

## **Consolidated Financial Results for the Fiscal Year Ended March 31, 2004**

**Name of registrant:** Yamaha Motor Co., Ltd.  
**Code No:** 7272  
**Securities traded:** Tokyo Stock Exchange First Section  
**Headquarters:** Shizuoka, Japan  
(URL <http://www.yamaha-motor.co.jp/global/profile/ir/index.html>)  
**Representative:** Toru Hasegawa, President and Representative Director  
**Contact:** Yutaka Kume, General Manager  
Accounting & Finance Division  
**Date of the meeting of the Board of  
Directors for account settlement:** April 28, 2004  
**Status of US GAAP:** Not adopted

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## I. Financial Summary

(Year ended March 31)

### 1) Operating Performance

	Millions of yen		% change
	2004	2003	2004/2003
Net sales	<b>¥1,020,266</b>	¥1,013,155	0.7%
Operating income	<b>73,128</b>	67,678	8.1
Recurring profit	<b>72,297</b>	67,244	7.5
Net income	<b>40,124</b>	25,555	57.0
	Yen		
<i>Per share amounts:</i>			
Net income	<b>¥157.67</b>	¥110.04	
Net income, diluted	<b>140.26</b>	89.29	
	Percent		
Net income to shareholders' equity	<b>18.7%</b>	14.9%	
Recurring profit to total assets	<b>10.3</b>	9.6	
Recurring profit to net sales	<b>7.1</b>	6.6	

*Notes:*

1. *Equity in earnings (losses) of affiliates:*

Millions of Yen	
2004	2003
¥2,212	¥(244)

2. *Average number of shares outstanding during the period (consolidated):*

Shares	
2004	2003
253,523,815	231,009,212

3. *Change in financial accounting method: No applicable item*

4. *Percentages of net sales, operating income, recurring profit and net income represent annual changes compared with the corresponding previous year.*

5. *Amounts less than ¥1 million are omitted.*

### 2) Financial Position

	Millions of yen	
	2004	2003
Total assets	<b>¥701,923</b>	¥699,087
Shareholders' equity	<b>249,406</b>	180,151
	Percent	
Shareholders' equity to total assets	<b>35.5%</b>	25.8%
	Yen	
Shareholders' equity per share	<b>¥908.33</b>	¥779.68

Note:

Number of shares outstanding at financial year-end:

<i>Shares</i>	
<u>2004</u>	<u>2003</u>
274,409,971	230,885,843

### 3) Cash Flows

	<i>Millions of yen</i>	
	<u>2004</u>	<u>2003</u>
Net cash provided by operating activities	<b>¥88,209</b>	¥84,223
Net cash used in investing activities	<b>(34,261)</b>	(39,430)
Net cash used in financing activities	<b>(40,805)</b>	(57,611)
Cash and cash equivalents at end of year	<b>35,193</b>	23,839

### 4) Scope of Consolidation

Number of consolidated subsidiaries	<b>97</b>
Number of non-consolidated subsidiaries accounted for by the equity method	<b>14</b>
Number of affiliates accounted for by the equity method	<b>27</b>

### 5) Change in Consolidation During the Year

Number of newly consolidated subsidiaries	<b>1</b>
Number of companies excluded from consolidation	<b>3</b>
Number of subsidiaries and affiliates newly accounted for by the equity method	<b>5</b>
Number of companies excluded from equity method accounting	<b>1</b>

## Forecast Consolidated Results for Fiscal Year Ending December 31 2004

	Millions of yen	
	First half-year ending September 30, 2004	Fiscal year ending December 31, 2004
Net sales	¥551,000	¥920,000
Recurring profit	34,000	57,000
Net income	18,000	30,000
	Yen	
Net income per share	—	¥109.33

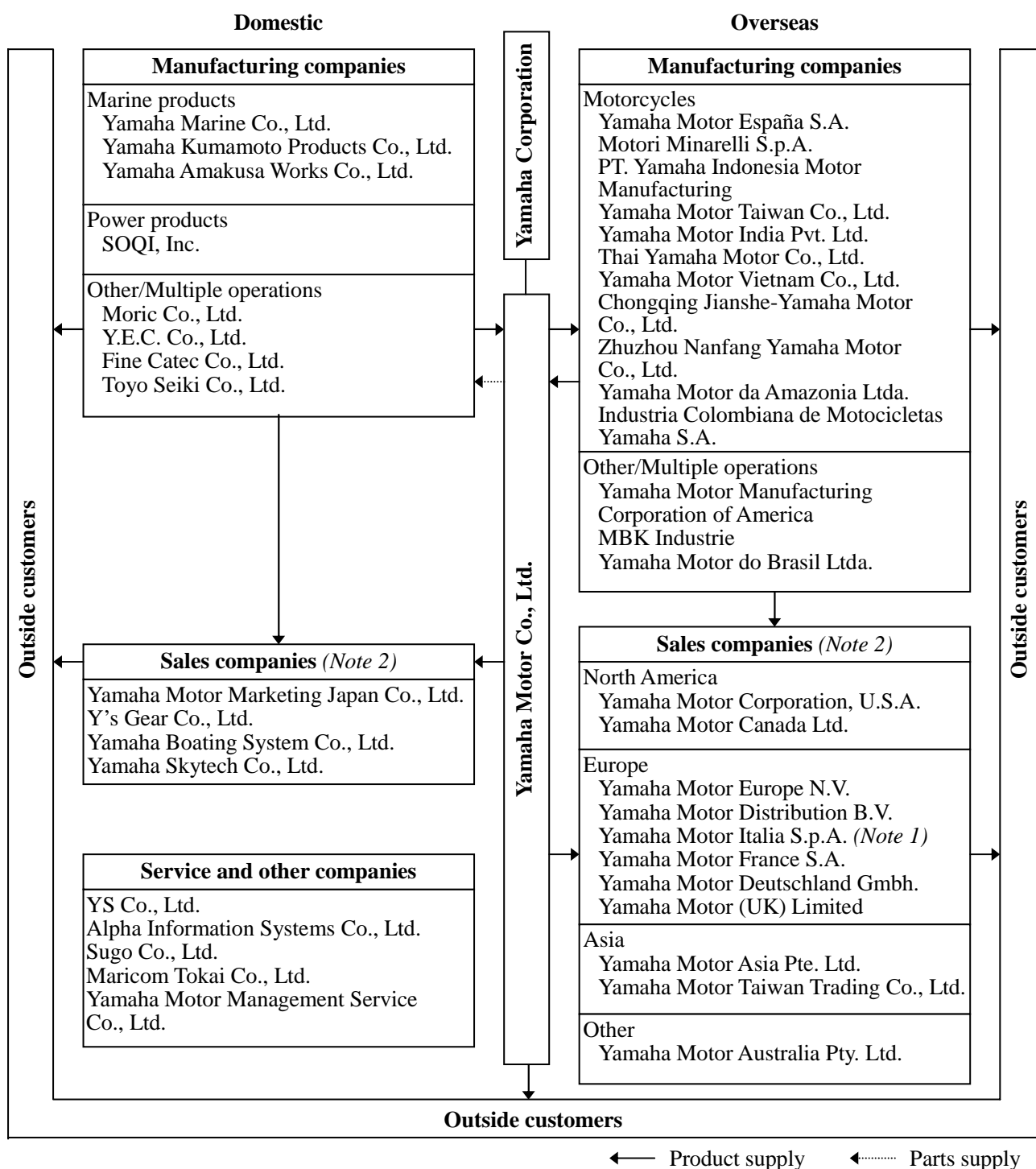
*\*In the fiscal year ending December 31, 2004, the Company plans to adopt an irregular nine-month accounting period, due to a change in the annual closing date from March 31 to December 31.*

