

YAMAHA MOTOR GROUP
CSR Report 2010



Pursuing Sustainable Development



Contents

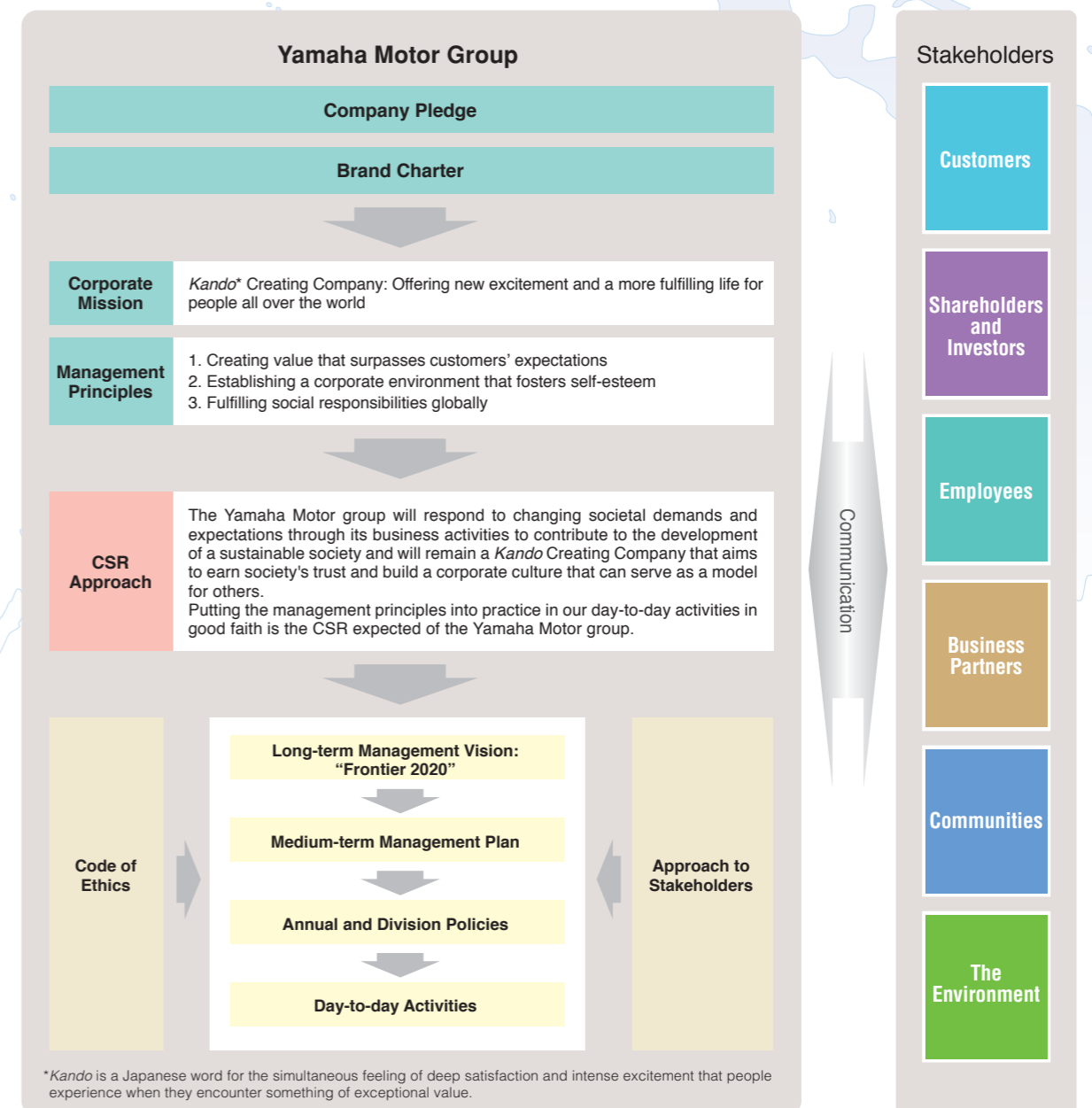
Yamaha Motor Group's Approach to CSR

Meeting Society's Changing Demands and Expectations through Business

Since the Yamaha Motor group's founding, we have respected our Company Pledge, which calls on all employees to contribute to society through our corporate activities. Based on this spirit, we strive to make contributions to society through the actions of each employee.

For over 50 years, the Yamaha Motor group has endeavored to create diverse value through engineering and manufacturing by "offering new excitement and a more fulfilling life for people all over the world," as stated in our Corporate Mission. Our stance toward our customers, employees, and society is embodied in the words of our Management Principles: "Creating value that surpasses customers' expectations," "Establishing a corporate environment that fosters self-esteem," and "Fulfilling social responsibilities globally." Putting the management principles into practice in our day-to-day activities in good faith is the CSR expected of the Yamaha Motor group.

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Yamaha Motor Group's CSR Information Disclosure

The Yamaha Motor group has sought to enhance communication with our many stakeholders and broaden the type of information and content we report to the public by issuing our CSR Report, a compilation of our approach to corporate social responsibility (CSR) and the initiatives we conduct to fulfill it.

When creating CSR Report 2010, we organized Yamaha Motor's various CSR-related initiatives from the perspective of what is important to the public and what is important to Yamaha Motor. Also, hoping to give our stakeholders an easier reading experience and to impact our environment less, the report's format has been divided into a digest edition (this PDF), which features reports of only major initiatives, and supplemental information about initiatives related to the global environment posted on our website.

Yamaha Motor Website CSR Top Page: <http://www.yamaha-motor.co.jp/global/about/csr/>

Guidelines Consulted: We consulted the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines Version 3 and the Environmental Reporting Guidelines (2007) published by Japan's Ministry of the Environment when creating CSR Report 2010.

Scope of the report: In principle, information pertains to the Yamaha Motor group, comprising Yamaha Motor Co., Ltd. and consolidated group companies (includes some affiliated companies); however, the scope of individual activities is also made clear in the report.

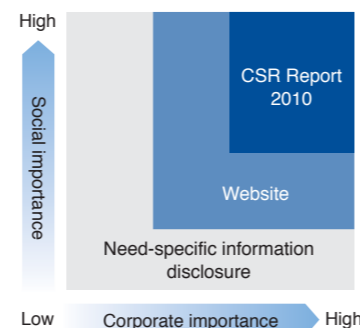
Company name: Yamaha Motor Co., Ltd. is referred to as Yamaha Motor or just Yamaha in this report (in some tables, graphs and illustrations this may be abbreviated to YMC). As a rule, abbreviated names are used for consolidated Yamaha Motor group companies in Japan and overseas (some non-consolidated affiliated companies included).

Time period covered: January, 2009 – end of December 2009 (reports on certain important information extend beyond the period stated here).

Origin of articles: The articles appearing in this report are English translations of texts originally written and edited in Japanese.

Previous publication: June, 2009

Next publication: June, 2011 (scheduled)





We will strive to become an Excellent Engineering and Manufacturing Enterprise with a Prominent Presence in the Global Market

A New Management Team

On March 25, 2010, Yamaha Motor Co., Ltd. took on new management. I, Hiroyuki Yanagi, as president, chief executive officer and representative director together with Takaaki Kimura as senior managing executive officer and representative director will work together to steer the course for the Yamaha Motor group.

As previously reported, 2009 for the Yamaha Motor group was a year that saw an unprecedented drop in business performance. As the effects of the global financial crisis spilled over into the real economy, we took heavy blows from a rapid drop in demand in developed nations and a consistently strong yen in exchange markets.

As one measure to improve this challenging business environment as soon as possible, we announced in February 2010 a new medium-term management plan from 2010 to 2012. The new medium-term management plan consists of two phases: "Reforming the Profitability Structure of Businesses" and "Toward Future Growth."

Structural Reforms

In the first phase "Reforming the Profitability Structure of Businesses," we are making efforts to lower the break-even point in various businesses, through such initiatives as reorganizing the manufacturing layout.

It is undeniable that this reform will affect in various ways not only our employees but also the many other stakeholders that support us, including our business partners and local communities.

As management, we would like to consider this experience a lesson for the future and transform Yamaha Motor into a corporation that can quickly and skillfully adapt to changes in the needs of our customers and society. The management team

strongly believes that increasing our sustainability will enable us to respond to our stakeholders' expectations and to fulfill our social responsibilities in the medium to long term.

