YAMAHA

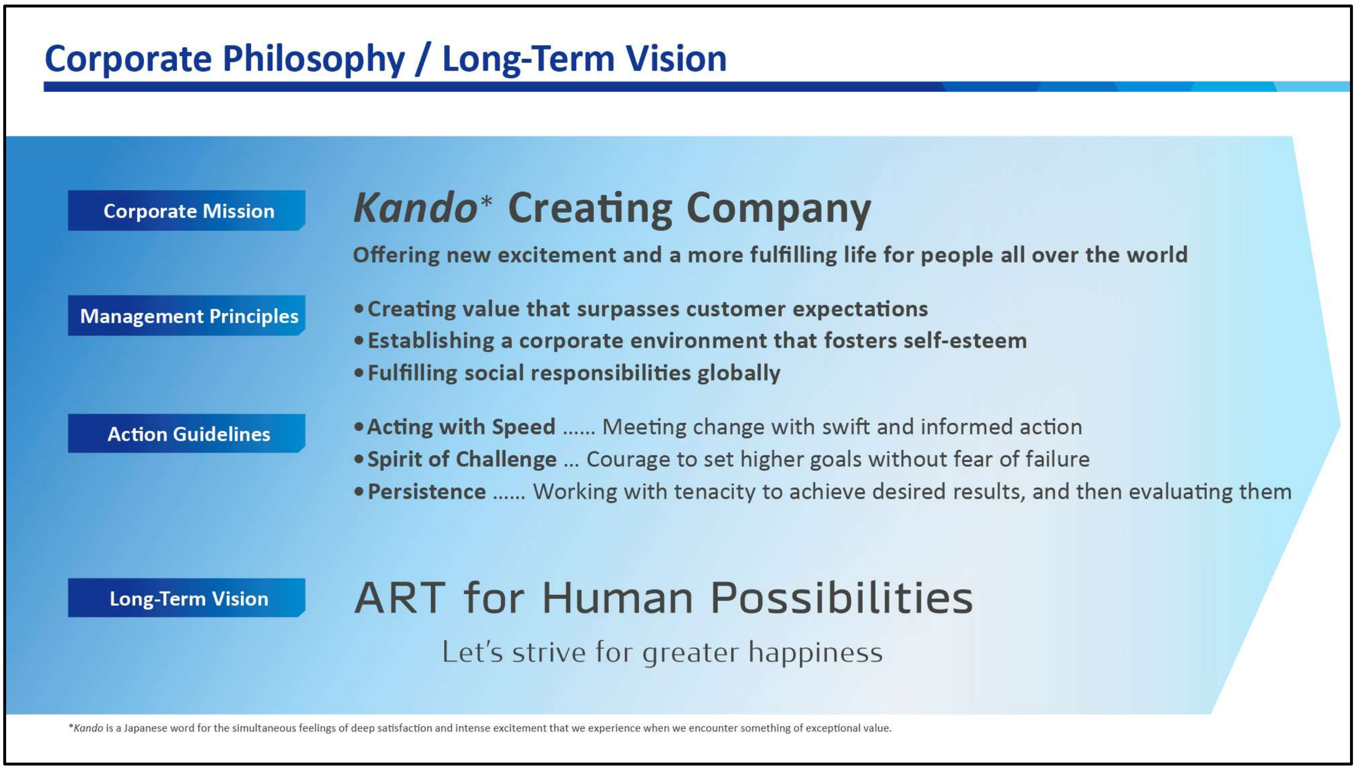
New Medium-Term Management Plan 2025–2027

Yamaha Motor Co., Ltd.
February 12, 2025

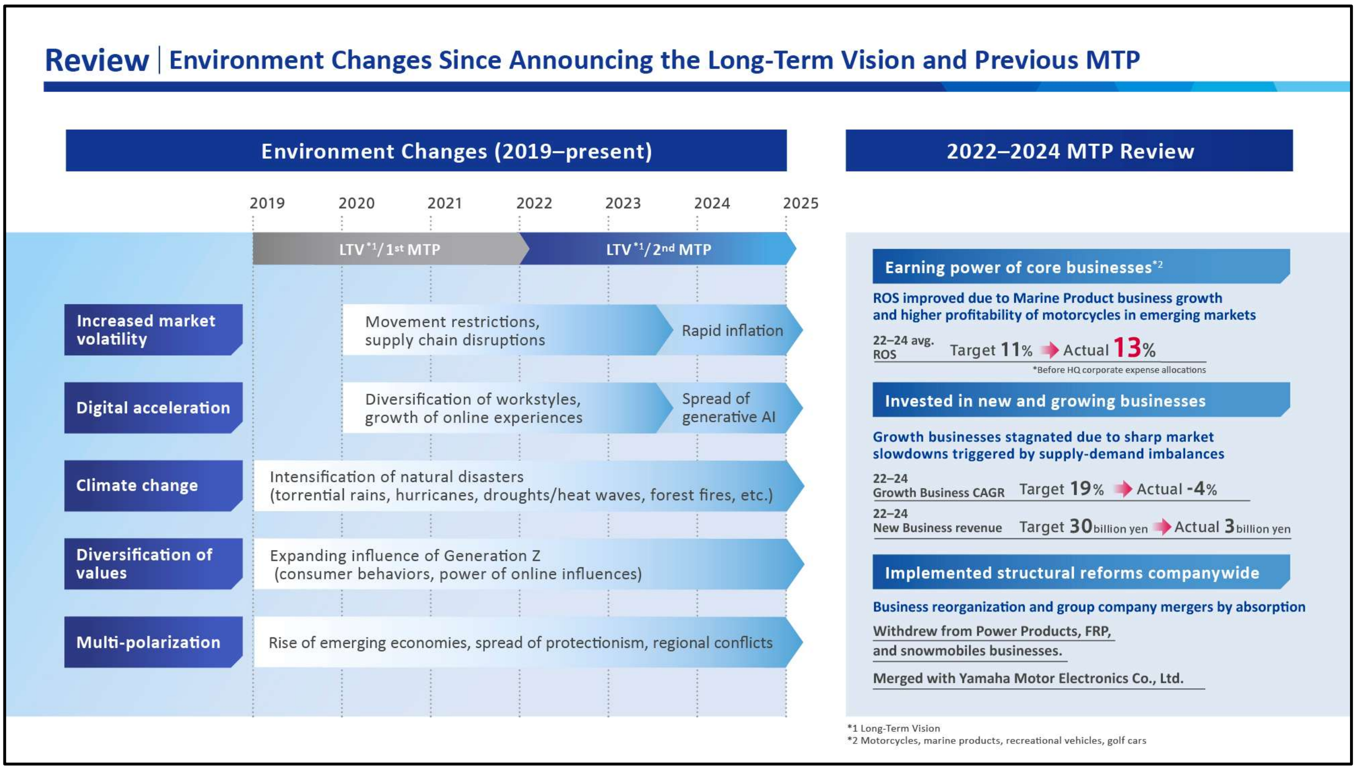
Hello, everyone. Today, we'll be introducing our new Medium-Term Management Plan for 2025 through 2027.

First, I'll give a general overview of the new MTP's basic policies, followed by an explanation of the strategies for each business and then our strategy for non-financials.

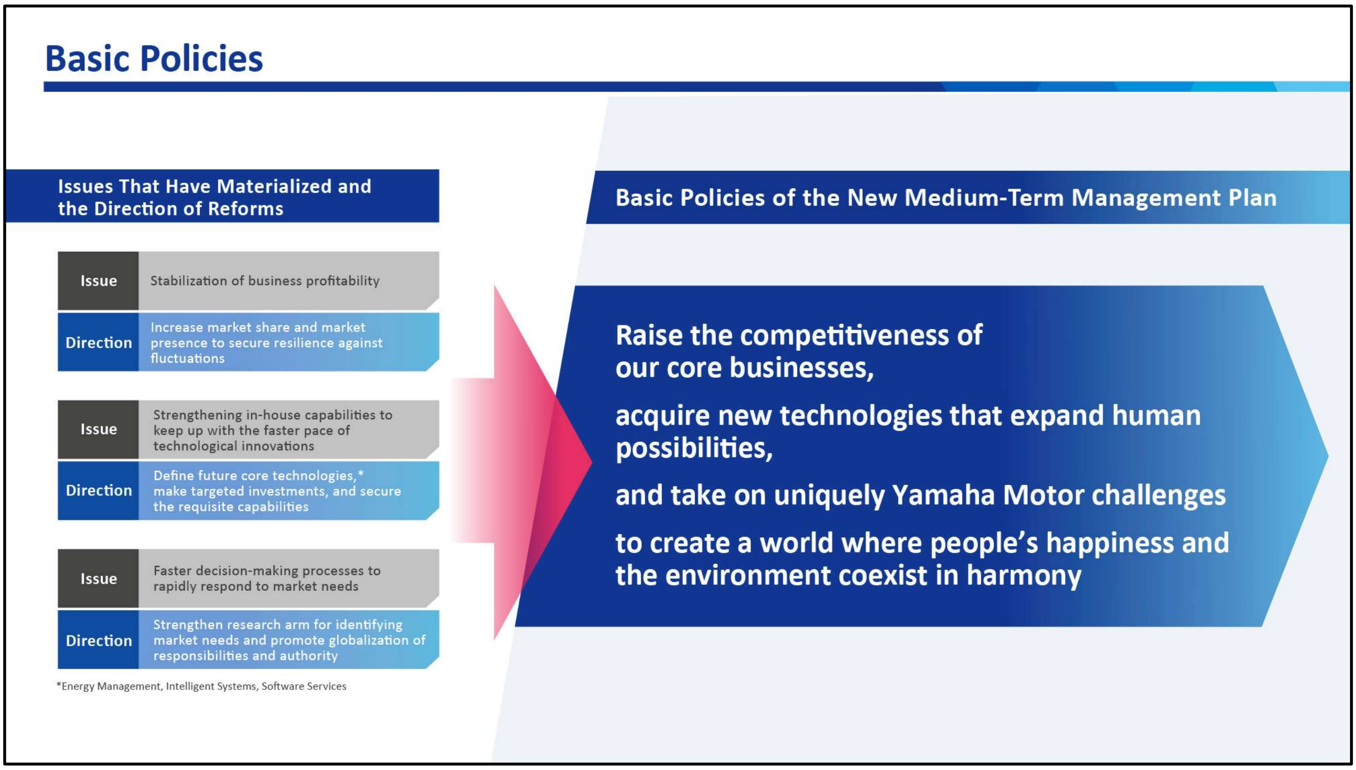
Yamaha Motor was founded in 1955 as a mobility manufacturer by Genichi Kawakami from his desire to make enjoying daily life commonplace.
Our efforts to do just that led to our subsequent growth as a company through the diversification of the business centered around outdoor recreation, challenging ourselves to push into global markets, creating new demand, and creating new value from a sustainability perspective.
Yamaha Motor also celebrates its 70th anniversary this year.
We will continue to grow as we offer products and services that enrich people's lives and spirits as the *Kando* Creating Company.



