

Consolidated Financial Statements

April 26,2007

For the Fiscal Year Ended March 31,2007

AICHI MACHINE INDUSTRY CO.,LTD.

Code No. : 7263
 URL : http://www.aichikikai.co.jp/
 Stock Exchange Listed : Tokyo and Nagoya Stock Exchange-First Section
 Corporate Headquarters : 2-12, Kawanami-cho, Atsuta-ku, Nagoya, 456-8601, Japan
 Corporate Representative : Yoshikazu Ishizaki, President and CEO
 Investor Relations : Toshihiro Sato, General Manager, Accounting and Finance Department
 Annual meeting of shareholders to be held on : June 28,2007
 Dividend to be paid on or after : June 29,2007
 Annual Securities Report to be submitted on : June 28,2007

1.Consolidated Financial Results for the Fiscal Years Ended March 31,2007 and 2006

(1)Consolidated Results of Operations (millions of yen, except per share amount)

	Sales		Operating Income		Ordinary Income		Net Income	
Year ended Mar.31,2007	106,477	(13.4)%	4,640	(16.1)%	4,658	(15.7)%	614	(64.3)%
Year ended Mar.31,2006	123,000	(5.8)%	5,530	(6.8)%	5,522	(6.8)%	1,720	(21.3)%

	Net Income per Share	Diluted Net Income Per Share	Ratio of Net Income to Net Assets	Ordinary Income/ Total Assets	Operating Income/ Sales
Year ended Mar.31,2007	6.79yen	—	1.2%	5.0%	4.4%
Year ended Mar.31,2006	18.99yen	—	3.4%	5.7%	4.5%

Notes: 1.Equity in earnings(losses) of affiliates: For the fiscal year ended Mar.31,2007: - million yen
 For the fiscal year ended Mar.31,2006: - million yen

2.Percentage above represent annual changes over the preceding year unless otherwise stated.

(2)Consolidated Financial Positions (millions of yen, except per share amount)

	Total Assets	Net Assets	Ratio of Net Assets to Total Assets	Net Assets per Share
Year ended Mar.31,2007	91,596	52,399	57.2%	578.59yen
Year ended Mar.31,2006	95,575	51,968	54.4%	573.78yen

Notes: Shareholders' Equity For the fiscal year ended Mar.31,2007: 52,399 million yen
 For the fiscal year ended Mar.31,2006: - million yen

(3)Consolidated Cash Flows (millions of yen)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Fiscal Year End
Year ended Mar.31,2007	6,829	(7,797)	(108)	825
Year ended Mar.31,2006	11,718	(8,211)	(3,519)	1,902

2.Dividend Payout Status (millions of yen, except per share amount)

	Dividend Per Share			Total Dividend Paid (Full Year)	Dividend Payout Ratio (consolidated)	Ratio of Dividends to Net Assets (consolidated)
	Interim	Year-End	Full Year			
Year ended Mar.31,2006	—yen	2.00yen	2.00yen	181	10.5%	0.4%
Year ended Mar.31,2007	—yen	2.00yen	2.00yen	181	29.5%	0.3%
Year ended Mar.31,2008(Forecast)	—yen	2.00yen	2.00yen		36.2%	

3.Consolidated Financial Forecasts for the Fiscal Year ending March 31,2008 (millions of yen, except per share amount)

	Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
Six months ending Sep.30,2007	49,400	(9.0)%	1,600	(31.3)%	1,600	(32.8)%	250	(57.8)%	2.76yen
Year ending Mar.31,2008	106,400	(0.1)%	4,400	(5.2)%	4,400	(5.5)%	500	(18.6)%	5.52yen

Notes: Percentage above represent annual changes over the preceding year unless otherwise stated.

4.Others

(1)Important Changes in scope of consolidation: No

(2)Major revision to accounting policy

①Any revision due to accounting policy amendment: Yes

②Other revisions: No

(3)Number of Shares Outstanding(Ordinary Shares)

①Number of Shares outstanding at Term-End(incl. treasury stock)

Year ended Mar.31,2007: 90,655,636 shares

Year ended Mar.31,2006: 90,655,636 shares

②Number of Treasury Stock at Term-End

Year ended Mar.31,2007: 91,318 shares

Year ended Mar.31,2006: 83,188 shares

※Management of the Company has made estimates and assumptions relating to financial forecasts based on information available as of the reporting date. Actual results could differ from those estimates.

Amounts are disregarded to omit fraction less than 1 million yen, through this report.