

Interview with President Hiroshi Ito

Toward Further Growth in the Powersports & Engine Segment



Hiroshi Ito

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How are the environment and business situation surrounding the Powersports & Engine segment?

In October 2021, our company was spun off from Kawasaki Heavy Industries and relaunched as Kawasaki Motors. Since the spin-off, our independent growth strategy has benefited from the increased demand for outdoor leisure activities during the COVID-19 pandemic, which provided a significant tailwind, allowing us to get off to a strong start.

However, more recently, as the pandemic has subsided, disruptions in the supply chain have eased, and distribution inventories have recovered across the

industry, intensifying market competition. In terms of product-specific trends, the market for motorcycles in developed countries has remained relatively stable, while in emerging markets, demand is shifting toward scooters. As a result, our sports models, which are our area of expertise, are struggling in most countries, with a few exceptions.

For off-road four-wheelers, utility models are performing well, but recreational models are experiencing a slowdown, so careful monitoring is required. As for general-purpose engines, although demand has recently slowed due to inventory adjustments by equipment manufacturers, we expect a gradual recovery going forward.

Can you tell us about your future business strategy?

In 2018, we established our own “Vision 2030.” This vision sets targets for achieving 1 trillion yen in sales and an operating profit margin of over 10% by 2030. We are working as one team across the company to achieve these goals.

For motorcycles, we are particularly focusing on emerging markets. The rise of new manufacturers, especially in China and India, has been remarkable, and as mentioned earlier, there is a shift in demand toward scooters. However, we still see significant growth potential in these markets. To differentiate ourselves from competitors and secure stable profits with sustainable growth, we plan to expand our lineup of small to medium-displacement models, which are in high demand in these emerging markets, while also strengthening our dealership strategies and enhancing our brand presence.

We are focusing particularly on off-road four-wheelers and personal watercraft (PWC) as key drivers for achieving our Vision 2030 goals. We will continue to introduce competitive new models and begin full-scale operations at our new factory in Mexico starting in 2024, aiming to increase sales.

Looking ahead to further growth beyond 2030, we are also exploring entry into the reciprocating engine business for aviation applications, leveraging the engine technologies we have cultivated so far. The engines installed in our power sports products have the outstanding characteristic of being lightweight and compact, while still being able to generate high power output. Additionally, compared to turbo-shaft engines

in the same class, they offer environmental advantages, with fuel consumption rates that are 30%–50% better. Looking forward, we also plan to develop hydrogen engine versions in the future.

Can you tell us about your future initiatives in technology development, including efforts toward carbon neutrality?

Last year, we took the industry lead by unveiling four models of sport-type EV/HEV motorcycles.

We have long believed that achieving carbon neutrality requires a multi-pathway approach. In addition to electrification, we are tackling carbon neutrality through various options, including hydrogen fuel engines, biofuels, and e-fuels.

Furthermore, to strengthen our development capabilities, we are not only increasing our development personnel but also actively improving development efficiency. This includes advancements in analytical technologies that allow us to reduce the need for prototype vehicles.

Closing comments

Our vision is to remain a leading player in the high-value-added power sports and power unit fields. With our corporate mission “Let the Good Times Roll (Working for the happiness and joy of all those whose lives Kawasaki touches),” we will continue to take on challenges aimed at achieving sustainable growth and realizing our goal of becoming the “Good Times Company.”