

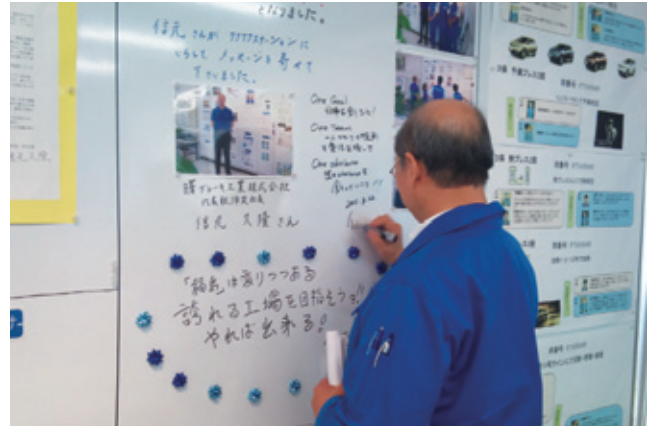
akebono's Response to the Great East Japan Earthquake

akebono's Disaster Response and Information Disclosure

On March 11, 2011, approximately one hour after the Great East Japan Earthquake struck, we established a "Disaster Task Force" at the Global Head Office in Nihonbashi. Under President Hisataka Nobumoto, the Disaster Task Force placed utmost priority on confirming the safety of associates and their immediate families and other relatives, while collecting information on the damage to branch offices, plants, suppliers and customers. On March 13, 2011, we posted a preliminary assessment of damage sustained at each plant and information on our future production plans on our Website. The post also contained the information that Akebono Brake Yamagata Manufacturing Co., Ltd. (Yamagata Manufacturing) and Akebono Brake Iwatsuki Manufacturing Co., Ltd. (Iwatsuki Manufacturing) sustained relatively minor damage to their buildings and facilities and would resume production on March 14, 2011, as would Tatebayashi Foundry on March 15, 2011. In addition, we disclosed information on safety confirmation activities at our materials and parts suppliers. Furthermore, on March 14, 2011, we announced that no major injuries had been sustained by Group personnel. We completed the damage assessments at our materials and parts suppliers on March 16, 2011, and learned of concerns regarding disruption in supply for some items. Along with offering relevant suppliers help in restoring their operations, we considered using substitute materials and parts, announcing this move in a news release on March 16, 2011. In addition, on May 9, 2011, we announced the recording of an extraordinary loss due to the earthquake. The full restoration of our Proving Grounds is anticipated in fiscal 2013.

Resuming Production and Helping out Survivors

Among our production plants, Akebono Brake Fukushima Manufacturing Co., Ltd. (Fukushima Manufacturing) was the nearest to the quake's epicenter. In the afternoon of March 13, 2011, after the electricity supply resumed, we made a detailed damage assessment with the cooperation of the Global Head Office. Although no buildings were found to have collapsed, we found materials in process and inventory stock scattered about inside the buildings, production equipment that had shifted sideways and cracks in the anti-seismic reinforcement braces. On March 14, 2011, we



President Nobumoto writing messages of encouragement for staff (Fukushima Manufacturing on March 22, 2011)

began repair and restoration work, conducting test operations with help from Yamagata Manufacturing and Ai-City headquarters. Owing to the prompt response here and elsewhere, normal production was restored at all akebono's domestic plants by March 21, 2011. On March 22, Hisataka Nobumoto visited Fukushima Manufacturing to offer words of encouragement as well as to provide relief supplies to local associates.

For local people in the disaster area, we began sending relief supplies on March 12, 2011, to Fukushima and Sendai, from where they were distributed to evacuation shelters. We helped associates and their families who had been living in designated evacuation areas or whose houses had collapsed to evacuate to the Kanto area. From March 13, 2011 to April 30, 2011, we provided accommodation for 18 families, or a total of 85 people, at company dormitories and business hotels.

Also, the sewage treatment tank at Fukushima Manufacturing was damaged. Provisional repairs were made but we plan to replace the damaged unit with a new tank that has higher earthquake resistance in August. After assessing our response to this earthquake, we will review our business continuity plan (BCP) manual and revise it to remove bottlenecks regarding relief supplies as well as to improve the performance of telecommunication facilities and other functions. This will ensure that in the future we will be able to better select evacuation areas.

