

Management Team (As of June 25, 2020)

Directors



Yasusuke Nakajima¹
Director, Chairman



Masao Ono¹
Representative Director, President
Executive Officer



Takaaki Kato¹
Representative Director, Executive Vice
President Executive Officer



Keisuke Saito¹
Member of the Board of Directors,
Executive Vice President Executive Officer



Rokuro Tsuruta^{1, 3}
Member of the Board of Directors (Outside)



Shuhei Shiozawa^{1, 3}
Member of the Board of Directors (Outside)



Masakazu Sakata^{1, 3}
Member of the Board of Directors (Outside)

Audit & Supervisory Board Members



Tomoo Akai²
Audit & Supervisory Board Member
(Full Time)



Junichi Tanaka^{2, 3}
Audit & Supervisory Board Member
(Full Time) (Outside)



Eiji Hisada²
Audit & Supervisory Board Member
(Full Time)



Masahiko Sagara^{2, 3}
Audit & Supervisory Board Member
(Full Time) (Outside)

- Notes: 1. Term of office: One year from the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2020.
2. Term of office: Four years from the conclusion of the Ordinary General Meeting of Shareholders held on June 25, 2020.
3. Members of the Board of Directors Rokuro Tsuruta (Outside), Shuhei Shiozawa (Outside) and Masakazu Sakata (Outside), and full-time Audit & Supervisory Board Members Junichi Tanaka (Outside) and Masahiko Sagara (Outside) are independent officers as prescribed in Rule 436-2 of the Securities Listing Regulations of the Tokyo Stock Exchange.

Please refer to the "Notice of the 98th Ordinary General Meeting of Shareholders" on our Company website for more detailed information, including brief career histories.
▶ https://www.kyb.co.jp/english/ir/stock_meeting.html

Executive Officers

Representative Director, President Executive Officer	Masao Ono		Masahiro Kawase	In charge of Global Production (Automotive Components Operations Relations); General Manager, Suspension Headquarters; General Manager, Steering Headquarters, Automotive Components Operations
Executive Vice President Executive Officers	Takaaki Kato	In charge of Global Corporate Finances	Takashi Tezuka	General Manager, Quality Division
	Keisuke Saito	General Manager, Seismic Isolation/Mitigation Correspondence Operations	Ryuji Uda	In charge of China; Chairman & President, KYB (China) Investment Co., Ltd.; Chairman, KYB Industrial Machinery (Zhenjiang) Ltd.; Chairman, Wuxi KYB Top Absorber Co., Ltd.
Senior Managing Executive Officers	Hiroshi Ogawa	In charge of European Operations; President, KYB Europe GmbH	Minoru Ishikawa	General Manager, CSR & Safety Control Division
	Toshihiko Hatakeyama	In charge of Technology and Quality	Ichio Nemoto	In charge of Global Corporate Planning and Domestic Affiliated Companies; In charge of Aircraft Components Divisions; General Manager, Corporate Planning Division; General Manager, Corporate Planning Department
	Hitoshi Nitta	In charge of Cost Planning; General Manager, Production Division; Deputy General Manager, Seismic Isolation/Mitigation Correspondence Operations	Takashi Saito	In charge of auditing; In charge of President's Office
	Ikuo Inagaki	General Manager, Engineering Division; General Manager, Engineering Planning Department	Koji Yamamoto	General Manager, Gifu South Plant, Hydraulic Components Operations
	Hajime Sato	In charge of North, Central & South American Operations (Automotive Components Operations); General Manager, Automotive Components Operations; General Manager, Motorcycle Headquarters	Takashi Kondo	Deputy General Manager, Seismic Isolation/Mitigation Correspondence Operations; Deputy General Manager, Customer Correspondence Headquarters
Managing Executive Officers	Kenji Yamanouchi	President, KYB Americas Corporation	Kimiro Sudo	In charge of India; General Manager, Chennai (India) Branch
	Hideki Nonoyama	In charge of Purchasing; Deputy General Manager, Seismic Isolation/Mitigation Correspondence Operations; General Manager, Promotion Headquarters	Tomoki Takaoka	General Manager, Purchasing Division
	Osamu Kunihara	General Manager, Finance & Accounting Division	Ukuru Tsuchida	General Manager, Special Purpose Vehicles Division
	Kazuaki Shoji	In charge of Special Purpose Vehicle Division; General Manager, General Affairs & Human Resources Division	Shozo Amano	General Manager, Hydraulic Components Operations
			Minoru Tamai	General Manager, Sagami Plant, Hydraulic Components Operations
			Toshimichi Izeki	Deputy General Manager, Engineering Division; General Manager, Basic Technology R&D Center; Curator, KYB Museum

