

Consolidated Financial Results for the First Quarter Ended June 30, 2006

August 8, 2006

Company name: CalsonicKansei Co., Ltd <Code No.7248, Tokyo stock Exchange in Japan>

(URL <http://www.calsonickansei.co.jp/>)

Location of Head office: Tokyo

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1. Basis for preparation of quarterly financial results

1) Adoption of simplified accounting policies : Applicable

- Inventory: We did not perform actual inventory at the end of 1st quarter.
- Item with the small amount influence : We processed simplified method.

2) Changes in accounting policies from recent consolidation : Applicable

- Appraisal method of inventory: CalsonicKansei and major domestic consolidated subsidiaries changed appraisal method of productions, parts, raw materials and work in processes from the periodic average method to the lower of cost or market value method first in, first out.

Influence to profit: Decreased operating by ¥170million.

- Transactions policy of important lease transactions: CalsonicKansei and major domestic consolidated subsidiaries changed the accounting policy of financial lease transactions except for the right owner ship recognize to remove debtors, from in accordance with ordinary lease transactions to ordinary buying and selling transactions.

Influence to profit: Increase operating income for ¥13million.

Ordinary profit decreased by ¥49million.

3) Changes in scope of consolidation and equity method of accounting.

Number of newly consolidated subsidiaries	2 companies
Number of consolidated subsidiaries excluded from consolidation	3 companies
Number of affiliates newly accounted for the equity method	0 companies
Number of affiliates excluded from equity method of accounting	0 companies

2. Financial Results for the First quarter ended June 30, 2006(From April 1, 2006 to June 30, 2006)

<1>The Update of the consolidated operating results

(Amounts less than one million yen are omission)

	Net sales		Operating income		Ordinary income		Net income	
	Million of yen	%	Million of yen	%	Million of yen	%	Million of yen	%
First quarter FY2006	160,658	△10.9	2,211	△62.4	2,429	△60.1	1,458	△59.1
First quarter FY2005	180,274	19.9	5,888	37.3	6,088	30.9	3,565	39.1
(Ref.) FY2005	715,494	—	24,587	—	24,594	—	19,232	—

	Net income per share-basic	Diluted net income share-basic
	Yen	Yen
First quarter FY2006	5.45	5.37
First quarter FY2005	13.37	13.05
(Ref.) FY2005	71.98	70.30

Note:

Regarding net Sales, operating income, ordinary income and net income, percent indication shows percentage of change from corresponding figure for the same quarter of the prior fiscal year.

[Qualitative information about the progress situation of business performance etc.]

The CalsonicKansei group has strove for positive sales promotion activities or order - received expansion of a module product. But our main customers decreased in sales volume. As a result the net sales for the 1st quarter totaled 160.6billion yen, a 19.6billion yen(down 10.9%), decrease from the 1st quarter of previous year.

Operating income came to 2.2billion yen (down 3.6billion yen and down 62.4% from the 1st quarter of previous year), Ordinary income came to 2.4billion yen (down 3.6billion yen 60.1% from the 1st quarter of previous year), Net income came to 1.4billion yen (down 2.1billion yen and 59.1% from the 1st quarter of previous year).

<2> The change of the consolidated financial position

(Amounts less than one million yen are omission)

	Total assets	Shareholders' equity	Shareholders' equity as a percentage of total assets	Shareholders' equity per share
	Million of yen	Million of yen	%	Yen
First quarter FY2006	390,016	183,915	44.1	686.54
First quarter FY2005	395,590	151,769	38.4	569.30
(Ref.) FY2005	415,541	171,419	41.3	641.95

Note:

We adopted "Accounting standards connected with balance sheet's net assets display" from this 1st quarter.

Conventional equity section of balance sheet's total is equivalent to 171,904million yen.

[Qualitative information of the consolidated financial position etc.]

