



FY2022

Financial Information

May 11, 2023

KYB Corporation

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

FY2022 Performance Overview

*Segment profits correspond to operating income in JGAAP.

✓ Increase in sales and profit over the previous year (record high profit)

- Net sales increased 11% over the previous year with the recovery of the market from the COVID-19 situation and a depreciation of the yen.
- Despite the impact of cost increases due to inflation, segment profits* and following items increased due to a depreciation of the yen.
- Dividends per share increased 60 yen from the previous dividend forecast to 200 yen annually.

| (Yen) | Forecast (as of Feb.) | Actual | Differences |
|----------|-----------------------|------------|-------------|
| Interim | 70 | 70 | – |
| Year-end | 70 | <u>130</u> | <u>+60</u> |
| Annual | 140 | <u>200</u> | <u>+60</u> |

FY2023 Forecast

✓ Increase in net sales and segment profits is forecasted year-on-year

- We anticipate a recovery in demand in regions excluding China, leading to a 4% increase in revenue compared to the previous year.
- Despite the impact of the surge in energy prices, we are forecasting an increase in segment profits due to our continued efforts to improve costs and sales activities.
- The annual dividend per share for FY2023 is expected to be 200 yen, the same as FY2022.

| (Yen) | FY2022 (actual) | FY2023 (forecast) | Differences |
|------------------|-----------------|-------------------|--------------|
| Annual dividends | 200 | <u>200</u> | <u>±0</u> |
| Payout ratio | 19.4% | <u>26.8%</u> | <u>+7.4%</u> |

FY2022 Financial Summary

| (¥ Billion) | IFRS | | | | | Differences | |
|--|------------------|------------------------------------|----------------|----------------|-----------------------|--------------------|--------------------------|
| | FY2021 actual | FY2022 forecast (as of Feb.) | | | FY2022 actual | Previous period | Forecast (as of Feb.) |
| | | | 1H | 2H | | | |
| Net sales | 388.4 | 442.0 | 209.9 | 221.3 | 431.2 | 42.8 | (10.8) |
| Segment profits* [Segment profits ratio] | 24.7 [6.4%] | 26.5 [6.0%] | 11.7 [5.6%] | 13.8 [6.2%] | 25.5 [5.9%] | 0.8 | (1.0) |
| Operating profit | 30.0 | 29.7 | 14.8 | 17.7 | 32.5 | 2.5 | 2.8 |
| Profit attributable to owners of the parent | 22.5 | 20.4 | 10.6 | 16.6 | 27.2 | 4.8 | 6.8 |
| Dividend (¥) | 105 | 140 | 70 | 130 | 200 | 95 | 60 |
| FOREX (Average) (¥) | | | | | | | |
| JPY/ US\$ | 112.38 | 134.90 | 133.97 | 136.99 | 135.48 | | |
| JPY/ EUR | 130.56 | 139.19 | 138.72 | 143.23 | 140.97 | | |

*Segment profits correspond to operating income in JGAAP.

FY2022 Net Sales and Segment Profits

| (¥ Billion) | Net Sales | | | Segment Profits | | |
|---------------------|---------------|---------------|-------------|-----------------|---------------|-------------|
| | FY2021 actual | FY2022 actual | Differences | FY2021 actual | FY2022 actual | Differences |
| AC | 237.8 | 278.5 | 40.7 | 16.0 | 18.7 | 2.7 |
| HC | 136.6 | 137.9 | 1.2 | 11.8 | 7.5 | (4.2) |
| Aircraft Components | 3.7 | 4.4 | 0.8 | (4.0) | (1.4) | 2.5 |
| Others | 10.3 | 10.4 | 0.1 | 0.9 | 0.7 | (0.2) |
| Total | 388.4 | 431.2 | 42.8 | 24.7 | 25.5 | 0.8 |

