



# First Quarter of FY2023 (1Q) Financial Information

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August 8, 2023

KYB Corporation

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

## 1Q of FY2023 Performance Overview

### ✓ **Increase in Net Sales and Profits**

- Improvements in semiconductor shortages and the weakening of the yen have resulted in increased net sales, leading to a total company-wide revenue growth of about 7%.
- Despite a decline in segment profits\* and operating income due to the delayed pass-through of inflation costs and a downturn in the Chinese market, the profit attributable to the owners of the parent company increased, driven by reduced tax expenses..

## FY2023 Forecast

### ✓ **The Initial Forecast Remains Unchanged**

- Taking into account the progress in the 1Q, the initial forecast remains unchanged.
- While there are uncertain factors, we will continue our efforts to improve profitability in order to achieve our initial forecast.

\*Segment profits correspond to operating income in JGAAP.

# 1Q of FY2023 Financial Summary



Our Precision, Your Advantage

(¥ Billion)	IFRS		Differences
	1Q of FY2022 actual	1Q of FY2023 actual	Previous period
Net sales	100.4	<b>107.3</b>	6.9
Segment profits* [Segment profits ratio]	5.7 [ 5.7% ]	<b>4.2</b> [ 3.9% ]	(1.5) [ (1.8)% ]
Operating profit [Operating profit ratio]	7.5 [ 7.4% ]	<b>6.4</b> [ 5.9% ]	(1.1) [ (1.5)% ]
Profit attributable to owners of the parent	5.0	<b>5.1</b>	1.0
FOREX (Average) (¥)			
JPY/ US\$	129.57	<b>137.36</b>	
JPY/ EUR	138.10	<b>149.46</b>	

\*Segment profits correspond to operating income in JGAAP.

# 1Q of FY2023 Net Sales and Segment Profits



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(¥ Billion)	Net Sales			Segment Profits		
	1Q of FY2022 actual	1Q of FY2023 actual	Differences	1Q of FY2022 actual	1Q of FY2023 actual	Differences
AC	64.7	<b>69.4</b>	4.7	3.9	<b>2.9</b>	(1.0)
HC	32.4	<b>34.0</b>	1.7	1.9	<b>1.4</b>	(0.5)
Aircraft Components	1.5	<b>1.2</b>	(0.3)	(0.1)	<b>(0.3)</b>	(0.2)
Others	1.9	<b>2.7</b>	0.8	(0.0)	<b>0.2</b>	0.2
Total	100.4	<b>107.3</b>	6.9	5.7	<b>4.2</b>	(1.5)

AC: Automotive Components

HC: Hydraulic Components

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

# 1Q of FY2023 Financial Position



Our Precision, Your Advantage

(¥ Billion)	Mar. 31, 2023	Jun. 30, 2023	Differences
Current assets	252.0	258.2	6.2
Non-current assets	194.9	198.3	3.4
<b>Total assets</b>	<b>446.8</b>	<b>456.5</b>	<b>9.7</b>
Current liabilities (Note)	197.2	200.2	3.0
Non-current liabilities (Note)	58.6	56.8	(1.8)
Total liabilities	255.8	257.0	1.2
Equity attributable to owners of the parent company	182.8	191.2	8.4
Non-controlling interest	8.2	8.3	0.1
Total capital	191.0	199.5	8.5
<b>Total capital and liabilities</b>	<b>446.8</b>	<b>456.5</b>	<b>9.7</b>
(Note) Long-term debt	84.5	84.7	0.2
Provisions for product warranties related to vibration control dampers	4.4	3.9	(0.5)

# 1Q of FY2023 Net Sales by Region



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(¥ Billion)



Differences  
Previous period

Other	13.7%
Southeast Asia	(0.7)%
China	(13.9)%
America	(2.9)%
Europe	3.9%
Japan	14.2%

