



Meeting Materials for Second Quarters (2Qs) of FY2022

November 9, 2022

KYB Corporation

(Stock Code: 7242; Prime Market of Tokyo Stock Exchange)

2Qs (1H) of FY2022 Performance Overview

✓ Increase in Net Sales and Profits (Operating Profit ¥13.8 bn→¥14.8 bn)

- Consolidated net sales increased approximately 13% due to significant yen depreciation.
- Despite increase in fixed costs as a result of inflation, segment profits* remained flat due to profit improvement measures, operating profit increased by yen's depreciation.

*Segment profits correspond to operating profit in JGAAP.

FY2022 Forecast

✓ Upward Adjustment to Initial Forecast (Operating Profit ¥26.5 bn→¥29.7 bn)

- Net sales up approximately 8% from the initial forecast in light of foreign exchange market conditions.
- Upward revised for the operating income and the following items to increase due to foreign exchange gains and gain on reversal of allowance.

Return to Shareholders

- ✓ Revised interim dividend to ¥70, an increase of ¥10 from the initial forecast
- ✓ Annual dividend forecast was also revised upward by ¥10 to ¥140 per share.

		Initial forecast	Recent plan
Confirmed	Interim	¥60	¥70 (+¥10)
Planned	Year-end	¥60	¥70 (+¥10)
Planned	Annual	¥120	¥140 (+¥20)

2Qs (1H) of FY2022 Financial Summary



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(¥ Billion)	IFRS		Differences
	1H of FY2021 actual	1H of FY2022 actual	Previous period
Net sales	185.9	209.9	24.0
Segment profits*	11.7	11.7	0.0
Operating profit	13.8	14.8	1.0
Profit attributable to owners of the parent	9.5	10.6	1.1
FOREX (Average) (¥)			
JPY/ US\$	109.80	133.97	
JPY/ EUR	130.89	138.72	

*Segment profits correspond to operating profit in JGAAP.

2Qs (1H) of FY2022 Net Sales and Segment Profits



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(¥ Billion)	Net Sales			Segment Profits		
	1H of FY2021 actual	1H of FY2022 actual	Differences	1H of FY2021 actual	1H of FY2022 actual	Differences
AC	113.5	135.7	22.3	7.3	8.4	1.1
HC	65.5	67.0	1.5	5.8	3.8	(1.9)
Aircraft Components	1.9	2.5	0.6	(1.9)	(0.7)	1.2
Others	5.0	4.6	(0.4)	0.5	0.2	(0.3)
Total	185.9	209.9	24.0	11.7	11.7	0.0

