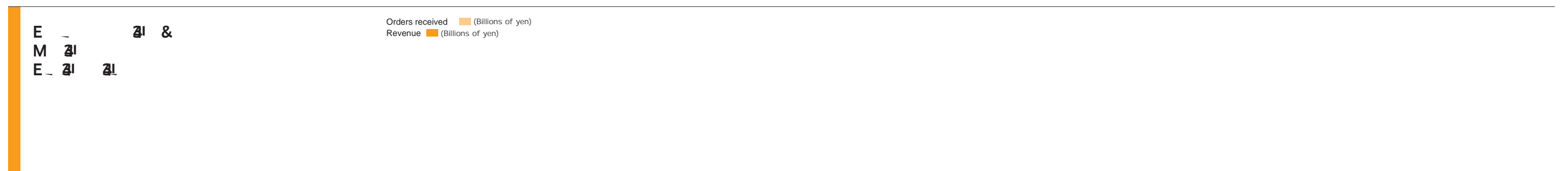
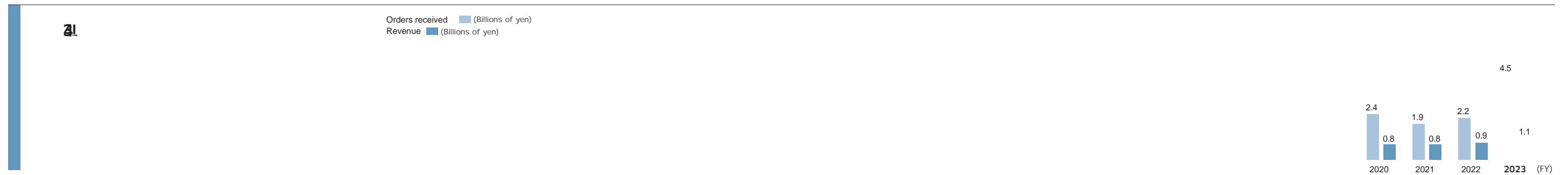


A G





Hiro Yoshi Shimokawa
President, Aerospace Systems Company

- High degree of reliance on specific customers (high-volatility revenue structure)
- Businesses that require large volumes of invested capital

- Fiercely competitive environment, reflecting competition for market share between Boeing and Airbus
- Rise of manufacturers in emerging countries
- Supply chain risks throughout international joint development structures
- Development risks related to introducing cutting-edge technologies
- Substantial impact if risks materialize (risks borne by other companies) in international joint development



Hiroshi Murao
Representative Director,
President and Chief Executive Officer,
Kawasaki Railcar Manufacturing Co., Ltd.



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O A 21	Hydrogen/CN Energy solution Plant engineering Marine machinery Ship & offshore structure Shared
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Business Portfolio

We are contributing to the development of industry both in Japan and overseas, in the field of hydraulic components and systems as a top maker with the industry's foremost scale and production equipment and in the field of robotics as a pioneer of industrial robots.

Fiscal 2023 was a challenging year, with slowdowns in the semiconductor market and the construction machinery market in China as well as a decline in operations at Chinese factories. In fiscal 2024, we expect that the semiconductor market will turn toward recovery, and we will continue our efforts undertaken since fiscal 2023 to set appropriate prices and reduce costs, enabling the company to achieve a certain level of profit even under a difficult business environment.

In the field of hydraulic components and systems, our aim is to improve our profitability by utilizing Kawasaki's strengths in quality and development capability to introduce new products and systems in response to the electrification and automation of construction machinery. And in the field of robotics, we will promote

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Market



Operating Business

	Hydraulic components & systems Robotics Shared
	Hydraulic components & systems Robotics Hydraulic components & systems Robotics Hydraulic components & systems Robotics Shared

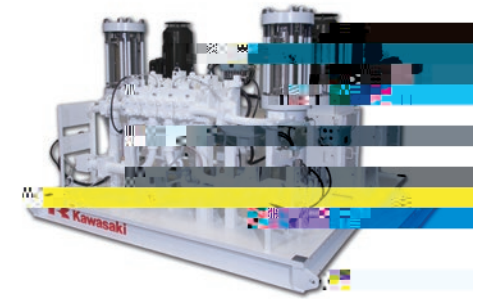
Business Strategy 2030



We released an energy-saving hydraulic booster "Hydrogen Compressor" for hydrogen stations in April 2023.

The hydrogen compressor, developed jointly with Sugino Machine Limited, performs the role of compressing the hydrogen gas needed for fueling fuel cell vehicles (FCVs). The hydraulic unit uses a Kawasaki ECO SERVO® rotation speed control unit, which has been highly praised in the industrial equipment field, to achieve substantial energy savings.

By expanding sales of hydrogen compressors in response to the increased use of FCVs, we are contributing to the development of hydrogen stations and other infrastructure.



