

Corporate Governance

Basic approach

With an aim of maximizing corporate value, AISIN aims to grow and develop stably in the long term by building good relationships with all stakeholders.

In order to relieve this objective, we believe that it is important for us to promote fair and transparent management as corporate citizens who enjoy the trust of the international community, and we are therefore doing our utmost to improve corporate governance.

System

AISIN has adopted an auditor system and, as a statutory institution, has established general meetings of shareholders, a board of directors and a board of auditors.

The board of directors as a rule meets once a month. As well as discussing matters determined under the law, it passes resolutions on important matters related to management affairs, including management policy, business planning, planning of capital investment, establishment of subsidiaries, and investment in subsidiaries. It is also responsible for supervising the execution of work.

The board of auditors consists of five auditors including three external auditors. It generally meets four times a year to decide on auditing policy and planning. Auditors audit the execution

of work performed by directors in accordance with policy and planning thus determined and keep track of how each sector is performing its work. They thus ensure that management and business activities are being carried out in accordance with the law and the company's articles of association.

Since fiscal 2006, in order to strengthen the independence of the board of auditors from the board of directors, we have set up Corporate auditors dept. as an organization under the direct control of the board of auditors and have assigned full-time staff specifically to support auditors in the performance of their duties.

Also in fiscal 2006, we ventured to strengthen group management in response to the globalization of business and the accompanying increase in the ferocity of competition. We also set about strengthening our institutional structure with a view to speeding up the process of decision-making and the implementation of work. We established the new position of "managing officers" in charge of execution of work and assigned officers holding this position to each sector within the company as well as to the upper echelons of leading overseas subsidiaries. We also repositioned senior managing directors as "officers with responsibility for reaching decision in connection

