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## FLASH REPORT

May. 14, 2019

Company name (official) : KYB Corporation

URL <https://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 Japanese and English versions, Japanese version is assumed to be correct.

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

### 1. Consolidated financial results for the fiscal year ended March 31, 2019

( from April 1, 2018 to March 31, 2019 )

#### (1) Consolidated operating results

(Percentages indicate the year-on-year changes)

	Net sales		Segment profit		Operating profit		Profit before taxes	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2019	412,214	4.7	22,010	(4.1)	(28,496)	—	(29,510)	—
March 31, 2018	393,743	10.5	22,949	17.0	20,885	8.5	20,881	10.8

  

	Profit for the year		Profit attributable to owners of the parent		Comprehensive income for the year		Basic earnings per share	
Year ended	Millions of yen	%	Millions of yen	%	Yen		Yen	
March 31, 2019	(24,571)	—	(24,757)	—	(28,641)	—	(969.18)	
March 31, 2018	15,786	4.7	15,202	4.5	20,115	9.7	595.09	

  

	Diluted earnings per share	Ratio of profit attributable to owners of the parent	Ratio of profit before income taxes to total assets	Ratio of operating profit to sales
Year ended	Yen	%	%	%
March 31, 2019	—	(15.0)	(6.9)	(6.9)
March 31, 2018	—	8.8	5.3	5.3

Reference: Share of profit in investments accounted for using the equity method:

Fiscal year ended March 31, 2019: ¥320million

Fiscal year ended March 31, 2018: ¥173million

\*We carried out 1-for-10 reverse stock split on the effective date of October 1, 2017. Therefore basic earnings per share is calculated assuming that the reverse stock was carried out at the beginning of the previous consolidated fiscal year.

\*We started to include 'Royalty income' and 'Income related to mold compensation' into the 'Net sales' in Consolidated Statements of Income from this fiscal year, which were previously included in 'Other income'. Financial information for the previous fiscal year has been revised to reflect this change.

\*Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from sales.

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2019	441,074	155,643	149,338	33.9	5,846.39
March 31, 2018	412,493	186,651	180,225	43.7	7,055.40

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of year
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2019	17,047	(13,616)	10,418	56,092
March 31, 2018	29,252	(16,386)	(4,482)	42,702

## 2. Cash dividends

	Annual cash dividends per share					Total cash dividends (Annual)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of the parent (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
Year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2018	—	7.00	—	80.00	—	3,832	25.2	2.2
March 31, 2019	—	0.00	—	0.00	0.00	—	—	—
March 31, 2020	—	—	—	—	—		—	

\*Regarding dividends, we recognize the proper return of profits to shareholders as one of the most important management issues.

From FY2017, our target is consolidated dividend payout ratio of 30%. And we aim to achieve a dividend equal to or more than 2% (annualized) of the dividend on equity ratio (DOE) on a consolidated basis.

However, regarding the result of the fiscal year ending March 31, 2019, we have recorded large loss for nonconforming acts of seismic isolation/mitigation oil dampers for buildings. Therefore, we regret to say that we decided not to pay Year-end dividends.

\*We carried out 1-for-10 reverse stock split on the effective date of October 1, 2017.

Therefore, As for cash dividends per share of second quarter, we disclose the amount before taking the impact of reverse stock split into consideration. And we disclose total annual cash dividends per share as "-". With taking reverse stock split into consideration, cash dividends per share for second quarter were 70.00 yen and cash dividends per share for the previous fiscal year were 150.00 yen.

\*The amount of FY 2019 dividends has not been decided.

## 3. Forecasts for the fiscal year ending March 31, 2020 ( April 1, 2019 to March 31, 2020 )

(Percentages indicate the year-on-year changes)

	Net sales		Segment profit		Operating profit		Profit before taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First half	205,000	1.1	9,600	1.4	8,900	—	8,200	—
Full year	410,000	(0.5)	20,600	(6.4)	19,400	—	18,500	—

	Profit for the period		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
First half	6,900	—	6,700	—	262.29
Full year	14,600	—	14,000	—	548.08

\*Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from sales.

