

## **Consolidated Business Results for the Fiscal Year Ended December 31, 2005**

<b>Name of registrant:</b>	Yamaha Motor Co., Ltd.
<b>Code No:</b>	7272
<b>Securities traded:</b>	Tokyo Stock Exchange First Section
<b>Headquarters:</b>	Shizuoka, Japan (URL <a href="http://www.yamaha-motor.co.jp/global/profile/ir/index.html">http://www.yamaha-motor.co.jp/global/profile/ir/index.html</a> )
<b>Representative:</b>	Takashi Kajikawa, President and Representative Director
<b>Contact:</b>	Yutaka Kume, Division Manager, Finance & Logistics Division Phone: +81-538-32-1103
<b>Date of the meeting of the Board of Directors for account settlement:</b>	February 7, 2006
<b>Parent company, etc:</b>	Yamaha Corporation (Code No: 7951) Percentage of voting rights owned by the parent company, etc: 22.7%
<b>Status of US GAAP:</b>	Not adopted

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## I. Financial Summary

Results for the fiscal year ended December 31, 2005 (January 1, 2005 through December 31, 2005)

### 1. Operating Performance

	Millions of yen	
	Fiscal year ended Dec. 31, 2005	Fiscal year ended Dec. 31, 2004
Net sales	¥1,375,249	¥1,011,976
Operating income	103,341	70,137
Recurring profit	103,101	70,386
Net income	64,024	38,150
	Yen	
<i>Per share amounts:</i>		
Net income - basic	¥224.42	¥136.93
Net income - diluted	223.39	133.20
	Percent	
Net income to shareholders' equity	18.9%	14.0%
Recurring profit to total assets	11.9	9.6
Recurring profit to net sales	7.5	7.0

Notes:

1. Equity in earnings (losses) of affiliates:

	Millions of yen	
	Fiscal year ended Dec. 31, 2005	Fiscal year ended Dec. 31, 2004
	¥906	¥(4)

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

	Shares	
	Fiscal year ended Dec. 31, 2005	Fiscal year ended Dec. 31, 2004
	284,388,157	277,367,175

3. Change in financial accounting method: None

4. Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries changed their fiscal year-end from March 31 to December 31, effective in the fiscal year ended December 31, 2004, and adopted an irregular nine-month accounting period, from April 1, 2004 through December 31, 2004, for the fiscal year ended December 31, 2004. Accordingly, the accounting period for the fiscal year ended December 31, 2004 corresponded to April 1, 2004 through December 31, 2004 for Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries mainly in Japan and North America while that for other of the Company's consolidated subsidiaries principally in Asia and Europe spanned the period from January 1, 2004 through December 31, 2004. Effective in the fiscal year ended December 31, 2005, Yamaha Motor unified its accounting period for the fiscal year for the Company and all its consolidated subsidiaries to January 1 through December 31 of each financial year. Thus, comparison of the business performance in the fiscal year ended December 31, 2005 with that in the previous fiscal year ended December 31, 2004 is not included in the "Operating Performance" summarized above.

5. Amounts less than ¥1 million are omitted.

## 2. Financial Position

	Millions of yen	
	<b>Fiscal year ended Dec. 31, 2005</b>	Fiscal year ended Dec. 31, 2004
Total assets	<b>¥958,476</b>	¥767,727
Shareholders' equity	<b>383,895</b>	293,761
	Percent	
Shareholders' equity to total assets	<b>40.1%</b>	38.3%
	Yen	
Shareholders' equity per share	<b>¥1,343.34</b>	¥1,043.38

Note:

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

	Shares	
	<b>Fiscal year ended Dec. 31, 2005</b>	Fiscal year ended Dec. 31, 2004
	<b>285,625,974</b>	281,383,786

## 3. Cash Flows

	Millions of yen	
	<b>Fiscal year ended Dec. 31, 2005</b>	Fiscal year ended Dec. 31, 2004
Net cash provided by operating activities	<b>¥66,307</b>	¥43,400
Net cash used in investing activities	<b>(72,074)</b>	(44,322)
Net cash provided by (used in) financing activities	<b>(31)</b>	2,125
Cash and cash equivalents at end of the period	<b>38,657</b>	38,921

## 4. Scope of Consolidation

Number of consolidated subsidiaries	<b>98</b>
Number of non-consolidated subsidiaries accounted for by the equity method	<b>22</b>
Number of affiliates accounted for by the equity method	<b>29</b>

## 5. Change in Consolidation During the Period

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

**Forecast for the Fiscal Year Ending December 31, 2006**  
**(January 1, 2006 through December 31, 2006)**

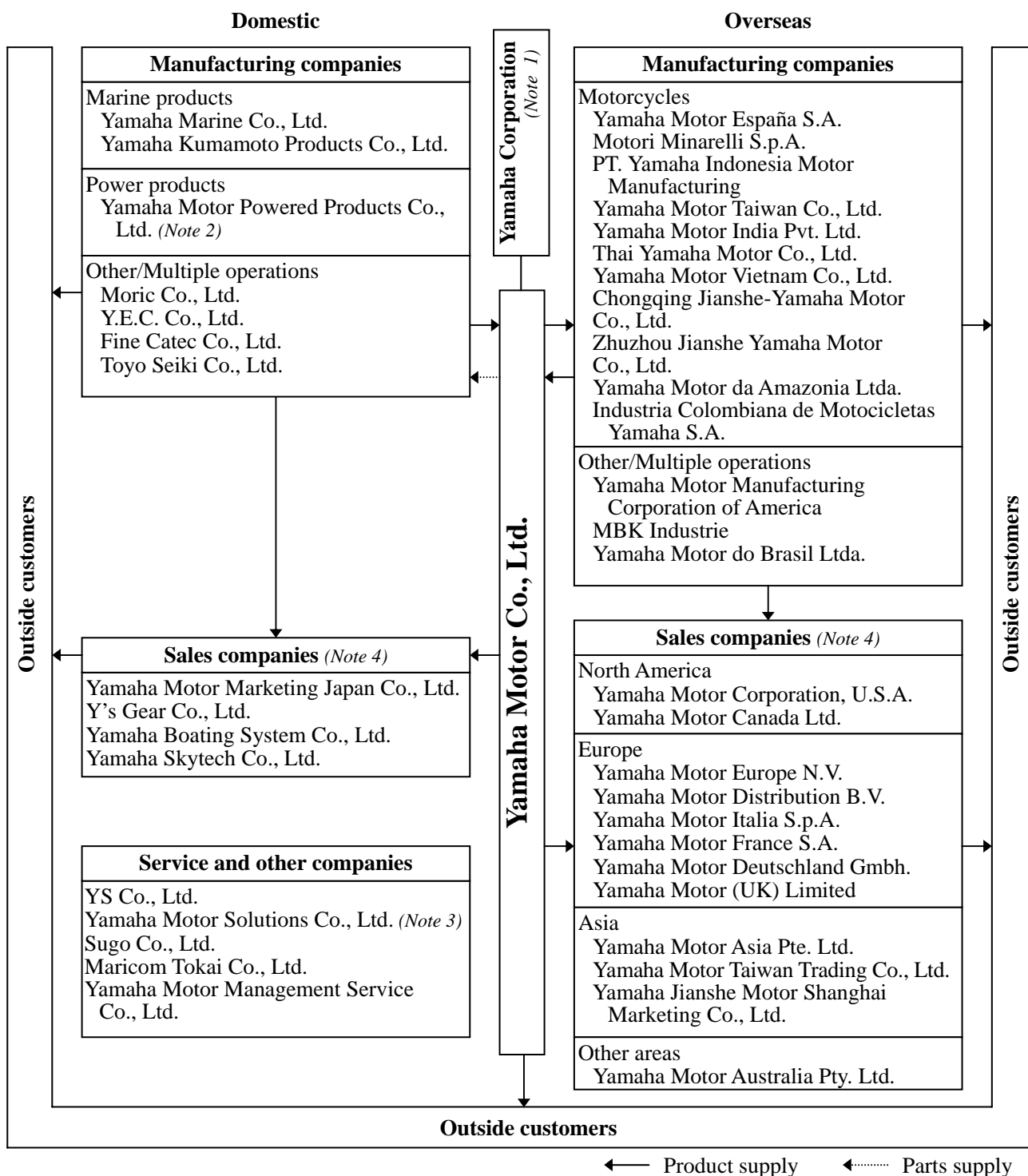
	Millions of yen	
	First half-year ending Jun. 30, 2006	Fiscal year ending Dec. 31, 2006
Net sales	¥760,000	¥1,450,000
Recurring profit	60,000	115,000
Net income	35,000	65,000
	Yen	
Net income per share		¥227.57

