



# FY2020 Financial Information

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May 13, 2021

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

## FY2020 Performance Overview

- ✓ **Net sales and segment profits decreased compared to the previous fiscal year. Large increase in operating income and Profit attributable to owners of the parent.**
  - Contraction of 14% 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 in the second-half
  - Operating profit and profit attributable to owners of the parent greatly increased due to a decrease in costs related to seismic isolation/mitigation dampers and impairment loss
  - Dividends are planned for 75 yen per share

## FY2021 Forecast

- ✓ **Increase in Net sales and profits is forecasted year-on-year**
  - Year-on-year increase in net sales and profits forecast in segment profits and operating profit, driven by the recovery of demand
  - We presume that the impact on the fiscal year of unpredictable factors such as the current shortage of semiconductors will be insignificant

\*Segment profits correspond to operating income in JGAAP.

# FY2020 Financial Summary



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(¥ Billion)	IFRS					Differences	
	FY2019 actual	FY2020 forecast (as of Feb.)			FY2020 actual	Previous period	Forecast
			1H	2H			
Net sales	381.6	320.0	138.8	189.2	<b>328.0</b>	(53.5)	8.0
Segment profits* [Segment profits ratio]	17.6 [4.6%]	11.0 [3.4%]	(1.4) [-]	14.7 [7.8%]	<b>13.3</b> [4.1%]	(4.3) [(0.5)%]	2.3 [0.7%]
Operating profit (loss)	(40.3)	11.6	(2.7)	21.0	<b>18.3</b>	58.6	6.7
Profit (loss) attributable to owners of the parent	(61.9)	7.2	(3.8)	20.8	<b>17.1</b>	79.0	9.9
Dividend (¥)	0	—	0	75	<b>75</b>	75	75
FOREX (Average) (¥)							
JPY/ US\$	108.74	105.33	106.91	105.20	<b>106.06</b>		
JPY/ EUR	120.81	120.53	121.29	126.11	<b>123.69</b>		

\*Segment profits correspond to operating income in JGAAP.

# FY2020 Performance (Net Sales)



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(¥ Billion)	Net Sales						
	1H	2H	FY2019 actual	FY2020		Differences	
				1H	2H		actual
AC	118.9	113.2	232.1	<b>81.8</b>	<b>115.6</b>	<b>197.5</b>	(34.6)
HC	66.5	58.8	125.3	<b>48.6</b>	<b>62.7</b>	<b>111.3</b>	(14.0)
System products	4.4	3.7	8.1	<b>2.5</b>	<b>3.5</b>	<b>6.0</b>	(2.2)
Aircraft Components	2.6	2.9	5.5	<b>1.9</b>	<b>2.0</b>	<b>3.9</b>	(1.6)
Others	5.2	5.3	10.5	<b>4.0</b>	<b>5.4</b>	<b>9.4</b>	(1.1)
Total	197.6	183.9	381.6	<b>138.8</b>	<b>189.2</b>	<b>328.0</b>	(53.5)

AC: Automotive Components

HC: Hydraulic Components

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

# FY2020 Performance (Segment Profits)



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(¥ Billion)	Segment Profits						
							Differences
	1H	2H	FY2019 actual	1H	2H	FY2020 actual	
AC	6.9	4.8	11.7	<b>(1.3)</b>	<b>9.5</b>	<b>8.2</b>	(3.5)
HC	4.1	1.5	5.5	<b>0.2</b>	<b>5.3</b>	<b>5.5</b>	(0.0)
System products	0.9	0.7	1.5	<b>0.3</b>	<b>0.8</b>	<b>1.1</b>	(0.5)
Aircraft Components	(0.4)	(1.7)	(2.2)	<b>(0.8)</b>	<b>(1.6)</b>	<b>(2.5)</b>	(0.3)
Others	0.5	0.5	1.0	<b>0.3</b>	<b>0.8</b>	<b>1.0</b>	0.0
Total	11.9	5.7	17.6	<b>(1.4)</b>	<b>14.7</b>	<b>13.3</b>	(4.3)

