



Business Policy Briefing

Kawasaki Motors, Ltd.



Kawasaki
Let the good times roll

October 6, 2021

-- Speeding Up Growth through the Conglomerate Premium and Kawasaki Motors Strategy --

Being the "Good Times Company" through sustainable growth

-- Working for the happiness and joy of all those whose lives Kawasaki touches --



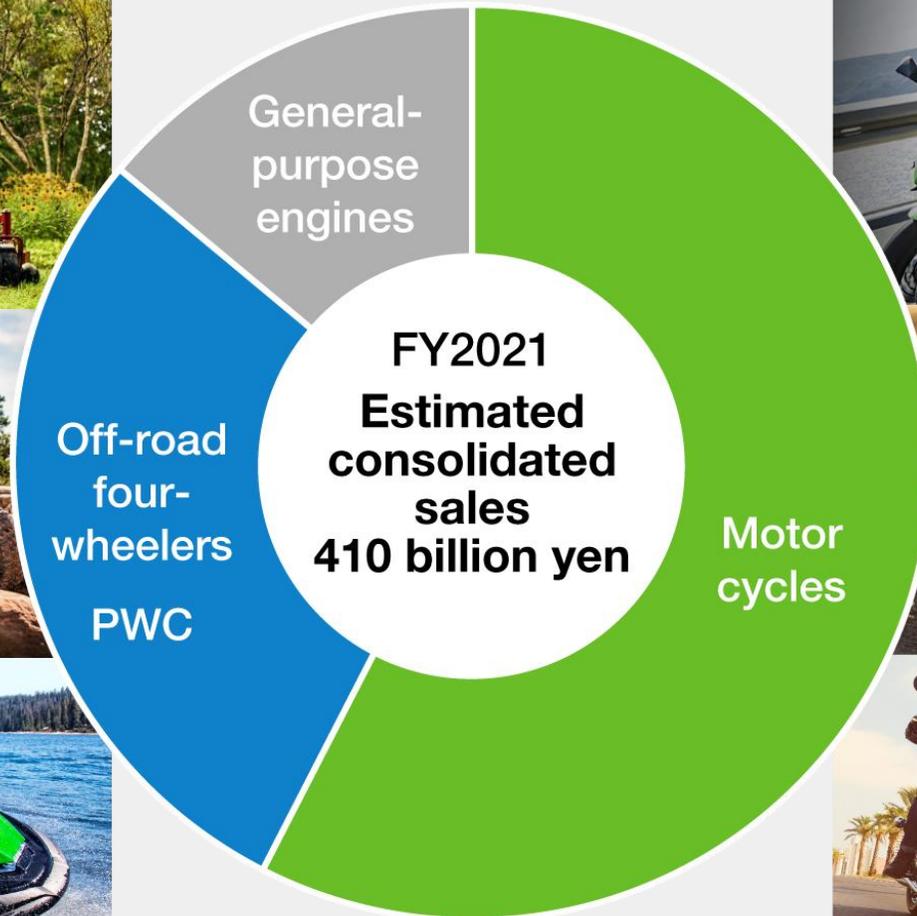
Table of Contents

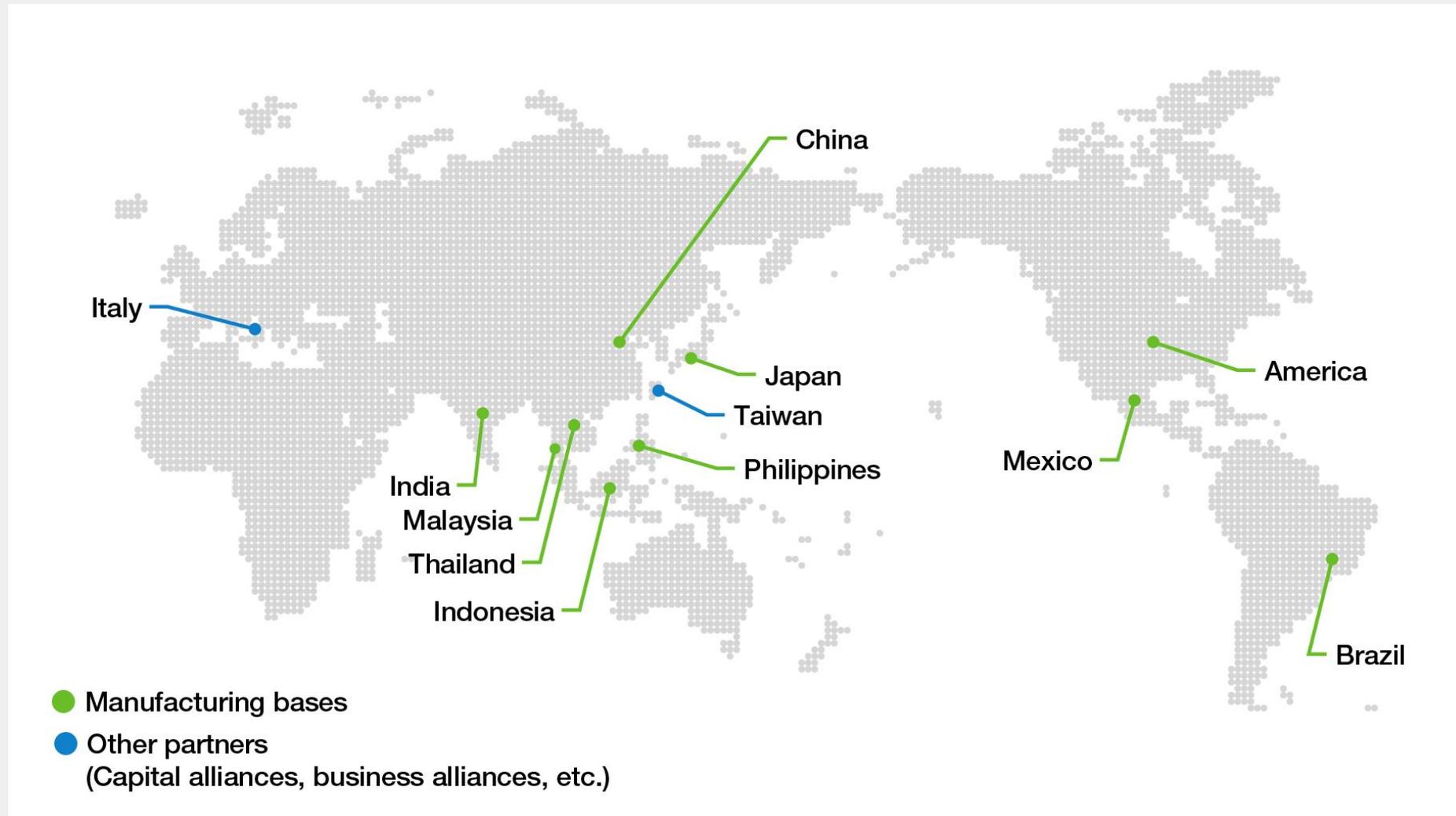
- 1** On Founding Kawasaki Motors, Ltd.
- 2** Toward Being Carbon Neutral
- 3** Toward a Path of Sustainable Growth
- 4** Conglomerate Premium
- 5** In Conclusion



1 On Founding Kawasaki Motors, Ltd.







Sales

410 billion yen

(Forecast for March 31, 2022)

Operating profit

25 billion yen

(Forecast for March 31, 2022)

Number of employees

9,325

Non-consolidated: 2,176 (As of October 1, 2021)

Number of consolidated subsidiaries

23

(As of October 1, 2021)



Improve decision-making speed by driving even greater autonomy in business management and leveraging the characteristics of business-to-consumer business

Strengthen the brand by providing products and services in sync with customers, including new lifestyle offerings focusing on the post COVID-19 environment

Strengthen collaboration within the industry and revitalize the market through focus on compliance with environmental regulations as well as progress in electric drive and advanced safety technologies

From Group Vision 2030 (November 2, 2020)



Purpose of establishing the new company

Achieve "sustainable growth"

- Build a business that's about selling happiness, not things
- 2030 - Hit sales of 1 trillion yen (achieving the vision for 2030)

Speed up the **sustainable growth** of the motorcycle and engine businesses, and thereby raise the **corporate value and strengthen the brand**.

