



Yamaha Audio Equipment Business

Jun Nishimura

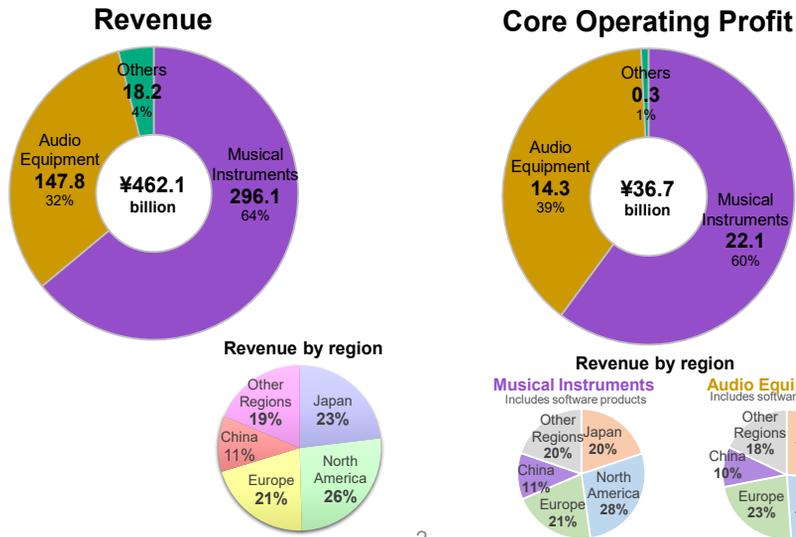
Executive Officer

Executive General Manager of Corporate Management Unit

September 30, 2025

Good afternoon. Thank you very much for coming despite your busy schedule, coming in person and participating online as well. So in our IR activities, we have gotten feedbacks that we want to have more information about the audio equipment business. So taking this opportunity to answer to these opinions, we have decided to conduct this meeting. Today, specifically, we want to focus on the B2B area in which what kind of business that we are conducting and what type of business outlook that we are looking towards. So from my side, briefly, I would like to talk about the positioning of the audio equipment business within the total company.

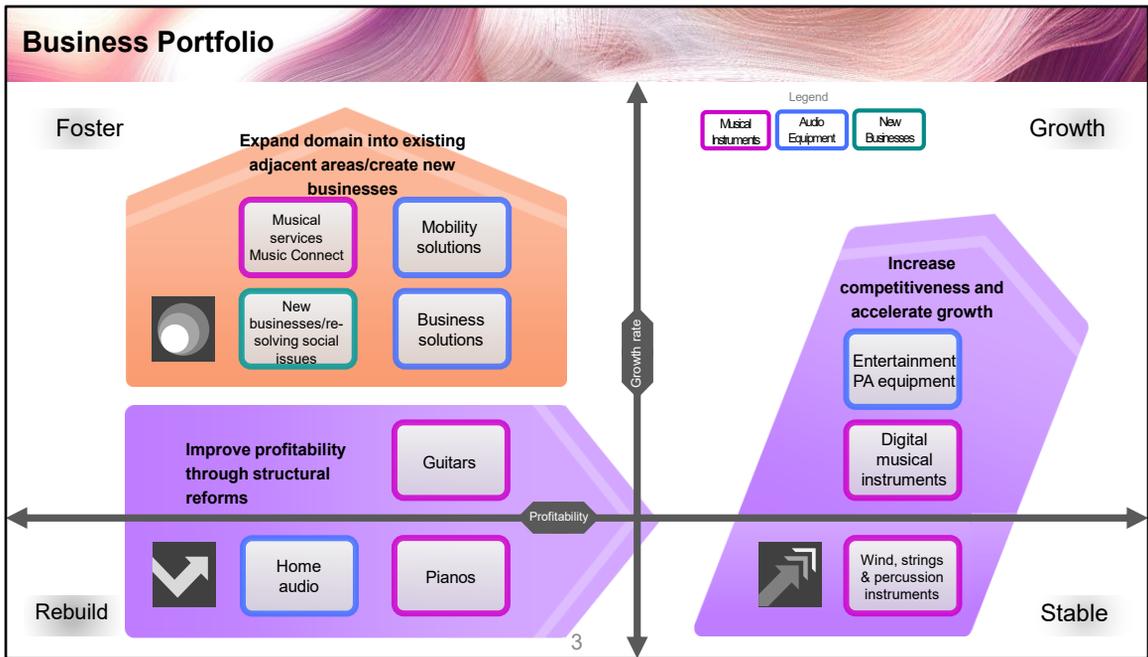
FY2025.3 Performance by Business Segment



*The figures reflect the changes in classification of Audio Equipment and Others from FY2026.3.

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So this is the pie graph. In terms of revenue and core operating profit, the proportion of audio equipment is 32 percent. That's for the revenue. For the core operating profit, it's 39 percent, so the core operating profit holds a higher composition compared to revenue. If you look at the lower right-hand side in terms of two smaller pie charts, on the right is the audio equipment. This is the breakdown by region, and on the left is the revenue breakdown by musical instrument. If you compare these two, the difference is that the Japan's proportion is larger for the audio equipment business. So in Japan, we have the installation business for the audio equipment, and we have the network device business as well. So that's the reason.

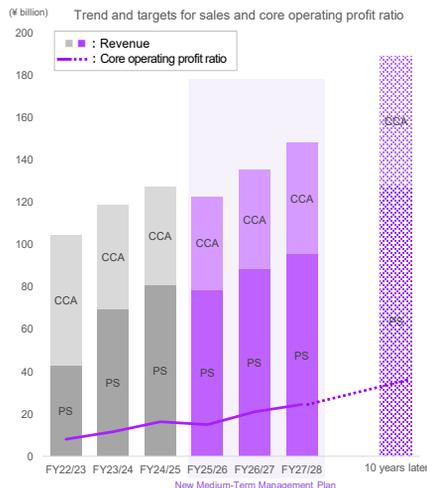


Next, going to a business portfolio and the positioning of the audio equipment business. On the top right, the growth domain. You can see that the entertainment PA equipment. We position this business as a growth business. On the top left, we consider this as a foster domain. Mobility solutions and business solutions business are positioned as going under the foster domain, and we will focus on these businesses.

