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## FLASH REPORT

November. 4, 2022

Company name (official) : KYB Corporation  
 Stock listing : Tokyo Stock Exchange (Prime Market)  
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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 six months ended September 30, 2022 ( from April 1, 2022 to September 30, 2022 )

#### (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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2022	209,886	12.9	11,692	0.2	14,826	7.5	14,535	14.7
September 30, 2021	185,882	33.9	11,667	—	13,797	—	12,674	—

	Profit for the period		Profit attributable to owners of the parent		Comprehensive income for the period		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ended							
September 30, 2022	11,427	13.0	10,604	11.6	23,410	114.1	396.69
September 30, 2021	10,109	—	9,502	—	10,933	—	362.45

	Diluted earnings per share
Six months ended	Yen
September 30, 2022	396.65
September 30, 2021	—

\*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
September 30, 2022	443,738	181,217	173,602	39.1	6,296.94
March 31, 2022	434,187	160,914	153,411	35.3	5,508.47

## 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	—	45.00	—	60.00	105.00
Current fiscal year	—	70.00			
Current fiscal year (forecast)			—	70.00	140.00

\*The above table shows dividends on common shares. Please refer to "(Reference) Dividends for Class Shares" for information regarding dividends on class shares, which are unlisted and have different rights from common shares.

## 3. Forecasts for the current fiscal year (April 1, 2022 to March 31, 2023)

(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	442,000	13.8	26,500	7.2	29,700	(1.0)	28,900	0.3

	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	21,700	(9.2)	20,400	(9.5)	761.88

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

## (Reference) Dividends for Class Shares

Dividends per share related to Class Shares with different rights from those of common shares are as follows.

Class A Shares	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	—	1,952,054.80	—	3,739,726.00	5,691,780.80
Current fiscal year	—	3,760,274.00			
Current fiscal year (forecast)			—	3,739,726.00	7,500,000.00

\* Number of Class A Shares issued are 125 shares. The Class A Shares were issued on 28 June 2021. Dividend whose reference date is attributed during FY2022 is planned to be 937 million yen.

## Consolidated Statements of Financial Position

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	52,118	42,803
Trade and other receivables	108,823	118,699
Inventories	66,114	70,261
Other current financial assets	2,755	3,974
Other current assets	10,611	10,566
Total current assets	240,421	246,302
Non-current assets:		
Property, plant and equipment	159,803	162,329
Goodwill	266	292
Intangible assets	3,549	3,468
Investments accounted for using the equity method	6,484	7,062
Other non-current financial assets	14,545	14,537
Other non-current assets	7,204	7,561
Deferred tax assets	1,916	2,187
Total non-current assets	193,766	197,436
<b>Total assets</b>	<b>434,187</b>	<b>443,738</b>

(Unit: Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities and equity		
Current liabilities:		
Trade and other payables	81,737	77,145
Borrowings	65,815	66,848
Income tax payables	3,168	2,369
Other current financial liabilities	30,495	29,732
Provisions	13,920	12,291
Other current liabilities	3,237	1,953
Total current liabilities	198,371	190,337
Non-current liabilities:		
Bonds and borrowings	25,041	23,383
Liabilities for retirement benefits	4,629	4,759
Other non-current financial liabilities	27,830	26,805
Provisions	8,612	8,058
Other non-current liabilities	716	625
Deferred tax liabilities	8,074	8,554
Total non-current liabilities	74,902	72,184
Total liabilities	273,273	262,521
Equity		
Equity attributable to owners of the parent:		
Share capital	27,648	27,648
Capital surplus	38,351	38,342
Retained earnings	76,007	84,496
Treasury shares	(605)	(582)
Other components of equity	12,010	23,698
Total equity attributable to owners of the parent	153,411	173,602
Non-controlling interests	7,503	7,616
Total equity	160,914	181,217
Total liabilities and equity	434,187	443,738