Risk Information

This section explains the major risk factors relevant to the KYB Group's operating results and financial condition that may have a significant effect on decisions by investors. The KYB Group's Risk Management Committee reports to the Board of Directors. Based on the Risk Management Rules, it identifies material risks the Group must address and the business units responsible for managing them, and also addresses large-scale natural disasters through Groupwide BCP initiatives. Business units are responsible for managing their risk exposure while the Risk Management Committee monitors their actions.

Forward-looking statements in this section represent the judgments of the KYB Group (KYB and its consolidated subsidiaries) as of March 31, 2020.

1. Nonconforming Acts in the Inspection Process for Seismic Isolation/Mitigation Oil Dampers

The Company and its subsidiary Kayaba System Machinery Co., Ltd. manufacture and sell seismic isolation/mitigation oil dampers for buildings. Some did not conform to performance evaluation standards certified by the Minister of Land, Infrastructure, Transport and Tourism (the "Minister"),* or to the standards of customers, because of falsification of performance inspection record data (the "Incident"). We reported the Incident to the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and announced the status of our response on October 16, 2018.

* There is no Minister's certification system for seismic mitigation oil dampers.

Since July 5, 2019, we have announced the status and progress of measures to prevent recurrence and countermeasures regarding this issue once every three months on the following website of the Company. For details, please refer to Progress of Measures to Prevent Recurrence on page 20.

Status and progress of measures to prevent recurrence:
<https://www.kyb.co.jp/company/progress/prevent.html>
(Japanese only)

Status of countermeasures:
https://www.kyb.co.jp/company/progress/exchange_progress.html
(Japanese only)

Also related to the Incident, the Company records provisions for product warranties for seismic isolation/mitigation oil dampers using information and facts currently available and considered reliable. Provisions have been recorded in our accounts for costs to produce seismic isolation/mitigation oil dampers, to replace seismic isolation/mitigation oil dampers, to make structural modifications, and to cover compensation expenses. At this point, however, no provision has been recorded for litigation costs related to this matter, for which a reliable and reasonable estimate is difficult. Therefore, additional provision recorded as a result of future events could have a significant impact on the business results of the Group.

2. Important Events Related to Going Concern Premise

The Company recorded a significant operating loss for FY2019, which resulted in a breach of the financial covenants of the syndicated loan agreements that the Company has with all

applicable financial institutions. To resolve this situation, the Company negotiated with the applicable financial institutions, which have agreed not to demand immediate redemption due to the default event pursuant to a breach of financial covenants. Based on the above, the Company has determined that any significant uncertainty regarding the premise of its standing as a going concern is not justified.

3. Risk Due to the COVID-19 Pandemic

Due to the global COVID-19 pandemic, national and local governments worldwide have implemented measures that include lockdowns and restrictions on movement. Adverse effects on the Group's business performance have included suspension of operations and production adjustments due to production cuts by major customers. In addition, the future remains difficult to predict due to the possibility of secondary and tertiary outbreaks even in areas where life is returning to normal. As a result, the pandemic could have a significant impact on the KYB Group's operating results and financial position.

Given these circumstances, the Group will promote flexible measures such as ensuring liquidity and expanding local production for local consumption. In addition, to prevent the spread of COVID-19, each Group company is implementing measures that include thorough hygiene management, restricting domestic and overseas business trips, and expanding telecommuting and web conferencing in accordance with the requests and guidelines of national and local governments worldwide.

4. Risks in Business Operations

4-1. Demand Trends

Sales of the KYB Group's Automotive Components and Hydraulic Components Operations segments depend heavily on the global production volume of automobiles and construction machinery. The Group's main products are components supplied to manufacturers of automobiles, construction machinery and industrial vehicles. A decline in demand for these products due to a global economic downturn could have a significant impact on operating results. The KYB Group sells most of its system products, aircraft components, special-purpose vehicles and electronics components in Japan. In particular, demand for the

KYB Group's special-purpose vehicles, which are primarily concrete mixer trucks, can fluctuate significantly due to changes in the amount of construction activity, which is closely correlated with the economic outlook.