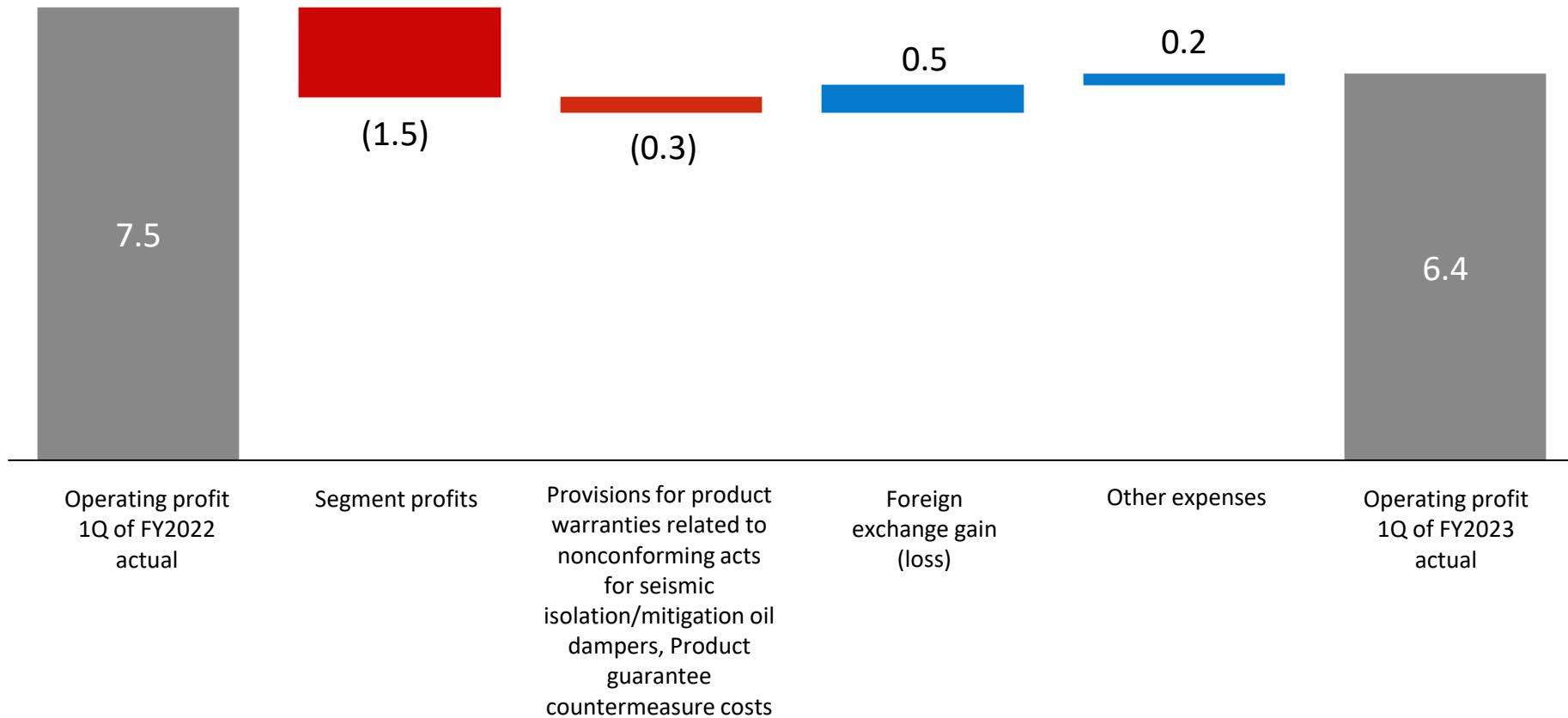
Overseas Sales Ratio  
61.3% ⇒ 58.6%

# 1Q of FY2023 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 Jul. 2023
Work completed	978 buildings [98.7%]
Exchange work ongoing	3 buildings [0.3%]
Waiting for construction work to start, construction schedule being adjusted	5 buildings [0.5%]
On manufacturing standby to align with the construction schedule	0 building [0.0%]
Under administrative coordination	2 buildings [0.2%]
Coordinating details with the relevant persons regarding bringing the items up to conformity	3 buildings [0.3%]
<b>Total</b>	<b>991 buildings</b>



