

Consolidated Business Results for the Fiscal Year Ended December 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>)
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Date of the meeting of the Board of Directors for account settlement: February 8, 2005
Status of US GAAP: Not adopted

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I. Financial Summary

Results for the fiscal year ended December 31, 2004 (April 1, 2004 to December 31, 2004)

1) Operating Performance

	Millions of yen	
	Fiscal year ended Dec. 31, 2004	Fiscal year ended Mar. 31, 2004
Net sales	¥1,011,976	¥1,020,266
Operating income	70,137	73,128
Recurring profit	70,386	72,297
Net income	38,150	40,124
Yen		
<i>Per share amounts:</i>		
Net income - basic	¥136.93	¥157.67
Net income - diluted	133.20	140.26
Percent		
Net income to shareholders' equity	14.0%	18.7%
Recurring profit to total assets	9.6	10.3
Recurring profit to net sales	7.0	7.1

Notes:

1. Equity in earnings (losses) of affiliates:

Millions of yen	
Fiscal year ended Dec. 31, 2004	Fiscal year ended Mar. 31, 2004
¥(4)	¥2,212

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

Shares	
Fiscal year ended Dec. 31, 2004	Fiscal year ended Mar. 31, 2004
277,367,175	253,523,815

3. Change in financial accounting method: Applicable item

4. Year-on-year percentage changes are not included in the Operating Performance above, since the Company adopted an irregular nine-month accounting period for the fiscal year ended December 31, 2004.

5. Amounts less than ¥1 million are omitted.

2) Financial Position

	Millions of yen	
	Fiscal year ended Dec. 31, 2004	Fiscal year ended Mar. 31, 2004
Total assets	¥767,727	¥701,923
Shareholders' equity	293,761	249,406
	Percent	
Shareholders' equity to total assets	38.3%	35.5%
	Yen	
Shareholders' equity per share	¥1,043.38	¥908.33

Note:

Number of shares outstanding at financial year-end (consolidated):

Shares	
Dec. 31, 2004	Mar. 31, 2004
281,383,786	274,409,971

3) Cash Flows

	Millions of yen	
	Fiscal year ended Dec. 31, 2004	Fiscal year ended Mar. 31, 2004
Net cash provided by operating activities	¥43,400	¥88,209
Net cash used in investing activities	(44,322)	(34,261)
Net cash used in financing activities	2,125	(40,805)
Cash and cash equivalents at end of the period	38,921	35,193

4) Scope of Consolidation

Number of consolidated subsidiaries	96
Number of non-consolidated subsidiaries accounted for by the equity method	21
Number of affiliates accounted for by the equity method	30

5) Change in Consolidation During the Period

Number of newly consolidated subsidiaries	5
Number of companies excluded from consolidation	6
Number of subsidiaries and affiliates newly accounted for by the equity method	12
Number of companies excluded from equity method accounting	2

Forecast for the Fiscal Year Ending December 31, 2005 (April 1 through December 31, 2005)

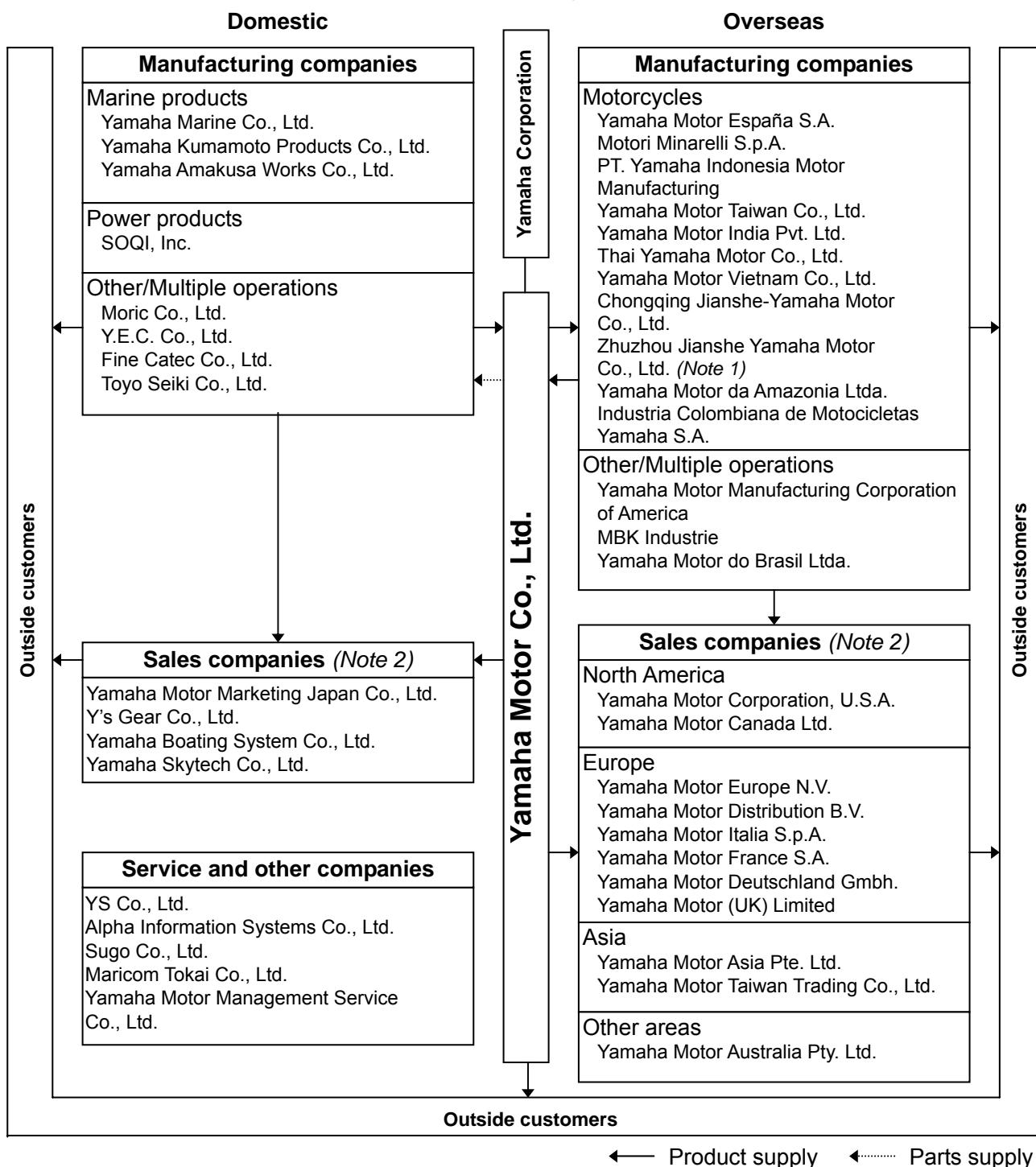
	Millions of yen	
	First half-year ending June 30, 2005	Fiscal year ending December 31, 2005
Net sales	¥620,000	¥1,230,000
Recurring profit	46,000	90,000
Net income	24,000	47,000
	Yen	
Net income per share	-	¥167.03

