

S Strengthen Ties with Stakeholders— 1

Human Resources and Diversity



Basic Human Resources Policy

To provide opportunities to all associates and to support them so that they can share the Company's successes.

Akebono believes that the most important factor that guides a company to success is human talent (our associates). Guided by that belief, we set forth our basic human resource policy that "each associate must be given the opportunity to exert their abilities and be continuously supported to share their success with the Company." We are striving to build our long-term global personnel policy as well as to facilitate associates' ability to establish their individuality and foster mutual respect and trust.

Moreover, we are working on human rights education and enlightenment with high regard for human rights to achieve an organization with abundant diversity and creativity.

Global Human Resource Nurturing and Personnel System

We strive to ensure that our associates are assigned optimal positions and work locations based on their competencies, regardless of their nationality. To this end, our human resource recruitment, nurturing and administration systems are premised on abundant respect for human rights as well as associates' individuality, privacy rights and diverse value systems. In particular, we are developing our associates' communication skills, flexibility in dealing with diverse cultures and their linguistic abilities. Up to now, we have had different training programs and personnel systems by location, so we are working to enhance our associates' ability to operate in global business settings, since they have had few opportunities to engage in duties with peers from other countries with different cultures and native tongues.

As a part of its training programs, Akebono has prepared globally unified educational materials for training new recruits at all group business locations. Akebono has issued the Akebono Starter Book, a standard educational package that features the Company's corporate history since its founding, characteristics of its operations in each region and explanations of APS (Akebono Production System or Akebono Philosophy and Spirit), its corporate culture and philosophy as well as corporate brand management activities. The book is being used in training programs. By learning through this book, all associates are equally informed of the basic knowledge and concepts necessary to act as Akebono business persons. Moreover, with the addition of programs that reflect local concerns, we are developing human resource educational programs optimized for each region and location.

Promoting Diversity

Akebono aims to strengthen its corporate capabilities in a way that reflects the high respect it has for the values of each associate and their diversity. The Company cherishes associates' individual aspirations regarding work and life so that each can develop their creativity in the course of their duties, which, in turn, will help bring about a more vibrant company overall. Akebono is promoting diversity because it recognizes that as it expands globally, it is becoming increasingly important to establish a corporate structure that helps each associate realize their full potential regardless of their value system or cultural background. To further promote diversity, the Company is promoting recruitment activities that target people of all nationalities.

Akebono is promoting diversity management centered on three key initiatives, namely, diversity promotion, career support, and work-life balance promotion. Akebono will work to double the number of female managers from 2014 levels by 2020 through further diversity promotion efforts going forward.

Basic Themes of Diversity Management



Welcoming Interns from Various Countries

Akebono proactively accepts interns from various countries. It also organizes exchange events for interns and associates, which help to nurture global human resources by providing more associates with opportunities to encounter diverse values of other countries.

National Origins of Interns

United States, United Kingdom, Italy, India, Greece, Sweden, Austria, Spain, Thailand, Slovakia, Germany, Turkey, France, Finland, Portugal, Mexico, Morocco, Canada, Hungary, Netherlands, Poland, Tunisia, Nigeria, and Russia

Numbers of Interns Accepted



Career Support Activities

Since fiscal 2015, Akebono's Diversity Implementation Office has engaged in activities that support career advancement, such as networking, Dream Map Workshops, and opportunities to talk with directors.

Through these ongoing activities, we aim to evolve the entire company into an organization where each and every associate can maximize their abilities.

Networking

Forming connections among female associates establishes a platform that can help resolve anxieties and issues related to work.

Dream Map Workshops

A part of career training, these workshops help associates visualize their future targets (dreams) and clearly define their ideal career.



A networking event

Talks with Directors

Creating venues for associates and directors to discuss matters and obtain views and advice from different perspectives helps broaden the horizons of all associates.

Promoting the Advancement of Women in the Workplace

Akebono will continue working to be a company where all of our associates can work with motivation and enthusiasm, regardless of gender.

