



*Our Precision, Your Advantage*

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**Long-term Vision**



## Toward our 100th Anniversary and Beyond

“We endeavor to serve society through **original innovations and inventions**, and to contribute to an **ethical, lasting peace for all humanity worldwide**.” That was the purpose for which the research institute that is our Company’s forerunner was established, and we carry on that mission even today. Through our **sharp focus on the ceaseless technology and product development** that form the foundation of our Company’s growth, we contribute to the **resolution of social issues and continue striving for the sustained increase of our corporate value**.



## A New KYB

Starting **10 years after we launched initiatives to restore the trust** we lost from the non-conforming acts of the past, we will transition to a **decade of growth** driven by the Long-term Vision’s targets for business structure reforms, strategic growth investments, and the creation of new businesses.



## To Our Stakeholders

We share the direction in which we’re headed with our stakeholders—our customers, shareholders, suppliers, employees, and others.

## Our Mission

By serving technologies and products that make people's life safe and comfortable, KYB group dedicates to the society.

## Our Values

**Vitality**  
活気

We shall built a corporate culture full of vitality, and hold high goals.

**Norm**  
規範

We shall follow all rules and face all issues with honesty.

**Creativity**  
独創

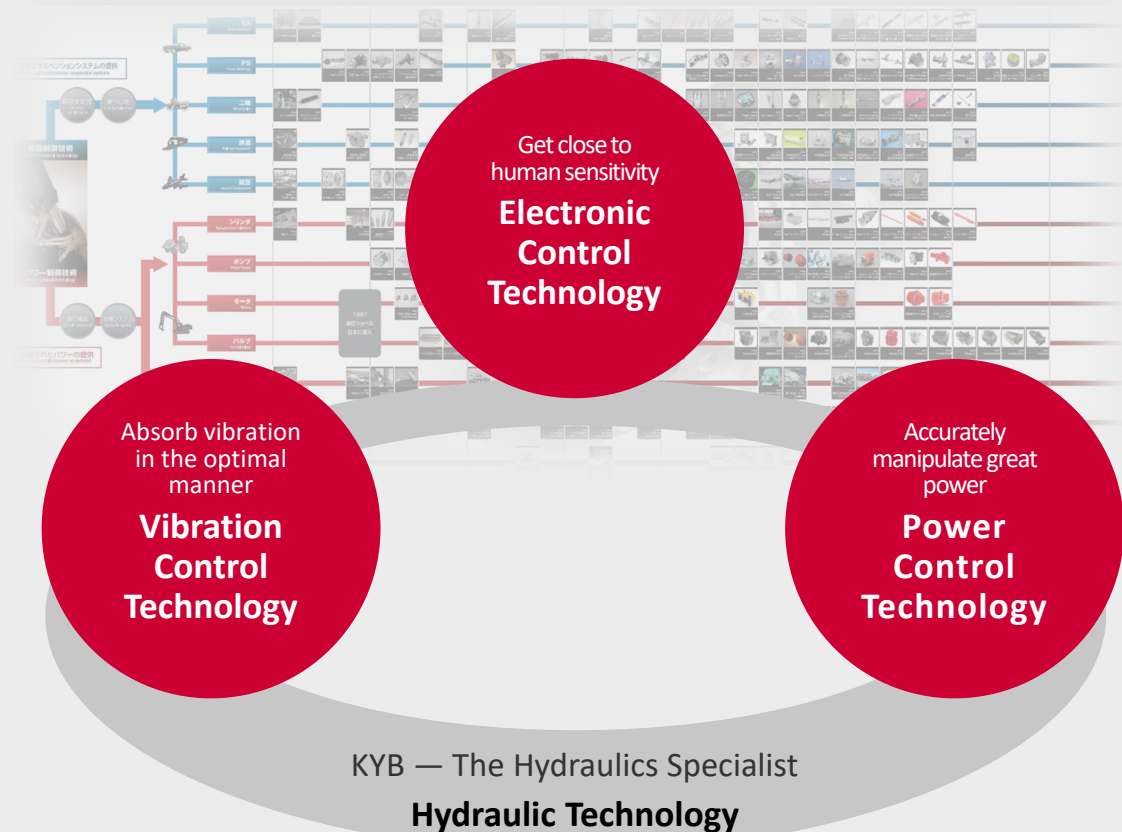
We shall constantly pursue creativity, contribute to the prosperity of customers, shareholders, suppliers and society.

