

Yamaha Motor Co., Ltd.  
2500 Shingai, Iwata, Shizuoka, Japan

Code No: 7272  
March 3, 2009

## Notice of the 74th Ordinary General Meeting of Shareholders

This document has been translated from the Japanese original, for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Dear Shareholders:

This is to inform you of the 74th Ordinary General Meeting of Shareholders, to be held at the time and place indicated below.

**If you are unable to attend the meeting, you may exercise your voting rights in writing or online. Please review the reference documents provided and exercise your voting rights by 5:30 p.m. on March 24 (Tuesday), 2009.**

### [Exercising Voting Rights by Mail]

Please indicate your vote of approval or disapproval of each proposed resolution on the enclosed Exercise of Voting Rights Form, and return the form to us so that it arrives by the aforementioned deadline.

### [Exercising Voting Rights via the Internet]

Please read the attached documents on page 60 "Procedures for Exercising Voting Rights via the Internet," and exercise your voting rights online.

- 1. Date and Time:** Wednesday, March 25, 2009 at 10:00 a.m.
- 2. Location:** Yamaha Motor Communication Plaza, Third Floor, Large Hall  
2500 Shingai, Iwata-shi, Shizuoka Prefecture, Japan

### 3. Agenda of the Meeting

#### Items to be reported:

1. Business Report for the 74th Fiscal Year (from January 1, 2008 through December 31, 2008); Consolidated Financial Statements applicable to the 74th Fiscal Year (from January 1, 2008 through December 31, 2008); Report of Accounting Auditor on Consolidated Financial Statements; and Report of Board of Corporate Auditors on Consolidated Financial Statements
2. Non-consolidated Financial Statements applicable to the 74th Fiscal Year (from January 1, 2008 through December 31, 2008);

#### Items to be resolved:

- |                       |   |
|-----------------------|---|
| Proposed Resolution 1 | Appropriation of Surplus                                      |
| Proposed Resolution 2 | Amendments to the Articles of Incorporation                   |
| Proposed Resolution 3 | Election of Eleven Directors                                  |
| Proposed Resolution 4 | Election of Two Corporate Auditors                            |
| Proposed Resolution 5 | Revision of the Amount of Remuneration for Corporate Auditors |

#### 4. Predetermined Terms of the Convening

- (1) If you do not indicate your vote of approval or disapproval for each proposed resolution on the Exercise of Voting Rights Form, we will consider you to have approved any proposed resolution on which you did not vote, as stipulated in Paragraph 3 of Article 15 of the “Share Handling Regulations.”
- (2) Duplicate voting
- ① If we recognize that you exercise your voting right via the Internet more than once on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 1 of Article 15 of the “Share Handling Regulations.”
  - ② If we recognize that you exercise your voting right both in writing and via the Internet on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 2 of Article 15 of the “Share Handling Regulations.” If both votes arrive on the same day, the Internet vote will prevail and be treated as the effective vote.
- (3) A person who is to exercise voting rights on behalf of a shareholder as a proxy shall not be entitled to exercise the shareholder’s voting rights as a proxy unless the person receives an Exercise of Voting Rights Form from the shareholder and submits it to the Company, as stipulated in Paragraph 4 of Article 15 of the “Share Handling Regulations.”

- Notes: 1. Attendees are asked to return their completed Exercise of Voting Rights Form to the reception desk on the day of the meeting.
2. If and when any correction is made to the Reference Documents for the General Meeting of Shareholders and Attached Documents, it will be announced on the Company’s website at <http://www.yamaha-motor.co.jp>.

## Attached Documents

**Business Report**

(From January 1, 2008 to December 31, 2008)

**1. Current Conditions of the Yamaha Motor Group****(1) Business Developments and Results**

The economy of the fiscal year ended December 31, 2008 (“fiscal 2008”) was shaken at the outset by soaring prices for crude oil and raw materials. Then, in the latter half of the year, the financial crisis touched off by the sub-prime mortgage debacle in the U.S. swiftly spread to Europe and eventually to all the countries of the world. The impact that finally oppressed the real economy has been unparalleled. The Japanese economy was also affected by this impact and faced severe conditions: the yen rapidly appreciated against the dollar, stock prices rapidly fell, business conditions soured as production volumes and exports decreased, and consumption plummeted.

Within this business environment, the Yamaha Motor Co., Ltd. and its consolidated subsidiaries (the “Company” or “Group”) have worked in the first year of phase one in the “Frontier 2020,” the long-term vision of the Yamaha Motor Group, with a focus on “establishing a structure to prepare for a leap to the next generation.” By strengthening “management quality” to meet the public trust and “investing management resources strategically” to “create value” from a long-term perspective, the Group has worked to further enhance the three factors of “increasing profits,” “achieving further growth,” and “creating higher customer value,” in pursuit of its corporate mission of becoming a “*Kando* Creating Company.” The Group has also striven to reconstruct its business in India, improve the profitability and enhance the brand power of its businesses in Japan, the U.S., and Europe, develop CSR throughout the Group, reinforce internal control, and secure human resources with a view to growth.

As a merchandise policy in the motorcycle business, the Company began marketing the FZ1 and the FZ1 FAZER, two models equipped with a high-performance engine, for the Japanese market. The Company also released a fully renovated model of the VMAX for the first time in 24 years, a product long supported by a customer base in advanced countries, mainly the U.S. In India, the Company shifted to a high value added strategy to differentiate itself from other companies by marketing the YZF-R15, a full-fledged super-sports model, and the FZ16, a model equipped with Yamaha’s “Midship Muffler.” As a merchandise policy in the marine products business, the Company marketed large, high-quality boats to take advantage of the current popularity of convertible models in Japan.

As a sales network policy, the Company has worked to nurture good stores in U.S. and expand customer points by enhancing sales networks in the countries of ASEAN and Latin America.

In India, in addition to proactively injecting high value-added products and installing and expanding directly managed stores, the Company set up a new structure to strengthen distribution systems and further develop its sales network.

Despite these efforts, however, the business environment remains extremely severe. The performance during fiscal 2008 was as follows:

Consolidated net sales for fiscal 2008 decreased by 8.7 percent from fiscal 2007, to 1,603,881 million yen. As for profit, the gains in profit from the reductions in costs and selling, general and administrative expenses were far outweighed by the declines in profit resulting from lower net sales, decreased production, the appreciation of the yen against the dollar, and higher prices for raw materials. As a result, operating income fell by 61.9 percent, to 48,382 million yen, ordinary income decreased by 58.0 percent, to 58,872 million yen, and net income decreased by 97.4 percent, to 1,851 million yen.

Performance by business segment was as follows:

## [Motorcycles]

In Japan, sales decreased from the previous year, due mainly to significantly reduced demand in the Class-1 category (engine displacement of 50cc and under), although unit sales of Class-2 (51cc to 125cc) category models increased.

Sales in Europe and the United States also decreased, reflecting a sharp decline in demand since last November, in addition to the negative impact of the recession and inventory adjustments. Meanwhile in Asia (excluding Japan), sales rose, led by strong demand in Indonesia, Thailand, China and other countries. Sales also expanded in Latin America, particularly in Brazil. However, demand suddenly dropped in both

Vietnam and Brazil beginning last November, reducing sales substantially in those countries.

As a result, total motorcycle sales decreased 2.6% from the previous year, to ¥1,028.8 billion, and operating income declined 46.7%, to ¥33.6 billion.

[Marine products]

In the United States, demand for boats remained stagnant, due to cutbacks in consumption on recreational or leisure activities amid the recession. Sales declines were most pronounced for medium and large outboard motors and personal watercraft.

Due to these declines, coupled with the negative impact of the stronger yen, marine product sales fell 17.6%, to ¥238.8 billion, and operating income dropped 78.5%, to ¥6.1 billion.

[Power products]

In the United States, demand for leisure-oriented power products — sport all-terrain vehicles and side-by-side vehicles — decreased, due mainly to the recession.

The decline in demand, coupled with the stronger yen, reduced power product sales by 19.7%, to ¥213.3 billion, while operating income plunged by 83.9%, to ¥3.6 billion.

[Other products]

Surface mounter sales fell from the previous year, reflecting the reduced demand in China, Taiwan and other Asian countries. Sales of automobile engines also decreased. Sales of electro-hybrid bicycles remained about the same as the previous year.

In total, sales in this segment declined 15.2%, to ¥123.0 billion, and operating income fell 62.1%, to ¥5.1 billion.

Business segment	Sales		Sales as a percentage of net sales (%)	Overseas sales as a percentage of net sales (%)	Operating income	
	Amount (millions of yen)	Annual change (%)			Amount (millions of yen)	Annual change (%)
Motorcycles	1,028,809	-2.6	64.1	95.8	33,605	-46.7
Marine products	238,814	-17.6	14.9	87.0	6,077	-78.5
Power products	213,259	-19.7	13.3	95.3	3,565	-83.9
Other products	122,997	-15.2	7.7	30.2	5,134	-62.1
Total	1,603,881	-8.7	100.0	89.4	48,382	-61.9

## (2) Capital Expenditures

Capital expenditures for fiscal 2008 amounted to 94,391 million yen, most of which was invested in facilities to boost production. In Japan, the Group invested in manufacturing equipment for new motorcycle models and enhanced facilities for the marine products business, including newly constructed plant. Overseas, the Company invested in facilities to boost production in Indonesia and made capital investments for the construction of the second plant for motorcycles in Vietnam.

## (3) Fund raising

The Company assumed another 82,600 million yen in long-term borrowings from financial institutions in fiscal 2008 to secure liquidity in hand and acquire refinancing necessary for the scheduled payments of long-term working capital.

To complement liquidity in hand, the Company renewed a commitment line agreement with 10 financial institutions overseas and in Japan to maintain a commitment line equivalent to 300 million U.S. dollars, withdrawable in Japanese yen, U.S. dollars, or euro. There is no balance of used credit lines under this agreement as of the end of the fiscal year under review.

#### **(4) Key Priorities the Group Must Address**

Business conditions surrounding the Yamaha Motor Group (the “Group”) are expected to remain extremely harsh, reflecting the unpredictable course of global economic recovery from the prolonged financial crisis, falling stock prices, the appreciation of the yen, and sluggish consumer spending.

In order to survive this severe recession, the Group will respond proactively, focusing on the key priorities discussed below.

In the short term, the Group will take comprehensive measures to substantially curtail capital expenditures and reduce expenses. In the more favorable business environment of recent years — with a weaker yen and robust economy — the Group aggressively strengthened its production system and product development capabilities, achieving continuous increases in net sales and profits. During that period, however, fixed expenses and other business expenditures increased significantly. Against this backdrop, the Group intends to change its policy, curtailing capital expenditures, and reducing selling, general and administrative expenses in the European and the U.S. markets, where demand recovery is not projected for the foreseeable future. Meanwhile, the drive to reduce expenses will be implemented across the entire Group.

The Group will also initiate short- and medium-term reforms, designed to transform its structure to become more profitable and meet the challenges of rapidly shrinking business volume. To this end, each business sector will focus on reducing operational costs, while the manufacturing, procurement and technology sectors will concentrate on both cost-cutting and comprehensive optimization toward developing competitive core technologies.

In the cost-cutting arena, the Group will improve business efficiency by integrating engine types and eliminating and/or consolidating model lineups, while reducing costs by eliminating and/or consolidating parts, and applying stricter cost standards. On the manufacturing front, the Group will improve the quality, delivery lead time and cost of products by procuring materials and parts across business sectors. The Group will also work to maximize efficiency in the production system by optimizing factory layout to make the best use of its human resources and facilities.

To create competitive core technologies, the Group will launch an engine development project across business sectors. The new engines will be designed to simultaneously reduce fuel consumption, emissions and price. This project will hone the Yamaha competitive edge in engine development, while meeting social demands for a more proactive response to environmental issues. Meanwhile, the Group will strengthen development of electric motor-powered devices and control technologies for electric vehicles, electro-hybrid bicycles and other hybrid vehicles.

In a move to boost profitability, the Group will enhance its sales capabilities, while shifting management resources from product development to structural reforms. As specific measures to maximize sales, the Group will focus on developing outstanding dealers in the U.S. markets; expanding sales networks and increasing customer contacts in the ASEAN and Latin American markets; and stimulating demand in emerging markets.

True to its customer-oriented approach and its belief in doing business honestly and sincerely, the Group is committed to emphasizing compliance in implementing these reforms, seeking to win greater trust from the customers and communities it serves.

In implementing these reforms, the Company will value compliance and faithfully carry out corporate activities from the “customer standpoints” without losing the trust of customers or society.

We ask for the continued support and patronage of our shareholders during the years ahead.

**(5) Operating Performance and Status of Assets for the Group**

Millions of yen, except net income per share

Item	71st Fiscal Year (Jan. 1, 2005–Dec. 31, 2005)	72nd Fiscal Year (Jan. 1, 2006–Dec. 31, 2006)	73rd Fiscal Year (Jan. 1, 2007–Dec. 31, 2007)	74th Fiscal Year (Jan. 1, 2008–Dec. 31, 2008)
Net sales	1,375,249	1,582,046	1,756,707	1,603,881
Ordinary income	103,101	125,371	140,338	58,872
Net income	64,024	77,233	71,222	1,851
Net income per share (yen)	224.42	270.09	248.81	6.47
Total assets	958,476	1,128,688	1,258,430	1,163,173
Net assets	383,895	501,054	569,221	428,483

- Notes: 1. Effective from the 72nd fiscal period, the Company adopted the “Accounting Standard for the Presentation of Net Assets in the Balance Sheet” (Accounting Standards Board of Japan (ASBJ), December 9, 2005, Corporate Accounting Standard No. 5) and the “Guidance on the Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ, December 9, 2005, Corporate Accounting Standard Guidance No. 8)
2. In spite of negative factors (including higher raw materials prices), net sales and profits in the 71st fiscal year both increased compared to the 12-month converted results of the 70th fiscal period\*, reflecting robust motorcycle sales in Asia (excluding Japan), the United States, and Latin America, and favorable outboard motor sales in the United States. [\* The Company and certain of its consolidated subsidiaries changed their fiscal year-end from March 31 to December 31, effective from the 70th fiscal period ended December 31, 2004. Accordingly, the accounting period for the 70th fiscal period corresponded to April 1, 2004 through December 31, 2004 for the Company and a number of its consolidated subsidiaries (mainly in Japan and North America), while that for other consolidated subsidiaries of the Company (principally in Asia and Europe) spanned the period from January 1, 2004 through December 31, 2004.]
3. Although there were causes for concern (including soaring prices for crude oil and raw materials), net sales and profits in the 72nd fiscal year both increased, reflecting steady motorcycle sales in Asia (excluding Japan) and favorable side-by-side vehicles sales in the United States.
4. In the 73rd fiscal year, the economic downturn triggered by the credit market turmoil in addition to soaring prices for crude oil and raw materials pulled sales down in the U.S., while motorcycle business grew steadily in Asia and Latin America, resulting in increases in both net sales and profits. Net income decreased, as the Company recorded an accrual for product liabilities as an extraordinary loss.
5. Performance in the 74th fiscal year (consolidated financial year under review) is described in Section 1-(1) above, “Business Developments and Results.”

**(6) Principal Parent Company and Subsidiaries**

## ① Relations with a parent company

No related items.