AC: Automotive Components

HC: Hydraulic Components

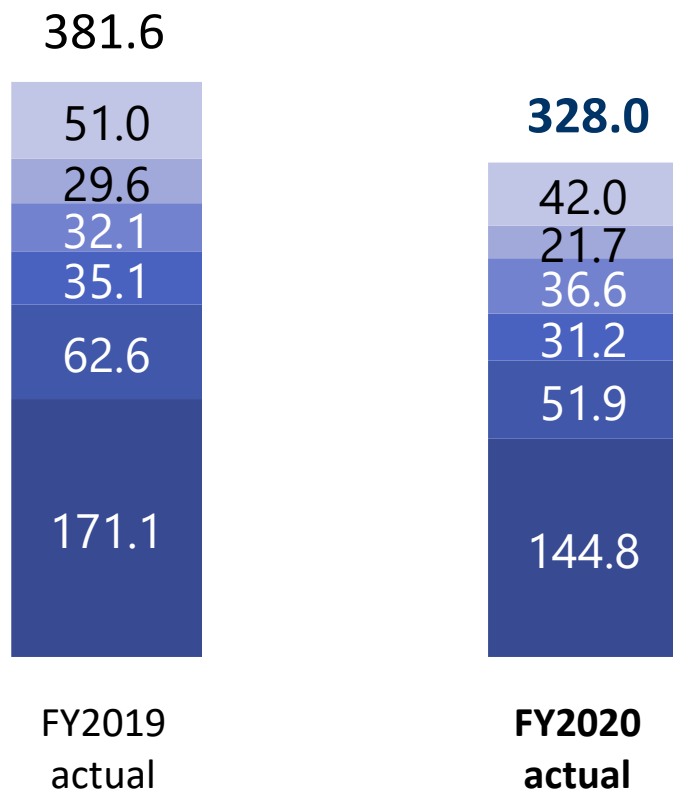
Others: Special-purpose vehicles, electronic components, etc.

# FY2020 Net Sales by Region



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(¥ Billion)



Differences  
Previous period

Other	(17.8)%
Southeast Asia	(26.8)%
China	13.9%
America	(11.2)%
Europe	(17.2)%
Japan	(15.4)%

