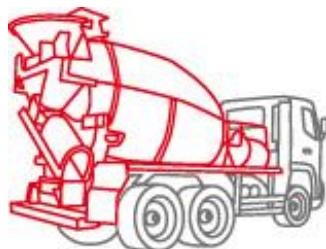


Our Precision, Your Advantage



Meeting Materials for First-Half of FY2016 Summary, Business Outlook and Financial Information

November 11, 2016

KYB Corporation

(Stock Code: 7242; First Section of Tokyo Stock Exchange)

Summary and Business Outlook

Yasusuke Nakajima

Representative Director,
President Executive Officer

Financial Information

Takaaki Kato

Member of the Board of Directors,
Senior Managing Executive Officer

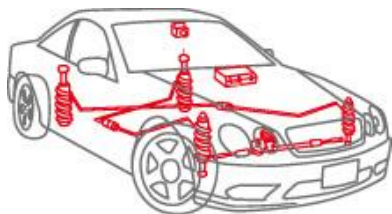
1H Evaluation

- Structural reform for Hydraulic Components (HC) Operation Shift to a set up that can generate earnings
- Quality problems are still unsolved → From preventing shipping of defects to preventing occurrence

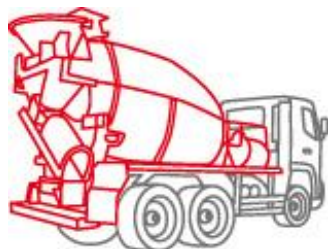
2H Environment

Uncertainty remains in the global economy, but the China construction market appears to have bottomed out

Shift to a business organization that can maximize profits



Our Precision, Your Advantage



First-Half of FY2016 Summary and Business Outlook

Yasusuke Nakajima

Representative Director,
President Executive Officer
KYB Corporation

1H of FY2016 Financial Summary



Our Precision, Your Advantage

| (¥ Billion) | IFRS | | | Differences | |
|---|-----------|----------------------------|--------|--------------------|----------------------|
| | FY2015 | 1H of FY2016 | | | |
| | 1H actual | Forecast (Aug. 5, 2016) | Actual | Previous period | Previous forecast |
| Net Sales | 179.9 | 174.0 | 172.9 | (6.9) | (1.1) |
| Segment profits* | 8.1 | 7.0 | 7.9 | (0.2) | 0.9 |
| Operating profit | (0.2) | 6.3 | 6.9 | 7.1 | 0.6 |
| Profit (loss) attributable to owners of the parent | (3.1) | 4.4 | 5.6 | 8.7 | 1.2 |
| Dividend (¥) | 5 | 5 | 5 | ±0 | ±0 |

*Segment profits correspond to operating income in JGAAP

■ FOREX (Average)

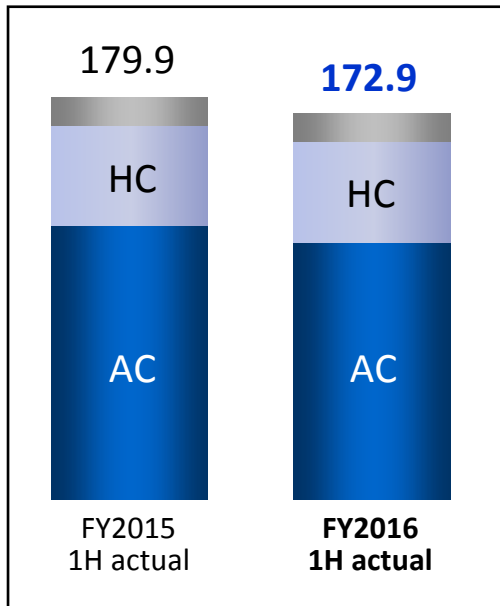
| (¥) | 1H of FY2015 | 1H of FY2016 |
|------------|--------------|---------------|
| JPY / US\$ | 121.80 | 105.29 |
| JPY / EUR | 135.06 | 118.15 |
| JPY / CNY | 19.43 | 15.94 |
| JPY / THB | 3.56 | 3.00 |
| JPY / RUB | 2.12 | 1.61 |

1H of FY2016 Financial Performance by Segment (Net Sales)



Our Precision, Your Advantage

Net Sales (¥ Billion)



| | IFRS | | Differences (Previous period) | |
|---------------|--------------|--------------|----------------------------------|---------------|
| | FY2015 | FY2016 | | |
| | 1H actual | 1H actual | | |
| AC Operations | 122.6 | 115.2 | (7.4) | (6.0)% |
| HC Operations | 45.1 | 45.2 | 0.1 | 0.2% |
| SV&S | 12.2 | 12.6 | 0.4 | 3.2% |
| Total | 179.9 | 172.9 | (6.9) | (3.8)% |

AC: Automotive Components

HC: Hydraulic Components

SV&S: Special-purpose vehicles, aircraft components, and system product and electronic components

Cause of Fluctuation in Net Sales



AC Operations:

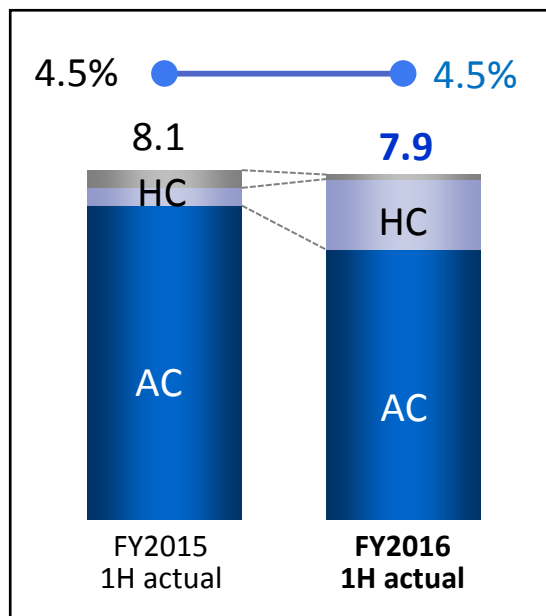
Sales declined due to exchange rate (appreciation of the yen)

1H of FY2016 Financial Performance by Segment (Segment Profits)



Our Precision, Your Advantage

■ Segment Profits (Margin) (¥ Billion)



| | IFRS | | Differences (Previous period) | |
|---------------|------------|------------|----------------------------------|---------------|
| | FY2015 | FY2016 | | |
| | 1H actual | 1H actual | | |
| AC Operations | 7.2 | 6.2 | (1.0) | (14.1)% |
| HC Operations | 0.4 | 1.6 | 1.1 | 268.7% |
| SV&S | 0.4 | 0.1 | (0.3) | (83.7)% |
| Total | 8.1 | 7.9 | (0.2) | (2.9)% |

AC: Automotive Components

HC: Hydraulic Components

SV&S: Special-purpose vehicles, aircraft components, and system product and electronic components

■ Causes of Fluctuation in Segment Profits



HC Operations:



Profits increased due to business structural reform



AC Operations:

Profits declined due to exchange rate (appreciation of the yen)

■ Causes of Fluctuation in Operating Profit

| | | |
|---|--|----------------|
|  | Loss associated with the antitrust lows in 1H | ¥7.8 billion |
| | Increase in equity in earnings of affiliates | ¥1.0 billion |
|  | Foreign exchange loss on business transactions | ¥(1.4) billion |

■ Cause of Fluctuation in Profit Attributable to Owners of the Parent

| | | |
|---|--|--------------|
|  | Decrease in tax expenses (Reversal of deferred tax liabilities, etc.) | ¥1.4 billion |
|---|--|--------------|

Financial Forecast for FY2016



Our Precision, Your Advantage

| (¥ Billion) | IFRS | | | Differences | |
|---|--------|----------------------------|----------|--------------------|----------------------|
| | FY2015 | FY2016 | | | |
| | Actual | Forecast (Aug. 5, 2016) | Forecast | Previous period | Previous forecast |
| Net Sales | 355.3 | 346.0 | 348.0 | (7.3) | 2.0 |
| Segment profits* | 17.6 | 13.8 | 15.8 | (1.8) | 2.0 |
| Operating profit | 4.3 | 13.8 | 15.4 | 11.1 | 1.6 |
| Profit (loss) attributable to owners of the parent | (3.2) | 9.2 | 11.0 | 14.2 | 1.8 |
| Dividend (¥) | 11 | 11 | 11 | ±0 | ±0 |

*Segment profits correspond to operating income in JGAAP

FOREX (Average)

| (¥) | FY2015 actual | 2H of FY2016 estimate |
|------------|------------------|--------------------------|
| JPY / US\$ | 120.15 | 100.00 |
| JPY / EUR | 132.57 | 110.00 |
| JPY / CNY | 18.85 | 15.00 |
| JPY / THB | 3.44 | 2.80 |
| JPY / RUB | 1.91 | 1.50 |

Cause for Results Revision



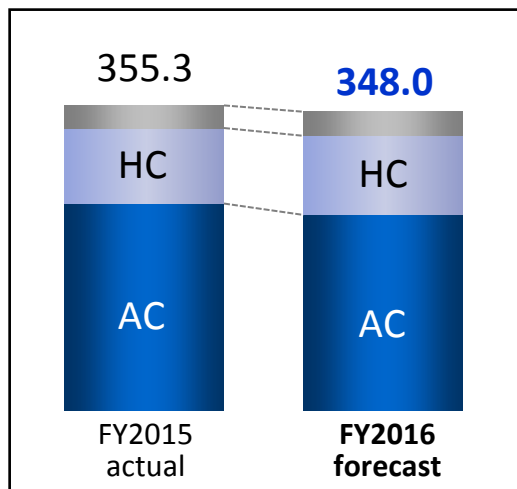
HC Operations:
Bottoming out of
construction machinery
market in China

