

Consolidated Financial Results for the Fiscal Year Ended December 31, 2008

Yamaha Motor Co., Ltd.
February 12, 2008



Electro-Hybrid Bicycle

PAS-Grace

Notice regarding financial projection:

The projection of consolidated results for the fiscal year ending December 31, 2009 above are based on the Company's assumptions and beliefs in light of the information currently available, and may differ significantly from Result business results due to general economic conditions in Yamaha Motor's major markets, changing consumer preferences, and currency exchange rate fluctuations etc.

1. Outline

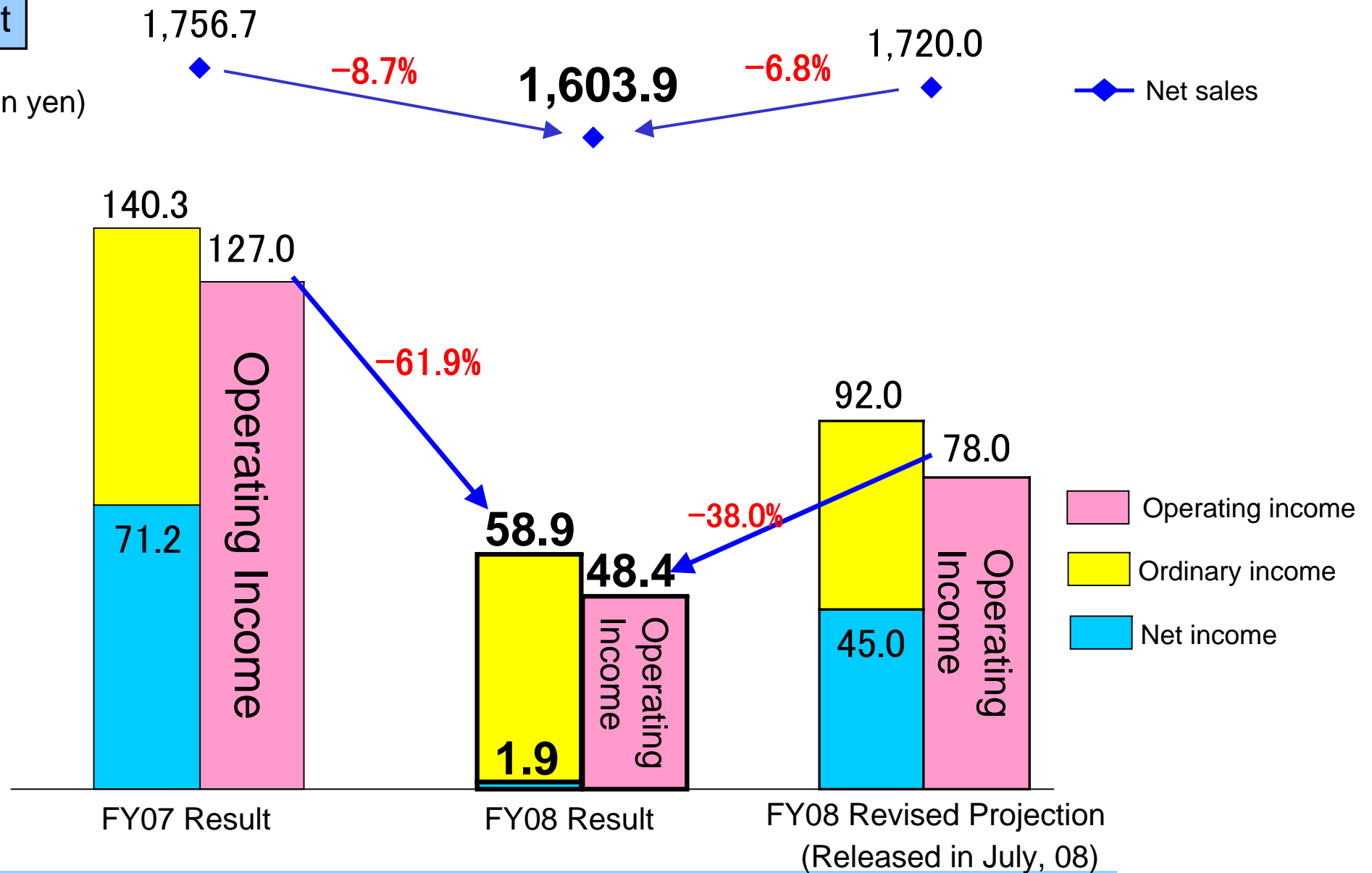
**Takashi Kajikawa
President and CEO**

Annual Sales and Profits



Result

(Billion yen)



Exchange rate against JPY
(USD/ EUR)

(118/161)

(103/153)

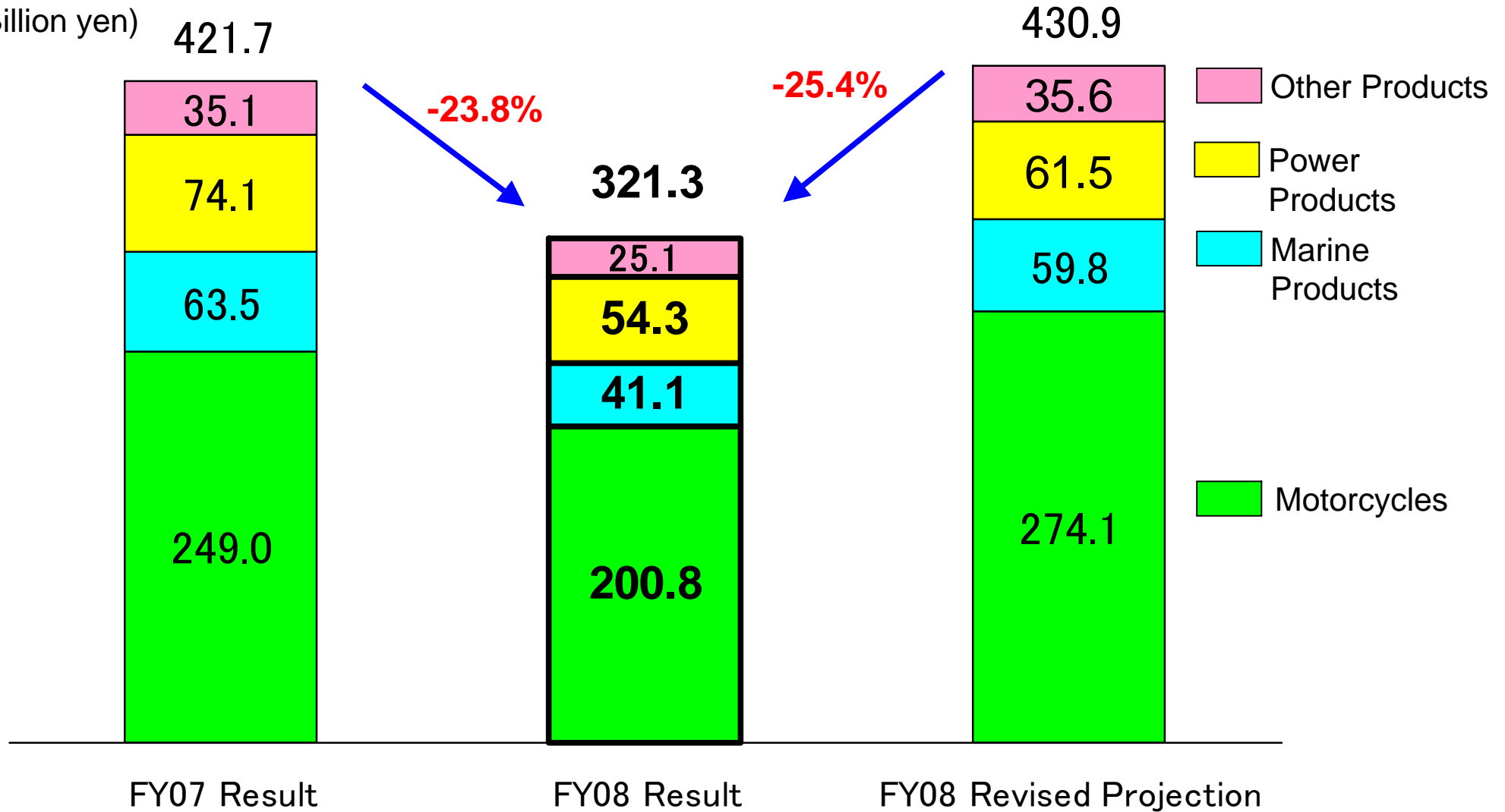
(105/158)

Sales by Product Segments (for Oct – Dec, 08)



Result

(Billion yen)



Exchange rate
against JPY
(USD/ EUR)

(118/161)

(103/153)

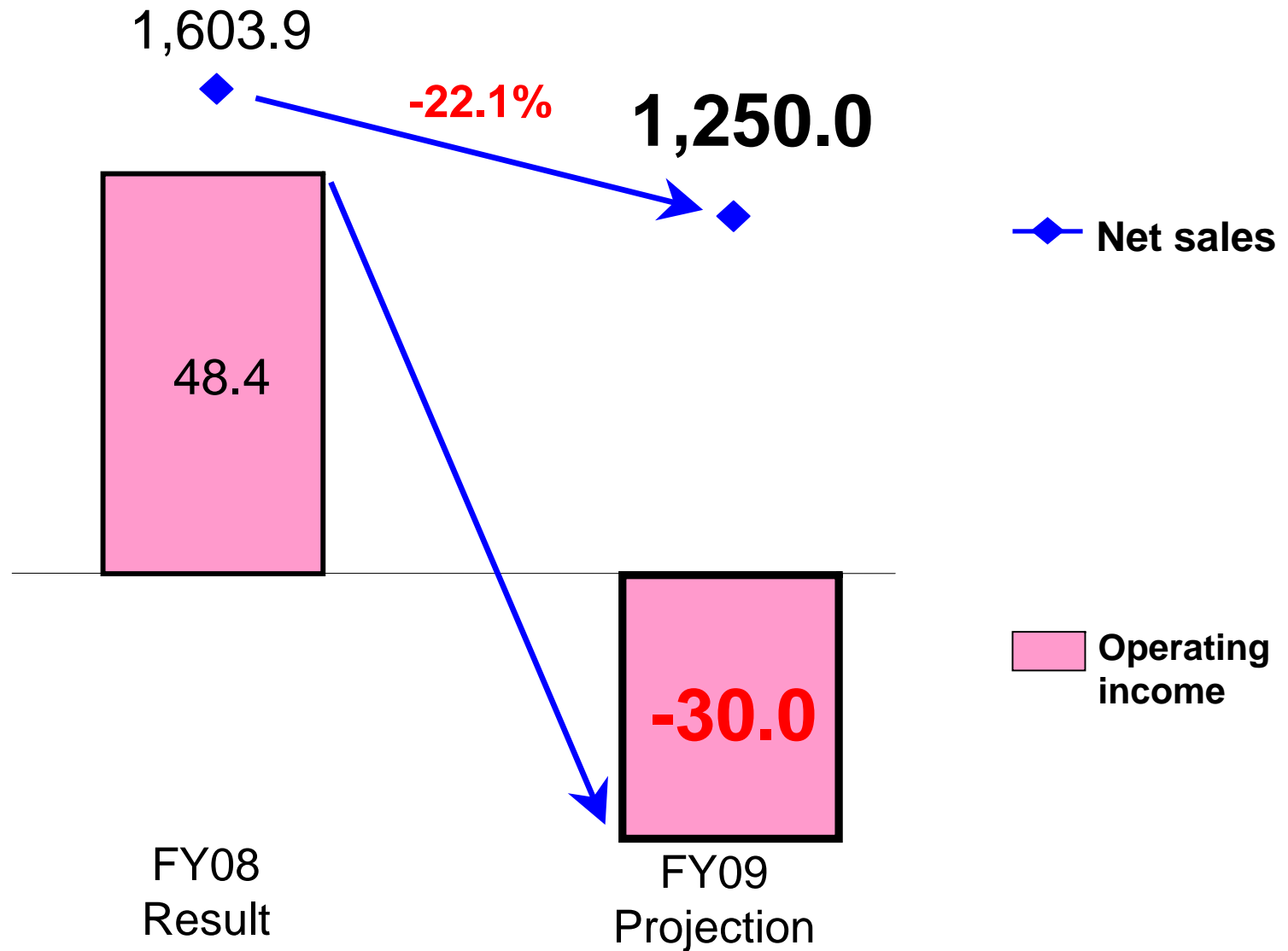
(105/158)

Projected Sales and Operating Income



Projection

(Billion yen)



Exchange rate against JPY
(USD/ EUR)

(103/153)

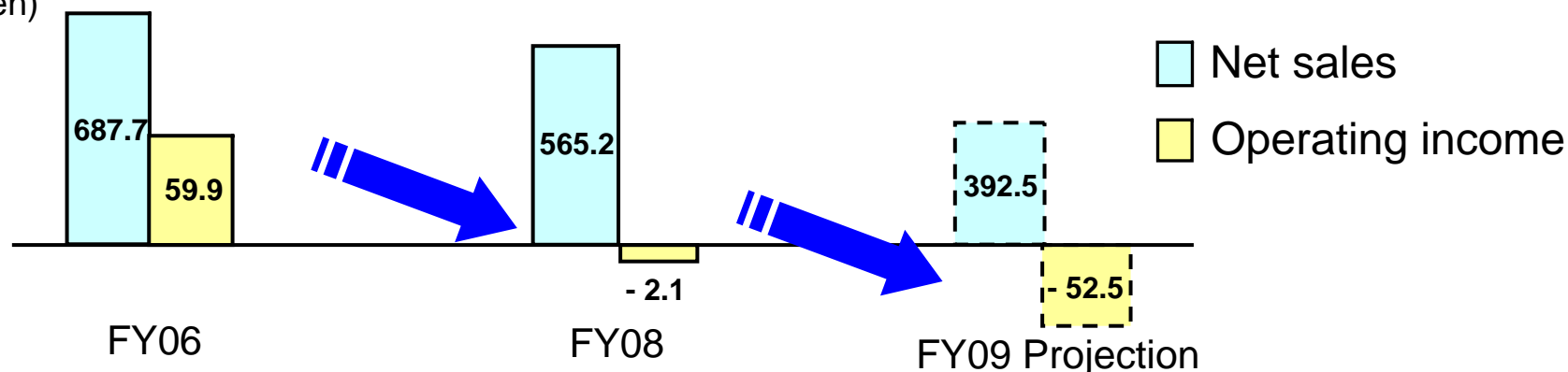
(90/120)

Profitability of three main businesses* in the U.S. and Europe declined significantly. Profitability and cash flow severely declined due to Japanese yen's sharp climb against the U.S. dollar and euro, rapid sales decrease from demand decline under recession and increase of working capital from sales shortfall.

*Yamaha's three main businesses are Motorcycle, ATV and Outboard motor business.

Sales and profits

(Billion yen)



Exchange rate against JPY
(USD/ EUR)

(116/146)

(103/153)

(90/120)

- ◆ Generate positive consolidated cash flow in 2009 on single year bases.
- ◆ Restore profitability of three main businesses in the U.S. and Europe early.

Yamaha Motor will undertake the following urgent countermeasures utmost efforts to reduce expenses and generate positive cash flow.

1. Urgent expense reduction

- Thoroughly reduce expenses across the board.
- Reduce remuneration for directors, executive officers and managers.

2. Urgent cost reduction project

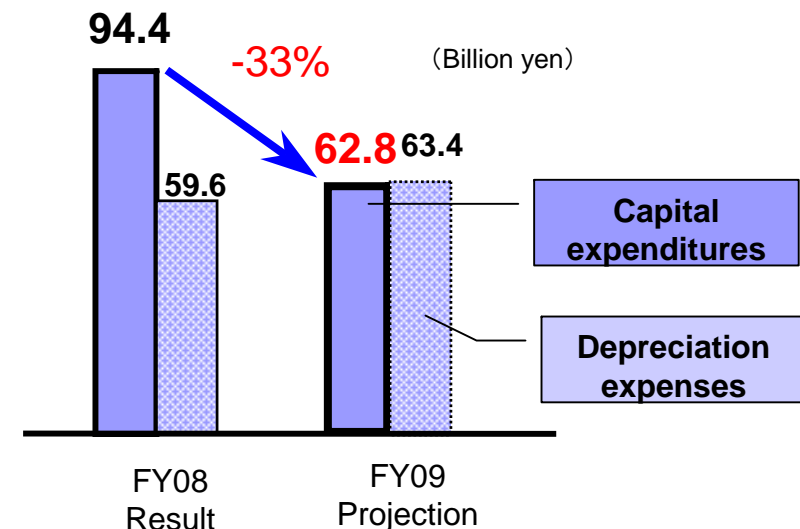
- Improve business efficiency.
- Reduce parts cost.
- Reduce product failure and improve productivity at factories.
- Reduce development cost by restructuring process for new model development.

