

Land Mobility Business Presentation for Investors

November 29th, 2021



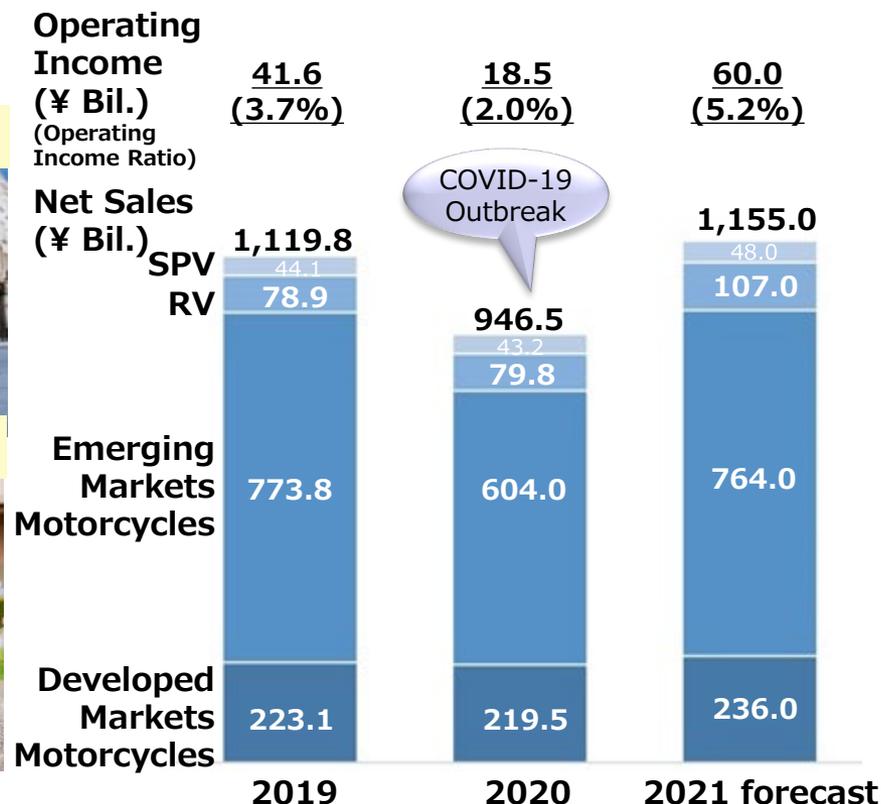
Takuya Kinoshita

Chief General Manager of Land
Mobility Business Operations

Land Mobility Business

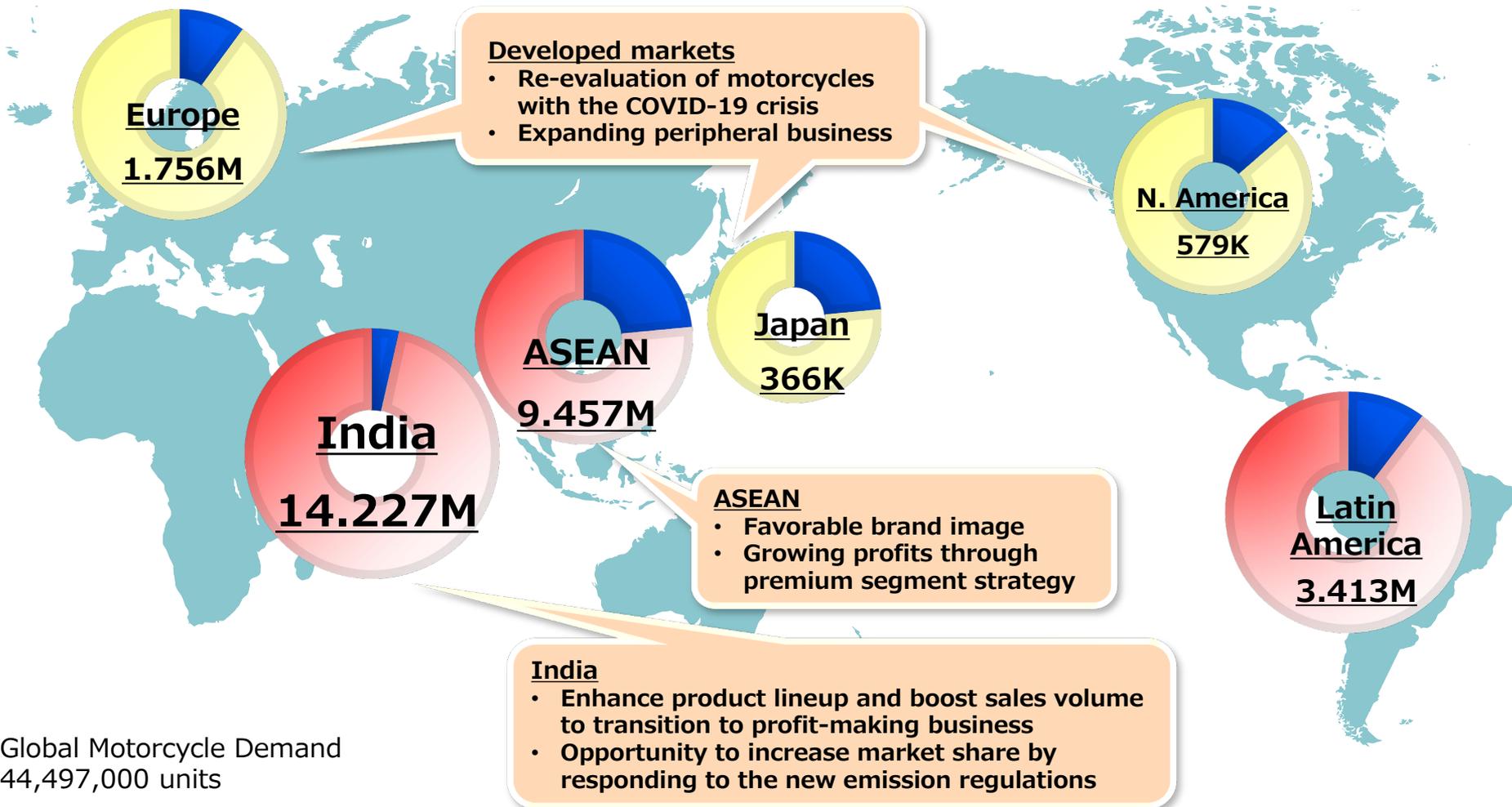
Land Mobility Business

- Motorcycles have been a core business since our founding
- Raise management efficiency and product competitiveness to establish a stable profit structure



Motorcycle Business

Total demand in 2020 (units)

