

# Financial results for FY2005

(Ended on December 31, 2005)



**YZF-R6** (export model)

## YAMAHA MOTOR Co., LTD.

7 February, 2006

**Notice regarding forward-looking statements:**

Statements in this report, except for historical facts, are forward-looking statements about the future performance of Yamaha Motor 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.

# Change in Accounting Period and Comparison of Business Results with Previous Year (1)



## Results for the previous fiscal year (irregular 9-month accounting period)

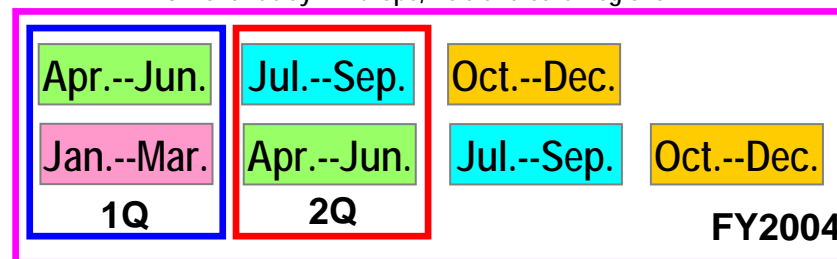
FY ended Dec. 31,  
2004

Audit Report basis

9-month accounting period in Japan, North America and other regions  
3 month delay in Europe, Asia and other regions

Japan, North America, etc.

Europe, Asia, etc.



\* Irregular 9-month accounting period for FY2004

## Reference figure (consolidation at the same period of the year)

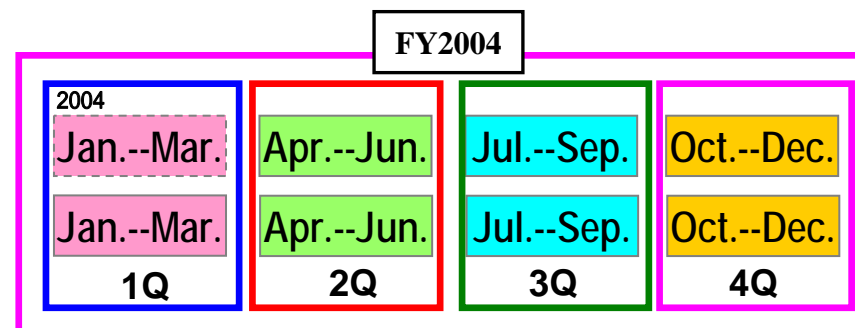
FY ended Dec. 31,  
2004

Same period consolidation basis

Comparison  
with the same period

Japan, North America, etc.

Europe, Asia, etc.



\* Consolidation at the same period of the year for comparison

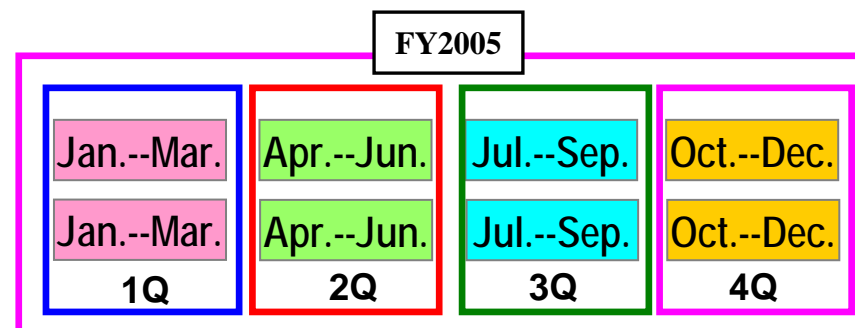
## Results for this fiscal year

FY ended Dec. 31,  
2005

Regular 12-month accounting  
period worldwide

Japan, North America, etc.

Europe, Asia, etc.



# 1.Outline

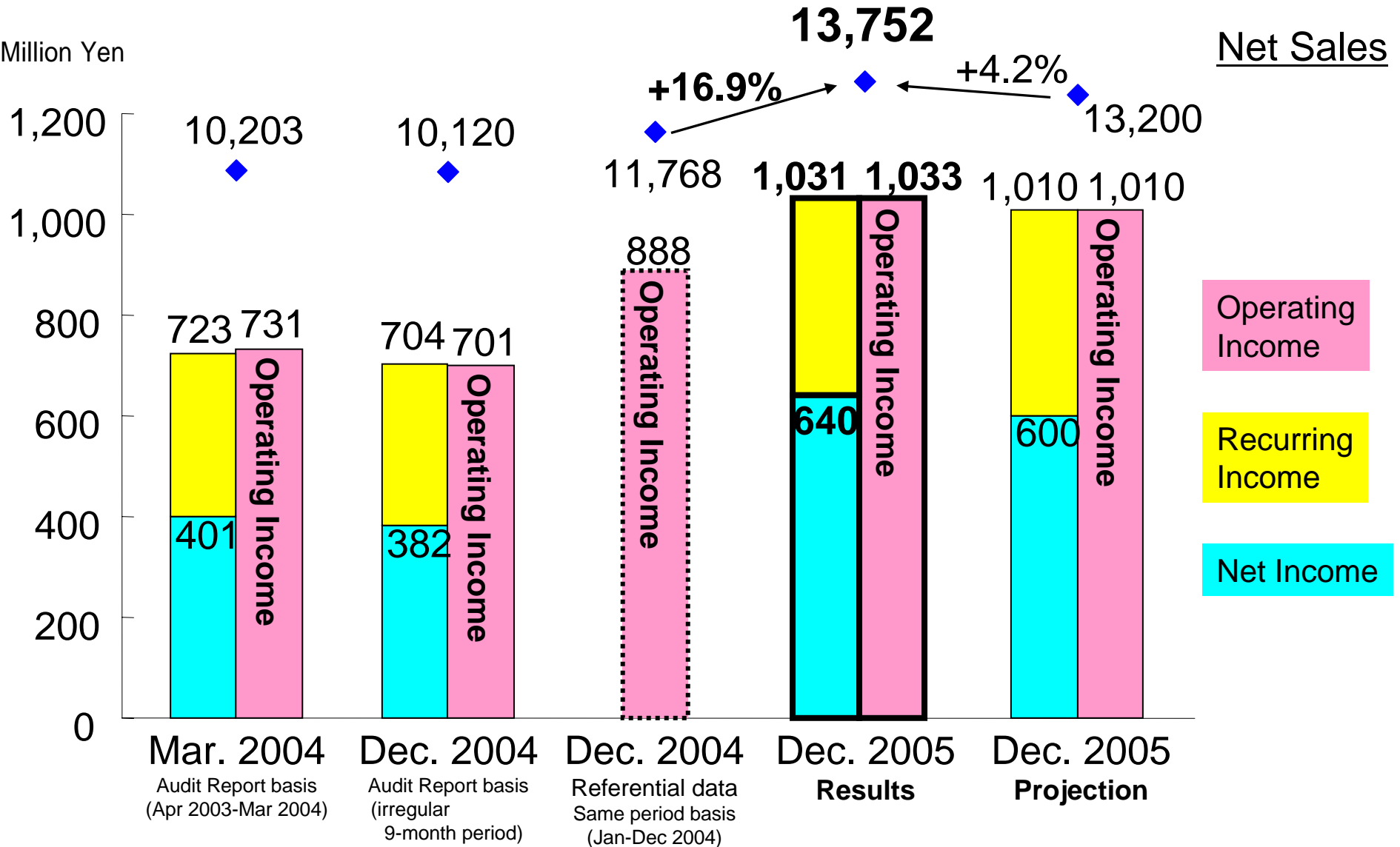
President KAJIKAWA Takashi

# Sales and Income



## Results

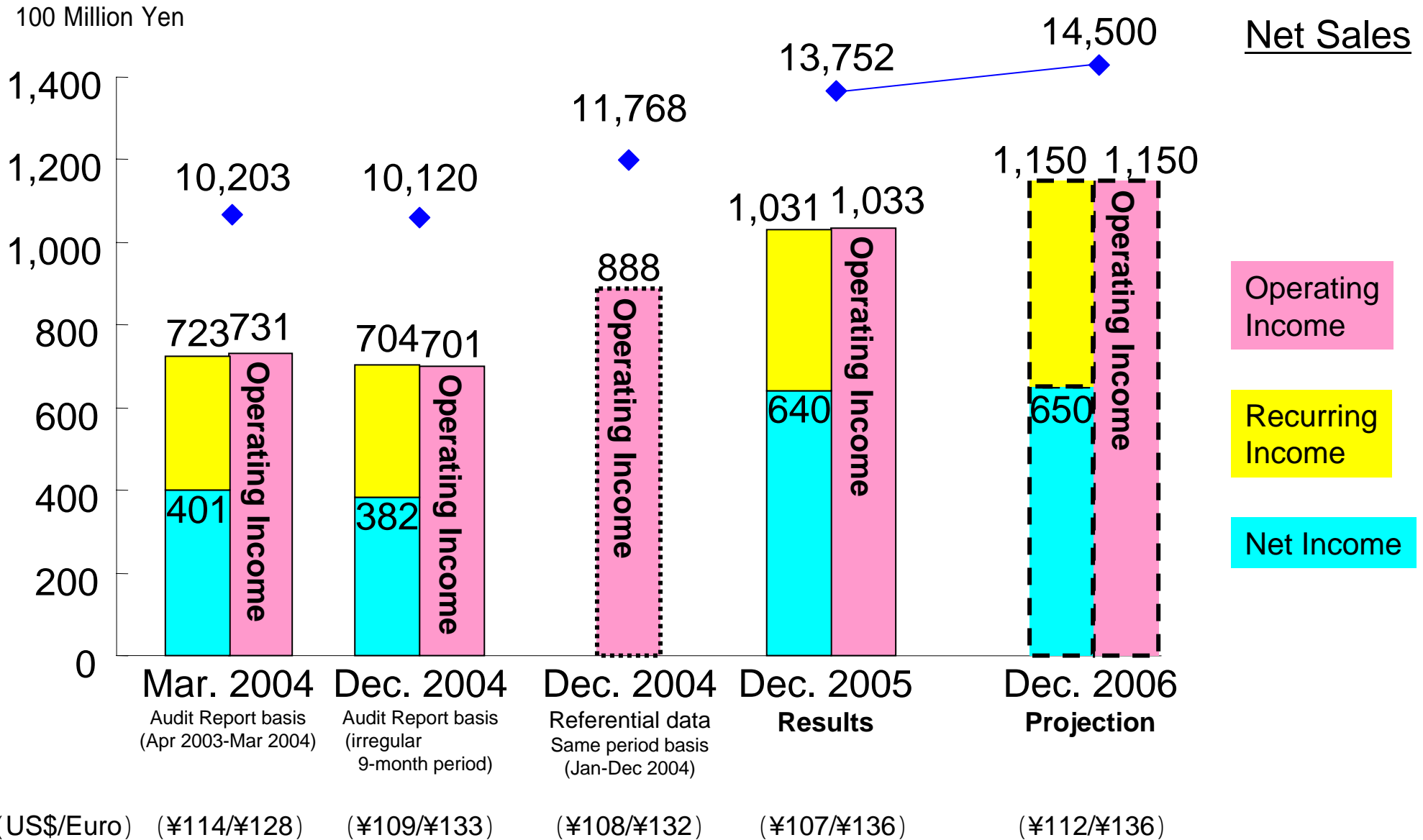
100 Million Yen



# Sales and Income



Projection for the Next Year

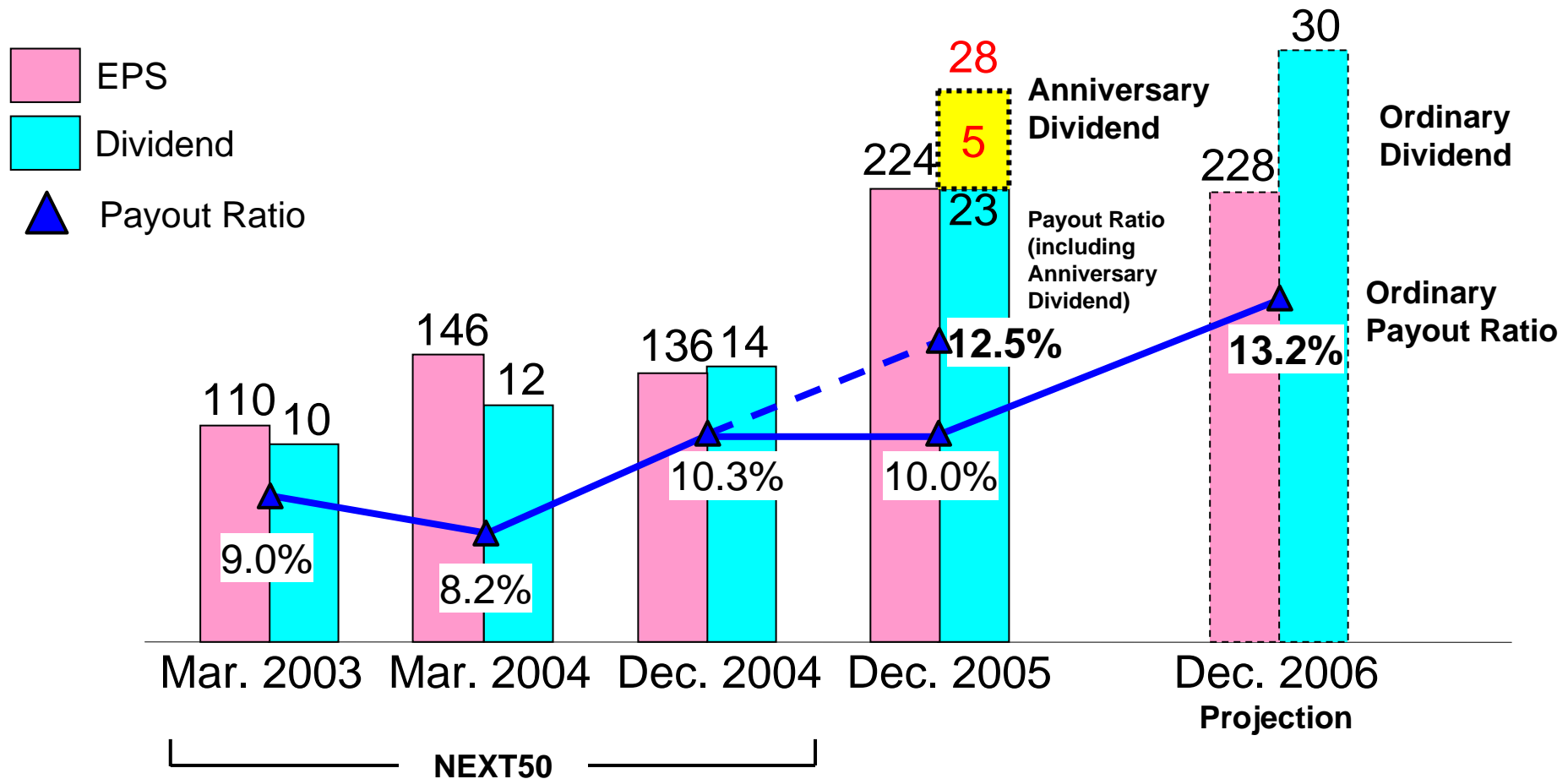


FY2005: 28yen per year

Due to the increase of EPS and additional 5yen special 50<sup>th</sup> Anniversary dividend

FY2006: 30yen per year

both dividend amount and payout ratio to be increased



Note: Dec.2004 – Irregular 9-month period

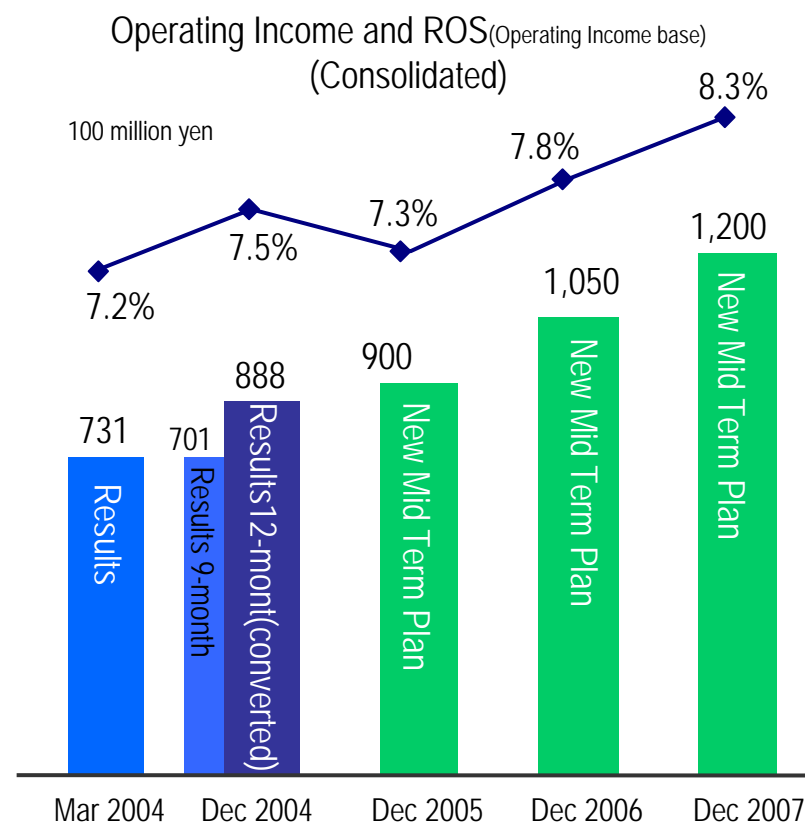
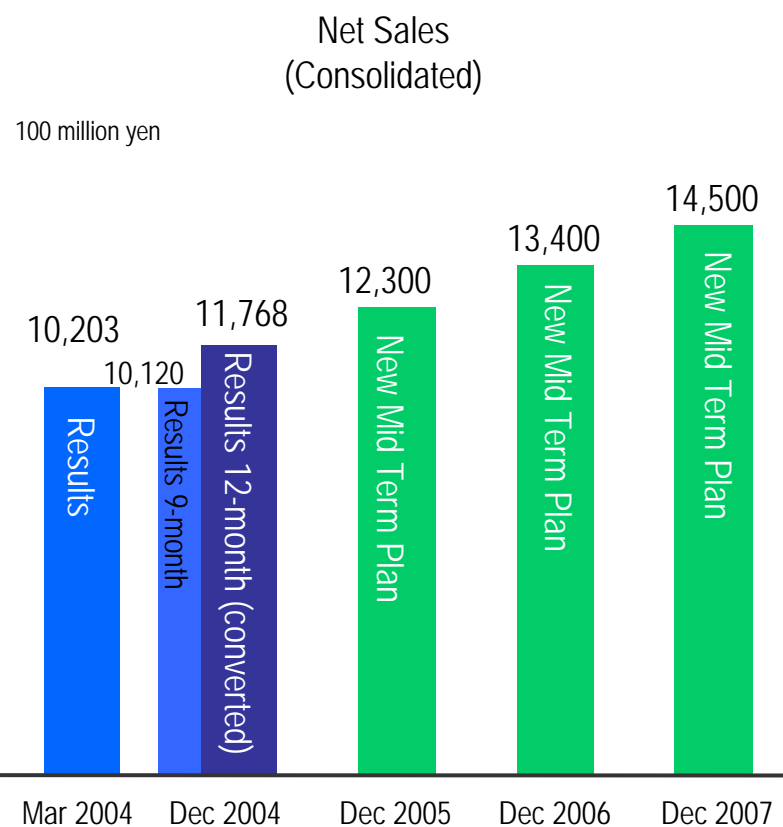
Note: Using number of the shares at the FY-end for EPS calculation ( for FY 2006 assumption : 285.6million shares )

## **2. Mid Term Plan**

# **“NEXT50 Phase”**

## Jan 2005 Mid Term Plan Announcement

Exchange rate for Mar 2004, Dec 2004, using actual FX rate, and for 2005, 2006 and 2007, using assumption of US\$105yen / EUR128yen



(US\$/€)	113/131	108/134	105/128	105/128	105/128
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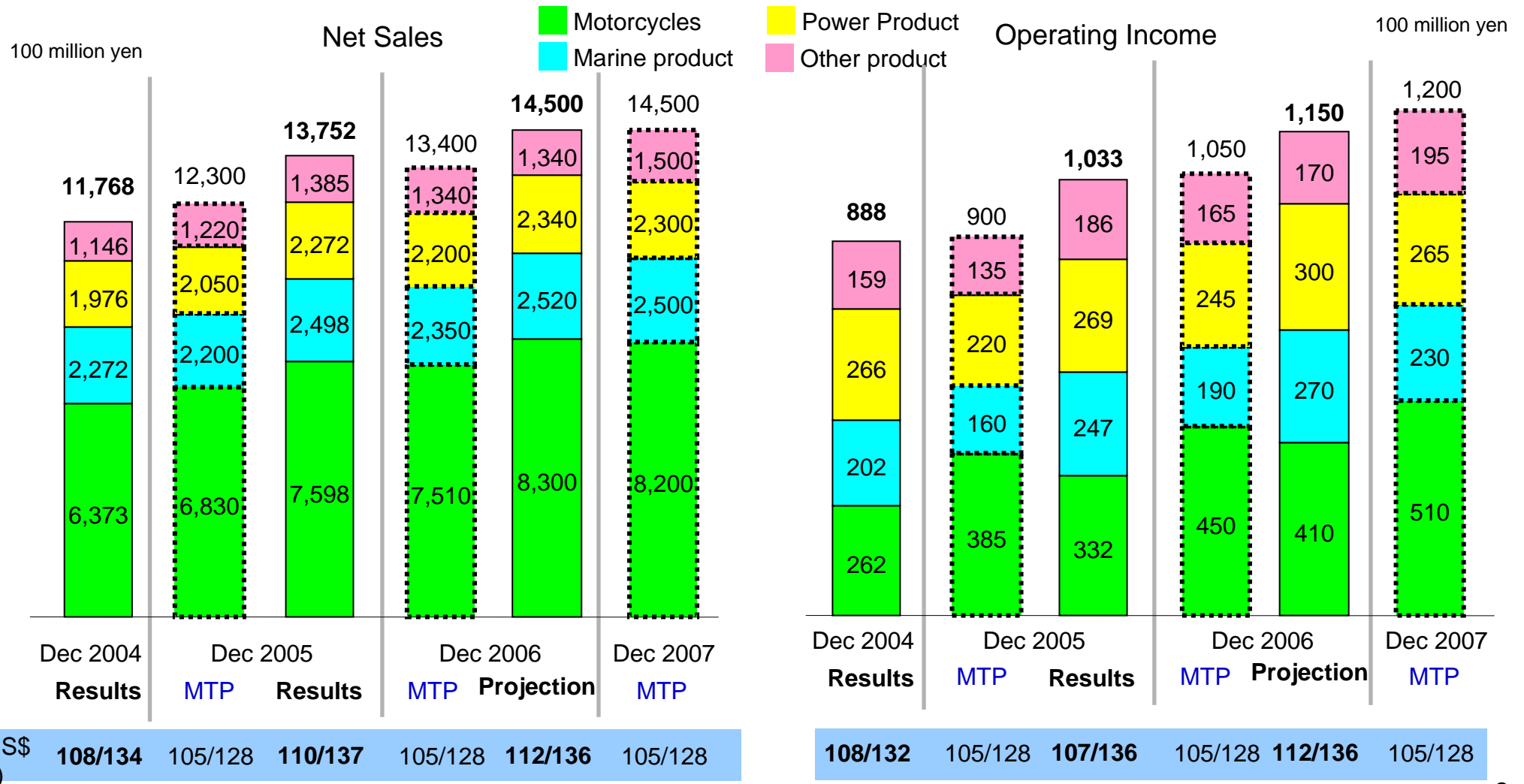
(US\$/€)	114/128	108/132	105/128	105/128	105/128
----------	---------	---------	---------	---------	---------

\* Dec. 2004 ; Irregular 9-month period and converted to 12-month period for comparison (Jan-Dec 2004)

# Net Sales / Operating Income by Product Segment Results and Projection



Net Sales exceeded the Mid Term Plan target in all product segment in 2005. Operating Income also excess the target in Marine product, Power products, Other product segment which covers uncertainty in Motorcycle segment in 2006.