## Consolidated Statements of Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the six months ended September 30, 2021 (Apr. 1 through Sep. 30, 2021)	For the six months ended September 30, 2022 (Apr. 1 through Sep. 30, 2022)
Net sales	185,882	209,886
Cost of sales	147,857	168,648
Gross profit	38,025	41,238
Selling, general and administrative expenses	26,358	29,545
Equity in profit of affiliates	247	494
Other income	970	2,727
Other expenses	(913)	88
Operating profit	13,797	14,826
Finance income	373	516
Finance costs	1,496	806
Profit before taxes	12,674	14,535
Income tax expenses	2,565	3,108
Profit for the period	10,109	11,427
Profit attributable to:		
Owners of the parent	9,502	10,604
Non-controlling interests	607	823
Profit for the period	10,109	11,427
Earnings per share		
Basic earnings per share (in yen)	362.45	396.69
Diluted earnings per share (in yen)	—	396.65

## Consolidated Statements of Comprehensive Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the six months ended September 30, 2021 (Apr. 1 through Sep. 30, 2021)	For the six months ended September 30, 2022 (Apr. 1 through Sep. 30, 2022)
Profit for the period	10,109	11,427
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	(4)	36
Remeasurements of defined benefit plans	12	(8)
Share of other comprehensive income of investments accounted for using the equity method	(2)	(11)
Total	6	17
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	531	11,077
Share of other comprehensive income of investments accounted for using the equity method	287	889
Total	818	11,966
Total other comprehensive income	824	11,983
Comprehensive income for the period	10,933	23,410
Comprehensive income for the period attributable to:		
Owners of the parent	10,426	22,177
Non-controlling interests	507	1,233
Comprehensive income for the period	10,933	23,410

## 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, 2021	27,648	29,414	49,579	(603)
Comprehensive income for the period:				
Profit for the period	—	—	9,502	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	9,502	—
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Issuance of preference shares	6,250	6,250	—	—
Share issuance costs	—	(254)	—	—
Transfer of share capital to capital surplus	(6,250)	6,250	—	—
Acquisition of treasury shares	—	—	—	(1)
Disposal of treasury shares	—	—	—	—
Share-based payment transactions	—	—	—	—
Dividends of surplus	—	(1,916)	—	—
Transfer to retained earnings	—	—	(11)	—
Total contributions by and distributions to owners in their capacity as owners	—	10,330	(11)	(1)
Changes in equity interest of subsidiaries:				
Dividends of surplus	—	—	—	—
Total changes in equity interest of subsidiaries	—	—	—	—
Total transactions with owners	—	10,330	(11)	(1)
Balance at September 30, 2021	27,648	39,745	59,070	(604)
Balance at April 1, 2022	27,648	38,351	76,007	(605)
Comprehensive income for the period:				
Profit for the period	—	—	10,604	—
Other comprehensive income	—	—	—	—
Total comprehensive income for the period	—	—	10,604	—
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Issuance of preference shares	—	—	—	—
Share issuance costs	—	—	—	—
Transfer of share capital to capital surplus	—	—	—	—
Acquisition of treasury shares	—	—	—	(1)
Disposal of treasury shares	—	(24)	—	24
Share-based payment transactions	—	15	—	—
Dividends of surplus	—	—	(2,000)	—
Transfer to retained earnings	—	—	(115)	—
Total contributions by and distributions to owners in their capacity as owners	—	(9)	(2,115)	23
Changes in equity interest of subsidiaries:				
Dividends of surplus	—	—	—	—
Total changes in equity interest of subsidiaries	—	—	—	—
Total transactions with owners	—	(9)	(2,115)	23
Balance at September 30, 2022	27,648	38,342	84,496	(582)