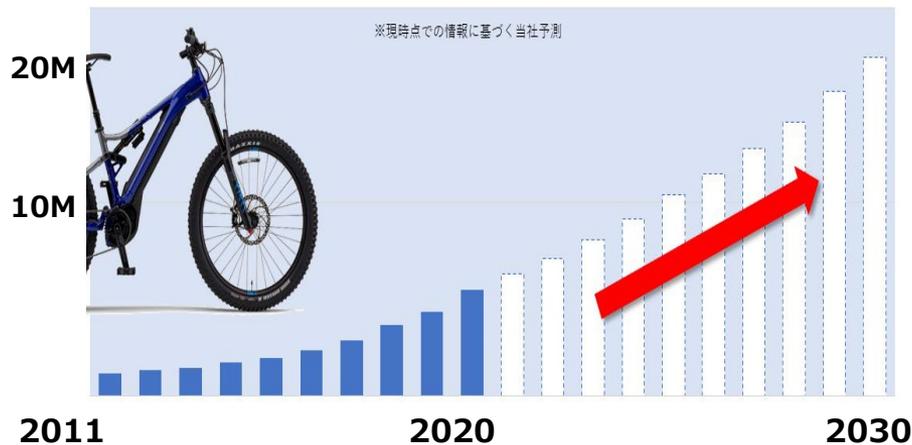


Capture growth opportunities in the upper-middle class segment, primarily in Asia
Capitalized on the growing demand for motorcycles seen since the COVID-19 outbreak

Smart Power Vehicles Business

Total demand trends for E-bikes in Japan, the United States, and Europe

(units)



Business performance

Operating
income
ratio

14.6%

16.2%

14.6%

Net sales
(¥ Bil.)

44.1

43.2

48.0

2019

2020

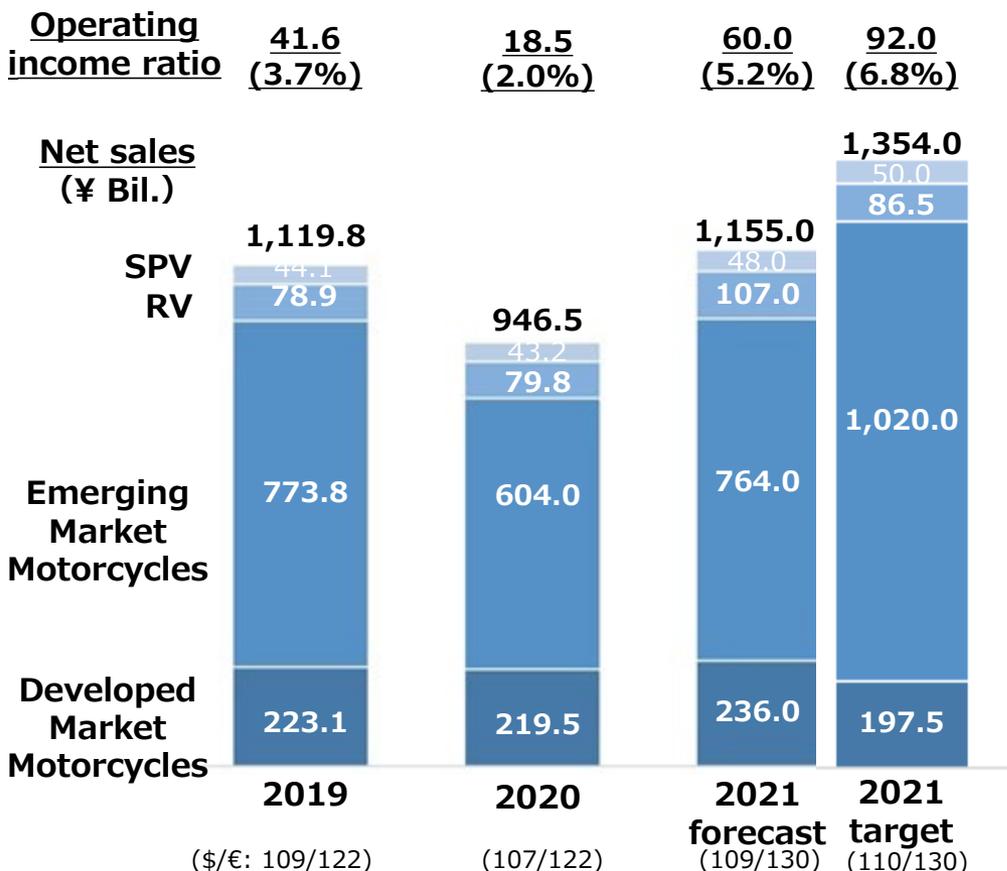
2021
forecast



With drive units at the core, achieve business expansion of both OEM/CBU operations and transform mobility through vehicles that put top priority on human perceptions

Medium-Term Management Plan (2019–2021)

Land Mobility Business focus: Establishing a business foundation that can respond to the new era of mobility



	19-21 target	2021 forecast
Net Sales	1,350 Bil.	1,155 Bil.
Operating income	92 Bil.	60 Bil.
Operating income ratio	6.8%	5.2%