Rebuilding a Strong Business Foundation

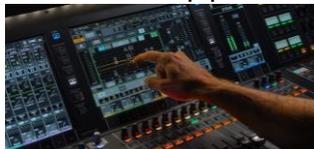
1-2 Audio Equipment Business

Accelerate growth in B2B audio equipment by creating an optimal business structure and quickly improve profitability of the home audio business



Professional solutions business (PS)

Entertainment PA Equipment



Network Devices



Creator & consumer audio business (CCA)

Content sharing & communication



Home audio products



In terms of the midterm management plan, the one pillar is to rebuild a strong business foundation, and number two is a challenge to build a new future. So in terms of rebuilding a strong business foundation, this audio equipment business specifically for the B2B business, under the optimal business structure, by doing so we want to accelerate our growth. And from this April, including the local subsidiaries, we are setting up a structure that focuses specifically on the audio equipment business.

Rebuilding a Strong Business Foundation

1-2 Audio Equipment Business



- Strengths
 - Trusted and widely adopted in professional settings such as live sound, theaters, and studios
 - Established as the industry standard and holding the No.1 market share among mixers



- Strengths
 - High market share especially among corporations and educational institutions in the domestic corporate market
 - Provision of solutions across the entire network

Professional solutions business (PS)

Entertainment PA Equipment

Enhance the functional integration between mixers and speakers; expand system sales of product packages for growth

- Business environment
 - Experience-based markets (concerts, etc.) expanded and grew steadily post-COVID
 - Diversification of device applications and needs, such as real, online, and hybrid
- Actions
 - Reorganization of business structure optimized to the characteristics of the audio equipment business
 - Expansion of sales of speakers developed jointly with trusted and renowned industry leader NEXO
 - Differentiation of mixers and speakers through functional integration and enhanced operability

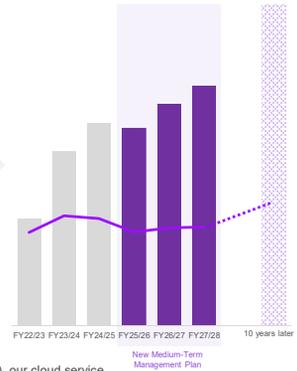
Network Devices

Co-create/provide optimal solutions for focus markets with channel partners

- Business environment
 - Strong market growth amid increased demand for DX and higher network speeds
 - Growing operation and management issues due to customers' lack of network IT personnel
- Strengths and actions
 - Provision of solutions for IT issues in cultural and educational facilities, hospitals, etc.
 - Creation of new customer value through integrated network management services*

3-yr sales growth CAGR
+7%

Trend and targets for sales and core operating profit ratio



At the same time, to rebuild the strong business foundation, the professional solutions business, entertainment PA equipment, and for instance, it will be mixers and speakers, we will enhance a functional integration between these two, and through system sales, we want to expand our business and grow.

Rebuilding a Strong Business Foundation

1-2 Audio Equipment Business



- Strengths
 - Reliability of streaming equipment based on mixer technology with the No.1 share
 - User-friendly operation and high sound quality highly praised by users



- Strengths
 - Our commitment to faithfully reproducing authentic sounds, cultivated through our experience as a musical instrument manufacturer
 - Advantages through advanced technologies such as sound field correction and networking

Creator & consumer audio business (CCA) ✓

Content sharing & communication

➤ Grow as a brand supported by creators for production, streaming, live performances, etc.

- Business environment
 - Creator streaming has taken root. Market is expanding for solo/small-team live-streaming
 - Demand is emerging for high quality sound with easy operation and connectivity unlocked by AI & automation
- Actions
 - Establishment of a new market standard for customers with a new lineup of enhanced streaming capabilities
 - Provision of added value such as apps and services that simplify production and streaming

Home audio products

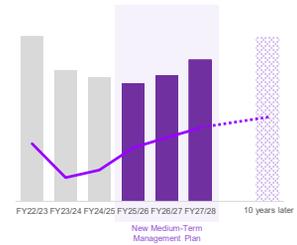
➤ Restructure business by optimizing manufacturing and sales structure focused on hobbyist customers

- Business environment
 - Intensifying price competition amid growing commoditization in Entry-level price ranges
 - Quality and value-added competition continues among audio brands in the mid- to high-end price ranges
- Actions
 - Narrowing to mid- to high-end models that target sales regions and hobbyists
 - Reduction of development and manufacturing fixed costs through greater outsourced manufacturing

3-yr CS&C sales growth CAGR
+9%

HA cost reduction
-25%

Trend and targets for sales and core operating profit ratio



➤➤ **Achieve high business growth in the audio equipment segment, including mobility solutions**



Total solution provider for spatial acoustics
Reinforcing of dedicated team/personnel to ensure rapid response to market/customer demands

Create new sounds and experiences
Whether for individuals, live events and public facilities, or mobility, we create sound optimized for sound environments in diverse spaces

Mobility solutions business (MS)^{*1}

➤➤ **Accelerate growth by offering premium experiences in line with customer requirements**

- Business environment
 - EVs and automated driving changing how people spend time in cars
 - Demand for higher specs growing in China, new value propositions are required
- Strengths and actions
 - Technical capabilities to meet diverse manufacturer requirements in various countries and propose new experiences and specifications
 - Improvement of customer experience and development speed with Music AI^{*2}

*1 Mobility solutions business: Former electronic devices business
*2 Music AI: AI software for optimal sound environment settings



Professional solutions business (PS)

➤➤ **Expand domains with industry-leading signal processing and sound field adjustment technologies**

- Business environment
 - Emerging needs for environmentally optimized high sound quality in commercial and public facilities
 - Growing demand for comprehensive performances combining light, sound, and video in the experiential market
- Strengths and actions
 - Proposal of customer solutions from local bases with an optimal structure tailored to market characteristics
 - Achievement of scene-optimized sound adjustment and experiential events with functions that facilitate integrated control of entire AV systems



