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## FLASH REPORT

August. 8, 2023

Company name (official) : KYB Corporation  
 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 three months ended June 30, 2023 ( from April 1, 2023 to June 30, 2023 )

#### (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, 2023	107,268	6.8	4,203	(26.0)	6,381	(14.7)	6,370	(15.3)
June 30, 2022	100,409	5.8	5,679	(11.0)	7,479	6.5	7,521	13.3

	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, 2023	5,481	2.0	5,070	1.2	12,971	(15.0)	189.31
June 30, 2022	5,376	7.6	5,012	7.1	15,267	182.0	187.07

	Diluted earnings per share
Three months ended	Yen
June 30, 2023	189.26
June 30, 2022	—

\*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, 2023	456,523	199,490	191,223	41.9	6,995.96
March 31, 2023	446,836	191,036	182,830	40.9	6,658.30

## 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	—	70.00	—	130.00	200.00
Current fiscal year	—				
Current fiscal year (forecast)		100.00	—	100.00	200.00

\*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, 2023 to March 31, 2024 )

(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	450,000	4.4	28,000	9.8	29,800	(8.4)	27,900	(12.2)

	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	21,400	(25.3)	20,000	(26.5)	746.16

\*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	—	3,760,274.00	—	3,739,726.00	7,500,000.00
Current fiscal year	—				
Current fiscal year (forecast)		3,750,000.00	—	3,750,000.00	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 FY2023 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, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	43,585	47,609
Trade and other receivables	120,247	117,891
Inventories	70,535	74,264
Other current financial assets	4,166	3,994
Other current assets	13,419	14,440
Total current assets	251,952	258,199
Non-current assets:		
Property, plant and equipment	158,360	161,134
Goodwill	268	291
Intangible assets	3,218	3,197
Investments accounted for using the equity method	6,960	7,109
Other non-current financial assets	16,205	18,470
Other non-current assets	7,117	5,352
Deferred tax assets	2,755	2,770
Total non-current assets	194,884	198,324
<b>Total assets</b>	<b>446,836</b>	<b>456,523</b>

(Unit: Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities and equity		
Current liabilities:		
Trade and other payables	84,114	84,512
Borrowings	69,053	69,330
Income tax payables	2,545	1,479
Other current financial liabilities	30,360	31,716
Provisions	8,357	11,865
Other current liabilities	2,774	1,342
Total current liabilities	197,204	200,244
Non-current liabilities:		
Bonds and borrowings	15,490	15,410
Liabilities for retirement benefits	4,653	2,910
Other non-current financial liabilities	24,859	24,350
Provisions	5,490	5,439
Other non-current liabilities	522	479
Deferred tax liabilities	7,582	8,202
Total non-current liabilities	58,596	56,789
Total liabilities	255,800	257,032
Equity		
Equity attributable to owners of the parent:		
Share capital	27,648	27,648
Capital surplus	38,371	38,371
Retained earnings	98,492	99,766
Treasury shares	(583)	(583)
Other components of equity	18,903	26,021
Total equity attributable to owners of the parent	182,830	191,223
Non-controlling interests	8,206	8,267
Total equity	191,036	199,490
Total liabilities and equity	446,836	456,523

## Consolidated Statements of Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the three months ended June 30, 2022 (Apr. 1, 2022 through Jun. 30, 2022)	For the three months ended June 30, 2023 (Apr. 1, 2023 through Jun. 30, 2023)
Net sales	100,409	107,268
Cost of sales	80,148	88,551
Gross profit	20,261	18,717
Selling, general and administrative expenses	14,583	14,514
Equity in profit of affiliates	227	289
Other income	1,602	2,211
Other expenses	28	322
Operating profit	7,479	6,381
Finance income	414	523
Finance costs	372	533
Profit before taxes	7,521	6,370
Income tax expenses	2,145	889
Profit for the period	5,376	5,481
Profit attributable to:		
Owners of the parent	5,012	5,070
Non-controlling interests	364	411
Profit for the period	5,376	5,481
Earnings per share		
Basic earnings per share (in yen)	187.07	189.31
Diluted earnings per share (in yen)	-	189.26

