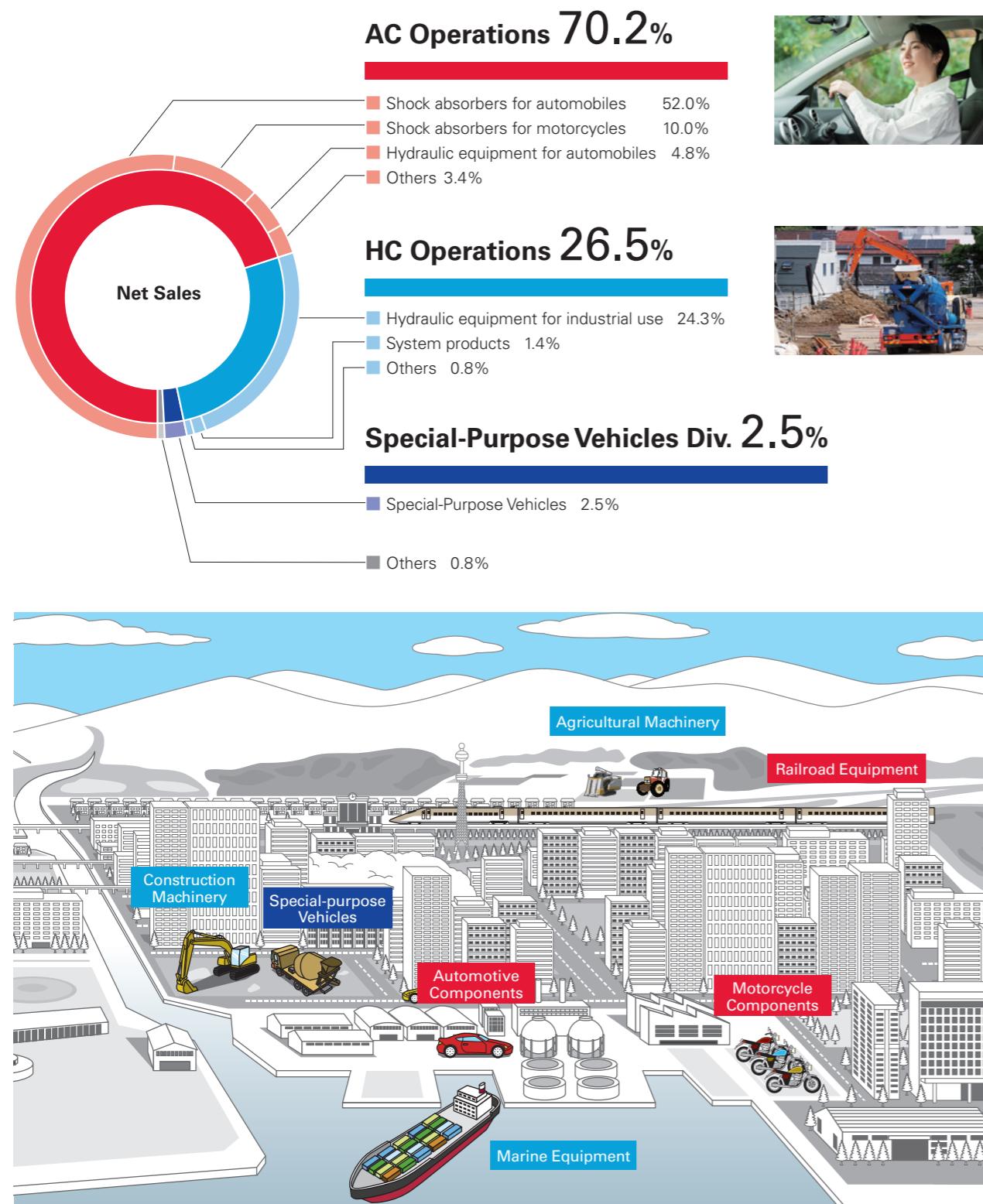


## Three Mainstay Business Units

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



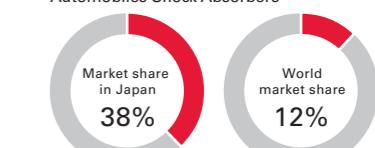
With vibration control technology at the core, this business unit develops and offers a wide range of products primarily for automobiles, motorcycles, and railway cars. AC Operations' products are at use in many situations where comfort, safety and maneuverability are required, from secure, comfortable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

