

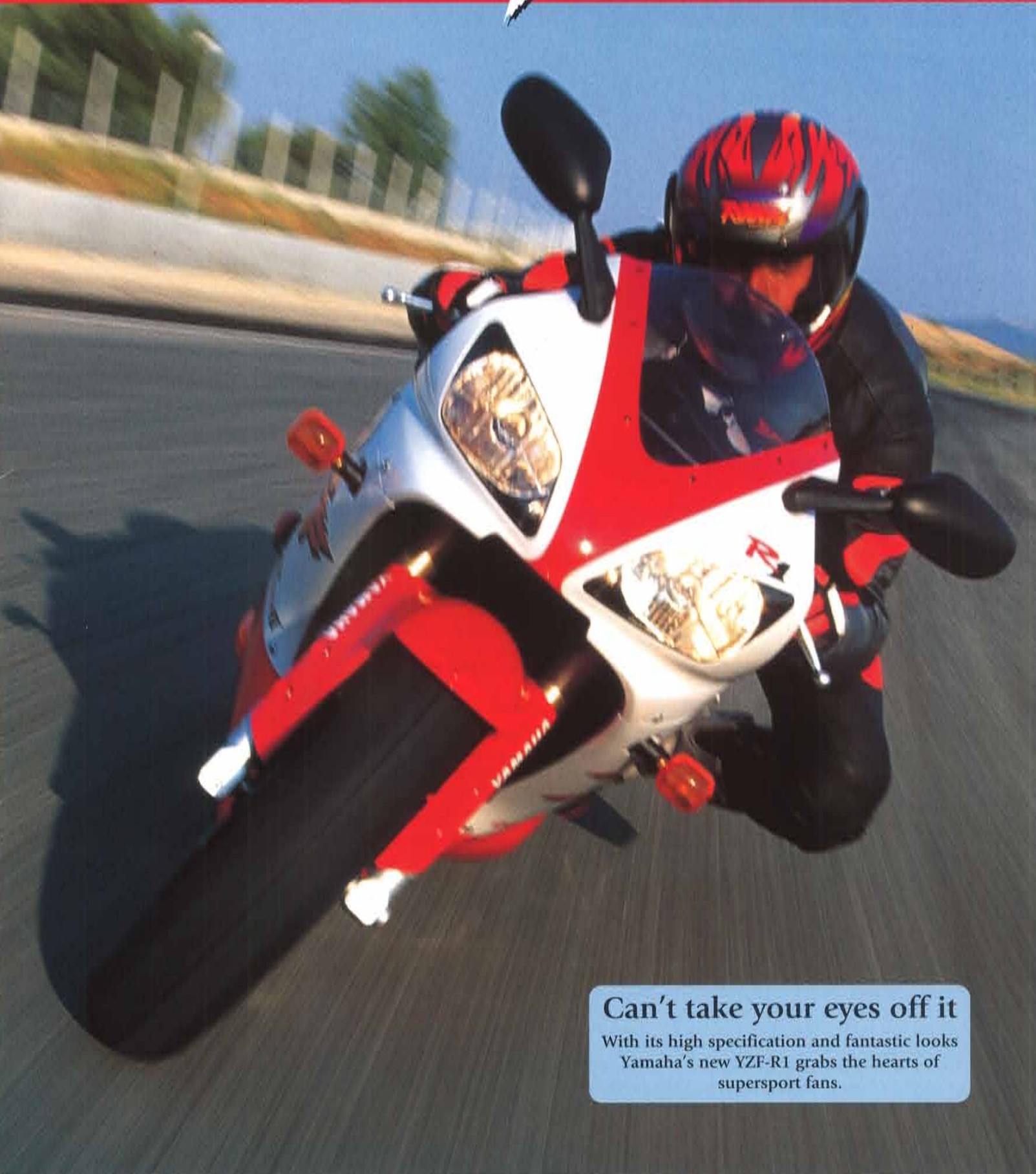
YAMAHA MOTOR CO., LTD.

NOVEMBER 1, 1997 ENGLISH

Yamaha News

No. 6

BIMONTHLY



Can't take your eyes off it

With its high specification and fantastic looks
Yamaha's new YZF-R1 grabs the hearts of
supersport fans.

A whole new standard in supersport



With its 998cc slant block in-line four cylinder engine mounted in the short 1395mm wheelbase Deltabox II chassis, the all-new YZF-R1 delivers the best power-weight ratio in its class befitting the "king of the twisting roads"

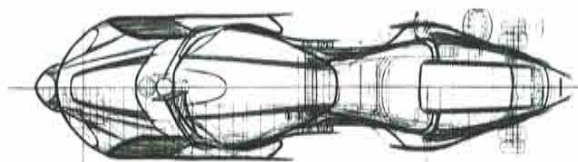
The Milan Motor Show which ran from September 16 to 21 was the site of the grand unveiling of the YZF-R1, an exciting new machine developed to be the "king of the twisting roads." Besides the state-of-the-art technology this new model is packed with, it also bears the imprint of Yamaha engineers' burning desire to build a bike that delivers true excitement to the rider.

Reduced weight, the ultimate priority

The YZF-R1 was born to be nothing less than Yamaha's new flagship model in the supersport category. Mounting a 998cc liquid-cooled DOHC 5-valve engine, this ground-breaking machine was built around an entirely new development concept.

"Traditionally, motorcycle development is a process of taking existing technology and materials and trying to modify and

improve on them. But with the YZF-R1 we started out by setting for ourselves a high level goal and then going about the task of finding ways to realize this goal." says the YZF-R1 project leader, Kunihiko Miwa, Senior Engineer of YMC's 2nd Engineering Division. "We decided this was the best way to break out of the existing mold and build something that was truly a step



The final sketch completed after long hours of modification. In developing the YZF-R1, the proposed design on this sketch always took precedence over other technical considerations

ahead of the pack."

The team's ultimate goal was creating the "king of the twisting roads." That meant



The Yamaha YZF-R1 was launched at the Milan Show held from September 16 to 21. A red and white YZF-R1 on the stage with Yamaha World Superbike rider Scott Russell wowed journalists on press day

for one thing a machine with performance that could outstrip the 250cc 2-strokes and the 600cc 4-stroke models. Weighing in dry at just 177kg and packing a powerful 150ps punch, the YZF-R1 has an incredibly low power to weight ratio of 1.18 kg/ps.

At the very beginning of the development process "weight reduction" became the primary object the team would tackle to realize their development goal, and it was raised when the staff did their own test touring in Europe. In order to build the performance king of the public roads, especially winding roads, it was necessary to know those roads.

During this test tour they managed to get a picture of European users and the actual road surfaces and conditions, all of which would be important information for the later stages of development.

Team leader Miwa recalls, "I was impressed by the pure love for motorcycling, the European people showed, and also their high expectations regarding the machines they rode. No matter how high a machine's performance, if it doesn't give them that special joy of handling they want, it won't be popular in Europe."

Once back in Japan, where twisting roads are the norm, the development team continued to ride different kinds of big bikes to further refine the direction of the new machine's development.

