

Outline of Financial Result for FY06

May 22, 2007

Calsonic Kansei Corporation



Outline for Consolidated Financial Result

Comparison with FY05

(100 millions of yen)

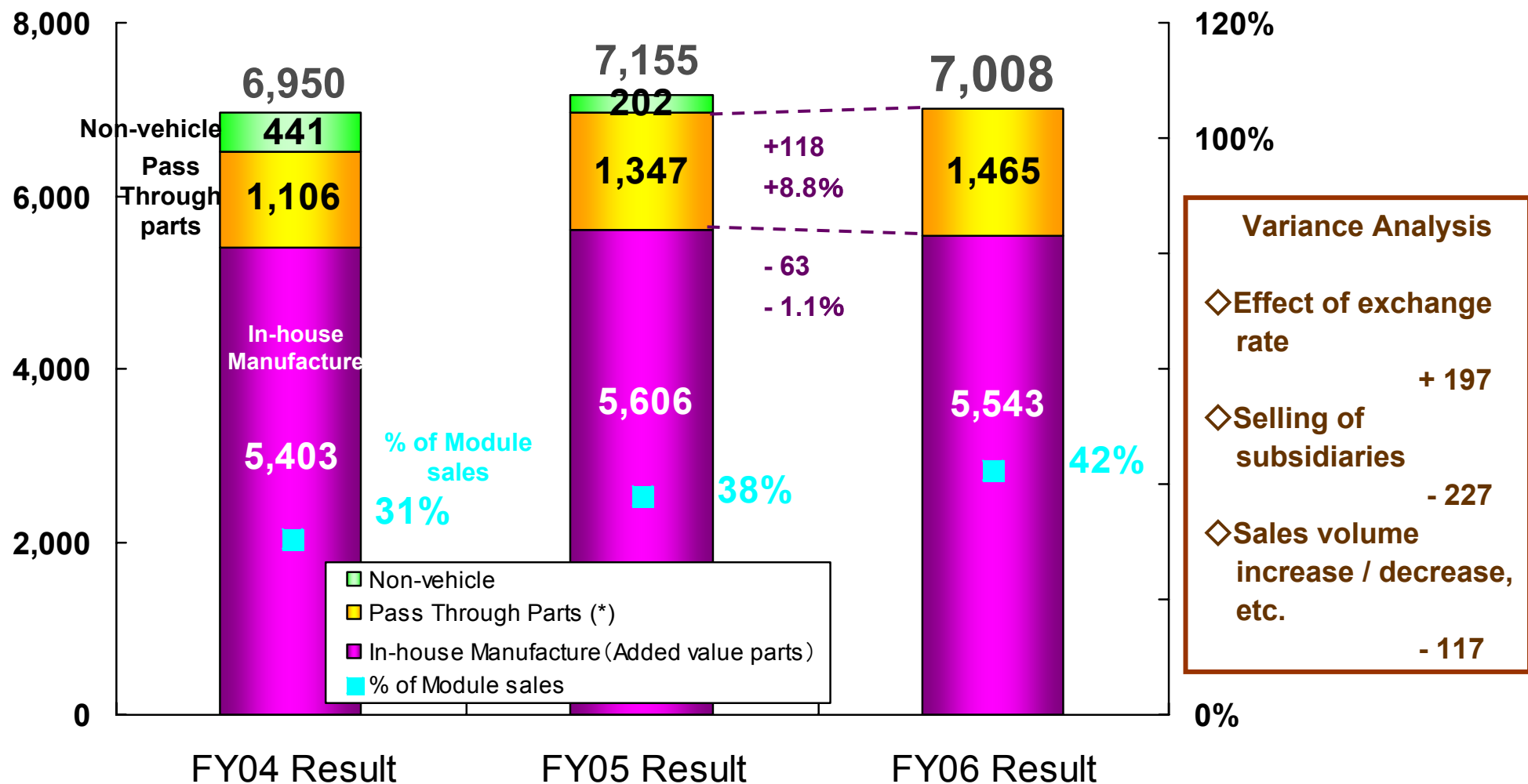
	FY05 Result (A) (05/04-06/03)	FY06 Result (B) (06/04-07/03)	Variance
			(B) - (A)
Net Sales	7,155	7,008	-147 -2.1%
Operating Income	246	123	-123
(Operating Income Rate:%)	(3.4%)	(1.8%)	-50.1%
Ordinary Income	246	103	-143 -58.2%
Net Income	192	2	-190 -99.2%



Consolidated Net Sales History

(*) Internal management figures are used for pass-through parts

(100 millions of yen)