### Main machines that use KYB products

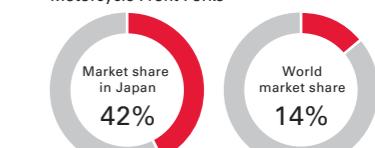


■ Market Share  
Source: KYB data (As of March 31, 2025)

Automobiles Shock Absorbers



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.

### Main machines that use KYB products



■ Market Share  
Source: KYB data (As of March 31, 2025)

Hydraulic cylinders for construction machinery (by excavator machine mass)



## 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.

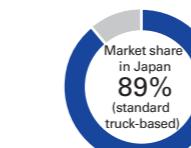
### Main machines that use KYB products



### 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



We continue forging ahead with our responsibilities to protect the environment while delivering the thrill of motorsports and striving to remain specialists.

## Performance and Major Initiatives in FY2024

Sales of mainstay shock absorbers for automobiles remained stable, particularly for OEM customers in Europe, despite a decline in the number of automobiles produced in Japan. In addition, increased demand in the aftermarket in Eastern Europe and the Middle East, together with the positive impact of a weaker yen, contributed to higher sales.

Currently, we are focused on developing electronically controlled suspension systems for the aftermarket, with the aim of launching the products in the next fiscal year. Another priority is developing Steer-by-Wire (SBW), which we project will enjoy wide use in the future to increase safety with autonomous driving and coordinated control technologies.

Continuously variable transmissions (CVTs), one of our key products, continue to face a downward trend due to electrification. We are proceeding as planned with the consolidation of surplus production capacity. Sales of shock absorbers for motorcycles increased, driven by sales in China due to increased demand for the large-displacement motorcycles of local manufacturers, as well as growing demand in the Indian market, despite declines in Japan and Europe. We have confirmed our entry into the Indian market, where demand is expected to continue growing. We are currently selecting a site for operations.

As a result, net sales increased and segment profit also rose.

## Strategic Policies for "Inspiring Dreams"

Under the 2023 Medium-Term Management Plan, AC Operations adopted the slogan "Take on New

Challenges!" In response to trends such as electrification and automation of base vehicles, we are pursuing initiatives aimed at 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.

Specifically, we aim to increase sales by expanding our lineup of high-performance, high-value-added electronically controlled products. A particular focus is on SBW technology, which is highly compatible with autonomous driving. We are also developing electric pumps for cooling and lubrication applications, as well as ride-height control systems for motorcycles.

Looking ahead, we are committed to advancing technologies that will make all forms of mobility more comfortable, including electro-hydraulic fully active suspensions and coordinated control of steering and suspension.

\* 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.

