



India Business Briefing

June 25–26, 2024
Yamaha Motor Co., Ltd.

India Business Overview

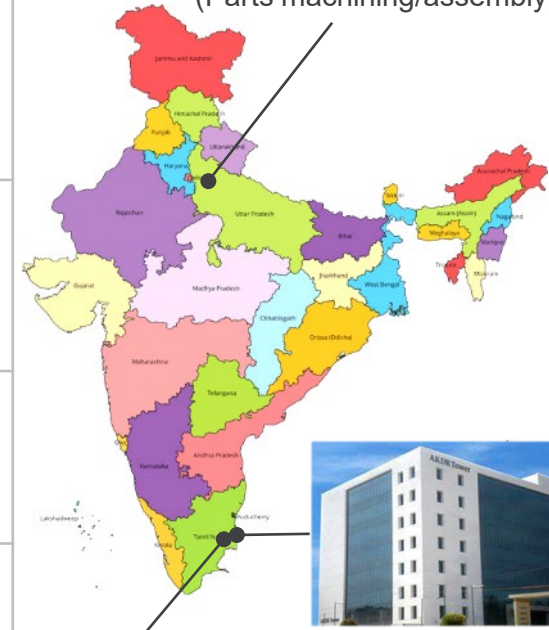


Location

Company Name	Yamaha Motor India Group (YMI-G) <ul style="list-style-type: none"> - Yamaha Motor India Pvt. Ltd. (YMI) - India Yamaha Motor Pvt. Ltd. (IYM) - Yamaha Motor India Sales Pvt. Ltd. (YMIS) - Yamaha Motor Research & Development India Pvt. Ltd. (YMRI)
Location (YMI HQ)	AKDR Tower, 5th Floor, Door No. 3/381, Rajiv Gandhi Salai (OMR), Mettukuppam, Chennai – 600 097
Main Business	Manufacture and sales of motorcycles and parts
Established	1995 (entered the market in 1985)
Employees	8,876 (as of end of December 2023) Full-time: 3,129 Part-time: 5,747 + 39 Japanese



Surajpur Factory (Parts machining/assembly)



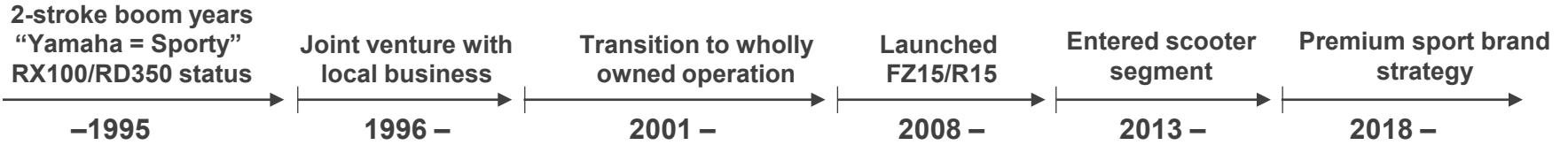
YMI/YMIS headquarters (AKDR 5F)



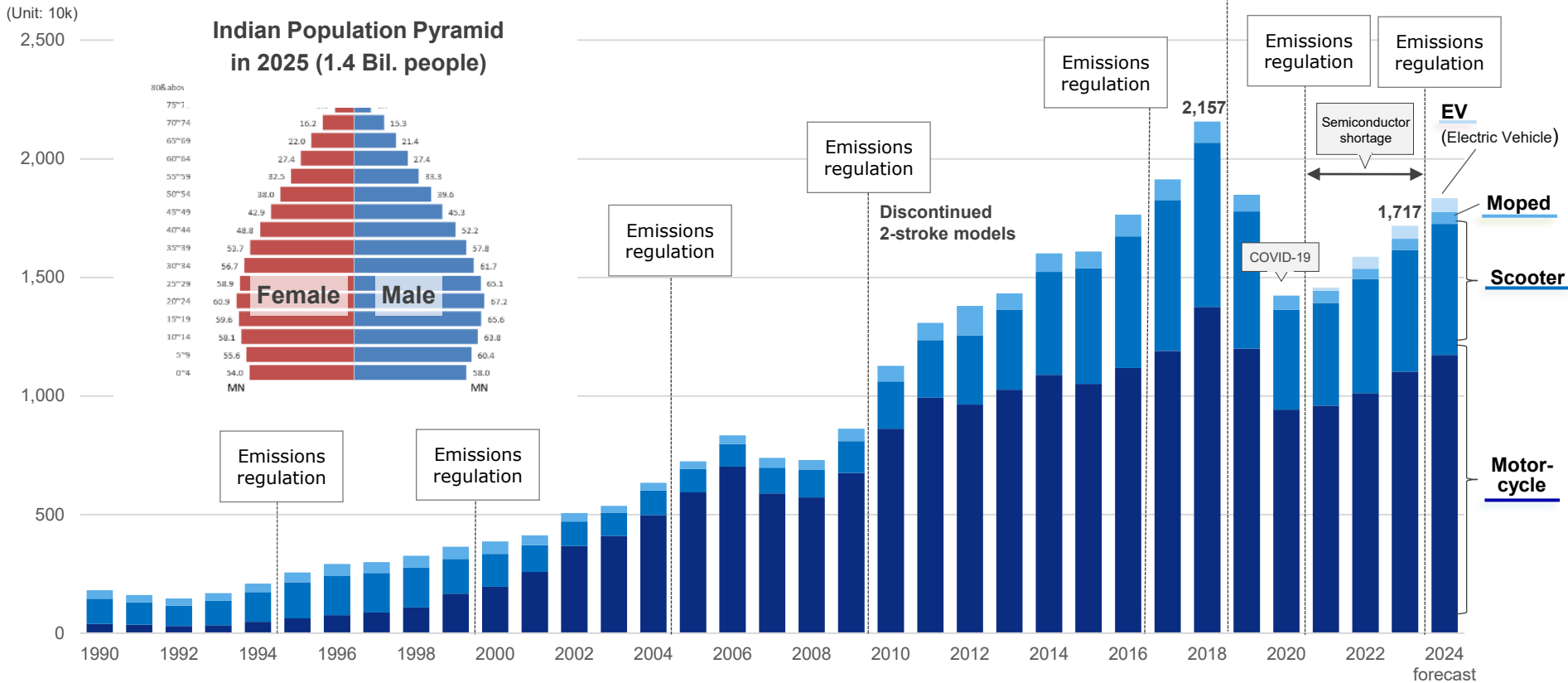
Chennai Factory, R&D facilities (Parts machining/assembly/R&D)



