

March 7, 2019

PRESS RELEASE

Company name: KYB Corporation
 Representative: Yasusuke Nakajima,
 Representative Director,
 Chairman and President Executive Officer
 Stock Code: 7242 (First Section TSE)
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**Notice Concerning Establishment of Trust for Fixed Assets and
 Transfer of Trust Beneficiary Interest, With Conclusion of Lease Agreement**

KYB Corporation (HQ: Tokyo, President: Yasusuke Nakajima; hereinafter “the Company”) announces that a meeting of the Board of Directors held on March 7, 2019 resolved to establish a trust and transfer the trust beneficiary interest while also concluding a lease agreement, in conjunction with a fixed asset owned by the Company. Details are as follows.

1. Reason for the transfer

The Company will conduct a sale and lease-back transaction through the following process to strengthen its financial situation, in conjunction with the following fixed asset owned by the Company.

(i)The Company will acquire the trust beneficiary interest after establishing a trust at Mizuho Trust & Banking Co., Ltd.

(ii)The Company will transfer the relevant trust beneficiary interest to Fuyo General Lease Co., Ltd.

(iii)The Company will conclude a lease agreement with Mizuho Trust & Banking Co., Ltd.

2. Details of the asset to be transferred

Name and location of the asset	Book value	Expected transfer value	Capital gain	Current status
Sagami Plant (land) Sagamihara-shi, Kanagawa	3,758 million yen	10,000 million yen	Under examination	Factory site

3. Overview of the company in which trust was established and the company with which the lease agreement was concluded

(1)	Name	Mizuho Trust & Banking Co., Ltd
(2)	Location	1-2-1, Yaesu, Chuo-ku, Tokyo
(3)	Title and name of representative	Tetsuo Iimori, President & CEO
(4)	Business	Trust banking operations, etc.
(5)	Date of establishment	March 12, 2003
(6)	Net assets	625,653 million yen (on a consolidated basis as of March 31, 2018)
(7)	Total assets	7,019,969 million yen (on a consolidated basis as of March 31, 2018)

(8) Relationships between the Company and the party	Capital relationship	The party has 30,000 shares of the Company.
	Personal relationship	There is no personal relationship that is required to be stated.
	Business relationship	There are transactions between the Company and the party such as the borrowing of funds and provision of agency services for pension fund management and securities-related operations
	Status as related party	Not applicable.

4. Overview of the company to which the trust beneficiary interest is transferred

(1)	Name	Fuyo General Lease Co., Ltd.
(2)	Location	3-3-23, Kanda-Misaki-cho, Chiyoda-ku, Tokyo
(3)	Title and name of representative	Takashi Sato Chairman and Representative Director Yasunori Tsujita, President and Representative Director Shozo Kazama, Executive Vice President and Representative Director
(4)	Business	Leasing and installment sales of IT equipment, office equipment, industrial machinery, machine tools, commercial store equipment, medical devices, ships/aircrafts/vehicles and other transportation equipment, construction and civil engineering machinery, etc. Commercial loans and other financial services Leasing of real estate A range of consulting services Others
(5)	Date of establishment	May 1, 1969
(6)	Net assets	282,574 million yen (on a consolidated basis as of March 31, 2018)
(7)	Total assets	2,430,838 million yen (on a consolidated basis as of March 31, 2018)
(8) Relationships between the Company and the party	Capital relationship	The Company holds 125,500 shares of the party. The party holds 100,000 shares of the Company.
	Personal relationship	There is no personal relationship that is required to be stated.
	Business relationship	There are lease transactions between the Company and the party.
	Status as related party	Not applicable.

5. Schedule for the transfer

March 7, 2019: Resolution by a meeting of the Board of Directors

March 8, 2019: Conclusion of an agreement for the transfer of trust beneficiary interest

March 15, 2019: Conclusion of a lease agreement

March 15, 2019: Transfer of the property

6. Impacts on consolidated profits/losses due to the relevant transfer

The Company is in the process of examining the impact on its financial results for the current fiscal year from different perspectives, including other expenses. If any revisions become necessary, we will disclose them promptly.