



Our Precision, Your Advantage

Meeting Materials for Second Quarters (2Qs) of FY2025

November 14, 2025

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



Our Precision, Your Advantage

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Our Precision, Your Advantage

Long-term Vision



Toward our 100th Anniversary and Beyond

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



A New KYB

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



To Our Stakeholders

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

Our Mission

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

Our Values

Vitality
活気

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

Norm
規範

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

Creativity
独創

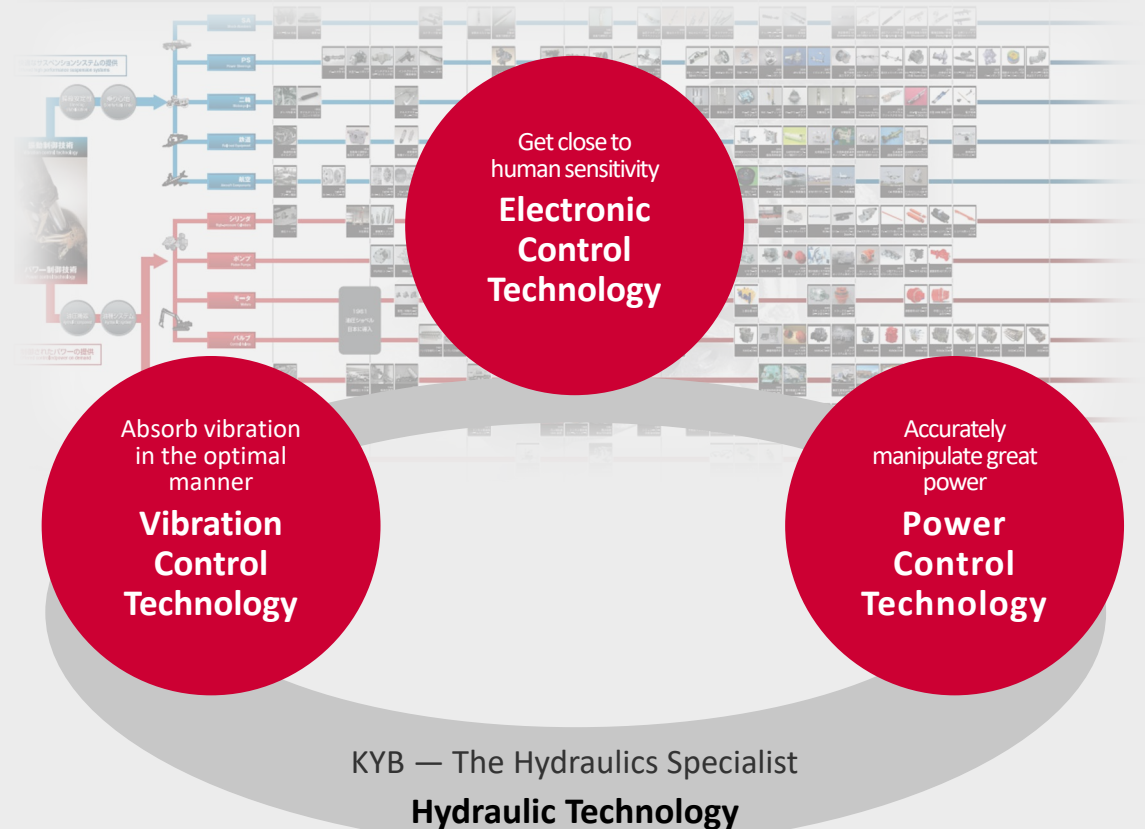
We shall constantly pursue creativity, contribute to the prosperity of customers, shareholders, suppliers and society.

Harmony
愛

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

Core Technology

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



Medium- to Long-Term Trends		Important Issues
Politics	■ Continuation of geopolitical risks ■ Global tightening of regulations (Environment, AI, data protection) ■ Promotion of policies related to ESG and sustainability ■ Reorganization of international agreements	■ Conduct environmental initiatives (carbon neutrality, resource circulation) ■ Strengthen the supply chain ■ Ensure global price competitiveness ■ Expand footprint in the Global South ■ Promote human capital management ■ Instillation and strengthening of respect for human rights and health management ■ Drive innovative <i>monozukuri</i> ■ Strengthen governance ■ Thoroughly manage capital efficiency ■ Automation, electrification, unmanned operations, digitalization + Providing safe, comfortable lifestyles
Economy	■ Lingering inflation and interest rates remaining high ■ Growth in emerging markets and expanding consumption (the Global South) ■ Impact of exchange rate fluctuations ■ Spread of digital currencies and changes to financial structure	
Society	■ Rise in global calls for engagement with climate change and biodiversity ■ Progressing decline in birth rate and aging population, decline in work force ■ Rise of interest in SDGs and DEI (diversity, equity, inclusion) ■ Changes in investment climate, such as ESG investments	
Technologies	■ Spread of smart mobility and smart city societies ■ Technological development involved with green transformations ■ Use of AI (physical AI) and quantum computing ■ Importance of cybersecurity and privacy protection	

Long-term Vision

A partner that supports the future of people's lives

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

Slogan

Inspiring Dreams, Shaping the Future.

