



FY2007 Half year Consolidated Financial Results (April 1, 2006 through September 30, 2006)

October 31, 2006

Company Name **AISIN SEIKI Co., Ltd.**

Listed on

The Tokyo, Osaka and Nagoya
Stock Exchanges (1st division)

Code Number 7259
(URL <http://www.aisin.com>)

Location

Aichi, JAPAN

Representative Yasuhiro Yamauchi, President

Reference person in charge Masaaki Yasui,
General Manager, Finance & Accounting Dept.

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Date of the meeting of the board of directors for financial results

October 31, 2006

Name of parent company Toyota Motor Corporation (Code number: 7203)

Parent company's shareholding 23.2%

US GAAP

Not applied

1. Results of the Half year of FY2007 (Apr. 1, 2006 through Sep. 30, 2006)

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

	Net Sales		Operating Income		Ordinary Income	
	Million Yen	%	Million Yen	%	Million Yen	%
FY2007 Half year	1,120,307	12.7	52,171	0.4	54,695	(1.2)
FY2006 Half year	994,240	15.0	51,950	23.4	55,383	25.1
FY2006	2,120,588		118,096		125,096	

	Net Income		Earnings Per Share		Fully Diluted Earnings Per Share	
	Million Yen	%	Yen	Yen	Yen	Yen
FY2007 Half year	24,682	(4.9)	85.99	85.86	85.86	85.86
FY2006 Half year	25,944	38.7	90.60	90.54	90.54	90.54
FY2006	61,095		209.15	208.86	208.86	208.86

Note1 : Equity in earnings of affiliates

FY2007 Half year : 3,059 million yen, FY2006 Half year : 2,317 million yen, FY2006 : 5,542 million yen

Note2 : Average number of shares issued and outstanding each period after adjustment (Consolidated)

FY2007 Half year : 287,037,132 shares, FY2006 Half year : 286,353,836 shares, FY2006 : 286,628,374 shares

Note3 : Change in the accounting policy : none

Note4 : Percentages for net sales, operating income, ordinary income and net income indicate changes from the same period of the previous year.

(2) Consolidated Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million Yen	Million Yen	%	Yen
FY2007 Half year	1,849,181	875,854	37.6	2,417.14
FY2006 Half year	1,618,468	606,616	37.5	2,114.67
FY2006	1,853,458	678,881	36.6	2,361.66

Note1 : Number of shares issued as of the respective balance sheet date (Consolidated)

FY2007 Half year : 287,317,530 shares, FY2006 Half year : 286,861,793 shares, FY2006 : 286,973,466 shares

Note2 : The points marked are based on previous accounting standards.

(3) Situation of Consolidated Cash Flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at Half year end or the end of the year
	Million Yen	Million Yen	Million Yen	Million Yen
FY2007 Half year	71,281	(134,725)	32,524	97,311
FY2006 Half year	60,778	(89,316)	12,520	102,383
FY2006	185,715	(215,495)	36,834	128,212

(4) Consolidation Scope

Number of consolidated subsidiaries : 136
Number of unconsolidated subsidiaries : none
Affiliates accounted for under equity method : 14

(5) 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 under the equity method
Added : 1
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
FY2007	2,320,000	118,000	121,000	58,000

Reference : Forecast of earnings per share for FY2007 201.87yen

Forecasts above are based on AISIN's plans and expectations. These are not guarantees of future performance of inclusion of 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.

Overview of Associated Companies

Aisin Seiki and its subsidiaries (collectively, AISIN) comprises 150 subsidiaries and affiliates, including 99 production companies, 13 sales companies and 38 other companies, with its operations entailing manufacturing and sales related to the core Automotive Parts and Systems Business and the Life & Energy Related and Other Business.

The associated companies' positions in the businesses and relation to the business segments are shown below,
(Automotive Related Business)

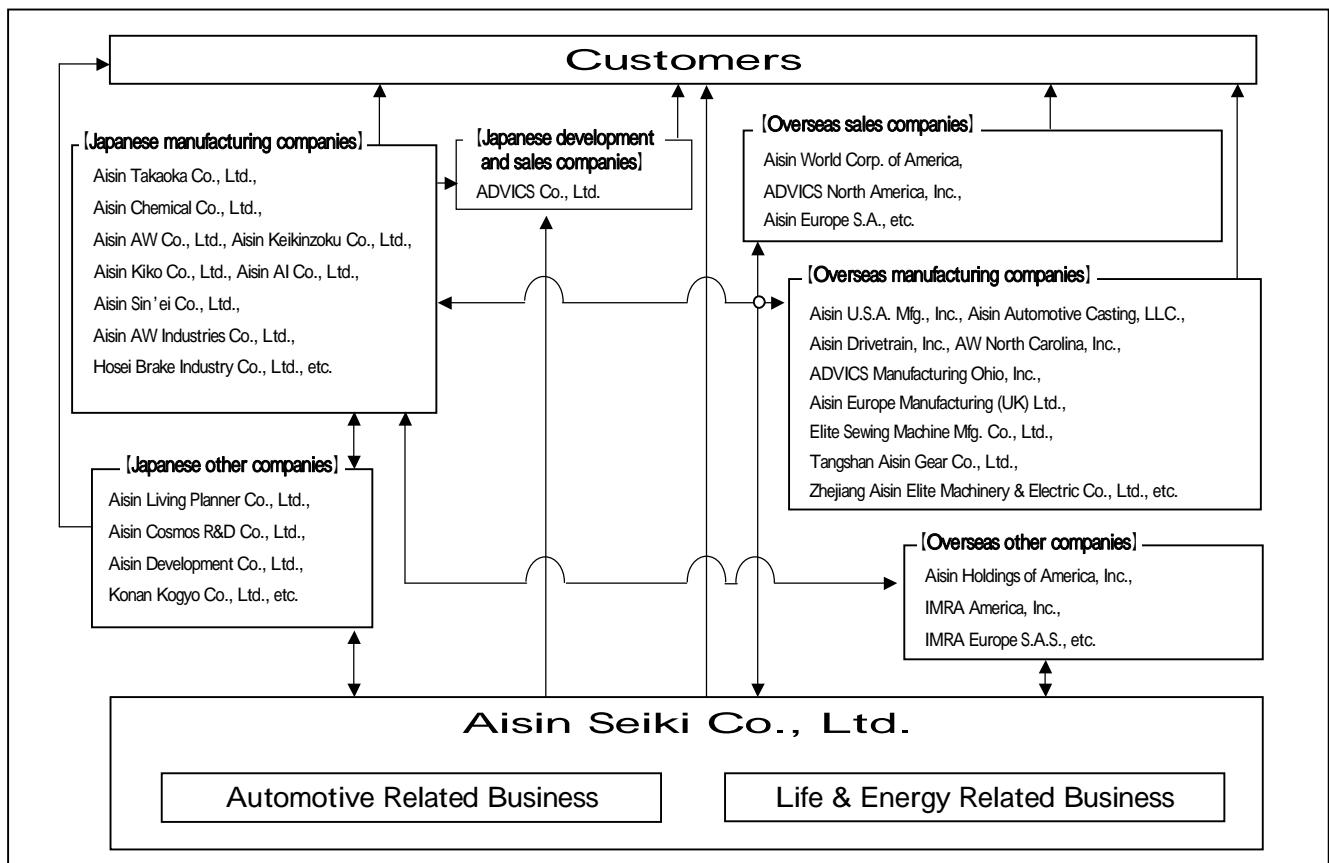
The products of AISIN are various; as main products, for Drivetrain Related Products, Aisin AW Co., Ltd. produces and sells automatic transmissions, and Aisin AI Co., Ltd. produces and sells manual transmissions. Also, for Information Related Products, Aisin AW Co., Ltd. produces and sells car navigation systems. For Brake & Chassis Related and Body Related Products, Aisin Seiki Co., Ltd., Aisin Takaoka Co., Ltd., and Aisin Chemical Co., Ltd. share parts with each other in production. And ADVICS Co., Ltd. develops and sells brake related components. Additionally, in Overseas, business is conducted in North America, Europe, Asia and other regions; for main production manufacturing companies, there are Aisin U.S.A. Mfg., Inc. and Aisin Automotive Casting, LLC.; and for main sales companies, there are Aisin World Corp. of America and Aisin Europe S.A.

