

Fiscal 2007 Results of Environmental Activities

Our environmental efforts have been undertaken in accordance with our annual plan, which was developed based on the medium- and long-term plan described in the Fourth Environmental Action Plan (fiscal 2007 through fiscal 2011). In fiscal 2002, all our plants attained zero landfill waste. In fiscal 2003, we achieved our fiscal 2006 target for PRTR*1 substance reduction. In fiscal 2004, we completed the total elimination of VOC*2 customer-prohibited substances. In fiscal 2006, a 99% reduction in waste was achieved. These successful efforts clearly demonstrate that our environmental efforts have brought about solid achievements. In fiscal 2008, the second year of the Fourth Environmental Action Plan, we will continue to work toward further reduction in environmental impacts by setting higher goals.

(1) Ongoing improvements in environmental management system

○ Very good △ Good × Needs more effort (Evaluation is based on company-established standards)
● Refers to challenges for the following fiscal year

Item	Action policy	Results of activities during fiscal 2007	Evaluation
1	Standardize methods to evaluate CO2 reduction throughout entire lifecycle	○ Established method to reduce environmental impacts in markets for gas heat pump air conditioning systems (GHPs) and automotive parts manufactured by AISIN, by using LCA*3 calculation tool (December 2006)	○
2	Quickly collect information on environmental laws and regulations, and enhance communication system	○ Created new register for environmental laws and regulations, and set up a system of periodic review ○ Thoroughly checked compliance with laws and regulations through liaison meetings and workshops, as previously undertaken	○
3	Re-examine and improve overall management system for chemical substances in products	○ Managed substances of environmental concern (SOC) in a consistent manner with 89 Global Automotive Declarable Substance List (GADSL) substances ○ Changed to IMDS*4 registration for surveying method using standardized automotive parts industry material data sheets ○ Started review of SOC assurance system in response to rising management man-hours and black-box parts (November 2006) ● Need to review system due to increasing number of substances requiring management under REACH regulations and more procedures concerning safety evaluations, etc.	○
4	Manage part numbers and thoroughly control usage of secondary materials that do not include SOC	○ Systematically specified secondary materials not containing SOC to relevant departments using such materials at plants ○ Executed established management rules to prevent outflow by using numbers for secondary materials	△
5	Educate Corporate R & D Sector on LCA calculation tool and construct database of 26 product groups	○ Completed LCA for all 31 AISIN products. Selected persons in charge of LCA in Corporate R & D Sector and completed training for 35 individuals ○ Computed LCA of GHPs using new and old models, included a page on environmental efforts in new catalog and strengthened appeal of environmental performance from a marketing perspective ● Continue training on ease of use of calculation system to enhance link with evaluation of a product's environmental impact	○
6	Refine environmental impact assessment to clarify direction of environmental considerations in development stage	○ Revised criteria evaluating environmental impact of products and clarified assessment by separating roles for environmental impact assessment checklist and LCA	△
7	Expand AISIN global standards so they can be used at new bases, and enhance education system	○ Developed a total of 60 standards related to management of environmental facilities ○ Expanded checklist of key and urgent items aimed at zero risk at consolidated companies, with respective companies utilizing this checklist to avoid risk	△
8	Formulate environmental financial indices befitting AISIN's characteristics by benchmarking various procedures (in top 20 of Nikkei Environmental Management Survey)	○ Completed survey of companies with advanced management indices (around 500 companies). Currently establishing indices based on AISIN characteristics in readiness for public disclosure ● Clarify period for disclosure of management indices ○ Ranked 12th in Nikkei Environmental Management Survey through activities aimed at becoming a top environmental player ● Analyze answers concerning making improvements next fiscal year and reflected these in activities	○

