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[Summary] Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]

August 7, 2025

Company name: AKEBONO BRAKE INDUSTRY CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 7238
URL: <https://www.akebono-brake.com/>
Representative: Hiroshi Nagaoka, President & CEO
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded to the nearest million, unless otherwise noted.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	39,872	0.4	1,356	-	686	236.7	(126)	-
June 30, 2024	39,730	(3.0)	70	-	204	(83.6)	5,880	369.3

(Note) Comprehensive income: Three months ended June 30, 2025: ¥ (1,837) million [-%]
Three months ended June 30, 2024: ¥ (1,528) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	(0.46)	-
June 30, 2024	44.02	10.88

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	126,152	54,108	37.9
March 31, 2025	128,326	55,945	38.6

(Reference) Equity: As of June 30, 2025: ¥ 47,793 million
As of March 31, 2025: ¥ 49,498 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		0.00	-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) The above table shows dividends on common shares. Please refer to "(Reference) Dividends on Class Shares" for information regarding dividends on class shares, which have different rights from common shares.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026(April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	154,600	(4.4)	4,000	28.1	1,700	-	(1,300)	-	(4.79)

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2025: 273,755,222 shares

March 31, 2025: 273,755,222 shares

2) Number of treasury shares at the end of the period:

June 30, 2025: 2,346,680 shares

March 31, 2025: 2,375,138 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2025: 271,401,440 shares

Three months ended June 30, 2024: 133,591,053 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The financial forecast and other descriptions of the future presented in this document are based on currently available information and assumptions which are deemed reasonable at present. Consequently, the actual financial performance may vary significantly from the forecast due to various factors.

(Reference) Dividends on Class Shares

Dividends per share related to Class Shares with different rights from those of common shares are as follows.

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	4th quarter-end	Total
Class A Shares	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		0.00	-	0.00	0.00

(Note) Number of Class A Shares in issue are 13,700 shares. 20,000 Class A Shares were originally issued on 30 September 2019. The Company acquired a total of 6,300 Class A shares upon an exercise by the holder of the Class A Shares of the right to request acquisition of the Class A Shares in exchange for Common Shares on January 14, 2025 and then retired the total of 6,300 Class A Shares on January 16, 2025.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	18,303	18,622
Notes and accounts receivable - trade	27,440	27,229
Merchandise and finished goods	4,252	3,917
Work in process	2,605	2,506
Raw materials and supplies	10,296	10,092
Other	2,296	2,996
Allowance for doubtful accounts	(240)	(218)
Total current assets	64,951	65,144
Non-current assets		
Property, plant and equipment		
Buildings and structures	52,633	51,532
Accumulated depreciation	(41,995)	(41,428)
Buildings and structures, net	10,638	10,105
Machinery, equipment and vehicles	149,423	144,526
Accumulated depreciation	(129,655)	(126,214)
Machinery, equipment and vehicles, net	19,769	18,312
Land	13,727	13,634
Construction in progress	4,229	4,354
Other	23,176	22,870
Accumulated depreciation	(21,382)	(21,211)
Other, net	1,794	1,660
Total property, plant and equipment	50,158	48,064
Intangible assets	2,358	2,146
Investments and other assets		
Investment securities	85	87
Retirement benefit asset	8,548	8,593
Deferred tax assets	1,025	962
Other	1,202	1,155
Total investments and other assets	10,860	10,798
Total non-current assets	63,375	61,009
Total assets	128,326	126,152

