



First Quarter of FY2020 Financial Information

August 7, 2020

KYB Corporation

(Stock Code: 7242; First Section of Tokyo Stock
Exchange)

1Q of FY2020 Performance Overview

- ✓ **Decrease in sales and profits compared to the same period of the previous fiscal year**
 - Large contraction of 40% due to the impact of the novel coronavirus (COVID-19)
(AC Operations down 48%, HC Operations down 30%)
 - General sense of recovery in each region since June
 - Efforts to bring seismic isolation/mitigation oil dampers are proceeding according to plan

FY2020 Forecast

- ✓ The impact of the spread of the novel coronavirus (COVID-19) is still unclear, so we are unable to formulate an earnings and dividends forecast.
- ✓ When it becomes possible to make a forecast, we will promptly make one and disclose it.

The impact of the novel coronavirus (COVID-19)

- ✓ There is a strong sense of uncertainty regarding demand for automobiles and construction machinery, as it is not possible to predict an end to the pandemic.
- ✓ In manufacturing, all regions appear to have hit the bottom in April to May, and there is a general sense of recovery (except for China, which began to recover in April)

First Quarter of FY2020 Financial Summary



Our Precision, Your Advantage

(¥ Billion)	IFRS		Differences
	FY2019 1Q actual	FY2020 1Q actual	Previous period
Net sales	101.6	60.4	(41.2)
Segment profits (loss)* [Segment profits ratio]	6.8 [6.7%]	(1.6) [-]	(8.5) [-]
Operating Profit (loss)	3.6	(3.2)	(6.8)
Profit (loss) attributable to owners of the parent	1.8	(3.8)	(5.6)
FOREX (Average) (¥)			
JPY/ US\$	109.90	107.62	
JPY/ EUR	123.48	118.47	

*Segment profits correspond to operating income in JGAAP.

First Quarter of FY2020 Net Sales and Segment Profits **KYB**

Our Precision, Your Advantage

(¥ Billion)	Net Sales			Segment Profit (loss)		
	FY2019 1Q actual	FY2020 1Q actual	Differences	FY2019 1Q actual	FY2020 1Q actual	Differences
AC	61.4	31.7	(29.6)	4.2	(1.5)	(5.7)
HC	34.8	24.4	(10.4)	2.7	(0.1)	(2.8)
System products	1.7	1.5	(0.3)	0.2	0.2	0
Aircraft Components	1.1	1.1	(0)	(0.5)	(0.3)	0.2
Others	2.6	1.8	(0.8)	0.3	0.1	(0.2)
Total	101.6	60.4	(41.2)	6.8	(1.6)	(8.5)

