



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

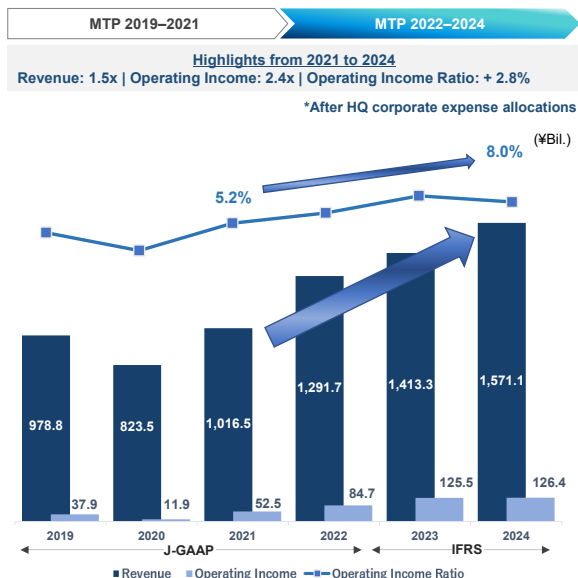
March 13, 2025
Yamaha Motor Co., Ltd. (Ticket symbol: 7272)

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I will explain the new medium-term management plan for the motorcycle business from 2025 to 2027.

Review of the Previous Medium-Term Management Plan

Motorcycle Business Performance



Summary

- In response to soaring raw material prices and labor costs, sales and profits grew in line with the recovery in demand following the COVID-19 pandemic, led by India and Indonesia.
- With our premium and connected models, we failed to meet our original KPI targets due to the semiconductor shortage and demand not growing as much as initially expected.

KPI	MTP Targets	2024 Results
Open more Blue Square ¹ stores	450 ²	469
Expand sales of premium models	India 2.0x	India 1.6x
	Philippines 1.5x	Philippines 1.1x
	Indonesia 1.3x	Indonesia 1.1x
Expand sales of connected models	2.5M	1.25M

Achievements and Challenges

Achievements

- Higher revenue
- Higher operating income
- Improved operating income margin
- Further penetration of the premium segment strategy in emerging markets

Challenges

- Expanding market share in key categories
- Further driving the premium segment strategy
- Further improving marketing capabilities
- Steps to prepare for carbon neutrality in the future

¹ These showroom-type dealerships in India are oriented around our Yamaha Racing Blue brand color and provide a refined customer experience.
² The KPI when announcing the previous MTP only covered urban areas and the target was 2x the number of stores. In the first half of 2024, the scope of coverage was expanded to include urban areas and their surrounding regions, and the KPI was also changed.

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First, I will review the previous medium-term management plan.

The table on the left shows the performance of the motorcycle business over the past six years.

Compared to the results for fiscal year 2021, the results for fiscal year 2024 were
1.5 times higher in terms of revenue
2.4 times higher in terms of operating profit
and the operating profit margin was 8.0%, an increase of 2.8%.

Over the three years of the previous medium-term management plan, we responded to the rising cost of raw materials and labor.

As a result, in India, where demand has recovered remarkably after the coronavirus, and Indonesia, our largest market, profitability improved beyond expectations.

As set out in our initial KPIs, we also developed a network of dealerships in the growing Indian market that emphasized a sporty image, based on our brand color of Yamaha Blue. These dealerships, known as Blue Square, exceeded our target, with 469 stores opened across India.

On the other hand, we did not achieve our target for expanding sales of premium models and connected vehicles, which were also set as KPIs. The main reasons for this were a shortage of products due to a shortage of semiconductors and a slower-than-expected recovery in demand after the coronavirus pandemic.

Finally, I will explain the results and challenges of the previous medium-term management plan.

