



FY2023

Financial Information

May 10, 2024

KYB Corporation

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

FY2023 Performance Overview

*Segment profits correspond to operating income in JGAAP.

- ✓ **Increase in Net Sales, Decrease in Profits (Operating Profit ¥32.5 bn → ¥22.4 bn)**
 - Despite a decline in sales resulting from the economic slowdown in China, the offsetting effects of cost recovery from inflation and the depreciation of the yen contributed to a net sales increase of approximately 3%.
 - Segment profits* and operating profit decreased due to the following factors:
 - 1) Increased costs due to decreased productivity in the United States and Mexico
 - 2) Changes in product mix due to a decrease in sales of aftermarket products
 - 3) Decrease in sales volume of construction machinery products due to the downturn in the Chinese and European markets

FY2024 Forecast

- ✓ **Increase in Net Sales and Profits (Operating Profit ¥22.4 bn → ¥22.5 bn)**
 - Despite the continued decline in sales volume for construction machinery products due to the downturn in the Chinese market, an increase in commercial product sales and cost reductions are expected to lead to higher segment profits and operating profit.

Return to Shareholders

- ✓ **Annual dividend for FY2023: ¥200 per share**
(No change from the previous forecast announced in February)
 - Interim dividend: ¥100 per share Year end dividend forecast: ¥100 per share
- ✓ **Annual dividend forecast for FY2024: ¥200 per share**
 - Interim dividend forecast: ¥100 per share Year end dividend forecast: ¥100 per share

FY2023 Financial Summary



Our Precision, Your Advantage

(¥ Billion)	IFRS			Differences
	FY2022 actual	FY2023 forecast (as of Feb.)	FY2023 actual	Previous period
Net sales	431.2	443.0	442.8	11.6
Segment profits* [Segment profits ratio]	25.5 [5.9%]	20.0 [4.5%]	21.0 [4.7%]	(4.5) [(1.2)%]
Operating profit [Operating profit ratio]	32.5 [7.5%]	22.0 (5.0%)	22.4 [5.1%]	(10.1) [(1.4)%]
Profit attributable to owners of the parent	27.2	14.0	15.8	(11.4)
FOREX (Average) (¥)				
JPY/ US\$	135.48	140.97	144.62	
JPY/ EUR	140.97	152.96	156.78	

*Segment profits correspond to operating income in JGAAP.

FY2023 Net Sales and Segment Profits



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(¥ Billion)	Net Sales			Segment Profits		
	FY2022 actual	FY2023 actual	Differences	FY2022 actual	FY2023 actual	Differences
AC	279.7	293.0	13.3	18.8	16.5	(2.3)
HC	137.9	134.4	(3.4)	7.5	5.4	(2.1)
Aircraft Components	4.4	3.9	(0.5)	(1.4)	(2.0)	(0.6)
Others	9.2	11.4	2.2	0.6	1.1	0.5
Total	431.2	442.8	11.6	25.5	21.0	(4.5)

AC: Automotive Components

HC: Hydraulic Components

Others: Special-purpose vehicles, etc.