Motorcycles for developed markets

- Improve profitability through structural reforms

Motorcycles for emerging markets

- Drive premium segment strategy and secure earnings in areas of expertise

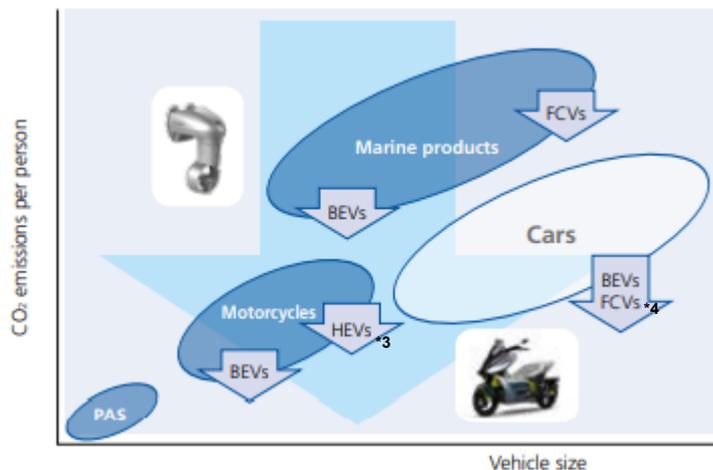
Recreational Vehicles

- Achieve profitability by gaining market share in the recreation segment

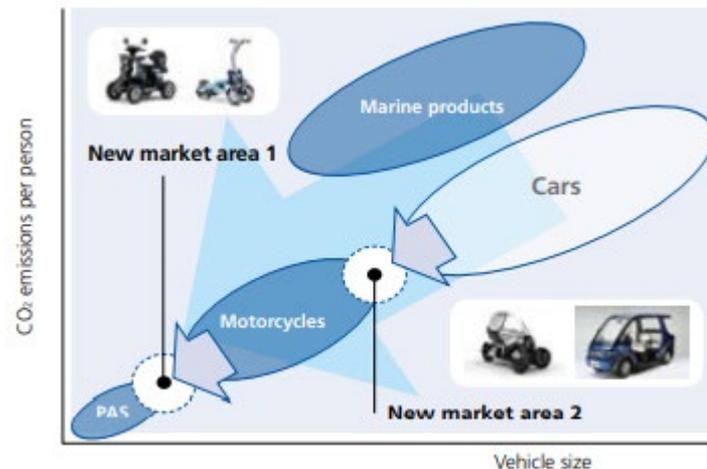
Adverse effects due to COVID-19 continue in each country/market, such as the sluggish pace of business activities, difficulties supplying semiconductors and other parts, and soaring raw material prices. We are firmly capturing opportunities created by the higher demand stemming from a reassessment of personal mobility advantages mainly in developed markets as well as other factors, but also introducing more “Connected” models, making headway in preparations for launching EVs next fiscal year, and more in a steady buildup of foundations for new business fields

Carbon-Neutral Strategy in Line With the Unique Style of Yamaha Motor

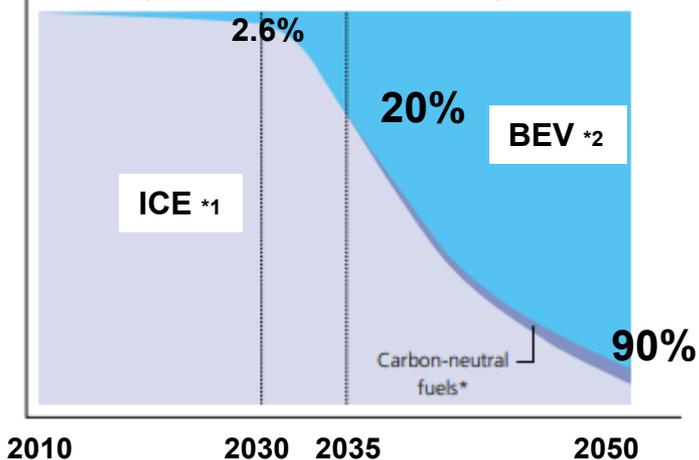
Reduction of CO2 Emissions through Optimal Streamlining



Utilization of Smaller Forms of Mobility



Motorcycle Powertrain Projection



- *1 Internal Combustion Engine: generates power by combusting fuel
- *2 Battery Electric Vehicle: uses electricity stored in an onboard rechargeable battery to power an electric motor
- *3 Hybrid Electric Vehicle: uses both an engine and electric motor for propulsion
- *4 Fuel Cell Vehicle: vehicle propelled by an electric motor using power generated by a fuel cell

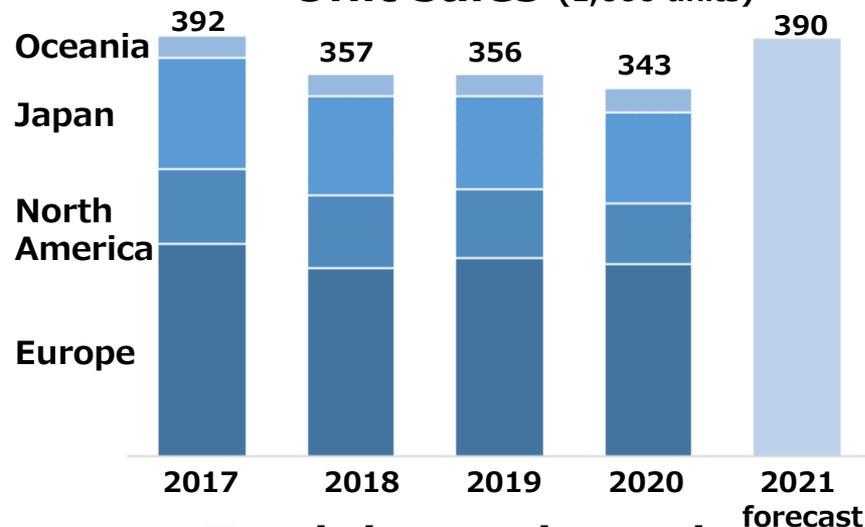


Employ ideal approaches such as fuel efficiency improvements and carbon-neutral fuels, to promote CO₂ emission reductions while developing new domains (electric products and new businesses) to function as the new pillars of the Land Mobility business in the long term

