



Marine Products Business Presentation for Investors

Mar. 29, 2024












The Fukuroi South Factory tour for Outboard Manufacturing,
Yamaha Motor Co., Ltd.

Marine Products Business Presentation

- 1. Marine Products Business Overview**
- 2. Marine Long-Term Vision**
CASE Strategy
Carbon Neutral Strategy
- 3. Fukuroi South Factory Overview**

Marine Products Business Presentation

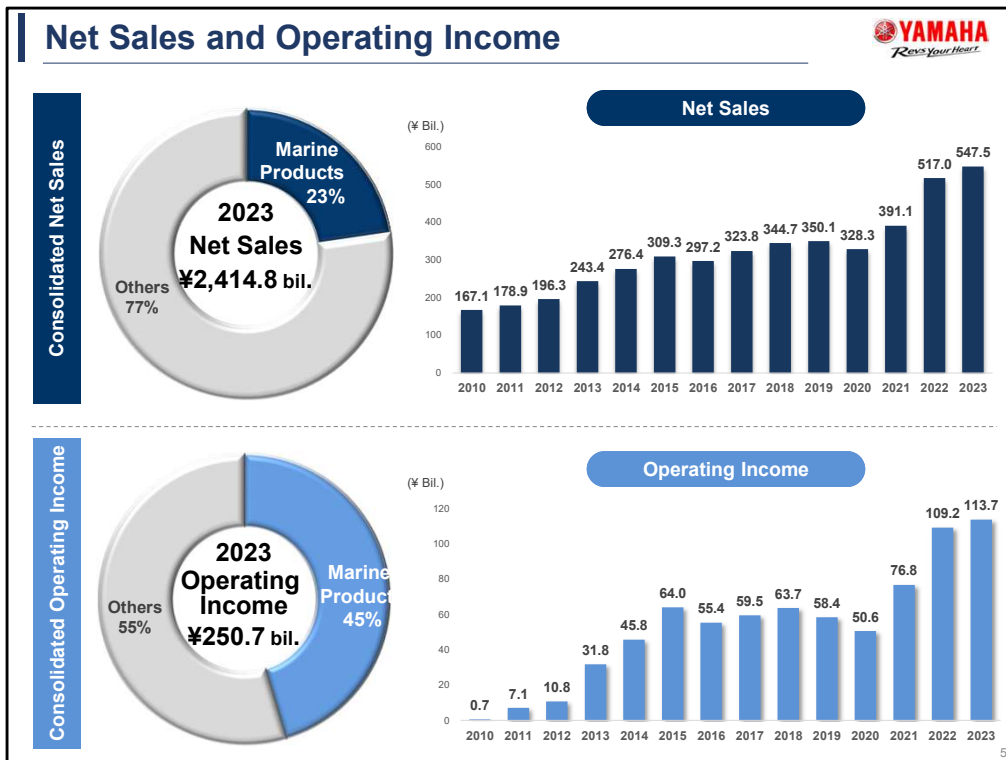
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Marine Products and Services				YAMAHA <i>Revs Your Heart.</i>	
Engines	Outboard Motors			Water-Jet	
	 <p>Wide-ranging lineup spanning commercial to recreational use</p>				
Rigging	Accessories	Propellers	Electric Propulsion	HARMO	
					
Together with our outboards, we can tailor setups to fit various purposes			TORQUEADO		
Boats	Sports	Fishing	Pleasure	WV (PWCs)	
					
Shared	Rentals	App		Remote monitoring and inspection reminders	
					

These are the main products and services we offer.

Outboard motors for propelling boats form the bulk of our business. In addition, we also sell personal watercraft around the world and boats mainly in Europe, the U.S., and Japan.


We also offer accessories, services, and applications to provide customers with a safer and more comfortable marine life.



The following graphs show our net sales and operating income over the years.

The marine products business has continued to grow, with both sales and operating income reaching record highs last year.

