

New Medium-Term Management Plan (2025–2027)

Motorcycle Business | Analyst Briefing and Q&A Minutes

Date/time: March 13, 2025 (Thu.) from 15:20 to 15:40

Venue: Zoom (online meeting)

Presenter: Yasutaka Suzuki, Executive General Manager of Motorcycle Business Unit,
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Regarding your market share in the premium segment for ASEAN and emerging markets, you have set an end target of 42% for the new Medium-Term Management Plan, but I would like to know what your long-term target for market share is.

The market share target for the premium segment strategy in our Medium-Term Management Plan is 42%, but that is within the premium segment itself. Our target for global market share, including other model categories, is around 10%.

It looks like the market for premium models in Indonesia might be approaching its peak during the current Medium-Term Management Plan. If there are any structural issues in play here, I'd like you to share them.

During the duration of the current Medium-Term Management Plan, we expect total demand growth in the Indonesian market to slow down compared to the last few years. This is due to the declining rate of approvals for financing in Indonesia and we expect this to continue for some time.

I think most of the customers purchasing products in the premium category will have more leeway to buy compared to those purchasing the average product. Are you anticipating total demand in the premium segment to reach its peak as well?

The NMAX is a headlining model in the premium segment and enjoys high demand not just for commuting but also for commercial use. Customers who purchase one as a commuter vehicle indeed have ample purchasing power, but there is also the possibility that demand is shrinking due to the financial limitations among customers who may personally aspire to own an NMAX, but end up buying it for commercial use. We have put together more conservative plans with that in mind.

Is the profitability of the NMAX and AEROX declining in the Indonesian market?

No, the profitability of these premium products has not declined. Additionally, the model mix for our sales in the Indonesian market has not worsened either.

The semiconductor shortage and other developments that happened during the previous Medium-Term Management Plan are why I believe the company's current share in the premium category is not what it originally could have been.

I see that the new Medium-Term Management Plan aims to significantly grow Yamaha Motor's share in the category, but I would like to ask what you think your current share would be had the company not been impacted by the semiconductor shortage during the last Medium-Term Management Plan.

It is true that the semiconductor shortage was behind our premium segment share temporarily falling during the previous Medium-Term Management Plan.

If there had been no such shortage, it is likely that that temporary decline would not have occurred, and our share would have steadily gone up. On the other hand, the current situation we have is that a greater number of competitors are in the space now and this is offering customers a variety of options to choose from. Amidst that, we will continue to differentiate ourselves from the competition and strive to have customers choose Yamaha.

In order to reach the new Medium-Term Management Plan's market share target of 42% for ASEAN and emerging markets in the premium category, what are your plans for each country?

The final year of our new Medium-Term Management Plan is 2027, and by then, we plan for 40% of our total unit sales in India, where we are ramping up sales of sport models like the MT-15 and YZF-R15, to be premium category offerings. In the Indonesian market as well, we plan for premium models like the NMAX to account for some 55% of our total sales there by 2027.

Compared to the competition, what issues do you feel you are facing in the premium model category in India, Indonesia, and the Philippines?

What we feel we need the most is connections with our customers, so we believe it is important that we foster the aspiration to own a Yamaha through our premium offerings. What is really key here is to conduct marketing that communicates the more emotional value of that experience, like how has a customer's life changed once they finally have that Yamaha they always longed to own.

In the new Medium-Term Management Plan, the ratio premium models make up in sales is set to increase, but your operating income ratio is not, so can you share the reasoning for this?

This is due to accounting for the effects of foreign exchange rates and rising costs for raw materials and labor. While we will pass these increased costs on to product prices, it will be difficult to pass on anything higher than those increased costs. Also, we need to move our EV development forward during our new Medium-Term Management Plan and the R&D expenses we expect to be required are reflected in this as well.

The CAGR on page 10 of the materials is 2%, but it's 6% on page 3. Regarding this difference, I believe the company is planning to boost unit sales to outpace the growth in demand, but I would like to know which regions you plan to increase your market share in.

The CAGR on page 10 shows the number of units for total global demand while the CAGR on page 3 indicates our revenue. So while we cannot provide a clear-cut comparison because of that, we plan to raise our sales volume, going from the just-under 5 million units we recorded in 2024 to the 6-million unit range by 2027. As part of that push, we will drive our premium segment strategy in our major markets of India, Indonesia, and the Philippines. We will also expand sales in Brazil with an eye on increasing production capacity there, and also ramp up sales in Vietnam where total demand has increased.

For our business in developed markets, we plan to offer products and enact measures aimed squarely at raising our market share primarily in Europe, where we will make the right moves to increase our share in each respective market.