



Our Precision, Your Advantage

Meeting Materials for FY2025

May 20, 2026

KYB Corporation

(Code number: 7242; Prime Market of Tokyo Stock Exchange)



Our Precision, Your Advantage

Contents

- 1. Review of the 2023 Medium-Term Management Plan**
- 2. 2026 Medium-Term Management Plan**
- 3. FY2025 Financial Information**



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Review of the 2023 Medium-Term Management Plan

 Net sales, equity ratio, and ROE met their targets, while segment profit was below target

(¥ Billion)	IFRS			Differences and Evaluation	
	FY2022 actual	FY2025 2023 Mid-Term Target	FY2025 actual	Vs 2023 Mid-Term	Evaluation
Net sales	431.2	470.0	481.5	11.5	✓
Segment profit ^{*1}	25.5	38.0	29.4	(8.6)	✗
Segment profit ratio	5.9%	8.1%	6.1%	(2.0)%	✗
Ratio of equity attributable to owners of the parent	40.9%	45.0%	50.6%	5.6%	✓
ROE	16.2% ^{*2}	12.0%	12.2% ^{*3}	0.2%	✓

Notes: 1. Segment profit correspond to operating income in J-GAAP

2. 12.5% excluding ¥6.2 billion in reversal gain on provision for seismic isolation/mitigation products

3. 9.8% excluding ¥6.1 billion in negative goodwill

Review of the 2023 Medium-Term Management Plan

Financial soundness restored; improving profitability and transforming for growth remain key challenges

2023 Mid-Term Policy	Review
Business environment	<ul style="list-style-type: none"> ■ Structural increases in energy costs, logistics costs, component costs, and labor costs ■ Delayed recovery in demand in the hydraulic excavator market *1
Growth strategy	<ul style="list-style-type: none"> ■ Expansion of mass production of electronically controlled shock absorbers (SA) ■ Sales of Electric Power Steering (EPS) to Chinese domestic OEMs doubled; however, entry into the SA market was not achieved
Innovative <i>monozukuri</i>	<ul style="list-style-type: none"> ■ Introduction of innovative production lines that integrate and automate painting, component welding, assembly, and inspection processes ■ Promotion of automation in production, logistics, and inspection; however, the utilization of AI/IoT has not yet reached company-wide implementation
Constant cost reductions to reach targets	<ul style="list-style-type: none"> ■ Insufficient cost engineering to compete with Chinese domestic suppliers ■ Productivity decline at U.S. subsidiary has stabilized through improvement activities
Efforts for environmental response	<ul style="list-style-type: none"> ■ Achieved CO₂ reduction targets through various carbon neutrality initiatives. ■ Selected for the A List, the highest rating in CDP 2025 in the climate change field. *2
Improving capital efficiency and strengthening financial position	<ul style="list-style-type: none"> ■ Reduced cross-shareholdings and flexibly repurchased treasury shares. ■ Rating upgraded by Rating and Investment Information, Inc. (R&I) from BBB+ to A-.

Notes: 1. Red text in the table indicates issues facing the Company.

2. CDP: A non-profit organization that operates an environmental information disclosure system.



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2026 Mid-term Slogan

Build the Foundation for the Future

Take the First Step Toward Inspiring Dreams with the Power of Innovation

**FY35
Target**

Vision

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

Slogan

**Inspiring Dreams,
Shaping the Future.**

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**

FY2032 Mid-Term New Business Expansion

Existing businesses
**Search for and develop
new products
(commercialize)**

New businesses
**Expand the mainstays of
the portfolio**

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

Transition to an execution-oriented organizational structure to realize the three key challenges of the Long-Term Vision

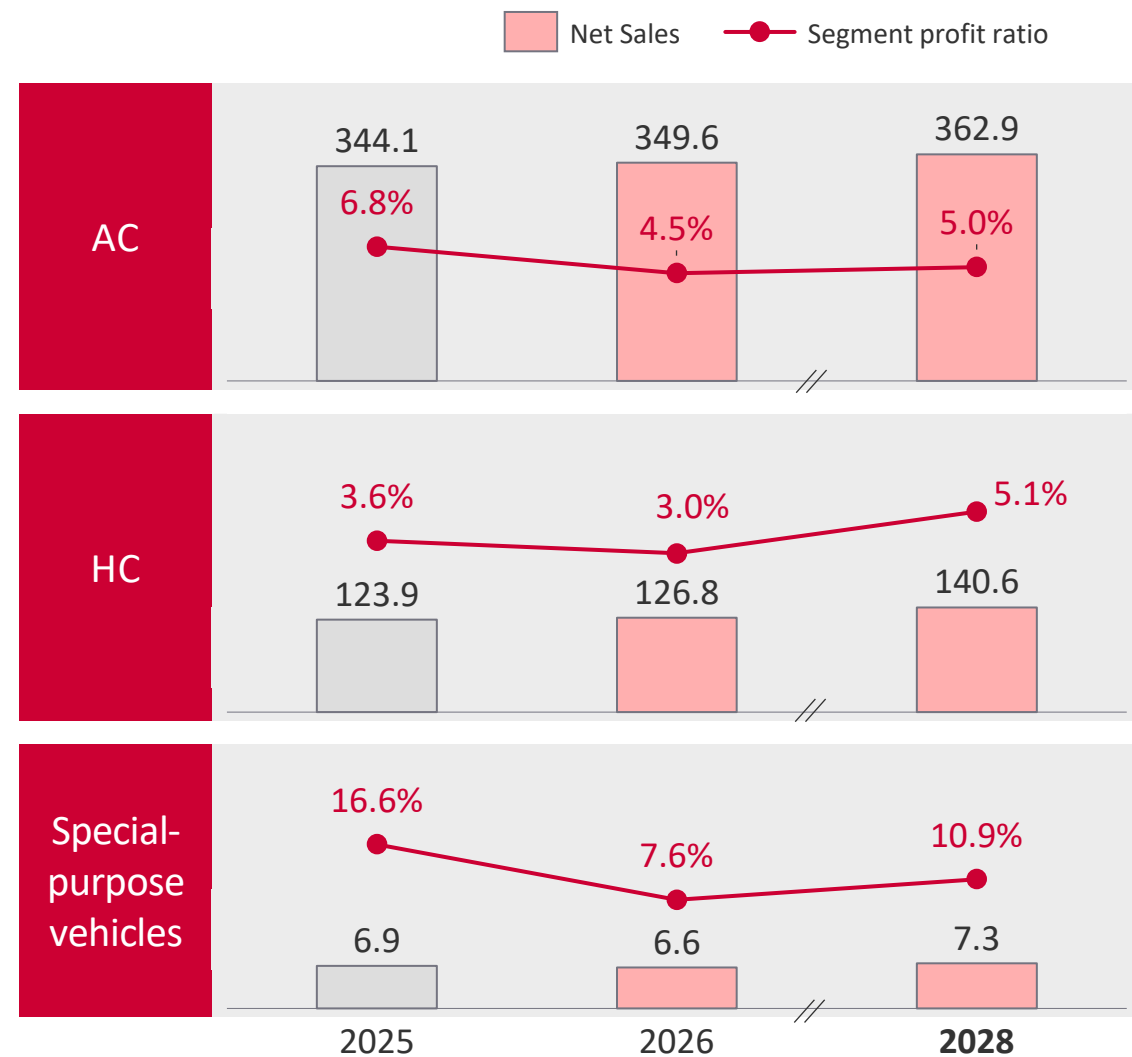


2026 Medium-Term Management Plan

Pursue profit improvement while implementing upfront investments and measures for growth under the 2029 Mid-Term Management Plan (FY2029–FY2031)

(¥ Billion)	IFRS		
	FY2025 actual	FY2026 planned	FY2028 target
Net sales	481.5	489.0	514.0
Segment profit*	29.4	20.0	25.0
Segment profit ratio	6.1%	4.1%	4.9%
ROE	12.2%	6.6%	8.1%

*Segment profit correspond to operating income in J-GAAP.