**Harmony**  
愛

We shall value sincerity, cherish nature, care for the environment.

## Core Technology

Hydraulic technology has been the cornerstone of the Company since its foundation. By integrating the vibration and power control technology we have repeatedly advanced over the years with electronic control technology, we will evolve toward advanced system control.



Medium- to Long-Term Trends		Important Issues
<b>Politics</b>	<ul style="list-style-type: none"> <li>■ Continuation of geopolitical risks</li> <li>■ Global tightening of regulations (Environment, AI, data protection)</li> <li>■ Promotion of policies related to ESG and sustainability</li> <li>■ Reorganization of international agreements</li> </ul>	<ul style="list-style-type: none"> <li>■ Conduct environmental initiatives (carbon neutrality, resource circulation)</li> <li>■ Strengthen the supply chain</li> <li>■ Ensure global price competitiveness</li> <li>■ Expand footprint in the Global South</li> <li>■ Promote human capital management</li> <li>■ Instillation and strengthening of respect for human rights and health management</li> <li>■ Drive innovative <i>monozukuri</i></li> <li>■ Strengthen governance</li> <li>■ Thoroughly manage capital efficiency</li> <li>■ Automation, electrification, unmanned operations, digitalization + Providing safe, comfortable lifestyles</li> </ul>
<b>Economy</b>	<ul style="list-style-type: none"> <li>■ Lingering inflation and interest rates remaining high</li> <li>■ Growth in emerging markets and expanding consumption (the Global South)</li> <li>■ Impact of exchange rate fluctuations</li> <li>■ Spread of digital currencies and changes to financial structure</li> </ul>	
<b>Society</b>	<ul style="list-style-type: none"> <li>■ Rise in global calls for engagement with climate change and biodiversity</li> <li>■ Progressing decline in birth rate and aging population, decline in work force</li> <li>■ Rise of interest in SDGs and DEI (diversity, equity, inclusion)</li> <li>■ Changes in investment climate, such as ESG investments</li> </ul>	
<b>Technologies</b>	<ul style="list-style-type: none"> <li>■ Spread of smart mobility and smart city societies</li> <li>■ Technological development involved with green transformations</li> <li>■ Use of AI (physical AI) and quantum computing</li> <li>■ Importance of cybersecurity and privacy protection</li> </ul>	

## Long-term Vision

### A partner that supports the future of people's lives

Become a company indispensable to society by supporting the safety and comfort of mobility, infrastructure, and living spaces

## Slogan

Inspiring Dreams, Shaping the Future.

## Management Indicators / Timeline to FY2035

FY2024  
Result

Sales **¥438.3bn**

ROE **6.7%**

Back casting

### FY2026 Mid-Term Structure Reforms

- Existing businesses: Optimization of business portfolio
- New businesses: Plant the seeds for the creation of business

### FY2029 Mid-Term Growth Acceleration

- Existing businesses: Active investment and expansion of growth products
- New businesses: Establishment of a business model

Sales **¥700.0** bn or more  
ROE **11.0%** or more  
ROIC **9.0%** or more

### FY2032 Mid-Term New Business Expansion

- Existing businesses: Search for and develop new products (commercialize)
- New businesses: Expand the mainstays of the portfolio

FY2035  
Target

## Three key challenges to become a partner that supports the future of people's lives

1

### **Optimization of Business Portfolio**

- Achieve a business portfolio transformation through “selection and concentration” on growth businesses and products
- Build a corporate culture charged with enthusiasm toward the creation of added value and fund efficiency

2

### **New Business Creation**

- Creation of unique new businesses built on our core technologies
- Aim to advance into new territory and stabilize earnings (The FY2035 target is 5 to 10% of Groupwide sales.)