FY2016 Financial Forecast by Segment



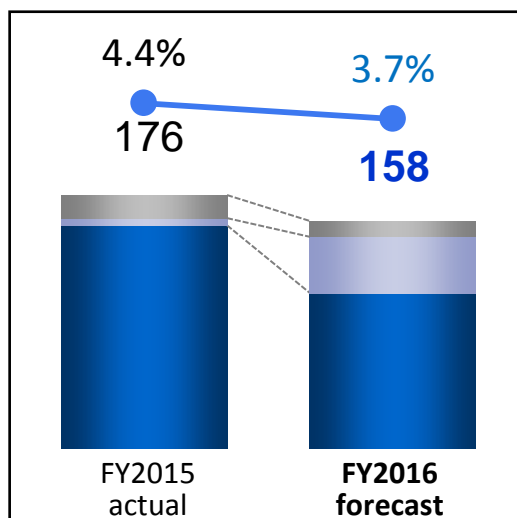
Our Precision, Your Advantage

Net Sales (¥ Billion)



| | IFRS | | Differences (Previous period) | |
|---------------|--------------|--------------|----------------------------------|---------------|
| | FY2015 | FY2016 | | |
| | Actual | Forecast | | |
| AC Operations | 240.9 | 227.6 | (13.3) | (5.5)% |
| HC Operations | 88.0 | 92.3 | 4.3 | 4.9% |
| SV&S | 26.4 | 28.1 | 1.7 | 6.3% |
| Total | 355.3 | 348.0 | (7.3) | (2.1)% |

Segment Profits (Margin) (¥ Billion)



| | | | | |
|---------------|-------------|-------------|--------------|----------------|
| AC Operations | 15.5 | 10.8 | (4.7) | (30.6)% |
| HC Operations | 0.5 | 3.9 | 3.5 | 771.4% |
| SV&S | 1.6 | 1.1 | (0.5) | (32.0)% |
| Total | 17.6 | 15.8 | (1.8) | (10.2)% |

AC: Automotive Components

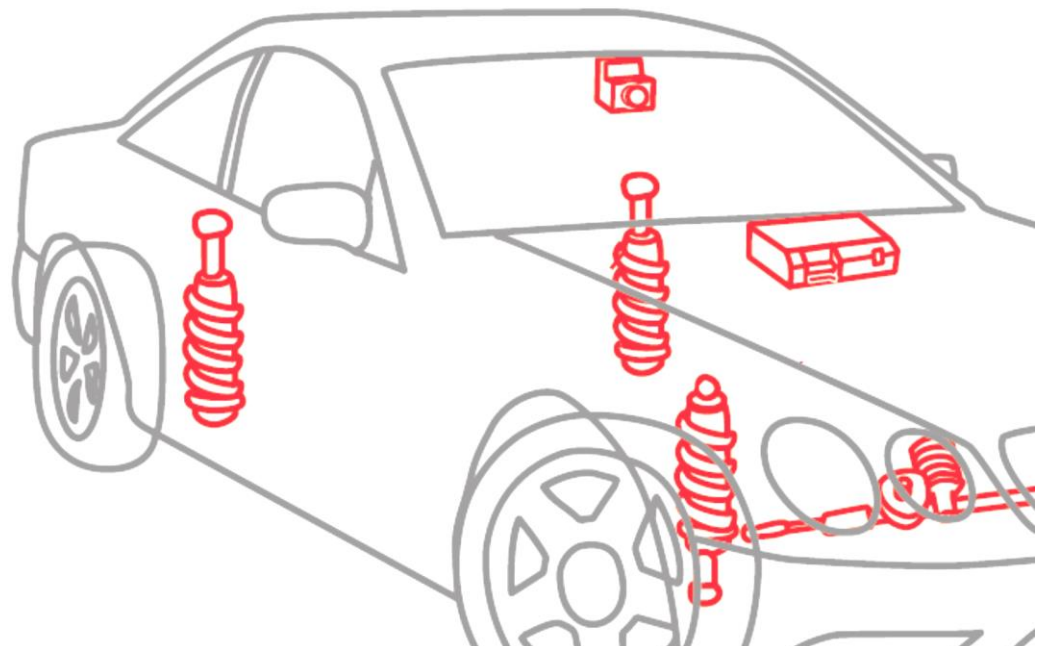
HC: Hydraulic Components

SV&S: Special-purpose vehicles, aircraft components, and system product and electronic components



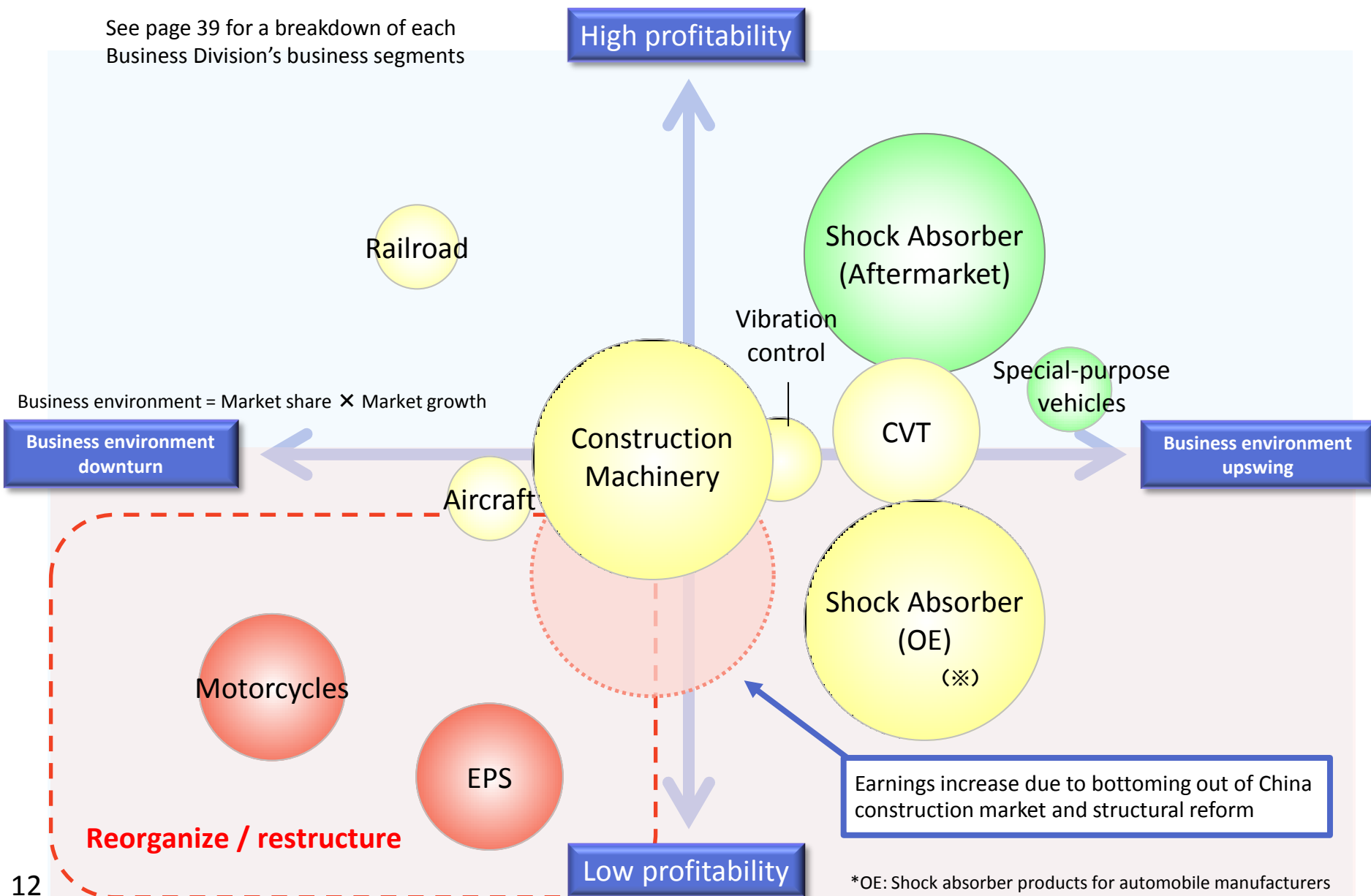
Our Precision, Your Advantage

Business Outlook

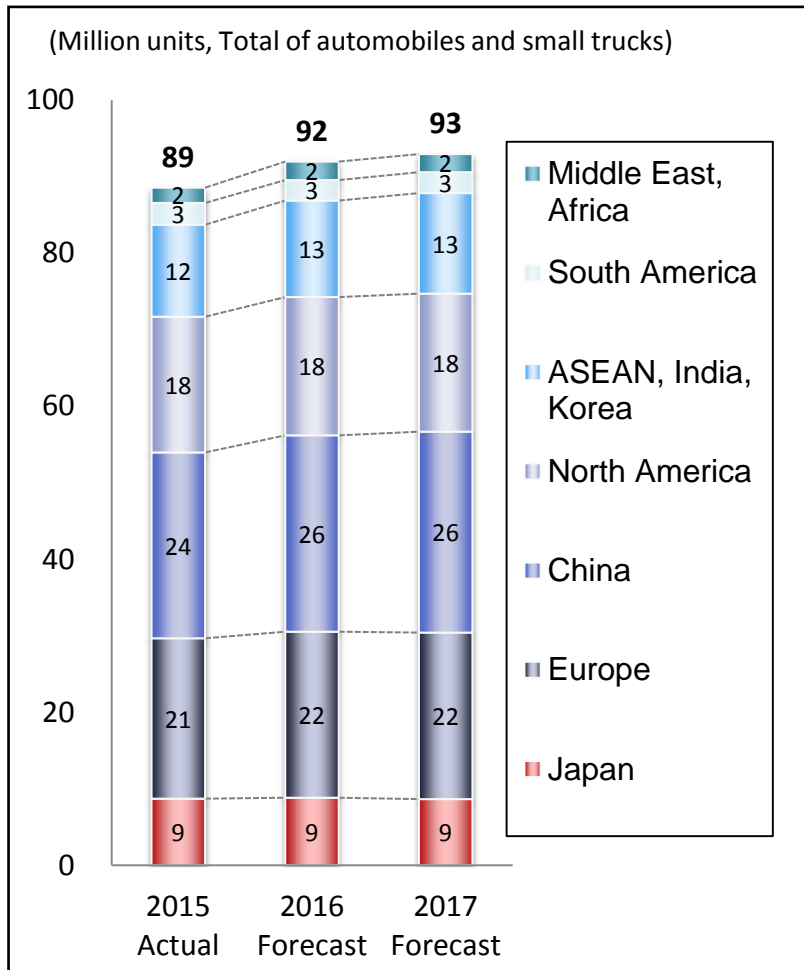


Position of Each Business Division

See page 39 for a breakdown of each Business Division's business segments



■ Automobile Production Forecast



Source: IHS (the end of Oct. 2016)