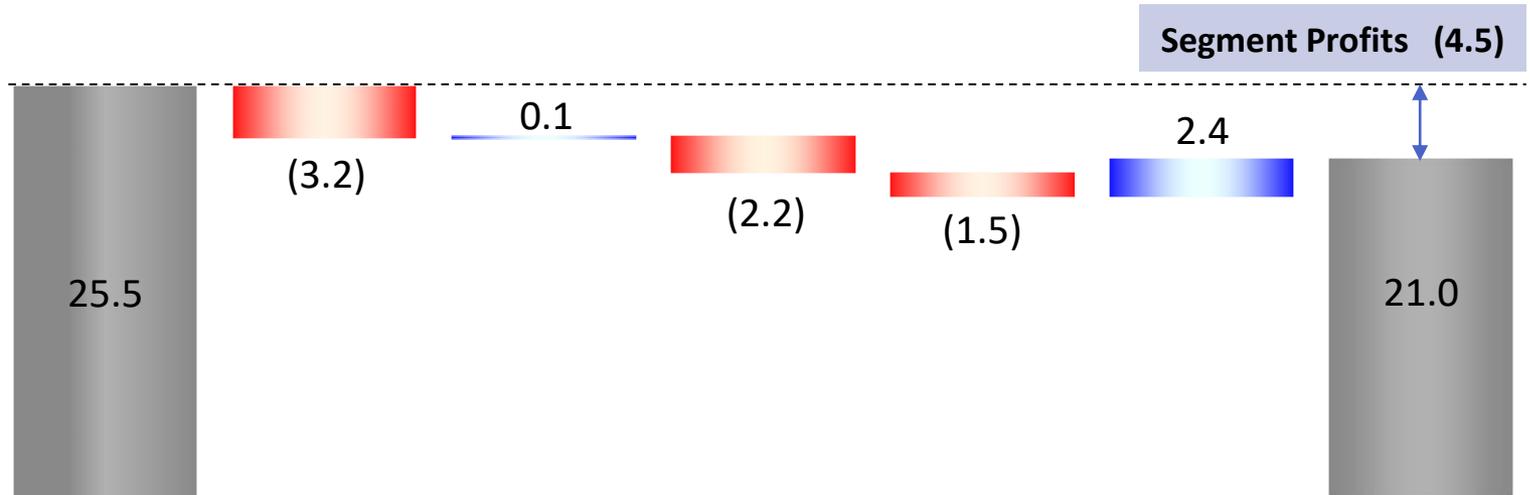
FY2023 Changes in Segment Profits

(Comparison with previous period)



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(¥ Billion)



	FY2022 actual	Changes in sales and variable costs	Depreciation expenses	Personnel expenses	Other expenses	Impact of foreign exchange	FY2023 actual
AC	18.8	(0.0)	(0.0)	(3.1)	(1.1)	2.0	16.5
HC	7.5	(3.0)	0.1	0.9	(0.3)	0.2	5.4
Aircraft Components	(1.4)	(1.0)	0.0	0.3	0.0	0	(2.0)
Others	0.6	0.7	0.0	(0.3)	(0.1)	0.2	1.1
Total	25.5	(3.2)	0.1	(2.2)	(1.5)	2.4	21.0

AC: Automotive Components

HC: Hydraulic Components

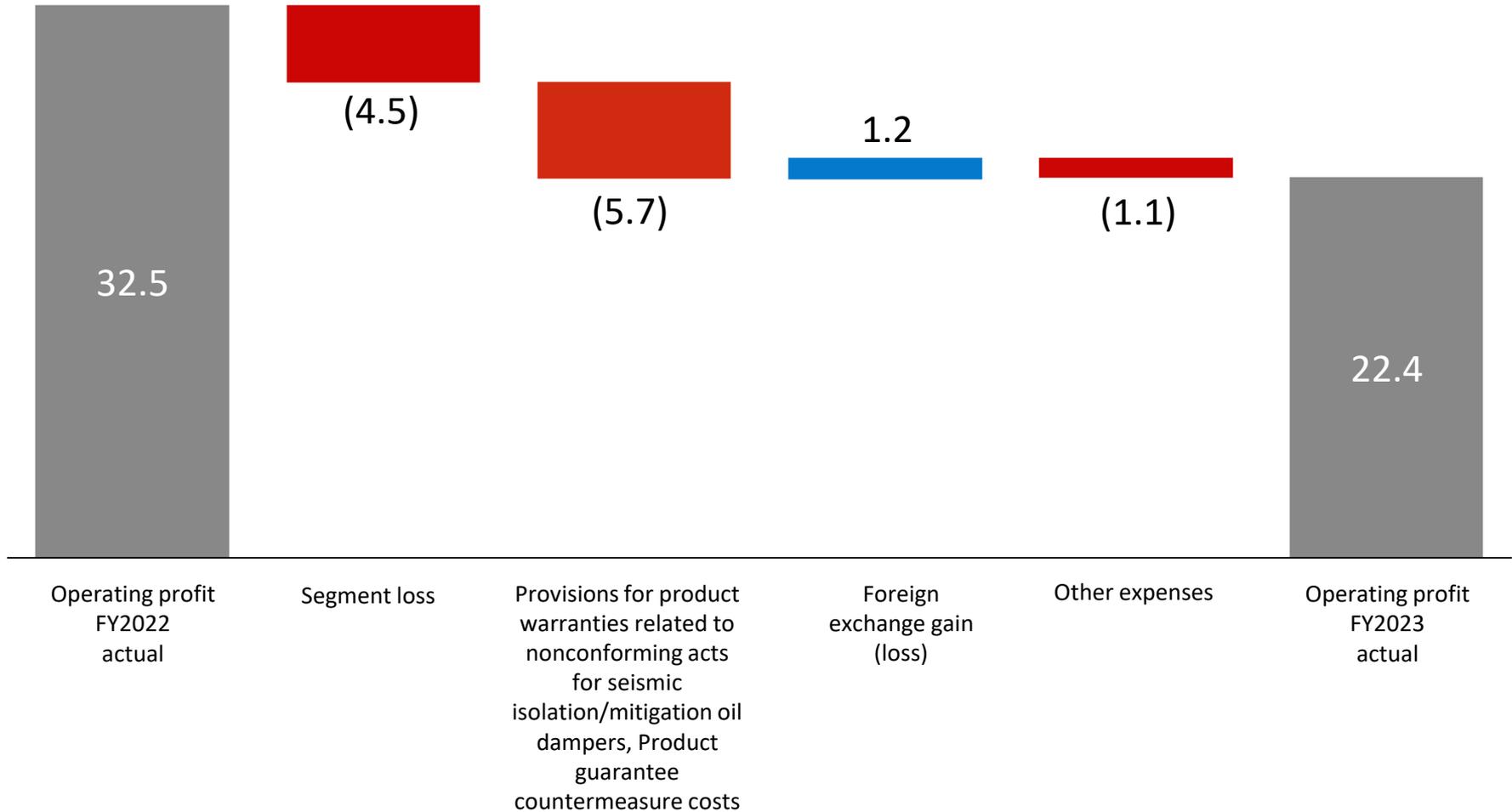
Others: Special-purpose vehicles, etc.