* The forecast consolidated results for the fiscal year ending December 31, 2005 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 for the Fiscal Year Ending December 31, 2005" 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 159 associated companies (122 subsidiaries, 36 affiliates and one related company, as of December 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. Zhuzhou Nanfang Yamaha Motor Co., Ltd. changed its name to Zhuzhou Jianshe Yamaha Motor Co., Ltd.*
- 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.

In the new three-year medium-term management plan, NEXT 50-Phase II, launched in January 2005, Yamaha Motor aims to build on the profitable structure it has established during the previous medium-term management plan, and to implement a business strategy designed to balance value, profitability and growth, thus making Yamaha the market’s exclusive brand. Specifically, the Company is focused on creating value that differentiates Yamaha from other brands in the market; continuing its profit-oriented approach; maximizing growth opportunities for existing businesses, centering in Asia; entering new business domains for further growth; and vitalizing personnel and organizations. Through these efforts, the Company is fulfilling its responsibilities to stakeholders - including shareholders, customers, employees and society at large - to continue delivering value - and a value system - that can really touch people’s hearts.

2. Basic policy regarding return of profits to shareholders

Recognizing that the shareholders’ interests represent one of the highest management priorities of Yamaha Motor, the Company has been aiming to maximize its corporate value through a diversity of business operations worldwide. Regarding the return of profits to its shareholders, the Company adopts a policy centered on paying cash dividends that accurately reflect its business performance, using the payout ratio as an indicator. In addition, the Company is focused on raising its corporate value by investing in new growth fields. Thus, the Company is striving to meet shareholders’ expectations.

The Company plans to increase annual cash dividends per share for the fiscal year ended December 31, 2004, by ¥2, to ¥14.

3. Basic corporate governance policy and current state of implementation

The Company plans to release details concerning its governance approach as a supplemental document for its consolidated financial results for the fiscal year ended December 31, 2004, in early March.

4. Key Priorities the Company Must Address

Business conditions surrounding the Company will remain unpredictable, reflecting the slowdown in the economic recovery in Japan due to such negative factors as the appreciation of oil prices and the stronger yen against the U.S. dollar, coupled with increasing concern about a possible deceleration of the economic expansion elsewhere in Asia, Europe and the United States.

In order to create a stronger management foundation ahead of Yamaha Motor's 50th anniversary in July 2005, and to achieve further growth in the next half century, in April 2002 the Company launched a medium-term management plan - NEXT 50 - focused on improving profitability, attaining growth and enhancing the financial structure, based on the profit-oriented approach.

In January 2005, the Company initiated a new three-year medium-term management plan, "NEXT 50-Phase II." The new plan is designed to build on the profitable structure the Company established in NEXT 50, and set the stage for further growth for the next 50 years.

With NEXT 50-Phase II, the Company is implementing a business strategy intended to balance value, profitability and growth, thus making Yamaha the market's exclusive brand. Specifically, the Company will address the following key management issues.

1. Creating value that differentiates Yamaha

The Company aims to attain both further growth and profitability through four commitments: enhancing customer value by focusing on a branding strategy; increasing social value by fulfilling its corporate social responsibilities; raising shareholder value; and vitalizing the personnel and organizations of the Company.

2. Continuing the profit-oriented approach

The Company is continuing with the profit-oriented approach established in the original NEXT 50, aiming to steadily expand profits for businesses in Europe and the United States; maintain and expand the high profitability of the IM (Intelligent Machinery) business; continue and enhance cost reduction realized through the implementation of the system-supplier system groupwide; and promote high-value-added marketing.

3. Maximizing opportunities for business growth

Building on its solid, profitable structure, the Company will strive to maximize its opportunities for business growth, by expanding the motorcycle business in the ASEAN region; restructuring the business foundation in Brazil, India and China, while developing the Russian market; and entering new business domains, including the biotechnology and electric vehicle businesses.

IV. Operating Performance and Financial Position

1. Operating Performance (Sales breakdown by product and market)

	Amount: millions of yen			Volume: thousand units		
	Fiscal year ended Dec. 31, 2004			Fiscal year ended Mar. 31, 2004		
	Volume	Amount	%	Volume	Amount	%
Net sales:						
Japan	-	¥ 116,944	11.6%	-	¥ 153,763	15.1%
Overseas:						
North America	-	279,017	27.6	-	347,329	34.0
Europe	-	282,020	27.9	-	237,106	23.2
Asia	-	250,131	24.7	-	191,877	18.8
Other areas	-	83,862	8.2	-	90,189	8.9
Sub-total	-	895,032	88.4	-	866,502	84.9
Total	-	¥1,011,976	100.0%	-	¥1,020,266	100.0%
Motorcycles:						
Japan	128	¥ 36,974	6.4%	178	¥ 52,188	9.7%
Overseas:						
North America	138	78,247	13.5	184	101,159	18.9
Europe	411	200,864	34.6	368	170,262	31.8
Asia	2,156	218,555	37.6	1,734	164,253	30.6
Other areas	225	46,168	7.9	216	48,073	9.0
Sub-total	2,930	543,835	93.6	2,503	483,749	90.3
Total	3,057	¥580,810	57.4%	2,681	¥535,937	52.5%
Marine products:						
Japan	-	¥ 19,636	11.0%	-	¥ 28,941	13.8%
Overseas:						
North America	-	87,665	49.3	-	112,539	53.6
Europe	-	38,822	21.8	-	32,383	15.4
Asia	-	8,662	4.9	-	7,056	3.4
Other areas	-	23,091	13.0	-	29,115	13.8
Sub-total	-	158,241	89.0	-	181,093	86.2
Total	-	¥177,877	17.6%	-	¥210,034	20.6%
Power products:						
Japan	-	¥ 8,282	5.1%	-	¥ 13,797	7.6%
Overseas:						
North America	-	111,941	68.6	-	131,164	72.3
Europe	-	30,492	18.7	-	23,872	13.2
Asia	-	3,116	1.9	-	2,843	1.6
Other areas	-	9,416	5.7	-	9,842	5.3
Sub-total	-	154,967	94.9	-	167,722	92.4
Total	-	¥163,249	16.1%	-	¥181,520	17.8%
Other products:						
Japan	-	¥52,050	57.8%	-	¥58,836	63.4%
Overseas:						
North America	-	1,162	1.3	-	2,466	2.7
Europe	-	11,841	13.2	-	10,587	11.4
Asia	-	19,797	22.0	-	17,725	19.1
Other areas	-	5,186	5.7	-	3,158	3.4
Sub-total	-	37,988	42.2	-	33,937	36.6
Total	-	¥90,038	8.9%	-	¥92,774	9.1%