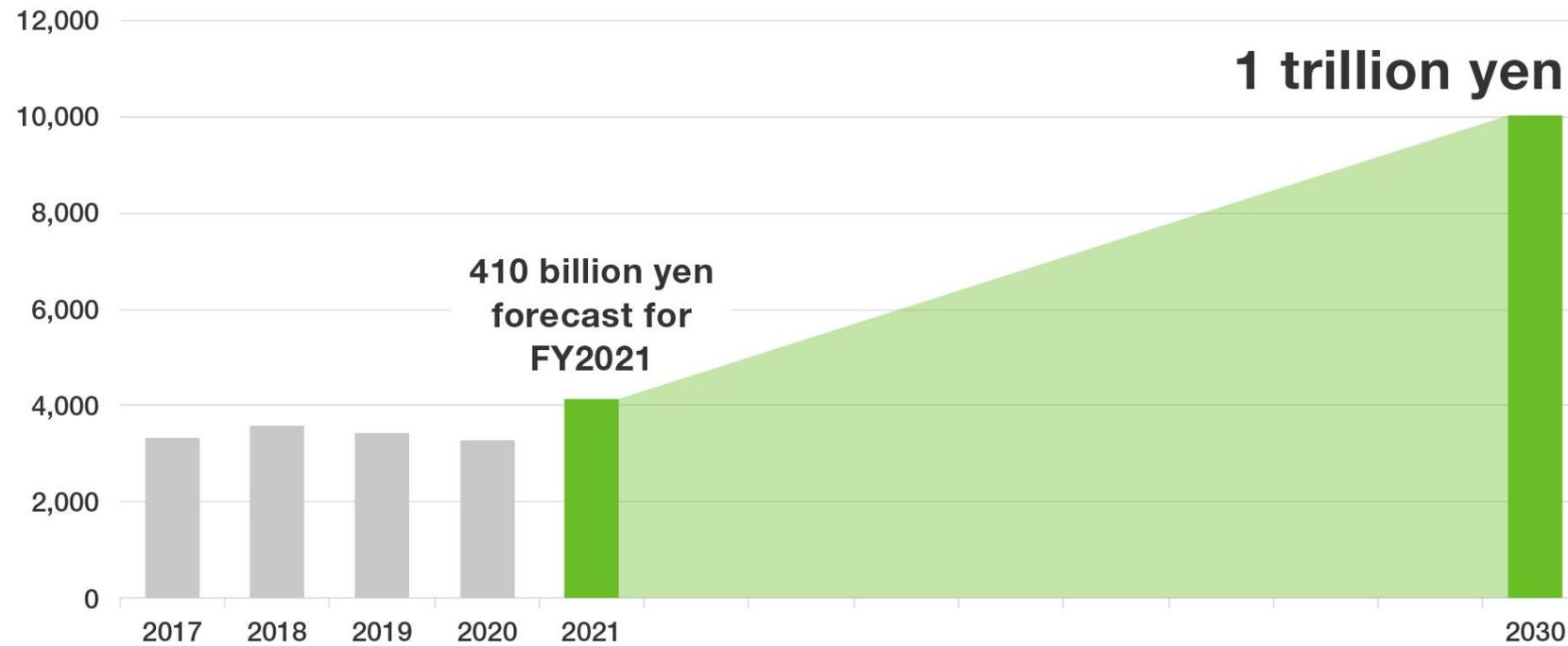
Contribute to our stakeholders, starting with the Kawasaki Heavy Industries Group.



Vision for 2030

Image of growth

Sales (100 million yen)



What will change with the new company ?

