors, motorcycles, golf cars, and other products increased, and net sales rose on factors including the impact of yen depreciation.

Europe

Net sales in Europe increased ¥24.7 billion from the previous year to ¥160.2 billion, and operating loss increased to ¥10.8 billion from ¥4.7 billion in the previous year.

Net sales increased due to the impact of yen depreciation and other factors, even though unit sales of motorcycles and other products declined as personal consumption slumped amid a difficult employment and personal income situation.

Asia

Net sales in Asia (excluding Japan) increased ¥109.0 billion from the previous year to ¥704.9 billion, and operating income increased ¥9.1 billion to ¥30.5 billion.

Unit sales of motorcycles increased in Indonesia, India, and other markets and decreased in Thailand and Vietnam. Net sales increased due to the impact of yen depreciation and other factors.

Others

Net sales in other areas increased ¥35.3 billion from the previous year to ¥170.4 billion, and operating income increased ¥1.7 billion to ¥6.9 billion.

Unit sales of motorcycles increased in Brazil, Argentina, Colombia, Mexico, and other markets, and net sales rose on factors including the impact of yen depreciation.

Income and Expenses

Cost of Sales, Gross Profit and SG&A Expenses

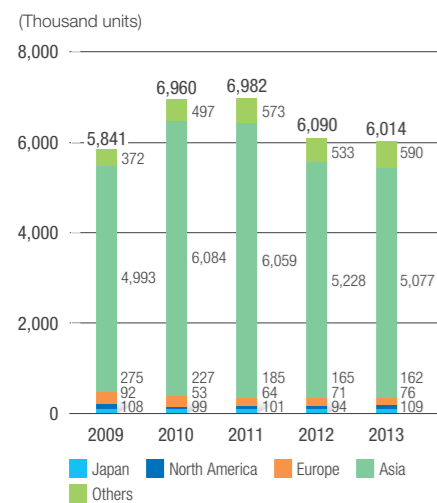
The cost of sales for fiscal 2013 increased ¥119.1 billion year on year, to ¥1,091.7 billion, representing 77.4% of net sales.

Gross profit increased ¥83.7 billion, to ¥318.8 billion, reflecting increased sales, cost reductions, an improved model mix, and yen depreciation. The gross profit margin rose 3.1 percentage points, to 22.6%.

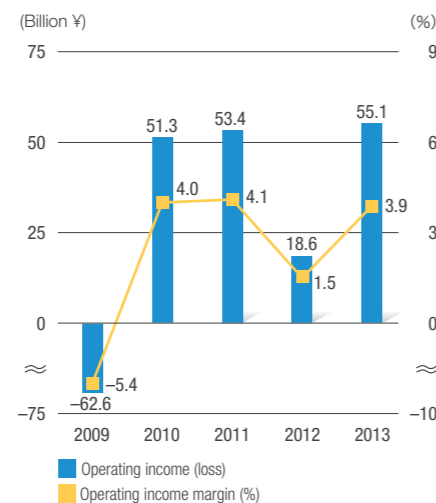
Selling, general and administrative (SG&A) expenses increased ¥47.2 billion, to ¥263.6 billion. This was mainly because of an increase in sales promotion expenses in line with higher sales and the effect on foreign-exchange conversions from yen depreciation. As a percentage of net sales, SG&A expenses rose 0.8 percentage point, to 18.7%.

R&D expenses included in general and administrative expenses and manufacturing costs increased ¥6.4 billion year on year, to ¥76.1 billion.

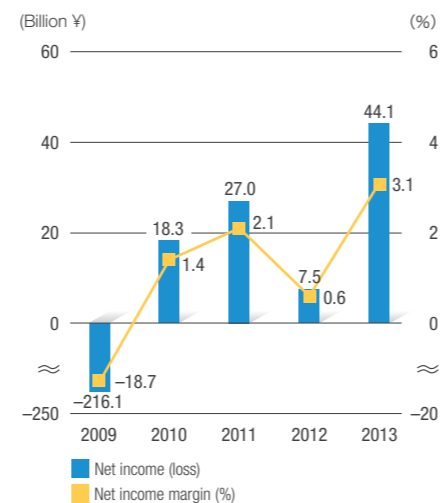
Motorcycle unit sales



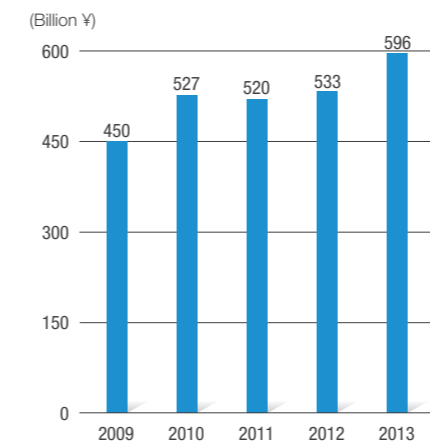
Operating income (loss) and operating income margin