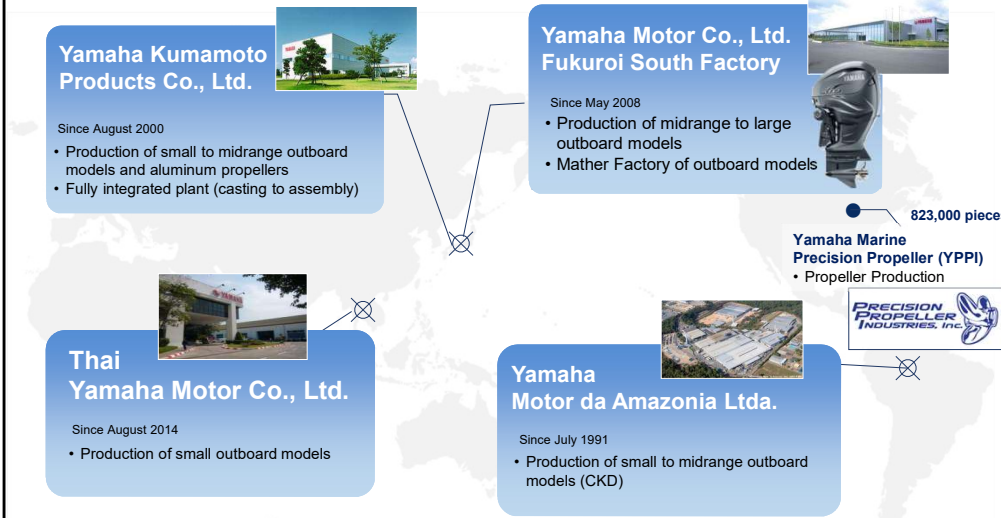
Outboard Motor Production Bases



Yamaha Motor Group

- Total: 4 bases (2 domestic, 2 overseas)
- Production for 2023: Approx. 330,000 units

Established a flexible production scheme with the flexibility to adapt to demand fluctuations for large models by achieving mid-process shifts between main assembly lines and bases as well as parts machining.



Yamaha Kumamoto Products Co., Ltd.

Since August 2000

- Production of small to midrange outboard models and aluminum propellers
- Fully integrated plant (casting to assembly)

Yamaha Motor Co., Ltd. Fukuroi South Factory

Since May 2008

- Production of midrange to large outboard models
- Mather Factory of outboard models

Thai Yamaha Motor Co., Ltd.

Since August 2014

- Production of small outboard models

Yamaha Motor da Amazonia Ltda.


Since July 1991

- Production of small to midrange outboard models (CKD)

823,000 pieces

Yamaha Marine Precision Propeller (YPPi)

- Propeller Production



This slide shows our outboard motor production bases.

We manufacture outboards at four bases, two in Japan and two overseas. Our main facility is Fukuroi South Factory, which manufactures 50% of all our outboards, mainly midrange to large models.

In addition to Fukuroi South Factory, we also manufacture small and midrange outboard models and some components in Kumamoto in southern Japan.

Overseas, we have bases in Thailand and Brazil that mainly produce small and midrange models.

Demand Trends for Large Outboard Motors

- **Sustained Rise in Demand for Large Outboard Motors**
 - Higher performance
 - More large boats running multiple outboards
 - Stronger lineup of large outboard models







F300



New F350



F450



Trends for 300+ HP outboard motors
(1,000 units) (Europe and North America)



