



Our Precision, Your Advantage

FLASH REPORT

August. 5, 2022

Company name (official) : KYB Corporation
 Stock listing : Tokyo Stock Exchange (Prime Market)
 Code number : 7242
 Address of head office : 4-1, Hamamatsu-cho 2-chome, Minato-ku, Tokyo 105-5128, Japan
 Telephone : +81 3- 3435- 3580

URL <https://www.kyb.co.jp/english/>

For further information, please contact : Tsuyoshi Matsuoka, Manager,

Public Relations & Investor Relations Sect., Executive Office Dept.

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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(1) Consolidated operating results

(Percentages indicate the change of the same period of the previous year)

	Net sales		Segment profit		Operating profit		Profit before taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2022	100,409	5.8	5,679	(11.0)	7,479	6.5	7,521	13.3
June 30, 2021	94,919	57.1	6,380	—	7,020	—	6,639	—

	Profit for the period		Profit attributable to owners of the parent		Comprehensive income for the period		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Three months ended							
June 30, 2022	5,376	7.6	5,012	7.1	15,267	182.0	187.07
June 30, 2021	4,996	—	4,680	—	5,415	—	182.91

	Diluted earnings per share
Three months ended	Yen
June 30, 2022	—
June 30, 2021	—

*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
June 30, 2022	443,779	173,315	165,951	37.4	6,008.59
March 31, 2022	434,187	160,914	153,411	35.3	5,508.47

2. Cash dividends

	Annual cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Previous fiscal year	—	45.00	—	60.00	105.00
Current fiscal year	—				
Current fiscal year (forecast)		60.00	—	60.00	120.00

*The above table shows dividends on common shares. Please refer to "(Reference) Dividends for Class Shares" for information regarding dividends on class shares, which are unlisted and have different rights from common shares.

3. Forecasts for the current fiscal year (April 1, 2022 to March 31, 2023)

(Percentages indicate the change of the same period of the previous year)

	Net sales		Segment profit		Operating profit		Profit before taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Current fiscal year	410,000	5.6	26,500	7.2	26,500	(11.7)	26,000	(9.8)

	Profit for the period		Profit attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Yen
Current fiscal year	19,000	(20.5)	18,000	(20.2)	668.01

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

(Reference) Dividends for Class Shares

Dividends per share related to Class Shares with different rights from those of common shares are as follows.

Class A Shares	Annual cash dividends per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Previous fiscal year	—	1,952,054.80	—	3,739,726.00	5,691,780.80
Current fiscal year	—				
Current fiscal year (forecast)		3,760,274.00	—	3,739,726.00	7,500,000.00

* Number of Class A Shares issued are 125 shares. The Class A Shares were issued on 28 June 2021. Dividend whose reference date is attributed during FY2022 is planned to be 937 million yen.

Consolidated Statements of Financial Position

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets:		
Cash and cash equivalents	52,118	49,909
Trade and other receivables	108,823	110,649
Inventories	66,114	71,430
Other current financial assets	2,755	3,141
Other current assets	10,611	12,216
Total current assets	240,421	247,343
Non-current assets:		
Property, plant and equipment	159,803	161,928
Goodwill	266	284
Intangible assets	3,549	3,511
Investments accounted for using the equity method	6,484	6,924
Other non-current financial assets	14,545	14,418
Other non-current assets	7,204	7,126
Deferred tax assets	1,916	2,245
Total non-current assets	193,766	196,436
Total assets	434,187	443,779

(Unit: Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities and equity		
Current liabilities:		
Trade and other payables	81,737	78,848
Borrowings	65,815	68,143
Income tax payables	3,168	2,435
Other current financial liabilities	30,495	30,594
Provisions	13,920	16,120
Other current liabilities	3,237	2,317
Total current liabilities	198,371	198,457
Non-current liabilities:		
Bonds and borrowings	25,041	23,145
Liabilities for retirement benefits	4,629	4,656
Other non-current financial liabilities	27,830	26,814
Provisions	8,612	8,341
Other non-current liabilities	716	671
Deferred tax liabilities	8,074	8,380
Total non-current liabilities	74,902	72,008
Total liabilities	273,273	270,465
Equity		
Equity attributable to owners of the parent:		
Share capital	27,648	27,648
Capital surplus	38,351	38,351
Retained earnings	76,007	78,910
Treasury shares	(605)	(605)
Other components of equity	12,010	21,647
Total equity attributable to owners of the parent	153,411	165,951
Non-controlling interests	7,503	7,364
Total equity	160,914	173,315
Total liabilities and equity	434,187	443,779

