

Holding of the All-AISIN Safety and Health Convention

The 23rd All-AISIN Global Safety and Health Convention was held in July 2007. Around 350 people took part in this convention in which commendations were presented to outstanding plants, activities inside and outside Japan were introduced, and a special lecture was presented by the company president.

This convention enabled all participants to share again in the conviction that safety should be paramount above all else.



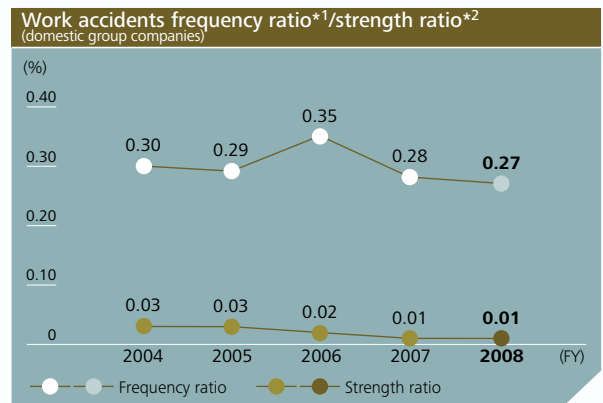
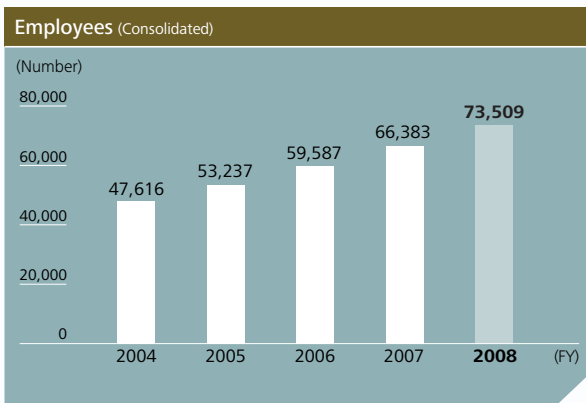
Employees with disabilities make outstanding efforts at a technical skills competition

At the 29th Aichi Prefecture Technical Skills Competition held in 2007, Hiroshi Kitayama (Handa plant) and Ayako Murase (Machinery & Equipment plant) of Aisin Seiki were awarded the gold and bronze medals respectively in the mechanical CAD work category.

At the 7th International Abilmpyics (the international skills competition for the disabled), Emi Itakura (Trial Manufacturing plant) gained a special prize in the mechanical CAD work category.

Aiming toward harmonious coexistence with society

AISIN's basic managerial stance involves contributing to the creation of a sustainable society as good corporate citizens by actively realizing our social responsibilities.



*1 Frequency ratio = $\frac{\text{No. of injuries or deaths from accidents}}{\text{Aggregated working hours}} \times 1,000,000$

*2 Strength ratio = $\frac{\text{No. of working days lost}}{\text{Total working hours}} \times 1,000$

Holding classes to convey the fascination of science to children

An Aisin Manufacturing Plaza event was held in February 2007 at Aisin COM Center, Aisin Seiki's corporate display pavilion, with the aim of making children aware of the fascination of science by giving them the chance to make things for themselves.

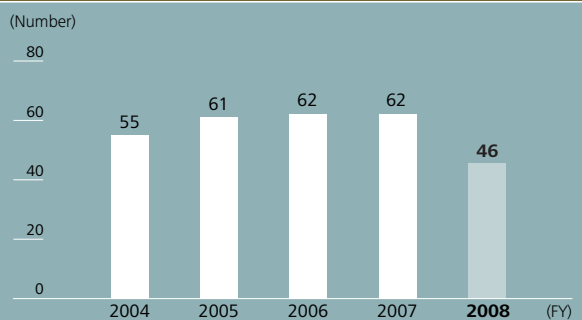
After learning about the properties of static electricity, the children went on to make real electrostatic motors, which were submitted to trial operation once completed.



