Business Results for First Half of Fiscal Year 2026
Institutional Investor and Analyst Briefing and Q&A Minutes

Date/Time: August 4, 2026 (Tue.) from 14:20 to 15:00

Presenters: SHITARA, Motofumi | President, CEO, and Representative Director
HASHIMOTO, Mitsuru | Executive Officer and Chief General Manager of Corporate Planning & Finance Center

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Questioner A

Is it alright to consider operating profit in the second quarter alone as reflective of the company's actual performance? Are there any one-off gains or losses that have not been included?

A big factor this period that drove up our operating profit was the incredibly strong sales of motorcycles, mainly in India and ASEAN markets. On the other hand, we are seeing raw material costs rise and this is pushing down profits. We are currently working to improve our break-even point by reviewing and realigning our R&D and SG&A expenses. Additionally, the weak yen and the tariff situation have worked in our favor compared to our original forecast. In terms of actual performance, the improved break-even point and higher sales have contributed to greater profits. By individual business, the motorcycle and Marine Product businesses have contributed the most to our profit numbers, and the targeted selection and focusing of resources on our core businesses has been a big part of this outcome.

As for our forecast for the rest of the year, we project a record-setting 260 billion yen for operating profit, but with the OLV business, once incorporating the costs of structural reforms as part of investments for our future, the business is expected to post a 40 billion yen loss. However, we are aiming to make up significant ground on this deficit next fiscal year and stage a return to profitability by 2028. Right now, our core businesses are driving profit growth, but going forward, we expect the OLV business's structural reforms to help turn things around and start contributing to our numbers.

What is behind the growth in profit in the motorcycle and Marine Product businesses? Also, please explain the background behind the growth of demand for motorcycles in emerging markets, the likelihood of that continuing, and the market environment changes happening in the Marine Products business.

In the motorcycles business, we are pushing more sales of our premium segment products in emerging markets and our average price per unit has gone up. We have new product launches planned, notably for India, Vietnam, and Indonesia, and we expect to record higher unit sales in the second half of the year as well. In the Marine Products business, price increases have led to higher profits and strengthening our model lineup is set to help drive growth next fiscal year.

Will the ¥12 billion for OLV business structural reforms be incurred in the second half of the year?
Some has already been incurred in the first half, but the majority is expected to be spent in the second half.

Questioner B

R&D and SG&A expenses have been curtailed during both the first and second quarters, which also contributed to the upward revision to your full-year forecast. I would like to know how you plan to handle such expenses from fiscal 2027 onward.
A portion of our R&D spending has been postponed into the second half of the fiscal year, but we are currently conducting reviews of the criteria we have in place for making investments in the first place. While we will continue to make investments toward future growth, for projects we see as unlikely to sufficiently contribute to revenue or profits, we will review them with even greater scrutiny going forward. We are not looking to just minimize expenses; we will carefully examine the methods and outcomes of our investments and spending, and then focus our management resources on areas that have maximum impact for our businesses.

Where are the factors influencing an increase or decrease to the ¥12 billion for OLV business structural reforms included? Also, regarding your target to return to profitability in 2028, what elements do you see working to your benefit?
We are expecting to incur costs from running promotions to clear out inventory following the discontinuation of in-house ROV production, compensating our suppliers for changes to development plans and ceasing production, and optimizing our workforce. Toward our goal of returning to profitability, we will concentrate our management resources on our traditional strengths of ATVs and golf cars while reducing fixed costs by ending in-house production, optimizing the workforce, and production efficiency enhancements. Further, we aim to return to profitability by 2028 by optimizing use of invested capital through reviews of our development plans.

Besides a recovery to your top line, what positive effects do you expect to see from the structural reforms to the OLV business?
This year, the OLV business is projected finish 40 billion yen in the red, with 12 billion yen of that from one-time costs. For the remaining 28 billion yen deficit, we plan to make improvements by cutting costs. For the golf car business, we are working to enhance product competitiveness in order to make a recovery. This two-fold approach of making improvements to our top line while reducing costs is how we aim to return to profitability in 2028.

