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FLASH REPORT

November. 7, 2023

Company name : KYB Corporation
 Stock listing : Tokyo Stock Exchange (Prime Market)
 Code number : 7242
 Address of head office : 4-1, Hamamatsu-cho 2-chome, Minato-ku, Tokyo 105-5128, Japan
 Telephone : +81 3- 3435- 3580

URL <https://www.kyb.co.jp/english/>

For further information, please contact : Norimichi Fukuda, General Manager,
 Public Relations & Investor Relations Sect., Executive Office Dept.

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, 2023 (from April 1, 2023 to September 30, 2023)

(1) Consolidated financial results

(Percentages indicate the change of the same period of the previous year)

Six months ended	Net sales		Segment profit		Operating profit		Profit before taxes	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	217,906	3.8	7,959	(31.9)	11,121	(25.0)	10,670	(26.6)
September 30, 2022	209,886	12.9	11,692	0.2	14,826	7.5	14,535	14.7

Six months ended	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
September 30, 2023	8,909	(22.0)	8,170	(23.0)	18,878	(19.4)	303.08
September 30, 2022	11,427	13.0	10,604	11.6	23,410	114.1	396.69

Six months ended	Diluted earnings per share
	Yen
September 30, 2023	303.07
September 30, 2022	396.65

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

(2) Consolidated financial position

As of	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
	Millions of yen	Millions of yen	Millions of yen	%	Yen
September 30, 2023	458,667	202,861	194,487	42.4	7,245.93
March 31, 2023	446,836	191,036	182,830	40.9	6,658.30

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	—	70.00	—	130.00	200.00
Current fiscal year	—	100.00			
Current fiscal year (forecast)			—	100.00	200.00

*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, 2023 to March 31, 2024)

(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	450,000	4.4	28,000	9.8	29,800	(8.4)	27,900	(12.2)

	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	21,400	(25.3)	20,000	(26.5)	746.16

*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	—	3,760,274.00	—	3,739,726.00	7,500,000.00
Current fiscal year	—	3,750,000.00			
Current fiscal year (forecast)			—	3,750,000.00	3,750,000.00

* 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 FY2023 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, 2023	As of September 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	43,585	48,473
Trade and other receivables	120,247	122,791
Inventories	70,535	70,595
Other current financial assets	4,166	2,308
Other current assets	13,419	11,747
Total current assets	251,952	255,914
Non-current assets:		
Property, plant and equipment	158,360	161,569
Goodwill	268	296
Intangible assets	3,218	3,147
Investments accounted for using the equity method	6,960	7,792
Other non-current financial assets	16,205	19,707
Other non-current assets	7,117	7,479
Deferred tax assets	2,755	2,762
Total non-current assets	194,884	202,753
Total assets	446,836	458,667

(Unit: Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities and equity		
Current liabilities:		
Trade and other payables	84,114	83,676
Borrowings	69,053	67,399
Income tax payables	2,545	1,879
Other current financial liabilities	30,360	32,648
Provisions	8,357	7,553
Other current liabilities	2,774	1,382
Total current liabilities	197,204	194,538
Non-current liabilities:		
Bonds and borrowings	15,490	18,393
Liabilities for retirement benefits	4,653	4,786
Other non-current financial liabilities	24,859	23,687
Provisions	5,490	5,428
Other non-current liabilities	522	436
Deferred tax liabilities	7,582	8,537
Total non-current liabilities	58,596	61,267
Total liabilities	255,800	255,805
Equity		
Equity attributable to owners of the parent:		
Share capital	27,648	27,648
Capital surplus	38,371	38,357
Retained earnings	98,492	102,836
Treasury shares	(583)	(2,865)
Other components of equity	18,903	28,511
Total equity attributable to owners of the parent	182,830	194,487
Non-controlling interests	8,206	8,375
Total equity	191,036	202,861
Total liabilities and equity	446,836	458,667

