

## FY2007 Consolidated Financial Results

(April 1, 2006 through March 31, 2007)

April 26, 2007

Company Name	AISIN SEIKI Co., Ltd.	Listed on	The Tokyo, Osaka and Nagoya Stock Exchanges (1st division)
Code Number	7259	Location	Aichi, JAPAN
Representative	Yasuhito Yamauchi, President	URL	http://www.aisin.co.jp
Reference person in charge	Masaaki Yasui, General Manager, Finance & Accounting Dept.	TEL	81 - 566 - 24 - 8265
The expected date of a regular general meeting of shareholders			June 21, 2007
The expected date of dividends payment			June 22, 2007

### 1. Consolidated Results for FY2007 (Apr. 1, 2006 through Mar.31, 2007)

(1) Consolidated Financial Results (Amounts less than million yen are rounded down.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
<b>FY2007</b>	<b>2,378,611</b>	<b>12.2</b>	<b>131,034</b>	<b>11.0</b>	<b>134,287</b>	<b>7.3</b>	<b>66,889</b>	<b>9.5</b>
FY2006	2,120,588	15.9	118,096	24.2	125,096	27.1	61,095	30.8

  

	Earnings Per Share	Fully Diluted Earnings Per Share	Return on Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Net Sales
	Yen	Yen	%	%	%
<b>FY2007</b>	<b>233.03</b>	<b>232.71</b>	<b>9.3</b>	<b>6.9</b>	<b>5.5</b>
FY2006	209.15	208.86	9.9	7.5	5.6

Note1 : Equity income                      FY2007 : 6,302 million yen , FY2006 : 5,542 million yen

Note2 : Percentages for net sales, operating income, ordinary income and net income indicate changes from the same period of the previous year.

#### (2) Consolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million Yen	Million Yen	%	Yen
<b>FY2007</b>	<b>2,037,896</b>	<b>955,853 ※</b>	<b>37.2</b>	<b>2,662.78</b>
FY2006	1,853,458	678,881	36.6	2,361.66

Note1 : Equity capital                      FY2007 : 758,743 million yen , FY2006 : — million yen

Note2 : The points marked ※ are based on new accounting principal. The numerical value replaced with the previous accounting principals are as follows.

Shareholders' Equity                      761,112 million yen

"Changes in Accounting Standards" has been described to "Basis of Presenting Consolidated Financial Statements" on page 14.

#### (3) Consolidated Cash Flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of year
	Million Yen	Million Yen	Million Yen	Million Yen
<b>FY2007</b>	<b>228,402</b>	<b>( 236,614 )</b>	<b>13,361</b>	<b>136,307</b>
FY2006	185,715	( 215,495 )	36,834	128,212

### 2. Cash Dividends

	Annual Cash Dividends Per Share			Dividends total	Dividends Payout Ratio	Ratio of Total Amount of Dividends to Shareholders' Equity
	Interim dividend	Final dividend	Total			
	Yen	Yen	Yen	Million Yen	%	%
FY2006	13	19	32	9,413	15.3	1.5
<b>FY2007</b>	<b>16</b>	<b>24</b>	<b>40</b>	<b>11,545</b>	<b>17.2</b>	<b>1.6</b>
FY2008 (Forecast)	20	20	40		16.8	

### 3. Consolidated forecast for FY2008 (Apr. 1, 2007 through Mar. 31, 2008)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
1st Half of FY2008	1,200,000	7.1	58,000	11.2	60,000	9.7	28,500	15.5	100.02
FY2008	2,500,000	5.1	135,000	3.0	137,000	2.0	68,000	1.7	238.64

Note : Percentages for net sales, operating income, ordinary income and net income indicate changes from the same period of the previous year.

#### 4. Others

- (1) Reshuffle of significant subsidiaries : No  
 (2) Changes according to revision of accounting policy : Yes

#### (3) Issued and outstanding capital stock

Number of shares issued as of the respective balance sheet date  
 FY2007 : 294,674,634 shares , FY2006 : 294,674,634 shares

Number of treasury stock  
 FY2007 : 9,730,145 shares , FY2006 : 7,701,168 shares

Average number of shares issued and outstanding each period after adjustment  
 FY2007 : 287,038,636 shares , FY2006 : 286,628,374 shares

### FY2007 Unconsolidated Financial Results (April 1, 2006 through March 31, 2007)

#### 1. Unconsolidated Results for FY2007 (Apr. 1, 2006 through Mar.31, 2007)

##### (1) Unconsolidated Financial Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
<b>FY2007</b>	<b>786,966</b>	<b>9.2</b>	<b>28,538</b>	<b>-19.0</b>	<b>36,808</b>	<b>-12.3</b>	<b>27,112</b>	<b>-5.4</b>
FY2006	720,541	11.0	35,220	10.3	41,969	22.2	28,664	33.4

  

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
<b>FY2007</b>	<b>92.42</b>	<b>92.29</b>
FY2006	96.52	96.39

Note : Percentages for net sales, operating income, ordinary income and net income indicate changes from the same period of the previous year.

