



3-Year Medium-Term Management Plan

NEXT50-Phase II

***Review of FY2005 and Forecasts
for FY2006 and FY2007***

YAMAHA MOTOR CO., LTD.

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Appendix

•Notice regarding the forecast consolidated results:

Forecast consolidated results stated herein 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 forecast consolidated results.

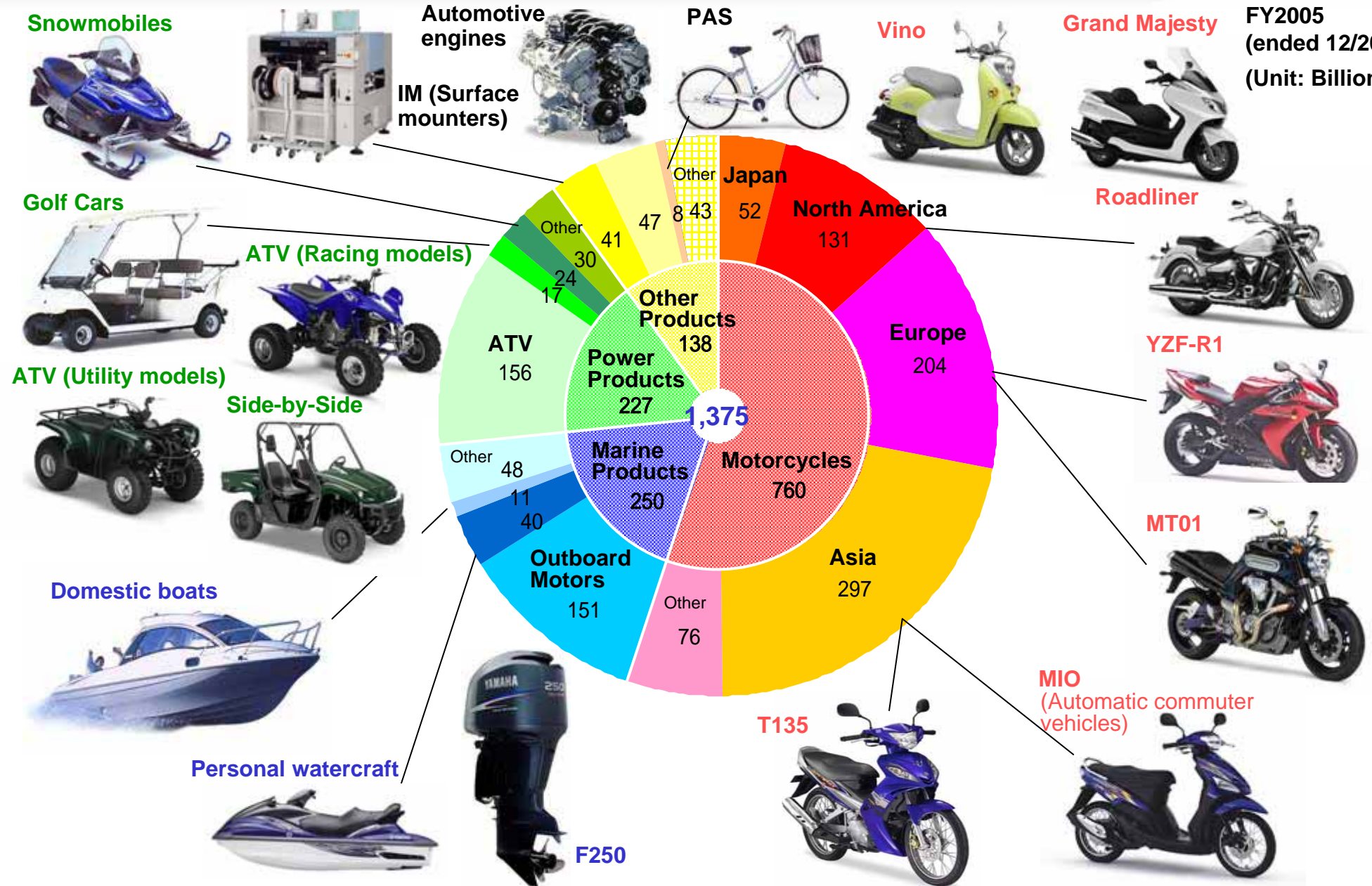
Potential risks and uncertainties include, but are not limited to, general economic conditions in Yamaha Motor's major markets, changing consumer preferences, and currency exchange rate fluctuations.

1. Consolidated Sales by Product

Consolidated Sales by Product



FY2005
(ended 12/2005)
(Unit: Billion yen)



2. Medium-Term Management Plan

NEXT50 Phase II

2-1. Goals and Numerical Targets

Shareholders

Communities

Announced in Jan. 2005

Customers

Kando* Creating Company

Employees

Overview of the "NEXT50-Phase II" Mid-term Plan

* *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

Expanding the ASEAN motorcycle business

Maximizing opportunities for growth

Promoting launches in new business domains

Exploiting BRIC markets and establishing the business foundation in these markets

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

Ensuring profitability

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

“NEXT50-Phase II” Original Numerical Targets



Announced in Jan. 2005

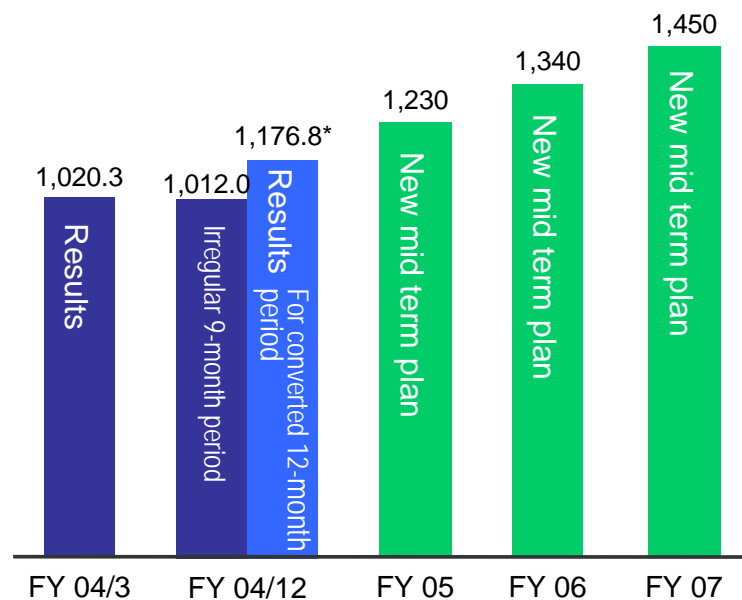
Fiscal years ended Mar. 31, 2004 and Dec. 31, 2004: Actual rates

From fiscal year ending Dec. 31, 2005: 105 yen against the U.S. dollar and 128 yen against the euro

Achieving 1,450 billion yen in net sales and 120 billion yen in operating income in the fiscal year ending December 31, 2007

Net Sales

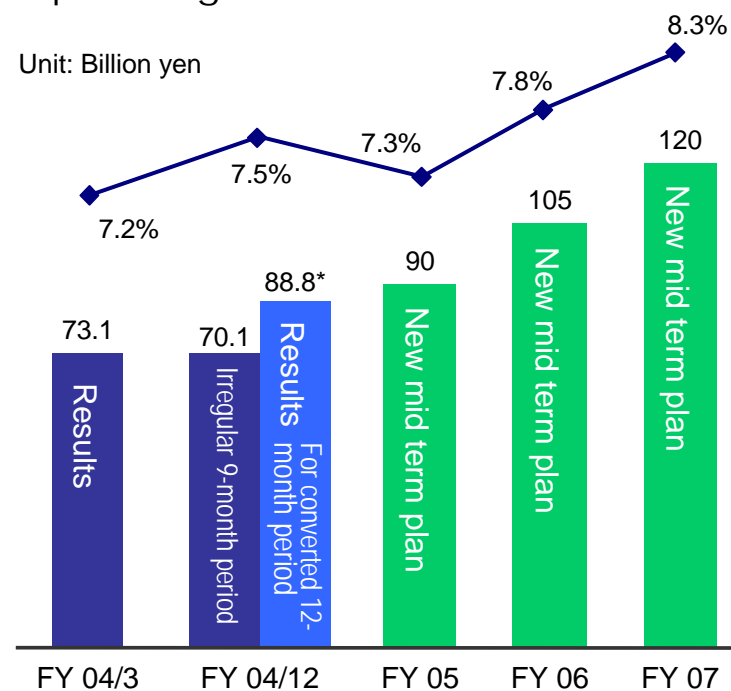
Unit: Billion yen



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

Operating Income and the Ratio of Operating Income to Net Sales

Unit: Billion yen



114/128 108/132 105/128 105/128 105/128

Note: The results for the fiscal year ended December 31, 2004 stated herein have been converted for the twelve-month period running from January 1 through December 31, 2004.

2. Medium-Term Management Plan

NEXT50 Phase II

2-2. Progress to Date and Continuing Developments

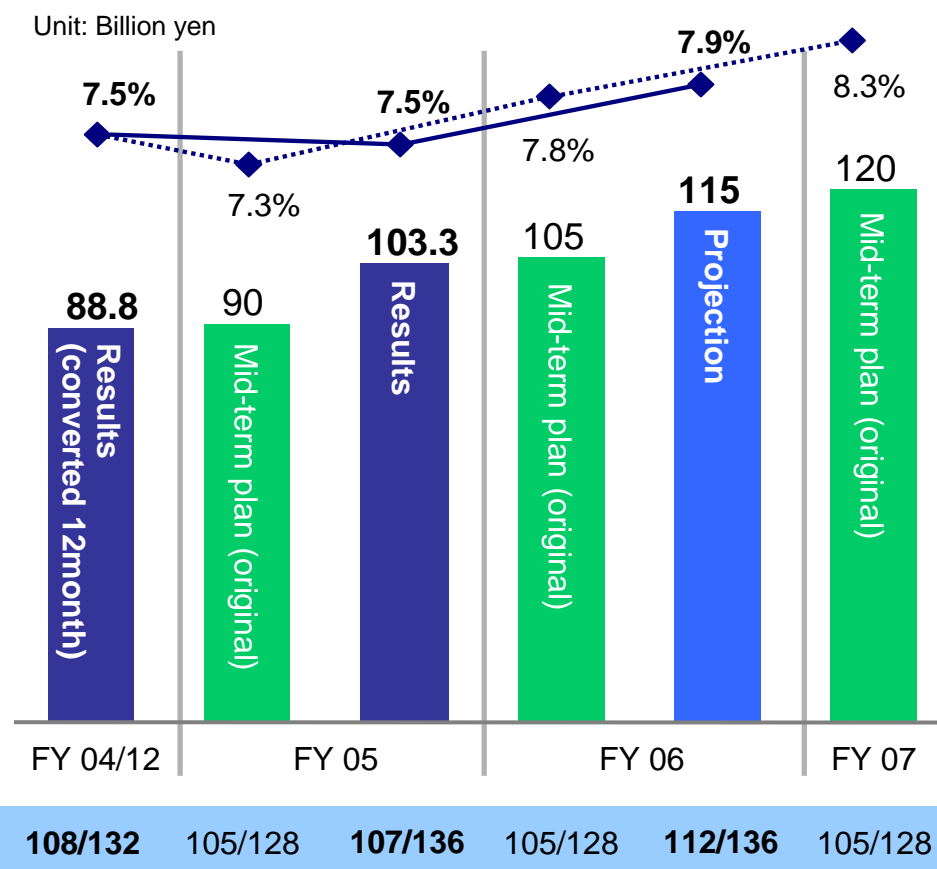
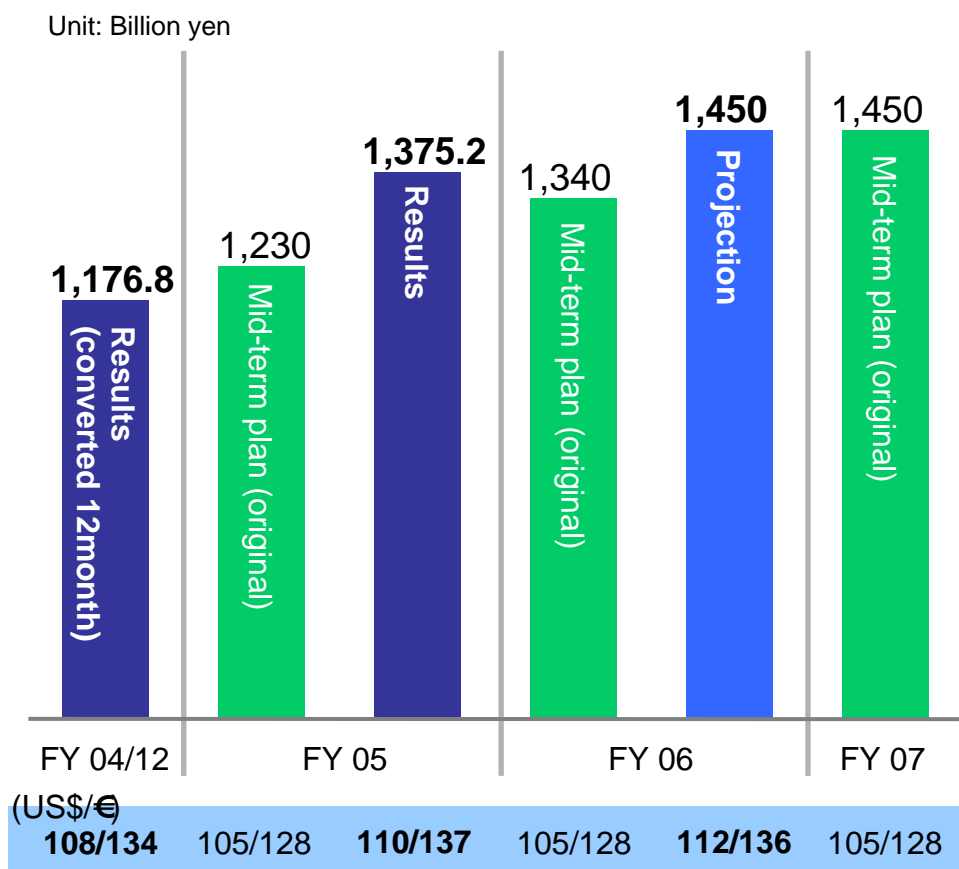
Net Sales/Operating Income Results and Projections



