

Sep. 5, 2006

To Whom It May Concern:

KIRIU Corporation
Toshio Nakagawa, President

Re: New foundry of KLC in China starts its operation

KIRIU Corporation (with corporate headquarters in Ashikaga-Shi, Tochigi-Ken, Japan, under President Toshio Nakagawa) today announced that the new foundry of the JV company, KIRIU-LIOHO CO.,LTD (hereinafter "KLC") in Guangzhou, China, was completed and the dedication ceremony will be held on September 5th prior to its start of operations.

KLC was established in April 2004 and the operation of machining brake disc and drum has been started since late in 2004. The new foundry is located on company property and it will yield a monthly production of 2,300 tons of plain iron casting and ductile cast iron.

In China, particularly in Guangzhou, major Japanese automakers such as Toyota, Nissan, and Honda etc. have all been expanding their business there and this has led to the increasing demand for high quality automotive parts. At KLC, the integrated production system from casting to machining was put in place at the new foundry. This system enables customer to supply high quality casting parts such as brake disc and other related parts to above mentioned major Japanese automakers and auto components suppliers in a timely fashion.

The new foundry starts its operation with casting parts for TEANA and SYLPHY (Japanese name), which has already been machining at KLC, delivered to Dongfeng Nissan. KLC receives a lot of inquiries from local Japanese companies and the new foundry will be in full production in 2008.

Reference

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