



**Marine Products Business
Medium-Term Management Plan (2025–2027)**

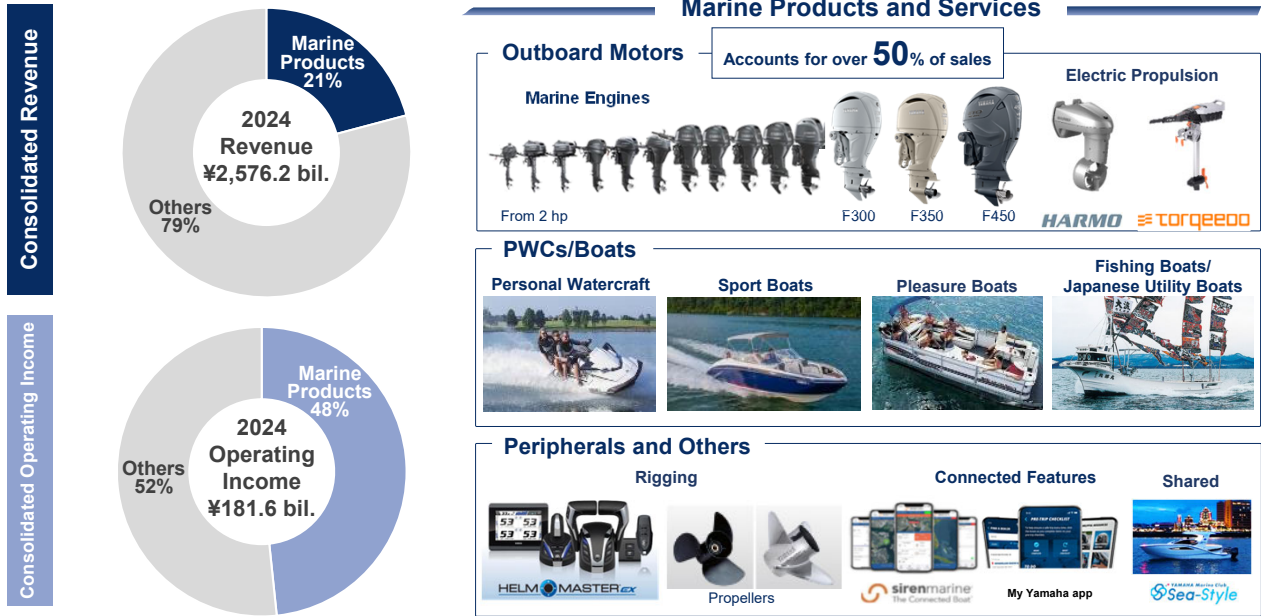
March 13, 2025
Yamaha Motor Co., Ltd. (Ticker symbol: 7272)

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Thank you for attending today's business-specific mid-term management plan briefing

For my part, I would like to discuss the new medium-term management plan for the marine product business, We will include a description of our recent efforts.

Marine Products Business Overview



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First, let me give you an overview of our marine products business.

The marine products business contributes approximately 20% of our consolidated net sales, but 50% of our operating income, making it a major contributor to our earnings.

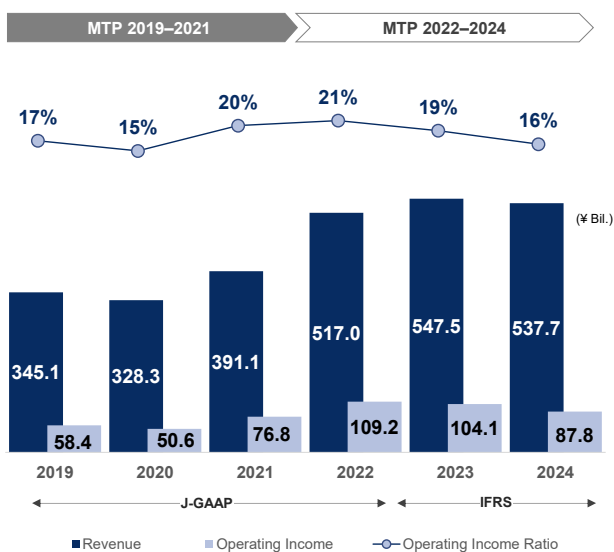
The main product is outboard motors, which are propulsion systems for boats and account for more than half of the sales in the marine products business.

