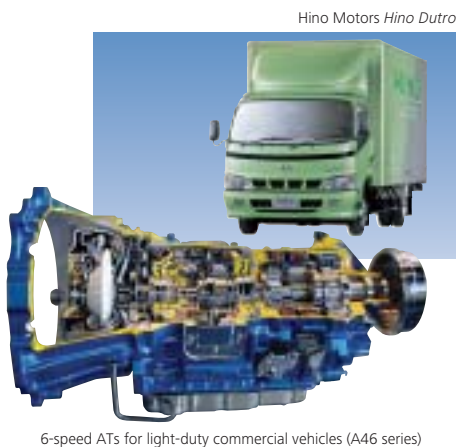


## Drivetrain Related Products

In the fiscal year under review, net sales for the drivetrain related products segment increased 14.1% to ¥768,684 million (US\$7,158 million). The driving force behind this growth was robust sales of ATs at Aisin AW and MTs at Aisin AI. AISIN held onto its position as the leading global AT manufacturer with total annual sales of 4,290,000 units.



### ● Maintaining the World's No. 1 Market Share in ATs as a Specialty Manufacturer

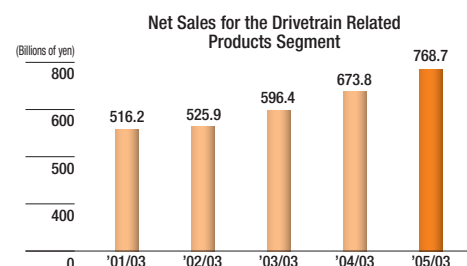
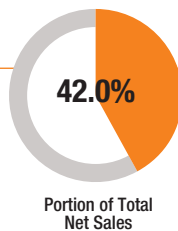
During the term, the drivetrain related products segment experienced drastic changes in the markets in which it operates, as reflected in such trends as the shift toward greater fuel efficiency and emphasis on ease of driving. Against this backdrop, the proliferation in the variety of drivetrains available in the market continued unabated, including multi-step transmissions, continuously variable transmissions (CVTs), automated manual transmissions and hybrid-driven systems. To rapidly meet this diversification in market needs, AISIN is undertaking technological development ahead of the times and aggressively expanding sales to the world's automotive manufacturers. AISIN is preserving its No. 1 global market share as a specialty manufacturer of ATs, while striving to become the world's No. 1 manufacturer in all fields related to drivetrains.

### ● Meeting the Demands of Customers of the World by Acquiring Trust within the Global Market

In the fiscal year under review, AISIN expanded its product lineup in FWD 6-speed ATs and RWD 6-speed ATs and expanded sales to global automobile manufacturers. Aisin Seiki developed and released the A46 series of the world's first 6-speed ATs for light-duty (2-4t) commercial vehicles. The A46 series improves handling and fuel efficiency by employing a newly developed lock up torque converter, and is now incorporated in the Toyota *Dyna* and *Toyoace*, Hino Motors *Hino Dutro* and Mitsubishi Fuso *Canter*.

Aisin AW expanded its lineup with the addition of the TB-65SN small-capacity RWD 6-speed to the series of 6-speed ATs for passenger vehicles. With this addition, the series offers products for both FWD and RWD vehicles ranging from compact to large size, as well as a wide range of torques and capacities, to cover a broad range of vehicle types. In fiscal 2005, the 6-speed AT was newly adopted in such FWD vehicles as Ford's *Mercury Montego* and *Five Hundred*, Volvo's *XC90*, Peugeot's *C5*, BMW's *Mini Cooper* and Mazda Motor Corporation's *Mazda 6*, and in such RWD vehicles as the Toyota *Mark X*.

The crucial challenge for ATs is not only to perform flawlessly but also to perfectly fit the engine and body of manufacturers' automobile models. For this reason, AISIN has established technical centers in Japan as well as the United States and Europe to provide a global structure that can rapidly adapt to the demands of customers worldwide. AISIN aims to use this structure as a platform for further business expansion in global markets.