■ Business Environment

Global:

Year on year increase in major European countries and China, slight decline in North America, resulting in a slight overall global increase

Domestic:

Shift toward low price and green cars progressing, but number of vehicles produced remains flat

■ FY2016 Key Efforts

- Develop value-added products
- Innovative *monozukuri*
- Boost profits with sales promotions for aftermarket products

AC Operations— Develop Value-Added Products



Our Precision, Your Advantage



Lower weight suspension



Electronically controlled suspension

2014

Started expansion aimed at customers in Europe (800,000 units/year)

2016

Expansion planned for customers in Japan (170,000 units/year)

2017

Expansion planned for customers in North America (500,000 units/year)

2017

Expansion planned for customers in Europe (220,000 units/year)

2015

Started expansion aimed at Toyota Prius (600,000 units/year)



Global expansion for value-added products

→ Further increase sales and profits

■ Development of New Line with Innovative *Monozukuri*

Gifu North Plant
(Japan)

Equipment manufacture – End of Dec. 2016

Installation / testing – Mar. 2017

Safety declaration – Apr. 2017

Mass production start – May 2017

Completion of production
line for light cars

KMEX
(Mexico)

Equipment manufacture

Mass production testing – Nov. 2016

Safety declaration – Feb. 2017

Mass production start – Mar. 2017

Competitive line that
lowers personnel costs

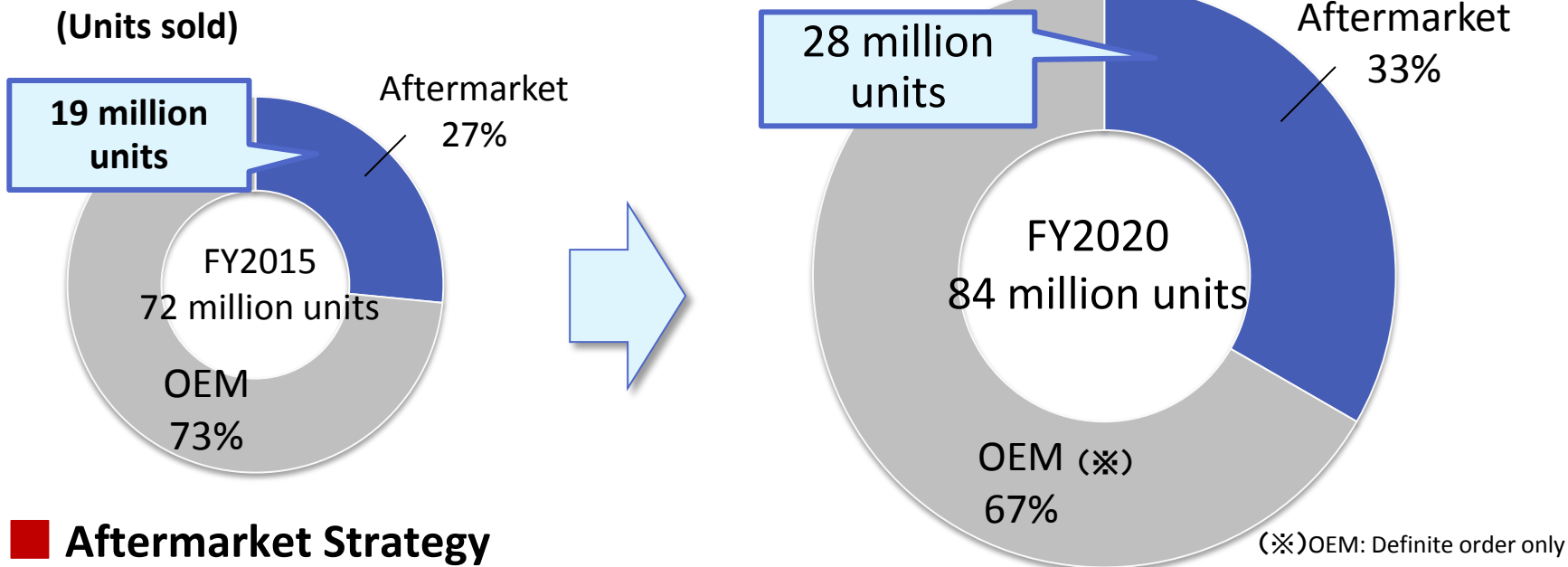
KMEX: KYB Mexico S.A. de C.V.

| Current | Japan New Line | Mexico New Line |
|----------------------------|-------------------------|------------------------|
| Large lot production | Small lot production | ○ (Production lot 1/3) |
| Manual operation | Automation | — |
| Lines differ at each plant | Global production lines | ○ |

Results of new Mexico line: Changeover time **1/2**, lead time **1/3**

New concept line with high competitive power will start in Mexico
and be globally rolled out in sequence.

Automotive Shock Absorber Business Breakdown



Aftermarket Strategy

| | |
|---------------|---|
| Global | Become a comprehensive suspension systems supplier by expanding complete line-up of high value-added products / fully equipped products |
| North America | Start and expand transactions with the four largest aftermarket corporate groups |
| South America | Expand sales network, increase business in the Mercosur market |
| Europe | Warehouse rationalization, strengthen price competitiveness |
| Africa | Establish sales promotion system in place by increasing sales in West and East Africa |
| ASEAN | Enter and increase the share for large diameter shock absorbers for trucks |
| China | Expand / sell applications for European automobiles |

Issue

Decrease of units sold in China, ASEAN districts: Excess supply capacity

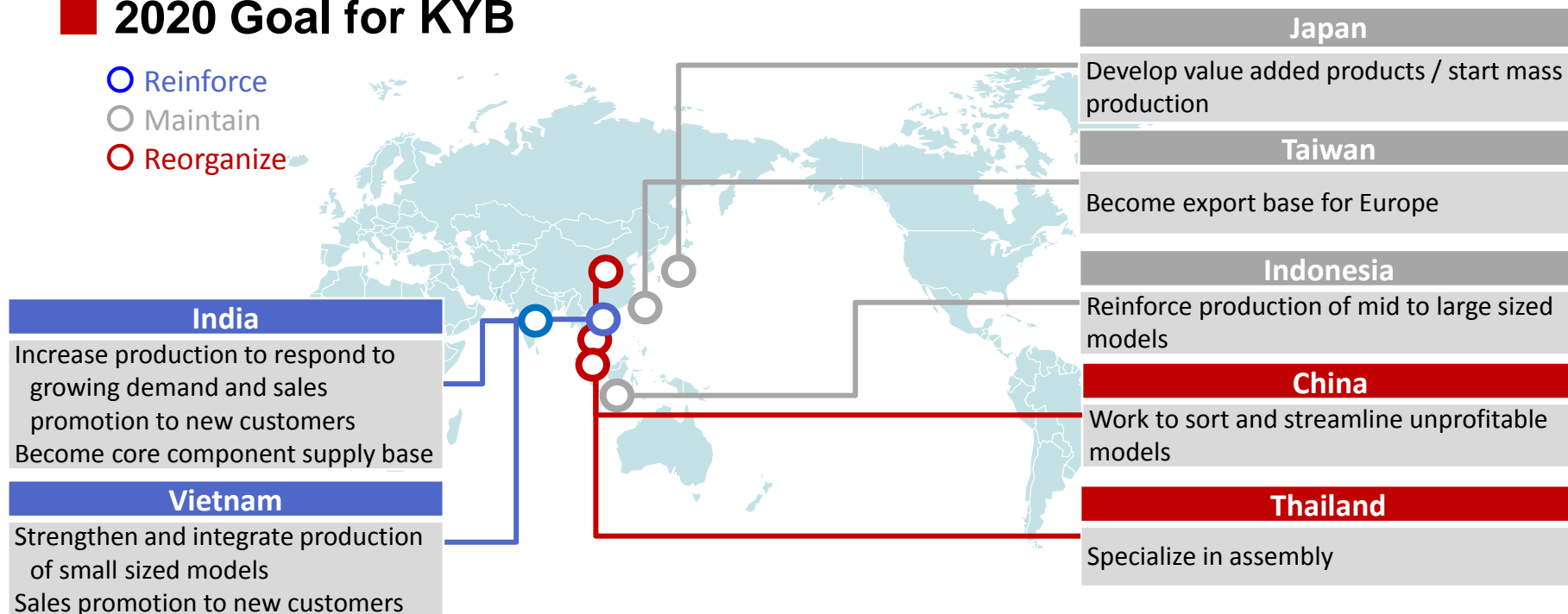
| Measures | Progress |
|---|--|
| <ul style="list-style-type: none"> ▪ Integrate companies / plants in Vietnam and India ▪ Sales promotions for targets other than existing customers | <p>Sequential reorganization starting in FY2017</p> <p>Planned reduction by half of redundant capacity by 2019</p> |