Management Indicators / Timeline to FY2035

FY2024
Result

Sales **¥438.3bn**

ROE **6.7%**

Back casting

FY2026 Mid-Term Structure Reforms

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

FY2029 Mid-Term Growth Acceleration

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

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

FY2032 Mid-Term New Business Expansion

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

FY2035
Target

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

1

Optimization of Business Portfolio

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

2

New Business Creation

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

3

Innovative *Monozukuri*

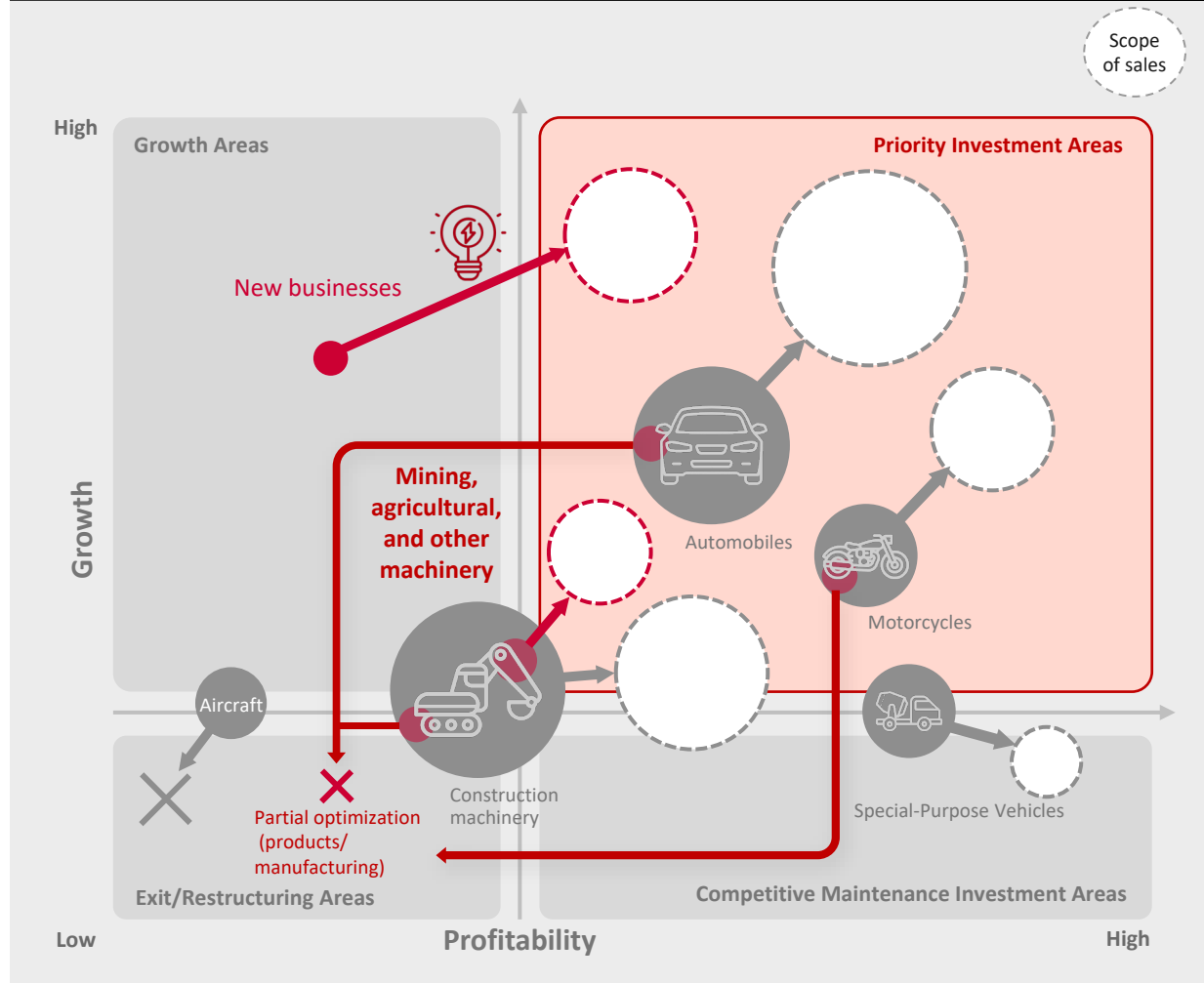
- Achieving innovative *monozukuri* by integrating on-site capabilities with digital technology
- Transforming plants through *monozukuri* that is kind to people and the environment

Optimization of Business Portfolio



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

Optimization of Business Portfolio (Image)



Business Strategies



AC Operations

- Reinforce global presence in the OEM market
- Optimize product portfolio and manufacturing system
- Create value added products and expand globally



HC Operations

- Reconstruct a resilient revenue base through strategic development by product line in the construction machinery business (expansive and protective)
- Expand in mining, agricultural, and other machinery, and establish a second foundation for growth
- Expand in systems products for the defense market (naval and land)



