

Outline of Financial Results for FY2007 First Half

November 20th, 2007

Calsonic Kansei Corporation

President & CEO

Takashi Kitajima



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.



Selling of Headquarters

➤ Selling of Headquarters building / land along with the relocation to Saitama was finalized.

On Oct. 5th , the transfer agreement was concluded.



< Detail of the Agreement >

Location / Detail of Asset	Book Value	Transfer Value
5-24-15 Minami-dai, Nakano-ku, Tokyo Land: 6,344m ² Building: 13,923m ² ancillary equipments	2,181 million yen	15,500 million yen



13,200 million yen of extraordinary profit will be posted in March 2008 (plan)



Outline for Consolidated Financial Result

Comparison with FY06

(Unit: 100M yen)

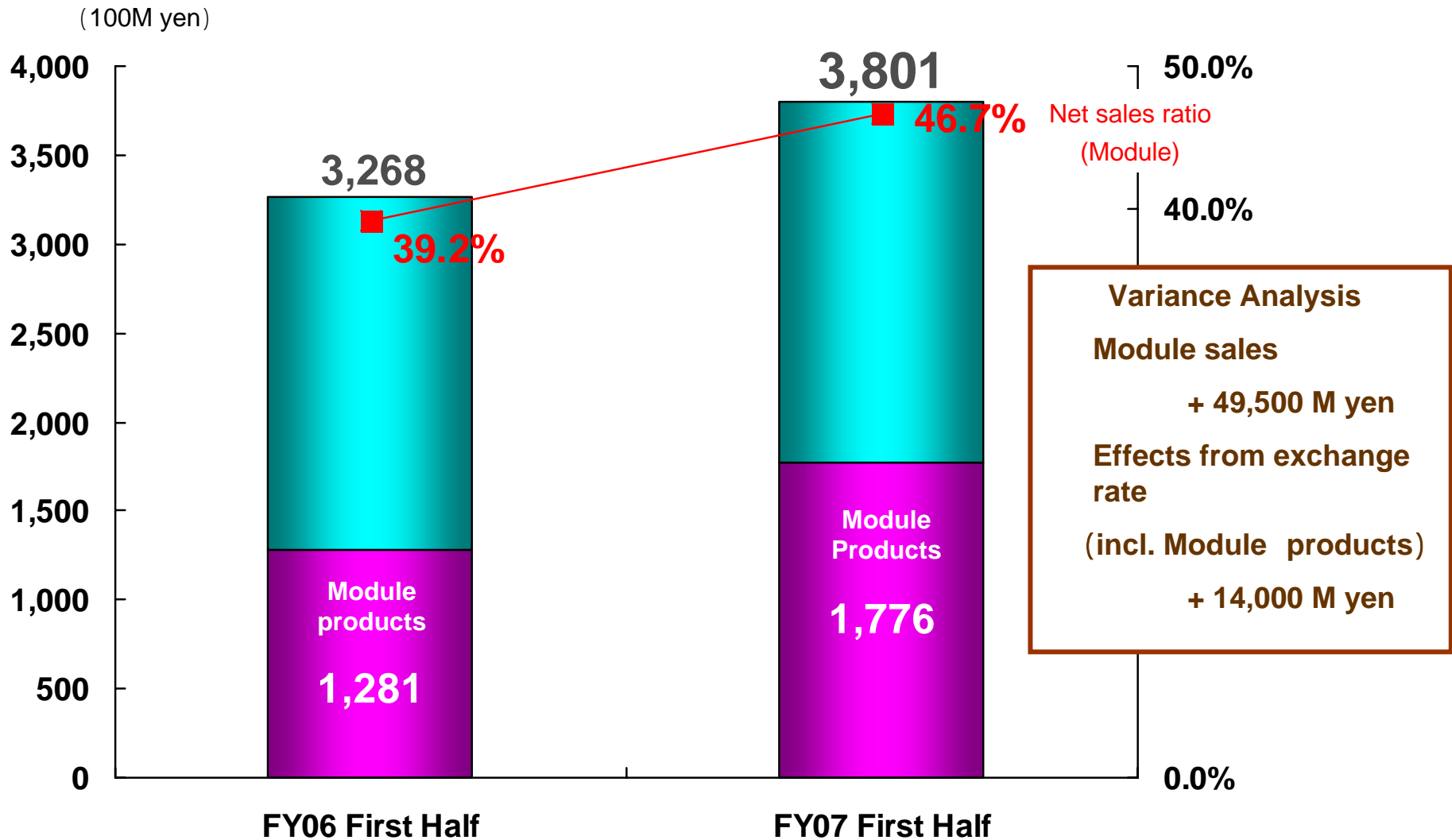
	FY06 first half result (A) (06/4 ~ 9)	FY07 first half result (B) (07/4 ~ 9)	Variance (B)-(A)
Net sales	3,268	3,801	+533 +16.3%
Operating income (Operating income ratio:%)	42 (1.3%)	12 (0.3%)	-30 -71.6%
Ordinary income (Ordinary income ratio:%)	43 (1.3%)	-2 (-0.1%)	-45 -
Net income (Net income ratio:%)	3 (0.1%)	-62 (-1.6%)	-65 -