First of all, as for the results, as I mentioned earlier, due to the impact of increased

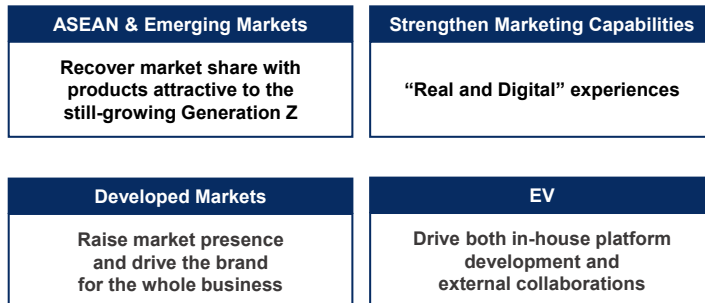
sales, especially in the Indian and Indonesian markets, we saw growth in sales revenue and an improvement in profitability. In particular, sales of our high-value-added premium models, which are our strength in emerging markets such as the ASEAN region, expanded.

Looking ahead, we will need to improve our marketing capabilities to further expand sales, and increase our market share in the categories we are focusing on. We also believe that we need to take steps to become carbon neutral in response to future environmental regulations, and we hope to respond appropriately over the three years of our new medium-term management plan, which runs from 2025 to 2027.

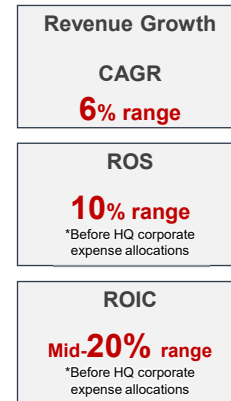
Motorcycle Business Long-Term Vision

Bringing joy into mobility and fun into holidays together with you

2025–2027 Management Plan



Business KPI



Next, I will explain the basic policy of our medium-term strategy and our financial targets.

In the motorcycle business, we have a long-term vision of “Bringing joy into mobility and fun into holidays together with you”.

In this medium-term period, we will further promote our premium strategy from both product and marketing perspectives.

In particular, in ASEAN and emerging countries, we will introduce attractive products targeting the Z generation, who will be the core of the economy in the future.

We will evolve our customer contact points through marketing that utilizes both real events and digital media, and allow more customers to experience the Yamaha brand.

In developed countries, we will provide new value through the introduction of new models and the development of peripheral businesses, and increase our presence in the market.

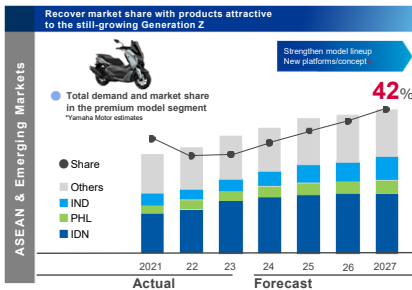
In the EV business, we will also allocate resources effectively, using both in-house development and external collaboration.

As business KPIs, we are targeting a CAGR of 6% in sales, ROS of 10%, and ROIC in the mid-20% range by 2027.

Business Strategy for ASEAN, Emerging, and Developed Markets

KPI

ASEAN & Emerging Markets: Achieve market share of 42% in the premium segment



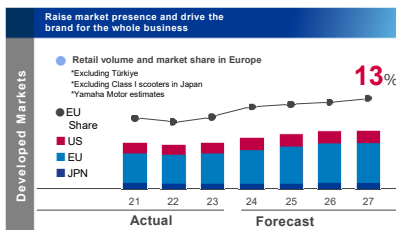
ASEAN & Emerging Markets

Further strengthen premium segment strategy

- ◆ **Indonesia**
Create emotional value that increases the desire to own and deepens ties with customers
- ◆ **The Philippines**
Introduce loyalty programs to offer consistent, premium experiences
- ◆ **India**
Raise customer engagement by rolling out marketing targeting Gen Z and ramping up experiential events