## Consolidated Statements of Comprehensive Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the three months ended June 30, 2022 (Apr. 1, 2022 through Jun. 30, 2022)	For the three months ended June 30, 2023 (Apr. 1, 2023 through Jun. 30, 2023)
Profit for the period	5,376	5,481
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	2	1,584
Remeasurements of defined benefit plans	(9)	(7)
Share of other comprehensive income of investments accounted for using the equity method	(4)	(3)
Total	(11)	1,574
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	9,275	5,671
Share of other comprehensive income of investments accounted for using the equity method	628	245
Total	9,903	5,916
Total other comprehensive income	9,891	7,490
Comprehensive income for the period	15,267	12,971
Comprehensive income for the period attributable to:		
Owners of the parent	14,540	12,181
Non-controlling interests	728	790
Comprehensive income for the period	15,267	12,971

## 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, 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:				
Acquisition of treasury shares	-	-	-	(0)
Share-based payment transactions	-	-	-	-
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)

Balance at April 1, 2023	27,648	38,371	98,492	(583)
Comprehensive income for the period:				
Profit for the period	-	-	5,070	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	5,070	-
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Acquisition of treasury shares	-	-	-	(0)
Share-based payment transactions	-	0	-	-
Dividends of surplus	-	-	(3,789)	-
Transfer to retained earnings	-	-	(7)	-
Total contributions by and distributions to owners in their capacity as owners	-	0	(3,796)	(0)
Changes in equity interest of subsidiaries:				
Dividends of surplus	-	-	-	-
Total changes in equity interest of subsidiaries	-	-	-	-
Total transactions with owners	-	0	(3,796)	(0)
Balance at June 30, 2023	27,648	38,371	99,766	(583)

(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, 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:							
Acquisition of treasury shares	-	-	-	-	(0)	-	(0)
Share-based payment transactions	-	-	-	-	-	-	-
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

Balance at April 1, 2023	4,098	-	14,804	18,903	182,830	8,206	191,036
Comprehensive income for the period:							
Profit for the period	-	-	-	-	5,070	411	5,481
Other comprehensive income	1,584	(7)	5,534	7,111	7,111	378	7,490
Total comprehensive income for the period	1,584	(7)	5,534	7,111	12,181	790	12,971
Transactions with owners:							
Contributions by and distributions to owners in their capacity as owners:							
Acquisition of treasury shares	-	-	-	-	(0)	-	(0)
Share-based payment transactions	-	-	-	-	0	-	0
Dividends of surplus	-	-	-	-	(3,789)	-	(3,789)
Transfer to retained earnings	-	7	-	7	-	-	-
Total contributions by and distributions to owners in their capacity as owners	-	7	-	7	(3,789)	-	(3,789)
Changes in equity interest of subsidiaries:							
Dividends of surplus	-	-	-	-	-	(728)	(728)
Total changes in equity interest of subsidiaries	-	-	-	-	-	(728)	(728)
Total transactions with owners	-	7	-	7	(3,789)	(728)	(4,517)
Balance at June 30, 2023	5,683	-	20,338	26,021	191,223	8,267	199,490



