

FY2008 Consolidated Financial Results (April 1, 2007 through March 31, 2008)



April 25, 2008

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 annual regular general meeting of shareholders	June 20, 2008		
The expected date of dividends payment	June 23, 2008		

1. Consolidated Results for FY2008 (April 1, 2007 through March 31, 2008)

(1) Consolidated Financial Results

(Amounts less than million yen are rounded down.)

	Net Sales		Operating Income		Ordinary Income		Net Income	
	in Million Yen	%	in Million Yen	%	in Million Yen	%	in Million Yen	%
FY2008	2,700,405	13.5	180,484	37.7	186,309	38.7	91,654	37.0
FY2007	2,378,611	12.2	131,034	11.0	134,287	7.3	66,889	9.5

	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	%	%	%
FY2008	322.50	322.15	12.0	9.0	6.7
FY2007	233.03	232.71	9.3	6.9	5.5

Note : Equity income FY2008 : 8,730 million yen , FY2007 : 6,302 million yen

(2) Consolidated Financial Condition

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share
	in Million Yen	in Million Yen	%	Yen
FY2008	2,097,727	994,592	36.6	2,725.67
FY2007	2,037,896	955,853	37.2	2,662.78

Note : Equity capital FY2008 : 767,123 million yen , FY2007 : 758,743 million yen

(3) Consolidated Cash Flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at the end of FY
	in Million Yen	in Million Yen	in Million Yen	in Million Yen
FY2008	299,247	(217,844)	(27,682)	190,245
FY2007	228,402	(236,614)	13,361	136,307

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			
FY2007	Yen 16	Yen 24	Yen 40	in Million Yen 11,545	% 17.2	% 1.6
FY2008	24	36	60	16,987	18.6	2.2
FY2009 (Forecast)	30	30	60		24.1	

3. Consolidated forecast for FY2009 (April 1, 2008 through March 31, 2009)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	in Million Yen	%	in Million Yen	%	in Million Yen	%	in Million Yen	%	Yen
1st Half of FY2009	1,340,000	3.6	65,000	-19.8	69,000	-18.7	32,000	-17.2	113.70
FY2009	2,720,000	0.7	142,000	-21.3	149,000	-20.0	70,000	-23.6	248.72

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) Consolidation Scope and Changes in Consolidation Scope

① Consolidation Scope

Number of consolidated subsidiaries	:	148
Number of unconsolidated subsidiaries	:	none
Affiliates accounted for under equity method	:	11

② Changes in Consolidation Scope

Consolidated subsidiaries	Added	:	7
	Excluded	:	none
Affiliates accounted for under the equity method	Added	:	none
	Excluded	:	1

(2) Changes in Accounting Policies and Presentation

① Changes according to revision of accounting policy : Yes

② Changes other than above : No

(note) Please refer to "Significant accounting policy for FY 2008" at page 13 .

(3) Issued and outstanding capital stock

① Number of shares issued as of the respective balance sheet date

FY2008 : 294,674,634 shares , FY2007 : 294,674,634 shares

② Number of treasury stock

FY2008 : 13,231,279 shares , FY2007 : 9,730,145 shares

(note) To determine number of shares used to calculate earnings per share, please refer to "Amounts per share" page 16.

(Reference) Unconsolidated Results

1. Unconsolidated Results for FY2008 (April 1, 2007 through March 31, 2008)

(1) Unconsolidated Financial Results

	Net Sales		Operating Income		Ordinary Income		Net Income	
	in Million Yen	%	in Million Yen	%	in Million Yen	%	in Million Yen	%
FY2008	878,996	11.7	35,579	24.7	46,306	25.8	34,667	27.9
FY2007	786,966	9.2	28,538	-19.0	36,808	-12.3	27,112	-5.4

	Earnings Per Share	Fully Diluted Earnings Per Share
	Yen	Yen
FY2008	121.97	121.83
FY2007	92.42	92.29

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
	in Million Yen	in Million Yen	%	Yen
FY2008	1,055,163	391,129	37.0	1,387.42
FY2007	1,069,056	441,595	41.3	1,548.99

Note : Equity capital FY2008 : 390,528 million yen , FY2007 : 441,427 million yen

2. Unconsolidated forecast for FY2009 (April 1, 2008 through March 31, 2009)

	Net Sales		Operating Income		Ordinary Income		Net Income		Earnings Per Share
	in Million Yen	%	in Million Yen	%	in Million Yen	%	in Million Yen	%	Yen
1st Half of FY2009	446,000	10.4	7,500	-47.1	22,500	-7.9	18,500	0.7	65.72
FY2009	910,000	3.5	18,000	-49.4	38,000	-17.9	30,500	-12.0	108.36

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.

Operating Results and Financial Position

1. Analysis of Operating Results

(Operation result of the year ended March 31, 2008)

The global automotive market continued to expand due to the sales increases in emerging country e.g. China, India, Russia, offsetting the sluggish sales growth in principle markets e.g. North America and Japan resulting from high commodity prices and uncertain future economic climate. Meanwhile Life and Energy industry has been under severe condition due to the slumping domestic housing market.

