

Consolidated Financial Results
For the Year Ended March 31, 2009

May 7, 2009

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
 Contact person : Takunobu Okada, General manager, Accounting department
 Tel +81 (48) 560-1501

Accounting Principles: Japanese GAAP

1. Performance for the fiscal year ended March 31, 2009 (April 1, 2008 through March 31, 2009)

(1) Corporate performance

(units expressed in round numbers)

	Fiscal year ended 03/31/09		Fiscal year ended 03/31/08	
	million yen	%	million yen	%
Net Sales	159,649	(13.6)	184,731	6.7
Operating income	(6,289)	—	15,158	9.2
Ordinary income	(7,900)	—	12,619	3.8
Net income	(16,277)	—	6,637	0.1
Net income per share- basic	(151.65)	Yen	61.85	yen
Net income per share- diluted	—	Yen	61.65	yen
Return on equity	(42.2)	%	13.7	%
Ratio of ordinary income to total assets	(5.0)	%	7.9	%
Ratio of operating income to sales	(3.9)	%	8.2	%

(2) Financial Condition

	As of March 31, 09	As of March 31, 08
	million yen	million yen
Total assets	155,428	163,263
Equity	32,219	56,548
Net Equity ratio	17.6%	30.5 %
Net Equity per share	254.82yen	463.82yen

(For reference)

Net Equity (Equity minus Minority interests minus Stock subscription rights):

27,354 million yen for the fiscal year ended March 31, 2009

49,777 million yen for the fiscal year ended March 31, 2008

(3) Cash Flows

	Fiscal year ended 03/31/09	Fiscal year ended 03/31/08
	million yen	million yen
Cash flows from operating activities	4,200	15,141
Cash flows from investing activities	(13,563)	(15,962)
Cash flows from financing activities	38,629	149
Cash and cash equivalents at the end of the fiscal year	31,625	2,960

2. Dividends

	Fiscal year ended 03/31/08	Fiscal year ended 03/31/09	Fiscal year ending 03/31/10 (Forecast)
Dividend per share			
Semiannual Interim	5.00 yen	5.00 yen	—
Year End	5.00 yen	0.00 yen	—
Full Year	10.00 yen	5.00 yen	—
Total Dividend (Full Year)	1,073 million yen	537 million yen	—
Dividend ratio	16.2 %	—	—
Dividend on equity	2.2 %	1.4 %	—

Dividends for the fiscal year ending 03/31/10 are to be determined.

3. Performance forecast for the fiscal year ending March 31, 2010 (April 1, 2009 – March 31, 2010)

	1st Half	Full Year
Net Sales	54,500 million yen	122,000 million yen
Operating Income	(3,500) million yen	2,500 million yen
Ordinary Income	(4,500) million yen	500 million yen
Net Income	(2,700) million yen	200 million yen
Annual Net Income per share	(25.15) yen	1.86 yen

(For reference)

The above forecasts are based on information available as of the date of reporting; actual results may change due to various factors.

4. Others

(1) Changes in scope of consolidation : No

(2) Changes in accounting policies

① Changes due to accounting standard change : Yes

A. The valuation of inventories

Inventories held for sale in the ordinary course of business were stated at cost, which was determined by the average cost. From the first quarter ended June 30, 2008, the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No.9) has been applied, and these inventories are measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The impact of this change decreases operating income and income before income tax by Yen 327 million and Yen 383 million respectively.

B. Reconciliation of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements

“Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements” has been applied from the first quarter ended June 30, 2008. The impact of this change on operating income and income before income tax is immaterial.

② Other changes : No

(4) Outstanding shares

	March 31/2009	March 31/2008
Number of outstanding share at the end of period (including treasury stocks)	110,992,343	110,992,343
Number of treasury shares at the end of period	3,649,372	3,672,565

AKEBONO BRAKE INDUSTRY CO., LTD.
CONSOLIDATED BALANCE SHEETS

(Unit: million yen rounded)

