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FLASH REPORT

February. 9, 2021

Company name (official) : KYB Corporation

URL <https://www.kyb.co.jp/english/>

Stock listing : Tokyo Stock Exchange (First Section)

Code number : 7242

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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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2020	229,776	(20.6)	4,742	△69.1	5,844	—	4,821	—
December 31, 2019	289,543	(5.7)	15,371	△0.5	(3,680)	—	(4,150)	—

	Profit for the period		Profit attributable to owners of the parent		Comprehensive income for the period		Basic earnings per share	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
December 31, 2020	3,174	—	3,136	—	8,155	—	122.77	
December 31, 2019	(6,827)	—	(7,240)	—	(8,872)	—	(283.43)	

	Diluted earnings per share
Nine months ended	Yen
December 31, 2020	—
December 31, 2019	—

*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
December 31, 2020	421,638	87,684	82,092	19.5	3,213.90
March 31, 2020	410,454	79,815	74,094	18.1	2,900.73

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	—	0.00	—	0.00	0.00
Current fiscal year	—	0.00	—		
Current fiscal year (forecast)				—	—

3. Forecasts for the current fiscal year (April 1, 2020 to March 31, 2021)

(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	320,000	(16.1)	11,000	(37.4)	11,600	—	10,300	—

	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	7,500	—	7,200	—	281.88

*Segment profit is calculated by deducting cost of sales and selling, general and administrative expenses from sales.

Consolidated Statements of Financial Position

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	50,423	75,693
Trade and other receivables	95,547	91,455
Inventories	56,252	53,660
Other current financial assets	1,167	1,316
Other current assets	13,246	10,646
Total current assets	216,635	232,770
Non-current assets:		
Property, plant and equipment	165,825	159,442
Goodwill	238	232
Intangible assets	4,874	4,260
Investments accounted for using the equity method	5,534	4,499
Other non-current financial assets	14,230	17,729
Other non-current assets	1,093	857
Deferred tax assets	2,025	1,850
Total non-current assets	193,818	188,869
Total assets	410,454	421,638

(Unit: Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities and equity		
Current liabilities:		
Trade and other payables	69,661	67,736
Borrowings	88,714	83,349
Income tax payables	1,281	975
Other current financial liabilities	24,868	20,576
Provisions	51,247	40,442
Other current liabilities	2,160	1,753
Total current liabilities	237,931	214,831
Non-current liabilities:		
Borrowings	33,268	58,198
Liabilities for retirement benefits	15,977	15,828
Other non-current financial liabilities	28,415	29,005
Provisions	6,301	6,034
Other non-current liabilities	578	699
Deferred tax liabilities	8,167	9,358
Total non-current liabilities	92,707	119,123
Total liabilities	330,639	333,954
Equity		
Equity attributable to owners of the parent:		
Share capital	27,648	27,648
Capital surplus	29,414	29,414
Retained earnings	19,617	24,010
Treasury shares	(602)	(602)
Other components of equity	(1,983)	1,623
Total equity attributable to owners of the parent	74,094	82,092
Non-controlling interests	5,721	5,592
Total equity	79,815	87,684
Total liabilities and equity	410,454	421,638

Consolidated Statements of Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the nine months ended December 31, 2019 (Apr. 1 through Dec. 31, 2019)	For the nine months ended December 31, 2020 (Apr. 1 through Dec. 31, 2020)
Net sales	289,543	229,776
Cost of sales	233,922	190,779
Gross profit	55,621	38,997
Selling, general and administrative expenses	40,250	34,255
Equity in profit (loss) of affiliates	451	(68)
Other income	956	1,998
Other expenses	20,458	828
Operating profit (loss)	(3,680)	5,844
Finance income	672	1,002
Finance costs	1,143	2,025
Profit (loss) before taxes	(4,150)	4,821
Income tax expenses	2,677	1,647
Profit (loss) for the period	(6,827)	3,174
Profit (loss) attributable to:		
Owners of the parent	(7,240)	3,136
Non-controlling interests	413	38
Profit (loss) for the period	(6,827)	3,174
Earnings (loss) per share		
Basic earnings (loss) per share (in yen)	(283.43)	122.77