Consolidated Statements of Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the three months ended June 30, 2021 (Apr. 1 through Jun. 30, 2021)	For the three months ended June 30, 2022 (Apr. 1 through Jun. 30, 2022)
Net sales	94,919	100,409
Cost of sales	75,281	80,148
Gross profit	19,638	20,261
Selling, general and administrative expenses	13,259	14,583
Equity in profit of affiliates	91	227
Other income	1,076	1,602
Other expenses	527	28
Operating profit	7,020	7,479
Finance income	320	414
Finance costs	702	372
Profit before taxes	6,639	7,521
Income tax expenses	1,643	2,145
Profit for the period	4,996	5,376
Profit attributable to:		
Owners of the parent	4,680	5,012
Non-controlling interests	316	364
Profit for the period	4,996	5,376
Earnings per share		
Basic earnings per share (in yen)	182.91	187.07

Consolidated Statements of Comprehensive Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the three months ended June 30, 2021 (Apr. 1 through Jun. 30, 2021)	For the three months ended June 30, 2022 (Apr. 1 through Jun. 30, 2022)
Profit for the period	4,996	5,376
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	(333)	2
Remeasurements of defined benefit plans	(18)	(9)
Share of other comprehensive income of investments accounted for using the equity method	(3)	(4)
Total	(354)	(11)
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	510	9,275
Share of other comprehensive income of investments accounted for using the equity method	263	628
Total	773	9,903
Total other comprehensive income	419	9,891
Comprehensive income for the period	5,415	15,267
Comprehensive income for the period attributable to:		
Owners of the parent	5,119	14,540
Non-controlling interests	296	728
Comprehensive income for the period	5,415	15,267

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, 2021	27,648	29,414	49,579	(603)
Comprehensive income for the period:				
Profit for the period	—	—	4,680	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	4,680	—
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Issuance of preference shares	6,250	6,250	—	—
Share issuance costs	—	(254)	—	—
Transfer of share capital to capital surplus	(6,250)	6,250	—	—
Acquisition of treasury shares	—	—	—	(0)
Dividends of surplus	—	(1,916)	—	—
Transfer to retained earnings	—	—	(49)	—
Total contributions by and distributions to owners in their capacity as owners	—	10,330	(49)	(0)
Changes in equity interest of subsidiaries:				
Dividends of surplus	—	—	—	—
Total changes in equity interest of subsidiaries	—	—	—	—
Total transactions with owners	—	10,330	(49)	(0)
Balance at June 30, 2021	27,648	39,745	54,210	(604)

Balance at April 1, 2022	27,648	38,351	76,007	(605)
Comprehensive income for the period:				
Profit for the period	—	—	5,012	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	5,012	—
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Issuance of preference shares	—	—	—	—
Share issuance costs	—	—	—	—
Transfer of share capital to capital surplus	—	—	—	—
Acquisition of treasury shares	—	—	—	(0)
Dividends of surplus	—	—	(2,000)	—
Transfer to retained earnings	—	—	(109)	—
Total contributions by and distributions to owners in their capacity as owners	—	—	(2,109)	(0)
Changes in equity interest of subsidiaries:				
Dividends of surplus	—	—	—	—
Total changes in equity interest of subsidiaries	—	—	—	—
Total transactions with owners	—	—	(2,109)	(0)
Balance at June 30, 2022	27,648	38,351	78,910	(605)

(Unit: Millions of yen)