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



## KYB's Strengths

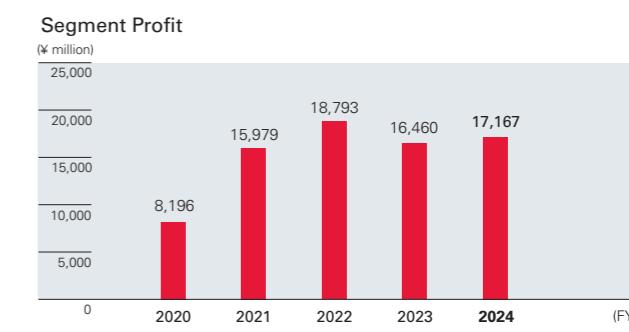
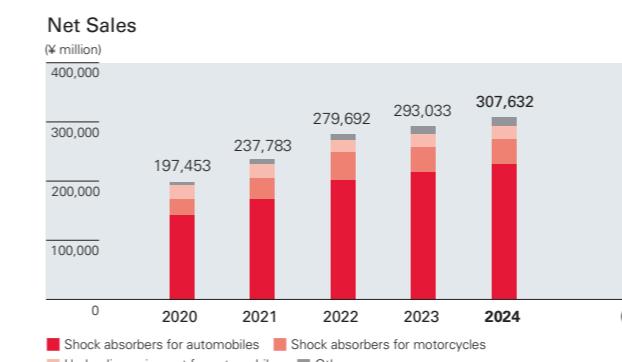
- 1) The ability to pursue proprietary development as an independent manufacturer while maintaining close relationships with customers
- 2) A globally integrated development structure
- 3) Synergies generated from accumulated know-how across the Group, including the HC Operations and Special-Purpose Vehicles Division
- 4) A Development Center equipped with its own test course
- 5) Participation in world-class motorsports events, which drives the advancement of our cutting-edge technologies



\*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 equipment (dampers, brakes, suspension systems)



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.

# HC Operations



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

### Performance and Major Initiatives in FY2024

Sales of our mainstay hydraulic equipment for construction machinery declined due to reduced demand in our major market of China, as well as in North America and other parts of Asia. This resulted in a decline in segment profit. As a result, both net sales and segment profit decreased.

While the business environment remains as challenging as in the previous year, we anticipate demand for construction machinery to begin recovering from 2025. We plan to improve profitability by steadily capturing signs of market recovery, strengthening product competitiveness, and reviewing our cost structure.

### Strategic Policies for "Inspiring Dreams"

HC Operations adopted the slogan "Restarting Growth Based on Unshakable Trust" under the 2023 Medium-Term Management Plan. We are currently pursuing our business based on two pillars: strengthening our existing businesses and developing new businesses that will become our next-generation mainstay products.

In existing businesses, we aim to maintain market share and sales levels while transferring products to highly competitive production sites. At the same time, we are promoting optimization initiatives and implementing thorough cost reductions to secure profitability.

In new businesses, based on advanced technological capabilities and reliability cultivated over many years, we are expanding beyond the construction machinery field into new markets such as compact track loaders (CTLs), mining machinery, and agricultural and forestry equipment. Also, we will proactively work to increase sales to overseas customers. We plan to launch local sales of products for agricultural and construction machinery by the end of FY2025, particularly in the rapidly growing Indian market.

Amid growing needs for decarbonization and energy efficiency, we are also moving toward automation and

electrification. We launched mass production of electronic control valves in 2024, and we are expanding our lineup of electrification-compatible LS valves and pumps, which will be introduced to the market sequentially.

Furthermore, we are developing oil condition monitoring systems and construction machinery cylinders equipped with oil leak detection capabilities to reduce downtime caused by customer equipment failures and enhance productivity and safety. Also, we have completed proof of concept testing for the oil condition monitoring system, and mass production is scheduled to begin in 2026.

In the defense business, we aim to grow the business by strengthening maritime system products and customer services, supported by an expanding defense budget. Also, we are advancing entry into new defense domains, including ground-based applications.

In response to Japan's declining birthrate and aging population, we are also working to improve productivity and minimize labor requirements in internal processes through the use of IoT, AI, and DX. By advancing the introduction of automated guided systems and image recognition technologies, we are building a sustainable manufacturing structure while creating a safe and secure workplace environment for our employees.

