

Please note that the following is an unofficial English translation of the Japanese original text of the Notice of Convocation of the 122nd Ordinary General Meeting of Shareholders of Akebono Brake Industry Co., Ltd. The Company provides this translation for reference purposes only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Securities Code: 7238

June 7, 2023

(Measures for Electronic Provision commencement date: May 30, 2023)

To Shareholders with Voting Rights

Akebono Brake Industry Co., Ltd.
19-5, Nihonbashi Koami-cho, Chuo-ku, Tokyo
President & CEO
Yasuhiro Miyaji

NOTICE OF CONVOCATION OF THE 122ND ORDINARY GENERAL MEETING OF SHAREHOLDERS

Akebono Brake Industry Co., Ltd. (the “Company”) now announces and cordially invites you to attend the 122nd Ordinary General Meeting of Shareholders, to be held as set forth below.

In convening this General Meeting of Shareholders, the information contained in the Reference Documents, etc., for this General Meeting of Shareholders (matters subject to the Measures for Electronic Provision) shall be provided electronically and posted on to the Company’s website. You are kindly requested to access the following website and check the information.

[Company’s website]

https://www.akebono-brake.com/english/ir/shareholder_stock/meeting.html

In addition to the above website, matters subject to the Measures for Electronic Provision are also posted on the website of Tokyo Stock Exchange (TSE). Please access the TSE website (Listed Company Search) below, enter and search for “Akebono Brake Industry” in the “Issue name (company name)” field or “7238” in the “Code” field, and check the information posted upon selecting “Basic information,” “Documents for public inspection/PR information,” and “Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting.”

[TSE website (Listed Company Search)]

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

You can exercise your voting rights by mail or via the Internet instead of attending the meeting. Please refer to the “Exercise of Voting Rights” on page 3 and exercise your voting rights after reading the “Reference Documents for the General Meeting of Shareholders” contained in the matters subject to the Measures for Electronic Provision by 5:40 p.m. June 22 (Thursday), 2023 (JST).

1. Date and Time	June 23 (Friday), 2023 at 10:00 a.m. (Reception will open at 9:00 a.m.) (JST)
2. Place	Conference Hall, Ai-City (Headquarters), Akebono Brake Industry Co., Ltd. 5-4-71, Higashi, Hanyu City, Saitama

3. Purpose of the Meeting

Matters to be Reported

- (1) Business Report and Consolidated Financial Statements, as well as Results of the Audits of the Consolidated Financial Statements by the Independent Auditor and the Audit & Supervisory Committee for the 127th Business Term (From April 1, 2022 to March 31, 2023)
- (2) Non-Consolidated Financial Statements for the 127th Business Term (From April 1, 2022 to March 31, 2023)

Matters to be Resolved

Proposal No. 1: Election of Two (2) Directors (excluding Directors who are Audit & Supervisory Committee Members)

Proposal No. 2: Election of Four (4) Directors who are Audit & Supervisory Committee Members

- Should any revisions be made to the matters subject to the Measures for Electronic Provision, they will be posted on each website listed above.

Decisions for the convocation

- (1) Should voting rights be exercised in duplicate both in writing and via electronic means (the Internet, etc.), the exercise via electronic means (the Internet, etc.) shall be deemed valid. If voting rights are exercised multiple times via electronic means (the Internet, etc.), the last exercise of voting rights shall be deemed valid.
- (2) Should your agreement or disagreement with respective proposals not be indicated in the returned Voting Rights Exercise Form, it will be deemed as an “agreement” to the proposals of the Company.

Exercise of Voting Rights

The right to vote is an important right that allows the shareholders to participate in the running of the Company. We ask that shareholders exercise their voting rights after referring to the “Reference Documents for the General Meeting of Shareholders” contained in matters subject to the Measures for Electronic Provision.

Shareholders who will not attend the meeting

If you are unable to attend the meeting, you can exercise your voting rights by mail or via the Internet.

Exercising Voting Rights by Mail

Please indicate your agreement or disagreement with respective proposals on the enclosed Voting Rights Exercise Form and send it by mail to us. Please note that no indication of agreement or disagreement with respective proposals shall be deemed to be an indication of “agreement” to the proposals of the Company.