Notes:

1. Year-on-year percentage changes are not included in the above table, since the Company adopted an irregular nine-month accounting period for the fiscal year ended December 31, 2004.

2. Amounts less than ¥1 million are omitted.

(1) Production and Sales

Yamaha Motor Co., Ltd. adopted an irregular nine-month accounting period for the fiscal year ended December 31, 2004, due to a change in its annual closing date from March 31 to December 31, effective from this fiscal year. Accordingly, the Company's consolidated business results for the fiscal year ended December 31, 2004 are an aggregation of twelve-month business results for January 1, 2004 through December 31, 2004 for certain of the Company's consolidated subsidiaries - mainly in Europe and Asia - with nine-month business results for April 1, 2004 through December 31, 2004 for Yamaha Motor Co., Ltd. and other of its consolidated subsidiaries, principally in Japan and North America. Based on this accounting period, Yamaha Motor's consolidated net sales for the fiscal year ended December 31, 2004 were almost the same as the previous year, amounting to ¥1,012 billion.

In Japan, sales of motorcycles and boats continued to decrease; however, surface mounter sales increased substantially. As a result, total domestic sales for the fiscal year under review stood at ¥116.9 billion.

Overseas, sales in Europe rose significantly, due to favorable sales of large motorcycle models, coupled with increased sales for outboard motors and all-terrain vehicles. Sales in Asia also soared, led by a sales expansion for four-stroke, compact motorcycles in Indonesia, Thailand and other nations in the region, and the consolidation of the Company's subsidiary in Vietnam, among other positive factors. As a result, total overseas sales amounted to ¥895.0 billion.

In terms of manufacturing, the number of production units for motorcycles marketed in Japan declined, due to slow demand; however the number of large model units produced went up, reflecting favorable exports of these new models to Europe and the United States. Figures for motorcycle production units in the Company's subsidiaries in Indonesia, Thailand and elsewhere in Asia also rose significantly, reflecting strong sales performance. Regarding the marine product business, the number of outboard motor units manufactured in the Company's domestic subsidiaries increased, centering on large models with less impact on the environment, which were exported to Europe and the United States. In the power product segment, unit production of all-terrain vehicles and side-by-side vehicles expanded, mainly in the Company's U.S. subsidiary. The number of production units for surface mounters, which have been enjoying brisk orders, also increased remarkably, especially in the first half of the fiscal year, compared to the same period of the previous year.

Operating performance by segment

(1) Business segment

[Motorcycles]

In Japan, motorcycle sales were slow, reflecting stagnant market demand.

Overseas, total demand in the ASEAN nations continued to grow steadily. The Company achieved particularly significant sales increases in Indonesia and Thailand, by launching new products including automatic models, promoting an aggressive branding campaign, and expanding sales channels. This performance, coupled with the consolidation of the Company's subsidiary in Vietnam, sent sales in Asia significantly higher during the period. Meanwhile, in the United States and Europe, sales of large motorcycle models were robust.

As a result, motorcycle sales for the fiscal year ended December 31, 2004 totaled ¥580.8 billion, while operating income amounted to ¥21.9 billion.

[Marine products]

In Japan, demand for marine products was sluggish in general.

Overseas, sales in Europe rose, due to increased demand for large outboard motor models, and sales in the United States also remained robust. Regarding personal watercraft, four-stroke models showed steady demand growth in the product's mainstay market, the United States.

Consequently, marine product sales totaled ¥177.9 billion, and operating income amounted to ¥14.0 billion.

[Power products]

In North America - the mainstay market for this product segment - sales of conventional all-terrain vehicles increased substantially, while all-new side-by-side vehicles also enjoyed favorable sales growth. In addition, sales of generators and snowmobiles increased steadily. In Europe, sales of all-terrain vehicles soared during the period.

Accordingly, sales of power products reached ¥163.2 billion, and operating income totaled ¥22.8 billion.

[Other products]

Sales of surface mounters rose significantly, led by the introduction of new production equipment for digital appliances, centering in China and other Asian nations, coupled with expanded manufacturing demand for automobile electronic parts in Japan. Sales of automotive engines also climbed.

In total, sales in this product segment stood at ¥90.0 billion, and operating income amounted to ¥11.5 billion.

(2) Geographical segment

[Japan]

Sales of motorcycles and marine products remained slow; however, surface mounter sales soared during the period. As a result, total sales amounted to ¥192.9 billion, and operating income totaled ¥18.8 billion.

[North America]

North American sales were strong in all business segments, with total sales of ¥271.4 billion, and ¥14.7 billion in operating income.

[Europe]

Total sales and operating income amounted to ¥273.5 billion and ¥20.6 billion, respectively, led mainly by a solid sales expansion for large motorcycle models, and sales increases in marine products and all-terrain vehicles.

[Asia]

Due to favorable sales growth for motorcycles in Indonesia, Thailand and other Asian nations, and the consolidation of the Company's subsidiary in Vietnam during the period, total sales amounted to ¥217.2 billion, and operating income totaled ¥19.8 billion.