(Life & Energy Related Business)

Aisin Seiki Co., Ltd. produces and sells shower-toilet seats, beds, and gas engine driven heat-pump air conditioners; and Zhejiang Aisin Elite Machinery & Electric Co., Ltd. produces sewing machines in China. Also, there are Aisin World Corp. of America and Aisin Europe S.A. for overseas sales.

(Other Business)

There are businesses required for smooth operation of AISIN: Aisin Development Co., Ltd., for construction business, Konan Kogyo Co., Ltd. for sales of oil, and Aisin Cosmos R&D Co., Ltd. and IMRA America, Inc. for funded research and development.



Management Policy

1. Basic Management Policy

AISIN sets its Corporate Principles as “Quality First.” AISIN aims to offer products and services that customers would satisfy by the following principles: enhanced value creation, continuous global growth, harmony with society and nature, and individual creativity and initiative. Additionally, through these policies, AISIN enhances its corporate value and contributes to stakeholders such as shareholders, regional societies, business partners, and employees.

2. Basic Policy on the Distribution of Profits

Based on its policy of maintaining stable dividends, AISIN returns profits to shareholders taking into consideration a comprehensive range of factors that include the Group’s business results and its payout ratio.

As earning retention, in order to secure shareholder’s profit, AISIN is planning to promote its business in Japan and overseas and to invest to strengthen company’s growth.

3. Medium-to Long-Term Management Strategies and Countermeasures

AISIN utilizes its technology and various types of products to grow in Automotive Related Business and to create new businesses in Life & Energy Related Business.

Therefore, AISIN aims to increase the market share in Japan and overseas, in Automotive Related Business concerning mainly on Drivetrain Related, Brake & Chassis-Related, Body Related, and Engine Related. In tandem, AISIN focuses on developing System Products concerned with environment, safety and comfort, etc. Furthermore, AISIN proceeds globalization of business by expanding production in North America, China, Asia, Australia and Europe. Also, concerning Life & Energy Related Business, AISIN provides services and develops new products that meet people’s demand on living.

AISIN sets its management goal to 10% of ROE (Return On Equity) managing to be competitive in the market and to improve efficiency of capital.

4. Matters concerning the Parent Company and other entities

(1) Trade Name and other items related to the Parent Company and other entities

(As of Sep. 30, 2006)

Parent company and others	Attributes	Percentage of voting rights held by parent company and others (%)	Stock exchanges on which share certificates issued by the parent company are listed
Toyota Motor Corporation	The relevant other company when a listed company is an affiliated company of this other company	23.16 (0.12)	Tokyo stock exchange Osaka securities exchange Nagoya stock exchange Sapporo securities exchange Fukuoka stock exchange New York stock exchange London stock exchange

Notes: The figure shown inside the parenthesis indicates the percentage of indirectly held voting rights among all voting rights held by the parent company and others.

(2) Matters concerning Transactions with the Parent Company and other entities

FY2007 Half year (Apr. 2006 through Sep. 2006)

Details of affiliation		Transaction details	Transaction amount (Million Yen)	Category	Half year-end balance (Million Yen)
Concurrent post of directors (The number of people)	Business affiliation				
Concurrent posts: 1 Employment transfers: 3	Sale of products of Aisin Seiki Co., Ltd.	Sale of Auto Parts and others	159,060	Trade Accounts Receivable	42,535
		Purchase of material of Auto Parts	9,869	Trade Accounts Payable	3,592

Notes 1 : Aisin Seiki Co., Ltd. decides terms and conditions of transaction same as general terms and conditions through price negotiation in every term after showing our hope price based on consideration for market price and total cost.

Notes 2 : There are no matters in "details of affiliation" and "transaction details" mentioned above that would restrict the Company's independence.

Notes 3 : There are no monetary loan debit and credit relationships, guarantee or warranty relationships.

Operating Results and Financial Position

1. Operating Results

(1) Achievements for the Half year Ended Sep. 30, 2006

AISIN has worked on enhancing its business in the global market; AISIN has developed and sold new products corresponding to social change and meeting customer's demands.

Sales within the Auto Parts segment increased 13.3% (¥1,074,673 million) compared with the same half year of the previous fiscal year (¥948,535 million) due to clients' production expansions, in addition to aggressive sales activities for automatic transmissions, manual transmissions, car navigation systems, and power sliding doors. Sales of the Life & Energy related products and other business decreased 0.2% (¥45,634 million) compared with the same half year of the previous fiscal year (¥45,705 million).

As a result, total sales increased 12.7% (¥1,120,307 million) compared to the same half year of the last fiscal year (¥994,240 million).

Despite the favorable activities to streamline and raise efficiency in all areas of operations through cost reductions and other measures, great impacts from increasing depreciation and amortization expenses and surging material costs such as aluminum resulted in a 0.4% increase in operating income from ¥51,950 million to ¥52,171 million. Ordinary income decreased 1.2% to ¥54,695 million. (Previous: ¥55,383 million) Net income decreased 4.9% to ¥24,682 million. (Previous: ¥25,944 million)

Interim dividends per share are 16 yen provided for FY2007 Half year. For FY2007 in total, AISIN is planning to provide the dividend of 32 yen, same as FY2006.

(2) Outlook for FY2007

Concerning future business environments, there are still uncertainties such as soaring material prices of crude oil, steel, and aluminum, as well as intensifying price competitions.

Amid this environment, together with adequately addressing immediate challenges, the AISIN Group will combine its collective strengths and proactively undertake initiatives to strengthen global competitiveness and its corporate constitution along with aiming to become a preeminent global brand. To that end, we will accelerate the development of system products that create new markets in fields related to the "environment," "safety," "comfort" and "convenience." Concurrently, we will strive to improve *mono-zukuri* (manufacturing expertise in value-added products) by cultivating human resources and developing new production methods and will actively propose products that ensure the satisfaction of our customers. Additionally, we will build a global supply network by further upgrading our production, development and sales structures in Japan as well as in North America, Australia, Asia and Europe, as we establish a structure capable of responding quickly to customer needs in regions worldwide.

As a company trusted by society, we aim to be a top environmental player by steadily promoting our five-year environmental preservation plan that is based on our newly formed "Fourth Environmental Action Plan." In tandem, we are undertaking corporate citizenship activities with emphasis on development of local communities, preservation of the natural environment and the nurturing of young people, while continually making earnest efforts to undertake highly fair and transparent business activities and develop into a company that attains growth and development in harmony with society.

With regard to the forecast in FY2007, net sales, operating income, ordinary income, and net income would be revised to ¥2,320,000 million, ¥118,000 million, ¥121,000 million, and ¥58,000 million respectively. (Estimated exchange rate for dollar in latter half year: 1US\$=¥115)

2. Financial Position

For FY2007 Half year, cash flows provided by operating activities amounted to ¥71,281 million, cash flow from investing activities was ¥134,725 million, cash flow provided by financing activities amounted to ¥32,524 million and cash flow provided by translation adjustment of cash and cash equivalents totaled ¥17 million. As a result, cash and cash equivalents as of Sep. 30, 2006 stood at ¥97,311 million, a decrease of ¥30,901 million, or 24.1%, compared with ¥128,212 million as of Mar. 31, 2006.