Consolidated Statements of Comprehensive Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the nine months ended December 31, 2019 (Apr. 1 through Dec. 31, 2019)	For the nine months ended December 31, 2020 (Apr. 1 through Dec. 31, 2020)
Profit (loss) for the period	(6,827)	3,174
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	(852)	3,867
Remeasurements of defined benefit plans	(1)	(2)
Share of other comprehensive income of investments accounted for using the equity method	0	3
Total	(853)	3,868
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	(901)	1,270
Share of other comprehensive income of investments accounted for using the equity method	(290)	(157)
Total	(1,191)	1,113
Total other comprehensive income	(2,044)	4,981
Comprehensive income for the period	(8,872)	8,155
Comprehensive income for the period attributable to:		
Owners of the parent	(9,274)	7,999
Non-controlling interests	403	156
Comprehensive income for the period	(8,872)	8,155

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, 2019	27,648	29,414	86,536	(600)
Impact of changes in accounting policies	—	—	(150)	—
Balance at April 1, 2019 (revised)	27,648	29,414	86,386	(600)
Comprehensive income for the period:				
Loss for the period	—	—	(7,240)	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	(7,240)	—
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Acquisition of treasury shares	—	—	—	(1)
Dividends of surplus	—	—	—	—
Transfer to retained earnings	—	—	(210)	—
Total contributions by and distributions to owners in their capacity as owners	—	—	(210)	(1)
Changes in equity interest of subsidiaries:				
Dividends of surplus	—	—	—	—
Total changes in equity interest of subsidiaries	—	—	—	—
Total transactions with owners	—	—	(210)	(1)
Balance at December 31, 2019	27,648	29,414	78,936	(602)
Balance at April 1, 2020	27,648	29,414	19,617	(602)
Impact of changes in accounting policies	—	—	—	—
Balance at April 1, 2020 (revised)	27,648	29,414	19,617	(602)
Comprehensive income for the period:				
Profit for the period	—	—	3,136	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	3,136	—
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Acquisition of treasury shares	—	—	—	(1)
Dividends of surplus	—	—	—	—
Transfer to retained earnings	—	—	1,257	—
Total contributions by and distributions to owners in their capacity as owners	—	—	1,257	(1)
Changes in equity interest of subsidiaries:				
Dividends of surplus	—	—	—	—
Total changes in equity interest of subsidiaries	—	—	—	—
Total transactions with owners	—	—	1,257	(1)
Balance at December 31, 2020	27,648	29,414	24,010	(602)

(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, 2019	6,866	—	(526)	6,340	149,338	6,306	155,643
Impact of changes in accounting policies	—	—	—	—	(150)	—	(150)
Balance at April 1, 2019 (revised)	6,866	—	(526)	6,340	149,187	6,306	155,493
Comprehensive income for the period:							
Loss for the period	—	—	—	—	(7,240)	413	(6,827)
Other comprehensive income	(852)	(0)	(1,182)	(2,035)	(2,035)	(10)	(2,044)
Total comprehensive income for the period	(852)	(0)	(1,182)	(2,035)	(9,274)	403	(8,872)
Transactions with owners:							
Contributions by and distributions to owners in their capacity as owners:							
Acquisition of treasury shares	—	—	—	—	(1)	—	(1)
Dividends of surplus	—	—	—	—	—	—	—
Transfer to retained earnings	210	0	—	210	—	—	—
Total contributions by and distributions to owners in their capacity as owners	210	0	—	210	(1)	—	(1)
Changes in equity interest of subsidiaries:							
Dividends of surplus	—	—	—	—	—	(333)	(333)
Total changes in equity interest of subsidiaries	—	—	—	—	—	(333)	(333)
Total transactions with owners	210	0	—	210	(1)	(333)	(335)
Balance at December 31, 2019	6,223	—	(1,708)	4,516	139,912	6,375	146,287

