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Calsonic Kansei Corporation (Code No. 7248)

Representative Person: Bunsei Kure President & CEO

Contact Person: Tomohiko Hatori General Manager

Finance Group, Accounting Division

(048) 660-2202

Realignment of Production Plants

This is to announce that it was resolved that Calsonic Kansei Corporation will realign the production plants at the Board Meeting today.

1. Purpose and Background

Recently in the automotive industry, many companies have been shifting the production to emerging countries and it is assumed to require substantial time for production volume in Japan to recover up to the level before the Lehman shock.

Under this circumstance, it is now an immediate task for Calsonic Kansei to eliminate excess capacity in the production plants in Japan and improve the business structure to secure its profitability.

2. Overview of Realignment

Calsonic Kansei will terminate production at Atsugi Plant (Location: Aikawa-machi, Kanagawa / Main product: Heat exchanger) by September 2010. Its production operations will be integrated to Gunma Plant (Location: Oura-machi, Gunma) and other production bases.

(Reference: Overview of Atsugi Plant)

(1) Location: 4012 Nakatsu Aikawa-machi, Aikou-gun, Kanagawa

(2) Land area: 128,559m²

(3) Products: Radiator, Motor fan, Condenser, Inter-cooler, etc.

(4) Number of employees: 318 persons (as of July 31, 2009)

3. Effect of Realignment

By eliminating the excess capacity of heat exchanger, which is one of the main products

of Calsonic Kansei, the production capacity will be optimized to demand and the cost competitiveness will be strengthened, building the business structure which enables the company to win the global competitions.

4. Employee Treatment

This realignment is planned based on the precondition to ensure the job security of employees. The employees of the Atsugi district are planned to be gradually transferred to other districts.

5. Utilization of Land

The utilization of the land will be examined, including selling.

6. Financial Impact

The extraordinary loss from the realignment is now under close estimation, and is expected to be several hundred million yen. It will be reported as soon as it is finalized. On the other hand, after the completion of the plant integration, cost improvement of 800 million yen / a year is expected. Profit forecast will not be revised at this time.