 Under an uncertain business environment marked by geopolitical risks and macroeconomic fluctuations, we must achieve both sustainable growth and a resilient business structure

Sector	Business Environment
 <p>Politics</p>	<ul style="list-style-type: none"> ■ Continued geopolitical risks, including the U.S.-led formation of the international order and the situations in Ukraine, the Middle East, and Taiwan ■ Review of ESG and sustainability policies, including the U.S. stepping back and the EU easing regulations
 <p>Economy</p>	<ul style="list-style-type: none"> ■ Emerging countries such as India, the Middle East, and Africa driving global growth ■ An unstable economic outlook, including lingering inflation, persistently high interest rates, and the impact of exchange rate fluctuations ■ Intensifying competition driven by the global rise of companies, particularly those from China
 <p>Social</p>	<ul style="list-style-type: none"> ■ Changes in market structure driven by declining working populations due to aging in developed countries and growing young populations in emerging countries ■ Rising demand for non-financial disclosure, such as climate change risks, biodiversity, and human capital
 <p>Technologies</p>	<ul style="list-style-type: none"> ■ Expansion of smart mobility, smart machinery, and smart cities ■ Growing importance of cybersecurity and privacy protection

1. Optimization of Business Portfolio

Business portfolio optimization (products/manufacturing) through strategic selection and concentration on growth businesses and products

Business Policy: AC Operations

- 1 Reinforce global presence in the OEM market**
 - Strengthening competitiveness through production in India and acquisition of customers in India and China
 - Expanding sales of high-performance SAs
- 2 Optimize product portfolio and manufacturing system**
 - Withdraw/assess from products with low earnings and reconstruct an optimized global production system
- 3 Expansion of profits from aftermarket products**
 - Expanding market share through cost reductions and sales growth in emerging markets (South America and Africa)
- 4 Create value added products and expand globally**
 - Four-wheel vehicles: Developing electronically controlled SAs, electric pumps, and steer-by-wire systems, while expanding sales of EPS (Electric Power Steering) for multi-purpose vehicles
 - Two-wheel vehicles: Expanding sales of electronically controlled suspensions and other products in India and China
- 5 Entry into new markets and new business areas, and expansion of sales**
 - Acquiring customers in new markets and business areas while exploring further business opportunities
 - Expanding sales in the utility vehicle market

Business Policy: HC Operations

- 1 Defensive area: Assessing future product potential and reorganization**
 - Improving profitability through reorganization of the hydraulic cylinder and motor businesses
- 2 Offensive area: Concentrating management resources on strategic products**
 - Developing new pump and valve products, and expanding sales to overseas customers
- 3 Sales expansion toward establishing a second growth foundation**
 - Strengthening sales activities in CTLs (Compact Track Loaders), mining machinery, defense, and agricultural machinery



Business Policy: Special-Purpose Vehicle

- 1 Strengthen revenue base with mixer trucks as the core component**
 - Optimizing the product portfolio through expanded e-Mixer sales, upgrades to existing models, and development of EV mixers
- 2 Determine the scope of the growth domain focused on the specially equipped, specially designed vehicle market**
 - Developing camper vans as part of the business portfolio and achieving early profitability

- # Transformation Areas
- # Strengthening Areas

1. Optimization of Business Portfolio: Key Initiatives for AC (four-wheel)

Strengthen the presence of the four-wheel business by enhancing proposal capabilities through the creation of customer needs and by reinforcing cost competitiveness

	2026 Mid-Term Target	2026 Mid-Term Key Initiatives	Related Product
OEM	Development of local Indian and Chinese domestic OEM customers	<ul style="list-style-type: none"> Realizing KYB-level quality and cost reductions locally through the launch of the new plant in India Expanding the lineup of high-performance SAs 	 High-Performance SA, etc.
	Expansion of sales to Japanese and European OEM customers	<ul style="list-style-type: none"> Expanding the lineup of electronically controlled SAs to meet customer needs, ranging from high-performance to low-cost products 	 Electronically Controlled SA
	Transition from CVT pumps to system products	<ul style="list-style-type: none"> Developing electric pumps and steer-by-wire systems Expanding the EPS business globally with our Chinese joint venture partner Expanding sales of EPS for utility vehicles 	 EPS 
Aftermarket	Expansion of market share in South America and Africa	<ul style="list-style-type: none"> Strengthening development capabilities and price competitiveness for Chinese and Korean vehicles in the South American market Enhancing competitiveness by developing new markets in Africa and selling India-made products 	 SA
	Market creation through new product launches and expansion of sales of peripheral components	<ul style="list-style-type: none"> Expanding the aftermarket lineup of electronically controlled SAs (creating new use cases and options for customers) Broadening the coverage of high-performance premium products (through the introduction of new products focused primarily on off-road applications) 	 Electronically Controlled SA High-Performance Premium Products

1. Optimization of Business Portfolio: Key Initiatives for AC (two-wheel)

Strengthen the presence of the two-wheel business by enhancing development speed and reinforcing cost competitiveness

2026 Mid-Term Target		2026 Mid-Term Key Initiatives	Related Product	
OEM	<div> <div></div> <p>Optimization of the global production system</p> </div>	<ul style="list-style-type: none"> Streamlining production processes to match order volumes and transforming selected sites into component supply hubs for other regions 		Front fork, Rear cushion unit
	<div> <div></div> <p>Expansion in the Chinese and Indian markets (enhancement of high-performance products)</p> </div>	<ul style="list-style-type: none"> Strengthening cost competitiveness for mid- to large-sized vehicles and proactively proposing high-value-added products China: Expanding market share through local production of high-performance products India: Keeping pace with market demand through expanded production capacity and enhancing local development capabilities Japan: Ensuring stable supply by expanding production capacity and rapidly developing high-performance products 		Front fork, Rear cushion unit
	<div> <div></div> <p>Expansion into the utility vehicle market (strengthening collaboration with the four-wheel business)</p> </div>	<ul style="list-style-type: none"> Building a brand presence in the utility vehicle market (strengthening collaboration with the four-wheel business) 		Long-Reach suspension for ROV

Transformation Areas
 Strengthening Areas

1. Optimization of Business Portfolio: Key Initiatives for AC

Aim to increase sales of key four-wheel and two-wheel products through the implementation of key initiatives

Four-Wheel

OEM: Electronically Controlled SA



OEM: EPS for Utility Vehicle

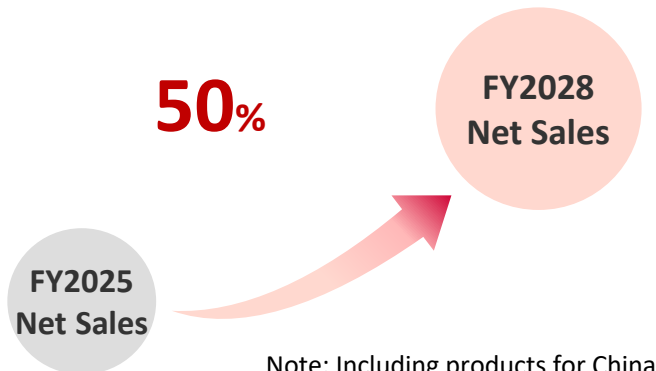


Aftermarket products (including peripheral parts)



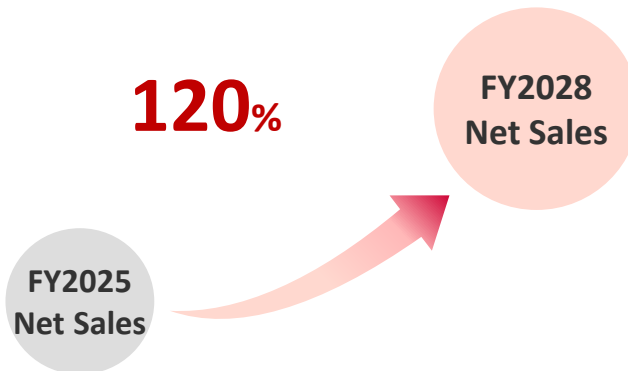
Two-Wheel

High-Performance Front Fork

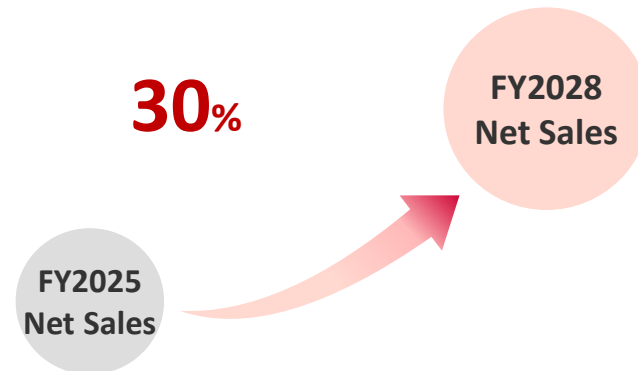


Note: Including products for China

India



Japan

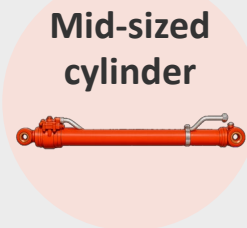


1. Optimization of Business Portfolio: Key Initiatives for HC

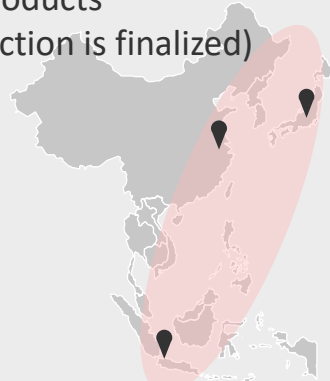
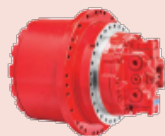
The Hydraulic Components Business will improve profitability through the restructuring of low-profit businesses and products, while expanding sales of value-added products