(yen)

Exchange rate	\$	115.38	119.40	+4.02
	€	146.01	162.33	+16.32

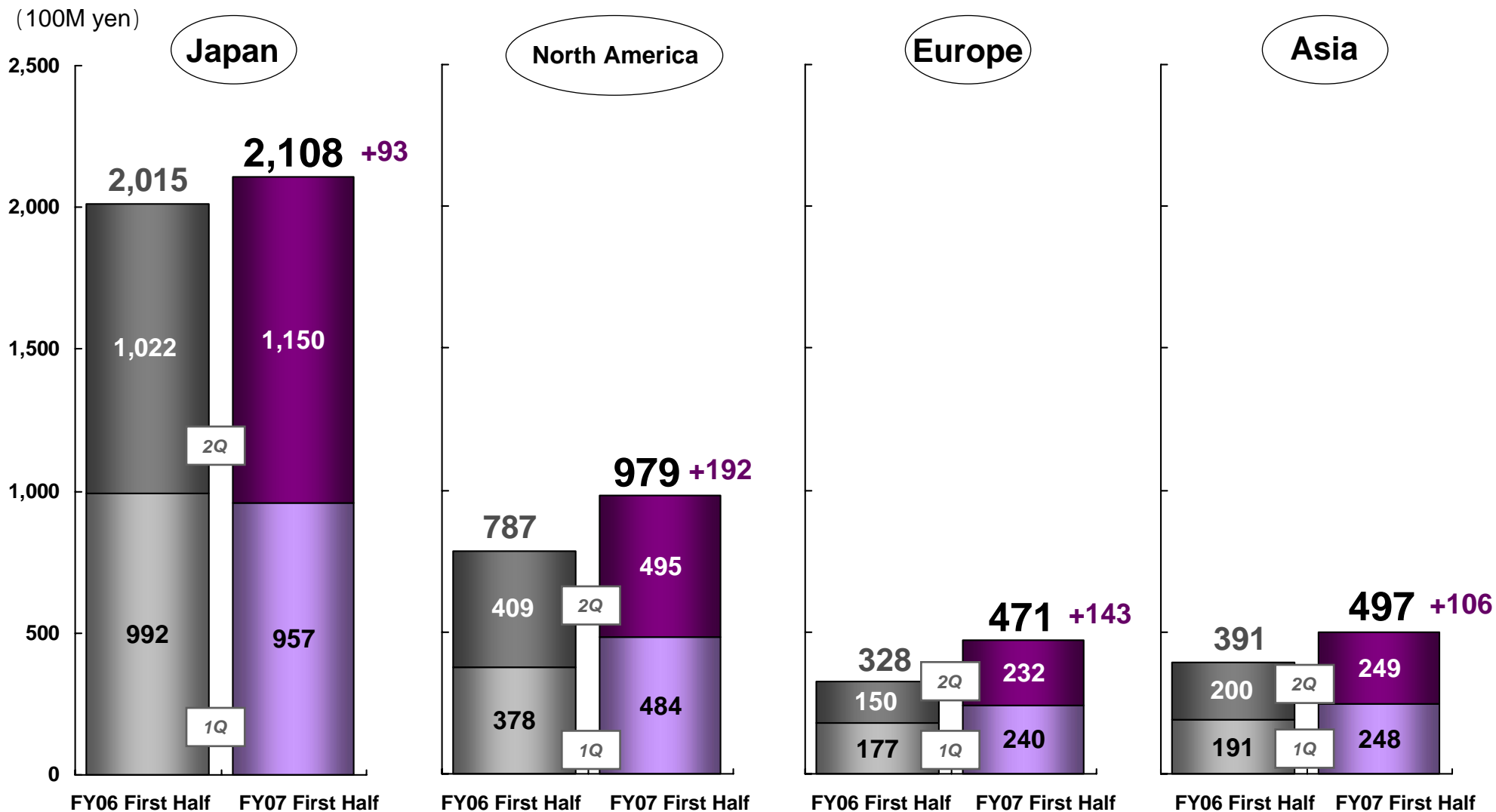