*The forecast consolidated results for the fiscal year ending December 31, 2004 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 these forward-looking statements.*

*Please refer to the "Forecast Consolidated Results for the Fiscal Year Ending December 31, 2004" on page 12 for further information on forecast performance.*

## II. Overview of Group Companies

The Yamaha Motor Group is comprised of Yamaha Motor Co., Ltd. (the Company) and its 157 associated companies (117 subsidiaries, 39 affiliates and one related company, as of March 31, 2004) in Japan and overseas. The Group is mainly engaged in the manufacture and sale of small vehicles, internal-combustion engines, boats, aircraft equipment, other transportation equipment, general machinery, electrical equipment, and related accessories, as well as the management of leisure and recreation facilities. These business operations are divided into four segments — motorcycles, marine products, power products, and other products — based on similarities of product type and target market, among other characteristics. The positioning of the Company and major associated companies within the Group, as well as their respective business segment relationships, are as follows.



*Notes:*

- 1. Belgarda S.p.A. changed its name to Yamaha Motor Italia S.p.A.*
- 2. Sales companies are engaged in the marketing of products related to more than one business segment.*
- 3. No consolidated subsidiary in the Group is listed on any domestic stock exchange.*

## **III. Management Policies**

### **1) Basic management policies**

Based on the corporate mission, “We Create *Kando* — Touching Your Heart,” the Company works together with other Group companies around the world to conduct a diversity of business activities. The Yamaha Motor Group is committed to helping people realize their dreams by maximizing ingenuity and enthusiasm, and to bringing a higher level of satisfaction and enrichment to customers’ lives. Thus, Yamaha Motor aims to become a company of value that people can always expect to bring *kando* — touching their hearts — to the next stage.

To achieve its corporate mission, the Company is committed to three management principles: (1) surpassing customer expectations; (2) establishing a corporate environment that fosters self-esteem; and (3) fulfilling social responsibilities globally.

The Company has also launched a corporate branding strategy in order to achieve corporate objectives, help implement structural reform and promote growth. As the strategy’s slogan — “Touching Your Heart” — indicates, the Company aims to differentiate itself from the competition by delivering a unique and exciting style of fun to its customers.

### **2) Basic policies regarding profit-sharing**

The Company considers shareholder profit one of its most important management priorities, and pursues its global operations with an eye toward enhancing corporate value.

The Company places top priority on the steady payment of cash dividends, striving to continuously provide high dividends to shareholders, while examining consolidated business performance trends from a medium- and long-term perspective.

Company policy calls for utilizing internal reserves to solidify its financial foundation, and to invest in equipment, facilities, and medium- and long-term research and development activities, in order to enhance future business performance.

The Company plans to pay cash dividends of ¥12 per share for fiscal 2004, up ¥2 from the previous year, which includes an interim dividend paid in December 2003, and a year-end dividend of ¥7.

### **3) Basic corporate governance policies and measures to enhance corporate governance**

The Company plans to release details concerning its governance approach as a supplemental document for its fiscal 2004 results, in early June.

## **4) Key Priorities the Company Must Address**

Business conditions surrounding the Company will remain unpredictable, reflecting uncertainty concerning the U.S. economy due to problems in Iraq and the appreciating yen, although economic recovery is expected in Japan.

Against this backdrop, the Company has been working hard to quickly create a solid management foundation capable of withstanding the appreciation of the yen, by implementing global strategies and establishing a profit-generating structure.

In the next fiscal term, ending December 31, 2004 — the final year of the NEXT 50 plan — the Company will strive to completely resolve key medium-term management issues, while implementing a companywide CCS 21 campaign designed to attain prosperity for both people and the business by linking management and employees in a dynamic web of communication.

### **1. Improving profitability**

The Company will make an all-out effort to create systems that keep mainstay products at a competitive advantage in its core businesses, including motorcycles, outboard motors, ATVs, and IM (industrial robots), while achieving far-reaching cost reductions and returning low profitability businesses to the black.

### **2. Further growing the motorcycle business in Asia**

The Company will strive to launch new products, strengthen the sales network, and expand sales through a branding campaign in ASEAN countries. The Company also will work hard to restructure the motorcycle market in India, while formulating and implementing a business strategy for China.

### **3. Promoting a growth strategy**

The Company will focus on developing and popularizing electric vehicles, and will move to full-scale operation in its botanical biotechnology-related business.

### **4. Enhancing the financial structure**

The Company will continue to promote SCM activities and the effective utilization of tangible fixed assets by strengthening operational management from the consolidated business reform perspective.

## **5) Perspectives on lowering the minimum volume of share trading**

The price of the Company's share per stock trading unit has increased, reflecting a rise in its stock price. In addition, the financial standing of the Company has improved substantially. Mainly for these reasons, the Company resolved at the Board of Directors Meeting on April 28, 2004 to lower the number of shares per stock trading unit from 1,000 to 100, effective August 2, 2004, in order to increase the number of individual shareholders and improve the liquidity of its stock.

