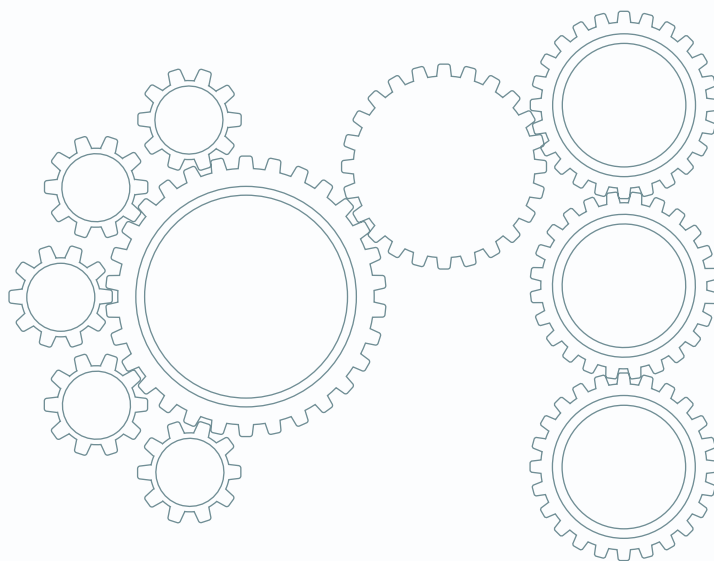


# AISIN REPORT 2008

Annual Report for the Year Ending March 2008



## → Profile

The Aisin Group consists of 160 companies based in 19 countries and has around 73,500 employees. AISIN brings its full capacity to bear on the creation of attractive, high-quality products that are fully in line with the needs of our customers. As well as gaining a status as a worldwide supplier, we are striving to contribute as good corporate citizens to the creation of a prosperous society through manufacturing.

## → Corporate Principles

### Based on “Quality First”

#### ① ENHANCED VALUE CREATION

We are committed to contributing to the advancement of society through future-oriented research and development that provides new value for our customers.

#### ② CONTINUOUS GLOBAL GROWTH

We are committed to realizing steady development and growth in the global marketplace by establishing the foundations of our business activities in local values, cultures and customs.

#### ③ HARMONY WITH SOCIETY AND NATURE

We are committed to earning trust as a responsible corporate citizen by valuing harmony with society and nature.

#### ④ INDIVIDUAL CREATIVITY AND INITIATIVE

We are committed to building a work environment that promotes continuous progress by developing the creativity and initiative of individual employees.



### Important points concerning future prospects

Current plans, prospects, strategy and convictions indicated in this report in connection with Aisin Seiki Co., Ltd. and its consolidated subsidiaries (hereinafter AISIN) are forecasts of future results unless they are historical facts. These are based on judgments made by senior management at AISIN obtained from information that can be obtained at the present time and they inevitably include risk and uncertainty. It should be appreciated that a variety of factors may result in a situation where the actual results are different from these forecasts. The following are among the risk and uncertainty factors that may have an influence on actual results: 1) Changes in economic

conditions, exchange rates, laws, regulations, policies or political conditions affecting the main business sectors in which AISIN is involved; 2) Environmental changes affecting AISIN's ability and capacity to develop new products in a timely manner and in line with the expectations of customers; 3) Fuel supply shortages, paralysis of traffic functions, strikes, interruption of work, and difficulty of obtaining sufficient manpower in the markets for AISIN products and in regions where parts, materials and equipment are procured; 4) Consequences of fortuitous events. However, factors that may have an influence on results are not exclusively restricted to the above factors.

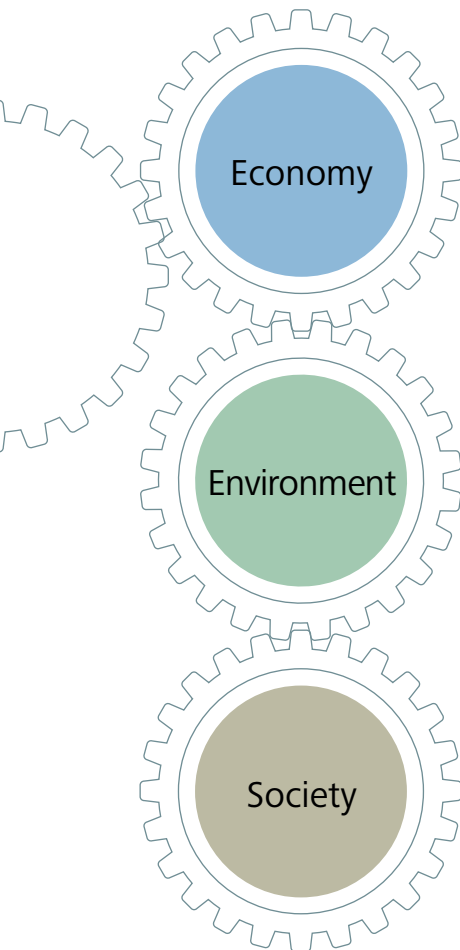
### Notation of organization name

The name “AISIN” employed in this booklet refers to Aisin Seiki Co., Ltd. and its subsidiaries and affiliates.

### Notation of figures concerning performance

The figures concerning performance listed in this booklet are indicated with fractions discarded.

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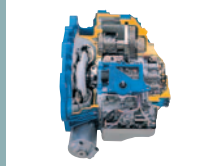


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# Applying the total strength of the Group to achieve a status as a top global brand

## ■ Drivetrain Related Products

This is our main field of business, accounting for more than 40 percent of our sales. We can boast the widest range of products in the industry for everything from light vehicles to small and medium-sized trucks and buses and on to industrial vehicles. As a manufacturer specializing in the field of automatic transmissions we hold the leading share of the global market.



High torque capacity FWD 6-speed AT



CVT (Continuously Variable Transmission)



FWD 6-speed MT

## ■ Brake & Chassis Related Products

We use cutting-edge technology to ensure that vehicles can be manufactured in a manner that reduces the chances of accidents and risks occurring, and we are developing high-performance, high-quality system products that combine driving, cornering and stopping.



Hydraulic booster



Brake booster and Master cylinder



ABS

## ■ Body Related Products

We are a front-runner in providing customers with long-lasting cars through efforts based on comfort, convenience, and safety to decrease the weight and improve the designs of products.



Power sliding door system



Power retractable sheet



Panoramic roof

## ■ Engine Related Products

We produce a wide range of functional parts and cast-metal parts connected with engines. From the standpoint of engines as a whole we are engaged on technical development capable of contributing to lighter weight, cleaner exhaust gas emissions, and lower fuel costs.



Water pump



Oil pump



Cylinder head cover

## ■ Information Related Products

We are developing products that contribute to greater driving safety and comfort including car navigation systems and parking support systems using image processing technology. We can boast one of the highest shares of the global market for car navigation systems.



Car navigation system



Intelligent parking assistance and control board



## ■ Casting Related Products

By actively tackling the development of new technology and new construction methods through use of the strengths possessed by group companies in the production of formed and fabricated materials, we aim to enhance the competitiveness of individual products and added value through the Group as a whole.



Transmission case



Damping coat



Die quench method light bumper reinforcement

## ■ Life Related and Other Products

We handle services and products including gas heat pump air conditioners, gas engine cogeneration systems, beds, fabric and furniture, shower toilets, sewing machines, home improvement services, and nursing and welfare devices. We are engaged in the development of valuable products that satisfy the need for items that contribute to energy-saving and healthy, comfortable living in response to environmental issues and the aging of the population.



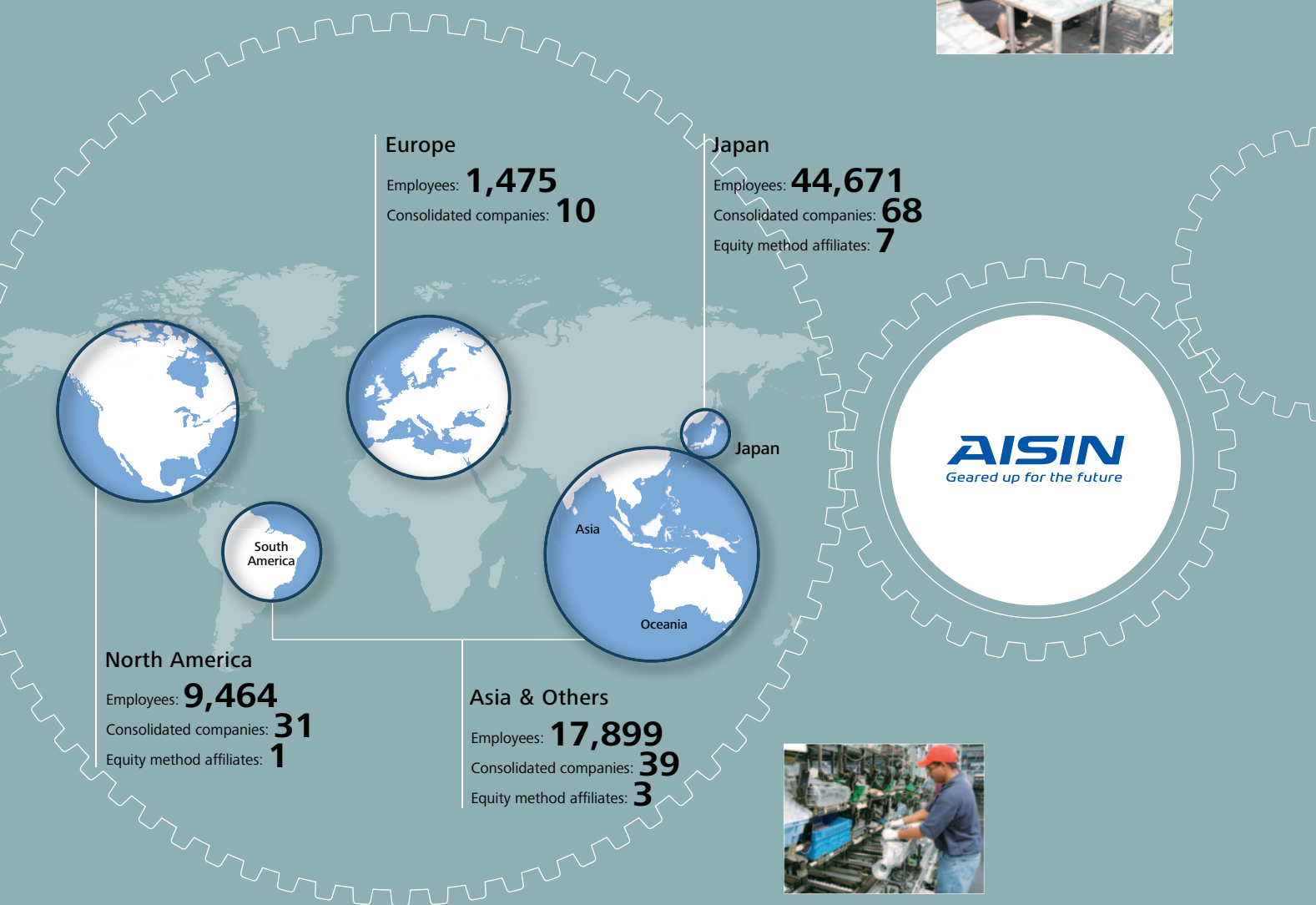
Bed



Home sewing machine



Electric wheelchair



Business fields and main products of the leading six companies

	Drivetrain Related Products	Brake & Chassis Related Products	Body Related Products	Engine Related Products	Information Related Products	Casting Related Products	Life Related and Other Products
Aisin Seiki	Automatic transmission for commercial car, Automated manual transmission (control system), Clutch, etc.	Brake, Suspension system, Steering system, etc.	Power sliding door, Power seat, Door latch, Sunroof, etc.	Water pump, Oil pump, Variable valve timing, etc.	Intelligent parking assist, Parking assist system, Front and side monitor, etc.	Press goods, Aluminum die casting, etc.	Bed, sewing machine, Gas engine driven heat-pump air conditioner, Shower-toilet seat, Electric wheelchair, etc.
Aisin Takaoka	Flywheel	Brake disc rotor	Door beam	Exhaust manifold		Cast iron	Audio product
Aisin Chemical	Friction material for clutch	Brake pad	Spray type damping material	Cooling fan		Resin molding, chemical product	
Aisin AW	Automatic transmission for passenger car, Hybrid system				Navigation system		
Aisin AI	Manual transmission, Automated manual transmission (body)						
ADVICS		Brake system					





## Aiming to achieve sustainable development based on harmony between economic, environmental and social concerns

We would like to thank all stakeholders in the Aisin Group for your generous patronage.

Rooted in our belief of "Quality First", we take as our corporate principles "Enhanced value creation", "Continuous global growth", "Harmony with society and nature" and "Individual creativity and initiative". Our basic approach to business involves fulfilling our social responsibilities by contributing to the creation of a sustainable society.

During the year ending March 2008 our consolidated net sales amounted to ¥2.7 trillion and our consolidated operating income reached ¥180.4 billion, marking the sixth successive year of increase in revenue. In addition to growth in terms of results, on the employment front over the past five years we have increased our staff complement from around 48,000 to 73,500. AISIN's economic impact on society is thus increasing year by year.

On the environmental front, since our production quantities are increasing yearly as our business expands, we are doing all we can to minimize the impact on the environment by reducing quantities of CO<sub>2</sub> emissions in the production process, eradicating the use of harmful chemical substances, and reducing waste to zero. The environment is also one of our major concerns when it comes to developing products, and we are putting all our energies into the development of technology that will make it possible to improve the fuel efficiency of automobiles, lessen their weight, and reduce the use of substances that harm the environment. We are also working on developing products and technology that are likely to prove useful in preserving the environment in areas other than automobiles, for instance in connection with fuel cells for use in the home and solar batteries.

On the level of social responsibility we are introducing greater rigor into our approach to the basic field of compliance as well as strengthening corporate governance and ensuring that information is disclosed promptly and appropriately. As good corporate citizens we are also actively working on activities that are able to make a positive contribution to society through the establishments of links with local communities. In light of the current increase in production quantities and the gradual acceleration of our global business operations, in recent years we have once again been adopting a more rigorous attitude to assuring quality on the production line and safety in the workplace. As regards product development, we consider that safety, together with the need to reduce the burden placed on the environment, is one of the two most important issues that we need to tackle in connection with the production of motor vehicles. Looking further into the future, we reckon that comfort is also an important topic, and we intend therefore to do all we can to provide our customers with greater satisfaction.

In March 2007 we instituted the "AISIN Way", which is intended to provide each AISIN employee engaged in corporate activities with a guide as to how to act and which summarizes the values and practical principles that serve as the foundations for thought and action in the distinctive AISIN manner. The "AISIN Way" emphasizes the importance of each individual thinking about what he or she can do for the benefit of society and of our customers, of constantly striving to make improvements, and of the need to treat every individual with full respect. The aim is to ensure that everyone who works at AISIN shares the same values in terms of company activities.

AISIN aims to continue along the path toward sustainable development for the company and for the global community through business activities characterized by a harmonious blend between economic, environmental and social factors. We look forward to the continuing support and patronage of our stakeholders as we strive to realize this goal.

July 2008



Kanshiro Toyoda, Chairman



Yasuhito Yamauchi, President

## Financial Highlights

AISIN SEIKI CO., LTD. and its Subsidiaries

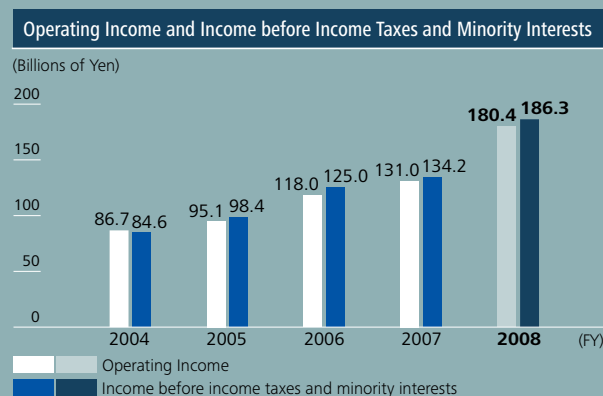
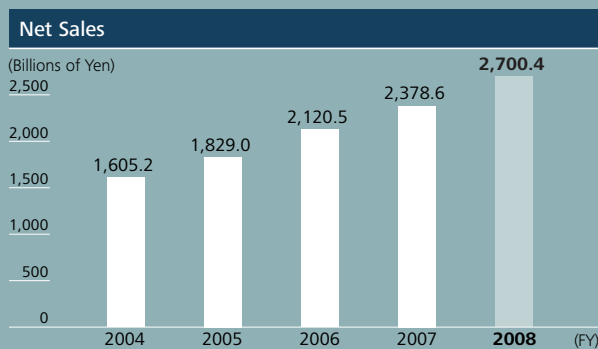
Years ended March 31, 2008 and 2007

(Fiscal years in this report begin on April 1 of the previous year and end on March 31 of the year indicated.)

	Millions of Yen		% Change 2008/2007
	2008	2007	
<b>Year-Round Information</b>			
Net Sales	¥ 2,700,405	¥ 2,378,611	13.5 %
Domestic Sales	1,661,827	1,520,081	9.3
Overseas Sales	1,038,578	858,530	21.0
Operating Income	180,484	131,034	37.7
Ordinary Income	186,309	134,287	38.7
Net Income	91,654	66,889	37.0
Capital Expenditures (Cash Flows)	204,845	224,433	-8.7
Depreciation	167,482	145,276	15.3
R&D Expenses	115,330	103,749	11.2
<b>Information at Year-End</b>			
Total Assets	2,097,727	2,037,896	2.9
Shareholders' Equity	994,592	955,853	4.1
Capital Stock	45,049	45,049	0.0
<b>Management Index</b>			
Return on Equity (ROE)	12.0 %	9.3 %	29.0
Return On Investment Capital (ROIC)*	10.4 %	8.0 %	30.0
<b>Per Share of Common Stock</b>			
Net Income — Basic	¥ 322.50	¥ 233.03	38.4 %
Net Income — Diluted	322.15	232.71	38.4
Shareholders' equity	2,725.67	2,662.78	2.4
Cash Dividends	60.00	40.00	50.0

Note: Calculation per share is based on the average number of shares each fiscal year in the case of net term profit and the number of shares are the end of each year in the case of share capital.

\* ROIC: Return on investment capital. Operating income after deduction of tax ÷ (inventory assets + fixed assets).

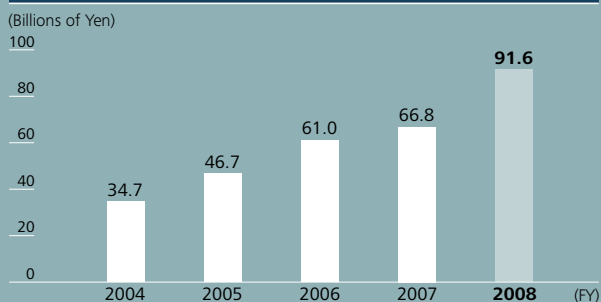




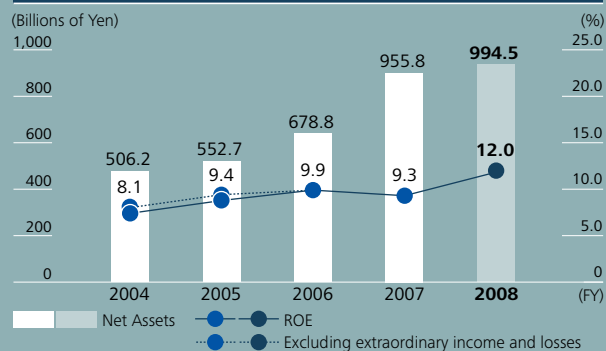
## 9th Consecutive Increase in Net Sales, 6th Consecutive Increase in Operating Income and Ordinary Income

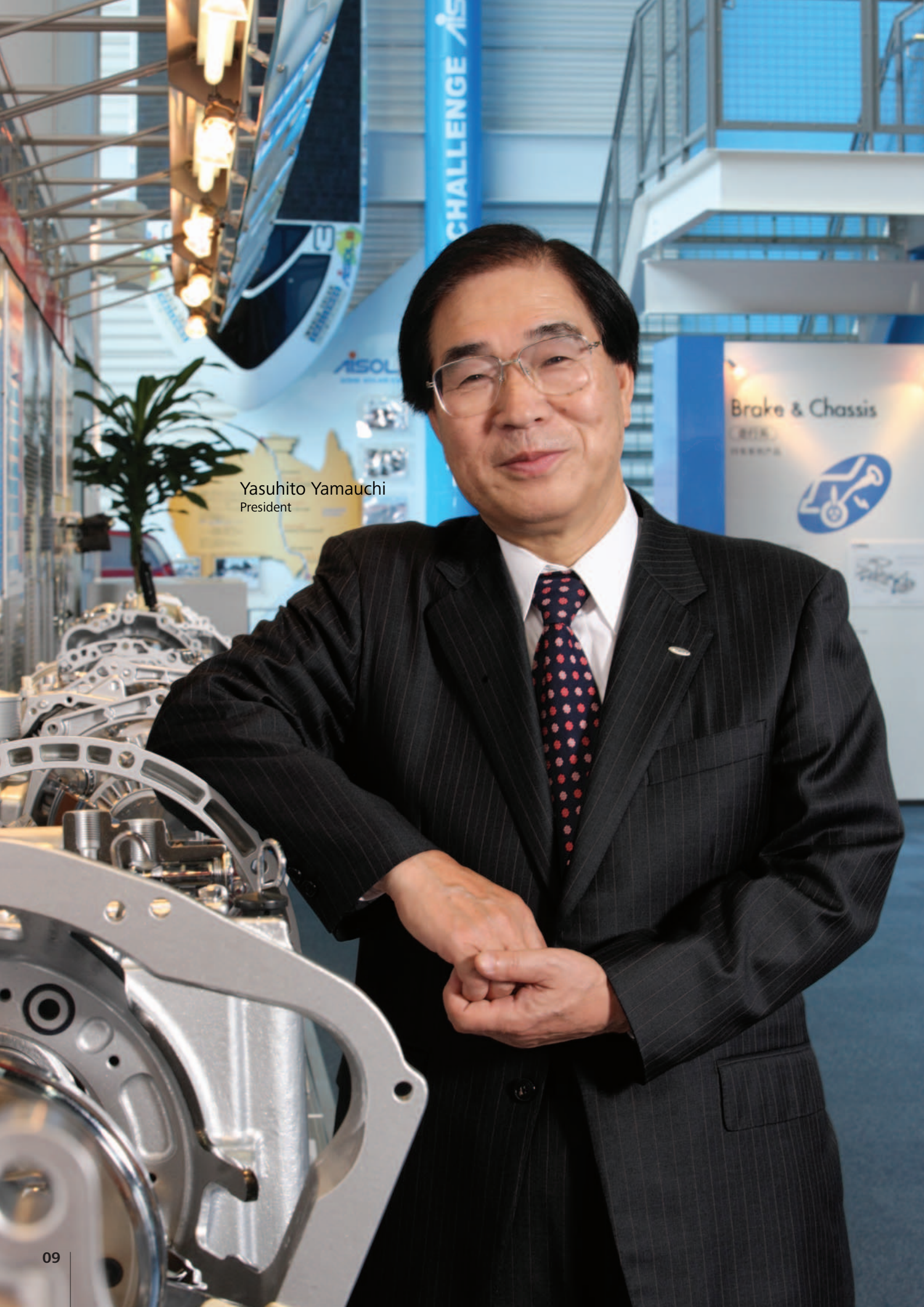
Net Sales	Up <b>13.5%</b> to record <b>¥2,700,405</b> million
Overseas Sales	Up <b>21.0%</b> to record <b>¥1,038,578</b> million
Operating Income	Up <b>37.7%</b> to record <b>¥180,484</b> million
Ordinary Income	Up <b>38.7%</b> to record <b>¥186,309</b> million
Net Income	Up <b>37.0%</b> to record <b>¥91,654</b> million
Total Assets	Up <b>2.9%</b> to <b>¥2,097,727</b> million
Net Assets	Up <b>4.1%</b> to <b>¥994,592</b> million
Net Income per Share	Up <b>38.4%</b> to <b>¥322.50</b>
Cash Dividends per Share	Up <b>¥20.00</b> from ¥40.00 to <b>¥60.00</b>

### Net Income



### Net Assets and ROE





Yasuhito Yamauchi  
President



## Message from Top Management

### Q. How are results for fiscal 2008?

#### A. We worked on increasing sales of leading products and expanding our bases in China, Thailand and the Czech Republic, enabling us to achieve major increases in revenue and income.

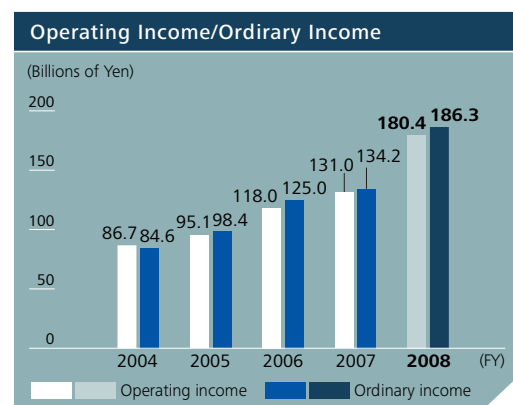
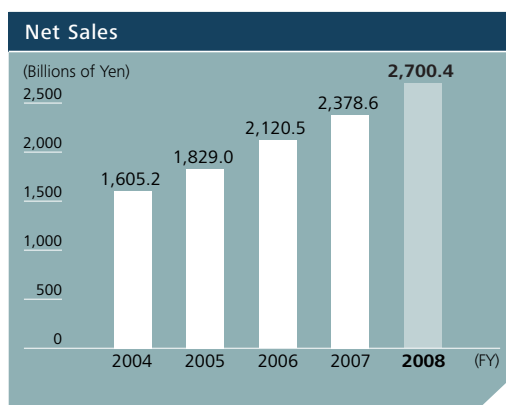
Looking back at the automobile market for fiscal 2008, the unclear prospects for the future of the economy, occasioned by factors such as the sharp rise in the price of crude oil and disorder on financial markets, have had the effect of dampening demand in North America and Japan. However, there has been a major increase in demand in emerging nations such as China, India and Russia, as a result of which demand has continued to grow in global terms. On the other hand, severe conditions have continued on the domestic consumer market due to factors such as the fall in the number of new house-building projects getting under way.

Under these conditions, in the field of automotive parts, spurred on by increases in the number of cars being manufactured by our leading clients, AISIN has been attempting to increase sales of our main products such as automatic transmissions and manual transmissions, car navigation systems and power sliding door systems, to expand our system of production and sales in China, and to increase our production capacity in Thailand and the Czech Republic. These efforts have enabled us to achieve sales of 2.5 trillion yen, up by 13.6% on the figure of 2.2 trillion yen achieved last year. As regards Life related business and other business operations, we strove to increase sales of gas heat pump air conditioners (GHP), which are provoking much interest as air conditioners that contribute to energy-saving, and shower toilets, as a result of which we saw sales increase to 111.8 billion yen, up by 12.0% on the figure of 99.7 billion yen recorded last year. Thanks to these efforts, the consolidated sales achieved by our Group reached a figure of 2.7 trillion yen, up by 13.5% on the figure of 2.3 trillion yen achieved last year. These were the best results we have ever achieved and represent the ninth successive year of growth for us.

As regards incomes, although there were increases in depreciation and R&D expenses brought about by prior investment with sights set on future market needs, in addition to an increase in sales and as a consequence of tackling activities aimed at making improvements in costs through the whole range of business activities, consolidated operating income came to 180.4 billion yen, up by 37.7% on the figure of 131.0 billion yen achieved last year, consolidated ordinary income\* was 186.3 billion yen, up by 38.7% on the figure of 134.2 billion yen achieved last year, and net income was 91.6 billion yen, up by 37.0% on the figure of 66.8 billion yen achieved last year. All these figures were the highest we have ever recorded. Operating income and ordinary income have been increasing successively for six years and net income consecutively for four years. Our ROE (return on equity) was 12.0%, representing an improvement of 2.7 points on the figure of 9.3% recorded last year.

We intend to work even harder toward improving incomes in the future, but we expect to see a fall in incomes during the next year (the year ending March 2009) under the severe business conditions currently prevailing. However, even under such conditions, we intend to go ahead with prior investment aimed at achieving growth and we believe that it is important for us to create a rock-solid income structure.

\* Ordinary income: income resulting from business activities repeated each term. Ordinary income is operating income + non-operating income – non-operating expense



**Q. What is the policy as regards distribution of incomes? Dividends? Acquisition of treasury stock?**

**A. Our aim is to raise our dividend level stably while attending to the balance with prior investment. We are also adopting a flexible attitude to acquisition of treasury stock.**

Stably raising our dividend levels and performing prior investment to ensure that the Group is able to continue growing and that shareholders obtain incomes in the future: these are the two actions we intend to take in a well-balanced manner. In addition, while paying attention to results and cash flow levels, we intend to acquire treasury stock and increase our capital efficiency. We are also incorporating provisions in the articles of association that will make it possible for us to distribute surplus funds on the basis of resolutions of the board of directors.

In line with this policy, we have decided this year to increase our year-end dividend to 36 yen per share and to increase the annual dividend by 20 yen over last year to 60 yen per share in line with the interim dividend per share of 24 yen issued in November last year. In addition, we have acquired 4.24 million of our own stock with a total value of ¥19.3 billion.



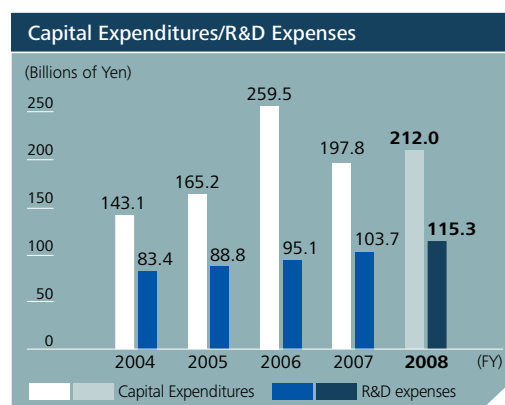
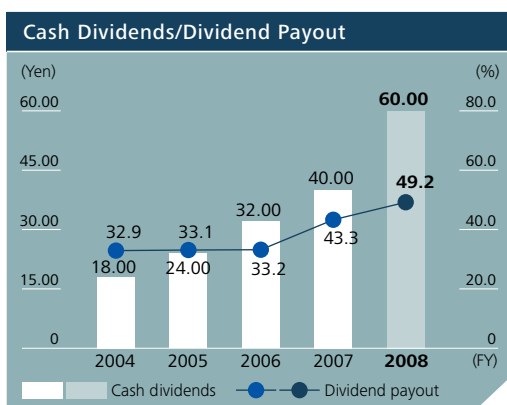
**Q. What are the company's main strengths in terms of products and technology? What direction is the company intending to move toward in the future?**

**A. Making use of our strengths in terms of possessing a wide range of products and technology within the Group, we will be developing system products with high added value through the cooperative combination of the resources possessed by each group company.**

The main strength of AISIN is that we possess a wide range of products and technology. We believe that it is essential for us to take maximum advantage of these strengths when we develop products and technology in the future.

The demands of customers as regards products and technology have been growing increasingly complex and diverse in recent years. As well as promoting advances in information technology and electronics, improving safety and protecting the environment, and possessing adaptability to the market features of different regions all over the world, we are being required to speed up the process of development. The wide range of products and the diverse technology possessed by our Group are powerful weapons for us as we do all we can to respond to these demands. One particularly effective way of working on the development of system products with high added value is to combine the various products and technologies possessed by individual companies within the Group.

At present, as well as fully exploring the possibilities of individual products and technologies, we are putting efforts into enhancing our capacity as a systems integrator by integrating products and technologies on a high level and by developing creative system products that pursue the ideals of safety, concern for the environment, and comfort. This is a field that makes it possible to achieve development with advanced functions, low costs and rapid speed by combining products and technology nurtured hitherto by each company in the Group, for example in areas such as



next-generation power train systems, drive support systems, running type integrated control systems, and sustainable energy systems. It is our goal to achieve unrivaled supremacy in these areas.

Development of systems on the basis of cooperation between individual companies within the Group: this is the topic that we must tackle in the future.

## Q. In what direction is Group management likely to head in the future?

### A. We have to achieve a synergistic effect by linking and combining the power of each group company nurtured autonomously and independently.

The Group has hitherto aspired to an independent and autonomous style under which importance is placed first and foremost on the individuality of each company within the Group. In this way we have managed to create a corporate Group quite unique in the business world in which individual companies are able to display their overwhelming strengths in the respective areas of business in which they excel.

For example, Aisin AI was originally Aisin Seiki's Shiroyama plant, but when manual transmission business reached a level of maturity, the company set up on its own in 1991 as a manufacturer specializing in this particular field with the express aims of further deepening the specialized nature of its operations and raising the flexibility of its business. Aisin AI thereafter successfully developed many new and innovatory products and gained many new clients.

The way in which each company within the Group has aspired to autonomy and independence has thus been extremely effective in terms of enabling us to nurture the capacity of each company. However, the situation today is that competition in connection with development is becoming increasingly severe on a global level and the environment in which we are doing business is growing ever more difficult. Under these conditions it is important therefore that the potential of the Group as a whole is maximized by linking and combining the potential cultivated by each company. As was mentioned earlier, this linkage and combination is essential if we are to be able to develop system products with a high level of added value that combine the products and technology present within the Group.

In the future we intend therefore to shift the basic stance of Group management from 'autonomy and independence' to 'cooperation and linkage', and to pursue the ideal of Group synergy.



## Q. What was the purpose of transferring automobile brake business from Sumitomo Electric Industries, Ltd.? What are the prospects for brake business in the future?

### A. Business involving brakes has enormous potential for the future, and by integrating the brake manufacturing sector we intend to make this business more effective, to strengthen our competitiveness as regards quality and costs, and to expand the scale of the business.