## ② Principal subsidiaries

Name	Capital	Percentage of ownership (%)	Main business lines
Yamaha Motorcycle Sales Japan Co., Ltd.	490 million yen	100.0	Marketing of motorcycles, electro-hybrid bicycles
Yamaha Marine Co., Ltd.	664 million yen	100.0	Manufacture and marketing of outboard motors and personal watercraft engines
Yamaha Motor Powered Products Co., Ltd.	275 million yen	100.0	Manufacture and marketing of ATVs, golf cars, and generators

Name	Capital	Percentage of ownership (%)	Main business lines
Yamaha Motor Electronics Co., Ltd.	272 million yen	*100.0	Manufacture and marketing of electric components for motorcycles and electro-hybrid bicycles
Yamaha Motor Corporation, U.S.A.	185,020 thousand U.S. dollars	100.0	Import and marketing of motorcycles, outboard motors, personal watercraft, ATVs, side-by-side vehicles, snowmobiles, and golf cars
Yamaha Motor Manufacturing Corporation of America	107,790 thousand U.S. dollars	*100.0	Manufacture and marketing of personal watercraft, ATVs, side-by-side vehicles and golf cars
Yamaha Motor Europe N.V.	149,759 thousand euros	100.0	Import and marketing of motorcycles, outboard motors, personal watercraft, ATVs, side-by-side vehicles, snowmobiles, and golf cars
Yamaha Motor Espana S.A.	9,511 thousand euros	*100.0	Manufacture and marketing of motorcycles
PT. Yamaha Indonesia Motor Manufacturing	25,647,000 thousand Indonesian rupiahs	85.0	Manufacture and marketing of motorcycles
Thai Yamaha Motor Co., Ltd.	1,820,312 thousand Thai baths	91.2	Manufacture and marketing of motorcycles
Yamaha Motor Vietnam Co., Ltd.	37,000 thousand U.S. dollars	46.0	Manufacture and marketing of motorcycles
Yamaha Motor Taiwan Co., Ltd.	2,250,000 thousand new Taiwan dollars	51.0	Manufacture and marketing of motorcycles

Notes: 1. Percentages with \* include the Company's indirect ownership.

2. The Company conducted the following organizational restructuring between the Company and its consolidated subsidiaries as of January 1, 2009.

The company in parentheses is the succeeding company of the demerger.

(a) Merger of Yamaha Marine Co., Ltd. with the Company as the surviving company.

(b) Corporate demerger of the Company's golf car business (Yamaha Motor Powered Products Co., Ltd.)

3. The Company has a total of 113 consolidated subsidiaries, including the 12 principal subsidiaries listed above and 33 companies accounted for by the equity method of accounting.

In the fiscal year ended December 31, 2008, the Company's consolidated net sales were 1,603,881 million yen and consolidated net income was 1,851 million yen.

## (7) Main Business Lines

Segment	Major products
Motorcycles	Motorcycles and knockdown parts for overseas production
Marine products	Outboard motors, personal watercraft, pleasure boats, FRP swimming pools, fishing boats, utility boats and diesel engines
Power products	All-terrain vehicles, side-side-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 all business segments

**(8) Main Bases and Facilities for the Group**

## ① Yamaha Motor Co., Ltd.

Head Office	Iwata City, Shizuoka Prefecture
Category	Name (location)
Factories	Iwata Factory (Iwata City, Shizuoka Prefecture)
	Hamakita Factory (Hamakita-ku, Hamamatsu City, Shizuoka Prefecture)
	Arai Factory (Araimachi, Hamana-gun, Shizuoka Prefecture)
	Nakaze Factory (Hamakita-ku, Hamamatsu City, Shizuoka Prefecture)
	Fukuroi Factory (Fukuroi City, Shizuoka Prefecture)
	2 <sup>nd</sup> Fukuroi Factory (Fukuroi City, Shizuoka Prefecture)
	Toyooka Factory (Iwata City, Shizuoka Prefecture)
	Soude Factory (Naka-ku, Hamamatsu City, Shizuoka Prefecture)
Morimachi Factory (Morimachi, Shuchi-gun, Shizuoka Prefecture)	

## ② Subsidiaries

Category	Name (location)
Domestic	Yamaha Motorcycle Sales Japan Co., Ltd. (Minato-ku, Tokyo)
	Yamaha Marine Co., Ltd. (Minami-ku, Hamamatsu City, Shizuoka Prefecture)
	Yamaha Motor Powered Products Co., Ltd. (Kakegawa City, Shizuoka Prefecture)
	Yamaha Motor Electronics Co., Ltd. (Morimachi, Shuchi-gun, Shizuoka Prefecture)
Overseas	Yamaha Motor Corporation, U.S.A. (U.S.A.)
	Yamaha Motor Manufacturing Corporation of America (U.S.A.)
	Yamaha Motor Europe N.V. (The Netherlands)
	Yamaha Motor Espana S.A. (Spain)
	PT. Yamaha Indonesia Motor Manufacturing (Indonesia)
	Thai Yamaha Motor Co., Ltd. (Thailand)
	Yamaha Motor Vietnam Co., Ltd. (Vietnam)
	Yamaha Motor Taiwan Co., Ltd. (Taiwan)

**(9) Employees**

Segment	Number of employees	Annual change
Motorcycles	35,892	+3,148
Marine products	4,992	-88
Power products	2,683	-212
Other products	6,194	+63
Total	49,761	+2,911

Note: The figures above represent the number of workers employed full time and exclude temporary employees.

**(10) Principal Lenders and Loan Amounts**

Millions of yen

Lenders	Loan amounts
Mizuho Corporate Bank, Ltd.	66,137
The Shizuoka Bank, Ltd.	62,676
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	47,011
Sumitomo Mitsui Banking Corporation	42,953
The Sumitomo Trust and Banking Co., Ltd.	17,558

**(11) Other Important Matters Relating to the Present Situation of the Group**

Nothing to be especially reported.

**2. The Company's Stocks**

**(1) Number of Shares Outstanding:** 286,408,277 (excluding 99,507 shares of treasury stock)

**(2) Number of Shareholders:** 35,156

**(3) Principal Shareholders**

Thousand shares

Shareholders	Number of shares held
Yamaha Corporation	42,271
State Street Bank & Trust Company	25,851
Japan Trustee Services Bank, Ltd. (trust account 4G)	13,915
Toyota Motor Corporation	12,500
Mizuho Bank, Ltd.	10,938
Japan Trustee Services Bank, Ltd. (trust account)	9,073
Mitsui & Co., Ltd.	8,586
The Master Trust Bank of Japan, Ltd. (trust account)	7,671
The Shizuoka Bank, Ltd.	6,813
BBH (LUX) Fidelity Funds-Japan Fund	3,873

**(4) Other Important Matters Relating to Stocks**

No related items.

**3. The Company's Stock Acquisition Rights****(1) Outline of the Stock Acquisition Rights held by the Directors of the Company as of December 31, 2008 (granted in consideration of the performance of duties)**

Issue	Fourth stock acquisition rights
Issue date of stock acquisition rights	June 13, 2008
Number of stock acquisition rights	450
Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights	Common stock: 45,000
Issue price of stock acquisition rights	535 yen per share
Paid-in amount upon exercise of stock acquisition rights	2,205 yen per share
Exercise period of stock acquisition rights	From June 13, 2010 to June 12, 2014

Details on the above-listed stock acquisition rights held by Directors and Corporate Auditors are as follows:

Category	Number of stock acquisition rights	Number of holders of stock acquisition rights
Directors (excluding Outside Directors)	450	9

**(2) Outline of the Stock Acquisition Rights granted to the employees of the Company and officers and employees of subsidiaries in consideration of their performance of duties during the fiscal year under review**

Issue	Fourth stock acquisition rights
Issue date of stock acquisition rights	June 13, 2008
Number of stock acquisition rights	305
Class and number of shares to be issued or transferred upon exercise of the stock acquisition rights	Common stock: 30,500
Issue price of stock acquisition rights	535 yen per share
Paid-in amount upon exercise of stock acquisition rights	2,205 yen per share
Exercise period of stock acquisition rights	From June 13, 2010 to June 12, 2014
Conditions governing the exercise of stock acquisition rights	<p>1) If a person to whom the stock acquisition rights are allocated (hereinafter the “Holder of Stock Acquisition Rights”) ceases to be a director or executive officer of the Company for reasons such as resignation, dismissal, or other causes provided in a “Stock Acquisition Rights Allocation Agreement” concluded between the Company and the Holder of Stock Acquisition Rights pursuant to a resolution of the Board of Directors pertaining to the issuance of stock acquisition rights, such Holder of Stock Acquisition Rights may not exercise the stock acquisition rights.</p> <p>2) A successor to the position of a Holder of Stock Acquisition Rights may not exercise the stock acquisition rights of his or her predecessor.</p> <p>3) Other conditions governing the exercise of stock acquisition rights are as provided in the “Stock Acquisition Rights Allocation Agreement” concluded between the Company and the Holder of Stock Acquisition Rights.</p>

Details of the above-listed stock acquisition rights held by employees of the Company and officers and employees of the subsidiary are as follows:

Category	Number of stock acquisition rights	Number of grantees of stock acquisition rights
Employees of the Company (excluding Directors of the Company)	305	15

**(3) Other Important Matters Relating to Stock Acquisition Rights**

No related items.

## 4. Directors and Corporate Auditors

### (1) Names, Positions, and Responsibilities of Directors and Corporate Auditors

Name	Position	Responsibility
Tsuneji Togami	Chairman and Director	
Takashi Kajikawa*	President and Director	President and Chief Executive Officer in charge of brand promotion
Tetsuo Uchiyama*	Director	Managing Executive Officer in charge of finance, Senior General Manager of Japan Headquarters
Hiroyasu Miyao	Director	Managing Executive Officer in charge of public affairs (stationed at Tokyo office), Senior General Manager of Security Trade Control Operations
Toru Watabiki	Director	Managing Executive Officer, Chief General Manager of Motorcycle Headquarters
Shuji Ito	Director	Chairman and Director of Yamaha Corporation, President of Yamaha Music Foundation
Shohei Kato	Director	Senior Executive Officer President of ME Company, President of Yamaha Marine Co., Ltd.
Toyoo Ohtsubo	Director	Senior Executive Officer in charge of corporate quality assurance, Senior General Manager of Product Assurance Operations
Takaaki Kimura	Director	Senior Executive Officer, Senior General Manager of Automotive Operations
Masahito Suzuki**	Director	Senior Executive Officer, Senior General Manager of Research & Development Operations
Masayoshi Furuhashi	Director	Representative Director of Office Furuhashi Co., Ltd.
Eizo Kobayashi	Director	
Haruhiko Wakuda	Standing Corporate Auditor	
Hiroshi Tanaka	Standing Corporate Auditor	
Naomoto Ohta	Corporate Auditor	
Norihiko Shimizu	Corporate Auditor	

Notes: 1. Directors denoted by an asterisk (\*) are Representative Directors.

2. The Directors Shuji Ito, Masayoshi Furuhashi, and Eizo Kobayashi are Outside Directors as stipulated in Item 15 of Article 2 of the Corporation Law of Japan.

3. The Corporate Auditors Naomoto Ohta and Norihiko Shimizu are Outside Corporate Auditors as stipulated in Item 16 of Article 2 of the Corporation Law of Japan.

4. Personnel changes during fiscal 2008:

The Directors denoted by double asterisks (\*\*) were newly elected by resolution of the 73<sup>rd</sup> General Meeting of Shareholders held on March 26, 2008 and took office as indicated, pursuant to the resolution.

5. Abbreviations MC: Motorcycle; ME: Marine Engine AM: Automotive

## 6. Changes in Directors' responsibilities as of January 1, 2009 are as follows.

Name	Responsibility after the change	Responsibility before the change
Takashi Kajikawa*	President and Chief Executive Officer	President and Chief Executive Officer in charge of brand promotion
Tetsuo Uchiyama*	Managing Executive Officer Chief General Manager of Global Corporate, Administrative Center Chief General Manager in charge of IM Business Unit, Chief General Manager in charge of Business Development Managing Unit	Managing Executive Officer in charge of finance Senior General Manager of Japan Headquarters
Toru Watabiki*	Managing Executive Officer Chief General Manager of Motorcycle Business Operations, Chief General Manager in charge of Manufacturing Center, Chief General Manager in charge of Procurement Center, Chief General Manager in charge of Overseas Market Development Business Unit, Chief General Manager in charge of Parts Business Unit, Chief General Manager in charge of power products Operations	Managing Executive Officer Chief General Manager of Motorcycle Headquarters
Hiroyasu Miyao	Managing Executive Officer	Managing Executive Officer in charge of public affairs (stationed at Tokyo office) Senior General Manager of Security Trade Control Operations
Shohei Kato	Senior Executive Officer	Senior Executive Officer President of ME Company President of Yamaha Marine Co., Ltd.
Toyoo Ohtsubo	Senior Executive Officer Executive General Manager of Technology Center Executive General Manager of Security Trade Control Center	Senior Executive Officer in charge of corporate quality assurance Senior General Manager of Product Assurance Operations
Takaaki Kimura	Senior Executive Officer Chief General Manager of Marine Business Operations, Executive General Manager of Water Vehicle Business Unit, Marine Products Operations, Chief General Manager in charge of Automotive Operations	Senior Executive Officer Senior General Manager of Automotive Operations
Masahito Suzuki	Senior Executive Officer Executive General Manager of Product Assurance Center	Senior Executive Officer Senior General Manager of Research & Development Operations

Notes: 1. Directors denoted by an asterisk (\*) are Representative Directors.

2. Abbreviations: IM: Intelligent Machinery; WV: Water Vehicle

**(2) Remuneration for Directors and Corporate Auditors**

Millions of yen

Classification	Directors		Corporate Auditors		Total	
	Persons paid	Amount paid	Persons paid	Amount paid	Persons paid	Amount paid
Remuneration based on the Articles of Incorporation or resolutions of the General Meeting of Shareholders (including remuneration for Outside Officers)	14	331	4	72	18	403
	(3)	(22)	(2)	(14)	(5)	(37)
Remuneration charged to expenses (including remuneration for Outside Officers)	— (—)	— (—)	—	—	— (—)	— (—)
Total (including remuneration for Outside Officers)		331 (22)		72 (14)		403 (37)

Notes: 1. In addition to the remuneration listed above, 75 million yen was paid to Directors and concurrent employees, as the equivalent of salary to employees.

2. Remuneration related to the stock options is included in the above.

**(3) Matters Relating to Outside Directors and Outside Corporate Auditors**

- ① Positions as executive director, etc. concurrently held at other companies  
 Shuji Ito, Outside Director, serves concurrently as executive director of Yamaha Corporation, a company which holds 14.8 % of the Company's shares.  
 Masayoshi Furuhashi, Outside Director, serves concurrently as executive director of Office Furuhashi Co., Ltd..
- ② Positions as outside officer concurrently held at other companies  
 Eizo Kobayashi, Outside Director, serves as Outside Director of CROSS PLUS INC.  
 Norihiko Shimizu, Outside Corporate Auditor, serves as Outside Corporate Auditor of FAST RETAILING CO., Ltd. and Nissin Sugar Manufacturing Co., Ltd.
- ③ Relationships with main customers, suppliers and others  
 No important items.