3. Temporary suspension of production at factories in Japan

- Close down factories in Japan temporarily.
(Motorcycles, ATVs*, Outboard motors, Automotive engines, Intelligent machineries)

4. Significant reduction of capital expenditures

- Drastically reduce investments except ones for new model or regulatory compliance
- Cancel or postpone building new factories and R & D facilities in Japan.
- Cancel or postpone capital investments for expansion of overseas production capacity .
- ➡ **Reduce capital expenditures in depreciation expenses**



*ATVs: All terrain vehicles

Countermeasures to improve operating revenue



- ◆ Accelerate reorganization of purchasing, manufacturing and developing functions in three main businesses for the U.S. and Europe to restore profitability.
- ◆ Enhance development of technologies for the future.

	Theme	Description
Improvement of profitability	Establish integrated purchasing system for three main businesses	<ul style="list-style-type: none"> • Pursue cost reduction with good quality by integrating purchasing functions • Work restructuring to strengthen cost competitiveness
	Streamline manufacturing by integrating business	<ul style="list-style-type: none"> • Change manufacturing system from “manufacturing by business” to “manufacturing by parts” • Establish earning structure even with smaller production scale for 2009
Development of future technologies	Strengthen engine technologies	<ul style="list-style-type: none"> • Integrate engine development function. • Achieve top level fuel efficiency and emission performance in the industries.
	Strengthen environmental technologies	<ul style="list-style-type: none"> • Strengthen development of electric vehicle technology such as battery and electric device. • Re-launch electric vehicle.

	2007	2008	VS. 2007	2009 Projection
Interim Dividend	20.5 yen	20.5 yen	—	—
Year end Dividend	20.5 yen	5 yen	-15.5 yen	—
Annual Dividend	41 yen	25.5 yen	-15.5 yen	—

2. Consolidated Financial Results for 4Q of FY2008

(for Oct- Dec, 2008)

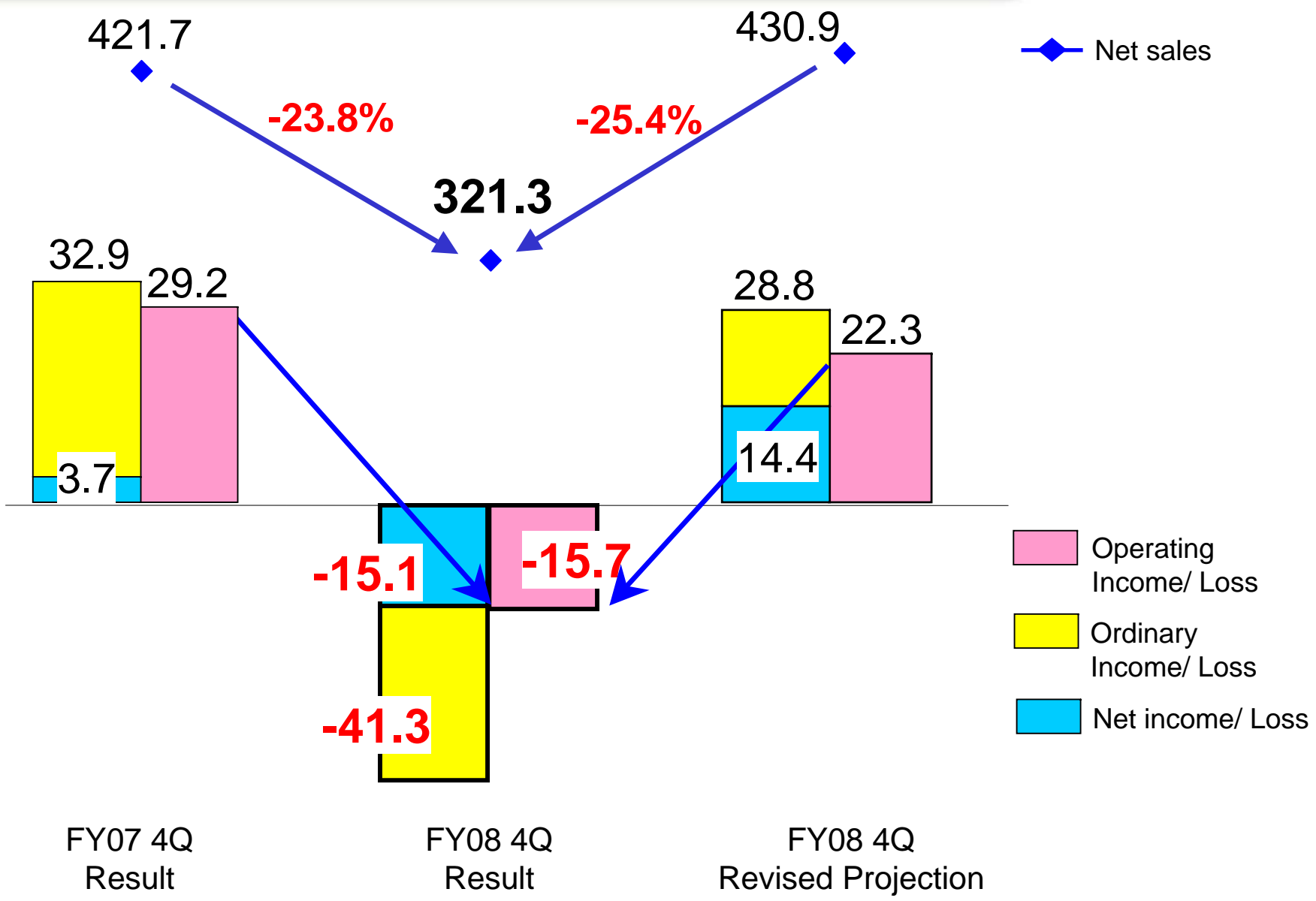
Tetsuo Uchiyama
Managing Executive Officer

Sales and Profits (for Oct – Dec, 08)



Result

(Billion yen)



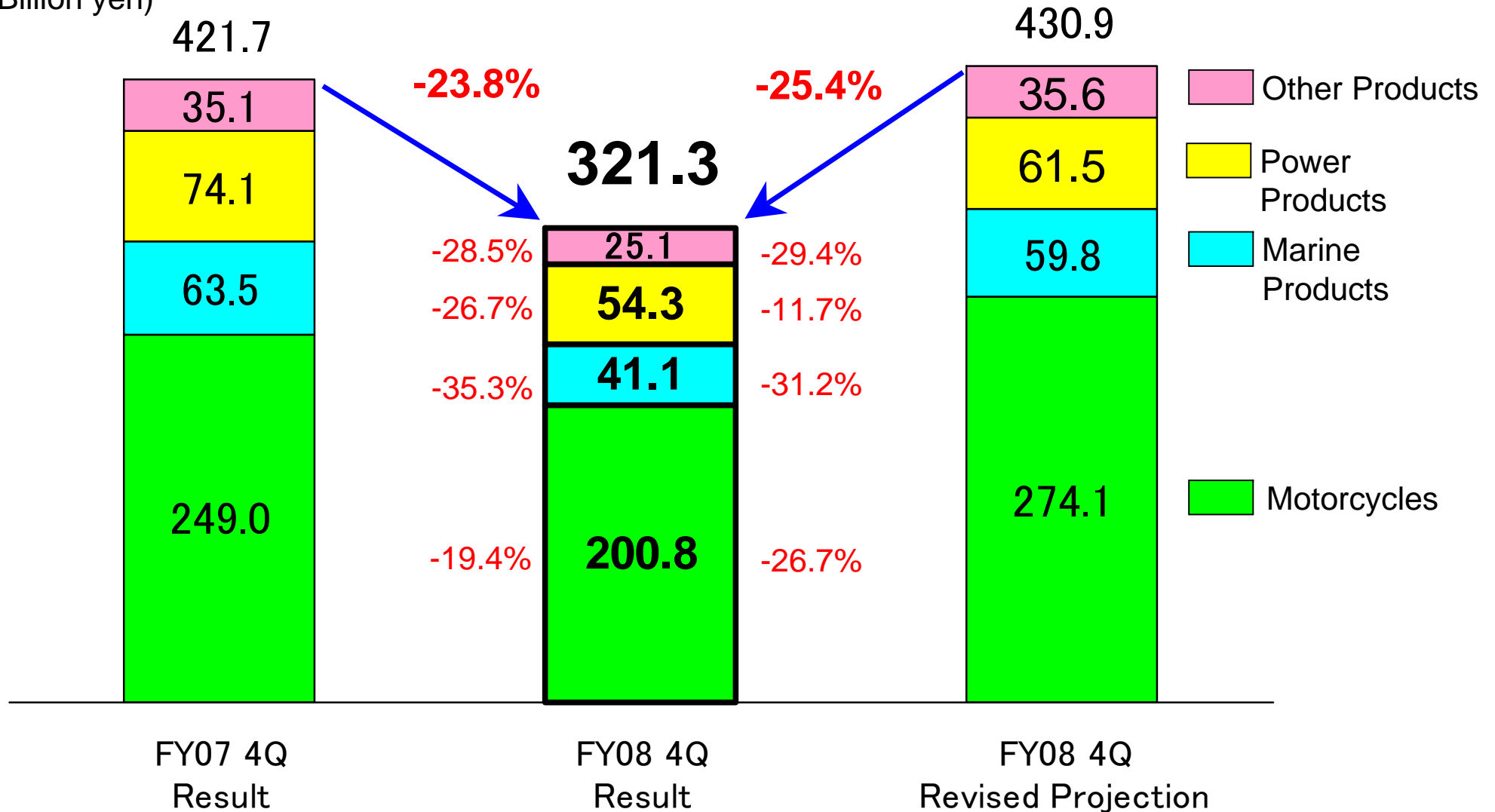
Exchange rate against JPY (USD/ EUR) (118/161) (103/153) (105/158)

Sales by Product Segments (for Oct – Dec, 08)



Result

(Billion yen)



Exchange rate against JPY
(USD/ EUR) (118/161)

(103/153)

(105/158)

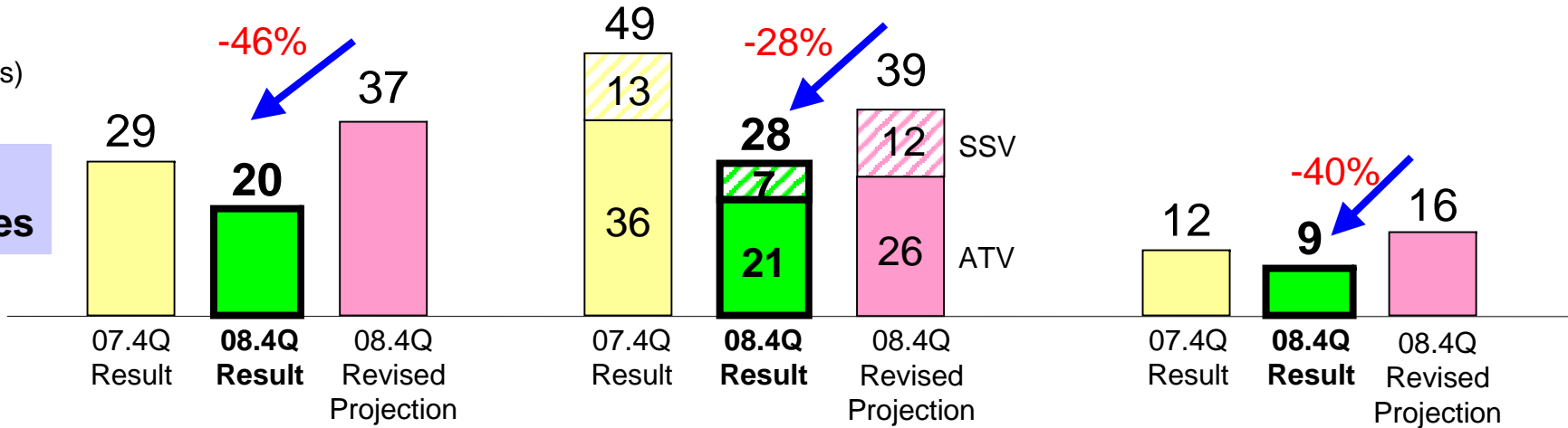
Retail sales and Wholesales in U.S. Market (for Oct – Dec, 08)



Result

(1,000 units)

Retail unit sales



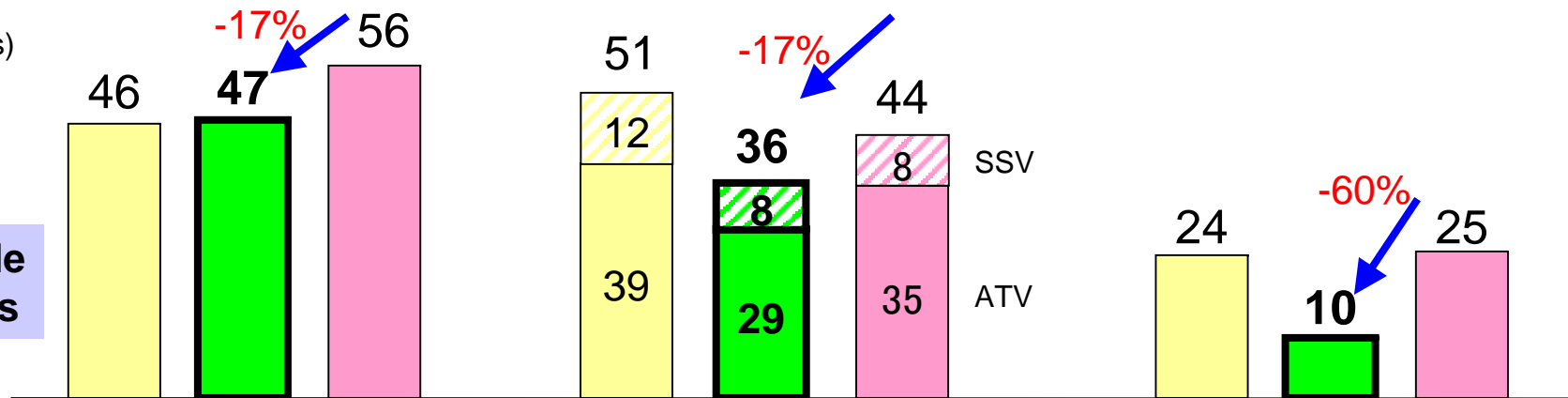
Motorcycles

ATVs+SSVs

Outboard motors

(1,000 units)

Wholesale unit sales



*ATVs: All terrain vehicles
SSVs: Side by side vehicles

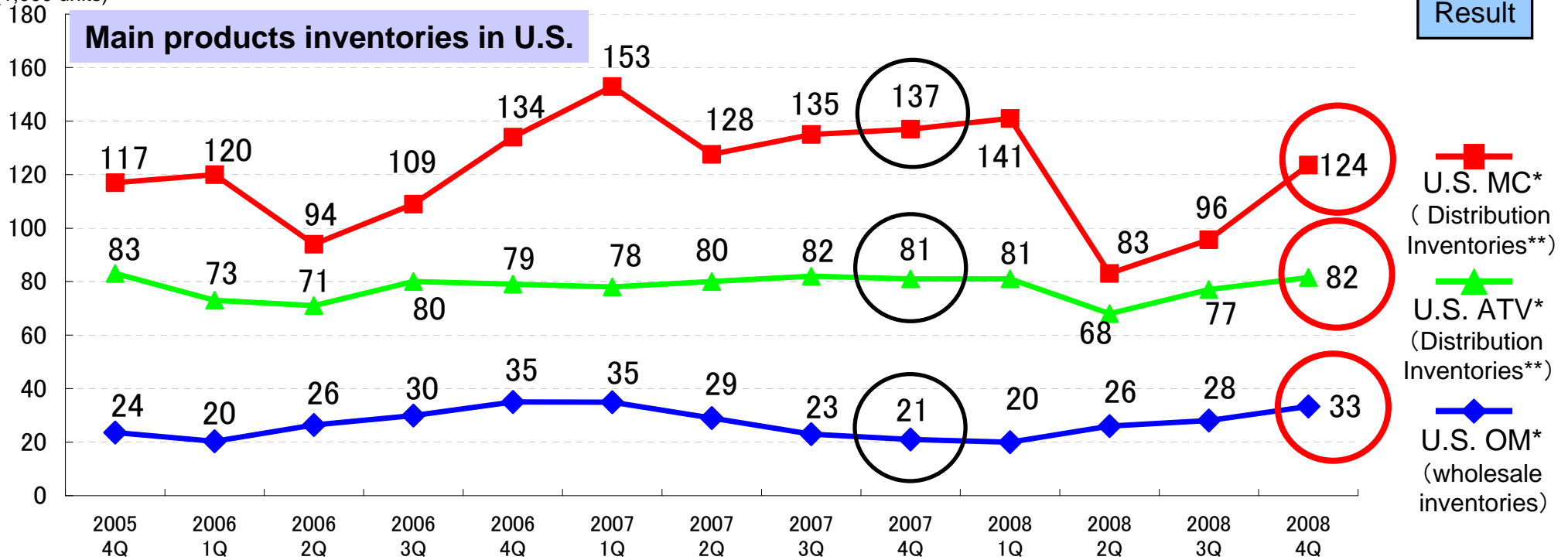
Main Products Inventories in U.S. and Europe Markets



Result

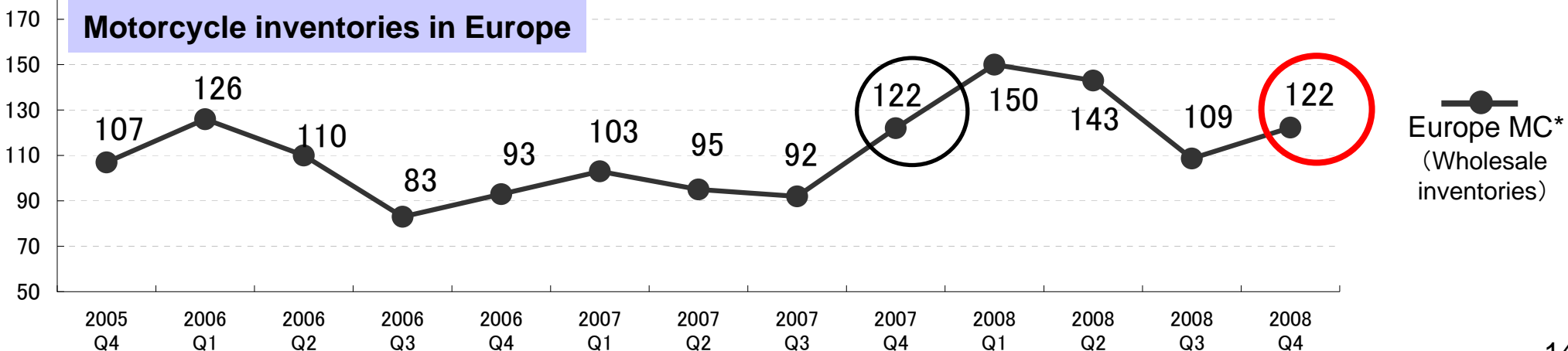
(1,000 units)

Main products inventories in U.S.



