

Consolidated Financial Results
For the Year Ended March 31, 2010

May 7, 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 fiscal year ended March 31, 2010 (April 1, 2009 through March 31, 2010)

(1) Corporate performance

(units expressed in round numbers)

	Fiscal year ended 03/31/10		Fiscal year ended 03/31/09	
	million yen	%	million yen	%
Net Sales	130,604	(18.2)	159,649	(13.6)
Operating income	4,663	—	(6,289)	—
Ordinary income	2,670	—	(7,900)	—
Net income	2,061	—	(16,277)	—
Net income per share- basic	17.80	Yen	(151.65)	Yen
Net income per share- diluted	17.76	Yen	—	Yen

(2) Financial Condition

	As of March 31, 10	As of March 31, 09
	million yen	million yen
Total assets	164,120	155,428
Equity	49,086	32,219
Net Equity ratio	26.7%	17.6%
Net Equity per share	330.76 yens	254.82yen

(For reference)

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

43,794 million yen for the fiscal year ended March 31, 2010

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

(3) Cash Flows

	Fiscal year ended 03/31/10	Fiscal year ended 03/31/09
	million yen	million yen
Cash flows from operating activities	3,187	4,200
Cash flows from investing activities	(13,374)	(13,563)
Cash flows from financing activities	(32)	38,629
Cash and cash equivalents at the end of the fiscal year	21,552	31,625

Refer to Note 1

2. Dividends

	Fiscal year ended 03/31/09	Fiscal year ended 03/31/10	Fiscal year ending 03/31/11 (Forecast)
Dividend per share			
Semmiannual Interim	5.00 yen	0.00 yen	5.00 yen
Year End	0.00 yen	5.00 yen	5.00 yen
Full Year	5.00 yen	5.00 yen	10.00 yen
Total Dividend (Full Year)	537 million yen	662 million yen	-
Dividend ratio	-	28.1 %	44.1 %
Dividend on equity	1.4 %	1.7 %	-

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

	First Half	Full Year
Net Sales	98,800 million yen	194,000 million yen
Operating Income	3,800 million yen	8,000 million yen
Ordinary Income	2,800 million yen	6,000 million yen
Net Income	1,500 million yen	3,000 million yen
Annual Net Income per share	11.33 yen	22.66 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 of significant subsidiaries: None

(2) Changes in accounting policies

① Changes in accounting standards : Yes

From this fiscal year, we applied the Accounting Standard - ASBJ Statement No.19 Partial Amendments to Accounting Standard for Retirement Benefits (Part3). The amortization of the actuarial difference will start next fiscal year, therefore there is no impact on this fiscal year Operating Income, Ordinary Income or Net Income.

The application of the above mentioned amendment results in a shortage of 689 million yen in projected benefit obligation.

② Other changes : None

(4) Outstanding shares

	March 31, 2010	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	3,588,929	3,649,372

AKEBONO BRAKE INDUSTRY CO., LTD.
CONSOLIDATED BALANCE SHEETS

(Unit: million yen rounded)

Fiscal Term Items	As of March 31, 2009		As of March 31, 2010		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
ASSETS		%		%	
Current assets:	67,623	43.5	73,144	44.6	5,521
Cash and deposits	29,625		16,754		
Trade notes and Accounts receivable	17,447		26,624		
Marketable securities	2,000		10,800		
Merchandise and finished goods	2,121		4,699		
Work in process	1,425		1,587		
Raw materials and supplies	5,714		6,077		
Deferred tax assets	3,234		1,983		
Other	6,099		4,642		
Allowance for doubtful accounts	(42)		(22)		
Fixed assets:	87,805	56.5	90,976	55.4	3,171
Tangible fixed assets	73,000	47.0	73,605	44.8	605
Buildings and structures	18,571		18,080		
Machinery, equipment and vehicles	27,140		28,173		
Land	21,356		21,498		
Construction in progress	3,642		4,478		
Other	2,292		1,376		
Intangible assets	1,569	1.0	1,315	0.8	(254)
Investments and other assets	13,236	8.5	16,055	9.8	2,819
Investment	5,983		9,199		
Deferred tax assets	6,453		6,150		
Other	896		804		
Allowance for doubtful accounts	(96)		(98)		
Total Assets	155,428	100.0	164,120	100.0	8,692