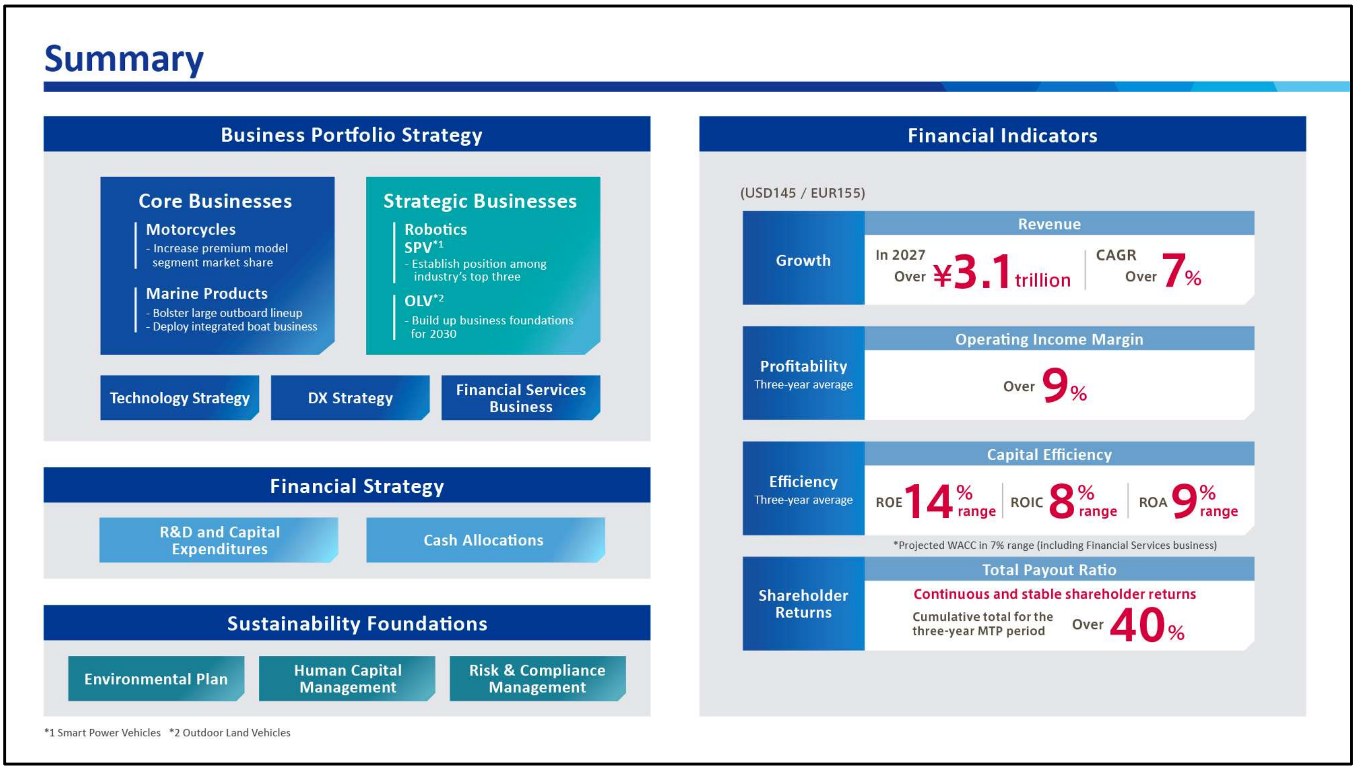
Our Corporate Mission is to be a *Kando* Creating Company and we carry out our business activities based on our long-standing Management Principles and Action Guidelines
In 2018, we announced "ART for Human Possibilities: Let's strive for greater happiness" as our Long-Term Vision for 2030.
This new MTP comes at the beginning of the six-year half remaining in our Long-Term Vision.



Here, I'd like to take a look back at the changes in the business environment since we announced our Long-Term Vision in 2018, and also review our previous MTP.
Over the past six years, which included the COVID-19 pandemic, our business environment has experienced significant changes.
The main changes affecting our business operations are increased market volatility, accelerating digitalization, the worsening effects of climate change, diversifying values, and increasing multi-polarization on a national and regional level.
Against this backdrop, in our previous MTP, we implemented portfolio management.
For our core businesses, the return on sales, or ROS, was 13%, exceeding the target of 11%.
That was mostly thanks to growth in the highly profitable Marine Product business and higher profitability in emerging motorcycle markets.
With our new and growing businesses, we were unable to reach our compound annual growth rate growth target amidst the fluctuating demand.
Regarding our companywide structural reforms, over the past three years, we have withdrawn from certain businesses and merged or absorbed group companies, steadily implementing the structural reforms we originally planned.

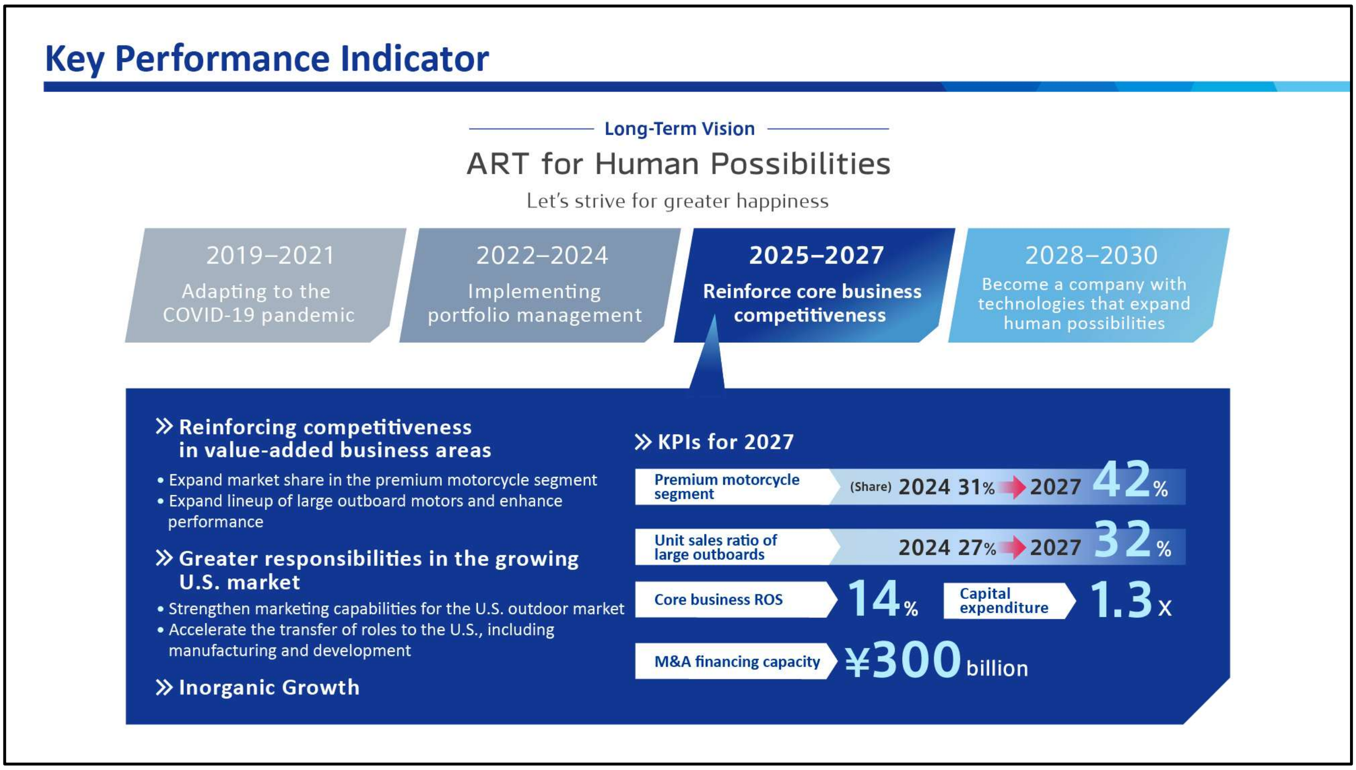


Next, I'd like to talk about the basic policies of our new MTP.
In establishing these policies, we singled out three prime issues and directions.
The first is stabilizing the profitability of our businesses. To enhance our resilience against market fluctuations, we will strengthen our competitiveness and grow our market presence.
The second is addressing technological innovation.
The pace of technological advances is rising, and it is essential that we constantly take on new challenges to raise our own competitiveness.
We will therefore make investments toward acquiring new technologies.
The third is the speed of our responses to market needs.
For us to respond to customer needs that vary by country and region, as well as to meet environmental and regulatory requirements, we will bolster our research capabilities for discovering needs in locations closer to the market.
Further, we will work to globalize the delegation of responsibilities and authority to enable faster responses.
The basic policy encompassing all of these for our new MTP is as follows: Raise the competitiveness of our core businesses, acquire new technologies that expand human possibilities, and take on uniquely Yamaha Motor's challenges to create a world where people's happiness and the environment coexist in harmony.

