

We introduce Mr. Ken Okazaki, an Outside Director of the Company, and Mr. Hisataka Nobumoto, the President & CEO of the Company, who discuss the role of outside directors and changes in the automotive industry.



Hisataka Nobumoto

President & CEO



Ken Okazaki

Outside Director (Institute Professor, Tokyo Institute of Technology)

Okazaki As a technology specialist, I think the Board of Directors' mission is to express my advisory opinion on the future direction of Akebono's technological development. Since the Company is now in a difficult business situation, I make every effort to speak from the standpoint of how to leverage Akebono's original technology, how to invest in it, and what kind of business model we should develop.



Nobumoto Akebono has various technologies, but I question whether it is sufficient that we utilize our technologies only in fields where we now do business. Deeper pursuit of these technologies might provide a

new picture. I'm very grateful that you have given us insight from a technical perspective on the possibility of using these technologies in other fields, on evaluating our technology, and on the development direction.

Okazaki Recently, I have found that to develop new technology it is necessary that 1) the management foundation is solid, 2) there is the financial capacity to invest in technology development, and without these two, technology development is impossible. Therefore, we need to consider what kind of technology development to pursue and discuss it at the board of directors meeting or at other venues. Still, we must have a dream. There is no point in having a dream just to have a dream. But, if the dream fails to motivate, we will not develop technologies that inspire.

Nobumoto This is not just a technology issue. Although there may be a lot of repetitive work one has to perform each day, you'll waste your time if you get buried in all of that without a dream.

Okazaki More than 100 years have passed since the car was invented, but now things are changing at a

speed never seen before. The most important point is electrification. "E-mobility" is the blanket term for hybrid and plug-in hybrid vehicles, electric vehicles, and fuel cell vehicles. As its popularity spreads, the world of brakes will drastically



change. One of these changes will be the regenerative brake. As friction brake wear decreases, demand for repair parts decreases. Once electric motors are mounted to each wheel, brakes will also have to be miniaturized so they properly fit. This will likely occur around 2040, and though it may seem a long way off, there are many things we need to think about now. More important than even "E-mobility" is addressing the environment. This is becoming increasingly difficult to do in these times. Akebono is a company that has led the world in its efforts to advance environmental measures, but it needs to pay even more attention to this issue.

Nobumoto The electrification of the braking mechanism is inevitable. Therefore, we will refocus on the electro-mechanical brake including the control system. An even larger issue is that of the environment. The focus of the three-year midterm business plan, which starts from next fiscal year, is the environment. I would like to find business opportunities from the environmental problems.

Okazaki Akebono should pull the world along with technology, its original technology. However, to develop the technology, management is important because funds are still required. We must quickly generate a positive growth cycle.

Nobumoto I want to return Akebono to a company that is technologically driven.