We established ADVICS in July 2001, which develops and sells automobile braking systems together with Sumitomo Electric Industries, Ltd., Denso Corporation, and Toyota Motor Corporation.



Right: President Masayoshi Matsumoto, Sumitomo Electric Industries, Ltd.  
Left: President Yasuhito Yamauchi

Recent years have seen rapid progress being made in information technology and electronics involving automobiles, and this has meant that there has been a need for the development of high-level technology for application to automotive parts.

Under these conditions, we reckoned that it would be necessary to introduce an even greater degree of efficiency into production by integrating the manufacturing sector in order to ensure that business involving brakes for use in automobiles—this being the main task on which ADVICS is engaged—is able to develop yet further. In September 2007 work on the production of automotive brakes was transferred from Sumitomo Electric Industries, Ltd. to us in our function as ADVICS’s parent company, and a new company was set up under the name of AS Brake Systems, Inc.

Advanced chassis systems that combine steering, suspensions and brakes to provide optimum control are products with enormous potential for the future. Since brakes stand at the core of these systems, we hope to introduce higher levels of efficiency into these business operations. We also aim to strengthen competitiveness in connection with quality and costs and to expand the scale of these operations.



**Q. What is the business vision for the future? What are the management objectives?**

**A. We intend to strengthen cooperation between companies within the Group, and realize ‘sales at the top level of the industry’, ‘an overseas sales ratio of 50%’, and ‘ROIC of 15%’.**

The conditions surrounding companies are changing extensively, as reflected in rapid growth in the newly emergent nations and in markets in resources-producing countries such as China, India, Brazil and Russia, the increasing maturity of the domestic market, and the global environmental problems that were discussed at the Toyako summit. Although it is by no means easy to respond to these changes, if we are able to respond well to such adverse conditions, this is likely to provide us with major business opportunities, as was the case in the past at the times of the oil shocks and the recession brought on by the appreciation of the yen. In order to achieve further growth, we need to respond not only to the immediate items that confront us but also to future topics in light of changes. It was in this context that we formulated our ‘AISIN Group VISION 2015’ in April this year.

The Vision has three key phrases: “Create With”, “Harmonize With” and “Be With”. “Create With” is all about working together to create new values. This involves creating system products unique to AISIN that bring together the technology possessed by each company in the Aisin Group that has been carefully nurtured over the years in a variety of business operations. “Harmonize With” is all about generating a favorable response all over the world under the condition of ongoing globalization. “Be With” is concerned with people, society and nature all getting on together harmoniously. The idea is to enhance the sustainability of regional society without harming people, communities or nature through open and fair methods of business. With sights set on the year 2015, we are aiming to achieve the highest sales of any company in our branch of industry and to reach an overseas sales



**Framework of the AISIN Group Vision 2015**

Shape of our goals	<p><b>A company for CREATE WITH, HARMONIZE WITH and BE WITH for tomorrow</b></p> <p>CREATE WITH to co-create new value          HARMONIZE WITH the international community          BE WITH people, communities and nature</p>	} +	Cooperation with group companies
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Aims	<p><b>To have top-level sales in the industry</b></p> <p><b>To have 50% of sales overseas</b></p> <p><b>To have a 15% return on invested capital</b></p>
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ratio of 50% and a rate of return on invested capital (ROIC)\* of 15%.

Our Group has hitherto been supported to some extent by increased production on the part of our main clients, but in the future we intend to grow under our own steam on new markets that we have developed ourselves and to achieve sales on the highest level within the industry. The number of cars being produced by Japanese manufacturers outside Japan is already greater than the number being produced within Japan, and we are likely to see an expansion in the market overseas, especially in the newly emergent nations. We intend therefore to expand our overseas sales ratio from the current figure of 31% to 50% during the current year. Since prior investment is likely to become increasingly important in order to respond to the market in the future, we intend to raise the ROIC (rate of return on invested capital) to a level of 15%. In recent years our Group has been continuing to engage in large-scale investment in anticipation of market needs in areas such as die casts and transmissions, in investment in promising fields such as brakes, and in investment in fields likely to support future growth such as overseas business and R&D activities. Since investment along these lines is going to be needed in the future, we will be placing importance on ROIC in addition to ROE and making efforts to enhance investment efficiency to a yet higher degree.

\* ROIC (Return on Investment Capital) is calculated by dividing net operating income by the sum of inventory assets and fixed assets.

## Q. What is the forecast for results for fiscal 2009? How about dividends?

**A. We reckon that incomes will decline due to the severe business environment, but we hope to maintain dividends at around the same level as those for fiscal 2008.**



Economic prospects in Japan and North America, which constitute the major markets for our Group, are still opaque, and the world economy has many unstable factors such as the steep rise in the prices of crude oil and raw materials, fluctuations in money markets and sudden fluctuations in exchange rates, and the increasing severity of global competition.

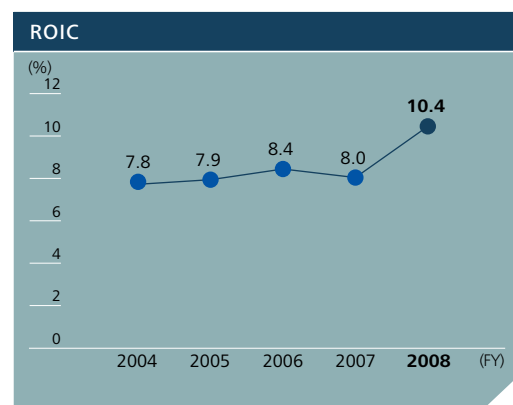
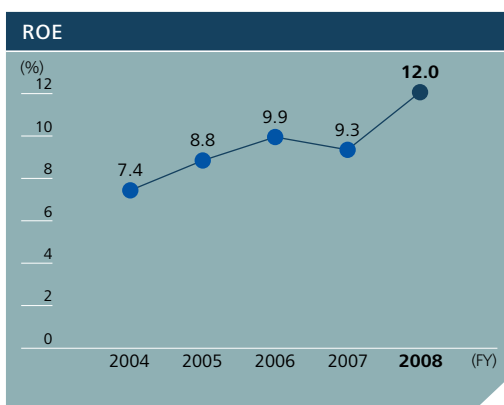
In light of this situation, we reckon that consolidated sales for our Group during the next fiscal year (the year ending March 2009) are likely to be around the same level as this year at 2.69 trillion yen. The income environment is going to be increasingly severe due to the appreciation of the yen, the increase in the costs of crude oil and raw materials, and fall-off in sales, meaning that we foresee that operating income will be down by 25.8% over this year to 134 billion yen, ordinary income will be down by 23.2% to 143 billion yen, and net income will be down by 23.6% to 70 billion yen.

As regards dividends for next year, we will do all we can to maintain the same levels as this year despite the fact that business prospects are likely to be severe.

I would like to ask all stakeholders in our Group to continue providing us with their understanding and support.

July 2008

Yasuhito Yamauchi, President





## Cultivating technology and human resources in order to secure the foundations for global production

Outstanding manufacturing capacity is dependent not just on the development of exciting products with outstanding functions based on new concepts but also on the ability to create such products at low cost and in line with the highest standards of quality. It was to achieve just this that AISIN set up the Production Engineering Center and the HR (Human Resources) Development Center with the specific aims of strengthening production technology at bases all over the world and fostering human resources from a long-term and worldwide standpoint. We are thus working on strengthening our global production capacity.

### Aiming to strengthen production capacity yet further

Demands as regards the maneuverability and environmental performance of motor vehicles are growing ever more complex, and manufacturers of automotive components are being called on more than ever before to provide high-performance, high-quality products at low prices.

Production engineering has an essential role to play in this regard. With our 60 production bases in 19 countries all over the world, it is important for AISIN to standardize our production methods worldwide and to train staff who are able to raise our production engineering capacity in every corner of the world. In order further to strengthen our production capacity and to foster production engineering staff, Aisin Seiki set up the Production Engineering Center in September 2007.

### A major base for production engineering of the Aisin Group

The various functions relating to production engineering were previously scattered among factories in different locations, the head office, the R&D center, and laboratories, but by bringing them all together in the Production Engineering Center we have become able to raise the level of our production engineering and create new technology that oversteps the barriers between different divisions.

The Production Engineering Center currently groups together around 550 production engineers and mechanical





plant engineers from the divisions involved in the design and production of equipment, metal dies and plastic dies. However, in the future we hope to turn it into an even larger center for production technology that will support the Group as a whole, with a staff complement of between 800 and 1,000 including employees from all the companies in the Group.

We also hope that the Production Engineering Center will play a role as a focal point for joint projects embracing design, production engineering and procurement with the aim of developing new products for the future.

### **Aiming toward the construction of a global production system**

AISIN has rapidly stepped up overseas production in order to respond to demand from automobile manufacturers all over the world.

However, the conditions needed for maintenance of facilities are by no means always readily available overseas. For example, the facilities may be located a long way from their manufacturer or employees at a new production base may have inadequate experience of production. This means that it is not easy to achieve the same stable production as in Japan.

Under these conditions AISIN is tackling the development and introduction of simple and slim production lines with a view to achieving the target of installing production lines that can be adequately maintained by engineers with less than three years experience, so that adequate maintenance and inspections can be carried out at overseas bases.

The Production Engineering Center will be a hub of activities aimed at accelerating the development of such facilities. A quarter of all production lines are currently produced inside the company, but we intend to raise this rate to a half in the future.

Production lines scheduled for introduction in factories inside and outside Japan will be assembled at the Production Engineering Center, where they will be put into trial operation. Products will be manufactured and subjected to quality inspections. After that, they will be moved to their permanent locations. Thus we can reduce losses occurring at the start-up of production and the costs involved in preparing for production.

### **Fostering production staff capable of acting on the global stage**

The Production Engineering Center already contains the functions necessary to train the engineers who will be involved in maintenance of production facilities inside and outside Japan. Many employees from overseas bases are currently undergoing training there.

An important feature of training for engineers is to enable them to experience the starting point for production activities through the creation of hand-drawn designs and the use of old-fashioned machines in addition to training them in the most advanced production technology. Engineers are trained in the skills needed to operate advanced technology after gaining real experience of how quality is created and how costs arise.



## With sights set on expanding global business operations

In March 2007 AISIN opened the HR (Human Resources) Development Center with a view to strengthening global production operations and training the staff who will underpin these operations. We hold out high hopes especially for the training of the global staff who have particularly important roles to play in this regard.

Over the past five years, AISIN's overseas subsidiaries have increased their sales by approximately 3.4 times, the number of staff has increased threefold, and the number of bases has increased 1.6 times. These figures are indicative of the ongoing globalization of AISIN's business operations. Training of staff who are able to play roles on the global stage is thus an urgent priority.

### Training for global human resources development

#### Top management training:

The basic knowledge, etc. required by managerial staff

#### Training of candidates for global executive positions:

Management, understanding of different cultures, practical language training, etc.

Training prior to posting: Communication skills, language training, etc.

\* Instruction in "The AISIN Way" is provided to all trainees.

Training at the HR Development Center is divided into three categories, "top management training", "training of candidates for global executive positions" and "training prior to posting." Trainees in each category acquire the knowledge and skills they need in their respective fields.

The HR Development Center does more than just train employees directly involved in business overseas. It also provides graded training for everyone from new recruits to managerial staff. The same management training is provided to employees in the technical skills, administration, and technology sectors. Trainees are expected to acquire the knowledge and mental outlook required of members of the AISIN Group engaged on worldwide operations.

Another important role played by the HR Development Center is to ensure that, through such educational activities, the principles enshrined in "The AISIN Way", which was produced in March 2007, are conveyed to and take firm root in employees of the AISIN Group all over the world irrespective of country and region. "The AISIN Way" lays out the values and principles for action that are situated at the core of the theoretical and practical approaches to work in the AISIN manner that underpin the Group's strength. Training based on



unique programs is being provided so that these values and principles can be shared by employees all over the world.

#### The AISIN Way

Values (what do we regard as important?)

Principles for action (how do we act?)

- Contributing to society and customers
- Continuous improvement
- Respect for each person

### Human resources development applicable to the young people in whose hands the future lies

Another important role played by the HR Development Center is the running of the Aisin Technical Academy.

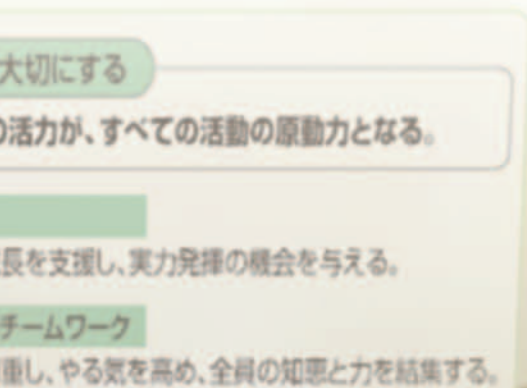
Located inside the Company premises, the Aisin Technical Academy is a boarding school that provides tuition to young people who have just joined AISIN after graduating from an industrial senior high school. Every year for one year around 120 pupils study the skills and knowledge that they will need when working on production and maintenance activities, for one year.

The Aisin Technical Academy was established as long ago as 1977, and it continues today to train many gifted employees who are able to support AISIN's global production activities.

In recent years, the activities of the school's students have been expanding to include all Aisin group companies in Japan and overseas. For instance, in 2008 the students included 68 from Aisin Seiki, 27 from group companies in Japan (10 companies), and 15 from overseas group companies (eight companies in four countries). Foreign students are of course given the opportunity to study the Japanese language.

School graduates who achieve particularly outstanding results in the first year are allowed to continue their studies for two more years as "skilled trainees". The goal of these skilled trainees is to take part in the National Technical Skills Olympics, and the students devote themselves to acquisition of the skills and knowledge required of top-class skilled workers.

With a view to securing the foundations of our global production system, AISIN is working on human resources developed aimed at further strengthening our production capacity primarily through the activities of the Production Engineering Center and the HR Development Center.





## Creating the cars of the future with sights set on the environment, safety and comfort

With recourse to the technology and know-how we have cultivated over the years, Aisin is planning the future of the automobile on the basis of an unprecedented approach in response to the demands being made of motor vehicles in respect of the environment, safety and comfort.

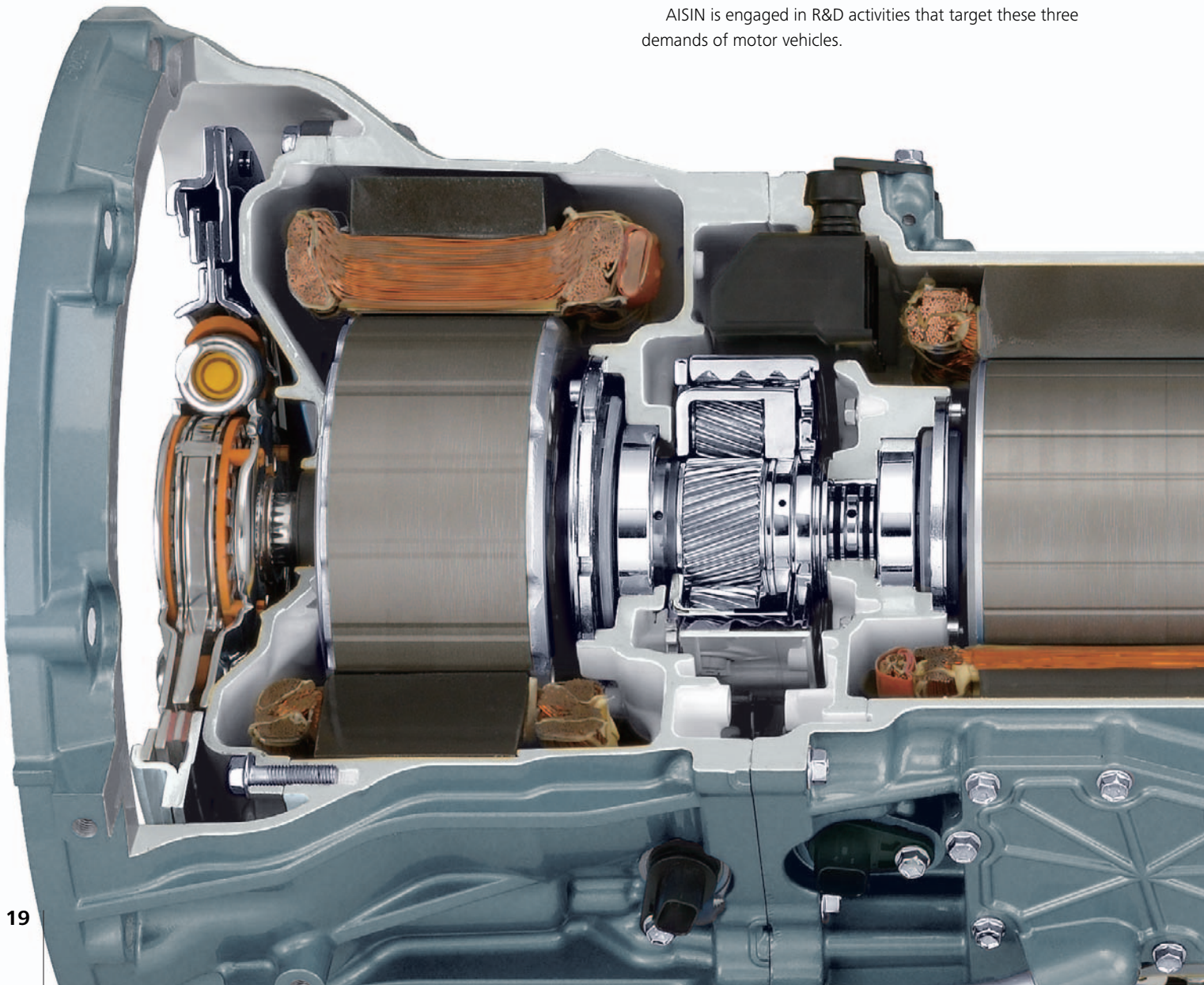
### Growing demands in connection with the environment, safety and comfort

Requirements as regards environmental performance are becoming increasingly severe in order to prevent global warming: regulations in countries all over the world are being tightened in connection with the fuel consumption of motor vehicles and emissions of CO<sub>2</sub>. In Japan, new fuel consumption standards were announced in July 2007 envisaging a 23.5% improvement by fiscal 2016 in the average fuel consumption of motor vehicles in comparison with the figures for fiscal 2005. In the United States, in December 2007 a law was passed aimed at achieving a 40% improvement in the average fuel consumption of motor vehicles from current levels by 2020. The same month, the EU announced draft regulations aimed at achieving a 20% reduction in CO<sub>2</sub> emissions from current levels by 2012.

As regards safety too, requirements are becoming increasingly stringent, with governments coming up with targets for decreasing road accidents all over the world. In Japan, a target has been set of reducing the number of fatalities resulting from road accidents from the figure of 6,352 recorded in 2006 to 5,500 in 2010. The United States has set a target of reducing fatalities by 40% from the 1996 figures in 2008, while the EU is aiming to halve fatalities by 2010 from the level reached in 2000.

Comfort is another important factor. Since everyone has a different idea of what constitutes comfort, there are many imponderables on this market. But it is precisely because of this that is a market pregnant with possibility that gives us free rein.

AISIN is engaged in R&D activities that target these three demands of motor vehicles.



## Release of products and systems that respond to these three demands

In fiscal 2008, AISIN released original products and systems intended to respond to these three demands.

The 4WD hybrid transmission adopts the newly developed Full-time 4WD system, which provides a stable drive by conveying hybrid power securely to the road surface. Although achieving power capacity equivalent to a 6-liter engine, a high level of environmental efficiency is achieved with fuel consumption equivalent to that of a 3-liter engine.

Our "Driving Monitor System" is a safe driving support system that uses a camera mounted on the steering column to detect when the driver is taking his/her eyes off the road and if his/her eyes are open. An alarm buzzer sounds when the driver is detected as not having his/her eyes on the road ahead.

"Map on Demand" is a system that incorporates the most recent mapping information into car navigation through a network. Car navigation maps have hitherto been updated only twice a year, but this system automatically updates map information in a short period, meaning that the driver is always able to use the car navigation system with the most up-to-date maps. For example, when a new expressway or toll road is opened for the first time, the most recent map data is transmitted within a minimum of seven days of the road coming into use, and this information is incorporated and updated into the car navigation system through a mobile phone network.

AISIN intends to continue in the future to push forward with the development of new and original products that pursue the three themes of environment, safety and comfort.

## Message from the executive responsible for research and development

### Start of the "Next Generation Technical Development Project"

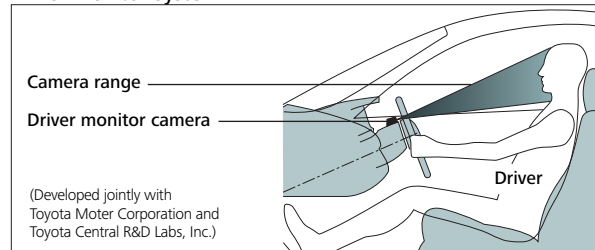
With sights set on the future between 2020 and 2030, in the fall of 2005 we launched the Aisin Group R&D Working Group centering on young engineers from six group companies. In a manner totally uninhibited by existing frameworks, this group is working on ideas for highly innovative and unprecedented vehicles such as cars that do not vibrate or that are totally silent and is exploring next-generation technology aimed at realizing these revolutionary new concepts.

In March 2008, he group launched its "Next-Generation Technological Development Project". Based at Aisin's head office, the members of the group are working on realization of next-generation technology that can be applied not merely to motor vehicles but to society as a whole.

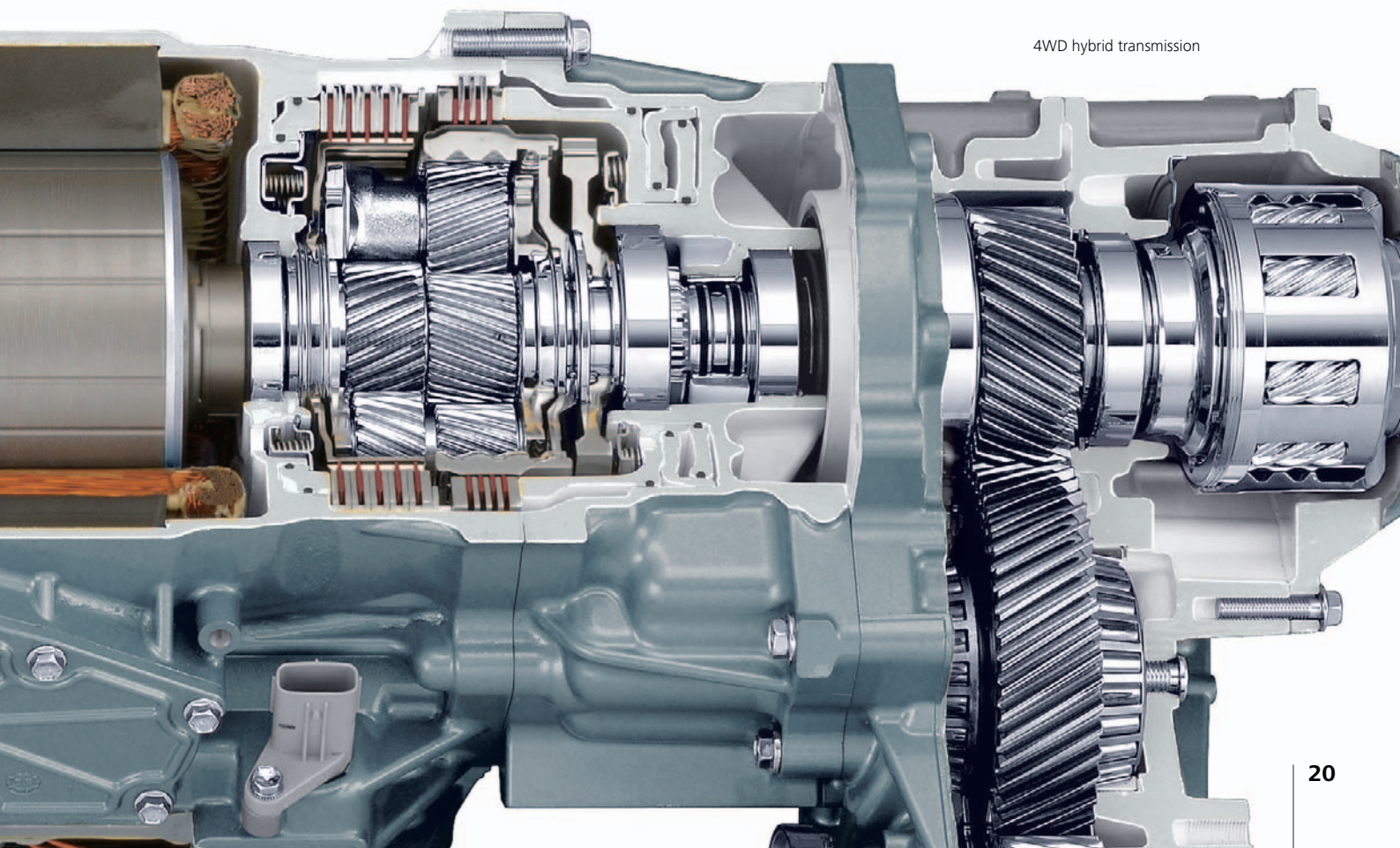


**Fumio Fujimori**  
Executive Vice  
President

### Driver Monitor System



### Map on Demand (Incremental Map Update System)

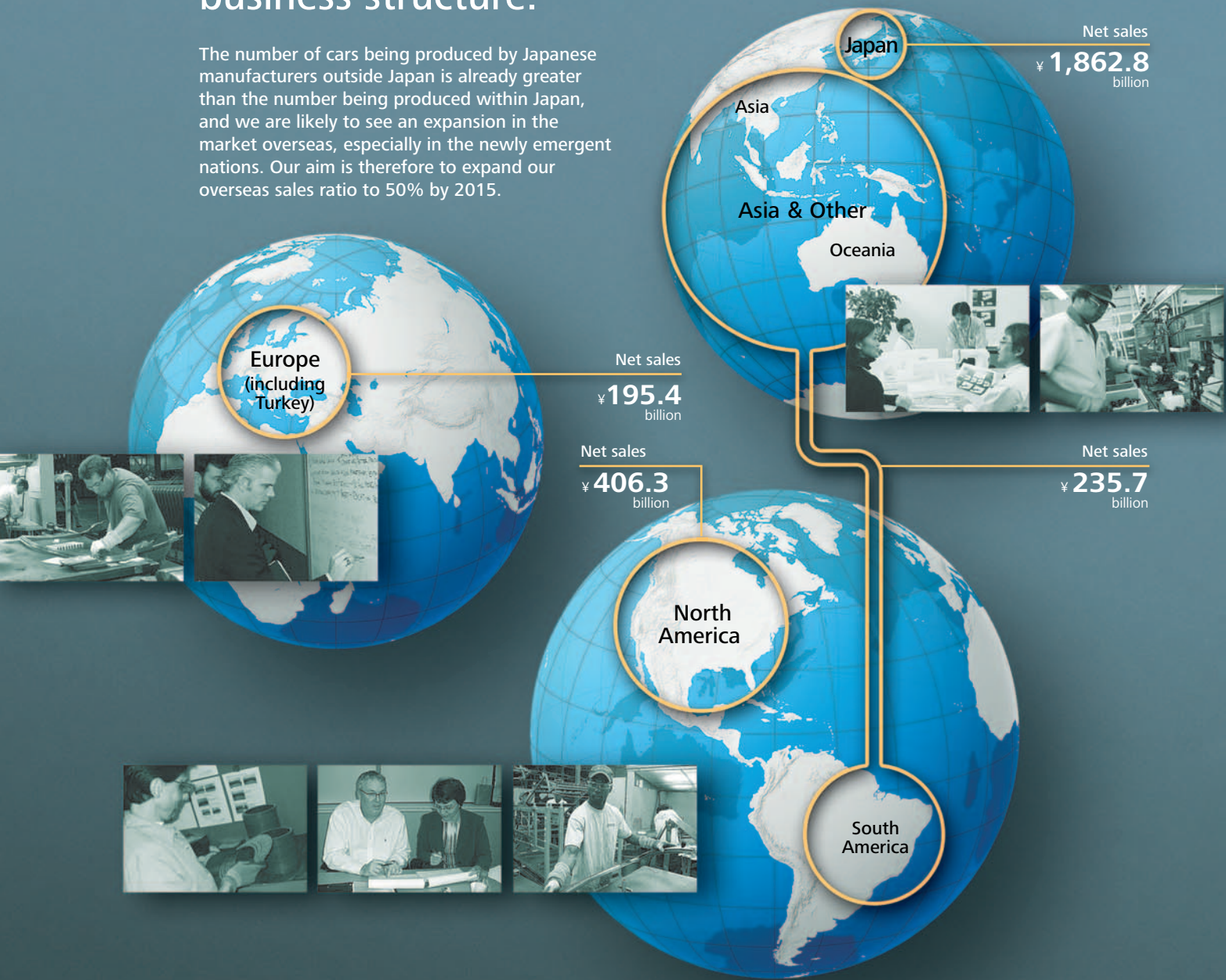


4WD hybrid transmission

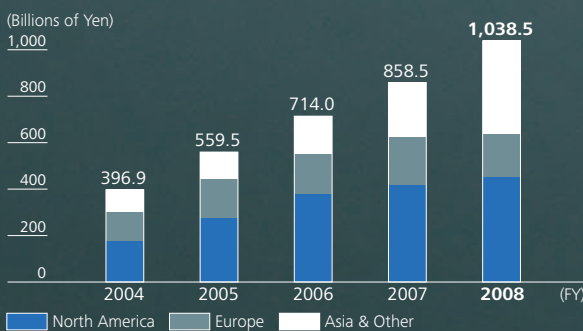


## We intend to create a globally balanced business structure.

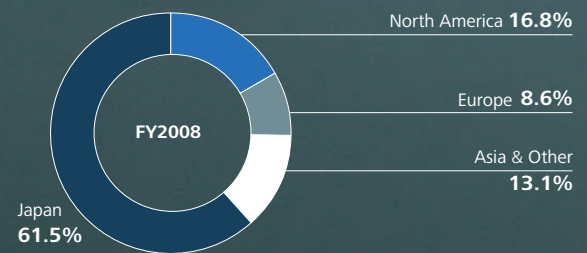
The number of cars being produced by Japanese manufacturers outside Japan is already greater than the number being produced within Japan, and we are likely to see an expansion in the market overseas, especially in the newly emergent nations. Our aim is therefore to expand our overseas sales ratio to 50% by 2015.



Changes in overseas sales



Proportion of sales occupied by overseas sales (FY2008)





## Japan (68 consolidated subsidiaries, seven companies subject to application of the equity method)

**Automobile manufacturers are increasing their production volume in Japan, and we are also improving and strengthening our production and development system within Japan.**

### Overview of business in fiscal 2008

Sales during fiscal 2008 (ending March 2008) were up by 11.6% over the previous year to 1,862.8 billion yen.

The main cause of this growth was the increase in sales of drivetrain-related parts such as automatic transmissions (AT), manual transmissions (MT), engine parts and door parts accompanying increased production by leading clients and the release of new models.

### State of the market and policies

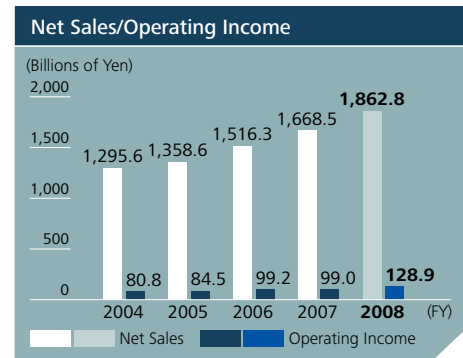
In recent years Japanese automobile manufacturers have all been moving ahead with overseas operations while at the same time maintaining high levels of production within Japan.

Under these conditions, AISIN has adopted a basic policy of production in the places where the source of demand is located, and we reach decisions on where to produce either in Japan or overseas on the basis of the production environment, costs, investment efficiency, etc. In addition to our foreign operations, we are directing efforts toward improving and strengthening our production and development systems in Japan.

In January 2008, Aisin AI Co., Ltd. built a new production plant specializing in manual transmissions for front-wheel drive vehicles at Kira in Aichi Prefecture as Aisin AI's second plant with the aim of responding to increased orders for manual transmissions. As a result, domestic production capacity for manual transmissions will increase by 50% by 2010. In addition, production capacity is being stepped up at each base, and especially at our Nishio plant, in response to increased demand for aluminum

die-cast products. For example, Aisin Hokkaido has constructed new production facilities for AT valve bodies and timing chain cases in April 2007 and is planning to start up these new facilities in the course of next year (the year ending March 2009). Aisin Kyushu Casting was established in July 2007 and AT Kyushu was established in January 2008, thereby creating a system capable of responding to increased production by clients in Kyushu.

We are also putting efforts into improving production lines at existing factories. Aisin AW has developed and is currently operating an "ultra-tiny (GOKUSEMA)" line for assembling AT cases. This line reduces the space required to a quarter and investment costs by a half, and we intend to introduce these highly productive facilities all over the world as the global standard.



Aisin AI Kira plant



Aisin Hokkaido



Aisin Kyushu Casting (an architect's conception)



## North America (31 consolidated subsidiaries, one company subject to the equity method)

### Tackling improvements and reorganization of the business structure throughout North America.

#### Overview of business in fiscal 2008

Sales during fiscal 2008 (ending March 2008) were up by 8.8% over the previous year to 406.3 billion yen.

The main factor underlying this growth was the increase in sales of automatic transmissions (AT) and body-related parts accompanying increased production by clients and the release of new models.