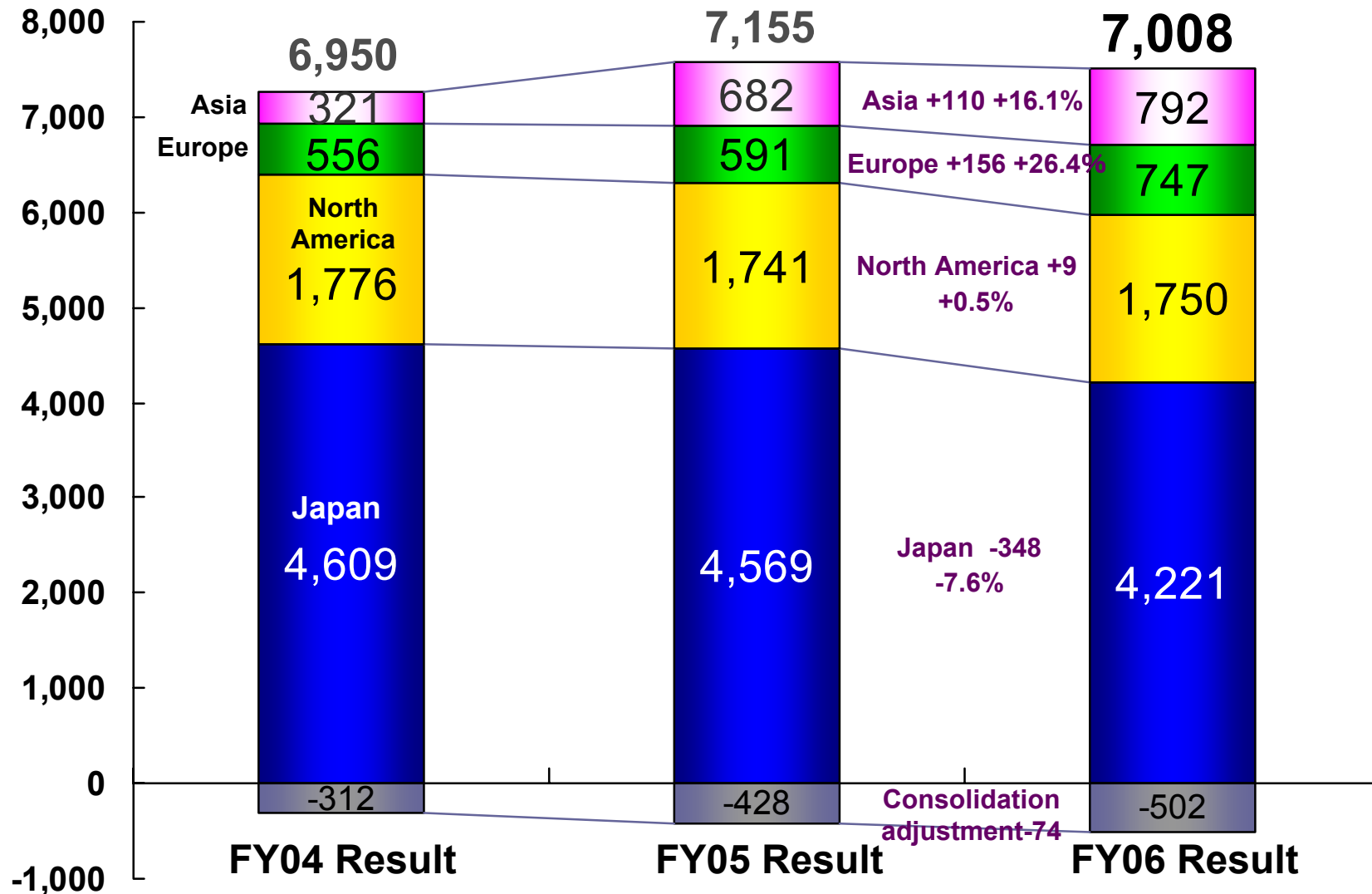


% of Module sales = Module sales / Overall sales amount × 100



Consolidated Net Sales History by Region

(100 millions of yen)