Consolidated Net Sales History





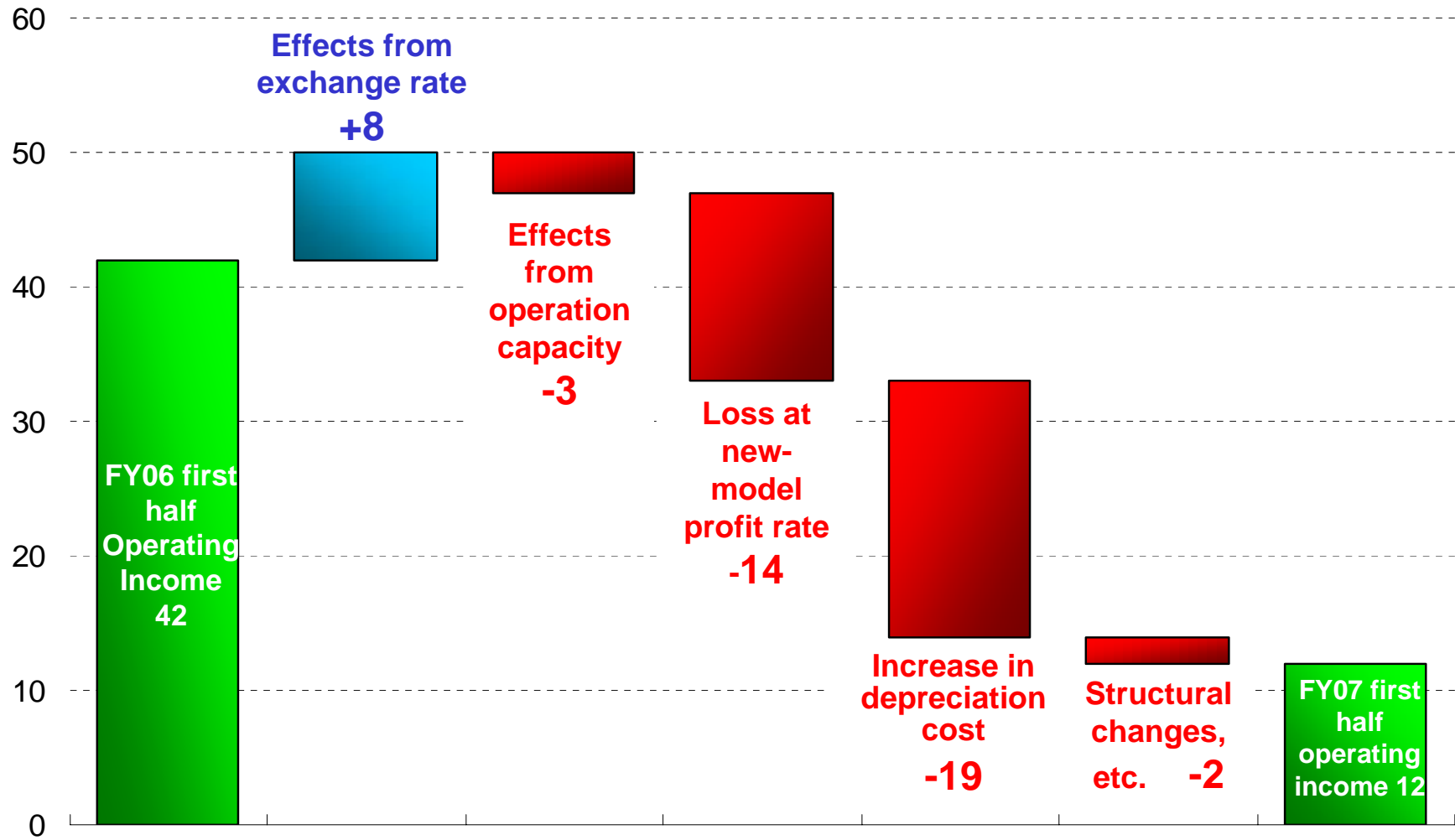
Consolidated Net Sales History by Region