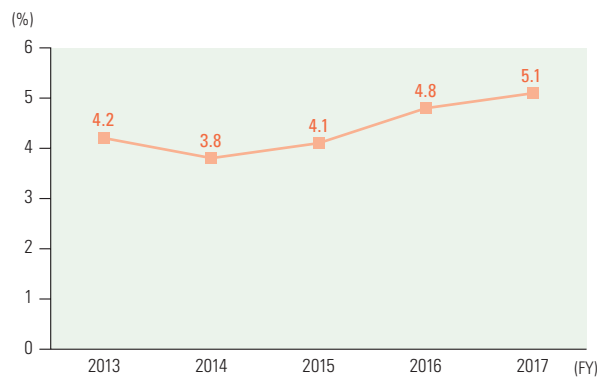
In April 2016, we received the L-boshi Designation (Third Grade)* from the chief of the Saitama Labor Bureau. The L-boshi designation system recognizes business owners that have performed excellently in initiatives for promoting the advancement of women from among those who formulate an action plan based on the Act Concerning Promotion of Women's Career Activities and submit the details of the plan. The designation is received from the Minister of Health, Labour and Welfare. There are five evaluation criteria and accredited between grade 1 and grade 3 based on a result of the evaluation. Akebono achieved the top rank of Grade 3.



L-boshi Mark

*Official nickname for the designation of the General Business Owner Complying with the Standard based on the Act for Promoting the Advancement of Women.

Ratio of female managers (Japan)



akebono Way

Since its founding in 1929, Akebono has developed a wide range of businesses and implemented measures in response to the needs of the times. Further, the values, attitudes and behavioral guidelines required of associates have been handed down unchanged and summarized as the akebono Way and stated in written form in 2017.

Promoting Work-Life Balance

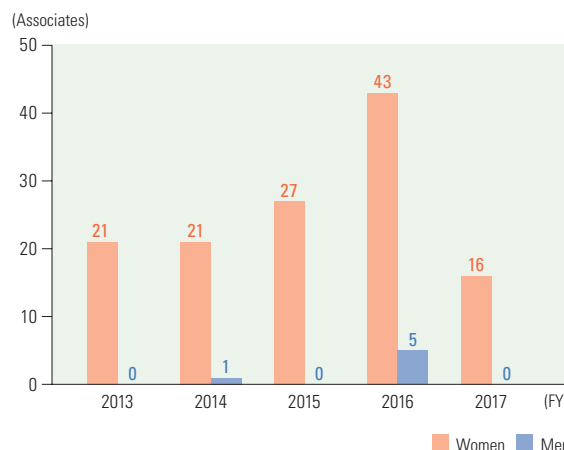
With the aim of accommodating the various workstyles of each associate, Akebono has designed various programs for associates raising children and those caring for family members to assist them with their efforts to strike a balance between these obligations and their work.

We distribute Life Supporter, a booklet that summarizes the content of these and other programs with the aim of facilitating the utilization of the programs by associates. As a result of these initiatives, Akebono received the “Kurumin” mark from Saitama Labor Bureau in October 2016, recognizing it as a company that actively supports child-raising in accord with the Act on Measures to Support Development of the Next Generation. The Company received this award in November 2007 and June 2013, making this the third time that Akebono has received the “Kurumin” mark.

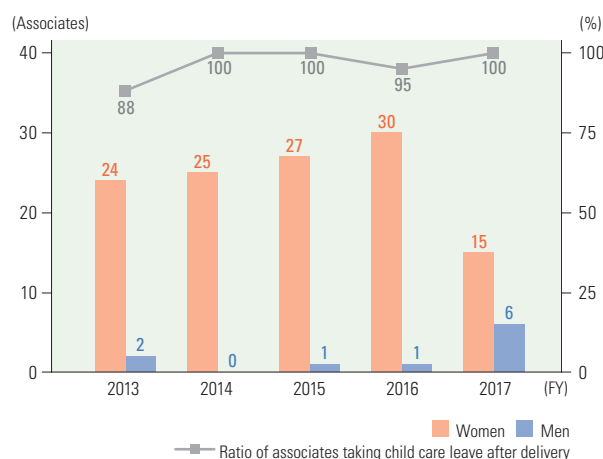


Going forward, we will also implement forward-thinking initiatives with an eye to future issues, thereby securing a corporate structure responsive to issues and changes in the social environment. To create a working environment that offers diverse and flexible working styles, we will continuously enhance these programs by incorporating feedback from associates.