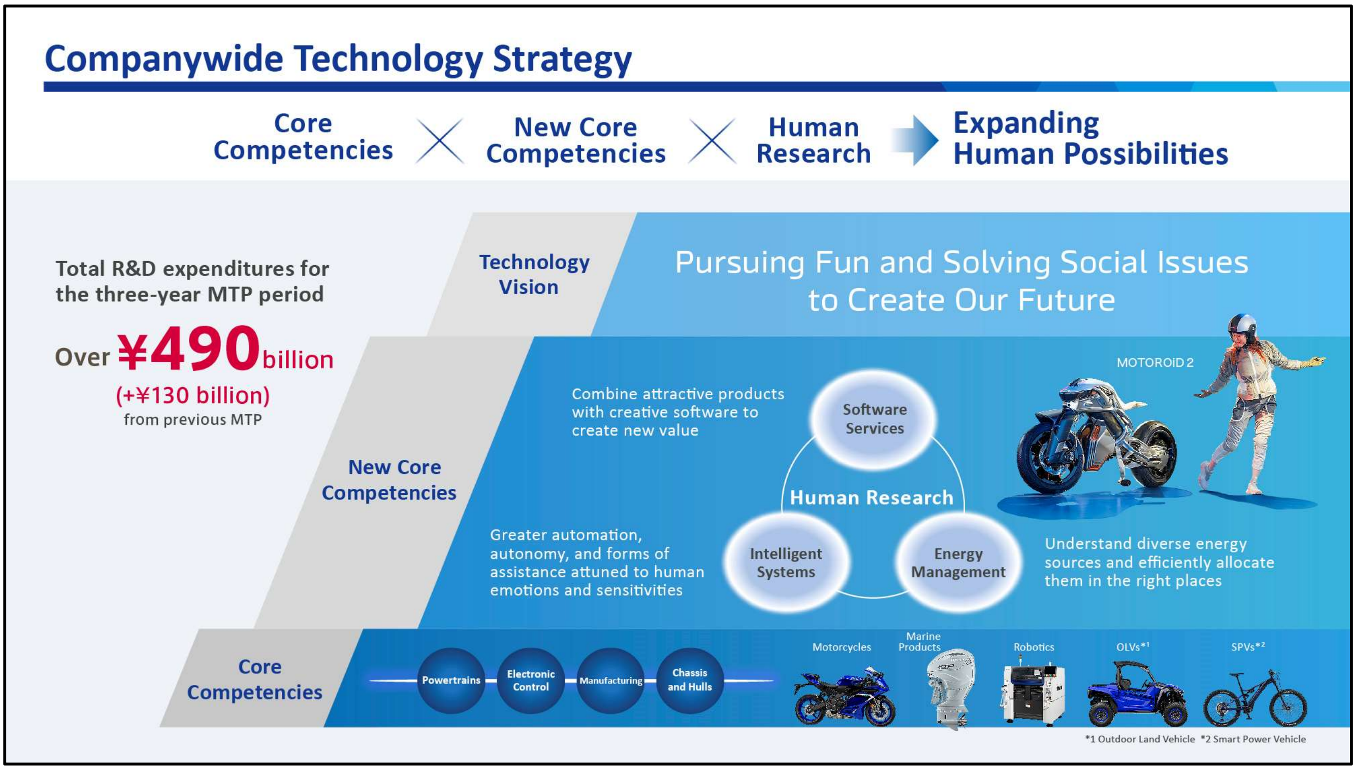


Before getting into the details, I'd like to provide a general overview of the new MTP.
We will focus on our core businesses and strategic businesses as our primary business portfolio strategy.
The Growth Businesses and Structural Reforms quadrants we established in the previous MTP will be eliminated. The Robotics business, Smart Power Vehicle business, and newly established Outdoor Land Vehicle, or OLV, business, which combines the recreational vehicle and golf car businesses together, will be our three strategic businesses.
Under these are our Technology Strategy, DX Strategy, and Financial Services business, all of which will strengthen the competitiveness of our core and strategic businesses and connect us to our next stage of growth.
Our financial strategy points the way to how we will allocate resources to these businesses and functions. Finally, our sustainability foundations will be what supports all of these efforts and ensures we carry out sustainable management practices. It is comprised of policies pertaining to the environment, human capital, and risk compliance.

On the right are the financial indicators for the new MTP.
In terms of revenue, we aim to achieve over 7% in annual growth rate, reaching more than 3.1 trillion yen by 2027.
The target ROS is a three-year average of over 9%.
In addition, we're aiming for an ROE of 14%, ROIC of 8%, and ROA of 9%, with the goal of continuously generating returns exceeding the cost of capital.
For shareholder returns, we will pay continuous and stable dividends while taking into consideration the outlook for business performance and investments for growth.
We will also distribute returns to shareholders in a flexible way based on the scale of our cash flows, with a target total payout ratio of over 40% for the cumulative period of the new MTP.



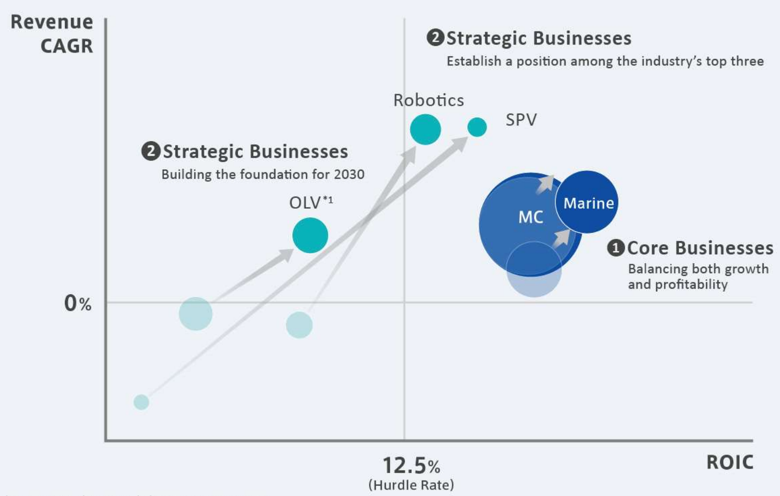
These are the main initiatives we will focus on with the new MTP, along with their KPIs.
With this new plan, we will reinforce the competitiveness of our core businesses.
These businesses exceeded the ROS target we set in the previous MTP, but external factors like foreign exchange rates served as tailwinds for those results.
Going forward, for our core businesses to continue growing and turning a profit, it is important that we quickly understand market needs, refine our technologies, and enhance the appeal of our products.
In the motorcycle business, we will continue striving to expand our market share in the premium model segment, particularly in the ASEAN region and in emerging markets.
In the Marine Products business, we will strengthen our lineup of large outboards of 150 hp or more.
In line with this, we will also augment our production capacity toward increasing the sales ratio of large outboards.
The three-year average ROS target for our core businesses is 14%.
We expect the U.S. market to keep growing from here onward, and a culture in which about half of the total population enjoys outdoor recreation has taken root.
For Yamaha motor, which was founded on the very idea of making enjoying daily life commonplace, we believe the American market holds massive potential.
We will strengthen our marketing efforts there while also accelerating the localization of more roles in the country, including product development and manufacturing.
We expect capital investment for the entire global market to be 1.3 times that of the previous MTP.
During the new MTP, we will continue to view inorganic growth as essential, and just as we have in the past, we are preparing the funds to enable large-scale M&As.



Next, I want to go over our companywide technology strategy aimed at achieving the new MTP. Until now, we have been creating *Kando* by developing a diverse range of products centered on four core competencies: powertrains, electronic control, manufacturing, and chassis and hulls.
However, in order to respond to recent rapid technological innovations, the diversification of peoples' values, and the proliferation of digital products, we need to acquire new core technologies. At Yamaha Motor, have defined software services, intelligent systems, and energy management as our three new core competencies.
We will develop and deploy products and services that expand human possibilities by combining these three with the human research we have conducted to date under our unique *Jin-Ki Kanno* development philosophy and with our mainstay core competencies.
Our Technology Vision is "Pursuing Fun and Solving Social Issues to Create Our Future."
To realize this vision, during the new MTP, we will work to strengthen our new core competencies. Total R&D expenditures for the period, including for our current core competencies, will be raised by 130 billion yen over the previous MTP to 490 billion yen.

Business Portfolio Direction

Quickly identify changes in the business environment and flexibly adjust portfolio strategy.
Aim for ROIC of 12.5% or higher in all businesses.



