

Contributing to society by providing technologies and products that make people's lives safer and more comfortable.



Corporate Spirit

By providing technologies and products that make people's lives safe and comfortable, the KAYABA Group contributes to society

1. We shall follow all rules and face all issues with honesty.
2. We shall build a corporate culture full of vitality, and hold high goals.
3. We shall value kindness and sincerity, cherish nature and care for the environment.
4. We shall constantly pursue creativity to contribute to the prosperity of customers, shareholders, suppliers and society.

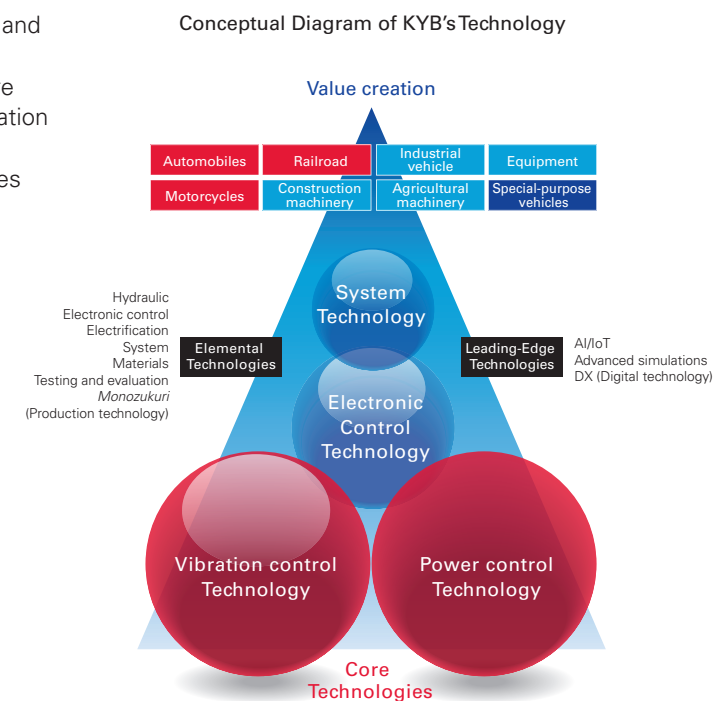
Management Vision

1. **Human Resource Development:** To develop human resources who have a thorough understanding of our policies and strategies and can accomplish our goals with passion.
2. **Technology and Product Development:** To offer products that gain the admiration, provide comfort and satisfy all of our customers throughout the world.
3. **Monozukuri** (Japanese Manufacturing Expertise): To operate plants filled with the creative inspiration of committed *monozukuri*, and joy of creating products that satisfy our customers.
4. **Management:** To be always self-aware of our corporate social responsibilities and to pursue efficient management.

1 Pioneering hydraulic technology to achieve ultimate ride comfort

We have been advancing vibration control and power control technology for over nearly a century. Building on this foundation, we are combining AI/IoT, DX, and advanced simulation with all of our component technologies to create the next-generation hydraulic devices and systems.

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2 Aiming to Raise Long-term Corporate Value through Improving Profitability and Stabilizing the Performance of Major Businesses

A range of issues, such as the acceleration of global warming and the exhaustion of natural resources, are surfacing in every part of the world, threatening the sustainability of the global environment and society.

KYB, as a company that has origins in manufacturing technology and that contributes to the resolution of social problems and the creation of a sustainable future, is aiming to raise its medium- to long-term corporate value through strengthening our management base.

In our FY2023 medium-term management plan, we will resolve each issue and build a management base that makes possible sustainable long-term growth by "mastering quality management."

Master Quality Management, Put the Corporate Spirit into Practice

1. Promote TQM initiatives: Raise the quality of human resources, information, work, and product services
2. Thorough awareness of norms: Instill throughout the entire KAYABA Group
3. Achieve growth through new markets, new products, and new business models
4. Construct an innovative productions system with the manufacturing skills of the future
5. Optimize and construct a global system that can respond to change
6. Respond to social demand and become a company that can contribute to resolving social issues

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3 ESG management which forms the basis of policy formulation

By promoting management that is based in quality and ESG, we will contribute to the future as a member of a sustainable society.

Outline of Environmental Activities



1. Develop products that contribute to environmental preservation
2. Reduce environmental burden of products
3. Reduce environmental burden in *monozukuri*
4. Environmental preservation activities
5. Environmental managements

Outline of Social Activities



1. Develop products that contribute to society
2. Occupational health and safety
3. Respect for human rights
4. Diversity of human resources
5. Social contribution activities
6. Fair business practices:

Outline of Governance Activities



1. Compliance, instilling awareness of norms
2. Group governance
3. Governance of product development
4. Governance of *monozukuri*
5. Risk management, BCP

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Message from the CEO



M. Kawase

Masahiro Kawase
Representative Director, President/Chief Executive Officer (CEO)

As a global leader in vibration and power control rooted in our core hydraulic technology, KYB is striving to contribute to the sustainable development of the world and society.

Unyielding Spirit of a Global Leader in Vibration and Power Control

With a positive mindset

At KYB's General Meeting of Shareholders in June 2024, a new management system was put in place, and I was inaugurated as Representative Director and Chief Executive Officer (CEO). In taking on this position, feel the great significance of KYB's history—forged by our predecessors who overcame many hardships ever since the company's establishment to bring us to the present day.

On March 10, 2025, KYB will reach its 90th

anniversary. In order to continue contributing to society for 100 years and beyond based on the spirit of freedom and originality we have inherited from our founder, we must continue passing on the strengths developed by the KAYABA Group, evolve to match the changing times, and create new businesses, products and services. To do that, all member of the Company, including myself, need to be full of enthusiasm, independently take on challenges, and have a positive mindset. The key word here is "persistence." With a positive mindset and will to never give up, we are determined to continue contributing to society going forward, remaining a leader in vibration and power control while working to preserve our natural environment.

Review of FY2023

Under the slogan of "Mastering quality management," we are raising the quality of our products and services to earn the trust of our stakeholders and bring them joy.

FY2023 was the first year of our 2023 medium-term management plan (the 2023 mid-term plan), which has the slogan of "Mastering quality management—all members participate in TQM initiatives." We are conducting TQM initiatives with the participation of all employees, simultaneously raising the quality of work while strengthening our management base to improve the quality of our human resources, information, and product services. Specific initiatives in this first year include not only policy management that evaluates the degree of achievement of targets, but also promoting initiatives such as quantifying process targets and evaluating the degree of achievement, raising the level of policy management. In the second year of 2024, we will advance activities to further improve quality through practical education.

Turning toward the management environment, the restrictions on economic activities caused by the COVID-19 pandemic have been largely lifted, and we are seeing signs of an economic recovery. However, the global economy is showing signs of an economic slowdown caused by monetary tightening in various countries in the face of unstable world affairs, sharp rises in energy prices, and accelerating inflation due to heightened geopolitical risks, particularly in the Middle East region. In the KAYABA Group's business environment, we are seeing an improvement in demand related to automobiles. However, construction machinery is seeing a major deceleration in demand particularly in the China market and the impact of worsening productivity in the United States, Central America, and Europe, making the management environment more severe than in the previous year.

Amidst this environment, sales increased 3%, due to reflecting price increases in selling prices and the effect of yen depreciation in exchange rates. However, segment profits decreased due to cost increases triggered by the deterioration of productivity in the United States, a decline in sales of aftermarket products, and the

impact of reduced sales of products for construction machinery caused by sluggish markets in China and Europe.

The Mission We Must Accomplish

"Making people's lives safe and comfortable" Offering products and technology to achieve that goal and pave the road to an affluent society

The KAYABA Group conducts initiatives aimed at resolving environmental and social issues, and promotes business activities to provide technology and products that contribute to the achievement of a sustainable society. With our Corporate Spirit of "offering products and technology that make people's lives safe and comfortable, and contributing to society" as our root value, we have passed down our founder's spirit of originality. Now, we will return to this value from the past and move forward from there to create a vision of an abundant future.

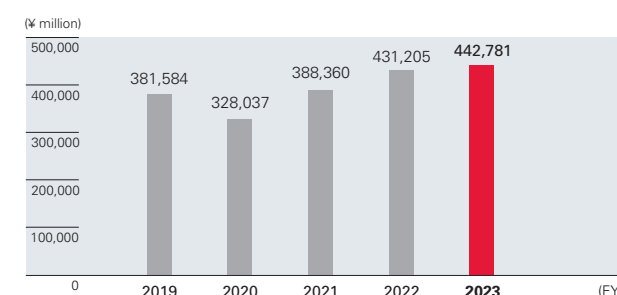
In order to accomplish this mission, it is critical that we create an environment in which our employees can take on challenges without fear of failing and thoroughly display their unique abilities. At the KAYABA Group, we refer to our human resources as "human assets" based on the concept that "people are what make the organization, and they are valuable assets to the organization." To contribute to the creation of an affluent future through our human assets, who are of great value to the organization and who carry on a spirit of originality while incessantly taking on challenges—this is the mission of the KAYABA Group.

Toward our 90th Anniversary and the Next 100 Years

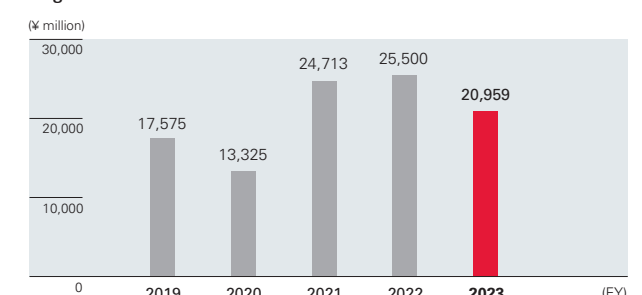
KYB'S DNA inherited from our Founder Bringing the "Spirit of Freedom and Originality" into the Next 100 Years

October 1, 2023, the Company changed its Japanese official name to KAYABA. The passionate imagination of founder Shiro Kayaba has been passed on from

Net Sales



Segment Profit



Note: Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from net sales.

Message from the CEO

generation to generation, leading to the growth of today's KYB.

"In a world that is always seeking the new, everything currently in use is a thing of the past that is still in development. Nothing is completely perfect. It is inherently human to engage in a constant search for a higher level of completion, and that drive is what underlies the development of companies as well as our society."

These words left behind by our founder deliver us a passionate message to continue in our quest.

What brings better products with high reliability supported by technological prowess into existence is an accumulation of the abilities of all our employees in all workplaces. The phrase we use to describe that is "Power of a workplace full of enthusiasm." The KAYABA Group consists of more than 13,000 employees active in 23 countries. That diversity plays an important role in innovation aimed at reaching an affluent future. The source of the KAYABA Group's growth is the free and original ideas generated by our diverse workforce. As the current generation of KYB members, we are tasked with bringing our founder's DNA into the future. As we move toward the milestone of our 90th anniversary on March 10, 2025, toward our 100th anniversary and then into the next 100 years, I hope to continue having dialogues about which challenges we should take on in order to be a corporate group in which our companies and employees grow together.