Balance at April 1, 2020	2,120	—	(4,103)	(1,983)	74,094	5,721	79,815
Impact of changes in accounting policies	—	—	—	—	—	—	—
Balance at April 1, 2020 (revised)	2,120	—	(4,103)	(1,983)	74,094	5,721	79,815
Comprehensive income for the period:							
Profit for the period	—	—	—	—	3,136	38	3,174
Other comprehensive income	3,867	3	994	4,863	4,863	118	4,981
Total comprehensive income for the period	3,867	3	994	4,863	7,999	156	8,155
Transactions with owners:							
Contributions by and distributions to owners in their capacity as owners:							
Acquisition of treasury shares	—	—	—	—	(1)	—	(1)
Dividends of surplus	—	—	—	—	—	—	—
Transfer to retained earnings	(1,255)	(3)	—	(1,257)	—	—	—
Total contributions by and distributions to owners in their capacity as owners	(1,255)	(3)	—	(1,257)	(1)	—	(1)
Changes in equity interest of subsidiaries:							
Dividends of surplus	—	—	—	—	—	(285)	(285)
Total changes in equity interest of subsidiaries	—	—	—	—	—	(285)	(285)
Total transactions with owners	(1,255)	(3)	—	(1,257)	(1)	(285)	(286)
Balance at December 31, 2020	4,732	—	(3,109)	1,623	82,092	5,592	87,684

Consolidated Statements of Cash Flows

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the nine months ended December 31, 2019 (Apr. 1 through Dec. 31, 2019)	For the nine months ended December 31, 2020 (Apr. 1 through Dec. 31, 2020)
Cash flows from operating activities:		
Profit (loss) before taxes	(4,150)	4,821
Depreciation and amortization	15,632	13,850
Impairment losses	740	756
Reversal gain of impairment losses	(22)	(61)
Gain on sales of fixed asset	(29)	(51)
Increase (decrease) in assets and liabilities for retirement benefits	148	(171)
Increase (decrease) in provisions for product warranties	(1,114)	(14,210)
Increase (decrease) in provisions for loss related defense equipment	(7,618)	—
Finance income	(672)	(1,002)
Finance costs	1,143	2,025
Equity in (profit) loss of affiliates	(451)	68
(Increase) decrease in trade and other receivables	4,944	4,917
(Increase) decrease in inventories	(2,345)	2,758
Increase (decrease) in trade and other payables	(1,961)	(2,513)
Loss associated with the Anti-Trust law	5	—
Other	1,200	3,437
Subtotal	5,448	14,623
Interest received	122	187
Dividends received	894	1,165
Interest paid	(999)	(1,576)
Income taxes (paid) return	(3,827)	(728)
Payments of loss associated with the Anti-Trust law	(1,029)	—
Net cash from operating activities	609	13,670
Cash flows from investing activities:		
Payment into time deposits	(264)	(541)
Proceeds from withdrawal of time deposits	299	374
Payment for purchases of property, plant and equipment	(15,768)	(8,872)
Proceeds from sales of property, plant and equipment	225	410
Payment for purchases of other financial assets	(513)	(3)
Proceeds from sale of other financial assets	530	1,354
Other	(1,201)	(190)
Net cash flows from investing activities	(16,692)	(7,468)

(Unit: Millions of yen)

	For the nine months ended December 31, 2019 (Apr. 1 through Dec. 31, 2019)	For the nine months ended December 31, 2020 (Apr. 1 through Dec. 31, 2020)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	7,980	5,099
Repayments of lease liabilities	(3,392)	(3,866)
Proceeds from long-term borrowings	13,019	22,371
Repayment of long-term borrowings	(9,545)	(8,479)
Proceeds from sale and lease back	173	3,552
Payment for borrowing fee	(1,233)	(55)
Payments for purchase of treasury shares	(1)	(1)
Dividends paid to non-controlling interests	(333)	(285)
Net cash flows from financing activities	6,668	18,336
Effect of changes in foreign exchange rates	(281)	732
Net increase (decrease) in cash and cash equivalents	(9,696)	25,270
Cash and cash equivalents at beginning of period	56,092	50,423
Cash and cash equivalents at end of period	46,396	75,693

Segment Information

KYB Corporation and its Consolidated Subsidiaries

For the nine months ended December 31, 2019

(Unit: Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Automotive components	Hydraulic components	System Products	Aircraft Components	Subtotal				
Net sales:									
Outside customers	175,950	95,641	5,667	4,441	281,698	7,845	289,543	—	289,543
Intersegment sales and transfers	589	1,097	190	—	1,876	90	1,966	(1,966)	—
Total	176,539	96,737	5,858	4,441	283,575	7,935	291,509	(1,966)	289,543
Segment profit (loss)	9,196	5,006	1,307	(850)	14,659	711	15,370	1	15,371
Equity in earnings of affiliates	245	206	—	—	451	—	451	—	451
Other income and expenses (net)	(2,503)	(429)	(15,959)	(560)	(19,451)	(51)	(19,502)	—	(19,502)
Operating profit (loss)	6,938	4,782	(14,652)	(1,410)	(4,342)	661	(3,681)	1	(3,680)
Finance income and costs (net)									(470)
Loss before taxes									(4,150)

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

2. ¥1 million of adjustment of segment profit is the elimination of intersegment transactions.

