

Consolidated Financial Results
For the First Quart Ended June 30, 2010

August 3, 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
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Accounting Principles: Japanese GAAP

1. Performance for the First quarter ended June 30, 2010 (April 1, 2010 through June 30, 2010)

(1) Corporate performance

(units expressed in round numbers)

	Three-months ended June 30, 10		Three-months ended June 30, 09	
	million yen	%	million yen	%
Net Sales	56,435	106.3	27,353	(37.2)
Operating income	4,397	—	(807)	—
Ordinary income	4,204	—	(1,260)	—
Net income	2,427	—	(593)	—
Net income per share- basic	18.33yen		(5.53)yen	
Net income per share- diluted	18.26yen		—	

(2) Financial Condition

	As of June 30, 10	As of March 31, 10
	million yen	million yen
Total assets	181,990	164,120
Equity	51,474	49,086
Net Equity ratio	25.1%	26.7%
Net Equity per share	344.30yen	330.76yen

(For reference)

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

45,604million yen for the first quarter ended June 30, 2010
ended March 31, 2010

43,794 million yen for the fiscal year

2. Dividends

	Dividend per share				
	1 st Quarter	2nd Quarter	3rd Quarter	Year End	Full Year
Fiscal year ended 03/31/10	—	0.00 yen	—	5.00 yen	5.00 yen
Fiscal year ending 03/31/11 (Forecast)	—	5.00 yen	—	5.00 yen	10.00 yen

Dividends for the fiscal year ending 03/31/11 are to be determined.

3. Performance forecast for the fiscal year ending March 31, 2011 (April 1, 2010 – March 31, 2011)

	1st Half	Full Year
Net Sales	116,500million yen	220,000million yen
Operating Income	7,500million yen	12,000million yen
Ordinary Income	7,000million yen	10,500million yen
Net Income	4,000million yen	6,000million yen
Annual Net Income per share	30.20yen	45.30yen

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 due to accounting standard change : Yes

From this fiscal year, we applied the Accounting Standard - ASBJ Statement No.16 - equity method and No.18 - recognition of asset retirement obligation. However, there is no impact on this fiscal year financial statements by these accounting standard change.

② Other changes : None

(4) Outstanding shares

	June/30/2010	March/ 31/2010	June/30/2009
Number of outstanding share at the end of fiscal year (including treasury stocks)	135,992,343	135,992,343	-
Number of treasury shares	3,539,153	3,588,929	-
Average number of shares	132,420,790	-	107,347,183

AKEBONO BRAKE INDUSTRY CO., LTD.
CONSOLIDATED BALANCE SHEETS

(Unit: million yen rounded)

Fiscal Term Items	As of March 31,20010		As of June 30,2010		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
ASSETS		%		%	
Current assets:	73,144	44.6	93,088	51.2	19,944
Cash and cash equivalents	16,754		20,707		
Trade notes and Accounts receivable	26,624		45,198		
Marketable securities	10,800		8,300		
Merchandise and finished goods	4,699		2,819		
Work in process	1,587		1,717		
Raw materials and supplies	6,077		7,340		
Deferred tax assets	1,983		2,456		
Other	4,642		4,571		
Allowance for doubtful accounts	(22)		(19)		
Fixed assets	90,976	55.4	88,902	48.8	(2,074)
Tangible fixed assets	73,605	44.8	72,936	40.1	(670)
Buildings and structures	18,080		17,931		
Machinery, equipment and vehicles	28,173		29,374		
Land	21,498		21,505		
Construction in progress	4,478		2,692		
Other	1,376		1,435		
Intangible fixed assets	1,315	0.8	1,228	0.6	(87)
Investments and other assets	16,055	9.8	14,738	8.1	(1,317)
Investment	9,199		9,438		
Deferred tax assets	6,150		4,680		
Other	804		718		
Allowance for doubtful accounts	(98)		(99)		
Total Assets	164,120	100.0	181,990	100.0	17,870

AKEBONO BRAKE INDUSTRY CO., LTD.

