

Outline of Financial Results for FY08 First Half

November 14, 2008

Calsonic Kansei Corporation

President & CEO Bunsei Kure



Notes

- Some of plans, strategies and opinions of Calsonic Kansei Corporation contained in the documents are not based upon the historical data, but drafted on the basis of the forecast, which may involve some risks and uncertainties. Please understand the actual results could be different from the forecast due to various factors.
- The purpose of making the documents available is solely to provide information, not to invite investment.



Outline of Financial Results for FY08 First Half

Apr. – Sep. cumulative total

(Unit: 100 millions of yen)

	FY07 First Half Actual (A) (07/4~9)	FY08 First Half Actual (B) (08/4~9)	Variance (B)-(A)
Net Sales	3,801	4,111	+310 +8.2%
Operating Income	12	21	+9
※(Operating Income Rate: %)	(0.5%)	(0.8%)	+70.5%
Ordinary Income	-2	4	+6
※(Ordinary Income Rate: %)	(—)	(0.1%)	-
Net Income	-62	-18	+44
※(Net Income Rate: %)	(—)	(—)	-

※ Income rate is calculated based on value-added sales

(yen)

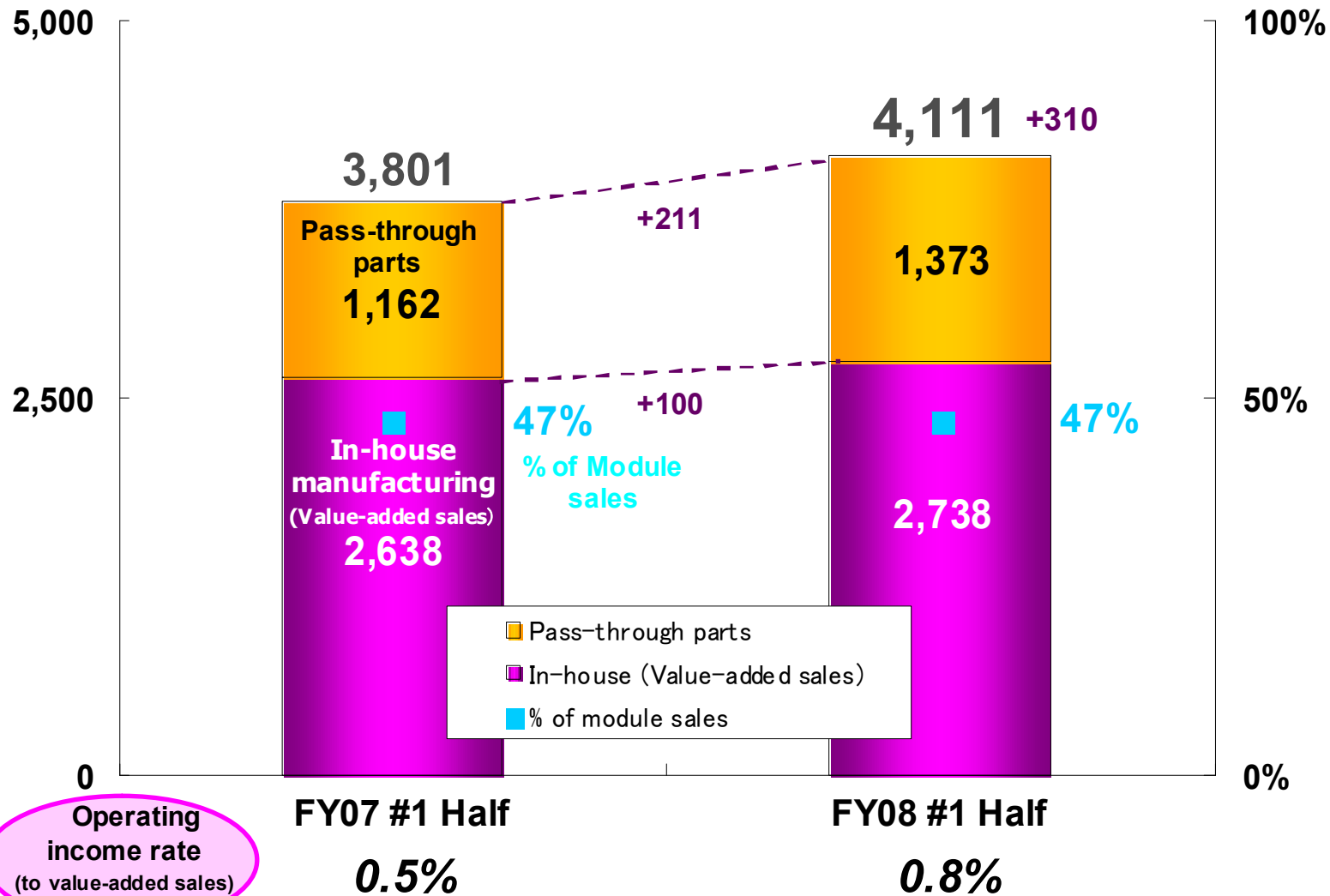
Exchange Rate	\$	119.4	106.1	-13.3
	€	162.3	162.8	+0.5



Net Sales History

(Unit: 100M of yen)