For use on high-powered, high-torque vehicles, AISIN AI developed the RR 6-speed MT (SP6) that offer sporty handling through comfortable and responsive shifting, and is currently installed on the Porsche *911 Carrera*. As a result of expanding the lineup for 6-speed MTs and working to expand sales in Japan and abroad, high-capacity FWD 6-speed MTs (BG5) are now incorporated in the Toyota *Avensis* and Mazda *Atenza*. Additionally, the Toyota *Tacoma*, GM Holden *Commodore* and GM *Cadillac CTS* have been fitted with the AY6 RWD 6-speed MT employing the world's first output-reduction system.

In its role as a drivetrain specialty manufacturer, AISIN is also aggressively developing environmental next-generation drivetrain systems, including CVTs, automated manual transmissions and hybrid-driven systems. AISIN's CVTs are compact products that employ control technologies developed through the Group's AT business to ensure both higher fuel efficiency and accelerating performance at the optimum transmission gear ratio, and were initially supplied to Toyota for the *Vitz*. Automated manual transmissions, which are experiencing increasing demand in the European market, have been newly adopted for the Toyota *Corolla* (European model) and Suzuki Motors *Suzuki Swift* (European model). AISIN also developed the proprietary hybrid drive (HD-10) "dual system" that simultaneously controls both the motor for power generation and for the drivetrain for use in the Ford *Escape Hybrid*.

As demonstrated above, AISIN is working to develop a full lineup of products in the drivetrain related field, including 6-speed ATs, CVTs and hybrid drive systems, which are undergoing greater diversification and technological advancement in order to meet market needs. Concurrently, AISIN is building an unparalleled foundation of technologies and expertise, reinforcing technological development and augmenting its supply structure.



RWD 6-speed MT (SP6)

Suzuki Motors *Suzuki Swift* (European model)



Automated manual transmission

## Brake & Chassis Related Products

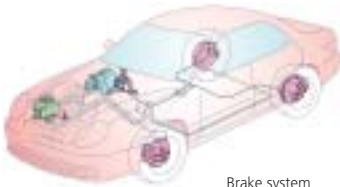
In the fiscal year under review, net sales for the brake and chassis related products segment increased 8.5% to ¥372,045 million (US\$3,464 million). Key factors for the increase were strong sales of ADVICS brake systems and brake components both in Japan and abroad.

Toyota Hilux Surf



Hydraulic booster

Toyota IMV Hilux VIGO



Brake system

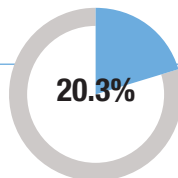
### ● Technological Development Targeting Safety and Reliability

Developing more next-generation safety features in the brake and chassis related products segment, which handles some of the most crucial functions of automobiles, will increasingly require improving performance in various components and developing technologies as total systems that offer integrated control. For that reason, while raising its technological level to an unmatched worldwide level through electronic controls, automobile testing and other technologies, AISIN is also working to develop safer, more reliable systems products for ABS, brake assist, traction control systems (TCS) and electronic stability controls (ESCs), with the aim of becoming the top worldwide supplier in brake and chassis related fields.

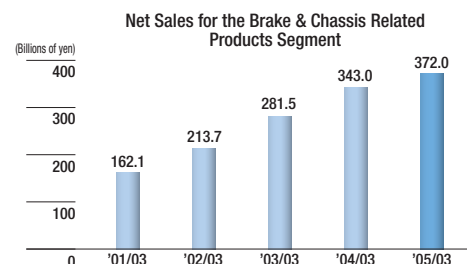
### ● Expansion of Business as a Brake System Supplier

During the fiscal year under review, ADVICS developed a new hydraulic booster with ABS, ESC and TCS functions with a unified electronic control unit (ECU) that offers superb brake performance through high output and responsive control, and is currently installed on the Toyota *Hilux Surf*, *Tundra* and *Tacoma*. Moreover, ADVICS combines such brake components as hydraulic boosters and opposed calipers to offer optimal brake systems tailored to the characteristics of vehicles. In fiscal 2005, ADVICS expanded trade in brake systems, which are now installed on the Toyota *Vitz* and the *IMV Series*.