(1,000 units)

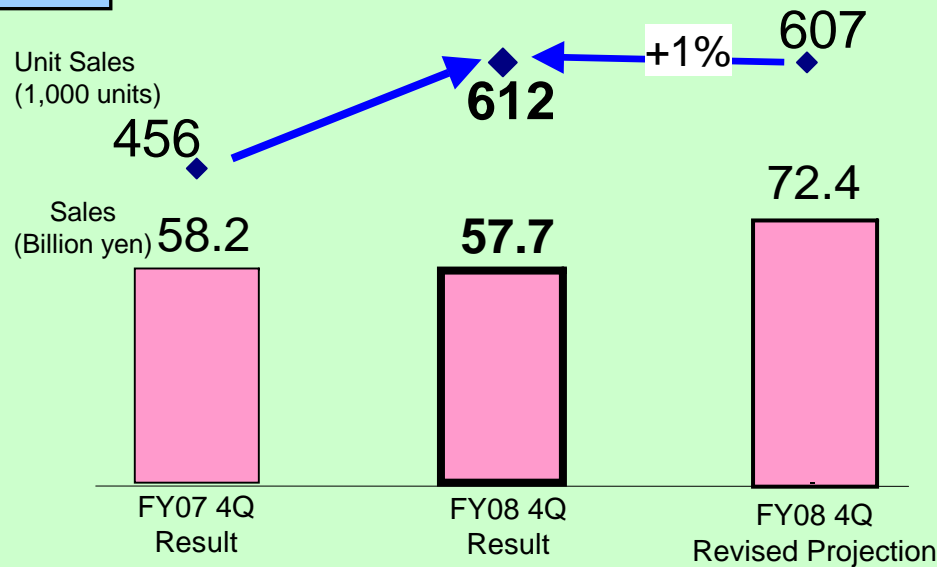
Motorcycle inventories in Europe



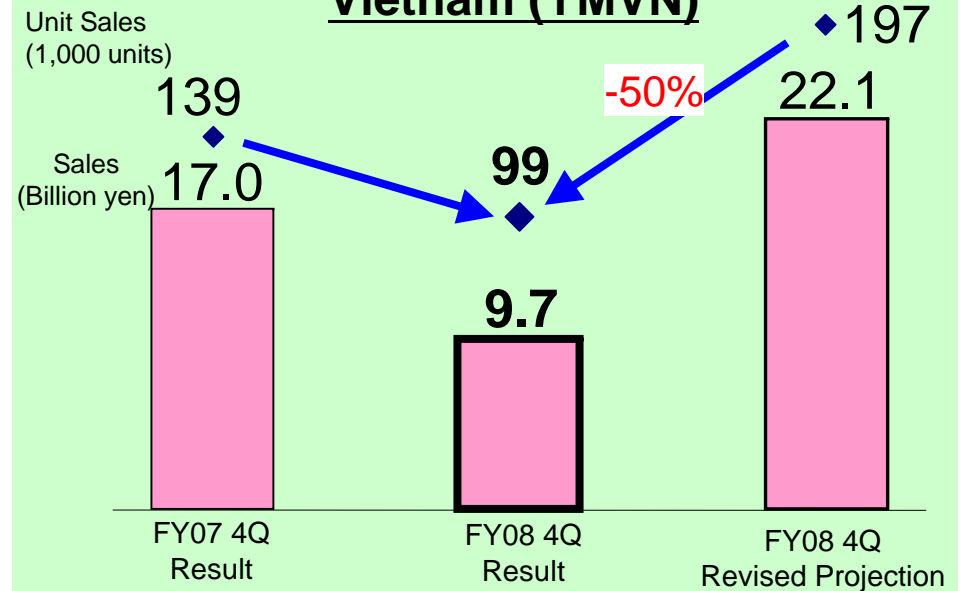
*MC: Motorcycles, ATV: All terrain vehicles, OM: Outboard motors
 **Distribution inventories are dealer inventories and wholesale inventories.

Result

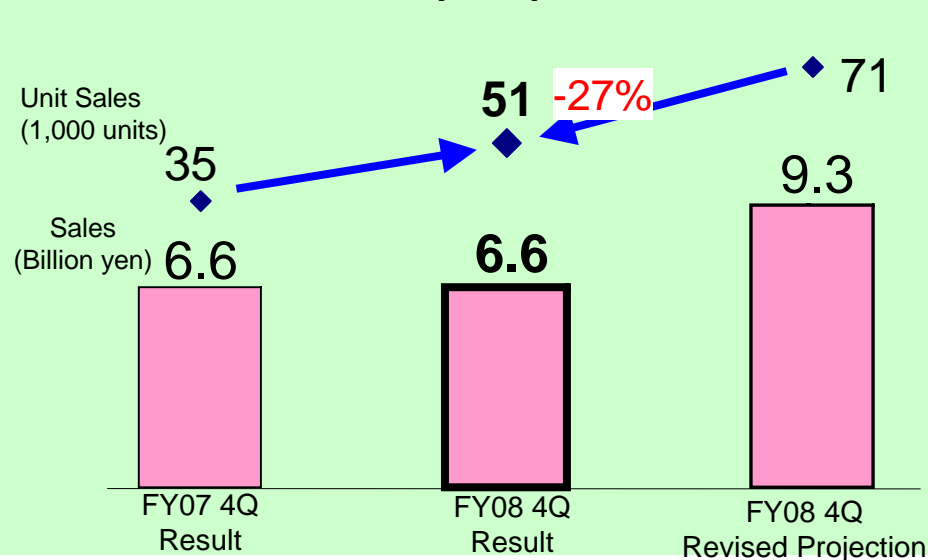
Indonesia (YIMM)



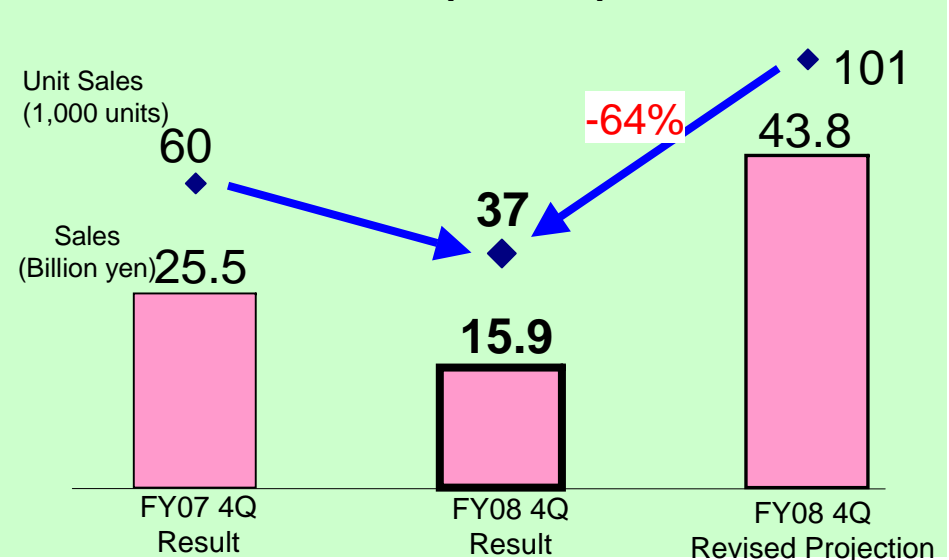
Vietnam (YMVN)



India (IYM)



Brazil (YMDB)

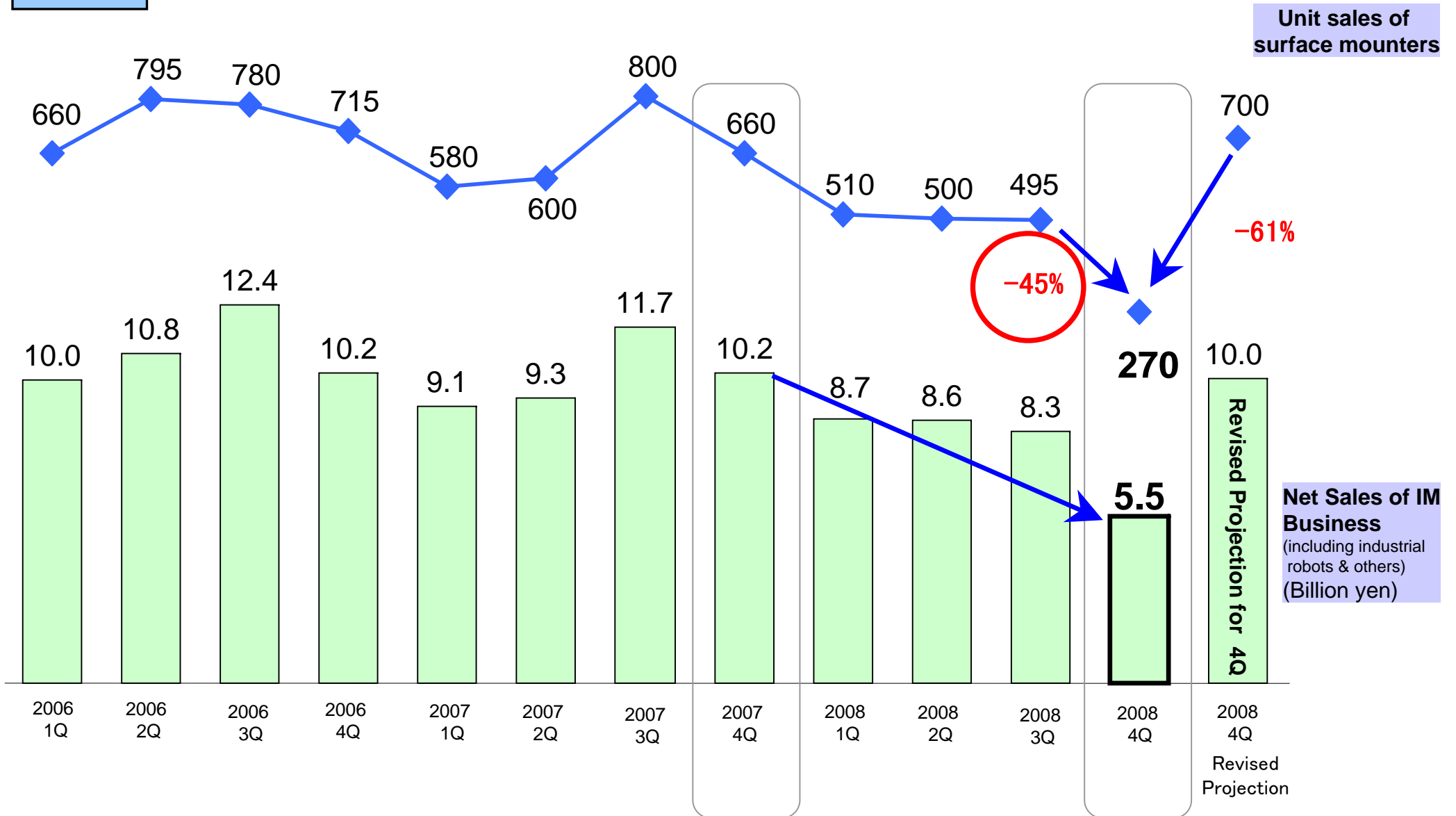


Note : Sales figure includes cross-trade exports amount because of non-consolidated figures of subsidiaries. Sales units does not include export and cross-trade number of units.

IM (Intelligent Machinery) Business Conditions



Result



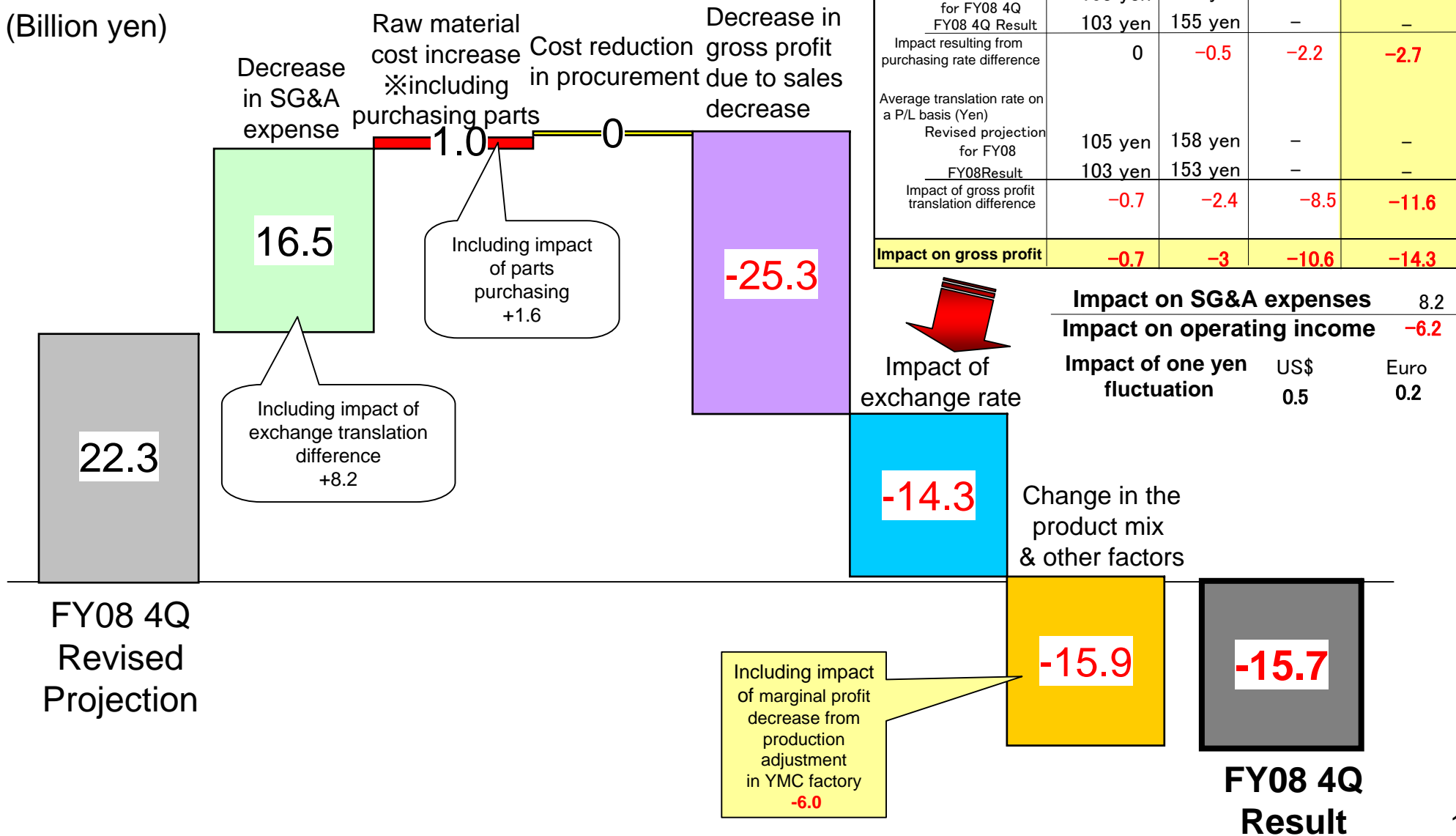
※ IM: Intelligent Machinery (Including Surface Mounters)