[Other areas]

Total sales and operating income amounted to ¥57.0 billion and ¥2.3 billion, respectively, reflecting favorable sales in Latin America and Oceania.

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

Cost reductions, increased sales for motorcycles in Asia, sales growth in Europe and sales expansion for surface mounters and other industrial robots were all favorable developments, although profit was negatively impacted by the stronger yen against the U.S. dollar during the period. As a result, gross profit, operating income, recurring profit and net income amounted to ¥276.8 billion, ¥70.1 billion, ¥70.4 billion and ¥38.2 billion, respectively.

(3) Forecast for the Fiscal Year Ending December 31, 2005 (From January 1 through December 31, 2005)

Business conditions surrounding the Company will remain unpredictable, reflecting the slowdown in the economic recovery in Japan due to such negative factors as the appreciation of oil prices and the stronger yen against the U.S. dollar, coupled with increasing uncertainty about a possible deceleration of economic expansion in Asia, Europe and the United States.

Against this backdrop, demand for motorcycles in Japan, Europe and the United States is expected to remain about the same as the previous year. However, motorcycle demand in Asia (excluding Japan) will continue to expand. Meanwhile, demand for marine products in Europe and United States is likely to stay roughly at par with the previous year. In the power product segment, demand for all-terrain vehicles is anticipated to remain almost the same as the previous year in the mainstay North American market, while in Europe it will continue to expand. Demand for surface mounters and industrial robots is forecast to decrease worldwide, due to a slowdown in demand expansion for digital appliances.

Factoring in all these elements, the Company forecasts its consolidated and non-consolidated business results for the fiscal year ending December 31, 2005 as follows:

	Consolidated Billions of yen	Non-consolidated Billions of yen
	<u>Fiscal year ending December 31, 2005</u>	<u>Fiscal year ending December 31, 2005</u>
Net sales	¥1,230	¥650
Operating income	90	8
Recurring profit	90	16
Net income	47	11

The forecast for the fiscal year ending December 31, 2005 is based on the assumption that one U.S. dollar and one euro will equal ¥102 and ¥133, respectively. Year-on-year percentage changes are not included in the forecast, since the Company adopted an irregular nine-month accounting period in the fiscal year ended December 31, 2004.

[Notice regarding forward-looking statements]

The forecast consolidated results for the fiscal year ending December 31, 2005 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 decreased from the previous year, to ¥43.4 billion. Since the Company adopted an irregular nine-month accounting period for the fiscal year ended December 31, 2004, due to a change in the annual closing date from March 31 to December 31, cash flows from operating activities for the January-to-March period, when the demand for the Company's mainstay products peaks in Japan and North America, were not reflected in the consolidated statement of cash flows for the fiscal year under review. In addition, an increase in income before income taxes and minority interests was nearly offset by rises in inventories and other items, resulted from increases in this category in the Company's European subsidiaries, where sales expanded, and further increased by the Company and its consolidated subsidiaries in Japan and North America adopting an accounting period correlating to the marketing off-season for Yamaha mainstay products.

Net cash used in investing activities stood at ¥44.3 billion, principally due to investments in new manufacturing for motorcycle and automotive engine models, purchases of sites for the construction of a new parts distribution center and biotechnology-related facilities.

Consequent to these operating and investing activities, free cash flows amounted to negative ¥0.9 billion.

Net cash used in financing activities totaled ¥2.1 billion. This was mainly attributable to operating funds raised from short-term bank loans, and the repayment of long-term loans.

As a result of the cash flow activities discussed above, interest-bearing debt at the end of the fiscal year amounted to ¥120.6 billion, while cash and cash equivalents rose by ¥3.7 billion from the end of the previous fiscal year, to ¥38.9 billion at the end of the fiscal year.

3. Trend of Cash Flow Indexes

		FY ended Mar.31, 2001	FY ended Mar.31, 2002	FY ended Mar.31, 2003	FY ended Mar.31, 2004	FY ended Dec.31, 2004
Equity ratio	(%)	22.01	23.11	25.77	35.53	38.26
Equity ratio at market value	(%)	30.04	26.14	28.24	55.94	56.37
Debt redemption period	(years)	9.53	3.28	2.37	1.34	-
Interest coverage ratio	(times)	2.16	6.91	8.57	13.78	10.24

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 market value of corporate stock is calculated by multiplying the closing stock price at the end of each period by the number of shares issued (excluding treasury stock) at that end of the period.

* Net cash provided by operating activities refers to activities detailed in the Consolidated Statements of Cash Flows. Interest-bearing debt refers to all the debts in the Consolidated Balance Sheets which involve interest payment. Interest expenses refer to the figure for the amount of interest paid in the Consolidated Statements of Cash Flows.

* Since the Company adopted an irregular nine-month accounting period for the fiscal year ended December 31, 2004, due to a change in the annual closing date from March 31 to December 31, the debt redemption period information for the fiscal year ended December 31, 2004 was not listed.

V. Consolidated Financial Statements

(1) Consolidated Statements of Income

Fiscal years ended December 31, 2004 and March 31, 2004

	Millions of yen	
	Fiscal year ended Dec. 31, 2004	Fiscal year ended Mar. 31, 2004
Net sales	¥1,011,976	¥1,020,266
Cost of sales	735,182	733,075
Gross profit	276,794	287,190
Selling, general and administrative expenses	206,656	214,062
Operating income	70,137	73,128
Non-operating income	13,302	18,435
Non-operating expenses	13,053	19,266
Recurring profit	70,386	72,297
Extraordinary income	1,409	12,056
Gain on restitution of substitutional portion of welfare pension fund plans	0	11,106
Other, net	1,409	949
Extraordinary loss	6,181	6,169
Impairment loss	2,620	0
Provision for reserve for product warranty	0	2,999
Other, net	3,560	3,170
Income before income taxes and minority interests	65,615	78,185
Corporation, inhabitant and enterprise taxes	24,584	27,552
Deferred income taxes	(1,874)	6,441
Minority interests	4,754	4,066
Net income	¥ 38,150	¥ 40,124

Notes:

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

Millions of yen	
Fiscal year ended Dec. 31, 2004	Fiscal year ended Mar. 31, 2004
¥51,349	¥62,760

2. Year-on-year percentage changes are not included in the above statements, since the Company adopted an irregular nine-month accounting period in the fiscal year ended December 31, 2004.