Year	Units (1,000)
2013	10
2015	15
2017	25
2019	35
2021	40
2023	45

Yamaha Motor estimate

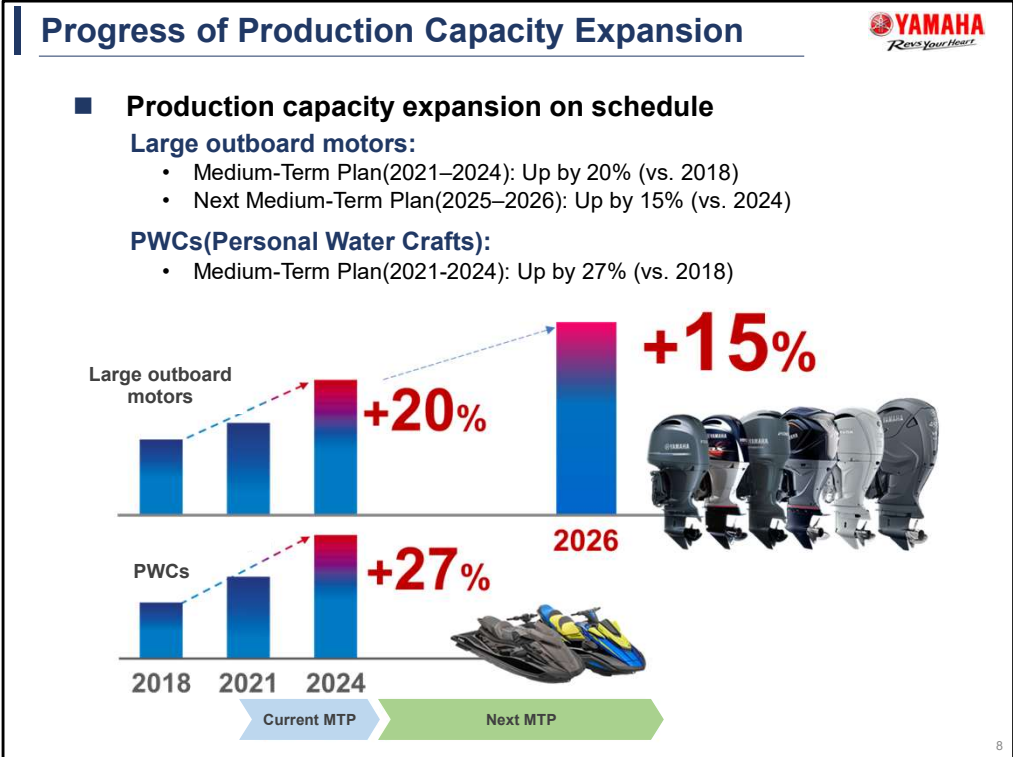
In terms of demand trends for large outboard motors, sales continue to grow, especially with models with 300 hp or more, despite the current economic climate of rising interest rates and inflation.

We are also focusing on strengthening our presence in this category with the F300, the F450, our most powerful offering, and the F350, which went on sale this spring.

Compared to our previous 350 hp outboard, the new F350 is approximately 20% lighter, and combined with its outstanding power, contributes to a more enjoyable time on the water.

The F350 is already available in the North American market and has been well received by customers.

Going forward, we plan to augment our production capabilities and launch this new product on other major markets as well in stages, such as Europe and Australia.



Next, I will explain our progress in increasing production capacity for outboard motors and personal watercraft.

Things are on schedule, and we plan to complete a 20% increase in outboard motor production and a 27% increase for personal watercraft by the end of this year, compared to 2018.

We are also planning to further increase outboard motor capacity by another 15% by 2026, compared to 2024, so that we can deliver as many of our products as we can to our customers.

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Marine Long-term Vision 

Reliable and rich marine life

Toward further increasing the value of the ocean

- **Changing marine culture, changing everyday life**
Create time, spaces and experiences full of Kando and presenting them as everyday joys
- **Connecting the sea, people, and society**
Become an indispensable part of society with platforms that connect people around the world with the value the marine lifestyle offers
- **Toward a future with a greater ocean than the current one of today**
Preserve the blessings of rich seas that everyone connected to the water desires
- **Releasing the secret potential of the sea**
Be experts on the world's waters and create value that contributes to the development of mankind



This is our Marine Long-Term Vision.

Our guiding policy centers on providing a “reliable and a rich marine life” through our business further increasing the value of the ocean, and we have laid out strategies for growth and are steadily carrying them out.

Today, I would like to go over the progress we have made with our Marine CASE Strategy and Carbon Neutrality Strategy, two of our growth strategies.

Marine CASE Strategy *Connected (Comfort) / Shared (Experiences)* **YAMAHA**
Revs Your Heart.