AC: Automotive Components

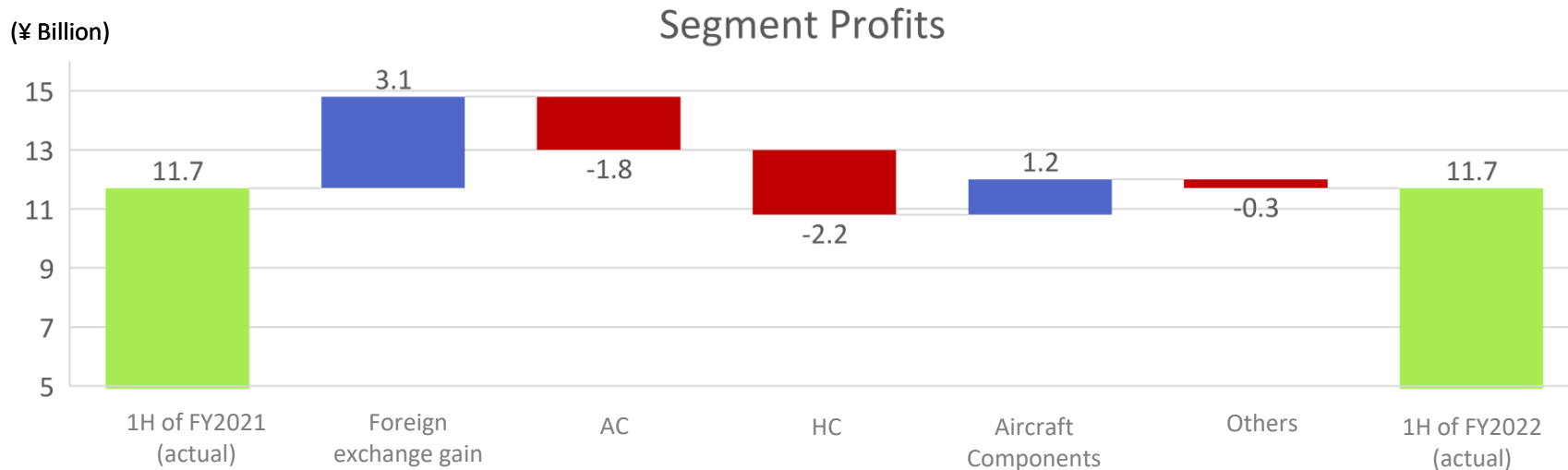
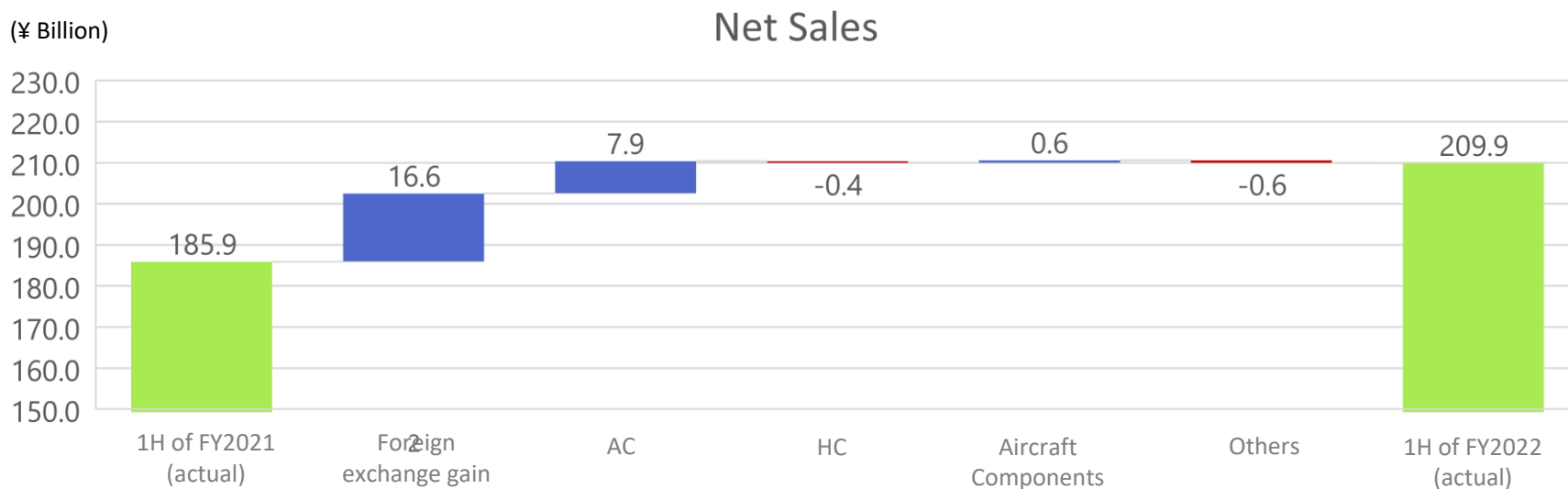
HC: Hydraulic Components

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

2Qs (1H) of FY2022 (compared with previous periods)