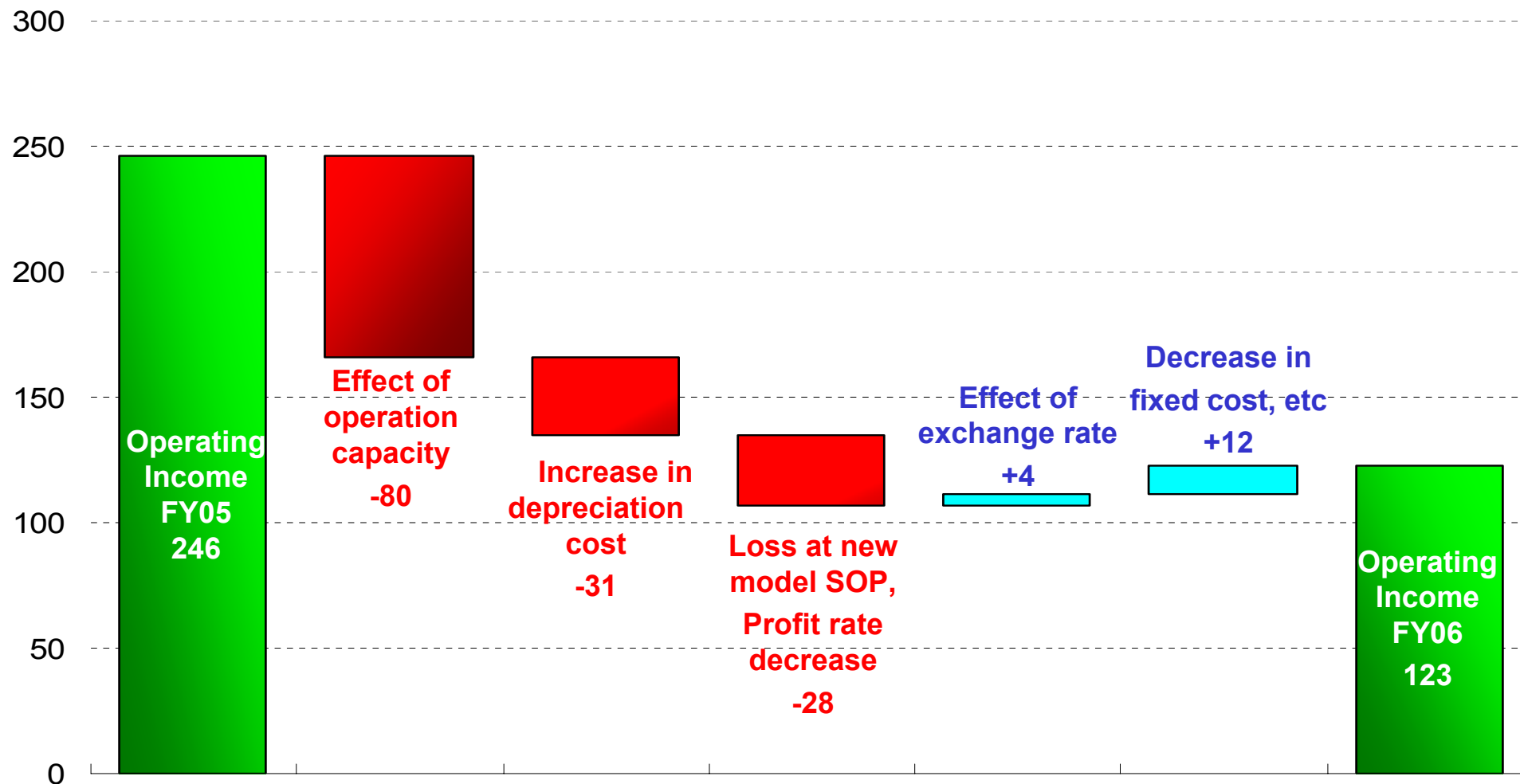




Consolidated Operating Income Variance Analysis

Comparison with FY05

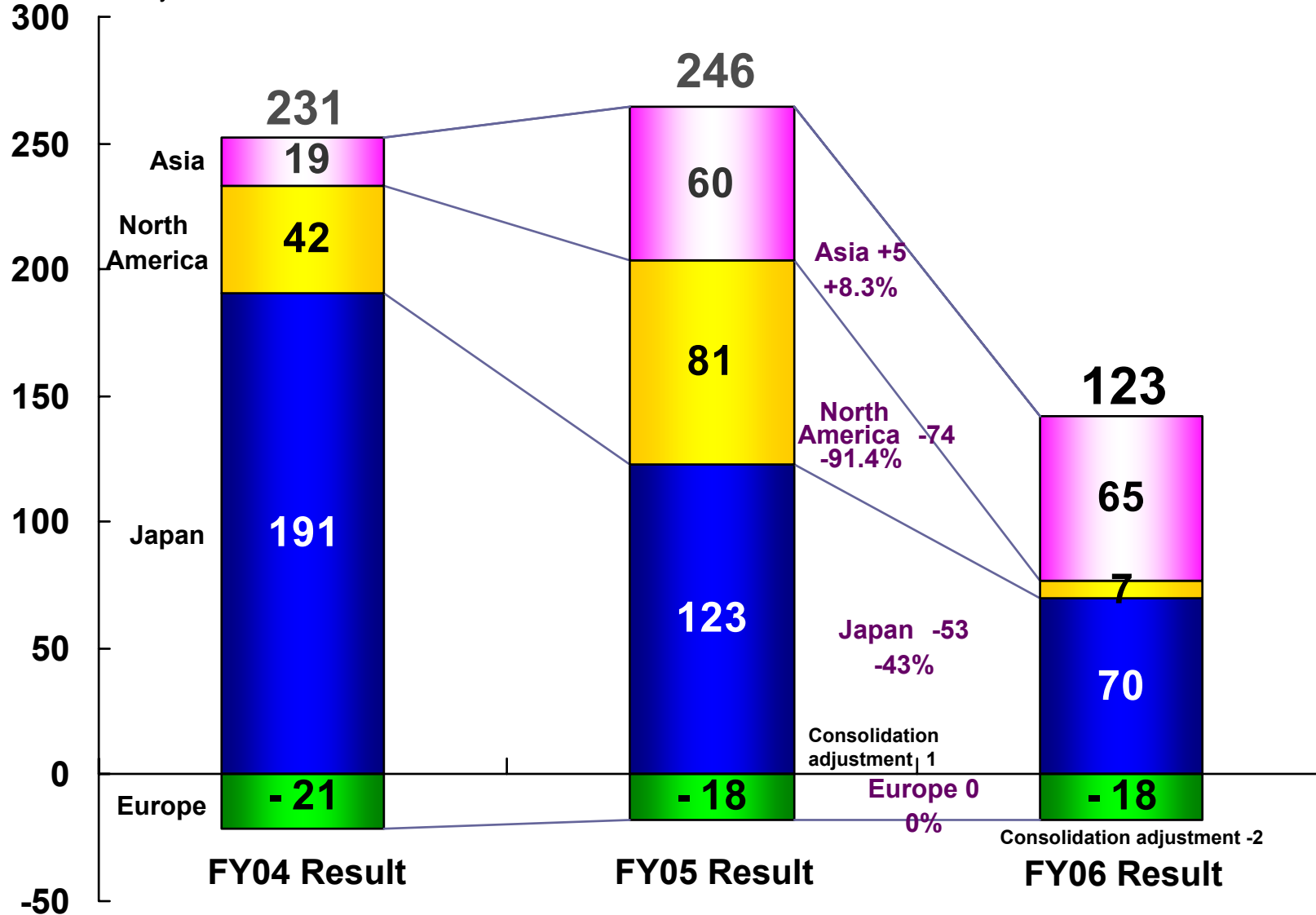
(100 millions of yen)





