



Third Quarters of FY2020 (3Qs) Financial Information

February 9, 2021

KYB Corporation

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

Third Quarters of FY2020 Performance Overview

- ✓ **Decrease in net sales and segment profits compared to the same period of the previous fiscal year. Increase in operating income and Profit attributable to owners of the parent**
 - Large contraction of 21% due to the impact of the COVID-19 pandemic
 - Segment profits* decreased due to a fall in quantities, however, there is a clear trend toward recovery from the 2Q onward
 - Operating profit and profit attributable to owners of the parent greatly increased due to a decrease in costs related to seismic isolation/mitigation oil dampers

*Segment profits correspond to operating income in JGAAP.

FY2020 Forecast

- ✓ The earnings forecast has been revised upwards, taking into account the performance up to and including the 3Qs
- ✓ Final profits are expected to greatly exceed the previous forecast

The impact of the novel coronavirus (COVID-19)

- ✓ Current automobile and construction machinery demand is showing a recovery trend
- ✓ These trends are expected to continue in the next fiscal year, but it is necessary to continue monitoring for impacts caused by future waves of infections

3Qs of FY2020 Financial Summary



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(¥ Billion)	IFRS					Differences
	3Qs of FY2019 actual	3Qs of FY2020 actual			3Qs of FY2020 actual	
		1Q	2Q	3Q		
Net sales	289.5	60.4	78.4	91.0	229.8	(59.8)
Segment profits* [Segment profits ratio]	15.4 (5.3%)	(1.6) [-]	0.2 (0.3%)	6.2 [6.8%]	4.7 [2.1%]	(10.6) [(3.2%)]
Operating profit (loss)	(3.7)	(3.2)	0.5	8.5	5.8	9.5
Profit (loss) attributable to owners of the parent	(7.2)	(3.8)	0.1	6.9	3.1	10.4
FOREX (Average) (¥)						
JPY/ US\$	108.67	107.62	106.22	104.51	106.11	
JPY/ EUR	121.04	118.47	124.11	124.53	122.37	

*Segment profits correspond to operating income in JGAAP.

3Qs of FY2020 Net Sales and Segment Profits



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(¥ Billion)	Net Sales			Segment Profits		
	3Qs of FY2019 actual	3Qs of FY2020 actual	Differences	3Qs of FY2019 actual	3Qs of FY2020 actual	Differences
AC	175.9	137.6	(38.4)	9.2	2.2	(7.0)
HC	95.6	79.2	(16.4)	5.0	2.8	(2.2)
System products	5.7	3.6	(2.1)	1.3	0.4	(0.9)
Aircraft Components	4.4	2.9	(1.5)	(0.8)	(1.2)	(0.3)
Others	7.8	6.5	(1.4)	0.7	0.5	(0.2)
Total	289.5	229.8	(59.8)	15.4	4.7	(10.6)

AC: Automotive Components

HC: Hydraulic Components

Others: Special-purpose vehicles, electronic components, etc.