(2) Compliance with laws and voluntary standards concerning environment

Item	Action policy	Results of activities during fiscal 2007	Evaluation	
9	Implement optimum preventative action based on analysis of results of systematic environmental measurements (0 cases exceeding legal standards and 0 cases exceeding AISIN standards)	Compliance with laws, regulations and AISIN standards	×	
		<table border="1"> <tr> <td>Laws and regulations (soil, groundwater)</td> <td>1 case exceeding standards</td> </tr> <tr> <td>AISIN standards</td> <td>1 case exceeding standards</td> </tr> </table>		Laws and regulations (soil, groundwater)
Laws and regulations (soil, groundwater)	1 case exceeding standards			
AISIN standards	1 case exceeding standards			
		【Nishio Plant: response to soil, groundwater contamination】 ○Resolved problem using pumping wells, except former plating process region (remaining area completed on April 23, 2007)	△	
10	Implement environmental impact assessments and undertake continuous improvements of facilities during construction and renovation, as well as with regard to equipment, operations, processes and tests	○Implemented activities on a unit basis in sectors and plants	△	
11	Execute environmental activities in basic business operations of indirect departments (designate and implement more than one theme in each department)	○Designated 150 themes at a total of 35 departments and implemented activities aimed at improvement	○	
12	Standardize management items for key environmental equipment and deploy domestically and overseas	○Completed standardization of management items for key environmental equipment, and applied to internal audit - Expanded application to 24 types of key environmental equipment ○Applied from inspection stage at overseas bases and expanded to seven companies including AISIN Tianjin - Extracted 29 key issues and contributed to preventative measures: improvements seen in all but a few areas	△	
13	Systematic treatment of facilities with high levels of PCBs *6	Completed treatment of all 188 units of condensers containing high levels of PCBs	△	
14	Systematic implementation of measures to prevent oil from permeating ground (aim to complete more than eight items)	○Completed underground contamination countermeasures at all 106 sites being implemented since 2003 (Fiscal 2007: 21 sites - Nishio Plant (6), Ogawa Plant (1) and Shintoyo Plant (14))	○	
15	Achieve voluntary targets for products that contain environment-impacting substances in compliance with regulations including the End of Life Vehicles (ELV) and RoHS*5 directives	【Switchover from hexavalent chromium】 ○Japan: Completed switchover in 11,776 out of 11,833 items designated by law (99.5%). With regard to the remaining 57 items, the status of suppliers in switching over is under review to enable delivery of products containing trivalent chromium in order to minimize the amount of outflow ○Overseas: Completed switchover in December 2006 of 453 items (100%) included in production in Europe, ASEAN nations and North America for products subject to European regulations	△	
		【Switchover in accordance with RoHS】 ○Implemented step-wise switchover in sewing machines, embroidering machines and shower-toilet units in response to customer demand ○Agreed on method of maintenance and management of RoHS switchover at Anjo Plant (April 12, 2006) and overseas bases (end of August 2006) ○Gained approval to eliminate meeting system and switch over to daily management at RoHS meeting (September 14, 2006)	○	
16	Develop technology to substitute lead in solders and set up switchover system	○Switched over to lead-free solders in new internally manufactured computers (switchover implementation ratio in all products: 70%) ○Set up project to promote switchover in internally manufactured sensors and actuators. Currently evaluating and identifying substitute technologies (aim to complete switchover by the end of December 2008) ○Currently investigating and consolidating technologies for switchover at suppliers of ASSY purchased parts (approx. 600 part numbers) ●Respond to requests from customers to plan switchover and examine any issues	△	
17	Evaluate lead-substitute technology for bearing bush and free-cutting aluminum	○Promoted formulation of plan to switch to bearings and free-cutting aluminum ○Completed evaluation of substitution technologies for T/P and products, and implemented design changes (40%) ●Comply with plans to change design to enable switchover (July 2007)	△	
18	Identify amount of environment-impacting substances included in products, carry out IMDS*4 registration and submit data to customers (data submission ratio: 100% targeted)	○Expanded IMDS registration and responded to requests to boost accuracy in line with thoroughly checking customers' SOC assurance system - Created database of product substances and constituents purchased via JAMA standard material data sheet - Data submission ratio in line with requests (5,200 cases) from 30 customers: 100% ●Develop systematic SOC management system to enable response to REACH regulations (June 2007)	△	