Make the Tomorrow of Your Dreams

Offering environmentally friendly products featuring electrification technology

The markets where we offer our products require more environmental compatibility than ever before, such as for decarbonization, and full use of electrification technology.

In March of 2023, KYB and its U.S. subsidiary jointly exhibited at CONEXPO 2023, one of the world's three major construction trade shows. Held in Las Vegas, the KYB booth targeted the event as an opportunity to promote sales in North America, as construction market

is likely to be greatly affected by a decrease in the number of workers in the future. In addition to excavator products, products for North America's unique market of compact track loaders and the new product of a hoist cylinder for mining dump trucks were exhibited for the first time. Their size caught the attention of many attendees. And in electrified / digitized products, we exhibited our mini motion package (MMP) and oil leak detection sensors, proudly displaying our wide-ranging product lineup and initiatives.

We learned a great deal about other companies' initiatives and information on trends, and we will use that knowledge in our product development going forward.

KYB's Quest for the "Ultimate Ride Comfort"

We exhibited at the Japan Mobility Show 2023, held for the first time in four years from October 25 to November 5, 2023. The concept for our exhibit was KAYABA No Asobiba (KYB's place to play), and "Make the Tomorrow of Your Dreams" was the catchphrase for our contributions to the mobility society of the future from our origins in hydraulics technology. To introduce both our core and cutting-edge technology, the exhibit offered visitors an experience with a wheelchair equipped with shock absorbers, a hands-on shock absorber assembly experience, and also featured shock absorbers that they could connect to through a smartphone. These exhibits gave the over 4,000 visitors who came to the KYB booth an opportunity to learn while having fun.



An operations demonstration of our campervan, which is equipped with fully active suspensions, showed how we will contribute to the future mobility society with KYB's technology. It's possible to control even a massive, 3.5-ton vehicle frame with a combination of hydraulics and electronic controls. We took a survey with our visitors, and found that 98% of them answered that they "understood clearly" and "wanted to learn more" about KYB's initiatives. KYB is aiming for a future in which we offer not only safety and comfort for all drivers and passengers, but also a fun mobility experience.

To Our Stakeholders

Aiming for further growth and higher corporate value

To all our shareholders and investors, we sincerely thank you for your understanding and support of KYB. Also, to all who sell and purchase our products, and the business partners who carry our components and materials, thank you for our ongoing support. I'd like to use this opportunity to show our gratitude for your warm support.

In FY2023, the first year of the 2023 mid-term plan, we promoted TQM initiatives, seeking to win higher levels of trust and satisfaction from all of our stakeholders. In FY2024, with TQM initiatives reaching their second year, we will build an environment in which employees can actively take on challenges, further strengthen our management base, and aim at further growth and higher corporate value together as a united KAYABA Group.

To spread joy, we are determined to evolve as a company with which our customers and business partners feel happy to engage in *monozukuri*, in which our employees can feel a sense of pride that they share with their families, and that can respond to the expectations and trust of our shareholders and investors.

In these endeavors, we ask for your continued support.



The Year at the KAYABA Group

2023

- May**
 - Shiro Kayaba Awards
 - Financial Results Briefing
 - KYB first: Received Technology Award from the Japanese society of Tribologists "Evaluation technology for friction characteristics in automotive shock absorbers"
- June**
 - Annual Shareholders' Meeting
 - A vehicle equipped with a KYB-made sports EPS wins the championship at the 24 Hours of Le Mans race
 - Participated in Kanagawa Science Summer 2023
- July**
 - Purchasing Policy Briefing
 - Exhibited mobile home (TOKYO Camper Car Show 2023)
 - Development of vane pumps for AT (20% reduction in lost torque)
 - Declaration of UK Modern Slavery Act announced
- August**
 - Received "Eruboshi" certification from the Minister of Health, Labour and Welfare
 - Smart Road Monitoring selected at the Open Innovation Program of Sagami City, Kanagawa Prefecture
- September**
 - Announced the world's first environmentally friendly hydraulic oil, SustainaLub®
- October**
 - Exhibited at the Japan Mobility Show 2023
 - Started introduction of OBP pallets
- November**
 - Financial Results Briefing
 - Companywide Small Group Activity Meeting & Presentation (Production Departments)
- December**
 - Companywide Technology Presentation
 - Development of oil condition analysis system for hydraulic equipment

2024

- January**
 - Exhibited at Tokyo Auto Salon
 - Development of oil leak detection sensors for hydraulic cylinders used in construction machinery
 - Practical use of AI in development of shock absorber component
 - Support for the earthquake-stricken area of the Noto Peninsula
- February**
 - Companywide Small Group Activity Meeting & Presentation (Administration, Sales, and Management Departments)
 - Participation in leading JN1 class 2024 series decided (KAYABA rally team)
- March**
 - Certified as Health and Productivity Management Organization 2024
 - "Multi-stakeholder policy" determined
 - Endorsed Keidanren Initiative for Biodiversity Conservation
 - Conducted sustainable finance

*Ocean Bound Plastic (OBP): Collect and recycle plastic waste disposed of on land within 50 km of a coast.

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. It is a symbol of our desire to constantly change (rotate) and give birth to something new and original. We started using it as our company emblem again in 2022, the year in which we changed the Company's common name to "KAYABA" in Japan.



Message from the CFO

KYB is seeking sustained growth and increases to our mid- to long-term corporate value by striving for quality management conscious of capital costs.



Takashi Saito
Member of the Board of Directors, Executive Vice President
Executive Officer Chief Financial Officer (CFO)

Financial Targets for the Achievement of the 2023 Mid-term Plan

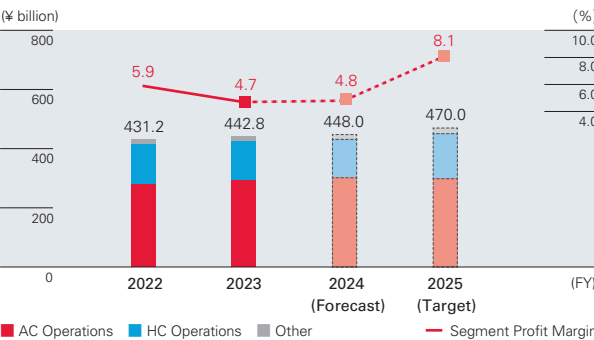
KYB is working to raise the overall quality of the Group and increase corporate value through executing five basic policies that we set forth in the 2023 medium-term management plan (the 2023 mid-term plan). We have set our financial targets as ROE of 12% and a dividend payout ratio of 30%. These targets will promote action to achieve a management conscious of capital costs and stock prices while promoting quality management. We will move forward with initiatives aimed at achieving our targets for sales of ¥470 billion and for the segment profit ratio of 8.1%.

	FY2023	FY2025 target
Net sales	¥442.8 billion	¥470.0 billion
Segment profit	¥21.0 billion	¥38.0 billion
Segment profit ratio	4.7%	8.1%
Equity ratio	45.6%	45.0% or more
Payout ratio	33.9%	30.0% or more
ROE	7.9%	12.0% or more

The Five Basic Policies

▶ Growth strategy	Development and launch of electrification products New customers / new market entry, create new business
▶ Innovative monozukuri	Innovative manufacturing initiative (Ship'30* p.14): Automated production, transfer, and inspection Visualization of production site information through the utilization of AI/IoT
▶ Constant cost reduction	Determining the optimal global production areas in response to changes
▶ Environmental Initiatives	Activities related to SDGs and sustainability
▶ Improving capital efficiency, strengthening financial structure	Initiatives for improving PBR (ROE improvement) and strengthening shareholder returns

Net Sales and Segment Profit Ratio

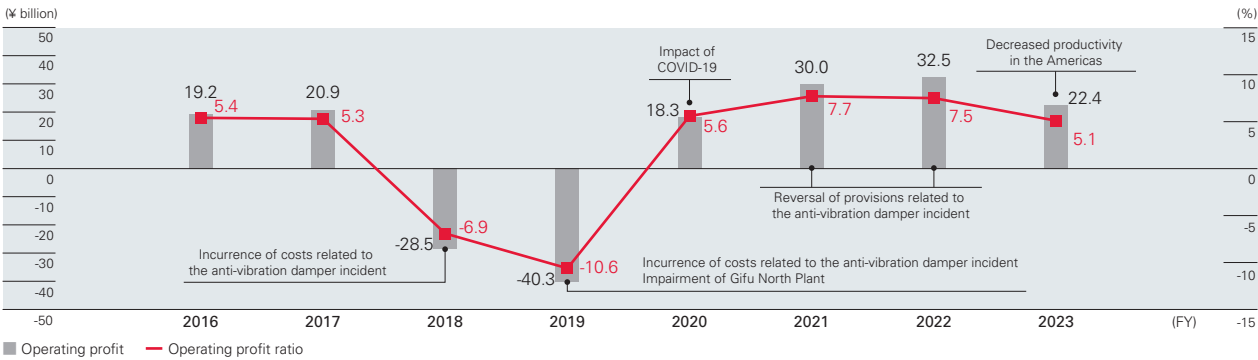


Analysis of the Present Situation and Issues for KYB

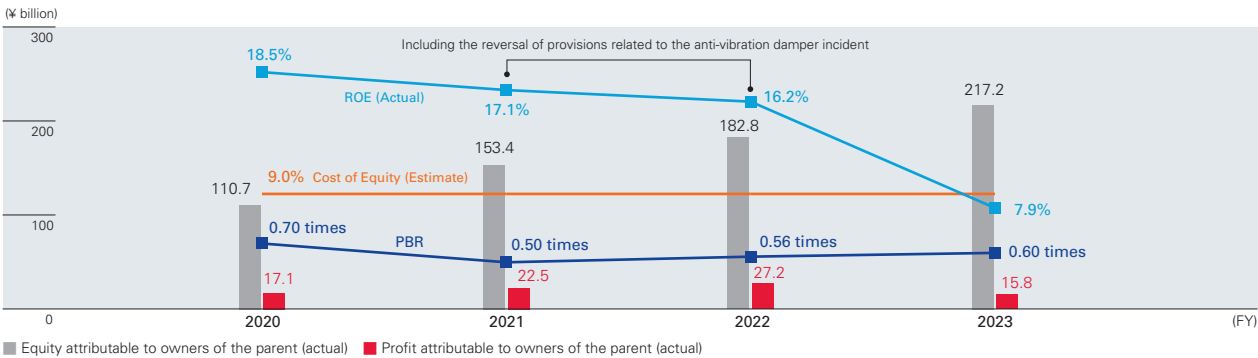
The Tokyo Stock Exchange has called for actions to achieve management that is conscious of capital costs and stock prices. Recently, KYB's price book-value ratio (PBR) has remained below 1.0 times, stalled at 0.6 as of the end of March 2024. The PBR has fallen to a sub-standard level due to large fluctuations in performance. Following the appropriation of a large amount of funds in connection with the detection of non-conforming acts associated with vibration control dampers in 2018, there were factors that had major impacts on the external environment, such as the COVID-19 pandemic and semiconductor shortage, and performance has not recovered as hoped. We made compliance the center of management in order to regain trust, and our business performance has steadily recovered through persistent

improvements. However, FY2023 has seen sudden changes in the market and a worsening of productivity at our U.S. plant, causing our performance to decline. Also, we estimate shareholder's equity cost to be at 9.0%, and the latest ROE at 7.9%, meaning our current equity spread falls into the negative. To stably product profits based on this analysis of the current situation, the governance of group companies, stabilization of quality and productivity, and the improvement of price competitiveness are the issues we must be aware of and address. Also, to achieve sustained growth and increases to our mid- to long-term corporate value, I believe it is necessary to improve our ROE and reduce our shareholder's equity cost.

