

Construction of New Valve Casting Plant Starts

The KYB Corporation has started construction of a new casting plant in the city of Ueda in Nagano prefecture to increase the output of control valves used in midsize and large hydraulic excavators.

1. Reason for constructing the new plant

Due to their intricate inner configurations, castings used for control valves in midsize and large hydraulic excavators must be produced by companies that have specialized technologies. KYB has been purchasing these castings from an external supplier and wholly owned subsidiary KYB Cadac Co., Ltd. The new plant will increase the output of KYB Cadac in order to give KYB a production system that can continue to meet the demands of customers.

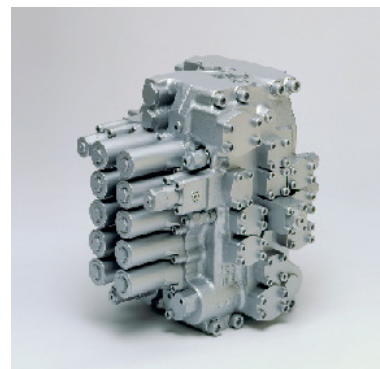
2. Profile of the new factory

- 1) Location: Kaminokura Industrial Park, Ueda, Nagano prefecture, Japan
- 2) Site: 65,600 square meters
- 3) Building: 24,500 square meters
- 4) Construction: April 2012 to February 2013 (planned)

3. Output

Production of valve castings will be increased in stages as follows:

- | | |
|--------------|---|
| Fiscal 2012: | 700 tons/month (same as current output) |
| Fiscal 2013: | 1,200 tons/month |
| Fiscal 2014: | 1,800 tons/month (planned) |



Control Valve

4. Capital Expenditure (Initial investment)

- | | |
|--------------|---------------------------|
| Total cost: | 3.8 billion yen (Planned) |
| Fiscal 2012: | 1.9 billion yen |
| Fiscal 2013: | 1.9 billion yen (planned) |

An application has been submitted to the Ministry of Economy, Trade and Industry under its subsidy program for supporting the construction of business facilities in Japan.

5. Outline of KYB Cadac

- 1) Location: Higashi Chikuma-gun, Chikuhoku-mura, Higashijo, Nagano prefecture
- 2) Representative: Shigeru Ito, President and Representative Director
- 3) Paid-in Capital: 90 million yen (As of March 31, 2012)



Cut Model

6. For further information, please contact:

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