\* 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, 2006" on page 13 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 162 associated companies (126 subsidiaries, 35 affiliates and one related company, as of December 31, 2005) 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. Yamaha Corporation is classified as a related company.
2. SOQI, Inc. changed its name to Yamaha Motor Powered Products Co., Ltd. on January 1, 2006.
3. Alpha Information Systems Co., Ltd. changed its name to Yamaha Motor Solutions Co., Ltd. on January 1, 2006.
4. Sales companies are engaged in the marketing of products related to more than one business segment.
5. 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. By maximizing its ingenuity and enthusiasm, the Yamaha Motor Group is committed to helping people realize their dreams, delivering a new level of excitement and contributing to a more fulfilling life. Thus, Yamaha Motor aims to become a company of value that people can always count on to take *kando* touching their hearts to the next stage.

In the new three-year medium-term management plan, NEXT50-Phase II, launched in 2005, the Yamaha Motor Group aims to build on the profitable structure it established during the previous medium-term management plan, and to implement a business strategy designed to balance value, profitability and growth, thus making Yamaha an exclusive brand in the global marketplace. Specifically, the Group 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, particularly in Asia; entering new business domains for further growth; and vitalizing personnel and organizations. Through these efforts, the Group 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, Company policy centers 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.

In accordance with the policy of returning profits to shareholders, the Company plans to pay annual cash dividends per share for fiscal 2005 as follows.

	Per share amount: yen	
	FY 2005	FY 2004
Interim dividend	¥ 8.50	¥
Year-end:		
Regular dividend	14.50	14.00
50th anniversary commemorative dividend	5.00	
Annual cash dividends	¥28.00	¥14.00

Notes:

1. Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries changed their fiscal year-end from March 31 to December 31, effective in the fiscal year ended December 31, 2004, and adopted an irregular nine-month accounting period, from April 1, 2004 through December 31, 2004, for the fiscal year ended December 31, 2004. Accordingly, the Company did not pay interim dividend for fiscal 2004.

### **3. Key Priorities the Company Group Must Address**

Business conditions surrounding the Yamaha Motor Group are expected to remain worrisome, reflecting the recent appreciation in gasoline prices; concerns over possible downturns in demand in ASEAN countries and the United States, triggered by rising interest rates, among other negative factors; and soaring raw material prices, with consequent substantial cost increases downstream.

Against this backdrop, the Yamaha Motor Group recognizes that fiscal 2006 – the second year of its medium-term management plan, NEXT50-Phase II – will have added significance. Based on this realization, the Group will address the following key management issues, thereby enabling a quicker response to changes in the business environment surrounding the Group.

#### **1. Expanding the motorcycle and other businesses**

With NEXT50-Phase II, which is designed to build on the profitable structure established in the original NEXT50, the Group is implementing a business strategy that balances value, profitability and growth, thus aiming to make Yamaha an exclusive brand in the global marketplace.

In line with this principle policy, the Group aims to achieve and surpass all the projected performance targets specified in NEXT50-Phase II. While this applies to all business segments, the Group is especially focused on further honing the competitive edge of its core motorcycle business.

#### **2. Fulfilling corporate social responsibility (CSR)**

Yamaha Motor formally mapped out its CSR guidelines in fiscal 2005. Fiscal 2006 marks the first year in which the Company will pursue the activities specified in the roadmap. In the effort, the Company will give priority to fundamentals such as product quality, the environment, employment, personnel management and industrial relations, compliance and risk management. In each area, the Company will identify tasks and set goals and schedules to lay the groundwork for consistent performance improvement.

Also, the Company will develop CSR into a global initiative. In the past, CSR has been centered on Yamaha Motor Co., Ltd. and its affiliated companies in Japan, but from fiscal 2006, the Company will implement CSR activities worldwide, pursuing a diversity of tasks and objectives tailored to meet the conditions and requirements of each locality.

#### **3. Developing multi-talented, globally-oriented personnel**

In autumn 2005, the Company established new personnel requirements, designed to help develop employees who can carry the Company into the future: individuals with multiple skills, capable of handling global, diverse operations. To meet these requirements, the Company will introduce a human resources development program to systematically train young talent, while promoting further career development for its mid- and upper-level employees with a career development program tailored to fit the individual's particular job description within the Company.

### **4. Basic Corporate Governance Policies and Current State of Implementation**

The Company plans to release details concerning its governance approach as a supplementary document to its Consolidated Business Results for the Fiscal Year Ended December 31, 2005, in early March.

## 5. Information Related to the Parent Company

### 1. Name of the parent company and its relation to Yamaha Motor

As of December 31, 2005

Parent company	Relation	Ratio of voting rights held by the parent company	Stock exchanges where shares issued by the parent company are traded
Yamaha Corporation	The listed company is an associated company of the parent company	22.7% (0.1)*	Tokyo Stock Exchange First Section

Note: The figure in parenthesis indicates the ratio of voting rights held by the parent company indirectly, and is included in the 22.7% total.

### 2. The Company's position relative to the parent company and corporate group, and relations between the Company and the parent company.

Yamaha Corporation is the largest shareholder of Yamaha Motor Co., Ltd, with 22.7% of the Company's stock (as the voting right ratio, as of December 31, 2005). The Company shares the use of the Yamaha brand name with Yamaha Corporation.