##### (2) Unconsolidated Financial Position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	Million Yen	Million Yen	%	Yen
<b>FY2007</b>	<b>1,069,056</b>	<b>441,595</b>	<b>41.3</b>	<b>1,548.99</b>
FY2006	951,182	445,848	46.9	1,514.51

Note : Equity capital FY2007 : 441,427 million yen , FY2006 : - million yen

#### 2. Unconsolidated forecast for FY2008 (Apr. 1, 2007 through Mar. 31, 2008)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
1st Half of FY2008	390,000	6.3	11,000	24.5	16,000	10.3	12,000	7.2	42.11
FY2008	820,000	4.2	30,000	5.1	38,000	3.2	27,500	1.4	96.50

Note : Percentages for net sales, operating income, ordinary income and net income indicate changes from the same period of the previous year.

Forecasts above are based on AISIN's plans and expectations. These are not guarantees of future performance including known and unknown risks, uncertainties and other factors that may cause actual results, performance, achievements or financial position to be materially different from the forecasts expressed or implied in this report.

## Management Policy

### **1. Management Policy**

Based on the corporate principles of “Quality First”, AISIN Group offers its products and services globally that would satisfy customers through “enhanced value creation,” “continuous global growth,” “harmony with society and nature” and “individual creativity and initiative.” Through these policies, AISIN enhances its corporate values and contributes to stakeholders such as shareholders, local societies, business partners, and employees.

### **2. Medium-to Long-Term Management Strategies and Target Management Index**

AISIN’s goal is to expand its market share in Japan and overseas in Drivetrain Related, Brake & Chassis- Related, Body Related, and Engine Related business, and focuses on developing system components to contribute to safety, environment, and comfort by utilizing its extensive lineup of automotive parts and technological capabilities for further growth in Automotive Related Business, as well as expanding the Life & Energy Related Business. Furthermore, AISIN would work to expand its operations in the global market by enforcing production activities in the North America, China, Asia, and Europe. Concerning Life & Energy Related Business, AISIN tries to develop new products and service in accordance with changes of consumers’ needs on living.

AISIN regards 10% of ROE (Return On Equity) as one of the management targets, and tries to enhance competitiveness while also pursuing capital efficiency.

### **3. Countermeasures**

In terms of business environment, there are still many unstable factors such as surging price of oil and materials, fluctuating foreign exchanges, and global scale competitions. To overcome these obstacles, and to become a preeminent brand, AISIN plans to cope with the problems appropriately and accelerate further growth through comprehensive group capabilities. The AISIN group companies will make efforts to develop new products continuously and improve mono-zukuri (manufacturing expertise in value-added products), which would bring “Reliability and Impression” to their customers.

Additionally, the company would establish global supply network through further upgrading of production, R&D, and marketing worldwide in order to respond to its customers’ requests quickly around the world.

To acquire trust from society, the AISIN aims to be a leader in environment preservation. Through steady implementation of its five-year plan based on “the Fourth Environmental Action Plan.” Aisin advocates environmental preservation and corporate citizenship such as community building and development, protection of nature and the environment, and fostering of youth, while making earnest efforts to become compliant business-wise, and for further growth and development in harmony with societies.

## Operating Results and Financial Position

### **1. Analysis of Operating Results**

While automobile sales in major markets in the North America and Europe were stagnant due to increasing price of oil, sales in the emerging markets such as China and India are expanding rapidly, which resulted in a steady growth of worldwide automobile market. Although Japanese automobile market was generally stagnant, production volume of automobile in Japan has surpassed previous year's result the last five years because of increasing exports.

On the other hand, the Life & Energy related business has decreased because of intense market competitions in Japan and overseas. In such situations, the AISIN group makes efforts to develop new products corresponding to customers' needs. Also it is expanding its business in global market as well as conducting environment preservation and social activities.

Regarding developments and marketing, drivers' needs for their automobile have become more diversified and sophisticated. Early recognition of changes in customer taste and fulfilling their demands appropriately is a crucial mission for auto components suppliers, the AISIN group tries to develop new technologies, new production methods, and new products, focusing on safety, environment, and comfort, in order to provide all customers with "Reliability and Impression." Additionally, while higher automotive technologies are required by customers, the AISIN group companies cooperate to develop system products through extensive lineup and expertise that they possess to create value added products.

