

**KAYABA Group Report 2023**

April 1, 2022 – March 31, 2023

**Contact**

**KYB Corporation**

World Trade Center Bldg., South Tower 28F,  
4-1, Hamamatsu-cho 2-chome,  
Minato-ku, Tokyo 105-5128, Japan  
Tel. +81-3-3435-3511  
Fax. +81-3-3436-6759

KYB Corporation (hereinafter "KAYABA") has been issuing its Group Report since FY2019. It provides information on our management policies, business strategies, and CSR activities to our shareholders, investors, and all our stakeholders. It serves as an introduction to KAYABA for stakeholders of all kinds. We hope the report will help you understand and get excited about KAYABA's future prospects and our mission: to pave the road to an affluent future on the foundation of the history that we have built. And we'd be grateful if that inspires you to support us over the long term. Going forward, we'll be taking our stakeholders opinions on board in our efforts to make this report better and easier to understand.

If you want to learn more about who we are and what we do, please check our corporate website, where you'll find press releases and a range of other reports including technology and environmental reports.

**To our stakeholders**

Based on "Our Promise," which is aimed at accomplishing our Corporate Spirit, we put together the KAYABA Group Corporate Guiding Principles: a set of specific rules that are to be observed in everyday work and company life. Our basic stance toward our efforts to create a better society is indicated by these Principles. They apply to all people who work at the KAYABA Group, who are required to act in accordance with the Principles.

**Our commitment**

**To our customers**

We will provide our customers with safe, quality goods and services through our outstanding technology and skill to gain their satisfaction and trust.

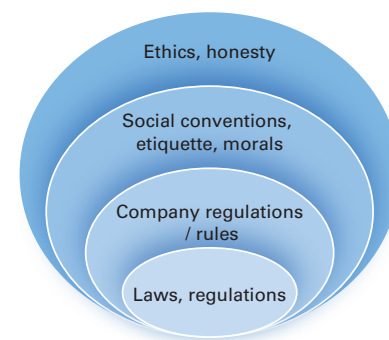
to establish the mutual trust and fair deals.

**To society and environment**

We will contribute ourselves to the society, as good corporate citizens, giving the first priority to the safety and environment and balancing with the local communities.

**Every one of us**

We will comply with the laws, respecting mutual personality and individual person's sense of value, and try to make the workplaces full of the creativity and inclusion.



Basic principles for actions

**Corporate Website**

<https://www.kyb.co.jp/english/index.html>



**SNS (Japanese only)**



@kybcorporation



@KAYABA\_KYB



@kayabacorporation



@kyb\_official

**Investor Relations**

For reports on our IR activities such as management strategy, financial affairs, and performance.



**Products**

For reports on our products which support safety and comfort in a wide range of industries.



**Sponsorship (Japanese only)**

For reports on motorsports, including information on support and sponsorship for various races.



**Reporting Period**

FY2022 (April 1, 2022 to March 31, 2023)

Note: Includes some activities and information from outside the above reporting period.

**Scope**

The report covers KYB Corporation and subsidiaries and affiliates in Japan and around the world.

Note: Environmental data is for KYB Corporation (Sagami Plant, Kumagaya Plant, Gifu North Plant, Gifu South Plant, Gifu East Plant, and Mie Plant) unless otherwise annotated.

**Date of Issue**

November 2023

**Forward-Looking Statements**

This report includes plans and forecasts as of the issue date, and estimates based on our business plans and management policies. Forward-looking statements are based on information available at the time of report preparation, and actual results may differ depending on changes in relevant conditions.



**Cover Design**

The design expresses the shape of our company as we move into the future by fusing KAYABA's core technology with electrification. It symbolizes how we are evolving with the times while carrying the spirit of our founder and his enduring drive to "explore technology" inside our corporate DNA.

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## The Origin of KAYABA

### A Pioneer in Hydraulic Technology

# 104 Years Since Our Founding

At the dawn of the 1900s, our founder Shiro Kayaba wrote the first page in the history of our company when he took an early interest in hydraulics, a then-new technology created in Europe. In 1919, at the age of 21, he founded the Kayaba Research Center. It invented and made proposals for many high-performance hydraulic products that surpassed even those produced in Germany and England, racking up 100 patents. The Center laid a foundation as the pioneer of hydraulic technology in Japan, and it led to the development of the modern-day KAYABA Group.



**Invention of the Hydraulic Damper for Aircraft**  
In 1935, Shiro Kayaba founded Kayaba Manufacturing Co., Ltd., where he invented the predecessor to the automotive shock absorber, the hydraulic damper (oleo strut) for aircraft. This invention set the course for KAYABA's current hydraulic technology, which can accurately control machinery that exerts several tons of force and absorb vibration to the optimum levels.