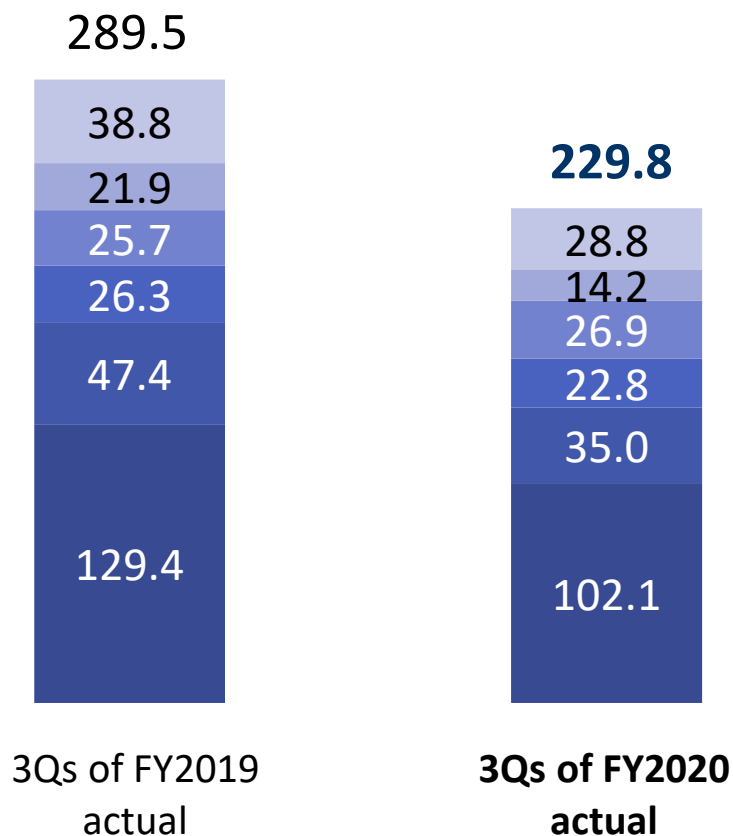
3Qs of FY2020 Net Sales by Region



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(¥ Billion)

Differences
Previous period



Other	(25.8)%
Southeast Asia	(35.2)%
China	4.7%
America	(13.3)%
Europe	(26.2)%
Japan	(21.1)%

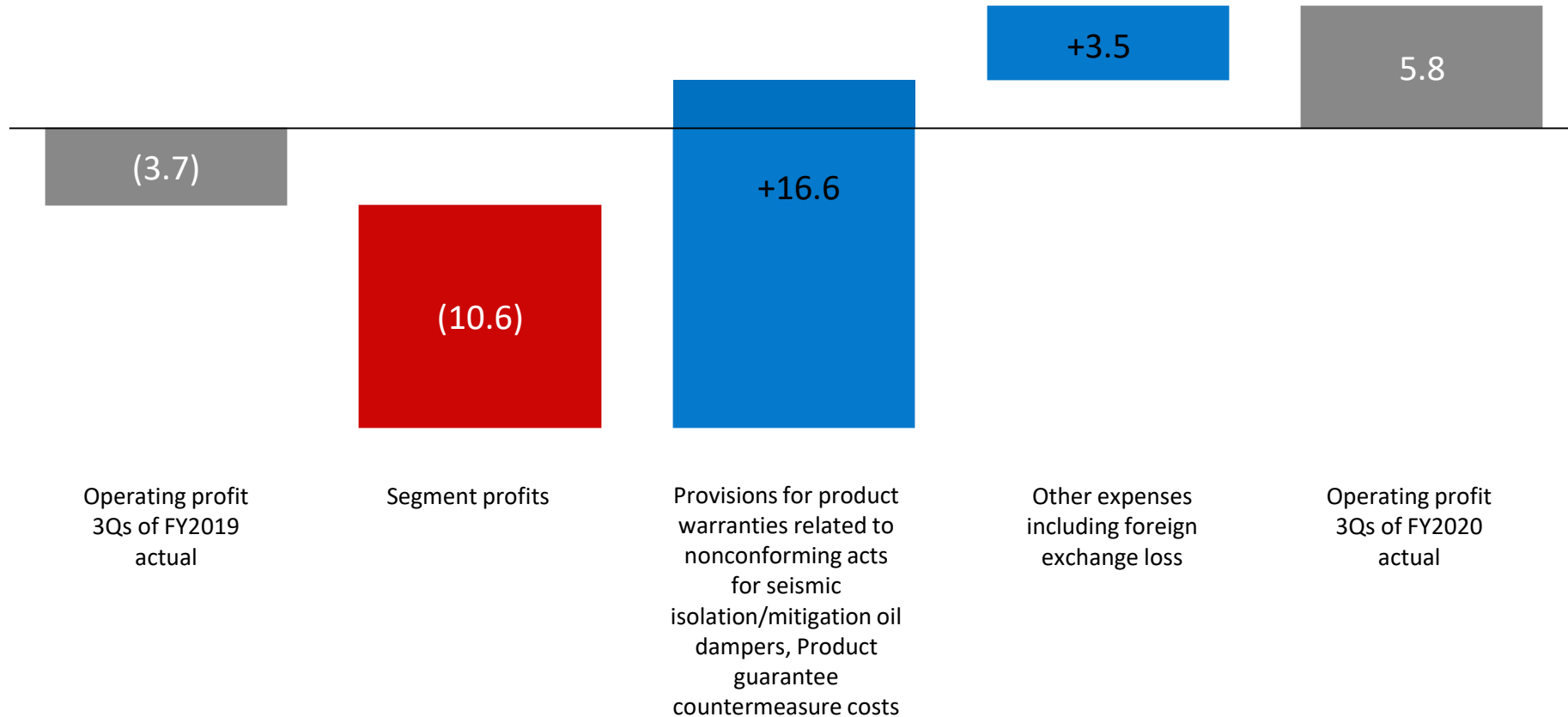
Overseas Sales Ratio
55.3% ⇒ 55.6%

3Qs of FY2020 Changes in Operating Profit (Comparison with previous period)