(3) Promote environmentally friendly technology and product development

Item	Action policy	Results of activities during fiscal 2007	Evaluation
19	Formulate medium-term plan for environment-friendly product development and commence implementation	<ul style="list-style-type: none"> ○ Formulated product plan promoting lighter weight and energy-savings for compact cars and proposed 15 items to customers (targeted five items) ○ Formulated product development scenarios for hybrid vehicles (September 2006) 	△
20	Promote activities in conjunction with Zennihon Bed Association to develop bed recycling recovery system	<ul style="list-style-type: none"> ○ Tested 100 beds by recycling process (pressure furnace) ○ Investigated practical application, confirmed no environmental impact and established resource recycling technology ● Address difficulties in coordinating activities with government agencies to establish working groups 	×

(4) Conserve resources and expand reuse

(5) Minimize consumption and emission of environment-impacting substances

Item	Action policy	Results of activities during fiscal 2007	Evaluation									
24	Promote switchover to low-emission, company-owned vehicles and promote fuel-saving (safety) driving education	<ul style="list-style-type: none"> ○ Promoted switchover to low-emission, company-owned vehicles 	△									
25	Formulate medium-term plan to reduce emissions and waste and commence implementation	<ul style="list-style-type: none"> ○ Formulated medium-term plan for five key items (March 2007) ○ Developed system to reduce emissions and waste mainly for production technology 	△									
26	Clarify cause of emissions through analysis of on-site environmental survey for each type of emission	<ul style="list-style-type: none"> ○ Completed survey of production line for each type of emission in fiscal 2006 (June 2006) ○ Analysed emissions in casting processing line for five products with a high degree of emission particulate matter (total emissions: 80%) 	△									
27	Reduce waste including recycling provided by inverse onerous contract (less than 4,975 tons of waste + inverse onerous contract recycling amount)	<ul style="list-style-type: none"> ○ Achieved target at all companies by systematic separation and investigating possibility of sale - Expanded dismantling and sale of plastic gates (Handa, Kinuura Plants) ● Clarify definition of waste and increase industrial waste in line with plant transfer (Kinuura, Handa, Shintoyo, Ogawa, Shinkawa plants, etc.) 	○									
28	Reduce packaging by boosting container efficiency (1. Packaging as a unit of sales to less than 2.94 tons/ ¥100 million; 2. Packaging to less than 6,265 tons)	<ul style="list-style-type: none"> ○ Reduced packaging consumption by boosting container efficiency All items: 290 items, 95 tons Larger containers: 85 items, 33 tons Miniaturization: 29 items, 10 tons 	○									
29	Reduce general waste by enhancing common separation and recovery rules	<ul style="list-style-type: none"> ○ Thoroughly implemented separation by clarifying definition of waste ○ Systematically conducted recovery and sale of sorted paper 	△									
30	Set objectives to swiftly reduce VOC in key coating processes by 30% (VOC emissions: less than 385 tons, PRTR*1 emissions: less than 110 tons)	<ul style="list-style-type: none"> ○ Project achievement of targets through activities to reduce VOC and raise coating efficiency at plants, coupled with liaison meetings related to environment-impacting substances 	○									
31	Evaluate soil contamination and formulate countermeasures at sites to preserve assets (Assess all sites: 60 in Japan, 33 overseas)	<ul style="list-style-type: none"> ○ Japan: Promoted internal production (purchased drilling equipment, implemented sampling and analysis in-house) <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Japan</th> <th>Overseas</th> </tr> </thead> <tbody> <tr> <td>Sites</td> <td>60</td> <td>33</td> </tr> <tr> <td>Completed survey</td> <td>47</td> <td>6</td> </tr> </tbody> </table> <ul style="list-style-type: none"> ● Nishio Plant: Delayed progress due to soil and water contamination countermeasures 		Japan	Overseas	Sites	60	33	Completed survey	47	6	×
	Japan	Overseas										
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32	Introduce water recycling technology at new plants and when restructuring existing plants (water recycling rate: over 70%)	<ul style="list-style-type: none"> ○ Proposed recycling system for discharged water at AISIN Hokkaido Plant (Target: 90% recycling) ○ Introduced recycling system for discharged water at Fujioka Proving Ground (Target: 12% achieved in March 2007) ● Address issue of developing operational plans yielding low running costs 	○									

(6) Pursue environmental management through close information sharing between suppliers and consolidated

