

Yamaha Motor Co., Ltd.



2004

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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 to Date and Continuing Development of the Three-Year Plan

A) Consolidated Sales by Product

B) Comparison between FY2002 and FY2004

C) Three-Year Plan “NEXT 50”

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D) Progress to Date and Continuing Development

D)-1: Consolidated Net Sales

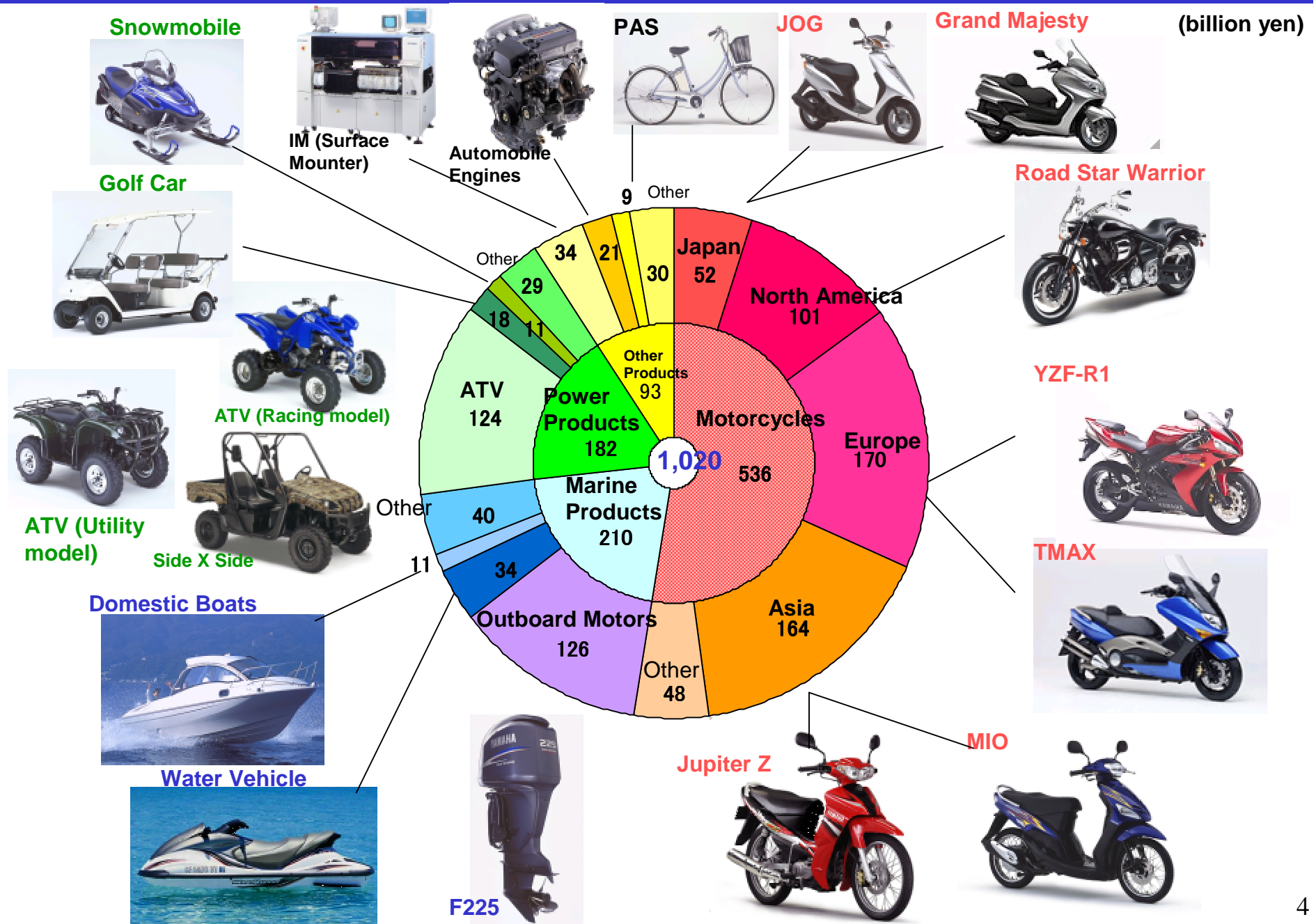
D)-2: Consolidated Operating Income

D)-3: Sales by Business Segment

D)-4: Changes in Operating Income by Business Segment

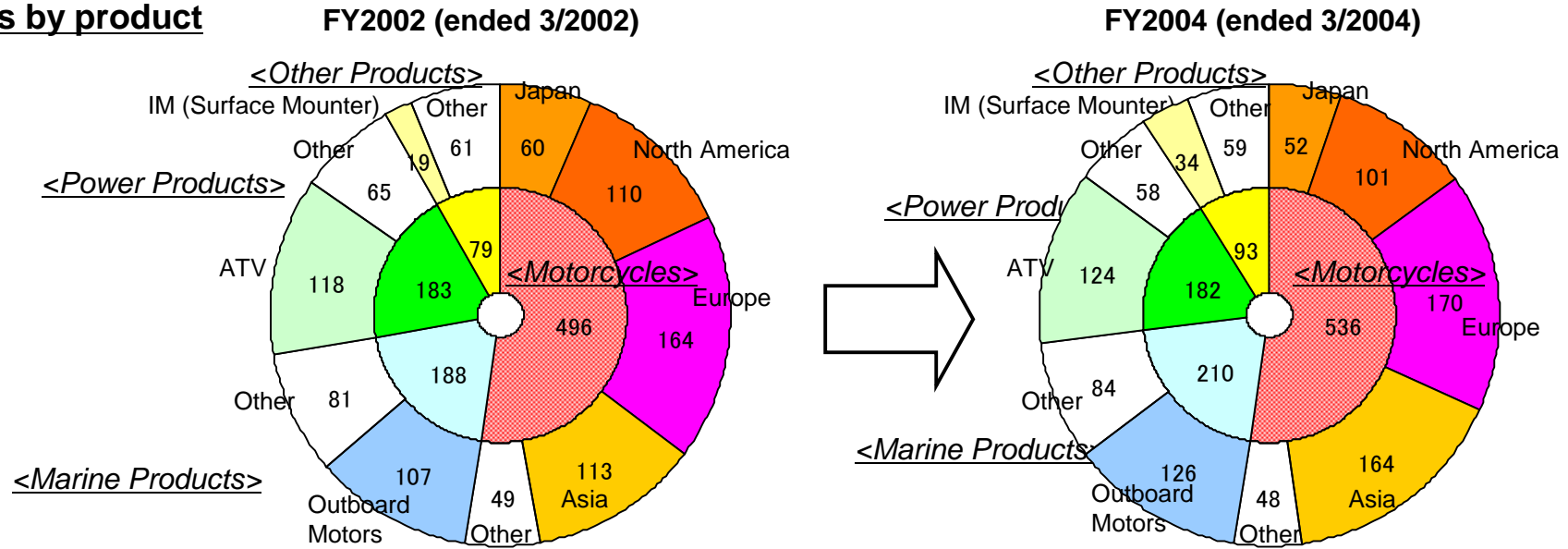
A) Consolidated Sales by Product

FY2004 (ended 3/2004)



B) Comparison between FY2002 and FY2004

Sales by product



Operating income by segment

		2002/3	Ratio to Total	2004/3	Ratio to Total	Growth
Motorcycles	Net sales	496.1	52%	535.9	53%	8%
	Op. income	10.1	27%	21.6	30%	114%
	Op. income %	2.0%		4.0%		
Marine Products	Net sales	188.3	20%	210.0	21%	12%
	Op. income	2.6	7%	16.5	23%	540%
	Op. income %	1.4%		7.8%		
Power Products	Net sales	183.0	19%	181.5	18%	-1%
	Op. income	20.4	55%	25.0	34%	23%
	Op. income %	11.1%		13.8%		
Other Products	Net sales	79.4	8%	92.8	9%	17%
	Op. income	4.2	11%	10.1	14%	142%
	Op. income %	5.3%		10.9%		
Total	Net sales	946.8		1,020.3		8%
	Op. income	37.2		73.1		97%
	Op. income %	3.9%		7.2%		
Exchange Rate	US\$	121		114		
	EURO	108		128		

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

Medium-term management issues & strategy

Announced in April 2002

*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” 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

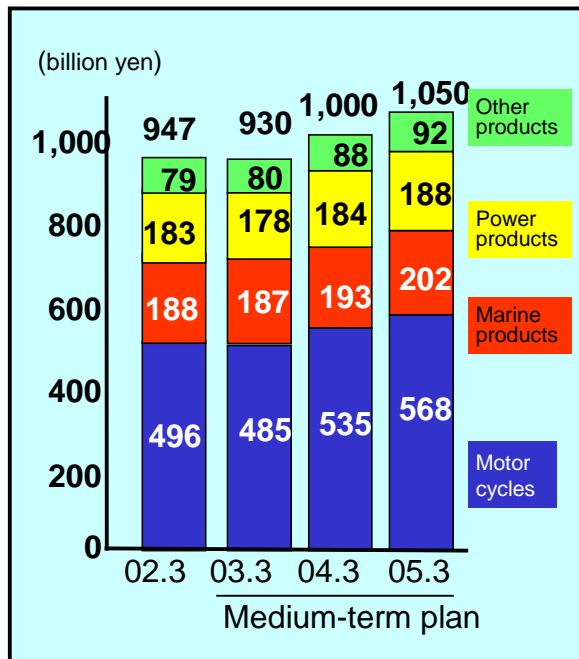
C)-2: "NEXT 50" Original Numerical Targets

Announced in April 2002

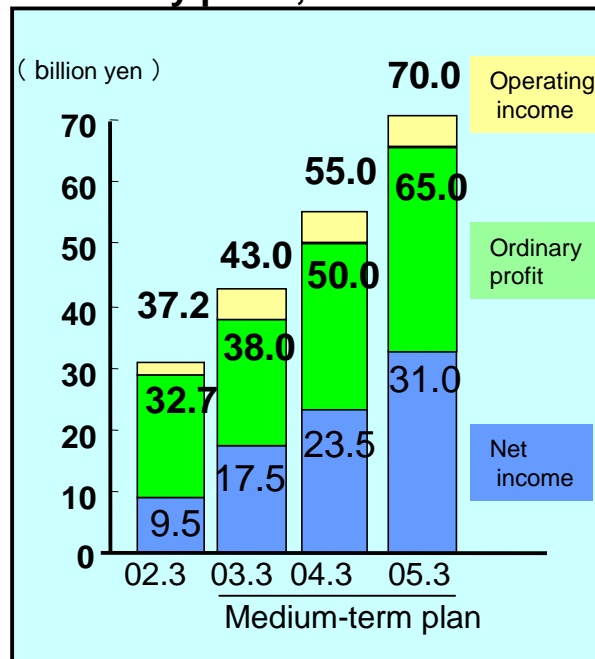
Premised on an exchange rate of 120 yen to the U.S. dollar and 110 yen to the euro during the three-year medium term