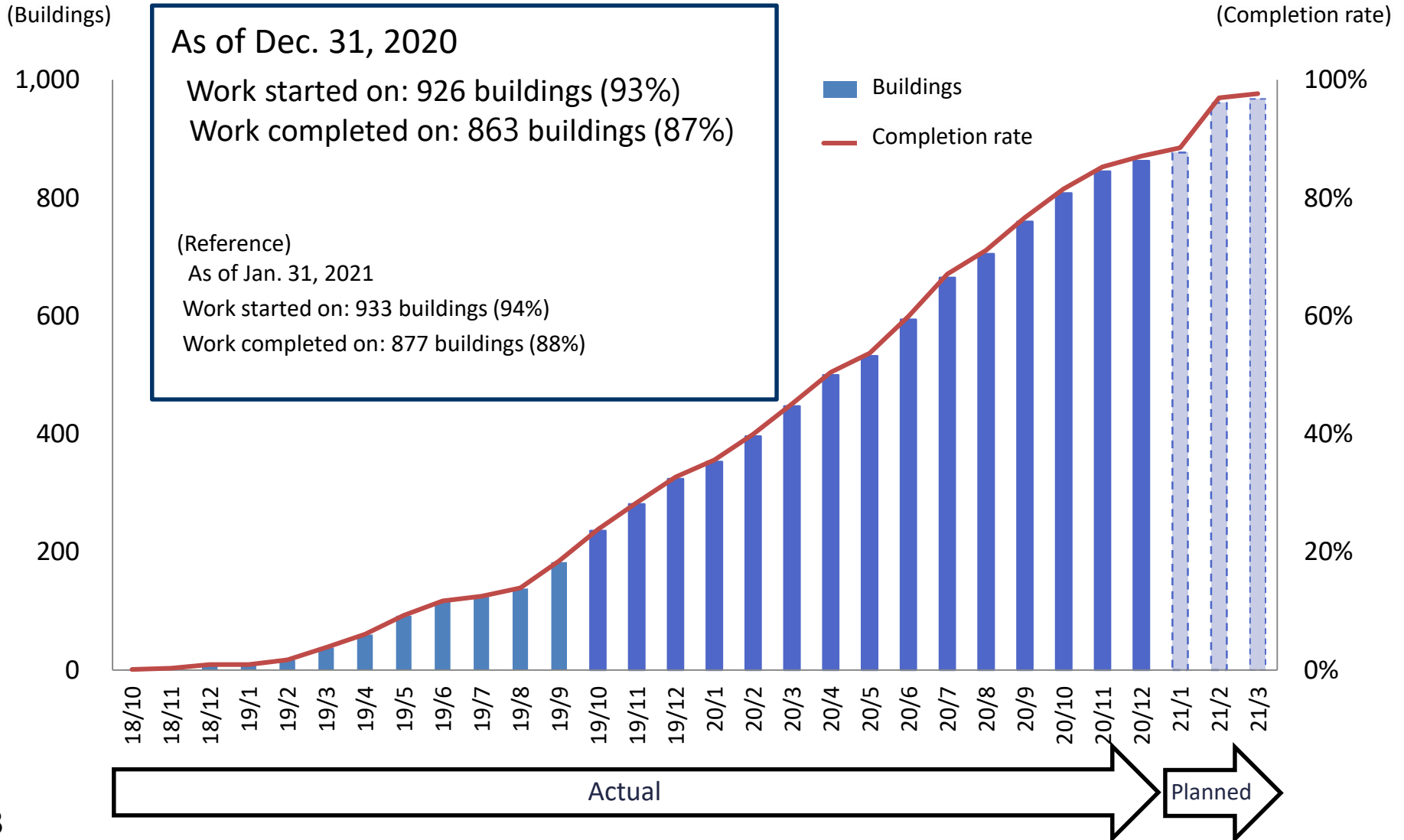


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(¥ Billion)



Progress Plan for Bringing Nonconforming Seismic Isolation/Mitigation Dampers up to Conformity