Consolidated Operating Income Variance Analysis

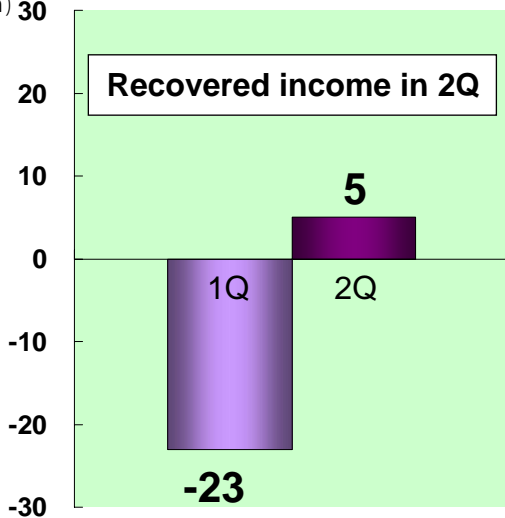
(100M yen)





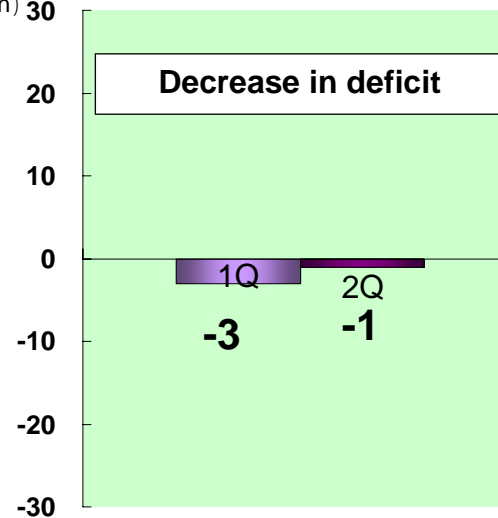
FY07 First Half Consolidated Operating Income by Region

(100M yen)



Japan

(100M yen)



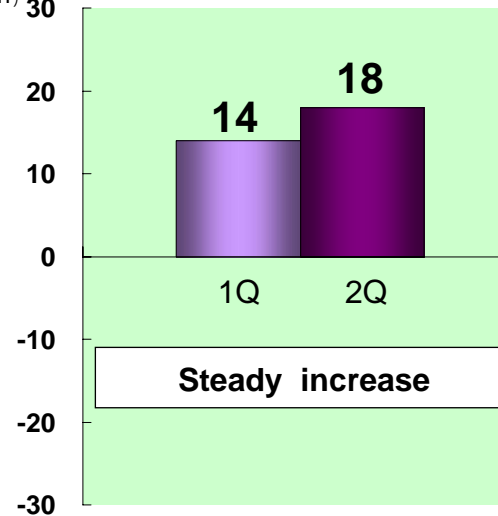
North America

(100M yen)



Europe

(100M yen)