During these hours of riding the staff was always thinking about what was necessary and what was not necessary for the "king of the twisting roads." The YZF-

R1 was born from the actual experiences of the development staff.

Riders, not technology, point the way

The primary thrust of the weight reduction efforts focused on the engine.

"We started by reducing the number of detail parts. We also looked at the materials being used and with the help of several exclusive Yamaha manufacturing technologies we were able to complete a compact and lightweight engine that is also powerful and highly reliable. This was not the result of any single new technology but of extraordinary efforts to bring together the benefits of the full range of

Yamaha technologies in one highly concentrated package," Mr. Miwa said.

The fruit of these efforts was an engine that is 10kg lighter than the 1000cc engine on the popular Yamaha supersport Thunderace.

With the Deltabox frame as well, a reduction in weight was achieved by using the engine as a stressed member to increase frame strength, thus enabling a reduction in thickness of other frame members.

"The use of computers for rigidity analysis helped us arrive at optimized values for material strength and placement and the result was such a dramatic redesigning that the new frame was dubbed Deltabox II. But in the case of a frame, it is not simply a matter of the stiffer the better. On common roads a certain amount of flexibility is desirable. One of the original merits of the Deltabox frame is the great amount of freedom it affords in terms of surface layout, and we used this to the fullest in the YZF-R1's frame," adds Mr. Miwa.

Whenever the staff ran into technical challenges they would find the time to go for a ride on their bikes and then discuss the ideas that came to them while riding until a solution was found. In this way the YZF-R1 project kept from getting lost in the bog of technology and eventually gave birth to a machine that reflected the staff's burning desire to build a bike that delivered true excitement to the rider.

The structure of the new YZF-R1 is actually more conservative than revolutionary. But that is the very reason it has handling that responds so honestly to the rider's intentions, thus making it literally the king of the twisting roads. The development of the new YZF-R1 supersport has truly placed Yamaha a step ahead of the pack.

R1 sets the crowds spinning in Milan

Six new Yamaha models for Europe were launched at this year's Milan Show, which had one of the largest attendances of recent years. Over 700,000 people visited the Fiera Milano between September 16th and 21st, and those who visited the Yamaha stand certainly had plenty to talk about on the way home.

The centerpiece of the stand, constantly besieged by admirers, was a red and white R1 mounted in a large, spinning steel gyroscope, surrounded by video screens, lights, smoke and music. Having read so much already in the press, everyone was keen to finally get a good look of this amazing new bike, and two static machines were positioned nearby for visitors to get on and feel the riding position and size. It was after sitting on the bike that so many of the endless enthusiastic comments were heard.

"I can't believe it's so compact, you feel like you're in it - not on it."

"At last I've found a reason to trade in my Fireblade."

"The front looks fantastic, imagine seeing that appear in your rear-view mirror!"

From Jim Gilroy of YMENV, the Netherlands

Growing with the young and enthusiastic

■ Yamaha Motor Hungaria Kereskedelmi Kft. ■ Budapest, Hungary ■ Founded: 1992 ■ Employees: 15

There have been some rough economic ups and downs since Hungary started its historic changeover to a democratic government system and a market economy in the late 1980s. But things are looking up today and Hungary's young Yamaha distributor, Yamaha Motor Hungaria, with its leading share in the nation's motorcycle and marine markets and a brand new headquarters and showroom in the country's capital, Budapest, is in a good position to make the most of the growth to come.



Our reporter Mr. István Bődös is Managing Director of YMH

Yamaha Motor Hungaria (YMH) got its start in 1992 as a subsidiary of Yamaha Motor Austria selling motorcycles and, a year later, outboard motors and Water Vehicles. It was not the best of times to start a business, with the country's GDP declining a total of approximately 15% in the two previous years and inflation topping 30%. But that didn't stop us from building the groundwork for a sales network that today includes 30 official dealerships around the country, the vast majority of which are exclusive Yamaha dealers, in addition to our new headquarters in Budapest, where nearly 20% of Hungary's population is concentrated.

Although the total unit numbers may not be large yet by other countries' standards, YMH boasts market leadership with a 40% share in motorcycles and 50% in the marine market, where our sales of outboards have grown at a 50% annual rate over the past three years. We are also proud of the fact that a large percentage of our motorcycle sales have been to government agencies, including orders of SR125, DT125R and DT50MX models supplied to the Hungarian postal service for the delivery of telegrams and letters and SR250P and XJ600S models to the police. Since economic constraints are still a fact of life in Hungary, reasonably priced

scooter models have been most popular in our two-wheeler market, but there is also a strong interest in the bigger chopper style bikes and, most recently, high-performance supersport models as well. In addition to the leisure motorcycle market, we at YMH are also gratified to see the emergence of a significant utility-use sector recently.

Turning to our marine products, 2 to 5 hp outboards are most popular for anglers because of their reliability and reasonable price. Due to environmental regulations, we are looking forward to a big sales boost with the introduction of a competitively priced Yamaha electric outboard motor in the coming year.

New home for a new age

1997 started off as a big year for YMH with the completion of our new company head office and showroom.

They are strategically located in a new complex that includes the Yamaha Trade Center, a gasoline station and a McDonalds restaurant on the heavily traveled main road leading out of Budapest toward Western Europe.

The new "Yamaha Cup" campaign has a great appeal for young scooter users



The user-involved Yamaha Weekend event attracted 1500 Yamaha fans who simply had a super fun weekend





The grand opening of YMH's new headquarters was held with the help of (from left) the Hungarian Minister of Industry and Trade, minority owner of YMH, Mr. Wolfgang Porsche Dr. Szabolcs Fazakas, and YMC President Hasegawa

YMH's new headquarters in Budapest beautifully lit up at night catches the eyes of passersby. The building houses a cylindrical shaped showroom, offices, a workshop and spare parts warehouse.

We held the official opening of the new facility on April 25th with an impressive list of guests that included the Hungarian Minister of Trade and Industry, Dr. Szabolcs Fazakas, and YMC's President Mr. Takehiko Hasegawa.

To correspond with the opening of our new premises, we launched a special sales campaign, offering significant discounts on all our products. The motorcycles and outboards sold during this successful month-long campaign amounted to almost 20% of our annual sales.

Exciting Yamaha Weekend

Establishing the kind of user-oriented Yamaha culture that builds customer loyalty and the Yamaha brand image is extremely important. An event that epitomizes these activities is the three-day Yamaha Weekend we organized at Hungary's largest and best equipped campsite at Balatonfüred on the north shore of Lake Balaton. The response from the public was tremendous, as 1,500 guests showed up, mostly on motorcycles. They participated in a fun-filled three days that

made full use of the lake, with rowing and waterskiing contests for marine sports fans, and the nearby mountains, where touring and motorcycle competitions were held on the scenic switch-back roads. There were also a contest for the best-looking bikes, cruising on the lake for those in search of relaxation and entertainment by one of Hungary's most popular rock groups. Undoubtedly the biggest attraction of all, however, was the mini-racing event for celebrities from the sports and entertainment worlds competed on Yamaha PW 50s.

