

# Consolidated Financial Summary, FY2007 1st quarter (April 1, 2006 through June 30, 2006)



July-27-2006

Listed  
Company Name **AISIN SEIKI Co., Ltd.**  
Code Number 7259

Listed at The Tokyo, Osaka and Nagoya stock exchanges (1st division)  
Location Aichi, JAPAN

(URL <http://www.aisin.com>)

Representative Yasuhito Yamauchi, President  
Reference person in charge Masaaki Yasui,  
General Manager, Finance & Accounting Dept. TEL 81 - 566 - 24 - 8265

## 1. Achievements of the 1st Quarter of FY2007 (Apr. 1, 2006 through Jun. 30, 2006)

(1) Operating Results (Amounts less than million yen are rounded down.)

	Net Sales		Operating Income		Ordinary Income	
	Million Yen	(Change from previous period %)	Million Yen	(Change from previous period %)	Million Yen	(Change from previous period %)
<b>FY2007 1st quarter</b>	<b>556,516</b>	<b>( 13.9 )</b>	<b>27,274</b>	<b>( 5.8 )</b>	<b>28,879</b>	<b>( 2.7 )</b>
FY2006 1st quarter	488,592	( 14.6 )	25,769	( 13.8 )	28,125	( 17.8 )
FY2006	2,120,588		118,096		125,096	

	Net Income		Earnings Per Share	Fully Diluted Earnings Per Share
	Million Yen	(Change from previous period %)		
<b>FY2007 1st quarter</b>	<b>13,335</b>	<b>( 0.9 )</b>	<b>46.48YEN</b>	<b>46.43YEN</b>
FY2006 1st quarter	13,218	( 31.0 )	46.20YEN	46.17YEN
FY2006	61,095		209.15YEN	208.86YEN

## (2) Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million Yen	Million Yen	%	
<b>FY2007 1st quarter</b>	<b>1,839,781</b>	<b>851,743</b>	<b>36.7</b>	<b>2,354.26YEN</b>
FY2006 1st quarter	1,527,871	563,581 ※	36.9 ※	1,969.80YEN ※
FY2006	1,853,458	678,881 ※	36.6 ※	2,361.66YEN ※

Note : The points marked ※ are based on previous accounting standards.

## (3) Consolidation Scope

Number of consolidated subsidiaries : 136  
Number of unconsolidated subsidiaries : none  
Affiliates accounted for under equity method : 13

## (4) Changes in Consolidation Scope and Application of the equity method

Consolidated subsidiaries Added : 3  
Added : 1 (From Affiliates accounted for under the equity method)  
Excluded : none  
Affiliates accounted for Added : none  
under the equity method Excluded : 1 (To Consolidated subsidiaries)

## 2. Consolidated forecast for FY2007 (Apr. 1, 2006 through Mar. 31, 2007)

	Net Sales	Operating Income	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen	Million Yen
Half year end (Sep. 06)	1,100,000	50,000	51,000	23,000
Year end Mar. 31, 07	2,250,000	117,000	120,000	58,000

Reference : Forecast of net income per share for FY2007 202.22YEN

※ Above forecasts are based on Aisin's plans and expectations. These are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, achievements or financial position to be materially different from the forecasts expressed or implied in this report.

## Results of Operations

### **(1) Achievements for the First Quarter Ended June 30, 2006**

Sales within the Auto Parts segment increased 14.5% (¥534,966million) compared with the same quarter of the previous fiscal year (¥467,171million) due to clients' production expansions, in addition to aggressive sales activities for automatic transmissions, manual transmissions, car navigation systems, and power sliding doors. Furthermore, sales of the Life & Energy related products and other business increased 0.6% (¥21,549million) compared with the same quarter of the previous fiscal year (¥21,421million).

As a result, total sales increased 13.9% (¥556,516million) compared to the same quarter of the last fiscal year (¥488,592million).

Despite higher depreciation and amortization expenses and raw materials prices, the favorable activities to streamline and raise efficiency in all areas of operations through cost reductions and other measures resulted in a 5.8% increase in operating income from ¥25,769million to ¥27,274million.

Ordinary income increased 2.7% to ¥28,879million. (Previous: ¥28,125million) Net income increased 0.9% to ¥13,335million. (Previous: ¥13,218million)

### **(2) Future Outlook**

With an increasing oil price, surging material costs such as oil, steel and aluminum, fluctuating exchange rates, and price competitions, environments surrounding the company are still uncertain.

