

Yamaha Motor Co., Ltd.



July 2003

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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.

1. Progress and Development of Three-Year plan

A) Consolidated Sales by Product

B) Three-Year Plan “NEXT 50”

A)-1: Positioning of the New Medium-Term Management Plan

A)-2: “NEXT 50” Original Numerical Targets

C) Progress and development

B)-1: Consolidated Net Sales

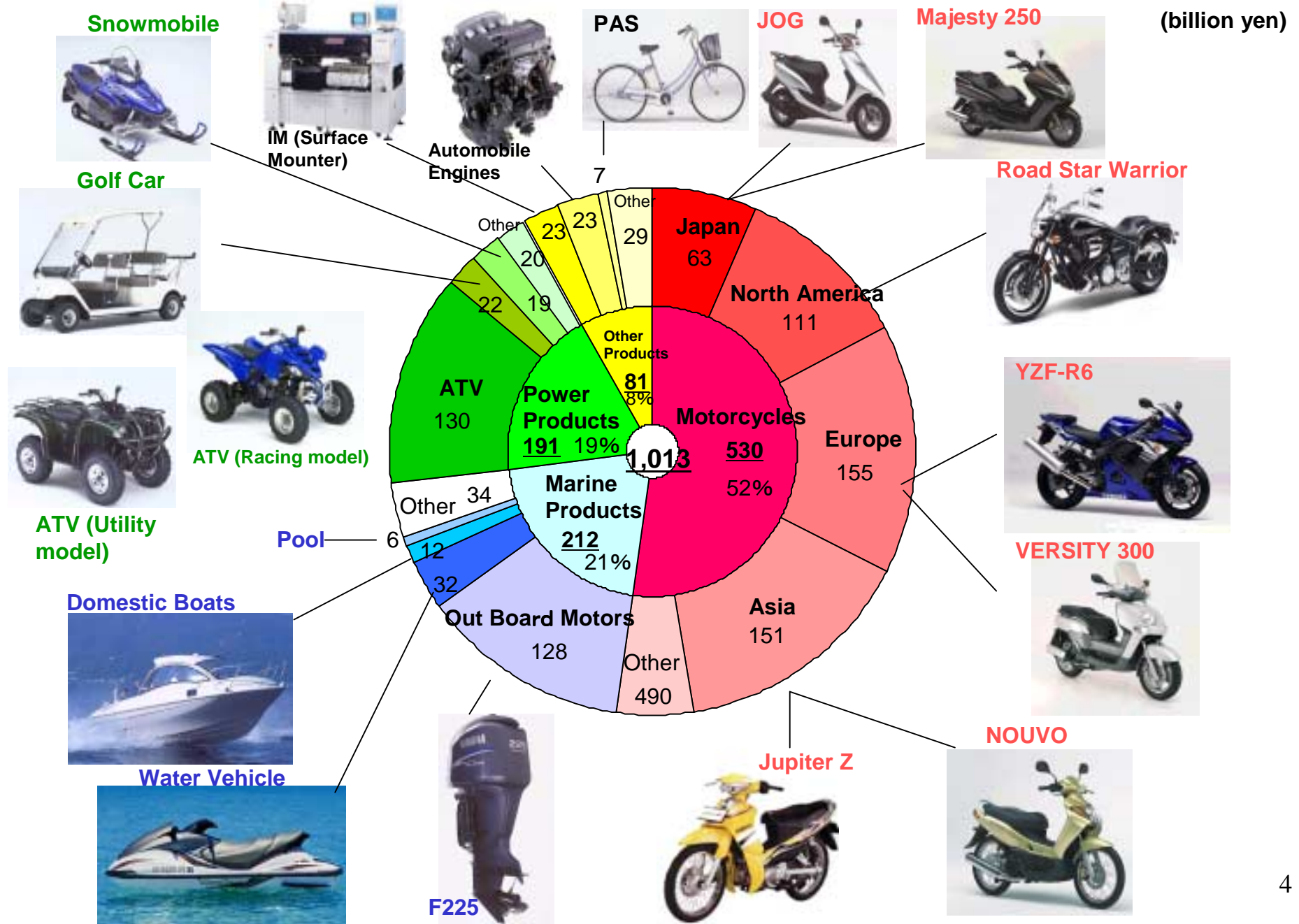
B)-2: Consolidated Operating Income

B)-3: Sales by Business Segment

B)-4: Change in Operating Income by Business Segment

Consolidated Sales by Product

FY2003 (ended 3/2003)



B) Three-Year Plan “NEXT 50”

*Kando** creating company

July 2005

50th anniversary

Far-reaching corporate structural reinforcement to grow the company into the future

* *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.

“NEXT 50” New 3-Year Management Plan

Globally acclaimed, profit-oriented corporate structure

Improving profitability

Attractive products

30% cost reduction

Restructuring low profitability businesses

Attaining growth

Promoting growth strategy

Solidifying the business foundation in China, India and ASEAN countries

Improving the financial structure

SCM·Project

Effective fixed asset utilization Project

Result-oriented personnel system

Corporate reform

Yamaha Value 21

A pleasure-oriented, excitement-based, visionary corporate culture

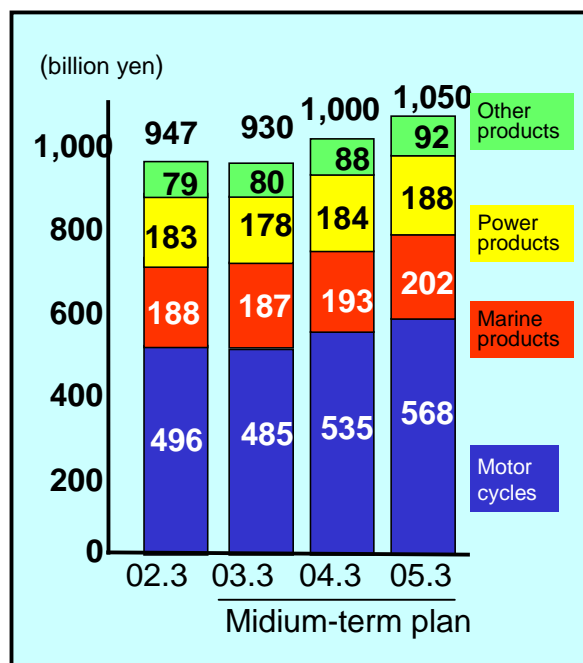
“NEXT 50” Original Numerical Targets

Announced in April 2002

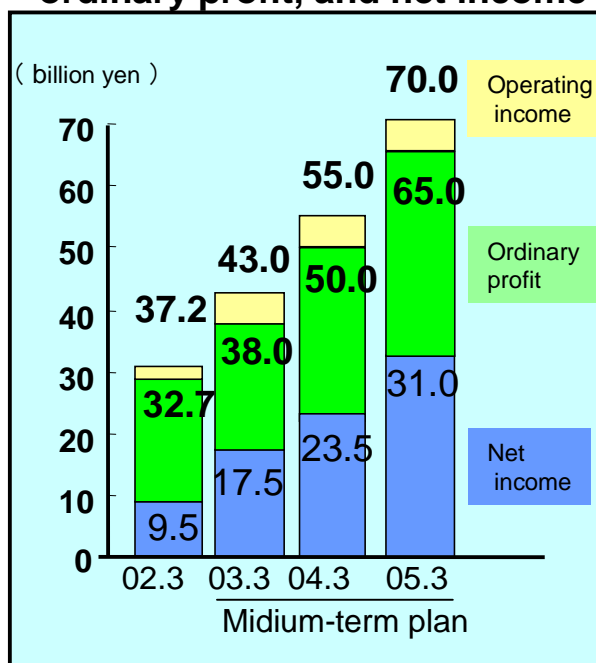
Premised on an exchange rate of 120 yen to the U.S. dollar and 110 yen to the euro during the three-year medium term

	FY'02		FY'05
Net Sales	947 billion yen	→	1,050 billion yen
Op Profit	37 billion yen	→	70 billion yen
Op Profit %	3.9 %	→	6.7 %
ROE	6.1 %	→	Over 10 %
Borrowings	257 billion yen	→	200 billion yen

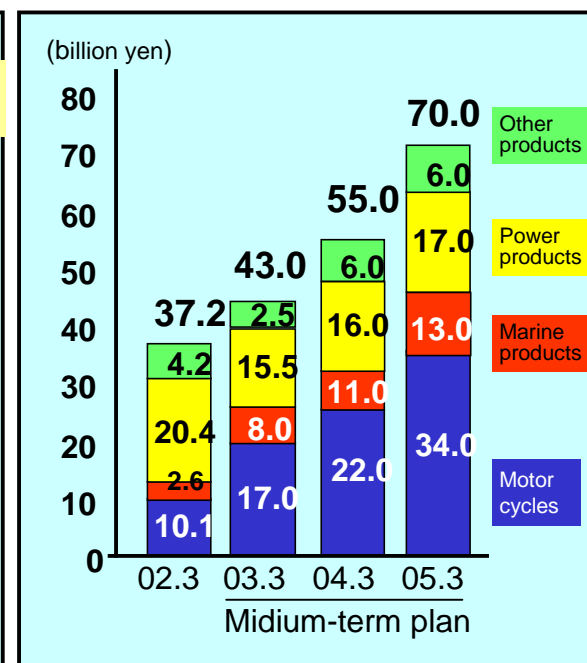
Consolidated net sales



Change in operating income, ordinary profit, and net income



Consolidated operating profit



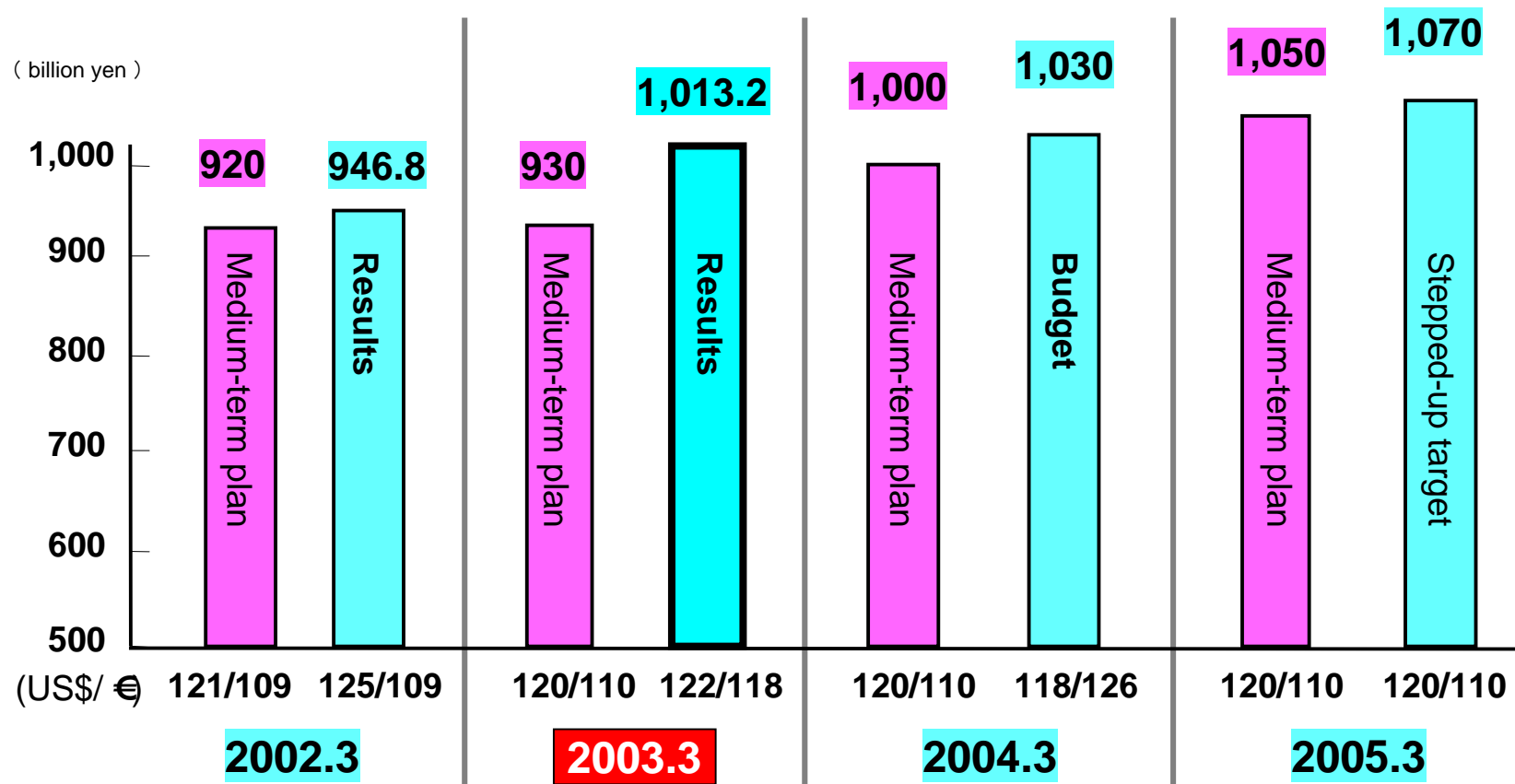
Note: Figures for fiscal 2002 in the graphs above are results, while those released when Next 50 was announced are forecasts.

C) Three-Year Plan - Progress and Development

Consolidated Net Sales

▶ Significantly exceeds the target figure, registering an all-time Company record for net sales. The total exceeded one trillion yen for the first time in fiscal 2003.

