

## FY2008 1st quarter Consolidated Financial Results (April 1, 2007 through June 30, 2007)

July 26, 2007

Company Name	<b>AISIN SEIKI Co., Ltd.</b>	Listed on	The Tokyo, Osaka and Nagoya Stock Exchanges (1st division)
Code Number	7259	Location	Aichi, JAPAN
Representative	Yasuhito Yamauchi, President	U R L	<a href="http://www.aisin.co.jp/">http://www.aisin.co.jp/</a>
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 FY2008 (Apr. 1, 2007 through Jun. 30, 2007)

#### (1) Consolidated Financial Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
<b>FY2008 1st quarter</b>	<b>641,698</b>	<b>15.3</b>	<b>39,598</b>	<b>45.2</b>	<b>43,376</b>	<b>50.2</b>	<b>20,658</b>	<b>54.9</b>
FY2007 1st quarter	556,516	13.9	27,274	5.8	28,879	2.7	13,335	0.9
FY2007	2,378,611		131,034		134,287		66,889	

  

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
<b>FY2008 1st quarter</b>	<b>72.49</b>	<b>72.38</b>
FY2007 1st quarter	46.48	46.43
FY2007	233.03	232.71

Note : 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	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million Yen	Million Yen	%	Yen
<b>FY2008 1st quarter</b>	<b>2,045,787</b>	<b>978,749</b>	<b>37.9</b>	<b>2,719.38</b>
FY2007 1st quarter	1,839,781	851,743	36.7	2,354.26
FY2007	2,037,896	955,853	37.2	2,662.78

### 2. Consolidated forecast for FY2008 (Apr. 1, 2007 through Mar. 31, 2008)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
1st Half of FY2008	1,250,000	11.6	70,000	34.2	73,000	33.5	32,000	29.6	122.27
FY2008	2,500,000	5.1	135,000	3.0	137,000	2.0	68,000	1.7	238.58

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

### 3. Others

(1) Change in significant subsidiaries : No

(2) Adoption of handy method in method of accounting treatment : Yes  
To determine change in inventory for this quarter book value fluctuation was used

(3) Changes according to revision of accounting policy : Yes  
In accordance with the change mandated under the income tax law all fixed assets acquired after April 1st, 2007 will be depreciated using the amended calculation method.

(※) 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 position to be materially different from the forecasts expressed or implied in this report.

【Qualitative information , Financial statements and so on】

## 1. Qualitative information on Consolidated Financial Results

Factors such as raw material increase, oil price increase, currency exchange fluctuation and intensified global competition resulted in a uncertain enviroment at Aisin Seiki. While automobile sales in major markets in the North America and Europe were stagnant, sales in the emerging markets such as China and India were rapidly expanding, which resulted in a steady growth of worldwide automobile market.

Sales within the Auto Parts segment increased 14.6% (¥612,890million) compared with the same fiscal quarter of the previous year (¥534,966million) due to clients' production expansions, in addition to aggressive sales activities for automatic transmissions, manual transmissions, car navigation systems, and power sliding doors. Furthermore, sales of the Life & Energy related products and other business increased 33.7% (¥28,808million) compared with the same quarter of the previous fiscal year (¥21,549million).

As a result, total sales increased 15.3% (¥641,698million) compared to the same quarter of the last fiscal year ( ¥556,516million). Despite higher depreciation and amortization expenses and raw materials prices, the favorable activities to streamline and raise efficiency in all areas of operations through cost reductions and other measures resulted in a 45.2% increase in operating income from ¥27,274million to ¥39,598million. Ordinary income increased 50.2% to ¥43,376million. (Previous: ¥28,879million) Net income increased 54.9% to ¥20,658million. (Previous: ¥13,335million)