Asia



Extraordinary Loss

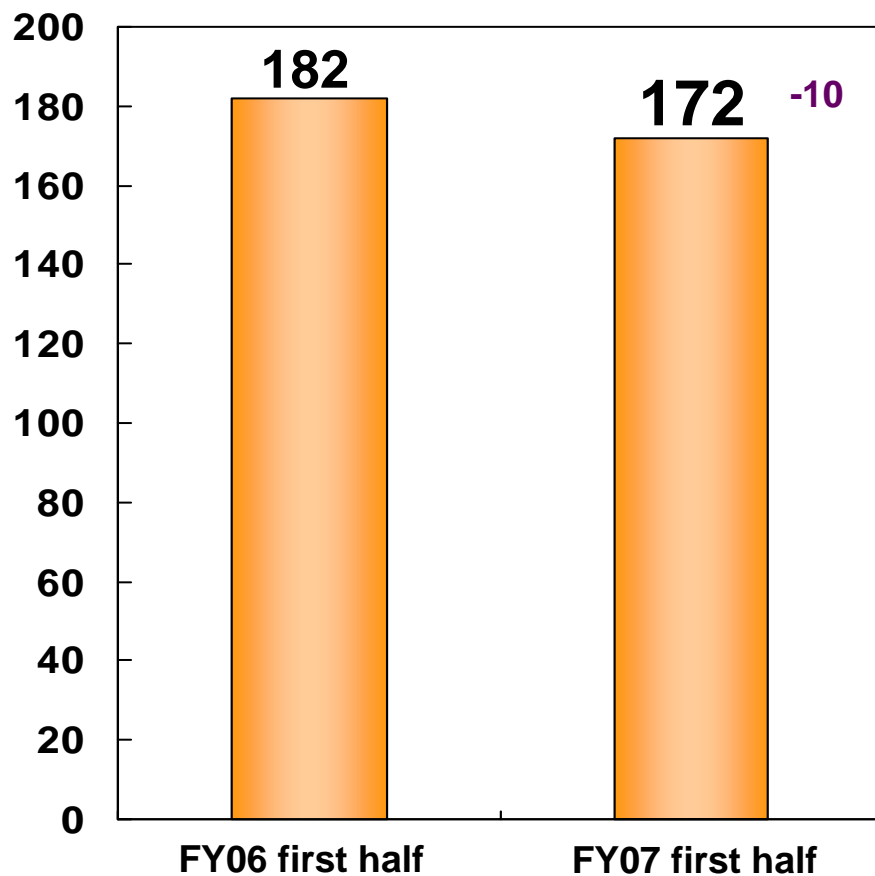
➤ Ordinary Income	-200M yen
Extraordinary Income	900M yen
Extraordinary Loss	-7,300M yen
Loss for product after-care	2,600M yen
Structural reform expense	4,000M yen
Others	700M yen
➤ Net Income for the first half before tax	-6,600M yen
Taxes	-400M yen
➤ Net Income for the first half	-6,200M yen



Global Capital Expenditure, R&D Expenditure

(100M yen)

CAPEX



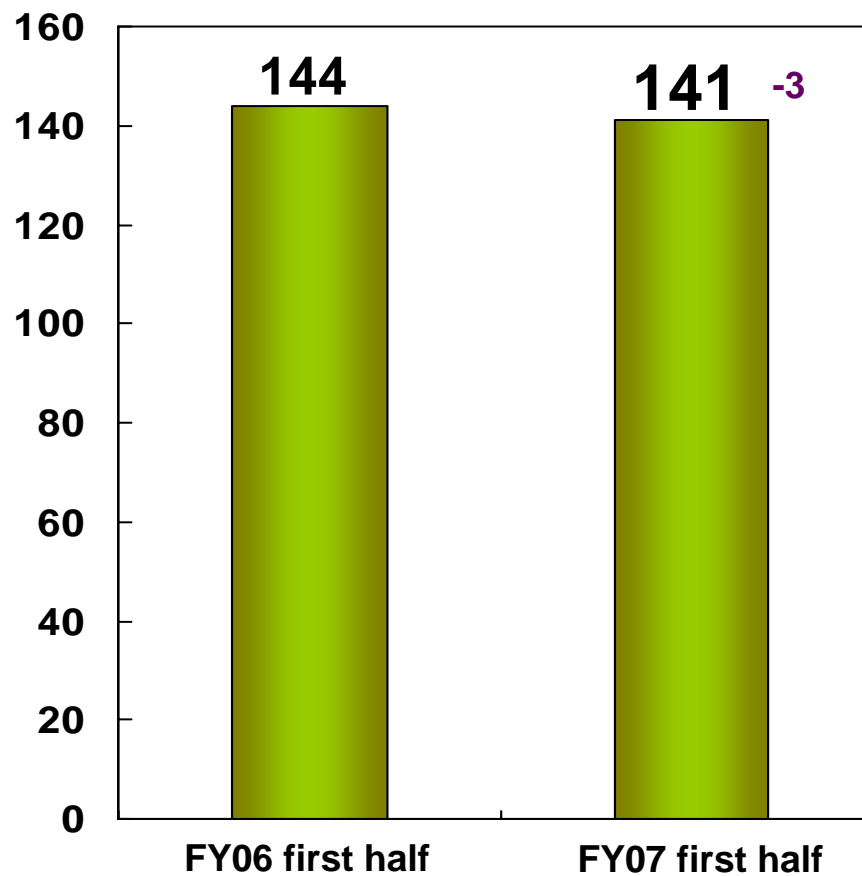
Expenditures on sales

5.6%

4.5%

(100M yen)

R&D



4.4%

3.7%



Actions of the Japan Region (1)

Improving Efficiency in Manpower Allocation

➤ International automotive market is facing changes

It is imperative to improve efficiency in manpower allocation of the Japan region

Improve
efficiency in
manpower
allocation

Realignment of subsidiaries (CKP, CKF)

Shifting to satellite plant / integrated production

- Shift the products with low delivery efficiency to in-site production

Instrument panels... Shift partially to in-house production (CKP); in-site production

Mufflers ... In-site production

- Shift Oppama Plant to Nissan's satellite plant

Flexible tubes ... Production transfer to Gunma from Oppama, etc.