## IV. Operating Performance and Financial Position

Amount: millions of yen    Volume: thousand units

	2004			2003			2004/2003		
	Volume	Amount	%	Volume	Amount	%	Volume	Amount	%
<b>Net sales:</b>									
<b>Japan</b>	—	¥ 153,763	15.1%	—	¥ 161,996	16.0%	—	¥ (8,232)	(5.1)%
<b>Overseas:</b>									
North America	—	347,329	34.0	—	380,427	37.5	—	(33,098)	(8.7)
Europe	—	237,106	23.2	—	210,484	20.8	—	26,621	12.6
Asia	—	191,877	18.8	—	174,028	17.2	—	17,849	10.3
Other areas	—	90,189	8.9	—	86,218	8.5	—	3,971	4.6
Sub-total	—	866,502	84.9	—	851,159	84.0	—	15,343	1.8
Total	—	¥1,020,266	100.0%	—	¥1,013,155	100.0%	—	¥ 7,111	0.7%
<b>Motorcycles:</b>									
<b>Japan</b>	178	¥ 52,188	9.7%	203	¥ 63,373	12.0%	(25)	¥(11,185)	(17.6)%
<b>Overseas:</b>									
North America	184	101,159	18.9	199	111,422	21.0	(15)	(10,263)	(9.2)
Europe	368	170,262	31.8	383	155,288	29.3	(15)	14,974	9.6
Asia	1,734	164,253	30.6	1,332	150,801	28.5	402	13,451	8.9
Other areas	216	48,073	9.0	218	49,015	9.2	(2)	(941)	(1.9)
Sub-total	2,503	483,749	90.3	2,133	466,527	88.0	370	17,221	3.7
Total	2,681	¥ 535,937	52.5%	2,335	¥ 529,901	52.3%	346	¥ 6,035	1.1%
<b>Marine products:</b>									
<b>Japan</b>	—	¥ 28,941	13.8%	—	¥ 31,744	15.0%	—	¥ (2,803)	(8.8)%
<b>Overseas:</b>									
North America	—	112,539	53.6	—	119,501	56.5	—	(6,962)	(5.8)
Europe	—	32,383	15.4	—	26,407	12.5	—	5,975	22.6
Asia	—	7,056	3.4	—	7,133	3.4	—	(77)	(1.1)
Other areas	—	29,115	13.8	—	26,748	12.6	—	2,367	8.9
Sub-total	—	181,093	86.2	—	179,791	85.0	—	1,302	0.7
Total	—	¥ 210,034	20.6%	—	¥ 211,536	20.9%	—	¥ (1,501)	(0.7)%
<b>Power products:</b>									
<b>Japan</b>	—	¥ 13,797	7.6%	—	¥ 13,752	7.2%	—	¥ 45	0.3%
<b>Overseas:</b>									
North America	—	131,164	72.3	—	147,344	77.3	—	(16,179)	(11.0)
Europe	—	23,872	13.2	—	17,464	9.2	—	6,408	36.7
Asia	—	2,843	1.6	—	3,171	1.7	—	(328)	(10.3)
Other areas	—	9,842	5.3	—	8,897	4.6	—	944	10.6
Sub-total	—	167,722	92.4	—	176,877	92.8	—	(9,155)	(5.2)
Total	—	¥181,520	17.8%	—	¥190,629	18.8%	—	¥ (9,109)	(4.8)%
<b>Other products:</b>									
<b>Japan</b>	—	¥ 58,836	63.4%	—	¥ 53,125	65.5%	—	¥ 5,711	10.8%
<b>Overseas:</b>									
North America	—	2,466	2.7	—	2,159	2.7	—	306	14.2
Europe	—	10,587	11.4	—	11,323	14.0	—	(736)	(6.5)
Asia	—	17,725	19.1	—	12,921	15.9	—	4,803	37.2
Other areas	—	3,158	3.4	—	1,557	1.9	—	1,601	102.8
Sub-total	—	33,937	36.6	—	27,962	34.5	—	5,975	21.4
Total	—	¥ 92,774	9.1%	—	¥ 81,088	8.0%	—	¥ 11,686	14.4%

Note: Amounts less than ¥1 million are omitted.

# 1) Production and Sales

## (1) Production and Sales

During the year under review, consolidated net sales increased 0.7 percent from the previous year, to ¥1,020.3 billion. Net sales rose for the fifth consecutive year, breaking the all-time record set in the previous year.

Sales in Japan declined 5.1 percent, due mainly to continued sales drops for motorcycles and marine products, although sales for surface mounters rose, reflecting the popularization of network home appliances.

Overseas, sales in Europe grew substantially, reflecting the depreciation of the yen against the euro, although sales on a local currency basis declined. In Asia, motorcycle sales expanded significantly in nations including Indonesia, Taiwan and Thailand. Meanwhile, sales in North America declined, due to the production and shipping adjustment resulting from an inventory reduction for motorcycles, ATVs and other products in the U.S., as well as the higher yen against the U.S. dollar during the period. However, with the gains in Europe and Asia, total overseas sales rose 1.8 percent from the previous year.

In terms of manufacturing, the number of finished motorcycle units produced in Japan and exported to North America and Europe decreased compared with the figure for the previous year. However, the motorcycle unit production figure for the Company's subsidiaries in Indonesia and other Asian nations rose significantly.

In the marine business, outboard motor unit production by domestic manufacturing subsidiaries rose from the previous year, due to favorable sales in Europe and other areas, coupled with a slight sales increase in the mainstay North American market.

Surface mounter unit production expanded substantially, reflecting brisk orders for these products.

### Operating performance by segment

#### (1) Business segment

##### [Motorcycles]

Sales in Japan remained sluggish. However, sales rose significantly elsewhere in Asia, especially in Indonesia, Taiwan and Thailand. Sales in Europe and Oceania also increased.

As a result, total motorcycle sales rose 1.1 percent from the previous year, to ¥535.9 billion, while operating income increased 7.4 percent, to ¥21.6 billion.

##### [Marine products]

Sales in Japan continued to decline. Outboard motor sales in North America also decreased, reflecting the higher yen against the U.S. dollar, although sales on a U.S. dollar basis increased. Sales in Europe and Oceania showed steady expansion.

Total sales declined 0.7 percent, to ¥210.0 billion. However, operating income rose, by 7.3 percent, to ¥16.5 billion.

##### [Power products]

Due to decreased sales for ATVs and snowmobiles in North America, among other factors, total sales in this segment fell 4.8 percent, to ¥181.5 billion, and operating income also dropped, by 3.0 percent, to ¥25.0 billion.

[Other products]

Total sales rose 14.4 percent, to ¥92.8 billion, while operating income climbed 55.9 percent, to ¥10.1 billion, mainly reflecting a sales recovery for surface mounters.

(2) Geographical segment

[Japan]

Sales in Japan dropped 6.2 percent from the previous year, to ¥240.4 billion, due mainly to continued sales declines for motorcycles and boats more than offsetting the sales increase for surface mounters. This, coupled with the shipping and production adjustment for motorcycles and ATVs for the United States, among other negative factors, sent operating income in this segment plunging by 27.7 percent, to ¥23.0 billion.

[North America]

Sales declined 8.0 percent, to ¥336.5 billion, and operating income also dropped, by 9.0 percent, to ¥21.1 billion, reflecting decreased sales for motorcycles, ATVs and snowmobiles in the United States, as well as the higher yen against the U.S. dollar during the period.

[Europe]

Sales of mainstay motorcycles decreased; however, demand for marine and power products continued to grow steadily. This, coupled with the weaker yen against the euro, raised sales and operating income in Europe by 9.3 percent, to ¥233.1 billion, and by 184.4 percent, to ¥16.6 billion, respectively.

[Asia]

Sales and operating income in this segment expanded by 19.4 percent, to ¥152.8 billion, and by 48.0 percent, to ¥10.3 billion, respectively, led by motorcycle sales growth in Indonesia, Taiwan, Thailand and other nations.

[Other areas]

Motorcycle and marine product sales in Australia rose. Sales in the Latin America also increased from the previous year. Due to this favorable performance, sales and operating income in this segment increased by 14.5 percent, to ¥57.4 billion, and by 79.6 percent, to ¥1.0 billion, respectively.

The operating income figures discussed above do not include the amount of “eliminations.” Transactions are recorded exclusive of consumption taxes. Accordingly, sales figures do not include consumption and other similar taxes.