Is it safe to assume that various company expenses will decrease over the medium to long term?
As per the current Medium-Term Management Plan, our basic policy is to make proactive investments for future growth. At the same time, based on our current business environment and profit-earning

performance, we are reviewing our investment standards with an emphasis on flexibility while focusing our resources into areas with high return on investment. Instead of making across-the-board cuts to R&D spending, we are looking to optimize our investments through targeted selection and concentration, focusing on areas that will contribute to our growth as a company.

Questioner C

While the automotive market is slowing down due to crude oil prices driven up by the situation in the Middle East and other factors, Yamaha Motor's motorcycle business is doing quite well. I would like to know whether this is thanks to the motorcycle market itself or if there are other reasons for this unique to Yamaha Motor.

Motorcycle sales were better than expected, with firm demand in markets like Indonesia, India, and Vietnam. Amidst this, a segment of consumers seeking added value has become clear and greater disposable income is triggering a change. We have shifted to offering premium-priced models and this has raised our average price per unit. At the same time, product differentiation has improved our competitiveness and our profit ratio is up. These changes are currently underpinning demand and we expect to see continued growth in the premium segment.

What is the company's approach to shareholder returns going forward?

Our cash situation and financial condition are ensuring soundness. With that in mind, we plan to present our plans for shareholder returns to everyone when the time comes to carry them out flexibly.

Questioner D

The Marine Products business's profitability has gone up even further, but I would like to know the business's immediate situation as well as the current competitive environment.

Our businesses in Asia and Latin America made large contributions to our first-half results. We enjoy a high market share in these regions, which makes it easier to implement price raises and other measures. The U.S. and Europe continue to be major sources of profit, but we are transitioning toward a business structure where even if sales in developed markets are flat, we can still secure profit through meticulous reviews of expenses and we are starting to see the effects of this move. We believe the expansion of our large-horsepower outboard lineup we have planned will also enhance our competitiveness in developed markets.

Questioner E

I would like to know where you see risks and opportunities in the current fiscal year as well as the next, and your expectations for achieving the targets in the current Medium-Term Management Plan.

In the second half of the fiscal year, we have accounted for the rising raw material costs linked to the situation in the Middle East and changes to U.S. tariff policies as our main risk factors. However, there is also room for improvements with raw material pricing and tariff trends, meaning things could come in below or above our projections.

In the Marine Products business, demand at the moment is stable and we expect to see an upward jump in demand in the future sparked by economic stimulus measures like interest rate cuts.

In terms of the Medium-Term Management Plan, things are proceeding smoothly, led by the motorcycle and Marine Product businesses. Going forward, we aim to meet or even exceed the plan's targets by capitalizing on the effects of the OLV business's structural reforms, implementing break-even-point management, and reviewing our technology and production strategies.

<u>Please explain what is behind the strong performance of the Robotics business and share your future projections for the business.</u>

In addition to higher demand mainly around semiconductor back-end processing equipment, demand for surface mounters is also up in China. However, companies in the industry are facing memory supply challenges and risking shortages of certain components, so what will be key is how much of this demand we can capture. Demand and the market environment remain bullish, so successfully capturing this demand represents a big opportunity for us.

Questioner F

<u>Please share when you expect your market share to recover from the expansion of your large-horsepower outboard lineup. Also, I would like to know shipment trends for models in the 300+ hp segment and when you will be launching new models.</u>

In recent years, attention in the large-horsepower segment has moved from the traditional 400 hp class to now include models exceeding 600 hp, and we are working on strengthening our lineup of such models. By raising our competitiveness in segments where we have been behind thus far, we aim to claw back market share not only in the large-horsepower segment but also in other horsepower ranges as well. Markets in Asia and Latin America are bolstering our business performance this fiscal period, and we believe the launch of large outboard motors will bring about a recovery in market share and an improved model mix, which will become key drivers of growth next fiscal year and beyond. We are in the middle of preparations to launch these new large outboard models in the upcoming season.

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