Defensive: Business restructuring of the Hydraulic Components Business

Initiated internal and external coordination for the consolidation of low-profit businesses and products (details will be disclosed once the direction is finalized)



Motor



Production sites for existing products

1st Step

Profitability and competitiveness of mid-sized cylinder and motor products are deteriorating amid intensifying competition with industry peers

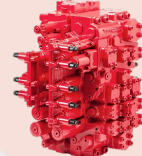
2nd Step

- Consolidation and restructuring of the hydraulic product lineup
- Entry into other business domains that generate higher added value

Offensive: Launching Inventory Sales via Indian Sites

Further expansion of overseas sales of valves, pumps, and motors (with a view toward potential local production in the future)

Valve



Pump



Motor



Production sites for growth products

1st Step

In response to growing demand in India, add HC sales company functions to KIPL to drive sales expansion

2nd Step





Considering local production based on market demand and customer trends (including expansion within India as well as into Europe)

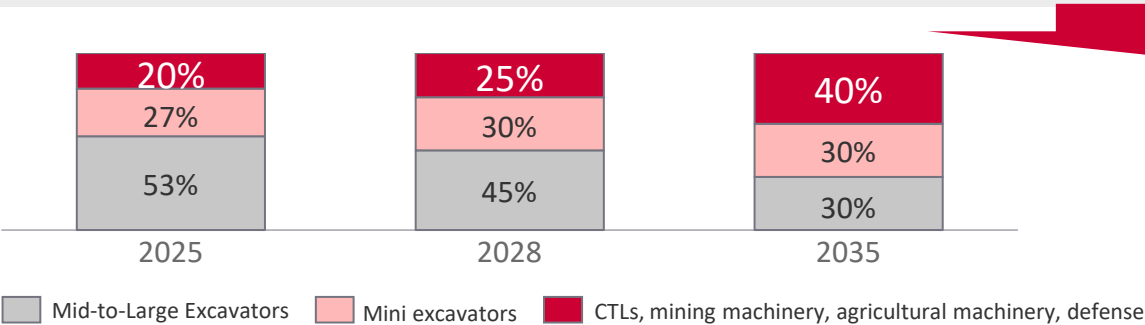
1. Optimization of Business Portfolio: Key Initiatives for HC

Develop and expand sales of products for CTLs, mining machinery, agricultural machinery, and defense as a second growth foundation

Second growth foundation: Expand sales of products for CTLs, mining machinery, agricultural machinery, and defense

Leverage hydraulic technologies and proven track record to expand sales beyond excavators






CTL  Enter and expand sales in CTL pumps, valves, and motors through development and collaboration Growth market CAGR: 4% or higher (2025–2035) Apply hydraulic equipment and technologies from mini excavators	Defense  Pursue new business opportunities in the social infrastructure market (including private-sector demand) in addition to expanding our defense business Expand sales through six business models for defense equipment Explore 17 government strategic fields, including infrastructure, environment, and industry
Mining  Expand the lineup to increase sales for dump trucks and underground construction machinery, while also targeting expansion to other machine types A stable market supported by resource demand High durability required due to operation in harsh environments	Agricultural  Establish a new Agricultural Machinery Center to strengthen our sales structure and deepen market penetration Promote proposal-based sales activities leveraging technological capabilities Expand from a domestic-market focus into major overseas customers



By expanding sales in this second growth foundation, increase the share of revenue from businesses other than excavators **from 20% (2025) to 40% (2035)**

2. New Business Creation

Promote the creation of unique new businesses rooted in our core technologies, including through external partnerships

Value Provided and Purpose Based on Social Issues		2026 Mid-Term Key Initiatives
 Measurement Solutions	Realizing uniquely KYB solutions that combine measurement, oil condition monitoring, and vibration analysis technologies to address the burden of maintaining aging equipment	<ul style="list-style-type: none"> Oil Condition Monitoring System: Expanding into multiple markets and strengthening the business foundation Smart Road Monitoring: Launching paid services for municipalities
 Smart Machinery	Addressing labor-saving needs at construction sites while improving construction speed itself through the integration of hydraulic, control, remote, and autonomous technologies, thereby helping customers shorten project lead times	<ul style="list-style-type: none"> Entering remote operation and autonomous driving markets through collaboration with partner companies Promoting product and technology development that contributes to shorter cycle times
 Heat Management	Contributing to both improved system convenience and reduced environmental impact through fluid control technologies	<ul style="list-style-type: none"> Commercializing onboard electric pumps and exploring further applications Promoting collaboration with other companies for applications in cooling uses such as data centers
 Resilience	Establishing a new business domain by providing work-support solutions that leverage power control and hydraulic technologies at post-disaster recovery sites	<ul style="list-style-type: none"> Accelerating prototyping and PoC*¹ of humanoid technologies centered on Physical AI at KyoHA*² Defining required technologies and methods of business participation on the premise of collaboration with other companies
 Smart Mobility	Contributing to safe and comfortable mobility by achieving cross-component optimization through software integration	<ul style="list-style-type: none"> Establishing differentiated value and business models for the SDV era through PoC of integrated steering and suspension control

*¹ Proof of Concept : verifying the feasibility and effectiveness of new ideas and concepts

*² KyoHA is a general incorporated association aiming to revitalize Japan's humanoid robot industry.

2. New Business Creation: Measurement Solutions

Centering on our sensing technology, we will accelerate the social implementation of our oil condition monitoring service and expand it across multiple markets

Oil Condition Monitoring System

Developing and commercializing a system that improves operational efficiency and enables CO₂ reduction by visualizing the condition of various types of oil

Customer issues

Inefficient equipment maintenance due to the inability to grasp actual oil conditions

Risk of equipment shutdown caused by unexpected failures

Need to address SDGs and environmental requirements (waste oil reduction and CO₂ reduction)

KYB's Strengths



Proprietary high-sensitivity oil condition sensor

Deep expertise as a specialized hydraulics manufacturer

Diagnostic service integrating data and expertise

Value Provided

Streamlining equipment inspection through the visualization of oil conditions



Optimizing maintenance timing (predictive maintenance)



Reducing environmental impact by minimizing waste oil volume



Growth Scenario



- Expand services into markets beyond plant equipment
- Building a track record across multiple customers to lay the groundwork for market expansion
- Expanding compatible oil types by adding new sensor lineups
- Launch the business and begin service provision for plant equipment

2026 2027 **2028** 2035

Broaden the lineup starting from plant applications and expand into multiple markets

2. New Business Creation: Smart Machinery

Contributing to shorter project timelines for customers by leveraging hydraulic technologies/equipment and remote/autonomous control technologies

Remote/Autonomous Control of Construction Machinery

Addressing frontline labor shortages by making construction machinery smarter, thereby contributing to the creation of a safe and highly productive society

Social Issues

Progressing aging demographics and labor shortages, alongside the ongoing establishment of regulations and standards for remote and autonomous construction

➡ Growing expectations for **intelligent construction machinery** and more **advanced construction processes**