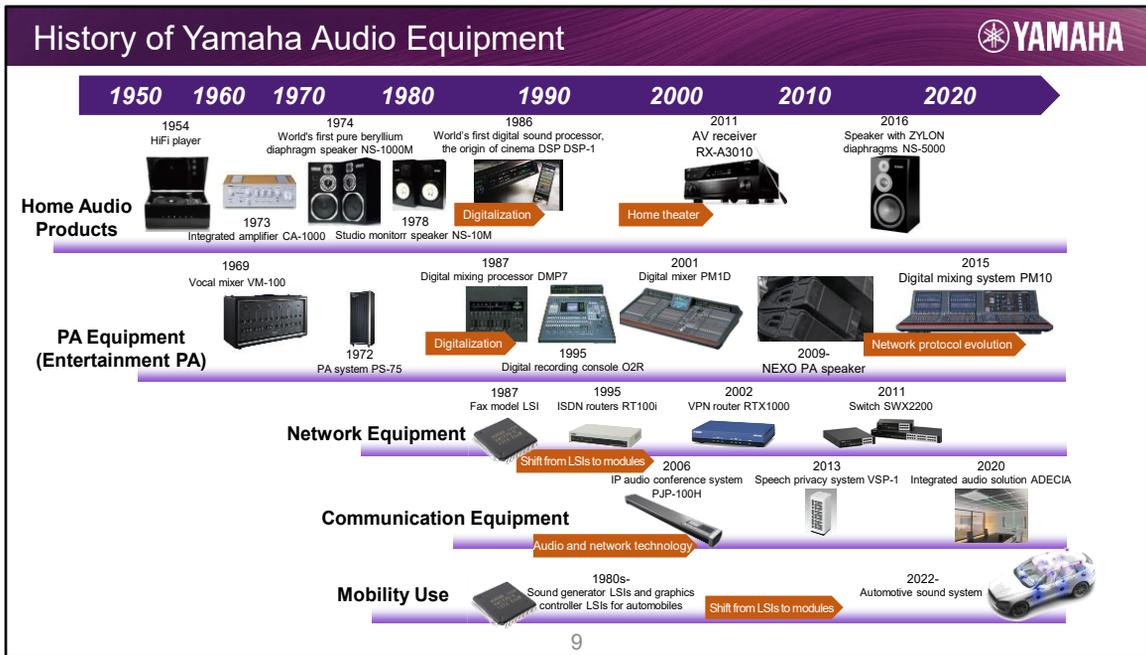
In terms of evolving to create the future, so the mobility solutions business and professional solutions business, in the commercial facilities and public facilities and experience oriented market in those segments, this is where we want to grow a business substantially. Within the audio equipment segment, we want to practically expand a domain, and by doing so, we want to increase the overall revenue and enhance the profit and contribute to these two. And by doing so, we want to focus on the growth of the audio equipment business. For the specific business strategy and the strength and the business structure, we will explain in detail from the audio business unit and the head of each of the businesses. That's all from me. Thank you for your attention.



Audio Equipment Business Vision and Strategy

Nobukazu Toba
Executive Officer
Executive General Manager of Audio Products Business Unit
September 30, 2025

I am Toba from the Audio Products Business Unit. Thank you very much for coming despite your business schedule. So from my side, first, I would like to talk about the vision and strategy about the audio equipment business.



So as a look back, this will be the history of Yamaha audio equipment. So on the very top, the home audio products. Yamaha Corp was established back in 1887, it started from the production and sales of the musical instrument and then going into 1950s, we have started with the first home audio product. So through the sales of musical instruments, for the people who are playing these instruments, we wanted to deliver the sound of the musical instruments to many people as possible. So that is the reason why we have developed the home audio products that can reproduce these musical instruments' sound. This hi-fi player, amplifiers, speakers of these products have been sold by us and by doing so we have the flagship product, a speaker with XYLON diaphragms.

And then in order to support the instruments on the stages, we have PA equipment. We started in 1969. We have mixers and PA systems. Initially, it was analog, but with the digitization, we have digital mixers. Those are our mainstay products in the recent days. We also have network equipment and we have mobility use. These started with semiconductor business. We use the semiconductors in the instruments in 1971. We started producing semiconductors in-house quite early in stage and we started selling them externally from 1983. But through the sales of LSI with regards to the

network equipment, we do LSI for modems. We have collaborated with NTT. This has advanced into the development and sales of routers. More recently, LAN and switches. With regards to the mobility use at the bottom, this is for mobility semiconductors. We have been selling different types of LSIs. It could be graphics. We have DSP, which we have been doing for decades. This actually adjusts the audio sounds. We have been providing solutions to the car manufacturers. We thought that just doing LSI was challenging because we needed to do a total comprehensive proposal in order to provide the best sound output for the speakers. This is a promising growth area, which we will continue to work on.

Sales Channels and Our Clients



Consumer Use

Home Audio Products and
Music Production/Streaming Products



Wholesale channels
through domestic and
overseas sales subsidiaries

- Major e-commerce sites
- Musical instrument stores
- Home electronics stores
- Audio equipment specialty stores



Professional Use

Entertainment PA, Commercial Audio,
Network and Communication Equipment



**Proposal-based sales
channels** through domestic
and overseas sales subsidiaries

- Professional audio specialty stores
- Installation companies
- Rental companies
- IT vendors



Mobility Use

In-vehicle Audio Solutions and
Emergency Call Modules



Flexible sales channels
based on customer goal

- Direct sales to automobile manufacturers
- Indirect sales through tier-1 companies
- Indirect sales through authorized

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Now I want to introduce the sales channels and our clients. This is for you to understand what is the route in which we propose and sell. To the left, this is B2C business. It is for consumer use. This is not so much about delivering to many as a commodity item, but we call them hobbyist segments, and we actually offer and we target these hobbyists. Of course, we want to continue to enhance our dialogue with the customers, and we are building community in order to enhance the exchanges with our customers and improve loyalty. Also, in the middle, we have professional use. This is B2B. We use our domestic and overseas sales subsidiaries as a proposed base sales channels. I will mention this later on, but this isn't just us doing a wholesale business, but we want to propose depending on the customer's need to develop a certain space or acoustic environment or characteristics. We do consulting for the customers. We propose, and we also provide after service as well. We believe that this is expanding our touch point with the customers. We do this through domestic and overseas sales subsidiaries, but we believe that we could be more creative in terms of expanding ourselves going forward. We need to make sure we tap into the key persons of the industry so that we can continue to build trust Yamaha as an acoustic sound equipment manufacturer. To the right, you

see mobility use. As you can see, there are different types of channels we use. It could be customers. It could be tier ones, consumers, and users, but one of the most characteristics here is regardless of the sales channels, we dialogue directly with the automobile manufacturers. We work with the product development and designers of OEMs and we have them hear our proposals directly, and we deliver products in line with their needs.

The audio equipment business, which has deepened and advanced by applying and refining the techniques and sensibilities accumulated through the creation of musical instruments

Vision of Yamaha Audio Equipment

Through the passion and resonance created by acoustic spaces, we connect people with each other, bringing them closer together in broader and deeper ways.