Net sales in FY 2006 are expected to achieve the target for FY 2007 one year early.
Operating income will also exceed the target in FY 2006.

Net Sales

Operating Income and the Ratio of Operating Income to Net Sales

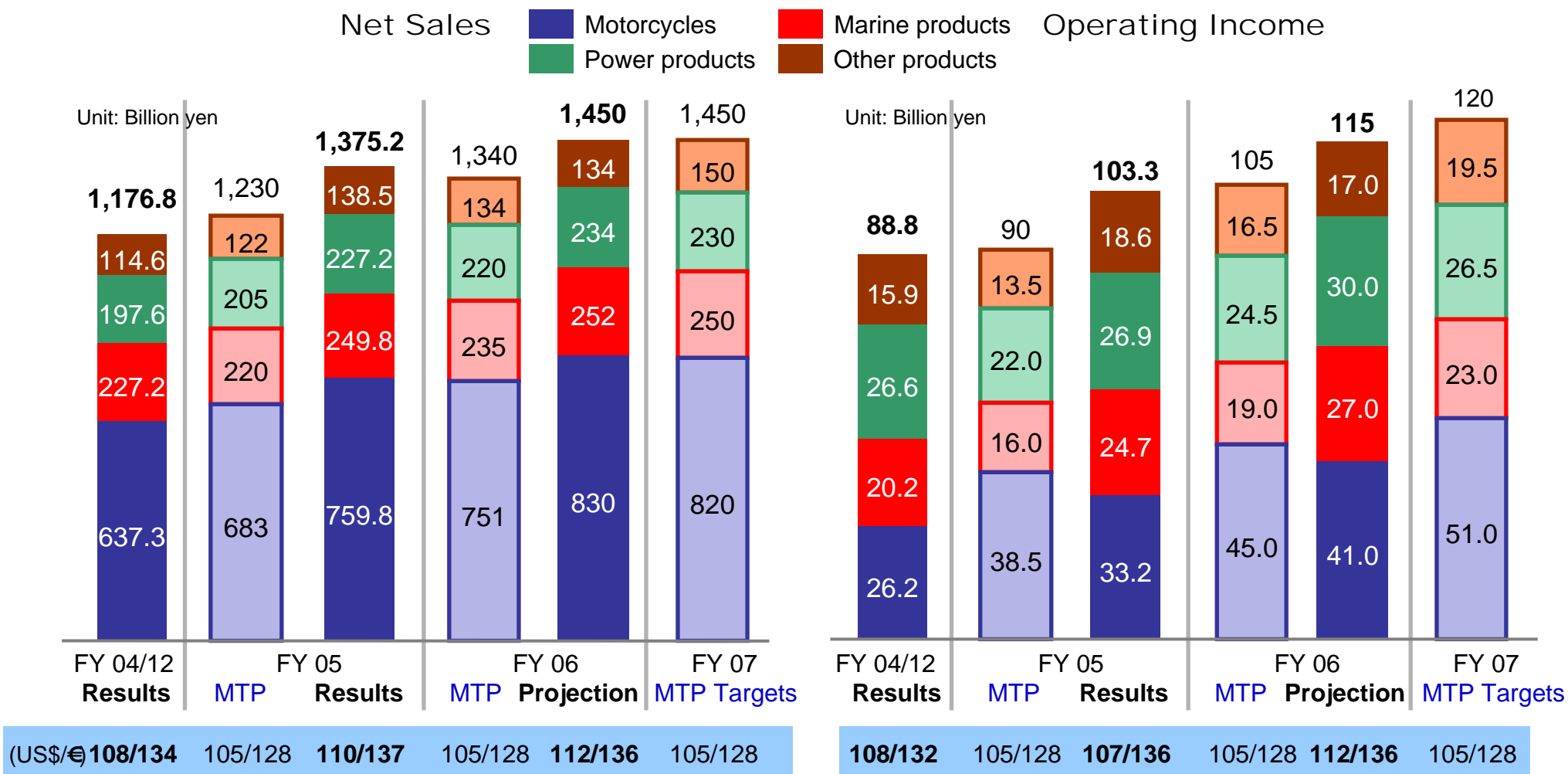


Notes: · The results for the fiscal year ended December 31, 2004 stated herein have been converted for the twelve-month period running from January 1 through December 31, 2004.
· The figures in the mid-term plan were announced in January 2005.

Changes in Net Sales and Operating Income by Business Segment



Net sales exceeded the mid-term plan (MTP) targets in all business segments in FY 2005. Operating income also exceeded the target in the Marine Product, Power Product, and Other Product segment, making up for uncertainty in Motorcycle segment in FY 2006.



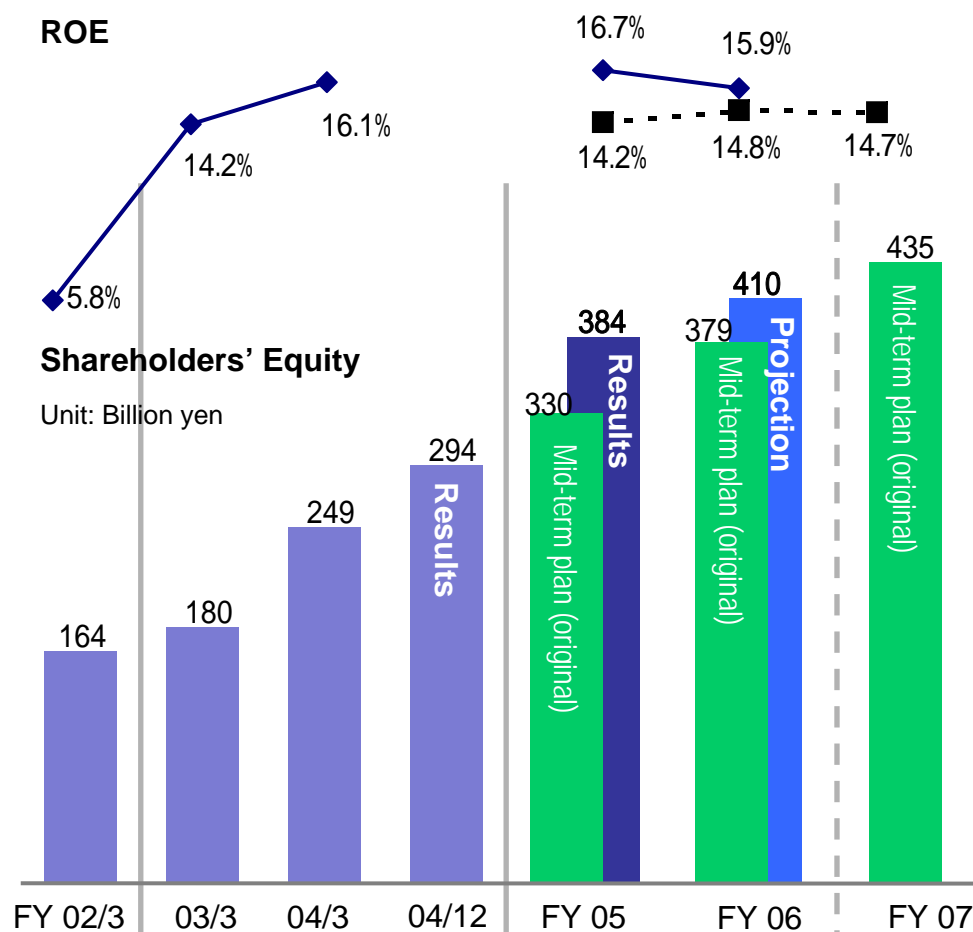
Notes: · The results for the fiscal year ended December 31, 2004 stated herein have been converted for the twelve-month period running from January 1 through December 31, 2004.
 · The figures in the mid-term plan were announced in January 2005.

ROE and Shareholders' Equity; EPS and Market Capitalization

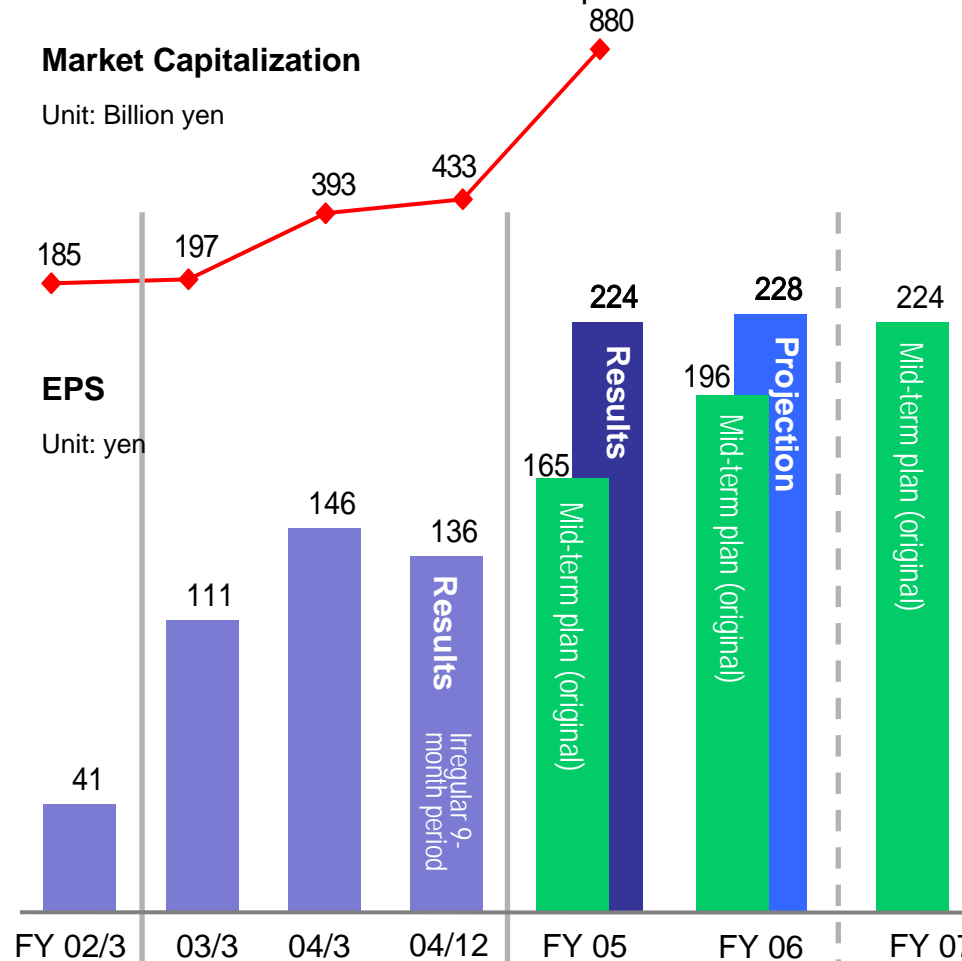


Maintaining ROE at a 16% level while increasing shareholders' equity and expanding EPS beyond mid-term plan targets to increase market capitalization

ROE and Shareholders' Equity



EPS and Market Capitalization



Notes: · The results for the fiscal year ended December 31, 2004 stated herein have been converted for the twelve-month period running from January 1 through December 31, 2004.
 · The figures in the mid-term plan were announced in January 2005.