Management flexibility

A flexible and agile organization that can quickly respond to changes in consumers



1 Corporate mission

Let the good times roll

-- Working for the happiness and joy of all those whose lives Kawasaki touches --

The Kawasaki brand's communication symbol

 **Kawasaki** Let the good times roll



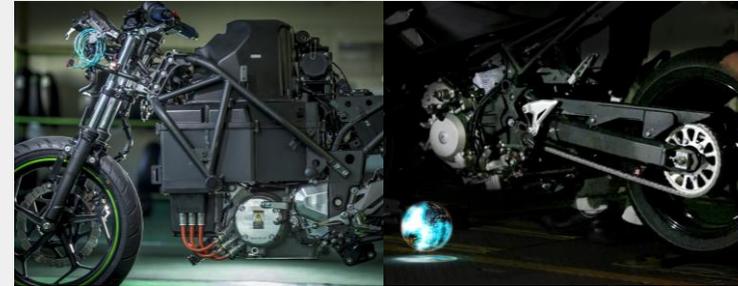
2 Corporate vision

A company that grows sustainably as a leading player in the fields of premium power sports (motorcycles, off-road four-wheelers, PWC) and power units



3 Areas to focus as a new company

Achieving carbon neutrality



Respond to the rapidly growing demand for off-road four-wheelers



Heritage and innovation



2 Toward Being Carbon Neutral



1 Promote switching to electric power

Motorcycles

- By 2035, go electric (BEV/HEV) with all major models for developed countries
- Planning to introduce at least 10 models by 2025

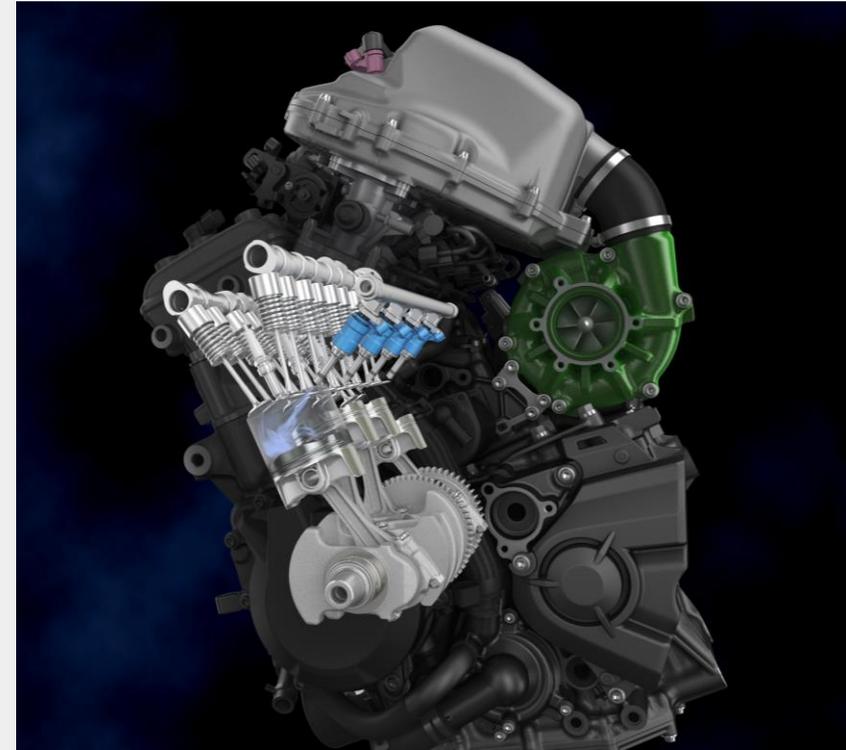


Off-road four-wheelers

- Develop BEV and HEV four-wheelers
- Introduce 5 models by 2025



2 Make use of carbon-neutral fuel (hydrogen)



2 Make use of carbon-neutral fuel (hydrogen)



3 Toward a Path of Sustainable Growth



1 Key drivers for growth

Brand power

Product power

Collaborations and alliances with other companies

Active investment in increased production



2 Brand power driving growth

A brand established through retailer policy

- Create stores whose concept is "Enjoy with the five senses," and offer high-quality lifestyle proposals



- Leading the Kawasaki brand as the group's only B-to-C business
Top share of the Japanese market for the third year running

Note: 251 cc or higher

Sales of large vehicles:

Up by 80%

Note: Percentage of the Japanese 401-cc-plus market before the launch of the plaza sales network(compared with FY2016)

Percentage of customers in their 20s and under:

Up by 60%

Note: Percentage of new customers registered in the Japanese market, by age group (compared to 2017)