Amid advances in computer-aided brake systems, ADVICS will bolster development of such high-performance brake systems as brake systems that coordinate with pre-crash safety systems and regenerative brakes for hybrid cars, and develop new markets for pioneering brake and chassis systems in aiming to achieving a greater level of safety performance.



Portion of Total Net Sales



## Body Related Products

In the fiscal year under review, net sales for the body related products segment rose 11.1% to ¥317,992 million (US\$2,961 million). Key factors for the increase were robust sales for Aisin Seiki's functional parts for power sliding door systems, occupant weight sensors and seat adjusters.



Toyota Porte

Wider passenger-side sliding door system



Toyota Scion tC

Panoramic roof

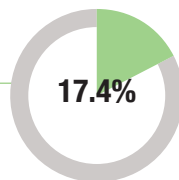
### ● Product Development Stemming from the Diverse Needs of Users

In the body related products segment, user needs have diversified in such areas as safety, comfort, convenience, aesthetics and user-friendliness. In anticipation of future needs, AISIN aims to employ a wide array of accumulated mechatronic and electronics technologies to introduce new and valued products that reflect the varied needs of users and in turn expand business in the global market.

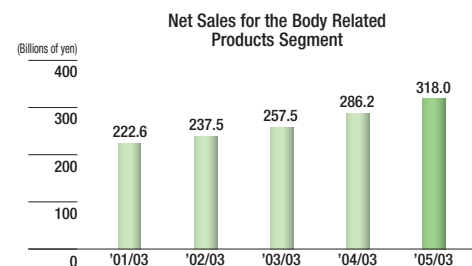
### ● Creating Markets with User-friendly Products

During the fiscal year under review, AISIN released functional parts for a wider passenger-side sliding door system, panoramic roofs and power trunk lids as new-concept products that offer comfort and user-friendliness. The wider passenger-side sliding door system enables passengers to enter and exit freely from one sliding door from both the passenger seat and rear seats. In combination with the passenger seat long-sliding structure, the design ensures a wide opening for easy entry and exit even on compact vehicles, and is currently used in the Toyota *Porte*. The panoramic roof is a glass sunroof covering the entirety of the roof and is supplied to Toyota for its *Scion tC* (North American model) as a product that offers superb design and openness. The power trunk lid is a system that opens and closes trunk lids using an electrical switch, and is installed on the Toyota *Crown Majesta* as a very user-friendly product akin to the power sliding door and power back door systems.

In this way, AISIN aims to develop user-friendly products ahead of the competition that stress greater comfort, convenience and safety, thereby expanding its market-creation business.



Portion of Total Net Sales



## Engine Related Products

In the fiscal year under review, net sales for the engine related products segment rose 13.0% to ¥173,649 million (US\$1,617 million). The major driving force behind this increase was strong sales growth in Japan and abroad for Aisin Seiki's engine front modules and other aluminum components, as well as Aisin Takaoka's exhaust manifolds.

Toyota Crown



Engine front module

Nissan Tiida



Compact dual stainless steel exhaust manifold

### ● Development of Key Technologies to Improve Fuel Consumption, Output and Gas Emissions

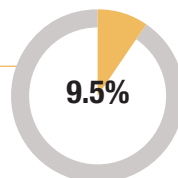
In the engine related products segment, fuel consumption and exhaust emission regulations have grown more stringent in numerous countries around the globe, encouraging a variety of measures by industry leaders toward promptly lowering automobile emissions and raising fuel efficiency.

AISIN handles a wide variety of engine peripherals and cast components and employs elemental technologies in the active development of crucial technologies that raise fuel efficiency, boost output and reduce emissions. This includes variable valve timings (VVTs), which contribute to a reduction in emissions, as well as stainless steel exhaust manifolds, which help to reduce weight and lower emissions.

