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Editorial Policy

We compiled the AKEBONO REPORT 2018 based on "integrated thinking," a concept proposed by the International Integrated Reporting Council (IIRC). In doing so, we have focused on actual examples of the Akebono Group's operations, the kind of growth it aims to achieve and how it will fulfill its commitment to delivering safety and peace of mind through brake products.

To effectively convey abovementioned content to our stakeholders, we prepared both printed booklet and web editions of the AKEBONO REPORT 2018. In the printed booklet, we put greater emphasis on reader-friendliness, focusing on matters that we want to communicate to a broader range of stakeholders. In this year's report, we have presented various Company initiatives from the standpoint of ESG (Environment, Society, and Corporate Governance) and SDGs. We hope this will help you understand the business we are promoting with the aim of sustainable growth. Further details on topics presented in the printed booklet can be found on our website.

It is our hope that the aforementioned articles help readers understand Akebono's determination to lead the way in realizing unparalleled competitiveness as a small, specialized, independent manufacturing company.

In preparing this edition, we referred to the Guiding Principles set forth by the IIRC as well as the Global Reporting Initiative Sustainability Reporting Guidelines (G4) and ISO 26000.

Reporting Period

This report covers the annual results data for the 2017 fiscal year (April 1, 2017 to March 31, 2018). In addition, the report contains references to some ongoing activities undertaken after the latter date to provide readers with a better understanding of the latest status of initiatives.

Organizations

Japan: Akebono Brake Industry (including HP BU, Foundation BU, Infrastructure & Mobility Systems (AIMS) BU, Friction Material BU, Aftermarket BU, and R&D, automotive sales, production, production engineering, quality assurance, purchasing department, and administrative departments as well as Tatebayashi Foundry), domestic Group companies including four production plants (Yamagata, Fukushima, Iwatsuki and Sanyo), Alocs Corporation, Akebono Research & Development Centre, Akebono 123, and Akebono Advanced Engineering; Overseas: ABC, AEC, ABE, ABG, ABCT and ABCS (U.S.); ABM (Mexico); AESA (Gonesse), AESA (Arras) (France); AEG (Germany); AAE (UK); ABSK (Slovakia); AKBT, A&M (Thailand); two Chinese subsidiaries (Guangzhou and Suzhou); AAJ (Indonesia); and AAVH (Vietnam). Please refer to "Akebono Locations" on pages 47 to 48 for the formal names of those organizations that are presented in the above listing as abbreviations.

akebono's Corporate Mission

Through "Friction and Vibration, their Control and Analysis," we are determined to protect, grow and support every individual life

Established 1999

akebono's Declaration for the 21st Century

We will continue to create value long into the 21st century as we pursue our Corporate Mission.

We declare that we will:

1. Recognize the real value of what we create and provide.
2. Assure our own indispensability by continuously creating new value.
3. Accomplish our tasks with speed and the courage of our convictions without fear of failure.
4. Achieve our aspirations through the pride of each and every individual.

Established 1999

Corporate Goals

1. Customer needs first
2. Technology realignment
3. Establishing a global network

Established 1990

Brand Slogan

**Absolute safety;
Unparalleled control**

Brand Statement

Since 1929, akebono has brought assurance and peace of mind to our customers and end-users everywhere as a global industry leader in brake design and production. We take pride in our history of achieving safety without compromise, and continue to pursue new standards of perfection with innovation.

Looking to the future, we are inspired by the prospect of delighting and satisfying our customers, and never cease in the challenge to succeed in this goal.

Absolute safety; Unparalleled control. Putting a smile on people's faces all over the world.

Established 2005

Definition of Fiscal Year

To present content in a consistent and easy-to-follow manner, in this report, the period referred to as the fiscal year represents the fiscal period from April 1 to March 31 of the next year. The financial statements are also presented on a fiscal year basis.

The AKEBONO REPORT 2018 booklet presents financial and nonfinancial information on the Akebono Group's fiscal 2017 initiatives with a focus on readability. For detailed data on each initiative, please visit our website.



Website

Detailed data on each initiative is disclosed on our website.



Booklet

Matters related to priority themes are concisely discussed in the booklet.

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The AKEBONO REPORT 2018 web edition is available on our website.

URL

<http://www.akebono-brake.com/english/index.html>

Cautionary Statement Concerning Outlook

Current plans, projections, strategies, business performance and other statements reported herein that are not historic facts represent forecasts made under Akebono's assumptions and views based on information available at the time this report was prepared. These statements, therefore, are exposed to risks and uncertainties, including but not limited to those associated with the economic climate surrounding Akebono's business domain, trends in market competition, exchange rates, tax systems and various institutions. Please note that actual business performance may differ significantly from Akebono's forecast due to various factors.