

## FY2009 Half year Consolidated Financial Results (April 1, 2008 through September 30, 2008)

October 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.com>  
 Reference person in charge Masaaki Yasui, T E L 81 - 566 - 24 - 8265  
 General Manager, Finance & Accounting Dept.

(Amounts less than million yen are rounded down.)

### 1. Consolidated Results for FY2009 Half year (Apr. 1, 2008 through Sep. 30, 2008)

#### (1) Consolidated Financial Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
<b>FY2009 Half year</b>	<b>1,304,590</b>	—	<b>57,188</b>	—	<b>66,494</b>	—	<b>31,581</b>	—
FY2008 Half year	1,293,501	15.5	81,031	55.3	84,882	55.2	38,628	56.5
	Earnings Per Share		Fully Diluted Earnings Per Share					
	Yen		Yen					
<b>FY2009 Half year</b>	<b>112.21</b>		<b>112.20</b>					
FY2008 Half year	135.45		135.26					

#### (2) Consolidated Financial Position

	Total Assets	Net Assets	Net assets excluding subscription rights to shares and minority interest as a percentage of total assets	Net assets excluding subscription rights to shares and minority interest per share
	Million Yen	Million Yen	%	Yen
<b>FY2009 Half year</b>	<b>1,994,947</b>	<b>978,792</b>	<b>37.7</b>	<b>2,675.17</b>
FY2008	2,097,727	994,592	36.6	2,725.67

Note : Net assets excluding subscription rights to shares and minority interest FY2009 Half year : 752,951 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
<b>FY2009</b>	—	30.00	—	—	—
FY2009(Forecast)	—	—	—	30.00	60.00

Note : Dividend forecast corrections for FY2009 : None

### 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
FY2009(Forecast)	2,520,000	-6.7	80,000	-55.7	90,000	-51.7	43,000	-53.1	152.78

Note : Consolidated forecast corrections for FY2009 : Yes

### 4. Others

(1) Changes in significant subsidiaries : None

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

(3) Changes in Accounting Policies and Presentation

① Changes according to revision of accounting policy : Yes

② Changes other than above : None

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

(4) Issued and outstanding capital stock

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

② Number of treasury stock  
 FY2009 Half year : 13,215,271 shares , FY2008 : 13,231,279 shares

③ Average number of common stocks  
 FY2009 Half year : 281,454,447 shares , FY2008 Half year : 285,189,939 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. Qualitative information on Consolidated forecast for FY2009 " on 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.

Although overall demand in the auto parts segment were sluggish in the United States and Japanese markets, aggressive sales activities in the emerging Chinese market for automatic transmissions, manual transmissions, and brake system components, contributed to the second quarter sales within the Auto Parts segment of 1,251,766 million yen.

Sales within the Life & Energy related products were 21,749 million yen. And other sales segment which includes construction, and gasoline sales were 31,074 million yen. As a result, second quarter net sales totaled 1,304,590 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 57,188 million yen. Ordinary income totaled 66,494 million yen. Net income totaled 31,581 million yen.

### 2. Qualitative information on Consolidated Financial Position

During the 1st half of FY2009 (Apr. 1, 2008 through Sep. 30, 2008) total assets decreased 4.9% from 2,097,727 million yen to 1,994,947 million yen due to decrease in current assets and market value of securities. Despite generating net profit, net assets decreased 1.6% from 994,592 million yen to 978,792 million yen due to 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, currency fluctuations, and escalating price of commodities 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.

Upon taking into consideration the above business climate the company will revise forecast for FY2009 from the forecast released on July 30th 2008. The revised forecast for FY2009 is as follows: Consolidated net sales of 2,520,000 million yen, operating income of 80,000 million yen, ordinary income of 90,000 million yen, and net income of 43,000 million yen. The exchange rate used in this forecast are ¥100 to the US dollar, and ¥135 to the Euro.

### 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 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.

#### 2 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.

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

**3 Retirement benefit obligation estimation**

To prepare for employee retirement benefit, 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.