## **(2) Income and Expenses**

Motorcycle and ATV production and shipment in the United States decreased, due to the inventory reduction. In addition, the higher yen against the U.S. dollar had a negative impact on sales. However, gross profit increased from the previous year, due to a decline in cost of sales, combined with increased motorcycle sales in Asia and Europe, and sales expansion in the IM business, including surface mounters and other industrial robots. The Company also strove to reduce selling, general and administrative expenses. As a result, operating income, recurring profit, and net income rose by 8.1 percent, to ¥73.1 billion, by 7.5 percent, to ¥72.3 billion and by 57.0 percent, to ¥40.1 billion, respectively.

**(3) Forecast Consolidated Results for the Fiscal Year Ending December 31, 2004**  
**(An irregular nine-month accounting period from April 1 through December 31, 2004, due to a change in the annual closing date)**

Business conditions surrounding the Company will remain unpredictable, reflecting uncertainty concerning the U.S. economy due to problems in Iraq and the appreciating yen, although economic recovery is expected in Japan.

Against this backdrop, demand for motorcycles, marine products and other products in Japan will likely remain almost the same as the previous year. Demand for motorcycles and marine products in the United States and Europe is also expected to stay at about the same level as the previous year. Meanwhile in Asia, motorcycle demand will continue to grow. Demand for surface mounters will also steadily increase.

Factoring in all these elements, the Company forecasts its consolidated and non-consolidated business results for the fiscal year ending December 31, 2004 as follows:

	Consolidated	Non-consolidated
	Millions of yen	Millions of yen
	Fiscal year ending Dec. 31, 2004 (An irregular 9-month period)	Fiscal year ending Dec. 31, 2004 (An irregular 9-month period)
Net sales	¥920,000	¥430,000
Operating income	57,000	2,000
Recurring profit	57,000	7,000
Net income	30,000	6,000

The forecast for the fiscal year ending December 31, 2004 is based on the assumption that one U.S. dollar and one euro will equal ¥105 and ¥128, respectively. Year-on-year percentage changes are not included in the forecast, since the Company will adopt an irregular nine-month accounting period in the fiscal year ending December 31, 2004.

[Change in Accounting Period]

In the fiscal year ending December 31, 2004, the Company plans to adopt an irregular nine-month accounting period, due to the change in the annual closing date from March 31 to December 31. Accordingly, nine-month results for April through December for Yamaha Motor Co., Ltd. and those consolidated subsidiaries that currently adopt March 31 as the annual closing date, and twelve-month results for the consolidated subsidiaries that adopt December 31 as the closing date, will be aggregated as Yamaha Motor's consolidated results for the fiscal year ending December 31, 2004.

The change in the accounting period must be approved at the General Shareholders Meeting, slated for late June of 2004.

[Notice regarding forward-looking statements]

The forecast consolidated results for the fiscal year ending December 31, 2004 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 these 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.

## 2) Financial Position

### Cash Flows

Net cash provided by operating activities during the fiscal year under review increased by ¥4.0 billion from the previous year, to ¥88.2 billion. This was mainly attributable to a gain in income before income taxes.

Net cash used in investing activities totaled ¥34.3 billion, principally due to the purchase of fixed assets.

Consequent to these operating and investing activities, free cash flows rose by ¥9.2 billion from the previous year, to ¥53.9 billion.

Net cash used in financing activities amounted to ¥40.8 billion, due mainly to the repayment of long-term loans payable and the payments for redemption of bonds. Conversion of No.3 and No.4 unsecured convertible bonds, into common stocks during the period amounted to ¥40.4 billion. Thus, the Company's capital and capital surplus increased.

As a result of the cash flow activities discussed above, interest-bearing debt amounted to ¥118.5 billion at fiscal year-end, while cash and cash equivalents rose by ¥11.4 billion from the previous fiscal year-end, to ¥35.2 billion.

## 3) Trend of Cash Flow Index

	<u>FY2000</u>	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>
Equity ratio (%)	21.90	22.01	23.11	25.77	35.53
Equity ratio at market value (%)	29.86	30.04	26.14	28.24	55.94
Debt redemption period (years)	3.68	9.53	3.28	2.37	1.34
Interest coverage ratio (times)	6.08	2.16	6.91	8.57	13.78

*Notes: The formulas for the indexes above are as follows:*

- *Equity ratio: Shareholders' equity/total assets*
- *Equity ratio at market value: Aggregate market value of corporate stock/total assets*
- *Debt redemption period: Interest-bearing debt/net cash provided by operating activities*
- *Interest coverage ratio: Net cash provided by operating activities/interest expenses*

\* Each index is calculated using consolidated financial values.

\* The aggregate value of corporate stock is calculated by multiplying the closing stock price at the end of each period by the number of shares outstanding at that end of the period.

\* Net cash provided by operating activities refers to the Consolidated Statements of Cash Flows. Interest-bearing debt refers to all the debts in the consolidated balance sheet which involve interest payment. Interest expenses refer to the amount of interest paid on the Consolidated Statements of Cash Flows.

## V. Consolidated Financial Statements

### Consolidated Statements of Income

Year ended March 31

	Millions of yen		% change
	2004	2003	2004/2003
Net sales	¥1,020,266	¥1,013,155	+0.7%
Cost of sales	733,075	726,759	+0.9
<b>Gross profit</b>	<b>287,190</b>	286,395	+0.3
Selling, general and administrative expenses	214,062	218,717	
<b>Operating income</b>	<b>73,128</b>	67,678	+8.1
Non-operating income	18,435	18,483	-0.3
Non-operating expenses	19,266	18,917	+1.8
<b>Recurring profit</b>	<b>72,297</b>	67,244	+7.5
Extraordinary income	12,056	418	—
Gain on the return of the substitutional portion of welfare pension fund	11,106	0	
Other, net	949	418	
Extraordinary loss	6,169	12,103	-49.0
Provision for reserve for product warranty	2,999	0	
Amortization of goodwill	0	9,460	
Other, net	3,170	2,642	
<b>Income before income taxes and minority interests</b>	<b>78,185</b>	55,559	
Corporation, inhabitant and enterprise taxes	27,552	33,663	
Deferred income taxes	6,441	(4,022)	
Minority interests	4,066	362	—
<b>Net income</b>	<b>¥ 40,124</b>	¥ 25,555	+57.0%

Notes:

1. Research and development expenses included in manufacturing costs and selling, general and administrative expenses:

Millions of yen	
2004	2003
¥62,760	¥56,002

2. Amounts less than ¥1 million are omitted.

## Consolidated Statements of Retained Earnings

Year ended March 31

	Millions of yen		
	2004	2003	Change 2004/2003
<b>(Capital surplus)</b>			
<b>Capital surplus at beginning of the period</b>	<b>¥ 34,419</b>	¥ 34,365	¥ 53
<b>Increase in capital surplus</b>	<b>20,199</b>	53	20,145
Conversion of convertible bonds	<b>20,187</b>	53	20,134
Gain on sale of treasury stock	<b>11</b>	0	11
<b>Capital surplus at end of the period</b>	<b>54,618</b>	34,419	20,199
<b>(Retained earnings)</b>			
<b>Retained earnings at beginning of the period</b>	<b>142,847</b>	118,948	23,899
<b>Increase in retained earnings</b>	<b>41,428</b>	25,819	15,609
Increase due to increase in consolidated subsidiaries	<b>0</b>	3	(3)
Increase (decrease) due to increase in associated companies accounted for by the equity method	<b>42</b>	(55)	98
Reversal of revaluation reserve on land	<b>1,261</b>	316	945
Net income	<b>40,124</b>	25,555	14,568
<b>Decrease in retained earnings</b>	<b>2,889</b>	1,920	969
Cash dividends	<b>2,731</b>	1,848	883
Bonuses to officers	<b>157</b>	114	43
Decrease (increase) due to exclusion of subsidiaries from consolidation	<b>0</b>	(42)	42
<b>Retained earnings at end of the period</b>	<b>¥181,387</b>	¥142,847	¥38,539

Note: Amounts less than ¥1 million are omitted.