In an effort to meet customers' demands around the world, the AISIN is expanding its production and supply structure in Japan and overseas. The AISIN AI Co. Ltd. builds a new plant(Kira-cho, Aichi) for enforcing production capacities of manual-transmissions. In the United States, by the establishment of AISIN Mfg. California, LLC. AISIN will be able to increase production of door frames. To meet customer demand in Canada, the second plant of the AISIN Canada Inc. will be built. This year in the United States and China, six production sites are in their first year of operations.

The AISIN has completed the personnel development center next to the headquarter which will focus on the development of personnel in the AISIN group that are necessary for its global operations. The purpose of this center is to promote the development of personnel within the AISIN Group systematically and efficiently such as to learn basic principles of mono-zukuri, to master technical skills, to develop management skills, and to train employees that can operate on a global scale. Its main purpose is to promote education of the AISIN technical academy that trains future leaders in production sites. Courses are arranged in accordance with respective ranks from new employees to managers, common management

seminars, and trainings for new trainees from overseas subsidiaries could be done in this center. At the same time, promoting “the AISIN WAY” to all AISIN personnel which is written documents to define its corporate values and principles.

Based on the idea that business developments in harmony with nature and societies, and also wholesome relations with stakeholders are vital, AISIN makes every possible efforts to achieve sustainable development in an international society. With regard to environmental activities, based on the ISO14001 consolidated environment management system, the organization actively promotes cogeneration system with higher energy efficiency, utilization natural energy such as solar power system and wind power system, greenification of rooftops in an attempt to save energy. From a product development point of view, AISIN is developing new technologies and production methods that contribute to fuel efficiency and lightweight vehicles, as well as promoting the development of technologies for residential fuel cells and solar cells.

As a result, sales of the autoparts segment increased 12.4% (¥2,278.8billion) compared with the last fiscal year (¥2,027billion), in addition to increased sales for automatic transmissions, manual transmissions, car navigation system, and power sliding door system. Sales of the Life related and other products business increased 6.6% (¥99.7billion) compared with the last fiscal year (¥93.5billion). Total sales increased 12.2% (¥2,378.6billion) compared to the last fiscal year (¥2,120.5billion).

Despite surging material costs and depreciation and amortization expenses increase, the rationalization activities to streamline and raise efficiency in all areas of operations through cost reductions and other measures in addition to sales increase, resulted in a 11.0% increase in operating income from ¥118.0billion to ¥131.0billion. Ordinary income increased 7.3% to ¥134.2billion. (Previous: ¥125.0billion) Net income increased 9.5% to ¥66.8billion. (FY2006: ¥61.0billion)

The forecast for the next consolidated financial results, net sales, operating profit, ordinary profit, and net income are ¥2,500.0billion, ¥135.0billion, ¥137.0billion, ¥68.0billion, respectively, which takes into consideration the effects of taxation reform on depreciation and amortization. (Assumption of currency exchanges: 1USDollar=¥115, 1Euro=¥150)

## **2. Financial Position**

For FY2007, cash flows provided by operating activities amounted to ¥228.4billion, cash flows from investing activities was ¥236.6billion, cash flows provided by financing activities amounted to ¥13.3billion and cash flows provided by translation adjustment of cash and cash equivalents totaled ¥2.9billion. As a result, cash and cash equivalents as of Mar. 31, 2007 stood at ¥136.3billion, an increase of ¥8billion, or 6.3%, compared with ¥128.2billion as of Mar. 31, 2006.

[Cash Flows from Operating Activities]

Net cash provided by operating activities increased ¥42.6billion, or 23.0%, from

¥185.7billion to ¥228.4billion. The key factor for this rise in cash was an increase of ¥9.1billion in income before income taxes and minority interest and increase of ¥22.2billion in depreciation and amortization.

[Cash Flows from Investing Activities]

Net cash used in investing activities rose ¥21.1billion, or 9.8%, from ¥215.4billion to ¥236.6billion. An increase in deposit and investments in securities resulted in a decrease in cash of ¥16.6billion. A decrease in cash of ¥5.6billion from ¥218.7billion to ¥224.4billion was due to payments of purchase in property, plant and equipment.

[Cash Flows from Financing Activities]

Net cash provided by financing activities decreased ¥23.4billion from ¥36.8billion to ¥13.3billion. The key factor was a decrease of ¥14.9billion in long-term borrowings from ¥65.1billion to ¥50.2billion and also a decrease of ¥10.0billion in the issuance of corporate bonds.

