

February 13, 2018

PRESS RELEASE

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**Notice concerning revisions to results forecasts of the full year on a consolidated basis due to the recording of the provision for product warranties for the seismic isolation/mitigation oil dumpers**

KYB Corporation (HQ: Tokyo, President: Yasusuke Nakajima; hereinafter “the Company”) announces that the consolidated results forecasts for the fiscal year ending March 31, 2019 have been revised. Details are as follows.

1. Revisions to the consolidated results forecasts for the fiscal year ending March 31, 2019

(1) Reason for revisions

(April 1, 2018 to March 31, 2019)

	Net sales	Segment profit	Operating profit	Profit before taxes	Profit for the period	Profit attributable to owners of the parent	Basic
Previously announced forecasts (A) (December 19, 2018)	Millions of yen 416,000	Millions of yen 21,300	Millions of yen Δ 1,800	Millions of yen Δ 3,000	Millions of yen Δ 3,700	Millions of yen Δ 4,200	Yen Δ 164.42
Revised forecasts (B)	416,000	21,300	Δ 12,000	Δ 12,900	Δ 9,500	Δ 10,000	Δ 391.48
Changes (B-A)	-	-	Δ 10,200	Δ 9,900	Δ 5,800	Δ 5,800	-
Rate of change (%)	-	-	-	-	-	-	-
(Reference) Results for the same period of the previous fiscal year (Fiscal year ended March 31, 2018)	393,743	22,949	20,885	20,881	15,786	15,202	595.09

(2) Reason for revisions

In relation to the full-year results forecasts, 11,375 million yen was additionally posted under “other expenses” for inclusion in the provision for product warranties for the seismic isolation/mitigation oil dumpers in the first nine months of the current consolidated fiscal year. (Of the amount described above, 2,500 million yen was already planned at the time of previous announcement on December 19, 2018 and thus the amount of additional impact on operating results is 8,875 million yen.)

In addition, 982 million yen already spent for measures to provide the product warranties for dumpers was posted under “other expenses” in the first nine months of the current consolidated fiscal year. As a result,

operating profit is expected to decrease by 10,200 million yen from the forecast previously announced.

Profit for the period is revised downward, a decrease of 5,800 million yen, as tax expenses are expected to decrease with the increase in “other expenses” described above.

(Note) The above forecasts are prepared based on information available as of the date of announcement of this document, and actual results may differ from the forecasts due to a range of factors in the future.

For the provision for product warranties for the seismic isolation/mitigation oil dampers, only expenses for which reliable estimates are available at this point are recorded.

Depending on future progress with respect to the warranties above, expenses required for replacement work of the relevant replacement products that will arise in relation to those warranties, as well as incidental expenses such as compensation that will arise in association with the implementation of the replacement work, could have a significant impact on the consolidated financial results of the Company, at the time when a reliable estimate of these expenses becomes available.