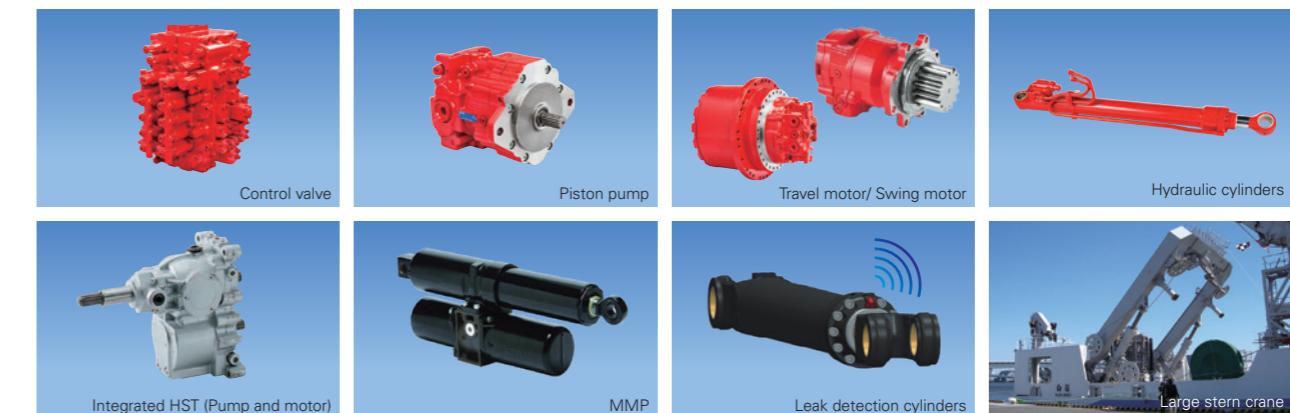
Even amid a challenging business environment, HC Operations will continue to develop next-generation technologies, strengthen global sales capabilities, enhance production systems, and steadily establish a foundation for medium- to long-term growth.



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

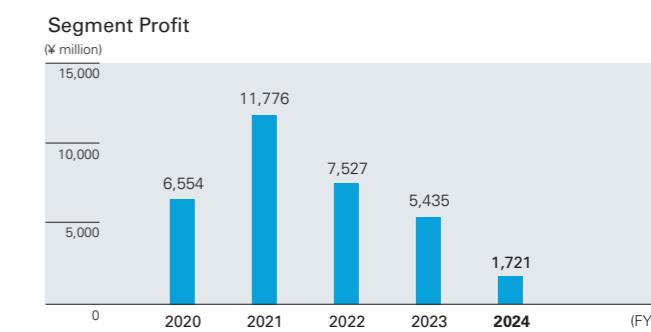
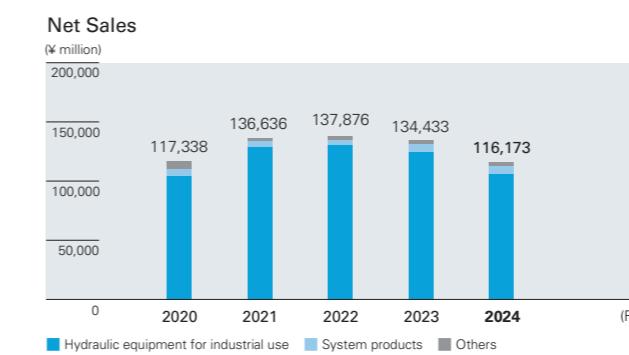
### KYB's Strengths

- 1) A pioneer in hydraulic equipment that led Japanese technology in the 1960s
- 2) Continuously evolving through the inheritance of extensive data and expertise
- 3) High product quality and efficient production processes
- 4) Capable of developing, designing, and manufacturing all hydraulic components (including pumps, control valves, motors, and cylinders)
- 5) Ability to propose optimal systems that shorten OEMs' development lead time and contribute to energy efficiency



### 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



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 "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

## Performance and Major Initiatives in FY2024

In the Special-Purpose Vehicles Division, our basic strategy is to "aspire to become the undisputed leading mixer truck manufacturer" by creating value from the customer's perspective.