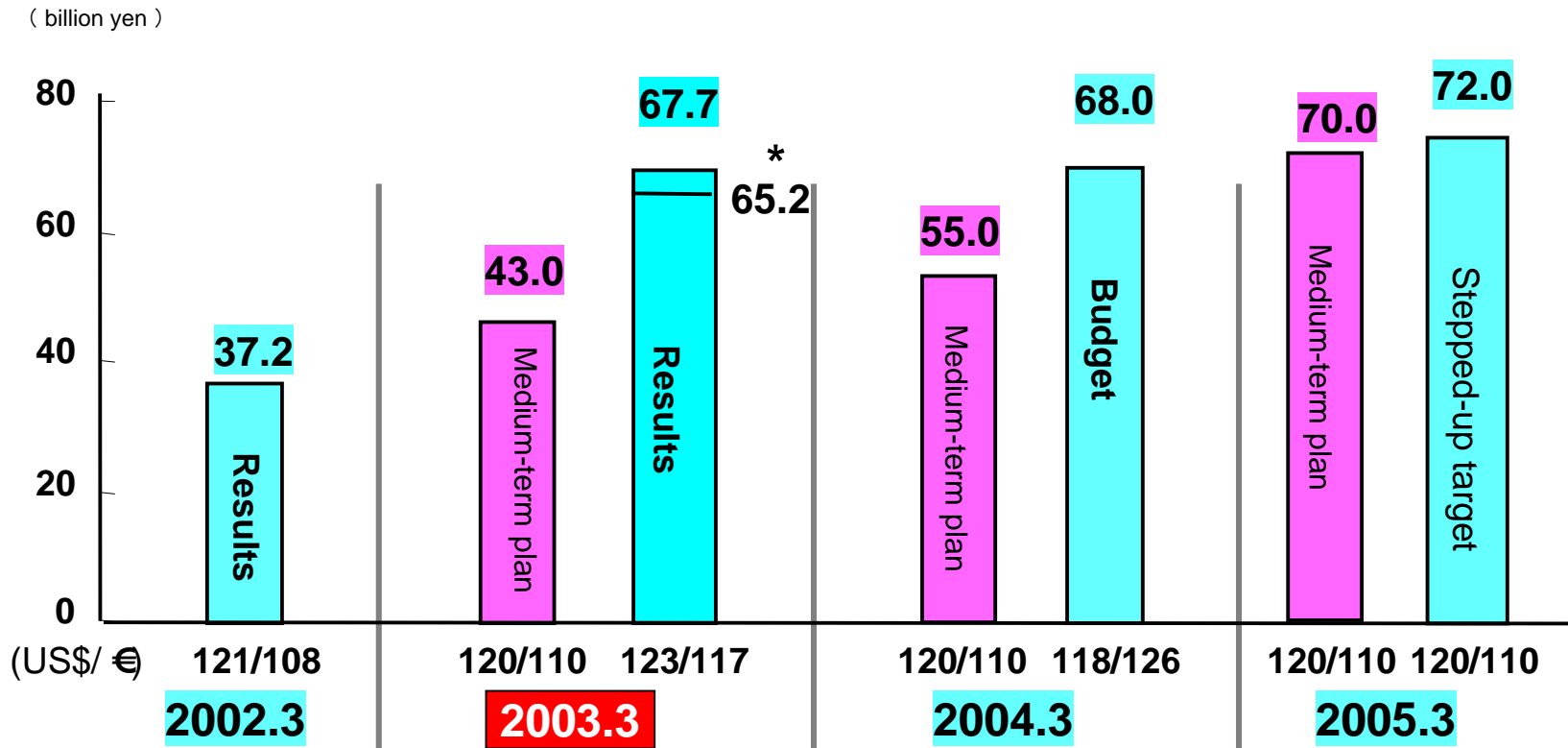
New, stepped-up target of 1.07 trillion yen net sales set for fiscal 2005



Consolidated Operating Profit

▶ Significantly exceeds the target figure, registering an all-time Company record for operating profit in fiscal 2003.

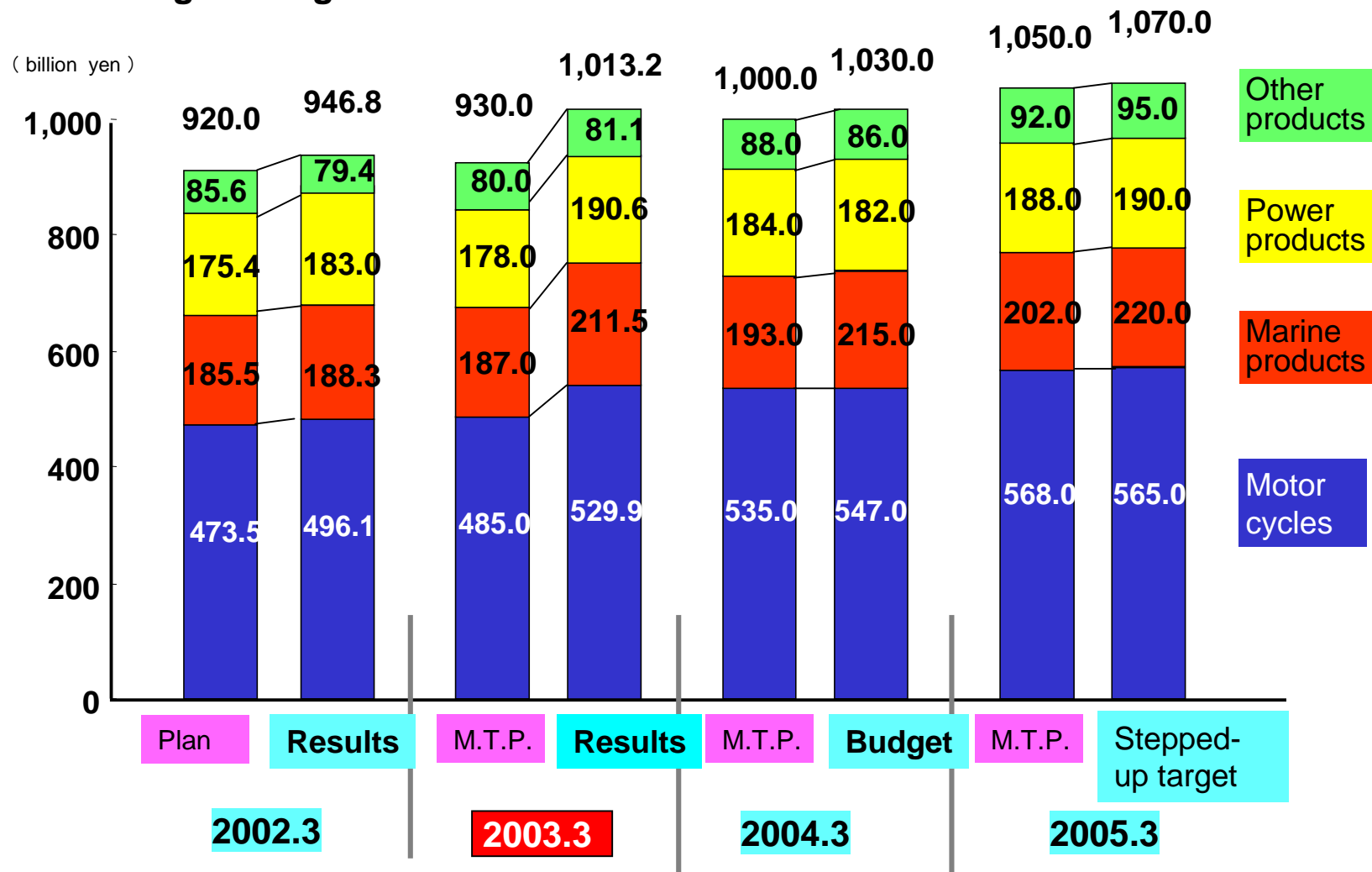
New, stepped-up target of 72 billion yen operating profit set for fiscal 2005



*Figure reflects actual performance, deducting 2.5 billion yen of profit resulting from a change in U.S. accounting standards.

Sales by Business Segment

▶ Exceeds the target figures in all business segments; however, sales by business segment for fiscal 2004 and 2005 are forecast to be near the original targets.

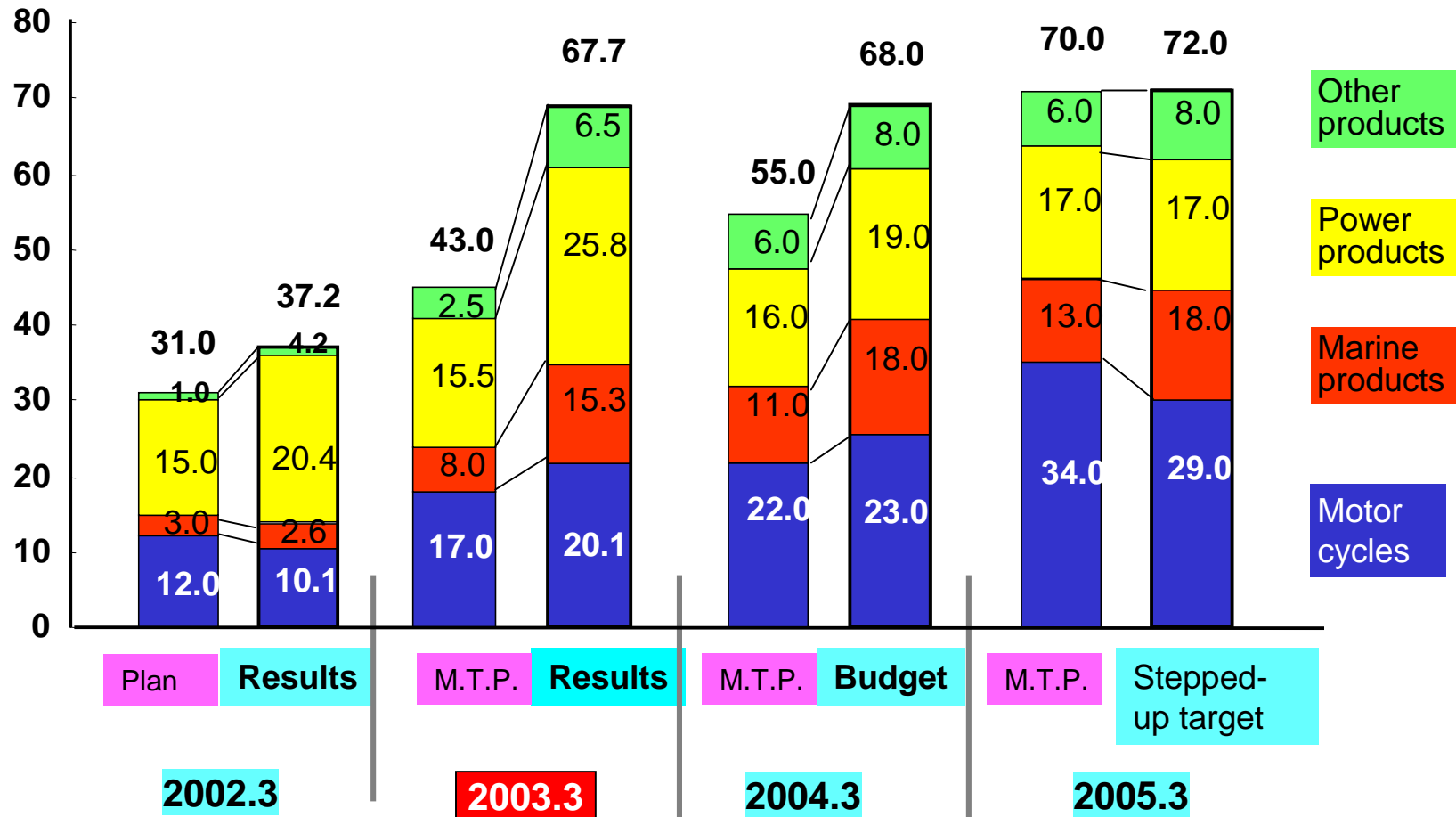


Note: Figures in the "Plan" column in 2002.3 are forecasts announced in November 2001.
: "M.T.P." means Medium-term plan announced in April 2002.

Change in Operating Income by Business Segment

- Significantly exceeds the target figures in all business segments.
- Total operating income for fiscal 2005 is forecast to be near the original target, due to an increase in the motorcycle business, offsetting a decrease in the power product business.

(billion yen)

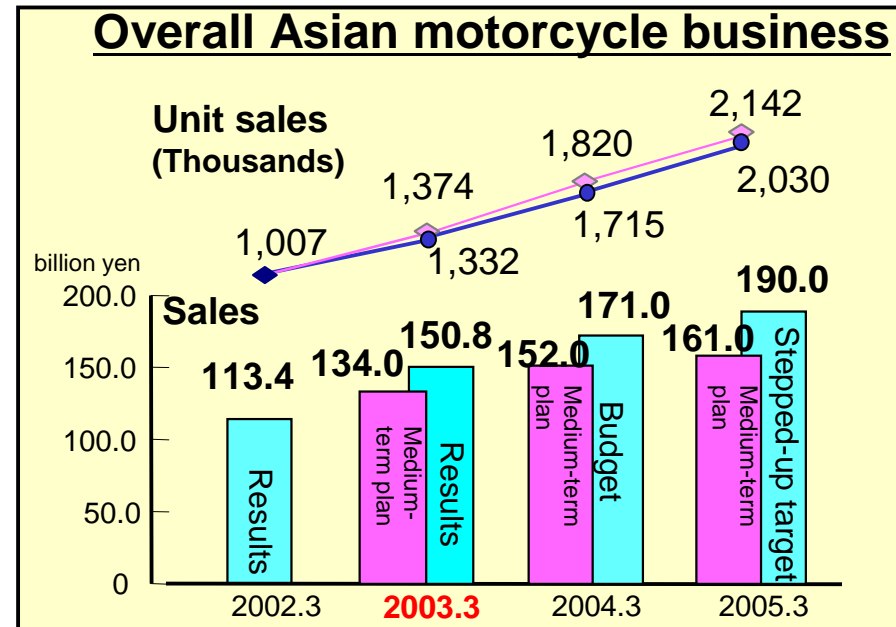
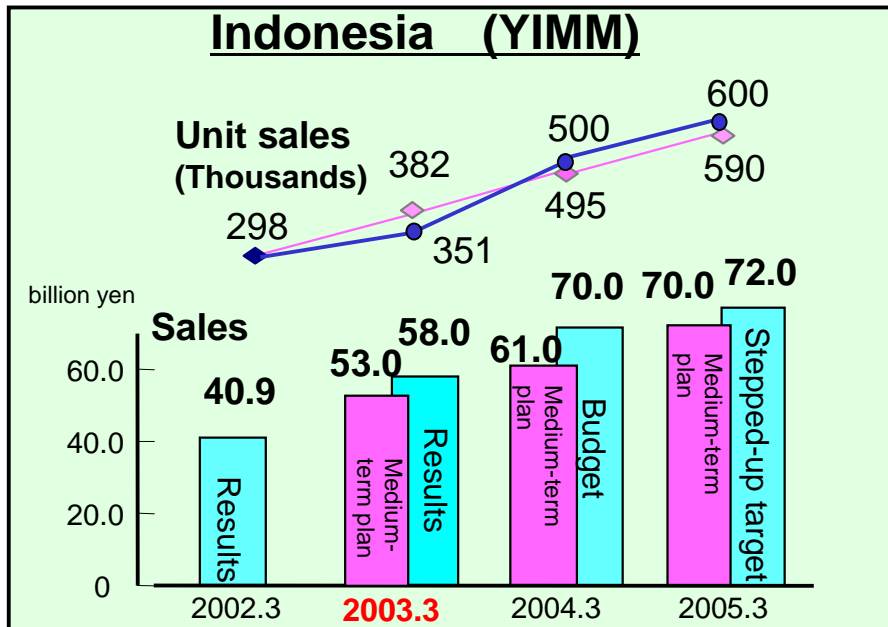
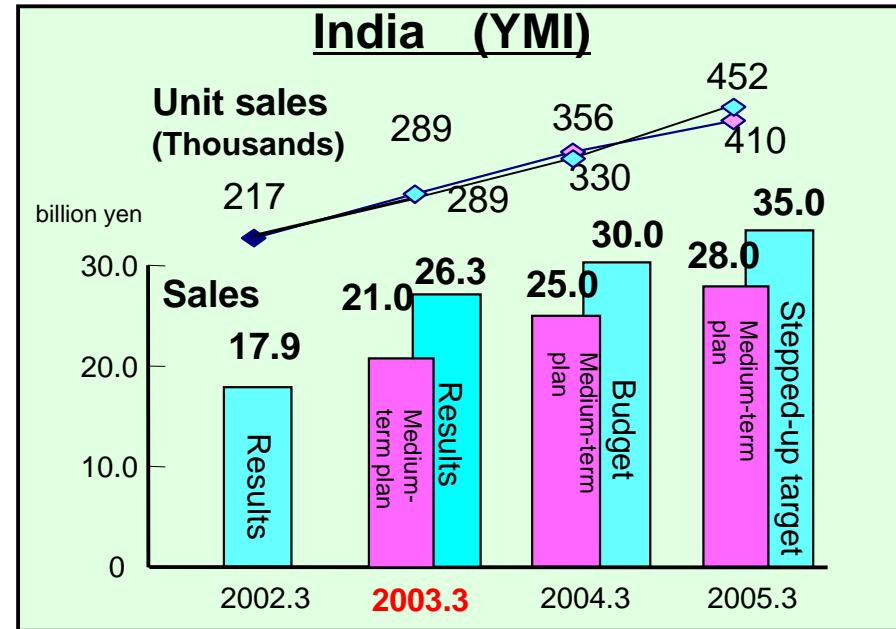
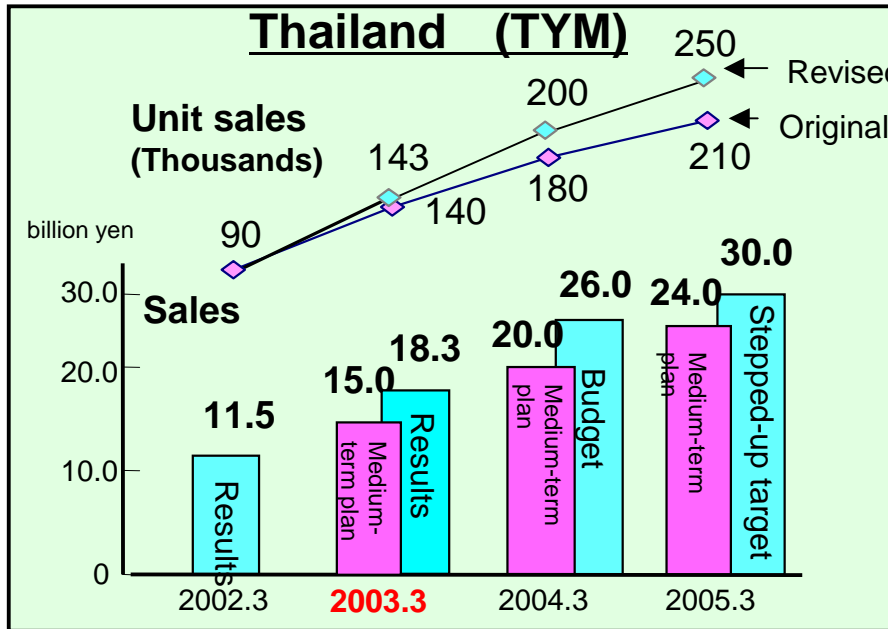