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



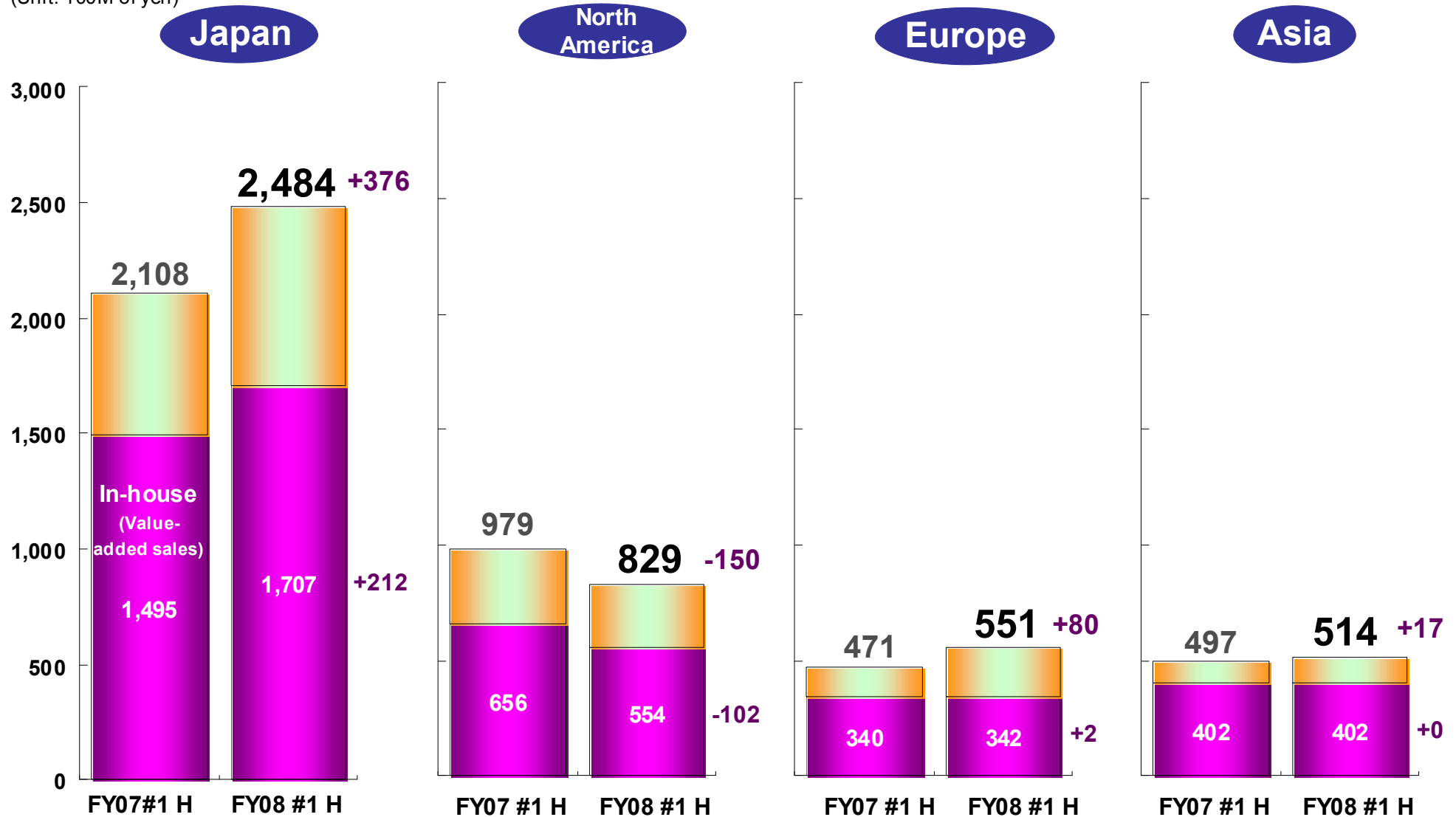
Variance Analysis	
◇ Pass-through parts sales (Incl. catalysts, etc.)	+ 211
◇ Effect of exchange rate	- 142
◇ Value added, etc.	+ 277