We are reliably capitalizing on construction demand driven by urban redevelopment projects, the Linear Chuo Shinkansen, and ongoing infrastructure development. At the same time, we are preparing to launch a redesigned large mixer trucks that incorporates customer needs, including reduced drum weight to increase payload capacity, enhanced safety measures for concrete placement operations, and improved usability. To strengthening after-sales service, we are updating our parts catalogs and promoting initiatives to enhance service capabilities through closer collaboration with service plants located in each prefecture of Japan, enabling faster response times.

Furthermore, to reduce the industry's environmental impact, we are addressing key challenges toward achieving carbon neutrality. These efforts include advancing the development of EV-compatible mixer trucks, promoting technological development and human resource cultivation, and offering environmentally friendly mixer trucks that achieve zero CO2 emissions and low noise levels.

As we work toward medium-term growth, we are expanding sales of the e-Mixer III, our latest low noise, low fuel consumption mixer truck that is designed to reduce environmental impact. Also, we will develop business for our campervan, which was developed in collaboration with AC and HC Operations. At Tokyo Auto Salon 2025, we launched sales of the VILLATOR campervan, which brings together KYB's cutting-edge technology.

In addition, we will continue to expand sales of existing products that meet societal demands for SDGs and carbon neutrality, including tilting mixers and our pruned tree shredder trucks.

## Strategic Policies for "Inspiring Dreams"

The VILLATOR campervan was launched in January 2025. We began sales under the concepts of "a campervan that awakens a sense of adventure and delivers the pure joy of driving" and "bringing your vacation home with you." Its distinctive, one-of-a-kind design sets it apart from conventional campervans and has been well received by customers.

While there are many challenges to achieving stable business growth—including expanding the product lineup and strengthening production capabilities—we are determined to meet and exceed expectations as KYB takes on this new challenge and advances its future initiatives.

**Manabu Akasaka**  
General Manager,  
Special Purpose Vehicles Division



## KYB's Strengths

- 1) Providing new added value by incorporating a wide range of customer needs—identified through regular customer visits—into our products
- 2) Ensuring stable and reliable product operation



Concrete mixer trucks



Granule carriers



Pruned tree shredder trucks



Tilting drum mixing machines

## Main Products

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

## COLUMN

### KYB's Mixer Trucks

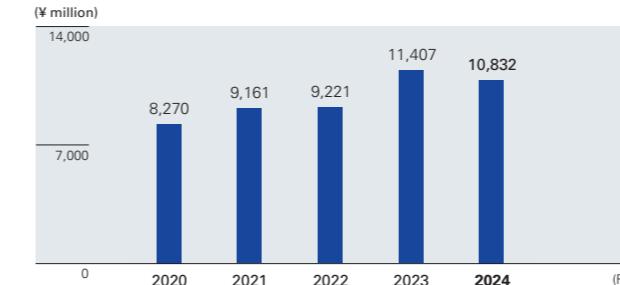
The mixer truck business operates in a format closer to B2C, as our products are delivered directly to end users. Over the years, we have responded swiftly to evolving market needs by developing products that integrate electronic control and hydraulic technologies, including environmentally friendly "e-Mixer" models and lightweight designs.



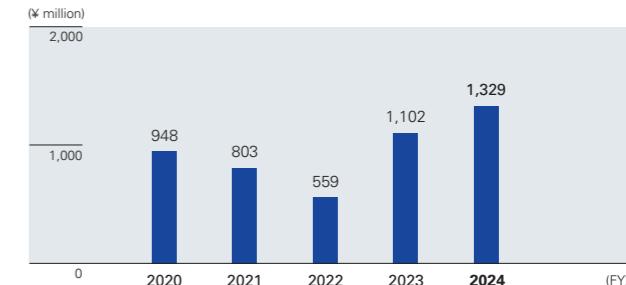
We continue to customize each truck during production to meet individual customer requirements. With a focus on safety, high performance, and comprehensive after-sales service, we now hold over 85% of the domestic market and have produced more than 120,000 units.



## Net Sales



## Segment Profit



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.