

Greetings

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I have just taken up the office of Representative Director. Here I would like to state what I think is significant to steer the KYB Group.

1. Growth Strategy

KYB Corporation, as a company with the world's top-class technology for vibration prevention and power control that applies the principle of hydraulics, will promote product development towards the goals of achieving further corporate growth and sustainable social development. For example, electrification of automobiles and construction machinery is one of the measures to realize these goals. I think it is very important to focus on technical development for implementing these measures.

In Automotive Components Operations, we are promoting the improvement of the basic performance of shock absorbers as well as the development of new active suspension systems and next-generation hybrid suspension systems, in order to adapt to the trend of EVs and CASE ^{Note 1)}

In Hydraulic Components Operations, by leveraging our strength across the product family covering the components (pumps, motors, valves, and cylinders) for the drive mechanisms of construction machinery, we are working on an effort for systemization of the products by adding electronic controls, such as sensing, in order to adapt to the trend of remote control and automatic/unattended operation of construction machinery.

Also, in the Special-Purpose Vehicles Division, by leveraging our technology for concrete mixers for which we have the largest share in the Japanese market, we will develop new products making use of electrification and computerization technologies that can contribute to the creation of a decarbonized society.

Furthermore, as an effort for entering new markets, we are developing a camping car that integrates our proprietary technologies of AC and HC Operations and the Special-Purpose Vehicles Division. Its concept and product display in exhibitions are introduced in this issue of KYB Technical Review.

Note 1) Acronym for Connected, Autonomous Share & Services, and Electric vehicles.

2. Production Innovation for Next Generation

We call our activity to advance Monozukuri (manufacturing) towards the next generation "Ship '30" (Self handing innovation plant 2030). By using digital technologies (DX and AI) as a key solution to minimize "transportation", "inventories", and "operation", we will promote the implementation of unattended self-complete factories. We will roll out this activity on a global basis to optimize the Group-wide production system.

3. Relentless Cost Reduction Activity

Although the business is now on the road to recovery from the spread of COVID-19 infection, the business environment remains severe with surging prices of raw materials, production adjustments at customers due to semiconductor supply shortages, and other issues. Under this social background, the Group is promoting a cost reduction activity on a global basis to stabilize our revenue base. We will also concentrate resources on the core businesses, namely, AC Operations, HC Operations, and Special-Purpose Vehicles Division to transform ourselves into a highly profitable structure.

4. Activities for Sustainability

In order for a global company to achieve continual growth, it is generally indispensable to promote ESG management. KYB Corporation has also established the Sustainability Committee headed by a Representative Director and consisting of general managers of individual divisions and operations. The Committee will introduce specific activities for SDGs and develop employees' awareness of initiatives for carbon neutrality and other issues including reviews on Monozukuri/design specifications, building the company's confidence while responding to social needs.

KYB Corporation has changed its company name in Japanese on October 1, 2023. We would like you to extend continual support to us.

This concludes my greetings as Representative Director. We are committed to promoting reform by all of us and making effort to obtain trust from customers throughout the world.

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