3. Amounts less than ¥1 million are omitted.

(2) Consolidated Statements of Retained Earnings

Fiscal years ended December 31, 2004 and March 31, 2004

	Millions of yen	
	Fiscal year ended Dec. 31, 2004	Fiscal year ended Mar. 31, 2004
(Capital surplus)		
Capital surplus at beginning of the period	¥ 54,618	¥ 34,419
Increase in capital surplus	2,924	20,199
Conversion of convertible bonds	2,923	20,187
Gains on sale of treasury stock	1	11
Capital surplus at end of the period	57,543	54,618
(Retained earnings)		
Retained earnings at beginning of the period	181,387	142,847
Increases in retained earnings	39,186	41,428
Increase due to increase in associated companies accounted for by the equity method	216	42
Reversal of revaluation reserve on land	818	1,261
Net income	38,150	40,124
Decreases in retained earnings	2,067	2,889
Cash dividends	1,920	2,731
Bonuses to directors and corporate auditors	146	157
Retained earnings at end of the period	¥218,506	¥181,387

Notes:

1. Year-on-year percentage changes are not included in the above statements, since the Company adopted an irregular nine-month accounting period in the fiscal year ended December 31, 2004.
2. Amounts less than ¥1 million are omitted.

(3) Consolidated Balance Sheets

December 31, 2004 and March 31, 2004

	Millions of yen		
	Dec. 31, 2004	Mar. 31, 2004	Change
ASSETS			
Current assets:			
Cash and deposits in banks	¥ 37,194	¥ 37,318	¥ (123)
Trade notes and accounts receivable	145,582	137,027	8,555
Inventories	204,232	159,235	44,996
Deferred tax assets	27,483	25,720	1,763
Other	22,197	20,737	1,459
Less: Allowance for doubtful receivables	(6,266)	(5,372)	(894)
Total current assets	430,424	374,666	55,757
Fixed assets:			
Tangible fixed assets:			
Buildings and structures	80,758	82,276	(1,518)
Machinery and transportation equipment	83,876	77,336	6,539
Land	87,619	88,015	(395)
Construction in progress	12,861	9,740	3,120
Other	18,295	17,493	801
Total tangible fixed assets	283,411	274,863	8,548
Intangible fixed assets:			
Total intangible fixed assets	3,273	2,957	316
Investments and other assets:			
Investment securities	26,203	26,815	(612)
Deferred tax assets	18,295	17,447	847
Other	9,131	8,113	1,018
Less: Allowance for doubtful receivables	(3,011)	(2,939)	(72)
Total investments and other assets	50,618	49,436	1,182
Total fixed assets	337,303	327,256	10,046
Total assets	¥767,727	¥701,923	¥65,804

Note: Amounts less than ¥1 million are omitted.

	Millions of yen		
	Dec. 31, 2004	Mar. 31, 2004	Change
LIABILITIES			
Current liabilities:			
Notes and accounts payable	¥143,531	¥132,291	¥11,240
Short-term loans	71,390	49,639	21,750
Current portion of long-term debt	8,190	12,690	(4,499)
Current portion of convertible bonds	10,000	0	10,000
Commercial paper	7,000	8,500	(1,500)
Accrued expenses	44,026	42,135	1,891
Accrued income taxes	8,039	8,812	(773)
Reserve for bonuses	9,557	14,685	(5,127)
Reserve for warranty costs	19,840	17,268	2,572
Other	51,506	48,128	3,378
Total current liabilities	373,083	334,151	38,932
Long-term liabilities:			
Bonds	8,001	23,712	(15,711)
Long-term debt	16,064	23,994	(7,930)
Deferred tax liabilities on unrealized revaluation gain on land	12,490	13,029	(539)
Liability for retirement benefits	31,589	32,387	(798)
Reserve for retirement benefits for directors and corporate auditors	842	891	(49)
Reserve for product liabilities	2,945	2,661	284
Reserve for motorcycle recycling	762	-	762
Other	8,434	7,523	911
Total long-term liabilities	81,129	104,200	(23,070)
Total liabilities	454,213	438,351	15,861
Minority interests	19,752	14,165	5,586
SHAREHOLDERS' EQUITY			
Common stock	46,362	43,439	2,923
Capital surplus	57,543	54,618	2,924
Retained earnings	218,506	181,387	37,119
Unrealized revaluation gain on land	18,971	19,790	(818)
Unrealized holding gain (loss) on securities	2,502	2,358	143
Translation adjustments	(49,686)	(51,834)	2,148
Less: Treasury stock, at cost	(438)	(352)	(85)
Total shareholders' equity	293,761	249,406	44,355
Total liabilities and shareholders' equity	¥767,727	¥701,923	¥65,804

Note: Amounts less than ¥1 million are omitted.

