

Q&A at the Conference on Financial Results for FY2023

Question	Answer
<p>Q 1: The business profit for FY2024 is planned to be 130 billion yen. Please tell the probability of achievement.</p>	<p>A 1: We believe that this level is sufficiently achievable. In the mass-production business, changes in the business environment can be a downside factor. On the other hand, in the order-based businesses, the reserve budget for preparing for risks is set aside for several projects, and the risk buffer is included in the eliminations and corporate.</p>
<p>Q 2: In the analysis of changes in business profit and loss between FY2022 and FY2023, the 20 billion yen of price pass-through is included in the change in product mix and other factors. Please tell the contribution of each segment.</p>	<p>A 2: Price pass-through was achieved in all segments. In particular, Energy Solutions & Marine and Power Sports & Engines, were the major contributors, accounting for about half of the total.</p>
<p>Q 3: How much were the orders received and sales revenue for the MOD in FY2023? And how much will they be in FY2024?</p>	<p>A 3: Please refer to page 44 of the Financial Results Presentation Material, which lists each product category.</p>
<p>Q 4: The forecast for orders received for the MOD in FY2024 seems conservative. Is there any possibility of an upside?</p>	<p>A 4: Only projects that have a high degree of certainty were factored in the current forecast, and there is a reasonable possibility of an upside.</p>
<p>Q 5: What is the impact of the market growth of Data centers and the rapid adoption of generative AI on the Energy business?</p>	<p>A 5: Demand for emergency power generation gas turbines for Data centers has increased significantly due to increased demand for more efficient server processing capacity. Liquefied hydrogen is also becoming more applicable for cooling applications in data centers and quantum computers. We will explore commercial opportunities for hydrogen co-fired and pure-fired gas turbines.</p>
<p>Q 6: Why Energy Solution & Marine Engineering plans to increase in revenue and decrease in profits in FY2024?</p>	<p>A 6: In addition to the assumption of stronger yen than in FY2023 and the expected increase in costs (especially personnel expenses) due to inflation, several projects include reserve budgets in outlook at the start of FY2024.</p>

Q&A at the Conference on Financial Results for FY2023

Question	Answer				
<p>Q 7: For Powersports & Engine, what is the market environment and the outlook for motorcycles and off-road four-wheelers for North America in FY2024?</p>	<p>A 7: Outlooks are as follows.</p> <p>< North American motorcycle > The market is growing and moving at a level higher than in FY2019 before the pandemic and is expected to moderate growth in FY2024 and beyond. However, the trend depends on the model, the demand for small and medium-sized street models is strong, while that for the cruiser models are perceived as declining. We expect sales to increase compared to FY2023 as we anticipate the impact of new on-road models.</p> <p><Off-road four-wheeler for North America> Demand is firm and the market expansion trend is expected to continue. By model, demand for utility models is growing while demand for recreational models is soft and price competition is intensifying. We expect a significant increase in sales compared to FY2023 due to the effects of the newly launched RIDGE series , an increase in the production of utility models due to the start of operation of the new plant in Mexico, and our growth trend in retail sales exceeding market growth.</p>				
<p>Q 8: The forecast of revenue will significantly increase in FY2024 for off-road four-wheelers and PWC of Powersports & Engine. How much will the newly launched RIDGE series contribute?</p> <p>*Sales revenue of off-road four-wheelers and PWC</p> <table border="1" data-bbox="159 1198 595 1281"> <tbody> <tr> <td data-bbox="159 1198 331 1238">FY2023</td> <td data-bbox="331 1198 595 1238">180.6 billion yen</td> </tr> <tr> <td data-bbox="159 1238 331 1281">FY2024</td> <td data-bbox="331 1238 595 1281">285 billion yen</td> </tr> </tbody> </table>	FY2023	180.6 billion yen	FY2024	285 billion yen	<p>A 8: Sales plan of RIDGE is not disclosed, but we expect it to be the biggest driver of sales growth.</p>
FY2023	180.6 billion yen				
FY2024	285 billion yen				