	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

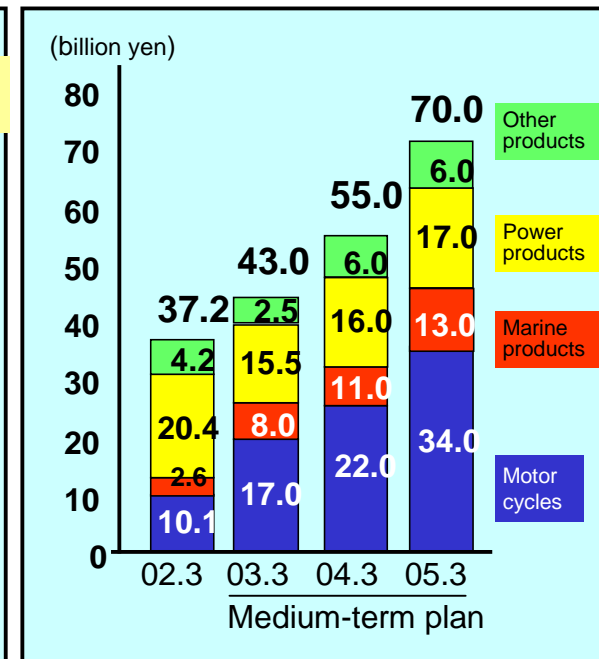
Consolidated net sales



Changes in operating income, ordinary profit, and net income



Consolidated operating profit

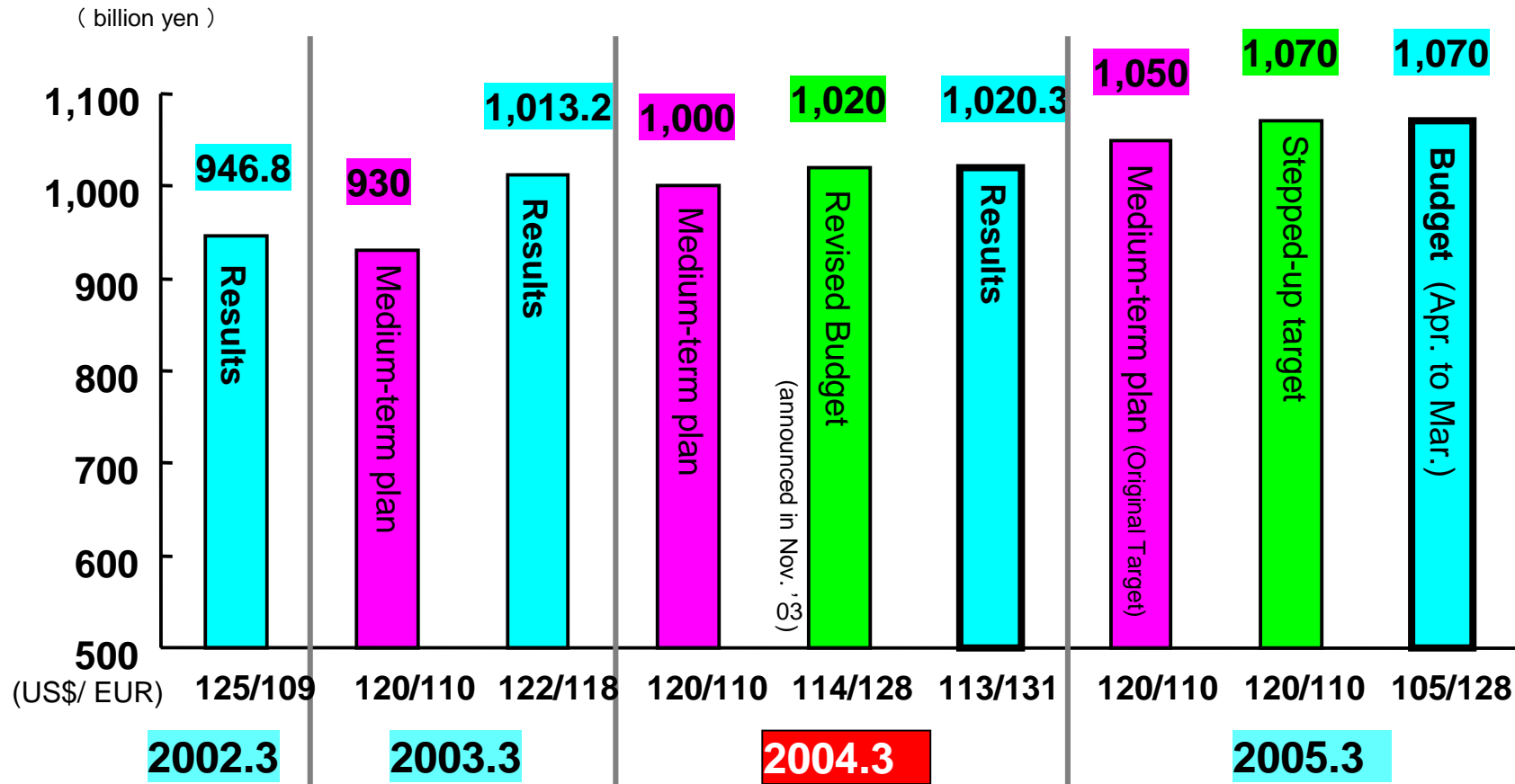


Note: Figures for fiscal 2002 in the graphs above are results, while those released when Next 50 was announced are forecasts.

D) Three-Year Plan - Progress to Date and Continuing Development

Consolidated Net Sales

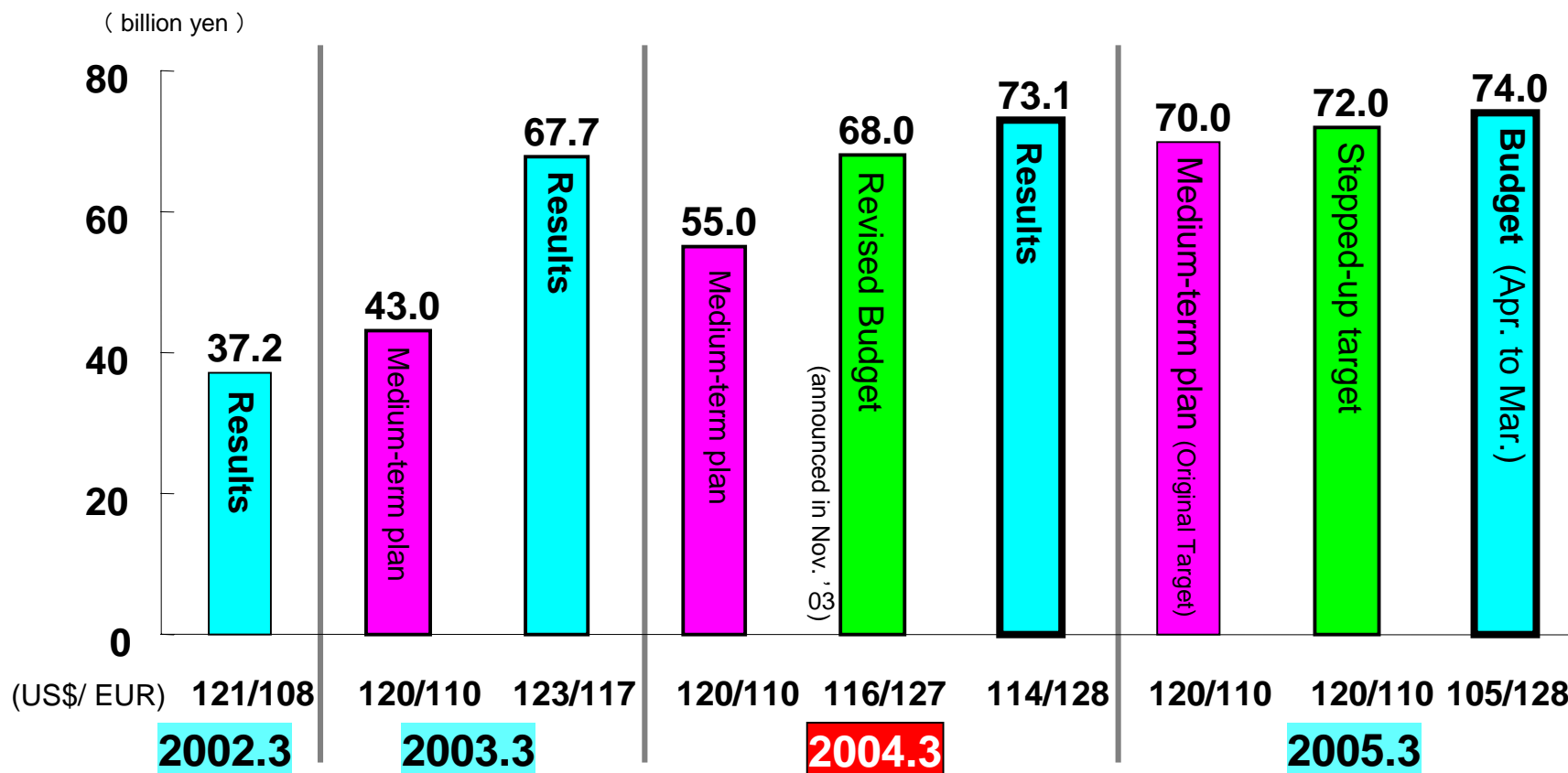
▶ The Company is projecting consolidated net sales figures for the period from Apr. 1, 2004 through Mar. 31, 2005 that would exceed the stepped-up target set in 2003.



*Medium-term plan and Stepped-up target were announced in April 2002 and May 2003, respectively.

Consolidated Operating Profit

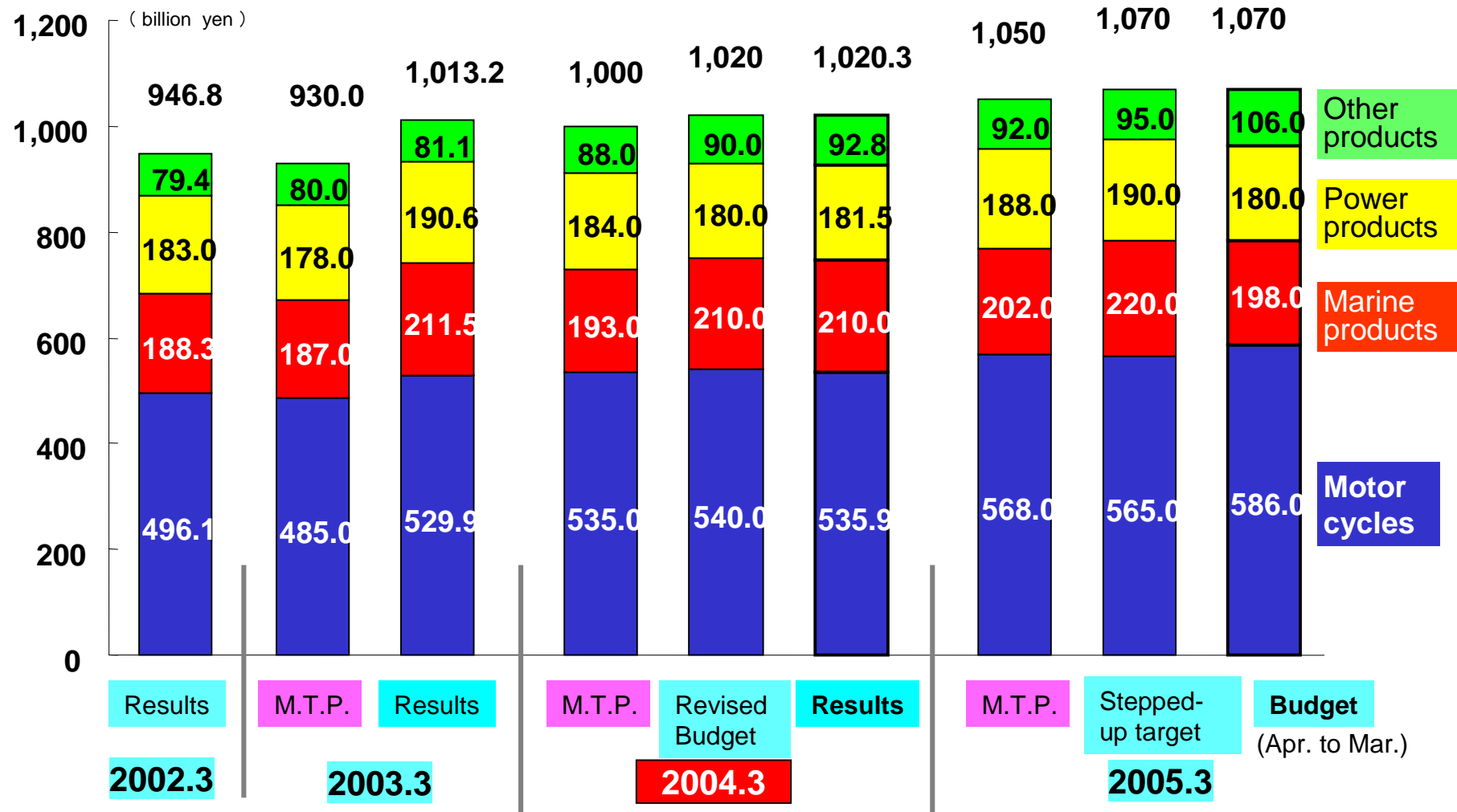
▶ In 2003, the Company upgraded its consolidated operating profit target for FY2005 to 72.0 billion yen. It plans to achieve 74.0 billion yen in operating profit for FY2005 even if exchange rate premises differ between the planned target and the budget.



*Medium-term plan and Stepped-up target were announced in April 2002 and May 2003, respectively.

Sales by Business Segment

- ▶ In FY2004, sales in the marine and “other products” segments exceeded the target figures set in the medium-term plan.
- In FY2005, the Company plans to nearly attain the sales target announced last year as the “Stepped-up target”.