## Consolidated Statements of Cash Flows

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the three months ended June 30, 2022 (Apr. 1, 2022 through Jun. 30, 2022)	For the three months ended June 30, 2023 (Apr. 1, 2023 through Jun. 30, 2023)
Cash flows from operating activities:		
Profit before taxes	7,521	6,370
Depreciation and amortization	4,587	4,625
Impairment losses	231	136
Reversal gain of impairment losses	(2)	(9)
Gain on sales of fixed asset	(31)	(15)
Increase (decrease) in assets and liabilities for retirement benefits	37	(105)
Increase (decrease) in provisions for product warranties	(1,894)	(405)
Finance income	(414)	(523)
Finance costs	372	533
Equity in profit of affiliates	(227)	(289)
(Increase) decrease in trade and other receivables	2,275	6,573
(Increase) decrease in inventories	(1,368)	171
Increase (decrease) in trade and other payables	(4,779)	(2,348)
Other	(310)	640
Subtotal	5,996	15,353
Interest received	177	231
Dividends received	561	688
Interest paid	(272)	(553)
Income taxes paid	(2,515)	(1,392)
Payments of loss associated with the Anti-Trust law	(1,095)	(501)
Net cash from operating activities	2,853	13,826
Cash flows from investing activities:		
Payment into time deposits	(198)	(297)
Proceeds from withdrawal of time deposits	-	587
Payment for purchases of property, plant and equipment	(2,890)	(3,263)
Proceeds from sales of property, plant and equipment	78	5
Payment for purchases of other financial assets	(2)	(0)
Proceeds from sale of other financial assets	200	-
Other	(69)	(90)
Net cash flows from investing activities	(2,882)	(3,058)

(Unit: Millions of yen)

	For the three months ended June 30, 2022 (Apr. 1, 2022 through Jun. 30, 2022)	For the three months ended June 30, 2023 (Apr. 1, 2023 through Jun. 30, 2023)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	763	(262)
Repayments of lease liabilities	(1,578)	(1,490)
Proceeds from long-term borrowings	32	-
Repayment of long-term borrowings	(2,571)	(2,021)
Payments for purchase of treasury shares	(0)	(0)
Dividends paid	(2,000)	(3,789)
Dividends paid to non-controlling interests	(866)	(728)
Net cash flows from financing activities	(6,221)	(8,290)
Effect of changes in foreign exchange rates	4,041	1,546
Net increase (decrease) in cash and cash equivalents	(2,209)	4,024
Cash and cash equivalents at beginning of period	52,118	43,585
Cash and cash equivalents at end of period	49,909	47,609

## Segment Information

KYB Corporation and its Consolidated Subsidiaries

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	64,659	32,379	1,476	98,514	1,895	100,409	—	100,409
Intersegment sales and transfers	220	160	—	380	18	398	(398)	—
Total	64,879	32,539	1,476	98,894	1,913	100,807	(398)	100,409
Segment profit (loss)	3,936	1,898	(146)	5,689	(10)	5,678	0	5,679
Equity in profit of affiliates	227	—	—	227	—	227	—	227
Other income and expenses (net)	918	618	22	1,558	15	1,574	—	1,574
Operating profit (loss)	5,082	2,515	(124)	7,473	5	7,479	0	7,479
Finance income and costs (net)								42
Profit before taxes								7,521

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

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

For the three months ended June 30, 2023

(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	69,355	34,042	1,202	104,599	2,669	107,268	—	107,268
Intersegment sales and transfers	192	183	—	375	16	391	(391)	—
Total	69,547	34,225	1,202	104,974	2,685	107,659	(391)	107,268
Segment profit (loss)	2,944	1,363	(299)	4,009	189	4,198	5	4,203
Equity in profit (loss) of affiliates	289	—	—	289	—	289	(0)	289
Other income and expenses (net)	1,497	373	16	1,887	2	1,889	—	1,889
Operating profit (loss)	4,730	1,737	(283)	6,185	191	6,375	5	6,381
Finance income and costs (net)								(11)
Profit before taxes								6,370

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

2. ¥5 million of adjustment of segment profit is the elimination of intersegment transactions.

\*With regard to the changes of reportable segment

We have included a part of product of "Others" into 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. Financial information for the same period of the previous fiscal year has been revised to reflect this change.