### Consolidated Net Sales by Item

Category		FY2007 1st quarter (Apr. 2006 through Jun. 2006)		FY2008 1st quarter (Apr. 2007 through Jun. 2007)		Increase (Decrease)	Variation ratio	(Million Yen)	
		Amount	Percent- age	Amount	Percent- age			FY2007 (Apr. 2006 through Mar. 2007)	
								Amount	Percent- age
A u t o m o t i v e	Engine Related	54,262	9.7	62,403	9.7	8,141	15.0	223,275	9.4
	Drivetrain Related	235,361	42.3	276,255	43.1	40,894	17.4	1,014,016	42.6
	Brake & Chassis Related	110,815	19.9	123,466	19.2	12,651	11.4	468,260	19.7
	Body Related	101,812	18.3	112,981	17.6	11,169	11.0	433,210	18.2
	Information Related	32,713	5.9	37,783	5.9	5,070	15.5	140,053	5.9
Sub Total		534,966	96.1	612,890	95.5	77,924	14.6	2,278,816	95.8
Life & Energy Related		11,780	2.1	12,436	1.9	656	5.6	51,592	2.2
Others		9,769	1.8	16,371	2.6	6,602	67.6	48,202	2.0
Grand Total		556,516	100.0	641,698	100.0	85,182	15.3	2,378,611	100.0

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

## 2. Qualitative information on Consolidated Financial Position

During the 1st quarter of FY2008 (Apr. 1, 2007 through Mar. 31, 2008) total assets increased 0.4% from ¥2,037,896 million to ¥2,045,787 million due to the increase in assessment of owned stocks. Shareholders' equity also increased due to a 2.4% increase in net income from ¥955,853 million to ¥978,749 million.

## 3. Qualitative information on Consolidated forecast for FY2008

While there are uncertainties such as crude oil and material price increase the forecast for FY2008 is as follows: Sales continues to be strong resulting in a forecast of ¥2,500,000 million.

Factors for decrease in profit are currency exchange rate of ¥115=1USD and ¥150=1EUR, depreciation caluculation change(income tax revision), and research cost increase. These increases are forecasted to be offset by cost reduction activites and streamlining of management, resulting in a profitforecast of ¥135,000 million operating income, ¥137,000 million ordinary income, and ¥68,000 million net income.

## Consolidated Statements of Income

(Million Yen)

	FY2007 1st quarter (Apr. 2006 through Jun. 2006)	FY2008 1st quarter (Apr. 2007 through Jun. 2007)	Increase (Decrease)	FY2007 (Apr. 2006 through Mar. 2007)
<b>Net Sales</b>	<b>556,516</b>	<b>641,698</b>	<b>85,182</b>	<b>2,378,611</b>
Cost of Sales	485,574	552,687	67,113	2,060,667
<b>Gross Profit</b>	<b>70,942</b>	<b>89,011</b>	<b>18,069</b>	<b>317,944</b>
Selling, General & Administrative Expenses	43,667	49,412	5,745	186,909
<b>Operating Income</b>	<b>27,274</b>	<b>39,598</b>	<b>12,324</b>	<b>131,034</b>
<b>Non-Operating Income</b>	<b>5,043</b>	<b>7,833</b>	<b>2,790</b>	<b>21,703</b>
Interest & Dividend Income	1,940	3,114	1,174	4,735
Investment Profit on Equity Method	1,274	1,720	446	6,302
Other Income	1,828	2,998	1,170	10,664
<b>Non-Operating Expenses</b>	<b>3,438</b>	<b>4,055</b>	<b>617</b>	<b>18,450</b>
Interest Expense	646	1,156	510	3,546
Other Expenses	2,792	2,899	107	14,903
<b>Ordinary Income</b>	<b>28,879</b>	<b>43,376</b>	<b>14,497</b>	<b>134,287</b>
<b>Income Before Income Taxes and Minority Interests</b>	<b>28,879</b>	<b>43,376</b>	<b>14,497</b>	<b>134,287</b>
Income Taxes	10,243	14,333	4,090	44,775
Minority Interests in Net Income	5,300	8,384	3,084	22,622
<b>Net Income</b>	<b>13,335</b>	<b>20,658</b>	<b>7,323</b>	<b>66,889</b>