2020 Goal for KYB

○ Reinforce

○ Maintain

○ Reorganize



Issue

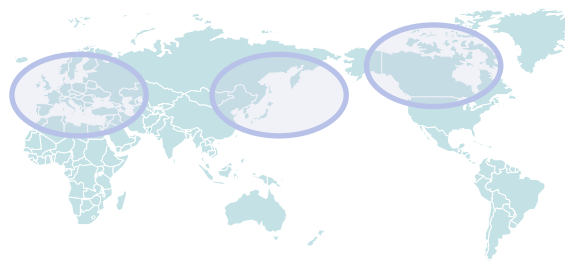
Progress with automated driving: Dealing with increasingly sophisticated technological development
EPS market price decline due to popularization: Worsening profitability

| Measure | Progress |
|---|--|
| Complete an electronics technology development system Make use of outside resources | Electrical components for automated operation that allow for some redundancy under development |
| Design cost reduced EPS model | Under development with market entry targeted for 2019 |
| Sales promotions for EPS for ATV/UTV,* construction machinery, and agricultural machinery | Receive orders from new customers for special-purpose vehicle EPS |

*ATV: All-terrain Vehicle UTV: Utility Task Vehicle

Efforts for Race EPSs

Overall race appearance share: 45%
LMP (Top category) Class: 72%



Europe

24 Hours of Le Mans
24 Hours of Nurburgring
World Rally Cross



LMP1: #12 REBELLION RACING



Recent model standard size column EPS

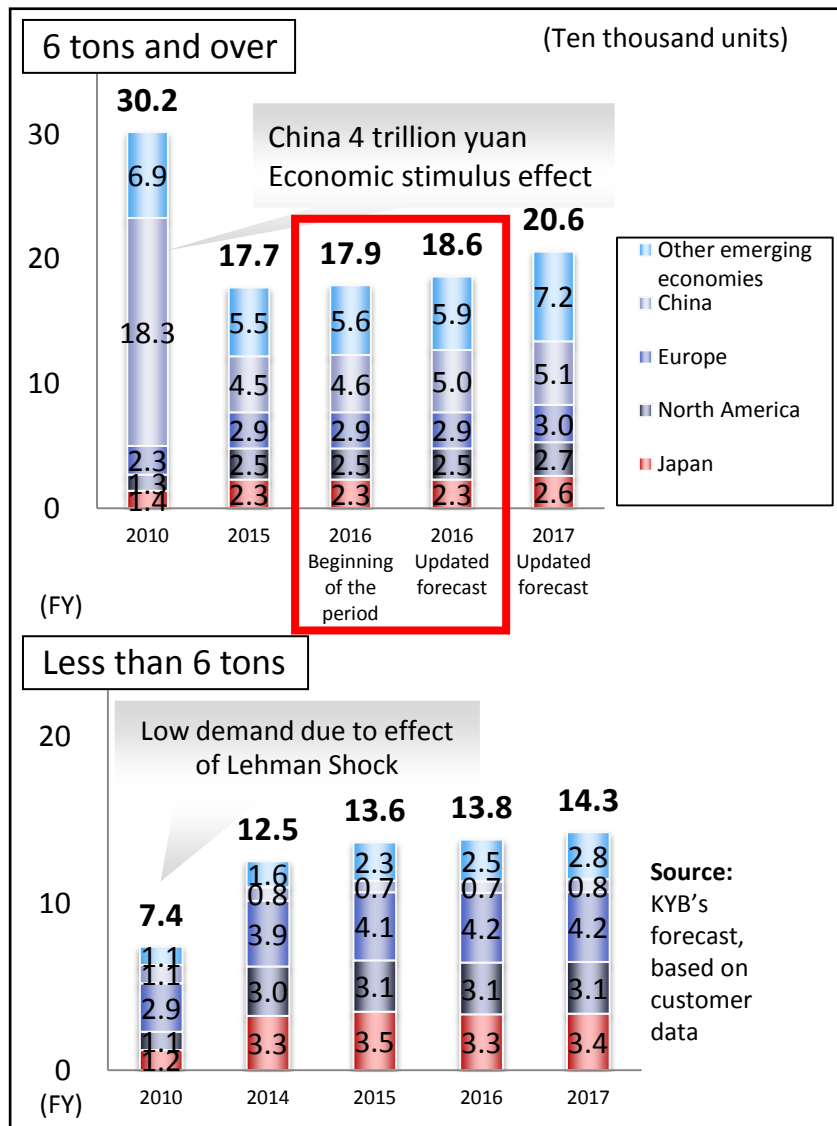
North America

24 Hours of Daytona
Global Rally Cross

Japan / Asia

SUPER GT
SUPER GT FOMULA
D1
Thailand Supercar Series

Demand for Hydraulic Excavators Forecast



Business Environment

6 tons and over:

Growing sense that the China market is slowly bottoming out due to recovery

Less than 6 tons:

Sales of mini excavators, an urban construction machine, are a growing market as conditions in developed countries are favorable

FY2016 Key Efforts

- Carry out structural reforms
- Increase non-excavator ratio

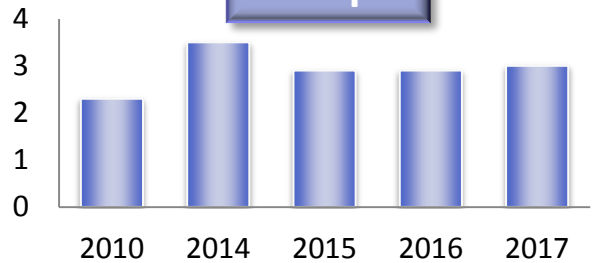
HC Operations— Hydraulic Excavators Market (6 tons and over)



Our Precision, Your Advantage

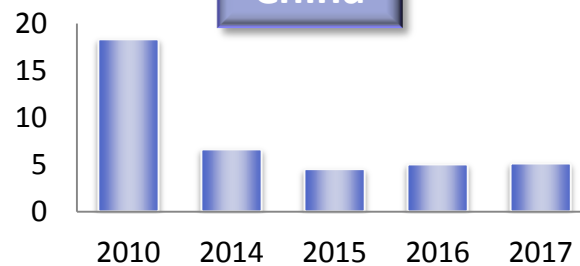
Breakdown by Region (Thousand units)

Europe



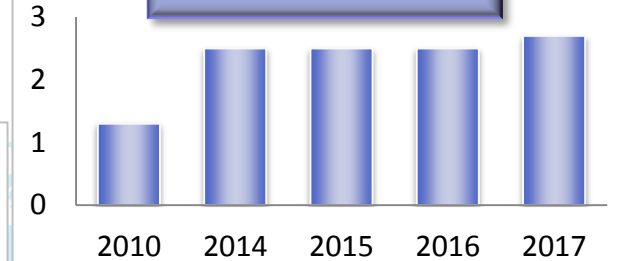
Firm market despite political risk, basis set for restoration in southern Europe, which had been sluggish

China



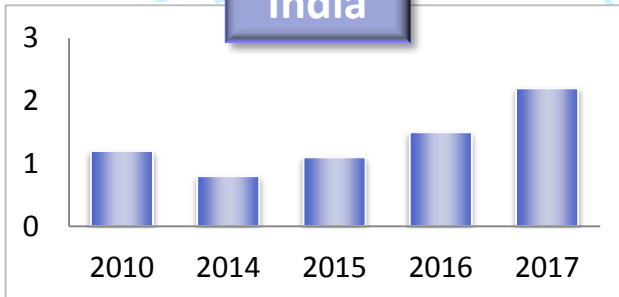
Following the uptrend from June 2016, the increasing trend in hours of operation for excavators is bottoming out

North America



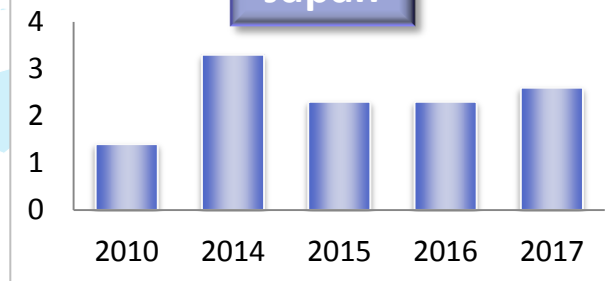
New housing construction starts on upswing, but a declining trend in public investment may cause slowdown

India



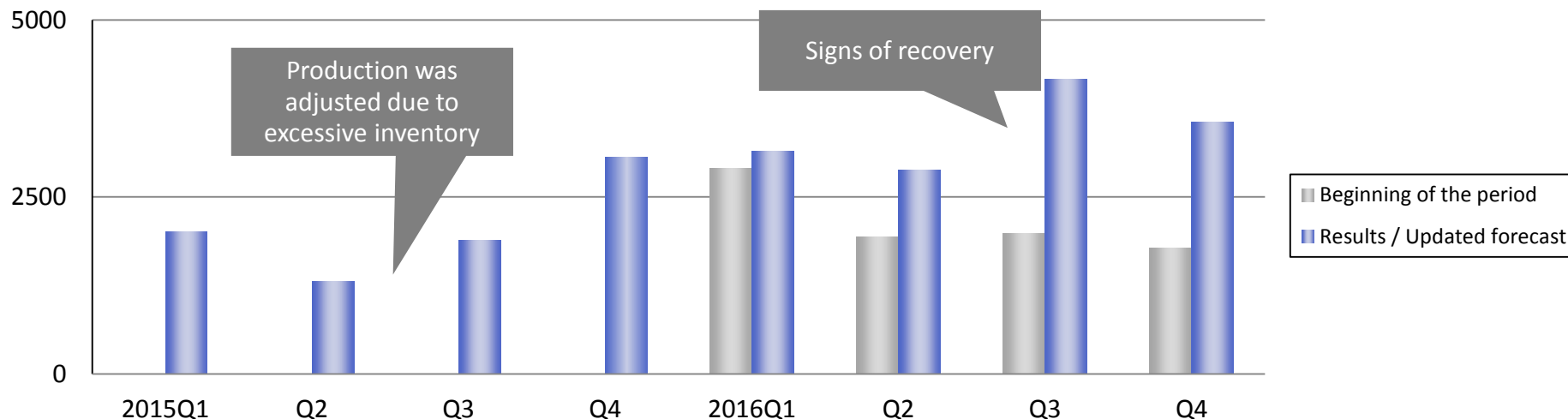
Favorable infrastructure investment make this the only strong market globally, growth is expected to continue

Japan



Inventory adjustments end due to kickback for the last minute rush of demand before stricter emissions regulations. A slight recovery forecast going forward.

