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# Meeting Materials for Third Quarters (3Qs) of FY2024

February 17, 2024

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



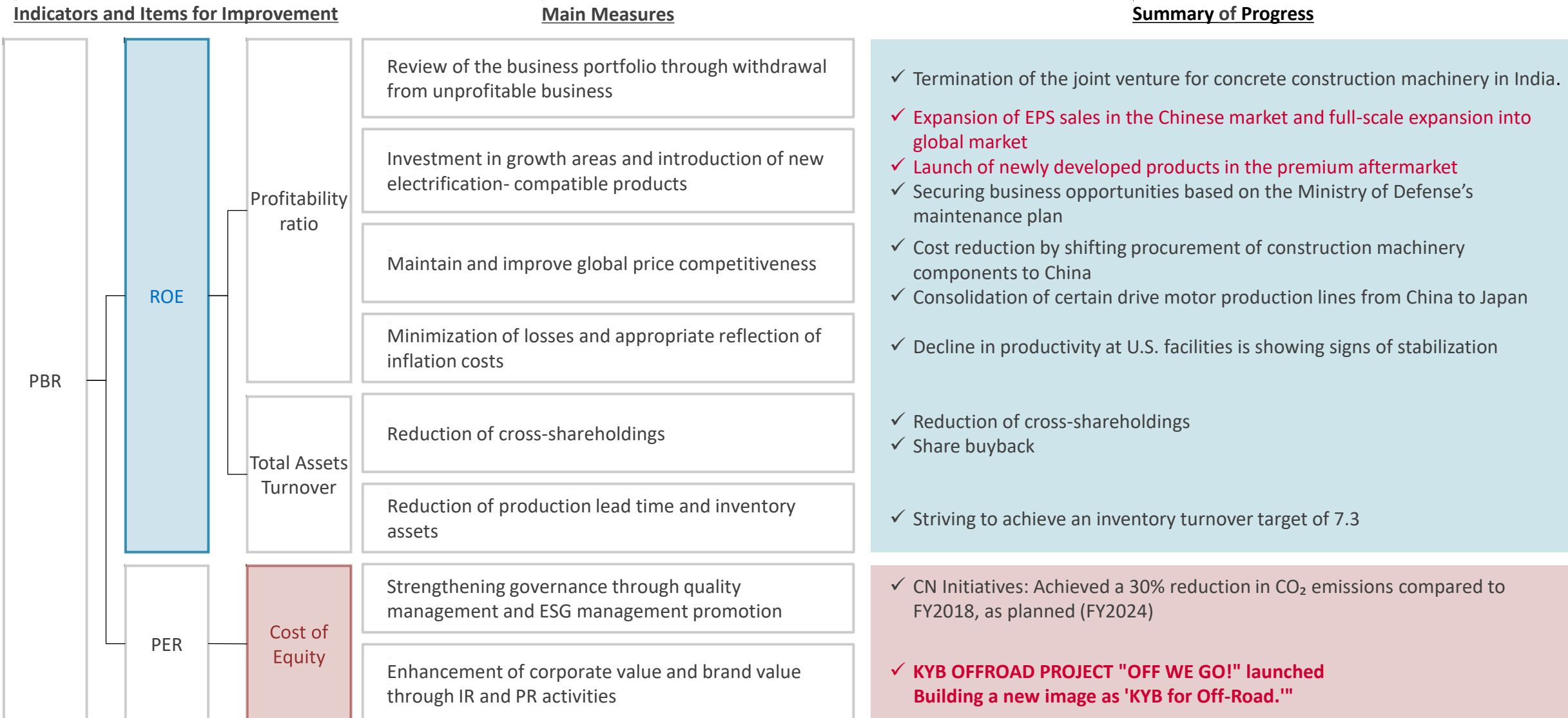
# Action to Implement Management that is Conscious of Cost of Capital and Stock Price

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# Summary of Progress on Measures to Achieve a PBR of 1x



Note: Announced at the FY2023 earnings briefing on May 23, 2024.

