

Japanese Motorcycle Producers Hold Joint Press Conference ~ Discuss Expanding Global Market, Responses in Japan ~

Representatives of Japan's four domestic motorcycle manufacturers – Honda, Kawasaki, Suzuki and Yamaha – on July 11 held a joint press conference at the headquarters of the Japan Automobile Manufacturers Association (JAMA) in Tokyo.



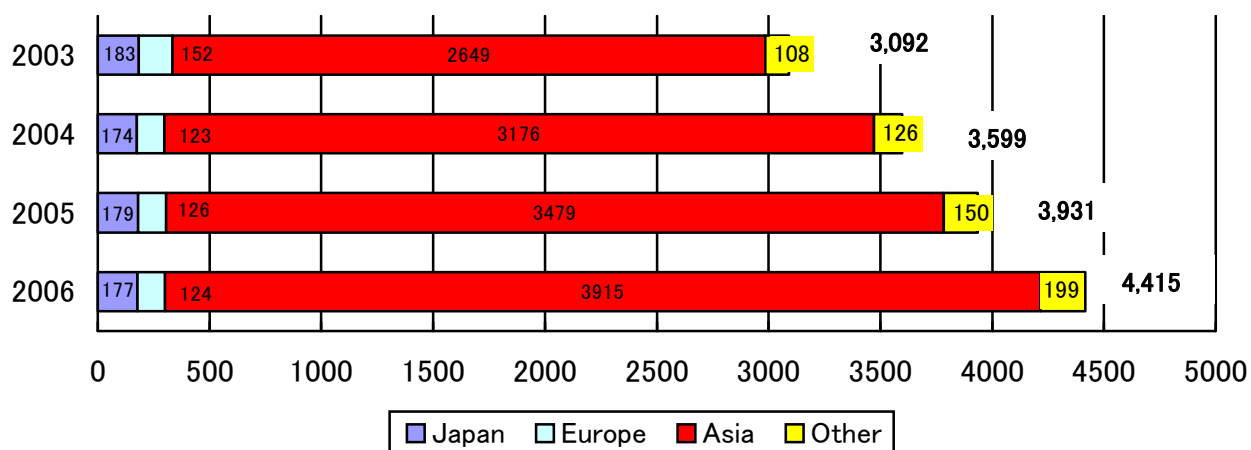
The event featured updates of the latest motorcycle trends worldwide and in Japan, along with reviews of the responses and solutions being mounted by JAMA both at home and abroad. The main goal of the conference was to clarify the themes and horizons for Japan's motorcycle industry, thereby helping to cultivate a deeper understanding of the state of this sector on the part of the mass media.

Global Production Tops 40 Million Units in 2006

The press conference opened with an overview of the current status of the world motorcycle market. Global motorcycle production, which rose above the 30-million-unit line in 2003, has continued to record steady annual growth over the years since, with the total topping 40 million units in 2006.

The rise in output has been particularly conspicuous in Asia, with that region's (including Japan) share of worldwide production now more than 90%. The most vigorous production in Asia is accounted for by China (with 21.44 million units), followed by India (8.38 million) and Indonesia (4.46 million). (See Graph 1.)

**Graph 1: Worldwide Motorcycle Production
(unit: 10,000 motorcycles)**



Japanese Manufacturers' Share of Global Production

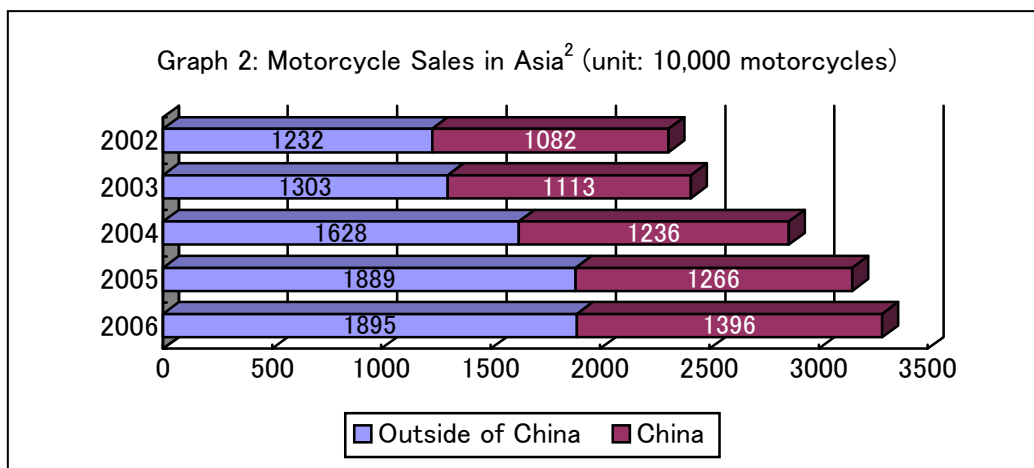
The production volume of Japanese manufacturers has increased hand in hand with the expansion of worldwide motorcycle output. However, with manufacturers in China and other countries raising production at a pace above and beyond those of their Japanese counterparts, the global share of Japanese producers is in decline. Last year, for example, the total dipped below 50%. (See Table 1.)