AC: Automotive Components

HC: Hydraulic Components

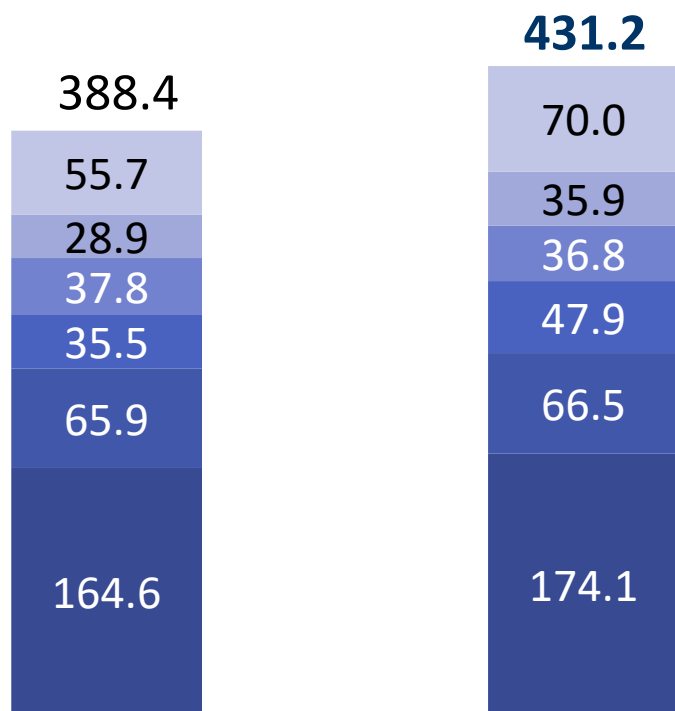
Others: Special-purpose vehicles, electronic components, etc.

FY2022 Financial Position

| (¥ Billion) | Mar. 31, 2022 | Mar. 31, 2023 | Differences |
|--|---------------|---------------|-------------|
| Current assets | 240.4 | 252.0 | 11.5 |
| Non-current assets | 193.8 | 194.9 | 1.1 |
| Total assets | 434.2 | 446.8 | 12.6 |
| Current liabilities (Note) | 198.4 | 197.2 | (1.2) |
| Non-current liabilities (Note) | 74.9 | 58.6 | (16.3) |
| Total liabilities | 273.3 | 255.8 | (17.5) |
| Equity attributable to owners of the parent company | 153.4 | 182.8 | 29.4 |
| Non-controlling interest | 7.5 | 8.2 | 0.7 |
| Total capital | 160.9 | 191.0 | 30.1 |
| Total capital and liabilities | 434.2 | 446.8 | 12.6 |
| (Note) Long-term debt | 90.9 | 84.5 | (6.4) |
| Provisions for product warranties related to vibration control dampers | 13.6 | 4.4 | (9.2) |

FY2022 Net Sales by Region

(¥ Billion)