The President and Representative Director of Yamaha Corporation serves as an Outside Director of the Company, and one of the Standing Corporate Auditors of Yamaha Corporation serves as an Outside Corporate Auditor of the Company. The Chairman of the Board of Directors of the Company serves as an Outside Director of Yamaha Corporation, and one of the Standing Corporate Auditors of the Company serves as an Outside Corporate Auditor of Yamaha Corporation.

### 3. Items related to business transactions with the parent company

The Company purchases merchandise from Yamaha Corporation.

## 6. Other information

Yamaha Motor Co., Ltd. has been indicted by Japan's Ministry of Economy, Trade and Industry on suspicion of violating Japan's foreign exchange and foreign trade laws. The indictment alleges a breach of regulatory requirements regarding the export of unmanned industrial helicopters. Following the indictment, the Company was placed under investigation by the Shizuoka Prefectural Police, Fukuoka Prefectural Police and Nagoya Customs, on January 23, 2006.

## 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, 2005			Fiscal year ended Dec. 31, 2004		
	(Jan. 1, 2005	Dec. 31, 2005)		(Apr. 1, 2004	Dec. 31, 2004)	
	Volume	Amount	%	Volume	Amount	%
<b>Net sales:</b>						
<b>Japan</b>		¥ 183,877	13.4%		¥ 116,944	11.6%
<b>Overseas:</b>						
North America		436,177	31.7		279,017	27.6
Europe		298,076	21.7		282,020	27.9
Asia		328,989	23.9		250,131	24.7
Other areas		128,127	9.3		83,862	8.2
Sub-total		1,191,371	86.6		895,032	88.4
Total		¥1,375,249	100.0%		¥1,011,976	100.0%
<b>Motorcycles:</b>						
<b>Japan</b>	167	¥ 51,694	6.8%	128	¥ 36,974	6.4%
<b>Overseas:</b>						
North America	223	130,609	17.2	138	78,247	13.5
Europe	421	204,381	26.9	411	200,864	34.6
Asia	2,727	296,682	39.0	2,156	218,555	37.6
Other areas	311	76,406	10.1	225	46,168	7.9
Sub-total	3,682	708,080	93.2	2,930	543,835	93.6
Total	3,849	¥759,775	55.2%	3,057	¥580,810	57.4%
<b>Marine products:</b>						
<b>Japan</b>		¥ 29,651	11.9%		¥ 19,636	11.0%
<b>Overseas:</b>						
North America		137,206	54.9		87,665	49.3
Europe		42,938	17.2		38,822	21.8
Asia		7,008	2.8		8,662	4.9
Other areas		33,038	13.2		23,091	13.0
Sub-total		220,192	88.1		158,241	89.0
Total		¥249,844	18.2%		¥177,877	17.6%
<b>Power products:</b>						
<b>Japan</b>		¥ 13,072	5.8%		¥ 8,282	5.1%
<b>Overseas:</b>						
North America		164,469	72.4		111,941	68.6
Europe		32,443	14.3		30,492	18.7
Asia		3,481	1.5		3,116	1.9
Other areas		13,691	6.0		9,416	5.7
Sub-total		214,086	94.2		154,967	94.9
Total		¥227,159	16.5%		¥163,249	16.1%
<b>Other products:</b>						
<b>Japan</b>		¥ 89,458	64.6%		¥52,050	57.8%
<b>Overseas:</b>						
North America		3,892	2.8		1,162	1.3
Europe		18,312	13.2		11,841	13.2
Asia		21,816	15.8		19,797	22.0
Other areas		4,989	3.6		5,186	5.7
Sub-total		49,011	35.4		37,988	42.2
Total		¥138,469	10.1%		¥90,038	8.9%

Notes:

1. Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries changed their fiscal year-end from March 31 to December 31, effective in the fiscal year ended December 31, 2004, and adopted an irregular nine-month accounting period, from April 1, 2004 through December 31, 2004, for the fiscal year ended December 31, 2004. Accordingly, the accounting period for the fiscal year ended December 31, 2004 corresponded to April 1, 2004 through December 31, 2004 for Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries mainly in Japan and North America while that for other of the Company's consolidated subsidiaries principally in Asia and Europe spanned the period from January 1, 2004 through December 31, 2004. Effective in the fiscal year ended December 31, 2005, Yamaha Motor unified its accounting period for the fiscal year for the Company and all its consolidated subsidiaries to January 1 through December 31 of each financial year. Thus, comparison of the business performance in the fiscal year ended December 31, 2005 with that in the previous fiscal year ended December 31, 2004 is not included in the "Operating Performance (Sales Breakdown by Product and Market)" summarized above.
2. Amounts less than ¥1 million are omitted.

## **(1) Production and Sales**

Consolidated net sales for the fiscal year ended December 31, 2005 amounted to ¥1,375.2 billion, an all-time record. This was mainly attributable to favorable sales for motorcycles, outboard motors and automotive engines.

In Japan, sales of large scooters and automotive engines were robust. As a result, total domestic sales reached ¥183.9 billion.

Overseas sales were solid as well. In Asia (excluding Japan), sales of compact four-stroke motorcycles were strong, particularly in Indonesia and Thailand. Motorcycle sales in the United States and Latin America were also favorable. These positive factors coupled with brisk sales for outboard motors in Europe, the United States and other countries pushed overseas sales up to ¥1,191.4 billion.

In terms of manufacturing, the number of large motorcycle units produced for export to the United States increased, reflecting strong sales there. Meanwhile, the number of motorcycle units produced by the Company's subsidiaries in Indonesia, Thailand and elsewhere in Asia, as well as those in Latin America, also rose substantially, due to robust sales. In the marine product segment, outboard motor unit production expanded, centering on large models with less environmental impact, exported to Europe and the United States. In the power product business, the number of production units for all-new side-by-side vehicles (SSVs) rose, centering on the Company's subsidiary in North America. Automotive engine unit production also rose significantly on brisk orders.

### **Operating performance by segment**

#### (1) Business segment

##### [Motorcycles]

In Japan, sales of 50cc class motorcycles declined. However, sales of large scooters were brisk.

Overseas, sales in Asia were strong, reflecting substantial sales growth in Indonesia, Thailand and other countries in the region, due to the introduction of automatics and other new motorcycle models, and aggressive measures to enhance the business, such as expansion of the sales network. In the United States, sales of large motorcycles were robust. Motorcycle sales in Latin America were also strong.

As a result, sales and operating income for the motorcycle business in the fiscal year under review amounted to ¥759.8 billion and ¥33.2 billion, respectively.

##### [Marine products]

In Japan, sales of marine products were roughly on a par with the performance in the same period of the previous year. Overseas, sales of large outboard motors with less impact on the environment were brisk in Europe and the United States.

Consequently, marine product sales totaled ¥249.8 billion, and operating income amounted to ¥24.7 billion.