Table 1: Japanese Manufacturers' Share of Worldwide Production

Year	Worldwide unit production	Japanese maker unit production	Japanese maker share
2005	39.31 million	19.95 million	51%
2006	44.15 million	20.41 million	46%

Worldwide Motorcycle Sales

Sales of motorcycles around the world are following the trend of production in charting a steady upward swing. In terms of unit sales during 2006, Asia¹ accounted for 32.91 million units, Latin America 2.75 million units, Europe 2.47 million units and North America 1.85 million units. As this shows, the Asian region enjoys a dominating share on the motorcycle sales front as well. (See Graph 2.)



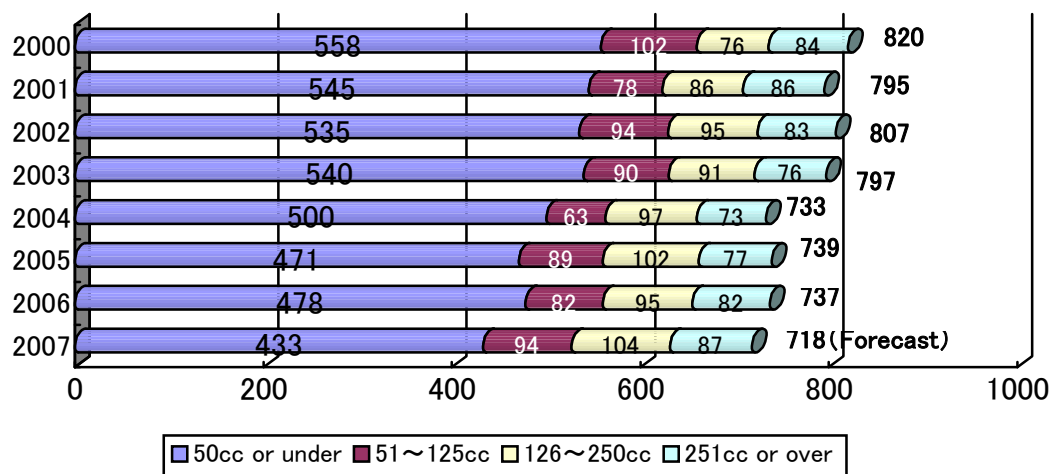
Japanese Domestic Motorcycle Sales

In contrast, motorcycle sales domestically in Japan have remained in a prolonged decline, with projections for this year calling for a 2.5% decrease compared to 2006 to 718,000 units. Noted JAMA Motorcycle Committee Chairman Tsuneji Togami (Yamaha Motor Co., Ltd. Chairman and Director), who was on hand for the press conference: "There has been no slow-up in the trend for our domestic sales to fall." (See Graph3)

¹ Total for 11 countries (China, India, Indonesia, Vietnam, Thailand, Taiwan, etc.).

² Idem

Graph 3: Japanese Domestic Sales (unit: 1,000)



Steps to Improve Use Environment

Accompanying revisions in Japan's *Road Traffic Law*, crackdowns on illegally parked motorcycles were strengthened from June 2006 through May 2007. As a result, 14 times as many motorcycle riders were penalized for parking violations compared to the number so punished in 2000. Behind this statistic, however, can also be found the chronic shortage of motorcycle parking lots in Japan, an area in which strategic action is needed to resolve the problem.

The press conference was also utilized as an opportunity to stress the urgent need to increase motorcycle parking, as well as to showcase industry efforts to improve the situation. This includes the issuing of requests to the national and local governments to promote construction of more motorcycle parking lots and other JAMA-sponsored activities. For its part, JAMA also continues to issue demands for normalization of expressway tolls on motorcycles in Japan (which are relatively higher than in other countries).

A report was also delivered on the introduction of a new certification system of mufflers aimed at lowering noise pollution, activities carried out in Asia with the focus on FAMI (Federation of Asian Motorcycle Manufacturers) to protect intellectual property rights and other international efforts promoted by JAMA. The press conference concluded with a preview of the MotoGP Japan race to be held this September 21~23.

A total of 46 members of the press corps attended this event. The Q&A session at the end of the meeting produced a wide range of questions from the reporters, underscoring the high degree of journalistic interest in the motorcycle industry.