Consolidated Statements of Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the six months ended September 30, 2022 (Apr. 1, 2022 through Sep. 30, 2022)	For the six months ended September 30, 2023 (Apr. 1, 2023 through Sep. 30, 2023)
Net sales	209,886	217,906
Cost of sales	168,648	180,542
Gross profit	41,238	37,363
Selling, general and administrative expenses	29,545	29,405
Equity in profit of affiliates	494	643
Other income	2,727	3,042
Other expenses	88	522
Operating profit	14,826	11,121
Finance income	516	644
Finance costs	806	1,095
Profit before taxes	14,535	10,670
Income tax expenses	3,108	1,762
Profit for the period	11,427	8,909
Profit attributable to:		
Owners of the parent	10,604	8,170
Non-controlling interests	823	739
Profit for the period	11,427	8,909
Earnings per share		
Basic earnings per share (in yen)	396.69	303.08
Diluted earnings per share (in yen)	396.65	303.07

Consolidated Statements of Comprehensive Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the six months ended September 30, 2022 (Apr. 1, 2022 through Sep. 30, 2022)	For the six months ended September 30, 2023 (Apr. 1, 2023 through Sep. 30, 2023)
Profit for the period	11,427	8,909
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	36	2,408
Remeasurements of defined benefit plans	(8)	(6)
Share of other comprehensive income of investments accounted for using the equity method	(11)	(9)
Total	17	2,393
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	11,077	6,977
Share of other comprehensive income of investments accounted for using the equity method	889	599
Total	11,966	7,576
Total other comprehensive income	11,983	9,969
Comprehensive income for the period	23,410	18,878
Comprehensive income for the period attributable to:		
Owners of the parent	22,177	17,741
Non-controlling interests	1,233	1,137
Comprehensive income for the period	23,410	18,878

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, 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:				
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)

Balance at April 1, 2023	27,648	38,371	98,492	(583)
Comprehensive income for the period:				
Profit for the period	-	-	8,170	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	8,170	-
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Acquisition of treasury shares	-	-	-	(2,302)
Disposal of treasury shares	-	(20)	-	20
Share-based payment transactions	-	6	-	-
Dividends of surplus	-	-	(3,789)	-
Transfer to retained earnings	-	-	(38)	-
Total contributions by and distributions to owners in their capacity as owners	-	(14)	(3,826)	(2,282)
Dividends of surplus	-	-	-	-
Total changes in equity interest of subsidiaries	-	-	-	-
Total transactions with owners	-	(14)	(3,826)	(2,282)
Balance at September 30, 2023	27,648	38,357	102,836	(2,865)

(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, 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:							
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
Balance at April 1, 2023	4,098	-	14,804	18,903	182,830	8,206	191,036
Comprehensive income for the period:							
Profit for the period	-	-	-	-	8,170	739	8,909
Other comprehensive income	2,408	(13)	7,175	9,571	9,571	398	9,969
Total comprehensive income for the period	2,408	(13)	7,175	9,571	17,741	1,137	18,878
Transactions with owners:							
Contributions by and distributions to owners in their capacity as owners:							
Acquisition of treasury shares	-	-	-	-	(2,302)	-	(2,302)
Disposal of treasury shares	-	-	-	-	0	-	0
Share-based payment transactions	-	-	-	-	6	-	6
Dividends of surplus	-	-	-	-	(3,789)	-	(3,789)
Transfer to retained earnings	25	13	-	38	-	-	-
Total contributions by and distributions to owners in their capacity as owners	25	13	-	38	(6,085)	-	(6,085)
Changes in equity interest of subsidiaries:							
Dividends of surplus	-	-	-	-	-	(968)	(968)
Total changes in equity interest of subsidiaries	-	-	-	-	-	(968)	(968)
Total transactions with owners	25	13	-	38	(6,085)	(968)	(7,053)
Balance at September 30, 2023	6,532	-	21,980	28,511	194,487	8,375	202,861