FY2021
actual

FY2022
actual

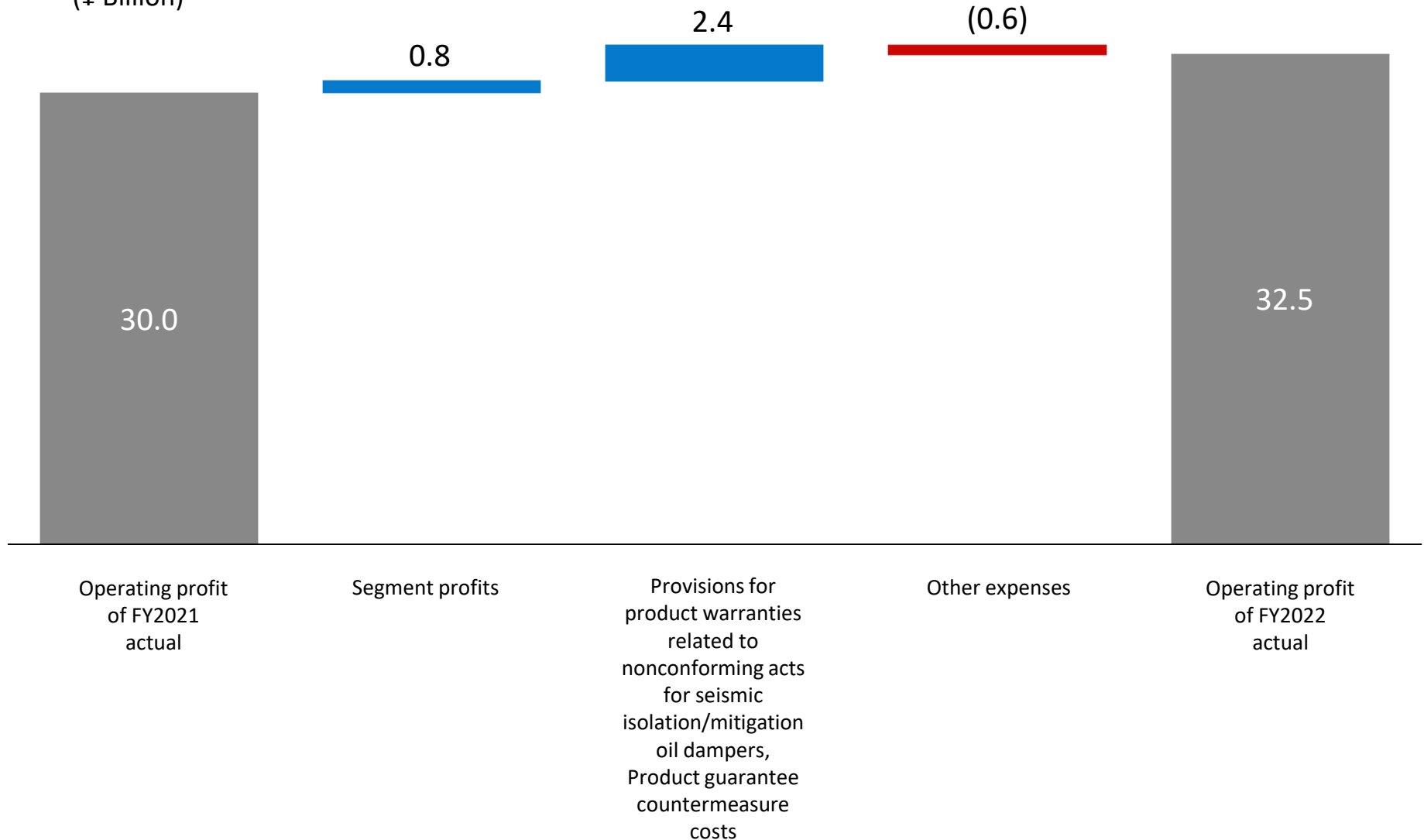
Differences
Previous period

| | |
|----------------|--------|
| Other | 25.7% |
| Southeast Asia | 24.2% |
| China | (2.7)% |
| America | 35.1% |
| Europe | 0.8% |
| Japan | 5.8% |

Overseas Sales Ratio
57.6% ⇒ 59.6%

FY2022 Changes in Operating Profit (Comparison with previous period)

(¥ 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 Apr. 2023 |
|--|------------------------|
| Work completed | 977 buildings [98.6%] |
| Exchange work ongoing | 3 buildings [0.3%] |
| Waiting for construction work to start, construction schedule being adjusted | 6 buildings [0.6%] |
| On manufacturing standby to align with the construction schedule | 0 building [0%] |
| Under administrative coordination | 2 buildings [0.2%] |
| Coordinating details with the relevant persons regarding bringing the items up to conformity | 3 buildings [0.3%] |
| Total | 991 buildings |

Financial Forecast for FY2023

| (¥ Billion) | IFRS | | Differences |
|---|----------------|-----------------------|---------------|
| | FY2022 Actual | FY2023 Forecast | Previous year |
| Net sales | 431.2 | 450.0 | 18.8 |
| Segment profits* [Segment profits ratio] | 25.5 [5.9%] | 28.0 [6.2%] | 2.5 |
| Operating profit | 32.5 | 29.8 | (2.7) |
| Profit attributable to owners of the parent | 27.2 | 20.0 | (7.2) |
| Dividend (¥) | 200 | 200 | ±0 |
| FOREX (Average) (¥) | | | |
| JPY/ US\$ | 135.48 | 126.00 | |
| JPY/ EUR | 140.97 | 133.00 | |

*Segment profits correspond to operating income in JGAAP.