For the nine months ended December 31, 2020

(Unit: Millions of yen)

	Reportable segment					Others (Note 1)	Total	Adjustment (Note 2)	Consolidated
	Automotive components	Hydraulic components	System Products	Aircraft Components	Subtotal				
Net sales:									
Outside customers	137,559	79,213	3,600	2,934	223,306	6,471	229,776	—	229,776
Intersegment sales and transfers	507	683	74	—	1,264	220	1,484	(1,484)	—
Total	138,066	79,896	3,674	2,934	224,570	6,690	231,260	(1,484)	229,776
Segment profit (loss)	2,167	2,788	424	(1,197)	4,182	546	4,728	15	4,742
Equity in earnings (loss) of affiliates	(98)	30	—	—	(68)	—	(68)	—	(68)
Other income and expenses (net)	287	87	862	(254)	983	187	1,170	—	1,170
Operating profit (loss)	2,356	2,906	1,285	(1,451)	5,097	733	5,829	15	5,844
Finance income and costs (net)									(1,023)
Profit before taxes									4,821

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

2. ¥15 million of adjustment of segment profit is the elimination of intersegment transactions.

Third Quarter of FY2020 Financial Results Supplementary Information

1. Breakdown of sales

	FY2019 3Q		FY2020 3Q		Differences	
	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio
Automotive Components	175,950	60.8%	137,559	59.9%	△ 38,391	-21.8%
Shock absorber for automobiles	126,571	43.7%	100,362	43.7%	△ 26,210	-20.7%
Shock absorber for motorcycles	20,451	7.1%	17,221	7.5%	△ 3,230	-15.8%
Hydraulic equipment for automobiles	25,358	8.8%	17,167	7.5%	△ 8,191	-32.3%
Others	3,569	1.2%	2,809	1.2%	△ 760	-21.3%
Hydraulic Components	95,641	33.0%	79,213	34.5%	△ 16,427	-17.2%
Hydraulic equipment for industrial use	89,588	30.9%	73,814	32.1%	△ 15,774	-17.6%
Others	6,053	2.1%	5,399	2.3%	△ 654	-10.8%
System products	5,667	2.0%	3,600	1.6%	△ 2,067	-36.5%
System products	5,667	2.0%	3,600	1.6%	△ 2,067	-36.5%
Aircraft Components	4,441	1.5%	2,934	1.3%	△ 1,507	-33.9%
Aircraft Components	4,441	1.5%	2,934	1.3%	△ 1,507	-33.9%
Special-purpose Vehicles and Electronic Equipment, etc.	7,845	2.7%	6,471	2.8%	△ 1,374	-17.5%
Special-purpose Vehicles	6,429	2.2%	5,743	2.5%	△ 686	-10.7%
Electronic Equipment, etc.	1,416	0.5%	727	0.3%	△ 688	-48.6%
Total	289,543	100.0%	229,776	100.0%	△ 59,767	-20.6%

2. FOREX Rate

Average FOREX Rate	FY2019				FY2020		
	Apr-Jun 2019	Apr-Sep 2019	Apr-Dec 2019	Full year	Apr-Jun 2020	Apr-Sep 2020	Apr-Dec 2020
JPY/USD	109.90	108.62	108.67	108.74	107.62	106.91	106.11
JPY/EUR	123.48	121.41	121.04	120.81	118.47	121.29	122.37
JPY/CNY	16.07	15.68	15.60	15.60	15.16	15.26	15.44
JPY/THB	3.48	3.48	3.52	3.51	3.37	3.38	3.39
JPY/RUB	1.70	1.68	1.69	1.68	1.49	1.46	1.43