## An Ongoing Determination

Shiro Kayaba left behind these messages: "The development of new technology is the foundation for corporate growth," "Get deeply involved, and continue your research without giving up." Our founder dedicated his entire life to inventing and researching. And we carry on his spirit of determination today and into the future. We encourage it through the Shiro Kayaba Award, which recognizes those who contribute to technical standards and performance, and the Technology Presentation and Exhibition, which seeks to evolve technology further.

We believe that workplaces charged with positive energy can bring happiness to people all over the world and deliver *monozukuri* (manufacturing skill) that contributes to a better society.

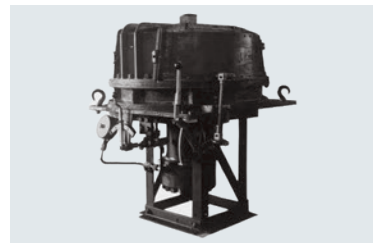


### Our Company Emblem Represents Our Founder's Values

Designed by our founder, this symbol was inspired by the mystery that is the birth of our universe, and represents the Company's foundational spirit and ideal management style. The large circle in the middle represents a revolving heavenly body, and the three small circles are new satellites being born. They stand for the three values of vitality, love and creativity. We started using it as our company emblem again in 2022, the year in which we returned to the basics.

## Episode

### Our First Hydraulic Product (1919)



#### Lateral Cable Hydraulic Control Device

The takeoff and landing of fighter planes presented a difficult issue—one that could cost human lives. This groundbreaking design was aimed at solving that problem using entirely remote-controlled hydraulic equipment. At first, however, the product faced resistance. Shiro Kayaba repeatedly made a passionate defense of the product, stating "This is exactly the ideal device. It's a unique way and it's simply the best way." In 1926, it became the first braking system to be installed on an aircraft carrier.

### First SA (1946)



#### SA for Jeeps

Directly following WWII in the latter half of 1946, the Company started research and development on a new product called a shock absorber (SA) in collaboration with automobile manufacturers. The Company would receive an order for 4,000 SA for use in the jeeps of the U.S. forces. Following that, the growing popularity of automobiles would cause the share of the product to expand.

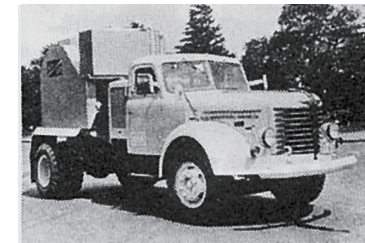
### SA Applications (1951)



#### Oil Damper for Railways

In 1951, The Company began development of oil dampers for railway cars in collaboration with Japanese National Railways (now the Japan Railways Group). We have established a strong customer base with a variety of partners including automobile manufacturers, motorcycle makers and construction machinery companies.

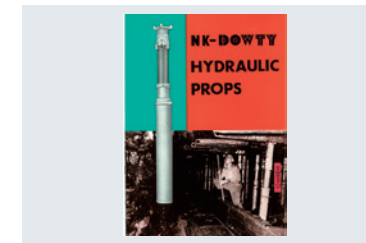
### First special-purpose vehicle product (1953)



#### High-Low Type Concrete Mixers

In 1953, the Company began assembling and mounting the high-low type concrete mixers imported by Fuji Bussan Co., Ltd. from CTM in the United States onto trucks. This was the start of the shift to domestic production of concrete mixer trucks. In 1959, production began on the ground-breaking "tilting mixer truck," which has a drum portion that could rotate, thereby using gravitational pull to agitate fresh concrete.

### Origin of the Hydraulic Cylinder (1958)



#### Hydraulic support pillar for mining

In 1958, the technology for hydraulic support pillars for mining entered Japan from England. By 1964, the product had taken the industry by storm due to a technological improvement to the packing structure, with 4,000 units produced that year.

The sealing and pipe welding structure technologies in hydraulic support pillars were applied to construction machinery and industrial equipment, leading to the development of devices. KAYABA overcame various difficulties to create our own proprietary sealing technology.

### Foundation as an Integrated Hydraulics Manufacturer (1962)



#### Cylinder for Hydraulic Excavators

In 1959, we set to work building our foundation as an integrated hydraulics manufacturer, starting with full-scale engagement in hydraulic equipment for general machinery. KAYABA's construction machinery products didn't leak oil from the rods and were competitively priced, putting them in the spotlight for both construction machinery and industrial equipment industries.

Since November of 1962, we received customer orders in rapid succession, and we set up a mass production system for cylinders at Gifu Plant.