Factors Impacting Operating Income (vs. Revised Projection for Oct-Dec, 08)



Factors Impacting Net Profit (vs. Revised Projection)

(Billion yen)



(Billion yen)	US\$	Euro	Other Currencies	Total
Average purchasing rate (Yen)				
Revised projection for FY08 4Q	103 yen	158 yen	-	-
FY08 4Q Result	103 yen	155 yen	-	-
Impact resulting from purchasing rate difference	0	-0.5	-2.2	-2.7
Average translation rate on a P/L basis (Yen)				
Revised projection for FY08	105 yen	158 yen	-	-
FY08 Result	103 yen	153 yen	-	-
Impact of gross profit translation difference	-0.7	-2.4	-8.5	-11.6
Impact on gross profit	-0.7	-3	-10.6	-14.3

Impact on SG&A expenses	8.2
Impact on operating income	-6.2
Impact of one yen fluctuation	US\$ 0.5, Euro 0.2

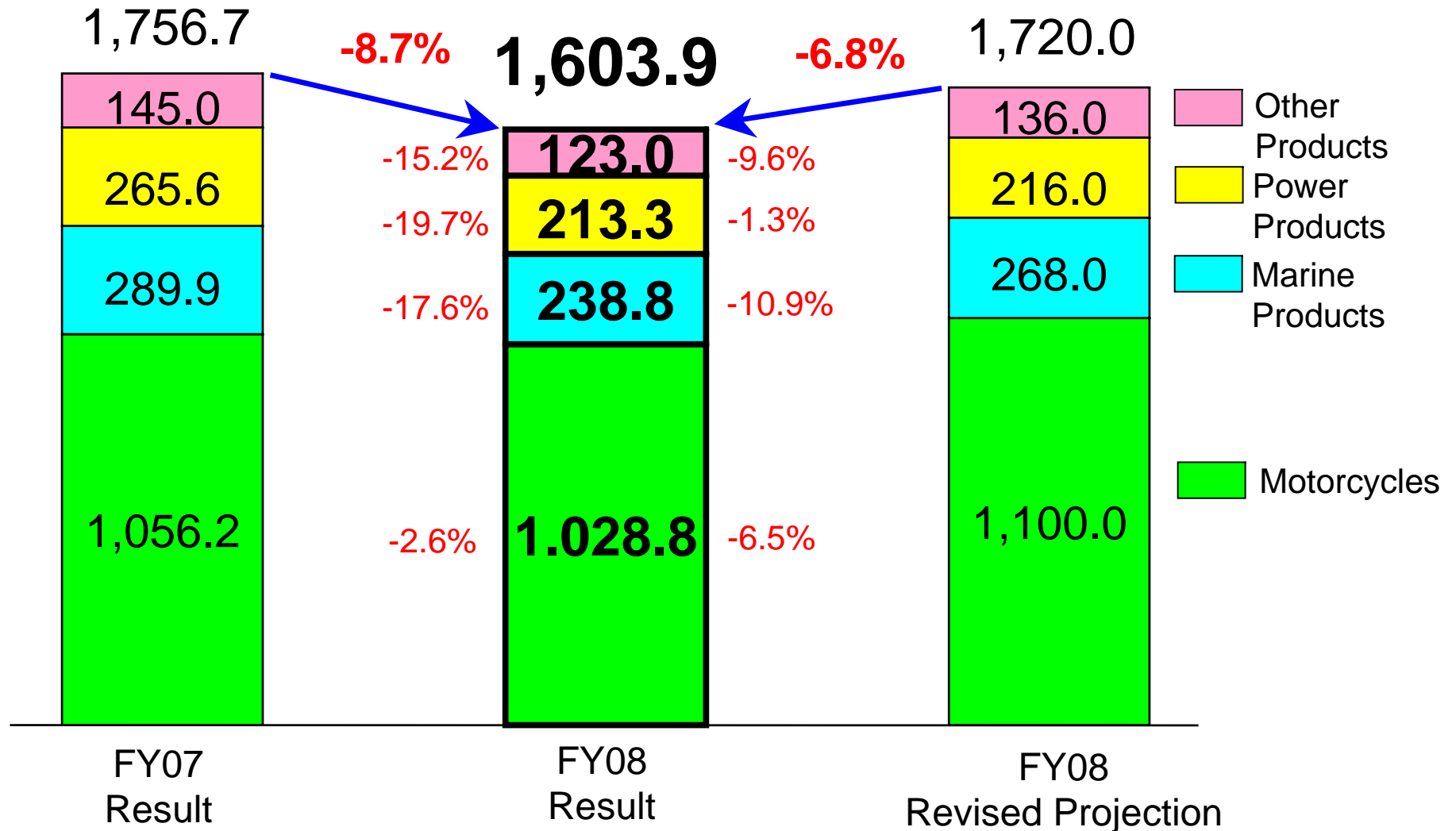
3. Consolidated Financial Results for FY2008

Annual Sales by Product Segments



Result

(Billion yen)



Exchange rate against JPY
(USD/ EUR)

(118/161)

(103/153)

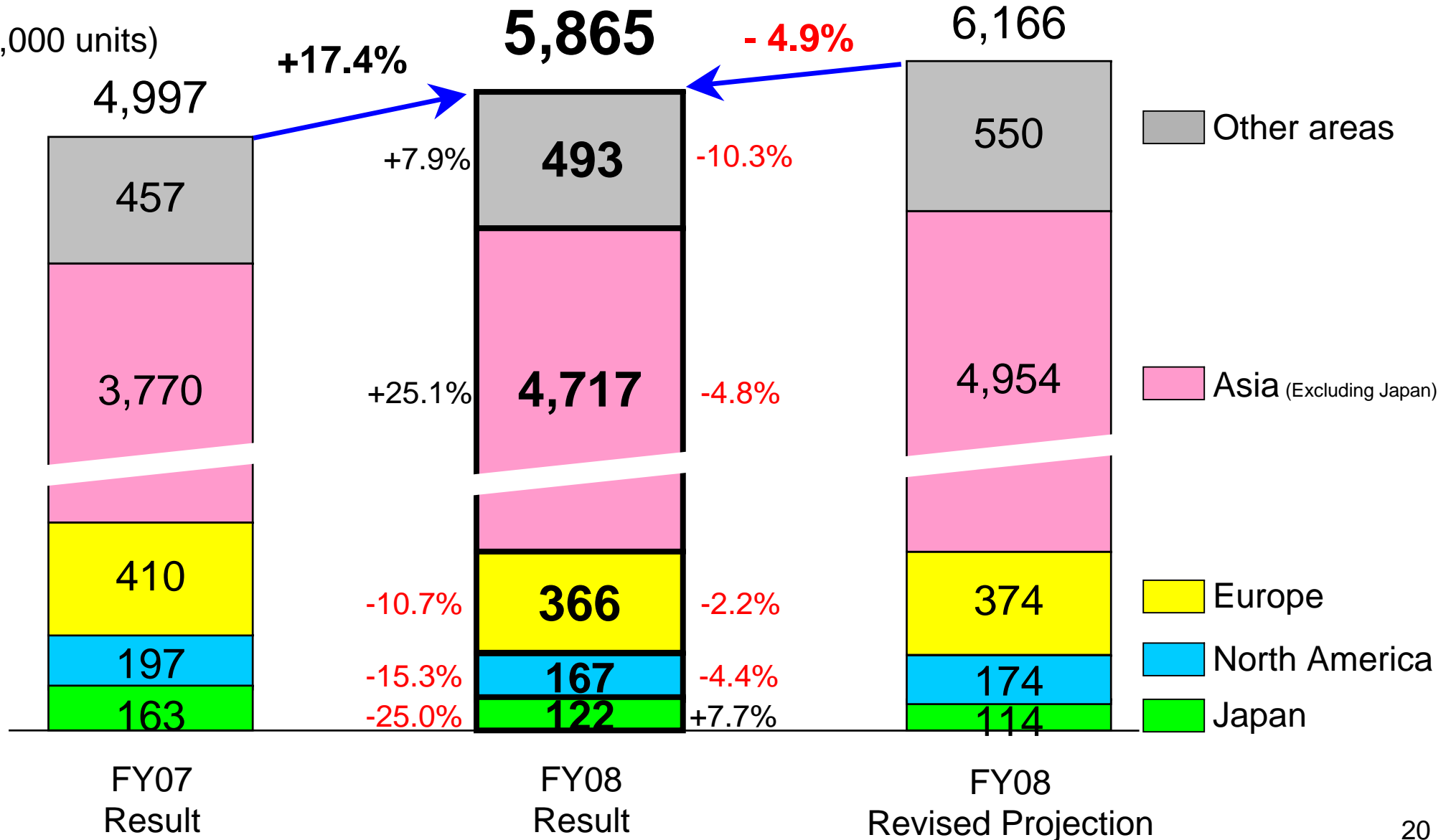
(105/158)

Annual Motorcycle Unit Sales



Result

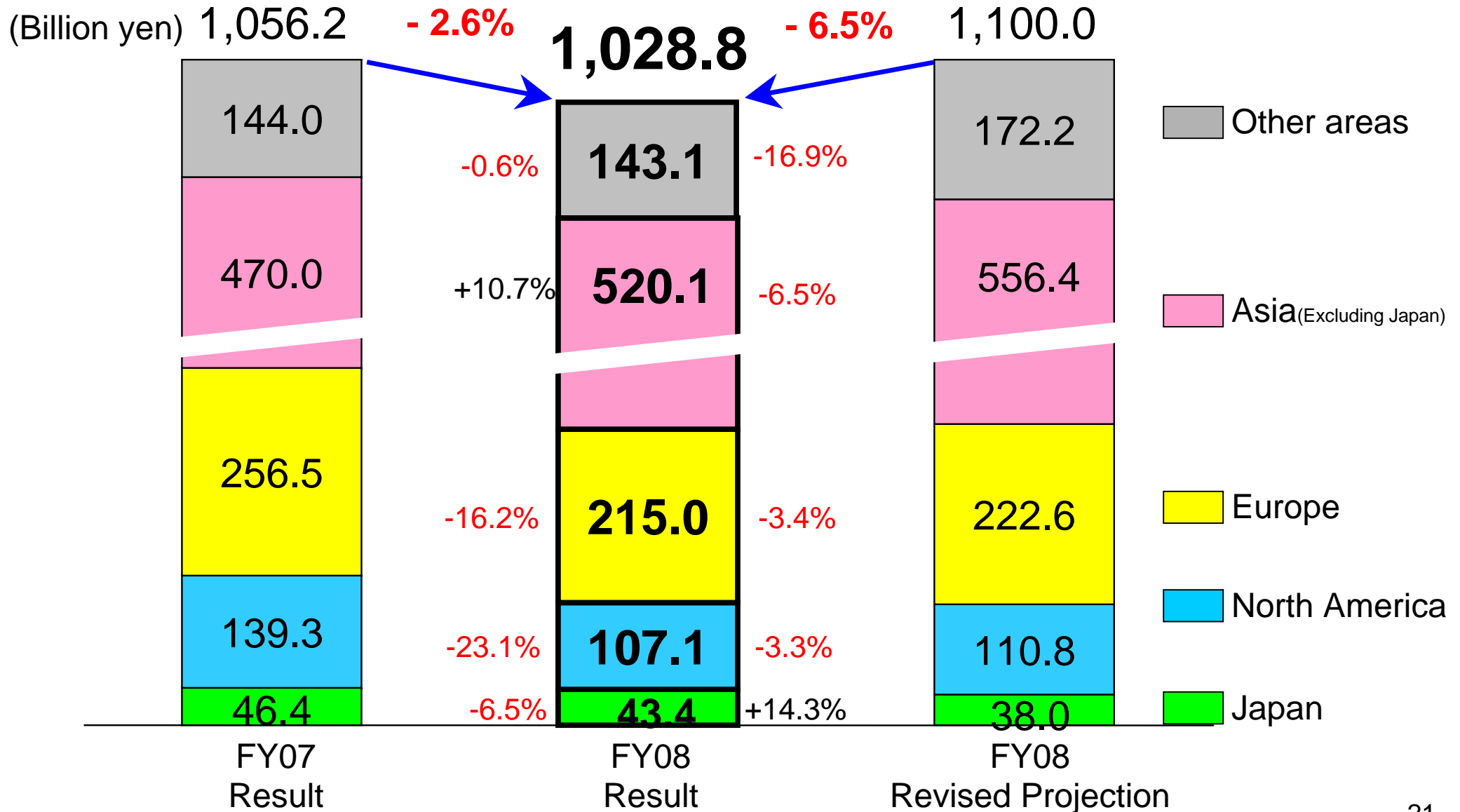
(1,000 units)