3

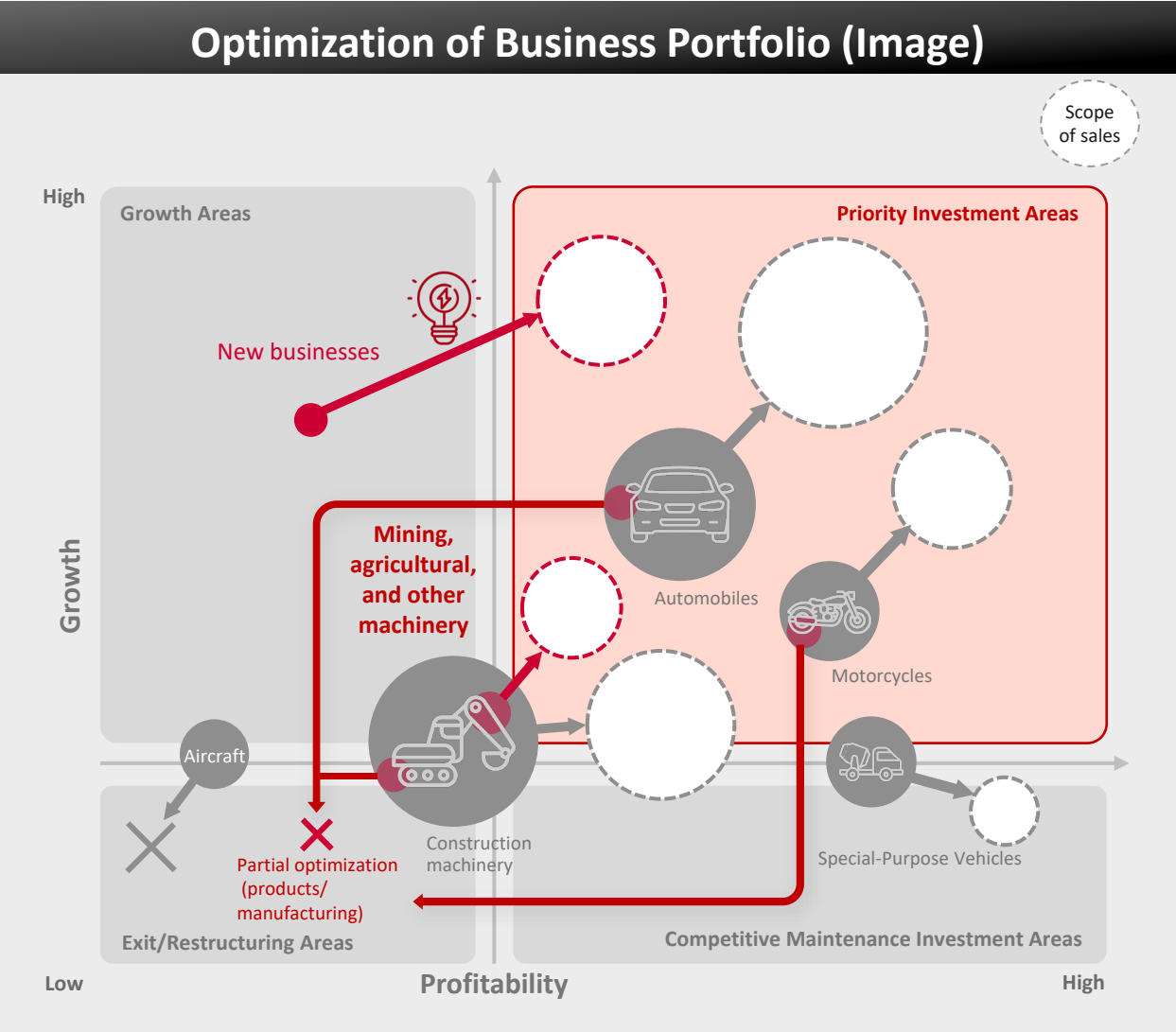
### **Innovative *Monozukuri***

- Achieving innovative *monozukuri* by integrating on-site capabilities with digital technology
- Transforming plants through *monozukuri* that is kind to people and the environment

