

Note: This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results FY2024 First Half (1H)



November 14, 2024
Akebono Brake Industry Co., Ltd.

Presentation Outline

- FY2024 1H: Consolidated Financial Results
- Appendix

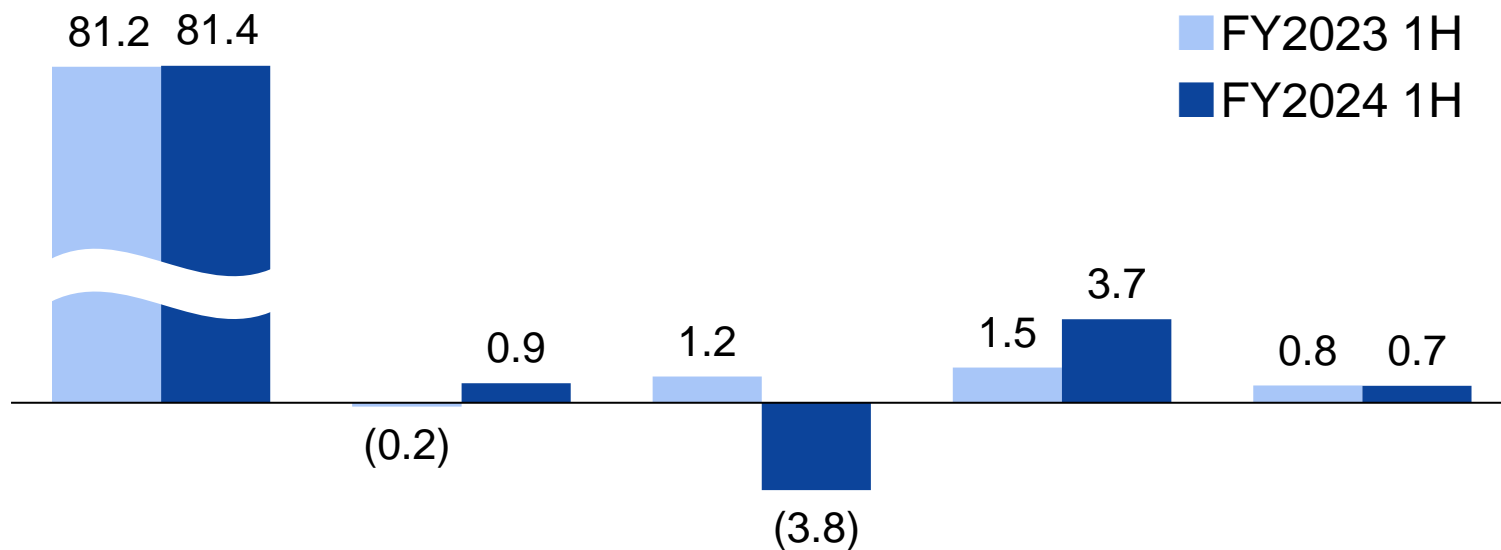
(Note) The first half (1H) of the fiscal year under review is defined as follows:

1. North America, China, Thailand and Indonesia: January 1, 2024 to June 30, 2024
2. Japan and Europe: April 1, 2024 to September 30, 2024

FY2024 1H: Consolidated Financial Results

FY2024 1H: Consolidated Results (YoY)

(Billion yen)






	Net Sales	Operating Profit	Ordinary Profit	Pre-tax Profit*	Net Profit**
FY2023 1H	81.2	(0.2)	1.2	1.5	0.8
FY2024 1H	81.4	0.9	(3.8)	3.7	0.7
YoY	0.2	1.0	(5.0)	2.1	(0.0)

* Profit before income taxes ** Profit attributable to owners of parent

Business Environment

Akebono continued to face an uncertain business environment due to remaining high market prices and the risk of economic downturn in various countries, as well as fluctuations in exchange rates.

Net Sales: 81.4 billion yen
an increase of 0.2 billion yen (an increase of 0.3%) year-on-year

-  Decline in production of automakers in Japan and Europe
-  Decline in demand due to strict loan screenings in Indonesia and Thailand
-  Impact of the yen depreciation

FY2024 1H: Overview of Consolidated Results

Operating Profit: 0.9 billion yen

operating loss of 0.2 billion yen in FY2023 1H

- ✖ Increasing labor costs due to rising wage rates
- ✖ Decline in orders
- Rationalization including material purchasing and improvements in productivity
- Reviewing sales price

Ordinary Loss: 3.8 billion yen

ordinary profit of 1.2 billion yen in FY2023 1H

- ✖ Foreign exchange losses due to fluctuations in exchange rates
- ✖ Financing expenses associated with borrowing for refinancing

