

Notice of Restructuring Factories

Yamada Manufacturing Co., Ltd. (“the Company”) hereby announces that it resolved to restructure its factories at the meeting of the Board of Directors held on February 24, 2014 as follows.

1. Reason for the restructuring

Increasing global competition and decreasing domestic demand within the automotive parts manufacturing industry have had an effect on the business. The Company has been shifting its production overseas to strengthen its competitiveness. To survive the future decline in the domestic production and establish an efficient production system, the Company has decided to restructure its factories in Japan.

2. Outline of the restructuring

- (1) Kumamoto Department (in Kikuchi-shi, Kumamoto-ken), one of the three production sites in Japan, will close on March 31, 2015.
- (2) Production of the parts manufactured in Kumamoto Department will be transferred to the other production sites of the Yamada Group.
- (3) The employees in Kumamoto Department will basically be relocated to other departments to secure their employments, and those employees who wish to retire will receive preferential treatment.

3. Preferential treatment

The employees in Kumamoto Department who wish to retire will receive special retirement benefits in addition to usual retirement payment. Also, the Company will support the employees in finding alternative employment.

4. Impact on financial statements

The expenses resulting from the restructuring will be reported on the financial statements in the fiscal year 2014 as an extraordinary loss, and there will be no impact on the fiscal year 2015.

Information of Kumamoto Department

Beginning of operation	1981
Location	Kukuchi-shi, Kumamoto-ken
Site area	39,392 square meters
Main business	Production of parts for two-wheel and four-wheel vehicles and for general purposes
Number of employees	195