Driving development with Siren Marine

- Released new Connected Boat app

Safe & Secure
Gradually expanding availability from the U.S.

Connected!

Data on the boat

Server

Warranty Registration Information

- Real-time monitoring/alerts
- Inspection reminders based on operating hours
- Reflects boat information during warranty registration

Invested in Skipperi

- Started introducing their digital technology to Sea-Style
- Promoting collaboration in the Boat sharing sector growing in Europe and the U.S.

SKIPPERI

Introduced JM-Safety*, a navigation support service, to Sea-Style

- Set up a system tailored for Sea-Style in partnership with Nisshinbo Holdings Inc.
- Navigation support for Sea-Style members and enhanced navigation management for marinas

YAMAHA Marine Club
Sea-Style

Boat users

Navigation Assistance App

- Indications/alerts for hazardous areas
- Tracking and sharing course traveled
- Communication with marinas

Marinas

Navigation Management Tools

- Centralized management of ship's position and course records
- Display of area-specific information on a map
- Automatic monitoring for SOSs and entry dangerous areas

*JM-Safety is a service developed and operated by Nisshinbo Holdings Inc. 11

I will begin with the "C" in our CASE strategy, Connected.

In collaboration with Siren Marine, LCC., a U.S. company we acquired in 2021, we launched the Connected Boat smartphone app in the U.S., which enables users to check the status of their boats from a remote location.


For Shared, we are working with Skipperi, a Finnish IT startup we invested in last year, to provide customers with an easier and more comfortable marine experience using their self-developed digital platform.

Collaborating with Skipperi is how we will provide a platform for new marine experiences using DX and accelerate our entry into the overseas boat sharing business.

In Japan, Yamaha Motor operates Sea-Style, a membership-based marine club where members can rent a variety of boats whenever they like at approximately 140 home marinas nationwide.


From May of this year, we will introduce a navigation support service called JM-Safety to Sea-Style through a partnership with Nisshinbo Holdings Inc.

This will provide Sea-Style members and marinas with a safer and more comfortable service.


Marine CASE Strategy *Autonomous (Comfort / Easy)* 

Helm Master EX boat control system

- Controls one to multiple outboard motors
- Advanced autopilot features



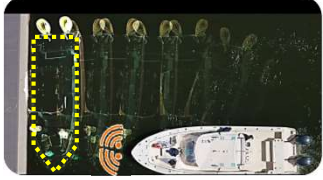
The YFR330 equipped with Helm Master EX



New YFR330

New autodocking feature


- Reference exhibit at the Miami Boat Show
- GPS-guided Ver.1 to be introduced in 2024



New Y-FSH feature

- Dedicated inboard Board Maneuvering System jointly developed with Toyota Motor Corporation

DFR Series equipped with Y-FSH



DFR-36FB

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In the Autonomous field, our Helm Master EX proprietary boat control system has been well received by our customers thanks to its joystick-based maneuvering system that makes departing and docking easier, plus its autopilot and fixed-point holding features that are welcome advantages in sport fishing.

In the domestic boat lineup, three models are now equipped with Helm Master EX, including the YFR330 we exhibited for the first time as a new model at the Japan International Boat Show in March.

We are currently developing an automatic shore-landing function, which was demonstrated at the Miami Boat Show held in the U.S. last February, and we are preparing for its introduction to the market.

In addition, the DFR Series, which received a minor update and is scheduled to be launched in stages from July, will adopt the Y-FSH boat control support system developed together with Toyota Motor Corporation exclusively for inboard motorboats.

In terms of mid- to long-term growth, we will strive to raise our market presence by developing and improving peripheral features and equipment like these to better support a more comfortable marine life for our customers.