IFRS Operating Profit / Ratio



ROE and Cost of Equity



Our Next Initiative: Raising the PBR

With "Mastering quality management" to resolve issues at the foundation of all of our initiatives, we are progressing with initiatives to improve corporate value and that show awareness of capital costs. PBR consists of ROE and PER, which means improving ROE and PER will lead to an improvement of PBR. First, as an initiative to raise ROE, we will aim to raise our profit ratio and improve asset turnover. To raise our profit ratio, we will revise our business portfolio by withdrawing from unprofitable businesses. In particular,

we will withdraw from the unprofitable aircraft business, focus our management resources on AC Operations, HC Operations, and Special-purpose Vehicles, thereby raising our earnings capacity. Also, amidst the advance of electrification centered on EV automobiles, we will continue to develop and introduce new products that are compatible with electrification as an investment in this growth area. We have already started to see results appear, such as the Volkswagen Group adopting KYB's electronically controlled shock absorbers. We are also

Message from the CFO

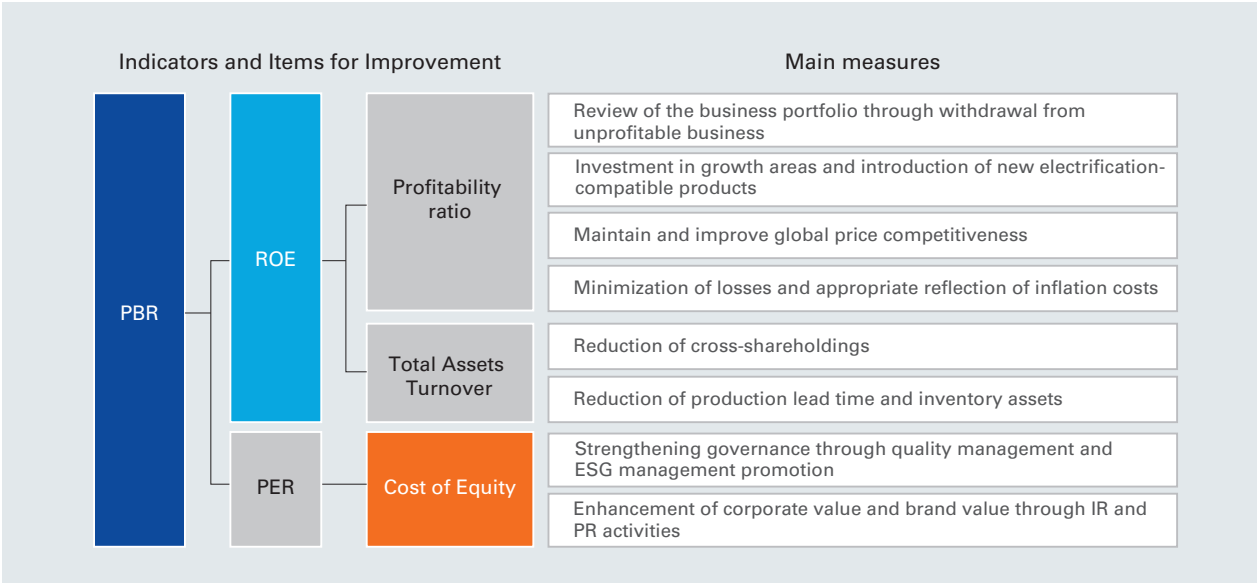
working on steady cost price reductions, the minimization of loss, and appropriate reflection of inflation costs.

In our initiatives to improve asset turnover, we have announced that we will sell off over ¥25 billion of our cross-shareholdings (including deemed holdings) by the end of March 2026, with the market value as of the end of November 2023 as the benchmark. We are moving quickly to achieve this plan. Also, we will use the obtained funds as returns for growth investments and shareholder returns as we strive to raise corporate value. Furthermore, we are planning to reduce production lead time and reduce inventory.

Next, let's turn to our initiatives to raise our PER, where we are endeavoring to strengthen governance through promoting quality management and ESG management. The foundation for ensuring stable earnings and growth is quality, and in order to maintain and improve it, we will promote the Group-wide initiative of

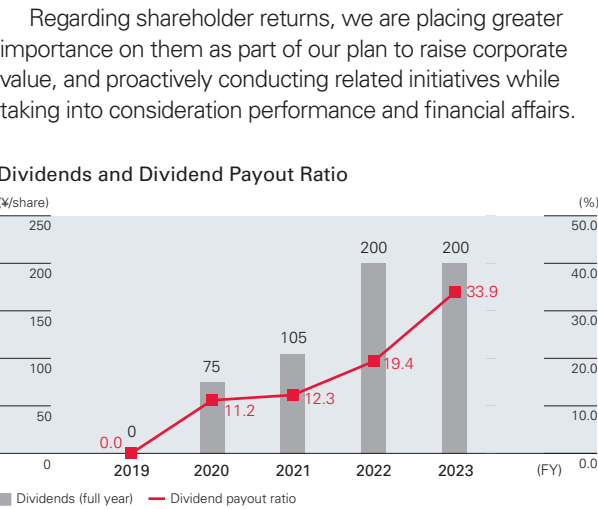
Total Quality Management (TQM) as the starting point for all activities.

Also, we are advancing initiatives for carbon neutrality and reducing CO2 emissions volume by 50% on an FY2018 basis by FY2030, as well as promoting health management that respects human rights. These in combination will strengthen governance, and we will conduct management so that unforeseen incidents do not occur. In our IR activities, we have restarted the individual investor briefing that was suspended since the detection of the non-conforming acts related to vibration control dampers, and actively promoting dialogues with institutional investors and analysts. This has reduced information asymmetry, and we are working to expand our equity spread. We are actively conducting public relations, such as exhibiting at the Japan Mobility Show, rally race participation, and unveiling our campervan.



Shareholder returns

KYB is raising corporate value through initiatives to strengthen long-term, stable returns to shareholders. Specifically, we are planning strengthen returns with a dividend payout ratio of 30% or higher through flexible acquisition and retirement of capital stock. Looking at the past, there was a great amount of funds allocated in connection with the non-conforming acts related to vibration control dampers detected in FY2018, so no dividends were paid in FY2019. After that, we engaged in quality management, and fully returned to offering dividends, with the FY2023 returns at ¥200 per share (dividend payout ratio of 33.9%). Also, regarding the acquisition of capital stock, we are considering the scale of acquisitions using a comparison of our targeted capital structure and theoretical stock prices based on our long-term business plan. In FY2023, we acquired and retired 514,000 shares (¥2,500 million) of capital stock.

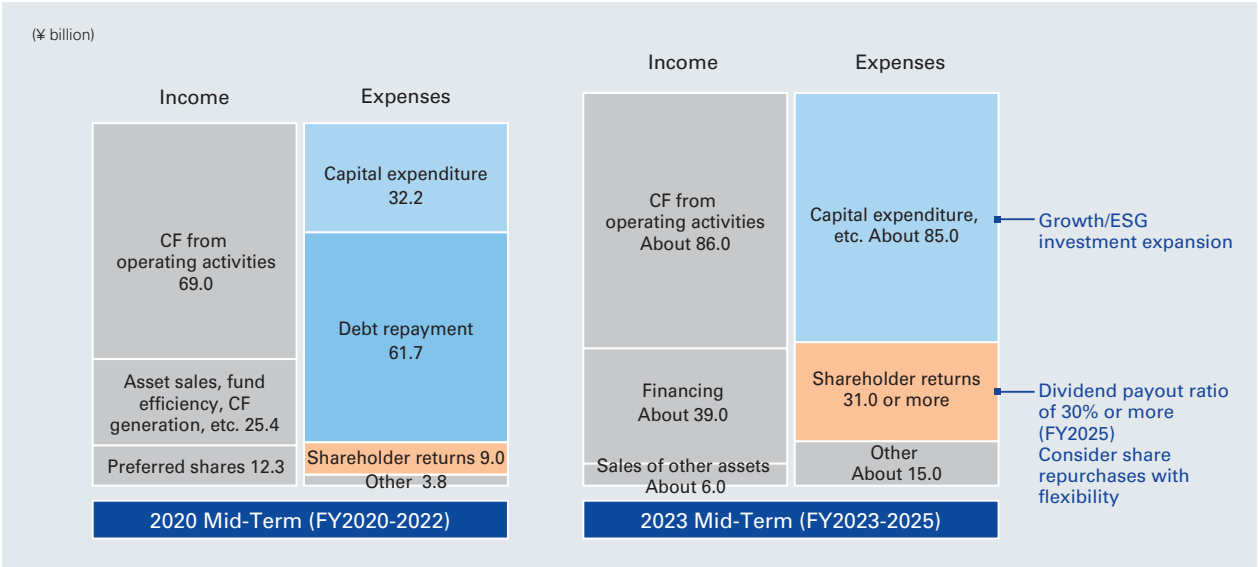


Cash Allocation

At the start of the 2020 mid-term plan (April 1, 2020), KYB had many borrowings in order to respond to the non-conforming acts related to vibration control dampers, and the capital adequacy ratio was 18.1%. Aiming for a sound financial constitution, we strived to improve it by allotting our generated cash primarily toward repaying loans. As a result, at the end of the 2020 mid-term plan (March 31, 2023), the capital adequacy ratio was recovered to 40.9%.

In the 2023 mid-term plan, we will allot the cash that we generated on the base of the sound financial constitution through improvements in the 2020 mid-term plan to capital investments and shareholder returns. For capital investments, we will raise investment efficiency through closely investigating a potential investment, and in addition to controlling with discipline at a

standard equal to the depreciation cost, allocate funds toward growth investments, such as those related to electrification and advancement into the Indian market, where growth is forecast. Also, as a result of shoring up the soundness of our financial constitution in the 2020 mid-term plan, we were able to properly offer returns to shareholders. In the 2023 mid-term plan, we will offer returns to shareholders through a dividend payout ratio of 30% or higher and flexible capital stock acquisition.



