

February 8, 2024

For Immediate Release

Company name: KYB Corporation
Representative: Masao Ono
Representative Director, President Executive Officer
Stock code: 7242 (Prime Market)
Contact: Norimichi Fukuda
Manager, Public Relations & Investor Relations Sect., Executive Office Dept.
(Tel: +81-3-3435-3580)

Notice of Change in Ratios of Equity Interest in HKE

We hereby inform you that, at a meeting of its Board of Directors held in December 2023, KYB Corporation (“KYB”) resolved to increase the share capital of Hubei Henglong & KYB Automobile Electric Steering System Co., Ltd. (“HKE”), which is a joint venture between KYB and Hubei Henglong Automotive System Group Co., Ltd. (“Hubei Henglong”) and is engaged in research and development and manufacture and sales of Electric Power Steering Systems (“EPS”), and to additionally contribute capital to HKE for the purpose of changing the ratios of equity interest in the company held by KYB and Hubei Henglong.

Accordingly, both companies entered into a capital increase agreement on December 22, 2023, and their ratios of equity interest in HKE will be changed effective April 1, 2024.

1. Background and aim

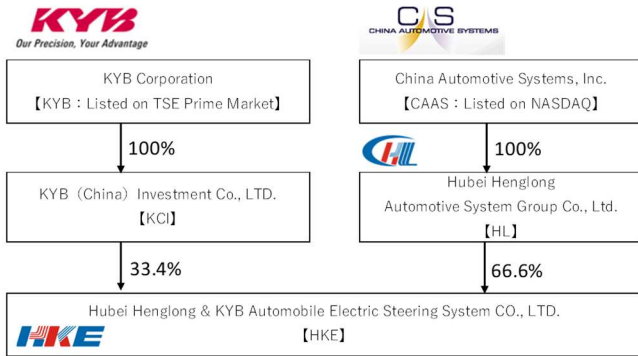
HKE, founded in August 2018, has been performing strongly mainly in the Chinese EPS market and its annual EPS production volume likely exceeded the 1 million mark for 2023. The company has received orders for, and delivered, EPS products for multiple car models of BYD Company Limited, growing significantly as a Chinese OEM, and is expected to develop further.

KYB and Hubei Henglong have recently agreed and decided to increase the capital of HKE (cash injection) for the purpose of improving its production increase framework, and to simultaneously change their ratios of equity interest in the firm with the aim of making the joint venture expand supply of EPS, a vehicle electrification-related product essential particularly for NEVs in the fast-growing Chinese market, while raising its presence. Prompted by the latest move, KYB and Hubei Henglong will jointly formulate a growth strategy for the EPS business and aim to achieve the plan at the earliest opportunity.

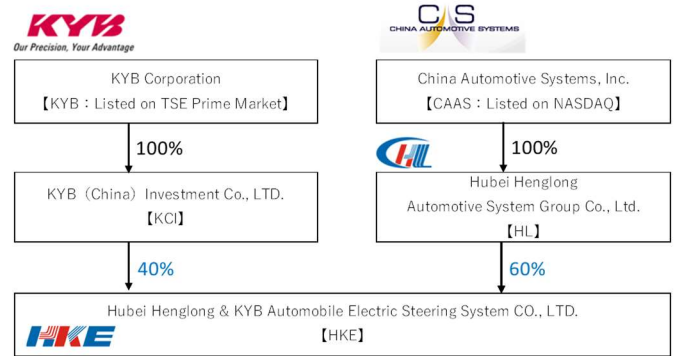
2. The schedule for the planned change in the ratios of equity interest

At the time of changing the ratios of equity interest, no transfer between the shareholders will occur, and KYB will increase the ratio of its equity interest in HKE through an issuance of new shares in it. The ratios of equity interest before and after the planned change will be as follows.

【Before the planned change】



【After the planned change】



* New Energy Vehicle (NEV): A collective name in China of electric vehicle (EV), plug-in hybrid vehicle (PHV), and fuel cell vehicle (FCV)