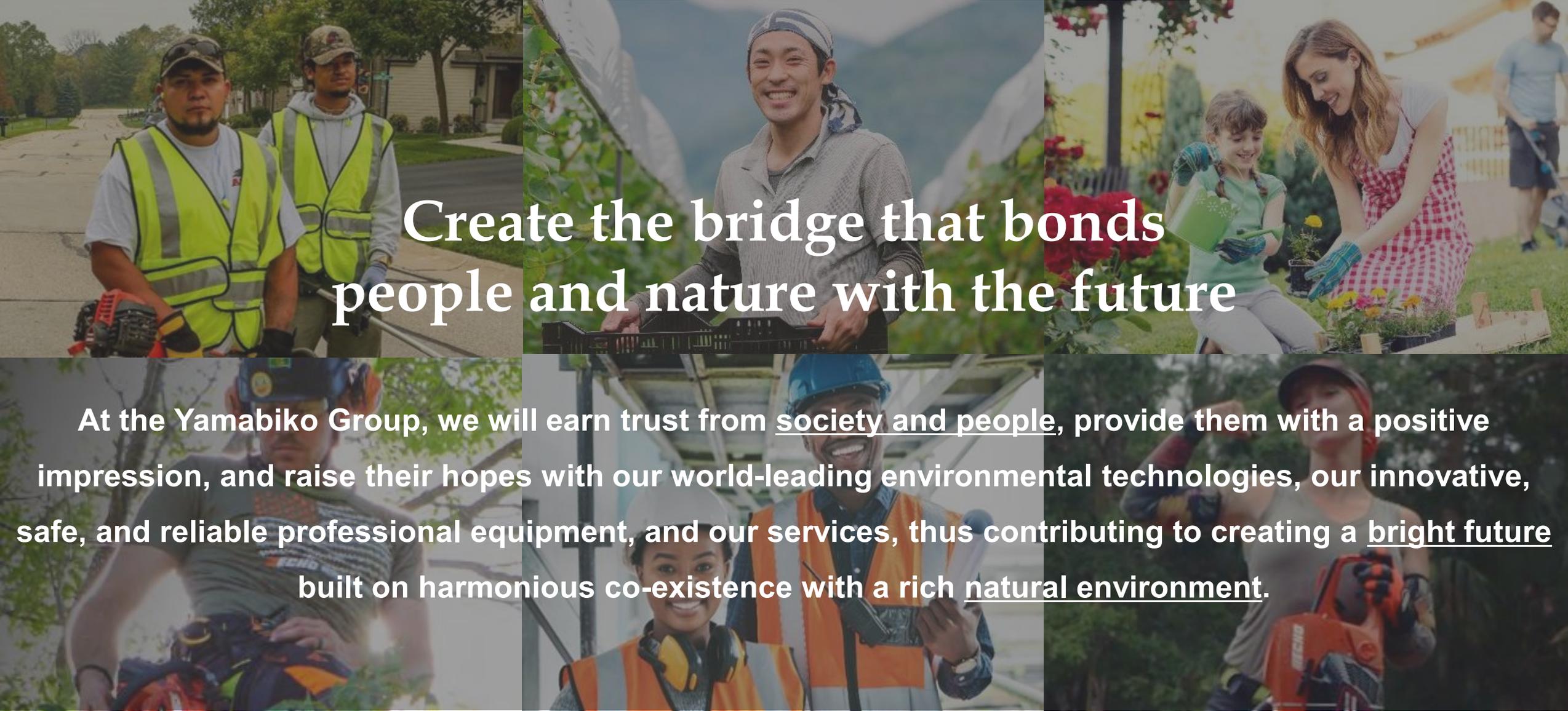


4

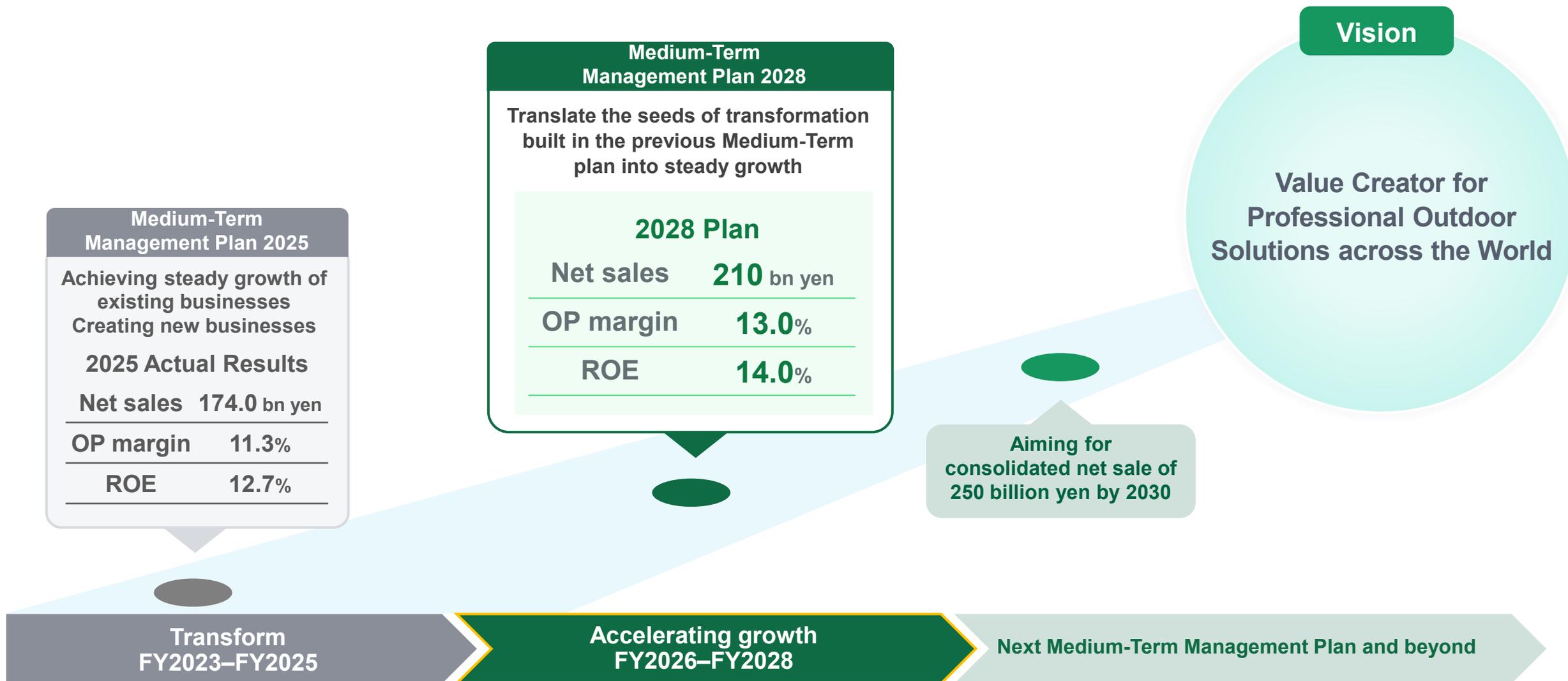
Medium-Term Management Plan 2028 Policy and Business Strategy



Create the bridge that bonds
people and nature with the future

At the Yamabiko Group, we will earn trust from society and people, provide them with a positive impression, and raise their hopes with our world-leading environmental technologies, our innovative, safe, and reliable professional equipment, and our services, thus contributing to creating a bright future built on harmonious co-existence with a rich natural environment.

Transform into a “company that consistently creates new value for outdoor worksites” by making continuous efforts to solve challenges, such as reduction of environmental impact, improvement of safety, and labor shortages.



Aim to achieve net sales of 210 billion yen, operating margin of 13% or above, and ROE of 14% or above in FY2028.

■ Numerical targets

(Hundred millions of yen)

	FY2025 Actual Results	FY2026 Forecast
Consolidated net sales	1,740	1,850
Operating margin	11.3%	11.4%
ROE	12.7%	12.3%