# Optimization of Business Portfolio



**Achieve business portfolio optimization (products/manufacturing) through strategic selection and concentration on growth businesses and products**



Business Strategies	
 <b>AC Operations</b>	<ul style="list-style-type: none"><li>■ Reinforce global presence in the OEM market</li><li>■ Optimize product portfolio and manufacturing system</li><li>■ Create value added products and expand globally</li></ul>
 <b>HC Operations</b>	<ul style="list-style-type: none"><li>■ Reconstruct a resilient revenue base through strategic development by product line in the construction machinery business (expansive and protective)</li><li>■ Expand in mining, agricultural, and other machinery, and establish a second foundation for growth</li><li>■ Expand in systems products for the defense market (naval and land)</li></ul>
 <b>Special-Purpose Vehicles</b>	<ul style="list-style-type: none"><li>■ Strengthen sustainable revenue base with mixer trucks as the core component</li><li>■ Determine the scope of the growth domain focused on the specially equipped, specially designed vehicle market</li></ul>
 <b>New Businesses</b>	<ul style="list-style-type: none"><li>■ Accelerate business creation and strategic M&amp;As in high-growth markets based on our core technology</li></ul>



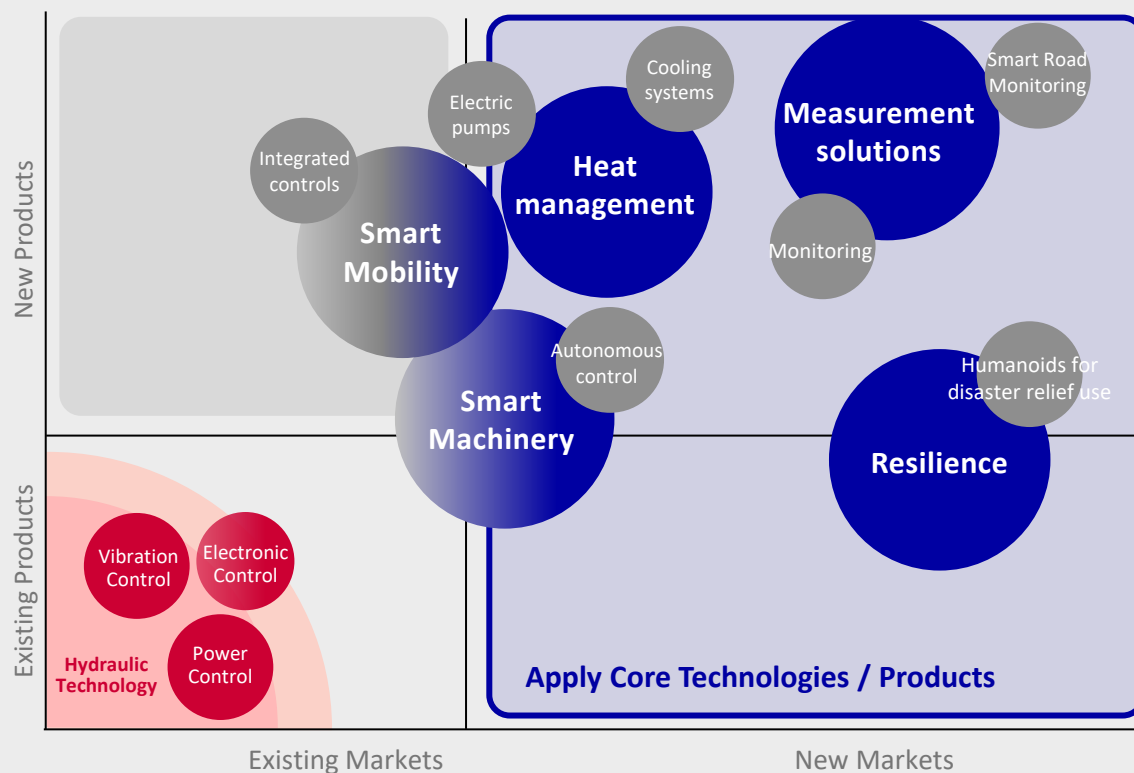
# New Business Creation

**Create unique new businesses built on our core technologies**

## Concept for New Businesses

**Strengthening and  
Differentiation Areas**

