

Corporate Social Responsibility

Working with Various Stakeholders

Aiming to form a sustainable society, AISIN has established corporate ethics and is creating a safe and secure working environment. Additionally, by establishing a dedicated corporate citizen activities department, AISIN aims to improve employees' social contributions and further expand their activities.

As a member of society, we need to work with a range of people in order that we can develop. Carefully listening to the opinions of various stakeholders*, engaging in dialogues, making improvements, and in the event of problems, making serious efforts to resolve these are all duties of a responsible company that is looking toward the future. We will continue to listen to the opinions of all our stakeholders.



* Stakeholders: All parties with an interest in the Company. In addition to employees, consumers and shareholders, this also includes local communities.

Corporate Social Responsibility

Customer Relations

Based on "Quality First," AISIN makes every possible effort to produce appealing products that satisfy our customers. At every step from product planning through to sales and service, we have clear assurance standards in order to conduct Total Quality Management (TQM) and provide high quality products. We obtained ISO 9000/QS 9000 certification in 1997. Moreover, we constructed a global quality control system for all consolidated production subsidiaries and acquired ISO/TS 16949 certification in 2003 ahead of competitors.

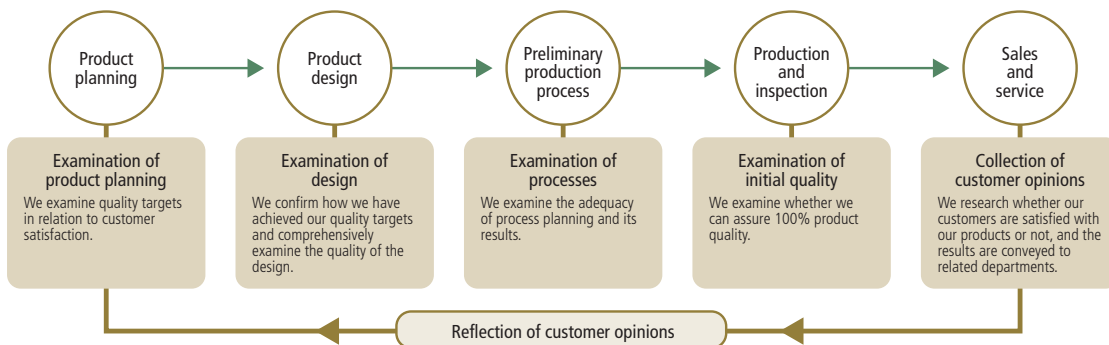
Quality Assurance in the Processes of Development and Design

In the development and design stage, we conduct investigations into planning and design, where necessary, based on the quality system. In order to ensure design quality, we conduct a full range of reliability tests, and AISIN carries out testing and evaluation of both components and whole vehicles, including under actual conditions in which they will be used.

Quality Assurance in the Production Process

The preliminary production process examines the effectiveness of process planning and its results. In mass production, after using initial testing to confirm that we can assure 100% product quality, we maintain and manage the product manufacturing process using the Toyota Production System that includes its "just in time system" and automation, and also manage processes using different quality control methods.

Flow of Quality Control System



Reflecting Requests from Customers in Product Development

In the welfare equipment segment, product developers obtained home helper certification and conducted field studies to acquire knowledge. They then incorporated these experiences into the new "JUST BELLGRAND" bed series and "BELLETT" portable toilet series, which were released into the market in March 2006. Following their release, evaluation from monitoring research and feedback from welfare equipment exhibits held three times a year are then integrated into future product improvements.



"JUST BELLGRAND" and "BELLETT"

Repeated Stringent Testing for Ensuring Reliability



Sled-testing equipment that conforms to the latest regulations recreates both low- and high-speed crashes.



Radio anechoic chamber evaluates the influence of electromagnetic waves ranging from low to high frequency zones on electronic devices.

