



# Second Quarters of FY2023 (2Qs) Financial Information

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November 7, 2023

KYB Corporation

(Stock Code: 7242; Prime Market of Tokyo Stock Exchange)

## 2Qs (1H) of FY2023 Performance Overview

- ✓ **Increase in Net Sales, Decrease in Profits (Operating Profit ¥14.8 bn→¥11.1 bn)**
  - Although sales decreased due to the economic downturn in China, with the increase in production due to the improvement in semiconductor shortages and the depreciation of the yen, net sales increased by approximately 4%.
  - Despite various measures taken to improve earnings in response to increased production costs in the Americas and rising fixed costs due to inflation, segment profits\* and operating profit decreased.

## FY2023 Forecast

- ✓ **The Initial Forecast Remains Unchanged (Operating Profit ¥29.8 bn)**
  - Taking into account the progress in the 2Qs, the initial forecast remains unchanged.
  - While there are uncertain factors, we will continue our efforts to improve profitability in order to achieve our initial forecast.

\*Segment profits correspond to operating income in JGAAP.

# 2Qs (1H) of FY2023 Financial Summary



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(¥ Billion)	IFRS		Differences
	1H of FY2022 actual	1H of FY2023 actual	Previous period
Net sales	209.9	<b>217.9</b>	8.0
Segment profits* [Segment profits ratio]	11.7 [ 5.6% ]	<b>8.0</b> [ 3.7% ]	(3.7) [ (1.9)% ]
Operating profit [Operating profit ratio]	14.8 [ 7.1% ]	<b>11.1</b> [ 5.1% ]	(3.7) [ (2.0)% ]
Profit attributable to owners of the parent	10.6	<b>8.2</b>	(2.4)
FOREX (Average) (¥)			
JPY/ US\$	133.97	<b>140.99</b>	
JPY/ EUR	138.72	<b>153.37</b>	

\*Segment profits correspond to operating income in JGAAP.

# 2Qs (1H) of FY2023 Net Sales and Segment Profits



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(¥ Billion)	Net Sales			Segment Profits		
	1H of FY2022 actual	1H of FY2023 actual	Differences	1H of FY2022 actual	1H of FY2023 actual	Differences
AC	136.3	<b>142.8</b>	6.5	8.4	<b>6.0</b>	(2.4)
HC	67.0	<b>67.9</b>	0.9	3.8	<b>2.8</b>	(1.0)
Aircraft Components	2.5	<b>2.0</b>	(0.6)	(0.7)	<b>(1.2)</b>	(0.5)
Others	4.1	<b>5.3</b>	1.2	0.2	<b>0.4</b>	0.2
Total	209.9	<b>217.9</b>	8.0	11.7	<b>8.0</b>	(3.7)

AC: Automotive Components

HC: Hydraulic Components

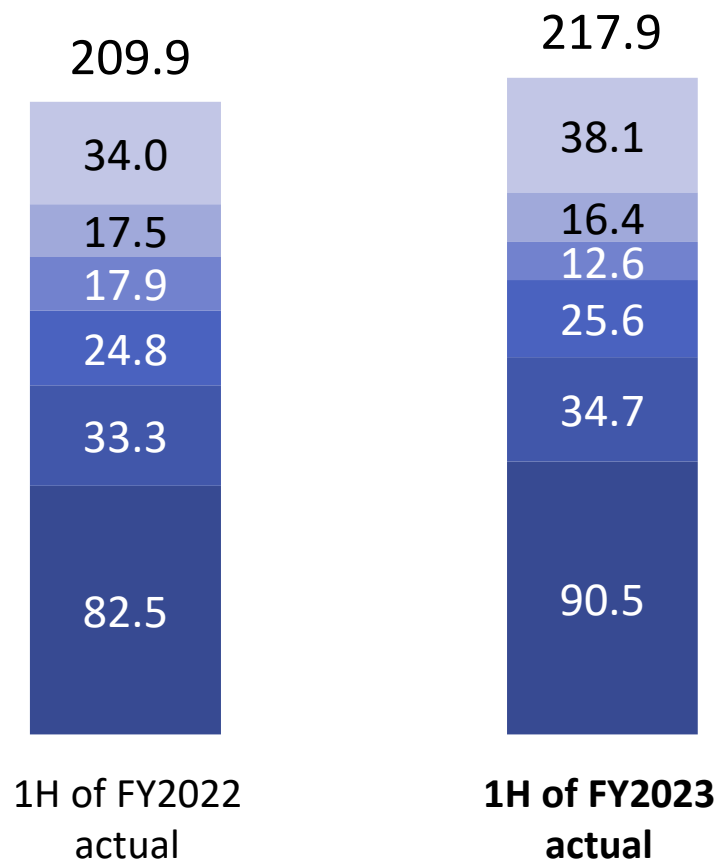
Others: Special-purpose vehicles, etc.