Note: Figures in the "Plan" column in 2002.3 are forecasts announced in November 2001.

2. Progress and Forecast on Medium-Term Management Issues

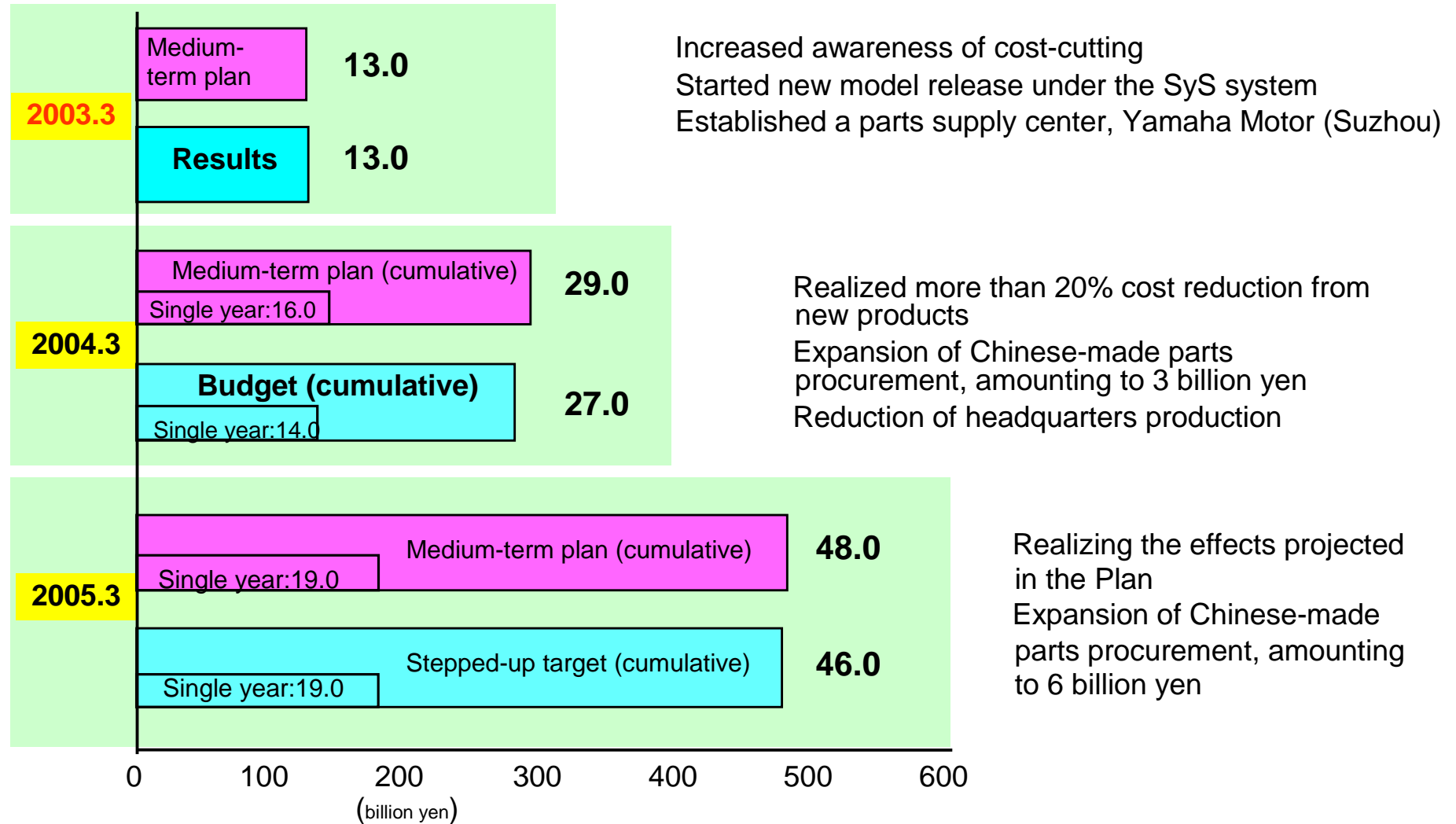
- A) **Asian Motorcycles Business**
- B) **Progress of Cost-Cutting in the Motorcycle Business**
- C) **Restructure of Low Profitability Businesses**
- D) **Company's Business Results Dependent on North America**
- E) **Enhancing the Company's Financial Condition**

Asian Motorcycle Business



Progress of Cost-Cutting in the Motorcycle Business

▶ Cost-cutting effects are steadily materializing, as planned



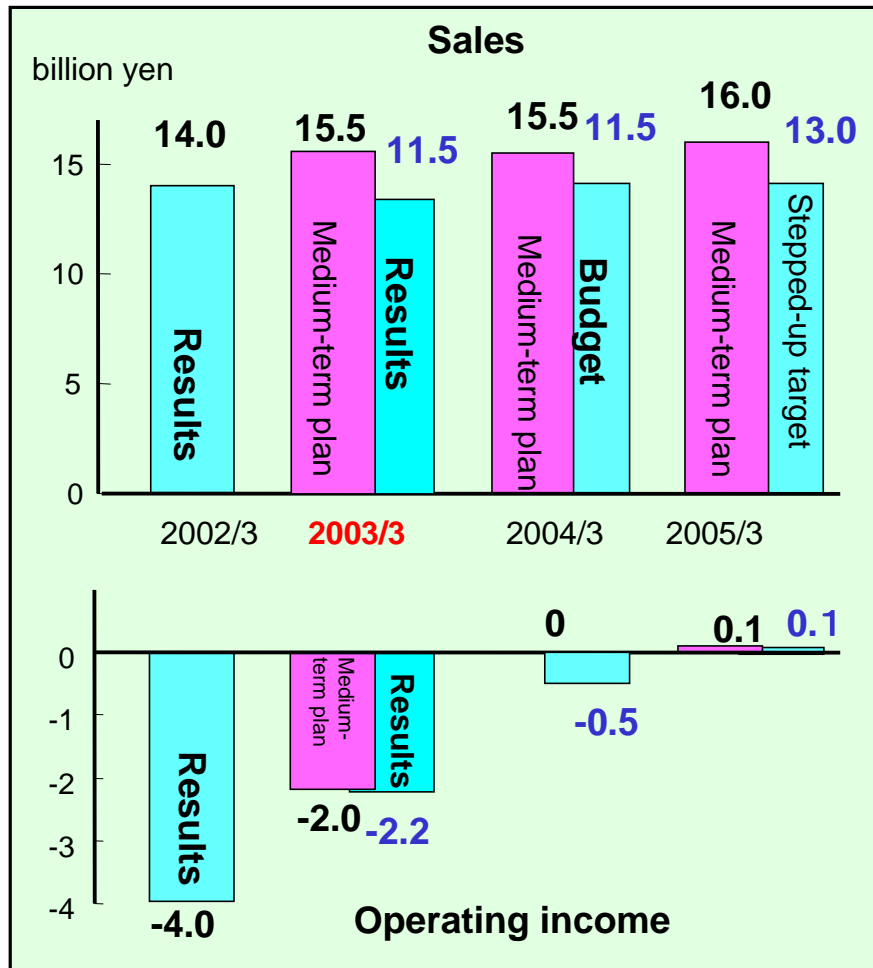
Note: The SyS system is a system-supplier system, which integrates development, procurement and manufacturing capabilities based on each motorcycle part system.

Restructuring Low Profitability Businesses

Domestic boat business

▶ **Fell slightly short of the target of reducing losses by half in fiscal 2003**

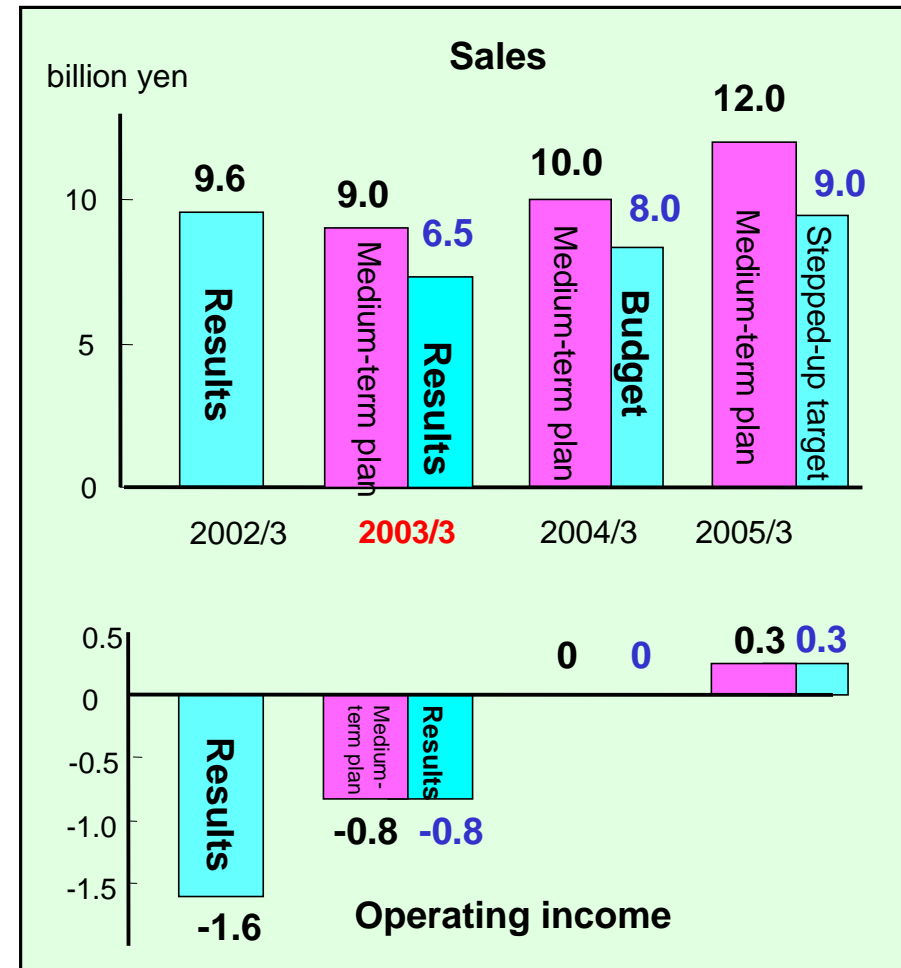
Difficult to return to profitability in fiscal 2004; however, the Company continues taking on the challenge