Growth Strategy

In the second phase, "Toward Future Growth," we will promote four concrete measures related to "Personal Mobility" and "Engines" specified in our long-term vision, Frontier 2020.

(1) Introducing affordably-priced motorcycles in emerging nations

We will try to provide opportunities for more customers to improve their lifestyles and mobility by launching low-priced motorcycles in China, India and other rapidly growing economies.

(2) Increasing the appeal and profitability of motorcycles in the ASEAN region

We will try to provide a more varied lineup of fuel-efficient products capable of reducing CO₂ emissions in the ASEAN region (Thailand, Indonesia, Vietnam, the Philippines, and Malaysia), where the use of motorcycles is already widespread.

(3) Developing next-generation environmentally friendly engines

Continuing our development of next-generation environmentally friendly engines in our main product lines, we will work to improve the fuel efficiency of motorcycle engines by 30% by 2012 and 50% by 2015 (both compared with 2008), and the fuel efficiency of outboard motors by 30% by 2015 (compared with 2007).



(4) Developing and marketing Smart Power* technology and products

We will work to expand our business in and consumer use of personal mobility products that are powered by electricity and have a lower environmental impact (electric motorcycles and electrically power assisted bicycles). We have already commenced development of electric motorcycles and are working to promote their use in the medium to long term, starting with a scheduled launch of a new product in the autumn of 2010. We will also strengthen our pioneering presence in markets for electrically power assisted bicycles, which have been experiencing robust growth not only in Japan but in Europe as well.

The Yamaha Motor group will continue its pursuit of becoming an excellent engineering and manufacturing enterprise with a prominent presence in the global market. We hope to fulfill our corporate social responsibility through our businesses with their core focus on personal mobility.

In closing, 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 also ask for your continued guidance and support.

Hiroyuki Yanagi
President, Chief Executive Officer
and Representative Director

*Smart Power: New power sources, primarily for electric vehicles, designed to create a new paradigm of mobility

Increasing Customer Satisfaction



Motorcycles Supporting Diverse Mobility Needs in the Growing ASEAN Region

Motorcycles are suited to the unique way of life in the ASEAN region

The ASEAN region has experienced rapid economic growth in recent years. Step away from its burgeoning cities, however, and you will find that many of the roads have yet to be paved. During the rainy season, these roads are prone to flooding due to the squalls – heavy torrential rain that occurs in the tropics. Unique characteristics of the living environment have driven moped*1 type motorcycles to occupy roughly 60% of the market share in this region. These motorcycles are fitted with large wheels for riding on flooded roads and also have a frame that is shaped for easy mounting and dismounting. For most households in the ASEAN region, it is not uncommon for the entire family to share one motorcycle. The moped type motorcycle, with its exceptional durability and affordability, is thus well adapted to local lifestyles and is a widely popular mode of transportation.

Meeting and exceeding customer expectations, the ever maturing “Mio”

With the economic growth of the ASEAN region, women are becoming more involved in society, and the number of female motorcyclists is growing. However, many women are reluctant to make moped type motorcycles their mode of transportation, because most motorcycle frames are too large for their physiques and because they have to raise a leg when mounting and dismounting, and straddle the seat when riding.



Mio is very popular among women who use motorcycles to commute to and from work

The Mio, launched in 2003 in Thailand, Indonesia, Malaysia, and Vietnam, has been well received by women for its easily mounted slim and compact frame, a riding position that allows them to sit with knees together (the motorcycle does not need to be straddled), and an automatic transmission (total units sold was 1.56 million in 2009; accumulated total of 4.90 million units). The Mio has matured

year by year with new model variations and strengthened after-sales service to answer customer expectations and requests. These efforts were recognized in 2009 when the Mio was awarded the Best Brand Award 2009 in Indonesia.

Developing next-generation products for real customer needs

Motorcycles are used for a wide range of transport purposes – commuting to work and school, carrying personal belongings, taking short trips with the family, etc.—throughout the ASEAN region. However, customer expectations and tastes differ according to the cultural, urban and regional differences that define the local environments of each country or region. In market research conducted to ascertain consumer needs in each of these countries, our results showed that there is a growing demographic of youth who see motorcycles as a fashion statement, and many who say they want an automatic transmission moped-style product.

The development objective of the LEXAM, which was introduced into the Vietnamese market in November 2009, was to respond to the needs of such customers and at the same time to improve environmental performance (greater fuel efficiency) and durability, and raise customer satisfaction to even greater heights. The key to realizing this was our newly developed compact CVT (continuously variable transmission), which was employed for the first time in the LEXAM. Compared with conventional CVTs, our compact CVT achieves miniaturization of revolutionary proportions. The LEXAM should now be regarded as a new genre of moped type motorcycle based on its superb comfort, design, durability, and fuel efficiency. Our compact CVT unit Y.C.A.T.*2 played a major role in its achievement and is scheduled to be adopted on other moped type motorcycles for the ASEAN region in the coming years.



The new LEXAM was introduced into the Vietnamese market in 2009

*1 Moped: Small-class motorcycles with a “U” shaped “underbone” chassis for easy mounting and dismounting and large wheels (17-inch front and rear)
*2 Y.C.A.T.: Yamaha Compact Automatic Transmission

Seeking New Horizons for Mobility

Helping the Environment through Our Business

Research and development of Smart Power, a technological initiative for new sources of power

Global warming and other environmental and energy problems are common issues the world over. Yamaha Motor has worked to address these issues through our business in making products related to mobility, and we believe that the evolution of “personal mobility” has a huge role to play in the realization of a sustainable society. We will develop next-generation, environmentally friendly engines with the aim of realizing major improvements in fuel efficiency, and we are in the process of developing products and conducting technical research for Smart Power*, new sources of power for new approaches to mobility.



“EC-f,” exhibited as a reference vehicle at the autumn 2009 Tokyo Motor Show

Developing electric motorcycles with a medium to long-term outlook

Yamaha Motor has been developing electric motorcycles, a core part of the Smart Power domain, for some time. At the autumn 2009 Tokyo Motor Show, we exhibited a reference vehicle scheduled to be launched in the autumn of 2010. Our “EC-03” scheduled for release in Japan in September 2010 is an electric motorcycle based on the concept of “clean and silent, smart and light” and runs completely on battery-supplied electricity. Equipped with a slim electric power unit (the YIPU – Yamaha Integrated Power Unit) and lithium-ion battery mounted onto its lightweight aluminum frame, the EC-03 is characterized by its smooth start-up and acceleration made possible by our proprietary control technologies. It adopts a plug-in charging format that allows

drivers to recharge the battery straight from a household power outlet. As we pursue research and development of Smart Power-related technologies, we will also continue our work on the development and spread of electric motorcycle products with a medium to long-term outlook.

Electrically power assisted bicycles keeping pace with changes in mobility

In 1993, Yamaha Motor launched the world’s first electrically power assisted bicycle, PAS. The history of development of the PAS started with our awareness as a manufacturer of mobility-related products of issues that were already beginning to surface in the 1980s, namely, environmental concerns such as the need to save energy, as well as the social issues such as Japan’s declining birthrate and aging population.

Initially, a major portion of our customers were senior citizens and housewives with children, but as the convenience of electrically power assisted bicycles has increased and people’s awareness of health and the environment has risen, use has gradually expanded to include students and urban commuters, as well as government agencies, local governments, and businesses who use them for work and delivery operations. Total demand in 2008 was double what it was in 2000, with 315,000 bicycles sold. In Europe, where bicycles are an integral part of daily life as they are in Japan, the popularity of electrically power assisted bicycles has expanded rapidly, at an annual rate of 50%, and as such we are in the process of introducing various products to meet this growing market demand.



“PAS LITTLEMORE Lithium” complies with new regulations for 2-child tandem riding



*Smart Power: New power sources, primarily for electric vehicles, designed to create a new paradigm of mobility



The Electric Power Unit for Wheelchairs Providing Mobility for Even More People

Mobility for everyone

In early 1990s, when Japanese society had passed its high-growth period and increasing numbers of people were thinking about quality of life instead of quantitative affluence, Yamaha Motor started a new business in the wheelchair industry initiated by a group of engineers who had a passion for contributing to society through new products.