In addition, we also sell Personal watercraft around the world and boats mainly in Europe, the U.S., and Japan.

We also offer accessories, services, and applications to provide customers with a easier and more comfortable marine life.

Review of the Previous Medium-Term Management Plan

Marine Products Business Performance



KPI Targets	2024 Results
Large outboards volume ratio	30% → 27%
Production capacity expansion (vs. 2018)	
Large outboards	+20% → +20%
PWCs	+27% → +27%

- | Achievements |
|--|
| <ul style="list-style-type: none"> Strengthened lineup and production capacity of large outboard motors Made progress with Marine CASE Strategy C: Started sales of connected products in coordination with Siren Marine, which we acquired A: Drove development of automated boat control technologies in coordination with U.S. operations S: Invested in Skipperi and expanded its relevant services globally E: Acquired Torqeedo and launched HARMO electric propulsion system Established Marine Innovation Center and Yamaha Offshore Endurance Center in the U.S. |
| Challenges |
| <ul style="list-style-type: none"> Strengthening the product lineup to meet market needs and to continue enhancing production capacity Accelerating the development of advanced technologies Responding flexibly to market trends |

Next is a review of the previous medium-term management plan.

The graph on the left shows revenue and operating income for the Marine products business from 2019 to 2024. The marine products business has grown significantly from the past due in part to increased demand in the Covid-19 pandemic and favorable foreign exchange rates.

In 2024, both revenue and operating income fell below the previous year's levels due to stagnant demand resulting from the rebound from the Covid-19 pandemic and other factors, as well as production adjustments due to excess inventory.

Regarding the results of the KPI targets set in the previous MTP, we made progress in increasing production capacity as planned. On the other hand, the ratio of large-sized outboard sales units fell short of the target, but we worked to strengthen our lineup of large-sized outboard motors, such as by launching the F350.

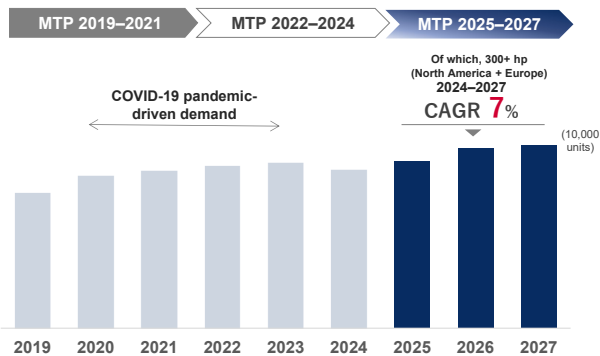
We also made steady progress with our Marine CASE strategy, including the acquisition of companies with strengths in each area. In the United States, our main market, we established a marine innovation center and an offshore endurance center, and worked to build a foundation that would allow us to respond flexibly to market needs.

On the other hand, we are challenged by the loss of market share due to supply shortages and inadequate product ranges caused by supply chain disruptions following the Covid-19 pandemic.

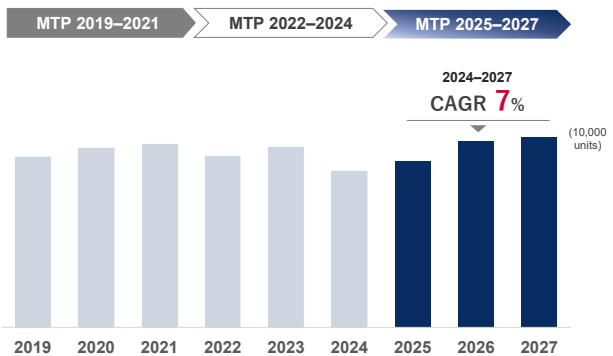
During this MTP, we believe there are two key points for expanding our market share. The first is to continue to strengthen our lineup of large outboard motors and production capacity, which we expect to continue to expand. The second is to accelerate the development of the latest technologies, such as automatic navigation technology. Through these efforts, we will work to improve our market share.