*Business ROIC does not include HQ corporate expenses
*Business hurdle rate set at 12.5% to account for the impact of the Financial Services business and HQ corporate expenses

❶ Core Businesses

Motorcycle and Marine Product Businesses

Balancing both growth and profitability

Reinvest business profits into product development and facilities to secure high market share in focus areas, balancing both growth and profitability.

❷ Strategic Businesses

Robotics and SPV Businesses

Establish a position among the industry's top three

Establish a position among the industry's top three players in these long-term growth markets. Explore M&As and other opportunities as first steps to that end.

OLV*1 Business

Building the foundation for 2030

Have the increasingly crucial North American market play a part in our integration strategy. Assess possible investments to gain a greater foothold in the growing ROV*2 and LSM*3 markets within the MTP period.

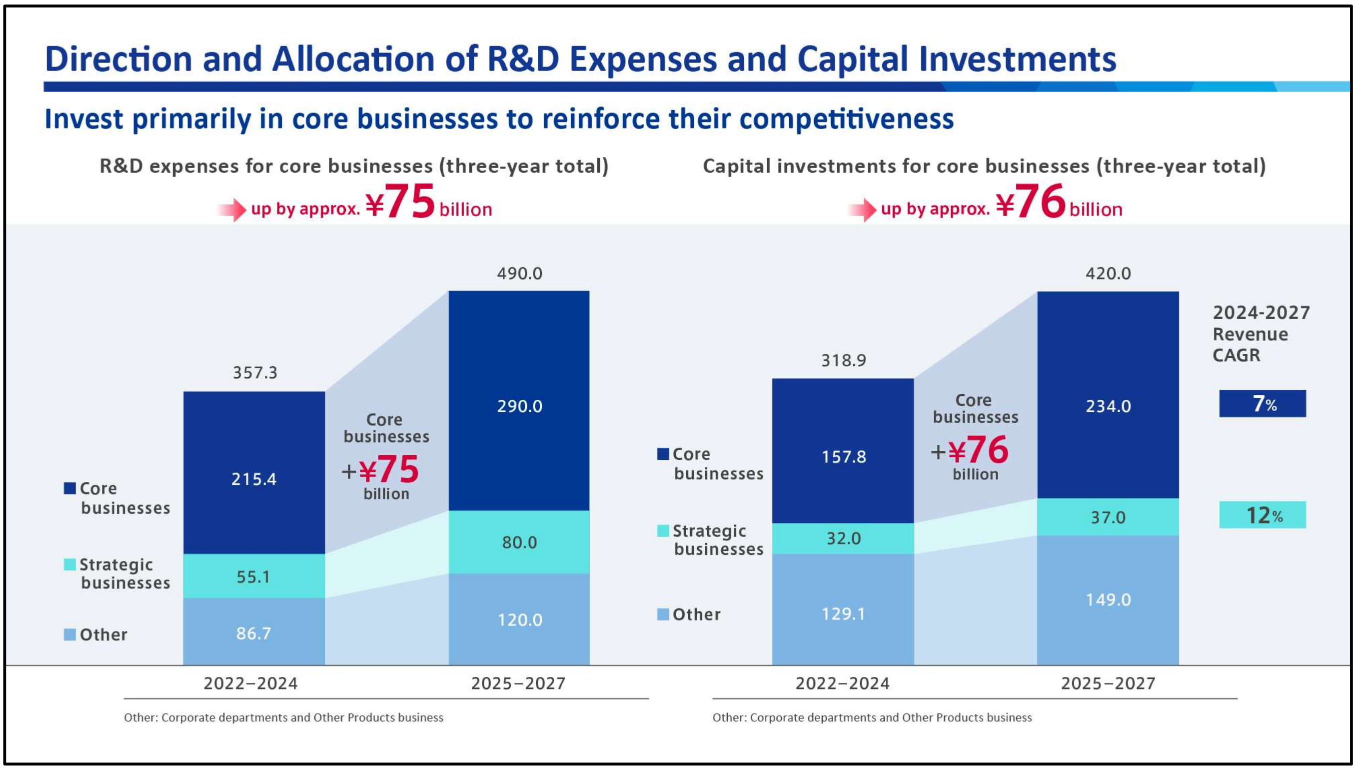
❸ New Businesses

Set areas to aim for business expansion and areas to take careful measure of and conduct portfolio revisions within the new business framework.

Focus areas: Agriculture, mobility services, low-speed automated vehicles

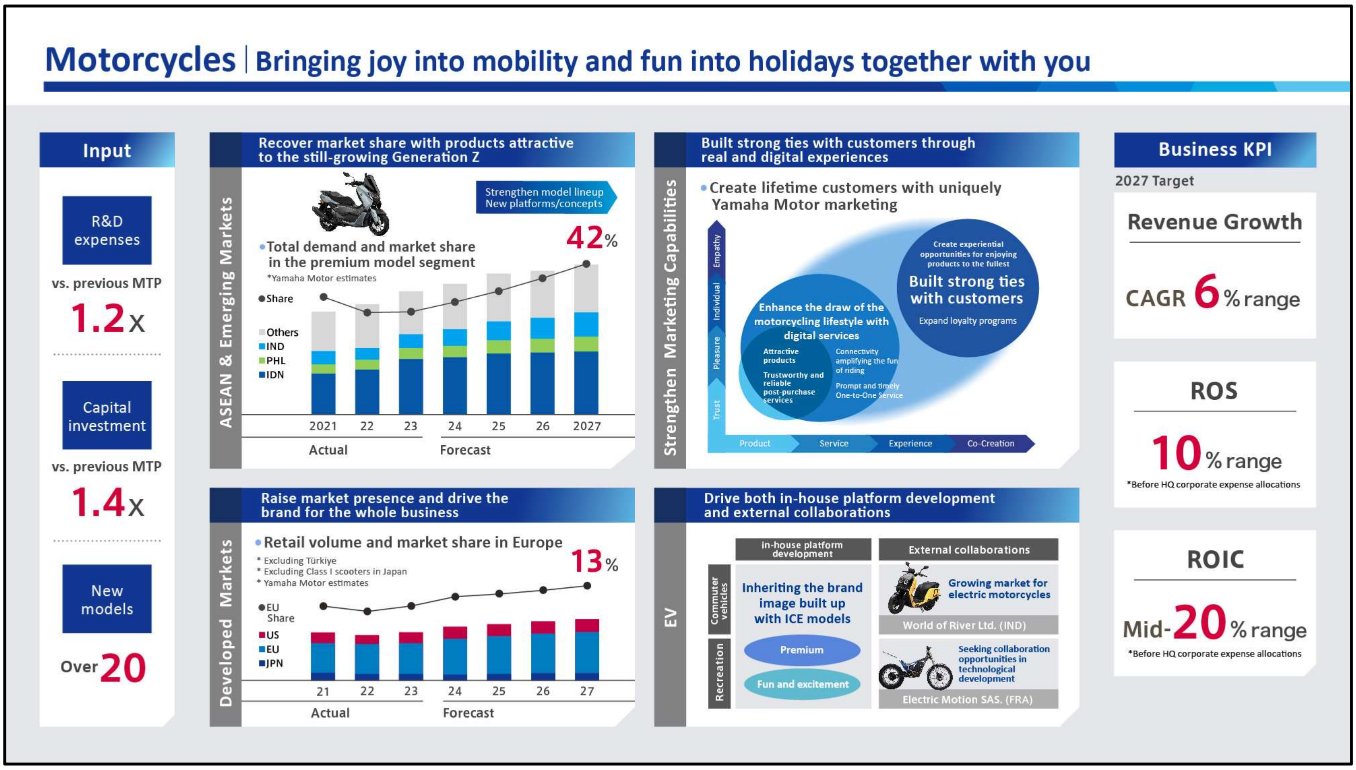
*1 Outdoor Land Vehicle *2 Recreational Off-highway Vehicle
*3 Low-Speed Mobility

I'll now explain the direction of our business portfolio for our new MTP.
Yamaha Motor manages its portfolio with compound annual growth rate for revenue and return on invest capital, or ROIC.
Please note that corporate expenses are not included in the business ROIC.
Therefore, the hurdle rate is set at 12.5% to account for the Financial Services business and said corporate expenses.
In the future, we aim to have all of our businesses surpassing this rate.
For our core businesses of motorcycles and marine products, we will conduct targeted investments and offer attractive products and services to secure both growth and profitability.
In our strategic businesses of Robotics and Smart Power Vehicles, the slow recovery of demand made 2024 a difficult year in terms of results.
Still, these markets have excellent potential for medium- to long-term growth. We will keep the use of M&As in our sights and establish ourselves as one of the industry's top three players.
We project the ROIC for the Outdoor Land Vehicle business to still be below the hurdle rate even in 2027. However, the outdoor recreation market in North America has enormous potential, so we will move forward with building foundations and aim to improve our rate of growth and ROIC, with 2030 as the target year.
As for our new businesses, we will take careful measure of what businesses have the potential for expansion and focus on building up our enterprises in agriculture, mobility services, and low-speed vehicles.