Annual Cash Dividends

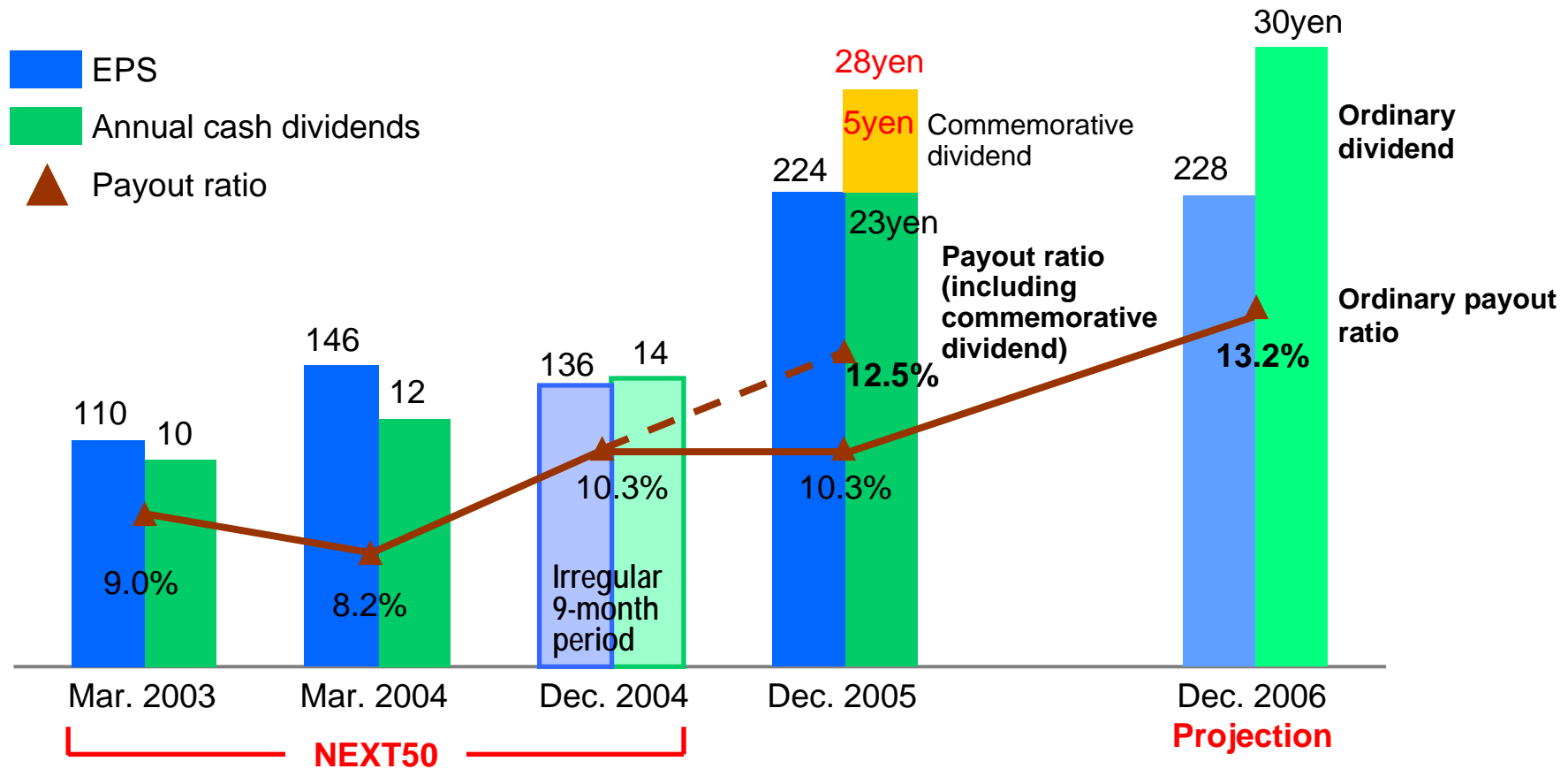


FY2005: 28 yen per share

Due to the increase in EPS and commemorative 50-year anniversary dividend (5 yen per share)

FY2006: 30 yen per share

Increase in both dividend amount and payout ratio



Notes: · The fiscal year ended December 31, 2004 is an irregular 9-month accounting period.

· The number of shares outstanding in EPS are results and forecasts at the fiscal year-end, provided only for convenience.

2. Medium-Term Management Plan

NEXT50 Phase II

2-3. Progress and Forecasts on Medium-Term Management Issues

**2-3-1. Motorcycle Business (Growing market:
ASEAN)**

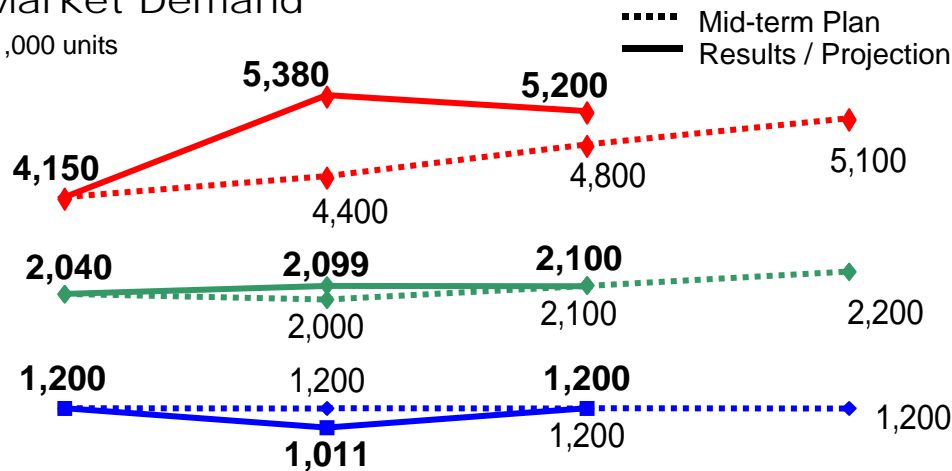
**2-3-2. Motorcycle Business
(Markets to build up: Brazil / India / China)**

Motorcycle Business (Growing market: ASEAN)



Market Demand

1,000 units



*MTP market demand (VIETNAM) includes 200 thousand China-made motorcycles per year. 2005 results and the 2006 projection do not include China-made motorcycles

Results and projections

Indonesia



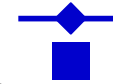
Both market demand and YAMAHA sales exceeded the MTP target in 2005. While market demand will not increase in 2006, due to rising interest rates, etc, YAMAHA is strengthening its top models, thus maintaining its sales expansion.

Thailand



Market demand remains stable in 2005 and 2006. YAMAHA strengthens its automatic models and other outstanding motorcycle products, and maintains its sales expansion.

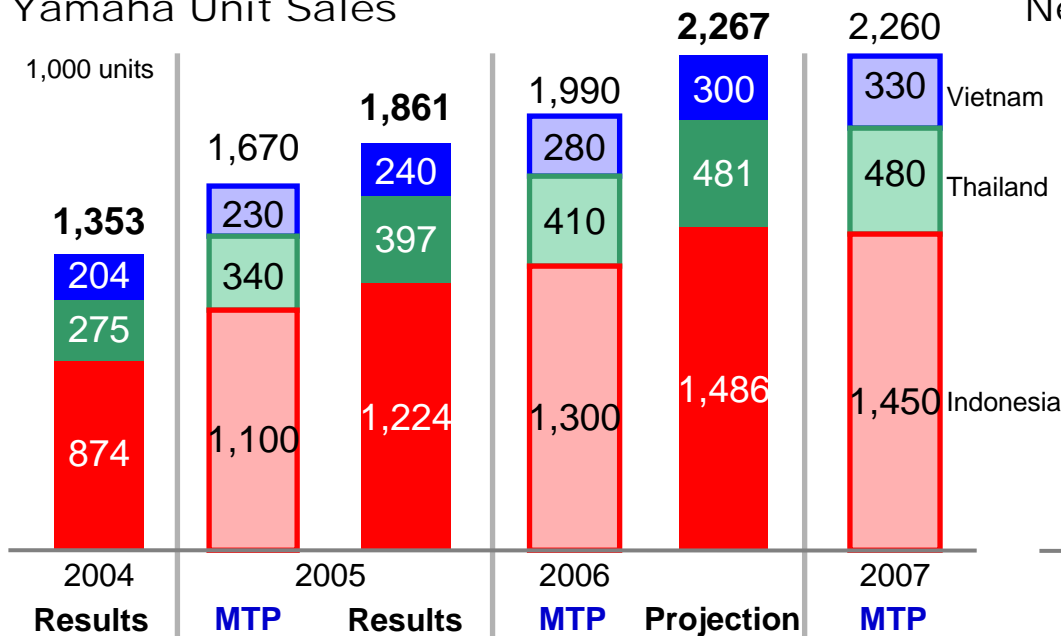
Vietnam



Market demand increase due to deregulation.

