

# Consolidated Statements of Cash Flows

AISIN SEIKI CO., LTD. and Subsidiaries  
Years ended March 31, 2004 and 2003

	Millions of Yen		Millions of U.S. Dollars
	2004	2003	2004
<b>Cash flows from operating activities:</b>			
Income before income taxes and minority interest	¥ 77,335	¥105,197	\$ 732
Adjustment for:			
Depreciation and amortization	97,564	86,350	923
(Decrease) increase in allowance for retirement benefits	2,323	(59,984)	22
Increase (decrease) in allowance for retirement and severance benefits for directors and corporate auditors	126	(293)	1
Interest and dividend income	(2,388)	(2,030)	(23)
Interest expenses	2,394	2,635	23
Investment profit on equity method	(2,691)	(2,713)	(26)
Loss on disposal of property, plant and equipment	3,373	3,303	32
Increase in trade notes and accounts receivable	(18,416)	(23,934)	(174)
(Increase) in inventories	(5,406)	(24,901)	(51)
Increase in trade notes and accounts payable	26,599	32,102	252
Decrease in prepaid pension expense	(9,394)	—	(89)
(Decrease) increase in long-term accrued expenses	(7,761)	25,015	(73)
Others	962	18,382	9
Subtotal	164,620	159,129	1,558
Interest and dividend income received	2,802	2,482	26
Interest paid	(2,319)	(2,675)	(22)
Income taxes paid	(32,204)	(29,869)	(305)
<b>Net cash provided by operating activities</b>	<b>132,899</b>	<b>129,067</b>	<b>1,257</b>
<b>Cash flows from investing activities:</b>			
(Increase) decrease in time deposit and short-term investments	(3,254)	213	(31)
Payments for purchase of property, plant and equipment	(147,586)	(115,355)	(1,397)
Proceeds from sales of property, plant and equipment	4,415	3,484	42
Payments for purchase of investments in securities	(9,057)	(5,125)	(86)
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	(6,949)	(2,878)	(66)
Proceeds of sales of investments in securities	2,446	469	23
Proceeds of redemption at maturity of investments in securities	3,763	9,641	36
Increase in loans	(686)	(2,950)	(6)
Decrease in loans	1,544	924	15
Others	(5,434)	(2,201)	(51)
<b>Net cash used in investing activities</b>	<b>(160,798)</b>	<b>(113,778)</b>	<b>(1,521)</b>
<b>Cash flows from financing activities:</b>			
(Decrease) in short-term borrowings	(11,073)	(7,061)	(105)
Proceeds from long-term debt	62,078	44,534	587
Repayments of long-term debt	(7,399)	(4,603)	(70)
Proceeds from issuance of bonds payable	10,650	—	101
Repayments of bonds payable	(5,037)	(15,000)	(48)
Contributions from minority shareholders	1,014	4,500	10
Cash dividends paid	(4,339)	(3,852)	(41)
Cash dividends paid for minority shareholders	(1,652)	(2,919)	(16)
Payments for purchase of treasury stock	(18)	(26,885)	(0)
Others	0	(1)	0
<b>Net cash provided by (used in) financing activities</b>	<b>44,224</b>	<b>(11,287)</b>	<b>418</b>
<b>Translation adjustment of cash and cash equivalents</b>	<b>(1,843)</b>	<b>(2,023)</b>	<b>(17)</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,482</b>	<b>1,979</b>	<b>137</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>111,732</b>	<b>109,480</b>	<b>1,057</b>
<b>Increase in cash and cash equivalents upon change of fiscal year-end of consolidated subsidiary</b>	<b>—</b>	<b>273</b>	<b>—</b>
<b>Cash and cash equivalents at end of year</b>	<b>¥126,214</b>	<b>¥111,732</b>	<b>\$1,194</b>