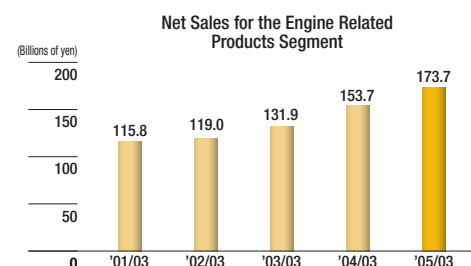
### ● Reducing Engine Weight to Bolster Competitiveness

In the fiscal year under review, Aisin Seiki commercialized an engine front module that realizes lower vehicle weight and reduced costs. This product is a module system that combines the timing chain cover in front of the engine with such functional components as water pumps and oil pumps to reduce engine weight, and is currently equipped on the Toyota Crown. Aisin Takaoka developed the compact dual stainless steel exhaust manifold that provides both low engine emissions and high output for the Nissan Tiida. This manifold dramatically reduces weight by switching from iron to stainless steel, and is contributing to complying with Japan's 2005 regulations, which are the most stringent emissions standards in the world.

By approaching the engine business in this holistic way, AISIN aims to develop technologies that contribute to greater fuel efficiency and lower emissions, as well as expand its lineup of competitive products from the level of components to modules. Similarly, AISIN will redouble efforts at developing core technologies in fuel cell units and control devices to constantly keep pace with the technological innovations taking place in fuel cell-powered automobiles, which are the most common symbol of "clean energy" automobiles.



Portion of Total Net Sales



## Information Related Products

In the fiscal year under review, net sales for the information related products segment jumped 49.7% to ¥113,609 million (US\$1,058 million). The key factor for this performance was strong sales growth in car navigation systems at Aisin AW and the parking assist system of Aisin Seiki. AISIN held onto its position as the leading global car navigation system manufacturer with total annual sales of 800,000 units.



Car navigation system

### ● Advances in ITS Lead to Expansion of Business Opportunities

The range of business opportunities in the information related products and services segment is expanding rapidly as advances in intelligent transport systems (ITS) and interfaces between automobiles and peripheral IT devices make unprecedented levels of safety and convenience possible.

AISIN employs cutting-edge technologies in such fields as electronics and image processing in its aggressive drive to develop new car navigation systems and various information related devices and systems, and hence, to contribute to the creation of unrivaled levels of added value.

### ● Expansion of Sales for Car Navigation Systems

Among these activities, the Group launched three navigation systems in overseas markets during the term. AISIN began supplying car navigation systems to Audi in Europe, to GM in collaboration with Delphi Corp. in North America, and to Volkswagen in collaboration with Fujitsu Ten Limited in China. Since the need for such systems is rising in both the Japanese and overseas markets, AISIN is working to expand sales by ramping up marketing activities in global markets.

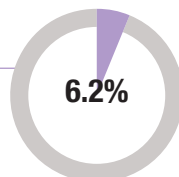
"Intelligent Parking Assist," which represents a major step forward in parking assist systems and was first installed worldwide on the Toyota *Prius* and most recently on the Toyota *Mark X*. During back-in and parallel parking, this system enables automatic steering via on-screen control using automated vicinity safety checks and braking control.

AISIN is augmenting peripheral systems that employ imaging processing technology through the medium of car navigation systems in an effort to expand business in information related fields.

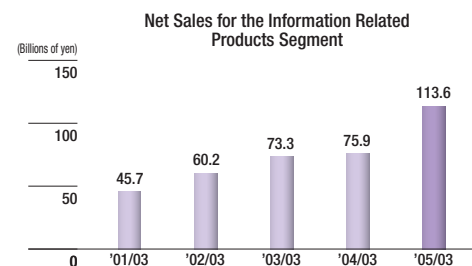
Toyota Mark X



Intelligent Parking Assist  
(jointly developed with Toyota)



Portion of Total Net Sales



## Casting Related Products

The casting related products segment handles the processing of component parts for AISIN's products utilizing aluminum die casting, iron casting, plastic molding and pressing. AISIN's aggressive technological and production method development in this field plays an important role in raising the competitiveness of the Group's products, in particular, and the added value available within the Group as a whole.

