

FY2009 1st quarter Consolidated Financial Results (April 1, 2008 through June 30, 2008)

July 30, 2008

Company Name	AISIN SEIKI Co., Ltd.	Listed on	The Tokyo, Osaka and Nagoya Stock Exchanges (1st division)
Code Number	7259	Location	Aichi, JAPAN
Representative	Yasuhito Yamauchi, President	U R L	http://www.aisin.co.jp/
Reference person in charge	Masaaki Yasui, General Manager, Finance & Accounting Dept.	T E L	81 - 566 - 24 - 8265

(Amounts less than million yen are rounded down.)

1. Consolidated Results for 1st Quarter of FY2009 (Apr. 1, 2008 through Jun. 30, 2008)

(1) Consolidated Financial Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2009 1st quarter	670,024	—	37,363	—	45,153	—	23,844	—
FY2008 1st quarter	641,698	15.3	39,598	45.2	43,376	50.2	20,658	54.9

	Earnings Per Share	Fully Diluted Earnings
	Yen	Yen
FY2009 1st quarter	84.72	84.70
FY2008 1st quarter	72.49	72.38

(2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million Yen	Million Yen	%	Yen
FY2009 1st quarter	2,065,184	971,341	36.4	2,671.94
FY2008	2,097,727	994,592	36.6	2,725.67

Note : Equity capital FY2009 1st quarter : 752,026 million yen , FY2008 : 767,123 million yen

2. Cash Dividends

	Annual Cash Dividends Per Share				
	1st quarter	2nd quarter	3rd quarter	4th quarter	FY Total
	Yen	Yen	Yen	Yen	Yen
FY2008	—	24.00	—	36.00	60.00
FY2009	—	—	—	—	—
FY2009(Forecast)	—	30.00	—	30.00	60.00

Note : Dividend forecast corrections for FY2009 : No

3. Consolidated forecast for FY2009 (Apr. 1, 2008 through Mar. 31, 2009)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
1st Half	1,310,000	1.3	57,000	-29.7	63,000	-25.8	32,000	-17.2	113.70
Fiscal Year	2,690,000	-0.4	134,000	-25.8	143,000	-23.2	70,000	-23.6	248.71

Note : Consolidated forecast corrections for FY2009 : Yes

4. Others

(1) Changes in significant subsidiaries : No

(2) Use of estimation in reporting financial statements : Yes
(note) Please refer to 【Qualitative Information , Financial Statements】 " 4. Other " at page 3

(3) Changes in Accounting Policies and Presentation

① Changes according to revision of accounting policy : Yes

② Changes other than above : No

(note) Please refer to 【Qualitative Information , Financial Statements】 " 4. Other " at page 3

(4) Issued and outstanding capital stock

① Number of shares issued as of the respective balance sheet date
FY2009 1st quarter : 294,674,634 shares , FY2008 : 294,674,634 shares

② Number of treasury stock
FY2009 1st quarter : 13,220,928 shares , FY2008 : 13,231,279 shares

③ Average number of common stocks
FY2009 1st quarter : 281,451,040 shares , FY2008 1st quarter : 284,994,679 shares

(※) Explanation regarding the appropriate use of forecasts, and other statements

Forecasts above are based on AISIN's plans and expectations. These are not guarantees of future performance including known and unknown risks, uncertainties and other factors that may cause actual results, performance, achievements or financial to be materially different from the forecasts expressed or implied in this report. For details please refer to 【Qualitative Information , Financial Statements】 " 3. Consolidated Financial Forecast " at page 2.

(Adoption of the "Accounting Standard for Quarterly Financial Statements")

The quarterly consolidated statements disclosed follow the requirements set forth by the "Accounting Standard for Quarterly Financial Statements" ASBJ statement 12 issued on March 14th 2007 and the "Guidance on Accounting Standard for Quarterly Financial Reporting" ASBJ statement 14 issued on March 14th 2007. The disclosed statements also uses the general financial terms and format set forth by the Financial Services Agency.