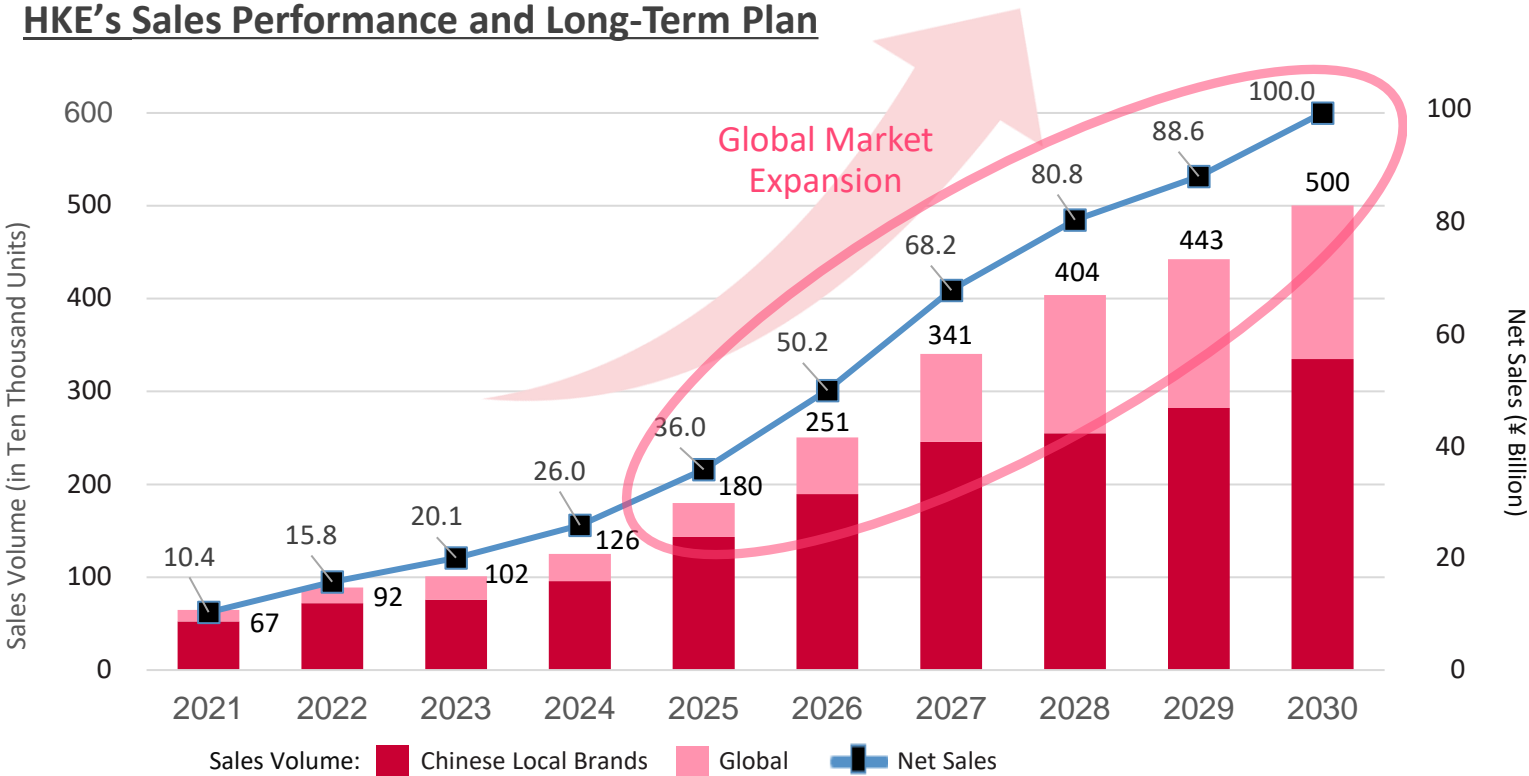
# Expansion of EPS sales in the Chinese market and full-scale expansion into global markets



Hubei Henglong & KYB Automobile Electric Steering System CO., LTD.

- Established: August 2018年
- Business Segment: Electric Power Steering (EPS)

## HKE's Sales Performance and Long-Term Plan

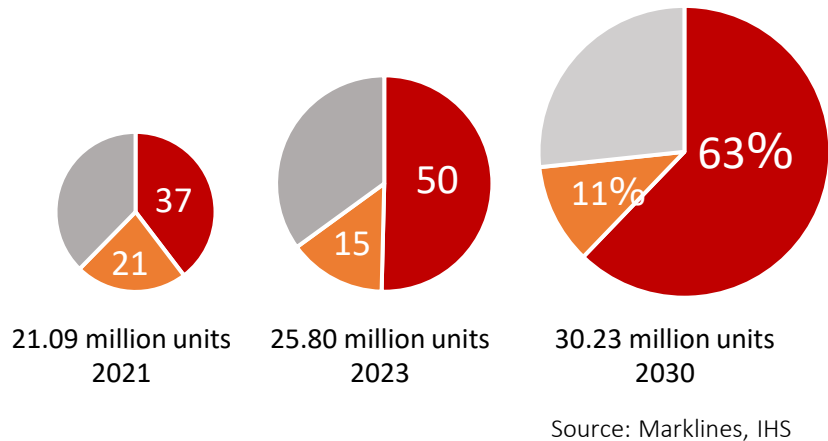


**[Performance] China Market:** HKE is steadily growing alongside the expansion of Chinese local brands.  
(Received additional orders for 40 vehicle models in CY2024, totaling 115 models ordered.)

