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FLASH REPORT

February. 8, 2024

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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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated financial 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	%
Nine months ended								
December 31, 2023	328,736	3.8	12,246	(27.7)	15,388	(24.6)	14,605	(27.5)
December 31, 2022	316,817	10.7	16,948	(10.4)	20,419	(12.5)	20,139	(9.2)

	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
Nine months ended							
December 31, 2023	11,989	(25.5)	10,957	(26.8)	19,091	(11.3)	405.26
December 31, 2022	16,101	(12.2)	14,974	(13.8)	21,520	2.4	558.49

	Diluted earnings per share
Nine months ended	Yen
December 31, 2023	405.22
December 31, 2022	558.37

*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
December 31, 2023	455,239	199,888	191,302	42.0	7,140.91
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	443,000	2.7	20,000	(21.6)	22,000	(32.4)	21,000	(33.9)

	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	16,000	(44.2)	14,000	(48.5)	516.33

*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	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 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 December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	43,585	50,619
Trade and other receivables	120,247	119,136
Inventories	70,535	70,561
Other current financial assets	4,166	1,936
Other current assets	13,419	11,699
Total current assets	251,952	253,951
Non-current assets:		
Property, plant and equipment	158,360	159,919
Goodwill	268	525
Intangible assets	3,218	3,052
Investments accounted for using the equity method	6,960	8,120
Other non-current financial assets	16,205	19,519
Other non-current assets	7,117	7,537
Deferred tax assets	2,755	2,615
Total non-current assets	194,884	201,288
Total assets	446,836	455,239

(Unit: Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities and equity		
Current liabilities:		
Trade and other payables	84,114	84,286
Borrowings	69,053	61,719
Income tax payables	2,545	837
Other current financial liabilities	30,360	28,327
Provisions	8,357	9,654
Other current liabilities	2,774	1,314
Total current liabilities	197,204	186,137
Non-current liabilities:		
Bonds and borrowings	15,490	26,017
Liabilities for retirement benefits	4,653	4,763
Other non-current financial liabilities	24,859	23,711
Provisions	5,490	5,727
Other non-current liabilities	522	415
Deferred tax liabilities	7,582	8,580
Total non-current liabilities	58,596	69,214
Total liabilities	255,800	255,351
Equity		
Equity attributable to owners of the parent:		
Share capital	27,648	27,648
Capital surplus	38,371	38,363
Retained earnings	98,492	102,646
Treasury shares	(583)	(3,080)
Other components of equity	18,903	25,725
Total equity attributable to owners of the parent	182,830	191,302
Non-controlling interests	8,206	8,586
Total equity	191,036	199,888
Total liabilities and equity	446,836	455,239

Consolidated Statements of Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the nine months ended December 31, 2022 (Apr. 1, 2022 through Dec. 31, 2022)	For the nine months ended December 31, 2023 (Apr. 1, 2023 through Dec. 31, 2023)
Net sales	316,817	328,736
Cost of sales	255,289	271,483
Gross profit	61,528	57,253
Selling, general and administrative expenses	44,579	45,008
Equity in profit of affiliates	781	1,014
Other income	2,338	3,198
Other expenses	(352)	1,069
Operating profit	20,419	15,388
Finance income	881	889
Finance costs	1,161	1,672
Profit before taxes	20,139	14,605
Income tax expenses	4,039	2,616
Profit for the period	16,101	11,989
Profit attributable to:		
Owners of the parent	14,974	10,957
Non-controlling interests	1,127	1,032
Profit for the period	16,101	11,989
Earnings per share		
Basic earnings per share (in yen)	558.49	405.26
Diluted earnings per share (in yen)	558.37	405.22