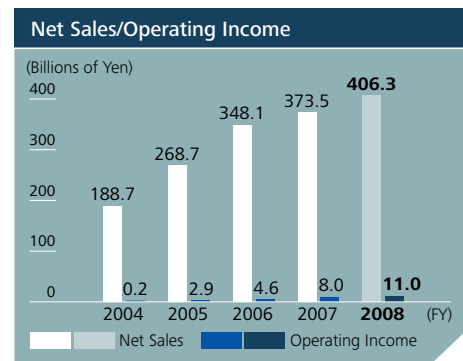
#### State of the market and policies

Although there is likely to be a blunting of growth in the North American automobile industry, this year AISIN has put together a system capable of responding to increased production by our clients.

Aisin Chemical Indiana, LLC, a new American company set up in 2006 to respond to new orders accompanying the increase in AT production quantities in North America, started production in July 2007.

In order to establish an efficient production

and supply system for door frames in North America, the production system was reorganized and AISIN Mfg. California, LLC began production in January 2008 on the west coast of the United States. In Canada, the second plant of Aisin Canada, Inc. began operating in March 2008. This means that production capacity for door frames in North America will increase by around 50% by 2010 from the current figure of around 5.4 million units.



## Europe (including Turkey) (10 consolidated subsidiaries)

### Local production capacity and production items will be expanded in line with the expansion of the European Union.

#### Overview of business in fiscal 2008

Sales during fiscal 2008 (ending March 2008) were up by 11.8% over the previous year to 195.4 billion yen.

The main factor underlying this growth was the increase in sales of automatic transmissions (AT) and car navigation systems.

#### State of the market and policies

The market is expected to expand following the assumption of membership of the European Union by the countries formerly associated with the East European bloc. We are planning to expand local production capacity and items.

Aisin Europe Manufacturing Czech s.r.o. in



Aisin Canada, Inc.



Aisin Mfg. California, LLC



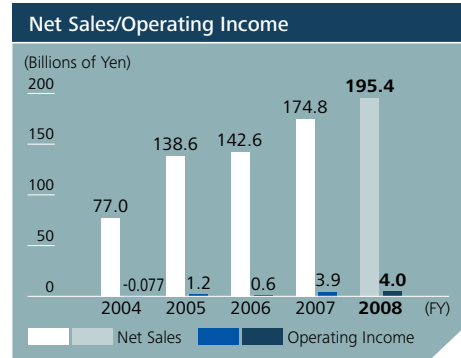
Aisin Europe Manufacturing Czech s.r.o.





the Czech Republic has increased its facilities with a view to increasing production of aluminum die-cast products during the next year (ending March 2009). With the aim of expanding business in manual transmissions (MT), the sales company Aisin AI Europe GmbH was established in Germany in November 2006 and is improving its system extending from sales activities to after-sales service.

We intend to continue making further improvements in our supply system in the European Union in the future.



## Asia & Other (39 consolidated companies, three companies subject to the equity method)

**Providing an active response to markets undergoing intensive growth.**

### Overview of business in fiscal 2008

Sales during fiscal 2008 (ending March 2008) were up by 45.8% over the previous year to 235.7 billion yen.

The main factors underlying this growth were increases in production by clients in China and the start of operation of new bases. Newly established companies in China have all seen their profits increase or have moved toward profitability.

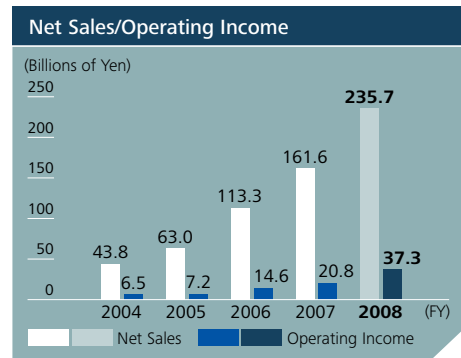
2008 to sell and service car navigation systems.

In Southeast Asia, we have been strengthening our existing production bases through measures such as stepping up our production capacity in connection with cast parts at the Nawaloha Industry Co., Ltd. in Thailand.

We intend in the future to respond actively to the rapidly developing markets of Asia.

### State of the market and policies

In China, where growth is continuing at a rapid pace, the Aisin Group has established production bases for brake parts, engine parts and body components in the north and the south of the country, and we have been able to expand the foundations of our business in China thereby. A new company established jointly with Toyota Boshoku Corporation under the name of Tianjin Feng Ai Automotive Seat Parts Co., Ltd. began the production of frames for car seats and functional seat components in May 2007. Aidao (Shanghai) Auto Parts Co., Ltd. was established in fiscal



Expanded production line at Aisin Europe Manufacturing Czech s.r.o.



Tianjin Feng Ai Automotive Seat Parts Co., Ltd.



Nawaloha Industry Co., Ltd.

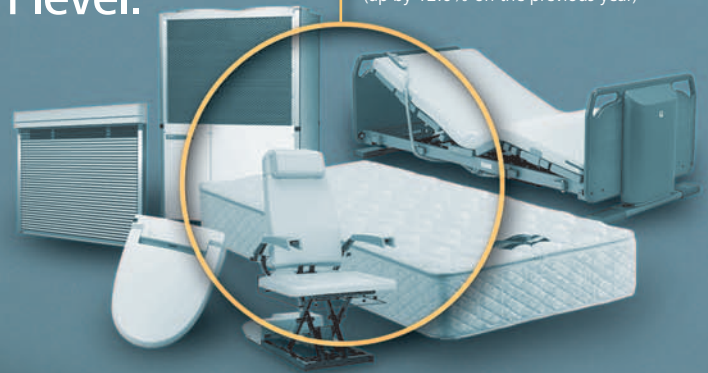


# We're opening up new markets by integrating a wide range of products and technologies on a high level.

AISIN possesses a wide range of product categories covering virtually the whole range of automobile components and extensive technical skills that enable us to develop and manufacture such products. Our strength lies in being able to open up new markets by integrating a wide range of products and technologies on a high level.

## Sales of Life Related and Other Products

¥ **111.8** billion  
(up by 12.0% on the previous year)

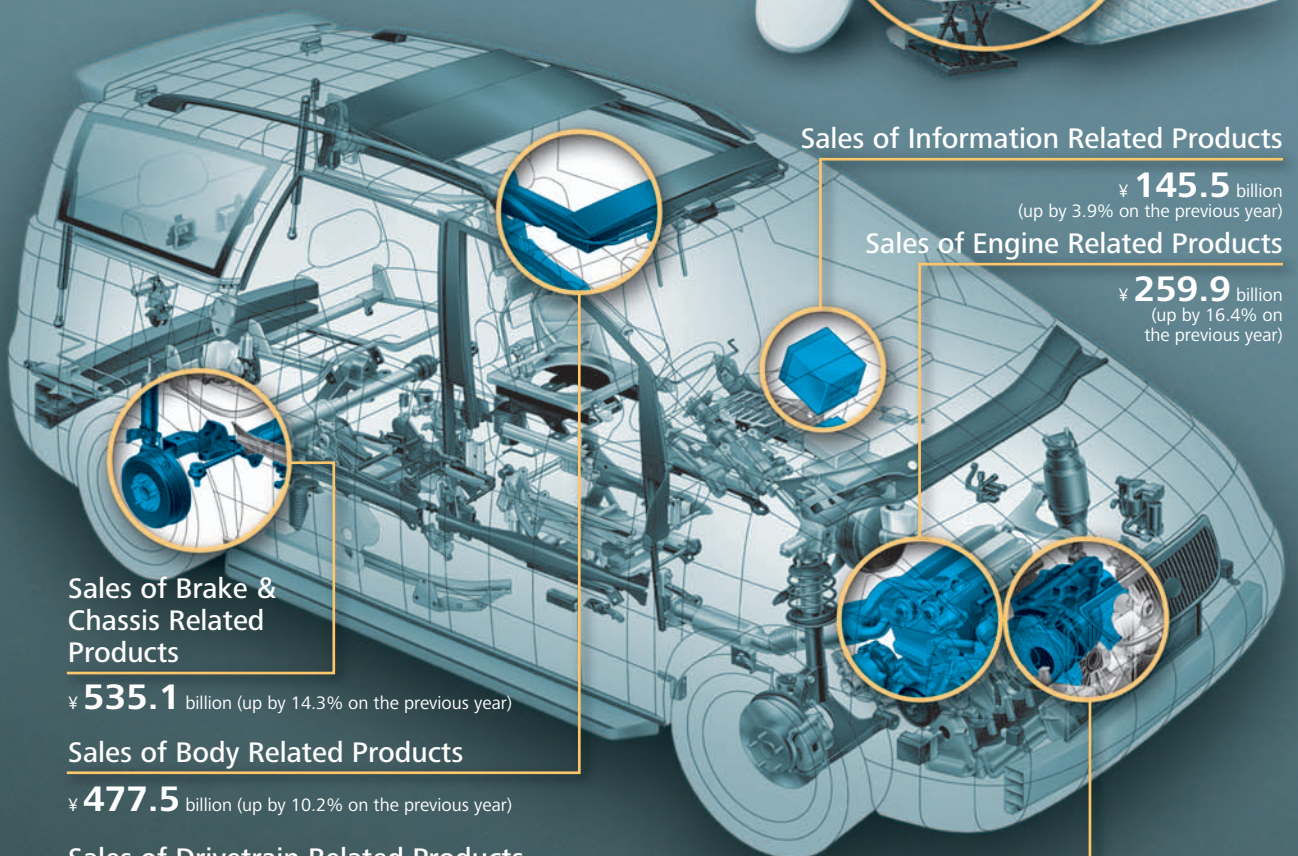


## Sales of Information Related Products

¥ **145.5** billion  
(up by 3.9% on the previous year)

## Sales of Engine Related Products

¥ **259.9** billion  
(up by 16.4% on the previous year)



## Sales of Brake & Chassis Related Products

¥ **535.1** billion (up by 14.3% on the previous year)

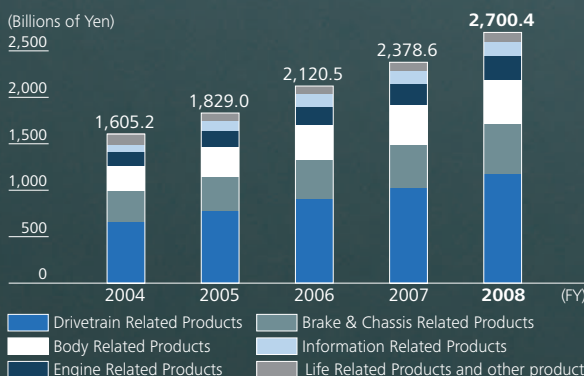
## Sales of Body Related Products

¥ **477.5** billion (up by 10.2% on the previous year)

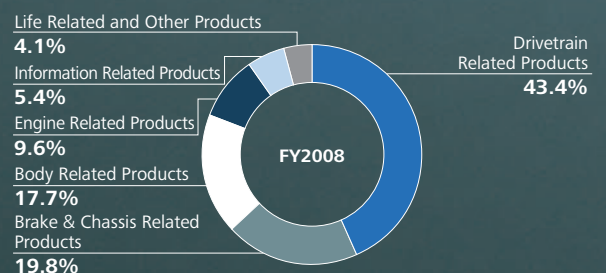
## Sales of Drivetrain Related Products

¥ **1.1704** trillion (up by 15.4% on the previous year)

Changes in sales per product



Proportions of sales per product

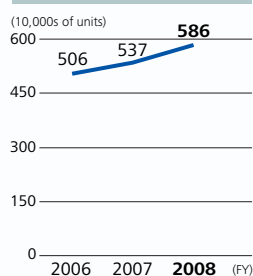


## Drivetrain Related Products

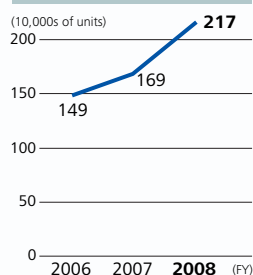
Main related companies: Aisin Seiki, Aisin AW, Aisin AI

**Putting together a full lineup of products, developing innovatory products and technology and increasing sales to automobile manufacturers all over the world in response to the demand for low fuel consumption and ease of driving.**

### No. of automatic transmissions for automobiles sold



### No. of manual transmissions for automobiles sold



### Overview of the field

We can boast the widest range of transmissions in the industry for use by all types of vehicles extending from smaller cars to luxury cars, trucks, buses, coaches and industrial vehicles.

We have maintained one of the highest shares of the world market for many years in connection with both automatic transmissions (AT) and manual transmissions (MT).

### Main products

Automatic transmissions (AT), manual transmissions (MT), automated manual transmissions, continuously variable transmissions (CVT), hybrid systems, etc.

### Overview of business in fiscal 2008

Sales in fiscal 2008 were 1,170.4 billion yen, up by 15.4% on the previous year.

The main factors underlying this growth were the increase in supply of 6-speed automatic transmissions for front-wheel drive vehicles manufactured by Aisin AW to North America, Europe and China (primarily to the Volkswagen Group), the orders received by Aisin AI for 5-speed manual transmissions for front-wheel drive vehicles previously manufactured in-house by Toyota Motor Corporation, and the increase in supply of high-capacity 6-speed manual transmissions for front-wheel drive vehicles manufactured by Aisin AI for Mitsubishi Motors Corporation and Chrysler LLC.

The number of automatic transmissions for passenger cars sold during this year was 5.86 million, giving us the largest share of the market of any specialist manufacturer.

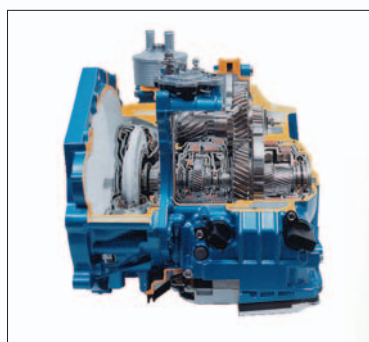
### State of the market and development of products and technology

There is a growing trend toward low fuel consumption and ease of driving on the market for drivetrain products, and products increasingly need to be equipped with versatility and outstanding functions.

In response to these market needs AISIN is striving to make improvements in our lineup of products including multistage transmissions, CVTs, automated manual transmissions and hybrid systems. At the same time, we are working toward technological development one step ahead of the times, increasing sales to automobile manufacturers all over the world, and expanding our supply system.

As regards automatic transmissions, we can boast an extremely wide range of products extending from high-end items such as 8-speed automatic transmissions for rear-wheel drive vehicles to 6-speed automatic transmissions for front-wheel drive vehicles, for which demand has been most apparent in recent years, and on to 6-speed automatic transmissions for rear-wheel drive vehicles and 4-speed transmissions for

### Net sales



Medium-capacity FWD 6-speed AT



High torque capacity FWD 6-speed MT



front-wheel drive vehicles. As regards 6-speed automatic transmissions in particular, automobile manufacturers all over the world are ordering our products because they achieve better start-up and acceleration performance, help to reduce fuel costs, and are simple to mount because of their extremely small size. Having engaged in global sales promotion activities making use of these particular strengths, we succeeded in gaining 41 companies as customers for our automatic transmissions for automobiles as of March 2008. The number of customers purchasing our manual transmissions is also continuing to increase, and sales of the high-capacity 6-speed manual transmission (BG6) for front-wheel drive vehicles that we released in 2005 are increasing especially on the European market.

Automated manual transmissions are based on a system that takes advantage of the benefits of existing manual transmissions, namely high efficiency and light weight. This transmission is characterized by two different modes either of which can be selected depending on the preference of the driver, namely the automatic gear change mode in which clutch operation and shift operation are automated, thus facilitating driving and creating the same feel as with automatic transmission, and the manual mode, whereby the gears can be freely selected exclusively by operating the shift lever. Installations have been increasing since it went on sale in

Europe, where manual transmissions are highly popular. This transmission is currently used in four car models at two companies.

In September 2007 we released a new high-capacity transfer for rear-wheel drive, a device that distributes the engine power to the front and rear wheels. By changing the power transmission structure, we have succeeded in raising the torque capacity in comparison with previous products and in creating a product that is lighter and more compact. This new product has been adopted for use in the TOYOTA *Land Cruiser*.

Assuming that demand for hybrid cars is set to increase, we have also been working on the development of new drivetrain units. In addition to units specifically for front-wheel drive vehicles released in 2004, the world's first ever 4WD hybrid transmission was released in May 2008 (jointly developed with Toyota Motor Corporation). This product transfers power securely to the road surface to realize a smooth drive and has been incorporated into the LEXUS *LS600h* model.

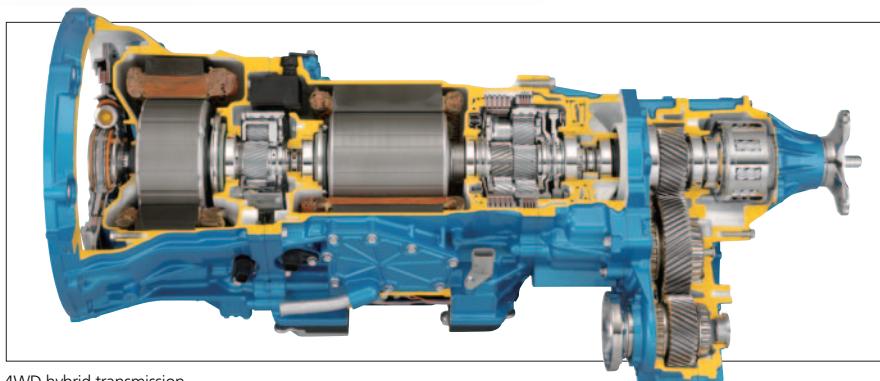
### Future directions

In the future we expect to see a further worldwide decline in the sales of large vehicles, slow growth on the North American market, and expansion on the Middle Eastern and Chinese markets.

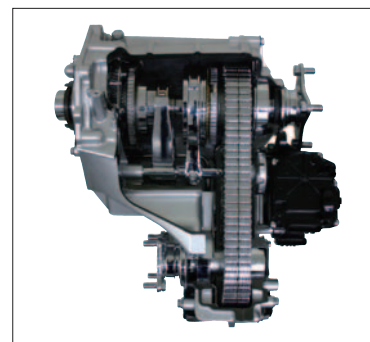
Under these conditions, the Aisin Group will be developing products that remain one step ahead of the needs of our customers all over the world and expanding our sales and service network. We hope thereby to consolidate our position as the company holding the top share of the global market for automatic transmissions and to become world's top company in connection with all drivetrain products including manual transmissions, for which we occupy a considerable share of the global market.



LEXUS *LS600h*



4WD hybrid transmission



Transfer for high-capacity rear-wheel drive vehicles

## Changes in the business environment surrounding drivetrains and the future course of development

### As the top manufacturer in the field of drivetrain products

The Aisin Group possesses a wide variety of products that cover almost every area of motor vehicle production including drivetrain related products and bases on an overriding belief in quality. Among the main features of the Aisin Group are our extensive range of products and the fact that each company in the group possesses outstanding technical and production capacity in their respective fields of specialization.

In the field of drivetrain products, we established a company by the name of Aisin Warner (currently Aisin AW) in 1969 to specialize in the manufacture of automatic transmissions (AT) as a joint venture together with BorgWarner. In 1991 we established Aisin AI to specialize in the manufacture of manual transmissions (MT). Both companies possess highly sophisticated technology in the fields in which they specialize. AISIN continues to have one of the world's top shares of automatic and manual transmissions and is the leading manufacturer in these fields.

### Faced by strengthening of environmental regulations and diversification of market needs

The European Union has decided on new regulations that will involve reducing carbon dioxide emissions from motor vehicles to less than 130g per kilometer driven by 2012. In Japan, the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure and Transport have announced a plan to improve fuel consumption by 23.5% by 2015.

Environmental regulations are thus being strengthened on markets all over the world, although each region has its own distinctive features in terms of drivetrains. In Europe, it is becoming increasingly common to incorporate multi-staging and automated manual transmissions with automatic gearbox functions. In Japan, where roads are frequently congested and drivers constantly have to stop and start, most vehicles are these days equipped with automatic transmission or CVT because of the

way they drive, but hybrid vehicles are rapidly becoming popular because of their responsiveness to environmental concerns. The number of small vehicles with low fuel costs is also on the increase. In the United States, where many drivers prefer large vehicles, automatic transmissions for vehicles with large displacements continue to be a strong presence, but demand for hybrid vehicles is also on the increase.

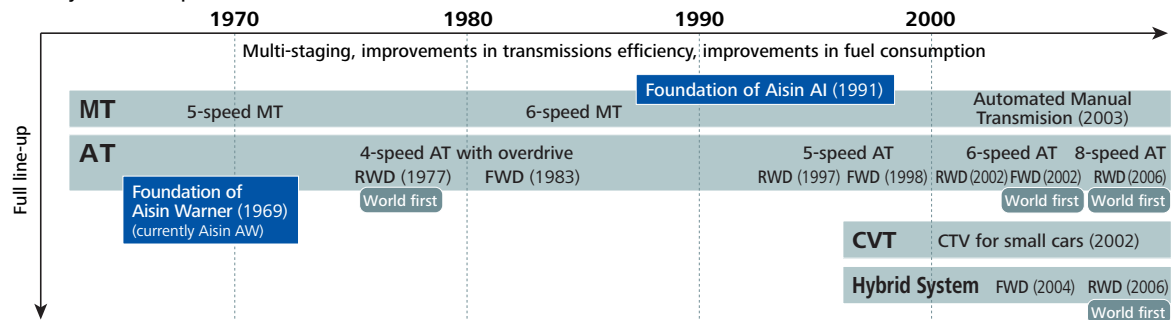
### Development of drivetrains suited to the market environment

Under these conditions, AISIN is putting its energies into the development of products that place the least possible burden on the environment and a wide range of products that meet the specific needs of each region. This involves a triple orientation toward the multi-staging of automatic transmissions, development of more efficient constantly variable transmissions (CVT), and development of hybrid transmissions.

Taking the lead on other manufacturers, Aisin AW is engaged in the development of products using such technology. In 2002 the company began the mass production of a 6-speed automatic transmission for front-wheel drive vehicles for the first time anywhere in the world. In 2006 the company became the first in the world to mass-produce an 8-speed automatic transmission for rear-wheel drive vehicles, and has thus made advances in the multi-staging of automatic transmissions. It also developed a CVT for small vehicles, which was the world's lightest in its class, and it strengthened its integrated developed system for CVTs and belts by taking CVTEC, a company specializing in the manufacture of CVT belts, as a joint venture with Bosch, under its wing as a subsidiary company. In 2006 the company succeeded for the first time anywhere in the world in mass-producing a hybrid transmission system for rear-wheel drive vehicles.

As the top manufacturer on the drivetrain market, AISIN will continue developing products and technology that fulfill the needs of customers all over the world.

### History of development of transmissions



## Brake & Chassis Related Products

Main related companies: Aisin Seiki, ADVICS

### Aiming to become a total system supplier in the chassis field centering on brakes but also including steering and suspension.

#### Overview of the field

With an aim of creating vehicles that are able to avoid danger and are unlikely to cause accidents, we are developing system products that integrate the actions of driving, going round corners, and stopping.

#### Main products

Brakes, anti-lock braking systems (ABS), ESC (Electronic Stability Control systems for preventing lateral skidding), air suspension systems, etc.

#### Overview of business in fiscal 2008

Sales in fiscal 2008 were 535.1 billion yen, up by 14.3% over the previous year.

The main factors underlying this growth were the increase in sales of brake components accompanying an increase in production by clients and the increase in the supply of ESC system manufactured by ADVICS to Toyota Motor Corporation in North America as a consequence of the now mandatory attachment of ESC systems to cars in North America.

#### State of the market and development of products and technology

In order to win out in the competition on the product market for brakes and chassis, it is necessary to supply not only individual components but also systems that are of outstanding quality and low price and that combines these components. AISIN is thus directing its efforts toward raising its systemization technology in connection with electronic control and performance evaluation onto the highest international level.

For example, together with Toyota Motor Corporation, we have jointly developed crawl

control for the automatic control of acceleration and braking with an aim of reducing idling to the minimum, and this was incorporated into TOYOTA *Land Cruiser* in September 2007. Renault has adopted our active rear steering system, which is intended to improve the turning properties of vehicles through steering the rear wheels.

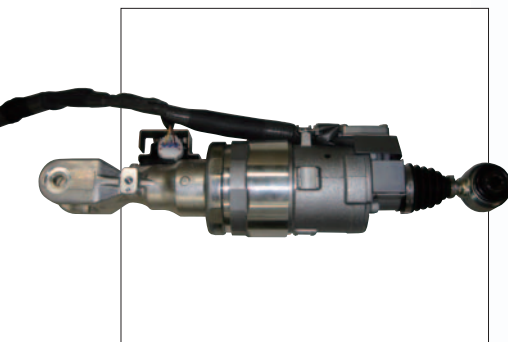
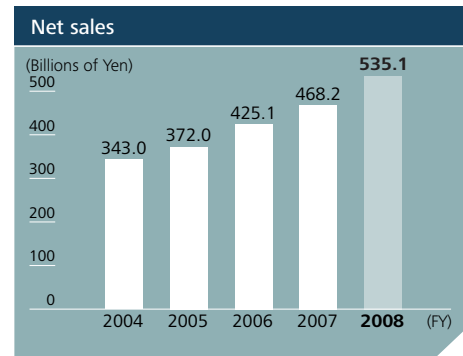
In September 2007 the Company took over brake operations from Sumitomo Electric Industries, Ltd., one of the companies that holds a stake in ADVICS. This has enabled us to introduce greater efficiency into our brake production, to strengthen our quality and cost competitiveness, and to increase the scale of our activities. (For details see Pages 12 and 13).

#### Future directions

We intend to continue developing safe and highly reliable system products with an aim of becoming a total system supplier in the field of chassis including steering, suspensions and a focus on brakes in the future.



Assessment tests on ESC performance



Active rear steering systems



TOYOTA *Land Cruiser*



Crawl control

## Body Related Products

Main related companies: Aisin Seiki, Aisin Takaoka, Aisin Chemical

### Developing user-friendly products and moving ahead with 'market creation' business offering new ideas to the market.

#### Overview of the field

We are developing products that contribute to the increasingly diversified needs of users not merely by improving comfort, convenience and safety, but also by pursuing improvements in design features and achieving lighter weight.

#### Main products

Door latches, power sliding door systems, power back door systems, sunroofs, power sheets, occupant detection sensors, door frames, door handles, etc.



Rear-seat relaxation sheet

#### Overview of business in fiscal 2008

Sales in fiscal 2008 were 477.5 billion yen, up by 10.2% on the previous year.

The main factor underlying this growth was the favorable sales of power sliding door systems, seats, door handles and other items manufactured by our company. In particular, there was an increase in the quantities supplied power sliding door systems for smaller cars involving the miniaturization of drive units housed inside slide doors to Daihatsu and Suzuki.

#### State of the market and development of products and technology

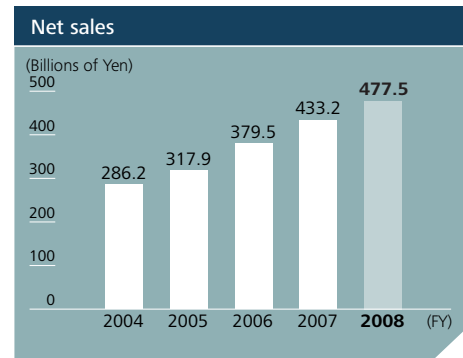
On the market for body related products, there have been rapid changes in the needs of users, and requirements tend to vary from one region to another. It is important that we respond sensitively to these changes and differences and launch new products based on the perspective of the user promptly onto the market. It is the aim of the Aisin Group to expand our share of the global market by ascertaining the needs of users well in advance and launching onto the market a variety of new products that make use of the wide-ranging technology that we have

developed over the years in fields such as mechatronics and electronics.

For example, together with Toyota Motor Corporation in September 2006 we developed the world's first pre-crash intelligent head rest, the purpose of which is to reduce harm caused by whiplash in the case of a road accident. In February 2008 we released a 'Smart handle' that does away with the need for push-buttons and makes it possible to unlock the vehicle merely by touching the door handle.

#### Future directions

In the future we intend to develop user-friendly products with an emphasis on marketing and to proceed with business of the 'market creation' type involving presenting ideas to the market.



Daihatsu Tanto



Suzuki Palette



Smart handle

## Engine Related Products

Main related companies: Aisin Seiki, Aisin Takaoka

**Developing products that contribute to energy-saving and low emissions from the perspectives of engines as a whole and future power sources.**

### Overview of the field

We are involved in the production of a wide range of functional components and cast parts connected with engines. Making use of this elemental technology, we are striving to develop products and technology that contribute to reduced weight, to the cleaning up of gas emissions, and to reduced fuel costs.

#### Main products

Water pumps, oil pumps, pistons, intake manifolds, exhaust manifolds, variable valve timings (VVTs), etc.



SUS exhaust manifold

### Overview of business in fiscal 2008

Sales in fiscal 2008 were 259.9 billion yen, up by 16.4% on the previous year.

The main factor underlying this growth was the increase in the supply of aluminum components such as engine front modules and cylinder head covers manufactured by ourselves to customers in Japan, North America and Europe.

The light weight of our magnesium cylinder head covers was favorably assessed, and these products were adopted for use in NISSAN *GT-R*, while our resin intake manifolds were adopted for use in the SUZUKI *Swift* because of their light weight and low cost.

### State of the market and development of products and technology

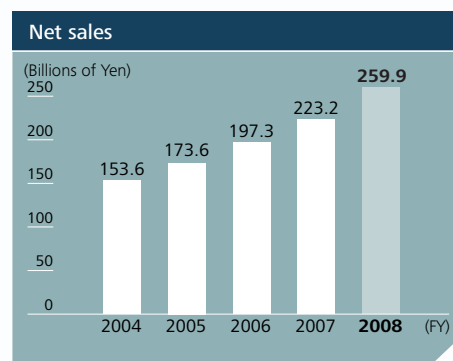
On the market for engine-related products there is a demand at present for the capacity to respond to the strengthening of measures to reduce fuel costs and to regulate exhaust emissions. Under these conditions, the Aisin Group has been working towards reducing the weight of engine parts and raising the efficiency of VVT.

In May 2007 we developed a rotary valve type variable intake manifold (developed jointly with MANN+HUMMEL) capable of raising engine output by between 3 and 5% by switching suction ports in accordance with drive status and a three-stage discharge rate variable oil pump that lowers the load on the engine and improves fuel efficiency by regulating the oil discharge rate into three stages depending on the engine speed. Both have been incorporated into TOYOTA *Noah* and *Voxy*.

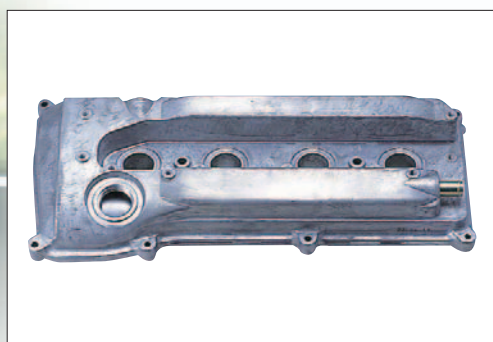
### Future directions

We provide total support for every type of engine such as diesel, bio-ethanol and hybrid, to name just a few.

In order to respond to the full-scale application of fuel cell vehicles, which are likely to become the main type of vehicle in use in the future, we are strengthening our efforts to develop technology in connection the fuel cell units that constitute their core units, control devices, etc.



NISSAN *GT-R*



Magnesium cylinder head cover



Rotary valve variable intake manifold



## Information Related Products

Main related companies: Aisin Seiki, Aisin AW

**Making our products more advanced by introducing cutting-edge technology in line with the evolution of information communications and electronics technology and of information infrastructure.**

### Overview of the field

We hold one of the highest shares anywhere in the world in the market for car navigation systems, which are our core products in this area. In addition, we are developing parking support systems making use of image processing technology in the context of our efforts to support safe and comfortable motoring.

#### Main products

Car navigation systems, parking assist systems, lane departure warning systems, intelligent parking assist, frontal and lateral monitoring systems, driver monitoring systems, etc.



Car navigation system

### Overview of business in fiscal 2008

Sales in fiscal 2008 were ¥145.5 billion yen, up by 3.9% on the previous year. The main factor behind this increase was the favorable sales of Aisin AW's car navigation systems.

### State of the market and development of products and technology

The market for information related products for automobiles is expanding together with the evolution of information and telecommunications technology, electronics technology, and information infrastructure. The Aisin Group has introduced cutting-edge technology related to sensors and image processing and is directing its efforts toward making further advances in car navigation systems and the development of peripheral supervision systems.

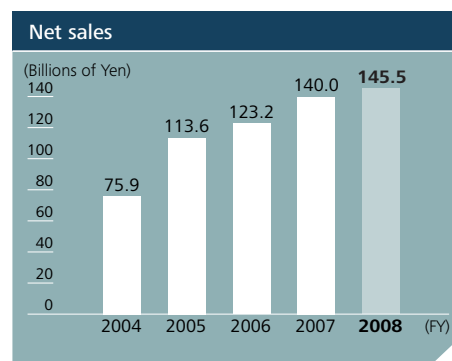
The "Map on Demand"\*1 for car navigation systems released in May 2007 updates to the most recent map through mobile phones. The cooperative temporary halt information supply

system incorporated since February into Toyota's built-in car navigation systems provides a warning in the form of information presented on the screen and aurally about stopping at crossroads where drivers have to come to a temporary halt. In February 2008, the world's first eyelid opening detection function was added to the driver monitoring system\*2 to warn drivers when they are taking their eyes off the road ahead or risking falling asleep at the wheel.

\*1 Developed jointly with Toyota Motor Corporation, Zenrin Co., Ltd., Denso Corporation and Toyota Mapmaster Incorporated.  
\*2 Developed jointly with Toyota Motor Corporation and Toyota Central R&D Labs, Inc.

### Future directions

In the future we intend to expand our market and business by incorporating cutting-edge technology into system products such as peripheral supervisors with the focus on car navigation systems.