■ Production Volumes at Mid-sized Cylinder China Production Base (Units/month)



■ Structural Reforms

Production line streamlining in accordance with revision of demand forecast

⇒ **Complete**

Cylinder production line reduction

Japan: 15,000 → 12,000 pieces per month; China: 12,000 → 6,000 pieces per month

Personnel organization / redistribution ⇒ **Ongoing**

Personnel at China company: Reduction by 200 over 2 years

**Earnings recovery for excavator products caused by
market recovery and structural reforms**

HC Operations— Increase Non-Construction Business (Railroad)

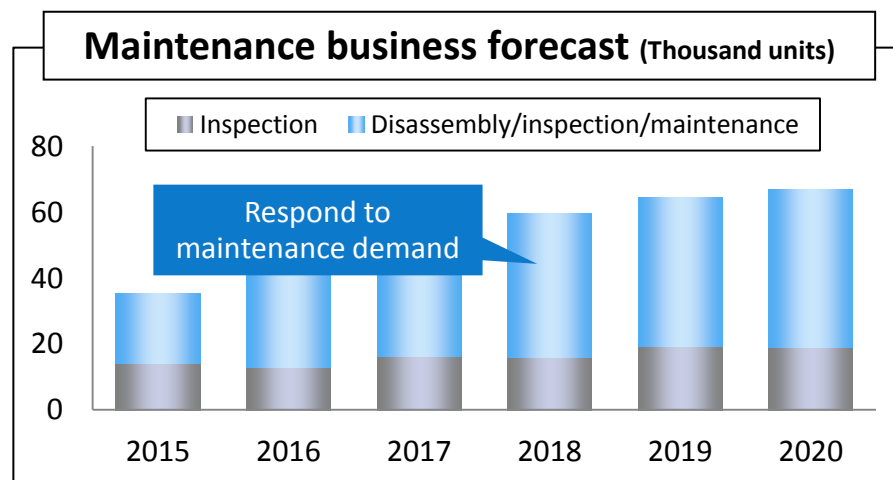


Our Precision, Your Advantage

Railroad Strategy

| | Market Environment | Actions |
|-------------------------|---|--|
| China | Major national high-speed rail grid lines (4+4) → (8+8) High-speed rail grid to reach 30,000 km by 2020 (For reference: Japan's rails reach approx. 2,600 km) | Capacity increase for Maintenance demand (1) Cost reduction by localization |
| Overseas infrastructure | India: Mumbai – Ahmadabad High Speed Rail planned North America: Texas High Speed Rail, others | Proposals for existing / new railroad products exported from Japan |
| Needs | Ride feel improvement and safety / disaster response | New product sales promotion – Electronic hydraulic semi/fully active suspension (2) |

1. Maintenance Demand



2. Active Suspension

Semi-active: Domestic share over 80%

Fully active: Increase shares with sales promotions for electronic hydraulic system that senses vibration in railway cars and actively moves



Make progress towards the next medium term

**Earning trust and orders from customers around the world
by uniting the KYB Group's functions**

Monozukuri

Ensure cost-competitiveness by increasing productivity and improving quality.

Technology and product development

Develop new products and technologies that outpace the competition, leading to winning orders in each region.

Production, sales, technology unification activities

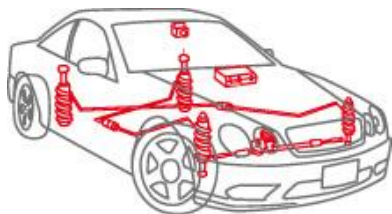
Share information globally and conduct unification activities, leading to winning orders.

Develop human resources

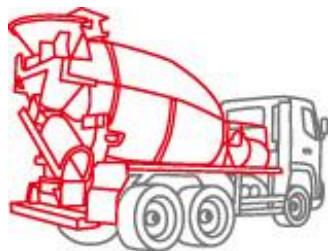
Ensure the development of global human assets in order to achieve above.

Management

Management activities for Group optimization



Our Precision, Your Advantage



First-Half of FY2016 Financial Information

Takaaki Kato

Member of the Board of Directors,
Senior Managing Executive Officer
KYB Corporation

1H of FY2016 Net Sales and Segment Profits



Our Precision, Your Advantage

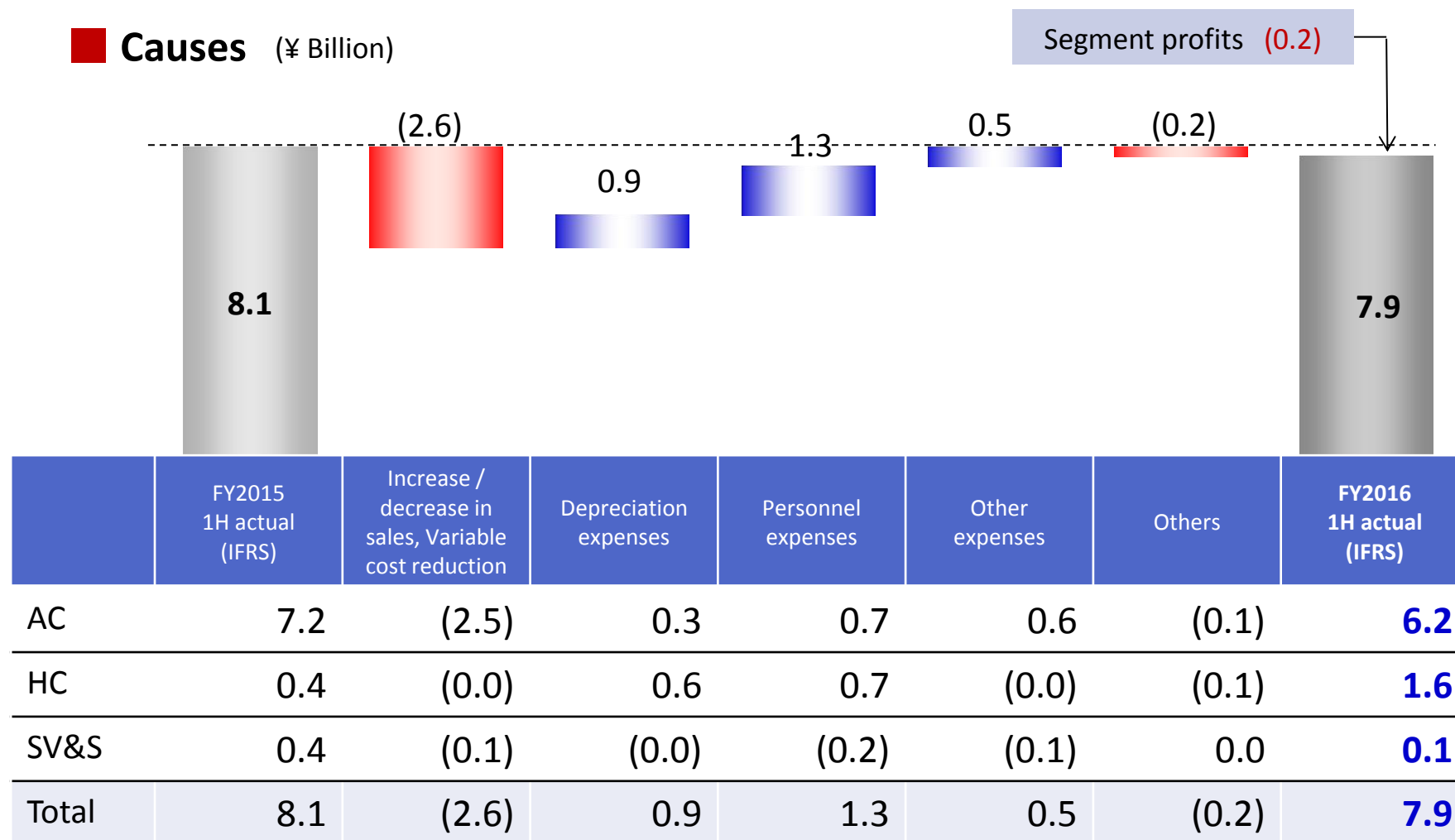
| (¥ Billion) | | FY2015 | FY2016 | Differences |
|-----------------|--|--------------|--------------|--------------|
| | | 1H actual | 1H actual | |
| Net Sales | Shock absorbers for automobiles | 82.9 | 76.6 | (6.3) |
| | Shock absorbers for motorcycles | 12.8 | 12.8 | 0.1 |
| | Hydraulic equipment for automobiles | 23.8 | 23.2 | (0.6) |
| | Others | 3.2 | 2.6 | (0.6) |
| | AC Operations | 122.6 | 115.2 | (7.4) |
| | Hydraulic equipment for industrial use | 40.9 | 41.1 | 0.2 |
| | Others | 4.2 | 4.0 | (0.1) |
| | HC Operations | 45.1 | 45.2 | 0.1 |
| | Special-purpose Vehicles | 4.4 | 3.8 | (0.5) |
| | Hydraulic equipment for aircraft | 3.1 | 3.9 | 0.8 |
| | System products and electronic components, etc. | 4.8 | 4.9 | 0.1 |
| | Special-purpose Vehicles, Aircraft Components, System Products and Electronics Components | 12.2 | 12.6 | 0.4 |
| | Total | 179.9 | 172.9 | (6.9) |
| Segment Profits | AC Operations | 7.2 | 6.2 | (1.0) |
| | HC Operations | 0.4 | 1.6 | 1.1 |
| | Special-purpose Vehicles, Aircraft Components, System Products and Electronics Components | 0.4 | 0.1 | (0.3) |
| | Total | 8.1 | 7.9 | (0.2) |

1H of FY2016 Changes in Segment Profits



Our Precision, Your Advantage

■ Causes (¥ Billion)



Note: The effect of the exchange rate on segment profits throughout the entire Company is -¥2.2 billion, and is not reflected in the above breakdown.