In Conclusion

Across the past several years, we have carried out our response to the non-conforming acts related to vibration control dampers, and faced external issues such as the COVID-19 pandemic, the semiconductor shortage, and the global rise in the prices of resources. The environment has been severe, but we have recovered our capital adequacy at a pace exceeding our plan on the base of our core businesses' earning power. Going forward, we plan work on achieving a balance for capital efficiency while maintaining a sound financial base, and raise corporate value by promoting a financial strategy that actively supports future growth.



Manufacturing Craftsmanship Rooted in Technology

We have established a technological development system and evolved our production technology in order for KAYABA Group to achieve the ultimate in ride comfort in any day and age.



Technology Development

Technology Development System

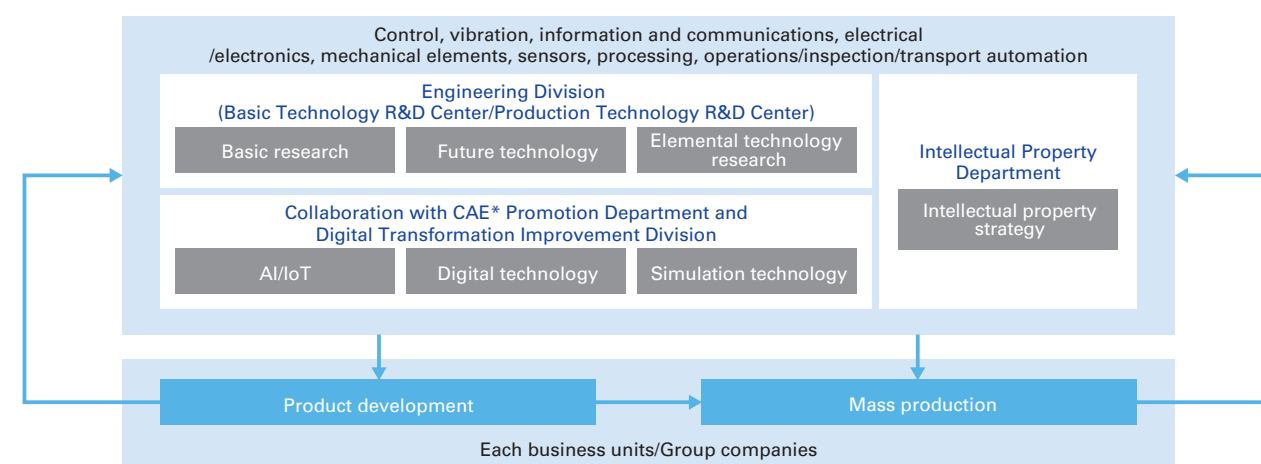
We use digital and simulation technology to conduct research related to future technology and underlying technology at our Basic Technology R&D Center and Production Technology R&D Center. We then conduct a process of using those research results in product development at our business units and Group companies, as well as for mass production. We are building a system that will lead to increased corporate value, such as by generating inventions using intellectual property strategies, in addition to accumulating and upgrading our groupwide technology.

In research and development, we examine and analyze long-term environmental changes and the associated shifts in societal and customer needs, developing a roadmap for our long-term strategy to

achieve ideal future technologies. For example, in basic research, we are advancing the development of electronic control devices and electrification-compatible equipment, as well as systems that integrate these technologies, based on the roadmap for electrification and autonomous driving.

We are working to upgrade and optimize product design with data analysis using AI. Also, in addition to the development and deployment of advanced detection technology such as using AI-driven image processing for appearance tests and processing defect detection, we are striving to create a system of effective operation management at our plants and to train our human resources. Through these initiatives, we plan to raise productivity and quality.

KYB's technology development process



*CAE (Computer-Aided Engineering): The use of computer simulations to resolve issues faced by technical departments.

Production Technology

Innovation in Production Processes and Equipment Management

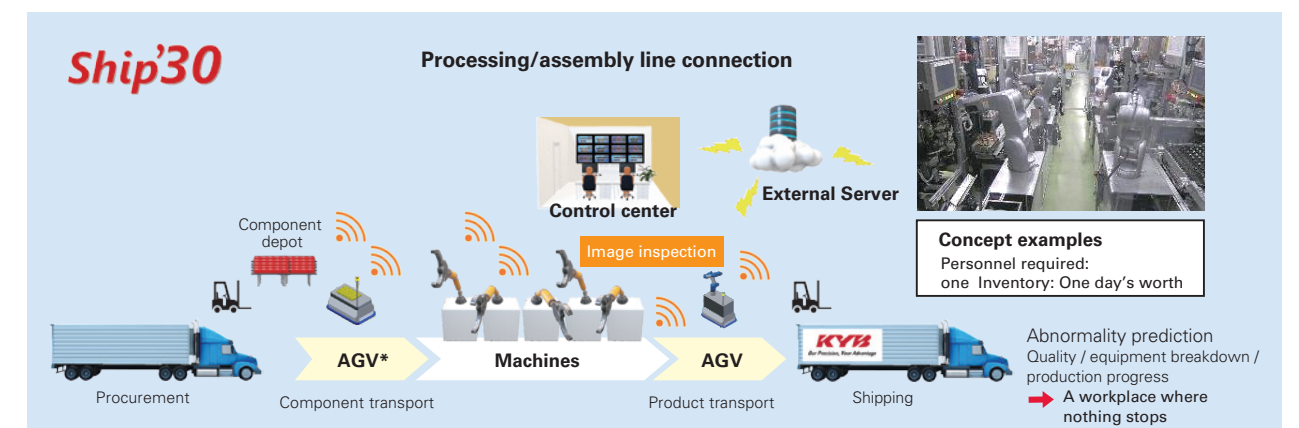
Environmental 3 Governance 4

KYB is working on our Ship'30 project, aimed at achieving the next generation of *monozukuri*. We are striving to create an unmanned plant driven by digital technology. Our concept focuses on achieving continuous, integrated production from machining to assembly, ensuring a seamless flow of items throughout the plant. Through this revolutionary production process, we aim to minimize transport, inventory, and operational tasks.

We are also reforming equipment management by automating human tasks through the use of inspection AI and collaborative robots. At the same time, we are building a next-generation Total Product Maintenance

(TPM) system capable of managing this advanced equipment. In addition, we recognize that this transformation requires upgrading the skills of people who can operate the latest, most advanced machines, and we emphasize the importance of basic machine operation training for every employee.

From FY2023 onward, we will focus our efforts on exploring the KYB Production System based on digital technology, defining our 2030 vision for the development of each business unit and plant, and advancing technology development and production line construction to meet future challenges.



AGV: Automated Guided Vehicle

Innovating Processes that Generate Future Value

KYB is automating daily control and operational processes, seeking to shift to processes that will generate future value. Centered on our Digital Transformation Improvement Div., we are promoting DX in our indirect departments through the following three steps.

Also, we are working on facilitating faster information transfer and its more widespread use by means of our in-house portal.

To achieve these, we are also working on preparing an environment in which we can use a safe, low-cost cloud that makes rapid responses possible.

Through these initiatives, we balance customer trust and satisfaction with employee motivation and job satisfaction at a high level, contributing to continuous growth.

- Step 1 Digitization**
Moving from physical (manpower, labor) to digital
- Step 2 Digitalization**
Innovative operations using digitalization and data
- Step 3 DX**
Moving toward future projects based on data and activities that generate value



A manufacturing company based on technological expertise

Seeking Digital Human Assets

In our human assets training, we aim to train “digital human assets that have both the technical skills to use digital technology and business transformation skills.” Centered on our Digital Transformation Improvement Div., we have an in-house education curriculum in place

that covers content ranging from the basics of IT and DX to practical use of AI. We have also started training management human resources who will use digital technology to bring about a business transformation.

Quality Management

At the KAYABA Group, “quality management” means striving to improve the quality of all our business processes in order to provide reliable products and services that satisfy our customers. Quality education for all employees serves as the foundation, and since the previous fiscal year we have been implementing quality awareness reforms to ensure a customer-focused approach to *monozukuri* in every business process. We understand that it is essential to achieve continuous daily improvement by embedding a quality management mindset in each individual’s work.

We take a “Bad News 1st”* stance that calls for the immediate report of quality defects and concerns, and feedback is given to the reporter after we take measures and improvements, creating a cyclical process.

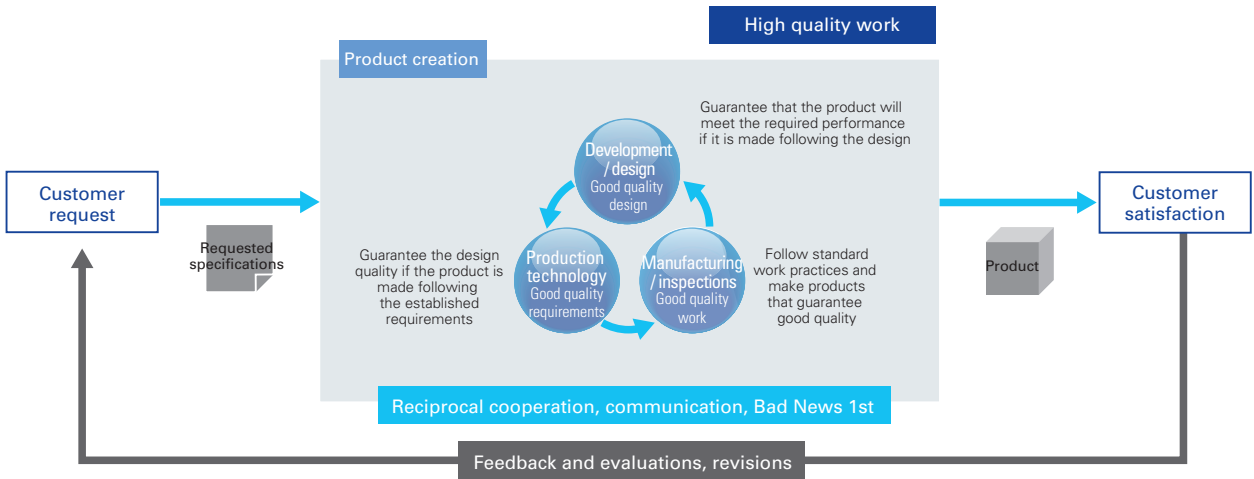
The KAYABA Group shall:

- 1. Address quality improvement with honesty driven by the belief that quality is the basis for business.
- 2. Deliver safe and secure products in compliance with promises to customers as well as with laws and regulations.

Therefore, it is important to create an open workplace in which our employees know they can ask for consultations at any time and for any reason. We will master quality management while working to improve daily communication, and thereby put our Corporate Spirit into practice.