Speaking of sports celebrities, no one is better known and loved in Hungary than the 2-time Olympic gold medalist and 7-time kayak world champion Rita Kőbán. It also happens that Rita is a big fan of motorcycling. YMH invites her to numerous promotional events where she serves as the best possible spokesperson the Yamaha brand could hope to have. We are making Rita the center of an active campaign to get more women to ride scooters and motorcycles in a country where the two-wheelers still have an image of being a vehicle for men.

Looking to the future

With an eye toward building tomorrow's customer base, many of our plans for the future center around the younger generation. One long-term program will teach students the skills of motorcycle riding. The training will be done on Yamaha scooters and those who successfully complete the courses will be eligible to receive a 55cc scooter license.

In another program that kicks off this November, YMH will sponsor a "Yamaha Cup" basketball competition series for 11 and 12 year-old primary school students. Displays of Yamaha scooters will be set up at the competitions that we hope will attract a growing number of spectators as the series progresses and lead to rapid growth in sales of scooters to teenagers.

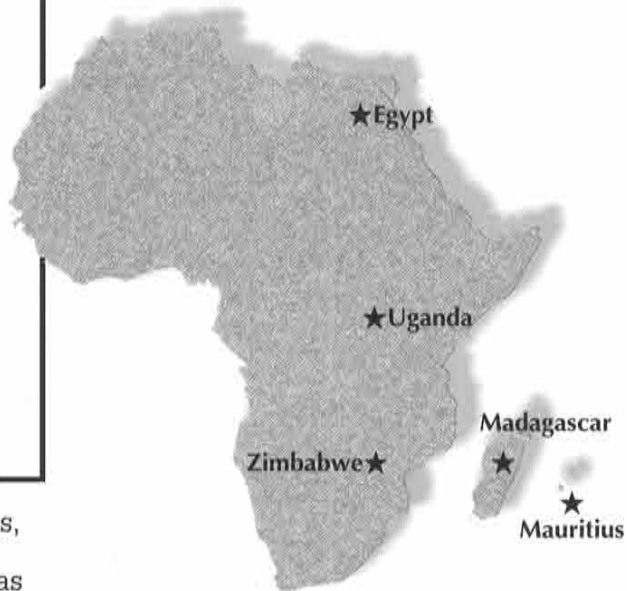
The success we have achieved over the past five years is surely due to our young — average age 33 — enthusiastic and highly skilled staff plus the expertise of our experienced dealer network. Together we are working to build a bright future in the Hungarian market.

Promoting the Yamaha way

YRS

YAMAHA RIDING SCHOOL

OMDO
Overseas Market Development Operations



During the month of July, five African countries including Mauritius, Madagascar, Uganda, Zimbabwe and Egypt were venues for the Yamaha Riding School (YRS) program, organized by YMC's Overseas Market Development Operations (OMDO). The YRS program officially kicked off last year, and for its second edition, the school coupled with a service seminar has become even more relevant for the African market with strong back-up from local distributors. Incomparable follow-up like this is the Yamaha way to expand Customer and Community Satisfaction (CCS) in Africa.



Uganda

Coinciding with a local Agriculture Show, a riding safety school/basic maintenance seminar was presented, making a successful appeal for the Yamaha brand in front of a large number of visitors.



Egypt

Following last year's successful YRS, OMDO conducted police bike riding schools for two local police units; one of long-time Yamaha police bike users and the other of police who are new to Yamahas.



Madagascar

Thanks to the thorough preparation by the local distributor, Socimex, the first YRS brought a lot of positive response, such as an article in the next morning's nationwide paper and recruitment of a promising local instructor candidate.

Zimbabwe



Focusing on the well-matured pleasure market, an advanced riding school was offered to help a total of 10 motocross riders from a local motocross team brush up their skills.

Successful coupling of the riding school and a service campaign highlighted the second holding of the YRS here for the Central Police Department. An advanced 16-hour technical seminar was given for 34 mechanics who work in the department's service shop.

Mauritius



Tailoring riding schools to real needs



Local police in Egypt practice on a very tight turn to improve their turning skills

The essence of OMDO's Yamaha Riding School (YRS) program is to promote general traffic safety education by teaching proper riding skills to people in Africa, focusing mainly on large user groups including police, government organizations, United Nations personnel, NGO and employees of individual companies.

Mr. Hidenobu Toh, a specialist instructor invited from YMC's Motorsports Promotion Division teaches various riding techniques for basic on- and off-road motorcycles and specially equipped police bikes based on his broad experience including that as a Yamaha factory rider in the All-Japan Motocross Championships. His friendly character and easy-to-understand lectures have been well-received by enthusiastic riders everywhere he has taught, from the countries of South America to China and Southeast Asia.

"I always begin my instruction by teaching proper riding position, which is fundamental for all kinds of bikes and riding," said Mr. Toh. "We also conduct thorough pre-event briefings to set up a special curriculum to respond to the specific needs of the people and local conditions involved," he explains. Police bikes require special riding techniques for safety in specific police duties such as traffic control and VIP escort. In answer to local distributors' repeated requests, OMDO has offered

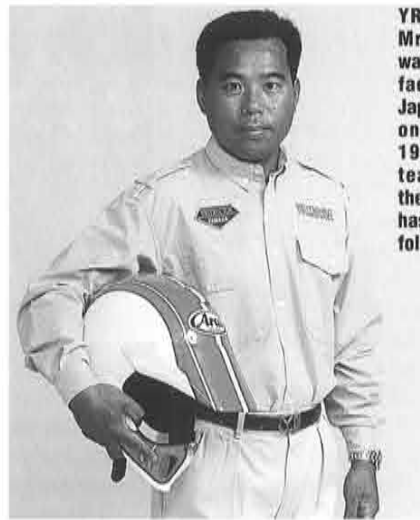
police bike riding schools for central and local police in Mauritius and Egypt two years in a row.

Mr. Toh comments, "I was glad to see some solid signs of progress in people I taught last year in the Mauritius central police at our second course."

This year's aims in both Mauritius and Egypt were to master well-balanced braking using both front and rear brakes and quick and smart reaction to unexpected situations.

"At first, most of the officers tended to lock their rear tire and lose their balance because they relied only on the rear brake. But as the seminar progressed, everybody learned correct braking method, combining rear and front brakes effectively."

Another type of school to teach basic safety riding was held using the Yamaha DT125 and AG100 for staff of Madagascar's Ministry of Agriculture, police and other customers. Considering the amount of unpaved roads and often disorderly traffic conditions in the cities, basic braking and proper cornering were focused on in the course. For a person who has never ridden a motor-



YRS special instructor Mr. Hidenobu Toh (43) was a successful Yamaha factory rider in the All-Japan Motocross Championships from 1977 to 1983. His hands-on teaching that stresses the importance of basics has already built a solid following in Africa



Training for proper braking in Madagascar is done through careful individual instruction

cycle with a clutch, Mr. Toh also offered a special private lesson during break time.

Uganda was also the site for two basic riding schools. One, held in an open field prepared next to a local agriculture show, was attended by staff from 12 individual companies who learned basic cornering and braking earnestly before a large number of show visitors. Some 20 enthusiastic trainees, from the local police, electric company and an express delivery service received another riding seminar in Kampala.