Amid these conditions, Aisin group has developed and sold new products corresponding to social change and meeting customer's demands; business expansion in global market, while promoting positive environmental and social activities.

Sales within the Automotive Related segment for FY 2007 increased 13.6% (¥2,588.5 billion) compared with previous FY (¥2,278.8 billion). The main reasons are customer production volume expansion and the result of positive sales activities for automatic transmissions, manual transmissions, car navigation systems, and power sliding doors.

Sales in Life & Energy business and other business for FY 2007 increased 12.0% (¥111.8 billion) compared with previous FY (¥99.7 billion). As a result, net sales increased 13.5% (¥2,700.4 billion) compared with previous FY (¥2,378.6 billion).

Consolidated Net Sales by Item

(in Millions)

Category	FY2007 (Apr. 2006 through Mar. 2007)		FY2008 (Apr. 2007 through Mar. 2008)		Variance Yen	Variation ratio %
	Yen	%	Yen	%		
	Engine Component	223,275	9.4	259,934	9.6	36,659
Drivetrain Component	1,014,016	42.6	1,170,457	43.4	156,441	15.4
Brake & Chassis Component	468,260	19.7	535,168	19.8	66,908	14.3
Body Component	433,210	18.2	477,525	17.7	44,315	10.2
Information Related	140,053	5.9	145,512	5.4	5,459	3.9
Automotive Related Sub Total	2,278,816	95.8	2,588,599	95.9	309,783	13.6
Life & Energy Related	51,592	2.2	52,679	1.9	1,087	2.1
Others	48,202	2.0	59,126	2.2	10,924	22.7
Grand Total	2,378,611	100.0	2,700,405	100.0	321,794	13.5

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

As to our profit situation, operating income increased 37.7% (¥180.4 billion) compared with previous FY (¥131.0 billion), ordinary income increased 38.7% (¥186.3 billion) compared with previous FY (¥134.2 billion), net income increased 37.0% (¥91.6 billion) compared with previous FY (¥66.8 billion). Above are results of sales volume increase and cost reduction activities offsetting increase in depreciation, amortization, and research expenses for future growth.

ROE (return on equity) which is one of our management target improved to 12.0% compared with previous FY (9.3%).

A firm earning structure, which we believe will enable us to achieve mid and long-term target, will be based on implementing initiatives aimed at further improving profitability and future-focused upfront investments.

(Forecast for FY2008)

Circumstance surrounding us is still unclear due to the instability factor and issue e.g. high energy and material prices, rapid fluctuation in exchange rate, confusion in global financial and capital market triggered by the sub prime loan issue in the U.S., and intensifying global competition.

Under these circumstances, the situation surrounding automotive business are expected to continue to be uncertain, due to the sluggish sales growth in principal market e.g. North America and Japan offsetting the sales increases in emerging country e.g. China, India.

Current forecast of consolidated financial result for FY2008 are as follow;

Sales : ¥2,720.0 billion

Operating income : ¥142.0 billion

Ordinary income : ¥149.0 billion

Average foreign currency exchange rate used for the forecast : approximately ¥100 to the U.S. dollars and approximately ¥155 to the Euro.

Forecasted consolidated financial results above have been prepared based on the current business environment. These forecast are not guarantees of future performance.

2. Analysis of Financial Condition

(Analysis of assets, liabilities, and cash flows situation)

Total assets at the end of the fiscal period amounted to ¥2,097.7 billion, up 2.9% from ¥2,037.8 billion at the end of the previous fiscal year. Total net assets at the end of the interim period amounted to ¥994.5 billion, an increase of 4.1% from ¥955.8 billion at the end of the previous fiscal year.

The cash flow situation in the fiscal period, resulted in cash and cash equivalents (hereafter referred to as cash) amounting to ¥190.2 billion, a increase of ¥53.9 billion, or 39.6%, from ¥136.3 billion at the end of the previous fiscal year. This resulted from ¥299.2 billion in net cash inflow by operating activities, ¥217.8 billion in net cash outflow in investing activities, ¥27.6 billion in net cash outflow in financing activities, and a ¥0.2 billion inflow from translation adjustment of cash and cash equivalents.

(Cash Flows from Operating Activities)

Cash flows from operating activities resulted in a cash inflow of ¥299.2 billion in FY 2007 from ¥228.4 billion in FY 2006, the variance was mainly due to the net income of ¥52.0 billion and depreciation and amortization of ¥22.2 billion.

(Cash Flows from Investing Activities)

Cash Flows from Investing Activities resulted in a cash outflow of ¥217.8 billion in FY 2007 from ¥236.6 billion in FY 2006, the variance was mainly due to the additions to tangible asset. Net cash used in investing activities decreased by ¥19.5 billion.

(Cash Flows from Financing Activities)

Cash Flows from Financing Activities resulted in a cash outflow of ¥27.6 billion in FY 2007, mainly due to repayment of loans and the repurchasing own stocks.