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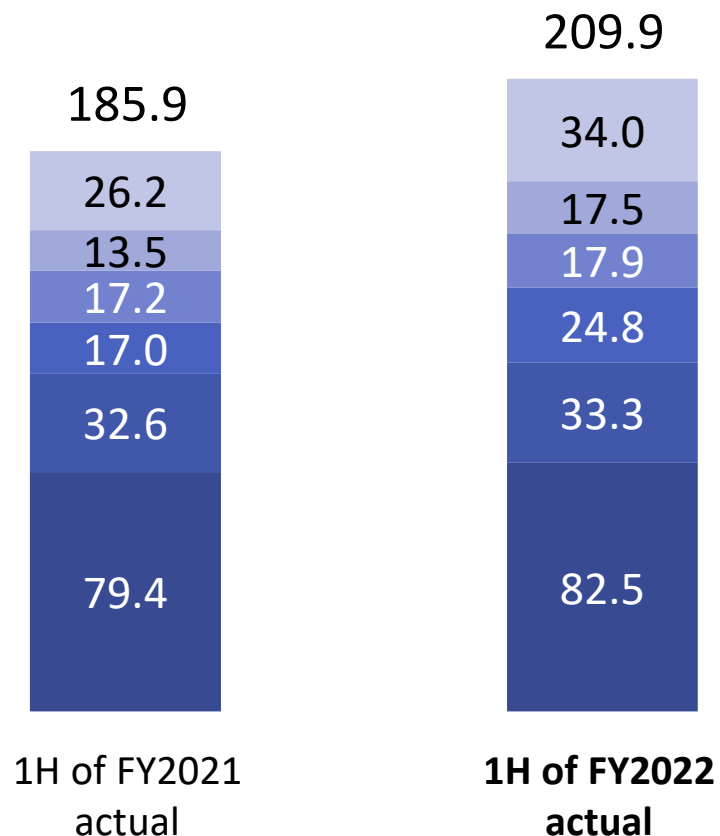
2Qs (1H) of FY2022 Net Sales by Region



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(¥ Billion)