【Qualitative information , Financial statements】

1. Qualitative information on Consolidated Financial Results

Aisin group has developed and sold new products corresponding to social change and changing customer's needs; business expansion in global market, while promoting positive environmental and social activities.

Due to clients' production volume increase, in addition to aggressive sales activities for automatic transmissions, manual transmissions, car navigation systems, and power sliding doors, the first quarter sales within the Auto Parts segment were 646,287 million yen.

Sales within the Life & Energy related products were 10,834 million yen. And other sales segment which includes construction, and gasoline sales were 12,902 million yen. As a result, first quarter net sales totaled 670,024 million yen.

Despite cost reductions and other measures to streamline operations, negative factors such as raw material increase, currency exchange fluctuation and higher amortization and research costs resulted in operating income of 37,363 million yen. Ordinary income totaled 45,153 million yen. Net income totaled 23,844 million yen.

2. Qualitative information on Consolidated Financial Position

During the 1st quarter of FY2009 (Apr. 1, 2008 through Jun. 30, 2008) total assets decreased 1.6% from ¥2,097,727 million to 2,065,184 million yen. Net assets decreased 2.3% from 994,592 million yen to 971,341 million yen due to increase in net income, dividend payments, and currency valuation adjustments.

3. Qualitative information on Consolidated forecast for FY2009

As for the fiscal year outlook, uncertainties such as worldwide financial insecurity, escalating price of crude oil, and other resources will likely continue. The concerns in the automobile industry are the stagnant United States and Japanese markets, growing global environmental concerns, and intensifying global competition. We expect that this challenging environment will continue for the foreseeable future.

The company will revise forecast for FY2009 from the forecast released on April 25th 2008. Revised forecast for FY2009 2nd quarter is as follows: Consolidated net sales of 1,310,000 million yen, operating income of 57,000 million yen, ordinary income of 63,000 million yen, and net income of 32,000 million yen. The revised full year FY2009 forecast is as follows: Consolidated net sales of 2,690,000 million yen, operating income of 134,000 million yen, ordinary income of 143,000 million yen, and net income of 70,000 million yen. The exchange rate used in the forecast is ¥100 to the US dollar.

4. Others

(1) Significant changes in scope of consolidation

None

(2) Adoption of estimates in accounting policies and unique accounting policies for preparing quarterly statements

① Estimation used in reporting

1 Inventory estimation

Quarterly inventory count is not implemented instead a practical method which uses the year end inventory balance is used to calculate quarterly inventory balance.

2 Fixed asset depreciation estimation

For fixed assets using the declining balance depreciation method the full fiscal year depreciation amount has been proportionally divided to calculate depreciation.

3 Income tax, Deferred tax assets, and Deferred tax liabilities estimation

A number of consolidated subsidiaries estimate income tax by using only important tax adjustment items only.

The decision if deferred tax assets are recoverable are based on the company forecast and tax planning.

4 Retirement benefit obligation estimation

To prepare for employee retirement, accrual amount is estimated by using the difference between the actual amount that would be paid to the employee as of the balance sheet date and the reserve accrued by the company and the accrued welfare pension amount.

② Unique accounting policies for preparing quarterly statements

Income tax calculation

A number of consolidated subsidiaries estimate income tax by using the first quarter income before income taxes multiplied by the tax rate determined by tax planning.

The deferred tax amount is included in the income tax line.

(3) Changes in Accounting Policies and Presentation

1 Adoption of the "Accounting Standard for Quarterly Financial Statements"

The quarterly consolidated statements disclosed follow the requirements set forth by the "Accounting Standard for Quarterly Financial Statements" ASBJ statement 12 issued on March 14th 2007 and the "Guidance on Accounting Standard for Quarterly Financial Reporting" ASBJ statement 14 issued on March 14th 2007. The disclosed statements also uses the general financial terms and format set forth by the Financial Services Agency.