Total assets for the 1st quarter totaled 390.0billion yen, a 5.5billion yen decrease from the same end of the term of the previous year. In detail, current assets decreased 29.8billion yen, property, plant and equipment increased 23.2billion yen, investments and Other assets decreased 3.0billion yen.

Total liabilities totaled 206.1billion yen, a 25.5billion yen decrease from the same end of the previous year.

In detail, current liabilities decreased 12.8billion yen, long - term liabilities decreased 12.7billion yen.

Total accounting capital deducted minority shareholders from net assets 171.9billion yen increased 20.1billion yen from the same end of the previous year.

Total capital-to-asset ratios 44.1% and up 5.7point from the same end of the previous year.

3. The outlook for consolidated financial results for FY2006(April 1,2006 - March 31,2007)

Net sales and operating income forecast is not change announced on May 15, 2006.

<Reference>

1. Consolidated Balance Sheets (Summary)

(Amounts less than one million yen are omission)

Assets	As of June 30,2006		As of June 30,2005		Increase (Decrease)		As of March 31,2006	
Current Assets:	200,202	51.3	230,043	58.1	△ 29,841	△ 13.0	230,022	55.4
Cash and cash equivalents	14,554		12,646		1,908		13,948	
Notes and accounts receivables	121,690		127,124		△ 5,434		139,601	
Inventories	35,268		35,585		△ 317		32,318	
Other current assets	28,688		54,686		△ 25,998		44,153	
Fixed Assets:	189,813	48.7	165,546	41.9	24,266	14.7	185,519	44.6
Property, Plant and Equipment	144,597	37.1	121,339	30.7	23,257	19.2	137,296	33.0
Investments and Other assets	45,215	11.6	44,207	11.2	1,009	△ 25.5	48,222	11.6
Total	390,016	100.0	395,590	100.0	△ 5,574	△ 1.4	415,541	100.0

Liabilities and Shareholders' Equity	As of June 30,2006		As of June 30,2005		Increase (Decrease)		As of March 31,2006	
Current Liabilities:	160,484	41.1	173,316	43.8	△ 12,831	△ 7.4	184,682	44.4
Notes and accounts payable	101,043		101,075		△ 31		111,712	
Short-term borrowings	7,782		25,387		△ 17,604		16,525	
Other current liabilities	51,659		46,853		4,805		56,444	
Long-term Liabilities	45,616	11.7	58,341	14.7	△ 12,725	△ 21.8	47,658	11.5
Corporate bond	1,783		3,352		△ 1,569		2,257	
Long-term borrowings	2,301		5,866		△ 3,564		2,991	
Liability for employees' retirement benefits	29,217		32,501		△ 3,284		29,455	
Other long-term liabilities	12,314		16,621		△ 4,307		12,954	
Minority Interests	—	—	12,163	3.1	—	—	11,780	2.8
Shareholders' Equity	—	—	151,769	38.4	—	—	171,419	41.3
Common stock	—	—	40,616	10.3	—	—	41,165	9.9
Capital surplus	—	—	58,801	14.9	—	—	59,348	14.3
Retained earnings	—	—	64,471	16.3	—	—	79,999	19.3
Net unrealized gain on available-for-sale securities	—	—	71	0.0	—	—	147	0.0
Foreign currency translation adjustments	—	—	△ 9,848	△ 2.5	—	—	△ 5,526	△ 1.3
Less: Treasury stock at cost	—	—	△ 2,343	△ 0.6	—	—	△ 3,714	△ 0.9
Net assets	183,915	47.2	—	—	—	—	—	—
Shareholders' equity	177,669	45.6	—	—	—	—	—	—
Common stock	41,402		—	—	—	—	—	—
Capital surplus	59,602		—	—	—	—	—	—
Retained earnings	80,355		—	—	—	—	—	—
Treasury stock	△ 3,691		—	—	—	—	—	—
Difference of Fair value and Exchange rate	△ 5,764	△ 1.5	—	—	—	—	—	—
Net unrealized gain on available-for-sale securities	121		—	—	—	—	—	—
Foreign currency translation adjustments	△ 5,886		—	—	—	—	—	—
Minority shareholders' interest	12,010	3.1	—	—	—	—	—	—
Total	390,016	100.0	395,590	100.0	—	—	415,541	100.0

(Note) Current portion of long-term borrowings and current portion of corporate bond are included in short-term borrowings.