**② Unique accounting policies for preparing quarterly statements****Income tax calculation**

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

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

**(3) Changes in Accounting Policies and Presentation****1 Adoption of the "Accounting Standard for Quarterly Financial Statements"**

Starting from the 1st quarter of this fiscal year, 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 Statements" 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 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 Half year (As of Sep. 30, 2008)	FY2008 (As of Mar. 31, 2008)
Assets		
Current assets		
Cash and deposits	89,002	102,293
Notes and accounts receivable-trade	344,031	373,697
Short-term investment securities	49,304	95,636
Merchandise and finished goods	84,155	80,967
Work in process	51,265	46,952
Raw materials and Supplies	48,140	47,440
Other	118,336	123,675
Allowance for doubtful accounts	-579	-746
Total current assets	<u>783,657</u>	<u>869,917</u>
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	544,135	536,086
Accumulated depreciation	-291,359	-282,709
Buildings and structures, net	<u>252,775</u>	<u>253,377</u>
Machinery, equipment and vehicles	1,404,780	1,365,899
Accumulated depreciation	-971,516	-936,366
Machinery, equipment and vehicles, net	<u>433,263</u>	<u>429,533</u>
Tools, furniture and fixtures	254,166	248,379
Accumulated depreciation	-214,984	-206,768
Tools, furniture and fixtures, net	<u>39,182</u>	<u>41,610</u>
Land	96,720	94,649
Construction in progress	60,053	56,602
Total property, plant and equipment	<u>881,995</u>	<u>875,773</u>
Intangible assets	<u>20,098</u>	<u>20,885</u>
Investments and other assets		
Investment securities	240,864	267,509
Other	68,769	64,086
Allowance for doubtful accounts	-439	-445
Total investments and other assets	<u>309,195</u>	<u>331,150</u>
Total noncurrent assets	<u>1,211,289</u>	<u>1,227,810</u>
Total assets	<u>1,994,947</u>	<u>2,097,727</u>

(Million Yen)

	FY2009 Half year (As of Sep. 30, 2008)	FY2008 (As of Mar. 31, 2008)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	342,753	372,058
Short-term loans payable	33,096	28,647
Income taxes payable	18,900	42,206
Provision	20,475	21,034
Other	226,208	240,332
Total current liabilities	<u>641,433</u>	<u>704,280</u>
Noncurrent liabilities		
Bonds payable	39,988	39,988
Long-term loans payable	211,876	227,664
Provision for retirement benefits	82,764	82,018
Other provision	5,711	6,233
Other	34,379	42,950
Total noncurrent liabilities	<u>374,721</u>	<u>398,854</u>
Total liabilities	<u>1,016,154</u>	<u>1,103,134</u>
Net assets		
Shareholders' equity		
Capital stock	45,049	45,049
Capital surplus	58,832	58,825
Retained earnings	600,418	578,969
Treasury stock	-20,720	-20,738
Total shareholders' equity	<u>683,579</u>	<u>662,106</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	69,775	88,130
Deferred gains or losses on hedges	-805	-1,184
Foreign currency translation adjustment	402	18,071
Total valuation and translation adjustments	<u>69,372</u>	<u>105,016</u>
Subscription rights to shares	862	601
Minority interests	224,978	226,867
Total net assets	<u>978,792</u>	<u>994,592</u>
Total liabilities and net assets	<u>1,994,947</u>	<u>2,097,727</u>

## (2) Consolidated half year statements of income

	(Million Yen)
	FY2009 Half year (Apr. 1, 2008 through Sep. 30, 2008)
Net sales	1,304,590
Cost of sales	<u>1,146,284</u>
Gross profit	<u>158,306</u>
Selling, general and administrative expenses	
Salaries and allowances	26,416
Other	<u>74,701</u>
Total selling, general and administrative expenses	<u>101,117</u>
Operating income	<u>57,188</u>
Non-operating income	
Interest income	596
Dividends income	2,814
Equity in earnings of affiliates	4,416
Other	<u>8,672</u>
Total non-operating income	<u>16,499</u>
Non-operating expenses	
Interest expenses	1,777
Other	<u>5,415</u>
Total non-operating expenses	<u>7,193</u>
Ordinary income	<u>66,494</u>
Income before income taxes and minority interests	<u>66,494</u>
Income taxes	23,312
Minority interests in income	<u>11,600</u>
Net income	<u>31,581</u>