Business Environment

■ Total demand forecast for large outboard motors (150 hp and above)



■ Total demand forecast for personal watercraft



Opportunities

- Recovery in demand from slowing inflation and lower interest rates
- Increased PWC demand from a diversification of uses
- Growing worldwide demand for large outboard motors

Risks

- Dramatic market changes amidst climate change, rapid technological innovations, etc.
- Sudden pronounced changes in the global economy, exchange rates, regulations, etc., due to additional tariffs enacted by the new U.S. presidential administration and other developments
- Soaring labor and raw material costs

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I would like to explain our recognition of the business environment at the time of formulating the MTP.

First, let's look at total demand for outboard motors. The market size of outboard motors is around 800,000~900,000 units, which fluctuates slightly from year to year, but there has been a stable demand for them in the past.

In the Covid-19 pandemic, the market for small and medium outboard motors expanded significantly in response to the growing need for outdoor recreation, but demand stagnated around the second half of 2023 due to the backlash and high interest rates. On the other hand, the market for large outboard motors has been expanding gradually since the past, as shown in the graph on the left.

Demand for small and medium outboard motors is expected to remain nearly flat from 2025 to 2027, while demand for large outboard motors is expected to grow globally, especially in the United States. In particular, unit sales of outboard motors of 300 hp or more are expected to grow at a CAGR of 7%.

Regarding total demand for personal watercraft, demand fell sharply in 2024 due to rising interest rates and inflation, but the market is expected to recover moderately through 2027 as the economy recovers and usage diversifies.