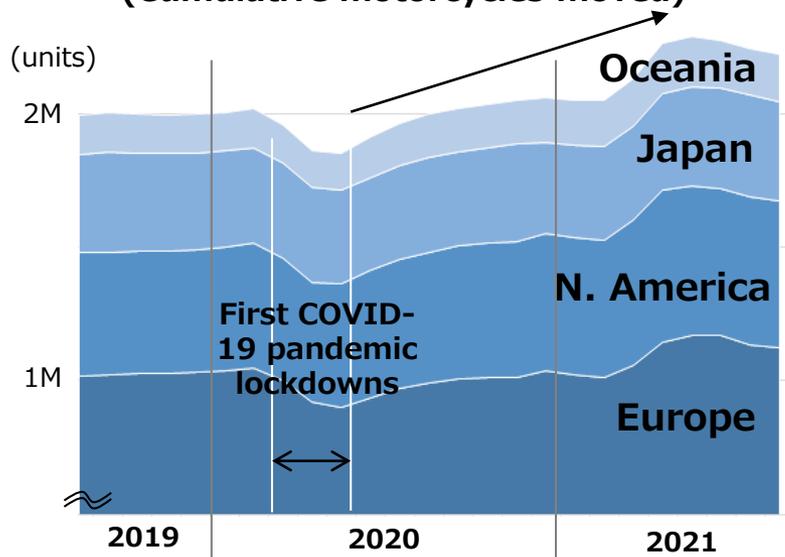
Developed Markets Motorcycle Business

Developed Markets: Motorcycle Business

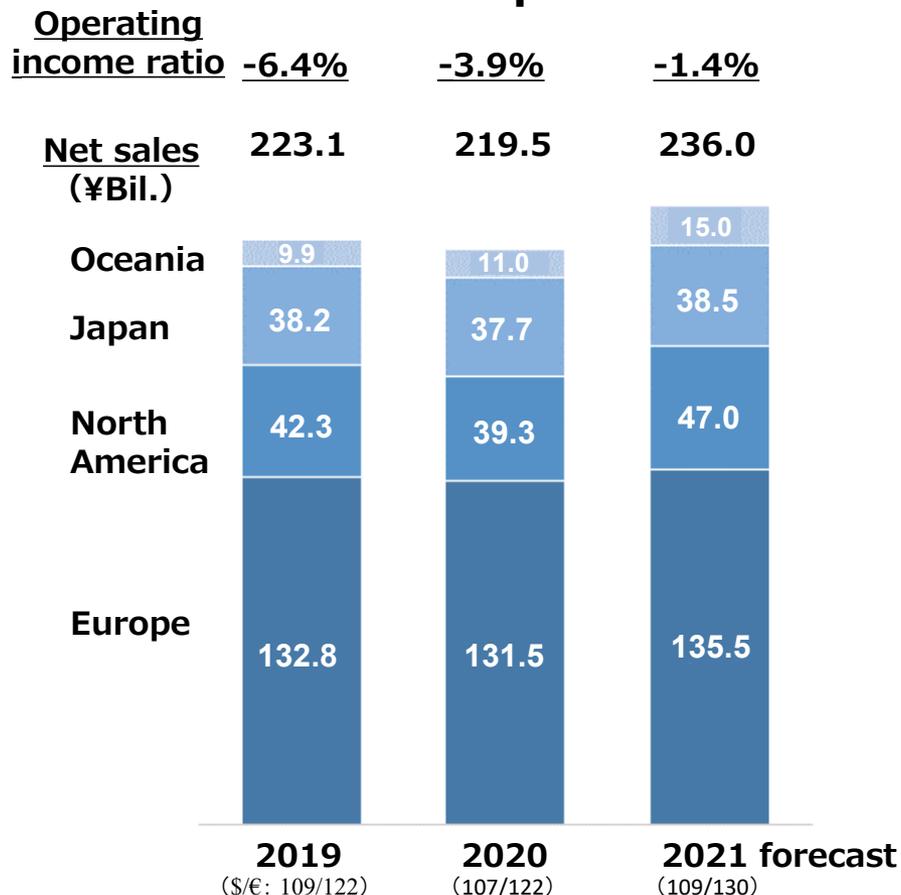
Unit sales (1,000 units)



Total demand trends (Cumulative motorcycles moved)



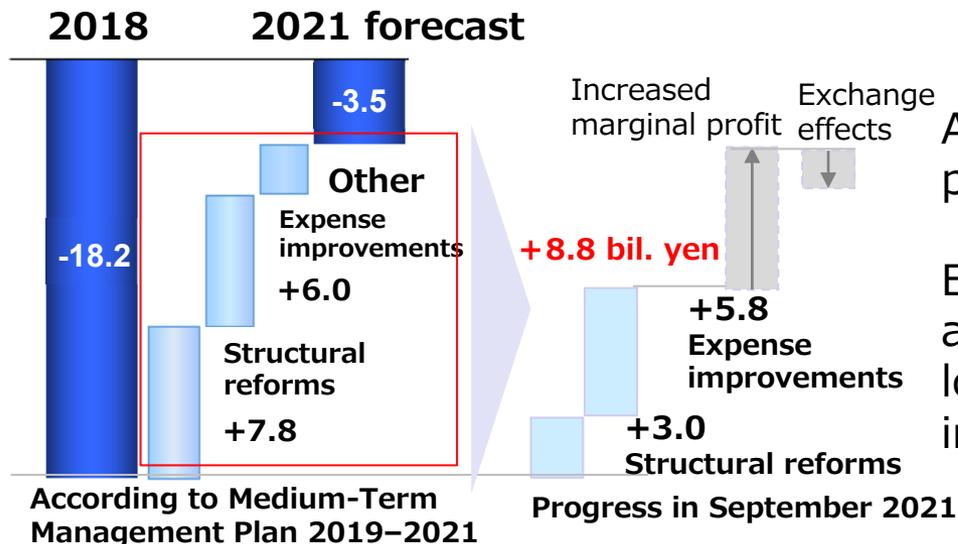
Business performance



Higher demand for personal mobility due to greater outdoor/family recreation and other factors. Profitability expected next fiscal year in conjunction with the effects of structural reforms, such as the sale of our engine manufacturing base in Europe

Developed Markets: Structural Reforms

Progress of structural reforms (¥ Bil.)



All structural reforms proceeded as planned.

Established a corporate structure adapted for a certain degree of lower spending despite increases in immediate demand and sales

Structural reforms in Europe

Consolidation of engine manufacturing operations for Europe (Japan and Indonesia)

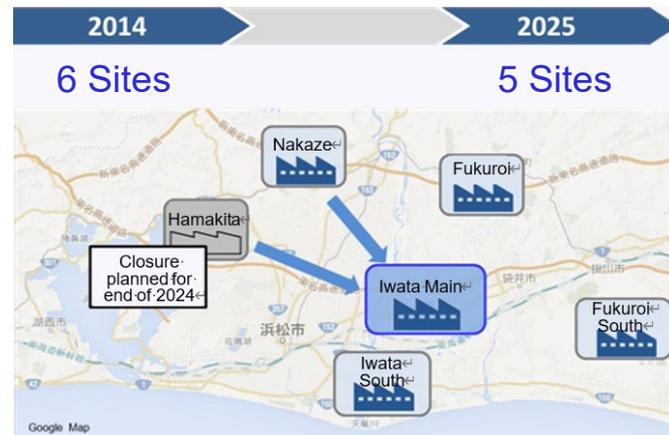
Transferred European engine manufacturing base to Fantic Motor (announced in October 2020)



Motori Minarelli

Manufacturing structure reforms

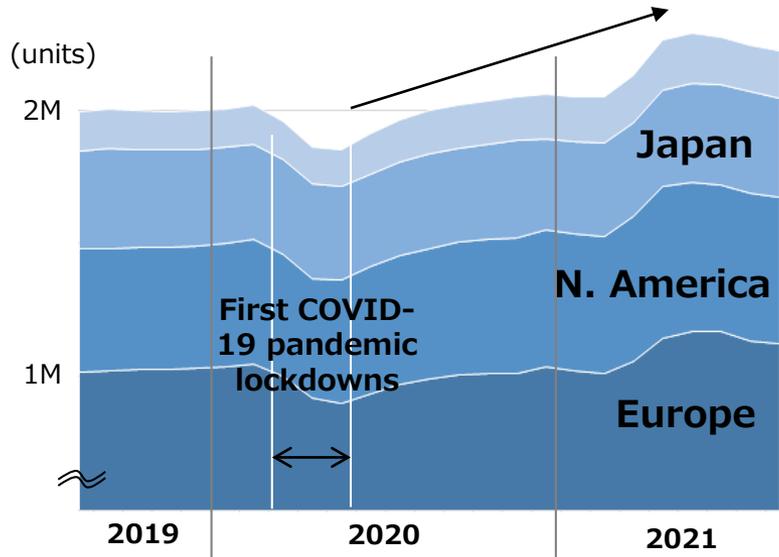
Consolidation and relocation of production roles of factories near HQ (announced in February 2021)



Developed Markets: Efforts Aimed at the Post-COVID-19 World



Higher demand from reassessing benefits of motorcycles for personal mobility



Further strengthen customer relationship and touchpoints

- Brand value-boosting activities
- Sales structure reforms in Japan/U.S./Europe



- Europe: Sales channel infrastructure adjustments
- Japan: New YSP dealer network
- U.S.: Sales channel reforms

Enhance marketing toward securing lifetime Yamaha customers

Integrate online (digital) and offline marketing, introduce more Connected motorcycles

- CRM sales channels: Introduce lead management
- Expand introduction of Connected models to the market
- Introduce/expand e-commerce (vehicles, parts, oil, etc.)