## Consolidated Statements of Financial Position

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	42,702	56,092
Trade and other receivables	103,881	107,426
Inventories	54,001	59,591
Other current financial assets	1,066	1,170
Other current assets	9,904	10,826
Total current assets	211,554	235,105
Non-current assets:		
Property, plant and equipment	161,886	161,368
Goodwill	268	264
Intangible assets	6,692	7,532
Investments accounted for using the equity method	4,342	5,570
Other non-current financial assets	24,731	22,983
Other non-current assets	532	650
Deferred tax assets	2,487	7,602
Total non-current assets	200,938	205,969
Total assets	412,493	441,074

(Unit: Millions of yen)

	As of March 31, 2018	As of March 31, 2019
Liabilities and equity		
Current liabilities:		
Trade and other payables	82,695	87,189
Borrowings	57,098	54,255
Income tax payables	1,944	1,128
Other current financial liabilities	22,760	24,307
Provisions	5,438	37,876
Other current liabilities	1,708	2,224
Total current liabilities	171,643	206,979
Non-current liabilities:		
Borrowings	34,986	44,046
Liabilities for retirement benefits	9,592	10,807
Other non-current financial liabilities	2,255	8,521
Provisions	2,189	14,178
Other non-current liabilities	21	553
Deferred tax liabilities	5,156	346
Total non-current liabilities	54,198	78,451
Total liabilities	225,841	285,430
Equity		
Equity attributable to owners of the parent:		
Share capital	27,648	27,648
Capital surplus	29,414	29,414
Retained earnings	114,363	86,536
Treasury shares	(598)	(600)
Other components of equity	9,398	6,340
Total equity attributable to owners of the parent	180,225	149,338
Non-controlling interests	6,426	6,306
Total equity	186,651	155,643
Total liabilities and equity	412,493	441,074

# Consolidated Statements of Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2018 (Apr. 1, 2017 through Mar. 31, 2018)	For the fiscal year ended March 31, 2019 (Apr. 1, 2018 through Mar. 31, 2019)
Net sales	393,743	412,214
Cost of sales	312,810	330,099
Gross profit	80,932	82,115
Selling, general and administrative expenses	57,983	60,104
Equity in earnings of affiliates	173	320
Other income	1,316	9,778
Other expenses	3,553	60,605
Operating profit (loss)	20,885	(28,496)
Finance income	973	839
Finance costs	977	1,853
Profit (loss) before taxes	20,881	(29,510)
Income tax expenses	5,096	(4,939)
Profit (loss) for the year	15,786	(24,571)
Profit attributable to:		
Owners of the parent	15,202	(24,757)
Non-controlling interests	584	186
Profit (loss) for the year	15,786	(24,571)
Earnings per share		
Basic earnings (loss) per share (in yen)	595.09	(969.18)

# Consolidated Statements of Comprehensive Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2018 (Apr. 1, 2017 through Mar. 31, 2018)	For the fiscal year ended March 31, 2019 (Apr. 1, 2018 through Mar. 31, 2019)
Profit (loss) for the year	15,786	(24,571)
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Net changes in financial assets measured at fair value through other comprehensive income	1,206	(2,613)
Remeasurements of defined benefit plans	1,698	(1,000)
Share of other comprehensive income of investments accounted for using the equity method	(27)	17
Total	2,876	(3,596)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	1,333	(1)
Effective portion of the net changes in the fair value of cash flow hedges	(71)	(7)
Share of other comprehensive income of investments accounted for using the equity method	191	(466)
Total	1,453	(474)
Total other comprehensive income	4,329	(4,071)
Comprehensive income for the year	20,115	(28,641)
Comprehensive income for the year attributable to:		
Owners of the parent	19,445	(28,841)
Non-controlling interests	670	200
Comprehensive income for the year	20,115	(28,641)