**New Business Areas**  
(FY2035 targets: Groupwide sales ratio of 5 to 10%)



## New business Areas

### Heat Management (IT, data centers, etc.)

Applying automotive cooling technologies into growth markets (leveraging M&A)



### Measurement Solutions (infrastructure and plants)

Commercialization of products that apply our core technologies



### Smart machinery (construction and agricultural machinery)

Promote technical cooperation and M&As for ICT construction and autonomous operation



### Resilience (disaster preparedness)

Promote businesses that support the safety of people through cooperation with other companies



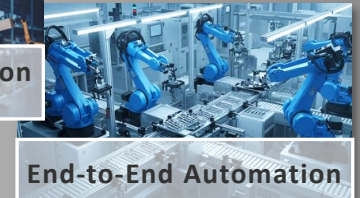


**Achieve innovative monozukuri that is kind both to the environment and employees by integrating on-site capabilities with digital technology**

1

## Shorten Production Lead Time Through Smart Plant Realization

Achieve shorter times for operations, inspection, and transportation through advancements in manufacturing / production technology; achieve integration of humans and technology with a production system that is adaptable to various models and volumes



2

## Accelerating Speed From Development To Deployment Through DX Integration

Build unshakable trust by establishing seamless and agile development, production preparation, and service delivery capabilities that can adapt to market change



3

## *Monozukuri* That Protects The Environment And People

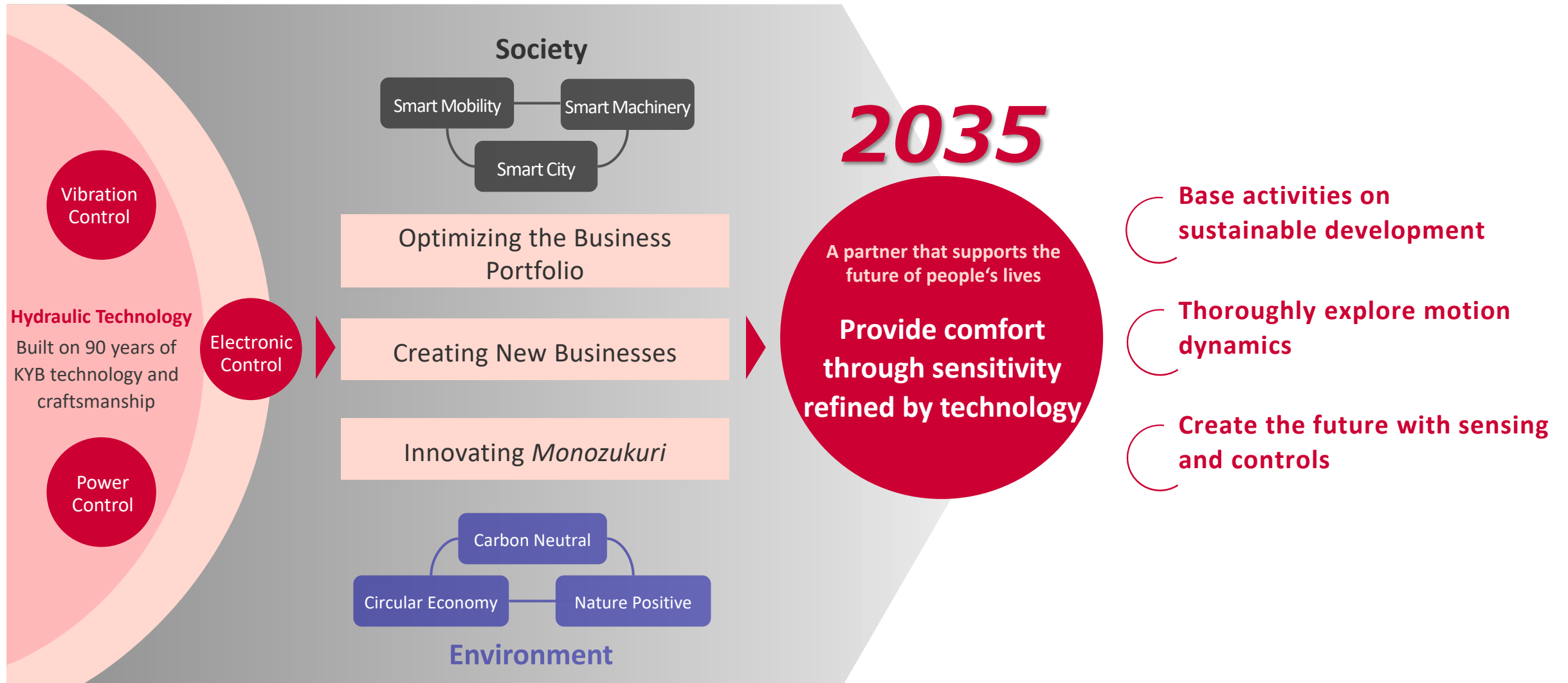
Reduce environmental burdens in production activities, create a better working environment