Consolidated Operating Income History by Region

(100 millions of yen)





Consolidated Ordinary Income, Consolidated Net Income

(100 millions of yen)

	FY05 Result (A)	FY06 Result (B)	Variance (B)-(A)
Operating Income	246	123	-123
Net Non-operating	0	-20	-20
Ordinary Income	246	103	-143
Net Extraordinary Losses	-5	-27	-22
Net Income before Tax	241	76	-165
Taxes	49	74	+25
Net Income	192	2	-190



Extraordinary Income, Extraordinary Losses

➤ Extraordinary income 8.3 billion yen

Income from selling of fixed assets 8.2 B yen

Selling of CK-owned land/buildings 3.3 B yen

Selling of subsidiary-owned land/buildings 4.6 B yen

➤ Extraordinary losses 11 billion yen

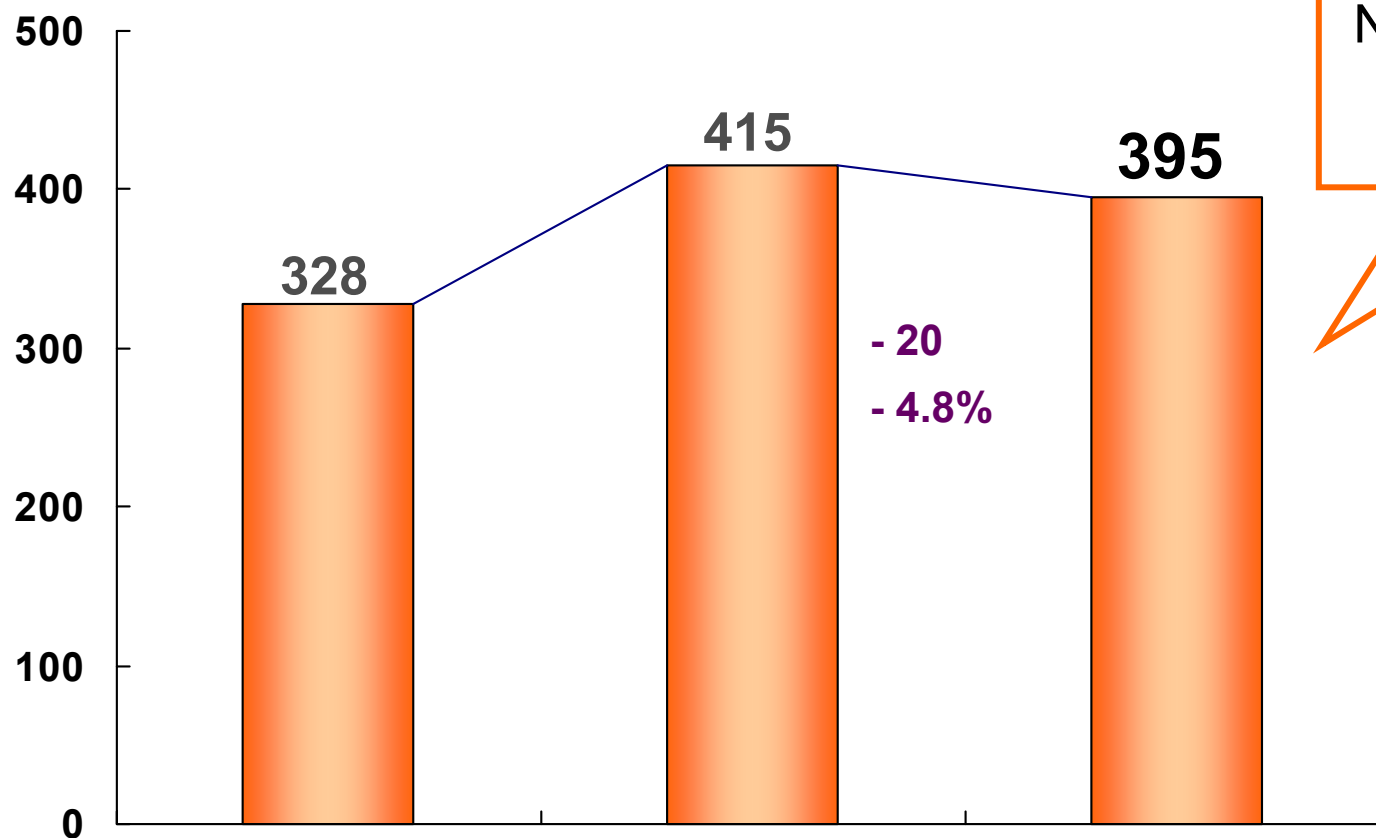
Product warranty expenses 2.7 B yen

Corporate restructuring expenses 3.6 B yen



Global Capital Expenditure

(100 millions of yen)



