

Press Information

24 November 2004
No.04-06

Akebono to Integrate Production Facilities in Western Japan

The two Akebono group affiliates in western Japan, Sanyo Brake Industry Co., Ltd. and Sanyo Hydraulic Industry Co., Ltd., have entered into a merger agreement with a view to integrate their operations from April 1, 2005.

While the merger will be on equal terms, the process will leave Sanyo Brake as the surviving company, which will then take over both companies' operations and absorb the employees of Sanyo Hydraulic under the new name of Akebono Brake Sanyo Manufacturing Co., Ltd. Yoshiharu Aizawa, currently president of Sanyo Hydraulic, will be president and representative director, while Tetsuji Hiruta, currently president of Sanyo Brake, will continue to participate in management as chairman of the new company to ensure a smooth integration.

The merger is part of the realignment of domestic business initiated under the "Akebono 2nd Creation 21" program of short-term measures from 1999 to 2001, and continued under the Akebono group's "Forward 30" three-year medium-term management plan which started in 2002 and ends this fiscal year. Targeting attainment of the Akebono group's "Global 30": medium- to long-term goal of securing a 30% worldwide market share of OEM automotive disc brake pads, the two companies' currently dispersed operations will be brought together for mutual development to enhance efficiency and increase productivity through the consolidation of corporate foundations and reinforcement of competitiveness.

While both companies are obviously key production facilities in western Japan for the Akebono group, the increased competitiveness that the merger will bring will be vital to the group's fulfillment of its Global 30 goal given the additional significance of the new company's future role as a manufacturing base for disc and drum brake components for overseas supply, especially to Akebono Corporation (Guangzhou) in China, which is scheduled to begin production from July 2005.

Outline of the New Company (Provisional)

Name	Akebono Brake Sanyo Manufacturing Co., Ltd.
Location	Soja-shi, Okayama Prefecture, Japan
Representative director	Yoshiharu Aizawa
Capital	94 million JPY
Number of employees	Approx. 680
Outline of business	Production of disc and drum brakes, and wheel cylinders for drum brakes

Reference:

Outline of the two merging companies (data as of March 2004)

Sanyo Brake Industry Co., Ltd.

Location	Soja-shi, Okayama Prefecture, Japan (head office)
Established	1965
Capital	94 million JPY
Annual sales	14.5 billion JPY
Number of employees	450
Outline of business	Production of disc and drum brakes

Sanyo Hydraulic Industry Co., Ltd.

Location	Soja-shi, Okayama Prefecture, Japan (head office)
Established	1973
Capital	30 million JPY
Annual sales	5.6 billion JPY
Number of employees	233
Outline of business	Production of wheel cylinders for drum brakes