## Consolidated Balance Sheets

(Million Yen)

	FY2007 (As of Mar. 31, 2007)	FY2008 1st quarter (As of Jun. 30, 2007)	Increase (Decrease)	FY2007 1st quarter (As of Jun. 30, 2006)
[ Assets ]				
<b>Current Assets</b>	<b>767,369</b>	<b>766,181</b>	<b>( 1,188 )</b>	<b>694,950</b>
Cash and Cash Equivalents	98,628	78,860	( 19,768 )	86,305
Trade Notes & Accounts Receivable	363,726	366,923	3,197	320,432
Marketable Securities	38,622	47,365	8,743	51,786
Inventories	168,762	169,298	536	154,496
Deferred Tax Assets	48,386	53,970	5,584	44,227
Others	49,974	50,459	485	39,135
Less: Allowance for Doubtful Accounts	( 732 )	( 697 )	35	( 1,434 )
<b>Fixed Assets</b>	<b>1,270,526</b>	<b>1,279,606</b>	<b>9,080</b>	<b>1,144,831</b>
<b>Property, Plant &amp; Equipment</b>	<b>839,192</b>	<b>835,049</b>	<b>( 4,143 )</b>	<b>782,980</b>
Buildings & Structures	240,051	242,498	2,447	220,655
Machinery, Equipment & Vehicles	419,876	425,087	5,211	388,159
Tools, Furniture & Fixtures	42,550	41,697	( 853 )	38,037
Land	88,412	89,039	627	85,626
Construction in Progress	48,301	36,726	( 11,575 )	50,501
<b>Intangible Fixed Assets</b>	<b>16,139</b>	<b>15,648</b>	<b>( 491 )</b>	<b>10,961</b>
Consolidation Adjustments	3,566	3,374	( 192 )	833
Software	10,068	9,710	( 358 )	7,696
Others	2,504	2,563	59	2,431
<b>Investments &amp; Other Assets</b>	<b>415,194</b>	<b>428,907</b>	<b>13,713</b>	<b>350,890</b>
Investments in Securities	357,422	369,365	11,943	296,883
Long-term Loans	4,259	4,127	( 132 )	4,318
Deferred Tax Assets	24,228	24,882	654	21,609
Others	29,773	31,012	1,239	28,581
Less: Allowance for Doubtful Accounts	( 488 )	( 479 )	9	( 504 )
<b>Total Assets</b>	<b>2,037,896</b>	<b>2,045,787</b>	<b>7,891</b>	<b>1,839,781</b>

(Million Yen)