FY2023 Changes in Operating Profit (Comparison with previous period)



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(¥ Billion)



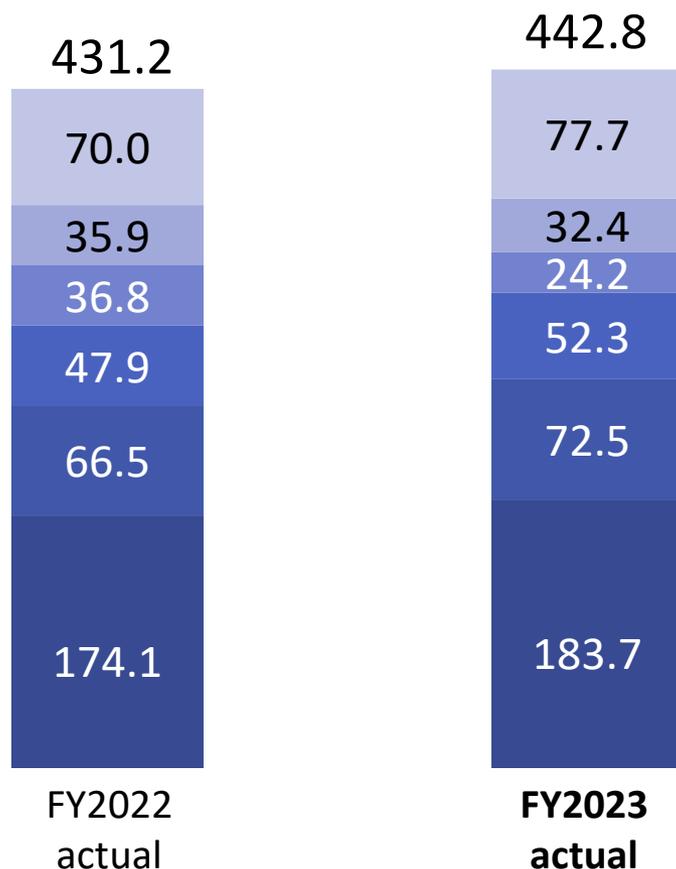
FY2023 Net Sales by Region



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(¥ Billion)

Differences
Previous period



Other	11.0%
Southeast Asia	(9.9)%
China	(34.2)%
America	9.2%
Europe	9.1%
Japan	5.5%

Overseas Sales Ratio

59.6% ⇒ 58.5%

Financial Forecast for FY2024



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(¥ Billion)	IFRS		Differences
	FY2023 actual	FY2024 forecast	Previous period
Net sales	442.8	448.0	5.2
Segment profits* [Segment profits ratio]	21.0 [4.7%]	21.5 [4.8%]	0.5
Operating profit	22.4	22.5	0.1
Profit attributable to owners of the parent	15.8	13.5	(2.3)
Dividend (¥)	200	200	0
FOREX (Average) (¥)			
JPY/ US\$	144.62	143.00	
JPY/ EUR	156.78	155.00	

*Segment profits correspond to operating income in JGAAP.

Net Sales and Segment Profits Forecast for FY2024



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(¥ Billion)	Net Sales			Segment Profits		
	FY2023 actual	FY2024 forecast	Differences	FY2023 actual	FY2024 forecast	Differences
AC	293.0	302.0	9.0	16.5	17.0	0.5
HC	134.4	129.3	(5.1)	5.4	4.0	(1.4)
Aircraft Components	3.9	5.1	1.2	(2.0)	(0.2)	1.8
Others	11.4	11.6	0.1	1.1	0.7	(0.4)
Total	442.8	448.0	5.2	21.0	21.5	0.5

AC: Automotive Components

HC: Hydraulic Components

Others: Special-purpose vehicles, etc.

