

Akebono Brake to Establish New Subsidiary in Mexico

Akebono Brake Industry Co., Ltd., has announced the establishment of a new manufacturing facility in Mexico. The decision was approved by resolution of the Company's Board of Management on February 7th, 2012, and the details are as outlined below.

1. Purpose of the new company

The establishment of a subsidiary in Mexico will provide the Company with a production facility and supply base close to customers in the country. This will enable us to meet growing demand due to planned production increases by major automakers manufacturing in Mexico, as well as new projects scheduled by car makers in the region. Moreover, the venture will facilitate a shift to localized production of our components hitherto exported to Mexico from Japan and elsewhere.

Revenues from exports to Mexico from the Akebono Group's North American facilities (Akebono Brake Corporation) represent 8% of said affiliate's total sales, while indirect exports to the region of knocked-down components from Japan are also substantial. The Company aims to more fully satisfy customer needs by continuing to conduct business worldwide on a "local production for local consumption" model. The establishment of this new venture will accelerate expansion of the Company's Mexican business, while further enhancing the cost competitiveness of not only our North American and Japanese operations, but for the Akebono Group worldwide.

2. Outline of the new company

- (1) Trade name : Akebono Brake Mexico S.A. de C.V.
- (2) Location : Guanajuato, Mexico (tentative)
- (3) Representative : Keiji Yamanaka
- (4) Business activities : Manufacture and sale of automotive brakes
- (5) Capital : 400 million JPY (initial investment for appropriate land purchase)
- (6) Date of establishment : April 1st, 2012 (tentative)
- (7) Ownership participation : Companies within the Akebono Group (100%)

3. Outline of the new facility (tentative)

- (1) Site area : Approx. 100,000m²
- (2) Start of production : June 2013
- (3) Sales revenue : Approx. 4.5 billion JPY (Fiscal 2015)

4. Impact on performance

The impact of the establishment of this new subsidiary on the Company's consolidated performance for fiscal 2011 will be negligible.