#### Map on Demand: Incremental Map Update System

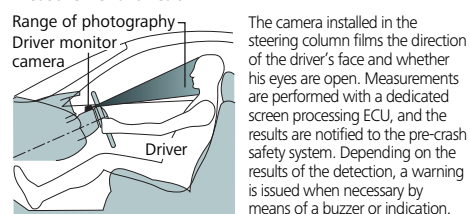


(Developed jointly with Toyota Motor Corporation, Zenrin Co., Ltd., Denso Corporation, Toyota Mapmaster Incorporated)

Map data for areas in which roads have changed in the vicinity of the destination is transmitted to the car navigation system through a mobile phone, etc. This makes it possible to carry out road searches and guides with updated maps and to obtain the ideal route.

#### Driver monitoring system

##### Facial direction detection function and eye opening measurement function



(Jointly developed with Toyota Motor Corporation and Toyota Central R&D Labs, Inc.)

## Establishing reliability and enhancing quality at one of the world's foremost evaluation facilities

Creating the best possible testing environment as soon as possible as a manufacturer of automobile parts.

In order to satisfy the demands of reliability held by customers all over the world, AISIN has taken the lead among automobile parts manufacturers by not only having simple products, but by having a comprehensive system for appraising the performance and reliability of products, such as by running actual tests and evaluations of equipment in cars.

We opened our Fujioka Proving Ground in Aichi Prefecture in 1970 and another Proving Ground at Toyokoro in Hokkaido in 1992. We are proud to say that these are among the largest and best equipped testing facilities anywhere in the world among automotive parts manufacturers. Overseas, in 2005 we became the first Japanese supplier to open a Proving Ground in North America, at Fowlerville in Michigan.

Establishment of a new circumferential circuit in imitation of an actual driving environment.

In recent years, automotive parts have become increasingly systemized, complex and equipped with more advanced functions. Under these conditions it has become more necessary than ever before to improve test evaluations with regard to the compatibility

of products with vehicles and to vehicle systems as a whole.

We decided therefore to install a new total circumferential circuit at the Toyokoro Proving Ground in September 2005. We created unbanked curves identical to those present on ordinary expressways along with upward and downward slopes, steel bridges, tunnels and concrete walls in order to create a testing environment identical to a real driving environment. We have also made it possible to evaluate the various functions and performance required of vehicles in addition to drive performance, for instance through the installation of testing facilities related to radio wave interference and ITS (Intelligent Transport Systems).

In the future, taking account of market needs all over the world, we intend to expand our evaluation facilities premised upon all kinds of driving environments in every part of the world and to strengthen our system of development.

We will be directing all our energies toward further improving quality and ensuring reliability in order to fulfill our social responsibility as a manufacturer of automotive parts.



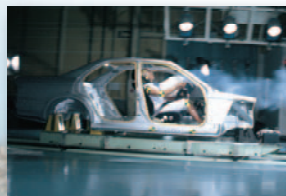
**Toyokoro Proving Ground** (completed 1992)  
Location: Toyokoro-cho, Nakagawa-gun, Hokkaido  
Area: approx. 7,480,000 m<sup>2</sup>  
Total circumference: 7.9 km;  
Poor road circumference: 15.8 km



**Fujioka Proving Ground** (completed 1970)  
Location: Mitsukuri-cho, Toyota-shi, Aichi Prefecture  
Area: approx. 670,000 m<sup>2</sup>  
Flat circumference: 2.4 km;  
Poor road circumference: 4.6 km



**Fowlerville Proving Ground** (completed 2005)  
Location: Fowlerville, Michigan, United States of America  
Area: approx. 3,730,000 m<sup>2</sup>  
Dynamic pad: 150R; Man-made low  $\mu$ road: 210 m



Thread test device



Radio dark room

## Life Related and Other Products

Main related companies: Aisin Seiki, Aisin Takaoka

### Coming up with new ideas for healthy and comfortable living through energy-saving.

#### Overview of the field

With recourse to technology cultivated in connection with automotive parts, we are manufacturing and selling a wide range of devices for use in the home and products useful in areas such as nursing and welfare activities.

#### Main products

Beds, sewing machines, embroidery devices, shower toilets, nursing beds, electric wheelchairs, gas-heated pump air conditioners (GHP), housing facilities and equipment, housing renovation, gas engine cogeneration systems, Peltier modules, audio devices, fiber lasers, bio-related devices, etc.



GHP

#### Overview of business in fiscal 2008

Sales in fiscal 2008 were ¥111.8 billion yen, up by 12.0% on the previous year. The main factor behind this increase was the increase in sales of GHP air conditioners and shower toilets in Japan.

#### State of the market and development of products and technology

The Aisin Group provides the highly reputed energy-saving GHP air conditioners, nursing beds and electrically operated wheelchairs for use by the elderly and the handicapped, and home renovation services aimed at enhancing the living environment.

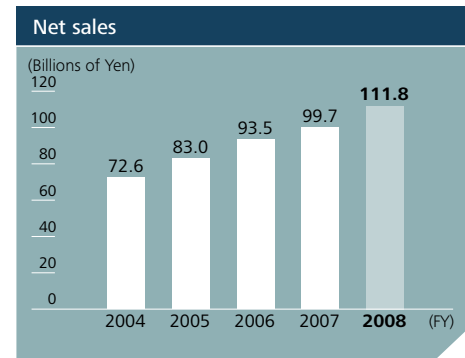
With the aim of increasing our share of the market, in June 2007 we opened a showroom under the name of Asleep Tokyo in the Roppongi district in June 2007. Making use of the parts originally intended for driving nursing beds manufactured by Aisin, in May 2007 we released 'Rikuraku', a seat with reclining and adjustable height mechanisms. Also in May 2007, the femtosecond fiber laser 'FCPA Micro Jewel' developed by our North American R&D company

IMRA America was incorporated into the LASIK (eyesight correction) operation system 'VisuMax' of Carl Zeiss Meditec, Inc.

#### Future directions

It seems likely that there will be increased demand in the future for healthy and comfortable living through energy-saving.

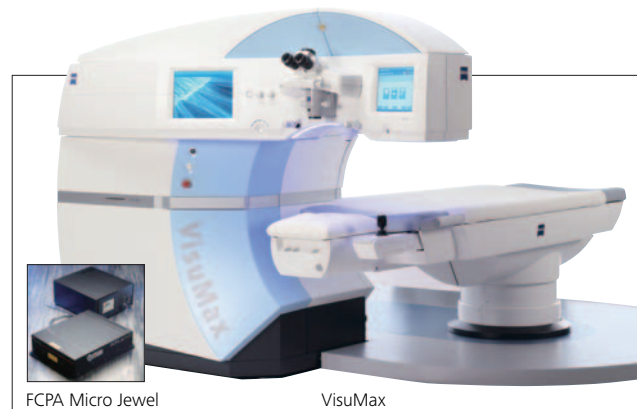
In response to such demands, we intend to actively develop next-generation energy devices such as fuel cell cogeneration systems for use in the home and dye-sensitized solar cells.



ASLEEP Tokyo showroom



Shower-toilet seat



FCPA Micro Jewel

VisuMax

## Casting Related Products (sales offset against business inside the Group)

Main related companies: Aisin Seiki, Aisin Takaoka, Aisin Chemical

**Developing new production methods and materials by replacing materials at the raw material processing stage, and working on the introduction of new technology.**

### Overview of the field

We process a variety of materials into a wide range of forms employing engineering methods such as aluminum die-casting, resin-forming, pressing and magnesium die-casting. We provide these materials to Group companies both inside and outside Japan.

### Main products (formed and fabricated materials)

Press components, aluminum die castings, magnesium die castings, plastic moldings, chemical products, iron castings.

### The mission of our activities in this area

The mission of our activities in the field of formed and fabricated materials is to manufacture the formed and fabricated materials needed in the end products manufactured by the Aisin Group and to supply them to each company in the Group. By realizing compactness, light weight and low costs and ensuring that all items are delivered just on time while assuring the functions and strength of the end products, our aim is to raise the competitiveness of individual products and, by extension, to enhance added value within the Group as a whole.

The advantage of not outsourcing formed and fabricated materials and producing these materials within the Group is that efficiency, costs and efficiency of control of delivery deadlines can be improved and development and production of prototypes can be accelerated. In addition, information in connection with production know-how and new products can be controlled more thoroughly.

### State of the market and key points

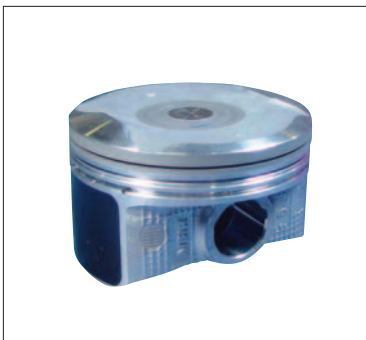
With the aims of improving fuel efficiency and reducing the burden placed on the environment, every automobile manufacturer at present is faced with the difficult tasks of having to reduce the weight of products while assuring their functions and durability and reducing energy consumption at the production stage.

In order to deal with this situation, the Aisin Group is working on replacing materials, developing new production methods and new materials, and introducing new technology, with recourse to our knowledge of a variety of materials and our possession of technology for the production of formed and fabricated materials. For example, Aisin Chemical has developed a hardening sealer that hardens at low temperatures and in a brief duration and that improves sealing performance and contributes to energy-saving and carbon dioxide reduction in motor vehicles. This sealer has been adopted for use in the TOYOTA *Corolla*.

We are directing our energies toward the creation of a system of production of formed and fabricated materials that is in line with the strategy of customers who are working at steeping up production aimed at BRICs and other new markets where automobile sales are advancing favorably. For example, in 2007 we created cast iron lines at bases in China and Thailand.



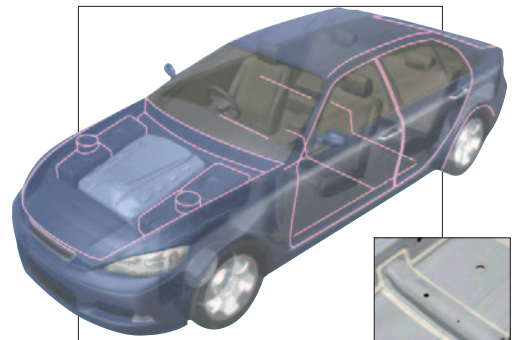
Processing of die-cast formed and fabricated materials



Piston



Engine front module



Low-temperature short-duration hardening sealer

## Market Data

### Consolidated sales rankings of the world's leading manufacturers of automotive parts

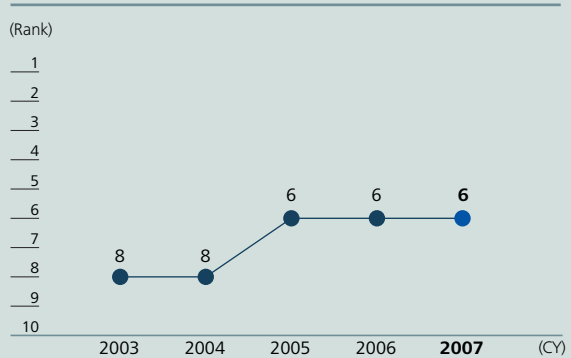
AISIN ranked in sixth position among manufacturers of automotive parts worldwide.

Top 10 companies in 2007

Ranking	Company name
1 <sup>st</sup>	Denso Corporation (Japan)
2 <sup>nd</sup>	Robert Bosch GmbH (Germany)
3 <sup>rd</sup>	Magna International Inc. (Canada)
4 <sup>th</sup>	Continental AG (Germany)
5 <sup>th</sup>	Delphi Corporation (USA)
6 <sup>th</sup>	Aisin Seiki Co., Ltd. (Japan)
7 <sup>th</sup>	Johnson Controls Inc. (USA)
8 <sup>th</sup>	Faurecia Corporation (France)
9 <sup>th</sup>	Lear Corporation (USA)
10 <sup>th</sup>	ZF Friedrichshafen AG (Germany)

\* Source: Top 100 Global OEM Automotive Parts Suppliers  
Sales Ranking in 2007 (January to December 2007) by *Automotive News*

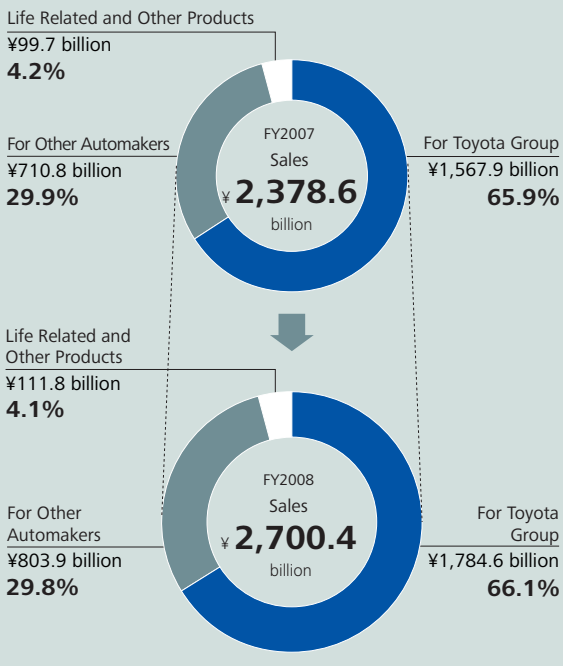
Changes in Aisin's ranking



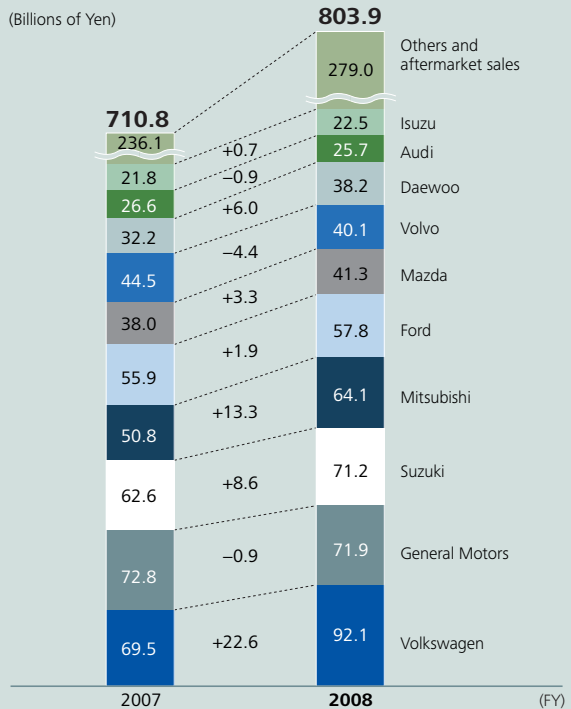
### Sales proportions according to customer

AISIN does business with leading manufacturers all over the world.

Detail of sales



Sales of Other Automakers outside the Toyota Group



Our approach to CO<sub>2</sub> reduction is all about moving from reduction of basic units to reduction of total quantities. AISIN is working hard to achieve this rigorous challenge.

In response to the Kyoto protocol, in 2007 AISIN changed its standards for CO<sub>2</sub> reduction targets from basic units per sales quantity to total amounts.

In the 14<sup>th</sup> meeting of the Aisin Consolidated Environment Committee held in February 2008, it was confirmed that all companies within the Group should work together to achieve the more rigorous target of a 7% reduction in total quantities of CO<sub>2</sub> emissions in comparison with 1990.



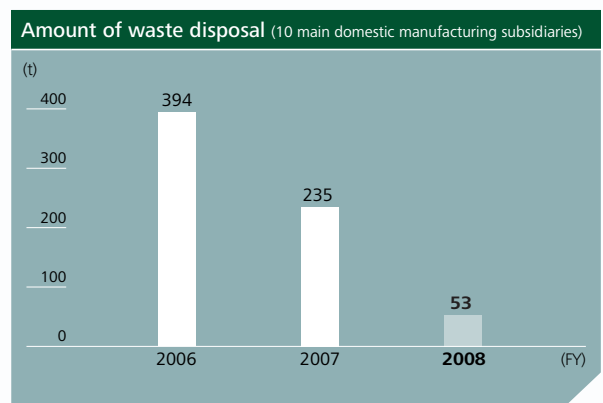
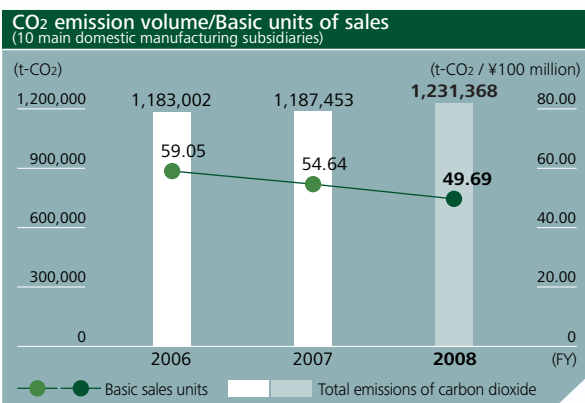
Bio-fuel made from refined used cooking oil is being used to power commuter buses.

Since May 2008 we have been using 100% bio-diesel fuel (B100) to power the commuter buses that link our head office with Meitetsu Chiryu railway station.

This fuel is created by collecting and refining the cooking oil used for deep fat frying in staff canteens at Aisin Seiki's bases throughout Aichi Prefecture. In the future our intention is to go one step further and recycle oil gathered from the homes of company employees.

## Bequeathing a healthy global environment to the next generation

At AISIN we are doing our utmost to reduce wastefulness in our business activities. We place particular importance on dialogue and cooperation with stakeholders with the aim of promoting environmental conservation activities through society as a whole.



## Holding forums at which people from local communities can study all about global warming.

The 34<sup>th</sup> "All AISIN Policy Systems Forum"\* was held at the Anjo City Cultural Center in Aichi Prefecture in November 2007.

Lectures and a symposium took place on global warming, which has become the main environmental issue affecting us today. Participants were able to study how companies, administrative authorities and ordinary citizens can assist from their different perspectives in combating global warming.



\* This forum has been held twice a year in spring and autumn since 1991 with the purpose of encouraging local government and companies to confront topics of major social and regional interest. These forums have been open to participation by the general public since the autumn forum of 1995.



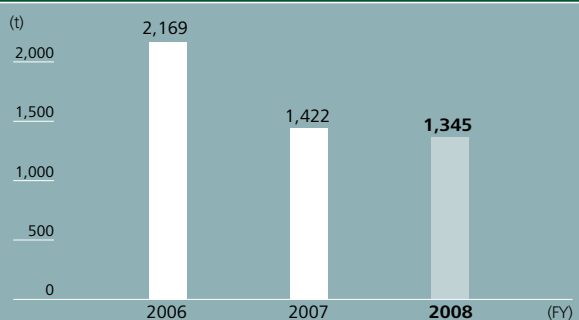
## Tree-planting activities implemented together with Thai children.

Much of the forest in the northern region of Thailand has been destroyed, and in response to this situation, employees of Aisin Seiki and our local Thai affiliate in the Aisin Group have been cooperating with Thai children on the five-year forestation program "Aisin Children's Forest" Project that got under way in fiscal 2005.

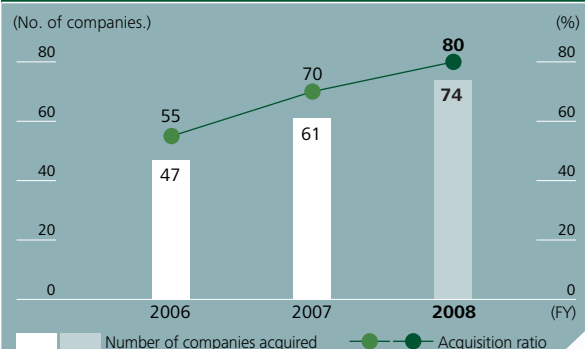
Approximately 12,000 seedlings were planted over nine hectares in fiscal 2008. We plan to plant a total of 60,000 seedlings over 45 hectares by the end of fiscal 2009.



Quantities of VOC substance (10 main domestic manufacturing subsidiaries)



Number of companies acquired ISO14001 certification/Acquisition ratio (All domestic Aisin Group manufacturing subsidiaries)





## Message from Management



**Norio Oku**  
Executive Vice President and chairman of  
Aisin Consolidated Environment Committee



## Working on reducing total emissions of CO<sub>2</sub> with a sense of urgency in the realization that delay in implementing environmental measures will make it impossible for us to develop as a company

Environmental issues, and in particular the question of how to prevent global warming, are issues that need to be debated on a global level and with the utmost urgency. I believe that the prevention of global warming is something that must be tackled by people working together all over the world and not just within the confines of their own respective countries.

With the aim of realizing the targets for reduction set out in the Kyoto protocol, in November 2007 the Aisin Group added new targets for cutting down on emissions of greenhouse effect gas (GHG) by the Group as a whole that involved moving from standards based on total emission quantities rather than basic units in line with sales figures as had been used previously. We set a target for reduction by 7% in comparison with the figure for fiscal 1991 as the five-year average for the period between 2008 and 2012. There are many difficulties that we have to overcome in order to achieve this target, but the Group intends to tackle these activities in a concerted manner in the realization that these targets must absolutely be achieved, since delay in implementing environmental measures will render corporate growth impossible.

In production, we are striving to cut back on CO<sub>2</sub> emissions through the introduction of simple, slim-line energy-reducing facilities, to reduce the substance of environmental concern, and to lower the quantity of emissions. So that the employees who are responsible for implementing these measures are able to tackle their duties with a strong awareness of their importance, we are encouraging their active participation by creating as many opportunities as possible for them to take part in activities aimed at protecting nature and the environment on a volunteer basis.

At the development stage, with the aim of contributing to conservation of the global environment through our products, we are tackling the development of technology aimed at improving the fuel efficiency of automobiles, reducing their weight and lessening the quantity of substances included in products that have an adverse effect on the environment.

In recent years we have been placing particular importance on activities that will contribute to improving the global environment in the future rather than just attempting to reduce the burden placed on the environment by the development and manufacture of products. In fiscal 2008 we opened a comprehensive environmental study facility by the name of "Aisin Ecotopia", consisting of an Eco center, an Ecotope and a civic garden. We hope that this facility will contribute to the creation of a bright future for the global environment as a venue where children, in whose hands the future lies, are able to learn about the environment and which can be used as a testing facility for environmental technologies related to recycling, solar batteries and rooftop greening.

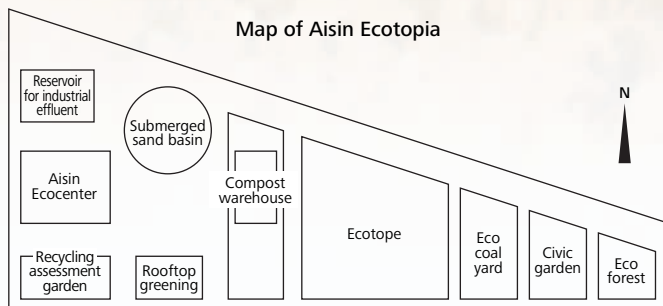
We hope that these activities will enhance the awareness of the environment possessed by all employees of the Aisin Group, and we intend to push forward with activities aimed at protecting the environment under the slogan of 'AISIN helps to save the world.'



# Establishing Aisin Ecotopia, a comprehensive study facility intended to contribute to the future of the global environment

Aisin Ecotopia has been created on a 10,000 square meter site inside the factory grounds to serve as a place where children can come into contact with nature and learn about the environment and as a testing facility in connection with recycling and reuse.

The budding talents in whose hands the global environment of the future lies will be able to start their environmental education here.



## Biotope created together with locals

Aisin Seiki opened Aisin Ecotopia in September 2007. A highly varied range of environmental facilities that provide the opportunity to study about the environment while gaining first-hand experience of nature are housed in a site extending over 10,000 square meters set inside our Handa plant in Aichi Prefecture. They include "Ecotope", a biotope where visitors can come into contact with many different types of living creatures in the midst of nature; "Eco center", a facility where waste products from the factory are recycled into resources; "Eco farm", where compost made from organic waste is used to cultivate vegetables; and "Eco forest", which contains trees that were transplanted without cutting them when the factory was built.

Ecotope is situated on an extensive site covering 2,800 square meters. 6,850 stakeholders, including employees, people from the local community, members of NPOs, civic group and primary school pupils cooperated to create this facility on a "hand-made" basis since 2006.

As the various plants began to grow and a true biotope environment came into being, so the place became a habitat for frogs, killifish, dragonflies, fireflies and all kinds of small animals. The environment then became frequently visited by pheasants and herons in search of prey, thus creating a vivid ecosystem.

## A testing facility created in the image of the global environment of the future

Today, when the need for conservation of the global environment





is being felt more acutely than ever, companies are expected to make every effort to reduce the burden that their business activities place on the environment.

Reducing waste emissions is one of the requirements. Ecotope also serves as a testing facility for the recycling and reuse of waste emitted from the factory. For instance, the crystal clear water that flows through the stream is in fact purified industrial effluent. Finely powdered bricks that were previously used as the wall of the aluminum melting furnace are reused in part of the soil.

Timber from forest thinning at Neba in Nagano Prefecture, which is upstream from a local river in Aichi, has been used for the monument, the bridge and the benches, while trees that had to be transplanted when the factory was expanded are used for forestation. Compost is obtained from leftovers and organic waste obtained from the canteen.

We have so far managed to reduce the amount of waste being emitted by 2,900 tons thanks to these efforts being made toward recycling and reuse at Ecotopia.

At Eco center, waste matter from each factory is rigorously sorted, broken down and returned to its original form as a single material. As well as striving to restore value to these materials, we are making constant efforts to reduce the actual quantity of waste products.

**A place where the children in whose hands the future of the global environment lies can study**

Companies are being required not just to reduce their activities of environmental concern but also to provide society with

information that will prove useful for environmental conservation. By making the environmental technology and information they have acquired over the years available to society, they should be able to increase the public's environmental consciousness and bring about action.

AISIN is engaged in a variety of environmental communication activities, one of which involves educating children in local communities all over Japan. The "Aisin Environmental Study Program" involves lectures and talk sessions at local primary and junior high schools with the idea of conveying the knowledge needed for environmental conservation to the children to whom the future of the planet will be entrusted. In addition to such environmental education in the classroom, we provide all kinds of opportunities for study through hands-on experience of nature because of the importance we place on children being able to observe and come into contact with living things outside the classroom.

As a venue for the practical study of nature, Aisin Ecotopia has been open to local primary and junior high schools so that children are easily able to experience natural environments. During fiscal 2008, a total of 2,400 pupils observed marine animals in Ecotopes and dug up potatoes on Eco farms. We are considering a variety of projects to allow even more children and other members of local communities to visit Ecotopia.

We are making use of Aisin Ecotopia as a testing station for environmental technology and as a place where children can study the environment in order to explore the global environment of the future.



## Environmental Management

We are striving to expand the Environmental management system applying to the Group as a whole and raise levels.

### Basic approach

As a company with a major role to play in the automobile industry, AISIN believes that environmental issues such as global warming, atmospheric pollution and industrial waste are important managerial topics that need to be tackled by the Group as a whole, and for this reason we place “coexistence between society and nature” at the heart of our corporate principles.

In order to put this ideal into practice, in February 2006 we drew up our “Fourth Environmental Action Plan”, a five-year plan aimed at tackling environmental issues. We are currently tackling five priority issues (see below) including expansion of the Aisin consolidated environmental management.

In April 2008 we drew up the “Aisin Consolidated Environment Policy”, an action plan aimed at getting 149 companies in Japan and overseas consolidated environmental management system to work together on environmental conservation activities, and we also formulated the “Aisin Consolidated Environment Vision 2010”, which is intended to enshrine the approach that we hope will be shared by all company employees.

### Environmental management system

AISIN has set up an “Aisin Consolidated Environment Committee” consisting of the environmental officers of twelve leading companies and chaired by the

chief environmental management officer (the executive vice president of Aisin Seiki). The committee is engaged in the formulation of policy and strategy for the Group as a whole and in management of consolidated environmental activities.

On the basis of this system, 74 of the 92 production companies included among the 149 companies that make up the Aisin Group as of the end of March 2008 have acquired ISO14001 certification, the international standard of environmental management systems (EMS). The remaining 18 production companies will be gaining recognition by the end of fiscal 2010.

An Aisin Consolidated EMS Manual was created in fiscal 2008 with the aim of achieving management targets in excess even of those in ISO14001. On the basis of this manual, we intend to build an EMS on a level in excess of ISO in the separate fields of factories, offices, products and logistics, and to enhance our EMS level to included nonproduction companies by confirming that such a system has indeed been created.

We made a start with consolidated environmental assessment on a trial basis in fiscal 2008. This involves mutual assessment by establishments employing the same standards throughout the Group, and this is scheduled to come into effect from fiscal 2009.

#### WEB

“Aisin Consolidated Environment Policy”

“Aisin Consolidated Environment Vision 2010”

Results of activities during fiscal 2008 in connection with the Fourth Environmental Action Plan (2007-11)

Priority items	Activities	Targets for FY2008	Results of activities	Assessment	Page
Promote the development of earth-friendly new products and technologies	Develop environmentally friendly products	(1) Reducing weight and improving performance by means of greater compactness and replacement of materials	Reduction in size of organization-related products Improvements in performance of hybrid products	○	—
	Promotion of environmental influence assessment at the development stage	(2) Reduction of CO <sub>2</sub> by means of LCA assessment of priority development products in the development process	Average 20% CO <sub>2</sub> reduction over previous model in products: 10 of 13 products	○	P.44
Reducing the substance of environmental concern in production activities	Reduction of emissions Reduction of PRTR	(1) Standard year ratio: 93 or less of basic unit (2) Standard year ratio: 26 or less of total quantity	Emissions: Basic unit 91 PRTR: Total quantity 23	○	P.45 P.45
	Prevention of global warming	(3) CO <sub>2</sub> consolidated standard year ratio: 78 or less of basic unit (4) Addition of total quantity targets (Nov. 2007) <b>CO<sub>2</sub>: Change in target values to reduction in total quantity</b>	CO <sub>2</sub> consolidated Standard year ratio: basic unit 71 <b>CO<sub>2</sub>: Shared awareness of setting target values for total quantities Setting target values and drafting reduction plan Implementation: 10 of 10 production companies</b>	○	P.45 P.37,45
	Logistical CO <sub>2</sub> emissions	(5) Modal shift of long-distance transportation and improvements in loading efficiency	Use of railways (JR) for transportation in Hokkaido Encouraging changeover from exclusive load transportation to mixed load transportation	○	P.46
Expansion of environmental management	Operation/development of consolidated EMS, audit, training system	(1) Issue of consolidated EMS manual: Feb. 2008	Study: Feb. 2008, Issue and implementation: From Mar. 2008	△	P.43
		(2) Implementation of consolidate EMS audit: 5 companies	Five companies (AI, AT, AC, AW, AI-A)	○	—
		(3) Consolidated EMS training: Aug 2007, group production companies, 50 persons	Held in Aug. 2007, 67 people from 19 companies (11 group companies, 8 subsidiaries, including nonproduction)	○	—
Further raise environmental awareness of individual employees worldwide	Communication with stakeholders of all kinds	(1) Issue of Aisin report and improvement in website (2) Communication with NPOs and local communities	(1) Issue of report with focus on consolidation (Jul. 2007) (2) Holding local discussion meetings and environmental symposiums, display in eco-product exhibitions	○	—
Further encouragement of activities aimed at conserving nature and the environment	Natural environmental conservation activities	(3) Improvements in environmental study program	(3) Grand opening of Aisin Ecotopia (Sep. 2007), open to primary school pupils in the vicinity (2,465 pupils)	○	P.38,46

WEB See “Fourth Environmental Action Plan: Results of Activities in FY2008” for details on the results of activities.

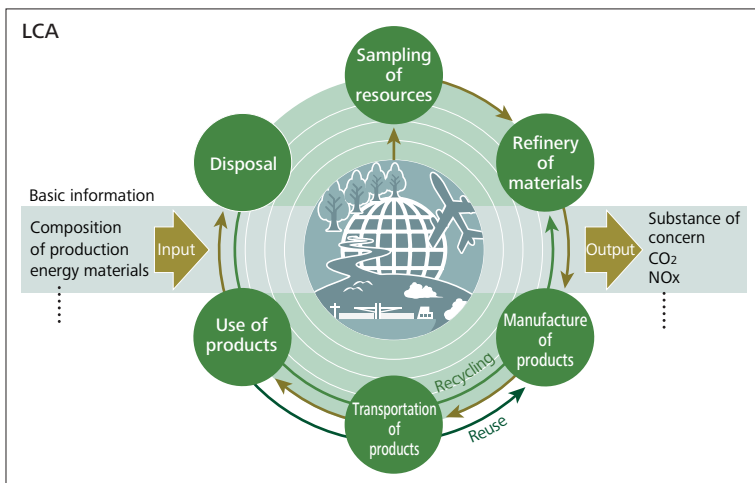
## Design and Development

In addition to assessing the energy load in the product lifecycle, efforts are being made to reduce the amount of substance of environmental concern.

### Lifecycle assessment (LCA)

In order to develop products that are considerate to the planet, we need to gain an accurate picture of the type of burden that they may place on the environment and at which stage of the product lifecycle.

In fiscal 2007 AISIN created an "Aisin LCA template", the aim of which is to make it possible to calculate the effects that project activities may have on the environment at every stage from the gathering of the materials needed to make the products in question through to manufacture, transportation, use and disposal in connection with 34 representative product categories. Use of this template at the development stage enables us to grasp and reduce the quantities of CO<sub>2</sub> generated by products



throughout their lifecycle.

### Reducing substances of environmental concern included in products

A dedicated subcommittee has been established to ensure that the ELV\*1 and RoHS\*2 directives are strictly observed in connected with substances included in products that concerned with environment. Efforts are thus being made to reduce use of lead, mercury, cadmium and hexavalent chrome. Use of mercury, cadmium and hexavalent chrome has already been totally abandoned. With the exception of a few metals including lead for which exceptions have been prescribed, use of lead was entirely abandoned in fiscal 2008 and we are currently substituting the materials corresponding to these exceptional materials with other materials.