# 2Qs (1H) of FY2023 Net Sales by Region



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(¥ Billion)



Differences  
Previous period

Other	12.0%
Southeast Asia	(6.0)%
China	(29.6)%
America	3.5%
Europe	4.3%
Japan	9.7%

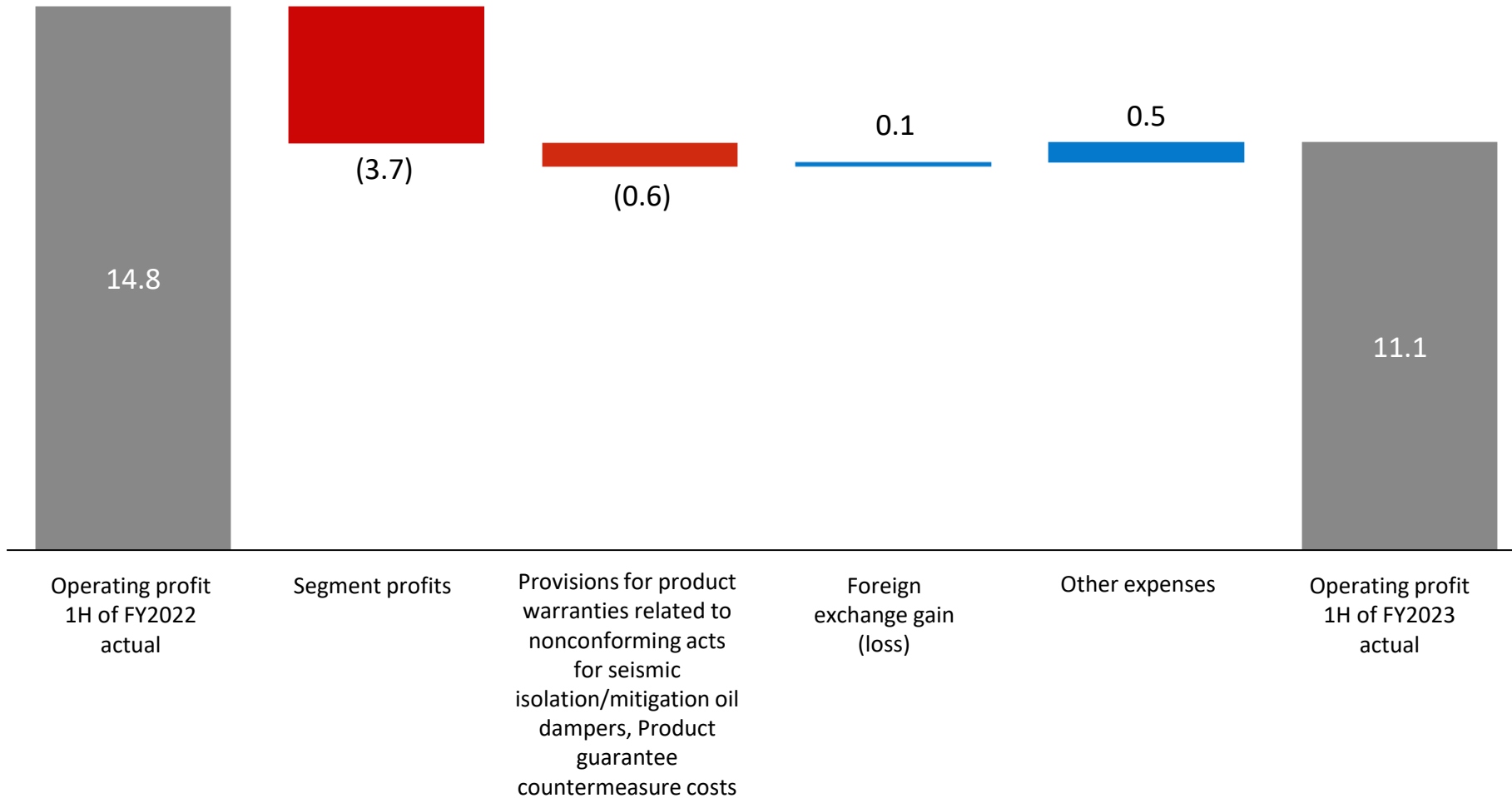
Overseas Sales Ratio  
60.7% ⇒ 58.5%

# 2Qs (1H) of FY2023 Changes in Operating Profit (Comparison with previous period)



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(¥ Billion)



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



## Breakdown of Remaining Items to Bring up to Conformity

	As of end of Oct. 2023
Work completed	978 buildings [98.7%]
Exchange work ongoing	4 buildings [0.4%]
Waiting for construction work to start, construction schedule being adjusted	4 buildings [0.4%]
On manufacturing standby to align with the construction schedule	0 building [0.0%]
Under administrative coordination	2 buildings [0.2%]
Coordinating details with the relevant persons regarding bringing the items up to conformity	3 buildings [0.3%]
<b>Total</b>	<b>991 buildings</b>