Consolidated Statements of Comprehensive Income

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the nine months ended December 31, 2022 (Apr. 1, 2022 through Dec. 31, 2022)	For the nine months ended December 31, 2023 (Apr. 1, 2023 through Dec. 31, 2023)
Profit for the period	16,101	11,989
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	286	2,287
Remeasurements of defined benefit plans	(1)	(5)
Share of other comprehensive income of investments accounted for using the equity method	(15)	(9)
Total	271	2,272
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations	4,434	4,244
Share of other comprehensive income of investments accounted for using the equity method	715	586
Total	5,149	4,830
Total other comprehensive income	5,420	7,102
Comprehensive income for the period	21,520	19,091
Comprehensive income for the period attributable to:		
Owners of the parent	20,187	17,742
Non-controlling interests	1,333	1,348
Comprehensive income for the period	21,520	19,091

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	-	-	14,974	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	14,974	-
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	-	29	-	-
Dividends of surplus	-	-	(4,259)	-
Transfer to retained earnings	-	-	(105)	-
Total contributions by and distributions to owners in their capacity as owners	-	6	(4,363)	23
Changes in equity interest of subsidiaries:				
Dividends of surplus	-	-	-	-
Total changes in equity interest of subsidiaries	-	-	-	-
Total transactions with owners	-	6	(4,363)	23
Balance at December 31, 2022	27,648	38,357	86,618	(582)

Balance at April 1, 2023	27,648	38,371	98,492	(583)
Comprehensive income for the period:				
Profit for the period	-	-	10,957	-
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	10,957	-
Transactions with owners:				
Contributions by and distributions to owners in their capacity as owners:				
Acquisition of treasury shares	-	-	-	(2,517)
Disposal of treasury shares	-	(20)	-	20
Share-based payment transactions	-	12	-	-
Dividends of surplus	-	-	(6,766)	-
Transfer to retained earnings	-	-	(37)	-
Total contributions by and distributions to owners in their capacity as owners	-	(8)	(6,803)	(2,497)
Dividends of surplus	-	-	-	-
Total changes in equity interest of subsidiaries	-	-	-	-
Total transactions with owners	-	(8)	(6,803)	(2,497)
Balance at December 31, 2023	27,648	38,363	102,646	(3,080)

(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	-	-	-	-	14,974	1,127	16,101
Other comprehensive income	286	(15)	4,942	5,213	5,213	206	5,420
Total comprehensive income for the period	286	(15)	4,942	5,213	20,187	1,333	21,520
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	-	-	-	-	29	-	29
Dividends of surplus	-	-	-	-	(4,259)	-	(4,259)
Transfer to retained earnings	90	15	-	105	-	-	-
Total contributions by and distributions to owners in their capacity as owners	90	15	-	105	(4,230)	-	(4,230)
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	90	15	-	105	(4,230)	(1,121)	(5,351)
Balance at December 31, 2022	3,483	-	13,844	17,328	169,368	7,716	177,084
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	-	-	-	-	10,957	1,032	11,989
Other comprehensive income	2,287	(12)	4,510	6,785	6,785	317	7,102
Total comprehensive income for the period	2,287	(12)	4,510	6,785	17,742	1,348	19,091
Transactions with owners:							
Contributions by and distributions to owners in their capacity as owners:							
Acquisition of treasury shares	-	-	-	-	(2,517)	-	(2,517)
Disposal of treasury shares	-	-	-	-	0	-	0
Share-based payment transactions	-	-	-	-	12	-	12
Dividends of surplus	-	-	-	-	(6,766)	-	(6,766)
Transfer to retained earnings	25	12	-	37	-	-	-
Total contributions by and distributions to owners in their capacity as owners	25	12	-	37	(9,271)	-	(9,271)
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	12	-	37	(9,271)	(968)	(10,239)
Balance at December 31, 2023	6,410	-	19,315	25,725	191,302	8,586	199,888

Consolidated Statements of Cash Flows

KYB Corporation and its Consolidated Subsidiaries

(Unit: Millions of yen)