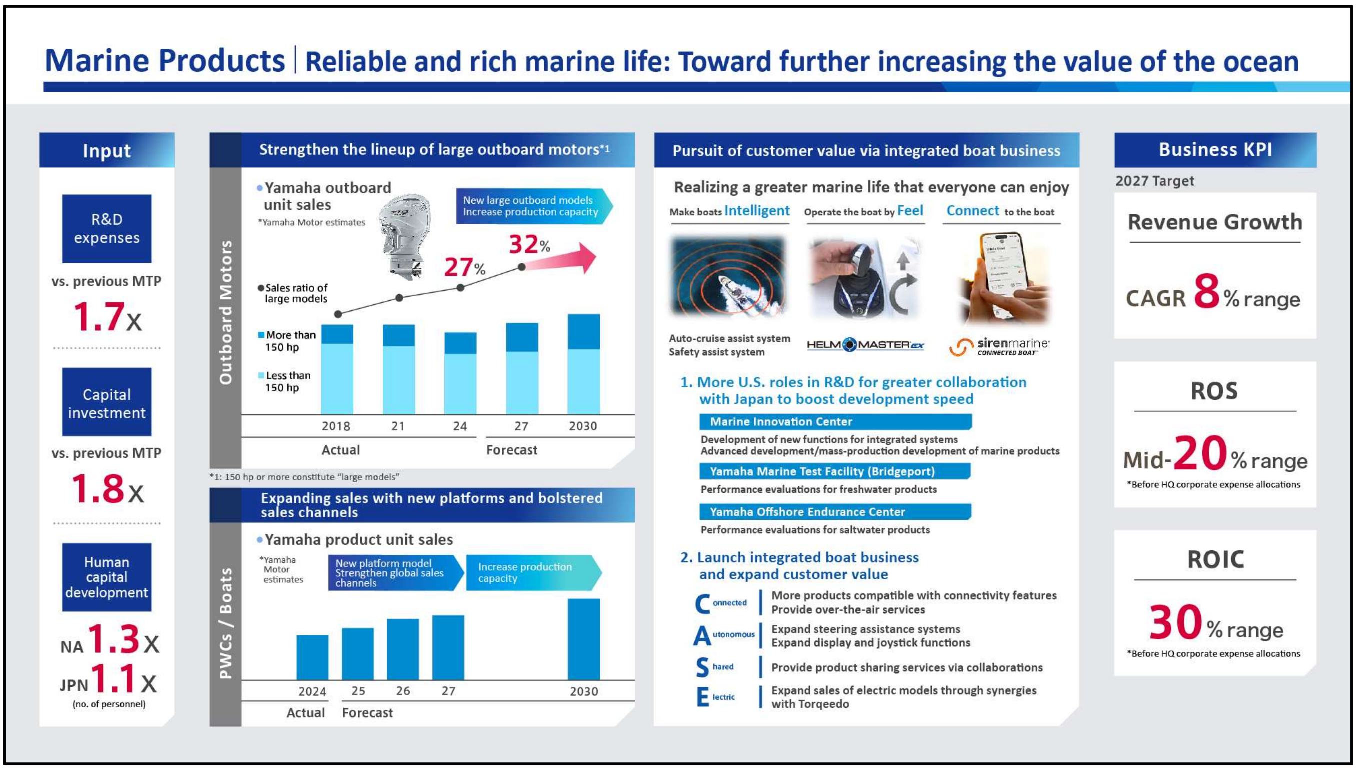


Next, I will explain how we will allocate our management resources.
For the new MTP, we will up investments with an eye on 2030 with the focus being on bolstering our production capabilities and developing new models in our core motorcycle and marine product businesses.
We will allocate an additional 75 billion yen more than the previous MTP to R&D expenses for those core businesses, totaling 290 billion yen over the full three years.
For capital investment for our core businesses, we will dedicate an additional 76 billion yen over the last MTP for a total of 234 billion yen.

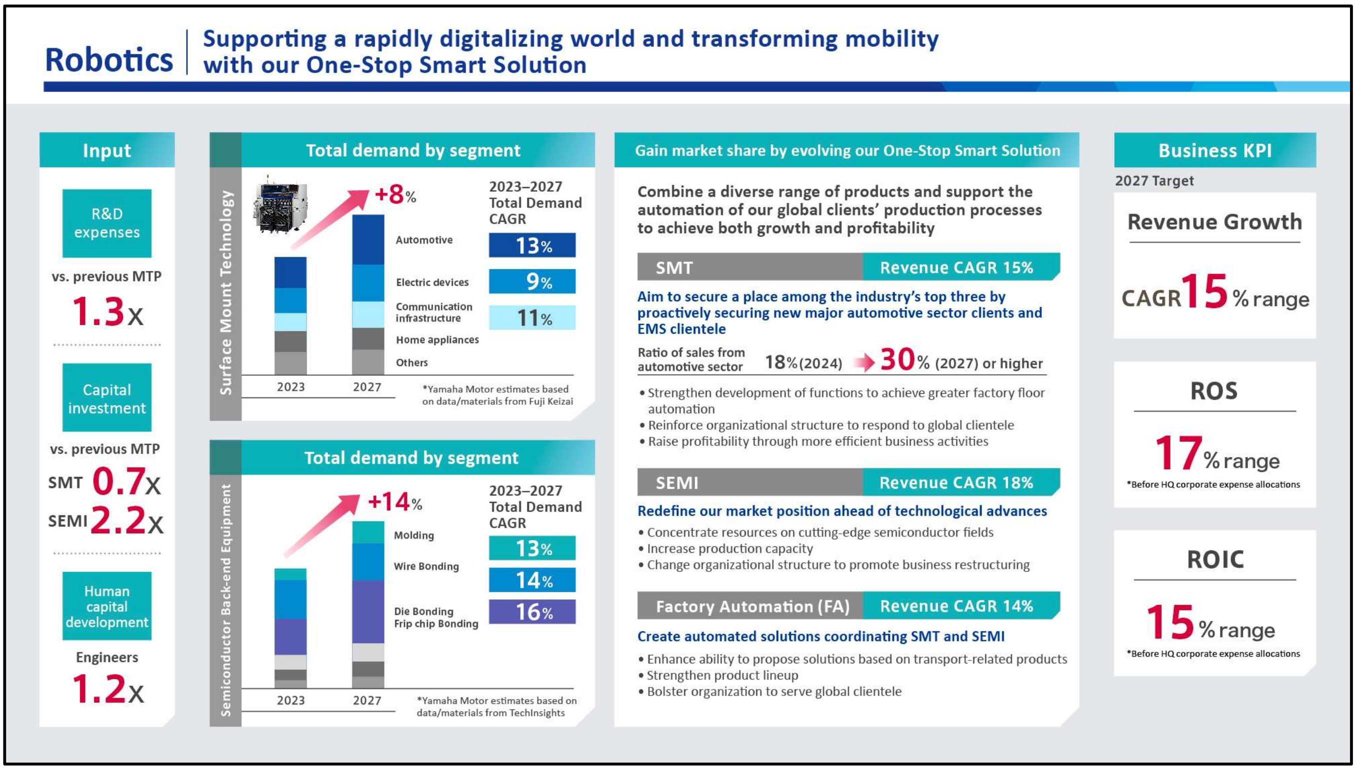
Next, I will cover the strategies for each of our businesses.



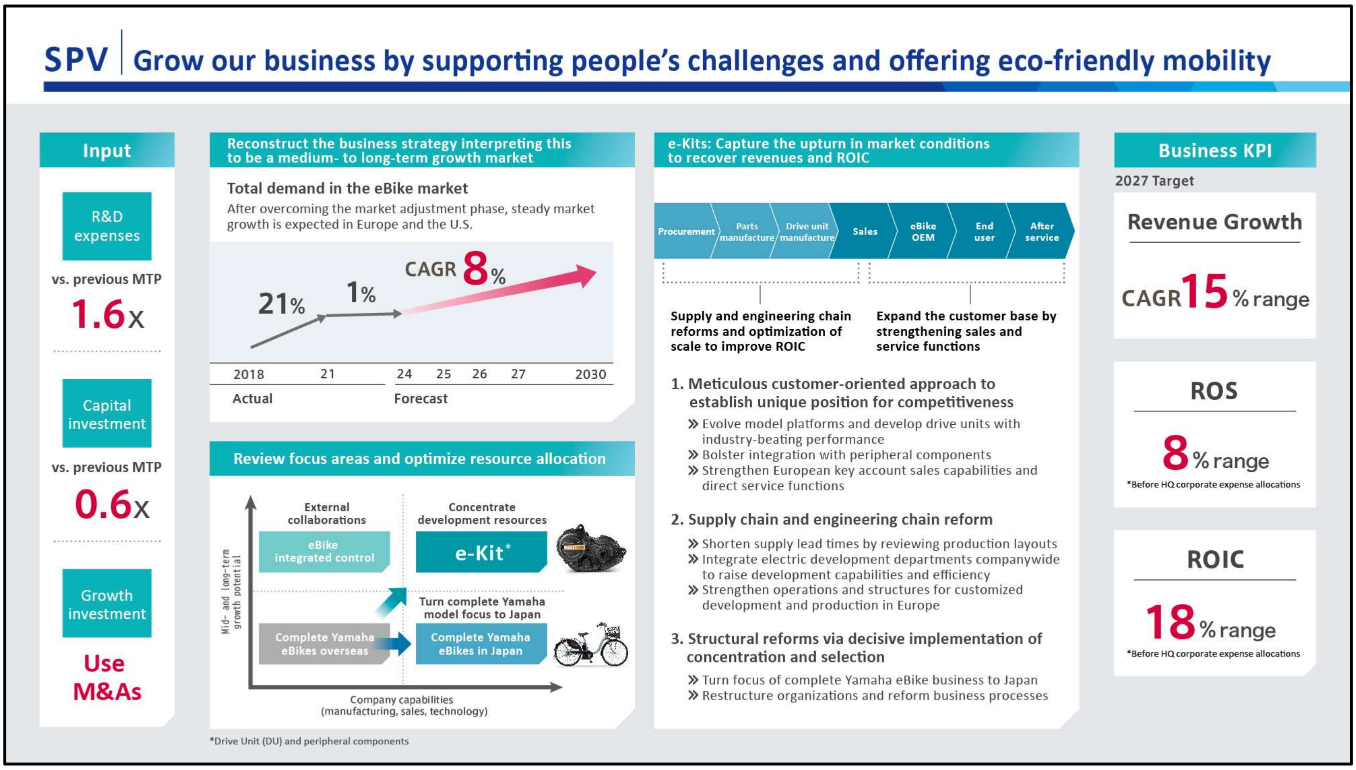
Next, I'll go over our core business of motorcycles.
The motorcycle business is seeking to bring joy into mobility and fun into holidays together with our stakeholders, and for the new MTP, we will be working to deploy an attractive model lineup and strengthen user services that leverage digital technologies. Regarding investments for the business, we will up R&D spending and capital investment by 1.2 and 1.4 times that of the previous MTP, respectively. We will also bring full model updates to over 20 models. For ASEAN and emerging markets, we have been focusing on a premium model segment strategy for some time now and will further strengthen our efforts here. Also, in order to recover as well as further grow our market share, which declined amid the chaos of the COVID-19 pandemic, we will gradually introduce to the market models incorporating new platforms and concepts. What drives the brand power of Yamaha Motor's motorcycle business is developed markets. We will offer products and services that bring joy into mobility and fun into the holidays, and work to raise our market presence.
To bolster our marketing capabilities, we will set ourselves apart by co-creating together with our stakeholders. In order to build strong ties with each and every customer, we will offer opportunities to enjoy our products to the fullest, high-quality service, and other real-world experiences paired with digital technologies. As for electric vehicles, we will drive both in-house platform development and external collaborations.
In developing our own platforms, we will move forward ensuring our projects carry on the brand image Yamaha has built up to date. For external collaborations, we will explore possibilities to work on co-developing technologies with startups.
Lastly, our KPIs for the business by 2027 are a CAGR in the 6% range, ROS in the 10% range, and an ROIC in the mid-20% range.