(Cash Flows from Operating Activities)

Net cash provided by operating activities increased ¥10,503 million, or 17.3%, from ¥60,778 million to ¥71,281 million. The chief factor for this rise in cash was an increase of ¥12,730 million in depreciation and amortization, although income before income taxes and minority interest resulted in a decrease in cash of ¥688 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities rose ¥45,409 million, or 50.8%, from ¥89,316 million to ¥134,725 million. The chief reason was an increase in cash of ¥24,891 million from ¥97,622 million to ¥122,513 million in payments for purchase of property, plant and equipment.

(Cash Flows from Financing Activities)

Net cash provided by financing activities rose ¥20,004 million from ¥12,520 million to ¥32,524 million. The key factor was an increase of ¥33,462 million in commercial paper and short-term borrowings.

3. Risk Information

The following risks can potentially impact AISIN's performance and financial position.

Any forward-looking statements mentioned herein reflect estimates as of Oct. 31, 2006.

(1) Economic Trends

Within revenues from AISIN's worldwide operations, demand for mainstay automobile related products is vulnerable to economic conditions in the countries and regions where AISIN products are sold. Consequently, economic recessions in such crucial markets as Japan, North America, Europe and Asia as well as subsequent contraction in demand have the potential to negatively impact AISIN's performance and financial position.

AISIN's operations could also be indirectly vulnerable due to economic conditions in regions where competitors manufacture products. For example, in cases where competitors employ cheaper labor in the region, this may have an adverse effect on AISIN's sales of the same types of products since competitors can provide competitively priced products. Moreover, if the local currency in which AISIN produces components and raw materials depreciates, manufacturing costs may decline for both AISIN and other manufacturers. This may result in intensified export and price competition, and subsequently, may have a negative impact on AISIN's performance and financial position.

(2) Supply of Raw Materials and Components

AISIN's products are heavily dependent on raw materials and components provided by multiple suppliers outside the AISIN Group. While these external suppliers are obligated to provide stable services through basic contracts, they cannot guarantee supply in the event of shortages due to rapidly rising prices from market changes, supply crunches or unforeseen mishaps in their operations. Such an event has the potential to drive up prices for AISIN's products and halt production, and subsequently, may have a negative impact on AISIN's performance and financial position.

(3) Principal Customers

AISIN chiefly produces and sells Automotive Parts and Life & Energy related products, with its mainstay Automotive Parts and Systems Business mostly targeting automobile manufacturers in and outside Japan. Among these customers, AISIN has the highest level of dependence on Toyota Motor Corporation (TMC) and the Toyota Group, with sales totaling ¥741,765 million and representing 66.2% of AISIN's net sales in FY2007 Half year. For that reason, changes in sales volume within TMC and the Toyota Group have the potential to negatively impact AISIN's performance and financial position. As of Sep. 30, 2006, the portion of AISIN's voting shares held by TMC directly was 23.0%, and indirectly was 0.1%.

(4) Exchange Rate Fluctuations

AISIN has worked to bolster its sales in the Japanese market and aggressively pursue the cultivation of overseas markets chiefly in North America, Europe and Asia, to the extent that the ratio of overseas net sales to total net sales was 36.5% in FY2007 Half year.

Accounting items listed in local currency rates, including sales, expenses and assets in respective overseas countries, are converted into yen when making the consolidated financial statements. Accordingly, there is a possibility that the value of accounting items may be negatively impacted after translation even when there are no fluctuations in local currencies. The strengthening of the yen against other currencies (especially against the U.S. dollar and the euro, which account for a significant portion of AISIN's sales) may negatively impact AISIN's performance and financial position.

Such a strengthening of the yen against other currencies in business operations that manufacture and export from Japan could relatively reduce AISIN's price competitiveness on a global basis and potentially have a negative impact on AISIN's performance and financial position. AISIN is working to minimize the negative impact of fluctuations among various currencies, including the U.S. dollar, the euro and the yen, through currency hedge transactions. However, exchange rate fluctuations may have the potential to negatively impact AISIN's performance and financial position.

(5) Business Inroads in Overseas Markets

AISIN has subsidiaries and affiliates in such varying areas as North America, Europe and Asia. Expanding businesses in overseas markets entails the risks listed below, and may have the potential to negatively impact AISIN's performance and financial position when they occur.

Unanticipated laws and regulations and changes to the tax system unfavorable to business

Underdeveloped social overhead capital (infrastructure)

Occurrences of unfavorable governmental issues or economic conditions

Difficulties in hiring and retaining staff

Social upheavals due to terrorism, war and other factors

(6) Product Development

AISIN works to develop new products to provide added value and contribute to the enrichment of society. While AISIN aims to continue developing original and attractive products, the following are some of the risks entailed in the often complex and uncertain process involving the development and sales of cutting-edge products. The inability to sufficiently anticipate changes in respective industries and markets as well as develop and release attractive new products in a timely manner due to the following risks could hamper future growth and profitability and have a negative impact on AISIN's performance and financial position.

There is no guarantee that the necessary funds and resources for investment in new products and technologies will be sufficiently available.

There is no guarantee that long-term and substantial investment will produce successful new products and technologies.

There is no guarantee that AISIN will accurately predict which new products and technologies will gain the support of the market or succeed in marketing these products.

There is no guarantee that new products and technologies will be protected as intellectual property.

Rapid advances in technology and changes in market needs may make AISIN's products obsolete.

Delays in commercialization of technologies under development may not keep pace with trends in market demand.

(7) Product Defects

AISIN is fully committed to producing high-quality, attractive products that meet customer needs based on the concept of “Quality First.” However, AISIN cannot guarantee that there will be no defects or that recalls will not be made in the future. Moreover, while AISIN is insured for product liability indemnity, there is no guarantee that this policy will fully cover the final indemnities. Product defects that lead to widespread recalls and product liability indemnities could produce large cost burdens and downgrade the valuation of AISIN. This would subsequently hamper sales and could negatively impact AISIN’s performance and financial position.

(8) Effects of Disaster and Power Blackouts

AISIN conducts regular disaster prevention and equipment checks to minimize the adverse effects of a halt in production line operations. However, there is no guarantee that AISIN can fully prevent or lessen the effects of a disaster, power blackout or other such events that may cause discontinuation of operations at a production facility. For example, the majority of AISIN’s domestic factories are located in the Chubu area of Japan. Consequently, a large-scale earthquake in the Chubu area or other events that halt operations could negatively impact AISIN’s performance and financial position.

Consolidated Net Sales by Item

(Million Yen)