Yamaha Motor's Business in India



Total domestic demand (units)

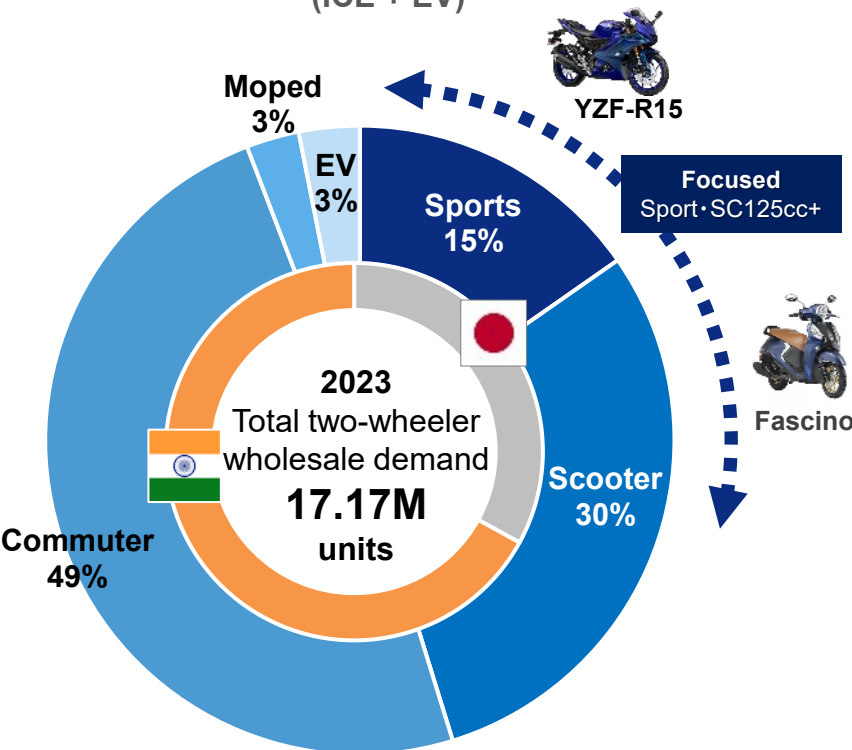




Indian Market Overview and Yamaha's Strategy

1. Low-priced commuter vehicles comprise the majority of total demand
2. Four Indian manufacturers are major market players (strengths in low-price segments)
3. Yamaha's focus is the premium segment (premium/deluxe/125cc scooters) and has a visible presence there

Indian two-wheeler market breakdown (ICE + EV)



Segment	Specifics		Main Customer Segment	Yamaha Products
	Displacement	Retail price		
Sportbikes	150cc+	More than 100,000 rupees	Men; teens to 30s; urban residence; mid to high income level	YZF-R15 MT-15
				FZ15 FZ-X
Scooters	90–155cc	70,000 to 140,000 rupees	Men and women of all ages; urban or rural residence; mid to high income level; first or second bike demand	AEROX Ray ZR Fascino
Commuter vehicles (bargain-priced motorcycles)	100–125cc	60,000 to 90,000 rupees	Men; 30s to 50s; urban or rural residence; low to mid income level; one bike for the whole family	
Mopeds	100cc	50,000 rupees	Men; 30s to 50s; rural residence; low income level; for mobility and transport	

Reference: Society of Indian Automobile Manufacturers (SIAM)



Production Volume in India (including CKD*)



Surajpur Factory Models (for domestic market)



YZF-R15/R15M

MT-15

FZ-X



FZS

FZ

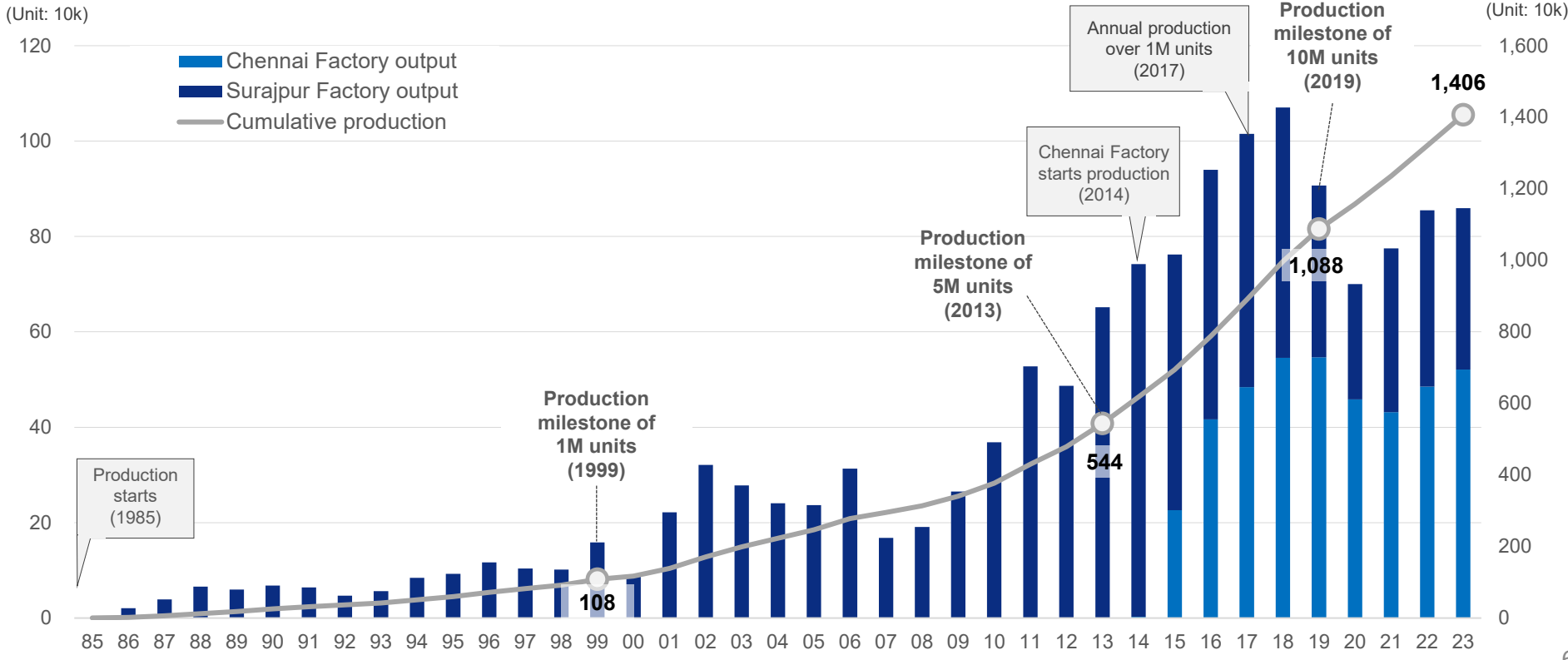
Chennai Factory Models (for domestic market)