When we started product development, there were only two options for those who needed wheelchairs: manual wheelchairs, or bulky and heavy custom-made electric wheelchairs. Alternatives were lacking in spite of wide range of individual differences in conditions and levels of disability. Those who could not propel manual wheelchairs well or could not find any suitable electric wheelchairs for their physical conditions and living environment could not find products that fit their mobility needs.

Product development on individual lifestyle

The breakthrough of the “electric power unit” which became the first product in Yamaha Motor’s electric wheelchair business came after a long process of trial and error that led to a totally new way of thinking. Their new reasoning was that developing complete electric wheelchairs would provide nothing more than the existing custom-made electric wheelchairs and would not offer the true benefits of electric mobility for more people who really needed it. On the other hand, developing a simple electric power unit that could be added onto various existing manual wheelchairs already in use would provide more opportunities for viable personal mobility. The new alternative—providing mobility by electric power while keeping the easy-to-handle characteristics of a manual wheelchair—was revolutionary, but it was just one step toward meeting



Illustration of a mounted electric power unit

everyone’s needs. Mobility is involved in almost every daily activity of life, from getting up and out of bed until going back to bed. Also, different physical conditions and feelings require different technical attributes in the settings that determine the interface between human input and motor output. While the electric power unit is a mass-volume product, its functionality and performance are tuned over details to satisfy each customer as the result of our engineers’ efforts in visiting our customers to learn about their individual daily routines and lifestyles and make sure real value is provided to each customer.

Working to realize “mobility” for even more people

Powering wheelchairs electrically does much more than just lifting the physical barriers that hinder people with disabilities from mobility. It also brings down psychological barriers, the feelings that say, “I need someone’s help.” This also leads to a reduced physical and psychological burden on caregivers. It can be said that electrical powering assists mobility at the same time as it dispels the feelings of confinement that are associated with disabilities. We at Yamaha Motor are working to expand and diversify our product lineup in order to deliver the benefits of electric power to more wheelchair users. In October 2009, we released “Joy Unit X,” an electric power unit that is easier to use and more compatible with reclining and tilting type wheelchairs. And to bring mobility to even more people, we have also started work to respond to the specific needs of people who could operate a wheelchair by using their chin, or those who could operate a wheelchair using their foot.



Electric power unit “Joy Unit X,” launched in October 2009

Create Value that Surpasses Customer Expectations

Products play a fundamental role in Yamaha Motor’s performance of its corporate mission – to be a *Kando** Creating Company. The stable relationships we have with our customers are built upon on unwavering quality, and by continually raising the bar on product development, engineering and manufacturing, and services to exceed the ever-changing social demands and customer expectations, we are able to offer new excitement and a more fulfilling life for people all over the world.

Most of Yamaha Motor’s products are related to the mobility of people and objects. Applications for our products range widely from purely recreational uses to transportation of commuters and the items essential to people’s lives. Although in most cases the standards and regulations that must be considered differ for each country or region, customer-oriented thinking and action are always given the highest priority.

The essential and valuable information on which we base our decision-making comes from the opinions and requests of customers who have actually used our products, collected through sales companies, dealers, and our Customer Relations Group.

We make the best use of this information and continue to enhance quality, through the validation we perform and the improvements we make based on our customer oriented approach, from the planning/development phase to the service phase.

We believe that there is no shortcut or end to quality assurance, and that every employee must continuously strive to strengthen and enhance quality. Even under the great upheaval in the global economy, we will continue to strive to deliver products that better satisfy our customers by taking straightforward and steadfast action.

Free Inspection Campaign in Ghana



The Yamaha Motor group is working through our businesses to help improve the quality of life and to assist economic development in regions such as Africa where social infrastructure and service systems are underdeveloped. Our Overseas Market Development Operations Business Unit provides Yamaha products and services to customers in these regions to accomplish this goal.

One example of this effort is the Free Inspection Campaign that we held for outboard motors and motorcycles in the Republic of Ghana in 2009. We inspected outboard motors at three separate fishing villages and the motorcycles of riders belonging to government agencies of Ghana, NGOs, and the United Nations who visited Yamaha’s local distributor. We also listened closely to how customers used our products and what additional needs they had. This information is now being used to make further improvements to our products.

Helping Our Customers Become Safer Riders

In order to more actively promote motorcycle riding safety activities, the Yamaha Motor group has been conducting its Yamaha Riding Academy (YRA) courses in locations all around the world. This academy curriculum integrates and systematizes the following three programs: the Safety Promotion Program, the Motorsports Promotion Program, and the Product Promotion Program. In terms of promoting riding safety, our activities are based on curricula developed to reflect the social, transportation, and user requirements of each specific region.

Our initiatives focus on Yamaha motorcycles but also include the product areas of ATVs, PWCs (personal watercraft) and snowmobiles. We are promoting such initiatives particularly in rapidly growing markets, such as those in the ASEAN countries, Central and South America, the Middle



Riders attend classes to learn riding skills

East, Russia, and Africa, where the lack of riding safety instruction and rider awareness education has become an acute social problem.

In 2008, the Yamaha Motor group opened its first permanent overseas training facility in Thailand. The facility includes a training course for teaching riding skills, a large conference room, a lecture room, and a motorcycle simulator room. In Thailand, the number of motorcycle accidents represents a significant social problem, and TYM, a group subsidiary, has been working to promote motorcycle riding safety there for approximately 25 years. Since 2005 it has been offering 50 to 70 riding safety seminars per year throughout Thailand, in cooperation with Thailand’s Ministry of Transport and Communication. As a government-accredited official testing site, TYM also issues motorcycle-riding certificates (the document needed to obtain a license). This facility is utilized to improve our customers’ riding safety skills and to train instructors, targeting dealers in the ASEAN region.

TYM: Thai Yamaha Motor Co., Ltd.

**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.



To learn about our privacy policy, go to:
<http://www.yamaha-motor.co.jp/global/policy/>

Shareholders and Investors

Communicating with Shareholders and Investors

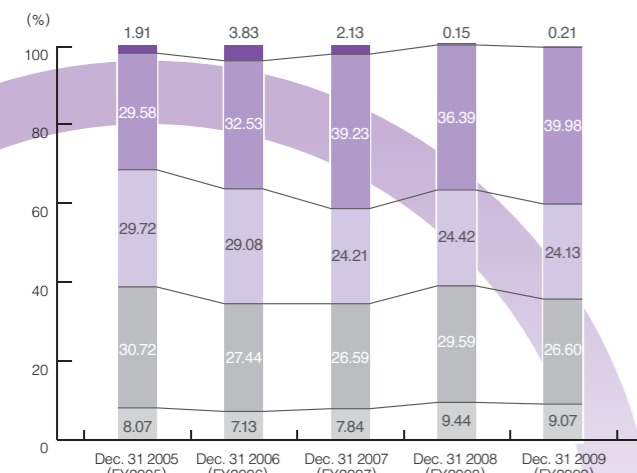
In order to ensure accountability by providing shareholders and investors with appropriate, accurate and timely information regarding the various activities of the Yamaha Motor group, Yamaha Motor has established an IR Strategy Team which proactively pursues IR activities inside as well as outside Japan. Its activities in FY2009 included the announcement of the annual financial results for FY2008 in February, holding the annual meeting of shareholders in March, and conducting three quarterly financial results briefings for the first, second and third quarters of FY2009 in May, August, and November, respectively. It has been also engaged in holding IR meetings in the US and Singapore, improving information disclosure on the IR website, and managing websites for individual investors. In addition, the team responds to individual interview requests at the head office in Shizuoka, and also actively responded to such interview requests at the branch office in Tokyo for the convenience of securities analysts and investors.



Announcement of Financial Results for FY2009

Number of shareholders, by shareholder type

■ Securities companies ■ Foreign shareholders ■ Other domestic corporations
■ Japanese financial institutions ■ Japanese individuals and others



Additional information is available on the company's website.
<http://www.yamaha-motor.co.jp/global/ir/>

Employees

Developing Workplaces Where Diversity is Respected and Which Enhance both Individuals and the Company

The Yamaha Motor group's human resources policies are designed to build a relationship between the company and its employees based on sharing the same high ambitions and spirit, ideas and brainstorming, cooperation, growth, and the joy of our work. Such a relationship mobilizes the significant skills of each individual, based on which we aim to contribute positively to society and support its sustainable development. We believe that in order to continue to cater to our customers' expectations even in the face of the rapidly changing external environment, such as economic conditions, it is essential to have a workforce which thinks and acts on its own accord, as well as a vibrant workplace environment that promotes the development of such a workforce. In order to support individual activities and the growth of the company, we have established various measures for human resource development.