First Annual AISIN Global QC Circle Conference

In September 2005, AISIN held the First Annual AISIN Global QC Circle Conference under the slogan of "Expand the circle of QC activities throughout the world and build a sense of fellowship." Roughly 65 participants from 21 overseas production companies made presentations on their activities and successfully forged stronger ties.

Assessing the Quality of Measures

The AISIN Group prioritizes a variety of quality-related activities under its Corporate Principles based on "Quality First." Aisin Seiki was ranked 19th among 528 leading Japanese manufacturers (and 239 valid responses) by *Nihon Keizai Shimbun* and the Union of Japanese Scientists and Engineers in their Second Annual Company Quality Management Survey.

Also, Hosei Brake Industry Co., Ltd. was awarded the Deming Application Prize in October 2005 for its activities to improve quality management.

Recognition outside the Company

Name of Award	Presenter	Recipient
Excellent Quality Award	Toyota Motor Engineering & Manufacturing Europe SA/NV (TMEM)	Aisin Europe Manufacturing (UK) Ltd.
Superior Delivery Supplier Award	Toyota Industries Mercosur Ltda. (TIM)	Aisin do Brasil Com. e Ind Ltda.
Excellent Quality Award	Toyota Motor Manufacturing Turkey, Inc. (TMMT)	Aisin Otomotiv Parçaları Sanayi ve Ticaret A.Ş.
The Superior Award for Product Quality	Toyota Motor Manufacturing North America, Inc. (TMMNA)	Aisin Electronics, Inc.
The Excellent Award for Product Quality and Delivery	Toyota Motor Manufacturing North America, Inc. (TMMNA)	Aisin Automotive Casting, LLC
Excellent Quality Award	Toyota Motor Corporation, Housing Group	Aisin Seiki Co., Ltd.

Corporate Social Responsibility

Community Involvement (Corporate Citizenship Activities)

Harmony between Society and Nature

In order to be a company that is caring toward people, society and the earth, we are voluntarily conducting corporate citizenship activities closely tied to local communities under the slogan of "Be With (Living Harmoniously Together)," to inspire each employee to fulfill his or her social responsibility as a respected corporate citizen.

Our corporate citizenship activities comprise three important areas: community building and development; protection of nature and the environment; and fostering of youth. We are carrying out a broad range of activities, and have made significant achievements in each of these areas. Our aim is to be a good corporate citizen.



■ Community Building and Development

● AISIN Fureai Fair

The AISIN Fureai Fair was held to promote employee volunteer activities and interact with local citizens. Employees joined with residents to enjoy such entertainment as a brass band concert from the local Karigane Elementary School.



● All AISIN NPO Activity Support Fund

The All AISIN NPO Activity Support Fund effectively utilizes profits from the annual All Aisin Charity Concerts in order to actively support regional organizations such as non-profit organizations (NPOs). In fiscal 2006, the eighth year of the concert, 10 institutions received funds totaling ¥2 million.



● Donation of Vehicles and Products

Aisin Seiki celebrated its 40th anniversary by donating vehicles to the 10 municipal governments situated near its domestic production bases. Moreover, the Company donated its products, including electric wheelchairs, to 22 local organizations and NPOs.



Topics

● Recipient of *Furusato-zukuri* Awards' Organizer's Award

Aisin Seiki received the Organizer's Award in the Corporate category of the *Furusato-zukuri* ("Hometown Building") Awards for its support of the NPO Nishi Mikawa Home Care Center. The award is sponsored by the Association of Creating Future Japan and the *Yomiuri Shimbun* and awarded to institutions and companies that engage in creating a comfortable local community using innovative new ideas.

The Nishi Mikawa Home Care Center was established through collaboration with a local civic group in Kariya City to provide home care services. Aisin Seiki received the award for its activities to support home care services through enhancing the center's facilities.



● Recipient of "Nice Support Award"

Aisin Seiki was awarded the "Nice Support Award," one of the One More Life Worker Volunteer Awards, by the Ministry of Health, Labour and Welfare. The award is given to companies that support volunteer activities among their employees, provide a worker-friendly environment and strive to promote communications with the local community.