	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	Total other components of equity			
Balance at April 1, 2021	3,805	—	840	4,645	110,683	6,043	116,726
Comprehensive income for the period:							
Profit for the period	—	—	—	—	4,680	316	4,996
Other comprehensive income	(333)	(20)	793	440	440	(21)	419
Total comprehensive income for the period	(333)	(20)	793	440	5,119	296	5,415
Transactions with owners:							
Contributions by and distributions to owners in their capacity as owners:							
Issuance of preference shares	—	—	—	—	12,500	—	12,500
Share issuance costs	—	—	—	—	(254)	—	(254)
Transfer of share capital to capital surplus	—	—	—	—	—	—	—
Acquisition of treasury shares	—	—	—	—	(0)	—	(0)
Dividends of surplus	—	—	—	—	(1,916)	—	(1,916)
Transfer to retained earnings	28	20	—	49	—	—	—
Total contributions by and distributions to owners in their capacity as owners	28	20	—	49	10,330	—	10,330
Changes in equity interest of subsidiaries:							
Dividends of surplus	—	—	—	—	—	(238)	(238)
Total changes in equity interest of subsidiaries	—	—	—	—	—	(238)	(238)
Total transactions with owners	28	20	—	49	10,330	(238)	10,092
Balance at June 30, 2021	3,501	—	1,633	5,133	126,132	6,101	132,233
Balance at April 1, 2022	3,108	—	8,902	12,010	153,411	7,503	160,914
Comprehensive income for the period:							
Profit for the period	—	—	—	—	5,012	364	5,376
Other comprehensive income	2	(9)	9,535	9,528	9,528	364	9,891
Total comprehensive income for the period	2	(9)	9,535	9,528	14,540	728	15,267
Transactions with owners:							
Contributions by and distributions to owners in their capacity as owners:							
Issuance of preference shares	—	—	—	—	—	—	—
Share issuance costs	—	—	—	—	—	—	—
Transfer of share capital to capital surplus	—	—	—	—	—	—	—
Acquisition of treasury shares	—	—	—	—	(0)	—	(0)
Dividends of surplus	—	—	—	—	(2,000)	—	(2,000)
Transfer to retained earnings	100	9	—	109	—	—	—
Total contributions by and distributions to owners in their capacity as owners	100	9	—	109	(2,000)	—	(2,000)
Changes in equity interest of subsidiaries:							
Dividends of surplus	—	—	—	—	—	(866)	(866)
Total changes in equity interest of subsidiaries	—	—	—	—	—	(866)	(866)
Total transactions with owners	100	9	—	109	(2,000)	(866)	(2,867)
Balance at June 30, 2022	3,209	—	18,437	21,647	165,951	7,364	173,315

Consolidated Statements of Cash Flows

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the three months ended June 30, 2021 (Apr. 1 through Jun. 30, 2021)	For the three months ended June 30, 2022 (Apr. 1 through Jun. 30, 2022)
Cash flows from operating activities:		
Profit before taxes	6,639	7,521
Depreciation and amortization	4,682	4,587
Impairment losses	78	231
Reversal gain of impairment losses	(32)	(2)
Gain on sales of fixed asset	(2)	(31)
Increase (decrease) in assets and liabilities for retirement benefits	(50)	37
Increase (decrease) in provisions for product warranties	(2,333)	(1,894)
Finance income	(320)	(414)
Finance costs	702	372
Equity in profit of affiliates	(91)	(227)
(Increase) decrease in trade and other receivables	511	2,275
(Increase) decrease in inventories	(1,541)	(1,368)
Increase (decrease) in trade and other payables	(1,159)	(4,779)
Other	1,686	(310)
Subtotal	8,771	5,996
Interest received	65	177
Dividends received	202	561
Interest paid	(420)	(272)
Income taxes (paid) return	(1,762)	(2,515)
Payments of loss associated with the Anti-Trust law	(425)	(1,095)
Net cash from operating activities	6,430	2,853
Cash flows from investing activities:		
Payment into time deposits	(1,000)	(198)
Payment for purchases of property, plant and equipment	(2,226)	(2,890)
Proceeds from sales of property, plant and equipment	53	78
Payment for purchases of other financial assets	(10)	(2)
Proceeds from sale of other financial assets	211	200
Other	(16)	(69)
Net cash flows from investing activities	(2,988)	(2,882)

