



## **Parker Strengthens Asian Hydraulics and Pneumatics Businesses by Acquiring Majority Stake in Japan-based Taiyo Ltd.**

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CLEVELAND, June 26 /PRNewswire-FirstCall/ -- Parker Hannifin Corporation (NYSE: PH) has strengthened its global motion and control capabilities by becoming the majority shareholder in Taiyo Ltd., an Osaka, Japan based leader in hydraulic and pneumatic technologies. Earnings are expected to be accretive in the first full year.

(Logo: <http://www.newscom.com/cgi-bin/prnh/19990816/PHLOGO> )

Parker increased its equity stake in Taiyo to approximately 60 percent by purchasing all Taiyo voting stock previously held by Kyoei Steel Ltd. Terms of the deal were not disclosed.

Taiyo posted revenues of approximately \$208 million (24 billion Yen) for its fiscal year ended March 2006. The company develops and manufactures a broad range of automation products, including hydraulic and pneumatic actuators, cylinders and specialized pneumatic products. Its 875 employees operate four facilities in Japan, one in China, and one in the United States. The companies have collaborated since the March 2002 establishment of a Parker-Taiyo business alliance.

"This transaction dramatically strengthens our hydraulics business with a platform for growth serving Japan and the entire Asian region," said Don Washkewicz, Parker Chairman and CEO. "The deal also demonstrates Parker's ability to provide a new partner with expertise in terms of commercial channels, management systems, engineering and infrastructure to such an extent that they have welcomed Parker taking a majority position."

"Today's news is the culmination of a proven partnership between two strong motion and control companies with the same goals: growing the business and serving customers," said Joe Vivic, President of Parker's Asia Pacific Group.

"This transaction allows us to build on what we've already achieved together," said Lee Banks, President of Parker's global hydraulic business. "We'll increase the speed with which we innovate, strengthen and expand our distribution network, and leverage our joint operating capabilities to serve markets in Japan, Southeast Asia, Europe and the Americas."

Mr. Yoshinori Hanazawa, President of Taiyo Ltd said, "We have already experienced great success working together over the last several years, so we welcome a stronger relationship with Parker. Few competitors will be able to offer the combined products, systems and services that we do. We see only positive things ahead for our customers and employees."

With annual sales exceeding \$8 billion, Parker Hannifin is the world's leading diversified manufacturer of motion and control technologies and systems, providing precision-engineered solutions for a wide variety of commercial, mobile, industrial and aerospace markets. The company employs more than 55,000 people in 46 countries around the world. Parker has increased its annual dividends paid to shareholders for 50 consecutive years, among the top five longest-running dividend-increase records in the S&P 500 index. For more information, visit the company's web site at <http://www.parker.com>, or its investor information site at <http://www.phstock.com>.

**Forward-Looking Statements:** Forward-looking statements contained in this and other written and oral reports are made based on known events and circumstances at the time of release, and as such, are subject in the future to unforeseen uncertainties and risks. All statements regarding future performance, earnings projections, events or developments are forward-looking statements. It is possible that the future performance and earnings projections of the company and individual segments may differ materially from current expectations, depending on economic conditions within both its industrial and aerospace markets, and the company's ability to achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, and growth and innovation initiatives. A change in economic conditions in individual markets may have a particularly volatile effect on segment results. Among the other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers or suppliers, including delays or cancellations in shipments; uncertainties surrounding timing, successful completion or integration of acquisitions; threats associated with and efforts to combat terrorism; competitive market conditions and resulting effects on sales and pricing; increases in raw-material costs that cannot be recovered in product pricing; the company's ability to manage costs related to employee retirement and health care benefits and insurance; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation and interest rates. The company makes these statements

as of the date of this disclosure, and undertakes no obligation to update them.

SOURCE Parker Hannifin Corporation

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