<Reference>

2. Consolidated Statements of Income (Summary)

(Amounts less than one million yen are omission)

	Three months ended June 30, 2006		Three months ended June 30, 2005		Increase (Decrease)		Year ended March 31, 2006	
		%		%		%		%
Net Sales	160,658	100.0	180,274	100.0	△ 19,615	△ 10.9	715,494	100.0
Cost of Sales	148,300	92.3	161,309	89.5	△ 13,008	△ 8.1	644,917	90.1
Gross profit	12,357	7.7	18,965	10.5	△ 6,607	△ 34.8	70,577	9.9
Selling, General and Administrative Expenses	10,146	6.3	13,076	7.3	△ 2,930	△ 22.4	45,989	6.5
Operating income	2,211	1.4	5,888	3.2	△ 3,677	△ 62.4	24,587	3.4
Interest and dividend income	401		312		89		592	
Interest expense	△ 312		△ 261		△ 50		△ 987	
Gains from sale of fixed assets	636		11		625		616	
Loss from sale of fixed assets	△ 12		△ 14		2		△ 232	
Loss from fixed—assets abandonment	△ 218		△ 93		△ 124		△ 5,156	
Cost of Product compensation	—		—		—		—	
Gains from sale of fixed asset investment	—		—		—		—	
Other, net	△ 451		68		△ 519		△ 5,715	
Income before income taxes and minority interests	2,256	1.4	5,911	3.2	△ 3,655	△ 61.8	24,140	3.4
Income taxes	512	0.3	2,031	1.1	△ 1,519	△ 74.8	3,873	0.6
Minority Interests in Net Income	285	0.2	314	0.2	△ 29	△ 9.3	1,034	0.1
Net income	1,458	0.9	3,565	1.9	△ 2,106	△ 59.1	19,232	2.7

<Reference>

3. Segment Information

[Geographical Segments (by company location)]

(Amounts less than one million yen are omission)

		Three months ended June 30, 2006	Three months ended June 30, 2005	Year ended March 31, 2006
Sales	Japan	99,247	114,642	456,937
	North America	37,763	42,061	174,093
	Europe	17,731	14,750	59,107
	Asia&Oceania	19,098	16,188	68,162
	Sub—total	173,841	187,642	758,300
	Eliminations	△ 13,182	△ 7,368	△ 42,806
	Consolidated	160,658	180,274	715,494
Operating Cost	Japan	98,465	111,020	444,654
	North America	37,016	41,037	166,034
	Europe	18,521	14,916	60,942
	Asia&Oceania	17,596	14,780	62,141
	Sub—total	171,600	181,754	733,773
	Eliminations	△ 13,153	△ 7,368	△ 42,866
	Consolidated	158,446	174,385	690,906
Operating Income(Loss)	Japan	782	3,622	12,283
	North America	747	1,023	8,058
	Europe	△ 790	△ 165	△ 1,835
	Asia&Oceania	1,501	1,408	6,020
	Sub—total	2,240	5,888	24,527
	Eliminations	—	—	60
	Consolidated	2,211	5,888	24,587

Note

1. The country and the area have considered and classified the mutual relevance of active conduct of business based on the degree of geographical proximity.
2. The main countries and area belonging to the classification of those other than Japan:
The America : U.S.A, Mexico
Europe : European countries, South Africa
Asia & Oceania : East Asia and countries in Southeast Asia, Australia
- 3."Eliminations" is elimination of inter-company indebtedness and profit etc.