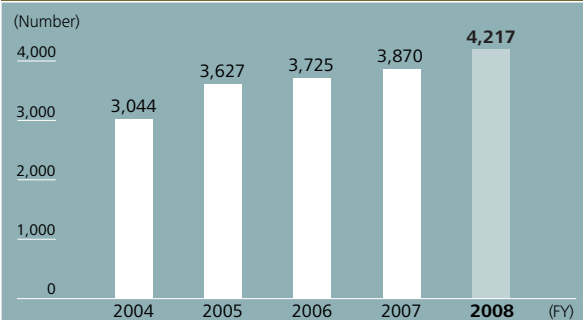
Here are some of the opinions expressed by children who took part:

- "It was tricky sticking aluminum foil onto the aluminum can, but I was really happy to see it actually work!"
- "It was fun trying to get the motor to work for as long as possible!"
- "I thought that static electricity was only something unpleasant that gave you a bit of a shock. I was surprised to see that it can be used to operate a motor."

Employees taking child-rearing leave (Non-consolidated)



Number of inquiries to customer service (Non-consolidated)





Message from Management



Takeshi Kawata
Executive Vice President
with Responsibility for Business Administration



Our aim is to achieve harmonious coexistence with society by fulfilling our responsibilities to stakeholders in every field of endeavor

Our basic business stance at AISIN is to work persistently toward realizing our social responsibilities in order to contribute to the creation of a sustainable society and with the idea of harmonious coexistence with society as one of our corporate principles. By taking a more rigorous attitude to compliance, which is the basis for realizing social responsibilities, by strengthening corporate governance, and by making greater effort to disclose information rapidly and appropriately, we are striving to achieve sound and transparent management as befits a company that enjoys the trust of the international community.

In order for a company to enjoy sustainable development within the international community, it is absolutely essential to engage in business with consideration for harmony with society and local communities and by maintaining good relationships with stakeholders. The Aisin Group consists of 160 companies active in 19 countries with more than 70,000 employees. The influence that AISIN has on society and, conversely, the influence that society has on AISIN are becoming far greater than we might imagine, and the relationships we have with the stakeholders who come within our orbit are gradually diversifying.

Under these conditions, it is important for AISIN to fulfill its responsibilities to stakeholders in terms of working practice, human rights and diversity, and product liability and to achieve harmonious coexistence with society in connection with every aspect of corporate management. In order to make this possible, every single employee within the Group needs to share this approach and to engage constantly in responsible activities.

To this end, in March 2007, AISIN enshrined the conceptual and practical approaches underlying work in the distinctive AISIN manner in a document entitled "The AISIN Way," the three pillars of which are "Contributing to society and customers", "Continuous improvement", and "Respect for each person." We have thus made a start with activities aimed at ensuring that employees all over the world come to share these ideals, and that they are handed on and developed into the future. In October 2007 we opened an in-house nursery facility aimed at enabling employees to achieve a proper balance between their activities at work and their private life and to provide support for fostering of the next generation.

AISIN intends to continue listening intently to the opinions of all our stakeholders, engaging in dialogue with them, and being able to coexist in harmony with society as good corporate citizens.





Establishing a nursery inside the company to provide support for employees wishing to combine work with child-rearing

It's essential that we provide environments in which employees of all kinds are able to demonstrate their abilities to the full if we're going to be able to create a dynamic working environment. In October 2007 we opened an in-house nursery to enable employees with young children in hand to work with full peace of mind.



Getting started with the operation of a nursery on company premises

The structure of the working population in Japanese society is gradually changing due to factors such as the decrease in population and ageing occasioned by the falling birth rate. Under these conditions companies are being called on to provide environments in which people who have previously had inadequate scope to exercise their talents are able to exert themselves to the full, the idea being to increase dynamism within the company by maximizing diversity among employees. Diversity is dependent upon creating the conditions under which employees can choose exactly how they wish to work. It's essential that we support employees by enabling them to achieve just the right balance between their activities at work and their responsibilities, such as looking after young children, in the home.