## Consolidated Balance Sheets

March 31

	Millions of yen		
	2004	2003	Change 2004/2003
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and deposits in banks	¥ 37,318	¥ 25,475	¥11,842
Trade notes and accounts receivable	137,027	135,012	2,014
Inventories	159,235	160,232	(996)
Deferred tax assets	25,720	29,266	(3,546)
Other	20,737	19,189	1,547
Less: Allowance for doubtful receivables	(5,372)	(4,731)	(640)
<b>Total current assets</b>	<b>374,666</b>	<b>364,444</b>	<b>10,221</b>
<b>Fixed assets:</b>			
<b>Tangible fixed assets:</b>			
Buildings and structures	82,276	83,475	(1,198)
Machinery and transportation equipment	77,336	79,119	(1,781)
Land	88,015	93,141	(5,125)
Construction in progress	9,740	7,990	1,750
Other	17,493	17,224	269
<b>Total tangible fixed assets</b>	<b>274,863</b>	<b>280,950</b>	<b>(6,086)</b>
<b>Intangible fixed assets:</b>			
<b>Total intangible fixed assets</b>	<b>2,957</b>	<b>4,303</b>	<b>(1,346)</b>
<b>Investments and other assets:</b>			
Investment securities	26,815	22,686	4,128
Deferred tax assets	17,447	22,389	(4,942)
Other	8,113	7,512	600
Less: Allowance for doubtful receivables	(2,939)	(3,200)	260
<b>Total investments and other assets</b>	<b>49,436</b>	<b>49,388</b>	<b>47</b>
<b>Total fixed assets</b>	<b>327,256</b>	<b>334,642</b>	<b>(7,385)</b>
<b>Total assets</b>	<b>¥701,923</b>	<b>¥699,087</b>	<b>¥ 2,836</b>

Note: Amounts less than ¥1 million are omitted.

	Millions of yen		
	2004	2003	Change 2004/2003
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Trade notes and accounts payable	¥132,291	¥112,934	¥19,357
Short-term loans	49,639	48,073	1,566
Current portion of long-term debt	12,690	20,823	(8,133)
Current portion of convertible bonds	0	24,326	(24,326)
Commercial paper	8,500	21,376	(12,876)
Accrued expenses	42,135	35,819	6,316
Accrued income taxes	8,812	15,251	(6,438)
Reserve for bonuses	14,685	14,061	623
Reserve for warranty costs	17,268	15,723	1,544
Other	48,128	45,394	2,733
<b>Total current liabilities</b>	<b>334,151</b>	<b>353,784</b>	<b>(19,632)</b>
<b>Long-term liabilities:</b>			
Bonds	23,712	44,893	(21,181)
Long-term debt	23,994	39,935	(15,941)
Deferred tax liabilities on unrealized revaluation gain on land	13,029	13,860	(830)
Liability for retirement benefits	32,387	41,303	(8,916)
Reserve for officers' retirement	891	1,273	(382)
Reserve for product liabilities	2,661	4,046	(1,385)
Other	7,523	7,638	(114)
<b>Total long-term liabilities</b>	<b>104,200</b>	<b>152,951</b>	<b>(48,751)</b>
<b>Total liabilities</b>	<b>438,351</b>	<b>506,735</b>	<b>(68,383)</b>
<b>Minority interests</b>	<b>14,165</b>	<b>12,199</b>	<b>1,965</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Common stock</b>	<b>43,439</b>	<b>23,251</b>	<b>20,187</b>
<b>Capital surplus</b>	<b>54,618</b>	<b>34,419</b>	<b>20,199</b>
<b>Retained earnings</b>	<b>181,387</b>	<b>142,847</b>	<b>38,539</b>
<b>Unrealized revaluation gain on land</b>	<b>19,790</b>	<b>21,052</b>	<b>(1,261)</b>
<b>Unrealized holding gain on securities</b>	<b>2,358</b>	<b>252</b>	<b>2,106</b>
<b>Translation adjustments</b>	<b>(51,834)</b>	<b>(41,413)</b>	<b>(10,421)</b>
<b>Less: Treasury stock, at cost</b>	<b>(352)</b>	<b>(257)</b>	<b>(95)</b>
<b>Total shareholders' equity</b>	<b>249,406</b>	<b>180,151</b>	<b>69,254</b>
<b>Total liabilities and shareholders' equity</b>	<b>¥701,923</b>	<b>¥699,087</b>	<b>¥ 2,836</b>

Note: Amounts less than ¥1 million are omitted.

## Consolidated Statements of Cash Flows

Year ended March 31

	Millions of yen	
	2004	2003
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥ 78,185	¥ 55,559
Depreciation expenses	35,363	36,490
Amortization of goodwill	353	12,266
Interest and dividend income	(5,379)	(5,547)
Interest expense	6,210	9,083
Equity in losses (gain) of affiliates	(2,212)	244
Trade notes and accounts receivable	(2,832)	(13,369)
Inventories	995	(4,068)
Notes and accounts payable	17,937	20,091
Bonuses to directors and corporate auditors	(157)	(114)
Other	(4,827)	4,265
Subtotal	<u>123,636</u>	<u>114,901</u>
Interest and dividends received	4,515	5,788
Interest paid	(6,401)	(9,832)
Income taxes paid	(33,540)	(26,634)
<b>Net cash provided by operating activities</b>	<u>88,209</u>	<u>84,223</u>
<b>Cash flows from investing activities:</b>		
Decrease in time deposits	301	1,276
Purchase of fixed assets	(33,592)	(35,806)
Purchase of investment securities	(718)	(1,266)
Decrease in long-term loans receivable	314	106
Additional acquisition of shares of consolidated subsidiaries	(214)	(4,243)
Proceeds from sale of shares of consolidated subsidiaries	53	0
Other	377	502
<b>Net cash used in investing activities</b>	<u>(34,261)</u>	<u>(39,430)</u>
<b>Cash flows from financing activities:</b>		
Decrease in short-term bank loans	(9,171)	(33,622)
Proceeds from long-term loans payable	1,184	7,733
Repayment of long-term loans payable	(24,370)	(29,635)
Payments for redemption of bonds	(5,131)	0
Cash dividends paid	(2,731)	(1,848)
Dividends paid to minority shareholders	(414)	0
Purchase and sale of treasury stock	(170)	(239)
<b>Net cash used in financing activities</b>	<u>(40,805)</u>	<u>(57,611)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(1,789)</u>	<u>(1,008)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>11,353</u>	<u>(13,827)</u>
<b>Cash and cash equivalents at beginning of the period</b>	<u>23,839</u>	<u>36,481</u>
<b>Increase due to inclusion of subsidiaries in consolidation</b>	<u>0</u>	<u>1,326</u>
<b>Decrease due to exclusion of subsidiaries from consolidation</b>	<u>0</u>	<u>(140)</u>
<b>Cash and cash equivalents at end of the period</b>	<u>¥ 35,193</u>	<u>¥ 23,839</u>

Note: Amounts less than ¥1 million are omitted.