Deadline for Exercising Voting Rights: To arrive no later than 5:40 p.m. on June 22 (Thursday), 2023 (JST)

Exercising Voting Rights via the Internet

Please access the site for exercising voting rights (<https://soukai.mizuho-tb.co.jp/>) from your computer or smartphone and enter your vote for each proposal following instructions on screen.

Deadline for Exercising Voting Rights: No later than 5:40 p.m. on June 22 (Thursday), 2023 (JST)

Shareholders who will attend the meeting

When you attend the meeting, you are requested to present the enclosed Voting Rights Exercise Form at the reception desk upon arrival at the meeting.

· To save paper resources, we request that you bring this booklet with you when attending the meeting.

* Attending the meeting by proxy

When shareholders exercise their voting rights by proxy, those voting rights may be exercised by one other shareholder who possesses voting rights of the Company. In such a case, however, it is a condition that either the Voting Rights Exercise Form, or a document that can provide proof of identity (copy of certificate of seal impression, driver’s license, etc.) be submitted together with a letter of consent that contains the signature or seal of the entrusting shareholder.

Date and Time: June 23 (Friday), 2023, at 10:00 a.m. (JST)


REFERENCE DOCUMENTS FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and Reference Matters

Proposal No. 1: Election of Two (2) Directors (excluding Directors who are Audit & Supervisory Committee Members)

The term of office of Director Yasuhiro Miyaji will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes to increase the number of Directors by one (1) and elect two (2) Directors, to further strengthen the management structure.

The details of the candidates for Director are as follows:

No.	Name (Date of Birth)	Career Summary, Assignments and Positions in the Company, and Significant Concurrent Positions	Number of the Company's Shares Held
1	 Yasuhiro Miyaji (May 17, 1957) <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Reelection</div> Attendance at meetings of the Board of Directors 18/18 (100%)	April 1981 Joined Jidosha Kiki Co., Ltd. (currently: Bosch Corporation) October 2000 General Manager, Sales Planning Department, Sales Division, Bosch Braking Systems Co., Ltd. (currently: Bosch Corporation) April 2002 Deputy General Manager, Sales Division, Chassis System Business Unit, Bosch Corporation August 2005 President and Representative Director, TMD Friction Japan K.K. January 2009 Executive Officer, Bosch Corporation November 2010 Managing Executive Officer, in charge of Customer Business, Bosch Corporation April 2016 Senior Executive Officer, in charge of Customer Business, Bosch Corporation July 2017 Managing Executive Officer, Deputy General Manager of Vehicle Installation Business, NIDEC CORPORATION September 2019 Joined the Company, Representative Director (Current) October 2019 Executive Officer (Current), President & CEO, the Company (Current) June 2022 Responsible for North American Operations, Chairman, Akebono Brake Corporation (Current) [Assignments in the Company] CEO [Significant Concurrent Positions] Chairman, Akebono Brake Corporation	Common shares: 57,074
<p>[Reason for selecting Yasuhiro Miyaji as the candidate for Director] Mr. Miyaji has been demonstrating leadership as Representative Director, President & CEO of the Company since being appointed in 2019, carrying out and executing the Business Turnaround Plan and pursuing future growth through the restructuring of manufacturing plants on a global scale. Before joining the Company, he served as the President and Representative Director of TMD Friction Japan K.K., the Senior Executive Officer of Bosch Corporation, and the Managing Executive Officer of NIDEC CORPORATION and has expertise in the Company's mainstay business and strong relationships with Japanese automakers. In order to turn around the business and achieve future growth of the Company, it is indispensable for us to regain the trust of our customers and other stakeholders, strengthen the competitiveness of the entire Akebono Group and lead business expansion. As Mr. Miyaji has the most appropriate knowledge, experience and abilities to fulfill these duties, the Company has judged that he can continue contributing to the enhancement of corporate value of the Company and nominates him as the candidate for Director.</p>			

[Translation for Reference Purposes Only]