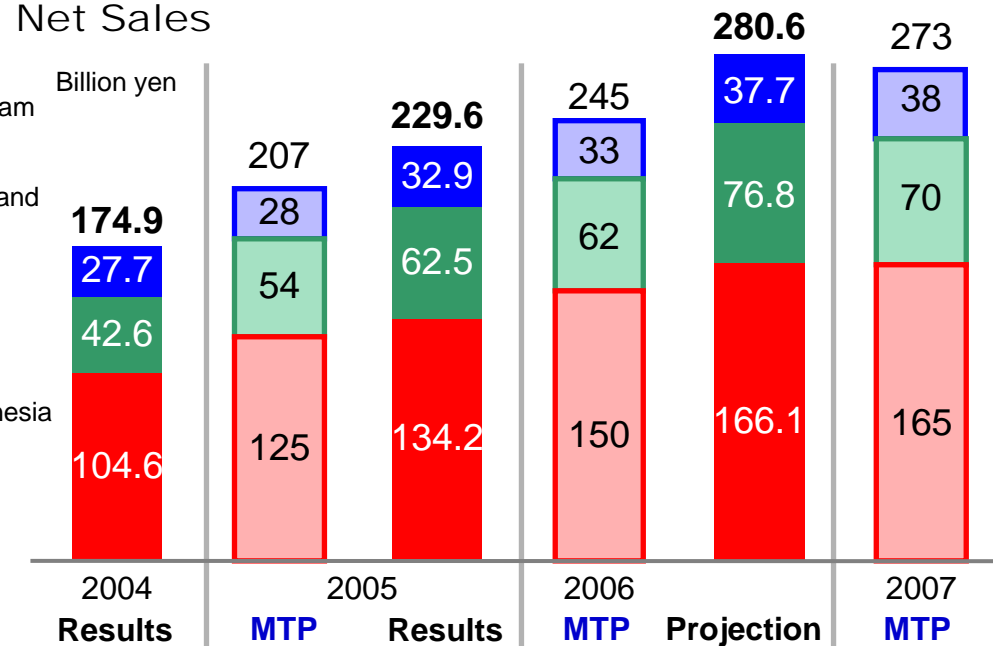
Yamaha Unit Sales

1,000 units



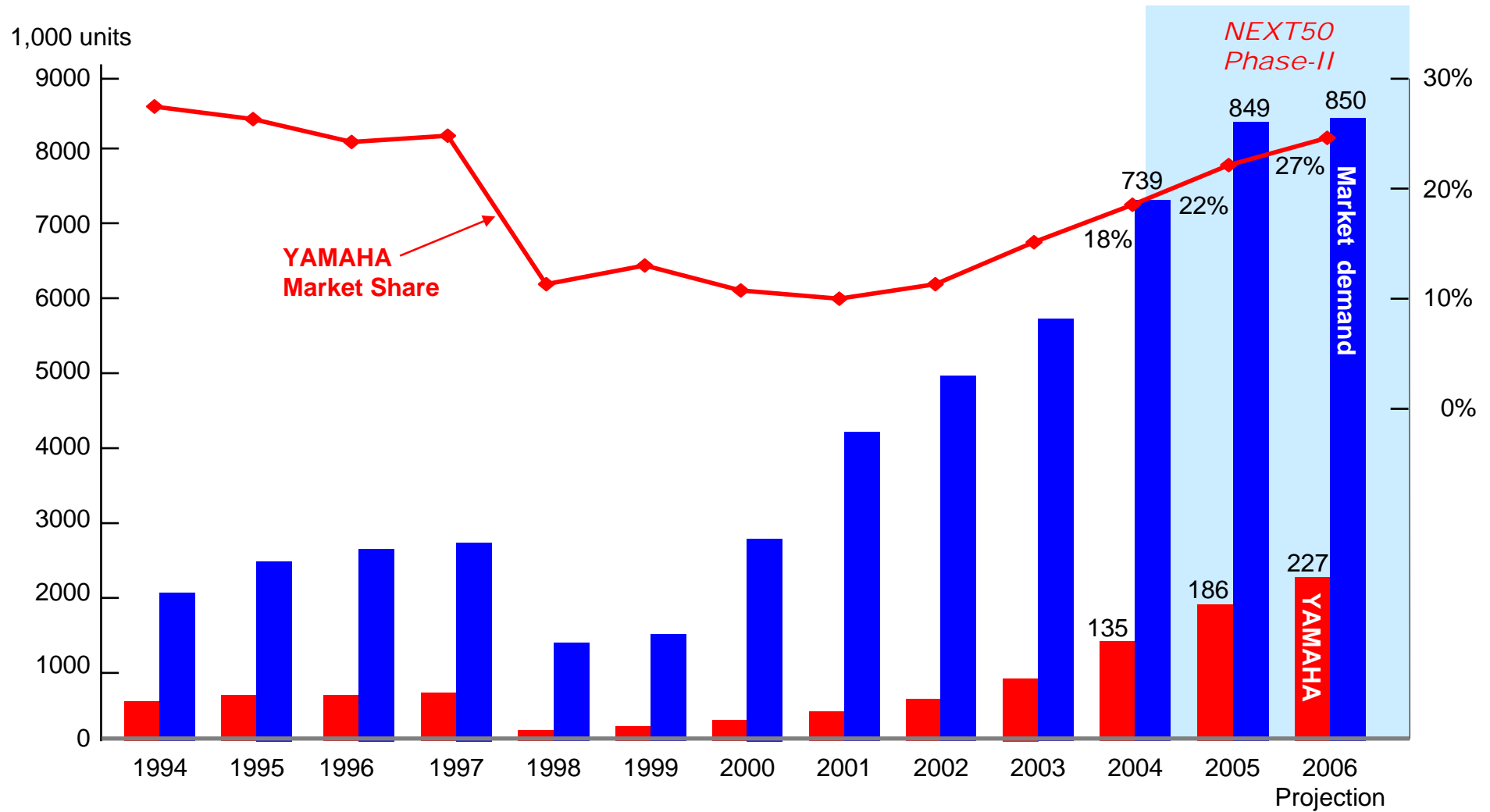
Net Sales

Billion yen



Note: The figures in the mid-term plan were announced in January 2005.

Total Demand and Yamaha Unit sales in Indonesia, Thailand and Vietnam

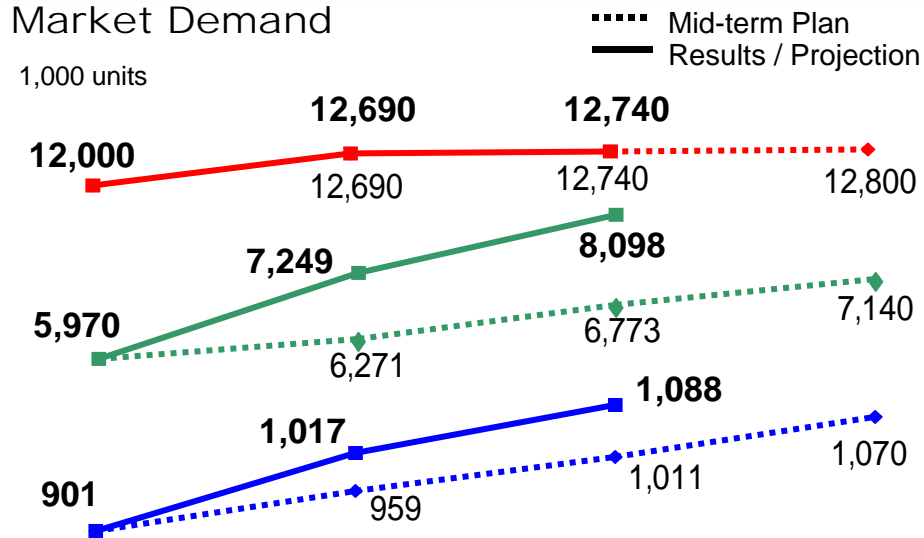


*Total for three key ASEAN countries: Indonesia, Thailand and Vietnam

Motorcycle Business (Markets to build up: Brazil / India / China)



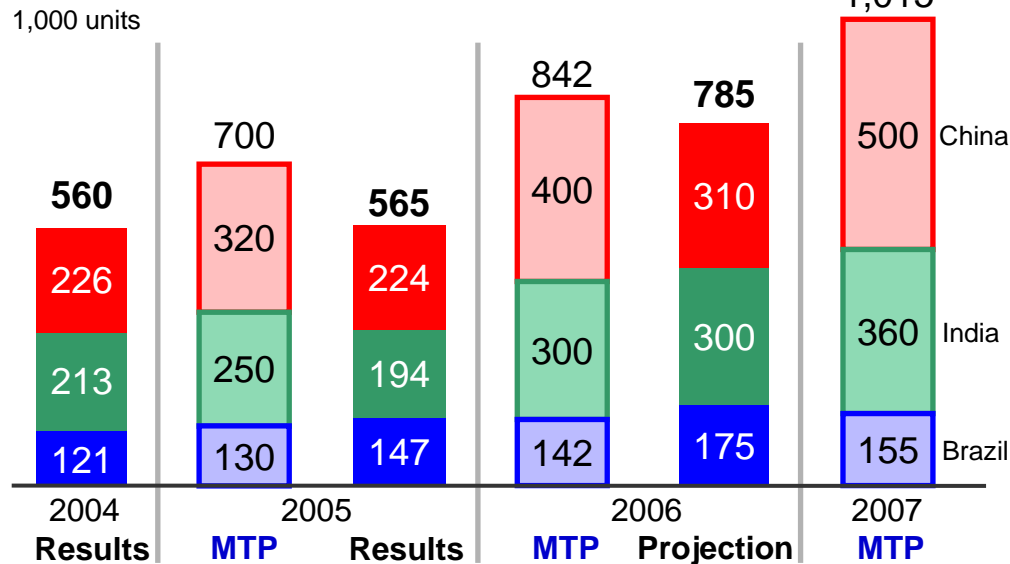
Market Demand



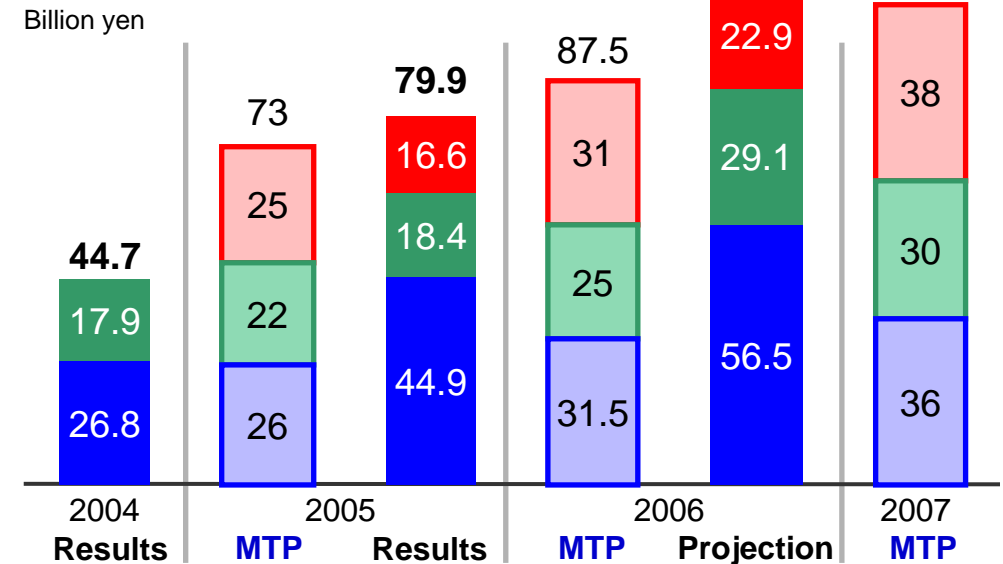
Results and projections

- China** (Red triangle icon): Unit and net sales will not achieve the targets in 2006. YAMAHA will recover sales to the target figures in 2007 by restructuring the sales network and introducing new models.
- India** (Green square icon): Market demand is expanding but YAMAHA could not keep pace in 2005. Business in India will catch up and meet the target in 2006 with the launch of YAMAHA owned shops and the introduction of new models.
- Brazil** (Blue diamond icon): Due to the favorable domestic market, YAMAHA aims to increase unit sales, already beyond the target in 2006.

Yamaha Unit Sales



Net Sales



Notes: · The figures in the mid-term plan were announced in January 2005.
· The Chinese sales company has been consolidated since December 2005.