FY2028 Plan	
	2,100
	13.0%
	14.0%

* Assumed exchange rates
USD: 150 yen; EUR: 175 yen

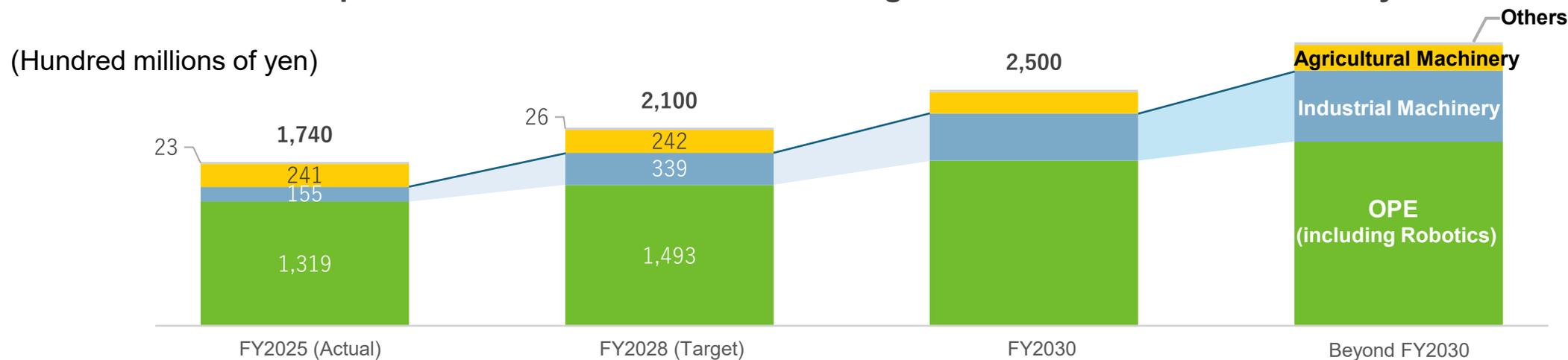
■ Toward the achievement of targets in FY2028

- Expansion of the European OPE and robotics business and capture of organic growth in the North American market
- Improve our profitability by increasing the sales ratio of high-value-added products, such as professional-grade and robotic products
- Promotion of structural reform in the domestic business
- Enhance operational efficiency and productivity through the thorough implementation of VA/VE(Value Analysis/Value Engineering), the integration of models, and the use of DX and AI

Establishing a Three-Pillar Structure (The Americas, Europe, and Japan) with Europe as the Growth Driver



Optimize the Business Portfolio through Growth in Industrial Machinery



Achieve sustainable growth by **securing stable revenue** through deepening our existing businesses and **investing generated resources** in **growth domains**.



i. Sales expansion

Deepening of existing business domains

- Expand the scale of European operations
- Work on the robotics in the U.S. and Europe and EMS*1

Focus on growing regions and new businesses

- Capture solid global OPE demand
- Launch of local assembly for IPE*2 in North America and expansion of the product lineup



ii. Profitability improvement

Deepening the European business

Structural reform of the domestic business

Review of the supply chain

- Promotion of local production for local consumption
- VAVE



iii. Strengthening of management base

Fostering organizational culture through the establishment of the new HR system

Enhancement of talent development and recruitment of highly specialized professionals

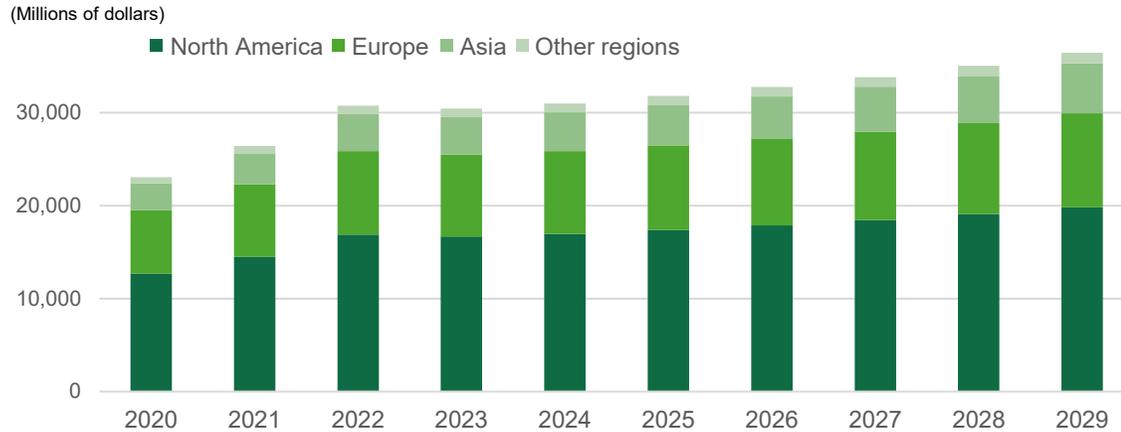
Governance framework supporting sustainable growth

(*1) “EMS” = Energy Management System

(*2) “IPE” = Industrial Power Equipment

OPE market size by region*1

The OPE market continues expanding, driven by the largest market, North America, as well as by Europe and Asia.



