

# MB (Multiple Business) Business Strategy



## Shift Portfolio to Products with Highly Stable Earnings and Strong Growth Potential.

Based on the strategy of shifting the portfolio to products with highly stable earnings and strong growth potential declared in the YX2023 Medium-Term Management Plan, we will drive the growth of the MB business and establish a structure that can ensure stable earnings by concentrating resources in the Hose and Couplings business and Industrial Products business.

**Yasuo Nakayama** Head of MB Div., Member of the Board and Officer

## Key Measures

<b>1</b>	<b>Hose and Couplings</b>	<ul style="list-style-type: none"> <li>Hydraulic hoses: Further expand market presence.</li> <li>Automotive hoses: Drive growth with new technologies in response to CASE.</li> <li>Strengthen efforts toward a hydrogen-based society (hydrogen dispenser hoses).</li> </ul>
<b>2</b>	<b>Industrial Products</b>	<ul style="list-style-type: none"> <li>Conveyor belts: Establish a dominant presence in core-strength markets.</li> <li>Marine products: Maintain high market share and strengthen production bases.</li> </ul>
<b>3</b>	<b>Aerospace Products</b>	<ul style="list-style-type: none"> <li>Decisively implement structural reforms that reflect the business environment.</li> </ul>

## Results in Fiscal 2021 and Future Measures (Challenges)

### Results

#### Hose and Couplings

- To cater to brisk demand for hydraulic hoses in the Chinese market, we decided to invest in increased production at production sites in China.
- Sales of hydraulic hoses mainly for construction machinery were strong.
- We succeeded in significantly reducing the weight of automotive air conditioning hoses with the use of rubber and resin polymer alloys.

#### Industrial Products

- We released the Flame GUARD Super 100 flame retardant conveyor belt with high temperature heat resistance.
- Conveyor belt got increased sales due to the strengthening of domestic sales.

#### Aerospace Products

- The contract with Boeing to supply water tanks for drinking water was renewed.

#### Hamatite

- Transfer of the Hamatite business to the Sika Group was completed in November 2021.

### Future Measures (Challenges)

#### Hose and Couplings

- We decided to invest in increased production at the Ibaraki Plant to swiftly respond to further increases in demand for hydraulic hoses.
- We have restructured the production system for the automotive hose business in the United States and Mexico.

#### Industrial Products

- To respond to the changing market environment, we decided to increase production capacity for conveyor belts at the Hiratsuka Factory.
- We began field demonstration tests of sensing systems to be installed in conveyor belts and marine hoses.

#### Aerospace Products

- With the aim of securing stable earnings, this has been integrated with the Industrial Products Div., which is highly compatible in terms of technology and skills, and we are striving to create synergies.

## Major Products of the MB Business



Hydraulic hoses fitted to construction machinery



Conveyor belts that demonstrate exceptional heat resistance performance and durability



Marine hoses for oil transportation



Water tanks installed in commercial aircraft