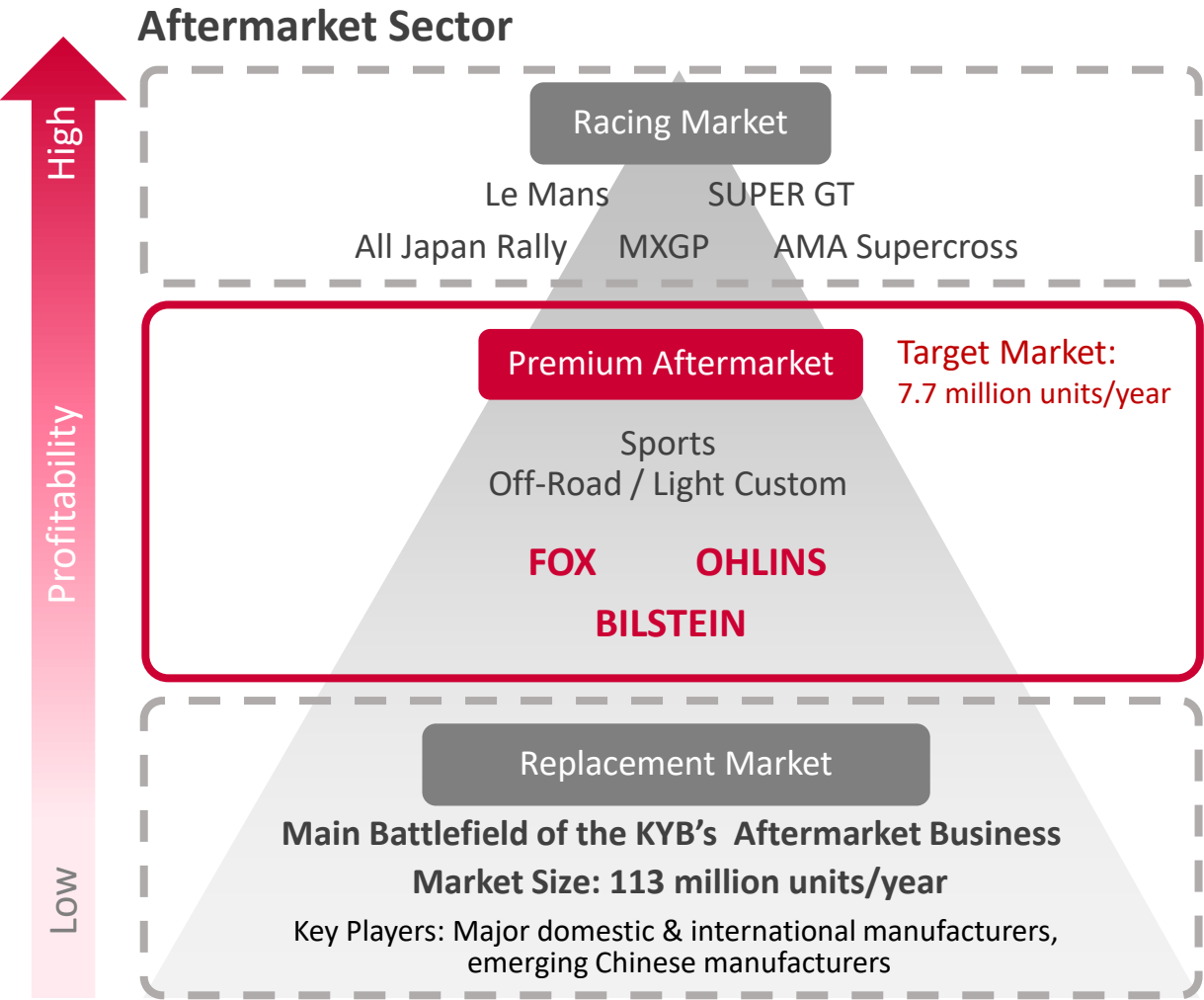
**[Strategy] Global Expansion:** Building on its strong progress in the Chinese market, HKE will fully launch its global market expansion starting in FY2025. (Targeting a 6% global market share by CY2030)

## Local Chinese brands are growing in the Chinese market.

Market Share: ■ Chinese Local Brands ■ Japanese Brands ■ Others

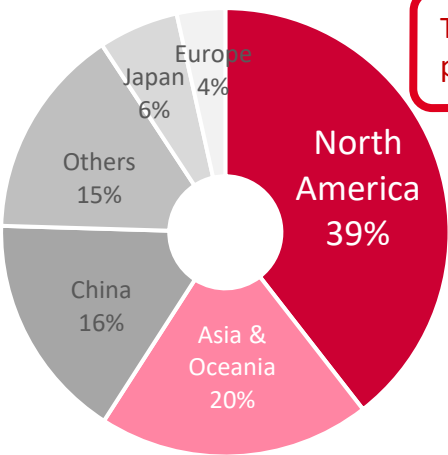


# Launch of newly developed products in the premium aftermarket



**Premium Aftermarket:** High-end shock absorbers designed for customization, tailored for enthusiasts seeking performance and personalization.  
(e.g., lift-up shocks for large-diameter tires and wheels, adjustable damping shocks)