➤ Capture a wide range of demand in the OPE market, without being limited to hand-held products.

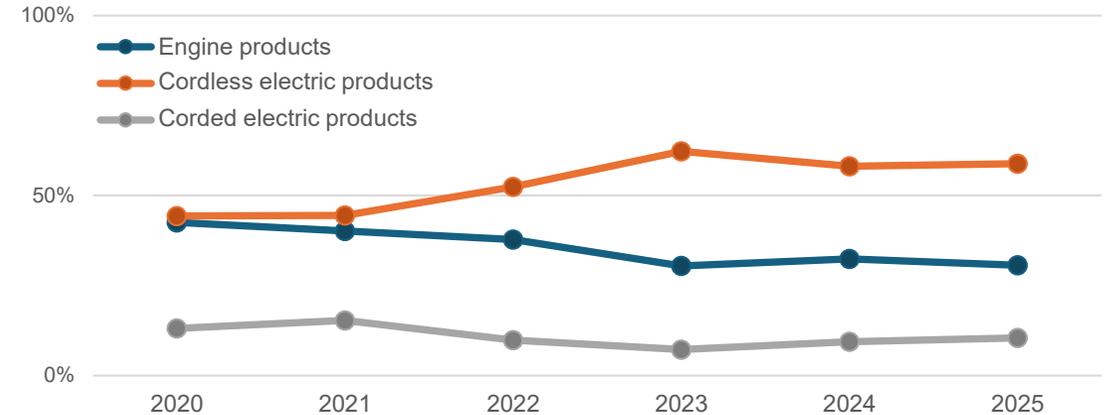
Hand-held OPE products

OPE products

Market size:
approx. 32.0 bn US dollars
(2025 forecast)

North American market composition by power source*2

While progress in electrification seems to have slowed, demand for engine products remains solid.



Market composition by user*3

Professional users comprise approx. 30% of the market. Yamabiko has gained high market acceptance.

Professional users

- Landscapers, golf course personnel, administrative organs, etc.
- Expand sales of engine products, high-value-added electric products, and robotics and other products.

General users

- Homeowners, DIY demand
- Expand sales of electric and other products by leveraging our home improvement center sales channel

Sources:

*1 Prepared by Yamabiko based on the Markets & Markets report "Outdoor Power Equipment Market" (Scope of data: all regions).

*2 Prepared by Yamabiko based on the OPEI data (Scope of data: North American region).

*3 Prepared by Yamabiko based on the Markets & Markets report "Outdoor Power Equipment Market" (Scope of data: all regions).

Increase sales of OPE and industrial machinery products in North America, the world's largest OPE market, and in Europe, our most important market.

North American market

- North America being the world's largest OPE market and the most important market for Yamabiko
- Establishing high brand recognition and a stable sales base
- Securing stable revenue by increasing sales of OPE, robotic and industrial machinery products

OPE Business

Handheld products:

Expand sales of our high-performance, high-durability handheld OPE — a core strength of the Company — through distributors and home improvement centers

Robotic mowers:

Expansion of the business alliance with Toro



Industrial Machinery Business

Strengthening production capacity:

Promote local production for local consumption through local production

Product lineup enhancement:

Diversify our product portfolio by launching new products, such as light towers, large generators and EMS, etc



European market

- Despite its large market size, the market share of our OPE products remains low
- Expanding sales of robotic products and strengthening the sales structure
- Expansion of the business alliance with Toro