Appendix

- **Reference Materials for Business Strategy**
 - **Motorcycle Business (Growing Markets, Mature Markets)**
 - **Outboard Motor Business**
 - **All-terrain Vehicle (ATV) Business including SSV category**
 - **IM (Intelligent Machinery) Business**
 - **New Business Domain: Biotechnology**
- **Segment information**
- **Capital Expenditure/Depreciation**
- **Per Capita GDP and Motorcycle Penetration Rate**
- **Business Portfolio in the Mid-Term**
- **Shareholders & Share Price**

ASEAN (1) Aggressively Launching New Models



Sporty 4-stroke models
2004 Jupiter-Z



**Popularizing and expanding
the automatic model line**
2004 New Nouvo



**New models incorporating
next-generation technologies**
T135 (introduced in Sep. 2005)

STYLISH SPORTY INNOVATIVE

Continuously expanding the 4-stroke basic model lineup, built on Yamaha's sporty concept

Popularizing and expanding the line of all-new, breakthrough products (automatic models)

Offering new value-added models featuring next-generation technologies

ASEAN (2) Strengthening the Brand Strategy and Sales Network



Yamaha Flag ship shop, Indonesia



Yamaha Square, Thailand



Yamaha Town, Vietnam

Creating distinctive Yamaha brand value

Establishing flagship shops in individual countries

Indonesia: Yamaha Flagship Shop

Thailand: Yamaha Square

Vietnam: Yamaha Town

Offering new lifestyles/fashions focused on youth, and added value to users

Expanding the existing sales network

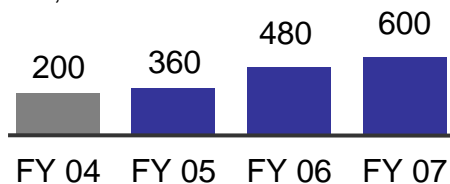
ASEAN (3) Phased Expansion of Production System to Grow Sales



No. 2 Indonesia plant and Vietnam parts casting plant to commence operations in 2006

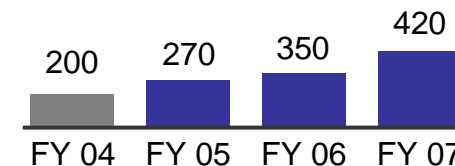
Thailand

Unit: 1,000 units



Vietnam

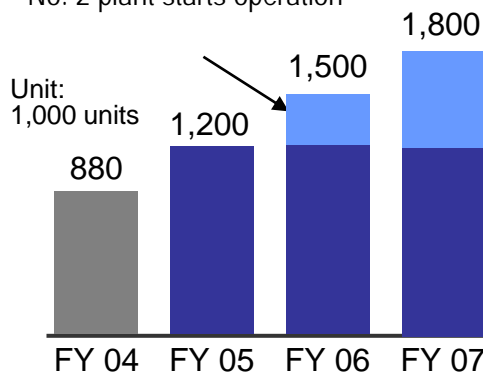
Unit: 1,000 units



Indonesia

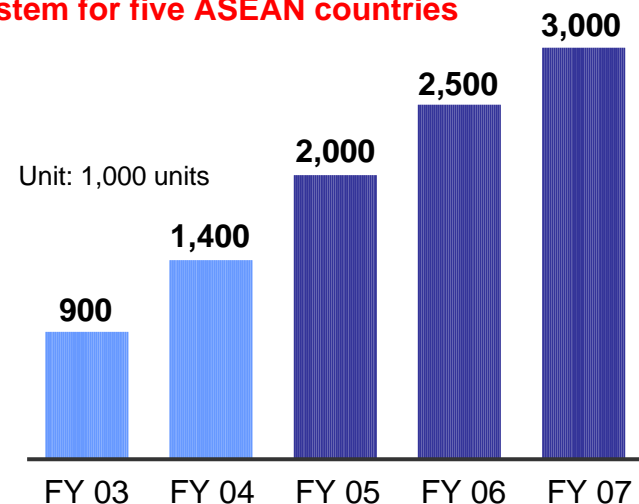
No. 2 plant starts operation

Unit: 1,000 units



Increase of approx. 1.6 million units from FY 2004 to 2007

Establishing 3-million-unit production system for five ASEAN countries



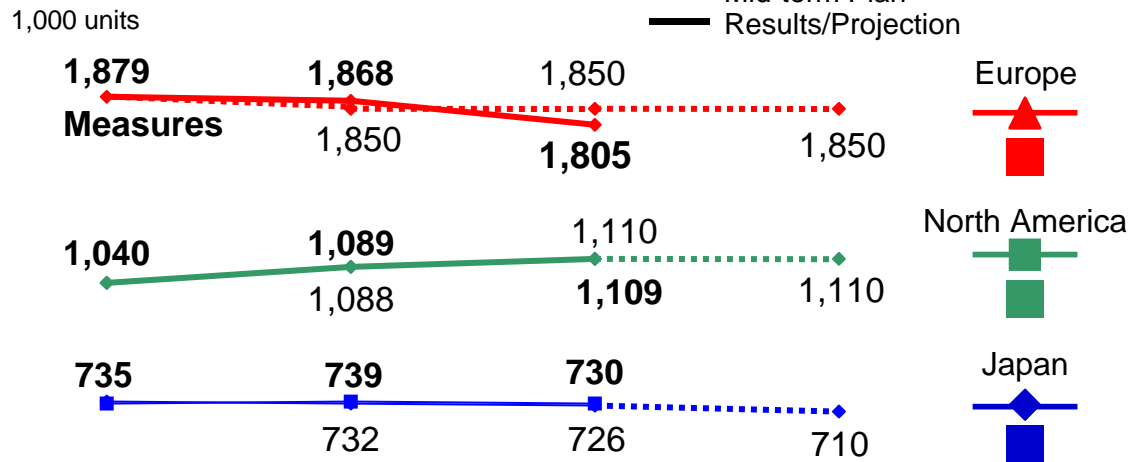
Notes:

- Fiscal years ending Dec. 31, except for FY 03, which ended Mar. 31.
- The above figures include units produced for export.

Motorcycle Business (Mature Markets: Japan, North America, Europe)



Market Demand

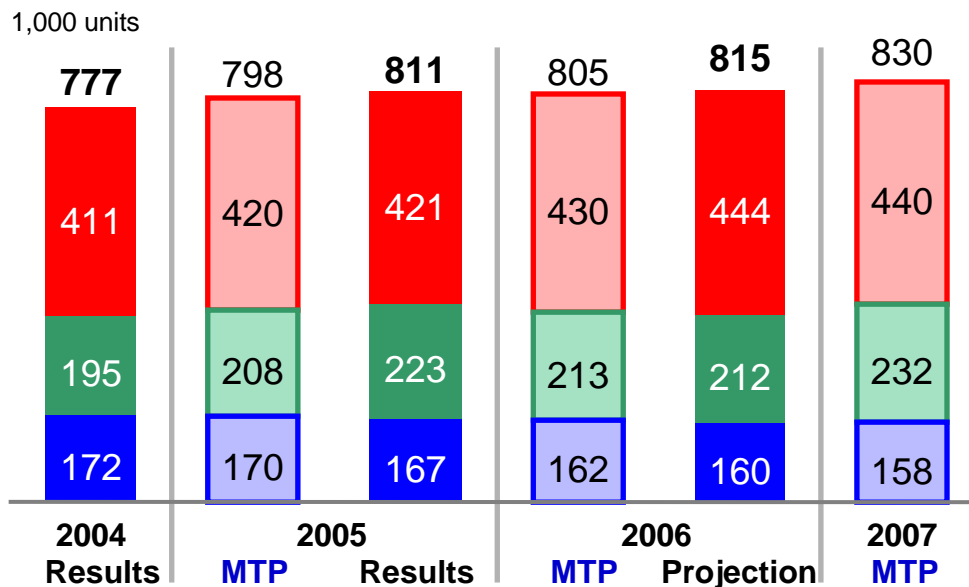


Goal of Mid-term Plan

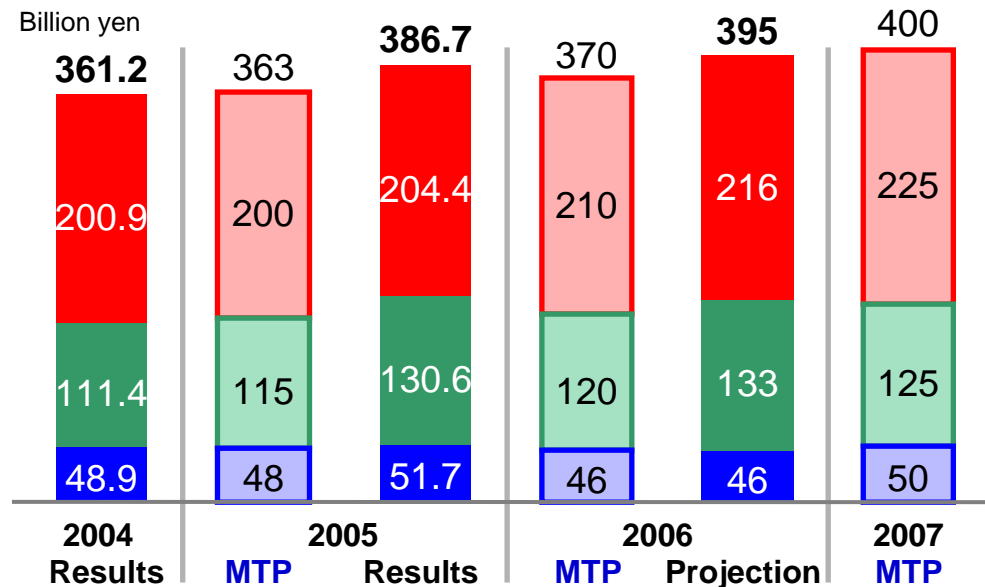
Improving profitability through the implementation of a brand strategy (value differentiation)

- 1) Continuously introducing value-added, large models in mature markets (Japan: Big scooters; North America: STAR series; Europe: MT series)
- 2) High-value-added marketing (Creating *Yamaha World*)
- 3) Reducing costs by continuously promoting the SyS system

Yamaha Motor Unit Sales



Net Sales



Notes: · The results for the fiscal year ended December 31, 2004 stated herein have been converted for the twelve-month period running from January 1 through December 31, 2004.
· Mid-term plan figures were announced in January 2005.

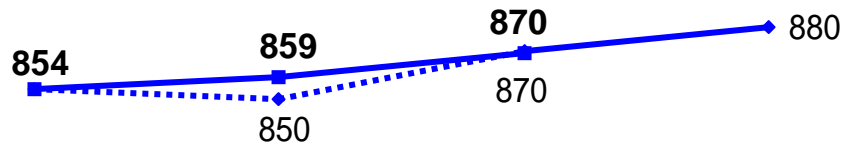
Outboard Motor Business



Market Demand

1,000 units

..... Mid-term Plan
 — Results/Projection



Goal of Mid-term Plan

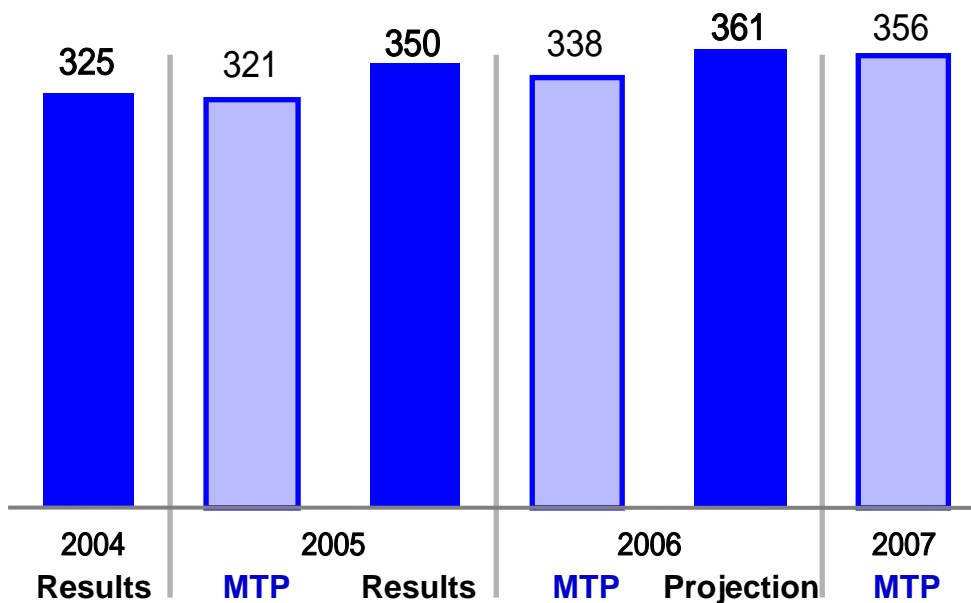
Maintain our leading position worldwide and current high profitability structure