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



Net Sales History by Region

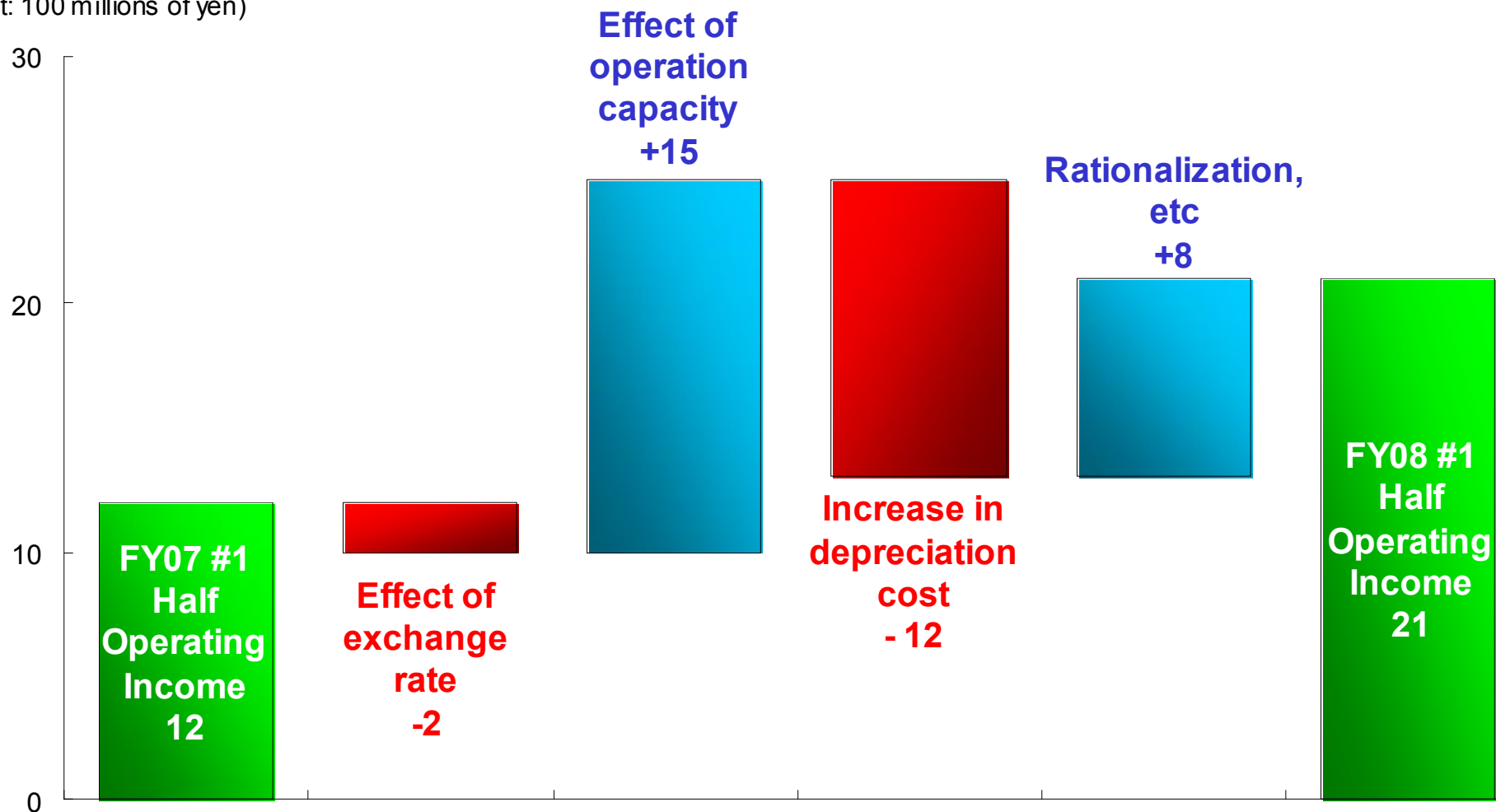
(Unit: 100M of yen)





Operating Income Variance Analysis

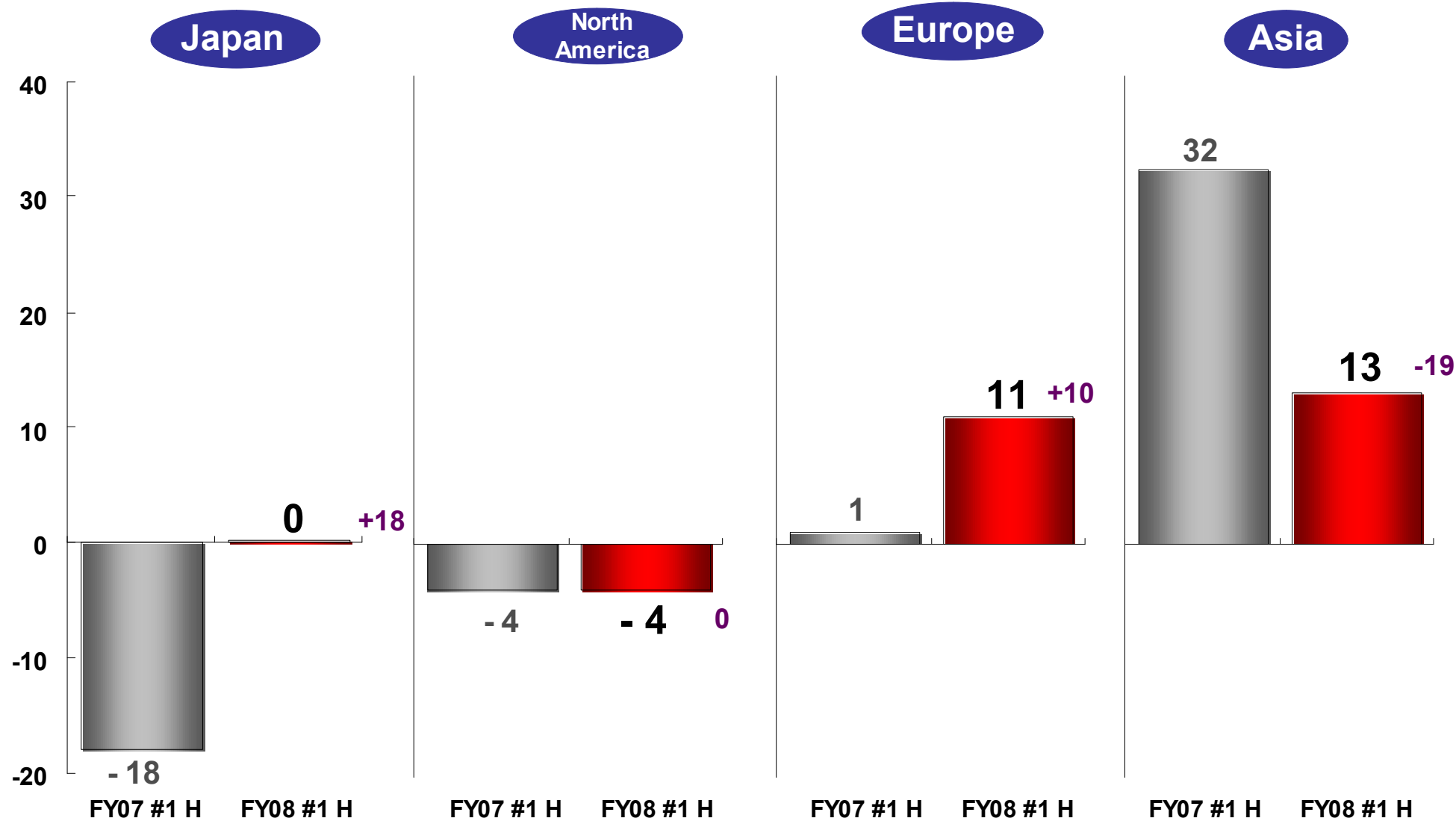
(Unit: 100 millions of yen)