2 Brand power driving growth

Strengthen customer relationships

- Improve and strengthen marketing power by using CRM currently being promoted in dealers in Japan



E-zine subscriptions: **Up by 1,130%**

(Compared to 2017)

Online visits: **Up by 1,280%**

(Compared to 2017)

3 Product power at the center of growth

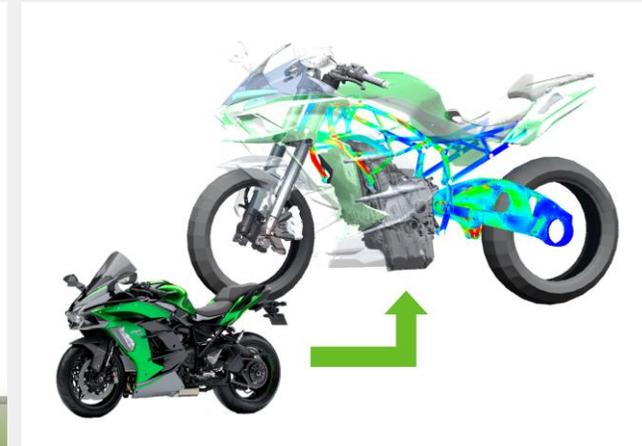
Advanced technologies like connected devices, AI, and radar



Strengthen product planning / design power



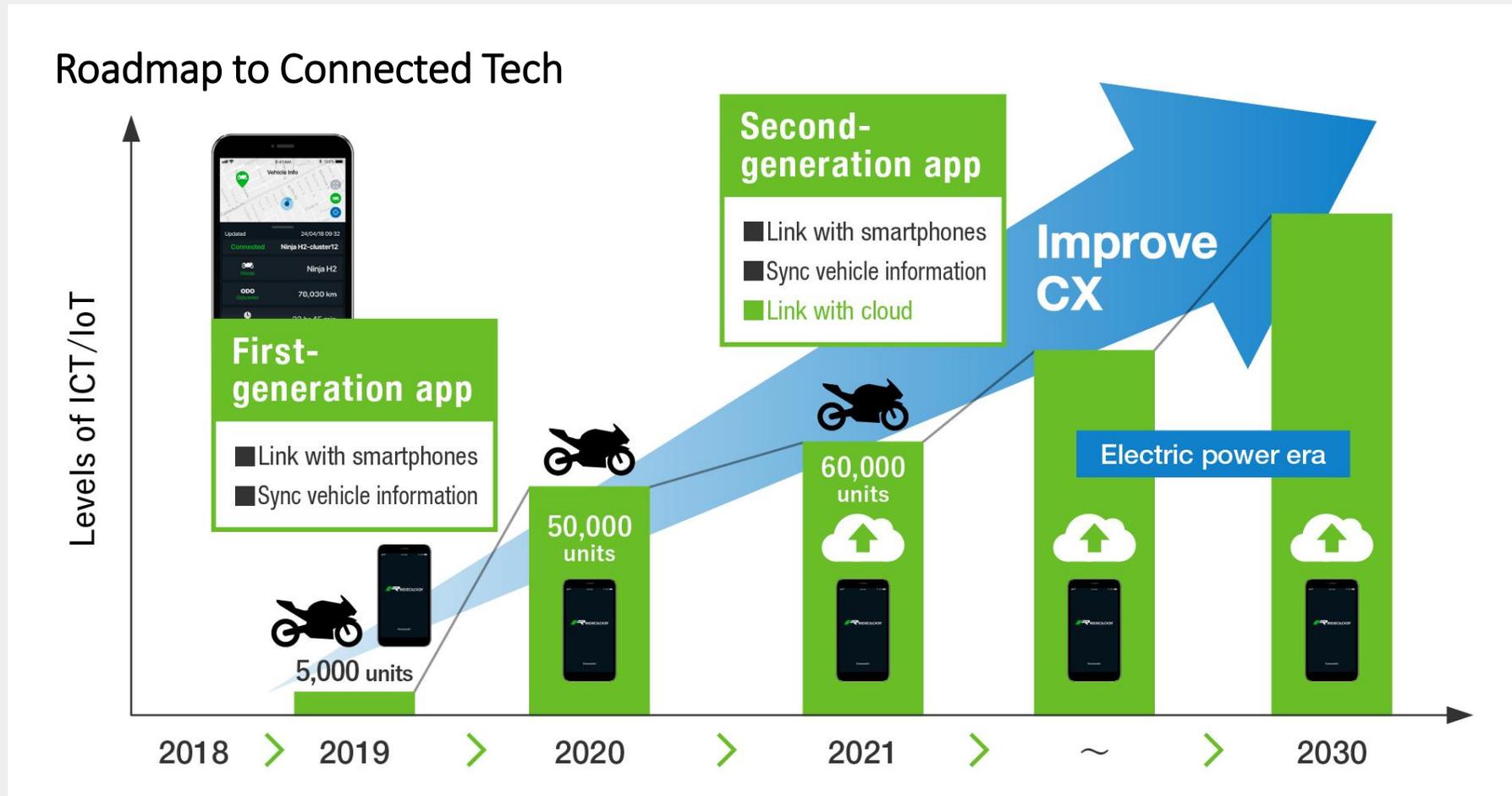
Make use of digital twin simulation technology