AC: Automotive Components

HC: Hydraulic Components

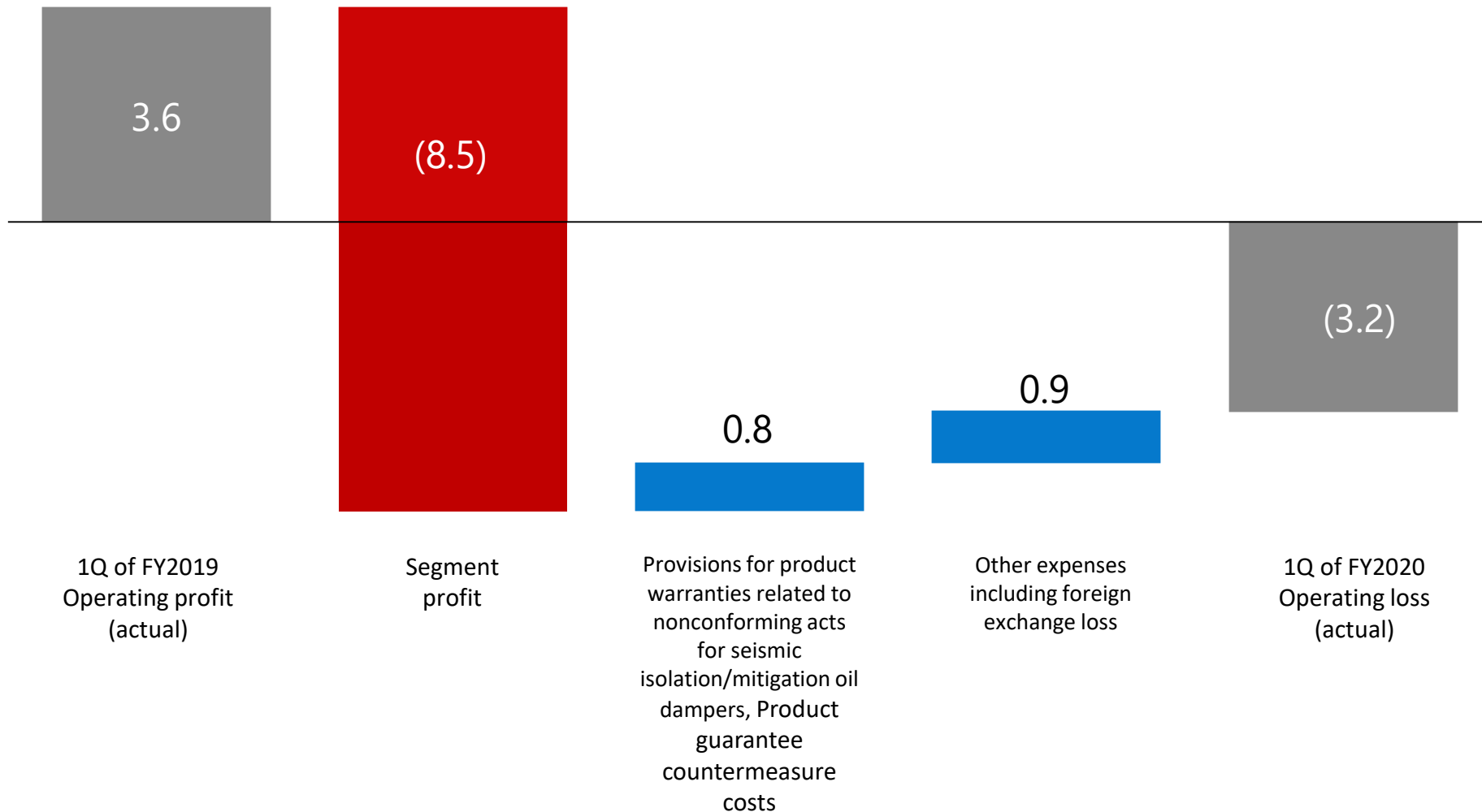
Others: Special-purpose vehicles, electronic equipment, etc.

1Q of FY2020 Changes in Operating Profits



Our Precision, Your Advantage

(¥ Billion)