Net Sales and Segment Profits Forecast for FY2023

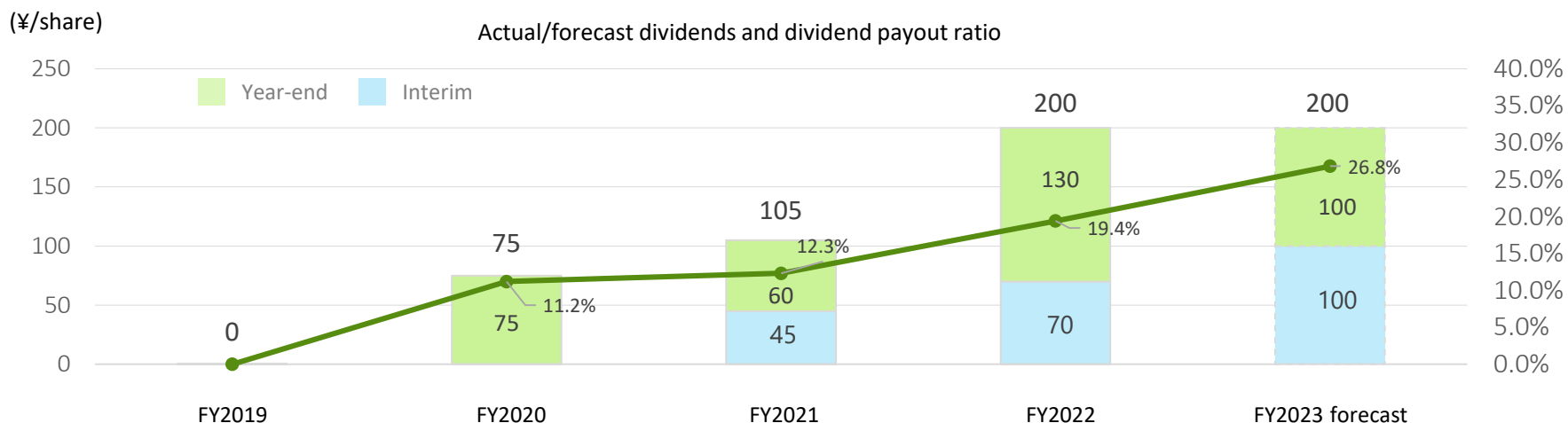
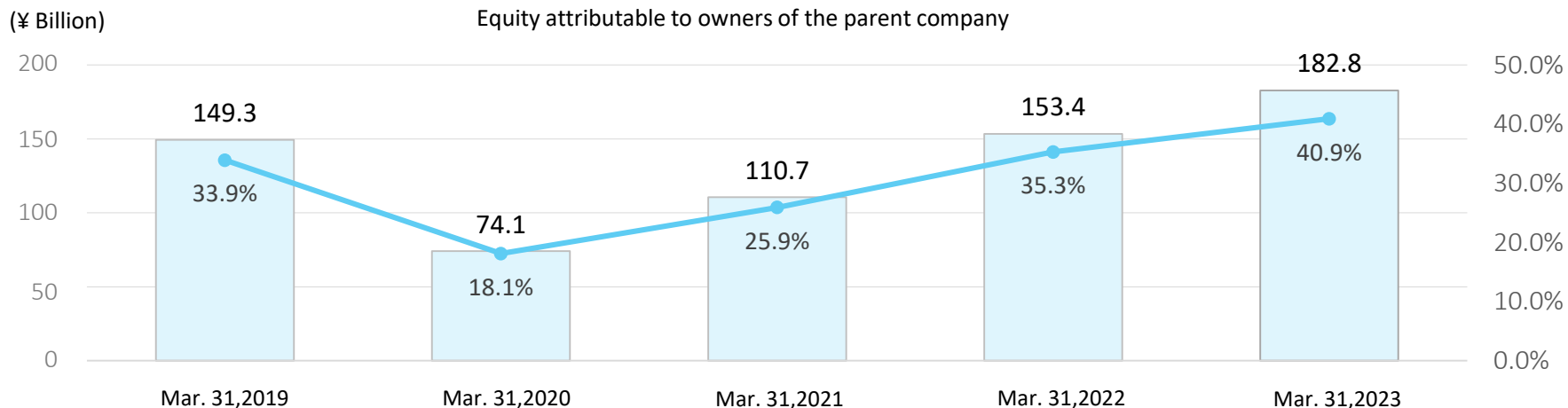
| (¥ Billion) | Net Sales | | | Segment Profits | | |
|---------------------|---------------|-----------------|-------------|-----------------|-----------------|-------------|
| | FY2022 actual | FY2023 forecast | Differences | FY2022 actual | FY2023 forecast | Differences |
| AC | 278.5 | 283.3 | 4.8 | 18.7 | 19.7 | 1.0 |
| HC | 137.9 | 146.5 | 8.6 | 7.5 | 8.1 | 0.6 |
| Aircraft Components | 4.4 | 6.0 | 1.5 | (1.4) | (0.8) | 0.6 |
| Others | 10.4 | 14.3 | 3.9 | 0.7 | 0.9 | 0.3 |
| Total | 431.2 | 450.0 | 18.8 | 25.5 | 28.0 | 2.5 |