Toward becoming a comprehensive marine product company



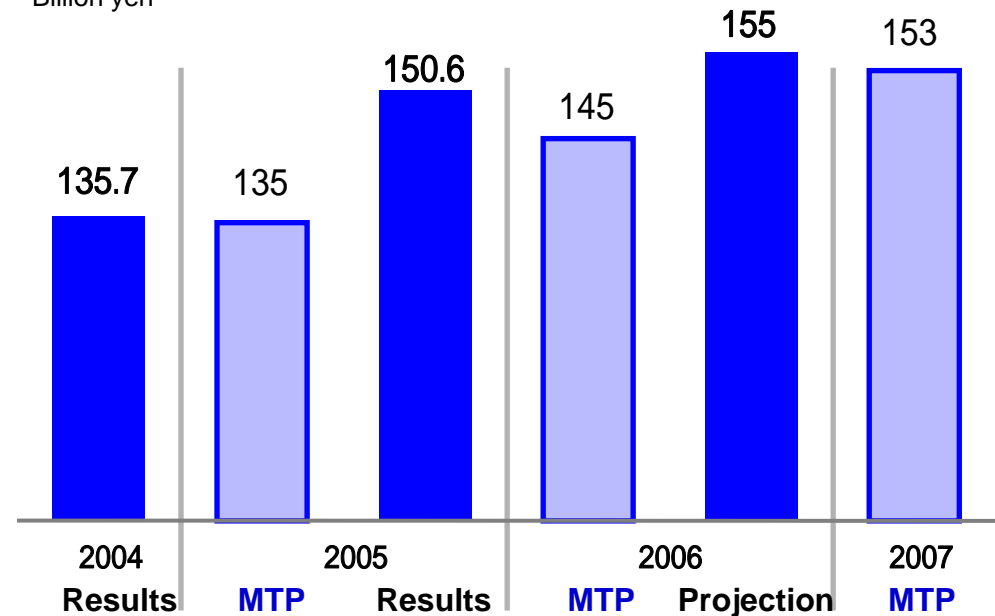
Yamaha Motor Unit Sales

1,000 units



Net Sales

Billion yen



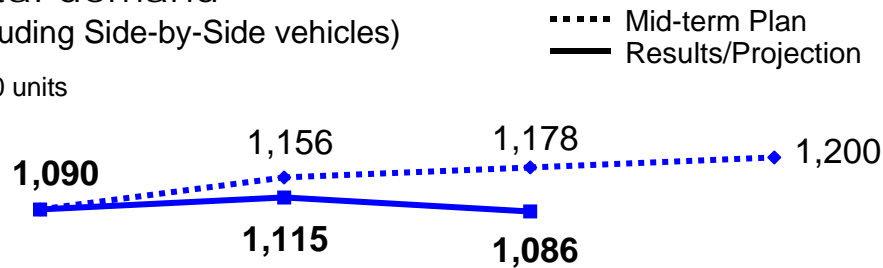
Notes: • The results for the fiscal year ended December 31, 2004 stated herein have been converted for the twelve-month period running from January 1 through December 31, 2004.
 • Mid-term plan figures were announced in January 2005.

All-Terrain Vehicle (ATV) Business including SSV category



Total demand
(including Side-by-Side vehicles)

1,000 units



Goal of Mid-term Plan

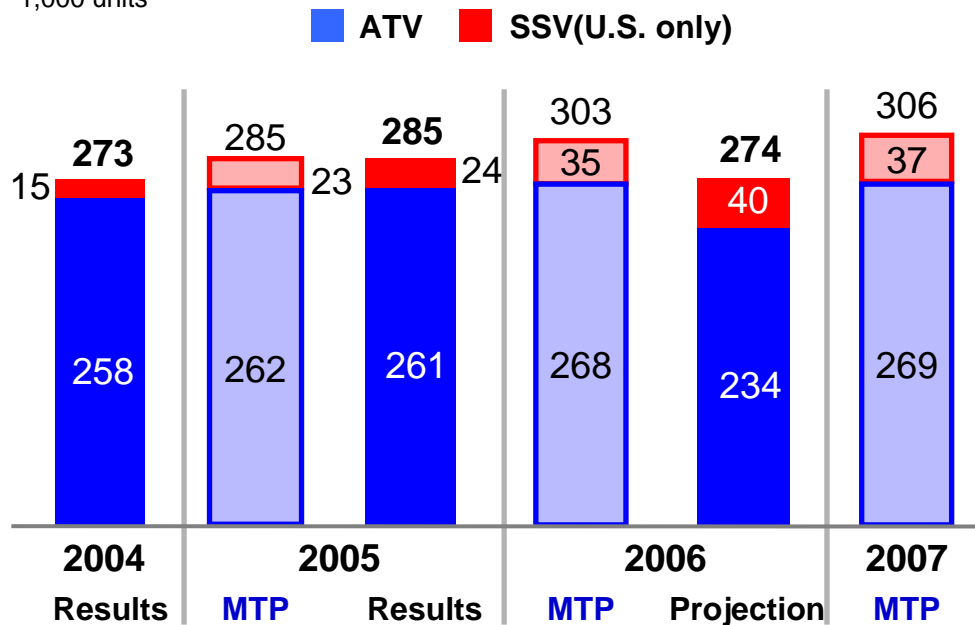
Improve profitability in mature markets and develop a new business domain (development of "Rhino World")



Rhino 660

Yamaha Motor Unit Sales

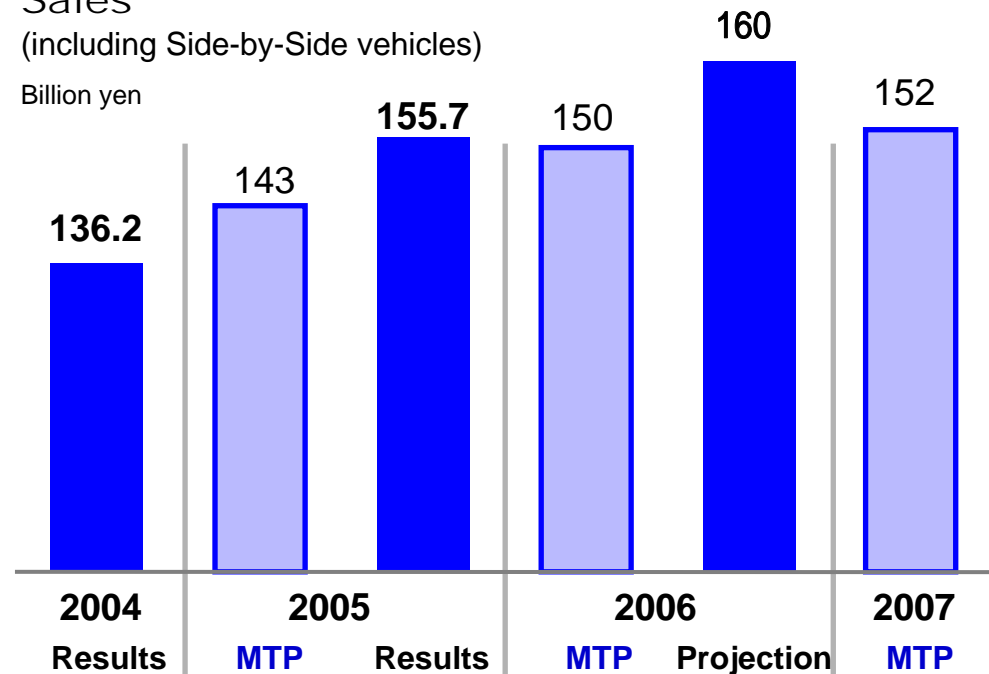
1,000 units



Sales

(including Side-by-Side vehicles)

Billion yen



- Notes:
- The results for the fiscal year ended December 31, 2004 stated herein have been converted for the twelve-month period running from January 1 through December 31, 2004.
 - Mid-term plan figures were announced in January 2005.
 - SSV is an acronym for Side-by-Side Vehicle, a category related to, but different from, the ATV. The Yamaha Rhino is emblematic of the SSV category.

Establishing a New Product Category (SSV Category)



Development of "Rhino World"



Rhino 660



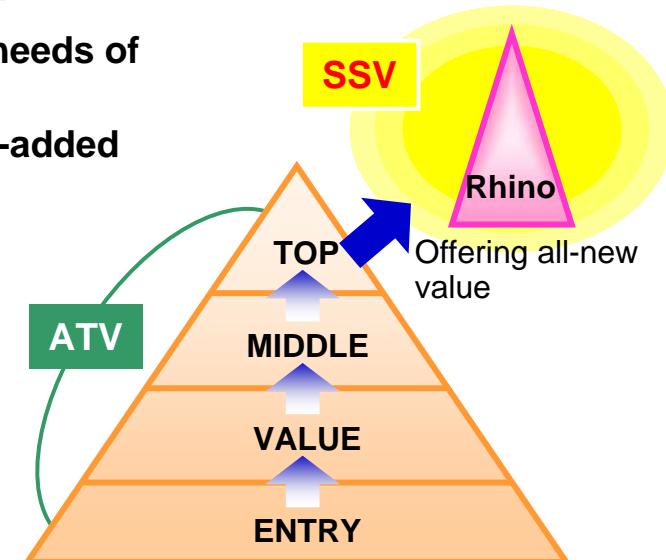
Rhino 450

Offering new value to meet the higher needs of existing ATV users

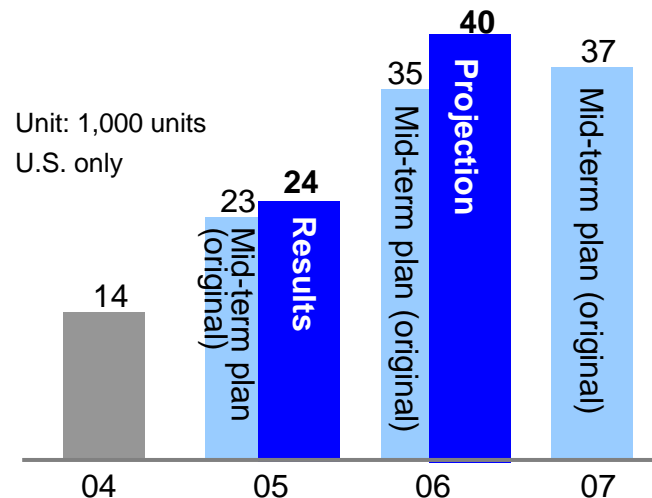
Aggressively strengthening high-value-added category product appeal

- Expansion of product lineup
- Development of accessories business
- Strengthening product appeal based on core technologies

Establishing a new, more profitable product category



Hierarchical structure of existing ATV users and migration of customer segment to SSVs



Notes:

- The results for the fiscal year ended December 31, 2004 stated herein have been converted for the twelve-month period running from January 1 through December 31, 2004.
- Mid-term plan figures were announced in January 2005.
- SSV is an acronym for Side-by-Side Vehicle, a category related to, but different from, the ATV. The Yamaha Rhino is emblematic of the SSV category.