FOREX Rate prevailing at the end of quarter	FY2019				FY2020		
	30 Jun 2019	30 Sep 2019	31 Dec 2019	31 Mar 2020	30 Jun 2020	30 Sep 2020	31 Dec 2020
JPY/USD	107.75	107.96	109.55	108.83	107.74	105.81	103.52
JPY/EUR	122.46	118.04	122.51	119.65	121.05	124.16	126.99
JPY/CNY	15.68	15.14	15.68	15.30	15.23	15.54	15.89
JPY/THB	3.51	3.53	3.63	3.34	3.49	3.34	3.44
JPY/RUB	1.71	1.67	1.76	1.36	1.53	1.33	1.40

3. Segment sales

	FY2019				FY2020		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Automotive Components	61,395	57,497	57,057	56,151	31,749	50,078	55,732
Hydraulic Components	34,811	31,696	29,134	29,680	24,369	24,231	30,613
System Products	1,733	2,708	1,226	2,480	1,454	1,064	1,082
Aircraft Components	1,113	1,457	1,871	1,040	1,079	819	1,036
Special-purpose Vehicles and Electronic Equipment, etc.	2,592	2,636	2,617	2,689	1,766	2,216	2,489
Total	101,643	95,995	91,905	92,041	60,417	78,408	90,951

	FY2019			FY2020
	1st Half	2nd Half	Full year	1st Half
Automotive Components	118,892	113,208	232,101	81,827
Hydraulic Components	66,507	58,814	125,321	48,600
System Products	4,441	3,707	8,148	2,518
Aircraft Components	2,570	2,911	5,481	1,898
Special-purpose Vehicles and Electronic Equipment, etc.	5,228	5,306	10,534	3,982
Total	197,638	183,945	381,584	138,825

4. Segment operating income (*1)

	FY2019				FY2020		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Automotive Components	4,202	2,721	2,273	2,500	△ 1,532	237	3,471
Hydraulic Components	2,662	1,407	937	527	△ 122	287	2,628
System Products	231	633	443	224	243	40	141
Aircraft Components	△ 523	78	△ 404	△ 1,336	△ 279	△ 549	△ 369
Special-purpose Vehicles and Electronic Equipment, etc.	277	232	203	288	59	198	289
Total	6,849	5,071	3,452	2,204	△ 1,631	213	6,161

	FY2019			FY2020
	1st Half	2nd Half	Full year	1st Half
Automotive Components	6,923	4,773	11,696	△ 1,295
Hydraulic Components	4,069	1,464	5,534	165
System Products	864	667	1,531	283
Aircraft Components	△ 445	△ 1,740	△ 2,185	△ 828
Special-purpose Vehicles and Electronic Equipment, etc.	509	491	1,000	257
Total	11,919	5,656	17,575	△ 1,418

5. Capital Expenditure, Depreciation

	FY2019				FY2020		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Capital Expenditure	4,707	7,206	5,238	4,351	2,672	2,919	2,497
Depreciation Expenses	5,087	5,291	5,254	4,984	4,530	4,665	4,654

	FY2019			FY2020
	1st Half	2nd Half	Full year	1st Half
Capital Expenditure	11,912	9,589	21,502	5,591
Depreciation Expenses	10,377	10,238	20,615	9,195

6. R&D Expenses

	FY2019				FY2020		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
R&D Expenses	1,563	1,587	1,584	1,578	1,355	1,325	1,348

	FY2019			FY2020
	1st Half	2nd Half	Full year	1st Half
R&D Expenses	3,150	3,162	6,312	2,679

7. Foreign Exchange gain or loss (*2)

	FY2019				FY2020		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Other Income / Other Expenses	△ 565	△ 577	786	△ 2,820	△ 210	△ 446	380
Finance Income / Finance Costs	129	△ 121	76	△ 219	124	60	232
Total	△ 436	△ 698	862	△ 3,038	△ 86	△ 386	612

	FY2019			FY2020
	1st Half	2nd Half	Full year	1st Half
Other Income / Other Expenses	△ 1,142	△ 2,034	△ 3,176	△ 656
Finance Income / Finance Costs	8	△ 143	△ 134	184
Total	△ 1,134	△ 2,177	△ 3,310	△ 472

(*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) "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.