No.	Name (Date of Birth)	Career Summary, Assignments and Positions in the Company, and Significant Concurrent Positions	Number of the Company's Shares Held
2	 Masaaki Ando (May 13, 1965) <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-top: 5px;">New Election</div>	<p>October 1988 Joined the Company</p> <p>July 2003 President, Ambrake Corporation (currently: Akebono Brake Corporation)</p> <p>January 2005 Supervision, Automotive Sales Division, the Company</p> <p>January 2007 Executive Officer, Automotive Sales Division Supervision, Automotive Sales Groups 1, 2 & 3, the Company</p> <p>January 2010 EVP & OE /AM Sales, Akebono Brake Corporation</p> <p>July 2018 Global Key Account Executive, Continental Automotive Corporation (Japan)</p> <p>August 2020 Executive Officer (Current)</p> <p>April 2022 Head of the Global Sales Division, the Company</p> <p>July 2022 CMO (Current)</p> <p> Responsible for China Operations (Current), the Company</p> <p> Chairman, Akebono Corporation (Guangzhou) (Current)</p> <p> Chairman, Akebono Corporation (Suzhou) (Current)</p> <p>April 2023 In charge, Aftermarket Division (Current), In charge, Infrastructure & Mobility Systems (AIMS) Division (Current)</p> <p>[Assignments in the Company]</p> <p>CMO (Chief Marketing Officer)</p> <p>Head of the Automotive Sales Division</p> <p>Responsible for China Operations</p> <p>In charge, Aftermarket Division</p> <p>In charge, Infrastructure & Mobility Systems (AIMS) Division</p> <p>[Significant Concurrent Positions]</p> <p>Chairman, Akebono Corporation (Guangzhou)</p> <p>Chairman, Akebono Corporation (Suzhou)</p>	Common shares: 0
<p>[Reason for selecting Masaaki Ando as the candidate for Director]</p> <p>Mr. Ando joined the Company in 1988 and has made achievements mainly in the automotive sales and overseas business fields. He has abundant global experience, including his service as the President at the Company's U.S. subsidiary, and possesses a strong network of customer connections. In addition, after serving as a Global Key Account Executive at Continental Automotive Corporation (Japan) for about two years from July 2018, he has executed the Business Turnaround Plan as an Executive Officer of the Company since August 2020. As Mr. Ando has led the business of the Company as CMO since July 2022, the Company has judged that he can contribute to the expansion of the business and enhancement of corporate value of the Company and nominates him as the candidate for Director.</p>			


- Notes:
1. Mr. Masaaki Ando is the chairman of Akebono Corporation (Guangzhou) and Akebono Corporation (Suzhou) in which the Company holds 70% of equity interests and there are transaction relationships such as sale of brake parts between both companies and the Company. There is no special interest between the other candidate and the Company.
 2. The candidates do not hold Class A shares of the Company.
 3. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance will compensate for any legal damages and dispute costs arising in the event a claim for compensation of damages is made against the insured person during the term of the insurance due to an act taken by the insured person based on his or her position. Each candidate will be included as the insured person in the aforesaid insurance contract subject to approval of this proposal.
 4. The number of the Company's shares held by Mr. Yasuhiro Miyaji includes shares held through the Officers' Shareholding Association of the Company.

[Translation for Reference Purposes Only]


Proposal No. 2: Election of Four (4) Directors who are Audit & Supervisory Committee Members

The terms of office of four (4) Directors who are Audit & Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of four (4) Directors who are Audit & Supervisory Committee Members. This proposal has already been approved by the Audit & Supervisory Committee.


The details of the candidates for Director who is an Audit & Supervisory Committee Member are as follows:

No.	Name (Date of Birth)	Career Summary, Assignments and Positions in the Company, and Significant Concurrent Positions	Number of the Company's Shares Held
1	 Hiroaki Tanji (July 31, 1952)	April 1976 Joined DENKI KAGAKU KOGYO KABUSHIKI KAISHA (currently: Denka Company Limited) April 1992 Joined HOYA CORPORATION June 2000 Director, HOYA CORPORATION June 2006 Director, Corporate Executive Officer, Chief Technology Officer, HOYA CORPORATION June 2009 Corporate Executive Officer, in charge of Planning, HOYA CORPORATION September 2010 Management Advisor, Unison Capital, Inc. June 2012 Director, Vice President & Representative Corporate Executive Officer, Chief Financial Officer, ASAHI TEC CORPORATION June 2013 Director, President & Representative Corporate Executive Officer, Chief Executive Officer, ASAHI TEC CORPORATION June 2017 Chairman and Director, ASAHI TEC CORPORATION September 2019 Outside Director, the Company June 2021 Outside Director (Audit & Supervisory Committee Member), the Company (Current) June 2022 Outside Director (Audit & Supervisory Committee Member), MITSUBA Corporation (Current)	Common shares: 0
	Reelection Outside Director Independent Officer	Attendance at meetings of the Board of Directors 18/18 (100%) Attendance at meetings of the Audit & Supervisory Committee 14/14 (100%)	
[Reason for selecting Hiroaki Tanji as the candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles] Mr. Tanji served as the Director, Corporate Executive Officer and Chief Technology Officer of HOYA CORPORATION and the Director, the President & Representative Corporate Executive Officer and Chief Executive Officer of ASAHI TEC CORPORATION. He was appointed as Outside Director of the Company in September 2019 and since June 2021, has served as Outside Director who is an Audit & Supervisory Committee Member. He has expertise and extensive experience in corporate management and currently serves as the Chairperson of the Director Nomination Advisory Committee and Director Compensation Advisory Committee which are advisory bodies of the Board of Directors of the Company. We expect that, towards the business turnaround and future growth of the Company, he will continue to provide advice and supervision on management from his independent and fair position and, thus, the Company nominates him as the candidate for Outside Director who is an Audit & Supervisory Committee Member.			


[Translation for Reference Purposes Only]

No.	Name (Date of Birth)	Career Summary, Assignments and Positions in the Company, and Significant Concurrent Positions	Number of the Company's Shares Held
2	 <p data-bbox="247 548 446 649">Yuichi Hiromoto (September 25, 1957)</p> <div data-bbox="247 672 446 750" style="border: 1px solid black; padding: 2px; text-align: center;">Reelection</div> <div data-bbox="247 761 446 862" style="border: 1px solid black; padding: 2px; text-align: center;">Outside Director</div> <p data-bbox="247 873 446 1131">Attendance at meetings of the Board of Directors 18/18 (100%) Attendance at meetings of the Audit & Supervisory Committee 14/14 (100%)</p>	<p data-bbox="470 302 1228 347">April 1980 Joined Mitsubishi Corporation</p> <p data-bbox="470 347 1228 414">January 2001 President and Representative Director, Mitsubishi Corp. - UBS Realty Inc.</p> <p data-bbox="470 414 1228 481">October 2009 Deputy General Manager, Industrial Finance Business Department, Mitsubishi Corporation</p> <p data-bbox="470 481 1228 571">April 2010 Executive Officer and General Manager, Industrial Finance Business Department, Mitsubishi Corporation</p> <p data-bbox="470 571 1228 672">April 2015 Managing Executive Officer and COO of the New Industrial Finance Business Group, Mitsubishi Corporation</p> <p data-bbox="470 672 1228 716">October 2016 Co-CEO, Japan Industrial Solutions Co., Ltd.</p> <p data-bbox="470 716 1228 784">December 2018 President & CEO, Japan Industrial Solutions Co., Ltd. (Current)</p> <p data-bbox="470 784 1228 828">September 2019 Outside Director, the Company</p> <p data-bbox="470 828 1228 896">June 2021 Outside Director (Audit & Supervisory Committee Member), the Company (Current)</p> <p data-bbox="470 896 1228 963">[Significant Concurrent Positions] President & CEO, Japan Industrial Solutions Co., Ltd.</p>	<p data-bbox="1244 694 1428 750">Common shares: 0</p>
<p data-bbox="167 1142 1428 1198">[Reason for selecting Yuichi Hiromoto as the candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles]</p> <p data-bbox="167 1198 1428 1456">Mr. Hiromoto served as the President and Representative Director of Mitsubishi Corp. - UBS Realty Inc., the Managing Executive Officer and COO of the New Industrial Finance Business Group of Mitsubishi Corporation, as well as in other positions, and currently serves as the President & CEO of Japan Industrial Solutions Co., Ltd. He was appointed as Outside Director of the Company in September 2019 and since June 2021, has served as Outside Director who is an Audit & Supervisory Committee Member. He has expertise and extensive experience in financial and corporate management and currently serves as a member of the Director Nomination Advisory Committee and Director Compensation Advisory Committee which are advisory bodies of the Board of Directors of the Company. We expect that, towards the business turnaround and future growth of the Company, he will continue to provide advice and supervision on management with globally diverse perspectives and, thus, the Company nominates him as the candidate for Outside Director who is an Audit & Supervisory Committee Member.</p>			