Aisin Seiki was given the award in respect for its support of communities via its All AISIN NPO Activity Support Fund as well as a wide range of support activities that enable employees to participate in volunteer activities.



40th Anniversary Activities

Aisin Seiki, which celebrated its 40th anniversary in September 2005, wished to express its gratitude to the areas that supported its business by donating vehicles and products as well as pursuing corporate citizen activities involving all employees that are closely tied to the communities of each of its major 13 bases in Japan.

<Corporate Citizen Activities at Key Domestic Bases>

●Nishio Body Components Plant

Working with an environmental volunteer group, employees at the plant cleaned up both the area around the plant as well as along the neighboring arterial highway, thereby deepening relations with the local community.

●Shintoyo Plant

The Shintoyo Plant invited local children for a factory tour and *mono-zukuri* class.

●Corporate R&D Division

The Corporate R&D Division has year-round exchanges with persons with disabilities through such activities as invitation to sponsored events and soccer workshops.



Protection of Nature and the Environment



● "Aisin Children's Forest" Project

In the northern part of Thailand, where deforestation continues, AISIN employees and local Thai children teamed up to plant trees. Over a five-year period beginning in fiscal 2005, the project aims to plant 60,000 trees encompassing approximately 45 hectares.

● Aisin Forestry Project

We are working with local residents to rebuild a forest that includes the source of the Yahagi River in Neba Village in Nagano Prefecture through tree thinning and other activities, as well as planting trees around the fifth station of Mt. Fuji.

● Parent Child *Wanpaku* Exploration Group

We conduct a variety of nature-oriented activities year-round in Neba Village so that parents and children can appreciate environmental conservation by having an opportunity to experience the great outdoors.



Fostering of Youth



● Aisin *Mono-zukuri Hiroba*

We held the fourth Aisin *Mono-zukuri Hiroba* ("Making Things Plaza") in which local children learn the basics of science by experiencing the joy of creating. This year, the children learned about centrifugal force and made a cotton candy kit.

● Environmental Lectures at Local Elementary Schools

Over the course of six months from April 2005, we held environmental lectures with hands-on demonstrations as learning experiences for local elementary school students.

● Invention Club

Employees and AISIN engineers use their accumulated technical skills to show local children the fun and fascination involved in *mono-zukuri*.



Overseas Base Activities

● Volunteering for Building a Park

Aisin Drivetrain, Inc. in the United States donated funds for the development of a local park, and many employees volunteered to set up play equipment.



● AISIN Scholarship System

Aisin Mfg. Illinois, LLC in the United States donated \$10,000 in scholarship funds to a local college in October 2005. The company also currently has seven interns who are gaining hands-on education in such areas as production technology, quality and accounting.



● School Education

To deepen their understanding of society and work, Aisin U.S.A. Mfg., Inc. holds school education-related volunteer activities for local children through such venues as factory tours and demonstrations of its manufactured components.



Corporate Social Responsibility

Employee Relations

Based on the fundamental philosophy of respecting people with unlimited potential, and of supporting those seeking to fulfill that potential, AISIN implements a variety of measures and improvements to promote a better working environment where all employees can enjoy their work.

Human Resources Training

So that every employee can be motivated and grow through their work, supervisors discuss respective goals and progress with subordinates during performance reviews. We also work to develop professional staff by offering employees educational opportunities necessary to meet their goals. Additionally, we are focusing on measures for fostering employees who can take an active role overseas in order to respond to the rapid acceleration in global business.