4-2. Prices and Quality

The KYB Group's products are subject to intense price competition in both domestic and international markets.

Customers regularly request cost cuts and lower prices. Quality is also critical. The Group supplies vital automotive components, such as shock absorbers that maintain vehicle stability and power steering systems. For construction machinery and commercial vehicles, the Group supplies key functional components such as motors and hydraulic cylinders that drive the main unit. Consequently, the Group may incur substantial expenses, including the payment of damages demanded by customers, if it supplies defective products. Furthermore, sales volume and prices for aftermarket automotive shock absorbers are subject to the impact of regional economic conditions and competition.

4-3. Procurement of Materials and Components

The KYB Group purchases materials and components from a large number of suppliers. Prices of these items are closely linked to prices on international commodity markets. The KYB Group may not be able to fully reflect an increase in the cost of materials or components in its selling prices, or to reduce prices of materials and components sufficiently to reflect a reduction in selling prices, which could have a significant impact on operating results.

4-4. Funding

The KYB Group obtains loans mainly from financial institutions in Japan and other countries to fund capital expenditures and to secure working capital. The Group obtains these loans while carefully monitoring financial markets. However, it may be unable to procure funds when needed at favorable terms due to events including a broad decline in the prices of the Group's products, an economic recession, a credit crunch, or a decline in the Group's credit rating, which could affect the Group's financial condition and operating results.

4-5. Business Downturn

Bankruptcy at KYB Group overseas production or sales bases caused by factors including a decline in orders or profitability could significantly impact the Group's operating results.

4-6. Counterparty Credit Risk

The KYB Group sells its products to automobile and construction machinery manufacturers and many other customers. An unexpected problem involving customer credit could affect the Group's operating results.

5. Risks Associated with Natural Disasters, Accidents, Etc.

An earthquake, wind and flood damage, fire, conflict, act of terrorism or other event in Japan or an area outside of Japan where the KYB Group has a plant could cause a substantial decline in the Group's production capacity. In Japan, many plants of the KYB Group and many of its suppliers are located in the Chubu area. A major earthquake, wind and flood damage or other event in this area that prevents these plants from operating could cause a substantial decline in the Group's production capacity. In addition, many plants of the KYB Group produce hydraulic products that utilize the properties of oil. In addition, some plants have coating equipment that uses organic solvents, and storage tanks for hydraulic oil, chemicals and other substances. A fire or hazardous substance leak could temporarily shut down manufacturing activity.

6. Risks Associated with Fluctuations in Exchange Rates and Interest Rate Increases

With an overseas sales ratio of 55.2%, the KYB Group relies heavily on markets outside of Japan. As a result, fluctuations in foreign exchange rates have a significant impact on the Group's exports from Japan and the performance of Group companies in other countries. An increase in interest rates in Japan or other countries could have a significant impact on the KYB Group's operating results.

7. Risks Associated with Significant Lawsuits or Other Legal Action

If the KYB Group is the defendant in a lawsuit and the outcome is unfavorable, the resulting payment and other demands may have a significant impact on the Group's operating results.

Financial and Non-Financial Highlights

FY	2009	2010	2011	2012
Accounting standards applied	JGAAP	JGAAP	JGAAP	JGAAP
Net sales	252,020	320,082	337,158	305,752
Segment profit ¹	—	—	—	—
Operating profit	3,896	24,152	21,538	10,473
Profit before tax [Income (loss) before income taxes and minority interests]	1,671	24,440	21,760	12,994
Profit (loss) attributable to owners of the parent [Net income (loss)]	661	17,014	13,898	7,789
Capital expenditures	10,082	8,916	27,173	39,215
Depreciation and amortization	15,318	13,427	13,508	14,554
R&D expenses	2,817	3,218	4,035	5,468
Cash flows from operating activities	22,655	35,433	17,399	18,984
Cash flows from investing activities	(12,828)	(7,233)	(20,000)	(36,125)
Cash flows from financing activities	(6,646)	(16,968)	(3,455)	8,529
Cash and cash equivalents at end of period	37,664	48,123	42,010	35,215
Total assets	269,361	285,134	301,349	327,912
Interest-bearing debt ²	98,145	81,641	80,518	95,338
Total equity [Total net assets]	78,489	89,964	102,762	116,435
Basic earnings per share [Net income (loss) per share] ³ (Yen)	3.03	77.54	62.87	35.24
Cash dividends per share applicable to the year ³ (Yen)	2.50	8.00	9.00	8.00
Return on equity attributable to owners of the parent [Return on equity] (ROE; %)	0.9	21.1	14.8	7.3
Ratio of equity attributable to owners of the parent [Equity ratio] (%)	27.3	30.6	33.2	34.5
P/E ratio (Times)	113.9	8.6	8.0	13.1
Number of employees	10,977	11,440	11,975	12,306