Operating Income History by Region

(Unit: 100 millions of yen)





Ordinary Income & Net Income

(Unit: 100 millions of yen)

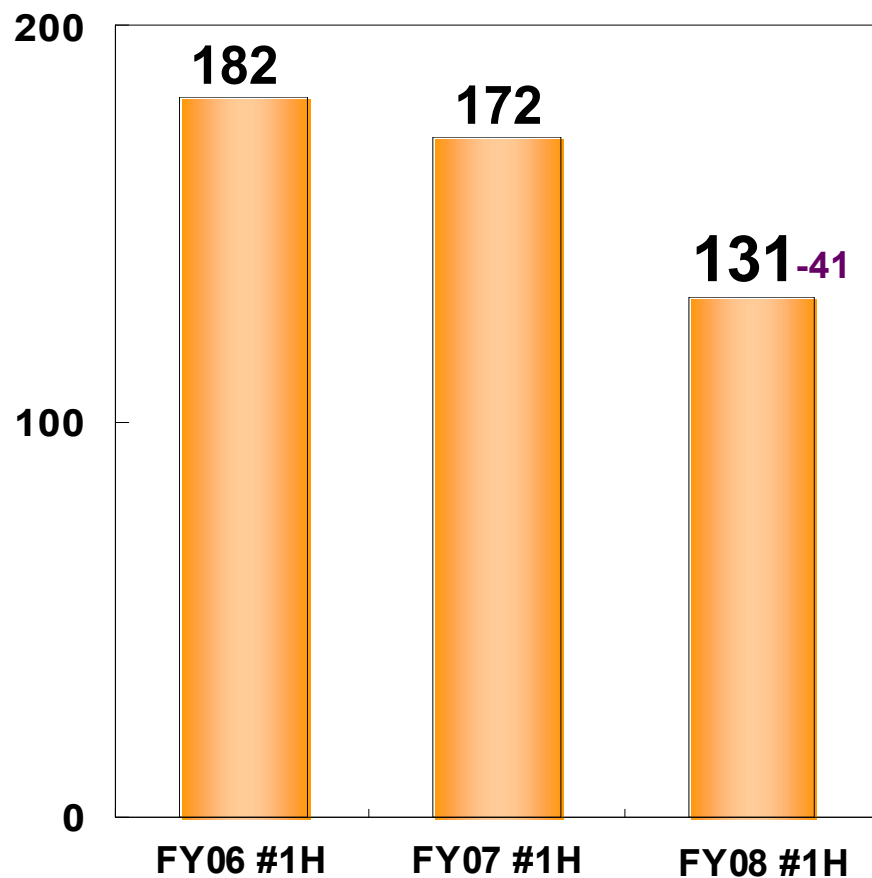
	FY07 First Half (A)	FY08 First Half (B)	Variance (B)-(A)
Operating Income	12	21	+9
Net Non-operating	-14	-16	-2
Ordinary Income	-2	4	+6
Extraordinary Loss	-64	-7	+57
Net Income before Tax	-66	-3	+63
Taxes	-4	-15	-11
Net Income	-62	-18	+44



Capital Expenditure & R&D Expenditure

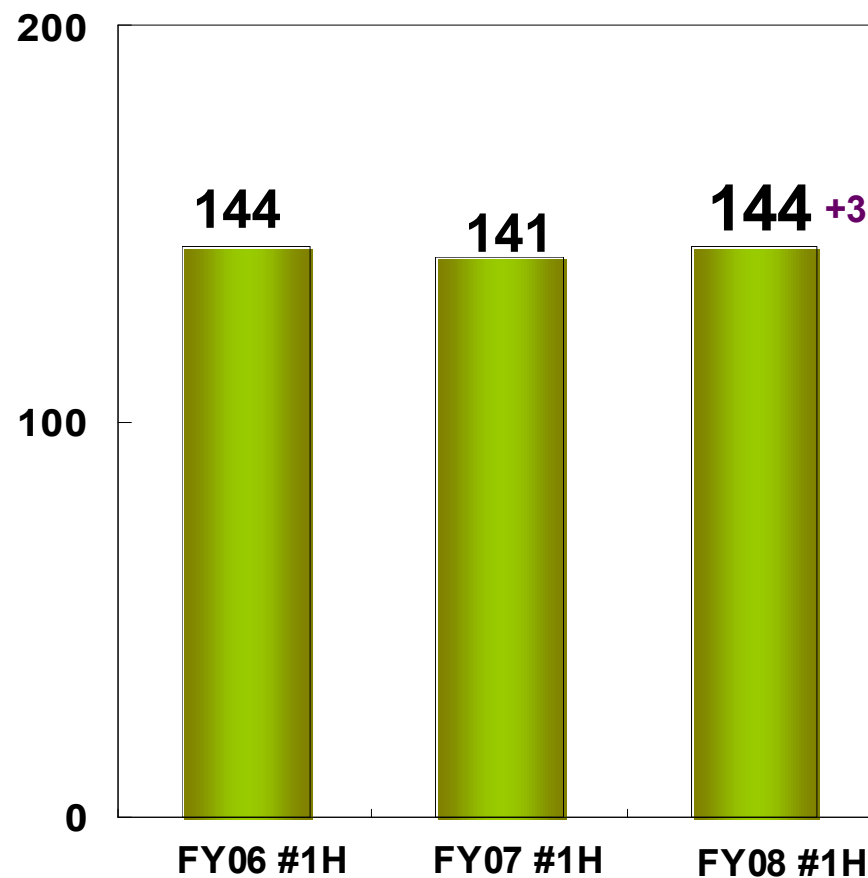
(100 M of yen)