AC: Automotive Components HC: Hydraulic Components

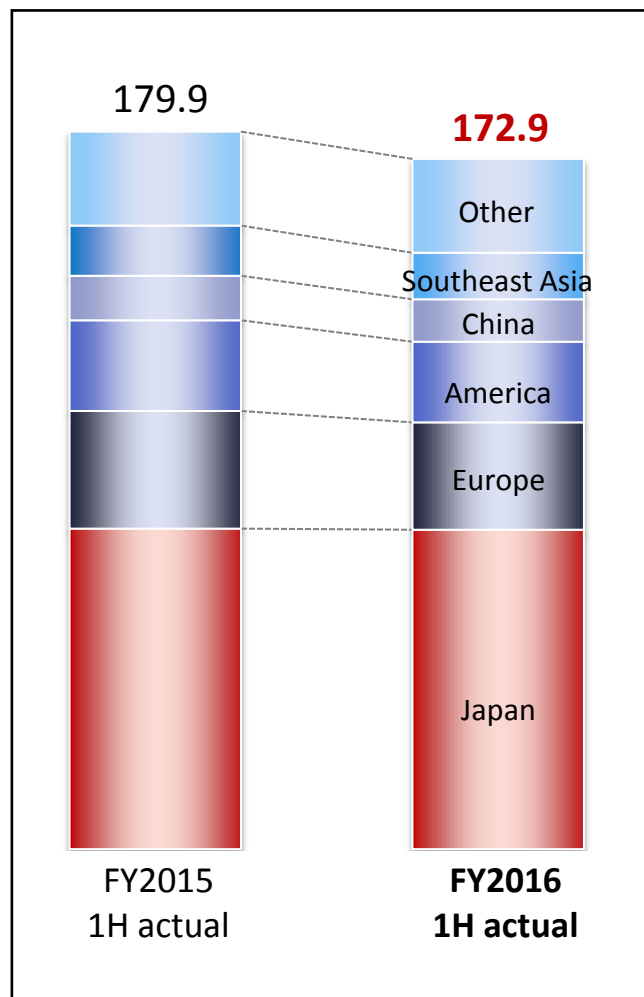
SV&S: Special-purpose vehicles, aircraft components, and system product and electronic components

1H of FY2016 Net Sales by Region



Our Precision, Your Advantage

Net Sales by Region (¥ Billion)



| | FY2015 | FY2016 | Differences |
|----------------|--------------|--------------|-----------------|
| | 1H actual | 1H actual | Previous period |
| Japan | 80.4 | 80.0 | (0.5)% |
| Europe | 29.5 | 26.9 | (8.7)% |
| America | 22.7 | 20.2 | (11.1)% |
| China | 11.2 | 10.6 | (4.6)% |
| Southeast Asia | 12.6 | 11.7 | (7.4)% |
| Other | 23.5 | 23.5 | (0.1)% |
| Total | 179.9 | 172.9 | △3.8% |

Overseas Sales Ratio

55.3% → 53.7%

Financial Forecast for FY2016



Our Precision, Your Advantage

| (¥ Billion) | IFRS | | | Differences | |
|---|--------|----------------------------|----------|--------------------|----------------------|
| | FY2015 | FY2016 | | | |
| | Actual | Forecast (Aug. 5, 2016) | Forecast | Previous period | Previous forecast |
| Net Sales | 355.3 | 346.0 | 348.0 | (7.3) | 2.0 |
| Segment profits* | 17.6 | 13.8 | 15.8 | (1.8) | 2.0 |
| Operating profit | 4.3 | 13.8 | 15.4 | 11.1 | 1.6 |
| Profit (loss) attributable to owners of the parent | (3.2) | 9.2 | 11.0 | 14.2 | 1.8 |
| Dividend (¥) | 11 | 11 | 11 | ±0 | ±0 |

*Segment profits correspond to operating income in JGAAP

FOREX (Average)

| (¥) | FY2015 actual | 2H of FY2016 estimate |
|------------|------------------|--------------------------|
| JPY / US\$ | 120.15 | 100.00 |
| JPY / EUR | 132.57 | 110.00 |
| JPY / CNY | 18.85 | 15.00 |
| JPY / THB | 3.44 | 2.80 |
| JPY / RUB | 1.91 | 1.50 |

Cause for Results Revision



HC Operations:
Bottoming out of
construction machinery
market in China

FY2016 Net Sales and Segment Profits Forecast



Our Precision, Your Advantage

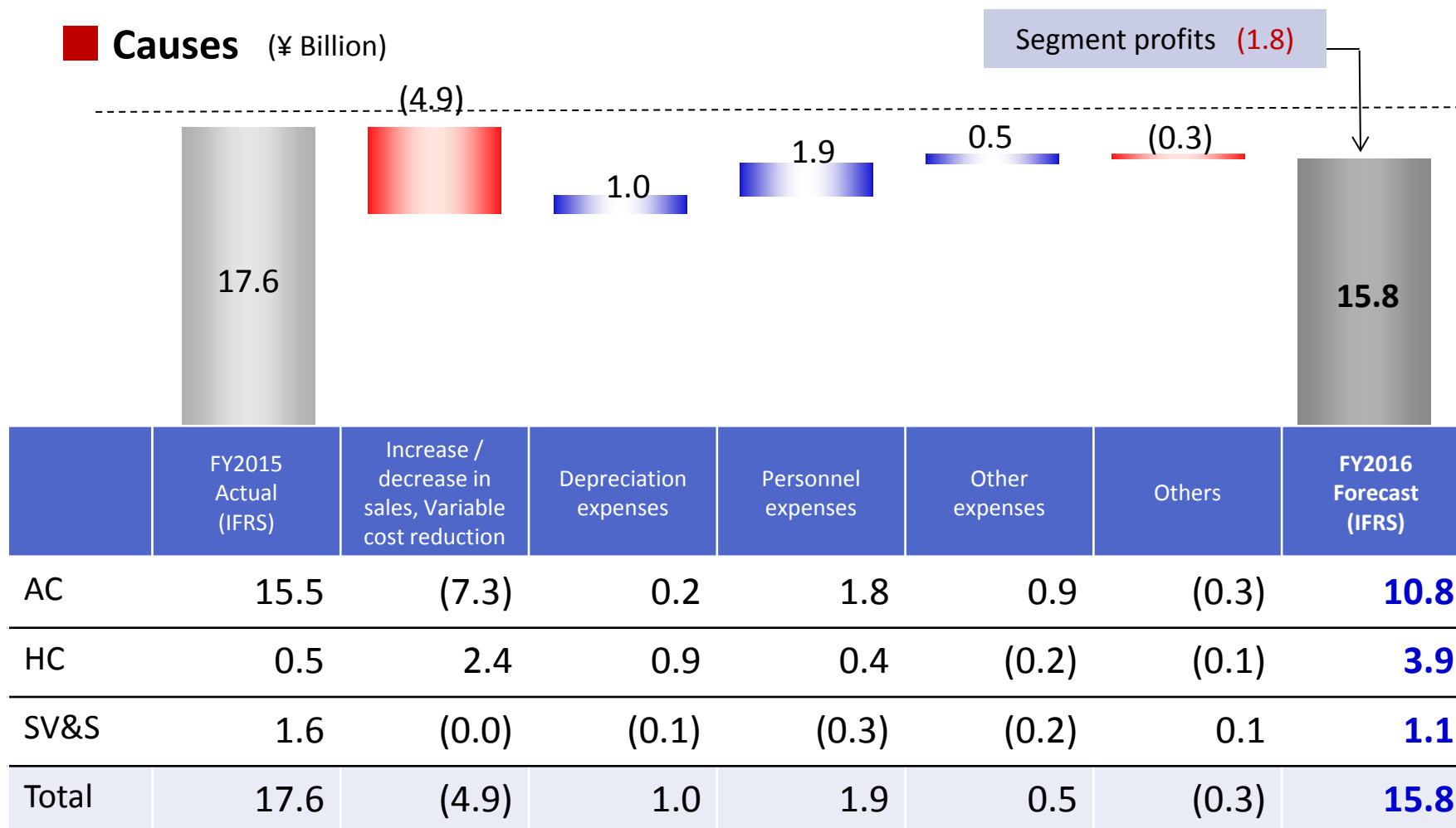
| | | FY2015 Actual | FY2016 Forecast | Differences |
|--------------------|--|------------------|--------------------|-------------|
| Net Sales | Shock absorbers for automobiles | 162.6 | 149.5 | (13.1) |
| | Shock absorbers for motorcycles | 26.3 | 26.2 | (0.2) |
| | Hydraulic equipment for automobiles | 46.3 | 46.4 | 0.1 |
| | Others | 5.7 | 5.6 | (0.2) |
| | AC Operations | 240.9 | 227.6 | (13.3) |
| | Hydraulic equipment for industrial use | 79.8 | 84.5 | 4.7 |
| | Others | 8.2 | 7.8 | (0.4) |
| | HC Operations | 88.0 | 92.3 | 4.3 |
| | Special-purpose Vehicles | 9.1 | 8.4 | (0.7) |
| | Hydraulic equipment for aircraft | 7.0 | 7.8 | 0.8 |
| | System products and electronic components, etc. | 10.3 | 12.0 | 1.7 |
| | Special-purpose Vehicles, Aircraft Components, System Products and Electronics Components | 26.4 | 28.1 | 1.7 |
| | Total | 355.3 | 348.0 | (7.3) |
| Segment Profits | AC Operations | 15.5 | 10.8 | (4.7) |
| | HC Operations | 0.5 | 3.9 | 3.5 |
| | Special-purpose Vehicles, Aircraft Components, System Products and Electronics Components | 1.6 | 1.1 | (0.5) |
| | Total | 17.6 | 15.8 | (1.8) |

FY2016 Changes in Segment Profits



Our Precision, Your Advantage

Causes (¥ Billion)



Note: The effect of the exchange rate on segment profits throughout the entire Company is -¥4.7 billion, and is not reflected in the above breakdown.

