

Q&A at the Kawasaki Motors, Ltd. Business policy briefing

Questions	Answers
<p>Q1 : The company expects sales to increase from 410 billion yen in FY2021 to 1 trillion yen in FY2030. Which fields will drive this growth?</p>	<p>A1 : While sales of motorcycles are expected to increase in line with global population growth, sales of off-road four wheelers are expected to grow even further.</p>
<p>Q2 : How will you achieve the increase in operating profit margin from 6.1% in FY2021 to 8% in FY2030?</p>	<p>A2 : We will increase the operating profit margin by reducing the ratio of fixed costs through increased sales.</p>
<p>Q3 : Demand for off-road four wheelers in North America is growing rapidly as an outdoor leisure activity amid the spread of the COVID-19. Do you expect the demand to increase over the medium to long term even after the effects of the COVID-19 subside?</p>	<p>A3 : The off-road four wheelers market in North America has been expanding even before the outbreak of the COVID-19. Although the current surge in demand will subside as the influence of COVID-19 subsides, we believe that overall demand will continue to grow.</p>
<p>Q4 : What is the reason why the motorcycles industry is not making progress towards EVs compared to automobiles? Under these circumstances, why did you decide to go electric with all major models for developed countries by 2035?</p>	<p>A4 : One of the challenges unique to motorcycles is the weight and size constraints, which are the technical and cost hurdles to realizing an EV motorcycle. However, in order for the company to grow sustainably, it is necessary to respond to the social demand for carbon neutrality, which led to this decision.</p>
<p>Q5 : Kawasaki Motors, Ltd. was established in October 2021. What effects the spin-off will have?</p>	<p>A5 : Accelerating decision-making allows us to respond quickly to market changes. As a member of the Kawasaki Group even after the spin-off, we will continue to pursue further development by maximizing synergies with other businesses.</p>
<p>Q6 : Is there a risk that the market for general-purpose gasoline engines for lawnmowers will shrink due to electrification?</p>	<p>A6 : Personal lawnmowers can be electrified in the future. On the other hand, demand for gasoline engines for commercial use is expected to remain. This is because EVs would require frequent battery changes due to longer daily operating hours.</p>