Reference : Transition of index related to cash flows

	Apr.2002 through Mar. 2003	Apr.2003 through Mar. 2004	Apr.2004 through Mar. 2005	Apr.2005 through Mar. 2006	Apr.2006 through Mar. 2007
Equity ratio (%)	35.0	36.6	36.8	36.6	37.2
Equity ratio to the public stock market value (%)	34.3	42.0	46.4	70.9	57.7
Liabilities with interest to cash flows (point)	1.4	1.5	1.6	1.5	1.3
Interest coverage ratio (magnification)	48.2	57.3	59.2	74.3	81.2

Equity ratio = Shareholders' Equity ÷ Total Assets

Equity ratio to the public stock market value = The public stock market value ÷ Total Assets

Liabilities with interest to cash flows = Liabilities with interest ÷ Cash flows

Interest coverage ratio = Cash flows ÷ Interest payment

Note1 : The above-mentioned data are calculated by the consolidated basis.

Note2 : The public stock market value are calculated based on the numbers of issued shares except treasury stock.

Note3 : The operating cash flows is used for the cash flows.

Note4 : The interest-bearing debt includes all the debts to pay the interest of the debts summed up by the consolidated balance sheet.

### **3. Basic Policy on the Distribution of Profits**

Dividends to shareholders takes into consideration its policy of maintaining stable dividends and other comprehensive range of factors that include the Group's business results and its payout ratio.

As retained earnings, in order to secure shareholders' profit, AISIN is planning to utilise them for investment to expand its business worldwide and strengthen its competitiveness.

## **Overview of Associated Companies**

This "Overview of Associated Companies" is omitted because there is no significant alteration from "Overview of Associated Companies" of FY2006 Consolidated Financial Reports issued on June 23, 2006.

## Consolidated Net Sales by Item

(Million Yen)

Category		FY2006		FY2007		Increase (Decrease)	Variation ratio
		(Apr. 2005 through Mar. 2006)		(Apr. 2006 through Mar. 2007)			
		Amount	Perce- tage	Amount	Perce- tage		
A u t o m o t i v e  R e l a t e d	Engine Related	197,398	9.3	223,275	9.4	25,877	13.1
	Drivetrain Related	901,644	42.5	1,014,016	42.6	112,372	12.5
	Brake & Chassis Related	425,181	20.1	468,260	19.7	43,079	10.1
	Body Related	379,549	17.9	433,210	18.2	53,661	14.1
	Information Related	123,231	5.8	140,053	5.9	16,822	13.7
	Sub Total	2,027,005	95.6	2,278,816	95.8	251,811	12.4
	Life & Energy Related	52,988	2.5	51,592	2.2	( 1,396 )	( 2.6 )
	Others	40,595	1.9	48,202	2.0	7,607	18.7
	Grand Total	2,120,588	100.0	2,378,611	100.0	258,023	12.2

Note : Sales of "Others" includes "Construction and Engineering Works Business" and "Oil Sales Business" and so on.



## Consolidated Statements of Income

(Million Yen)

	FY2006 (Apr.2005 through Mar.2006)	FY2007 (Apr.2006 through Mar.2007)	Increase (Decrease)
<b>Net Sales</b>	<b>2,120,588</b>	<b>2,378,611</b>	<b>258,023</b>
Cost of Sales	1,829,682	2,060,667	230,985
<b>Gross Profit</b>	<b>290,906</b>	<b>317,944</b>	<b>27,038</b>
Selling, General & Administrative Expenses	172,809	186,909	14,100
<b>Operating Income</b>	<b>118,096</b>	<b>131,034</b>	<b>12,938</b>
<b>Non-Operating Income</b>	<b>20,341</b>	<b>21,703</b>	<b>1,362</b>
Interest & Dividend Income	3,926	4,735	809
Investment Profit on Equity Method	5,542	6,302	760
Other Income	10,873	10,664	( 209 )
<b>Non-Operating Expenses</b>	<b>13,341</b>	<b>18,450</b>	<b>5,109</b>
Interest Expense	2,581	3,546	965
Other Expenses	10,760	14,903	4,143
<b>Ordinary Income</b>	<b>125,096</b>	<b>134,287</b>	<b>9,191</b>
<b>Income Before Income Taxes and Minority Interest</b>	<b>125,096</b>	<b>134,287</b>	<b>9,191</b>
Income Taxes-current	47,800	51,765	3,965
Income Taxes-deferred	( 7,649 )	( 6,989 )	660
Minority Interest in Net Income	23,849	22,622	( 1,227 )
<b>Net Income</b>	<b>61,095</b>	<b>66,889</b>	<b>5,794</b>

Note : Depreciation and amortization	123,033	145,276	22,243
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## Consolidated Balance Sheets

(Million Yen)