Reduced working-hours plan for child care (Japan)



Child care leave (Japan)



Akebono’s Main Initiatives (Japan)

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| Child care leave plan | Associates can take leave until the March after the child’s third birthday while receiving aid. This can be taken in multiple parts. Note: Akebono has a child care leave plan that exceeds legal standards. | |
| Career partner plan | A program that provides those who left the Company due to family duties with opportunities to later rejoin Akebono within five years after their resignation. Eligible associates include those who had served for a continuous period of three years or more before leaving and meet other prescribed criteria. | |
| Nursing care leave plan | Associates can take up to two years leave per family member to provide nursing care while receiving a stipend | |
| Child nursing care plan | Associates can take up to five days of leave per year (ten days for associates with two or more children) to nurse sick or injured children or for children’s doctor visits until the child graduates from elementary school. This leave is separate from annual paid leave. | |
| Measures to reduce working hours | Child care plans <ul style="list-style-type: none"> Reduced working-hours plan: Associates can use the system multiple times until children graduate from elementary school. Flex time plan Child care aid plan: A fixed monthly aid until the March following the child’s third birthday | Nursing care plans <ul style="list-style-type: none"> Reduced working-hours plan: Associates can work reduced hours for a total of up to three years per family member to provide nursing care. These can be taken in multiple parts. Flex time plan |
| Improvements to company environment | <ul style="list-style-type: none"> Training for new managers regarding the need to consider associates balance of work and home life. Provision of useful information for balancing work and home life through pamphlets and the Intranet. Akebono Visit Day was held each year during children’s summer holidays to give associates’ families a chance to visit the workplace. | |
| Medical leave system | Associates receive 12 days of medical leave per year in addition to their annual paid vacation, so they can recuperate from unforeseen illness or injury without worrying about work. | |
| Work interval plan | Ensure that long working hours are rectified, and associates get sufficient rest time by leaving 11 hours free from the end of work to the start of work on the next day. | |

Akebono Brake Astra Vietnam (AAVH) was commended for its workstyle reforms based on overtime work reduction

AAVH had a high turnover rate due to the problems of increasing overtime. Therefore, we pursued initiatives including a zero-overtime work plan that went into full effect in February 2017 and an improvement suggestion program that picks up employee feedback on a timely basis. As a result, plant productivity improved significantly, and the turnover and absentee rates decreased, and we achieved zero overtime in August 2017. These activities were evaluated and the Ministry of Labor of Hung Yen Province, Vietnam commended

Akebono as a company that provides an excellent working environment in October 2017. Akebono will continue to



Commendation ceremony

improve its working environment with the aim of being “a company that makes associates happy.”

Health Management

Since fiscal 2017, Akebono has promoted health management by requiring managers to pay attention to the safety and health of associates and requiring associates to protect their health. By raising associate awareness of their health and improving work conditions, we aim to create an environment that is conducive to mental and physical health, with the ultimate objective of improving productivity and creativity.

In April 2017, Akebono created the Health Management Declaration, which expresses the Company’s commitment to proactively advancing measures that promote good health as a part of giving back to society. This declaration allows the company to grow along with its associates while helping associates live healthy fulfilling lives in both mind and body. We have systemized initiatives we have undertaken in the past in order to take a more focused approach to promoting mental and physical health, and raise health consciousness.



In February 2018, Akebono was recognized as a “Company with Excellent Health Management 2018 (White 500),” which honors large corporations that practice excellent health management and is jointly promoted by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi.

Akebono Nursery School (Ai-Kids)

Akebono established the Akebono Nursery School (commonly known as “Ai-Kids”) within the company as a part of workstyle reforms and to enhance the company’s benefits package. Akebono seeks to balance work and childcare, establish human resources, raise associates’ satisfaction and corporate brand image, and raise the awareness of male associates about childcare in accordance with a “company-led childcare business” promoted by the Cabinet Office. The nursery school’s capacity is 12 children and is intended for the children of Akebono Group associates. It is scheduled to open in May 2018.

In the planning and management of this nursery school, we received advice from a graduate of Akebono’s Vocational Scholarship Program.

(* Please see “Vocational Scholarship Program” on page 28)



Exterior view of Akebono Nursery School



Interior view of Akebono Nursery School

Ai-Village Training Center

Since its establishment in 2012, Ai-Village global training center has served as a training ground for numerous associates. Around half of the training sessions held there consist of job level-based training programs and training for selected associates organized by the Human Resources Department. Furthermore, various departments such as development, technology, sales, and production also hold them. In addition to being used as a place for retreat-type training sessions, there were some instances where Ai-Village was used by associates trapped by inclement weather. To further increase the scope of training programs, in fiscal 2014, the Company launched Ai-Campus. In addition to language training

programs aimed at nurturing globally capable associates, around 80 courses on basic knowledge about manufacturing and Akebono products are offered. Looking ahead, we will continue to strive to fully utilize this facility to nurture competitive human resources.



View of Ai-Village