

**FY2019 2nd Quarter Consolidated Financial Results [IFRS]  
(April 1, 2018 through September 30, 2018)**

October 31, 2018

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Scheduled filing date for quarterly reporting on EDINET: November 13, 2018 The expected date of dividends payment: November 27, 2018  
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 FY2019 (Apr. 1, 2018 through Sep. 30, 2018)

(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	%
FY2019 2nd quarter	1,994,469	7.5	123,281	14.1	132,228	13.8	96,046	17.2
FY2018 2nd quarter	1,855,119	9.3	108,019	13.9	116,214	28.0	81,942	11.7

	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
FY2019 2nd quarter	64,551	15.3	114,516	-12.2	239.53	239.53
FY2018 2nd quarter	56,001	2.2	130,459	-	201.61	201.50

(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	%
FY2019 2nd quarter	3,629,717	1,882,773	1,365,743	37.6
FY2018	3,527,910	1,803,129	1,310,176	37.1

2. Cash Dividends

	Annual cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY2018	—	60.00	—	90.00	150.00
FY2019	—	60.00			
FY2019(Forecast)			—	90.00	150.00

(Note) Changes in dividends forecast for FY2019: None

3. Consolidated Forecast for FY2019 (Apr. 1, 2018 through Mar. 31, 2019)

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

	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
FY2019	4,000,000	2.3	234,000	-7.8	247,000	-7.9	122,000	-9.3	452.71

(Note) Changes in consolidated forecast for FY2019: Yes

#### 4.Others

(1) Changes in significant subsidiaries: None

(2) Changes in accounting policies and accounting estimation

① Changes in accounting policies required by IFRS: Yes

② Other changes : None

③ Changes in accounting estimation : None

(Note) For more information, please refer to (Changes in accounting policies) on page 7.

(3) Number of outstanding shares(common stocks)

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

FY2019 2nd quarter	294,674,634 shares	FY2018	294,674,634 shares
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② Number of treasury stock as of the respective balance sheet date

FY2019 2nd quarter	25,185,209 shares	FY2018	25,184,075 shares
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③ Average number of common stocks (quarterly total)

FY2019 2nd quarter	269,489,875 shares	FY2018 2nd quarter	277,773,931 shares
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※ This Quarterly Financial Result is not subject to review procedure.

※ 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.

5. Consolidated quarterly financial statements

(1) Consolidated quarterly statements of financial position

(Million Yen)

	FY2018 (As of Mar. 31, 2018)	FY2019 2nd quarter (As of Sep. 30, 2018)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	406,508	396,703
Trade and other receivables	621,863	589,012
Other financial assets	88,575	103,141
Inventories	295,787	343,686
Other current assets	51,093	50,524
<b>Total current assets</b>	<b>1,463,828</b>	<b>1,483,068</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,294,225	1,360,139
Intangible assets	40,045	38,249
Investments accounted for using the equity method	112,979	113,251
Other financial assets	485,108	500,804
Deferred tax assets	109,646	110,726
Other non-current assets	22,075	23,477
<b>Total non-current assets</b>	<b>2,064,082</b>	<b>2,146,648</b>
<b>Total assets</b>	<b>3,527,910</b>	<b>3,629,717</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	796,318	768,512
Bonds and loans payable	86,893	87,469
Other financial liabilities	37,381	39,866
Provisions	25,660	23,979
Income tax payables	30,774	26,632
Other current liabilities	33,083	34,955
<b>Total current liabilities</b>	<b>1,010,112</b>	<b>981,416</b>
<b>Non-current liabilities</b>		
Bonds and loans payable	430,650	467,719
Other financial liabilities	9,603	8,331
Retirement benefit liabilities	190,679	198,747
Provisions	3,650	5,486
Deferred tax liabilities	72,206	76,200
Other non-current liabilities	7,879	9,040
<b>Total non-current liabilities</b>	<b>714,669</b>	<b>765,526</b>
<b>Total liabilities</b>	<b>1,724,781</b>	<b>1,746,943</b>
<b>Equity</b>		
Capital stock	45,049	45,049
Capital surplus	71,826	69,846
Treasury stock	-115,835	-115,841
Other components of equity	147,874	165,135
Retained earnings	1,161,260	1,201,553
<b>Equity attributable to owners of the parent company</b>	<b>1,310,176</b>	<b>1,365,743</b>
Non-controlling interests	492,952	517,029
<b>Total equity</b>	<b>1,803,129</b>	<b>1,882,773</b>
<b>Total liabilities and equity</b>	<b>3,527,910</b>	<b>3,629,717</b>

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

## (Consolidated quarterly statements of income)

(Million Yen)

	FY2018 2nd quarter (Apr. 1, 2017 through Sep. 30, 2017)	FY2019 2nd quarter (Apr. 1, 2018 through Sep. 30, 2018)
Revenue	1,855,119	1,994,469
Cost of revenue	-1,613,578	-1,742,926
Gross profit	241,541	251,542
Selling, general and administrative expenses	-136,567	-141,342
Other income	8,836	20,073
Other expenses	-5,791	-6,991
Operating profit	108,019	123,281
Finance income	7,205	7,661
Finance expenses	-4,230	-4,058
Equity in earnings of affiliates	5,219	5,344
Profit before income taxes	116,214	132,228
Income tax expenses	-34,272	-36,182
Profit for the period	81,942	96,046
Profit for the period attributable to:		
Owners of the parent	56,001	64,551
Non-controlling interests	25,940	31,494
Total	81,942	96,046
Earnings per share		
Basic earnings per share (Yen)	201.61	239.53
Diluted earnings per share (Yen)	201.50	239.53