(Unit: Millions of yen)

	For the three months ended June 30, 2021 (Apr. 1 through Jun. 30, 2021)	For the three months ended June 30, 2022 (Apr. 1 through Jun. 30, 2022)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	2,759	763
Repayments of lease liabilities	(1,483)	(1,578)
Proceeds from long-term borrowings	10,941	32
Repayment of long-term borrowings	(12,297)	(2,571)
Proceeds from sale and lease back	1,351	—
Proceeds from issuance of preference shares	12,402	—
Payments for purchase of treasury shares	(0)	(0)
Dividends paid	(1,916)	(2,000)
Dividends paid to non-controlling interests	(238)	(866)
Net cash flows from financing activities	11,519	(6,221)
Effect of changes in foreign exchange rates	523	4,041
Net increase (decrease) in cash and cash equivalents	15,484	(2,209)
Cash and cash equivalents at beginning of period	68,700	52,118
Cash and cash equivalents at end of period	84,183	49,909

Segment Information

KYB Corporation and its Consolidated Subsidiaries

For the three months ended June 30, 2021

(Unit: Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Automotive components	Hydraulic components	Aircraft Components	Subtotal				
Net sales:								
Outside customers	58,282	33,173	1,016	92,472	2,447	94,919	—	94,919
Intersegment sales and transfers	555	198	—	754	21	774	(774)	—
Total	58,838	33,372	1,016	93,225	2,468	95,693	(774)	94,919
Segment profit (loss)	3,390	3,175	(526)	6,040	332	6,372	7	6,380
Equity in profit of affiliates	91	—	—	91	—	91	—	91
Other income and expenses (net)	832	(251)	(2)	579	(30)	550	—	550
Operating profit (loss)	4,314	2,924	(528)	6,710	302	7,013	7	7,020
Finance income and costs (net)								(381)
Profit before taxes								6,639

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

2. ¥7 million of adjustment of segment profit is the elimination of intersegment transactions.

For the three months ended June 30, 2022

(Unit: Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Automotive components	Hydraulic components	Aircraft Components	Subtotal				
Net sales:								
Outside customers	64,402	32,379	1,476	98,257	2,151	100,409	—	100,409
Intersegment sales and transfers	220	160	—	380	18	398	(398)	—
Total	64,623	32,539	1,476	98,638	2,169	100,807	(398)	100,409
Segment profit (loss)	3,935	1,898	(146)	5,688	(9)	5,678	0	5,679
Equity in profit of affiliates	227	—	—	227	—	227	—	227
Other income and expenses (net)	917	618	22	1,557	17	1,574	—	1,574
Operating profit (loss)	5,079	2,515	(124)	7,471	8	7,479	0	7,479
Finance income and costs (net)								42
Profit before taxes								7,521

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

2. ¥0 million of adjustment of segment profit is the elimination of intersegment transactions.

*With regard to the changes of reportable segment

We have included "Railroad equipment" related product which was a part of "Hydraulic Components" in the "Automotive Components" from the current first quarter, as a result of reviewing the segment management classification due to the reorganization of the KYB Group.

And also, conventionally, "System products" was one of reportable segment.

However, as a result of reviewing the segment management classification due to the reorganization of the KYB Group, we have included it in the "Hydraulic Components" from the previous second quarter.

Financial information for the same period of the previous fiscal year has been revised to reflect these changes.