	FY2007 (As of Mar. 31, 2007)	FY2008 1st quarter (As of Jun. 30, 2007)	Increase (Decrease)	FY2007 1st quarter (As of Jun. 30, 2006)
〔 Liabilities 〕				
<b>Current Liabilities</b>	<b>679,070</b>	<b>652,679</b>	<b>( 26,391 )</b>	<b>613,512</b>
Trade Notes & Accounts Payable	359,873	352,176	( 7,697 )	318,630
Commercial Paper & Short-term Borrowings	30,518	21,639	( 8,879 )	58,722
Current Portion of Bonds Payable	15,000	15,000	—	150
Amount in Arrears	47,907	37,134	( 10,773 )	45,789
Accrued Expenses	130,345	152,417	22,072	133,746
Accrued Income Taxes	41,647	16,228	( 25,419 )	10,870
Deposits Received from Employees	16,883	16,115	( 768 )	16,127
Accrued Warranty Cost	16,133	16,904	771	14,635
Others	20,761	25,064	4,303	14,840
<b>Long-term Liabilities</b>	<b>402,972</b>	<b>414,358</b>	<b>11,386</b>	<b>374,525</b>
Bonds Payable	20,000	20,000	—	35,500
Long-term Debt	221,076	226,805	5,729	196,368
Deferred Tax Liabilities	72,627	81,716	9,089	55,720
Allowance for Employees Retirement Benefits	86,978	84,967	( 2,011 )	84,768
Long-term Accrued Expenses	1,052	348	( 704 )	2,167
Consolidation Adjustments	121	115	( 6 )	—
Others	1,116	404	( 712 )	—
<b>Total Liabilities</b>	<b>1,082,042</b>	<b>1,067,038</b>	<b>( 15,004 )</b>	<b>988,038</b>
〔 Net Assets 〕				
<b>Shareholders' Equity</b>	<b>602,382</b>	<b>616,297</b>	<b>13,915</b>	<b>558,408</b>
Common Stock	45,049	45,049	—	45,049
Capital Surplus	57,891	57,983	92	63,262
Retained Earnings	501,009	514,828	13,819	452,012
Less: Treasury Stock, at Cost	( 1,567 )	( 1,563 )	4	( 1,915 )
<b>Evaluation and Conversion Difference</b>	<b>156,361</b>	<b>158,778</b>	<b>2,417</b>	<b>116,843</b>
Net Unrealized Gain on Available-for-sale Securities	145,136	149,065	3,929	111,605
Profit & Loss of Deferral Hedge Accounting	( 667 )	( 236 )	431	71
Foreign Currency Translation Adjustments	11,892	9,949	( 1,943 )	5,166
<b>Subscription Warrant</b>	<b>167</b>	<b>230</b>	<b>63</b>	<b>—</b>
<b>Minority Interests</b>	<b>196,941</b>	<b>203,443</b>	<b>6,502</b>	<b>176,490</b>
<b>Total Net Assets</b>	<b>955,853</b>	<b>978,749</b>	<b>22,896</b>	<b>851,743</b>
<b>Total Liabilities and Net Assets</b>	<b>2,037,896</b>	<b>2,045,787</b>	<b>7,891</b>	<b>1,839,781</b>

## Segment Information

### 1. Industry Segments

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

### 2. Geographical Segments

FY2008 1st quarter (Apr. 2007 through Jun. 2007)

(Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	436,361	106,382	48,797	50,156	641,698	—	641,698
(2) Inter-segment	84,705	2,276	1,859	2,385	91,227	( 91,227 )	—
Total	521,066	108,659	50,657	52,542	732,926	( 91,227 )	641,698
Operating Costs & Expenses	494,429	105,480	49,045	44,450	693,405	( 91,305 )	602,099
Operating Income	26,636	3,179	1,612	8,092	39,521	77	39,598

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

(Million Yen)

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

FY2007 (Apr. 2006 through Mar. 2007)

(Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	1,668,562	373,537	174,837	161,673	2,378,611	—	2,378,611
(2) Inter-segment	314,019	9,143	6,524	8,717	338,404	( 338,404 )	—
Total	1,982,582	382,680	181,362	170,390	2,717,016	( 338,404 )	2,378,611
Operating Costs & Expenses	1,883,567	374,592	177,452	149,550	2,585,162	( 337,584 )	2,247,577
Operating Income	99,015	8,088	3,910	20,840	131,854	( 819 )	131,034

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

2. Main countries are

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



### 3. Sales by Customer Location

FY2008 1st quarter (Apr. 2007 through Jun. 2007) (Million Yen)

	North America	Europe	Others	Total
Overseas Sales	115,906	55,066	79,083	250,056
Net Sales	—	—	—	641,698
Overseas Sales Ratio to Net Sales	18.1 %	8.6 %	12.3 %	39.0 %

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

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

FY2007 (Apr. 2006 through Mar. 2007) (Million Yen)

	North America	Europe	Others	Total
Overseas Sales	415,763	205,129	237,637	858,530
Net Sales	—	—	—	2,378,611
Overseas Sales Ratio to Net Sales	17.5 %	8.6 %	10.0 %	36.1 %