Impact of Nonconforming Acts Related to Seismic Isolation/mitigation Oil Dampers on Performance



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Cost amount

Note: Numbers expressed as negative indicate a reversal of costs

(¥ Billion)

Items	FY2018				FY2019					FY2020				(1)+(2) +(3)
	2Q	3Q	4Q	(1) cumulative total	1Q	2Q	3Q	4Q	(2) cumulative total	1Q	2Q	3Q	(3) cumulative total	
Provision for product guarantee	14.4	11.4	9.3	35.1	0.3	0.1	6.8	15.2	22.5	0.1	(3.3)	(3.3)	(6.6)	51.0
Product guarantee Countermeasure costs	0	10	50	6.0	2.2	2.9	3.1	4.1	12.2	1.6	1.9	1.8	5.4	23.6
Total	14.4	12.4	14.3	41.1	2.5	3.0	10.0	19.3	34.7	1.7	(1.4)	(1.5)	(1.2)	74.6

Impact on cash

Items	FY2018				FY2019					FY2020				(1)+(2) +(3)
	2Q	3Q	4Q	(1) cumulative total	1Q	2Q	3Q	4Q	(2) cumulative total	1Q	2Q	3Q	(3) cumulative total	
Provision for product guarantee	0.0	0.0	0.0	0.0	1.9	2.8	3.3	3.8	11.8	4.0	1.9	1.4	7.3	19.1
Product guarantee Countermeasure costs	0.0	1.0	5.0	6.0	2.2	2.9	3.1	4.1	12.2	1.6	1.9	1.8	5.4	23.6
Total	0.0	1.0	5.0	6.0	4.1	5.6	6.5	7.8	24.0	5.6	3.8	3.3	12.7	42.7

Financial Forecast for FY2020



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(¥ Billion)	IFRS			Differences	
	FY2019 Actual	FY2020 Forecast (Nov. 6, 2020)	FY2020 Forecast	Previous year	Previous forecast
Net sales	381.6	310.0	320.0	(61.6)	10.0
Segment profits* [Segment profits ratio]	17.6 [4.6%]	6.2 [2.0%]	11.0 [3.4%]	(6.6) [(1.2%)]	4.8 [1.4%]
Operating profit	(40.3)	4.0	11.6	51.9	7.6
Profit (loss) attributable to owners of the parent	(61.9)	0.5	7.2	69.1	6.7
Dividend (¥)	0	—	—	—	
FOREX (Average) (¥)					
JPY/ US\$	108.74	104.96	105.33		
JPY/ EUR	120.81	118.15	120.53		