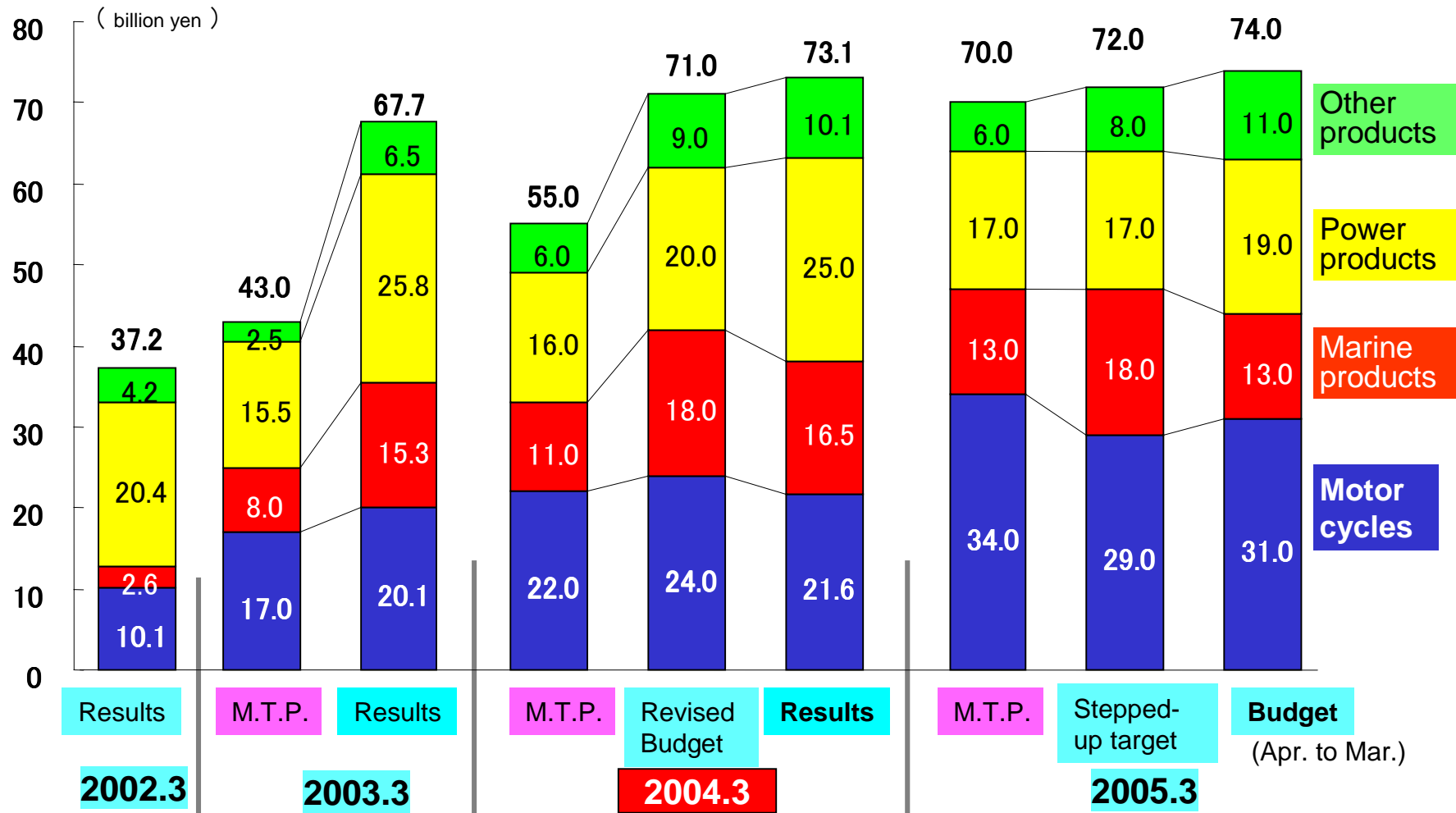
- “M.T.P.” means Medium-term plan, announced in April 2002.
- Stepped-up target was announced in May 2003

Changes in Operating Income by Business Segment



In FY2004, operating income substantially exceeded the target figures set in the medium-term plan in all business segments except motorcycles.

In FY2005, operating income in the power product and “other products” businesses will significantly surpass both the target figure set in the original plan and the stepped-up target.



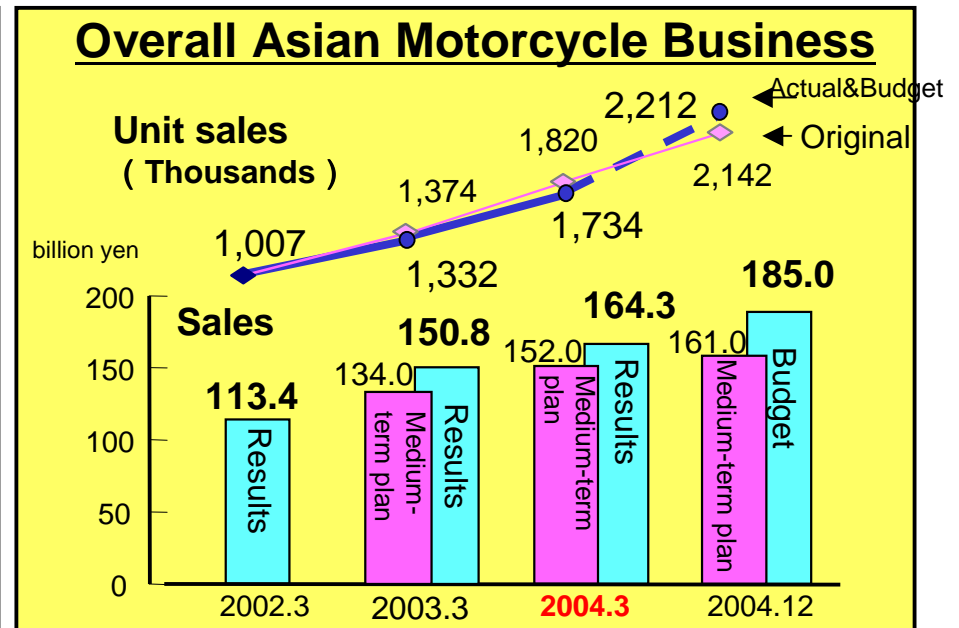
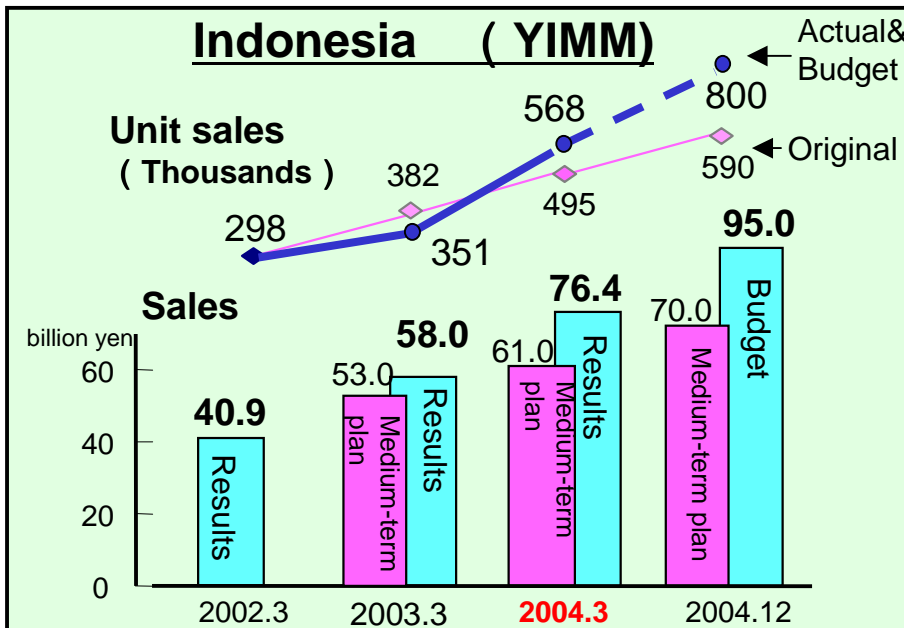
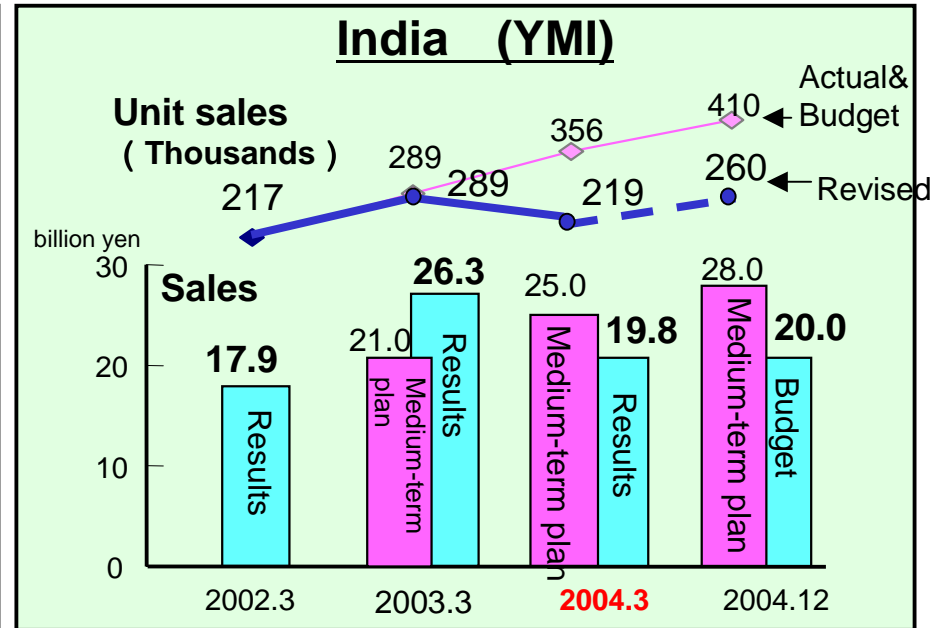
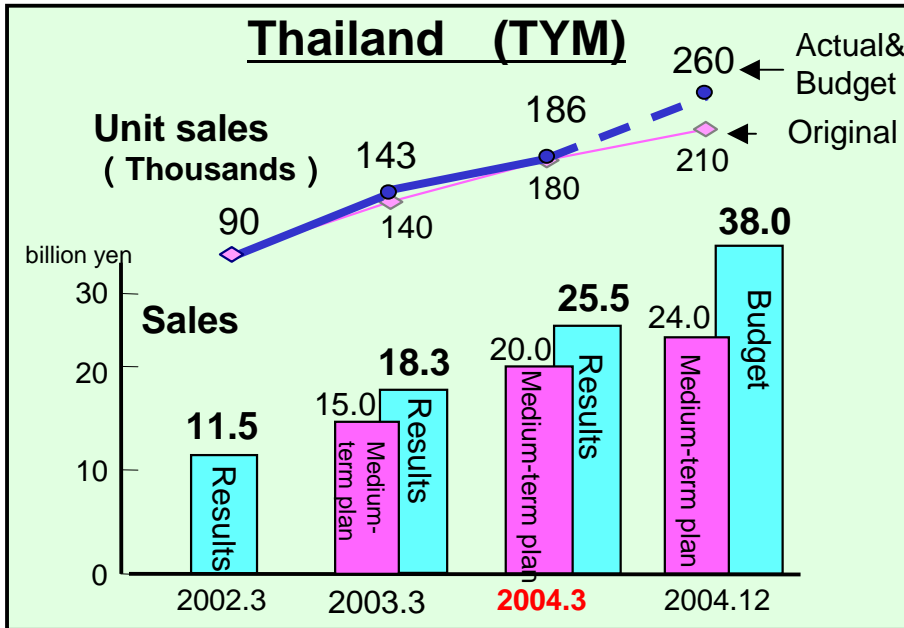
•“M.T.P.” means Medium-term plan, announced in April 2002.

