

Consolidated Financial Results  
For the First half Ended September 30, 2009

November 4, 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 First half ended September 30, 2009 (April 1, 2009 through September 30, 2009)

(1) Corporate performance

(units expressed in round numbers)

	Six-months ended Sep 30, 09		Six-months ended Sep 30, 08	
	million yen	%	million yen	%
Net Sales	58,880	(34.7)	90,157	(1.6)
Operating income	140	(90.6)	1,484	(76.0)
Ordinary income	(650)	—	777	(85.0)
Net income	(167)	—	170	(92.4)
Net income per share- basic	(1.56)	Yen	1.59	Yen
Net income per share- diluted	—	Yen	1.58	Yen

(2) Financial Condition

	As of Sep 30, 09	As of March 31, 08
	million yen	million yen
Total assets	158,292	155,428
Equity	34,420	32,219
Net Equity ratio	18.5%	17.6%
Net Equity per share	272.53yen	254.82yen

(For reference)

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

29,265 million yen for the second quarter ended September 30, 2009

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

2. Dividends

	Dividend per share				
	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	Year End	Full Year
Fiscal year ended 03/31/09	-	5.00 yen	-	0.00 yen	5.00 yen
Fiscal year ending 03/31/10	-	0.00 yen	-	-	-
Fiscal year ending 03/31/10 (Forecast)	-	-	-	-	-

Dividends for the fiscal year ending March 31, 2010 are to be determined.

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

	Full Year
Net Sales	126,000 million yen
Operating Income	3,000 million yen
Ordinary Income	1,000 million yen
Net Income	500 million yen
Annual Net Income per share	4.66 yen

4. Others

(1) Changes in scope of consolidation: No

(2) The adoption of simplified accounting procedures and application in preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies

① Changes in accounting standards : No

② Other changes : No

(4) Outstanding shares

	September 30, 2009	March 31, 2009
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	3,608,411	3,649,372
Average number of shares interim	107,360,324	*107,322,176

\* as of September 30, 2008

**AKEBONO BRAKE INDUSTRY CO., LTD.**  
**CONSOLIDATED BALANCE SHEETS**

(Unit: million yen rounded)

Items	Fiscal Term		As of		Increase/ (Decrease)
			March 31,2009		
	Amount	Ratio	Amount	Ratio	
<b>ASSETS</b>					
<b>Current assets:</b>	<b>67,623</b>	<b>43.5</b>	<b>69,699</b>	<b>44.0</b>	2,076
Cash and cash equivalents	29,625		20,516		
Trade notes and Accounts receivable	17,447		19,866		
Marketable securities	2,000		12,500		
Merchandise and finished goods	2,121		2,205		
Work in process	1,425		1,503		
Raw materials and supplies	5,714		5,869		
Deferred tax assets	3,234		2,370		
Other	6,099		4,907		
Allowance for doubtful accounts	(42)		(37)		
<b>Fixed assets:</b>	<b>87,805</b>	<b>56.5</b>	<b>88,593</b>	<b>56.0</b>	788
<b>Tangible fixed assets</b>	<b>73,000</b>	<b>47.0</b>	<b>71,780</b>	<b>45.4</b>	(1,220)
Buildings and structures	18,571		18,382		
Machinery, equipment and vehicles	27,140		25,581		
Land	21,356		21,226		
Construction in progress	3,642		4,676		
Other	2,292		1,915		
<b>Intangible assets</b>	<b>1,569</b>	<b>1.0</b>	<b>1,460</b>	<b>0.9</b>	(109)
<b>Investments and other assets</b>	<b>13,236</b>	<b>8.5</b>	<b>15,353</b>	<b>9.7</b>	2,117
Investment	5,983		8,051		
Deferred tax assets	6,453		6,554		
Other	896		842		
Allowance for doubtful accounts	(96)		(94)		
<b>Total Assets</b>	<b>155,428</b>	<b>100.0</b>	<b>158,292</b>	<b>100.0</b>	2,864

**AKEBONO BRAKE INDUSTRY CO., LTD.**

**CONSOLIDATED BALANCE SHEETS**

(Unit: million yen rounded)

	As of March 31, 2009		As of Sep 30,2009		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
<b>LIABILITIES AND EQUITY</b>		<b>%</b>		<b>%</b>	
<b>Current liabilities:</b>	<b>59,183</b>	<b>38.1</b>	<b>50,507</b>	<b>31.9</b>	(8,676)
Trade notes and Accounts payable	14,048		14,657		
Short-term bank loans	16,634		14,104		
Commercial Paper	9,984		4,999		
Current portion of long-term debt	4,380		4,619		
Current portion of bonds	200		200		
Income taxes payable	1,480		442		
Provision for bonuses	1,631		1,410		
Note payable for equipment	757		1,248		
Provision for business structure improvement	3,268		2,030		
Other	6,802		6,799		
<b>Long-term liabilities:</b>	<b>64,026</b>	<b>41.2</b>	<b>73,364</b>	<b>46.3</b>	9,338
Bonds	100		—		
Long-term debt	47,938		58,263		
Liability for retirement benefits	7,192		6,468		
Liability for retirement benefits for directors and corporate auditors	200		167		
Deferred tax liabilities	1,158		1,244		
Deferred tax liabilities for revaluation	4,268		4,268		
Other	3,170		2,954		
<b>Total Liabilities</b>	<b>123,209</b>	<b>79.3</b>	<b>123,872</b>	<b>78.2</b>	663
<b>Equity:</b>	<b>32,219</b>	<b>20.7</b>	<b>34,420</b>	<b>21.7</b>	
<b>Shareholders' equity:</b>	<b>25,617</b>	<b>16.5</b>	<b>25,479</b>	<b>16.1</b>	(138)
Common stock	13,578		13,578		
Capital surplus	7,883		7,885		
Retained earnings	6,601		6,434		
Treasury stock	(2,445)		(2,417)		
<b>Valuation and Translation Adjustments:</b>	<b>1,737</b>	<b>1.1</b>	<b>3,786</b>	<b>2.4</b>	(2,049)
Unrealized gain on available-for-sale securities	(503)		734		
Land revaluation surplus	5,882		5,882		
Foreign currency translation adjustments	(3,643)		(2,829)		
<b>Stock subscription rights:</b>	<b>268</b>		<b>243</b>		(25)
<b>Minority interests:</b>	<b>4,597</b>		<b>4,912</b>		315
<b>Total Liabilities and Equity</b>	<b>155,428</b>	<b>100.0</b>	<b>158,292</b>	<b>100.0</b>	2,864

