Business Results for Third Quarter of Fiscal Year 2025
Institutional Investor and Analyst Briefing and Q&A Minutes

Date/Time: November 5, 2025 (Wed.) from 14:15 to 14:55

Presenters: HASHIMOTO, Mitsuru | Executive Officer and Chief General Manager of Corporate Planning & Finance Center

YAGI, Taizo | General Manager of FP&A Division, Corporate Planning & Finance Center

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Questioner A

If there are any clear factors behind the deviation from your projections for business segment and product category, please share them. Also, please explain the nature of any one-time factors.

The motorcycle business as a whole is doing well, driven by strong performance in Indonesia, Thailand, and the Philippines, along with the recoveries being seen in Brazil and India. However, with the risks afoot, such as the full brunt of tariffs, rare earth procurement trends, and flooding in Vietnam, we need to carefully assess our business results forecast for the full year going forward. As for one-time factors, we had impairment losses on tangible fixed assets at the recreational vehicle business's factory in the U.S. during the third quarter.

Please explain the market trends and your future outlook for the marine business in North America.

For large outboard motors, while the trend of medium- to long-term demand growth remains unchanged, high interest rates and inflation have kept the strength of that demand from materializing at this point. However, depending on the direction that the U.S. economy takes in the future, we believe the trend toward larger models could pick up speed again. Regarding our outlook for the next fiscal year, we expect to see gradual improvements. With personal watercraft and sport boats in particular, the challenging market conditions have remained this fiscal year, so we hope to see a recovery as we head into the next fiscal year.

Questioner B

You indicated that there are no changes to your business results forecast for the full fiscal year. Please provide us with a progress update for each business.

Thanks to the success of our premium segment strategy in ASEAN markets, the motorcycle business posted both higher year-on-year revenue and profits in the third quarter alone. In the Marine Products business, growth in the U.S. market fell short of expectations, but demand for outboard motors remains firm. In the Robotics business, progress has been slower than anticipated, but we are seeing signs of recovery against the backdrop of rising demand for AI applications, and demand in the automotive sector is also starting to pick up again. Investment is intensifying not only in China but also in other regions in Asia, and we intend to ride this wave and grow our business.

Please explain the level of recovery you expect to see next fiscal year for the Smart Power Vehicle (SPV), Outdoor Land Vehicle (OLV), and personal watercraft businesses, which are all currently in the red.

The SPV business is gradually recovering from the challenging conditions that persisted until last year. However, the subsidiary we consolidated in the third quarter is currently detrimental in terms of earnings. Going into next fiscal year, how effectively we can leverage the synergies from this acquisition will be key.

The OLV business continues to face a difficult situation. Bolstering our responsiveness to the market and establishing a profitable business structure are key challenges. For the personal watercraft arm of the Marine Products business, demand has decreased due to the U.S. economic slowdown. This has led to an inventory increase of non-current model years, posing a challenge. In light of these circumstances, we will focus on optimizing inventory levels and implementing cost structure reforms to improve production efficiency.

Questioner C

Please explain the impact of tariffs on steel, the status of your outboard motor price revisions, and the countermeasures you have in mind for next fiscal year.

Regarding the forecast costs and impacts of tariffs we disclosed at our earnings announcement for the first half of this fiscal year, we have made no changes, even when accounting for the additional taxes levied on complete products put in place from August due to tariffs on steel.

It is important that we address the tariffs by not only revising our pricing strategies but also strengthening our profit structure. For the current fiscal year, we expect to absorb about one-third of the companywide impact from tariffs through pricing measures, but based on sales trends, we will need to be flexible with pricing for each product. Furthermore, to support our bottom line, we are also focusing on transitioning toward a more robust business structure. We will continue carrying out initiatives like these into the next fiscal year and beyond.

How do you assess the immediate impacts of Vietnam's recent restrictions on the use of gasoline-powered vehicles in urban areas? Additionally, could you share your outlook for the next fiscal year and beyond, considering the shift toward electric mobility?

We are closely monitoring the environmental regulations in Vietnam and recognize that they will have a certain level of impact. However, Vietnam is a market where gasoline-powered motorcycles are widely used for daily transportation, so we do not anticipate a rapid shift to electrification, including from a pricing perspective. Yamaha Motor plans to continue expanding sales of our gasoline models while simultaneously promoting sales for our EV model, the NEO's. Regarding electric two-wheelers in general, we will continue to engage in global development of EVs while taking into account market viability and product competitiveness.

Questioner D

Regarding India's two-wheeler market, I expect factors like the Goods and Services Tax (GST) will trigger changes in the fourth quarter. What do you feel is your potential in the market going forward?

Demand itself is growing significantly and the market is large. Since the beginning of the year, financing approval rates in India have fallen against the backdrop of the country's economic situation, and we were put on the defensive by our competitors. Considering the impact of GST and the festival season in October, we want to broaden our scope of target customers while expanding sales. Our core premium segment strategy remains unchanged, and we will continue to push the market penetration of high-profit models into the next fiscal year and beyond.

Questioner E

Please outline your path to securing profitability with the OLV business.

The situation differs by product; we are seeing decent progress with our ATVs, but are struggling with ROVs because we haven't been able to introduce models into categories with growing demand. Golf cars are also experiencing a downturn due to the rebound from last year's high demand. Instead of a strategy to increase sales by incurring costs, we are refining improvement plans with a focus on creating a profit-generating cost structure, including reviewing our product development plans.

Questioner F

You have posted cumulative revenue growth with your semiconductor back-end equipment, but sales have gradually declined from the first to the third quarter. What are the factors behind this?

The slowdown in growth during the third quarter was influenced by orders not progressing as we had anticipated. However, the market remains robust, so we will continue product development while rolling out offerings that will satisfy our clients.

In the semiconductor back-end equipment field, what are your expectations for the fourth quarter and beyond, and are there any anticipated risks?

We can take some positives from the fact that the market itself is strong, but for us, the challenge lies in whether we can keep pace with it. The three semiconductor back-end manufacturing equipment companies we acquired have merged and have been operating under a new structure since July 1st. We believe that producing results from this synergy as quickly as possible and effectively utilizing resources represent key issues to address.

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