KPI

Developed Markets: Achieve market share of 13% in Europe



Developed Markets

Enhance market presence in key areas

- ◆ **Launch of new models and draw in new customer segments by expanding sales of models equipped with Y-AMT^{*1}**
- ◆ **Use peripheral businesses (financing, leasing, insurance, etc.) to create systems chosen by customers**
- ◆ **Strengthen customer touchpoints**
 - Roll out loyalty programs (Europe)
 - Strengthen support for off-road riders with bLU cRU^{*2} (USA)
 - Personalized marketing using My Yamaha Motor ID (Japan)

^{*1} Newly developed automatic transmission that does away with the clutch lever and shift pedal
^{*2} Support program for amateur racers using Yamaha models for off-road competition

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Now, let's move on to a detailed explanation of each strategy.

First, let's look at the regional strategies.

In ASEAN and emerging countries, we will further strengthen the premium strategy that we have been developing. We will launch new products that are even more attractive in the premium segment, aiming to recover the market share lost due to the supply problems caused by the coronavirus and achieve further growth.

In the ASEAN region, our premium models are already recognized as products with a high status compared to the conventional popular-priced products. In Indonesia, which is our largest market, we will create emotional value that strengthens customers' desire to own our products by collaborating with influencers and other means.

Furthermore, we will deepen our bonds with customers through tie-ups with motorcycle communities on social networking sites and loyalty programs. We will also expand the loyalty program that we have already launched in Indonesia to other countries, including the Philippines. In India, new demand is still expanding among the Z generation and the generation after that.

We will further strengthen the sporty image of the Yamaha brand for this younger generation, and expand hands-on events such as test rides and touring. We will also strive to acquire new customers and improve customer engagement by combining digital experiences ahead of other countries.

Next, let's look at our strategy for developed countries.

In developed countries, we aim to achieve a 13% share in Europe.

As a means of achieving our market share target, we will attract new customer segments by introducing new models and expanding sales of vehicles equipped with the Y-AMT.

At the same time, we will strengthen our peripheral businesses such as finance and insurance, and expand the mechanisms for choosing our products.

In addition, as a means of strengthening customer contact, we will roll out a loyalty program in Europe, strengthen support for off-road riders through BLU CRU in the United States, and conduct personalized marketing through My YAMAHA ID in Japan.

Business Strategy for Strengthening Marketing Capabilities

Secure market share through global governance and marketing tailored to regional traits

Built strong ties with customers through real and digital experiences

- Create lifetime customers with uniquely Yamaha Motor marketing



Build strong Ties with customers

◆ Marketing in both Real and Digital

- Providing real experiences that foster affinity and resonate with customers, e.g., Blue Streaks and Track Day events in India
- Proactively expand the loyalty program in the Philippines, India, etc.

Enhance the draw of the motorcycling lifestyle with digital services

◆ Provide a personalized customer experiences

- One-on-one communication via Yamaha Motor ID (approx. 16 million registered users)
- Support rider skill development with Y-TRAC*1 (approx. 30,000 downloads)

◆ Further improve customer touchpoint quality

- Global standardization of 3S (Sales, Service, Spare parts) operations
 - Develop and deploy second-generation Y-Connect app*2
- ▶ A customer touchpoint platform for quick and flexible responses to customer needs



*1 App that can measure lap times and visualize riding data
*2 App for making the motorcyclist lifestyle more enjoyable and fulfilling by tracking fuel consumption, notifying you when maintenance is recommended, etc.

From here, we will explain our global marketing strategy.

In order to acquire lifelong customers, we aim to acquire a solid market share through governance of Yamaha's globally unified marketing policy and measures to apply it to local characteristics. As a basic policy, we will acquire new fans through the appeal of our products, and then contribute to improving the appeal of the motorcycle life through a combination of real and digital experiences.

In this way, we aim to build strong bonds with each customer and cultivate lifelong customers. Specifically, we will provide opportunities for real-life experiences that arouse empathy and resonance, such as the "BLUE STREAKS" and "TRACK DAY" events in India.