## ④ Main activities during fiscal 2008

Category	Name	Main activities
Outside Director	Shuji Ito	Attended 13 of the 16 Meetings of the Board of Directors held during fiscal 2008. He stated his opinions based on his viewpoint as a shareholder and on his knowledge acquired as a Chairman and Director of a listed company.
Outside Director	Masayoshi Furuhashi	Attended 15 of the 16 Meetings of the Board of Directors held during fiscal 2008. He stated his opinions based on his long international experience and knowledge of the industry.
Outside Director	Eizo Kobayashi	Attended 15 Meetings of the 16 Meetings of the Board of Directors held during fiscal 2008. He stated his opinions based on his extensive knowledge of economics and financial conditions in general.
Outside Corporate Auditor	Naomoto Ohta	Attended 15 of the 16 Meetings of the Board of Directors, all 16 Meetings of the Board of Corporate Auditors, and both of the regular conferences of Representative Director and Board of Corporate Auditors Meeting held during fiscal 2008. He stated his opinions based on his extensive experience and knowledge as a corporate auditor, a position he held for many years.
Outside Corporate Auditor	Norihiko Shimizu	Attended 12 of the 16 Meetings of the Board of Directors held during fiscal 2008, 13 of the 16 Meetings of the Board of Corporate Auditors, and both regular conferences of Representative Director and the Board of Corporate Auditors Meeting held during fiscal 2008. He stated his opinions based on his extensive experience and knowledge from his research on international corporate strategies and his experience as a corporate auditor for other companies.

## ⑤ Agreement on Limitation of Liability

The Company has concluded liability limitation agreements with all Outside Directors and Outside Corporate Auditors in accordance with the provisions of Item 1 of Article 427 of the Corporation Law of Japan, to limit the liability for damages stipulated in Item 1 of Article 423 of the said Law.

The maximum liability for damages to be borne by the Outside Directors and Outside Corporate Auditors under the agreement is the minimum amount of liability stipulated in Item 1 of Article 425 of the Corporate Law of Japan.

## 5. Accounting Auditor

### (1) Contracted Accounting Auditor

Ernst & Young ShinNihon LLC

Note: Ernst & Young ShinNihon is renamed Ernst & Young ShinNihon LLC as of July 1, 2008, as the type of audit corporation is changed.

### (2) Remuneration Paid to the Accounting Auditor during Fiscal 2008

① Remuneration Paid to the Accounting Auditor during fiscal 2008:	56 million yen
② Total remuneration payable by the Company and its consolidated subsidiaries to the Accounting Auditor:	127 million yen

Note: The amount of remuneration for audit under the Corporate Law of Japan and the amount under the Financial Instruments and Exchange Law are not classified differently in the audit contract between the Company and the accounting auditor, nor would it be practical to do so. Therefore, the above amounts each are totals for their respective categories of remuneration.

Each of the following important subsidiaries of the Company contracts another certified public accountant or audit corporation (or a person having an equivalent qualification in the foreign country concerned) for auditing (or equivalent service prescribed by a law equivalent to the Corporate Law of Japan or the Financial Instruments and Exchange Law in the foreign country): Yamaha Motor Corporation, U.S.A.; Yamaha Motor Manufacturing Corporation of America; Yamaha Motor Europe N.V.; Yamaha Motor Espana S.A.; PT. Yamaha Indonesia Motor Manufacturing; Thai Yamaha Motor Co., Ltd.; Yamaha Motor Vietnam Co., Ltd.; and Yamaha Motor Taiwan Co., Ltd.;

### (3) Non-audit Services Provided by the Accounting Auditor

The Company entrusts the accounting auditor with, and pays compensation for, the following types of work which are not prescribed in Paragraph 1 of Article 2 of the Certified Public Accountants Law (non-audit services):

- ① Review of documents related to the unification of accounting policies of overseas subsidiaries.
- ② Preliminary preparations for the internal control audit
- ③ Review of the annual report
- ④ Review of the English translation of the notice of convocation of the ordinary general meeting of shareholders.
- ⑤ Review of English translations of the news releases on issuance registration of stock acquisition rights

### (4) Policy for Decisions on Dismissal or Non Re-appointment

Apart from cases of dismissal of an accounting auditor by the Board of Corporate Auditors as prescribed in Article 340 of the Corporate Law of Japan, if it is determined to be difficult for an Accounting Auditor to appropriately execute his or her duty, the Company will, in principle, forward a proposal for the dismissal or non re-appointment of such Accounting Auditor to the general meeting of shareholders, upon the consent or request of the Board of Corporate Auditors.

## **6. Systems to Ensure Proper Business Operations**

### **(1) Systems to Ensure the Directors compliance with Laws, Regulations and the Company's Articles of Incorporation**

- ① The Board of Directors shall supervise Directors in the implementation of their responsibilities, to ensure that they exercise the duty of care and duty of loyalty to the standard of good administrators. The Board is also charged with ensuring that all Directors' activities are lawful.
- ② Corporate Auditors, in accordance with the criteria and methodology established by the Board of Corporate Auditors, shall audit the business conduct of the Directors.
- ③ The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. It shall reinforce this commitment in its Code of Ethics.
- ④ The Company shall form such organizations and develop such rules as necessary to ensure the Company and its subsidiaries maintain appropriate financial information, and prepare and release reliable financial statements.

### **(2) Disposition of documentation and other information concerning the business conduct of Directors**

Documents and other forms of information on the business conduct of Directors shall be properly maintained and administered in accordance with internal regulations.

### **(3) Rules relating to risk control against loss**

- ① A Risk Management Compliance Committee shall be established to formulate measures for integrated risk control, and promote such measures.
- ② Control of each serious risk factor shall be assigned to a specific section, which shall work to mitigate the risk factor for which it is responsible.
- ③ Risk management manuals shall be developed and utilized to ensure integrated control of individual departmental risk management activities.
- ④ If a serious crisis arises, an Emergency Countermeasures Headquarters shall be established as provided in the Emergency Response Manual, with President and Chief Executive Officer as its head, in order to minimize damage and negative impact from the event.

### **(4) Systems to ensure efficient execution of Directors' duties**

- ① The authority and responsibilities of the Board of Directors, President and Chief Executive Officer and sector heads, and the system for transferring authority between them, shall be better defined by strengthening Board of Directors Rules, Decision-making Rules and other important rules. This will allow these executive officers to execute their responsibilities more efficiently.
- ② Resolutions to be proposed at the Board of Directors' Meetings shall first be subject to deliberation by the Management Committee and other committees to ensure they are appropriate and meet procedural criteria for subsequent deliberation by the Board of Directors.
- ③ After the medium-term management plan and the budget for the fiscal year are formulated, management control systems such as a "management by objectives system" shall be established to achieve the plan's goals and targets.

### **(5) Systems to ensure employee compliance with laws, regulations and the Company's Articles of Incorporation**

- ① A Risk Management Compliance Committee shall be established to deliberate and offer opinions concerning compliance measures.
- ② The Company shall enhance its code of ethics, and provide ethics and compliance training appropriate to each position in the Company.
- ③ An internal reporting system shall be established to directly inform top executive management concerning any unlawful act, or the possibility of illegal or improper activity that could damage trust and

confidence in the Company.

- ④ The Company shall maintain a robust posture against antisocial forces that threaten the order and safety of civil society. It shall reinforce this commitment in its Code of Ethics.
- ⑤ The Company shall form such organizations and develop such rules as necessary to ensure the Company and its subsidiaries maintain appropriate financial information, and prepare and release reliable financial statements.

**(6) Systems to ensure the Yamaha Motor Group (composed of the Company and its subsidiaries) conducts business appropriately**

- ① In order to secure proper business conduct by the Group, internal rules shall be established that define the controlling sectors in charge of supervising each subsidiary, and the authority, responsibilities and management methods of subsidiaries.
- ② In order to audit the appropriateness of operations of the Company and its subsidiaries, an internal auditing sector shall be established under the direct control of the President and Chief Executive Officer.
- ③ Each domestic subsidiary, in principle, shall have a Board of Directors and a Corporate Auditor; overseas subsidiaries shall design in accordance with local laws.
- ④ At least one Director of each subsidiary shall concurrently serve as a Director, Executive Officer, or employee of another company in the Group.
- ⑤ The section supervising compliance shall provide subsidiaries with guidance and education on compliance.

**(7) Employee to assist Corporate Auditors**

A Corporate Auditors' Office shall be established with a full-time employee dedicated to assisting the Corporate Auditors in the execution of their duties.

**(8) Employee assisting Corporate Auditors independence from Directors**

- ① Any dismissal or personnel changes concerning the employee assisting Corporate Auditors in the execution of their duties shall be approved by the Board of Corporate Auditors in advance.
- ② No employee assisting Corporate Auditors in the execution of their duties shall concurrently hold a post involving other business operations. The employee shall perform his or her duties under the direction of the Corporate Auditors, whose opinions shall be taken into consideration in evaluating the employee.

**(9) Rules concerning Directors and employees reporting to the Board of Corporate Auditors**

Directors and employees shall report the following matters to the Board of Corporate Auditors periodically, or when necessary, at its request:

- (1) Establishment and operation of internal control systems, and related subjects
- (2) Results of internal audits conducted by the internal audit section
- (3) Operation of the internal reporting system, and receipt of reports
- (4) Director malpractice and/or acts conducted in violation of the law or the Company's Articles of Incorporation
- (5) Incidents that could cause the Company considerable damage

**(10) Other Systems to ensure effective auditing by Corporate Auditors**

- ① The Representative Directors shall meet with the Corporate Auditors periodically to exchange opinions.
- ② Corporate Auditors shall attend important meetings of bodies including the Management Committee, Risk Management Committee, Compliance Committee, and Executive Committee.
- ③ The internal audit section shall explain its internal audit plan to Corporate Auditors in advance.
- ④ The minutes of the Management Committee meeting and any other meetings as the Corporate Auditors may specify shall be made available for their perusal. The Corporate Auditors shall be granted similar access to any approved proposal memorandums they may specify.
- ⑤ Auditing assistance from outside experts shall be secured when deemed necessary by the Board of Corporate Auditors.

## 7. Basic Policy on Control of the Company

### (1) Details of the Basic Policy

The Company's field of activities extends beyond its business operations – mainly motorcycles, marine products, and power products – to activities such as philanthropy and environmental preservation. The Company fully recognizes that a wide variety of business operations coupled with such activities can produce a synergy that builds Yamaha Motor's brand and corporate value. To further enhance such brand value and corporate value, the Company must aggressively introduce new models and develop new value-added products incorporating new technologies. As a prerequisite for creating breakthrough technologies, the Company must strengthen its research and development (R&D) activities. Furthermore, high profitability and growth are projected in environmental technologies and new fields of activities in the life science business. In order to earn profit in these fields of activities, it is crucial to aggressively promote an R&D basis for the foundation of these activities. The Company believes that an acquisition of the Company by parties who poorly understand the elements that comprise the brand and corporate value of the Group (described above) would damage the corporate value and hinder the common interests of the shareholders. Once in control of financial and business decisions, such parties could act from short-term profit motives and dismantle management policies that have been planned and developed over time from a medium-and long-term perspective. Such actions might include excessive reductions in manufacturing costs, R&D expenses, and other expenditures – all decisions which would damage the Group's competitiveness. Not only above-mentioned case but also certain acquisition schemes would negatively impact corporate value and work against the common interests of the Company's shareholders.

In order to protect and enhance the Company's corporate value and the common interests of the Company's shareholders, the Company deems it necessary that a would-be acquirer disclose the following important information prior to any takeover attempt: the proposed management policy and business plan intended by the would-be acquirer; the impact the takeover proposal would have on the Company's shareholders, the management, and the many stakeholders surrounding the Company; and the acquirer's attitudes toward social responsibilities, including the safety of the products. Furthermore, the Company deems it necessary that the board of directors have sufficient time to examine a takeover proposal, and sufficient negotiation power against the would-be acquirer.

### (2) Special Efforts towards Realizing the Effective Use of the Company's Assets, the Establishment of an Appropriate Corporate Group, and Other Basic Policy

For the achievement of our corporate mission, "*Kando Creating Company*"- to offer new excitement and a more fulfilling life for people all over the world, the Company is working to secure and enhance the corporate value and the common interests of the Company's shareholders by implementing various measures mentioned hereunder, in a planned and consistent way from a medium to long-term perspective.

#### ① Efforts to enhance corporate value with a medium-term management plan

In February 2008, the Group has formulated its long-term vision, "Frontier 2020," outlining the direction of the Company's management and business progress toward the year 2020, taking into consideration the external environment and prospects of existing business. As Phase one, the Company is working to further enhance the three factors of "increasing profits," "achieving further growth," and "creating higher customer value" through the following efforts, with a focus on "establishing a structure to prepare for a leap to the next generation" for the medium-term management plan (2008-2010). The Company's ultimate goal in Phase one is to achieve its corporate mission of becoming a "*Kando Creating Company*."

- strengthen "management quality" to earn the trust of clients
- work to "create value" from a long-term perspective
- "invest management resources strategically" to create management quality and value

#### ② Efforts to increase corporate value by strengthening corporate governance

The Company recognizes that corporate governance is an important tool to ensure disciplined management and maximize long-term corporate value. Based on this realization, the Company has been striving to speed up management decision-making; clarify the performance accountability of Directors; and develop a more transparent system concerning Director remuneration and personnel issues. Specifically, the Company introduced an Executive Officer system, identified the role of the Board of Directors as "approval of basic policy and the supervision of business execution of the Group," identified the role of Executive Officers as "management and business execution of the Group," and continued to build management system corresponding to this separation of duties. On the other hand, the Company shortened the term of office for Directors from two years to one year in order to increase Director

accountability to shareholders, and set the number of Outside Director candidates as three (3) in order to strengthen management supervisory capabilities. In addition, the Company established the Executive Personnel Committee as a neutral body to enhance the propriety and transparency of executive personnel decisions. The Committee deliberates candidates for Directors, etc., the remuneration system for these positions, and the specific amounts of compensation. Based on these Committee discussions, the Company has reshaped the remuneration system into a form that more closely reflects corporate and individual performance. It has also abolished the executive retirement benefits system.

Note: The Company proposes the election of four (4) Outside Directors in Proposed Resolution 3 at the 74th Ordinary General Meeting of Shareholders.

### **(3) Efforts to Prevent the Decisions on Financial and Business Policies of the Company to be Controlled by Persons Undesirable in the Light of the Company's Basic Policy**

In order to secure and enhance the corporate value and the common interests of the shareholders, the Company adopted measures using Gratis Issue of Stock Acquisition Rights, according to the details of "The Adoption of Takeover Defense Measures against Attempts at Mass Acquisition of the Company's Shares (Defense Measures against Takeover Bids)," approved at the 72<sup>nd</sup> General Meeting of Shareholders held on March 27, 2007 ("the Plan"). An overview of the Plan is as follows:

① The Board of Directors shall, by its resolution, set up a Corporate Value Committee. Committee members shall be appointed only from within the Company's Outside Directors and the Corporate Value Committee resolutions shall pass with the majority of all committee members' votes.

② The Board of Directors shall require parties intending to engage in specific takeover attempts, prior to commencing such takeover attempts, to submit the following written proposal, and to make the Company issue a Confirmation Resolution. Accordingly, parties proposing specific takeover attempts shall, prior to commencing such takeover attempts, submit the following written proposal to obtain a Confirmation Resolution from the Company:

Information regarding the persons proposing the specific takeover attempts, including their group companies and related parties;

The purposes of the proposed takeover bid; proposed post-takeover management policy and business plan; basis and method of takeover price calculation;

Proof of takeover fund availability;

Potential impact of the takeover on the interests of the Company's stakeholders; and

Other necessary information which the Company reasonably requires, as described in ④ 1) to 7) below.