Special-Purpose Vehicles

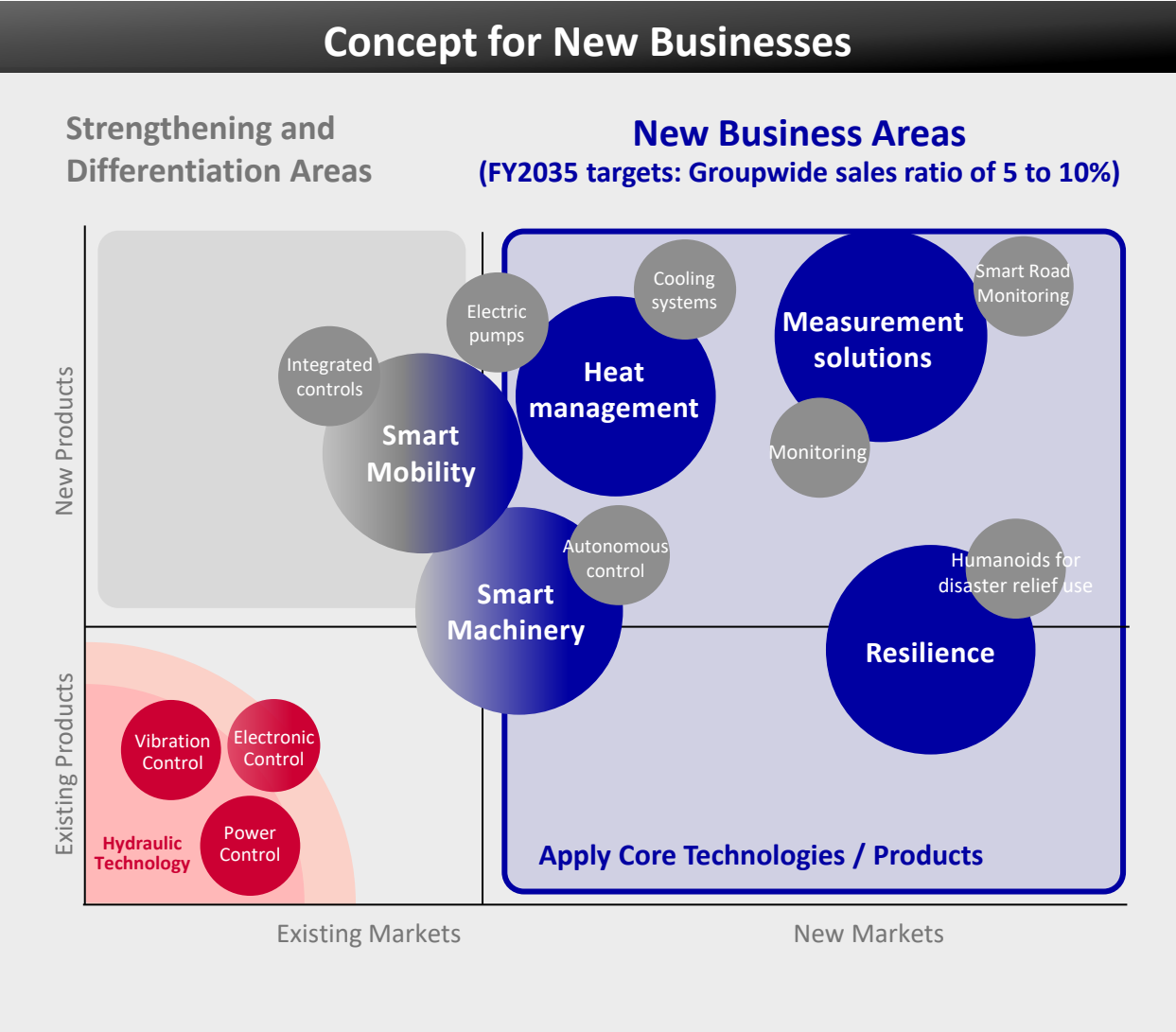
- Strengthen sustainable revenue base with mixer trucks as the core component
- Determine the scope of the growth domain focused on the specially equipped, specially designed vehicle market



New Businesses

- Accelerate business creation and strategic M&As in high-growth markets based on our core technology

Create unique new businesses built on our core technologies



New business Areas

Heat Management

(IT, data centers, etc.)