Annual Motorcycle sales



Result



Annual Sales of Marine and Power Products

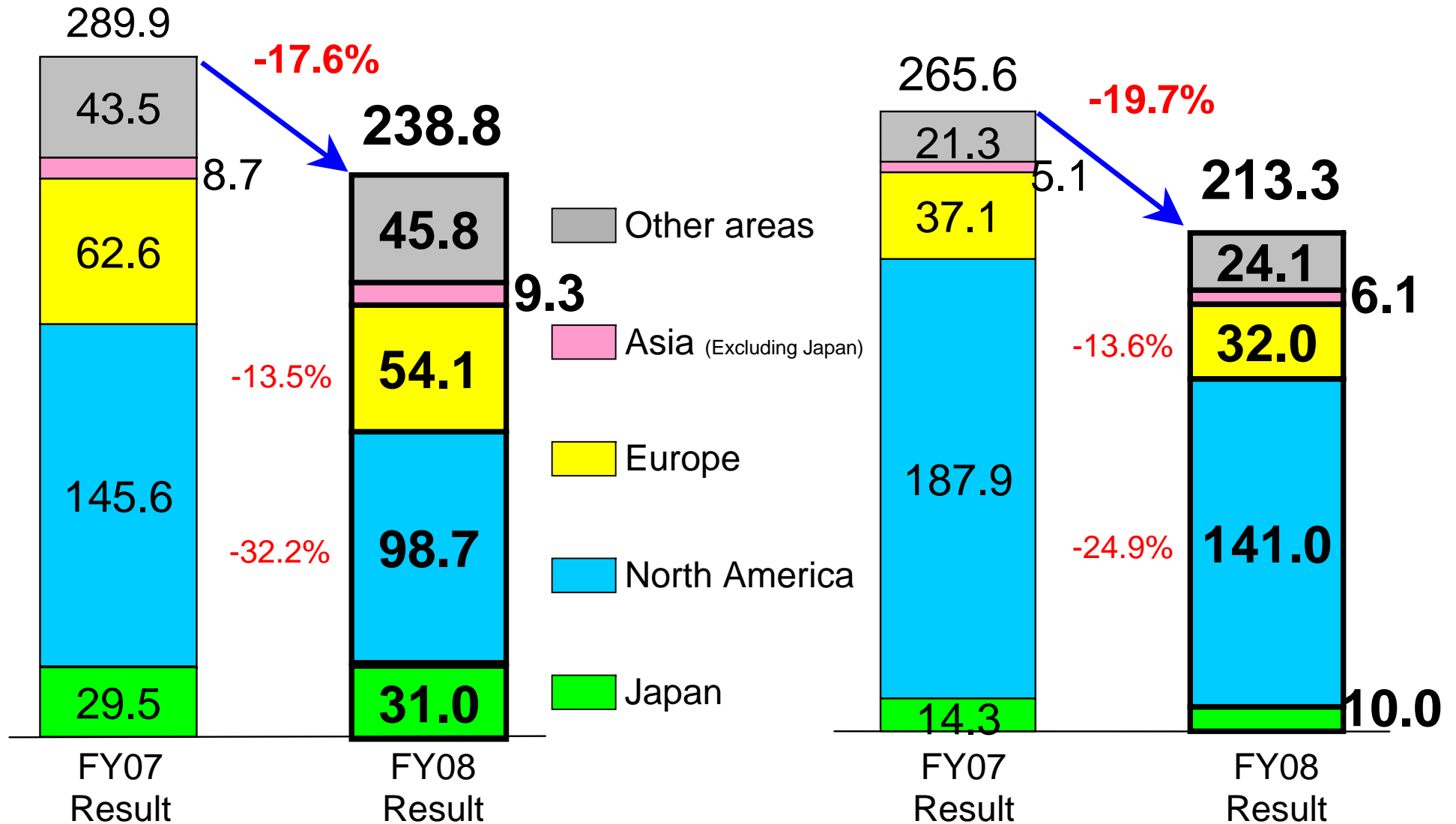


Result

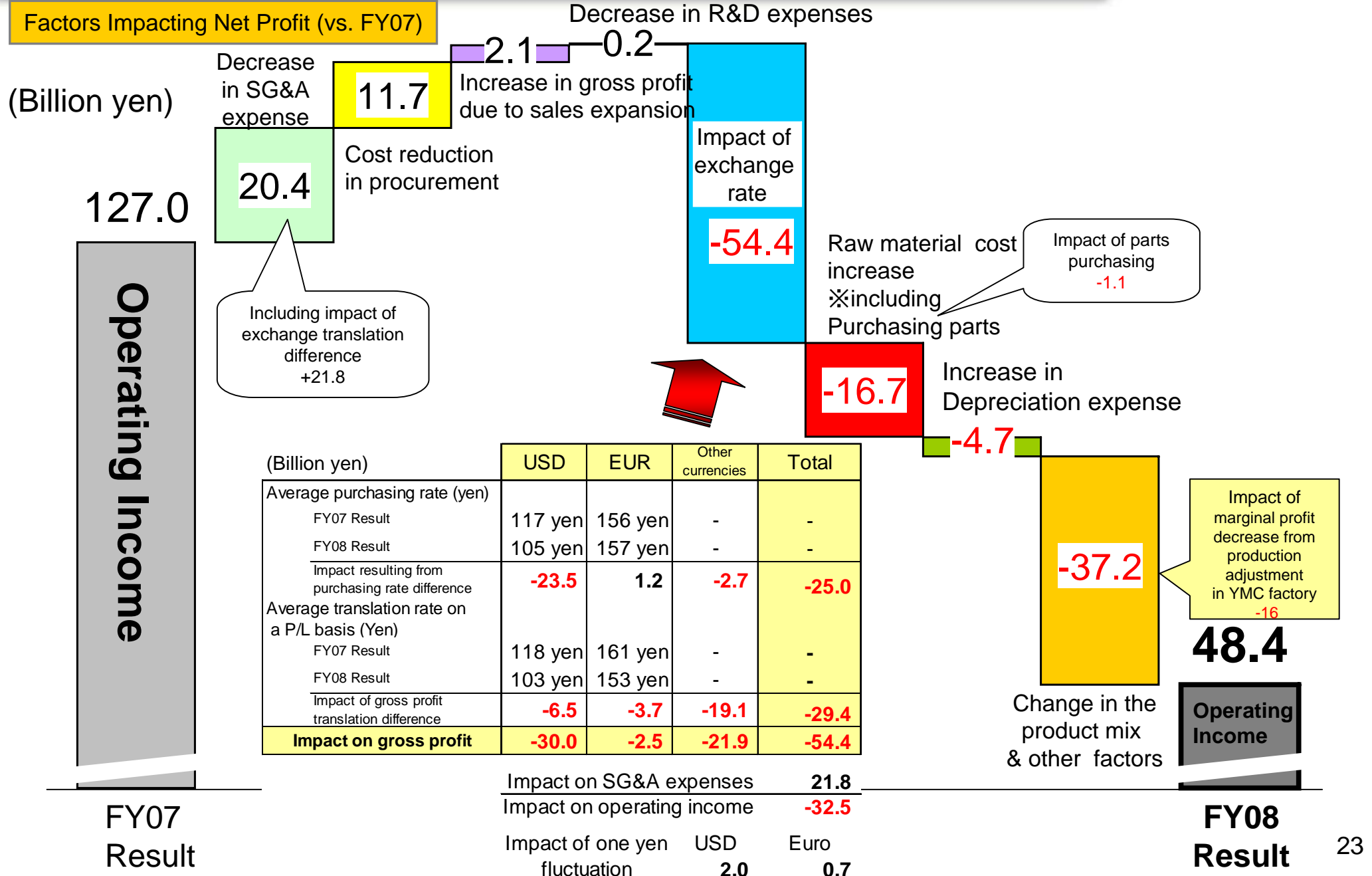
(Billion yen)

Marine Products

Power Products



Factors Impacting Operating Income (vs. FY07)



Annual Sales and Operating Income by Business Segment



Result

Sales (Billion yen)

	FY07 Result	FY08 Result	vs. FY07
Motorcycles	1,056.2	1,028.8	-2.6%
Marine Products	289.9	238.8	-17.6%
Power Products	265.6	213.3	-19.7%
Other Products	145.0	123.0	-15.2%
Total	1,756.7	1,603.9	-8.7%

Operating Income (Billion yen)

Motorcycles	63.0	33.6	-46.7%
Marine Products	28.2	6.1	-78.5%
Power Products	22.2	3.6	-83.9%
Other Products	13.5	5.1	-62.1%
Total	127.0	48.4	-61.9%

Operating Income Margin (%)

Motorcycles	6.0%	3.3%	-2.7%
Marine Products	9.7%	2.5%	-7.2%
Power Products	8.4%	1.7%	-6.7%
Other Products	9.3%	3.6%	-5.2%
Total	7.2%	3.0%	-4.2%

(Reference) Motorcycles + ATV

Sales	1,235.6	1,165.3	-5.7%
Operating Income	81.7	36.7	-55.0%
Operating Income Margin	6.6%	3.2%	-3.5%

4. Projection of Consolidated Financial Results for FY2009

Annual Sales and profits (Projection)



Projection

(Billion yen)

	FY08
	Result
Sales	1,603.9
Operating Income	48.4
Ordinary Income	58.9
Net Income	1.9

FY09 Projction	
Jan - Jun	Jan - Dec
610.0	1,250.0
-30.0	-30.0
-31.5	-29.0
-35.0	-42.0

Exchange rate against JPY (USD/EUR)	103 yen/153 yen
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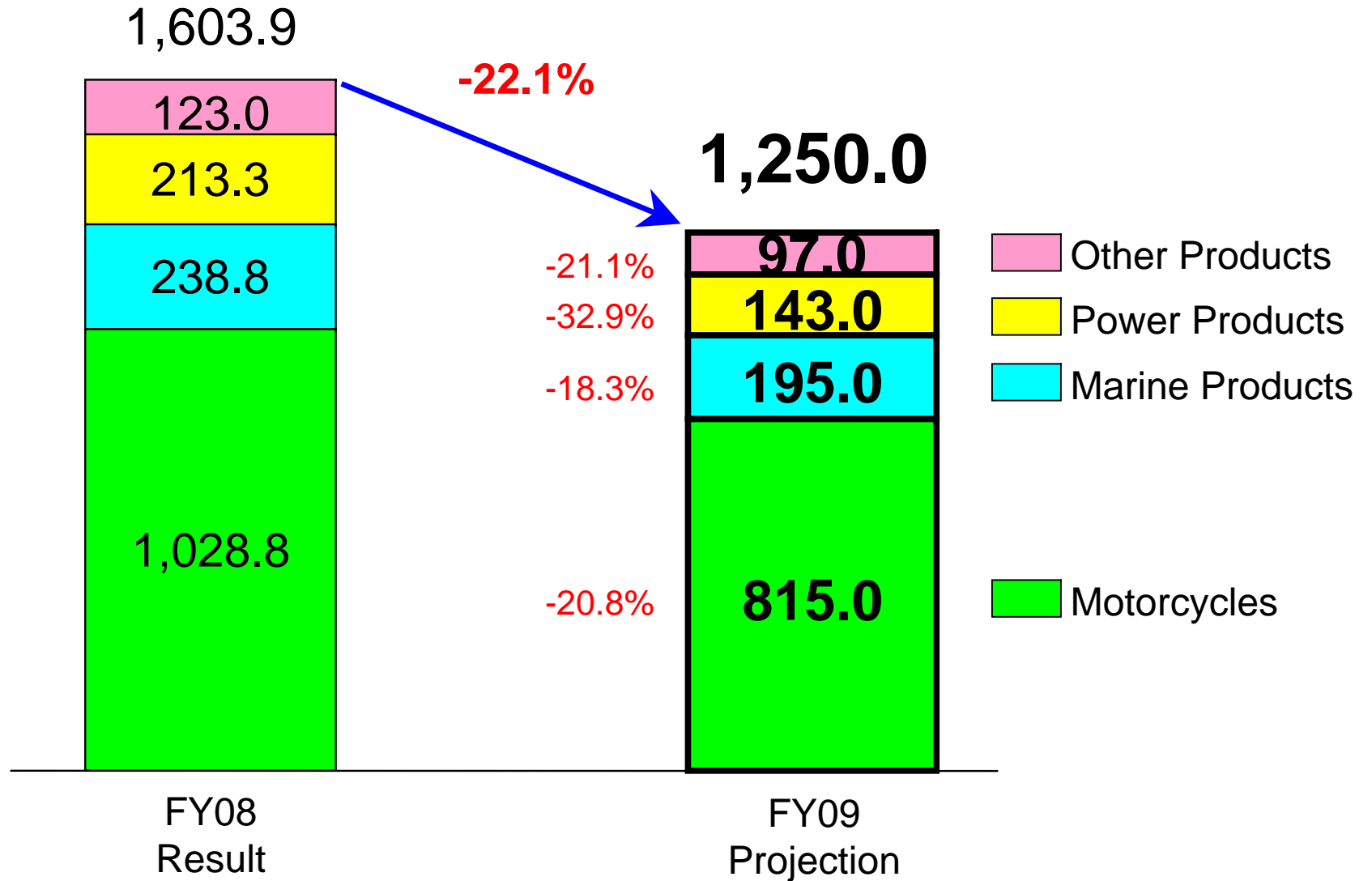
90 yen/120 yen

Annual Sales by Business Segment (Projection)



Projection

(Billion yen)



Exchange rate(USD/EUR) (103/153)

(90/120)

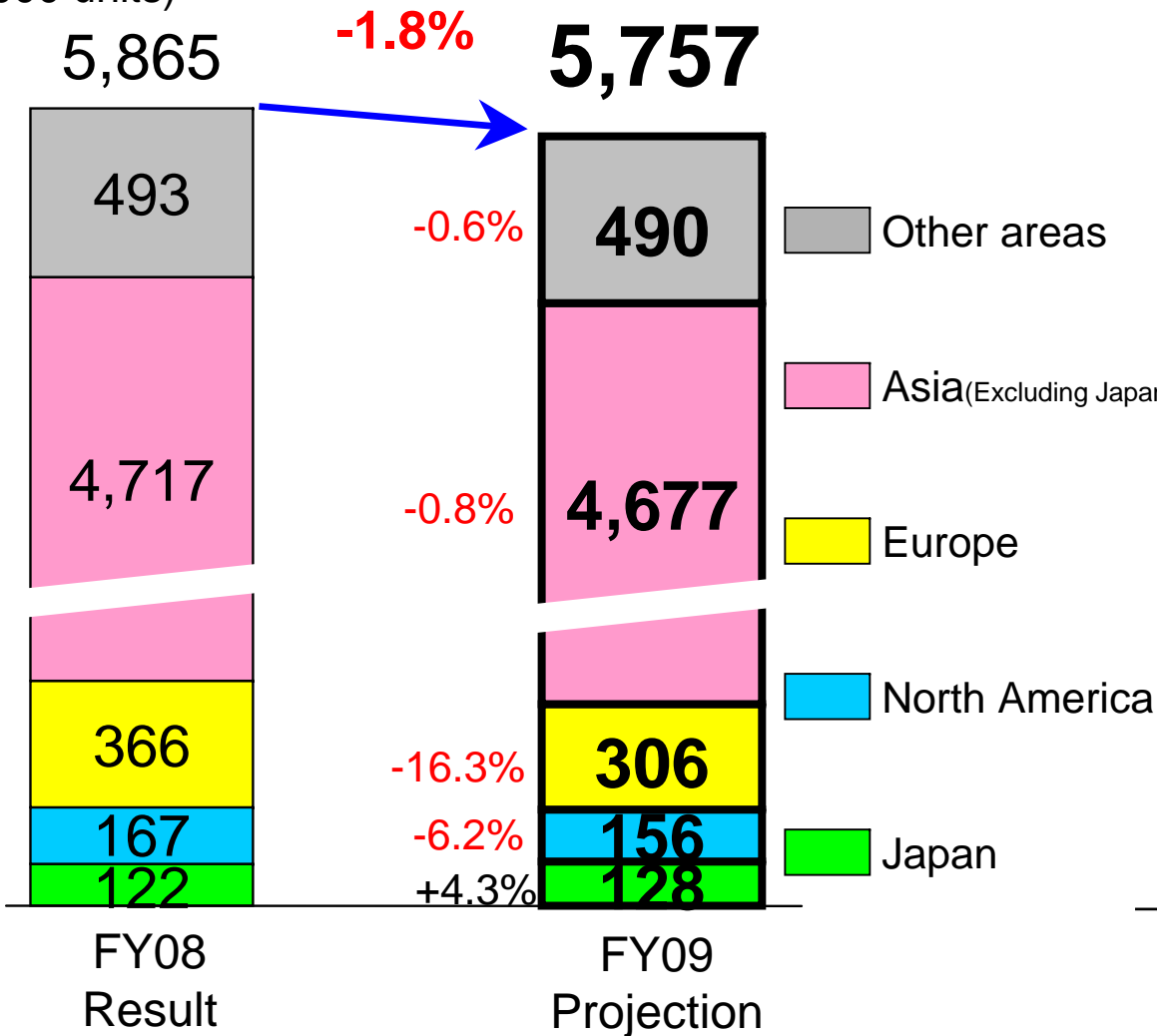
Annual Motorcycle Unit Sales and Sales Amount (Projection)



Projection

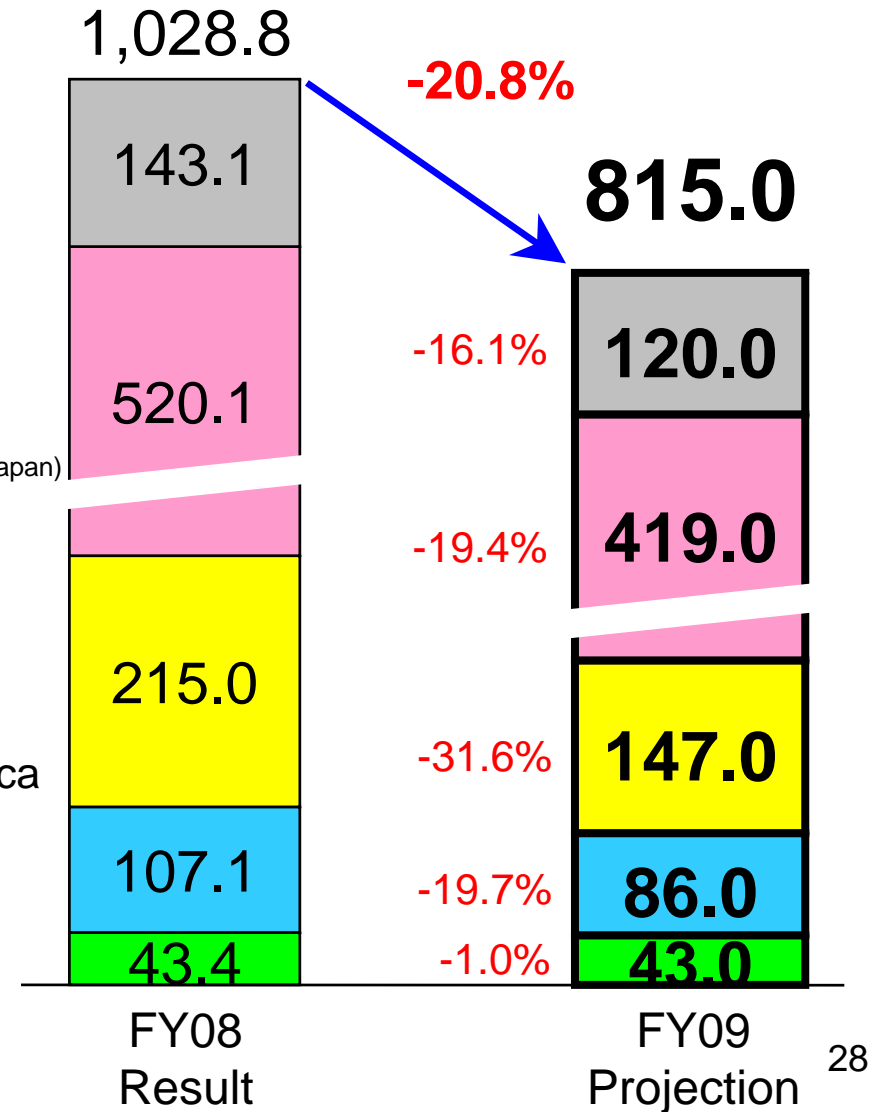
Unit Sales

(1,000 units)



