Q&A at the Conference on Financial Results for FY2024

#	Question	Answer
1	What is the impact of U.S. tariff policies on each business segment?	The primary impact is expected on the Power Sports & Engine segment. Although there is a risk of up to approximately ¥10.0 billion - ¥20.0 billion*[1,2] the actual impact may be significantly reduced depending on future policy developments. Our U.S. operations import complete vehicles (all motorcycles and some off-road four-wheelers) and parts from outside the U.S., including Japan, which may result in increased tariff costs*[3]. In addition, there are concerns about a potential deterioration in market conditions. Please refer to page 18 of the financial results for FY2024 briefing material for the impact on other segments. *1: The estimated amount is based on the following assumptions: ・The tariff policies announced by the United States as of May 8 will be implemented as scheduled ・The negative impact of increased tariff costs will be mitigated through measures such as price shifting *2: Not factored into the FY2025 earnings forecast *3: Exports of complete off-road four-wheelers from Mexico to the U.S. are not affected due to compliance with USMCA
2	Despite the potential softening of the U.S. off-road four-wheeler market due to tariff policies, what is the rationale behind the significant revenue growth plan?	The sluggish sales volume in FY2024 was due to recalls of key models and production delays at the new plant in Mexico. These issues have now been resolved or improved. Furthermore, with the launch of highly competitive products such as the RIDGE, we are seeing a rise in

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<table>
<tr><th>#</th><th>Question</th><th>Answer</th></tr>
<tr><td></td><td></td><td>market share, which gives us confidence in achieving revenue growth even in a soft market.</td></tr>
<tr><td>3</td><td>Why is business profit expected to remain flat in FY2025 for the Power Sports & Engine segment despite significant revenue growth?</td><td>Although revenue growth will contribute to business profit, we have set the exchange rate assumption at a stronger yen of ¥140/USD. We have also factored in increased selling promotion expenses due to anticipated market cooling from U.S. tariff policies, as well as higher fixed costs.</td></tr>
<tr><td>4</td><td>Why is the Aerospace Systems segment expected to see a decline in business profit in FY2025 despite revenue growth?

(Reference) Revenue and Business Profit
(FY2024 vs FY2025)
<table>
<tr><td></td><td>FY2024 (Actual)</td><td>FY2025 (Forecast)</td></tr>
<tr><td>Revenue</td><td>¥567.8 Bil.</td><td>¥640.0 Bil.</td></tr>
<tr><td>Business Profit</td><td>¥55.8 Bil</td><td>¥48.0 Bil.</td></tr>
</table></td><td>The decline is due to the stronger yen assumption of ¥140/USD and a deterioration in product mix caused by increased sales of less profitable new engines for commercial aircraft.</td></tr>
<tr><td>5</td><td>The decline is due to the stronger yen assumption of ¥140/USD and a deterioration in product mix caused by increased sales of less profitable new aircraft engines.

(Reference) Orders from the Ministry of Defense
(FY2024 vs FY2025)
<table>
<tr><td></td><td>FY2024 (Actual)</td><td>FY2025 (Forecast)</td></tr>
<tr><td>Orders received</td><td>¥772.3 Bil.</td><td>¥400.0 Bil.</td></tr>
</table></td><td>The decline in FY2025 is a temporary reaction to the concentration of large orders in FY2024. However, as the overall trend in this business is upward, orders may increase again from FY2026 onward.</td></tr>
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6	The U.S. announced a port entry tax on Chinese-made vessels starting October 2025. Will this affect your joint shipbuilding venture in China?	Our joint shipyard in China has orders secured through the end of FY2027, so there is no immediate impact on performance. Considering the medium- to long-term supply-demand balance for shipping capacity, we believe there is no need for excessive concern.