Making the Most of Diversity in Workplace Development

Based on our fundamental belief that "all corporate activity originates first of all with and for people," the Yamaha Motor group has clearly defined its stance on human rights in its Code of Ethics. We believe that in order to create vibrant workplaces, first and foremost it is vital to create an environment where the individuality of each person is mutually respected. Concrete initiatives include an employee career survey covering all permanent employees, which is conducted as part of our human resource measures wherein the relationship between the company and our employees is defined as a "business partnership" and the role of the company is to provide an "attractive workplace for autonomous individuals." The survey involves employee self-evaluation as well as evaluation by superiors regarding the work roles of each employee, and is used as an opportunity for consultations on employee career plans over the next three-year time frame. In 2009, efforts were made towards the permeation throughout the company of the human resources system, modified during the previous year. As such, employee evaluation training sessions for managers were conducted to ensure that the system is properly administered.

Providing Stable Employment for People with Disabilities

In accordance with our policy of "operating workplaces where the disabled can work together with the able-bodied," Yamaha Motor has established a Disabled Employment Promotion Committee. The Committee, which is made up of personnel from each division, performs analyses of organizational work and other tasks to expand employment opportunities. As of December 31, 2009, the company employed 85 significantly disabled persons and 69



Sign language class

mildly disabled persons, achieving a disabled employment rate of 2.02% (154 persons in total). In order to provide multi-faceted support to disabled employees, the company is also working on measures to improve communications, such as offering sign language and note-taking classes, etc.

Post-retirement Re-employment Program Firmly Established

Yamaha Motor has introduced a post-retirement re-employment program that allows personnel who desire to work past the age of 60 to use the knowledge and skills they have acquired through their many years of work experience. This system is now firmly established and facilitates the passing on of valuable experience and know-how to younger employees.

Employee Awareness Survey

With the objective of creating a lively workplace environment, Yamaha Motor has been continuously implementing its Employee Awareness Survey to grasp the status of employee awareness and realities of the workplace. The FY2009 survey (conducted in October 2009 and covering a random selection of 5,240 employees) included questions under the following categories: Management, workplaces, job duties, superiors, the human resource system, and legal and ethical compliance. The issues which emerged from the results of the survey were conveyed through feedback meetings to the management and each department head, and are being used to affect relevant measures. In the "work satisfaction" and "attachment and pride for the company" categories, high levels of satisfaction were reported, but there appeared to be room for improvement regarding internal communication. The company has initiated measures focused on promoting direct communication between top management, departments and workplaces.

Developing Global Human Resources

The Yamaha Motor group conducts business globally, and in order to develop the required human resources, it has established the Overseas Training Program and a study-abroad program (in 2009, four employees used these programs: Overseas Training Program: 2 employees, Study-abroad program: 2 employees). In addition, we conduct activities such as offering self-development language courses in English, Chinese, Spanish, Portuguese, and Indonesian (a total of 409 people took these courses in 2009) to promote the development of human resources that can work around the world. For employees who are posted abroad, a training program for overseas resident employees is conducted to help employees attain

"Excellence in Practice" Award for TYM's (Thailand) Human Resources Development Program

TYM, which has been implementing staff/manager training programs focusing on competency development since 2005, received the 2008 Excellence in Practice Award instituted by the American Society for Training & Development (ASTD). The awards ceremony was held in Washington in June 2009. Five areas, including contribution to management, were rated highly. TYM became the first company in the ASEAN region to receive the award.



TYM: Thai Yamaha Motor Co., Ltd.

the business skills necessary for overseas deployment as well as to impart knowledge in advance about cultural and social environments different from Japan and relevant ethical behavior. In 2009, the content of the program was revised, and the revised program has been implemented from 2010.

We also conduct active personnel transfers for younger employees as a means of developing multiple skills at higher levels by gaining work experience in various different types of work.

Supporting Work/Life Balance

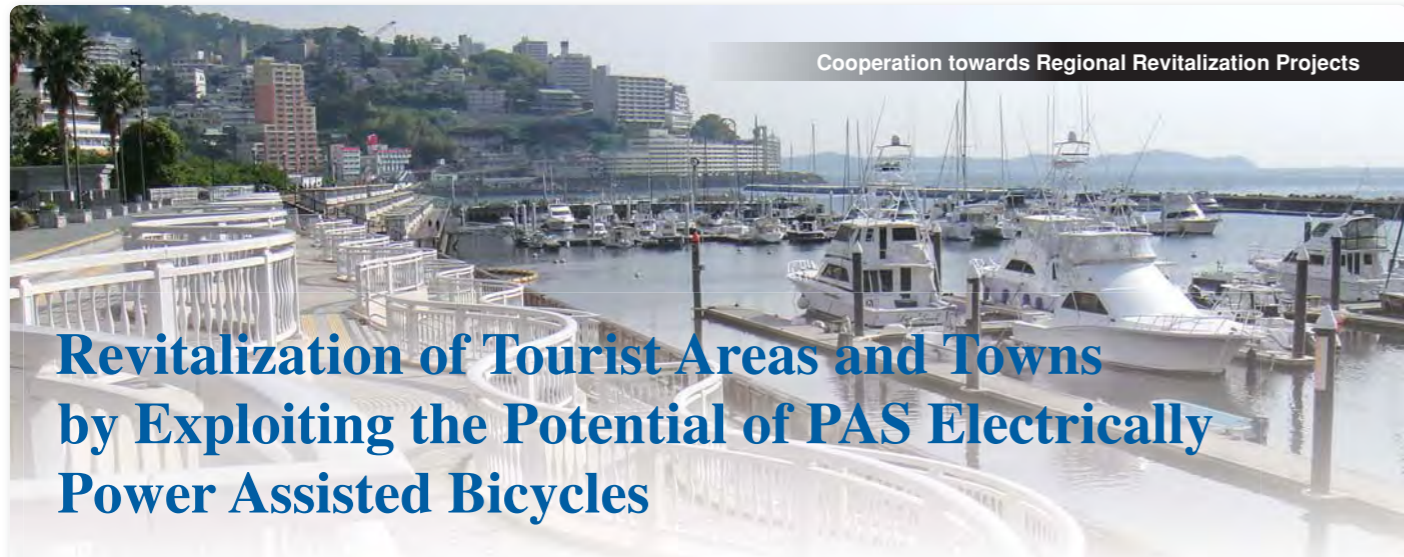
The Yamaha Motor group has established programs that enable employees to choose from among a variety of working styles to support their efforts to maintain a proper work/life balance. Flex-time, designated no overtime days, parenting and family care leave programs, and an internal childcare facility have been established and we also periodically provide information to employees who are on leave and take measures to create an environment that will facilitate their transition back to work. In 2009, measures were taken to increase work choices by offering options to match individual employee circumstances, such as the introduction of the short-time work system. Also, the percentage of employees taking paid leave rose to 76%* in 2009.

*The amount of actual leave taken by employees against the total amount of annual paid leave due for all regular employees.

Programs	Details
Child care leave	Employees may take leave until the child's second birthday (used by 113 women and 3 men in 2009)
Family care leave	Employees can take leave for up to one year on request (used by 2 men in 2009)
Family illness leave	Employees taking care of preschool aged children can take up to 5 days per year in the case of 1 child, and up to 10 days if they have two or more preschool aged children.
Flexible work hours system	Work hours can be set at any time between 6:30 a.m. and 9:45 p.m.; core working hours are from 10:15 a.m. to 3:00 p.m.
Workload reduction	Limits are placed on overtime, and nighttime work is excused for employees with a child of preschool age and employees caring for a sick or aged family member.
Short-time work system	Employees may reduce their working hours by two hours each day (used by 45 women in 2009)
Other	<ul style="list-style-type: none"> Designated "no overtime" days (every Wednesday; day preceding a company holiday; payday; and bonus payment days). Employees can take three consecutive days of paid leave every year (from age 30, employees can take a consecutive five-day paid leave every five years).