(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, 2021	3,805	—	840	4,645	110,683	6,043	116,726
Comprehensive income for the period:							
Profit for the period	—	—	—	—	9,502	607	10,109
Other comprehensive income	(4)	11	916	924	924	(100)	824
Total comprehensive income for the period	(4)	11	916	924	10,426	507	10,933
Transactions with owners:							
Contributions by and distributions to owners in their capacity as owners:							
Issuance of preference shares	—	—	—	—	12,500	—	12,500
Share issuance costs	—	—	—	—	(254)	—	(254)
Transfer of share capital to capital surplus	—	—	—	—	—	—	—
Acquisition of treasury shares	—	—	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	—	—	—	—	—
Share-based payment transactions	—	—	—	—	—	—	—
Dividends of surplus	—	—	—	—	(1,916)	—	(1,916)
Transfer to retained earnings	22	(11)	—	11	—	—	—
Total contributions by and distributions to owners in their capacity as owners	22	(11)	—	11	10,329	—	10,329
Changes in equity interest of subsidiaries:							
Dividends of surplus	—	—	—	—	—	(303)	(303)
Total changes in equity interest of subsidiaries	—	—	—	—	—	(303)	(303)
Total transactions with owners	22	(11)	—	11	10,329	(303)	10,027
Balance at September 30, 2021	3,823	—	1,756	5,580	131,438	6,248	137,685
Balance at April 1, 2022	3,108	—	8,902	12,010	153,411	7,503	160,914
Comprehensive income for the period:							
Profit for the period	—	—	—	—	10,604	823	11,427
Other comprehensive income	36	(16)	11,553	11,573	11,573	410	11,983
Total comprehensive income for the period	36	(16)	11,553	11,573	22,177	1,233	23,410
Transactions with owners:							
Contributions by and distributions to owners in their capacity as owners:							
Issuance of preference shares	—	—	—	—	—	—	—
Share issuance costs	—	—	—	—	—	—	—
Transfer of share capital to capital surplus	—	—	—	—	—	—	—
Acquisition of treasury shares	—	—	—	—	(1)	—	(1)
Disposal of treasury shares	—	—	—	—	—	—	—
Share-based payment transactions	—	—	—	—	15	—	15
Dividends of surplus	—	—	—	—	(2,000)	—	(2,000)
Transfer to retained earnings	100	16	—	115	—	—	—
Total contributions by and distributions to owners in their capacity as owners	100	16	—	115	(1,986)	—	(1,986)
Changes in equity interest of subsidiaries:							
Dividends of surplus	—	—	—	—	—	(1,121)	(1,121)
Total changes in equity interest of subsidiaries	—	—	—	—	—	(1,121)	(1,121)
Total transactions with owners	100	16	—	115	(1,986)	(1,121)	(3,107)
Balance at September 30, 2022	3,243	—	20,455	23,698	173,602	7,616	181,217



## Consolidated Statements of Cash Flows

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the six months ended September 30, 2021 (Apr. 1 through Sep. 30, 2021)	For the six months ended September 30, 2022 (Apr. 1 through Sep. 30, 2022)
Cash flows from operating activities:		
Profit before taxes	12,674	14,535
Depreciation and amortization	9,293	9,219
Impairment losses	163	437
Reversal gain of impairment losses	(53)	(15)
Gain on sales of fixed asset	(16)	(59)
Increase (decrease) in assets and liabilities for retirement benefits	(17)	(152)
Increase (decrease) in provisions for product warranties	(6,307)	(3,627)
Finance income	(373)	(516)
Finance costs	1,496	806
Equity in profit of affiliates	(247)	(494)
(Increase) decrease in trade and other receivables	1,613	(4,047)
(Increase) decrease in inventories	(4,992)	932
Increase (decrease) in trade and other payables	(5,469)	(7,551)
Other	909	(1,562)
Subtotal	8,673	7,906
Interest received	129	200
Dividends received	446	960
Interest paid	(1,205)	(654)
Income taxes paid	(217)	(3,520)
Payments of loss associated with the Anti-Trust law	(529)	(1,095)
Net cash from operating activities	7,297	3,796
Cash flows from investing activities:		
Payment into time deposits	(1,510)	(996)
Proceeds from withdrawal of time deposits	99	—
Payment for purchases of property, plant and equipment	(4,521)	(6,046)
Proceeds from sales of property, plant and equipment	85	105
Payment for purchases of other financial assets	(17)	(2)
Proceeds from sale of other financial assets	211	200
Other	(244)	(186)
Net cash flows from investing activities	(5,896)	(6,926)

(Unit: Millions of yen)