FY04 Result

FY05 Result

FY06 Result

Capital expenditure on sales

4.7%

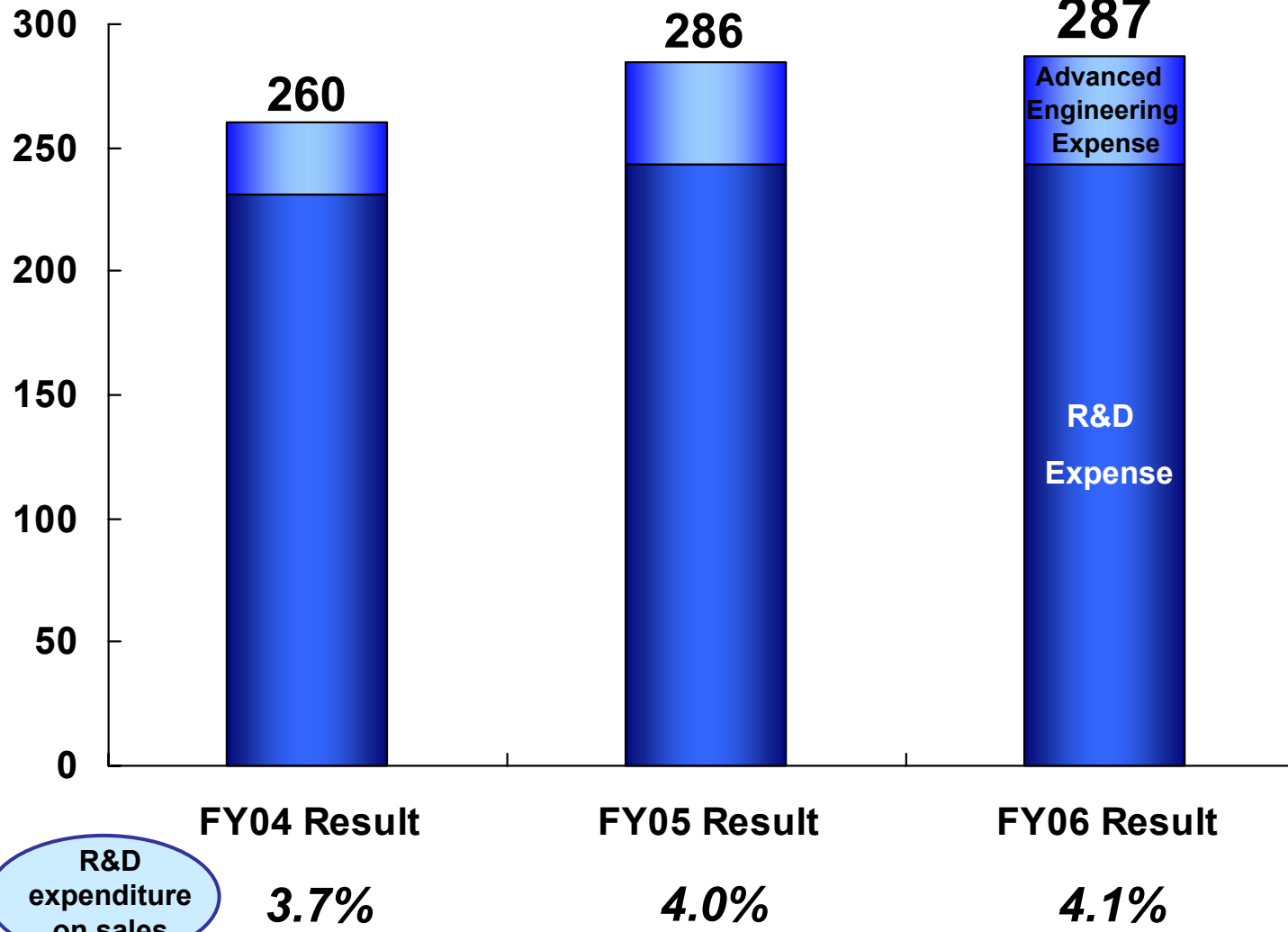
5.8%

5.6%



Global R&D Expenditure

(100 millions of yen)





FY06 Performance of New Order Achieving Activities

➤ **35.6 billion yen of new orders had been achieved in FY06**

(Billions of yen)

Nissan	15.4
Non-Nissan	20.2
GM	8.9
Suzuki	8.3
Others	3
Total of New Orders	35.6



Outline of Consolidated Financial Result

Comparison with FY05

(100 millions of yen)

	FY05 Result (A) (05/04-06/03)	FY06 Result (B) (06/04-07/03)	Variance (B) - (A)
	Net Sales	7,155	7,008
Operating Income (Operating Income Rate:%)	246 (3.4%)	123 (1.8%)	-123 -50.1%
Ordinary Income	246	103	-143
Net Income	192	2	-190
Capital Expenditure	415	395	-20
R&D Expenditure	286	287	+1