Reference: Transition of index related to cash flows

	Apr. 2003 through Mar. 2004	Apr. 2004 through Mar. 2005	Apr. 2005 through Mar. 2006	Apr. 2006 through Mar. 2007	Apr. 2007 through Mar. 2008
Equity ratio (%)	36.6	36.8	36.6	37.2	36.6
Equity ratio to the public stock market value (%)	42.0	46.4	70.9	57.7	49.9
Liabilities with interest to cash flows (point)	1.5	1.6	1.5	1.3	1.0
Interest coverage ratio (magnification)	57.3	59.2	74.3	81.2	74.9

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 for FY 2007/2008

Aisin strives to raise the level of stable dividends by taking into consideration a comprehensive range of factors that include our business results and payout ratio. Aisin plans to raise capital efficiency by acquiring its own shares. To secure shareholder profits in the future, Aisin will continue to utilize retained earnings to further carry out our operations in Japan and overseas and for investments to further upgrade and strengthen our corporate constitution.

Aisin will propose the year-end cash dividend amount of ¥36 per share. Aisin has paid an interim cash dividend of ¥24 per share to each shareholder; accordingly, the total annual cash dividend per share will be ¥60, which is a ¥20 increase from previous FY. Dividend shall be paid twice a year – an interim cash dividend and year-end cash dividend, with the year-end cash dividends as a matter to be resolved at annual stockholders general meeting, even though Aisin's articles of incorporation stipulate that retained earning can be distributed by the resolution of the board of directors.

And also, in accordance with the basic policy above, Aisin repurchased 4.24 million of its own shares during FY 2007 with the total cost being ¥ 19.3 billion.

Despite the headwinds for FY 2008 Aisin will strive to maintain a stable cash dividend policy.

Overview of Associated Companies

The “Overview of Associated Companies” has been omitted as there were no significant alteration from “Overview of Associated Companies” of FY2006 Consolidated Financial Reports issued on June 22, 2007.

Management Policy

1. Aisin’s Basic Management Policy

This “Aisin’s Basic Management Policy” has been omitted as there were no significant alteration from “Aisin’s Basic Management Policy” of FY2007 Interim Consolidated Financial Reports issued on October 31, 2007.

Above FY2007 Interim Consolidated Financial Reports can be seen from the URL below.
(Aisin Web site)

<http://www.aisin.com/finance/finan/index.html>

2. Targeted Management Indicators

In order to meet customer’s demand globally, Aisin group is striving to strengthen production capacity where needed in both domestic and global market. And also, developing appealing products and using innovative cost reduction measures to solidify our financial foundation further.

Finally, raising capital efficiency by repurchasing own shares and other measures, management target for ROE will be set at 15%.

3. Medium-and Long-Term Management Strategies and Countermeasures

Future forecast remains uncertain because of factors such as volatile financial markets and foreign-exchange rates, and rising raw material costs. The environment in the automotive market is challenging due to concerns about the future of the U.S. and Japanese market, tighter environmental standards, and intensified global competition.

Under these circumstances, a new business plan “Group vision 2015” has been instituted in order to accelerate new development as well as handling issue at hand with precision by fully using group resources. Aisin shall keep our commitment to realizing our objective “To help build a better vehicle-oriented society and benefit people’s living environment, we aim to build a prosperous tomorrow’s world together with customers and local markets worldwide and along with people, communities and nature”.

Finally it’s our sincere desire to strive for growth and development in harmony with society and become a trusted member of society .

Consolidated Balance Sheets

(in Million Yen)

	FY2007 (As of Mar. 31, 2007)	FY2008 (As of Mar. 31, 2008)	Variance
[Assets]			
Current Assets	767,369	869,917	102,548
Cash and Cash Equivalents	98,628	102,293	3,665
Trade Notes & Accounts Receivable	363,726	373,697	9,971
Marketable Securities	38,622	95,636	57,014
Inventories	168,762	175,360	6,598
Deferred Tax Assets	48,386	58,131	9,745
Others	49,974	65,543	15,569
Less: Allowance for Doubtful Accounts	(732)	(746)	(14)
Fixed Assets	1,270,526	1,227,810	(42,716)
Tangible Assets	839,192	875,773	36,581
Buildings & Structures	240,051	253,377	13,326
Machinery, Equipment & Vehicles	419,876	429,533	9,657
Tools, Furniture & Fixtures	42,550	41,610	(940)
Land	88,412	94,649	6,237
Construction in Progress	48,301	56,602	8,301
Intangible Assets	16,139	20,885	4,746
Consolidation Adjustments	3,566	6,793	3,227
Software	10,068	11,641	1,573
Others	2,504	2,450	(54)
Investments & Other Assets	415,194	331,150	(84,044)
Investments in Securities	357,422	267,509	(89,913)
Long-term Loans	4,259	4,403	144
Deferred Tax Assets	24,228	28,369	4,141
Others	29,773	31,313	1,540
Less: Allowance for Doubtful Accounts	(488)	(445)	43
Total Assets	2,037,896	2,097,727	59,831

Note: 1. Accumulated depreciation 1,343,154 1,425,844 82,690
 2. Guarantees on Liability 344 24 (320)