## Notes to Consolidated Financial Statements

### 1. Scope of consolidation

Number of consolidated subsidiaries 97

Major subsidiaries: *Yamaha Motor Marketing Japan Co. Ltd.; Yamaha Motor Corporation, U.S.A.; and Yamaha Motor Europe N.V.*

(Number of newly added subsidiaries) 1  
*Yamaha Motor Distribution Singapore Pte. Ltd.*

(Number of excluded subsidiaries) 3  
*P.O.S. Collection GMBH; Yamaha Motor Norge A/S; Mikasa Transport Co., Ltd. (now categorized as a non-consolidated subsidiary accounted for by the equity method)*

Number of non-consolidated subsidiaries 20

*Total assets, net sales, net income and retained earnings of non-consolidated subsidiaries are not significant in the aggregate, in relation to the comparable figures in the consolidated financial statements. 14 non-consolidated subsidiaries are accounted for by the equity method.*

### 2. Scope of application of equity method

Number of non-consolidated subsidiaries and affiliates accounted for by the equity method 41

Major non-consolidated subsidiaries and affiliates:

*Yamaha Motor Vietnam Co., Ltd.; Chongqing Jianshe-Yamaha Motor Co., Ltd.; Zhuzhou Nanfang Yamaha Motor Co., Ltd.; Yamaha Motor Deutschland GmbH; and Yamaha Motor (UK) Limited.*

(Number of newly added companies) 5  
*Yamaha Travel Service Co., Ltd; Mikasa Transport Co., Ltd.; Yantai Melton Mold Co., Ltd; Elm Design Europe S.R.L.; YEC Europe S.R.L.*

(Number of excluded companies) 1  
*Tse Meng Co., Ltd*

*Six non-consolidated subsidiaries and 12 affiliates, which are not accounted for by the equity method, are each insignificant in the consolidated statements of income and the consolidated statements of retained earnings, and are not significant in the aggregate. As such, the Company's investments in these subsidiaries and affiliates are stated at cost, instead of being accounted for by the equity method.*

### **3. Accounting standards**

#### **(1) Asset valuation**

##### *1) Securities*

###### *Other securities*

Securities with fair market value are stated using the mark to market method, determined by the market value at the end of the fiscal year, and other factors.

(Unrealized holding gain or loss is included directly in shareholders' equity. The cost of securities sold is determined by the moving average method.)

Securities with no fair market value are stated at cost, determined by the moving average method.

##### *2) Derivatives*

Derivative financial instruments are stated using the mark to market method.

##### *3) Inventories*

Inventories are principally stated at the lower of cost or market, using the average cost method.

#### **(2) Depreciation of assets**

##### *1) Tangible fixed assets*

Depreciation of tangible fixed assets is principally determined by the declining-balance method.

##### *2) Intangible fixed assets*

Depreciation of intangible fixed assets is principally determined by the straight-line method.

Capitalized software for internal use is depreciated using the straight-line method over its estimated useful life (five years) at the Company and its consolidated subsidiaries.

#### **(3) Provision for significant reserves**

##### *1) Allowance for doubtful receivables*

In order to evaluate accounts receivable, loans and their equivalents, the allowance for doubtful receivables is provided in amounts sufficient to cover possible losses from bad loans. For general receivables, the Company determines the allowance for doubtful receivables based on historical default rates. For specific receivables such as delinquent receivables, the Company determines the allowance for doubtful receivables based on the potential for irrecoverability.

##### *2) Reserve for bonuses*

The reserve for bonuses to be paid to employees and personnel working concurrently as directors is provided as the estimated payment amount at the end of the financial year.

##### *3) Reserve for warranty costs*

The reserve for warranty costs is provided as an appropriation for the costs of after-sale services for sold products during the warranty period, and to address any quality problems with sold products.

Where potential costs for product warranty are individually estimable, the Company provides the amount of such costs. In other cases, the Company provides the estimated amount computed by multiplying net sales during the financial year with a factor (costs of after-sale services/sales) based on actual results in past years.

#### *4) Liability for retirement benefits*

Accrued employees' retirement benefits are provided mainly at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as of the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated years of service of the employees.

Actuarial gain and loss are amortized in the year following the year in which the gain or loss is recognized, primarily by the straight-line method over the period of mainly 10 years which are shorter than the average remaining years of service of the employees.

Prior service cost is being amortized as incurred by the straight-line method over the period of principally 10 years which are shorter than the average remaining years of service of the employees.

#### *(Additional information)*

Regarding the substitute portion of the Yamaha Motor Employee Pension Fund into which the Company and certain of its consolidated subsidiaries in Japan had been entered, in accordance with enforcement provisions of the Defined Benefit Enterprise Pension Plan Law, the Company received approval for a return of the amount the Company paid for prior years on October 1, 2003 from the Minister of Health, Labor and Welfare, and transferred it to the Yamaha Motor Corporate Pension Fund.

The Company also transferred the necessary amount of pension plan assets (minimum legal reserve) to the Japanese government on February 25, 2003.

As a result, the Company registered ¥11,106 million as the extraordinary income for the fiscal year ended March 31, 2004.

#### *5) Reserve for officers' retirement*

The Company provides the amounts required under internal rules to pay retirement benefits for directors and corporate auditors.

#### *6) Reserve for product liabilities*

The reserve for product liabilities is provided at an estimated amount based on the actual results in past years for liabilities which are not covered by product liability insurance.

#### **(4) Lease transactions**

Finance leases for which ownership does not transfer to lessees are principally accounted for as ordinary rental transactions.

#### **(5) Hedge accounting**

The Company adopts the deferred hedge accounting method. For forward foreign exchange contracts, the Company hedges by assigning transactions that meet the assignment requirement, while for interest rate swaps that meet certain conditions, the Company hedges by special accounting treatment.

#### **(6) Consumption taxes**

Transactions are recorded exclusive of consumption taxes.

### **4. Evaluation of assets and liabilities of consolidated subsidiaries**

All assets and liabilities of consolidated subsidiaries are stated using the mark to market method, determined by the market value at the end of the financial year.

## 5. Amortization of goodwill

Amortization of goodwill is registered as a loss when it is incurred.

## 6. Appropriation of retained earnings

The consolidated statements of surplus are made based on the appropriation of earnings or losses of consolidated subsidiaries finalized during the financial year.

## 7. Range of funds in the consolidated statements of cash flows

In the statement of consolidated cash flows, funds (cash and cash equivalents) include cash on hand, deposits that can be withdrawn when needed, and short-term investments with a redemption term of less than three months from the date of acquisition that are marketable and subject to minimum fluctuation in value.