The YRS then moved on to Zimbabwe where 10 young riders of a local motocross team brushed up their riding and competitive skills. Besides promoting safe riding, helping promising motocross riders is another aim of the YRS program.

Strengthening local service skills

OMDO's YRS program teaches not only the basics of sound riding but also basic technical service know-how to improve local maintenance capabilities. Aiming also to help maintain the original performance and durability Yamaha products boast, special technical service seminars were conducted this year by Mr. Nobuo Kaneko, Supervisor of OMDO's Service Group, in parallel with riding schools.

"Once our customer buys a Yamaha motorcycle, I would like them to ride it as long as possible without any problems, even under harsh road conditions. But, to make this really possible, motorcycles need to be correctly ridden and also given certain maintenance," said Mr. Kaneko.

In Mauritius, advanced technical service skills were taught to 34 mechanics who work in the central police department's service shop in a two day course. The mechanics attempted completely disassembling and reassembling the FZ750 engine to deepen their structural knowledge of the large displacement motorcycle engine.

Mr. Kaneko said, "In Mauritius, mostly smaller displacement police bikes are being used and the mechanics were unfamiliar with maintenance of 750cc class bikes. But, once they got started, the mechanics followed the instruction well



The riders in Uganda listened earnestly to Mr. Kaneko's instruction while taking notes about important points

and managed all the service techniques skillfully and quickly picked up all the maintenance tips."

Both in-class lectures and outside technical inspection before riding were conducted in the course in Madagascar. Roughly 20 riders took the one-hour course in Socimex's training center, learning the basic mechanical features of the Yamaha AG bike and the process of a pre-operation check-up. Does the machine have enough fuel, engine oil and battery charge? Are all bolts and nuts properly fastened on the chassis? Do the clutch, lights and brakes work well? Once they had been lectured about the vital points in the classroom, it was time to go out in the field to try what they had learned on each

bike.

The riding and maintenance school package was a great success. The attendants were satisfied with this YRS program which took two different approaches to achieve complete after-sale follow-up.

Uganda's riding school also started with a pre-riding technical inspection. During the 45-minute instruction, Mr. Kaneko stressed the importance of pre-riding checks and periodical inspections that help avoid unexpected machine breakdown and stops and preventable accidents caused by mechanical failure.

Mr. Kaneko summed up by saying "Taking this year's success of a campaign that packages the riding school and service seminars together as a base, we at OMDO will continue to actively promote brushing up technical service skills at the local level in ways which will hopefully turn local mechanics into well-trained mechanical instructors in the near future."



Systematizing YRS locally



Uganda's promising instructor for the future gets vital tips about organizing a YRS from Mr. Toh

The final goal of YRS is to eventually systematize the program as part of the



Madagascar's instructor candidate already shows his teaching skills

local distributors' promotional activities. As the initial phase of the plan to achieve this goal, OMDO imparts YRS organizational know-how to all the distributors by working hand in hand with them in holding the first several schools. And most of all, cultivating good instructors is a key to successfully establishing ongoing local programs.

In Madagascar, with strong recommendation by local distributor Socimex, the 28-year-old national motocross champion was chosen as a top candidate for the job of riding instructor in the future.

He was quick to learn some teaching techniques by carefully watching Mr. Toh instructing, and soon he was teaching some students on his own initiative during



The specially trained mechanics of the Mauritius central police learned a lot about the Yamaha FZ750 during the course

The training center at Madagascar's distributor Socimex is clean and well-organized, equipped even with a bike stand to give attendants a better view of the Yamaha AG



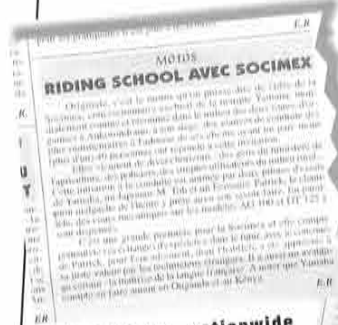
the two-day school. Uganda's distributor L.M.U. also found a good prospective instructor candidate from the local motocross team. While helping in this event, the person had a chance to get an overall picture of how YRS is organized and how to teach riding skills. He is expected to be a versatile instructor who can teach not only in Uganda but also in neighboring countries. OMDO will continue and expand this YRS program in the years to come. Plans call for the next holding to be in January of 1998 in five more African countries, including South Africa, the Republic of Zambia, Côte d'Ivoire, the Republic of Ghana and the Republic of Cameroon.

Winning effective exposure

One of the important measures of the success of this kind of campaign is how much exposure it brings. Thanks to the local distributors' efforts the second edition of YRS created some effective exposure before, during and after the events that successfully drew the attention of a larger audience to this comprehensive Yamaha traffic safety promotion.

In Madagascar, the local distributor Socimex took out half-page ads in a daily paper to announce the YRS. Socimex just became a Yamaha distributor in Madagascar last year, but they were highly motivated in organizing the YRS and prepared clever hand-made accessories such as paper pylons and an instruction board made of a Yamaha cardboard box that once was a motorcycle container. Mr. Toh was also interviewed on the event day for an article about the YRS introduced in the next day's nationwide newspaper in Madagascar.

Uganda's distributor L.M.U. also took out newspaper ads headlining "Top Japanese Rider in Uganda" with a picture of Mr. Toh. Furthermore, announcement of the YRS was backed-up by a local agriculture show where L.M.U. displayed their products including Yamaha motorcycles at their booth. People who gathered for the popular show enjoyed the chance to see a motocross exhibition with jumping and wheelies performed by Mr. Toh together with the local motocross team riders. There is no doubt the Yamaha name was often mentioned in excited visitor accounts of the day.



Madagascar's nationwide newspaper introduced a YRS article telling of Socimex's commitment to continue this fruitful event

YRS announcement made in a newspaper by Uganda's Yamaha distributor L.M.U.



The YRS in Uganda was held in an open field next to the site of the local agriculture show

WORLD TOPICS

GENERAL

THE PHILIPPINES

Norkis Trading turns 35

A ceremony for the 35th anniversary of the founding of Norkis Trading Co. was held on August 23 at the company's main factory in Cebu, the Philippines.

Government officials were among the guests, including Senator Leticia R. Shahani, who is considered to be a candidate for the next presidential election, as well as clients, Yamaha dealers, factory and office staff, and YMC's Managing Director Takeshi Kimura. Also attending were, from Indonesia, Mr. Toshinori Suzuki, President of P.T. Yamaha Indonesia Motor Manufacturing (YIMM), and from Taiwan, Mr. Yoshimichi Nakamura, President of Yamaha Motor Taiwan Trading Co., Ltd. (YMTT). In all, around 300 people gathered for the grand event.

Norkis Trading began business in Cebu in 1962 as an importer, and has since been an industry pioneer, taking the lead in opening up the on/off-road motorcycle market and, in recent years, the scooter market. The company has also contributed to increasing demand for motorcycles for individual use.