AEROX155

RAY
ZR125

Fascino125



*Complete knockdown Yamaha Motor results



**Global Mission/
Brand Slogan**

Kando Creating Company
Revs Your Heart

**Core Competency/
Brand Attributes**

**An exciting company creating a
Yamaha-unique character**
Excitement/Stylish/Sports

Branding Color



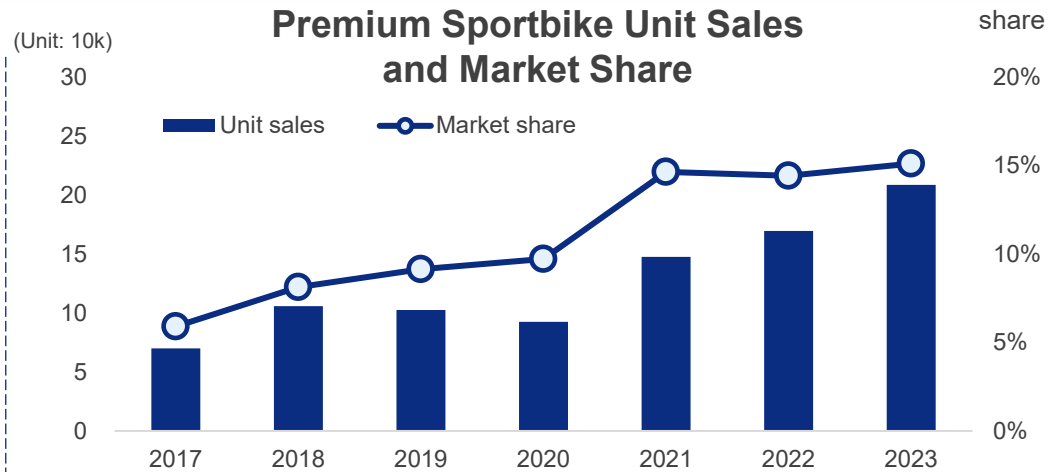
Brand Strategy and Target Segment



Strengthen the Yamaha brand into a "Premium & Exciting" brand

Targeting Gen Z customers (18–24 y.o.)

30% of India's population is already Gen Z and 25 million people are expected to join this generation yearly until 2030



Premium model segment



YZF-R15



MT-15

Number of units sold: Yamaha Motor results



When did you hear the call?

Was it while practising your baby steps? Or when you latched on to your first toy? When did you hear the call? Our engineers and designers heard it when they fused passion with precision to make the perfect racing machine for you. They heard it when they created the signature blue racing hue, just for you. No matter who you are, where you are, the call of the blue is inevitable. Feel it, live it and experience it.

The call of the BLUE



SCAN THE QR CODE TO HEAR IT

www.thecalloftheblue.com



Have you heard the call?

Is that why you choose to grow up so fast? Or a glimpse of the big boy's world set your mind? Our machines carry the perfect DNA to race up to your aspiration. Discover it! Make it yours! and explore the world with it!

The call of the BLUE



"As I teared into the corner, I just knew."

When did you really want a ride like this? The moment you got the keys for the first time? When did you really want to feel the power? Because the call of the blue was always there, wasn't it? When did you hear it?

The call of the BLUE



"As I brunched on the tarmac, I was hungry for more."

When do you get to know? When did you really feel the excitement of the ride? When did you really feel the power? When did you really feel the call of the blue? When did you hear it?

The call of the BLUE



"When the wind brushed my hair and brushed my soul."

When did the first look of wind brush your hair? When did the first look of wind brush your soul? When did you hear it?

The call of the BLUE









ASPIRATIONAL BRAND

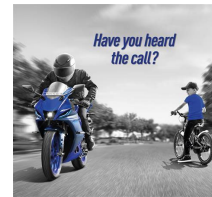
COMMUNI-
CATION



VERSION 1



VERSION 2



VERSION 3



Used 700K influencers to reach 181M customers



Association with MotoGP

Cricket World Cup

870M Impressions

PRODUCTS

Excitement/Stylish/Sporty



YZF-R3



Fascino125



MT-15



AEROX155



Fascino125



FZ-S



YZF-R15

18 new models launched

First manufacturer in India to equip a model with traction control
All motorcycles and Aerox series models come with traction control

ENGAGEMENT



Blue Streaks & Weekend



Track Day



Overnight Touring



College Integration



Online

Over 2,000 events on the ground + online engagement

BLUE SQUARE “Embracing Street Spirits” – One-Stop Shop

SALES
NETWORK



Number of BLUE SQUARE shops
in 2023

Approx. **5.3** times

(compared to 2021)



- Continue “The Call of the Blue (COTB) ” Branding

ASPIRATIONAL BRAND

COMMUNICATION



VERSION 3

+ Continue presence in Indian Premier League (cricket) +

COTB Version 4

Strengthen and nurture brand power targeting the next generation (15–17 y.o.)