OPE Business

Increase revenue from the robotics business

Promote production capacity enhancement with a view to expanding sales

Expansion of the business alliance with Toro



Strengthen sales structure

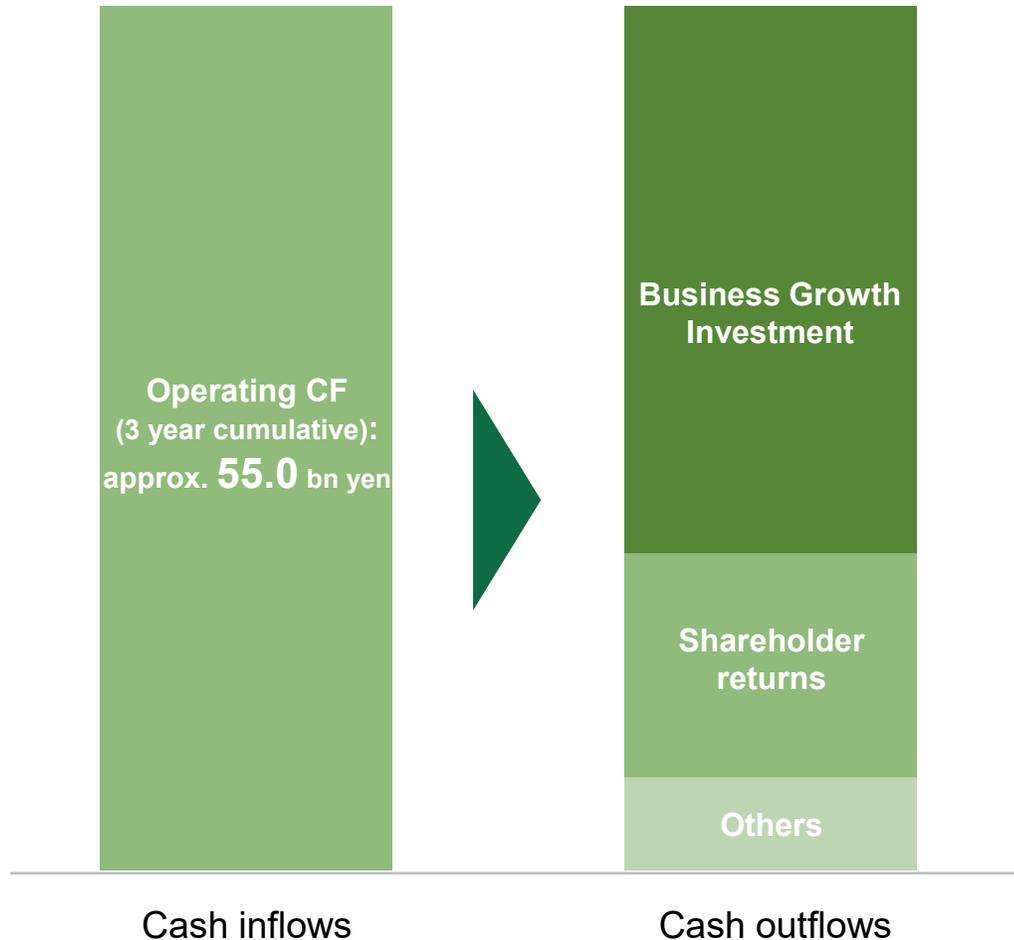
Deepening the European OPE Market



Industrial Machinery Business

Commence sales of industrial machinery products by YAMABIKO EUROPE

Appropriately allocate generated cash to growth investment and shareholder returns during the Medium-Term Management Plan 2028 period.



■ Strategic Growth Investment

- M&A and investment:
 - investment associated with scaling up overseas operations
 - investment related to new businesses, etc.
- Facility expansion and additions: enhancement of production capacity at overseas bases, etc.

■ Maintenance of business foundation

- System update: system updates for optimizing sales offices in Japan
- Expenses for structural reforms: measures for profitability improvement in domestic operations
- Replacement investment: investment in continuous equipment maintenance

■ Shareholder returns

- Continue to pay stable dividends with a target payout ratio of approx. 30%

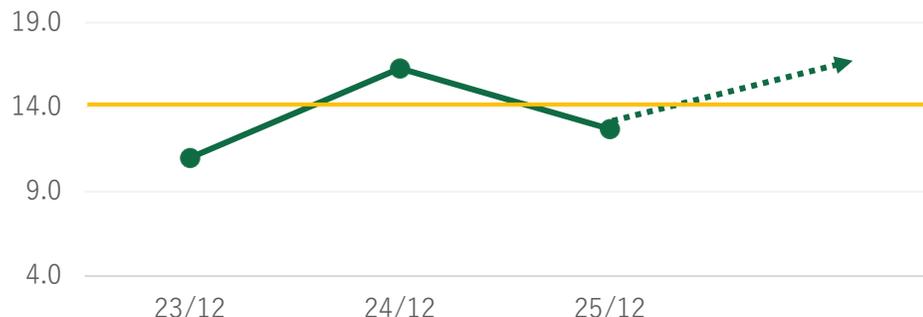
■ Others

- Ensure financial stability

With the sustained achievement of ROE exceeding cost of equity (COE) held as the top management issue, strike a balance between growth investment and shareholder returns based on our capital policy to increase market confidence, aiming to further enhance corporate value.