## Consolidated Statements of Changes in Equity

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares
Balance at April 1, 2017	27,648	29,414	100,995	(587)
Comprehensive income for the year:				
Profit for the year	—	—	15,202	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the year	—	—	15,202	—
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Acquisition of treasury shares	—	—	—	(11)
Disposal of treasury shares	—	0	—	0
Dividends of surplus	—	—	(3,576)	—
Changes due to business combination	—	—	69	—
Transfer to retained earnings	—	—	1,674	—
Total contributions by and distributions to owners in their capacity as owners	—	0	(1,834)	(11)
Changes in equity interest of subsidiaries:				
Change of non-controlling interests	—	—	—	—
Dividends of surplus	—	—	—	—
Total changes in equity interest of subsidiaries	—	—	—	—
Total transactions with owners	—	0	(1,834)	(11)
Balance at March 31, 2018	27,648	29,414	114,363	(598)
Balance at April 1, 2018	27,648	29,414	114,363	(598)
Comprehensive income for the year:				
Loss for the period	—	—	(24,757)	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the year	—	—	(24,757)	—
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Acquisition of treasury shares	—	—	—	(3)
Disposal of treasury shares	—	—	—	—
Dividends of surplus	—	—	(2,044)	—
Changes due to business combination	—	—	—	—
Transfer to retained earnings	—	—	(1,027)	—
Total contributions by and distributions to owners in their capacity as owners	—	—	(3,070)	(3)
Changes in equity interest of subsidiaries:				
Change of non-controlling interests	—	—	—	—
Dividends of surplus	—	—	—	—
Total changes in equity interest of subsidiaries	—	—	—	—
Total transactions with owners	—	—	(3,070)	(3)
Balance at March 31, 2019	27,648	29,414	86,536	(600)

	Other components of equity					Comprehensive income for the year attributable to owners of the parent	Non-controlling interests	Total equity
	Net changes in financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Effective portion of the net changes in the fair value of cash flow hedges	Total other components of equity			
Balance at April 1, 2017	8,274	—	(1,521)	77	6,829	164,299	5,472	169,771
Comprehensive income for the year:								
Profit for the year	—	—	—	—	—	15,202	584	15,786
Other comprehensive income	1,206	1,675	1,433	(71)	4,243	4,243	87	4,329
Total comprehensive income for the year	1,206	1,675	1,433	(71)	4,243	19,445	670	20,115
Transactions with owners:								
Contributions by and distributions to owners in their capacity as owners:								
Acquisition of treasury shares	—	—	—	—	—	(11)	—	(11)
Disposal of treasury shares	—	—	—	—	—	0	—	0
Dividends of surplus	—	—	—	—	—	(3,576)	—	(3,576)
Changes due to business combination	—	—	—	—	—	69	—	69
Transfer to retained earnings	1	(1,675)	—	—	(1,674)	—	—	—
Total contributions by and distributions to owners in their capacity as owners	1	(1,675)	—	—	(1,674)	(3,518)	—	(3,518)
Changes in equity interest of subsidiaries:								
Change of non-controlling interests	—	—	—	—	—	—	541	541
Dividends of surplus	—	—	—	—	—	—	(257)	(257)
Total changes in equity interest of subsidiaries	—	—	—	—	—	—	284	284
Total transactions with owners	1	(1,675)	—	—	(1,674)	(3,518)	284	(3,235)
Balance at March 31, 2018	9,480	—	(88)	6	9,398	180,225	6,426	186,651
Balance at April 1, 2018	9,480	—	(88)	6	9,398	180,225	6,426	186,651
Comprehensive income for the year:								
Loss for the year	—	—	—	—	—	(24,757)	186	(24,571)
Other comprehensive income	(2,613)	(1,028)	(438)	(6)	(4,085)	(4,085)	14	(4,071)
Total comprehensive income for the year	(2,613)	(1,028)	(438)	(6)	(4,085)	(28,841)	200	(28,641)
Transactions with owners:								
Contributions by and distributions to owners in their capacity as owners:								
Acquisition of treasury shares	—	—	—	—	—	(3)	—	(3)
Disposal of treasury shares	—	—	—	—	—	—	—	—
Dividends of surplus	—	—	—	—	—	(2,044)	—	(2,044)
Changes due to business combination	—	—	—	—	—	—	—	—
Transfer to retained earnings	(1)	1,028	—	—	1,027	—	—	—
Total contributions by and distributions to owners in their capacity as owners	(1)	1,028	—	—	1,027	(2,046)	—	(2,046)
Changes in equity interest of subsidiaries:								
Change of non-controlling interests	—	—	—	—	—	—	—	—
Dividends of surplus	—	—	—	—	—	—	(321)	(321)
Total changes in equity interest of subsidiaries	—	—	—	—	—	—	(321)	(321)
Total transactions with owners	(1)	1,028	—	—	1,027	(2,046)	(321)	(2,367)
Balance at March 31, 2019	6,866	—	(526)	—	6,340	149,338	6,306	155,643



