



Our Precision, Your Advantage

FLASH REPORT

February 8, 2023

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 Stock listing : Tokyo Stock Exchange (Prime Market)
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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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended								
December 31, 2022	316,817	10.7	16,948	(10.4)	20,419	(12.5)	20,139	(9.2)
December 31, 2021	286,134	24.5	18,910	298.8	23,326	299.1	22,181	360.0

	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
Nine months ended							
December 31, 2022	16,101	(12.2)	14,974	(13.8)	21,520	2.4	558.49
December 31, 2021	18,334	477.6	17,374	454.0	21,010	157.6	661.39

	Diluted earnings per share
Nine months ended	Yen
December 31, 2022	558.37
December 31, 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
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of					
December 31, 2022	442,381	177,084	169,368	38.3	6,140.40
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	—	70.00	—		
Current fiscal year (forecast)				70.00	140.00

*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	442,000	13.8	26,500	7.2	29,700	(1.0)	28,900	0.3

	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	21,700	(9.2)	20,400	(9.5)	761.88

*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	—	3,760,274.00	—		
Current fiscal year (forecast)				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 December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	52,118	45,588
Trade and other receivables	108,823	117,503
Inventories	66,114	71,318
Other current financial assets	2,755	4,099
Other current assets	10,611	10,791
Total current assets	240,421	249,298
Non-current assets:		
Property, plant and equipment	159,803	157,805
Goodwill	266	265
Intangible assets	3,549	3,241
Investments accounted for using the equity method	6,484	7,191
Other non-current financial assets	14,545	14,844
Other non-current assets	7,204	7,578
Deferred tax assets	1,916	2,159
Total non-current assets	193,766	193,084
Total assets	434,187	442,381

(Unit: Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities and equity		
Current liabilities:		
Trade and other payables	81,737	83,537
Borrowings	65,815	68,761
Income tax payables	3,168	1,402
Other current financial liabilities	30,495	26,449
Provisions	13,920	13,881
Other current liabilities	3,237	1,720
Total current liabilities	198,371	195,751
Non-current liabilities:		
Bonds and borrowings	25,041	22,046
Liabilities for retirement benefits	4,629	4,796
Other non-current financial liabilities	27,830	25,801
Provisions	8,612	7,785
Other non-current liabilities	716	580
Deferred tax liabilities	8,074	8,540
Total non-current liabilities	74,902	69,547
Total liabilities	273,273	265,298
Equity		
Equity attributable to owners of the parent:		
Share capital	27,648	27,648
Capital surplus	38,351	38,357
Retained earnings	76,007	86,618
Treasury shares	(605)	(582)
Other components of equity	12,010	17,328
Total equity attributable to owners of the parent	153,411	169,368
Non-controlling interests	7,503	7,716
Total equity	160,914	177,084
Total liabilities and equity	434,187	442,381

Consolidated Statements of Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the nine months ended December 31, 2021 (Apr. 1, 2021 through Dec. 31, 2021)	For the nine months ended December 31, 2022 (Apr. 1, 2022 through Dec. 31, 2022)
Net sales	286,134	316,817
Cost of sales	227,047	255,289
Gross profit	59,087	61,528
Selling, general and administrative expenses	40,176	44,579
Equity in profit of affiliates	429	781
Other income	1,439	2,338
Other expenses	(2,548)	(352)
Operating profit	23,326	20,419
Finance income	675	881
Finance costs	1,820	1,161
Profit before taxes	22,181	20,139
Income tax expenses	3,847	4,039
Profit for the period	18,334	16,101
Profit attributable to:		
Owners of the parent	17,374	14,974
Non-controlling interests	960	1,127
Profit for the period	18,334	16,101
Earnings per share		
Basic earnings per share (in yen)	661.39	558.49
Diluted earnings per share (in yen)	-	558.37

Consolidated Statements of Comprehensive Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the nine months ended December 31, 2021 (Apr. 1, 2021 through Dec. 31, 2021)	For the nine months ended December 31, 2022 (Apr. 1, 2022 through Dec. 31, 2022)
Profit for the period	18,334	16,101
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	(600)	286
Remeasurements of defined benefit plans	5	(1)
Share of other comprehensive income of investments accounted for using the equity method	(5)	(15)
Total	(600)	271
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	2,785	4,434
Share of other comprehensive income of investments accounted for using the equity method	491	715
Total	3,276	5,149
Total other comprehensive income	2,676	5,420
Comprehensive income for the period	21,010	21,520
Comprehensive income for the period attributable to:		
Owners of the parent	19,979	20,187
Non-controlling interests	1,031	1,333
Comprehensive income for the period	21,010	21,520