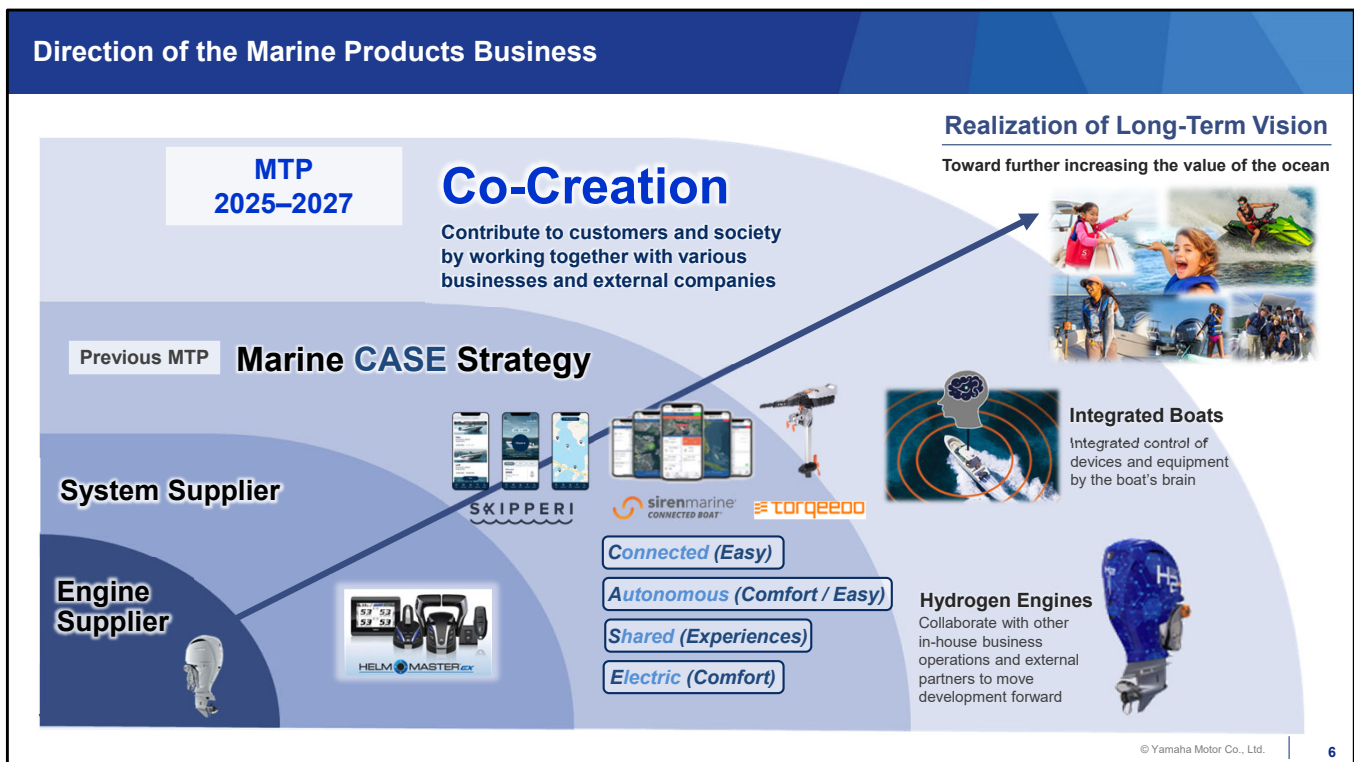
Reliable and rich marine life

Toward further increasing
the value of the ocean

- **Changing marine culture, changing everyday life**
Create time, spaces and experiences full of *Kando* and presenting them as everyday joys
- **Connecting the sea, people, and society**
Become an indispensable part of society with platforms that connect people around the world with the value the marine lifestyle offers
- **Toward a future with a greater ocean than the current one of today**
Preserve the blessings of rich seas that everyone connected to the water desires
- **Releasing the secret potential of the sea**
Be experts on the world's waters and create value that contributes to the development of mankind

This is our marine long-term vision.

In our MTP starting this year, we will continue to pursue our long-term vision of “reliable and rich marine life” through our business further increasing the value of the ocean, and we will take on the challenges of various initiatives to realize this vision.



After that, let me explain the future direction of the marine products business.

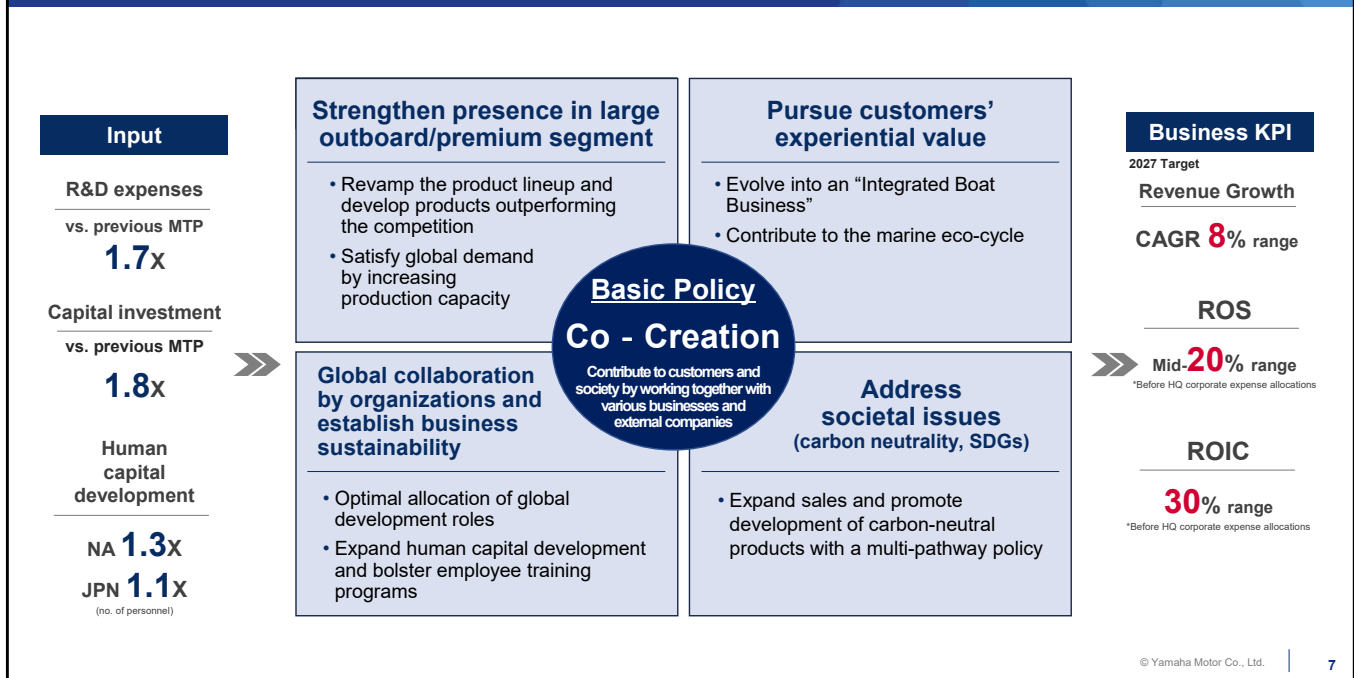
In the course of our history, we have expanded our business from an engine and boat supplier to a system supplier that combines peripheral equipment and other products.