Marine CASE Strategy *Electric* (Comfort) 

Moves toward Electrification in the Marine Products Business

Agreed to acquire Torqeedo, an electric marine propulsion manufacturer 



- In preparation for future environmental regulations
- Electrification of small to midrange outboard models
- Synergy with our brand power

- Strengthening competitiveness in the Electric field of our Marine CASE Strategy
- Contribute to achieving carbon neutrality

Outline of Torqeedo

- Founded in 2005; a pioneer and leading company in the field of electric marine propulsion
- Extensive product line including electric outboards and inboards, batteries, and various accessories
- Continues to grow as a company and sales are rising in the small electric motor market, especially in Europe



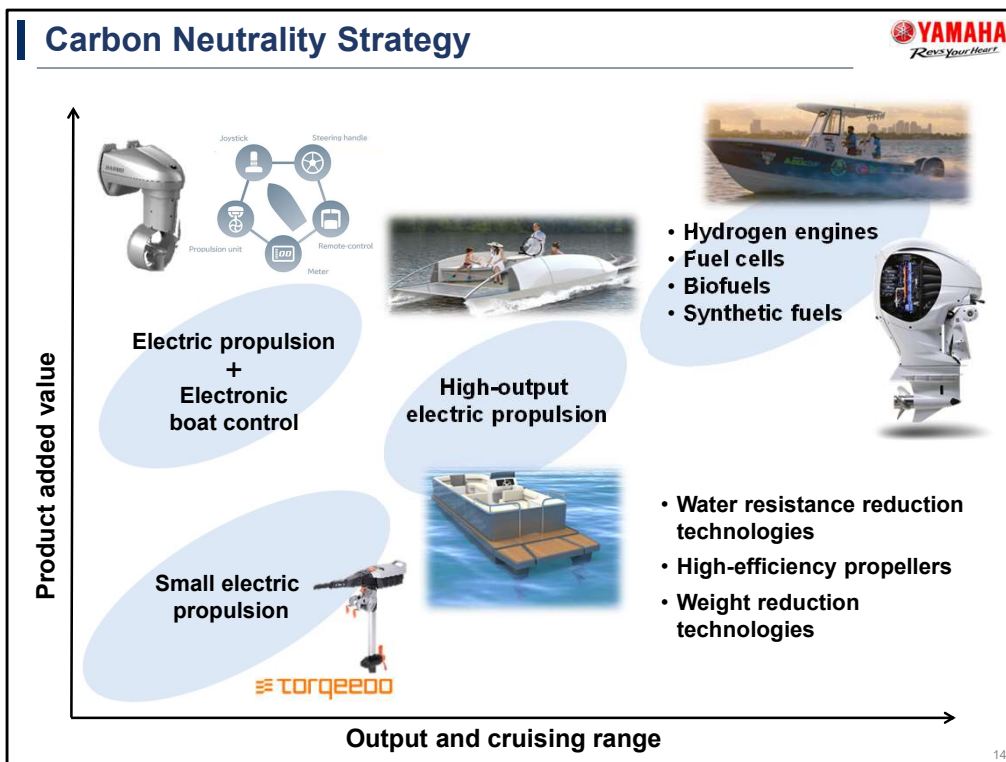
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With Electric, as we recently announced, we reached an agreement to acquire Torqeedo, a pioneering brand in the electric marine propulsion domain.

Torqeedo has an extensive electric product lineup and a strong presence in Europe, where electrification is making significant headway, so we believe that acquiring the company will bring significant progress with the electrification strategy for our marine products business.

Furthermore, by combining Torqeedo's assets with Yamaha Motor's decades of technical expertise and know-how in hull design, marine engines, and more will birth synergies extending to midrange electric outboard motors as we aim to become a leader in the growing market for electric boat propulsion.

We will continue to promote electrification efforts with our outboard motors toward achieving future growth as well as carbon neutrality.




Achieving carbon neutrality in the marine industry presents a very difficult challenge. In addition to our efforts to improve fuel efficiency with four-stroke engines, something we have been doing for quite some time now, it is also important that we move forward with electrification, use of carbon-neutral fuels, and improving efficiencies when traveling through the water.

This diagram maps out the optimal power sources based on a product's added value, power output, and cruising range.

