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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2004

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______.

Commission File Number: 0 - 21810

AMERIGON INCORPORATED
(Exact name of small business issuer as specified in its charter)

California **(State or other jurisdiction of incorporation or organization)**	**95-4318554** **(I.R.S. Employer Identification No.)**
500 Town Center Dr., Ste. 200, Dearborn, MI **(Address of principal executive offices)**	**48126-2716** **(Zip Code)**

Registrant’s telephone number, including area code: (313) 336-3000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.   Yes ☒   No ☐

At July 30, 2004, the registrant had 14,688,128 shares of Common Stock, no par value, issued and outstanding.

Transitional Small Business Disclosure Format (check one):   Yes ☐   No ☒

AMERIGON INCORPORATED

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AMERIGON INCORPORATED

CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	June 30, 2004	December 31, 2003
	(Unaudited)	
ASSETS		
Current Assets:		
Cash & cash equivalents	$ 3,973	$ 844
Accounts receivable, less allowance of $56 and $56 respectively	4,742	5,882
Inventory	2,311	2,498
Prepaid expenses and other assets	335	224
Total current assets	11,361	9,448
Property and equipment, net	1,232	1,300
Deferred exclusivity fee	146	293
Patent costs, net of accumulated amortization of $5 and $4 respectively	192	193
Total assets	$ 12,931	$ 11,234
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$ 4,028	$ 4,258
Accrued liabilities	1,124	868
Deferred manufacturing agreement – current portion	200	200
Total current liabilities	5,352	5,326
Deferred manufacturing agreement – long term portion	1,150	1,250
Minority interest in subsidiary	19	19
Total liabilities	6,521	6,595
Shareholders' equity:		
Preferred stock:		
Series A – no par value; convertible; 9,000 shares authorized, 9,000 issued and outstanding at June 30, 2004 and December 31, 2003; liquidation preference of $11,520 at June 30, 2004 and December 31, 2003.	8,267	8,267
Common Stock:		
No par value; 30,000,000 shares authorized, 12,980,000 and 12,411,000 issued and outstanding at June 30, 2004 and December 31, 2003.	47,911	46,758
Paid-in capital	20,202	20,180
Accumulated deficit	(69,970)	(70,566)
Total shareholders' equity	6,410	4,639
Total liabilities and shareholders' equity	$ 12,931	$ 11,234

See accompanying notes to the condensed consolidated financial statements.

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CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Product revenues	$ 8,630	$ 5,644	$ 17,591	$ 10,890
Cost of sales	6,394	4,246	13,267	8,417
Gross margin	2,236	1,398	4,324	2,473
Operating costs and expenses:				
Research and development	561	684	1,183	1,629
Selling, general and administrative	1,436	1,346	2,652	2,430
Total operating costs and expenses	1,997	2,030	3,835	4,059
Operating income (loss)	239	(632)	489	(1,586)
Interest income	6	—	7	—
Interest expense	—	(30)	—	(53)
Other income	50	53	100	105
Net income (loss)	$ 295	$ (609)	$ 596	$ (1,534)
Basic net income (loss) per share	$ 0.02	$ (0.06)	$ 0.05	$ (0.14)
Diluted net income (loss) per share	$ 0.01	$ (0.06)	$ 0.03	$ (0.14)
Weighted average number of shares – basic	12,689	10,785	12,554	10,778
Weighted average number of shares – diluted	20,564	10,785	20,343	10,778

See accompanying notes to the condensed consolidated financial statements.

AMERIGON INCORPORATED

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Six Months Ended June 30, 2004	Six Months Ended June 30, 2003
Operating Activities:		
Net income (loss)	$ 596	$ (1,534)
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:		
Depreciation and amortization	369	246
Compensation from grant of non-employee stock options	22	—
Grant of warrants	—	310
Gain from sale of assets	—	(3)
Change in operating assets and liabilities:		
Accounts receivable	1,140	683
Inventory	187	(1,456)
Prepaid expenses and other assets	(111)	170
Accounts payable	(230)	(317)
Accrued liabilities	256	(182)
Net cash provided by (used in) operating activities	2,229	(2,083)
Investing Activities:		
Purchase of property and equipment	(253)	(406)
Proceeds from sale of property and equipment	—	3
Other investing activities	—	(2)
Net cash used in investing activities	(253)	(405)
Financing Activities:		
Repayment of bank financing	—	(280)
Proceeds from issuance of common stock, net of cash expenses	1,153	2,948
Net cash provided by financing activities	1,153	2,668
Net increase in cash and cash equivalents	3,129	180
Cash and cash equivalents at beginning of period	844	274
Cash and cash equivalents at end of period	$ 3,973	$ 454

See accompanying notes to condensed consolidated financial statements.

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AMERIGON INCORPORATED

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – The Company

Amerigon Incorporated (the "Company") designs, develops and markets proprietary, high-technology electronic components and systems for sale to car and truck original equipment manufacturers ("OEMs"). In 2003, the Company completed its fourth consecutive year of producing and selling its Climate Control Seat™ ("CCS™"), which provides year-round comfort by providing both heating and cooling to seat occupants. The Company has shipped more than 1,145,000 units of its CCS product through June 2004 to seven customers, Johnson Controls, Inc., Lear Corporation, Bridgewater Interiors, LLC, NHK Spring Company, Ltd., Marubeni Vehicle Corporation, Intier Automotive and Hyundai Motor Company.

In 2003, the Company launched a newly designed and more efficient version of its CCS that incorporates its new Micro Thermal Module™ ("MTM™") technology. This new generation CCS system, which is based on the Company's proprietary thermoelectric technology device ("TED") is smaller, lighter, quieter and more versatile than its predecessor.

The Company has an 85% interest in BSST LLC ("BSST"). BSST is engaged in a program to improve the efficiency of thermoelectric devices and to develop, market and distribute new products based on this technology.

Note 2 – Basis of Presentation and Summary of Certain Accounting Policies

The accompanying condensed consolidated financial statements as of June 30, 2004, reflect the consolidated financial position and consolidated operating results of the Company, BSST and Amerigon Asia Pacific Inc. Intercompany accounts have been eliminated in consolidation. These financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for fair presentation have been included. The consolidated results of operations for the six-month period ended June 30, 2004, are not necessarily indicative of the operating results for the full year.

The Company has funded its financial needs from inception primarily through net proceeds received through its initial public offering, as well as other equity and debt financing. At June 30, 2004, the Company had cash and cash equivalents of $3,973,000 and working capital of $6,009,000.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Company's Form 10-K for the year ended December 31, 2003.