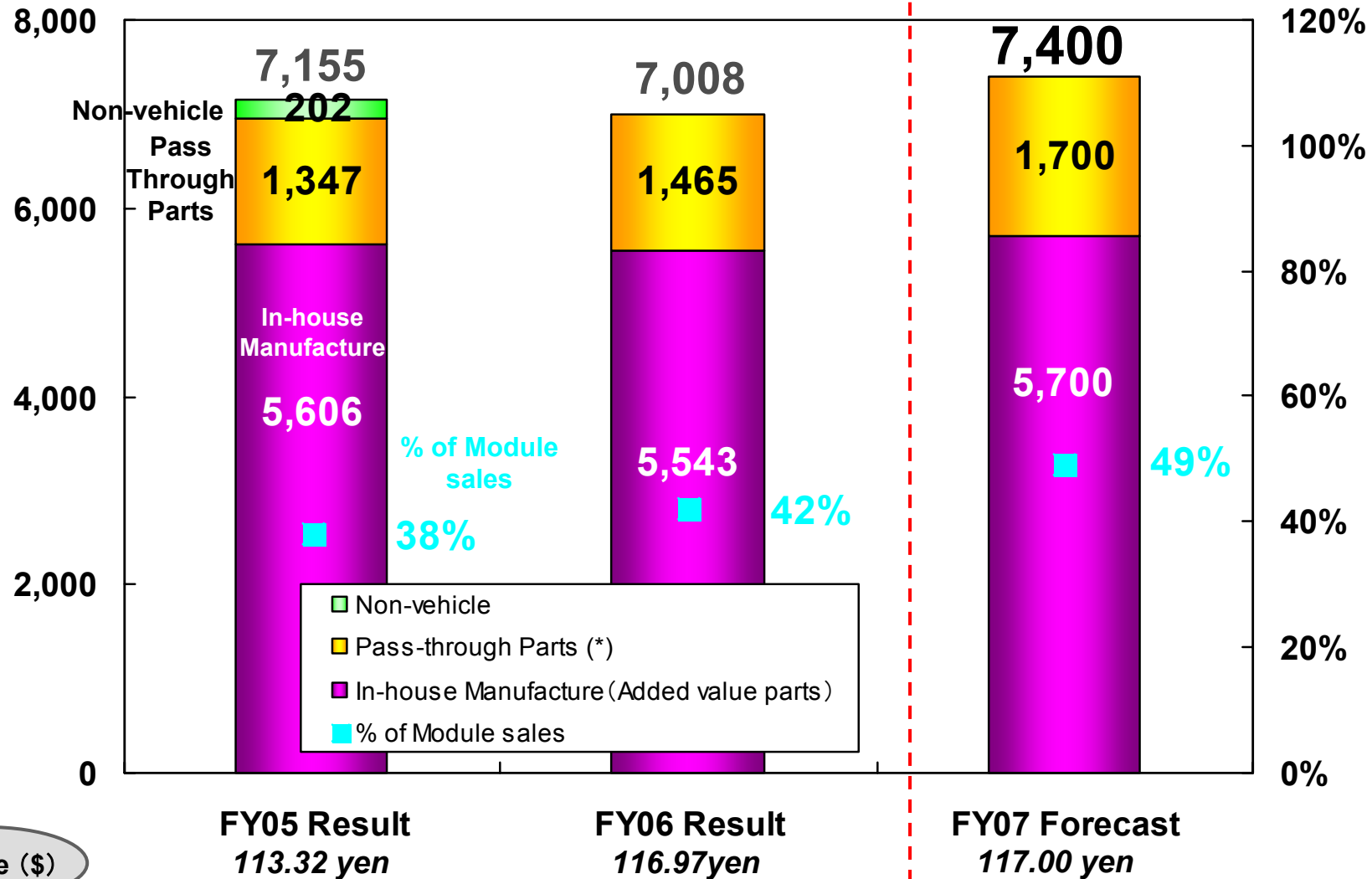
FY2007 Forecast



Consolidated Net Sales Forecast by Parts Composition

(100 millions of yen)

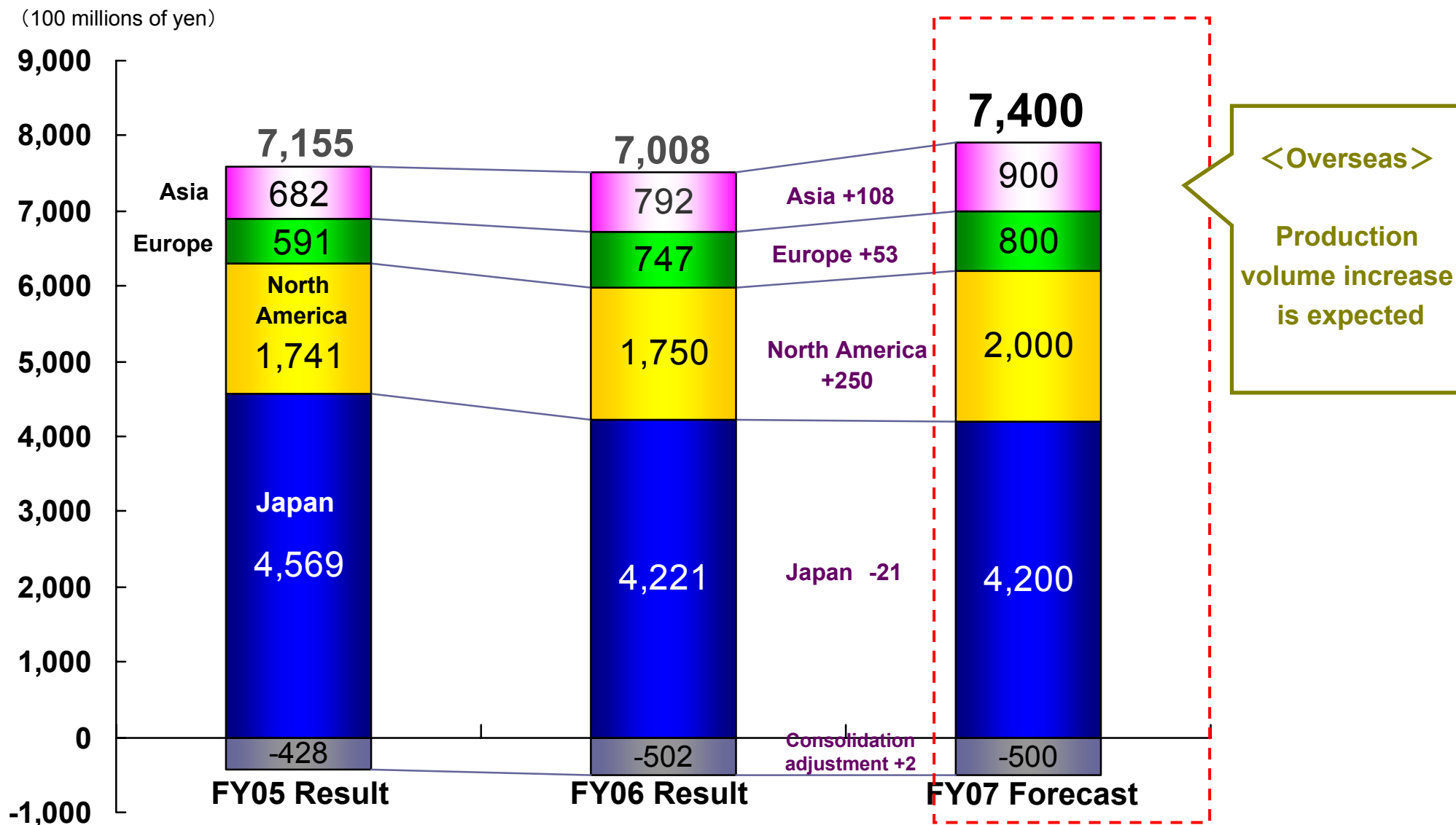
(*) Internal management figures are used for pass through parts