We assume that electrics will only be usable up to a certain level of power output, but when higher output is required, we believe that approaches using hydrogen engines, fuel cells, synthetic fuels, and the like are more appropriate.


Thus, we feel a more multi-directional approach to carbon neutrality in the marine sector will be essential to achieving carbon neutrality.

Carbon Neutral Initiatives




Biofuels

- Derived from natural wastes such as plants
- Usable as a fossil fuel additive
- Demoed at the Miami Boat Show in 2023




Hydrogen engine

- Adapting proven internal combustion engine technology
- Engine from Japan + Boat from U.S.
- Exhibited at the Miami Boat Show in 2024




Biomass resin

- Start production of in 2022 of hatches made of 25% biomass-derived resin



Cellulose nanofiber-reinforced resins

- Plant-derived material developed jointly with Nippon Paper Industries
- Used in engine parts for persona watercraft and sport boats



Engine head cover made of cellulose nanofiber reinforced resin

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Here are some specific initiatives we are taking towards that goal.

In terms of technologies using new energy sources, we are developing biofuels and hydrogen engines.

With biofuels, we demoed their use at the Miami International Boat Show held in the U.S. last February and preparations for practical use are underway.

Hydrogen-powered engines make it possible to adapt all the internal combustion engine technologies that have been proven to date.

We are accelerating development in collaboration with our overseas bases and exhibited a prototype at this year's Miami International Boat Show.

We are also promoting a shift to using biomass resins and cellulose nanofibers for some of our products.

Biomass resins are a fiber-reinforced plastic made from plants and other renewable organic resources.

Starting in 2022, we have been using biomass resin for the lids of livewells and storage compartments on boat decks.

In addition, we are using a plant-derived cellulose nanofiber-reinforced resin developed together with Nippon Paper Industries Co., Ltd.

In addition to achieving a weight reduction of over 25% compared to existing resin materials, it also has excellent material recyclability, which leads to a reduction in the


amount of plastic used and greenhouse gas emissions, mainly CO₂.
We are starting to adopt this material for the engine head covers of 2024 model year personal watercraft and other products.

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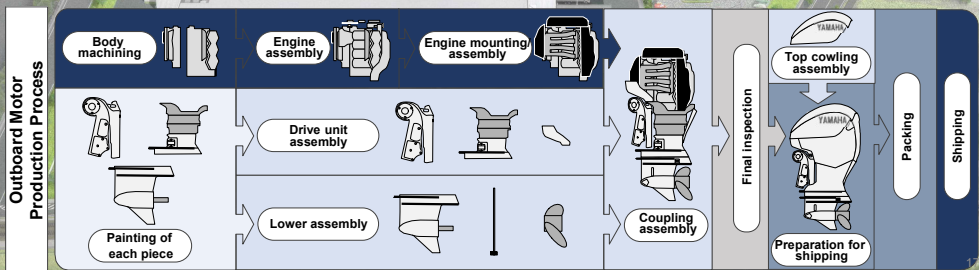
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Overview of Fukuroi South Factory



Name	Fukuroi South Factory, Yamaha Motor Co., Ltd.
Location	700 Niike, Fukuroi, Shizuoka, Japan
Size	Floor space: 118,000 m³, Extension bed: 37,600 m³ (Steel building frame, two floors in certain areas) * Reference: Tokyo Dome - 46,755 m ²
Representative	Yoshiaki Akahori, Senior General Manager of Manufacturing Section, Marine Business Operations
Start of operations	May 2008
Operations	Assembly, machining, painting, final inspections, and packaging of midrange to large outboard motor models
No. of employees	Approx. 850 (as of Jan. 2024) * Counting method differs from that of the Annual Securities Report





The diagram illustrates the production process for an outboard motor, starting with 'Body machining' and 'Painting of each piece', followed by 'Engine assembly', 'Drive unit assembly', 'Lower assembly', 'Engine mounting assembly', and 'Coupling assembly'. It then moves through 'Final inspection', 'Top cowling assembly', 'Preparation for shipping', 'Packing', and finally 'Shipping'.