Differences
Previous period



Other	29.7%
Southeast Asia	29.7%
China	3.9%
America	45.8%
Europe	2.1%
Japan	3.9%

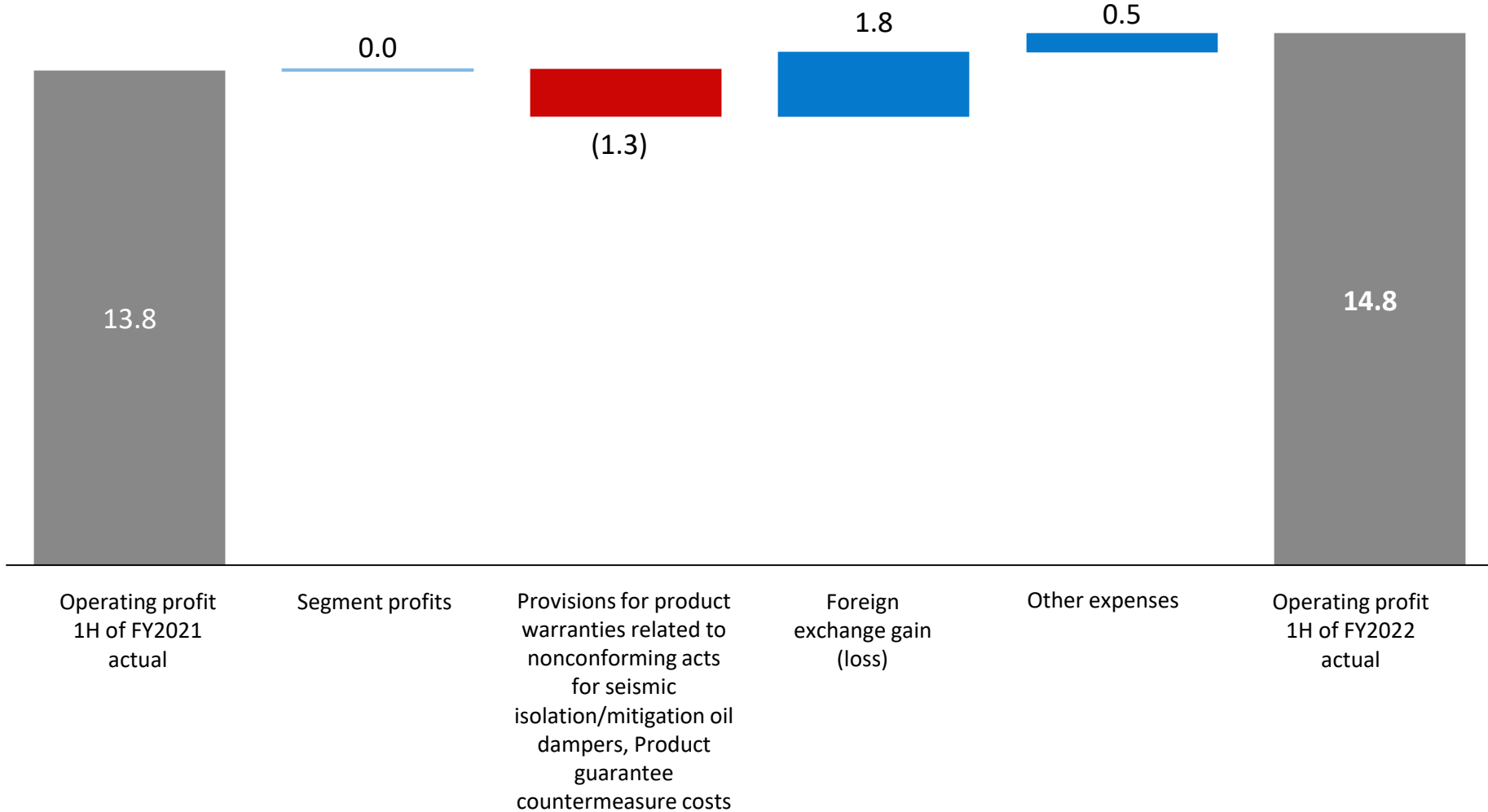
Overseas Sales Ratio
57.3% ⇒ 60.7%

2Qs (1H) of FY2022 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



Breakdown of Remaining Items to Bring up to Conformity

	As of end of Oct. 2022
Work completed	973 buildings [98.2%]
Exchange work ongoing	4 buildings [0.4%]
Waiting for construction work to start, construction schedule being adjusted	7 buildings [0.7%]
On manufacturing standby to align with the construction schedule	1 building [0.1%]
Under administrative coordination	3 buildings [0.3%]
Coordinating details with the relevant persons regarding bringing the items up to conformity	3 buildings [0.3%]
Total	991 buildings

Financial Forecast for FY2022



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(¥ Billion)	IFRS			Differences	
	FY2021 actual	FY2022 Initial forecast	FY2022 forecast	Previous period	Initial forecast
Net sales	388.4	410.0	442.0	53.6	32.0
Segment profits*	24.7	26.5	26.5	1.8	0.0
Operating profit	30.0	26.5	29.7	(0.3)	3.2
Profit attributable to owners of the parent	22.5	18.0	20.4	(2.1)	2.4
Dividend (¥)	105	120	140	+35	+20
FOREX (Average) (¥)					
JPY/ US\$	112.38	120.00	134.49	2H: 135.00	
JPY/ EUR	130.56	130.00	136.86	2H: 135.00	

*Segment profits correspond to operating profit in JGAAP.

Net Sales and Segment Profits Forecast for FY2022



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(¥ Billion)	Net Sales			Segment Profits		
	FY2021 actual	FY2022 forecast	Differences	FY2021 actual	FY2022 forecast	Differences
AC	232.8	282.0	49.2	15.4	17.8	2.4
HC	141.6	142.8	1.2	12.4	9.5	(2.9)
Aircraft Components	3.7	6.6	2.9	(4.0)	(1.2)	2.8
Others	10.3	10.7	0.4	0.9	0.4	(0.5)
Total	388.4	442.0	53.6	24.7	26.5	1.8