## First Quarter of FY2023 Financial Results Supplementary Information

### 1. Breakdown of sales

	FY2022 1Q		FY2023 1Q		Differences	
	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio
Automotive Components	64,659	64.4%	69,355	64.7%	4,696	7.3%
Shock absorber for automobiles	47,462	47.3%	49,888	46.5%	2,426	5.1%
Shock absorber for motorcycles	9,446	9.4%	10,468	9.8%	1,022	10.8%
Hydraulic equipment for automobiles	5,081	5.1%	5,495	5.1%	414	8.1%
Others	2,670	2.7%	3,505	3.3%	835	31.3%
Hydraulic Components	32,379	32.2%	34,042	31.7%	1,663	5.1%
Hydraulic equipment for industrial use	30,986	30.9%	32,308	30.1%	1,322	4.3%
System products	443	0.4%	898	0.8%	455	102.7%
Others	950	0.9%	835	0.8%	△ 115	-12.1%
Aircraft Components	1,476	1.5%	1,202	1.1%	△ 274	-18.6%
Aircraft Components	1,476	1.5%	1,202	1.1%	△ 274	-18.6%
Special-purpose Vehicles and Electronic Equipment, etc.	1,895	1.9%	2,669	2.5%	774	40.8%
Special-purpose Vehicles	1,895	1.9%	2,669	2.5%	774	40.8%
Electronic Equipment, etc.	0	0.0%	0	0.0%	0	-
Total	100,409	100.0%	107,268	100.0%	6,859	6.8%

## 2. FOREX Rate

Average FOREX Rate	FY2022				FY2023
	Apr-Jun 2022	Apr-Sep 2022	Apr-Dec 2022	Full year	Apr-Jun 2023
JPY/USD	129.57	133.97	136.53	135.48	137.36
JPY/EUR	138.10	138.72	140.59	140.97	149.46
JPY/CNY	19.57	19.88	19.88	19.74	19.55

FOREX Rate prevailing at the end of quarter	FY2022				FY2023
	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022
JPY/USD	136.69	144.81	132.70	133.54	144.99
JPY/EUR	142.65	142.32	141.44	145.72	157.56
JPY/CNY	20.39	20.37	19.02	19.42	19.95

## 3. Segment sales (\*2)

	FY2022				FY2023
	1Q	2Q	3Q	4Q	1Q
Automotive Components	64,659	71,654	68,176	75,203	69,355
Hydraulic Components	32,379	34,598	35,715	35,184	34,042
Aircraft Components	1,476	1,070	796	1,074	1,202
Special-purpose Vehicles and Electronic Equipment, etc.	1,895	2,156	2,244	2,927	2,669
Total	100,409	109,477	106,931	114,388	107,268

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

	FY2022				FY2023
	1Q	2Q	3Q	4Q	1Q
Automotive Components	3,937	4,496	3,598	6,763	2,948
Hydraulic Components	1,898	1,905	1,917	1,807	1,365
Aircraft Components	△ 146	△ 551	△ 398	△ 330	△ 299
Special-purpose Vehicles and Electronic Equipment etc.	△ 10	164	139	312	189
Total	5,679	6,014	5,256	8,551	4,203

## 5. Capital Expenditure, Depreciation

	FY2022				FY2023
	1Q	2Q	3Q	4Q	1Q
Capital Expenditure	2,788	3,764	3,114	4,375	3,792
Depreciation Expenses	4,587	4,630	4,799	4,636	4,625

## 6. R&D Expenses

	FY2022				FY2023
	1Q	2Q	3Q	4Q	1Q
R&D Expenses	1,734	1,711	1,817	1,877	1,860

## 7. Foreign Exchange gain or loss (\*3)

	FY2022				FY2023
	1Q	2Q	3Q	4Q	1Q
Other Income / Other Expenses	1,242	761	△ 868	433	1,697
Finance Income / Finance Costs	△ 54	△ 63	157	△ 136	202
Total	1,188	698	△ 711	298	1,899

(\*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 "Electronic Equipment, etc." related some product which was a part of "Special-purpose Vehicles and Electronic Equipment" in the "Automotive Components" from the current first quarter, as a result of reviewing the segment management classification due to the reor

(\*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.