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	38,313	23.3	(20,870)
Trade notes and Accounts payable	14,048		16,553		
Short-term bank loans	16,634		6,742		
Commercial Paper	9,984		—		
Current portion of bonds	200		100		
Current portion of long-term debt	4,380		4,568		
Income taxes payable	1,480		560		
Provision for bonuses	1,631		1,877		
Provision for business structure improvement	3,268		410		
Note payable for equipment	757		233		
Other	6,801		7,270		
Long-term liabilities:	64,026	41.2	76,721	46.7	12,695
Bonds	100		—		
Long-term debt	47,874		55,610		
Liability for retirement benefits	7,192		5,908		
Liability for retirement benefits for directors and corporate auditors	200		165		
Deferred tax liabilities	1,158		909		
Deferred tax liabilities for land revaluation	4,268		4,268		
Provision incurred from transfer of business applied to foreign subsidiaries	—		7,615		
Other	3,234		2,246		
Total Liabilities	123,209	79.3	115,034	70.1	(8,175)
Equity:	32,219	20.7	49,086	29.9	
Shareholders' equity:	25,617	16.5	40,445	24.6	(14,828)
Common stock	13,578		19,939		
Capital surplus	7,883		14,248		
Retained earnings	6,601		8,661		
Treasury stock	(2,445)		(2,404)		
Valuation and Translation Adjustments:	1,737	1.1	3,349	2.0	1,612
Unrealized gain on available-for-sale securities	(503)		771		
Land revaluation surplus	5,882		5,882		
Foreign currency translation adjustments	(3,643)		(3,303)		
Stock subscription rights:	268		234		(34)
Noncontrolling interest:	4,597		5,058		461
Total Liabilities and Equity	155,428	100.0	164,120	100.0	8,692

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

(Unit: million yen rounded)

	Fiscal year ended March 31, 2009		Fiscal year ended March 31, 2010		Increase/ (Decrease)
	Amount	Ratio	Amount	Ratio	
		%		%	
Net Sales	159,649	100.0	130,604	100.0	(29,045)
Cost of sales	145,035	90.8	110,801	84.8	(34,234)
Gross profit	14,614	9.2	19,803	15.2	5,189
Selling, general and administrative expenses	20,903	13.1	15,140	11.6	(5,763)
Operating Income	(6,289)	(3.9)	4,663	3.6	10,952
Other income	1,097		552		(545)
Interest income	182		123		
Dividend income	160		75		
Other	755		354		
Other expenses	2,708		2,545		(163)
Interest expense	1,306		1,365		
Product warranty expenses	218		206		
Other	1,184		974		
Ordinary income	(7,900)	(4.9)	2,670	2.0	10,570
Extraordinary income	4,551		897		(3,654)
Gain from sales of fixed assets	3,325		17		
Bargain purchase gain	—		371		
Reversal of Provision for business structure improvement	—		313		
Subsidy for Research and Development	189		123		
Gain on abolishment of retirement pension plan	938		—		
Other	98		74		
Extraordinary loss	16,943		889		(16,054)
Loss on disposal of property, plant and equipment	493		403		
Impairment loss on fixed assets	9,491		376		
Contribution for withdrawal from employees' pension fund of subsidiaries	—		62		
Loss on valuation of investments securities	1,904		4		
Provision for business structure improvement	3,268		—		
Loss on valuation of inventory	56		—		
Other	1,731		43		
Income before income taxes	(20,292)	(12.7)	2,678	2.1	22,970
Income taxes: Current	(1,390)		8		
Income taxes: Deferred	(2,383)		228		
Income taxes: Correction	447		—		
Attributable to the noncontrolling interest	(690)		382		
Net income	(16,277)	(10.2)	2,061	1.6	18,338

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

(04/01/09-03/31/10)