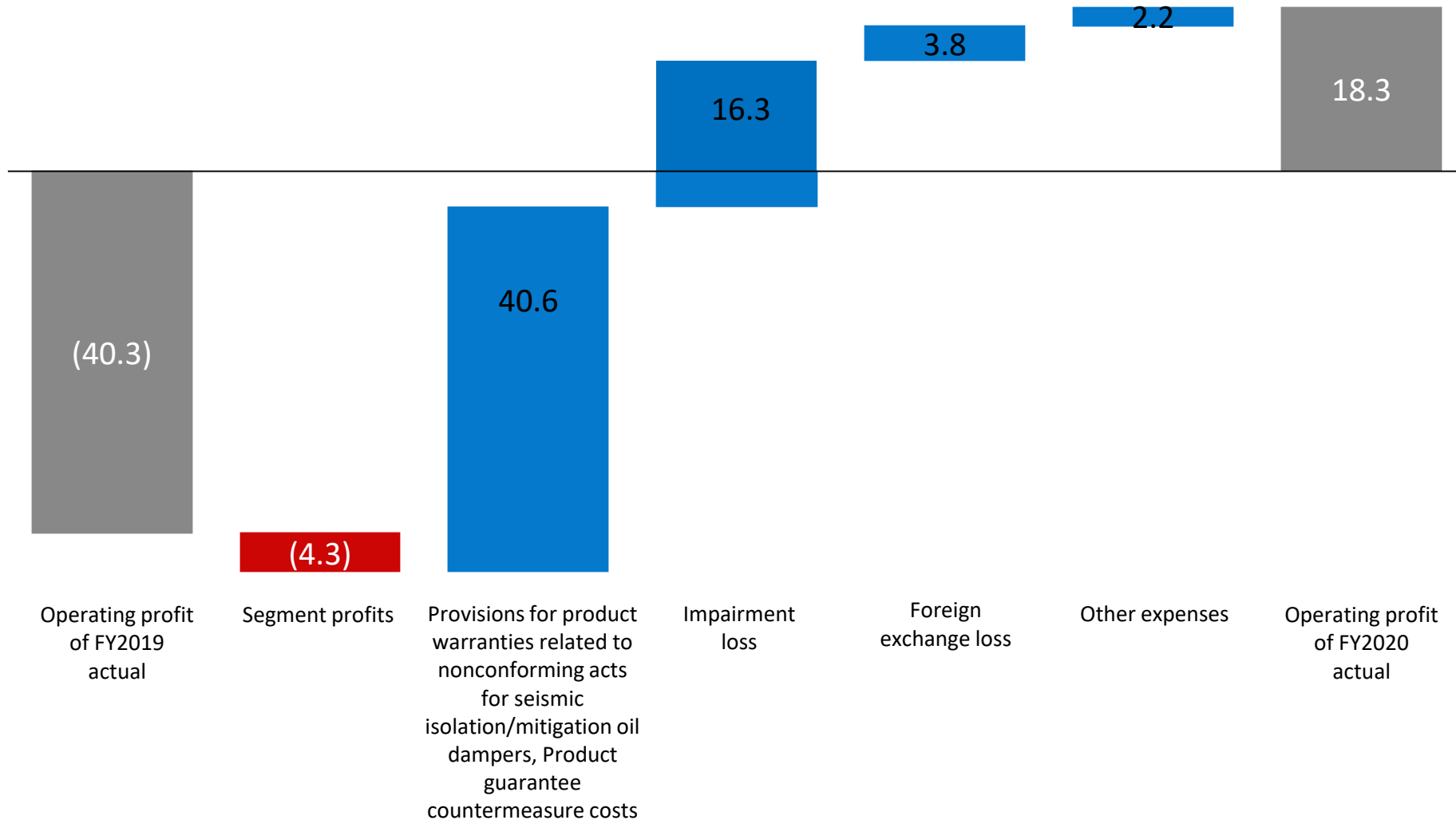
Overseas Sales Ratio  
55.2% ⇒ 55.9%

# FY2020 Changes in Operating Profit (Comparison with previous period)

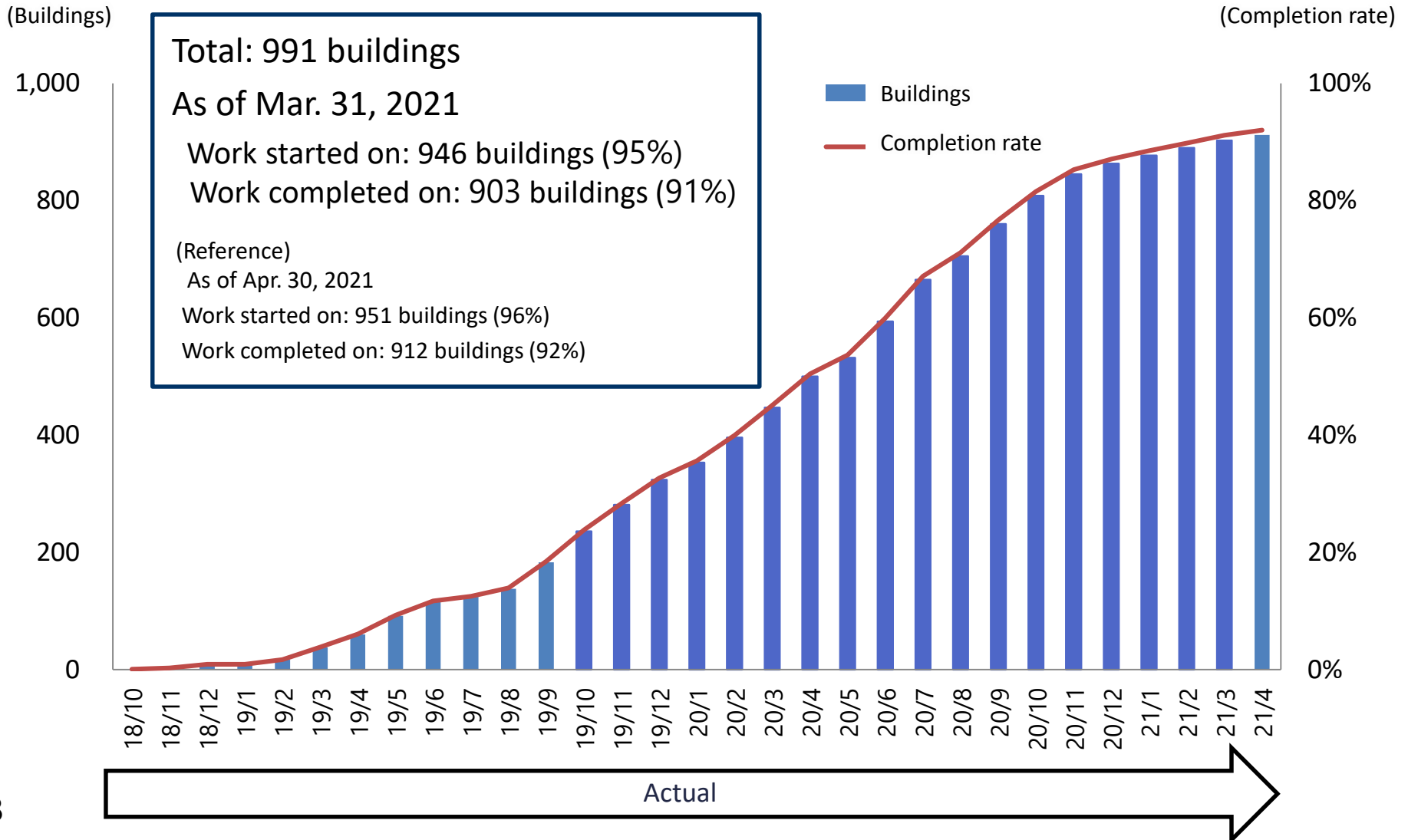


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(¥ Billion)



## 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	4Q	(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)	(7.9)	(14.5)	43.1
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	3.2	8.6	26.8
<b>Total</b>	<b>14.4</b>	<b>12.4</b>	<b>14.3</b>	<b>41.1</b>	<b>2.5</b>	<b>3.0</b>	<b>10.0</b>	<b>19.3</b>	<b>34.7</b>	<b>1.7</b>	<b>(1.4)</b>	<b>(1.5)</b>	<b>(4.7)</b>	<b>(5.9)</b>	<b>69.9</b>

## 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	4Q	(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	1.6	8.9	20.7
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	3.2	8.6	26.8
<b>Total</b>	<b>0.0</b>	<b>1.0</b>	<b>5.0</b>	<b>6.0</b>	<b>4.1</b>	<b>5.6</b>	<b>6.5</b>	<b>7.8</b>	<b>24.0</b>	<b>5.6</b>	<b>3.8</b>	<b>3.3</b>	<b>4.8</b>	<b>17.5</b>	<b>47.5</b>

# Financial Forecast for FY2021



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(¥ Billion)	IFRS		Differences
	FY2020 Actual	FY2021 Forecast	Previous year
Net sales	328.0	<b>365.0</b>	37.0
Segment profits* [Segment profits ratio]	13.3 [4.1%]	<b>22.0</b> [6.0%]	8.7 [1.9%]
Operating profit	18.3	<b>21.0</b>	2.7
Profit attributable to owners of the parent	17.1	<b>16.0</b>	(1.1)
Dividend (¥)	75	<b>90</b>	15
FOREX (Average) (¥)			
JPY/ US\$	106.06	<b>100.00</b>	
JPY/ EUR	123.69	<b>118.00</b>	