Creating Safer Workplaces

Led by its Central Safety and Health Committee, Yamaha Motor is promoting the establishment of a safer working environment globally. Risk assessment is performed in accordance with the Occupational Safety and Health Management System (OSHMS), now in its fifth year of operation, to detect potential dangers or harmful conditions at workplaces, and measures are taken to prevent occupational accidents. Also, apart from improving equipment safety, we are also engaged in the development of human resources that can support occupational safety, by conducting position-specific education and training such as safety manager training programs and skill improvement programs for supervisors, and holding occupational safety and health meetings. In 2008, Yamaha Motor began introducing OSHMS at its group companies, and as of 2009 six domestic companies have acquired group certification. In 2010, acquisition of group certification is planned for 4 companies (3 in Japan and 1 overseas), and following on from introduction in Japan and other parts of Asia, the company will begin introducing the system in North America and South America.



Cooperation towards Regional Revitalization Projects

Revitalization of Tourist Areas and Towns by Exploiting the Potential of PAS Electrically Power Assisted Bicycles

The potential of the popularization of electrically power assisted bicycles

Electrically power assisted bicycles make it possible to experience a smooth ride by overcoming the fundamental drawbacks of a regular bicycle—strenuous pedaling uphill, against the wind, and when carrying luggage—while maintaining its utility and convenience, through the adoption of power-assisted pedaling using an electric motor. This “people- and environmentally-friendly personal commuter vehicle” developed and launched by Yamaha Motor in 1993 as a world first is experiencing rapid growth.

In the initial stages, most of the customers who bought the product did so because they were attracted by the utility and convenience due to the assistance provided by electric power to the human power of pedaling. However, as recognition of this bicycle grew, the fact that it aids in maintaining health through effective aerobic exercise, as well as its effectiveness in limiting environmental impact have also contributed to acknowledgement. The models released in 2009 which conform to the new standards for electrically power assisted vehicles (laws revised in 2008) while also providing an even more comfortable ride, have increased the number of people who perceive electrically power assisted bicycles not only as a convenient means of transportation but also as a vehicle which provides a new way of commuting to work or enjoying city life.

Participating in projects for revitalizing tourist areas and towns

Due to changing modes of transportation and the increasing shift of commercial facilities to suburban areas, the central areas of towns and cities all over Japan are experiencing a progressive hollowing out, and a paradigm shift can be seen in relation to the values and habits of people who visit such areas as tourists. Along with setting up the required infrastructure and facilities for making the towns and cities more attractive through the effective use of tourism resources, there are various instances where the provision of improved modes of transport capable of catering to the changing tastes of visitors is becoming an issue. Regional revitalization activities by organizations such as local municipalities or tourism associations, including rental of electrically power assisted bicycles as a business, are being carried out nationwide.

In the city of Atami for example, which is located in Shizuoka prefecture and is one of the top tourist destinations in Japan, a regional revitalization project is being implemented through close

collaboration between the public and private sectors. In October 2009, a social experiment was conducted which involved linking the urban areas with tourist spots located around the coastal area by using electrically power assisted bicycles and boats. Yamaha Motor participated in the project by providing electrically power assisted bicycles. Atami is a hot spring resort located close to the sea as well as the mountains, and it is believed that the numerous hilly roads

and the traffic jams caused by the concentration of traffic on the major roads are limiting the mobility of tourists within the city. Trials were conducted regarding the establishment of bases and routes for such ideas as “Park and Cruise,” which allows people to park their cars and enjoy Atami by sea using a boat, and “Park and Ride,” which expands the excursion area for tourists through the use of electrically power assisted bicycles. Feedback was obtained from a total of 167 tourists and local residents over a 4-day period.



Support from a business perspective in response to urban development needs

Based on requirements from various sectors, Yamaha Motorcycle Sales Japan Co., Ltd. introduced the “PASCURU” leasing system in 2009 for public agencies and private enterprises, which offers the PAS electrically power assisted bicycles along with maintenance and insurance as a packaged service. In the city of Hirado, Nagasaki prefecture, which resembles Atami city in geography and tourism resources, a social experiment commissioned by the Ministry of Land, Infrastructure and Transport and Tourism was conducted from October through December 2009, in which electrically power assisted bicycles and hybrid cars were lent free of charge to tourists who arrived by private car. Even after the conclusion of the experiment, the tourist association and hotel operators have been renting PAS electrically power assisted bicycles to tourists.

Regional revitalization initiatives focusing on the potential of electrically power assisted bicycles are being taken in various places, such as preparations under way for introducing electrically power assisted bicycles in the city of Fujikawaguchiko (Yamanashi prefecture) as well as the city of Mino (Gifu prefecture) in spring 2010, and Yamaha Motor group is providing business support for such efforts to achieve attractive urban development.

Promoting Community-based Social Contribution Activities

The Yamaha Motor group’s operations are global, and its business activities are supported by people in the various local communities. It is our sincere hope that our products will contribute to creating a more fulfilling lifestyle. At the same time, based on our recognition that corporations must coexist harmoniously with local communities, we believe strongly in the necessity of maintaining and enhancing trusting, sustainable relationships with the stakeholders in these communities through daily communication.

In 2007, we prioritized our activities in four areas, where we believed the Yamaha Motor group’s resources could best be utilized. Within these areas, we have been working to develop future leaders through “engineering and manufacturing” and sports initiatives, and are also taking actions that put to use the various types of traffic safety- and environment-related knowledge we have gained through our business activities. We are also promoting our “40,000 People’s V Campaign” to encourage the proactive participation of each and every employee.

Capitalizing on our corporate resources, including the technologies and expertise the Yamaha Motor group possesses and the facilities owned by our group companies, we hope to continue working with governments, schools, NPOs, and people in the communities in which we operate to promote activities that will benefit them.

Promoting Internal Sharing of Information related to Various Social Contribution Activities

Information regarding volunteer activities is provided through the information system of the Yamaha Motor group’s corporate intranet. This information includes reports on social contribution activities conducted by Japanese and overseas group companies as well as employee volunteer activities, information about related organizations such as NPOs, important information for conducting volunteer activities, and a schedule of activities. Employees who wish to participate in the activities can register their names with the activity group using the system.

We initiated the “40,000 People’s V Campaign” in 2004 with the objective of promoting employee consciousness about volunteering and also to provide the required impetus for employees to begin participation in such activities. Our target is to ensure that 40,000 members from the entire Yamaha Motor group engage in social contribution activities, and we hope to achieve this through the participation of employees in volunteer activities at least once a year. The total number of people who participated in such activities in 2009 was 43,742, the second consecutive year in which the target has been reached.



Developing Future Leaders

“Power Assisted Tug-of-War” gifted to the Hamamatsu Science Museum

The science museum located in the city of Hamamatsu, which is the main city in the western part of Shizuoka prefecture where most companies of the Yamaha Motor group are located, portrays the long history of the region as a manufacturing hub, and is characterized by displays such as various devices and toys presented by nearby manufacturing companies and machinery made for educational purposes.

Yamaha Motor had presented a sailing dinghy to the museum in the past, which can be used to play a simulation game wherein the dinghy can be advanced by fanning air, and it has been enjoyed by lots of children in the 20 years since the gift was made. In 2009, we produced a new “Power Assisted Tug-of-War” device, which makes use of the power unit of the electrically power assisted bicycle that has seen rapid popularization in recent years, and donated it to the museum.

This interactive device has two ropes extending from the central portion where the power unit is installed; one rope can be pulled by human power only while the other is electro-assisted by the power unit. A tug-of-war game can be played by parents with their children or by friends, which provides an opportunity to learn the principles of power and technology.



Other activities and examples: 2009

Environmental Conservation
The 5-year “Yamaha Forest,” tree-planting project in Indonesia came to a conclusion



Improving Traffic Safety
Participation in “Practical Cycling Classes for Traffic Safety Model District for the Elderly”



Community Issues
Support for training of Shizuoka City Off-road Utility Team



*This number was chosen because there were approximately 40,000 group employees in 2004, the year when this campaign was started. The “V” in the campaign name stands for Volunteer.

