

February 7, 2012

Company Name: KYB Corporation
(Official Name: Kayaba Industry Co., Ltd.)
Representative Director, President Executive Officer: Masao Usui
Stock Code: 7242; First Section of Tokyo Stock Exchange
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Announcement of Change in Ownership of Subsidiaries in Europe

The Board of Directors of KYB Corporation approved a resolution today to establish a holding company for KYB Group operations in Europe. Due to this action, all current KYB subsidiaries in Europe will become subsidiaries of the holding company, which will itself be a KYB subsidiary.

1. Purpose of establishing holding company

Facilitate faster decision making in Europe and optimize the use of KYB Group resources

2. Profile of the holding company

- 1) Trade name: KYB Europe Headquarters B.V. (New KEH)
- 2) Name of representative: Keiichi Handa, President and Representative Director (Managing Executive Officer of KYB)
- 3) Date of establishment: April 2012 (Planned)
- 4) Location: Limburg, Netherlands
- 5) Paid-in capital: 1 million euro
- 6) Description of businesses: Ownership of stock of KYB Group companies in Europe and support and oversight for business activities in Europe
- 7) Major shareholders: KYB Corporation (100%)

3. KYB Group European subsidiaries to become subsidiaries of the holding company

(As of December 31, 2011)

- [A] 1) Trade name: KYB Suspensions Europe, S.A. (KYBSE)
- 2) Name of representative: Toshihiko Hatakeyama
 - 3) Date of establishment: July 1975
 - 4) Location: Ctra, Irurzun S/No-31171 Ororbia Navarra, Spain
 - 5) Paid-in capital: 27.08 million euro (10% or more of KYB's Paid-in Capital)
 - 6) Description of businesses: Sales and manufacturing of automobile shock absorbers and suspension systems
 - 7) Major shareholders: KYB Corporation (100%)
 - 8) Results of operations:

(€ Thousand)

Fiscal year	2009/3	2010/3	2011/3
Net sales	163,232.5	158,396.0	164,136.8
Operating income (loss)	(6,567.4)	7,686.1	5,188.8
Net income (loss)	(12,526.0)	(1,873.1)	3,941.6

- [B] 1) Trade name: KYB Manufacturing Czech, s.r.o. (KMCZ)
 2) Name of representative: Yukio Nishimoto
 3) Date of establishment: August 2003
 4) Location: U Panasonicu 277, Stare Covice 530 06 Pardubice, Czech Republic
 5) Paid-in capital: 880 million Czech korunas (10% or more of KYB's Paid-in Capital)
 6) Description of businesses: Sales and manufacturing of automobile shock absorbers
 7) Major shareholders: KYB Corporation (100%)
 8) Results of operations:

(CZK Million)

Fiscal year	2009/3	2010/3	2011/3
Net sales	708.4	844.7	927.9
Operating income (loss)	(55.5)	23.5	66.1
Net income (loss)	(106.6)	23.0	51.9

- [C] Other companies to become subsidiaries of the holding company

KYB Advanced Manufacturing Spain, S.A. (Spain)

KYB Steering Spain, S.A. (Spain)

KYB Europe GmbH (Germany)

KYB Europe Headquarters GmbH (Germany)

4. Transfer method

Ownership will be transferred by using the investment-in-kind procedure

5. Timetable

February 7, 2012: Approval by Directors for establishment of holding company to oversee KYB Group companies in Europe

April 2012 (Planned): Establishment of the holding company

6. Ownership of KYBSE and KMCZ after the transfer (Investment)

- 1) KYBSE (Investment of 27.08 million euros)

Before transfer: KYB 100% New KEH 0%

After transfer: KYB 0% New KEH 100%

- 2) KMCZ (Investment of 880 million Czech korunas)

Before transfer: KYB 100% New KEH 0%

After transfer: KYB 1% New KEH 99%

7. Outlook

The establishment of the holding company and transfer of ownership of KYB Group subsidiaries in Europe will not have a material effect on consolidated results of operations.

8. For further information, please contact:

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