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PRESS RELEASE

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**Announcement of Reporting Extraordinary Loss
 and Revisions to Performance Forecast**

KYB Corporation (“KYB”) has reported an extraordinary loss in the fiscal year ending March 2016, and accordingly, has also revised the forecast announced on October 30, 2015 as follows, regarding the consolidated financial performance for the fiscal year ending March 2016.

1. Reporting Extraordinary Loss (Impairment Loss)

KYB Hydraulics Industry (Zhenjiang) Ltd, a consolidated subsidiary of KYB, suffered a sharp drop in profitability associated mainly with rapid decline in the market environment caused by sluggish Chinese economy, causing KYB to examine the recoverability of property, plant and equipment. As a result, KYB reported an impairment loss of around 3.6 billion yen as extraordinary loss in the fiscal year ending March 2016.

KYB Hydraulics Industry (Zhenjiang) Ltd. merged into KYB Industrial Machinery (Zhenjiang) Ltd., which is also a consolidated subsidiary of KYB, effective April 1, 2016.

2. Revisions to Performance Forecast

Revisions to the consolidated performance forecast for the fiscal year ending March 2016 (April 1, 2015 – March 31, 2016).

	Net sales	Operating income	Ordinary income	Net income attributable to owners of the parent	Net income per share
Previous forecast (A) (October 30, 2015)	¥ million 362,000	¥ million 13,700	¥ million 13,300	¥ million 1,760	¥ 6.89
Revised Forecast (B)	355,000	15,500	14,000	△2,400	△9.39
Differences (B–A)	△7,000	1,800	700	△4,160	
Percentage of change (%)	△1.9	13.1	5.3	-	
(Ref.) Actual results for the fiscal year ending March 2015	370,425	13,591	15,852	7,052	27.60

3. Reason for Revisions

Due to the recent performance trend as well as reduction of fixed costs, operating income and ordinary income are expected to exceed the previous forecast (announced October 30, 2015). However, due to the extraordinary loss described above, net income attributable to owners of the parent has fallen short of our previous forecast.

NOTE: This forecast is based on information that was available when these revisions were announced. Actual results of operations may differ from this forecast for a number of factors.