



Smart Power Vehicle (SPV) Business Medium-Term Management Plan (2025–2027)

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

SPV Business Overview

About the Business



The PAS was the world's electrically power-assisted bicycle (eBike) and was launched by Yamaha Motor in 1993. The "PAS" product name is for its **Power Assist System**, in which an electric motor provides an assistive force to the user's pedaling. It pioneered a new category of personal vehicle that worked just like a normal bicycle and did not require a license.

The first Joy Wheel (JW-I) was announced to the world in 1995 as an electric power unit for converting manual wheelchairs into electric ones. 2025 marks 30 years of the JW Series and Yamaha Motor launched its first full redesign of the JW in 10 years—the JWG-1. The company also plans to introduce it to Europe, the U.S., and other markets around the world.

Main Products and Competitors

PAS/YPJ



Competitors
Panasonic, Bridgestone

e-Kit (Drive Unit)



Competitors
Bosch, Shimano

JW (Joy Wheel)*

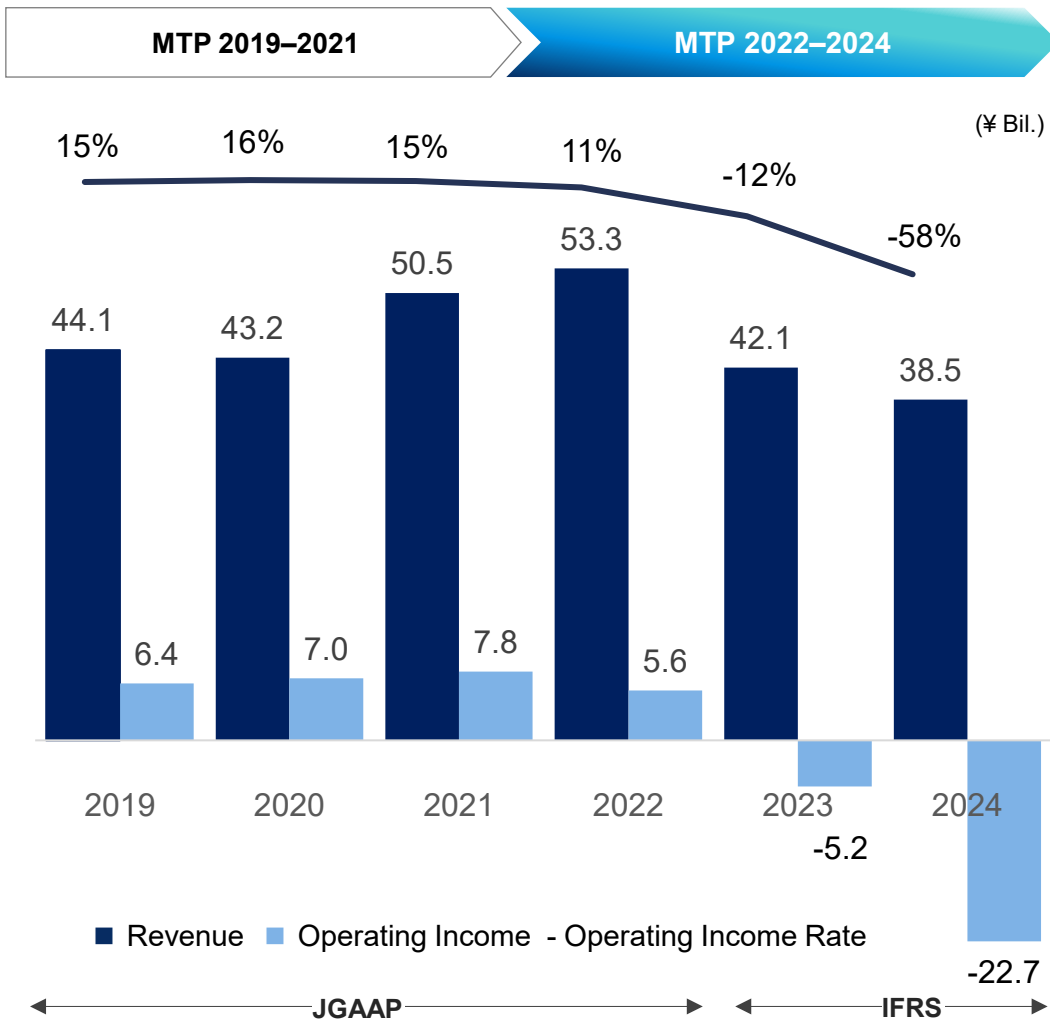


Competitors
Alber

*Development and manufacture of electric drive units and system components

Review of the Previous Medium-Term Management Plan

■ SPV Business Performance



■ Summary

- The COVID-19 pandemic triggered special demand for personal mobility to avoid crowding and caused a boom in outdoor recreation as well, which revitalized the market. Each company in the space responded by boosting production capacity, but as the pandemic subsided, so did demand and sales declined. Every company's production operations failed to adapt to demand fluctuations and the bicycle industry as a whole has had excess inventory for a prolonged period.
- e-Kit orders—the SPV business' main product line—dropped sharply, resulting in a fall in revenue. Dealing with the excess inventory was prioritized, and in an effort to reduce fixed costs, Yamaha Motor decided to review the business structure for complete Yamaha-brand bicycles for overseas markets, incurring hefty expenses in 2024.