Next is our Marine Products business.
The business' Long-Term Vision is a "Reliable and rich marine life: Toward further increasing the value of the ocean" and we are working to address issues in the marine space. During the new MTP, we will strengthen our lineup of large outboards and push forward with our integrated boat business in pursuit of greater value for our customers. In terms of business investment, we will spend 1.7 times the previous MTP on R&D and 1.8 times more on facilities and equipment. Further, with the greater roles our U.S. operation will play, we will also be building up our human resources.With outboard motors, the market for premium large outboards is expected to keep seeing higher demand and we will train our focus on this segment by introducing new models, boosting production capacity, and increasing the ratio large outboards make up in our overall sales. We are also seeing more diversifying uses with personal watercraft. We view this shift as offering new chances for business and will be introducing models using new platforms. Additionally, we will increase our production capacity and strengthen our global sales channels in order to expand our sales scale towards 2030. In the integrated boat business, we will continue building on the CASE strategy we have in place so that anybody can enjoy a rich marine life. To make that happen, we will transition more of our R&D roles and responsibilities to the U.S., our largest market, and have our Japanese and American operations work in close collaboration to accelerate development. We will aim to increase value for customers by making a wide variety of boating experiences possible, such as introducing next-generation assistive boat control systems for auto-cruising and boat safety, leveraging connected technologies, providing boat-sharing platforms, and expanding our sales of electric outboards.
The KPIs for the business by 2027 are a CAGR in the 8% range, ROS in the mid-20% range, and ROIC in the 30% range.



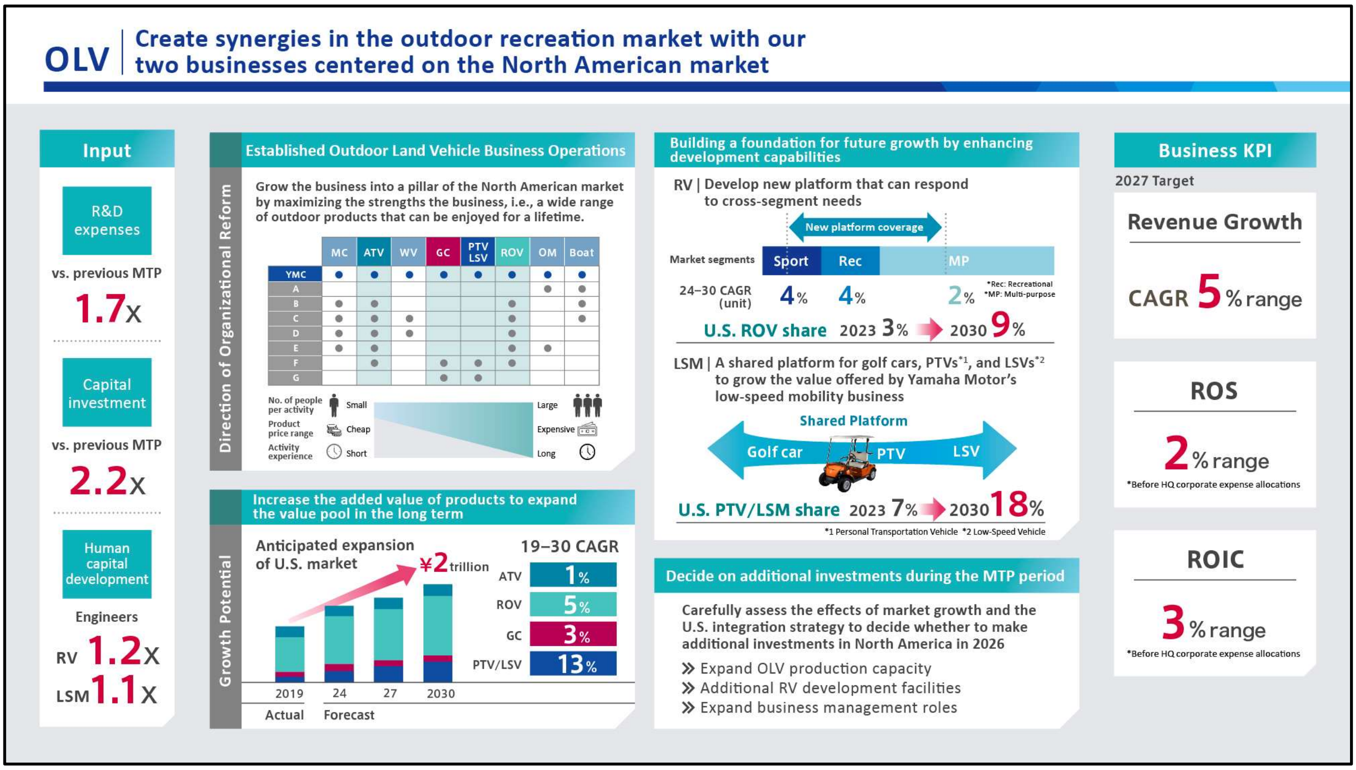
Next, I will cover the Robotics business.
This business will strive to achieve both growth and profitability by supporting a rapidly digitalizing world and transforming mobility with our One-Stop Smart Solution.
We will also invest 1.3 times more into R&D than we did in the last MTP. For capital investment, we completed our work to augment production capacity for our surface mounter and factory automation businesses last year. This is why for this new MTP, we will allocate 2.2 times the funding to the semiconductor back-end equipment business. We will build up our human resources by hiring 1.2 times more engineers. In the surface mount technology business, we aim to take a place among the industry's top three players and expect the market for automotive applications in particular to grow. We will also strengthen not only our product development efforts but also our sales and service operations in order to proactively secure new major automotive sector clients and EMS clientele. We project the ratio of automotive sector sales to surpass 30% by 2027. The semiconductor back-end equipment business will be what drives the Robotics business' overall growth. By concentrating our management resources on cutting-edge semiconductor fields and getting ahead of technological advances in the industry, we will strive to redefine our market position. In the factory automation business, we will offer automated solutions featuring greater integration with other products offered by the Robotics business.
Lastly, the KPIs for the Robotics business are to have by 2027 a CAGR in the 15% range, ROS in the 17% range, and ROIC in the 15% range.



I'll now get into our Smart Power Vehicles.