Note1) Dec. 2004 ; Irregular 9-month period and converted to 12-month period for comparison (Jan-Dec 2004)  
 Note2) The figures of Mid-term plan were announced in January 2005.

## Mid Term Plan Main Objectives

Motorcycle Business (Growing Market : ASEAN)

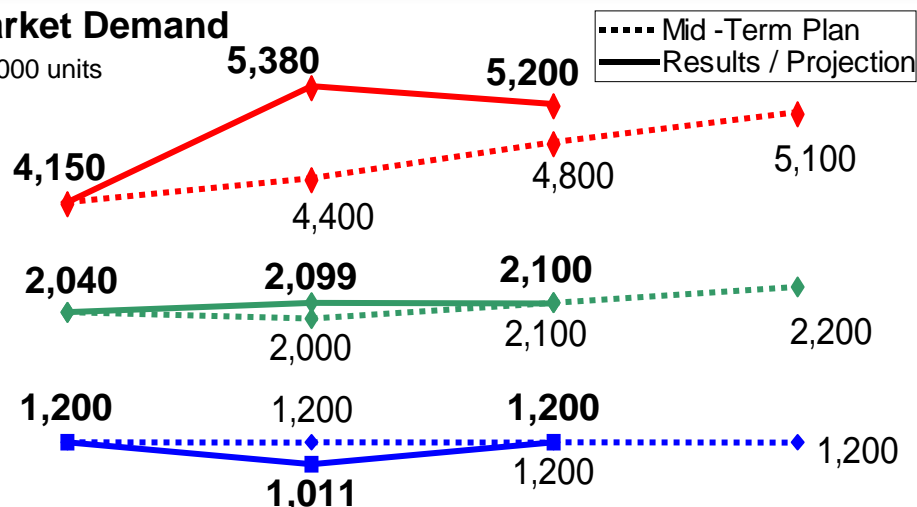
Motorcycle Business (Markets Focusing on the Business Foundation : Brazil / India / China)

# Motorcycle Business (Market in growth: ASEAN)



## Market Demand

1,000 units



MTP Market Demand(VIETNAM) include China made Motorcycles of 200thousand per year, 2005 results, 2006 projection does not include China made Motorcycles

## Results and projection



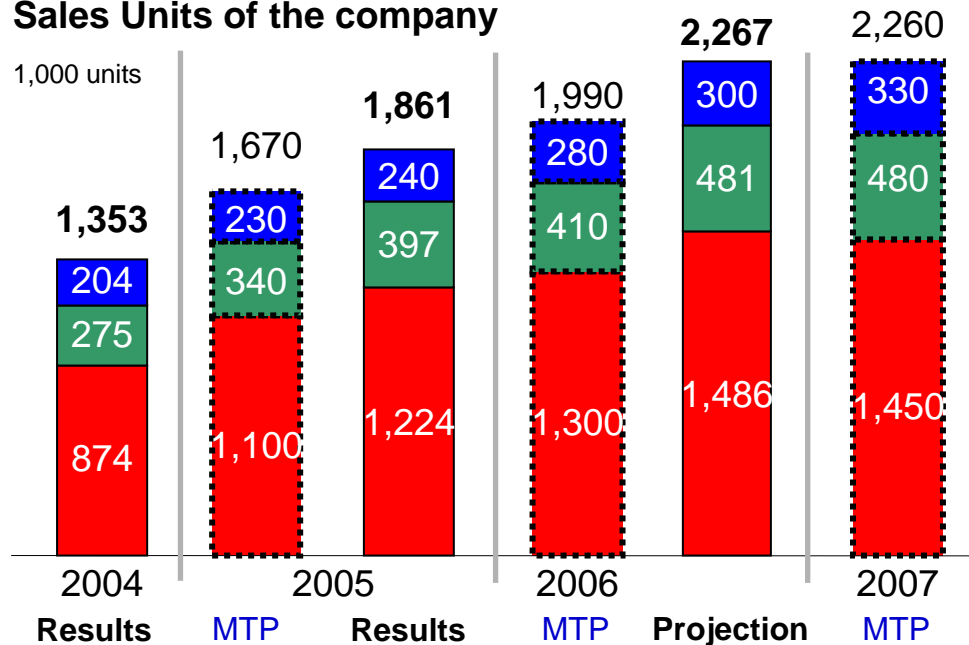
Both market demand and YAMAHA sales exceeded the MTP target in 2005. Although in 2006, market demand will not increase due to a rise of interest rates, etc, YAMAHA strengthens to distinguished models, and maintains sales expansion.

Market demand is stable in 2005 and 2006. YAMAHA strengthens to distinguished models such as automatic models, and maintains sales expansion.

Market demand increase due to the deregulation.

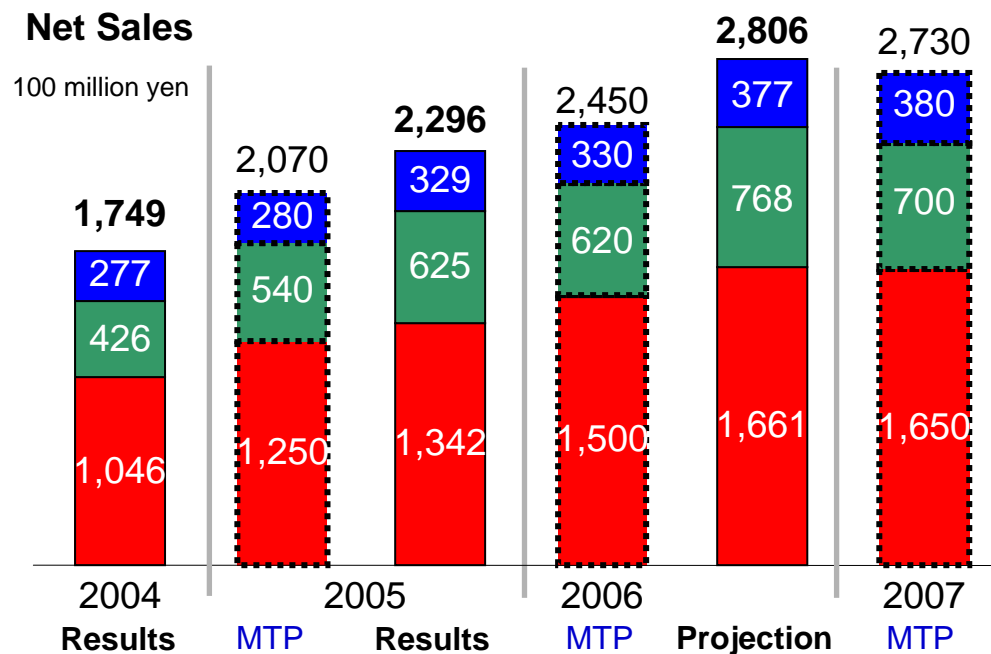
## Sales Units of the company

1,000 units



## Net Sales

100 million yen



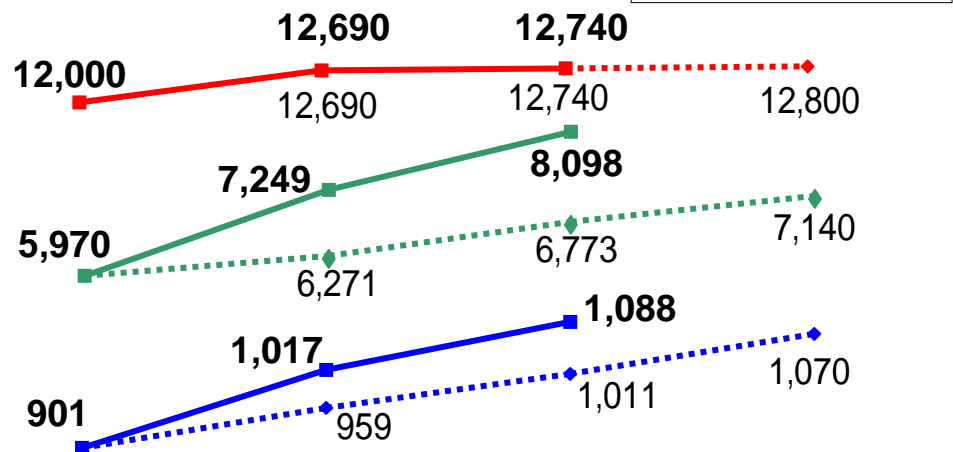
Note) The figures of Mid-term plan were announced in January 2005.

# Motorcycle Business (Market to buildup : Brazil / India / China)



## Market Demand

1,000 units



## Results and projection



CHINA

Sales units and net sales do not achieve the target in 2006. Yamaha will catch up the target in 2007 by restructuring the sales network and introducing new models.



INDIA

Market demand is expanding but YAMAHA could not follow in 2005. Will catch up the target in 2006 by starting YAMAHA owned shops and introducing new models.

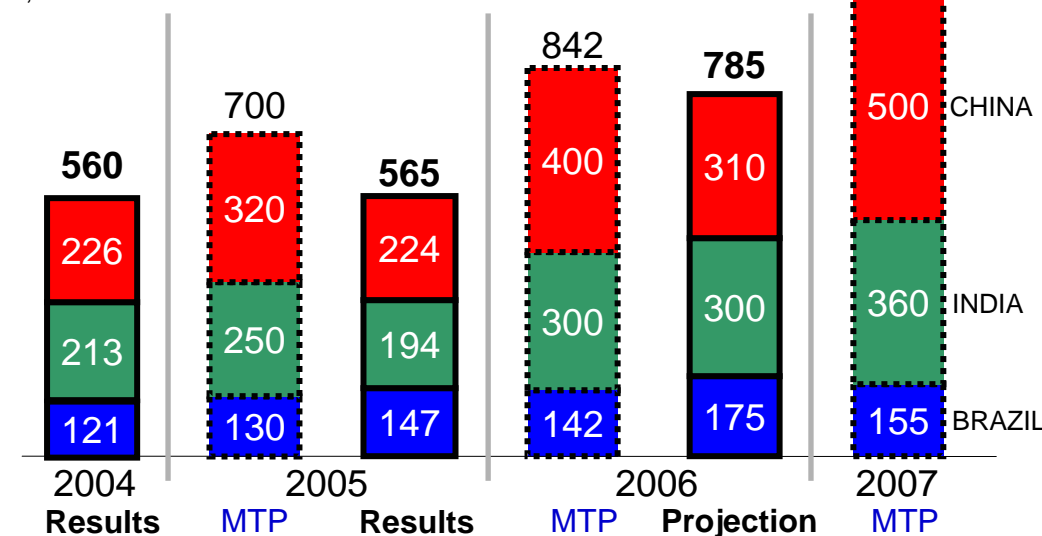


BRAZIL

Due to the favorable domestic market, YAMAHA aims to increase unit sales which exceeds the target in 2006.

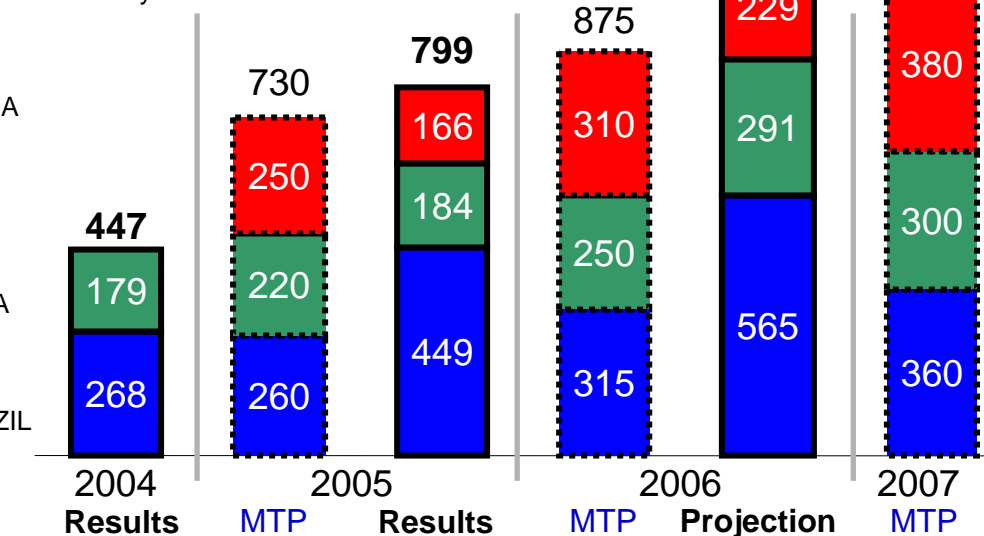
## Sales Units of the company

1,000 units



## Net Sales

100 million yen



Note1) The figures of Mid-term plan were announced in January 2005. Note2) Chinese sales company has been consolidated since Dec 2005

Shareholders

Communities

Customers

Employees

# Kando\* Creating Company

Overview of the  
Neo Mid term Plan  
[ NEXT50-Phase II ]

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

## New 3-Year Medium-Term Management Plan NEXT 50 - Phase II Toward Developing Exclusive Brand Status

Maximizing opportunities for growth

Expanding the ASEAN motorcycle business

Promoting launches in new business domains

Exploiting BRICs markets and establishing business foundations in these markets

Ensuring profitability

Achieving steady profit expansion in Europe and the U.S.

Maintaining and expanding the high profitability of the IM business

Continuing and enhancing cost reduction

Promoting value marketing

Creating value that differentiates Yamaha

Creating and developing customer-centric values

- Creating value to differentiate the brand, based on proprietary technologies
- Promoting brand and marketing strategies