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	-	-	17,374	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	17,374	-
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	-	-	-	(1)
Disposal of treasury shares	-	0	-	0
Share-based payment transactions	-	-	-	-
Dividends of surplus	-	(3,309)	-	-
Transfer to retained earnings	-	-	(17)	-
Total contributions by and distributions to owners in their capacity as owners	-	8,937	(17)	(1)
Changes in equity interest of subsidiaries:				
Dividends of surplus	-	-	-	-
Total changes in equity interest of subsidiaries	-	-	-	-
Total transactions with owners	-	8,937	(17)	(1)
Balance at December 31, 2021	27,648	38,351	66,935	(605)
Balance at April 1, 2022	27,648	38,351	76,007	(605)
Comprehensive income for the period:				
Profit for the period	-	-	14,974	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	14,974	-
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	-	-	-	(1)
Disposal of treasury shares	-	(24)	-	24
Share-based payment transactions	-	29	-	-
Dividends of surplus	-	-	(4,259)	-
Transfer to retained earnings	-	-	(105)	-
Total contributions by and distributions to owners in their capacity as owners	-	6	(4,363)	23
Changes in equity interest of subsidiaries:				
Dividends of surplus	-	-	-	-
Total changes in equity interest of subsidiaries	-	-	-	-
Total transactions with owners	-	6	(4,363)	23
Balance at December 31, 2022	27,648	38,357	86,618	(582)

(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	-	-	-	-	17,374	960	18,334
Other comprehensive income	(600)	5	3,200	2,605	2,605	71	2,676
Total comprehensive income for the period	(600)	5	3,200	2,605	19,979	1,031	21,010
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	-	-	-	-	(1)	-	(1)
Disposal of treasury shares	-	-	-	-	0	-	0
Share-based payment transactions	-	-	-	-	-	-	-
Dividends of surplus	-	-	-	-	(3,309)	-	(3,309)
Transfer to retained earnings	22	(5)	-	17	-	-	-
Total contributions by and distributions to owners in their capacity as owners	22	(5)	-	17	8,935	-	8,935
Changes in equity interest of subsidiaries:							
Dividends of surplus	-	-	-	-	-	(351)	(351)
Total changes in equity interest of subsidiaries	-	-	-	-	-	(351)	(351)
Total transactions with owners	22	(5)	-	17	8,935	(351)	8,584

Balance at December 31, 2021	3,227	-	4,040	7,268	139,597	6,723	146,320
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	-	-	-	-	14,974	1,127	16,101
Other comprehensive income	286	(15)	4,942	5,213	5,213	206	5,420
Total comprehensive income for the period	286	(15)	4,942	5,213	20,187	1,333	21,520
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	-	-	-	-	(1)	-	(1)
Disposal of treasury shares	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	-	29	-	29
Dividends of surplus	-	-	-	-	(4,259)	-	(4,259)
Transfer to retained earnings	90	15	-	105	-	-	-
Total contributions by and distributions to owners in their capacity as owners	90	15	-	105	(4,230)	-	(4,230)
Changes in equity interest of subsidiaries:							
Dividends of surplus	-	-	-	-	-	(1,121)	(1,121)
Total changes in equity interest of subsidiaries	-	-	-	-	-	(1,121)	(1,121)
Total transactions with owners	90	15	-	105	(4,230)	(1,121)	(5,351)
Balance at December 31, 2022	3,483	-	13,844	17,328	169,368	7,716	177,084