•Stepped-up target was announced in May 2003

2. Progress and Forecasts on Medium-Term Management Issues

- A) **Asian Motorcycle Business**
- B) **Progress of Cost-Cutting in the Motorcycle Business**
- C) **Enhancing the Financial Structure**
- D) **Progress and Forecasts for Profits, EPS and ROE**

Asian Motorcycle Business

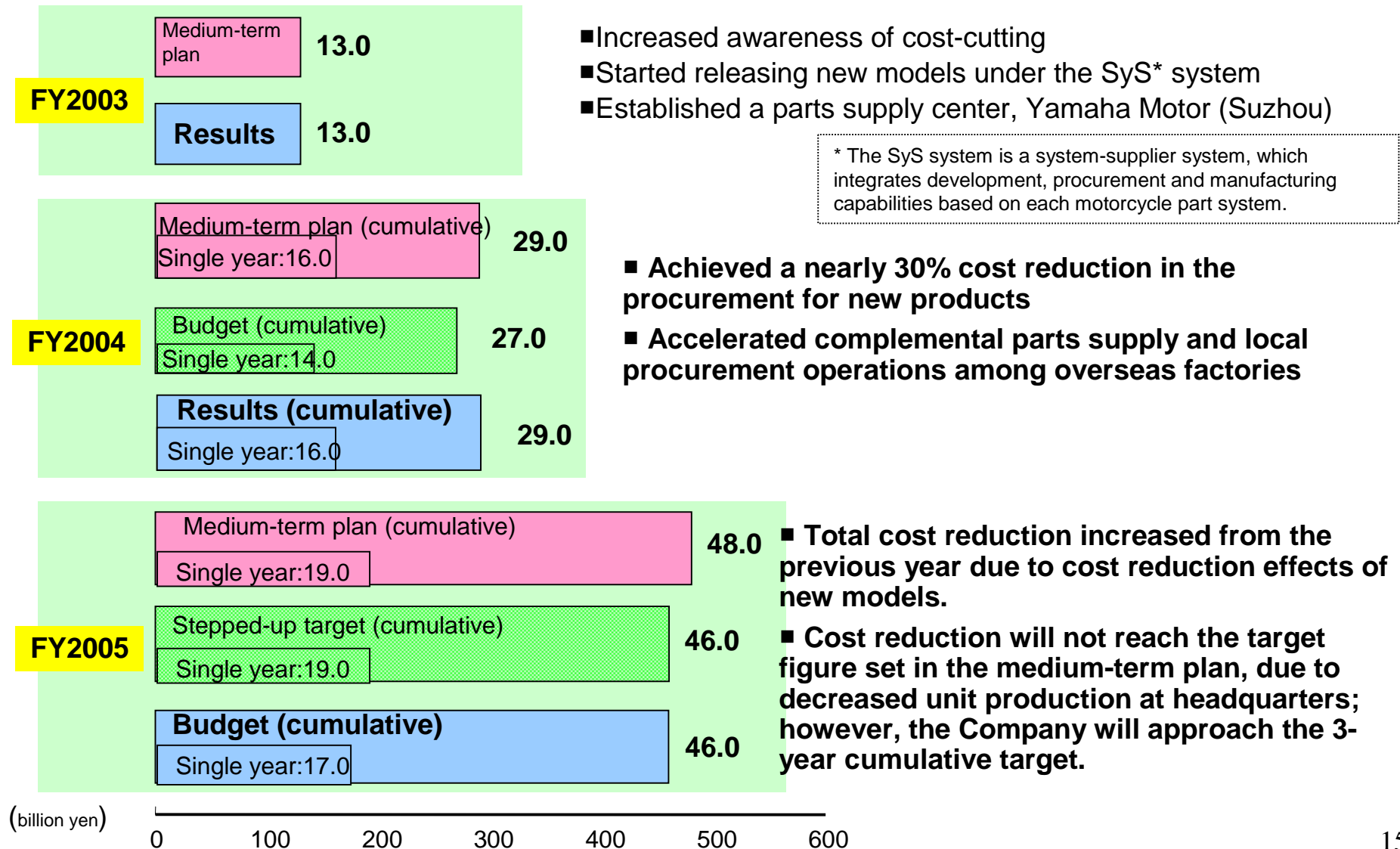


Progress of Cost-Cutting in the Motorcycle Business

Cost-cutting awareness has spread companywide.

In FY2004, cost-cutting effects were greater than planned.

We will come close to attaining the 3-year cumulative cost-cutting target for the Medium-term plan.



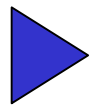
- Increased awareness of cost-cutting
- Started releasing new models under the SyS* system
- Established a parts supply center, Yamaha Motor (Suzhou)

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

- Achieved a nearly 30% cost reduction in the procurement for new products
- Accelerated complementary parts supply and local procurement operations among overseas factories

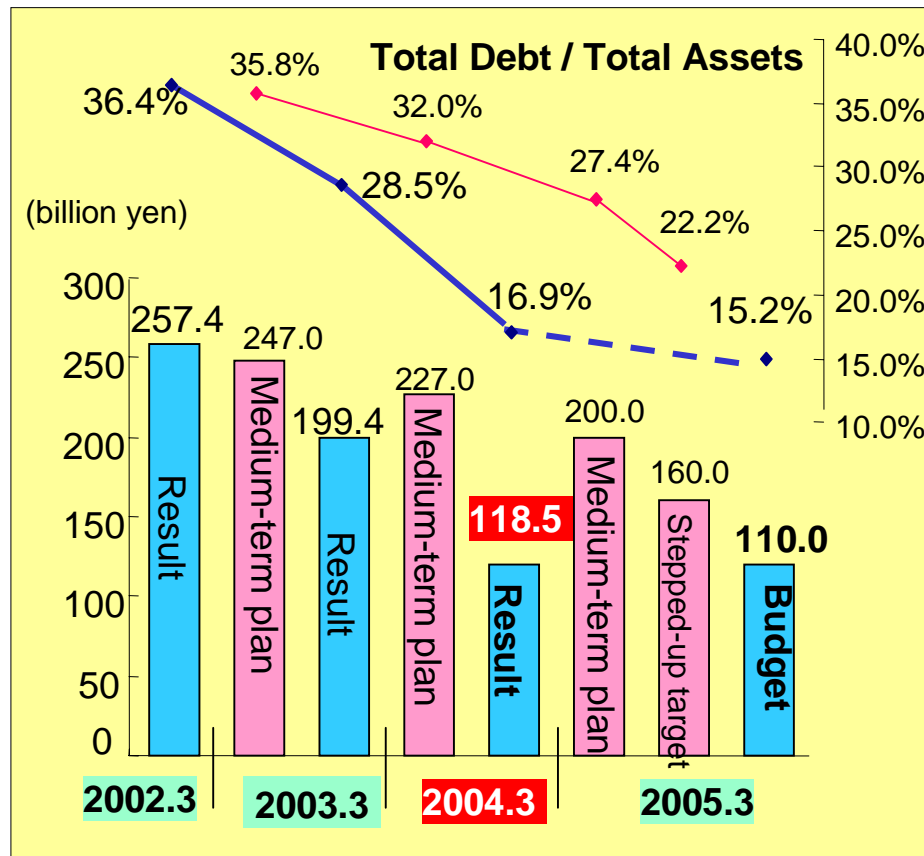
- Total cost reduction increased from the previous year due to cost reduction effects of new models.
- Cost reduction will not reach the target figure set in the medium-term plan, due to decreased unit production at headquarters; however, the Company will approach the 3-year cumulative target.

Enhancing the Financial Structure

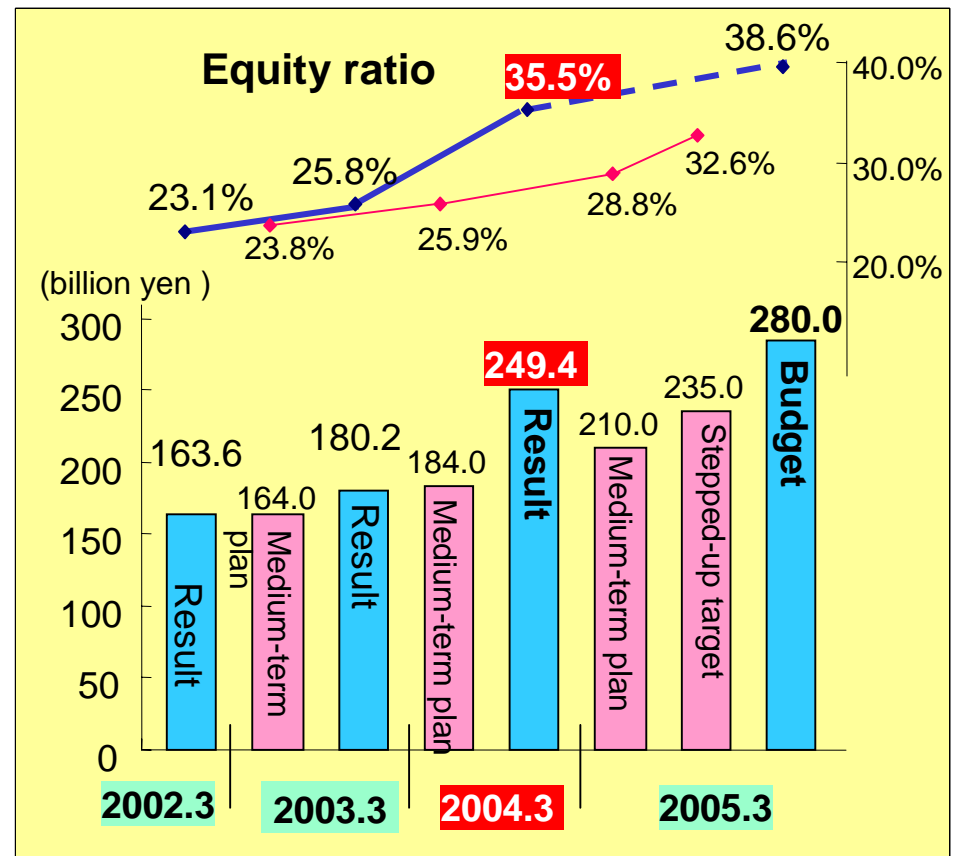


The equity ratio rose to 35%, due to the conversion of convertible bonds amounting to 40.4 billion yen, as well as the expansion of profits. Thus, the Company has met the targets for enhancing its financial structure specified in the NEXT 50 plan.

【 Total Debt (Consolidated) 】



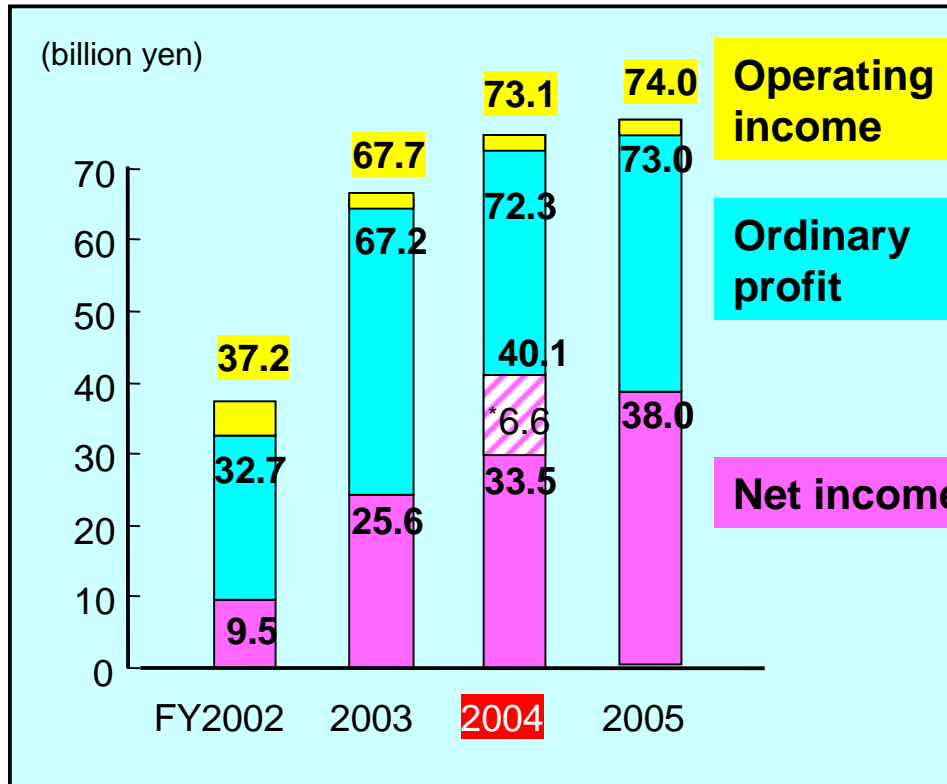
【 Shareholders' Equity and Equity Ratio 】



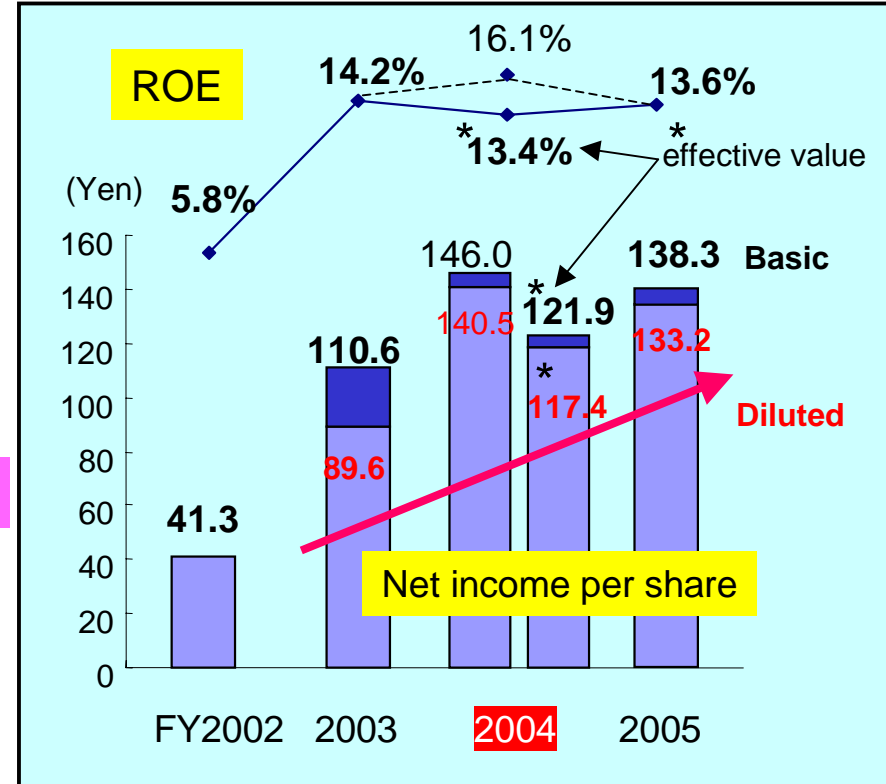
Progress and Forecasts for Profits, EPS and ROE

▶ Net income is expected to steadily increase, while effective EPS is also forecast to grow, based on the value of net income.

