

New Medium-Term Management Plan (2025–2027)

Robotics Business | Analyst Briefing and Q&A Minutes

Date/time: March 13, 2025 (Thu.) from 13:17 to 13:38

Venue: Zoom (online meeting)

Presenter: Ayako Egashira, Chief General Manager of Solution Business Operations

Like in the previous Medium-Term Management Plan, your target revenue CAGR is set to outpace the market's growth. You were unable to achieve that in the last Medium-Term Management Plan, so what is the reasoning for it this time? How do you plan to best the competition?

The entire SMT market was largely at a standstill, but amidst that stagnation, Yamaha Motor invested in increasing our production capacity and we also invested in the technical side of our operations by hiring development personnel in order to secure major clients. We gained a lot of knowledge and expertise from that. On the production side of things, we now have the capability to handle sudden spikes in production, while technologically, we also have the capabilities desired by major automotive sector clients. By launching the YR Series during the previous Medium-Term Management Plan, we are now poised for making solid growth.

Yamaha Motor's strength is boasting a product lineup for semiconductor back-end processing (SEMI), SMT, and small industrial robots (FA), enabling us to put forward our all-inclusive One-Stop Smart Solutions. In addition, we have partially switched from conducting distributor-based sales as we have done until now to conducting them directly with target clients, and this helps us better gauge their needs. We have been working since the previous Medium-Term Management Plan to acquire leading automotive and EMS clients and have already secured some new major players. We will release the results of these endeavors in the future.

Further, a unique trait we have is that Yamaha Motor has *Monozukuri* operations around the world as a major global automotive manufacturer itself. We manufacture printed circuit boards for our motorcycles and scooters in-house, so we have an acute awareness of production technology needs and can incorporate that into our development.

Is my understanding correct that the two shortfalls to blame for the business not quite being able to reap all the market's rewards during the previous Medium-Term Management Plan were its three-year period being insufficient time-wise and the company not being ready structurally? Will the three years of the new plan see the pillars of the Robotics business grow stronger?

Exactly. Until now, we would review the management structures of each individual company, but in the new Medium-Term Management Plan, we are bringing everything under one company umbrella as "Yamaha Robotics Co., Ltd." and will allocate resources to areas with growth potential, focusing on a quick-to-act management style. We will also invest in our production capabilities so that the business enters a phase of solid growth.

I have a question about the coordination between the segments comprising the Robotics business itself. In your business strategy for the FA segment, you mentioned solutions done in collaboration with the SMT and SEMI segments, so I would like to know the current situation regarding the provision of those solutions to customers, where you see your market penetration going in the future, and what challenges do you expect to face in doing that?

We have a cross-selling team specifically for proposing coordinative solutions. I cannot share specific cases, but as one example, we are improving our clients' productivity by pairing our linear conveyor modules with the transfer areas of surface mount lines. Demand will grow, including for proof-of-concept products. In 2024, orders placed by newly acquired target clients are up some 140% year on

year thanks to cross-sales. We have more success stories as coordination has gradually gotten closer, so we will be able to reap even more rewards in 2025.

Your SMT segment plans have the sales composition ratio for automotive applications going up, but do you plan to accomplish this by raising your share of the market? Are automotive sector sales comprising 30% by 2027 quite easy to see? Where are Yamaha Motor's competitive advantages?

We will move to increase our share in the automotive segment, which is only going to use more and more printed circuit boards going forward. Where we have a competitive advantage is our One-Stop Smart Solutions. We have a lineup of equipment for all the principal processes, and by linking and coordinating the individual strengths of our products for each process, we can improve the efficiency of the entire line, plus, by eliminating black boxes for the processes, we can improve quality as well. This is a strength we have that other companies do not.

With the SEMI segment, are there any differences in your growth projections for molding and bonding needs?

With generative AI applications, we are receiving orders mainly for flip chip bonders and molding equipment since they are compatible with the processes at major clients. We have a large backlog of orders and expect growth for the next three years, including 2025.

What are Yamaha Motor's advantages when it comes to competing in the generative AI domain? In addition to the customer base, what about the technical side of things?

For example, our flip chip bonders stand out for their compactness and high versatility. As the SMT industry is going through a technological revolution, it is critical that we work with our major clients on how to approach the early development of new processes. Currently, we have successfully built up good relationships and have already gotten started on such early-stage development. We believe that we will keep step with the new processes that emerge and be able to expand.

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