

Consolidated Financial Results
For the Third Quarter Ended December 31, 2009

February 9, 2010

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 third quarter ended December 31, 2009 (April 1, 2009 through December 31, 2009)

(1) Corporate performance

(units expressed in round numbers)

	Nine months ended Dec 31, 09		Nine months ended Dec 31, 08	
	million yen	%	million yen	
Net Sales	93,692	(28.5)	131,064	
Operating income	2,647	—	(705)	
Ordinary income	1,227	—	(1,761)	
Net income	1,247	—	(2,158)	
Net income per share- basic	11.31	Yen	(20.11)	Yen
Net income per share- diluted	11.28	Yen	—	Yen

(2) Financial Condition

	As of Dec 31, 09	As of March 31, 09
	million yen	million yen
Total assets	169,243	155,428
Equity	47,971	32,219
Net Equity ratio	25.3%	17.6%
Net Equity per share	322.78 yens	254.82yen

(For reference)

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

42,736 million yen for the third quarter ended December 31, 2009

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

2. Dividends

	Dividend per share				
	1 st Quarter	2 nd Quarter	3 rd 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)	-	-	-	5.00 yen	5.00 yen

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

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

	Full Year
Net Sales	129,500 million yen
Operating Income	4,000 million yen
Ordinary Income	2,000 million yen
Net Income	1,500 million yen
Annual Net Income per share	12.96 yen

4. Others

(1) Changes in scope of consolidation of significant subsidiaries: None

(2) Adoption of simplified accounting procedures and application in preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies

① Changes in accounting standards : None

② Other changes : None

(4) Outstanding shares

	December 31, 2009	March 31, 2009
Number of outstanding share at the end of period (including treasury stocks)	135,992,343	110,992,343
Number of treasury shares at the end of period	3,592,450	3,649,372
Average number of shares interim	110,280,381	*107,326,485

* as of December 31, 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	
ASSETS					
Current assets:	67,623	43.5	83,109	49.1	15,486
Cash and cash equivalents	29,625		27,987		
Trade notes and Accounts receivable	17,447		26,429		
Marketable securities	2,000		13,800		
Merchandise and finished goods	2,121		1,925		
Work in process	1,425		1,536		
Raw materials and supplies	5,714		5,210		
Deferred tax assets	3,234		1,763		
Other	6,099		4,491		
Allowance for doubtful accounts	(42)		(31)		
Fixed assets:	87,805	56.5	86,134	50.9	(1,671)
Tangible fixed assets	73,000	47.0	68,620	40.6	(4,380)
Buildings and structures	18,571		17,564		
Machinery, equipment and vehicles	27,140		23,107		
Land	21,356		21,165		
Construction in progress	3,642		5,175		
Other	2,292		1,608		
Intangible assets	1,569	1.0	1,397	0.8	(172)
Investments and other assets	13,236	8.5	16,117	9.5	2,881
Investment	5,983		7,928		
Deferred tax assets	6,453		7,469		
Other	896		814		
Allowance for doubtful accounts	(96)		(94)		
Total Assets	155,428	100.0	169,243	100.0	13,815

AKEBONO BRAKE INDUSTRY CO., LTD.

CONSOLIDATED BALANCE SHEETS

(Unit: million yen rounded)

	As of March 31, 2009		As of Dec 31, 2009		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
LIABILITIES AND EQUITY		%		%	
Current liabilities:	59,183	38.1	50,434	29.8	(8,749)
Trade notes and Accounts payable	14,048		16,093		
Short-term bank loans	16,634		13,801		
Commercial Paper	9,984		4,999		
Current portion of bonds	200		200		
Current portion of long-term debt	4,380		4,629		
Income taxes payable	1,480		591		
Provision for bonuses	1,631		497		
Provision for business structure improvement	3,268		925		
Note payable for equipment	757		695		
Other	6,802		8,005		
Long-term liabilities:	64,026	41.2	70,839	41.9	6,813
Bonds	100		—		
Long-term debt	47,874		56,951		
Liability for retirement benefits	7,192		5,996		
Liability for retirement benefits for directors and corporate auditors	200		166		
Deferred tax liabilities	1,158		1,202		
Deferred tax liabilities for revaluation	4,268		4,268		
Other	3,234		2,256		
Total Liabilities	123,209	79.3	121,272	71.7	(1,937)
Equity:	32,219	20.7	47,971	28.3	
Shareholders' equity:	25,617	16.5	39,629	23.4	(14,012)
Common stock	13,578		19,939		
Capital surplus	7,883		14,427		
Retained earnings	6,601		7,848		
Treasury stock	(2,445)		(2,406)		
Valuation and Translation Adjustments:	1,737	1.1	3,107	1.8	1,370
Unrealized gain on available-for-sale securities	(503)		663		
Land revaluation surplus	5,882		5,882		
Foreign currency translation adjustments	(3,643)		(3,438)		
Stock subscription rights:	268		236		(32)
Noncontrolling interest:	4,597		4,999		402
Total Liabilities and Equity	155,428	100.0	169,243	100.0	13,815