# Consolidated Statements of Cash Flows

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2018 (Apr. 1, 2017 through Mar. 31, 2018)	For the fiscal year ended March 31, 2019 (Apr. 1, 2018 through Mar. 31, 2019)
<b>Cash flows from operating activities:</b>		
Profit (loss) before taxes	20,881	(29,510)
Depreciation and amortization	16,988	17,581
Impairment losses	383	4,840
Reversal gain of impairment losses	(31)	(2,282)
Gain on sales of fixed asset	(44)	(6,257)
Increase (decrease) in assets and liabilities for retirement benefits	422	(257)
Increase (decrease) in provisions for product warranties	351	35,388
Increase (decrease) in provisions for loss related defense equipment	—	7,618
Finance income	(973)	(839)
Finance costs	977	1,853
Equity in earnings of affiliates	(173)	(320)
Loss on sales of investments accounted for using the equity method	367	—
(Increase) decrease in trade and other receivables	(9,820)	(5,348)
(Increase) decrease in inventories	(3,874)	(5,020)
Increase (decrease) in trade and other payables	9,745	3,832
Provision for loss on cancellation of joint venture agreement	1,189	58
Loss associated with the Anti-Trust law	—	4,323
Other	(2,990)	(2,197)
Subtotal	33,399	23,462
Interest received	131	203
Dividends received	1,593	1,273
Interest paid	(1,012)	(1,063)
Income taxes paid	(4,859)	(3,655)
Payments of loss associated with the Anti-Trust law	—	(3,174)
Net cash from operating activities	29,252	17,047
<b>Cash flows from investing activities:</b>		
Payment into time deposits	(203)	(446)
Proceeds from withdrawal of time deposits	136	334
Payment for purchases of property, plant and equipment	(14,402)	(20,442)
Proceeds from sales of property, plant and equipment	99	10,540
Payment for purchases of other financial assets	(24)	(20)
Proceeds from sale of other financial assets	8	2
Proceeds from changes in ownership interests in subsidiaries that result in changes in scope of consolidation	—	841
Payment for purchases of Investments accounted for using the equity method	—	(1,755)
Proceeds from sale of investments accounted for using the equity method	286	—
Other	(2,287)	(2,670)
Net cash flows from investing activities	(16,386)	(13,616)

(Unit: Millions of yen)

	For the fiscal year ended March 31, 2018 (Apr. 1, 2017 through Mar. 31, 2018)	For the fiscal year ended March 31, 2019 (Apr. 1, 2018 through Mar. 31, 2019)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	3,408	(2,019)
Repayments of lease obligations	(589)	(673)
Proceeds from long-term borrowings	9,388	23,650
Repayment of long-term borrowings	(13,386)	(16,179)
Proceeds from sale and lease back	—	8,006
Proceeds from non-controlling interests	541	—
Payments for purchase of treasury shares	(11)	(3)
Proceeds from sales of treasury shares	0	—
Dividends paid	(3,576)	(2,044)
Dividends paid to non-controlling interests	(257)	(321)
Net cash flows from financing activities	(4,482)	10,418
Effect of changes in foreign exchange rates	288	(459)
Net increase (decrease) in cash and cash equivalents	8,672	13,389
Cash and cash equivalents at beginning of year	33,988	42,702
Increase (decrease) in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	42	—
Cash and cash equivalents at end of year	42,702	56,092