A proposal that fulfills these requirements shall be hereafter referred to as a "Takeover Proposal," and any party who makes such a proposal shall be hereafter referred to as a "Takeover Proposer."

"Specific Takeover Attempts" refer to either, (i) the act of purchasing the Company's shares to a shareholding ratio exceeding 20 percent, or similar acts as defined by the Board of Directors; or (ii) the act of initiating an open takeover bid designed to acquire of the Company's shares such that the post-acquisition shareholding ratio would exceed 20 percent.

"Confirmation resolution" shall mean a resolution passed by the Board of Directors based on an advisory resolution made by the Corporate Value Committee as prescribed in ③ below that holds the Gratis Issue of stock acquisition rights ("Stock Acquisition Rights") subject to certain restrictions with respect to exercise by specific acquirers shall not be executed.

③ The Board of Directors shall promptly forward the received Takeover Proposal to the Corporate Value Committee to request its recommendation. The Corporate Value Committee shall examine the Takeover Proposal in order to determine whether to issue an advisory resolution (hereafter referred to as "Advisory Resolution") to the Board of Directors, requesting the Board issue a Confirmation Resolution for the Takeover Proposal. The content of the Corporate Value Committee's resolution shall be disclosed. The Corporate Value Committee shall be granted 60 business days from its receipt of the Takeover Proposal to examine and discuss it (or 90 business days in cases other than a Takeover Proposal, involving an unlimited takeover of the Company's shares by a cash-only tender offer in Japanese yen). If the examination and discussion period is extended for reasonable cause, the reasons for the extension shall be disclosed.

④ The Corporate Value Committee shall examine and discuss the Takeover Proposal in good faith. This deliberation of the Advisory Resolution is conducted from the viewpoint of determining whether the Takeover Proposal serves to protect and increase the Company's corporate value and shareholders' common interests. The Corporate Value Committee is required to adopt an Advisory Resolution if a Takeover Proposal satisfies all the following requirements:

1) None of the following categories is applicable to the Takeover Proposal:

- (a) It is a share buyout, in which the Takeover Proposer demands that the Company or its related parties buy back purchased shares at high prices;
  - (b) It is structured to further the interests of the Takeover Proposer or its group companies, as well as other related parties, at the expense of the Company, such as by ceding them temporary control of the Company in order to transfer the Company's major assets;
  - (c) It makes the Company's assets subject to use as a collateral guarantee, or to repay debts of the Takeover Proposer, its group companies, or other related parties;
  - (d) It seeks to obtain a temporary high return at the expense of the Company's sustainable growth, such as by temporarily controlling the Company's management in order to reduce assets and funds necessary for the Company's future business and product development; by using profits from disposing of such assets and funds in order to obtain high temporary dividends, and/or by selling the Company's shares at peak prices in an attempt to drive up the Company's share price; and/or,
  - (e) It otherwise realizes the interests of the Takeover Proposer, its group companies, and other related parties by damaging the interests of the Company's stakeholders, including shareholders, business partners, customers, and employees.
- 2) The mechanism and content of the Takeover Proposal comply with all relevant laws and regulations;
  - 3) The mechanism and content of the Takeover Proposal do not threaten to actually or essentially compel shareholders of the Company to sell their shares, such as is consistent with a coercive two-tier tender offer (meaning a tender offer that does not seek to acquire all shares in the initial acquisition, and sets unfavorable or unclear acquisition terms for the second stage);
  - 4) Any and all information required, and which is not fallacious, to properly examine the Takeover Proposal is offered, as necessary, to the Company upon its request, and the Takeover Proposer responds in good faith to the procedures prescribed in the Plan;
  - 5) A specified period for the Company to examine the Takeover Proposal (including the examination and proposal of alternate plans to the Company's shareholders) is provided (60 business days for examination and discussion of the Takeover Proposal from the time it is received, or 90 business days in cases other than a Takeover Proposal, involving an unlimited takeover of the Company's shares by a cash-only tender offer in Japanese yen. If there is reasonable cause to exceed the period, the applicable number of business days).
  - 6) The Takeover Proposal does not contain any provisions that can be deemed insufficient or inappropriate to maintain the Company's fundamental value; and,
  - 7) The Takeover Proposal can reasonably be deemed to protect and increase the Company's corporate value and shareholders' common interests.
- ⑤ The Board of Directors shall adopt the Confirmation Resolution based on the Advisory Resolution of the Corporate Value Committee. If the Corporate Value Committee adopts an Advisory Resolution, the Board of Directors is obliged to adopt a Confirmation Resolution, unless it finds particular grounds to rule that adopting such a Confirmation Resolution obviously violates the Directors' duty of care. The Board of Directors shall not be empowered to execute a Gratis Issue of Stock Acquisition Rights against any Takeover Proposal which is endorsed by a Confirmation Resolution.
- ⑥ If a specific takeover attempt is executed without obtaining a Confirmation Resolution, the Board of Directors shall set a date for Gratis Issue of Stock Acquisition Rights, and execute this Gratis Issue such that the Company's eligible shareholders receive the Stock Acquisition Rights on the issuance date. However, if it becomes clear that a specific acquirer's shareholding ratio does not reach 20 percent by a specific date, prior to the issuance date set forth by the Board of Directors (including special cases which the Board of Directors deems to be pursuant to this shareholding ratio case), the Board can suspend the Gratis Issue, and stop the Stock Acquisition Rights from taking effect.

#### **(4) The Decision of the Board of Directors and the Grounds for Such Decision**

The Plan complies with the basic policy stated above, and special measures mentioned hereafter have been implemented to enhance the rationality of the Plan. Nothing in the Plan is detrimental to the corporate value or common interests of the Company's shareholders, nor does the Plan aim to preserve the positions of the Company officers.

- ① The Plan is approved by the Company's shareholders in advance at the 72<sup>nd</sup> Ordinary General Meeting of Shareholders held on March 27, 2007.
- ② The term of office for Directors is set at one year, and a system with staggered terms or requirements for dismissal is not added to the normal resolutions. Consequently, the Plan can be terminated by the resolution of the Board of Directors, through election and removal of Directors through normal resolutions of a General Meeting of Shareholders.

- ③ In order to guarantee the neutrality of the Board of Director's decision concerning the Plan, the Corporate Value Committee - a body comprised solely of outside officers not engaged in the execution of duties of the Company - will deliberate whether the Takeover Proposal serves the purpose of protecting and increasing corporate value and the common interests of shareholders, based on the legal obligations owed to the Company by the officers of the Company. If the Corporate Value Committee adopts an Advisory Resolution recommending that the Board of Directors adopt a Confirmation Resolution, the Board of Directors is required to follow the Advisory Resolution unless it finds particular grounds to rule that the adoption of such a Confirmation Resolution obviously violates the Directors' duty of care.
- ④ When a Takeover Proposal satisfies all requirements defined in (3), ④ 1) to 7) above, the Corporate Value Committee is required to adopt an Advisory Resolution, in order to ensure objectiveness.
- ⑤ The effective term of the Plan is three years from the approval by shareholders at this 72<sup>nd</sup> Meeting of Shareholders. During the term, the Board of Directors will determine the specifics of the Plan annually, within the scope of the Directors' rights voted for in the relevant General Meeting of Shareholders' proposal. This makes it possible to respond to various potential changes in the relevant laws and regulations, and to the development of situations as they affect the Company. The Plan, including the review of collateral conditions, will be resubmitted for a vote of affirmation by shareholders upon expiration of the current three-year term.
- ⑥ The Plan complies with all requirements of legitimacy (the requirements preventing suspension of the Issue of the Stock Acquisition Rights) and requirements of propriety (requirements for securing the understanding of shareholders, investors, and other concerned parties) as set forth in the "Guidelines Regarding Takeover Defense Measures for Protecting and Increasing the Corporate Value and the Common Interests of Shareholders," dated May 27, 2005, provided by the Ministry of Economy, Trade and Industry and the Ministry of Justice (the "Government Guidelines").

**Consolidated Balance Sheet**

(As of December 31, 2008)

Millions of yen

ASSETS		LIABILITIES	
<b>I. Current assets:</b>		<b>I. Current liabilities:</b>	
Cash and deposits in banks	133,906	Notes and accounts payable	158,760
Trade notes and accounts receivable	195,481	Short-term loans	228,336
Inventories	318,897	Current portion of long-term debt	22,435
Deferred tax assets	24,957	Current portion of bonds	3
Other	49,289	Accrued expenses	46,232
Less: Allowance for doubtful receivables	(5,514)	Income taxes payable	63
<b>Total current assets</b>	<b>717,018</b>	Accrued bonuses	9,688
		Accrued warranty costs	27,341
		Other	74,625
		<b>Total current liabilities</b>	<b>567,488</b>
<b>II. Fixed assets:</b>		<b>II. Long-term liabilities</b>	
<b>1. Tangible fixed assets:</b>		Long-term debt	98,428
Buildings and structures	98,974	Deferred tax liabilities on unrealized revaluation gain on land	12,630
Machinery and transportation equipment	113,603	Accrued employees' retirement benefits	31,381
Land	89,417	Accrued retirement benefits for Directors and Corporate Auditors	184
Construction in progress	28,486	Accrual for product liabilities	16,757
Other	25,114	Accrual for motorcycle recycling costs	1,121
<b>Total tangible fixed assets</b>	<b>355,596</b>	Other	6,698
<b>2. Intangible fixed assets:</b>		<b>Total long-term liabilities</b>	<b>167,201</b>
Leasehold rights	3,621		
Other	2,349	<b>Total liabilities</b>	<b>734,690</b>
<b>Total intangible fixed assets</b>	<b>5,971</b>		
		<b>NET ASSETS</b>	
<b>3. Investments and other assets:</b>		<b>I. Shareholders' equity:</b>	
Investment securities	32,136	<b>1. Common stock</b>	<b>48,342</b>
Long-term loans receivable	22,001	<b>2. Capital surplus</b>	<b>60,824</b>
Deferred tax assets	25,938	<b>3. Retained earnings</b>	<b>392,025</b>
Other	5,634	<b>4. Treasury stock</b>	<b>(181)</b>
Less: Allowance for doubtful receivables	(1,122)	<b>Total shareholders' equity</b>	<b>501,011</b>
<b>Total investments and other assets</b>	<b>84,587</b>	<b>II. Valuation and translation adjustments:</b>	
		<b>1. Unrealized holding gain on other securities</b>	<b>100</b>
<b>Total fixed assets</b>	<b>446,154</b>	<b>2. Deferred gains or losses on hedges</b>	<b>1,992</b>
		<b>3. Unrealized revaluation gain on land</b>	<b>17,254</b>
		<b>4. Translation adjustments</b>	<b>(125,791)</b>
		<b>Total valuation and translation adjustments</b>	<b>(106,443)</b>
		<b>III. Share warrants</b>	<b>30</b>
		<b>IV. Minority interests</b>	<b>33,885</b>
		<b>Total net assets</b>	<b>428,483</b>
<b>Total assets</b>	<b>1,163,173</b>	<b>Total liabilities and net assets</b>	<b>1,163,173</b>

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

**Consolidated Statement of Income**  
(From January 1, 2008 through December 31, 2008)

		Millions of yen
I. Net sales		1,603,881
II. Cost of sales		1,226,775
<b>Gross profit</b>		<b>377,105</b>
III. Selling, general and administrative expenses		328,723
<b>Operating income</b>		<b>48,382</b>
IV. Non-operating income		
Interest income	13,078	
Dividend income	842	
Equity in earnings of affiliates	2,358	
Gain on revaluation of sales finance assets	1,640	
Other	11,930	29,850
V. Non-operating expenses		
Interest expense	8,129	
Early retirement benefit expenses	362	
Sales-finance-related expenses	1,357	
Foreign exchange loss	4,380	
Other	5,131	19,360
<b>Ordinary income</b>		<b>58,872</b>
VI. Extraordinary profits		
Gain on sale of fixed assets	828	
Gain on sale of investment securities	0	828
VII. Extraordinary losses		
Loss on disposal of fixed assets	3,818	
Impairment loss on fixed assets	203	
Loss on sale of investment securities	6	
Extraordinary impairment loss on securities	16,854	20,882
<b>Income before income taxes and minority interests</b>		<b>38,819</b>
Income taxes — current	24,853	
Income taxes — deferred	6,799	31,652
Minority interests		5,314
<b>Net income</b>		<b>1,851</b>

Note: Amounts less than one million yen have been omitted.

**Consolidated Statement of Changes in Net Assets**

(From January 1, 2008 through December 31, 2008)

Millions of yen

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
<b>Balance at December 31, 2007</b>	48,300	60,784	401,972	(186)	510,870
<b>Changes in items during the period</b>					
Issuance of new shares	42	42			85
Reversal of revaluation reserve on land			(56)		(56)
Dividends from surplus			(11,741)		(11,741)
Net income			1,851		1,851
Increase in consolidated subsidiaries			647		647
Decrease in consolidated subsidiaries			(47)		(47)
Increase in subsidiaries and affiliates accounted for by the equity method of accounting			160		160
Decrease in subsidiaries and affiliates accounted for by the equity method of accounting			(761)		(761)
Acquisition of treasury stock				(13)	(13)
Disposal of treasury stock		(3)		19	16
Net changes of items other than shareholders' equity					
<b>Total of changes in items during the period</b>	42	39	(9,946)	5	(9,858)
<b>Balance at December 31, 2008</b>	48,342	60,824	392,025	(181)	501,011

	Valuation and translation adjustments				
	Unrealized holding gain on other securities	Deferred gains or losses on hedges	Unrealized revaluation gain on land	Translation adjustments	Total valuation and translation adjustments
<b>Balance at December 31, 2007</b>	4,660	(253)	17,198	(2,251)	19,353
<b>Changes in items during the period</b>					
Issuance of new shares					
Reversal of revaluation reserve on land					
Dividends from surplus					
Net income					
Increase in consolidated subsidiaries					
Decrease in consolidated subsidiaries					
Increase in subsidiaries and affiliates accounted for by the equity method of accounting					
Decrease in subsidiaries and affiliates accounted for by the equity method of accounting					
Acquisition of treasury stock					
Disposal of treasury stock					
Net changes of items other than shareholders' equity	(4,559)	2,245	56	(123,539)	(125,797)
<b>Total of changes in items during the period</b>	(4,559)	2,245	56	(123,539)	(125,797)
<b>Balance at December 31, 2008</b>	100	1,992	17,254	(125,791)	(106,443)

	Stock acquisition rights	Minority interests	Total net assets
<b>Balance at December 31, 2007</b>	—	38,997	569,221
<b>Changes in items during the period</b>			
Issuance of new shares			85
Reversal of revaluation reserve on land			(56)
Dividends from surplus			(11,741)
Net income			1,851
Increase in consolidated subsidiaries			647
Decrease in consolidated subsidiaries			(47)
Increase in subsidiaries and affiliates accounted for by the equity method of accounting			160
Decrease in subsidiaries and affiliates accounted for by the equity method of accounting			(761)
Acquisition of treasury stock			(13)
Disposal of treasury stock			16
Net changes of items other than shareholders' equity	30	(5,112)	(130,879)
<b>Total of changes in items during the period</b>	30	(5,112)	(140,738)
<b>Balance at December 31, 2008</b>	30	33,885	428,483

Note: Amounts less than one million yen have been omitted.