With regard to the REACH regulations\*3, a REACH coordinating committee was set up in fiscal 2008 to enable all companies within the Group to share information. In the future we intend to create a system for managing the enormous quantities of data in connection with chemical substances that are targeted by these regulations.

- \*1 ELV Directive. A European Union directive that came into force in October 2000 in connection with the recycling of end-of life vehicles and prohibiting the use of harmful substances.
- \*2 RoHS Directive. A European Union directive that came into force in July 2006 prohibiting the use of harmful substances included in electrical and electronic devices.
- \*3 REACH Regulations. European Union regulations that came into force in June 2007 in connection with the registration, assessment, authorization and restriction of all chemical substances (1 ton per year and above) in products and imports.

### Development of new automobile paints that greatly reduce volatile organic compounds (VOC)

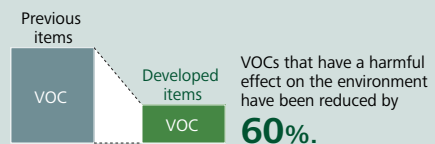
Paints are used throughout cars in order to prevent them from rusting. However, most paints used in the past have included volatile organic compounds (VOC\*1), which have an adverse effect on the environment since they can turn into substances that cause photochemical smog in the air.

In fiscal 2007, Aisin Chemical Industries developed a "fast-drying water-based high-performance anti-corrosive paint" that greatly reduces the content of VOCs while maintaining their outstanding anti-corrosive properties. These new paints dry even more rapidly than previous paints that include VOCs. Not only do they prevent air pollution, but they also bring about a dramatic reduction in the energy costs required for drying purposes.

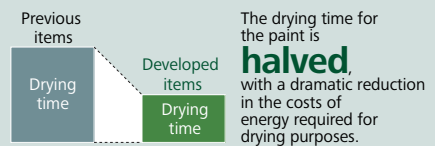
\*1 VOC (Volatile Organic Compounds).

This is the generic name for substances that readily volatilize in the air at normal temperatures and under normal atmospheric pressure. The term generally refers to artificially synthesized substances of this nature. VOCs can become the cause of photochemical smog.

#### VOC (Volatile Organic Compounds)



#### Rapid-drying properties (energy-saving properties)



**WEB** For further examples, see "Raising the environmental performance of motor vehicles" and "Raising the environmental of products used in the home."



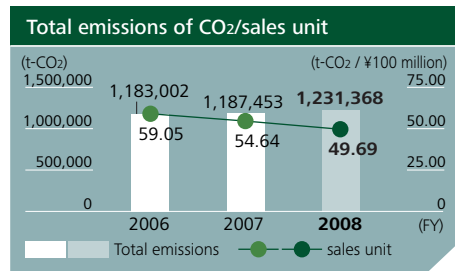
## Production

Working on reducing emissions of greenhouse gases, reducing waste, and cutting back on substances of environmental concern.

### Reducing CO<sub>2</sub> and other greenhouse gases

We've been increasing our production quantities year-on-year in response to increased demand for motor vehicles all over the world, but we've also succeeded in making major reductions in CO<sub>2</sub> emissions in terms of sales units.

In November 2007 we set an additional emissions reduction target involving a 7% reduction over figures for 1990 in total emissions with a view to achieving the targets set out in the Kyoto Protocol. The Group as whole is working on changing over to facilities with high levels of energy efficiency and on activities aimed at totally stopping lines when they are out of operation. Everyone is also checking on detailed points such as air leaks. The combined effect of these efforts to energy conservation amounted to a reduction in CO<sub>2</sub> emissions of 65,800 tons in fiscal 2008.



With regard to greenhouse gases other than CO<sub>2</sub>, we used to make use of sulfur hexafluoride (SF<sub>6</sub>) with a warming coefficient of 23,900 (i.e., possessing 23,900 times the warming effect of carbon dioxide) as a flame-proofing gas in the magnesium die casting manufacturing process.

However, since June 2007 we have been working on replacing SF<sub>6</sub> with fluoroketone, which has a warming coefficient of one, and we completed the changeover in March 2008.

### Reducing waste

At the end of March 2008, all the companies in the Aisin Group had succeeded in totally eliminating landfill waste (less than 1% in 2000).

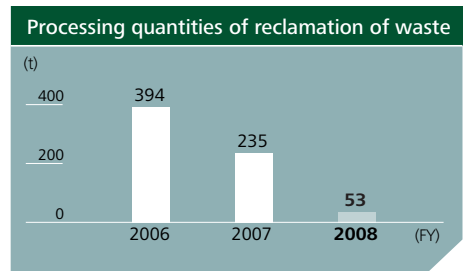
We are attempting to reduce emissions of waste by recycling waste emitted from factories by taking a thorough approach to separate

collection according to type of waste, increasing the life of grease and oil, and, at the Eco center, recycling waste plastics.

Since fiscal 2007 we have been attempting to reduce the total quantity of waste including industrial waste, general waste and valued property.

We have raised the yield of raw materials and encourage activities aimed at reducing the quantity of defective materials. These activities have enabled us to reduce the total quantity of waste.

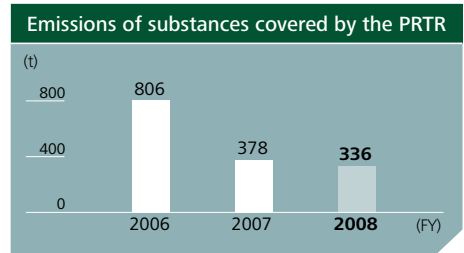
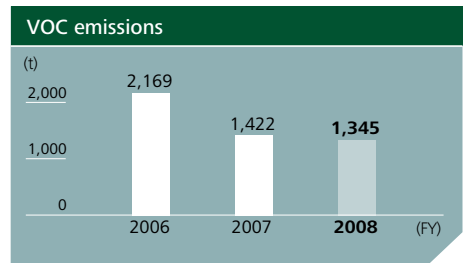
We intend from now on to engage in reduction activities with the priority on scrap forging from the casting and mechanical processes.



### Reducing substances of environmental concern

AISIN is concentrating on reducing substances subject to PRTR\*1 and especially VOC\*2.

We are working toward replacing VOCs such as toluene and xylene used in solvents in the chassis parts painting process with other substances, and as a result we are seeing a year-on-year decrease in substances covered by the PRTR and in VOC emissions.



**Improvements in facilities**  
Reducing fuel in die-cast aluminum molten holding furnaces employing heat exchange integrated burners



**Improvements in control**  
Thorough measures to prevent the non-operation of mechanical processing facilities in accordance with facilities suspension lists

\*1 PRTR (Pollutant Release and Transfer Register).  
A system involving notification of release and transfer quantities of chemical substance of environmental concern as provided for in law.

\*2 VOC (Volatile Organic Compounds).  
This is the generic name for substances that readily volatilize in the air at normal temperatures and under normal atmospheric pressure. The term generally refers to artificially synthesized substances of this nature.

### Total emissions of greenhouse gases other than carbon dioxide (t-CO<sub>2</sub> / ¥100 million)

	FY2006	FY2007	FY2008
CH <sub>4</sub> (methane)	0	0	0
N <sub>2</sub> O (dinitrogen monoxide)	0	0	0
HFCs (hydrofluorocarbons)	1,464	1,533	1,673
PFCs (perfluorocarbons)	0	0	0
SF <sub>6</sub> (sulfur hexafluoride)	299,945	381,205	326,235

## Transportation

Working towards modal shift (changing methods of transportation), improving loading ratios, and reducing the volume of packaging.

Reducing transportation by trailer by improving loading efficiency



Before improvement



After improvement

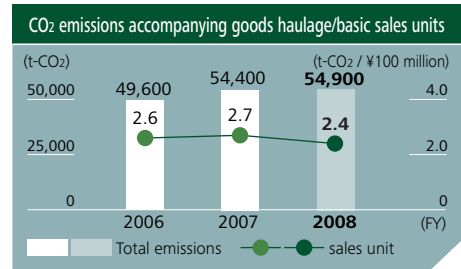
### Reducing emissions of CO<sub>2</sub>

At AISIN, we're working on modal shift in order to reduce emissions of carbon dioxide accompanying the transportation of products and parts. Rather than use trucks, we're trying to switch over to carriage by ships and railways in the case of journeys to far-away locations involving a one-way distance of more than 400 kilometers.

On the basis of cooperation between factories and individual group companies, we're also working on improving loading ratios so that cargo from more than one base can be loaded on the same truck. Hekinan Unsou and Sanetsu Unyu are educating their drivers in environmentally friendly driving methods involving avoidance of sudden starts and braking. Digital tachographs are also being used to monitor driving.

There was an increase in cargo transportation in fiscal 2008 accompanying the increase in production that year, resulting in an increase in

CO<sub>2</sub> emissions. However, thanks to the efforts we made along these lines, we succeeded in reducing emissions in terms of sales units.



### Resource conservation

We're also trying to cut back on the amount of packaging material used when transporting products and parts.

For example, we're making efforts to ensure that there are as few gaps as possible between separate packages, to simplify containers, and to reduce the amount of material used.

## Environmental Communication

Doing all we can to explain risks to people living in the vicinity of our factories and to cooperate and enter into a dialogue with stakeholders.

### Communication in factories

In order to fulfill our responsibility to explain environmental risks to people living in the vicinity of our factories, each AISIN factory invites representatives of neighborhood associations to an annual meeting at which business activities and the results of environmental measurements

are explained to them.

These meetings also provide the opportunity for local people to inspect our environmental response facilities and to gain a better understanding of how AISIN is dealing with environmental questions.

We try as far as possible to reflect any opinions and wishes expressed on these occasions in our business activities and environmental conservation activities.

### Working together with local communities to protect forest as a water source

AISIN has concluded a "forestry foster parent agreement" with Neba, the municipality in Nagano Prefecture, with the aim of protecting the forest that is the source of the Yahagi River, which we use to obtain water for industrial purposes.

We sponsored the fourth Neba-mura family adventure project in November 2007 in this forest. 80 employees and their family members got together to thin trees and to repair the paths through the forest. Local people from Neba-mura gave the participants practical instruction in how to dye fabric using natural dyes obtained from the forest. This was a great opportunity to learn all about the importance of the natural environment.



### Activities contributing to society

At AISIN we're doing everything we can to cooperate with local residents and NPOs on greening and forest conservation projects. We hope that our efforts along these lines will deepen the relationship of trust that we enjoy with our stakeholders.

## Holding of the All-AISIN Safety and Health Convention

The 23<sup>rd</sup> All-AISIN Global Safety and Health Convention was held in July 2007. Around 350 people took part in this convention in which commendations were presented to outstanding plants, activities inside and outside Japan were introduced, and a special lecture was presented by the company president.

This convention enabled all participants to share again in the conviction that safety should be paramount above all else.



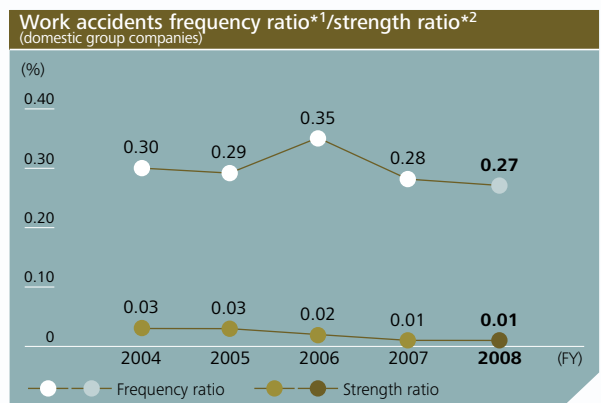
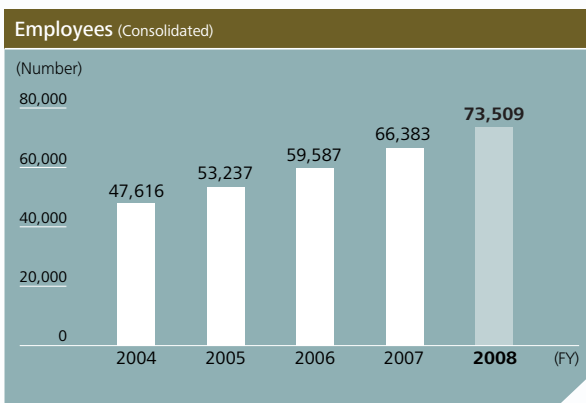
## Employees with disabilities make outstanding efforts at a technical skills competition

At the 29<sup>th</sup> Aichi Prefecture Technical Skills Competition held in 2007, Hiroshi Kitayama (Handa plant) and Ayako Murase (Machinery & Equipment plant) of Aisin Seiki were awarded the gold and bronze medals respectively in the mechanical CAD work category.

At the 7<sup>th</sup> International Abilmpyics (the international skills competition for the disabled), Emi Itakura (Trial Manufacturing plant) gained a special prize in the mechanical CAD work category.

# Aiming toward harmonious coexistence with society

AISIN's basic managerial stance involves contributing to the creation of a sustainable society as good corporate citizens by actively realizing our social responsibilities.



\*1 Frequency ratio =  $\frac{\text{No. of injuries or deaths from accidents}}{\text{Aggregated working hours}} \times 1,000,000$

\*2 Strength ratio =  $\frac{\text{No. of working days lost}}{\text{Total working hours}} \times 1,000$



## Holding classes to convey the fascination of science to children

An Aisin Manufacturing Plaza event was held in February 2007 at Aisin COM Center, Aisin Seiki's corporate display pavilion, with the aim of making children aware of the fascination of science by giving them the chance to make things for themselves.

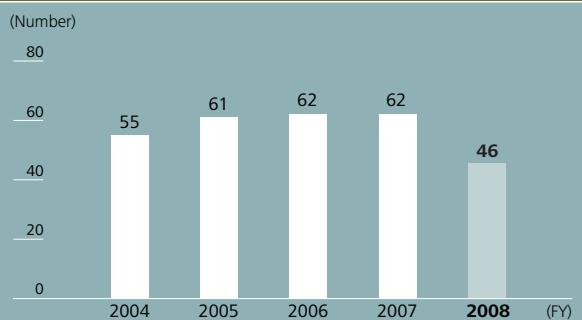
After learning about the properties of static electricity, the children went on to make real electrostatic motors, which were submitted to trial operation once completed.



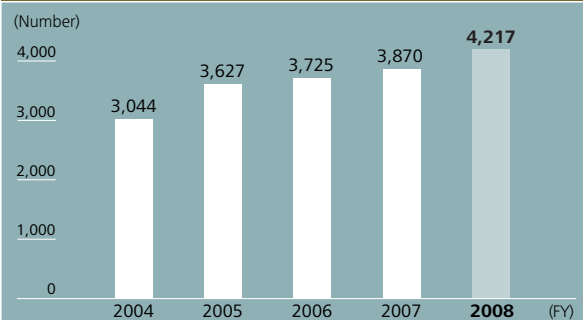
Here are some of the opinions expressed by children who took part:

- "It was tricky sticking aluminum foil onto the aluminum can, but I was really happy to see it actually work!"
- "It was fun trying to get the motor to work for as long as possible!"
- "I thought that static electricity was only something unpleasant that gave you a bit of a shock. I was surprised to see that it can be used to operate a motor."

Employees taking child-rearing leave (Non-consolidated)



Number of inquiries to customer service (Non-consolidated)





## Message from Management



**Takeshi Kawata**  
Executive Vice President  
with Responsibility for Business Administration



## Our aim is to achieve harmonious coexistence with society by fulfilling our responsibilities to stakeholders in every field of endeavor

Our basic business stance at AISIN is to work persistently toward realizing our social responsibilities in order to contribute to the creation of a sustainable society and with the idea of harmonious coexistence with society as one of our corporate principles. By taking a more rigorous attitude to compliance, which is the basis for realizing social responsibilities, by strengthening corporate governance, and by making greater effort to disclose information rapidly and appropriately, we are striving to achieve sound and transparent management as befits a company that enjoys the trust of the international community.

In order for a company to enjoy sustainable development within the international community, it is absolutely essential to engage in business with consideration for harmony with society and local communities and by maintaining good relationships with stakeholders. The Aisin Group consists of 160 companies active in 19 countries with more than 70,000 employees. The influence that AISIN has on society and, conversely, the influence that society has on AISIN are becoming far greater than we might imagine, and the relationships we have with the stakeholders who come within our orbit are gradually diversifying.

Under these conditions, it is important for AISIN to fulfill its responsibilities to stakeholders in terms of working practice, human rights and diversity, and product liability and to achieve harmonious coexistence with society in connection with every aspect of corporate management. In order to make this possible, every single employee within the Group needs to share this approach and to engage constantly in responsible activities.

To this end, in March 2007, AISIN enshrined the conceptual and practical approaches underlying work in the distinctive AISIN manner in a document entitled "The AISIN Way," the three pillars of which are "Contributing to society and customers", "Continuous improvement", and "Respect for each person." We have thus made a start with activities aimed at ensuring that employees all over the world come to share these ideals, and that they are handed on and developed into the future. In October 2007 we opened an in-house nursery facility aimed at enabling employees to achieve a proper balance between their activities at work and their private life and to provide support for fostering of the next generation.

AISIN intends to continue listening intently to the opinions of all our stakeholders, engaging in dialogue with them, and being able to coexist in harmony with society as good corporate citizens.





## Establishing a nursery inside the company to provide support for employees wishing to combine work with child-rearing

It's essential that we provide environments in which employees of all kinds are able to demonstrate their abilities to the full if we're going to be able to create a dynamic working environment. In October 2007 we opened an in-house nursery to enable employees with young children in hand to work with full peace of mind.



### Getting started with the operation of a nursery on company premises

The structure of the working population in Japanese society is gradually changing due to factors such as the decrease in population and ageing occasioned by the falling birth rate. Under these conditions companies are being called on to provide environments in which people who have previously had inadequate scope to exercise their talents are able to exert themselves to the full, the idea being to increase dynamism within the company by maximizing diversity among employees. Diversity is dependent upon creating the conditions under which employees can choose exactly how they wish to work. It's essential that we support employees by enabling them to achieve just the right balance between their activities at work and their responsibilities, such as looking after young children, in the home.

AISIN has always provided support for employees with childcare responsibilities, for instance by instituting a reduced-hours working system and lengthening the period of leave available to employees in the early stages of parenting. One of the measures we have adopted with the aim of enabling employees to achieve a proper balance between work and private life is the establishment of an in-house system. This involves the setting up of nurseries inside the company with a view to tackling the issue faced by Japanese society of cultivating the next generation.

The nursery is located right next to the head office premises



of Aisin Seiki, meaning that parents are able to drop their children off before starting work and pick them up at the end of work with ease. They can also drop in to see how their children are getting on during the lunch break. The nursery is also able to cope with the needs of parents who have to work on holidays in accordance with the Company's business calendar and early in the morning or late at night.

**Description of the in-house facility**

Area: 1,100m<sup>2</sup> Floor area: 381m<sup>2</sup> Garden area: 440m<sup>2</sup>  
 Structure of the facility: 4 nursery rooms, multi-purpose hall, kitchen, 3 toilets, garden, etc.  
 Capacity: 50 children

**Creating the conditions for children to grow safely and securely**

To ensure that employees who make use of the nursery are able to entrust their children with full peace of mind and concentrate on their work, the first priority is to create an environment in which children can spend their time in complete safety.

The in-house system has incorporated a whole range of methods to ensure that security is maintained and that accidents do not occur.

Great care is taken with children's meals. Lunch and snacks are prepared inside the nursery and special meals are provided for children with allergies.

Efforts are also made to develop in children sensitivity to the changing of the seasons and to tradition. Occasions such as Christmas are thus emphasized.

As of March 2008 fifteen infants and children up to the age of entry into primary school are playing and learning together in the nursery.

**Measures to ensuring children's safety**

**Ensuring security:**

- Installation of security cameras and vibration sensors

**Preventing accidents:**

- Corners of all facilities are rounded or cushioned.
- Gaps are set in doors to protect children's fingers.
- There are no tall items that may fall over.

**Creating an open nursery**

The in-house nursery is available for use not only by full employees but also by fixed-term employees, part-timers and agency workers. We are also considering accepting children from the local community with the idea of creating a nursery open to the community at large. We hope thereby to contribute to diversity within the region as a whole and to achievement of a balance between work and private life.

AISIN intends to continue working toward realization of diversity in the workplace throughout Japan and all over the world.





## Work Custom

We provide support for personal growth and attempt to ensure health and safety with a view to enhancing the dynamism of our employees.

### Basic approach

AISIN believes that the energy of each individual employee is the force that propels our corporate activities forward.

The categories we use for personnel evaluation are "work performance ability" and "attitudes to tackling work," our aims being to clarify the state to which employees should aspire and to encourage them in their personal growth.

### Human resources development

Centering on the HR Development Center established in March 2007, AISIN provides hierarchically graded training for all employees from new recruits to senior managers as well as management training applicable without distinction to skilled manual workers, administrative staff and technical personnel.

The Center also runs the Aisin Technical Academy, whose task is to train future leaders in the manufacturing arena. See pages 17 and 18 for further details.

### Maintenance and promotion of health

As well as performing health check-ups, we carry out regular checks on our employees' mental well-being in order to grasp their physical and mental condition and to ensure that they can maintain and improve their health.

Leaders in the workplace are also encouraged to listen to the concerns of their subordinates and thus contribute to their well-being. Special training is provided in the skills involved in listening to other people.

Work control training aimed at managers and supervisors involves training in management of working hours and in ensuring that employees are not called upon to work too long hours. Training is also provided with the aim of preventing sexual harassment and power harassment in order to create an environment in which employees can work with peace of mind.

### Policies aimed at maintaining and encouraging mental health

- Open the Mental Health Consultation Offices
- Implementation of "listener training"
- Establishment of a "self-checking corner" on the intranet
- Publication once every two months of a mental health leaflet

\*1 Frequency ratio  
 $\frac{\text{No. of injuries or deaths from accidents}}{\text{Aggregated working hours}} \times 1,000,000$

\*2 Strength ratio  
 $\frac{\text{No. of working days lost}}{\text{Total working hours}} \times 1,000$

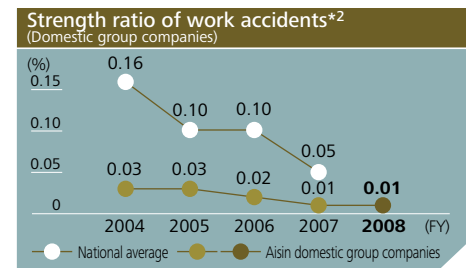
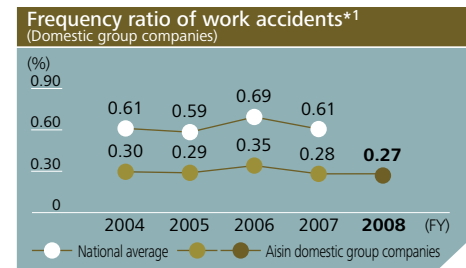


"Listener training"

### Ensuring safety at work

We are doing all we can to prevent accidents from occurring by carrying out regular internal inspections on the basis of an occupational safety and health management system (OSHMS). We also implement risk assessment in connection with safety whenever we set up a new production line.

Such activities are enabling us to maintain rates for frequency and strength of work accidents below the average rates for our industry as a whole in Japan.



### Labor-management Relations

We are diligently "drawing solutions based on discussions of mutual faith and understanding to address problems between labor and management," in accordance with the "Labor Agreement Memorandum", which was drafted in 1974, to maintain sound labor-management relations.

Labor and management jointly conduct "Life Planning Training". This training provides an opportunity for workers to look back on their careers and to plan their futures. Sessions are held in every July for 42-year-old employees who are in the primes of their lives, and in every November for 57-year-old employees who will soon be retiring. In fiscal 2008, 383 employees participated.

## Respect for Human Rights and Diversity

We are striving to create a working environment in which people of all kinds can work in all kinds of ways.

### Basic approach

At AISIN we respect the personalities and rights of every one of our employees irrespective of gender, nationality, religion or any other attribute, and we are striving to create a working environment in which everyone can work with full peace of mind.

We also strive to create and improve systems that enable employees to select how they wish to work from a wide variety of options.

### Employment of people with disabilities

On the basis of an approach rooted in the concepts of normalization and harmonious coexistence, we aim to create working environments in which people with and without disabilities can work together in a dynamic manner. We hold regular consultation sessions for disabled employees and do all we can to respond to their concerns in connection with work and everyday life. We also hold training sessions for managers and supervisors so that advisors and superiors in the workplace are able better to understand the concerns of disabled employees.

Due to these efforts, in fiscal 2008, we achieved a disabled employment ratio of 1.90%, above the figure of 1.8% set in law.

AISIN is also concentrating on the technical training of disabled employees, and our employees who have benefited from such training have received many prizes at skills competitions held throughout Japan. See page 47 for further details.

### Support for combining work and child-rearing

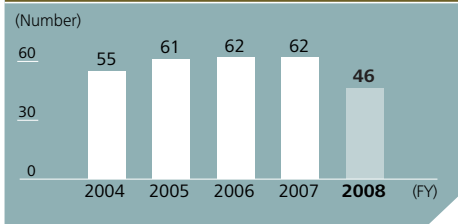
In order to provide support for employees who need to combine work with child-rearing, at AISIN we are introducing a reduced-hours working system and a system that allows employees to take parental leave.

In October 2007 we set up an in-house nursery in our head office premises for use by employees. See pages 51 and 52 for further details.

### Systems for supporting employees who combine work and child-rearing

- System of leave before and after childbirth: Six weeks before birth, eight weeks after birth
- System of childcare leave: Either until the end of the fiscal year (March 31) in which the child reaches the age of one, or the child reaches the age of 18 months
- System of shortened working hours for childcare: Until the child enters primary school
- Reassurance leave: Carried over paid leave, maximum of 20 days
- Leave for child nursing: Up to 5 days a year until the child enters primary school
- Limitations on overtime, work on holidays and late-night work
- System of support with payment of costs for use of child-rearing services

### Number of employees taking child-rearing leave (Non-consolidated)



### Employment of foreigners

#### Appropriate Programmes for Brazilians of Japanese descent working in Japan

Over a half of the companies in the Aisin Group are overseas subsidiaries, and the number of overseas employees is increasing year by year with the advance of globalization of business activities.

There are at present around 60 foreign nationals engaged as full employees at Aisin Seiki. In addition, we employ almost 1,800 Brazilians of Japanese descent as fixed-term staff. We've created an environment in which these Japanese-Brazilians can work with peace of mind by publishing news magazines in Portuguese, using Portuguese together with Japanese for all written markings and signs inside the factory, and including Brazilian dishes on the canteen menu.

We operate a system that enables fixed-term employees to become full employees, and more and more Brazilian employees of Japanese descent are taking advantage of this system every year. Five of the 266 individuals who became full employees during fiscal 2008 were Japanese-Brazilians.



A lunch-break picture



## Product Liability

We are directing our efforts especially toward rigorous inspections and assessment aimed at ensuring quality and toward production that takes full account of the opinions of customers.

### Quality assurance at the development and design stages (automobiles)

We perform a variety of inspections at crucial stages in the development and design process on the basis of a quality system.

After the completion of prototypes, we carry out a full range of reliability evaluation tests not only of individual parts, but also of vehicles as a whole and under actual conditions of use in order to verify the quality of design.

### Quality assurance at the production stage (automobiles)

At the preparatory stage prior to production we look into whether the process plan is appropriate and at how well the process has been put together.

When embarking on mass production, we verify that it is going to be possible to guarantee 100% flawless quality. This represents the initial quality inspection. We then begin production under the Toyota production system based on the "just in time" concept and automation, and we maintain and manage the process using various methods of quality control.

### External assessments (automobiles)

AISIN received commendations from many customers in the course of fiscal 2008 (see the lower-left table).

### Taking note of customers' opinions (household goods)

Our Customer Service division is on hand to answer customers' questions about products related to household goods. To enable a prompt, accurate and courteous response to queries, we have computerized information such as that contained in product catalogues. This information is available for instantaneous searching and use.

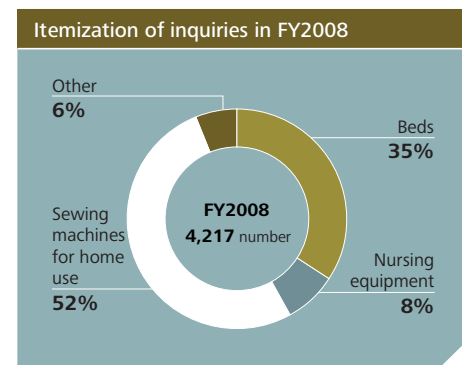
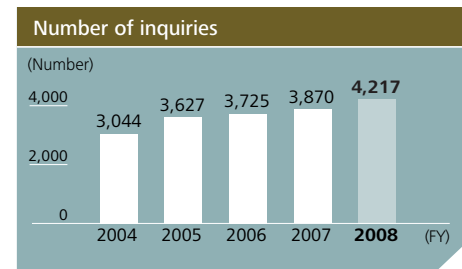
The opinions, requests and assertions of customers are conveyed rapidly to the related officers and departments on the basis of rigorous system of control over personal information and are used to improve services and in the development of products.

We also actively encourage employees to acquire formal consumer adviser certification to understand more closely the views of customers.

Furthermore, as regards development of welfare devices, developers possessing qualifications as helpers are used so that the points they have noticed while engaged in nursing activities can be used in product development.

Principal commendations in FY2008

Name	Customer providing commendation	Target company
Commendation in quality division	Toyota Industries Mercosur	Aisin do Brasil
Outstanding Quality Control Prize	Toyota Motor Corporation, Housing Enterprises Headquarters	Aisin Seiki
Outstanding Supplier Prize	Toyota Industrial Equipment (TIEM)	Aisin Drivetrain
Outstanding Quality Prize	Toyota (North America) (TEMA)	Aisin Automotive Casting
Quality Control Prize, Prize for Outstanding Achievement	Hino Motors	ADVICS
Technical Development Prize, Prize for Excellent Achievement	Hino Motors	Aisin Seiki
GM Supplier of the Year	General Motors (GM)	Aisin Mfg. Illinois
Prize for Outstanding Achievement (Export Category)	Taiwan Toyota	Elite Sewing Machie Mfg.
Excellent Quality Prize	Guangzhou Toyota	Aisin Seiki Foshan Automotive Parts
New Crown Project Commendation (Technical Category)	Toyota Motor Corporation	Aisin AW
Most Outstanding Supplier Prize	Toyota Europe (TME)	Aisin Europe Manufacturing Czech
Excellent Supply Prize	Toyota Industrial Equipment Co., Ltd. (TIESA)	Aisin Europe
Excellent Quality Prize	American Honda Motors	Aisin Brakes & Chassis
Supplier Prize	Toyota Europe (TME)	Aisin Otomotiv Parcalari Sanayi ve Ticaret A.S.
TSA (Toyota Supplier Assessment) Performance Prize for Excellence	TMCA	Aisin (Australia) Pty.
Prize for Achievement of Targets for Breakdown Rate in Newly Released Vehicles	Osaka Gas	Aisin Seiki





## Corporate Citizenship Activities

We are working together with stakeholders in three areas, namely "Protection of Nature and the Environment", "Fostering Youth", and "Community Building and Development".



### Basic approach

AISIN is working actively on corporate citizenship activities closely linked to the regions in three prioritized areas, namely "Protection of Nature and the Environment", "Fostering Youth", and "Community Building and Development". As fellow citizens, it is important for companies to work together with other members of the general public in fulfilling social responsibilities, and it is this ideal of cooperation that motivates our activities in this regard.

Such activities are spreading to our overseas bases and group companies, and Aisin's "ring of harmony" is fast expanding throughout the world.

#### • Protection of Nature and the Environment

In order to preserve the sustainability of the global environment, we are cooperating with stakeholders inside and outside Japan on forestation and forestry maintenance projects.

#### • Fostering Youth

We are engaged in a variety of hands-on study programs intended to enable young people to become active human beings by experiencing for themselves the importance of nature and the pleasure to be gained from making things.

#### • Community Building and Development

We are involved in various activities together with local government and communities so that we can listen to the opinions of people from the community and assist them in leading more prosperous lives.

#### • Overseas activities

AISIN is engaged in activities rooted in local communities in 19 countries all over the world.

### Examples of corporate citizenship activities

#### Community Building and Development

##### Courses in friendly communication

In collaboration with regional organizations such as social welfare councils in nine cities in Aichi Prefecture, we are holding a course that we hope will give residents the chance to take part in volunteer activities.

In fiscal 2008 we held eight courses in subjects such as spoken communication, sign language, Braille, disaster prevention activities and international exchange, and we intend to hold eleven courses in fiscal 2009 from August 2008 to January 2009.



#### Overseas activities

##### Donation to University (U.S.A.)

Three Aisin Group companies based in the Marion quarter of Illinois jointly donated funds to the Southern Illinois University in October 2007.

These funds will serve in the future as the Aisin Scholarship Fund, which will be used to provide students at the university with high-level educational programs and services on an ongoing basis.



\* See "Environmental Highlights" (Page 38) and "Social Highlights" (Page 48) for examples of activities involving "Fostering Youth" and "Protection of Nature and the Environment." Many other corporate citizenship activities are also introduced on the company website.

# Group Management

- 58\_\_ Corporate Governance
- 59\_\_ Compliance
- 60\_\_ Disclosure of Information  
Risk Management
- 61\_\_ Aisin Group Main Companies

## Consolidated companies

	Consolidated subsidiaries	Equity method affiliates	Total
Domestic	68	7	75
Overseas	80	4	84
<b>Total</b>	<b>148</b>	<b>11</b>	<b>159</b>

## Overseas subsidiaries

	Coordination and sales	R&D	Production	Total
North America	7	3	22	32
Europe (including Turkey)	2	3	5	10
Asia & Others	9	0	33	42
<b>Total</b>	<b>18</b>	<b>6</b>	<b>60</b>	<b>84</b>

# Corporate Governance

## Basic approach

With an aim of maximizing corporate value, AISIN aims to grow and develop stably in the long term by building good relationships with all stakeholders.

