

October 22, 2008

KYB to establish joint venture in Indonesia

Tokyo, Japan – KYB Corporation announced today that it will jointly establish a new spring manufacturing company in Jakarta, Indonesia with Chita Kogyo, Co., Ltd. in Japan. The new joint venture will name PT. CHITA INDONESIA. With a total investment of approximately 300 million yen (USD3 million), PT. CHITA will be established within the facility of PT. Kayaba Indonesia, an affiliate of KYB Corporation, and schedule to start the production in May 2009.

Currently, PT. Kayaba sources coil springs for motorcycle front forks and rear cushion units from suppliers in Indonesia. PT. CHITA will deliver its products to PT. Kayaba Indonesia that are manufactured under license from Chita Kogyo in Japan. KYB, with the establishment of this new joint venture, aims to have cost and quality competitive supplier base in Indonesia and have the optimum supply system in the region.

“Coil springs weigh significant portions in terms of cost and quality in motorcycle suspensions. The new joint venture will help PT. Kayaba improve procurement of competitive springs and strengthen its supply chain management. With an establishment of the new joint venture, KYB is looking forward to the development of partnership with Chita Kogyo.” said Ken Mizumukai, Managing Director of Quality and Production Division.

Overview of new joint venture

1. Company Name: PT. CHITA INDONESIA
2. Location: At PT. Kayaba Indonesia’s factory, Jakarta, Indonesia
3. Capital: US\$3Million equivalent (in Indonesian Rupiah)
4. Shareholding: Chita Kogyo 70%, KYB 30%
5. No. of employees: Approximately 35
6. Business scope: Manufacture and sale of coil springs