PAS business

▶ **Reduced losses by half in fiscal 2003 as planned, although sales decreased**

Aims to return to profitability in fiscal 2004

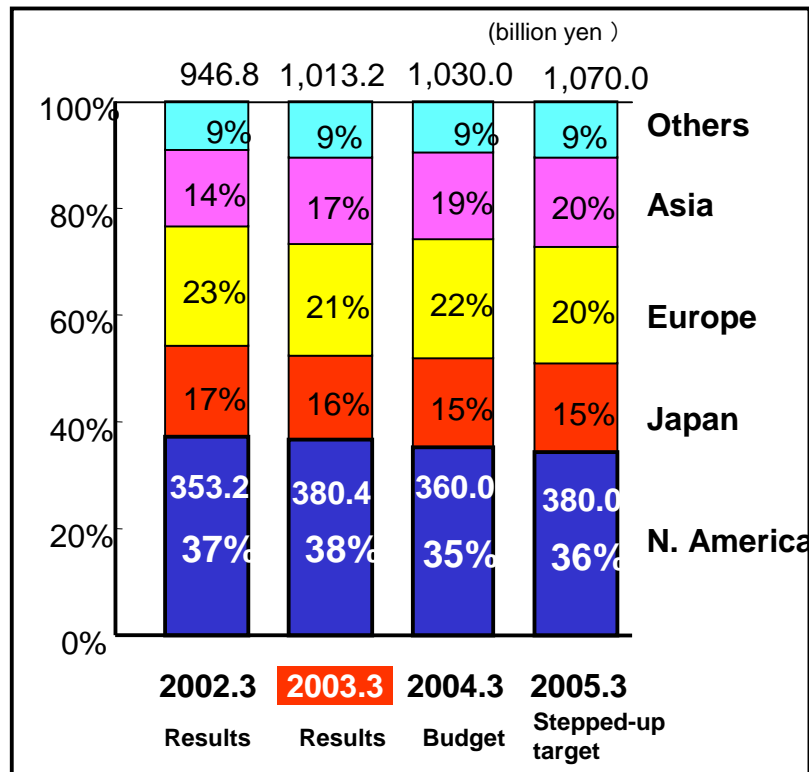


Company's Business Results Dependent on North America

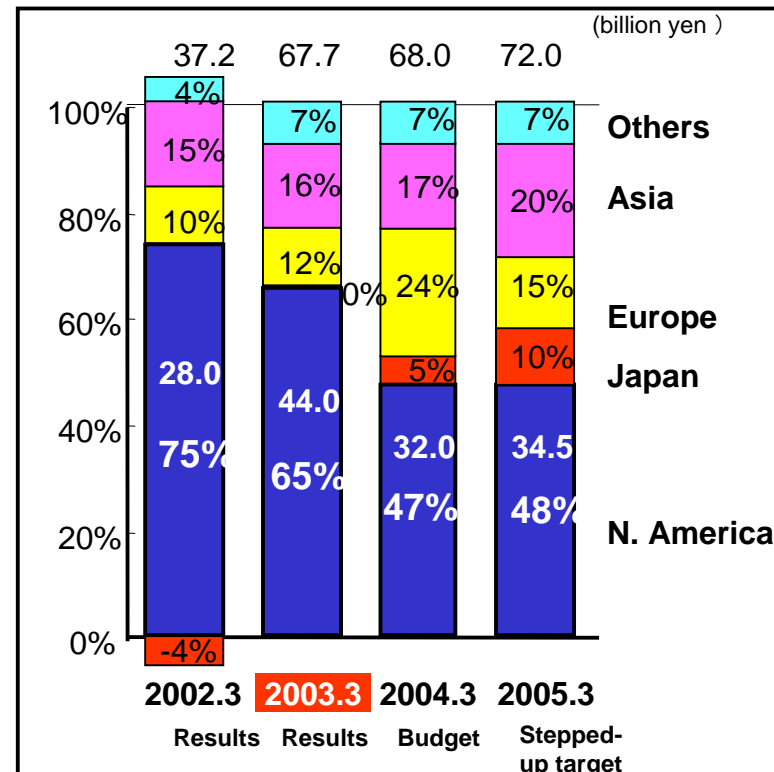
- ▶ The Company's business results are forecast to become less dependent on North America in the medium-term perspective, reflecting profit expansion in Asia and Europe.

Yamaha Motor is creating a corporate structure capable of achieving targeted consolidated profits, despite the fact that the currently highly profitable North American business will slow down

Sales dependent on North America

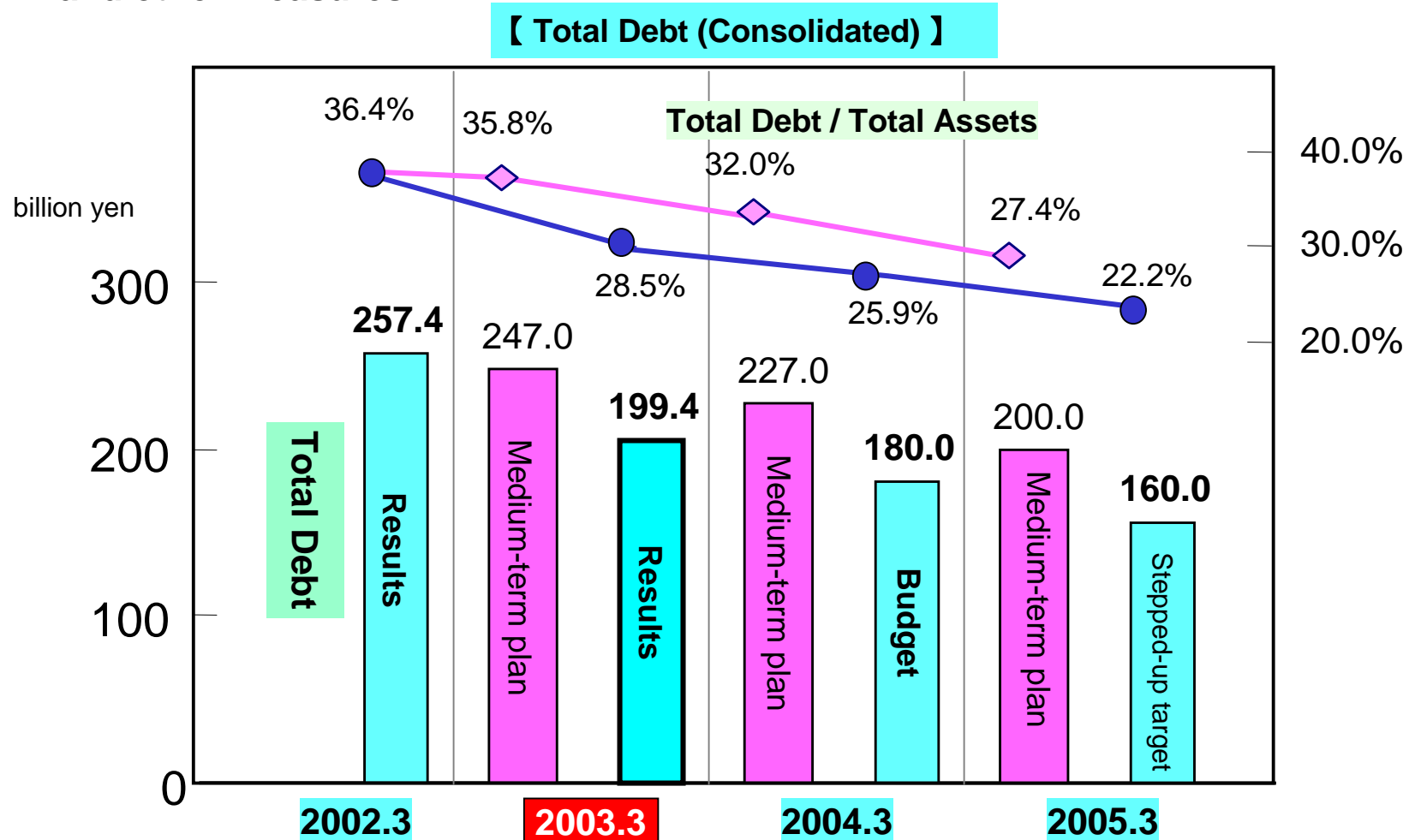


Operating income dependent on North America



Enhancing the Company's Financial Condition

▶ The Company's financial condition is forecast to improve beyond the original target, due to a significant reduction of interest-bearing debt, achieved by cutting inventories through supply-chain management, effective utilization of fixed assets and other measures.

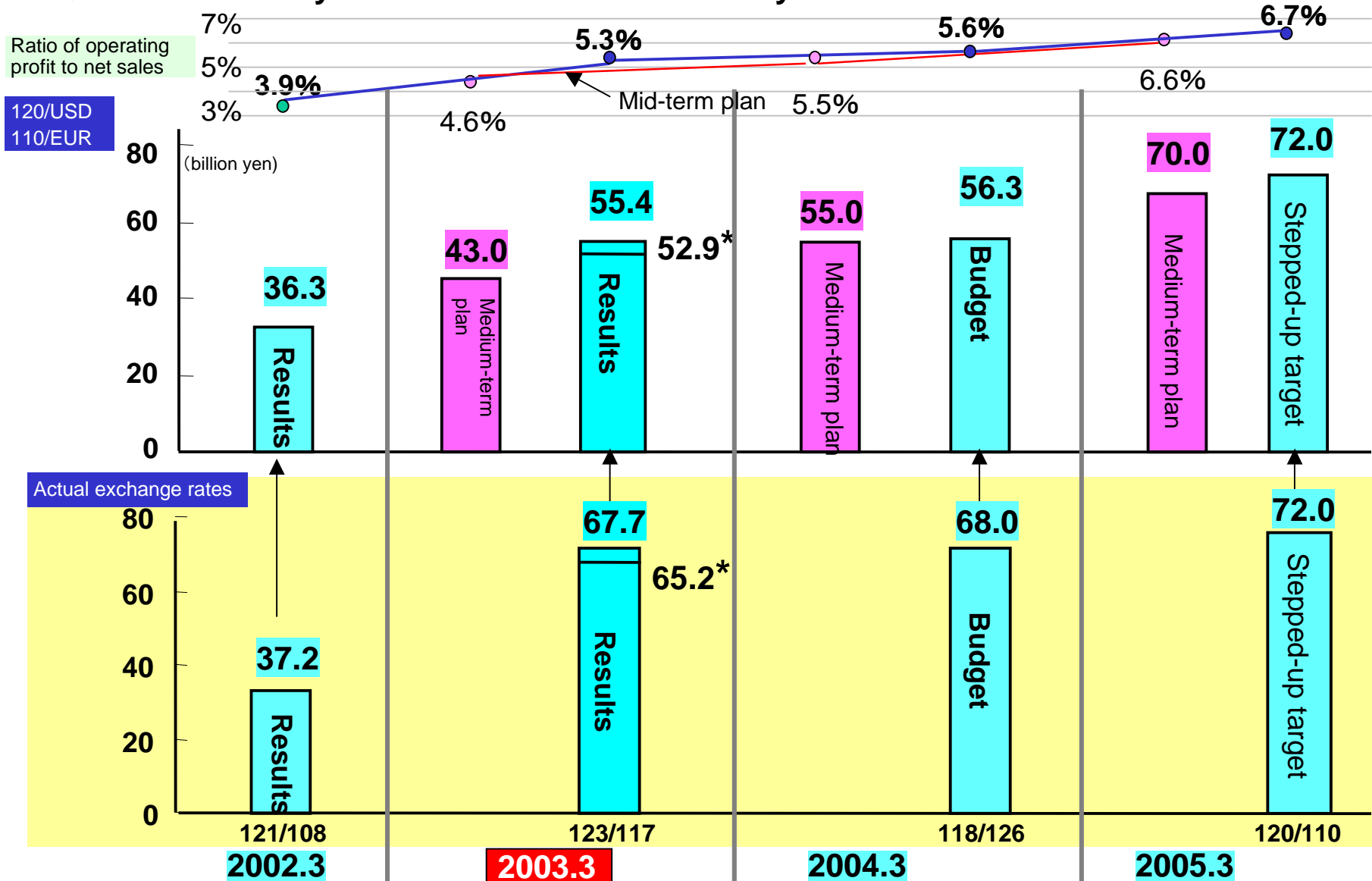


Appendix

- **Consolidated operating profit (120JPY/USD, 110JPY/EUR)**
- **Worldwide Motorcycle Demand Forecast**
- **Demand Moving of our Major Products in US**
- **Business Portfolio**
- **Forecast by Segment of Total Demand, Sales and Turnover**
- **Earnings Outlook - Company Plan for FY 3/04**
- **ROE Analysis**
- **Shareholders & Share Price**

Consolidated Operating Profit (120JPY/USD, 110JPY/EUR)

Operating profit ratio is projected to steadily increase, premised on an exchange rate of 120 yen to the U.S. dollar and 110 yen to the euro

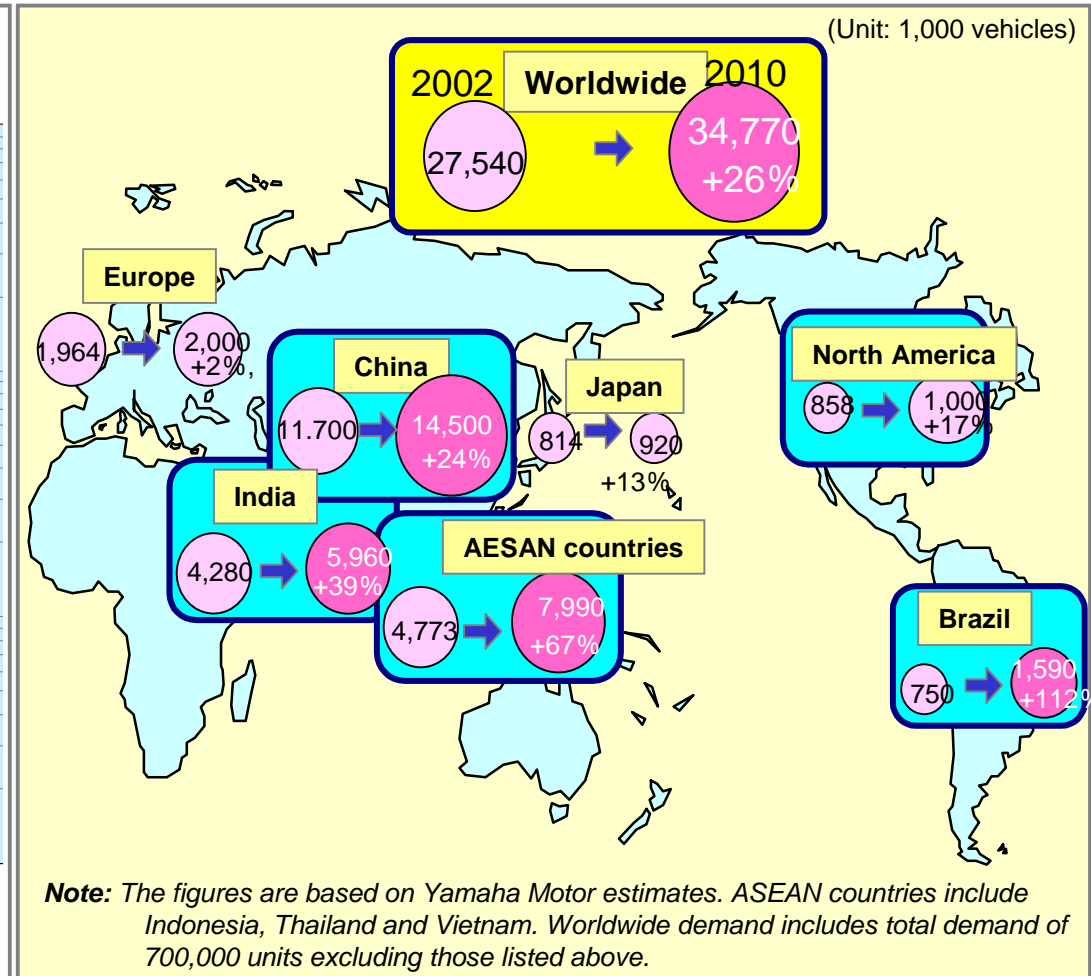
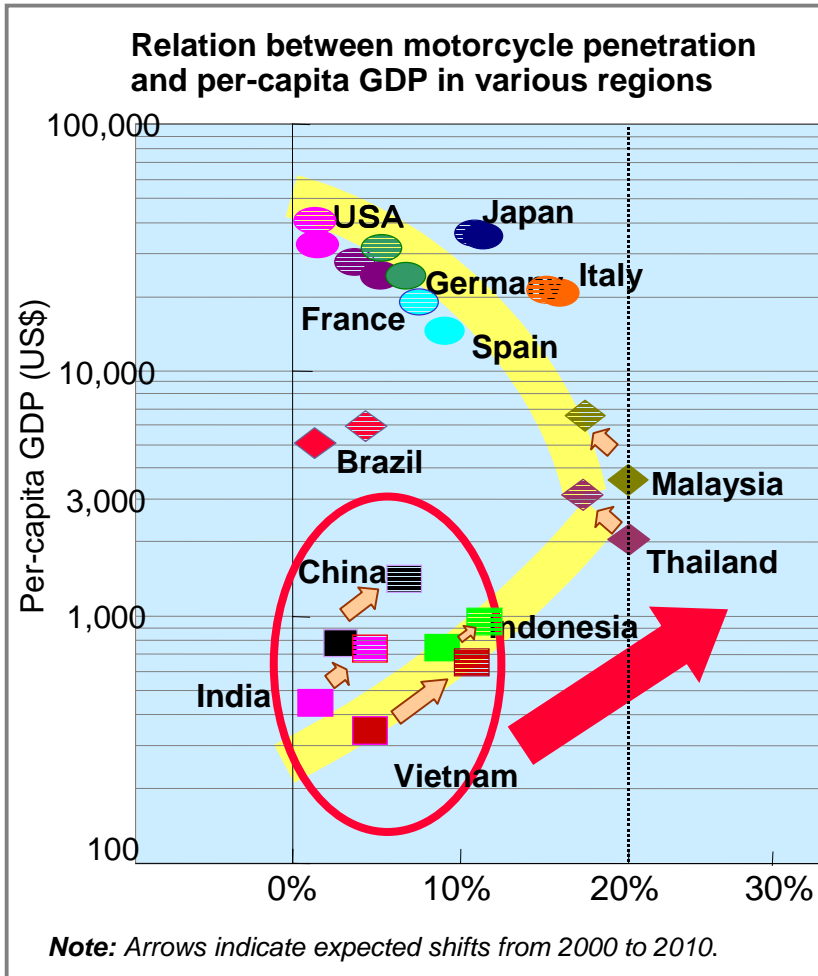