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No.	Name (Date of Birth)	Career Summary, Assignments and Positions in the Company, and Significant Concurrent Positions	Number of the Company's Shares Held
3	 <p>Yosuke Mishiro (April 14, 1952)</p> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Reelection</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Independent Officer</div> <p>Attendance at meetings of the Board of Directors 18/18 (100%) Attendance at meetings of the Audit & Supervisory Committee 14/14 (100%)</p>	<p>October 1975 Joined Mitsubishi Corporation</p> <p>March 1985 Manager, Mitsubishi Corporation (Americas) (New York Headquarters)</p> <p>February 2001 Managing Director, Oaktree Capital Management Japan Limited</p> <p>August 2003 Joined Teijin Seiki Co., Ltd. (currently: Nabtesco Corporation), Assistant to the Senior General Manager, Technology and R&D Division, Administrative Officer</p> <p>June 2006 Executive Officer, General Manager, Planning Department, Power Control Company, Nabtesco Corporation</p> <p>June 2008 Director and Deputy General Manager, Corporate Planning Division, Nabtesco Corporation</p> <p>June 2009 Director and General Manager, Corporate Planning Division, Nabtesco Corporation</p> <p>June 2015 Representative Director and Executive Vice President; President, Accessibility Innovations Company, Nabtesco Corporation</p> <p>June 2017 Outside Audit & Supervisory Board Member, SENQCIA CORPORATION</p> <p>October 2018 Outside Director, SENQCIA CORPORATION</p> <p>July 2020 Outside Director, the Company</p> <p>June 2021 Outside Director (Audit & Supervisory Committee Member), the Company (Current)</p>	<p>Common shares: 0</p>
<p>[Reason for selecting Yosuke Mishiro as the candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles] Mr. Mishiro served as General Manager of the Corporate Planning Division, President of the Accessibility Innovations Company (automatic door business), and Representative Director and Executive Vice President at Nabtesco Corporation. He was appointed as Outside Director of the Company in July 2020 and since June 2021, has served as Outside Director who is an Audit & Supervisory Committee Member. He has expertise and experience in corporate management as well as M&A and business revitalization. We expect that, towards the business turnaround and future growth of the Company, he will continue to provide advice and supervision on management from his independent and fair position and, thus, the Company nominates him as the candidate for Outside Director who is an Audit & Supervisory Committee Member.</p>			

[Translation for Reference Purposes Only]

No.	Name (Date of Birth)	Career Summary, Assignments and Positions in the Company, and Significant Concurrent Positions	Number of the Company's Shares Held
4	 Shigeyuki Kawamoto (June 24, 1967) <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Reelection</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 5px auto;">Independent Officer</div> Attendance at meetings of the Board of Directors 18/18 (100%) Attendance at meetings of the Audit & Supervisory Committee 14/14 (100%)	April 1998 Registered at Tokyo Bar Association October 2009 Executive Managing Director and Member of the Board, Enterprise Turnaround Initiative Corporation of Japan (currently: Regional Economy Vitalization Corporation of Japan) January 2013 Registered at Kyoto Bar Association Partner attorney, Karasuma Law Office October 2015 Outside Audit & Supervisory Board Member, Fringe81 Co., Ltd. (currently: Unipos Inc.) June 2019 Outside Director (Audit and Supervisory Committee Member), TAKEBISHI CORPORATION (Current) June 2021 Outside Director (Audit & Supervisory Committee Member), the Company (Current) April 2022 Representative attorney at law, KAWAMOTO SOGO LAW OFFICES (Current) [Significant Concurrent Positions] Representative attorney at law, KAWAMOTO SOGO LAW OFFICES Outside Director (Audit and Supervisory Committee Member), TAKEBISHI CORPORATION	Common shares: 0

[Reason for selecting Shigeyuki Kawamoto as the candidate for Outside Director who is an Audit & Supervisory Committee Member and summary of expected roles]

Mr. Kawamoto has contributed to a number of corporate restructurings as a member of companies such as the Enterprise Turnaround Initiative Corporation of Japan and has high expertise as an attorney at law as well as extensive knowledge related to management. He was appointed as Outside Director who is an Audit & Supervisory Committee Member of the Company in June 2021 and currently serves as a member of the Director Nomination Advisory Committee and Director Compensation Advisory Committee which are advisory bodies of the Board of Directors of the Company. We expect that, towards the business turnaround and future growth of the Company, he will continue to provide advice and supervision on management from his independent and fair position and, thus, the Company nominates him as the candidate for Outside Director who is an Audit & Supervisory Committee Member.