Note 3 – Inventory / Outsourcing of Production / Related Party Transactions

Details of inventory by category, in thousands:

	June 30, 2004	December 31, 2003
Raw Material	$ 1,414	$ 1,960
Finished Goods	897	538
Total Inventory	$ 2,311	$ 2,498

The Company has outsourced production of the CCS product for its North American and Asian customers to Millennium Plastics Technologies, LLC ("Millennium") in Chihuahua, Mexico. Millennium is controlled by TMW Enterprises, Inc., an affiliate of the managing member of Big Beaver Investments LLC (one of the Company's three major shareholders). In addition to the assembly labor operation, the Company purchases various components from Millennium. As of June 30, 2004, the components held at this supplier's plant are reported as raw material inventory. Completed CCS systems held at the supplier's plant before shipment to the customer are reported as finished goods inventory. For the quarter ended June 30, 2004, purchases from this supplier totaled $1,097,000 with an accounts payable balance of $636,000 as of this date.

In June 2003, the Company began shipping a new generation of the CCS product from a second contract manufacturer, Ferrotec Corporation ("Ferrotec") located in Shanghai, China. In addition, the Company purchases thermoelectric devices from Ferrotec. For the quarter ended June 30, 2004, purchases from this supplier totaled $2,286,000 with an accounts payable balance of $1,564,000 as of this date. Ferrotec has cumulative holdings of 1,200,000 shares of the Company's common stock as of June 30, 2004.

Note 4 – Net Income (Loss) per Share

For the three and six months ended June 30, 2004, the Company's basic earnings per share ("EPS") calculations are based upon the weighted average number of shares of Common Stock outstanding. The Company's diluted earnings per share gives effect to all potential common shares outstanding during a period. In computing the diluted earnings per share, the treasury stock method is used in determining the number of shares assumed to be purchased from the conversion of Common Stock equivalents. The following summarizes the shares included in the dilutive shares as disclosed on the face of the condensed consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	**2003**	**2004**	**2003**
Weighted average of shares for calculation of basic EPS	12,688,677	10,784,960	12,554,279	10,778,136
Stock options outstanding for:				
1993 and 1997 Stock Option Plans [(1)]	573,968	—	540,956	—
Shares of Common Stock issuable upon the exercise of warrants [(1)]	1,928,341	—	1,874,853	—
Common Stock issuable upon the conversion of Series A Preferred Stock	5,373,134	—	5,373,134	—
Weighted average of shares for calculation of diluted EPS	20,564,120	10,784,960	20,343,222	10,778,136

(1) For the three and six month periods ended June 30, 2004, stock options for 21,500 shares of Common Stock and warrants for 216,690 shares of Common Stock are excluded from the fully diluted EPS calculation. Since the related exercise prices are greater than the average Common Stock share price for the three and six months ended June 30, 2004, these potential dilutive options and warrants are excluded under the treasury stock method.

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For the three and six month periods ended June 30, 2003, the Company's net loss per share calculations are based upon the weighted average number of shares of Common Stock outstanding. Because their effects are anti-dilutive, the net loss per share for the three and six month periods ended June 30, 2003 does not include the effect of:

	Three and Six Months Ended June 30, 2003
Stock options outstanding for: 1993 and 1997 Stock Option Plans	1,100,255
Shares of Common Stock issuable upon the exercise of warrants	4,194,299
Common Stock issuable upon the conversion of Series A Preferred Stock	5,373,134
Total	10,667,688

Note 5 – Research and Development Expense

The Company consolidates research and development expense with BSST. The following table details research and development expense by division, in thousands:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Research and development expense:				
Amerigon programs	$492	$612	$1,047	$1,371
BSST programs [1]	69	72	136	258
Total research and development expense	$561	$684	$1,183	$1,629

(1) BSST expense for the three and six months ended June 30, 2004 is net of $359,000 and $635,000, respectively, of reimbursement for developmental expense. BSST expense for the three and six months ended June 30, 2003 is net of $246,000 of reimbursement for developmental expense.

Note 6 – Segment Reporting

The tables below present segment information about the reported revenues and operating income (loss) of Amerigon for the three and six months ended June 30, 2004 and 2003 (in thousands). Asset information by reportable segment is not reported since management does not produce such information.

For the Three Months Ended June 30,	CCS	BSST [1]	Reconciling Items	As Reported
2004				
Revenue	$8,630	$ —	$ —	$ 8,630
Operating Income (Loss)	1,744	(69)	(1,436)[2]	239
2003				
Revenue	5,644	—	—	5,644
Operating Income (Loss)	786	(72)	(1,346)[2]	(632)

(1) BSST LLC is a subsidiary of the Company. BSST's operating loss for the three months ended June 30, 2004 and 2003 is net of $359,000 and $246,000, respectively, of reimbursable developmental funding.

(2) Represents selling, general and administrative costs of $1,424,000 and $1,334,000, respectively, and depreciation expense of $12,000 and $12,000, respectively, for the three months ended June 30, 2004 and 2003.

For the Six Months Ended June 30,	CCS	BSST [1]	Reconciling Items	As Reported
2004				
Revenue	$ 17,591	$ —	$ —	$17,591
Operating Income (Loss)	3,277	(136)	(2,652)[2]	489
2003				
Revenue	10,890	—	—	10,890
Operating Income (Loss)	1,102	(258)	(2,430)[2]	(1,586)

(1) BSST's operating loss for the six months ended June 30, 2004 and June 30, 2003 is net of $635,000 and $246,000, respectively, of reimbursable developmental funding.

(2) Represents selling, general and administrative costs of $2,628,000 and $2,406,000, respectively, and depreciation expense of $24,000 and $24,000, respectively, for the six months ended June 30, 2004 and 2003.

Product revenue information by geographic area (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
United States	$ 6,264	$ 4,669	$ 13,183	$ 9,221
Asia	2,366	975	4,408	1,669
Total Product Revenues	$ 8,630	$ 5,644	$ 17,591	$ 10,890

Product revenue information by geographic area, as a percent of total product revenues:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
United States	73%	83%	75%	85%
Asia	27%	17%	25%	15%
Total Product Revenues	100%	100%	100%	100%

Note 7 – Accrued Liabilities

Details of accrued liabilities (in thousands):

	June 30, 2004	December 31, 2003
Accrued salaries	$ 167	$ 137
Accrued bonus	150	—
Accrued vacation		209
Accrued warranty	212 189	145
Other accrued liabilities	405	377
Total accrued liabilities	$ 1,123	$ 868