(unit: million yen rounded)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury Stock	Shareholder's equity total
Balance as of 03/31/09	13,578	7,883	6,601	(2,445)	25,617
Issuance during the period	6,362	6,362			12,723
Changes during the period					
Cash dividends paid					
Net income			2,061		2,061
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		3		43	46
Net changes of items other than Shareholders' equity					
Net changes during the period	6,362	6,365	2,061	41	14,828
Ending Balance as of 03/31/10	19,939	14,248	8,661	(2,404)	40,445

	Valuation and translation adjustments				Stock acquisition rights	Noncontrolling interests	Total net assets
	Unrealized gain (loss) on available-for-sale securities	Land revaluation surplus	Foreign currency translation adjustments	Total			
Balance as of 03/31/09	(503)	5,882	(3,643)	1,737	268	4,597	32,219
Issuance during the year							12,723
Changes during the Period							
Cash dividends paid							
Net Income							2,061
Purchase of Treasury Stock							(2)
Disposal of Treasury Stock							46
Net changes of items other than Shareholders' equity	1,273		339	1,613	(34)	461	2,039
Net changes during the period	1,273		339	1,613	(34)	461	16,867
Ending Balance as of 03/31/10	771	5,882	(3,303)	3,349	234	5,058	49,086

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

(Unit: million yen rounded)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
I .CASH FLOW FROM OPERATING ACTIVITIES:		
Income before income taxes	(20,292)	2,678
Depreciation and amortization	11,441	10,037
Loss on impairment of long-lived assets	9,491	376
Provision for allowance for doubtful accounts	47	(18)
(Decrease) in provision for retirement benefits	(2,838)	(2,204)
Increase (decrease) in provision for for business structure improvement	3,268	(2,859)
Interest and dividend income	(342)	(198)
Interest expense	1,306	1,365
Equity in earnings of associated companies	53	(9)
(Gain) loss on sales and disposal of property, plant and equipment	(2,833)	386
(Increase) in notes and accounts receivable	10,075	(8,931)
Increase in inventories	2,039	173
Increase (decrease) in notes and accounts payable	(6,711)	2,207
Other	718	1,811
Sub-total	5,422	4,817
Interest and dividend received	342	198
Interest-paid	(1,253)	(1,378)
Income taxes –paid	(312)	(1,551)
Income taxes –refund	—	1,101
Net cash provided by operating activities	4,200	3,187
II .CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of marketable securities	—	(9,000)
Proceeds from sales and maturity of marketable securities	—	6,000
Increase in time deposits	—	(12,297)
Decrease in time deposits	—	9,295
Purchases of property, plant and equipment	(17,552)	(5,152)
Proceeds from sales of property, plant and equipment	6,388	89
Purchases of investment securities	(2,794)	(1,090)
Payment for transfer of business	—	(1,114)
Other	395	(105)
Net cash provided by (used in) investing activities	(13,563)	(13,374)

(Unit: million yen rounded)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
III. CASH FLOW FROM FINANCING ACTIVITIES:		
Net increase (decrease) in short-term borrowings	7,877	(10,146)
Net increase (decrease) in commercial paper	7,987	(9,984)
Proceeds from long-term debt	29,667	12,313
Repayments of long-term debt	(2,803)	(4,490)
Repayments of bonds	(200)	(200)
Issuance of common stock	—	12,656
Dividend paid	(1,072)	(4)
Dividend paid to minority shareholders	(344)	(67)
Net decrease (increase) in treasury stock	(3)	10
Other	(2,478)	(119)
Net cash provided by financing activities	38,629	(32)
IV. Variance due to exchange of cash and cash equivalents:	(602)	148
V. Increase in cash and cash equivalents:	28,665	(10,072)
VI. Cash and cash equivalents – beginning of year:	2,960	31,625
VII. Cash and cash equivalents –end of period (Note 1):	31,625	21,552

Note 1

Reconciliation between Consolidated Statements Of Cash Flows and Consolidated Balance Sheets

(Unit: million yen rounded)

	Fiscal year ended March 31, 2009	Fiscal year ended March 31, 2010
Cash and deposits	29,625	16,754
Certificate of deposit included in marketable securities	2,000	10,800
Time deposits (Certificates of deposit)with maturity over 3 months	—	(6,002)
Cash and cash equivalents – end of period	31,625	21,552