Net Profit*: 0.7 billion yen

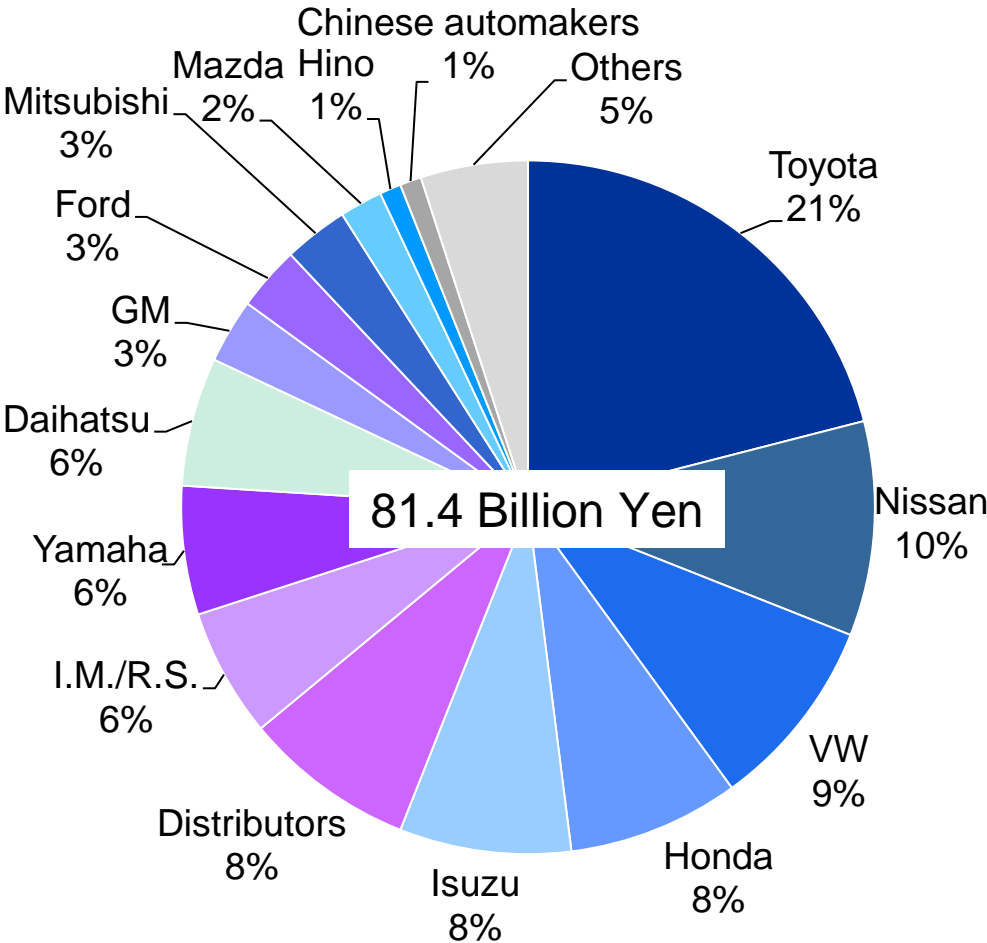
a decrease of 0.02 billion yen (a decrease of 2.3%) year-on-year

- Gain on sale of investment securities due to the sale of portion of owned investment securities

*Profit attributable to owners of parent

FY2024 1H: Net Sales by Customer

FY2024 1H Actual



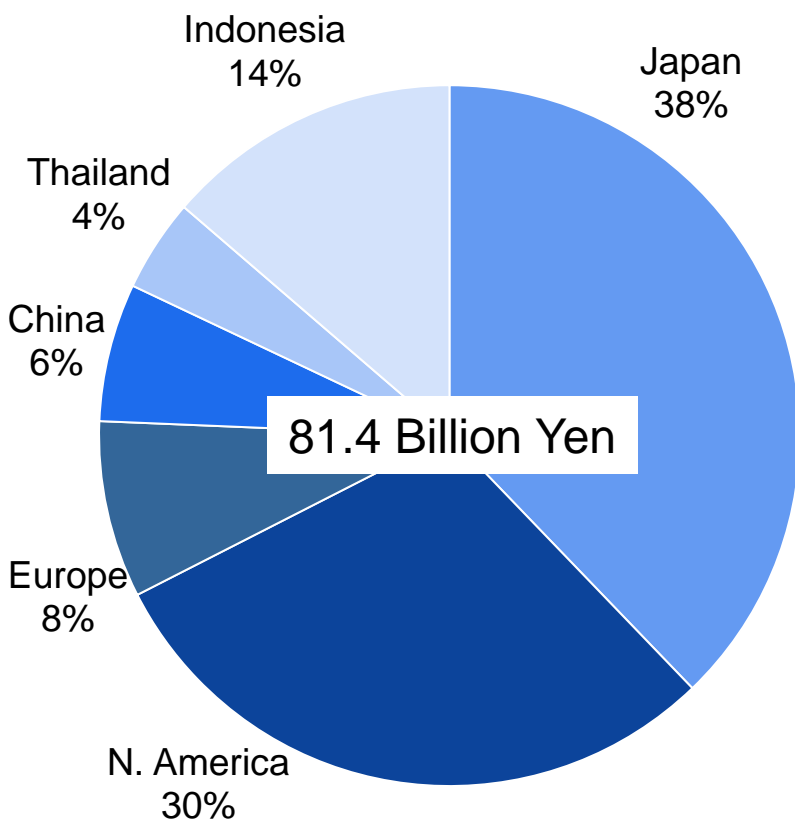
	FY2023 1H	FY2024 1H
Toyota	18%	21%
Nissan	10%	10%
VW	9%	9%
Honda	7%	8%
Isuzu	9%	8%
Distributors	6%	8%
I.M./R.S.*	7%	6%
Yamaha	5%	6%
Daihatsu	6%	6%
GM	4%	3%
Others	19%	15%
Total	100%	100%