*Figure reflects actual performance, deducting 2.5 billion yen of profit resulting from a change in U.S. accounting standards. Recurring profit ratio for fiscal 2003 is the figure for actual performance.

Worldwide Motorcycle Demand Forecast

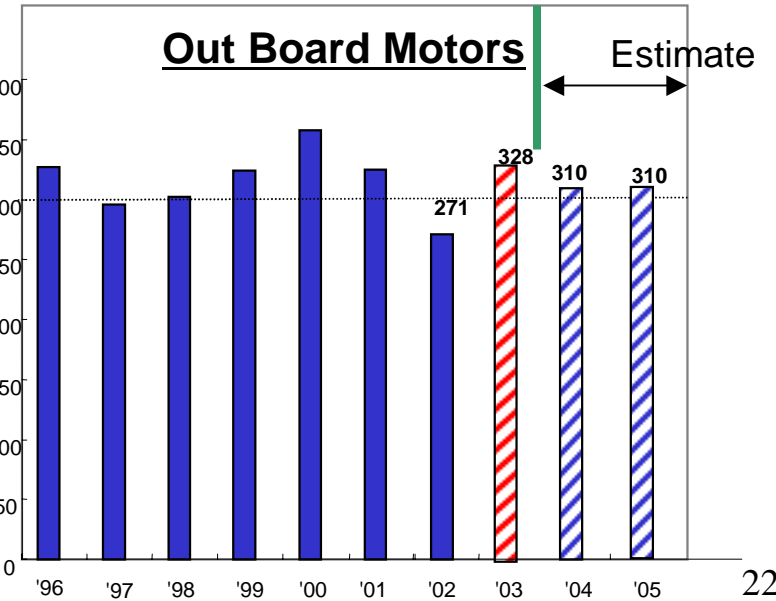
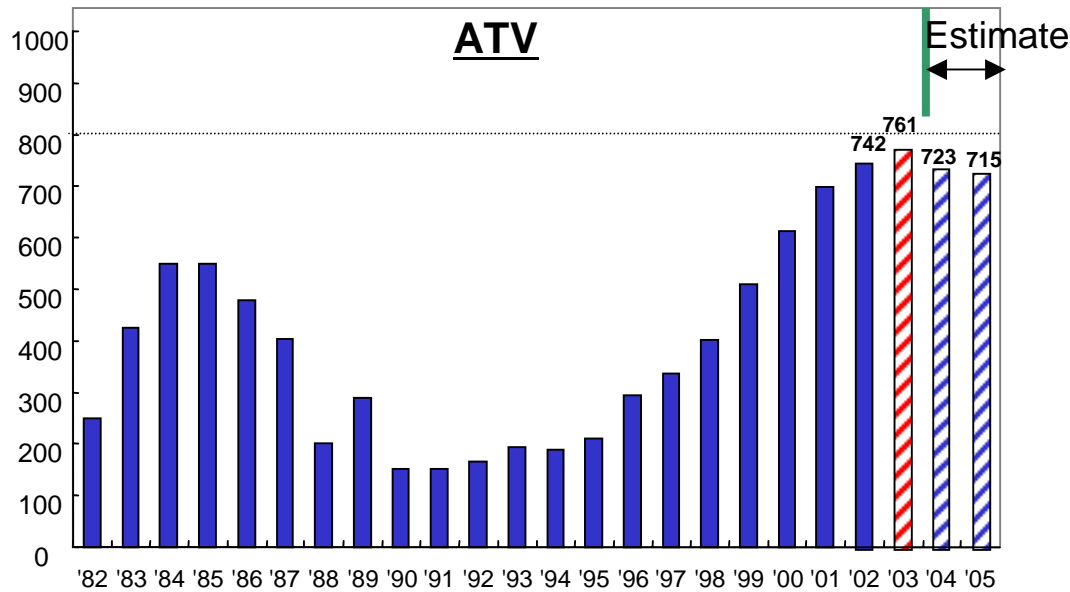
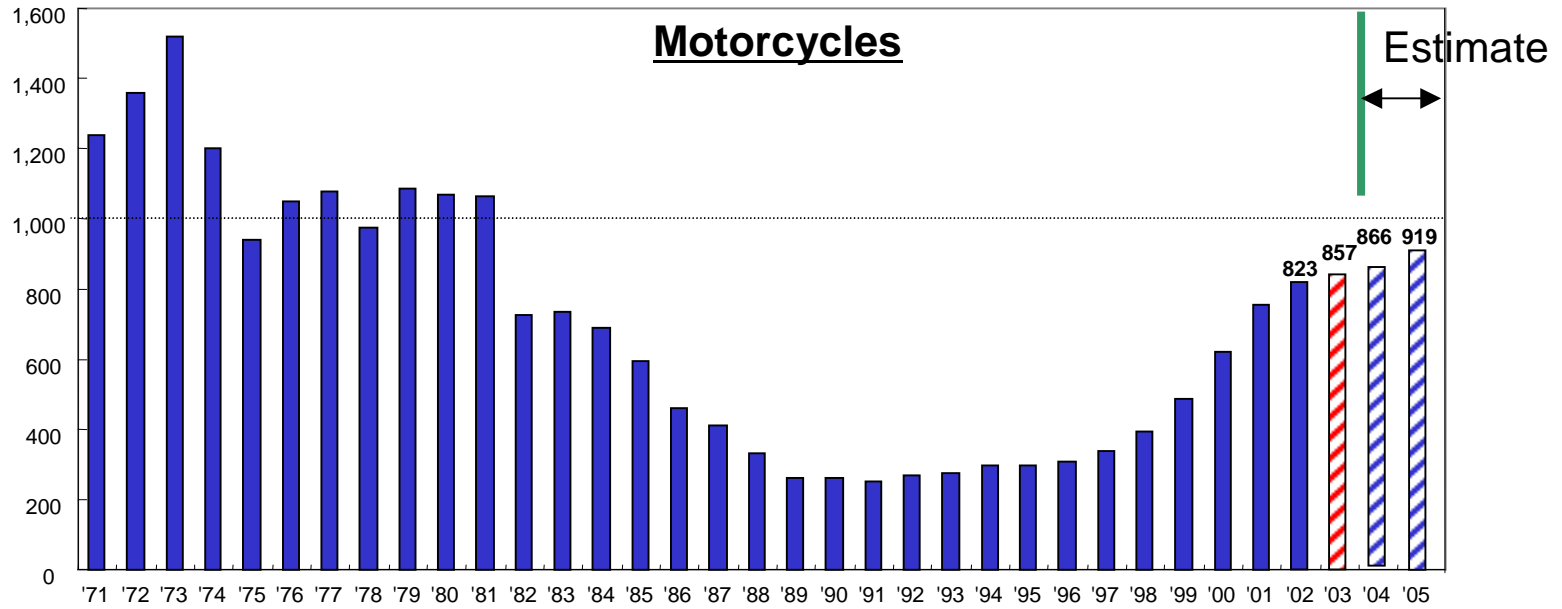
▶ Analysis of per-capita GDP and motorcycle penetration ratios shows that India, China and ASEAN countries offer potentially high demand growth.

▶ Global motorcycle market has substantial growth potential

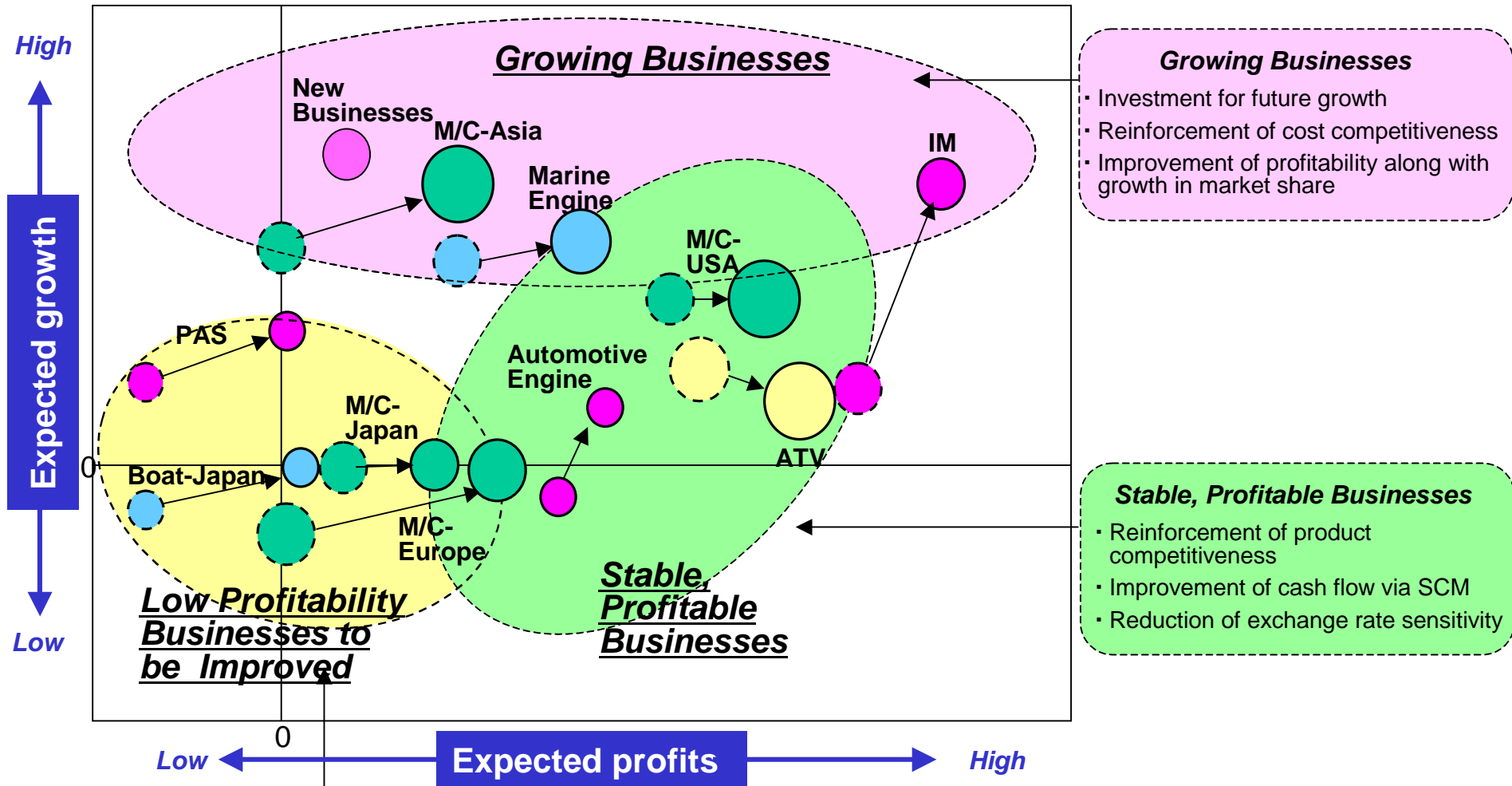


Demand Moving of our Major Products in US

(Unit: thousand)
(estimated by ours)



Business Portfolio (Image)



Low Profitability Businesses to be Improved

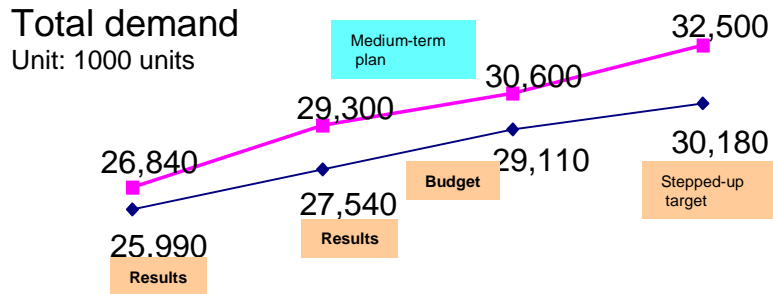
- Selective capital expenditure
- Emphasis on improvement of profitability

Expected profits: The ratio of operating income to total assets in 3/02 to that in 3/05