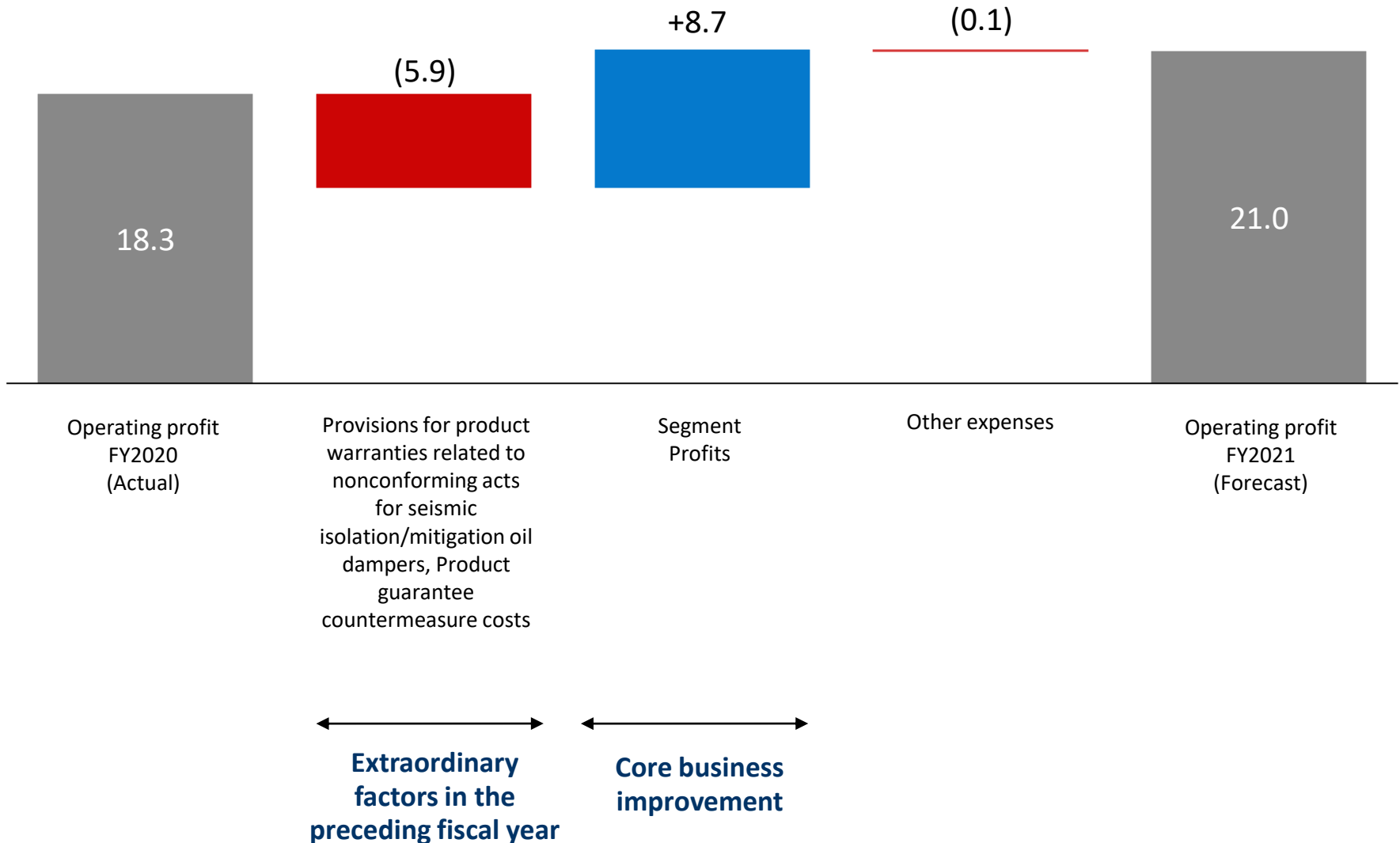
\*Segment profits correspond to operating income in JGAAP.

# FY2021 Changes in Operating Profit (Comparison with previous forecast)



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(¥ Billion)