In order to relieve this objective, we believe that it is important for us to promote fair and transparent management as corporate citizens who enjoy the trust of the international community, and we are therefore doing our utmost to improve corporate governance.

## System

AISIN has adopted an auditor system and, as a statutory institution, has established general meetings of shareholders, a board of directors and a board of auditors.

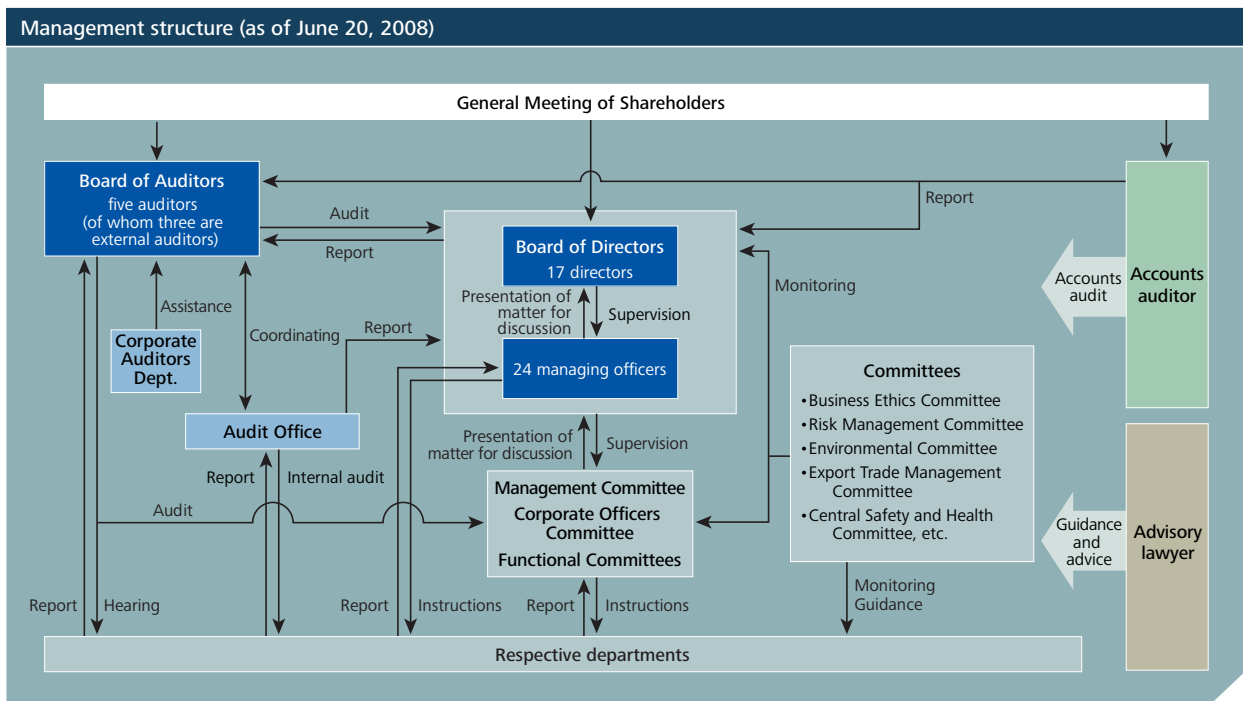
The board of directors as a rule meets once a month. As well as discussing matters determined under the law, it passes resolutions on important matters related to management affairs, including management policy, business planning, planning of capital investment, establishment of subsidiaries, and investment in subsidiaries. It is also responsible for supervising the execution of work.

The board of auditors consists of five auditors including three external auditors. It generally meets four times a year to decide on auditing policy and planning. Auditors audit the execution

of work performed by directors in accordance with policy and planning thus determined and keep track of how each sector is performing its work. They thus ensure that management and business activities are being carried out in accordance with the law and the company's articles of association.

Since fiscal 2006, in order to strengthen the independence of the board of auditors from the board of directors, we have set up Corporate auditors dept. as an organization under the direct control of the board of auditors and have assigned full-time staff specifically to support auditors in the performance of their duties.

Also in fiscal 2006, we ventured to strengthen group management in response to the globalization of business and the accompanying increase in the ferocity of competition. We also set about strengthening our institutional structure with a view to speeding up the process of decision-making and the implementation of work. We established the new position of "managing officers" in charge of execution of work and assigned officers holding this position to each sector within the company as well as to the upper echelons of leading overseas subsidiaries. We also repositioned senior managing directors as "officers with responsibility for reaching decision in connection



with execution of work” and directors of the rank of vice president and above as “officers responsible for formulating business strategy and supervising the execution of work.”

We have also set up a Management Committee, a Corporate Officers Committee and Functional Committees, which are responsible for deliberating individual matters and supervising and providing guidance and advice on the execution of work on the basis of policy determined by the Board of Directors.

### Creation of internal control system

AISIN’s board of directors passed a motion in May 2006 in connection with “Basic policy concerning the establishment of internal control.”

Continuous efforts toward maintenance and improvement are being made on the basis of this policy in forms such as ensuring greater

thoroughness on the operational front inside the company and reviewing the system itself.

### Placing importance on the position of stakeholders

AISIN considers that active realization of its social responsibilities stands at the heart of its business activities and we have enshrined that conviction in the “AISIN Charter of Corporate Behavior.”

We have also set up committees whose task it is to engage in activities that take account of stakeholders, including the Business Ethics Committee, the Environmental Committee, and Central Safety and Health Committee. These committees monitor activities inside the company in accordance with their respective topics and report on the results to the Board of Directors with the aim of improving activities of all kinds.

## Compliance

### WEB

AISIN Charter of Corporate Behavior Behavioral Ethics Guideline

### Basic approach

AISIN has instituted the AISIN Charter of Corporate Behavior with the aim of setting behavioral standards that must be implemented so that we can fulfill our responsibilities to society.

We declare within the charter that we will respect all laws applicable inside and outside Japan and international rules and that, as well as respecting the spirit of these laws and rules, we will behave in a spirit of social responsibility.

### System

AISIN has set up a Business Ethics Committee with the company’s vice president as chairman and its executives as committee members as an institution whose function is to discuss important matters related to corporate ethics and to decide on policy in this regard.

Discussions in connection with corporate behavioral ethics may be had both inside the company (Legal Affairs Department) and outside the company (law offices). Information and discussions in connection with questions and doubts involving compliance are available using telephone, fax or e-mail, and access is readily available not just to employees but also to their families and business partners. The rules indicate clearly that the content of notifications and discussions and the names of those making notifications and requesting discussions should be kept secret, and strict adherence to these rules provides complete protection to anyone who conveys information or requests a consultation.

### Ensuring full awareness on the part of employees

AISIN has drawn up a “Behavioral Ethics Guideline” to serve as a guide, which is distributed to all employees as they strive to act in strict accordance with rules and manuals.

We hold training in connection with compliance every year targeted at specific groups in the corporate hierarchy and encourage all employees to raise their awareness of compliance and to acquire knowledge concerning individual laws and regulations.

October every year is stipulated as the month when particular efforts are made to strengthen corporate behavioral ethics. Educational activities are implemented including the holding of talks and lecture, soliciting ideas for mottos and slogans, and presenting commendations.

### Protection of personal information

AISIN has instituted a set of “Personal Information Protection Policy”. These guidelines stipulate the need to comply with laws, regulations and social norms when handling personal information belonging to customers, business partners and employees, and there are being strictly observed.

We have also instituted a set of “Personal Information Protection Regulation” on the basis of which each individual employee strives to control personal information in an appropriate manner.



Poster for the month-long strengthening of corporate behavioral ethics

## Disclosure of Information

### Basic approach

To ensure that our stakeholders are able to gain a deeper understanding of AISIN, we believe that we need to fulfill our responsibility to society by disclosing corporate information in a timely and fair manner.

### System

AISIN has instituted internal rules regarding the disclosure of information and we have laid down systems and procedures in connection with the control and disclosure of important internal information including that related to subsidiaries. On the basis of these internal regulations, we report immediately to individual sectors and information controllers in group companies (sectoral general manager class inside the company; executive class in group companies) in connection with issues involving individual councils and important facts occurring inside and outside the company.

Information controllers who receive reports convene meetings of assessment committees consisting of the representatives of Corporate Planning Dept., Finance & Accounting Dept., and Legal affairs Dept. Decisions are reached at these

meetings on whether or not it is necessary to disclose information at appropriate times in light of the rules of disclosure laid down by securities exchanges. As well as reporting to directors, these committees take measures toward prompt disclosure at appropriate times.

AISIN has also created a website in English and compiles short-term accounting reports, explanatory materials concerning accounting matters, and annual reports (AISIN REPORT), etc. with a view to ensuring that there is no difference between the information released in Japan and that released abroad and to making sure that information is disclosed fairly.



English-language IR website

## Risk Management

### Basic approach

AISIN is striving to forestall any risks that may have a serious influence on corporate management. In order to create a corporate constitution with strong resistance to risks, we consider that one of our priority management tasks is to reduce any damage to the minimum and ensure that rapid restoration is possible in the event of a risk actually occurring.

### System

AISIN has set up a Risk Management Committee chaired by the Vice President and with directors of the rank of senior managing director and above as its main members. The purpose of this committee is to engage in various activities whose aim is to ensure the continuity of business operations. In order to promote such practical activities in an efficient manner throughout the company, we have set up a Corporate Risk Management Dept. to deal exclusively with this matter. This office is engaged in strengthening the capacity to respond in ordinary and in emergency situations.

### Ensuring full awareness on the part of employees

AISIN has created a Risk Management Guide that expounds on the basic approach of the company, on the behavioral principles to be adopted by employees, and on how to respond in the event of an urgent situation actually arising. Efforts are made to ensure full awareness on the part of employees through annual practical activities and hierarchically differentiated employee training.

### Business Continuity Plan (BCP)

Continuity of important business activities in emergency situations such as natural disasters and accidents is indispensable for corporate management. AISIN considers it to be an urgent priority to put together a business continuity plan (BCP) to respond to earthquakes on a magnitude similar to that of the Tokai Earthquake. We are working on creating an action plan concerned with ensuring the safety of employees, preserving assets in the forms of buildings and equipment, and enabling a full return to production in the briefest possible period.

# Aisin Group Main Companies

## AISIN SEIKI CO., LTD.

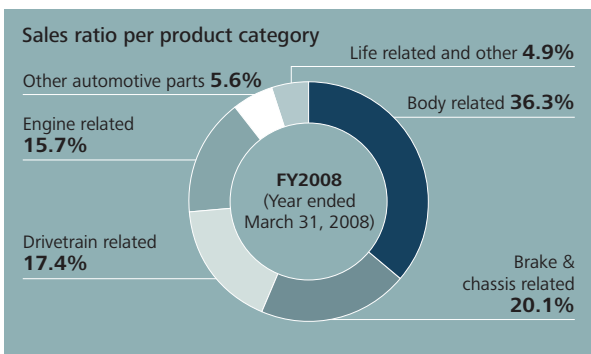


Yasuhito Yamauchi, President

### Widespread Business Expansion Based on "Quality First"

As the central hub of the AISIN Group's 160 consolidated companies, Aisin Seiki pursues business expansion chiefly through its mainstay Automotive Parts and Systems Business. This business covers such diverse fields as drivetrain related, brake & chassis related, body related, engine related and information related products segments. Aisin Seiki capitalizes on its accumulated automobile related expertise to offer products in such diverse fields as life, energy and welfare.

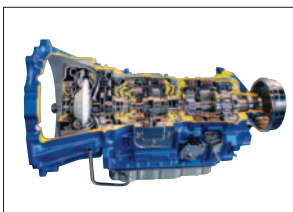
In this way, Aisin Seiki endeavors to offer attractive products and services with truly high quality and cost competitiveness based on "Quality First."



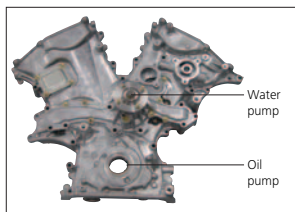
Establishment..... August 31, 1965  
 Capital..... ¥45,049 million (as of March 31, 2008)  
 Representative... Yasuhito Yamauchi, President  
 Address..... 2-1, Asahi-machi, Kariya, Aichi, 448-8650, JAPAN  
 Tel. +81-566-24-8441  
 Website..... <http://www.aisin.com>  
 Employees..... Consolidated 73,500  
 Non-consolidated 11,830 (as of March 31, 2008)  
 Businesses..... Production and sales of automotive parts, life related products (sewing machines, beds, GHPs) and welfare related products



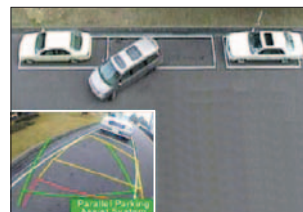
Power sliding door system



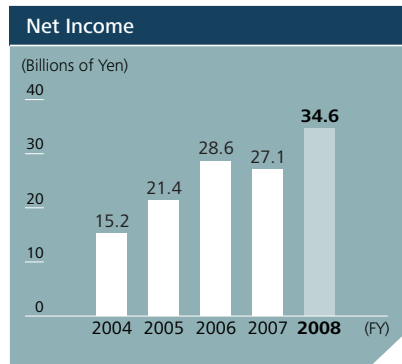
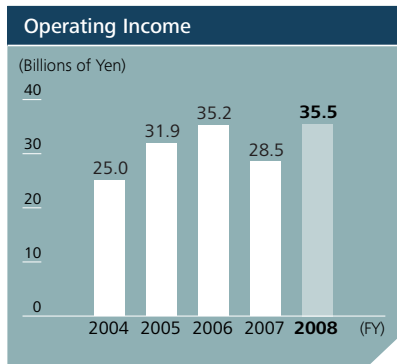
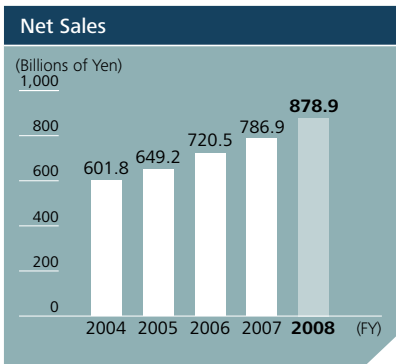
6-speed AT for light-duty compact commercial vehicles



Engine front module



Parking assist system



## AISIN TAKAOKA CO., LTD.

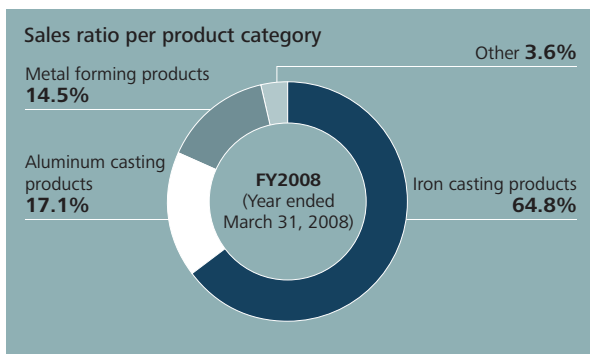


Toshiyuki Ishikawa, President

### Preeminent Manufacturer of Cast Components

Aisin Takaoka is Japan's largest manufacturer of cast products. In recent years the company has been manufacturing parts for engines and brakes using a variety of materials such as iron, aluminum and stainless steel. Using new materials and engineering methods, the company is contributing to improvements in vehicle safety and environmental performance by supplying tougher and lighter parts.

Aisin Takaoka is applying the technology it has gained in the field of cast iron to other branches of industry such as audio products. Speakers and speaker stands sold under the TAOC brand name enjoy a particularly high reputation in the audio industry.



Establishment..... March 8, 1960

Capital..... ¥5,396 million (as of March 31, 2008)

Representative... Toshiyuki Ishikawa, President

Address..... 1 Tenuoh, Takaokashin-machi, Toyota, Aichi, 473-8501, JAPAN  
Tel. +81-565-54-1123

Website..... <http://www.at-takaoka.co.jp>

Employees..... 2,900 (as of March 31, 2008)

Businesses..... Iron and aluminum machining and casting, plastic working, and audio product manufacturing and sales.



Brake disc rotor



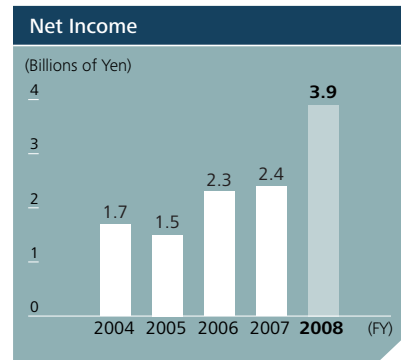
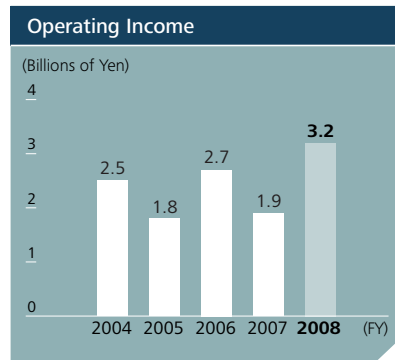
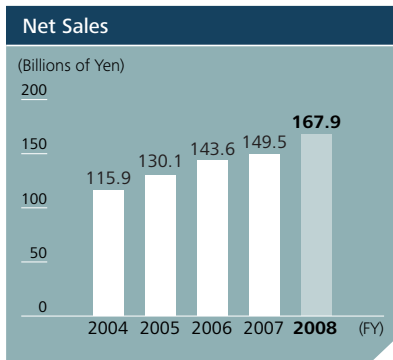
Stainless steel and cast iron composite exhaust manifold



Bumper reinforcement



Speaker systems from the TAOC brand



# Aisin Group Main Companies

## AISIN CHEMICAL CO., LTD.

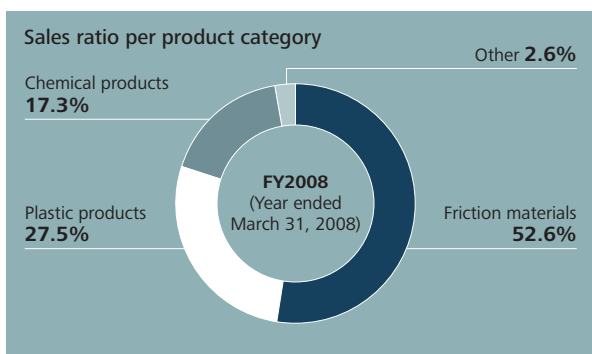


Yasuhide Shibata, President

### Specialist in Chemical Products, Friction Materials and Plastic Parts

Aisin Chemical is the AISIN Group's sole chemical specialist and handles such chemical products as automotive coatings, damping materials and adhesives as well as friction materials for clutches and brake pads.

In October 2007 the company completed its Components Testing Facility No. 1, which is now being used for the development and evaluation of friction materials and plastic components. Together with the Chemical Products Testing Facility No. 1, it will play an important role in the future in the development of new products. Aisin Chemical made its first overseas acquisition in June 2008 when it took over the disc brake pad manufacturing company SEBT, and it is now responding to the increase in local demand.



Establishment..... February 12, 1952  
 Capital..... ¥2,118 million (as of March 31, 2008)  
 Representative... Yasuhide Shibata, President  
 Address..... 1141-1, Okawagahara, Fujioka-lino-cho, Toyota, Aichi, 470-0492, JAPAN  
 Tel. +81-565-76-6661  
 Website..... <http://www.aisin-chem.co.jp>  
 Employees..... 970 (as of March 31, 2008)  
 Businesses..... Production and sales of chemical products, friction materials and plastic parts



Spray-type damping materials



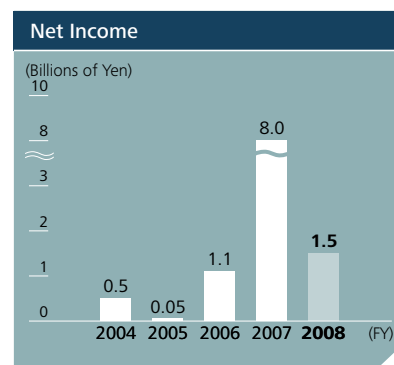
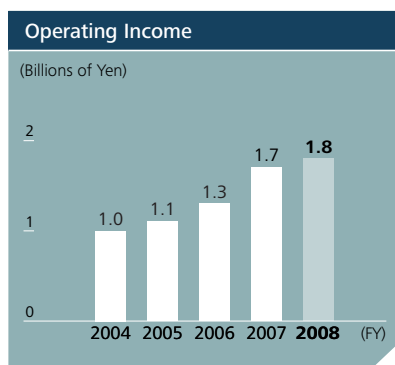
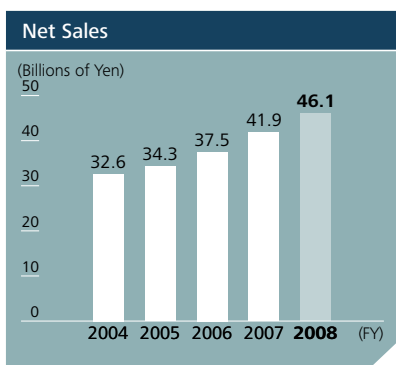
Segment-type discs



Intake manifolds



Disc brake pads





## AISIN AW CO., LTD.



Tsutomu Ishikawa, President

### Leading manufacturer of automatic transmissions (AT) and car navigation systems

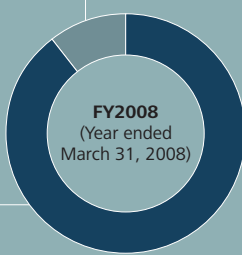
Aisin AW can boast a wide lineup of products as a manufacturer specializing in automatic transmissions (AT) and car navigation systems.

The company has been expanding its business operations in the field of AT with the adoption of the world's first 8-speed AT for rear-wheel drive vehicles (FR) in the Lexus LS460 and the world's first FR2 motor hybrid transmission in the GS450h. In the field of car navigation systems, in fiscal 2008 Aisin AW and the Toyota Motor Corporation jointly developed "Map On Demand", the world's first map differential transmission technology. The company intends to continue working on navigation systems incorporating new technology that are set to greatly facilitate map updating.

#### Sales ratio per product category

Car navigation systems **10.3%**

ATs **89.7%**



Establishment ..... May 15, 1969

Capital ..... ¥26,480 million (as of March 31, 2008)

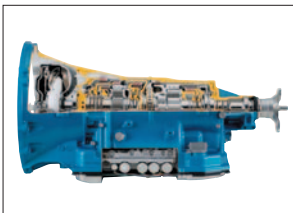
Representative ..... Tsutomu Ishikawa, President

Address ..... 10 Takane, Fujii-cho, Anjo, Aichi 444-1192, JAPAN  
Tel. +81-566-73-1111

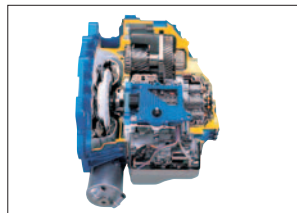
Website ..... <http://www.aisin-aw.co.jp>

Employees ..... 11,869 (as of March 31, 2008)

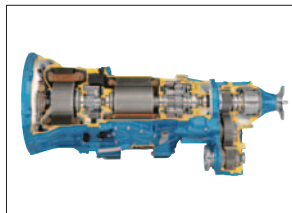
Businesses ..... Production and sales of ATs, hybrid systems and car navigation systems



RWD 8-speed AT



FWD 6-speed AT



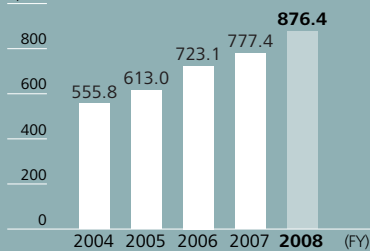
4WD hybrid transmission



Car navigation system

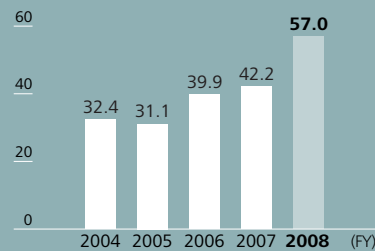
#### Net Sales

(Billions of Yen)  
1,000



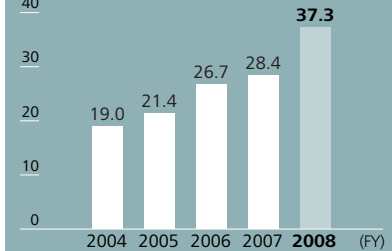
#### Operating Income

(Billions of Yen)



#### Net Income

(Billions of Yen)



# Aisin Group Main Companies

## AISIN AI CO., LTD.



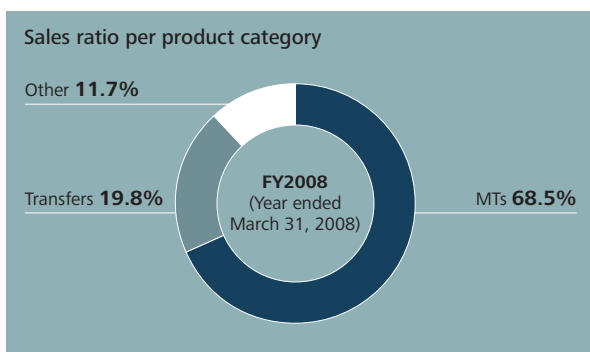
Masahiro Suo, President

### The leading manufacturer of manual transmissions (MT)

Aisin AI is the leading manufacturer of manual transmissions (MT) and transfers (T/F). The company can boast an extensive product lineup with applications ranging from small vehicles to sports cars and commercial vehicles.

In the field of manual transmissions, in fiscal 2006 Aisin AI began the mass production of high-capacity 6-speed MTs for front-wheel drive vehicles characterized by their light weight and compactness. These are currently being used in 14 vehicles of four companies.

In the field of transfers, in fiscal 2008 the company developed high-capacity T/Fs for use in rear-wheel drive vehicles. With their lightweight, compact structure and high torque transmission, these are currently being installed in vehicles such as the Toyota *Land Cruiser*.



Establishment..... July 1, 1991

Capital..... ¥5,000 million (as of March 31, 2008)

Representative... Masahiro Suo, President

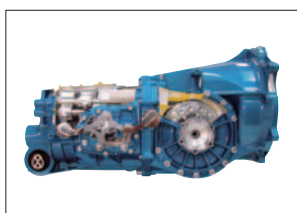
Address..... 1 Shiroyama, Ojima-cho, Nishio, Aichi 445-0006, JAPAN

Tel. +81-563-52-3111

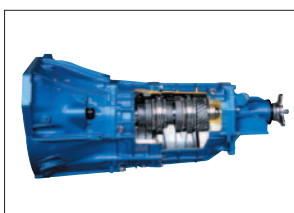
Website..... <http://www.aisin-ai.co.jp>

Employees..... 2,500 (as of March 31, 2008)

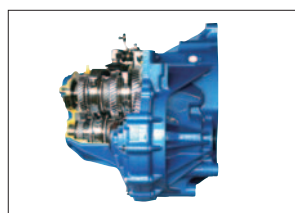
Businesses..... R&D, design, production and sales of MTs and transfers as well as their components and attachments



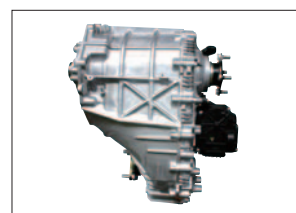
RWD (4WD) 6-speed MT



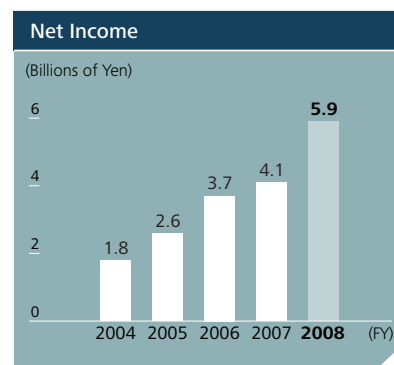
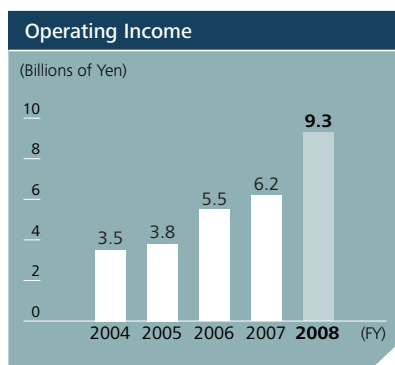
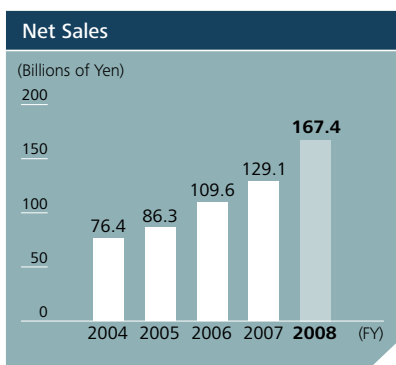
RWD 6-speed MT



FWD 6-speed MT



High-capacity transfers for rear-wheel drive vehicles



## ADVICS CO., LTD.

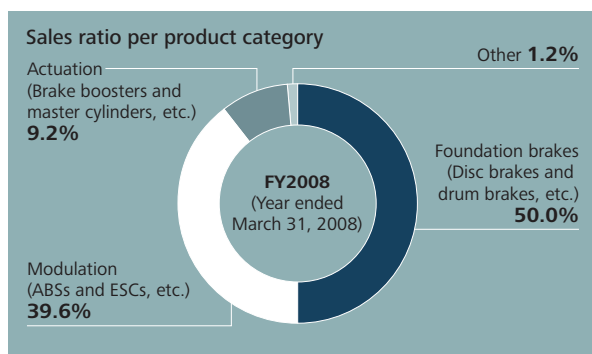


Dr. Haruhiko Saito, President

### Cutting-edge Brake System Supplier

ADVICS is a global supplier of brake systems. With “evolution of safety” as its corporate theme, the company has established a vision for 2015 based on offering customers peace of mind through scientific research on safety, and it is striving in this light to make a contribution to the motor industry.

With a wide range of products extending from brake pedals to pads at its disposal, ADVICS is attempting to create new functions that cannot be realized with single components by achieving a fusion with state-of-the-art electronics technology, the aim being to supply brake systems that best satisfy the needs of customers.



