

Globalization

Aiming to Assure Dramatic Overseas Growth and a Globally Balanced Earnings Structure to Further Enhance Our Global Network

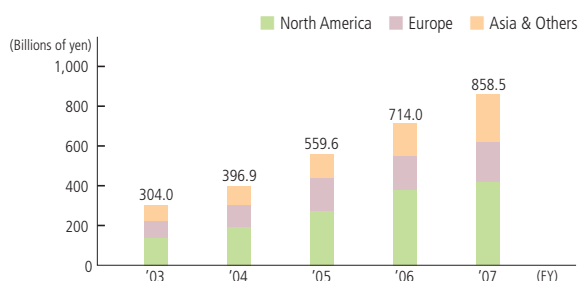
In pursuing business expansion in the global market, AISIN has striven to strengthen production bases worldwide and fortify its sales and development structure. In fiscal 2007, overseas sales rose 20.2% from the previous fiscal year to ¥858,530 million. As a result, the ratio of overseas sales to total net sales rose 2.4 percentage points to 36.1%.

It is anticipated that further expansion of the automobile industry as a whole will continue. To anticipate such trends and needs, AISIN worked aggressively to construct a production and supply structure overseas. In fiscal 2007, efforts to increase sub-

sidiaries were particularly strong in North America, China and ASEAN countries, with consolidated subsidiaries numbering 72 in Japan and 81 overseas, including 32 in North America, 10 in Europe and 39 in Asia & Other regions. Currently, overseas subsidiaries represent more than half of the total.

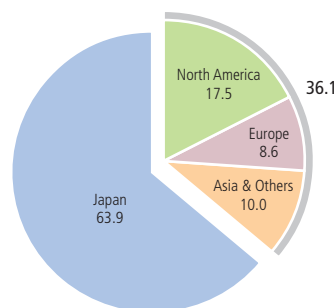
As a global partner, AISIN seeks to appropriately address the needs of customers around the world by ensuring that it operates in every region where automobile manufacturers operate through continued expansion of its bases.

Overseas Sales



Overseas Sales to Total Net Sales (%)

FY2007



Newly Added Subsidiaries in Fiscal 2007

Aisin Comcruise Co., Ltd. (Japan)
 AD Nobi Co., Ltd. (Japan)
 AD Sunutopia Co., Ltd. (Japan)
 Aisin Chemical Indiana, LLC (U.S.A.)

Aisin Mfg. California, LLC (U.S.A.)
 Aisin AI Europe GmbH (Germany)
 Long Go Industry Co., Ltd. (Taiwan)

Japan

Augmenting the Production and Development Structure

In fiscal 2007, net sales in Japan were up 8.1% from the previous fiscal year to ¥1,520,100 million. This was due mainly to expanded sales arising from increased production and new car launches by our major customers.

Given that the automobile industry is a core industry of Japan, each automobile manufacturer continues to produce cars at high levels. While AISIN has already embarked on a policy of promoting localized production, management decides where to manufacture by considering a range of elements that include the production environment, costs and investment efficiency. AISIN is working to develop the production and development structure in Japan while expanding abroad.