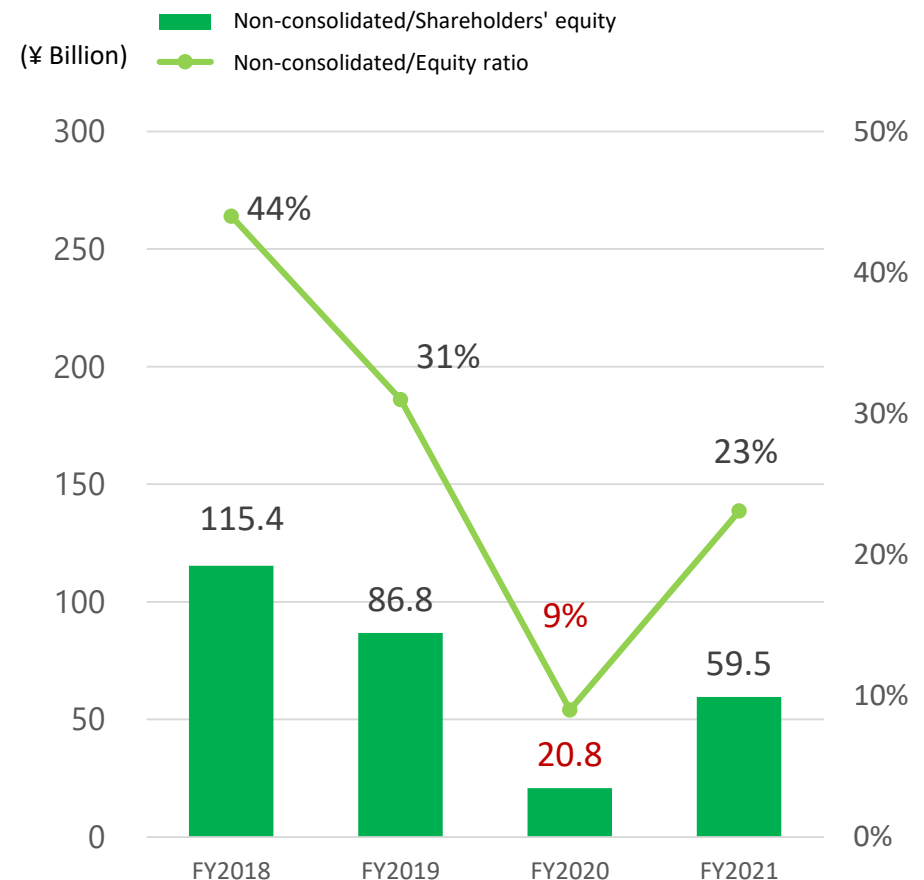
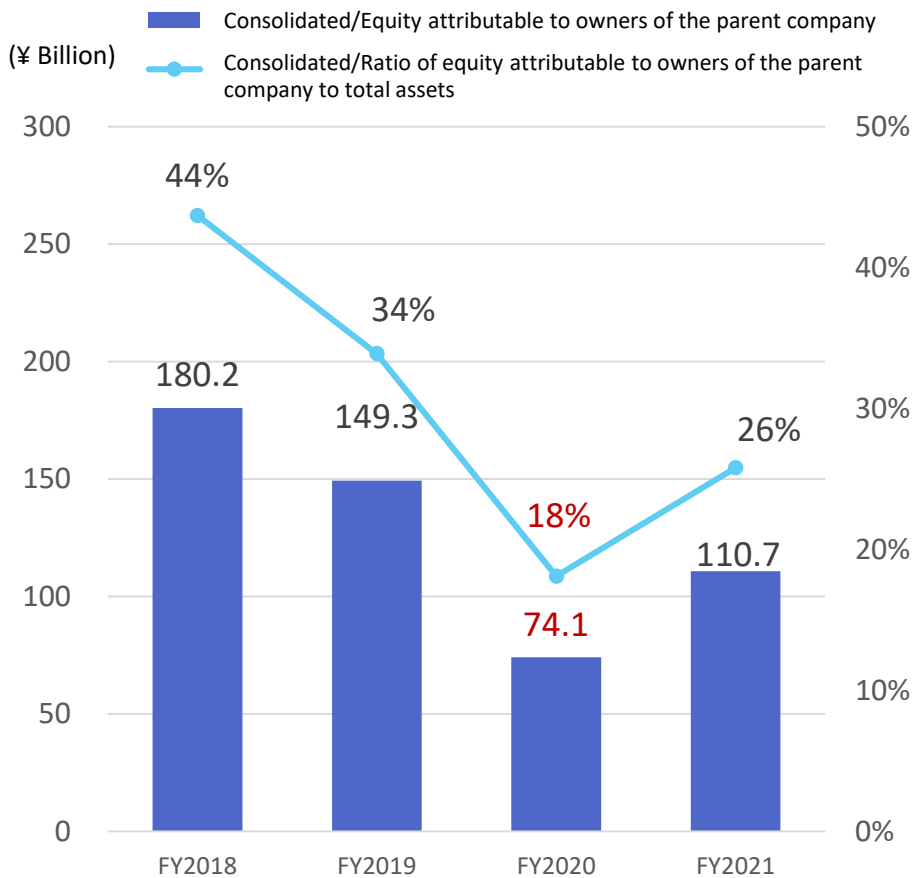


# Improvement of the Financial Structure (Shareholders' equity)



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- ✓ The equity ratio for FY2020 deteriorated to 18% on a consolidated basis and 9% on a non-consolidated basis.
- ✓ Shareholders' equity strengthened by a recovery in the financial structure through performance improvements and the issuance of preferred stocks





## *Our Precision, Your Advantage*

### 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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## FY2020 Net Sales and Segment Profits