The Environment

Coexisting with the Environment to Achieve Sustainable Development

As global warming progresses, various environmental and resource problems, including those related to energy, water resources, and biodiversity, are becoming increasingly serious on a global scale. With its core technologies revolving around compact internal combustion engines and electric motors, the Yamaha Motor group supplies various products around the world, such as personal mobility vehicles and outboard motors, and believes that such environmental and resource issues need to be dealt with seriously as part of its corporate social responsibility. We are raising awareness of these types of societal issues and using the strengths of our corporate group to conduct activities to address them. Amongst these, we recognize that personal mobility, Yamaha Motor group's core business, will play an extremely important role, and believe that harmony with the environment in all aspects of our corporate activity is paramount. This thinking can be seen in our various efforts such as our high quality compact vehicles with a small environmental footprint based on technological innovation, electrically power assisted bicycles and electric motorcycles unveiled at the Tokyo Motor Show, research and development of hybrid systems, and promotion of social contribution activities using the people, materials, and knowledge gained through our businesses.

With our corporate mission of "offering new excitement and a more fulfilling life for people all over the world," to date the Yamaha Motor group has endeavored to create diverse value and is committed to continue achieving growth in tandem with the development of a sustainable society in overall harmony, which includes responding to environmental issues such as global warming.

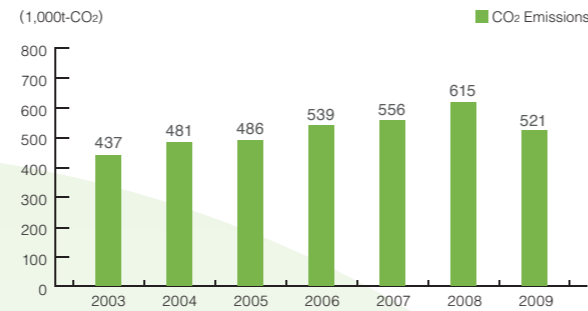
Approach to Reducing CO₂ Emissions

As a manufacturer of motorcycles and other transportation machinery, the Yamaha Motor group is taking various actions to reduce greenhouse gas emissions, which it considers the most critical issue in the environmental field. Yamaha Motor set "30% reduction of CO₂ emissions per unit of sales compared to FY1990" as the group's common 2010 goal, and is working to reduce greenhouse gas emissions in all of its business activities, particularly throughout the entire lifecycle of its products, from development to manufacturing, use and finally disposal.

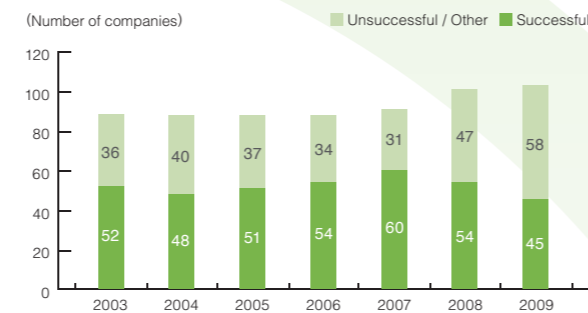
All our business sites are taking actions to achieve the goal of "reducing CO₂ emissions per unit of sales by 1.5% year-on-year," and in 2009, among the 103 target companies whose data pertaining to CO₂ emissions per unit of sales could be measured out of the 110 consolidated companies subject to environmental management, 45 companies (44%) achieved the common group goal. Actual CO₂ emissions in 2009 were 521,000 t-CO₂, compared to 615,000 t-CO₂ in 2008, which translates into a reduction of 94,000 t-CO₂.

We will be working to efficiently reduce greenhouse gas emissions via such means as checking the status of programs targeting reduction of energy consumption by domestic and overseas group companies, and providing assistance to those needing to advance their programs.

Yamaha Motor group trends in CO₂ emissions (110 companies subject to consolidated environmental management, 2009)



Yamaha Motor group CO₂ emissions per unit of sales trends in number of target-achieving companies



Installation of Solar and Wind Power Generation Systems

Nakaze Factory (Hamamatsu city), which molds and paints exterior parts of motorcycles, installed solar and wind power generation systems for simultaneous operation in 2008, becoming the first such factory within the company. In 2009, the two systems together generated 25,000 kWh/year of electricity (which translates into a reduction of approximately 17 tons in CO₂ emissions), which is being used for lighting and air-conditioning in the office buildings at the factory.



Solar generation system introduced through a joint research project with NEDO (Nakaze Factory)



Vertical wind power generation system, which is quieter than the propeller type (Nakaze Factory)



Hamamatsu IM Site



Morimachi Factory

Efforts to Reduce Environmentally Hazardous Substances

In accordance with various countries' regulations, the Yamaha Motor group tracks and reports the content of chemical substances in the waste materials it generates or discharges that are harmful to human health or the environment. Also, more than 99% of the PRTR substances released by Yamaha Motor are volatile organic compounds (VOCs), most of which are generated in painting processes.

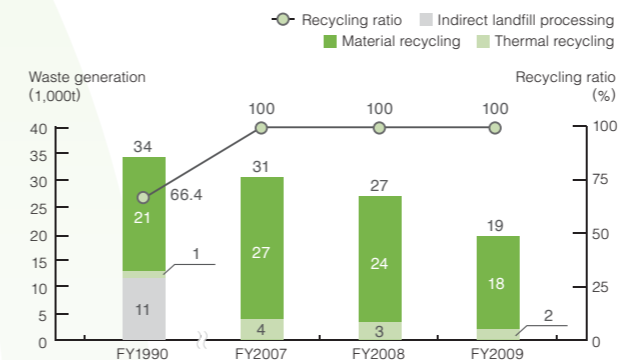
In 2009, the new facilities at the Fukuroi South Factory began operations and a per unit reduction of 133g/m² (Yamaha Motor group average) was achieved in conjunction with such measures as the recovery of solvents from disposed painting materials. This translates into a 53% reduction, thus also successfully achieving the per unit reduction target of 50% (compared to the year 2000) for 2010. The number of Yamaha Motor sites required to report PRTR substances was 13 in 2009. As part of our overall reduction efforts, we plan to continue promoting expanded use of low-VOC paints, coating efficiency improvements, and reductions in disposed paint volumes.

Approach to Recycling and Reusing Resources and Reducing

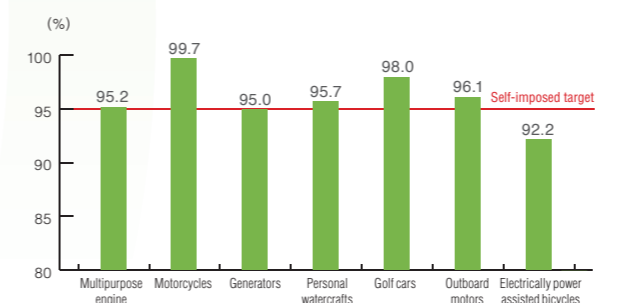
The "3R" concept (Reduce, Reuse, Recycle) is becoming ever more important in each of the lifecycle phases of products: development, production, use, and disposal, in order to create a recycling-oriented society.

The Yamaha Motor group has set "Product and factory: 100% recycling" and "Long life" as goals for 2010 and is undertaking various initiatives to meet them. In addition to reducing the size, which is considered the most effective method for reducing product weight, we are taking various other steps. These include reducing the number of parts required through parts integration and expanded use of magnesium, aluminum, and resin parts, and

Yamaha Motor trends in waste generation at the manufacturing stage and recycling ratio



Recyclability ratio by products in FY2009



reducing the wall thickness of parts by pursuing optimum shapes. Furthermore, we plan to increase the use of a system that collects parts recyclability data in order to improve the applicability of the 3R concept to our products.

Initiatives to Preserve Biodiversity

At its planned test course construction site (489,101 m²) and the surrounding area in Kikugawa city, Shizuoka prefecture, Yamaha Motor conducted an all-season environmental assessment over a one-year period in 2008. The results were compiled in 2009, and a "Natural Environment Conservation Agreement" was prepared which became the base for the preservation of plants



Bletilla striata (a species of orchid) discovered during the environmental assessment. Species listed in the Shizuoka prefecture Red Data Book (Classification: Near Threatened)

(6 species), mammals (1 species), birds (4 species), and fish (1 species) identified from amongst those species listed in the Shizuoka prefecture Red Data Book (Classification: Vulnerable, and Near Threatened). The Agreement is scheduled to be concluded with Shizuoka prefecture's Environmental Protection Division, Department of Community Affairs, in 2010.

In addition to assessing the impact on the surrounding ecosystem, Yamaha Motor also plans to forecast the air pollution, noise, vibration, water quality degradation, and soil pollution that the surrounding area might suffer during site preparation, and will try to minimize such impact during construction.