Items	Fiscal Term		As of		Increase/ (Decrease)
			March 31,2008		
	Amount	Ratio	Amount	Ratio	
ASSETS		%		%	
Current assets:	54,079	33.1	67,623	43.5	13,544
Cash and cash equivalents	2,960		29,625		
Trade notes and Accounts receivable	30,006		17,447		
Marketable securities	—		2,000		
Inventories	13,089		—		
Merchandise and finished goods	—		2,121		
Work in process	—		1,425		
Raw materials and supplies	—		5,714		
Deferred tax assets	2,063		3,234		
Other	5,970		6,100		
Allowance for doubtful accounts	(9)		(42)		
Fixed assets:	109,184	66.9	87,805	56.5	(21,379)
Tangible fixed assets	87,517	53.6	73,000	47.0	(14,517)
Buildings and structures	20,087		18,571		
Machinery, equipment and vehicles	30,966		27,140		
Land	22,727		21,356		
Construction in progress	11,057		3,642		
Other	2,679		2,292		
Intangible assets	5,932	3.6	1,569	1.0	(4,363)
Investments and other assets	15,736	9.6	13,236	8.5	(2,500)
Investment	7,042		5,983		
Deferred tax assets	5,414		6,453		
Other	3,366		896		
Allowance for doubtful accounts	(87)		(96)		
Deferred assets:	0	0.0	—	—	
Total Assets	163,263	100.0	155,428	100.0	(7,835)

AKEBONO BRAKE INDUSTRY CO., LTD.

CONSOLIDATED BALANCE SHEETS

(Unit: million yen rounded)

	As of March 31, 2008		As of March 31, 2009		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
LIABILITIES AND EQUITY		%		%	
Current liabilities:	56,592	34.7	59,183	38.1	2,591
Notes and Accounts payable, trade	22,743		14,048		
Short-term bank loans	11,183		16,634		
Commercial Paper	1,997		9,984		
Current portion of long-term debt	2,581		4,380		
Current portion of bonds	200		200		
Income taxes payable	581		1,480		
Deferred tax liability	—		7		
Provision for bonuses	2,419		1,631		
Note payable for equipment	2,325		757		
Provision for business structure	—		3,268		
Other	12,563		6,794		
Long-term liabilities:	50,122	30.7	64,026	41.2	13,904
Bonds	300		100		
Long-term debt	26,535		47,938		
Liability for retirement benefits	15,255		7,192		
Liability for retirement benefits for directors and corporate auditors	208		200		
Deferred tax liabilities	2,999		1,158		
Deferred tax liabilities for revaluation	4,450		4,268		
Other	375		3,170		
Total Liabilities	106,714	65.4	123,209	79.3	16,495
Equity:	56,548	34.6	32,219	20.7	
Shareholders' equity:	43,323	26.5	25,617	16.5	(17,706)
Common stock	13,578		13,578		
Capital surplus	7,882		7,883		
Retained earnings	24,323		6,601		
Treasury stock	(2,461)		(2,445)		
Valuation and Translation Adjustments:	6,454	4.0	1,737	1.1	(4,717)
Unrealized gain on available-for-sale securities	636		(503)		
Land revaluation surplus	5,276		5,882		
Foreign currency translation adjustments	543		(3,643)		
Stock subscription rights:	200		268		68
Minority interests:	6,571		4,597		(1,974)
Total Liabilities and Equity	163,263	100.0	155,428	100.0	(7,835)

AKEBONO BRAKE INDUSTRY CO., LTD.
CONSOLIDATED STATEMENTS OF INCOME

(Unit: million yen rounded)

	Fiscal year ended March 31, 08		Fiscal year ended March 31, 09		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
		%		%	
Net Sales	184,731	100.0	159,649	100.0	(25,082)
Cost of sales	148,124	80.2	145,035	90.8	(3,089)
Gross profit	36,607	19.8	14,614	9.2	(21,993)
Selling, general and administrative expenses	21,449	11.6	20,903	13.1	(546)
Operating income(loss)	15,158	8.2	(6,289)	(3.9)	(21,447)
Other income	654		1,097		443
Interest income	114		182		
Dividend income	148		160		
Rent income	—		301		
Other	392		454		
Other expenses	3,193		2,708		(485)
Interest expense	1,307		1,306		
Product warranty expenses	445		218		
Equity in losses of associated companies	—		53		
Other	1,442		1,131		
Ordinary income(loss)	12,619	6.8	(7,900)	(4.9)	(20,519)
Extraordinary income	1,017		4,551		3,534
Gain from sales of fixed assets	68		3,325		
Gain on abolishment of retirement pension plan	—		938		
Gain on securities contribution to employee retirement benefit trust	809		—		
Other	140		288		
Extraordinary loss	556		16,943		16,387
Loss on disposal of property, plant and equipment	162		493		
Impairment loss on fixed assets	60		9,491		
Loss on valuation of investment securities	—		1,904		
Loss on valuation of inventory	—		56		
Provision for business structure improvement	—		3,268		
Other	334		1,731		
Income before income taxes	13,080	7.1	(20,292)	(12.7)	(33,372)
Income taxes: Current	2,766	1.5	(1,390)	(0.9)	
Income taxes: Deferred	2,558	1.4	(2,383)	(1.5)	
Income taxes: correction	—		447	0.3	
Minority interest	1,119	0.6	(690)	(0.4)	
Net income	6,637	3.6	(16,277)	(10.2)	(22,914)