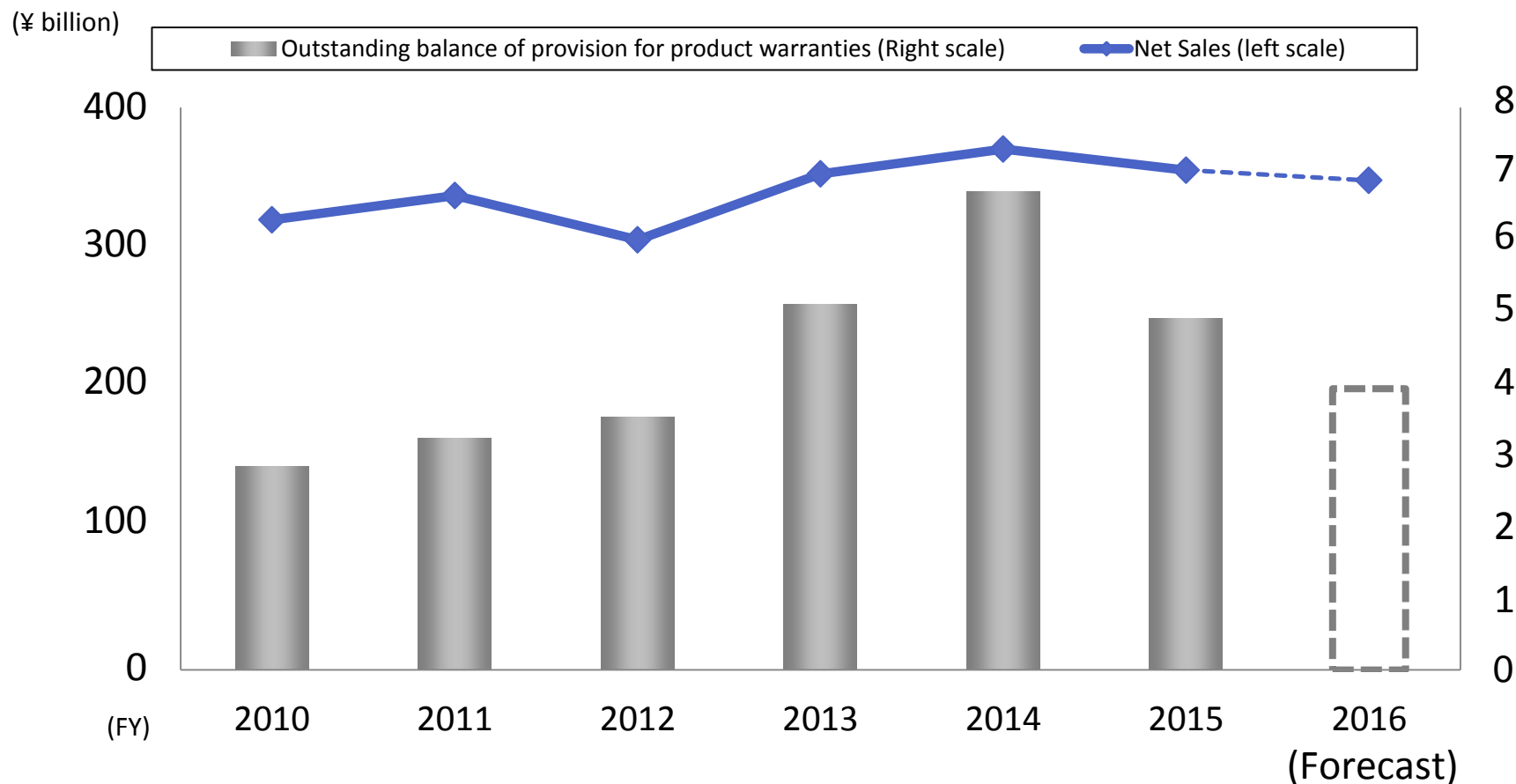
AC: Automotive Components HC: Hydraulic Components

SV&S: Special-purpose vehicles, aircraft components, and system product and electronic components

Provision for Product Warranties



Our Precision, Your Advantage

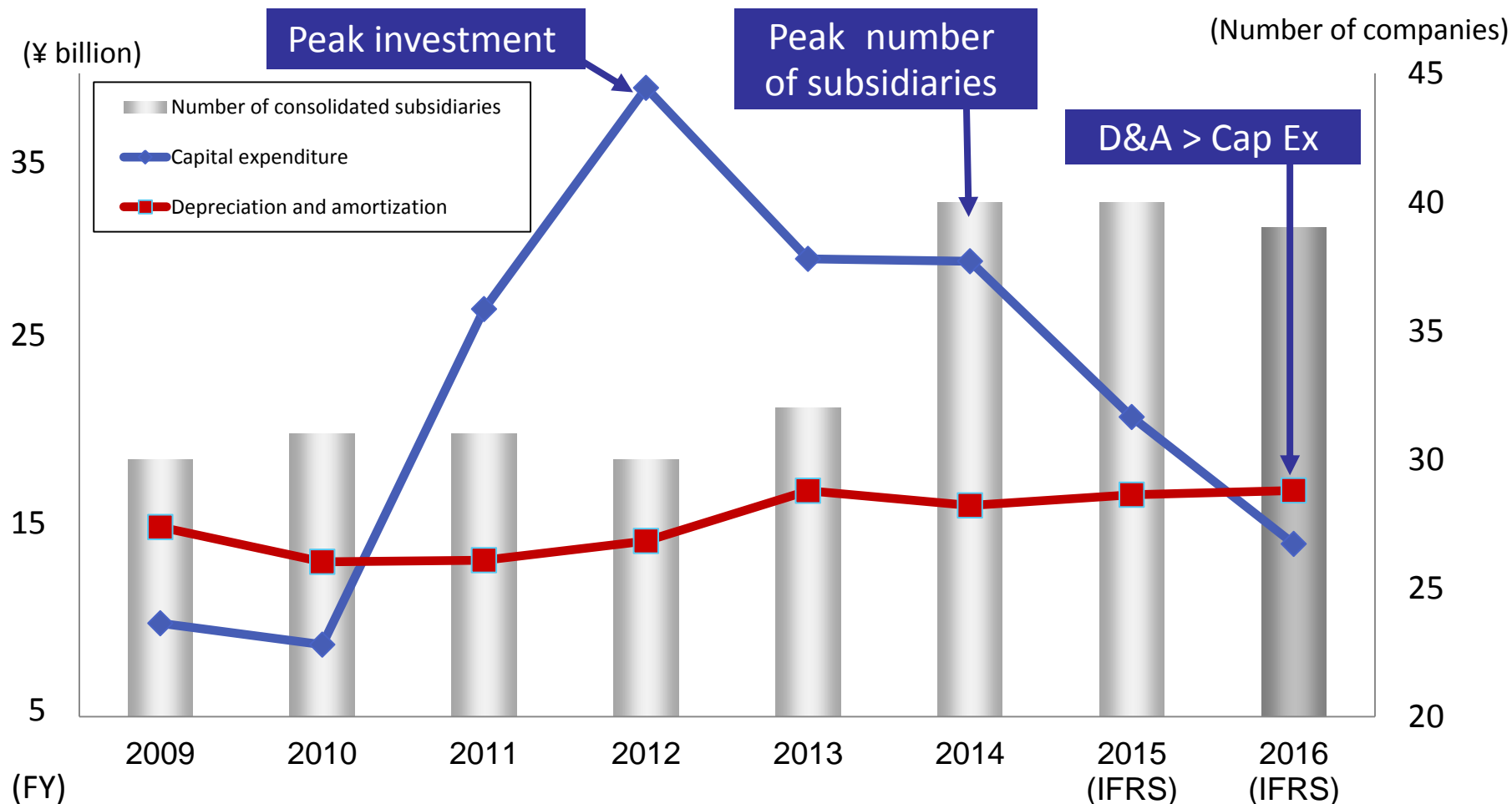


Quality issues are stabilizing, and outstanding balance of provision for product warranties is on a declining trend

