

May 15, 2013

KYB Corporation
Marubeni-Itochu Steel Inc.

Establishment of Joint Venture in Indonesia

KYB Corporation and Marubeni-Itochu Steel Inc. (MISI) have announced today to form a new company in Indonesia for the manufacture and sale of hydraulic cylinders for hydraulic excavators.

1. Purpose of the Capital Investment

Demand for hydraulic excavators is expected to remain strong in Indonesia, Thailand, Malaysia and other countries in the ASEAN region. Manufacturing hydraulic cylinders for these excavators in Indonesia will make it possible to supply the volume of cylinders that customers require. In addition, the new company will utilize the MISI's expertise concerning procurement and operations in the ASEAN region in order to make products that are even more competitive.

2. Outline of the New Company

Company name:	PT. KYB HYDRAULICS MANUFACTURING INDONESIA (Tentative)
Location:	Bekasi, Indonesia
Date of establishment:	October 2013 (planned)
Paid-in capital:	US\$15 million (Approx. ¥1.43 billion, US\$1=¥95)
Ownership:	KYB.....75% MISI.....25%
Principal business:	Manufacturing and sales of hydraulic equipment
Start of productions:	November 2014 (planned)
Total investment:	Approx. US\$26.3 million (Approx. ¥2.5 billion, US\$1=¥95)
Total site area:	50,000 square meters
Floor area:	10,000 square meters



Rendering of the completed new company

3. Outline of KYB

- (1) Company 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: Manufacturing and sales of shock absorbers, hydraulic equipment, etc.
- (6) Net sales: ¥305.7 billion (consolidated, fiscal 2012, ended March 2013)
- (7) Number of employees: 12,306 (consolidated, as of March 31, 2013)

4. Outline of MISI

- (1) Company name: Marubeni-Itochu Steel Inc.
- (2) Representative: Yasuo Matsuura, President and CEO
- (3) Location: 4-1, Nihonbashi 1-chome, Chuo-ku, Tokyo, Japan
- (4) Date of establishment: October 1, 2001
- (5) Principal business: Import, export, and sales of steel products
- (6) Net sales: ¥1,724.7 billion (consolidated, fiscal 2012, ended March 2013)
- (7) Number of employees: 8,297 (consolidated, as of April 1, 2012)

5. For more information, please contact:

Public Relations Dept., Corporate Planning Div., KYB Corporation
(Contact: Mr. Maeyama / Mr. Fukuda) TEL +81-(0)3-3435-3552
Corporate Planning & Coordination Dept., Marubeni-Itochu Steel Inc.
(Contact: Mr. Takashima / Ms. Masada) TEL +81-(0)3-5204-3252