2 Evaluation method and changes of important assets

Inventories

The previous measurement method of inventories held for sale in the ordinary course of business used the cost method. Starting from the 1st quarter of this fiscal year the company has adopted a new measurement that follow the requirements set forth by the "Accounting Standard for Measurement of Inventories" ASBJ Statement No. 9 issued on July 5th 2006, the lower-of-cost-or-market method (Inventories shall be carried at the net selling value on the balance sheet).

The effect of this change has minimal impact on the disclosed income statement.

Also the effect of this change has minimal impact on the disclosed segment information.

3 Application of "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements"

Starting from the 1st quarter of this fiscal year the company has adopted accounting policies that follows the requirements set forth by the "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" ASBJ Practical Issues Task Force No. 18 issued on May 17th 2006. The effect of this application has no impact on the disclosed income statement.



5. Consolidated financial statements

(1) Consolidated Balance Sheets

(Million Yen)

	FY2009 1st quarter (As of Jun. 30, 2008)	FY2008 (As of Mar. 31, 2008)
Consolidated quarterly balance sheets		
Assets		
Current assets		
Cash and deposits	99,746	102,293
Notes and accounts receivable-trade	355,892	373,697
Short-term investment securities	109,869	95,636
Merchandise and finished goods	76,080	80,967
Work in process	48,350	46,952
Raw materials and Supplies	44,839	47,440
Other	118,887	123,675
Allowance for doubtful accounts	-563	-746
Total current assets	853,103	869,917
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	531,479	536,086
Accumulated depreciation	-285,696	-282,709
Buildings and structures, net	245,783	253,377
Machinery, equipment and vehicles	1,364,799	1,365,899
Accumulated depreciation	-945,076	-936,366
Machinery, equipment and vehicles, net	419,723	429,533
Tools, furniture and fixtures	248,494	248,379
Accumulated depreciation	-210,447	-206,768
Tools, furniture and fixtures, net	38,047	41,610
Land	96,155	94,649
Construction in progress	56,594	56,602
Total property, plant and equipment	856,303	875,773
Intangible assets	20,595	20,885
Investments and other assets		
Investment securities	269,510	267,509
Other	66,109	64,086
Allowance for doubtful accounts	-438	-445
Total investments and other assets	335,181	331,150
Total noncurrent assets	1,212,080	1,227,810
Total assets	2,065,184	2,097,727

(Million Yen)

	FY2009 1st quarter (As of Jun. 30, 2008)	FY2008 (As of Mar. 31, 2008)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	344,729	372,058
Short-term loans payable	40,404	28,647
Income taxes payable	16,382	42,206
Provision	19,952	21,034
Other	272,954	240,332
Total current liabilities	<u>694,423</u>	<u>704,280</u>
Noncurrent liabilities		
Bonds payable	39,988	39,988
Long-term loans payable	227,233	227,664
Provision for retirement benefits	82,338	82,018
Other provision	5,439	6,233
Other	44,418	42,950
Total noncurrent liabilities	<u>399,419</u>	<u>398,854</u>
Total liabilities	<u>1,093,842</u>	<u>1,103,134</u>
Net assets		
Shareholders' equity		
Capital stock	45,049	45,049
Capital surplus	58,829	58,825
Retained earnings	592,681	578,969
Treasury stock	-20,725	-20,738
Total shareholders' equity	<u>675,835</u>	<u>662,106</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	89,198	88,130
Deferred gains or losses on hedges	-656	-1,184
Foreign currency translation adjustment	-12,350	18,071
Total valuation and translation adjustments	<u>76,191</u>	<u>105,016</u>
Subscription rights to shares	733	601
Minority interests	218,582	226,867
Total net assets	<u>971,341</u>	<u>994,592</u>
Total liabilities and net assets	<u>2,065,184</u>	<u>2,097,727</u>