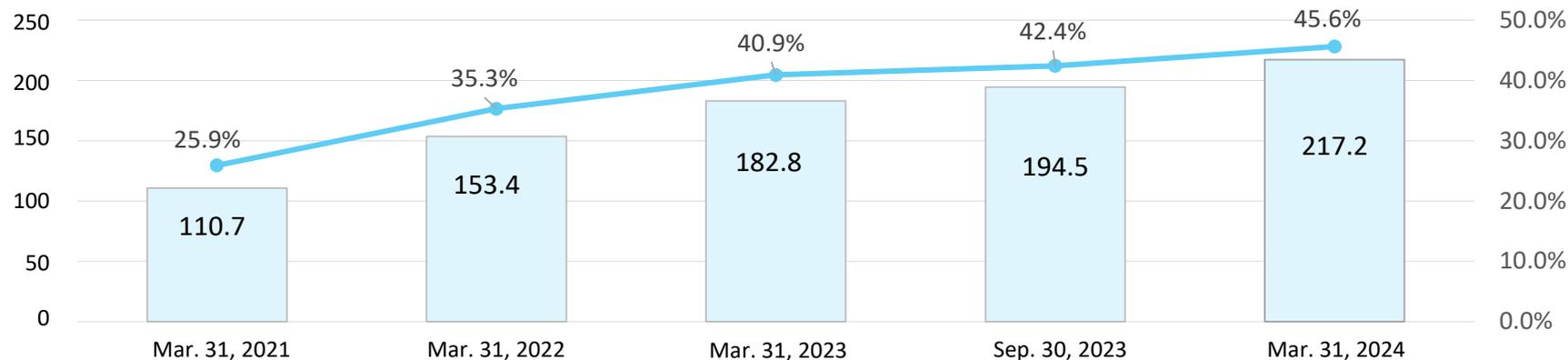
Changes in Equity and Dividends



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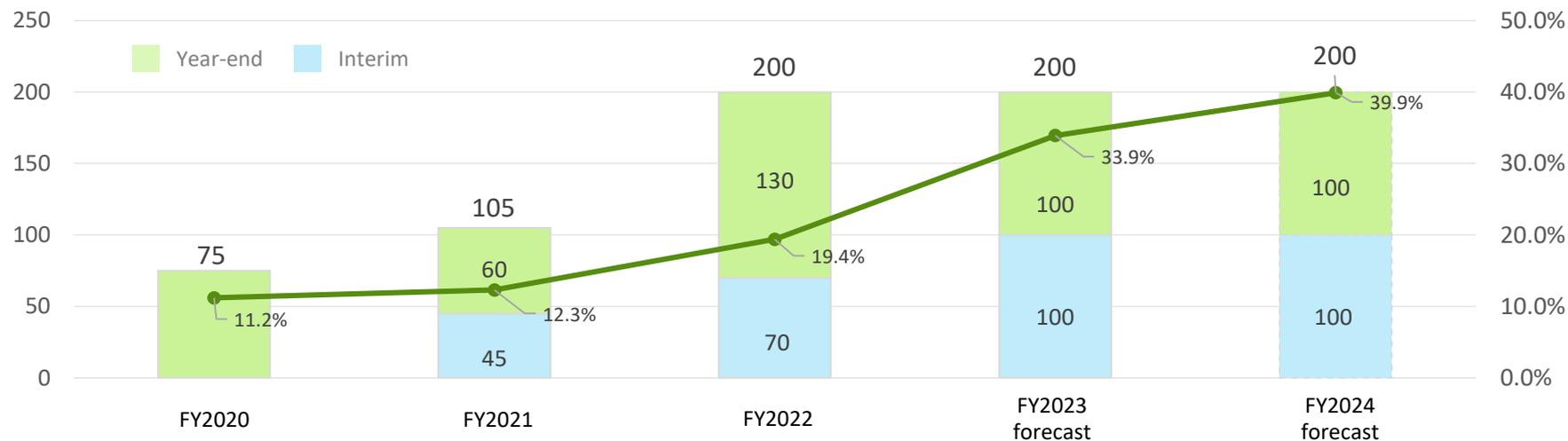
(¥ Billion)

Equity attributable to owners of the parent company



(¥/share)

Actual/forecast dividends and dividend payout ratio





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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FY2023 Net Sales and Segment Profits