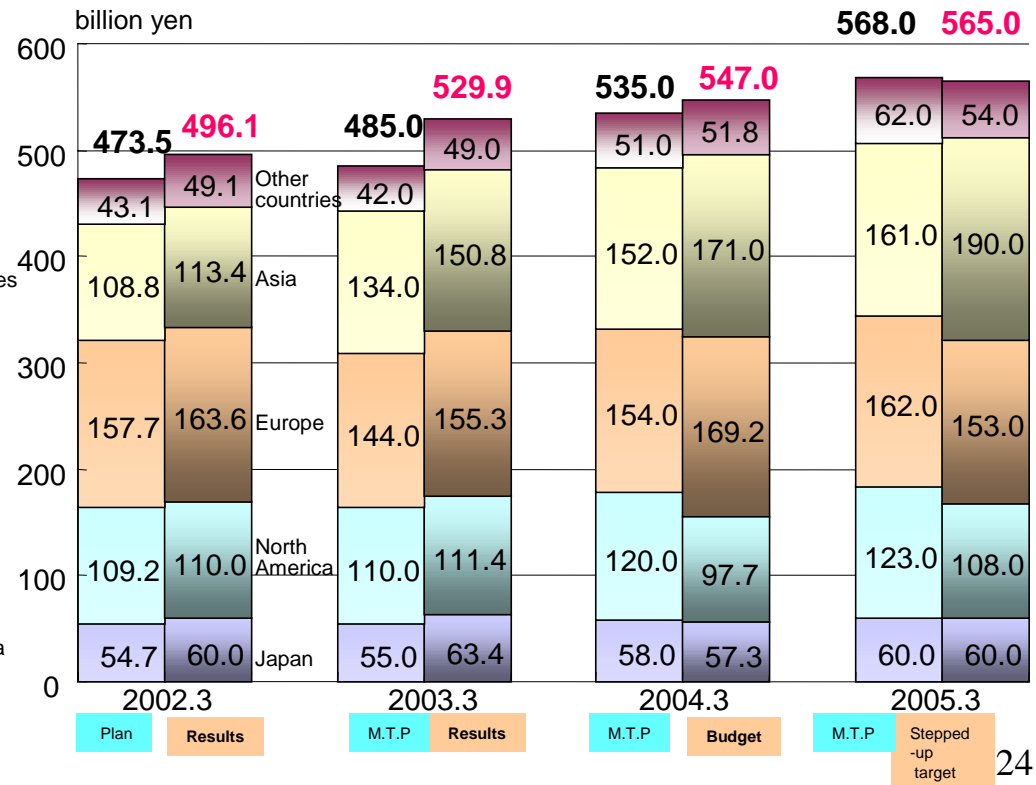
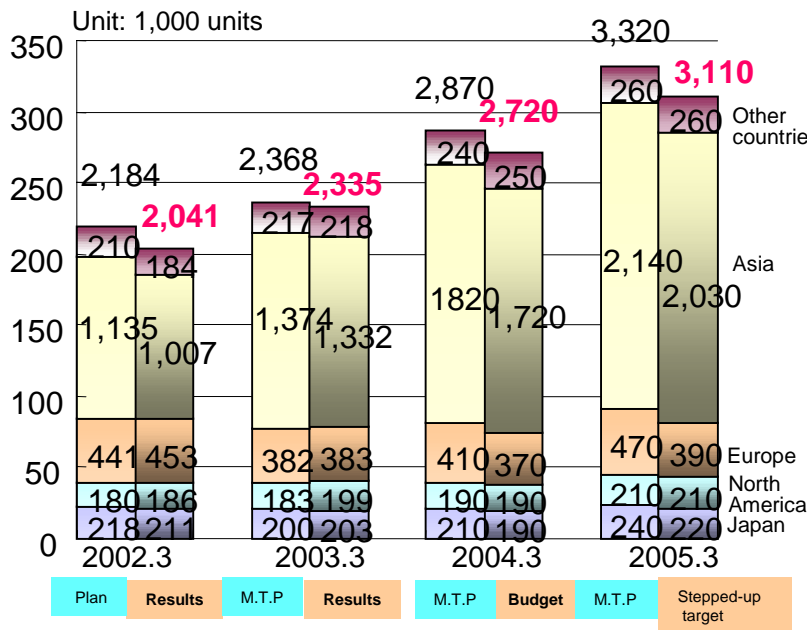
Expected growth: The average sales growth ratio in the previous three-year medium-term to that in the new medium-term

Motorcycle Business (Overall)

Targets	FY 2002	FY 2005	Growth
Total demand	26,840,000 units	32,500,000 units	(21%)
Yamaha	2,040,000 units 496.1 billion yen	3,110,000 units 565 billion yen	(52%) (14%)



No. of units sold



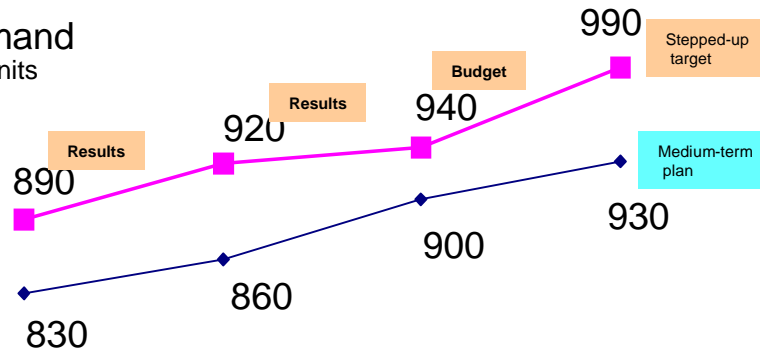
Motorcycle Business (North America)

Targets

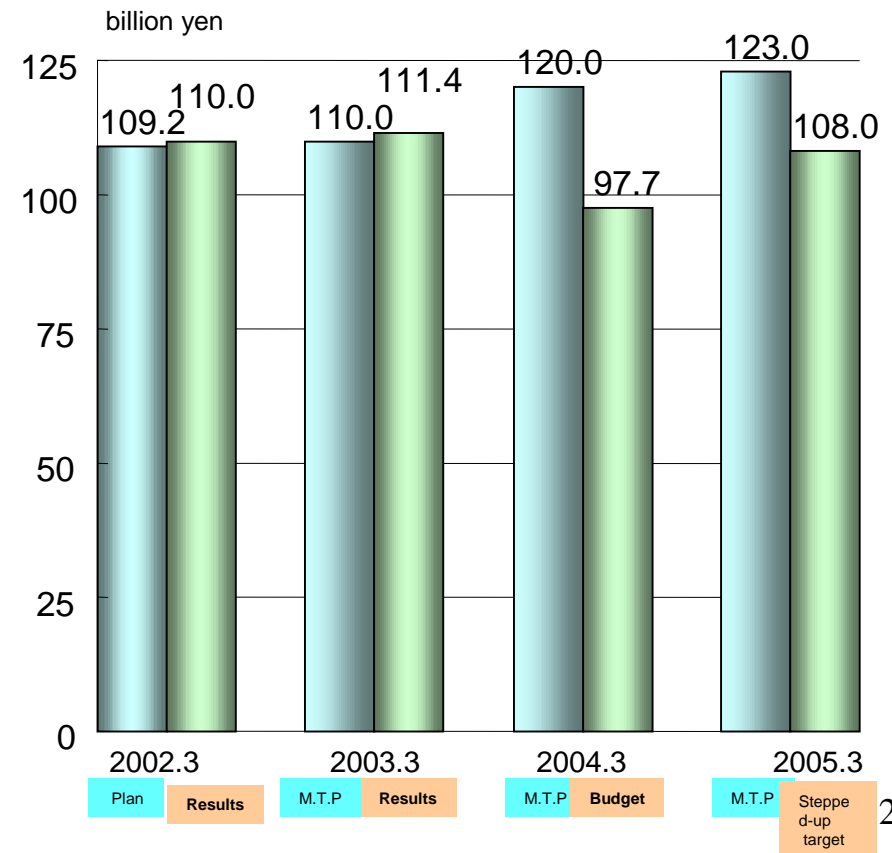
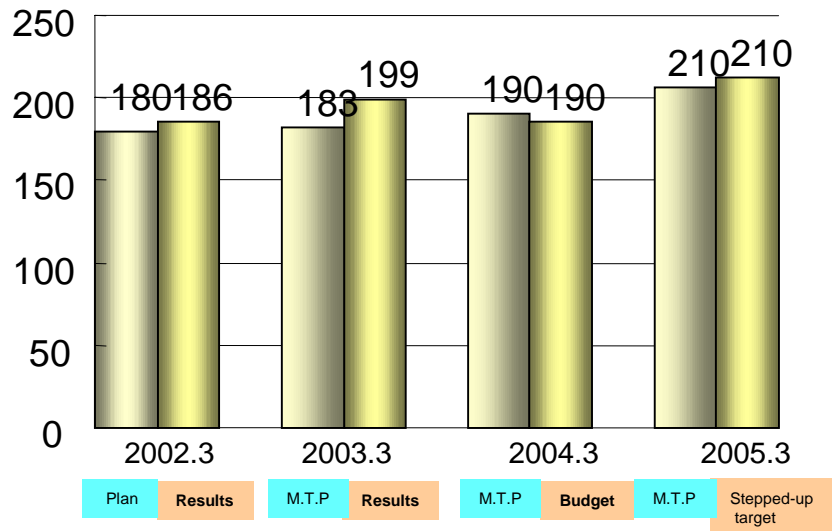
**Total demand
Yamaha**

	FY 2002	FY 2005	Growth
Total demand	890,000 units	990,000 units	(12%)
Yamaha	186,000 units	210,000 units	(13%)
	110 billion yen	108 billion yen	(-2%)

Total demand
Unit: 1,000 units



No. of units sold
Unit: 1,000 units

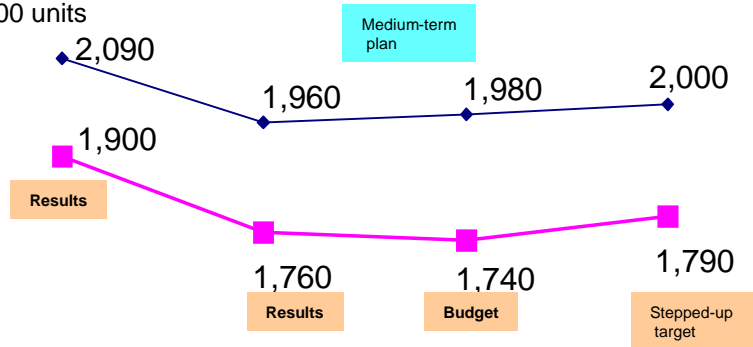


Motorcycle Business (Europe)

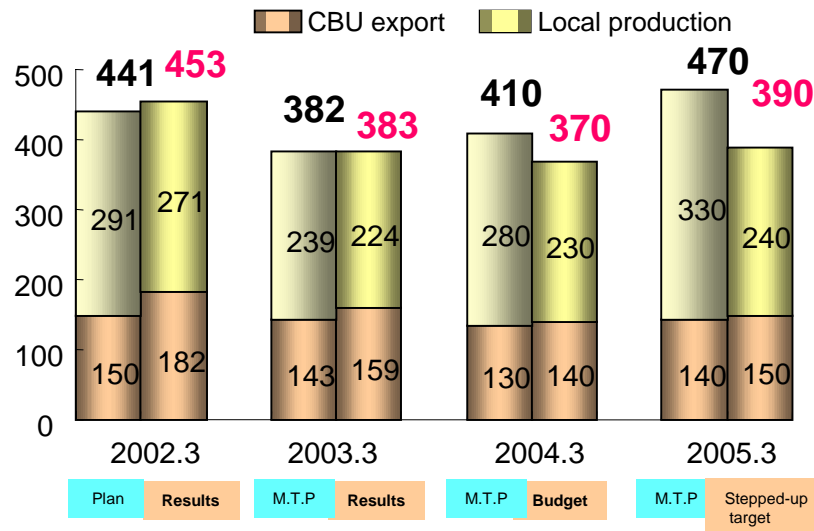
Targets

	FY 2002	FY 2005	Growth
Total demand	1,900,000 units	1,790,000 units	(-6%)
Yamaha	453,000 units	390,000 units	(-14%)
	163.6 billion yen	153 billion yen	(-6%)

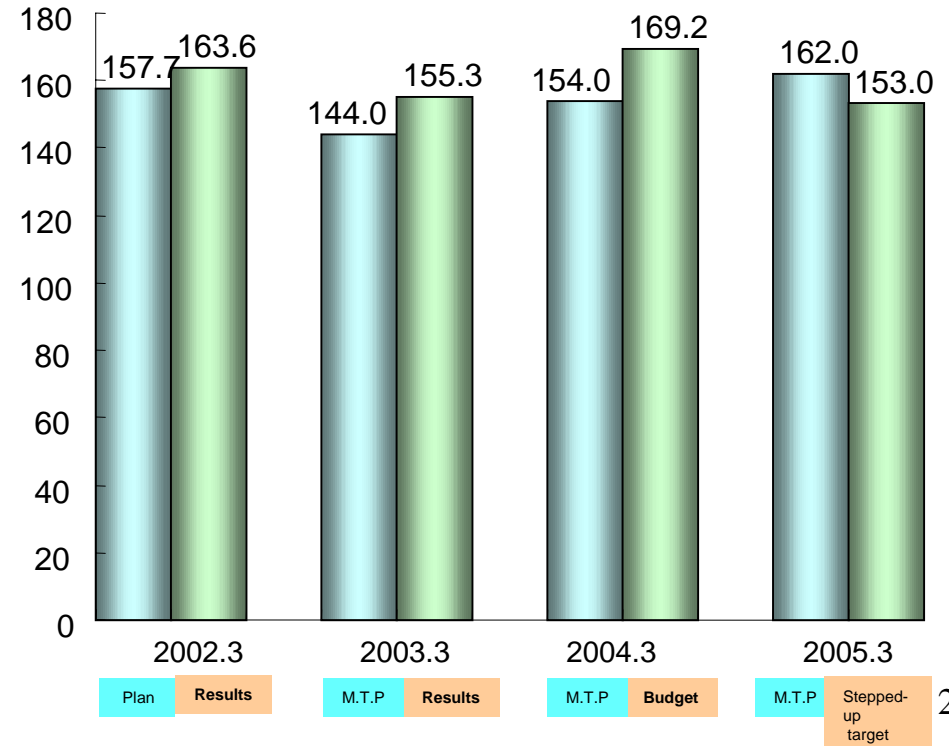
Total demand
Unit: 1,000 units



No. of units sold
Unit: 1,000 units



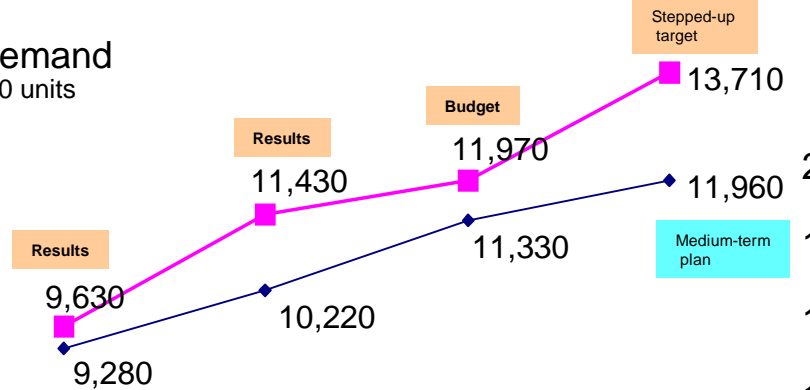
billion yen



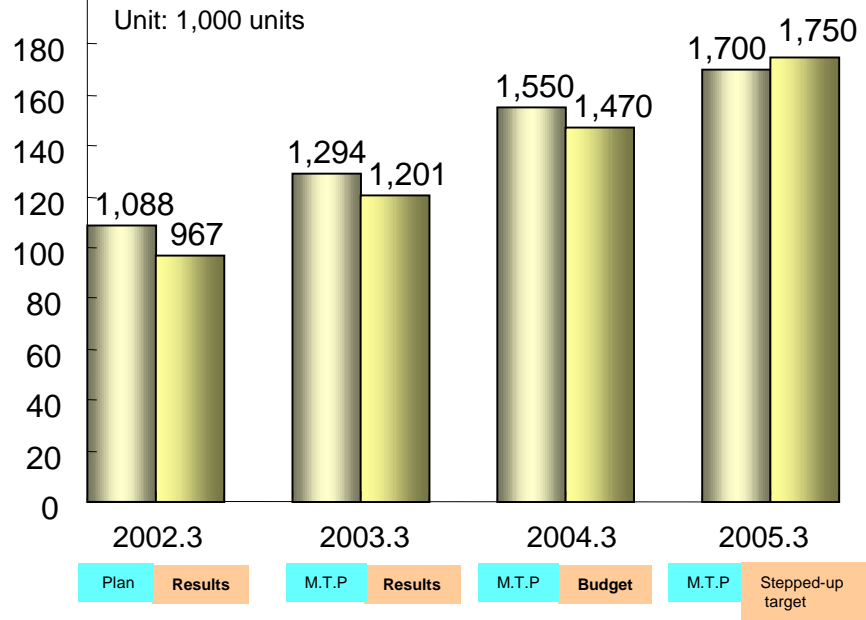
Motorcycle Business (ASEAN Countries and India)