【Profits】



【ROE and EPS】



* Effective net income for FY2004 is calculated as 33.5 billion yen, since net income for FY2004 includes 6.6 billion yen due to the return of the substitutional portion of the Company's employee pension fund.

The amounts of ROE and EPS denoted by asterisks () on the above graph are calculated based on effective net income amounting to 33.5 billion yen.

Note: Shareholders' equity and the number of shares as of March 31st, 2004 are used for the calculation of ROE and EPS.



Appendix

- **Change in Accounting Period**
- **Worldwide Motorcycle Demand Forecast**
- **Business Portfolio**
- **Forecasts by Segment of Total Demand, Sales and Turnover**
- **ROE Analysis**
- **Shareholders & Share Price**

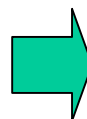
Change in Accounting Period

Rationale for the change

1. To more accurately report our business performance during the financial year and to disclose it in a more appropriate manner, in light of the demand period for mainstay products.
2. To help promote our global operations more effectively by unifying the accounting term of the Yamaha Motor Group companies.

Companies (by region) whose fiscal year ends March 31 of every year

Japan	(percentage of net sales in FY04)
North America	(59%)
Australia	



Period covered by the account settlement for the fiscal year ending December 31, 2004

Closing date will be changed to December 31. For the fiscal year ending December 31, 2004, only accounts for the nine-month period from April to December will be included.

Companies (by region) whose fiscal year ends December 31 of every year

Europe	(percentage of net sales in FY04)
Asia	(41%)
Latin America	

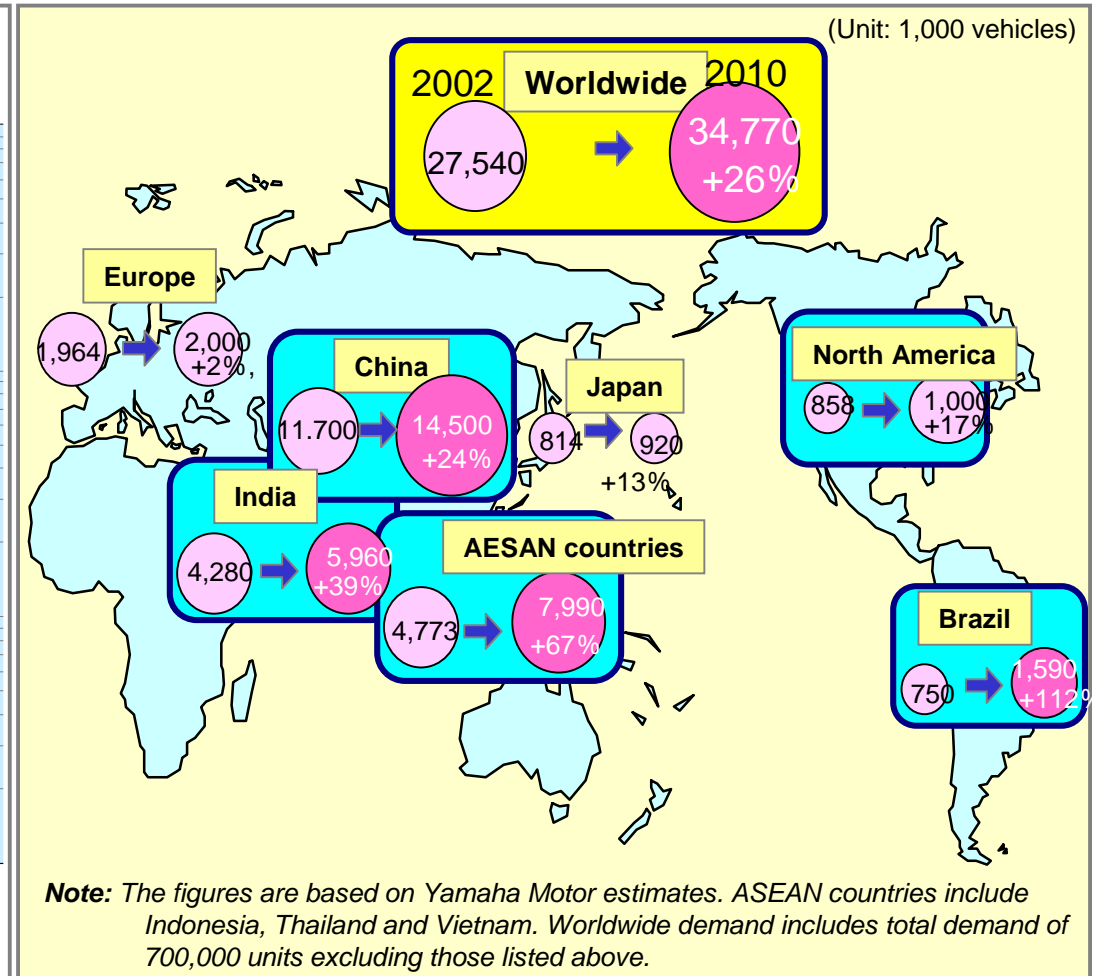
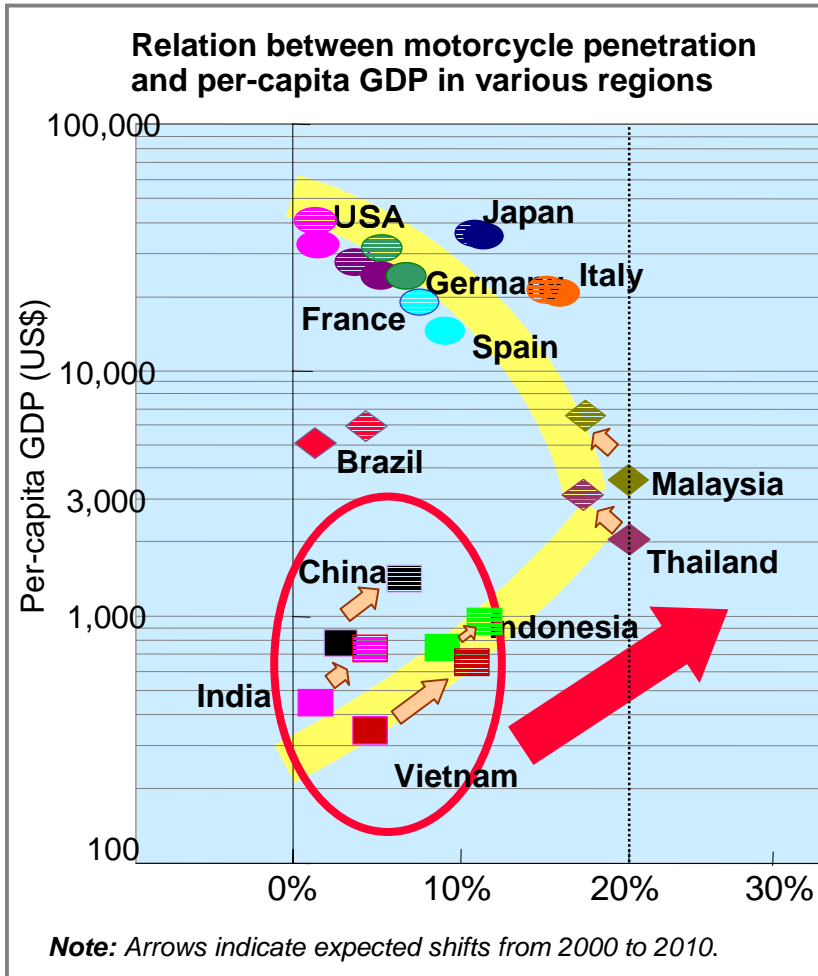


Present closing date of December 31 will not change. For the fiscal year ending December 31, 2004, accounts for the twelve-month period will be included as usual.

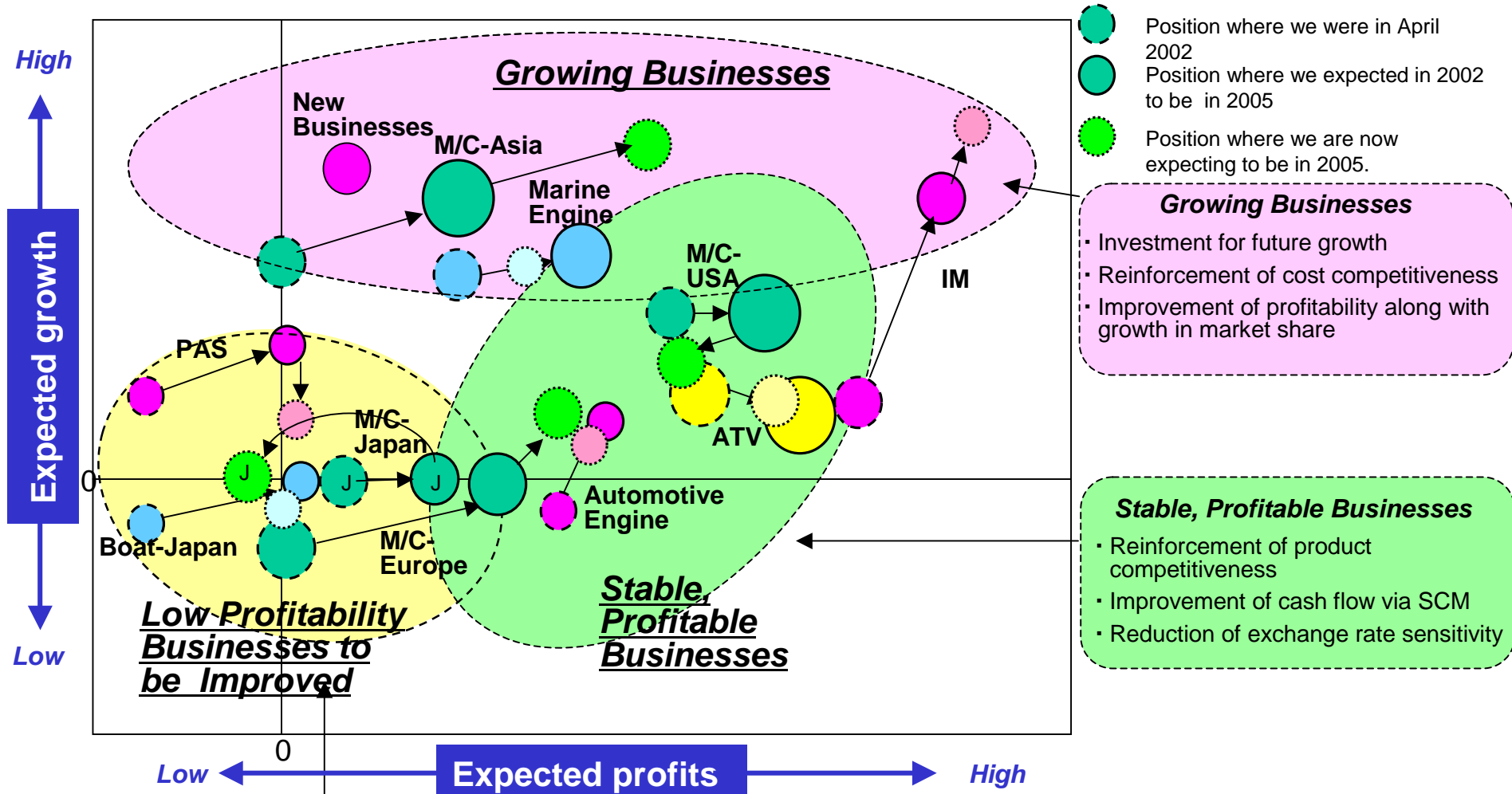
Worldwide Motorcycle Demand Forecast

▶ 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



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

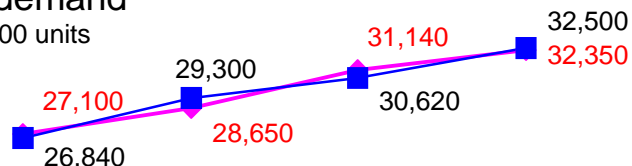
Expected growth: The average sales growth ratio in the previous three-year medium-term to that in the new medium-term

Motorcycle business (overall)

