

**FY2017 2nd Quarter Consolidated Financial Results [IFRS]  
(April 1, 2016 through September 30, 2016)**

October 28, 2016

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Scheduled filing date for quarterly reporting on EDINET: November 11, 2016 The expected date of dividends payment: November 25, 2016  
Additional documents to supplement quarterly financial results: Yes (Japanese only)  
Quarterly IR presentation: Yes (For analysts and professional investors)

(Amounts less than million yen are rounded down)

1. Consolidated Results for the 2nd Quarter of FY2017 (Apr. 1, 2016 through Sep. 30, 2016)

(1) Consolidated Financial Results

(Percent indications show the percentage of changes from corresponding figures for the previous period)

	Revenue		Operating profit		Profit before income taxes		Profit for the period	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
<b>FY2017 2nd quarter</b>	1,697,566	<b>8.6</b>	<b>94,808</b>	<b>23.3</b>	<b>90,771</b>	<b>15.7</b>	<b>73,388</b>	35.9
FY2016 2nd quarter	1,563,462	—	76,892	—	78,470	—	53,995	—

	Profit for the period attributable to owners of the parent		Comprehensive income for the period		Basic earnings per share	Diluted earnings per share
	Million Yen	%	Million Yen	%	Yen	Yen
<b>FY2017 2nd quarter</b>	54,776	<b>45.8</b>	<b>-5,710</b>	—	<b>190.06</b>	<b>189.84</b>
FY2016 2nd quarter	37,571	—	-5,138	—	132.81	132.45

(2) Consolidated Financial Position

	Total Assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent
	Million Yen	Million Yen	Million Yen	%
<b>FY2017 2nd quarter</b>	<b>3,042,949</b>	<b>1,539,837</b>	<b>1,151,336</b>	<b>37.8</b>
FY2016	3,009,377	1,558,468	1,168,953	38.8

2. Cash Dividends

	Annual cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY2016	—	50.00	—	50.00	100.00
<b>FY2017</b>	—	50.00	—	—	—
FY2017(Forecast)	—	—	—	50.00	100.00

(Note) Changes in dividends forecast for FY2017: No

3. Consolidated forecast for FY2017 (Apr. 1, 2016 through Mar. 31, 2017)

	Revenue		Operating profit		Profit before income taxes		Profit attributable to owners of parent		Earnings per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
FY2017	3,430,000	5.7	190,000	-1.4	190,000	-2.1	98,000	-2.3	342.52

(Note) Consolidated forecast corrections for FY2017: Yes

#### 4.Others

##### (1) Changes in significant subsidiaries: Yes

###### Consolidation scope

Consolidated (New): SHIROKI CORPORATION, SHIROKI NORTH AMERICA, INC.

Eliminated : None

##### (2) Changes in accounting policies and accounting estimation

① Changes in accounting policies required by IFRS: None

② Other changes : None

③ Changes in accounting estimation : None

##### (3) Number of outstanding shares(common stocks)

① Number of shares issued including treasury stock as of the respective balance sheet date

FY2017 2nd quarter	294,674,634 shares	FY2016	294,674,634 shares
② Number of treasury stock as of the respective balance sheet date	8,560,602 shares	FY2016	11,450,571 shares
③ Average number of common stocks (quarterly total)	288,209,860 shares	FY2016 2nd quarter	282,894,638 shares

##### ※ Explanation regarding the review procedure

At the time of this submission we are currently in process of being reviewed for the quarterly securities report.

##### ※ Explanation regarding the appropriate use of forecasts, and other additional information

(Note concerning forecast)

The forecasts included in this document are based on information that the Company has obtained at the time of this disclosure and certain assumptions that the Company considers reasonable. The Company does not guarantee the predicted outcome of the forecasts. Actual results may differ significantly from the forecast due to a variety of factors, such as exchange rates and conditions of the global market.

##### (IFRS Adoption)

The Company adopted International Financial Reporting Standards ("IFRS") for the Company's consolidated financial statements from the First Quarter of FY2017. Therefore the disclosed result of Previous Second Quarter and Fiscal Year Ended March 31, 2016 has been translated based on IFRS standard.

