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## FLASH REPORT

February 2, 2015

Company name (official) : KYB Corporation (KAYABA INDUSTRY CO., LTD.)

URL <http://www.kyb.co.jp/english/>

Stock listing : Tokyo Stock Exchange (First Section)

Code number : 7242

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The following statements are an English translation of the original Japanese-language document for your convenience.  
In the case that there is any discrepancy between the Japanese and English versions, the Japanese version is assumed to be correct.

(All amounts are rounded down to the nearest million yen, unless otherwise noted.)

### 1. Result for the nine months ended December 31, 2014 (April 1, 2014 to December 31, 2014)

#### (1) Operating results

	Net sales		Operating income	
	(% change from the previous period)		(% change from the previous period)	
	Millions of yen		Millions of yen	
Nine months ended December 31, 2014	273,179	6.4	11,719	(18.3)
Previous corresponding period	256,837	14.3	14,345	84.5
Previous fiscal year	352,710	15.4	18,170	73.5

	Net income		Net income per share	
	(% change from the previous period)			
	Millions of yen		Yen	
Nine months ended December 31, 2014	8,196	(24.1)	32.08	
Previous corresponding period	10,801	105.3	48.46	
Previous fiscal year	12,761	63.8	55.26	

#### (2) Financial data

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
Nine months ended December 31, 2014	386,987	170,364	42.5
Previous fiscal year	361,083	153,997	41.2

### 2. Cash dividends

	Annual cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Previous fiscal year	–	4.00	–	5.00	9.00
Fiscal year	–	5.00	–	–	–
Fiscal year (forecast)	–	–	–	7.00	12.00

### 3. Forecast for the current fiscal year (April 1, 2014 to March 31, 2015)

	Net sales	Operating income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Yen
Current fiscal year	369,000	16,600	10,800	42.27

## Consolidated Balance Sheets

Kayaba Industry Co., Ltd. and its Consolidated Subsidiaries

	Millions of yen		Thousands of U.S. dollars
	Mar. 31, 2014	Dec.31, 2014	Dec.31, 2014
<b>Assets</b>			
Current assets			
Cash and deposits	39,505	31,832	263,074
Notes and accounts receivable - trade	86,443	91,600	757,025
Finished goods	24,642	26,967	222,868
Work in process	13,566	14,728	121,719
Raw materials and supplies	8,368	9,666	79,884
Deferred tax assets	4,815	4,119	34,041
Short-term loans receivable	45	80	661
Other	8,854	11,081	91,579
Allowance for doubtful accounts	(193)	(187)	(1,545)
Total current assets	186,048	189,888	1,569,322
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	47,362	53,450	441,736
Machinery, equipment and vehicles, net	54,846	63,845	527,645
Land	26,619	27,139	224,289
Leased assets, net	2,788	2,760	22,810
Construction in progress	13,012	13,386	110,628
Other, net	3,007	3,325	27,479
Total property, plant and equipment	147,636	163,907	1,354,603
Intangible assets			
Goodwill	622	505	4,174
Software	156	235	1,942
Other	1,391	1,430	11,818
Total intangible assets	2,170	2,171	17,942
Investments and other assets			
Investment securities	20,712	26,497	218,983
Net defined benefit asset	94	180	1,488
Deferred tax assets	1,934	2,194	18,132
Other	2,542	2,204	18,215
Allowance for doubtful accounts	(57)	(57)	(471)
Total investments and other assets	25,226	31,020	256,364
Total non-current assets	175,034	197,099	1,628,917
<b>Total assets</b>	<b>361,083</b>	<b>386,987</b>	<b>3,198,240</b>

Note: U.S dollar amounts were translated from Japanese yen, for convenience only, at ¥121=US\$ 1, the approximate exchange rate prevailing on December 31, 2014.