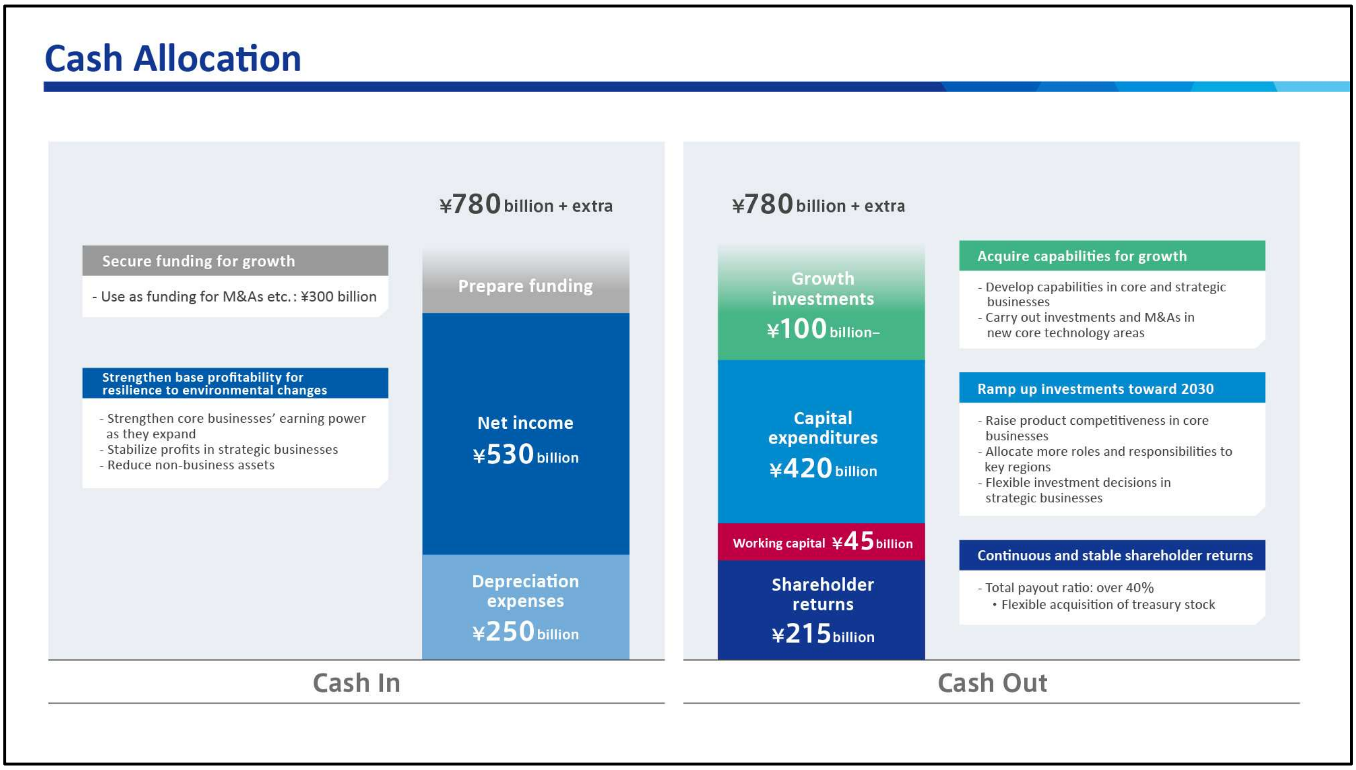
The SPV business was bogged down due to having to make market adjustments and performance suffered, but we will take advantage of the upturn in market conditions to stage a recovery of our revenues and ROIC. We expect the market to grow by 8% every year over the medium to long term. During this new MTP, we will review our business for selling complete Yamaha eBike models overseas, something we have been focusing on for some time, and focus the business again on our e-Kits and Yamaha eBikes for the Japanese market. We will dedicate 1.6 times more funding to R&D than we did in the previous MTP. Since we already have sufficient production capacity, capital investment for the SPV business will be 0.6 times that of the last MTP. For the e-Kit business, we will adopt a meticulously customer-oriented approach in order to win the trust of OEM clients. Specifically, we will develop the industry's best-performing drive units and systems integrating with peripheral components. Also, we will strengthen our key account sales capabilities and expand direct service functions. To accelerate these business reforms, we will review and reform our supply chain and engineering chain to reduce supply lead times and raise development speed in order to rapidly respond to the needs of clients. Furthermore, to bolster these capabilities of the business, we will also employ M&As.

The business KPIs for the SPV business are to have by 2027 a CAGR in the 15% range, ROS in the 8% range, and ROIC in the 18% range.



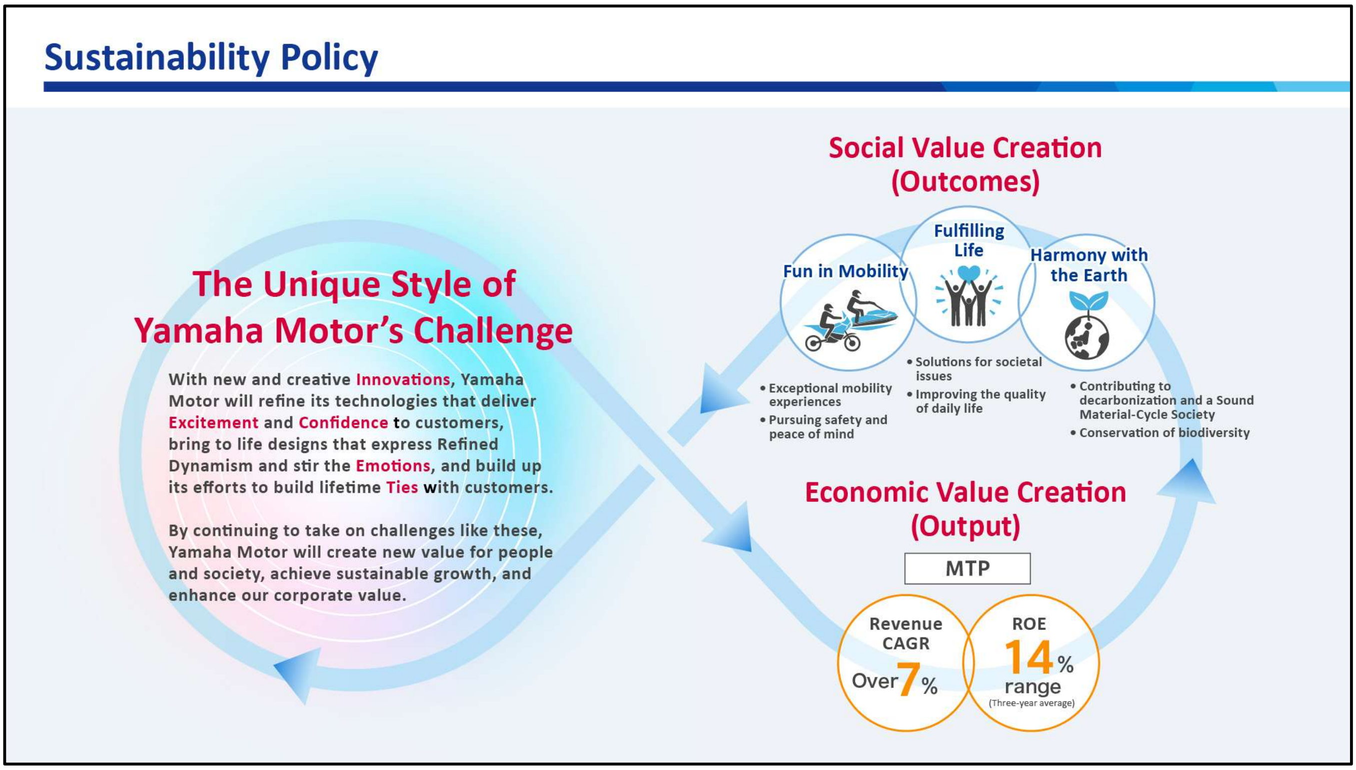
Finally, I'll go over the Outdoor Land Vehicle business.
Among the many companies around the world in the powersports and personal mobility industry, Yamaha Motor is the only brand that offers outdoor recreation products spanning the water to the land that customers can enjoy for a lifetime. We newly established the OLV business believing that the wide variety of products born from the wish of our founder, Genichi Kawakami, to make enjoying daily life commonplace would produce greater synergy that would be a unique strength for the company, especially in the North American market where growth continues. In terms of the market scale, added value has increased and we expect the market to expand in the long term. To capture this market growth, we will allocate 1.7 times more in R&D expenses than the last MTP and up capital investment by 2.2 times. We will also bolster our human capital by increasing the number of engineers in the RV business by 1.2 times and by 1.1 times for the Low-Speed Mobility business. In both the RV and LSM businesses, we will develop a new platform that meets cross-segment needs, and aim for a market share in the United States of 9% for ROVs and 18% for low-speed vehicles used outside golf courses by 2030. As for the business' KPIs, 2027 will still be before the effects of launching these platform models manifests. Accordingly, we have set a CAGR in the 5% range, ROS in the 2% range, and ROIC in the 3% range. Going forward, we will carefully assess the effects of market growth and the effectiveness of our integration strategy in the United States, and decide whether or not to make additional investments in fiscal 2026.

To outline our financial strategy, I will explain how we will allocate cash.



For this new MTP, we will ramp up capital investment to build the foundations for business growth toward 2030 and promote digital transformation.
Also, to secure the in-house capabilities required to grow our businesses, we will look for M&A opportunities. For large-scale projects in particular, we will make effective use of external financing in addition to our own funds.
As for shareholder returns, based on our shareholder return policy, we will secure the necessary 215 billion yen in cash, considering acquisition of treasury stock as one option to that end.

Next is how management will contribute to creating a more sustainable world.



First, I will outline management's approach to sustainability and then explain how it factors into environmental planning, human capital, and risk and compliance.
We will continue taking on challenges in our unique style as we always have been.
This will create new value for fun in mobility, fulfilling lives, and harmony with the Earth in order to achieve sustainable growth and enhance our corporate value.

Let me now explain our environmental plan. For us to exist in harmony with the planet, our plan is composed of three pillars: Climate Change, a Circular Economy, and Biodiversity.

With Climate Change, we are working on reducing our greenhouse gas emissions. Regarding Scope 1 and Scope 2 emissions, we will introduce more renewable energy sources, switch to alternative fuels, reform processes and more as we aim to not only achieve a 74% reduction in 2027 compared to 2010 but also become carbon-neutral by 2035.