Launch 2024 model fitting the Gen Z lifestyle

Excitement/Stylish/Sporty

PRODUCTS



YZF-R15



FZS



MT-15



RAY ZR125



AEROX155



Fascino125

New models targeting Gen Z launched, including FZ Series, Aerox/Fascino with Smart Key

ENGAGEMENT



Blue Streaks
1,400 rides



Weekend
19 events



Track Day
5 events



Overnight Touring
17 events



Ride Free



College Events
50 events

BLUE SQUARE “Embracing Street Spirits” – One-Stop Shop

SALES NETWORK



Number of BLUE SQUARE shops in 2024

Approx. **1.6**times

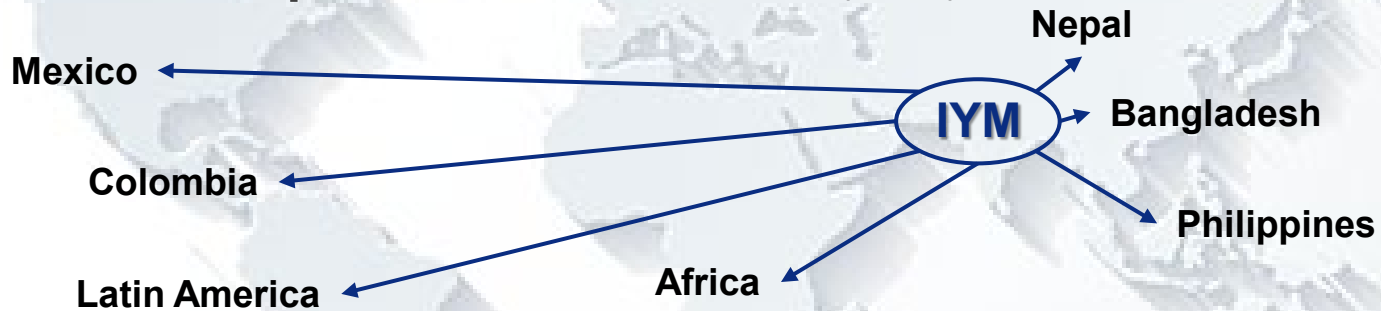
(compared to 2023)



- Despite being an emerging market, India has introduced regulations for emissions, brakes, and ethanol fuels on par with those in Europe before other countries. This gives it an advantage as a base for exporting to developed markets with similarly strict regulations.
- As a global Yamaha export hub, India Yamaha Motor not only contributes to the government’s “Make in India” policy but also pursuing high quality while taking advantage of low-cost production capacity.

Global Yamaha Export Hub

World-class quality, Competitive cost with Exclusive Packing Design Concept
Exports to 58 Countries (2023)

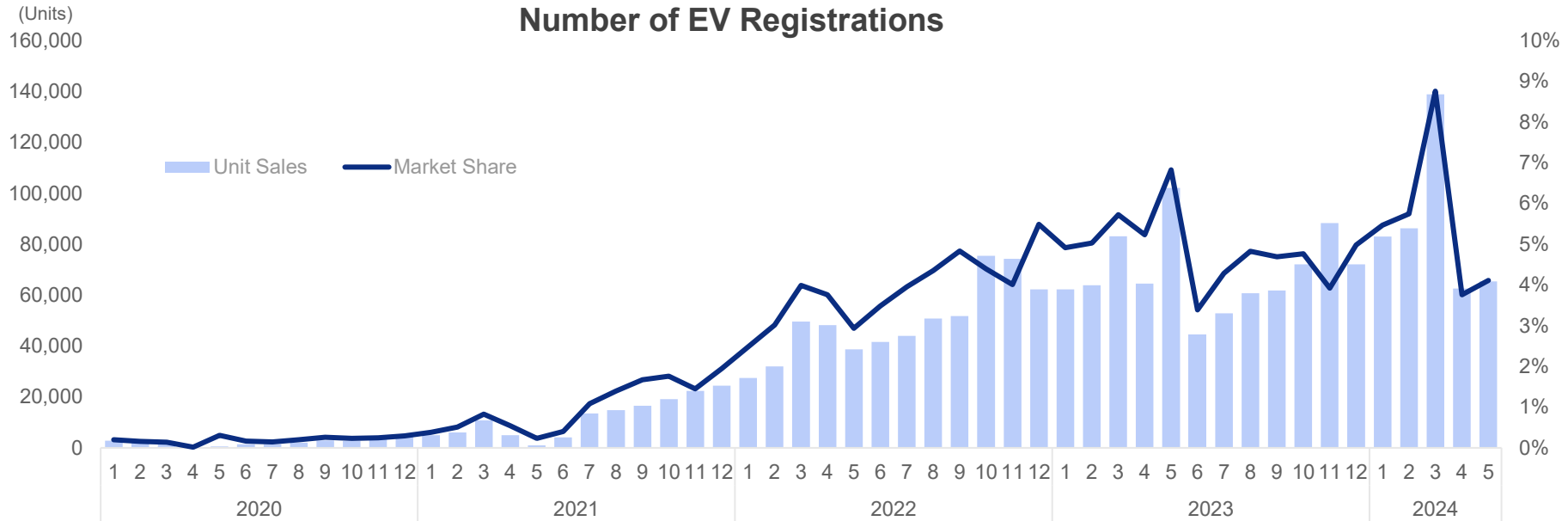




- The increase in government subsidies in June 2021 triggered a spike in unit registrations.
- Although the number of electric two-wheeler registrations temporarily dipped in April 2022 due to numerous reports of fires with the vehicles, the introduction of new models, discounts, and other sales promotion campaigns pushed registrations back upward.
- Government subsidies were reduced in June 2023 and again March 2024, sending monthly registrations flat.