(¥ Billion)	Net Sales			Segment Profits		
	FY2019 actual	FY2020 actual	Differences	FY2019 actual	FY2020 actual	Differences
AC	232.1	<b>197.5</b>	(34.6)	11.7	<b>8.2</b>	(3.5)
Shock absorbers for automobiles	167.1	<b>142.7</b>	(24.4)	-	-	-
Shock absorbers for motorcycles	28.2	<b>26.1</b>	(2.1)	-	-	-
Hydraulic equipment for automobiles	32.1	<b>24.8</b>	(7.3)	-	-	-
Others	4.7	<b>3.9</b>	(0.8)	-	-	-
HC	125.3	<b>111.3</b>	(14.0)	5.5	<b>5.5</b>	(0.0)
Hydraulic equipment for industrial use	117.0	<b>104.0</b>	(13.0)	-	-	-
Others	8.3	<b>7.4</b>	(0.9)	-	-	-
System products	8.1	<b>6.0</b>	(2.2)	1.5	<b>1.1</b>	(0.5)
Aircraft Components	5.5	<b>3.9</b>	(1.6)	(2.2)	<b>(2.5)</b>	(0.3)
Others	10.5	<b>9.4</b>	(1.1)	1.0	<b>1.0</b>	0.0
Total	381.6	<b>328.0</b>	(53.5)	17.6	<b>13.3</b>	(4.3)

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
	2nd Half	33	39	10	81	33	41	9	83
	Total	66	85	20	171	55	74	16	145
Europe	1st Half	29	4	0	33	19	2	0	21
	2nd Half	26	3	0	29	28	3	0	31
	Total	55	7	0	63	47	5	0	52
America	1st Half	14	3	1	18	11	3	1	14
	2nd Half	14	3	1	17	13	4	0	17
	Total	28	6	1	35	24	6	1	31
China	1st Half	8	8	0	16	8	8	0	16
	2nd Half	7	9	0	16	10	10	0	20
	Total	15	17	0	32	18	18	0	37
South East Asia	1st Half	13	1	0	14	7	1	0	8
	2nd Half	14	1	0	15	13	1	0	14
	Total	27	2	0	30	20	2	0	22
Others	1st Half	21	4	1	26	14	3	1	17
	2nd Half	20	4	1	25	19	4	2	25
	Total	40	8	3	51	33	7	2	42
Total	1st Half	119	67	12	198	82	49	8	139
	2nd Half	113	59	12	184	116	63	11	189
	Total	232	125	24	382	197	111	19	328

# Appendix

## Financial Data



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### Capital Expenditure, Depreciation

(¥ billion)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Capital Expenditure	29.8	21.3	18.2	18.5	22.7	21.5	13.1
Depreciation Exp.	16.5	17.1	15.9	17.0	17.6	20.6	18.6

### Interest-bearing Debt

(¥ billion)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Interest-bearing Debt	92.4	91.7	93.6	94.6	108.6	154.6	160.3

### R&D Expenses

(¥ billion)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
R&D Expenses	8.9	7.8	7.6	8.1	6.8	6.3	5.4

### Cash flows

(¥ billion)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Cash flows from operating activities	21.1	20.0	31.2	29.3	17.0	(5.0)	20.8
Cash flows from investing activities	(29.4)	(20.3)	(21.3)	(16.4)	(13.6)	(21.5)	(6.3)
Cash flows from financing activities	(0.6)	(3.4)	(1.0)	(4.5)	10.4	22.6	1.1

### Number of Employees

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Number of Employees	13,732	13,796	14,350	14,754	15,427	15,439	14,718

### Foreign Exchange Rate

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021
Average FOREX Rate - JPY/USD	109.93	120.15	108.38	110.85	110.91	108.74	106.06	100.00
Average FOREX Rate - JPY/EUR	138.77	132.57	118.79	129.70	128.40	120.81	123.69	118.00



# Overview of Preferred Stocks

Items	Details
Underwriters (eight companies)	Mizuho Bank, Ltd., Development Bank of Japan Inc., Meiji Yasuda Life Insurance Company, The Ogaki Kyoritsu Bank Ltd. , The 77 Bank, Ltd., Sompo Japan Insurance Inc., Fuyo General Lease Co., Ltd., Mizuho Leasing Company, Limited
Issue amount	¥12.5 billion
Resolution date (Planned)	June 25, 2021, General Meeting of Shareholders
Payment date (Planned)	June 28, 2021
Voting rights	None
Handling of dividends	Cumulative type
Equity requirements (Non-consolidated)	Fulfill
Equity requirements (Consolidated)	Fulfill