	FY2006 (As of Mar. 31, 2006)	FY2007 (As of Mar. 31, 2007)	Increase (Decrease)
{ Assets }			
<b>Current Assets</b>	<b>694,030</b>	<b>767,369</b>	<b>73,339</b>
Cash and Cash Equivalents	95,443	98,628	3,185
Trade Notes & Accounts Receivable	336,864	363,726	26,862
Marketable Securities	32,434	38,622	6,188
Inventories	148,782	168,762	19,980
Deferred Tax Assets	42,842	48,386	5,544
Others	39,438	49,974	10,536
Less: Allowance for Doubtful Accounts	( 1,775 )	( 732 )	1,043
<b>Fixed Assets</b>	<b>1,159,428</b>	<b>1,270,526</b>	<b>111,098</b>
<b>Property, Plant &amp; Equipment</b>	<b>777,763</b>	<b>839,192</b>	<b>61,429</b>
Buildings & Structures	211,914	240,051	28,137
Machinery, Equipment & Vehicles	382,263	419,876	37,613
Tools, Furniture & Fixtures	37,783	42,550	4,767
Land	85,320	88,412	3,092
Construction in Progress	60,481	48,301	( 12,180 )
<b>Intangible Fixed Assets</b>	<b>10,249</b>	<b>16,139</b>	<b>5,890</b>
Consolidation Adjustments		3,566	3,566
Software	7,911	10,068	2,157
Others	2,338	2,504	166
<b>Investments &amp; Other Assets</b>	<b>371,415</b>	<b>415,194</b>	<b>43,779</b>
Investments in Securities	319,716	357,422	37,706
Long-term Loans	4,314	4,259	( 55 )
Deferred Tax Assets	21,450	24,228	2,778
Others	26,388	29,773	3,385
Less: Allowance for Doubtful Accounts	( 455 )	( 488 )	( 33 )
<b>Total Assets</b>	<b>1,853,458</b>	<b>2,037,896</b>	<b>184,438</b>

Note: 1. Accumulated depreciation

1,244,250

1,343,154

98,904

2. Guarantees on Liability

1,994

344

( 1,650 )

(Million Yen)

	FY2006 (As of Mar. 31, 2006)	FY2007 (As of Mar. 31, 2007)	Increase (Decrease)
[ Liabilities ]			
<b>Current Liabilities</b>	<b>639,100</b>	<b>679,070</b>	<b>39,970</b>
Trade Notes & Accounts Payable	327,176	359,873	32,697
Short-term Borrowings	46,887	30,518	( 16,369 )
Current Portion of Bonds Payable	150	15,000	14,850
Amount in Arrears	70,516	47,907	( 22,609 )
Accrued Expenses	117,499	130,345	12,846
Accrued Income Taxes	31,783	41,647	9,864
Deposits Received from Employees	16,781	16,883	102
Accrued Warranty Cost	14,461	16,133	1,672
Others	13,843	20,761	6,918
<b>Long-term Liabilities</b>	<b>363,294</b>	<b>402,972</b>	<b>39,678</b>
Bonds Payable	35,500	20,000	( 15,500 )
Long-term Debt	176,811	221,076	44,265
Deferred Tax Liabilities	63,609	72,627	9,018
Allowance for Employees Retirement Benefits	84,750	86,978	2,228
Long-term Accrued Expenses	2,542	1,052	( 1,490 )
Consolidation Adjustments	80	121	41
Others		1,116	1,116
<b>Total Liabilities</b>	<b>1,002,394</b>	<b>1,082,042</b>	<b>79,648</b>
[ Net Assets ]			
<b>Shareholders' Equity</b>	<b>551,732</b>	<b>602,382</b>	<b>50,650</b>
Common Stock	45,049	45,049	
Capital Surplus	63,262	57,891	( 5,371 )
Retained Earnings	445,241	501,009	55,768
Less: Treasury Stock, at Cost	( 1,820 )	( 1,567 )	253
<b>Evaluation and Conversion Difference</b>	<b>127,148</b>	<b>156,361</b>	<b>29,213</b>
Net Unrealized Gain on Available-for-sale Securities	123,720	145,136	21,416
Profit & Loss of Deferral Hedge Accounting		( 667 )	( 667 )
Foreign Currency Translation Adjustments	3,427	11,892	8,465
<b>Subscription Warrant</b>		<b>167</b>	<b>167</b>
<b>Minority Interest</b>	<b>172,183</b>	<b>196,941</b>	<b>24,758</b>
<b>Total Net Assets</b>	<b>851,064</b>	<b>955,853</b>	<b>104,789</b>
<b>Total Liabilities and Net Assets</b>	<b>1,853,458</b>	<b>2,037,896</b>	<b>184,438</b>

