

## Press Information

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### Akebono Establishes Local Venture in China; Announces Plans for New Chinese Disc Pad Facility

Following the December 2003 inauguration of Akebono Brake's China Business Project in preparation for a move into the world's seventh largest economy, the company has now established a local venture at the original candidate site in Guangzhou, where a business permit was obtained on October 18<sup>th</sup>. Akebono's activities in China have been carried out with the cooperation of Itochu Corporation, which has given Akebono the benefit of its local knowledge and expertise.

The new company, named Akebono Corporation (Guangzhou), will include a technical center to conduct surveys and benchmarking in the local procurement of materials and components for automotive drum and disc brake production. The representative head of the new company will be Yoshihiro Ishigaki, a Senior Managing Executive Officer of Akebono Brake and head of its China Business Office.

Preparations are fully underway in order to ensure a smooth ramp up for drum brake production, and a manual pilot line has already been set up at Sanyo Brake Industry Co., Ltd., an Akebono group affiliate in Okayama Prefecture. Drum brake assembly will begin on schedule in July 2005. Moreover, in response to the rapid growth of the Chinese automotive market, commencement of disc brake machining and assembly, originally slated for 2008, has been brought forward to June 2006.

Additionally, Akebono has decided to establish, again in cooperation with Itochu Corporation, a production facility for the group's core business of friction materials (disc brake pads) in Suzhou. Registration of the company name, Akebono Corporation (Suzhou), has been completed, and preparations are underway to acquire a business permit by early November. Consequently, the Akebono group's operations in China will be able to manufacture and supply disc brakes, drum brakes and disc brake pads, therefore playing a significant role in the attainment of "Global 30,"\* the group's medium- to long-term objective.

\* Global 30: the Akebono group's medium- to long-term goal of securing a 30% worldwide market share of OEM automotive disc brake pads.

## Outline of the new company

1. Name  
Akebono Corporation (Guangzhou)
2. Representative in charge  
Yoshihiro Ishigaki, (Position within Akebono Brake Industry Co., Ltd.: Senior Managing Executive Officer & General Manager, China Business Office)
3. Date of establishment  
18<sup>th</sup> October 2004
4. Location & site area  
Yonghe Economic Zone, Guangzhou / Approximately 28,000 m<sup>2</sup>
5. Capital  
US\$7,500,000
6. Number of employees  
Approximately 50 (as of fiscal 2005)
7. Capital participation  
Wholly-owned by Akebono Brake Industry Co., Ltd. (Itochu Corporation to take over ownership of a part of the stock)
8. Outline of business  
Drum brake assembly, disc brake machining and assembly, surveying and benchmarking of locally procured materials and parts

### Profile of Akebono Brake Industry Co., Ltd.

1. Founded  
January 1929
2. Representative Director  
Hisataka Nobumoto, Chairman, President & CEO
3. Capital  
9.2 billion JPY (As of March 2004)
4. Consolidated sales  
141.4 billion JPY (For the term ending March 2004)
5. Number of employees (Consolidated)  
4,600 (As of March 2004)
6. Outline of business  
Production of brakes for automobiles, rolling stock and industrial machinery