## Segment Information

KYB Corporation and its Consolidated Subsidiaries

For the fiscal year ended March 31, 2018

(Unit: Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Automotive components	Hydraulic components	System Products	Aircraft Components	Subtotal				
Net sales:									
Outside customers	243,725	122,787	8,510	6,354	381,375	12,367	393,743	—	393,743
Intersegment sales and transfers	771	1,363	429	—	2,563	104	2,667	(2,667)	—
Total	244,496	124,150	8,939	6,354	383,938	12,472	396,410	(2,667)	393,743
Segment profit (loss) (Note 3)	10,421	11,204	437	(216)	21,846	785	22,631	318	22,949
Equity in earnings (loss) of affiliates	(207)	380	—	—	173	—	173	—	173
Other income and expenses (net)	(1,655)	(422)	0	(111)	(2,188)	(49)	(2,237)	—	(2,237)
Operating profit (loss)	8,559	11,163	437	(327)	19,831	736	20,567	318	20,885
Finance income and costs (net)									(4)
Profit before taxes									20,881
Depreciation and amortization	10,936	5,230	241	120	16,527	467	16,994	(6)	16,988
Impairment loss	301	57	—	—	358	25	383	—	383
Increases of non current-assets (Note 4)	14,114	5,489	112	588	20,304	701	21,005	(48)	20,956

Notes: 1. "Others" includes "Special-purpose Vehicles" and "Electronic Equipment" that are not included in the four of reportable segment.

2. ¥318 million of adjustment of segment profit is the elimination of intersegment transactions.

3. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from sales.

4. Non current-assets don't include investments accounted for using the equity method, other non-current financial assets and deferred tax assets.

For the fiscal year ended March 31, 2019

(Unit: Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Automotive components	Hydraulic components	System Products	Aircraft Components	Subtotal				
Net sales:									
Outside customers	245,807	140,625	8,530	5,624	400,586	11,628	412,214	—	412,214
Intersegment sales and transfers	831	1,386	220	—	2,438	127	2,564	(2,564)	—
Total	246,638	142,011	8,750	5,624	403,023	11,755	414,778	(2,564)	412,214
Segment profit (loss) (Note 3)	9,680	11,836	642	(1,227)	20,931	869	21,800	210	22,010
Equity in earnings (losses) of affiliates	(83)	403	—	—	320	—	320	—	320
Other income and expenses (net)	(5,213)	6,073	(43,627)	(8,095)	(50,862)	36	(50,826)	—	(50,826)
Operating profit (loss)	4,385	18,311	(42,985)	(9,322)	(29,611)	905	(28,706)	210	(28,496)
Finance income and costs (net)									(1,014)
Loss before taxes									(29,510)
Depreciation and amortization	11,175	5,673	158	126	17,133	458	17,591	(10)	17,581
Impairment loss	295	11	2,493	2,041	4,840	—	4,840	—	4,840
Increases of non current-assets (Note 4)	12,075	11,485	432	506	24,498	848	25,345	—	25,345

Notes: 1. "Others" includes "Special-purpose Vehicles" and "Electronic Equipment" that are not included in the four of reportable segment.

2. ¥210 million of adjustment of segment profit is the elimination of intersegment transactions.

3. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from sales.

4. Non current-assets don't include investments accounted for using the equity method, other non-current financial assets and deferred tax assets.

\*With regard to the changes of reportable segment

\*Conventionally, as for "Special-purpose Vehicles", "Aircraft Components" and "System Products and Electronic Equipment", as a result of taking into account the quantitative criteria etc. in the reporting segment, they were included in "Others".