(in Million Yen)

	FY2007 (As of Mar. 31, 2007)	FY2008 (As of Mar. 31, 2008)	Variance
[Liabilities]			
Current Liabilities	679,070	704,280	25,210
Trade Notes & Accounts Payable	359,873	372,058	12,185
Short-term Borrowings	30,518	28,647	(1,871)
Current Portion of Bonds Payable	15,000	—	(15,000)
Amount in Arrears	47,907	57,939	10,032
Accrued Expenses	130,345	150,668	20,323
Accrued Income Taxes	41,647	42,206	559
Deposits Received from Employees	16,883	16,996	113
Accrued Warranty Provision	16,133	18,962	2,829
Others	20,761	16,799	(3,962)
Long-term Liabilities	402,972	398,854	(4,118)
Bonds Payable	20,000	39,988	19,988
Long-term Debt	221,076	227,664	6,588
Deferred Tax Liabilities	72,627	40,312	(32,315)
Allowance for Employees Retirement Benefits	86,978	88,251	1,273
Long-term Amount in Arrears	1,052	214	(838)
Consolidation Adjustments	121	452	331
Others	1,116	1,970	854
Total Liabilities	1,082,042	1,103,134	21,092
[Net Assets]			
Shareholders' Equity	602,382	662,106	59,724
Common Stock	45,049	45,049	—
Capital Surplus	57,891	58,825	934
Retained Earnings	501,009	578,969	77,960
Less: Treasury Stock, at Cost	(1,567)	(20,738)	(19,171)
Evaluation and Conversion Difference	156,361	105,016	(51,345)
Net Unrealized Gain on Available-for-sale Securities	145,136	88,130	(57,006)
Profit & Loss of Deferral Hedge Accounting	(667)	(1,184)	(517)
Foreign Currency Translation Adjustments	11,892	18,071	6,179
Subscription Warrant	167	601	434
Minority Interest	196,941	226,867	29,926
Total Net Assets	955,853	994,592	38,739
Total Liabilities and Net Assets	2,037,896	2,097,727	59,831

Consolidated Statements of Income

(in Million Yen)

	FY2007 (Apr.2006 through Mar.2007)	FY2008 (Apr.2007 through Mar.2008)	Variance
Net Sales	2,378,611	2,700,405	321,794
Cost of Sales	2,060,667	2,315,204	254,537
Gross Profit	317,944	385,201	67,257
Selling, General & Administrative Expenses	186,909	204,716	17,807
Operating Income	131,034	180,484	49,450
Non-Operating Income	21,703	27,415	5,712
Interest & Dividend Income	4,735	5,975	1,240
Investment Profit on Equity Method	6,302	8,730	2,428
Other Income	10,664	12,709	2,045
Non-Operating Expenses	18,450	21,591	3,141
Interest Expense	3,546	3,801	255
Other Expenses	14,903	17,790	2,887
Ordinary Income	134,287	186,309	52,022
Income Before Income Taxes and Minority Interest	134,287	186,309	52,022
Income Taxes-current	51,765	67,776	16,011
Income Taxes-deferred	(6,989)	(10,078)	(3,089)
Minority Interest in Net Income	22,622	36,956	14,334
Net Income	66,889	91,654	24,765

Note : Depreciation and amortization

145,276

167,482

22,206

Consolidated Statements of Changes in Shareholders' Equity

FY2007 (April 1, 2006 through March 31, 2007)

(in 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 March 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 March 31, 2007	45,049	57,891	501,009	(1,567)	602,382	145,136	(667)	11,892	156,361	167	196,941	955,853

FY2008 (April 1, 2007 through March 31, 2008)

(in 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 March 31, 2007	45,049	57,891	501,009	(1,567)	602,382	145,136	(667)	11,892	156,361	167	196,941	955,853
Increase(Decrease) in FY2008												
Dividends Paid			(13,693)		(13,693)							(13,693)
Net Income			91,654		91,654							91,654
Purchase of Treasury Stock				(19,436)	(19,436)							(19,436)
Disposal of Treasury Stock		934		265	1,199							1,199
Net Change of items other than Shareholders' Equity						(57,006)	(517)	6,179	(51,344)	434	29,925	(20,984)
Total Changes in the Term	—	934	77,960	(19,170)	59,723	(57,006)	(517)	6,179	(51,344)	434	29,925	38,739
Balance as of March 31, 2008	45,049	58,825	578,969	(20,738)	662,106	88,130	(1,184)	18,071	105,016	601	226,867	994,592

Note : Type and number of treasury stock

(Shares)

Type of shares	Number as of Mar. 31, 2007	Increase	Decrease	Number as of Mar. 31, 2008
Common stock	9,730,145	4,254,307	753,173	13,231,279

Reason for changes	(Increase)	Purchase for corporate resolution	4,244,500 shares
		Request for purchase of less-than-one-unit shares	9,807
(Decrease)		Exercise of stock option	752,800 shares
		Request for additional sales of less-than-one-unit shares	373

Consolidated Statements of Cash Flows

(in Million Yen)