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

Measurement Solutions

(infrastructure and plants)

Commercialization of products that apply our core technologies

Smart machinery

(construction and agricultural machinery)

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

Resilience

(disaster preparedness)

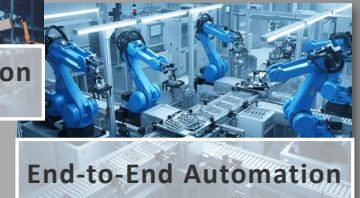
Promote businesses that support the safety of people through cooperation with other companies

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

1

Shorten Production Lead Time Through Smart Plant Realization

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



2

Accelerating Speed From Development To Deployment Through DX Integration

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



3

Monozukuri That Protects The Environment And People

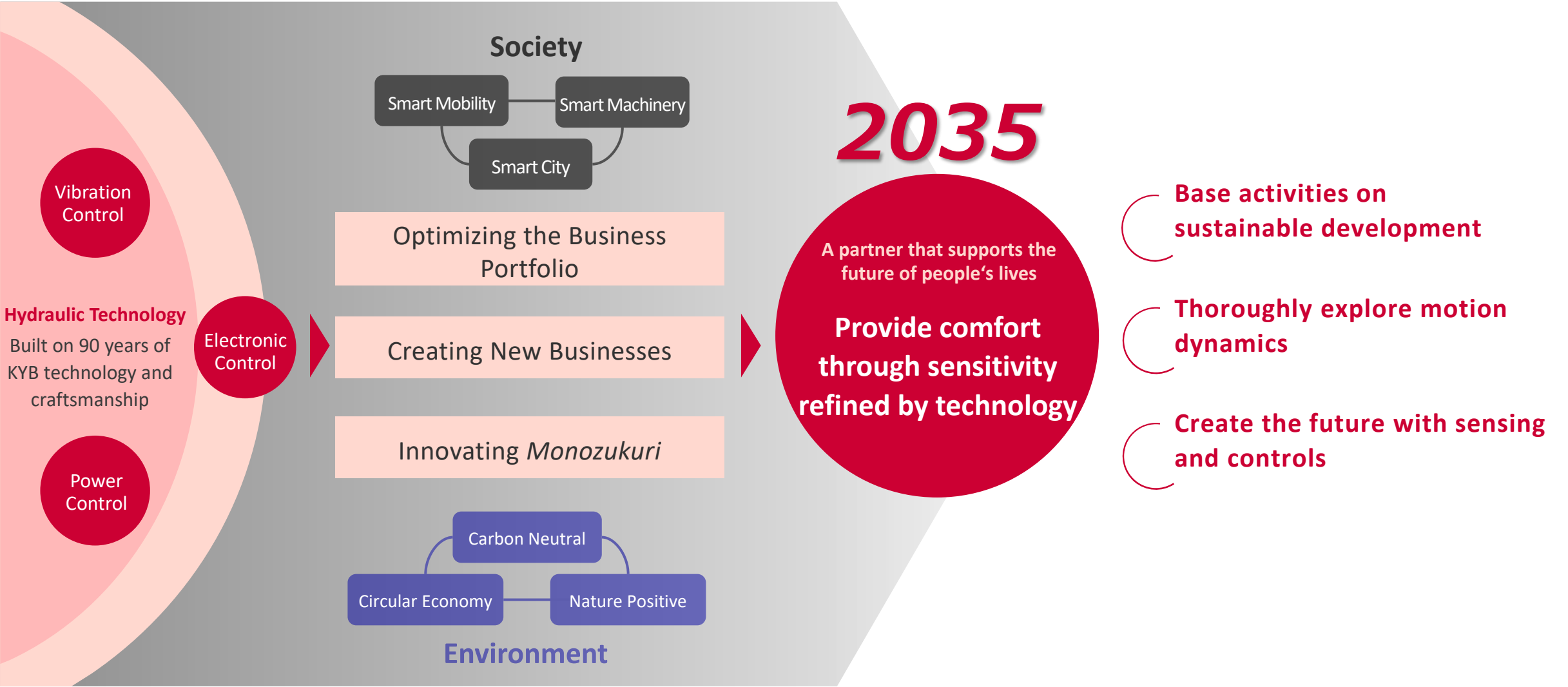
Reduce environmental burdens in production activities, create a better working environment



Goal for FY2035



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



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

Financial Strategy

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

Breakdown of Investments

Growth investments
¥300.0 bn

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

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

R&D Investments **¥150.0 bn**

ESG Sector	Initiatives	Goals	
Environment 	Develop products that contribute to environmental preservation	■ 2027: Achieve carbon neutrality at Developmental Center and R&D Center ■ 2035: 71% reduction in CO₂ emissions volume (compared to 2018) ■ 2050: Achieve carbon neutrality ■ Certification as a Nationally Certified Sustainably Managed Natural Site by the Ministry of the Environment and natural environment conservation (harmony with nature at the Developmental Center)	 Harmony with nature at the Developmental Center
	Reduce environmental burden of products		
	Reduce environmental burden in <i>monozukuri</i>		
	Environmental preservation activities		
	Environmental managements		
Social 	Develop products that contribute to society	■ 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
	Occupational health and safety		
	Respect for human rights		
	Diversity of human resources		
	Social contribution activities		
Governance 	Compliance, instilling awareness of norms	■ Broadly instill awareness of norms, conduct business operations with thorough governance on a Groupwide level	 Compliance
	Group governance		
	Governance of product development		
	Governance of <i>monozukuri</i>		
	Risk management, BCP		



Second Quarters of FY2025 (2Qs)

Financial Information

2Qs of FY2025 Performance Overview

✓ Increase in Net Sales and Profit (Operating Profit ¥8.3bn → ¥20.7bn)

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

FY2025 Forecast

✓ Revision Upward from the Previous Forecast (Operating Profit ¥22.5bn → ¥31.0bn)

- Based on progress through the second quarter, we have revised our previously announced forecast upward.

