

Highlights of Fiscal 2010 Activities

United States: Participation in Community Organizations

In North America, many of our associates belong to a council or a committee formed to address issues in their local community. For example, some Akebono Brake Corporation (ABC) associates serve on the Automotive Industry Council of Kentucky, which focuses on legislative issues pertaining to the needs of the automotive industry in Kentucky, as well as on the Japan Business Advisory Council to Kentucky along with Governor Beshear. Also, one associate is a board member of the United Way of Central Kentucky, an organization that fosters the support of community organizations in addition to collecting charitable contributions from community members and businesses for disaster relief efforts, the feeding and clothing of people in need, and aiding victims of domestic violence.

At Akebono Brake, Elizabethtown Plant (ABE), an associate serves on the Lincoln Trail Area Work Force Investment Board, which works to create and develop employment opportunities, and another serves as the Chair of the Elizabethtown Industrial Foundation Training Consortium Board, which develops and implements various training programs for local industry aimed at upgrading the skills of the current and future workforce. An associate at the Akebono Brake, Glasgow Plant (ABG) serves as a member of the Barren River Adult Vocational Consortium, which develops vocational educational programs to meet local needs. At the Akebono Brake, Clarksville Plant (ABCT), associates proactively participate in local community activities and have served as the Chairperson of as well as and members of the Clarksville/Montgomery County Industrial Council, which conducts surveys on trends of local industries and cross-industrial exchanges.

United States: Raising Funds for Infant Health

Every year, ABE and ABC associates participate in the March of Dimes Walk-a-Thon to raise money for research and education aimed at improving infant health by helping to prevent birth defects, premature birth and infant mortality. March of Dimes researchers, volunteers, educators, outreach workers and advocates work together to give all babies a fighting chance in an often threatening world.



Associates participating in the infant health campaign

United States: Scholarships for Local High School Students

ABC provides scholarships for high school seniors graduating from Elizabethtown High School and Central Hardin High School. Each recipient is a young person who has decided to pursue an engineering degree. ABC aims to develop human resources who will one day become engineers or otherwise contribute to society as well as to expand the opportunities for younger people in local communities to find employment.

United States: Blood Drive

Rosanne Domanski, HR/Administrative Coordinator at Akebono Engineering Center (AEC) in Farmington Hills, Michigan, has for the past six years coordinated our blood drive on behalf of the American Red Cross, drawing on the experience of seeing her late mother requiring many blood transfusions during her illness for inspiration. AEC has held a blood drive annually since the 1990s. However, when Rosanne took over this project, our donations quickly climbed and began to exceed the goals set by the Red Cross. Akebono thanks Rosanne Domanski for her diligent efforts to coordinate the drive and encourages associate participation in this worthy cause.



Blood drive at AEC

France: Internship Program

At Akebono Europe S.A.S. (Arras), an all-out effort is being made to accept as many qualified interns as possible from local junior high and high schools as well as technical schools. Arras' motivation is not limited to wanting to cooperate in France's domestic educational programs. Rather, the intent is also to support the career choices of local young people, who represent the human resources of the next generation. Another benefit of this initiative is the opportunity it gives the company to deepen the local community's understanding of Akebono's business pursuits.

In fiscal 2010, Arras accepted 23 interns, more than twice the number accepted in the previous fiscal year, for a cumulative total of 605 workdays. Continuing to proactively accept interns, Arras will fulfill its role in local communities as an Akebono Group subsidiary.

Thailand: Visit to Facility for Handicapped People

As part of its volunteer activities in local communities, Akebono Brake (Thailand) Co., Ltd. (AKBT) periodically visits a facility for handicapped people with gifts purchased with funds raised by employees. The facility maintains a craft studio where the physically handicapped make accessories for sale. Despite the differences in the way we make products, we are both involved in "manufacturing." Communications are thus enlivened by the exchange of opinions as well as anecdotes about challenging and rewarding experiences.



AKBT associates and facility residents

HR Management and Development

Global Educational Program

■ Introduction of Akebono Standard Package

akebono's Akebono Standard Package is an educational package for use throughout the Group in educational programs for newly recruited associates. The package covers information on akebono's founding and history, business features by region, and akebono's corporate culture and philosophy, including the akebono Production System (APS) and corporate brand management. The package can be used for lectures in basic knowledge and the mindset that all akebono associates need to share. In addition, we intend to establish educational programs suited to specific countries and locations by adding original programs tailored to the unique characteristics of each region. We began to introduce the Akebono Standard Package from 2011 and aim to disseminate it among all akebono facilities worldwide by the end of fiscal 2012.

■ Global Leader Training

In fiscal 2011, akebono is planning to conduct global leader training for management-level associates at every facility in Japan and overseas. During this training, people who play a central role at their facility gather to share ideas about the global business strategy and improve their understanding of each other's role in each country and region while nurturing a sense of unity as the akebono Group. The first training session will be held in Japan, and we are currently preparing for its implementation.

Diversity

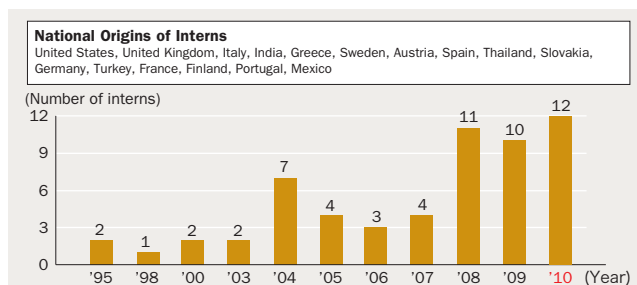
■ Internship

akebono is proactively promoting internship with the aim of developing associates' sense of being part of an international concern meeting diverse needs and expanding in global markets as well as of supporting young non-Japanese people's career choices. In fiscal 2011, we aim to assign more than one intern to each Headquarters department. By creating an environment in which interns from various national origins can gather and get involved in programs alongside akebono associates, we will lay the groundwork for global human resources.