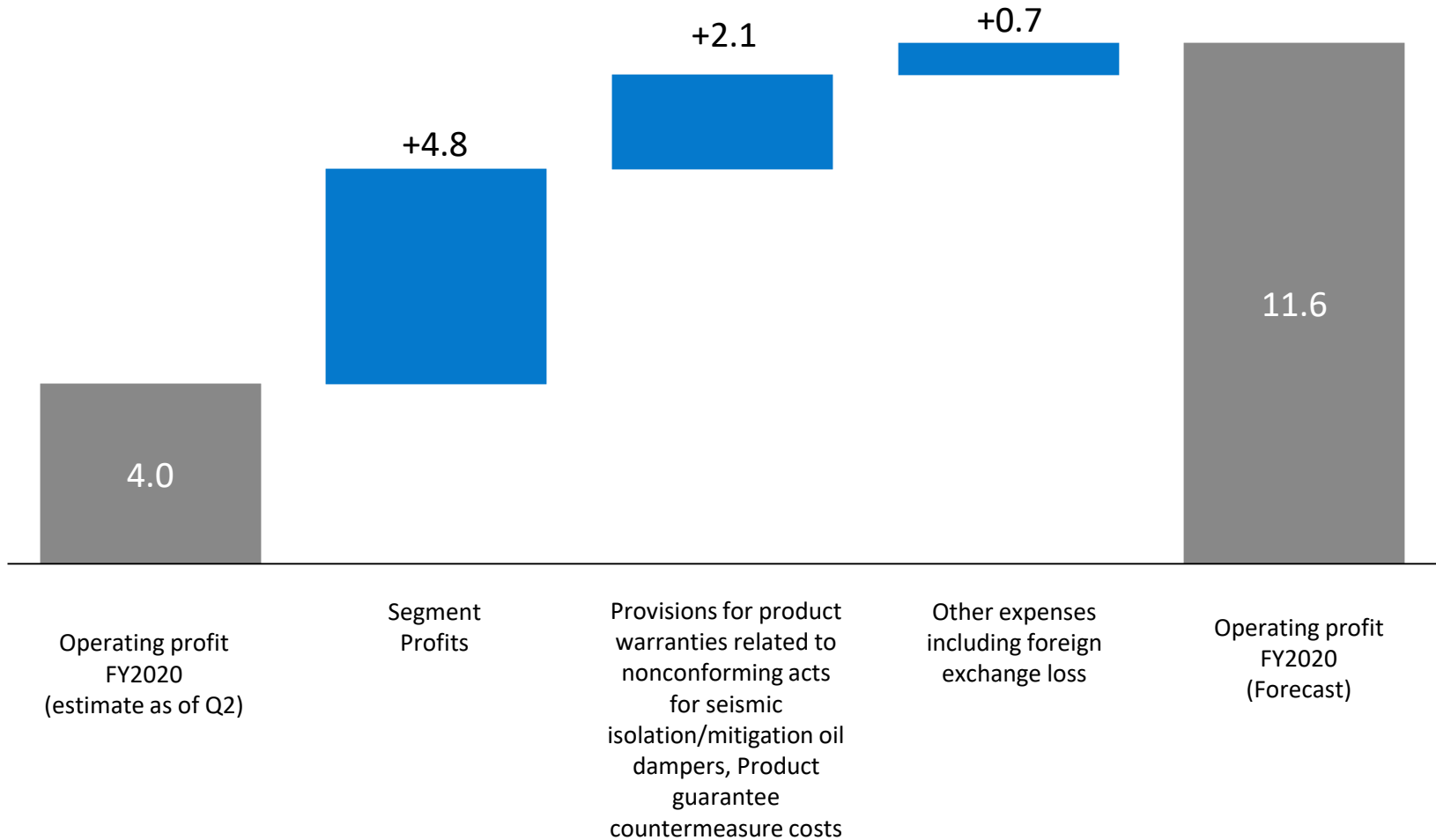
*Segment profits correspond to operating income in JGAAP.

FY2020 Changes in Operating Profit (Comparison with previous forecast)



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(¥ Billion)