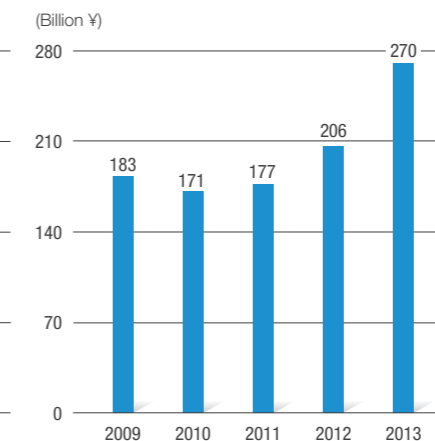
Net income (loss) and net income margin



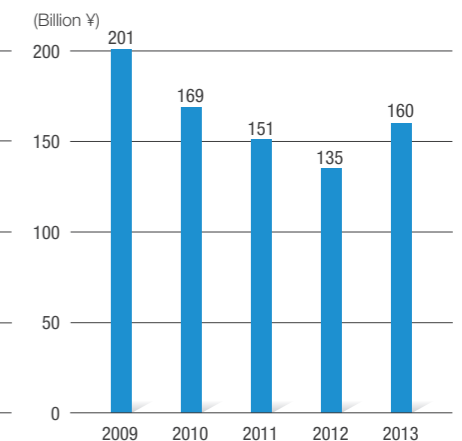
Sales by geographical segment <sup>Note 1</sup> — Japan



Sales by geographical segment <sup>Note 1</sup> — North America



Sales by geographical segment <sup>Note 1</sup> — Europe





R&D Expenses

With the aim of being a *Kando* Creating Company, the Yamaha Motor Group proactively carries out research and development in technologies related to engines, smart power, vehicles, boats, controls, materials, and production, as well as environmental and advanced safety technologies, along the three growth tracks of “fulfilling lifestyles,” “enjoyment in personal mobility,” and “innovative technologies that harmonize with people, society, and the Earth,” to constantly provide products that are “high-quality, high-performance, lightweight, and compact.”

To create products that precisely meet the needs of customers around the world, we have built an R&D structure that is organized around our headquarters, and carry out research and development in close cooperation with Group companies in Japan and overseas.

To enhance our competitiveness in terms of *Monozukuri* in India, we have built an India Integrated Development Center, which commenced operations during fiscal 2013 as our second integrated development center following the ASEAN Integrated Development Center.

Operating Income

Operating income for fiscal 2013 was ¥55.1 billion, a ¥36.5 billion increase year on year. This resulted in a 2.4 percentage point increase in the operating income margin, to 3.9%.

The motorcycle business recorded an ¥8.6 billion increase in operating income, to ¥8.4 billion. In addition to proactive outlays for R&D and sales promotions in developed markets, the business incurred restructuring expenses in Europe, but profit grew as a result of cost reductions and yen depreciation.

Operating income in the marine products business was ¥31.8 billion, a ¥20.9 billion increase year on year. This was driven by strong sales of outboard motors in North America and Russia, along with improved earnings in the personal watercraft and domestic boat businesses. Yen depreciation also contributed to overall profit growth.

The power products business recorded operating income of ¥5.3 billion, for a ¥4.7 billion increase year on year. This reflected increased sales of snowmobiles, golf cars, and new types of recreational off-highway vehicles (ROVs), as well as yen depreciation.

In the industrial machinery and robots business, operating income declined ¥0.8 billion, to ¥3.1 billion. Although full-year unit sales of surface mounters rose year on year, profit declined.

Operating income in the other products business was ¥6.7 billion, a ¥3.1 billion increase year on year. Increased sales of electrically power assisted bicycles and industrial-use unmanned helicopters led to overall profit growth.

Non-Operating Income and Expenses

Net non-operating income was positive in the amount of ¥5.0 billion, which was ¥3.7 billion less than in the previous year. This included ¥6.7 billion of interest income, compared with ¥5.9 billion in the previous year.

Extraordinary Income and Loss

Extraordinary income totaled ¥0.3 billion, marking a ¥0.4 billion decrease year on year. The main item was a ¥0.3 billion gain from the sale of noncurrent assets, compared with ¥0.2 billion in the previous year.

Extraordinary losses totaled ¥2.7 billion, for a ¥0.6 billion

increase year on year. The main extraordinary losses were a ¥1.1 billion loss on disposal of noncurrent assets, compared with ¥0.8 billion in the previous year, and an impairment loss of ¥1.1 billion, which was roughly unchanged from the previous year.