Commitment to CSR

Strengthening corporate governance

Vitalization of personnel and organizations

Establishing the foundation to grow the company into the future

NEXT 50 - Phase I

Profit-Oriented Corporate Structure

Sustainable Growth

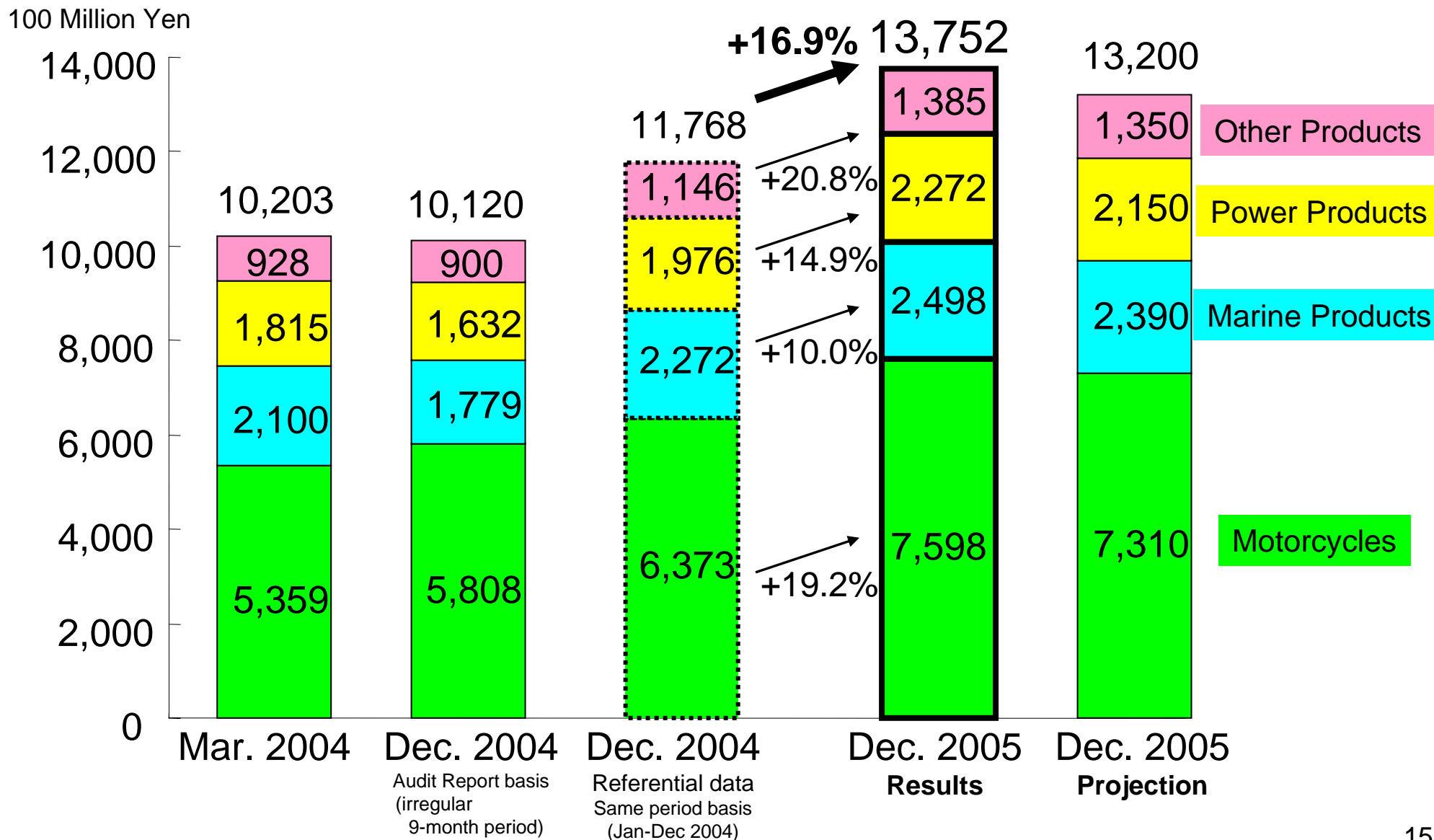
# **3. Results**

**Director SUGANUMA Yukio**

# Sales by product Segment



## Results

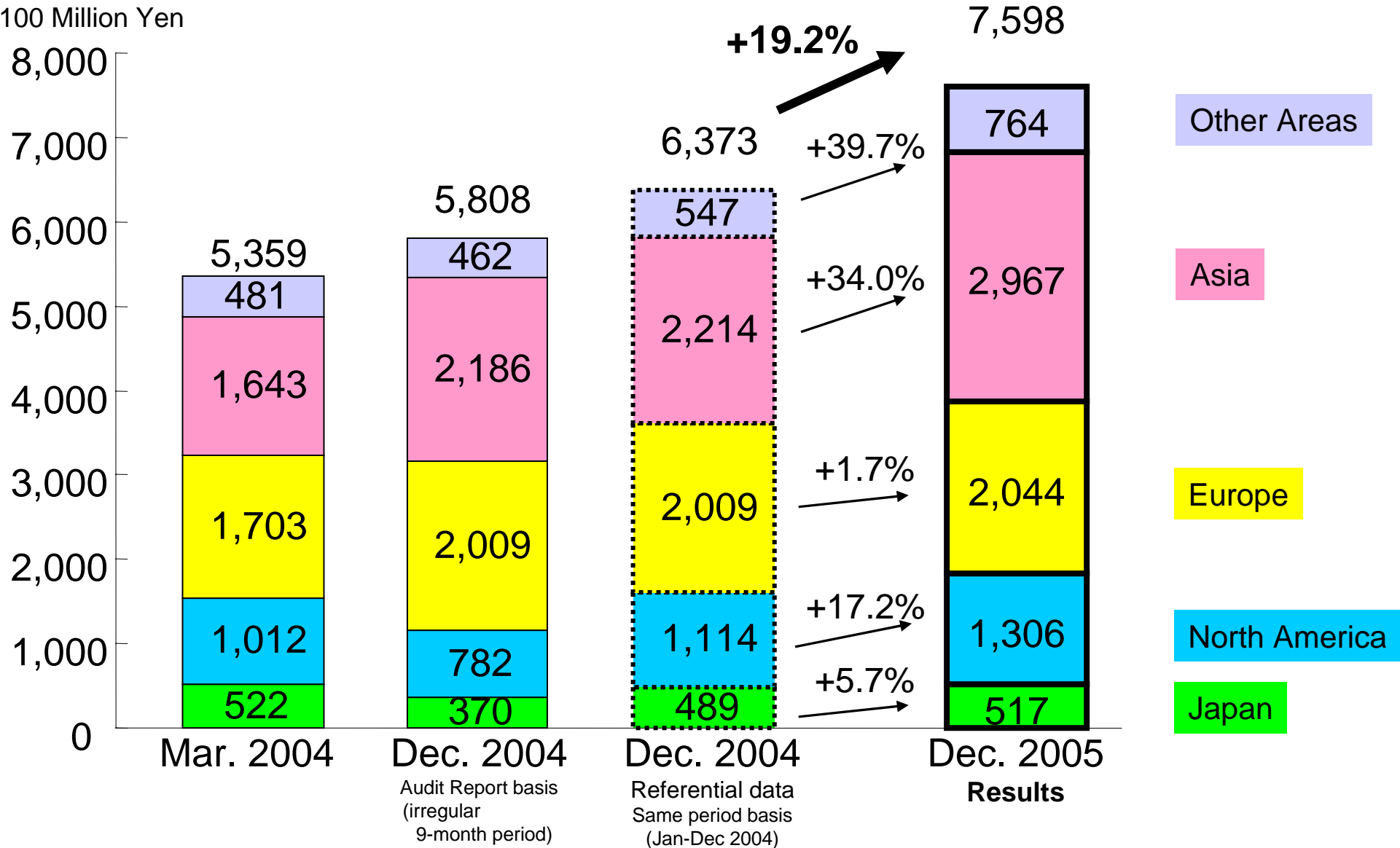


# Motorcycle Sales by Geographical Segment



## Results

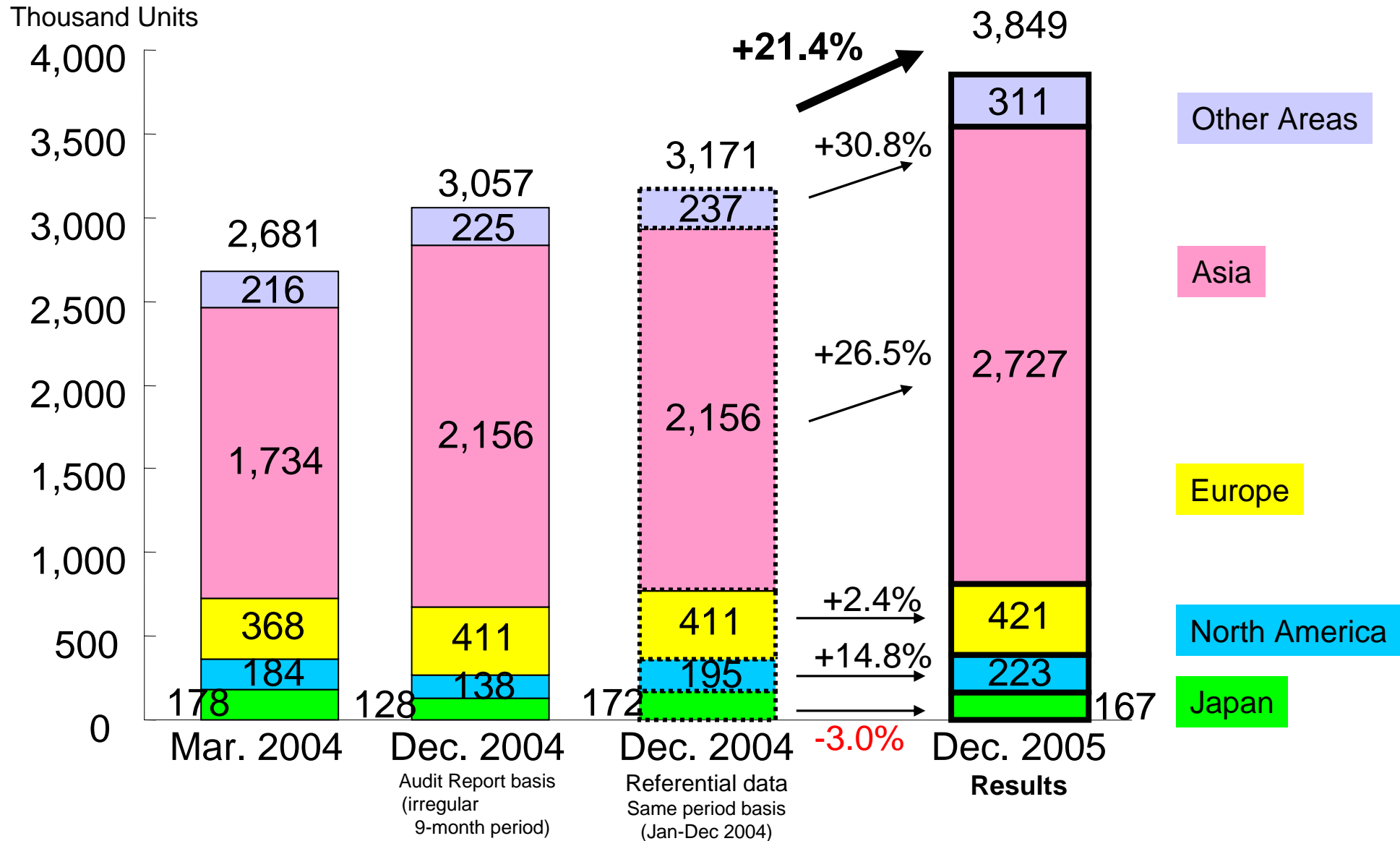
100 Million Yen



# Motorcycle Unit Sales by Geographical Segment



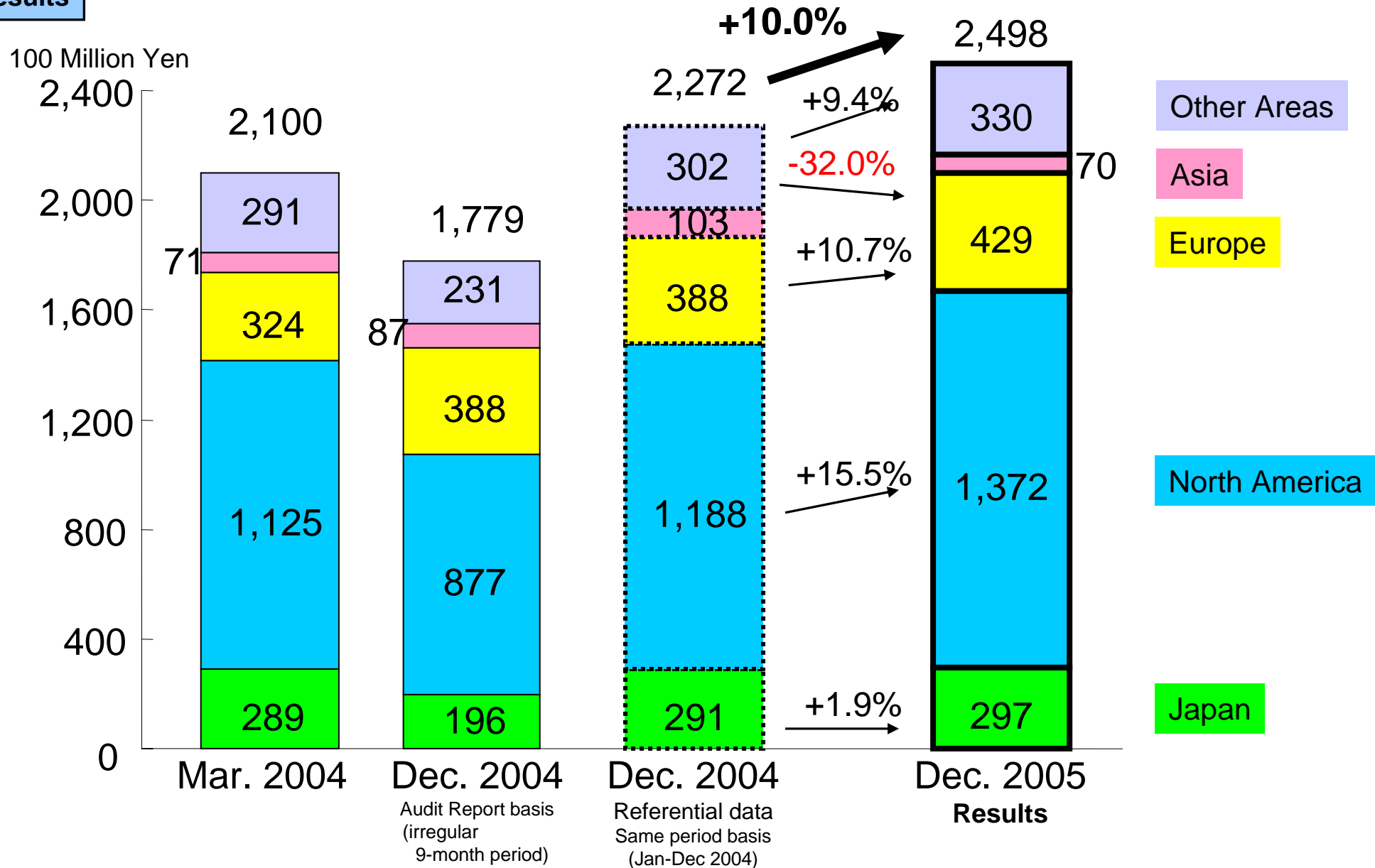
## Results



# Marine Product Sales by Geographical Segment



## Results

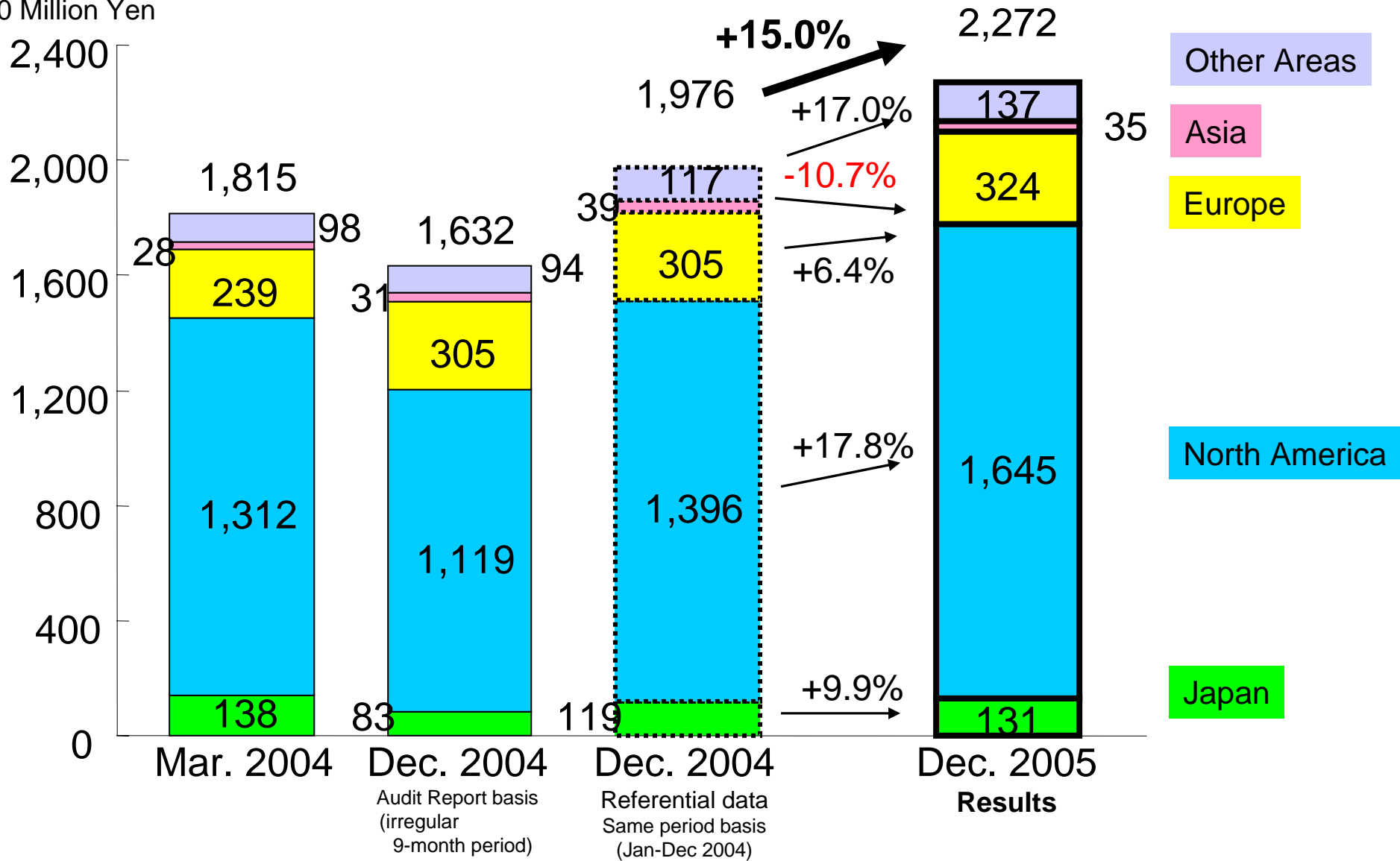


# Power Product Sales by Geographical Segment



## Results

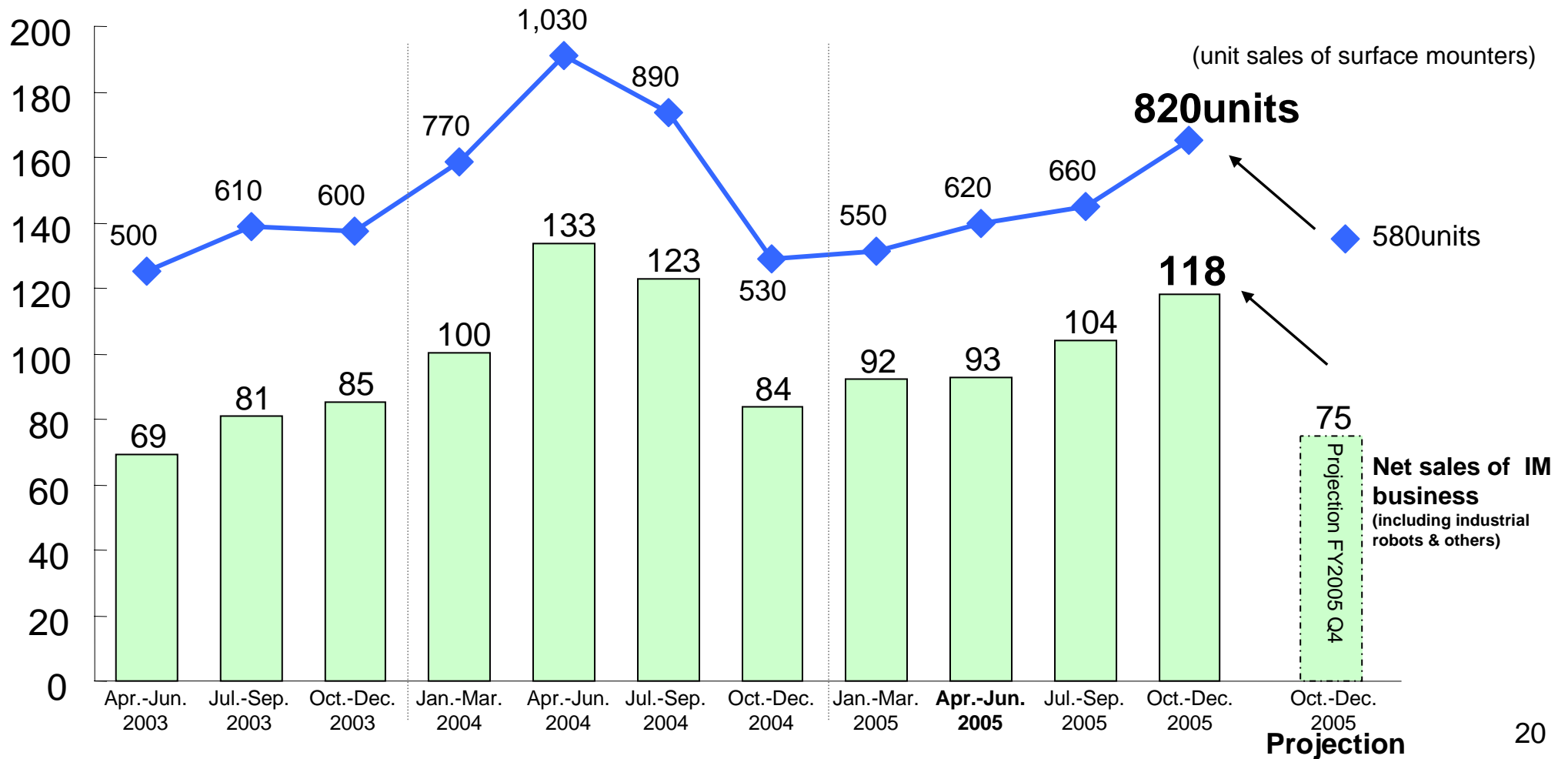
100 Million Yen



## Results

	Results Jan.-Dec. 2004	Projection Jan.-Dec. 2005	Results Jan.-Dec. 2005	Defference from last year	Defference from projection
<b>Mounters (Units)</b>	3,220	2,470	2,650	- 570	+ 180
<b>Net Sales (100 Million Yen)</b>	440	360	407	- 33	+ 47