AKEBONO BRAKE INDUSTRY CO., LTD.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(04/01/08-03/31/09)

(unit: million yen rounded)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury Stock	Shareholder's equity total
Balance as of 03/31/08	13,578	7,882	24,323	(2,461)	43,323
Effect of changes in accounting policies applied to overseas subsidiaries			(110)		(110)
Changes during the Period					
Cash dividends paid			(1,073)		(1,073)
Net Income			(16,277)		(16,277)
Repurchases of Treasury Stock				(8)	(8)
Disposal of Treasury Stock		0		24	24
Net Changes of Items other than Shareholders' equity			(262)		(262)
Total Changes of Items during the Period	—	0	(17,612)	16	(17,596)
Ending Balance as of 03/31/09	13,578	7,883	6,601	(2,445)	25,617

	Valuation and translation adjustments					Stock acquisition rights	Minority Interests	Net assets Total
	Unrealized gain(loss) on available-for-sale securities	Gain (loss) on Derivatives under hedge accounting	Land Revaluation Surplus	Foreign currency translation adjustments	Total			
Balance as of 03/31/08	636	—	5,276	543	6,454	200	6,571	56,548
Effect of changes in accounting policies applied to overseas subsidiaries								(110)
Changes during the Period								
Cash dividends paid								(1,073)
Net Income								(16,277)
Repurchase of Treasury Stock								(8)
Disposal of Treasury Stock								24
Reversal of land revaluation								(262)
Net Changes of Items other than Shareholders' equity	(1,139)	—	606	(4,185)	(4,718)	68	(1,974)	(6,624)
Net Changes during the period	(1,139)	—	606	(4,185)	(4,718)	68	(1,974)	(24,219)
Ending Balance as of 03/31/09	(503)	—	5,882	(3,643)	1,737	268	4,597	32,219

AKEBONO BRAKE INDUSTRY CO., LTD.
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unit: million yen rounded)

	Fiscal year ended March 31, 08	Fiscal year ended March 31, 09
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Income before income taxes	13,080	(20,292)
Depreciation and amortization	9,876	11,441
Loss on impairment of long-lived assets	60	9,491
Provision for allowance for doubtful accounts	2	47
Increase (decrease) in provision for retirement benefits	(1,941)	(2,838)
Increase (decrease) in provision for business structure	—	3,268
Interest and dividend income	(262)	(342)
Interest expense	1,307	1,306
Equity in earnings of associated companies	(8)	53
(Gain) loss on sales and disposal of property, plant and equipment	94	(2,833)
(Increase) decrease in notes and accounts receivables	(1,001)	10,075
(Increase) decrease in inventories	(2,646)	2,039
Increase in notes and accounts payable	2,313	(6,711)
Other	(1,415)	719
Sub-total	19,459	5,422
Interest and dividend received	262	342
Interest-paid	(1,307)	(1,253)
Income taxes –paid	(3,273)	(312)
Net cash provided by operating activities	15,141	4,200
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(14,380)	(17,552)
Proceeds from sales of property, plant and equipment	168	6,388
Purchase of intangible assets	(533)	(251)
Purchases of investment securities	(1,255)	(2,794)
Proceeds from sales of investment securities	17	1
Other	21	646
Net cash provided by (used in) investing activities	(15,962)	(13,563)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Net increase in short-term borrowings	2,066	7,877
Net increase in commercial paper	1,997	7,987
Proceeds from long-term debt	8,409	29,667
Repayments of long-term debt	(6,675)	(2,803)
Repayments of finance lease obligations	(2,756)	(2,450)
Redemption of bonds	(3,100)	(200)
Net increase in treasury stock	1	(3)
Dividend paid	(857)	(1,072)
Dividend paid to minority shareholders	(85)	(344)
Receipt from minority shareholders	1,121	—
Other	29	(28)
Net cash provided by financing activities	149	38,629
IV. Variance due to exchange of cash and cash equivalents:	26	(602)
V. Increase in cash and cash equivalents:	1,097	28,665
VI. Cash and cash equivalents – beginning of year:	3,537	2,960
VII. Cash and cash equivalents –end of period:	4,634	31,625