Next, I'll provide an overview of the Fukuroi South Factory and our production processes.

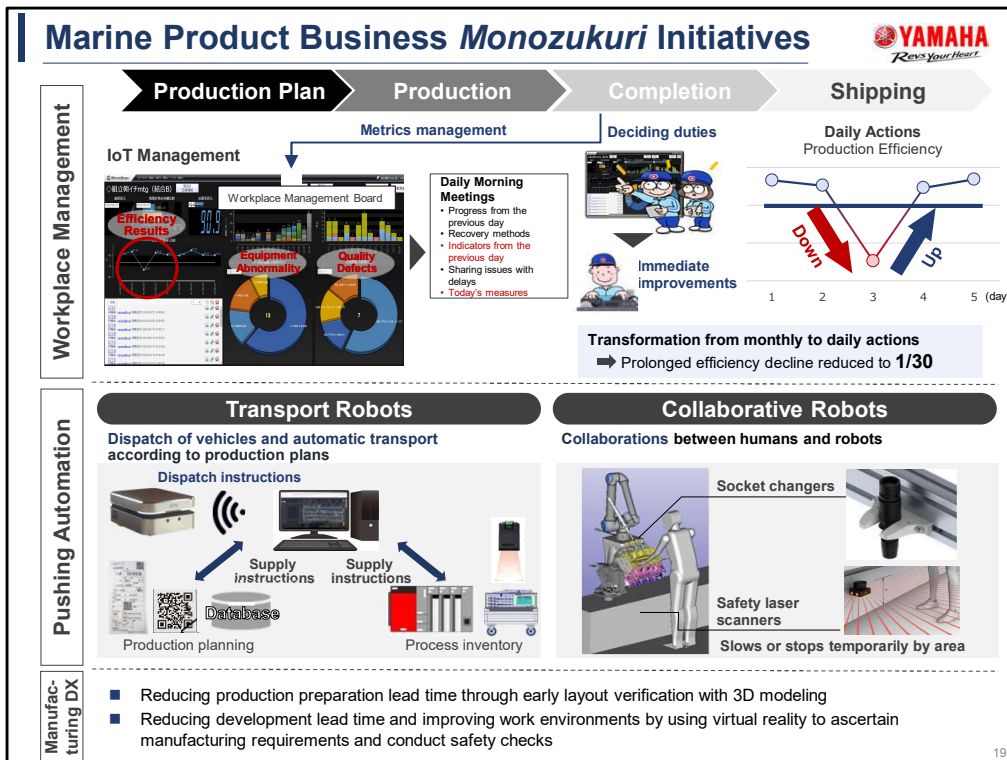
Fukuroi South Factory is our main manufacturing facility for mid- and large outboard models, and we conduct assembly, machining, painting, final inspections, and packaging processes here.

The factory grounds are about 2.5 times the size of the Tokyo Dome and some 850 employees work there.

Manufacturing Quality Policy: 1/1 Guarantee 	
 <p>Specially Crafted for Each Customer Each employee guarantees the quality of each process they are responsible for</p>	<p>Specially Crafted for Each Customer Fukuroi South Factory produces various outboard motor models and specs every day, but all of them are built with the attitude that each and every one is destined to add to the joys and livelihoods of our customers.</p>
	<p>Each employee guarantees the quality of each process they are responsible for Each employee at Fukuroi South Factory works with the belief that ensuring the precision of the process they alone are responsible for connects to Yamaha Motor's reputation for reliability.</p>

Our quality control for manufacturing marine engines is based on our 1/1 Guarantee of specially crafting each unit for each customer, building them with the attitude that each and every one is destined to add to the joys and livelihoods of our customers.

Further, each employee at Fukuroi South Factory works with the belief that ensuring the precision of the process they alone are responsible for connects to Yamaha Motor's global reputation for reliability.



This slide shows the Monozukuri initiatives the marine product business is undertaking.

In terms of the workplace management, introducing IoT tools for management duties has improved production efficiency.