AC: Automotive Components

HC: Hydraulic Components

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

Changes in Equity and Dividends



- ✓ Along with the recovery in performance in FY2020, we are continuing to resume and increase dividends.
- ✓ We forecast the stabilization of shareholders' equity and will enforce a policy of increasing returns to shareholders.



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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FY2022 Net Sales and Segment Profits

| (¥ Billion) | Net Sales | | | Segment Profits | | |
|--|---------------|---------------|-------------|-----------------|---------------|-------------|
| | FY2021 actual | FY2022 actual | Differences | FY2021 actual | FY2022 actual | Differences |
| AC | 237.8 | 278.5 | 40.7 | 16.0 | 18.7 | 2.7 |
| Shock absorbers for automobiles | 169.2 | 202.2 | 33.0 | — | — | — |
| Shock absorbers for motorcycles | 34.9 | 45.9 | 11.0 | — | — | — |
| Hydraulic equipment for automobiles | 23.9 | 21.0 | (2.8) | — | — | — |
| Others | 9.9 | 9.4 | (0.5) | — | — | — |
| HC | 136.6 | 137.9 | 1.2 | 11.8 | 7.5 | (4.2) |
| Hydraulic equipment for industrial use | 128.7 | 130.3 | 1.6 | — | — | — |
| System products | 4.6 | 4.0 | (0.6) | — | — | — |
| Others | 3.3 | 3.5 | 0.2 | — | — | — |
| Aircraft Components | 3.7 | 4.4 | 0.8 | (4.0) | (1.4) | 2.5 |
| Others | 10.3 | 10.4 | 0.1 | 0.9 | 0.7 | (0.2) |
| Total | 388.4 | 431.2 | 42.8 | 24.7 | 25.5 | 0.8 |