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HC: Hydraulic Components

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

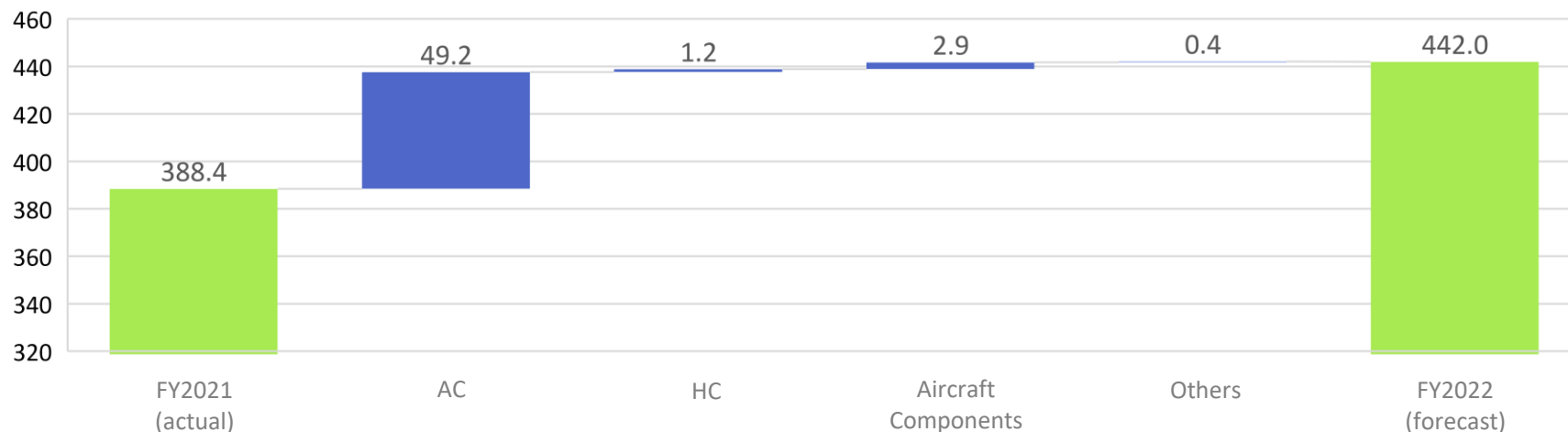
FY2022 Full Year Forecast (compared with previous year)



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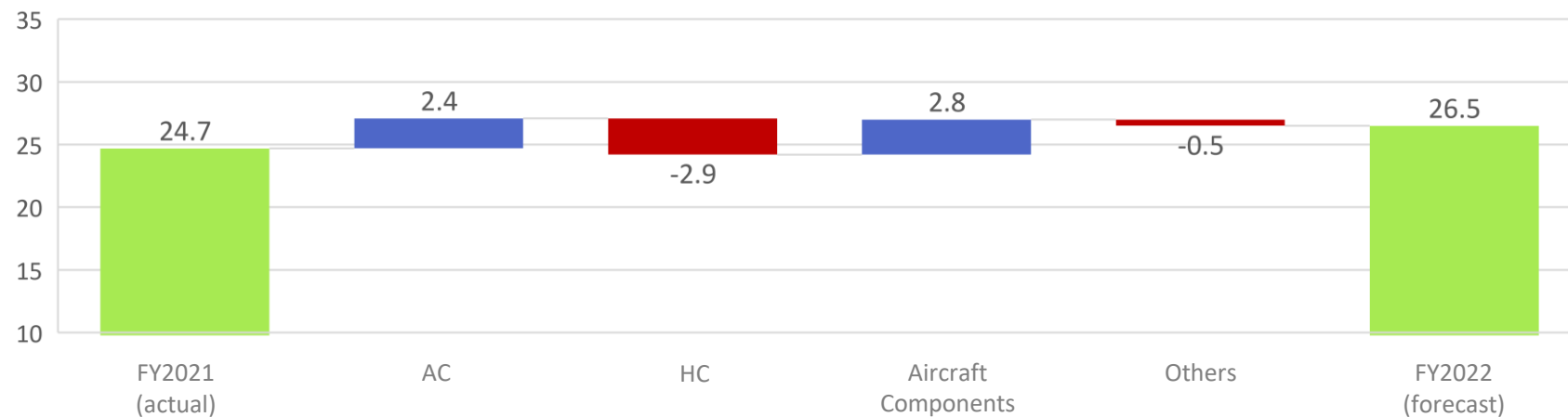
(¥ Billion)

Net Sales



(¥ Billion)