Service parts Utilization of LCC & Outsourcing

Delivery / Safety operations Outsourcing



Actions of the Japan Region (2) Improving Personnel Efficiency

➤ Introduction of “Second Career Support System”

Improve
personnel
efficiency

< Second Career Support System >

Appropriate organizational & personnel structure

Build Global Competitiveness

Support diversified personal lifestyle

<Requirements> Employees who are 45 or older with 5 or more years of service

<Period> November 1st to the End of December

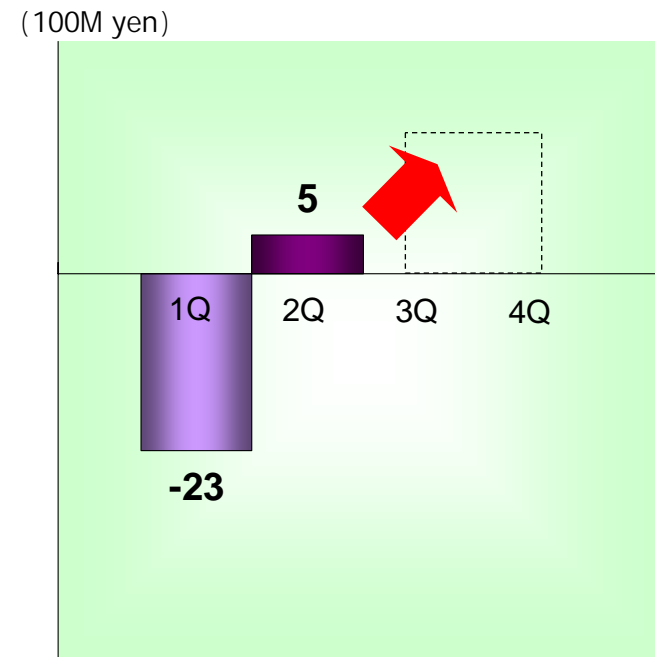
➤ 4,000 million yen of extraordinary loss was posted in the second quarter.



Actions of the Japan Region (3) Profit Recovery in the Second Half



<Operating Income of the Japan region >





Actions of the North America Region

➤ Improvement in Operational Efficiency

Integrate U.S. subsidiaries into one company (from April 2007)

Vicksburg (Mississippi) Muffler
Manchester (Tennessee) Electronic

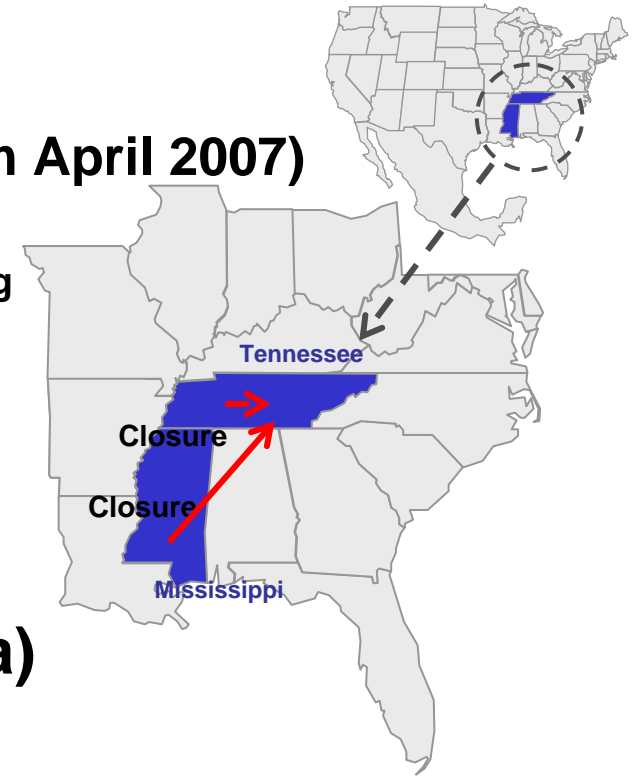
} Production transfer to other bases along with the plant closures

Around 190 employee reduction is expected (by the end of FY07)

➤ Improvement in New-Model Profit (Altima)

Increase in new-model SOP cost has been the cause of the profit decline.