Personnel Development Center

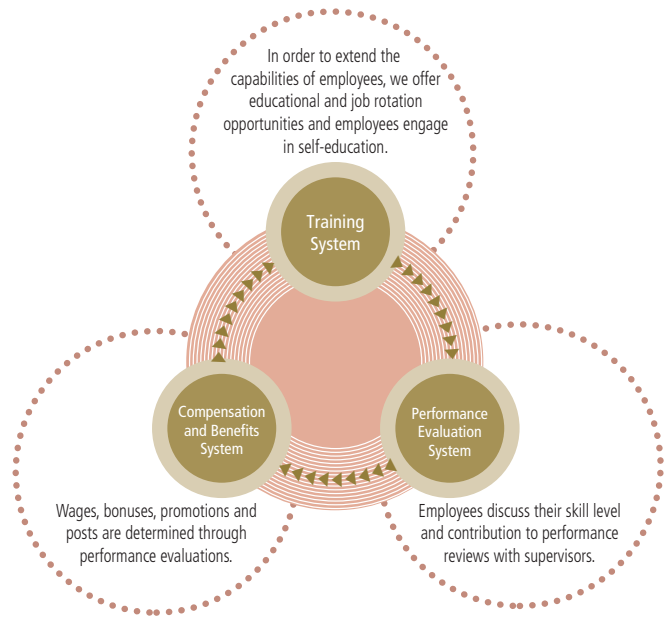
In January 2006, AISIN established the Personnel Development Center for the purpose of strategically and efficiently developing personnel who can pursue *mono-zukuri* on a global scale. The center trains personnel taking a long-term approach that factors in such needs as developing globally standardized skill sets and skilled engineers and building a structure to ensure that predecessors' skills and technologies accumulated over many years are properly passed down to younger generations. In response to increasing requests from overseas subsidiaries, we are concentrating on training personnel who can make a contribution overseas through such measures as broadening the training curriculum and training supervisors who can operate on a global stage.

New Personnel System

In order for AISIN to continue expanding globally, it is crucial to train personnel to become even more experienced professionals in a variety of fields and responsibilities. Accordingly, amid ever-increasing changes in society, we revised and introduced a new personnel system in January 2006, focusing on training for obtaining the required skills as professionals. Under the motto of "Developing People," the system sets clear growth targets for enabling each employee to develop skills toward achieving his or her objectives.

Improvements in New Personnel System

Qualification	<ul style="list-style-type: none"> Qualification is determined based on growth targets and work style. Qualification is simplified by rewarding those who assume greater responsibilities or show enthusiasm and dedication in their work.
Training	<ul style="list-style-type: none"> Employees' professional growth targets will be clarified and training in required skills sets promoted. *New career development training: In order to develop highly professional staff who can operate on a global stage, AISIN established "Career Development Training" to help clarify career goals and improve skills toward meeting these objectives.
Evaluation	<ul style="list-style-type: none"> Performance reviews are conducted based on clear-cut skill standards.
Benefits	<ul style="list-style-type: none"> Employees who work hard to improve their skills are better rewarded. *Revision of salary system: In line with the introduction of the new qualification structure, the salary system was revised and divided in two personnel categories to better reflect the differences in job descriptions and responsibilities.
Managerial staff	<ul style="list-style-type: none"> For managerial staff, courses according to respective ranks are offered that are tailored to the job type and level of responsibility to provide professional human resources training and suitable evaluations.



Qualification-based System

A new system was introduced that encourages employees to grow depending on their work style and goals.

Qualification Structure

Original System	New System		
Managerial staff	Expertise	Managerial staff	Advanced engineer
Assistant manager (1st level)	Senior staff (1st level)		Supervisor (1st level)
Assistant manager (2nd level)	Senior staff (2nd level)		Supervisor (2nd level)
Senior staff (1st level)	Senior staff (3rd level)		Supervisor (3rd level)
Senior staff (2nd level)	Senior staff (3rd level)		Supervisor (4th level)
Senior staff (3rd level)	Staff (1st level)		Manufacturing member (1st level)
Staff (1st level)	Staff (2nd level)		Manufacturing member (2nd level)
Staff (2nd level)	Office staff		Engineers
Staff (3rd level)			
Staff (4th level)			

Mono-zukuri

Fostering people is at the core of *mono-zukuri*. Respective plants use *mono-zukuri* classes and technical training programs to transfer skills so that the technologies and skills acquired by predecessors can be passed on to the next generation. Experienced senior associates and instructors provide training in skills at all levels that are necessary for *mono-zukuri*.