CAPEX



(100 M of yen)

R&D





Enhancement of Management Structure <After April 2008>

① Enhance Compressor Business → Integrated production structure

➤ Japan

Mar. 2008 (Variable displacement type)

Shifted Calsonic Harrison to 100% owned subsidiary



Calsonic Kansei Utsunomiya

Sep. 2008

Established

Calsonic Kansei Yamagata

Shifted production of aluminum die cast to in-house production

➤ Asia

Calsonic Kansei Thailand

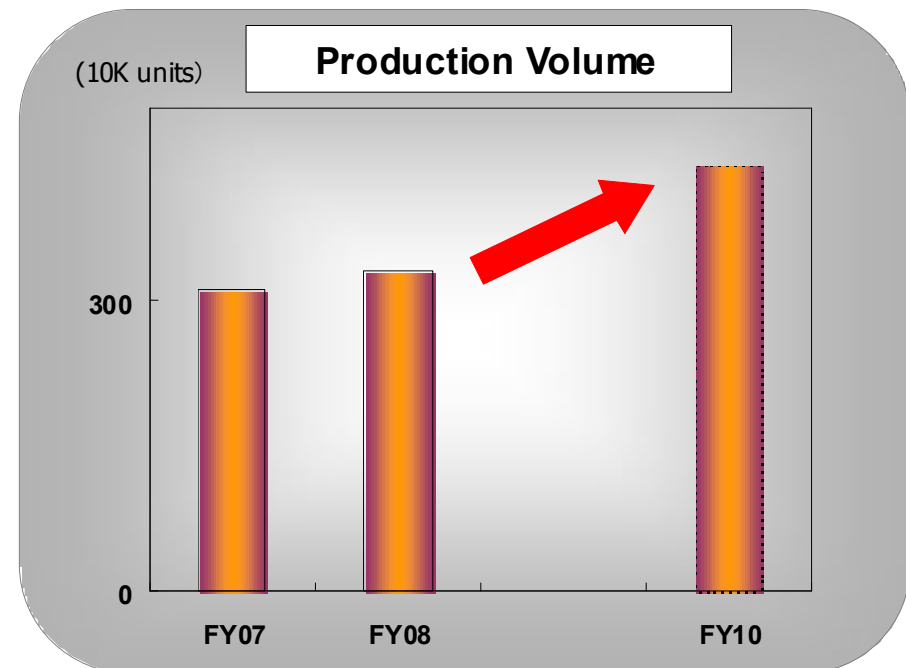
Dec. 08 Started production of fixed variable types

(Dec. 07- Started production of variable displacement types)

= Variable + Fixed Full product line-up

(Fixed displacement type)

Calsonic Compressor Malaysia





Enhancement of Management Structure <After April 2008>

② Realign / Integrate the Production Structure of the Europe Region

→ **Integrate/Streamline management**

Sep. 2008

Shifted Magna Kansei to 100% owned subsidiary



Calsonic Kansei Sunderland

Calsonic Kansei UK

Calsonic Kansei Spain

Apr. 2009, Liquidation to be completed (plan)

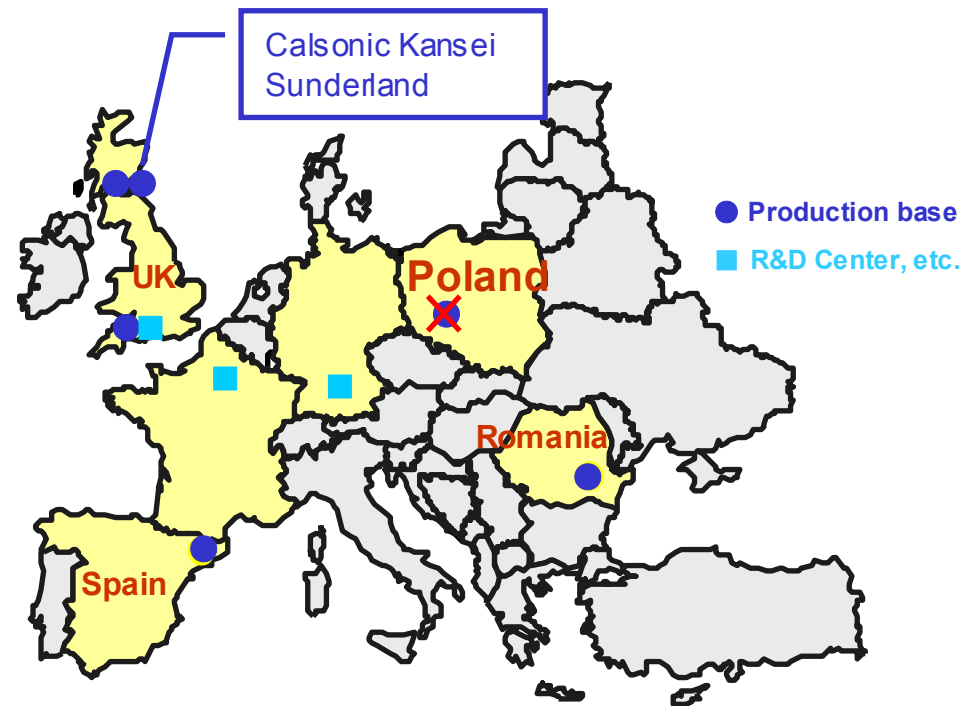
Calsonic Kansei Poland

Employee reduction: about 100 employees



Integration

Calsonic Kansei Romania





Enhancement of Management Structure <After April 2008>

③ Realign / Integrate the Production Structure of the North America Region

Feb. 2009 (plan)