Note 8 – Accounting for Stock-Based Compensation

The Company issues options to key employees under its 1993 and 1997 Stock Option Plans. The Company accounts for these plans under the recognition and measurement principles of Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” and related interpretations. The Company has not recognized any expense related to employee stock options, as all options granted under the plans had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income and earnings per share for the three months and six months ended June 30, 2004 and 2003 if the Company had applied the fair value recognition provisions of Statement of Financial Accounting Standards (SFAS) No. 123, “Accounting for Stock-Based Compensation,” to stock-based employee compensation.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net income (loss), as reported	$ 295	$ (609)	$ 596	$(1,534)
Value of stock-based compensation expense determined under fair value based method for all awards, net of related tax effects	(97)	(61)	(164)	(120)
Pro forma net income (loss)	$ 198	$ (670)	$ 432	$(1,654)
Income (loss) per share:				
Basic – as reported	$0.02	$(0.06)	$0.05	$ (0.14)
Basic – pro forma	$0.01	$(0.06)	$0.03	$ (0.15)
Diluted – as reported	$0.01	$(0.06)	$0.03	$ (0.14)
Diluted – pro forma	$0.01	$(0.06)	$0.02	$ (0.15)

Note 9 – Financing

On December 29, 2003, the Company extended its existing accounts receivable-based credit line with Comerica Bank to fund future working capital requirements. This loan is a $3,000,000 Revolving Credit Line with the debt not to exceed the lesser of the Revolving Credit or the Borrowing Formula (80% of eligible accounts receivable up to 90 days from invoice date). At June 30, 2004, $3,000,000 was available and unused under the Credit Line. The Credit Line bears interest of Comerica Bank's prime rate (4.00% at June 30, 2004) plus .5%, which is accrued and charged monthly. The Credit Line is secured by all of the Company's and its subsidiary's assets and expires on June 30, 2005.

Note 10 – Ford Agreement

On March 27, 2000, the Company entered into a Value Participation Agreement ("VPA") with Ford Motor Company ("Ford"). Pursuant to the VPA, Ford agreed that, through December 31, 2004, the Company has the exclusive right to manufacture and supply CCS units to Ford's Tier 1 suppliers for installation in Ford, Lincoln and Mercury branded vehicles produced and sold in North America (other than Ford branded vehicles produced by AutoAlliance International, Inc.). Ford is not obligated to purchase any CCS units under the VPA.

As part of the VPA, the Company granted to Ford warrants exercisable for Common Stock. A warrant for the right to purchase 82,197 shares of Common Stock at an exercise price of $2.75 per share was issued and fully vested on March 27, 2000. Additional warrants are to be granted and vested based upon annual and cumulative purchases by Ford's Tier 1 suppliers of a specified number of CCS units throughout the length of the VPA.

On December 10, 2003, Ford earned an additional warrant for 216,690 shares of Common Stock at an exercise price of $5.75. The fair value of the warrant of $676,000 was determined using the Black-Scholes valuation model. This non-cash charge was recorded as a selling expense of $310,000, $160,000 and $206,000 for quarters ended June 30, 2003, September 30, 2003 and December 31, 2003, respectively. This warrant was issued on February 4, 2004 and has a expiration date five years from date of issuance.

ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

We design, develop and market proprietary, high-technology electronic components and systems for sale to car and truck original equipment manufacturers ("OEMs"). In 2003, the Company completed its fourth consecutive year of producing and selling its Climate Control Seat™ ("CCS™"), which provides year-round comfort by providing both heating and cooling to seat occupants. The Company has shipped more than 1,145,000 units of its CCS product through June 2004 to seven customers, Johnson Controls, Inc., Lear Corporation, Bridgewater Interiors, LLC, NHK Spring Company, Ltd., Marubeni Vehicle Corporation, Intier Automotive and Hyundai Motor Company.

We operate as a Tier II supplier to the auto industry. Inherent in this market are up front development, engineering and production costs and expenses that arise well in advance of the receipt of orders (and resulting revenues) from customers. This is due in part to automotive manufacturers requiring the coordination and testing of proposed new components and sub-systems. Revenues from these expenditures may not be realized for two to three years as the manufacturers tend to group new components and enhancements into annual new model introductions.

Results of Operations

Second Quarter 2004 Compared with Second Quarter 2003

Revenues. Product revenues for the three months ended June 30, 2004 ("Second Quarter 2004") were $8,630,000 compared with revenues of $5,644,000 for the three months ended June 30, 2003 ("Second Quarter 2003"). This increase of $2,986,000, or 53%, is primarily due to the addition of our CCS product as an option since the third quarter of 2003 on the Mercury Monterey, Cadillac XLR, Cadillac DeVille, Cadillac Escalade ESV, Hyundai Equus, Nissan Cima and Nissan Gloria vehicle lines. Unit shipments rose to 135,000 units for the period ended June 30, 2004 compared with 92,000 units for the same period a year prior. We anticipate that volume may be up more than 20% in fiscal 2004, compared to fiscal 2003. Currently 15 vehicle lines from five major automotive manufactures offer our CCS product compared with 12 vehicle models and four manufacturers in the second quarter of 2003.

Cost of Sales. Cost of sales increased to $6,394,000 in 2004 (74%, as a percentage of sales) from $4,246,000 in 2003 (75%, as a percentage of sales). This increase of $2,148,000, is primarily attributable to a 53% increase in related revenues.

Research and Development Expenses. Research and development expenses decreased to $561,000 in the Second Quarter 2004 from $684,000 in the Second Quarter 2003. This $123,000, or 18%, decrease was due primarily to a $113,000 increase in reimbursable development efforts of our BSST subsidiary (see Note 5 of the condensed consolidated financial statements) and lower prototype costs associated with our next generation of CCS design.

We group development and prototype costs and related reimbursements in research and development. This is consistent with accounting standards applied in the automotive industry. Costs for tooling, net of related reimbursements, are included in cost of sales.

Selling, General and Administrative Expenses. Selling, general and administrative (SG&A) expenses increased to $1,436,000 in 2004 compared with $1,346,000 in 2003. This $90,000 increase was net of a charge of $310,000 in 2003 relating to the Ford VPA warrant valuation (see Note 10 of the consolidated financial statements). This increase in SG&A expenses, excluding this charge, was $400,000 and reflected a projected payment of an earnings based management bonus for the first time; the commencement of cash compensation to the Board of Directors; and higher wages and benefits associated with headcount added to support domestic, Asian and European marketing efforts.

Interest Expense. The Company had no interest expense for the Second Quarter 2004 compared with $30,000 for the Second Quarter 2003. The decrease resulted from the Company having no outstanding borrowing under its credit line during the three months ended June 30, 2004, compared with an average outstanding balance of $1,740,000 during the comparable period in 2003.