# Financial Forecast for FY2023



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(¥ Billion)	IFRS		Differences
	FY2022 actual	FY2023 forecast	Previous year
Net sales	431.2	<b>450.0</b>	18.8
Segment profits* [Segment profits ratio]	25.5 [ 5.9% ]	<b>28.0</b> [ 6.2% ]	2.5
Operating profit [Operating profit ratio]	32.5 [ 7.4% ]	<b>29.8</b> [ 6.6% ]	(2.7)
Profit attributable to owners of the parent	27.2	<b>20.0</b>	(7.2)
Dividend (¥)	200	<b>200</b>	0
FOREX (Average) (¥)			
JPY/ US\$	135.48	<b>130.84</b>	
JPY/ EUR	140.97	<b>141.12</b>	

\*Segment profits correspond to operating income in JGAAP.

# Net Sales and Segment Profits Forecast for FY2023



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

AC: Automotive Components

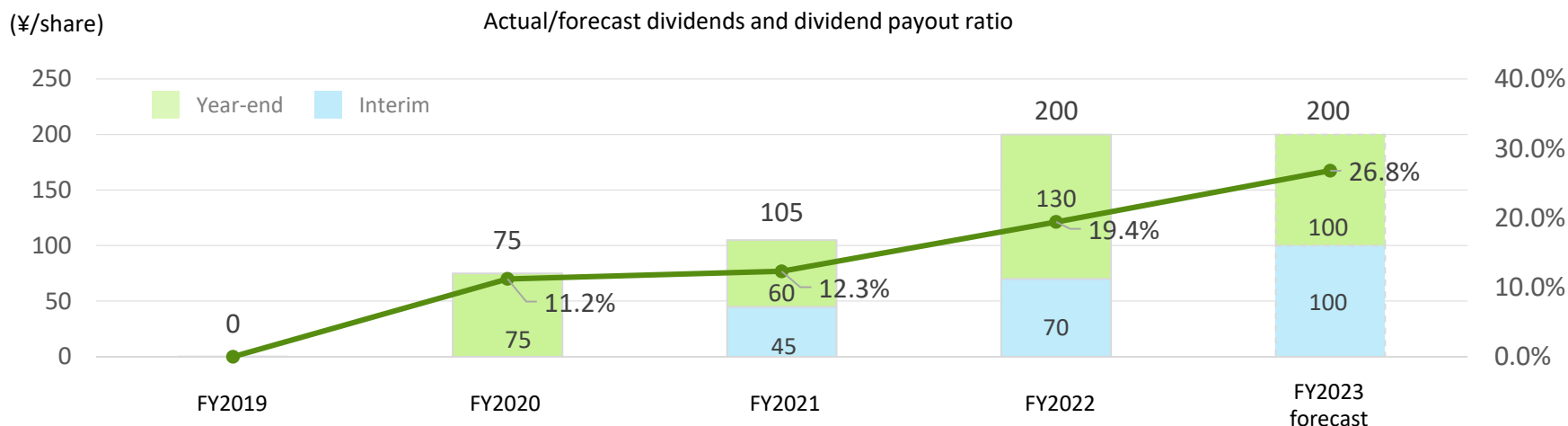
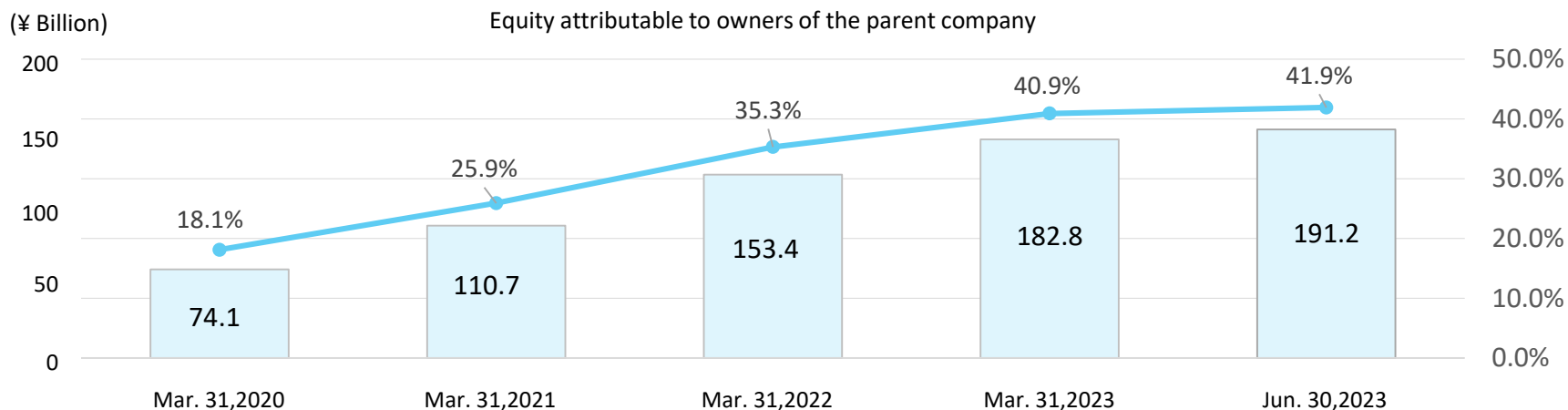
HC: Hydraulic Components