## Notes to Consolidated Financial Statements

### 1. Notes Regarding Basic Items of Significance in Drawing up Consolidated Financial Statements

#### (1) Scope of Consolidation

① Number of consolidated subsidiaries: 113

② Names of principal consolidated subsidiaries:

Yamaha Motorcycle Sales Japan Co., Ltd., Yamaha Marine Co., Ltd., Yamaha Motor Powered Products Co., Ltd., Yamaha Motor Electronics Co., Ltd., Yamaha Motor Corporation, U.S.A., Yamaha Motor Manufacturing Corporation of America, Yamaha Motor Europe N.V., Yamaha Motor Espana S.A., PT. Yamaha Indonesia Motor Manufacturing, Thai Yamaha Motor Co., Ltd., Yamaha Motor Vietnam Co., Ltd., and Yamaha Motor Taiwan Co., Ltd.

\* The Company conducted the following organizational restructuring between the Company and its consolidated subsidiaries as of January 1, 2009.

The company in parentheses is the succeeding company of the demerger.

1) Merger of Yamaha Marine Co., Ltd. with the Company as the surviving company.

2) Corporate demerger of the Company's golf car business (Yamaha Motor Powered Products Co., Ltd.)

③ Principal non-consolidated subsidiaries and the reason for excluding these companies from consolidation:

Total assets, net sales, net income or loss, retained earnings and other financial indexes of non-consolidated subsidiaries, including HL Yamaha Motor Research Centre Sdn. Bhd., were individually insignificant to the Company's consolidated financial statements, and were not significant in the aggregate. Therefore, these companies were excluded from the Company's scope of consolidation.

#### (2) Scope of Application of Equity Method of Accounting

① Number of non-consolidated subsidiaries and affiliates accounted for by the equity method of accounting, and names of principal companies among them:

Number of non-consolidated subsidiaries accounted for by the equity method of accounting: 7

HL Yamaha Motor Research Centre Sdn. Bhd. and 6 other subsidiaries

Number of affiliates accounted for by the equity method of accounting: 26

Chongqing Jianshe Yamaha Motor Co., Ltd. and 25 other affiliates

② Principle non-consolidated subsidiaries and affiliates not accounted for by the equity method of accounting, and the reason they are not accounted for by the equity method of accounting:

Five non-consolidated subsidiaries including PT. Melco Indonesia, and three affiliates including Hainan Kadaya Boat Manufacturing Co., Ltd., were individually insignificant to the Company's consolidated net income, consolidated retained earnings and other consolidated financial indexes, and were not significant in the aggregate. Therefore, the Company's investments in these companies were stated at cost, instead of being accounted for by the equity method of accounting.

#### (3) Accounting Standards

① Asset Valuation

1) Securities

Other securities

Marketable securities classified as other securities 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 net assets. 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 by the declining-balance method.

(Additional Information)

Pursuant to an amendment to the Corporate Tax Law, the Company and its consolidated subsidiaries in Japan have applied the following accounting method for tangible fixed assets acquired on and before March 31, 2007. When such assets are depreciated to 5% of their acquisition costs under the previous method, the difference between that value (5% of the acquisition costs) and the assets' memorandum value is depreciated by the straight-line method over five years starting from the following fiscal year, and the amount is included in depreciation expenses.

Applying the new accounting method, operating income, ordinary income, and income before income taxes and minority interests for the fiscal 2008 each decreased by ¥1,320 million, compared with the figures derived using the previous method.

2) Intangible assets

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

Amortization of capitalized software for internal use is computed by the straight-line method over the software's estimated useful life (five years).

③ Significant Accruals

1) Allowance for doubtful receivables

In order to evaluate accounts receivable, and loans and other equivalents, an 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 bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

3) Accrued bonuses for Directors

Accrued bonuses are stated at an estimated amount of the bonuses to be paid to Directors, based on their services for the current fiscal period.

4) Accrued warranty costs

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

5) Accrued employees' retirement benefits

Accrued employees' retirement benefits are provided mainly at an amount, deemed generated on December 31, 2008, 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 a period, 10 years, which is 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, by the straight-line method, over a period, 10 years, which is shorter than the average remaining years of service of the employees.

6) 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 the balance sheet date, in accordance with internal regulations of the Companies.

7) 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.

8) Accrual for motorcycle recycling costs

An accrual for motorcycle recycling costs is provided at an estimated amount based on actual sales.

④ Other Items of Significance in Drawing up Consolidated Financial Statements

1) Closing date for consolidated subsidiaries

The annual closing date for Yamaha Motor Polska Sp. z o.o., one of the Company's consolidated subsidiaries, is March 31. When drawing up the consolidated financial statements, the Company has used tentative financial statements for Yamaha Motor Polska Sp. z o.o., compiled as of the Company's annual closing date for its consolidated financial accounting.

2) 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.

3) Hedge accounting

a) Accounting for hedging activities

The Group adopts the deferred hedge accounting method. For foreign exchange forward 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.

b) Hedging instruments and hedged items

To hedge the foreign exchange risks regarding foreign currency monetary assets and liabilities, foreign exchange forward contracts and currency options are employed as hedging instruments. To hedge the interest-rate risks present in the interest expense resulting from long-term loans, interest-rate swaps are employed as hedging instruments.

c) Hedging policy

In order to hedge certain risks arising from adverse fluctuations in foreign currency exchange rates and interest rates through business and financing operations, hedging transactions are implemented, in principle, within credits and debts. To reduce credit risks, hedging transactions are implemented with financial institutions with high credit ratings. Foreign exchange forward contracts and interest-rate swaps are employed in compliance with internal rules for forward exchange contracts.

d) Assessment of hedge effectiveness

In the hedging transactions employed by the Group, there are close economic interrelations between hedged items and hedging instruments. The effectiveness of hedging transactions is assessed periodically in accordance with a prearranged program.

4) Consumption taxes

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

5) Application of consolidated tax return system

The Company applies the Consolidated Tax Return System.

6) Amortization of goodwill and negative goodwill

The difference between the cost and the underlying net equity at fair value of investments in consolidated subsidiaries (“goodwill”) is amortized by the straight-line method over years estimated, based on substantive judgment as incurred.

**(4) Valuation of Assets and Liabilities of Consolidated Subsidiaries**

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

**2. Change in Financial Accounting Method**

**Changes to Consolidation and Equity Accounting Criteria**

(1) Changes to consolidation

Effective from fiscal 2008, the following companies were consolidated because of their increasing significance: Yamaha Motor Research & Development Europe S.r.l.; Yamaha Motor Philippines, Inc.; LIYAM Property, Inc; Yamaha Motor Argentina S.A. The following companies, which were established as subsidiaries in this consolidated fiscal year, are included among the consolidated companies: Precision Propellor Industries, Inc; Yamaha Motor do Brasil Servicos Financeiros Participacoes Ltda.; Yamaha Motor Corretora de Seguros Ltda.; Banco Yamaha Motor do Brasil S.A. Yamaha Motor Distribution B.V. and Yamaha Motor Finance (Europe) B.V., which were included in consolidation, merged with Yamaha Motor Europe N.V., the surviving company of the merger, and are excluded from consolidation due to this absorption-type merger. P&C Service Co., Ltd., Ohlines Management AB, CV DK A/S, and Yamaha Motor Commercial Trading (Shanghai) Co., Ltd., which were included in consolidation, are excluded from consolidation due to liquidation.

(2) Changes to equity accounting

A.I.S. Co., Ltd. shall be subject to the equity accounting method, because of its increasing importance. Yamaha Motor Research & Development Europe S.r.l. and Yamaha Motor Argentina S.A. have been consolidated, because of their increasing importance. Dawood Yamaha Limited, which was subject to the equity accounting method, is no longer subject to the equity accounting method, because the Company sold all of its shares. Beldeyama A.S., which was subject to the equity accounting method, is no longer subject to the equity accounting method, because of its decreasing importance (the investment ratio of the shares of this company owned by Yamaha Motor Europe N.V. decreased as a result of a capital increase by the joint venture company). YEC Europe S.r.l., which was subject to the equity accounting method, is no longer subject to the equity accounting method, because of its liquidation. Elm Design Europe S.r.l., which was subject to the equity accounting method, is no longer subject to the equity accounting method, because this company lost all of its importance through a liquidation procedure.

**3. Notes to Consolidated Balance Sheet**

	Millions of yen
<b>(1) Accumulated Depreciation of Tangible Fixed Assets</b>	481,615

**(2) Pledged Assets**

Pledged Assets are as follows.

Trade notes and accounts receivable	5,967
Inventories	4,964
Building and structures	1,309
Machinery and transportation equipment	5,294
Land	1,432
Construction in progress	2,673
Other tangible fixed assets	183
<u>Investment securities</u>	<u>27</u>
Total	21,852

Secured liabilities are as follows.

Short-term loans	9,694
<u>Other long-term liabilities</u>	<u>1,225</u>
Total	10,919

<b>(3) Discounts on Trade Notes Receivable</b>	1,709
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**(4) Guarantee Obligations**

Guarantees are given for the following companies' loans from financial institutions.

Subsidiaries or affiliates:

Amagasaki Woodland of Health Co., Ltd.	339
Fuzhou Jiaxin Soqi Powered Products Co., Ltd.	51

Other companies:

Enrum Marina Muroran Inc.	74
<u>Marina Kawage Co., Ltd.</u>	<u>36</u>
Total	501

Guarantee obligations described above include 375 million yen arising from acts resembling guarantees.



## 5. Notes to Consolidated Statement of Changes in Net Assets

### (1) Type and Number of Outstanding Shares:

Common stock 286,507,784 shares

### (2) Dividends

#### ① Amount of dividends paid

Resolution	Type of share	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Reference date	Effective date
Ordinary General Meeting of Shareholders held on Mar. 26, 2008	Common stock	5,870	20.50	Dec. 31, 2007	Mar. 27, 2008
Board of Directors Meeting held on July 31, 2008	Common stock	5,870	20.50	June 30, 2008	Sep. 10, 2008

#### ② Dividends with an effective date after the fiscal year under review, but with a reference date during the period

Resolution	Type of share	Total amount of dividends (Millions of yen)	Source of dividend	Dividend per share (Yen)	Reference date	Effective date
Ordinary General Meeting of Shareholders held on Mar. 25, 2009	Common stock	1,432	Retained earnings	5.00	Dec. 31, 2008	Mar. 26, 2009

### (3) Stock Acquisition Rights

Stock acquisition rights at December 31, 2008 are as follows.

	Fourth unsecured convertible bonds (Note 1)	Fourth stock acquisition rights (issued on June 13, 2008) (Note 2)
Number of stock acquisition rights	—	755
Class of shares to be issued or transferred upon exercise of stock acquisition rights	Common stock	Common stock
Number of shares to be issued or transferred upon exercise of stock acquisition rights	—	75,500

Notes: 1. The number of shares to be issued by the exercise of stock acquisition rights has been omitted, because it is considered insignificant in relation to the aggregate relative number of shares outstanding at the end of fiscal 2008. . Also, the fourth unsecured convertible bonds had no balance at the end of fiscal 2008, because they were issued in accordance with the former Commercial Code in Japan.

2. Among stock acquisition rights exercised as stock options none had an exercise period that had begun at the end of fiscal 2008.

## 6. Notes to Per Share Amounts

(1) Net Assets per Share 1,377.81 yen

(2) Net Income per Share 6.47 yen

**Non-consolidated Balance Sheet**

(As of December 31, 2008)

Millions of yen

<b>ASSETS</b>		<b>LIABILITIES</b>	
<b>I. Current assets:</b>		<b>I. Current liabilities:</b>	
Cash and deposits in banks	67,455	Trade notes payable	6,993
Trade notes receivable	4,988	Construction notes payable	428
Trade accounts receivable	54,659	Trade accounts payable	89,355
Finished and merchandized goods	45,485	Short-term loans	86,493
Raw materials	2,575	Current portion of long-term debt	18,100
Work-in-process	11,843	Current portion of convertible bonds	3
Supplies	8,801	Other payables	27,716
Advanced payment	546	Construction accounts payable	7,137
Prepaid expenses	584	Accrued expenses	3,457
Deferred tax assets	9,898	Advances received	1,064
Other receivables	9,161	Deposits received	2,669
Income taxes refundable	7,894	Accrued bonuses	4,860
Short-term loans receivable	29,360	Accrued warranty costs	15,419
Other	2,382	Other	401
Less: Allowance for doubtful receivables	(304)	<b>Total current liabilities</b>	<b>264,099</b>
<b>Total current assets</b>	<b>255,333</b>		
<b>II. Fixed assets:</b>		<b>II. Long-term liabilities:</b>	
<b>1. Tangible fixed assets:</b>		Long-term debt	78,500
Buildings	35,096	Deferred tax liabilities on unrealized revaluation gain on land	12,630
Structures	5,101	Accrued employees' retirement benefits	23,882
Machinery and equipment	34,653	Accrued retirement benefits for Directors and Corporate Auditors	146
Boats	54	Accrual for product liabilities	7,427
Vehicles	468	Accrual for motorcycle recycling costs	1,121
Tools, furniture and fixtures	9,787	Allowance for investment loss	1,089
Land	61,032	Other	679
Construction in progress	4,952	<b>Total long-term liabilities</b>	<b>125,476</b>
<b>2. Total tangible fixed assets</b>	<b>151,146</b>		
		<b>Total liabilities</b>	<b>389,575</b>
		<b>NET ASSETS</b>	
<b>Intangible fixed assets:</b>		<b>I. Shareholders' equity:</b>	
Leasehold rights	537	<b>1. Common stock</b>	<b>48,342</b>
Other	198	<b>2. Capital surplus</b>	
<b>Total intangible fixed assets</b>	<b>735</b>	(1) Capital reserve	60,432
		(2) Other capital reserve	391
		<b>Total capital surplus</b>	<b>60,824</b>
<b>3. Investments and other assets:</b>		<b>3. Retained earnings</b>	
Investment securities	14,676	(1) Legal reserve	3,775
Investment in affiliates' stock	149,766	(2) Other retained earnings	
Investment in partnership	3	Reserve for special depreciation	40
Investment in affiliates	21,624	Reserve for advanced depreciation	333
Long-term loans to employees	25	General reserve	86,465
Long-term loans to affiliates	55	Retained earnings brought forward	3,194
Deferred tax assets	16,311	<b>Total retained earnings</b>	<b>93,810</b>
Security deposits	1,437	<b>4. Treasury stock</b>	<b>(154)</b>
Less: Allowance for doubtful receivables	(42)	<b>Total shareholders' equity</b>	<b>202,822</b>
<b>Total investments and other assets</b>	<b>203,858</b>		
		<b>II. Valuation and translation adjustments:</b>	
<b>Total fixed assets</b>	<b>355,740</b>	<b>1. Unrealized holding gain on other securities</b>	<b>68</b>
		<b>2. Deferred gains or losses on hedges</b>	<b>1,322</b>
		<b>3. Unrealized revaluation gain on land</b>	<b>17,254</b>
		<b>Total valuation and translation adjustments</b>	<b>18,645</b>
		<b>III. Share warrants</b>	<b>30</b>
		<b>Total net assets</b>	<b>221,498</b>
<b>Total assets</b>	<b>611,074</b>	<b>Total liabilities and net assets</b>	<b>611,074</b>

Note: Amounts less than one million yen have been omitted.