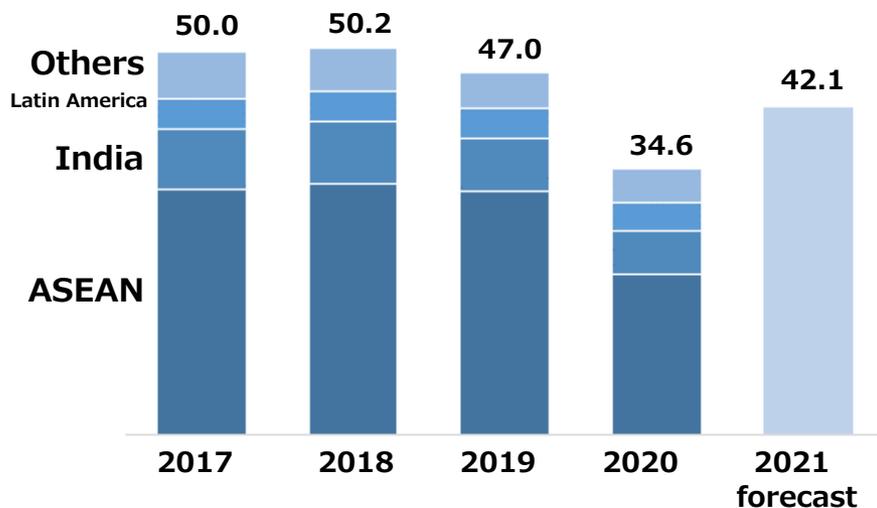


Capture opportunities from the higher demand for personal mobility due to greater outdoor/family recreation and other factors. Strive to further strengthen customer touchpoints via one of our structural reforms → sales channel/network reforms and bolstered digital transformation (DX) efforts

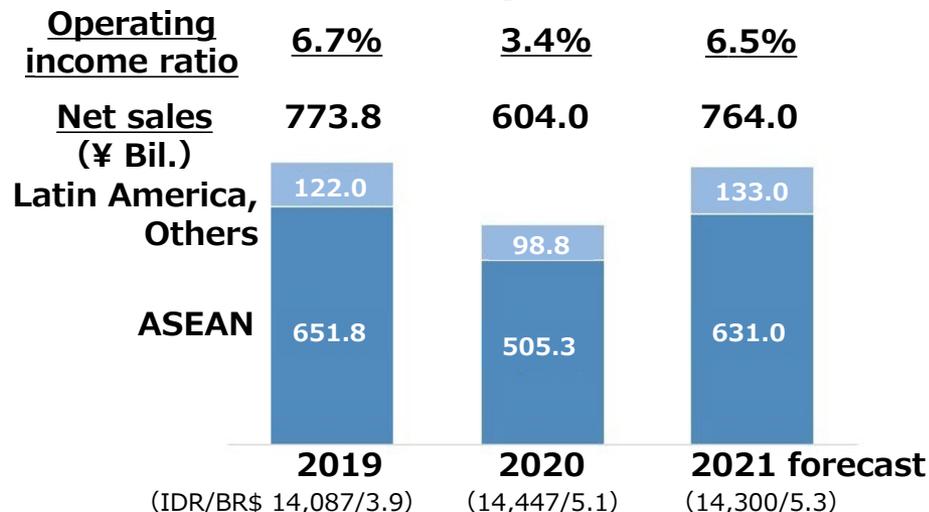
Emerging Markets Motorcycle Business

Emerging Markets

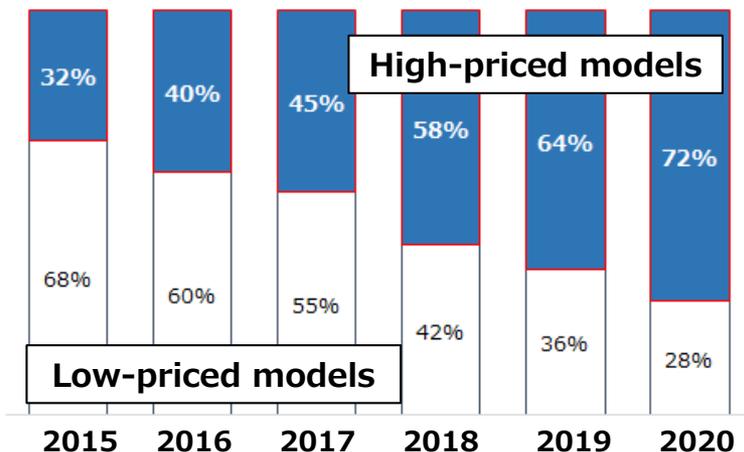
Unit sales (100,000 units)



Business performance



Ratio of high-priced model sales in Indonesia



YZF-R15
Premium supersport model

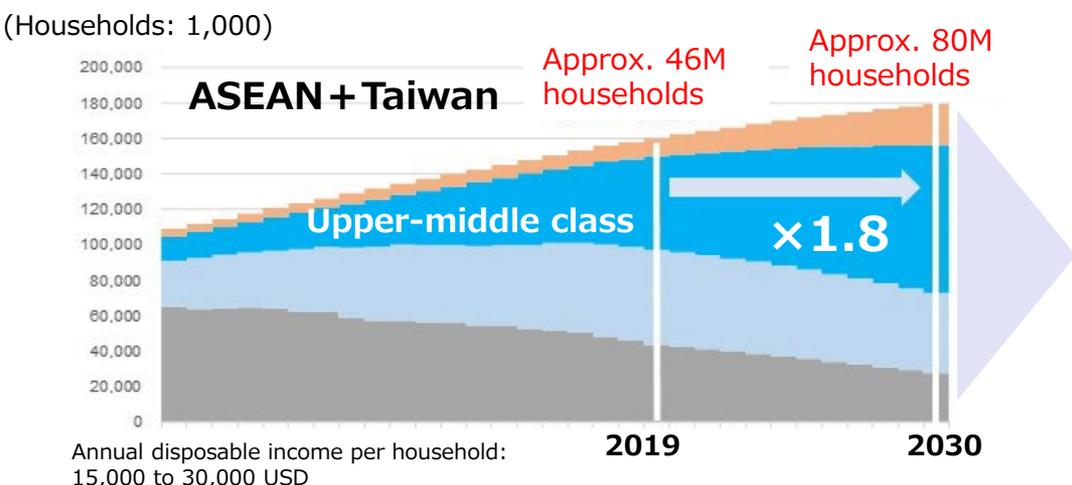


NMAX155
Premium scooter

Capture demand in the upper-middle class in Asia, grow in the Indian market, and focus even more on high-end segments in ASEAN markets