* Industrial Machinery / Rolling Stock

FY2024 1H: Net Sales by Region

(Billion yen)

FY2024 1H Actual



	FY2023 1H	FY2024 1H	Change (%)	FOREX
Japan	34.2	32.5	(5%)	—
N. America	23.9	25.5	+ 7%	+ 2.9
Europe	7.5	7.0	(6%)	+ 0.5
Asia	20.9	20.9	(0%)	+ 1.3
China	5.6	5.5	(2%)	+ 0.4
Thailand	3.2	3.7	+ 15%	+ 0.2
Indonesia	12.1	11.8	(3%)	+ 0.6
Subtotal	86.5	85.9	(1%)	+ 4.6
Eliminations	(5.4)	(4.5)	—	—
Total	81.2	81.4	+ 0%	+ 4.6

* The amount of net sales in Asia is the simple sum of net sales in China, Thailand and Indonesia.

FY2024 1H: Results by Region (YoY)

(Billion Yen)	Net Sales				Operating Profit			
	FY2023 1H	FY2024 1H	Change	FOREX	FY2023 1H	FY2024 1H	Change	FOREX
Japan	34.2	32.5	(1.7)	—	1.1	1.2	+ 0.1	—
N. America	23.9	25.5	+ 1.6	+ 2.9	(2.1)	(1.8)	+ 0.3	(0.2)
Europe	7.5	7.0	(0.5)	+ 0.5	0.2	0.3	+ 0.0	+ 0.0
Asia	20.9	20.9	(0.0)	+ 1.3	0.5	1.1	+ 0.6	+ 0.1
China	5.6	5.5	(0.1)	+ 0.4	(0.4)	(0.0)	+ 0.4	(0.0)
Thailand	3.2	3.7	+ 0.5	+ 0.2	0.2	0.3	+ 0.1	+ 0.0
Indonesia	12.1	11.8	(0.4)	+ 0.6	0.8	0.8	+ 0.1	+ 0.0
Eliminations	(5.4)	(4.5)	+ 0.9	—	0.1	0.1	(0.0)	—
Total	81.2	81.4	+ 0.2	+ 4.6	(0.2)	0.9	+ 1.0	(0.1)

Exchange rates USD: 136.5→154.1, EUR: 154.8→165.8, CNY: 19.6→21.3, THB: 4.0→4.2, IDR: 0.0092→0.0097

Local currency	Net Sales		
	FY2023 1H	FY2024 1H	Change
N.America: USD mil.	175	165	(10)
Europe: EUR mil.	48	42	(6)
China: CNY mil.	287	257	(29)
Thailand: THB mil.	808	868	+ 60
Indonesia: IDR bil.	1,317	1,211	(106)

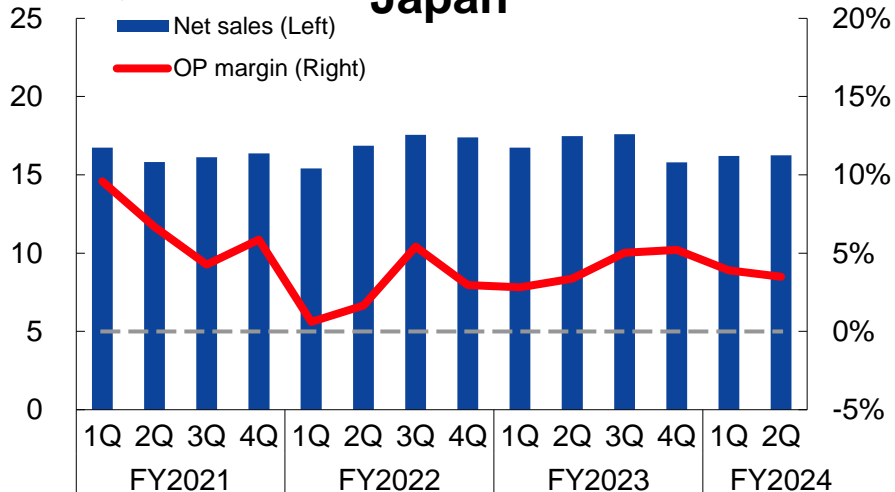
Operating Profit		
FY2023 1H	FY2024 1H	Change
(15)	(12)	+ 4
2	2	+ 0
(23)	(0)	+ 22
48	61	+ 14
82	87	+ 6