Consolidated Statements of Cash Flows

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the nine months ended December 31, 2021 (Apr. 1, 2021 through Dec. 31, 2021)	For the nine months ended December 31, 2022 (Apr. 1, 2022 through Dec. 31, 2022)
Cash flows from operating activities:		
Profit before taxes	22,181	20,139
Depreciation and amortization	13,888	14,016
Impairment losses	433	672
Reversal gain of impairment losses	(53)	(15)
Gain on sales of fixed asset	(36)	(72)
Increase (decrease) in assets and liabilities for retirement benefits	(84)	(157)
Increase (decrease) in provisions for product warranties	(7,991)	(5,149)
Finance income	(675)	(881)
Finance costs	1,820	1,161
Equity in profit of affiliates	(429)	(781)
(Increase) decrease in trade and other receivables	(9,799)	(5,585)
(Increase) decrease in inventories	(7,167)	(2,686)
Increase (decrease) in trade and other payables	1,128	519
Other	272	(524)
Subtotal	13,489	20,658
Interest received	176	312
Dividends received	615	1,153
Interest paid	(1,531)	(1,108)
Income taxes paid	(1,342)	(6,127)
Payments of loss associated with the Anti-Trust law	(529)	(1,095)
Net cash from operating activities	10,878	13,793
Cash flows from investing activities:		
Payment into time deposits	(1,535)	(1,396)
Proceeds from withdrawal of time deposits	177	-
Payment for purchases of property, plant and equipment	(6,423)	(8,422)
Proceeds from sales of property, plant and equipment	138	144
Payment for purchases of other financial assets	(17)	(4)
Proceeds from sale of other financial assets	213	225
Other	(356)	(82)
Net cash flows from investing activities	(7,803)	(9,536)

(Unit: Millions of yen)

	For the nine months ended December 31, 2021 (Apr. 1, 2021 through Dec. 31, 2021)	For the nine months ended December 31, 2022 (Apr. 1, 2022 through Dec. 31, 2022)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	3,734	4,767
Repayments of lease liabilities	(4,410)	(4,640)
Proceeds from long-term borrowings	12,641	1,759
Repayment of long-term borrowings	(51,827)	(8,201)
Proceeds from issuance of bonds	6,962	-
Proceeds from sale and lease back	1,603	-
Proceeds from issuance of preference shares	12,271	-
Payments for purchase of treasury shares	(1)	(1)
Proceeds from sales of treasury shares	0	-
Dividends paid	(3,309)	(4,259)
Dividends paid to non-controlling interests	(351)	(1,121)
Net cash flows from financing activities	(22,688)	(11,696)
Effect of changes in foreign exchange rates	1,024	908
Net increase (decrease) in cash and cash equivalents	(18,590)	(6,531)
Cash and cash equivalents at beginning of period	68,700	52,118
Cash and cash equivalents at end of period	50,110	45,588

Segment Information

KYB Corporation and its Consolidated Subsidiaries

For the nine months ended December 31, 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	173,514	102,088	2,898	278,500	7,635	286,134	—	286,134
Intersegment sales and transfers	724	563	—	1,288	60	1,347	(1,347)	—
Total	174,238	102,651	2,898	279,787	7,694	287,481	(1,347)	286,134
Segment profit (loss)	10,846	9,479	(2,175)	18,150	724	18,874	37	18,910
Equity in profit of affiliates	429	—	—	429	—	429	—	429
Other income and expenses (net)	725	3,336	(46)	4,015	(28)	3,987	—	3,987
Operating profit (loss)	11,999	12,815	(2,221)	22,594	695	23,289	37	23,326
Finance income and costs (net)								(1,145)
Profit before taxes								22,181

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

2. ¥37 million of adjustment of segment profit is the elimination of intersegment transactions.

For the nine months ended December 31, 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	203,599	102,691	3,342	309,632	7,184	316,817	—	316,817
Intersegment sales and transfers	620	559	—	1,179	57	1,236	(1,236)	—
Total	204,219	103,250	3,342	310,811	7,242	318,053	(1,236)	316,817
Segment profit (loss)	11,930	5,702	(1,095)	16,536	357	16,893	55	16,948
Equity in profit (loss) of affiliates	781	—	—	781	—	781	(0)	781
Other income and expenses (net)	731	1,944	(29)	2,646	44	2,690	(0)	2,690
Operating profit (loss)	13,441	7,646	(1,124)	19,963	401	20,364	55	20,419
Finance income and costs (net)								(280)
Profit before taxes								20,139

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

2. ¥55 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 first quarter, as a result of reviewing the segment management classification due to the reorganization of the KAYABA Group. Financial information for the same period of the previous fiscal year has been revised to reflect this change.