## KAYABA Products in Daily Life Today


### Offering Added Value to Society with Three Mainstay Businesses

We carry on the spirit of our founder's restless pursuit of creativity to this day. Our many products based on our technological prowess support modern life from behind the scenes. Our Automotive Components (AC) Operations supports the vehicles that transport people every day, while Hydraulic Components (HC) Operations helps with the infrastructure our lifestyles need. Along with our Special-Purpose Vehicles Division, these three mainstay businesses will continue contributing to society through offering the products that are essential to people's daily lives.

**AC Operations** p. 47

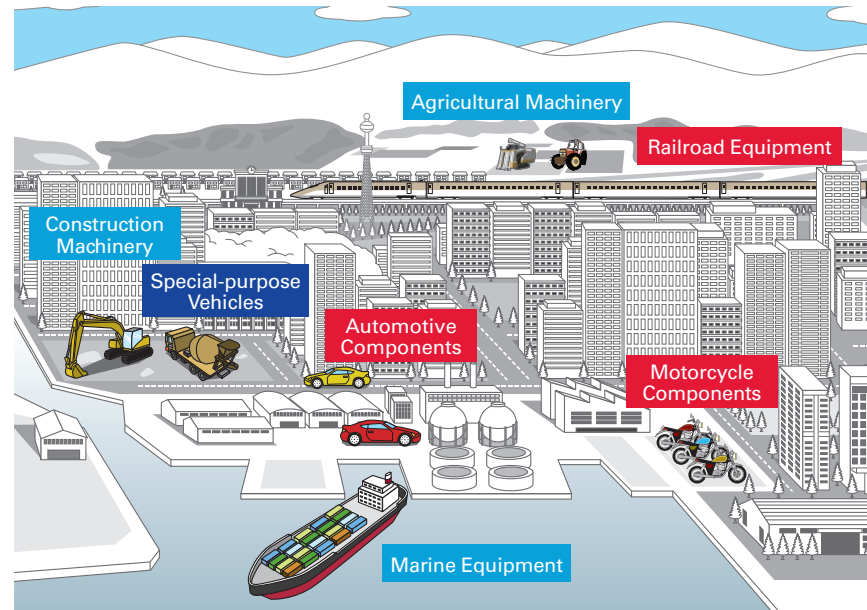


**HC Operations** p. 51



**Special-Purpose Vehicles Div.** p. 55







## Our Inherited DNA

As experts in hydraulics, we use various kinds of digital technology to generate new ideas and businesses as well as improve quality and productivity, and continue creating products that can contribute to the society of the future.







Shock Absorbers for Automobiles



e-Mixer III / Touch panel monitor



Adjustable damping shock absorbers with proportional solenoid



High voltage cylinder KCH



#### Bringing High Added Value to Products

Japan's first automotive shock absorber. The high voltage cylinder KCH, which has become the global standard in the hydraulic excavator industry. Beating the competition to the first CAE analytical technology (support for design development through computer use). The development of our environmentally friendly cement mixer. Time and again, KAYABA has offered industry-first, high added value products.

In the near future, KAYABA will incorporate digital transformation (DX) technology that will change the way we use our over 100 years of records and know-how, evolve through the use of big data, and accelerate our provision of high added value products.

## The Year at KAYABA

### 2022

<p><b>April</b></p>	<p>Common company name changed to "KAYABA" in Japan</p> <p>Started rally project</p> <p>Purchasing Policy Briefing (held online)</p>	
<p><b>May</b></p>	<p>Shiro Kayaba Awards</p> <p>Briefing held for smart road monitoring system technology</p> <p>Financial Results Briefing</p>	
<p><b>June</b></p>	<p>Annual Shareholders' Meeting</p>	
<p><b>September</b></p>	<p>Production Technology Block Presentation</p>	
<p><b>October</b></p>	<p>Compliance Enhancement Month</p> <p>National Trade Skill Test &amp; Certification</p> <p>Hydraulic &amp; Electronic Technology Block Presentation</p>	

### 2023

<p><b>November</b></p>	<p>Quality Month</p> <p>Companywide Small Group Activity Presentation (Production Division-Related)</p> <p>Automobile Technology Block Presentation</p>	
<p><b>December</b></p>	<p>The Companywide Technology Presentation</p> <p>Development Product Testing Meeting</p>	
<p><b>January</b></p>	<p>First announcement of mobile home (Tokyo Auto Salon)</p>	
<p><b>February</b></p>	<p>TCFD approval</p> <p>KAYABA Rally Team makes its debut</p> <p>Companywide Small Group Activity Presentation (Offices, Sales, Administration Departments)</p>	
<p><b>March</b></p>	<p>Certified as FY2022 Health and Productivity Management Organization 2023</p>	