AC: Automotive Components

HC: Hydraulic Components

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

Net Sales by Region

| (¥ Billion) | | FY2021 | | | | FY2022 | | | |
|-----------------|----------|--------|-------|--------|-------|--------|-------|--------|-------|
| | | AC | HC | Others | Total | AC | HC | Others | Total |
| Japan | 1st Half | 29.3 | 44.8 | 5.3 | 79.4 | 32.9 | 44.6 | 5.0 | 82.5 |
| | 2nd Half | 33.6 | 47.2 | 4.4 | 85.1 | 37.1 | 49.6 | 5.0 | 91.7 |
| | Total | 62.9 | 92.0 | 9.6 | 164.6 | 70.0 | 94.2 | 10.0 | 174.1 |
| Europe | 1st Half | 28.9 | 3.7 | 0.0 | 32.6 | 29.2 | 4.1 | 0.0 | 33.3 |
| | 2nd Half | 28.6 | 4.8 | 0.0 | 33.3 | 29.1 | 4.1 | 0.0 | 33.2 |
| | Total | 57.4 | 8.5 | 0.0 | 65.9 | 58.3 | 8.2 | 0.0 | 66.5 |
| America | 1st Half | 13.1 | 3.6 | 0.3 | 17.0 | 19.6 | 4.8 | 0.3 | 24.7 |
| | 2nd Half | 14.5 | 3.7 | 0.3 | 18.5 | 18.5 | 4.4 | 0.3 | 23.1 |
| | Total | 27.6 | 7.2 | 0.6 | 35.5 | 38.2 | 9.2 | 0.6 | 47.9 |
| China | 1st Half | 10.1 | 7.1 | 0.0 | 17.2 | 10.7 | 7.2 | 0.0 | 17.9 |
| | 2nd Half | 11.3 | 9.3 | 0.0 | 20.6 | 11.9 | 7.0 | 0.0 | 18.9 |
| | Total | 21.4 | 16.3 | 0.0 | 37.8 | 22.5 | 14.2 | 0.0 | 36.8 |
| South East Asia | 1st Half | 11.9 | 1.5 | 0.0 | 13.5 | 15.4 | 2.0 | 0.0 | 17.5 |
| | 2nd Half | 13.7 | 1.8 | 0.0 | 15.5 | 16.5 | 2.0 | 0.0 | 18.5 |
| | Total | 25.6 | 3.3 | 0.0 | 28.9 | 31.9 | 4.0 | 0.0 | 35.9 |
| Others | 1st Half | 20.0 | 4.8 | 1.4 | 26.2 | 27.9 | 4.3 | 1.8 | 34.0 |
| | 2nd Half | 22.7 | 4.5 | 2.3 | 29.5 | 29.7 | 3.9 | 2.4 | 36.0 |
| | Total | 42.7 | 9.2 | 3.7 | 55.7 | 57.6 | 8.1 | 4.2 | 70.0 |
| Total | 1st Half | 113.5 | 65.5 | 6.9 | 185.9 | 135.7 | 67.0 | 7.2 | 209.9 |
| | 2nd Half | 124.3 | 71.2 | 7.0 | 202.5 | 142.8 | 70.9 | 7.7 | 221.3 |
| | Total | 237.8 | 136.6 | 13.9 | 388.4 | 278.5 | 137.9 | 14.8 | 431.2 |

Capital Expenditure, Depreciation

| (¥ billion) | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|
| Capital Expenditure | 18.2 | 18.5 | 22.7 | 21.5 | 13.1 | 14.0 | 14.0 |
| Depreciation Exp. | 15.9 | 17.0 | 17.6 | 20.6 | 18.6 | 18.3 | 18.7 |

Interest-bearing Debt

| (¥ billion) | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|-----------------------|--------|--------|--------|--------|--------|--------|--------|
| Interest-bearing Debt | 93.6 | 94.6 | 108.6 | 154.6 | 160.3 | 124.9 | 114.7 |

R&D Expenses

| (¥ billion) | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|--------------|--------|--------|--------|--------|--------|--------|--------|
| R&D Expenses | 7.6 | 8.1 | 6.8 | 6.3 | 5.4 | 5.8 | 6.1 |

Cash flows

| (¥ billion) | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|--------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Cash flows from operating activities | 31.2 | 29.3 | 17.1 | (5.0) | 20.8 | 24.3 | 23.9 |
| Cash flows from investing activities | (21.3) | (16.4) | (13.6) | (21.5) | (6.3) | (10.9) | (13.5) |
| Cash flows from financing activities | (1.0) | (4.5) | 10.4 | 22.6 | 1.2 | (32.7) | (20.2) |

Number of Employees

| | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|---------------------|--------|--------|--------|--------|--------|--------|--------|
| Number of Employees | 14,350 | 14,754 | 15,427 | 15,439 | 14,718 | 14,472 | 13,920 |

Foreign Exchange Rate

| (¥) | FY2016 | FY2017 | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | Estimate FY2023 |
|------------------------------|--------|--------|--------|--------|--------|--------|--------|--------------------|
| Average FOREX Rate - JPY/USD | 108.38 | 110.85 | 110.91 | 108.74 | 106.06 | 112.38 | 135.48 | 126.00 |
| Average FOREX Rate - JPY/EUR | 118.79 | 129.70 | 128.40 | 120.81 | 123.69 | 130.56 | 140.97 | 133.00 |