KYB Corporation and Consolidated Subsidiaries

Notes: 1. Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from net sales.

2. Interest-bearing debt = Short-term borrowings + Current portion of long-term borrowings + Current lease obligations + Long-term debt + Non-current lease obligations + Guarantee deposits received

3. The Company carried out a 1-for-10 reverse stock split effective October 1, 2017.

Items in brackets are Japanese Generally Accepted Accounting Principles (JGAAP) line item names applied prior to the year ended March 31, 2015 (FY2014).

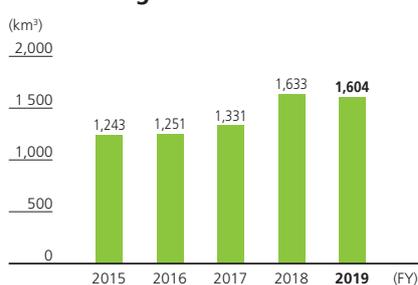
*JGAAP

Environment-related Data

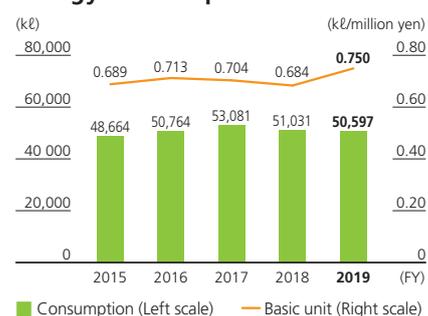
CO₂ Emissions



Water Usage



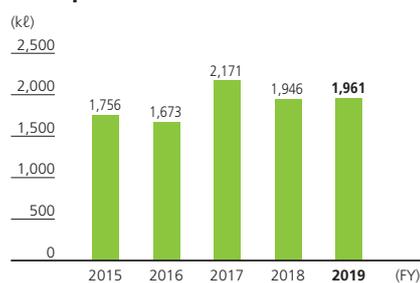
Energy Consumption



(Millions of yen)

2013		2014		2015		2016		2017		2018		2019	
JGAAP		IFRS											
352,710		370,327		355,320		355,316		393,743		412,214		381,584	
—		15,506		17,588		18,624		22,949		22,010		17,575	
18,170		14,461		4,327		19,247		20,885		(28,496)		(40,298)	
21,032		14,892		2,825		18,852		20,881		(29,510)		(41,419)	
12,761		8,036		(3,161)		14,544		15,202		(24,757)		(61,879)	
29,908		30,087		21,300		20,578		20,956		25,345		23,347	
17,294		15,191		17,075		15,922		16,988		17,581		20,615	
6,917		8,910*		7,760		7,621		8,102		6,750		6,312	
28,788		22,335		19,958		31,153		29,252		17,047		(4,999)	
(36,078)		(30,658)		(20,320)		(21,337)		(16,386)		(13,616)		(21,505)	
5,709		(555)		(3,395)		(969)		(4,482)		10,418		22,576	
38,132		30,510		25,296		33,988		42,702		56,092		50,423	
361,083		387,877		359,002		381,326		412,493		441,074		410,454	
88,813		92,448		91,685		93,563		94,641		108,634		154,608	
153,997		175,256		153,381		169,771		186,651		155,643		79,815	
55.25		31.45		(12.37)		56.93		595.09		(969.18)		(2,422.53)	
9.00		12.00		11.00		12.00		150.00		0.00		0.00	
9.7		5.1		(2.0)		9.3		8.8		(15.0)		(55.4)	
41.2		43.6		41.3		43.1		43.7		33.9		18.1	
7.9		14.0		—		10.2		8.5		—		—	
13,033		13,732		13,796		14,350		14,754		15,427		15,439	