Business Model

M	<ul style="list-style-type: none"> Develop new products and markets in the construction field: Leverage our advanced control technologies and development capabilities to develop markets in response to electrification and automation Reinforce the after-sales service business: Expand after-sales service by making use of past sales performance and build and expand sales networks Reinforce the hydrogen-related business and defense business: Develop hydrogen compressors, fuel cell systems, and other products and expand defense-related products for in-Group transactions
C	<ul style="list-style-type: none"> Concentrate investment in high value-added fields: Establish supply systems in preparation for the full-scale recovery of the semiconductor market and expand business in new fields Reinforce business in the medical field: Expand adoption of the <i>hinotori</i>™ robot and differentiate our products based on their remote operation surgery and other technology Strengthen brands: Promote collaboration with unicorn startups with a focus on rapid implementation and promote commercialization in the social robot field

& E

Ever since Kawasaki commenced the production of engines for motorcycles in 1953, we have been turning out innovative products with “Let the Good Times Roll” (Working for the happiness and joy of all those whose lives Kawasaki touches) as our corporate mission.

Compared to fiscal 2022, when the market inventories contracted due to effects from problems procuring materials and parts and disruption of logistics, in fiscal 2023 replenishment of inventories proceeded and the competitive environment normalized, causing a decline in profit due to increases in various sales costs and other factors. On the other hand, mass production of off-road four-wheelers started at our Mexico Plant, and going forward we will seek to achieve high growth in the off-road four-wheeler business by expanding production capacity and continuously introducing new products.

In addition, we are accelerating development of EVs and HEVs with an eye toward future low-carbon emissions and decarbonization, and we will continue to take on new challenges to achieve sustainable growth and live up to our corporate philosophy as the “Good Times Company.”



M

- Motorcycles
- Off-road four-wheelers (Utility vehicles, ATVs)
- Personal watercraft (PWC)
- General-purpose engines

O A B

		<ul style="list-style-type: none"> - Sales and marketing capabilities that realize unique, premium brands - Development, production, procurement, and quality assurance capabilities that create products embodying both heritage and innovation - Global production, sales, and service structure - Advanced technology expertise built on comprehensive heavy industry strengths leveraging synergies with other companies in the Kawasaki Group
		<ul style="list-style-type: none"> - Securing production capacity to respond to rapidly rising demand - Building agile organizational structures that can respond to rapid change
	Motorcycles	<ul style="list-style-type: none"> - Stable demand in developed countries with mature markets - Medium- to long-term market expansion in emerging countries due to expanding populations and economic growth
	Utility vehicles, ATVs & PWC	<ul style="list-style-type: none"> - Steady growth in demand for off-road four-wheelers in North America
	General-purpose engines	<ul style="list-style-type: none"> - Firm growth of the lawn-related market, reflecting U.S. housing market expansion
	Shared	<ul style="list-style-type: none"> - Collaborations and alliances with other companies - Entry into new fields using internal combustion engine technologies - Establishing a brand image in the carbon neutrality field
	Motorcycles	<ul style="list-style-type: none"> - Expansion into the leisure sector by brands from emerging markets, such as China and India - Intensifying price competition in emerging markets
	Utility vehicles, ATVs & PWC	<ul style="list-style-type: none"> - Intensifying product development competition and price competition - Rising customs tariffs and parts costs in conjunction with change of government in the U.S.
	Shared	<ul style="list-style-type: none"> - Attenuating demand due to global inflation and tightened monetary policies, including increased interest rates in the U.S. - Difficulty procuring engine parts in conjunction with advancing electrification - Higher development expenses and product prices due to tightening of environmental regulation

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In the autumn of 2023, we announced the Ninja 7 Hybrid and Z7 Hybrid, the world's first strong hybrid motorcycles, and the Ninja e-1 and Z e-1 electric motorcycles.

While seeking carbon neutrality, Kawasaki's distinctive performance and design, which embody the “Fun to Ride” spirit, has been acclaimed worldwide. In addition, these motorcycles incorporate features unique to electric vehicles not available on conventional gasoline vehicles, providing new value to customers and contributing to strengthening the corporate brand.



Z7 Hybrid

M C I

	<ul style="list-style-type: none"> - Continuously introduce new models - Flexibly change production and sales plans - Maintain appropriate inventory levels
E	<ul style="list-style-type: none"> - Investing in development toward the enhancement of product competitiveness - Stable operations at new Mexico Plant - Development and launch of electrified and hybrid models - Joint research on hydrogen engines with other companies
	<ul style="list-style-type: none"> - Increased efficiency of global operations through digitalization - Reduction of development times and higher efficiency through the use of digital technologies
	<ul style="list-style-type: none"> - Securing stable free cash flow for future investment

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In February 2024, to supplement the existing TERYX series (for recreational use) and MULE series (for multi-purpose use), we launched the RIDGE and RIDGE XR series, which can be used for a variety of purposes from day-to-day work to leisure. These models feature high-performance engines and comfortable and high-quality cabins, and high demand is expected, particularly in the mid-western region of the U.S., which experience harsh conditions including heat and cold.

By actively introducing new products in the off-road four-wheeler market, which is expected to undergo steady growth in the future, Kawasaki Motors will take on the challenges of expanding sales revenue to 300 billion yen on the four-wheeler and PWC business in fiscal 2025 (compared to 180.6 billion yen in fiscal 2023).



RIDGE XR HVAC