## Consolidated Statements of Changes in Shareholders' Equity

FY2007 (Apr. 2006 through Mar. 2007)

(Million Yen)

	Shareholders' Equity					Evaluation and Conversion Difference				Subscription Warrant	Minority Interest	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Less: Treasury Stock, at Cost	Sub Total	Net Unrealized Gain on Available-for-sale Securities	Profit & Loss of Deferral Hedge Accounting	Foreign Currency Translation Adjustments	Sub Total			
Balance as of Mar. 31, 2006	45,049	63,262	445,241	( 1,820 )	551,732	123,720		3,427	127,148		172,183	851,064
Increase(Decrease) in FY2007												
Dividends Paid			( 9,958 )		( 9,958 )							( 9,958 )
Bonus of Directors and Corporate Auditors			( 1,162 )		( 1,162 )							( 1,162 )
Net Income			66,889		66,889							66,889
Change according to internal dealings of common stock for treasury		( 6,057 )		( 445 )	( 6,503 )						( 1,809 )	( 8,312 )
Purchase of Treasury Stock				( 18 )	( 18 )							( 18 )
Disposal of Treasury Stock		686		717	1,403							1,403
Net Change of items other than Shareholders' Equity						21,415	( 667 )	8,464	29,212	167	26,568	55,948
Total Changes in the Term		( 5,371 )	55,768	253	50,649	21,415	( 667 )	8,464	29,212	167	24,758	104,788
Balance as of Mar. 31, 2007	45,049	57,891	501,009	( 1,567 )	602,382	145,136	( 667 )	11,892	156,361	167	196,941	955,853

Note : Type and number of treasury stock

(Shares)

Type of shares	Number as of Mar. 31, 2006	Increase	Decrease	Number as of Mar. 31, 2007
Common stock	7,701,168	2,741,073	712,096	9,730,145

Reason for changes	(Increase)	Share belong to minority when purchasing from consolidated subsidiaries	2,732,297 shares
		Request for purchase of less-than-one-unit shares	8,757
		Change in proportionate interest	19
	(Decrease)	Exercise of stock option	698,200
		Share belong to AISIN when selling to market from consolidated subsidiaries	13,168
		Request for additional sales of less-than-one-unit shares	728

Reference: Consolidated Statements of Changes in Shareholders' Equity of FY2006 which are based on the same accounting standards as FY2007

FY2006 (Apr. 2005 through Mar. 2006)

(Million Yen)

	Shareholders' Equity					Evaluation and Conversion Difference				Subscription Warrant	Minority Interest	Total Net Assets
	Common Stock	Capital Surplus	Retained Earnings	Less: Treasury Stock, at Cost	Sub Total	Net Unrealized Gain on Available-for-sale Securities	Profit & Loss of Deferral Hedge Accounting	Foreign Currency Translation Adjustments	Sub Total			
Balance as of Mar. 31, 2005	45,049	63,061	392,836	( 3,116 )	497,829	66,597		( 11,674 )	54,922		145,693	698,445
Increase(Decrease) in FY2006												
Dividends Paid			( 7,663 )		( 7,663 )							( 7,663 )
Bonus of Directors and Corporate Auditors			( 1,027 )		( 1,027 )							( 1,027 )
Net Income			61,095		61,095							61,095
Purchase of Treasury Stock				( 23 )	( 23 )							( 23 )
Disposal of Treasury Stock		201		1,319	1,521							1,521
Net Change of items other than Shareholders' Equity						57,123		15,102	72,225		26,490	98,716
Total Changes in the Term		201	52,405	1,295	53,902	57,123		15,102	72,225		26,490	152,618
Balance as of Mar. 31, 2006	45,049	63,262	445,241	( 1,820 )	551,732	123,720		3,427	127,148		172,183	851,064

## Consolidated Statements of Cash Flows

(Million Yen)