Fostering an "Eco Mind" Outlook, and Environmental Communication

To achieve coexistence with the global environment while providing our products and services, the Yamaha Motor group believes that it is important to promote environmental protection activities and to strengthen cooperation with all of our stakeholders through obtaining their understanding and participation. We also believe that clearly communicating our approach to environmental protection to the world is one of our corporate social responsibilities.

With this understanding in mind, we set the goal of "being trusted and loved by local communities as a corporate citizen" in the "Yamaha Motor Group Environmental Plan 2010." We are strengthening our communication with our stakeholders by holding environmental symposiums, in response to external requests, regarding our environmental activities (eco-commuting, beach cleanup and baby turtle release day), and disseminating information through means such as CSR reports.

Our continuing initiatives pertaining to eco-commuting activities, which have been implemented since 2004, were recognized and 9 sites were registered in the first year of the Excellent Eco-Commuting Business Site Accreditation System of Japan's Ministry of Land, Infrastructure, Transport and Tourism.



A seminar about Eco-commuting for external audience

Additional information is available on our website:
<http://www.yamaha-motor.co.jp/global/about/csr/>

Business Partners

Strengthening Collaboration with Suppliers in Pursuit of Continuous Growth

Yamaha Motor group products are constructed using many different parts and materials, and we collaborate with various suppliers in Japan and overseas. As our business becomes more global, the rate of local procurement at our overseas manufacturing bases has increased and the overall supply chain has thus become broader and more complex. As a result, procurement from the perspective of corporate social responsibility has become even more important.

Our Basic Purchasing Policies adopt an open door policy. This means that we provide broad access to our procurement process in Japan and overseas regardless of nationality, company size, or past transactions. When selecting suppliers, we impartially disclose information to all candidate suppliers and perform comprehensive assessments that include compliance, risk management, and management policies to ensure that we conduct fair and impartial trading. Moreover, with respect to compliance with the Code of Ethics and applicable laws and regulations, maintaining confidentiality, environmental preservation, and conservation of resources, we work to raise awareness through internal and external classes and seminars, day-to-day communications, questionnaire surveys, and other means as we implement initiatives that apply to the overall supply chain.

A new Procurement Center was established in January 2009 as an inter-departmental organization, as part of our efforts to create new procurement systems on a global scale. At the same time, we have identified "contributing to the continuous development of suppliers and the products business" as the mission of the Center with "mutual trust and mutual benefit" at its foundations. As such, we are committed to achieving continuous growth with our suppliers.

Promotion of Green Procurement

Yamaha Motor group products are comprised of parts and materials procured from numerous suppliers. Also, as the advance of a globalized economy makes issues such as standardization of the entire supply chain or development of information management systems increasingly important, it is essential to build strong partnerships with suppliers.

Furthermore, as a manufacturer concerned with "mobility," we take active measures in our business activities and with respect to our products to reduce the use of environmentally hazardous substances and to use energy resources efficiently, and we share with suppliers all standards and information including the Green Procurement Guidelines (adopted in 2003, 10th revision released in August 2008). In 2009, we worked towards the establishment of CSR Guideline for Suppliers for enhanced coordination, which is also important from a CSR perspective.



The Yamaha Motor Group Green Procurement Guidelines can be found at the following website:
<http://www.yamaha-motor.co.jp/global/about/csr/>

Identifying risks associated with natural disasters and other emergencies

Many Yamaha Motor group business sites and suppliers are concentrated in the "area under intensified measures against earthquake disasters" where the Tokai earthquake is predicted to occur. Considering that possibility, we at Yamaha Motor believe that close collaboration with our suppliers is also necessary to ensure stable supplies of goods long-term.

We are working towards the establishment of business continuity plans (BCP) in order to be able to recover rapidly from an earthquake or other disaster, and conduct risk assessment and implement measures to reduce such risks, prepare and distribute manuals, and conduct regular related education and training.

With regard to the development and introduction of disaster recovery systems, the Yamaha Motor group supports the adoption of such systems not just by group companies but by suppliers as well, and also provides support for hardware related countermeasures pertaining to infrastructure, such as production facilities. We have adopted a policy of confirming the safety of personnel within two days of a major disaster and of completing preparations for the commencement of production within two weeks of such disaster.

Though no damage occurred at the time of the Suruga Bay earthquake in August 2009, the operating procedures for the disaster information system were reviewed and a Disaster Response Manual was created after the earthquake.



Suppliers Conference specially held for related parties

Fair Trading and Strict Compliance

Relations founded on trust are essential for continuous and progressive business activities, and we believe that this requires fair trading throughout the entire supply chain.

The Yamaha Motor group strives to maintain strict compliance with applicable laws and regulations such as the Subcontracting Law based on the Automobile Industry Equitable Transaction Guidelines issued by the Ministry of Economy, Trade and Industry. We also share information with each supplier and request in our transactions with them that they take similar measures.

In addition to complying with relevant laws and regulations, we endeavor to disclose the Yamaha Motor group Code of Ethics and hold briefings to build the foundations for relations of trust with suppliers. Going forward, we will make the safety and assurance of customers the pillar of our business while building comprehensive relations with suppliers that fulfill our social responsibilities. We will do so by respecting human rights, cultures and customs, taking into consideration our relations with local communities and the global environment, and protecting and managing information.

Corporate Governance

Building a Company that is Trusted by Society and can Serve as a Model for Others

Risk Management Initiatives

The Yamaha Motor group works towards preventing major risks by establishing a group-wide risk management structure and ensuring its proper implementation. Based on the Risk Management System (RMS) and Emergency Response (Crisis Management) Manual, which serve as common risk management procedures across the group, the group works towards preventing misconduct concerning corporate compliance, as well as avoiding risks related to disasters, accidents, etc., while promptly identifying any problems that do occur and taking prompt and appropriate action in response. In addition, initiatives are taken for continuous improvement of risk management in YMC and its group companies, and comprehensive risk management for the entire group is being pursued.

Group-wide risk management activities have already seen the introduction and implementation of RMS at Yamaha Motor and 113 Japanese and overseas group companies as of December 2009. We will continue to ensure appropriate risk management in our business operations.

Response to the H1N1 Pandemic Influenza (A virus)

With the outbreak of the Pandemic H1N1 influenza which erupted in April 2009, Yamaha Motor established an Emergency Response Headquarters on 17th May with the CEO as its chief, in accordance with pre-established policies and procedures. Concrete directions were given to prevent the infection from spreading within the company, which included taking preventive measures, confirming if employees were infected or not, and exchanging information with the Health Promotion Center.

Ensuring Compliance

Aiming to build a company that is trusted by society and can serve as a model for others, the Yamaha Motor group continually implements corporate compliance related activities based on its annual plans. The Code of Ethics, a guide to be followed by every employee is promoted in consideration of the Company Pledge and Management Principles. We promote its practical implementation in everyday work.

The Code of Ethics underwent a major revision in 2008, based on internal and external trends and requests, after which it was adopted by group companies in Japan. We are currently working to establish the Code of Ethics in overseas group companies, after taking into consideration the actual circumstances in each country or region. (As of the end of 2009, overseas group companies in 12 countries had already adopted the Code of Ethics.)

Better Education and Training Tools

To facilitate deeper understanding and routine practice of the Code of Ethics, Yamaha Motor and its domestic group companies have created a manual describing examples of compliance cases in everyday work in a Question & Answer (Q&A) format. In March

2009, the manual was revised after taking into account legal changes as well as various examples forwarded from workplaces as part of employee awareness surveys, etc., and the revised manual was made accessible on the corporate intranet.

Also, in response to the rapid globalization of business in recent years, Yamaha Motor prepared an educational tool summarizing the required information to maintain appropriate relationships with public employees in case of overseas commercial transactions, and ensures that all employees are also fully aware of such issues.

Rank-specific and Division-specific Training

In order to enhance understanding about the Code of Ethics and laws and regulations related to business, Yamaha Motor conducts rank-specific and division-specific education and training sessions for managers within the company.

The rank-specific training was conducted in two sessions, with a "Spring Training" session making use of internal and external case studies pertaining to risks, and an "Autumn Training" session which focused on sharing ethical viewpoints using the "case method" emphasizing practicality. Managers who attended rank-specific training sessions subsequently held workplace training sessions at their respective workplaces, with a total of 22,229 employees attending such sessions in 2009.