##### [Power products]

Sales of ATVs were virtually flat compared with the same period of the previous year in the United States; however, sales of all-new SSVs were favorable.

Accordingly, power product sales reached ¥227.2 billion, and operating income totaled ¥26.9 billion.

##### [Other products]

Surface mounter sales grew steadily in Japan, but fell from the same period of the previous year elsewhere in Asia, centering on China. Meanwhile, automotive engine sales were robust.

In total, sales of other products amounted to ¥138.5 billion, and operating income stood at ¥18.6 billion.

## (2) Geographical segment

### [Japan]

Motorcycle sales registered a steady increase compared with the same period of the previous year, while sales of automotive engines also rose significantly. As a result, total sales in Japan amounted to ¥293.2 billion, and operating income totaled ¥33.5 billion.

### [North America]

North American sales were strong in all business segments, totaling ¥420.6 billion, with ¥24.1 billion in operating income.

### [Europe]

Total sales and operating income amounted to ¥281.1 billion and ¥17.7 billion, respectively, reflecting favorable sales for outboard motors, although motorcycle sales remained virtually flat compared with the same period of the previous year.

### [Asia]

Due to favorable sales growth for motorcycles in Indonesia, Thailand and other Asian countries, coupled with the consolidation of the Company's sales subsidiary in China during the period, total sales reached ¥290.9 billion, and operating income totaled ¥25.2 billion.

### [Other areas]

Total sales and operating income amounted to ¥89.5 billion and ¥6.4 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**

The appreciation of raw material costs during the period had a negative impact, decreasing the Company's profit. Nevertheless, motorcycle sales in Asia (excluding Japan), the United States and Latin America were favorable, and sales for outboard motors in the United States were also robust. Consequently, net sales, operating income, recurring profit and net income for the fiscal year under review stood at ¥1,375.2 billion, ¥103.3 billion, ¥103.1 billion and ¥64.0 billion, respectively, all record highs.

## **(3) Forecast for the Fiscal Year Ending December 31, 2006 (From January 1, 2006 through December 31, 2006)**

Business conditions surrounding the Yamaha Motor Group are expected to remain worrisome, reflecting the recent appreciation in gasoline prices; concerns over possible downturns in demand in ASEAN countries and the United States, triggered by rising interest rates, among other negative factors; and soaring raw material prices, with consequent substantial cost increases downstream.

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, the growth of motorcycle demand in Asia (excluding Japan) will slow down. Meanwhile, demand for marine products in Europe and United States is likely to stay roughly on a par

with the previous year. In the power product segment, demand for ATVs is expected to remain almost the same as the previous year in the mainstay North American market. Demand for surface mounters and industrial robots is also forecast to stay roughly on a par with the previous year.

Factoring in all these elements, the Company forecasts its consolidated and non-consolidated business results for the fiscal year ending December 31, 2006 as follows:

	Consolidated	Non-consolidated
	Billions of yen	Billions of yen
	Fiscal year ending Dec.31, 2006	Fiscal year ending Dec. 31, 2006
Net sales	¥1,450 (+5.4%)	750 (-0.8%)
Operating income	115 (+11.3)	22 (+14.3)
Recurring profit	115 (+11.5)	35 (+63.3)
Net income	65 (+1.5)	24 (+43.5)

Note: Figures in parentheses represent the % change from FY2005.

The forecast is based on the assumption that one U.S. dollar and one euro will equal ¥112 and ¥136, respectively.

[Notice regarding forward-looking statements]

The forecast consolidated results for the fiscal year ending December 31, 2006 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 amounted to ¥66.3 billion. This was mainly attributable to the fact that income before income taxes and minority interests amounted to ¥102.3 billion, more than offsetting trade notes and accounts receivable and inventories, which increased in tandem with the sales expansion.

Net cash used in investing activities totaled ¥72.1 billion, which was principally used for capital expenditures in the manufacture of new motorcycle models and the construction of a new motorcycle plant in Indonesia.

Consequent to these operating and investing activities, free cash flows in the fiscal year under review amounted to a negative ¥5.8 billion.

In regard to cash flows from financing activities, working capital was procured by short-term bank loans. Meanwhile, bonds were redeemed and long-term loans payable were repaid.

As a result of the cash flow activities discussed above, interest-bearing debt at the end of the fiscal year totaled ¥154 billion, while cash and cash equivalents at the end of the fiscal year remained nearly unchanged from the end of the previous fiscal period, standing at ¥38.7 billion.

### 3. Trend of Cash Flow Indexes

	FY ended Mar.31, 2002	FY ended Mar.31, 2003	FY ended Mar.31, 2004	FY ended Dec.31, 2004	FY ended Dec.31, 2005
Equity ratio (%)	23.1	25.8	35.5	38.3	40.1
Equity ratio at market value (%)	26.1	28.2	55.9	56.4	91.8
Debt redemption period (years)	3.3	2.4	1.3		2.3
Interest coverage ratio (times)	6.9	8.6	13.8	10.2	13.4

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 that 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 fiscal year-end 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, 2005 and 2004*

	Millions of yen			
	Fiscal year ended Dec. 31, 2005		Fiscal year ended Dec. 31, 2004	
	(Jan. 1, 2005	Dec. 31, 2005)	(Apr. 1, 2004	Dec. 31, 2004)
Net sales	¥1,375,249		¥1,011,976	
Cost of sales	1,002,270		735,182	
<b>Gross profit</b>	<b>372,978</b>		<b>276,794</b>	
Selling, general and administrative expenses	269,637		206,656	
<b>Operating income</b>	<b>103,341</b>		<b>70,137</b>	
Non-operating income	16,170		13,302	
Non-operating expenses	16,411		13,053	
<b>Recurring profit</b>	<b>103,101</b>		<b>70,386</b>	
Special profits	703		1,409	
Gain on sale of fixed assets	440		764	
Gain on sale of investment securities	263		645	
Special losses	1,484		6,181	
Loss on disposal of fixed assets	1,484		3,556	
Impairment loss	0		2,620	
Other, net	0		4	
<b>Income before income taxes and minority interests</b>	<b>102,319</b>		<b>65,615</b>	
Corporation, inhabitant and enterprise taxes	37,726		24,584	
Deferred income taxes	(3,991)		(1,874)	
Minority interests	4,560		4,754	
<b>Net income</b>	<b>¥ 64,024</b>		<b>¥ 38,150</b>	

Notes:

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

Millions of yen	
Fiscal year ended Dec. 31, 2005	Fiscal year ended Dec. 31, 2004
¥71,616	¥51,349

2. Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries changed their fiscal year-end from March 31 to December 31, effective in the fiscal year ended December 31, 2004, and adopted an irregular nine-month accounting period, from April 1, 2004 through December 31, 2004, for the fiscal year ended December 31, 2004. Accordingly, the accounting period for the fiscal year ended December 31, 2004 corresponded to April 1, 2004 through December 31, 2004 for Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries mainly in Japan and North America while that for other of the Company's consolidated subsidiaries principally in Asia and Europe spanned the period from January 1, 2004 through December 31, 2004. Effective in the fiscal year ended December 31, 2005, Yamaha Motor unified its accounting period for the fiscal year for the Company and all its consolidated subsidiaries to January 1 through December 31 of each financial year. Thus, comparison of the business performance in the fiscal year ended December 31, 2005 with that in the previous fiscal year ended December 31, 2004 is not included in the "Consolidated Statements of Income."