IM (Intelligent Machinery) Business



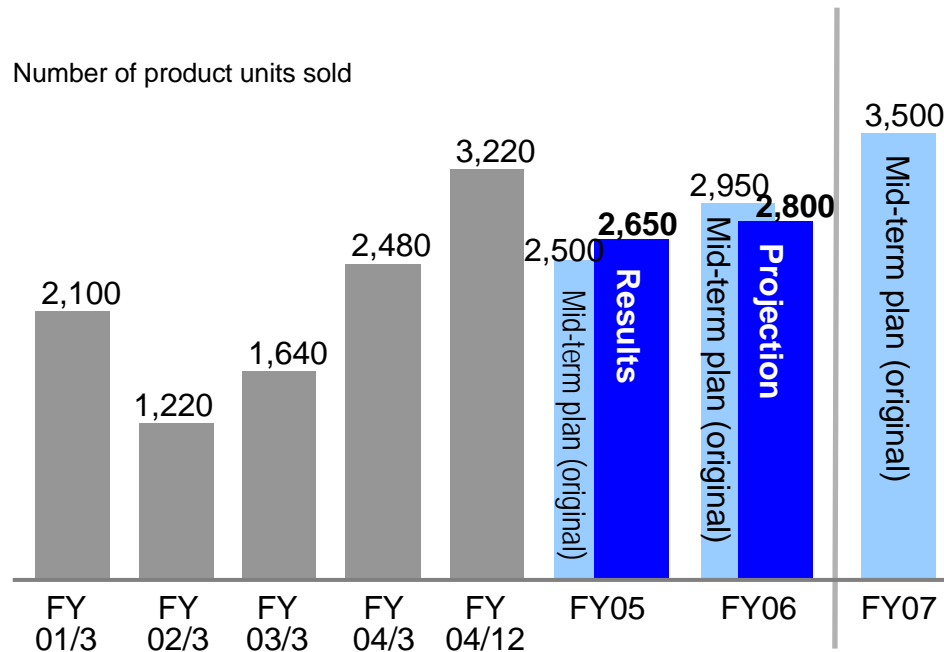
Goal: Maintain current high profitability and expand the business

Main Measures

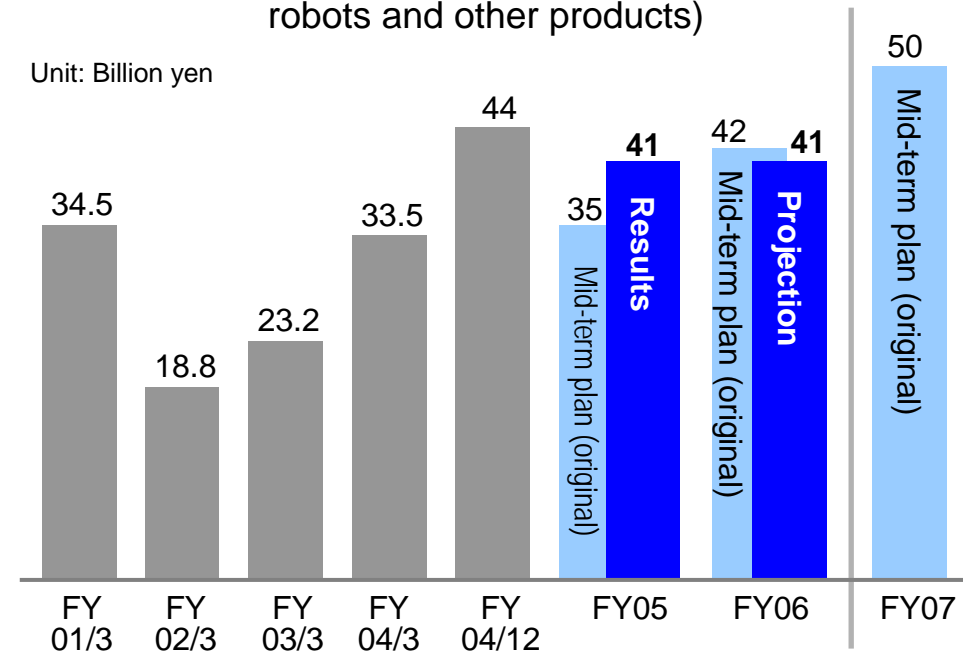
- 1) Exploiting a new market by developing high-speed modular models
- 2) Strengthening the solutions business to help customers realize higher production efficiency
- 3) Strengthening the performance of existing mainstay models while reducing their cost



Yamaha unit sales
(surface mounters only)

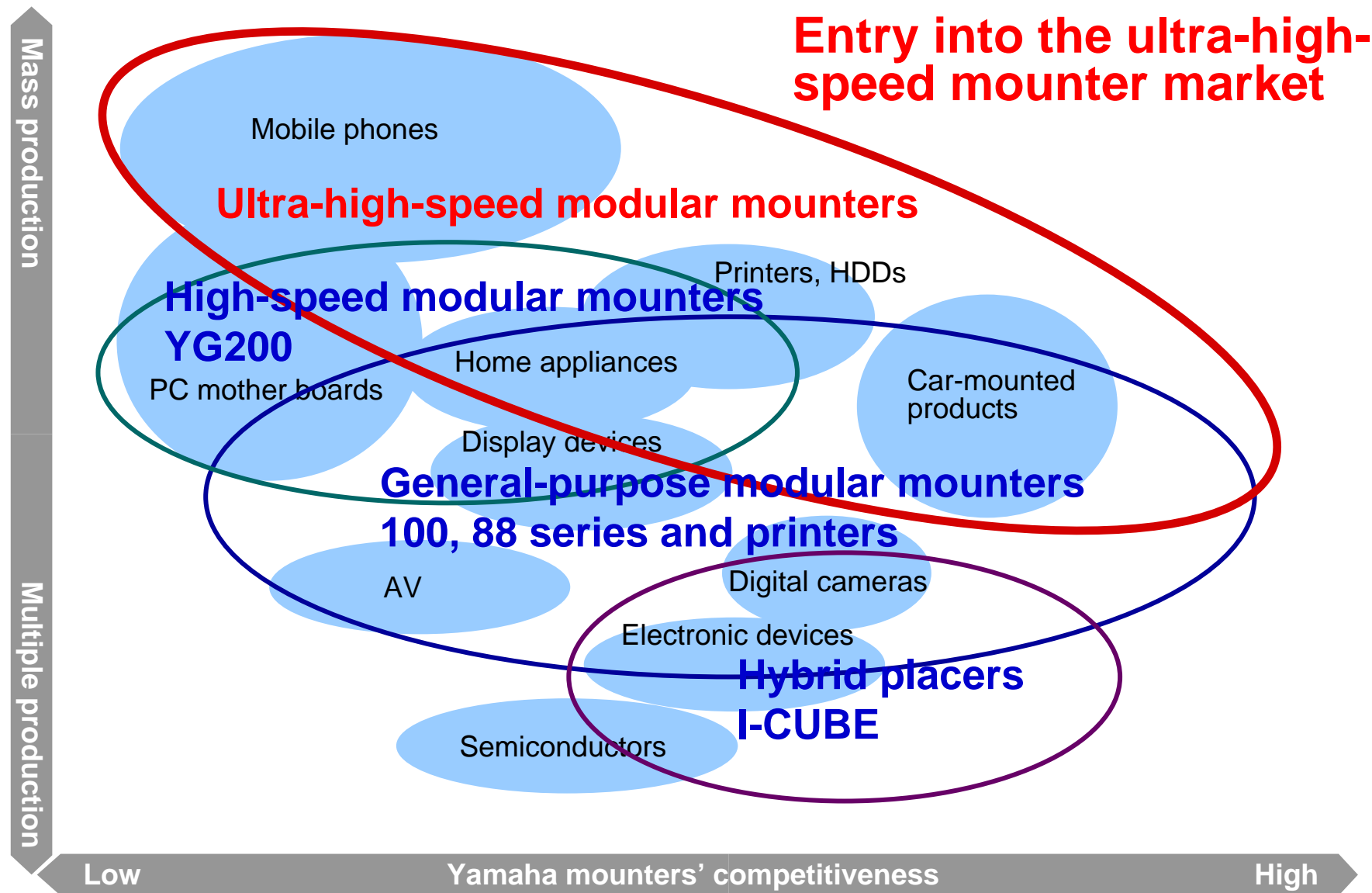


Sales
(entire IM business, including robots and other products)



Note: The results for the fiscal year ended December 31, 2004 stated herein have been converted for the twelve-month period running from January 1 through December 31, 2004.

Surface Mounter Product Segments vs. Markets



New Business Domain: Biotechnology

Constructing a research center and promoting the biotechnology business toward achieving annual sales of 30 billion yen in ten years



Yamaha High-efficiency Bio Reactor a photosynthesis device developed for low-cost mass cultivation of microalgae



Extract of astaxanthin

Functional materials useful in areas including agriculture, food, cosmetics, and health and medical science

Rare marine feed

Algae cultivation technology

Aqua-environment control technology

Water purification technology

Sales in 10 years
30 billion yen



Life Science Laboratory
(Fukuroi City, Shizuoka Prefecture, Japan)

Segment information

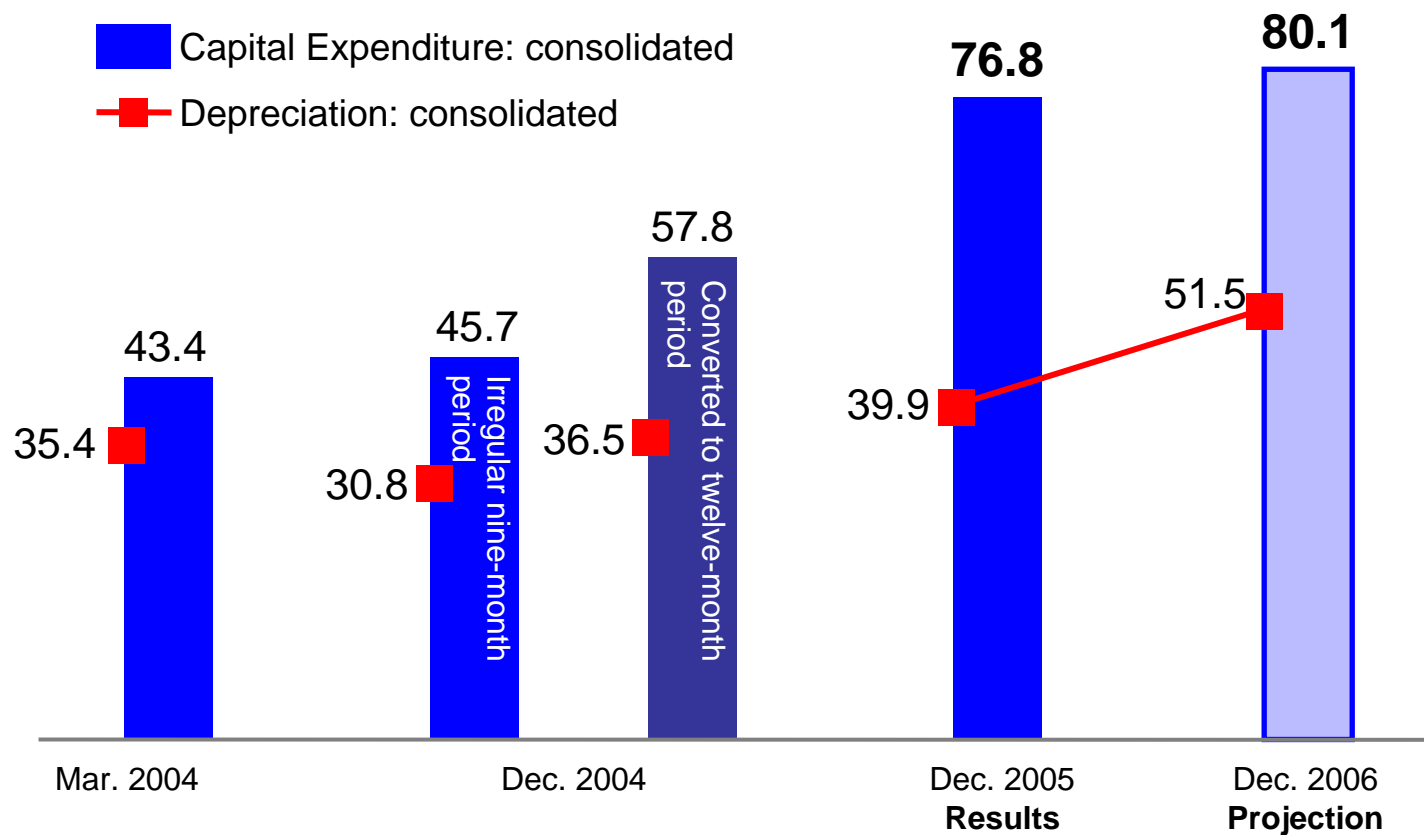


		12-month Conversion						Announced in Jan. 2005
		Results 2002.3	Results 2003.3	Results 2004.3	Results 2004.12	Results 2005.12	Budget 2006.12	
								M.T.P 2007.12
Motorcycles	Net sales	496	530	536	637	760	830	820
	Op. income	10	20	22	26	33	41	51
	Op. income %	2.0%	3.8%	4.0%	4.1%	4.4%	4.9%	6.2%
Marine products	Net sales	188	212	210	227	250	252	250
	Op. income	3	15	16	20	25	27	23
	Op. income %	1.4%	7.3%	7.8%	8.9%	9.9%	10.7%	9.2%
Power products	Net sales	183	191	182	198	227	234	230
	Op. income	20	26	25	27	27	30	27
	Op. income %	11.1%	13.5%	13.8%	13.5%	11.8%	12.8%	11.5%
Others	Net sales	79	81	93	115	138	134	150
	Op. income	4	6	10	16	19	17	20
	Op. income %	5.3%	8.0%	10.9%	13.9%	13.4%	12.7%	13.0%
Total	Net sales	947	1,013	1,020	1,177	1,375	1,450	1,450
	Op. income	37	68	73	89	103	115	120
	Op. income %	3.9%	6.7%	7.2%	7.5%	7.5%	7.9%	8.3%
Exchange rate	US\$	121	123	114	108	107	112	105
	EURO	108	117	128	132	136	136	128
Motorcycles + ATV (including SSV)	Net sales	614	660	659	774	915	990	972
	Op. income	28	44	43	49	56	66	73
	Op. income %	4.5%	6.7%	6.6%	6.3%	6.1%	6.7%	7.5%