## (Consolidated quarterly statements of comprehensive income)

(Million Yen)

	FY2018 2nd quarter (Apr. 1, 2017 through Sep. 30, 2017)	FY2019 2nd quarter (Apr. 1, 2018 through Sep. 30, 2018)
Profit for the period	81,942	96,046
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	-106	5
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	31,644	13,892
Share of other comprehensive income of associates accounted for using the equity method	55	-8
Total	31,594	13,889
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	-31	-67
Cash flow hedges	348	316
Exchange differences on translating foreign operations	16,556	3,406
Share of other comprehensive income of associates accounted for using the equity method	49	925
Total	16,922	4,581
Other comprehensive income total	48,516	18,470
Comprehensive income for the period	130,459	114,516
Comprehensive income for the period attributable to:		
Owners of the parent	98,757	81,807
Non-controlling interests	31,701	32,709
Total	130,459	114,516

## (3) Consolidated statements of changes in equity

FY2018 2nd quarter(Apr. 1, 2017 through Sep. 30, 2017)

(Million Yen)

	Equity attributable to owners of the parent							
	Other components of equity							Total
	Capital stock	Capital surplus	Treasury stock	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, 2017	45,049	71,822	-56,983	-	157,200	-2,011	-44,591	110,597
Profit for the period	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-118	31,381	347	11,144	42,755
Comprehensive income for the period	-	-	-	-118	31,381	347	11,144	42,755
Acquisition of treasury stock	-	-	-25,271	-	-	-	-	-
Disposal of treasury stock	-	-125	587	-	-	-	-	-
Lapse of subscription rights to shares	-	-339	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Changes in the ownership interest in subsidiaries	-	524	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	118	544	-	-	663
Total transactions with owners	-	59	-24,683	118	544	-	-	663
Balance as of Sep. 30, 2017	45,049	71,881	-81,667	-	189,127	-1,664	-33,446	154,016

	Equity attributable to owners of the parent		Non-controlling interests	Total equity
	Retained earnings	Total		
Balance as of April 1, 2017	1,065,900	1,236,385	458,478	1,694,864
Profit for the period	56,001	56,001	25,940	81,942
Other comprehensive income (loss)	-	42,755	5,761	48,516
Comprehensive income for the period	56,001	98,757	31,701	130,459
Acquisition of treasury stock	-	-25,271	-	-25,271
Disposal of treasury stock	-	462	38	500
Lapse of subscription rights to shares	-	-339	-	-339
Dividends	-20,950	-20,950	-14,109	-35,060
Changes in the ownership interest in subsidiaries	-	524	-3,358	-2,833
Transfer from other components of equity to retained earnings	-663	-	-	-
Total transactions with owners	-21,613	-45,574	-17,429	-63,004
Balance as of Sep. 30, 2017	1,100,288	1,289,568	472,751	1,762,319

	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, 2018	45,049	71,826	-115,835	-	193,212	-1,429	-43,908	147,874
Profit for the period	-	-	-	-	-	-	-	-
Other comprehensive income (loss)	-	-	-	-4	13,741	313	3,206	17,255
Comprehensive income for the period	-	-	-	-4	13,741	313	3,206	17,255
Acquisition of treasury stock	-	-	-7	-	-	-	-	-
Disposal of treasury stock	-	0	0	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
Changes in scope of consolidation	-	-	-	-	-	-	-	-
Changes in the ownership interest in subsidiaries	-	-1,979	-	-	-	-	-	-
Transfer from other components of equity to retained earnings	-	-	-	4	0	-	-	4
Total transactions with owners	-	-1,979	-6	4	0	-	-	4
Balance as of Sep. 30, 2018	45,049	69,846	-115,841	-	206,953	-1,115	-40,702	165,135

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Retained earnings	Total				
Balance as of April 1, 2018	1,161,260	1,310,176		492,952	1,803,129	
Profit for the period	64,551	64,551		31,494	96,046	
Other comprehensive income (loss)	-	17,255		1,214	18,470	
Comprehensive income for the period	64,551	81,807		32,709	114,516	
Acquisition of treasury stock	-	-7		-	-7	
Disposal of treasury stock	-	0		0	0	
Dividends	-24,254	-24,254		-12,730	-36,984	
Changes in scope of consolidation	-	-		3,413	3,413	
Changes in the ownership interest in subsidiaries	-	-1,979		684	-1,294	
Transfer from other components of equity to retained earnings	-4	-		-	-	
Total transactions with owners	-24,258	-26,240		-8,632	-34,872	
Balance as of Sep. 30, 2018	1,201,553	1,365,743		517,029	1,882,773	

(4) Notes to the Consolidated Financial Statements

(Going concern assumption)

None

(Changes in accounting policies)

Beginning from the fiscal year 2019, our group has adopted IFRS15 “Revenue from Contracts with Customers”(issued in May 2014) and “Clarifications to IFRS15”(issued in April 2016) (together, hereinafter “IFRS15”).

As a result, compared with the application of the former accounting standard, in the consolidated quarterly statement of income for six months ended September 30 2018, Revenue and Cost of revenue decreased by 13,368 million yen and there are no impacts to operating profit and profit for the period.

Moreover, when applying IFRS15, as a transition measure our group applies this standard retrospectively with the cumulative effects of initially applying this standard recognized at the date of initial application. As a result, there is no impact to retained earnings in the consolidated statement of financial position as of the beginning of fiscal year 2019.

(Material Subsequent Events)

None