

# **Consolidated Financial Results for the Fiscal Year Ended December 31, 2007**

(January 1, 2007 through December 31, 2007)

February 5, 2008

This document has been translated from the Japanese original, *Kessan Tanshin* (Flash Report), for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Company name:

Yamaha Motor Co., Ltd.

Stock listing:

Tokyo Stock Exchange First Section

Code number:

7272

URL:

<http://www.yamaha-motor.co.jp/global/ir/index.html>

Representative:

Takashi Kajikawa, President, Chief Executive Officer and Representative Director

Contact:

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Date of the Ordinary General Meeting of Shareholders (scheduled):

March 26, 2008

Beginning of payment of year-end dividend (scheduled):

March 27, 2008

Filing of securities report (scheduled):

March 28, 2008

Amounts less than one million yen are omitted.

## 1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2007

(January 1, 2007 through December 31, 2007)

### (1) Consolidated operating results

Percentage figures represent changes from the previous fiscal year.

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
<b>Fiscal year ended December 31, 2007</b>	<b>1,756,707</b>	<b>11.0</b>	<b>126,998</b>	<b>2.8</b>	<b>140,338</b>	<b>11.9</b>	<b>71,222</b>	<b>(7.8)</b>
Fiscal year ended December 31, 2006	1,582,046	15.0	123,534	19.5	125,371	21.6	77,233	20.6

	Net income per share — basic	Net income per share — diluted	Net income to shareholders' equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
<b>Fiscal year ended December 31, 2007</b>	<b>248.81</b>	<b>248.73</b>	<b>14.2</b>	<b>11.8</b>	<b>7.2</b>
Fiscal year ended December 31, 2006	270.09	269.82	18.1	12.0	7.8

Reference: Equity in earnings of affiliates  
 Fiscal year ended December 31, 2007: 2,669 million yen  
 Fiscal year ended December 31, 2006: 1,115 million yen

### (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
<b>As of December 31, 2007</b>	<b>1,258,430</b>	<b>569,221</b>	<b>42.1</b>	<b>1,851.81</b>
As of December 31, 2006	1,128,688	501,054	41.7	1,644.77

Reference: Shareholders' equity  
 As of December 31, 2007: 530,223 million yen  
 As of December 31, 2006: 470,633 million yen

### (3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
<b>Fiscal year ended December 31, 2007</b>	<b>122,730</b>	<b>(105,807)</b>	<b>11,166</b>	<b>102,079</b>
Fiscal year ended December 31, 2006	94,160	(79,668)	18,721	74,384

## 2. Cash Dividends

Record date	Cash dividends per share			Total amount of cash dividends (Annual)	Payout ratio (Consolidated)	Ratio of total amount of dividends to net assets (Consolidated)
	Interim	Year-end	Annual			
Fiscal year ended December 31, 2006	Yen 15.00	Yen 21.00	Yen 36.00	Millions of yen 10,299	% 13.3	% 2.4
Fiscal year ended December 31, 2007	20.50	20.50	41.00	11,740	16.5	2.3
Fiscal year ending December 31, 2008 (forecast)	20.50	20.50	41.00		19.9	

## 3. Forecast Consolidated Financial Results for the Fiscal Year Ending December 31, 2008

(January 1, 2008 through December 31, 2008)

Percentage figures represent changes from the previous period.

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half-year ending June 30, 2008	920,000	(1.1)	54,000	(25.2)	56,000	(26.7)	31,000	(37.5)	108.27
Fiscal year ending December 31, 2008	1,830,000	4.2	103,000	(18.9)	110,000	(21.6)	59,000	(17.2)	206.06

## 4. Other Information

(1) Changes in significant subsidiaries during the period (Changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

Excluded: one company (Company name: Yamaha Motor Marketing Japan Co., Ltd. (Location of the head office: Hamamatsu City, Shizuoka Prefecture))

Note: For further information, please refer to "Overview of Group Companies" on page 10.

(2) Changes in principles, procedures, presentation methods and other items for the consolidated financial statements for the fiscal year (Items to be mentioned with regard to changes in significant notes to consolidated financial statements for the fiscal year)

① Changes arising from revision of accounting principles: Yes

② Changes arising from other factors: Yes

Note: For further information, please refer to "Basis of presenting consolidated financial statements" on page 19.

(3) Number of shares outstanding (Common stock)

① Number of shares outstanding at the end of the period, including treasury stock:

Fiscal year ended December 31, 2007: 286,457,784 shares

Fiscal year ended December 31, 2006: 286,260,321 shares

② Number of treasury stocks at the end of the period:

Fiscal year ended December 31, 2007: 129,915 shares

Fiscal year ended December 31, 2006: 121,502 shares

Note: Please refer to "Per share information" on page 30 for the number of shares used to compute net income per share.

### Notice regarding forward-looking statements

Forward-looking statements including the forecast for the fiscal year ending December 31, 2008 presented in this document are based on the Company's assumptions and beliefs in light of the information currently available, and may differ significantly from actual financial results.

Please refer to "Forecast for the fiscal year ending December 31, 2008," Sub-section (1) "Analysis of operating performance," Section 1. "Operating Performance" on page 7 for forward-looking statements.

# 1. Operating Performance

(Sales breakdown by business and market)

Amounts less than one million yen are omitted.

	Amount: millions of yen			Volume: thousand units		
	Fiscal year ended December 31, 2006 (January 1—December 31, 2006)			Fiscal year ended December 31, 2007 (January 1—December 31, 2007)		
	Volume	Amount	%	Volume	Amount	%
<b>Net sales:</b>						
<b>Japan</b>	—	188,650	11.9	—	<b>181,586</b>	<b>10.3</b>
<b>Overseas:</b>						
North America	—	468,093	29.6	—	<b>474,987</b>	<b>27.0</b>
Europe	—	333,446	21.1	—	<b>377,500</b>	<b>21.5</b>
Asia	—	423,493	26.8	—	<b>502,941</b>	<b>28.6</b>
Other areas	—	168,361	10.6	—	<b>219,690</b>	<b>12.6</b>
Sub-total	—	1,393,395	88.1	—	<b>1,575,120</b>	<b>89.7</b>
Total	—	1,582,046	100.0	—	<b>1,756,707</b>	<b>100.0</b>
<b>Motorcycles:</b>						
<b>Japan</b>	161	48,382	5.3	<b>163</b>	<b>46,447</b>	<b>4.4</b>
<b>Overseas:</b>						
North America	207	143,410	15.7	<b>197</b>	<b>139,254</b>	<b>13.2</b>
Europe	407	228,781	25.0	<b>410</b>	<b>256,462</b>	<b>24.3</b>
Asia	3,272	390,482	42.7	<b>3,770</b>	<b>470,012</b>	<b>44.5</b>
Other areas	373	103,752	11.3	<b>457</b>	<b>144,034</b>	<b>13.6</b>
Sub-total	4,259	866,427	94.7	<b>4,834</b>	<b>1,009,764</b>	<b>95.6</b>
Total	4,419	914,810	57.8	<b>4,997</b>	<b>1,056,212</b>	<b>60.1</b>
<b>Marine products:</b>						
<b>Japan</b>	—	30,424	11.4	—	<b>29,494</b>	<b>10.2</b>
<b>Overseas:</b>						
North America	—	138,830	52.1	—	<b>145,565</b>	<b>50.2</b>
Europe	—	51,470	19.3	—	<b>62,576</b>	<b>21.6</b>
Asia	—	7,012	2.6	—	<b>8,749</b>	<b>3.0</b>
Other areas	—	38,791	14.6	—	<b>43,481</b>	<b>15.0</b>
Sub-total	—	236,104	88.6	—	<b>260,373</b>	<b>89.8</b>
Total	—	266,529	16.8	—	<b>289,867</b>	<b>16.5</b>
<b>Power products:</b>						
<b>Japan</b>	—	14,020	5.6	—	<b>14,276</b>	<b>5.4</b>
<b>Overseas:</b>						
North America	—	181,952	72.7	—	<b>187,872</b>	<b>70.7</b>
Europe	—	33,196	13.3	—	<b>37,073</b>	<b>14.0</b>
Asia	—	4,418	1.8	—	<b>5,093</b>	<b>1.9</b>
Other areas	—	16,829	6.6	—	<b>21,289</b>	<b>8.0</b>
Sub-total	—	236,397	94.4	—	<b>251,329</b>	<b>94.6</b>
Total	—	250,418	15.8	—	<b>265,606</b>	<b>15.1</b>
<b>Other products:</b>						
<b>Japan</b>	—	95,822	63.8	—	<b>91,367</b>	<b>63.0</b>
<b>Overseas:</b>						
North America	—	3,899	2.6	—	<b>2,296</b>	<b>1.6</b>
Europe	—	19,997	13.3	—	<b>21,387</b>	<b>14.7</b>
Asia	—	21,579	14.4	—	<b>19,085</b>	<b>13.2</b>
Other areas	—	8,988	5.9	—	<b>10,884</b>	<b>7.5</b>
Sub-total	—	54,465	36.2	—	<b>53,653</b>	<b>37.0</b>
Total	—	150,288	9.6	—	<b>145,021</b>	<b>8.3</b>

## **(1) Analysis of operating performance**

Consolidated net sales for the fiscal year ended December 31, 2007 increased 11.0% from the previous year, to ¥1,756.7 billion, registering a record high. This was mainly attributable to an increase in motorcycle sales, coupled with the weaker yen against major currencies during the period.