## Premium Aftermarket



North American Market: SUVs & Pickup Trucks account for over 90%

Target zone for developed products: 3 million units/year

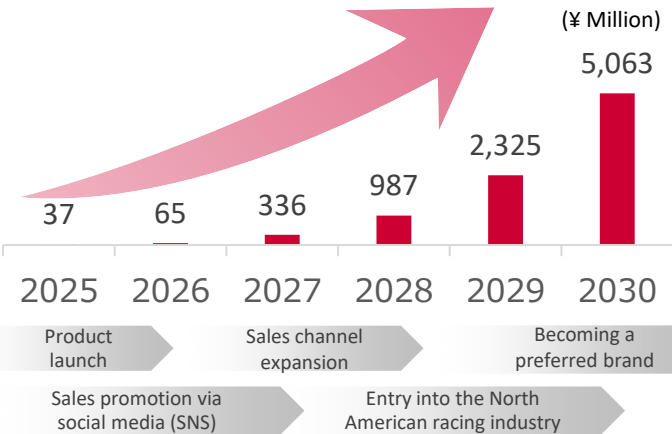


### Product Features

- Durability: Extra-large product diameter
- Trust & Reliability
- Japan Quality
- Color: Matched to market needs

## Sales Expansion Plan

North American SUV & Pickup Truck Market  
Aiming for a 16% market share by 2030



## Brand PR

KYB's New Branding Strategy  
Aiming to establish a strong brand image

# OFF WE GO!

KYB OFFROAD PROJECT

### Brand Concept

From everyday life to extraordinary spaces  
Creating excitement through products and services



## Third Quarters of FY2024 (3Qs)

# Financial Information

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## 3Qs of FY2024 Performance Overview

### ✓ It was almost unchanged (Operating Profit ¥15.4bn → ¥15.3bn)

- Despite increased sales of automotive aftermarket products and the positive impact of yen depreciation, net sales decreased by approximately 2% due to a decline in demand for construction machinery-related products..
- While segment profits\* increased due to cost reductions from productivity improvements in the U.S. and higher sales of automotive aftermarket products, operating profit remained nearly flat due to foreign exchange revaluation of receivables and payables.

\*Segment profits correspond to operating profit in JGAAP.

## FY2024 Forecast

### ✓ The initial forecast remains unchanged

- Taking into account the progress in the 3Qs, the initial forecast remains unchanged.

## Converted Chita Kogyo Co., Ltd. Into a Wholly Owned Subsidiary

### ✓ The tender offer commences on February 7, 2025

## Return to Shareholders

### ✓ Annual dividend forecast: ¥110 per share

- Interim dividend forecast: ¥50 per share (Amounts reflect 2-for-1 stock split on December 3, 2024 (pre-split dividend X 1/2))
- Year end dividend forecast: ¥60 per share (Commemorative dividend ¥5 per share)

### ✓ Decision to acquire treasury shares (Up to ¥20bn)

- Implementation of a flexible capital policy to strengthen shareholder returns and respond to changes in the business environment.

# 3Qs of FY2024 Financial Summary

(¥ Billion)	IFRS		Differences
	3Qs of FY2023 actual	3Qs of FY2024 actual	Previous period
Net sales	328.7	322.8	(5.9)
Segment profits* [Segment profits ratio]	12.2 [ 3.7% ]	13.1 [ 4.1% ]	0.9 [ 0.3% ]
Operating profit [Operating profit ratio]	15.4 [ 4.7% ]	15.3 [ 4.7% ]	(0.1) [ 0.1% ]
Profit attributable to owners of the parent	11.0	9.2	(1.8)
FOREX (Average) (¥)			
JPY/ US\$	143.29	152.56	
JPY/ EUR	155.28	164.81	

\*Segment profits correspond to operating income in JGAAP.