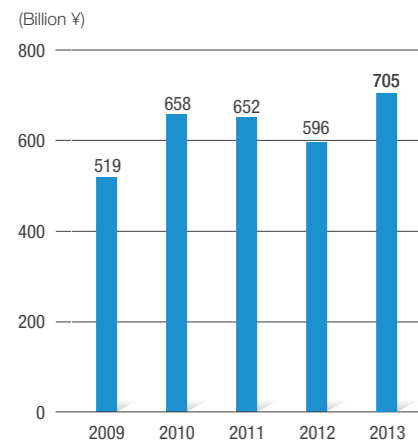
Income before Income Taxes

Income before income taxes for fiscal 2013 increased ¥31.8 billion year on year, to ¥57.7 billion.

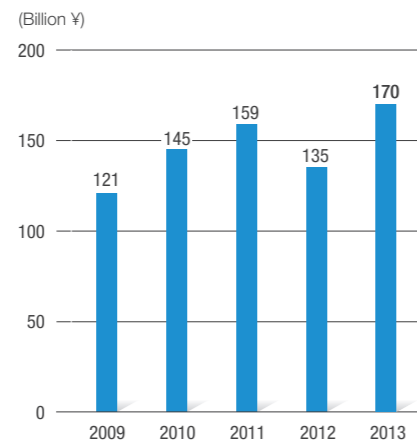
Income Taxes

With the additional recording of deferred tax assets at overseas subsidiaries, income taxes for fiscal 2013 decreased ¥5.8 billion year on year, to ¥8.2 billion.

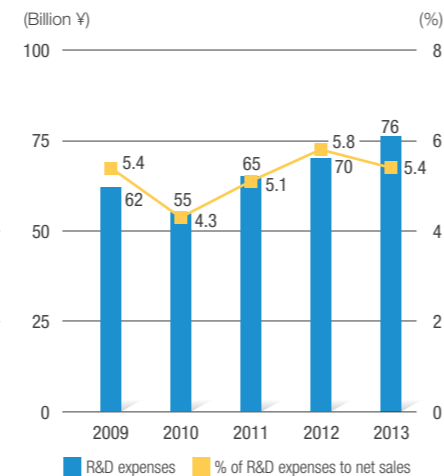
Sales by geographical segment <sup>Note 1</sup>  
—Asia



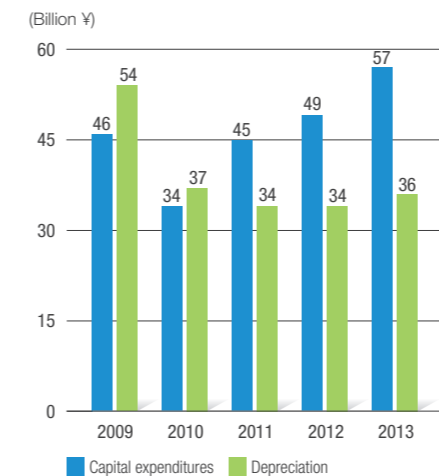
Sales by geographical segment <sup>Note 1</sup>  
—Others



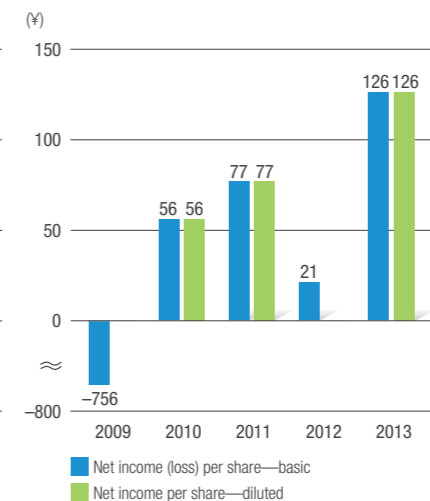
R&D expenses and % of R&D expenses to net sales



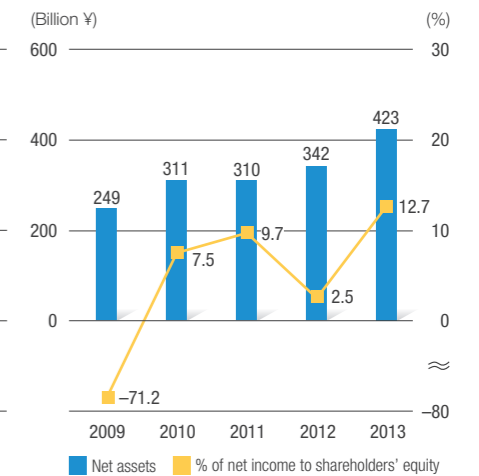
Capital expenditures and depreciation



Net income (loss) per share



Net assets and % of net income to shareholders' equity



**Notes**

- Net income per share—diluted for fiscal 2009 is not listed, since the Company registered a net loss per share for the period.
- Net income per share—diluted for fiscal 2012 is not listed as there were no potential shares with dilutive effect.