Government subsidy amount (limit per unit) Reference : According to our survey

Until June 2023	Through March 2024	April 2024 onwards
Rs 50,000	Rs 30,000	Rs 10,000



Sales & Marketing



- Transitioned from the commuter segment to the premium segment strategy from 2018 onwards
- Implementing a more youth-focused strategy and directing product and marketing resources to the premium segment

-2017

Commuter Strategy

Focus on expanding sales scale

■ Target

- Men and women of all ages
- Mainly families

■ Branding

- Promote a familiar and friendly brand image



■ Main Products

- Commuters (low-cost motorcycles) and scooters

Motorcycle/scooters for daily transportation



Saluto 125

Alpha 110

■ Sales Network

- Expand sales and service network to cover rural customers



2018-

Premium Segment Strategy

Specialize in high value-added models

■ Target

- Urban youth (Gen Z)
- Approx. 30% of total Indian population
- 25 million more every year



■ Branding

- “The Call of the Blue” strategy

Appeal as an aspirational brand based on Excitement/Stylish/Sporty

■ Main Products

- Product lineup centers on sportbikes (150cc+) and 125cc scooter segment

Withdrawal from commuter and 110cc scooter segment



MT-15

YZF-R15

■ Sales Network

- Blue Square (BSQ) stores with new VI opened in mainly urban areas as bases for brand communication





Sales Channel Structure

	Main dealers	Branches	BLUE CORNER
Positioning	Dealer (direct dealings)		Sub-dealer
	Dealership HQ	Branch office with the same registered name as the HQ	Authorized dealer with 3rd party capital working with dealers
New store design	BLUE SQUARE		BLUE CORNER

New blue design being rolled out to sub-dealers

Old store design



BLUE CORNER



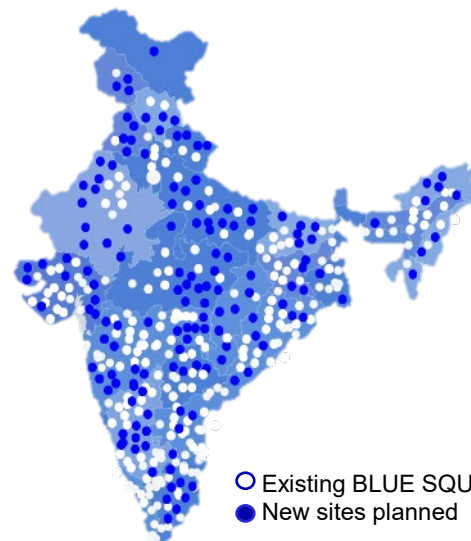
Sales Channel Development

- Roll out **BLUE SQUARE** stores mainly in urban areas with large-scale demand and strengthen brand strength and sales capabilities
- Expand sales channels to cities (urban/semi-urban) that will grow in the mid- to long-term

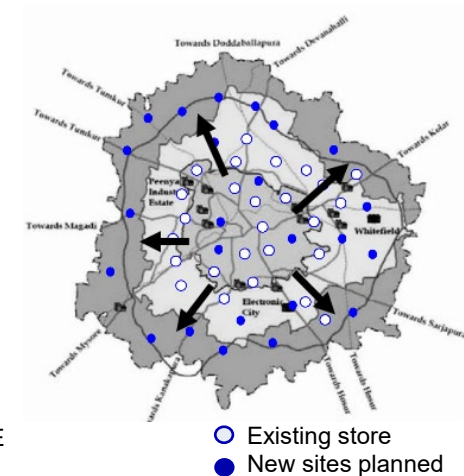
New **BLUE SQUARE** store design



Expanding BLUE SQUARE



Expanding sales channels in line with urban expansion (Example: Bangalore)



Finance

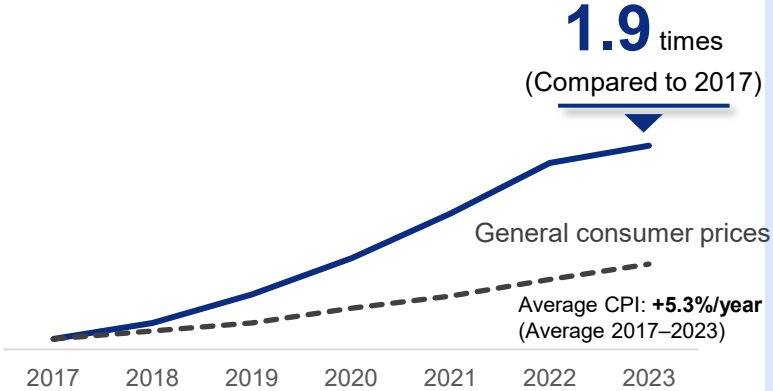


- Since starting the premium segment strategy in 2018, our cost to income ratio has improved

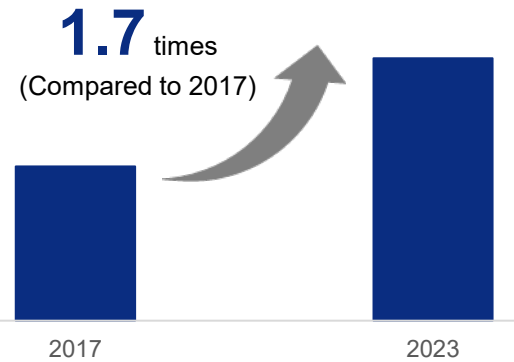
Point

1. Higher price per unit due to premium segment strategy
2. Integrated Faridabad Factory into the Surajpur Factory in 2020 and carrying on other measures to raise manufacturing efficiencies
3. Expansion of Blue Square stores bringing specific purchases that eliminate the need for discounts