Six Months Ending 2004 Compared with Six Months Ending 2003

Revenues. Revenues for the six months ended June 30, 2004 (“First Half 2004”) were $17,591,000 as compared with revenues of $10,890,000 for the six months ended June 30, 2003 (“First Half 2003”). This increase of $6,701,000, or 62%, is primarily due to the addition of our CCS product as an option since the third quarter of 2003 on the Mercury Monterey, Cadillac XLR, Cadillac DeVille, Cadillac Escalade ESV, Hyundai Equus, Nissan Cima and Nissan Gloria vehicle lines. First Half 2004 unit shipments rose to 274,000 units compared with 172,000 units for the First Half 2003.

Cost of Sales. Cost of sales increased to $13,267,000 in First Half 2004 from $8,417,000 in First Half 2003. This increase of $4,850,000, or 58%, reflects a 62% increase in related revenues.

Research and Development Expenses. Research and development expenses decreased to $1,183,000 in First Half 2004 from $1,629,000 in First Half 2003. This $446,000, or 27%, decrease was due primarily to a $389,000 increase in reimbursable development efforts of our BSST subsidiary for the First Half 2004 compared with the First Half 2003 (see Note 5 of the condensed consolidated financial statements) and lower prototype costs associated with our next generation of CCS design.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased to $2,652,000 in First Half 2004 compared to $2,430,000 in First Half 2003. This $222,000, or 9% increase, is net of a $310,000 charge in the First Half 2003 relating to the Ford VPA (see Note 10 of the consolidated financial statements). Excluding this charge, the increase in SG&A was $522,000 and reflected a projected payment of an earnings based management bonus for the first time; the commencement of cash compensation to the Board of Directors; and higher wages and benefits associated with headcount added to support domestic, Asian and European marketing efforts.

Interest Expense. The Company had no interest expense for First Half 2004 compared with $53,000 for First Half 2003. The decrease resulted from the Company having no outstanding borrowing under its credit line during the six months ended June 30, 2004, compared with an average outstanding balance of $1,516,000 during the comparable period in 2003.

Liquidity and Capital Resources

As of June 30, 2004, we had working capital of $6,009,000. As of June 30, 2004, our cash and cash equivalents increased to $3,973,000 from $844,000 at December 31, 2003. Cash provided by operating activities amounted to $2,228,000, attributable to the net income, net of depreciation and amortization of $369,000 and the decrease in operating assets and liabilities of $1,242,000, primarily due to lower accounts receivable and inventory balances at June 30, 2004 compared with the previous year end. Cash used in investing activities amounted to $253,000, reflecting the purchase of tooling and equipment. Financing activities provided $1,153,000 from the exercise of warrants.

We have, as the majority owner of BSST, certain funding obligations to BSST of up to $500,000 per year. Potential incentive and option agreements for BSST management could reduce Amerigon's 85% ownership interest to 75% over time if all incentive targets are achieved and all of the authorized options are awarded to members of BSST management.

For the quarter ended June 30, 2004, the Company posted its third consecutive quarterly profit. The Company expects to continue to operate at a profit if the Second Quarter 2004 sales volume is maintained. We are working with many automobile manufacturers for future introduction of our CCS technology, but there is no guarantee these manufacturers will introduce our products.

Prior to the quarter ended December 31, 2003, we have funded our financial needs from inception primarily through net proceeds received through our initial public offering, as well as other equity and debt financings.

Warrants issued in conjunction with the 2002 Private Placement (the "2002 Warrants") provide that, in the event the closing bid price of a share of common stock of the Company exceeds $4.00 for twenty consecutive trading sessions, the Company may call such warrants upon 30 days prior written notice at a redemption price equal to $0.01 per share of common stock then purchasable pursuant to such warrants. Notwithstanding the Company's exercise of its call right described above, the holders of the 2002 Warrants may exercise such warrants prior to the end of such 30 day notice period at the exercise price per share of $2.00. In recognition of the voluntary exercise of a portion of the 2002 Warrants on June 27, 2003, Amerigon previously agreed to forbear exercising its call right described above until the end of a twelve-month period beginning on June 27, 2003. For twenty consecutive trading sessions ending September 10, 2003, the closing bid price of a share of common stock of the Company exceeded $4.00 per share. On June 24, 2004, the Company agreed to further forbear exercising its call rights until after December 31, 2004 with respect to the 710,301 2002 Warrants held by Big Beaver Investments, LLC, one of its three largest shareholders ("Big Beaver"), in exchange for an agreement from Big Beaver to limit its sale of shares of the Company's common stock through December 31, 2004. Shortly after June 26, 2004, the Company exercised its call rights with respect to all of the 2002 Warrants not held by Big Beaver. As of June 30, 2004, a total of 2,418,651 of the 2002 Warrants, including those held by Big Beaver, remained unexercised.

Related Party Transactions

We have outsourced production of our CCS product for our North American and Asian customers to Millennium Plastics Technologies, LLC ("Millennium") in Chihuahua, Mexico. Millennium is controlled by TMW Enterprises, Inc., an affiliate of the managing member of Big Beaver Investments LLC (one of our three major shareholders). In addition to the assembly labor operation, we purchase various injection molded components from them. Purchases of labor services and components were $1,097,000 for the quarter ended June 30, 2004 and $490,000 for the quarter ended June 30, 2003.

We purchase thermoelectric devices from and have outsourced a portion of our production to Ferrotec Corporation. Purchases of labor and services and components were $2,286,000 for the quarter ended June 30, 2004 and $1,582,000 for the quarter ended June 30, 2003.

Exposure to Market Risk

Our exposure to market risk for changes in interest rates relate primarily to our investment portfolio and our debt obligations under our revolving line of credit. We place our investments in debt instruments of the U.S. government and in high-quality corporate issuers. As stated in our policy, we seek to ensure the safety and preservation of its invested funds by limiting default risk and market risk. Our borrowings under the revolving line of credit bear interest at Comerica Bank’s prime rate (4.00% at June 30, 2004) plus .5%. As of June 30, 2004, there were no borrowings under that line of credit, maturing and payable on June 30, 2005. We have no investments or transactions denominated in foreign country currencies and therefore are not subject to foreign exchange risk. Except as described above, there have been no material changes with respect to market risk since the Form 10-QSB was filed for our quarter ended March 31, 2004.

FORWARD LOOKING STATEMENTS

Certain matters discussed or referenced in this report, including expectations of increased revenues and continuing losses, our financing requirements, our capital expenditures and our prospects for the development of platforms with major automotive manufacturers, are forward-looking statements. Other forward-looking statements may be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “believe”, “estimate”, “anticipate”, “intend”, “continue”, or similar terms, variations of such terms or the negative of such terms. All forward-looking statements speak only as of the date of this report, and we expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this report to reflect any change in our expectations with regard to such statements or any change in events, conditions or circumstances on which any such statement is based. Although such statements are based upon our current expectations, and we believe such expectations are reasonable, such expectations, and the forward-looking statements based on them, are subject to a number of factors, risks and uncertainties that could cause our actual results to differ materially from those described in the forward-looking statements, including those described below and in our other filings with the Securities and Exchange Commission.