% of Module sales = Module sales / Overall sales amount × 100



Consolidated Net Sales Forecast by Region

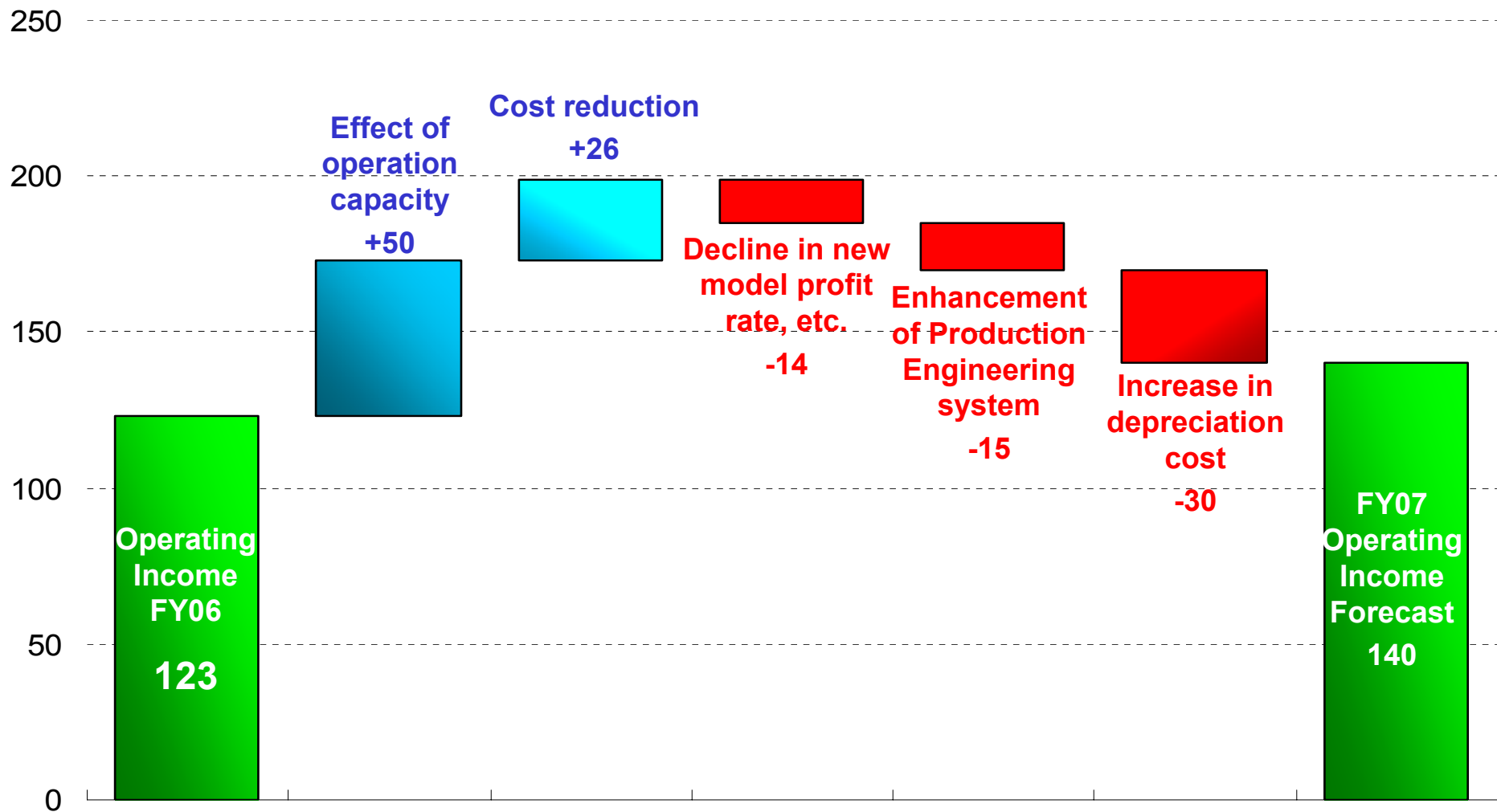




Consolidated Operating Income Forecast

Comparison with FY06

(100 millions of yen)