## 8. Notes

### (Consolidated Balance Sheets)

	Millions of yen	
	<u>FY2004</u>	<u>FY2003</u>
(1) Accumulated depreciation of tangible fixed assets	<b>¥402,828</b>	¥383,987
(2) Pledged assets	<b>15,730</b>	5,148
(3) Contingent liabilities	<b>1,092</b>	1,146
(4) Discounts on trade notes receivable	<b>1,346</b>	2,181

*Note: Amounts less than ¥1 million are omitted*

(5) Pursuant to the “Law Concerning the Revaluation of Land (No. 24, enacted on March 31, 1999),” land used for the Company’s business operations was revalued. The income tax effect of the difference between the book value and the revalued amount has been presented under liabilities as “Deferred tax liabilities on unrealized revaluation gain on land” and the remaining balance has been presented under shareholders’ equity as “Unrealized revaluation gain on land” in the accompanying consolidated balance sheets.

1) *Date of revaluation*                      March 31, 2000

2) *Method of revaluation*

Under Article 2-4 of the Ordinance Implementing the Law Concerning Land Revaluation (Article 119 of the 1998 Cabinet Order, promulgated on March 31, 1998), the land price for the revaluation was determined based on the official notice prices assessed and published by the Chief Officer of the National Tax Administration, as provided by Article 16 of the Law Concerning Public Notification of Land Prices. The appropriate adjustments were made to reflect these official notice prices.

3) *Market value of the land used for business after revaluation*

The market value of the land used for business after revaluation at the end of fiscal 2003 was below its book value by ¥13,405 million.

**(Consolidated Statements of Cash Flows)**

(1) Reconciliation of “cash and deposits” to “cash and cash equivalents”

	Millions of yen	
	<u>FY2004</u>	<u>FY2003</u>
Cash and deposits	<b>¥37,318</b>	¥25,475
Deposits saved more than three months	<b>(2,188)</b>	(2,110)
Other current assets	<b>63</b>	474
Cash and cash equivalents	<b>¥35,193</b>	¥23,839

(2) Significant non-cash transactions

	Millions of yen	
	<u>FY2004</u>	<u>FY2003</u>
Increase in common stock due to conversion of convertible bonds	<b>¥20,187</b>	¥ 53
Increase in capital surplus due to conversion of convertible bonds	<b>20,187</b>	53
Decrease in convertible bonds due to conversion	<b>¥40,375</b>	¥107

## VI. Segment Information

### (1) Business segment information

Year ended March 31

	Millions of yen	
	2004	2003
<b>Net sales:</b>		
Motorcycles	¥ 535,937	¥ 529,901
Marine products	210,034	211,536
Power products	181,520	190,629
Other products	92,774	81,088
Total	¥1,020,266	¥1,013,155
<b>Operating expenses:</b>		
Motorcycles	¥514,373	¥509,815
Marine products	193,577	196,195
Power products	156,520	164,861
Other products	82,666	74,604
Total	¥947,137	¥945,477
<b>Operating income:</b>		
Motorcycles	¥21,563	¥20,085
Marine products	16,457	15,340
Power products	24,999	25,768
Other products	10,108	6,484
Total	¥73,128	¥67,678
<b>Assets:</b>		
Motorcycles	¥425,862	¥422,429
Marine products	136,970	145,019
Power products	83,004	81,184
Other products	56,086	50,453
Total	¥701,923	¥699,087
<b>Depreciation:</b>		
Motorcycles	¥22,411	¥22,121
Marine products	7,319	8,936
Power products	3,153	2,994
Other products	2,479	2,438
Total	¥35,363	¥36,490
<b>Capital expenditures:</b>		
Motorcycles	¥29,791	¥24,285
Marine products	6,857	10,485
Power products	3,206	3,830
Other products	3,546	1,826
Total	¥43,402	¥40,427

Notes:

1. Amounts less than ¥1 million are omitted.
2. Business segments correspond to categories of activity classified primarily by products and market.
3. Major products in business segments:

<i>Business segment</i>	<i>Major Products</i>
<i>Motorcycles</i>	<i>Motorcycles and knockdown parts for overseas production</i>
<i>Marine products</i>	<i>Outboard motors, personal watercraft, boats, FRP pools, fishing boats, utility boats and diesel engines</i>
<i>Power products</i>	<i>All-terrain vehicles, snowmobiles, golf cars, generators, small-sized snow throwers and multi-purpose engines</i>
<i>Other products</i>	<i>Surface mounters, industrial robots, DOHC automobile engines, automobile components, electro-hybrid bicycles, unmanned industrial helicopters and electrically powered wheelchairs</i>

4. All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
5. The Company has changed the accounting method to register the amortization of goodwill as an expense when it is incurred from the year ended in March 31, 2003. Accordingly, operating expenses in the "Motorcycles" segment for the fiscal year ended March 31, 2003 decreased by ¥1,070 million, and those in the "Marine products" segment increased by ¥23 million, while operating income in the "Motorcycles" segment increased by ¥1,070 million, and those in the "Marine products" segment decreased by ¥23 million, and assets in the "Motorcycles" segment decreased by ¥8,413 million compared with the figures that would have been derived if the Company had applied the conventional accounting method. This change in accounting method had no influence on the results for the fiscal year ended March 31, 2003 to assets in the "Marine products" segments, and to operating income and assets in the "Power products" and "Other products" segments.

## (2) Geographic segment information

Year ended March 31

	Millions of yen	
	2004	2003
<b>Net sales:</b>		
Japan		
Outside customers	¥ 240,404	¥ 256,168
Intersegment	401,959	414,864
North America		
Outside customers	336,496	365,639
Intersegment	14,813	14,943
Europe		
Outside customers	233,119	213,210
Intersegment	1,979	2,960
Asia		
Outside customers	152,817	127,980
Intersegment	20,300	17,639
Other areas		
Outside customers	57,428	50,154
Intersegment	1,066	1,443
Subtotal	1,460,385	1,465,006
Eliminations	(440,119)	(451,851)
Consolidated	¥1,020,266	¥1,013,155
<b>Operating expenses:</b>		
Japan	¥ 619,387	¥639,252
North America	330,239	357,432
Europe	218,537	210,347
Asia	162,811	138,656
Other areas	57,507	51,048
Subtotal	1,388,483	1,396,737
Eliminations	(441,345)	(451,260)
Consolidated	¥ 947,137	¥945,477
<b>Operating income:</b>		
Japan	¥22,976	¥31,780
North America	21,070	23,150
Europe	16,560	6,823
Asia	10,306	6,963
Other areas	987	549
Subtotal	71,902	68,268
Eliminations	1,226	(590)
Consolidated	¥73,128	¥67,678
<b>Assets:</b>		
Japan	¥484,594	¥493,122
North America	136,878	148,218
Europe	115,529	108,818
Asia	96,342	89,433
Other areas	34,707	29,575
Subtotal	868,052	869,167
Eliminations	(166,128)	(170,080)
Consolidated	¥701,923	¥699,087

Notes:

1. Amounts less than ¥1 million are omitted.
2. Geographic segments correspond to categories of geographical similarity, classified primarily by nations and regions.
3. Each segment outside Japan includes the following nations and regions:
  - (1) North America: U.S.A. and Canada
  - (2) Europe: The Netherlands, France, Italy and Spain
  - (3) Asia: Indonesia, Taiwan, India, Thailand, China and Singapore
  - (4) Other areas: Australia, Mexico, Brazil and Colombia
4. All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
5. The Company has changed the accounting method to register the amortization of goodwill as an expense when it is incurred from the year ended in March 31, 2003. Accordingly, operating expenses in the "Japan" segment for the fiscal year ended March 31, 2003 decreased by ¥1,047 million, while operating income increased by ¥1,047 million, and assets decreased by ¥8,413 million compared with the figures that would have been derived if the Company had applied the conventional accounting method.