RISK FACTORS

Risk Relating to our Business

We are only in the early stage of commercialization and marketing of our products and our sales may not significantly increase

Although we began operations in 1991, we have only engaged in the commercial manufacturing and marketing of our products since 1999. In December 1997, we received our first production orders for our CCS product, but shipments of production units in 1998 were very small. We had product revenues of $29,042,000 in 2003, $15,271,000 in 2002, and $6,447,000 in 2001. In 1998, we were selected by Ford to supply our CCS product to Johnson Controls for installation in the 2000 model year Lincoln Navigator and our CCS product was selected by the Toyota Motor Corporation to supply NHK Spring Company, Ltd. for installation in the 2001 model year Lexus LS 430 and Toyota Celsior luxury automobiles. In 2002 we added the Ford Expedition SUV, Lincoln Aviator SUV and LS luxury automobile and Infiniti Q45 and M45 luxury automobiles. In 2003, we added the Mercury Monterey mini van, the Cadillac XLR luxury roadster, the Cadillac DeVille luxury sedan, the Cadillac Escalade ESV SUV, the Hyundai Equus luxury sedan and the Nissan Cima luxury sedan. Our CCS product is currently being offered as an optional feature on these vehicles. There can be no assurance that additional vehicle platforms will use our CCS product, that sales will significantly increase or that we will remain profitable.

We have incurred substantial operating losses since our inception

We have incurred substantial operating losses since our inception. We had operating losses of $1,554,000 in 2003, $6,168,000 in 2002, and $7,537,000 in 2001. As of June 30, 2004, we had accumulated deficits since inception of $69,970,000. Our accumulated deficits are attributable to the historical costs of developmental and other start-up activities, including the industrial design, development and marketing of discontinued products and a significant loss incurred on a major electric vehicle development contract. Approximately $33.0 million of our accumulated deficit arose from past efforts in electric vehicles, integrated voice technology or radar, all discontinued products as of December 31, 2000.

We have been producing the CCS product since 1999 and have high fixed operating costs. Our breakeven point was approximately equal to our 2003 third and fourth quarter production levels. We will not be able to achieve a quarterly operating profit for the remainder of 2004 unless we are successful in maintaining or increasing our CCS product revenue levels.

We have incurred net losses of $1,415,000, $6,306,000, and $7,691,000 and we have used cash in operating activities of $1,867,000, $6,942,000, and $6,696,000 in 2003, 2002, and 2001, respectively

We have funded our financial needs from inception primarily through net proceeds received through our initial public offering as well as other equity and debt financing. At June 30, 2004, we had cash and cash equivalents of $3,973,000 and net working capital of $6,009,000. Based on our current operating plan, we believe cash at June 30, 2004, along with the proceeds from future revenues, warrant exercises and borrowings from our $3 million accounts receivable-based financing, will be sufficient to meet operating needs for the foreseeable future.

Our ability to market our products successfully depends on acceptance of our product by automotive manufacturers and consumers

We have engaged in a lengthy development process on our CCS product which involved developing a prototype for proof of concept and then adapting the basic system to actual seats provided by various automotive manufacturers and their seat suppliers. In the past four years, we have supplied prototype seats containing our CCS product to virtually every major automobile manufacturer and seat supplier. As a result of this process, we have been selected by a number of automotive manufacturers to supply a number of current vehicles.

Our ability to market our CCS product successfully depends upon the willingness of automobile manufacturers to incur the substantial expense involved in the purchase and installation of our products and systems, and, ultimately, upon the acceptance of our product by consumers. Automobile manufacturers may be reluctant to purchase key components from a small company with limited financial and other resources or continue to business with us based on our limited resources. No assurances can be made that either automotive manufacturers or consumers will accept our CCS product.

We commenced initial production shipments to Johnson Controls for Ford in late November 1999. We are working with many other automotive manufacturers and their seat suppliers in an effort to have the CCS product included in other models commencing with the 2005 model year and beyond. We currently have active development programs on over twenty-five vehicle platforms, but no assurance can be given that our CCS product will be implemented in any of these vehicles. While we have the only actively-cooled seat available, competitors are introducing ventilated seats, which provide some of the cooled-seat attributes and are very price competitive with our CCS product. Additionally, heat only devices are readily available from our competitors.

We do not anticipate additional financing in the future

We had experienced negative cash flow from operations since our inception through the third quarter of 2003 and have expended, and expect to continue to expend, substantial funds to continue our development and marketing efforts. We had negative cash flows from operations of $1,867,000 in 2003, $6,942,000 in 2002, and $6,696,000 in 2001. The Company has generated positive quarterly cash flow from operations of $941,000 for the quarter ended December 31, 2003, $1,653,000 for the quarter ended March 31, 2004 and $576,000 for the quarter ended June 30, 2004.

Based on our current operating plans, we believe that cash at June 30, 2004, along with proceeds from future revenues, warrant exercises and borrowings from our $3 million accounts receivable-based financing, will be sufficient to meet operating needs for the foreseeable future. Although the actual funds that we will need to operate during this period will be determined by many factors, some of which are beyond our control, we do not anticipate the need for additional financing.

The disruption or loss of relationships with vendors and suppliers for the components for our products could materially adversely affect our business

Our ability to market and manufacture our products successfully is dependent on relationships with both third party vendors and suppliers. We rely on various vendors and suppliers for the components of our products and procure these components through purchase orders, with no guaranteed supply arrangements. Certain components, including thermoelectric devices, are only available from a limited number of suppliers. The loss of any significant supplier, in the absence of a timely and satisfactory alternative arrangement, or an inability to obtain essential components on reasonable terms or at all, could materially adversely affect our business, operations and cash flows. Our business and operations could also be materially adversely affected by delays in deliveries from suppliers.

The outsourcing of production entails risks of production interruption and unexpected costs

Through 2002, we had been engaged in manufacturing in California for three years, producing moderate quantities of product. We have completed the outsourcing of production to lower-cost countries in order to be price competitive and expand our market beyond the luxury vehicle segment. The shift of the 1st generation production for North American and Asian platforms to a supplier plant in Chihuahua, Mexico and the 2nd generation of production to a supplier plant in Shanghai, China entails risk of production interruption and unexpected costs due to the extended logistics.