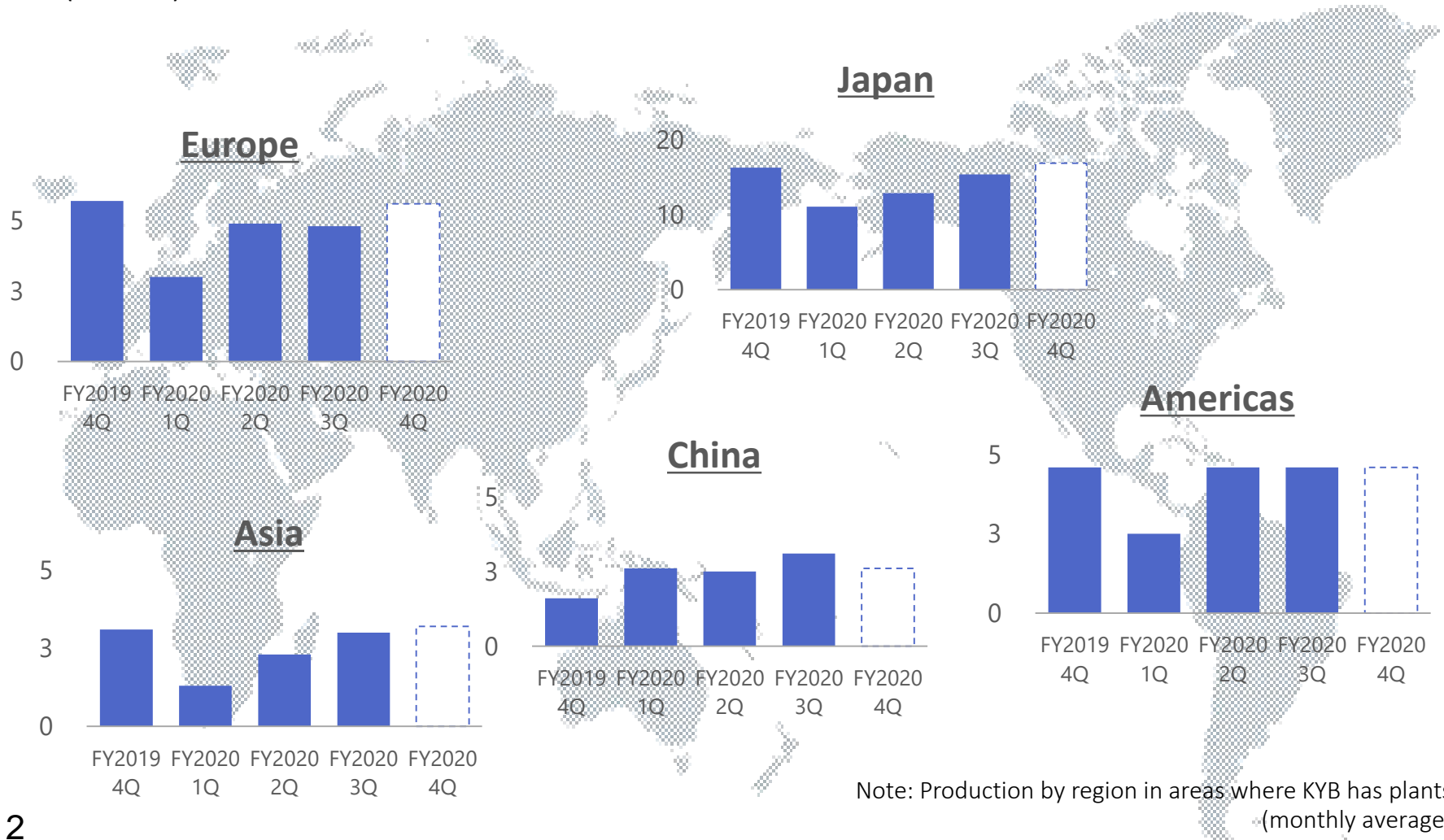
Production by Region



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- ✓ Underlying trend of recovery in all regions during and after the 2Q of FY2020

(¥ Billion)



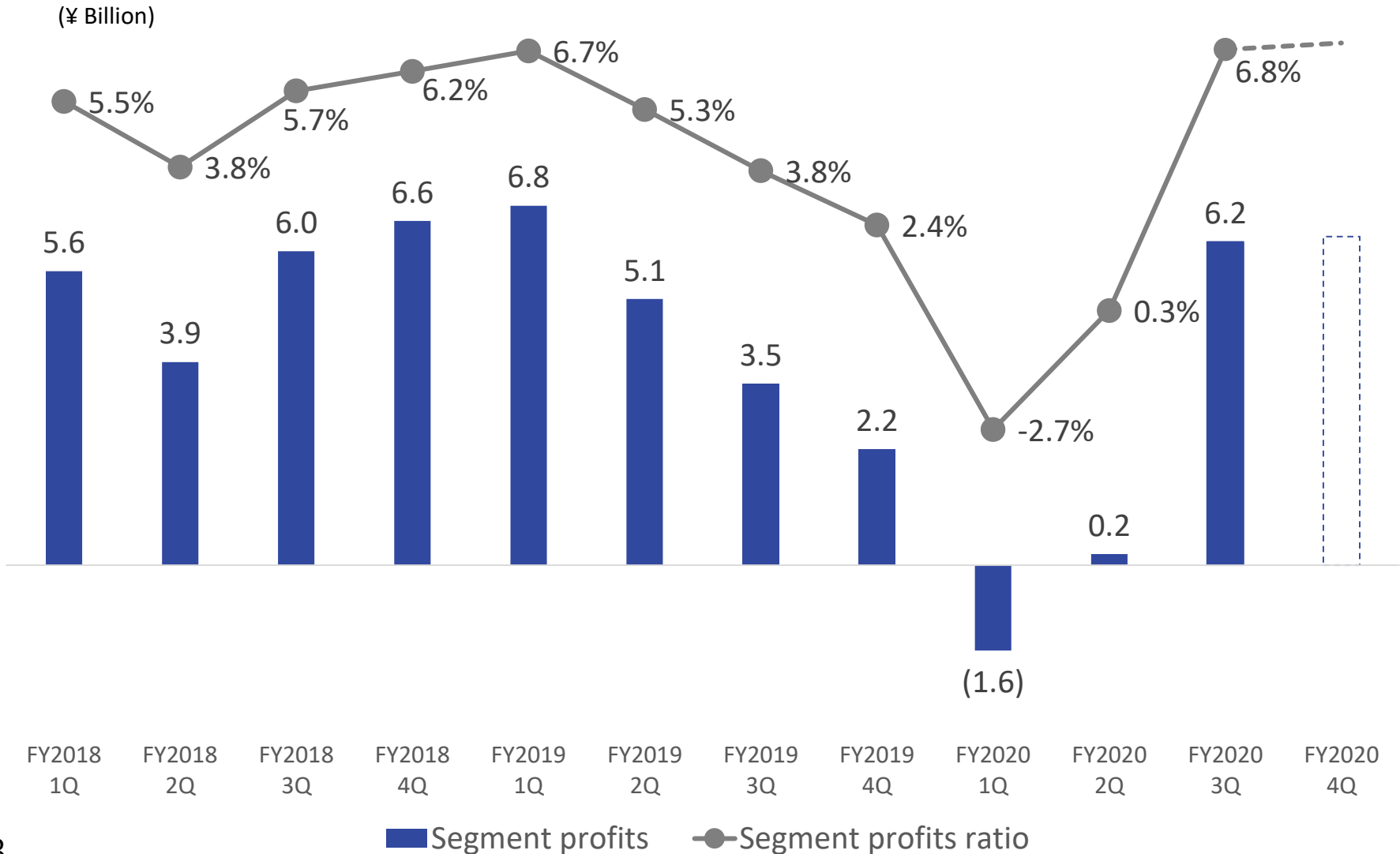
Note: Production by region in areas where KYB has plants (monthly average)