## Consolidated quarterly statements of income

	(Million Yen)
	FY2009 2nd quarter (Jul. 1, 2008 through Sep. 30, 2008)
Net sales	634,566
Cost of sales	563,561
Gross profit	71,004
Selling, general and administrative expenses	
Salaries and allowances	13,273
Other	37,905
Total selling, general and administrative expenses	51,178
Operating income	19,825
Non-operating income	
Interest income	263
Dividends income	128
Equity in earnings of affiliates	973
Foreign exchange gains	1,196
Other	3,418
Total non-operating income	5,980
Non-operating expenses	
Interest expenses	1,130
Other	3,333
Total non-operating expenses	4,464
Ordinary income	21,341
Income before income taxes and minority interests	21,341
Income taxes	9,804
Minority interests in income	3,799
Net income	7,736

### (3) Consolidated half year statements of cash flows

(Million Yen)

FY2009 Half year  
(Apr. 1, 2008 through  
Sep. 30, 2008)

Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	66,494
Depreciation and amortization	88,859
Decrease (increase) in notes and accounts receivable-trade	23,915
Decrease (increase) in inventories	-12,906
Increase (decrease) in notes and accounts payable-trade	-20,937
Other, net	-6,912
Subtotal	<u>138,513</u>
Interest and dividends income received	5,984
Interest expenses paid	-1,666
Income taxes paid	-47,106
Net cash provided by (used in) operating activities	<u>95,724</u>
Net cash provided by (used in) investment activities	
Decrease (increase) in time deposits and securities	-5,741
Purchase of property, plant and equipment	-121,726
Proceeds from sales of property, plant and equipment	3,944
Purchase of investment securities	-11,302
Proceeds from sales and redemption of investment securities	12,026
Other, net	-2,244
Net cash provided by (used in) investment activities	<u>-125,042</u>
Net cash provided by (used in) financing activities	
Increase (decrease) in short-term bank loans and commercial papers	30
Proceeds from long-term loans payable	149
Repayment of long-term loans payable	-11,633
Cash dividends paid	-10,133
Cash dividends paid to minority shareholders	-6,113
Other, net	294
Net cash provided by (used in) financing activities	<u>-27,405</u>
Effect of exchange rate change on cash and cash equivalents	<u>-3,790</u>
Net increase (decrease) in cash and cash equivalents	<u>-60,514</u>
Cash and cash equivalents at beginning of period	<u>190,245</u>
Cash and cash equivalents at end of period	<u>129,730</u>



Starting from the 1st quarter of this fiscal year, 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 Statements" 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.

#### (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 Half year (Apr. 1, 2008 through Sep. 30, 2008)

(Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	899,319	180,234	96,946	128,090	1,304,590	—	1,304,590
(2) Inter-segment	165,451	5,649	3,989	4,588	179,680	( 179,680 )	—
Total	1,064,771	185,884	100,936	132,679	1,484,271	( 179,680 )	1,304,590
Operating Income	32,143	1,960	1,082	20,370	55,557	1,631	57,188

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

2.Main countries are

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

FY2009 2nd quarter (Jul. 1, 2008 through Sep. 30, 2008)

(Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	442,926	81,870	45,264	64,504	634,566	—	634,566
(2) Inter-segment	79,531	2,988	1,963	2,446	86,930	( 86,930 )	—
Total	522,457	84,859	47,227	66,950	721,496	( 86,930 )	634,566
Operating Income (Loss)	11,255	(1,389)	376	9,154	19,396	428	19,825

## 【Sales by Customer Location】

FY2009 Half year (Apr. 1, 2008 through Sep. 30, 2008)

(Million Yen)

	North America	Europe	Others	Total
Overseas Sales	200,940	114,204	194,693	509,838
Net Sales	—	—	—	1,304,590
Overseas Sales Ratio to Net Sales(%)	15.4	8.8	14.9	39.1

Note: Main countries are

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

FY2009 2nd quarter (Jul. 1, 2008 through Sep. 30, 2008)

(Million Yen)

	North America	Europe	Others	Total
Overseas Sales	92,182	53,286	96,225	241,693
Net Sales	—	—	—	634,566
Overseas Sales Ratio to Net Sales(%)	14.5	8.4	15.2	38.1

## (6) Consolidated Statements of Changes in Shareholders' Equity

FY2009 Half year (Apr. 1, 2008 through Sep. 30, 2008)

(Million Yen)

	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance as of Mar. 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			31,581		31,581
Purchase of treasury stock				-14	-14
Disposal of treasury stock		7		31	39
Total Changes in the Term	—	7	21,448	17	21,473
Balance as of Sep. 30, 2008	45,049	58,832	600,418	-20,720	683,579

