(NOTE) This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

Date: June 24, 2026

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

Progress under the Plan to Conform to Continued Listing Criteria

Akebono Brake Industry Co., Ltd. (the "Company") submitted its plan to conform to the continued listing criteria of the Prime Market (the "Conformance Plan") and disclosed the details thereof on June 13, 2025. As the Company had not conformed to the continued listing criteria as of March 31, 2026, the Company hereby announces the progress under the Conformance Plan as follows:

1. Status of the Company's Conformance to Continued Listing Criteria and Plan Period

The status of the Company's conformance to the continued listing criteria of the Prime Market as of the end of March 2026, including its progress toward achieving conformance, is as described in the table below, which indicates that the Company has failed to conform to the tradable share ratio criterion. Under the Securities Listing Regulations of the Tokyo Stock Exchange, to maintain its listing on the Prime Market, in principle, the Company is required to achieve conformity to the continued listing criteria during the improvement period, which is one (1) year from the reference date. However, as announced in "Announcement Regarding Plan to Conform to Continued Listing Criteria (Entry into Improvement Period)" dated June 13, 2025, in view of the facts that (a) the Company entered into an investment agreement with Japan Industrial Solutions Fund II ("JIS Fund") dated as of July 19, 2019 for the purposes of receiving support for the Company's business turnaround, pursuant to which the Company has received an investment from JIS Fund, and, in collaboration with JIS Fund, the Company has been working on improving its management structure, with a view to achieving the business plan (the "Business Plan") prepared by the Company for the repayment of the remaining balance of existing loans through refinancing (the "Refinancing") that was made on July 28, 2024, and (b) the duration of JIS Fund is until October 2028 at the latest (if all extension options are exercised to extend the present duration, which is until October 2026, by two (2) years) and, by October 2028 at the latest, JIS Fund will have ceased to be a shareholder of the Company by way of, among others, transferring its shares to third parties, the Tokyo Stock Exchange has approved the application of such special rules with the plan period of the Conformance Plan extended until the end of March 2030, which is five (5) years from the reference date.
The Company will continue to implement various initiatives to achieve conformity to the continued listing criteria by the end of March 2030, as originally planned.

		Number of Shareholders	Number of Tradable Shares	Tradable Share Market Capitalization	Tradable Share Ratio
Company’s Conformance Status and its Progress	As of the end of March 2025	20,201	913,015 units	10.4 billion yen	33.35%
	As of the end of March 2026	20,385	919,416 units	11.8 billion yen	33.58%
Continued Listing Criteria		800	20,000 units	10.0 billion yen	35%
Conformance Status (Note) (As of the end of March 2026)		Conforming	Conforming	Conforming	Non-conforming
Plan Period		—	—	—	Until the end of March 2030

(Note) The Company’s conformance status is examined based on the distribution of the Company’s shares etc. and other information known to the Tokyo Stock Exchange as of the reference date.

2. Basic Policy on Initiatives to Conform to Continued Listing Criteria

The Company conforms to the continued listing criteria of the Prime Market in respect of the number of shareholders, the number of tradable shares and the tradable share market capitalization; however, the Company does not conform to the criteria in respect of the tradable share ratio.
Therefore, the Company will steadily implement the Business Plan through business operations that are more closely integrated with the JIS Fund, and by working toward the achievement of its mid-term business plan disclosed on August 7, 2025 (the “Medium-Term Business Plan”), aim to improve the corporate value over the medium- to long-term. Simultaneously, the Company will implement the measures aimed at improving the tradable share ratio set forth in the Conformance Plan and intends to achieve conformity to the tradable share ratio criterion.

3. Challenges and Initiatives in Respect of Items That Do Not Conform to Continued Listing Criteria and Their Progress

(1) Challenges

The biggest challenge in conforming to the tradable share ratio criterion of the Prime Market is to reduce the shareholding ratio of JIS Fund, which owns 50.32% of the Company’s common shares as of the end of March 2026, through its share disposals.
The table below shows the status of the Company’s shares as of the end of March 2026. JIS Fund also owns the Class A Shares of the Company in addition to the common shares, and if the right to request acquisition of the Class A Shares in exchange for common shares is exercised against the Company in the future before the disposal of the Company’s shares by JIS Fund, JIS Fund’s shareholding ratio will be 74.95% at maximum, and the aforementioned tradable share ratio of 33.58% may temporarily decline further.

Status of Common Shares (as of the End of March 2026)

	Number of Issued and Outstanding Shares	Breakdown		
		Tradable Shares	JIS Fund	Others
Number of Shares	273,755,222 shares	91,941,645 shares	137,762,879 shares	44,050,698 shares
Ratio	100%	33.58%	50.32%	16.10%

(Note) The number of common shares of the Company to be delivered upon exercise of the right to request acquisition of the Class A Shares in exchange for common shares is 269,244,778 at maximum.

The Company recognizes the need to improve its corporate value through the initiatives set forth in the Conformance Plan in order to discuss with JIS Fund the reduction of its shareholding ratio and other issues.

(2) Details of Initiatives and Their Progress

(i) Business Operations to Realize Increased Corporate Value

JIS Fund, which, as of January 14, 2025, has become a major shareholder and the largest shareholder who is also a major shareholder, intends to work more closely with the Company to manage the Company's business and to improve the corporate value of the Company for the benefit of all stakeholders. The Company will, under the new management structure, further strengthen the collaboration and the relationship of trust with JIS Fund and work to further improve the corporate value of the Company.

(ii) Implementation of the Business Plan and the Medium-Term Business Plan

Under the monitoring of JIS Fund pursuant to the Investment Agreement, the Company is taking measures to achieve the Business Plan prepared upon the Refinancing.

In addition, the Company is working hard to ensure steady implementation of the Medium-Term Business Plan.

While for the fiscal year ended March 31, 2026, the first year of the Medium-Term Business Plan, against the targets of an operating profit of 4.0 billion yen, an operating margin of 2.6%, and a free cash flow of 0.9 billion yen, the Company achieved an operating profit of 5.6 billion yen, an operating margin of 3.5%, and a free cash flow of 2.4 billion yen, exceeding all of these targets.

The Company will continue to work to improve its corporate value over the medium- to long-term by implementing these plans.

(iii) Strengthening IR Activities

The Company is committed to fostering dialogue between investors and the Company's management, including by increasing the frequency of the Company's financial results briefings from twice a year to four times a year and having the Representative Director, President & CEO directly present and explain the results. In addition, through increased information sharing via the Company's IR website, for example by video streaming of briefings, the Company will work to improve its transparency as a company and improve its corporate value over the medium- to long-term.

End of Document