(2) Consolidated quarterly statements of income

	(Million Yen)
	FY2009 1st quarter (Apr. 2008 through Jun. 2008)
Net sales	670,024
Cost of sales	582,722
Gross profit	87,302
Selling, general and administrative expenses	
Salaries and allowances	13,143
Other	36,795
Total selling, general and administrative expenses	49,938
Operating income	37,363
Non-operating income	
Interest income	333
Dividends income	2,686
Equity in earnings of affiliates	3,442
Other	4,057
Total non-operating income	10,519
Non-operating expenses	
Interest expenses	647
Other	2,082
Total non-operating expenses	2,729
Ordinary income	45,153
Income before income taxes and minority interests	45,153
Income taxes	13,508
Minority interests in income	7,800
Net income	23,844

(3) Consolidated quarterly statements of cash flows

(Million Yen)

FY2009 1st quarter
(Apr. 2008 through
Jun. 2008)

Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	45,153
Depreciation and amortization	42,963
Interest and dividends income	-3,020
Interest expenses	647
Equity in (earnings) losses of affiliates	-3,442
Decrease (increase) in notes and accounts receivable-trade	8,064
Decrease (increase) in inventories	1,865
Increase (decrease) in notes and accounts payable-trade	-18,416
Other, net	34,060
Subtotal	107,875
Interest and dividends income received	5,038
Interest expenses paid	-252
Income taxes paid	-43,889
Net cash provided by (used in) operating activities	68,772
Net cash provided by (used in) investment activities	
Decrease (increase) in time deposits and securities	-8,125
Purchase of property, plant and equipment	-47,039
Proceeds from sales of property, plant and equipment	1,401
Purchase of investment securities	-7,068
Proceeds from sales and redemption of investment securities	1,865
Other, net	-556
Net cash provided by (used in) investment activities	-59,523
Net cash provided by (used in) financing activities	
Increase (decrease) in short-term bank loans and commercial papers	13,445
Repayment of long-term loans payable	-612
Cash dividends paid	-10,133
Cash dividends paid to minority shareholders	-4,695
Other, net	119
Net cash provided by (used in) financing activities	-1,876
Effect of exchange rate change on cash and cash equivalents	-5,516
Net increase (decrease) in cash and cash equivalents	1,856
Cash and cash equivalents at beginning of period	190,245
Cash and cash equivalents at end of period	192,101

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(4) Notes for Going concern basis of Accounting

None

(5) Segment Information

【Industry Segments】

AISIN's main business is manufacturing and sales of automotive parts. Over 90% of sales and operating income derive from this segment.

Therefore information of industry segments is omitted.

【Geographical Segments】

FY2009 1st quarter (Apr. 2008 through Jun. 2008)

(Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	456,392	98,363	51,682	63,585	670,024	—	670,024
(2) Inter-segment	85,920	2,661	2,026	2,142	92,750	(92,750)	—
Total	542,313	101,024	53,708	65,728	762,774	(92,750)	670,024
Operating Income	20,888	3,349	705	11,216	36,160	1,202	37,363

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 : China, Thailand

【Sales by Customer Location】

FY2009 1st quarter (Apr. 2008 through Jun. 2008)

(Million Yen)

	North America	Europe	Others	Total
Overseas Sales	108,758	60,917	98,468	268,144
Net Sales	—	—	—	670,024
Overseas Sales Ratio to Net Sales(%)	16.2	9.1	14.7	40.0

Note: Main countries are

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

(6) Consolidated Statements of Changes in Shareholders' Equity

FY2009 1st quarter (Apr. 2008 through Jun. 2008)

(Million Yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance as of March 31, 2008	45,049	58,825	578,969	-20,738	662,106
Increase(Decrease) in FY2009 1st quarter					
Dividends from surplus			-10,133		-10,133
Net income			23,844		23,844
Purchase of treasury stock				-5	-5
Disposal of treasury stock		4		18	22
Total Changes in the Term	—	4	13,711	13	13,728
Balance as of Jun. 2008	45,049	58,829	592,681	-20,725	675,835