

August. 2008

To whom it may concern,

Price Revision Notice

We sincerely like to make an announcement about price revisions for our KHK gear product line, effective for shipments commencing October 1, 2008.

Since last year, material cost has been rising, globally. KHK now face steep price increases for such critical materials as Carbon Steel, used for machinery and other structural uses, and other Steels for special purposes. It was predicted that a rise in prices would be expected in the fall of 2008.

Along with increasing Crude Oil prices, prices for essential material and cost of heat treatment are also rising, dramatically. We have been striving with our best efforts to cope with these steep price increases, however, we are now at a situation that a raise in our prices is no longer avoidable, but inevitable.

Due to the reasons mentioned above, we would hereby like to inform you of complete revisions of our prices. We are aware of this difficult situation, however, we do appreciate your understanding and our actions will maintain a stable supply of KHK Stock Gears.

We hope our clients will continue to select and use KHK products with satisfaction. To offer our clients more useful and easy-to-use products, we will keep making great efforts in modifying manufacturing systems and quality improvements.

Thank you very much.

Sincerely,

KHK Kohara Gear Industry Co., Ltd.
Sales Department