Capital Expenditures / Depreciation and amortization

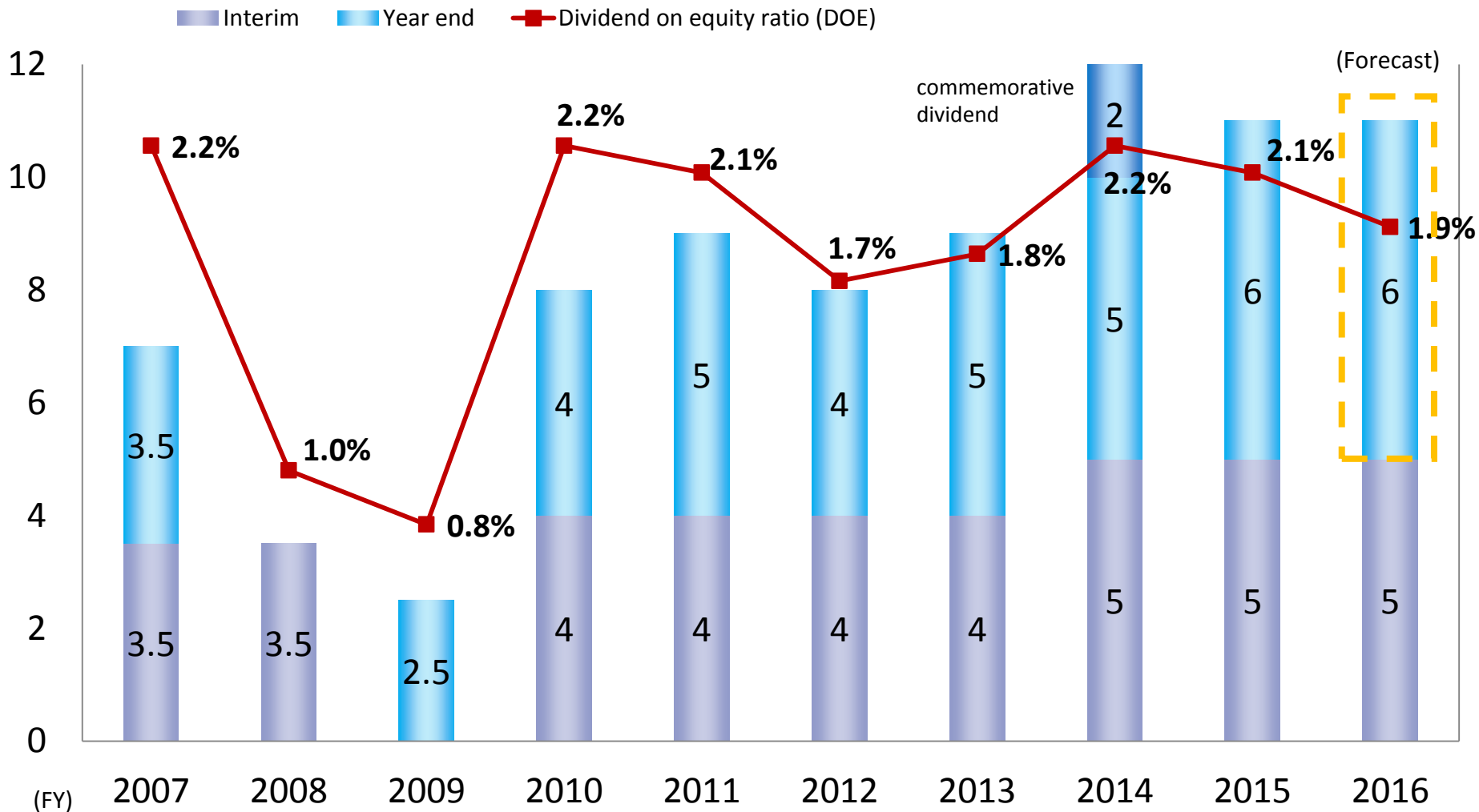


Our Precision, Your Advantage



Round of capital expenditures accompanying global expansion
Investment will be held within depreciation and amortization range
without exception from FY2016 onward

Changes to Dividends Distributed





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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.

For further information, please contact to:
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Appendix Financial Data



Our Precision, Your Advantage

Capital Expenditure, Depreciation

(¥ billion)

| | FY'13 1st Half | FY'13 2nd Half | FY'14 1st Half | FY'14 2nd Half | FY'15 1st Half | FY'15 2nd Half | FY'16 1st Half | FY'16 Total |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------|
| Capital Expenditure | 12.11 | 17.80 | 13.68 | 16.11 | 8.92 | 12.38 | 8.84 | 14.40 |
| Depreciation Exp. | 7.92 | 9.37 | 7.66 | 8.83 | 8.60 | 8.47 | 7.75 | 17.30 |

"Capital expenditure" and "Depreciation exp." = invested and depreciated in property, plant and equipment

(Est.)

(*1) The estimation of "Capital Expenditure in FY2016 Total" is on order basis. Actual figures were calculated on inspection basis.

Interest-bearing Debt

(¥ billion)

| | FY'13 1st Half | FY'13 2nd Half | FY'14 1st Half | FY'14 2nd Half | FY'15 1st Half | FY'15 2nd Half | FY'16 1st Half |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Interest-bearing Debt | 95.40 | 88.81 | 84.92 | 92.45 | 90.40 | 91.69 | 91.13 |

R&D Expenses

(¥ billion)

| | FY'13 1st Half | FY'13 2nd Half | FY'14 1st Half | FY'14 2nd Half | FY'15 1st Half | FY'15 2nd Half | FY'16 1st Half |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| R&D Expenses | 3.13 | 3.79 | 4.29 | 4.62 | | 7.76 | 3.74 |

Number of Employees

| | FY'13 1st Half | FY'13 2nd Half | FY'14 1st Half | FY'14 2nd Half | FY'15 1st Half | FY'15 2nd Half | FY'16 1st Half |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Number of Employees | 12,901 | 13,033 | 13,478 | 13,732 | 13,771 | 13,796 | 14,192 |

Foreign Exchange Rate

| | FY'13 1st Half | FY'13 2nd Half | FY'14 1st Half | FY'14 2nd Half | FY'15 1st Half | FY'15 2nd Half | FY'16 1st Half | FY'16 2nd Half |
|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Average FOREX Rate - JPY/USD | 98.85 | 101.62 | 103.04 | 116.83 | 121.80 | 118.50 | 105.29 | 100.00 |
| Average FOREX Rate - JPY/EUR | 130.01 | 138.74 | 138.91 | 138.64 | 135.06 | 130.09 | 118.15 | 110.00 |
| Average FOREX Rate - JPY/CNY | 16.10 | 16.71 | 16.63 | 18.85 | 19.43 | 18.27 | 15.94 | 15.00 |
| Average FOREX Rate - JPY/THB | 3.23 | 3.16 | 3.20 | 3.58 | 3.56 | 3.32 | 3.00 | 2.80 |
| Average FOREX Rate - JPY/RUB | 3.07 | 3.01 | 2.90 | 2.17 | 2.12 | 1.70 | 1.61 | 1.50 |

(Est.)

Appendix Net Sales by Region



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(¥ billion)

| | | FY2015 | | | | FY2016 | | | |
|-----------------|----------|--------|------|--------|-------|--------|------|--------|-------|
| | | AC | HC | Others | Total | AC | HC | Others | Total |
| Japan | 1st Half | 36.2 | 33.4 | 10.8 | 80.4 | 36.2 | 32.5 | 11.4 | 80.0 |
| | 2nd Half | 36.0 | 31.3 | 12.6 | 80.0 | - | - | - | - |
| | Total | 72.2 | 57.7 | 30.5 | 160.4 | 36.2 | 32.5 | 11.4 | 80.0 |
| Europe | 1st Half | 27.1 | 2.4 | 0.0 | 29.5 | 24.1 | 2.8 | 0.0 | 26.9 |
| | 2nd Half | 25.8 | 2.3 | 0.0 | 28.0 | - | - | - | - |
| | Total | 52.8 | 4.7 | 0.0 | 57.5 | 24.1 | 2.8 | 0.0 | 26.9 |
| America | 1st Half | 19.9 | 2.9 | 0.0 | 22.7 | 17.4 | 2.8 | 0.0 | 20.2 |
| | 2nd Half | 17.5 | 3.1 | 0.0 | 20.7 | - | - | - | - |
| | Total | 37.4 | 6.0 | 0.0 | 43.4 | 17.4 | 2.8 | 0.0 | 20.2 |
| China | 1st Half | 7.5 | 3.7 | 0.0 | 11.2 | 7.2 | 3.5 | 0.0 | 10.6 |
| | 2nd Half | 8.0 | 2.1 | 0.0 | 10.1 | - | - | - | - |
| | Total | 15.4 | 5.8 | 0.0 | 21.2 | 7.2 | 3.5 | 0.0 | 10.6 |
| South East Asia | 1st Half | 12.2 | 0.3 | 0.0 | 12.6 | 10.9 | 0.7 | 0.0 | 11.7 |
| | 2nd Half | 11.8 | 0.3 | 0.0 | 12.1 | - | - | - | - |
| | Total | 24.1 | 0.6 | 0.0 | 24.7 | 10.9 | 0.7 | 0.0 | 11.7 |
| Others | 1st Half | 19.8 | 2.5 | 1.3 | 23.5 | 19.3 | 3.0 | 1.2 | 23.5 |
| | 2nd Half | 18.9 | 4.0 | 1.7 | 24.6 | - | - | - | - |
| | Total | 38.7 | 6.5 | 3.0 | 48.1 | 19.3 | 3.0 | 1.2 | 23.5 |
| Total | 1st Half | 122.6 | 45.1 | 12.2 | 179.9 | 115.2 | 45.2 | 12.6 | 172.9 |
| | 2nd Half | 118.0 | 43.1 | 14.3 | 175.5 | - | - | - | - |
| | Total | 240.6 | 88.0 | 26.4 | 355.3 | 115.2 | 45.2 | 12.6 | 172.9 |

■ Awards from Customers (Mostly 1H of FY2016, partial excerpt)

| Customer | Award | Reason for Award |
|--------------------------------|------------------------------|---|
| JATCO | Regional Quality Award | Sustained zero delivery complaints |
| Mitsubishi Fuso Truck and Bus | Daimler Asia Partner | Award for cooperation to CR activity |
| Yamaha Motor | Global Contribution Award | Award for high evaluation in establishing India plant |
| Kobelco Construction Machinery | New Model Contribution Award | Quality Award |

Appendix Breakdown of Business Divisions



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| Reportable segment | | Business breakdown | Major products |
|--------------------|---|--|---|
| AC Operations | Shock absorber for automobiles | Shock absorber (OE) Shock absorber (Aftermarket) | SA for automobiles |
| | Shock absorber for motorcycles | Motorcycles | Front fork Rear cushion units |
| | Hydraulic equipment for automobiles | Vane pump CVT pumps EPS | Vane pump, power steering systems CVT pumps EPS |
| | Others | Stay dampers | Stay dampers |
| HC Operations | Hydraulic equipment for industrial use | Construction machinery Industrial machinery Agricultural machinery | Cylinders, valves, pumps, motors, Gear pumps MMP, HST |
| | Others | Railroad equipment Seals | Railroad dampers, brakes Seals |
| Other | Special-purpose vehicles | Special-purpose vehicles | Concrete mixer trucks |
| | Hydraulic equipment for aircraft | Aircraft equipment | Actuator, valves, wheels brakes |
| | System products and electronic components, etc. | Vibration control devices Stage equipment Electronic components | Earthquake dampers Stage control systems ECU, mobile communication device |

Red letters correspond to each business division on page 12.