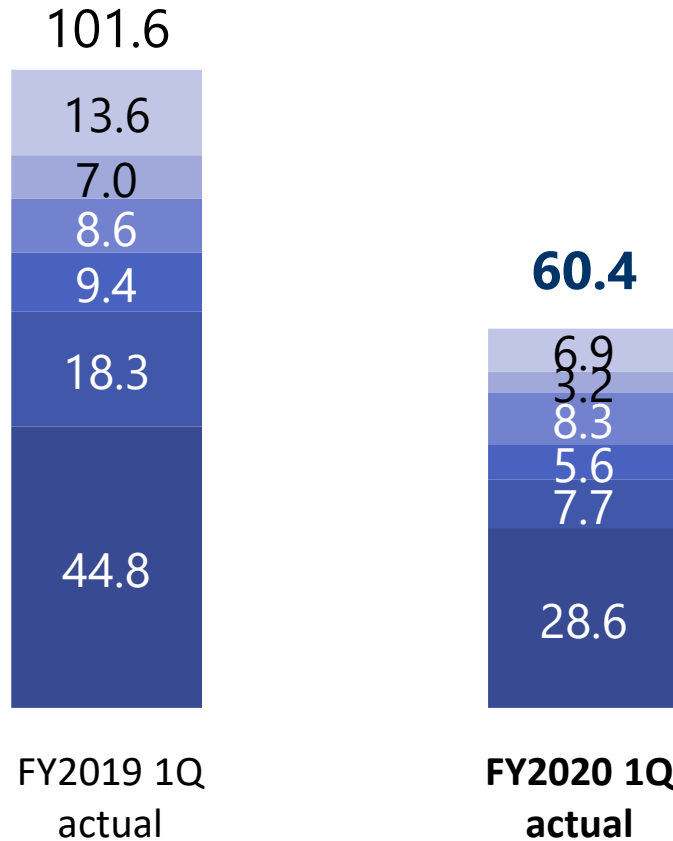


First Quarter of FY2020 Net Sales by Region



Our Precision, Your Advantage

(¥ Billion)



Differences
Previous period

Other	(49.1)%
Southeast Asia	(53.6)%
China	(3.4)%
America	(40.0)%
Europe	(57.8)%
Japan	(36.1)%

Overseas Sales Ratio

55.9% ⇒ 52.6%

Impact of Nonconforming Acts Related to Seismic Isolation/mitigation Oil Dampers on Performance



Our Precision, Your Advantage

Cost amount

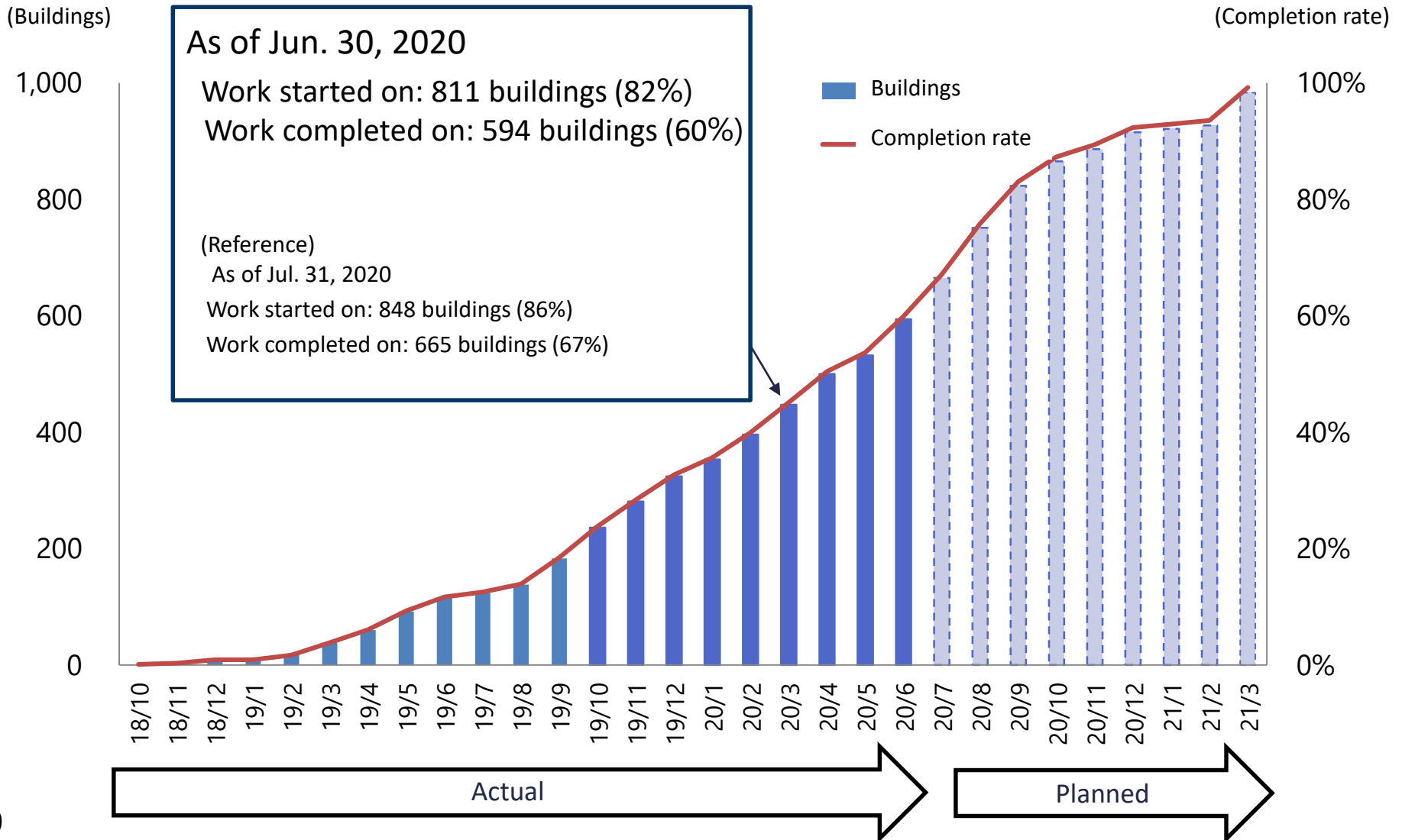
(¥ Billion)

