

Press Release

March 13, 2007

Akebono Brake Realigns North American and European Businesses

TOKYO – Akebono Brake Industry Co., Ltd. announced decisions to approve the ITOCHU Group acquiring an interest in Akebono's North American regional company, and the establishment of a European regional company.

The ITOCHU Group is expected to acquire a stake in Akebono's North American regional company on March 31.

Under the transaction, Akebono's North American regional company, Akebono Corporation (North America), will purchase the ITOCHU Group's holding in Amak Brake L.L.C. At the same time, the ITOCHU Group will acquire a 20% stake in Akebono Corporation (North America). Following their agreement to form a strategic alliance in December 2006, both companies studied this capital arrangement.

The new capital structure enables Akebono and ITOCHU to advance their cooperation in North America. Akebono and the ITOCHU Group will continue to study the possibilities of forming a joint venture to conduct aftermarket brake product sales in the North American market, and look at increasing distribution efficiencies in North America by utilizing ITOCHU Group's distribution network.

The expected date of establishment for Akebono Brake Europe S.A., the new European regional company, is April 1.

The company's office will be located in Belgium (on the outskirts of Brussels), in proximity to EU capital city functions, and also where the European headquarters of Japanese automotive manufacturers and parts suppliers are concentrated. Akebono Brake Europe S.A.'s location will enable Akebono to roll out its sales strategy while



Akebono Brake Europe S.A.

leveraging geographical advantages. In addition to headquarter and sales functions, Akebono Brake Europe S.A. is expected to have market research and other functions. To increase efficiencies across the European business, Akebono Europe S.A.S. is scheduled to absorb Akebono Arras S.A.S., making Akebono Europe S.A.S. the surviving entity.

For more information on Akebono Brake Europe S.A., please see the attached appendix.

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

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Appendix

Akebono Brake Europe S.A. Overview

1. Reason for Establishment

As part of Akebono's drive to realign its European business, Akebono Brake Europe S.A. will be established in Belgium as a regional headquarters. Belgium is located in the center of Europe, possesses EU capital city functions, and has a high concentration of European headquarters for Japanese automotive manufacturers and parts suppliers. Akebono aims to increase sales and efficiencies by rolling out a sales strategy that leverages geographical advantages.

2. Details of subsidiary

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| (1) Company name: | Akebono Brake Europe S.A. |
| (2) Representative: | Takeshi Saito |
| (3) Location: | Diegem (suburb of Brussels), Belgium |
| (4) Establishment date: | April 1, 2007 (plan) |
| (5) Main businesses: | Europe regional headquarters, sales, market research |
| (6) Fiscal year end: | March 31 |
| (7) Employees: | 8 (plan for start of operations) |
| (8) Capital: | 19 million euro |
| (9) Shareholder: | Akebono Brake Industry Co., Ltd. (100%) |

3. Financial impact

The material impact on Akebono Brake Industry Co., Ltd.'s financial results for the year ended March 31, 2008 is expected to be negligible.

4. Reference

European group companies:

France: Akebono Europe S.A.S. will absorb the Akebono Arras S.A.S. manufacturing facility (after April 2007), and Akebono Europe S.A.S. will conduct manufacturing, sales and R&D in France as the surviving entity.

Germany: Akebono Europe GmbH will continue to operate as a sales base in Germany.

Akebono Brake Europe S.A. will overlook the above group companies in France and Germany.