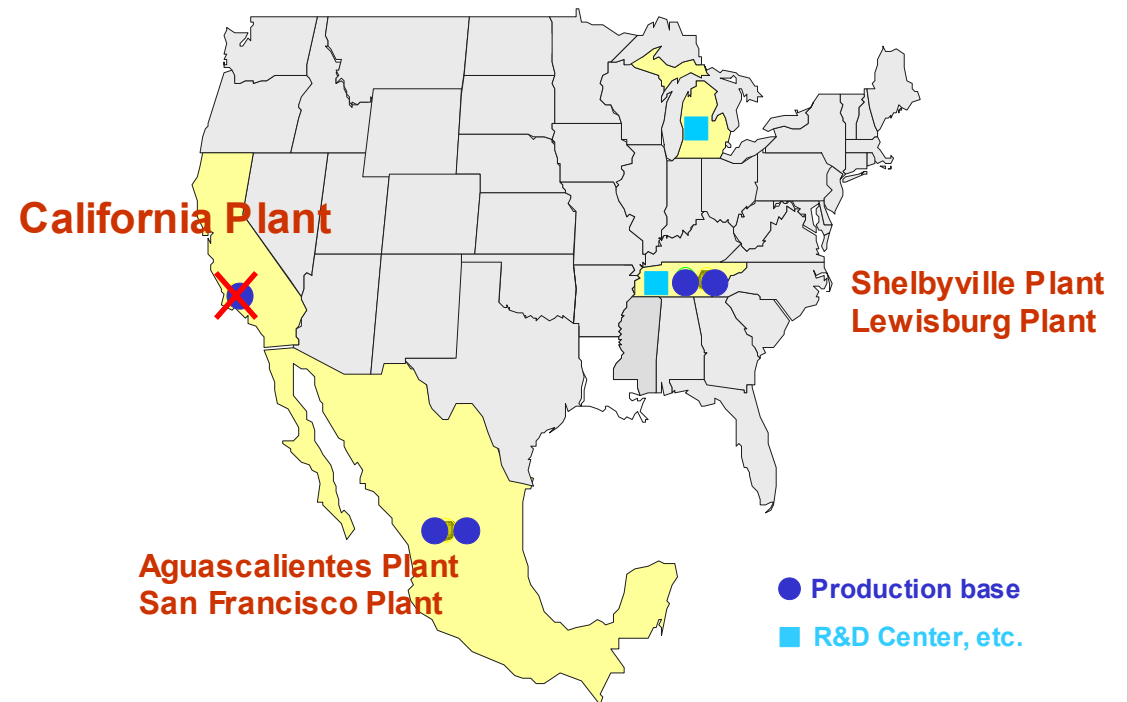
Closure of California Plant

Employee reduction: about 260 employees



Integrate production bases

- US: Shelbyville, Lewisburg (Tennessee)
- MEX: Aguascalientes, San Francisco
- ※ Excluding module plant





FY08 Forecast

(Unit: 100 millions of yen)

	FY07 Actual (07/4~08/3)	FY08 Initial Forecast (A) (08/4~09/3)	FY08 Forecast (Revised)(B) (08/4~09/3)	Variance (B)-(A)
Net Sales	8,335	8,250	8,100	-150 -1.8%
Operating Income	142	130	85	-45
※(Operating Income Rate: %)	(2.5%)	(2.3%)	(1.6%)	-34.6%
Ordinary Income	102	90	50	-40
※(Ordinary Income Rate: %)	(1.8%)	(1.6%)	(0.9%)	-44.4%
Net Income	28	20	10	-10
※(Net Income Rate: %)	(0.5%)	(0.3%)	(0.2%)	-50.0%

※Income rate is calculated based on value-added sales

(yen)