Managing Director Kimura made an address at the ceremony, thanking Norkis Trading for their efforts in securing the lion's share of the Philippine market, and also stating that he had



Managing Director Kimura makes a speech at the ceremony

every faith that there would be further market growth.

The celebration was also the venue for announcing a new painting line and an opportunity for everyone to mingle, making it a most pleasant time for all.

From Kenichiro Matsutake of YMC's Manila Office, The Philippines

INDIA

Birla Yamaha makes Top 500

Birla Yamaha, a Yamaha joint venture in India, has been named as one of the country's most valuable companies by the prestigious business publication, Business Today. Birla Yamaha made it into the BT 500, the winners circle of corporate India, which is based on the market value of Indian companies over an entire year.

The listing included information on Birla Yamaha's financial records for '96/'97, and named Mr. R. S. Sharma as CEO.

According to the accompanying article, it was a disappointing year for India's Most Valuable Club, with 44 companies ousted from the elite list, and 246 companies dropping in rank. Nevertheless, Birla Yamaha ranked 496 as a New Entrant, joining HLL, a transnational company, the Industrial Development Bank of India, and numerous powerful family-managed businesses to complete the profile of corporate India.

From R. S. Sharma of Birla Yamaha, India

RANK	COMPANY	MARKET VALUE (RS. CRORES)
493	N.E.	341
494	VARUN SHIPPING	342
495	GUJARAT FLUOROCHLOR	354
496	BIRLA YAMAHA	750
497	LUPIN CHEMICALS†	751
498	INSICO*	752
499	MAHARASHTRA SEAM†	753
500	WIMCO	754

* L. Not listed in 1996 & 1997. † Not listed in 1996 & 1997. ‡ Not listed in 1996 & 1997. § Not listed in 1996 & 1997. ¶ Not listed in 1996 & 1997. ** Not listed in 1996 & 1997. †† Not listed in 1996 & 1997. ††† Not listed in 1996 & 1997. †††† Not listed in 1996 & 1997. ††††† Not listed in 1996 & 1997.

Special edition of Business Today features the annual BT-500

BRAZIL

YMDB gets ISO 9002

Yamaha Motor do Brasil (YMDB) has been awarded ISO 9002 certification,



The ISO 9002 Certificate received by YMDB

the international standard for quality control and product quality assurance by the International Organization for Standardization. YMDB underwent the final evaluation on July 17 and 18 by the German company DQS, a member of the International Certification Network, and was awarded the certificate on September 9.

The process of preparing for the accreditation helped YMDB find some areas where the company needed to strengthen. By drawing up a quality manual and instructions, each department's work could be reorganized, procedures and rules clarified, and through these and other activities pertinent to the examination, we saw positive results.

YMDB is aiming to achieve the mid-term goals of increased production and increased sales, with each department taking up the challenge. Within this agenda, which centers around administrative tasks such as elevation of CCS efforts and increasing productivity, further increasing quality control activities will become an important policy for the company.

From Motoaki Hyodo of YMDB, Brazil

CHINA

Chongqing welcomes foreign investment

On August 14, 1997, the city of Chongqing held a ceremony to acknowledge foreign investors and expatriate employees who have made a significant contribution to the city's economy. In a jointly sponsored ceremony by the Chongqing Overseas Economy & Trade Committee and the Chongqing Association of Foreign

Investment Companies, awards were given to the ten corporations which achieved top rankings in the three areas of export capital gains, sales turnover and per capita employee taxes paid. Awards were also given to individual foreign employees who have made particularly notable contributions to the city's business community.

Among the top award winners was Yamaha's local joint venture, Chongqing Jianshe Yamaha Motor Co., Ltd. (CJYM), which ranked 2nd in sales turnover and 8th in per capita tax payments. Four CJYM executives, Mr. Sakiyama, Mr. Akuzawa, Mr. Ogishi and Mr. Imai were also among 24 foreign staff from countries including Japan, Taiwan, Britain, the U.S., Malaysia, Thailand, Singapore and El Salvador who



Mr. Sakiyama gives the thank you speech on behalf of the 24 commended foreigners

received individual awards.

Located in the interior, Chongqing is a city that has grown by absorbing surrounding rural districts to become China's 4th largest metropolis with a population of roughly 30 million. This expansion has resulted in employment problems, however, and lacking the degree of foreign investment enjoyed by many of the country's coastal cities, the government of Chongqing has adopted a policy of actively encouraging investment from abroad. And this inaugural awards ceremony, which received generous coverage in the local media, is a reflection of the city's efforts to promote this policy.

From Giichi Sakiyama of CJYM, China

EL SALVADOR

Presidential encouragement

Yamaha's distributor in El Salvador, Grupo Murillo, has recently opened a new showroom named "Yamaha Escalón" in the exclusive Colonia Escalón residential area of the nation's



President Armando Calderón Sol takes the stage for a speech at the opening ceremony

capital, San Salvador.

This new branch office will sell both Yamaha motorcycles and outboard motors, and with both of these lines sales efforts will concentrate mainly on the large-displacement pleasure-use models.

At the grand opening ceremony for the new facility held on July 18, 1997, El Salvador's President Dr. Armando Calderón Sol was on hand to help celebrate the start of Yamaha Escalón. The President's presence helped draw up-front coverage of the opening in the country's major TV station and newspapers.

From Carlos Hipólito Murillo of Grupo Murillo, El Salvador

Tokyo Motor Show opens

On October 25 the 32nd Tokyo Motor Show opened for its 12-day run at the Nippon Convention Center — Makuhari Messe on Tokyo Bay attracting crowds of motor-minded enthusiasts. This biennial show is the Japanese motor industry's largest and Yamaha Motor rose to the occasion with an impressive booth designed around the theme "Touching your heart with a motorcycle — The Man - Machine Relationship." The booth layout was centered around seven large spherical stages representing the five human senses, Yamaha quality and Yamaha spirit as a visual expression of Yamaha's unique product development philosophy that stresses the interactive relationship between the machine and the human being.

One of the centrally displayed models at this year's booth was the YZF-R1, a 1000cc model that opens up an exciting new world of super-sport riding. Built to be the "King of the twisting roads," this awesome machine wowed press and visitors recently at its debut in the Milan and Paris motor shows. Another attention-getting display featured the sensational new 4-stroke production motocrosser

YZ400F based on the factory machine that debuted this past season with impressive wins in the 500cc Motocross World GP and AMA Supercross, and its enduro version WR400F. Big-bike fans could look closely at a V-MAX Special, the new XJR1300 and special versions of the American style cruisers Royal Star and Drag Star. Other display models ranging from the European market spec FZ600 Unlimited Racer, the new on/off model Lanza Super Bikers, and a navigation system-equipped Serow GPS to an ABS-fitted version of the popular 250cc Majesty luxury scooter, the Yamaha Motor Taiwan-built Cygnus 125 Si scooter and new variations of the Jog and BW's impressed visitors with the wide range of Yamaha originality.

Also on display were new models of Yamaha's electro-hybrid bicycle line, the new PAS Compact DX and the sporty PAS Star Cross Concept Model.