*Bad News 1st: Quickly report when any abnormality occurs

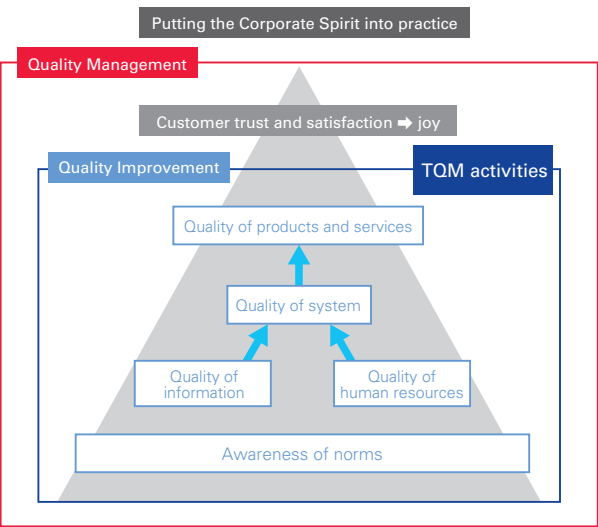
Quality Management Diagram



TQM Initiatives in which All Employees Participate

In the 2023 mid-term, we are promoting initiatives to raise the quality of products and services by raising the quality of human resources, information, and work based on the business management method of TQM initiatives.

As an initiative aimed at changing the make-up of the KAYABA Group, learning is acquired through basic TQM education for all employees, covering topics such as how to view and think about PDCA cycles and matters of quality control. We review operations with three initiatives (policy management, daily management, and the Small Group Improvement Activity), and work to make improvements. By improving the quality of our work through these three initiatives, we will strengthen the foundation of our quality management.



Quality Assurance System

Governance 3 4

We have set up and operate a quality assurance system that is based on the ISO9001 standard, which emphasizes the quality of work processes along with the quality of products and services, and we work daily to improve these aspects. At KYB, we incorporate the process guarantee concept, and conduct three-stage evaluations—which involves evaluations from advanced development of products to the launch of mass production in three steps—on a product-by-product basis. In order to respond to the quality required from customers and the market, we carry out initiatives to raise our technological capacities to pursue high-quality products and achieve our target costs. Also, we hold meetings for each step of the evaluations, in which experts who

specialize in the targeted product participate. We apply a great deal of knowledge gained from examples of past defects and abundant experience in discussions on evaluation items and contents.

Also, we are working to maintain quality globally. At our overseas production locations, we conduct quality improvement measures based on the leadership of location managers and plant general managers, and make effective use of three-stage evaluations along with our efforts to reduce defects. Furthermore, we follow this system when transferring individual products in small quantities and production locations, ensuring quality in our mass-produced products.

Step	Details	Goal of the Three Steps
Prior and model development	DR*0 evaluation meeting	Development quality
Order development	DR1 evaluation meeting	Quality of production start
Mass-production development and production preparations	Quality Safety Audit	Mass-production quality
Mass production	DR2 evaluation meeting	Bad News 1st
Initial flow management		Execute (until the reporter receives feedback)
		When abnormalities arise: Stop, Call, Wait

Quality Safety Audit Check the workplace, products, and data to confirm that there are no quality problems and that production and shipping are safe, including the manufacturing process.

* DR: Design Review

A manufacturing company based on technological expertise

Environmental 1 6 Social 1

Intellectual Property Strategies

At the KAYABA Group, the research and development divisions work in close cooperation with the intellectual property divisions to actively create intellectual property, including holding regular Intellectual Property Strategy Meetings. We conduct intellectual property activities with the aim of achieving business growth and increasing corporate value by appropriately protecting and leveraging our in-house products and technologies.

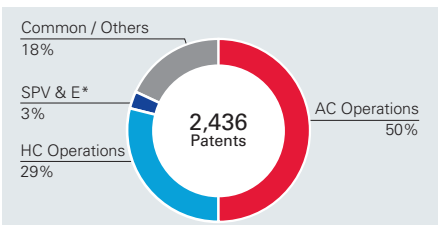
The results of research and development themes are thoroughly reviewed to ensure that no potential inventions are overlooked. As a result of actively applying for patents and securing rights, we hold the highest number of patents worldwide for protecting our core products, such as shock absorbers and hydraulic cylinders. In product development, we create inventions using a framework that provides a competitive edge, and we are advancing efforts to build a patent portfolio aligned with our development strategy. Additionally, to

help solve societal challenges and generate new value for future growth, we are engaging in IP landscape* initiatives from the planning stage, leveraging intellectual property information to enhance corporate value. In recent years, we have been conducting an intellectual property mix strategy for our SustainaLub® environmentally friendly oil, obtaining not only a patent but also a trademark, strengthening our competitive power.

Further, we are working to protect and increase the value of our brand. We respond to imitation trademark applications, particularly in China, in ways such as making formal objections, and exercise our trademark rights against counterfeit products such as shock absorbers, protecting and raising the value of the KYB brand.

*IP landscaping: To create proposals for strategies that contribute to intellectual property management by analyzing intellectual property information.

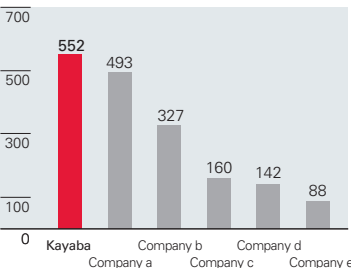
Patent Portfolio
(As of March 31, 2024)



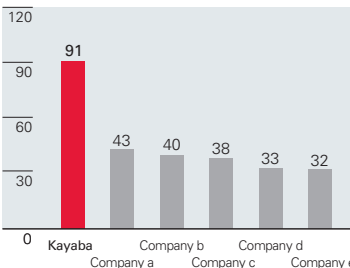
*SPV / E: Special-purpose vehicles, electronic components

Number of related patents retained
(current as of 15, 2024, based on our company's information)

Shock Absorber



Hydraulic Cylinder



COLUMN

SustainaLub® Intellectual Property Mix Strategy

We announced the world's first environmentally friendly hydraulic oil in September 2023. This "circular use" product achieves both carbon neutrality and can be recycled, making it a truly environmentally friendly hydraulic fluid that will contribute to the creation of a sustainable mobility society.

Seeking to protect KYB's technological innovations and brand value, we filled 14 patents and a trademark for SustainaLub® in Japan and overseas. Regarding the name "SustainaLub®," is it a portmanteau of "sustainable" and "lubricant." We are aiming to apply it not only to shock absorbers, but to all of KYB's products, such as dampers for railway use and hydraulic devices for construction and industrial machinery. We will continue filing patent applications going forward, strengthening our competitiveness by maximizing the use of our intellectual property.

The logo of environmentally friendly hydraulic oil SustainaLub®

SustainaLub
サステナルゴ

(Trademark registration No. 6804294, trademark registration No. 6804295)

COLUMN

KAYABA Rally Team (KRT) takes on the challenge Strategy

In 2023, we launched a rally team of KYB employees. In addition to increasing their understanding of mother machines, we are aiming to train human resources that are always ready for a new challenge and build teamwork through their rally participation.

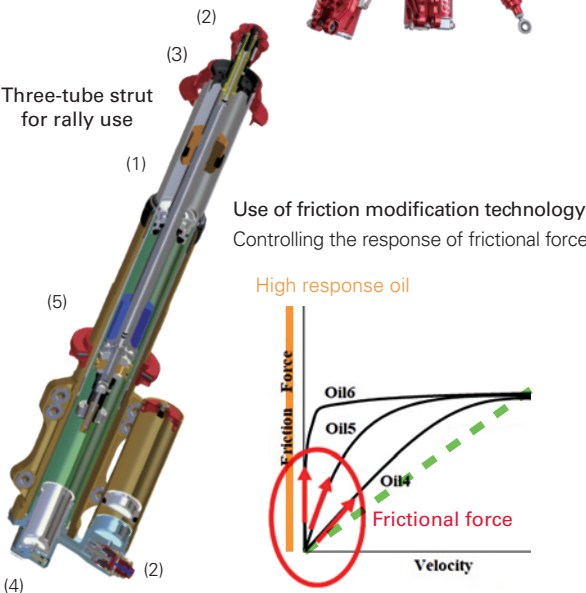
In 2024, the team consists entirely of KYB employees, including the driver and co-driver, and they took on the JN1 class, the highest class in the JRCA Japanese Rally Championship. The initiative is raising the motivation of all involved as they continue competing in each race and overcoming various challenges. We are also building the development capabilities to create the next generation of products through this rally initiative. Gaining a thorough understanding of the structure of automobiles through disassembling, reassembling, and repairing the car will lead to the development of the optimum suspension.

Heading into the JRCA Japanese Rally Championship, the team is making use of the experience they gained in the World Rallycross Championship (WRX) of the Fédération Internationale de l'Automobile (FIA) to

develop an exclusive-use suspension. Furthermore, we are developing an evolution of KYB's proprietary damper use environmentally friendly hydraulic oil SustainaLub® for motorsports use, and offering it to all contracted teams outside of KYB.



Development of SustainaLub® with leading racers in motorsports and rally racing



Development item	Durability, function, performance
(1) Three-tube construction (Three-tube strut)	Achieves high damping force performance similar to a single-tube shock absorber structure while ensuring high durability, rigidity, and long stroke.
(2) Optimization of damping force adjustment mechanism	Development of a new valve that makes possible damping force adjustments through a hydraulic circuit that is completely independent of extension → Vehicle compatibility improvement
(3) Vehicle vertical load response mechanism	Newly developed mechanism that responds to the vertical load through the suspension and adjusts the suspension stroke → Improves road grip and handling on bad road conditions
(4) Hydro bump stopper (HBS) / Adjustable oil pressure stop mechanism	High damping force valve and pressure regulation technology that activate upon full bump (position-dependent) → Improves handling on bad road conditions
(5) SustainaLub® (KYB's environmentally friendly hydraulic oil)	Development of friction response adjusting technology through the creation of KYB's proprietary carbon neutral hydraulic oil → Improves traction performance

A manufacturing company based on technological expertise

Products that Connect to the Future

In the development of technology and products, we have used a forecast-based product roadmap to meet customer needs in a timely manner by supplying ever-better products to the market. Now, it has become necessary to respond to changes in the social environment, such as calls for carbon neutrality and SDG compliance. We have begun developing our technology roadmaps by envisioning our desired future state and backcasting from that vision to determine what we should be doing now to develop new technologies and products, as well as generate new business.

In our AC Operations, we aim to increase sales by expanding our lineup of high-performance, high-value-added semi-active suspension systems, focusing on steer-by-wire technology, which is key to autonomous driving. We are also developing electric pumps for cooling and lubricating e-Axle* components—which package the motor, gears, and inverters needed to operate EVs—as well as a height control system for motorcycles. For future prospects, we are committed to developing technologies that will make all travel

comfortable, such as fully active suspensions and coordinated control of steering and suspension, delivering the ultimate in ride comfort and safety to all passengers.