Automobile manufacturers demand on-time delivery of quality products, and some have required the payment of substantial financial penalties for failure to deliver components to their plants on a timely basis. Such penalties, as well as costs to avoid them, such as working overtime and overnight air freighting parts that normally are shipped by other less expensive means of transportation, could have a material adverse effect on our business and financial condition. Moreover, the inability to meet demand for our products on a timely basis would materially adversely affect our reputation and prospects.

We are not sure we will be able to persuade potential customers of the merits of our products and justify their costs to increase our sales

Because of the sophisticated nature and early stage of development of our products, we will be required to educate potential customers and demonstrate that the merits of our products justify the costs associated with such products. We have relied on, and will continue to rely on, automobile manufacturers and their dealer networks to market our products. The success of any such relationship will depend in part on the other party's own competitive, marketing and strategic considerations, including the relative advantages of alternative products being developed and/or marketed by any such party. There can be no assurance that we will be able to continue to market our products properly so as to generate meaningful product sales increases.

The sales cycle for our products is lengthy and the lengthy cycle impedes growth in our sales

The sales cycle in the automotive components industry is lengthy and can be as long as five years or more for products that must be designed into a vehicle, because some companies take that long to design and develop a vehicle. Even when selling parts that are neither safety-critical nor highly integrated into the vehicle, there are still many stages that an automotive supply company must go through before achieving commercial sales. The sales cycle is lengthy because an automobile manufacturer must develop a high degree of assurance that the products it buys will meet customer needs, interface as easily as possible with the other parts of a vehicle and with the automobile manufacturer’s production and assembly process, and have minimal warranty, safety and service problems. As a result, from the time that a manufacturer develops a strong interest in our CCS product, it normally will take several years before our CCS product is available to consumers in that manufacturer’s vehicles.

In the automotive components industry, products typically proceed through five stages of research and development. Initial research on the product concept comes first, to assess its technical feasibility and economic costs and benefits. This stage often includes development of an internal prototype for the component supplier’s own evaluation. If the product appears feasible, the component supplier manufactures a functioning prototype to demonstrate and test the product’s features. These prototypes are then marketed and sold to automotive companies for testing and evaluation. If an automobile manufacturer shows interest in the product, it typically works with the component supplier to refine the product, then purchases second and subsequent generation engineering prototypes for further evaluation. Finally, the automobile manufacturer either decides to purchase the component for a production vehicle or terminates the program.

The time required to progress through these five stages to commercialization varies widely. Generally, the more a component must be integrated with other vehicle systems, the longer the process takes. Further, products that are installed by the factory usually require extra time for evaluation because other vehicle systems are affected, and a decision to introduce the product into the vehicle is not easily reversed. Because our CCS product affects other vehicle systems and is a factory-installed item, the process takes a significant amount of time to commercialization.

Our industry is subject to intense competition and our products may be rendered obsolete by future technological developments in the industry

The automotive component industry is subject to intense competition. Virtually all of our competitors are substantially larger in size, have substantially greater financial, marketing and other resources, and have more extensive experience and records of successful operations than we do. Several competitors have introduced ventilated seats in an effort to respond to our proprietary cooled seat technology. Competition extends to attracting and retaining qualified technical and marketing personnel. There can be no assurance that we will successfully differentiate our products from those of our competitors, that the marketplace will consider our current or proposed products to be superior or even comparable to those of our competitors, or that we can succeed in establishing relationships with automobile manufacturers. Furthermore, no assurance can be given that competitive pressures we face will not adversely affect our financial performance.

Due to the rapid pace of technological change, as with any technology-based product, our products may even be rendered obsolete by future developments in the industry. Our competitive position would be adversely affected if we were unable to anticipate such future developments and obtain access to the new technology.

Any failure to protect our intellectual property could harm our business and competitive position

As of June 30, 2004, we owned twelve U.S. patents and had four U.S. patents pending and our subsidiary BSST owned five U.S. patents, and had seven U.S. patents pending and twenty one foreign patents pending. We were also licensees of three patents and joint owners with Honda Motor Co. of two U.S. patents and five Japanese patent applications. We also owned twenty four foreign patents and had twelve foreign patent applications pending. We believe that patents and proprietary rights have been and will continue to be very important in enabling us to compete. There can be no assurance that any new patents will be granted or that our or our licensors' patents and proprietary rights will not be challenged or circumvented or will provide us with meaningful competitive advantages or that pending patent applications will issue. Furthermore, there can be no assurance that others will not independently develop similar products or will not design around any patents that have been or may be issued to our licensors or us. Failure to obtain patents in certain foreign countries may materially adversely affect our ability to compete effectively in certain international markets. We are aware that an unrelated party filed a patent application in Japan on March 30, 1992, with respect to technology similar to our CCS technology. We hold current and future rights to licensed technology through licensing agreements requiring the payment of minimum royalties and must continue to comply with those licensing agreements. Failure to do so or loss of such agreements could materially and adversely affect our business.

Because of rapid technological developments in the automotive industry and the competitive nature of the market, the patent position of any component manufacturer is subject to uncertainties and may involve complex legal and factual issues. Consequently, although we either own or have licenses to certain patents, and are currently processing several additional patent applications, it is possible that no patents will issue from any pending applications or that claims allowed in any existing or future patents issued or licensed to us will be challenged, invalidated, or circumvented, or that any rights granted thereunder will not provide us adequate protection. There is an additional risk that we may be required to participate in interference proceedings to determine the priority of inventions or may be required to commence litigation to protect our rights, which could result in substantial costs.

Our products may conflict with patents that have been or may be granted to competitors or others

Other persons could bring legal actions against us claiming damages and seeking to enjoin manufacturing and marketing of our products for allegedly conflicting with patents held by them. Any such litigation could result in substantial cost to us and diversion of effort by our management and technical personnel. If any such actions are successful, in addition to any potential liability for damages, we could be required to obtain a license in order to continue to manufacture or market the affected products. There can be no assurance that we would prevail in any such action or that any license required under any such patent would be made available on acceptable terms, if at all. Failure to obtain needed patents, licenses or proprietary information held by others may have a material adverse effect on our business. In addition, if we become involved in litigation, it could consume a substantial portion of our time and resources. We have not, however, received any notice that our products infringe on the proprietary rights of third parties.

We rely on trade secret protection through confidentiality agreements and the agreements could be breached

We also rely on trade secrets that we seek to protect, in part, through confidentiality and non-disclosure agreements with employees, customers and other parties. There can be no assurance that these agreements will not be breached, that we would have adequate remedies for any such breach or that our trade secrets will not otherwise become known to or independently developed by competitors. To the extent that consultants, key employees or other third parties apply technological information independently developed by them or by others to our proposed projects, disputes may arise as to the proprietary rights to such information that may not be resolved in our favor. We may be involved from time to time in litigation to determine the enforceability, scope and validity of proprietary rights. Any such litigation could result in substantial cost and diversion of effort by our management and technical personnel. Additionally, with respect to licensed technology, there can be no assurance that the licensor of the technology will have the resources, financial or otherwise, or desire to defend against any challenges to the rights of such licensor to its patents.