This is on the roots and vision of the audio equipment business. To the left, we started with instrument production. This is the history of Yamaha. The technology and the sensibilities that we have developed over the years by combining this, we have been able to evolve and continue to explore. And we have now been able to roll this out, develop this into acoustic equipment and sound equipment. And we have technologies such as acoustic technology, electronics, material technologies, signal processing technologies. So we have been able to apply these different technologies into our audio equipment. And we also have a vision to the right, we want to continue to bring different solutions in the acoustic space, whether it be concert halls or hospitality spaces or commercial spaces or in your living room or in your car. We want to support through our acoustic technology and customize. So that's the vision of Yamaha.

Connect more broadly with customers

Expand our product lineups

We respond to the real-time experience trend by delivering immersive audio experiences across diverse markets. By efficiently leveraging internal and external development resources, we rapidly deploy greater value.



Expand target markets

We will advance collaborations with industry-leading companies in the fields of video, lighting, and networking, aiming to expand our business domain toward providing integrated entertainment experiences centered on sound.



Connect more deeply with customers

Deepening relationships with end users

Through AI-technology-based acoustic space control, we provide customized and personalized acoustic experiences tailored to each space and individual.



Strengthen customer engagement with corporate clients and business partners

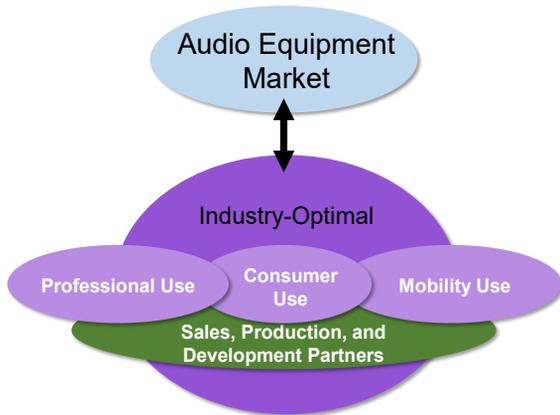
Enhance hands-on -demonstrations before purchase and post-purchase support to build long-lasting and trusting relationships.



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And we have strategies for our vision. We have to we want to connect more deeply with customers, we want to connect more broadly with the customers. So from the left, we want to expand our product lineups and we want to expand our target market, not just acoustics, but we want to expand the video lighting and networking. And to the right, we want to connect more deeply with customers. Like I said earlier, we want to be closer to our end users. And we also want to focus on the B2B part of B2B2C. So we will continue to enhance this.

We will drive prompt management with an optimized organization tailored to the audio equipment market



1. Sales: Strengthen market responsiveness

In B2B business, sales structures aligned with local business practices and culture are essential. We enhance market responsiveness by assigning regional audio sales managers to strengthen support for sales partners and customer touchpoints.

2. Production: Promote efficient supply systems

To address rising tariffs and geopolitical risks, we promote efficient supply systems through flexible product supply base configurations utilizing external partners.

3. Planning & Development: Establishing a decentralized structure

In emerging markets, diversification of customer needs is advancing due to market maturation and the rise of local companies. By assigning each regional base responsibility for product planning and development tailored to local characteristics, we establish a flexible and timely planning and design system.

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And in terms of our strategic framework, in terms of sales, we will strengthen our market responsiveness. So we want to not just directly apply the way we did our business in instrument business, but we believe that there's a suitable way to do business in this audio equipment business. So we will adopt that. In terms of the production, we will, from more efficient supply system, we will work with external partners as well. And we will be very flexible in our supply structure. And thirdly, in terms of planning and development, we will develop products that are appropriate for suitable for the market and develop products. And we will also be flexible in our production so that we can increase our presence. So that is all from me.



Introduction of the Professional Audio Solutions Business

Thomas Hemery

**Senior General Manager of Professional Solutions Division
Audio Products Business Unit**

My name is Tomas Hemery from Audio Products Business Unit and Professional Solutions Division. I am very glad to present to you today about our professional solution audio business. I'm in Japan for eight years and I've been working for this business for quite a long time. I'm originally from France, Paris. Nice to meet you.

Business Overview and Focus Areas



As a total solution provider of ProAV and IT industry, we serve following businesses

Within the audio equipment business segment, the professional use revenue accounts for approximately 60% of the business, significantly contributing to Yamaha's overall revenue.



Focus on **the speaker area**, high-growth markets with high entertainment value where we can leverage our strengths

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First, I want to explain the scope of this professional audio solution business, which is very wide, and identify the main growth area where we will focus today. First of all, we are a total solution provider for professional audio, video, and IT market. We serve very large market segments. This professional solution business is weighting approximately 60% of audio Yamaha business. It's a significant contribution to Yamaha Corporation of a whole result. We cover, from the left, live events. We call it entertainment market. So theaters, halls, live venues, stadium, arena. In the middle, hospitality, education, corporate, which can be hotels, bars, restaurants, museums, schools. And on the right side, public infrastructure market. Particularly in Japan, giga school or health care market. And at the bottom, you can see the product matching primarily those business segments. So from the left, entertainment PA digital mixers. This is the core of our business for 30 years. Then, entertainment PA loudspeakers with a wide range of speakers, amplifiers, and one name here called NEXO, which is one of our group companies based in France, in Paris, actually. Then goes to installation loudspeakers, so mostly targeting those hospitality and education markets. So it's a very wide range of processors, amplifiers, and speakers. Then going to communication product, mostly aiming at this kind

of room. And lastly, network, primarily routers, as well as switch and access point, where we have very deep cooperation with Japanese company SCSK for domestic market. This PS division is a very key pillar of Yamaha audio business. And we offer this wide range of product for many different applications. This is actually the strength. We serve multiple market, from entertainment to infrastructure. And going forward, at this point, we are very much focusing on the red area. A loudspeaker. Because we see strong growth potential and quite strong alignment with Yamaha's technical strengths.