(TRANSLATION ONLY)

**Non-consolidated Statement of Income**

(From January 1, 2008 through December 31, 2008)

	Millions of yen	
I. Net sales		740,177
II. Cost of sales		663,159
		<b>77,018</b>
<b>Gross profit</b>		
III. Selling, general and administrative expenses		101,137
		<b>24,119</b>
<b>Operating loss</b>		
IV. Non-operating income		
Interest income	870	
Dividend income	45,196	
Other	2,114	48,181
V. Non-operating expenses		
Interest expense	938	
Contribution	335	
Outplacement support expenses	362	
Foreign exchange loss	389	
Provision for allowance for investment loss	380	
Other	870	3,276
		<b>20,785</b>
<b>Ordinary income</b>		
VI. Extraordinary profits		
Gain on sale of fixed assets	61	
Gain on sale of investment securities	0	
Gain on sale of investment in affiliates' stock	0	61
VII. Extraordinary losses		
Loss on disposal of fixed assets	1,473	
Impairment loss on fixed assets	193	
Loss on sale of investment in affiliates' stock	6	
Extraordinary impairment loss on securities	20,069	21,742
		<b>895</b>
<b>Loss before income taxes</b>		
Income taxes — current	2,727	
Income taxes — deferred	(600)	2,127
		<b>3,022</b>
<b>Net loss</b>		

Note: Amounts less than one million yen have been omitted.

**Non-consolidated Statement of Changes in Net Assets**

(From January 1, 2008 through December 31, 2008)

Millions of yen

	Shareholders' equity					
	Common stock	Capital surplus			Retained earnings	
		Capital reserve	Other capital reserve	Total capital surplus	Legal reserve	Other retained earnings Reserve for special depreciation
<b>Balance at December 31, 2007</b>	48,300	60,389	394	60,784	3,775	49
<b>Changes in items during the period</b>						
Issuance of new shares	42	42		42		
Reversal of reserve for special depreciation						(9)
Reversal of reserve for advanced depreciation						
Saving of general reserve						
Reversal of revaluation reserve on land						
Dividends from surplus						
Net loss						
Acquisition of treasury stock						
Disposal of treasury stock			(3)	(3)		
Net changes of items other than shareholders' equity						
<b>Total of changes in items during the period</b>	42	42	(3)	39	0	(9)
<b>Balance at December 31, 2008</b>	48,342	60,432	391	60,824	3,775	40

  

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Other retained earnings			Total retained earnings		
Reserve for advanced depreciation	General reserve	Retained earnings brought forward	Total retained earnings			
<b>Balance at December 31, 2007</b>	426	80,465	23,912	108,630	(159)	217,554
<b>Changes in items during the period</b>						
Issuance of new shares						85
Reversal of reserve for special depreciation			9	0		0
Reversal of reserve for advanced depreciation	(92)		92	0		0
Saving of general reserve		6,000	(6,000)	0		0
Reversal of revaluation reserve on land			(56)	(56)		(56)
Dividends from surplus			(11,741)	(11,741)		(11,741)
Net loss			(3,022)	(3,022)		(3,022)
Acquisition of treasury stock					(13)	(13)
Disposal of treasury stock					19	16
Net changes of items other than shareholders' equity						
<b>Total of changes in items during the period</b>	(92)	6,000	(20,717)	(14,819)	5	(14,732)
<b>Balance at December 31, 2008</b>	333	86,465	3,194	93,810	(154)	202,822

  

	Valuation and translation adjustments				Stock acquisition rights	Total net assets
	Unrealized holding gain on other securities	Deferred gains or losses on hedges	Unrealized revaluation gain on land	Total of valuation and translation adjustments		
<b>Balance at December 31, 2007</b>	4,493	(643)	17,198	21,048	—	238,603
<b>Changes in items during the period</b>						
Issuance of new shares						85
Reversal of reserve for special depreciation						0
Reversal of reserve for advanced depreciation						0
Saving of general reserve						0
Reversal of revaluation reserve on land						(56)
Dividends from surplus						(11,741)
Net loss						(3,022)
Acquisition of treasury stock						(13)
Disposal of treasury stock						16
Net changes of items other than shareholders' equity	(4,425)	1,966	56	(2,402)	30	(2,372)
<b>Total of changes in items during the period</b>	(4,425)	1,966	56	(2,402)	30	(17,104)
<b>Balance at December 31, 2008</b>	68	1,322	17,254	18,645	30	221,498

Note: Amounts less than one million yen have been omitted.

## Notes to Non-consolidated Financial Statements

### 1. Notes to Significant Accounting Policies

#### (1) Asset Valuation

##### ① Securities

Investment in subsidiaries and affiliates are carried at cost, determined by the moving-average method.

Other securities

Marketable securities classified as other securities 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 net assets. 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

Finished goods and work-in-process are stated at the lower of cost or market, cost being determined by the average method.

Merchandized goods, raw materials and supplies are stated at the lower of cost or market, cost being determined by the last purchase price method.

#### (2) Depreciation and Amortization of Assets

##### ① Tangible fixed assets

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

(Additional Information)

The depreciation method under the former Corporate Tax Law is applicable to tangible fixed assets acquired on or before March 31, 2007, as stipulated under the amendment of the Corporate Tax Law in 2007. Any difference between the amount equal to 5% of the acquisition costs and the memorandum value is depreciated on a straight-line basis over a period of five years, starting from the fiscal year following the fiscal year when the book value reached 5% of the acquisition costs. Such result is included in depreciation. As a result, operating loss and loss before income taxes increased by 1,126 million yen, respectively, while ordinary income decreased by 1,126 million yen.

##### ② Intangible fixed assets

Amortization of intangible fixed 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 other equivalents, an 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 bonuses to be paid to employees, and to personnel working concurrently as Directors, based on their services for the current fiscal period.

##### ③ Accrued bonuses for Directors

Accrued bonuses are stated at an estimated amount of the bonuses to be paid to Directors, based on their services for the current fiscal period.

④ Accrued warranty costs

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

⑤ Accrued employees' retirement benefits

Accrued employees' retirement benefits are provided mainly at an amount, deemed generated on December 31, 2008, 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 a period, 10 years, which is 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, by the straight-line method, over a period, 10 years, which is shorter than the average remaining years of service of the employees.

⑥ 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 the balance sheet date, in accordance with internal regulations of the Company.

⑦ 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.

⑧ Accrual for motorcycle recycling costs

An accrual for motorcycle recycling costs is provided at an estimated amount based on actual sales.

⑨ Allowance for investment losses

In order to prepare against possible losses resulting from the Company's investments in its subsidiaries and affiliates, an allowance for investment losses is provided based on the amount deemed necessary in relation to financial conditions at the subsidiaries and affiliates.

**(4) Other Basic Items of Significance in Drawing up Non-consolidated Financial Statements**

① 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.

② Hedge accounting

1) Accounting for hedging activities

The Company adopts the deferred hedge accounting method. For foreign exchange forward 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.

2) Hedging instruments and hedged items

To hedge the foreign exchange risks regarding foreign currency monetary assets and liabilities, foreign exchange forward contracts and currency options are employed as hedging instruments. To hedge the interest-rate risks present in the interest expense resulting from long-term loans, interest-rate swaps are employed as hedging instruments.

3) Hedging policy

In order to hedge certain risks arising from adverse fluctuations in foreign currency exchange rates and interest rates through business and financing operations, hedging transactions are implemented, in principle, within credits and debts. To reduce credit risks, hedging transactions are implemented with financial institutions with high credit ratings. Foreign exchange forward contracts and interest-rate swaps

are employed in compliance with internal rules for forward exchange contracts.

4) Assessment of hedge effectiveness

In the hedging transactions employed by the Group, there are close economic interrelations between hedged items and hedging instruments. The effectiveness of hedging transactions is assessed periodically in accordance with a prearranged program.

③ Consumption taxes

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

④ Application of consolidated tax return system

The Company applies the Consolidated Tax Return System.

## 2. Changes in Presentation

### Non-consolidated Statement of Income

“Contribution” and “Foreign exchange loss” under “Non-operating expenses,” both of which were included in “Other” under “Non-operating expenses” for the previous periods, are stated separately due to their increasing importance in the category of “Non-operating expenses.”

For the previous fiscal year, when both were included in “Other,” “Contribution” was 319 million yen and “Foreign exchange loss” was 59 million yen.



**4. Notes to Non-consolidated Statement of Income**

## (1) Transactions with subsidiaries and affiliates

	Millions of yen
Sales	569,630
Purchases	324,744
Non-operating income	45,923
Non-operating expenses	122

(2) The extraordinary impairment loss on securities is primarily the amount of impairment loss resulting from the measurement of listed securities at fair market value.

**5. Notes to Non-consolidated Statement of Changes in Net Assets**

Number of treasury stocks at December 31, 2008

	Shares
Common stock	99,507

**6. Notes to Deferred Tax Accounting**

Principal deferred tax assets and liabilities

	Millions of yen
Deferred tax assets:	
Loss on devaluation of securities	25,061
Accrued retirement benefits	9,481
Property, plant and equipment	6,978
Accrued warranty costs	6,121
Accrual for product liabilities	2,948
Accrued bonuses	1,929
Accounts payable	1,341
Loss on devaluation of inventory	1,262
Other	1,334
Gross deferral tax assets	56,458
Valuation allowance	(29,086)
Total deferred tax assts	27,371
Deferred tax liabilities:	
Deferred hedge gains	(870)
Reserve for advanced depreciation	(219)
Unrealized holding gain on other securities	(45)
Reserve for special depreciation	(26)
Total deferred tax liabilities	(1,162)
Net deferred tax assets	26,209

**7. Notes to Leased Fixed Assets**

Millions of yen

**(1) Amount Equivalent to Acquisition Costs of Leased Property at December 31, 2008**

1,910

**(2) Amount Equivalent to Accumulated Depreciation of Leased Property at December 31, 2008**

1,241

**(3) Amount Equivalent to Future Minimum Lease Payments Subsequent to December 31, 2008**

668

Acquisition costs of leased property were computed based on the inclusion of their interest portion, due to the lower ratio of the balance for future minimum lease payments to the balance for tangible fixed assets at December 31, 2008.

## 8. Notes to Transactions with Related Parties

Millions of yen

Type	Name of company, etc.	Ownership of voting rights, etc.	Relationship with affiliated parties	Details of transaction	Amount of transaction	Account	Balance as of the end of the fiscal term
Subsidiary	Yamaha Marine Co., Ltd.	Direct ownership 100.0%	Purchase of products of the subsidiary, etc.	Purchase (Note 1)	122,110	Accounts payable	17,896
				Lending of funds (Note 2)	15,355	Short-term loans receivable	19,761
				Receipt of interest	146	Other receivables	—
Subsidiary	Yamaha Motor Powered Products Co., Ltd.	Direct ownership 100.0%	Purchase of products of the subsidiary, etc.	Purchase (Note 1)	65,883	Accounts payable	12,102
Subsidiary	Yamaha Motor Corporation, U.S.A.	Direct ownership 100.0%	Sale of products of the Company, etc.	Net sales (Note 1)	159,267	Accounts receivable	11,080
Subsidiary	Yamaha Motor Europe N.V.	Direct ownership 100.0%	Sale of products of the Company, etc.	Net sales (Note 1)	136,357	Accounts receivable	7,094
Subsidiary	Yamaha Motor Asia Pte. Ltd.	Direct ownership 100.0%	Sale of products of the Company, etc.	Purchase of shares of subsidiaries held by the company	8,715	Other payables	8,715

- Notes: 1. Trade conditions such as prices are determined through negotiations with the subsidiaries.  
2. Interest is determined on the basis of the market rate when lending. The amount of the transaction with Yamaha Marine Co., Ltd. is stated as the average balance during the fiscal year.  
3. The amounts of the transaction and accounts receivable are exclusive of consumption taxes. The amount of accounts payable includes consumption taxes.

## 9. Notes to Per Share Amounts

(1) Net Assets per Share 773.26 yen

(2) Net Income per Share 10.56 yen

## 10. Notes to Significant Subsequent Events of Business Combination

(1) Name and business content of relevant company, legal form of business combination, name of combined company, and summary of the transaction, including its purpose

- ① Name and business content of the relevant company  
Name of the relevant company: Yamaha Marine Co., Ltd., a subsidiary of the Company  
Content of business: Manufacture of outboard motors
- ② Legal form of business combination  
Absorption-type merger (kyushu-gappei), where the Company was a surviving company.
- ③ Name of the combined company

Yamaha Motor Co., Ltd.

④ Summary of the transaction, including its purpose

In order to pursue the further enhancement of business competition by steady implementation of business strategy in response to intensifying competition in the future and changes in the environment both at home and abroad, the Company absorbed Yamaha Marine Co., Ltd., a subsidiary which manufactures marine engines, including outboard engines, as of January 1, 2009.

**(2) Summary of accounting treatment**

The Company treated the transaction as a transaction under common control, based on the Accounting Standard for Business Combination (Accounting Standards Board of Japan (ASBJ), October 31, 2003) and the Guidance on the Accounting Standard for Business Combination and the Accounting Standard for Business Divestitures (ABSJ Guidance No. 10, last revised on November 15, 2007).

# **Copy of Report of Accounting Auditor on Consolidated Financial Statements**

## **Independent Auditor's Report**

January 30, 2009

To the Board of Directors  
Yamaha Motor Co., Ltd.

### **Ernst & Young ShinNihon LLC**

Kazuhiro Fujita (Seal)  
Certified Public Accountant  
Designated and Engagement Partner

Takahiro Takiguchi (Seal)  
Certified Public Accountant  
Designated and Engagement Partner

Masahiko Tsukahara (Seal)  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 444, Section 4 of the Corporation Law, we have audited the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Yamaha Motor Co., Ltd. (the "Company") applicable to the fiscal year from January 1, 2008 through December 31, 2008. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Yamaha Motor Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended December 31, 2008 in conformity with accounting principles generally accepted in Japan.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

## Copy of Report of Accounting Auditor

### Independent Auditor's Report

January 30, 2009

To the Board of Directors  
Yamaha Motor Co., Ltd.

#### **Ernst & Young Shin Nihon LLC**

Kazuhiro Fujita (Seal)  
Certified Public Accountant  
Designated and Engagement Partner

Takahiro Takiguchi (Seal)  
Certified Public Accountant  
Designated and Engagement Partner

Masahiko Tsukahara (Seal)  
Certified Public Accountant  
Designated and Engagement Partner

Pursuant to Article 436, Section 2, Paragraph 1 of the Corporation Law, we have audited the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of Yamaha Motor Co., Ltd. (the "Company") applicable to the 74th fiscal year from January 1, 2008 through December 31, 2008. These financial statements and the related supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the related supplementary schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Yamaha Motor Co., Ltd. applicable to the 74th fiscal year ended December 31, 2008 in conformity with accounting principles generally accepted in Japan.

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

# Copy of Audit Report of the Board of Corporate Auditors

## Audit Report

February 10, 2009

We at the Board of Corporate Auditors, having discussed the Directors' performance of duties during the 74th business year, from January 1, 2008 through December 31, 2008, based on audit reports from each Corporate Auditor, prepared this Audit Report of the Board of Corporate Auditors. Our audit opinion is as follows.