Historical Results by Region

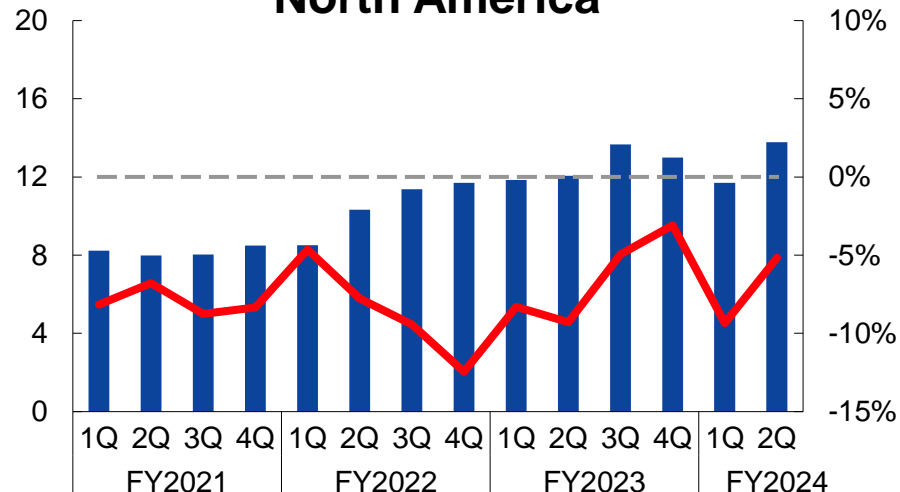
Quarterly Changes in Net Sales and OP Margin

(Billion yen)