In Japan, motorcycle demand remained sluggish, decreasing total domestic sales by 3.7% from the previous year, to ¥181.6 billion.

Overseas sales climbed 13.0% from the previous year, to ¥1,575.1 billion, driven by dramatic increases in motorcycle sales in Asia and Latin America and also by sales increases for motorcycles, marine products and power products in Europe, reflecting the weaker yen against the euro. These sales increases more than offset a decrease in motorcycle sales in North America, due to stagnant demand amid an economic slowdown, and raised total overseas sales.

In terms of manufacturing, the number of motorcycle units produced in Japan decreased from the previous year, mainly for the domestic and the North American markets. However, the number produced by subsidiaries in Indonesia and Vietnam, as well as in Latin America, increased substantially, driven by favorable sales in those regions. The number of large outboard motor units in the marine product segment and total all-terrain vehicle units in the power product segment — both produced in Japan for export to North America — each decreased, due to an economic slowdown and high crude oil prices, among other negative factors. However, the number of side-by-side vehicles in the power product segment produced by the North American subsidiary increased from the previous year.

Operating income rose 2.8% from the previous year, to ¥127.0 billion. This was mainly attributable to positive factors such as sales expansion, cost reduction and the weaker yen against major currencies, which more than offset negative effects including rises in raw material prices, selling, general and administrative expenses, depreciation expenses and development expenditures. Ordinary income climbed 11.9%, to ¥140.3 billion, as a result of an improved balance between non-operating income and expenses. Nevertheless, net income for the fiscal year under review decreased 7.8%, to ¥71.2 billion, due to an extraordinary loss of ¥15.5 billion as a special provision for accrual for product liabilities during the period.

### **Operating performance by segment**

#### **① Business segment**

##### **[Motorcycles]**

In Japan, motorcycle sales decreased from the previous year, owing mainly to reduced unit sales in the small-sized (engine displacement of 251cc and over) and mini-sized (126cc to 250cc) categories, although unit sales in the Class-1 category (50cc and under) increased, due to a slight upturn in total demand as customers rushed to make purchases before the enforcement of stricter emissions regulations.

Sales in Asia excluding Japan rose 20.4% from the previous year, reflecting significant sales growth in Indonesia and Vietnam, driven by robust demand. However, sales in India decreased, affected by sluggish demand and other negative factors. Sales in Latin America also climbed substantially. However, in the United States, sales decreased, reflecting a slowing economy. In Europe, sales increased, due mainly to the weaker yen against the euro.

Total motorcycle sales increased 15.5% from the previous year, to ¥1,056.2 billion, and operating income rose 15.4%, to ¥63.0 billion.

##### **[Marine products]**

In Japan, sales of marine products decreased from the previous year, due to demand slowed by plunging stock prices in the second half of the year, high crude oil prices and other negative factors.

In the United States, marine product sales rose significantly from the previous year, although personal watercraft demand remained flat. Outboard motor sales fell, owing to sluggish boat demand amid an economic slowdown and high crude oil prices, among other negative factors. In Europe, sales increased, thanks to expansion in Russia, coupled with the weaker yen against the euro.

Overall, marine product sales climbed 8.8% from the previous year, to ¥289.9 billion. Operating income rose 21.6%, to ¥28.2 billion.

[Power products]

Sales of all-terrain vehicles decreased in the United States from the previous year, although total demand remained virtually unchanged. Meanwhile, sales of side-by-side vehicles grew substantially.

Overall, power product sales increased 6.1% from the previous year, to ¥265.6 billion, reflecting the weaker yen against the U.S. dollar; however, operating income decreased 19.5%, to ¥22.2 billion, resulting from increases in promotional and other expenses.

[Other products]

Surface moulder sales decreased from the previous year, due mainly to slow demand in Japan and other Asian countries. Sales of automotive engines also fell from the previous year.

In total, sales of other products decreased 3.5% from the previous year, to ¥145.0 billion, while operating income decreased 25.3%, to ¥13.5 billion, due principally to intensified competition in the surface moulder market and the appropriation of an allowance for the repair of defects in electro-hybrid bicycles.

## ② Geographical segment

[Japan]

Although sales in the domestic market fell from the previous year, sales including exports rose 1%, to ¥856.7 billion. Operating income decreased 23.1%, to ¥32.4 billion. This was primarily attributable to decreases in unit production of motorcycles, large outboard motors and all-terrain vehicles for North America, as well as to such negative factors as increases in selling, general and administrative expenses, depreciation expenses and development expenditures — which were greater in the aggregate than the operating income increase brought about by the weaker yen against major currencies.

[North America]

In the United States, sales of personal watercraft, side-by-side vehicles and golf cars grew, while sales of motorcycles, outboard motors and all-terrain vehicles decreased. Overall, sales in North America increased 3.8% from the previous year, to ¥499.7 billion. Operating income fell 13.5%, to ¥19.0 billion, due mainly to an increase in selling, general and administrative expenses.

[Europe]

Sales in Europe rose 14.0% from the previous year, to ¥371.8 billion. This stemmed from expanded outboard motor unit sales in Russia and other markets, coupled with the weaker yen against the euro, although unit sales of motorcycles and all-terrain vehicles were virtually flat. Operating income declined 13.5%, to ¥20.8 billion, primarily reflecting an increase in selling, general and administrative expenses.

[Asia]

Due to a substantial increase in motorcycle unit sales in Indonesia, Vietnam and other countries in the Asian region, sales grew 20.6% from the previous year, to ¥527.4 billion. Operating income climbed 35.5%, to ¥36.8 billion.

[Other areas]

Sales in other areas increased 32.3% from the previous year, to ¥165.7 billion, thanks to significantly increased motorcycle sales in Brazil. Operating income rose 54.0%, to ¥19.4 billion.

Transactions are recorded exclusive of consumption taxes. Accordingly, sales figures do not include consumption and other similar taxes.

## **Forecast for the fiscal year ending December 31, 2008**

(January 1, 2008 through December 31, 2008)

Business conditions surrounding the Yamaha Motor Group are expected to become more challenging than ever amid increasingly intensifying competition in the global marketplace, driven by a number of negative factors, such as the higher yen against the U.S. dollar and a slowdown of the U.S. economy resulting from financial uncertainties, which in turn is increasing concerns for worldwide recession. In addition, soaring crude oil and other commodity prices are keeping raw material prices high, while low-priced Chinese products continue penetrating global markets.

Against this backdrop, demand for motorcycles in Japan and North America is projected to decrease in fiscal 2008 from fiscal 2007, as both markets experience economic slowdowns. Motorcycle demand in Europe in fiscal 2008 is forecast to be almost the same as fiscal 2007. Meanwhile, motorcycle demand in Asia (excluding Japan) and Latin America is expected to continue growing, although at a slower pace. In the marine product segment, demand for outboard motors in Europe and the United States is projected to remain flat. In the power product segment, demand for all-terrain vehicles is expected to remain virtually unchanged in North America. Demand for surface mountains and other industrial robots in fiscal 2008 is predicted to continue at fiscal 2007 levels.

In this environment, motorcycle sales are projected to expand in Asia (excluding Japan) and Latin America. However, certain negative factors, such as a higher yen against the U.S. dollar, soaring raw material prices and decreases in profits from motorcycles and all-terrain vehicles in North America are expected to develop in fiscal 2008.

Factoring in all these elements, the Company forecasts its consolidated and non-consolidated financial results for the fiscal year ending December 31, 2008 as shown in the table below.

The forecast is based on the assumption that one U.S. dollar and one euro will equal ¥105 and ¥155, respectively.