Establishment ..... July 3, 2001

Capital ..... ¥5,750 million (as of March 31, 2008)

Representative ... Dr. Haruhiko Saito, President

Address ..... 2-1, Showa-cho, Kariya, Aichi, 448-8688, JAPAN  
Tel. +81-566-63-8000

Website ..... <http://www.advics.co.jp>

Employees ..... 830 (as of March 31, 2008)

Businesses ..... Development and sales of brake systems for automobiles and their system components

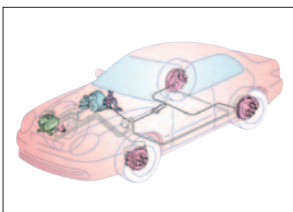
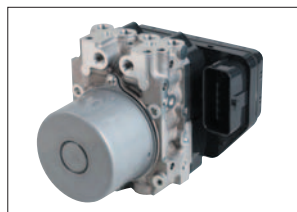


Diagram of a brake system



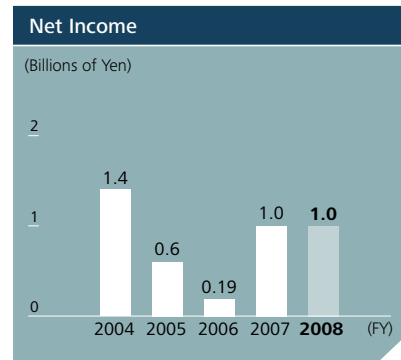
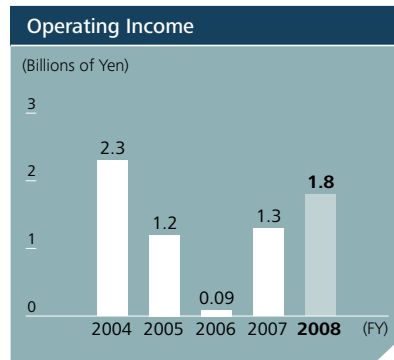
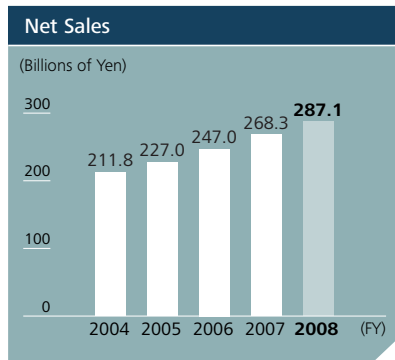
ESC Modulator



Hydraulic booster

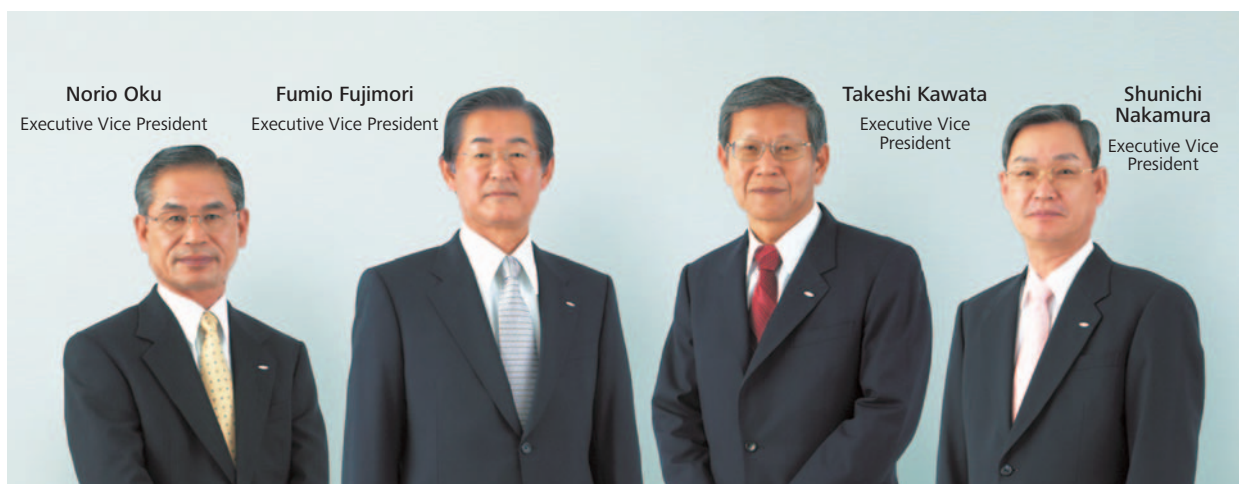


Disc brake



# Directors, Corporate Auditors and Managing Officers

AISIN SEIKI CO., LTD. (As of June 2008)



## Directors and Corporate Auditors

Chairman	Kanshiro Toyoda	Senior Managing Directors	Masaki Horiba	Standing Corporate Auditors	Minoru Hayashi
President	Yasuhito Yamauchi		Toshikazu Nagura		Toshihiro Gonda
Executive Vice Presidents	Fumio Fujimori		Junichi Nishimura	Corporate Auditors	Shoichiro Toyoda
	Takeshi Kawata		Masuji Arai		Michiyo Hamada
	Norio Oku		Yutaka Miyamoto		Hirohisa Yamada
	Shunichi Nakamura	Directors	Naofumi Fujie		
			Tsuneo Uchimoto		
			Shinichiro Yamamura		
			Masahiro Suo		
			Takao Taniguchi		
			Toshiyuki Ishikawa		

## Managing Officers

Shoji Ishiyama	Shizuo Shimanuki	Makoto Mitsuya	Hitoshi Okabe	Tsuneomi Sasaki
Takashi Morita	Kenji Tsujimura	Toshiyuki Mizushima	Tsuyoshi Yoshida	Masayasu Sugiura
Takashi Mase	Takashi Enomoto	Yoshiaki Kato	Yoshihiko Kanada	Takashi Omitsu
Giichi Segawa	Masayasu Saito	Motonobu Akaki	Seiichi Takahashi	Masaharu Goto
Takaki Kamio	Kazumi Usami	Hiroshi Takahashi	Shinsuke Yagi	

# Management Data

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## Summarized Financial Data for Nine Years AISIN SEIKI CO., LTD. and Its Subsidiaries Years ended March 31

	Millions of Yen		
	2000	2001	2002
Net Sales	¥ 1,000,643	¥ 1,128,484	¥ 1,221,916
Domestic Sales	847,408	904,040	968,878
Overseas Sales	153,234	224,443	253,037
Operating Income	50,795	64,816	60,644
Net Income	17,978	-7,230	25,651
Total Assets	928,918	1,104,641	1,146,819
Shareholders' Equity	362,394	414,671	431,872
Capital Stock	41,140	41,140	41,140
Capital Expenditures (Cash Flows)	84,750	80,853	81,258
Depreciation	82,342	82,650	80,238
Research and Development Expenses	53,086	58,831	67,665
Return on Equity (ROE)	5.4 %	-1.9 %	6.1 %

	Yen		
	2000	2001	2002
Per Share of Common Stock			
Net Income — Basic	¥ 64.36	¥ -25.89	¥ 91.84
Net Income — Diluted	61.14	—	86.76
Shareholders' Equity	1,297.21	1,484.53	1,546.21
Cash Dividends		12.00	13.00
Average Number of Shares (in thousands)	279,364	279,329	279,322
Equity to Assets Ratio	39.0 %	37.5 %	37.7 %
Number of Employees	32,860	36,343	40,234

- Notes: 1. Income per share of capital stock is calculated by dividing net income by the weighted-average number of shares outstanding during the reported period, and Shareholders' equity per share of common stock is calculated based on the number of shares outstanding at year-end.
2. Effective beginning the year ended March 31, 2005, the "Accounting Standards for Net Income per Share (Corporate Accounting Standard No. 2)" and "Guidelines for the Application of Accounting Standards for Net Income Per Share (Guidelines for the Application of Corporate Accounting Standards No. 4)" issued by the Accounting Standards Board of Japan on September 25, 2002 have been applied.
3. Effective beginning the year ended March 31, 2007, the "Accounting Standard for Presentation of Net Assets in the Balance Sheet (Corporate Accounting Standard No. 5)" and "Guidance on Accounting Standard for Presentation of Shareholders' equity in the Balance Sheet (Accounting Standards Board of Japan Guidance No. 8)" issued by the Accounting Standards Board of Japan on December 9, 2005 have been applied.
4. The number of consolidated subsidiaries and affiliates accounted for by the equity method is as follows.

	2000	2001	2002
Consolidated Subsidiaries	49	89	102
Affiliates Accounted for by the Equity Method	7	13	15

Refer to *Financial Data 2008, the Securities Report* extract, for more information.

Millions of Yen					
2003	2004	2005	2006	2007	2008
¥ 1,408,012	¥ 1,605,252	¥ 1,829,064	¥ 2,120,588	¥ 2,378,611	<b>¥ 2,700,405</b>
1,103,979	1,208,311	1,269,497	1,406,584	1,520,081	<b>1,661,827</b>
304,033	396,940	559,567	714,004	858,530	<b>1,038,578</b>
80,600	86,768	95,110	118,096	131,034	<b>180,484</b>
47,994	34,719	46,718	61,095	66,889	<b>91,654</b>
1,224,311	1,382,584	1,503,313	1,853,458	2,037,896	<b>2,097,727</b>
428,602	506,260	552,752	678,881	955,853	<b>994,592</b>
41,140	45,049	45,049	45,049	45,049	<b>45,049</b>
115,355	147,586	162,327	218,753	224,433	<b>204,845</b>
86,350	97,563	105,968	123,033	145,276	<b>167,482</b>
80,074	89,076	95,545	95,148	103,749	<b>115,330</b>
11.2 %	7.4 %	8.8 %	9.9 %	9.3 %	<b>12.0 %</b>

Yen					
2003	2004	2005	2006	2007	2008
¥ 171.98	¥ 126.11	¥ 159.94	¥ 209.15	¥ 233.03	<b>¥ 322.50</b>
161.28	118.38	159.77	208.86	232.71	<b>322.15</b>
1,612.96	1,771.12	1,928.58	2,361.66	2,662.78	<b>2,725.67</b>
15.00	18.00	24.00	32.00	40.00	<b>60.00</b>
273,746	267,404	285,807	286,628	287,038	<b>284,197</b>
35.0 %	36.6 %	36.8 %	36.6 %	37.2 %	<b>36.6 %</b>
44,132	47,616	53,237	59,587	66,383	<b>73,509</b>

2003	2004	2005	2006	2007	2008
106	114	122	132	141	<b>148</b>
14	14	14	14	12	<b>11</b>

## Consolidated Balance Sheets AISIN SEIKI CO., LTD. and Its Subsidiaries Years ended March 31, 2008 and 2007

Category	Millions of Yen	
	FY2007 (As of Mar. 31, 2007)	FY2008 (As of Mar. 31, 2008)
<b>ASSETS</b>		
<b>I Current assets</b>		
1 Cash and deposits	¥ 98,628	¥ 102,293
2 Notes and accounts receivable-trade	363,726	373,697
3 Short-term investment securities	38,622	95,636
4 Inventories	168,762	175,360
5 Deferred tax assets	48,386	58,131
6 Others	49,974	65,543
Allowance for doubtful accounts	-732	-746
<b>Total current assets</b>	<b>767,369</b>	<b>869,917</b>
<b>II Noncurrent assets</b>		
<b>1 Property, plant and equipment</b>		
(1) Buildings & structures	503,781	536,086
Accumulated depreciation	-263,730	-282,709
(2) Machinery, equipment and vehicles	1,370,565	1,365,899
Accumulated depreciation	-887,688	-936,366
(3) Tools, furniture and fixtures	234,287	248,379
Accumulated depreciation	-191,736	-206,768
(4) Land	88,412	94,649
(5) Construction in progress	48,301	56,602
<b>Total property, plant and equipment</b>	<b>839,192</b>	<b>875,773</b>
<b>2 Intangible assets</b>		
(1) Goodwill	3,566	6,793
(2) Software	10,068	11,641
(3) Others	2,504	2,450
<b>Total intangible assets</b>	<b>16,139</b>	<b>20,885</b>
<b>3 Investments and other assets</b>		
(1) Investment securities	357,422	267,509
(2) Long-term loans receivable	4,259	4,403
(3) Deferred tax assets	24,228	28,369
(4) Others	29,773	31,313
Allowance for doubtful accounts	-488	-445
<b>Total investments and other assets</b>	<b>415,194</b>	<b>331,150</b>
<b>Total noncurrent assets</b>	<b>1,270,526</b>	<b>1,227,810</b>
<b>Total assets</b>	<b>¥2,037,896</b>	<b>¥2,097,727</b>



Millions of Yen

Category	FY2007 (As of Mar. 31, 2007)	FY2008 (As of Mar. 31, 2008)
<b>LIABILITIES</b>		
<b>I Current liabilities</b>		
1 Notes and accounts payable-trade	¥ 359,873	¥ 372,058
2 Short-term loans payable	30,518	28,647
3 Current portion of bonds	15,000	—
4 Accounts payable-other	47,907	57,939
5 Accrued expenses	130,345	150,668
6 Income taxes payable	41,647	42,206
7 Deposits received from employees	16,883	16,996
8 Provision for product warranties	16,133	18,962
9 Provision for directors' bonuses	1,700	1,996
10 Others	19,060	14,802
<b>Total current liabilities</b>	<b>679,070</b>	<b>704,280</b>
<b>II Noncurrent liabilities</b>		
1 Bonds payable	20,000	39,988
2 Long-term loans payable	221,076	227,664
3 Deferred tax liabilities	72,627	40,312
4 Provision for retirement benefits	79,793	82,018
5 Provision for directors' retirement benefits	7,185	6,233
6 Long-term accounts payable-other	1,052	214
7 Negative goodwill	121	452
8 Others	1,116	1,970
<b>Total noncurrent liabilities</b>	<b>402,972</b>	<b>398,854</b>
<b>Total liabilities</b>	<b>1,082,042</b>	<b>1,103,134</b>
<b>NET ASSETS</b>		
<b>Shareholders' equity</b>		
I 1 Capital stock	45,049	45,049
2 Capital surplus	57,891	58,825
3 Retained earnings	501,009	578,969
4 Treasury stock	-1,567	-20,738
<b>Total shareholders' equity</b>	<b>602,382</b>	<b>662,106</b>
<b>Valuation and translation adjustments</b>		
II 1 Valuation difference on available-for-sale securities	145,136	88,130
2 Deferred gains or losses on hedges	-667	-1,184
3 Foreign currency translation adjustment	11,892	18,071
<b>Total valuation and translation adjustments</b>	<b>156,361</b>	<b>105,016</b>
<b>Subscription rights to shares</b>	<b>167</b>	<b>601</b>
III <b>Minority interests</b>	<b>196,941</b>	<b>226,867</b>
IV <b>Total net assets</b>	<b>955,853</b>	<b>994,592</b>
<b>Total liabilities and net assets</b>	<b>¥2,037,896</b>	<b>¥2,097,727</b>

## Consolidated Statements of Income

AISIN SEIKI CO., LTD. and Its Subsidiaries Years ended March 31, 2008 and 2007

Category	Millions of Yen	
	FY2007 (Apr.2006 through Mar.2007)	FY2008 (Apr.2007 through Mar.2008)
<b>I Net sales</b>	¥2,378,611	<b>¥2,700,405</b>
<b>II Cost of sales</b>	2,060,667	<b>2,315,204</b>
Gross profit	317,944	<b>385,201</b>
<b>III Selling, general and administrative expenses</b>		
1 Packing and delivery expenses	33,572	<b>37,806</b>
2 Provision for product warranties	2,330	<b>1,242</b>
3 Product repair costs	17,773	<b>20,400</b>
4 Salaries and allowances	51,381	<b>54,620</b>
5 Provision for directors' bonuses	1,700	<b>1,986</b>
6 Retirement benefit expenses	1,963	<b>2,020</b>
7 Provision for directors' retirement benefits	1,569	<b>1,722</b>
8 Depreciation	6,177	<b>7,316</b>
9 License fee	11,542	<b>13,097</b>
10 Research and development expenses	6,473	<b>5,376</b>
11 Others	52,422	<b>59,127</b>
Operating income	131,034	<b>180,484</b>
<b>IV Non-operating income</b>		
1 Interest income	651	<b>747</b>
2 Dividends income	4,083	<b>5,228</b>
3 Gain on sales of securities	549	<b>354</b>
4 Rent income on noncurrent assets	820	<b>668</b>
5 Foreign exchange gains	792	—
6 Equity in earnings of affiliates	6,302	<b>8,730</b>
7 Miscellaneous income	8,501	<b>11,686</b>
<b>V Non-operating expenses</b>		
1 Interest expenses	3,546	<b>3,801</b>
2 Loss on sales and retirement of noncurrent assets	5,876	<b>4,523</b>
3 Loss on valuation of securities	102	<b>1,618</b>
4 Foreign exchange losses	—	<b>3,860</b>
5 Miscellaneous loss	8,925	<b>7,787</b>
Ordinary income	134,287	<b>186,309</b>
Income before income taxes and minority interests	134,287	<b>186,309</b>
Income taxes-current	51,765	<b>67,776</b>
Income taxes-deferred	-6,989	<b>-10,078</b>
Minority interests in income	22,622	<b>36,956</b>
Net income	¥ 66,889	<b>¥ 91,654</b>

## Consolidated Statements of Cash Flows

AISIN SEIKI CO., LTD. and Its Subsidiaries Years ended March 31, 2008 and 2007

Millions of Yen

Category	Millions of Yen	
	FY2007 (April 1, 2006 through March 31, 2007)	FY2008 (April 1, 2007 through March 31, 2008)
<b>I Net cash provided by (used in) operating activities</b>		
1 Income before income taxes	¥ 134,287	¥ 186,309
2 Depreciation and amortization	145,276	167,482
3 Increase (decrease) in provision for retirement benefits	1,538	2,204
4 Increase (decrease) in provision for directors' retirement benefits	648	-944
5 Interest and dividends income	-4,735	-5,975
6 Interest expenses	3,546	3,801
7 Equity in (earnings) losses of affiliates	-6,302	-8,730
8 Loss on retirement of property, plant and equipment	5,687	3,668
9 Decrease (increase) in notes and accounts receivable-trade	-20,736	-8,260
10 Decrease (increase) in inventories	-14,423	-6,494
11 Increase (decrease) in notes and accounts payable-trade	26,186	14,104
12 Decrease (increase) in prepaid pension costs	-1,743	-1,612
13 Others	973	19,276
Subtotal	270,202	364,829
14 Interest and dividends income received	5,753	8,025
15 Interest expenses paid	-2,814	-3,993
16 Income taxes paid	-44,738	-69,613
Net cash provided by (used in) operating activities	228,402	299,247
<b>II Net cash provided by (used in) investment activities</b>		
1 Decrease (increase) in time deposits and securities	-6,575	-503
2 Purchase of property, plant and equipment	-224,433	-204,845
3 Proceeds from sales of property, plant and equipment	7,850	6,901
4 Purchase of investment securities	-11,708	-14,100
5 Proceeds from sales of investment securities	-2,085	-1,395
6 Proceeds from sales of investment securities	1,396	595
7 Proceeds from redemption of investment securities	5,496	5,779
8 Payments of loans receivable	-1,399	-972
9 Collection of loans receivable	938	1,092
10 Others, net	-6,092	-10,395
Net cash provided by (used in) investment activities	-236,614	-217,844
<b>III Net cash provided by (used in) financing activities</b>		
1 Net increase (decrease) in short-term loans payable	-5,299	-9,784
2 Proceeds from long-term loans payable	50,209	28,000
3 Repayment of long-term loans payable	-18,995	-13,587
4 Proceeds from issuance of bonds	—	19,988
5 Redemption of bonds	-650	-15,000
6 Proceeds from stock issuance to minority shareholders	52	644
7 Cash dividends paid	-9,952	-13,687
8 Cash dividends paid to minority shareholders	-3,663	-6,793
9 Purchase of treasury stock	-33	-19,436
10 Proceeds from disposal of treasury stock	1,695	1,973
Net cash provided by (used in) financing activities	13,361	-27,682
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	2,946	217
<b>V Net increase (decrease) in cash and cash equivalents</b>	8,094	53,937
<b>VI Cash and cash equivalents at beginning of year</b>	128,212	136,307
<b>VII Cash and cash equivalents at end of year</b>	¥ 136,307	¥ 190,245

## Management Data Economic aspects

### Consolidated Statements of Changes in Net Assets

AISIN SEIKI CO., LTD. and Its Subsidiaries Years ended March 31, 2008 and 2007

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

	Millions of Yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	¥ 45,049	¥ 63,262	¥ 445,241	¥ -1,820	¥ 551,732
Increase (decrease) in FY2007					
Dividends from surplus of profit appropriation			-5,401		-5,401
Dividends from surplus			-4,556		-4,556
Directors' bonuses from profit appropriation			-1,162		-1,162
Net income			66,889		66,889
Change from internal dealings of common stock for treasury		-6,057		-445	-6,503
Purchase of treasury stock				-18	-18
Disposal of treasury stock		686		717	1,403
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	-5,371	55,768	253	50,649
Balance as of March 31, 2007	¥ 45,049	¥ 57,891	¥ 501,009	¥ -1,567	¥ 602,382

	Millions of Yen						
	Valuation and translation adjustments				Subscription rights to shares	Minority interests	Total Net assets
	Inserted directly into net assets	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments			
Balance as of March 31, 2006	¥ 123,720	¥ —	¥ 3,427	¥ 127,148	¥ —	¥ 172,183	¥ 851,064
Increase (decrease) in FY2007							
Dividends from surplus of profit appropriation							-5,401
Dividends from surplus							-4,556
Directors' bonuses from profit appropriation							-1,162
Net income							66,889
Change from internal dealings of common stock for treasury						-1,809	-8,312
Purchase of treasury stock							-18
Disposal of treasury stock							1,403
Net changes of items other than shareholders' equity	21,415	-667	8,464	29,212	167	26,568	55,948
Total changes of items during the period	21,415	-667	8,464	29,212	167	24,758	104,788
Balance as of March 31, 2007	¥ 145,136	¥ -667	¥ 11,892	¥ 156,361	¥ 167	¥ 196,941	¥ 955,853

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

	Millions of Yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	¥ 45,049	¥ 57,891	¥ 501,009	¥ -1,567	¥ 602,382
Increase (decrease) in FY2008					
Dividends from surplus			-13,693		-13,693
Net income			91,654		91,654
Purchase of treasury stock				-19,436	-19,436
Disposal of treasury stock		934		265	1,199
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	934	77,960	-19,170	59,723
<b>Balance as of March 31, 2008</b>	<b>¥ 45,049</b>	<b>¥ 58,825</b>	<b>¥ 578,969</b>	<b>¥ -20,738</b>	<b>¥ 662,106</b>

	Millions of Yen						
	Valuation and translation adjustments				Subscription rights to shares	Minority interests	Total Net assets
	Inserted directly into net assets	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments			
Balance as of March 31, 2007	¥ 145,136	¥ -667	¥ 11,892	¥ 156,361	¥ 167	¥ 196,941	¥ 955,853
Increase (decrease) in FY2008							
Dividends from surplus							-13,693
Net income							91,654
Purchase of treasury stock							-19,436
Disposal of treasury stock							1,199
Net changes of items other than shareholders' equity	-57,006	-517	6,179	-51,344	434	29,925	-20,984
Total changes of items during the period	-57,006	-517	6,179	-51,344	434	29,925	38,739
<b>Balance as of March 31, 2008</b>	<b>¥ 88,130</b>	<b>¥ -1,184</b>	<b>¥ 18,071</b>	<b>¥ 105,016</b>	<b>¥ 601</b>	<b>¥ 226,867</b>	<b>¥ 994,592</b>

## Management Data Environmental aspects

### Environmental Management

Number of companies acquired ISO14001 certification / acquisition rate  
Aisin consolidated domestic production companies

	FY2006	FY2007	FY2008
Number of production companies	85	87	<b>92</b>
Number of companies acquired certification	47	61	<b>74</b>
Proportion of production companies with certification (%)	55%	70%	<b>80%</b>

Environmental inspections  
Non-consolidated

	FY2006	FY2007	FY2008
Frequency of environmental inspections (times)	2	2	<b>2</b>
Number of implementing departments	16	16	<b>16</b>
Number of items indicated as being in need of improvement	166	225	<b>143</b>
Number of internal inspectors	318	435	<b>485</b>
Frequency of training of inspectors (times)	1	1	<b>2</b>
Number of participants	65	77	<b>96</b>

Environmental training (FY2008)  
Non-consolidated

Title of environmental training	Targets	Frequency	Participants	Proportion of participants	Duration
Training of environmental officers	Persons engaged in promoting environmental management in the workplace	1	185	1.4%	4
Training of environmental managers	Persons engaged in promoting environmental management in environmental management divisions	1	22	0.2%	4
PRTR training	PRTR users	8	229	1.7%	1
Training of internal inspectors	Candidates for the post of internal manager, departmental environment promoters	2	96	0.7%	14

Number of environmental accidents

10 main domestic production companies \*1 (number)

	FY2004	FY2005	FY2006	FY2007	FY2008
Number of environmental accidents	0	0	0	1	<b>0</b>

Environmental inspections  
(hosted by Environmental Management Department)  
10 main domestic production companies \*1

	FY2006	FY2007	FY2008
Frequency of environmental inspections (times)	16	16	<b>18</b>
Number of implementing departments	41	42	<b>42</b>
Number of items indicated as being in need of improvement	509	490	<b>366</b>
Number of internal inspectors	1,235	1,459	<b>1,671</b>
Frequency of training of inspectors (times)	13	42	<b>34</b>
Number of participants	437	391	<b>430</b>

Environmental education (FY2008)  
10 main domestic production companies \*1

Title of environmental training	Targets	Participants
Training of managers in environmental divisions	Managers of environmental divisions	22
Training of workers in environmental divisions	Persons involved in environmental divisions	185
Training of managers	Managers	761
Training of ordinary employees	Staffs	1,042
Training of internal inspectors	Internal inspectors and candidates for internal inspectors	136

### Greenhouse Gases

Emissions of greenhouse gases Non-consolidated

(t-CO<sub>2</sub>, CO<sub>2</sub> equivalent)

	FY1991(standard year)	FY2005	FY2006	FY2007	FY2008
Total emissions	195,798	400,413	539,843	634,165	<b>595,382</b>
CO <sub>2</sub> (carbon dioxide)	195,798	213,058	238,434	251,427	<b>267,473</b>
CH <sub>4</sub> (methane)	0	0	0	0	<b>0</b>
N <sub>2</sub> O (dinitrogen monoxide)	0	0	0	0	<b>0</b>
HFCs (hydrofluorocarbons)	0	2,130	1,464	1,533	<b>1,673</b>
PFCs (perfluorocarbons)	0	0	0	0	<b>0</b>
SF <sub>6</sub> (sulfur hexafluoride)	0	185,225	299,945	381,205	<b>326,235</b>

CO<sub>2</sub> emissions, basic units Non-consolidated

(t-CO<sub>2</sub> / ¥100 million)

	FY1991(standard year)	FY2005	FY2006	FY2007	FY2008
Units	36.43	32.31	32.66	31.49	<b>29.82</b>

Emissions of greenhouse gases 10 main domestic production companies \*1

(t-CO<sub>2</sub>, CO<sub>2</sub> equivalent)

	FY1991(standard year)	FY2005	FY2006	FY2007	FY2008
Total emissions	750,203	1,281,435	1,484,411	1,570,191	<b>1,559,277</b>
CO <sub>2</sub> (carbon dioxide)	750,203	1,094,080	1,183,002	1,187,453	<b>1,231,368</b>
HFCs (hydrofluorocarbons)	0	2,130	1,464	1,533	<b>1,673</b>
SF <sub>6</sub> (sulfur hexafluoride)	0	185,225	299,945	381,205	<b>326,235</b>

CO<sub>2</sub> emissions, basic units 10 main domestic production companies \*1

(t-CO<sub>2</sub> / ¥100 million)

	FY1991(standard year)	FY2005	FY2006	FY2007	FY2008
Units	72.56	62.46	59.05	54.64	<b>49.69</b>

## Energy

Direct energy consumption Non-consolidated (MJ)

	FY1991 (standard year)	FY2006	FY2007	FY2008
Total direct energy consumption	1,127,250,565	2,378,496,835	2,488,374,078	2,667,404,070
Non-recyclable energy sources				
Natural gas	554,005,192	2,202,671,033	2,237,477,948	2,328,779,388
Fuel produced by distilling crude oil (gasoline, diesel, LPG, CNG, LNG, etc.)	573,245,373	175,825,803	250,896,130	338,624,682

Indirect energy consumption Non-consolidated (MJ)

	FY1991 (standard year)	FY2006	FY2007	FY2008
Intermediate energy purchased and consumed from non-recyclable energy sources, including the following (electricity, room heating and cooling, steam, nuclear power)	3,369,247,489	2,698,323,021	2,955,199,143	3,097,577,153

Direct energy consumption 10 main domestic production companies \*1 (MJ)

	FY1991 (standard year)	FY2006	FY2007	FY2008
Total direct energy consumption	4,322,918,305	9,555,078,114	9,611,755,747	9,628,989,635
Non-recyclable energy sources				
Coal	1,612,005,500	1,738,162,610	1,707,075,850	1,632,651,400
Natural gas	1,055,957,519	6,066,263,935	6,468,433,239	6,481,728,888
Fuel produced by distilling crude oil (gasoline, diesel, LPG, CNG, LNG, etc.)	1,654,955,286	1,750,651,569	1,436,246,658	1,514,609,347

Indirect energy consumption 10 main domestic production companies \*1 (MJ)

	FY1991 (standard year)	FY2006	FY2007	FY2008
Intermediate energy purchased and consumed from non-recyclable energy sources, including the following (electricity, room heating and cooling, steam, nuclear power)	10,926,740,302	14,296,443,689	14,871,869,610	15,836,456,033

## Chemical Substances

Non-consolidated (t)

	FY2006	FY2007	FY2008
VOC emissions	374	329	345
PRTR emissions	86	84	79

10 main domestic production companies \*1 (t)

	FY2006	FY2007	FY2008
VOC emissions	2,169	1,422	1,345
PRTR emissions	806	378	336

## Quantities of Substances Charged into and Recycled

Total quantities of substances charged (quantities per type of substances) Non-consolidated (t)

	FY2006	FY2007	FY2008
Total quantity of substances charged	446,202	450,636	499,904
Itemization of quantity used per type of resources			
Metals	413,454	418,742	466,544
Plastics	30,925	31,205	32,930
Chemical substances	1,823	689	430
Total recyclable quantity	95,216	98,484	105,072

Note: Purchased materials only (excluding parts). Chemical substances: Total for substances subject to PRTR notification.

Total quantities of substances used (quantities per type of substances) 10 main domestic production companies \*1 (t)

	FY2006	FY2007	FY2008
Total quantity of substances used	97,563,159	99,327,222	108,909,285
Itemization of quantity used per type of substances			
Metals	97,520,266	99,285,157	108,866,216
Plastics	37,649	38,046	40,570
Rubber	460	380	210
Chemical substances	4,784	3,639	2,719
Total recyclable quantity	34,163,674	31,728,331	35,229,379
Rate of use of recycled items (Quantity of recycled items used / Total quantity of substances used)	35.0%	31.9%	32.3%

Note: Purchased materials only (excluding parts). Chemical substances: Total for substances subject to PRTR notification.

\*1 10 main domestic production companies are as follows: Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin Keikinzoku, Aisin Kiko, Aisin AI, Aisin Sin'ei, Aisin AW Industries, Hosei Brake Industry.

## Waste Products and Recycling

## Total emissions of waste, etc.

Non-consolidated (t)

	FY2006	FY2007	FY2008
General and industrial waste			
Total emissions of waste, etc.	64,537	64,014	<b>71,817</b>
Amount of recyclable waste resources	59,091	63,167	<b>70,972</b>
Recycling ratio (%)	92%	99%	<b>99%</b>
Quantity of end-processed waste	0.4	0.8	<b>3.0</b>

## General waste

	FY2006	FY2007	FY2008	
General waste				
Total emissions of general waste	705.70	536.03	<b>499.63</b>	
Reuse	0	0	<b>0</b>	
Recycling quantity	Reworked use	171.3	158.3	<b>197.2</b>
	Heat recovery	534.40	377.72	<b>302.45</b>
	Total	705.7	536.0	<b>499.6</b>
Recycling ratio (%)	24%	30%	<b>39%</b>	
Quantity of end-processed general waste	0	0	<b>0</b>	

## Industrial waste

	FY2006	FY2007	FY2008
Industrial waste			
Total emissions of industrial waste	5,698	5,475	<b>4,327</b>
Recycled resources (reutilization use)	4,777	4,997	<b>3,838</b>
Recycling ratio (%)	84%	91%	<b>89%</b>
Quantity of end-processed industrial waste	0.4	0.8	<b>3.0</b>

## Total emissions of waste, etc.

10 main domestic production companies \*1 (t)

	FY2006	FY2007	FY2008
General and industrial waste			
Total emissions of waste, etc.	429,600	436,000	<b>468,100</b>
Amount of recyclable waste resources	333,272	406,182	<b>455,254</b>
Recycling ratio (%)	91%	93%	<b>97%</b>
Quantity of end-processed waste	606	420	<b>201</b>

## General waste products

	FY2006	FY2007	FY2008	
General waste products				
Total emissions of general waste	2,126	2,691	<b>2,696</b>	
Reuse	0	0	<b>0</b>	
Recycling quantity	Reworked use	1,233	1,472	<b>1,600</b>
	Heat recovery	541	397	<b>311</b>
	Total	1,091	1,300	<b>1,349</b>
Recycling ratio (%)	51%	48%	<b>50%</b>	
Quantity of end-processed general waste	212	185	<b>148</b>	

## Industrial waste

	FY2006	FY2007	FY2008	
Industrial waste				
Total emissions of general waste	165,400	170,161	<b>168,052</b>	
Reuse	360	769	<b>869</b>	
Recycling quantity	Reworked use	159,458	159,798	<b>159,465</b>
	Heat recovery	1,550	1,783	<b>1,563</b>
	Total	161,369	162,350	<b>161,898</b>
Recycling ratio (%)	98%	95%	<b>96%</b>	
Quantity of end-processed general waste	394	235	<b>53</b>	

## Total emissions of waste, unitary basis

10 main domestic production companies \*1 (t/¥100 million)

	FY2006	FY2007	FY2008
Total emissions of waste, unitary basis			
Basic unit	21.4	20.1	<b>18.9</b>

## Water

## Quantities of water resources used

 Non-consolidated (m<sup>3</sup>)

	FY2006	FY2007	FY2008	
Quantities of water resources used				
Total quantity used	3,833,406	3,972,544	<b>4,130,502</b>	
Tap water	193,944	199,988	<b>233,867</b>	
Itemization	Industrial water	2,041,983	1,730,573	<b>2,205,077</b>
	Underground water	1,597,479	2,041,983	<b>1,691,558</b>

## Quantity of recycled water used

 Non-consolidated (m<sup>3</sup>)

	FY2006	FY2007	FY2008
Quantity of recycled water used			
Quantity of recycled use	0	63,913	<b>51,382</b>

## Total quantity of waste water

 Non-consolidated (m<sup>3</sup>)

	FY2006	FY2007	FY2008
Total quantity of waste water			
Public water area	3,906,647	2,671,309	<b>3,195,679</b>

## Quality of waste water

Non-consolidated (t)

	FY2006	FY2007	FY2008
Quality of waste water			
COD	8.87	7.85	<b>8.62</b>
Nitrogen	5.35	3.58	<b>4.18</b>
Phosphorus	0.20	0.15	<b>0.20</b>

## Quantities of water resources used

 10 main domestic production companies \*1 (m<sup>3</sup>)

	FY2006	FY2007	FY2008	
Quantities of water resources used				
Total quantity used	10,089,435	10,087,185	<b>10,814,095</b>	
Tap water	1,313,236	1,368,736	<b>1,544,906</b>	
Itemization	Industrial water	5,511,336	6,362,932	<b>6,127,886</b>
	Underground water	3,264,863	2,355,517	<b>3,141,303</b>

## Quantity of recycled water used

 10 main domestic production companies \*1 (m<sup>3</sup>)

	FY2006	FY2007	FY2008
Quantity of recycled water used			
Quantity of recycled use	696,630	744,416	<b>825,836</b>

## Total quantity of waste water

 10 main domestic production companies \*1 (m<sup>3</sup>)

	FY2006	FY2007	FY2008
Total quantity of waste water			
Public water area	7,730,007	6,667,146	<b>7,100,478</b>

## Quality of waste water

10 main domestic production companies \*1 (t)

	FY2006	FY2007	FY2008
Quality of waste water			
COD	15.79	11.66	<b>9.36</b>
Nitrogen	8.29	8.21	<b>5.43</b>
Phosphorus	0.31	0.18	<b>0.30</b>



## Air

### Air-polluting substances

Non-consolidated	(t)		
	FY2006	FY2007	FY2008
SOx	18.96	10.65	<b>16.10</b>
NOx	72.06	94.17	<b>90.53</b>
Dust, etc.	7.18	11.08	<b>11.43</b>

### Substances designated under the Air Pollution Prevention Law

Non-consolidated	(ng-TEQ/Nm <sup>3</sup> )		
	FY2006	FY2007	FY2008
Dioxins	0.027	0.0016	<b>0.004</b>

### Substances designated under the Air Pollution Prevention Law

10 main domestic production companies *1	(ng-TEQ/Nm <sup>3</sup> )		
	FY2006	FY2007	FY2008
Dioxins	0.027	0.0016	<b>0.004</b>

## Transportation

### Quantities of CO<sub>2</sub> accompanying transportation

Non-consolidated	(t-CO <sub>2</sub> )	
	FY2007	FY2008
Total quantity of emissions	17,200	<b>17,650</b>
Itemization per measure of transportation		
Automobiles	16,040	<b>16,084</b>
Shipping	879	<b>1,392</b>
Railway	281	<b>174</b>

### Emissions of CO<sub>2</sub> accompanying transportation

10 main domestic production companies *1	(t-CO <sub>2</sub> )		
	FY2006	FY2007	FY2008
Total quantity of emissions	49,604	54,401	<b>54,973</b>

## Environmental Accounting (FY2008)

Non-consolidated

(Billions of Yen)

Environmental conservation costs		Effects of environmental conservation measures	
Cost for business operation	3.242	Energy-saving	0.233
Costs of management activities	0.604	Resource saving	0.391
Upstream and downstream costs	1.476	Effects of reducing waste materials	0.000
Research and development costs	4.596	Sale of valued property	3.696
Costs of community involvement	0.062		
Environmental damage countermeasure costs	0.059		
Total	10.039	Total	4.320

23 main domestic production companies \*2

(Billions of Yen)

Environmental conservation costs		Effects of environmental conservation measures	
Cost for business operation	11.447	Energy-saving	0.676
Costs of management activities	1.435	Resource saving	0.409
Upstream and downstream costs	2.664	Effects of reducing waste materials	0.022
Research and development costs	8.283	Sale of valued property	9.378
Costs of community involvement	0.209		
Environmental damage countermeasure costs	0.070		
Total	24.110	Total	10.485

\*1 10 main domestic production companies are as follows: Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin Keikinzo, Aisin Kiko, Aisin AI, Aisin Sin'ei, Aisin AW Industries, Hosei Brake Industry.

