

September 17, 2015

PRESS RELEASE

Company Name: KYB Corporation  
Representative: Yasusuke Nakajima  
Representative Director  
President Executive Officer  
Stock Code: 7242 (First Section, TSE)  
Contact: Koichi Kudo, General Manager  
Public Relations Department  
Corporate Planning Division  
(Tel: +81-3-3435-3552)

**Plea Agreement with the United States Department of Justice  
Concerning Certain Products for Cars and Motorcycles**

On September 16, 2015 (U.S. time), KYB CORPORATION (“KYB”) entered into a plea agreement with the U.S. Department of Justice (“DOJ”), agreeing to pay a fine of \$ 62 million (approximately 7,440 million yen) based on charges of violating the U.S. antitrust laws related to the sale of shock absorbers for cars and motorcycles.

KYB Group has fully cooperated with the DOJ during its investigation which began in April 2014. After consideration of all applicable laws, relevant facts and others, KYB has decided to enter into a plea agreement with the DOJ.

KYB Group will ensure thorough compliance in the future with antitrust laws and other applicable laws and regulations, and will work to restore the trust of our stakeholders as well as the public by implementing more comprehensive compliance programs. Further, to prevent recurrence of such serious issues in the future, we will pursue a more functional and sustainable organization, enhance education activities more aggressively and implement a more effective monitoring and auditing system, and so on. Furthermore, accepting the serious consequences for our stakeholders as well as KYB Group itself, and determining not to allow anything like this to occur in the future, our Representative Director and Chairman, Representative Director and President Executive Officer as well as Representative Director and Executive Vice President Executive Officer will voluntarily return 30% of their monthly compensation for 3 months. Some of Executive Officers will also voluntarily return a part of their monthly compensation for a certain period of time.

With regard to this case, 7,440 million yen is recorded as an extraordinary loss in the second quarter of the fiscal year ending March 2016. The impact on the financial performance for the fiscal year ending March 2016 is as described in the “Announcement of Reporting Extraordinary Loss and Revisions to Performance Forecast” which announced dated of today.

We sincerely apologize to all those concerned for the serious consequences we have caused.