## 3Qs of FY2024 Net Sales and Segment Profits

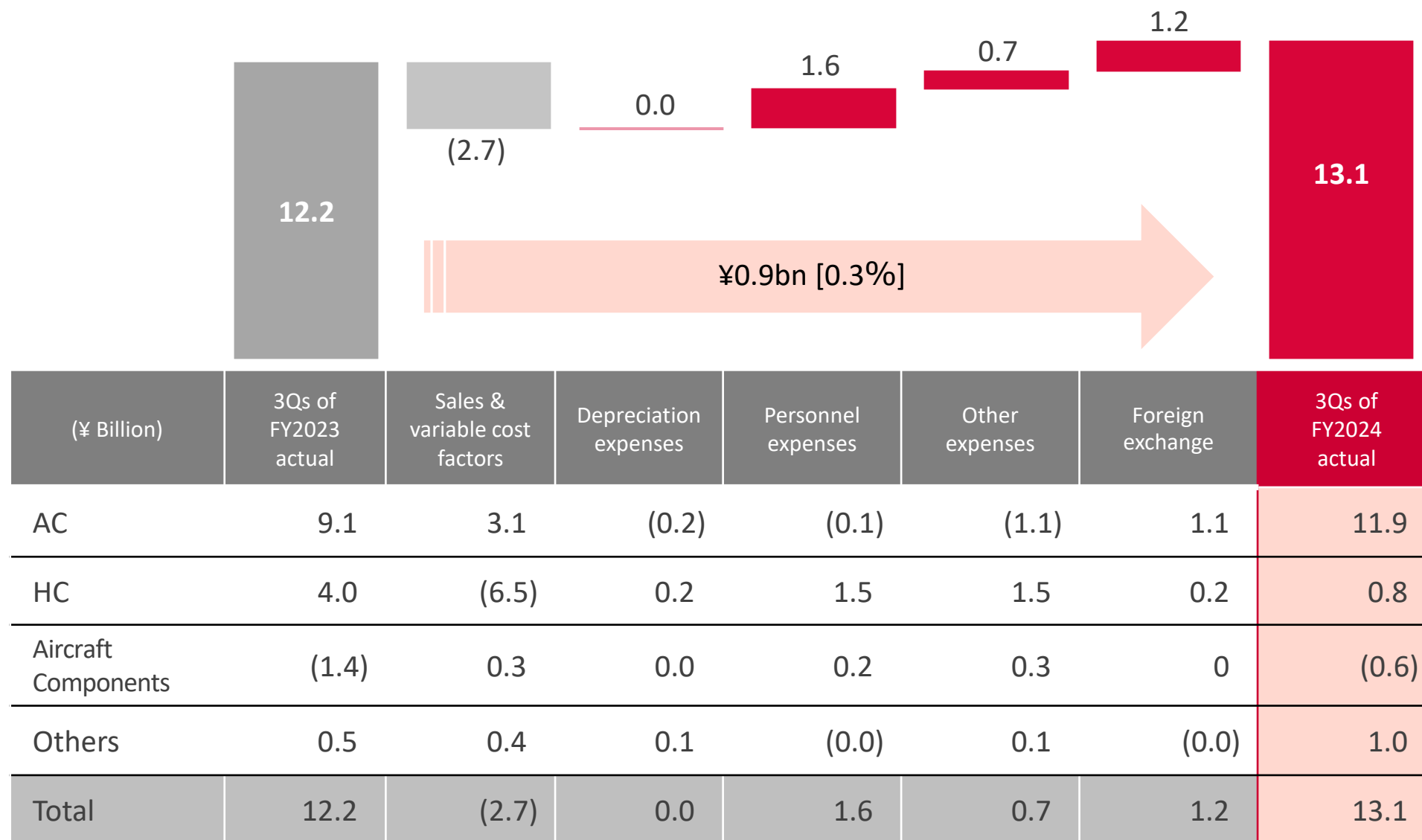
(¥ Billion)	Net Sales			Segment Profits		
	3Qs of FY2023 actual	3Qs of FY2024 actual	Differences	3Qs of FY2023 actual	3Qs of FY2024 actual	Differences
AC	216.4	225.6	9.3	9.1	11.9	2.8
HC	101.3	86.0	(15.3)	4.0	0.8	(3.2)
Aircraft Components	3.1	2.2	(0.9)	(1.4)	(0.6)	0.8
Others	7.9	8.9	1.0	0.5	1.0	0.4
Total	328.7	322.8	(5.9)	12.2	13.1	0.9