Division-specific training is conducted by the divisions in charge of specific statutes, and aims to promote comprehension of laws related to business, acquisition of basic knowledge about laws and regulations important from a societal perspective, and also to inculcate sensitivity towards social transformation and social demands. In 2009, a total of 11,934 employees attended such training sessions while a total of 22,998 employees took e-learning based self-training courses over the corporate intranet.



Compliance seminar held in autumn

Awareness Survey

Yamaha Motor conducts an awareness survey with the objective of reviewing employee compliance with the Code of Ethics, the actual state of and awareness about the workplace environment which forms the base of compliance, and compliance matters which are of high social concern. The awareness survey is then used for future compliance activities. (Conducted in October, 2009)

Revitalizing Communication: “10,000 People’s Dialogue for a Better Workplace”

Yamaha Motor believes that healthy and lively workplace communication creates an open organization and becomes the foundation of a corporate culture that respects compliance. In addition to the company-wide initiatives to promote understanding of the Code of Ethics and improving risk management, we initiated the “10,000 People’s Dialogue for a Better Workplace” program to improve workplace communication while invigorating the workplace and improving teamwork at the same time. Specific activities included holding events at various workplaces, such as the “Say a Word” campaign, which allows superiors and subordinates as well as co-workers to hold consultations on various matters on a no-holds-barred basis and provides an opportunity for the creation of an environment of mutual cooperation; and the “Casual Talk Day” event, which promotes employee interaction.



A “Casual Talk” event

Measures to Raise Awareness of Internal Reporting Systems (Hotline)

Yamaha Motor has established the Compliance Hotline and Harassment Hotline for the sake of direct reporting and consultations so employees can report or consult on any violations of the Code of Ethics they uncover and ask questions about general matters regarding compliance. In addition, a Group Compliance Hotline has been established for group companies in Japan in order to ensure early discovery and prevention of illegal acts or fraud.

In 2009, compliance-related actions included the distribution of “Compliance self-check cards” in October, which had been designated as the Compliance Promotion Month, and activities for increasing awareness about the hotlines. Initiatives for spreading awareness about the Code of Ethics and continued implementation of education and training activities have led to increased awareness among the employees regarding the issues involved, and the number of pre-consultation and enquiry cases are also increasing.

Security trade control

Yamaha Motor pursues meticulous security trade control (STC) from the perspective of risk management based on strict compliance with the Foreign Exchange and Foreign Trade Law and other applicable laws and regulations. In 2009, efforts were made to further improve internal audits and in-house training, create a corporate culture in which each and every employee carries out

his/her work with full awareness of the issues, and firmly establish the “Plan-Do-Check-Act” (PDCA) cycle for management of STC. In May 2009, Yamaha Motor received the “Authorized Economic Operator” accreditation from Nagoya Customs and was able to restart factory vaning. While bearing in mind the significance of this accreditation, we will fulfill our social responsibility as a global enterprise, and strive to be a company trusted by society that can serve as a model for others, and will continue our efforts to maintain and improve the management of STC.

Internal Control Auditing

Yamaha Motor’s Internal Control Auditing Division is positioned as an independent internal audit organization under the direct control of the president, and is collaborating with other monitoring departments to reinforce the auditing system.

The mission of the division is defined as “inspecting and evaluating control activities in all the business activities of the Yamaha Motor group companies, from an independent and objective perspective; reporting the results accurately to management; and providing advice and proposals on improvements to contribute to raising corporate value.”

Audits are performed in four priority areas: (1) regulatory compliance; (2) reliability of financial reporting; (3) preservation of assets; and (4) the effectiveness of organizational risk management systems. The division develops an annual audit plan based on its risk assessments.

In 2009, the year in which the Japanese Financial Instruments and Exchange Law (J-SOX) came into effect, with 24 staff members (as of March, 2010) the division strived to ensure the reliability of financial reporting through measures that included 28 audits, double the number of audits compared to the previous year. The division is implementing initiatives to increase the overall quality and system of internal audits, and will continue to work on the following two areas: (1) improving audit procedures based on external and internal assessments; and (2) raising the capabilities of audit personnel by encouraging them to acquire audit qualifications*.

*In 2009, 9 employees acquired CIA (Certified Internal Auditor certification / USA) certification, while 4 employees acquired the QIA (Qualified Internal Auditor / Japan) certification.

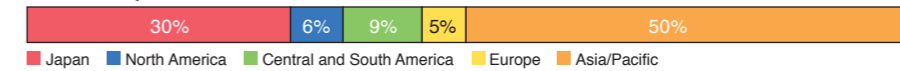


Details about our basic stance on corporate governance and the related organizational structure are available on the Investor Relations website.

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

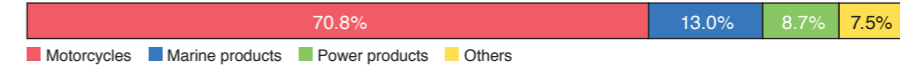
Founded: July 1, 1955
Capital: 85,666 million yen (as of May 31, 2010)
President and CEO: Hiroyuki Yanagi
Number of employees: YMC (unconsolidated) = 10,690 (as of December 31, 2009)
 Yamaha Motor group (consolidated) = 49,994 (as of December 31, 2009)

Breakdown by area

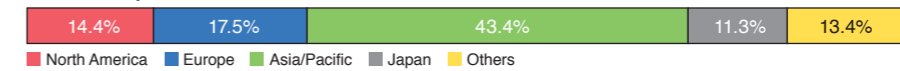


Sales: Consolidated = 1,153,642 million yen (fiscal period ended December 31, 2009)
 Unconsolidated = 401,828 million yen (fiscal period ended December 31, 2009)

Sales composition: (Consolidated) Breakdown by business segment



Breakdown by area



Affiliated companies: Consolidated subsidiaries = 108: 29 in Japan and 79 overseas (as of March 31, 2010)
 Subsidiaries accounted for by the equity method = 7 (as of March 31, 2010)
 Affiliates accounted for by the equity method = 26 (as of March 31, 2010)

Major Products & Services:

Manufacture and sales of motorcycles, scooters, electrically power assisted bicycles, boats, sail boats, personal watercrafts, pools, utility boats, fishing boats, outboard motors, diesel engines, 4-wheel ATVs, side-by-side vehicles, racing karts, golf cars, multi-purpose engines, generators, water pumps, snowmobiles, small-sized snow throwers, automobile engines, intelligent machinery, industrial-use unmanned helicopters, electrical power units for wheelchairs, helmets. Biotechnological production, processing and sales of agricultural and marine products and microorganisms. Import and sales of various types of products, development of tourist businesses and management of leisure, recreational facilities and related services.

Business Operations (Yamaha Motor divisions, key products)

<p>Motorcycles Sports bikes, Trail bikes, Road racers, Motocrossers, etc.</p>	<p>Commuter Vehicles Scooters, Business-use bikes</p>	<p>Recreational Vehicles All-terrain vehicles, Side-by-side vehicles, Snowmobiles</p>	<p>Boats Powerboats, Sailboats, Utility boats, Custom boats</p>	<p>Marine Engines Outboard motors, Electric marine motors, Marine diesel engines, Stern drives</p>
<p>Personal Watercraft Personal watercraft</p>	<p>Electrically Power Assisted Bicycles Electrically power assisted bicycles</p>	<p>Automobile Engines Automobile engines</p>	<p>Aeronautics Industrial-use unmanned helicopters</p>	<p>Golf Cars Golf cars, Land cars</p>
<p>Power Products Generators, Multipurpose engines, Water pumps, Snow throwers, etc.</p>	<p>Pools Pools, Water slide systems, Aqua trainer tubs, Pool-related equipment</p>	<p>Aqua Environment / Environmental Devices Alkaline ionized water apparatus, Water purifiers, Filtration equipment, Oil separator, etc.</p>	<p>Intelligent Machinery Surface mounters, Compact industrial robots, etc.</p>	<p>Life Science Astaxanthin preparation, Astaxanthin supplement</p>
<p>Wheelchairs Wheelchair electric drive units, Electric wheelchairs, etc.</p>	<p>Parts (accessories) Parts, Accessories, Apparel, Helmets, Engine oil, etc.</p>			