

November 6, 2018

PRESS RELEASE

Company Name : KYB Corporation
Representative : Yasusuke Nakajima
Representative Director, Chairman and
President Executive Director
(Security Code: 7242, Tokyo Stock Exchange First Section)
Contact : Masaru Tsuboi
Executive Officer and General Manager,
Legal Affairs Dept., CSR & Safety Control Div.
+3-3435-6460

Announcement of Settlement of Some Class Action Lawsuits in the U.S.

As a resolution by the Board of Directors, KYB has decided to enter into a settlement with part of the plaintiffs in regard to the class action lawsuits brought in the U.S. District Court for the Eastern District of Michigan against KYB Corporation and its US subsidiary, KYB Americas Corporation (collectively called "KYB").

Please see below for details.

1. About the Lawsuits and Settlements

Since November 2015, several class action lawsuits have been brought against KYB concerning the restriction of fair competition in the sale of shock absorbers for automobiles. These lawsuits are currently pending in the U.S. District Court for the Eastern District of Michigan. Taking into consideration the impact they will make upon KYB's management and performance, KYB has decided at the Board of Directors meeting held today to make a settlement with part of the plaintiffs .

The terms of the settlement are subject to court approval.

2. Plaintiffs in the Lawsuits to Be Settled

Indirect purchaser plaintiffs (Automobile dealers and end-payers)

3. Settlement Amount

USD 38 million (approximately JPY 4.3 billion)

4. Future Prospects

With regard to the settlement amount, KYB has recognized it as the "loss associated with antitrust laws" and included in other expenses in the 2Q of FY 2018 Financial Results. The impact on the financial forecast is as described in the "Announcement of Difference Between Consolidated Earnings Forecast for Second Quarter of FY 2018 and Actual Results and Revision of Full-Year Consolidated Earnings Forecast" published as of today.

We sincerely apologize to our stakeholders, business partners and all related parties for causing great concern. KYB will continue to be committed to strict compliance with laws and regulations to prevent a recurrence of any inappropriate conduct and will strive to restore full confidence and trust in us.