■ Achievements and Challenges

MTP (2022–2024) KPI

Volume CAGR 22%



2024 result

Not met

Double revenue



Not met

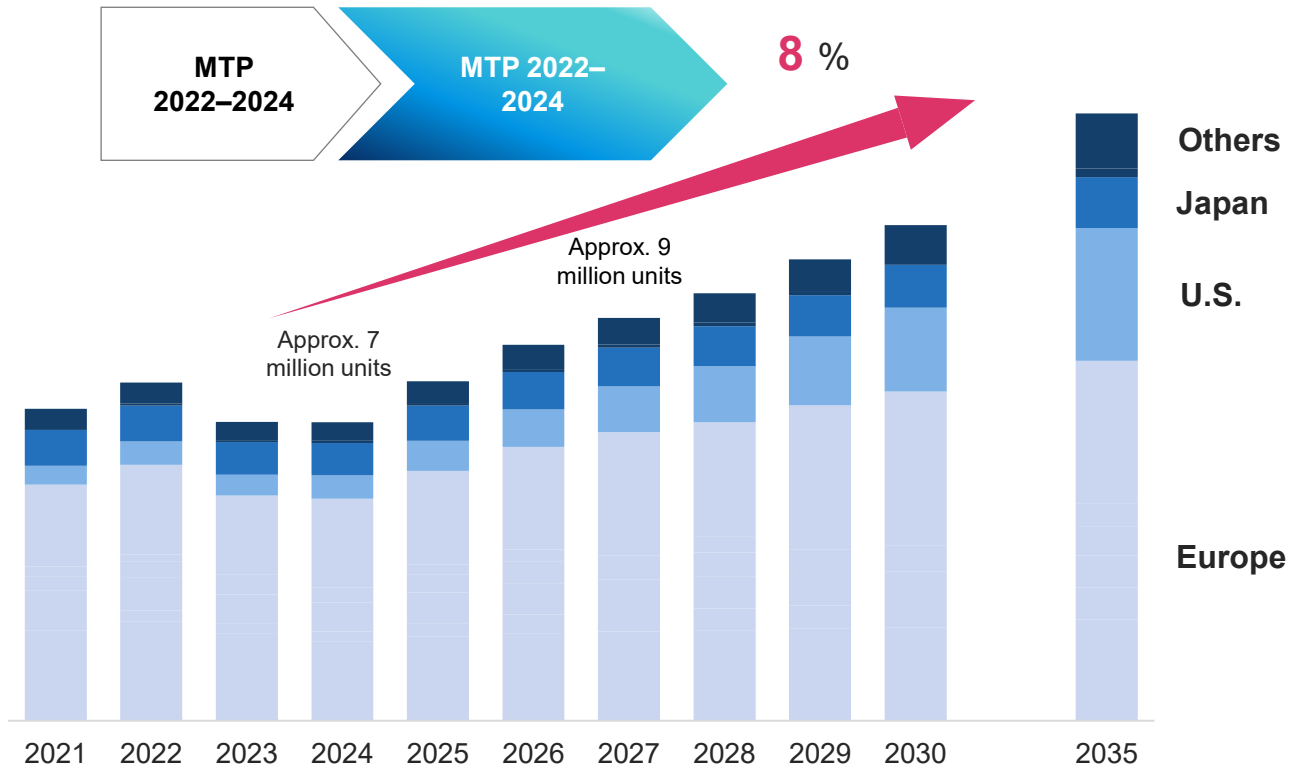
Achievements

- Started assembly and production of drive units in Europe
- Compact, lightweight, low-noise drive unit developed
- Development and launch of new models for school commuting, carrying children, and sports