Market Landscape for Professional Speakers

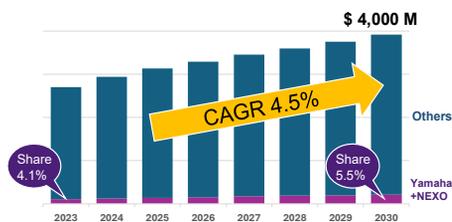


With the rise of the experience economy and GDP growth in emerging countries, the demand for audio equipment in Live Events and Hospitality market is expanding

Market size and market trends

- The market for audio equipment in Entertainment segment is growing due to increasing consumer demand for real-time experiences
- In the Live Event and Installed Sound fields, immersive experiences including audio are becoming more popular
- Demand for audio equipment in House of Worship, Weddings, Festivals is increasing, especially in Global South: India, Brazil, Indonesia, MEA

Forecast of Professional Speaker Market (Yamaha Estimation)



Digital art works by teamLab



DJs and a wide variety of sound systems add color to Indian weddings



Competitors strengthens immersive audio solutions for experiential venues

I will explain about why. Market landscape of this specifically loudspeaker. Experience economy is very strong trend all over the world. From goods to experience, mono to koto (products to services). This is happening everywhere. Younger generation wants experience instead of goods. Number two, emerging market, particularly global south, is very strong GDP growth. And those are the reasons behind quite strong market growth in live events and hospitality. Everywhere. The market size, as I mentioned, point one, is quite strongly increasing due to this demand into interactive experience. You can see here a picture of digital artworks by TeamLab. This is an example in Japan. This happened all over the world. We cooperate with TeamLab and many equivalent companies, Moment Factory in the American and European continent. They have some bases in Japan and many more like that. So, experience and interactive audio-video experience is one. The second is immersive experience, is very strong all over the world, boosted by, for example, Sphere in Las Vegas. There are many mid-sized such initiative appearing everywhere. And not only in theaters, but in daily life. Train station, airports, shopping malls, retail. The third point is global south country, particularly India, Brazil, Indonesia,

Middle East, see a very strong growth and particularly in those weddings or house of worship or festival culture. So, those are the reasons behind why we anticipate a quite strong demand in the next five to 10 years. We evaluate this at 4.5% CAGR. And our current position is relatively small. While those markets are looking for rich experience, high quality sound together with video, and this professional speaker market is on a growth trajectory to catch up with video quality. So, we see Yamaha as being very well positioned to capture this opportunity by leveraging the brand, the technology and the global reach.

Strategic Framework for Growth



Aiming to differentiate ourselves from competitors in the entertainment area demanding complex acoustic design

Target area and main competitors

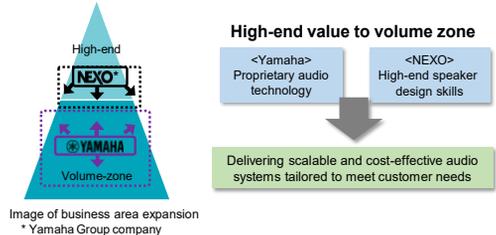
Focus on high-growth markets with high entertainment value, where we can leverage our strengths

FY24/25 Professional Speaker market size: **\$3,000M**



Basic strategy

aiming to optimize functionality and pricing in the mainstream price range and expand our market reach by combining NEXO's high-end design technology with Yamaha's signal processing expertise,



Specific strategies

- Technology:** Create value with proprietary technology, downscaled to volume zone
- Product:** Enhance product competitiveness by leveraging combined strengths of NEXO and Yamaha

Coming to what. I'd like to describe our core strategic approach to expand our speaker business. This is the core of our differentiation and competitive advantage. We want to bring high-end, complex acoustic skills to the volume zone. And this is very Yamaha for years in other fields, by the way. We did that in musical instruments for many years. We started digital mixers that way, downscale. First, explaining the target area. So, you can see a graph coming horizontal from entertainment to communication. And the vertical axis, from simple to complex. Our target area for this growth rate is primarily on the top left. Where, number one, it's very close from our digital mixers footprint. Number two, it's showing the strongest size and growth, particularly in installation. Number three, we'd like to focus particularly in American continent. Not only North, but Latin as well. And this is why Global South is appearing here. So, stadium, digital arts museum, live events, sports bar, hospitality, retail. And the strategy is about, as I mentioned, high-end to volume zone. Downscaling our signal processing proprietary technology, combining it with high-end speaker design capability, and bringing it to the mass at cost-effective price point. And simplification of process is very unique. Most of manufacturer cannot do that. I will elaborate a little bit on more specific way to achieve that,

centered on technology and product.

Strategic Details – Technology and Product



Enhance market competitiveness by optimizing production and sales systems centered on technology and product strategy

(1) Technology Create value with proprietary technology, downscaled to volume zone

Create value with Yamaha's signal processing and NEXO's speaker technology. Expand the technology to the affordable price range and provide high-quality audio experiences to more people

[Signal Processing]

- Utilize AFC (Active Field Control) spatial acoustic design technology, realize **advanced, immersive sound experiences** in theaters, halls, exhibition spaces, and other venues



[Speaker Design Knowledge]

- By leveraging **NEXO's expertise in high-end speaker design**, develop a high-performance speaker lineup—ideal for both touring and permanent installations



(2) Product Enhance product competitiveness by leveraging combined strengths of NEXO and Yamaha

NEXO enhances product, price competitiveness by leveraging Yamaha's signal processing technology and manufacturing capabilities, while Yamaha improves product strength through NEXO's high-end speaker design expertise

- NEXO covers the high-end segment by combining its high-end speaker technology with Yamaha's signal processing technology, leveraging Yamaha's manufacturing capabilities to differentiate itself from competitors in terms of **price competitiveness**
- Yamaha competes against competitors with **NEXO technology and Yamaha's signal processing technology**, expanding lineup efficiently
- Develop integration functions between Yamaha mixers and Yamaha and NEXO speakers



Others

Production: Achieving price competitiveness through production efficiency
Sales: Strengthening the sales structure by expanding specialized personnel

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So this is the how to achieve market competitiveness, optimizing operations, production and sales, but centered around technology and product strategy. I will explain about technology shortly, two of them, which are key pillars that we can downscale. And we started downscaling for years. Number one, signal processing. So this is the core of our digital mixer product for years.

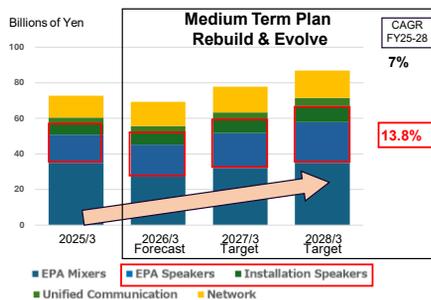
And one of those, which is one of the most complex that we started with architectural design, actually, is called AFC. It actually enabled to realize advanced immersive feeling and experience in theaters, halls, primarily music or large presentations venues, where you can improve either the acoustics response or the object position of audio source. This is a core technology that we have in-house for years. And the second one is speaker design itself, particularly at the top. Large concerts of very high top notch speaker design is very few companies owning that. We have these capabilities through the acquisition of NEXO a few years ago. And we intend to downscale it further more to this volume zone using the combination of the two brands' assets.