100 Million Yen



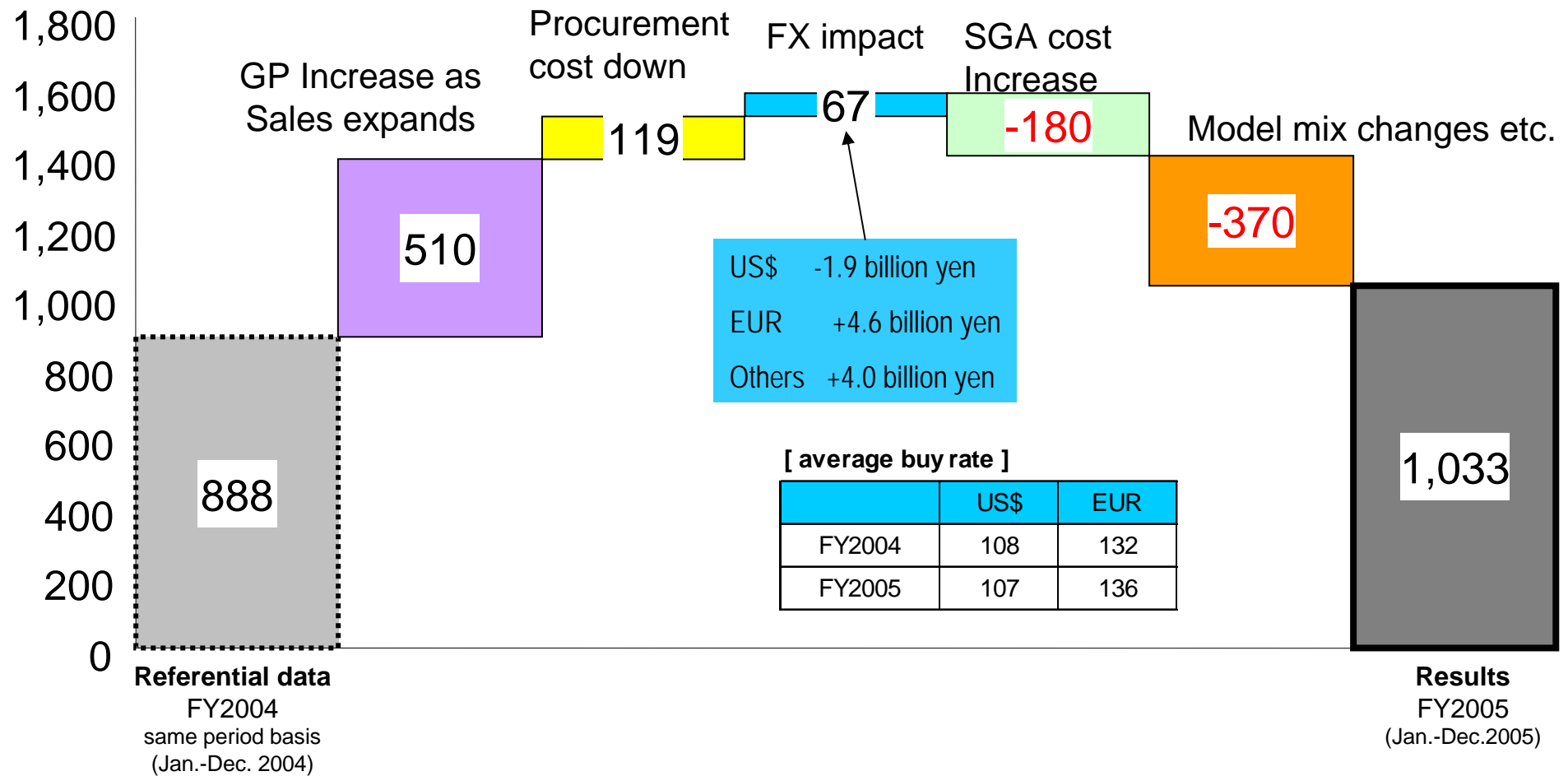
# Factors Impacting Operating Income



## Factors Impacting OP Income

\*Comparison with the same period consolidation

100 Million Yen



# Operating Income by Product Segment



## Results

100 Million Yen

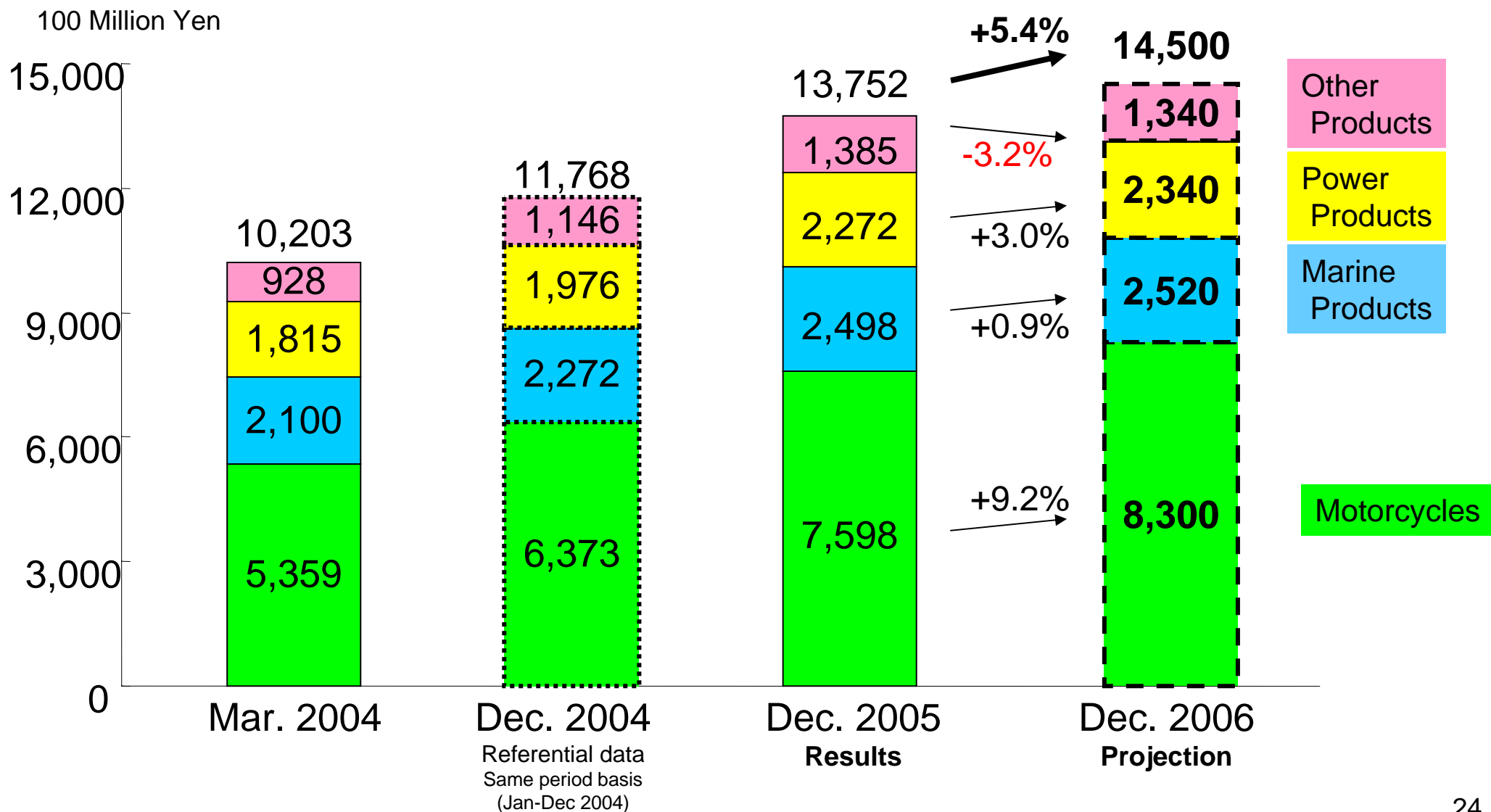
		Mar. 2004 (Apr. 2003-Mar. 2004)	FY2004 (Apr.-Dec.2004) (irregular 9-month period)	FY2004 (Jan.-Dec. 2004) (same period consolidation basis)	FY2005 (Jan.-Dec. 2005)	Difference (FY2004(same Period) vs FY2005)
Motorcycle	Net sales	5,359	5,808	6,373	7,598	1,225
	OP. income	216	219	262	332	70
	OP. income %	4.0%	3.8%	4.1%	4.4%	0.3%
Marine Products	Net sales	2,100	1,779	2,272	2,498	226
	OP. income	165	140	202	247	45
	OP. income %	7.8%	7.9%	8.9%	9.9%	1.0%
Power Products	Net sales	1,815	1,632	1,976	2,272	296
	OP. income	250	228	266	269	3
	OP. income %	13.8%	13.9%	13.5%	11.8%	- 1.7%
Other Products	Net sales	928	900	1,146	1,385	239
	OP. income	101	115	159	186	27
	OP. income %	10.9%	12.8%	13.9%	13.4%	- 0.5%
Total	Net sales	10,203	10,120	11,768	13,752	1,984
	OP. income	731	701	888	1,033	145
	OP. income %	7.2%	6.9%	7.5%	7.5%	0.0%
Buy rate	US\$	114	109	108	107	- 1
	EUR	128	133	132	136	4
Motorcycle + ATV	Net sales	6,594	6,950	7,735	9,154	1,419
	OP. income	434	435	488	562	74
	OP. income %	6.6%	6.3%	6.3%	6.1%	- 0.2%