# Financial Forecast for FY2023



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(¥ Billion)	IFRS		Differences
	FY2022 actual	FY2023 forecast	Previous year
Net sales	431.2	<b>450.0</b>	18.8
Segment profits* [Segment profits ratio]	25.5 [ 5.9% ]	<b>28.0</b> [ 6.2% ]	2.5
Operating profit [Operating profit ratio]	32.5 [ 7.4% ]	<b>29.8</b> [ 6.6% ]	(2.7)
Profit attributable to owners of the parent	27.2	<b>20.0</b>	(7.2)
Dividend (¥)	200	<b>200</b>	0
FOREX (Average) (¥)			
JPY/ US\$	135.48	<b>137.50</b>	
JPY/ EUR	140.97	<b>149.69</b>	

\*Segment profits correspond to operating income in JGAAP.



# Net Sales and Segment Profits Forecast for FY2023



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(¥ Billion)	Net Sales			Segment Profits		
	FY2022 actual	FY2023 forecast	Differences	FY2022 actual	FY2023 forecast	Differences
AC	278.5	<b>294.8</b>	16.3	18.7	<b>19.7</b>	1.0
HC	137.9	<b>138.8</b>	0.9	7.5	<b>8.1</b>	0.6
Aircraft Components	4.4	<b>5.6</b>	1.2	(1.4)	<b>(0.8)</b>	0.6
Others	10.4	<b>10.7</b>	3.0	0.7	<b>0.9</b>	0.2
Total	431.2	<b>450.0</b>	18.8	25.5	<b>28.0</b>	2.5

