

## Financial Review

AISIN SEIKI CO., LTD. and Its Consolidated Subsidiaries  
Years ended March 31, 2002

### Consolidated Financial Information

The number of consolidated subsidiaries for fiscal year March 31, 2002, totaled 102, an increase of 13 from the previous fiscal year. The number of affiliates accounted for under the equity method is 15, as increase of 2 from the previous fiscal year.

#### 1. Consolidated Net Sales and Operating Income

Consolidated net sales for fiscal year, ended March 31, 2002, increased 8.3% to ¥1,222 billion (US\$9,170 million) compared with the previous fiscal year, although operating income decreased by 6.4%, to ¥60.6 billion (US\$455 million).

Net sales increased on the strength of operations in several sectors. Sales of brake and chassis related products climbed 31.8% by establishing new Company 'ADVICS' for the purpose of restructuring brake business. Sales of body related products improved 6.7% due mainly to increase sales in North America. In addition to a rise in net sales, factors behind the growth of operating income include across-the-board efforts to streamline procedures and improve efficiency, such as cost cutting and production line consolidation. But as a result of these measures, operating income was ¥60.6 billion.

The contribution of overseas sales to consolidated net sales rose 0.8% to 20.7%.

#### 2. Income before Income Taxes and Net Income

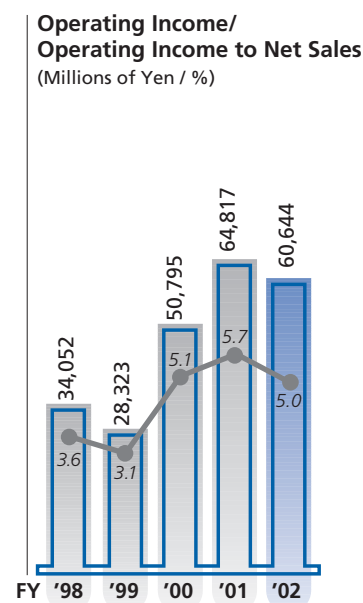
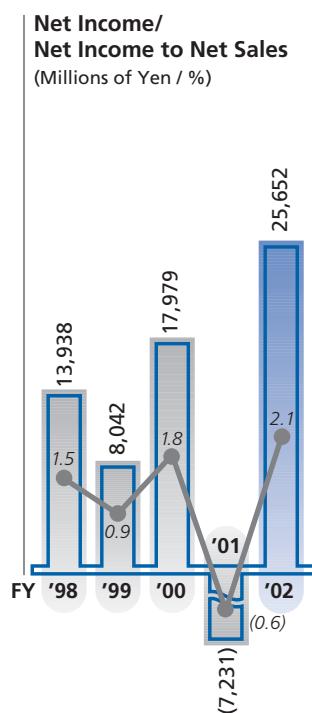
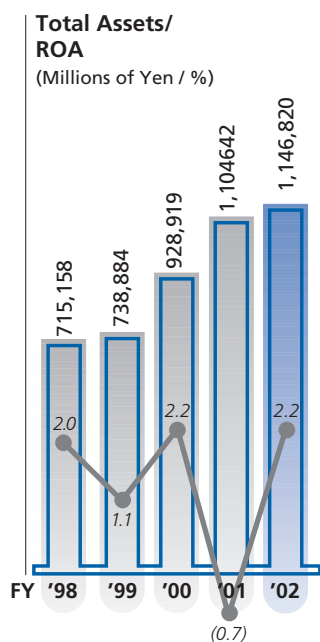
Income before income taxes turned to a profit of ¥60.3 billion (US\$453 million), compared with the previous year's ¥9.9 billion loss. The loss of previous year came about because ¥73 billion in special loss, that were incurred as transitional provision generated from a change in the accounting standard for retirement benefits, were changed to income in a current single year.

#### 3. Financial Position

Total assets increased to ¥1,147 billion (US\$8,607 million), increasing 3.8% over the prior fiscal year. The growth came about because cash flow increased and fixed assets increased due to new consolidated companies.

Total liabilities climbed to ¥607 billion, up 1.6%, because accounts payable increased even though loan payable decreased to ¥69.4 billion from ¥79.6 billion of previous year.

The amount of Shareholders' Equity rose to ¥432 billion, up 4.1% from the previous fiscal year, because of this year's profit even though unrealized gain on available-for-sale securities decreased by ¥13.8 billion.



#### 4. Cash Flows

Operating cash flows decreased by ¥23.9 billion from the previous fiscal year to ¥99.6 billion.

Acquisition of investment securities and other means increased cash from investing activities by ¥3.1 billion.

Meanwhile, ¥20.1 billion was used in financing activities to repay long-term debts.

As a result, the balance of cash and cash equivalents at the end of March 31, 2002 increased ¥3.5 billion to ¥109 billion.

#### 5. Capital Investment

As a result of investment in new products and improved products that support new car models and investment in research and development of new technologies and products, capital investment for the year under review totaled ¥81.3 billion. This amount was a little bit bigger than depreciation expenses of ¥80.2 billion, reflecting comprehensive streamlining and efficiency improvement efforts.

#### 6. Future Outlook

Net sales for fiscal year 2002, ending March 2003, are expected to increase by 7.2% from fiscal year 2001, to ¥1,310 billion. The reason is that ADVICS Corporation will operate for full year, and sales of automatic transmissions, navigation and so on will increase. Meanwhile, operating income is forecasted to increase to ¥63.0 billion, by 3.9%, and net income of 40.0 billion is projected, including special profit of ¥29.0 billion due to change of pension plan rule.