## **4. Projection FY2006**

# Sales by Product Segment



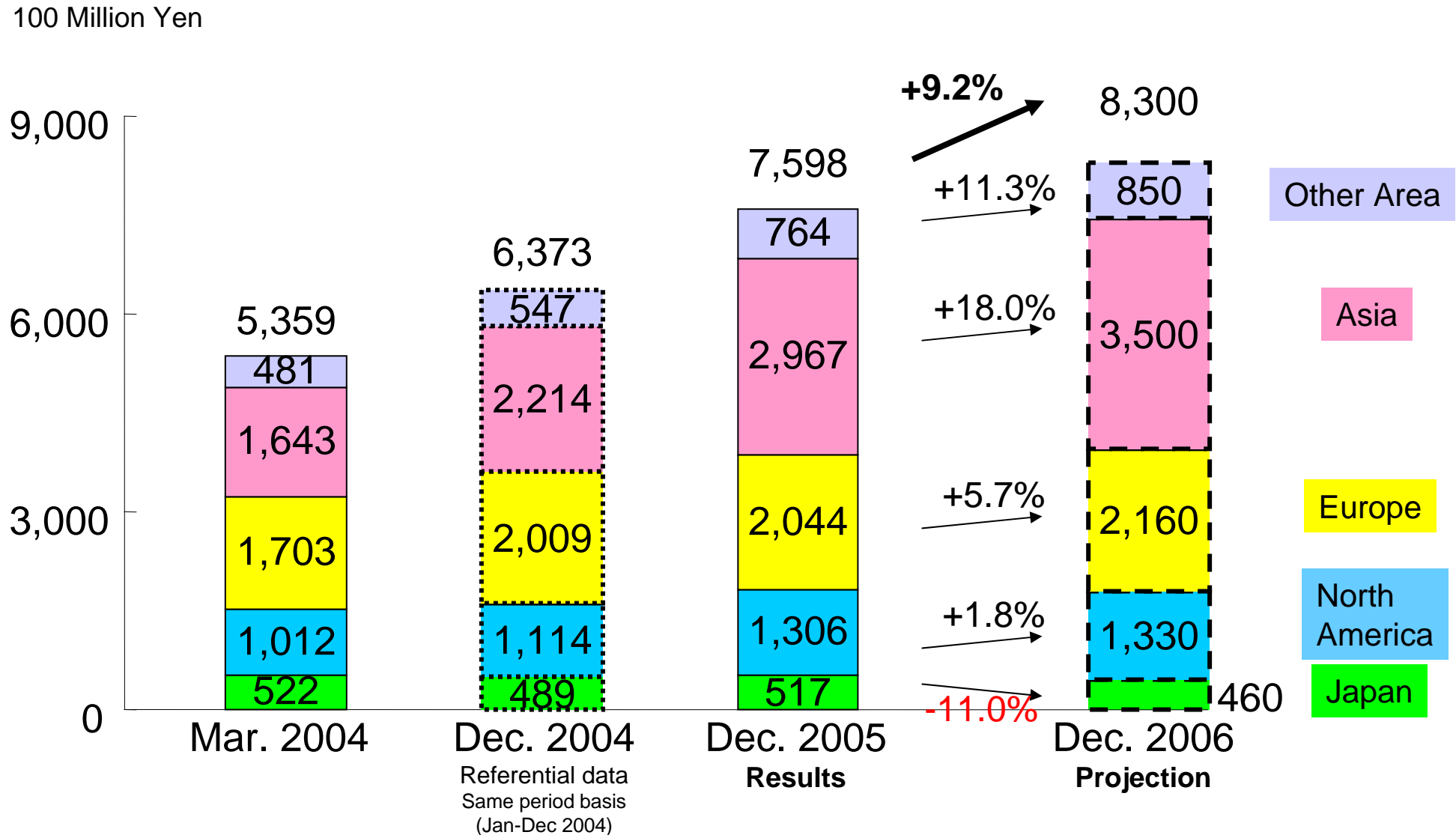
Projection for the Next Year



# Motorcycle Sales by Geographical Segment



Projection for the Next Year

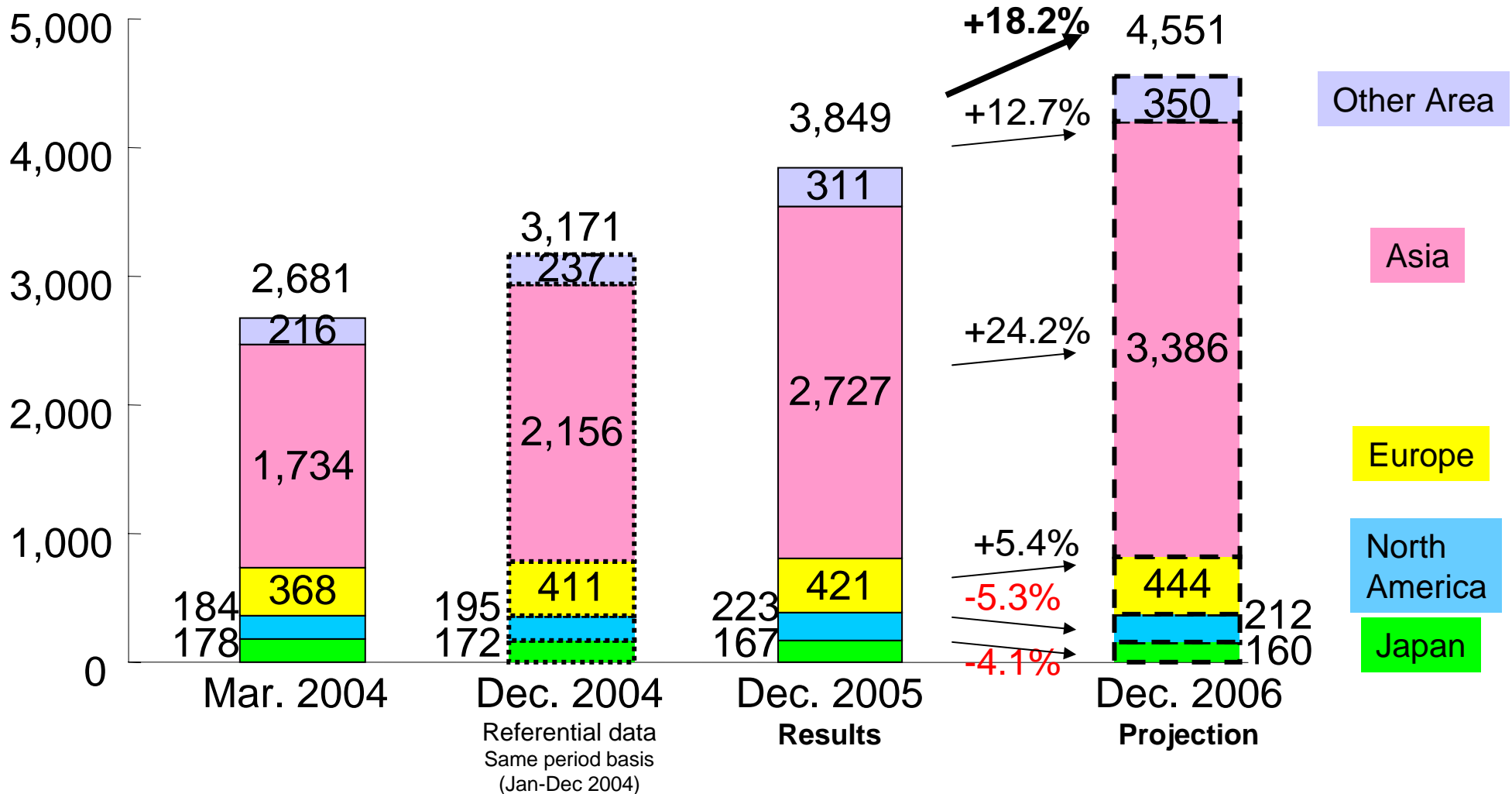


# Motorcycle Sales Units by Geographical Segment



Projection for the Next Year

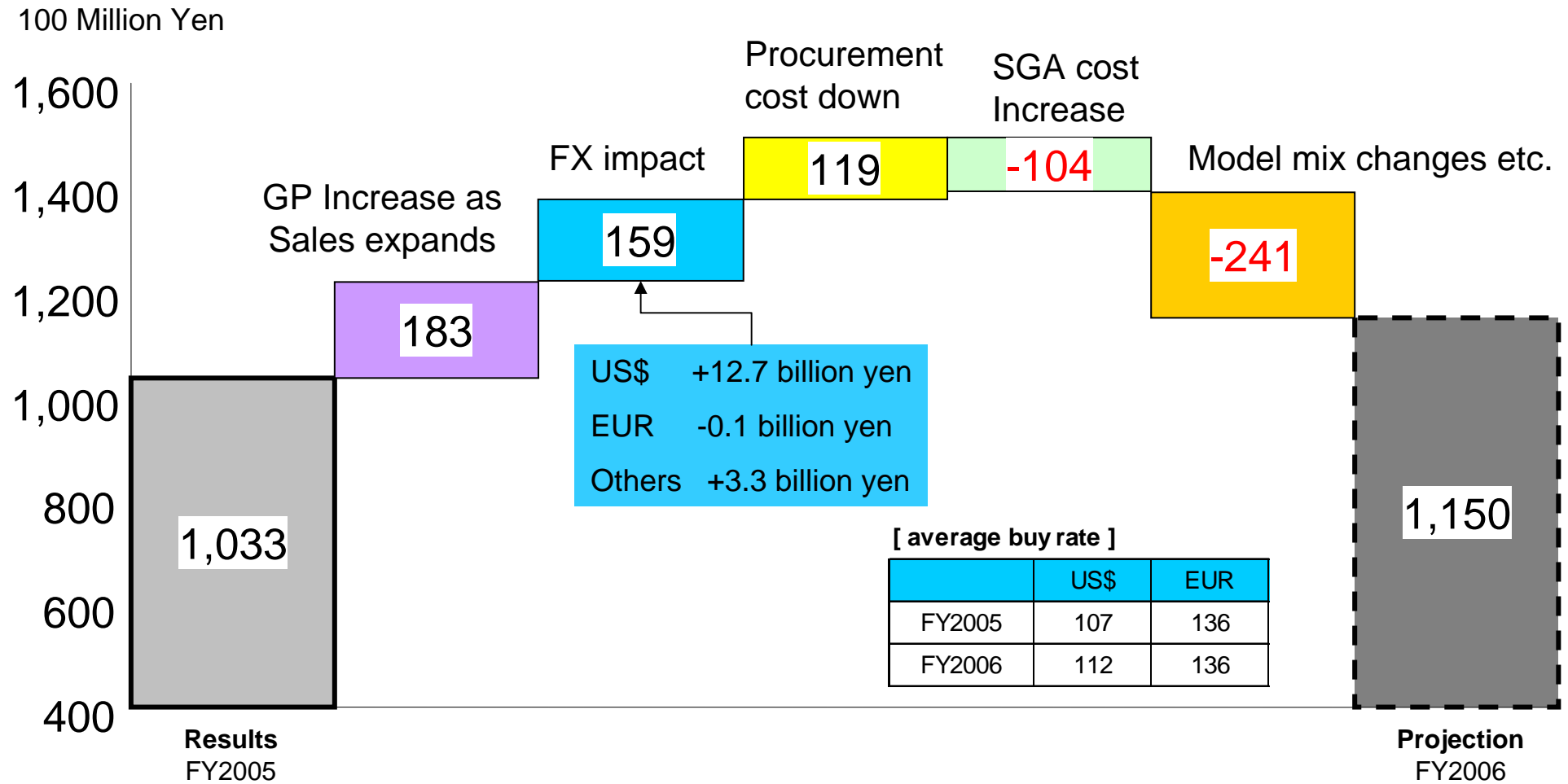
100 Million Yen



# Factors Impacting Operating income



Projection for the Next Year



# Operating Profit by Product Segment



Projection for the Next Year

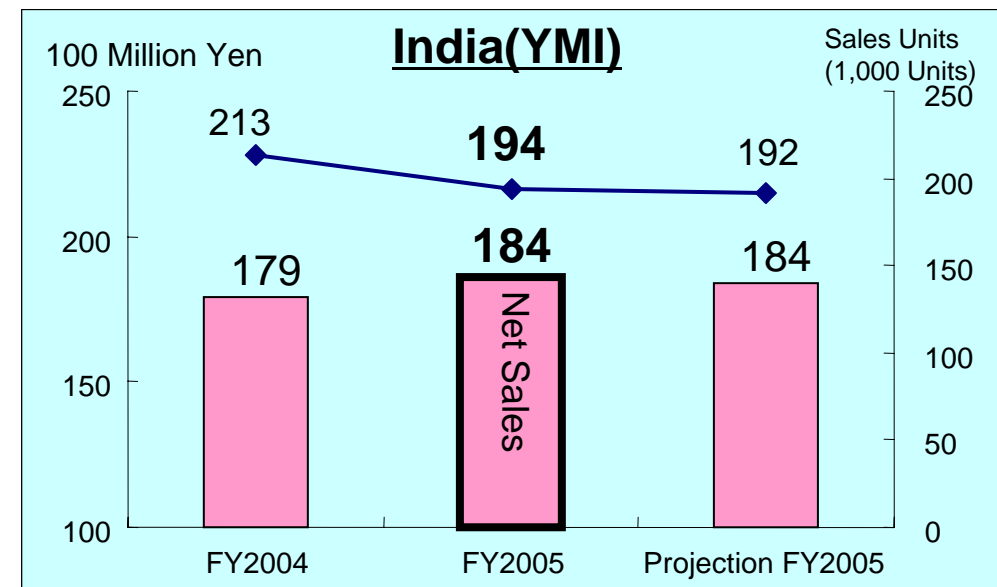
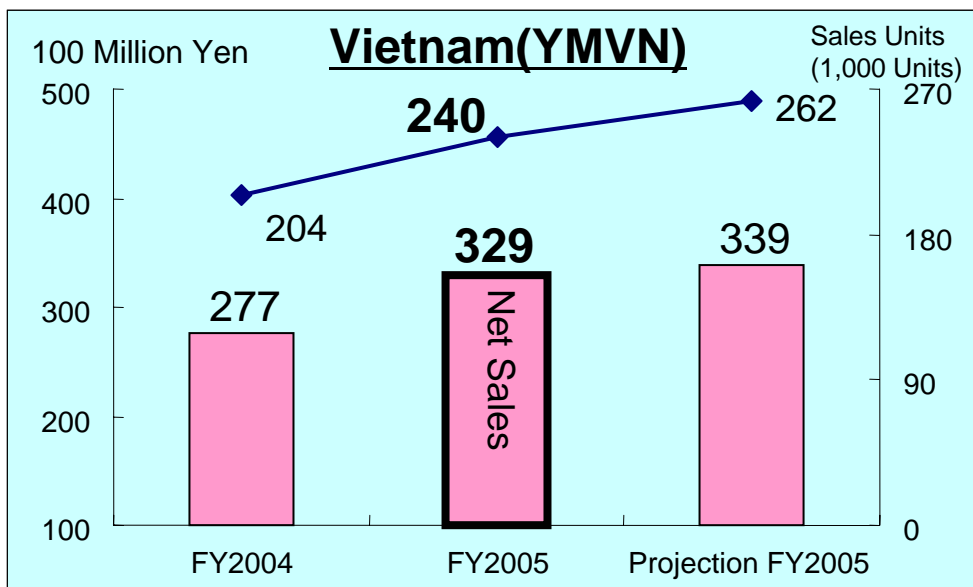
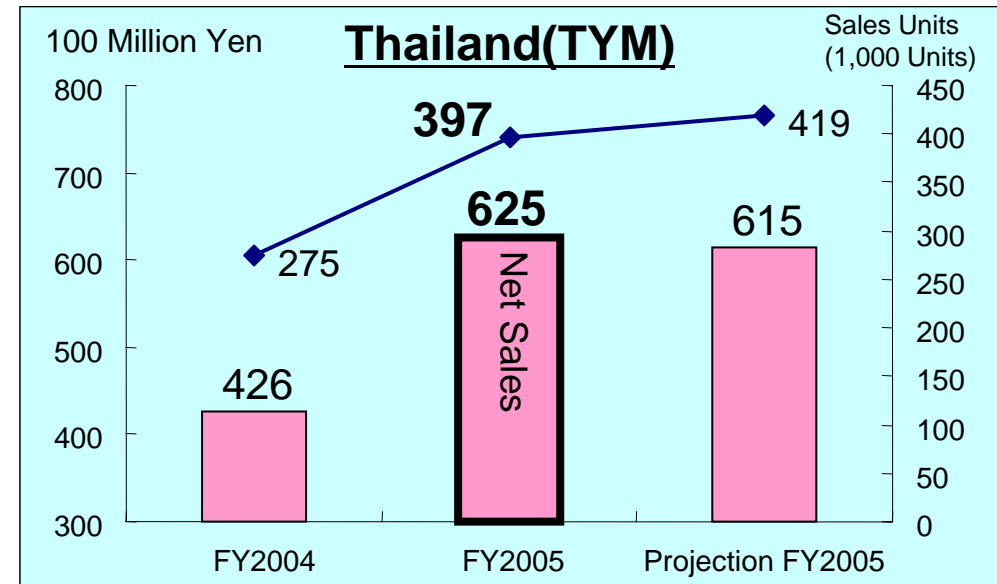
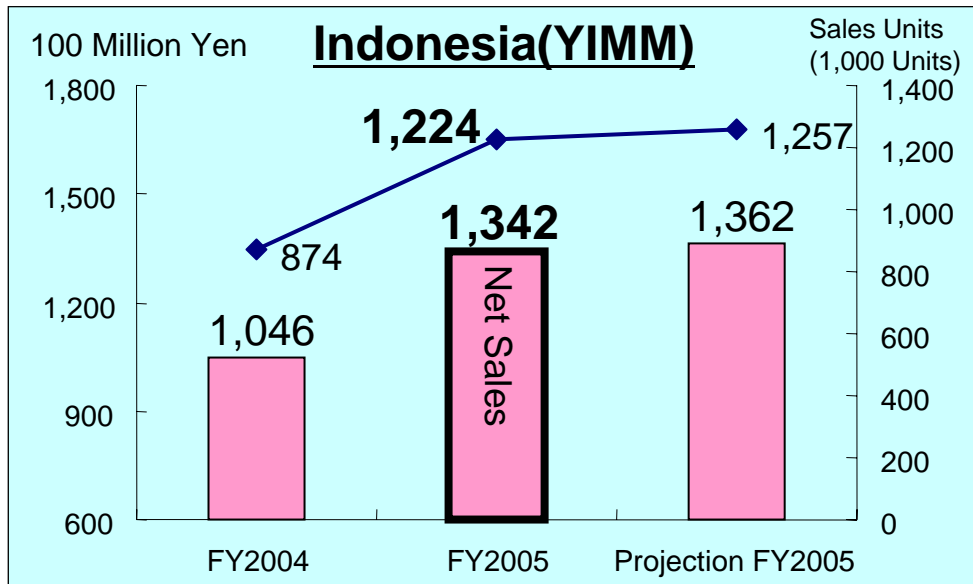
100 Million Yen

		Mar. 2004 (Apr. 2003-Mar. 2004)	FY2004 (Jan.-Dec. 2004) (same period consolidation basis)	FY2005 (Jan.-Dec. 2005)	Projection FY2006 (Jan.-Dec. 2006)	Difference (FY2005 vs FY2006)
Motorcycle	Net sales	5,359	6,373	7,598	8,300	702
	OP. income	216	262	332	410	78
	OP. income %	4.0%	4.1%	4.4%	4.9%	0.6%
Marine Products	Net sales	2,100	2,272	2,498	2,520	22
	OP. income	165	202	247	270	23
	OP. income %	7.8%	8.9%	9.9%	10.7%	0.8%
Power Products	Net sales	1,815	1,976	2,272	2,340	68
	OP. income	250	266	269	300	31
	OP. income %	13.8%	13.5%	11.8%	12.8%	1.0%
Other Products	Net sales	928	1,146	1,385	1,340	- 45
	OP. income	101	159	186	170	- 16
	OP. income %	10.9%	13.9%	13.4%	12.7%	- 0.7%
Total	Net sales	10,203	11,768	13,752	14,500	748
	OP. income	731	888	1,033	1,150	117
	OP. income %	7.2%	7.5%	7.5%	7.9%	0.4%
Buy rate	US\$	114	108	107	112	5
	EUR	128	132	136	136	0
Motorcycle + ATV	Net sales	6,594	7,735	9,154	9,900	746
	OP. income	434	488	562	660	98
	OP. income %	6.6%	6.3%	6.1%	6.7%	0.5%

Thank you

# Appendix

# Results of main subsidiaries in Asia



Note : Non-consolidated figures of Asian Subsidiaries. Sales figure includes cross-trade exports amount. Sales units does not include export and cross-trade number of units.

# FX rate and Impact



## Results

100 Million Yen

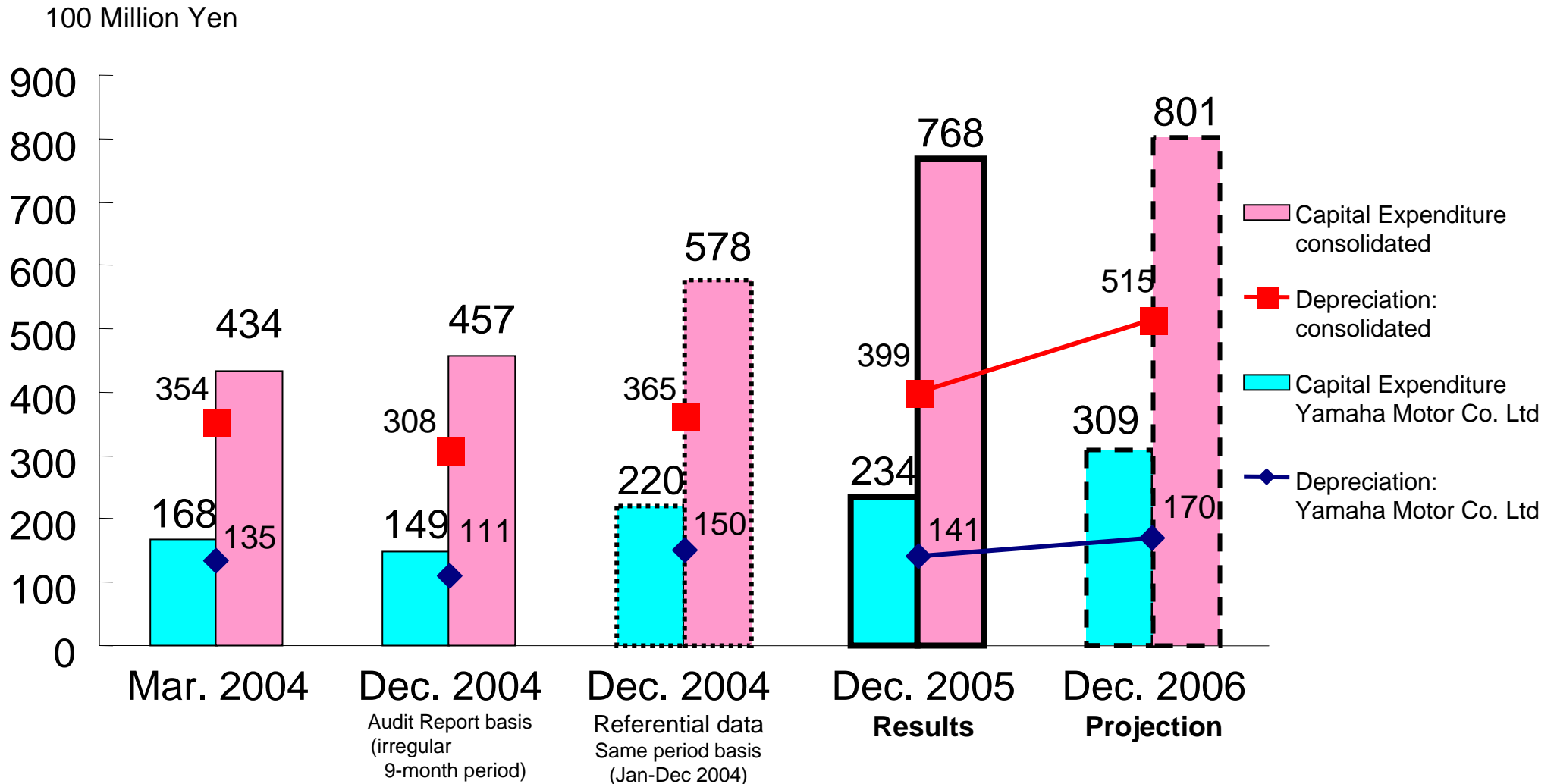
	US\$	EUR	Others	Total	
Buy rate					
FY ended Dec. 2004	108	132	-	-	
FY ended Dec. 2005	107	136	-	-	
<b>Rate Impact</b>	<b>- 31</b>	35	20	24	(1)
PL translation rate					
FY ended Dec. 2004	108	134	-	-	
FY ended Dec. 2005	110	137	-	-	
<b>Impact from GP translation</b>	12	11	19	43	(2)
<b>Impact on Operating Income</b>	<b>- 19</b>	46	40	67	(1)+(2)
<b>Impact of 1yen Change</b>	22	9			

# Capital Expenditure/ Depreciation



Results

Projection for the Next Year



# Total Demand for Motorcycles, ATVs and Outboard Motors in the US

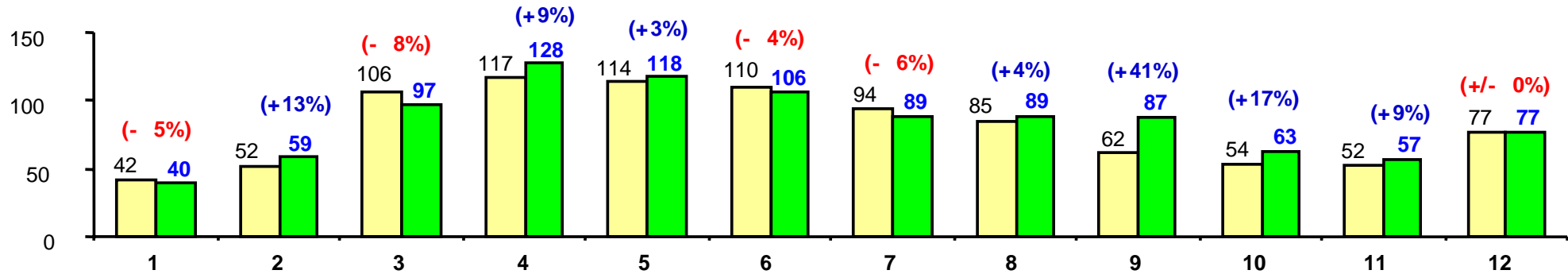


## Results

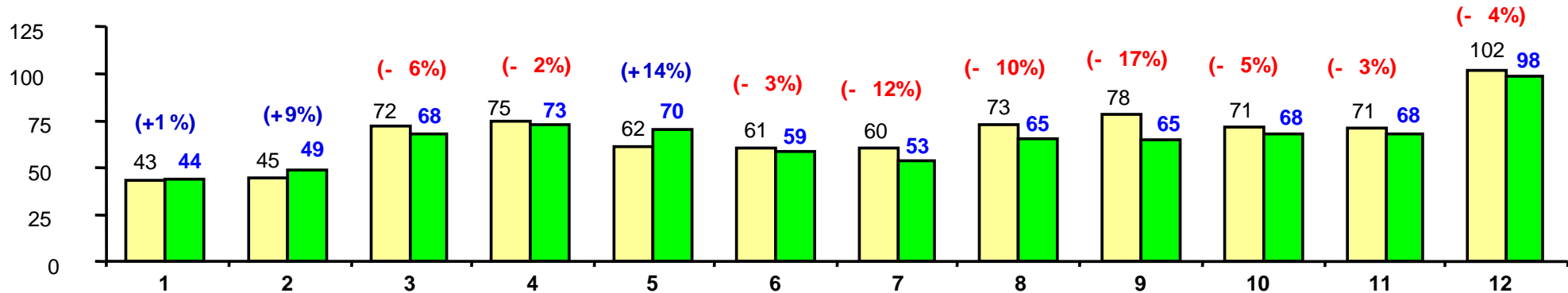
Last Yr
  Current

(1,000 Units)

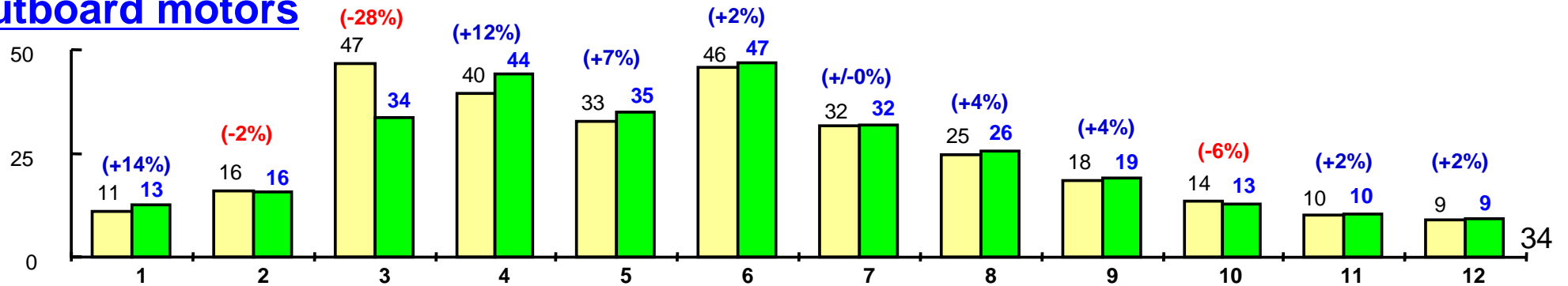
## Motorcycles



## ATV (excl. SxS)



## Outboard motors

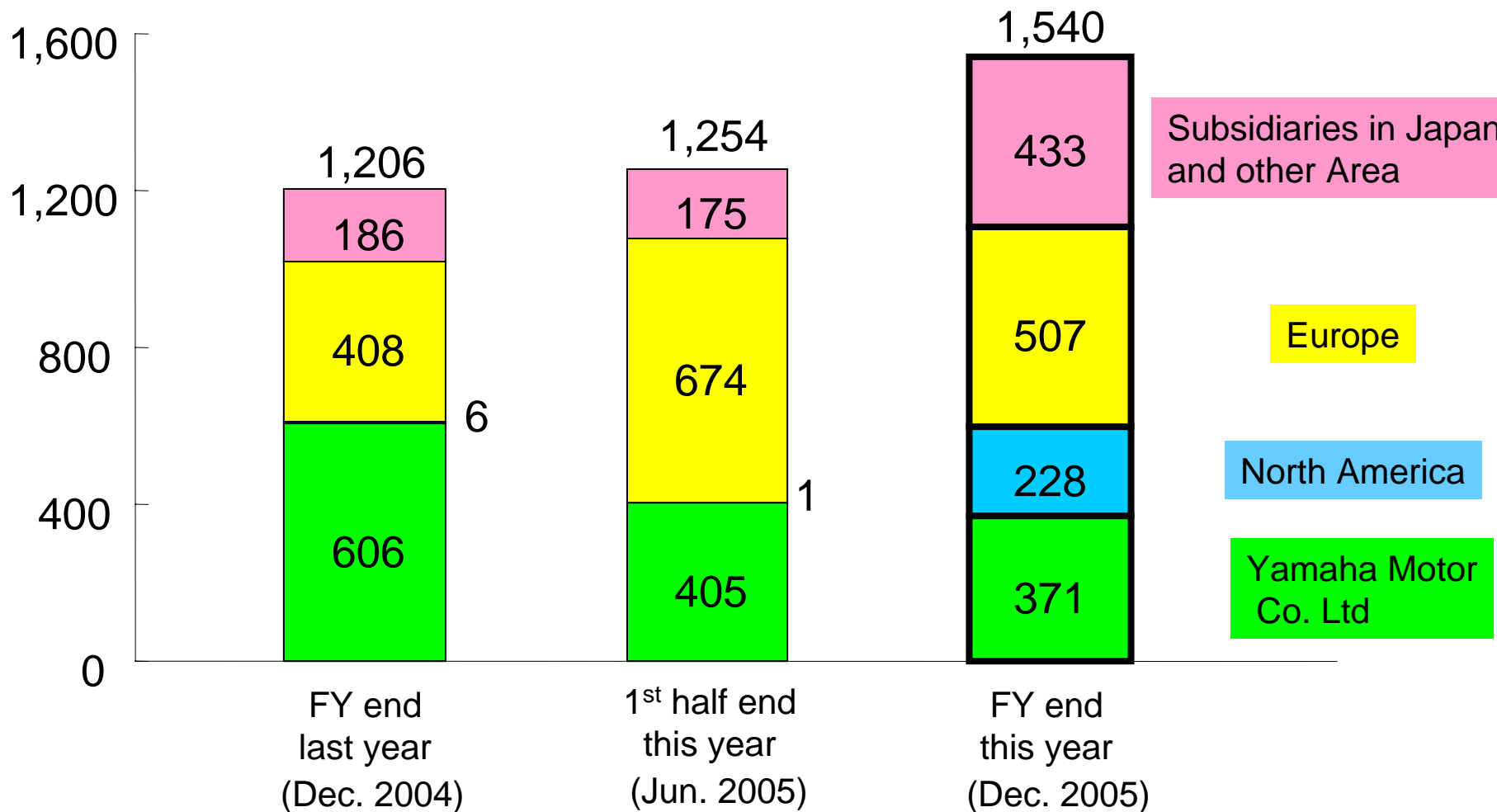


# Interest bearing Debt



## Results

100 Million Yen

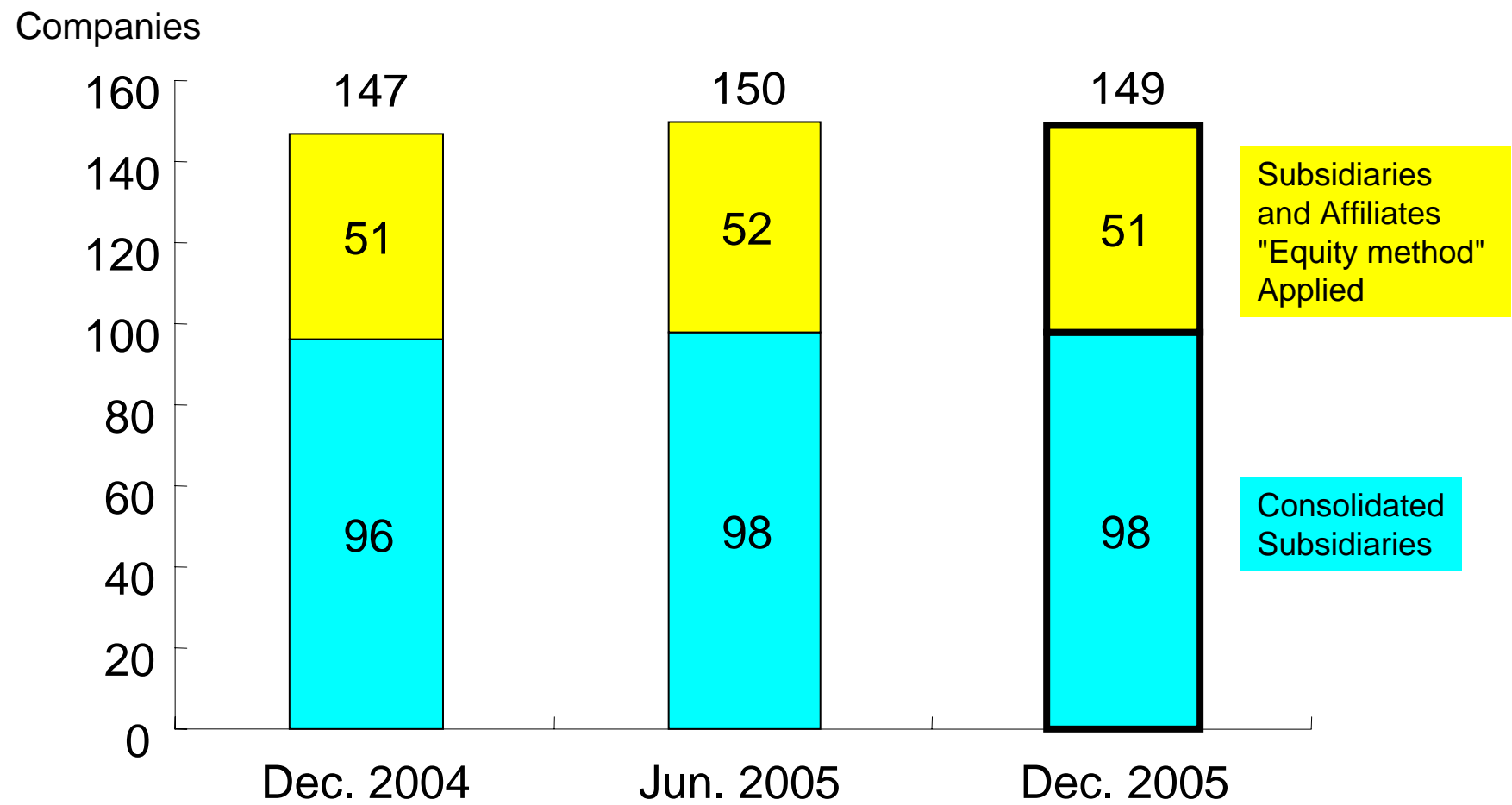


Notes : "Subsidiaries in Japan and other area" includes elimination of consolidation

