

January 29, 2013

KYB Corporation
Yamaha Motor Co., Ltd.

KYB and Yamaha Motor to Establish a Joint Venture

KYB Corporation and Yamaha Motor Co., Ltd., have decided to form a jointly owned business as follows:

1. Purpose of the Joint Venture

By combining the resources and know-how of KYB, a manufacturer of hydraulic shock absorbers, and Yamaha Motor, a manufacturer of motorcycles, the two companies plan to establish a global supply capability for motorcycle hydraulic shock absorbers and other products. The goal is to sell products with the best performance and quality in the world at competitive prices. Plans call for selling these products to motorcycle manufacturers worldwide, including Yamaha Motor.

2. Outline of the Joint Venture

- (1) Company name: KYB Motorcycle Suspension Co., Ltd.
- (2) Formation method: The motorcycle operations of the automotive components business of KYB will be divested on July 1, 2013 (tentative) to form a new company, and then part of the shares of this company will be sold to Yamaha Motor.
- (3) Representative: Nobumichi Hanawa (Currently General Manager, Motorcycle Engineering Dept., Automotive Components Operations KYB Corporation)
- (4) Location: Head Office: Dota, Kani-shi, Gifu, Japan
Iwata Development Office: 2500 Shingai, Iwata, Shizuoka, Japan
- (5) Start of operations: July 1, 2013 (tentative)
- (6) Principal business: Development, manufacture, and sale of hydraulic shock absorbers and other products (such as suspensions) for motorcycles and other vehicles and development and manufacturing assistance to other companies
- (7) Paid-in capital: ¥400 million
- (8) Ownership: KYB 66.6%
Yamaha Motor 33.4%

3. Outline of KYB

- (1) Trade name: Kayaba Industry Co., Ltd
- (2) Representative: Masao Usui, President and Representative Director
- (3) Location: 4-1, Hamamatsu-cho 2-chome, Minato-ku, Tokyo, Japan
- (4) Date of establishment: November 25, 1948
- (5) Principal business: Manufacture and sales of hydraulic shock absorbers,

- hydraulic equipment, etc.
- (6) Net sales: ¥337.1 billion (fiscal 2011, consolidated)
(7) Number of employees: 12,012 (As of March 31, 2012, consolidated)

4. Outline of Yamaha Motor

- (1) Trade name: Yamaha Motor Co., Ltd.
(2) Representative: Hiroyuki Yanagi, President, Chief Executive Officer and Representative Director
(3) Location: 2500 Shingai, Iwata, Shizuoka, Japan
(4) Date of establishment: July 1, 1955
(5) Principal business: Manufacture and sales of motorcycles, transportation equipment, etc.
(6) Net sales: ¥1,276.2 billion (fiscal 2011, consolidated)
(7) Number of employees: 54,677 (As of December 31, 2011, consolidated)

5. Other Information

Overseas cooperation between KYB and Yamaha Motor

As part of its global collaborative business operations, KYB established a company in India in December 2012 for the manufacture and sale of hydraulic shock absorbers for motorcycles. In 2014, this company plans to start supplying hydraulic shock absorbers for motorcycles to the Chennai Factory of India Yamaha Motor Pvt. Ltd. KYB's goal is to use its company in India to manufacture and sell products that are cost competitive and rank among the best in the world. In July 2013, KYB plans to have its company in India issue stock for sale to Yamaha Motor. This sale will make the subsidiary a joint venture that will be 66.6% owned by KYB and 33.4% owned by Yamaha Motor.

- (1) Company name: KYB Motorcycle Suspension India Pvt. Ltd.
(2) Date of establishment: December 11, 2012
(3) Representative: Hideo Inaguma
(4) Location: Chennai, Tamil Nadu, India
(5) Paid-in capital: 600 million Indian Rupees (Approx. ¥1 billion)
(6) Ownership: KYB 100%
(7) Production volume: 285,000 in 2014, 1,600,000 in 2018 (planned)

For more information, please contact:

Public Relations Dept., Corporate Planning Division., KYB Corporation
(Contact: Mr. Maeyama / Mr. Fukuda) TEL 03-3435-3552
Public Relations & Advertising Division, Yamaha Motor Co., Ltd.
Corporate PR Group (Contact: Mr. Ishihara / Mr. Mibu) TEL 0538-32-1145
Public Relations Tokyo Group (Contact: Mr. Irie) TEL 03-5220-7211