(4) Consolidated Statements of Cash Flows

Fiscal years ended December 31, 2004 and March 31, 2004

	Millions of yen	
	Fiscal year ended Dec. 31, 2004	Fiscal year ended Mar. 31, 2004
Cash flows from operating activities:		
Income before income taxes and minority interests	¥65,615	¥78,185
Depreciation expenses	30,817	35,363
Impairment loss	2,620	-
Amortization of goodwill	2,672	353
Interest and dividend income	(4,658)	(5,379)
Interest expense	4,350	6,210
Equity in losses of affiliates	4	(2,212)
Trade notes and accounts receivable	(7,916)	(2,832)
Inventories	(42,861)	995
Notes and accounts payable	8,098	17,937
Bonuses to directors and corporate auditors	(146)	(157)
Other	8,885	(4,827)
Subtotal	<u>67,482</u>	<u>123,636</u>
Interest and dividends received	6,136	4,515
Interest paid	(4,238)	(6,401)
Income taxes paid	(25,980)	(33,540)
Net cash provided by operating activities	<u>43,400</u>	<u>88,209</u>
Cash flows from investing activities:		
Decrease in time deposits	2,054	301
Purchase of fixed assets	(42,587)	(33,592)
Purchase of investment securities	(717)	(718)
Decrease in long-term loans receivable	70	314
Additional acquisition of shares of consolidated subsidiaries	(1,985)	(241)
Proceeds from sales of shares of a consolidated subsidiary	0	53
Other	(1,156)	(377)
Net cash used in investing activities	<u>(44,322)</u>	<u>(34,261)</u>
Cash flows from financing activities:		
Increase (decrease) in short-term bank loans	18,582	(9,171)
Proceeds from long-term loans payable	443	1,184
Repayment of long-term loans payable	(13,560)	(24,370)
Increase in bonds	(0)	(5,131)
Cash dividends paid	(1,920)	(2,731)
Cash dividends paid to minority shareholders	(1,470)	(414)
Purchase of treasury stock	(85)	(170)
Increase in common stock and capital surplus	137	0
Net cash used in financing activities	<u>2,125</u>	<u>(40,805)</u>
Effect of exchange rate changes on cash and cash equivalents	672	(1,789)
Net increase (decrease) in cash and cash equivalents	<u>1,875</u>	<u>11,353</u>
Cash and cash equivalents at beginning of the period	<u>35,193</u>	<u>23,839</u>
Increase due to inclusion of subsidiaries in consolidation	1,864	0
Decrease due to exclusion of subsidiaries from consolidation	(12)	0
Cash and cash equivalents at end of the period	<u>¥38,921</u>	<u>¥35,193</u>

Note:

1. Year-on-year percentage changes are not included in the above statements, since the Company adopted an irregular nine-month accounting period in the fiscal year ended December 31, 2004.
2. Amounts less than ¥1 million are omitted.

Notes to Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries 96

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) 5

Yamaha Motor Vietnam Co., Ltd.; PT. Yamaha Motor Manufacturing West Java; TYM Marketing Co., Ltd.; Yamaha Motor Componente da Amazonia Ltda.; Yamaha Motor Consorcio Mexico, S.A. de C.V.

(Number of excluded subsidiaries) 6

Mint Co., Ltd.; Motor Center Barcelona S.A. (now categorized as a non-consolidated subsidiary accounted for by the equity method); Yamaha Motor del Peru S.A. (now categorized as a non-consolidated subsidiary accounted for by the equity method); Yamaha Motor Selva del Peru S.A. (now categorized as a non-consolidated subsidiary accounted for by the equity method); Southwind Marine products Pty. Ltd.; Aisan Electronics Co., Ltd.

Number of non-consolidated subsidiaries 26

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. 21 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 51

Major non-consolidated subsidiaries and affiliates:

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

(Number of newly added companies) 12

Yamaha Nutreco Aquatech Co., Ltd.; Izumisano Waterfront Co., Ltd.; Hayama Marina Co., Ltd.; Amagasaki Kenkounomori Co., Ltd.; Yamaha Motor Racing s.r.l.; Motor Center Barcelona S.A.; Yamaha Jianshe Motor Shanghai Marketing Co., Ltd.; Yamaha Motor Taizhou O.P.E. Company Limited; Yamaha Motor R&D Shanghai Co., Ltd.; Yamaha Motor Procurement Shanghai Co., Ltd.; Yamaha Motor del Peru S.A.; Yamaha Motor Selva del Peru S.A.;

(Number of excluded companies) 2

Yamaha Marine Nishi-kyusyu Co., Ltd.; Yamaha Motor Vietnam Co., Ltd. (now categorized as a consolidated subsidiary)

Five non-consolidated subsidiaries and six 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. Closing date for consolidated subsidiaries

The final date of the business year for all the Company's consolidated subsidiaries is established in accordance with the Company's annual closing date for its consolidated financial accounting.

In line with a change in the annual closing date for Yamaha Motor Co., Ltd., its 28 consolidated domestic subsidiaries, including Yamaha Motor Marketing Japan Co. Ltd., and 17 overseas consolidated subsidiaries, including Yamaha Motor Corporation, U.S.A., changed their annual closing date from March 31 to December 31. Therefore, the fiscal year ended December 31, 2004 for all of these companies was a nine-month period.

4. 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 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 amount to be borne at the end of the fiscal year.

(Additional information)

The Company appropriates the amount to be borne at the end of the fiscal year, in proportion to the estimated future payment amount, as the reserve for bonuses.

Based on the same accounting method, the Company calculated the reserve for bonuses for the fiscal year ended December 31, 2004. However, a difference has arisen between the estimated payment amount and the amount to be borne at the end of the fiscal year in proportion to the estimated payment amount, due to a change in the annual closing date.

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 the costs 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 calculated by multiplying net sales during the financial year by a factor 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.

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

5) *Reserve for retirement benefits for directors and corporate auditors*

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.

7) *Reserve for motorcycle recycling*

The reserve for motorcycle recycling is provided at an estimated amount based on the sales results during the period.

(Additional information)

In line with the commencement of its voluntary motorcycle recycling program on October 1, 2004, the Company appropriates an estimated amount to be used in motorcycle recycling, based on the sales results during the period, as the reserve for motorcycle recycling in the fixed assets column of the "Consolidated Balance Sheets."

(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.

(6) Consumption taxes

Transactions are recorded exclusive of consumption taxes.

5. 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.

6. Amortization of goodwill

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

7. 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.

8. Range of funds in the consolidated statements of cash flows

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

9. Change in financial accounting method

On August 9, 2002, the Business Accounting Council of Japan issued accounting standards in a document entitled "Statement of Opinion on the Establishment of Accounting Standards for Impairment of Fixed Assets." Subsequently, on October 31, 2003, the Accounting Standards Board of Japan issued Financial Accounting Standards Implementation Guidance No. 6 - "Application Guidance on Accounting Standards for Impairment of Fixed Assets." Due to the application of these accounting standards for the impairment of fixed assets, effective for the fiscal year ended March 31, 2004, income before income taxes and minority interests decreased by ¥2,620 million.

Cumulative impairment losses were directly subtracted from each asset, based on financial accounting standards for consolidated financial statements.

10. Notes

(Consolidated Balance Sheets)

Impairment loss

(1) Outline of assets on which the Company recognizes an impairment loss

Application	Location	Impairment loss: Millions of yen	
Idle assets	Ōmura City, Nagasaki	Buildings and structures	¥ 229
	Prefecture and 9 other locations	Land	2,384
		Other	6
		Total	¥2,620

(2) Classification

The Company recognizes an impairment loss on the minimum unit asset capable of producing cash flows independently in general from other assets.