# Number of Group Companies



**Results**

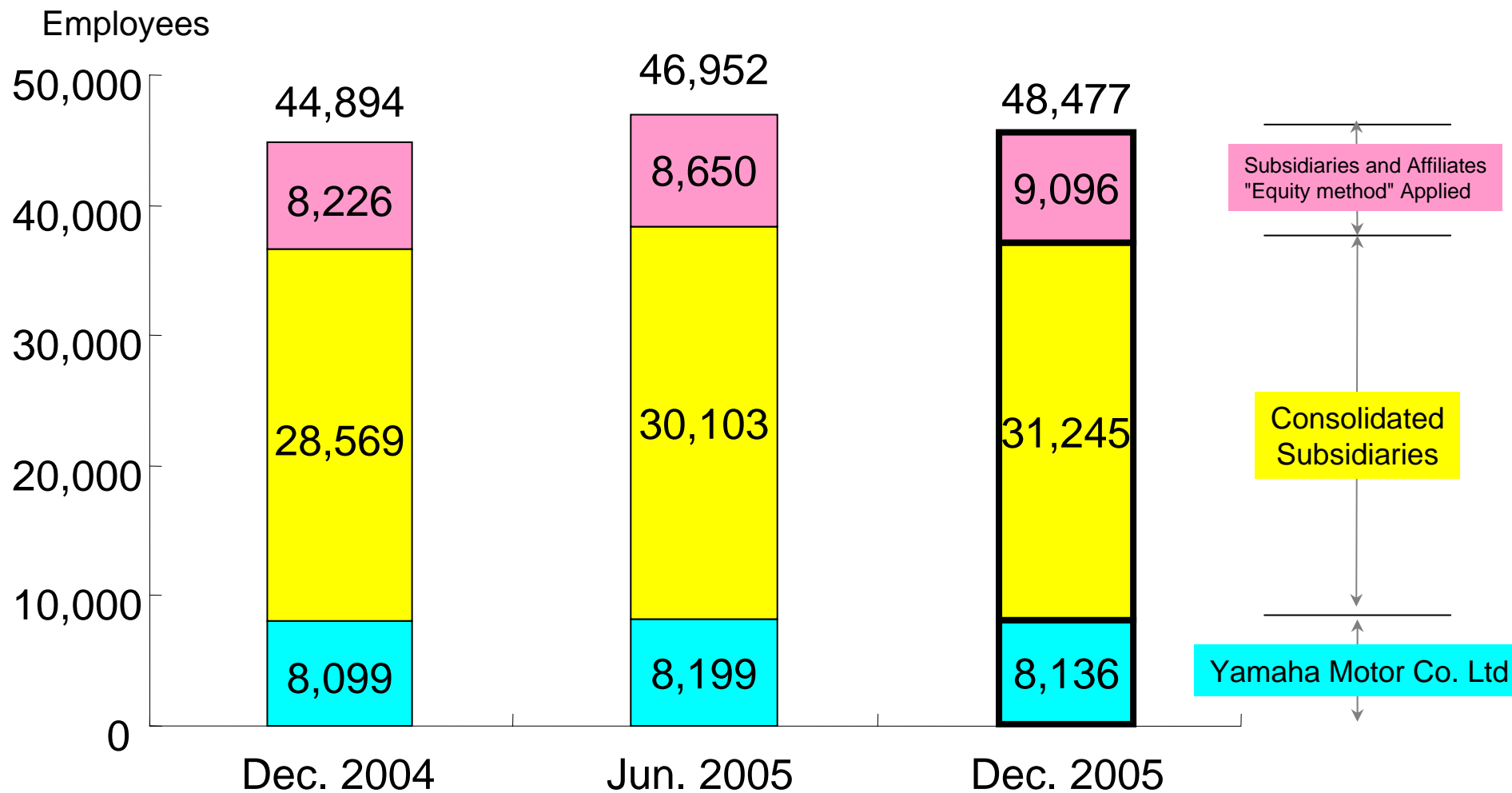


Subsidiaries	122	124	126
Affiliates	36	36	35
<b>Total</b>	<b>158</b>	<b>160</b>	<b>161</b>

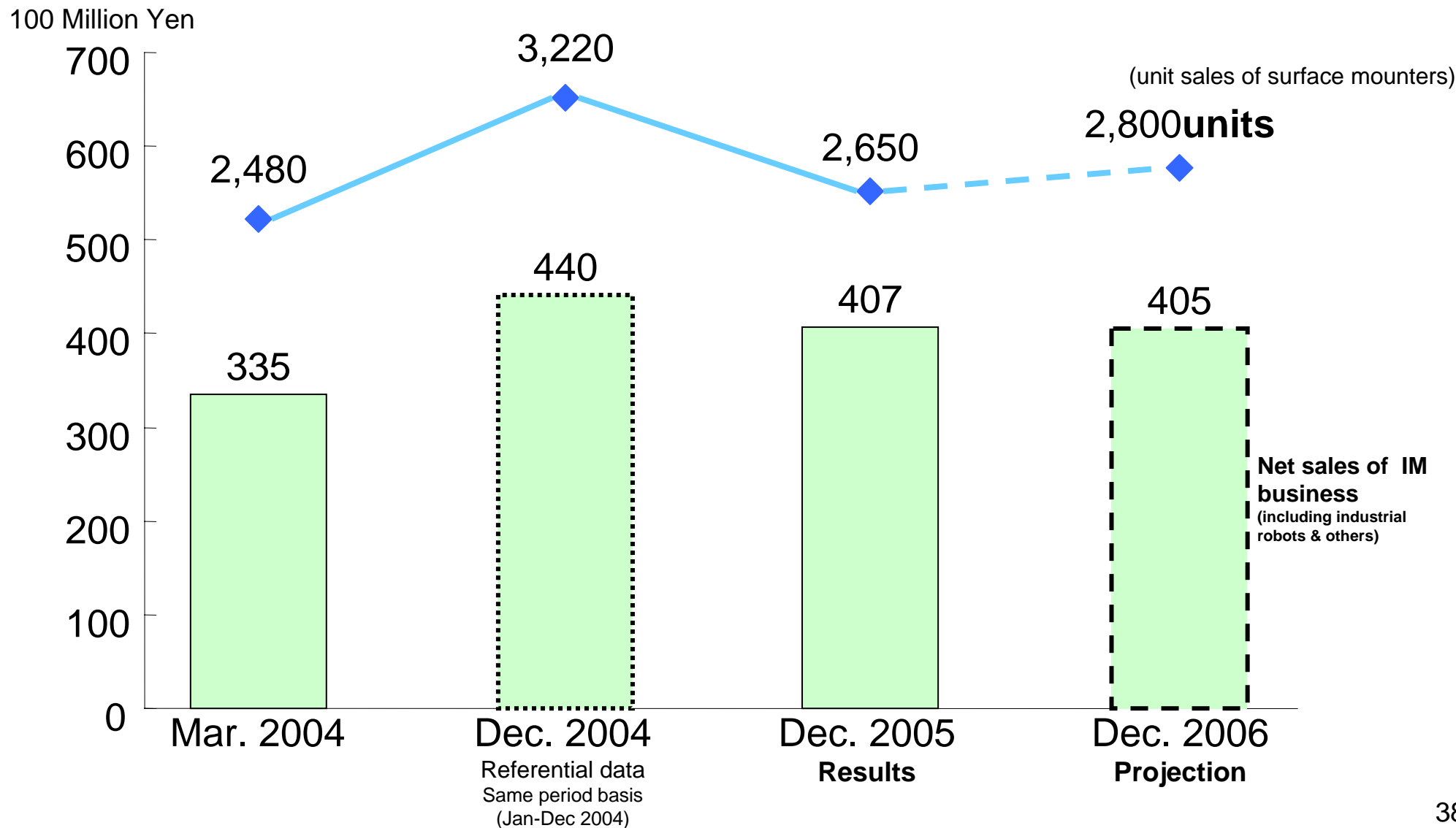
# Number of Group Employees



## Results



**Projection for the Next Year**



# FX rate and Impact

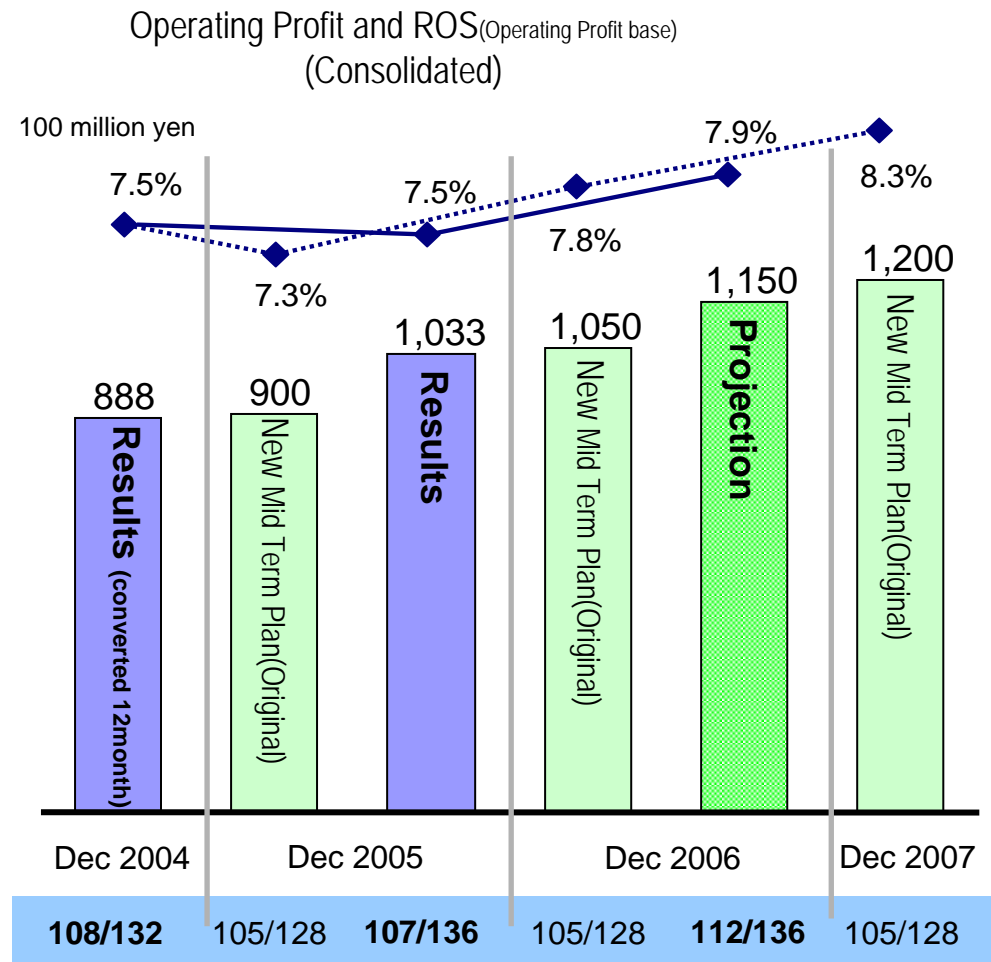
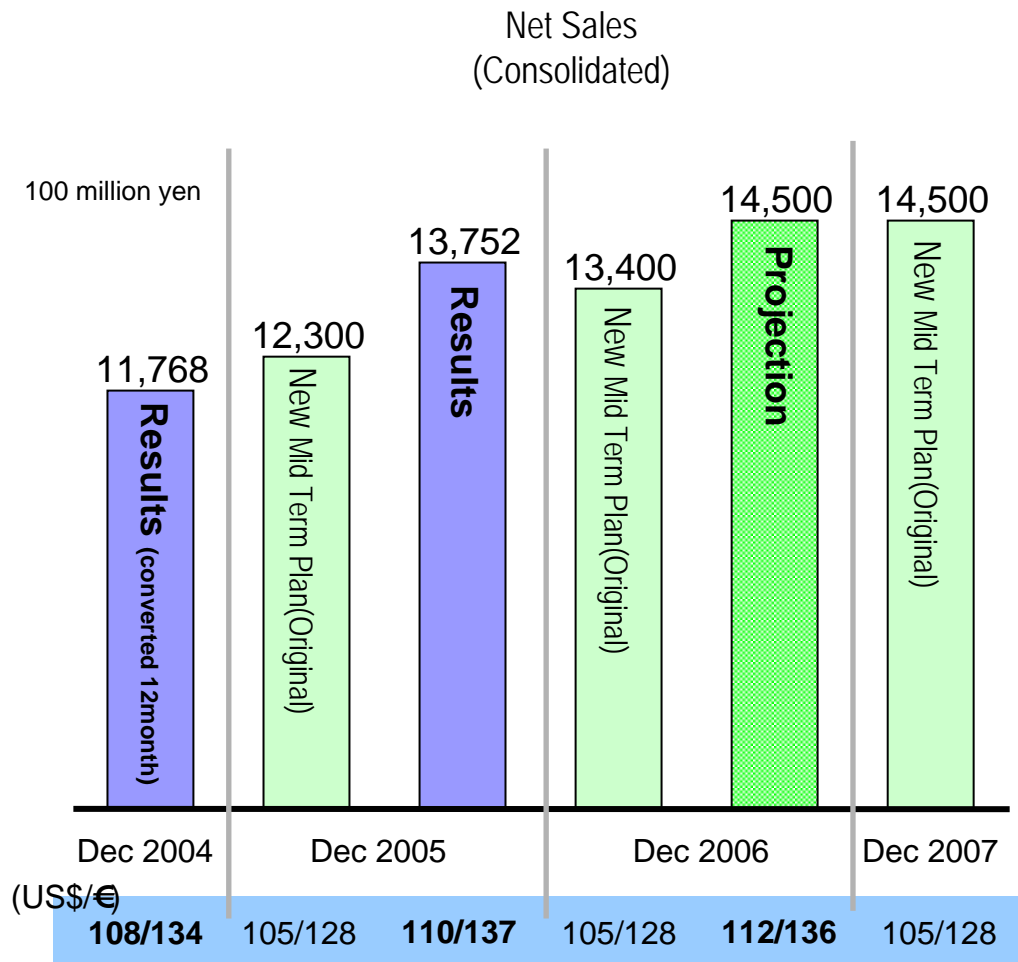


Projection for the Next Year

100 Million Yen

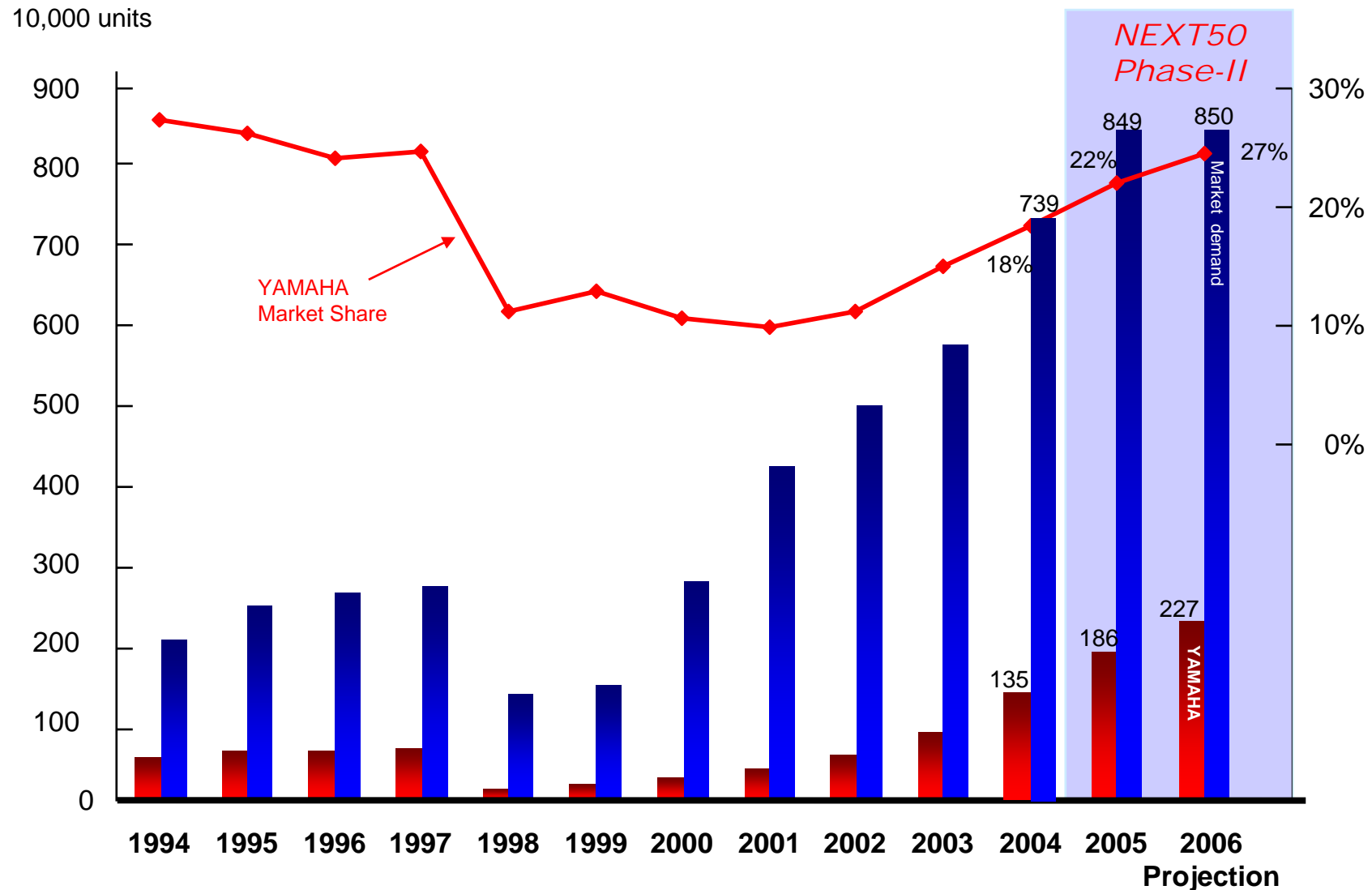
	US\$	EUR	Others	Total	
Buy rate					
FY ended Dec. 2005	107	136	-	-	
FY ending Dec. 2006	112	136	-	-	
<b>Rate Impact</b>	115	3	33	152	(1)
PL translation rate					
FY ended Dec. 2005	110	137	-	-	
FY ending Dec. 2006	112	136	-	-	
<b>Impact from GP translation</b>	12	- 4	0	8	(2)
<b>Impact on Operating Income</b>	127	- 1	33	159	(1)+(2)
<b>Impact of 1yen Change</b>	22	10			

Net Sales achieve the final target 1 year earlier in 2006,  
Operating Income also excess the target



\* Dec. 2004 ; Irregular 9-month period and converted to 12-month period for comparison (Jan-Dec 2004)

# Motorcycle Demand and Supply in Main 3 ASEAN Countries



\*Total of Main 3 ASEAN countries, Indonesia, Thailand and Vietnam

# Demand and YAMAHA Sales



	Demand ( in 1000units except for Surface Mounters)				
	Mar. 2003 <small>(Apr. 2002-Mar. 2003)</small>	Mar. 2004 <small>(Apr. 2003-Mar.2004)</small>	Dec. 2004 <small>(Jan. 2004-Dec. 2004)</small>	Dec. 2005 <small>(Jan 2005-Dec 2005)</small>	Dec. 2006 <small>(Jan 2006-Dec 2006)</small>
JAPAN	816	777	735	739	730
NORTH AMERICA	929	929	1,040	1,089	1,109
EUROPE	1,889	1,912	1,879	1,868	1,805
INDONESIA	2,470	2,950	4,150	5,380	5,200
THAILAND	1,325	1,758	2,040	2,099	2,100
INDIA	4,914	5,110	5,970	7,249	8,098
VIETNAM	1,383	1,202	1,200	1,011	1,200
TAIWAN	660	760	780	790	750
Other Asia	669	886	1,275	1,555	1,833
CHINA	11,360	11,970	12,000	12,690	12,740
Total ASIA	22,781	24,636	27,415	30,773	31,921
BRAZIL	800	851	901	1,017	1,088
Other Regions	1,337	1,956	1,925	2,616	2,730
Total MOTORCYCLES	28,552	31,061	33,895	38,103	39,383
OUTBOARD MOTORS	823	828	854	859	869
ATVs	962	1,053	1,090	1,115	1,086
SURFACE MOUNTERS	9,450	13,870	17,350	17,368	17,700

