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PRESS RELEASE

Company name: KYB Corporation

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Representative Director, President Executive Officer

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Notice Concerning Posting of Provision for Product Warranties for Seismic Isolation/Mitigation Oil Dampers and Differences between Consolidated Results Forecasts and Actual Results for the Fiscal Year Ended March 31, 2019

KYB Corporation (HQ: Tokyo, President: Masao Ono; hereinafter “the Company”) announces that differences have arisen between consolidated results forecasts for the fiscal year ended March 31, 2019, which the Company announced on February 13, 2019, and actual results. Details are as follows.

1. Differences between consolidated results forecasts and actual results for the fiscal year ended March 31, 2019

(1) Details of the differences

	Net sales	Segment profit	Operating profit	Profit before taxes	Profit for the year	Profit attributable to owners of the parent	Basic earnings per share
Previously announced forecasts(A) (February 13, 2019)	Millions of yen 416,000	Millions of yen 21,300	Millions of yen Δ12,000	Millions of yen Δ12,900	Millions of yen Δ9,500	Millions of yen Δ10,000	Yen Δ391.48
Actual results (B)	412,214	22,010	Δ28,496	Δ29,510	Δ24,571	Δ24,757	Δ969.18
Changes (B-A)	Δ3,786	710	Δ16,496	Δ16,610	Δ15,071	Δ14,757	—
Rate of change (%)	Δ0.9%	3.3%	—	—	—	—	—
(Reference) Results for the previous fiscal year (Fiscal year ended March 31, 2018)	393,743	22,949	20,885	20,881	15,786	15,202	595.09

(2) Reason for the differences

During the 4th quarter of the fiscal year under review, the Company posted in “other expenses” a provision for product warranties of 9,346 million yen and the required costs for measures to provide the product warranties of 5,019 million yen, for seismic isolation/mitigation oil dampers. The Company also recognized in “other expenses” 7,618 million yen, which is a provision for loss related to defense equipment in connection with the impact of reporting improper man-hour figures to the Ministry of Defense, and 2,041 million yen as impairment loss on fixed assets in the Aircraft Business.

Meanwhile, the Company posted in “other income” gains on sales of fixed assets of 6,242 million yen, details of which are described in the “Notice Concerning Establishment of Trust for Fixed Assets and Transfer of Trust Beneficiary Interest, with Conclusion of Lease Agreement” announced on March 7, 2019,

and reimbursement of impaired loss of a subsidiary in China of 1,753 million yen.

As a result of the above, the Company posted an operating loss of 28,496 million yen during the fiscal year under review, which is a decrease of 16,496 million yen compared to the previous forecast. The profit attributable to owners of the parent stood at a loss of 24,757 million yen, a decrease of 14,757 million yen compared to the previous forecast.