	Millions of yen		Thousands of U.S. dollars
	Mar. 31, 2014	Dec.31, 2014	Dec.31, 2014
<b>Liabilities</b>			
Current liabilities			
Notes and accounts payable - trade	62,584	70,187	580,058
Short-term loans payable	44,206	43,580	360,165
Lease obligations	585	589	4,868
Accounts payable - other	11,701	12,157	100,471
Income taxes payable	5,501	578	4,777
Notes payable - facilities	2,966	1,779	14,702
Provision for product warranties	5,220	5,335	44,091
Provision for bonuses	—	3,116	25,752
Provision for directors' bonuses	173	159	1,314
Other	13,805	10,964	90,612
<b>Total current liabilities</b>	<b>146,746</b>	<b>148,448</b>	<b>1,226,843</b>
Non-current liabilities			
Long-term loans payable	41,395	45,710	377,769
Lease obligations	2,271	2,170	17,934
Deferred tax liabilities for land revaluation	3,965	3,965	32,769
Provision for directors' retirement benefits	74	84	694
Provision for environmental measures	220	220	1,818
Net defined benefit liability	9,949	12,111	100,091
Asset retirement obligations	386	398	3,289
Other	2,077	3,512	29,025
<b>Total non-current liabilities</b>	<b>60,339</b>	<b>68,174</b>	<b>563,421</b>
<b>Total liabilities</b>	<b>207,085</b>	<b>216,623</b>	<b>1,790,273</b>
<b>Net assets</b>			
Shareholders' equity			
Capital stock	27,647	27,647	228,488
Capital surplus	29,543	29,543	244,157
Retained earnings	78,323	82,210	679,421
Treasury shares	(565)	(570)	(4,711)
<b>Total shareholders' equity</b>	<b>134,948</b>	<b>138,830</b>	<b>1,147,355</b>
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	4,354	8,150	67,355
Revaluation reserve for land	5,316	5,316	43,934
Foreign currency translation adjustment	3,651	11,532	95,306
Remeasurements of defined benefit plans	506	565	4,669
<b>Total accumulated other comprehensive income</b>	<b>13,828</b>	<b>25,564</b>	<b>211,273</b>
Minority interests	5,220	5,969	49,331
<b>Total net assets</b>	<b>153,997</b>	<b>170,364</b>	<b>1,407,967</b>
<b>Total liabilities and net assets</b>	<b>361,083</b>	<b>386,987</b>	<b>3,198,240</b>

Note: U.S dollar amounts were translated from Japanese yen, for convenience only, at ¥121=US\$ 1, the approximate exchange rate prevailing on December 31, 2014.

## Consolidated Statements of Income

Kayaba Industry Co., Ltd. and its Consolidated Subsidiaries

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec.31,2013	Nine months ended Dec.31, 2014	Nine months ended Dec.31, 2014
Net sales	256,837	273,179	2,257,678
Cost of sales	205,509	218,925	1,809,298
Gross profit	51,328	54,253	448,372
Selling, general and administrative expenses	36,982	42,534	351,521
Operating income	14,345	11,719	96,851
Non-operating income			
Interest income	161	161	1,331
Dividend income	538	473	3,909
Foreign exchange gains	1,625	1,133	9,364
Technical support fee	148	580	4,793
Share of profit of entities accounted for using equity method	157	94	777
Other	1,305	778	6,430
Total non-operating income	3,936	3,221	26,620
Non-operating expenses			
Interest expenses	1,142	1,046	8,645
Other	627	343	2,835
Total non-operating expenses	1,769	1,389	11,479
Ordinary income	16,513	13,550	111,983
Extraordinary income			
Gain on sales of non-current assets	269	14	116
Gain on sales of shares of subsidiaries and associates	1,254	—	—
Total extraordinary income	1,523	14	116
Extraordinary losses			
Loss on disposal of non-current assets	350	539	4,455
Impairment loss	0	69	570
Loss on sales of investment securities	21	—	—
Loss on change in equity	32	—	—
Loss on valuation of investment securities	—	4	33
Special retirement expenses	19	5	41
Other	—	0	0
Total extraordinary losses	423	620	5,124
Income before income taxes and minority interests	17,613	12,945	106,983
Income taxes - current	5,172	4,226	34,926
Refund of income taxes for prior periods	—	(670)	(5,537)
Income taxes - deferred	1,246	915	7,562
Total income taxes	6,418	4,471	36,950
Income before minority interests	11,195	8,473	70,025
Minority interests in income	393	277	2,289
Net income	10,801	8,196	67,736

Note: U.S dollar amounts were translated from Japanese yen, for convenience only, at ¥121=US\$ 1, the approximate exchange rate prevailing on December 31, 2014.

## Consolidated Statements of Comprehensive Income

Kayaba Industry Co., Ltd. and its Consolidated Subsidiaries

	Millions of yen		Thousands of U.S. dollars
	Nine months ended Dec.31,2013	Nine months ended Dec.31, 2014	Nine months ended Dec.31, 2014
Income before minority interests	11,195	8,473	70,025
Other comprehensive income			
Valuation difference on available-for-sale securities	1,911	3,795	31,364
Foreign currency translation adjustment	7,014	8,304	68,628
Remeasurements of defined benefit plans, net of tax	—	44	364
Share of other comprehensive income of entities accounted for using equity method	(6)	166	1,372
Total other comprehensive income	8,920	12,311	101,744
Comprehensive income	20,115	20,784	171,769
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	19,415	19,932	164,727
Comprehensive income attributable to minority interests	700	851	7,033

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