CONSOLIDATED BALANCE SHEETS

(Unit: million yen rounded)

	As of March 31, 2010		As of June 30, 2010		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
LIABILITIES AND EQUITY		%		%	
Current liabilities:	38,313	23.3	56,148	30.9	17,835
Notes and Accounts payable, trade	16,553		30,414		
Short-term bank loans	6,742		10,056		
Current portion of bonds	100		100		
Current portion of long-term debt	4,568		4,619		
Income taxes payable	560		625		
Provision for bonuses	1,877		3,233		
Provision for business structure improvement	410		410		
Note payable for equipment	233		210		
Other	7,270		6,482		
Long-term liabilities:	76,721	46.7	74,369	40.9	(2,353)
Long-term debt	55,610		55,005		
Liability for retirement benefits	5,908		5,543		
Liability for retirement benefits for directors and corporate auditors	165		30		
Deferred tax liabilities	909		813		
Deferred tax liabilities for revaluation	4,268		4,268		
Provision incurred from transfer of business applied to foreign subsidiaries	7,615		6,545		
Other	2,246		2,165		
Total Liabilities	115,034	70.1	130,516	71.7	15,482
Equity:	49,086	29.9	51,474	28.3	2,388
Shareholders' equity:	40,445	24.6	42,237	23.2	1,792
Common stock	19,939		19,939		
Capital surplus	14,248		14,242		
Retained earnings	8,661		10,426		
Treasury stock	(2,404)		(2,370)		
Valuation and Translation Adjustments:	3,349	2.0	3,367	1.8	17
Unrealized gain on available-for-sale securities	771		917		
Land revaluation surplus	5,882		5,882		
Foreign currency translation adjustments	(3,303)		(3,433)		
Stock subscription rights	234		309		75
Minority interests	5,058		5,562		504
Total Liabilities and Equity	164,120	100.0	181,990	100.0	17,870

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

(Unit: million yen rounded)

	Three month ended June 30, 09		Three month ended June 30, 10		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
		%		%	
Net Sales	27,353	100.0	56,435	100.0	29,082
Cost of sales	24,421	89.3	47,764	84.6	23,343
Gross profit	2,932	10.7	8,672	15.4	5,740
Selling, general and administrative expenses	3,740	13.7	4,275	7.6	535
Operating Income	(807)	(2.9)	4,397	7.8	5,204
Other income	142	0.5	323	0.5	182
Interest income	8		19		
Dividend income	48		65		
Exchange gain	—		178		
Other	86		61		
Other expenses	594	2.2	516	0.9	(78)
Interest expense	358		336		
Other	236		179		
Ordinary income	(1,260)	(4.6)	4,204	7.4	5,464
Extraordinary income	21		19		(1)
Gain from sales of fixed assets	1		2		
Subsidy for Research and Development	20		17		
Extraordinary loss	10		3		(7)
Loss on disposal of property, plant and equipment	10		3		
Income before income taxes	(1,248)	(4.6)	4,221	7.5	5,470
Income taxes: Current	(160)		636		
Income taxes: Deferred	(353)		769		
Minority interest	(142)		390		
Net income	(593)	(2.2)	2,427	4.3	3,020

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

(unit: million yen rounded)

	Three month ended June 30, 09	Three month ended June 30, 10
I . CASH FLOW FROM OPERATING ACTIVITIES:		
Income before income taxes	(1,248)	4,221
Depreciation and amortization	2,497	2,459
Provision for allowance for doubtful accounts	(10)	1
(Decrease) in provision for retirement benefits	—	(379)
Interest and dividend income	(56)	(85)
Interest expense	358	336
Equity in earnings of associated companies	3	5
(Gain) loss on sales and disposal of property, plant and equipment	9	0
(Increase) in notes and accounts receivables	(718)	(18,108)
Increase (decrease) in inventories	119	555
Increase (decrease) in notes and accounts payable	(977)	13,466
Other	617	(411)
Sub-total	594	2,062
Interest and dividend received	56	85
Interest-paid	(278)	(241)
Income taxes –paid	(147)	(169)
Net cash provided by operating activities	224	1,736
II .CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of marketable securities	—	(1,000)
Proceeds from sales and maturity of marketable securities	—	2,000
Increase in time deposits	(2,495)	(2,502)
Decrease in time deposits	—	2,000
Purchases of property, plant and equipment	(1,811)	(1,733)
Proceeds from sales of property, plant and equipment	15	23
Purchases of investment securities	(4)	(4)
Payment for transfer of business	—	(405)
Other	(6)	24
Net cash provided by (used in) investing activities	(4,300)	(1,596)
III.CASH FLOW FROM FINANCING ACTIVITIES:		
Net increase in short-term borrowings	(2,571)	3,113
Net increase in commercial paper	11	—
Proceeds from long-term debt	5,856	—
Repayments of long-term debt	(643)	(667)
Dividend paid	(1)	(662)
Net increase in treasury stock	(1)	(0)
Other	(33)	(5)
Net cash provided by financing activities	2,619	1,778
IV. Variance due to exchange of cash and cash equivalents	66	33
V. Decrease in cash and cash equivalents	(1,391)	1,951
VI. Cash and cash equivalents – beginning of year	31,625	21,552
VII. Cash and cash equivalents –end of year	30,234	23,503