Category		FY2007 Half year (Apr. 2006 through Sep. 2006)		FY2006 Half year (Apr. 2005 through Sep. 2005)		Increase (Decrease)	Variation ratio	FY2006 (Apr. 2005 through Mar. 2006)	
		Amount	Percentage	Amount	Percentage			Amount	Percentage
A u t o m o t i v e R e l a t e d	Engine Related	105,644	9.4	93,304	9.4	12,340	13.2	197,398	9.3
	Drivetrain Related	470,882	42.0	423,904	42.6	46,978	11.1	901,644	42.5
	Brake & Chassis Related	225,575	20.2	199,100	20.0	26,475	13.3	425,181	20.1
	Body Related	209,723	18.7	172,171	17.3	37,552	21.8	379,549	17.9
	Information Related	62,848	5.6	60,053	6.1	2,795	4.7	123,231	5.8
	Sub Total	1,074,673	95.9	948,535	95.4	126,138	13.3	2,027,005	95.6
Life & Energy Related		24,723	2.2	26,585	2.7	(1,862)	(7.0)	52,988	2.5
Others		20,911	1.9	19,119	1.9	1,792	9.4	40,595	1.9
Grand Total		1,120,307	100.0	994,240	100.0	126,067	12.7	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 Half year (Apr. 2006 through Sep. 2006)	FY2006 Half year (Apr. 2005 through Sep. 2005)	Increase (Decrease)	FY2006 (Apr. 2005 through Mar. 2006)
Net Sales	1,120,307	994,240	126,067	2,120,588
Cost of Sales	981,747	858,923	122,824	1,829,682
Gross Profit	138,560	135,316	3,244	290,906
Selling, General & Administrative Expenses	86,389	83,366	3,023	172,809
Operating Income	52,171	51,950	221	118,096
Non-Operating Income	10,087	8,996	1,091	20,341
Interest & Dividend Income	2,408	1,903	505	3,926
Investment Profit on Equity Method	3,059	2,317	742	5,542
Other Income	4,619	4,776	(157)	10,873
Non-Operating Expenses	7,563	5,562	2,001	13,341
Interest Expense	1,434	1,150	284	2,581
Other Expenses	6,129	4,412	1,717	10,760
Ordinary Income	54,695	55,383	(688)	125,096
Income Before Income Taxes and Minority Interests	54,695	55,383	(688)	125,096
Income Taxes-current	13,901	17,470	(3,569)	47,800
Income Taxes-deferred	5,241	2,119	3,122	(7,649)
Minority Interests in Net Income	10,869	9,848	1,021	23,849
Net Income	24,682	25,944	(1,262)	61,095
Note : Depreciation and Amortization	70,419	57,689	12,730	123,033

Consolidated Balance Sheets

(Million Yen)

	FY2007 Half year (As of Sep. 30, 2006)	FY2006 (As of Mar. 31, 2006)	Increase (Decrease)	FY2006 Half year (As of Sep. 30, 2005)
[Assets]				
Current Assets	676,149	694,030	(17,881)	617,743
Cash and Cash Equivalents	94,089	95,443	(1,354)	78,405
Trade Notes & Accounts Receivable	330,184	336,864	(6,680)	307,372
Marketable Securities	16,025	32,434	(16,409)	31,134
Inventories	158,425	148,782	9,643	136,457
Deferred Tax Assets	37,654	42,842	(5,188)	34,307
Others	40,514	39,438	1,076	30,977
Less: Allowance for Doubtful Accounts	(745)	(1,775)	1,030	(912)
Fixed Assets	1,173,032	1,159,428	13,604	1,000,725
Property, Plant & Equipment	785,140	777,763	7,377	679,594
Buildings & Structures	218,964	211,914	7,050	193,578
Machinery, Equipment & Vehicles	394,899	382,263	12,636	332,613
Tools, Furniture & Fixtures	39,215	37,783	1,432	33,258
Land	85,637	85,320	317	84,817
Construction in Progress	46,423	60,481	(14,058)	35,325
Intangible Fixed Assets	12,714	10,249	2,465	9,109
Consolidation Adjustments	2,190		2,190	
Software	8,142	7,911	231	6,837
Others	2,382	2,338	44	2,272
Investments & Other Assets	375,176	371,415	3,761	312,021
Investments in Securities	321,397	319,716	1,681	262,532
Long-term Loans	4,827	4,314	513	4,498
Deferred Tax Assets	22,099	21,450	649	21,621
Others	28,068	26,388	1,680	25,056
Less: Allowance for Doubtful Accounts	(1,216)	(455)	(761)	(1,687)
Total Assets	1,849,181	1,853,458	(4,277)	1,618,468

Note: 1. Accumulated depreciation

1,289,836

1,244,250

45,586

1,195,317

2. Guarantees on Liability

1,979

1,994

(15)

1,992

(Million Yen)

	FY2007 Half year (As of Sep. 30, 2006)	FY2006 (As of Mar. 31, 2006)	Increase (Decrease)	FY2006 Half year (As of Sep. 30, 2005)
[Liabilities]				
Current Liabilities	577,675	639,100	(61,425)	544,188
Trade Notes & Accounts Payable	317,242	327,176	(9,934)	286,105
Commercial Paper & Short-term Borrowings	55,047	46,887	8,160	48,873
Current Portion of Bonds Payable	150	150		
Amount in Arrears	32,581	70,516	(37,935)	48,378
Accrued Expenses	113,465	117,499	(4,034)	106,177
Accrued Income Taxes	12,353	31,783	(19,430)	16,316
Deposits Received from Employees	17,163	16,781	382	16,936
Accrued Warranty Cost	14,891	14,461	430	13,475
Others	14,779	13,843	936	7,924
Long-term Liabilities	395,652	363,294	32,358	312,433
Bonds Payable	35,000	35,500	(500)	25,650
Long-term Debt	208,558	176,811	31,747	158,343
Deferred Tax Liabilities	62,596	63,609	(1,013)	43,830
Allowance for Employees Retirement Benefits	85,516	84,750	766	82,185
Long-term Accrued Expenses	1,864	2,542	(678)	2,366
Consolidation Adjustments	1,181	80	1,101	41
Others	934		934	16
Total Liabilities	973,327	1,002,394	(29,067)	856,622
[Net Assets]				
Shareholders' Equity	570,829	551,732	19,097	520,160
Common Stock	45,049	45,049		45,049
Capital Surplus	63,813	63,262	551	63,245
Retained Earnings	463,359	445,241	18,118	413,784
Less: Treasury Stock, at Cost	(1,393)	(1,820)	427	(1,919)
Evaluation and Conversion Difference	123,657	127,148	(3,491)	86,455
Net Unrealized Gain on Available-for-sale Securities	122,099	123,720	(1,621)	92,288
Profit & Loss of Deferral Hedge Accounting	(559)		(559)	
Foreign Currency Translation Adjustments	2,118	3,427	(1,309)	(5,832)
Subscription Warrant	41		41	
Minority Interests	181,324	172,183	9,141	155,229
Total Net Assets	875,854	851,064	24,790	761,846
Total Liabilities and Net Assets	1,849,181	1,853,458	(4,277)	1,618,468

Consolidated Statements of Changes in Shareholders' Equity

FY2007 Half year (Apr. 2006 through Sep. 2006)

(Million Yen)

	Shareholders' Equity					Evaluation and Conversion Difference				Subscription Warrant	Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Less: Treasury Stock, at Cost	Sub Total	Net Unrealized Gain on Available-for-sale Securities	Profit & Loss of Deferral Hedge Accounting	Foreign Currency Translation Adjustments	Sub Total			
Balance as of Mar. 31, 2006	45,049	63,262	445,241	(1,820)	551,732	123,720		3,427	127,148		172,183	851,064
Increase(Decrease) in FY2007 Half year												
Dividends Paid			(5,401)		(5,401)							(5,401)
Bonus of Directors and Corporate Auditors			(1,162)		(1,162)							(1,162)
Net Income			24,682		24,682							24,682
Purchase of Treasury Stock				(103)	(103)							(103)
Disposal of Treasury Stock		551		530	1,081							1,081
Net Change of items other than Shareholders' Equity						(1,621)	(559)	(1,309)	(3,491)	41	9,141	5,692
Total Changes in the Term		551	18,118	427	19,097	(1,621)	(559)	(1,309)	(3,491)	41	9,141	24,790
Balance as of Sep. 30, 2006	45,049	63,813	463,359	(1,393)	570,829	122,099	(559)	2,118	123,657	41	181,324	875,854

Note : Type and number of treasury stock

(Shares)

Type of shares	Number as of Mar. 31, 2006	Increase	Decrease	Number as of Sep. 30, 2006
Common stock	7,701,168	174,471	518,535	7,357,104

Reason for changes	(Increase)	Share belong to minority when purchasing from consolidated subsidiaries	151,040 shares
		Change in proportionate interest	20,142
		Request for purchase of less-than-one-unit shares	3,289
	(Decrease)	Exercise of stock option	518,200
		Request for additional purchase of less-than-one-unit shares	335