● Recognition outside of the Company

Date	Award	Recipient
May 27, 2005	Medal with Yellow Ribbon	Etsuo Sugiura (Aisin Seiki)
November 7, 2005	Excellent Technicians in Aichi Prefecture (Master Craftsman in Aichi)	Mitsuaki Takayama, Kiyomi Yokoyama, Masami Arimura, Hiromu Sasakata, Toshiaki Fukui, Yoshimi Fukuyo (Aisin Seiki), Koji Sugiura, Keiji Isomura, Masayuki Urakami (Aisin AW)
November 9, 2005	Contemporary Master Craftsman	Koichi Sugiura, Takatoshi Tsukamoto (Aisin Seiki)
March 23, 2006	Highly Skilled Technicians Certificate	Kinji Yoshimi, Tadao Nishiwaki, Takaji Isogai, Takumi Yamada, Shoji Oshima (Aisin Seiki), Tomonaga Shibata, Mikio Yamada (Aisin AW), Koki Katsuramoto, Tsuyoshi Emori (Aisin AW Industries)
April 21, 2006	Award from Minister of Education, Culture, Sports, Science and Technology (Distinguished Service Award for Ingenuity)	169 recipients (Aisin Group)

Topics

● Taking Up the Challenge at the International Youth Skill Olympics

In 2005, AISIN sent 13 employees to the 43rd International Youth Skill Olympics, resulting in one gold medal for machine milling and eight "fighting spirit" prizes in four other categories, including lathing. Winning a gold medal in its second time of competition was quite a feat for Aisin AW, as it worked through its global technical training center from 2005 to train participants for the competition.



Mr. Kouichi Asai (right) won an award from the Minister of Health, Labour and Welfare. The Aichi team also won the Outstanding Engineer Team Award (award from the Ministry of Health, Labour and Welfare).

Employer-Employee Relationship

Improving employees' lifestyles and the prosperity of the company are inextricably linked. The labor agreement concluded in 1974 confirmed that problems between management and employees are to be resolved through discussions based on mutual understanding and trust, and this works to maintain a healthy employer-employee relationship.

Basic labor conditions, such as wages and working hours, are defined through discussions between the five AISIN Group companies (Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW and Aisin AI) and AISIN's labor union, which comprises members working for these companies.

Communal Events Held by Employers and Employees

Aisin Seiki management and employees hold communal events and training as part of the support activities related to employees' life and leisure time.

● Life Plan Training

The life plan training sessions are held jointly by the employer and employees, and let trainees look back over their life and think about their futures. Annual training sessions are held every June for 42-year-old employees in their most productive years and every November for 57-year-old employees who are nearing retirement. In 2005, a total of 445 employees took part in these sessions.



● Summer Festival

In fiscal 2006, Aisin Seiki held the Summer Fireworks Festival at Lagunasia (Laguna Gamagori) theme park for its employees and their families. Roughly 6,000 people came to the venue, and their cheers could be heard as the fireworks lit up the night sky.



Corporate Social Responsibility

Employee Relations

Building a Comfortable Work Environment

AISIN is working to create an environment where every employee can carry out his or her duties with a sense of vitality. We offer a workplace environment and framework in which every employee can unleash their full potential and make a considerable contribution. In addition to offering support to enable employees to continue working, we are striving to create a good workplace environment by establishing consultation desks, as well as promoting mental health improvement activities.

Support to Continue Working

We offer support for such needs as balancing work and child rearing, as well as employment and technical training for persons with disabilities, in creating a workplace environment where employees can continue working.