Challenges

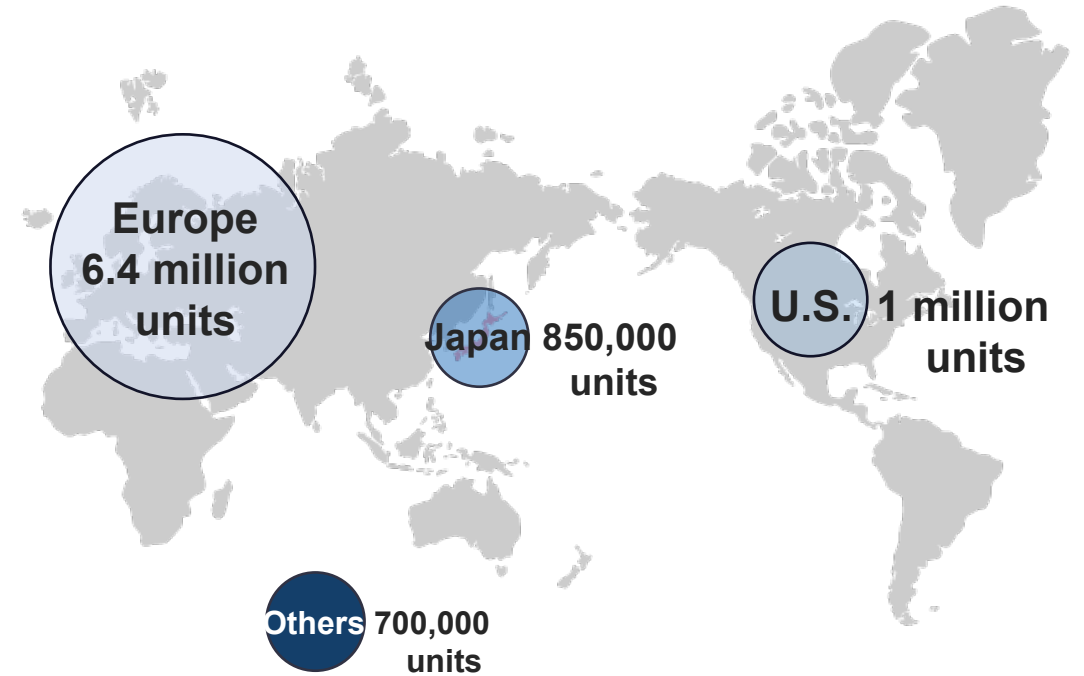
- Establishing a customer base suitable for B2B operations
 - ▶ Developing/strengthening sales and services suitable for e-Kit business
- Responding to market fluctuations
 - ▶ Manage inventory by optimizing production layouts

■ Demand trends (eBike)



Market trends (Yamaha Motor estimates)