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	18,238	18,013
Short-term borrowings	2,862	3,540
Lease liabilities	103	101
Income taxes payable	720	353
Accrued expenses	6,002	5,990
Provision for bonuses	1,065	1,856
Notes payable - facilities	139	117
Other	2,208	2,197
Total current liabilities	31,337	32,166
Non-current liabilities		
Long-term borrowings	32,000	32,000
Lease liabilities	166	142
Provision for retirement benefits for directors (and other officers)	8	8
Retirement benefit liability	3,374	3,227
Deferred tax liabilities	2,570	2,342
Deferred tax liabilities for land revaluation	1,665	1,665
Other	1,260	495
Total non-current liabilities	41,044	39,879
Total liabilities	72,381	72,044
Net assets		
Shareholders' equity		
Share capital	19,939	19,939
Capital surplus	2,345	2,331
Retained earnings	17,872	17,746
Treasury shares	(1,586)	(1,567)
Total shareholders' equity	38,571	38,450
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13	14
Revaluation reserve for land	3,741	3,741
Foreign currency translation adjustment	6,421	4,794
Remeasurements of defined benefit plans	752	794
Total accumulated other comprehensive income	10,927	9,344
Share acquisition rights	25	21
Non-controlling interests	6,422	6,294
Total net assets	55,945	54,108
Total liabilities and net assets	128,326	126,152

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of Income
For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	39,730	39,872
Cost of sales	35,904	35,373
Gross profit	3,826	4,498
Selling, general and administrative expenses	3,757	3,143
Operating profit	70	1,356
Non-operating income		
Interest income	75	48
Dividend income	158	3
Foreign exchange gains	1,596	-
Other	231	33
Total non-operating income	2,059	84
Non-operating expenses		
Interest expenses	324	436
Foreign exchange losses	-	255
Expenses for product compensation	24	7
Financing expenses	1,501	3
Other	77	52
Total non-operating expenses	1,925	754
Ordinary profit	204	686
Extraordinary income		
Gain on sale of non-current assets	19	1
Gain on sale of investment securities	8,863	-
Gain on reversal of share acquisition rights	3	-
Total extraordinary income	8,884	1
Extraordinary losses		
Loss on sale and retirement of non-current assets	4	10
Business restructuring expenses	246	214
Total extraordinary losses	250	224
Profit before income taxes	8,838	463
Income taxes - current	2,074	542
Income taxes - deferred	774	(242)
Total income taxes	2,848	300
Profit	5,990	163
Profit attributable to non-controlling interests	110	288
Profit (loss) attributable to owners of parent	5,880	(126)

Quarterly Consolidated Statement of Comprehensive Income

For the three months ended June 30, 2025

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	5,990	163
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,843)	2
Foreign currency translation adjustment	380	(2,064)
Remeasurements of defined benefit plans, net of tax	(55)	63
Total other comprehensive income	(7,518)	(2,000)
Comprehensive income	(1,528)	(1,837)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,001)	(1,709)
Comprehensive income attributable to non-controlling interests	473	(128)

Quarterly Consolidated Statement of Cash Flows

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	8,838	463
Depreciation	1,678	1,520
Increase (decrease) in allowance for doubtful accounts	7	(14)
Increase (decrease) in retirement benefit liability	(93)	12
Interest and dividend income	(233)	(51)
Interest expenses	324	436
Loss (gain) on sale and retirement of non-current assets	(16)	9
Loss (gain) on sale of investment securities	(8,863)	-
Decrease (increase) in trade receivables	2,033	(619)
Decrease (increase) in inventories	(515)	(12)
Increase (decrease) in trade payables	(893)	328
Other, net	576	462
Subtotal	2,844	2,534
Interest and dividends received	233	51
Interest paid	(315)	(805)
Income taxes paid	(618)	(952)
Payments for business restructuring	(64)	(364)
Net cash provided by (used in) operating activities	2,081	464
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,479)	(915)
Proceeds from sale of property, plant and equipment and intangible assets	61	2
Purchase of investment securities	(0)	(0)
Proceeds from sale of investment securities	11,511	-
Other, net	35	80
Net cash provided by (used in) investing activities	10,130	(834)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	892
Proceeds from long-term borrowings	32,000	-
Repayments of long-term borrowings	(32,572)	-
Dividends paid to non-controlling interests	(2,480)	(354)
Repayments of finance lease liabilities	(25)	(20)
Net decrease (increase) in treasury shares	0	0
Net cash provided by (used in) financing activities	(3,077)	518
Effect of exchange rate change on cash and cash equivalents	(1,248)	170
Net increase (decrease) in cash and cash equivalents	7,885	318
Cash and cash equivalents at beginning of period	26,949	18,303
Cash and cash equivalents at end of period	34,834	18,622