

**FY2018 2nd Quarter Consolidated Financial Results [IFRS]  
(April 1, 2017 through September 30, 2017)**

October 31, 2017

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Scheduled filing date for quarterly reporting on EDINET: November 13, 2017 The expected date of dividends payment: November 27, 2017  
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 FY2018 (Apr. 1, 2017 through Sep. 30, 2017)

(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	%
FY2018 2nd quarter	1,855,119	9.3	108,019	13.9	116,214	28.0	81,942	11.7
FY2017 2nd quarter	1,697,566	8.6	94,808	23.3	90,771	15.7	73,388	35.9

	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
FY2018 2nd quarter	56,001	2.2	130,459	-	201.61	201.50
FY2017 2nd quarter	54,776	45.8	-5,710	-	190.06	189.84

(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	%
FY2018 2nd quarter	3,371,309	1,762,319	1,289,568	38.3
FY2017	3,338,339	1,694,864	1,236,385	37.0

2. Cash Dividends

	Annual cash dividends per share				
	1st quarter	2nd quarter	3rd quarter	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY2017	-	50.00	-	75.00	125.00
FY2018	-	60.00	-	-	-
FY2018(Forecast)	-	-	-	70.00	130.00

(Note) Changes in dividends forecast for FY2018: Yes

Please refer to the 'Notice Concerning Distribution of Dividends from Surplus and Revision of Dividend Forecast' disclosed on October 31, 2017.

3. Consolidated forecast for FY2018 (Apr. 1, 2017 through Mar. 31, 2018)

(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
FY2018	3,780,000	6.1	242,000	5.8	256,000	7.9	127,000	0.3	459.45

(Note) Consolidated forecast corrections for FY2018: 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: 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
- ② Number of treasury stock as of the respective balance sheet date
- ③ Average number of common stocks (quarterly total)

FY2018 2nd quarter	294,674,634 shares	FY2017	294,674,634 shares
FY2018 2nd quarter	19,615,349 shares	FY2017	15,336,453 shares
FY2018 2nd quarter	277,773,931 shares	FY2017 2nd quarter	288,209,860 shares

※ 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)

	FY2017 (As of Mar. 31. 2017)	FY2018 2nd quarter (As of Sep. 30. 2017)
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	394,559	370,015
Trade and other receivables	572,189	566,651
Other financial assets	99,428	78,326
Inventories	276,955	299,961
Other current assets	42,194	42,559
<b>Total current assets</b>	<b>1,385,326</b>	<b>1,357,515</b>
<b>Non-current assets</b>		
Property, plant and equipment	1,248,933	1,256,299
Intangible assets	43,951	40,897
Investments accounted for using the equity method	104,528	107,474
Other financial assets	434,351	482,946
Deferred tax assets	101,590	105,976
Other non-current assets	19,656	20,198
<b>Total non-current assets</b>	<b>1,953,012</b>	<b>2,013,793</b>
<b>Total assets</b>	<b>3,338,339</b>	<b>3,371,309</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	801,913	720,018
Bonds and loans payable	64,829	65,463
Other financial liabilities	37,401	37,254
Provisions	23,791	23,931
Income tax payables	37,400	28,173
Other current liabilities	30,669	32,741
<b>Total current liabilities</b>	<b>996,005</b>	<b>907,583</b>
<b>Non-current liabilities</b>		
Bonds and loans payable	393,935	428,901
Other financial liabilities	9,536	11,802
Retirement benefit liabilities	173,955	179,768
Provisions	3,248	2,983
Deferred tax liabilities	57,542	68,264
Other non-current liabilities	9,252	9,686
<b>Total non-current liabilities</b>	<b>647,469</b>	<b>701,406</b>
<b>Total liabilities</b>	<b>1,643,474</b>	<b>1,608,989</b>
<b>Equity</b>		
Capital stock	45,049	45,049
Capital surplus	71,822	71,881
Treasury stock	-56,983	-81,667
Other components of equity	110,597	154,016
Retained earnings	1,065,900	1,100,288
<b>Equity attributable to owners of the parent company</b>	<b>1,236,385</b>	<b>1,289,568</b>
Non-controlling interests	458,478	472,751
<b>Total equity</b>	<b>1,694,864</b>	<b>1,762,319</b>
<b>Total liabilities and equity</b>	<b>3,338,339</b>	<b>3,371,309</b>

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

## (Consolidated quarterly statements of income)

(Million Yen)

	FY2017 2nd quarter (Apr. 1, 2016 through Sep. 30, 2016)	FY2018 2nd quarter (Apr. 1, 2017 through Sep. 30, 2017)
Revenue	1,697,566	1,855,119
Cost of revenue	-1,475,403	-1,613,578
Gross profit	222,162	241,541
Selling, general and administrative expenses	-137,924	-136,567
Other income	23,871	8,836
Other expenses	-13,301	-5,791
Operating profit	94,808	108,019
Finance income	6,940	7,205
Finance expenses	-14,404	-4,230
Equity in earnings of affiliates	3,426	5,219
Profit before income taxes	90,771	116,214
Income tax expenses	-17,382	-34,272
Profit for the period	73,388	81,942
Profit for the period attributable to:		
Owners of the parent	54,776	56,001
Non-controlling interests	18,612	25,940
Total	73,388	81,942
Earnings per share		
Basic earnings per share (Yen)	190.06	201.61
Diluted earnings per share (Yen)	189.84	201.50

## (Consolidated quarterly statements of comprehensive income)

(Million Yen)

	FY2017 2nd quarter (Apr. 1, 2016 through Sep. 30, 2016)	FY2018 2nd quarter (Apr. 1, 2017 through Sep. 30, 2017)
Profit for the period	73,388	81,942
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	-1,035	-106
Net changes in revaluation of financial assets measured at fair value through other comprehensive income	-18,958	31,644
Share of other comprehensive income of associates accounted for using the equity method	-11	55
Total	-20,004	31,594
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	25	-31
Cash flow hedges	395	348
Exchange differences on translating foreign operations	-54,435	16,556
Share of other comprehensive income of associates accounted for using the equity method	-5,080	49
Total	-59,094	16,922
Other comprehensive income total	-79,099	48,516
Comprehensive income for the period	-5,710	130,459
Comprehensive income for the period attributable to:		
Owners of the parent	-8,520	98,757
Non-controlling interests	2,810	31,701
Total	-5,710	130,459

## (3) Consolidated statements of changes in equity

FY2017 2nd quarter(Apr. 1, 2016 through Sep. 30, 2016)

(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, 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

	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, 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

(4) Notes to the Consolidated Financial Statements

(Going concern assumption)

None

(Material Subsequent Events)

None