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

(Unit: million yen rounded)

	Six month ended September 30, 08		Six month ended September 30, 09		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
		%		%	
<b>Net Sales</b>	<b>90,157</b>	<b>100.0</b>	<b>58,880</b>	<b>100.0</b>	(31,277)
Cost of sales	77,474	85.9	51,016	86.6	(26,458)
<b>Gross profit</b>	<b>12,682</b>	<b>14.1</b>	<b>7,864</b>	<b>13.4</b>	(4,818)
Selling, general and administrative expenses	11,198	12.4	7,724	13.1	(3,474)
<b>Operating Income</b>	<b>1,484</b>	<b>1.6</b>	<b>140</b>	<b>0.2</b>	(1,344)
<b>Other income</b>	<b>400</b>		<b>381</b>		(19)
Interest income	83		36		
Dividend income	85		49		
Other	232		296		
<b>Other expenses</b>	<b>1,106</b>		<b>1,171</b>		65
Interest expense	602		768		
Other	504		404		
<b>Ordinary income</b>	<b>777</b>	<b>0.9</b>	<b>(650)</b>	<b>(1.1)</b>	(1,427)
<b>Extraordinary income</b>	<b>192</b>		<b>116</b>		(76)
Gain from sales of fixed assets	67		3		
Gain on abolishment of Retirement Benefit Plan of subsidiaries	—		73		
Subsidy for Research and Development	26		40		
Other	98		—		
<b>Extraordinary loss</b>	<b>243</b>		<b>75</b>		(168)
Loss on disposal of property, plant and equipment	53		13		
Contribution for withdrawal from employees' pension fund of subsidiaries	—		62		
Impairment loss on fixed assets	133		—		
Loss on valuation of inventory	56		—		
Other	2		—		
<b>Income before income taxes</b>	<b>726</b>	<b>0.8</b>	<b>(610)</b>	<b>(1.0)</b>	(1,336)
Income taxes: Current	206		(202)		
Income taxes: Deferred	190		(241)		
Minority interest	160		1		
<b>Net income</b>	<b>170</b>	<b>0.2</b>	<b>(167)</b>	<b>(0.3)</b>	(337)

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

(unit: million yen rounded)

	Six month ended September 30, 08	Six month ended September 30, 09
<b>I . CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Income before income taxes	726	(610)
Depreciation and amortization	5,331	4,799
Loss on impairment of long-lived assets	133	—
Provision for allowance for doubtful accounts	16	(8)
(Decrease) in provision for retirement benefits	(597)	(1,021)
Interest and dividend income	(168)	(86)
Interest expense	602	768
Equity in earnings of associated companies	(3)	(4)
(Gain) loss on sales and disposal of property, plant and equipment	(15)	10
(Increase) in notes and accounts receivable	(2,028)	(1,864)
Increase in inventories	252	97
Increase in notes and accounts payable	1,347	183
Other	1,540	(566)
<b>Sub-total</b>	<b>7,137</b>	<b>1,697</b>
Interest and dividend received	168	86
Interest-paid	(602)	(771)
Income taxes –paid	(307)	(197)
Income taxes –refund	—	1,101
<b>Net cash provided by operating activities</b>	<b>6,396</b>	<b>1,916</b>
<b>II .CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Payments into time deposits	—	(4,595)
Purchases of property, plant and equipment	(10,625)	(2,512)
Proceeds from sales of property, plant and equipment	175	33
Purchases of investment securities	(2,257)	(7)
Other	140	72
<b>Net cash provided by (used in) investing activities</b>	<b>(12,567)</b>	<b>(7,010)</b>
<b>III.CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Net increase (decrease) in short-term borrowings	4,128	(3,089)
Net increase (decrease) in commercial paper	2,998	(4,985)
Proceeds from long-term debt	3,949	12,381
Repayments of long-term debt	(1,019)	(2,274)
Redemption of bonds	(100)	(100)
Dividend paid	(536)	(3)
Dividend paid to minority shareholders	(344)	(34)
Net increase in treasury stock	6	5
Other	(2,451)	(80)
<b>Net cash provided by financing activities</b>	<b>6,632</b>	<b>1,822</b>
<b>IV. Variance due to exchange of cash and cash equivalents:</b>	<b>(296)</b>	<b>69</b>
<b>V. Increase in cash and cash equivalents:</b>	<b>164</b>	<b>(3,204)</b>
<b>VI. Cash and cash equivalents – beginning of year:</b>	<b>2,960</b>	<b>31,625</b>
<b>VII. Cash and cash equivalents –end of period:</b>	<b>3,124</b>	<b>28,421</b>