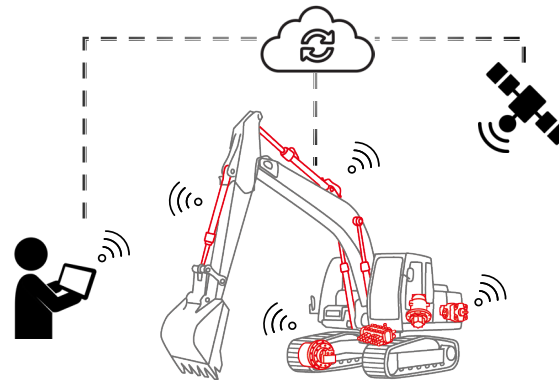
◀ Improving productivity is imperative (in line with MLIT's "i-Construction 2.0" initiative)

KYB's Strengths



- Product expertise in hydraulic equipment
- Power control technologies

Business Direction and Value Provided



- Hydraulic and control solutions business for construction machinery
- Accelerating the business through in-house development and collaboration with partners

Hydraulics × electronic control × remote/autonomous technologies → shorter construction cycle times for customers

Under the 2026 Mid-term, we will provide remote and semi-autonomous retrofit solutions and aim for early monetization

3. Innovative *Monozukuri*

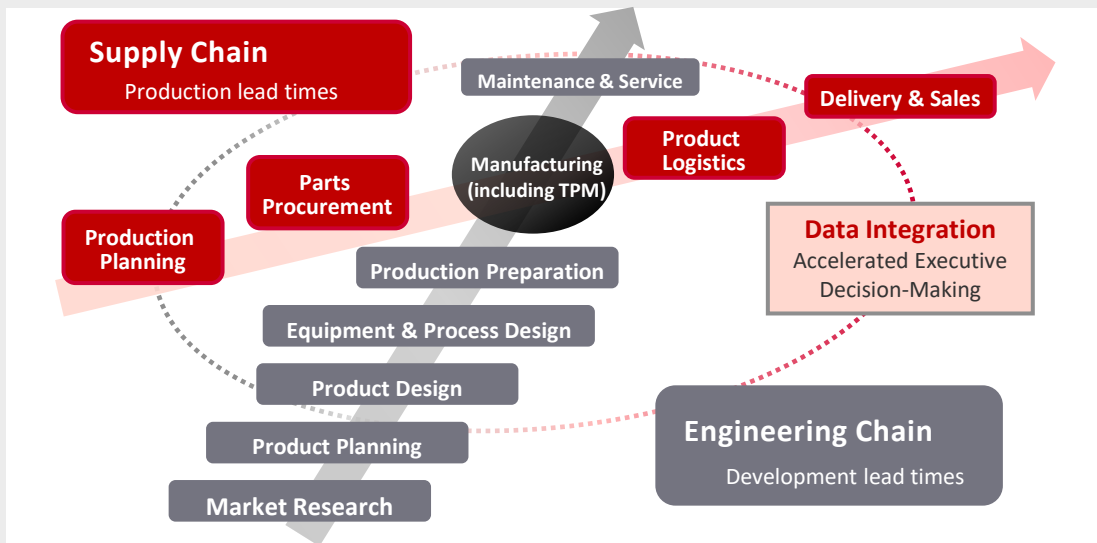
Enhancing sustainable corporate value by integrating management and the workplace through data and by pursuing environmentally and people-friendly *monozukuri*

KYB's Vision for *Monozukuri* (From Ship'30 *¹ Activities to Smart Plants)

Leveraging our TPM*² and KYB Production System (KPS) foundation, we connect data across logistics, inventory, operations, inspection, and planning to create an "ever-evolving manufacturing system" built for flexible, high-mix, variable-volume production.

The Ideal State of *Monozukuri* Innovation in 2035

Realizing end-to-end data-driven management through the integration of data and information

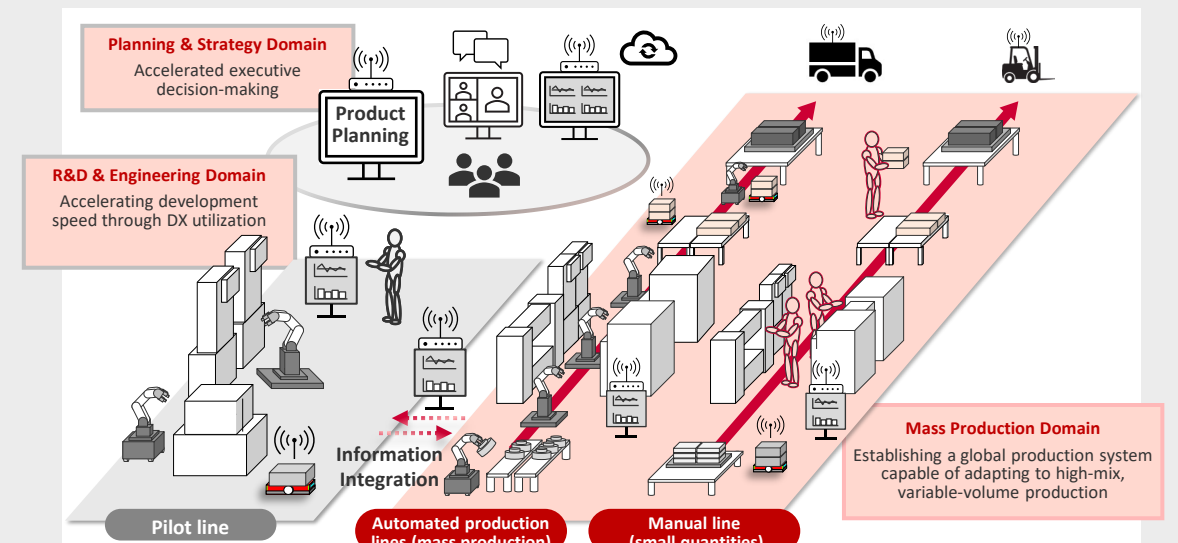


*¹ Ship'30: Self-handing innovation plant 2030

*² TPM: Total Productive Maintenance & Management

Accelerate Operations Through the Realization of Smart Plants

Reflecting supply chain issues in the engineering chain to optimize quality and cost and accelerate time to market



3. Innovative *Monozukuri*

Achieve shorter production lead times and product development lead times through automation, digitalization, and standardization

2026 Mid-Term Key Initiatives

Supply Chain



Cost reduction through shorten production time

- **Aiming to reduce production lead times by 50%** through end-to-end plant and process optimization, waste elimination, and automation
- **Realizing smooth, disruption-free plant operations through an AI-driven TPM framework** that supports increasingly automated and labor-saving processes

Engineering Chain



Accelerating speed from development to deployment

- **Building a seamless end-to-end process with no backtracking** by leveraging AI to utilize design and production knowledge
- Standardizing high-precision *monozukuri* technologies and **aiming for an 30% reduction in product development lead time through the use of DX**



***Monozukuri* that protects the environment and people**

- Strengthening management and execution toward achieving CO₂ emissions reduction targets (Scopes 1, 2, and 3)
- **Developing and implementing low-environmental-impact production technologies** while maintaining highly efficient productivity

 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

Investment and Shareholder Returns

Investments in existing businesses: ¥58.0bn

- Restructuring for structural reform
- Developing the foundation for smart plants
- Upgrading equipment to maintain and strengthen competitiveness
- Advancing carbon neutrality initiatives