Transition of ROE

As we monitor COE on an ongoing basis, we have set a target ROE that exceeds COE and are working to further improve ROE.



Transition of PBR

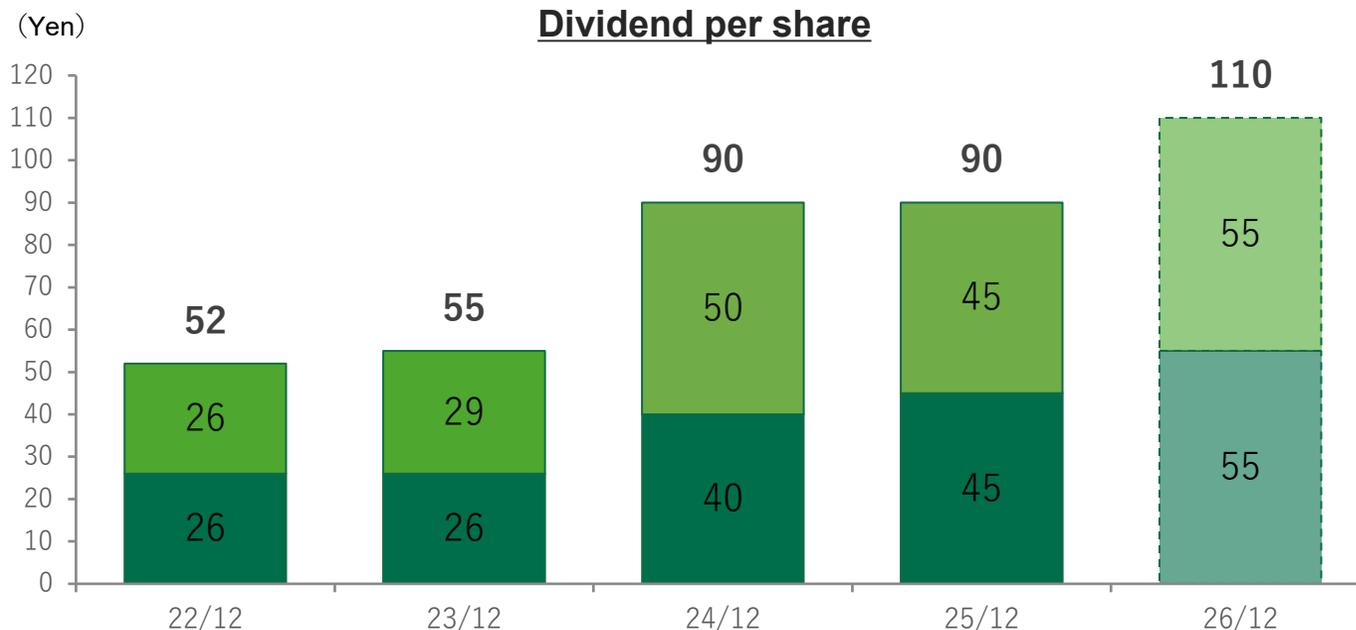
Yamabiko's market valuation has improved as ROE has been exceeding COE