TOPICS

Support for Restoration

Monetary Sponsorship

The akebono Group offered monetary sponsorship as well as donations for the purchase of relief supplies totaling approximately ¥100 million to support survivors and the restoration of the disaster areas.

Volunteer Activities

Seven new recruits from Yamagata Manufacturing participated in volunteer activities at the Sagae City Civic Gymnasium on March 30, 2011. They helped out with the sorting and transporting of relief supplies.



akebono volunteers loading relief supplies

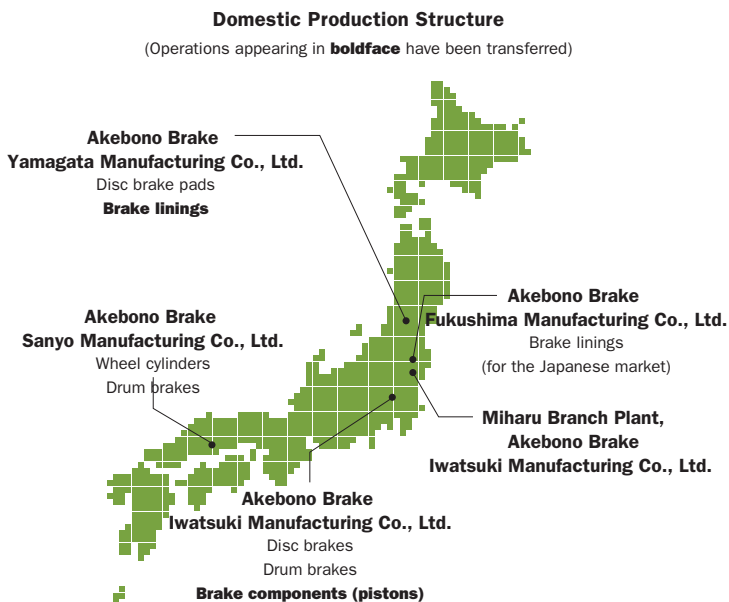
akebono's Post-Disaster Response

Reassembling the Domestic Production System

In response to the disaster, we began transferring some brake component manufacturing operations to other areas. Previously, all drum brake linings were manufactured at Fukushima Manufacturing. Now, however, approximately 10% of the total production volume will be transferred to Yamagata Manufacturing.

Also, we are considering transferring the production of brake components for export, already relatively low, to regional facilities close to their intended markets, for example, to North America or to plants in either Indonesia or Thailand for items presently exported to Asian markets. We are striving to increase the manufacturing ratio at overseas plants in order to disperse the manufacturing function while standardizing overseas plants to boost our cost-competitiveness. Furthermore, in response to the possible expansion of the area of evacuation surrounding the Fukushima Daiichi Nuclear Power Station, the manufacture of pistons will be transferred from the Miharu Plant to Iwatsuki Manufacturing by the end of August 2011.

Because the Japanese automotive industry tends to be upstream-intensive, the entire industry has been affected by the earthquake. Also, raw material prices have risen further, and we anticipate upsets in the cost structure. We are thus shifting toward the standardization of our domestic production structure to enhance cost-competitiveness.



TOPICS

Implementation of Seismic Simulation, Disaster Drills and Anti-Seismic Reinforcement

As part of our risk management efforts, we regularly conduct seismic simulations to discover and address problems. In our fourth such drill on December 15, 2010, we simulated an earthquake in the high sixes on the Japanese seismic scale striking Fukushima Prefecture. The result was extensive damage to facilities and infrastructure leading to production disruption and casualties. Based on this, we established disaster task forces at Fukushima Manufacturing, Ai-City headquarters and the Global Head Office, set up satellite phones and audio- and teleconference systems to report on the disaster situation and confirm safety at each facility. Also, the scenario posited that the head of the disaster task force was away on business so a senior

managing executive officer and director was made deputy head of the disaster task force.

Simultaneously, Ai-City conducted a disaster drill assuming that a large-scale earthquake had occurred in the Kanto area, and all 739 employees moved to an evacuation area following routes broadcast through the in-house public address system.

Since 2008, akebono has promoted anti-seismic reinforcement at each facility. Fukushima Manufacturing completed the seismic reinforcement work on its buildings, including the dormitory on its premises, on March 10, 2011.



Simulated disaster task force (Global Head Office)



Implementing disaster drill at Ai-City