In addition, in the previous MTP, we promoted the marine CASE strategy and, through acquisitions and other measures, established a foundation of services needed by the marine business in the future.

In the new MTP, we have evolved from the marine CASE strategy implemented in the previous MTP and have adopted "Co-Creation" as our basic policy to accelerate our business towards the realization of our long-term vision.

This represents the move into the implementation phase toward our long-term vision by integrating all of our products, technologies, services, and manufacturing that we have built up to date, with the aim of "contributing to our customers and society together with various businesses and external companies".

Medium-Term Management Plan (2025–2027): Strategy Framework



Here is the strategic framework of the MTP.

We have set four key themes based on the “Co-Creation” policy we talked about earlier.

These are: “Strengthen presence in large outboard/premium segment,” “Purse customer’s experiential value,” “Global collaboration of organizations and establishment of business sustainability,” and “Address societal issues”.

Specific details will be explained in the pages that follow.

In terms of business investment, we will increase R&D expenses and capital investment for further business growth, and expand the number of personnel in both Japan and North America.

For the business KPIs, we set the sales CAGR at the 8% range, ROS at mid-20% range, and ROIC at the 30% range until year 2027.


Strengthen Presence in Large Outboard/Premium Segment

1. Revamp the product lineup and develop products outperforming the competition

- Achieve rapid development by collaborating with external partners

Large Outboards

- Expand lineup of models 150 hp and higher
- Boost performance areas desired by customers
 - Light weight, power generation, noise levels, etc.



KPI Target

FY2024 27%

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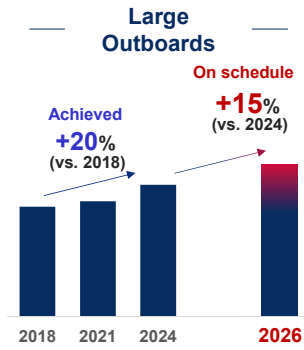
FY2027 32%

Personal Watercraft

- Introduction of new platform model
- Proposals aligned with diversifying uses
 - New models and accessories

2. Satisfy global demand by increasing production capacity


Large Outboards



Achieved **+20%** (vs. 2018)

On schedule
+15% (vs. 2024)

Personal Watercraft



Achieved **+27%** (vs. 2018)

Greater capacity expansion*

- Companywide factory reorganization, etc.

*Enacted in light of market conditions

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From here, we will explain the key themes of our business strategy.

First, let's talk about "Strengthen presence in large outboard/premium segment".

In this strategy, we will also utilize outside collaboration to achieve unprecedented speed of development and promptly renew our strong lineup.

In outboard motors, we will focus on the large-size model, where demand is expected to grow continuously, by introducing new models and enhancing performance such as weight reduction, power generation performance, and quietness based on customer needs. The goal is to increase the sales ratio of large outboard motors to 32% by 2027.

Personal watercraft sees the recent diversification of customer applications as a business opportunity, and will introduce models with the new platform.

With respect to the expansion of production capacity, we were able to achieve the targets set in the previous MTP for both large outboard motors and watercraft. In the new MTP, we will continue to increase production capacity to meet global demand.

The goal of this MTP is to increase the production capacity of large outboard motors by 15% compared to the current production capacity. Further capacity expansion is being considered beyond this MTP.



Next, we will discuss our second key theme, “Purse customer’s experiential value”.

