

Press Release

September 18, 2007

Akebono Brake to Establish New Company

Akebono Brake Industry Co., Ltd. (Akebono) decided to establish a joint venture to market brakes for industrial machinery and rolling stock.

Following the formation of a strategic alliance with the ITOCHU Corporation (ITOCHU) in December 2006, Akebono and ITOCHU studied the feasibility of a joint venture to market brakes for industrial machinery and rolling stock applications. Both companies decided to form a joint business to expand sales of industrial and rolling stock brakes, which Akebono manufactures, by utilizing the ITOCHU Group's sales network and marketing know-how, especially for pioneering markets outside Japan.

The new company, to be called Akebono Brake Industrial Machinery & Rolling Stock Components Sales Co., Ltd., will be a consolidated subsidiary 60% owned by Akebono, and ITOCHU Automobile Corporation will hold the remaining 40%. The company plans to incorporate on October 1, 2007 and will begin operating by conducting market research.

In the year ended March 31, 2007, Akebono registered approximately 10.0 billion yen in sales for industrial machinery and rolling stock brakes, and the majority of this came from customers in Japan. By establishing this joint venture, Akebono and ITOCHU aim to expand business outside Japan and increase sales in the segment to 15.0 billion yen (3.0 billion yen of which is expected from the new company) in the year ended March 31, 2011.

Outline of new company

Name:	Akebono Brake Industrial & Rolling Stock Components Sales Co., Ltd.
Location:	Hanyu City, Saitama, Japan
No. of shares that can be issued:	24,000
Paid-in capital:	300 million yen
No. of shares issued initially:	6,000
Shareholders:	Akebono Brake Industry Co., Ltd.: 60% ITOCHU Automobile Corporation: 40%
Representative:	Kazuhiko Goto, President (currently Member of the Board and Senior Managing Executive Officer at Akebono Brake Industry Co., Ltd.)
Employees:	6
Establishment date (plan):	October 1, 2007

About Akebono Brake Industry Co., Ltd.

Akebono Brake Industry Co., Ltd. (TSE:7238), founded in 1929, is a world leader in advanced brake and friction material development and production. Akebono's portfolio includes brake products for automobiles, motorbikes, rolling stock, industrial machinery, and sensor products for automobiles. For automotive OEM disc brake pads, Akebono has the top share in Japan at approximately 40% and a global market share of approximately 20%. The Akebono Group operates R&D centers in Japan, the United States and France, and has wholly owned or affiliated manufacturing facilities in Japan, the United States, France, China, Thailand and Indonesia. Akebono recorded net sales of 173.2 billion yen in the fiscal year ended March 31, 2007, and employs nearly 7,000 people worldwide on a consolidated basis.

For more information, visit www.akebono-brake.com