■ Total demand forecast for 2027



Opportunities

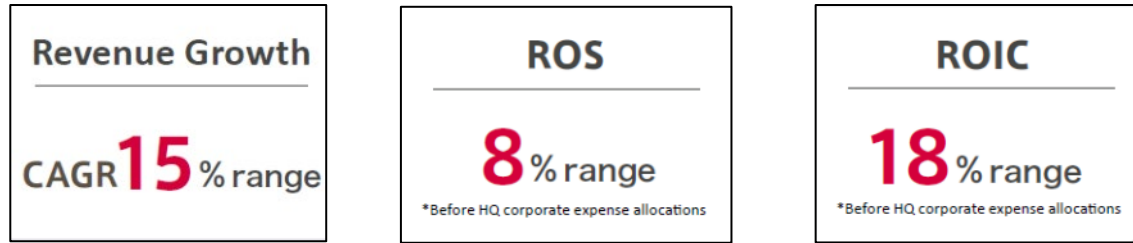
- eBike market growth from higher awareness of preserving the environment and staying healthy
- Government promotion of environment-centric policies (subsidies, infrastructure development)
- Responding to aging societies (mobility and social participation needs)

Risks

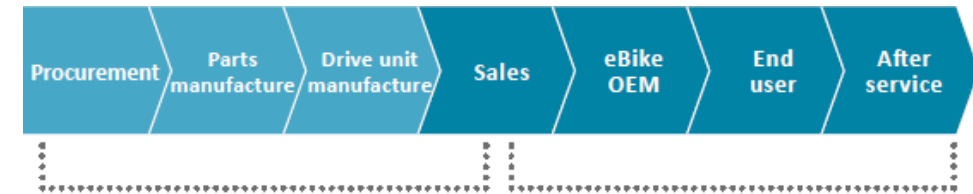
- Current major clients leaving the industry or changing brands
- Emergence of new manufacturers, especially in China (small, lightweight, high output)
- Decline in consumer confidence due to price hikes and economic downturn

Basic Strategic Policy and Business KPIs

Theme: Grow our business by supporting people's challenges and offering eco-friendly mobility



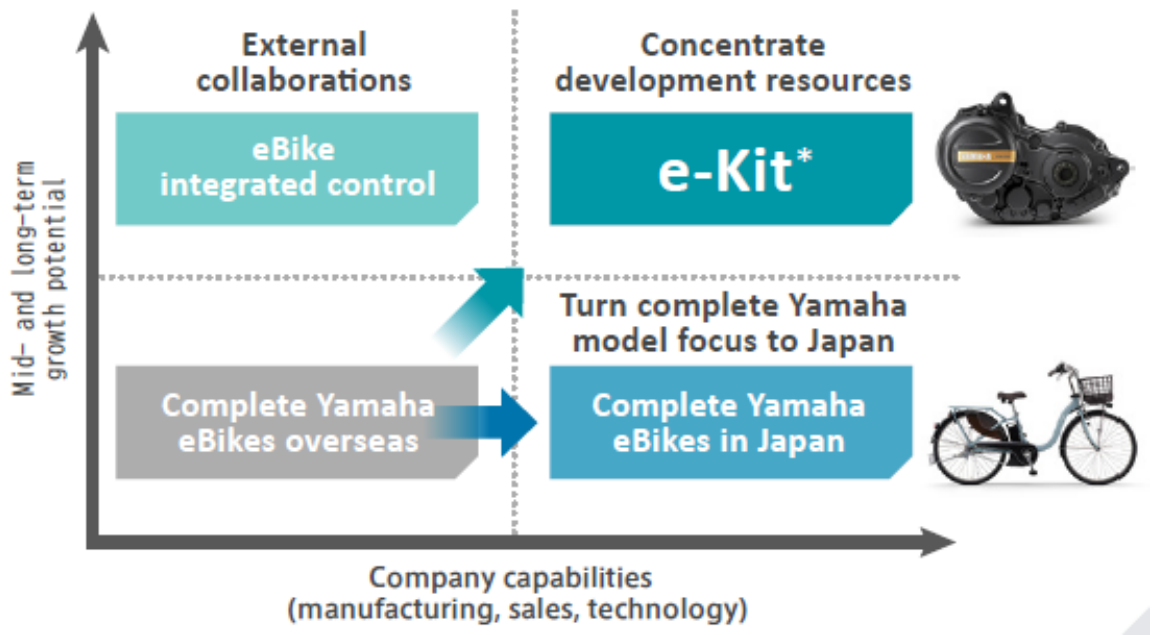
e-Kits: Capture the upturn in market conditions to recover revenues and ROIC