	For the six months ended September 30, 2021 (Apr. 1 through Sep. 30, 2021)	For the six months ended September 30, 2022 (Apr. 1 through Sep. 30, 2022)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	5,138	(426)
Repayments of lease liabilities	(2,862)	(3,177)
Proceeds from long-term borrowings	11,941	1,202
Repayment of long-term borrowings	(35,882)	(4,457)
Proceeds from issuance of bonds	6,966	—
Proceeds from sale and lease back	1,603	—
Proceeds from issuance of preference shares	12,271	—
Payments for purchase of treasury shares	(1)	(1)
Dividends paid	(1,916)	(2,000)
Dividends paid to non-controlling interests	(303)	(1,121)
Net cash flows from financing activities	(3,044)	(9,979)
Effect of changes in foreign exchange rates	355	3,794
Net increase (decrease) in cash and cash equivalents	(1,288)	(9,315)
Cash and cash equivalents at beginning of period	68,700	52,118
Cash and cash equivalents at end of period	67,412	42,803

## Segment Information

KYB Corporation and its Consolidated Subsidiaries

For the six months ended September 30, 2021

(Unit: Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated	
	Automotive components	Hydraulic components	Aircraft Components	Subtotal					
Net sales:									
Outside customers	113,475	65,468	1,910	180,853	5,029	185,882	—	185,882	
Intersegment sales and transfers	475	396	—	870	41	911	(911)	—	
Total	113,950	65,864	1,910	181,723	5,069	186,793	(911)	185,882	
Segment profit (loss)	7,248	5,738	(1,879)	11,107	526	11,633	34	11,667	
Equity in profit of affiliates	247	—	—	247	—	247	—	247	
Other income and expenses (net)	(174)	2,094	(23)	1,897	(14)	1,883	—	1,883	
Operating profit (loss)	7,321	7,832	(1,902)	13,251	512	13,763	34	13,797	
Finance income and costs (net)									(1,123)
Profit before taxes									12,674

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

2. ¥34 million of adjustment of segment profit is the elimination of intersegment transactions.

For the six months ended September 30, 2022

(Unit: Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Consolidated	
	Automotive components	Hydraulic components	Aircraft Components	Subtotal					
Net sales:									
Outside customers	135,746	66,977	2,546	205,269	4,617	209,886	—	209,886	
Intersegment sales and transfers	468	360	—	828	39	866	(866)	—	
Total	136,214	67,336	2,546	206,097	4,656	210,752	(866)	209,886	
Segment profit (loss)	8,374	3,786	(697)	11,462	177	11,640	53	11,692	
Equity in profit of affiliates	494	—	—	494	—	494	—	494	
Other income and expenses (net)	1,474	1,159	(11)	2,622	17	2,639	—	2,639	
Operating profit (loss)	10,342	4,944	(708)	14,578	195	14,773	53	14,826	
Finance income and costs (net)									(290)
Profit before taxes									14,535

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

2. ¥53 million of adjustment of segment profit is the elimination of intersegment transactions.

\*With regard to the changes of reportable segment

We have included "Railroad equipment" related product which was a part of "Hydraulic Components" in the "Automotive Components" from the first quarter, as a result of reviewing the segment management classification due to the reorganization of the KAYABA Group. Financial information for the same period of the previous fiscal year has been revised to reflect this change.

## Second Quarter of FY2022 Financial Results Supplementary Information

### 1. Breakdown of sales

	FY2021 2Q		FY2022 2Q		Differences	
	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio
Automotive Components	113,475	61.0%	135,746	64.7%	22,271	19.6%
Shock absorber for automobiles	80,991	43.6%	99,019	47.2%	18,028	22.3%
Shock absorber for motorcycles	15,772	8.5%	20,851	9.9%	5,079	32.2%
Hydraulic equipment for automobiles	11,880	6.4%	10,739	5.1%	△ 1,142	-9.6%
Others	4,832	2.6%	5,138	2.4%	306	6.3%
Hydraulic Components	65,468	35.2%	66,977	31.9%	1,508	2.3%
Hydraulic equipment for industrial use	61,609	33.1%	63,879	30.4%	2,271	3.7%
System products	2,060	1.1%	1,364	0.6%	△ 697	-33.8%
Others	1,799	1.0%	1,733	0.8%	△ 66	-3.7%
Aircraft Components	1,910	1.0%	2,546	1.2%	637	33.4%
Aircraft Components	1,910	1.0%	2,546	1.2%	637	33.4%
Special-purpose Vehicles and Electronic Equipment, etc.	5,029	2.7%	4,617	2.2%	△ 412	-8.2%
Special-purpose Vehicles	4,411	2.4%	4,050	1.9%	△ 360	-8.2%
Electronic Equipment, etc.	618	0.3%	567	0.3%	△ 52	-8.4%
Total	185,882	100.0%	209,886	100.0%	24,004	12.9%