Reference: Consolidated Statements of Changes in Shareholders' Equity of FY2006 Half year and FY2006 which are based on the same accounting standards as FY2007 Half year

FY2006 Half year (Apr. 2005 through Sep. 2005)

(Million Yen)

	Shareholders' Equity					Evaluation and Conversion Difference				Subscription Warrant	Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Less: Treasury Stock, at Cost	Sub Total	Net Unrealized Gain on Available-for-sale Securities	Profit & Loss of Deferral Hedge Accounting	Foreign Currency Translation Adjustments	Sub Total			
Balance as of Mar. 31, 2005	45,049	63,061	392,836	(3,116)	497,829	66,597		(11,674)	54,922		145,693	698,445
Increase(Decrease) in FY2006 Half year												
Dividends Paid			(3,968)		(3,968)							(3,968)
Bonus of Directors and Corporate Auditors			(1,027)		(1,027)							(1,027)
Net Income			25,944		25,944							25,944
Purchase of Treasury Stock				(11)	(11)							(11)
Disposal of Treasury Stock		184		1,208	1,393							1,393
Net Change of items other than Shareholders' Equity						25,691		5,842	31,533		9,536	41,069
Total Changes in the Term		184	20,948	1,197	22,331	25,691		5,842	31,533		9,536	63,401
Balance as of Sep. 30, 2005	45,049	63,245	413,784	(1,919)	520,160	92,288		(5,832)	86,455		155,229	761,846

FY2006 (Apr. 2005 through Mar. 2006)

(Million Yen)

	Shareholders' Equity					Evaluation and Conversion Difference				Subscription Warrant	Minority Interests	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Less: Treasury Stock, at Cost	Sub Total	Net Unrealized Gain on Available-for-sale Securities	Profit & Loss of Deferral Hedge Accounting	Foreign Currency Translation Adjustments	Sub Total			
Balance as of Mar. 31, 2005	45,049	63,061	392,836	(3,116)	497,829	66,597		(11,674)	54,922		145,693	698,445
Increase(Decrease) in FY2006												
Dividends Paid			(7,663)		(7,663)							(7,663)
Bonus of Directors and Corporate Auditors			(1,027)		(1,027)							(1,027)
Net Income			61,095		61,095							61,095
Purchase of Treasury Stock				(23)	(23)							(23)
Disposal of Treasury Stock		201		1,319	1,521							1,521
Net Change of items other than Shareholders' Equity						57,123		15,101	72,226		26,490	98,716
Total Changes in the Term		201	52,405	1,296	53,903	57,123		15,101	72,226		26,490	152,619
Balance as of Mar. 31, 2006	45,049	63,262	445,241	(1,820)	551,732	123,720		3,427	127,148		172,183	851,064

Consolidated Statements of Cash Flows

(Million Yen)

	FY2007 Half year (Apr. 2006 through Sep. 2006)	FY2006 Half year (Apr. 2005 through Sep. 2005)	Increase (Decrease)	FY2006 (Apr. 2005 through Mar. 2006)
Cash flows from operating activities				
Income before income taxes and minority interest	54,695	55,383	(688)	125,096
Depreciation and amortization	70,419	57,689	12,730	123,033
Increase(Decrease) in allowance for retirement benefits	766	220	546	2,785
Interest and dividend income	(2,408)	(1,903)	(505)	(3,926)
Interest expenses	1,434	1,150	284	2,581
Return on investment by equity method	(3,059)	(2,317)	(742)	(5,542)
Loss on disposal of property, plant and equipment	1,667	1,762	(95)	3,716
(Increase)Decrease in trade notes and accounts receivable	7,854	(18,590)	26,444	(46,720)
(Increase)Decrease in inventories	(8,448)	(13,013)	4,565	(23,493)
Increase(Decrease) in trade notes and accounts payable	(9,739)	21,442	(31,181)	59,047
Others	(9,123)	(18,932)	9,809	(13,694)
Subtotal	104,056	82,892	21,164	222,885
Interest and dividend income received	3,373	2,576	797	4,747
Interest paid	(958)	(1,170)	212	(2,498)
Income taxes paid	(35,189)	(23,520)	(11,669)	(39,419)
Net cash provided by operating activities	71,281	60,778	10,503	185,715
Cash flows from investing activities				
(Increase)Decrease in time deposit and short-term investments	(6,589)	8,460	(15,049)	10,074
Payments for purchase of property, plant and equipment	(122,513)	(97,622)	(24,891)	(218,753)
Proceeds from sales of property, plant and equipment	5,563	3,685	1,878	4,113
Payments for purchase of investments in securities	(8,827)	(4,413)	(4,414)	(9,433)
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	(508)	(508)	(508)	(508)
Proceeds of sales of investments in securities	54	2,128	(2,074)	2,506
Proceeds of redemption at maturity of investments in securities	2,219	482	1,737	1,086
Increase in loans	(2,208)	(635)	(1,573)	(1,067)
Decrease in loans	459	411	48	1,009
Others	(2,375)	(1,812)	(563)	(5,031)
Net cash used in investing activities	(134,725)	(89,316)	(45,409)	(215,495)
Cash flows from financing activities				
Increase(Decrease) in commercial paper and short-term borrowings	15,432	(18,030)	33,462	(22,598)
Proceeds from long-term debt	36,670	40,047	(3,377)	65,187
Repayments of long-term debt	(12,250)	(5,501)	(6,749)	(7,688)
Proceeds from issuance of bonds payable	(500)	(500)	(500)	10,000
Repayments of bonds payable	52	287	(235)	671
Contributions from minority shareholders	(5,397)	(3,971)	(1,426)	(7,659)
Cash dividends paid	(2,727)	(1,690)	(1,037)	(2,568)
Cash dividends paid for minority shareholders	(12)	(13)	1	(29)
Payments for purchase of treasury stock	1,257	1,393	(136)	1,521
Proceeds for disposal of treasury stock	(32,524)	(12,520)	20,004	36,834
Net cash provided by (used in) financing activities	32,524	12,520	20,004	36,834
Translation adjustment of cash and cash equivalents	17	1,998	(1,981)	4,757
Net increase in cash and cash equivalents	(30,901)	(14,017)	(16,884)	11,811
Cash and cash equivalents at beginning of year	128,212	116,401	11,811	116,401
Cash and cash equivalents at half year end or the end of the year	97,311	102,383	(5,072)	128,212

Note: Reconciliation between Cash & Cash Equivalents and accounts on the consolidated balance sheet

Cash and Cash Equivalents	94,089	78,405	15,684	95,443
Marketable Securities	16,025	31,134	(15,109)	32,434
Other Current Assets	40,514	30,977	9,537	39,438
Subtotal	150,630	140,517	10,113	167,316
Saving accounts over three months	(9,850)	(1,841)	(8,009)	(2,051)
Short-term investments of over three months until due date	(6,285)	(6,314)	29	(6,649)
Other current assets beside Cash & Cash Equivalents	(37,182)	(29,977)	(7,205)	(30,402)
Cash and Cash Equivalents	97,311	102,383	(5,072)	128,212

Basis of Presenting Consolidated Financial Statements

1. Scope of Consolidation

Consolidated subsidiaries Aisin AW Co., Ltd., etc.
Total: 136 companies (Japan: 61 companies, Overseas: 75 companies)
(Main companies are mentioned in "Overview of Associated Companies.")