AISIN has always provided support for employees with childcare responsibilities, for instance by instituting a reduced-hours working system and lengthening the period of leave available to employees in the early stages of parenting. One of the measures we have adopted with the aim of enabling employees to achieve a proper balance between work and private life is the establishment of an in-house system. This involves the setting up of nurseries inside the company with a view to tackling the issue faced by Japanese society of cultivating the next generation.

The nursery is located right next to the head office premises



of Aisin Seiki, meaning that parents are able to drop their children off before starting work and pick them up at the end of work with ease. They can also drop in to see how their children are getting on during the lunch break. The nursery is also able to cope with the needs of parents who have to work on holidays in accordance with the Company's business calendar and early in the morning or late at night.

Description of the in-house facility

Area: 1,100m² Floor area: 381m² Garden area: 440m²
 Structure of the facility: 4 nursery rooms, multi-purpose hall, kitchen, 3 toilets, garden, etc.
 Capacity: 50 children

Creating the conditions for children to grow safely and securely

To ensure that employees who make use of the nursery are able to entrust their children with full peace of mind and concentrate on their work, the first priority is to create an environment in which children can spend their time in complete safety.

The in-house system has incorporated a whole range of methods to ensure that security is maintained and that accidents do not occur.

Great care is taken with children's meals. Lunch and snacks are prepared inside the nursery and special meals are provided for children with allergies.

Efforts are also made to develop in children sensitivity to the changing of the seasons and to tradition. Occasions such as Christmas are thus emphasized.

As of March 2008 fifteen infants and children up to the age of entry into primary school are playing and learning together in the nursery.

Measures to ensuring children's safety

Ensuring security:

- Installation of security cameras and vibration sensors

Preventing accidents:

- Corners of all facilities are rounded or cushioned.
- Gaps are set in doors to protect children's fingers.
- There are no tall items that may fall over.

Creating an open nursery

The in-house nursery is available for use not only by full employees but also by fixed-term employees, part-timers and agency workers. We are also considering accepting children from the local community with the idea of creating a nursery open to the community at large. We hope thereby to contribute to diversity within the region as a whole and to achievement of a balance between work and private life.

AISIN intends to continue working toward realization of diversity in the workplace throughout Japan and all over the world.





Work Custom

We provide support for personal growth and attempt to ensure health and safety with a view to enhancing the dynamism of our employees.

Basic approach

AISIN believes that the energy of each individual employee is the force that propels our corporate activities forward.

The categories we use for personnel evaluation are "work performance ability" and "attitudes to tackling work," our aims being to clarify the state to which employees should aspire and to encourage them in their personal growth.

Human resources development

Centering on the HR Development Center established in March 2007, AISIN provides hierarchically graded training for all employees from new recruits to senior managers as well as management training applicable without distinction to skilled manual workers, administrative staff and technical personnel.

The Center also runs the Aisin Technical Academy, whose task is to train future leaders in the manufacturing arena. See pages 17 and 18 for further details.

Maintenance and promotion of health

As well as performing health check-ups, we carry out regular checks on our employees' mental well-being in order to grasp their physical and mental condition and to ensure that they can maintain and improve their health.

Leaders in the workplace are also encouraged to listen to the concerns of their subordinates and thus contribute to their well-being. Special training is provided in the skills involved in listening to other people.

Work control training aimed at managers and supervisors involves training in management of working hours and in ensuring that employees are not called upon to work too long hours. Training is also provided with the aim of preventing sexual harassment and power harassment in order to create an environment in which employees can work with peace of mind.