In such conditions, the corporate group would respond to its tasks appropriately and would cooperate together aiming to become a world top brand, through achieving market competitiveness and sophisticated management system.

With regard to the forecast for the first half year, net sales, operating income, ordinary income, and net income would be revised to ¥1,100,000million, ¥50,000million, ¥51,000million, and ¥23,000million respectively. (Estimated exchange rate for dollar: 1US\$=¥114) Net sales, operating income, ordinary income, and net income in the fiscal 2007 would be ¥2,250,000million, ¥117,000million, ¥120,000million, and ¥58,000million respectively. (Estimated exchange rate for dollar: 1US\$=¥113)

## Net Sales by Item

(Million Yen)

Category		FY2007 1st quarter		FY2006 1st quarter		Increase (Decrease)	Variation ratio	FY2006	
		(Apr. 2006 through Jun. 2006)		(Apr. 2005 through Jun. 2005)				(Apr. 2005 through Mar. 2006)	
		Amount	Percen- tage	Amount	Percen- tage			Amount	Percen- tage
A u t o m o t i v e  R e l a t e d	Engine Related	54,262	9.7	47,244	9.7	7,018	14.9	197,398	9.3
	Drivetrain Related	235,361	42.3	209,356	42.8	26,005	12.4	901,644	42.5
	Brake & Chassis Related	110,815	19.9	98,588	20.2	12,227	12.4	425,181	20.1
	Body Related	101,812	18.3	83,769	17.1	18,043	21.5	379,549	17.9
	Information Related	32,713	5.9	28,212	5.8	4,501	16.0	123,231	5.8
Sub Total		534,966	96.1	467,171	95.6	67,795	14.5	2,027,005	95.6
Life & Energy Related		11,780	2.1	12,517	2.6	( 737 )	( 5.9 )	52,988	2.5
Others		9,769	1.8	8,903	1.8	866	9.7	40,595	1.9
Grand Total		556,516	100.0	488,592	100.0	67,924	13.9	2,120,588	100.0

Note : Sales of "Others" includes "Construction and Engineering Works Business" and "Oil Sales Business", and so on.

## Consolidated Statements of Income

(Million Yen)

	FY2007 1st quarter (Apr. 2006 through Jun. 2006)	FY2006 1st quarter (Apr. 2005 through Jun. 2005)	Increase (Decrease)	FY2006 (Apr. 2005 through Mar. 2006)
<b>Net Sales</b>	<b>556,516</b>	<b>488,592</b>	<b>67,924</b>	<b>2,120,588</b>
Cost of Sales	485,574	421,770	63,804	1,829,682
<b>Gross Profit</b>	<b>70,942</b>	<b>66,822</b>	<b>4,120</b>	<b>290,906</b>
Selling, General & Administrative Expense	43,667	41,053	2,614	172,809
<b>Operating Income</b>	<b>27,274</b>	<b>25,769</b>	<b>1,505</b>	<b>118,096</b>
<b>Non-Operating Income</b>	<b>5,043</b>	<b>5,649</b>	<b>( 606 )</b>	<b>20,341</b>
Interest & Dividend Income	1,940	1,960	( 20 )	3,926
Investment Profit on Equity Method	1,274	1,256	18	5,542
Other Income	1,828	2,432	( 604 )	10,873
<b>Non-Operating Expenses</b>	<b>3,438</b>	<b>3,293</b>	<b>145</b>	<b>13,341</b>
Interest Expense	646	600	46	2,581
Other Expense	2,792	2,692	100	10,760
<b>Ordinary Income</b>	<b>28,879</b>	<b>28,125</b>	<b>754</b>	<b>125,096</b>
<b>Income Before Income Taxes and Minority Interest</b>	<b>28,879</b>	<b>28,125</b>	<b>754</b>	<b>125,096</b>
Income Taxes	10,243	10,213	30	40,151
Minority Interest in Net Income	5,300	4,692	608	23,849
<b>Net Income</b>	<b>13,335</b>	<b>13,218</b>	<b>117</b>	<b>61,095</b>

## Consolidated Balance Sheets

(Million Yen)