	Consolidated		Non-consolidated	
	Fiscal year ending December 31, 2008	Change from the fiscal year ended December 31, 2007	Fiscal year ending December 31, 2008	Change from the fiscal year ended December 31, 2007
	Billions of yen	%	Billions of yen	%
Net sales	1,830.0	+4.2	790.0	-1.2
Operating income	103.0	-18.9	1.5	-93.1
Ordinary income	110.0	-21.6	17.0	-37.1
Net income	59.0	-17.2	12.0	-36.3

[Potential risks and uncertainties regarding the forecast for the fiscal year ending December 31, 2008]

The forecast for the fiscal year ending December 31, 2008 above is based on the Company's assumptions and beliefs in light of the information currently available, and may differ significantly from actual financial results. Please be advised that many risks and uncertainties can affect business performance, including:

- Changes in general economic conditions in Yamaha Motor's major markets, including shifting consumer preferences and market competition.
- Currency exchange rate fluctuations
- Changes in government currency exchange policies, foreign investment policies, tax systems, etc. in countries around the world
- Dependence on suppliers for procurement of certain raw materials and parts
- Product liability
- Changes in environmental and other regulations
- Natural disasters such as the predicted "Tokai Earthquake"
- Internal corruption, leaks and similar damage involving customer information or other personal and/or confidential data.

For details on potential risks, uncertainties and other factors affecting the Company's operations, please see the securities report.

## (2) Analysis of financial position

### Overview of assets, liabilities and net assets

Total assets at the end of the fiscal year ended December 31, 2007 rose ¥129.7 billion from the end of the previous year, to ¥1,258.4 billion. This was mainly attributable to increases in trade notes and accounts receivable and inventories, both resulting from sales expansion; an increase in cash and deposits in banks; an increase in fixed assets reflecting aggressive capital expenditures; as well as an increase in investment securities due to an acquisition of Yamaha Corporation's stocks. Net assets rose ¥68.2 billion, to ¥569.2 billion, due mainly to an increase in profits. As a result, the shareholders' equity ratio rose 0.4 percentage point, to 42.1%.

### Cash flows

Net cash provided by operating activities during the fiscal year under review increased ¥28.6 billion from the previous year, to ¥122.7 billion. Major reasons behind this increase include the fact that income before income taxes and minority interests, amounting to ¥124.8 billion, more than offset trade notes and accounts receivable and inventories, which increased in tandem with sales expansion.

Net cash used in investing activities totaled ¥105.8 billion, which was principally used for the acquisition of fixed assets resulting from capital expenditures in the manufacture of new motorcycle models and for the acquisition of investment securities.

Consequent to these operating and investing activities, free cash flows during the fiscal year under review amounted to ¥16.9 billion.

Net cash provided by financing activities totaled ¥11.2 billion, which included the payment of cash dividends and an increase in short-term bank loans.

As a result of the activities discussed above, interest-bearing debt at the end of the fiscal year under review increased ¥34.5 billion from the end of the previous year, to ¥229.8 billion, while cash and cash equivalents rose ¥27.7 billion, to ¥102.1 billion.

(Reference) Trends in cash flow and related indexes

	Fiscal year ended March 31, 2004	Fiscal year ended December 31, 2004	Fiscal year ended December 31, 2005	Fiscal year ended December 31, 2006	Fiscal year ended December 31, 2007
Shareholders' equity ratio (%)	35.5	38.3	40.1	41.7	42.1
Shareholders' equity ratio at market value (%)	55.9	56.4	91.8	94.8	61.5
Ratio of interest-bearing debt to cash flows (%)	134.4	—	232.3	207.3	187.2
Interest coverage ratio (times)	13.8	10.2	13.4	13.2	14.6

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

- Shareholders' equity ratio: Shareholders' equity/total assets
- Shareholders' equity ratio at market value: Aggregate market value of corporate stock/total assets
- Ratio of interest-bearing debt to cash flows: 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 figures.

\* 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 the end of that period.

\* Interest-bearing debt refers to all the debts in the Consolidated Balance Sheets that involve interest payment.

\* Net cash provided by operating activities refers to net cash provided by operating activities detailed in the Consolidated Statements of Cash Flows.

\* Interest expenses refer to the figure for the amount of interest paid in the Consolidated Statements of Cash Flows.

\* 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. Therefore, ratio of interest-bearing debt to cash flows information for the fiscal year ended December 31, 2004 is not listed.

### **(3) Basic policy regarding distribution of profits and cash dividends for the fiscal years ended December 31, 2007 and ending December 31 2008**

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 distribution of profits to its shareholders, Company policy centers on paying cash dividends that accurately reflect its consolidated financial 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 this policy, the Company plans to increase annual cash dividends per share for fiscal 2007 by ¥5.00, to ¥41.00, which includes an interim dividend per share of ¥20.50, paid in September 2007.

Based on the forecast results for the full fiscal year ending December 31, 2008, the Company plans to pay the same amount of annual cash dividends as the previous year — ¥41.00 per share — which includes ¥20.50 per share for the interim dividend and ¥20.50 per share for the year-end regular dividend.



Notes:

- Yamaha Motor Co., Ltd. and its consolidated subsidiaries implemented the following organizational reforms as of January 1, 2007. Note that the companies indicated in parentheses are successors arising from the divestitures described below.
  - The Company undertook a divestiture of its multi-purpose engine business, centering on generators. (Yamaha Motor Powered Products Co., Ltd.)
  - Yamaha Motor Marketing Japan Co., Ltd. (Location of the head office: Hamamatsu City, Shizuoka Prefecture) undertook a divestiture of its sales business for motorcycles and other land vehicles (YMSJ Co., Ltd.); its sales business for multi-purpose engines, centering on generators (Yamaha Motor Powered Products Co., Ltd.); and its sales business for mobile phones (YS Co., Ltd.).
  - The Company acquired Yamaha Motor Marketing Japan, Co., Ltd., (Location of the head office: Hamamatsu City, Shizuoka Prefecture) with Yamaha Motor Co., Ltd. as the surviving company.  
After the sales business for motorcycles and other land vehicles was transferred to YMSJ Co., Ltd., YMSJ changed its name to Yamaha Motorcycle Sales Japan Co., Ltd. (Current location of the head office: Minato-ku, Tokyo), on January 1, 2007.
- Moric Co., Ltd. changed its name to Yamaha Motor Electronics Co., Ltd. on March 1, 2007.
- Y.E.C. Co., Ltd. changed its name to Yamaha Motor Engineering Co., Ltd. on January 1, 2007.
- Sales, service and other companies are engaged in the marketing of products related to more than one business segment.
- Yamaha Motor Europe N.V. acquired Yamaha Motor Distribution B.V. as of January 1, 2008.
- No consolidated subsidiary in the Group is listed on any domestic stock exchange.

## Changes in status of related companies (excluding insignificant companies)

The following companies were excluded from the list of Yamaha Motor related companies in the fiscal year ended December 31, 2007.

- Yamaha Motor Marketing Japan Co., Ltd. (Location of the head office: Hamamatsu City, Shizuoka Prefecture)  
(Consolidated subsidiary)

Yamaha Motor Marketing Japan Co., Ltd. initiated a divestiture of its sales business for motorcycles and other land vehicles; its sales business for multi-purpose engines, centering on generators; and its sales business for mobile phones, and was acquired by the surviving company, Yamaha Motor Co., Ltd. on January 1, 2007.

- Yamaha Corporation (Other related company)

Since Yamaha Corporation sold a portion of its shares of Yamaha Motor Co., Ltd. in May 2007, Yamaha Corporation was eliminated as a related company of Yamaha Motor Co., Ltd.

(Reference) Description of companies in the most recent Securities Report (submitted on March 28, 2007)

Company name	Location	Capital	Main business lines	Ownership of voting rights	Description of relation			
					Interlocking directors, etc.	Loan of funds	Business transactions	Equipment rental, etc.
(Consolidated subsidiary) Yamaha Motor Marketing Japan Co., Ltd. <small>Note1</small>	Hamamatsu City, Shizuoka Prefecture	Millions of yen 3,720	Motorcycles Marine products Power products Other products	% 100.0	Yes	No	Yamaha Motor Marketing Japan sells Yamaha Motor products.	Yamaha Motor leases commercial properties and store facilities.
(Other related company) Yamaha Corporation <small>Note2</small>	Hamamatsu City, Shizuoka Prefecture	Millions of yen 28,534	Musical instruments AV/IT equipment Electronic equipment	% 22.7 (0.1) <small>Note3</small>	Yes	No	Yamaha Motor has sales and other transactions with Yamaha Corporation.	None

Notes:

- Yamaha Motor Marketing Japan Co., Ltd. is a specified subsidiary.
- Yamaha Corporation submits its own Securities Report.
- Percentage of voting rights of Yamaha Motor Co., Ltd. owned by Yamaha Corporation. In this entry, the figure in parentheses is the percentage of voting rights of Yamaha Motor Co., Ltd. owned indirectly by Yamaha Corporation.
- As reflected in the "Changes in status of related companies" section in the Company's most recent Securities Report (submitted on March 28, 2007), there were no significant changes in status of related companies, other than those described above. Therefore, no further information concerning related companies is provided herein.