### **1. Methods and Contents of the Audit Implemented by Corporate Auditors and the Board of Corporate Auditors**

The Board of Corporate Auditors established its audit policy, assigned responsibilities to each Corporate Auditor in carrying out the policy, and received reports from each Corporate Auditor on audit implementation and results. In addition, the Board of Corporate Auditors, when necessary, requested reports and received explanations from Directors, other executives and accounting auditors concerning the execution of their duties.

Each corporate auditor, in accordance with the Corporate Auditors standard of audit, established by the Board of Corporate Auditors, as well as other relevant audit policy, executed assigned responsibilities, and communicated with Directors, internal audit divisions, and other employees, in order to gather information and develop an optimal audit environment. At the same time, each Corporate Auditor attended meetings of the Board of Directors and other important meetings, received reports on the execution of duties from Directors, employees and other personnel, requested reports and received explanations from them whenever necessary, perused important documents, including those subject to executive approval, and examined the conditions of assets and business at the head office and other major business office. In addition, each Corporate Auditor has reviewed the contents of the Board of Directors' resolutions on a system which assures that the execution of Directors' duties comply with laws and ordinances and the Articles of Incorporation, and monitored improvements to the system for assuring the propriety of operations of a corporation, as stipulated in Paragraphs 1 and 3 of Article 100 of the Enforcement Regulations of the Corporation Law. Each Corporate Auditor also verified that improvements had been made to the internal control system, in accordance with the Board of Directors' resolutions. The contents of the basic policy set forth in Item 1 of Article 127 of the Enforcement Regulations of the Corporation Law stated in the business reports and each approach set forth in Item 2 of the same article are reviewed based on the status of deliberations of the Board of Directors and other management entities. With regard to the Company's subsidiaries, each Corporate Auditor communicated and exchanged information with Directors, Corporate Auditors, and other employees of the subsidiaries, and received reports from them when necessary. Based on the methods described above, the Board of Corporate Auditors reviewed the business report and its supplementary schedules for the business year.

Further, each Corporate Auditor has monitored the accounting auditor to verify their independence and the propriety of their audit implementation, and has requested reports and received explanations from them when necessary. In addition, each Corporate Auditor received a notice from the accounting auditor that "the system for securing appropriate execution of duties" (in each terms, Article 159 of the Corporation Accounting Regulations) has been developed in accordance with "the Standard on Quality Control Concerning Audit" (established by the Business Accounting Council on October 28, 2005), and requested reports and received explanations from them when necessary. Based on the methods described above, the Board of Corporate Auditors reviewed non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and their supplementary schedules, as well as consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements) for the business year.

### **2. Results of Audit**

#### (1) Results of the audit of the business report and other documents

- 1) The business report and its supplementary schedules present fairly the condition of the Company in accordance with applicable laws and regulations, as well as the Articles of Incorporation.
- 2) With regard to the execution of Directors' duties, we have found no misconduct or material matters in

violation of laws, regulations, or the Articles of Incorporation.

3) We find the content of the Board of Directors' resolution on the internal control system sufficient. Also, with regard to the internal control system itself, nothing unusual is to be pointed out.

4) There are no matters requiring additional mention with respect to basic policy on the conduct of persons controlling decisions on the financial and business policies of companies stated in the business reports. We admit that each approach set forth in Article 127, Item 2 of the Enforcement Regulations of the Corporation Law that are stated in the business reports conforms with such basic policy, is in no way obstructive of any common interests of shareholders, and is not adopted with the intention to maintain the positions of Directors and Corporate Auditors.

(2) Results of the audit of non-consolidated financial statements and their supplementary schedules

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's accounting auditor, are recognized as fair and proper.

(3) Results of the audit of consolidated financial statements

The method and results of the audit conducted by Ernst & Young ShinNihon LLC, the Company's accounting auditor, are recognized as fair and proper.

**The Board of Corporate Auditors  
Yamaha Motor Co., Ltd.**

Haruhiko Wakuda  
Standing Corporate Auditor

Hiroshi Tanaka  
Standing Corporate Auditor

Naomoto Ohta  
Outside Corporate Auditor

Norihiko Shimizu  
Outside Corporate Auditor

## Reference Documents for the 74th Ordinary General Meeting of Shareholders

### Proposals and Reference Information

#### Proposed Resolution 1 Appropriation of Surplus

The Company has resolved to appropriate its surplus as described below.

##### 1. Year-end Dividend

Recognizing that maximizing the shareholders' interests represents one of the highest management priorities of Yamaha Motor, the Company continues working to maximize its corporate value through a diversity of business operations worldwide. Company policy centers on paying stable dividends on a long-term perspective while comprehensively considering its business performance, using the payout ratio as an indicator. Though the Company has been striving to meet shareholders' expectations, the business environment has been extremely severe.

In accordance with this policy, the Company has resolved to pay the following year-end cash dividend for fiscal 2008. With this year-end dividend, annual cash dividends per share for fiscal 2008 will decrease by 15.50 yen, to 25.50 yen, including the interim dividend of 20.50 yen per share paid in September 2008.

- (1) Distribution of dividend property, and the total amount distributed:  
5.00 yen per share of common stock      Total: 1,432,041,385 yen
- (2) Effective date of distribution  
March 26, 2009

##### 2. Items Regarding Appropriation of Retained Earnings

In order to cope with further change in economic circumstances and demand, the Company proposes to reverse a general reserve and transfer it to retained earnings brought forward, as follows.

- (1) Item regarding increased surplus and its amount  
Retained earnings brought forward: 86,465,888,057 yen
- (2) Item regarding decreased surplus and its amount  
General reserve: 86,465,888,057 yen

## Proposed Resolution 2 Amendments to the Articles of Incorporation

### 1. Reasons for the Proposed Amendments

- (1) The Company will change the maximum number of shares to be issued from 600,000,000 shares to 900,000,000 shares, in order to allow the Company to improve its financial standing by taking measures for flexible fundraising using shares in response to the changing business environment as global financial conditions become more complicated. (Proposed Amendments, Article 6)
- (2) All listed shares were concurrently converted into book-entry transfer shares (the so-called electronization of stock certificates) as a result of enforcement, on January 5, 2009, of the “Law for Partial Amendments to the Law Concerning Book-Entry Transfer of Corporate Bonds and Other Securities for the Purpose of Streamlining the Settlement of Trades of Stocks and Other Securities” (enacted on June 9, 2004, Law No. 88, 2004). Consequently, the Company will delete a provision based on the assumption of the existence of stock certificates and amend other relevant provisions.
- (3) The Company will establish a Supplementary Provision in order to stipulate provisional measures relating to the above amendment. (Proposed Amendment, Articles 1 and 2 of the Supplementary Provision)

### 2. Details of the Proposed Amendments

Current Articles of Incorporation	Proposed Amendments
<p><b>Article 1</b>   (Text omitted)</p> <p><b>Article 5</b></p> <p>(Maximum Number of Shares to Be Issued)</p> <p><b>Article 6</b> The maximum number of shares which the Company can issue is <u>600,000,000</u>.</p> <p>(Issuance of Stock Certificates)</p> <p><b>Article 7</b> <u>The Company shall issue certificates for stocks.</u></p> <p>(Acquisition of Own Shares)</p> <p><b>Article 8</b> (Text omitted)</p> <p>(Number of Shares Per Unit <u>and No Issue of Any Shares Less Than One Unit</u>)</p> <p><b>Article 9</b> The number of the Company’s shares per unit is one hundred (100) shares.</p> <p><u>2. The Company shall not issue any stock certificates for shares less than one unit (hereafter referred to as “fractional unit shares”) regardless of the provisions in Article 7, unless the Share Handling Regulations stipulate otherwise.</u></p>	<p><b>Article 1</b>   (No change)</p> <p><b>Article 5</b></p> <p>(Maximum Number of Shares to Be Issued)</p> <p><b>Article 6</b> The maximum number of shares which the Company can issue is <u>900,000,000</u>.</p> <p>(Deleted)</p> <p>(Acquisition of Own Shares)</p> <p><b>Article 7</b> (No change)</p> <p>(Number of Shares Per Unit)</p> <p><b>Article 8</b> The number of the Company’s shares per unit is one hundred (100) shares.</p> <p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(Rights of Shareholders Holding Fractional Unit Shares)  <b>Article 10</b>  Shareholders holding fractional unit shares of the Company (<u>including beneficial shareholders, hereafter the same</u>) are not entitled to exercise any rights except the following:</p> <ol style="list-style-type: none"> <li>① Rights provided in each item of Paragraph 2 of Article 189 of the Corporation Law;</li> <li>② Rights to make a demand in accordance with the provisions in Paragraph 1 of Article 166 of the Corporation Law;</li> <li>③ Rights to receive allocation of subscription for share acquisition rights, or share purchase warrants in accordance with the number of shares held;</li> <li>④ Rights to demand further purchase of fractional unit shares, as stipulated in the following article.</li> </ol>	<p>(Rights of Shareholders Holding Fractional Unit Shares)  <b>Article 9</b>  Shareholders holding fractional unit shares of the Company are not entitled to exercise any rights except the following:</p> <ol style="list-style-type: none"> <li>① Rights provided in each item of Paragraph 2 of Article 189 of the Corporation Law;</li> <li>② Rights to make a demand in accordance with the provisions in Paragraph 1 of Article 166 of the Corporation Law;</li> <li>③ Rights to receive allocation of subscription for share acquisition rights, or share purchase warrants in accordance with the number of shares held;</li> <li>④ Rights to demand further purchase of fractional unit shares, as stipulated in the following article.</li> </ol>
<p>(Sale of Fractional Unit Shares)  <b>Article 11</b> (Text omitted)</p>	<p>(Sale of Fractional Unit Shares)  <b>Article 10</b> (No change)</p>
<p>(Share Handling Regulations)  <b>Article 12</b> (Text omitted)</p>	<p>(Share Handling Regulations)  <b>Article 11</b> (No change)</p>
<p>(Transfer Agent)  <b>Article 13</b>  The Company shall have a transfer agent.</p> <p>2. The transfer agent and the location of its office shall be designated by a resolution of the Board of Directors and announced in a public notice.</p> <p>3. The creation and storage of the register of shareholders (<u>including beneficial shareholders, hereafter the same</u>), share purchase warrants <u>and lost stock certificates</u>, and operations relating to the register of other shareholders, share purchase warrants <u>and lost stock certificates</u> shall be handled by the transfer agent and not by the Company.</p>	<p>(Transfer Agent)  <b>Article 12</b>  The Company shall have a transfer agent.</p> <p>2. The transfer agent and the location of its office shall be designated by a resolution of the Board of Directors and announced in a public notice.</p> <p>3. The creation and storage of the register of shareholders <u>and</u> share purchase warrants, and operations relating to the register of other shareholders <u>and</u> share purchase warrants shall be handled by the transfer agent and not by the Company.</p>
<p><b>Article 14</b>    (Text omitted)  <b>Article 47</b></p>	<p><b>Article 13</b>    (No change)  <b>Article 46</b></p>
<p><b>Supplementary Provision</b>  (Newly established)</p> <p>(Newly established)</p>	<p><b>Supplementary Provision</b>  <b>Article 1</b>  <u>The creation and storage of the lost stock certificates, and other operations relating to the lost stock certificates shall be handled by the transfer agent and not by the Company.</u></p> <p><b>Article 2</b>  <u>This article and the preceding article shall be deleted on the day when one year has passed from the day following January 5, 2009.</u></p>

Current Articles of Incorporation	Proposed Amendments
Article <u>47</u> and this <u>supplementary provision</u> shall be deleted when all of the convertible bonds issued by the Company on March 4, 2002, are converted or redeemed.	<b><u>Article 3</u></b> Article <u>46</u> and this <u>article</u> shall be deleted when all of the convertible bonds issued by the Company on March 4, 2002, are converted or redeemed.

### Proposed Resolution 3 Election of Eleven Directors

Twelve Directors — Tsuneji Togami, Takashi Kajikawa, Tetsuo Uchiyama, Toru Watabiki, Hiroyasu Miyao, Shuji Ito, Shohei Kato, Toyoo Ohtsubo, Takaaki Kimura, Masahito Suzuki, Masayoshi Furuhata, and Eizo Kobayashi— will complete their respective terms of office at the conclusion of this Ordinary General Meeting of Shareholders. Consequently, the Company proposes to elect eleven (11) Directors.

The Director candidates are as follows.

Candidate No.	Name (Date of birth)	Brief personal history, position and responsibility in the Company (representative positions held at other companies)	No. of the Company shares held
1	Tsuneji Togami (August 13, 1946)	May 1974: Joined the Company May 1997: Senior General Manager of IM Operations of the Company April 2000: President of the IM Company (to present) June 2000: Director of the Company June 2003: Senior Managing Director and Representative Director of the Company (to present) June 2003: In charge of technology and manufacturing of the Company March 2007: Chairman and Director of the Company (to present)	30,100
2	Takashi Kajikawa (July 3, 1944)	April 1969: Joined the Company July 1993: President and Director of Yamaha Motor Europe N.V. May 1997: Senior General Manager of Marine Operations of the Company June 1997: Director of the Company April 2001: Managing Director of the Company June 2003: Senior Managing Director and Representative Director of the Company January 2005: President and Representative Director of the Company (to present) January 2007: In charge of brand promotion and Chief General Manager of MC Headquarters of the Company March 2007: President, Chief Executive Officer and Representative Director of the Company (to present)	59,700

Candidate No.	Name (Date of birth)	Brief personal history, position and responsibility in the Company (representative positions held at other companies)	No. of the Company shares held
3	Tetsuo Uchiyama (August 20, 1949)	<p>April 1972: Joined the Company</p> <p>November 1993: General Manager of the Finance Department, Administration Operations of the Company</p> <p>January 2002: President and Director of Yamaha Motor do Brasil Ltda.</p> <p>June 2003: Executive Officer of the Company</p> <p>January 2006: CUL of Corporate Planning Division of the Company</p> <p>March 2006: Director of the Company</p> <p>April 2006: In charge of Finance at the Company, CUL of Corporate Planning Division of the Company, and Senior General Manager of Japan Headquarters of the Company</p> <p>March 2007: Representative Director of the Company (to present)</p> <p>March 2007: Managing Executive Officer and Representative Director of the Company (to present)</p> <p>July 2007: In charge of Finance of the Company and Senior General Manager of Japan Headquarters of the Company</p> <p>January 2009: Chief General Manager of Global Corporate Administrative Center, in charge of IM Business Unit and Business Development Managing Unit (to present)</p>	20,600

Candidate No.	Name (Date of birth)	Brief personal history, position and responsibility in the Company (representative positions held at other companies)	No. of the Company shares held
4	Toru Watabiki (July 14, 1947)	<p>November 1974: Joined the Company</p> <p>October 2000: General Manager of the Service Information Department, Sales Management Division, MC Operations of the Company</p> <p>April 2003: General Manager of the Planning Management Division, MC Operations of the Company</p> <p>March 2005: Executive Officer of the Company</p> <p>March 2007: Director of the Company</p> <p>March 2007: Senior Executive Officer of the Company</p> <p>March 2007: Senior General Manager of Security and Export Trade Control, and General Manager of the Planning Management Division, MC Operations of the Company</p> <p>January 2008: Managing Executive Officer of the Company (to present)</p> <p>January 2008: General Manager of MC Operations of the Company (to present)</p> <p>January 2009: Representative Director of the Company (to present)</p> <p>January 2009: Chief General Manager in charge of Manufacturing Center, Procurement Center, Overseas Market Development Business Unit, Parts Business Unit, and power products Operations of the Company (to present)</p>	10,600
5	Shuji Ito (November 1, 1942)	<p>April 1965: Joined Nippon Gakki Co., Ltd. (presently Yamaha Corporation)</p> <p>June 1988: Director of Yamaha Corporation</p> <p>July 1993: Managing Director of Yamaha Corporation</p> <p>June 1997: Senior Managing Director and Representative Director of Yamaha Corporation</p> <p>April 2000: President and Representative Director of Yamaha Corporation</p> <p>June 2000: Director of the Company (to present)</p> <p>June 2007: Chairman and Director of Yamaha Corporation (to present)</p> <p>Representative position held at other companies: President of the Yamaha Music Foundation</p>	41,884