Forecast for FY2007 Consolidated Financial Result

(100 millions of yen)

	FY 06 Result (B) (06/04-07/03)	FY07 Forecast (C) (07/04-08/03)	Variance (C) - (B)
	Net Sales	7,008	7,400
Operating Income	123	140	+17
(Operating Income Rate:%)	(1.8%)	(1.9%)	+14.1%
Ordinary Income	103	120	+17
Net Income	2	30	+28
Capital Expenditure	395	380	-15
(Capital Expenditure on Sales: %)	(5.6%)	(5.1%)	-3.8%
R&D Expenditure	287	290	+3
(R&D Expenditure on Sales: %)	(4.1%)	(3.9%)	+1.0%



Efficiency Improvement in Japan

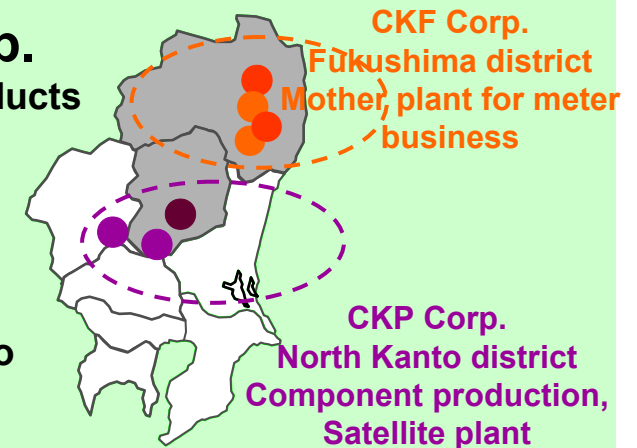
➤ Plant Realignments in Japan

Satellite plant/ Integrated production of components

➤ Subsidiary Realignments (April~)

▪ **Establishment of CKP Corp.**
Merger between former Calsonic Products Inc. and former Saitec Corp.

▪ **Realignment of CKF Corp.**
Fukushima plant of former CPI was transferred by separation and Iwashiro Seiki Co. became its subsidiary



➤ Production System Improvement

Reduce operations by synchronized production

➤ Assembling of Prototype / Measurement Engineering Group

Assemble the group to Yoshimi Production Engineering Center

➤ Delivery / Safety Operation Outsourcing

Reduce man-hour Employment transfer: 200 employees (Starting from May)



Profit Recovery in North America

- **Subsidiaries are consolidated into one company, both in USA and Mexico region**

→ Accelerate operational integration between USA and Mexico

- **Realignment / Integration of Production Bases**

Vicksburg Plant (Mississippi)

Manchester Plant (Tennessee)

Operations are transferred to other plants along with plant closures

Number of employee reduction:
130

- **Utilization of Mexico as LCC**

Partially transfer USA's production
(Condenser, Heater core, etc.)



Restoration in Europe

➤ UK

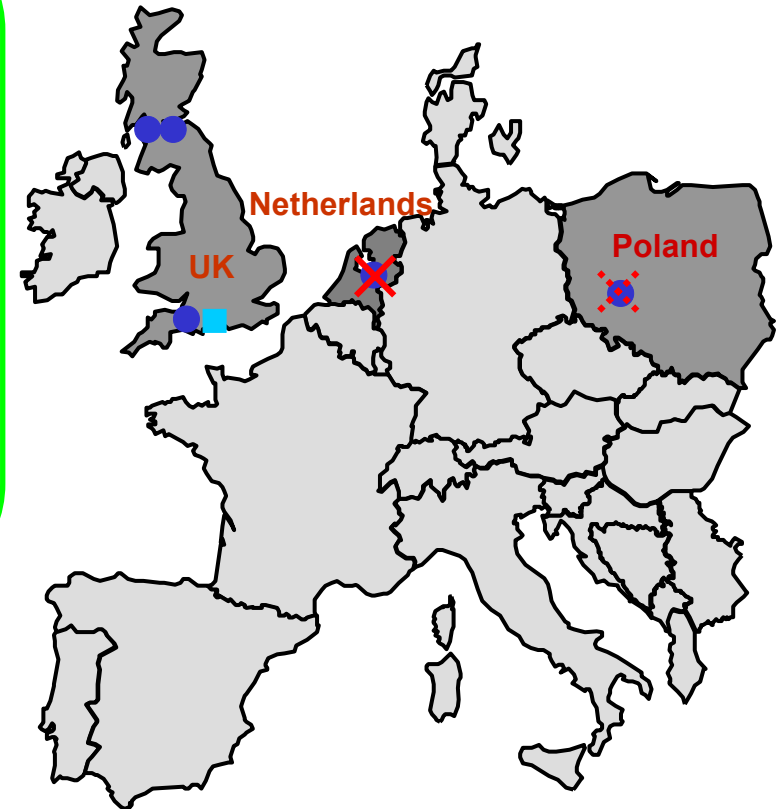
Employee reduction: 110 employees

➤ Netherlands

Production base closure

➤ Poland

Production base closure is now under examination



Profit restoration is expected in this fiscal year



Innovation to Strong Business Structure

**In FY07, improvement measures for Japan region
will be thoroughly implemented**



**Business
environment is
changing faster
than expected**

**Measures are necessary to be implemented
ahead of schedule**

**Along with it,
accelerate overseas regions' shifting to LCC (China,
Thailand, Romania, Mexico, etc.); and be back on the
growth path**