Return to Shareholders

✓ FY2025 annual dividend forecast: ¥150 per share (¥30 increase from the figures announced in August)

- Interim dividend forecast: ¥75 per share, Year end dividend forecast: ¥75 per share

✓ Decision to acquire treasury shares (Up to ¥20.0bn)

- As of the end of October 2025, approximately ¥18.5bn of treasury shares had been repurchased.

2Qs (1H) of FY2025 Financial Summary

(¥ Billion)	IFRS		Differences
	1H of FY2024 actual	1H of FY2025 actual	Previous period
Net sales	213.5	230.8	17.4
Segment profits* [Segment profits ratio]	8.7 [4.1%]	12.0 [5.2%]	3.2 [1.1%]
Operating profit [Operating profit ratio]	8.3 [3.9%]	20.7 [9.0%]	12.4 [5.1%]
Profit attributable to owners of the parent	5.2	17.1	12.0
FOREX (Average) (¥)			
JPY/ US\$	152.62	146.04	
JPY/ EUR	165.93	168.06	

*Segment profits correspond to operating income in JGAAP.

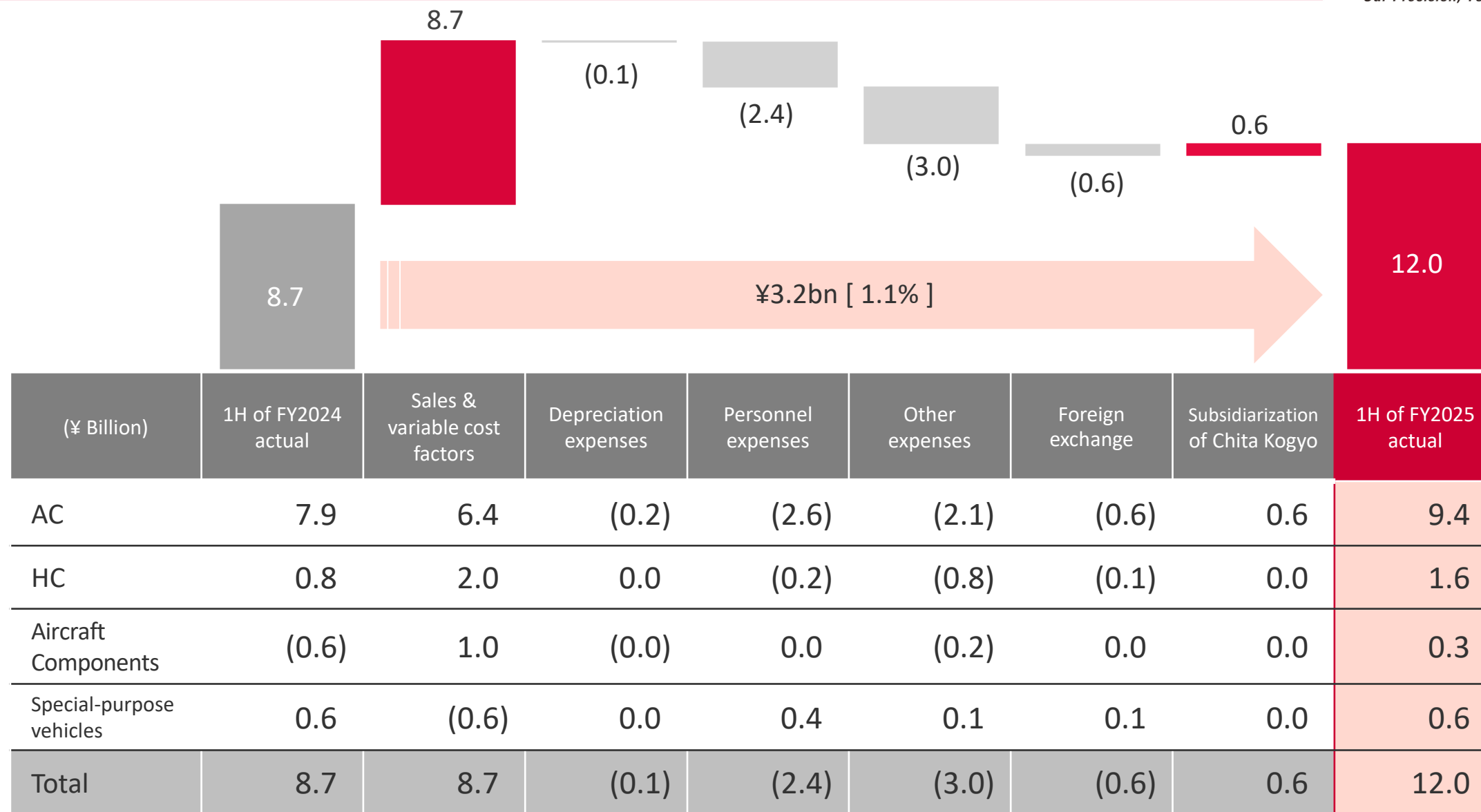
2Qs (1H) of FY2025 Net Sales and Segment Profits