Shareholder Return Policy

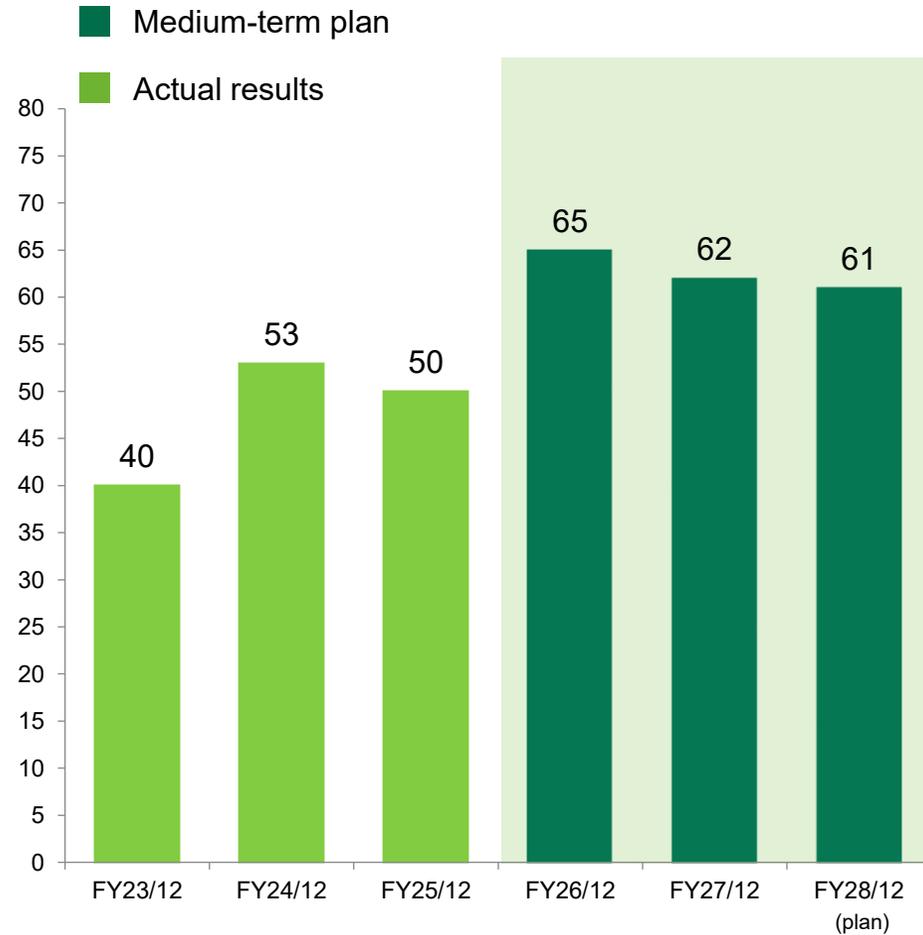
Continue to pay stable dividends based on past dividends with a target payout ratio of approximately 30%.

- Taking into account the progress of our growth investments and our financial position, and closely monitoring stock market trends, we will consider a comprehensive shareholder return policy, including share buybacks.
- We are planning to pay an annual dividend per share of 110 yen (an increase of 20 yen per share from the previous fiscal year) for FY26/12, consisting of interim and year-end dividends of 55 yen each.

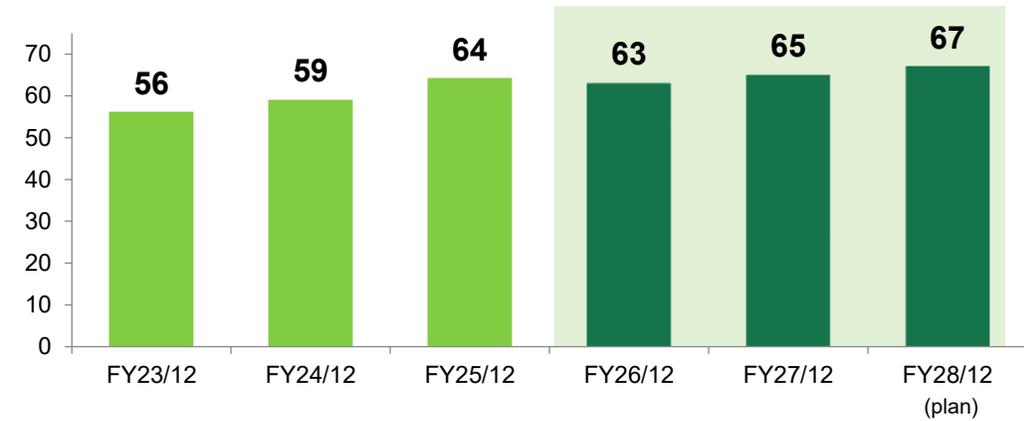


(Hundred millions of yen)

Capital Investment



R&D Expenses



Depreciation

