

January 29, 2018  
PRESS RELEASE

Company name: KYB Corporation  
Representative: Yasusuke Nakajima  
Representative Director,  
President Executive Officer  
(Securities code: 7242, TSE (First Section))  
Contact: Hiroshi Yamada  
General Manager, Finance Department  
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## Notice Concerning Purchase of Additional Shares of KYB-Mando do Brasil Fabricante de Autopeças S/A

We hereby inform you that at the Board of Directors meeting held on January 29, 2018, the Board of Directors resolved to purchase additional shares of KYB-Mando do Brasil Fabricante de Autopeças S/A (KMB), an equity-method affiliate of KYB Corporation (KYB), making KMB a wholly-owned subsidiary of KYB. Furthermore, we also inform you that KMB will increase its capital through a third-party allocation to KYB and will become a Specified Subsidiary of KYB as the amount of capital stock of KMB will exceed 10% of that of KYB.

### NOTICE

#### 1. Reasons for Acquiring Shares

In 2011, KYB, in a 50-50 joint venture with Mando Corporation of South Korea (Mando), established KYB-Mando do Brasil Fabricante de Autopeças S/A, a manufacturer and seller of shock absorbers for automobiles, and has jointly operated the company with Mando since its establishment. However, prompt management decision making has become absolutely necessary due to recent stagnation in the Brazilian market.

In light of the above, KYB will acquire Mando-owned shares thereby making KMB a wholly-owned subsidiary of KYB to restore soundness of the management and facilitate faster decision making, and will inject additional capital into KMB through the third-party allocation to strengthen KMB's financial position. Through these actions, KYB will attempt to further expand its business in Brazil and other Mercosur countries.

#### 2. Outline of KMB

(1) Name	KYB-Mando do Brasil Fabricante de Autopeças S/A
(2) Address	Rua Francisco Ferreira da Cruz, 3000, Fazenda Rio Grande, Paraná, Brasil
(3) Name of Company Representative	Carlos Roberto Lopes
(4) Business Description	Manufacturing and sale of shock absorbers for automobiles
(5) Date Founded	May 31, 2011
(6) Capital Stock	74,350,744 BRL (JPY 2,594,172mil)

(7) Major Shareholders	Mando 50.0%, KYB 50.0%
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\* Figures in parentheses are references based on the exchange rate on January 25, 2018 (Rate: 1 BRL = JPY 34.891).

### 3. Outline of Other Party Involved in the Acquisition

(1) Name	Mando Corporation								
(2) Address	21, Pangyo-ro 255 beon-gil, Bundang-gu, Seongnam-I, Gyeonggi-do, Korea								
(3) Name of Company Representative	CEO, Sung Il-Mo								
(4) Business Description	Manufacturing and sales of automotive parts.								
(5) Date Founded	October 1, 1962								
(6) Capital Stock	47,000 million KRW (JPY 4,846 mil)								
(7) Major Shareholders	<table> <tr> <td>Halla Holdings Corp.</td> <td>30.25%</td> </tr> <tr> <td>National Pension Service</td> <td>10.80%</td> </tr> <tr> <td>Schroders</td> <td>5.00%</td> </tr> <tr> <td>Employee's Stock Ownership</td> <td>1.06%</td> </tr> </table>	Halla Holdings Corp.	30.25%	National Pension Service	10.80%	Schroders	5.00%	Employee's Stock Ownership	1.06%
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\* Figures in parentheses are references based on the exchange rate on January 26, 2018 (Rate: 100 KRW = JPY 10.31).

### 4. Number of Shares to be Acquired, and Share Ownership Before and After Acquisition

(1) Share Ownership Before Acquisition	37,175,372 Shares (Number of Votes: 37,175,372) (Vote Interest: 50.0%)
(2) Number of Shares to be Acquired	37,175,372 Shares (Number of Votes: 37,175,372)
(3) Acquisition Price	Common Shares in KMB: 1 BRL (JPY 35)
(4) Share Ownership After Acquisition	74,350,744 Shares (Number of Votes: 74,350,744) (Vote Interest: 100.0%)

\* Figures in parentheses are references based on the exchange rate on January 25, 2018 (Rate: 1 BRL = JPY 34.891).

### 5. Third-Party Allocation

(1) Third-Party Allocation Amount	145,000,000 BRL (JPY 5,059 mil)
(2) Capital Stock After Allocation	219,350,744 BRL (JPY 7,653 mil)
(3) Subscriber	KYB Corporation
(4) Payment Date	May 2018 (Expected)

(5) Share Ownership After Allocation	KYB Corporation	100.0%
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\* Figures in parentheses are references based on the exchange rate on January 25, 2018 (Rate: 1 BRL = JPY 34.891).

## 6. Schedule

(1) Board of Directors Approval	January 29, 2018
(2) Execution of Agreement	Middle of February, 2018 (Expected)
(3) Closing	Late-May, 2018 (Expected)

## 7. Forecast on Business Performance

Due to the Board of Directors' resolution of this acquisition, acquisition-related expenses of JPY 1,400 million is expected to be incurred during March 2018 fiscal year on a consolidated basis.

Consolidated performance forecast (reported October 31, 2017) and consolidated performance results of previous fiscal year.

Unit: JPY million

	Net Sales	Operating Income	Pre-Tax Income	Net Income	Net Income Attributable to Owners of the Parent
Forecast for Fiscal Year Ending March 2018	388,000	23,000	22,800	16,400	15,700
Actual Results for Fiscal Year Ending March 2017	355,316	19,247	18,852	15,078	14,544