Growth investments (including M&As) : ¥96.0 bn

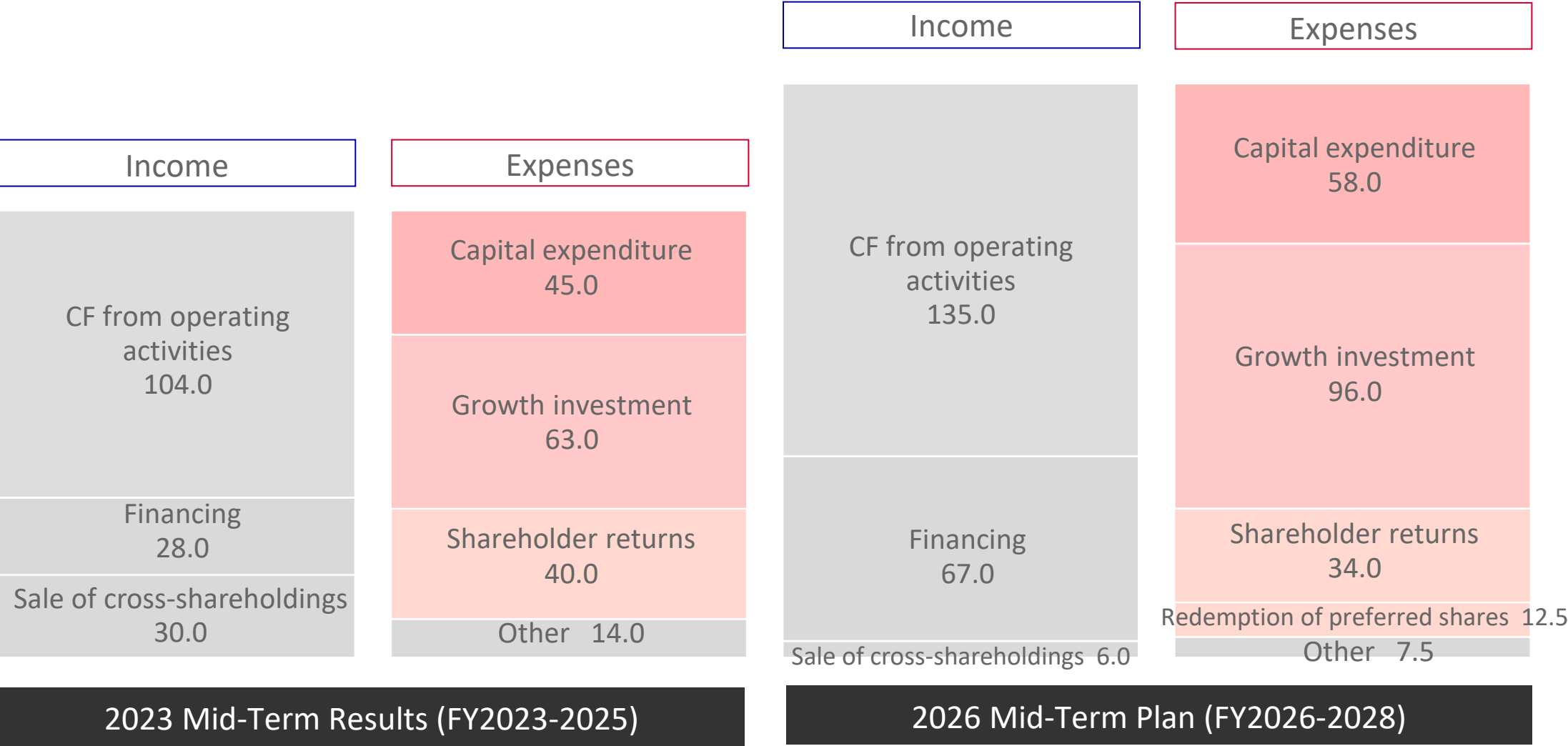
- **Capital investment**
 - Strengthening production capacity for electronically controlled shock absorbers
 - Strengthening the business structure for the Indian market
 - Increasing production of mini excavators and CTLs
- **R&D Investments**
 - Developing electronic control technologies to support autonomous driving and autonomous control
 - Enhancing AI capabilities to accelerate research and development
 - Creating new businesses based on electronic control and AI technologies

Return to shareholders: ¥34.0bn







- **Stable dividends**
 - Maintain stable and continuous dividends, aiming for a dividend payout ratio of 30% or higher
- **Flexible share repurchases**
 - Flexible repurchase of treasury shares, including the reduction of cross-shareholdings

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

(¥ billion)



Our ideal goals for sustainability

ESG Sector	Initiatives	Goals	
Environment 	Develop products that contribute to environmental preservation Reduce environmental burden of products Reduce environmental burden in <i>monozukuri</i> Environmental preservation activities Environmental managements	<ul style="list-style-type: none"> ■ 2027: Achieve carbon neutrality at Developmental Center and R&D Center ■ 2030: 50% reduction in CO₂ emissions volume (compared to 2018) ■ 2035: 71% reduction in CO₂ emissions volume (compared to 2018) ■ 2050: Achieve carbon neutrality 	 Reduction in CO ₂ emissions
Social 	Develop products that contribute to society Occupational health and safety Respect for human rights Diversity of human resources Social contribution activities Fair business practices	<ul style="list-style-type: none"> ■ A safe, welcoming workplace where human rights are respected ■ Implementation of a human asset portfolio and human capital management ■ Construction of an ethical, resilient supply chain 	 Stakeholder Engagement
Governance 	Compliance, instilling awareness of norms Group governance Governance of product development Governance of <i>monozukuri</i> Risk management, BCP	<ul style="list-style-type: none"> ■ Broadly instill awareness of norms, conduct business operations with thorough governance on a Groupwide level 	 Compliance

E: Initiatives for Reducing Environmental Burden

To achieve a 71% reduction in CO₂ emissions by 2035 (vs. 2018), we will promote energy conservation, renewable energy, and fuel switching.

Reducing Energy Consumption (Energy Conservation)

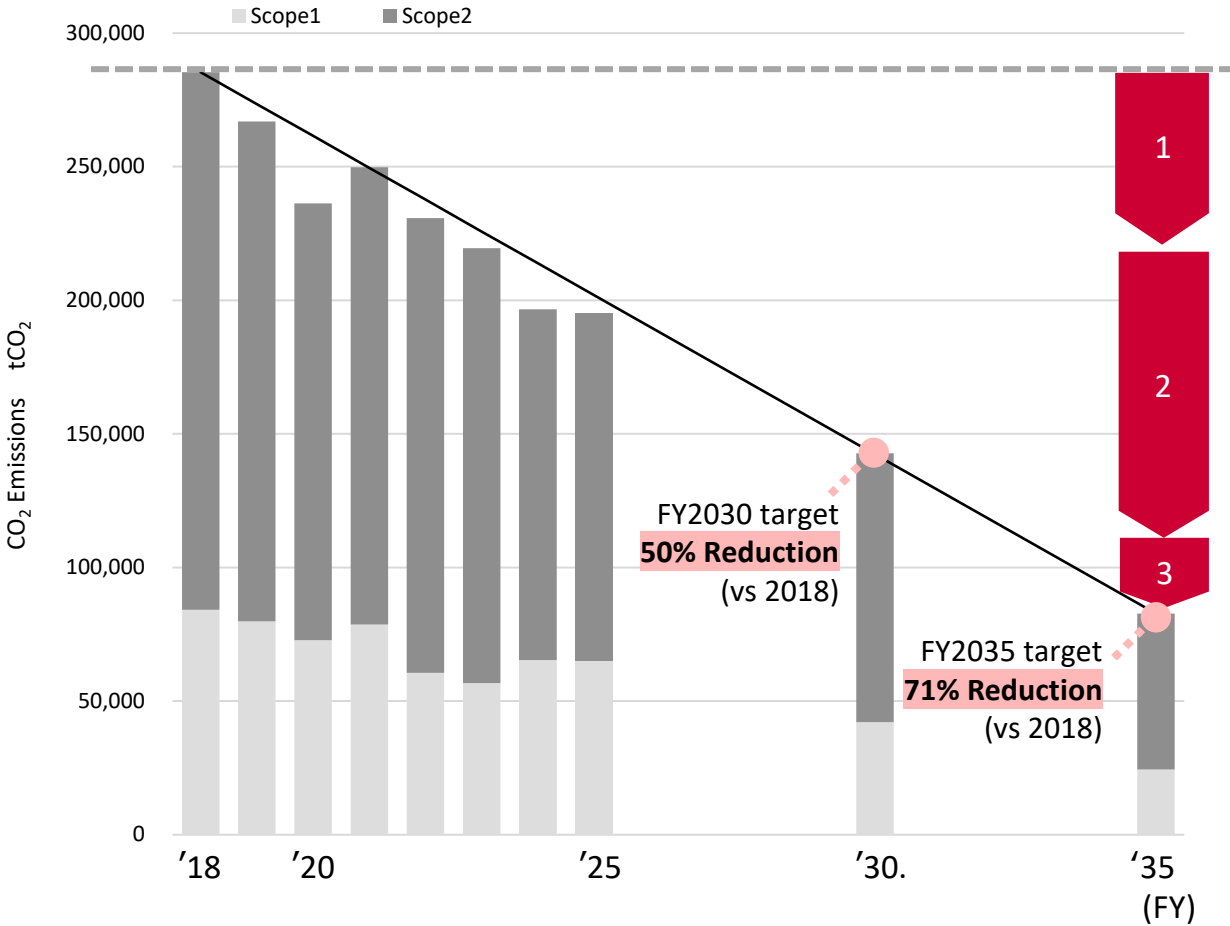
- Reducing energy consumption by eliminating waste in power sources, heat sources, and equipment
- Planned replacement of aging equipment
- Conversion to energy-efficient equipment

Procurement of Renewable Energy (Renewable Energy)

- Use of self-generated electricity through installation of solar power systems on plant roofs
- Power supply through community-linked solar power generation and biomass power generation
- Switching to green electricity

Carbon-Neutralization of Gas Fuels (Fuel Switching)

- Electrification of gas equipment
- Utilization of carbon-neutral gases (e-methane and hydrogen)



Pursuing the growth of talent and organizations that support corporate strategy, with the aim of enhancing engagement and maximizing human capital value.

