

November 13, 2019

PRESS RELEASE

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Notice Concerning Posting of Product guarantee countermeasure costs for Seismic Isolation/Mitigation Oil Dampers, Differences between Results Forecasts and Actual Results for the First Half of the Fiscal Year Ending March 30, 2020 and Revisions to the Full-Year Results Forecasts

KYB Corporation (HQ: Tokyo, President: Masao Ono: hereinafter “the Company”) announces that differences have arisen between consolidated results forecasts for the first half of the fiscal year ending March 30, 2020 (April 1, 2019 to September 30, 2019) announced on May 14, 2019 and actual results announced today, as described below. The Company also announces that it has revised its full-year consolidated results forecasts for the fiscal year ending March 30, 2020 (April 1, 2019 to March 31, 2020) announced on May 14, 2019 based on its recent business performance, as described below.

1. Differences between consolidated results forecasts and actual results for the first half of the fiscal year ending March 30, 2020 (April 1, 2019 to September 30, 2019)

	Net sales	Segment profit	Operating profit	Profit before taxes	Profit for the period	Profit attributable to owners of the parent	Basic earnings per share
Previously announced forecasts(A)	Millions of yen 205,000	Millions of yen 9,600	Millions of yen 8,900	Millions of yen 8,200	Millions of yen 6,900	Millions of yen 6,700	Yen 262.29
Actual results (B)	197,638	11,919	4,498	4,205	1,919	1,666	65.20
Changes (B-A)	△7,362	2,319	△4,402	△3,995	△4,981	△5,034	
Rate of change (%)	△3.6	24.2	△49.5	△48.7	△72.2	△75.1	
(Reference) Results for the previous fiscal year (first half of the fiscal year ended March 31, 2019)	202,789	9,468	△11,300	△12,369	△11,789	△11,972	△468.67

2. Revisions to the full-year consolidated results forecasts for the fiscal year ending March 31, 2020
(April 1, 2019 to March 31, 2020)

	Net sales	Segment profit	Operating profit	Profit before taxes	Profit for the year	Profit attributable to owners of the parent	Basic earnings per share
Previously announced forecasts(A)	Millions of yen 410,000	Millions of yen 20,600	Millions of yen 19,400	Millions of yen 18,500	Millions of yen 14,600	Millions of yen 14,000	Yen 548.08
Actual results (B)	390,000	20,600	6,500	6,000	3,300	2,800	109.62
Changes (B-A)	△20,000	0	△12,900	△12,500	△11,300	△11,200	
Rate of change (%)	△4.9	0	△66.5	△67.6	△77.4	△80.0	
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2018)	412,214	22,010	△28,496	△29,510	△24,571	△24,757	△969.18

3. Reasons for differences and revisions

In the first half of the current consolidated fiscal year, as a result of posting product guarantee countermeasure costs (5,036 million yen) in other expenses, reflecting progress in replacement construction work for “nonconfirming acts in the inspection process of seismic isolation/mitigation oil dampers for buildings,” operating profit, profit before taxes, profit for the year and profit attributable to owners of the parent all declined from the previous forecasts.

With respect to full-year consolidated results forecasts for the fiscal year ending March 31, 2020, we will revise the forecasts for operating profit, profit before taxes, profit for the year and profit attributable to owners of the parent at the time of the previous announcement as a result of revising net sales by reflecting future trends in the construction machinery market in China and the impact of foreign exchange rates associated with the stronger yen, and incorporating our forecast for costs for product guarantee countermeasure costs for seismic isolation/mitigation oil dampers.

Foreign exchange rates are based on the assumption of 107 yen to the U.S. dollar and 118 yen to the euro for the full year (105 yen to the U.S. dollar and 115 yen to the euro after the third quarter of the current fiscal year).

(Note) Because the forecasts above are prepared based on information available as of the date of this announcement, actual results may differ materially from the forecasts due to various factors in the future.