(Billion yen)

Sales



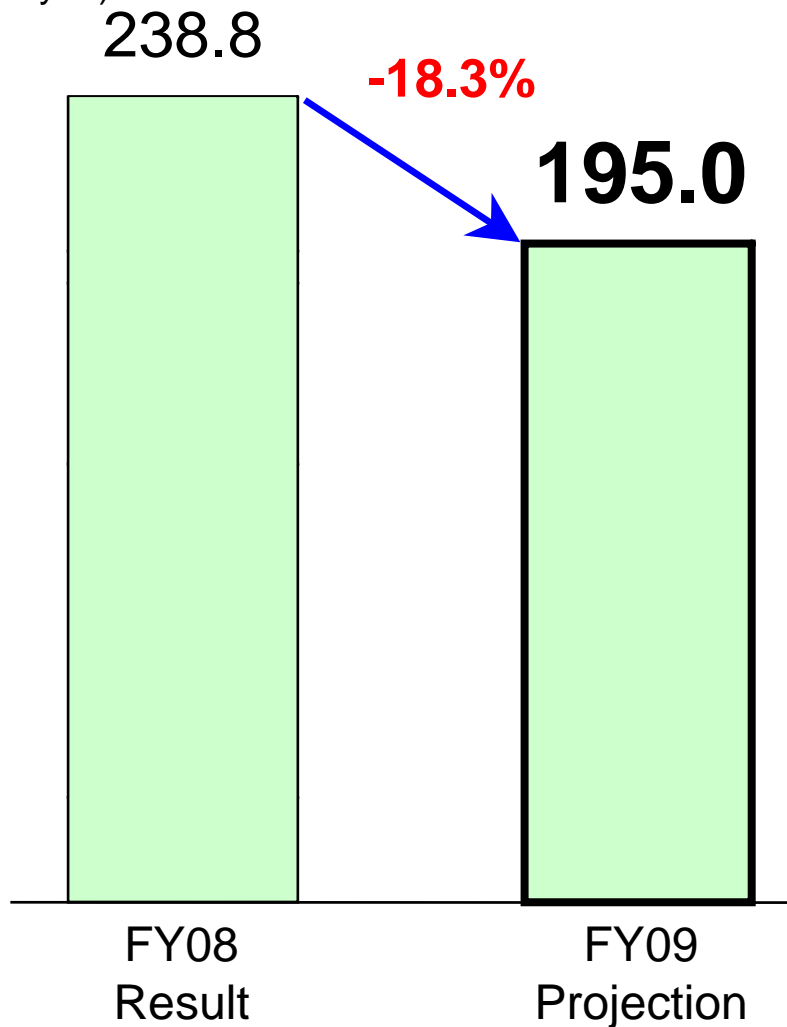
Annual Sales of Marine and Power Products (Projection)



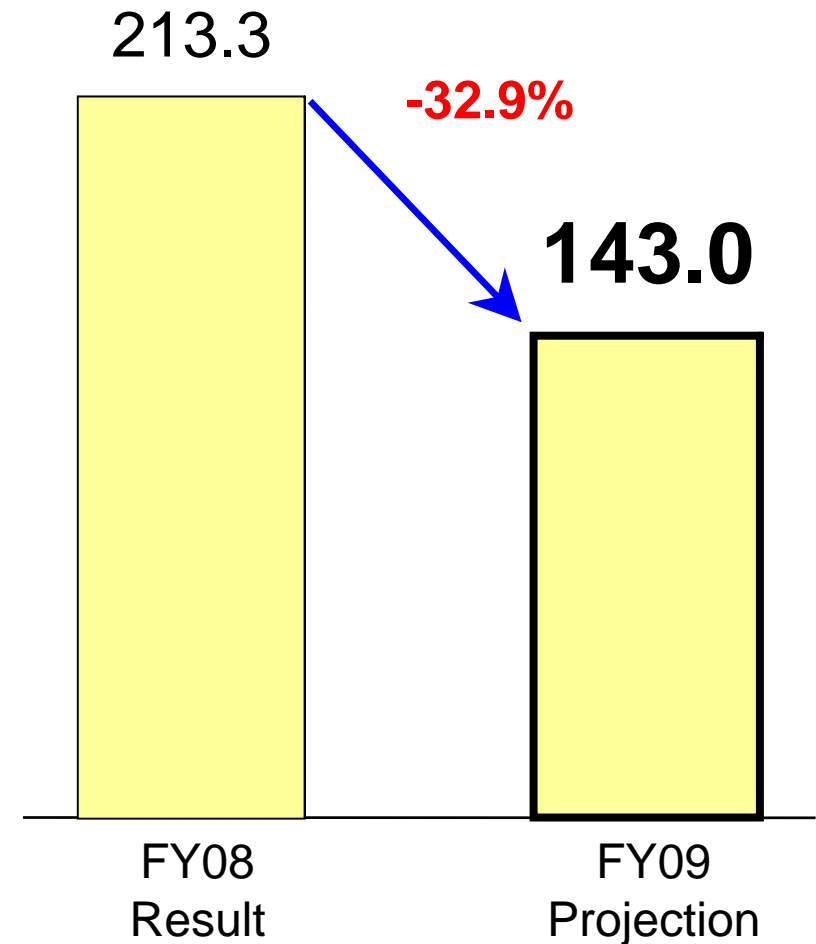
Projection

Marine Products

(Billion yen)



Power Products



IM (Intelligence Machinery) Business (Projection)



Projection

Unit Sales of Surface Mounters

1,775

-32.4%

1,200

(1 units)

Net Sales of IM Business
(including industrial robots & others)

31.1

21.5

(Billion yen)

FY08
Result

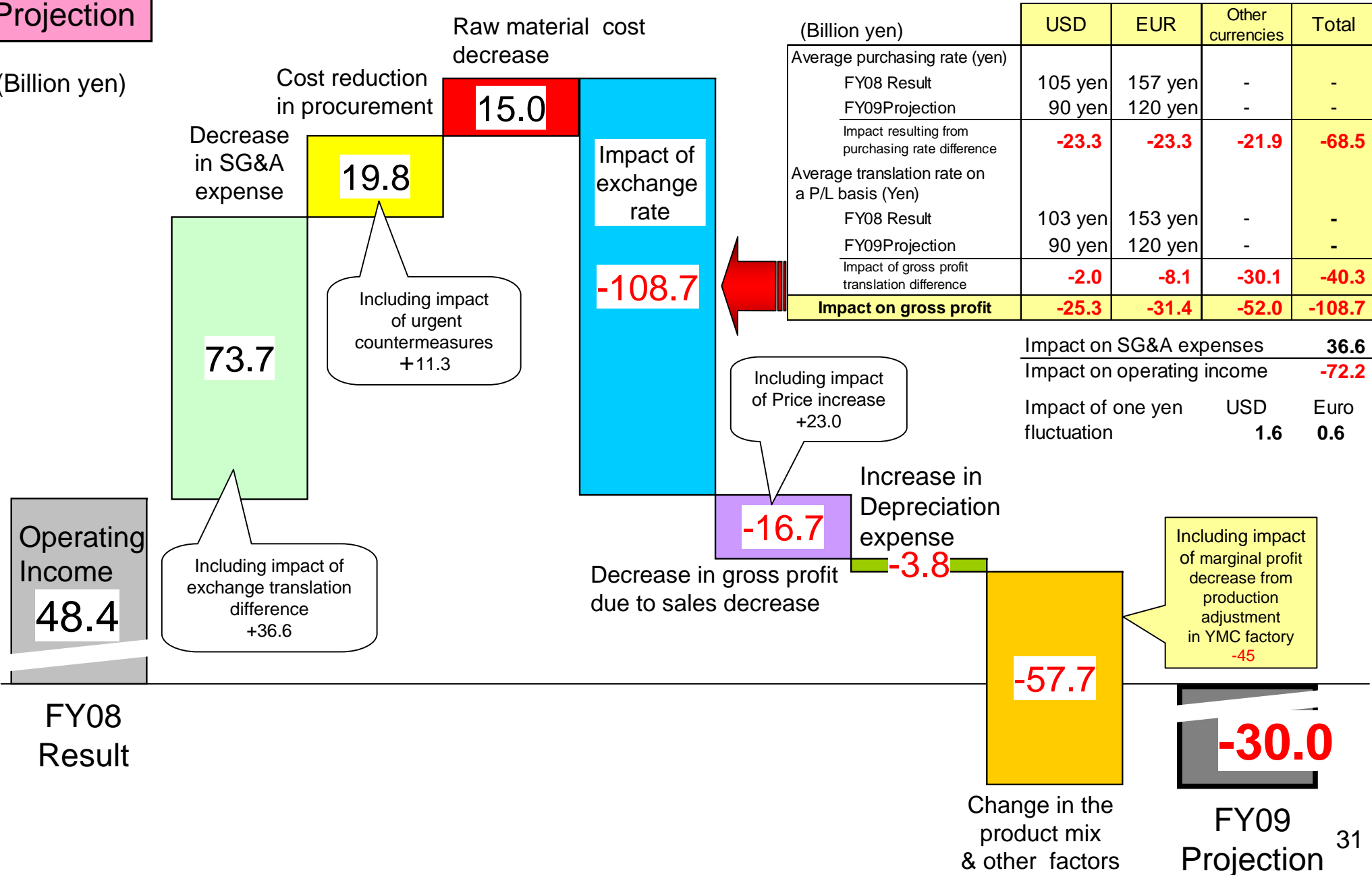
FY09
Projection

Factors Impacting Operating Income (FY09 Projection vs. FY08 Result)



Projection

(Billion yen)



(Billion yen)	USD	EUR	Other currencies	Total
Average purchasing rate (yen)				
FY08 Result	105 yen	157 yen	-	-
FY09Projection	90 yen	120 yen	-	-
Impact resulting from purchasing rate difference	-23.3	-23.3	-21.9	-68.5
Average translation rate on a P/L basis (Yen)				
FY08 Result	103 yen	153 yen	-	-
FY09Projection	90 yen	120 yen	-	-
Impact of gross profit translation difference	-2.0	-8.1	-30.1	-40.3
Impact on gross profit	-25.3	-31.4	-52.0	-108.7

Impact on SG&A expenses		36.6
Impact on operating income		-72.2
Impact of one yen fluctuation	USD	Euro
	1.6	0.6

Annual Sales and Operating Income by Business Segment(Projection)



Projection

Sales (Billion yen)

	FY08 Result	FY09 Projection	vs. FY08
Motorcycles	1,028.8	815.0	-20.8%
Marine Products	238.8	195.0	-18.3%
Power Products	213.3	143.0	-32.9%
Other Products	123.0	97.0	-21.1%
Total	1,603.9	1,250.0	-22.1%

Operating Income (Billion yen)

Motorcycles	33.6	-16.0	-
Marine Products	6.1	-12.0	-
Power Products	3.6	-8.0	-
Other Products	5.1	6.0	16.9%
Total	48.4	-30.0	-

Operating Income Margin (%)

Motorcycles	3.3%	-2.0%	-5.2%
Marine Products	2.5%	-6.2%	-8.7%
Power Products	1.7%	-5.6%	-7.3%
Other Products	4.2%	6.2%	2.0%
Total	3.0%	-2.4%	-5.4%

(Reference) Motorcycles + ATV

Sales	1,165.3	890.5	-23.6%
Operating Income	36.7	-24.0	-
Operating Income Margin	3.2%	-2.7%	-5.8%

*ATVs: All terrain vehicles

- ◆ Generate positive consolidated cash flow in 2009 on single year bases.
- ◆ Restore profitability of three main businesses in the U.S. and Europe early.

Urgent countermeasures in 2009

Yamaha Motor will undertake the following urgent countermeasures utmost efforts to reduce expenses and generate positive cash flow.

- 1. Urgent expense reduction**
- 2. Urgent cost reduction project**
- 3. Significant reduction of capital expenditures**

Countermeasures to improve operating revenue

- ◆ Accelerate reorganization of purchasing, manufacturing and developing functions in three main businesses for the U.S. and Europe to restore profitability.
- ◆ Enhance development of technologies for the future.

Thank you.

Reference Information

Contents

■ Consolidated Financial Results for 4Q of FY2008

Unit sales (MC) and sales amount (MC•MP•PP) by market segment

Sales and operating income by business segment

■ Consolidated Financial Results for FY2008

Projection of Consolidated Financial Results for FY2009

Total demand in U.S. by month (MC, ATV, OM)

Annual retail sales and wholesales in U.S. market (MC, ATV, OM)

Business conditions in main Asian and Latin American markets

Capital expenditures, depreciation expenses and other information

Unit sales data (Global total demand and Yamaha wholesales)

Major financial indexes

■ Non Consolidated Financial Results for FY2008

*MC: Motorcycles, MP: Marine products, PP: Power products,

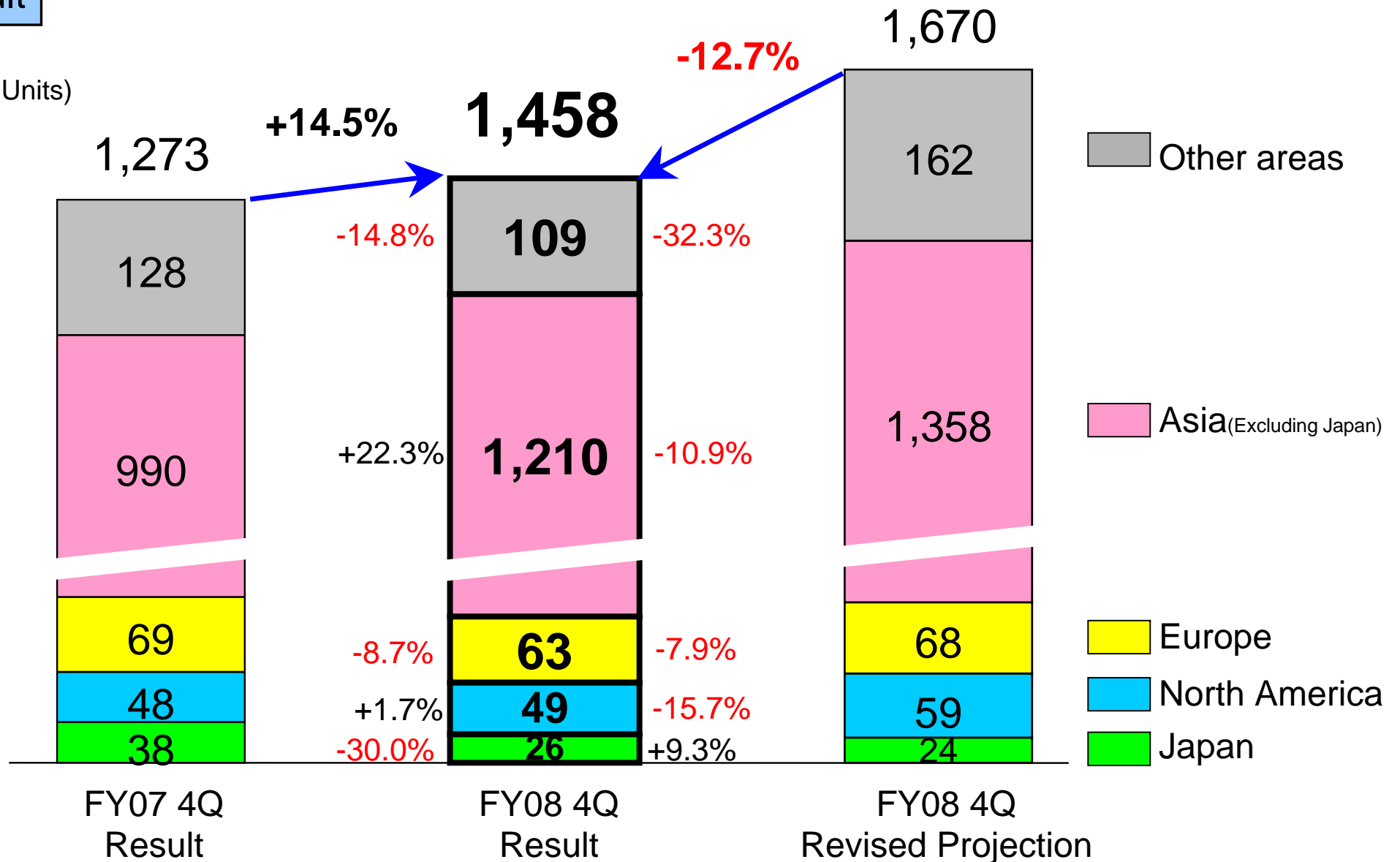
ATV: All terrain vehicles, OM: Outboard motors