	FY2007 (Apr. 2006 through Mar. 2007)	FY2008 (Apr. 2007 through Mar. 2008)	Variance
I Cash flows from operating activities			
Income before income taxes and minority interest	134,287	186,309	52,022
Depreciation and amortization	145,276	167,482	22,206
Increase(Decrease) in allowance for retirement benefits	2,186	1,259	(927)
Interest and dividend income	(4,735)	(5,975)	(1,240)
Interest expenses	3,546	3,801	255
Return on investment by equity method	(6,302)	(8,730)	(2,428)
Loss on disposal of property, plant and equipment	5,687	3,668	(2,019)
(Increase)Decrease in trade notes and accounts receivable	(20,736)	(8,260)	12,476
(Increase)Decrease in inventories	(14,423)	(6,494)	7,929
Increase(Decrease) in trade notes and accounts payable	26,186	14,104	(12,082)
Others	(769)	17,664	18,433
Subtotal	270,202	364,829	94,627
Interest and dividend income received	5,753	8,025	2,272
Interest paid	(2,814)	(3,993)	(1,179)
Income taxes paid	(44,738)	(69,613)	(24,875)
Net cash provided by operating activities	228,402	299,247	70,845
II Cash flows from investing activities			
(Increase)Decrease in term deposit and short-term investments	(6,575)	(503)	6,072
Payments for purchase of property, plant and equipment	(224,433)	(204,845)	19,588
Proceeds from sales of property, plant and equipment	7,850	6,901	(949)
Payments for purchase of investments in securities	(11,708)	(14,100)	(2,392)
Payments for acquisition of subsidiaries' stock resulting in change in scope of consolidation	(2,085)	(1,395)	690
Proceeds from sales of investments in securities	1,396	595	(801)
Proceeds upon maturity of security investments	5,496	5,779	283
Repayments for loans made	(1,399)	(972)	427
Proceeds from collections of loans	938	1,092	154
Others	(6,092)	(10,395)	(4,303)
Net cash used in investing activities	(236,614)	(217,844)	18,770
III Cash flows from financing activities			
Increase(Decrease) in commercial paper and short-term borrowings	(5,299)	(9,784)	(4,485)
Proceeds from long-term debt	50,209	28,000	(22,209)
Repayments of long-term debt	(18,995)	(13,587)	5,408
Proceeds from issuance of bonds payable	—	19,988	19,988
Repayments of bonds payable	(650)	(15,000)	(14,350)
Contributions from minority shareholders	52	644	592
Cash dividends paid	(9,952)	(13,687)	(3,735)
Cash dividends paid for minority shareholders	(3,663)	(6,793)	(3,130)
Payments for purchase of treasury stock	(33)	(19,436)	(19,403)
Proceeds from disposal of treasury stock	1,695	1,973	278
Net cash provided by (used in) financing activities	13,361	(27,682)	(41,043)
IV Translation adjustment of cash and cash equivalents	2,946	217	(2,729)
V Net increase in cash and cash equivalents	8,094	53,937	45,843
VI Cash and cash equivalents at the beginning of the year	128,212	136,307	8,095
VII Cash and cash equivalents at the end of the year	136,307	190,245	53,938

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

Cash and Cash Equivalents	98,628	102,293	3,665
Marketable Securities	38,622	95,636	57,014
Other Current Assets	49,974	65,543	15,569
Subtotal	187,225	263,473	76,248
Saving accounts over three months	(4,986)	(7,435)	(2,449)
Short-term investments of over three months until due date	(10,666)	(18,208)	(7,542)
Other current assets beside Cash & Cash Equivalents	(35,265)	(47,584)	(12,319)
Cash and Cash Equivalents	136,307	190,245	53,938

Basis of Consolidated Financial Statements

1. Consolidation Scope

① Consolidated Subsidiaries

All subsidiaries are included in the consolidation

Number of consolidated subsidiaries: 148 companies

② Unconsolidated Subsidiaries

None

2. Companies Accounted for by the Equity Method

① Affiliates Accounted for under the Equity method

Number of affiliates: 11 affiliates

② Subsidiaries Accounted for under the Equity method

None

3. Accounting standard

(Fixed assets depreciation method)

Fixed asset depreciation has been computed by the declining balance method, intangible asset amortization has been computed by straight-line method.

Appropriate provision for additional depreciation to certain assets has been made to reflect the use of machinery, tools, and fixture acquired before March 31st 2007 in excess of normal depreciation schedules.

Intra-company developed software has been amortized by the straight-line method based on the usefulness period (five years) policy determined by the company.

Other disclosure are omitted due to the fact that there were no significant alternation from the Consolidated Financial Report issued on June 22nd, 2007.

Changes in the Basis of Consolidated Financial Statements

(Change in fixed assets depreciation)

In accordance with the change mandated under the income tax law Aisin and its Japanese subsidiaries have adopted the amended calculation method for all fixed assets acquired after April 1st, 2007.

For fixed assets acquired before March 31st, 2007 the past method for depreciation will be used until the allowable limit for depreciation (95% of acquired cost). Then the remaining cost will be depreciated evenly over five years starting from the following business year.