In HC Operations, we will expand and improve the energy-saving performance of our lineup of pumps, valves, cylinders, and motors while conducting development aimed at raising our competitiveness, such as by reducing costs. In addition, we are developing new value-added products, including electronic control valves, energy-efficient systems, sensing technology, and electrically powered units to meet emerging needs for mother machines, such as automation, remote control, condition monitoring, and electrification. We are also taking on the challenge of selling experiences, exemplified by our oil diagnosis system. Furthermore, we utilize and promote IP landscapes in these sales strategies and in the creation of new value.

* e-Axle: A unit that integrates the travel motor, inverter, and transaxle (speed reduction mechanism).

Products that Contribute to Protecting the Environment

Environmentally Friendly Next Generation Hydraulic Oil

We developed our environmentally friendly hydraulic oil SustainaLub® by using naturally derived raw materials for a portion of the hydraulic oil inside a shock absorber. It allows for the absorption of CO₂ during the production process and makes the fluid biodegradable, so it can return to nature in the event of a leak. Also, it appeals to customers because it can be recovered/recycled after shock absorber disposal. From the viewpoint of life cycle assessment, we aimed to reduce environmental burdens and CO₂ emissions.

For hydraulic oil that is yet under development, we are checking its performance and reliability under harsh

racing conditions. The KAYABA Rally Team started using it in 2023, and continues to do so in the current season.



Environmentally Friendly Concrete Mixer Truck e-Mixer

e-Mixer is an electronically controlled concrete mixer truck that was created in 2004. It is environmentally friendly and achieves low noise and low fuel consumption by controlling the engine speed of a mixer while it is in operation. The most recent model is the e-Mixer III, which is equipped with a new electronic control unit. It also features a touch panel monitor near the driver's seat which makes it easy to understand the truck's operating status, history, and maintenance information. This mixer truck excels in functionality, operability, and convenience.

We have received comments from users such as, "Noise in particular presents a problem for us when

we're working with laying concrete on sites in residential areas, so our workers are really happy that the e-Mixer addresses that issue."

Also, we provide a disassembly manual in order to help with the recycling of concrete mixer trucks when they are decommissioned, and a New Environmental Standard Conformity Label is displayed on the mixer trucks, indicating that they conform with the environmental standards of the Japan Auto-Body Industries Association.

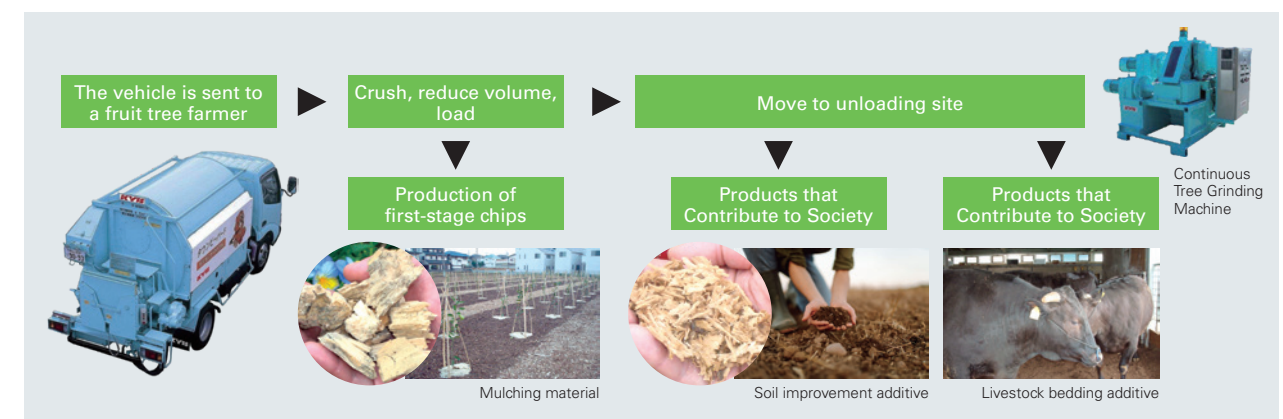


Pruned Tree Shredder Trucks

Our pruned tree shredder trucks can transport enough pruned branches to fill four two-ton dump trucks in a single vehicle by pulverizing and reducing the volume of the branches onsite. It greatly improves transport efficiency, and recycles pruned branches on a low budget. Also, running costs can be reduced by adjusting the axle space when the blades become worn down, making them easy to sharpen. An optional second cutter on a low-speed two-axle mill untangles branches as it pulverizes them, producing chips that are perfect for composting. It is at use in areas adjacent to residential areas and orchards, and being sent to parks to

process pruned branches. The first-stage chips are used as mulching materials, and the second-stage chips are recycled as subsidiary materials for soil improvement and livestock flooring. Going forward, we anticipate that the vehicle's use will expand to include the processing and practical use of underused timber from forest thinning in mountain forests.

We also offer grinders that can perform first-stage crushing and second-stage pulverization in one vehicle, and compact, space-saving grinders that can be loaded onto a two-ton truck.



Products that Contribute to Society

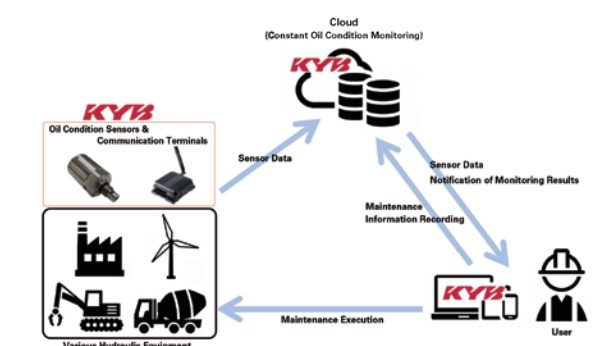
Smart Road Monitoring

We are expanding the provision of our Smart Road Monitoring service to support the efforts of local administrations in more effective road management and to maintain a comfortable road environment, while also applying sensing technology and AI in the development of steering and suspension systems.



Oil condition diagnosis / oil leak detection system

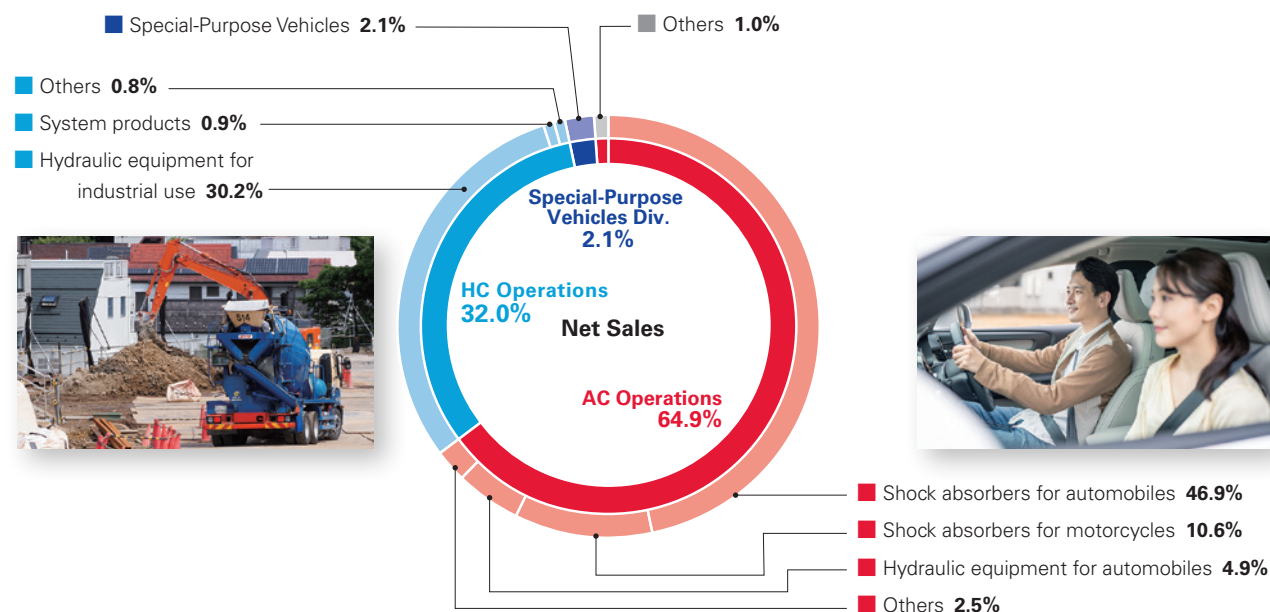
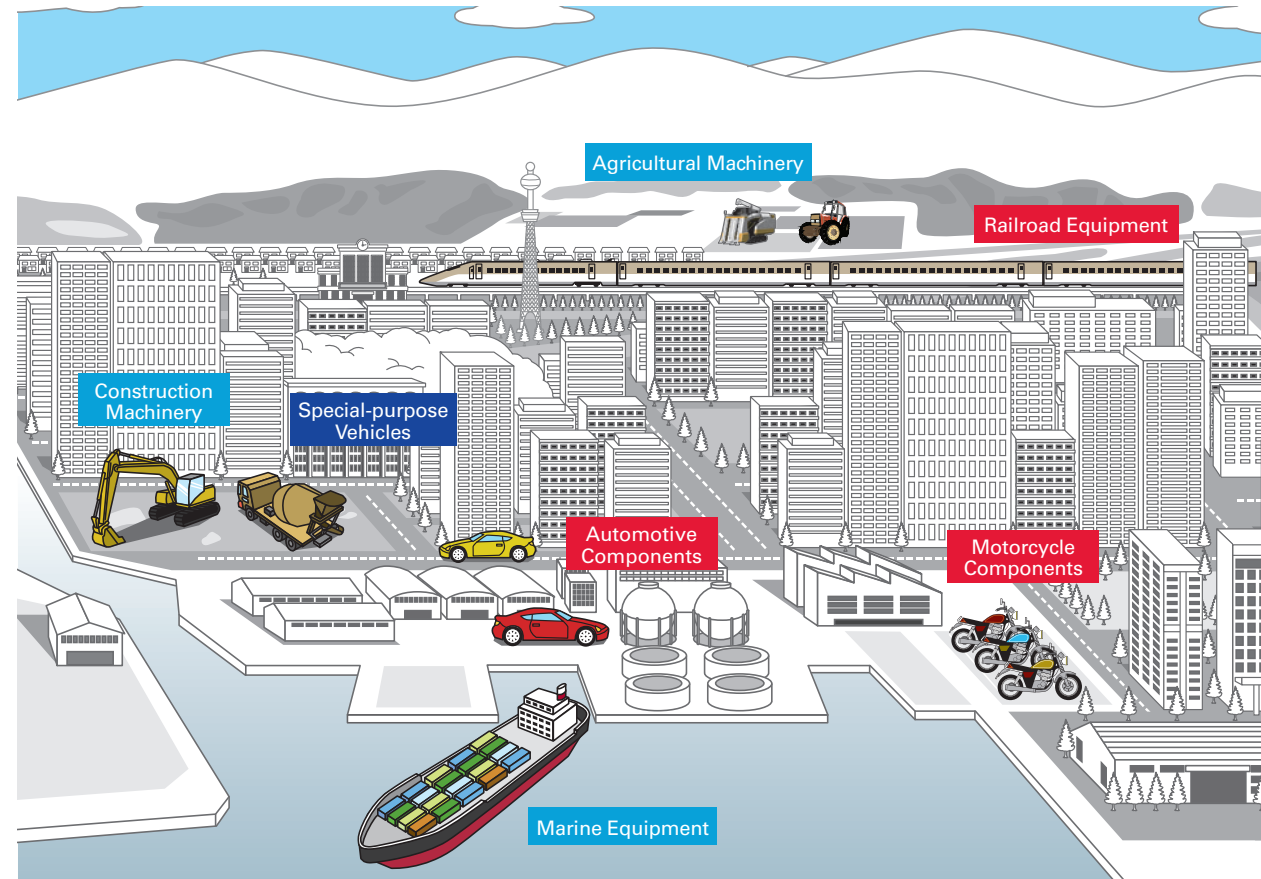
We offer a service that monitors the condition of hydraulic oil and detects leaks in cylinders used in hydraulic systems for construction machinery, public infrastructure, plant equipment, and other applications. The system predicts potential breakdowns of hydraulic equipment or the depletion of consumable goods and issues warnings. By preventing unexpected equipment failures and minimizing losses related to part replacements, the system helps improve the efficiency of maintenance work and reduce the amount of waste oil.