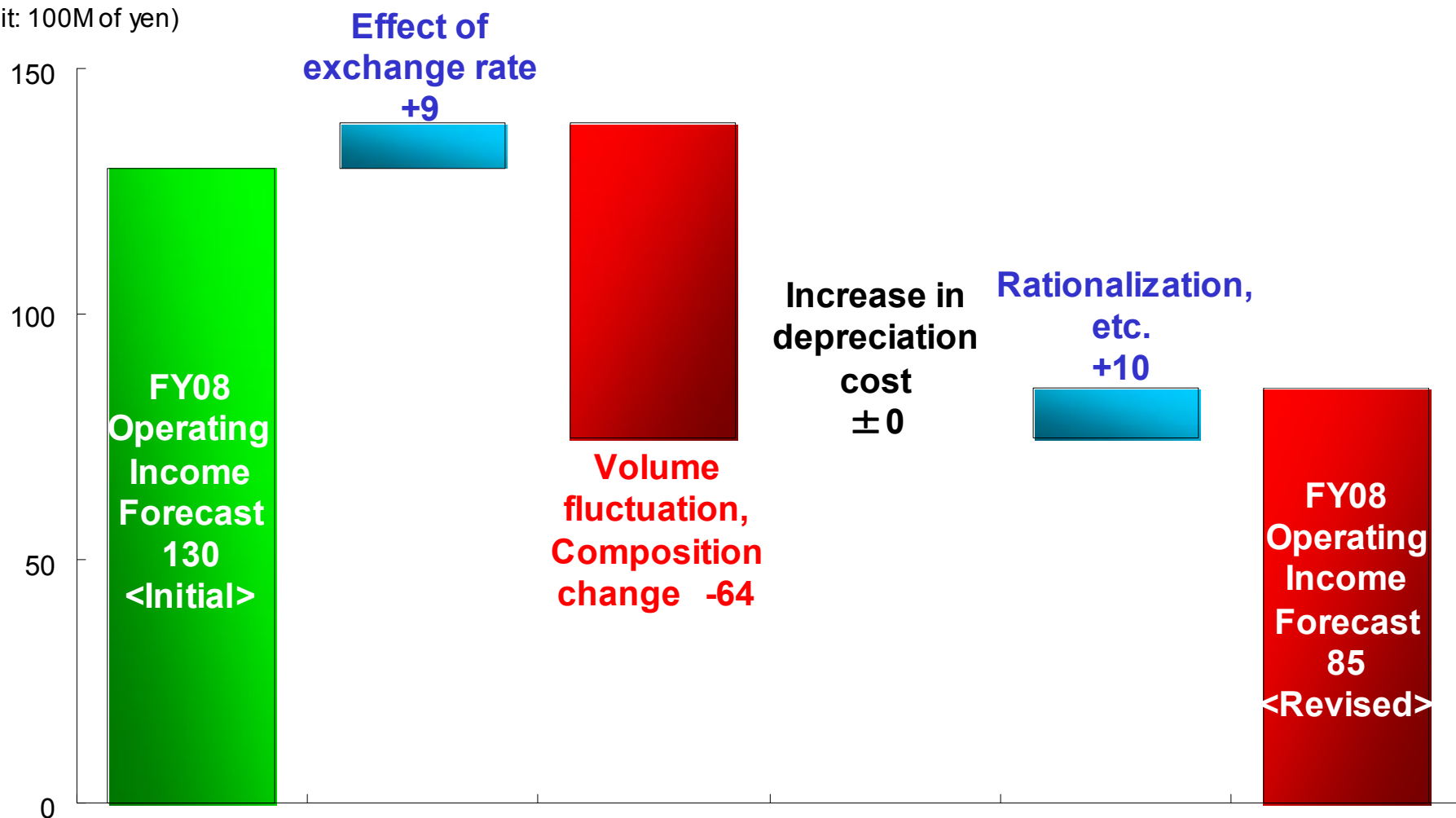
Exchange Rate	\$	114.4	100.0	103.1	+3.1
	€	161.6	155.0	148.9	-6.1



FY08 Revised Forecast Operating Income Variance Analysis

➤ Revised on November 7, 2008

(Unit: 100M of yen)





Countermeasures

Emergency measures against abrupt production decrease and strong yen after Lehman bankruptcy

➤ Cost reduction

- Variable cost Labor adjustment
(Adjust the number of temporary workers in accordance with customers' production volume change)
- Fixed cost Reduce G&A / R&D cost