Effective from the financial year ending March 31st 2008, the depreciation method for assets acquired before March 31st 2007 will be altered from appropriate provision to memorandum value for additional depreciation.

(Accounting standard for Financial Instruments)

Effective from the financial year ending March 31st 2008, Aisin and its Japanese subsidiaries have adopted new accounting standards based on “Accounting standard for Financial Instruments” (Accounting Standards Board of Japan; ASBJ Statement No.10 last updated on June 15th 2007) and “Implementation guidance on Financial Instruments” (Accounting Standards Board of Japan; ASBJ Guidance No.14 last updated on July 4th 2007).

Effective from the financial year ending March 31st 2008, certificate of deposit has been shifted from cash and cash equivalents to securities.

Notice concerning consolidated financial statements

① 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 total sales and operating income. Therefore information of industry segments is omitted.

【2. Geographical Segments】

FY2007 (Apr. 2006 through Mar. 2007)

(in Million Yen)

	Japan	North America	Europe	Others	Total	Consolidated Adjustment	Consolidated
I 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
II Assets	1,837,711	265,182	99,488	152,119	2,354,502	(316,606)	2,037,896

FY2008 (Apr. 2007 through Mar. 2008)

(in Million Yen)

	Japan	North America	Europe	Others	Total	Consolidated Adjustment	Consolidated
I Sales and Operating Income							
Sales							
(1) Customers	1,862,816	406,396	195,442	235,750	2,700,405	—	2,700,405
(2) Inter-segment	362,243	9,623	7,764	9,797	389,429	(389,429)	—
Total	2,225,060	416,019	203,206	245,548	3,089,835	(389,429)	2,700,405
Operating Costs & Expenses	2,096,070	404,997	199,195	208,159	2,908,423	(388,502)	2,519,921
Operating Income	128,989	11,021	4,010	37,389	181,411	(927)	180,484
II Assets	1,761,679	261,430	104,094	203,717	2,330,921	(233,194)	2,097,727

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

2. Main countries are

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

【3. Sales by Customer Location】

FY2007 (Apr. 2006 through Mar. 2007)

(in 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 %

FY2008 (Apr. 2007 through Mar. 2008)

(in Million Yen)

	North America	Europe	Others	Total
Overseas Sales	452,841	230,888	354,848	1,038,578
Net Sales	—	—	—	2,700,405
Overseas Sales Ratio to Net Sales	16.8 %	8.6 %	13.1 %	38.5 %

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

2. Main countries are

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

② Amounts per share

	FY2007 (2006. 4. 1~2007. 3. 31)	FY2008 (2007. 4. 1~2008. 3. 31)
② Net assets excluding share subscription warrant and minority interest per share (Yen)	2,662.78	2,725.67
(2) Earnings Per Share (Yen)	233.03	322.50
(3) Fully Diluted Earnings Per Share (Yen)	232.71	322.15

Note : Bases for calculation

1. Net assets excluding share subscription warrant and minority interest per share

	FY2007 (2006. 4. 1~2007. 3. 31)	FY2008 (2007. 4. 1~2008. 3. 31)
Total Net Assets (in Million Yen)	955,853	994,592
Amounts deducted from Total Net Assets (in Million Yen)	197,109	227,469
Subscription Warrant	(167)	(601)
Minority Interests	(196,941)	(226,867)
Total Net Assets related to common stock (in Million Yen)	758,743	767,123
Number of common stocks used to determine Equity Per Share (thousand shares)	284,944	281,443

2. Earnings Per Share and Fully Diluted Earnings Per Share

	FY2007 (2006. 4. 1~2007. 3. 31)	FY2008 (2007. 4. 1~2008. 3. 31)
Earnings Per Share		
Net Income	66,889	91,654
Amount not reverted to the common stockholders (in Million Yen)	—	—
Net Income related to common stock (in Million Yen)	66,889	91,654
Number of Average Common Stocks (thousand shares)	287,038	284,197
Fully Diluted Earnings Per Share		
Adjustment in Net Income (in Million Yen)	—	—
Increase in common stocks (thousand shares)	402	314
Subscription Warrant (thousand shares)	(402)	(314)
Shares excluded from diluted earnings per share calculation	—	New share promissory right 6,120 ①Resolution date June 21 st , 2007 ②Type of stock Common stock ③Grant price ¥4,799 ④Exercise Period From August 1 st , 2009 to July 31 st , 2013 ⑤ One new share promissory right shall be 100 shares of common stock

Unconsolidated Balance Sheets

(Million Yen)