Energy Consumption for Transportation*



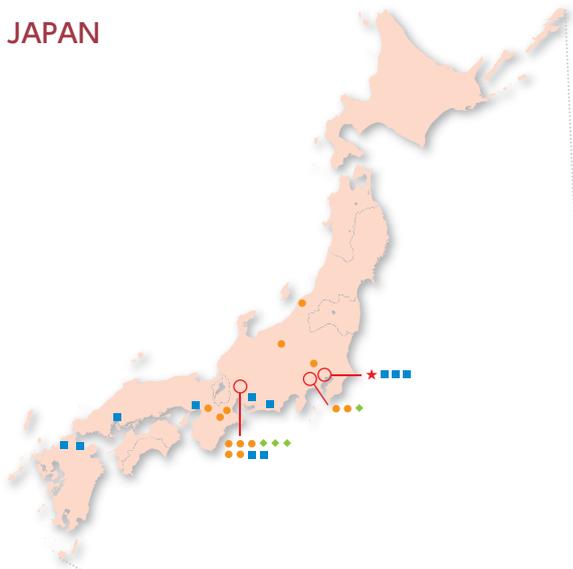
* Amount as crude oil

Waste Emissions



Global Network (As of August 1, 2020)

JAPAN



KYB Corporation

- ★ KYB Head office
- Kumagaya Plant
- Sagami Plant
- Aikawa Plant
- Gifu North Plant
- Gifu South Plant
- Gifu East Plant
- ◆ Basic Technology R&D Center
- ◆ Production Technology R&D Center
- ◆ Machine Tools Center
- ◆ Developmental Experiment Center
- Hamamatsu
- Nagoya
- Osaka
- Hiroshima
- Fukuoka
- KYB Trondule Co., Ltd.
- KYB-YS Co., Ltd.
- KYB Kanayama Co., Ltd.
- KYB Motorcycle Suspension Co., Ltd.
- Kayaba System Machinery Co., Ltd.
- KYB Stage Engineering Co., Ltd.
- Takako Industries, Inc.
- KYB Engineering and Service Co., Ltd.
- Japan Analysts Co., Ltd.
- Kensiyuu Co., Ltd.
- KYB Logistics Co., Ltd.
- KYB Systemerit Co., Ltd.
- Chikuyo Seiki Kogyo Co., Ltd.

EUROPE

- ★ ◆ KYB Europe GmbH
- ★ KYB Europe GmbH (Navarra Branch)
- KYB Europe GmbH (Düsseldorf Branch)
- KYB France
- KYB Iberia
- KYB Italy
- KYB Poland
- KYB Romania
- KYB Turkey
- KYB UK
- KYB Ukraine
- KYB Suspensions Europe, S.A.U.
- KYB Steering Spain, S.A.U.
- KYB Advanced Manufacturing Spain, S.A.U.
- KYB Manufacturing Czech, s.r.o.
- KYB CHITA Manufacturing Europe s.r.o.
- LLC KYB Eurasia
- KYB Eurasia Vladivostok
- KYB Middle East FZE

ASIA

- ★ KYB (China) Investment Co., Ltd.
- KYB Industrial Machinery (Zhenjiang) Ltd.
- KYB Industrial Machinery (Zhenjiang) Ltd. (Shanghai Branch)
- ■ Wuxi KYB Top Absorber Co., Ltd.
- Changzhou KYB Leadrun Vibration Reduction Technology Co., Ltd.
- Hubei Henglong & KYB Automobile Electric Steering System Co., Ltd.
- CHITA KYB Manufacturing (Zhenjiang) Co., Ltd.
- KYB Manufacturing Taiwan Co., Ltd.
- KYB Steering (Thailand) Co., Ltd.
- KYB (Thailand) Co., Ltd.
- KYB Manufacturing Vietnam Co., Ltd.
- Takako Vietnam Co., Ltd.
- PT. KYB Hydraulics Manufacturing Indonesia
- PT. Kayaba Indonesia
- PT. Chita Indonesia
- KYB-UMW Malaysia Sdn. Bhd.
- KYB Motorcycle Suspension India Pvt. Ltd.
- KYB-Conmat Pvt. Ltd.
- KYB Asian Pacific Corp. Ltd.
- KYB Asian Pacific Corp. Ltd. (Amata Nakorn Branch)
- Kayaba System Machinery Co., Ltd. Taiwan Office
- KYB Corporation Chennai Branch