AC: Automotive Components

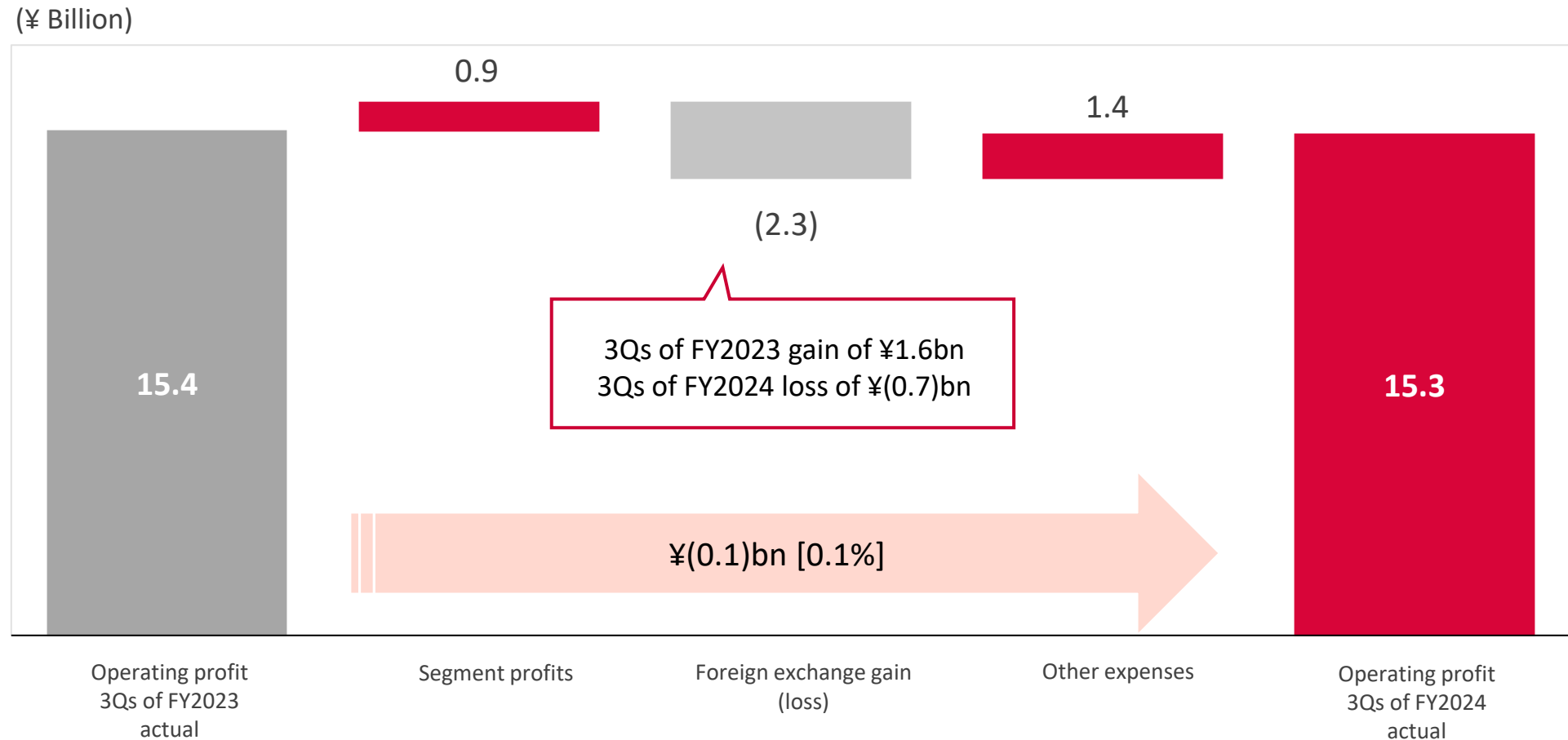
HC: Hydraulic Components

Others: Special-purpose vehicles, etc.

# 3Qs of FY2024 Changes in Segment Profits (Comparison with previous period)

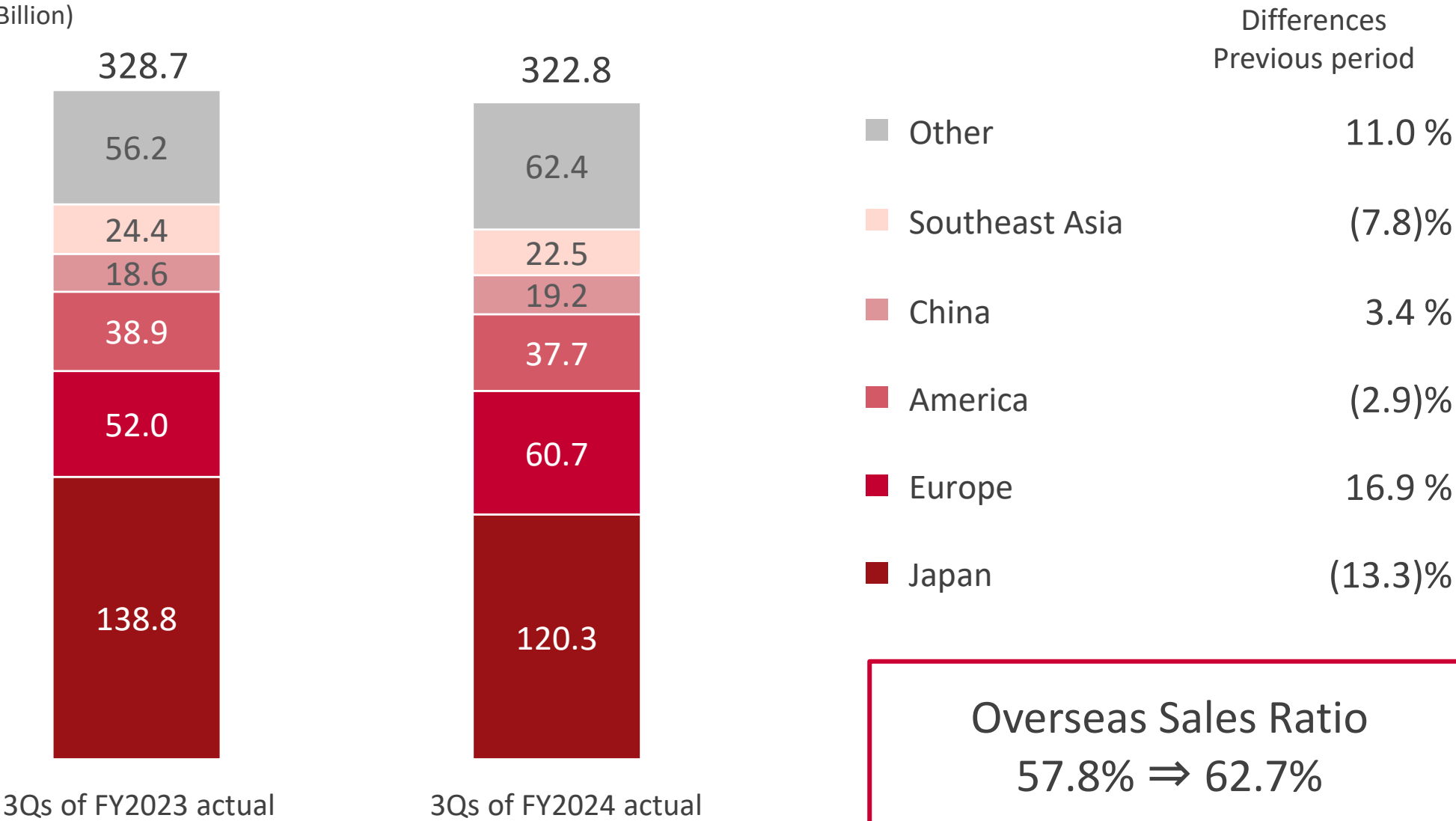


## 3Qs of FY2024 Changes in Operating Profit (Comparison with previous period)



# 3Qs of FY2024 Net Sales by Region

(¥ Billion)