### 3. Management Policies

#### (1) Basic management policies, medium- and long-term management strategies, and key priorities the Group must address

In the spirit of its corporate mission — offering new excitement and a fulfilling life for people all over the world — Yamaha Motor works together with other Group companies in a diversity of global business activities. By maximizing its ingenuity and enthusiasm, the Yamaha Motor Group is committed to becoming a company of value that people can always count on to take *Kando*\* to the next stage, and help realize their dreams.

*\*Kando* is a Japanese word for the simultaneous feelings of deep satisfaction and intense excitement that people experience when they encounter something of exceptional value.

In the previous three-year medium-term management plan, NEXT50-Phase II, completed in 2007, the Yamaha Motor Group implemented a business strategy designed to balance value, profitability and growth, thus making Yamaha *Your Only One* brand for consumers in the global marketplace.

Sales figures and operating income exceeded the targets specified in the previous medium-term management plan, while operating income margin did not meet the target, due to such negative factors as higher raw material prices and motorcycle inventory adjustment in North America. With regard to the business strategies outlined in the plan, the Group achieved concrete results in a diversity of fields. It succeeded in building and expanding the market foundation in the ASEAN region, Russia and Brazil; introducing the world's most powerful four-stroke outboard motors, with 350-horsepower at maximum output; and launching the life-science business. On the other hand, outstanding issues remain. These involve restructuring the motorcycle business in India; improving the profitability of the businesses in Japan, the United States and Europe; and strengthening brand equity. Meanwhile, in establishing a strong corporate foundation, the Company focused on fulfilling corporate social responsibility (CSR); enhancing corporate governance; and vitalizing personnel and organizations. However, there are still some outstanding issues: attaining full-scale implementation of CSR activities throughout the Group companies; improving the internal control system; and securing human resources toward further business growth.

Against this backdrop, the Group has formulated a long-term vision, known as Frontier 2020. It suggests a direction for the Group's management and businesses progress toward the year 2020. As the first phase of its drive to realize the vision, the Group has launched a new medium-term management plan to run from 2008 through 2010. With the new plan, the Group is focusing on increasing profits, achieving further growth, and creating higher customer value, in order to build the foundation from which to spring into the next era.

To this end, the Group is determined to address the following key priorities during the new medium term. Ultimately, the effort represents a commitment to realizing the Group's corporate mission — becoming a *Kando*-creating company.

- Strengthening management quality to meet the public trust
- Creating value from a long-term perspective
- Investing management resources strategically in strengthening management quality and creating value

By successfully addressing these key priorities, in addition to solving issues left over from the previous medium-term management plan, the Group aims to achieve ¥2,100 billion in net sales; ¥143 billion in operating income; and ¥150 billion in ordinary income for the fiscal year ending December 2010, the final year of the first phase of the new medium-term management plan.

With regard to risk management and compliance issues, the Group is implementing recommendations put forth by the Compliance Special Committee. These measures will continue until a risk management system and compliance approach is shared everywhere throughout the Group companies.

## (2) Other issue

### **Notice concerning the summary order and administrative sanction on Yamaha Motor's violation of the Foreign Exchange and Foreign Trade Law**

On January 23, 2006, the Company was placed under investigation by a joint task force of the Shizuoka Prefectural Police and Fukuoka Prefectural Police, following an indictment by Japan's Ministry of Economy, Trade and Industry on suspicion of violating Japan's Foreign Exchange and Foreign Trade Law. The indictment alleged a breach of regulatory requirements regarding the export of unmanned industrial helicopters to China. On February 23, 2007, three employees of the Company were arrested. The following day, on February 24, the case concerning these three employees and the Company was referred to the prosecutors. Also, on March 15, the Company and the three employees were accused by Nagoya Customs of violating the Customs Law.

The three employees of the Company arrested on the charge of violating the Japanese Foreign Exchange and Foreign Trade Law were released from custody on March 22, and the case against them was dropped. Prosecutors had filed a summary indictment for ¥1 million against the Company on March 19. The Company immediately accepted the summary indictment and the fine. With regard to the violation of the Customs Law, the cases against the Company and the three employees were dismissed on March 22.

On May 11, 2007, the Company was subjected to an administrative sanction from the Ministry of Economy, Trade and Industry, prohibiting exports of unmanned industrial helicopters and their accessories anywhere in the world, for a period spanning nine months from the date the sanction was imposed.

## 4. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

As of December 31, 2006 and 2007

Amounts less than one million yen are omitted.

	Millions of yen	
	December 31, 2006	December 31, 2007
<b>ASSETS</b>		
<b>I. Current assets:</b>		
Cash and deposits in banks	79,299	110,702
Trade notes and accounts receivable	223,082	243,482
Inventories	297,853	325,173
Deferred tax assets	41,422	40,330
Other	36,000	40,499
Less: Allowance for doubtful receivables	(6,636)	(7,089)
<b>Total current assets</b>	<b>671,021</b>	<b>753,098</b>
<b>II. Fixed assets:</b>		
<b>1. Tangible fixed assets:</b>		
Buildings and structures	100,806	107,940
Machinery and transportation equipment	114,441	119,208
Land	94,278	94,174
Construction in progress	24,488	33,212
Other	27,821	30,065
<b>Total tangible fixed assets</b>	<b>361,837</b>	<b>384,601</b>
<b>2. Intangible fixed assets</b>	<b>4,281</b>	<b>5,612</b>
<b>3. Investments and other assets:</b>		
Investment securities	35,756	55,938
Long-term loans receivable	26,556	31,127
Deferred tax assets	23,904	22,435
Other	6,818	6,887
Less: Allowance for doubtful receivables	(1,488)	(1,271)
<b>Total investments and other assets</b>	<b>91,548</b>	<b>115,117</b>
<b>Total fixed assets</b>	<b>457,667</b>	<b>505,331</b>
<b>Total assets</b>	<b>1,128,688</b>	<b>1,258,430</b>

Amounts less than one million yen are omitted.

	Millions of yen	
	December 31, 2006	December 31, 2007
<b>LIABILITIES</b>		
<b>I. Current liabilities:</b>		
Notes and accounts payable	187,419	196,118
Short-term loans	127,341	148,819
Current portion of long-term debt	8,568	6,881
Commercial paper	15,000	35,000
Accrued expenses	48,009	35,717
Income taxes payable	11,225	9,563
Accrued bonuses	9,620	10,636
Accrued bonuses for Directors	254	230
Accrued warranty costs	31,907	32,116
Other	79,177	101,325
<b>Total current liabilities</b>	<b>518,525</b>	<b>576,409</b>
<b>II. Long-term liabilities:</b>		
Bonds	63	3
Long-term debt	44,235	39,051
Deferred tax liabilities on unrealized revaluation gain on land	12,867	12,630
Accrued employees' retirement benefits	34,004	34,633
Accrued retirement benefits for Directors and Corporate Auditors	516	220
Accrual for product liabilities	1,237	16,768
Accrual for motorcycle recycling costs	974	1,061
Other	15,207	8,430
<b>Total long-term liabilities</b>	<b>109,108</b>	<b>112,799</b>
<b>Total liabilities</b>	<b>627,633</b>	<b>689,209</b>
<b>NET ASSETS</b>		
<b>I. Shareholders' equity:</b>		
1. Common stock	48,168	48,300
2. Capital surplus	60,651	60,784
3. Retained earnings	343,529	401,972
4. Treasury stock	(157)	(186)
<b>Total shareholders' equity</b>	<b>452,190</b>	<b>510,870</b>
<b>II. Valuation and translation adjustments:</b>		
1. Unrealized holding gain on securities	6,745	4,660
2. Deferred gains or losses on hedges	(1,773)	(253)
3. Unrealized revaluation gain on land	17,538	17,198
4. Translation adjustments	(4,068)	(2,251)
<b>Total valuation and translation adjustments</b>	<b>18,442</b>	<b>19,353</b>
<b>III. Minority interests</b>	<b>30,421</b>	<b>38,997</b>
<b>Total net assets</b>	<b>501,054</b>	<b>569,221</b>
<b>Total liabilities and net assets</b>	<b>1,128,688</b>	<b>1,258,430</b>

## (2) Consolidated Statements of Income

Fiscal year ended December 31, 2006 and 2007

Amounts less than one million yen are omitted.

