

To all persons concerned

Hideharu Nagahisa,
President of Yuken Kogyo Co., Ltd.

Expiration of Trademark License Agreement with Taizhong Yuci Hydraulic Industry Co., Ltd.

On Dec 31, 2017, the trademark license agreement (the Agreement) between Yuken Kogyo Co., Ltd. and Taizhong Yuci Hydraulic Industry Co., Ltd., a manufacturer in People's Republic of China, has expired due to the expiration of the contract term. The details are as follows.

1. Background and overview

On January 1, 2013, Yuken had concluded the Agreement with Taizhong Yuci Hydraulic Industry Co., Ltd. for a period of 5 years so that the following trademark can be used for some of the manufacturer's products. This contract has expired on December 31, 2017.

Both parties have reached an agreement not to renew the Agreement, and it has been terminated peacefully.

Therefore, starting on January 1, 2018, the manufacturer is not allowed to use the trademark shown below when manufacturing hydraulic equipment and to commercially use (including the sale of products) character strings containing "YUKEN."

Trademark: YUKEN

Registration Number: 214842 assigned by State Administration for Industry &
Commerce of the People's Republic of China

2. Relationship between Yuken and Taizhong Yuci Hydraulic Industry Co., Ltd.

In July 1993, Yuken and Yuci Hydraulic Factory established a joint venture "Yuci Yuken Hydraulics Co., Ltd." We concluded a technical collaboration agreement and a trademark license agreement for manufacturing and sales of some of Yuken products.

In Dec 2014, Yuken terminated the joint venture partnership by transferring all the equity interest to Yuci Yuken Hydraulics Co., Ltd., thus both companies no longer have any capital or business relationships.

Please note that after the joint venture partnership was terminated, Yuci Yuken Hydraulics Co., Ltd. changed its corporate name to Taizhong Yuci Hydraulic Industry Co., Ltd.

3. Impact

The expiration of the Agreement will not affect Yuken products and performance.

Since the Agreement includes no agreements related to quality assurance, Yuken has no concern with the quality of products manufactured by Taizhong Yuci Hydraulic Industry Co., Ltd. either before or after the expiration.

End

YUKEN