The core of the product differentiation is on this number two, competitiveness in terms of price and specification. We would leverage the

strengths of each brands. NEXO currently covers the high-end segment. Combining with Yamaha's digital processing and Yamaha's manufacturing asset, we can bring price competitively to this part of the market. On the other hand, Yamaha competes on more volume zone and by bringing high-end speakers to the core design combined with our DSP signal processing technology, we can equally provide product competitively quite significantly. At last, especially in those global south country or non-professional domain, combination of mixers and speaker by adding some value and bringing some software integration and function between the two is one more thing that we can bring to the market. So this is the core of those product-centric strategy that building on technical excellence and operations. As for the production, improving the efficiency based on what we have internally and same goes with sales would be the backup of the core related to product and technology.

Summary

- Future Growth Areas for Professional Audio Business: **Entertainment PA Speakers, Installation Speakers Business**
- Market Landscape: Demand for speaker products is expanding due to the rise of experience economy, **projected to grow at a CAGR of 4.5% through 2030**
- Target Areas: Yamaha aims to differentiate itself from competitors, focusing on the **entertainment area requiring complex acoustic design**
- Growth Strategy: Realizing new value propositions and enhanced product competitiveness through **Yamaha's proprietary technologies and NEXO's speaker design expertise**



> Business Plan (3 years)

- CAGR of Professional Audio Solution : 7%
- CAGR of Entertainment PA speakers and Installation Speakers : **13.8%**

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At last, if summarizing this growth overview and revenue target with a bit of figure, number one, focus area for the short term. Entertainment PA speakers and installation loudspeakers. Number two, market is expanding. And we believe very sustainable. Speakers cannot go onto cloud. This needs to be physical. Number three, target area. Entertainment market and the way entertainment market is expanding, where it requires complex acoustic design, provides us quite significant competitive advantage. Number four, the core of the story and the strategy is downscale high-end technology and bring it to the mass. This results in terms of figures in this professional solution division, business division, which I represent today is actually beyond that, inclusive of network and everything. We envisage like 7% CAGR over the next three years, but the core of the growth for the short term would be more than double digits, centered on loudspeakers. So Yamaha's professional solution business can grow by focusing on this professional speaker segment with this rising demand and very strong alignment with our Yamaha's strengths in entertainment particularly. The strategy combines innovation, collaboration and operational efficiency and with this approach we believe we can build the first pillar of the growth. My last words would be that there are more than that. As I mentioned

today, I primarily described those loudspeaker segments, but we are working on some other possibilities which could be activated later in the current mid-term plan which we started, but we wanted to show you today about the core of what already started. And that's all for me. Thank you very much.



Introduction of the Mobility Solutions Business

Wataru Ogino

**Senior General Manager of Mobility Solutions Division
Audio Products Business Unit**

My name is Ogino from Mobility Solutions Division. Thank you very much for taking the time out of your busy schedule to come today. So I would like to talk about our mobility business, especially on the mobility use audio equipment which we are focusing on. Thank you very much for listening to me today.

History of Mobility Use Audio Equipment



1971 Established our own semiconductor factory and began in-house production of semiconductors for digital musical instruments



1983 Began external sales of semiconductors

80s and 90s PC audio ICs became a major success

2000s Mobile phone ringtone ICs was a huge hit

Expanded lineups of consumer electronics and automotive ICs and began offering speaker modules



Sales of automotive audio and voice processing ICs expanded



2020 Development and launch of in-vehicle audio amplifiers and speaker products

2025 Decision to concentrate business domain on mobility sector;
renamed to **Mobility Solutions Division**

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So, as Mr. Toba explained earlier, but I want to give you a quick history of mobility use audio equipment, we just recently changed the name in April. And so I would like to show you how we entered this business. So previously we were a business that was doing semiconductor manufacturing in 1971. We established our own semiconductor factory and in 1983 we started external sales. And if you look back at the history you will see some major successes. So between the 80s and 90s we had PC audio ICs. In 2000s, maybe you remember this, but mobile phone ringtone ICs was a huge hit. And during that time, in terms of the business areas or categories, we really didn't restrict ourselves but basically we were developing products that would allow us to leverage our core competence as regardless we could be for civil use or it could be for public use. So basically we have been expanding ourselves as a result of automotive audio and voice processing ICs. In 2020 we have developed a launching vehicle audio amplifiers and speaker products and in this year in order to concentrate our resources and business domain on mobility sector, we renamed to mobility solutions division. So that's the quick history.

Entry into the Automotive Sound System Business

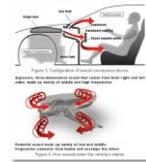


Since commencing external sales of semiconductors in 1983, we have developed and sold sound DSPs, graphics ICs, and in-vehicle/out-of-car audio systems to a wide range of automakers, earning their trust.

Toyota Nissan Mitsubishi Motors Mazda

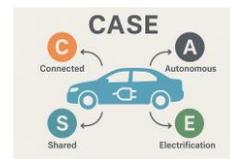
Subaru Honda Suzuki

Hyundai Ford Land Rover Jaguar



As we enter a once-in-a-century transformation period, the electrification and intelligentization of vehicles are trending, while growing comfort needs are expanding our opportunities and market demand for sound

> Decision to enter the automotive sound system business, leveraging our comprehensive expertise in sound and music



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And as I had just quickly explained, so we have seen external sales of semiconductors starting around 1983 and as you can see from this list of the names we have developing products for many different auto manufacturers and of course this is a track record as a tier 2 or tier 3 but you can see that many manufacturers OEMs have adopted it and here we have graphic IC as well but mostly it's for sound IC, acoustic IC, DSP products. And as a professional of sound, Yamaha is a reliable partner and therefore it's not just about audio tuning but, for example, the alarms and the warning sounds and the sounds that we emit outside. We have also been working on contents as well so for example it shows how the sound will resonate well internally in vehicle. So this is how we have been able to win the trust of the automotive industry but with regards to audio, the business we can do with semiconductor DSP alone is limited and during this time we felt some constraints in specifically the speakers which is the final exit for sound and also the power sources and electric circuits. These have a very big impact on sound itself and this has never been our main line of business so we were not able to create the sound that we wanted to create and there's been some frustrations on us so even though we had this sound technology we were not able to fully leverage that because of

those constraints and during that period we have seen major changes in the auto industry itself.