Three Mainstay Business Units

Environmental 1 Social 1

Carrying on our founder's DNA of pursuing originality, we support modern lifestyles with various products rooted in our technological capabilities. Automotive Components (AC) Operations supports the means of transportation we use every day, while Hydraulic Components (HC) Operations and the Special-Purpose Vehicles Division support infrastructure for modern living. We concentrate our management resources on these three business units and will continue to create value by providing products that are indispensable to people's lives.



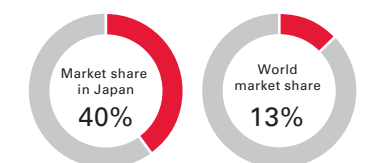
AC Operations



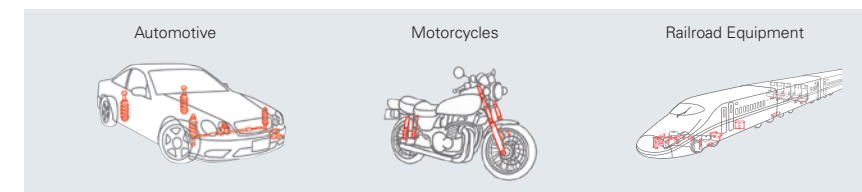
With vibration control technology at the core, this business unit develops and offers a wide range of products primarily for automobiles, motorcycles, and railway cars. AC Operations' products are at use in many situations where comfort, safety and maneuverability are required, from secure, comfortable drives with the family to withstanding the harsh conditions of motorsports.

■ Market Share
Source: KYB data (As of March 31, 2024)

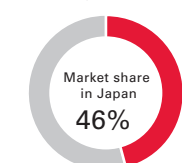
Automobiles Shock Absorbers



■ Main machines that use KYB products



Motorcycle Front Forks



HC Operations



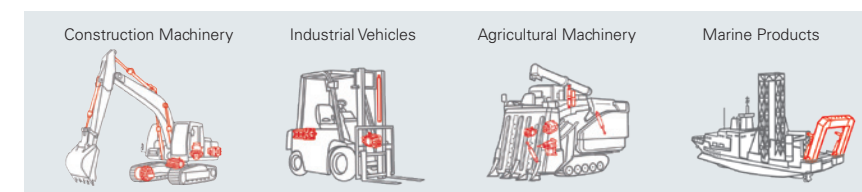
With power control technology at the core, this business unit develops and offers various kinds of hydraulic equipment for construction machinery and industrial vehicles. In addition, it expands the potential of hydraulics to new areas, such as for stage mechanisms that support theater productions. It deals in compact precision, digitization, and the creation of systems, thereby providing support at the sites where manufacturing takes place.

■ Market Share
Source: KYB data (As of March 31, 2024)

Hydraulic cylinders for construction machinery (by excavator machine mass)



■ Main machines that use KYB products



Special-Purpose Vehicles Div.



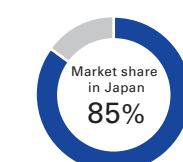
This business unit develops and manufactures specially equipped vehicles, mainly the concrete mixer trucks for which it enjoys the top domestic share. The products have a lineup that ranges from small to large sizes, and they increase work efficiency on construction sites with high kneading, discharge, and environmental performance.

■ Main machines that use KYB products



■ Market Share
Source: KYB data (As of March 31, 2024)

Concrete Mixer Truck



Application of Technology

Sports and social welfare products

We use our core technology to develop products used for sports and social welfare.



Note: KYB has been involved in the business of hydraulic equipment for aircraft since our establishment. However, as a result of a comprehensive reexamination of our business portfolio and in order to strengthen corporate competitiveness through the selection and concentration of management resources, we decided to withdraw from the aircraft components business in February 2022. We are in the process of phasing out all operations of the Aircraft Components Division, including repairs.

AC Operations



Continuing to leverage our extensive expertise, we harmonize environmental protection with the exhilaration of motorsports, striving to excel as specialists in the field

Our strengths lie in being able to conduct independent development as an independent manufacturer with close customer connections, our global development system, and the synergy created through accumulated know-how, including that of HC Operations and the Special-Purpose Vehicles Division.

Our Development Center features a test course, where we measure the performance of products under development using the latest testing equipment and test vehicles under actual driving conditions. This approach allows us to tailor products to customer usage. Additionally, our participation in the world’s leading motorsports races drives us to pursue technological development at the highest level.

Minoru Ishikawa
General Manager,
Automotive Components Operations,
Senior Managing Executive Officer



Review of FY2023

Our flagship product of automotive hydraulic shock absorbers saw decreased demand in the China market, but sales increased, driven by the increased production of OEM products in North America and Europe due to the recovery from the semiconductor shortage, as well as the effect of exchange rates on the lower yen. In motorcycle hydraulic shock absorbers, demand declined in Southeast Asia and China, triggering a decrease in sales. These factors came together to result in an increase in sales, but a decline in segment profits caused by deteriorating productivity in North America and Europe.

The Business Environment and Strategic Policies for the Future

AC Operations introduced the slogan ‘Take on New Challenges!’ in the 2023 mid-term plan. We are tackling the trends of electrification and automation of core machinery, enhancing earning power by promoting the development of new and improved products, and expanding into new domains while striving to meet the needs of all stakeholders.

Amid the increasingly unstable international environment, we aim to be a company that customers choose regardless of circumstances. To this end, we are planning significant productivity enhancements through Ship’30 and innovative production using AI and digital transformation (DX). We have already integrated AI-based image inspection and robotic transport into parts

of our production lines and aim to expand these technologies to our global production facilities by 2025.

We are also continuously developing our automation-related production technology skills and strengthening our human resources for post-implementation equipment maintenance. Additionally, we are working to stabilize and improve quality at both the product and process levels, eliminate user complaints, implement targeted improvements at plants facing quality issues, and create efficient manufacturing processes that minimize losses related to defects, waste, and disposal.

Furthermore, we are actively engaging new customers, including local manufacturers, with sales initiatives in regions where we expect future growth. The Suspension Headquarters is promoting electronically controlled suspensions, while the Mobility Devices Headquarters is focused on the swift mass production of versatile electric pumps. These pumps have a wide range of applications, such as SBW^{*1} systems that include software currently under contract negotiations, and as lubrication and cooling components necessary for heat management in e-Axle^{*2} systems and batteries. The Motorcycle Headquarters is supplying high-performance products like inverted front forks to local customers in the expanding Indian market, which we anticipate will continue to grow.

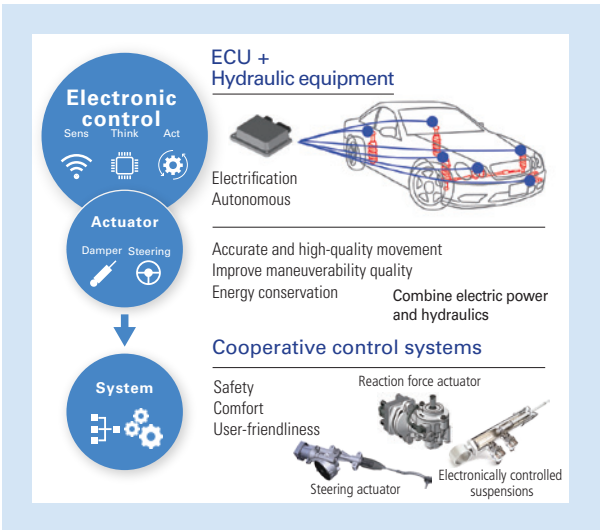
^{*1} Steer-by-wire (SBW): A steering system for the era of automatic driving that connects an automobile’s tires and steering wheel with an electrical signal in a constant exchange of steering information and reaction force from the road surface.
^{*2} e-Axle: A unit that integrates the travel motor, inverter, and transaxle (speed reduction mechanism).



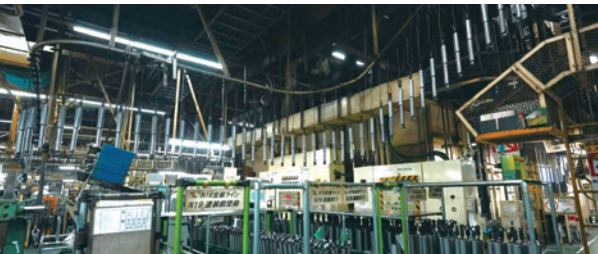
*KADS: KYB Actimatic Damper SystemTM

Main Products	
SA for automobiles	Shock absorbers (original equipment, aftermarket), suspension systems
SA for motorcycles	Front forks (FF), rear cushion units (RCU)
Hydraulic equipments for automobiles	Vane pumps, vane pumps for continuously variable transmissions (CVT), hydraulic power steering systems, electric power steering (EPS)
Others	Stay damper, SA for all-terrain vehicles, free locks, railroad equipments (dampers, brakes, suspension systems)

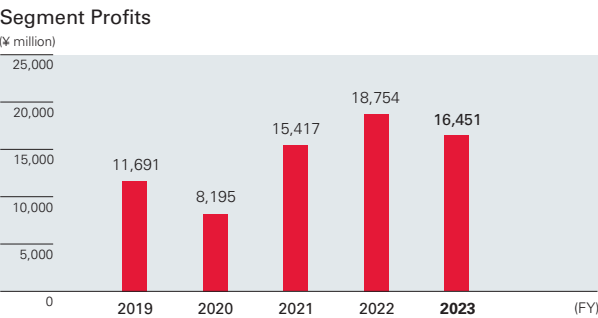
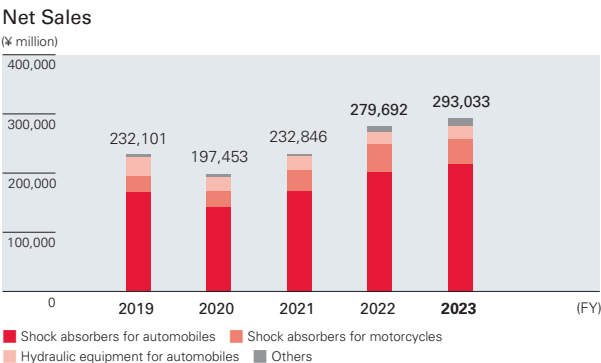
Providing systems for all electric / hydraulic mechanisms



Gifu North Plant: KYB's largest facility by land area



Monthly production of shock absorbers reaches 2.5 million units



Notes: 1. As a result of the review of segment management classification, railroad equipment that was previously categorized under the “HC Operation” is disclosed as part of the “AC Operations” from FY2022.
2. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from net sales.

