

We Will Contribute to the Development of a Sustainable Society through the “Creation of Value”

In 2008, the Yamaha Motor group announced the Frontier 2020 long-term management vision, a statement of our management and business policies looking ahead to 2020.

We also adopted a new medium-term management plan addressing issues, business strategies, and quantitative goals for the three-year period from 2008 to 2010, which represents the first phase of the Frontier 2020 vision, and have taken the first steps towards carrying out that vision. In the fiscal year ended December 2008, the group reported consolidated net sales of 1.604 trillion yen (down 8.7% from the previous fiscal year), operating income of 48.4 billion yen (down 61.9%), ordinary income

of 58.9 billion yen (down 58.0%), and net income of 1.9 billion yen (down 97.4%).

These are extremely disappointing results, but we have received the understanding and support of our many stakeholders, including our customers, shareholders, business partners, and employees, and I would like to take this opportunity to express my sincere gratitude for this understanding on behalf of the entire group.

As readers know, the current unprecedented global recession brought about by the subprime loan crisis in the United States, said to be a once-in-a-century occurrence, has had a significant impact on the Yamaha Motor group, and since autumn of last year, the group has been

affected by extreme changes that greatly surpassed what we had anticipated. As a result, we are currently modifying our management plans.

We expect that these trying conditions will continue with respect to demand in the future, and circumstances make projections for all businesses and regions difficult.

Turning Challenges into Opportunities to Raise Competitiveness

The Yamaha Motor group has suffered an abrupt change from the upward trend that our business was experiencing until recently, and policies designed to weather the crisis are likely to dominate for the time being. Under the current difficult economic circumstances, we will maintain a clear awareness of conditions and emphasize a stance of taking all possible measures and our ability to implement them, in order to address these issues in a timely manner.

In addition to the comprehensive cost and investment reduction measures we have already implemented, we are also making structural reforms to our manufacturing systems and reinforcing basic technologies for the future. We are working to transform the current crisis into an opportunity and are working to create a streamlined and efficient corporate structure that can be competitive in the future by returning to our origins.

Fulfilling Our Promise to Society with Sincerity

In response to recommendations of the Compliance Special Committee, which is made up of outside experts, issued in April 2007 from the perspective of corporate social responsibility (CSR), we made a promise to the public to “build a corporate culture that is trusted by society and can serve as a model for others.”

We have made this promise the highest priority CSR issue for the group and are incorporating it into activities companywide. We have established the necessary systems and structures over the past two years and are implementing further training and education, and I believe that these efforts are producing steady results.

We will continue the measures that we have already taken to establish them firmly and create a corporate

culture that is sensitive to societal demands and expectations.

Creating Value from a Long-Term Perspective

As global warming progresses and various environmental and resource related problems, including energy, water resources, and biodiversity, become increasingly serious on a global scale, manufacturers of transport equipment are being called on to respond to these issues as a part of their social responsibility.

As a company that conducts business worldwide, we are raising awareness of these types of societal issues and using the strengths of the corporate group to address them through solid action.

The Frontier 2020 long-term management vision adopts as our long-term stance evolving Yamaha Motor into a bigger, more distinctive enterprise by strengthening our dedication to active product creation and creating diverse forms of value for our customers. In terms of the main direction we will take to achieve these diverse values, we will further hone our base competency - personal mobility products centering on motorcycles - and grow our customer base and brands, while also utilizing our technology to advance into new fields.

Until now, the corporate mission of the Yamaha Motor group has been to “offer new excitement and a more fulfilling life for people all over the world.” We have endeavored to create diverse value and will place importance on this attitude in the future as we contribute to the development of a sustainable society as a “*kando** creating company.”

I sincerely hope that this report will serve to build stronger relationships of trust with our stakeholders and I look forward to hearing your unreserved opinions about it. I ask for your continued guidance and support.



Takashi Kajikawa
President and Chief Executive Officer

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