Provided by BOSCH



3 Product power at the center of growth



4 Collaborations and alliances to expand growth

- Investing in Italian luxury motorcycle manufacturer Bimota (2019)



TESI-H2



4 Collaborations and alliances to expand growth

Founded in 1966, Bimota is an Italian motorcycle manufacturer that mounts engines from companies like Kawasaki and Ducati into its own frame designs. It's widely known among motorcyclists all around the world as a **famous old Italian premium brand** that produces extremely premium priced bikes in very small quantities.



4 Collaborations and alliances to expand growth

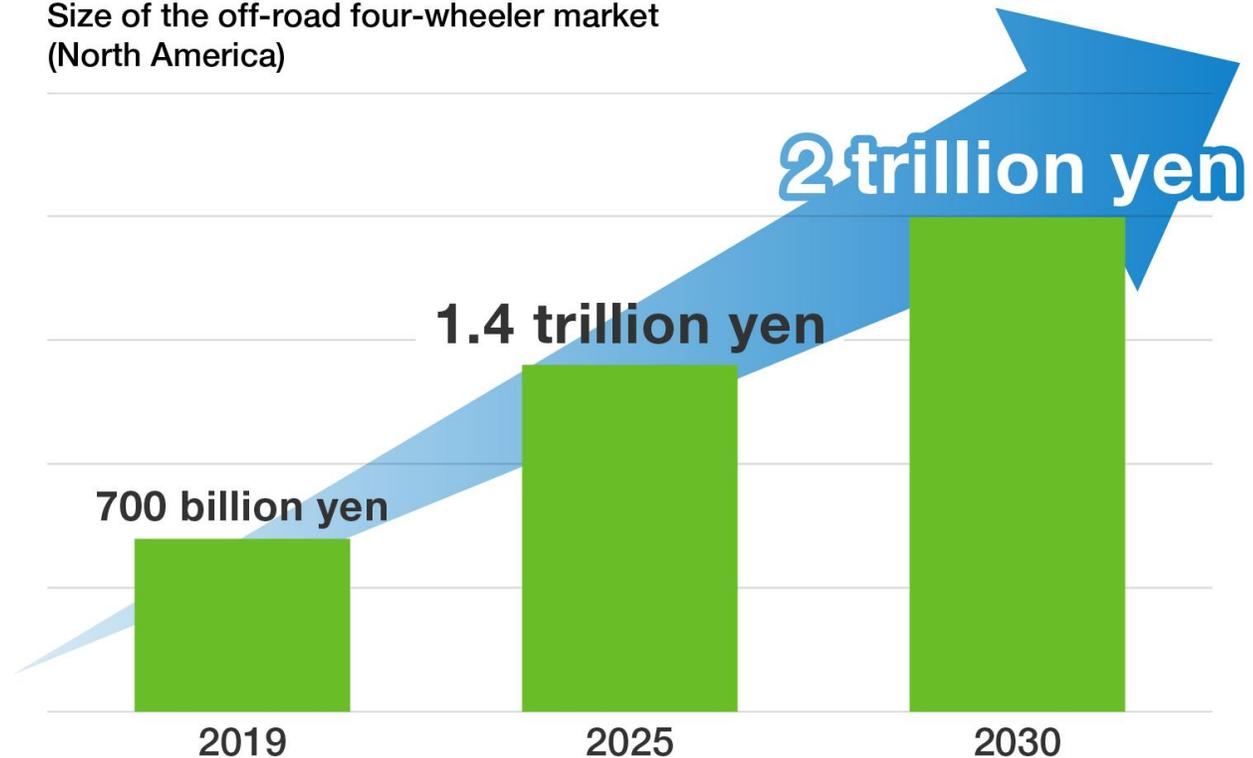
- Accelerate the growth of the off-road four-wheeler business by making use of Taiwanese company KYMCO's development and production resources