	FY2007 (As of Mar. 31, 2007)	FY2008 (As of Mar. 31, 2008)	Variance
[Assets]			
Current Assets	341,769	398,631	56,862
Cash and Cash Equivalents	25,425	16,800	(8,625)
Trade Notes	2,432	2,506	74
Accounts Receivable	150,368	162,847	12,479
Marketable Securities	28,734	90,097	61,363
Product	5,745	6,620	875
Raw material	834	623	(211)
Goods in process	11,415	11,542	127
Storing goods	3,293	3,759	466
Prepaid Expenses	560	514	(46)
Deferred Tax Assets	15,140	17,941	2,801
Secured Income Receivable	6,367	6,810	443
Short-term Loans	91,263	77,694	(13,569)
Others	435	1,115	680
Less: Allowance for Doubtful Accounts	(248)	(242)	6
Fixed Assets	727,287	656,531	(70,756)
Tangible Assets	182,260	193,448	11,188
Buildings	53,587	55,142	1,555
Structures	13,291	12,968	(323)
Machinery & Equipment	63,896	72,053	8,157
Vehicles	1,018	1,135	117
Tools, Furniture & Fixtures	11,609	9,983	(1,626)
Land	27,187	30,016	2,829
Construction in Progress	11,671	12,147	476
Intangible Assets	3,978	7,870	3,892
Good will	—	3,993	3,993
Software	3,869	3,774	(95)
Others	108	101	(7)
Investments & Other Assets	541,048	455,212	(85,836)
Investments in Securities	98,409	72,621	(25,788)
Investments in stock of subsidiaries and affiliates	327,254	268,553	(58,701)
Contribution	996	958	(38)
Contribution for Associated Companies	22,305	22,699	394
Long-term Loans	84,759	82,335	(2,424)
Long-term Prepaid Expenses	6,363	7,069	706
Others	1,096	1,108	12
Less: Allowance for Doubtful	(137)	(135)	2
Total Assets	1,069,056	1,055,163	(13,893)

Note: 1. Accumulated depreciation
2. Guarantees on Liability

352,645	372,456	19,811
382	384	2

	FY2007 (As of Mar. 31, 2007)	FY2008 (As of Mar. 31, 2008)	Variance
[Liabilities]			
Current Liabilities	279,883	316,010	36,127
Trade Notes	2,852	1,914	(938)
Accounts Payable	108,663	121,968	13,305
Short-term Borrowings	—	10,000	10,000
Current Portion of Bonds Payable	15,000	—	(15,000)
Amount in Arrears	19,638	17,046	(2,592)
Accrued Expenses	46,589	52,723	6,134
Accrued Income Taxes	9,952	8,688	(1,264)
Deposits Received	61,778	87,005	25,227
Deposits Received from Employees	7,351	7,372	21
Accrued Warranty Provision	6,876	8,443	1,567
Others	1,180	845	(335)
Long-term Liabilities	347,577	348,022	445
Bonds Payable	20,000	39,988	19,988
Long-term Debt	214,000	224,000	10,000
Deferred Tax Liabilities	73,156	34,862	(38,294)
Allowance for Employees Retirement Benefits	38,003	37,201	(802)
Long-term Amount in Arrears	451	—	(451)
Others	1,966	11,970	10,004
Total Liabilities	627,461	664,033	36,572
[Net Assets]			
Shareholders' Equity	301,868	305,379	3,511
Common Stock	45,049	45,049	—
Capital Surplus	63,139	62,926	(212)
Capital Reserve	62,926	62,926	—
Other Capital Reserves	212	—	(212)
Retained Earnings	233,429	253,484	20,055
Legal Reserve	10,285	10,285	—
Voluntary reserve	223,144	243,199	20,055
Reserve for Special Depreciation	506	371	(135)
Fixed Assets Compression Reserve Fund	2,784	2,613	(171)
General Reserve	112,500	112,500	—
Unappropriated Retained Earnings	107,353	127,714	20,361
Less: Treasury Stock, at Cost	(39,749)	56,081	(16,332)
Evaluation and Conversion Difference	139,558	85,148	(54,410)
Net Unrealized Gain on Available-for-sale Securities	140,229	86,333	(53,896)
Profit & Loss of Deferral Hedge Accounting	(671)	1,184	(513)
Subscription Warrant	167	601	434
Total Net Assets	441,595	391,129	(50,466)
Total Liabilities and Net Assets	1,069,056	1,055,163	(13,893)

Unconsolidated Statements of Income

(Million Yen)

	FY2007 (Apr.2006 through Mar.2007)	FY2008 (Apr.2007 through Mar.2008)	Variance
Net Sales	786,966	878,996	92,030
Cost of Sales	696,831	781,384	84,553
Gross Profit	90,134	97,612	7,478
Selling, General & Administrative Expenses	61,596	62,033	437
Operating Income	28,538	35,579	7,041
Non-Operating Income	16,622	23,305	6,683
Interest & Dividend Income	13,537	21,279	7,742
Other Income	3,085	2,026	(1,059)
Non-Operating Expenses	8,352	12,578	4,226
Interest Expense	2,613	4,052	1,439
Other Expenses	5,739	8,525	2,786
Ordinary Income	36,808	46,306	9,498
Income Before Income Taxes and Minority Interests	36,808	46,306	9,498
Income Taxes-current	12,200	15,100	2,900
Income Taxes-deferred	(2,504)	(3,461)	(957)
Net Income	27,112	34,667	7,555
Note : Depreciation and amortization	33,253	38,925	5,672