Targets	FY 2002	FY 2005	Growth
Total demand	9,630,000 units	13,710,000 units	(42%)
Yamaha	967,000 units	1,750,000 units	(81%)
	109.8 billion yen	188 billion yen	(71%)

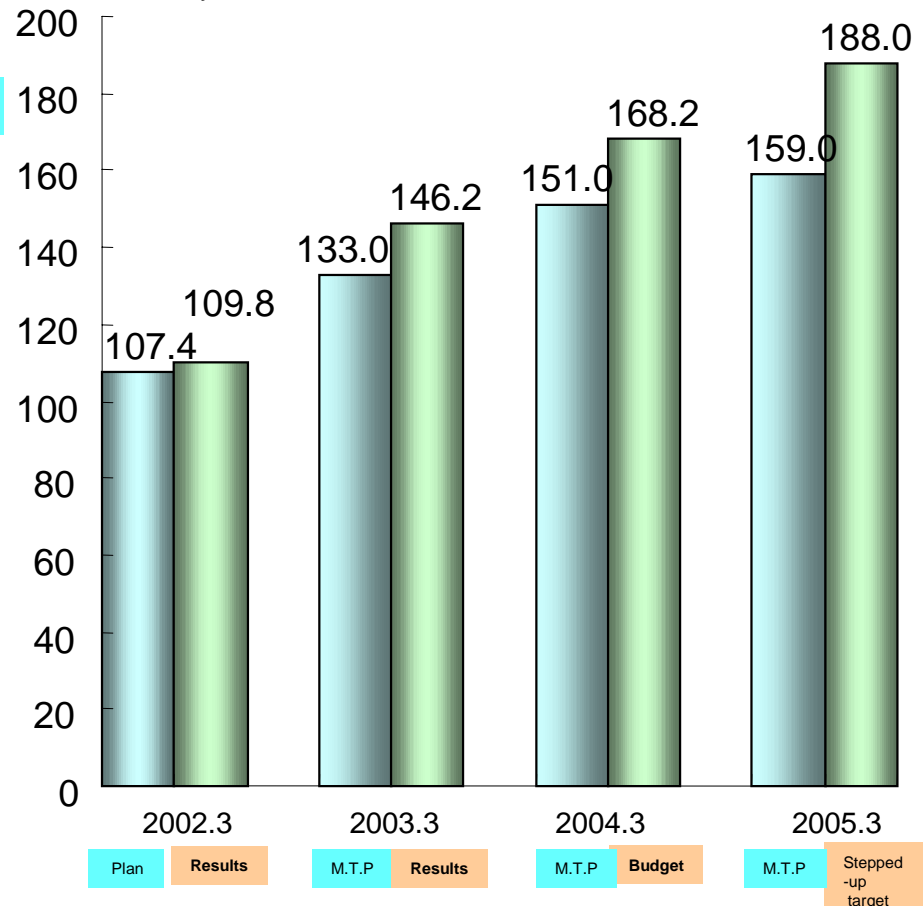
Total demand
Unit: 1,000 units



No. of units sold
Unit: 1,000 units



billion yen

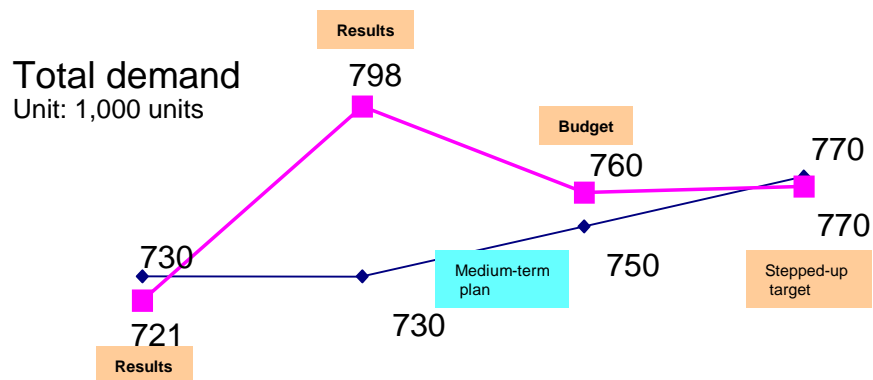


Marine Engine Business

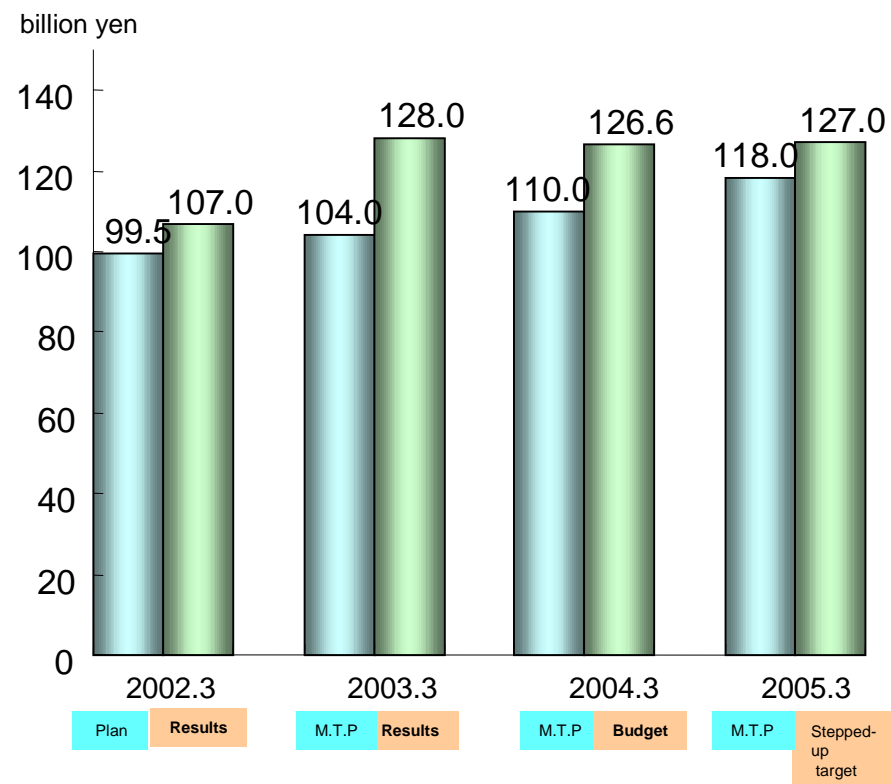
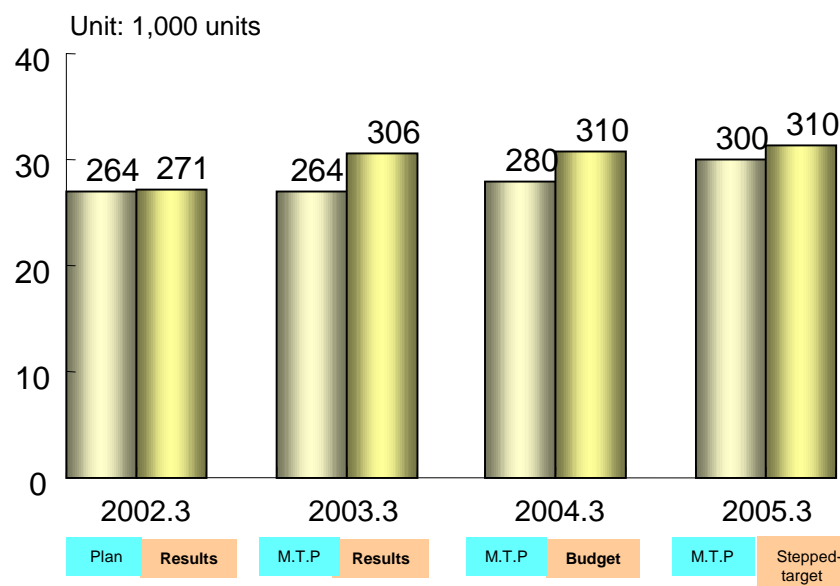
Targets

Total demand

	FY 2002	FY 2005	Growth
Total demand	721,000 units	770,000 units	(7%)
Yamaha	271,000 units	310,000 units	(14%)
Yamaha	107 billion yen	127 billion yen	(19%)



No. of units sold



Targets

**Total demand
Yamaha**

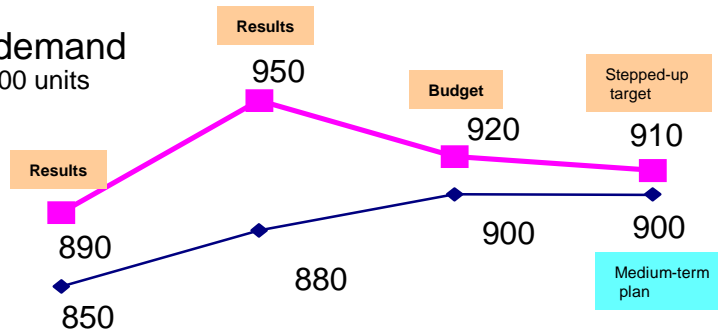
FY 2002
890,000 units
226,000 units
117.7 billion yen



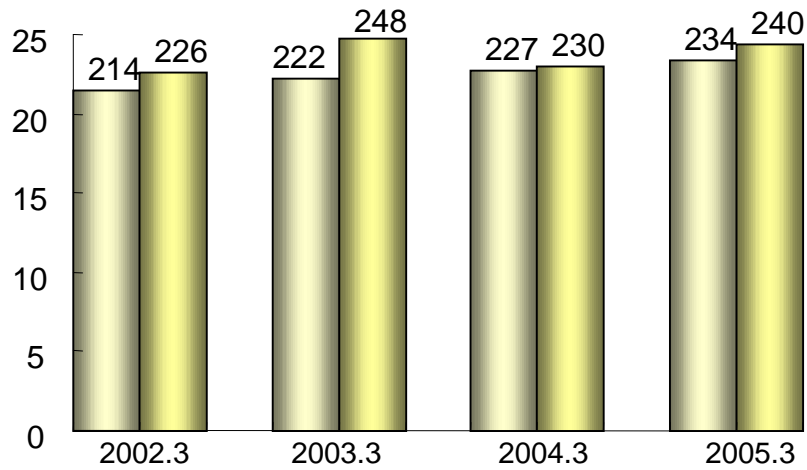
FY 2005
910,000 units (2%)
240,000 units (6%)
125 billion yen (6%)

Growth

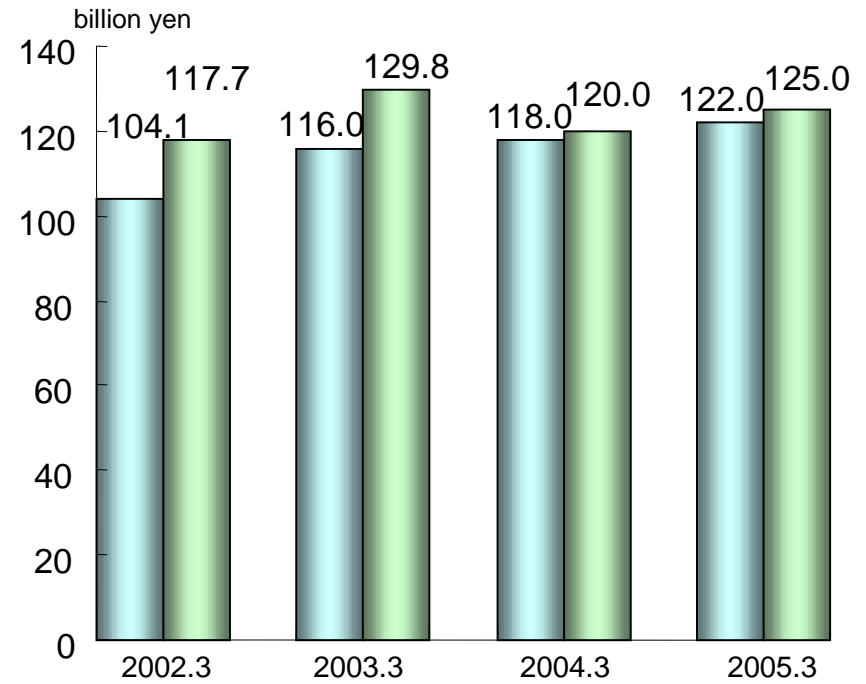
Total demand
Unit: 1,000 units



No. of units sold
Unit: 1,000 units



Plan Results M.T.P Results M.T.P Results M.T.P Stepped-up target



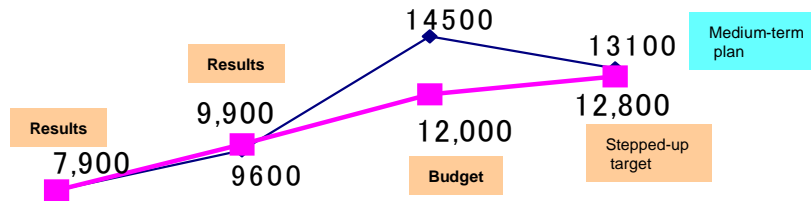
Plan Results M.T.P Results M.T.P Results M.T.P Stepped-up target