(¥ Billion)	IFRS		Differences
	FY2023 actual	FY2024 forecast	Previous year
Net sales	442.8	448.0	5.2
Segment profits <sup>*1</sup> [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 (¥) <sup>*2</sup> (Adjusted for the stock split)	100	110 (Including commemorative dividend 5)	10
FOREX (Average) (¥)			
JPY/ US\$	144.62	150.17	
JPY/ EUR	156.78	162.36	

\*1 Segment profits correspond to operating income in JGAAP.

\*2 Dividends (adjusted for the stock split) are stated based on the 2-for-1 stock split on December 3, 2024, and retroactively adjusted for FY2023 (pre-split dividend X 1/2)

# FY2024 Net Sales and Segment Profits Forecast

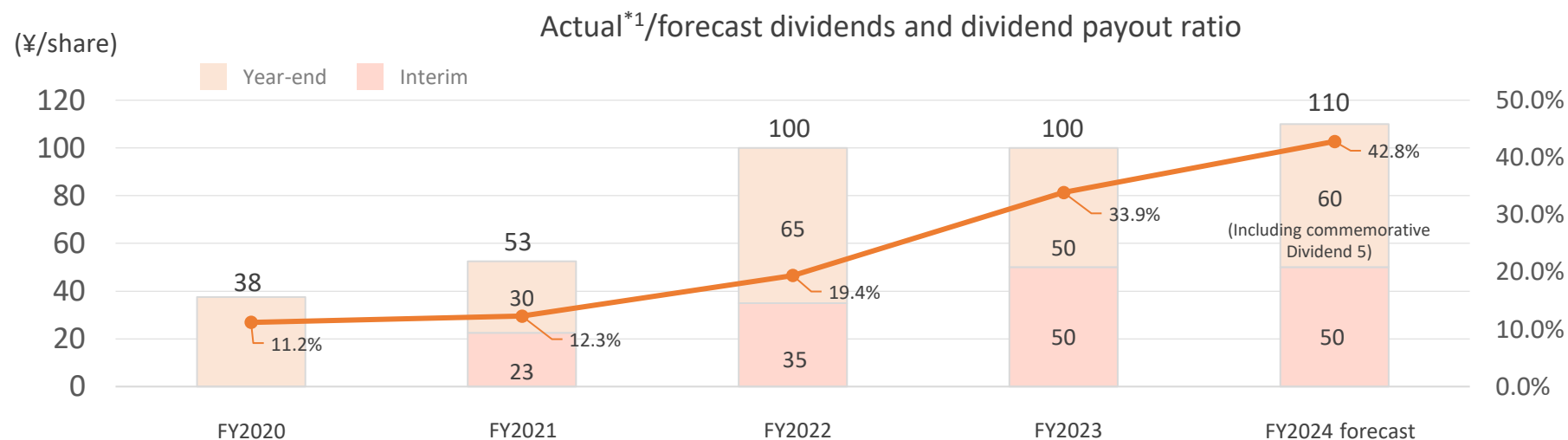
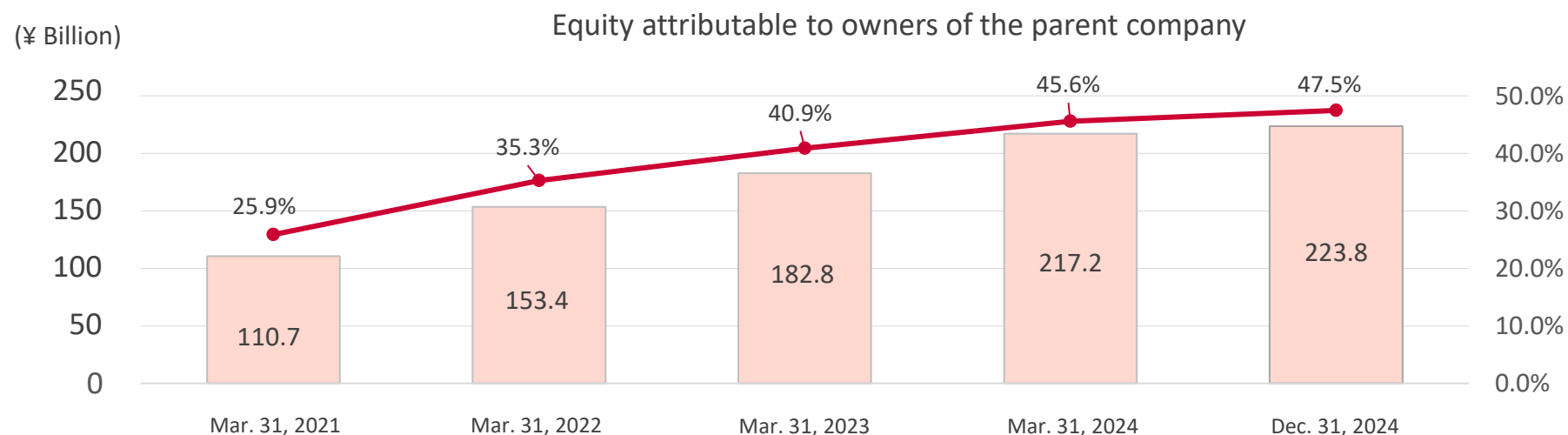
(¥ Billion)	Net Sales			Segment Profits		
	FY2023 actual	FY2024 forecast	Differences	FY2023 actual	FY2024 forecast	Differences
AC	293.0	318.4	25.3	16.5	19.6	3.1
HC	134.4	113.7	(20.7)	5.4	1.0	(4.5)
Aircraft Components	3.9	4.1	0.2	(2.0)	(0.3)	1.8
Others	11.4	11.9	0.4	1.1	1.2	0.1
Total	442.8	448.0	5.2	21.0	21.5	0.5