(3) Recognition of an impairment loss

The Company recognizes an impairment loss on idle assets that are not employed in the Company's operations and whose market value is far below their acquisition cost.

(4) Recoverable amounts

Recoverable amounts for idle assets, to which the impairment accounting is applied, are determined by the net sale value, based mainly on the real estate appraisal or similar method.

(Consolidated Balance Sheets)

	Millions of yen	
	Dec. 31, 2004	Mar. 31, 2004
(1) Accumulated depreciation of tangible fixed assets	¥416,533	¥402,828
(2) Pledged assets	23,084	15,730
(3) Contingent liabilities	949	1,092
(4) Discounts on trade notes receivable	1,422	1,346

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 2004 was below its book value by ¥16,073 million.

(Consolidated Statements of Cash Flows)

(1) A reconciliation of “cash and cash equivalents” as of December 31, 2004 and March 31, 2004 to accounts and mounts in the accompanying consolidated balance sheets is as follows:

	Millions of yen	
	<u>Fiscal year ended Dec. 31, 2004</u>	<u>Fiscal year ended Mar. 31, 2004</u>
Cash and deposits in banks	¥37,194	¥37,318
Time deposits with maturity in excess of three months	(523)	(2,188)
Other current assets	2,249	63
Cash and cash equivalents	¥38,921	¥35,193

Note: Amounts less than ¥1 million are omitted

(2) Significant non-cash transactions

	Millions of yen	
	<u>Fiscal year ended Dec. 31, 2004</u>	<u>Fiscal year ended Mar. 31, 2004</u>
Increase in common stock due to conversion of convertible bonds	¥2,855	¥20,187
Increase in capital surplus due to conversion of convertible bonds	2,855	20,187
Decrease in convertible bonds due to conversion	¥5,710	¥40,375

Note: Amounts less than ¥1 million are omitted

VI. Segment Information

(1) Business segment information

Fiscal years ended December 31, 2004 and March 31, 2004

Fiscal year ended December 31, 2004

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	¥580,810	¥177,877	¥163,249	¥ 90,038	¥1,011,976	¥ -	¥1,011,976
Intersegment	0	0	0	65,948	65,948	(65,948)	-
Total	580,810	177,877	163,249	155,987	1,077,925	(65,948)	1,011,976
Operating expenses:							
Operating expenses:	558,941	163,872	140,486	144,485	1,007,787	(65,948)	941,838
Operating income:	21,868	14,004	22,762	11,501	70,137	0	70,137
Assets:							
Assets:	426,023	138,804	110,837	92,062	767,727	-	767,727
Depreciation:							
Depreciation:	18,486	5,217	3,349	3,763	30,817	-	30,817
Capital expenditures:							
Capital expenditures:	27,420	7,337	4,285	6,688	45,731	-	45,731

Notes:

1. Business segments correspond to categories of activity classified primarily by products and market.
2. Major products in each business segment:

Business segment	Major products
Motorcycles	Motorcycles and knockdown parts for overseas production
Marine products	Outboard motors, personal watercraft, boats, FRP pools, fishing boats, utility boats and diesel engines
Power products	All-terrain vehicles, side-by-side vehicles, snowmobiles, golf cars, generators, small-sized snow throwers and multi-purpose engines
Other products	Surface mounters, industrial robots, automotive engines, automotive components, electro-hybrid bicycles, unmanned industrial helicopters, electrically powered wheelchairs and the intermediate parts for products in all business segments

3. All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
4. In the past, segment information related to the intermediate parts manufacturing business was apportioned to each business segment according to the proportion of involvement in final products. However, the method of managing business results has been changed to further focus on the profitability and growth potential of the final products in each business segment. Therefore, the production of intermediate parts for products in all business segments is now included in the "other products" segment, effective from the fiscal year ended December 31, 2004. This enables more accurate classification of the Company's business segments.
The business segment information for the previous fiscal year, rearranged to conform to the above-mentioned change in segment classification, appears below.
5. Amounts less than ¥1 million are omitted.

Fiscal year ended March 31, 2004 (Rearranged)

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	¥532,107	¥209,935	¥181,456	¥ 96,766	¥1,020,266	¥ -	¥1,020,266
Intersegment	0	0	0	58,587	58,587	(58,587)	-
Total	532,107	209,935	181,456	155,354	1,078,854	(58,587)	1,020,266
Operating expenses:	514,212	193,583	156,735	141,193	1,005,725	(58,587)	947,137
Operating income:	17,894	16,351	24,721	14,160	73,128	0	78,128
Assets:	409,534	135,052	81,427	75,908	701,923	-	701,923
Depreciation:	21,076	7,152	3,016	4,117	35,363	-	35,363
Capital expenditures:	28,044	6,692	3,055	5,610	43,402	-	43,402

Fiscal year ended March 31, 2004

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	¥535,937	¥210,034	¥181,520	¥92,774	¥1,020,266	¥ -	¥1,020,266
Intersegment	0	0	0	0	0	0	0
Total	535,937	210,034	181,520	92,774	1,020,266	0	1,020,266
Operating expenses:	514,373	193,577	156,520	82,666	947,137	0	947,137
Operating income:	21,563	16,457	24,999	10,108	73,128	0	73,128
Assets:	425,862	136,970	83,004	56,086	701,923	-	701,923
Depreciation:	22,411	7,319	3,153	2,479	35,363	-	35,363
Capital expenditures:	29,791	6,857	3,206	3,546	43,402	-	43,402

Notes:

1. Business segments correspond to categories of activity classified primarily by products and market.
2. Major products in each business segment:

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

3. All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
4. Amounts less than ¥1 million are omitted

(2) Geographic segment information

Fiscal years ended December 31, 2004 and March 31, 2004

Fiscal year ended December 31, 2004

	Millions of yen					Total	Eliminations	Consolidated
	Japan	North America	Europe	Asia	Other areas			
Net sales:								
Outside customers	¥192,898	¥271,426	¥273,530	¥217,166	¥56,953	¥1,011,976	¥ -	¥1,011,976
Intersegment	346,782	14,008	2,433	28,925	4,373	396,523	(396,523)	-
Total	539,681	285,435	275,963	246,091	61,326	1,408,499	(396,523)	1,011,976
Operating expenses:	520,921	270,751	255,379	226,323	59,047	1,332,423	(390,584)	941,838
Operating income:	18,759	14,684	20,584	19,768	2,279	76,076	(5,938)	70,137
Assets:	504,785	140,986	153,958	123,038	39,260	962,029	(194,301)	767,727

Notes:

- Geographic segments correspond to categories of geographical similarity, classified primarily by nations and regions.
- Each segment outside Japan includes the following nations and regions:
 - North America: U.S.A. and Canada
 - Europe: The Netherlands, France, Italy and Spain
 - Asia: Indonesia, Taiwan, Thailand, Vietnam, India, China and Singapore
 - Other areas: Australia, Brazil, Colombia and Mexico
- All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
- Amounts less than ¥1 million are omitted.

Fiscal year ended March 31, 2004

	Millions of yen					Total	Eliminations	Consolidated
	Japan	North America	Europe	Asia	Other areas			
Net sales:								
Outside customers	¥240,404	¥336,496	¥233,119	¥152,817	¥57,428	¥1,020,266	¥ -	¥1,020,266
Intersegment	401,959	14,813	1,979	20,300	1,066	440,119	(440,119)	-
Total	642,364	351,310	235,098	173,117	58,495	1,460,385	(440,119)	1,020,266
Operating expenses:	619,387	330,239	218,537	162,811	57,507	1,388,483	(441,345)	947,137
Operating income:	22,976	21,070	16,560	10,306	987	71,902	1,226	73,128
Assets:	484,594	136,878	115,529	96,342	34,707	868,052	(166,128)	701,923

Notes:

- Geographic segments correspond to categories of geographical similarity, classified primarily by nations and regions.
- Each segment outside Japan includes the following nations and regions:
 - North America: U.S.A. and Canada
 - Europe: The Netherlands, France, Italy and Spain
 - Asia: Indonesia, Taiwan, Thailand, India, China and Singapore
 - Other areas: Australia, Brazil, Colombia and Mexico
- All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
- Amounts less than ¥1 million are omitted.

(3) Overseas sales

Fiscal years ended December 31, 2004 and March 31, 2004

Fiscal year ended December 31, 2004

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
Overseas sales	<u>¥279,017</u>	<u>¥282,020</u>	<u>¥250,131</u>	<u>¥83,862</u>	<u>¥ 895,032</u>
Consolidated sales					<u>1,011,976</u>
Overseas sales to net sales	<u>27.6%</u>	<u>27.9%</u>	<u>24.7%</u>	<u>8.2%</u>	<u>88.4%</u>

Notes:

1. Overseas segments correspond to categories of geographical similarity, classified primarily by nations and regions.
2. 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, Thailand, India, Vietnam and China
 - (4) Other areas: Australia, Brazil and South Africa
3. Overseas sales consist of export sales of Yamaha Motor and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the foreign consolidated subsidiaries.
4. Amounts less than ¥1 million are omitted.

Fiscal year ended March 31, 2004

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
Overseas sales	<u>¥347,329</u>	<u>¥237,106</u>	<u>¥191,877</u>	<u>¥90,189</u>	<u>¥ 866,502</u>
Consolidated sales					<u>1,020,266</u>
Overseas sales to net sales	<u>34.0%</u>	<u>23.2%</u>	<u>18.8%</u>	<u>8.9%</u>	<u>84.9%</u>

Notes:

1. Overseas segments correspond to categories of geographical similarity, classified primarily by nations and regions.
2. 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, Thailand, India and China
 - (4) Other areas: Australia, Brazil and South Africa
3. Overseas sales consist of export sales of Yamaha Motor and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the foreign consolidated subsidiaries.
4. Amounts less than ¥1 million are omitted.

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 "Consolidated Financial Results for the Fiscal Year Ended December 31, 2004," in early March.

X. Marketable Securities

December 31, 2004

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

		Millions of yen		
Type		Acquisition cost	Carrying value	Unrealized gain (loss)
	(1) Equity securities	¥2,114	¥6,673	¥4,558
	(2) Bonds			
Securities whose carrying value exceeds their acquisition 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	2,114	6,673	4,558
	(1) Equity securities	2,531	2,136	(394)
	(2) Bonds			
Securities whose acquisition cost exceeds their carrying value	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	2,531	2,136	(394)
	Total	¥4,645	¥8,809	¥4,164

Note:

The Company posted an impairment loss totaling ¥424 million for marketable securities (¥215 million for other securities without market value, and ¥208 million for securities of subsidiaries and affiliates) in the fiscal year ended December 31, 2004.

The Company principally posts an impairment loss on securities whose market value at the end of the fiscal year is less than 50 percent of the acquisition cost. For securities whose market value at the end of the fiscal year decreases by 30 to 50 percent from their acquisition cost, the Company posts an impairment loss 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, 2004 through December 31, 2004)

Millions of yen		
Amount sold	Total gains	Total losses
¥683	¥645	4

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

Millions of yen	
Carrying value at the consolidated balance sheet date	
Other securities	
Unlisted equity securities (excluding ver-the-counter securities)	¥1,919
Other	0

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

Millions of yen				
Carrying value at the consolidated balance sheet date				
	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	0	0	0	0
3) Other	0	0	0	0
(2) Other	0	0	0	0
Total	¥0	¥0	¥0	¥0

March 31, 2003

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

		Millions of yen		
Type		Acquisition cost	Carrying value	Unrealized gain (loss)
	(1) Equity securities	¥2,116	¥6,579	¥4,462
	(2) Bonds			
Securities whose carrying value exceeds their acquisition 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 acquisition cost exceeds their carrying value	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 an impairment loss 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 an impairment loss on securities whose market value at the end of the fiscal year is less than 50 percent of their acquisition cost. For securities whose market value at the end of the fiscal year decreases by 30 to 50 percent from the acquisition cost, the Company posts an impairment loss 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	
Carrying value at the consolidated balance sheet date	
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

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 "Consolidated Financial Results for the Fiscal Year Ended December 31, 2004," in early March.