2. Scope of Equity method

Affiliates accounted for under equity method Exedy Corporation, etc.
Total: 14 companies (Japan: 10 companies, Overseas: 4 companies)

3. Changes in scope of Consolidation and Equity method

(1) Consolidated subsidiaries (Added) Aisin Chemical Indiana, LLC., etc.
Total: 3 companies (Overseas)

(2) Consolidated subsidiaries (Added from Affiliates accounted for under equity method)
PT. Aisin Indonesia 1 company (Overseas)

(3) Affiliates accounted for under equity method (Added)
Noubi Co., Ltd. 1 company (Japan)

(4) Affiliates accounted for under equity method (Excluded to Consolidated subsidiaries)
PT. Aisin Indonesia 1 company (Overseas)

4. Half year end of Consolidated subsidiaries

Of Consolidated subsidiaries, 70 companies in total, Aisin Holdings of America, Inc. and other subsidiaries, sets its half year end on Jun. 30. Since the difference of interim closing date between its subsidiaries and AISIN consolidation does not vary more than three months, AISIN coordinates material transactions that occurred in the term between the consolidated half year end according to "The Rule of Interim Consolidated Financial Statements."

5. Significant Accounting Policies

(1) Valuation of Significant assets

Marketable Securities

Other Securities

with readily determinable fair values

..... Mainly fair value method using market price at interim closing date
(Unrealized gains and losses are recorded as a portion of shareholders' equity.
Sales cost of marketable securities is determined by the moving average method.)

without readily determinable fair values

..... Mainly at cost, as computed by moving-average method

Derivative Market value method

Inventories

Finished products, work in process and supplies (excluding steel supplies and fuel)

..... Mainly at cost, as determined by the periodic average method

Supplies (steel supplies and fuel) and raw materials

..... Mainly at the lower of cost, as determined by the last-in, first-out method, or market

(2) Depreciation and Amortization

Depreciation expenses of Property, Plant and Equipment are computed mainly by the declining-balance method. Amortization of Intangible Assets is computed by the straight-line method.

(3) Significant Allowance

Allowance for Doubtful Accounts

Allowance for doubtful accounts has been provided for at the aggregate amount of estimated credit losses for doubtful or troubled receivables and a general reserve for other receivables calculated based on historical loss experience for a certain past period.

Accrued Warranty Cost

Accrued warranty cost has been provided for at the aggregate amount of the estimated claim incurred in the warranty period based on historical experience.

Allowance for Employees Retirement Benefits

For the purpose of preparation for future payment of employees' retirement benefits, AISIN accrues an amount which is considered to be incurred in the period based on the estimated projected benefit obligations and estimated pension assets at the end of year.

AISIN provides for the accrued cost (¥6,491 million) of retirement benefits payable to directors (including managing officers) corporate auditors at an amount equivalent to 100 percent of such benefits for which AISIN would be required to pay based on an internal rule regarding the directors' retirement benefits.

This is recorded including in Allowance for Employees Retirement Benefits.

(4) Accounting for Finance Leases

Non-cancelable lease transactions are accounted for as operating leases, except those lease agreements that stipulate the transfer of ownership of the lease assets to the lessee, which are accounted for as finance leases.

(5) Hedge Accounting method

The deferral method of hedge accounting is applied. For forward exchange contracts, unrealized gain or loss is deferred as an asset or liability when the criteria for deferral hedge accounting are met, while for interest rate swaps that meet certain conditions, the short-cut method is applied.

(6) The Consumption Tax

The Consumption Tax is computed based on the net-of-tax method.

6. Scope of Cash and Cash Equivalents on the Consolidated Statements of Cash Flows

Cash and Cash Equivalents on the Consolidated Statements of Cash Flows include cash on hand, bank deposits to be withdrawn at any time and short-term investment with original maturities of three months or less, that are readily convertible to known amounts of cash and are so near maturity that they present insignificant risk of in fair value.

[Changes in Accounting Standards]

(Accounting standard for directors' bonus)

Effective from FY2007 Half year ended Sep. 30, 2006, AISIN adopted "Accounting standard for directors' bonus" (Accounting Standards Board of Japan Statement No. 4, issued by the Accounting Standards Board of Japan on Nov. 29, 2005). As a result of the adoption, income before income taxes and minority interest decreased ¥782 million.

And at "Geographical Segments" of "Segment Information," Operating income of Japan decreased the same amount.

(Accounting standard and guidance presentation of net assets in the balance sheet)

Effective from FY2007 Half year ended Sep. 30, 2006, AISIN adopted "Accounting standard for presentation of net assets in the balance sheet" (Accounting Standards Board of Japan Statement No. 5, issued by the Accounting Standards Board of Japan on Dec. 9, 2005) and "Guidance on accounting standard for presentation of net assets in the balance sheet" (Accounting Standards Board of Japan Guidance No. 8, issued by the Accounting Standards Board of Japan on Dec. 9, 2005).

As a result of the adoption, in the consolidated balance sheets, conventional "total shareholders' equity" and "minority interests" have been changed to "total net assets," and "total net assets" is indicated by classifying "shareholders' equity," "evaluation and conversion difference," "subscription warrant" and "minority interests."

Additionally "Loss of Deferral Hedge Accounting" and "Profit of Deferral Hedge Accounting," those were indicated including "total assets" and "total liabilities" in the consolidated balance sheets at FY2006 and FY2006 Half year, have been indicated as net "Profit & Loss of Deferral Hedge Accounting" of "evaluation and conversion difference" since FY2007 Half year. The amounts corresponding to net "Profit & Loss of Deferral Hedge Accounting" in the consolidated balance sheets at FY2007 Half year are ¥14 million at FY2006, and ¥2 million at FY2006 Half year.

(Accounting standard and guidance for stock options)

Effective from FY2007 Half year ended Sep. 30, 2006, AISIN adopted "Accounting standard for stock options" (Accounting Standards Board of Japan Statement No. 8, issued by the Accounting Standards Board of Japan on Dec. 27, 2005) and "Guidance on Accounting standard for stock options" (Accounting Standards Board of Japan Guidance No. 11, last revised by the Accounting Standards Board of Japan on May 31, 2006).

As a result of the adoption, income before income taxes and minority interest decreased ¥41 million.

And at "Geographical Segments" of "Segment Information," Operating income of Japan decreased the same amount.

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 Half year (Apr. 2006 through Sep. 2006) (Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	776,996	186,735	79,860	76,715	1,120,307		1,120,307
(2) Inter-segment	148,919	4,633	2,907	3,697	160,159	(160,159)	
Total	925,916	191,368	82,768	80,413	1,280,466	(160,159)	1,120,307
Operating Costs & Expenses	890,177	186,692	80,572	70,913	1,228,356	(160,219)	1,068,136
Operating Income	35,738	4,676	2,195	9,500	52,110	60	52,171

FY2006 Half year (Apr. 2005 through Sep. 2005) (Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	715,529	165,444	65,897	47,369	994,240		994,240
(2) Inter-segment	142,873	4,117	2,435	3,249	152,675	(152,675)	
Total	858,402	169,561	68,332	50,619	1,146,916	(152,675)	994,240
Operating Costs & Expenses	815,519	165,943	68,157	44,898	1,094,519	(152,229)	942,290
Operating Income	42,882	3,618	175	5,720	52,397	(446)	51,950

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) Inter-segment	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

North America : U.S.A., Mexico
 Europe : Belgium, Czech
 Others : Thailand, China

3. The influences that the changes in accounting standards give Segment Information are described at "Change in Accounting Standards."