Yamaha supersport YZF-R1



The YZ400F motocrosser

The booth also used video displays to recreate the worlds of motorcycling fun these Yamaha products can bring. Without a doubt visitors to the booth came away with a heightened image of Yamaha, the company that creates "Kando."

WORLD TOPICS

MOTORCYCLES

THE NETHERLANDS

New YH50 16" scooter for Europe



Yamaha YH50 scooter features big 16-inch wheels

Yamaha's all-new YH50, a 16-inch wheel scooter, was unveiled in September at two of Europe's biggest motor shows, the Milan Show and the Paris Show.

The YH50 is aimed at the top end of the increasingly popular European 16-inch scooter market, which first emerged in Italy and has encountered phenomenal growth in Europe in the 1990s. Indeed, with sales of well over 1 million units in 1996 in Europe, the market is one of the most dynamic sectors of the 2-wheeler industry, with stiff competition from all major manufacturers.

Yamaha's sophisticated new addition to this market is the YH50, which boasts 16-inch front and rear wheels, hydraulic front forks with 80mm travel, and hydraulic rear suspension with 70mm travel.

Built to high overall specifications and tuned to deliver lively acceleration and a brisk top speed, it further expands Yamaha's strong 50cc scooter lineup for 1998 to offer European customers an even wider choice of quality models.

From Jim Gilroy of YMENV, the Netherlands

JAPAN

YIMM's new motorcycle for Latin America

Mr. Toshinori Suzuki, President of P.T. Yamaha Indonesia Motor Manufacturing (YIMM), attended the Central and South American Importer Product Meeting held from June 10 to 13, 1997, at YMC's head office in Japan. There he announced the release of a new YIMM-manufactured motorcycle, the T105E CRYPTON, on the Central and South American market. Mr. Suzuki also visited Brazil, Argentina and the Dominican Republic, all important markets for Yamaha motorcycles, and established with each distributor's management the need for stable product supply as well as mutual cooperation for the future.

YIMM, Yamaha's Indonesian manufacturing base, already exports over 5,000 motorcycles per year to Central and South America, including the best selling model RX-S, but intends to increase sales further, with plans to export approximately 20,000 units in the course of 1998.

From Yoshihiko Takahashi of YMC, Japan



At the Dominica Republic's Santo Domingo Motors; from left, Mr. Otto Lopez, Mr. Anibal Rodriguez, Mr. Miguel Barletta, President of Santo Domingo Motors, YIMM President Mr. Suzuki, and Mr. Wakita

GERMANY

First Royal Star Club meeting

Forty-one Royal Star riders turned out for the very first R S Club Meeting held in Burghausen, Bavaria on June 6 - 8, 1997. The youngest participant was 26 years old and oldest was 60. Two riders made it 1,000km down from northern Germany, while 450km (280 mi.) was the average distance riders traveled. Participants arrived on the afternoon of

The bike parade (right) and relaxing after the long trip



Friday, June 6 and received a RS cap from Yamaha Motor Deutschland GmbH (YMG). Discussions followed, including the RS in general, and individual modifications to the bikes. Few of the bikes were in standard condition - many were customized and specially tuned.

The riders set out on Saturday morning, trekking along the Chiemsee through the Alps to the small town of Otting where they spent the night.

On Sunday morning they made their way home after filling out an evaluation sheet about the meeting. A common thought was that the meeting should be held on an annual basis. It is decided that the next meeting will be in Switzerland in 1998.

From Karlheinz Vetter of YMG, Germany

POWER PRODUCTS

U.S.A.

ATV production moves to the U.S.



The tape-cutting ceremony at YMMC

The Yamaha ATV (All Terrain Vehicle) production base will soon be transferred from YMC's home factory to Yamaha Motor Manufacturing Corp. of America (YMMC) in Georgia, where Yamaha golf cars are presently produced. About 2 years have passed since the

plan to transfer ATV production to the U.S.A. was implemented, and we have progressed to the first stage of preparation for production to start up next April. Construction has already been completed on the factory and part of the office extension, the building for the Technical Department's testing and maintenance work and a test course.

An opening ceremony for the new facilities was held on September 3. It was attended by YMC's Senior Managing Director Mr. Hitoshi Nagayasu, YMUS Vice President Mr. Dan Ijuin, YMMC President Mr. Jeff Mabuchi, the Mayor of Newnan, members of the Coweta County Chamber of Commerce & Industry, as well as related authorities. Representing YMMC employees were the longest serving employees having over 10 years with the company.

These factory extensions are designed to handle a production capacity of 50,000 ATVs per year, based on a shared assembly line system with existing golf car production, as well as sharing of facilities for painting, welding, injection molding, and parts storage.

From Bob Kawakami of YMMC, U.S.A.

GHANA

Yamaha water pumps aid flood victims

In June of this year, Yamaha's importer in Ghana, Japan Motors Trading Company Ltd., went to the aid of the many victims of extensive flooding in the Accra-Tema metropolis of Ghana.

The company donated Yamaha water pumps to the National Disaster Management Organization (NDMO) to



Mr. Dabboussi (second from right) presents Yamaha water pumps to Mr. Portuphy (second from left), with Mr. Veronesi Phillip (middle), Yamaha Motor's West African Service Manager.

assist them in pumping water out of the homes of flood-stricken families.

As reported in the Ghanaian Times on June 27, Sales Director of Japan Motors, Mr. Abbas Dabboussi presented the pumps to the national coordinator of the NDMO, Mr. Kofi Portuphy, saying the donation was the company's practical expression of concern and sympathy for the affected families.

Mr. Portuphy responded to Japan Motors with appreciation, promising that his organization would not relent in its efforts to aid those in need.

From Masashi Ogawa of YMC, Japan

U.S.A.

Champion drivers hit the snow



YMUS factory drivers for '98 snocross series

Yamaha heads into the '97/'98 US snowmobile racing season with two top snocross race drivers, Chris "Air" Vincent and Nathan Titus.

Vincent is the '97 MRP Pro 600 Snocross World Series Champion, and Titus is the MRP '97 Snocross World Series Pro Open Champion. Two pro drivers, Carl Schubitzke and Justin Tate, and two semi-pro drivers, Marty Burr and Dennis Eckstrom will also be support drivers for the season.

The two champions Vincent and Titus will enter the Pro 600 and Pro Open classes in the MRP National Series and other selected events on the 1998 Vmax 600SX and Vmax 700SX sleds. They'll be backed up by three of the best technicians in the field - George Sherrard, Nolan Knochenmus and Bruce Schaapveld. Team Manager Randy Karpik will continue to lead the factory team with support from YMUS Snowmobile Racing Coordinator Gordy Muetz.

Meanwhile, on grass, Yamaha is posting US\$64,500 as prize money for the Cold Cash contingency program for the

We are always looking for interesting stories. Write to Chief Editor K. Shimizu of the PR Division.

Yamaha Motor Co., Ltd.
2500 Shingai, Iwata, Shizuoka 438 Japan.

1997 Grass Drag race season and the year end points championship.

Supporting five series, 11 events and seven classes, the winners riding a '97 or '98 Yamaha sled will win from \$750 to \$1,000. In addition to the single event payouts, Yamaha will also reward the year end championship winners from five series.