	YAMAHA SALES( in 1000units except for Surface Mounters)				
	Mar. 2003 <small>(Apr. 2002-Mar. 2003)</small>	Mar. 2004 <small>(Apr. 2003-Mar.2004)</small>	Dec. 2004 <small>(Jan. 2004-Dec. 2004)</small>	Dec. 2005 <small>(Jan 2005-Dec 2005)</small>	Dec. 2006 <small>(Jan 2006-Dec 2006)</small>
JAPAN	203	178	172	167	160
NORTH AMERICA	199	184	195	223	212
EUROPE	383	368	411	421	444
INDONESIA	351	568	874	1,224	1,486
THAILAND	143	186	275	397	481
INDIA	289	219	213	194	300
VIETNAM	113	127	204	240	300
TAIWAN	190	231	249	248	240
Other Asia	115	116	115	200	269
CHINA	131	289	226	224	310
Total ASIA	1,332	1,734	2,156	2,727	3,386
BRAZIL	101	114	121	147	175
Other Regions	117	102	116	163	175
Total MOTORCYCLES	2,335	2,681	3,171	3,849	4,551
OUTBOARD MOTORS	306	314	325	350	361
ATVs	248	246	273	285	274
SURFACE MOUNTERS	1,640	2,480	3,220	2,650	2,800

(\*1)Dec. 2004; converted to the 12-month period from irregular 9-month period consolidation due to the change of accounting period  
 (\*2)ATVs includes *Side X Side* category

		Mar. 2002	Mar. 2003	Mar. 2004	(irregular 9-month period) Dec. 2004	Dec. 2005	Projection Dec. 2006
Net Sales	(100 million yen)	9,468	10,132	10,203	10,120	13,752	14,500
Operating Income	(100 million yen)	372	677	731	701	1,033	1,150
Ordinary income	(100 million yen)	327	672	723	704	1,031	1,150
Net Income	(100 million yen)	95	256	401	382	640	650
EX Rate(US\$/EUR)		121/108	123/117	114/128	109/134	107/136	112/136
Total Asset	(100 million yen)	7,079	6,991	7,019	7,677	9,585	9,750
Shareholders' Equity	(100 million yen)	1,636	1,802	2,494	2,938	3,839	4,100
Equity Ratio		23.1%	25.8%	35.5%	38.3%	40.1%	42.1%
ROS (Return On Sales)		3.5%	6.6%	7.1%	7.0%	7.5%	7.9%
ROE (Return On Equity)		5.8%	14.2%	16.1%	13.0%	16.7%	15.9%
ROA (Return On Asset)		4.6%	9.6%	10.3%	9.2%	10.8%	11.8%
Issued Capital	(million shares)	231	231	275	281	286	286
EPS (Earnings Per Share)	(Yen)	41	111	146	136	224	228
BPS (Bookvalue Per Share)	(Yen)	708	780	908	1,043	1,343	1,435

(\*1) Dec. 2004; irregular 9-month period due to the change of accounting period

(\*2) number of shares for EPS calculation and equity for ROE calculation, are based on those of fiscal year end  
( for FY2006 assumption of issued shares : 285.6 million shares )

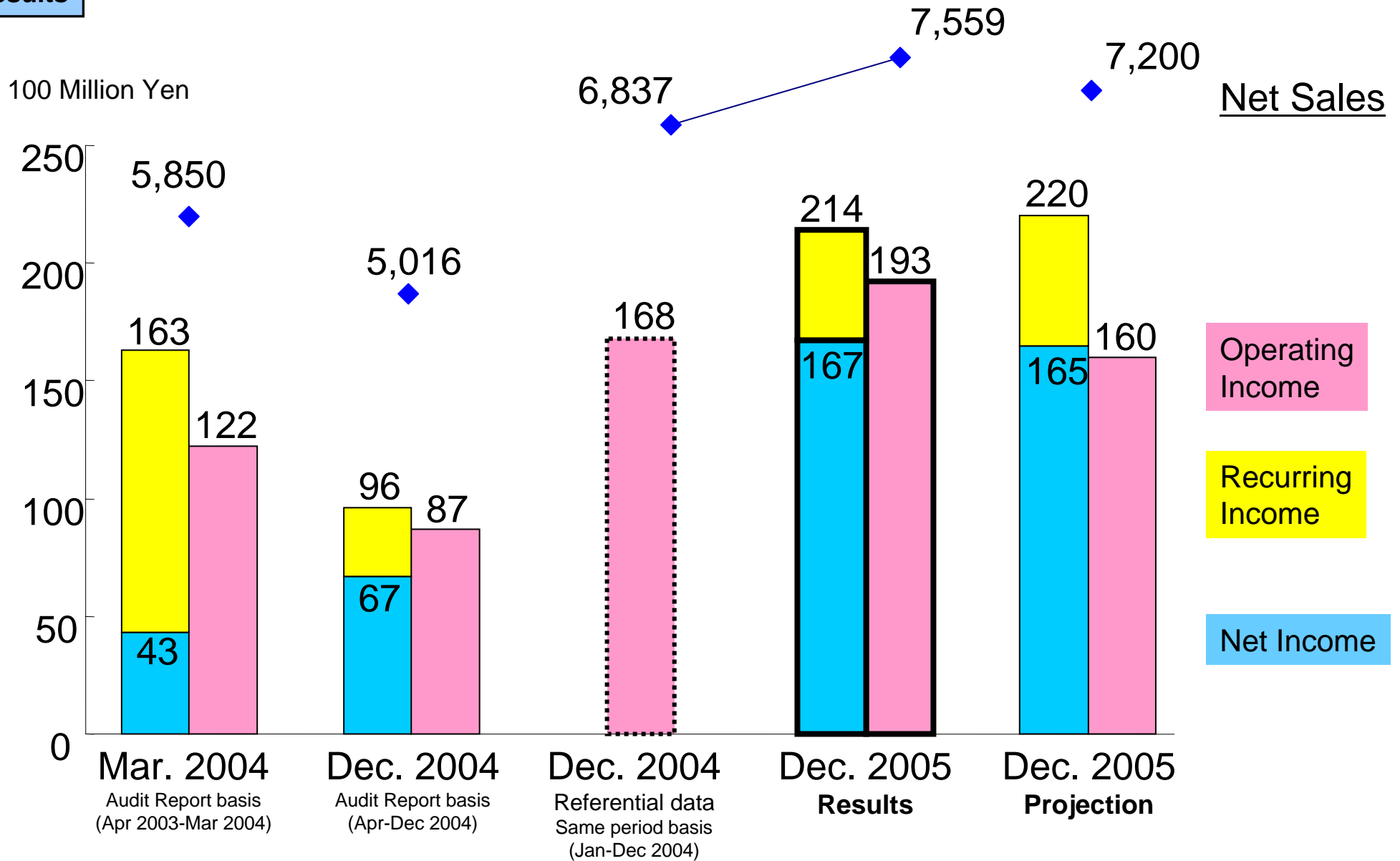
**Non-consolidated Financial Results  
for the Fiscal Year Ended December 31, 2005**

# Sales and Income

[Non-consolidated]



## Results

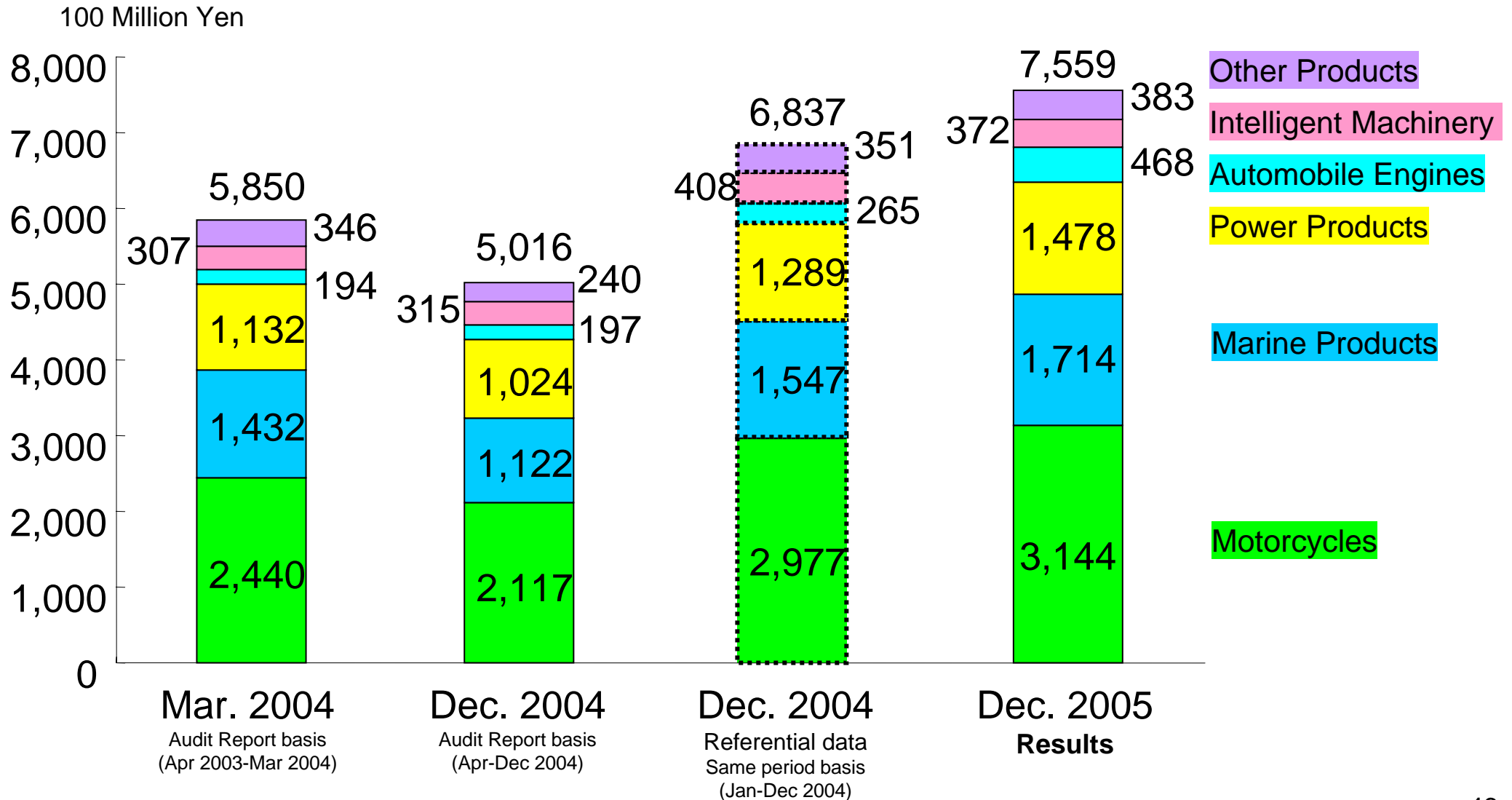


# Sales by Product Segment

[Non-consolidated]



## Results

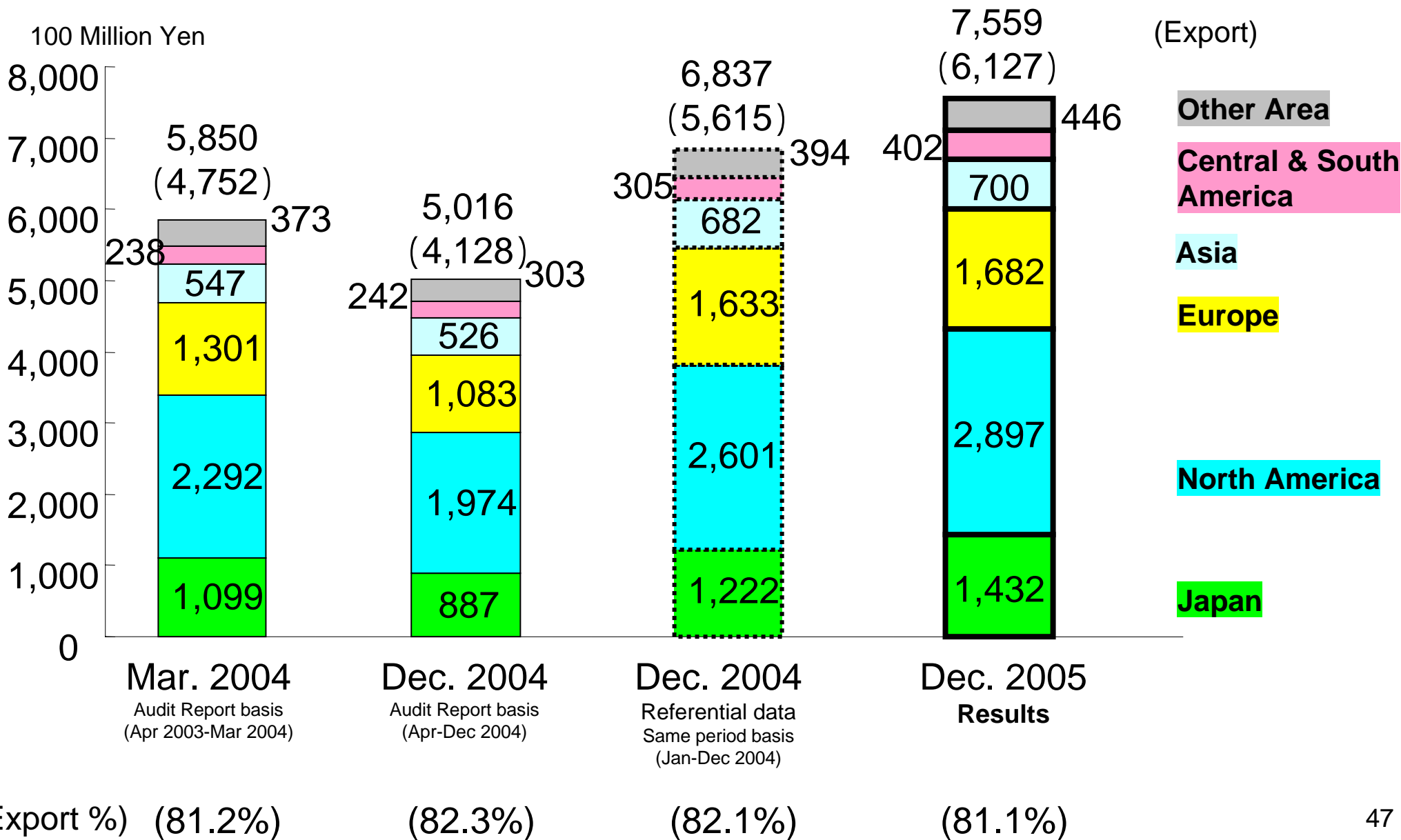


# Sales by Geographical Segment

[Non-consolidated]



## Results



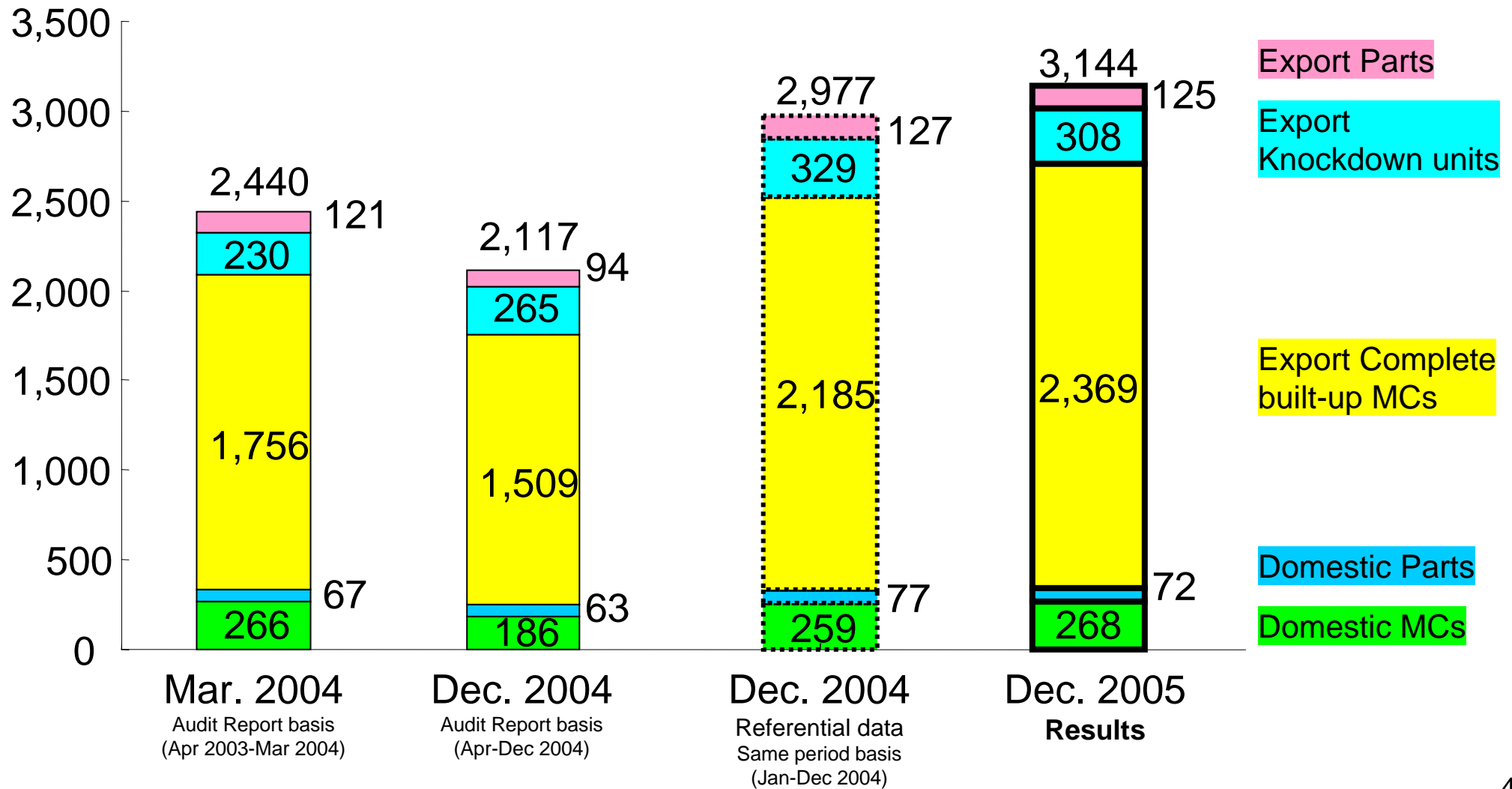
# Motorcycle Sales

[Non-consolidated]