3. Amounts less than ¥1 million are omitted.

## 2. Consolidated Statements of Retained Earnings

*Fiscal years ended December 31, 2005 and 2004*

	Millions of yen	
	Fiscal year ended	
	Dec. 31, 2005 (Jan. 1, 2005 Dec. 31, 2005)	Fiscal year ended Dec. 31, 2004 (Apr. 1, 2004 Dec. 31, 2004)
<b>(Capital surplus)</b>		
<b>Capital surplus at beginning of the period</b>	¥ 57,543	¥ 54,618
<b>Increase in capital surplus</b>	<b>2,818</b>	2,924
Conversion of convertible bonds	1,352	2,869
Increase due to exercise of new share subscription rights	162	54
Gain on sale of treasury stock	380	1
Increase due to share exchange	922	0
<b>Capital surplus at end of the period</b>	<b>60,361</b>	57,543
<b>(Retained earnings)</b>		
<b>Retained earnings at beginning of the period</b>	<b>218,506</b>	181,387
<b>Increases in retained earnings</b>	<b>64,608</b>	39,186
Net income	64,024	38,150
Increase due to increase in consolidated subsidiaries	4	0
Increase due to increase in subsidiaries and affiliates accounted for by the equity method of accounting	150	216
Reversal of revaluation reserve on land	428	818
<b>Decreases in retained earnings</b>	<b>6,517</b>	2,067
Cash dividends	6,365	1,920
Bonuses to Directors and Corporate Auditors	157	146
Decrease due to exclusion from the equity method of accounting	(4)	0
<b>Retained earnings at end of the period</b>	<b>¥276,597</b>	¥218,506

Notes:

- Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries changed their fiscal year-end from March 31 to December 31, effective in the fiscal year ended December 31, 2004, and adopted an irregular nine-month accounting period, from April 1, 2004 through December 31, 2004, for the fiscal year ended December 31, 2004. Accordingly, the accounting period for the fiscal year ended December 31, 2004 corresponded to April 1, 2004 through December 31, 2004 for Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries mainly in Japan and North America while that for other of the Company's consolidated subsidiaries principally in Asia and Europe spanned the period from January 1, 2004 through December 31, 2004. Effective in the fiscal year ended December 31, 2005, Yamaha Motor unified its accounting period for the fiscal year for the Company and all its consolidated subsidiaries to January 1 through December 31 of each financial year. Thus, comparison of the business performance in the fiscal year ended December 31, 2005 with that in the previous fiscal year ended December 31, 2004 is not included in the "Consolidated Statements of Retained Earnings."
- Amounts less than ¥1 million are omitted.

### 3. Consolidated Balance Sheets

December 31, 2005 and 2004

	Millions of yen		
	Dec. 31, 2005	Dec. 31, 2004	Change
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and deposits in banks	¥ 38,809	¥ 37,194	¥ 1,614
Trade notes and accounts receivable	206,213	145,582	60,630
Inventories	251,227	204,232	46,995
Deferred tax assets	34,672	27,483	7,188
Other	30,987	22,197	8,790
Less: Allowance for doubtful accounts	(6,986)	(6,266)	(720)
<b>Total current assets</b>	<b>554,924</b>	<b>430,424</b>	<b>124,499</b>
<b>Fixed assets:</b>			
<b>Tangible fixed assets:</b>			
Buildings and structures	86,270	80,758	5,512
Machinery and transportation equipment	99,524	83,876	15,648
Land	89,653	87,619	2,033
Construction in progress	24,977	12,861	12,116
Other	23,420	18,295	5,124
<b>Total tangible fixed assets</b>	<b>323,846</b>	<b>283,411</b>	<b>40,435</b>
<b>Intangible fixed assets</b>	<b>3,075</b>	<b>3,273</b>	<b>(198)</b>
<b>Investments and other assets:</b>			
Investment securities	37,060	26,203	10,856
Long-term loans receivable	21,795	2,754	19,040
Deferred tax assets	14,011	18,295	(4,283)
Other	6,992	6,377	615
Less: Allowance for doubtful accounts	(3,229)	(3,011)	(217)
<b>Total investments and other assets</b>	<b>76,630</b>	<b>50,618</b>	<b>26,012</b>
<b>Total fixed assets</b>	<b>403,552</b>	<b>337,303</b>	<b>66,249</b>
<b>Total assets</b>	<b>¥958,476</b>	<b>¥767,727</b>	<b>¥190,748</b>

Notes:

1. Amounts less than ¥1 million are omitted.

	Millions of yen		
	Dec. 31, 2005	Dec. 31, 2004	Change
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Notes and accounts payable	¥176,000	¥143,531	¥ 32,469
Short-term loans	100,097	71,390	28,706
Current portion of long-term debt	20,885	8,190	12,694
Current portion of convertible bonds	5,000	10,000	(5,000)
Commercial paper	6,991	7,000	(8)
Accrued expenses	46,645	44,026	2,618
Income taxes payable	13,318	8,039	5,279
Accrued bonuses	9,494	9,557	(62)
Accrued warranty costs	24,339	19,840	4,498
Other	70,447	51,506	18,941
<b>Total current liabilities</b>	<b>473,221</b>	<b>373,083</b>	<b>100,137</b>
<b>Long-term liabilities:</b>			
Bonds	295	8,001	(7,706)
Long-term debt	20,747	16,064	4,683
Deferred tax liabilities on unrealized revaluation gain on land	12,208	12,490	(282)
Accrued employees' retirement benefits	32,207	31,589	618
Accrued retirement benefits for Directors and Corporate Auditors	545	842	(296)
Accrual for product liabilities	1,240	2,945	(1,705)
Accrual for motorcycle recycling costs	843	762	81
Other	8,542	8,434	107
<b>Total long-term liabilities</b>	<b>76,629</b>	<b>81,129</b>	<b>(4,500)</b>
<b>Total liabilities</b>	<b>549,850</b>	<b>454,213</b>	<b>95,637</b>
<b>Minority interests</b>	<b>24,730</b>	<b>19,752</b>	<b>4,977</b>
<b>SHAREHOLDERS' EQUITY</b>			
Common stock	47,879	46,362	1,516
Capital surplus	60,361	57,543	2,818
Retained earnings	276,597	218,506	58,090
Unrealized revaluation gain on land	18,542	18,971	(428)
Unrealized holding gain on securities	5,960	2,502	3,458
Translation adjustments	(25,316)	(49,686)	24,369
Treasury stock, at cost	(128)	(438)	309
<b>Total shareholders' equity</b>	<b>383,895</b>	<b>293,761</b>	<b>90,133</b>
<b>Total liabilities and shareholders' equity</b>	<b>¥958,476</b>	<b>¥767,727</b>	<b>¥190,748</b>