Cross-cultural workshop for young akebono associates and interns (November 9, 2010, at Ai-City headquarters)

Number of Interns Accepted



Initiatives at Monozukuri Center

With the aim of developing human talent capable of pursuing the ultimate efficiency in production, the Monozukuri Dojo (training hall) was established in 2006. In fiscal 2010, akebono integrated this Dojo with the Basic Technique Class, the purpose of which was to spread and disseminate appropriate standards regarding operations conducted at each production facility, and the Model Line, which was designed to demonstrate the ideal manufacturing process. The result of this integration was the Monozukuri Center, where personnel are given the opportunity to develop in new directions.

The Monozukuri Center is a place where anyone can learn and get hands-on experience of the principles of *monozukuri* (manufacturing) in a short period at any time while building partnerships with other akebono associates. With the addition of the new Quality Dojo to the existing five Dojos (Safety Dojo, APS Dojo, Maintenance Dojo, Environmental Dojo and Friction Materials Dojo) in fiscal 2010, we now offer a wealth of learning opportunities. A particularly notable feature of the Monozukuri Center is that all training programs include hands-on experience. The training process begins with classroom lectures followed by hands-on experience and then qualification testing, and we expect trainee participants to bring back truly useful skills. As of March 2011, 1,326 associates in total had gone through training programs over the last five years.

In fiscal 2010, we also began taking the initiative in globalization. Starting with the plant managers of ABCT and the Akebono Brake Columbia Plant (ABCS) in the United States, we accepted a total of 41 trainees from overseas. akebono is now facing its third phase of transition and the Monozukuri Center is playing a crucial role in spreading the benefit of akebono's *monozukuri* as well as the benefit of Japan's *monozukuri* to overseas bases.



New recruits at the Basic Training Class



ABCT and ABCS Plant managers taking a training course

■ Trainees from Overseas Bases

In February 2011, we welcomed seven trainees from ABCT and ABCS in the United States. We held training mainly at the APS Dojo and Quality Dojo, and received such feedback from trainees as "I would like to bring back what I learned here to our plant in the States and reflect it to our operational improvement."



Training seminar for overseas trainees



Trainees and Monozukuri Center staff

Worksite Safety and Health

United States: Akebono Engineering Center (AEC)

AEC holds events in which associates' children can experience what it is like to be an AEC associate. Associates come to work with their children in the morning and spend the whole day showing them around the office and plant facilities, even giving them the opportunity to perform some tasks themselves. This deepens children's understanding of their parents' work, while helping boost associate motivation.



Bring Your Kids to Work Day (April 28, 2011)

Thailand: Akebono Brake (Thailand) Co., Ltd. (AKBT)

During Songkran, the traditional New Year's celebration in Thailand from April 13 to 15 every year, AKBT holds a purification rite at office. After this ceremony, the celebration turns into a festival where people throw water on each other, and this has become an important event that helps to promote friendship among associates. As for other events to facilitate friendship, AKBT conducts company trips. In fiscal 2010, we made an overnight trip to Nakornnayok. We also hold a New Year's Party and Sports Day before the year-end holiday in December. On that day, we invite a Buddhist monk to purify the plant in the morning, and hold the sports festival in the afternoon. All the AKBT associates participate, breaking into two teams to enjoy games.



Songkran (Thai traditional New Year's water-throwing festival)



Company trip



Sports Day

China: Akebono Corporation (Guangzhou)

Twice a month, Akebono Corporation (Guangzhou) holds gatherings of senior staff and associates whose birthdays fall in those months. Senior staff hear associate suggestions and opinions during the luncheon that they reflect in their business management. In addition, we hold an annual company trip with all associates to facilitate communication among associates while raising their motivation. On the safety front, we conduct emergency drills and, in tandem with Akebono Corporation (Suzhou), offer opportunities for mutual exchange and engage in improvement activities regarding safety and health. As a result of our efforts, Akebono Corporation (Guangzhou) achieved 1,000 no-disaster days.



Twice monthly birthday gathering

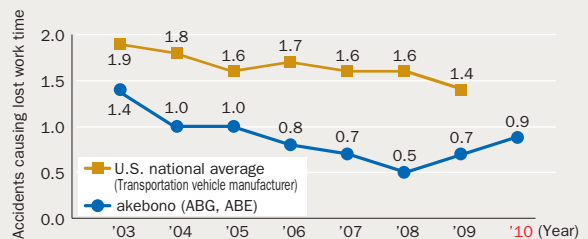


Company trip



A ceremony to hoist a safety flag in commemoration of achieving 1,000 no-disaster days

Accidents That Cause Lost Time in akebono U.S. Facilities



Graph data on accidents causing lost work time is based on the Occupational Safety and Health Administration (OSHA) calculation method. Data from 2003 to 2009 included ABG and ABE; ABCS and ABCT were added from 2010. However, the figure for 2010 does not contain average data for all akebono U.S. plants as such data has not been publicly disclosed as of June 10, 2011.