

November 6, 2018

PRESS RELEASE

Company name: KYB Corporation
Representative: Yasusuke Nakajima
Representative Director, Chairman and President Executive Officer
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Notice concerning dividend of surplus (No interim dividends) and revisions to year-end dividend forecast

KYB Corporation (HQ:Tokyo, President: Yasusuke Nakajima; hereinafter “the Company”) announces that its Board of Directors has passed a resolution at the meeting held on November 6, 2018 not to pay the dividend of surplus (interim dividends), with September 30 as the record date, and revise the year-end dividend forecast.

1. Details of dividend of surplus (interim dividends)

	Amount determined	Most recent dividend forecast (Announced on Aug. 7, 2018)	Actual dividend in the previous fiscal year (Interim dividend in FY2018/ 3)
Record date	Sep. 30, 2018	Same as on the left	Sep. 30, 2017
Dividend per share	0.00 yen	70.00 yen	7.00 yen
Total amount of dividends	—	—	1,788 million yen
Effective date	—	—	Dec. 4, 2017
Source of dividends	—	—	Retained earnings

2. Details of revisions to the year-end dividend forecast

	Dividend per share (yen)		
	Interim	Year-end	Annual
Previously announced forecasts (announced on Aug. 7, 2018)	70.00	80.00	150.00
Revised forecasts		—	—
Actual dividends in the current fiscal year	0.00		
Actual dividends in the previous fiscal year (ended March 31, 2018)	7.00	80.00	—

* The Company conducted the consolidation of shares at a rate of one share for every ten shares, with October 1, 2017 as the effective date, and therefore states the amount that takes into account the effect of the consolidation of shares for the year-end dividend per share in the fiscal year ended March 31, 2018 (actual dividend) and “—” for the annual dividends.

If the consolidation of shares is not taken into account, the year-end dividend per share in the fiscal year ended March 31, 2018 (actual dividend) will be 8.00 yen, and the annual dividend per share will be 15.00 yen.

3. Reason

The Company recognizes that appropriate profit distribution to shareholders as one of its most important management issues. Since fiscal 2017, the Company has set the basic policy of paying dividends equal to or more than

2% (annualized) of the dividend on equity ratio (DOE) on a consolidated basis, while aiming to achieve the consolidated dividend payout ratio of 30%. Based on this policy, the Company planned to pay interim dividends of 70 yen per share for the current fiscal year.

However, as stated in the “Notice concerning posting of provision for product warranties for seismic isolation/mitigation oil dampers, differences between consolidated results forecasts and actual results for the first half of the current fiscal year, and revisions to the full-year results forecasts” announced today, financial results for the first half of the fiscal year ending March 31, 2019 were significantly lower than the initial forecasts, mainly due to the loss caused by nonconforming acts of seismic isolation/mitigation oil dampers. In addition, it is difficult to forecast the impact of future adverse factors on financial results, such as expenses required for replacement work related to the nonconforming acts and incidental expenses such as compensation in connection with the implementation of replacement work. Therefore, we have regrettably decided not to pay interim dividends.

We have not yet determined the year-end dividends, given uncertainty about the future outlook for the business environment, but will immediately announce our decision as soon as we have made a determination after comprehensively taking into account our dividend policy, the continuity of profit distribution to shareholders, the future impact on our business performance and financial soundness, among other factors.