Notes:

1. Amounts less than ¥1 million are omitted.

## 4. Consolidated Statements of Cash Flows

Fiscal years ended December 31, 2005 and 2004

	Millions of yen	
	Fiscal year ended Dec. 31, 2005 (Jan. 1, 2005 Dec. 31, 2005)	Fiscal year ended Dec. 31, 2004 (Apr. 1, 2004 Dec. 31, 2004)
<b>Cash flows from operating activities:</b>		
Income before income taxes and minority interests	¥102,319	¥65,615
Depreciation expenses	39,915	30,817
Impairment loss	0	2,620
Amortization of goodwill	3,346	2,672
Interest and dividend income	(7,606)	(4,658)
Interest expense	4,948	4,350
Equity in losses (earnings) of affiliates	(906)	4
Trade notes and accounts receivable	(57,169)	(7,916)
Inventories	(45,097)	(42,861)
Notes and accounts payable	27,732	8,098
Bonuses to directors and corporate auditors	(157)	(146)
Other	29,204	8,885
Subtotal	96,530	67,482
Interest and dividends received	7,893	6,136
Interest paid	(5,179)	(4,238)
Income taxes paid	(32,937)	(25,980)
<b>Net cash provided by operating activities</b>	<b>66,307</b>	<b>43,400</b>
<b>Cash flows from investing activities:</b>		
Decrease in time deposits	163	2,054
Purchase of fixed assets	(65,926)	(42,587)
Purchase of investment securities	(2,366)	(717)
Decrease (increase) in long-term loans receivable	(913)	70
Additional acquisition of shares of consolidated subsidiaries	(2,732)	(1,985)
Other	(300)	(1,156)
<b>Net cash used in investing activities</b>	<b>(72,074)</b>	<b>(44,322)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term bank loans	23,350	18,582
Proceeds from long-term loans payable	2,943	443
Repayment of long-term loans payable	(9,297)	(13,560)
Decrease in bonds	(10,000)	(0)
Cash dividends paid	(6,365)	(1,920)
Cash dividends paid to minority shareholders	(962)	(1,470)
Purchase of treasury stock	(25)	(85)
Increase in common stock and capital surplus	326	137
<b>Net cash provided by (used in) financing activities</b>	<b>(31)</b>	<b>2,125</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>3,820</b>	<b>672</b>
<b>Net increase in cash and cash equivalents</b>	<b>(1,978)</b>	<b>1,875</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>38,921</b>	<b>35,193</b>
<b>Increase due to inclusion of subsidiaries in consolidation</b>	<b>1,714</b>	<b>1,864</b>
<b>Decrease due to exclusion of subsidiaries from consolidation</b>	<b>0</b>	<b>(12)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>¥ 38,657</b>	<b>¥38,921</b>

Notes:

1. Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries changed their fiscal year-end from March 31 to December 31, effective in the fiscal year ended December 31, 2004, and adopted an irregular nine-month accounting period, from April 1, 2004 through December 31, 2004, for the fiscal year ended December 31, 2004. Accordingly, the accounting period for the fiscal year ended December 31, 2004 corresponded to April 1, 2004 through December 31, 2004 for Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries mainly in Japan and North America while that for other of the Company's consolidated subsidiaries principally in Asia and Europe spanned the period from January 1, 2004 through December 31, 2004. Effective in the fiscal year ended December 31, 2005, Yamaha Motor unified its accounting period for the fiscal year for the Company and all its consolidated subsidiaries to January 1 through December 31 of each financial year.
2. Amounts less than ¥1 million are omitted.

# Notes to Consolidated Financial Statements

## 1. Scope of consolidation

Number of consolidated subsidiaries 98

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) 3

Yamaha Jianshe Motor Shanghai Marketing Co., Ltd.; Moric (Thailand) Ltd.; and Yamaha Motor India Sales Pvt. Ltd.

(Number of excluded subsidiaries) 1

Yamaha Motor (Suzhou) Co., Ltd.

Number of non-consolidated subsidiaries 28

Total assets, net sales, net income and retained earnings of non-consolidated subsidiaries are not significant in the aggregate, in relation to the total figures for these items in the consolidated financial statements. 22 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) 3

T.C. Co., Ltd.; Nishinohon Skyteck Co., Ltd.; and Fuzhou Jiixin Soqi Power Products Co., Ltd.

(Number of excluded companies) 3

Skretting Co., Ltd.; Elm Design Europe S.A.; and Yamaha Jianshe Motor Shanghai Marketing Co., Ltd. (now categorized as a consolidated subsidiary)

Six 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.

## **4. Accounting standards**

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

#### *1) Securities*

##### *Other securities*

Marketable securities classified as other securities with fair value are carried at fair value based on market prices as of the balance sheet date.

(Any changes in unrealized holding gain or loss, net of the applicable income taxes, are included directly in shareholders' equity. The cost of securities sold is determined by the moving average method.)

Non-marketable securities classified as other securities are carried at cost, determined by the moving-average method.

#### *2) Derivatives*

Derivatives are carried at fair value.

#### *3) Inventories*

Inventories are stated at the lower of cost or market, cost being determined primarily by the average method.

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

#### *1) Tangible fixed assets*

Depreciation of tangible fixed assets is computed primarily by the declining-balance method.

#### *2) Intangible assets*

Amortization of intangible assets is computed by the straight-line method.

Capitalized software for internal use is amortized by the straight-line method over its estimated useful life (five years).

### **(3) Significant accruals**

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

In order to evaluate accounts receivable, and loans and their equivalents, the allowance for doubtful receivables is provided at an amount determined based on the historical experience of bad debt with respect to ordinary receivables, plus an estimate of uncollectible amounts determined by reference to specific doubtful receivables from customers who are experiencing financial difficulties.

#### *2) Accrued bonuses*

Accrued bonuses are stated at an estimated amount of the bonus to be paid to employees and to personnel working concurrently as Directors, based on their services for the current fiscal period.

#### *3) Accrued warranty costs*

Accrued warranty costs are provided to cover the amount of after-sales service expenses anticipated to be incurred during the warranty periods of sold products, as well as expenses associated with the quality of products sold, at a specifically estimated amount, plus an amount estimated based on actual costs in past years and sales during the warranty period.

*4) Accrued employees' 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.

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) Accrued retirement benefits for Directors and Corporate Auditors*

Accrued retirement benefits for Directors and Corporate Auditors are provided based on the amount payable as of balance sheet date in accordance with bylaws of the Company.

*6) Accrual for product liabilities*

An accrual for product liabilities is provided at an estimated amount of payments based on the actual results in past years for liabilities that are not covered by product liability insurance.