# Goal for FY2035



**Become a company indispensable to society by supporting the safety and comfort of mobility, infrastructure, and living spaces**



 Use capital efficiency as a key indicator to focus resources on growth businesses and products, and achieve our growth and financial strategies.

## Financial Strategy

1. Prioritize growth investments for fund allocation and raise both business growth and capital efficiency
2. Optimize the business portfolio through capital efficiency-focused management
3. Maintain financial soundness and returns to shareholders

## Breakdown of Investments

Growth investments  
**¥300.0 bn**

Notes: 1. Excluding maintenance investments.  
2. Cumulative total for FY2026 to FY2035 (focused investments expected under the FY2026 mid-term's "Structure reforms" and FY2029 mid-term's "Growth acceleration").

Capital investment  
(including M&As) **¥150.0 bn**

R&D Investments **¥150.0 bn**

ESG Sector	Initiatives	Goals	
<b>Environment</b>  	Develop products that contribute to environmental preservation	<ul style="list-style-type: none"> <li>■ 2027: Achieve carbon neutrality at Developmental Center and R&amp;D Center</li> <li>■ 2035: 71% reduction in CO<sub>2</sub> emissions volume (compared to 2018)</li> <li>■ 2050: Achieve carbon neutrality</li> <li>■ Certification as a Nationally Certified Sustainably Managed Natural Site by the Ministry of the Environment and natural environment conservation (harmony with nature at the Developmental Center)</li> </ul>	 Harmony with nature at the Developmental Center
	Reduce environmental burden of products		
	Reduce environmental burden in <i>monozukuri</i>		
	Environmental preservation activities		
	Environmental managements		
<b>Social</b>  	Develop products that contribute to society	<ul style="list-style-type: none"> <li>■ A safe, welcoming workplace where human rights are respected</li> <li>■ Implementation of a human asset portfolio and human capital management</li> <li>■ Construction of an ethical, resilient supply chain</li> </ul>	 Stakeholder Engagement
	Occupational health and safety		
	Respect for human rights		
	Diversity of human resources		
	Social contribution activities		
<b>Governance</b>  	Compliance, instilling awareness of norms	<ul style="list-style-type: none"> <li>■ Broadly instill awareness of norms, conduct business operations with thorough governance on a Groupwide level</li> </ul>	 Compliance
	Group governance		
	Governance of product development		
	Governance of <i>monozukuri</i>		
	Risk management, BCP		