(¥ Billion)	Net Sales			Segment Profits		
	1H of FY2024 actual	1H of FY2025 actual	Differences	1H of FY2024 actual	1H of FY2025 actual	Differences
AC	148.0	164.1	16.1	7.9	9.4	1.6
HC	58.2	60.1	1.9	0.8	1.6	0.8
Aircraft Components	1.5	3.2	1.8	(0.6)	0.3	0.8
Special-purpose vehicles	5.9	3.4	(2.5)	0.6	0.6	0.0
Total	213.5	230.8	17.4	8.7	12.0	3.2

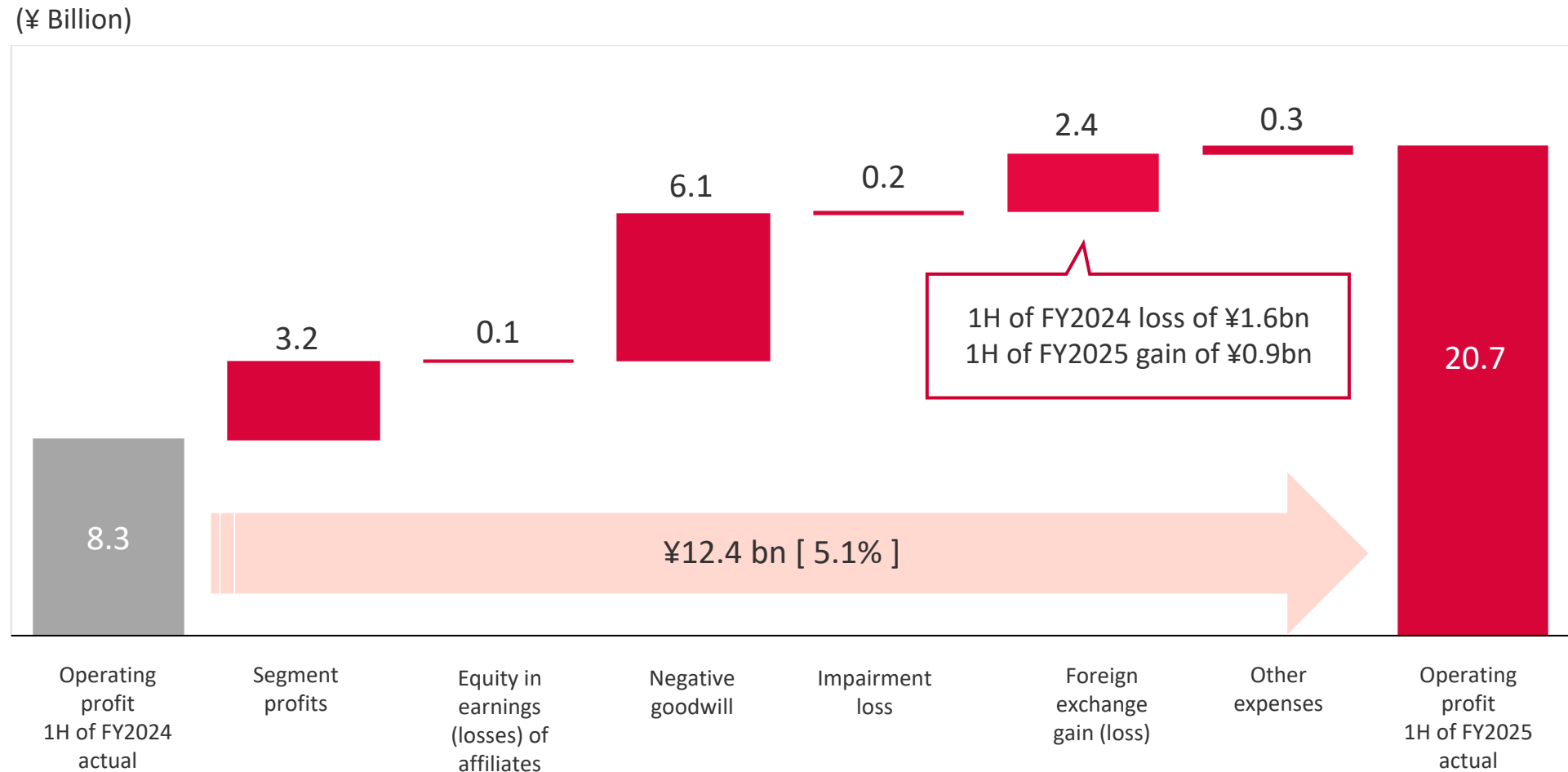
AC: Automotive Components

HC: Hydraulic Components

2Qs (1H) of FY2025 Changes in Segment Profits (Comparison with previous period)

