

Modern Slavery Act Transparency Statement for Fiscal Year 2019

This statement is to set out the steps 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," which includes the Company) for the fiscal year 2019 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

1) Summary of Our Business

The 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).

2) Structure of the Company

The KYB Group engages in business in Japan as well as in 23 overseas countries (with 14 companies incorporated in Japan and 33 companies incorporated overseas). The Company has a sales office in the U.K. (KYBUK), which sells the products of the KYB Group.

3) Supply Chains

The KYB Group procure raw materials and parts from various suppliers from Japan and overseas.

2. Relevant Corporate Policies of KYB Group

The KYB Group is opposed to slavery and human trafficking in its own business and its supply chains as a whole. The KYB Group fulfills its social responsibility by promoting CSR activities such as the establishment of comprehensive corporate ethics including legal compliance as well as setting up Corporate Guiding Principles 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:

(Corporate Guiding Principles) <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 KYB Group in FY 2019

The Company established the CSR Division (current CSR & Safety Control Division) in FY 2017 and has been working to promote CSR extensively and professionally. KYB Group has strictly stipulated the prohibition of violation of human rights as well as forced and child labor in our Corporate Guiding Principles. Furthermore, we also stipulated the awareness of social responsibility towards supply chains and prohibits forced labor and child labor in our supply chains.

1) Implementing e-learning

During April to June 2019, the Company has implemented the e-learning which explains each content in Corporate Guiding Principles to employees (including directors and officers) in the Company and

subsidiaries in Japan. In addition, KYB Group has developed the Company's education system by promoting regularization of educational activities using e-learning of Corporate Guiding Principles and setting it as one of the compliance education courses.

2) Efforts to Our Supply Chains

Regarding prohibiting the use of conflict minerals, every year we ask our suppliers for their cooperation with taking a survey on the purchase of 3TG (tantalum, tungsten, tin and gold) from smelters in the Democratic Republic of the Congo (DRC) and nine surrounding countries, using a questionnaire published by the Responsible Minerals Initiative (RMI). The survey was also implemented in FY 2019.

In FY 2019, we published the leaflet which explains basic knowledge regarding Modern Slavery Act as well as the risks to the company when violation to human rights has been detected, so as to inform the importance of preventing violation of human rights.

3) Contact Point for Whistle-blowing

In order to prevent, swiftly detect, and correct any wrongdoing, all employees, directors and officers in Japan and overseas can use our established internal and external whistle-blowing systems. Furthermore, the internal whistle-blowing system is open to employees etc. of our trading partners (including contractors and subcontractors) for reporting on organizational or personal violations of laws and regulations.

4. Our Future Steps

We will carry on with our awareness-raising activities for group companies and their suppliers on prohibiting human rights violations and slavery. We believe that respecting the fundamental human rights of all people is an important element for our business and will strive to prevent slavery and human trafficking.

This Statement has been approved by the Board of Directors as of September 8th, 2020.

September 9th, 2020



Masao Ono
Representative Director, President Executive Officer