Segment Profits (Quarterly basis)



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✓ Segment profits are forecast to bottom out in the 1Q of FY2020





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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.

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3Qs of FY2020 Net Sales and Segment Profits

(¥ Billion)	Net Sales			Segment Profits		
	3Qs of FY2019 actual	3Qs of FY2020 actual	Differences	3Qs of FY2019 actual	3Qs of FY2020 actual	Differences
AC	175.9	137.6	(38.4)	9.2	2.2	(7.0)
Shock absorbers for automobiles	126.6	100.4	(26.2)	—	—	—
Shock absorbers for motorcycles	20.5	17.2	(3.2)	—	—	—
Hydraulic equipment for automobiles	25.4	17.2	(8.2)	—	—	—
Others	3.6	2.8	(0.8)	—	—	—
HC	95.6	79.2	(16.4)	5.0	2.8	(2.2)
Hydraulic equipment for industrial use	89.6	73.8	(15.8)	—	—	—
Others	6.1	5.4	(0.7)	—	—	—
System products	5.7	3.6	(2.1)	1.3	0.4	(0.9)
Aircraft Components	4.4	2.9	(1.5)	(0.8)	(1.2)	(0.3)
Others	7.8	6.5	(1.4)	0.7	0.5	(0.2)
Total	289.5	229.8	(59.8)	15.4	4.7	(10.6)

AC: Automotive Components

HC: Hydraulic Components

Others: Special-purpose vehicles, electronic components, etc.

Net Sales by Region

(¥ billion)

		FY2019				FY2020			
		AC	HC	Others	Total	AC	HC	Others	Total
Japan	1st Half	33	46	10	90	22	33	7	62
	3Q	16	19	4	40	16	20	4	40
	Total	50	65	15	129	38	53	11	102
Europe	1st Half	29	4	0	33	19	2	0	21
	3Q	12	2	0	14	13	1	0	14
	Total	42	6	0	47	32	3	0	35
America	1st Half	14	3	1	18	11	3	1	14
	3Q	7	1	0	9	7	2	0	9
	Total	21	4	1	26	18	4	1	23
China	1st Half	8	8	0	16	8	8	0	16
	3Q	4	5	0	10	5	5	0	11
	Total	12	13	0	26	14	13	0	27
South East Asia	1st Half	13	1	0	14	7	1	0	8
	3Q	7	1	0	8	6	0	0	7
	Total	20	2	0	22	13	1	0	14
Others	1st Half	21	4	1	26	14	3	1	17
	3Q	10	2	1	12	9	2	1	11
	Total	31	6	2	39	23	4	1	29
Total	1st Half	119	67	12	198	82	49	8	139
	3Q	57	29	6	92	56	31	5	91
	Total	176	96	18	290	138	79	13	230