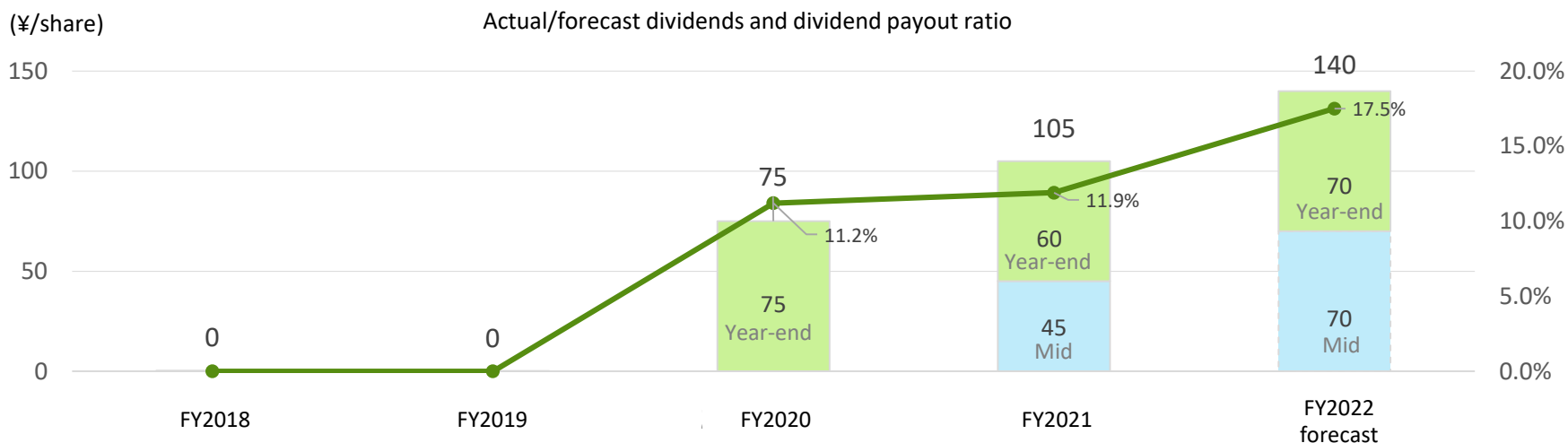
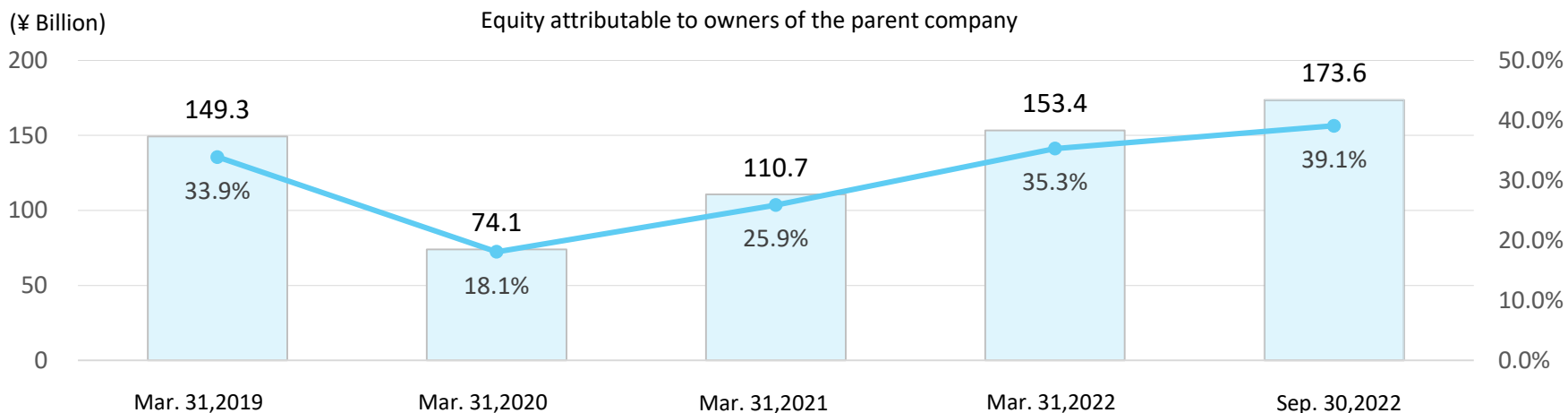
Segment Profits



Changes in Equity and Dividends



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- ✓ Forecast revised from initial forecast of ¥120 to ¥140 per share for FY2022.
- ✓ Capital adequacy ratio recovered to a stable level of 39.1% as of September 30, 2022.



