

# Management Policy

## **1. Basic Management Policy**

AISIN sets its Corporate Principles as “Quality First.” AISIN aims to offer products and services that customers would satisfy by the following principles: enhanced value creation, continuous global growth, harmony with society and nature, and individual creativity and initiative. Additionally, through these policies, AISIN enhances its corporate value and contributes to stakeholders such as shareholders, regional societies, business partners, and employees.

## **2. Basic Policy on the Distribution of Profits**

Based on its policy of maintaining stable dividends, AISIN returns profits to shareholders taking into consideration a comprehensive range of factors that include the Group’s business results and its payout ratio.

As earning retention, in order to secure shareholder’s profit, AISIN is planning to promote its business in Japan and overseas and to invest to strengthen company’s growth.

## **3. Medium-to Long-Term Management Strategies and Countermeasures**

AISIN utilizes its technology and various types of products to grow in Automotive Related Business and to create new businesses in Life & Energy Related Business.

Therefore, AISIN aims to increase the market share in Japan and overseas, in Automotive Related Business concerning mainly on Drivetrain Related, Brake & Chassis-Related, Body Related, and Engine Related. In tandem, AISIN focuses on developing System Products concerned with environment, safety and comfort, etc. Furthermore, AISIN proceeds globalization of business by expanding production in North America, China, Asia, Australia and Europe. Also, concerning Life & Energy Related Business, AISIN provides services and develops new products that meet people’s demand on living.

AISIN sets its management goal to 10% of ROE (Return On Equity) managing to be competitive in the market and to improve efficiency of capital.

#### 4. Matters concerning the Parent Company and other entities

##### (1) Trade Name and other items related to the Parent Company and other entities

(As of Sep. 30, 2006)

Parent company and others	Attributes	Percentage of voting rights held by parent company and others (%)	Stock exchanges on which share certificates issued by the parent company are listed
Toyota Motor Corporation	The relevant other company when a listed company is an affiliated company of this other company	23.16 (0.12)	Tokyo stock exchange Osaka securities exchange Nagoya stock exchange Sapporo securities exchange Fukuoka stock exchange New York stock exchange London stock exchange

Notes: The figure shown inside the parenthesis indicates the percentage of indirectly held voting rights among all voting rights held by the parent company and others.

##### (2) Matters concerning Transactions with the Parent Company and other entities

FY2007 Half year (Apr. 2006 through Sep. 2006)

Details of affiliation		Transaction details	Transaction amount (Million Yen)	Category	Half year-end balance (Million Yen)
Concurrent post of directors (The number of people)	Business affiliation				
Concurrent posts: 1 Employment transfers: 3	Sale of products of Aisin Seiki Co., Ltd.	Sale of Auto Parts and others	159,060	Trade Accounts Receivable	42,535
		Purchase of material of Auto Parts	9,869	Trade Accounts Payable	3,592

Notes 1 : Aisin Seiki Co., Ltd. decides terms and conditions of transaction same as general terms and conditions through price negotiation in every term after showing our hope price based on consideration for market price and total cost.

Notes 2 : There are no matters in "details of affiliation" and "transaction details" mentioned above that would restrict the Company's independence.

Notes 3 : There are no monetary loan debit and credit relationships, guarantee or warranty relationships.