

## Press Release

December 5, 2006

### Akebono Brake to Establish New Casting Foundry

**TOKYO** – Akebono Brake Industry Co., Ltd. (Akebono) announced it will establish a new casting foundry in Tatebayashi City, Gunma Prefecture, to partially insource material procurement.

The new casting foundry will be constructed to ensure a stable material supply, lower costs and enhance Akebono's disc brake manufacturing technical know-how. The decision is the result of an internal project launched to meet greater demand from auto manufacturers due to increased production.

Utilizing the site of the former Akebono Brake Tatebayashi Manufacturing Co., Ltd., the new casting foundry will be designed to be a clean and comfortable place to work that is environmentally friendly. A total investment of approximately 5.0 billion yen is planned over a three year period from fiscal 2007 to fiscal 2009. Operations are expected to start with approximately 40 employees in April 2008, and by September 2009 this number will be increased to approximately 90 to achieve a production capacity of 2,200 tons per month, thereby meeting 50% of demand for Akebono's operations in Japan.

Cast iron is an essential material for disc brakes. Processed cast iron forms major components (caliper bodies and support brackets) for disc brakes, and support brackets, which are difficult to procure, will be produced initially.



The Akebono Group is working to achieve a global market share of 30% for friction material OEM disc brake pads, as stated in its mid-term management plan "Global 30". Akebono's decision to establish a new casting foundry to insource material was made with a view to assist the achievement of Global 30 and subsequent targets.

**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, and industrial machinery, and sensor products for automobiles. 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 142.3 billion yen in the fiscal year ended March 31, 2006, and employs over 6,000 people worldwide on a consolidated basis. For more information, visit [www.akebono-brake.co.jp](http://www.akebono-brake.co.jp)

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