Targets

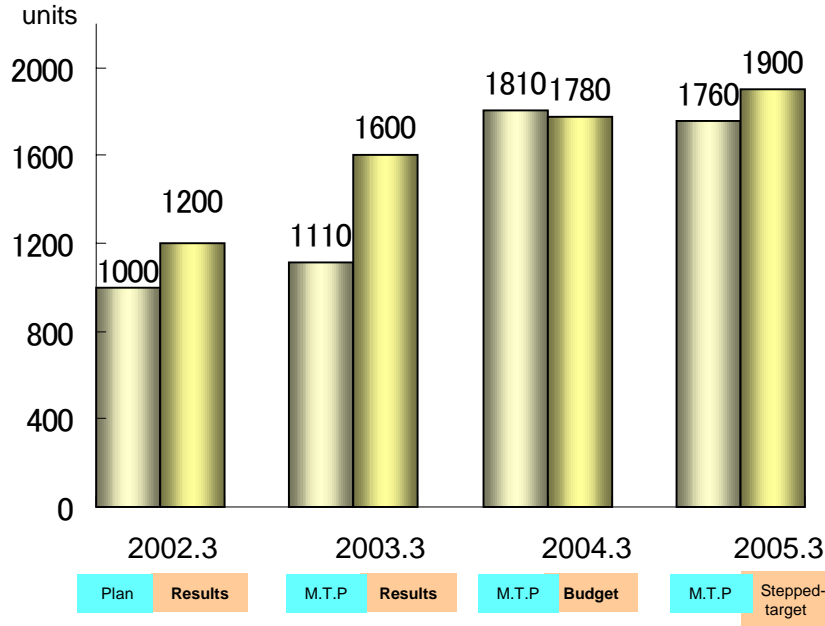
	FY 2002		FY 2005	Growth
Total demand	7,900 units	→	12,800 units	(62%)
Yamaha	1,200 units		1,900 units	(58%)
	18.8 billion yen		28 billion yen	(49%)

Total demand units

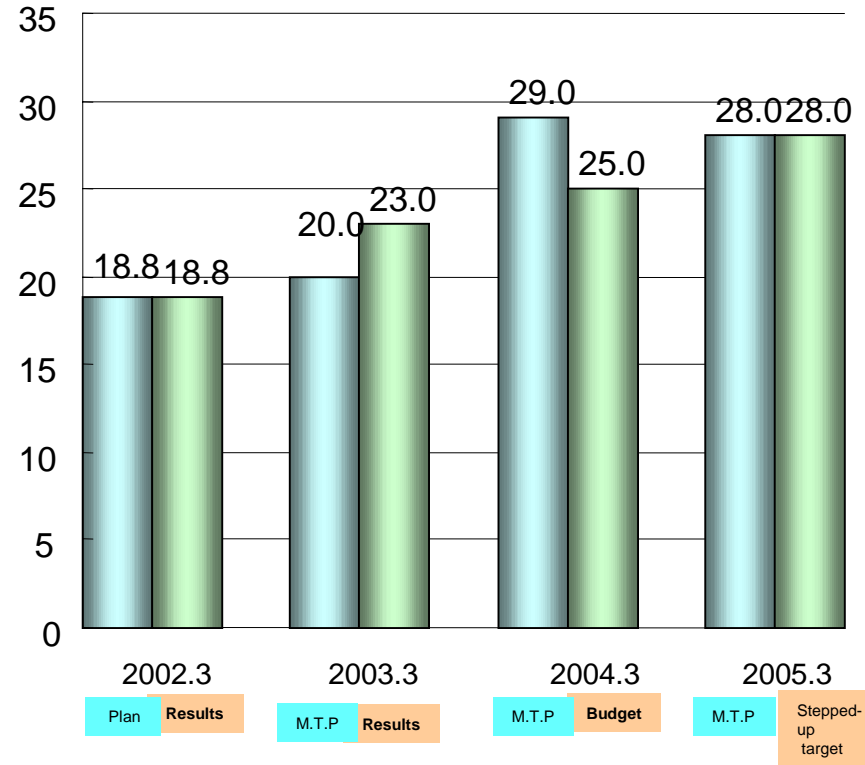
(Surface Mounters only)



No. of units sold



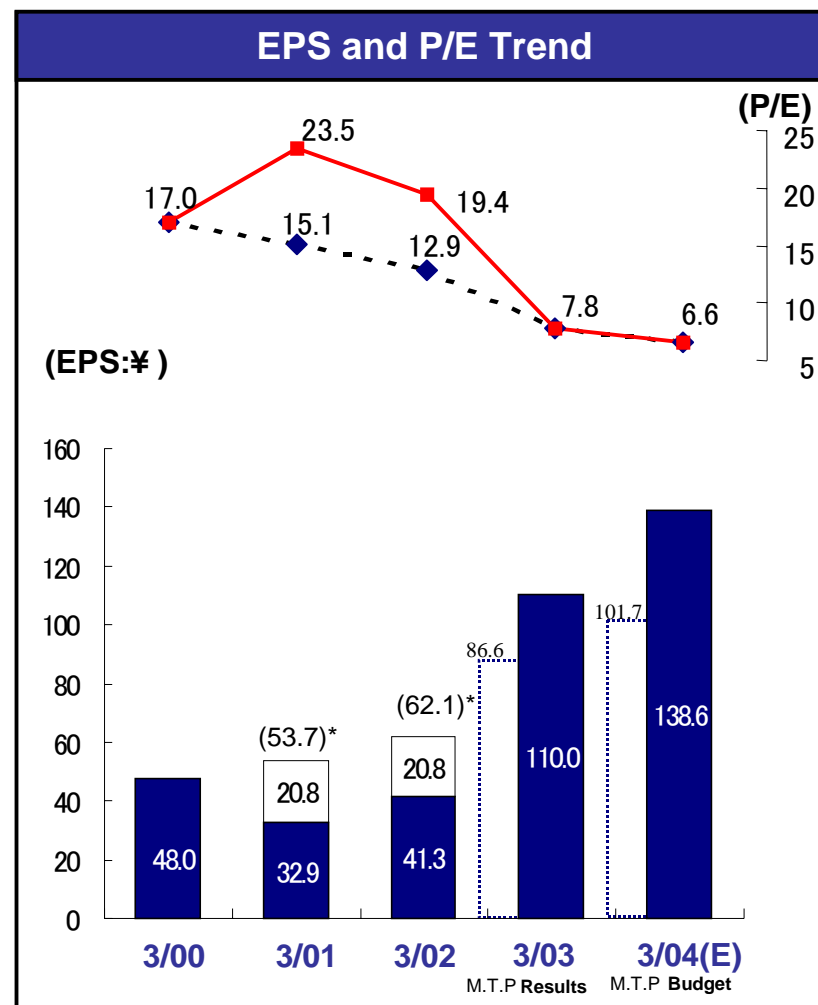
billion yen



Earnings Outlook - Company Plan for FY 3/04

Summary of Consolidated Financials		
	3/03	3/04 (E)
Revenue	1,013.2	1,030.0
(YoY%)	7.0%	1.7%
Operating Income	67.7	68.0
(YoY%)	82.0%	0.4%
Pretax Income	67.2	68.0
(YoY%)	105.5%	1.2%
Net Income	25.6	32.0
(YoY%)	169.5%	125.0%
EPS (¥)	¥ 110.0	¥ 138.6
ROE (%)	14.9%	15.5%

Note		
Foreign Exchange Assumption		
US\$	123	118
€	117	126



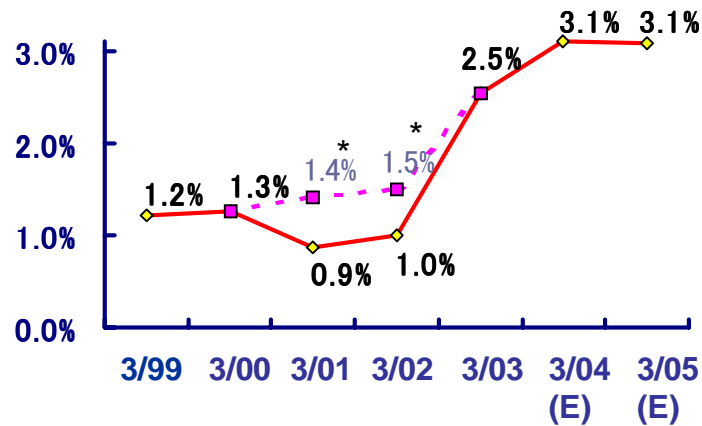
Note: * Hypothetical EPS excluding one-time unfunded PBO write-off of ¥8.2bn each in FY3/01 and FY3/02

* P/E multiple is based on price of each fiscal year

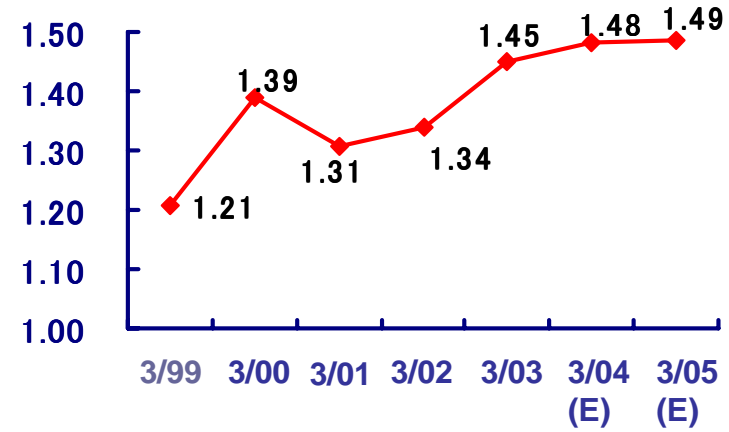
Leading P/E in FY3/04 is based on the closing price on May 21, 2003 (914 yen).

ROE Analysis

Net Income / Sales

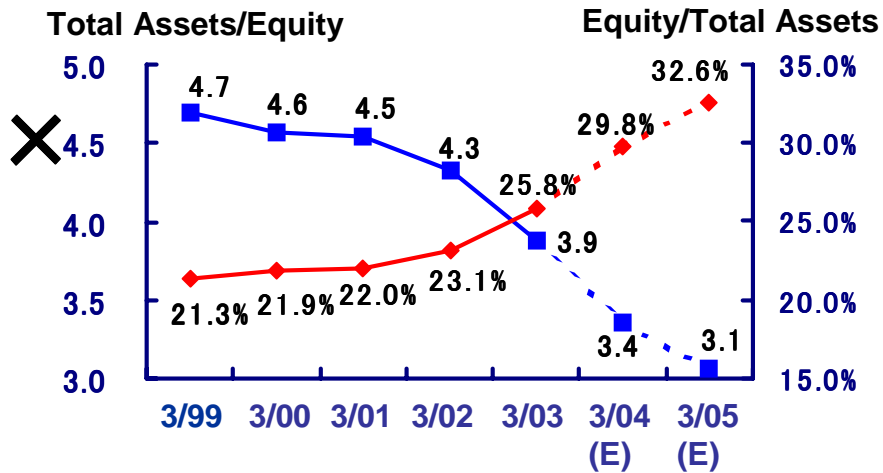


Sales / Total Assets



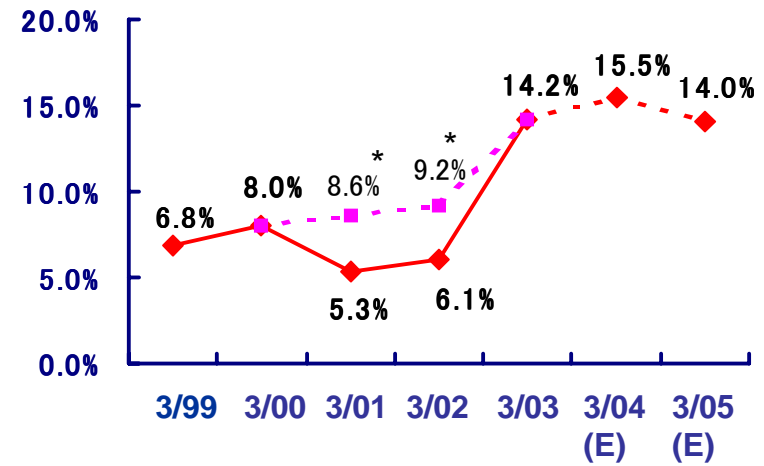
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Total Assets / Equity, Equity / Total Assets



=

ROE

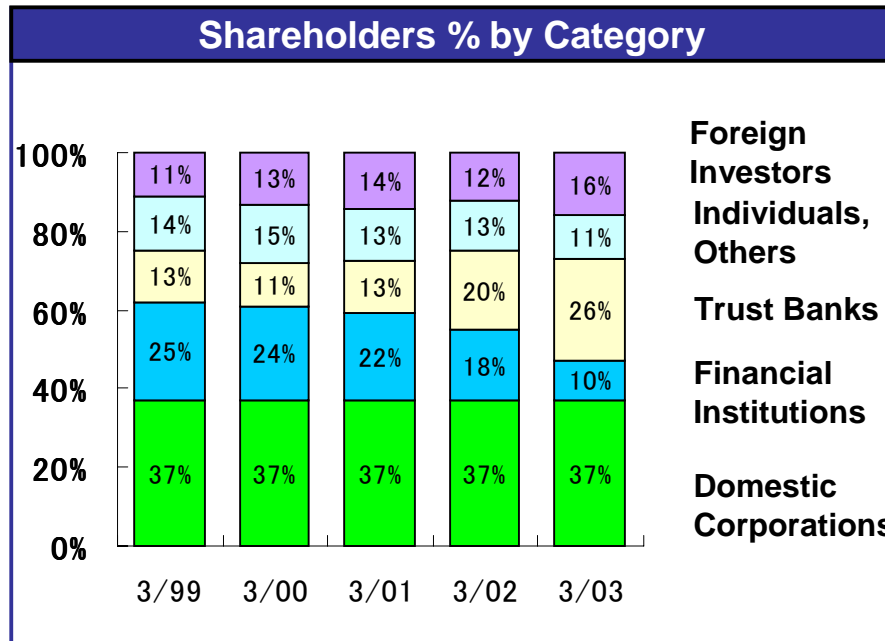


Budget 3 year plan

Budget 3 year plan

Note: * Hypothetical "Net income / Sales" and "ROE" excluding one-time unfunded PBO write-off of ¥8.2bn each in FY3/01 and FY3/02

Shareholders & Share Price



Principal Shareholders (%)

■ Yamaha Corporation	27.89
■ Toyota Motor Corporation	5.40
■ Mizuho Trust & Banking Co.,Ltd. (Employee Retirement Benefit Trust, Mizuho Bank Account)	4.73
■ The Master Trust Bank of Japan, Ltd. (Trust Account)	4.58
■ Japan Trustee Services Bank, Ltd. (Trust Account)	4.57
■ The Shizuoka Bank, Ltd.	2.51
■ Bank of New York for Goldman Sachs International	1.68
■ The Sumitomo Mitsui Banking Corp	1.48
■ The Mitsui Asset Trust & Banking Company, Limited	1.35
■ UFJ Trust Bank Limited	1.30