From Scott Heath of Yamaha Motor Corp., USA

SWEDEN

Vmax 700SX - Snowmobile of the Year!

The Yamaha 700SX has been voted '96/'97 Snowmobile of the Year by readers of the Swedish snowmobile magazine Snöskoter. The magazine asks their readers to vote for the best every year, and this season they also gave the Venture 600 the award for third place.

Yamaha Motor Sweden received a certificate at Nolia Mässan, the largest exhibition in Sweden, where Yamaha Motor Sweden presented the new snowmobile program. Now every snowmobile dealer in Sweden has a blown up copy of the certificate for their shops.

From Wera Andersson-Allo of Yamaha Motor Sweden



Jan-Åke Johansson, Managing Director of Yamaha Motor Sweden and Jens Otto Bache, Product Manager, with the Snowmobile of the Year - Vmax 700SX

PAS-ing the technology overseas

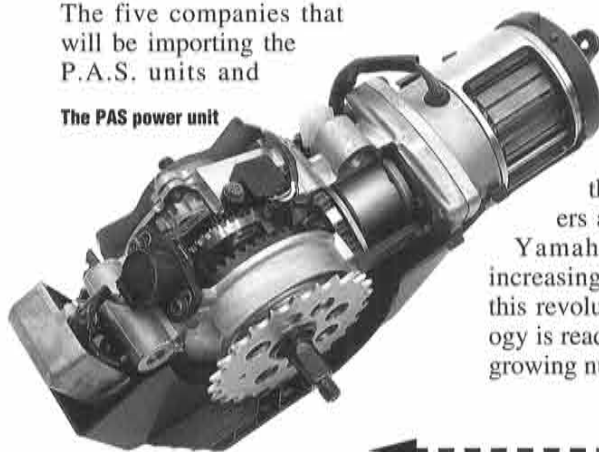
Since Yamaha's world-first electro-hybrid bicycle, the PAS, went on sale in Japan in 1994, over 200,000 units of this user-friendly, environment-friendly personal commuter bicycle have been sold.

Now it won't be long before people in other countries will be able to discover what so many Japanese customers have: the joy of riding a bicycle mounted with the P.A.S. (Power Assist System) power unit that uses sophisticated microcomputer control to supply a smooth, clean and quiet power assist from a battery-powered electric motor in sync with the rider's pedaling.

In September 1997, Yamaha Motor Co., Ltd. completed negotiations with one U.S. and four European bicycle manufacturers to begin overseas supply of the P.A.S. units on an OEM basis.

The five companies that will be importing the P.A.S. units and

The PAS power unit



developing new models to mount them on for their local markets include the leading European Bicycle manufacturers Kynast AG of Germany, Sparta Rijwielen-en Motorenfabriek B.V. of the Netherlands, F.I.V. Edoardo Bianchi S.P.A. of Italy and the French Yamaha affiliate MBK Industrie, which manufactures Yamaha scooters and motorcycles as well as MBK brand bicycles. The fifth company is Trek Bicycle Corporation of the U.S.A.

The P.A.S. system units that YMC will supply consist of the power unit, battery and recharger and, when necessary, design pieces like plastic unit covers. These components are all based on the latest model "New PAS" and will have specifications that meet the performance standards and safety

regulations of the respective countries.

Meanwhile, domestically YMC has been supplying its P.A.S. system units to Japan's three largest bicycle makers as well as selling its own Yamaha PAS brand in an increasing range of models. Now, this revolutionary Yamaha technology is ready to serve customers in a growing number of countries.

Internet Aid, the OMDO way

As part of its work in the African market, Yamaha Motor Company's Overseas Market Development Operations (OMDO) supplies Yamaha products to international aid programs across the region. And, in order to make more people aware of these quality Yamaha products that range from motorcycles to generators and multi-purpose engines, the OMDO distributes a large number of catalogs that must be constantly updated with new printings.

The emergence of the Internet as an international information medium has offered offices like the OMDO a new and very efficient alternative means of distributing product information.

By the OMDO's way of thinking, every time someone accesses their Internet Web pages it is one less catalog they have to print and distribute. That brought them to the idea of putting this savings in paper (pulp) and production cost to good use in a way that benefits the region. So, from now on every access hit on their home page will be counted as US 25 cents, and when the total reaches a significant amount the equivalent will be donated to a worthy aid program in the region.

The OMDO Web pages can be accessed at <http://www.yamaha-motor.co.jp/omdo/>

Soccer Jubilation in Iwata

On October 1, there was celebration all over Yamaha's hometown Iwata as ecstatic fans reveled in a victory they have been waiting for for more than three years. In a rousing 5 to 0 victory over Jef United, the local soccer team Júbilo Iwata clinched the 2nd stage championship in Japan's professional J. League with one game still left to play in the '97 season. The win was Jubilo's eighth in a row, giving the team a record of 13 wins against only two losses since the 2nd stage began in July. As winners of the 2nd stage, Júbilo Iwata will battle for the '97 season crown in a two-game playoff against the 1st stage winners, Kashima Antlers, on December 6 and 13.

Today's Júbilo Iwata traces its roots back to 1972 when it was founded as Yamaha's amateur soccer club. When Japanese soccer went professional in 1993 the club was reorganized under the name Júbilo Iwata and won entrance to J. League the following year. Since then the team has come agonizingly close to winning a stage victory several times, only to fall short. The 2nd

stage of this year's season was a different story, however, as the team came together around the mid-field leadership of Brazilian national team star Dunga and a brilliant defense that gave up the least goals of any team in the league.

As fans in Iwata and around the country anxiously await the December playoff, the momentum definitely seems to be with Júbilo.



Júbilo Iwata's captain Dunga with the victory trophy in his hands

It's survival of the fittest in Kotzebue, Alaska

Across the United States, the vast majority of snowmobiles are used by winter enthusiasts for riding groomed trails with friends on weekends. In Kotzebue, Alaska, there are hundreds of snowmobiles, but there are no groomed trails. In fact, there are only five miles of road in the entire area. Here, Yamaha snowmobiles or "snow machines" as they are called in Alaska, are used not just for fun, but for everyday transportation and in some cases are relied on by their owners simply to survive in the cold, long winters.

Kotzebue is located 32 miles (51 km) north of the Arctic Circle on the western coast of Alaska. Roughly 3500 people live in Kotzebue, which serves as the region's hub and main source of food and supplies for 12 villages located anywhere from 60 to 230 miles (96 to 368 km) upstream from Kotzebue along the Noatak and Kobuk Rivers.

Primary industries in the area include commercial fishing and mining. Roughly 60 miles northwest of Kotzebue is the Red Dog Mine, one of the world's largest zinc and copper deposits in the world. In October, sometimes as early as the first week of September, the waters of Kotzebue Sound freeze over, providing an icy bridge south to the Seward Peninsula and the city of Nome, Alaska. As soon as the ice is thick enough to travel over, Yamaha snowmobiles are put to work. Many native Alaskans use them to tow sleds out onto the frozen ocean bay, where they fish with nets dropped through holes cut into the ice.