Targets	FY 2002	FY 2005	Growth
Total demand	26,840,000 units	32,350,000 units	(21%)
Yamaha	2,040,000 units	3,260,000 units	(60%)
	496.1 billion yen	586 billion yen	(18%)

Total demand

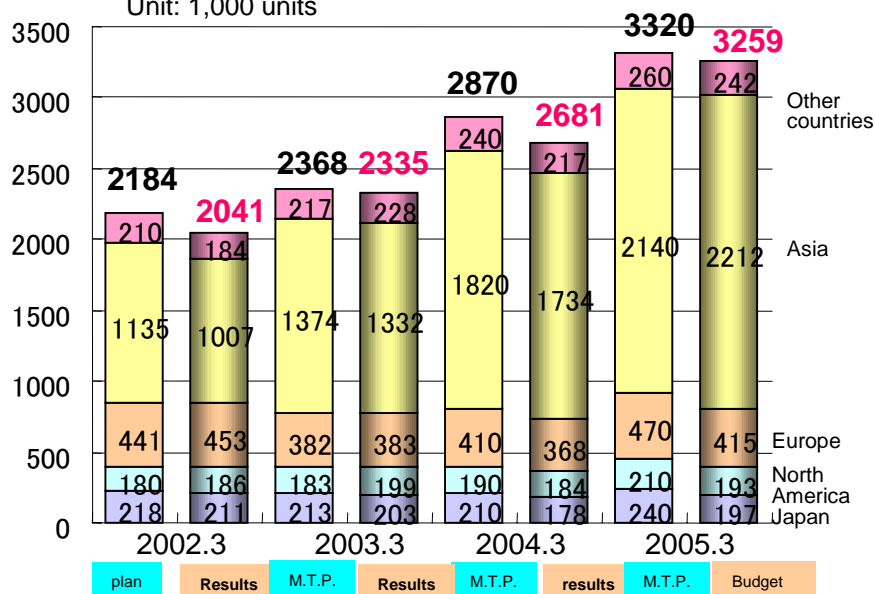
Unit: 1,000 units



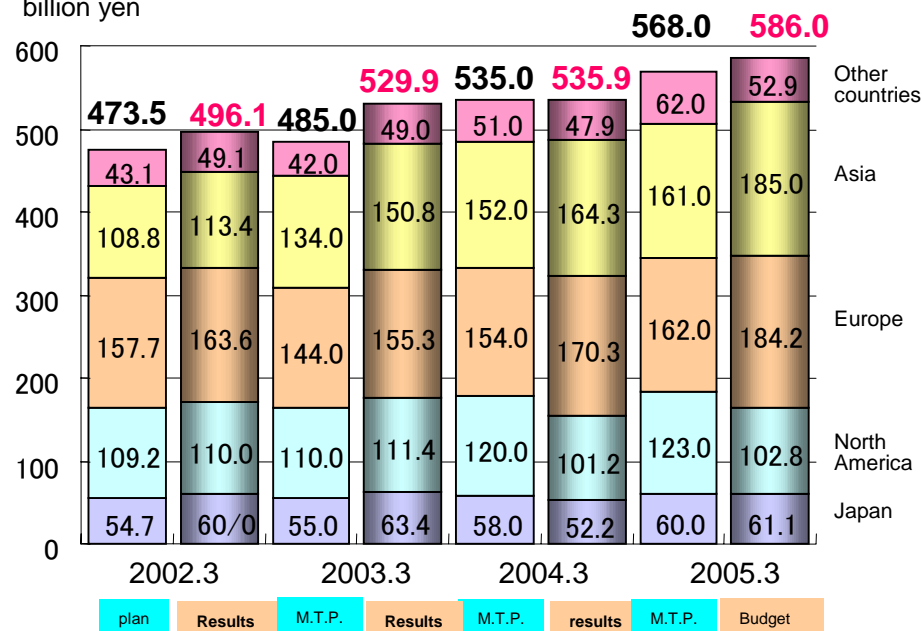
	2002.3	2003.3	2004.3	2005.3
Results & Budget	27,100	28,650	31,140	32,350
medium-term plan	26,840	29,300	30,620	32,500

No. of units sold

Unit: 1,000 units



billion yen



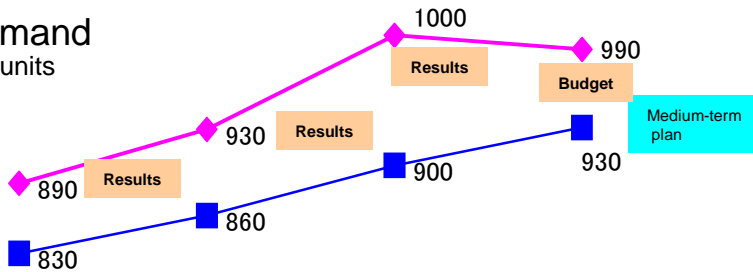
Motorcycle business (North America)

Targets

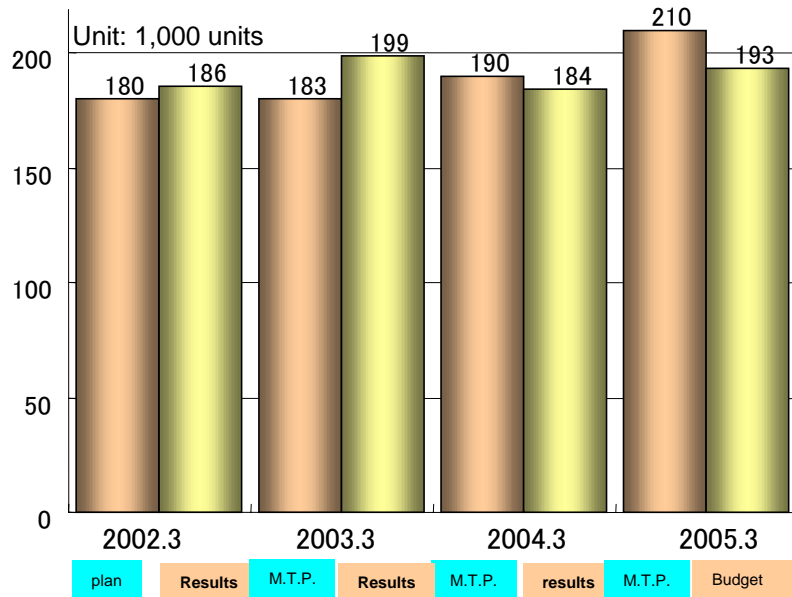
Total demand
Yamaha

	FY 2002	FY 2005	Growth
Total demand	890,000 units	990,000 units	(12%)
Yamaha	186,000 units	⇒ 193,000 units	(4%)
	110 billion yen	103 billion yen	(-6%)

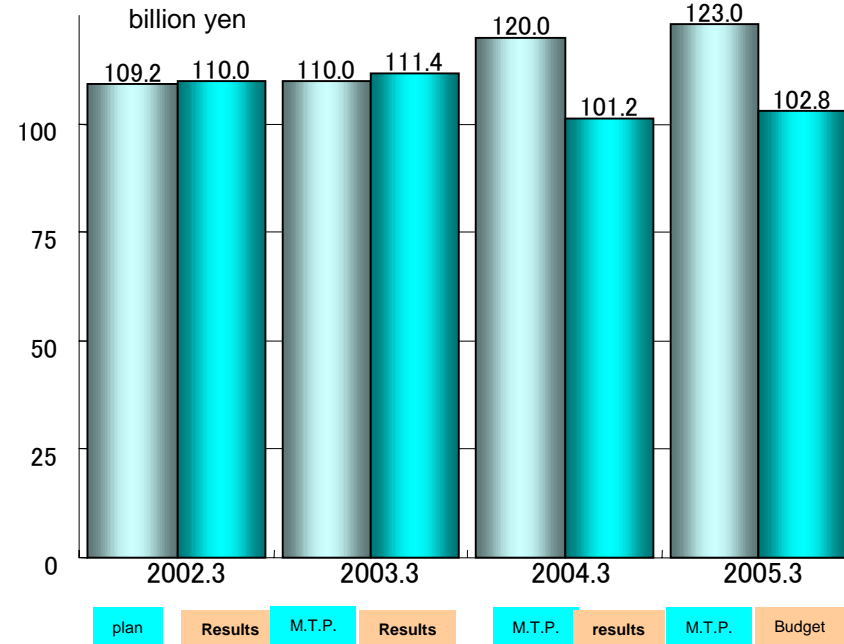
Total demand
Unit: 1,000 units



No. of units sold



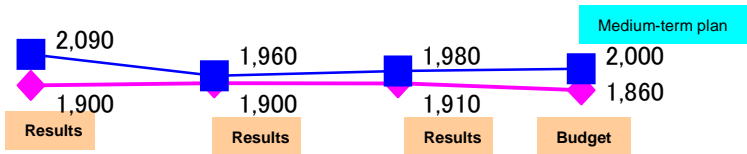
Sales



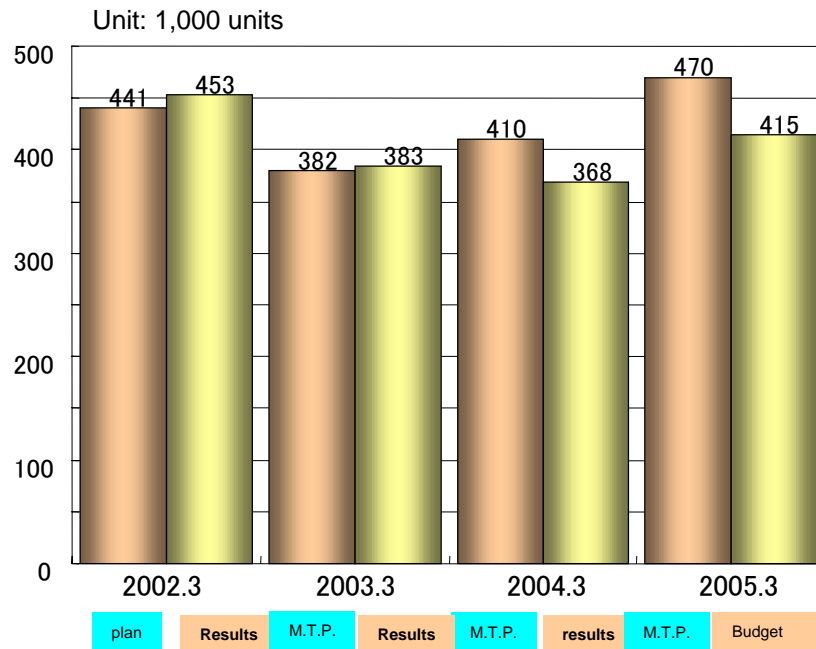
Motorcycle business (Europe)

Targets	FY 2002	FY 2005	Growth ratio
Total demand	1,900,000 units	1,860,000 units	(-2%)
Yamaha	453,000 units	415,000 units	(-8%)
	164 billion yen	184 billion yen	(13%)

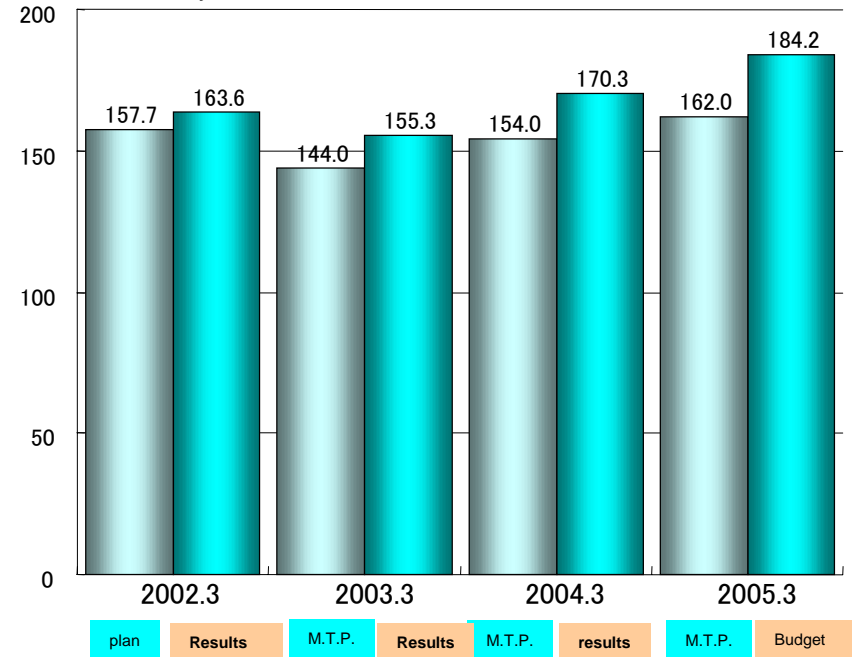
Total demand
Unit: 1,000 units



No. of units sold
Unit: 1,000 units



Sales billion yen

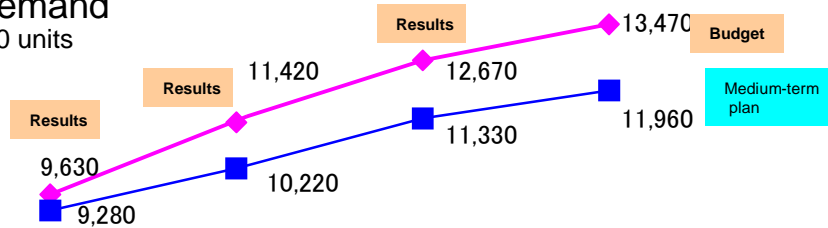


Motorcycle business (ASEAN countries and India)