We will also actively develop loyalty programs that link daily riding experiences with experiences of visiting the store for maintenance, etc.

Furthermore, we will provide personalized customer experiences to improve the appeal of the motorcycle life through the use of digital technology.

We will implement 1-to-1 communication using the customer's unique Y-ID, and support the improvement of the customer's riding skills using the Y-TRAC app. As a further improvement in the quality of customer contact, we will standardize the 3S operations of sales, service and spare parts globally.

Through this, we will promote the streamlining and advancement of the operations of sales bases and dealers.

At the same time, we will evolve the existing Y-connect app to Gen2, and provide a customer contact platform that responds quickly and flexibly to customer needs.

Example: Build strong Ties with customers through real and digital experiences



India

We hold real events such as "The Call of the Blue" and "Track Day." By creating a sense of affinity and resonance among fellow users, engagement with the Yamaha brand is further enhanced.



Japan, USA

BLU CRU is a program supporting the growth of riders who truly enjoy racing. It provides trackside support for racers and holds riding schools to help improve skills.



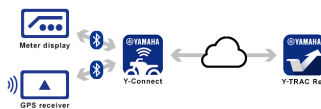
Y-Connect

This app visualizes data obtained by connecting with customers, their vehicles, and their dealerships, and provides personalized services based on that data.



Y-TRAC Rev

When used in combination with Y-Connect, it enables the visualization of riding data and communications with pit crew and is aimed at supporting the self-driven growth of users.



Next, I will explain the marketing strategy I just mentioned using actual photos.

We hold real marketing events all over the world, and in India in particular we hold many events such as The call of the BLUE and TRACK DAY. In 2024, we held over 1500 touring events all over India.

These events are designed to encourage a sense of empathy and resonance among customers and to increase their engagement with the Yamaha brand.

In Japan and the US, we are also developing the "BLU CRU" program, which supports the growth of riders who truly enjoy racing.

We provide racing support at race venues and riding schools to help riders improve their skills.

As part of our digital marketing initiatives, we would like to introduce Y-Connect.

Y-Connect is a service that visualizes the data obtained by connecting with customers, vehicles, and dealers, and provides personalized services based on that data.

We will also be rolling out an app called Y-TRAC Rev, which we introduced on the previous page, that can be used in combination with Y-Connect.

It enables visualization of driving while driving and communication with pit crew, and supports the self-development of users.

In this way, we will build strong bonds with our customers by combining the "real" and the "digital".

Business Strategy for EVs

Drive both in-house platform development and external collaborations



Main EV initiatives from 2022 to 2024

- ◆ Launched the platform model 'NEO's' with an eye on global launches, and released the EMF for the Taiwanese market, which uses a power unit made by Gogoro Inc. and developed vehicle body in-house by Yamaha Motor
- ◆ Conducted demonstration experiments using of the 'E01' to explore EV market acceptance.
- ◆ Invested in World of River Ltd., Electric Motion SAS., and Gachaco, Inc

Forecast for the EV market

- ◆ Over the medium to long term, total demand is expected to grow gradually, particularly in India and China. However, the demand outlook may fluctuate significantly in the short term depending on the direction taken with government policies for infrastructure aid, subsidies, etc.
- ◆ With many new manufacturers from China and India entering the industry, competition is intensifying, especially in the low-price range

New Medium-Term Management Plan (2025–2027)

A new department specializing in EVs is being established from 2025 to enhance speed and efficiency by streamlining the chain of command and centralizing information

- ◆ Increase Yamaha's presence in the EV market
- ◆ Make investments of a certain scale into EVs while carefully assessing market trends

Approach: Focus on in-house platform development and external collaborations

- ◆ In-house platform development
 - Acquire a strong platform for global expansion
 - Establish core technologies and strengthen competitiveness
- ◆ External collaborations
 - Explore rapid business implementation by utilizing the expertise of our partners

Focus Area: Focus on premium Commuter and premium Fun segments

- ◆ Commuter: An area that many customers expect and is the most promising for growth
- ◆ Fun: A potential area with a large number of prospective customers, where Yamaha's strengths can be leveraged

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Next, I will explain the activities we carried out in the previous mid-term plan to promote electrification, as well as our expectations for the EV market.