	FY2007 1st quarter (As of Jun. 30, 2006)	FY2006 (As of Mar. 31, 2006)	Increase (Decrease)	FY2006 1st quarter (As of Jun. 30, 2005)
[ Assets ]				
<b>Current Assets</b>	<b>694,950</b>	<b>694,030</b>	<b>920</b>	<b>607,810</b>
Cash and Cash Equivalents	86,305	95,443	( 9,138 )	83,979
Trade Notes & Accounts Receivable	320,432	336,864	( 16,432 )	285,327
Marketable Securities	51,786	32,434	19,352	35,754
Inventories	154,496	148,782	5,714	129,828
Deferred Tax Assets	44,227	42,842	1,385	39,465
Other Current Assets	39,135	39,438	( 303 )	34,225
Less: Allowance for Doubtful Accounts	( 1,434 )	( 1,775 )	341	( 770 )
<b>Fixed Assets</b>	<b>1,144,831</b>	<b>1,159,428</b>	<b>( 14,597 )</b>	<b>920,061</b>
<b>Property, Plant &amp; Equipment</b>	<b>782,980</b>	<b>777,763</b>	<b>5,217</b>	<b>645,783</b>
Buildings & Structures	220,655	211,914	8,741	182,310
Machinery , Equipment & Vehicles	388,159	382,263	5,896	311,545
Tools , Furniture & Fixtures	38,037	37,783	254	33,140
Land	85,626	85,320	306	82,562
Construction in Progress	50,501	60,481	( 9,980 )	36,224
<b>Intangible Fixed Assets</b>	<b>10,961</b>	<b>10,249</b>	<b>712</b>	<b>8,505</b>
Software	7,696	7,911	( 215 )	6,325
Consolidation Adjustments	833	—	833	13
Other	2,431	2,338	93	2,166
<b>Investments &amp; Other Assets</b>	<b>350,890</b>	<b>371,415</b>	<b>( 20,525 )</b>	<b>265,772</b>
Investments in Securities	296,883	319,716	( 22,833 )	216,775
Long-term Loans	4,318	4,314	4	4,237
Deferred Tax Assets	21,609	21,450	159	20,781
Other Assets	28,581	26,388	2,193	24,545
Less: Allowance for Doubtful Accounts	( 504 )	( 455 )	( 49 )	( 568 )
<b>Total Assets</b>	<b>1,839,781</b>	<b>1,853,458</b>	<b>( 13,677 )</b>	<b>1,527,871</b>

(Million Yen)

	FY2007 1st quarter (As of Jun. 30, 2006)	FY2006 (As of Mar. 31, 2006)	Increase (Decrease)	FY2006 1st quarter (As of Jun. 30, 2005)
[ Liabilities ]				
<b>Current Liabilities</b>	<b>613,512</b>	<b>639,100</b>	( <b>25,588</b> )	<b>546,181</b>
Trade Notes & Accounts Payable	318,630	327,176	( 8,546 )	277,732
Commercial paper & Short-term Borrowings	58,722	46,887	11,835	58,210
Current Portion of Bonds Payable	150	150	—	—
Amount in Arrears	45,789	70,516	( 24,727 )	41,821
Accrued Expenses	133,746	117,499	16,247	123,431
Accrued Income Taxes	10,870	31,783	( 20,913 )	11,123
Deposits Received from Employees	16,127	16,781	( 654 )	16,186
Accrued Warranty Cost	14,635	14,461	174	11,983
Other Current Liabilities	14,840	13,843	997	5,693
<b>Long-term Liabilities</b>	<b>374,525</b>	<b>363,294</b>	<b>11,231</b>	<b>268,709</b>
Bonds Payable	35,500	35,500	—	25,650
Long-term Debt	196,368	176,811	19,557	132,520
Deferred Tax Liabilities	55,720	63,609	( 7,889 )	26,592
Allowance for Employees Retirement Benefits	84,768	84,750	18	81,280
Long-term Accrued Expenses	2,167	2,542	( 375 )	2,665
Consolidation Adjustments	—	80	( 80 )	—
<b>Total Liabilities</b>	<b>988,038</b>	<b>1,002,394</b>	( <b>14,356</b> )	<b>814,891</b>
[ Shareholders' Equity ]				
<b>Common Stock</b>	<b>45,049</b>	<b>45,049</b>	<b>—</b>	<b>45,049</b>
<b>Capital Surplus</b>	<b>63,262</b>	<b>63,262</b>	<b>0</b>	<b>63,061</b>
<b>Retained Earnings</b>	<b>452,012</b>	<b>445,241</b>	<b>6,771</b>	<b>401,059</b>
<b>Less: Treasury Stock, at Cost</b>	( <b>1,915</b> )	( <b>1,820</b> )	( <b>95</b> )	( <b>3,118</b> )
<b>Net Unrealized Gain on Available- for-sale Securities</b>	<b>111,605</b>	<b>123,720</b>	( <b>12,115</b> )	<b>65,938</b>
<b>Profit &amp; Loss of Deferral Hedge Accounting</b>	<b>71</b>	<b>—</b>	<b>71</b>	<b>—</b>
<b>Foreign Currency Translation Adjustments</b>	<b>5,166</b>	<b>3,427</b>	<b>1,739</b>	( <b>8,408</b> )
<b>Minority Interests</b>	<b>176,490</b>	<b>172,183</b>	<b>4,307</b>	<b>149,398</b>
<b>Total Shareholders' Equity</b>	<b>851,743</b>	<b>851,064</b>	<b>679</b>	<b>712,979</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>1,839,781</b>	<b>1,853,458</b>	( <b>13,677</b> )	<b>1,527,871</b>