	Millions of yen			
	Fiscal year ended December 31, 2006 (January 1, 2006— December 31, 2006)		Fiscal year ended December 31, 2007 (January 1, 2007— December 31, 2007)	
		% of net sales		% of net sales
<b>I. Net sales</b>	1,582,046	100.0	<b>1,756,707</b>	<b>100.0</b>
<b>II. Cost of sales</b>	1,162,255	73.5	<b>1,280,616</b>	<b>72.9</b>
<b>Gross profit</b>	419,790	26.5	<b>476,090</b>	<b>27.1</b>
<b>III. Selling, general and administrative expenses</b>	296,255	18.7	<b>349,092</b>	<b>19.9</b>
<b>Operating income</b>	123,534	7.8	<b>126,998</b>	<b>7.2</b>
<b>IV. Non-operating income</b>	26,739	1.7	<b>35,038</b>	<b>2.0</b>
Interest income	11,878		<b>16,355</b>	
Dividend income	404		<b>826</b>	
Equity in earnings of affiliates	1,115		<b>2,669</b>	
Gain from currency translation	1,292		<b>696</b>	
Gain on revaluation of sales finance assets	641		<b>4,339</b>	
Other	11,405		<b>10,150</b>	
<b>V. Non-operating expenses</b>	24,902	1.6	<b>21,697</b>	<b>1.2</b>
Interest expense	6,941		<b>8,520</b>	
Early retirement benefit expenses	2,440		<b>606</b>	
Sales finance-related expenses	5,036		<b>2,804</b>	
Specific market restructuring-related expenses	3,591		—	
Other	6,892		<b>9,767</b>	
<b>Ordinary income</b>	125,371	7.9	<b>140,338</b>	<b>8.0</b>
<b>VI. Extraordinary profits</b>	1,141	0.1	<b>2,824</b>	<b>0.2</b>
Gain on sale of fixed assets	986		<b>1,297</b>	
Gain on sale of investment securities	154		<b>1,522</b>	
Other	—		<b>4</b>	
<b>VII. Extraordinary losses</b>	8,458	0.5	<b>18,399</b>	<b>1.0</b>
Loss on disposal of fixed assets	3,059		<b>2,869</b>	
Impairment loss	106		—	
Loss on sale of investment securities	302		—	
Special provision for accrued warranty costs	4,989		—	
Special provision for accrual for product liabilities	—		<b>15,530</b>	
<b>Income before income taxes and minority interests</b>	118,054	7.5	<b>124,764</b>	<b>7.1</b>
Corporation, inhabitant and enterprise taxes	43,656		<b>49,176</b>	
Deferred income taxes	(9,090)		<b>(5,542)</b>	
Minority interests	6,254	0.4	<b>9,908</b>	<b>0.6</b>
<b>Net income</b>	77,233	4.9	<b>71,222</b>	<b>4.1</b>

### (3) Consolidated Statements of Changes in Net Assets

Fiscal year ended December 31, 2006 and 2007

#### Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)

Amounts less than one million yen are omitted.

	Millions of yen											
	Shareholders' equity					Valuation and translation adjustments					Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total share-holders' equity	Unrealized holding gain on other securities	Deferred losses on hedges	Unrealized revaluation gain on land	Translation adjustments	Total valuation and translation adjustments		
Balance at December 31, 2005	47,879	60,361	276,597	(128)	384,708	5,960	—	18,542	(25,316)	(813)	24,730	408,625
Changes in items during the period												
Issuance of new shares	289	288			578							578
Reversal of revaluation reserve on land			207		207							207
Dividends from surplus			(9,859)		(9,859)							(9,859)
Bonuses to Directors and Corporate Auditors			(215)		(215)							(215)
Net income			77,233		77,233							77,233
Increase in consolidated subsidiaries			1,065		1,065							1,065
Decrease in subsidiaries accounted for by the equity method			(1,499)		(1,499)							(1,499)
Acquisition of treasury stock				(29)	(29)							(29)
Disposal of treasury stock		0		0	1							1
Net changes in items other than shareholders' equity						784	(1,773)	(1,004)	21,248	19,255	5,691	24,946
Total changes in items during the period	289	289	66,932	(29)	67,482	784	(1,773)	(1,004)	21,248	19,255	5,691	92,429
Balance at December 31, 2006	48,168	60,651	343,529	(157)	452,190	6,745	(1,773)	17,538	(4,068)	18,442	30,421	501,054

#### Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)

Amounts less than one million yen are omitted.

	Millions of yen											
	Shareholders' equity					Valuation and translation adjustments					Minority interests	Total net assets
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total share-holders' equity	Unrealized holding gain on other securities	Deferred losses on hedges	Unrealized revaluation gain on land	Translation adjustments	Total valuation and translation adjustments		
Balance at December 31, 2006	48,168	60,651	343,529	(157)	452,190	6,745	(1,773)	17,538	(4,068)	18,442	30,421	501,054
Changes in items during the period												
Issuance of new shares	131	131			263							263
Reversal of revaluation reserve on land			340		340							340
Dividends from surplus			(11,879)		(11,879)							(11,879)
Net income			71,222		71,222							71,222
Increase in consolidated subsidiaries			1,000		1,000							1,000
Decrease in consolidated subsidiaries			(1,239)		(1,239)							(1,239)
Decrease in subsidiaries accounted for by the equity method			(1,000)		(1,000)							(1,000)
Acquisition of treasury stock				(30)	(30)							(30)
Disposal of treasury stock		1		1	2							2
Net changes in items other than shareholders' equity						(2,084)	1,520	(340)	1,816	911	8,575	9,487
Total changes in items during the period	131	133	58,443	(28)	58,679	(2,084)	1,520	(340)	1,816	911	8,575	68,166
Balance at December 31, 2007	48,300	60,784	401,972	(186)	510,870	4,660	(253)	17,198	(2,251)	19,353	38,997	569,221

#### (4) Consolidated Statements of Cash Flows

Fiscal year ended December 31, 2006 and 2007

Amounts less than one million yen are omitted.

	Millions of yen	
	Fiscal year ended December 31, 2006 (January 1, 2006— December 31, 2006)	Fiscal year ended December 31, 2007 (January 1, 2007— December 31, 2007)
<b>I. Cash flows from operating activities:</b>		
Income before income taxes and minority interests	118,054	124,764
Depreciation expenses	47,448	54,578
Amortization of goodwill	(22)	—
Increase in allowance for doubtful receivables	(2,745)	(460)
Increase in accrued employees' retirement benefits	1,203	236
Increase in accrual for product liabilities	—	15,527
Interest and dividend income	(12,283)	(17,182)
Interest expense	6,941	8,520
Foreign exchange loss	15	16
Equity in earnings of affiliates	(1,115)	(2,669)
Gain on sale of fixed assets	(986)	(1,297)
Loss on disposal of fixed assets	3,059	2,869
Loss on sale of investment securities	147	(1,522)
Trade notes and accounts receivable	(2,369)	(15,194)
Inventories	(30,934)	(22,399)
Notes and accounts payable	(887)	8,689
Bonuses to Directors and Corporate Auditors	(215)	—
Other	11,463	10,258
Subtotal	136,775	164,735
Interest and dividends received	12,984	17,633
Interest paid	(7,116)	(8,381)
Income taxes paid	(48,482)	(51,257)
<b>Net cash provided by operating activities</b>	<b>94,160</b>	<b>122,730</b>
<b>II. Cash flows from investing activities:</b>		
Increase in time deposits	(22,240)	(27,372)
Decrease in time deposits	17,649	21,049
Payments for purchase of fixed assets	(80,884)	(83,977)
Proceeds from sales of fixed assets	9,977	11,141
Payments for purchase of investment securities	(1,235)	(23,073)
Proceeds from sales of investment securities	271	3
Payments for additional acquisition of consolidated subsidiaries	(2)	(778)
Gain on sales of equity securities for consolidated subsidiaries	—	2,834
Payments for long-term loans receivable	(7,481)	(2,904)
Proceeds from collections of long-term loans receivable	4,817	105
Other	(539)	(2,835)
<b>Net cash used in investing activities</b>	<b>(79,668)</b>	<b>(105,807)</b>
<b>III. Cash flows from financing activities:</b>		
Increase in short-term bank loans	26,943	34,783
Proceeds from long-term loans payable	24,779	1,033
Repayment of long-term loans payable	(17,027)	(9,672)
Decrease in bonds	(5,000)	—
Proceeds from capital contribution from minority shareholders	452	—
Cash dividends paid	(9,859)	(11,879)
Cash dividends paid to minority shareholders	(1,884)	(3,274)
Purchase of treasury stock	(29)	(28)
Increases in common stock and capital surplus	347	204
<b>Net cash provided by financing activities</b>	<b>18,721</b>	<b>11,166</b>
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,013</b>	<b>(786)</b>
<b>V. Net increase in cash and cash equivalents</b>	<b>34,227</b>	<b>27,303</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	<b>38,657</b>	<b>74,384</b>
<b>VII. Increase due to inclusion of subsidiaries in consolidation</b>	<b>1,499</b>	<b>392</b>
<b>VIII. Cash and cash equivalents at end of the period</b>	<b>74,384</b>	<b>102,079</b>