*7) Accrual for motorcycle recycling costs*

An accrual for motorcycle recycling costs is provided at an estimated amount based on the sales results in past years.

**(4) Lease transactions**

Non-cancelable lease transactions are accounted for as operating leases, except those lease agreements that stipulate the transfer of ownership of the lease assets to the lessee, which are accounted for as finance leases.

**(5) Hedge accounting**

The Company adopts the deferred hedge accounting method. For forward foreign exchange contracts, unrealized gain or loss is deferred as an asset or liability when the criteria for deferral hedge accounting are met, while for interest rate swaps that meet certain conditions, the short-cut method is applied.

**(6) Consumption taxes**

Transactions subject to national and/or local consumption tax are recorded at an amount exclusive of consumption taxes.

**5. Valuation of assets and liabilities of consolidated subsidiaries**

All assets and liabilities of consolidated subsidiaries acquired through business consolidation are carried at fair value.

**6. Amortization of goodwill**

The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries ("goodwill") is amortized the entire amount as incurred.

**7. Appropriation of retained earnings**

The consolidated statements of retained earnings 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. Notes

### (Consolidated Balance Sheets)

	Millions of yen	
	<u>Fiscal year ended Dec. 31, 2005</u>	<u>Fiscal year ended Dec. 31, 2004</u>
(1) Accumulated depreciation of tangible fixed assets	¥443,455	¥416,533
(2) Pledged assets	21,055	23,084
(3) Contingent liabilities	307	949
(4) Discounts on trade notes receivable	1,748	1,422

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) *Fair value of the land used for business after revaluation*

The fair value of the land used for business after revaluation at the end of fiscal 2005 was below its book value by ¥20,992 million.

### (Consolidated Statements of Cash Flows)

(1) The reconciliation of “cash and cash equivalents” as of December 31, 2005 and 2004 to accounts and amounts in the accompanying consolidated balance sheets is as follows:

	Millions of yen	
	<u>Fiscal year ended Dec. 31, 2005</u>	<u>Fiscal year ended Dec. 31, 2004</u>
Cash and deposits in banks	¥38,809	¥37,194
Time deposits with maturity in excess of three months	(547)	(523)
Other current assets	395	2,249
Cash and cash equivalents	¥38,657	¥38,921

Note: Amounts less than ¥1 million are omitted

(2) Assets and liabilities of subsidiaries newly consolidated by acquisition of their shares

The assets and liabilities resulting from the consolidation of Moric (Thailand) Ltd. by acquisition of its shares at the Company's acquisition date; the acquisition cost for shares of Moric (Thailand) Ltd.; and the net payments for acquisition of Moric (Thailand) Ltd. are as follows.

	Millions of yen
<u>Moric (Thailand) Ltd. (as of March 31, 2005)</u>	
Current assets	¥748
Fixed assets	153
Goodwill	239
Current liabilities	(766)
Minority interests	(11)
Acquisition cost of Moric (Thailand) Ltd.	364
Cash and cash equivalents of Moric (Thailand) Ltd.	(84)
Subtracted: net payments for acquisition of Moric (Thailand) Ltd.	280

Note: Amounts less than ¥1 million are omitted

(3) Significant non-cash transactions

	Millions of yen	
	<u>Fiscal year ended Dec. 31, 2005</u>	<u>Fiscal year ended Dec. 31, 2004</u>
Increase in common stock due to the conversion of convertible bonds	¥1,352	¥2,855
Increase in capital surplus due to the conversion of convertible bonds	1,352	2,855
Decrease in convertible bonds due to conversion	¥2,705	¥5,710

Note: Amounts less than ¥1 million are omitted

## VI. Segment Information

### 1. Business Segment Information

*Fiscal years ended December 31, 2005 and 2004*

*Fiscal year ended December 31, 2005 (January 1, 2005 through December 31, 2005)*

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
<b>Net sales:</b>							
Outside customers	¥759,775	¥249,844	¥227,159	¥138,469	¥1,375,249	¥	¥1,375,249
Intersegment	0	0	0	108,697	108,697	(108,697)	
Total	759,775	249,844	227,159	247,167	1,483,946	(108,697)	1,375,249
<b>Operating expenses:</b>	726,594	225,115	200,287	228,608	1,380,605	(108,697)	1,271,907
<b>Operating income:</b>	33,181	24,729	26,871	18,559	103,341	0	103,341
<b>Assets:</b>	534,697	169,938	146,269	107,571	958,476		958,476
<b>Depreciation:</b>	22,617	6,776	4,578	5,942	39,915		39,915
<b>Capital expenditures:</b>	49,457	10,365	5,728	11,222	76,774		76,774

Notes:

- Business segments correspond to categories of activity classified primarily by products and market.
- 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

- 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 December 31, 2004 (April 1, 2004 through December 31, 2004)*

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
<b>Net sales:</b>							
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
<b>Operating expenses:</b>	558,941	163,872	140,486	144,485	1,007,787	(65,948)	941,838
<b>Operating income:</b>	21,868	14,004	22,762	11,501	70,137	0	70,137
<b>Assets:</b>	426,023	138,804	110,837	92,062	767,727		767,727
<b>Depreciation:</b>	18,486	5,217	3,349	3,763	30,817		30,817
<b>Capital expenditures:</b>	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. Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries changed their fiscal year-end from March 31 to December 31, effective in the fiscal year ended December 31, 2004, and adopted an irregular nine-month accounting period, from April 1, 2004 through December 31, 2004, for the fiscal year ended December 31, 2004. Accordingly, the accounting period for the fiscal year ended December 31, 2004 corresponded to April 1, 2004 through December 31, 2004 for Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries mainly in Japan and North America while that for other of the Company's consolidated subsidiaries principally in Asia and Europe spanned the period from January 1, 2004 through December 31, 2004. Effective in the fiscal year ended December 31, 2005, Yamaha Motor unified its accounting period for the fiscal year for the Company and all its consolidated subsidiaries to January 1 through December 31 of each financial year.
5. Amounts less than ¥1 million are omitted.

## 2. Geographic Segment Information

*Fiscal years ended December 31, 2005 and 2004*

*Fiscal year ended December 31, 2005 (January 1, 2005 through December 31, 2005)*

	Millions of yen							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
<b>Net sales:</b>								
Outside customers	¥293,203	¥420,552	¥281,104	¥290,887	¥89,500	¥1,375,249	¥	¥1,375,249
Intersegment	514,087	23,081	5,539	35,394	6,333	584,435	(584,435)	
Total	807,290	443,634	286,644	326,282	95,833	1,959,684	(584,435)	1,375,249
<b>Operating expenses:</b>	773,821	419,551	268,933	301,087	89,437	1,852,830	(580,923)	1,271,907
<b>Operating income:</b>	33,469	24,082	17,710	25,195	6,395	106,854	(3,512)	103,341
<b>Assets:</b>	522,077	211,650	165,506	166,560	84,911	1,150,706	(192,229)	958,476

Notes:

1. Geographic 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: The Netherlands, France, Italy and Spain
  - (3) Asia: Indonesia, Taiwan, Thailand, Singapore, Vietnam, China and India
  - (4) Other areas: Brazil, Australia, Colombia and Mexico
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.