**Minority Interests in Income**

Minority interests in income include interests owned by minority shareholders in PT. Yamaha Indonesia Motor Manufacturing, Yamaha Motor Taiwan Co., Ltd., Yamaha Motor Vietnam Co., Ltd., and Industria Colombiana de Motocicletas Yamaha S.A., and increased ¥1.1 billion year on year, to ¥5.4 billion.

**Net Income**

Net income for fiscal 2013 increased ¥36.6 billion year on year, to ¥44.1 billion. Basic net income per share grew ¥104.75, to ¥126.20 in fiscal 2013 from ¥21.45 in fiscal 2012.

**Capital Resources and Liquidity**

**Assets, Liabilities and Total Net Assets**

Total assets at the end of the fiscal year ended December 31, 2013 rose ¥184.3 billion from the end of the previous fiscal year to ¥1,146.6 billion. The increase is attributable to factors

including foreign currency translation adjustment arising from yen depreciation. Current assets rose ¥116.7 billion, and non-current assets rose ¥67.5 billion.

Total liabilities rose ¥103.0 billion to ¥723.8 billion, reflecting such factors as an increase in notes and accounts payable—trade or short-term loans.

Total net assets increased ¥81.2 billion to ¥422.8 billion, reflecting such factors as net income of ¥44.1 billion, dividends paid of ¥5.2 billion, and a change in foreign currency translation adjustment of ¥27.0 billion due to yen depreciation. As a result, the shareholders' equity ratio as of December 31, 2013 was 33.5% (an improvement of 1.5 percentage points from the end of the previous fiscal year). The net debt-equity ratio was 0.7 times, unchanged from the end of the previous fiscal year.

**Note 2** Equity ratio: (Shareholders' equity + Accumulated other comprehensive income)/Total assets x 100 (%)

**Capital Expenditures**

Capital expenditures for fiscal 2013 totaled ¥56.8 billion, mainly for manufacturing equipment and facilities for the production of new models in the motorcycle and marine products businesses, production capacity enhancements, research and development operations, and the realignment of the production structure.

By business segment, capital expenditures for the motorcycle business totaled ¥38.6 billion. Overseas, this included investments for the production of new models in ASEAN and Central and South America, and production capacity enhancements in India. The main investments in Japan were for the realignment of the production structure.

Capital expenditures in the marine products business totaled ¥8.8 billion, mostly for research and development facilities and equipment, and for the realignment of the domestic production structure.

In the power products business, expenditures totaled ¥6.1 billion, mainly for ROVs manufacturing facilities and

equipment in the United States.

The industrial machinery and robots business invested ¥0.6 billion, mostly for the production of new machines.

The other products business invested ¥2.7 billion, mostly for facilities and equipment for the research and development of automobile engines and smart power vehicles.

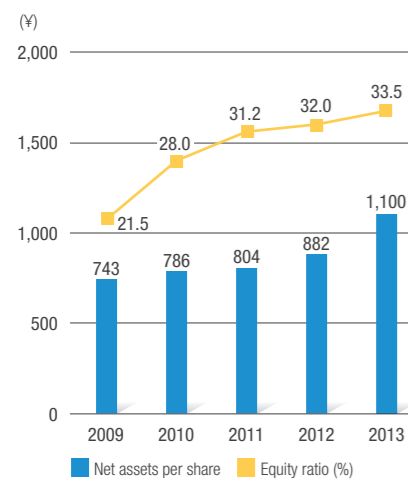
The entire amount of the above expenditures was funded by internal resources.

There were no disposals or sales of important facilities or similar assets during fiscal 2013.

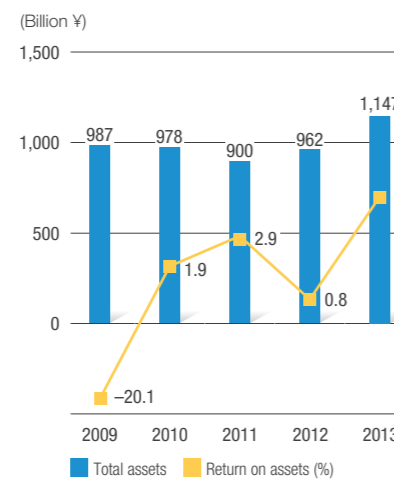
**Cash Flows**

Net cash provided by operating activities during fiscal 2013 was ¥67.0 billion (¥2.4 billion in net cash used during fiscal 2012), reflecting factors including income before income taxes of ¥57.7 billion (¥25.8 billion) and an increase of ¥6.4 billion in working capital (an increase of ¥26.4 billion) accompanying a sales increase.