- Notes: 1. Mr. Yuichi Hiromoto concurrently serves as the President & CEO of Japan Industrial Solutions Co., Ltd and in relation to the issuance of Class A Shares, Japan Industrial Solutions Fund II, the General Partner of which is said company, entered into an investment agreement with the Company. There are no special interests between the other candidates and the Company.
2. The candidates do not hold Class A shares of the Company.
3. MITSUBA Corporation, at which Mr. Hiroaki Tanji concurrently serves, is a supplier of raw materials of the Company. However, the transaction amount is insignificant, at less than 0.001% of consolidated net sales of the same company in the most recent fiscal year and is not considered to affect his independence.
4. Mr. Hiroaki Tanji, Mr. Yuichi Hiromoto, Mr. Yosuke Mishiro, and Mr. Shigeyuki Kawamoto are the candidates for Outside Director. The Company registered Mr. Hiroaki Tanji, Mr. Yosuke Mishiro, and Mr. Shigeyuki Kawamoto as Independent Officers to the Tokyo Stock Exchange under the regulations of the said Exchange and subject to approval of this proposal, these three persons are reappointed, they will continue to be Independent Officers.
5. Mr. Hiroaki Tanji, Mr. Yuichi Hiromoto, Mr. Yosuke Mishiro, and Mr. Shigeyuki Kawamoto are currently Outside Directors of the Company, and Mr. Hiroaki Tanji and Mr. Yuichi Hiromoto will both have served as Outside Director for three (3) years and nine (9) months, Mr. Yosuke Mishiro will have served as Outside

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Director for two (2) years and eleven (11) months, and Mr. Shigeyuki Kawamoto will have served as Outside Director for two (2) years as of the conclusion of this Ordinary General Meeting of Shareholders. Also, these four Outside Directors will have served for two (2) years as Outside Directors who are Audit & Supervisory Committee Members as of the conclusion of this Ordinary General Meeting of Shareholders. For the status of main activities of the four (4) Outside Directors in the 127th Business Term, please refer to “(4) Matters related to Outside Directors and Officers” on page 34 (Japanese only).

6. The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The said insurance will compensate for any legal damages and dispute costs arising in the event a claim for compensation of damages is made against the insured person during the term of the insurance due to an act taken by the insured person based on his or her position. Each candidate is included as the insured person in the aforesaid insurance contract subject to approval of this proposal.
7. Each candidate has entered into a contract limiting their liabilities with the Company and subject to approval of this proposal, the Company plans to continue the same contract. Below is an overview of the details of that contract.
Effective after entering into these agreements, should an Outside Director bear any liability arising from his/her act or omission and such Outside Director performed his/her duty in good faith and without gross negligence in relation to such act or omission, his/her liabilities shall be limited to an amount equal to the higher of ¥1 million or the minimum amount of his/her obligation as stipulated under Article 425, Paragraph 1 of the Companies Act.

(Reference)

Standard Regarding the Independence of Outside Officers

Akebono Brake Industry Co., Ltd. (the “Company”) sets forth the Standard Regarding the Independence of Outside Officers of the Company as detailed below. The Outside Officers of the Company shall not fall under any of the standards below.

1. A person who is or has previously been an executive (Note 1) of the Akebono Group
2. A major shareholder of the Company (Note 2)
3. A person to whom the Akebono Group is a major business counterparty (Note 3), or, when such a person is a corporation, an executive of the corporation (Note 1)
4. A person who is a major business counterparty of the Akebono Group (Note 4), or, when such a person is a corporation, an executive of the corporation (Note 1)
5. A certified public accountant (or a tax accountant) or an employee of an auditing firm (or a tax accounting firm), who belongs to the independent auditor of the Akebono Group
6. A consultant, an accounting specialist such as a certified public accountant, or a legal expert such as an attorney at law, who receives from the Akebono Group a significant amount of money or other assets (Note 5) other than remuneration for officer (when a person who receives such assets is an organization such as a corporation or an association, a person who belongs to such organization)
7. A person or an executive thereof (Note 1) who receives a large amount of donation (Note 6) from the Akebono Group
8. A close relative (Note 8) of an important person (Note 7) among those who fall under any of 2. to 7. above
9. A person who in the past three years has fallen under any of 2. to 8. above
10. Other person who is reasonably judged to be in circumstances under which he or she is unable to fulfill his or her duties as an Outside Officer