Human Capital Management

What engagement means to us

- An organization capable of sustaining high performance
- Individual growth and career autonomy
- A sense of purpose, understanding, and contribution in one's work (job satisfaction)

Human Resource Strategy

- **Talent acquisition** Securing talent capable of driving business growth and taking on the challenge of creating new businesses.
- **Talent allocation** Allocating talent based on the human resources portfolio in ways that support individual growth.
- **Talent development** Developing talent that continues to strengthen both expertise and autonomy.

Workplace Culture and Organization

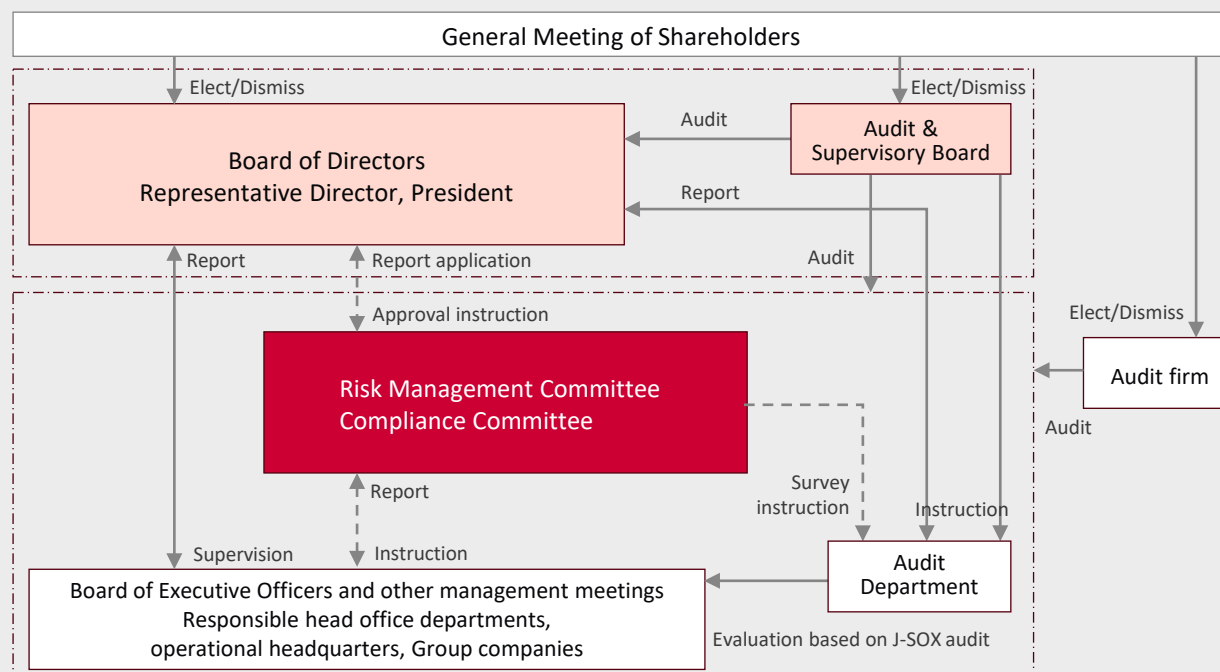
- **Respect for human rights** A workplace where every individual is respected and can work with peace of mind.
- **Health and well-being** A workplace where employees can continue working in a healthy and energized manner, both physically and mentally.
- **Diversity and inclusion** A workplace where diverse talent can demonstrate their abilities through continuous growth and new challenges.

Establish a group-wide business management structure with strong governance to prevent serious non-conforming incidents.

Corporate Governance Structure

Strengthening the governance structure by focusing on preventive measures and the priority management of high-risk items through two dedicated committees

- Risk Management Committee: Promoting risk management activities
- Compliance Committee: Preventing recurrences and promoting preventive activities



Reforming the Board of Directors, Audit & Supervisory Board, and advisory committees

- Improve the effectiveness of the Board of Directors by reviewing approval authorities and delegating decision-making on business execution to the Board of Executive Officers
- Enhance independence and objectivity by appointing Outside Directors as chairpersons of the voluntary Nomination and Compensation Committees, which serve as advisory bodies to the Board of Directors
- Enhance objectivity by conducting evaluations of Board effectiveness through an external third-party organization
- Further strengthen governance by adding one Outside Audit & Supervisory Board Member (scheduled for late June 2026)

Dialogue with Stakeholders

- Secure appropriate evaluation and support, and realize management from the perspective of shareholders and investors by enhancing and strengthening dialogue with them
- Enhance disclosure of information regarding business operations and sustainability



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FY2025 Performance Overview

✓ **Increase in Net Sales and Profit (Operating Profit ¥22.7bn → ¥34.9bn)**

- Net sales increased due to higher sales of automotive OEM and construction machinery products, the consolidation of Chita Kogyo as a subsidiary, and price pass-through of higher energy cost.
- Operating profit increased thanks to cost reductions from improved productivity in the U.S., the recognition of negative goodwill from the acquisition of Chita Kogyo, and price pass-through of higher energy cost.

FY2026 Forecast

✓ **Increase in Net Sales, Decrease in Profit (Operating Profit ¥34.9bn → ¥24.0bn)**

- Net sales increased due to higher sales of aftermarket products for automobiles.
- While an increase in sales of aftermarket products for automobiles is anticipated, operating profit is expected to decrease due to the non-recurrence of one-off factors from FY2025, including a gain on negative goodwill.
- The impact of the situation in the Middle East is not incorporated into the forecasts at this time.

Return to Shareholders

✓ **FY2025 annual dividend: ¥156 per share (Up ¥6 from the figures announced in February)**

- Interim dividend forecast: ¥75 per share / Year end dividend forecast: ¥81 per share

✓ **FY2026 annual dividend forecast: ¥162 per share**

- Interim dividend forecast: ¥81 per share / Year end dividend forecast: ¥81 per share

✓ **Completion of tender offer and repurchase of treasury shares (Total acquisition cost: approx. ¥12.2bn)**

- Repurchase period: From Feb. 13 to Mar. 16, 2026; Settlement commencement: Apr. 8, 2026

FY2025 Financial Summary

(¥ Billion)	IFRS			Differences
	FY2024 actual	FY2025 forecast	FY2025 actual	Previous period
Net sales	438.3	475.0	481.5	43.2
Segment profit* [Segment profit ratio]	19.8 [4.5%]	27.5 [5.8%]	29.4 [6.1%]	9.6 [1.6%]
Operating profit [Operating profit ratio]	22.7 [5.2%]	36.0 [7.6%]	34.9 [7.3%]	12.3 [2.1%]
Profit attributable to owners of the parent	14.9	27.5	29.0	14.1
FOREX (Average) (¥)				
JPY/ US\$	152.57	147.31	150.77	
JPY/ EUR	163.73	170.13	174.79	

*Segment profit correspond to operating income in JGAAP.