## Results

100 Million Yen

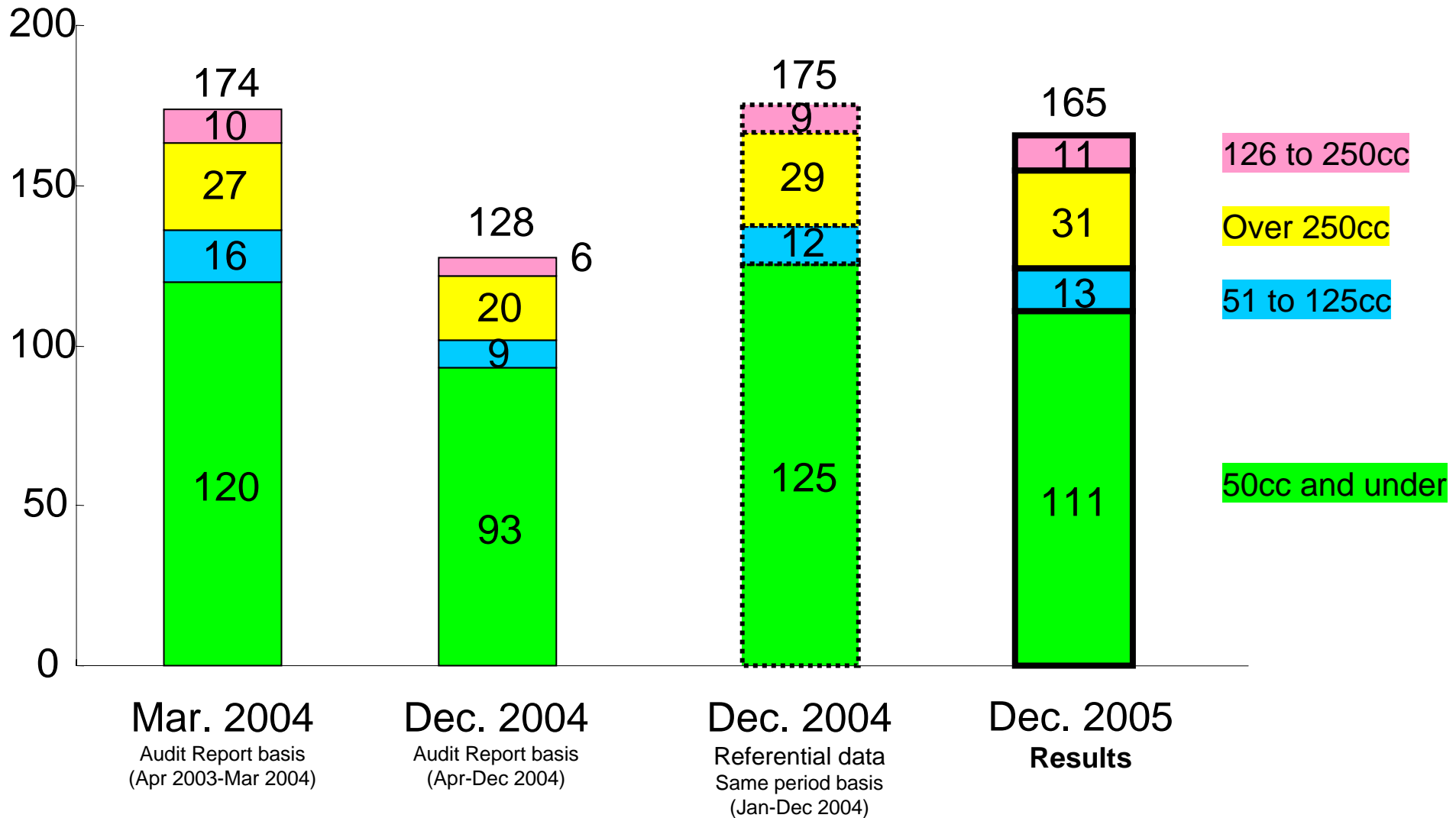


# Domestic Motorcycle Unit Sales by Engine Category [Non-consolidated]



## Results

1,000 units

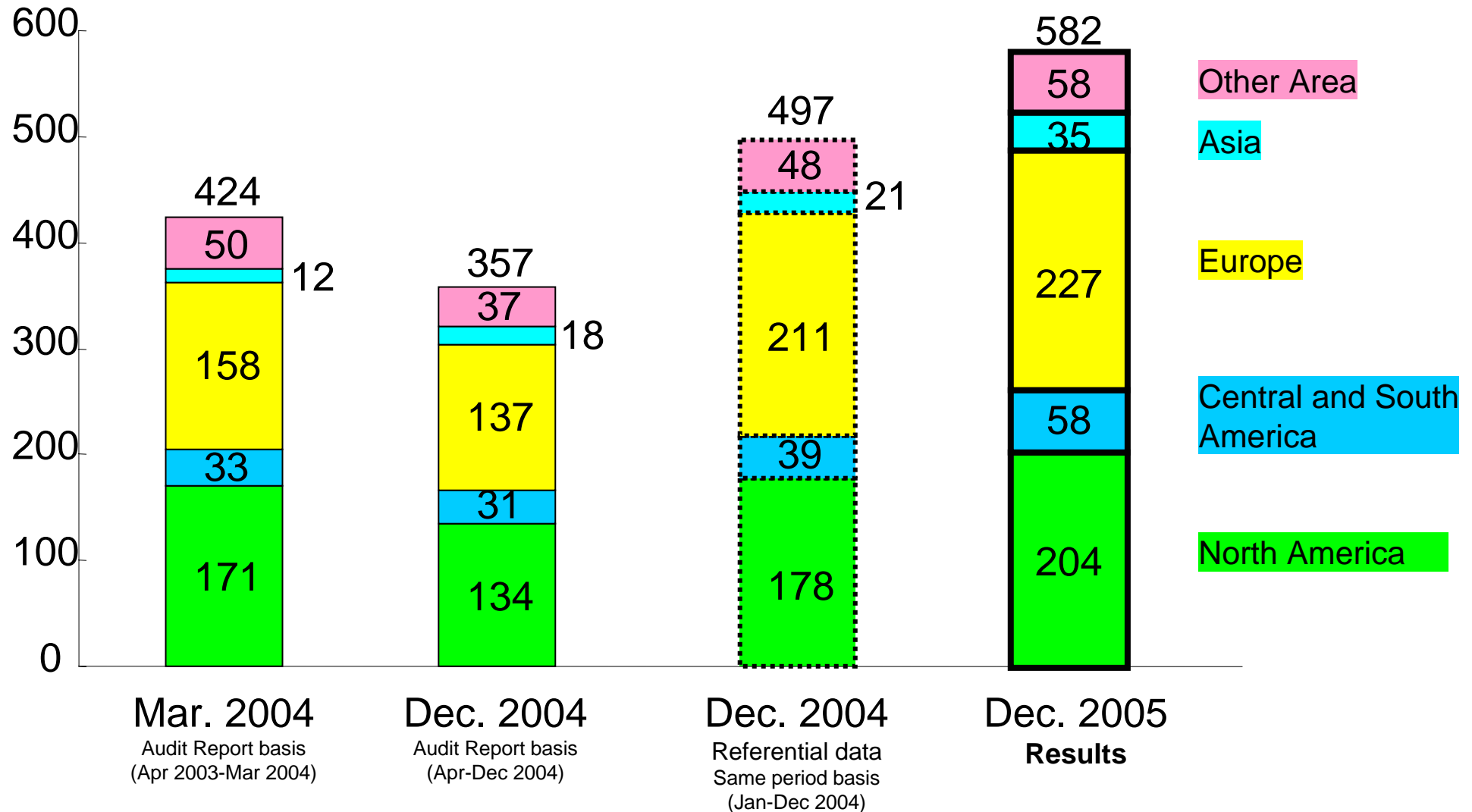


# Exported Motorcycle Units by Geographical Segment [Non-consolidated]



## Results

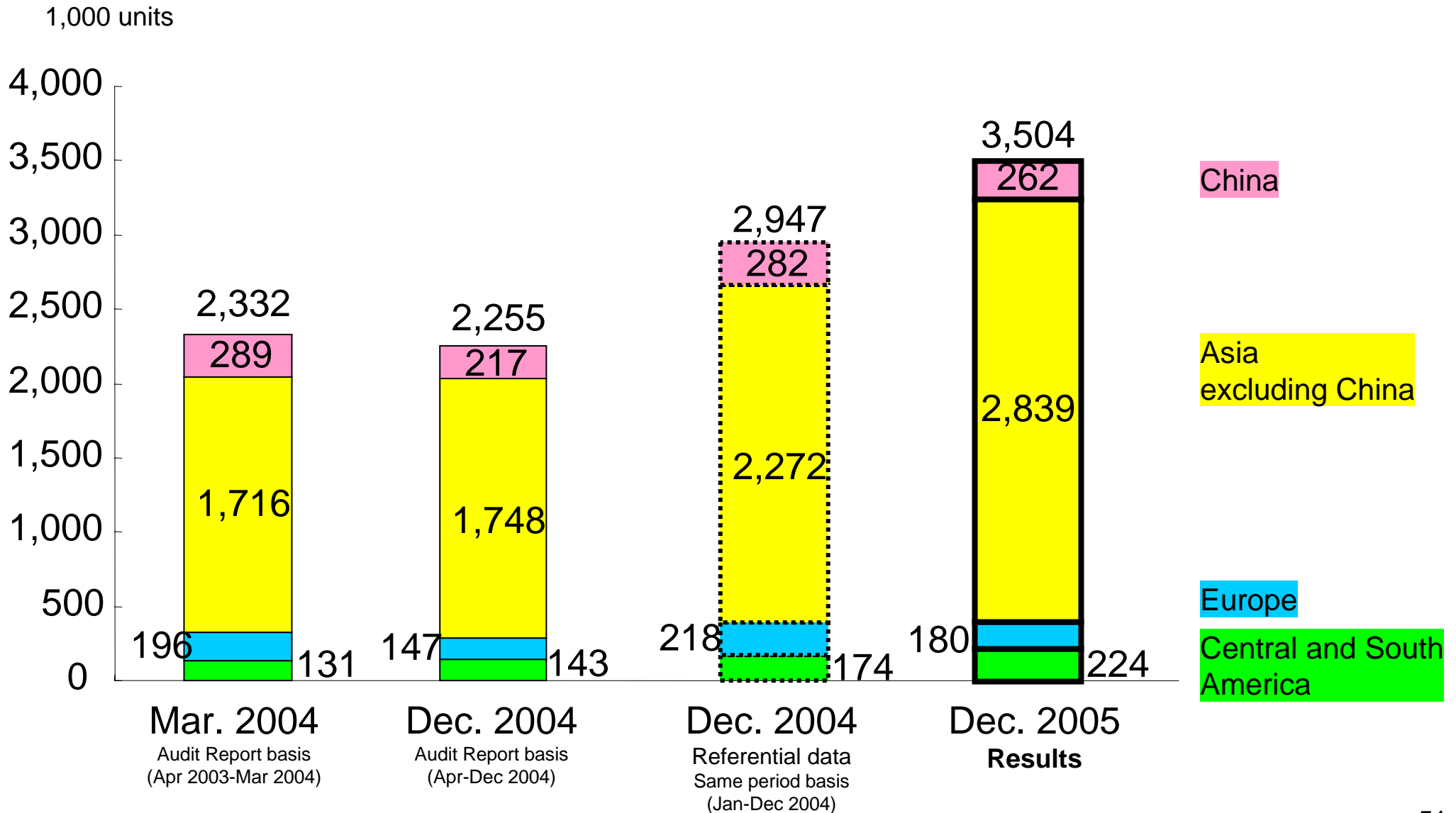
1,000 units



# Exported MC Knockdown units by Geographical Segment [Non-consolidated]



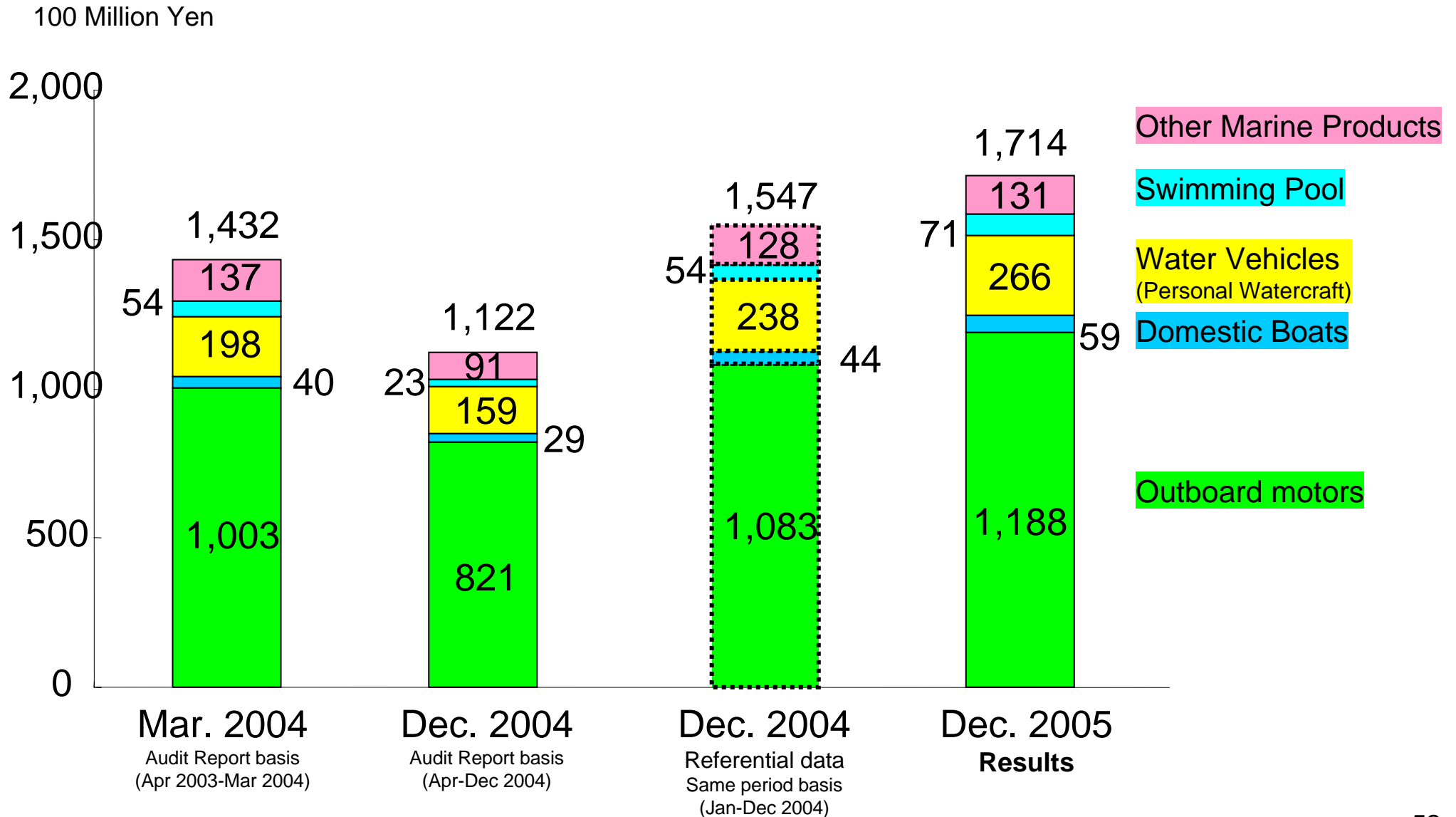
## Results



# Marine Product Sales by Product Segment [Non-consolidated]



## Results



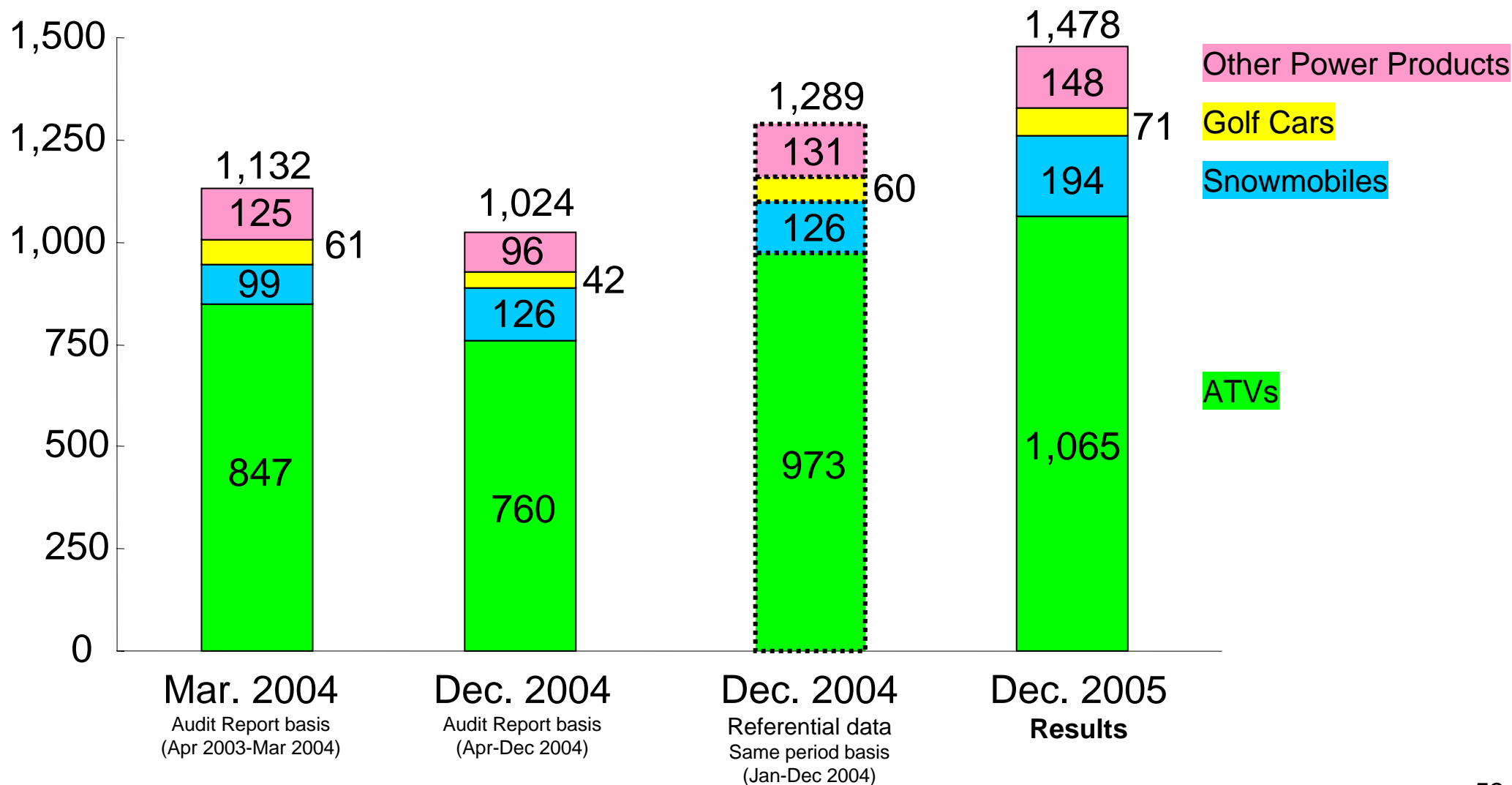
# Power Product Sales by Product Segment

[Non-consolidated]



## Results

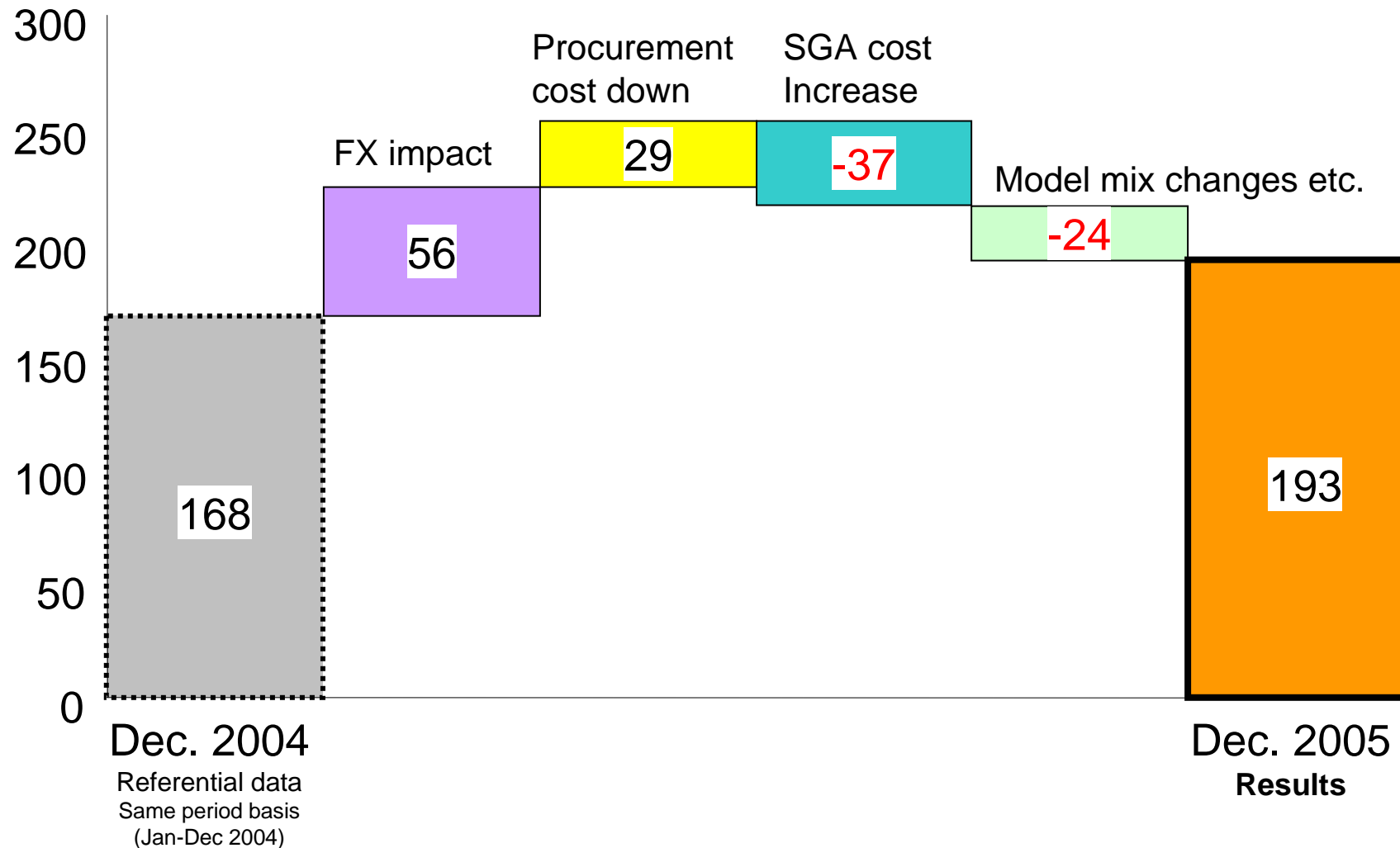
100 Million Yen



## Factors Impacting OP Income

\*Comparison with the same period consolidation

100 Million Yen



Please take a look at Yamaha Motor's Home page

Yamaha Motor Group HP (Japanese): <http://www.yamaha-motor.co.jp>

Yamaha Motor Group HP (English) : <http://www.yamaha-motor.co.jp/global/>

Yamaha Motor Group IR HP(English)

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

for Investor Meeting Presentations :

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

for Fact book, Annual Report etc :

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