

Press Information

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Akebono Corporation (North America) to Relocate Head Office Functions to Kentucky

Akebono Brake's North American holding company, Akebono Corporation (North America), which oversees group affiliate operations in the U.S., issued the following statement on March 1, 2006.

Akebono Corporation North America will relocate the North American headquarters operations from Farmington Hills, Michigan to Elizabethtown, Kentucky in 2006 as a part of our ongoing efforts to place ourselves in the best competitive and strategic position to compete in the automotive sector.

To guide our planning for this change we asked ourselves these questions:

- How can we best serve and align ourselves with our customers?
- Where can we best serve and align ourselves with our customers?
- How can we be more efficient while integrating two organizations of almost equal size (ACNA and Ambrake), so that we don't have a duplication of efforts in our organization?
- What resources are needed to accomplish and address the answers to these questions?

After a thorough review, the decision was made by the ACNA Board of Directors on February 21, 2006 to move the "headquarters portion" of ACNA to Kentucky to improve our competitive position and to align our administration function with the large majority of our North American Associates and manufacturing operations, which are here in Kentucky. This "headquarters portion" which will be relocated from Farmington Hills, MI, includes the executive group, finance, purchasing, an eventually aftermarket sales, which will locate with the aftermarket group in Springfield, KY. The total number of people affected by this relocation will be approximately 48 people in Farmington Hills.

Our R&D, Engineering, Human Resources, and OEM Sales will continue to be located in Farmington Hills.

We met with all of our associates in Farmington Hills, MI on February 28, 2006 to announce this change to them. We will be working with any associates affected to determine if they will be moving to Kentucky with this change.

The Automotive Market is experiencing drastic changes. We have seen severe global competition and extreme pressure in price down activities from our customers. Some have said that the change we are now experiencing is not a temporary change, but a fundamental change in direction of the automotive sector which will continue into the future!

As we strive for continued success in the automotive market, we owe it to all of the people of the Akebono Group to adapt in order to meet the challenges we face. This is done in the best interest of the Akebono Group and all Akebono Group Associates whether they are located in Glasgow, Elizabethtown, Springfield, or Farmington Hills. Changing times requires changes in business strategy to insure our continued long-term success!

As we work as a unified team to meet our new challenges, we will produce successful results, as we have in the past, and will continue to be a successful company.

Carl Lay
Vice President
Corporate Relations
ACNA