	FY2006 (Apr. 2005 through Mar. 2006)	FY2007 (Apr. 2006 through Mar. 2007)	Increase (Decrease)
<b>Cash flows from operating activities</b>			
Income before income taxes and minority interest	125,096	134,287	9,191
Depreciation and amortization	123,033	145,276	22,243
Increase(Decrease) in allowance for retirement benefits	2,785	2,186	( 599 )
Interest and dividend income	( 3,926 )	( 4,735 )	( 809 )
Interest expenses	2,581	3,546	965
Return on investment by equity method	( 5,542 )	( 6,302 )	( 760 )
Loss on disposal of property, plant and equipment	3,716	5,687	1,971
(Increase)Decrease in trade notes and accounts receivable	( 46,720 )	( 20,736 )	25,984
(Increase)Decrease in inventories	( 23,493 )	( 14,423 )	9,070
Increase(Decrease) in trade notes and accounts payable	59,047	26,186	( 32,861 )
Others	( 13,694 )	( 769 )	12,925
Subtotal	222,885	270,202	47,317
Interest and dividend income received	4,747	5,753	1,006
Interest paid	( 2,498 )	( 2,814 )	( 316 )
Income taxes paid	( 39,419 )	( 44,738 )	( 5,319 )
<b>Net cash provided by operating activities</b>	<b>185,715</b>	<b>228,402</b>	<b>42,687</b>
<b>Cash flows from investing activities</b>			
(Increase)Decrease in time deposit and short-term investments	10,074	( 6,575 )	( 16,649 )
Payments for purchase of property, plant and equipment	( 218,753 )	( 224,433 )	( 5,680 )
Proceeds from sales of property, plant and equipment	4,113	7,850	3,737
Payments for purchase of investments in securities	( 9,433 )	( 11,708 )	( 2,275 )
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	( )	( 2,085 )	( 2,085 )
Proceeds from sales of investments in securities	2,506	1,396	( 1,110 )
Proceeds upon maturity of security investments	1,086	5,496	4,410
Repayments for loans made	( 1,067 )	( 1,399 )	( 332 )
Proceeds from collections of loans	1,009	938	( 71 )
Others	( 5,031 )	( 6,092 )	( 1,061 )
<b>Net cash used in investing activities</b>	<b>( 215,495 )</b>	<b>( 236,614 )</b>	<b>( 21,119 )</b>
<b>Cash flows from financing activities</b>			
Increase(Decrease) in commercial paper and short-term borrowings	( 22,598 )	( 5,299 )	17,299
Proceeds from long-term debt	65,187	50,209	( 14,978 )
Repayments of long-term debt	( 7,688 )	( 18,995 )	( 11,307 )
Proceeds from issuance of bonds payable	10,000	( )	( 10,000 )
Repayments of bonds payable	( )	( 650 )	( 650 )
Contributions from minority shareholders	671	52	( 619 )
Cash dividends paid	( 7,659 )	( 9,952 )	( 2,293 )
Cash dividends paid for minority shareholders	( 2,568 )	( 3,663 )	( 1,095 )
Payments for purchase of treasury stock	( 29 )	( 33 )	( 4 )
Proceeds from disposal of treasury stock	1,521	1,695	174
<b>Net cash provided by (used in) financing activities</b>	<b>36,834</b>	<b>13,361</b>	<b>( 23,473 )</b>
Translation adjustment of cash and cash equivalents	4,757	2,946	( 1,811 )
<b>Net increase in cash and cash equivalents</b>	<b>11,811</b>	<b>8,094</b>	<b>( 3,717 )</b>
Cash and cash equivalents at the beginning of the year	116,401	128,212	11,811
<b>Cash and cash equivalents at the end of the year</b>	<b>128,212</b>	<b>136,307</b>	<b>8,095</b>

Note: Reconciliation between Cash & Cash Equivalents and accounts on the consolidated balance sheet

Cash and Cash Equivalents	95,443	98,628	3,185
Marketable Securities	32,434	38,622	6,188
Other Current Assets	39,438	49,974	10,536
<b>Subtotal</b>	<b>167,316</b>	<b>187,225</b>	<b>19,909</b>
Saving accounts over three months	( 2,051 )	( 4,986 )	( 2,935 )
Short-term investments of over three months until due date	( 6,649 )	( 10,666 )	( 4,017 )
Other current assets beside Cash & Cash Equivalents	( 30,402 )	( 35,265 )	( 4,863 )
<b>Cash and Cash Equivalents</b>	<b>128,212</b>	<b>136,307</b>	<b>8,095</b>

## Basis of Presenting Consolidated Financial Statements

This "Basis of Presenting Consolidated Financial Statements" is omitted because there is no significant alteration from that of FY2006 Consolidated Financial Reports issued on June 23, 2006, except the followings.

### **{Changes in Accounting Standards}**

#### **(Accounting standard for directors' bonus)**

Effective from FY2007, AISIN adopted "Accounting standard for directors' bonus" (Accounting Standards Board of Japan Statement No. 4, issued by the Accounting Standards Board of Japan on Nov. 29, 2005). As a result, income before income taxes and minority interest decreased ¥1.7billion. And at "Geographical Segments" of "Segment Information," Operating income of Japan decreased same amount.