\*2 23 main domestic production companies are as follows: Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin Keikinzo, Aisin Development, Aisin Kiko, Aisin AI, Aisin Sin'ei, Aisin AW Industries, Hosei Brake Industry, Aichi Giken, Saitama Kogyo, Yamagata Clutch, Kotobuki Giken Kogyo, Sinsan, Aisin Engineering, Aisin Maintenance, Aisin Tohoku, Aisin Kyushu, Konan Kogyo, Hekinan Transport, Sanetsu Unyu

## Management Data Social aspects

### Work Force

Number of employees Consolidated (number)

	FY2004	FY2005	FY2006	FY2007	<b>FY2008</b>
	47,616	53,237	59,587	66,383	<b>73,509</b>

Number of employees by area Consolidated (number)

	Japan	North America	Europe	Other areas
<b>FY2008</b>	44,671	9,464	1,475	17,899

### Diversity

Ratio of male to female employees Non-consolidated

	Male (number)	Male ratio (%)	Female (number)	Female ratio (%)
<b>FY2008</b>	11,624	91%	1,177	9%

Note: Full employees only

Number of employees per type of employment Non-consolidated (number)

	Regular full-time	Irregular Full-time	Irregular Part-time	Total irregular
<b>FY2008</b>	12,801	4,968	177	5,145

### Creation of Employment

Recruitment of new graduates Non-consolidated (number)

	University graduates: clerical employees		University graduates: technical employees		Skilled employees	
	Male	Female	Male	Female	Male	Female
<b>FY2008</b>	49	17	207	13	281	47

Mid-career recruitment Non-consolidated (number)

	University graduates: clerical employees		University graduates: technical employees		Skilled employees	
	Male	Female	Male	Female	Male	Female
<b>FY2008</b>	18	1	56	0	242	29

### Continuation of Employment

Average length of employment Non-consolidated (Years)

	Male	Female	Male-female average
<b>FY2008</b>	16.1	12.8	15.8

### Leaving Work

Turnover rate (proportion of job leavers among all full employees)

Non-consolidated (%)

	Male	Female
<b>FY2008</b>	3%	4%

## Securing a Balance between Work and Life

### Number of people taking leave for childrearing

Non-consolidated (number)				
FY2004	FY2005	FY2006	FY2007	<b>FY2008</b>
55	61	62	62	<b>46</b>

## Labor Safety

### Accidents at work

(number)					
	FY2004	FY2005	FY2006	FY2007	<b>FY2008</b>
Non-consolidated	6	9	3	4	<b>4</b>
Domestic group	21	22	30	26	<b>27</b>
Overseas group	87	63	29	26	<b>29</b>

### Frequency rate

(%)					
	FY2004	FY2005	FY2006	FY2007	<b>FY2008</b>
Non-consolidated	0.21	0.3	0.09	0.11	<b>0.11</b>
Domestic group	0.3	0.29	0.35	0.28	<b>0.27</b>
Overseas group	4.36	2.73	1.08	0.84	<b>0.80</b>

### Strength rate

(%)					
	FY2004	FY2005	FY2006	FY2007	<b>FY2008</b>
Non-consolidated	0.04	0.02	0	0.01	<b>0</b>
Domestic group	0.03	0.03	0.02	0.01	<b>0.01</b>
Overseas group	—	—	—	—	<b>—</b>

### Work-related illnesses

(number)					
	FY2004	FY2005	FY2006	FY2007	<b>FY2008</b>
Non-consolidated	1	1	3	5	<b>1</b>
Domestic group	—	—	—	—	<b>—</b>
Overseas group	1	1	1	12	<b>11</b>

Notes: Domestic group: 13 companies

Overseas group: 32 companies

## Product Liability

### Number of inquiries to customer service Non-consolidated (number)

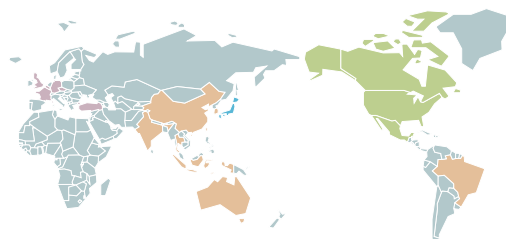
FY2004	FY2005	FY2006	FY2007	<b>FY2008</b>
3,044	3,627	3,725	3,870	<b>4,217</b>

### Detail of inquiries Non-consolidated (%)

	Beds	Nursing care products	Household sewing machines	Others
<b>FY2008</b>	35%	8%	52%	6%

## Related Company Information

As of March 31, 2008



### Consolidated companies

	Consolidated Subsidiaries	Equity Method Affiliates	Total
Domestic	68	7	<b>75</b>
Overseas	80	4	<b>84</b>
<b>Total</b>	<b>148</b>	<b>11</b>	<b>159</b>

### Overseas Subsidiaries

	Holding or Sales	R&D	Production	Total
North America	7	3	22	<b>32</b>
Europe (including Turkey)	2	3	5	<b>10</b>
Asia & Others	9	0	33	<b>42</b>
<b>Total</b>	<b>18</b>	<b>6</b>	<b>60</b>	<b>84</b>

### Consolidated Subsidiaries in Japan (68)

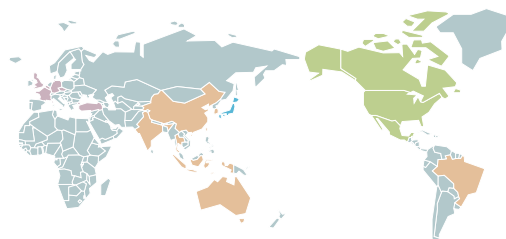
Company	Location	Capital (Millions of yen)	Ownership (%)	Main Businesses
Aisin Takaoka Co., Ltd.	Toyota, Aichi	5,396	51.5	Casting and mechanical processing of cast iron and aluminum, plastic working, manufacture and sale of sound products
Aisin Chemical Co., Ltd.	Toyota, Aichi	2,118	75.8	Production and sales of chemical products, friction materials and plastic parts
Aisin AW Co., Ltd.	Anjo, Aichi	26,480	58.0	Production and sales of ATs, hybrid systems and car navigation systems
Aisin Living Planner Co., Ltd.*	Anjo, Aichi	60	100.0	Residential remodeling, machinery and automobile leasing, real estate leasing and sales of home-use sewing machines
Aisin Keikinzoku Co., Ltd.	Imizu, Toyama	1,500	60.0	Production of aluminum die casting products for automobile components and aluminum extrusion
Aisin Development Co., Ltd.	Kariya, Aichi	396	100.0	Construction, environmental development (civil engineering, greenery projects, real estate) and insurance agency business
Aisin Kiko Co., Ltd.	Kira, Aichi	2,000	100.0	Production of functional AT components, drivetrain related and body related components
Aisin AI Co., Ltd.	Nishio, Aichi	5,000	100.0	R&D, design, production, sales of MTs and transfers as well as their components and attachments
Aisin Sin'ei Co., Ltd.	Hekinan, Aichi	180	100.0	Stamping of automotive parts, painting and production of body related components
Aisin AW Industries Co., Ltd.	Echizen, Fukui	2,057	100.0	Production of AT components
Hosei Brake Industry Co., Ltd.	Toyota, Aichi	1,200	53.1	Production of brake related components for automobiles such as drum brakes
ADVICS Co., Ltd.	Kariya, Aichi	5,750	40.0	Development and sales of brake systems for automobiles and their system components
Aisin Tohoku Co., Ltd.	Kanegasaki, Iwate	490	100.0	Production of electronic components, engine related and body related components
Aisin Kyushu Co., Ltd.	Jonan, Kumamoto	1,490	100.0	Production of body related and engine related components, semiconductors and LCD manufacturing equipment
Aisin Kyushu Casting Co., Ltd.	Jonan, Kumamoto	1,000	100.0	Casting and processing of aluminum die casting products
Aisin Hokkaido Co., Ltd.	Tomakomai, Hokkaido	490	100.0	Production of aluminum die casting products
AS Brake Systems Inc.	Itami, Hyogo	250	80.0	Production of brake systems and related components
Saitama Kogyo Co., Ltd.	Hidaka, Saitama	95	100.0	Production of body related components
Kotobuki Industry Co., Ltd.	Toyota, Aichi	60	100.0	Production of body related components
Aichi Giken Co., Ltd.	Kariya, Aichi	20	100.0	Surface processing and assembly of automotive parts
Aisin Metaltech Co., Ltd.	Nyuzen, Toyama	490	100.0	Production of forging parts
Shinko Seiki Co., Ltd.	Takaoka, Toyama	20	100.0	Production and sales of molds
Aisin Maintenance Co., Ltd.	Hekinan, Aichi	20	100.0	Machine repair and modification as well as assembly of body related components
Aisin Engineering Co., Ltd.	Kariya, Aichi	98	100.0	Design development, analysis, and manufacturing of machinery, electronics, batteries, and information systems. As well as technical translations and patent surveys.

\* Aisin Living Planner Co., Ltd. merged with Aisin Development Co., Ltd. on April 1st, 2008.

Company	Location	Capital (Millions of yen)	Ownership (%)	Main Businesses
Aisin Comcruise Co., Ltd.	Nagoya, Aichi	90	100.0	Development and evaluation of embedded software
Aisin Infotex Co., Ltd.	Minato-ku, Tokyo	50	70.0	Development of CAD utilization systems and provision of CAD training
IMRA Material R&D Co., Ltd.	Kariya, Aichi	80	100.0	R&D of leading-edge materials
Aisin Cosmos R&D Co., Ltd.	Kariya, Aichi	20	100.0	R&D of biotechnology, chemical technology and microtechnology
Technova Inc.	Chiyoda-ku, Tokyo	160	90.0	Surveying, R&D and consulting
FT Techno Inc.	Toyota, Aichi	23	100.0	Testing and assessment of automobiles and leasing of testing facilities
Aisin Collabo Co., Ltd.	Kariya, Aichi	30	100.0	Temporary staff services, staff agency, outsourcing services
Sinsan Corporation	Anjo, Aichi	34	100.0	Sales of stationery goods, operation of cafeterias and shops
Konan Kogyo Co., Ltd.	Toyota, Aichi	78	100.0	Sales of oil products, automotive repairs and sales of air conditioning equipment
Hekinan Unsou Co., Ltd.	Hekinan, Aichi	54	51.9	Cargo transport and vehicle repairs
Sanetsu Unyu Co., Ltd.	Nyuzen, Toyama	41	91.3	Cargo transport
Fuji Kousan Co., Ltd.	Kariya, Aichi	410	100.0	Operation of tennis club (Kariya Tennis Park)
Aisin Sinwa Co., Ltd.	Nyuzen, Toyama	476	99.7	Iron casting, cold forging and machining of automotive parts
Kozakai Industries Co., Ltd.	Kozakai, Aichi	129	87.2	Machining of automotive parts
AT Maintenance Co., Ltd.	Toyota, Aichi	40	100.0	Design, production and repair of casting machines and molds as well as processing of casting components
AT Materials Co., Ltd.	Toyota, Aichi	20	100.0	Sales of materials and sub-materials for casting and sales of machinery and equipment
Inatetsu Co., Ltd.	Nishio, Aichi	20	40.0	Rust-proofing treatment and machining of automotive parts
Fukuda Industrial Co., Ltd.	Nagoya, Aichi	198	49.0	Casting of aluminum and zinc die casting products for automobiles
AT Kyushu Co., Ltd.	Tamana, Kumamoto	490	100.0	Production of cast iron parts centering disc rotors for automobiles
AT Nanyo Co., Ltd.	Nagoya, Aichi	64	100.0	Assembly of automotive parts and sales of audio products
AT Technos Co., Ltd.	Toyota, Aichi	20	100.0	System development, provision of various training and temporary staff agency
AT Agri Co., Ltd.	Toyota, Aichi	20	100.0	Transport and processing of industrial waste as well as management and cleaning of green spaces
Takaoka Industrial Co., Ltd.	Toyota, Aichi	10	100.0	Production of cast iron and steel products
Sinwa Industries Co., Ltd.	Nyuzen, Toyama	10	100.0	Cleaning and management of welfare facilities, greening and sales of foods and other products
AC Industries Co., Ltd.	Toyota, Aichi	20	100.0	Production of automotive parts
AW Service Co., Ltd.	Anjo, Aichi	90	100.0	Environmental maintenance and logistics
Equos Research Co., Ltd.	Chiyoda-ku, Tokyo	20	100.0	Investigation and R&D of various technologies
AW Engineering Co., Ltd.	Anjo, Aichi	90	100.0	CAE analyses, planning, design and production of software development support devices as well as creation of prototypes
AW Maintenance Co., Ltd.	Anjo, Aichi	90	100.0	Production, modification, renewal and maintenance of equipment

## Related Company Information

As of March 31, 2008



Company	Location	Capital (Millions of yen)	Ownership (%)	Main Businesses
AW Software Co., Ltd.	Sapporo, Hokkaido	20	100.0	Development of car navigation software and map database
CVTEC Co., Ltd.	Tahara, Aichi	1,500	66.6	Production of metal belts for CVTs
Awquis Japan Co., Ltd.	Takahama, Aichi	1,000	100.0	Repair and rebuilding of ATs as well as quality and technology information research
AW IS Co., Ltd.	Echizen, Fukui	20	100.0	Cleaning related services, operation of dormitories and vehicle transportation services, etc.
Techno Metal Co., Ltd.	Takaoka, Toyama	90	100.0	Secondary refining of aluminum alloys
Tonamino Kogyo Co., Ltd.	Tonami, Toyama	20	100.0	Production of body related components and housing window frames
AD Nobi Co., Ltd.	Nagoya, Aichi	110	100.0	Planning, development and sales of condominiums and houses
AD Sunutopia Co., Ltd.	Nagoya, Aichi	27	100.0	Management of apartments and buildings, real estate leasing and brokerages as well as home improvement and renovation
AD Green Co., Ltd.	Toyota, Aichi	20	100.0	Greening and exterior refurbishing
AKK-M Co., Ltd.	Kariya, Aichi	40	100.0	Polishing of cutting tools and building management
AI Machine Tech Co., Ltd.	Anjo, Aichi	24	100.0	Production and repair of machine tools
Sin'ei Maintenance Co., Ltd.	Hekinan, Aichi	10	100.0	Production and repair of surface processing equipment jigs
Toho Chemical Co., Ltd.	Anjo, Aichi	10	100.0	Coating of automotive parts

Others: two companies

### Equity Method Affiliates (7)

Company	Location	Capital (Millions of yen)	Ownership (%)	Main Businesses
Exedy Corporation	Neyagawa, Osaka	8,284	33.4	Production clutches, torque converters and power shift transmissions
Cataler Corporation	Kakegawa, Shizuoka	551	39.8	Production of automotive exhaust purification catalyzers and environmental catalyzers
Nippon Clutch Co., Ltd.	Saitama, Saitama	64	50.0	Production of clutches for resupply and production of molds/jigs
Yamagata Clutch Co., Ltd.	Tsuruoka, Yamagata	25	50.0	Production of clutches and molds/jigs
Toyoaki Mokko Co., Ltd.	Kariya, Aichi	20	36.9	Production of home-use wood products
Toyotsu Vehitecs Co., Ltd.*	Inabe, Mie	50	20.0	Production of textile products
Nakagawa Industrial Co., Ltd.	Chiryu, Aichi	10	35.7	Production of molds, ZAS prototype stamping dies and wooden stamping dies

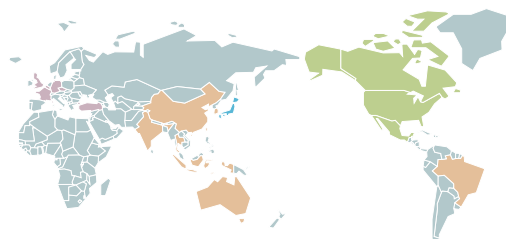
\* Name changed from Towa Seni Kogyo Co., Ltd.

Overseas Subsidiaries (84)

Country/Region	Company	Capital (Thousands of local currency)	Ownership (%)	Main Businesses
U.S.A.	Aisin Holdings of America, Inc.	US\$ 282,290	100.0	Administration of overall North American operations
	Aisin U.S.A. Mfg., Inc.	US\$ 81,140	100.0	Production and sales of automotive parts (seats, moldings, door frames and door latches)
	IMRA America, Inc.	US\$ 18,750	100.0	R&D and technical services for optical technologies
	Aisin Electronics, Inc.	US\$ 5,000	100.0	Production of automotive parts (sensors, actuators as well as ECUs and other electronic components)
	Aisin Drivetrain, Inc.	US\$ 45,700	100.0	Production of drivetrain components for industrial markets, production and sales brake components and chassis components for automotive markets.
	Aisin Automotive Casting, LLC	US\$ 72,101	100.0	Production of automotive parts (oil pumps and transaxle cases) and production, sales and maintenance of moldings
	Aisin World Corp. of America	US\$ 27,000	100.0	Marketing and sales of automotive parts and life and energy related products as well as technical development of products to be produced in North America
	Aisin Mfg. Illinois, LLC	US\$ 37,300	100.0	Production and sales of automotive parts (sunroofs, sliding door modules and outside handles)
	Aisin Brake & Chassis, Inc.	US\$ 41,400	100.0	Production and sales of automotive parts (drum brakes and brake master cylinders)
	Aisin Light Metals, LLC	US\$ 5,100	100.0	Production and sales of automotive parts (aluminum extrusion and aluminum die casting)
	Aisin Automotive Casting Tennessee, Inc.	US\$ 55,700	100.0	Production and sales of automotive parts (engine front modules, pistons and VVTs)
	Aisin Electronics Illinois, LLC	US\$ 5,300	100.0	Production and sales of automotive parts (electronic components for microcomputer-controlled sunroofs and power sliding door systems)
	FT Techno of America, LLC	US\$ 1,000	100.0	Design, construction management and operation of proving ground; reliability testing service
	Aisin Chemical Indiana, LLC	US\$ 6,000	100.0	Production and sales of automotive parts (wet friction materials for ATs)
	Aisin Mfg. California, LLC	US\$ 5,000	100.0	Production and sales of automotive parts (door frames)
	Intat Precision, Inc.	US\$ 0.85	100.0	Casting and machining of iron casting products
	Aisin Takaoka U.S.A., Inc.	US\$ 1,000	100.0	Business planning, sales, marketing, and company housings and cars management in North America
	ATTC Manufacturing, Inc.	US\$ 24,600	100.0	Machining of iron casting products
	AW Transmission Engineering USA, Inc.	US\$ 8,500	100.0	Repair and rebuilding of ATs as well as quality and technology information research
	AW North Carolina, Inc.	US\$ 75,000	100.0	Production and sales of automotive parts (AT components)
	AW Technical Center U.S.A., Inc.	US\$ 7,500	100.0	R&D of automotive parts (ATs and car navigation systems)
	ADVICS Manufacturing Ohio, Inc.	US\$ 36,000	100.0	Production and sales of automotive parts (disc brakes and antilock brake systems)
Safa L.L.C.	US\$ 8,000	100.0	Production and sales of automotive parts (disc brake friction materials)	
ADVICS North America, Inc.	US\$ 85	100.0	Development and sales of automotive parts (brake systems and their system components)	
Exedy America Corporation*	US\$ 83,200	40.0	Production and sales of automotive parts (torque converters)	
Canada	Aisin Canada, Inc.	C\$ 16,315	100.0	Production and sales of automotive parts (manual seat tracks, adjusters and occupant weight sensors)
Mexico	Liberty Mexicana S.A. de C.V.	Peso 214	100.0	Production and sales of automotive parts (clutches, water pumps and hood locks)
	Aisin Mexicana S.A. de C.V.	Peso 34,586	100.0	Production and sales of automotive parts (door latches, door checkers and upper locks)
	Aisin Manufacturing Aguascalientes, S.A. de C.V.	Peso 27,500	100.0	Production and sales of automotive parts (door frames)

## Related Company Information

As of March 31, 2008



Country/Region	Company	Capital (Thousands of local currency)	Ownership (%)	Main Businesses
Brazil	Aisin do Brazil Com. e Ind Ltda.	R\$ 32,746	100.0	Production of automotive parts (door frames, door latches and door hinges)
France	IMRA Europe S.A.S.	€ 7,091	100.0	R&D in leading-edge technologies in the fields of energy/environment, cognition/intelligence and electromagnetics
U.K.	Aisin Europe Manufacturing (UK) Ltd.	£ 7,650	100.0	Production and sales of automotive parts (door frames and door latches)
Belgium	Aisin Europe S.A.	€ 97,442	100.0	Import, export and sales of automotive parts and fashion related products (home-use sewing machines, etc.)
	AW Europe S.A.	€ 26,150	100.0	Production of automotive parts (electronic components), repair and rebuilding of ATs and sales of AT components
	AW Technical Center Europe S.A.	€ 13,409	100.0	R&D of automotive parts (ATs and car navigation systems)
Germany	FT Techno Europe GmbH	€ 25	100.0	Reliability testing service
	Aisin AI Europe GmbH	€ 25	100.0	Sales of automotive parts (MTs, etc.)
Czech Republic	Aisin Europe Manufacturing Czech s.r.o.	Kcs 702,000	100.0	Production and sales of automotive parts (timing chain cases, water pumps and oil pumps)
Turkey	Aisin Otomotiv Parcalari Sanayi ve Ticaret A.S.	YTL 15,700	100.0	Production and sales of automotive parts (door frames, outside handles and seat sensors)
Singapore	Aisin Asia Pte. Ltd.	S\$ 50,000	100.0	Import, export and sales of automotive parts, home-use sewing machines and apparel machinery
Thailand	Siam Aisin Co., Ltd.	Bt 880,000	97.0	Production and sales of automotive parts (brake components, timing chain cases and door frames)
	The Siam Nawaloha Foundry Co., Ltd.	Bt 308,000	50.3	Casting and machining of iron casting products
	Thai Engineering Products Co., Ltd.	Bt 85,000	46.1	Machining of iron casting products as well as casting and machining of aluminum products
	The Nawaloha Industry Co., Ltd.	Bt 300,000	60.1	Casting and machining of iron casting products
	Siam AT Industry Co., Ltd.	Bt 240,000	60.1	Machining of iron casting products
	Aisin Takaoka Foundry Bangpakong Co., Ltd.	Bt 475,000	70.1	Casting of iron casting products
	Aisin Takaoka (Thailand) Co., Ltd.	Bt 10,000	100.0	Thailand business strategy, planning, sales and marketing
	SEBT Ltd.	Bt 150,000	100.0	Production of brake pads for automobile
	Aisin AI (Thailand) Co., Ltd.	Bt 784,000	100.0	Production and sales of automotive parts (MTs and gears)
	ADVICS Asia Pacific Co., Ltd.	Bt 40,000	100.0	Sales of automotive parts (brake systems and components)
	Exedy Friction Material Co., Ltd.*	Bt 316,000	33.5	Production and sales of automotive parts (clutch facings)
Indonesia	PT. Aisin Indonesia	Rp 66,000,000	62.7	Production and sales of automotive parts (clutch discs, door latches and door frames)
	PT. AT Indonesia	Rp 55,500,000	56.0	Casting and machining of iron casting products as well as metal forming
	PT. ADVICS Indonesia	Rp 1,272,000	100.0	Sales of automotive parts (brake systems and components)
India	Aisin NTTF Pvt. Ltd.	Rs 105,000	79.8	Production and sales of automotive parts (door frames, door latches and window regulators)
Taiwan	Elite Sewing Machine Mfg. Co., Ltd.	NT\$ 302,000	91.4	Production and sales of home-use sewing machines and automotive parts (door frames and clutches)
	Long Go Industry Co., Ltd.	NT\$ 21,000	100.0	Production and sales of automotive parts (glass guides, lower frames and belt moldings)
	ADVICS Taiwan Automotive Parts Co., Ltd.	NT\$ 16,000	100.0	Development and sales of automotive parts (brake systems and their system components)



Country/Region	Company	Capital (Thousands of local currency)	Ownership (%)	Main Businesses
China	Zhejiang Aisin-Hongda Automobile Parts Co., Ltd.	Rmb 82,847	74.5	Production and sales of automotive parts (water pumps, oil pumps and cylinder head covers)
	Tangshan Aisin Gear Co., Ltd.	Rmb 520,000	97.0	Development, design, production and sales of automotive parts (MTs)
	Tianjin Aisin Automobile Parts Co., Ltd.	Rmb 212,360	98.1	Production and sales of automotive parts (tandem master cylinders and clutch discs)
	Aisin Tianjin Body Parts Co., Ltd.	Rmb 136,800	60.0	Production and sales of automotive parts (door latches, door frames and seats)
	Zhejiang Aisin Elite Machinery & Electric Co., Ltd.	Rmb 30,625	100.0	Development, production and sales of home-use sewing machines and related components
	Hangzhou Aisin INAX Machinery & Electric Co., Ltd.	Rmb 21,520	51.0	Production and sales of shower-toilet seats and auxiliary and related products
	Aisin Seiki Foshan Automotive Parts Co., Ltd.	Rmb 197,902	100.0	Production and sales of automotive parts (crank cases and intake manifolds) and production and sales of die casting molds
	Fengai (Guangzhou) Automotive Seat Parts Co., Ltd.*	Rmb 160,062	49.0	Production and sales of automotive parts (seat backs, seat cushions and seat tracks)
	Aisin Seiki Foshan Body Parts Co., Ltd.	Rmb 95,864	80.0	Production and sales of automotive parts (electric sunroofs and motor housing for power seats)
	Tangshan Aisin Automotive Parts Co., Ltd.	Rmb 371,299	100.0	Production and sales of automotive parts (crank cases, timing chain covers and AT cases)
	Tianjin Feng Ai Automotive Seat Parts Co., Ltd.*	Rmb 133,006	49.0	Production and sales of automotive seat frames, seat adjusters, rails and related parts
	Takaoka Lioho (Tianjin) Industries Co., Ltd.	Rmb 294,760	51.0	Casting and machining of iron casting products
	Takaoka Lioho (Guangzhou) Machinery Industries Co., Ltd.	Rmb 48,701	51.0	Machining of iron casting products
	Tianjin AW Automatic Transmission Co., Ltd.	Rmb 99,739	80.0	Production and sales of automotive parts (RWD ATs)
	AW Shanghai Automotive Parts Trading Co., Ltd.	Rmb 14,534	100.0	Sales of car navigation systems and after-sales service
	Hosei Brake Industry Fuzhou Co., Ltd.	Rmb 22,136	70.0	Production and sales of automotive parts (brake related components)
	ADVICS Tianjing Automobile Parts Co., Ltd.	Rmb 139,697	96.5	Production and sales of automotive parts (brake components) and sales of automotive parts (brake systems)
	ADVICS Guangzhou Automobile Parts Co., Ltd.	Rmb 60,418	95.0	Production and sales of automotive parts (brake components) and sales of automotive parts (brake systems)
	South Korea	AW Korea Co., Ltd.	W 100,000	100.0
Australia	Aisin (Australia) Pty., Ltd.	A\$ 3,000	100.0	Production and sales of automotive parts, export and sales of home-use sewing machines and apparel machinery

Others: six companies \* Equity method affiliates

# Investor Information

As of March 31, 2008  
AISIN SEIKI CO., LTD.

## Stock and Number of Shareholders

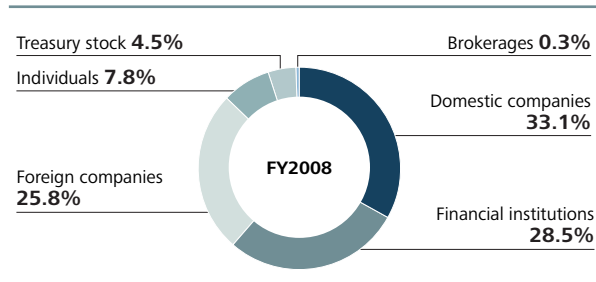
Common Stock	Authorized—700,000,000 shares
	Issued—294,674,634 shares
Stock Listings	Tokyo, Osaka, Nagoya
Ticker Symbol Number	7259
Trading Unit	100 shares
Number of Shareholders	19,019

## Major Shareholders (Top 10)

	Number of shares (Thousand shares)	% of voting shares (%)
Toyota Motor Corporation	65,558	23.3
Toyota Industries Corporation	19,658	7.0
Japan Trustee Services Bank, Ltd.	14,216	5.1
State Street Bank and Trust Company	12,293	4.4
The Master Trust Bank of Japan, Ltd.	11,591	4.1
Nippon Life Insurance Company	7,997	2.8
Trust & Custody Services Bank, Ltd.	6,866	2.4
Towa Real Estate Co., Ltd.	6,344	2.3
Mitsui Sumitomo Insurance Co., Ltd.	5,902	2.1
Sompo Japan Insurance Inc.	5,855	2.1

\* The Company holds 13,197,000 shares of treasury stock.

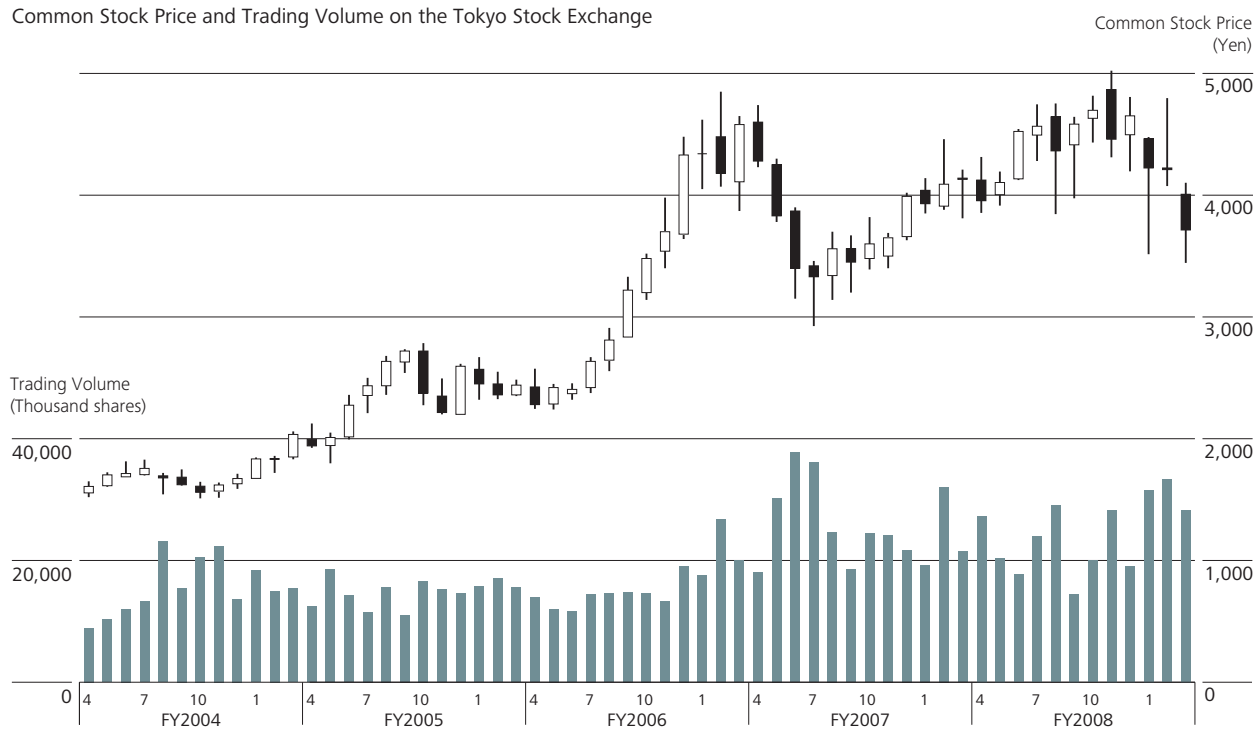
## Distribution of Shares



## Cash Dividends

	FY2004	FY2005	FY2006	FY2007	<b>FY2008</b>
Interim (yen)	8.0	10.0	13.0	16.0	<b>24.0</b>
Year-end (yen)	10.0	14.0	19.0	24.0	<b>36.0</b>
Total (yen)	18.0	24.0	32.0	40.0	<b>60.0</b>

## Common Stock Price and Trading Volume on the Tokyo Stock Exchange



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