# Segment Information

## 1. Industry Segments

AISIN's main business is manufacturing and sales of automotive parts. The amount of sales and operating income in this business occupies over 90% of these in all segments. Therefore information of industry segments is omitted.

## 2. Geographical Segments

FY2007 1st quarter (Apr. 2006 through Jun. 2006) (Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	386,028	92,659	42,388	35,440	556,516	—	556,516
(2) Intersegment	72,207	2,342	1,706	1,974	78,232	( 78,232 )	—
Total	458,236	95,002	44,095	37,415	634,748	( 78,232 )	556,516
Operating Costs & Expenses	440,113	92,331	42,697	32,458	607,600	( 78,358 )	529,242
Operating Income	18,123	2,670	1,398	4,956	27,147	126	27,274

FY2006 1st quarter (Apr. 2005 through Jun. 2005) (Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	352,504	82,096	33,447	20,543	488,592	—	488,592
(2) Intersegment	68,336	1,760	1,171	835	72,103	( 72,103 )	—
Total	420,841	83,857	34,619	21,379	560,696	( 72,103 )	488,592
Operating Costs & Expenses	399,781	81,784	34,406	18,829	534,801	( 71,977 )	462,823
Operating Income	21,059	2,072	212	2,549	25,894	( 125 )	25,769

FY2006 (Apr. 2005 through Mar. 2006) (Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	1,516,392	348,156	142,643	113,397	2,120,588	—	2,120,588
(2) Intersegment	299,070	9,336	5,430	7,954	321,791	( 321,791 )	—
Total	1,815,462	357,492	148,074	121,351	2,442,380	( 321,791 )	2,120,588
Operating Costs & Expenses	1,716,252	352,812	147,463	106,747	2,323,276	( 320,785 )	2,002,491
Operating Income	99,209	4,679	610	14,603	119,103	( 1,006 )	118,096

Note: 1. Geographical segments determined according to geographical closeness.

### 2. Main countries are

- ① North America : U. S. A., Mexico
- ② Europe : Belgium, Czech
- ③ Others : Thailand, China

### 3. Sales by Customer Location

FY2007 1st quarter (Apr. 2006 through Jun. 2006)

(Million Yen)

	North America	Europe	Others	Total
Overseas Sales	98,830	48,656	58,358	205,845
Net Sales	—	—	—	556,516
Overseas Sales Ratio to Net Sales	17.8 %	8.7 %	10.5 %	37.0 %

FY2006 1st quarter (Apr. 2005 through Jun. 2005)

(Million Yen)

	North America	Europe	Others	Total
Overseas Sales	82,485	39,481	32,049	154,016
Net Sales	—	—	—	488,592
Overseas Sales Ratio to Net Sales	16.9 %	8.1 %	6.5 %	31.5 %

FY2006 (Apr. 2005 through Mar. 2006)

(Million Yen)