#### **(Accounting standard and guidance presentation of net assets in the balance sheet)**

Effective from FY2007, AISIN adopted "Accounting standard for presentation of net assets in the balance sheet" (Accounting Standards Board of Japan Statement No. 5, issued by the Accounting Standards Board of Japan on Dec. 9, 2005) and "Guidance on accounting standard for presentation of net assets in the balance sheet" (Accounting Standards Board of Japan Guidance No. 8, issued by the Accounting Standards Board of Japan on Dec. 9, 2005).

As a result, in the consolidated balance sheets, conventional "total shareholders' equity" and "minority interests" have been changed to "total net assets," and "total net assets" is indicated by classifying "shareholders' equity," "evaluation and conversion difference," "subscription warrant" and "minority interests."

Additionally "Loss of Deferral Hedge Accounting" and "Profit of Deferral Hedge Accounting," those were indicated including "total assets" and "total liabilities" in the consolidated balance sheets at FY2006 and FY2006 Half year, have been indicated as net "Profit & Loss of Deferral Hedge Accounting" of "evaluation and conversion difference" since FY2007 Half year.

#### **(Accounting standard and guidance for stock options)**

Effective from FY2007, AISIN adopted "Accounting standard for stock options" (Accounting Standards Board of Japan Statement No. 8, issued by the Accounting Standards Board of Japan on Dec. 27, 2005) and "Guidance on Accounting standard for stock options" (Accounting Standards Board of Japan Guidance No. 11, last revised by the Accounting Standards Board of Japan on May 31, 2006). As a result, income before income taxes and minority interest decreased ¥167 million. And at "Geographical Segments" of "Segment Information," Operating income of Japan decreased same amount.

The Notes such as lease transactions, stock-option, and derivatives are omitted since there is no significant importance in financial summary.

## Segment Information

### 1 .Industry Segments

AISIN's main business is manufacturing and sales of automotive parts. The amount of sales and operating income in this business occupies over 90% of these in all segments. Therefore information of industry segments is omitted.

### 2 .Geographical Segments

FY2007 ( Apr. 2006 through Mar. 2007 )

(Million Yen)

	Japan	North America	Europe	Others	Total	Elimina - tions	Consoli - dated
Sales and Operating Income							
Sales							
(1) Customers	1,668,562	373,537	174,837	161,673	2,378,611		2,378,611
(2) Inter -segment	314,019	9,143	6,524	8,717	338,404	( 338,404 )	
Total	1,982,582	382,680	181,362	170,390	2,717,016	( 338,404 )	2,378,611
Operating Costs & Expenses	1,883,567	374,592	177,452	149,550	2,585,162	( 337,584 )	2,247,577
Operating Income	99,015	8,088	3,910	20,840	131,854	( 819 )	131,034
Assets	1,837,711	265,182	99,488	152,119	2,354,502	( 316,606 )	2,037,896

FY2006 ( Apr. 2005 through Mar. 2006 )

(Million Yen)

	Japan	North America	Europe	Others	Total	Elimina - tions	Consoli - dated
Sales and Operating Income							
Sales							
(1) Customers	1,516,392	348,156	142,643	113,397	2,120,588		2,120,588
(2) Inter -segment	299,070	9,336	5,430	7,954	321,791	( 321,791 )	
Total	1,815,462	357,492	148,074	121,351	2,442,380	( 321,791 )	2,120,588
Operating Costs & Expenses	1,716,252	352,812	147,463	106,747	2,323,276	( 320,785 )	2,002,491
Operating Income	99,209	4,679	610	14,603	119,103	( 1,006 )	118,096
Assets	1,696,261	250,054	82,800	123,070	2,152,188	( 298,729 )	1,853,458

Note: 1.Geographical segments determined according to geographical closeness.

2.Main countries are

North America : U.S.A., Mexico  
 Europe : Belgium, Czech  
 Others : Thailand, China

3.The influences that the changes in accounting standards give Segment Information are described at "Change in Accounting Standards."

### 3 Sales by Customer Location

FY2007 (Apr. 2006 through Mar. 2007)

(Million Yen)

	North America	Europe	Others	Total
Overseas Sales	415,763	205,129	237,637	858,530
Net Sales				2,378,611
Overseas Sales Ratio to Net Sales	17.5 %	8.6 %	10.0 %	36.1 %

FY2006 (Apr. 2005 through Mar. 2006)

(Million Yen)

	North America	Europe	Others	Total
Overseas Sales	377,540	173,878	162,585	714,004
Net Sales				2,120,588
Overseas Sales Ratio to Net Sales	17.8 %	8.2 %	7.7 %	33.7 %

Note: Main countries are

North America : U.S.A., Mexico  
 Europe : Germany, Sweden  
 Others : Thailand, China, South Korea