Note: Main countries are

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

## <Reference>

### 1. Unconsolidated financial statements FY2008 1st quarter (Apr. 1, 2007 through Jun. 30, 2007)

#### Statements of Income

	FY2007 1st quarter (Apr. 2006 through Jun. 2006)	FY2008 1st quarter (Apr. 2007 through Jun. 2007)	Increase (Decrease)	(Million Yen) FY2007 (Apr. 2006 through Mar. 2007)
<b>Net Sales</b>	<b>179,648</b>	<b>199,936</b>	<b>20,288</b>	<b>786,966</b>
<b>Operating Income</b>	<b>4,605</b>	<b>5,814</b>	<b>1,209</b>	<b>28,538</b>
<b>Ordinary Income</b>	<b>10,812</b>	<b>17,723</b>	<b>6,911</b>	<b>36,808</b>
<b>Net Income</b>	<b>9,196</b>	<b>14,596</b>	<b>5,400</b>	<b>27,112</b>

#### Balance Sheets

	FY2007 (As of Mar. 31, 2007)	FY2008 1st quarter (As of Jun. 30, 2007)	Increase (decrease)	(Million Yen) FY2007 1st quarter (As of Jun. 30, 2006)
[ Assets ]				
<b>Current Assets</b>	<b>341,769</b>	<b>342,133</b>	<b>364</b>	<b>324,164</b>
<b>Fixed Assets</b>	<b>727,287</b>	<b>737,119</b>	<b>9,832</b>	<b>649,695</b>
Property, Plant & Equipment	182,260	178,844	( 3,416 )	171,233
Intangible Fixed Assets	3,978	3,687	( 291 )	3,785
Investments & Other Assets	541,048	554,587	13,539	474,676
<b>Total Assets</b>	<b>1,069,056</b>	<b>1,079,252</b>	<b>10,196</b>	<b>973,859</b>

	FY2007 (As of Mar. 31, 2007)	FY2008 1st quarter (As of Jun. 30, 2007)	Increase (decrease)	FY2007 1st quarter (As of Jun. 30, 2006)
[ Liabilities ]				
<b>Current Liabilities</b>	<b>279,883</b>	<b>259,504</b>	<b>( 20,379 )</b>	<b>223,042</b>
<b>Long-term Liabilities</b>	<b>347,577</b>	<b>363,622</b>	<b>16,045</b>	<b>315,338</b>
<b>Total Liabilities</b>	<b>627,461</b>	<b>623,127</b>	<b>( 4,334 )</b>	<b>538,381</b>
[ Net Assets ]				
<b>Shareholders' Equity</b>	<b>301,868</b>	<b>309,804</b>	<b>7,936</b>	<b>325,833</b>
Common Stock	45,049	45,049	—	45,049
Capital Surplus	63,139	63,009	( 130 )	63,262
Retained Earnings	233,429	241,186	7,757	220,219
Less: Treasury Stock, at Cost	( 39,749 )	( 39,441 )	308	( 2,698 )
<b>Evaluation and Conversion Difference Subscription Warrant</b>	<b>139,558</b>	<b>146,090</b>	<b>6,532</b>	<b>109,644</b>
<b>Total Net Assets</b>	<b>441,595</b>	<b>456,125</b>	<b>14,530</b>	<b>435,478</b>
<b>Total Liabilities and Net Assets</b>	<b>1,069,056</b>	<b>1,079,252</b>	<b>10,196</b>	<b>973,859</b>

### 2. Unconsolidated Forecast for FY2008 (Apr. 1, 2007 through Mar. 31, 2008)

	Net Sales	Operating Income	Ordinary Income	Net Income
	Million Yen	Million Yen	Million Yen	Million Yen
Half year end (Sep. 07)	405,000	13,000	22,000	17,500
Year end Mar. 31, 08	820,000	30,000	38,000	27,500