3 Sales by Customer Location

FY2007 Half year (Apr. 2006 through Sep. 2006) (Million Yen)

	North America	Europe	Others	Total
Overseas Sales	206,369	102,056	100,032	408,458
Net Sales				1,120,307
Overseas Sales Ratio to Net Sales	18.4 %	9.1 %	9.0 %	36.5 %

FY2006 Half year (Apr. 2005 through Sep. 2005) (Million Yen)

	North America	Europe	Others	Total
Overseas Sales	179,457	81,107	70,010	330,575
Net Sales				994,240
Overseas Sales Ratio to Net Sales	18.0 %	8.2 %	7.0 %	33.2 %

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 are

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

Marketable Securities

FY2007 Half year (As of Sep. 30, 2006)

1. Held-to-maturity Bond with fair value N/A

2. Other Securities with fair value (Million Yen)

	Cost	Fair and Carrying Value	Unrealized Gains(loss)
(1) Stocks	45,884	250,967	205,083
(2) Bonds			
Government	17,338	17,336	(1)
Corporate	2,790	2,787	(3)
(3) Others	188	188	0
Total	66,201	271,280	205,078

3. Contents and carrying amounts of securities without readily determinable for practicable to fair value

(1) Held-to-maturity Bond N/A
(2) Other Securities Unlisted stocks 9,189 Million Yen
Bonds, money management funds, others 9,917 Million Yen

FY2006 Half year (As of Sep. 30, 2005)

1. Held-to-maturity Bond with fair value N/A

2. Other Securities with fair value (Million Yen)

	Cost	Fair and Carrying Value	Unrealized Gains(loss)
(1) Stocks	45,813	201,033	155,220
(2) Bonds			
Government	12,279	12,283	4
Corporate	4,374	4,351	(23)
(3) Others	277	277	0
Total	62,744	217,946	155,202

3. Contents and carrying amounts of securities without readily determinable for practicable to fair value

(1) Held-to-maturity Bond N/A
(2) Other Securities Unlisted stocks 7,882 Million Yen
Bonds, money management funds, others 22,372 Million Yen

FY2006 (As of Mar. 31, 2006)

1. Held-to-maturity Bond with fair value N/A

2. Other Securities with fair value (Million Yen)

	Cost	Fair and Carrying Value	Unrealized Gains(loss)
(1) Stocks	45,880	254,031	208,150
(2) Bonds			
Government	12,489	12,409	(79)
Corporate	3,802	3,787	(15)
(3) Others	218	218	0
Total	62,391	270,447	208,055

3. Contents and carrying amounts of securities without readily determinable for practicable to fair value

(1) Held-to-maturity Bond N/A
(2) Other Securities Unlisted stocks 9,427 Million Yen
Bonds, money management funds, others 25,785 Million Yen

FY2007 Half year Non-consolidated Financial Results

(April 1, 2006 through September 30, 2006)

Company Name **AISIN SEIKI Co., Ltd.** Listed on The Tokyo, Osaka and Nagoya Stock Exchanges (1st division)
 Code Number 7259 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
 Date of the meeting of the board of directors for financial results October 31, 2006
 Date of starting actual payment of cash dividends November 27, 2006
 Number of shares in unit share system 100 shares

1. Results of the Half year of FY2007 (Apr. 1, 2006 through Sep. 30, 2006)

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

	Net Sales		Operating Income		Ordinary Income	
	Million Yen	%	Million Yen	%	Million Yen	%
FY2007 Half year	366,755	6.5	8,836	(47.8)	14,501	(34.2)
FY2006 Half year	344,325	10.0	16,942	20.9	22,025	34.8
FY2006	720,541		35,220		41,969	

	Net Income		Earnings Per Share
	Million Yen	%	Yen
FY2007 Half year	11,193	(25.1)	38.07
FY2006 Half year	14,939	48.1	50.88
FY2006	28,664		96.52

Note1 : Average number of shares issued and outstanding each period after adjustment

FY2007 Half year : 293,992,857 shares, FY2006 Half year : 293,623,454 shares, FY2006 : 293,890,507 shares

Note2 : Change in the accounting policy : none

Note3 : Percentages for net sales, operating income, ordinary income and net income indicate changes from the same period of the previous year.

(2) Financial Position

	Total Assets	Total Net Assets	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million Yen	Million Yen	%	Yen
FY2007 Half year	980,277	448,513	45.7	1,524.62
FY2006 Half year	809,440	405,010	50.0	1,377.01
FY2006	951,182	445,848	46.9	1,514.51

Note1 : Number of shares issued as of the respective balance sheet date

FY2007 Half year : 294,153,708 shares, FY2006 Half year : 294,123,509 shares, FY2006 : 294,188,376 shares

Note2 : Number of treasury stock as of respective balance sheet date

FY2007 Half year : 520,926 shares, FY2006 Half year : 551,125 shares, FY2006 : 486,258 shares

Note3 : The points marked are based on previous accounting standards.

2. 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
FY2007	765,000	25,000	31,000	23,000

Reference : Forecast of earnings per share for FY2007 78.19yen

3. Cash Dividends

	Cash Dividends Per Share (Yen)		
	Interim	Annual	Total
FY2006	13.00	19.00	32.00
FY2007 (Results)	16.00		32.00
FY2007 (Forecast)		16.00	(Forecast)

Non-Consolidated Net Sales by Item

(Million Yen)

Category		FY2007 Half year (Apr. 2006 through Sep. 2006)		FY2006 Half year (Apr. 2005 through Sep. 2005)		Increase (Decrease)	Variation ratio	FY2006 (Apr. 2005 through Mar. 2006)	
		Amount	Percentage	Amount	Percentage			Amount	Percentage
A u t o m o t i v e R e l a t e d	Engine Related	54,644	14.9	49,314	14.3	5,330	10.8	103,127	14.3
	Drivetrain Related	65,955	18.0	60,199	17.5	5,756	9.6	126,690	17.6
	Brake & Chassis Related	62,397	17.0	59,220	17.2	3,177	5.4	122,825	17.0
	Body Related	142,279	38.8	126,383	36.7	15,896	12.6	273,562	38.0
	Information Related	21,887	6.0	25,307	7.4	(3,420)	(13.5)	48,822	6.8
	Sub Total	347,165	94.7	320,425	93.1	26,740	8.3	675,028	93.7
	Export	42,338	11.5	43,514	12.6	(1,176)	(2.7)	88,140	12.2
Life & Energy Related	19,590	5.3	23,899	6.9	(4,309)	(18.0)	45,513	6.3	
Export	3,439	0.9	5,450	1.6	(2,011)	(36.9)	10,493	1.5	
Grand Total	366,755	100.0	344,325	100.0	22,430	6.5	720,541	100.0	
Export	45,777	12.5	48,965	14.2	(3,188)	(6.5)	98,633	13.7	

Non-Consolidated Statements of Income

(Million Yen)

	FY2007 Half year (Apr. 2006 through Sep. 2006)	FY2006 Half year (Apr. 2005 through Sep. 2005)	Increase (Decrease)	FY2006 (Apr. 2005 through Mar. 2006)
Net Sales	366,755	344,325	22,430	720,541
Cost of Sales	329,521	297,474	32,047	627,298
Gross Profit	37,233	46,850	(9,617)	93,243
Selling, General & Administrative Expenses	28,396	29,907	(1,511)	58,022
Operating Income	8,836	16,942	(8,106)	35,220
Non-Operating Income	9,562	7,045	2,517	12,452
Interests & Dividend Income	8,113	5,439	2,674	8,528
Other Income	1,448	1,605	(157)	3,924
Non-Operating Expenses	3,897	1,962	1,935	5,703
Interest Expense	1,081	626	455	1,316
Other Expenses	2,815	1,336	1,479	4,386
Ordinary Income	14,501	22,025	(7,524)	41,969
Income Before Income Taxes	14,501	22,025	(7,524)	41,969
Income Taxes-current	1,200	6,300	(5,100)	14,800
Income Taxes-deferred	2,107	785	1,322	(1,494)
Net Income	11,193	14,939	(3,746)	28,664
Note : Depreciation and Amortization	16,796	13,133	3,663	26,758

Non-consolidated Balance Sheets

(Million Yen)