Item	Action policy	Results of activities during fiscal 2007	Evaluation
33	Review green procurement standards in response to new environment and social changes, and enhance supply chain	○Reviewed green procurement standards, centered on strengthening of chemical substance management, and issued guidelines in August 2006 (published on AISIN website in September 2006)	△
34	Develop AISIN consolidated environmental management and expand to overseas bases	<ul style="list-style-type: none"> 【Activities at domestic production subsidiaries (7 companies)】 ○Launched new liaison committee (March 2007) ○Strengthened reporting system and enhanced communication 【Domestic non-production subsidiaries (7 companies)】 ○Expanded number of participating companies (6⇒7) ○Promoted environmental activities making effective use of industry and business characteristics (March 2007) (North America (27 companies)) ○Completed cross development of common themes and changeover to targeted management system (March 2007) (China) ●Complete analysis of inspection results. Proposal of plan to develop system to be delayed 	△
35	Audit suppliers' environmental management and provide guidance in weak areas	<ul style="list-style-type: none"> ○Provided guidance on how to establish an environmental management system to new suppliers ⇒ Implemented at 17 companies, and completed establishment at all 17 ○Confirmed establishment of environmental management system at AISIN companies checked for conformance, conducted inspection and provided guidance ⇒ Implemented at 41 companies, and adapted at all 41 ○Inspected and provided guidance on environmental risk management aimed at preventing environmental accidents ⇒ Implemented at 24 companies, and adapted at all 24 	△
36	Provide guidance on environmental management system aimed at ISO acquisition at new production bases, and initiate implementation (ISO14001 system package development)	○Provided guidance to 13 companies yet to acquire certification	△

(7) Actively report on environment and promote education and corporate citizenship activities

Item	Action policy	Results of activities during fiscal 2007	Evaluation
37	Issue AISIN Report for environmental and CSR activities	○Integrated Sustainability Report with Annual Report to enhance CSR report requirements (economic, environmental, social perspectives) and issued on July 26, 2006. Reduced number of pages and expanded environmental section on website	○
38	Expand efforts to implement environmental backyard tours ("October 2006)	○Planned and conducted environmental backyard tours of the environmental facilities of the Kariya Plant. A total of 10 organizations and 257 people participated during the year, and the Company' s environmental activities were highly evaluated	○
39	Promote mutual understanding via exchange meetings with stakeholders such as local residents and environmental NPOs	Worked to enhance exchange with local community through regional roundtable discussions (five times, 113 people in Nishio, Anjo, etc.) and exchange meetings with environmental NPOs (six times, 102 people)	△
40	Develop environmental education program for local children (Anjo, Yahagi river)	○Planned and promoted environmental education program for local youth: a total of 19 courses were held at five schools, with 876 participants. In addition, around 700 participants, including parents and children, participated in an "Eco Talk Session" held in February	○

(8) Increase level of information provided to employees and enhance external disclosure

Item	Action policy	Results of activities during fiscal 2007	Evaluation
41	Raise environmental awareness through presentations and roundtable discussions in which people with little knowledge of the environment can also participate	○Held special roundtable discussion on the environment under the theme of vitalizing environmental activities in the Yahagi river basin area (219 participants), gathered proposals on how to make the home more environmentally friendly (226 concepts), held presentations on energy conservation (105 participants), and included a special feature on the environment in in-house magazine	△

Notes:

1. PRTR (Pollutant Release and Transfer Register): A system for reporting the discharge and flow volume of chemical substances legally recognized as having an environmental impact

2. VOC: Volatile Organic Compounds

3. LCA (Life Cycle Assessment): A method for assessing the total environmental impact and load of products from material extraction to production, distribution, use and disposal

4. IMDS (International Material Data System): A material data system used by the automobile manufacturing industry to manage all materials used in the production of automobiles

5. RoHS (Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment): Regulations enacted by the European Union on July 1, 2006 for limiting the use of specific toxic substances used in electrical and electronic equipment. The regulations were enacted to decrease environmental load during burial and incineration of products after use and prevent the use of toxic substances in recycled materials, targeting lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyl (PBB) and polybrominated diphenyl ether (PBDE).

6. PCB (Polychlorinated Biphenyl): PCBs were once used in a variety of applications due to their chemical stability and superb electrical insulation properties, but have since been banned for their carcinogenic and other harmful effects. PCBs have also been recently discovered to be an endocrine-disrupting chemical.