We and our subsidiary, Kayaba System Machinery manufacture and sell oil dampers as seismic isolation/mitigation materials for buildings. It has come to light that some already shipped seismic isolation/mitigation oil dampers products

that do not conform to performance evaluation standards approved by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), or the standards of our customers where installed in buildings through falsification of performance inspection record data.

As a result of recording the estimated cost of this case, the "System Products" included in "Others" increased its qualitative importance, so "System Products" is separated from "Others" from FY2018.

In addition, as for the contract with the Ministry of Defense relating to defense equipment, it has come to light that we made inappropriate claim to Ministry of Defense.

As a result of recording the estimated cost of this case, the "Aircraft Components" included in "Others" increased its qualitative importance, so "Aircraft Components" is separated from "Others" from FY2018.

Therefore, we have four reporting segments, "Automotive Components", "Hydraulic Components", "System Products" and "Aircraft Components".

\*We started to include 'Royalty income' and 'Income related to mold compensation' into

the 'Net sales' in Consolidated Statements of Income from this first quarter of this fiscal year, which were previously included in 'Other income'. Financial information for the previous fiscal year has been revised to reflect this change.

As a result, "Net sales" and "Segment profit" increased by 1,165 million yen in the Automotive components and 184 million yen in the Hydraulic components, respectively.

## FY2018 Financial Results Supplementary Information

### 1. Breakdown of sales

	FY2017		FY2018		Differences	
	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio
Automotive Components	243,725	61.9%	245,807	59.6%	2,082	0.9%
Shock absorber for automobiles	163,068	41.4%	169,655	41.2%	6,586	4.0%
Shock absorber for motorcycles	30,016	7.6%	29,060	7.0%	△ 956	-3.2%
Hydraulic equipment for automobiles	45,708	11.6%	42,062	10.2%	△ 3,647	-8.0%
Others	4,932	1.3%	5,031	1.2%	99	2.0%
Hydraulic Components	122,787	31.2%	140,625	34.1%	17,838	14.5%
Hydraulic equipment for industrial use	114,254	29.0%	132,294	32.1%	18,040	15.8%
Others	8,533	2.2%	8,331	2.0%	△ 202	-2.4%
Special-purpose vehicles, hydraulic equipment for aircraft, and system product and electronic components	27,231	6.9%	25,782	6.3%	△ 1,449	-5.3%
Special-purpose vehicles	9,559	2.4%	9,131	2.2%	△ 429	-4.5%
Hydraulic equipment for aircraft	6,354	1.6%	5,625	1.4%	△ 729	-11.5%
System products and electronic components, etc.	11,318	2.9%	11,026	2.7%	△ 291	-2.6%
Total	393,743	100.0%	412,214	100.0%	18,471	4.7%

## 2. FOREX Rate

Average FOREX Rate	FY2017				FY2018			
	Apr-Jun 2017	Apr-Sep 2017	Apr-Dec 2017	Full year	Apr-Jun 2018	Apr-Sep 2018	Apr-Dec 2018	Full year
JPY/USD	111.10	111.07	111.70	110.85	109.07	110.26	111.14	110.91
JPY/EUR	122.18	126.28	128.52	129.70	130.06	129.84	129.48	128.40
JPY/CNY	16.21	16.42	16.64	16.74	17.12	16.74	16.60	16.53
JPY/THB	3.24	3.28	3.33	3.35	3.42	3.40	3.41	3.43
JPY/RUB	1.94	1.91	1.92	1.91	1.76	1.73	1.72	1.71

FOREX Rate prevailing at the end of quarter	FY2017				FY2018			
	30 Jun 2017	30 Sep 2017	31 Dec 2017	31 Mar 2018	30 Jun 2018	30 Sep 2018	31 Dec 2018	31 Mar 2019
JPY/USD	112.00	112.74	113.05	106.27	110.54	113.58	110.91	111.01
JPY/EUR	127.95	132.81	134.95	130.58	127.88	132.15	126.88	124.56
JPY/CNY	16.49	16.96	17.30	16.92	16.67	16.50	16.14	16.48
JPY/THB	3.30	3.38	3.46	3.40	3.33	3.50	3.41	3.49
JPY/RUB	1.89	1.94	1.96	1.86	1.76	1.73	1.59	1.71