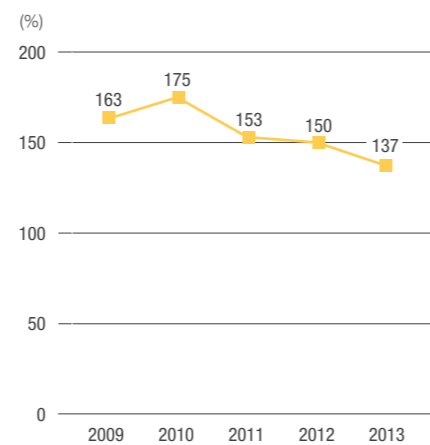
**Net assets per share and equity ratio** Note 2



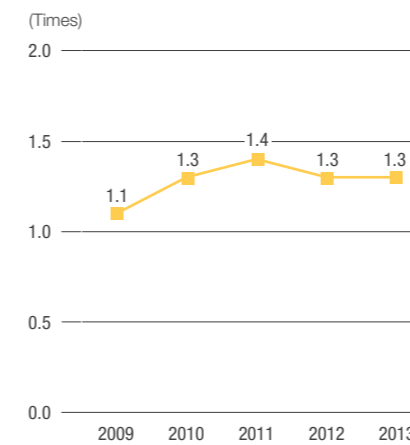
**Total assets and return on assets**



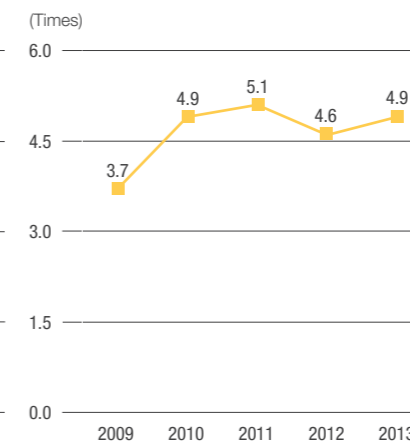
**Current ratio**



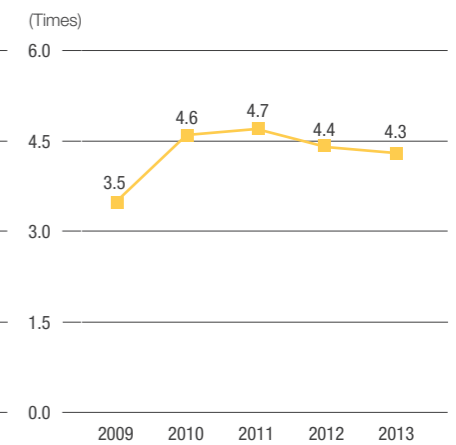
**Total asset turnover**



**Property, plant and equipment turnover**



**Inventory turnover**



Net cash used in investing activities during fiscal 2013 was ¥62.7 billion (¥51.1 billion in net cash used during fiscal 2012), as a result of factors including ¥53.4 billion in capital investments for new model production and other purposes (¥47.6 billion).

Net cash provided by financing activities during the fiscal year under review was ¥3.6 billion (¥15.8 billion in net cash provided during the previous fiscal year), due to factors including financing by means of short-term loans accompanying an increase in working capital.

As a result of the activities discussed above, free cash flows for the fiscal year under review were a positive ¥4.3 billion. Interest-bearing debt at the end of the fiscal year was ¥382.9 billion, and cash and cash equivalents totaled ¥120.0 billion. Interest-bearing debt includes ¥162.0 billion in borrowings for sales finance.

**Demand for Funds**

The Group's fund requirements are primarily to cover the cost of procuring materials and parts used in product manufacturing and costs incurred in the manufacturing

process, as well as purchasing costs for products and merchandise, SG&A expenses, working capital, and capital expenditures.

Domestic capital investment in fiscal 2013 totaled ¥19.0 billion, and was used primarily for producing new models in the motorcycle and marine products businesses, research and development, and the realignment of the domestic production structure. Capital investment overseas totaled ¥37.8 billion, mostly to produce new models in ASEAN and Central and South America, and to increase production capacity in India.

As a result, capital expenditures in fiscal 2013 totaled ¥56.8 billion.

**Cash Dividends**

Recognizing that shareholders' interests represent one of the Company's highest management priorities, the Company has been striving to meet shareholder expectations by working to maximize its corporate value through a diversity of business operations worldwide. The Company aims to provide shareholder returns through

comprehensive consideration of the business environment, including business performance, retained earnings, and a balance between aggressive growth investments and stock dividends and loan repayments, while maintaining a minimum dividend payout ratio of 20% of consolidated net income.