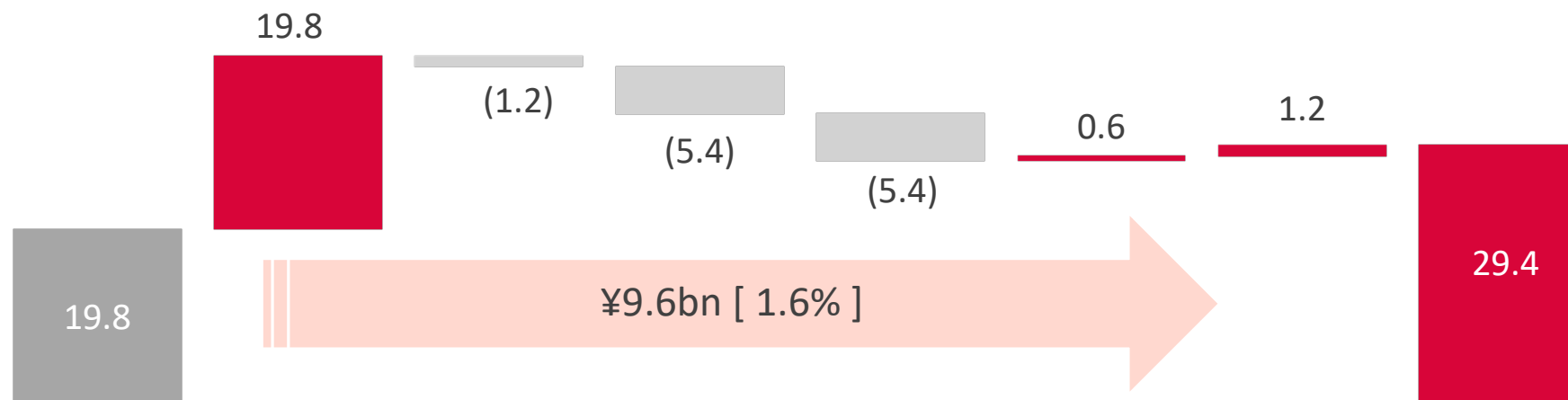
FY2025 Net Sales and Segment Profit

(¥ Billion)	Net Sales			Segment Profit		
	FY2024 actual	FY2025 actual	Differences	FY2024 actual	FY2025 actual	Differences
AC	307.6	344.1	36.4	17.2	23.4	6.2
HC	116.2	123.9	7.7	1.7	4.5	2.7
Aircraft Components	3.7	6.7	3.0	(0.4)	0.4	0.8
Special-Purpose Vehicles	10.8	6.9	(4.0)	1.3	1.1	(0.2)
Total	438.3	481.5	43.2	19.8	29.4	9.6

AC: Automotive Components

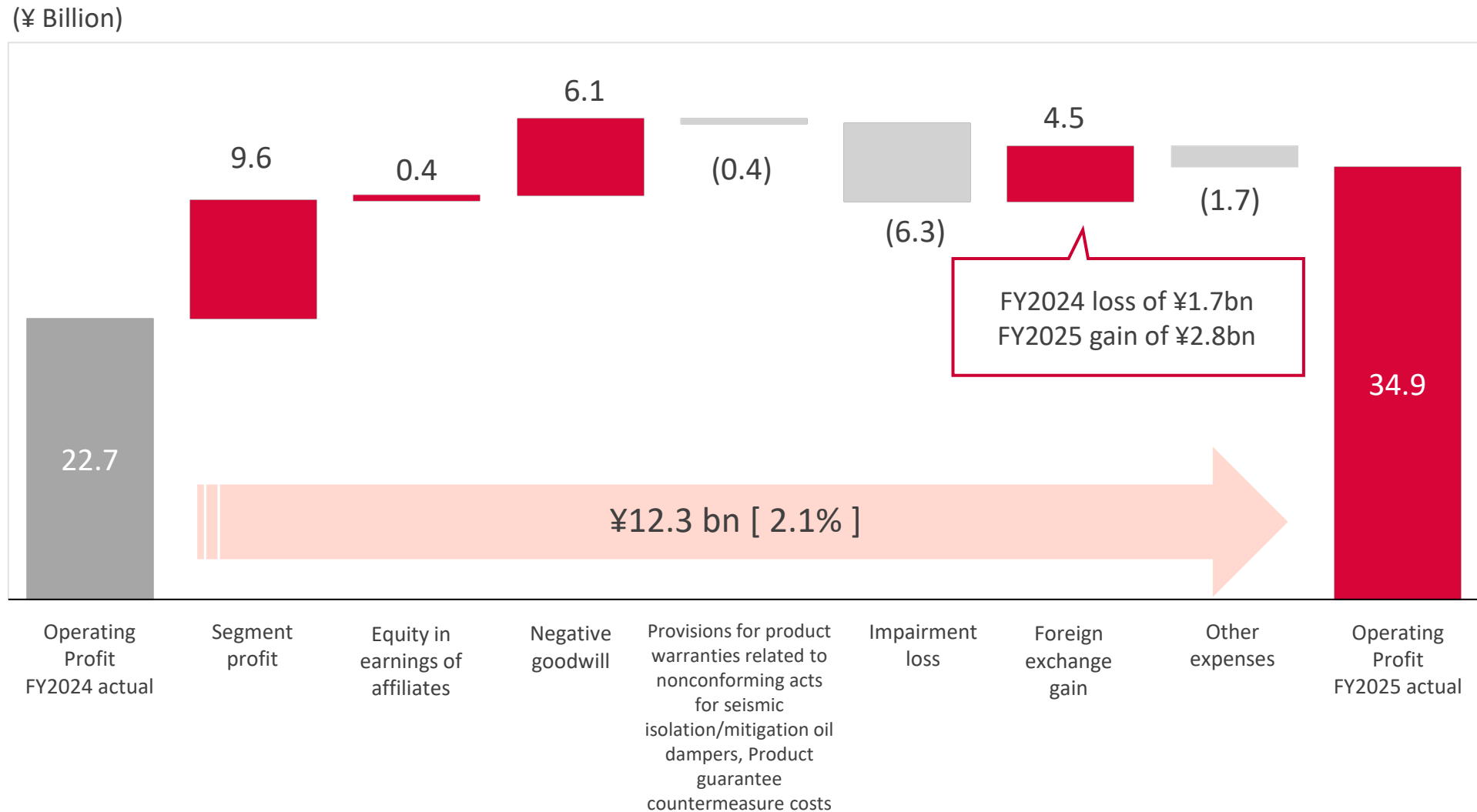
HC: Hydraulic Components

FY2025 Net Sales and Segment Profit (Comparison with previous period)