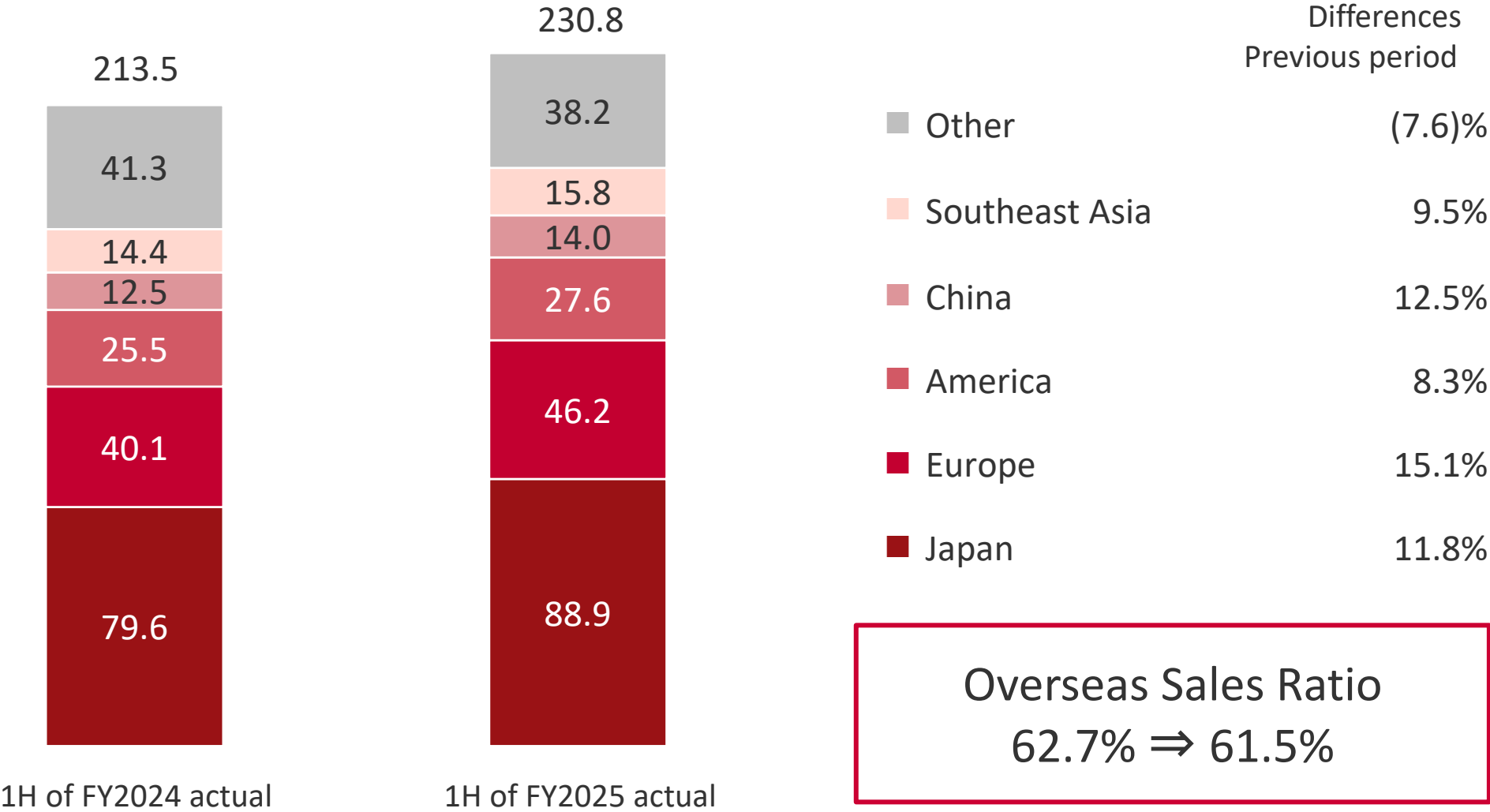


2Qs (1H) of FY2025 Changes in Segment Profits (Comparison with previous period)



2Qs (1H) of FY2025 Net Sales by Region

(¥ Billion)



FY2025 Financial Forecast

(¥ Billion)	IFRS			Differences	
	FY2024 actual	FY2025 Forecast (previous)	FY2025 Forecast (revised)	Previous year	Previous forecast
Net sales	438.3	440.0	460.0	21.7	20.0
Segment profits ^{*1} [Segment profits ratio]	19.8 [4.5%]	15.0 [3.4%]	23.0 [5.0%]	3.2	8.0
Operating profit	22.7	22.5	31.0	8.3	8.5
Profit attributable to owners of the parent	14.9	17.5	25.0	10.1	7.5
Dividend (¥) ^{*2} (Adjusted for the stock split)	110 (Including commemorative dividend 5)	120	150	40	30
FOREX (Average) (¥)					
JPY/ US\$	152.57	137.40	144.52		
JPY/ EUR	163.73	157.20	166.53		

*1 Segment profits correspond to operating income in JGAAP.