■ Support for Balancing Work and Child Rearing

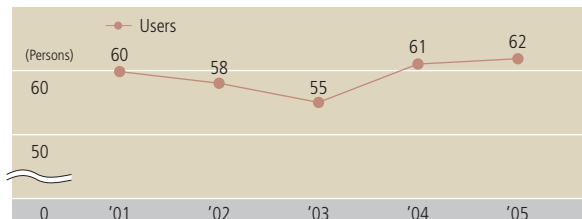
On the back of the "Next Generation Education and Support Promotion Act" enacted in April 2005, we are endeavoring to build a workplace environment where employees can fully realize their talents. In fiscal 2006, we concentrated on studying methods for educating employees about various systems and extending the reduced work hour system.

Currently, we are making pamphlets educating employees about work/home options and meeting with supervisors to educate them on employees' options. Regarding the reduced work hour system, we extended the child age limit in April 2006 so that more parents would qualify.

● Work/Home Support for Raising Children

- Prenatal and postnatal health care services
- Prenatal and postnatal childcare leave (six weeks before birth and eight weeks after birth)
- Childcare leave available during the first year of a child's life (to March 31)
- Reduced work hours for raising children: Available until the child attends elementary school
- "Anshin (peace of mind)" leave (carryover of remaining portion of paid leave up to 20 days)
- Nursing leave (up to 5 days per year): Until child attends elementary school
- Limit on overtime, holiday and nighttime work
- Supplemental system for childcare expenses

● Number of Childcare Leave Users



■ Employment and Support for the Development of People with Disabilities

Aisin Seiki aims for a workplace environment where all employees, with or without disabilities, can work with a sense of vitality based on the principle of "Mutual Respect." In particular, as a new policy in fiscal 2006, we selected two competitors to appear in the prefectural and national 2006 Abilitylympics*. The two participants competed in the Machine CAD category, which was the first time this competition was held in Aichi Prefecture. Aisin Seiki created a conducive environment for the competitors so that



Machine CAD training



Workshop for supporting employees with disabilities

Feedback from Childcare Leave Users

"Thanks to the support of everyone at work, I was able to use the leave system without any worries."



Nishio Plant
Katsuhiko Sakata

When my first child was born, I was really busy at work, so I had to leave all of the housework and child rearing to my wife. I then thought about using childcare leave if we had a second child. As soon as I found out that we were expecting our second, I talked to my supervisor and asked him if I could use the leave system, to which he agreed readily.

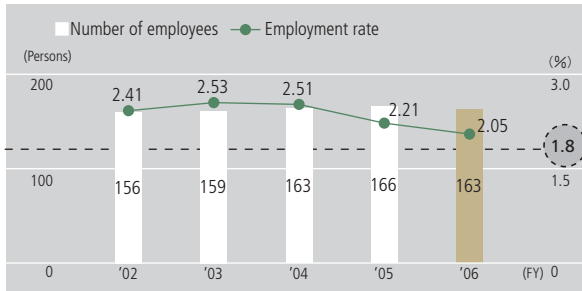
I took off for one month from August 8, 2005, when my second child was born. During my leave, I took care of all the housework so my wife could devote herself to our newborn baby. Although I had a hard time, what with this being the first time I did any of the housework, I came to appreciate what she does at home every day and was able to see the daily life and growth of my children. I am grateful to my supervisor and others for letting me take the time off even though we were really busy with the launch of a new line.

they could further polish the skills they had acquired.

Moreover, each plant holds meetings for providing persons with disabilities with advice and recommendations on their job and daily life. In order to raise the skills of welfare advisors and supervisors, we carry out an annual workshop for supporting employees with disabilities. We are working to build a workplace environment where every employee can continue to work with vitality and peace of mind.

* Abilitylympics: A combination of the words "Olympics" and "ability," this is a nickname for the National Skills Competition. Individuals with disabilities compete to show the skills learned in the workplace so they can improve their professional skills and in turn feel confidence and pride in fully participating in society. Concurrently, the competition aims to raise understanding and awareness among society about the capabilities of persons with disabilities to promote their employability and support them in being an active member of society.