## 3. Segment sales

	FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Automotive Components	59,662	59,931	60,983	63,149	62,816	60,906	62,204	59,882
Hydraulic Components	28,210	29,235	32,334	33,007	33,741	33,483	36,496	36,904
Other (*1)	5,879	6,531	6,374	8,447	5,580	6,262	5,420	8,520
Total	93,752	95,697	99,691	104,604	102,137	100,651	104,120	105,305

	FY2017			FY2018		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
Automotive Components	119,593	124,132	243,725	123,722	122,085	245,807
Hydraulic Components	57,445	65,341	122,787	67,224	73,400	140,625
Other (*1)	12,410	14,821	27,231	11,842	13,940	25,782
Total	189,448	204,294	393,743	202,789	209,425	412,214

## 4. Segment operating income (\*2)

	FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Automotive Components	3,239	2,007	2,570	2,802	3,138	1,213	2,549	2,907
Hydraulic Components	2,865	2,394	3,002	3,043	3,019	2,575	3,243	3,071
Other (*1)	156	36	289	545	△ 555	79	182	590
Total	6,260	4,438	5,861	6,390	5,601	3,867	5,975	6,567

	FY2017			FY2018		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
Automotive Components	5,246	5,372	10,619	4,351	5,456	9,807
Hydraulic Components	5,259	6,045	11,304	5,594	6,314	11,908
Other (*1)	193	834	1,026	△ 477	772	295
Total	10,698	12,251	22,949	9,468	12,542	22,010

## 5. Capital Expenditure, Depreciation

	FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Capital Expenditure	3,445	5,274	4,182	5,587	4,470	5,454	4,700	8,048
Depreciation Expenses	4,035	4,148	4,413	4,392	4,256	4,321	4,408	4,596

	FY2017			FY2018		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
Capital Expenditure	8,719	9,769	18,488	9,924	12,747	22,672
Depreciation Expenses	8,183	8,804	16,988	8,577	9,004	17,581

## 6. R&D Expenses

	FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
R&D Expenses	1,699	1,703	2,367	2,334	1,737	1,810	1,673	1,530

	FY2017			FY2018		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
R&D Expenses	3,401	4,700	8,102	3,547	3,203	6,750

## 7. Foreign Exchange gain or loss (\*3)

	FY2017				FY2018			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Other Income / Other Expenses	244	317	143	△ 441	89	△ 85	△ 61	△ 314
Finance Income / Finance Costs	63	20	35	311	△ 812	△ 117	163	△ 46
Total	307	336	178	△ 129	△ 723	△ 202	102	△ 361

	FY2017			FY2018		
	1st Half	2nd Half	Full year	1st Half	2nd Half	Full year
Other Income / Other Expenses	561	△ 298	262	3	△ 376	△ 372
Finance Income / Finance Costs	82	347	429	△ 929	117	△ 812
Total	643	49	692	△ 926	△ 259	△ 1,184

(\*1) "Other" includes "special-purpose vehicles", "Hydraulic equipment for aircraft" and "System Products and Electronic Equipment" that are not included in the two reportable segments.

(\*2) "Segment operating income", which is described above, is different from "Segment profits (losses)" which is described in "Segment Information" section in the Flash Report. "Segment operating income" amount includes "Adjustment" amount, which is described in the Flash Report.

(\*3) "Foreign Exchange Gain or Loss", which is described above, comes from the amount of foreign exchange gain or loss in "Other income", "Other expense", "Finance income" and "Finance costs" in the Consolidated Statements of Income. Foreign exchange gain is written as plus and foreign exchange loss is written as minus.