

Modern Slavery Act Transparency Statement for Fiscal Year 2016

The purpose of this statement is to set out the activities taken to prevent slavery and human trafficking in the business and supply chains of KYB Corporation (hereinafter the "Company") together with its subsidiaries (hereinafter the "KYB Group") for the fiscal year 2016 under Article 54, Part 6 of the Modern Slavery Act 2015 enforced in the U.K.

1. Summary of our Business, Structure and Supply Chains

KYB Group's core business is built around the manufacture and sale of automobile parts (including shock absorbers for automobiles and motorcycles) and hydraulic equipment (including for industrial use, automobiles and aircraft, special-purpose vehicles and others).

KYB Group is headquartered in Tokyo and engages in business in Japan as well as in 22 overseas countries (with 14 companies incorporated in Japan and 36 companies incorporated in overseas countries). The Company has a sales office in the U.K. (KYBUK), and this office sells the products of the KYB Group.

KYB Group's manufacturing base and supply chains include the sourcing of raw materials and components from various suppliers in and outside of Japan.

2. Relevant Corporate Policies of KYB Group

The KYB Group is opposed to slavery and human trafficking in our own business and our supply chains as a whole.

The KYB Group fulfills its social responsibility by promoting CSR activities such as comprehensive corporate ethics, which includes legal compliance, and has set up Codes of Conduct and Supply Basic Policy with specific contents aimed at forbidding child and forced labor, and the use of conflict minerals.

For more information on these policies see:

(Codes of Conduct) <https://www.kyb.co.jp/english/company/csr.html>

(Supply Basic Policy) https://www.kyb.co.jp/english/company/supply_information.html

3. Efforts of the Company and KYB Group in FY2016

We require our staff to comply with our policies and codes of conduct which are prepared, distributed, updated and maintained. Our Supply Basic Policy also applies to our suppliers, as we assess the greatest risk of slavery and human trafficking would have been in our supply chain where operations and managerial oversight are out of our direct control.

The Compliance Enforcement Office has been established under the Legal Affairs Dept. for the purpose of overseeing and promoting compliance. In order to promote awareness of compliance, the Legal Affairs Dept. and Compliance Promotion Office provides education and training for the Directors and employees of the KYB Group, and maintains the KYB Group's compliance system.

(Note: The Compliance Promotion Office will become the Internal Control Office from FY 2017.)

In addition, all employees, directors and officers in Japan and overseas can use our established internal and external whistle-blowing systems which provide proper processing mechanisms for reporting on organizational or personal violations of laws and regulations from employees etc. of our trading partners (including contractors and subcontractors).

4. Our future efforts

We have established a separate CSR headquarters function from FY 2017 and will strive to be able to continue to promote CSR more widely and professionally.

CSR headquarters will be committed to further cooperation with internal affiliated departments and internal and external partners to best ensure that KYB Group continues to respond to human rights problems, including slavery and human trafficking.

We believe that respecting the basic human rights of all people is an important element for our business and we will strive to prevent slavery and human trafficking.

The Statement has been approved by the Board of Directors for the fiscal year ending [31 March 2016] and signed by Yasusuke Nakajima, Representative Director, President Executive Officer.

Date: *22 May 2017*



Representative Director, President Executive Officer
Yasusuke Nakajima