Items	FY2018				FY2019					FY2020	(1)+(2)+(3)
	2Q	3Q	4Q	(1) FY2018 cumulative total	1Q	2Q	3Q	4Q	(2) FY2019 cumulative total	(3) 1Q	
Provision for product guarantee	14.4	11.4	9.3	35.1	0.3	0.1	6.8	15.2	22.5	0.1	57.7
Product guarantee countermeasure costs	0.0	1.0	5.0	6.0	2.2	2.9	3.1	4.1	12.2	1.6	19.8
Total	14.4	12.4	14.3	41.1	2.5	3.0	10.0	19.3	34.7	1.7	77.5

Impact on cash

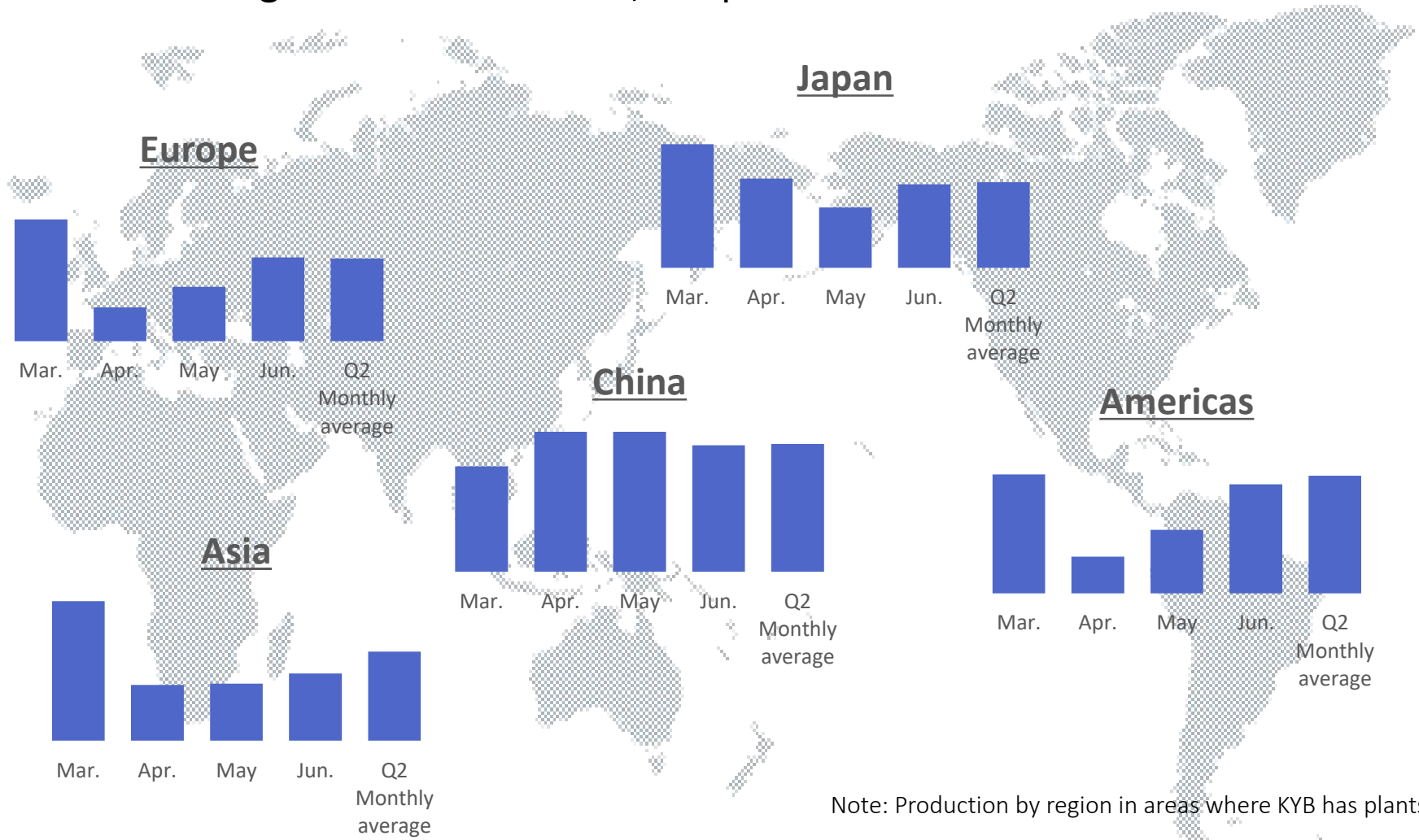
Items	FY2018				FY2019					FY2020	(1)+(2)+(3)
	2Q	3Q	4Q	(1) FY2018 cumulative total	1Q	2Q	3Q	4Q	(2) FY2019 cumulative total	(3) 1Q	
Reversal of provision for product warranties	0.0	0.0	0.0	0.0	1.9	2.8	3.3	3.8	11.8	4.0	15.8
Product guarantee countermeasure costs	0.0	1.0	5.0	6.0	2.2	2.9	3.1	4.1	12.2	1.6	19.8
Total	0.0	1.0	5.0	6.0	4.1	5.6	6.5	7.8	24.0	5.6	35.6