Supply and engineering chain reforms and optimization of scale to improve ROIC

Expand the customer base by strengthening sales and service functions

Review focus areas and optimize resource allocation



1. Meticulous customer-oriented approach to establish unique position for competitiveness

- » Evolve model platforms and develop drive units with industry-beating performance
- » Bolster integration with peripheral components
- » Strengthen European key account sales capabilities and direct service functions

2. Supply chain and engineering chain reform

- » Shorten supply lead times by reviewing production layouts
- » Integrate electric development departments companywide to raise development capabilities and efficiency
- » Strengthen operations and structures for customized development and production in Europe

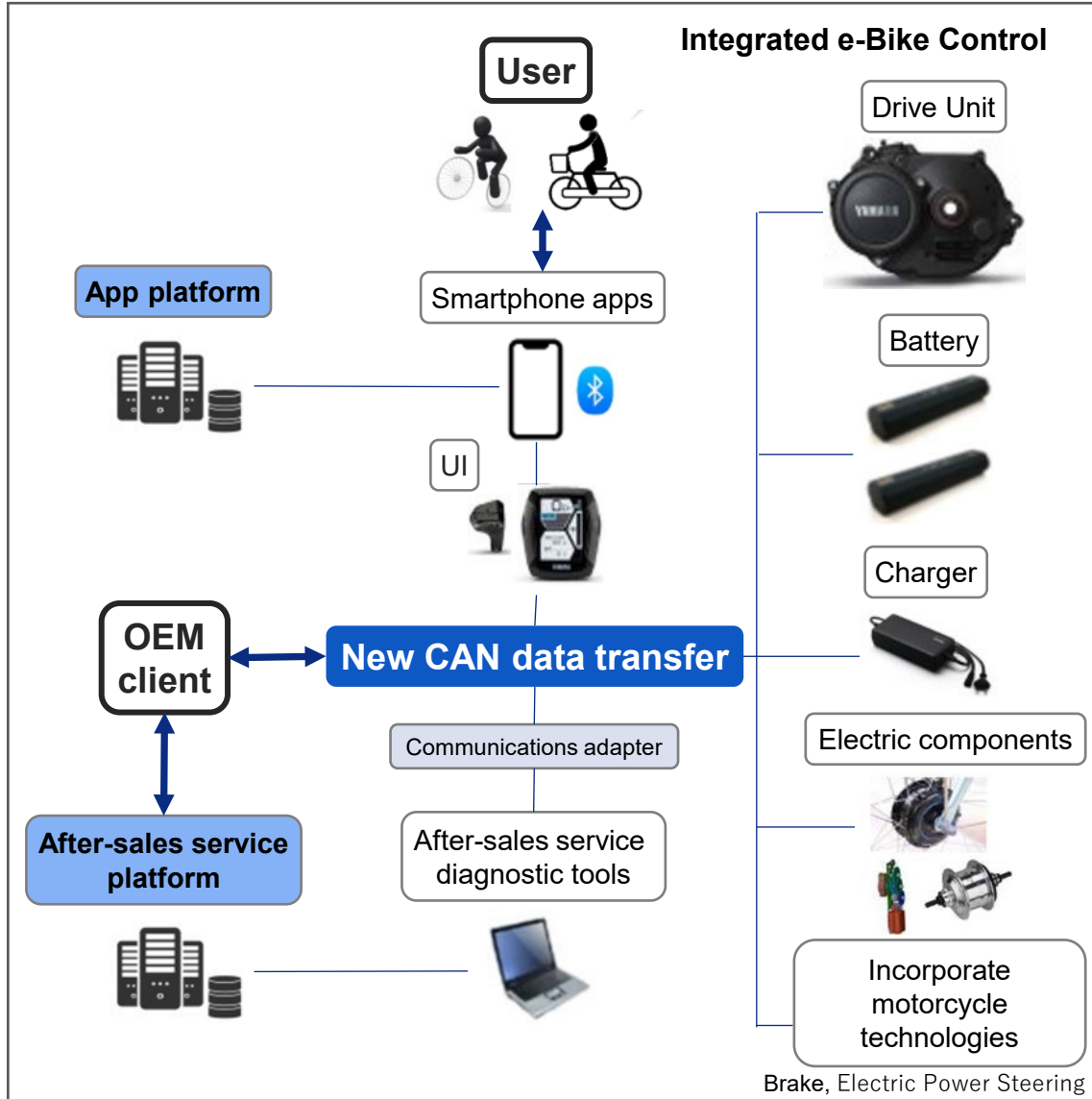
3. Structural reforms via decisive implementation of concentration and selection