## 2. FOREX Rate

(¥)

Average FOREX Rate	FY2021				FY2022	
	Apr-Jun 2021	Apr-Sep 2021	Apr-Dec 2021	Full year	Apr-Jun 2022	Apr-Sep 2022
JPY/USD	109.49	109.80	111.10	112.38	129.57	133.97
JPY/EUR	131.95	130.89	130.61	130.56	138.10	138.72
JPY/CNY	16.95	16.98	17.25	17.51	19.57	19.88

(¥)

FOREX Rate prevailing at the end of quarter	FY2021				FY2022	
	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022
JPY/USD	110.61	111.95	115.02	122.41	136.69	144.81
JPY/EUR	131.63	129.90	130.52	136.77	142.65	142.32
JPY/CNY	17.12	17.29	18.07	19.26	20.39	20.37

## 3. Segment sales (\*2)

(¥ million)

	FY2021				FY2022	
	1Q	2Q	3Q	4Q	1Q	2Q
Automotive Components	58,282	55,193	60,039	64,269	64,402	71,344
Hydraulic Components	33,173	32,295	36,619	34,548	32,379	34,598
Aircraft Components	1,016	893	988	757	1,476	1,070
Special-purpose Vehicles and Electronic Equipment, etc.	2,447	2,581	2,606	2,652	2,151	2,466
Total	94,919	90,963	100,253	102,226	100,409	109,477

## 4. Segment operating income (\*1)(\*2)

(¥ million)

	FY2021				FY2022	
	1Q	2Q	3Q	4Q	1Q	2Q
Automotive Components	3,395	3,874	3,599	5,110	3,935	4,473
Hydraulic Components	3,178	2,572	3,743	2,283	1,898	1,905
Aircraft Components	△ 526	△ 1,353	△ 297	△ 1,785	△ 146	△ 551
Special-purpose Vehicles and Electronic Equipment etc.	333	194	198	193	△ 9	187
Total	6,380	5,287	7,243	5,802	5,679	6,014

## 5. Capital Expenditure, Depreciation

(¥ million)

	FY2021				FY2022	
	1Q	2Q	3Q	4Q	1Q	2Q
Capital Expenditure	4,217	2,798	3,262	3,737	2,788	3,764
Depreciation Expenses	4,713	4,580	4,647	4,374	4,587	4,630

## 6. R&D Expenses

(¥ million)

	FY2021				FY2022	
	1Q	2Q	3Q	4Q	1Q	2Q
R&D Expenses	1,289	1,628	1,337	1,514	1,526	1,524

## 7. Foreign Exchange gain or loss (\*3)

(¥ million)

	FY2021				FY2022	
	1Q	2Q	3Q	4Q	1Q	2Q
Other Income / Other Expenses	678	△ 465	136	1,229	1,242	761
Finance Income / Finance Costs	65	△ 203	189	376	△ 54	△ 63
Total	743	△ 668	325	1,605	1,188	698

(\*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) With regard to the changes of reportable segment

We have included "Railroad equipment" related product which was a part of "Hydraulic Components" in the "Automotive Components" from the current first quarter, as a result of reviewing the segment management classification due to the reorganization of the KYB Group.

And also, conventionally, "System products" was one of reportable segment.

However, as a result of reviewing the segment management classification due to the reorganization of the KYB Group, we have included it in the "Hydraulic Components" from the previous second quarter.

Financial information for the same period of the previous fiscal year has been revised to reflect these changes.

(\*3) "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.