## 【Reference】

### (1) Consolidated half year statements of income

	(Million Yen)
	FY2008 Half year (Apr. 1, 2007 through Sep. 30, 2007)
Net sales	1,293,501
Cost of sales	<u>1,115,322</u>
Gross profit	<u>178,179</u>
Selling, general and administrative expenses	<u>97,147</u>
Operating income	<u>81,031</u>
Non-operating income	
Interest income and Dividends income	3,169
Equity in earnings of affiliates	4,261
Other	<u>5,008</u>
Total non-operating income	<u>12,439</u>
Non-operating expenses	
Interest expenses	2,234
Other	<u>6,354</u>
Total non-operating expenses	<u>8,588</u>
Ordinary income	<u>84,882</u>
Income before income taxes and minority interests	<u>84,882</u>
Income Taxes-current	27,288
Income Taxes-deferred	<u>2,203</u>
Total Income Taxes	<u>29,491</u>
Minority interests in income	<u>16,762</u>
Net income	<u>38,628</u>



(2) Consolidated half year statements of cash flows

(Million Yen)

FY2008 Half year  
(Apr. 1, 2007 through  
Sep. 30, 2007)

Net cash provided by (used in) operating activities	
Income before income taxes and minority interests	84,882
Depreciation and amortization	82,176
Increase(Decrease) in allowance for retirement benefits	-1,073
Interest and dividends income	-3,169
Interest expenses	2,234
Equity in (earnings) losses of affiliates	-4,261
Loss on disposal of property, plant and equipment	1,459
Decrease (increase) in notes and accounts receivable-trade	-7,820
Decrease (increase) in inventories	376
Increase (decrease) in notes and accounts payable-trade	-8,881
Other, net	10,549
Subtotal	<u>135,372</u>
Interest and dividends income received	4,953
Interest expenses paid	-2,154
Income taxes paid	-45,320
Net cash provided by (used in) operating activities	<u>92,851</u>
Net cash provided by (used in) investment activities	
Decrease (increase) in time deposits and securities	2,224
Purchase of property, plant and equipment	-96,507
Proceeds from sales of property, plant and equipment	3,111
Purchase of investment securities	-10,038
Proceeds from sales of investments in securities	382
Proceeds upon maturity of security investments	3,075
Payments of loans receivable	-618
Collection of loans receivable	775
Other, net	-2,161
Net cash provided by (used in) investment activities	<u>-99,755</u>
Net cash provided by (used in) financing activities	
Increase (decrease) in short-term bank loans and commercial papers	-3,081
Proceeds from long-term loans payable	10,646
Repayment of long-term loans payable	-5,285
Proceeds from stock issuance to minority shareholders	644
Cash dividends paid	-6,835
Cash dividends paid to minority shareholders	-3,829
Purchase of treasury stock	-26
Proceeds from disposal of treasury stock	1,650
Net cash provided by (used in) financing activities	<u>-6,117</u>
Effect of exchange rate change on cash and cash equivalents	<u>2,597</u>
Net increase (decrease) in cash and cash equivalents	<u>-10,424</u>
Cash and cash equivalents at beginning of period	<u>136,307</u>
Cash and cash equivalents at end of period	<u>125,883</u>

### (3) 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】

FY2008 Half year (Apr. 1, 2007 through Sep. 30, 2007)

(Million Yen)

	Japan	North America	Europe	Others	Total	Eliminations	Consolidated
Sales							
(1) Customers	881,696	211,484	94,042	106,277	1,293,501	—	1,293,501
(2) Inter-segment	175,085	4,691	3,878	5,074	188,730	( 188,730 )	—
Total	1,056,782	216,175	97,921	111,352	1,482,231	( 188,730 )	1,293,501
Operating Costs & Expenses	1,000,749	209,620	95,409	94,875	1,400,654	( 188,184 )	1,212,469
Operating Income	56,032	6,555	2,512	16,477	81,576	( 545 )	81,031

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

2.Main countries are

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

#### 【Sales by Customer Location】

FY2008 Half year (Apr. 1, 2007 through Sep. 30, 2007)

(Million Yen)

	North America	Europe	Others	Total
Overseas Sales	231,469	109,488	169,932	504,890
Net Sales	—	—	—	1,293,501
Overseas Sales Ratio to Net Sales(%)	17.9	8.4	12.7	39.0

Note: Main countries are

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