In the previous mid-term plan, we launched the "Neo's" with a view to global expansion, and in Taiwan we launched the "EMF", which was developed using Gogoro's power unit. We also approached the EV motorcycle market from several perspectives, including conducting demonstration tests with the E01 in the Japanese market and investing in electric motorcycle ventures, and gauged its potential.

In the previous mid-term period, we mainly focused on the commuter segment, and we still see the commuter segment as the core of the EV market. In the medium to long term, we also see total demand growing gradually, centered on India and China.

However, demand is subject to rapid fluctuations due to government policies such as infrastructure support and subsidies, making future predictions extremely difficult. We believe that the growth rate may be slower than currently anticipated. There is fierce price competition among emerging manufacturers in China and India, and we believe that Yamaha should not enter this low-price market.

In this situation, in the next mid-term period, we plan to steadily provide products and value that exceed customer expectations in the EV market, and to enhance the presence of Yamaha EVs.

To this end, in January of this year, we established a new department within the Land Mobility Business Division, the EV Business Promotion Department, which specializes in EV business, and appointed an executive officer to be in charge of the department.

From this year, we will consolidate our dedicated EV staff, with the aim of making

decisions more quickly and efficiently than before. Our approach will be to develop our own platforms and collaborate with external partners, and we will focus on the commuter and fun markets.

We believe that in order to highlight our own characteristics, it is essential to acquire powerful platforms and core technologies that are globally competitive. We will focus on this and strengthen our competitiveness.

At the same time, we will also seek to develop technology in collaboration with external partners in cases where there is a need to match specifications specific to a particular region or where there is a need to bolster our product lineup.

In terms of marketing, we have the same policy as for engine vehicles, which is to provide premium value to our customers.

With regard to commuters, we are aware that many Yamaha fans have high expectations for Yamaha's electric vehicles, so we intend to continue focusing on this area.

We also intend to start working in the area of fans in the future. We want to provide new fun that is unique to Yamaha to customers in markets where the advantages of EVs can be fully utilized.

R&D expenses

1.2X vs. previous MTP

Main investments

Development broadening the appeal of ICE models + accelerate electric model development

- Develop new platforms and concepts to **drive premium segment strategies forward**
- Model maintenance to **increase market share in Europe**
- Development of **EV platforms**

Capital investment

1.4X vs. previous MTP

Main investments

Focus on key areas with well-balanced investments

- Invest in equipment for **new models**
- Invest in increasing factory production capacities, primarily in **ASEAN and emerging markets** where the premium model segment is growing
- Actively invest in updating equipment to reduce CO2 emissions

Finally, I will explain our investment plan for the MC business.

We are planning to invest 1.2 times more in R&D than in the previous mid-term plan. The main part of this investment will be for strengthening our model lineup. Specifically, we aim to promote our premium strategy and to capture key markets such as Europe to increase our market share.

We will invest in the development of new platforms, new concept models, and the updating of existing models. At the same time, we will also actively invest in areas such as the development of EV platforms and the development of ICE models that meet exhaust gas regulations, in order to achieve carbon neutrality.

Next, let's move on to capital investment.

We are planning to invest 1.4 times more in capital investment than in the previous mid-term plan. Specifically, we will invest in the new models mentioned earlier and increase the capacity of our plants in the ASEAN and emerging markets, where growth is expected. In addition, we plan to actively invest in updating our facilities to reduce CO2 emissions.

In this way, we will actively invest in both R&D and facilities in key areas, and we will ensure that we achieve our goals for the current mid-term period.

Thank you for listening.



Business Environment

Total demand forecast for Motorcycle

