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Parker Announces Offer to Acquire Remaining Shares in TAIYO, LTD.

CLEVELAND, Jan. 19, 2012 /PRNewswire/ -- Parker Hannifin Corporation (NYSE: PH), the global leader in motion and control technologies, today announced that it has commenced a cash tender offer to purchase all of the outstanding shares not owned by Parker in TAIYO, LTD., a majority owned subsidiary of Parker, which is headquartered in Osaka, Japan. The tender offer, which has been formally made by Parker Hannifin Japan Holdings GK, extends through March 5, 2012 at a price of 250 yen (approximately \$3.25) per common share and represents a total consideration of 5.8 billion yen (approximately \$75 million) for the remaining 23,136,063 shares or 43.51% of the shares of TAIYO not owned by Parker. The acquisition is subject to certain regulatory approvals and the tender of a majority of the shares of TAIYO not owned by Parker. The independent members of the TAIYO Board of Directors have adopted a resolution supporting the tender offer and recommending that all TAIYO shareholders tender their shares.

(Logo: <https://photos.prnewswire.com/prnh/19990816/PHLOGO>)

Parker has been the majority shareholder in TAIYO since June 2006 and has had a formal relationship with TAIYO since forming a business alliance in 2002. TAIYO has annual sales of approximately 17.3 billion yen (approximately \$225 million). The company develops and manufactures a broad range of products, including hydraulic and pneumatic actuators, cylinders and specialized pneumatic products. TAIYO has four manufacturing plants located in Japan and two manufacturing plants in China. Upon successful completion of the tender offer, TAIYO will remain part of Parker's Global Hydraulics Group and its results will continue to be reported in the Industrial International segment. Parker currently consolidates 100 percent of the sales of TAIYO in its financial statements.

"We are pleased to make an offer to acquire the remaining interest in TAIYO," said Jeff Cullman, President of Parker's Hydraulics Group. "Once completed, this transaction will help us establish an even stronger presence in a high growth region for our world class hydraulic and automation systems. TAIYO provides a strong base business and manufacturing presence in Japan from which we can build our presence in other emerging markets of the region, including key markets in China."

Mizuho Securities Co., Ltd is acting as an adviser to Parker in the tender offer. Shareholders residing in the United States, who wish to tender their shares in the tender offer, will be required to tender their shares to Mizuho Securities Co., Ltd. through their shareholders' standing proxies in Japan, and such shareholders will be unable to directly tender their shares in the tender offer.

With annual sales exceeding \$12 billion in fiscal year 2011, 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 mobile, industrial and aerospace markets. The company employs approximately 58,000 people in 47 countries around the world. Parker has increased its annual dividends paid to shareholders for 55 consecutive fiscal 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 www.parker.com, or its investor information web site at 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, including its individual segments, may differ materially from current expectations, depending on economic conditions within its mobile, industrial and aerospace markets, and the company's ability to maintain and achieve anticipated benefits associated with announced realignment activities, strategic initiatives to improve operating margins, actions taken to combat the effects of the current economic environment, and growth, innovation and global diversification initiatives. A change in the economic conditions in individual markets may have a particularly volatile effect on segment performance. Among other factors which may affect future performance are: changes in business relationships with and purchases by or from major customers, suppliers or distributors, including delays or cancellations in shipments, disputes regarding contract terms or significant changes in financial condition, changes in contract cost and revenue estimates for new development programs and changes in product mix; ability to identify acceptable strategic acquisition targets; uncertainties surrounding timing, successful completion or integration of acquisitions, including obtaining the minimum number of shares tendered by TAIYO shareholders to complete the tender offer; ability to realize anticipated costs savings from business realignment activities; threats associated with and efforts to combat terrorism; uncertainties surrounding the ultimate resolution of outstanding legal proceedings, including the outcome of any appeals; 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 insurance and employee retirement and health care benefits; and global economic factors, including manufacturing activity, air travel trends, currency exchange rates, difficulties entering new markets and general economic conditions such as inflation, deflation, interest rates and credit availability. The company makes these statements as of the date of this disclosure, and undertakes no obligation to update them unless otherwise required by law.

SOURCE Parker Hannifin Corporation