Policies aimed at maintaining and encouraging mental health

- Open the Mental Health Consultation Offices
- Implementation of "listener training"
- Establishment of a "self-checking corner" on the intranet
- Publication once every two months of a mental health leaflet

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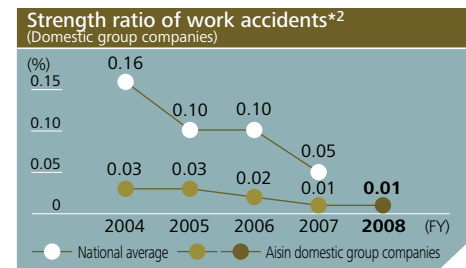
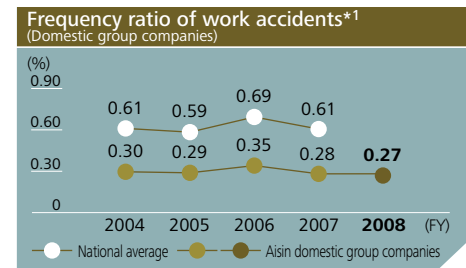


"Listener training"

Ensuring safety at work

We are doing all we can to prevent accidents from occurring by carrying out regular internal inspections on the basis of an occupational safety and health management system (OSHMS). We also implement risk assessment in connection with safety whenever we set up a new production line.

Such activities are enabling us to maintain rates for frequency and strength of work accidents below the average rates for our industry as a whole in Japan.



Labor-management Relations

We are diligently "drawing solutions based on discussions of mutual faith and understanding to address problems between labor and management," in accordance with the "Labor Agreement Memorandum", which was drafted in 1974, to maintain sound labor-management relations.

Labor and management jointly conduct "Life Planning Training". This training provides an opportunity for workers to look back on their careers and to plan their futures. Sessions are held in every July for 42-year-old employees who are in the primes of their lives, and in every November for 57-year-old employees who will soon be retiring. In fiscal 2008, 383 employees participated.

Respect for Human Rights and Diversity

We are striving to create a working environment in which people of all kinds can work in all kinds of ways.

Basic approach

At AISIN we respect the personalities and rights of every one of our employees irrespective of gender, nationality, religion or any other attribute, and we are striving to create a working environment in which everyone can work with full peace of mind.

We also strive to create and improve systems that enable employees to select how they wish to work from a wide variety of options.

Employment of people with disabilities

On the basis of an approach rooted in the concepts of normalization and harmonious coexistence, we aim to create working environments in which people with and without disabilities can work together in a dynamic manner. We hold regular consultation sessions for disabled employees and do all we can to respond to their concerns in connection with work and everyday life. We also hold training sessions for managers and supervisors so that advisors and superiors in the workplace are able better to understand the concerns of disabled employees.

Due to these efforts, in fiscal 2008, we achieved a disabled employment ratio of 1.90%, above the figure of 1.8% set in law.

AISIN is also concentrating on the technical training of disabled employees, and our employees who have benefited from such training have received many prizes at skills competitions held throughout Japan. See page 47 for further details.

Support for combining work and child-rearing

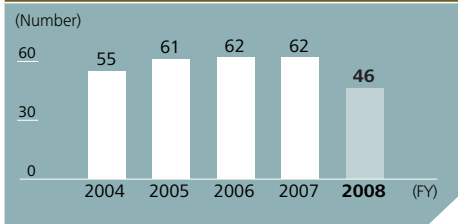
In order to provide support for employees who need to combine work with child-rearing, at AISIN we are introducing a reduced-hours working system and a system that allows employees to take parental leave.

In October 2007 we set up an in-house nursery in our head office premises for use by employees. See pages 51 and 52 for further details.

Systems for supporting employees who combine work and child-rearing

- System of leave before and after childbirth: Six weeks before birth, eight weeks after birth
- System of childcare leave: Either until the end of the fiscal year (March 31) in which the child reaches the age of one, or the child reaches the age of 18 months
- System of shortened working hours for childcare: Until the child enters primary school
- Reassurance leave: Carried over paid leave, maximum of 20 days
- Leave for child nursing: Up to 5 days a year until the child enters primary school
- Limitations on overtime, work on holidays and late-night work
- System of support with payment of costs for use of child-rearing services

Number of employees taking child-rearing leave (Non-consolidated)



Employment of foreigners

Appropriate Programmes for Brazilians of Japanese descent working in Japan

Over a half of the companies in the Aisin Group are overseas subsidiaries, and the number of overseas employees is increasing year by year with the advance of globalization of business activities.