➤ CAPEX reduction

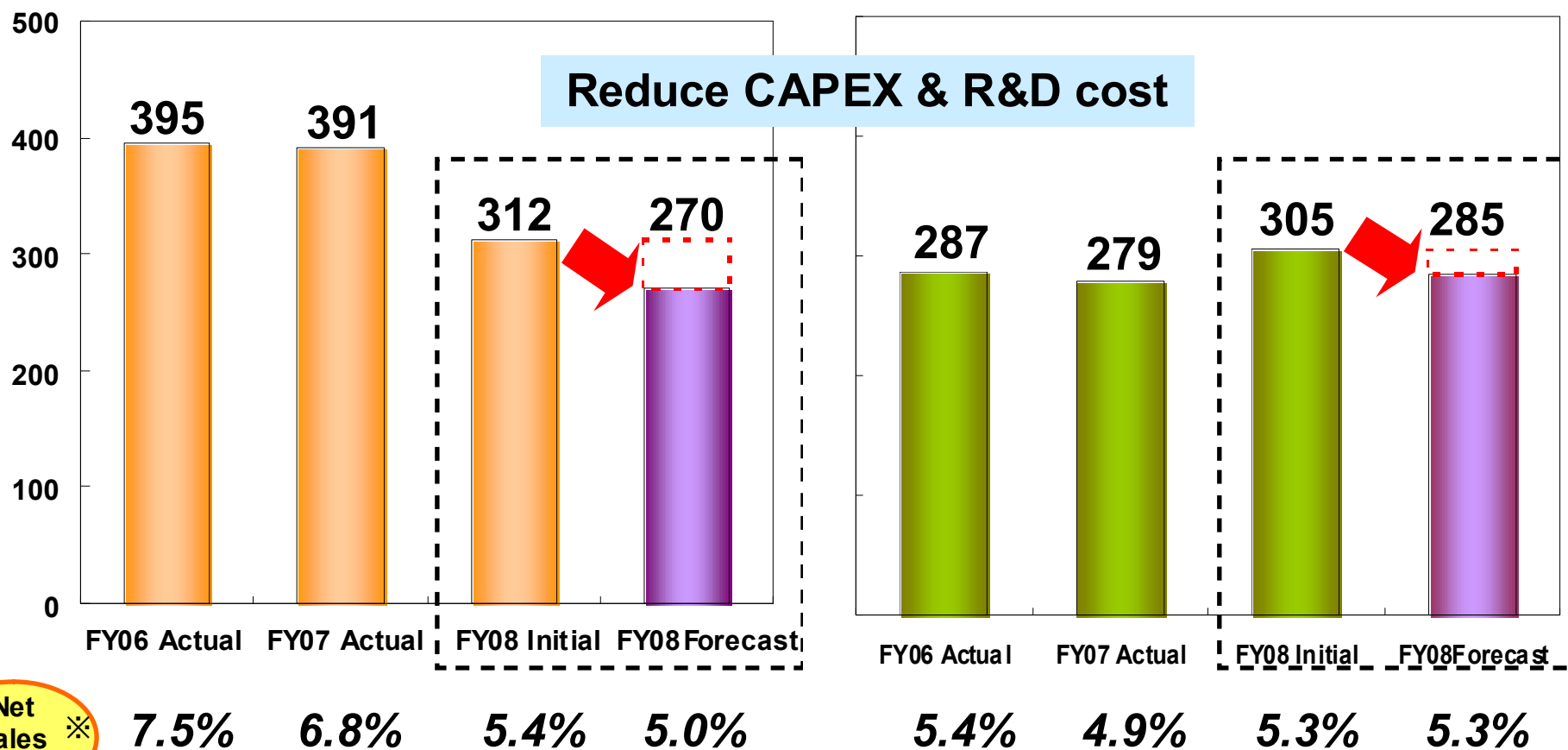


Capital Expenditure & R&D Expenditure FY08 Forecast

(100 M of yen)

CAPEX

R&D



Net sales rate ※

※ "Net sales rate" ... Calculated based on value-added sales



Company-wide Cost Reduction Activities

➤ **MTCR**

Monotsukuri Total Cost Reduction

- **Reduce part types**

Joint activity with customers to reduce the number of types of parts

e.g. Reduce service parts by 30%

- **Improve logistics**

- **Improve defect rate and yield**



Sales Expansion Activities

	Participants			
	CEO	Purch.	R&D	Prd.
Company A		●	●	
Company B			★	
Company C	★	★	★	
Company D	★	★	★	
Company E	★	★	★	★

★ Senior Management
● General Managers

Standardize the pre-RFQ sales activities

+ Share focus areas with customers' senior management

Enhance the activities with Japanese customers

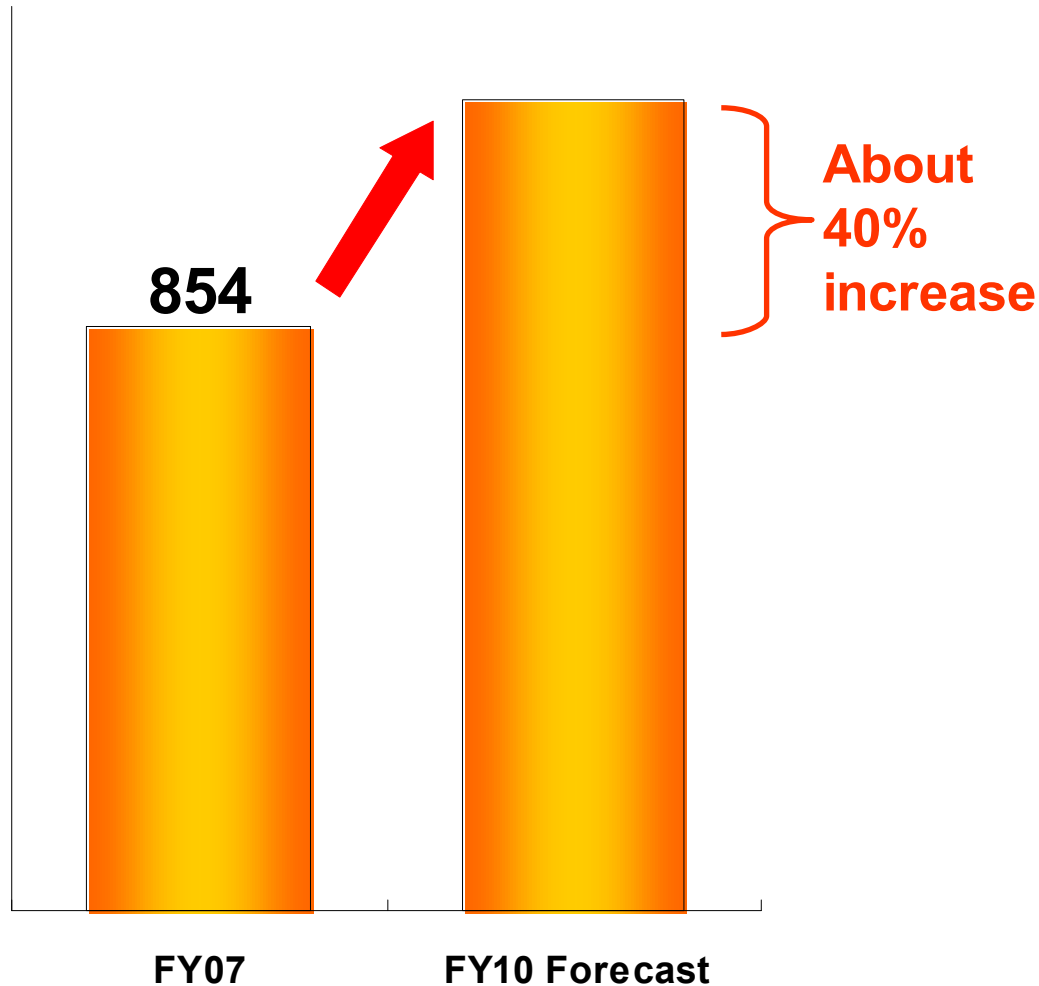
+ Early deployment to overseas customers



Sales Expansion (Non-Nissan Companies)

➤ Sales forecast of the business with 4 major customers (Non-Nissan)

(100 millions of yen)



New orders (examples)

- ◇ Company D
HE for emission regulation, etc.
- ◇ Company E
HVAC, COMP for next generation model
- ◇ Company E
BCM, keyless for next generation model