Soon after the first frost sets in, the snow starts falling in Kotzebue. Inland, away from the coast, deep snow and drifts create a formidable barrier that prevents traveling on anything other than a snowmobile. Many of those who live in the outlying villages and bush country rely on their Yamaha snow machines for their very survival. They tend trap lines. They haul the moose or caribou that will help feed their families. Many ride into Kotzebue once or twice a week for their mail, groceries and supplies. It's not uncommon to see snowmobiles hauling wood and other freight. One villager uses his Yamaha snowmobile to tow a 250 gal. (925 liter) aluminum fuel tank to and from his home, making the 35 mile one-way trip in roughly 3 hours.

In the town of Kotzebue, most families own two or three "snow machines." In many cases, they are their only form of transportation from October to March or even April. Many people pull basket sleds behind their snowmobiles to get family members where they need to go. The sleds are made of hardwood hickory and are eight to ten feet (about 2m) long, with flexible, plastic teflon runners to handle the bumps.

H&L Yamaha is the local Yamaha dealership. It has been run by the Lie family for 30 years. Chris Lie, 39, currently owns and operates the dealership. He sells as many as 200 Yamaha snow-



In Kotzebue people rely on snowmobiles in their everyday lives and for pleasure



Yamaha snowmobiles helped tow the grounded airplane down from the mountain several miles to Kotzebue

mobiles a year. Ninety percent of them are models designed specifically for riding in deep snow, including the Venture (his best selling model last year), Phazer Mountain Lite, Bravo LT and VK540 II.

Yamaha snowmobiles are put to the test here unlike anywhere in the world. Situated on the coast, Kotzebue is in a flat area. Winds off the ocean are very strong, usually blowing much of the new snow away, leaving behind a packed snow surface as hard as concrete. Often during the winter months, temperatures will reach 40°F below zero (-40°C), with 35 mile (56 km) per hour winds. "I've seen wind chills as cold as 125°F below zero (-87°C)," says Chris Lie. Those who ride in from villages must deal with those severe temperatures as well as snow that is 8 to 10 feet deep. Yet, despite some of the harshest weather on the planet, Yamaha snowmobiles consistently prove themselves to be reliable and durable. In fact, Lie says many of his customers put 30,000 to 40,000 miles (48,000 to 64,000 km) on their Yamaha snowmobiles in a single year.

On several occasions, Lie has used Yamaha snowmobiles to tow airplanes down from the local mountains. A friend of his broke the landing gear of an airplane while trying to land it on a mountain. Lie helped him retrieve it by taking the wings off, strapping them to the fuselage and turning the airplane's skis backwards. So it could be towed carefully down the mountain and back to Kotzebue by the tail wheel. The trip took 9 hours! As you can see, in Alaska snowmobile uses are limited only by the imagination.

By David Halsey, freelance snowmobile writer in U.S.A.

New GP riders test at Suzuka



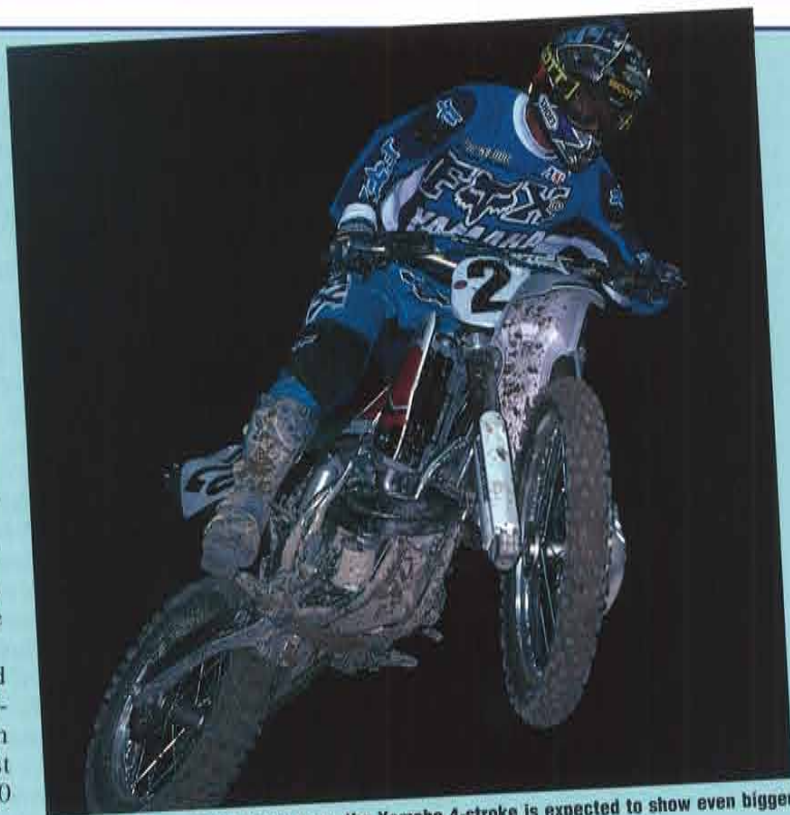
"Norick" Abe test rides a non-leaded spec machine

Over a chilly three days from November 25 to 27, three of the factory riders who will carry the Yamaha flag into the 500 cc class of the World GP next season gathered at the Suzuka circuit in Japan for the last tests of 1997. Returning Yamaha Team Rainey pilot Norifumi (Norick) Abe of Japan and his new teammate Frenchman Jean-Michel Bayle, who happily returns to Yamaha after a year on another make, were joined by Red Bull Yamaha WCM's rookie rider Regis Laconi (France), while his teammate for next season Simon Crafar (New Zealand) had to sit out the test due to an injury. The Suzuka tests were a crucial chance for Bayle, who was on the YZR for the first time since '96, and Laconi on it for the first time ever, to get used to the machine. Yamaha's GP Manager Shuji Sakurada said, "I was pleased with the rider's results and the fast start of preparations for '98."

Yamaha U.S.A.'s 1998 motocross team

Yamaha Motor Corp., U.S.A. has announced the three-man "dream team" it will field in the 1998 AMA Motocross season on the '98 Yamaha YZ 125 and 250 and the exciting new YZ400F four-stroke. To keep building on the exciting success of the '97 season which brought Team Yamaha twenty AMA victories and the 125cc West Coast Supercross championship, the team's three factory-backed riders, Doug Henry, Kevin Windham and John Dowd will return again in '98 on the blue and white YZs. "We are extremely fortunate to have three returning riders in '98," explains Larry Griffis, Yamaha Racing Division Manager. "1997 was a tremendous season for our team and the experience and team chemistry should enable Yamaha to capture even more wins and championships." Doug Henry will compete in the 250 Supercross and National series on a production YZ400F, Yamaha's radically new four-stroke. John Dowd will race the YZ125 in the 125 SX and 125 Nationals, while 125 West Coast Supercross champ Kevin Windham moves up to the 250 class of both the Supercross and National series.

From Terry Beal of YMUS



Following a successful debut year, the Yamaha 4-stroke is expected to show even bigger competitiveness in 1998