AC: Automotive Components

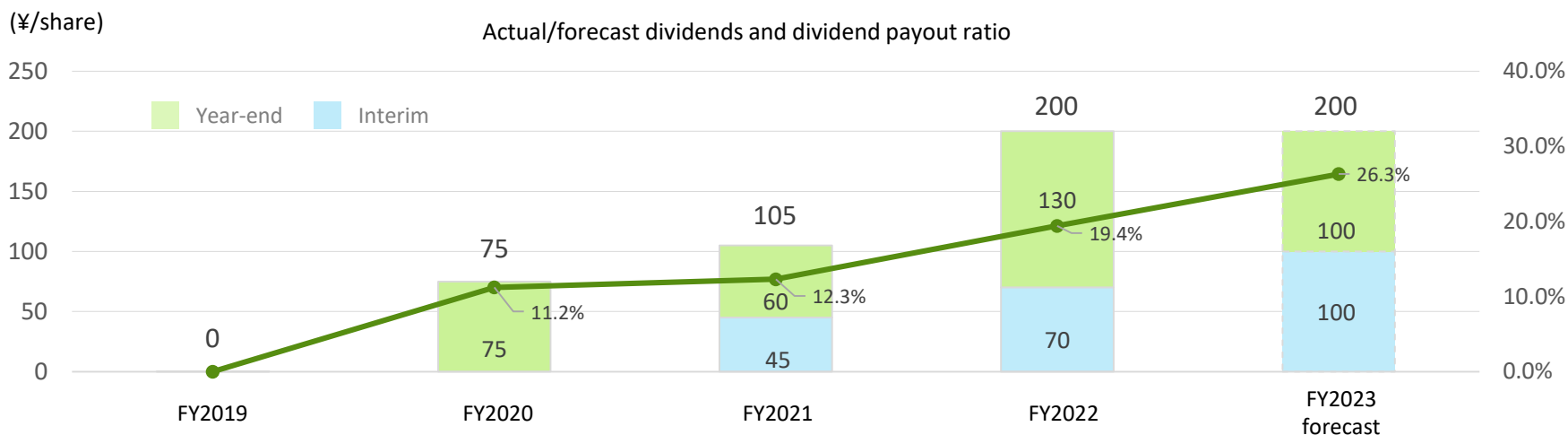
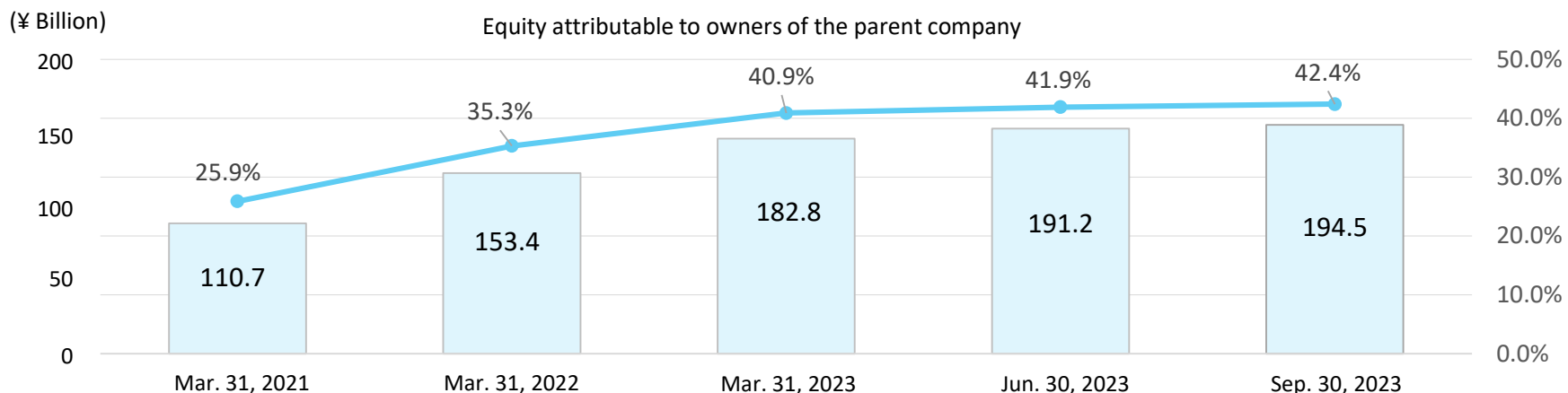
HC: Hydraulic Components

Others: Special-purpose vehicles, etc.