Improvement activities are now being taken





Actions of the Europe Region

➤ Employee reduction in UK

Around 110 employees will be reduced in March 2007

Cost reduction effect

➤ Production started in Romania

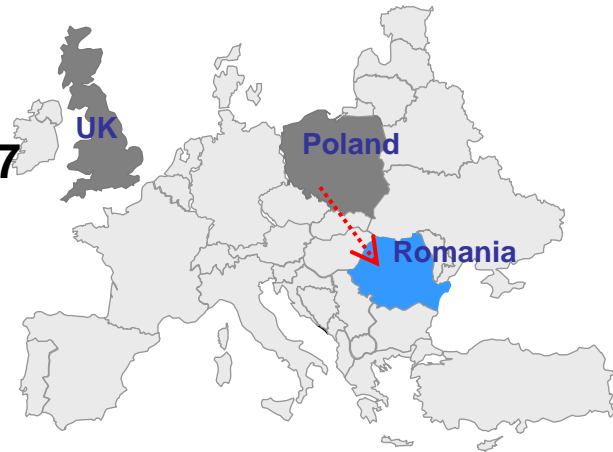
SOP: December 2007

Products: HVAC, Heat exchanger systems

Start of full-fledged business in the Eastern Europe

➤ Examination on production base closure in South Africa, Poland

Efficient business structure in the Europe region



< Romania >



Calsonic Kansei Romania



HVAC, Heat exchanger



Actions in the Asia Region

➤ Establishment of JV company in India

Calsonic Kansei Motherson Auto Products Ltd.

Date of establishment: September 2007

Investment ratio: Calsonic Kansei 51%, MSSL 49%

*HVAC unit will start to be produced from
February 2009 (plan)

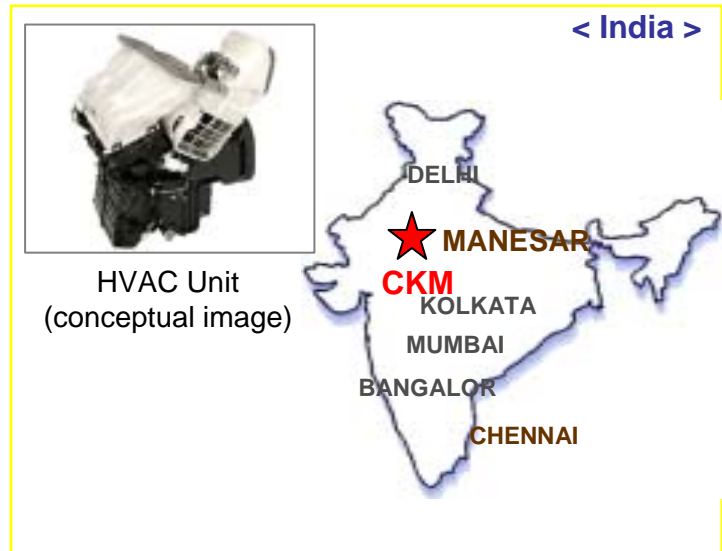
It will be a part of the strategic bases of
the Asia region

➤ Compressor production started in Thailand

Variable displacement compressors SOP in
December 2007

Fixed displacement compressor SOP in
September 2008 (plan)

It will become the exporting base to provide
products worldwide





FY2007 Annual Forecast

(100M yen)

	FY06 Result (A) (06/04-07/03)	FY07 Forecast (B) (07/04-08/03)	Variance (B) - (A)
Net sales	7,008	7,400	+392 +5.6%
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
(Expenditure on sales)	(5.6%)	(5.1%)	-3.8%
R&D expenditure	287	290	+3
(Expenditure on sales)	(4.1%)	(3.9%)	+1.0%



Relocation to Saitama

- **Dec. 2005 Decision / Announcement on the relocation**
- **Jan. 2007 Groundbreaking ceremony**
- **Mar. 2008 (plan) Completion of construction**
- **May 2008 (plan) Start of operations**

Access: 5 min. on foot from **JR Takasaki line**
Miyahara station
7 min. on foot from **JR Kawagoe line**
Nisshin station



(Construction status in the beginning of Nov.)



Headquarters & R&D Center

Module Center



Office floors