	For the nine months ended December 31, 2022 (Apr. 1, 2022 through Dec. 31, 2022)	For the nine months ended December 31, 2023 (Apr. 1, 2023 through Dec. 31, 2023)
Cash flows from operating activities:		
Profit before taxes	20,139	14,605
Depreciation and amortization	14,016	13,996
Impairment losses	672	545
Reversal gain of impairment losses	(15)	(28)
Gain on sales of fixed asset	(72)	(90)
Increase (decrease) in assets and liabilities for retirement benefits	(157)	(227)
Increase (decrease) in provisions for product warranties	(5,149)	(1,679)
Finance income	(881)	(889)
Finance costs	1,161	1,672
Equity in profit of affiliates	(781)	(1,014)
(Increase) decrease in trade and other receivables	(5,585)	5,035
(Increase) decrease in inventories	(2,686)	3,130
Increase (decrease) in trade and other payables	519	(2,567)
Other	(524)	(321)
Subtotal	20,658	32,169
Interest received	312	386
Dividends received	1,153	945
Interest paid	(1,108)	(1,622)
Income taxes paid	(6,127)	(2,183)
Payments of loss associated with the Anti-Trust law	(1,095)	(941)
Net cash from operating activities	13,793	28,755
Cash flows from investing activities:		
Payment into time deposits	(1,396)	(383)
Proceeds from withdrawal of time deposits	-	2,736
Payment for purchases of property, plant and equipment	(8,422)	(10,166)
Proceeds from sales of property, plant and equipment	144	254
Payment for purchases of other financial assets	(4)	(12)
Proceeds from sale of other financial assets	225	0
Other	(82)	(826)
Net cash flows from investing activities	(9,536)	(8,398)

(Unit: Millions of yen)

	For the nine months ended December 31, 2022 (Apr. 1, 2022 through Dec. 31, 2022)	For the nine months ended December 31, 2023 (Apr. 1, 2023 through Dec. 31, 2023)
Cash flows from financing activities:		
Net increase (decrease) in short-term borrowings	4,767	(5,613)
Repayments of lease liabilities	(4,640)	(4,578)
Proceeds from long-term borrowings	1,759	11,400
Repayment of long-term borrowings	(8,201)	(4,699)
Payments for purchase of treasury shares	(1)	(2,517)
Proceeds from sales of treasury shares	-	0
Dividends paid	(4,259)	(6,766)
Dividends paid to non-controlling interests	(1,121)	(968)
Net cash flows from financing activities	(11,696)	(13,741)
Effect of changes in foreign exchange rates	908	419
Net increase (decrease) in cash and cash equivalents	(6,531)	7,034
Cash and cash equivalents at beginning of period	52,118	43,585
Cash and cash equivalents at end of period	45,588	50,619

Segment Information

KYB Corporation and its Consolidated Subsidiaries

For the nine months ended December 31, 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	204,481	102,691	3,342	310,515	6,302	316,817	—	316,817
Intersegment sales and transfers	620	559	—	1,179	57	1,236	(1,236)	—
Total	205,102	103,250	3,342	311,694	6,359	318,053	(1,236)	316,817
Segment profit (loss)	11,988	5,702	(1,095)	16,594	299	16,893	55	16,948
Equity in profit of affiliates	781	—	—	781	—	781	(0)	781
Other income and expenses (net)	732	1,944	(29)	2,647	43	2,690	(0)	2,690
Operating profit (loss)	13,500	7,646	(1,124)	20,022	342	20,364	55	20,419
Finance income and costs (net)								(280)
Profit before taxes								20,139

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

2. ¥55 million of adjustment of segment profit is the elimination of intersegment transactions.

For the nine months ended December 31, 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	216,364	101,335	3,115	320,814	7,922	328,736	—	328,736
Intersegment sales and transfers	482	608	—	1,090	59	1,150	(1,150)	—
Total	216,846	101,944	3,115	321,905	7,981	329,886	(1,150)	328,736
Segment profit (loss)	9,111	4,000	(1,370)	11,741	521	12,262	(16)	12,246
Equity in profit of affiliates	1,014	—	—	1,014	—	1,014	(0)	1,014
Other income and expenses (net)	2,162	(41)	(3)	2,118	11	2,129	—	2,129
Operating profit (loss)	12,287	3,959	(1,373)	14,873	532	15,404	(16)	15,388
Finance income and costs (net)								(783)
Profit before taxes								14,605

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

2. ¥(16) 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.