Progress Plan for Bringing Nonconforming Seismic Isolation/Mitigation Dampers up to Conformity



Production by Region

- ✓ All regions except China hit the bottom in April to May, and are recovering
- ✓ China began to recover earlier, in April



Note: Production by region in areas where KYB has plants



Our Precision, Your Advantage

Cautionary Statement

This report contains forward-looking statements, including KYB's plans and strategies, as well as statements that report historical results. Forward-looking statements involve such known and unknown risks and uncertainties as economic conditions; currency exchange rates; laws, regulations, and government policies; and political instability in principal markets.

For further information, please contact:
Investor Relations Sect., Finance Dept.
Tel: +81-3-3435-3580

(¥ Billion)	Net Sales			Segment Profit (loss)		
	FY2019 1Q actual	FY2020 1Q actual	Differences	FY2019 1Q actual	FY2020 1Q actual	Differences
AC	61.4	31.7	(29.6)	4.2	(1.5)	(5.7)
Shock absorbers for automobiles	44.9	23.8	(21.1)	-	-	-
Shock absorbers for motorcycles	6.0	3.7	(2.3)	-	-	-
Hydraulic equipment for automobiles	9.3	3.7	(5.6)	-	-	-
Others	1.2	0.5	(0.6)	-	-	-
HC	34.8	24.4	(10.4)	2.7	(0.1)	(2.8)
Hydraulic equipment for industrial use	32.5	22.5	(10.1)	-	-	-
Others	2.3	1.9	(0.4)	-	-	-
System products	1.7	1.5	(0.3)	0.2	0.2	0
Aircraft Components	1.1	1.1	(0)	(0.5)	(0.3)	0.2
Others	2.6	1.8	(0.8)	0.3	0.1	(0.2)
Total	101.6	60.4	(41.2)	6.8	(1.6)	(8.5)

AC: Automotive Components

HC: Hydraulic Components

Others: Special-purpose vehicles, electronic equipment, etc.