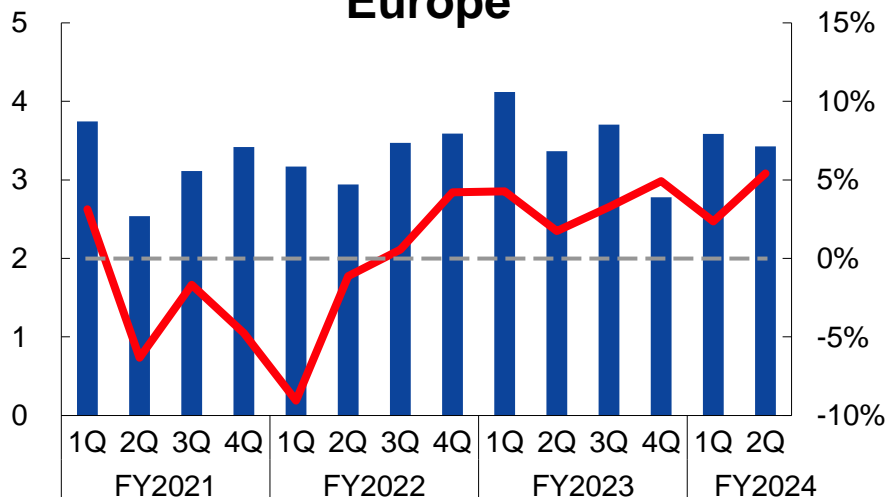
Japan



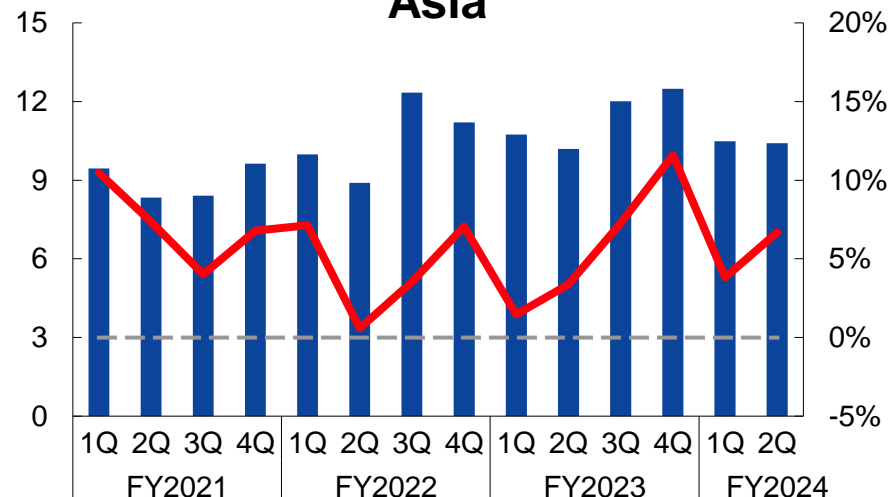
North America



Europe

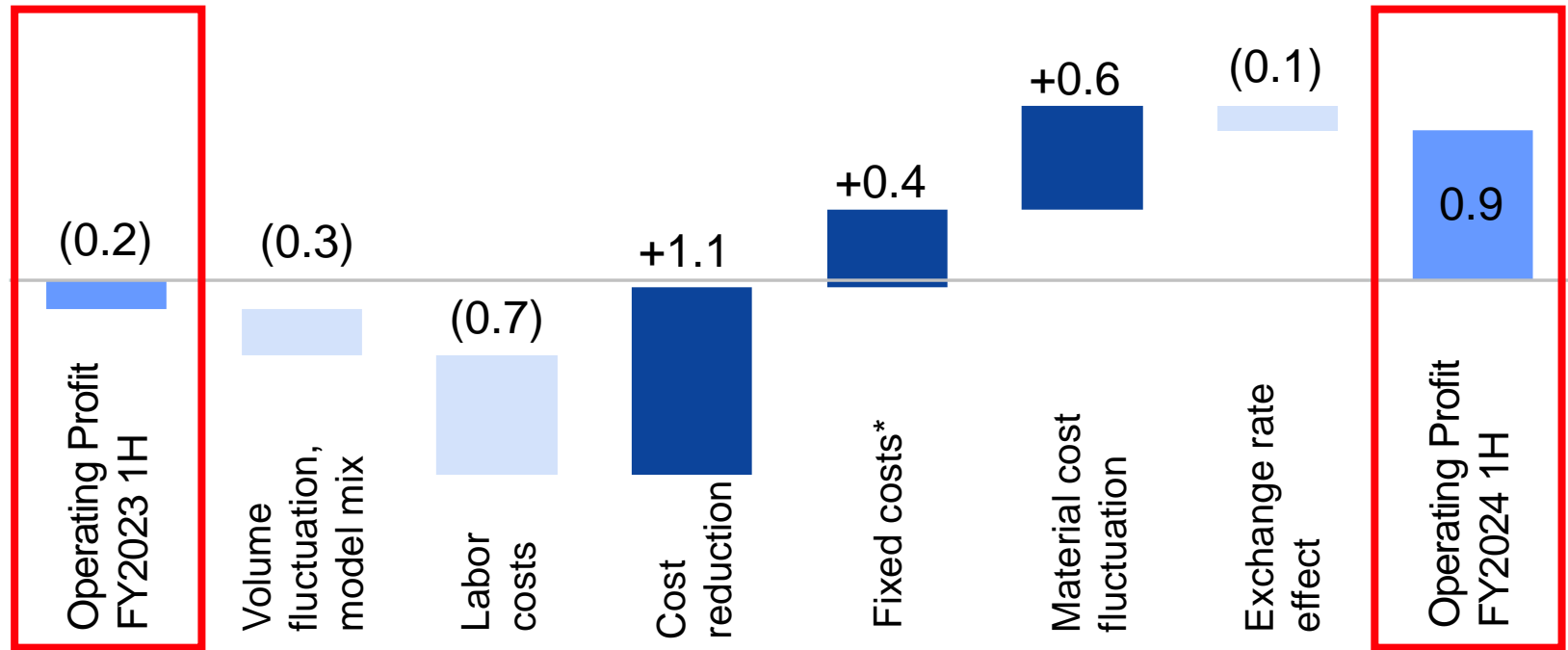


Asia



FY2024 1H: Operating Profit Analysis (YoY)

(Billion yen)



Japan	1.1	(0.8)	(0.2)	+ 0.6	+ 0.2	+ 0.3		1.2
N. America	(2.1)	+ 0.5	(0.4)	+ 0.1	+ 0.2	+ 0.1	(0.2)	(1.8)
Europe	0.2	+ 0.0	(0.1)	+ 0.2	(0.1)	+ 0.0	+ 0.0	0.3
Asia	0.5	+ 0.0	(0.1)	+ 0.3	+ 0.1	+ 0.2	+ 0.1	1.1
Eliminations	0.1	(0.0)						0.1

* Fixed costs include R&D Expenses and depreciation.

FY2024 1H: Results by Profit

FY2023 1H		Main items		FY2024 1H		Main items		(Billion yen)
Operating Profit		(0.2)		Operating Profit		0.9		
Net non-operating income	+ 1.3	FOREX gain	+ 2.3	Net non-operating income	(4.7)	FOREX loss	(2.3)	
		Interest expenses	(0.5)			Interest expenses	(0.9)	
		Other	(0.4)			Financing expenses	(1.7)	
		Other	+ 0.2					
Ordinary Profit		1.2		Ordinary Profit		(3.8)		
Net extraordinary income	+ 0.4	Gain on sale of non-current assets	+ 0.4	Net extraordinary income	+ 7.5	Gain on sale of investment securities	+ 8.9	
						Business restructuring expenses	(0.5)	
						Loss on reversal of CTA***	(0.8)	
Pre-tax Profit*		1.5		Pre-tax Profit*		3.7		
		Income taxes-current	(0.5)			Income taxes-current	(1.1)	
		Income taxes-deferred	(0.1)			Income taxes-deferred	(1.5)	
		Non-controlling interests	(0.2)			Non-controlling interests	(0.3)	
Net Profit**		0.8		Net Profit**		0.7		

* Profit before income taxes ** Profit attributable to owners of parent *** Loss on reversal of foreign currency translation adjustment

Balance Sheets

(Billion yen)