We have seen electrification, intelligentation of vehicles and there's been need for comfort in vehicle as well and we felt that the needs for sound is also expanding so therefore we have decided that we felt that this was a great opportunity for us to expand our market. So as you can see here.

Major Achievements of Automotive Sound System



Market entry in 2020

Adopted by 6 Japanese and Chinese automakers

Offers a wide range of systems from 4ch/6 speakers to 32ch/31 speakers



Toyota



ZEEKR



GAC MOTOR



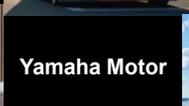
Mitsubishi Motors



MG



Yamaha Motor



So since we have entered this business in 2020, an actual track record in the market. So this has been already announced. This is limited with that has been announced. You can see that up until now, there are six Japanese and Chinese automakers has adopted our products. The first company that used us is in the middle, ZEEKR. This is the high-end EV makers ZEEKR within the Geely Group and the GAC Motor and MG, which is under SAIC. So the Chinese makers were ahead. For the Japanese carmakers, Toyota, Mitsubishi Motors, they have adopted our products. And this is not automobiles, but Yamaha Motor, in the personal watercraft, we have the waterproofed speaker for marine sports. So since the market entry in 2020, if you consider the timeline of the car development, I think these OEMs have decided to use us in a very short period of time. So I would like to talk about the background and what is our differentiation strategy. But what we hold dear, first and foremost, is the good, high-quality sound. And we are conducting proposals, conducting demonstrations. We have a demo car, so that the clients can listen to the sound and these cars will be on the market. And we get the feedback. And a lot of this says that compared to other companies, our sound quality is very high. So this is due to the audio system that we have very much put

our energy in. And as a musical instrument manufacturer, we have been developing the sound so that there's a fidelity in terms of the sound quality. So I think this is the proof of what we have focused on.

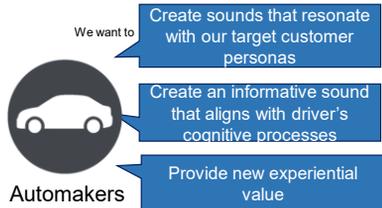
Differentiation



Differentiate through *Total Sound Coordination* that enhances a unique vehicle characteristics and a *New Experience Creation*

As vehicles become increasingly intelligent and the need for differentiation beyond basic driving functions grows, Yamaha is leading the creation of new value for in-vehicle sound systems. By deeply engaging with partners from the planning stage, we contribute to enhancing the in-cabin experience.

Growing demand for concept differentiation and new features on a model by model basis



Yamaha can deliver a one-of-a-kind sound experience

Existing Audio Brands

Provide the sound of the brand, but do not perform sound design for each model.

New experiences through advanced technology

Music:AI®

Total Sound Coordination



A sound system dedicated to instrument fidelity



Technology and Sensibility as a Comprehensive Sound and Music Manufacturer



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But not only that, there are two things that we focus on. One is that we want to conduct the total sound coordination that enhances the unique vehicle and create a new experience. So the car is becoming more and more intelligent. And in the OEMs, the basic function, running, turning, or stopping, besides that, there's a lot of functions that are required for. And automakers give us feedback. For instance, they say that to differentiate the cars, they want to differentiate the concept of the models, depending on the customers, in terms of the sounds that their automobiles make. They want to have a character that is in line with the concept of the automakers, automobiles. So the autonomous driving is being enhanced. So they want to offer a more value in the in-cabin or in-car experience. So it's not only good high quality sound, but we want to make proposals. We have been making proposals for the total sound coordination. And we have been proposing new experience creation. And by doing so, offering a very unique experience is what we focus on. So in terms of the competitors, what are they doing? Basically, as far as we understand, these branded audio suppliers, they focus on supplying or offering the sound of that brand. But they do not perform sound design for each model, but we do. So we can differentiate on that point. In hindsight, so installing brand audio within

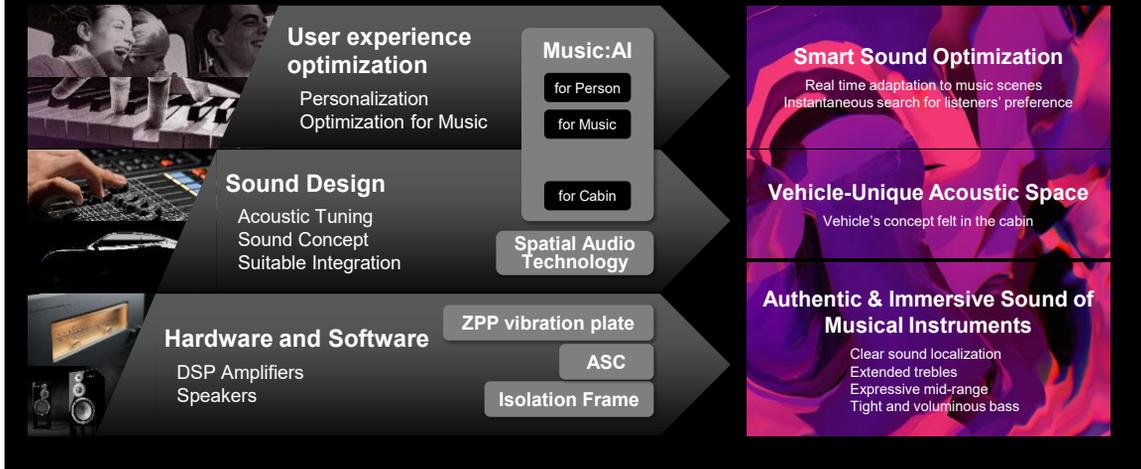
the cars, so it was started in the United States in 1980s. And from 1990s, Japanese car makers have started to do so as well. That is my understanding. But since then, I think basically it was the same, Toyota would be using JBL, Nissan would be using Bose, so their relationship has been continuing with about 30 years and they have continued to do business with these specific makers. So I think this means that the business relationship has become quite rigid. It means that maybe there's not much innovation that is going to be seen, generally speaking, by us going into this market in terms of the rigidity or the stagnance of this market, I think we have actually started to stimulate the market.