## **(5) Basis of presenting consolidated financial statements**

*Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)*

### **Scope of consolidation**

Number of consolidated subsidiaries 111

Major subsidiaries: Yamaha Motor Corporation, U.S.A.; Yamaha Motor Europe N.V.; and PT. Yamaha Indonesia Motor Manufacturing

(Number of newly added subsidiaries) 10

PT. Yamaha Motor Nuansa Indonesia; Yamaha Motor R&D Taiwan Co., Ltd.; Yamaha Motor R&D (Shanghai) Co., Ltd.; Yamaha Motor Distribution Latin America Inc.; India Yamaha Motor Pvt. Ltd.; Yamaha Motor Middle Europe B.V.; Yamaha Motor (UK) Limited; Yamaha Motor Deutschland GmbH.; Yamaha Motor Polska Sp. z o.o.; Yamaha Motor Personnel Service Mexico, S.A. de C.V.

(Number of excluded subsidiaries) 7

Yamaha Motor Marketing Japan Co., Ltd. (Location of the head office: Hamamatsu City, Shizuoka Prefecture); Y.E.D. Co., Ltd.; Yamaha Engines Co., Ltd.; Moric Singapore Pte. Ltd.; Ohlins Racing AB; Ohlins USA Inc.; INNO Reinsurance Pte. Ltd.

Number of non-consolidated subsidiaries 16

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. Eleven non-consolidated subsidiaries are accounted for by the equity method.

### **Scope of application of equity method**

Number of non-consolidated subsidiaries and affiliates accounted for by the equity method 38

Major non-consolidated subsidiaries and affiliates:

Chongqing Jianshe Yamaha Motor Co., Ltd.; Zhuzhou Jianshe Yamaha Motor Co., Ltd.; Sakura Kogyo Co., Ltd.; Industria Mexicana de Equipo Marino, S.A. de C.V.

(Number of newly added companies) None

(Number of excluded companies) 5

PT. Yamaha Motor Nuansa Indonesia; Yamaha Motor R&D Taiwan Co., Ltd.; Yamaha Motor R&D (Shanghai) Co., Ltd.; Yamaha Motor (UK) Limited; Yamaha Motor Deutschland GmbH.

Five non-consolidated subsidiaries and five 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.

### **Amortization of goodwill and negative goodwill**

Goodwill is amortized by the straight-line method, whenever necessary, over a number of years estimated substantially depending on the circumstances.

With regard to the basis of presenting consolidated financial statements, details on items other than "Scope of consolidation," "Scope of application of equity method," and "Amortization of goodwill and negative goodwill" described above are omitted herefrom, because there were no significant changes from the description in the Company's most recent Securities Report (submitted on March 28, 2007).

## (6) Changes in basis of presenting consolidated financial statements

*Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)*

### Changes in accounting standards and methods

#### Accounting standard for business combinations

Effective from the fiscal year ended December 31, 2007, the Company applied the Accounting Standard for Business Combinations (Business Accounting Council; Oct. 31, 2003), Accounting Standard for Business Divestitures (The Accounting Standards Board of Japan (ASBJ) Statement No. 7; Dec. 27, 2005), and Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10; final revision, Dec. 22, 2006).

The final revision of ASBJ Guidance No.10 referenced above was officially announced on November 15, 2007.

#### Change in depreciation method applicable to tangible fixed assets

Effective from the fiscal year ended December 31, 2007, pursuant to an amendment to the Corporate Tax Law, the Company and its consolidated subsidiaries in Japan have depreciated tangible fixed assets acquired on and after April 1, 2007 in accordance with the method stipulated in the amended Corporation Tax Law. As a result, operating income, ordinary income, and income before income taxes and minority interests for the fiscal year ended December 31, 2007 each decreased by 1,144 million yen, compared with the previous method. For the impact this change had on the segment information, refer to "Segment Information."

Since the fixed assets to which the amended Corporation Tax Law is applicable went into operation in the second half of the fiscal year ended December 31, 2007, the Company and its consolidated subsidiaries in Japan depreciated fixed assets for the first half-year ended June 30, 2007 in accordance with the method stipulated in the previous Corporation Tax Law. As a result, operating income, ordinary income, and income before income taxes and minority interests for the first half-year ended June 30, 2007 each increased by 139 million yen, compared with the amended method.

### Changes in presentation

#### Consolidated statements of cash flows

Increase or decrease in accrual for product liabilities, which was classified under "other" in the "Cash flows from operating activities" column in the previous year, was posted as an independent item in the fiscal year ended December 31, 2007, due to the increased significance of the amount involved during the period.

In the previous year, the decrease in accrual for product liabilities was 2 million yen.

## (7) Notes to Consolidated Financial Statements

*Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)*

### Consolidated Balance Sheets

#### (1) Accumulated depreciation of tangible fixed assets

	Millions of yen	
	December 31, 2006	December, 31, 2007
	475,965	502,562

#### (2) Pledged assets and secured liabilities

	Millions of yen	
	December 31, 2006	December, 31, 2007
Pledged assets	28,602	28,176
Secured liabilities	18,863	19,668

(3) Contingent liabilities

Millions of yen	
December 31, 2006	<b>December, 31, 2007</b>
701	<b>553</b>

(4) Discounts on trade notes receivable

Millions of yen	
December 31, 2006	<b>December, 31, 2007</b>
2,117	<b>3,402</b>

(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 net assets 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 2007 was below its book value by ¥22,353 million.

## Consolidated Statements of Income

(1) Breakdown of major selling, general and administrative expenses

	Millions of yen	
	Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)	<b>Fiscal year ended December, 31, 2007 (January 1, 2007 through December 31, 2007)</b>
Advertising expenses	31,501	<b>35,006</b>
Sales promotion expenses	31,015	<b>45,924</b>
Transportation expenses	35,501	<b>41,828</b>
Provision for accrued warranty costs	15,374	<b>22,994</b>
Provision for accrual for product liabilities	2	—
Provision for allowance for doubtful receivables	—	<b>1,347</b>
Provision for accrued motorcycle recycling costs	131	<b>86</b>
Salaries	73,568	<b>81,622</b>
Provision for accrued bonuses	3,613	<b>3,980</b>
Provision for accrued bonuses for Directors and Corporate Auditors	254	<b>230</b>
Provision for accrued employees’ retirement benefits	3,084	<b>3,635</b>
Provision for accrued retirement benefits for Directors and Corporate Auditors	15	<b>98</b>

(2) Research and development expenses included in selling, general and administrative expenses and manufacturing costs

Millions of yen	
Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)	Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)
77,068	85,550

## Consolidated Statements of Changes in Net Assets

Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)

### 1. Type and number of outstanding shares

	Number of shares as of December 31, 2005	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2006
Common stock	285,738,148	522,173	0	286,260,321

Note: The reasons for the increase in the number of shares are as follows:

- Increase due to the conversion of convertible bonds: 280,173
- Increase due to the exercise of share warrants: 242,000

### 2. Type and number of treasury stocks

	Number of shares as of December 31, 2005	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2006
Common stock	112,174	9,900	572	121,502

Note: The reasons for the increase or decrease in the number of shares are as follows:

- Increase due to the purchase of less-than-one-unit shares from shareholders: 9,244
- Increase due to the acquisition of subsidiaries and affiliates accounted for by the equity method: 656
- Decrease due to requests for additional purchase of less-than-one-unit shares by shareholders: 572

### 3. Share warrants and own share warrants

Corporate bonds amounting to ¥63 million at December 31, 2006 are convertible bonds issued in accordance with the former Commercial Code of Japan. However, the number of shares to be issued by the conversion of these convertible bonds is insignificant in the aggregate against the number of outstanding shares at December 31, 2006. Therefore, information regarding share warrants is not presented here.