Third Quarter of FY2023 Financial Results Supplementary Information

1. Breakdown of sales

	FY2022 3Q		FY2023 3Q		Differences	
	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio	Sales (¥ million)	composition ratio
Automotive Components	204,481	64.5%	216,364	65.8%	11,883	5.8%
Shock absorber for automobiles	147,519	46.6%	157,259	47.8%	9,740	6.6%
Shock absorber for motorcycles	33,067	10.4%	30,894	9.4%	△ 2,173	-6.6%
Hydraulic equipment for automobiles	15,704	5.0%	17,399	5.3%	1,695	10.8%
Others	8,191	2.6%	10,813	3.3%	2,621	32.0%
Hydraulic Components	102,691	32.4%	101,335	30.8%	△ 1,356	-1.3%
Hydraulic equipment for industrial use	98,041	30.9%	94,697	28.8%	△ 3,343	-3.4%
System products	2,053	0.6%	4,147	1.3%	2,095	102.1%
Others	2,598	0.8%	2,490	0.8%	△ 108	-4.2%
Aircraft Components	3,342	1.1%	3,115	0.9%	△ 227	-6.8%
Aircraft Components	3,342	1.1%	3,115	0.9%	△ 227	-6.8%
Special-purpose Vehicles and others	6,302	2.0%	7,922	2.4%	1,620	25.7%
Special-purpose Vehicles	6,302	2.0%	7,922	2.4%	1,620	25.7%
Others	—	—	—	—	—	—
Total	316,817	100.0%	328,736	100.0%	11,919	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	Apr-Dec 2023
JPY/USD	129.57	133.97	136.53	135.48	137.36	140.99	143.29
JPY/EUR	138.10	138.72	140.59	140.97	149.46	153.37	155.28
JPY/CNY	19.57	19.88	19.88	19.74	19.55	19.74	19.97

(¥)

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	31 Dec 2022
JPY/USD	136.69	144.81	132.70	133.54	144.99	149.58	141.82
JPY/EUR	142.65	142.32	141.44	145.72	157.56	157.97	157.09
JPY/CNY	20.39	20.37	19.02	19.42	19.95	20.46	19.94

3. Segment sales (*2)

(¥ million)

	FY2022				FY2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Automotive Components	64,659	71,654	68,169	75,210	69,355	73,468	73,541
Hydraulic Components	32,379	34,598	35,715	35,184	34,042	33,828	33,466
Aircraft Components	1,476	1,070	796	1,074	1,202	750	1,163
Special-purpose Vehicles and others	1,895	2,156	2,251	2,920	2,669	2,592	2,661
Total	100,409	109,477	106,931	114,388	107,268	110,638	110,830

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

(¥ million)

	FY2022				FY2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Automotive Components	3,937	4,496	3,598	6,763	2,948	3,049	3,104
Hydraulic Components	1,898	1,905	1,917	1,807	1,365	1,395	1,235
Aircraft Components	△ 146	△ 551	△ 398	△ 330	△ 299	△ 906	△ 165
Special-purpose Vehicles and others	△ 10	164	139	312	189	218	113
Total	5,679	6,014	5,256	8,551	4,203	3,755	4,287

5. Capital Expenditure, Depreciation

(¥ million)

	FY2022				FY2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Capital Expenditure	2,788	3,764	3,114	4,375	3,792	4,457	5,527
Depreciation Expenses	4,587	4,630	4,799	4,636	4,625	4,581	4,789

6. R&D Expenses

(¥ million)

	FY2022				FY2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
R&D Expenses	1,734	1,711	1,817	1,877	1,860	1,930	2,016

7. Foreign Exchange gain or loss (*3)

(¥ million)

	FY2022				FY2023		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Other Income / Other Expenses	1,242	761	△ 868	433	1,697	408	△ 477
Finance Income / Finance Costs	△ 54	△ 63	157	△ 136	202	△ 13	△ 82
Total	1,188	698	△ 711	298	1,899	394	△ 559

(*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 KYB 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.