Candidate No.	Name (Date of birth)	Brief personal history, position and responsibility in the Company (representative positions held at other companies)	No. of the Company shares held
6	Toyoo Ohtsubo (October 14, 1949)	<p>April 1974: Joined the Company</p> <p>July 1996: General Manager of Development Division, GHP Operations of the Company</p> <p>April 2002: Senior General Manager of Legal and Intellectual Property Operations of the Company</p> <p>June 2004: Executive Officer of the Company</p> <p>September 2004: CUL of Legal &amp; Intellectual Property Division of the Company and CUL of Process &amp; IT Division of the Company</p> <p>March 2005: Director of the Company (to present)</p> <p>July 2006: General Manager of Process &amp; IT Division of the Company</p> <p>March 2007: Senior Executive Officer of the Company (to present)</p> <p>March 2008: Senior Executive Officer of the Company in charge of corporate quality assurance and Senior General Manager of Product Assurance Operations</p> <p>January 2009: Executive General Manager of Technology Center and Security Trade Control Center (to present)</p>	18,500
7	Takaaki Kimura (February 14, 1953)	<p>April 1976: Joined the Company</p> <p>June 1999: General Manager of Development Division, AM Operations of the Company</p> <p>April 2002: Senior General Manager of AM Operations of the Company (to present)</p> <p>June 2003: Executive Officer of the Company</p> <p>March 2005: Director of the Company (to present)</p> <p>March 2007: Senior Executive Officer of the Company (to present)</p> <p>January 2009: Chief General Manager of Marine Business Operations, Executive General Manager of Water Vehicle Business Unit, the Marine Products Operations, and in charge of Automotive Operations (to present)</p>	15,300
8	Masahito Suzuki (October 22, 1951)	<p>May 1981: Joined the Company</p> <p>July 1999: Manager of Control Technology Office of R&amp;D Center of the Company</p> <p>April 2003: Manager of R&amp;D Center of the Company</p> <p>March 2006: Executive Officer of the Company</p> <p>July 2006: Senior General Manager of Research &amp; Development Operations of the Company</p> <p>March 2008: Director of the Company (to present)</p> <p>March 2008: Senior Executive Officer of the Company (to present)</p> <p>January 2009: Executive General Manager of Product Assurance Center (to present)</p>	7,800

Candidate No.	Name (Date of birth)	Brief personal history, position and responsibility in the Company (representative positions held at other companies)	No. of the Company shares held
9	Masayoshi Furuhashi (September 8, 1933)	<p>April 1956: Joined Mitsui &amp; Co., Ltd.</p> <p>June 1989: Director of Mitsui &amp; Co., Ltd.</p> <p>June 1993: Managing Director and Representative Director of Mitsui &amp; Co., Ltd.</p> <p>June 1996: Senior Managing Director and Representative Director of Mitsui &amp; Co., Ltd.</p> <p>June 1997: Vice President and Representative Director of Mitsui &amp; Co., Ltd.</p> <p>June 1998: Retired from Mitsui &amp; Co., Ltd.</p> <p>July 2000: Representative Director of Office Furuhashi Co., Ltd. (to present)</p> <p>June 2003: Corporate Auditor of the Company</p> <p>March 2007: Director of the Company (to present)</p> <p>Representative position held at other companies: Representative Director of Office Furuhashi Co., Ltd.</p>	11,100
10	Eizo Kobayashi (September 8, 1948)	<p>April 1972: Joined the Bank of Japan</p> <p>May 1999: Director-General of the Personnel Department of the Bank of Japan</p> <p>May 2000: Director-General of the Examination Department of the Bank of Japan</p> <p>June 2002: Executive Director of the Bank of Japan</p> <p>May 2006: Retired from the Bank of Japan</p> <p>May 2006: Senior Advisor of American Family Life Assurance Company of Columbus</p> <p>March 2007: Director of the Company (to present)</p> <p>April 2007: Director of CROSS PLUS INC. (to present)</p> <p>July 2007: Vice Chairman of American Family Life Assurance Company of Columbus (to present)</p>	0
11	Yuko Kawamoto (May 31, 1958)	<p>April 1982: Joined The Bank of Tokyo, Ltd. (presently The Bank of Tokyo-Mitsubishi UFJ, Ltd.)</p> <p>June 1988: Completed Master of Economics, University of Oxford</p> <p>September 1988: Joined McKinsey &amp; Company, Tokyo Office</p> <p>June 2001: Senior Expert of McKinsey &amp; Company, Tokyo Office</p> <p>April 2004: Professor of Graduate School of Finance, Waseda University (to present)</p> <p>June 2004: Director of Osaka Securities Exchange Co., Ltd. (to present)</p> <p>June 2006: Director of Monex Beans Holdings (presently Monex Group, Inc.) (to present)</p> <p>June 2006: Director of Resona Holdings, Inc. (to present)</p> <p>June 2006: Corporate Auditor of Millea Holdings, Inc. (presently Tokio Marine Holdings, Inc.) (to present)</p>	0

## Notes:

1. Director candidates who have special interests with the Company are shown below:
 

Tetsuo Uchiyama:	(1) Mr. Uchiyama is concurrently serving as Chairman of the Yamaha Motor Corporate Pension Fund, a fund to which the Company entrusts contributions.
	(2) Mr. Uchiyama is concurrently serving as Chairman of the Yamaha Motor Corporate Welfare Foundation, a foundation to which the Company entrusts contributions as operating funds.
Shuji Ito:	Mr. Ito is concurrently serving as President of the Yamaha Music Foundation, with which the Company has transactions, including paying sponsorship and other fees.
2. Shuji Ito, Masayoshi Furuhashi, Eizo Kobayashi and Yuko Kawamoto are candidates for Outside Directors as stipulated in Article 2, Item 15 of the Corporation Law of Japan.
3. Notes to candidates for Outside Directors are as follows.
  - (1) Reasons for nomination of candidates for Outside Directors
    - ① Shuji Ito is Chairman and Director of Yamaha Corporation, one of the major shareholders of the Company. The Company would therefore like him to advise management, from his standpoint as both a shareholder and corporate manager, upon the determination of management policies and strategies, as to whether the management functions effectively toward the maximization of shareholder value. The Company would also like him to advise management on sociality and compliance.
    - ② Masayoshi Furuhashi held the post of Vice President and Representative Director of Mitsui & Co., Ltd. and has been active globally and aggressively in the transport machine industry since then. Therefore, the Company would like him to guide and supervise the management based on his ample experience and knowledge.
    - ③ Eizo Kobayashi is the former Director-General of the Bank of Japan. Therefore, the Company would like him to guide and advise the management from a global and medium- to long-term standpoint based on his knowledge and experience in overall economic and financial conditions.
    - ④ Yuko Kawamoto has never been engaged in the company's management in a capacity other than as an Outside Director or Outside Corporate Auditor. The Company has judged, however, that she will make use of the advanced knowledge she has gained through her wide-ranging experience in management consulting and research activities for finance.
  - (2) Number of years from the time when a candidate for an Outside Director assumed the office of an Outside Director
 

The term of office of Shuji Ito as an Outside Director of the Company will have been eight years and nine months at the conclusion of this Ordinary General Meeting of Shareholders. The terms of office of Masayoshi Furuhashi as an Outside Director of the Company will have been two years at the conclusion of this Ordinary General Meeting of Shareholders; provided, however, that Masayoshi Furuhashi served as an Outside Corporate Auditor of the Company for three years and nine months from June 2003 to March 2007. The terms of office of Eizo Kobayashi as an Outside Director of the Company will have been two years at the conclusion of this Ordinary General Meeting of Shareholders.
  - (3) Summary of details of the liability limitation agreement with candidates for Outside Directors
 

In order for Outside Directors to fully exercise their expected roles, the Company has entered into a liability limitation agreement to limit the liability for damages stipulated in Item 1 of Article 423 of the Corporation Law of Japan, with Shuji Ito, Masayoshi Furuhashi, and Eizo Kobayashi. Upon approval of their re-election, the liability limitation agreement will be continued. Additionally, a summary of the liability limitation agreement is as follows.

The liability limitation agreement is an agreement to limit the liability for damages stipulated in Item 1 of Article 423 of the Corporation Law of Japan pursuant to Item 1 of Article 427 of the Corporation Law of Japan. The maximum amount of the liability for damages under the liability limitation agreement is the minimum amount of liability stipulated in Item 1 of Article 425 of the Corporation Law of Japan.

If Yuko Kawamoto is approved for election, the Company plans to execute the liability limitation agreement with her to limit the liability for damages stipulated in Item 1 of Article 423 of the Corporation Law of Japan. A summary of the liability limitation agreement is the same as mentioned above.
4. Abbreviations: IM: Intelligent Machinery; MC: Motorcycle; GHP: Gas Engine Heat-Pump; AM: Automotive; WV: Water Vehicle
5. Abbreviations: CUL: Corporate Unit Leader

## Proposed Resolution 4 Election of Two Corporate Auditors

One Corporate Auditor, Hiroshi Tanaka, will complete his term of office at the conclusion of this Ordinary General Meeting of Shareholders. In order to improve the audit system, the Company wishes to increase the number of Outside Corporate Auditors. Consequently, the Company proposes the election of two (2) Corporate Auditors. This proposal is submitted with the consent of the Board of Corporate Auditors.

The Corporate Auditor candidates are as follows.

Candidate No.	Name (Date of birth)	Brief personal history, position and responsibility at the Company (representative positions held at other companies)	No. of the Company shares held
1	Tetsuo Kawawa (June 15, 1947)	<p>April 1975: Registered as an attorney (Tokyo Bar Association) (to present)</p> <p>August 2002: Member of the Corporation Law (Modernization) Subcommittee, Legislative Council of the Ministry of Justice</p> <p>September 2002: Member of the Special Commission of the Judicial Advisory Committee of the Japan Federation of Bar Associations (to present)</p> <p>June 2007: Corporate Auditor of Nisshin Seifun Group Inc. (to present)</p>	0
2	Tsutomu Mabuchi (February 15, 1949)	<p>June 1971: Joined the Company</p> <p>May 1993: President and Director of Yamaha Motor Canada Limited</p> <p>April 2000: Senior General Manager of Parts Operations of the Company</p> <p>April 2002: Senior General Manager of Procurements Operations of the Motorcycle Headquarters of the Company</p> <p>June 2003: Executive Officer of the Company</p> <p>March 2005: President and Representative Director of Moric Co., Ltd. (presently Yamaha Motor Electronics Co., Ltd.)</p> <p>January 2008: President and Director of Yamaha Motor India Sales Pvt. Ltd.</p> <p>April 2008: President and Director of India Yamaha Motor Pvt. Ltd.</p> <p>December 2008: Assistant to Senior General Manager of Motorcycle Headquarters of the Company (to present)</p>	12,000

Notes:

- Each candidate has no special interests in the Company.
- Tetsuo Kawawa is the candidate for an Outside Corporate Auditor as stipulated in Item 16 of Article 2 of the

Corporation Law of Japan.

3. Notes to candidates for Outside Corporate Auditors are as follows.

(1) Reasons for election of the candidate for Outside Corporate Auditor

Tetsuo Kawawa has never been engaged in the company's management in a capacity other than as an Outside Corporate Auditor. The Company has judged, however, that he will make use of his ample professional knowledge in corporate legal affairs as a lawyer.

(2) Summary of details of the liability limitation agreement with Outside Corporate Auditor

In order for Outside Corporate Auditor to fully exercise his or her expected role, the Company will enter into the liability limitation agreement with Tetsuo Kawawa, an agreement which may limit his liability for damages stipulated in Item 1 of Article 423 of the Corporation Law of Japan if his election as an Outside Corporate Auditor is approved. Additionally, a summary of the liability limitation agreement is as follows. The liability limitation agreement is an agreement to limit the liability for damages stipulated in Item 1 of Article 423 of the Corporation Law of Japan pursuant to Item 1 of Article 427 of the Corporation Law of Japan. The maximum amount of the liability for damages under the liability limitation agreement is planned to be the minimum amount of liability stipulated in Item 1 of Article 425 of the Corporation Law of Japan.

**Proposed Resolution 5    Revision of the Amount of Remuneration for Corporate Auditors**

With regard to the amount of remuneration payable to the Corporate Auditors, it was determined at the 73rd Ordinary General Meeting of Shareholders held on March 26, 2008 that such amount of remuneration be seventy-eight million yen (¥78,000,000) or less per year, and the amount so determined has remained unchanged up to the date. The Company proposes that the amount of remuneration to Corporate Auditors will be revised to ninety million yen (¥90,000,000) or less per year as a result of the increase in the number of Corporate Auditors for the improvement of audit function. If the Proposed Resolution 4 is approved as proposed, the number of Corporate Auditors will be five (5), including three (3) Outside Corporate Auditors.

## Procedures for Exercising Voting Rights via the Internet

### 1. To the Individual Shareholders via the Internet

Regarding the exercise of voting rights via the Internet, please note the following.

- ① Voting rights may only be exercised via the Internet by using the site (<http://www.web54.net>) designated by the Company for the purpose.  
Please be advised that voting rights cannot be exercised by accessing the site from cellular phones.
- ② The exercise of voting rights via the Internet requires the assigned password and voting right code indicated on the right-hand side of the Exercise of Voting Rights Form. The password you have received is effective only for this Ordinary General Meeting of Shareholders. A new password will be assigned for the next Ordinary General Meeting of Shareholders.
- ③ If you choose to exercise your voting right via the Internet, you are requested to do so before 5:30 pm on March 24 (Tuesday), 2009, one day prior to the date of the Ordinary General Meeting of Shareholders, in order to allow sufficient time to tabulate the results of the vote in advance of the meeting.
- ④ If we recognize that you exercise your voting right via the Internet more than once on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 1 of Article 15 of the “Share Handling Regulations.”
- ⑤ If we recognize that you exercise your voting right both in writing and via the Internet on the same proposal, the vote received last (limited to your vote cast before our time limit for exercise) shall be treated as the effective vote, as stipulated in Paragraph 2 of Article 15 of the “Share Handling Regulations.” If both votes arrive on the same day, the Internet vote will prevail and be treated as the effective vote.
- ⑥ Any expenses arising from access to the voting site shall be the responsibility of the shareholder.

- For inquiries regarding the exercise of voting rights via the Internet, please contact:

The Chuo Mitsui Trust & Banking Company Limited. Transfer Agency Web Support Desk  
Phone: +81-120-65-2031 (toll-free within Japan)  
Hours: 9:00 - 21:00, closed on Saturdays, Sundays and national holidays

### 2. To Institutional Investors

If registered shareholders (including standing proxies) such as trust and banking companies apply in advance for the use of the electronic proxy platform, they may use the platform as an electronic method for the exercise of voting rights at the General Meeting of Shareholders.