AMERICAS

- ★ ● KYB Americas Corporation (Indiana)
- KYB Americas Corporation (Chicago)
- KYB Americas Corporation (Detroit Branch)
- KYB Americas Corporation (Greenwood)
- Takako America Co., Inc.
- KYB Mexico S.A. de C.V.
- KYB Manufacturing do Brasil Fabricante de Autopeças S.A.
- KYB International America, Inc.
- KYB Latinoamerica, S.A. de C.V.
- Comercial de Autopeças KYB do Brasil Ltda.

Corporate Information/Shareholder Information (As of March 31, 2020)

Corporate Information

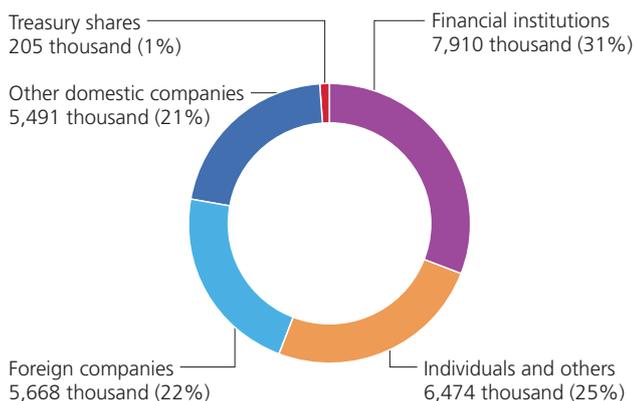
Company Name KYB Corporation
Head Office World Trade Center Bldg.,
 4-1, Hamamatsu-cho 2-chome,
 Minato-ku, Tokyo 105-6111, Japan
 TEL: +81-3-3435-3511
 FAX: +81-3-3436-6759
 URL: <https://www.kyb.co.jp/english/>

Date of Establishment March 10, 1935
Fiscal Year April 1 to March 31
Paid-in Capital ¥27,647.6 million
Number of Employees 15,439 (Consolidated basis)
Securities Traded Tokyo Stock Exchange (First Section)

Shareholder Information

Common Stock Issued 25,748,431
Number of Shareholders 14,965
Transfer Agent and Registrar Mizuho Trust & Banking Co., Ltd.
 2-1, Yaesu 1-chome, Chuo-ku,
 Tokyo 103-8670, Japan

Composition of Shareholders



Major Shareholders

Name	Shareholdings (Thousands)	Percent of Total Shares Issued (%)
Toyota Motor Corporation	1,965	7.7
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,258	4.9
Meiji Yasuda Life Insurance Company	1,004	3.9
Hitachi Construction Machinery Co., Ltd.	892	3.5
KYB suppliers' stock ownership	825	3.2
Trust & Custody Services Bank, Ltd. as trustee for Mizuho Bank, Ltd. Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.	611	2.4
Ogaki Kyoritsu Bank, Ltd.	591	2.3
Government of Norway	499	2.0
Mizuho Bank, Ltd.	490	1.9
Japan Trustee Services Bank, Ltd. (Trust Account 5)	455	1.8

Notes: 1. The shareholding ratio is calculated after the deduction of own shares (205,222 shares).
 2. The number of shares held has been rounded down to the nearest thousand shares.

Monthly Stock Price Range (Tokyo Stock Exchange)



Note: The Company carried out 1-for-10 reverse stock split on the effective date of October 1, 2017. Numbers for the prior fiscal years are as recorded after the reverse stock split.



Contact

KYB Corporation

General Affairs Headquarters, General Affairs & Human Resources Div.

World Trade Center Bldg.,
4-1, Hamamatsu-cho 2-chome,
Minato-ku, Tokyo 105-6111, Japan
TEL: +81-3-3435-3545
FAX: +81-3-3436-6759