

Kawasaki Establishes New Indian Subsidiary to Import and Sell Motorcycles

Mumbai, April 24, 2010 — Kawasaki Heavy Industries, Ltd. today announced the launch of India Kawasaki Motors Pvt. Ltd. (IKM), its new Indian subsidiary specializing in motorcycle imports and sales.

IKM is expecting its release of several supersport, sport and cruiser models primarily in the 250 cc class or greater to drive sales up to around 1,000 units in 2010.

Kawasaki entered into a technical assistance agreement with Bajaj Auto Ltd. (BAL) in 1984. Under the agreement, BAL has produced and sold motorcycles in collaboration with Kawasaki. Kawasaki's new imports and sales subsidiary, IKM will consign the production of CKD*¹ motorcycles to BAL's Chakan plant. The locally made motorcycles will then be sold together with imported complete motorcycles through BAL's Probiking shops.

In 2009, motorcycle sales in India reached approximately 7.8 million units, making it the second largest motorcycle market in the world after China. The market for mid to large size motorcycles in the 201 cc class or greater (approximately 30,000 units) is expected to keep pace with India's booming economic growth. Kawasaki will leverage the strong brand power of its mid to large size motorcycles in entering the Indian market.

Kawasaki is moving forward to deliver products and services that drive customer satisfaction and enhance the Kawasaki brand.

Overview of India Kawasaki Motors Pvt. Ltd.

- (1) Location: Pune, Maharashtra, India
- (2) Establishment: Early May 2010
- (3) Representative: Yoshihiro Tanigawa
- (4) Capital: 50 million rupees (approx. 100 million yen*² wholly invested by Kawasaki Heavy Industries, Ltd.)
- (5) Description of business: Import, production and sales of motorcycles
- (6) Number of employees: 3 (upon establishment)

*1. CKD (Complete Knock Down) refers to an imported kit, which is assembled and sold locally.

*2. The exchange rate adopted is 1 rupee = 2 yen.