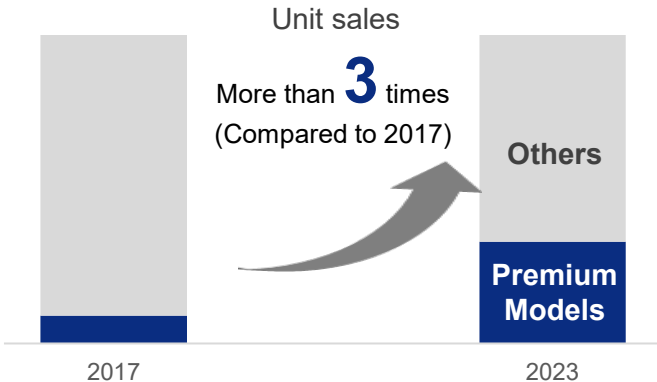
Domestic Wholesale Unit Price



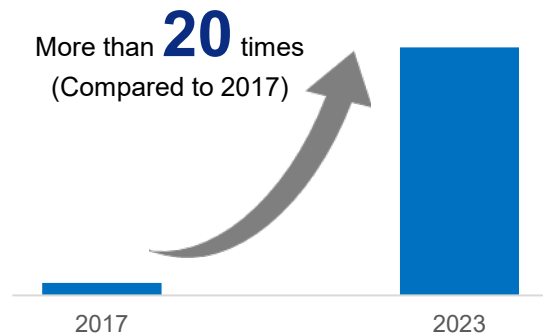
Revenue



Premium Model Ratio*



Operating Income



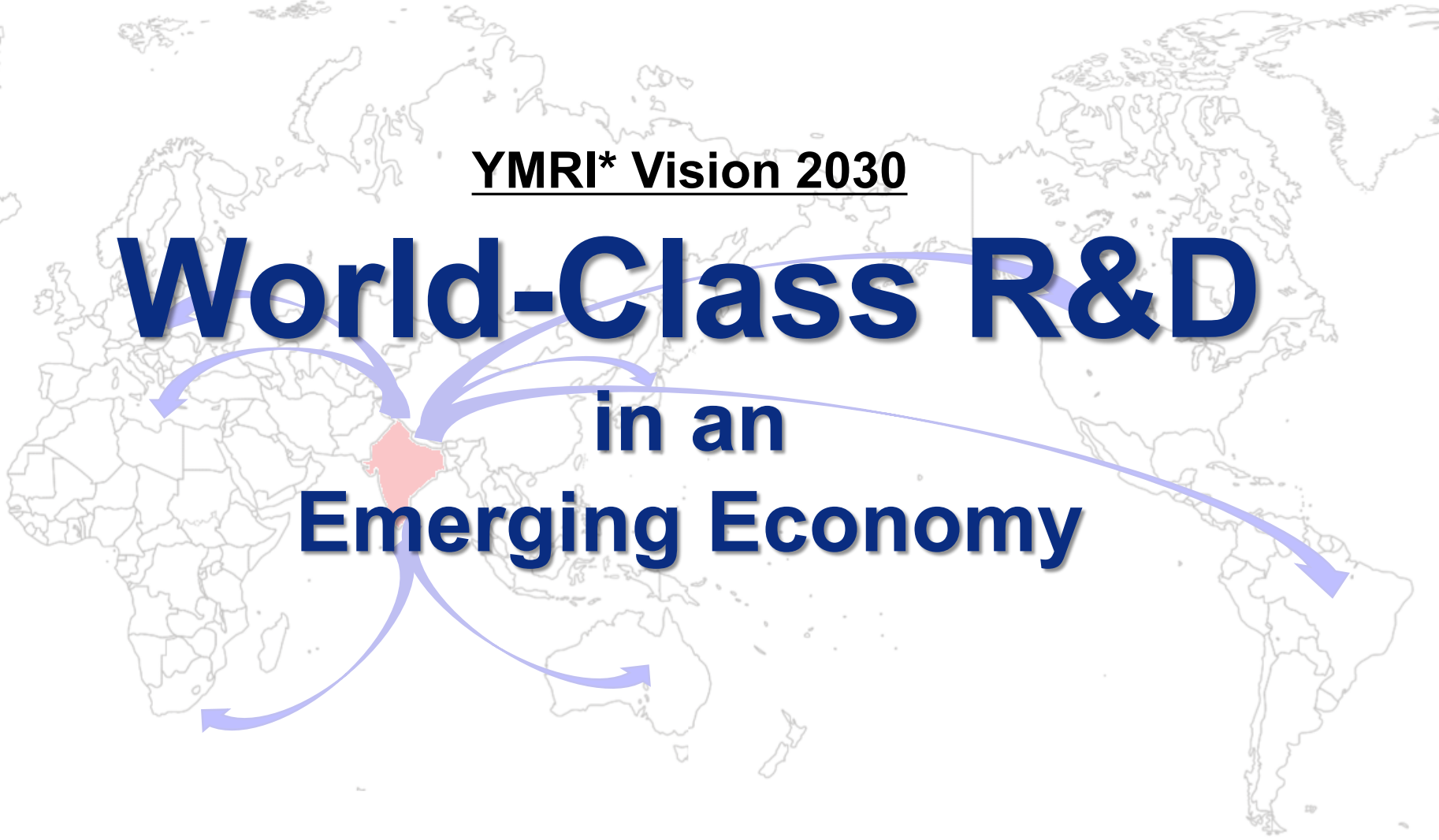
*Ratio of unit sales of premium sportbikes(R15-MT-15)

R&D



YMRI* Vision 2030

World-Class R&D
in an
Emerging Economy



Main domain is India



Traits

- Despite being an emerging market, India’s regulations are fully up to date
- The process leading up to formal establishment is complex and discussions are long
- Decisions to postpone adoption are often made just prior to finalization
- Timelines do not take development periods into account at all

Latest Trends

OBD*1 2 Regulations

- April 2023: OBD2a adopted
- April 2025: OBD2b to be adopted

Ethanol fuel

E20*2

- Began introducing E20 fuels in 11 cities from 2023. All Yamaha models are E20-compliant
- Models registered in 2025 must be E20-compliant.
- Plans for deployment throughout India by the end of 2026