Third Quarter of FY2022 Financial Results Supplementary Information

1. Breakdown of sales

	FY2021 3Q		FY2022 3Q		Differences	
	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio
Automotive Components	173,514	60.6%	203,599	64.3%	30,085	17.3%
Shock absorber for automobiles	123,608	43.2%	147,519	46.6%	23,911	19.3%
Shock absorber for motorcycles	25,134	8.8%	33,067	10.4%	7,933	31.6%
Hydraulic equipment for automobiles	17,294	6.0%	15,704	5.0%	△ 1,590	-9.2%
Others	7,478	2.6%	7,309	2.3%	△ 169	-2.3%
Hydraulic Components	102,088	35.7%	102,691	32.4%	604	0.6%
Hydraulic equipment for industrial use	96,242	33.6%	98,041	30.9%	1,799	1.9%
System products	3,243	1.1%	2,053	0.6%	△ 1,191	-36.7%
Others	2,603	0.9%	2,598	0.8%	△ 5	-0.2%
Aircraft Components	2,898	1.0%	3,342	1.1%	444	15.3%
Aircraft Components	2,898	1.0%	3,342	1.1%	444	15.3%
Special-purpose Vehicles and Electronic Equipment, etc.	7,635	2.7%	7,184	2.3%	△ 450	-5.9%
Special-purpose Vehicles	6,793	2.4%	6,302	2.0%	△ 492	-7.2%
Electronic Equipment, etc.	842	0.3%	883	0.3%	41	4.9%
Total	286,134	100.0%	316,817	100.0%	30,682	10.7%

2. FOREX Rate

Average FOREX Rate	FY2021				FY2022		
	Apr-Jun 2021	Apr-Sep 2021	Apr-Dec 2021	Full year	Apr-Jun 2022	Apr-Sep 2022	Apr-Dec 2022
JPY/USD	109.49	109.80	111.10	112.38	129.57	133.97	136.53
JPY/EUR	131.95	130.89	130.61	130.56	138.10	138.72	140.59
JPY/CNY	16.95	16.98	17.25	17.51	19.57	19.88	19.88

FOREX Rate prevailing at the end of quarter	FY2021				FY2022		
	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022
JPY/USD	110.61	111.95	115.02	122.41	136.69	144.81	132.70
JPY/EUR	131.63	129.90	130.52	136.77	142.65	142.32	141.44
JPY/CNY	17.12	17.29	18.07	19.26	20.39	20.37	19.02

3. Segment sales (*2)

	FY2021				FY2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Automotive Components	58,282	55,193	60,039	64,269	64,402	71,344	67,853
Hydraulic Components	33,173	32,295	36,619	34,548	32,379	34,598	35,715
Aircraft Components	1,016	893	988	757	1,476	1,070	796
Special-purpose Vehicles and Electronic Equipment, etc.	2,447	2,581	2,606	2,652	2,151	2,466	2,567
Total	94,919	90,963	100,253	102,226	100,409	109,477	106,931

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

	FY2021				FY2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Automotive Components	3,395	3,874	3,599	5,110	3,935	4,473	3,557
Hydraulic Components	3,178	2,572	3,743	2,283	1,898	1,905	1,917
Aircraft Components	△ 526	△ 1,353	△ 297	△ 1,785	△ 146	△ 551	△ 398
Special-purpose Vehicles and Electronic Equipment etc.	333	194	198	193	△ 9	187	180
Total	6,380	5,287	7,243	5,802	5,679	6,014	5,256

5. Capital Expenditure, Depreciation

	FY2021				FY2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Capital Expenditure	4,217	2,798	3,262	3,737	2,788	3,764	3,114
Depreciation Expenses	4,713	4,580	4,647	4,374	4,587	4,630	4,799

6. R&D Expenses

	FY2021				FY2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
R&D Expenses	1,289	1,628	1,337	1,514	1,526	1,524	1,525

7. Foreign Exchange gain or loss (*3)

	FY2021				FY2022		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Other Income / Other Expenses	678	△ 465	136	1,229	1,242	761	△ 868
Finance Income / Finance Costs	65	△ 203	189	376	△ 54	△ 63	157
Total	743	△ 668	325	1,605	1,188	698	△ 711

(*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 quarter, as a result of reviewing the segment management classification due to the reorganization of the KAYABA Group.

(*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.