Specifically, Aisin Takaoka is responsible for iron casting, Aisin Chemical for plastic molding and chemical products, Aisin Keikinzoku Co., Ltd. for aluminum die casting and extrusion, and Aisin Seiki for both parts pressing and aluminum die casting.

(Net sales are included in the sales for automobile related segments.)

Toyota Vitz



Bumper reinforcement employing die quenching process

### ● Aggressively Introducing New Technologies

The casting related products segment is faced with the difficult challenge of ensuring product functionality, performance and strength aimed at achieving greater compactness, lower vehicle weight and lower costs. AISIN is actively capitalizing on its strengths in a wide range of casting technologies to aggressively introduce new technologies through materials substitution, new processes and new materials.

### ● Developing New Processes and Materials

In the fiscal year under review, Aisin Takaoka developed a bumper reinforcement employing a die quench process that offers lower weight and costs, and is incorporated in the Toyota Vitz. The die quench process is a method of simultaneously pressing and quenching heated sheet steel to ensure strength comparable to high-tension sheet steel, while also realizing lower costs and reduced vehicle weight as well as more ably conforming to the car body.

In addition, Aisin Chemical has expanded sales for a newly developed structural adhesive, which is employed in the Toyota Vitz, Prius and Wish. This adhesive uses an epoxy resin that offers powerful peeling strength, and contributes to lower weight due to its ability as a replacement material in spot welding. The resin also contributes to improved design by minimizing deformation from bonding.

Products manufactured utilizing aluminum die casting, aluminum extrusion, magnesium die casting and iron casting are central to the casting related products segment. These products are used as the components of mainstay products such as engine peripherals, transmissions, brakes and chassis, and bodies, and are sold both in Japan and overseas in such forms as cylinder head covers, transmission cases and bearing caps.

Toyota Wish



Structural adhesive

## Life Related and Other Products

In the fiscal year under review, net sales for the life related and other products rose 14.4% to ¥83,086 million (US\$774 million). The largest contributing factor was sales growth in gas engine driven heat-pump air conditioners (GHPs).



Gas engine driven heat-pump air conditioners (GHPs)



Super Flex Fit UX Mattress



Residential fuel cell cogeneration systems (jointly developed with Toyota)

### ● Expanding Business with Valued Products

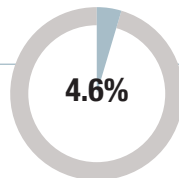
The Life Related and Other Products Business handles GHPs, gas engine cogeneration systems, beds, furniture, shower-toilet seats, sewing machines, remodeling services, nursing care and welfare related products. Amid changes in the fabric of society, including concerns over environmental issues and the aging of society, the need for energy conservation and a healthy and comfortable lifestyle, will play an increasingly prominent role. In relation, AISIN will pursue business expansion by providing valued products that anticipate such needs of our customers and society.

### ● Expanding Overseas Sales of GHPs

In the fiscal year under review, AISIN concentrated heavily on developing new products to draw out new user needs amid a languishing market. With shower-toilet seats, AISIN developed a new seat narrow enough to be installed in tight spaces through a compact design that removes the control panel on the side of the seat. In bed products, AISIN released a “Super Flex Fit UX Mattress” that provides a soft, comfortable sleeping and waking experience through the addition of a soft urethane to the pliable elastomer blocks, which supports a smooth turnover in bed.

Amid rising sales of GHPs overseas, top share was acquired in the South Korean market, in particular, owing to efforts to expand sales among schools and the private sector. The gas engine cogeneration system, which was developed by leveraging GHP technologies, employs a gas engine and electric generator for the provision of electricity and hot water. AISIN is marketing these systems to small- and medium-size facilities and stores as a highly efficient, multi-source energy generation device.

To build products that are more environmentally friendly, AISIN is working to develop a residential fuel cell cogeneration system and die-sensitizing solar batteries that will become the next generation gas engine cogeneration system.



Portion of Total Net Sales