Emerging Markets: Premium Segment Strategy

Strategic Segments (upper-middle class) Create Top/Premium Segments

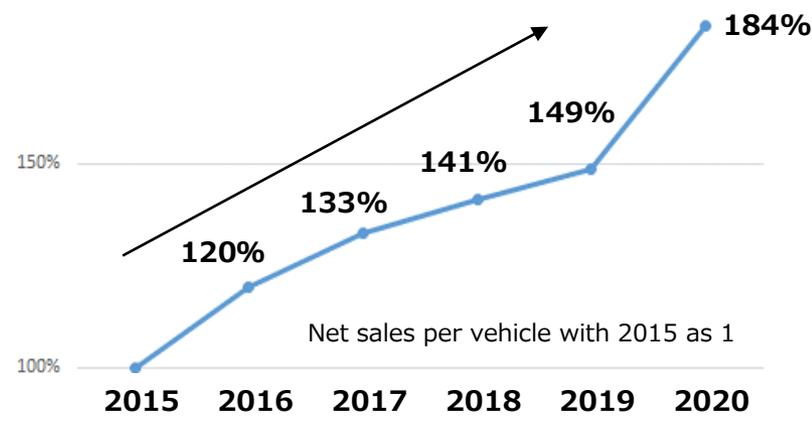


Branding and Marketing

Shared Values with Customers/Strengthen Relationships



Net Sales per Unit in Indonesia

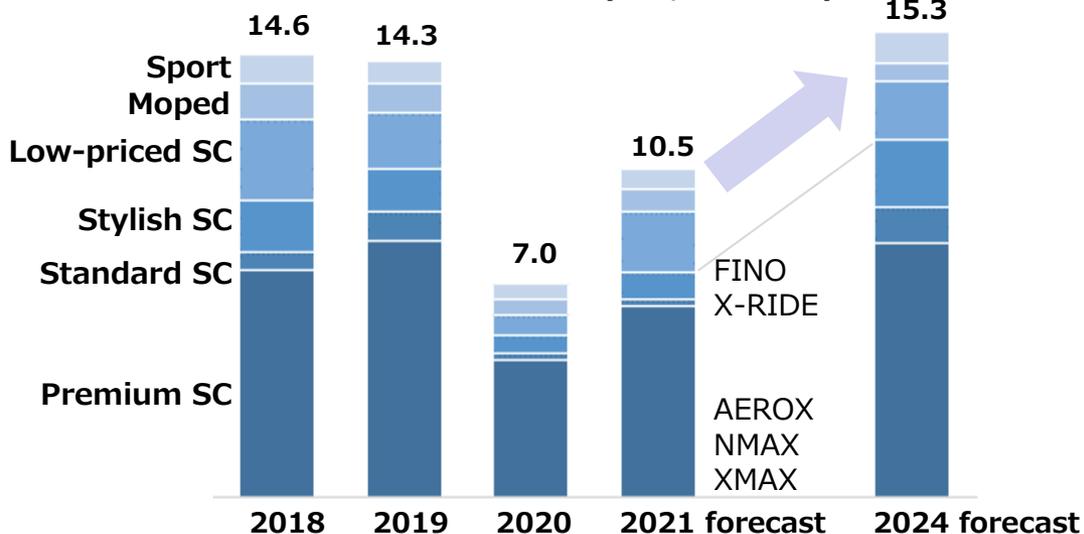


Expand upper-middle class business and strengthen profitability

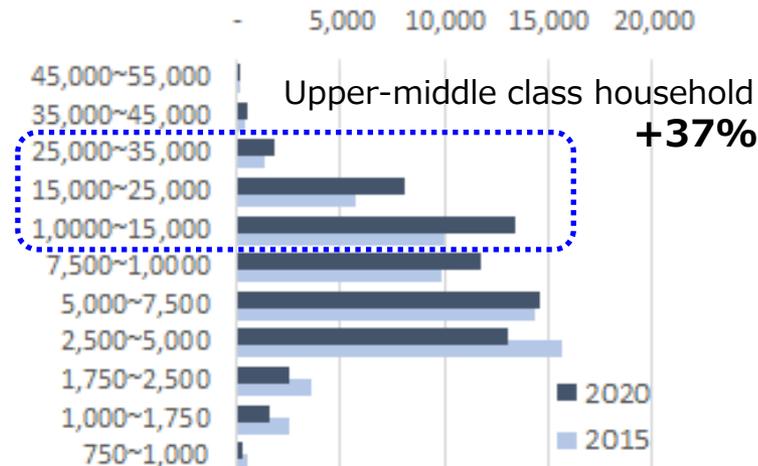
- Focus on strategic segments and marketing and sales strategy
- Enhance brand value by strengthening the relationship and touchpoints with customers (including DX)

Emerging Markets: Indonesia

Unit sales (100,000 units)



Upper-middle class in Indonesia



Upper-Middle Class Customer Characteristics Strengthening Customer Relationships

Convenience and Features → Meaningful Values × Customer Values

① Pioneering demand among women; turning convenience into a new value



Introduced Mio scooter in 2003

② Excellent performance and exterior design and styling

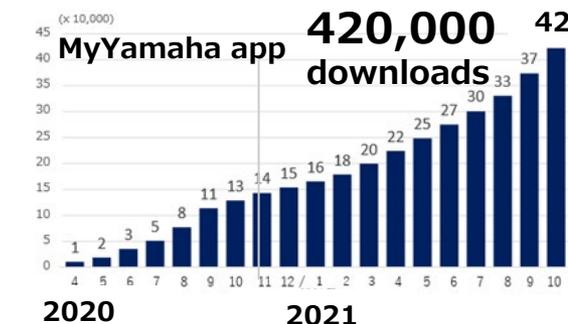


Introduced V-IXION sport bike in 2007

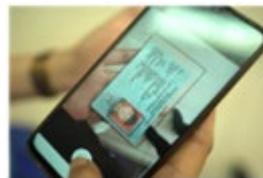
③ Cater to the shift in life stages and preferences for premium items