Assets	FY2023	FY2024 2Q	Change	FOREX	Liabilities and net assets	FY2023	FY2024 2Q	Change	FOREX
Current assets	75.5	66.5	(9.0)	+ 3.8	Current liabilities	81.4	33.1	(48.3)	+ 2.8
Cash and deposits	26.9	16.0	(10.9)	+ 1.0	Accounts payable	19.8	19.0	(0.8)	+ 0.8
Accounts receivable	29.9	29.6	(0.3)	+ 1.6	Interest-bearing debts	49.1	3.1	(45.9)	+ 1.4
Inventories	16.3	17.7	+ 1.4	+ 1.1	Other	12.5	11.0	(1.6)	+ 0.6
Other	2.3	3.2	+ 0.8	+ 0.1	Non-current liabilities	8.6	40.2	+ 31.6	+ 0.2
Non-current assets	75.0	64.6	(10.4)	+ 2.8	Interest-bearing debts	0.2	32.2	+ 32.0	+ 0.0
Tangible assets	49.8	52.0	+ 2.3	+ 2.4	Other	8.4	8.0	(0.4)	+ 0.2
Intangible assets	2.4	2.5	+ 0.1	+ 0.2	Total liabilities	90.0	73.3	(16.7)	+ 3.0
Investment securities	13.1	0.1	(13.0)	-	Total net assets	60.5	57.9	(2.6)	+ 3.6
Deferred tax assets	1.0	0.9	(0.0)	+ 0.1	Share capital	19.9	19.9	-	-
Other	8.7	9.1	+ 0.3	+ 0.1	Capital surplus	2.4	2.4	(0.0)	-
Total assets	150.5	131.1	(19.3)	+ 6.6	Retained earnings	17.8	18.4	+ 0.6	-
					Other	20.3	17.1	(3.2)	+ 3.6
					Total liabilities and net assets	150.5	131.1	(19.3)	+ 6.6

Exchange rates USD: 141.8→161.1, EUR: 163.2→159.4, CNY: 19.9→22.0, THB: 4.1→4.4, IDR: 0.0092→0.0099

Changes in Financial Performance Indicators

	Unit	FY2020	FY2021	FY2022	FY2023	FY2024 2Q
Total assets	Billion yen	132.6	139.7	141.3	150.5	131.1
Equity capital	Billion yen	37.3	42.6	43.4	52.4	51.3
Equity ratio	%	28.1	30.5	30.7	34.8	39.1
Interest-bearing debts	Billion yen	48.9	49.2	49.6	49.3	35.3
Net interest-bearing debts	Billion yen	19.3	18.9	24.1	22.3	19.3
Net debt equity ratio	Times	0.52	0.44	0.56	0.43	0.38
Free cash flow	Billion yen	2.8	3.2	(1.8)	4.1	4.5

FY2024 1H: R&D Expenses, CapEx/Depreciation

R&D Expenses

(Billion yen)

	FY2023 1H	FY2024 1H
R&D Expenses*	3.3	3.5

* Including costs for application development

FY2024 1H Main Projects

- Electric brake
- Next-generation friction material
- New construction brake
- High performance brake
- Brakes for infrastructure & mobility

Capital Expenditure/Depreciation

(Billion yen)

	FY2023 1H	FY2024 1H
CapEx	1.8	3.4
Depreciation	3.2	3.4

FY2024 1H Main Projects

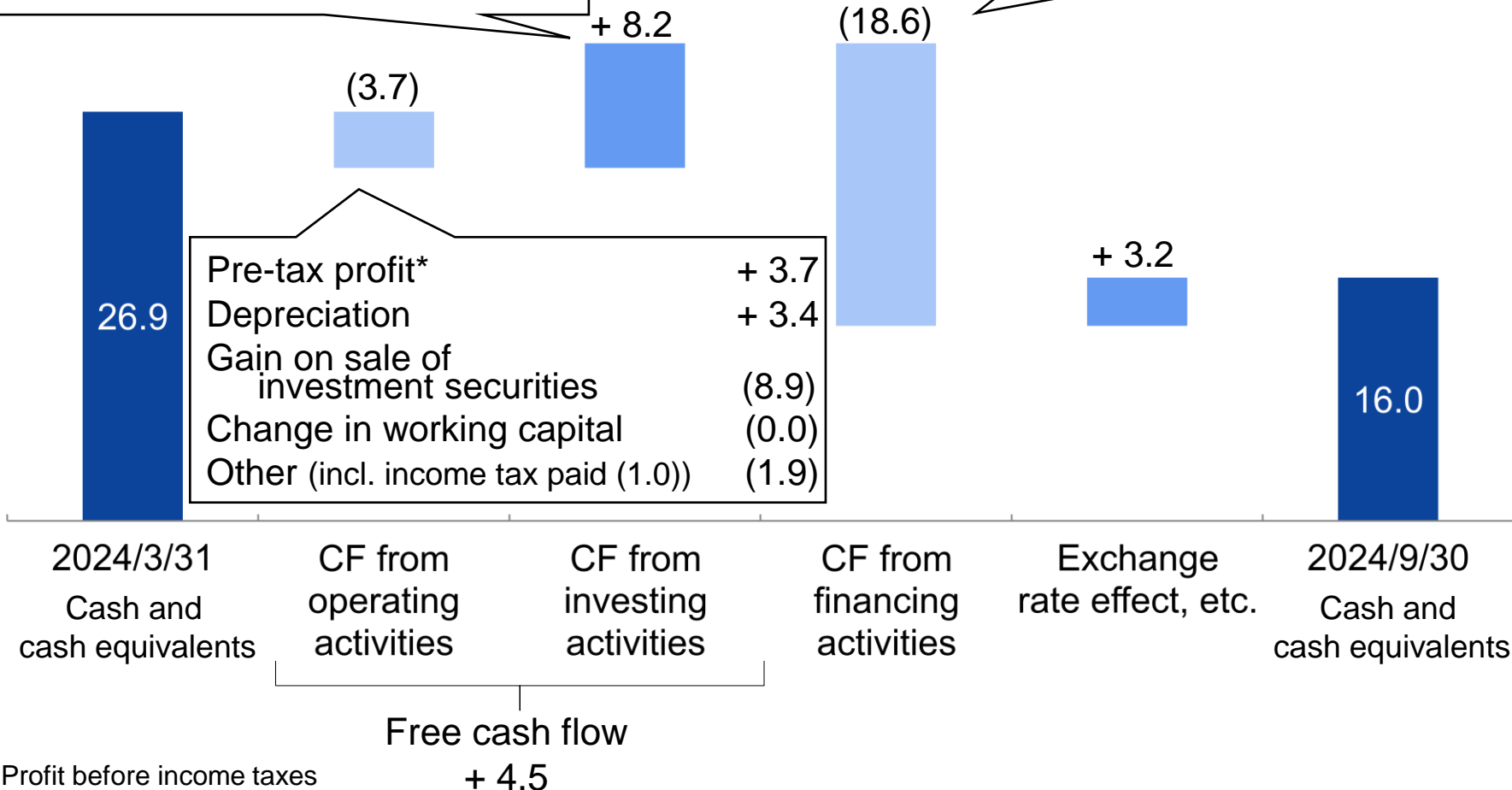
- Plant relocation
- Improvement in productivity
- Equipment for new order items
- Update old equipment
- Improvements to quality