### 4. Dividends

#### (1) Amount of dividends paid

Resolution	Type of share	Total amount of dividends	Dividend per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on March 28, 2006	Common stock	5,570	Yen Regular dividend: 14.50 Commemorative dividend: 5.00 Annual cash dividends: 19.50	December 31, 2005	March 29, 2006
Board of Directors Meeting held on August 1, 2006	Common stock	4,289	15.00	June 30, 2006	September 11, 2006

## (2) Dividends with an effective date during the next fiscal year, but with a record date during the period

Resolution	Type of share	Total amount of dividends	Source of dividend	Dividend per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on March 27, 2007	Common stock	Millions of yen 6,009	Retained earnings	Yen 21.00	December 31, 2006	March 28, 2007

Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)

## 1. Type and number of outstanding shares

	Number of shares as of December 31, 2006	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2007
Common stock	286,260,321	197,463	0	286,457,784

Note: The reasons for the increase in the number of shares are as follows:

- Increase due to the conversion of convertible bonds: 72,463
- Increase due to the exercise of share warrants: 125,000

## 2. Type and number of treasury stocks

	Number of shares as of December 31, 2006	Increase in the number of shares during the fiscal year under review	Decrease in the number of shares during the fiscal year under review	Number of shares as of December 31, 2007
Common stock	121,502	9,197	784	129,915

Note: The reasons for the increase or decrease in the number of shares are as follows:

- Increase due to the purchase of less-than-one-unit shares from shareholders: 8,788
- Increase due to the acquisition of subsidiaries and affiliates accounted for by the equity method: 409
- Decrease due to requests for additional purchase of less-than-one-unit shares by shareholders: 784

## 3. Share warrants and own share warrants

Classification	Description of share warrants	Type of shares to be issued by the exercise of share warrants	Number of shares to be issued by the exercise of share warrants (thousand shares)				Balance as of December 31, 2007 (millions of yen)
			December 31, 2006	Increase during the fiscal year under review	Decrease during the fiscal year under review	December 31, 2007	
Yamaha Motor Co. Ltd.	Fourth unsecured convertible bonds <sup>Note 1</sup>	Common stock	—	—	—	—	—
	Share warrants as stock options <sup>Note 2</sup>	—	—	—	—	—	—
Total		—	—	—	—	—	—

Notes: 1. The number of shares to be issued by the exercise of share warrants has been omitted here in, because it is considered insignificant in the aggregate relative to the total number of shares outstanding at the end of the fiscal year. Also, the fourth unsecured convertible bonds had no balance at the end of the fiscal year, because they were issued in accordance with the former Commercial Code in Japan.

2. These share warrants were given as stock options before the enforcement of new Company Law. Therefore, they had no balance at the end of the fiscal year.

#### 4. Dividends

##### (1) Amount of dividends paid

Resolution	Type of share	Total amount of dividends	Dividend per share	Record date	Effective date
Ordinary General Meeting of Shareholders held on March 27, 2007	Common stock	Millions of yen 6,009	Yen 21.00	December 31, 2006	March 28, 2007
Board of Directors Meeting held on July 31, 2007	Common stock	5,869	20.50	June 30, 2007	September 10, 2007

##### (2) Dividends with an effective date during the next fiscal year, but with a record date during the period

Resolution	Type of share	Total amount of dividends	Source of dividend	Dividend per share	Record date	Effective date
Ordinary General Meeting of Shareholders to be held on March 26, 2008	Common stock	Millions of yen 5,870	Retained earnings	Yen 20.50	December 31, 2007	March 27, 2008

#### Consolidated Statements of Cash Flows

The reconciliation of “cash and cash equivalents” as of December 31, 2006 and 2007 to amounts in the various accounts appearing in the accompanying consolidated balance sheets is as follows:

	Millions of yen	
	December 31, 2006	December, 31, 2007
Cash and deposits in banks	79,299	<b>110,702</b>
Time deposits with maturity in excess of three months	(5,262)	<b>(11,251)</b>
Other current assets	347	<b>2,628</b>
Cash and cash equivalents	74,384	<b>102,079</b>

## Segment information

### (1) Business segment information

*Fiscal year ended December 31, 2006 and 2007*

#### Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)

Amounts less than one million yen are omitted.

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	914,810	266,529	250,418	150,288	1,582,046	—	1,582,046
Intersegment	—	—	—	121,411	121,411	(121,411)	—
Total	914,810	266,529	250,418	271,700	1,703,458	(121,411)	1,582,046
Operating expenses	860,206	243,336	222,829	253,551	1,579,923	(121,411)	1,458,511
Operating income	54,603	23,193	27,588	18,149	123,534	0	123,534
Assets	637,700	205,168	173,352	112,467	1,128,688	—	1,128,688
Depreciation	29,038	7,436	4,804	6,169	47,448	—	47,448
Capital expenditures	47,386	18,011	7,025	10,589	83,014	—	83,014

Notes:

- Business segments correspond to categories classified primarily by similarity of 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.

#### Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)

Amounts less than one million yen are omitted.

	Millions of yen						
	Motorcycles	Marine products	Power products	Other products	Total	Eliminations	Consolidated
Net sales:							
Outside customers	<b>1,056,212</b>	<b>289,867</b>	<b>265,606</b>	<b>145,021</b>	<b>1,756,707</b>	—	<b>1,756,707</b>
Intersegment	—	—	—	<b>128,065</b>	<b>128,065</b>	<b>(128,065)</b>	—
Total	<b>1,056,212</b>	<b>289,867</b>	<b>265,606</b>	<b>273,087</b>	<b>1,884,772</b>	<b>(128,065)</b>	<b>1,756,707</b>
Operating expenses	<b>993,181</b>	<b>261,663</b>	<b>243,391</b>	<b>259,537</b>	<b>1,757,774</b>	<b>(128,065)</b>	<b>1,629,708</b>
Operating income	<b>63,030</b>	<b>28,204</b>	<b>22,214</b>	<b>13,549</b>	<b>126,998</b>	<b>0</b>	<b>126,998</b>
Assets	<b>746,585</b>	<b>214,953</b>	<b>185,828</b>	<b>111,063</b>	<b>1,258,430</b>	—	<b>1,258,430</b>
Depreciation	<b>33,116</b>	<b>9,751</b>	<b>5,306</b>	<b>6,403</b>	<b>54,578</b>	—	<b>54,578</b>
Capital expenditures	<b>55,374</b>	<b>13,449</b>	<b>6,305</b>	<b>9,659</b>	<b>84,789</b>	—	<b>84,789</b>

Notes:

- Business segments: Classified in the same way as for the fiscal year ended December 31, 2006.
- Major products in each business segment: The same as those listed above for the fiscal year ended December 31, 2006.

3. All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.

4. Change in depreciation method applicable to tangible fixed assets

As described in “Changes in basis of presenting consolidated financial statements,” effective from the fiscal year ended December 31, 2007, the Company has changed the depreciation method. As a consequence, operating income in the fiscal year under review decreased 565 million yen in the motorcycle business, 231 million yen in the marine product business, 125 million yen in the power product business, and 221 million yen in the other products business, respectively, compared to the case in which the previous depreciation method was applied.

## (2) Geographical segment information

*Fiscal year ended December 31, 2006 and 2007*

### Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)

Amounts less than one million yen are omitted.

	Millions of yen							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net sales:								
Outside customers	297,020	457,731	321,760	386,086	119,446	1,582,046	—	1,582,046
Intersegment	551,406	23,746	4,485	51,121	5,798	636,557	(636,557)	—
Total	848,427	481,478	326,245	437,207	125,244	2,218,603	(636,557)	1,582,046
Operating expenses	806,376	459,114	302,241	410,054	112,633	2,090,419	(631,908)	1,458,511
Operating income	42,050	22,363	24,004	27,153	12,611	128,184	(4,649)	123,534
Assets	591,849	267,855	182,855	206,335	104,334	1,353,230	(224,541)	1,128,688

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.

### Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)

Amounts less than one million yen are omitted.