## 5. Consolidated quarterly financial statements

## (1) Consolidated quarterly statements of financial position

(Million Yen)

	Date of transition to IFRS (As of Apr. 1, 2015)	FY2016 (As of Mar. 31, 2016)	FY2017 2nd quarter (As of Sep. 30, 2016)
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	294,692	263,217	293,676
Trade and other receivables	449,827	505,964	525,298
Other financial assets	125,897	106,124	106,023
Inventories	247,457	252,494	258,469
Other current assets	48,304	39,215	31,768
<b>Total current assets</b>	<b>1,166,179</b>	<b>1,167,017</b>	<b>1,215,235</b>
<b>Non-current assets</b>			
Property, plant and equipment	1,107,441	1,165,852	1,174,551
Intangible assets	35,306	38,603	39,823
Investments accounted for using the equity method	94,541	98,488	96,661
Other financial assets	552,654	436,438	400,400
Deferred tax assets	77,473	89,886	97,738
Other non-current assets	24,631	13,089	18,539
<b>Total non-current assets</b>	<b>1,892,048</b>	<b>1,842,360</b>	<b>1,827,714</b>
<b>Total assets</b>	<b>3,058,228</b>	<b>3,009,377</b>	<b>3,042,949</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	667,321	717,287	739,762
Bonds and loans payable	106,930	66,143	47,202
Other financial liabilities	39,922	35,258	32,148
Provisions	19,270	19,460	19,821
Income tax payables	17,897	22,195	20,783
Other current liabilities	26,317	29,792	41,904
<b>Total current liabilities</b>	<b>877,659</b>	<b>890,137</b>	<b>901,622</b>
<b>Non-current liabilities</b>			
Bonds and loans payable	321,110	319,484	365,548
Other financial liabilities	18,301	9,788	8,696
Retirement benefit liabilities	127,519	158,627	168,304
Provisions	2,429	2,539	3,214
Deferred tax liabilities	100,338	61,648	47,065
Other non-current liabilities	8,364	8,682	8,660
<b>Total non-current liabilities</b>	<b>578,063</b>	<b>560,771</b>	<b>601,490</b>
<b>Total liabilities</b>	<b>1,455,723</b>	<b>1,450,908</b>	<b>1,503,112</b>
<b>Equity</b>			
Capital stock	45,049	45,049	45,049
Capital surplus	61,789	61,862	71,908
Treasury stock	-19,000	-18,035	-23,016
Other components of equity	221,693	115,349	52,670
Retained earnings	910,499	964,727	1,004,724
<b>Equity attributable to owners of the parent company</b>	<b>1,220,031</b>	<b>1,168,953</b>	<b>1,151,336</b>
Non-controlling interests	382,473	389,515	388,500
<b>Total equity</b>	<b>1,602,504</b>	<b>1,558,468</b>	<b>1,539,837</b>
<b>Total liabilities and equity</b>	<b>3,058,228</b>	<b>3,009,377</b>	<b>3,042,949</b>

## (2) Consolidated quarterly statements of income / Consolidated quarterly statements of comprehensive income

## (Consolidated quarterly statements of income)

(Million Yen)

	FY2016 2nd quarter (Apr. 1, 2015 through Sep. 30, 2015)	FY2017 2nd quarter (Apr. 1, 2016 through Sep. 30, 2016)
Revenue	1,563,462	1,697,566
Cost of revenue	-1,354,294	-1,475,403
Gross profit	209,168	222,162
Selling, general and administrative expenses	-134,691	-137,924
Other income	7,720	23,871
Other expenses	-5,304	-13,301
Operating profit	76,892	94,808
Finance income	7,221	6,940
Finance expenses	-10,165	-14,404
Equity in earnings of affiliates	4,522	3,426
Profit before income taxes	78,470	90,771
Income tax expenses	-24,475	-17,382
Profit for the period	53,995	73,388
Profit for the period attributable to:		
Owners of the parent	37,571	54,776
Non-controlling interests	16,423	18,612
Total	53,995	73,388
Earnings per share		
Basic earnings per share (Yen)	132.81	190.06
Diluted earnings per share (Yen)	132.45	189.84

## (Consolidated quarterly statements of comprehensive income)

(Million Yen)

	FY2016 2nd quarter (Apr. 1, 2015 through Sep. 30, 2015)	FY2017 2nd quarter (Apr. 1, 2016 through Sep. 30, 2016)
Profit for the period	53,995	73,388
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	120	-1,035
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	-37,649	-18,958
Share of other comprehensive income of associates accounted for using the equity method	14	-11
Total	-37,514	-20,004
Items that may be reclassified subsequently to profit or loss		
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	32	25
Cash flow hedges	-26	395
Exchange differences on translating foreign operations	-21,451	-54,435
Share of other comprehensive income of associates accounted for using the equity method	-174	-5,080
Total	-21,619	-59,094
Other comprehensive income total	-59,133	-79,099
Comprehensive income for the period	-5,138	-5,710
Comprehensive income for the period attributable to:		
Owners of the parent	-14,043	-8,520
Non-controlling interests	8,904	2,810
Total	-5,138	-5,710