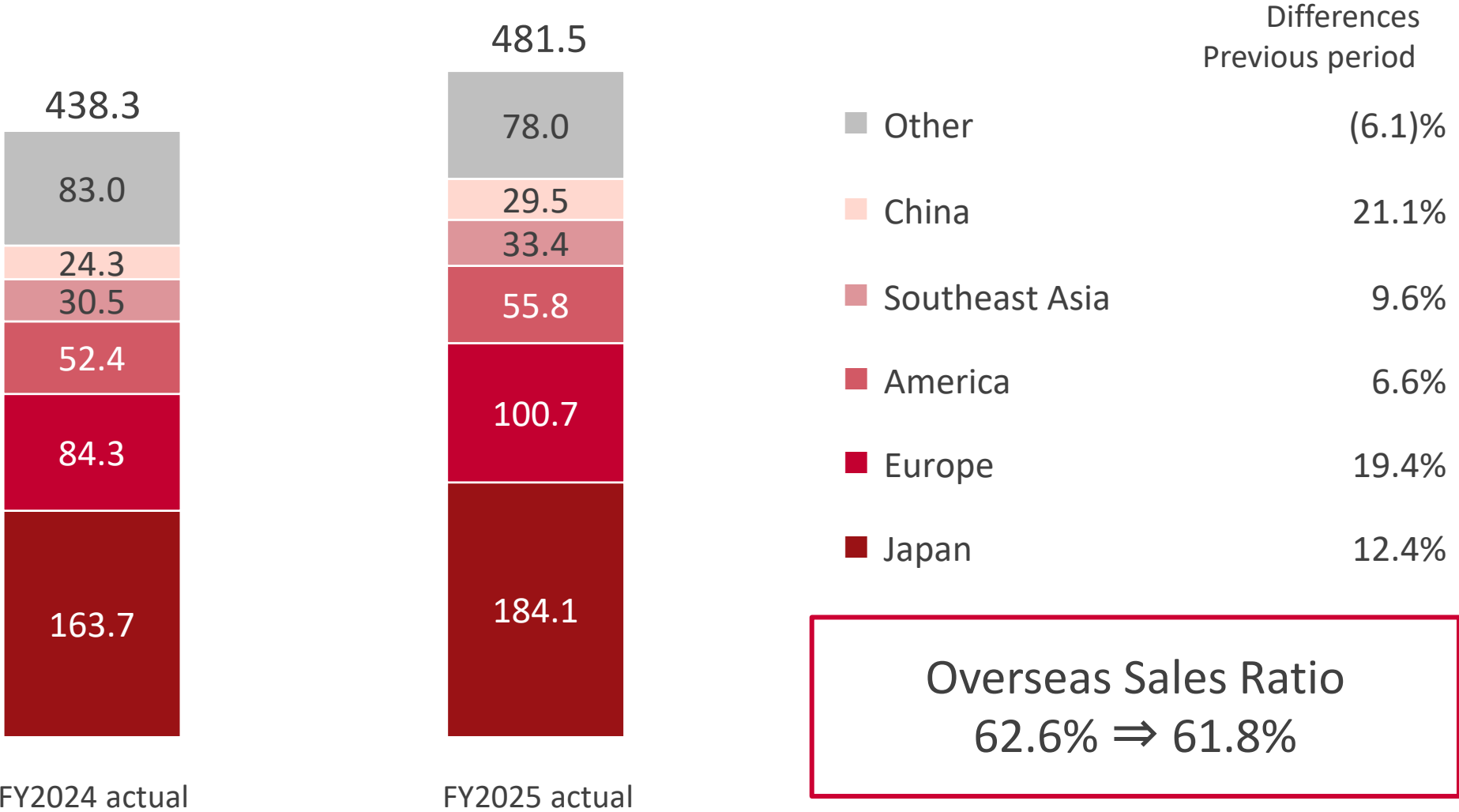
(¥ Billion)	FY2024	Sales & variable cost factors	Depreciation expenses	Personnel expenses	Other expenses	Foreign exchange	Subsidiarization of Chita Kogyo	FY2025
AC	17.2	13.8	(1.3)	(4.6)	(3.5)	0.6	1.2	23.4
HC	1.7	5.6	0.0	(1.4)	(1.5)	(0.0)	0	4.5
Aircraft Components	(0.4)	1.1	(0.0)	0.0	(0.2)	0	0	0.4
Special-Purpose Vehicles	1.3	(0.7)	0.1	0.6	(0.1)	0	0	1.1
Total	19.8	19.8	(1.2)	(5.4)	(5.4)	0.6	1.2	29.4

FY2025 Changes in Operating Profit (Comparison with previous period)



FY2025 Net Sales by Region

(¥ Billion)



(¥ Billion)	IFRS		Differences
	FY2025 actual	FY2026 forecast	Previous year
Net sales	481.5	489.0	7.5
Segment profit* [Segment profit ratio]	29.4 [6.1%]	20.0 [4.1%]	(9.4)
Operating profit	34.9	24.0	(10.9)
Profit attributable to owners of the parent	29.0	16.0	(13.0)
Dividend (¥)	156	162	6
FOREX (Average) (¥)			
JPY/ US\$	150.77	155.00	
JPY/ EUR	174.79	180.00	

* Segment profit correspond to operating income in JGAAP.

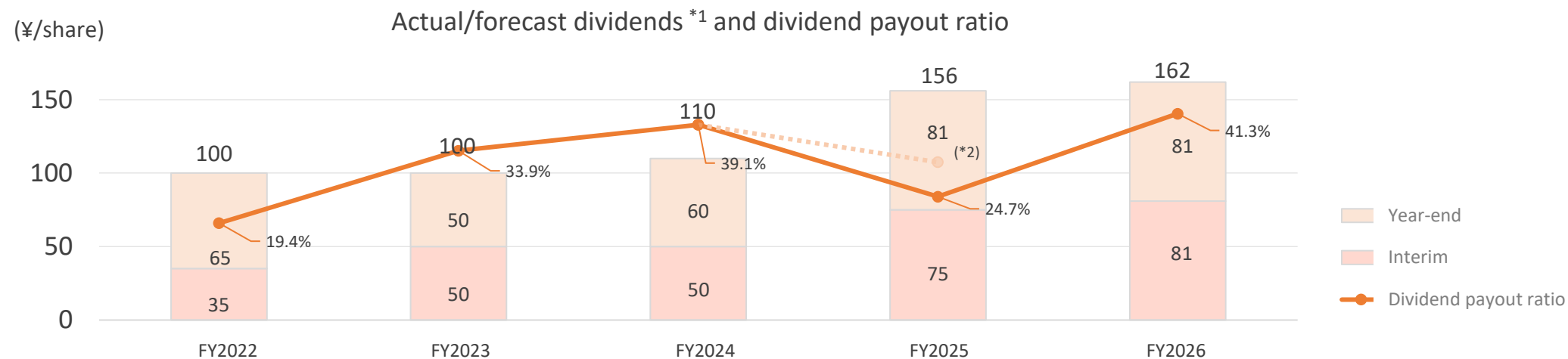
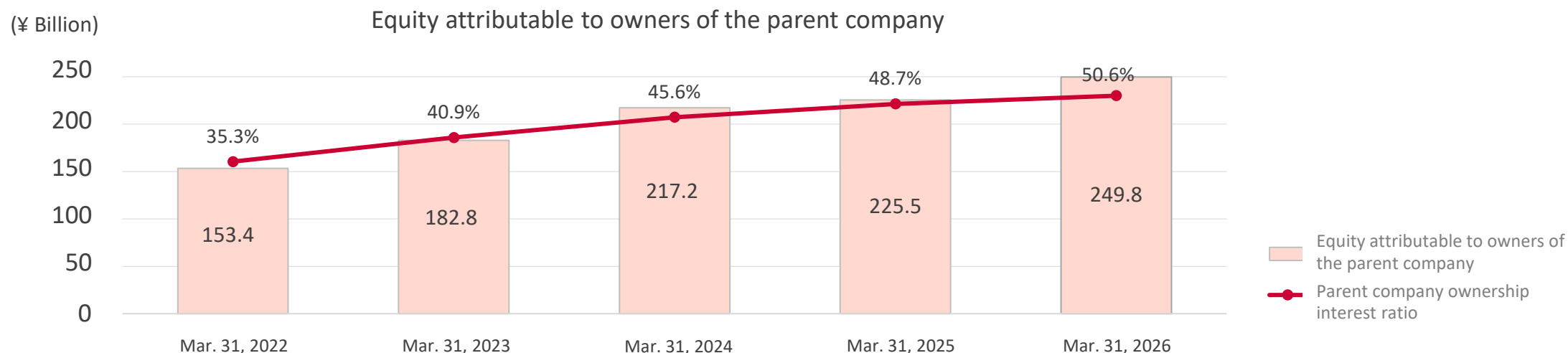
FY2026 Net Sales and Segment Profit Forecast (By Sales Division)

(¥ Billion)	Net Sales			Segment Profit		
	FY2025 actual	FY2026 forecast	Differences	FY2025 actual	FY2026 forecast	Differences
AC	344.1	349.6	5.5	23.4	15.6	(7.7)
HC	123.9	126.8	2.9	4.5	3.8	(0.6)
Aircraft Components	6.7	6.0	(0.7)	0.4	0.0	(0.4)
Special-Purpose Vehicles	6.9	6.6	(0.3)	1.1	0.5	(0.7)
Total	481.5	489.0	7.5	29.4	20.0	(9.4)

AC: Automotive Components

HC: Hydraulic Components

Changes in Equity and Dividends



^{*1} Dividends (adjusted for the stock split) are stated based on the 2-for-1 stock split on December 3, 2024, and retroactively adjusted for FY2022 (pre-split dividend X 1/2)

^{*2} Excluding the non-cash gain (¥6.1 billion of negative goodwill from the acquisition of Chita Kogyo) from profit, the dividend payout ratio is 31.6%



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Cautionary Statement

This report contains forward-looking statements, including KYB's plans and strategies, as well as statements that report historical results. Forward-looking statements involve such known and unknown risks and uncertainties as economic conditions; currency exchange rates; laws, regulations, and government policies; and political instability in principal markets.

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