	North America	Europe	Others	Total
Overseas Sales	377,540	173,878	162,585	714,004
Net Sales	—	—	—	2,120,588
Overseas Sales Ratio to Net Sales	17.8 %	8.2 %	7.7 %	33.7 %

Note: Main countries or regions are

- ① North America : U.S.A., Mexico
- ② Europe : Germany, Sweden
- ③ Others : Thailand, China, South Korea



## <Reference>

### 1. Unconsolidated financial statements FY2007 1st quarter (Apr. 1, 2006 through Jun. 30, 2006)

#### Statements of Income

(Million Yen)

	FY2007 1st quarter (Apr. 2006 through Jun. 2006)	FY2006 1st quarter (Apr. 2005 through Jun. 2005)	Increase (Decrease)	FY2006 (Apr. 2005 through Mar. 2006)
<b>Net Sales</b>	<b>179,648</b>	<b>170,649</b>	<b>8,999</b>	<b>720,541</b>
<b>Operating Income</b>	<b>4,605</b>	<b>7,729</b>	<b>(3,124)</b>	<b>35,220</b>
<b>Ordinary Income</b>	<b>10,812</b>	<b>12,833</b>	<b>(2,021)</b>	<b>41,969</b>
<b>Net Income</b>	<b>9,196</b>	<b>9,238</b>	<b>(42)</b>	<b>28,664</b>

#### Balance Sheets

(Million Yen)

	FY2007 1st quarter (As of Jun. 30, 2006)	FY2006 (As of Mar. 31, 2006)	Increase (decrease)	FY2006 1st quarter (As of Jun. 30, 2005)
[ Assets ]				
<b>Current Assets</b>	<b>324,164</b>	<b>292,886</b>	<b>31,278</b>	<b>234,308</b>
<b>Fixed Assets</b>	<b>649,695</b>	<b>658,295</b>	<b>(8,600)</b>	<b>502,941</b>
Property, Plant & Equipment, at cost	171,233	169,391	1,842	138,937
Intangible Fixed Assets	3,785	3,932	(147)	3,203
Investments & Other Assets	474,676	484,970	(10,294)	360,800
<b>Total Assets</b>	<b>973,859</b>	<b>951,182</b>	<b>22,677</b>	<b>737,250</b>

	FY2007 1st quarter (As of Jun. 30, 2006)	FY2006 (As of Mar. 31, 2006)	Increase (decrease)	FY2006 1st quarter (As of Jun. 30, 2005)
[ Liabilities ]				
<b>Current Liabilities</b>	<b>223,042</b>	<b>205,005</b>	<b>18,037</b>	<b>162,704</b>
<b>Long-term Liabilities</b>	<b>315,338</b>	<b>300,327</b>	<b>15,011</b>	<b>202,580</b>
<b>Total Liabilities</b>	<b>538,381</b>	<b>505,333</b>	<b>33,048</b>	<b>365,285</b>
[ Shareholders' Equity ]				
<b>Common Stock</b>	<b>45,049</b>	<b>45,049</b>	<b>—</b>	<b>45,049</b>
<b>Capital Surplus</b>	<b>63,262</b>	<b>63,262</b>	<b>0</b>	<b>63,061</b>
<b>Retained Earnings</b>	<b>220,219</b>	<b>216,910</b>	<b>3,309</b>	<b>201,309</b>
<b>Less: Treasury Stock, at Cost</b>	<b>(2,698)</b>	<b>(790)</b>	<b>(1,908)</b>	<b>(2,083)</b>
<b>Net unrealized gain on available- for-sale securities etc.</b>	<b>109,644</b>	<b>121,415</b>	<b>(11,771)</b>	<b>64,629</b>
<b>Total Shareholders' Equity</b>	<b>435,478</b>	<b>445,848</b>	<b>(10,370)</b>	<b>371,965</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>973,859</b>	<b>951,182</b>	<b>22,677</b>	<b>737,250</b>

### 2. Unconsolidated Forecast for FY2007 (Apr. 1, 2006 through Mar. 31, 2007)

	Net Sales	Operating Income	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen	Million Yen
Half year end (Sep. 06)	365,000	10,000	14,500	11,500
Year end Mar. 31, 07	750,000	31,000	36,500	26,500

※ Forecast has been revised by the change of the material price.