FY2024 1H: Cash Flows

(Billion yen)

CapEx (incl. intangible assets)	(3.4)
Sale of non-current assets	+ 0.1
Sale of investment securities	+ 11.5

Change in interest-bearing debts	(16.1)
Dividends paid to non-controlling interests	(2.5)



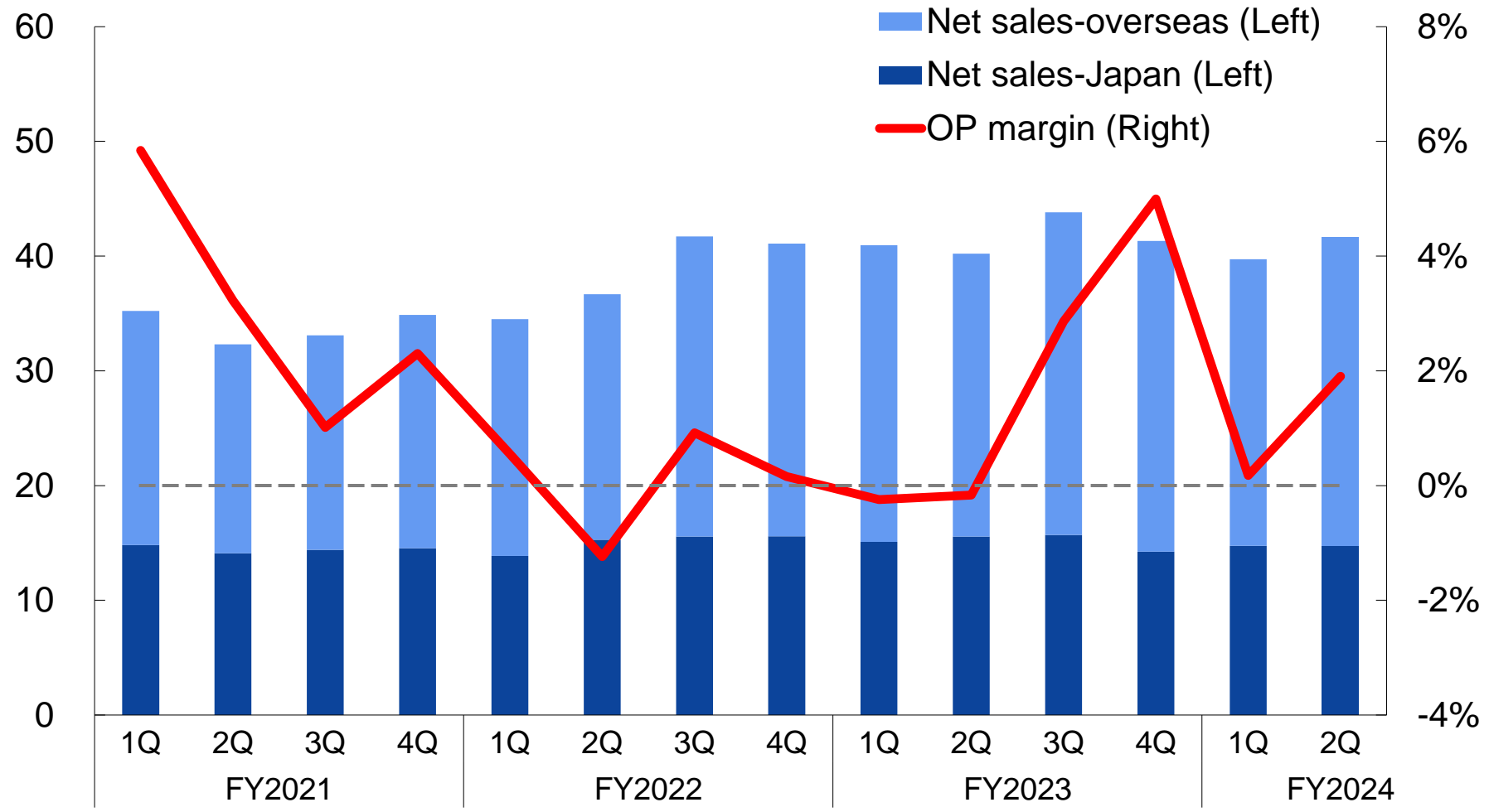
* Profit before income taxes

Appendix

(1) Consolidated Results

Quarterly Changes in Net Sales and OP Margin

(Billion yen)



(2) FY2024: Results by Region

Quarterly Changes in Net Sales and OP

(Billion yen)	Net Sales			Operating Profit		
	1Q	2Q	1H	1Q	2Q	1H
Japan	16.2	16.3	32.5	0.6	0.6	1.2
N. America	11.7	13.8	25.5	(1.1)	(0.7)	(1.8)
Europe	3.6	3.4	7.0	0.1	0.2	0.3
Asia	10.5	10.4	20.9	0.4	0.7	1.1
China	2.7	2.7	5.5	(0.1)	0.1	(0.0)
Thailand	1.9	1.7	3.7	0.2	0.1	0.3
Indonesia	5.8	5.9	11.8	0.4	0.5	0.8
Eliminations	(2.3)	(2.2)	(4.5)	0.0	0.1	0.1
Total	39.7	41.7	81.4	0.1	0.8	0.9

Local currency	Net Sales			Operating Profit		
	1Q	2Q	1H	1Q	2Q	1H
N. America: USD mil.	78	87	165	(7)	(4)	(12)
Europe: EUR mil.	21	21	42	0	1	2
China: CNY mil.	132	126	257	(7)	6	(0)
Thailand: THB mil.	464	404	868	38	23	61
Indonesia: IDR bil.	612	599	1,211	40	48	87

(3) FY2023: Results by Region

Quarterly Changes in Net Sales and OP

(Billion yen)	Net Sales						Operating Profit					
	1Q	2Q	1H	3Q	4Q	FY Total	1Q	2Q	1H	3Q	4Q	FY Total
Japan	16.7	17.5	34.2	17.6	15.8	67.6	0.5	0.6	1.1	0.9	0.8	2.8
N. America	11.9	12.1	23.9	13.7	13.0	50.6	(1.0)	(1.1)	(2.1)	(0.7)	(0.4)	(3.2)
Europe	4.1	3.4	7.5	3.7	2.8	14.0	0.2	0.1	0.2	0.1	0.1	0.5
Asia	10.7	10.2	20.9	12.0	12.5	45.4	0.2	0.3	0.5	0.9	1.4	2.8
China	2.8	2.8	5.6	3.5	4.2	13.2	(0.3)	(0.1)	(0.4)	0.1	0.5	0.1
Thailand	1.7	1.5	3.2	1.9	2.1	7.3	0.1	0.1	0.2	0.2	0.3	0.7
Indonesia	6.3	5.8	12.1	6.6	6.2	24.9	0.4	0.4	0.8	0.7	0.7	2.1
Eliminations	(2.5)	(2.9)	(5.4)	(3.2)	(2.7)	(11.3)	0.1	0.1	0.1	0.1	0.1	0.3
Total	41.0	40.2	81.2	43.8	41.3	166.3	(0.1)	(0.1)	(0.2)	1.3	2.1	3.2

Local currency	Net Sales						Operating Profit					
	1Q	2Q	1H	3Q	4Q	FY Total	1Q	2Q	1H	3Q	4Q	FY Total
N. America: USD mil.	89	86	175	94	89	358	(7)	(8)	(15)	(5)	(3)	(23)
Europe: EUR mil.	27	21	48	23	17	89	1	0	2	1	1	3
China: CNY mil.	143	144	287	174	206	667	(15)	(7)	(23)	3	24	5
Thailand: THB mil.	422	386	808	470	512	1,790	23	25	48	39	74	161
Indonesia: IDR bil.	707	610	1,317	696	666	2,680	41	41	82	70	71	223

The description pertaining to our forecasts is based on the information available at this moment and our assumption which we believe is reasonable, therefore actual results may be different from the forecasts due to surrounding business environment including market situation, foreign exchange rate in the market, and other unexpected reasons.