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

FY2025 Net Sales Forecast

(¥ Billion)	Net Sales				
	FY2024 actual	FY2025 Forecast (previous)	FY2025 Forecast (revised)	Differences	
				Previous year	Previous forecast
AC	307.6	314.8	328.0	20.4	13.2
HC	116.2	113.6	119.4	3.2	5.8
Aircraft Components	3.7	5.1	5.9	2.3	0.8
Special-purpose vehicles	10.8	6.5	6.6	(4.2)	0.1
Total	438.3	440.0	460.0	21.7	20.0

AC: Automotive Components

HC: Hydraulic Components

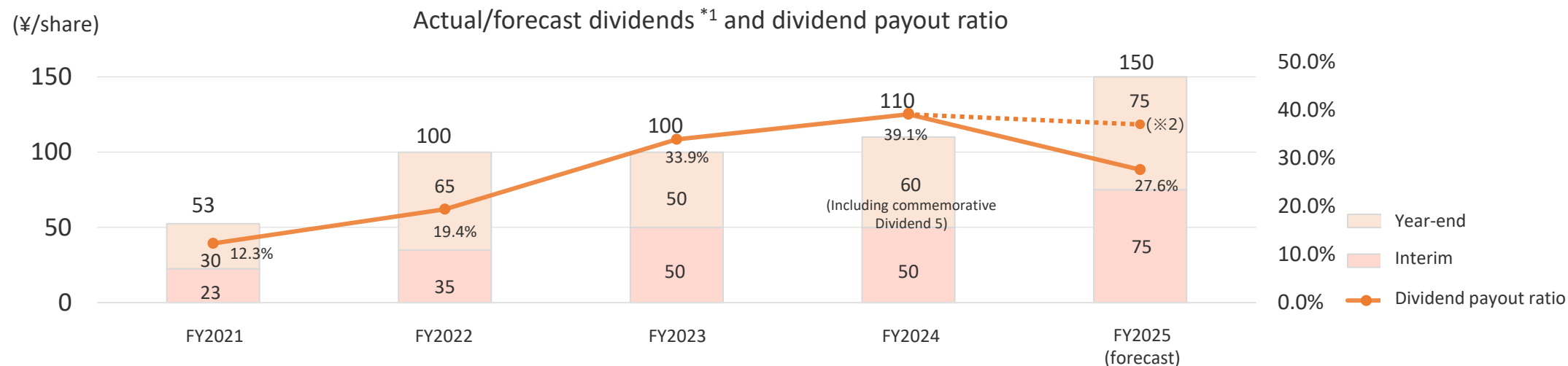
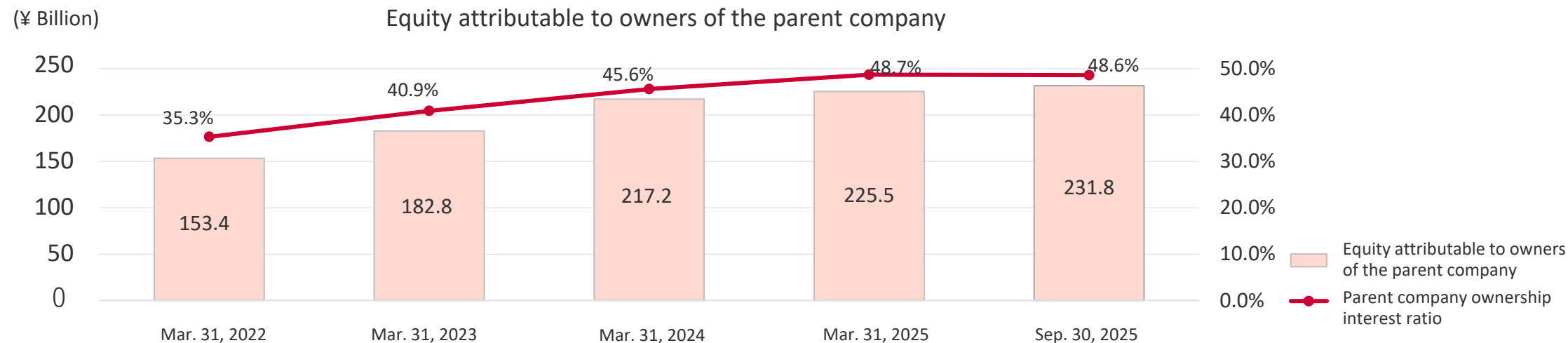
FY2025 Segment Profits Forecast

(¥ Billion)	Segment Profits				
	FY2024 actual	FY2025 Forecast (previous)	FY2025 Forecast (revised)	Differences	
				Previous year	Previous forecast
AC	17.2	13.2	19.0	1.8	5.8
HC	1.7	0.9	2.9	1.1	1.9
Aircraft Components	(0.4)	0.0	0.3	0.6	0.2
Special-purpose vehicles	1.3	0.8	0.9	(0.4)	0.1
Total	19.8	15.0	23.0	3.2	8.0

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 FY2021 (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 37.0%



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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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