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

# Changes in Equity and Dividends



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



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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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## 1Q of FY2023 Net Sales and Segment Profits

(¥ Billion)	Net Sales			Segment Profits		
	1Q of FY2022 actual	1Q of FY2023 actual	Differences	1Q of FY2022 actual	1Q of FY2023 actual	Differences
AC	64.7	<b>69.4</b>	4.7	3.9	<b>2.9</b>	(1.0)
Shock absorbers for automobiles	47.5	<b>49.9</b>	2.4	—	—	—
Shock absorbers for motorcycles	9.4	<b>10.5</b>	1.0	—	—	—
Hydraulic equipment for automobiles	5.1	<b>5.5</b>	0.4	—	—	—
Others	2.7	<b>3.5</b>	0.8	—	—	—
HC	32.4	<b>34.0</b>	1.7	1.9	<b>1.4</b>	(0.5)
Hydraulic equipment for industrial use	31.0	<b>32.3</b>	1.3	—	—	—
System products	0.4	<b>0.9</b>	0.5	—	—	—
Others	1.0	<b>0.8</b>	(0.1)	—	—	—
Aircraft Components	1.5	<b>1.2</b>	(0.3)	(0.1)	<b>(0.3)</b>	(0.2)
Others	1.9	<b>2.7</b>	0.8	(0.0)	<b>0.2</b>	0.2
Total	100.4	<b>107.2</b>	6.9	5.7	<b>4.2</b>	(1.5)

AC: Automotive Components

HC: Hydraulic Components

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

## Net Sales by Region



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(¥ Billion)		1Q of FY2022				1Q of FY2023			
		AC	HC	Others	Total	AC	HC	Others	Total
Japan	1Q	15.2	21.4	2.3	38.9	18.6	23.4	2.4	44.4
	Total	15.2	21.4	2.3	38.9	18.6	23.4	2.4	44.4
Europe	1Q	15.1	2.1	0.0	17.2	15.7	2.1	0.0	17.9
	Total	15.1	2.1	0.0	17.2	15.7	2.1	0.0	17.9
America	1Q	9.8	2.3	0.2	12.3	9.4	2.4	0.1	11.9
	Total	9.8	2.3	0.2	12.3	9.4	2.4	0.1	11.9
China	1Q	4.5	3.5	0.0	8.0	4.2	2.7	0.0	6.9
	Total	4.5	3.5	0.0	8.0	4.2	2.7	0.0	6.9
South East Asia	1Q	7.2	0.9	0.0	8.1	6.8	1.2	0.0	8.0
	Total	7.2	0.9	0.0	8.1	6.8	1.2	0.0	8.0
Others	1Q	12.8	2.2	0.9	16.0	14.6	2.2	1.4	18.2
	Total	12.8	2.2	0.9	16.0	14.6	2.2	1.4	18.2
Total	1Q	64.7	32.4	3.4	100.4	69.4	34.0	3.9	107.3
	Total	64.7	32.4	3.4	100.4	69.4	34.0	3.9	107.3