The year-end dividend for fiscal 2013 was determined to be ¥16 per share. Added to the interim dividend (¥10 per share), this gives a total dividend for the year of ¥26 per share.

**Fund Procurement Conditions**

Group companies acquire short-term loans payable denominated in local currencies to use as working capital. Meanwhile, funds for plant and equipment investment come primarily from internal reserves, including paid-in capital and

retained earnings.

The annual amounts of interest-bearing debt to be repaid are as follows:

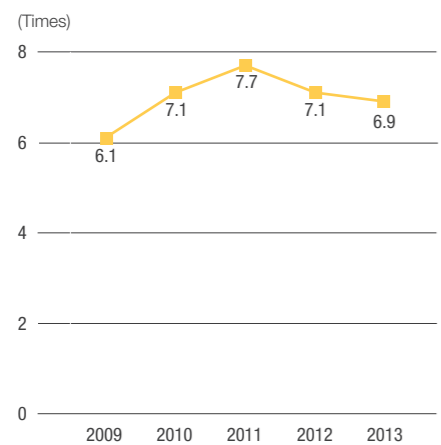
	(Billion ¥)						
	Total	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years
Short-term loans payable	170.3	170.3	—	—	—	—	—
Long-term loans payable	212.6	73.2	84.8	35.6	14.1	1.2	3.7

**Note** Long-term loans payable includes current portion of long-term loans payable.

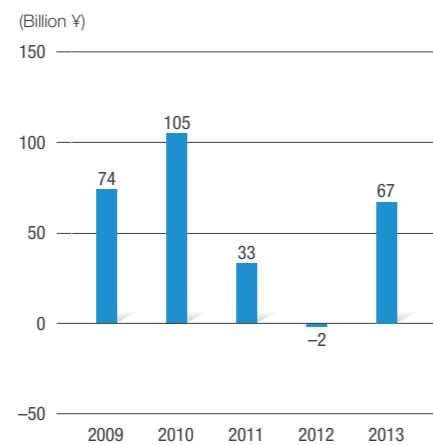
**Share Performance**

Price per share increased from ¥949 at December 31, 2012 to ¥1,577 at December 31, 2013. The number of shares outstanding, excluding treasury stock, increased from 349,092,483 shares at December 31, 2012 to 349,134,628 shares at December 31, 2013. As a result, the market capitalization of the Company increased from ¥331.3 billion at December 31, 2012 to ¥550.6 billion at December 31, 2013.

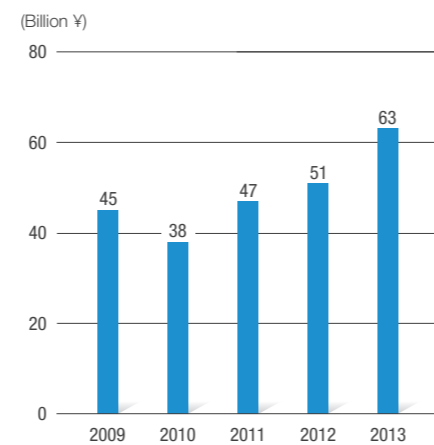
**Account receivable turnover**



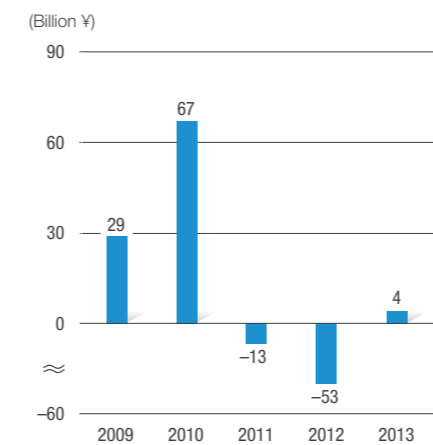
**Cash provided by (used in) operating activities**