5 Invest in increased production to speed up growth

Strengthen the off-road four-wheeler business

Size of the off-road four-wheeler market
(North America)



Note: Our own estimates



5 Invest in increased production to speed up growth

Strengthen the off-road four-wheeler business

- Invest a total of approx. 30 billion yen (five years) in U.S. and Mexico plants to establish new production facilities
- U.S. plant: Increase production capacity by March 2023
- Mexico plant: Launch production in FY2023



5 Invest in increased production to speed up growth

Strengthen the off-road four-wheeler business



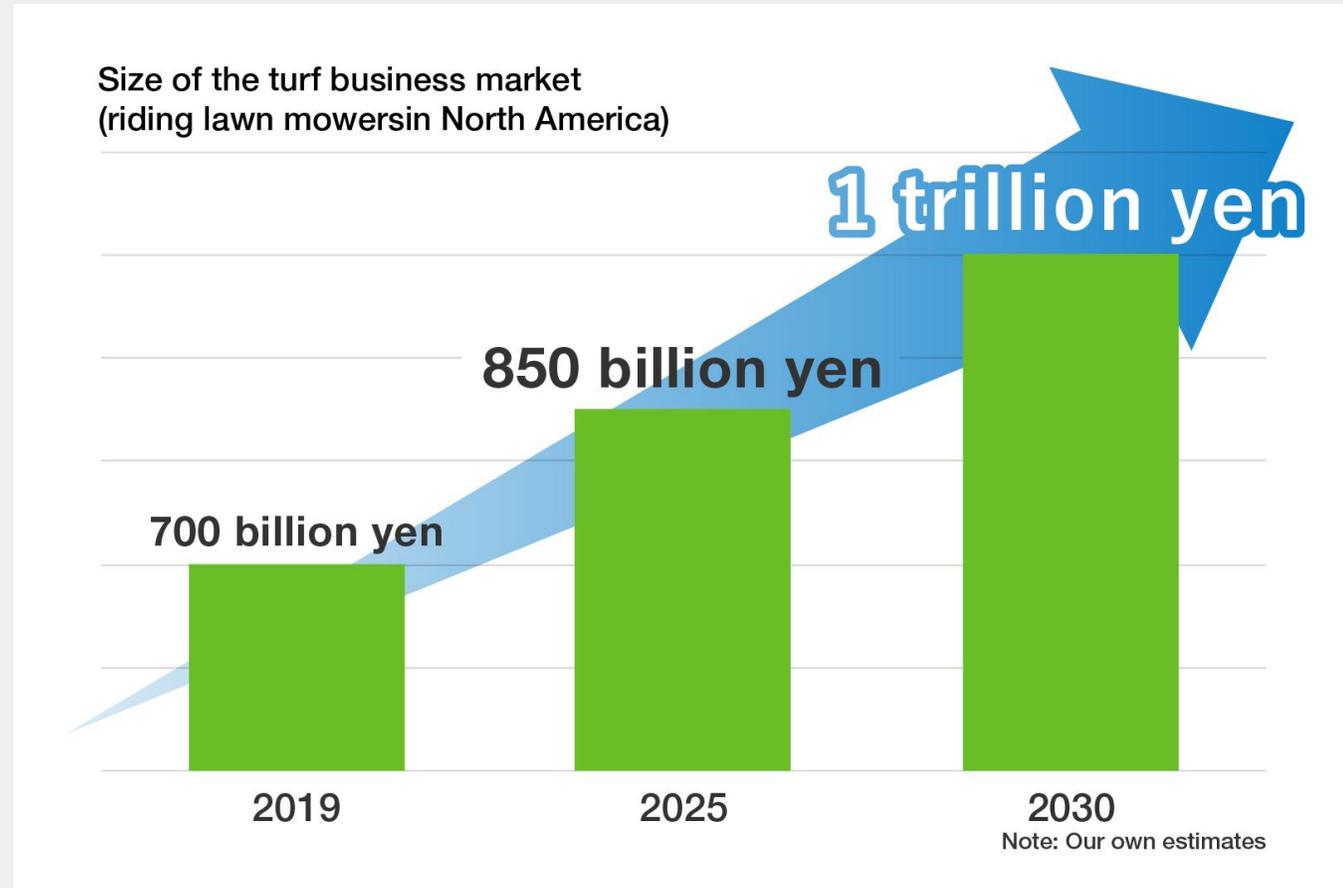
- Kawasaki Motores de México S.A. de C.V. (KMX)
(Nuevo León, Mexico)
- Produce off-road four-wheelers
(Planning to start in FY2023)