# Changes in Equity and Dividends



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- ✓ Along with the recovery in performance in FY2020, we are currently continuing to resume and increase dividends.
- ✓ Going forward, we forecast the stabilization of shareholders' equity and will enforce a policy of increasing returns to shareholders.



## *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.

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## 2Qs (1H) of FY2023 Net Sales and Segment Profits

(¥ Billion)	Net Sales			Segment Profits		
	1H of FY2022 actual	1H of FY2023 actual	Differences	1H of FY2022 actual	1H of FY2023 actual	Differences
AC	136.3	<b>142.8</b>	6.5	8.4	<b>6.0</b>	(2.4)
Shock absorbers for automobiles	99.0	<b>103.2</b>	4.2	—	—	—
Shock absorbers for motorcycles	20.9	<b>20.5</b>	(0.4)	—	—	—
Hydraulic equipment for automobiles	10.7	<b>11.7</b>	0.9	—	—	—
Others	5.7	<b>7.4</b>	1.7	—	—	—
HC	67.0	<b>67.9</b>	0.9	3.8	<b>2.8</b>	(1.0)
Hydraulic equipment for industrial use	63.9	<b>64.2</b>	0.3	—	—	—
System products	1.4	<b>2.0</b>	0.7	—	—	—
Others	1.7	<b>1.7</b>	(0.1)	—	—	—
Aircraft Components	2.5	<b>2.0</b>	(0.6)	(0.7)	<b>(1.2)</b>	(0.5)
Others	4.1	<b>5.3</b>	1.2	0.2	<b>0.4</b>	0.3
Total	209.9	<b>217.9</b>	8.0	11.7	<b>8.0</b>	(3.7)

AC: Automotive Components

HC: Hydraulic Components

Others: Special-purpose vehicles, etc.

## Net Sales and Segment Profits Forecast for FY2023

(¥ Billion)	Net Sales			Segment Profits		
	1H of FY2023 actual	2H of FY2023 forecast	Differences	1H of FY2023 actual	2H of FY2023 forecast	Differences
AC	142.8	152.0	9.2	6.0	13.7	7.7
HC	67.9	70.9	3.0	2.8	5.3	2.5
Aircraft Components	2.0	3.6	1.6	(1.2)	0.4	1.6
Others	5.3	5.4	0.1	0.4	0.5	0.1
Total	217.9	232.1	14.2	8.0	20.0	12.0

AC: Automotive Components

HC: Hydraulic Components

Others: Special-purpose vehicles, etc.

## Net Sales by Region



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(¥ Billion)		1H of FY2022				1H of FY2023			
		AC	HC	Others	Total	AC	HC	Others	Total
Japan	1H	33.4	44.6	4.5	82.5	38.5	47.1	4.8	90.5
	Full year	33.4	44.6	4.5	82.5	38.5	47.1	4.8	90.5
Europe	1H	29.2	4.1	0.0	33.3	30.5	4.2	0.0	34.7
	Full year	29.2	4.1	0.0	33.3	30.5	4.2	0.0	34.7
America	1H	19.6	4.8	0.3	24.7	20.5	4.9	0.2	25.6
	Full year	19.6	4.8	0.3	24.7	20.5	4.9	0.2	25.6
China	1H	10.7	7.2	0.0	17.9	7.9	4.7	0.0	12.6
	Full year	10.7	7.2	0.0	17.9	7.9	4.7	0.0	12.6
South East Asia	1H	15.4	2.0	0.0	17.5	13.9	2.6	0.0	16.4
	Full year	15.4	2.0	0.0	17.5	13.9	2.6	0.0	16.4
Others	1H	27.9	4.3	1.8	34.0	31.5	4.4	2.2	38.1
	Full year	27.9	4.3	1.8	34.0	31.5	4.4	2.2	38.1
Total	1H	136.3	67.0	6.6	209.9	142.8	67.9	7.2	217.9
	Full year	136.3	67.0	6.6	209.9	142.8	67.9	7.2	217.9