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Date: May 11, 2026

Company Name: Akebono Brake Industry Co., Ltd.
Representative: Hiroshi Nagaoka, President & CEO
(Securities Code: 7238; TSE Prime Market)

**Announcement regarding Non-operating Income (Consolidated),
Extraordinary Losses (Consolidated and Non-consolidated),
Deferred Tax Assets (Consolidated and Non-consolidated),
and Revision of the Earnings Forecast for the Fiscal Year Ending March 31, 2026**

Akebono Brake Industry Co., Ltd. (the “Company”) hereby announces that it will record non-operating income (consolidated), extraordinary losses (consolidated and non-consolidated), and deferred tax assets (consolidated and non-consolidated) in its financial results for the fiscal year ending March 31, 2026.

The Company also reports a revision of the consolidated earnings forecast for the fiscal year ending March 31, 2026, in the “Announcement Regarding Non-Operating Income (Consolidated) and Revision of the Earnings Forecast” disclosed on February 12, 2026.

1. Non-operating Income in Consolidated Financial Results (Foreign Exchange Gains)

The Company will record foreign exchange gains of 1.2 billion yen in its consolidated financial results for the fourth quarter of the fiscal year ending March 31, 2026 as a result of recent fluctuations in foreign exchange markets. These foreign exchange gains mainly occurred in relation to short-term borrowings from affiliated companies denominated in Japanese yen held by Akebono Brake Corporation (U.S.), the Company’s consolidated subsidiary in North America.

Quarterly foreign exchange gains and losses are as follows.

(Unit: Billion yen)

1Q	2Q	3Q	4Q	Total
(0.3)	(0.3)	0.9	1.2	1.6

Note: Figures in parentheses represent foreign exchange losses

2. Extraordinary Losses in Consolidated Financial Results (Business Restructuring Expenses)

The Company will record extraordinary losses of 1.7 billion yen as business restructuring expenses, related to shifting to a one-plant structure at Akebono Brake Corporation (U.S.), its North American consolidated subsidiary.

3. Extraordinary Losses in Non-consolidated Financial Results (Provision of Allowance for Doubtful Accounts)

Following a review of the collectability of receivables from consolidated subsidiaries, the Company will record a provision of allowance for doubtful accounts of 4.0 billion yen in its non-consolidated financial results.

Akebono Brake Corporation (U.S.): 3.6 billion yen

Akebono Brake Yamagata Manufacturing Co., Ltd.: 0.4 billion yen

This provision will be recorded only in the non-consolidated financial results and eliminated in consolidated results. Therefore, it will have no impact on consolidated earnings.

4. Deferred Tax Assets in Consolidated and Non-consolidated Financial Results

Taking into account the Medium-Term Business Plan in the “Announcement Regarding the Formulation of the Medium-Term Business Plan” disclosed on August 7, 2025, the Company carefully reviewed the recoverability of deferred tax assets and determined that a portion of deferred tax assets is recoverable.

As a result, negative income taxes - deferred of 1.1 billion yen (representing a decrease in tax expenses) will be recorded in both consolidated and non-consolidated financial results.

5. Revision of the Earnings Forecast

(Details of Revision)

Revised Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2026
(April 1, 2025 to March 31, 2026)

(Unit: Million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	EPS (Yen)
Previous Forecast (A)	159,400	5,000	4,000	300	1.11
Revised Forecast (B)	160,100	5,600	4,800	1,800	6.63
Change (B - A)	700	600	800	1,500	
Percentage Change (%)	0.4	12.0	20.0	500.0	
(Reference) Actual Results for FY2024*	161,672	3,124	(2,271)	168	1.10

*Fiscal year ended on March 31, 2025 (April 1, 2024 to March 31, 2025)

(Reasons for Revision of Forecast)

Compared with the earnings forecast disclosed in the “Announcement Regarding Non-Operating Income (Consolidated) and Revision of the Earnings Forecast” disclosed on February 12, 2026, net sales, operating profit, and ordinary profit are largely expected to meet the previous forecast.

Profit attributable to owners of parent is expected to exceed the previous forecast due to the recording of deferred tax assets, resulting in a decrease in income tax expenses.

(Note) The above forecasts were prepared using information available as of the date of this announcement. Actual earnings may differ from the forecasts due to various reasons.

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