What Yamaha Offers



Deliver new experiential value through sound design tailored to vehicle concepts and advanced technologies of AI

Realize the ultimate musical experience through technology and sensibility



So this page is what we offer in terms of value. This is a total concept from the bottom. First, good sound, good experience, you have to have good hardware and good software. Of course, as a manufacturer, we have a proprietary technology. In speakers will be, vibration plays very important. And absorbing the unnecessary vibration is another technology. So besides that, and there are very other projects that are running simultaneously. I think new technologies and new proposals are going to come out one after another and going up sound design. Again, for each model, for each use, us as a sound meister will put into words about the design of the sound. And with the planning division of the cars at a very early stage, we discuss about the sound to decide about the concept. So I think for the other manufacturers, it would be sound tuning. There is a target sound and they tune towards that sound. But we start from sound design and do the total design of the sound. And going upper most layer is the UX, user experience optimization. So we have the sound concept, but in terms of the music that is played in the car, and the preference of the users would be different. So you have to optimize that. So this can be conducted by an AI, meaning that everybody will be able to hear music according to their own preference. So we have a patent for this original technology.

What Yamaha Aims For



TRUE SOUND

The authentic sound of an instrument that conveys the performer's intent

Yamaha's sound design represents the passion of its creators.

It goes beyond merely extracting 100% of the audio source information. We aim to understand the dedication of instrument makers and music creators—the very source of the sound—and the emotions of performers through our own sensibilities, reproducing this within the vehicle's interior space.

Our goal is to deliver passion through sound that stirs the listener's heart. This aspiration is the very ideal of what Yamaha strives to achieve.

Yamaha continues to create new fascinating driving experiences through the heart-stirring sounds played by artists.



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Based on this technology, more specifically, what will be an ultimate goal? This is true sound. So, well, this is authentic sound and other branded audio makers say that authentic sound or fidelity of the original sound. But we think that the artist, the dedication of the instruments or the thoughts of the mind of the artists and the musical instruments should be delivered.

Music:AI®



Optimized AI that creates the ultimate musical experience



Reduces development costs by shortening the tuning period

Acoustic tuning is essential for adapting to the specific characteristics of each vehicle's cabin space. Music:AI for Cabin quickly derives the optimal solution from countless sets of acoustic parameters.



Optimize the sound of the sound in real time

To enjoy music with great immersiveness, optimal sound parameters for each musical scene are essential. Music:AI for Music eliminates the need for manual sound adjustments and contributes to safer driving.



Discovers acoustic characteristics reflecting each listener's preference

Listeners' preferences vary greatly for the balance between high and low frequencies. Music:AI for Person provides optimal acoustic parameters for each individual through conversation.

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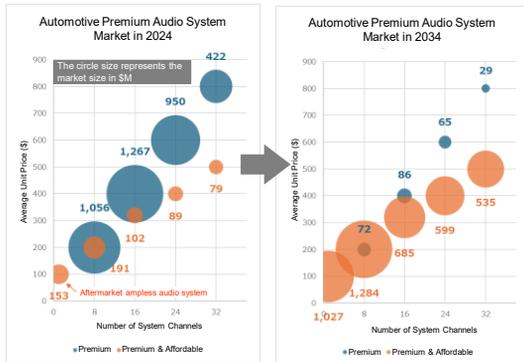
So music AI, this is utilizing AI and this is a technology that is included in this. So automatic tuning and optimizing the sound of the sound in the real time. And with the dialogue with the AI, you can be able to discover the listener's preference very easily. So this is what we propose. So we are proposing and introducing this type of technology. And the automobile makers have given us a very good positive feedback. And in the future, I hope that I can introduce this Music:AI being used in automobiles.

Cost Optimization and Accelerated Development



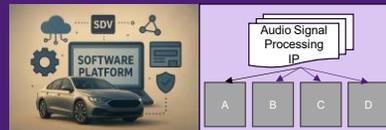
Demand for high-spec, low-cost audio system is expanding, particularly in the Chinese market. Development cycles continue to shorten, making proposal and development speed key factors for adoption.

Development and production systems that maximize both cost efficiency and speed



Changes in the Structure of the Automotive Premium Audio Market

Build a highly portable software platform tailored to the SDV era



Lightning-fast development and optimized production utilizing multiple ODM suppliers



Lastly, even if you create a good sound, if you cannot optimize the cost or if the development is slow, this will not do. And we think we have been able to respond to this because at the very beginning, we have started to be adopted by the Chinese automakers.

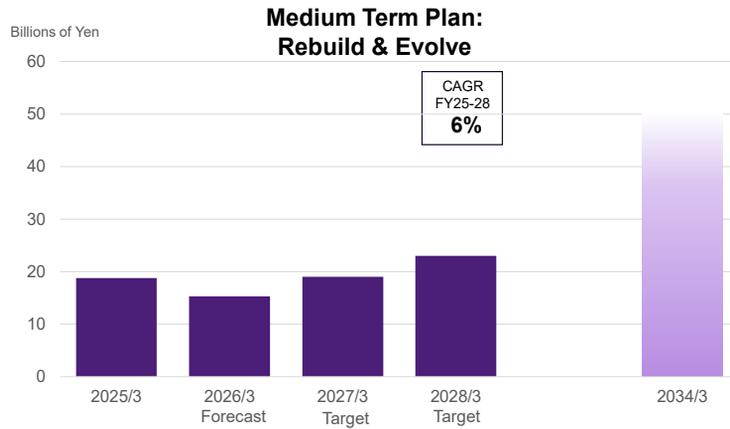
And I think you can understand that. The market in China is very competitive and the development timeline is very short. But we want to enhance this furthermore, taking two countermeasures. One is that so we want to call the software-defined vehicle. The automobile is becoming like a smartphone. So out of the values that we offer, some can be offered through software. To the software. So it can be transplanted to various platforms across various different car makers. This is one strategy. It means that we can accelerate the development and optimize costs. Another is that developing, utilizing ODM, because as a fabless, we are fabless. That will be a positive for the cost optimization accelerated development. For instance, we will choose suppliers that have a plan close to the OEMs, or we will be choosing suppliers in terms of the product line that is close to what we want to develop. And then by doing so, by utilizing them, we can optimize the cost accelerated development and differentiate. That will become possible. So that will be a strategy. And that is the

intention for us to conduct the business.

Revenue Targets



Focusing primarily on automotive sound systems, we aim to achieve sales of ¥23 billion in March 2028.



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So by March, 2028, we will aim for sales of 23 billion yen. So I rushed through towards the end, but that is all from me. Thank you very much for your kind attention.