First Quarter of FY2022 Financial Results Supplementary Information

1. Breakdown of sales

	FY2021 1Q		FY2022 1Q		Differences	
	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio
Automotive Components	58,282	61.4%	64,402	64.1%	6,120	10.5%
Shock absorber for automobiles	41,067	43.3%	47,462	47.3%	6,395	15.6%
Shock absorber for motorcycles	8,260	8.7%	9,446	9.4%	1,186	14.4%
Hydraulic equipment for automobiles	6,391	6.7%	5,081	5.1%	△ 1,310	-20.5%
Others	2,564	2.7%	2,413	2.4%	△ 151	-5.9%
Hydraulic Components	33,173	34.9%	32,379	32.2%	△ 794	-2.4%
Hydraulic equipment for industrial use	31,204	32.9%	30,986	30.9%	△ 218	-0.7%
System products	1,148	1.2%	443	0.4%	△ 705	-61.4%
Others	821	0.9%	950	0.9%	129	15.7%
Aircraft Components	1,016	1.1%	1,476	1.5%	460	45.3%
Aircraft Components	1,016	1.1%	1,476	1.5%	460	45.3%
Special-purpose Vehicles and Electronic Equipment, etc.	2,447	2.6%	2,151	2.1%	△ 296	-12.1%
Special-purpose Vehicles	2,170	2.3%	1,895	1.9%	△ 275	-12.7%
Electronic Equipment, etc.	277	0.3%	256	0.3%	△ 21	-7.6%
Total	94,919	100.0%	100,409	100.0%	5,490	5.8%

2. FOREX Rate

(¥)

Average FOREX Rate	FY2021				FY2022
	Apr-Jun 2020	Apr-Sep 2020	Apr-Dec 2020	Full year	Apr-Jun 2021
JPY/USD	109.49	109.80	111.10	112.38	129.57
JPY/EUR	131.95	130.89	130.61	130.56	138.10
JPY/CNY	16.95	16.98	17.25	17.51	19.57

(¥)

FOREX Rate prevailing at the end of quarter	FY2021				FY2022
	30 Jun 2020	30 Sep 2020	31 Dec 2020	31 Mar 2021	30 Jun 2021
JPY/USD	110.61	111.95	115.02	122.41	136.69
JPY/EUR	131.63	129.90	130.52	136.77	142.65
JPY/CNY	17.12	17.29	18.07	19.26	20.39

3. Segment sales (*2)

(¥ million)

	FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q
Automotive Components	58,282	54,179	58,893	62,962	64,402
Hydraulic Components	33,173	33,309	37,765	35,855	32,379
Aircraft Components	1,016	893	988	757	1,476
Special-purpose Vehicles and Electronic Equipment, etc.	2,447	2,581	2,606	2,652	2,151
Total	94,919	90,963	100,253	102,226	100,409

4. Segment operating income (*1)(*2)

(¥ million)

	FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q
Automotive Components	3,395	3,969	3,482	4,795	3,935
Hydraulic Components	3,178	2,477	3,860	2,599	1,898
Aircraft Components	△ 526	△ 1,353	△ 297	△ 1,785	△ 146
Special-purpose Vehicles and Electronic Equipment etc.	333	194	198	193	△ 9
Total	6,380	5,287	7,243	5,802	5,679

5. Capital Expenditure, Depreciation

(¥ million)

	FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q
Capital Expenditure	4,217	2,798	3,262	3,737	2,788
Depreciation Expenses	4,713	4,580	4,647	4,374	4,587

6. R&D Expenses

(¥ million)

	FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q
R&D Expenses	1,289	1,628	1,337	1,514	1,526

7. Foreign Exchange gain or loss (*3)

(¥ million)

	FY2021				FY2022
	1Q	2Q	3Q	4Q	1Q
Other Income / Other Expenses	678	△ 465	136	1,229	1,242
Finance Income / Finance Costs	65	△ 203	189	376	△ 54
Total	743	△ 668	325	1,605	1,188

(*1) "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.

(*2) With regard to the changes of reportable segment

We have included "Railroad equipment" related product which was a part of "Hydraulic Components" in the "Automotive Components" from the current first as a result of reviewing the segment management classification due to the reorganization of the KYB Group.

And also, conventionally, "System products" was one of reportable segment.

However, as a result of reviewing the segment management classification due to the reorganization of the KYB Group, we have included it in the "Hydraulic Components" from the previous second quarter.

Financial information for the same period of the previous fiscal year has been revised to reflect these changes.

(*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.