Provided, however, that, if a person who falls under any of 1. to 9. above and if the Company judges that the said person is qualified to become an Outside Officer of the Company in view of his or her personality, insight and other attributes, the Company may elect the said person as an Outside Officer on the condition that the reason why the Company judges that the said person is qualified as an Outside Director is publicly explained.

- Notes:
1. An “executive” refers to an executive as defined in Item 6, Paragraph 3, Article 2 of the Ordinance for Enforcement of the Companies Act, and means an executive director, an executive officer, a corporate officer and an employee who executes the business of an equity-method company (if an employee is a corporation, or a person who executes duties stated in Paragraph 1, Article 598 of the Companies Act, or a person equivalent to such person), a person who executes the business of a corporation other than a company or an organization, and an employee (a staff, etc.) of a corporation including a company or an organization.
 2. A “major shareholder” means a shareholder who holds 10% and more of the voting rights of the Company or an executive of such shareholder.
 3. A “person to whom the Akebono Group is a major business counterparty” means a person for whom transactions of the business counterparty’s group to the Akebono Group in the most recent fiscal year amount to more than 2% of the consolidated net sales of the business counterparty.
 4. A “person who is a major business counterparty of the Akebono Group” means a person for whom transactions of the Akebono Group to the business counterparty’s group in the most recent fiscal year amount to more than 2% of the consolidated net sales of the Akebono Group.
 5. A “significant amount of money or other assets” means that the total amount of the value amounts to more than ¥10 million in the most recent fiscal year in the case of an individual, and, in case of an organization, more than 2% of the consolidated net sales in the most recent fiscal year.
 6. A “significant amount of donation” means that the average annual donation amounts to more than ¥10 million in the past three years.
 7. An “important person” means an officer or a person with a managerial position of each company or business counterparty in the case of an executive in 2., 3., 4. and 7. above, and a certified public accountant who belongs to an auditing firm or an attorney at law who belongs to a law firm in the case of a person who belongs to an organization in 5. and 6. above.
 8. A “close relative” means a spouse or person within the second degree of consanguinity.

[Translation for Reference Purposes Only]

(Reference)

Skill Matrix of Directors after this Ordinary General Meeting of Shareholders (Provisional)

The Company believes that the composition of the Board of Directors needs to be well-balanced with knowledge, experience and abilities that will contribute to the achievement of the Business Turnaround Plan, which is the highest priority, and to the enhancement of corporate value over the medium to long term. Accordingly, we have currently defined such knowledge, experience and abilities as “Business Turnaround,” “Corporate Management,” “Industry Knowledge,” “Research and Development,” “Monozukuri (manufacturing excellence and quality),” “Sales and Purchasing” “Finance and Accounting,” “Legal, Governance and Compliance,” and “Global Experience.” The Company has appointed Inside Directors with industry knowledge and Outside Directors with a high level of expertise in their respective fields and experience in business revitalization. The knowledge, experience and abilities of each director are as follows.

Name	Position		Business Turnaround	Corporate Management	Industry Knowledge	Research and Development	Monozukuri (manufacturing excellence and quality)	Sales and Purchasing	Finance and Accounting	Legal/ Governance/ Compliance	Global Experience
Yasuhiro Miyaji	Representative Director, Executive Officer, President & CEO			•	•	•	•	•			•
Masaaki Ando	Director & Executive Officer				•		•	•			•
Hiroaki Tanji	Outside Director, Audit & Supervisory Committee Member	Independent	•	•	•	•	•		•		•
Yuichi Hiromoto	Outside Director, Audit & Supervisory Committee Member		•	•	•				•		•
Yosuke Mishiro	Outside Director, Audit & Supervisory Committee Member	Independent	•	•	•	•	•			•	•
Shigeyuki Kawamoto	Outside Director, Audit & Supervisory Committee Member	Independent / Attorney	•	•	•					•	

* The above table does not show all the knowledge, experience and abilities of each Director.