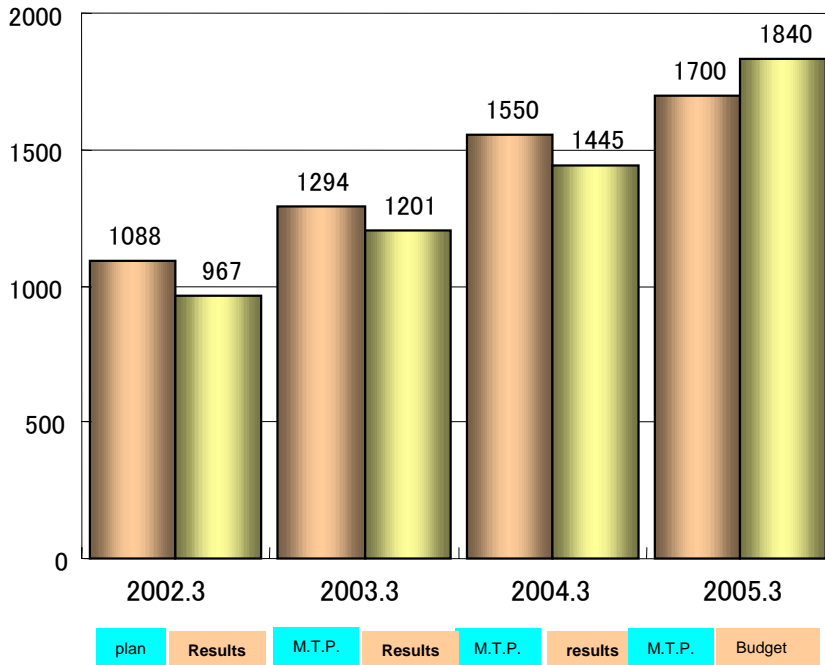
Targets

	FY 2002	FY 2005	Growth
Total demand	9,630,000 units	13,470,000 units	(40%)
Yamaha	967,000 units	1,840,000 units	(90%)
	110 billion yen	183 billion yen	(62%)

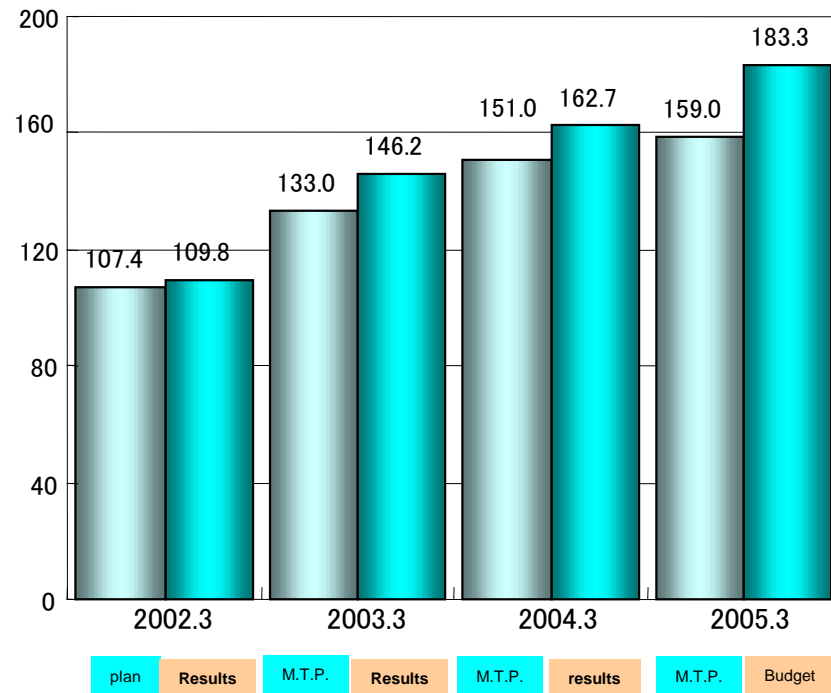
Total demand
Unit: 1,000 units



No. of units sold Unit: 1,000 units



Sales billion yen



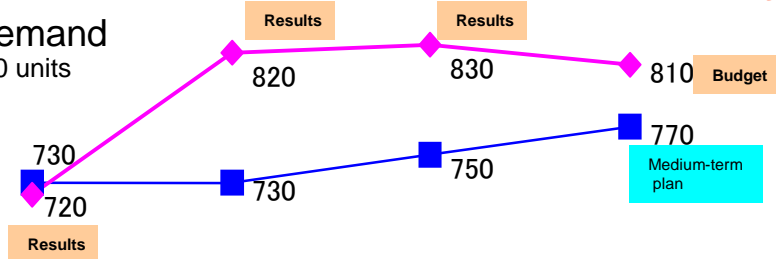
Outboard Motor business

Targets

**Total demand
Yamaha**

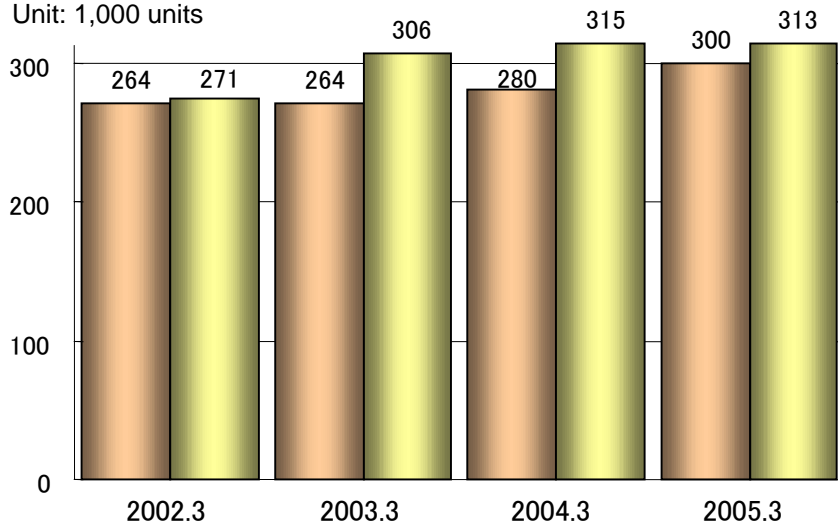
	FY 2002	FY 2005	Growth
Total demand	720,000 units	810,000 units	(13%)
Yamaha	271,000 units	313,000 units	(15%)
	107 billion yen	119 billion yen	(11%)

Total demand
Unit: 1,000 units



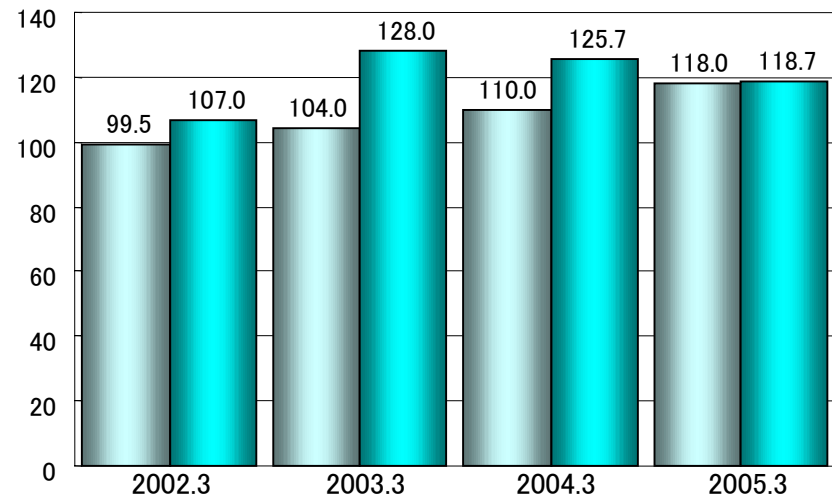
No. of units sold

Unit: 1,000 units



plan Results M.T.P. Results M.T.P. results M.T.P. Budget

Sales billion yen



plan Results M.T.P. Results M.T.P. results M.T.P. Budget

ATV business

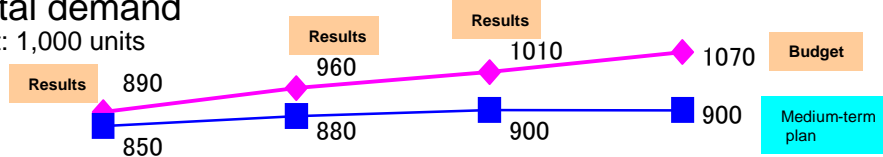
Targets

**Total demand
Yamaha**

	FY 2002		FY 2005	Growth
	890,000 units	⇒	1,070,000 units	(20%)
	226,000 units		257,000 units	(14%)
	118 billion yen		121 billion yen	(2%)