● Number and Employment Rate of Persons with Disabilities



Note: From fiscal 2005, the exclusion rate for calculating the employment rate of persons with disabilities was reduced to 10%. Under the former method of calculation, the employment rate for fiscal 2005 of 2.21% would be 2.47%.

The employment rate of persons with disabilities at Aisin Seiki for fiscal 2006 was over 2.0%, exceeding the legally mandated quota of 1.8%.

Nursing Care Consultation Desk

AISIN established the Nursing Care Consultation Desk staffed by care managers to provide support to employees taking care of aged, sick or disabled family members.

[Organizations Supported by the AISIN Group]

Nishi Mikawa Home Care Center and Nishi Mikawa Home Care Center Anjo Branch (Day service, home visits and in-home care)

Safety and Health

Ensuring safety and health is a basic responsibility of a company. In order that we can create a comfortable and safe working environment, we are aiming to ensure the health and safety of our employees and their families by making use of the following basic policy and action guidelines.

Basic Policy

Ensuring safety and health is the foundation and social responsibility of every company. Since AISIN takes responsibility for ensuring the safety and health of domestic and overseas employees, it strives for a "zero accident" and "zero illness" policy based on a respect for the individual at an organizational and workplace level.

Action Guidelines

1. Aim to comply with related laws in all countries, and to improve management levels by using voluntary standards.
2. Aim to ensure a safe working environment through the full removal of dangers and hazards in the workplace.
3. Raise the consciousness of employees through education, training and publicity activities.
4. Give serious consideration to communications and discussions with employees and local communities.
5. Include appropriate managerial resources to achieve goals as set out in our principles.

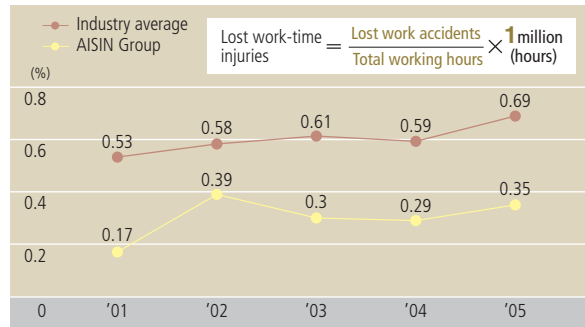
■ Safety and Health Activities

At AISIN, every employee works on improving levels of safety in the workplace under the leadership of managers and supervisors, with the aim of reducing risks, as well as complying with related laws and regulations such as the Health and Safety Law. As a result, the rate of occupational accidents (the rate of work injury-related time off) has been considerably lower than the industry average in Japan.

To prevent accidents, for example, AISIN has introduced a lock out system* targeting large facilities that face the possibility of a major disaster.

* Lock out system: A system for preventing disasters from operational errors by enabling all plant personnel to lock down the facilities when the power supply shuts off.

● Rates of Occupational Accidents (Lost Work-time Injuries)



● Progress in Installation of Lock Out System

In fiscal 2006, AISIN introduced the lock out system to 2,996 large-scale facilities (3,634 sites) that face the possibility of a major disaster. We will gradually install the system in facilities established later than October 2005.



After installing the safety cover

■ Building an Employee-friendly Workplace Culture

In order to promote an employee-friendly workplace environment, AISIN is providing a number of training programs targeting managers and supervisors. These include training in managing work hours, training in the prevention of sexual and power harassment, and training in listening skills to promote mental health in the workplace. To promote mental health, in particular, we have put in place a system in which employees can readily seek help for any troubles by establishing a Mental Health Counseling Office staffed by specialists. We are promoting greater awareness of mental health issues through the inclusion of a self-assessment checklist on a section of the Company website and publishing a monthly mental health magazine.