**Fiscal year ended December 31, 2004 (April 1, 2004 through December 31, 2004)**

	Millions of yen							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
<b>Net sales:</b>								
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
<b>Operating expenses:</b>	520,921	270,751	255,379	226,323	59,047	1,332,423	(390,584)	941,838
<b>Operating income:</b>	18,759	14,684	20,584	19,768	2,279	76,076	(5,938)	70,137
<b>Assets:</b>	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, Singapore, Vietnam, China and India
  - Other areas: Brazil, Australia, Colombia and Mexico
- All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.
- Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries changed their fiscal year-end from March 31 to December 31, effective in the fiscal year ended December 31, 2004, and adopted an irregular nine-month accounting period, from April 1, 2004 through December 31, 2004, for the fiscal year ended December 31, 2004. Accordingly, the accounting period for the fiscal year ended December 31, 2004 corresponded to April 1, 2004 through December 31, 2004 for Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries mainly in Japan and North America while that for other of the Company's consolidated subsidiaries principally in Asia and Europe spanned the period from January 1, 2004 through December 31, 2004. Effective in the fiscal year ended December 31, 2005, Yamaha Motor unified its accounting period for the fiscal year for the Company and all its consolidated subsidiaries to January 1 through December 31 of each financial year.
- Amounts less than ¥1 million are omitted.

### 3. Overseas Sales

*Fiscal years ended December 31, 2005 and 2004*

**Fiscal year ended December 31, 2005 (January 1, 2005 through December 31, 2005)**

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
Overseas sales	¥436,177	¥298,076	¥328,989	¥128,127	¥1,191,371
Consolidated sales					1,375,249
Overseas sales to net sales	31.7%	21.7%	23.9%	9.3%	86.6%

Notes:

- Overseas 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: Italy, France, Spain and Germany
  - Asia: Indonesia, Taiwan, Thailand, Vietnam, China and India
  - Other areas: Brazil, Australia and South Africa
- Overseas sales consist of export sales of Yamaha Motor and its domestic consolidated subsidiaries and sales (other than exports to Japan) of its foreign consolidated subsidiaries.
- Amounts less than ¥1 million are omitted.

***Fiscal year ended December 31, 2004 (April 1, 2004 through December 31, 2004)***

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

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 its foreign consolidated subsidiaries.
4. Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries changed their fiscal year-end from March 31 to December 31, effective in the fiscal year ended December 31, 2004, and adopted an irregular nine-month accounting period, from April 1, 2004 through December 31, 2004, for the fiscal year ended December 31, 2004. Accordingly, the accounting period for the fiscal year ended December 31, 2004 corresponded to April 1, 2004 through December 31, 2004 for Yamaha Motor Co., Ltd. and certain of its consolidated subsidiaries mainly in Japan and North America while that for other of the Company's consolidated subsidiaries principally in Asia and Europe spanned the period from January 1, 2004 through December 31, 2004. Effective in the fiscal year ended December 31, 2005, Yamaha Motor unified its accounting period for the fiscal year for the Company and all its consolidated subsidiaries to January 1 through December 31 of each financial year.
5. Amounts less than ¥1 million are omitted.

## VII. Lease Transactions

Details concerning lease transactions 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 supplementary document to its “Consolidated Business Results for the Fiscal Year Ended December 31, 2005,” in early March.

## X. Marketable Securities

*December 31, 2005*

### 1) Other securities with fair value (as of December 31, 2005)

	Type	Millions of yen		
		Acquisition cost	Carrying value	Unrealized gain
	(1) Equity securities	<b>¥4,808</b>	<b>¥14,680</b>	<b>¥9,872</b>
	(2) Bonds			
Securities whose carrying value exceeds their acquisition cost	1) National and local government bonds	<b>0</b>	<b>0</b>	<b>0</b>
	2) Corporate bonds	<b>0</b>	<b>0</b>	<b>0</b>
	3) Other bonds	<b>0</b>	<b>0</b>	<b>0</b>
	(3) Other	<b>0</b>	<b>0</b>	<b>0</b>
	Sub-total	<b>4,808</b>	<b>14,680</b>	<b>9,872</b>
	(1) Equity securities	<b>0</b>	<b>0</b>	<b>0</b>
	(2) Bonds			
Securities whose acquisition cost exceeds their carrying value	1) National and local government bonds	<b>0</b>	<b>0</b>	<b>0</b>
	2) Corporate bonds	<b>0</b>	<b>0</b>	<b>0</b>
	3) Other bonds	<b>0</b>	<b>0</b>	<b>0</b>
	(3) Other	<b>0</b>	<b>0</b>	<b>0</b>
	Sub-total	<b>0</b>	<b>0</b>	<b>0</b>
	Total	<b>¥4,808</b>	<b>¥14,680</b>	<b>¥9,872</b>

Note:

The Company posted an impairment loss totaling ¥19 million for other securities without fair value in the fiscal year ended December 31, 2005.

The Company generally posts the entire amount of impairment loss on all securities whose fair value at the end of the fiscal year is less than 50 percent of the acquisition cost. For securities whose fair 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 amount in question.

2) Other marketable securities sold during the fiscal year (January 1, 2005 through December 31, 2005)

Millions of yen		
Amount sold	Total gains	Total losses
¥15	¥3	0

3) Securities without fair value (as of December 31, 2005)

Millions of yen	
Carrying value at the consolidated balance sheet date	
Other securities	
Unlisted equity securities (excluding over-the-counter securities)	¥1,909
Other	0

4) Redemption schedule of other securities with maturity, and held-to-maturity debt securities (as of December 31, 2005)

	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	0	0	0	0
3) Other bonds	0	0	0	0
(2) Other	0	0	0	0
Total	¥0	¥0	¥0	¥0

December 31, 2004

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

	Type	Millions of yen		
		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 bonds	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 bonds	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 fair value, and ¥208 million for securities of subsidiaries and affiliates) in the fiscal year ended December 31, 2004.

The Company generally posts the entire amount of impairment loss on all securities whose market value at the end of the fiscal year is less than 50 percent of the acquisition cost. For securities whose fair 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 amount in question.

## 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 fair value (as of December 31, 2004)

Millions of yen	
Carrying value at the consolidated balance sheet date	
Other securities	
Unlisted equity securities (excluding over-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			
	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 bonds	0	0	0	0
(2) Other	0	0	0	0
Total	¥0	¥0	¥0	¥0

## XI. Contract Amounts, Fair Values, and Unrealized Gains/Losses on Derivative Transactions

Details on derivative transactions 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 supplementary document to its “Consolidated Business Results for the Fiscal Year Ended December 31, 2005,” in early March.