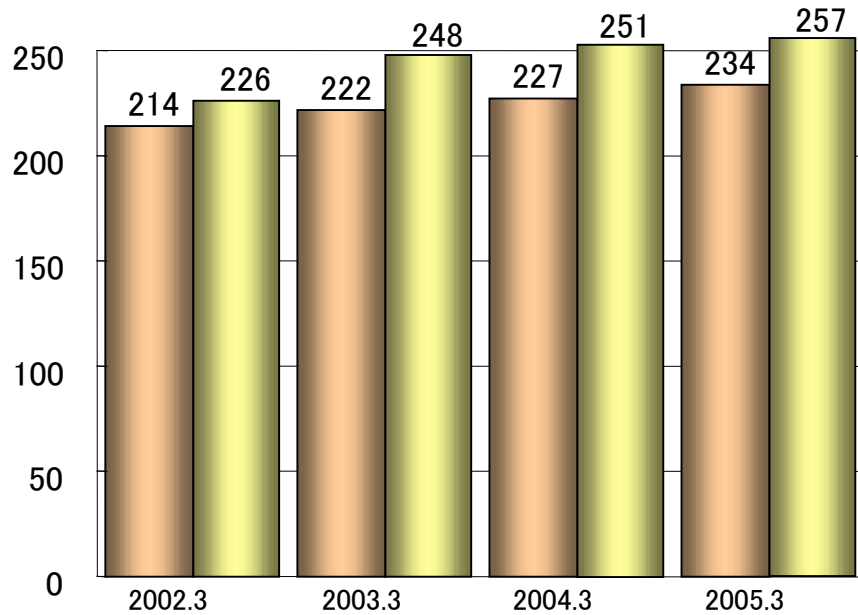
Total demand

Unit: 1,000 units



No. of units sold

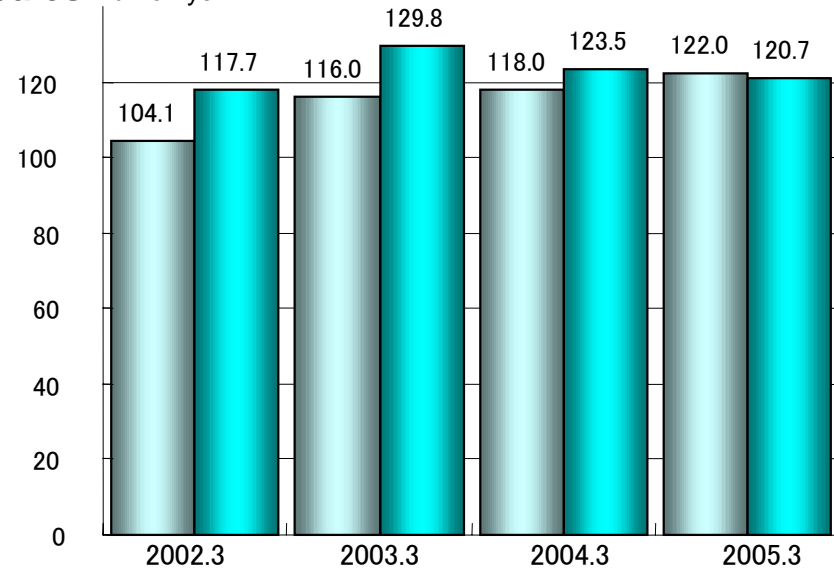
Unit: 1,000 units



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Sales

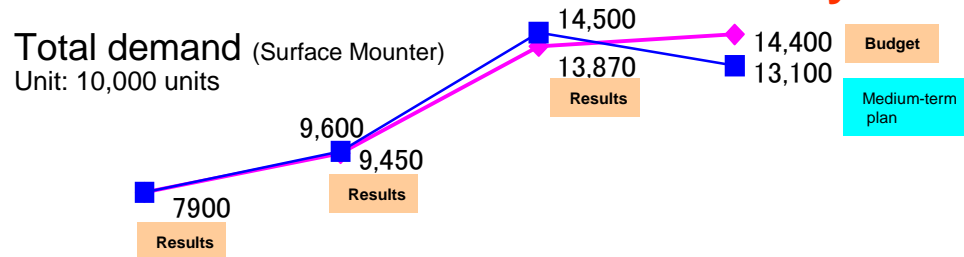
billion yen



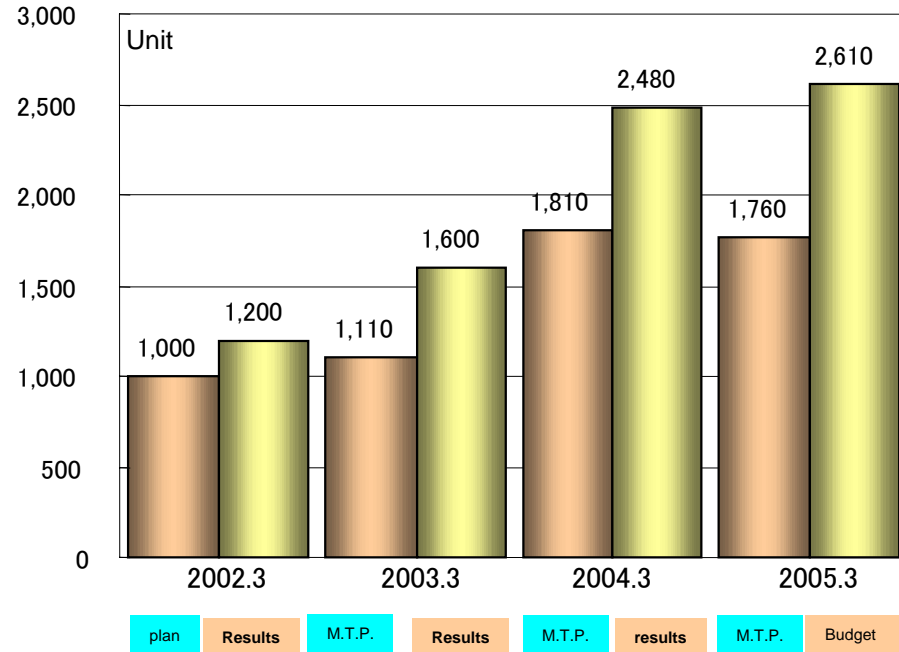
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Targets

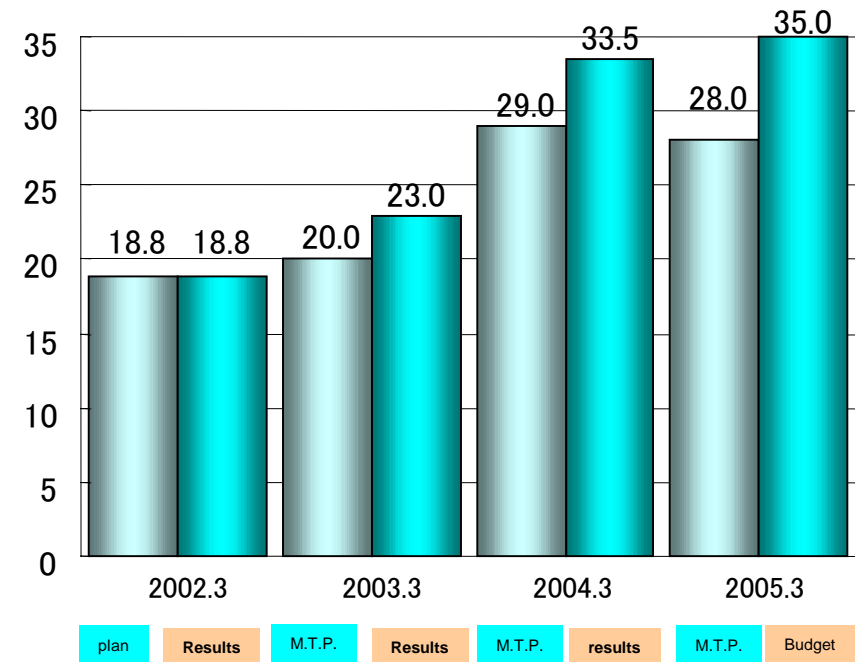
	FY 2002		FY 2005	Growth
Total demand	7,900 units	⇒	14,400 units	(82%)
Yamaha	1,200 units		2,610 units	(118%)
	19 billion yen		35 billion yen	(86%)



No. of units sold (Surface Mounter)

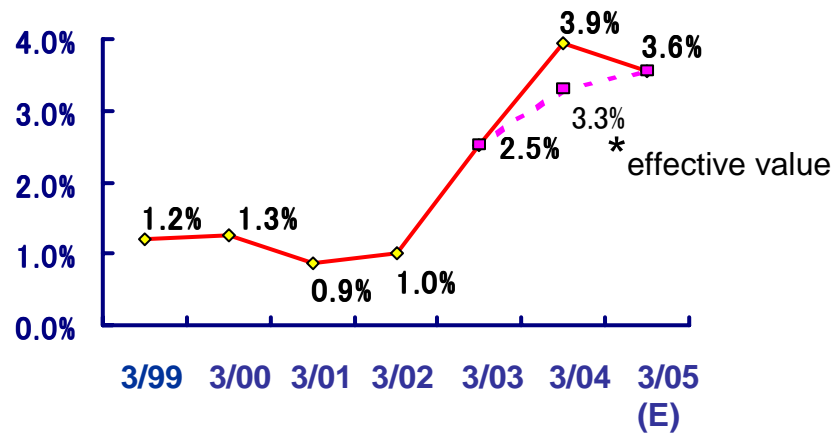


Sales billion yen

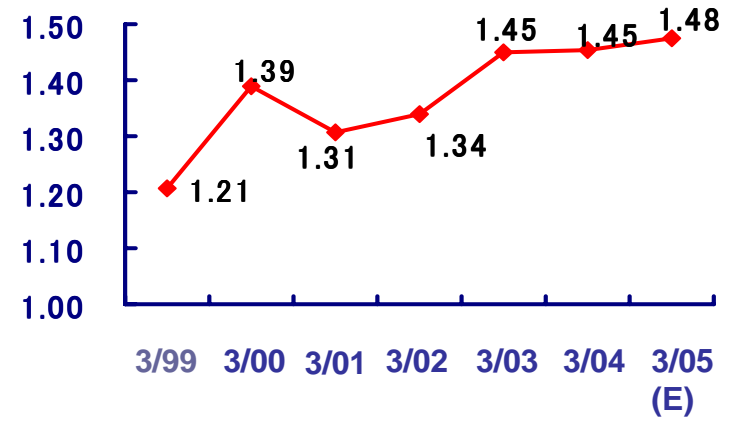


ROE Analysis

Net Income / Sales

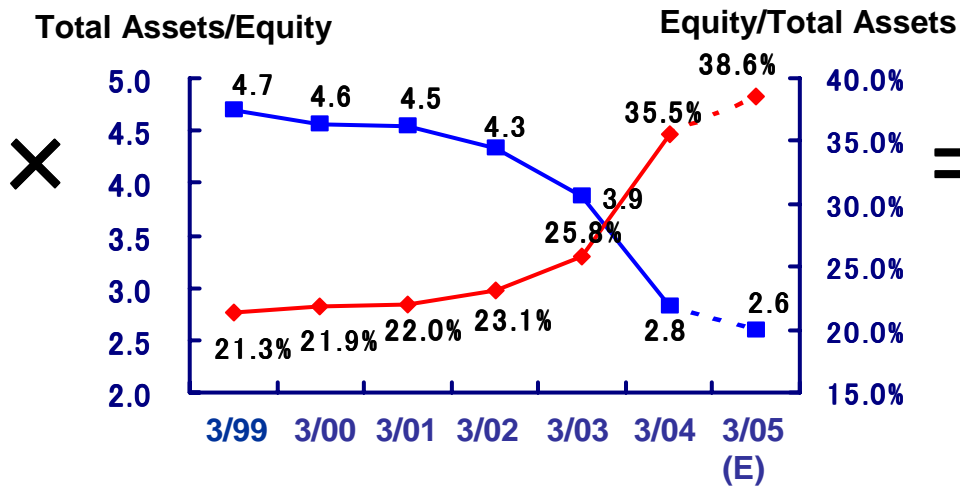


Sales / Total Assets

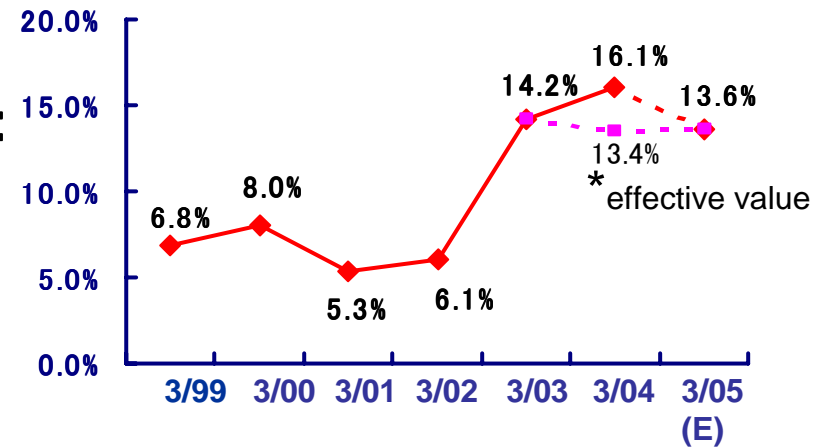


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Total Assets / Equity, Equity / Total Assets

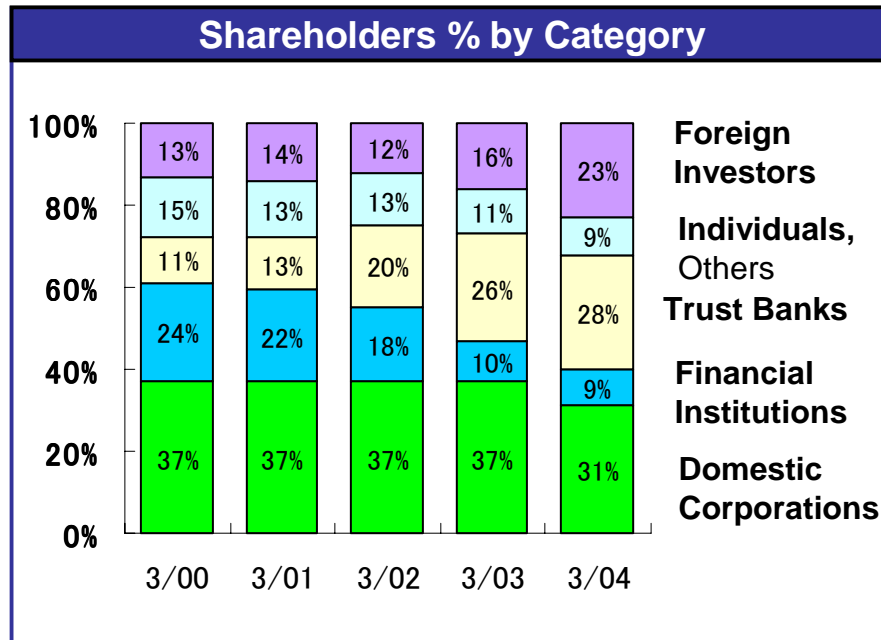


ROE



Note: * Effective value is calculated based on effective net income amounting to 33.5 billion yen which excludes extraordinary income amounting to 6.6 billion yen due to the return of the substitutional portion of the Company's employee pension fund.

Shareholders & Share Price



Principal Shareholders (%)

■ Yamaha Corporation	23.62
■ Japan Trustee Services Bank, Ltd. (Trust Account)	9.10
■ The Master Trust Bank of Japan, Ltd. (Trust Account)	6.24
■ Toyota Motor Corporation	4.58
■ Mizuho Trust & Banking Co.,Ltd. (Employee Retirement Benefit Trust, Mizuho Bank Account)	4.01
■ Mellon Bank Treaty Clients Omnibus	2.73
■ The Shizuoka Bank, Ltd.	2.13
■ State Street Bank and Trust Company	1.63
■ The Sumitomo Mitsui Banking Corp	1.26
■ BOBHK A/C Sparx Asset Management Ltd - US Client	1.09