Consolidated Statements of Cash Flows

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the six months ended September 30, 2022 (Apr. 1, 2022 through Sep. 30, 2022)	For the six months ended September 30, 2023 (Apr. 1, 2023 through Sep. 30, 2023)
Cash flows from operating activities:		
Profit before taxes	14,535	10,670
Depreciation and amortization	9,219	9,206
Impairment losses	437	331
Reversal gain of impairment losses	(15)	(18)
Gain on sales of fixed asset	(59)	(48)
Increase (decrease) in assets and liabilities for retirement benefits	(152)	85
Increase (decrease) in provisions for product warranties	(3,627)	(1,192)
Finance income	(516)	(644)
Finance costs	806	1,095
Equity in profit of affiliates	(494)	(643)
(Increase) decrease in trade and other receivables	(4,047)	2,478
(Increase) decrease in inventories	932	4,568
Increase (decrease) in trade and other payables	(7,551)	(4,109)
Other	(1,562)	(702)
Subtotal	7,906	21,077
Interest received	200	213
Dividends received	960	726
Interest paid	(654)	(1,124)
Income taxes paid	(3,520)	(585)
Payments of loss associated with the Anti-Trust law	(1,095)	(501)
Net cash from operating activities	3,796	19,806
Cash flows from investing activities:		
Payment into time deposits	(996)	(300)
Proceeds from withdrawal of time deposits	-	2,310
Payment for purchases of property, plant and equipment	(6,046)	(6,147)
Proceeds from sales of property, plant and equipment	105	106
Payment for purchases of other financial assets	(2)	(12)
Proceeds from sale of other financial assets	200	0
Other	(186)	(409)
Net cash flows from investing activities	(6,926)	(4,453)

(Unit: Millions of yen)

	For the six months ended September 30, 2022 (Apr. 1, 2022 through Sep. 30, 2022)	For the six months ended September 30, 2023 (Apr. 1, 2023 through Sep. 30, 2023)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	(426)	(2,358)
Repayments of lease liabilities	(3,177)	(3,050)
Proceeds from long-term borrowings	1,202	3,500
Repayment of long-term borrowings	(4,457)	(2,859)
Payments for purchase of treasury shares	(1)	(2,302)
Proceeds from sales of treasury shares	-	0
Dividends paid	(2,000)	(3,789)
Dividends paid to non-controlling interests	(1,121)	(968)
Net cash flows from financing activities	(9,979)	(11,825)
Effect of changes in foreign exchange rates	3,794	1,360
Net increase (decrease) in cash and cash equivalents	(9,315)	4,888
Cash and cash equivalents at beginning of period	52,118	43,585
Cash and cash equivalents at end of period	42,803	48,473

Segment Information

KYB Corporation and its Consolidated Subsidiaries

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	136,313	66,977	2,546	205,835	4,050	209,886	—	209,886
Intersegment sales and transfers	468	360	—	828	39	866	(866)	—
Total	136,781	67,336	2,546	206,663	4,089	210,752	(866)	209,886
Segment profit (loss)	8,399	3,786	(697)	11,487	152	11,640	53	11,692
Equity in profit of affiliates	494	—	—	494	—	494	—	494
Other income and expenses (net)	1,475	1,159	(11)	2,623	16	2,639	—	2,639
Operating profit (loss)	10,368	4,944	(708)	14,604	169	14,773	53	14,826
Finance income and costs (net)								(290)
Profit before taxes								14,535

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

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

For the six months ended September 30, 2023

(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	142,823	67,869	1,952	212,645	5,261	217,906	—	217,906
Intersegment sales and transfers	359	378	—	737	37	774	(774)	—
Total	143,182	68,248	1,952	213,382	5,298	218,680	(774)	217,906
Segment profit (loss)	5,991	2,757	(1,205)	7,543	407	7,950	8	7,959
Equity in profit (loss) of affiliates	643	—	—	643	—	643	(0)	643
Other income and expenses (net)	2,174	322	19	2,515	6	2,520	—	2,520
Operating profit (loss)	8,808	3,080	(1,187)	10,701	413	11,113	8	11,121
Finance income and costs (net)								(451)
Profit before taxes								10,670

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

2. ¥8 million of adjustment of segment profit is the elimination of intersegment transactions.