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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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2Qs (1H) of FY2022 Net Sales and Segment Profits

(¥ Billion)	Net Sales			Segment Profits		
	1H of FY2021 actual	1H of FY2022 actual	Differences	1H of FY2021 actual	1H of FY2022 actual	Differences
AC	113.5	135.7	22.7	7.3	8.4	1.1
Shock absorbers for automobiles	81.0	99.0	18.0	—	—	—
Shock absorbers for motorcycles	15.8	20.9	5.1	—	—	—
Hydraulic equipment for automobiles	11.9	10.7	(1.1)	—	—	—
Others	4.8	5.1	0.3	—	—	—
HC	65.5	67.0	1.5	5.8	3.8	(1.9)
Hydraulic equipment for industrial use	61.6	63.9	2.3	—	—	—
System products	2.0	1.4	(0.7)	—	—	—
Others	1.8	1.7	(0.1)	—	—	—
Aircraft Components	1.9	2.5	0.6	(1.9)	(0.7)	1.2
Others	5.0	4.6	(0.4)	0.5	0.2	(0.3)
Total	185.9	209.9	24.0	11.7	11.7	0.0

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Net Sales by Region



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(¥ Billion)		1H of FY2021				1H of FY2022			
		AC	HC	Others	Total	AC	HC	Others	Total
Japan	1H	29.3	44.8	5.3	79.4	32.9	44.6	5.0	82.5
	Full year	29.3	44.8	5.3	79.4	32.9	44.6	5.0	82.5
Europe	1H	28.9	3.7	0.0	32.6	29.2	4.1	0.0	33.3
	Full year	28.9	3.7	0.0	32.6	29.2	4.1	0.0	33.3
America	1H	13.1	3.6	0.3	17.0	19.6	4.8	0.3	24.7
	Full year	13.1	3.6	0.3	17.0	19.6	4.8	0.3	24.7
China	1H	10.1	7.1	0.0	17.2	10.7	7.2	0.0	17.9
	Full year	10.1	7.1	0.0	17.2	10.7	7.2	0.0	17.9
South East Asia	1H	11.9	1.5	0.0	13.5	15.4	2.0	0.0	17.5
	Full year	11.9	1.5	0.0	13.5	15.4	2.0	0.0	17.5
Others	1H	20.0	4.8	1.4	26.2	27.9	4.3	1.8	34.0
	Full year	20.0	4.8	1.4	26.2	27.9	4.3	1.8	34.0
Total	1H	113.5	65.5	6.9	185.9	135.7	67.0	7.2	209.9
	Full year	113.5	65.5	6.9	185.9	135.7	67.0	7.2	209.9

Capital Expenditure, Depreciation

(¥ billion)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	1H of FY2022
Capital Expenditure	18.2	18.5	22.7	21.5	13.1	14.0	6.6
Depreciation Exp.	15.9	17.0	17.6	20.6	18.6	18.3	9.2

Interest-bearing Debt

(¥ billion)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	1H of FY2022
Interest-bearing Debt	93.6	94.6	108.6	154.6	160.3	124.9	122.5

R&D Expenses

(¥ billion)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	1H of FY2022
R&D Expenses	7.6	8.1	6.8	6.3	5.4	5.8	3.1

Cash flows

(¥ billion)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	1H of FY2022
Cash flows from operating activities	31.2	29.3	17.1	(5.0)	20.8	24.3	3.8
Cash flows from investing activities	(21.3)	(16.4)	(13.6)	(21.5)	(6.3)	(10.9)	(6.9)
Cash flows from financing activities	(1.0)	(4.5)	10.4	22.6	1.2	(32.7)	(10.0)

Number of Employees

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	1H of FY2022
Number of Employees	14,350	14,754	15,427	15,439	14,718	14,472	14,280

Foreign Exchange Rate

(¥)	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	1H of FY2022
Average FOREX Rate - JPY/USD	108.38	110.85	110.91	108.74	106.06	112.38	133.97
Average FOREX Rate - JPY/EUR	118.79	129.70	128.40	120.81	123.69	130.56	138.72