

# **Business Results for First Half of Fiscal Year 2025**

## **Institutional Investor and Analyst Briefing and Q&A Minutes**

Date/Time: August 5, 2025 (Tue.) from 14:10 to 14:55

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### **Questioner A**

Please give us your assessment of the company's results in the first half of the fiscal year against your original forecast.

Our operating income fell short of our original forecast by tens of billions of yen, mainly due to a decrease in unit sales in the motorcycle and Marine Products businesses. While motorcycle sales went well in Indonesia, Thailand, and the Philippines, they fell in India, Vietnam, and Brazil. In the Marine Products business, sales of small and midrange outboard motor models exceeded our projections, but we struggled with personal watercraft sales, leading to lower revenues and profits. The U.S. tariffs also had next to no impact during the first half of the fiscal year while exchange rates worked to our advantage. We have also treated R&D expenses as investments for our future.

### **Questioner B**

Please share what led to the downward revision of your forecasted operating income for fiscal 2025. Also, taking into account the immediate macro environment and the impacts of U.S. tariffs, where do you see your performance in fiscal 2026?

The main reasons were some lingering temporary factors from last fiscal year that we thought we had addressed, as well as the effects of the unexpected tariffs. We plan to take care of those leftover temporary factors this fiscal year and enter fiscal 2026 without that burden. We continue to invest aggressively into R&D and plan to launch several new models in the motorcycle business in the second half of the year. In the Marine Products business, we are also making progress with large outboard motor model development. From fiscal 2026 onward, we expect to begin reaping the fruits of our R&D efforts by launching new models in our core businesses and more. We will also continue with structural reforms in our strategic businesses, like the Smart Power Vehicle (SPV) business, Robotics business, and Outdoor Land Vehicle (OLV) business.

### **Questioner C**

What are some specific measures on the table for turning Yamaha Motor into “a strong, robust company?”

Since taking the reins as president, I have been working to improve our bottom line while growing our top line toward achieving my vision of making Yamaha Motor a strong, robust company quick to adapt to changes. What is particularly crucial to growing the top line is proceeding big outboard motors of the Marine Products business and bringing more premium offerings to the motorcycle business. Prioritizing investments in these areas and developing competitive products is how we will aim to raise our marginal profit ratio. Also, by driving reforms to our cost structure and moving closer to a break-even point percentage of 70–80%, we will aim for an ROS of 10%.

So, your structural reforms right now are not aimed at preparing for impacts from the external environment, but instead a continuation of what you have done thus far?

Correct. The structural reforms we explained today are moves meant to bolster our fundamental strengths. In terms of responses to the external environment, we are implementing price revisions and other measures.

What is the current situation with the OLV business’s structural reforms?

We currently offer a full lineup, but going forward we plan to focus on areas where we can leverage our strengths and stand apart from our competitors, so our general policy will be selection and concentration. We are also reviewing our cost structure and deliberating on whether or not we can build up the strength required to post growth.

### **Questioner D**

Taking into account the effects of the tariffs by the U.S., I would like to hear your outboard motor growth strategy going forward.

Because outboard motors are not a standalone product, they are able to easily absorb price increases. If a complete large-class boat is priced in the range of tens of millions of yen, about 30% of that price is for the outboards, so we believe the effects of raising prices due to the tariffs remain relatively acceptable. Our competitors had already gotten ahead of us by investing in the development of large outboard motors, but we are upping our R&D spending in the current Medium-Term Management Plan and aiming to gain ground on them as we introduce new products.

How big was the rush to buy prior to the price change for outboards? Also, have there been any different trends in demand by horsepower segment?

Purchasers of large outboard motors and those purchasing small to midrange outboards have different sensitivities regarding prices. What happened this time was a rush by the latter in June to buy products just before prices changed.

**Questioner E**

Please explain the difference in the operating income predictions in your original and revised forecasts for the full fiscal year.

The main factors are decreasing sales in our core businesses, and the Robotics business, and the impact of the tariffs. The higher R&D expenses are from recognizing prepaid development cost as expenses on P&L. Our R&D efforts are being managed appropriately and are making progress as expected.

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