- » Turn focus of complete Yamaha eBike business to Japan
- » Restructure organizations and reform business processes

e-Kit Strategy

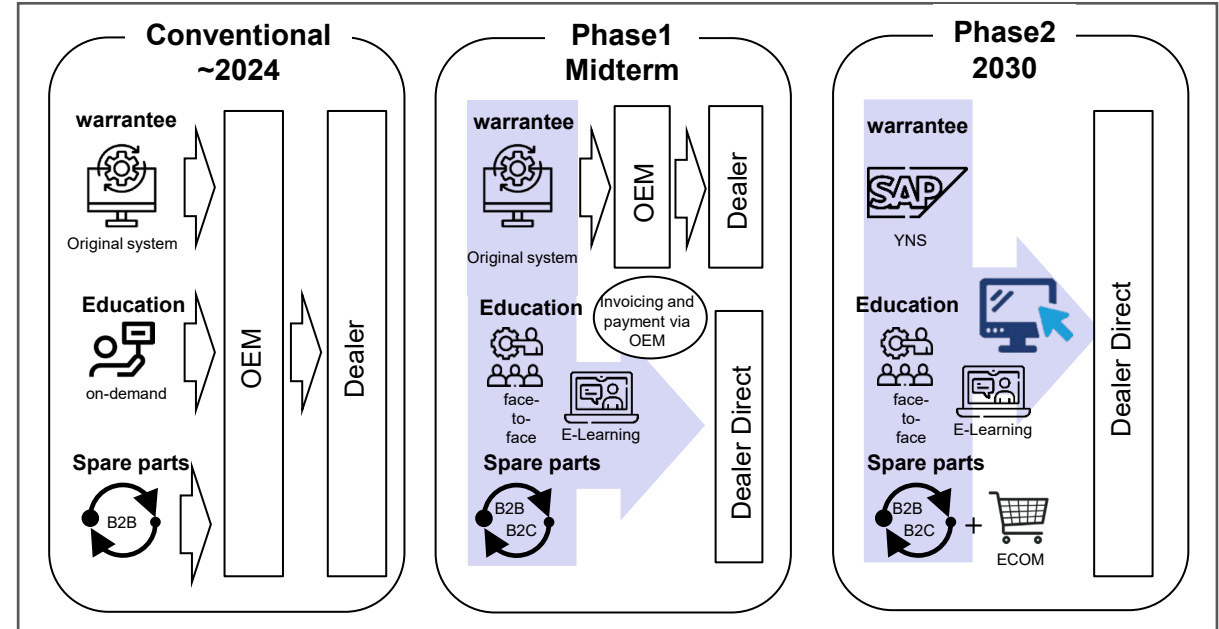
1. Next-Generation System

Improve e-Kit products through connected value



2. Dealer Direct Service

Increase customer convenience + OEM client support



3. Customer Portal Website

Extensive reach to acquire new customers