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

(Unit: million yen rounded)

	Nine months ended Dec 31, 2008		Nine months ended Dec 31, 2009		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
		%		%	
Net Sales	131,064	100.0	93,692	100.0	(37,372)
Cost of sales	115,145	87.9	79,898	85.3	(35,247)
Gross profit	15,918	12.1	13,795	14.7	(2,123)
Selling, general and administrative expenses	16,623	12.7	11,147	11.9	(5,476)
Operating Income	(705)	(0.5)	2,647	2.8	(3,352)
Other income	619		454		(165)
Interest income	113		82		
Dividend income	158		74		
Other	348		298		
Other expenses	1,675		1,874		199
Interest expense	961		1,066		
Other	714		808		
Ordinary income	(1,761)	(1.3)	1,227	1.3	2,988
Extraordinary income	1,172		138		(1,034)
Gain from sales of fixed assets	85		5		
Gain on abolishment of Retirement Benefit Plan of subsidiaries	—		73		
Subsidy for Research and Development	50		60		
Other	1,037		—		
Extraordinary loss	2,201		101		(2,100)
Loss on disposal of property, plant and equipment	82		35		
Contribution for withdrawal from employees' pension fund of subsidiaries	—		62		
Impairment loss on fixed assets	133		—		
Loss on valuation of inventory	56		—		
Other	1,930		4		
Income before income taxes	(2,791)	(2.1)	1,264	1.3	4,055
Income taxes: Current	(498)		52		
Income taxes: Deferred	(261)		(276)		
Attributable to the noncontrolling interest	127		240		
Net income	(2,158)	(1.6)	1,247	1.3	3,405

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

(Unit: million yen rounded)

	Nine months ended Dec 31, 2008	Nine months ended Dec 31, 2009
I. CASH FLOW FROM OPERATING ACTIVITIES:		
Income before income taxes	(2,791)	1,264
Depreciation and amortization	8,294	7,275
Loss on impairment of long-lived assets	133	—
Provision for allowance for doubtful accounts	21	(15)
(Decrease) in provision for retirement benefits	(2,532)	(2,042)
Interest and dividend income	(272)	(156)
Interest expense	961	1,066
Equity in earnings of associated companies	12	(0)
(Gain) loss on sales and disposal of property, plant and equipment	(3)	30
(Increase) in notes and accounts receivable	1,902	(8,952)
Increase in inventories	81	681
Increase in notes and accounts payable	57	1,890
Other	1,688	(1,267)
Sub-total	7,551	(226)
Interest and dividend received	272	156
Interest-paid	(879)	(973)
Income taxes –paid	(552)	(234)
Income taxes –refund	—	1,101
Net cash provided by operating activities	6,391	(176)
II. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of marketable securities	—	(7,000)
Increase in time deposits		(11,296)
Decrease in time deposits		1,995
Purchases of property, plant and equipment	(13,199)	(3,665)
Proceeds from sales of property, plant and equipment	177	41
Purchases of investment securities	(2,261)	(11)
Other	202	(54)
Net cash provided by (used in) investing activities	(15,081)	(19,989)
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Net increase (decrease) in short-term borrowings	11,465	(2,943)
Net increase (decrease) in commercial paper	(1,997)	(4,985)
Proceeds from long-term debt	14,080	12,349
Repayments of long-term debt	(1,376)	(2,886)
Repayments of bonds	(100)	(100)
Issuance of common stock	—	12,656
Dividend paid	(1,074)	(3)
Dividend paid to minority shareholders	(344)	(34)
Net increase in treasury stock	16	9
Other	(2,493)	(107)
Net cash provided by financing activities	18,177	13,957
IV. Variance due to exchange of cash and cash equivalents:	(434)	71
V. Increase in cash and cash equivalents:	9,053	(6,138)
VI. Cash and cash equivalents – beginning of year:	2,960	31,625
VII. Cash and cash equivalents –end of period:	12,013	25,487