### (3) Overseas sales

Year ended March 31

	2004		2003	
	Sales	Percentage	Sales	Percentage
	Millions of yen	Overseas sales to net sales	Millions of yen	Overseas sales to net sales
North America	¥ 347,329	34.0%	¥380,427	37.5%
Europe	237,106	23.2	210,484	20.8
Asia	191,877	18.8	174,028	17.2
Other areas	90,189	8.9	86,218	8.5
Overseas sales total	866,502	84.9	851,159	84.0
Consolidated	¥1,020,266	100.0%	¥1,013,155	100.0%

Notes:

1. Amounts less than ¥1 million are omitted.
2. Overseas segments correspond to categories of geographical similarity, classified primarily by nations and regions.
3. Each segment outside Japan includes the following nations and regions:
  - (1) North America: U.S.A. and Canada
  - (2) Europe: Germany, France and Italy
  - (3) Asia: Indonesia, Taiwan, China, India and Thailand
  - (4) Other areas: Australia, Brazil and South Africa
4. Overseas sales consist of sales of Yamaha Motor and its consolidated subsidiaries in nations or regions other than Japan.

## VII. Lease Transactions

Details are omitted herefrom since the Company is disclosing "Lease Transactions" information via EDINET (Electronic Disclosure for Investors' Network).

## VIII. Related Party Transactions

No applicable item.

## IX. Deferred Tax Accounting

The Company plans to release details concerning deferred tax accounting as a supplemental document for its fiscal 2004 results, in early June.

## X. Marketable Securities

March 31, 2004

### 1) Other securities with market value (as of March 31, 2004)

		Millions of yen		
Type		Historical cost	Book value	Difference
	(1) Equity securities	¥2,116	¥6,579	¥4,462
	(2) Bonds			
Securities whose book value exceeds historical cost	1) National and local government bonds	0	0	0
	2) Corporate bonds	39	42	3
	3) Other	0	0	0
	(3) Other	0	0	0
	Sub-total	2,155	6,621	4,466
	(1) Equity securities	2,529	1,995	(534)
	(2) Bonds			
Securities whose book value does not exceed historical cost	1) National and local government bonds	0	0	0
	2) Corporate bonds	0	0	0
	3) Other	0	0	0
	(3) Other	0	0	0
	Sub-total	2,529	1,995	(534)
	Total	¥4,685	¥8,617	¥3,931

Note:

The Company posted evaluation losses totaling ¥49 million for marketable securities (¥0 million for other securities with market value, ¥45 million for other securities without market value, and ¥3 million for securities of subsidiaries and affiliates) in the fiscal year ended March 31, 2004.

The Company principally posts evaluation losses on securities whose market value at the end of the fiscal year is less than 50 percent of the historical cost. For securities whose market value at the end of the fiscal year decreases by 30 to 50 percent from the historical cost, the Company posts losses when it is judged necessary, by examining the importance and recoverability of the applicable amount.

### 2) Other marketable securities sold during the fiscal year (April 1, 2003 through March 31, 2004)

Millions of yen		
Amount sold	Total gains	Total losses
¥121	¥23	—

### 3) Securities without market value (as of March 31, 2004)

	Millions of yen
	<u>Market value at the consolidated balance sheet date</u>
Other securities	
Unlisted equity securities (excluding over-the-counter securities)	¥2,426
Other	63

### 4) Redemption schedule of other securities with maturity and held-to-maturity debt securities (as of March 31, 2004)

	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	10 years
(1) Bonds				
1) National and local government bonds	¥ 0	¥0	¥0	¥0
2) Corporate bonds	42	0	0	0
3) Other	0	0	0	0
(2) Other	63	0	0	0
Total	¥106	¥0	¥0	¥0

### March 31, 2003

#### 1) Other securities with market value (as of March 31, 2003)

		Millions of yen		
	Type	Historical cost	Book value	Difference
	(1) Equity securities	¥1,249	¥2,936	¥1,686
	(2) Bonds			
Securities whose book value exceeds historical cost	1) National and local government bonds	0	0	0
	2) Corporate bonds	81	87	5
	3) Other	0	0	0
	(3) Other	0	0	0
	Sub-total	1,331	3,023	1,691
	(1) Equity securities	3,472	2,206	(1,265)
	(2) Bonds			
Securities whose book value does not exceed historical cost	1) National and local government bonds	0	0	0
	2) Corporate bonds	0	0	0
	3) Other	0	0	0
	(3) Other	0	0	0
	Sub-total	3,472	2,206	(1,265)
	Total	¥4,803	¥5,230	¥ 426

#### Note:

The Company posted evaluation losses totaling ¥755 million for marketable securities (¥560 million for other securities with market value, ¥63 million for other securities without market value, and ¥131 million for securities of subsidiaries and affiliates) in the fiscal year ended March 31, 2003.

The Company principally posts evaluation losses on securities whose market value at the end of the fiscal year is less than 50 percent of the historical cost. For securities whose market value at the end of the fiscal year decreases by 30 to 50 percent from the historical cost, the Company posts losses when it is judged necessary, by examining the importance and recoverability of the applicable amount.

**2) Other marketable securities sold during the fiscal year (April 1, 2002 through March 31, 2003)**

Millions of yen		
Amount sold	Total gains	Total losses
¥61	¥30	—

**3) Securities without market value (as of March 31, 2003)**

	Millions of yen	
	Market value at the consolidated balance sheet date	
Other securities		
Unlisted equity securities (excluding over-the-counter securities)		¥2,243
Other		474

**4) Redemption schedule of other securities with maturity and held-to-maturity debt securities (as of March 31, 2003)**

	Millions of yen			
	1 year or less	1 to 5 years	5 to 10 years	10 years
(1) Bonds				
1) National and local government bonds	¥ 0	¥ 0	¥0	¥0
2) Corporate bonds	44	42	0	0
3) Other	0	0	0	0
(2) Other	474	0	0	0
Total	¥518	¥42	¥0	¥0

**XI. Contract Amounts, Market Values, and Unrealized Gains/Losses on Derivative Transactions**

Details are omitted herefrom since the Company is disclosing “Derivative Transactions” information via EDINET (Electronic Disclosure for Investors’ Network).

**XII. Employees’ Retirement Benefits**

The Company plans to release details concerning employees’ retirement benefits as a supplemental document for its fiscal 2004 results, in early June.