Capital Expenditure/Depreciation



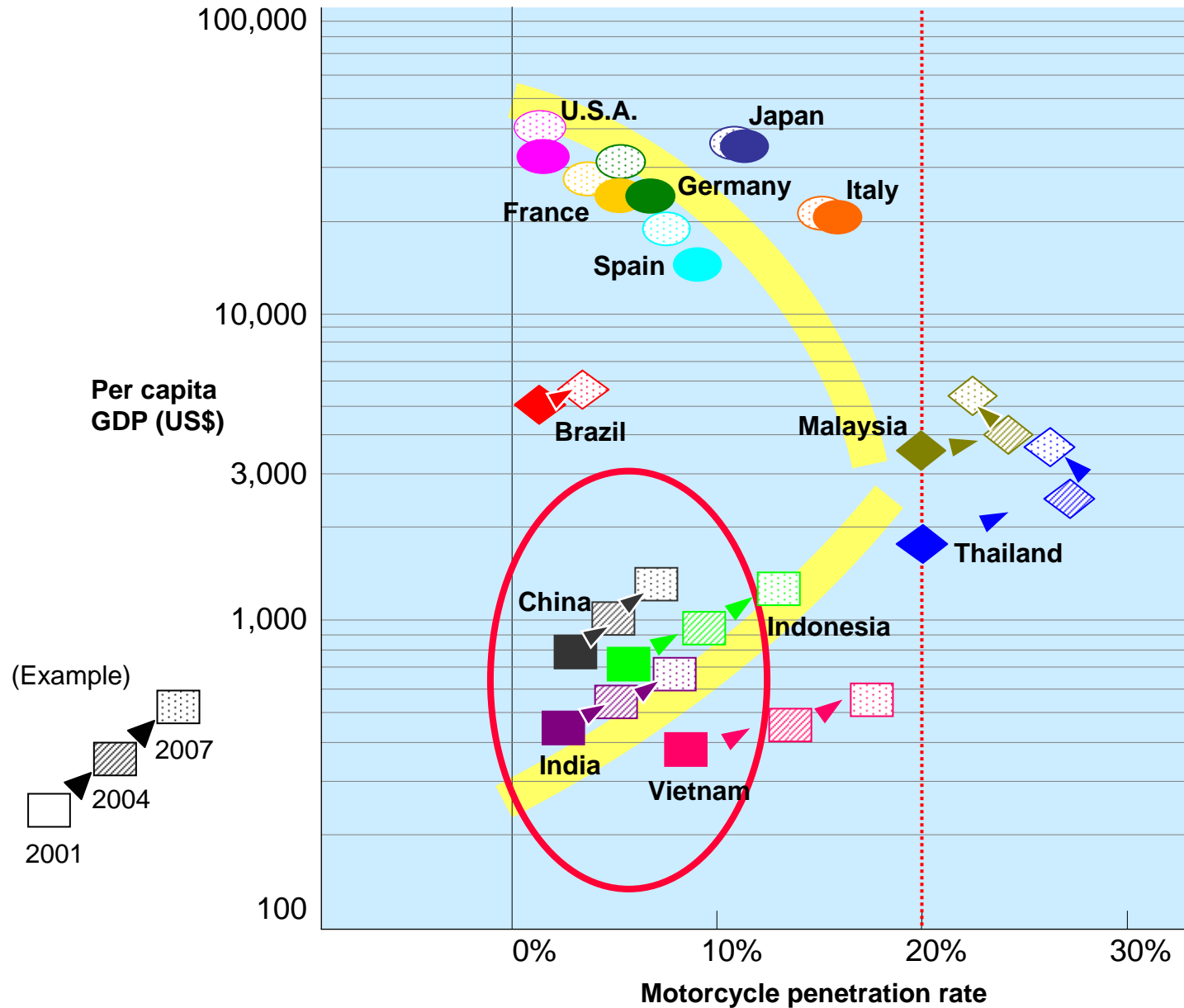
Billion Yen



Per Capita GDP and Motorcycle Penetration Rate

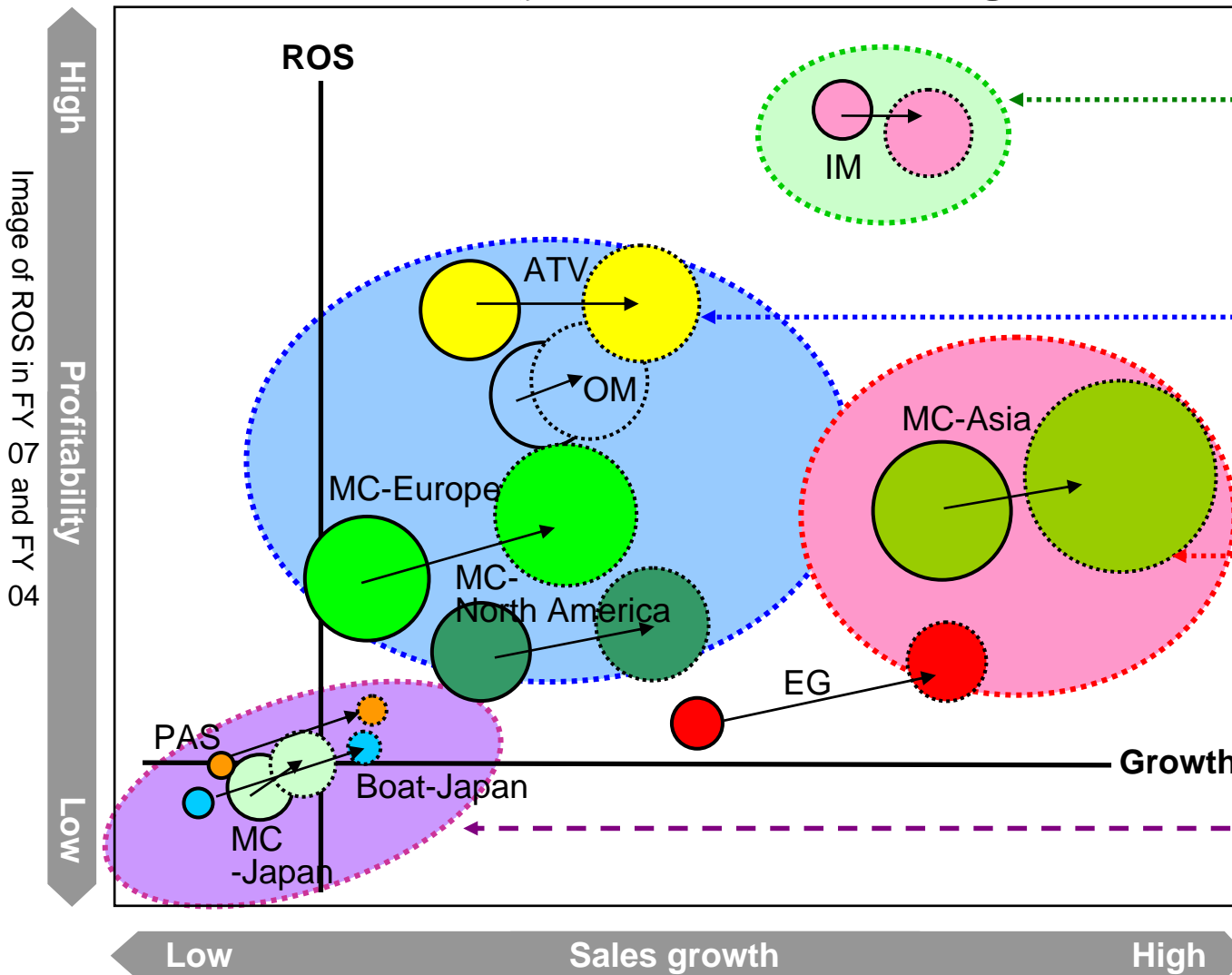


Per capita GDP vs. motorcycle penetration rate in different countries



Business Portfolio in the New Mid-Term (Conceptual Image)

○ Presumed position in FY 07 ○ Position in FY 04 * Size of circle represents sales scale.



Businesses with continuing high profitability, where expansion is being promoted
Aiming for continuous improvement of both profitability and cash flows

Businesses aiming for higher profitability
Creating value that differentiates Yamaha, raises the Company's position in the market, brings stable profitability and cash flows, and makes these businesses the backbone of corporate growth

Businesses maximizing opportunities for growth
Maximizing opportunities for growth, while closely observing the relationship between changes in the business environment and investment risks

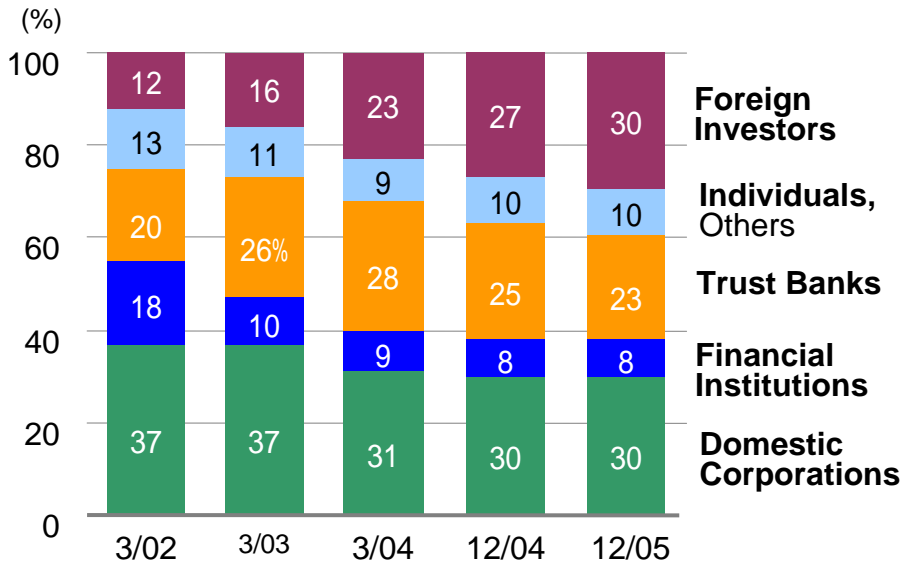
Businesses aiming to stabilize their foundations
Improving profitability

Note:
• Business abbreviations:
MC: Motorcycle, OM: Outboard Motor, PAS: Electro-hybrid bicycle, ATV: All-terrain vehicle (including SSV), EG: Automotive engine, IM: Intelligent machinery

Shareholders & Share Price



Shareholders % by Category



Principal Shareholders (%)

■ Yamaha Corporation	22.59
■ The Master Trust Bank of Japan, Ltd. (Trust Account)	5.95
■ Japan Trustee Services Bank, Ltd. (Trust Account)	4.74
■ Toyota Motor Corporation	4.37
■ Mizuho Trust & Banking Co., Ltd. (Employee Retirement Benefit Trust, Mizuho Bank Account)	3.83
■ The Shizuoka Bank, Ltd.	2.03
■ HSBC Fund Services, Sparx Asset Management Co., Ltd.	1.88
■ Nomura Securities Co., Ltd.	1.58
■ State Street Bank and Trust Company	1.54
■ HSBC Fund Services, Sparx Asset Management Ltd.-US Client	1.46

Stock Price: Yamaha Motor