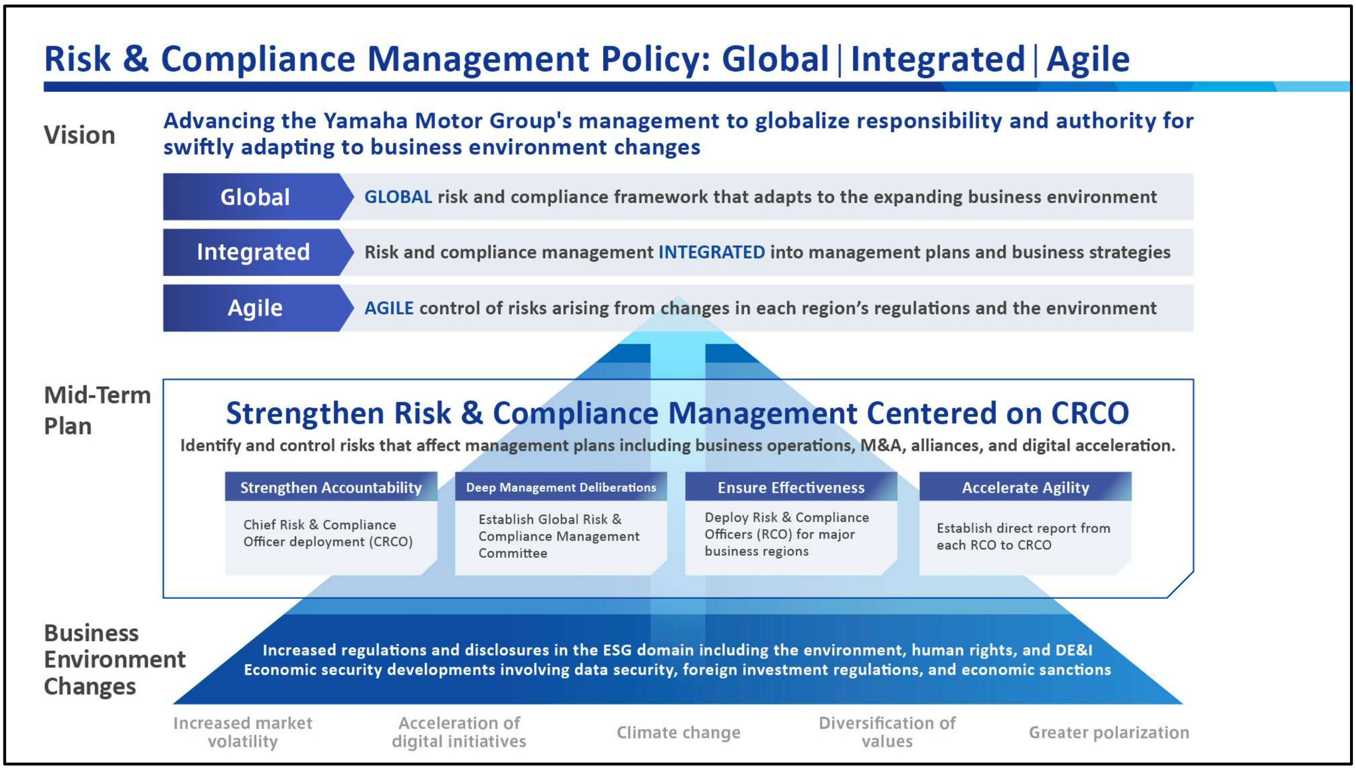
Also, with Scope 3 Category 11 emissions, which is the use of sold products, we will move forward with a multi-pathway policy to reduce these emissions that includes the development of high-efficiency powertrains in-house and forming alliances and conducting M&As to gain external assets and knowledge.

With the Circular Economy, we are aiming to be using 100% sustainable raw materials by 2050, and during this new MTP, we will raise the percentage from today’s 14% to 18%.

Lastly, for Biodiversity, we will harness the power of nature to solve issues in ways that benefit both people and ecosystems, and do our utmost to preserve the environment.

We will also continue to invest in new technologies and businesses by leveraging the sustainability fund from our corporate venture capital subsidiary established in Silicon Valley.

Next, I will explain our human capital management policy.
For us to create new value, each and every employee needs to be able to set and take on lofty goals without fear of failure and achieve personal growth.
To that end, we have made global engagement a KPI for human capital management, and will continue working to hit a positive score of 80% or higher across the global Yamaha Motor group.
For talent management, we will expand our program for training global hires.
We will build a HR database globally and run an integrated process handling everything from discovering talent to conducting reviews.
To develop *Monozukuri* specialists, we will aim to have factories managed primarily by production personnel and also provide those involved in our *Monozukuri* operations opportunities for growth and diverse career paths while helping them connect with one another.
The maturity index for DEI varies by country and region, but we will set KPIs suiting the stage each is at and move forward with appropriate measures.
The KPI for the group overall is to raise the ratio of women in management positions to 13% by 2027.



The last slide for today's presentation concerns our risk and compliance management policy.
It is based on the three pillars of Global, Integrated, and Agile, and identifies potential risks that may affect our management and business and is aimed at appropriately controlling them.
Through these pillars, we will seek to quickly recognize changes in the business environment and globalize the delegation of responsibilities and authority in order to aid the group's management.
Specifically, we will reinforce our ability to quickly respond to risks accompanying changes in regional regulations and the environment by integrating risk and compliance management into our management plans and business strategies, including the pursuit of M&As and accelerating digitalization.
To that end, we will set up a new structure oriented around the Chief Risk and Compliance Officer, or CRCO, in this new MTP.
The first step will be to strengthen accountability by appointing a said CRCO, and then deepening management deliberations by establishing a Global Risk & Compliance Management Committee.
Additionally, we will ensure effectiveness by deploying Risk & Compliance Officers, or RCOs, to major business regions, and then increasing agility by establishing a system in which each RCO reports directly to the CRCO.

This concludes the overview of our new Medium-Term Management Plan.
Thank you for your attention.

APPENDIX

Financial Services Business | Enhance Competitiveness & Contributions to Unit Sales

Global Foundation

Innovation
Increase speed of adoption of best automotive FinTech

Talent Management
The Right Person, In the Right Role, At the Right Time

Governance, Risk & Compliance
Robust governance structure & globalized one business operation

Accelerate Value Creation as Global Biz Control Company

ONE YMFC Concept

Yamaha Motor Finance Corporation (YMFC) Global Yamaha Motor Financial Services business management head in United States

- Apply group-wide governance structure
- Globalized 3 lines of defense

Enhance Competitiveness

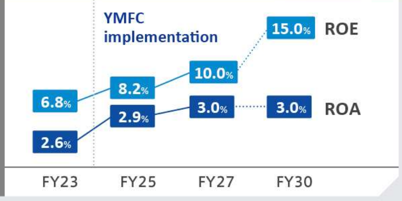
Opportunities

Yamaha Motor Customer Experiences
- Increase on Yamaha Motor Finance utilization with deeper ties with Customer/Unit Journey
- Competitive services to stakeholders supported by centralized technology developments

Growth Potential
- Regional expansion in Europe
- Program expansion to Marine Finance
- Extended Warranty & Insurance business

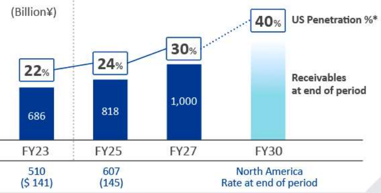
Improve ROE with ROA maintenance & capital efficiency

Profitability



Expand business together with core business supports

Volume & Contribution



*Yamaha Motor Finance Utilization against # of Retailed Units for Motorcycle & RV in United States

Business KPI

2027 Target

Finance Asset
JPY 1 Tri.

ROA
3.0% level
* Operating Profit / Average Receivable

ROE
10% level
* Net profit / Average Equity

Digital Transformation Strategy

» Foundation Building (2022–2024) » **Implementation (2025–2027)**

Y-DX3 Create the Future

Build digital infrastructure for new value creation
- Ran PoC projects for multiple service businesses, constructed infrastructure for services
- Moved on bringing generative AI services in-house

Y-DX2 Strengthen the Present

Expand interactive links to customers
- Connected vehicle unit sales 500K (2021) → 1.25 million units 2024 result
- Yamaha Motor ID registrants 4.7M (MTP target) → 7.93 million 2024 result

Connect with customers, create uniquely Yamaha Motor businesses fusing the real and digital worlds, and enhance business efficiency
- » Establish a corporate culture of data-driven business
- » Strengthen software development capabilities
- » Democratization of generative AI

Y-DX1 Reform Management Platforms

Build the foundations for reforming management platforms
- Completed construction of global templates
- Management dashboard launched worldwide

Promote global reforms of our management platforms
- » Roll out global template in Japan, North America, Europe, and South America

DX and HR Development

Increase in the number of employees proficient in handling data
- Employee data scientists: 382 (MTP target) → 440 2024 result
- DX promotion personnel: 1,200 (MTP target) → 1,588 2024 result

Create leaders that can leverage digital technologies
- » Develop 150 leaders that can leverage digital technologies by the end of 2027
- » Global roll out of democratized data analysis

The business performance forecasts and other forward-looking statements within this document are based on management's assumptions and beliefs in light of information currently available and involve risks and uncertainties. Please be advised that actual results may differ significantly from those discussed in the forward-looking statements. Potential risks and uncertainties include, but are not limited to, general economic conditions in Yamaha Motor's major markets, changing consumer preferences, and currency exchange rate fluctuations.