Motorcycle Unit Sales (for Oct – Dec, 08)



Result

(1,000 Units)

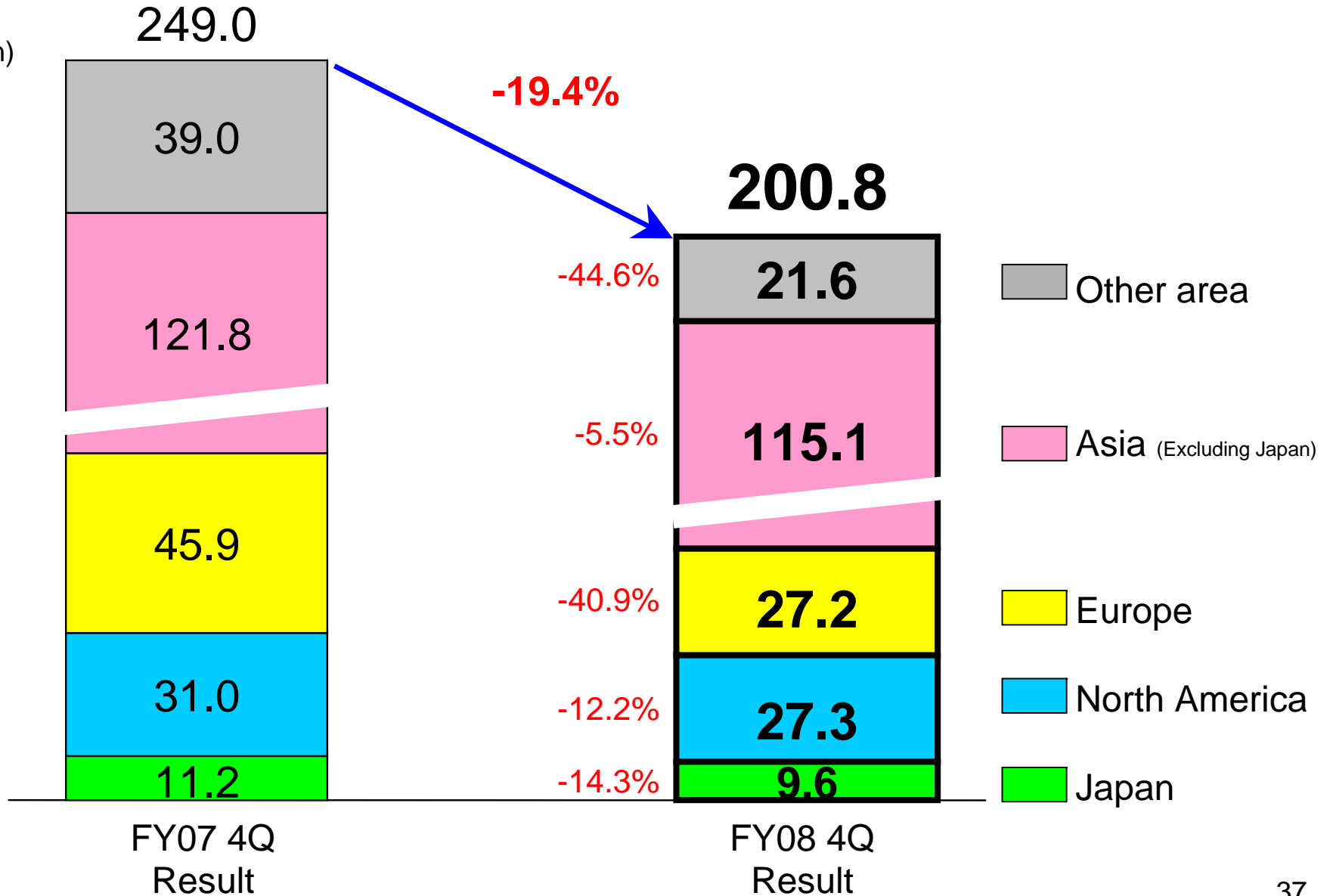


Motorcycles Sales (for Oct – Dec, 08)



Result

(Billion yen)



Annual Sales of Marine and Power Products (Oct – Dec, 08)

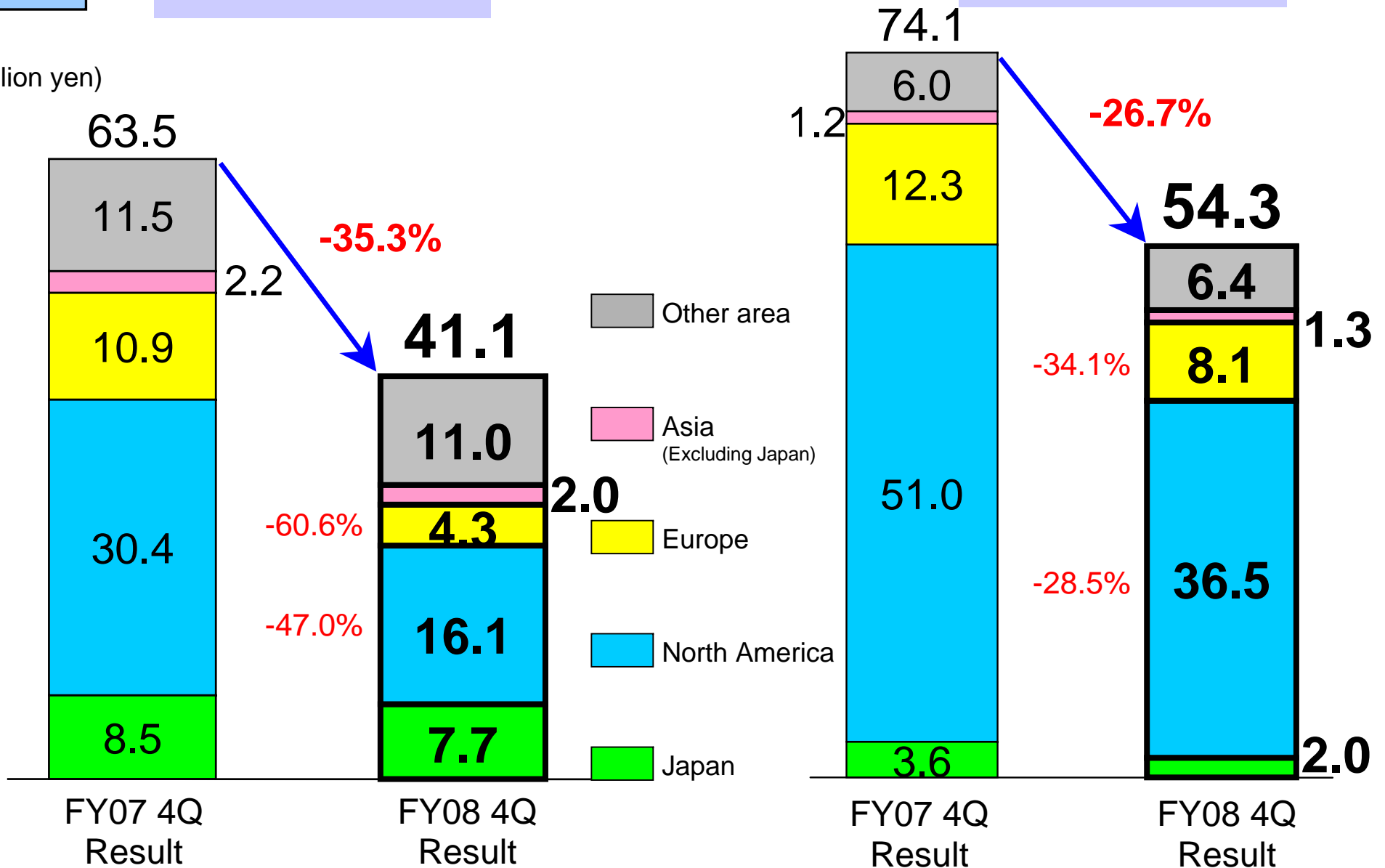


Result

Marine Products

Power Products

(Billion yen)



Result

Sales (Billion yen)

	FY07 4Q Result	FY08 4Q Result	vs. FY07
Motorcycles	249.0	200.8	-19.4%
Marine Products	63.5	41.1	-35.3%
Power Products	74.1	54.3	-26.7%
Other Products	35.1	25.1	-28.5%
Total	421.7	321.3	-23.8%

Operating Income (Billion yen)

Motorcycles	19.3	-8.6	-
Marine Products	3.2	-5.0	-
Power Products	3.2	-1.5	-
Other Products	3.4	-.7	-
Total	29.2	-15.7	-

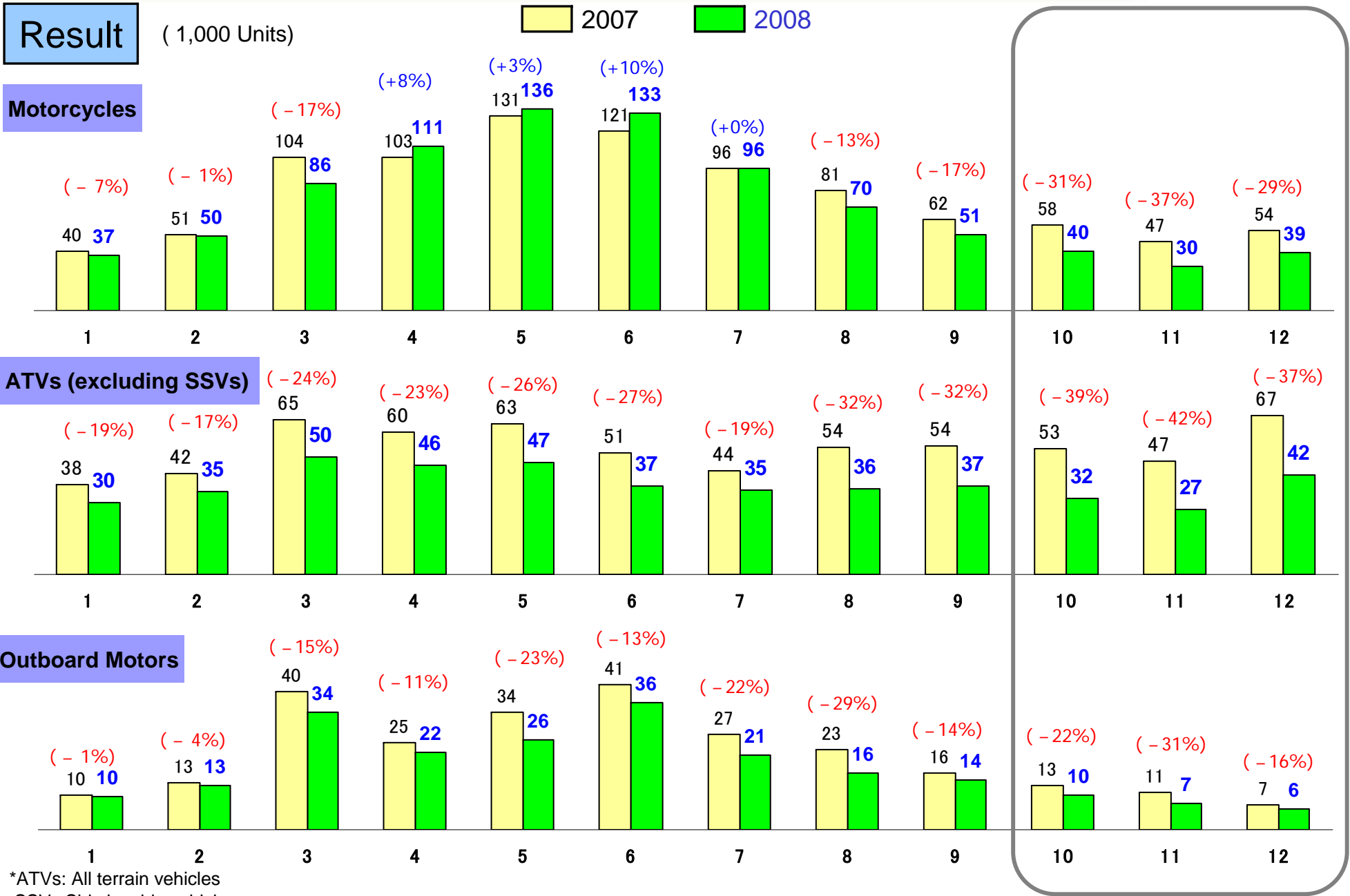
Operating Income Margin (%)

Motorcycles	7.8%	-4.3%	-12.0%
Marine Products	5.1%	-12.1%	-17.2%
Power Products	4.3%	-2.7%	-7.0%
Other Products	9.7%	-2.7%	-12.3%
Total	6.9%	-4.9%	-11.8%

(Reference) Motorcycles + ATV

Sales	296.7	234.5	-21.0%
Operating Income	22.6	-7.9	-
Operating Income Margin	7.6%	-3.4%	-11.0%

Total demand in U.S. by month (MC, ATV, OM)



*ATVs: All terrain vehicles
SSVs: Side by side vehicles

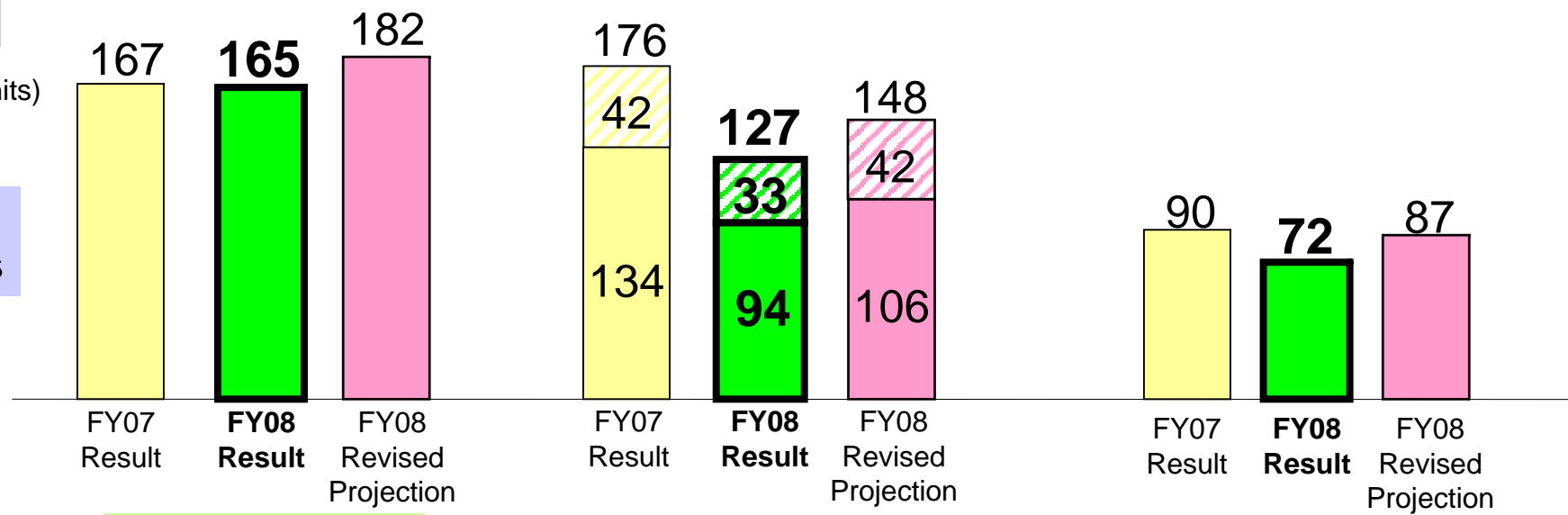
Annual Retail sales and Wholesales in U.S. Market



Result

(1,000 units)