AC: Automotive Components

HC: Hydraulic Components

Others: Special-purpose vehicles, etc.

# Changes in Equity and Dividends



<sup>\*1</sup> Dividends (adjusted for the stock split) are stated based on the 2-for-1 stock split on December 3, 2024, and retroactively adjusted for FY2020 (pre-split dividend X 1/2)



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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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# Appendix 3Qs of FY2024 Net Sales and Segment Profits

(¥ Billion)	Net Sales			Segment Profits		
	3Qs of FY2023 actual	3Qs of FY2024 actual	Differences	3Qs of FY2023 actual	3Qs of FY2024 actual	Differences
AC	216.4	225.6	9.3	9.1	11.9	2.8
Shock absorbers for automobiles	157.3	166.5	9.2	—	—	—
Shock absorbers for motorcycles	30.9	32.4	1.5	—	—	—
Hydraulic equipment for automobiles	17.4	15.7	(1.7)	—	—	—
Others	10.8	11.0	0.2	—	—	—
HC	101.3	86.0	(15.3)	4.0	0.8	(3.2)
Hydraulic equipment for industrial use	94.7	80.1	(14.6)	—	—	—
System products	4.1	3.3	(0.9)	—	—	—
Others	2.5	2.6	0.1	—	—	—
Aircraft Components	3.1	2.2	(0.9)	(1.4)	(0.6)	0.8
Others	7.9	8.9	1.0	0.5	1.0	0.4
Total	328.7	322.8	(5.9)	12.2	13.1	0.9

AC: Automotive Components

HC: Hydraulic Components

Others: Special-purpose vehicles, etc.

## Appendix Net Sales by Region

(¥ Billion)		FY2023				FY2024			
		AC	HC	Others	Total	AC	HC	Others	Total
Japan	1H	38.5	47.1	4.8	90.5	35.2	40.0	4.4	79.6
	3Q	20.9	25.0	2.5	48.3	19.1	19.3	2.3	40.7
	Full year	59.4	72.1	7.3	138.8	54.3	59.3	6.7	120.3
Europe	1H	30.5	4.2	0.0	34.7	36.5	3.7	0.0	40.1
	3Q	15.7	1.5	0.0	17.2	18.8	1.8	0.0	20.6
	Full year	46.2	5.7	0.0	52.0	55.3	5.4	0.0	60.7
America	1H	20.5	4.9	0.2	25.6	21.6	3.8	0.1	25.5
	3Q	11.0	2.2	0.1	13.2	10.3	1.8	0.1	12.2
	Full year	31.5	7.2	0.2	38.9	32.0	5.5	0.2	37.7
China	1H	7.9	4.7	0.0	12.6	7.8	4.7	0.0	12.5
	3Q	4.3	1.7	0.0	6.0	4.6	2.2	0.0	6.7
	Full year	12.2	6.4	0.0	18.6	12.4	6.9	0.0	19.2
Southeast Asia	1H	13.9	2.6	0.0	16.4	12.3	2.1	0.0	14.4
	3Q	6.9	1.1	0.0	8.0	6.9	1.1	0.0	8.1
	Full year	20.8	3.7	0.0	24.4	19.3	3.2	0.0	22.5
Others	1H	31.5	4.4	2.2	38.1	34.5	4.0	2.7	41.3
	3Q	14.8	2.0	1.3	18.1	17.9	1.7	1.5	21.1
	Full year	46.3	6.3	3.5	56.2	52.4	5.7	4.2	62.4
Total	1H	142.8	67.9	7.2	217.9	148.0	58.2	7.3	213.5
	3Q	73.5	33.5	3.8	110.8	77.7	27.8	3.9	109.4
	Full year	216.4	101.3	11.0	328.7	225.6	86.0	11.2	322.8



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