*With regard to the changes of reportable segment

We have included a part of product of "Others" into the "Automotive Components" from the current 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 FY2023 Financial Results Supplementary Information

1. Breakdown of sales

	FY2022 2Q		FY2023 2Q		Differences	
	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio
Automotive Components	136,313	64.9%	142,823	65.5%	6,511	4.8%
Shock absorber for automobiles	99,019	47.2%	103,236	47.4%	4,217	4.3%
Shock absorber for motorcycles	20,851	9.9%	20,497	9.4%	△ 354	-1.7%
Hydraulic equipment for automobiles	10,739	5.1%	11,676	5.4%	937	8.7%
Others	5,704	2.7%	7,415	3.4%	1,710	30.0%
Hydraulic Components	66,977	31.9%	67,869	31.1%	893	1.3%
Hydraulic equipment for industrial use	63,879	30.4%	64,171	29.4%	291	0.5%
System products	1,364	0.6%	2,047	0.9%	683	50.1%
Others	1,733	0.8%	1,652	0.8%	△ 81	-4.7%
Aircraft Components	2,546	1.2%	1,952	0.9%	△ 594	-23.3%
Aircraft Components	2,546	1.2%	1,952	0.9%	△ 594	-23.3%
Special-purpose Vehicles and others	4,050	1.9%	5,261	2.4%	1,210	29.9%
Special-purpose Vehicles	4,050	1.9%	5,261	2.4%	1,210	29.9%
Others	—	—	—	—	—	—
Total	209,886	100.0%	217,906	100.0%	8,020	3.8%

2. FOREX Rate

(¥)

Average FOREX Rate	FY2022				FY2023	
	Apr-Jun 2022	Apr-Sep 2022	Apr-Dec 2022	Full year	Apr-Jun 2023	Apr-Sep 2023
JPY/USD	129.57	133.97	136.53	135.48	137.36	140.99
JPY/EUR	138.10	138.72	140.59	140.97	149.46	153.37
JPY/CNY	19.57	19.88	19.88	19.74	19.55	19.74

(¥)

FOREX Rate prevailing at the end of quarter	FY2022				FY2023	
	30 Jun 2021	30 Sep 2021	31 Dec 2021	31 Mar 2022	30 Jun 2022	30 Sep 2022
JPY/USD	136.69	144.81	132.70	133.54	144.99	149.58
JPY/EUR	142.65	142.32	141.44	145.72	157.56	157.97
JPY/CNY	20.39	20.37	19.02	19.42	19.95	20.46

3. Segment sales (*2)

(¥ million)

	FY2022				FY2023	
	1Q	2Q	3Q	4Q	1Q	2Q
Automotive Components	64,659	71,654	68,176	75,203	69,355	73,468
Hydraulic Components	32,379	34,598	35,715	35,184	34,042	33,828
Aircraft Components	1,476	1,070	796	1,074	1,202	750
Special-purpose Vehicles and others	1,895	2,156	2,244	2,927	2,669	2,592
Total	100,409	109,477	106,931	114,388	107,268	110,638

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

(¥ million)

	FY2022				FY2023	
	1Q	2Q	3Q	4Q	1Q	2Q
Automotive Components	3,937	4,496	3,598	6,763	2,948	3,049
Hydraulic Components	1,898	1,905	1,917	1,807	1,365	1,395
Aircraft Components	△ 146	△ 551	△ 398	△ 330	△ 299	△ 906
Special-purpose Vehicles and others	△ 10	164	139	312	189	218
Total	5,679	6,014	5,256	8,551	4,203	3,755

5. Capital Expenditure, Depreciation

(¥ million)

	FY2022				FY2023	
	1Q	2Q	3Q	4Q	1Q	2Q
Capital Expenditure	2,788	3,764	3,114	4,375	3,792	4,457
Depreciation Expenses	4,587	4,630	4,799	4,636	4,625	4,581

6. R&D Expenses

(¥ million)

	FY2022				FY2023	
	1Q	2Q	3Q	4Q	1Q	2Q
R&D Expenses	1,734	1,711	1,817	1,877	1,860	1,930

7. Foreign Exchange gain or loss (*3)

(¥ million)

	FY2022				FY2023	
	1Q	2Q	3Q	4Q	1Q	2Q
Other Income / Other Expenses	1,242	761	△ 868	433	1,697	408
Finance Income / Finance Costs	△ 54	△ 63	157	△ 136	202	△ 13
Total	1,188	698	△ 711	298	1,899	394

(*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

Products included in "Others" of "Special Vehicles and Others" are included in "Others" of "Automotive Components" from the current first quarter. As a result of reviewing the segment management classification due to the reorganization of the KAYABA Group.

(*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.