(¥ Billion)	Net Sales			Segment Profits		
	FY2022 actual	FY2023 actual	Differences	FY2022 actual	FY2023 actual	Differences
AC	279.7	293.0	13.3	18.8	16.5	(2.3)
Shock absorbers for automobiles	202.2	214.9	12.8	—	—	—
Shock absorbers for motorcycles	45.9	41.3	(4.6)	—	—	—
Hydraulic equipment for automobiles	21.1	22.7	1.7	—	—	—
Others	10.6	14.1	3.5	—	—	—
HC	137.9	134.4	(3.4)	7.5	5.4	(2.1)
Hydraulic equipment for industrial use	130.4	124.6	(5.8)	—	—	—
System products	4.0	6.6	2.6	—	—	—
Others	3.5	3.3	(0.2)	—	—	—
Aircraft Components	4.4	3.9	(0.5)	(1.4)	(2.0)	(0.6)
Others	9.2	11.4	2.2	0.6	1.1	0.5
Total	431.2	442.8	11.6	25.5	21.0	(4.5)

AC: Automotive Components

HC: Hydraulic Components

Others: Special-purpose vehicles, etc.

Net Sales by Region

(¥ Billion)		FY2022				FY2023			
		AC	HC	Others	Total	AC	HC	Others	Total
Japan	1st Half	33.4	44.6	4.5	82.5	38.5	47.1	4.8	90.5
	2nd Half	37.7	49.6	4.4	91.7	38.9	49.0	5.3	93.2
	Total	71.1	94.2	8.8	174.1	77.4	96.1	10.1	183.7
Europe	1st Half	29.2	4.1	0.0	33.3	30.5	4.2	0.0	34.7
	2nd Half	29.1	4.1	0.0	33.2	34.5	3.3	0.0	37.8
	Total	58.3	8.2	0.0	66.5	65.0	7.5	0.0	72.5
America	1st Half	19.6	4.8	0.3	24.7	20.5	4.9	0.2	25.6
	2nd Half	18.5	4.4	0.3	23.1	22.1	4.4	0.1	26.7
	Total	38.2	9.2	0.6	47.9	42.6	9.4	0.3	52.3
China	1st Half	10.7	7.2	0.0	17.9	7.9	4.7	0.0	12.6
	2nd Half	11.9	7.0	0.0	18.9	7.5	4.1	0.0	11.6
	Total	22.5	14.2	0.0	36.8	15.4	8.8	0.0	24.2
South East Asia	1st Half	15.4	2.0	0.0	17.5	13.9	2.6	0.0	16.4
	2nd Half	16.5	2.0	0.0	18.5	13.8	2.2	0.0	15.9
	Total	31.9	4.0	0.0	35.9	27.6	4.7	0.0	32.4
Others	1st Half	27.9	4.3	1.8	34.0	31.5	4.4	2.2	38.1
	2nd Half	29.7	3.9	2.4	36.0	33.4	3.5	2.7	39.6
	Total	57.6	8.1	4.2	70.0	64.9	7.9	4.9	77.7
Total	1st Half	136.3	67.0	6.6	209.9	142.8	67.9	7.2	217.9
	2nd Half	143.4	70.9	7.0	221.3	150.2	66.6	8.1	224.9
	Total	279.7	137.9	13.6	431.2	293.0	134.4	15.3	442.8

Appendix

Financial Data



Our Precision, Your Advantage

Capital Expenditure, Depreciation

(¥ billion)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Capital Expenditure	18.5	22.7	21.5	13.1	14.0	14.0	30.8
Depreciation Exp.	17.0	17.6	20.6	18.6	18.3	18.7	18.9

Interest-bearing Debt

(¥ billion)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Interest-bearing Debt	94.6	108.6	154.6	160.3	124.9	114.7	101.5

R&D Expenses

(¥ billion)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
R&D Expenses	8.1	6.8	6.3	5.4	5.8	7.1	7.6

Cash flows

(¥ billion)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Cash flows from operating activities	29.3	17.1	(5.0)	20.8	24.3	23.9	39.9
Cash flows from investing activities	(16.4)	(13.6)	(21.5)	(6.3)	(10.9)	(13.5)	(23.5)
Cash flows from financing activities	(4.5)	10.4	22.6	1.2	(32.7)	(20.2)	(15.0)

Number of Employees

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Number of Employees	14,754	15,427	15,439	14,718	14,472	13,920	13,634

Foreign Exchange Rate

(¥)	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Estimate FY2024
Average FOREX Rate - JPY/USD	110.85	110.91	108.74	106.06	112.38	135.48	144.26	143.00
Average FOREX Rate - JPY/EUR	129.70	128.40	120.81	123.69	130.56	140.97	156.78	155.00