FFV*3

- Government policy: Supply E100 in addition to E20
- SIAM*4 policy: Each OEM should launch 1 FFV model to the market by the end of 2024
- Limits for FFV fuel set at E20–85
- E100 composition decided at 93% ethanol/4~5% gasoline/2~3% additive

*1 On-Board Diagnostics, a vehicle self-diagnostic function

*2 Refers to 20% ethanol fuel in regular gasoline

*3 Flex-Fuel Vehicle

*4 Society of Indian Automobile Manufacturers, a domestic organization representing major Indian automobile and engine manufacturers



Mission

Develop products right for the Indian market at the fastest speed

- Extending the top-line: Development of minor exterior changes and accessories
- Improving the bottom-line: Localized production, reducing costs, addressing market complaints

Benefits for Local Development

- | | | |
|--|---|--|
| 1. Unique usage in a huge and diverse market | ▶ | Gemba Genbutsu*2 , rapid product deployment |
| 2. Diverse non-Japanese suppliers | ▶ | Cost reduction activities by integrating manufacturing, purchasing, and engineering |
| 3. Well-established engineering services company | ▶ | Effective use of external resources |
| 4. Scientific society | ▶ | Excellent engineers |
| 5. Low labor costs | ▶ | Curbs development costs |

*1 Yamaha Motor Research & Development India Pvt. Ltd.

*2"Gemba is "actual place" (Gemba), and Genbutsu is "actual stuff or goods", something you can physically touch. It is essential for Kaizen that you actually see, touch, feel and experience what is happening there by yourself.



Organizational Structure (2024)



YMRI*

Number of employees: Approx. 170
Japanese employees: 6%

**Eng. & Resource
Mgmt. Group**

Control

Regulations and
Certifications

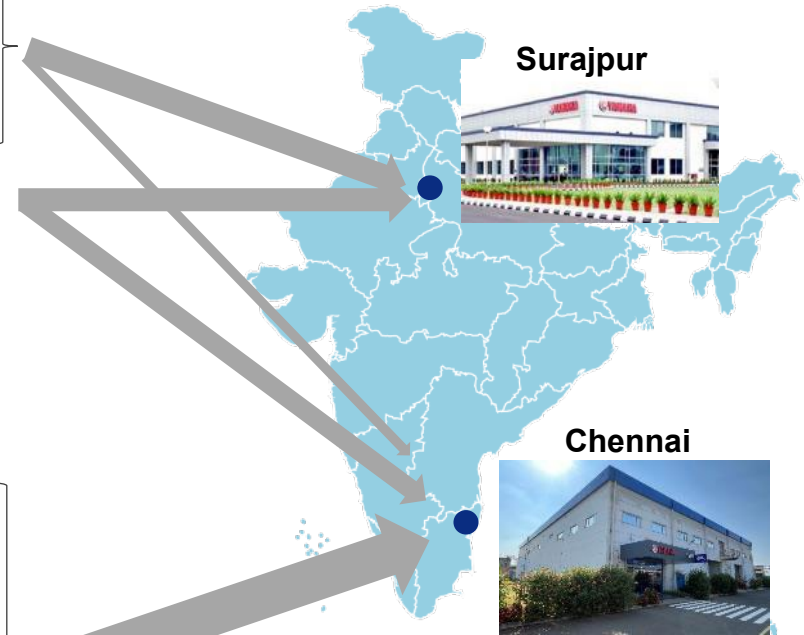
Factory Technology

R&D Group

Design

Experiment

Research



The width of the arrow indicates the number of employees belonging to the company.

*Yamaha Motor Research & Development India Pvt. Ltd.



Development of Standard Parts



- Developing parts with advanced features in high demand mainly by the Indian market