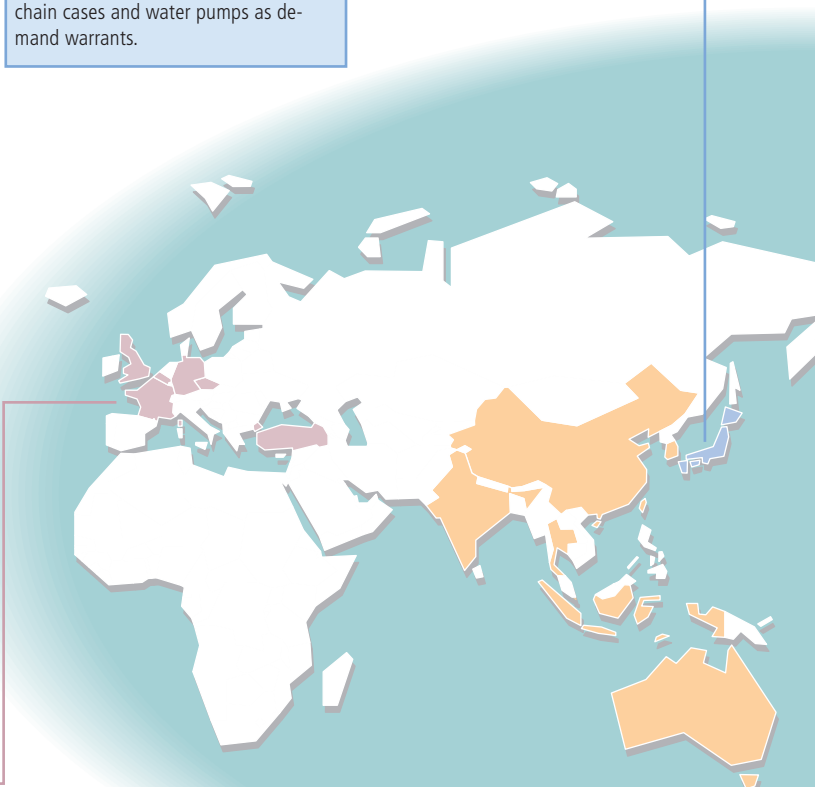
Aisin AI Co., Ltd. Kira Plant
(scheduled to commence production in January 2008)

With orders for MTs increasing, Aisin AI established the new plant in the convenient neighborhood of Kira-cho to mutually complement production of the nearby headquarters plant as a second manufacturing base in Japan.



Aisin Hokkaido Co., Ltd.

Commenced production of valve bodies in April 2007, with volume increasing in stages. The company plans to increase its product range to include timing chain cases and water pumps as demand warrants.



Europe (including Turkey)

AT and Car Navigation System Growth Drives Increase in Sales

In fiscal 2007, net sales in Europe increased 18.0% from the previous fiscal year to ¥205,129 million. This was due mainly to an increase in sales of ATs and car navigation systems to European automakers.

With an expansion of the EU to former Eastern bloc countries, continued growth of the European market is expected. In anticipation of emerging opportunities, AISIN is expanding business with leading local automobile manufacturers, mainly in ATs, MTs and car navigation systems.



AW Europe S.A.

Commenced local production of car navigation systems in November 2005. The company expanded product sales to European automakers in 2006.



ADVICS Manufacturing Ohio, Inc.

A rapid increase in demand is forecast as electronic stability control (ESC) equipment becomes mandatory in North America. Local production is scheduled to commence in 2008.

Aisin Mfg. California, LLC

(scheduled to commence production in January 2008)

Aisin Canada, Inc., Second Plant

(scheduled to commence production in January 2008)

AISIN strengthened the production structure by establishing a new company in the U.S. state of California and a second plant in Canada to meet an increase in orders for door frames from the West Coast of the United States and Canada.

North America

Augmenting the Production Structure in Response to Sales Expansion by Customers

Fiscal 2007 saw net sales in North America rise 10.1% from the previous fiscal year to ¥415,764 million. This was due mainly to expanded sales arising from increased production and new car launches by major customers.

AISIN regards North America as its second core market, and one that represents the second largest share of total net sales after Japan. To respond to expanded production arising from an increase in sales by customers, AISIN is working to strengthen and reorganize an operational structure that spans North America from Canada to Mexico.

Asia & Others

Expanding Sales in China

In fiscal 2007, net sales in Asia and Others jumped 46.2% from the previous fiscal year to ¥237,637 million. This was due in large part to increased production by customers in China as well as the commencement of operations at new production bases.

AISIN is developing the production structure in China in expectation of rising demand in the nation's automobile market, which is forecast to sustain remarkable growth for the foreseeable future. The business foundation was enhanced with the establishment of production bases for brake, engine and body related components in the northern and southern regions of China, respectively. In Southeast Asia, we added and strengthened manufacturing lines at existing production bases, mainly in Thailand and Indonesia, to meet customer demand.



Aisin Seiki Foshan Body Parts Co., Ltd.

Commenced production of electric sun-roofs and motor housings for power seats in May 2006.



PT. AT Indonesia

In September 2006, a new foundry plant and a third casting line commenced operation, strengthening production capacities for casting products.



Aisin do Brazil Com. e Ind Ltda.

To respond to production increases of customers, in September 2006 operations were shifted to a new plant with double the scale, augmenting production capacities.