Retail unit sales



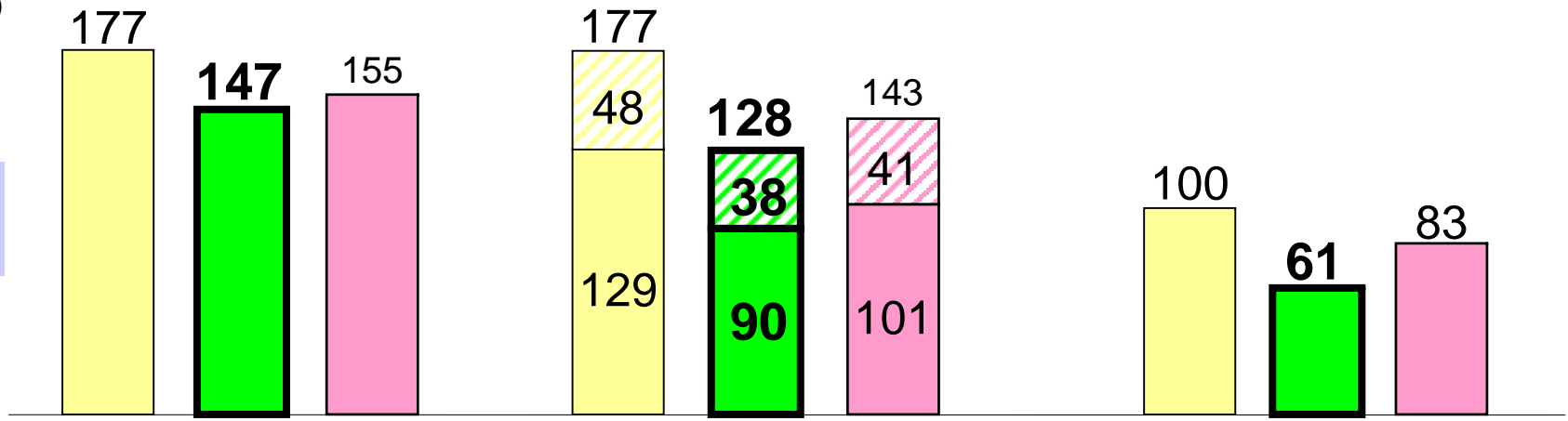
Motorcycles

ATVs+SSVs

Outboard motors

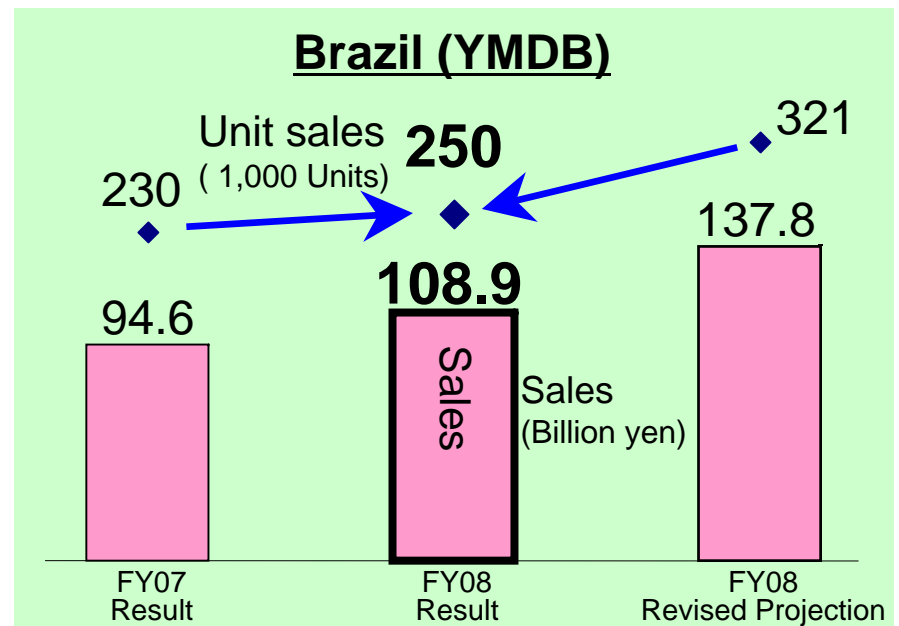
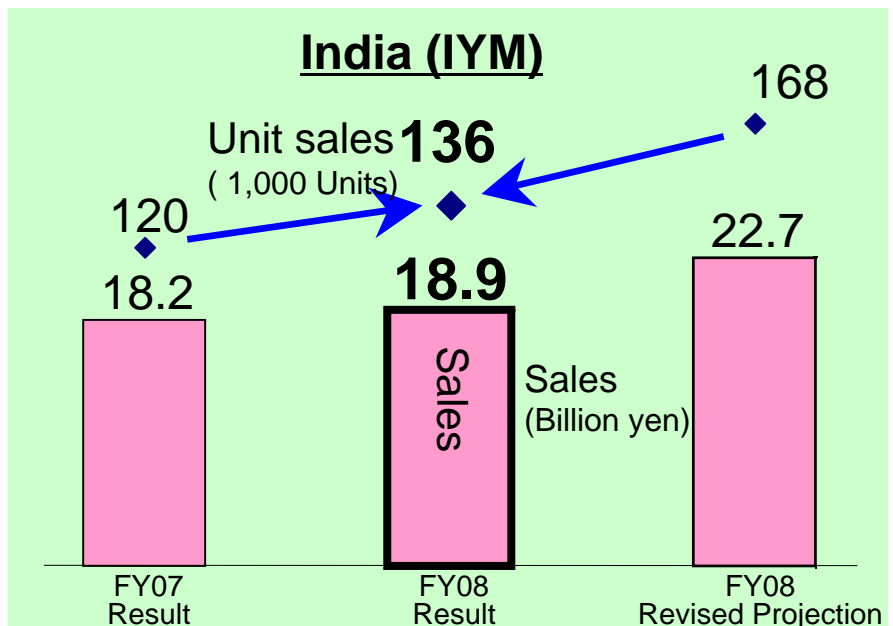
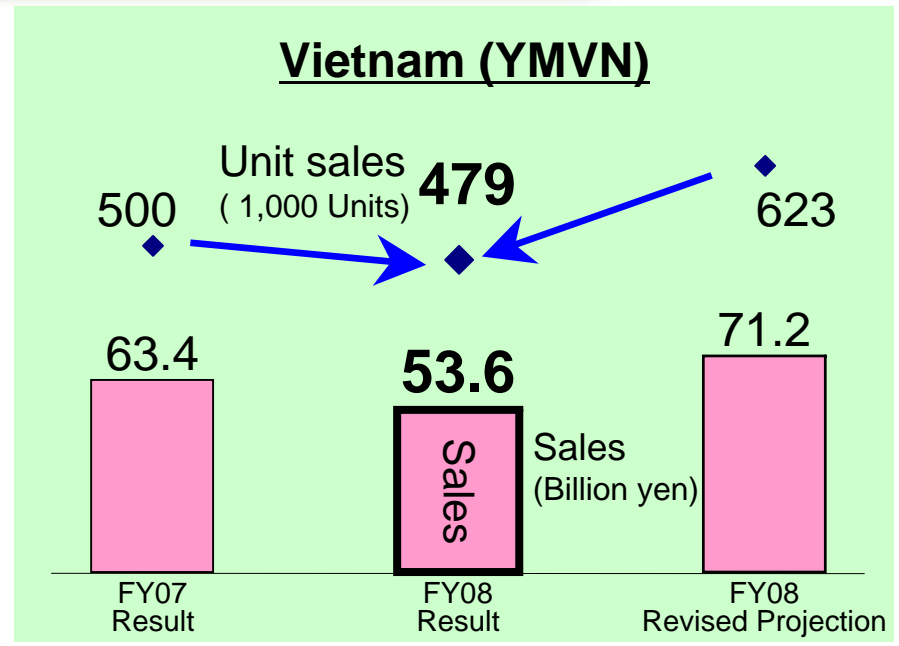
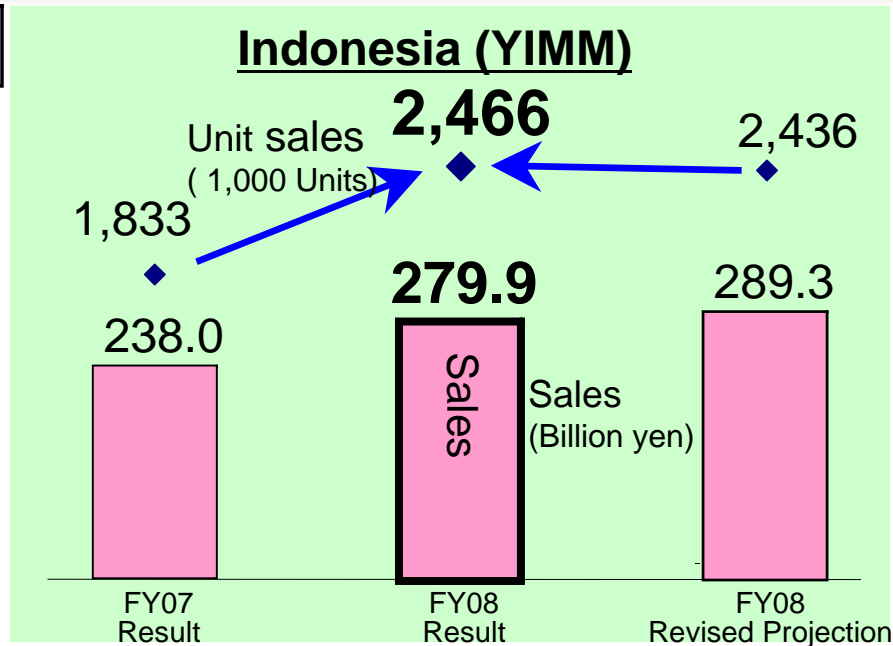
(1,000 units)

Wholesale unit sales



*ATVs: All terrain vehicles
SSVs: Side by side vehicles

Result



Note : Sales figure includes cross-trade exports amount because of non-consolidated figures of subsidiaries. Sales units does not include export and cross-trade number of units.

Capital expenditures, depreciation expenses (Billion yen)

	FY06 Result	FY07 Result	FY08 Result	FY09 Projection
Consolidated				
Capital expenditures	83.0	84.8	94.4	62.8
Depreciation expenses	47.4	54.6	59.6	63.4
Non-Consolidated				
Capital expenditures	31.1	23.2	18.8	* 16.1
Depreciation expenses	16.9	19.7	22.4	* 30.4

* Including former Yamaha Marine's
Capital expenditures and Depreciation expenses

Interest bearing debt (Billion yen)

	FY06 Result	FY07 Result	FY08 Result
YMC	78.4	114.3	183.1
U.S.A.	47.7	33.7	66.7
Europe	34.4	44.8	49.4
Other areas	34.7	36.9	50.0
Gross	195.2	229.8	349.2
Net	115.9	119.1	215.3

Group companies (consolidated)

	FY06 Result	FY07 Result	FY08 Result
Consolidated subsidiaries	108	111	113
Companies accounted for by the equity method	43	38	33
Total	151	149	146

Subsidiaries	125	127	125
Affiliates	34	32	29
Total	159	159	154

Number of employees (consolidated)

	FY06 Result	FY07 Result	FY08 Result
YMC	8,461	9,019	9,396
Consolidated subsidiaries	33,497	37,831	40,365
Consolidated companies total	41,958	46,850	49,761
Companies accounted for by the equity method	9,244	9,076	6,817
Total	51,202	55,926	56,578

Unit sales data (global total demand and Yamaha wholesales)



1000 units (Surface mounter: unit)

	Total demand (Yamaha survey)	
	2008 Result	2009 Projection
Japan	567	537
North America	1,224	1,037
Europe	2,683	2,294
Indonesia	6,443	5,440
Thailand	1,703	1,500
India	7,325	7,800
Vietnam	2,710	2,354
Taiwan	815	630
China	16,215	13,500
Other Asian countries	2,483	2,402
Asia(Total)	37,694	33,626
Brazil	1,913	1,560
Other countries	5,427	4,244
Other areas(Total)	7,341	5,804
Motorcycles	49,509	43,298
Outboard motors	829	728
ATVs	1,044	783
SSV	—	—
Surface mounters	11,000	5,500

	Yamaha wholesales			
	2006 Result	2007 Result	2008 Result	2009 Projection
Japan	161	163	122	128
North America	207	197	167	156
Europe	407	410	366	306
Indonesia	1,458	1,833	2,466	2,400
Thailand	465	366	454	400
India	228	120	136	250
Vietnam	350	500	479	440
Taiwan	239	228	277	190
China	308	477	572	680
Other Asian countries	224	246	332	317
Asia(Total)	3,272	3,770	4,717	4,677
Brazil	180	230	250	276
Other countries	193	227	243	215
Other areas(Total)	373	457	493	490
Motorcycles	4,419	4,997	5,865	5,757
Outboard motors	342	368	334	305
ATVs	227	209	170	107
SSVs	36	48	38	20
Surface mounters	2,950	2,640	1,775	1,200

*ATVs: All terrain vehicle, SSVs:Side by side vehicles

Major financial indexes



		FY06 Result	FY07 Result	FY08 Result	FY09 Projection
Sales	Billion yen	1,582.0	1,756.7	1,603.9	1,250.0
Operating income	Billion yen	123.5	127.0	48.4	-30.0
Ordinary income	Billion yen	125.4	140.3	58.9	-29.0
Net income	Billion yen	77.2	71.2	1.9	-42.0

Exchange rate(USD/ Euro)	Yen	116/146	118/161	103/153	90/120
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Total assets	Billion yen	1,128.7	1,258.4	1,163.2	1,070.0
Shareholders' equity	Billion yen	470.6	530.2	394.6	362.0
Shareholders' equity ratio	%	41.7	42.1	33.9	33.8

ROS	%	7.9	8.0	3.7	-2.3
ROE	%	16.4	13.4	0.5	-11.6
ROA	%	11.1	11.2	5.1	-2.7

Number of shares Outstanding (Year end)	Million shares	286	286	287	287
EPS	Yen	270	249	6	-147
BPS	Yen	1,645	1,857	1,378	1,263

Note: The number of shares used to compute EPS and the shareholders' equity used to compute ROE are both based on the figures at each fiscal year-end, provided solely for convenience.

ROS: The ratio of ordinary income to net sales

EPS: Net income per share

ROE: The ratio of net income to shareholders' equity

BPS: Shareholders' equity per share

ROA: The ratio ordinary income to total assets

Yamaha Motor non-consolidated financial results (1)



Sales and profits

(Billion yen)

	FY06 Result	FY07 Result	FY08 Result
Sales	795.2	799.2	740.2
Operating income	29.0	21.7	-24.1
Ordinary income	38.6	27.0	20.8
Net income	26.6	18.8	-3.0

Sales in Japan and exports

(Billion yen)

	FY06 Result	FY07 Result	FY08 Result
Japan	143.9	140.9	128.5
North America	309.0	281.3	242.8
Europe	177.6	191.0	162.8
Asia	70.1	74.6	82.1
Latin America	44.0	56.7	64.0
Other areas	50.7	54.8	59.9
Total	795.2	799.2	740.2
Export ratio	81.9%	82.4%	82.6%

Sales by products

(Billion yen)

	FY06 Result	FY07 Result	FY08 Result
Motorcycles	344.8	352.0	323.7
Marine Products	172.5	184.2	175.9
Power Products	156.9	153.2	138.7
Automotive engines	48.9	45.0	39.1
Intelligence Machinery	39.6	35.0	27.5
Other products	32.5	29.9	35.3
Total	795.2	799.2	740.2

Breakdown of motorcycle sales

(Billion yen)

	FY06 Result	FY07 Result	FY08 Result
CBU for Japan	25.6	27.1	21.1
Parts for Japan	7.3	8.4	8.2
CBU for export*	265.4	259.9	231.2
KD kits*	32.6	41.0	48.9
Parts for export	13.9	15.4	14.2
Total	344.8	352.0	323.7

*CBU: Complete built- up model

KD: Knockdown

Yamaha Motor non-consolidated financial results (2)



Motorcycle unit sales by displacement category

(1,000 Units)

	FY06 Result	FY07 Result	FY08 Result
50cc and under	111	117	71
51cc – 125cc	16	18	21
126cc – 250cc	25	25	12
251cc and over	10	8	11
Total	162	167	115

Motorcycles export units by market

(1,000 Units)

	FY06 Result	FY07 Result	FY08 Result
North America	200	175	173
Latin America	67	104	89
Europe	203	195	172
Asia	21	18	18
Other areas	65	62	62
Total	556	553	513

Motorcycle KD kits by market

(1,000 Units)

	FY06 Result	FY07 Result	FY08 Result
Latin America	222	305	372
Europe	187	226	183
Asia(excluding China)	3,273	3,516	4,249
China	262	71	127
Total	3,944	4,117	4,931

Marine product sales by product segment (Billion yen)

	FY06 Result	FY07 Result	FY08 Result
Outboard motors	118.7	114.1	109.0
Boats	7.7	9.6	8.0
Personal watercrafts	27.3	36.2	36.1
Pools	5.1	4.2	4.2
Other marine products	13.7	20.1	18.6
Total	172.5	184.2	175.9

Power product sales by product segment (Billion yen)

	FY06 Result	FY07 Result	FY08 Result
ATVs	109.2	115.3	100.8
Snowmobiles	22.5	20.9	19.9
Golf cars	7.7	10.2	11.2
Other power products	17.5	6.8	6.9
Total	156.9	153.2	138.7

You are also welcome to review the IR information on Yamaha Motor's website.

Yamaha Motor website
(Global site: English)

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

For investors

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

Investor meeting presentation
IR materials

<http://www.yamaha-motor.co.jp/global/ir/explanation/>
<http://www.yamaha-motor.co.jp/global/ir/material/>