Non-Consolidated Statements of Changes in Shareholders' Equity

FY2007 (Apr. 2006 through Mar. 2007)

(Million Yen)

	Shareholders' Equity											
	Common Stock	Capital Surplus			Retained Earnings						Less: Treasury Stock, at Cost	Sub Total
		Capital Reserve	Other Capital Surplus	Sub Total	Legal Reserve	Other Retained Earnings				Sub Total		
						Reserve for Special Depreciation	Reserve for Reduction of Acquisition Cost of Fixed Assets	General Reserve	Unappropriated Retained Earnings			
Balance as of Mar. 31, 2006	45,049	62,926	336	63,262	10,285	536	3,161	112,500	90,428	216,910	(790)	324,432
Increase(Decrease) in FY2007												
Increase in Reserves						353			(353)	—		—
Decrease in Reserves						(383)	(376)		760	—		—
Dividends Paid									(10,296)	(10,296)		(10,296)
Bonus of Directors and Corporate Auditors									(297)	(297)		(297)
Net Income									27,112	27,112		27,112
Purchase of Treasury Stock											(40,778)	(40,778)
Disposal of Treasury Stock			(123)	(123)							1,819	1,895
Net Change of items other than Shareholders' Equity												
Total Changes in the Term	—	—	(123)	(123)	—	(29)	(376)	—	16,925	16,518	(38,959)	(22,564)
Balance as of Mar. 31, 2007	45,049	62,926	212	63,139	10,285	506	2,784	112,500	107,353	233,429	(39,749)	301,868

	Evaluation and Conversion Defference			Subscription Warrant	Total Net Assets
	Net Unrealized Gain on Available-for-sale Securities	Profit & Loss of Deferral Hedge Accounting	Sub Total		
Balance as of Mar. 31, 2006	121,415	—	121,415	—	445,848
Increase(Decrease) in FY2007					
Increase in Reserves					—
Decrease in Reserves					—
Dividends Paid					(10,296)
Bonus of Directors and Corporate Auditors					(297)
Net Income					27,112
Purchase of Treasury Stock					(40,778)
Disposal of Treasury Stock					1,895
Net Change of items other than Shareholders' Equity	18,813	(671)	18,142	167	18,310
Total Changes in the Term	18,813	(671)	18,142	167	(4,253)
Balance as of Mar. 31, 2007	140,229	(671)	139,558	167	441,595

FY2008 (Apr. 2007 through Mar. 2008)

(Million Yen)

	Shareholders' Equity											
	Common Stock	Capital Surplus			Retained Earnings						Less: Treasury Stock, at Cost	Sub Total
		Capital Reserve	Other Capital Surplus	Sub Total	Legal Reserve	Other Retained Earnings				Sub Total		
						Reserve for Special Depreciation	Reserve for Reduction of Acquisition Cost of Fixed Assets	General Reserve	Unappropriated Retained Earnings			
Balance as of Mar. 31, 2007	45,049	62,926	212	63,139	10,285	506	2,784	112,500	107,353	233,429	(39,749)	301,868
Increase(Decrease) in FY2008												
Increase in Reserves						51			(51)	—		—
Decrease in Reserves						(186)	(170)		357	—		—
Dividends Paid									(13,693)	(13,693)		(13,693)
Net Income									34,667	34,667		34,667
Purchase of Treasury Stock											(19,436)	(19,436)
Disposal of Treasury Stock			(212)	(212)					(918)	(918)	3,103	1,973
Net Change of items other than Shareholders' Equity												
Total Changes in the Term	—	—	(212)	(212)	—	(135)	(170)	—	20,360	20,055	(16,332)	3,510
Balance as of Mar. 31, 2008	45,049	62,926	—	62,926	10,285	371	2,613	112,500	127,714	253,484	(56,081)	305,379

	Evaluation and Conversion Difference			Subscription Warrant	Total Net Assets
	Net Unrealized Gain on Available-for-sale Securities	Profit & Loss of Deferral Hedge Accounting	Sub Total		
Balance as of Mar. 31, 2007	140,229	(671)	139,558	167	441,595
Increase(Decrease) in FY2008 Half year					
Increase in Reserves					—
Decrease in Reserves					—
Dividends Paid					(13,693)
Net Income					34,667
Purchase of Treasury Stock					(19,436)
Disposal of Treasury Stock					1,973
Net Change of items other than Shareholders' Equity	(53,896)	(513)	(54,410)	434	(53,975)
Total Changes in the Term	(53,896)	(513)	(54,410)	434	(50,465)
Balance as of Mar. 31, 2008	86,333	(1,184)	85,148	601	391,129

Note : Type and number of treasury stock

(Shares)

Type of shares	Number as of Mar. 31, 2007	Increase	Decrease	Number as of Mar. 31, 2007
Common Stock	9,696,477	4,254,307	753,173	13,197,611

Reason for changes	(Increase)	Purchase of stock approved by the Board of Directors	4,244,500 shares
		Purchase of stock less than unit	9,807
	(Decrease)	Exercised new share subscription rights	752,800 shares
		Sales of stock less than unit	373