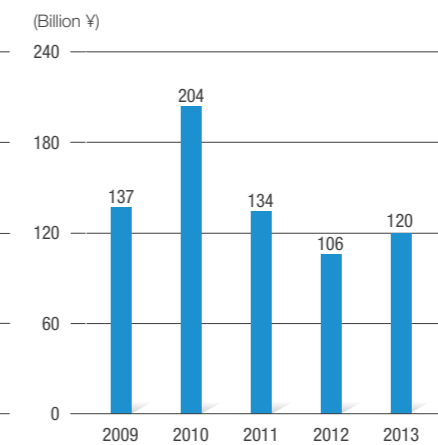
**Cash used in investing activities**



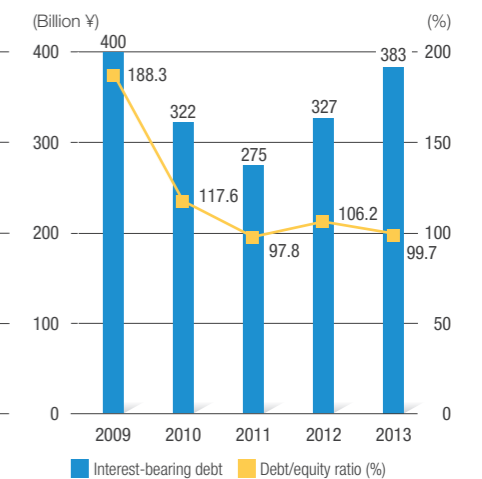
**Free cash flows**



**Cash and cash equivalents at the end of the year**



**Interest-bearing debt and debt/equity ratio**



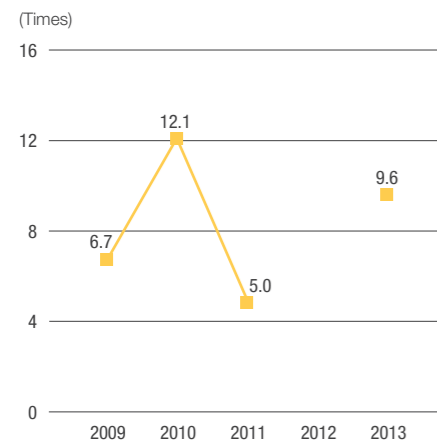
### Forecast for Fiscal 2014

In the current business environment, although a trend of yen depreciation against the currencies of other developed countries continues, there are concerns about sluggish economic recovery in Europe and an economic slowdown and currency depreciation in emerging markets. To cope with this change in the business environment, in fiscal 2014, the second year of the medium-term management plan, the Company will reinforce its business strategy while closely watching economic and demand trends in the Group's markets.

The Company forecasts the following for its consolidated financial results for the fiscal year ending December 31, 2014: higher sales in the motorcycle business, in the marine products business and in the power products business by proactive introduction of new models; and a profit increase, as higher profits from the sales increase and cost reductions and other factors enable the absorption of factors including increases in selling expenses and R&D expenses in preparation for future growth.

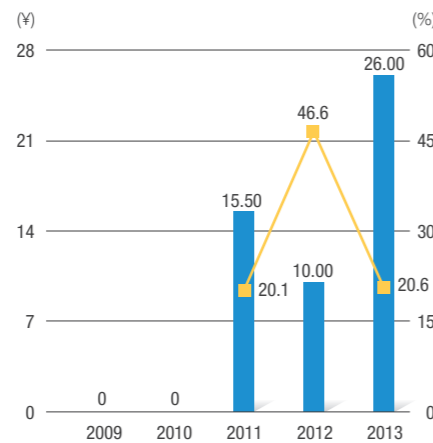
The forecast is based on the assumption that the exchange rates are ¥100 against the U.S. dollar (a depreciation of ¥2 from the previous year) and ¥135 against the euro (a depreciation of ¥5 from the previous year).

### Interest coverage



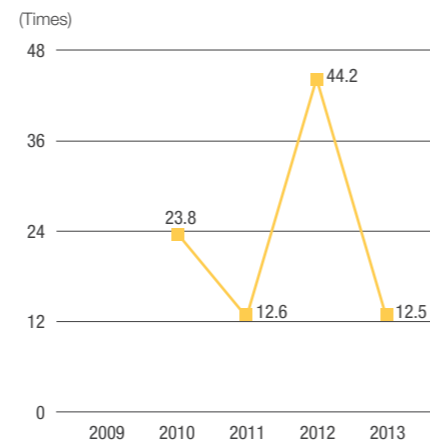
**Note** Interest coverage for fiscal 2012 is not listed, due to the negative status of cash flow from operating activities during the period.

### Cash dividends per share and payout ratio



**Notes** • The payout ratio for fiscal 2009 is not listed, since the Company registered a net loss for the period.  
• The payout ratio for fiscal 2010 is not listed, since the Company did not pay out any dividends.

### Price/earnings ratio



**Note** The price/earnings ratio for fiscal 2009 is not listed, since the Company registered a net loss for the period.

## Investor Information

As of December 31, 2013

### Yamaha Motor Co., Ltd.

#### Headquarters

2500 Shingai, Iwata, Shizuoka 438-8501, Japan  
Telephone: +81-538-32-1103  
Facsimile: +81-538-37-4252

#### Date of Establishment

July 1, 1955

#### Major 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.  
PT. Yamaha Indonesia Motor Manufacturing  
Thai Yamaha Motor Co., Ltd.  
Yamaha Motor Vietnam Co., Ltd.  
Yamaha Motor Taiwan Co., Ltd.  
India Yamaha Motor Pvt. Ltd.  
Yamaha Motor do Brasil Ltda.