Introduced NMAX in 2015



Lead management



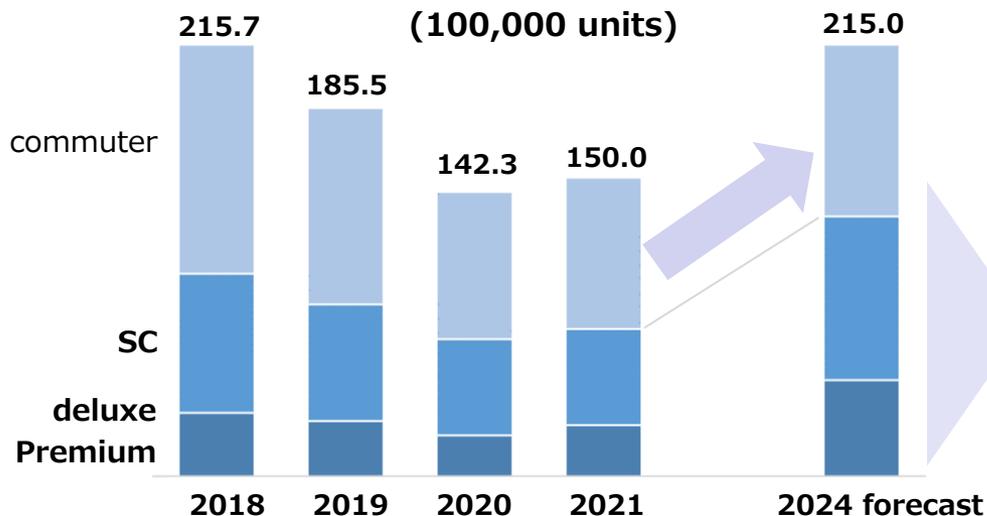
Conversion rate
Over 10%



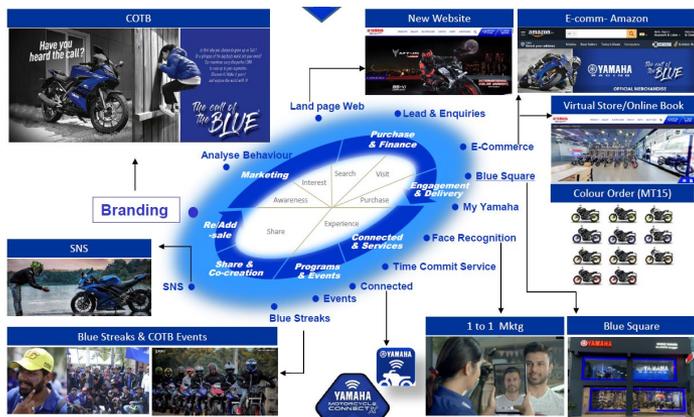
Salespeople scan the customer's ID via smartphone and send it to the DMS to conduct lead management.

Emerging Markets: India

Market demand trends and forecast



Premium Segment (Unified branding implemented at each customer touchpoint)



Unit price trends in India

(Unit price rising while shifting to premium brand positioning)



Expand scooter sales

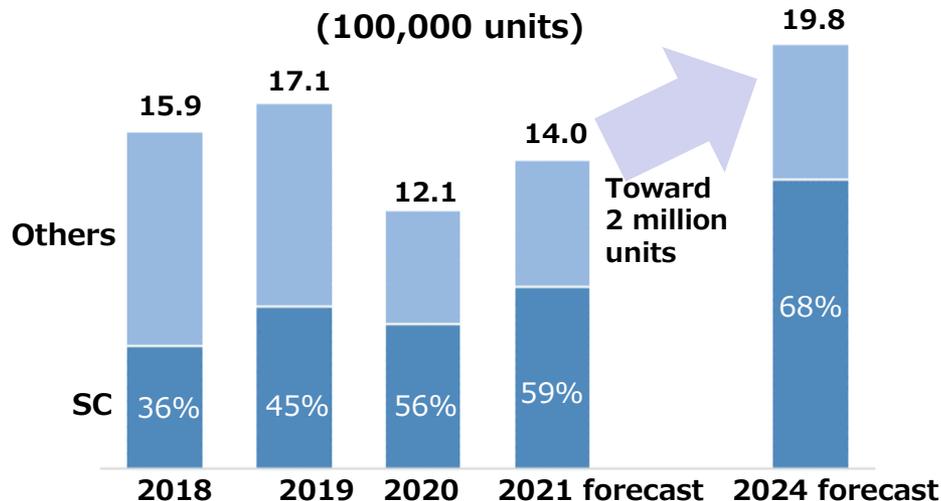
(Customers: Practical, peace of mind, perception)



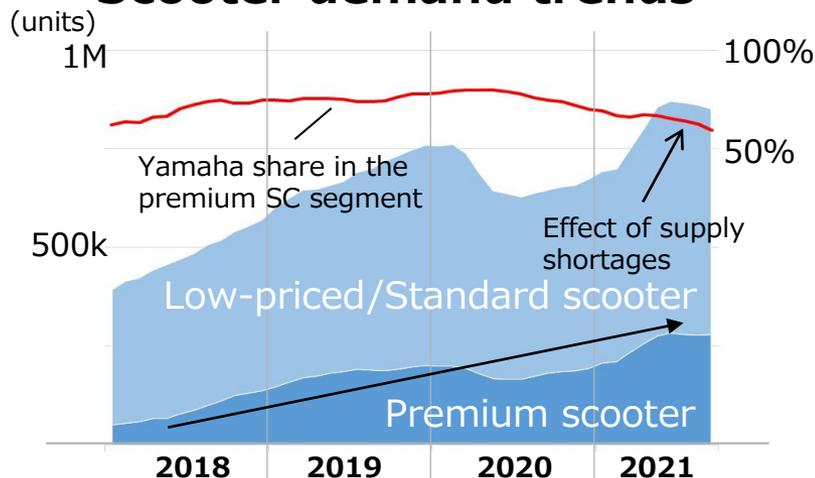
Total demand is expected to recover and rise from 2021 onward thanks to the revitalization of the Indian economy and higher income among middle-income earners. Strive to fortify our positioning as a premium brand centered on high-value-added products and seek to expand sales of scooters

Emerging Markets: The Philippines

Market demand trends and forecast



Scooter demand trends



Market Strategy and Examples of Initiatives

Maintain Premium SC Positioning Both Online and Offline

Premium SC



Connected models

Integration of online and offline marketing



Segment marketing to convey value that resonates with customers

Cool and Trendy

Adapting to customer value clusters



- Targeting younger generations
- Urban functionality
- Personalization, etc.