	Millions of yen							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net sales:								
Outside customers	295,557	468,038	366,546	465,597	160,966	1,756,707	—	1,756,707
Intersegment	561,156	31,686	5,284	61,827	4,729	664,684	(664,684)	—
Total	856,714	499,724	371,831	527,425	165,695	2,421,391	(664,684)	1,756,707
Operating expenses	824,359	480,746	351,069	490,643	146,269	2,293,087	(663,379)	1,629,708
Operating income	32,355	18,978	20,761	36,782	19,426	128,303	(1,305)	126,998
Assets	616,234	262,404	225,837	243,159	131,428	1,479,064	(220,633)	1,258,430

Notes:

1. Geographic segments correspond to categories of geographical similarity, classified primarily by nations and regions.

2. Nations and regions included in segments outside Japan: The same as the areas listed above for the fiscal year ended December 31, 2006.

3. All operating expenses are assigned to individual segments, and there was no operating expense that could not be assigned.

4. Change in depreciation method applicable to tangible fixed assets

As described in “Changes in basis of presenting consolidated financial statements,” effective from the fiscal year ended December 31, 2007, the Company has changed the depreciation method. As a consequence, operating income in Japan in the fiscal year under review decreased 1,144 million yen compared to the case in which the previous depreciation method was applied.

### (3) Overseas sales

*Fiscal year ended December 31, 2006 and 2007*

#### Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)

Amounts less than one million yen are omitted.

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
I. Overseas sales	468,093	333,446	423,493	168,361	1,393,395
II. Consolidated sales					1,582,046
III. Overseas sales to net sales	29.6%	21.1%	26.8%	10.6%	88.1%

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.

#### Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)

Amounts less than one million yen are omitted.

	Millions of yen				
	North America	Europe	Asia	Other areas	Total
I. Overseas sales	<b>474,987</b>	<b>377,500</b>	<b>502,941</b>	<b>219,690</b>	<b>1,575,120</b>
II. Consolidated sales					<b>1,756,707</b>
III. Overseas sales to net sales	<b>27.0%</b>	<b>21.5%</b>	<b>28.6%</b>	<b>12.6%</b>	<b>89.7%</b>

Notes:

- Overseas segments correspond to categories of geographical similarity, classified primarily by nations and regions.
- Nations and regions included in segments outside Japan: The same as the areas listed above for the fiscal year ended December 31, 2006.
- 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.

## Marketable securities

December 31, 2006

(1) Other securities with fair value (as of December 31, 2006)

Amounts less than one million yen are omitted.

	Type	Millions of yen		
		Acquisition cost	Carrying value	Unrealized gain
Securities whose carrying value exceeds their acquisition cost	(1) Equity securities	5,149	16,297	11,148
	(2) Bonds:			
	1) National and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other bonds	—	—	—
	(3) Other	—	—	—
	Sub-total	5,149	16,297	11,148
Securities whose acquisition cost exceeds their carrying value	(1) Equity securities	53	50	(3)
	(2) Bonds:			
	1) National and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other bonds	—	—	—
	(3) Other	—	—	—
	Sub-total	53	50	(3)
Total		5,202	16,347	11,145

Note:

The Company posted an impairment loss totaling ¥8 million for other securities without fair value (including ¥1 million for other securities without market value, and ¥6 million for securities of subsidiaries and affiliates) in the fiscal year ended December 31, 2006.

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, 2006 through December 31, 2006)

Millions of yen		
Amount sold	Total gains	Total losses
328	154	302

(3) Securities without fair value (as of December 31, 2006)

	Millions of yen
	Carrying value at the consolidated balance sheet date
Other securities:	
Unlisted equity securities	2,577
Other	—

December 31, 2007

(1) Other securities with fair value (as of December 31, 2007)

Amounts less than one million yen are omitted.

	Type	Millions of yen		
		Acquisition cost	Carrying value	Unrealized gain
Securities whose carrying value exceeds their acquisition cost	(1) Equity securities	<b>26,710</b>	<b>34,524</b>	<b>7,814</b>
	(2) Bonds:			
	1) National and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other bonds	—	—	—
	(3) Other	—	—	—
	Sub-total	<b>26,710</b>	<b>34,524</b>	<b>7,814</b>
Securities whose acquisition cost exceeds their carrying value	(1) Equity securities	<b>1,136</b>	<b>1,039</b>	<b>(97)</b>
	(2) Bonds:			
	1) National and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other bonds	—	—	—
	(3) Other	—	—	—
	Sub-total	<b>1,136</b>	<b>1,039</b>	<b>(97)</b>
Total		<b>27,846</b>	<b>35,563</b>	<b>7,716</b>

Note:

The Company posted an impairment loss totaling ¥27 million for other securities without fair value in the fiscal year ended December 31, 2007.

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, 2007 through December 31, 2007)

Millions of yen		
Amount sold	Total gains	Total losses
<b>2</b>	<b>0</b>	<b>0</b>

(3) Securities without fair value (as of December 31, 2007)

	Millions of yen
	Carrying value at the consolidated balance sheet date
Other securities:	
Unlisted equity securities	<b>1,535</b>
Other	—

## Per share information

Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)		Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)	
Yen		Yen	
Net assets per share	1,644.77	Net assets per share	<b>1,851.81</b>
Net income per share — basic	270.09	Net income per share — basic	<b>248.81</b>
Net income per share — diluted	269.82	Net income per share — diluted	<b>248.73</b>

Note: Net assets per share are calculated based on the following:

	December 31, 2006	December 31, 2007
Total net assets (Millions of yen)	501,054	<b>569,221</b>
Amount excluded from total net assets (Millions of yen)	30,421	<b>38,997</b>
Net assets attributable to common stock at the end of the period (Millions of yen)	470,633	<b>530,223</b>
Number of common stocks outstanding at the end of the period calculated under “Net assets per share” (Thousand shares)	286,138	<b>286,327</b>

Note: Basic net income per share and diluted net income per share are calculated based on the following:

	Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)	Fiscal year ended December 31, 2007 (January 1, 2007 through December 31, 2007)
Net income per share — basic:		
Net income (Millions of yen)	77,233	<b>71,222</b>
Amount not attributable to common stockholders (Millions of yen)	—	—
Net income attributable to common stock (Millions of yen)	77,233	<b>71,222</b>
Average number of shares outstanding during the period (Thousand shares)	285,957	<b>286,256</b>
Net income per share — diluted		
Adjustment for net income (Millions of yen)	—	—
Increase in the number of common stocks (Thousand shares)	279	<b>85</b>
(Convertible bonds (Thousand shares))	(127)	<b>(36)</b>
(Share warrants (Thousand shares))	(151)	<b>(48)</b>
Dilutive securities not calculated under “Diluted net income per share” because they do not have dilutive effect:	—	—

## Information omitted

Notes regarding items including lease transactions, related party transactions, deferred tax accounting, derivative transactions, employees’ retirement benefits, stock options, business combinations have been omitted because the effect of these information on the consolidated financial results for the fiscal year is deemed insignificant.

The Consolidated Financial Results for the Fiscal Year Ended December 31, 2007 has come to require partial amendment of previous year's data. We apologize for any inconvenience this may cause you and would like to inform you that we replace this website document on June 26, 2008, as follows.

## Correction Point

Segment information

(2) Geographical segment information (page 26)

We underline the correction

## After Amendment

Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)

Amounts less than one million yen are omitted.

	Millions of yen							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net sales:								
Outside customers	297,020	457,731	321,760	386,086	119,446	1,582,046	—	1,582,046
Intersegment	551,406	23,746	4,485	51,121	5,798	636,557	(636,557)	—
Total	848,427	481,478	326,245	437,207	125,244	2,218,603	(636,557)	1,582,046
Operating expenses	806,376	459,114	302,241	410,054	112,633	2,090,419	(631,908)	1,458,511
Operating income	42,050	22,363	24,004	27,153	12,611	128,184	(4,649)	123,534
Assets	<u>591,849</u>	267,855	182,855	206,335	104,334	1,353,230	(224,541)	1,128,688

## Before Amendment

Fiscal year ended December 31, 2006 (January 1, 2006 through December 31, 2006)

Amounts less than one million yen are omitted.

	Millions of yen							
	Japan	North America	Europe	Asia	Other areas	Total	Eliminations	Consolidated
Net sales:								
Outside customers	297,020	457,731	321,760	386,086	119,446	1,582,046	—	1,582,046
Intersegment	551,406	23,746	4,485	51,121	5,798	636,557	(636,557)	—
Total	848,427	481,478	326,245	437,207	125,244	2,218,603	(636,557)	1,582,046
Operating expenses	806,376	459,114	302,241	410,054	112,633	2,090,419	(631,908)	1,458,511
Operating income	42,050	22,363	24,004	27,153	12,611	128,184	(4,649)	123,534
Assets	<u>591,846</u>	267,855	182,855	206,335	104,334	1,353,230	(224,541)	1,128,688