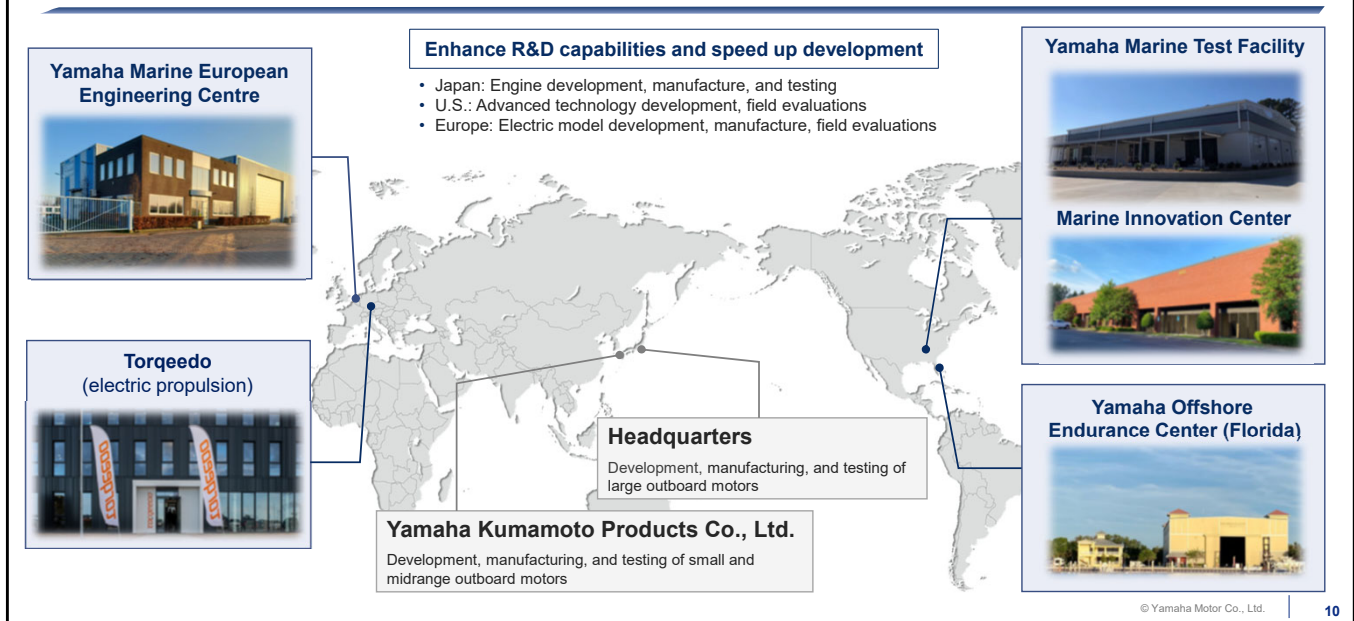
As a comprehensive marine company, we will evolve into an “Integrated boat business” that maximizes customer experience value through collaboration across the entire value chain, and we will pursue this in two directions.

The first is to expand our range of related products, which we have been doing for some time now. We will further develop our system supplier mindset, aiming to govern the brain of the boat and control the entire boat in an integrated manner. The aim is to dramatically increase our presence in the boat products market compared to our conventional business of selling propulsion systems. As the latest product based on this policy, we announced the Remote Joystick at the Miami International Boat Show in February this year. The Remote Joystick is an innovative product that allows you to control all aspects of the boat with one hand, even from a location away from the boat's driver's seat. It is possible to intuitively and freely control the boat using just two fingers - the thumb and index finger.

The second is to expand our business scope to encompass the entire marine ecosystem. In addition to our traditional hardware sales business, we aim to become a service provider for the entire ecosystem by making full use of DX and big data. The use of our unique platform by various businesses and users involved in marine activities will lead to stronger loyalty towards our company. In addition, since these services are mainly based on a pay-as-you-go revenue system, it will be possible to secure stable revenue.

By expanding our business in these two directions, we will further increase sales of peripheral equipment. At the same time, we believe that these measures will be an important differentiating factor for our core business of outboard motors in the future, so we will achieve the development of our entire marine business through the integrated boat business.