- Kawasaki Motors Manufacturing Corp., U.S.A. (KMM),
(Nebraska, U.S.A.)
- Produce off-road four-wheelers and jet skis (PWC)
- Number of employees: 1,100 (As of March 31, 2021)

5 Invest in increased production to speed up growth

Strengthen the
turf business



5 Invest in increased production to speed up growth

Strengthen the turf business

- Establish a second North American plant in Boonville, Missouri, U.S.A.
- Go into operation in May 2022 (planned)
- Manufacture general-purpose gasoline engines for lawnmowers



KMM Boonville Plant



6 Sector-specific strategies (Summary)

Motorcycles

- Place Premium areas where stable demand is expected at the center of the business, and aim to expand sales by bolstering the lineup
- Introduce an average of 16 new models per year by 2025 (including BEVs and HEVs)
- Marketing activities to promote a brand that stands for tradition and innovation

Electric vehicles

(Motorcycles & off-road four-wheelers)

- Roll out the BEV and HEV lineup early on, making use of outsourcing
- Introduce at least 15 models by 2025

Off-road four-wheelers / PWC

- The most promising area in terms of prospects for market expansion going forward
- Expand sales by strengthening product competitiveness, brand power, and production capacity
- By 2025, introduce an average of 8 new models per year (including BEVs and HEVs)

General-purpose engines

(Power units for lawnmowers)

- Promote going electric, and increase sales by strengthening product competitiveness, service networks, and production capacity

4 Conglomerate Premium



Fields Kawasaki will focus on strongly going forward

- (1) A safe and secure remotely-connected society
- (2) Near-future mobility
(Transforming the movement of people and freight)
- (3) Energy and environmental solutions

From Group Vision 2030 (November 2, 2020)



Through achieving a conglomerate premium

- Engines for drones
- Collaboration with Precision Machinery and Robot Company
- Contribute to achieving advanced mobility that revolutionizes logistics



For a safe and secure remotely-connected society and near-future mobility

- Advanced rider and driver support
- For safety and peace of mind (Emergency vehicles for disasters)
- Three-wheeled electric bicycles (noslisu project)



5 In Conclusion



Be diverse



Mike Boyle

Kawasaki Motors
Manufacturing Corp., U.S.A. (KMM)
Member of the Board of Directors
Vice President, COO (Chief Operating Officer)
Chief Operating Officer
The next president



Eiko Kirino

Kawasaki Motors Corporation Japan
President and Representative Director



Being the "Good Times Company"

Being people friendly is a good tradition of ours.

Our U.S. sales company came to be called the "people's company" naturally because management built close relationships with workers back when it was founded.

We will be the "Good Times Company" by building on this fine tradition.





Kawasaki
Let the good times roll

