

Company Name : Akebono Brake Industry Co., Ltd.
 Stock Listing : First section of the Tokyo Stock Exchange
 Code Number : 7238
 URL : <http://www.akebono-brake.com>
 Representative : Hisataka Nobumoto, Chairman, President & CEO
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 Accounting Principles: Japanese GAAP

Notice of Revising Consolidated Financial Forecast

Akebono Brake Industry Co., Ltd. announced revised Consolidated Financial Forecast for Fiscal Year 2008 as below. (April 1, 2008 through March 31, 2009)

Revised Forecast for Second quarter ended September 30, 2008
(April 1, 2008 through September 30, 2008)

(units expressed in round numbers)

(Unit: million yen)	Net Revenues	Operating Income	Ordinary Income	Net Income	Net income per share-diluted
Original Forecast (A)	84,000	5,000	4,000	2,100	19.57yen
Revised Forecast (B)	89,300	1,300	600	100	0.93yen
Changes / Amount (B - A)	+5,300	-3,700	-3,400	-2,000	—
Changes / (%)	+6.3	-74.0	-85.0	-95.2	—
Previous Year Result Second quarter ended September 30, 2007 (‘07/4 - ‘07/9)	91,627	6,189	5,195	2,228	20.77yen

Revised Forecast for FY2008 (April 1, 2008 through March 31, 2009)

(units expressed in round numbers)

(Unit: million yen)	Net Revenues	Operating Income	Ordinary Income	Net Income	Net income per share-diluted
Original Forecast (A)	172,300	13,000	11,000	5,800	54.04yen
Revised Forecast (B)	179,700	6,800	5,100	2,500	23.30yen
Changes / Amount (B - A)	+7,400	-6,200	-5,900	-3,300	—
Changes / (%)	+4.3	-47.7	-53.6	-56.9	—
Previous Result FY2007 (‘07/4 - ‘08/3)	184,731	15,158	12,619	6,637	61.85yen

(Reasons for revision)

Mainly due to increase in demand in Southeast Asia and favorable impact of exchange rate fluctuations, second quarter net revenues are expected to exceed our original estimate. However, resulting from non-forecasted price increases of materials such as steel, casting iron, petrochemical products together with a delay in sales price increase and a decline in orders for high-margin brakes for light trucks in North America, operating income, ordinary income and our net income are projected to be substantially lower than our original estimate.

As for our full-year forecast, although production of carmakers is declining domestically as well as abroad, for the same reasons above, we expect an increase in net revenues. Although, we put our effort in improving operating income by continuing our cost revolution activities, profits pressured by material cost increase, slump in sales of trucks in North America, are expected to be much lower than our original estimate.

Our revised full-year forecast is based on the following exchange rate: 1 USD = 105 JPY and 1 EUR = 165 JPY (Original 1 USD = 95 JPY 1 EUR = 155 JPY).

※Above expectations are based on data available at the date of announcement. Please note that actual results may differ.

【Supplement】

<Major factors of changes in Operating Income>

(Unit: billion yen)	Consolidated Total	Japan	North America	Others
Operating Income (Original)	13.0	8.2	2.8	2.0
• Net Material cost increase impact	-1.9	-0.3	-1.4	-0.2
• Sales volume & Product Mix	-1.5	-0.5	-1.1	+0.1
• Changes in accounting practice	-0.6	-0.6	—	—
• Start up cost increase at Casting foundry	-0.7	-0.7	—	—
• Exchange rate impact	-0.1	—	-0.1	—
• Others	-1.4	-0.5	-0.7	-0.2
Revised Operating Income	6.8	5.6	-0.5	1.7

<Capital Expenditure>

- Considering current severe changes in business environment, we are to revise our capital expenditure plan from 17.6 billion yen to 14.0 billion yen or below. Our basic policy is to maintain free cash flow positive.

<2009 Outlook>

We will put strong focus on projects listed below along with conducting cost reduction activities continuously such as drastic reduction in fixed cost.

- Strengthening of Asian Operations
 - Build foundation to earn 3 billion yen Operating Income by 2010.
- In-house Casting Production
 - Although facing difficulties due to manufacturing complicated designed casting using cutting edge equipment, targeting full capacity operation by end of 2008 and generate profit from 2009.
- Recovery of Material Cost Increase from Customers
 - Reduce time lag of raw material cost increase recovery by cooperation between Sales & Purchasing.