Optimal allocation of global development roles

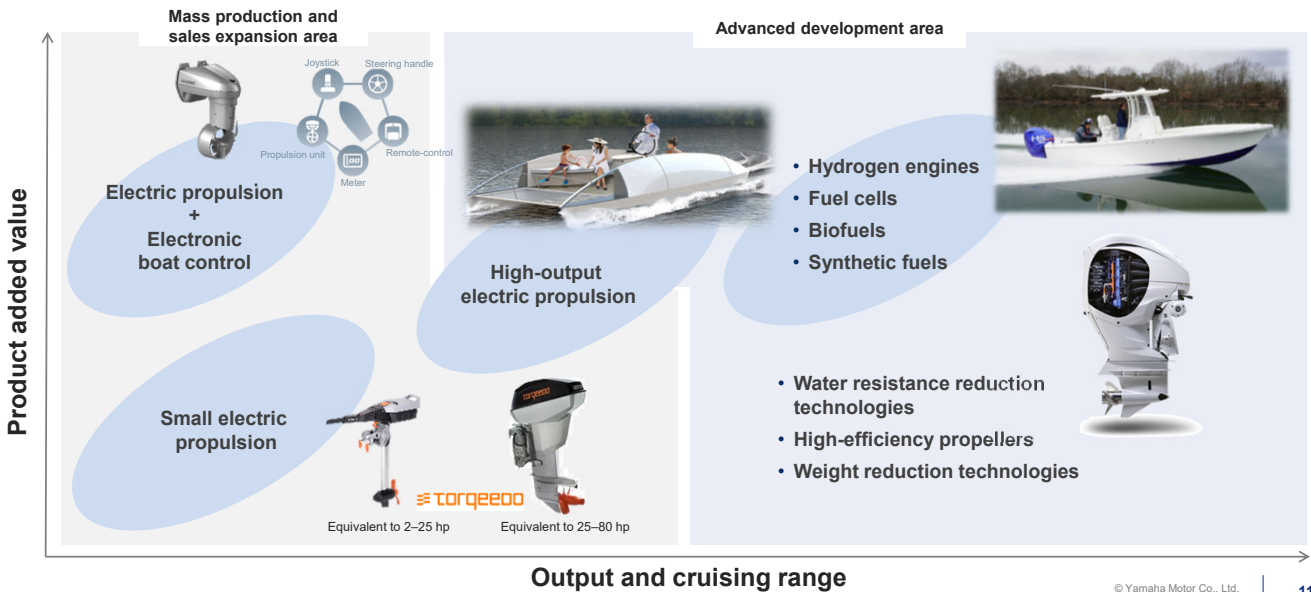


Next, I will explain the third key theme, “Global collaboration of organizations and establishment of business sustainability,” and I will explain the optimization of the global development function, which is one of the most important points.

During the previous MTP, in order to accelerate the development of advanced technologies, we expanded the Bridgeport test facility and established the Marine Innovation Center as a hub for advanced technology development. In addition, we have established a base in Florida to conduct offshore endurance center, creating an environment in which the development, evaluation, and feedback cycles can be performed in an environment closer to the actual site. In Europe, with the acquisition of Torqeedo, we acquired a development base for electric outboard motors and also established a European engineering center for field evaluation.

This will strengthen R&D capabilities and speed up development in the U.S. and Europe, the major markets for large outboard motors, and will accelerate the provision of better products to customers.

Expand sales and promote development of carbon-neutral products with a multi-pathway policy



Lastly, I would like to explain our “Address Social Issues”.

As part of our efforts to become carbon neutral, we will continue to promote development based on our multi-pathway policy, not only in the electric domain.

The right side of the figure is the area of advanced development. As for hydrogen engines, which we have been developing ahead of other companies, we were able to show the first sailing scene of a boat equipped with a hydrogen engine at last month. The hydrogen engine will be exhibited for the first time in Japan at the Japan International Boat Show to be held from the 20th of this month. Other developments are underway to reduce various fuel possibilities and water resistance, leading to improved fuel economy.

On the left side of the diagram, this is the area of mass production and sales expansion, mainly for small to medium-sized models. By utilizing Yamaha's sales channels together with Torqeedo, which was acquired last year, Yamaha plans to expand sales of electric propulsions globally. In addition, we will expand sales of our self-developed electric propulsion "HARMO" as a high value-added model.

In the electric domain, we will create synergies with Torqeedo and develop new products.

Thank you for your attention.