	FY2007 Half year (As of Sep. 30, 2006)	FY2006 (As of Mar. 31, 2006)	Increase (Decrease)	FY2006 Half year (As of Sep. 30, 2005)
(Assets)				
Current Assets	309,470	292,886	16,584	246,160
Cash and Cash Equivalents	19,820	21,398	(1,578)	10,970
Trade Notes Receivable	2,191	2,683	(492)	2,758
Trade Accounts Receivable	152,886	154,532	(1,646)	146,981
Marketable Securities	9,811	23,102	(13,291)	16,731
Finished Products	6,129	5,791	338	5,936
Raw Materials	433	661	(228)	266
Work in Process	12,674	10,692	1,982	11,771
Supplies	3,236	2,834	402	2,735
Prepaid Expenses	361	277	84	262
Deferred Tax Assets	11,020	13,260	(2,240)	11,198
Accrued Accounts Receivable	4,870	5,487	(617)	3,984
Short-term Loans	85,265	52,060	33,205	31,969
Others	1,011	309	702	825
Less: Allowance for Doubtful Accounts	(243)	(205)	(38)	(231)
Fixed Assets	670,806	658,295	12,511	563,280
Property, Plant & Equipment	170,505	169,391	1,114	143,807
Buildings	50,376	43,533	6,843	39,580
Structures	13,976	14,427	(451)	13,403
Machinery & Equipment	59,853	54,128	5,725	47,291
Vehicles & Delivery Equipment	903	943	(40)	740
Tools, Furniture & Fixtures	11,268	10,756	512	8,584
Land	27,208	27,208		27,114
Construction in Progress	6,919	18,395	(11,476)	7,092
Intangible Fixed Assets	3,912	3,932	(20)	3,540
Software	3,799	3,817	(18)	3,450
Institution Usufruct	56	60	(4)	63
Others	56	55	1	26
Investments & Other Assets	496,388	484,970	11,418	415,931
Investments in Securities	94,571	90,896	3,675	71,934
Investments for Affiliates	295,072	295,220	(148)	254,927
Equity Share Capital	992	980	12	906
Equity Share Capital for Affiliates	22,132	21,777	355	16,379
Long-term Loans	76,581	69,367	7,214	65,020
Long-term Prepaid Expenses	6,110	5,813	297	5,824
Others	1,057	1,042	15	1,061
Less: Allowance for Doubtful Accounts	(130)	(126)	(4)	(122)
Total Assets	980,277	951,182	29,095	809,440
Note: 1. Accumulated depreciation	348,112	339,417	8,695	334,598
2. Guarantees on Liability	365	579	(214)	2

(Million Yen)

	FY2007 Half year (As of Sep. 30, 2006)	FY2006 (As of Mar. 31, 2006)	Increase (Decrease)	FY2006 Half year (As of Sep. 30, 2005)
{ Liabilities }				
Current Liabilities	196,565	205,005	(8,440)	158,856
Trade Notes Payable	2,556	3,086	(530)	2,262
Trade Accounts Payable	97,729	98,522	(793)	88,108
Commercial Paper	15,000		15,000	
Amount in Arrears	10,966	26,359	(15,393)	11,547
Accrued Expenses	39,331	42,053	(2,722)	37,776
Accrued Income Taxes	38	8,118	(8,080)	4,406
Deposits Received	16,904	13,375	3,529	1,987
Deposits Received from Employees	7,409	7,364	45	7,440
Accrued Warranty Cost	5,517	5,193	324	4,203
Others	1,111	930	181	1,124
Long-term Liabilities	335,197	300,327	34,870	245,573
Bonds Payable	35,000	35,000		25,000
Long-term Debt	200,000	164,000	36,000	140,000
Deferred Tax Liabilities	60,269	62,345	(2,076)	42,116
Allowance for Employees Retirement Benefits	38,010	37,653	357	36,897
Long-term Accrued Expenses	982	1,329	(347)	1,560
Others	934		934	
Total Liabilities	531,763	505,333	26,430	404,430
{ Net Assets }				
Shareholders' Equity	329,081	324,432	4,649	314,419
Common Stock	45,049	45,049		45,049
Capital Surplus	63,171	63,262	(91)	63,245
Capital Reserve	62,926	62,926		62,926
Other Capital Surplus	244	336	(91)	319
Retained Earnings	222,217	216,910	5,307	207,009
Legal Reserve	10,285	10,285		10,285
Other Retained Earnings	211,932	206,625	5,307	196,724
Reserve for Special Depreciation	588	536	52	536
Reserve for Reduction of Acquisition Cost of Fixed Assets	2,875	3,161	(286)	3,161
General Reserve	112,500	112,500		112,500
Unappropriated Retained Earnings	95,968	90,428	5,540	80,527
Less: Treasury Stock, at Cost	(1,356)	(790)	(566)	(884)
Evaluation and Conversion Difference	119,389	121,415	(2,026)	90,590
Net Unrealized Gain on Available-for-sale Securities	119,951	121,415	(1,464)	90,590
Profit & Loss of Deferral Hedge Accounting	(562)		(562)	
Subscription Warrant	41		41	
Total Net Assets	448,513	445,848	2,665	405,010
Total Liabilities and Net Assets	980,277	951,182	29,095	809,440

Non-Consolidated Statements of Changes in Shareholders' Equity

FY2007 Half year (Apr. 2006 through Sep. 2006)

(Million Yen)

	Shareholders' Equity											
	Common Stock	Capital Surplus			Retained Earnings						Less: Treasury Stock, at Cost	Sub Total
		Capital Reserve	Other Capital Surplus	Sub Total	Legal Reserve	Other Retained Earnings				Sub Total		
						Reserve for Special Depreciation	Reserve for Reduction of Acquisition Cost of Fixed Assets	General Reserve	Unappropriated Retained Earnings			
Balance as of Mar. 31, 2006	45,049	62,926	336	63,262	10,285	536	3,161	112,500	90,428	216,910	(790)	324,432
Increase(Decrease) in FY2007 Half year												
Increase in Reserves						334			(334)			
Decrease in Reserves						(282)	(286)		567			
Dividends Paid									(5,589)	(5,589)		(5,589)
Bonus of Directors and Corporate Auditors									(297)	(297)		(297)
Net Income									11,193	11,193		11,193
Purchase of Treasury Stock											(1,915)	(1,915)
Disposal of Treasury Stock			(91)	(91)							1,349	1,257
Net Change of items other than Shareholders' Equity												
Total Changes in the Term			(91)	(91)		52	(286)		5,540	5,307	(566)	4,649
Balance as of Sep. 30, 2006	45,049	62,926	244	63,171	10,285	588	2,875	112,500	95,968	222,217	(1,356)	329,081

	Evaluation and Conversion Difference			Subscription Warrant	Total Net Assets
	Net Unrealized Gain on Available-for-sale Securities	Profit & Loss of Deferral Hedge Accounting	Sub Total		
Balance as of Mar. 31, 2006	121,415		121,415		445,848
Increase(Decrease) in FY2007 Half year					
Increase in Reserves					
Decrease in Reserves					
Dividends Paid					(5,589)
Bonus of Directors and Corporate Auditors					(297)
Net Income					11,193
Purchase of Treasury Stock					(1,915)
Disposal of Treasury Stock					1,257
Net Change of items other than Shareholders' Equity	(1,464)	(562)	(2,026)	41	(1,984)
Total Changes in the Term	(1,464)	(562)	(2,026)	41	2,665
Balance as of Sep. 30, 2006	119,951	(562)	119,389	41	448,513

Note : Type and number of treasury stock

(Shares)

Type of shares	Number as of Mar. 31, 2006	Increase	Decrease	Number as of Sep. 30, 2006
Common Stock	486,258	553,203	518,535	520,926

Reason for changes	(Increase) Purchase from consolidated subsidiaries	549,914 shares
	Request for purchase of less-than-one-unit shares	3,289
	(Decrease) Exercise of stock option	518,200
	Request for additional purchase of less-than-one-unit shares	335