Three Mainstay Business Units

HC Operations



Using a vast amount of existing technological data and know-how to generate new added value

KYB has been a pioneer in devices that have advanced Japan’s hydraulics technology since hydraulic excavators first entered the country in the 1960s. A major strength of the Company lies in its ability to continuously evolve while passing on a wealth of data and expertise.

In construction machinery, our product quality and efficient manufacturing processes have been refined through feedback from decades of market performance. Additionally, we contribute to shortening lead times and achieving energy conservation in the machines that incorporate our products by proposing optimal systems, made possible through the development, design, and manufacture of all hydraulic components, such as pumps, control valves, motors, and cylinders.

Tomoki Takaoka
General Manager,
Hydraulic Components Operations,
Senior Managing Executive Officer



Review of FY2023

Factors such as a decline in demand in China—the principal market for industrial hydraulic equipment, which is primarily used in construction machinery—have impacted our sales and segment profits, both of which have declined. Amidst this severe environment, we are focusing on automation and systems for condition monitoring and diagnostics to achieve productivity and safety improvements, with an eye toward the future. Additionally, to address market trends such as electrification aimed at reducing CO₂ emissions, we have established the following new departments:

- System Engineering Dept.
Accelerating electric and electronic development (April 2023)
- Advanced Electrification Unit Development Office
Accelerating product development in response to electrification (January 2024)

Through technology exchange meetings with numerous customers, we are proudly showcasing KYB’s technological strength and capturing market needs, paving the way for the next generation of research and development.

The Business Environment and Strategic Policies for the Future

HC Operations set forth the slogan ‘Restart Growth on a Base of Unshakable Trust’ in the 2023 mid-term plan, under which we are focusing on two key areas: our

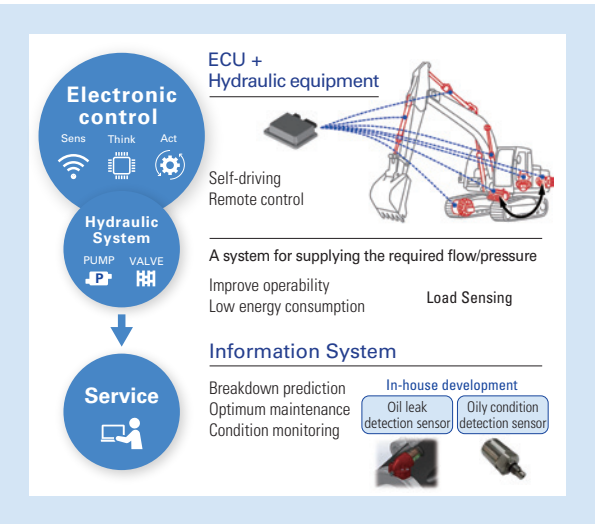
mass-market segment of existing businesses and new business areas aimed at producing our next-generation mainstay products. In existing businesses, we are striving to maintain our earnings structure while continuously securing market share, sales, and profits. Furthermore, we are addressing automation and electrification to meet increasing societal demands for decarbonization and energy efficiency. We are adding new value, as demonstrated by the completion of development on an electromagnetic proportional valve last year, which has now entered mass production. We will continue to develop next-generation mainstay products. We are aligning our production capacity with the long-term demand forecast for mini-excavators in North America and promoting our products in the forestry sector. Additionally, we are preparing to enter the Indian market with our agricultural machinery products. We are evolving our production system to adapt to the era’s fluctuating demands, advancing production infrastructure and workstyle reforms by visualizing production information in our in-house processes using IoT and AI/DX. In material handling, we are specifically targeting significant productivity gains and enhanced safety through full automation of transport, assembly, and component processing. We are also dedicated to continuous workforce training, aiming to improve work and product quality through rank-based education and Small Group Activities.



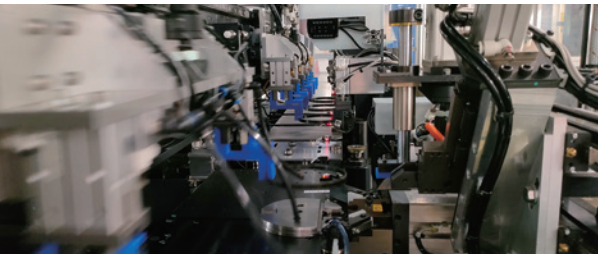
Main Products

Hydraulic equipment for industrial use	Cylinders, valves, pumps, motors, mini-motion packages (MMP), hydrostatic transmissions (HST), seal
Others	Auditorium and stage control systems, tunnel boring machines

Providing systems for all hydraulic mechanisms

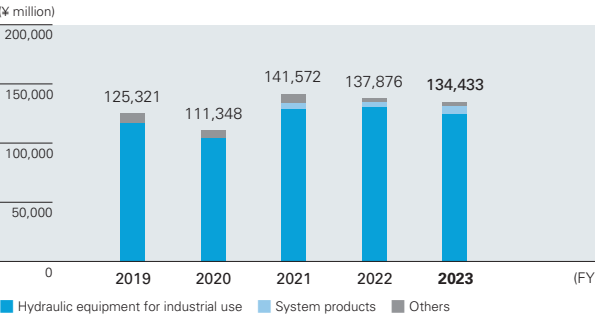


Daily Production of Approximately 1,300 Cylinders

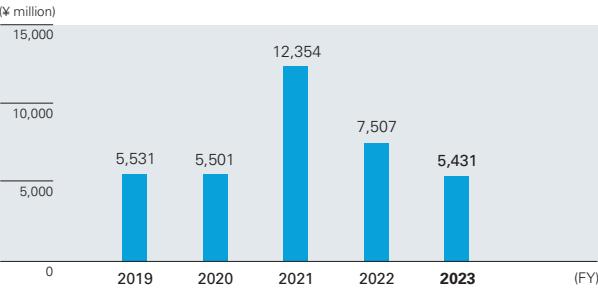


Automated seals production

Net Sales



Segment Profits



Notes: 1. As a result of the review of segment management classification, systems products that was previously categorized under the “Special-Purpose Vehicles Division” is disclosed as part of the “HC Operations” from FY2021.
2. As a result of the review of segment management classification, railroad equipment that was previously categorized under the “HC Operation” is disclosed as part of the “AC Operations” from FY2022.
3. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from net sales.

Special-Purpose Vehicles Div.



Aiming to be the leading mixer truck manufacturer with our strengths in after service and high value-added products

We create new added value by visiting customers and developing products tailored to their various needs. KYB's concrete mixer trucks are equipped with specialized hydraulic equipment designed and manufactured in-house, ensuring stable operation. By enabling a consistent supply of fresh concrete, which is essential for construction work, these trucks support urban development and infrastructure projects. They also play a vital role in disaster recovery efforts, and we are proud that our product contributes to the safe and comfortable lives of people.

Atsushi Okubo
General Manager,
Special Purpose Vehicles Division



Review of FY2023

Sales increased 23.7% year on year and segment profits increased, driven by the end of the impact of the semiconductor shortage and a recovery trend in the supply of chassis to domestic truck manufacturers.

The Business Environment and Strategic Policies for the Future

In the Special-Purpose Vehicles Division, our basic strategy is to "be far and away the best mixer truck manufacturer" by generating value from the customer's perspective. While reliably capturing demand for construction related to the Linear Shinkansen, urban redevelopment, and other projects, we are conducting research to bring high-value-added products to market that reflect customer needs, such as increasing load capacity by developing lightweight drums, improving safety measures for laying liquid concrete, and enhancing ease of use. Additionally, we are strengthening our aftersales service through parts catalog maintenance and the use of DX for ordering components.



Mixer trucks with the largest market share in Japan



With 70 years since production began, our total production has surpassed 120,000 units

Main Products

Special-purpose Vehicles Concrete mixer trucks, granule carriers, pruned tree shredder trucks, specialfunction vehicles

COLUMN

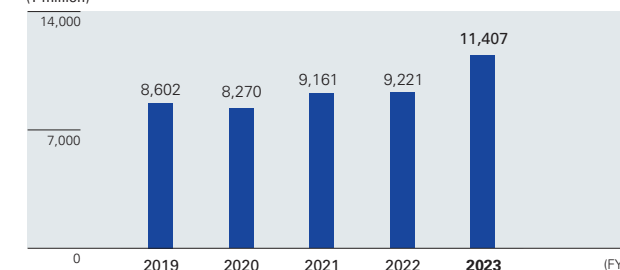
A New Business Challenge: Commercializing Mobile Homes

In January 2022, we launched our mobile home project and exhibited a transforming campervan as a concept vehicle at the Tokyo Auto Salon 2023. Mobile homes often face problems with being knocked off balance by winds and have poor ride comfort on highways and uneven road surfaces. We took on this new business with the hope of solving these issues using KYB's shock absorbers.

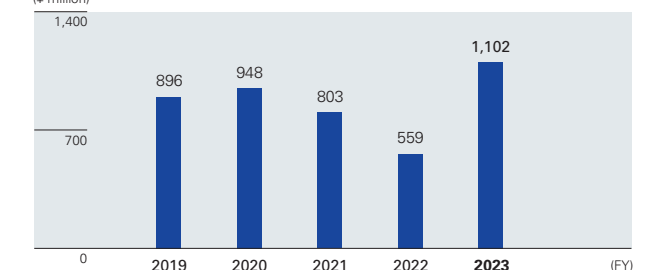
As we work toward releasing our mobile home to the market in 2025, we are addressing a number of challenges. The mobile home envisioned by KYB will allow drivers and passengers to experience the joy of driving without anxiety, from the moment they set out on their journey. At their destinations, in addition to the usual amenities of a mobile home, they will enjoy a high-quality living space that only KYB can deliver. We hope you'll look forward to this exciting new challenge.



Net Sales (¥ million)



Segment Profits (¥ million)



Notes: 1. As a result of the review of segment management classification, systems products that was previously categorized under the "Special-Purpose Vehicles Division" is disclosed as part of the "HC Operations" from FY2021.
2. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from net sales.