

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.