Expand 3S sales channels and improve quality to increase volume and value offered to customers

Expand store openings based on area analysis and grow touchpoints with customers

Type	Area	Products	2018	2021
YZONE	Major cities	Large commuter	1	1
REVZONE			9	11
3S SHOP A/B	Major cities/provincial city	Low-priced commuter	293	378
3S SHOP C	Provincial city/Country	Low-priced commuter	135	215
Exclusive dealer			438	605
Multi-brand dealer			1,990	2,828
Total			2,428	3,433



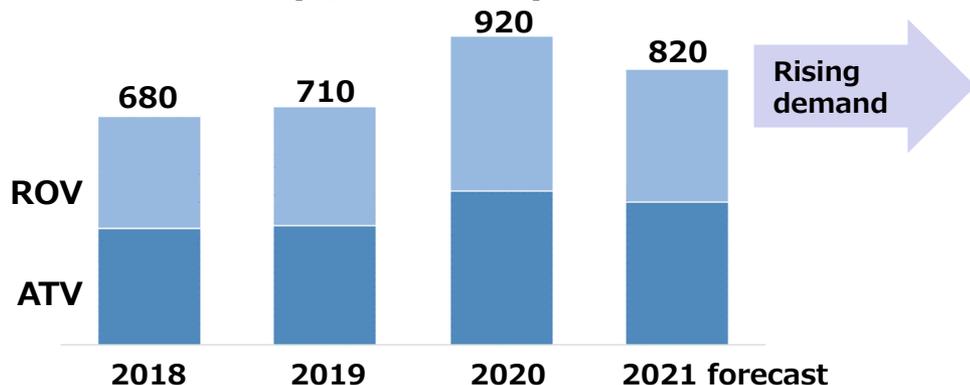
Maintain advantages in the upper-middle class demographic, particularly in the premium scooter model segment, and secure opportunities for market unit scale growth

Recreational Vehicle Business

Recreational Vehicle Business

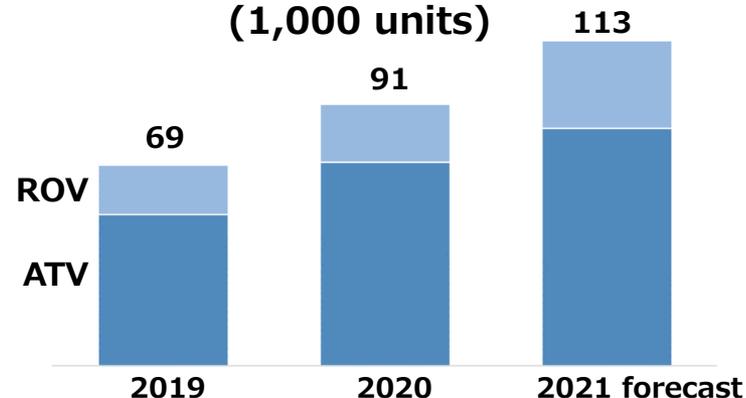
Total demand trends

(1,000 units)



Unit sales

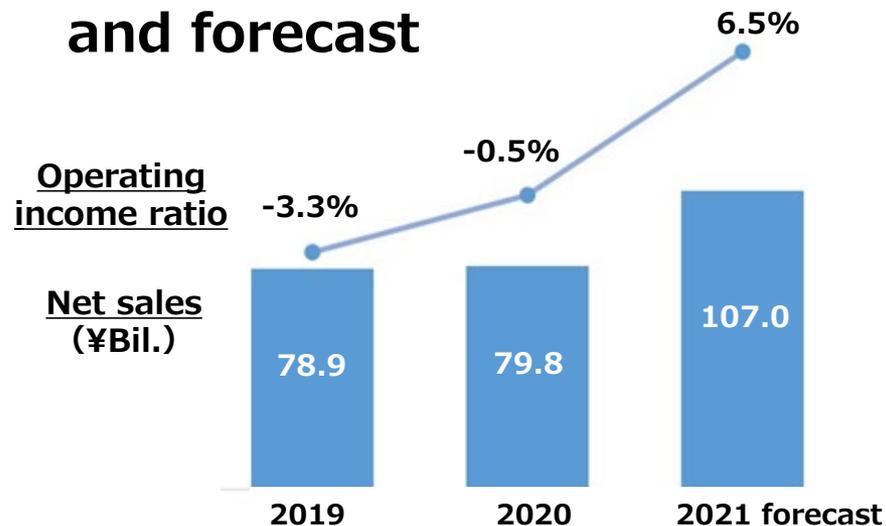
(1,000 units)



Growing demand for outdoor recreation



Business performance and forecast



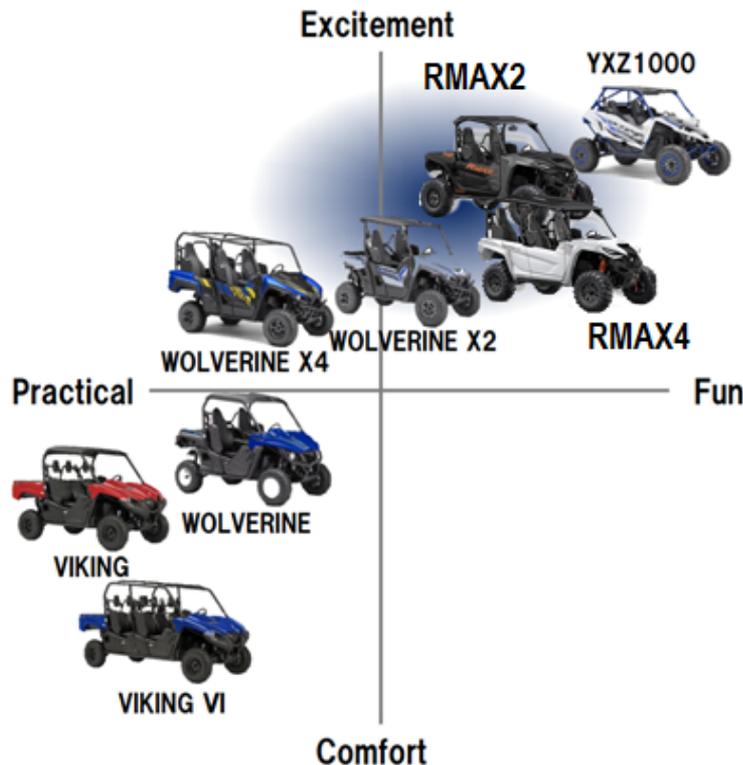
Can expect demand for family/outdoor recreation to rise again in 2022 and after from customers buying additional vehicles or trading in, etc. Despite supply-related issues due to the COVID-19 pandemic in 2021, we expect to achieve profitability this fiscal year.

North American ROV market

https://www.youtube.com/watch?v=ISLNh_JvZY4



Introduce new platform models and acquire greater market share



Destination Yamaha
digital communication strategy



Enhancing the Experience
Demo tours/Events/Demo vehicle displays



- Introduction of new platform model group to meet customer demand
- Bring platform cost reductions to the recreational segment
- Recreational segment share
5% → **19%** (Goal of 14%)

END