#### Capital Stock

Authorized: 900,000,000 shares  
Issued: 349,803,684 shares  
Number of Shareholders: 29,474

#### Principal Shareholders

Yamaha Corporation	12.18%
State Street Bank and Trust Company	9.26
Toyota Motor Corporation	3.57
Mizuho Bank, Ltd.	3.38
The Master Trust Bank of Japan, Ltd. (trust account)	3.14
Mitsui & Co., Ltd.	2.45
Japan Trustee Services Bank, Ltd. (trust account)	2.36
State Street Bank and Trust Company 505223	2.35
GIC PRIVATE LIMITED	2.33
The Shizuoka Bank, Ltd.	1.95

#### Annual Meeting of Shareholders

The Ordinary General Meeting of Shareholders is held in March each year in Iwata, Shizuoka, Japan.

#### Securities Exchange

Tokyo Stock Exchange, Inc.

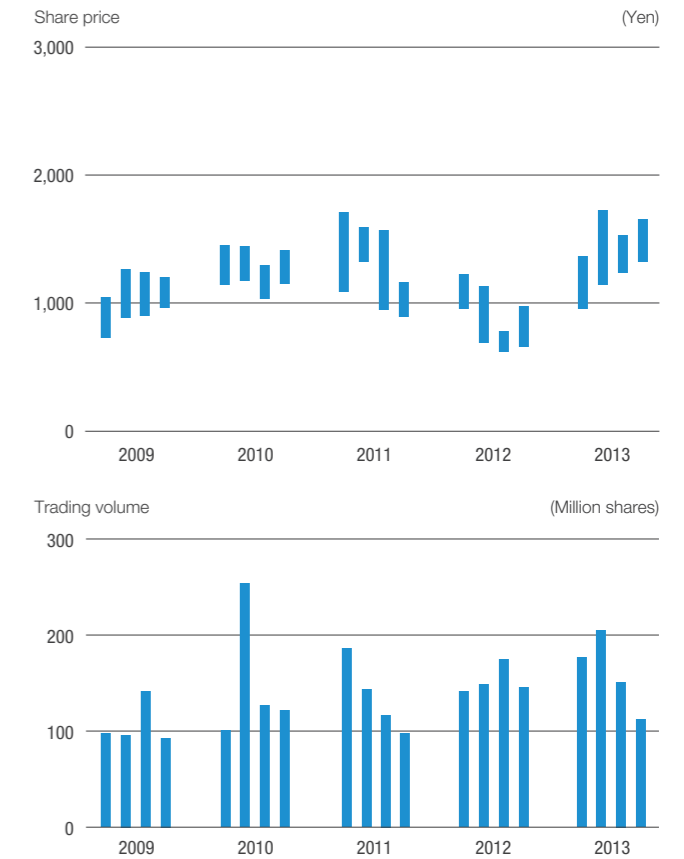
#### Transfer Agent for Capital Stock

Sumitomo Mitsui Trust Bank, Limited  
4-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8233, Japan

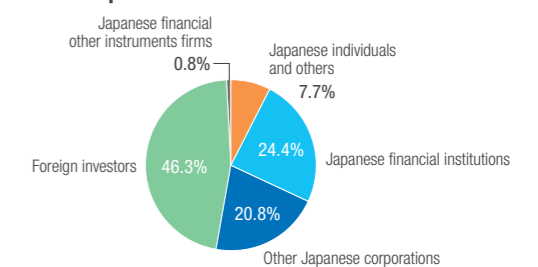
#### Auditor

Ernst & Young ShinNihon LLC

### Yamaha Motor's Share Price and Trading Volume on the Tokyo Stock Exchange



### Shareholder Composition



For further information, please contact:

Yamaha Motor Co., Ltd.  
Corporate Planning Division  
2500 Shingai, Iwata, Shizuoka 438-8501, Japan  
Telephone: +81-538-32-1122  
Facsimile: +81-538-32-1274  
<http://global.yamaha-motor.com/ir/>

You are also invited to review the Fact Book, Financial Data, and CSR Report on Yamaha Motor's website at <http://global.yamaha-motor.com/>



**YAMAHA MOTOR CO., LTD.**

2500 SHINGAI, IWATA, SHIZUOKA, JAPAN

[www.yamaha-motor.co.jp](http://www.yamaha-motor.co.jp)



**YAMAHA**  
*In harmony with nature*