## (3) Consolidated statements of changes in equity

(Million Yen)

	Equity attributable to owners of the parent							
	Capital stock	Capital surplus	Treasury stock	Other components of equity				Total
				Remeasurements of defined benefit plans	Net changes in revaluation of financial assets measured at fair value through other comprehensive income	Cash flow hedges	Exchange differences on translation of foreign operations	
Balance as of April 1, 2015	45,049	61,789	-19,000	—	223,920	-2,226	—	221,693
Profit for the period	—	—	—	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	121	-37,287	-26	-14,422	-51,615
Comprehensive income for the period	—	—	—	121	-37,287	-26	-14,422	-51,615
Acquisition of treasury stock	—	—	-3	—	—	—	—	—
Disposal of treasury stock	—	165	634	—	—	—	—	—
Lapse of subscription rights to shares	—	-163	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries	—	-5	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	-121	0	—	—	-121
Total transactions with owners	—	-3	631	-121	0	—	—	-121
Balance as of Sep. 30, 2015	45,049	61,786	-18,368	—	186,633	-2,253	-14,422	169,957

	Equity attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance as of April 1, 2015	910,499	1,220,031	382,473	1,602,504
Profit for the period	37,571	37,571	16,423	53,995
Other comprehensive income (loss)	—	-51,615	-7,518	-59,133
Comprehensive income for the period	37,571	-14,043	8,904	-5,138
Acquisition of treasury stock	—	-3	—	-3
Disposal of treasury stock	—	800	293	1,093
Lapse of subscription rights to shares	—	-163	—	-163
Dividends	-14,130	-14,130	-8,089	-22,220
Changes in the ownership interest in subsidiaries	—	-5	5	—
Transfer from other components of equity to retained earnings	121	—	—	—
Total transactions with owners	-14,009	-13,502	-7,791	-21,293
Balance as of Sep. 30, 2015	934,061	1,192,485	383,586	1,576,072

(Million Yen)

	Equity attributable to owners of the parent							
	Capital stock	Capital surplus	Treasury stock	Remeasurements of defined benefit plans	Other components of equity			Total
					Net changes in revaluation of financial assets measured at fair value through other comprehensive income	Cash flow hedges	Exchange differences on translation of foreign operations	
Balance as of April 1, 2016	45,049	61,862	-18,035	—	154,823	-2,844	-36,628	115,349
Profit for the period	—	—	—	—	—	—	—	—
Other comprehensive income (loss)	—	—	—	-733	-18,778	393	-44,178	-63,297
Comprehensive income for the period	—	—	—	-733	-18,778	393	-44,178	-63,297
Acquisition of treasury stock	—	—	-14,289	—	—	—	—	—
Disposal of treasury stock	—	10,403	9,308	—	—	—	—	—
Lapse of subscription rights to shares	—	-359	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—
Changes in scope of consolidation	—	—	—	—	—	—	—	—
Changes in the ownership interest in subsidiaries	—	2	—	—	—	—	—	—
Transfer from other components of equity to retained earnings	—	—	—	733	-114	—	—	618
Total transactions with owners	—	10,046	-4,981	733	-114	—	—	618
Balance as of Sep. 30, 2016	45,049	71,908	-23,016	—	135,929	-2,451	-80,807	52,670

	Equity attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance as of April 1, 2016	964,727	1,168,953	389,515	1,558,468
Profit for the period	54,776	54,776	18,612	73,388
Other comprehensive income (loss)	—	-63,297	-15,801	-79,099
Comprehensive income for the period	54,776	-8,520	2,810	-5,710
Acquisition of treasury stock	—	-14,289	—	-14,289
Disposal of treasury stock	—	19,711	4,281	23,992
Lapse of subscription rights to shares	—	-359	—	-359
Dividends	-14,161	-14,161	-8,244	-22,405
Changes in scope of consolidation	—	—	147	147
Changes in the ownership interest in subsidiaries	—	2	-10	-7
Transfer from other components of equity to retained earnings	-618	—	—	—
Total transactions with owners	-14,779	-9,096	-3,825	-12,921
Balance as of Sep. 30, 2016	1,004,724	1,151,336	388,500	1,539,837

(4) Going concern assumption :  
None

(Material Subsequent Events)  
None