Our customers typically reserve the right unilaterally to cancel contracts or reduce prices, and the exercise of such right could reduce or eliminate any financial benefit to us anticipated from such contract

Automotive customers typically reserve the right unilaterally to cancel contracts completely or to require unilateral price reductions. Although they generally reimburse companies for actual out-of-pocket costs incurred with respect to the particular contract up to the point of cancellation, these reimbursements typically do not cover costs associated with acquiring general purpose assets such as facilities and capital equipment, and may be subject to negotiation and substantial delays in receipt by us. Any unilateral cancellation of, or price reduction with respect to, any contract that we may obtain could reduce or eliminate any financial benefits anticipated from such contract and could have a material adverse effect on our financial condition and results of operations. To date, no such fees have been reimbursed.

Our success will depend in large part on retaining key personnel, which may be affected by the relocation of our corporate offices

Our success will depend to a large extent upon the continued contributions of key personnel in Amerigon and our research and development subsidiary, BSST. The loss of the services of Dr. Lon E. Bell, the head of BSST, would have a material adverse effect on the success of BSST.

Our success will also depend, in part, upon our ability to retain qualified engineering and other technical and marketing personnel. There is significant competition for technologically qualified personnel in our business and we may not be successful in recruiting or retaining sufficient qualified personnel.

Our reliance on outside major contractors may impair our ability to complete certain projects and manufacture products on a timely basis

In the past we have engaged certain outside contractors to perform product assembly and other production functions for us. We believe that there are a number of outside contractors that provide services of the kind that are used by us and that we may desire to use in the future. However, no assurance can be given that any such contractors would agree to work for us on terms acceptable to us or at all. Our inability to engage outside contractors on acceptable terms or at all would impair our ability to complete any development and/or manufacturing contracts for which outside contractors' services may be needed. Moreover, our reliance upon third party contractors for certain production functions reduces our control over the manufacture of our products and makes us dependent in part upon such third parties to deliver our products in a timely manner, with satisfactory quality controls and on a competitive basis.

Our business exposes us to potential product liability risks

Our business exposes us to potential product liability risks which are inherent in the manufacturing, marketing and sale of automotive components. In particular, there are substantial warranty and liability risks associated with our products. If available, product liability insurance generally is expensive. While we presently have $6,000,000 of product liability coverage ($5,000,000 on a per occurrence basis) with an additional $2,000,000 in product recall coverage, there can be no assurance that we will be able to obtain or maintain such insurance on acceptable terms with respect to other products we may develop, or that any insurance obtained will provide adequate protection against any potential liabilities. In the event of a successful claim against us, a lack or insufficiency of insurance coverage could have a material adverse effect on our business and operations.

Because many of the largest automotive manufacturers are located in foreign countries, our business is subject to the risks associated with foreign sales

Many of the world's largest automotive manufacturers are located in foreign countries. Accordingly, our business is subject to many of the risks of international operations, including governmental controls, tariff restrictions, foreign currency fluctuations and currency control regulations. However, historically, substantially all of our sales to foreign countries have been denominated in U.S. dollars. As such, our historical net exposure to foreign currency fluctuations has not been material. No assurance can be given that future contracts will be denominated in U.S. dollars.

Our use of contractors located in foreign countries will subject us to the risks of international operations

We engage contractors located in foreign countries. Accordingly, we will be subject to all of the risks inherent in international operations, including work stoppages, transportation delays and interruptions, political instability, foreign currency fluctuations, economic disruptions, the imposition of tariffs and import and export controls, changes in governmental policies and other factors which could have an adverse effect on our business.

Risks Relating to Share Ownership

Our significant shareholders control the company

Big Beaver Investments LLC and Westar Capital II LLC each own 4,500 shares of Series A Preferred Stock, which are convertible into common stock at an initial conversion price of $1.675 per common share. On February 25, 2002, we entered into a separate agreement with Big Beaver pursuant to which it acquired an additional 1,720,602 shares of common stock and warrants to purchase an additional 860,301 shares of common stock at a price of $2.00 per share. Combined, Big Beaver and Westar have the right to elect a majority of our directors. Big Beaver and Westar Capital each have preemptive rights on future financings, so as to maintain their percentage ownership and have registration rights. Based upon the terms of the Series A Preferred Stock, Big Beaver and Westar Capital together in the aggregate held approximately 40% of our common equity (on an as converted basis, excluding options and warrants), as of June 30, 2004.

Our quarterly results may fluctuate significantly, and our small public "float" adversely affects liquidity of our common stock and stock price

Our quarterly operating results may fluctuate significantly in the future due to such factors as acceptance of our product by automotive manufacturers and consumers, timing of our product introductions, availability and pricing of components from third parties, competition, timing of orders, foreign currency exchange rates, technological changes and economic conditions generally. Broad market fluctuations in the stock markets can, obviously, adversely affect the market price of our common stock. In addition, failure to meet or exceed analysts' expectations of financial performance may result in immediate and significant price and volume fluctuations in our common stock.

Without a significantly larger number of shares available for trading by the public, or public "float," our common stock is less liquid than stocks with broader public ownership, and as a result, trading prices of the common stock may significantly fluctuate and certain institutional investors may be unwilling to invest in such a thinly traded security.

We have anti-takeover defenses that could make it more difficult for a third party to acquire a majority of our outstanding voting stock.

The Series A Preferred Stock, which is outstanding, confers upon its holders the right to elect five members of the Board of Directors while the holders of common stock have the right to elect two members of the Board of Directors. In addition, the Series A Preferred Stock will vote together with the shares of common stock on most matters submitted to shareholders. As of June 30, 2004, the holders of the Series A Preferred Stock had approximately 40% of our voting shares and had the ability to approve or prevent any subsequent change of control.

In addition, our Board of Directors has the authority to issue up to 5,000,000 shares of preferred stock and to determine the price, rights, preferences and privileges of those shares without any further vote or action by the shareholders. The rights of the holders of common stock will be subject to, and may be adversely affected by, the rights of the holders of any shares of preferred stock that may be issued in the future. The issuance of preferred stock, while providing desirable flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire a majority of our outstanding voting stock.