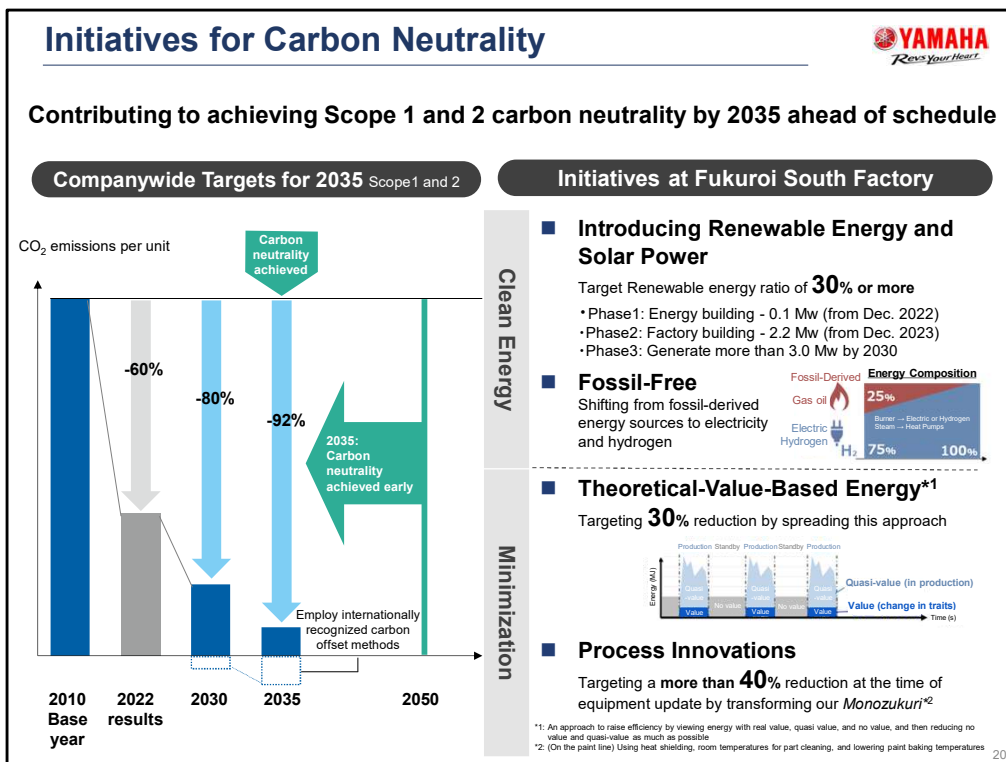
Using the workplace management board makes it possible to check production efficiency stats, equipment abnormalities, and quality defects on a daily basis, something that was only possible once a month before.

This in turn allows us to check for problems in advance and making improvements, which led to reducing production efficiency drops to just 1/30.

We are also pushing for greater automation.

By introducing transport robots, we can dispatch vehicles and automatically transport items according to production plans, and putting robots on factory lines enables us to manufacture products with greater efficiency and consistent quality.

Additionally, we are enhancing our marine product Monozukuri with manufacturing DX efforts, including early factory layout verification through 3D modeling and identifying manufacturing requirements and running safety checks in virtual reality environments.



To conclude, I'd like to introduce our initiatives for carbon neutrality.

We recently announced that we will move up our goal to reach Scope 1 and Scope 2 carbon neutrality to 2035 from 2050.

Fukuroi South Factory is contributing to achieving this goal by using clean energy while at the same time minimizing the energy it requires.

We are already introducing renewable energy and solar power at the factory and are moving toward our goal of a renewable energy ratio of at least 30% by 2030.

We are also switching away from fossil-based energy to fossil-free energy sources like electricity and hydrogen.

Regarding energy minimization, we are working to achieve a 30% reduction by spreading the use of our theoretical-value-based energy approach. In addition, by reviewing each process throughout the factory and promoting more efficient energy use, we are targeting a more than 40% reduction in energy use after the next equipment update period.