LED lighting

High-functionality instrument display

Bluetooth connectivity





USB charger



LED turn signals



Chassis guard kit



Engine guard

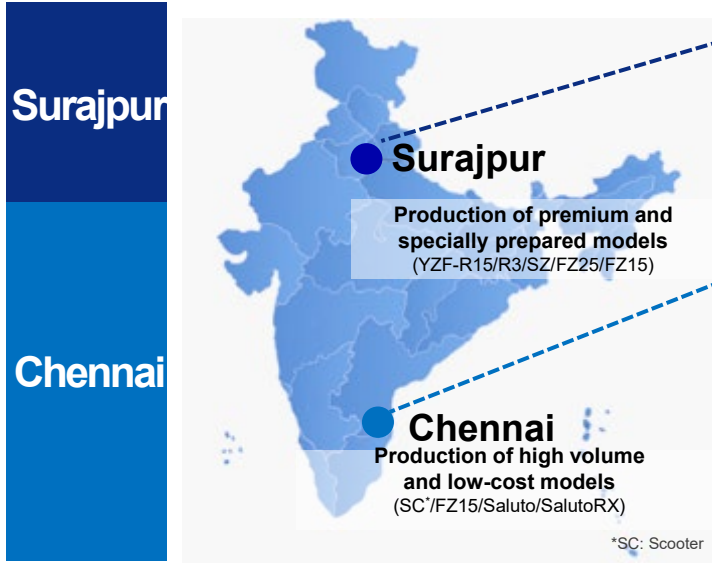
Manufacturing



Production Overview

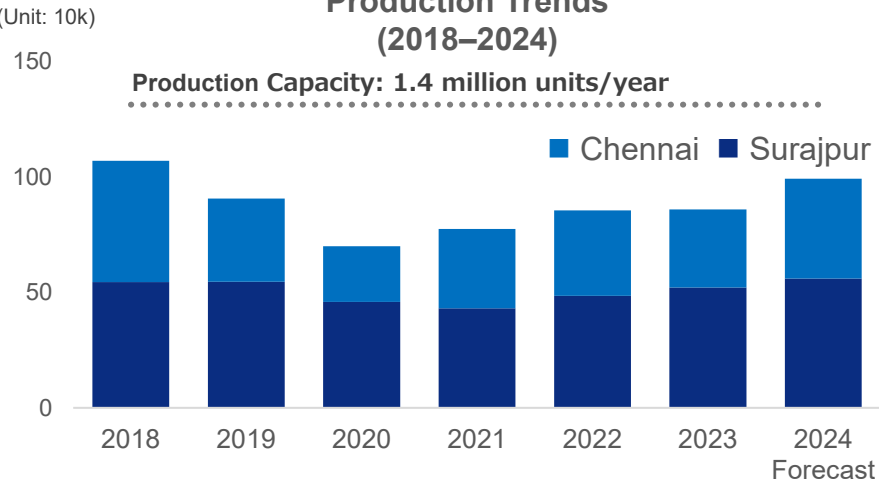


Production Capacity 1.4 million units/year



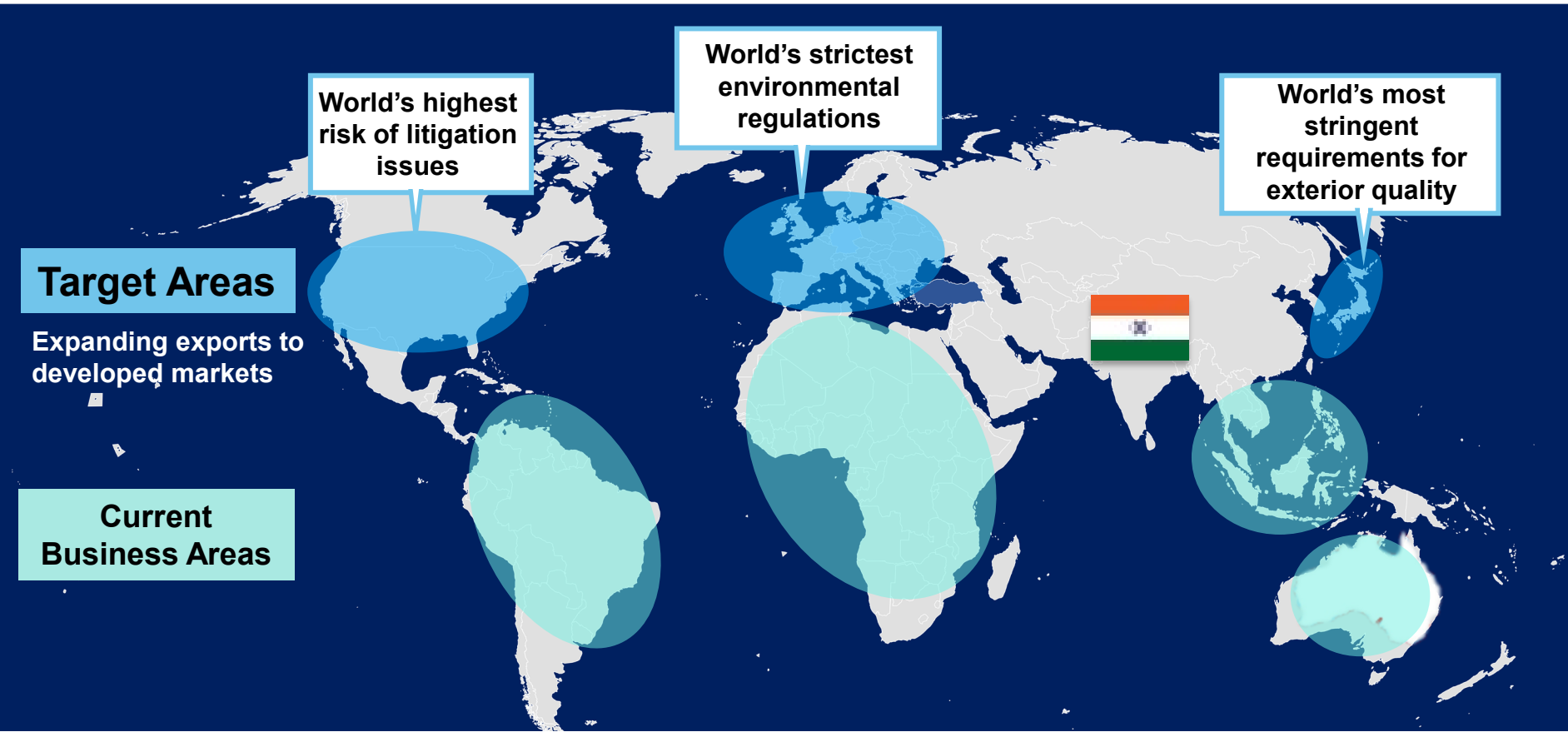
Production Trends (2018–2024)

Production Capacity: 1.4 million units/year



Vision: Most Competitive, Disciplined and Attractive Factory

Common Elements	<ul style="list-style-type: none"> - Global Quality - Synchronized Production - Theoretical Value Thinking - One Rule, One Std. as One Team - Export Expansion
Chennai: Flagship Factory	<ol style="list-style-type: none"> 1. High volume/High Seed Prod. 2. Low Cost Mfg.
Surajpur: Muscular Factory	<ol style="list-style-type: none"> 1. Flexible and Agile Prod. 2. High Value Model Mfg. 3. Full Utilization of Technology and Know How



Benefits

- Expansion of Indian brands and products into global markets
- Increased earnings in India through greater global sales
- Raising QDC* levels to meet global needs brings enhanced domestic market competitiveness

Challenges

- Answering demanding requirements
- Reforms to deliver world-class quality

Reference Data



Blue Streaks

- Dealer-led riding clubs
- Provides a place to stay connected with customers
- Contributes to post-purchase sales of parts and services



COTB Weekend

- A place for Yamaha users to socialize on weekends
- Various fan events planned and implemented
- Also used as a meeting point for Blue Streaks



Track Day

- Provides an opportunity to ride on a circuit, an experience many aspire to do some day
- Lending of equipment: Easy to enjoy the feeling of being a racer
- Provide programs tailored to different rider levels to encourage stepping up to the next level



Overnight Touring

- Overnight long-distance touring
- A challenge to foster a new culture around touring
- Provides engagement programs that strengthen bonds between customers