Future sales of eligible shares may lower the price of our common stock

On June 27, 2003, we issued 1,000,000 shares of restricted common stock in a private placement to Tokyo-based Ferrotec Corporation ("Ferrotec") at $2.50 per share. In connection with the sale of such shares, we granted Ferrotec demand registration rights beginning one year from the closing of the sale and piggy-back registration rights if we propose to register any securities before then. Ferrotec acquired 200,000 shares of restricted common stock in March, 2001 under almost identical terms. Ferrotec registered these 200,000 shares in our March 2002 registration statement.

On February 25, 2002, we completed the sale of 4,333,368 shares of common stock and 2,166,684 warrants to purchase shares of common stock in a private placement to selected institutional and accredited investors, resulting in gross proceeds of $6,500,052. The $6,500,052 excludes $2,580,903 representing the principal amount of a bridge loan and accrued interest on that loan, which were exchanged by the holder for 1,720,602 shares of common stock and warrants to purchase 860,301 shares of common stock. As partial compensation for services rendered in the private placement, Roth Capital Partners, LLC, was granted a warrant to purchase up to 550,005 shares of our common stock. The warrants issued in the private placement have an exercise price of $2.00 per share and expire on February 25, 2007. Through June 30, 2004, warrants to purchase 1,158,339 shares of common stock have been exercised relating to this private placement. Although the shares issued in the private placement are restricted under the Securities Act, we filed with the Securities and Exchange Commission a registration statement under the Securities Act to permit the resale of the common stock issued in the private placement (including those shares issuable upon exercise of the warrants). The Securities and Exchange Commission declared the registration statement effective on April 3, 2002 and the shares are eligible for resale.

Our Series A Preferred Stock is convertible into 5,373,134 shares of common stock and the holders thereof possess demand and piggyback registration rights.

As part of the agreement with Ford dated March 2000, we granted warrants to Ford exercisable for our common stock. Warrants for the right to purchase 108,345 shares of common stock at an exercise price of $2.75 per share were issued and fully vested in 2000. Based on audited sales results for 2003, Ford earned an additional 216,690 warrants at an exercise price of $5.75. Additional warrants may be granted and vested at a $6.75 exercise price based upon purchases by Ford of a specified number of CCS units in 2004 although this is not considered likely based on present production volumes.

Employees and directors (who are not deemed affiliates) hold options to buy 1,369,281 shares of common stock at June 30, 2004. We may issue options to purchase up to an additional 463,473 shares of common stock at June 30, 2004 under our stock option plans. The common stock to be issued upon exercise of these options has been registered and, therefore, may be freely sold when issued. As of June 30, 2004, we also have outstanding additional warrants to buy 3,436,065 shares of common stock with exercise prices ranging from $1.15 to $5.75 and expiration dates ranging from September 8, 2004 to February 4, 2009.

Future sales of the shares described above could depress the market price of our common stock.

We do not anticipate paying dividends on our common stock

We have never paid any cash dividends on our common stock and do not anticipate paying dividends in the near future.

Delisting from an active trading market may adversely affect the liquidity and trading price of our common stock

Although our common stock is quoted on The Nasdaq SmallCap Market, there can be no assurance that we now, or in the future will be able to, meet all requirements for continued quotation thereon. One Nasdaq requirement is that we maintain a minimum stockholders’ equity of $2,500,000, or a market capitalization of $35,000,000 of listed shares, or have had net income from continuing operations of at least $500,000 in the last fiscal year (or two of the three most recently completed fiscal years).

If we fail to meet Nasdaq's requirements on an ongoing basis, our common stock would likely be delisted from The Nasdaq SmallCap Market. In the absence of an active trading market or if our common stock cannot be traded on The Nasdaq SmallCap Market, our common stock could instead be traded on secondary markets, such as the OTC Bulletin Board. In such event, the liquidity and trading price of our common stock in the secondary market may be adversely affected. In addition, if our common stock is delisted, broker-dealers have certain regulatory burdens imposed on them which may discourage broker-dealers from effecting transactions in our common stock, further limiting the liquidity thereof.

ITEM 3

CONTROLS AND PROCEDURES

Management, including the Company's President & Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the period ended June 30, 2004. Based upon, and as of the date of that evaluation, the President & Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were effective, in all material respects, to ensure that information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized and reported as and when required.

There was no change in our internal control over financial reporting identified in connection with such evaluation that occurred during our fiscal quarter ended June 30, 2004 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

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PART II

OTHER INFORMATION

ITEM 4. **SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS**

The Annual Meeting of Shareholders was held on May 19, 2004. The following summarizes each matter voted upon at the meeting and the number of votes cast for or against and the number of abstentions.

1. As to the election of directors, the number of votes cast as to each nominee was as follows:

Elected by the Preferred Stockholders:

Nominee	For	Against	Abstain
Oscar B. Marx	5,373,134	—	—
John W. Clark	5,373,134	—	—
Paul Oster	5,373,134	—	—

Elected by the Common Stockholders:

Nominee	For	Against	Abstain
James J. Paulsen	10,869,663	—	5,030
Francois J. Castaing	10,869,663	—	5,030

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits

31.1 Rule 13a-14(a) Certification of Chief Executive Officer

31.2 Rule 13a-14(a) Certification of Chief Financial Officer

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Reports on Form 8-K

We furnished a Current Report on Form 8-K on May 7, 2004, reporting under Item 12 that on May 5, 2004, we announced our financial results for our first quarter ended March 31, 2004 and certain other information.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Amerigon Incorporated
(Registrant)

/s/ Daniel R. Coker

Daniel R. Coker
Chief Executive Officer
(Duly Authorized Officer)

Date: August 9, 2004

/s/ William J. Wills

William J. Wills
Chief Financial Officer
(Principal Financial Officer)

Date: August 9, 2004

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Exhibit Index

31.1 Rule 13a-14(a) Certification of Chief Executive Officer.

31.2 Rule 13a-14(a) Certification of Chief Financial Officer.

32.1 Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 31.1

CHIEF EXECUTIVE OFFICER'S CERTIFICATION

I, Daniel R. Coker, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Amerigon Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: August 9, 2004

/s/ Daniel R. Coker

Daniel R. Coker
President & Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER'S CERTIFICATION

I, William J. Wills, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Amerigon Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the small business issuer as of, and for, the periods presented in this report;
4. The small business issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
5. The small business issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal control over financial reporting.

Date: August 9, 2004

/s/ William J. Wills

William J. Wills
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Amerigon Incorporated (the “Company”) on Form 10-QSB for the period ended June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Daniel R. Coker, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Daniel R. Coker

Daniel R. Coker
President and Chief Executive Officer
August 9, 2004

Exhibit 32.2

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Amerigon Incorporated (the “Company”) on Form 10-QSB for the period ended June 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, William J. Wills, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ William J. Wills

William J. Wills
Chief Financial Officer
August 9, 2004