There are at present around 60 foreign nationals engaged as full employees at Aisin Seiki. In addition, we employ almost 1,800 Brazilians of Japanese descent as fixed-term staff. We've created an environment in which these Japanese-Brazilians can work with peace of mind by publishing news magazines in Portuguese, using Portuguese together with Japanese for all written markings and signs inside the factory, and including Brazilian dishes on the canteen menu.

We operate a system that enables fixed-term employees to become full employees, and more and more Brazilian employees of Japanese descent are taking advantage of this system every year. Five of the 266 individuals who became full employees during fiscal 2008 were Japanese-Brazilians.



A lunch-break picture



Product Liability

We are directing our efforts especially toward rigorous inspections and assessment aimed at ensuring quality and toward production that takes full account of the opinions of customers.

Quality assurance at the development and design stages (automobiles)

We perform a variety of inspections at crucial stages in the development and design process on the basis of a quality system.

After the completion of prototypes, we carry out a full range of reliability evaluation tests not only of individual parts, but also of vehicles as a whole and under actual conditions of use in order to verify the quality of design.

Quality assurance at the production stage (automobiles)

At the preparatory stage prior to production we look into whether the process plan is appropriate and at how well the process has been put together.

When embarking on mass production, we verify that it is going to be possible to guarantee 100% flawless quality. This represents the initial quality inspection. We then begin production under the Toyota production system based on the "just in time" concept and automation, and we maintain and manage the process using various methods of quality control.

External assessments (automobiles)

AISIN received commendations from many customers in the course of fiscal 2008 (see the lower-left table).

Taking note of customers' opinions (household goods)

Our Customer Service division is on hand to answer customers' questions about products related to household goods. To enable a prompt, accurate and courteous response to queries, we have computerized information such as that contained in product catalogues. This information is available for instantaneous searching and use.

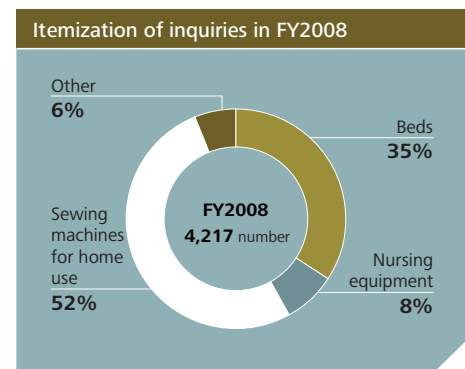
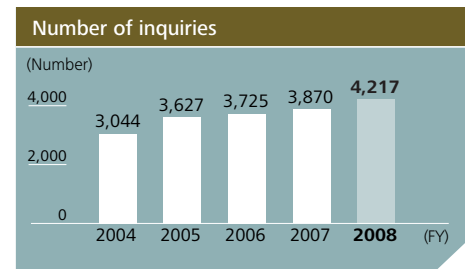
The opinions, requests and assertions of customers are conveyed rapidly to the related officers and departments on the basis of rigorous system of control over personal information and are used to improve services and in the development of products.

We also actively encourage employees to acquire formal consumer adviser certification to understand more closely the views of customers.

Furthermore, as regards development of welfare devices, developers possessing qualifications as helpers are used so that the points they have noticed while engaged in nursing activities can be used in product development.

Principal commendations in FY2008

Name	Customer providing commendation	Target company
Commendation in quality division	Toyota Industries Mercosur	Aisin do Brasil
Outstanding Quality Control Prize	Toyota Motor Corporation, Housing Enterprises Headquarters	Aisin Seiki
Outstanding Supplier Prize	Toyota Industrial Equipment (TIEM)	Aisin Drivetrain
Outstanding Quality Prize	Toyota (North America) (TEMA)	Aisin Automotive Casting
Quality Control Prize, Prize for Outstanding Achievement	Hino Motors	ADVICS
Technical Development Prize, Prize for Excellent Achievement	Hino Motors	Aisin Seiki
GM Supplier of the Year	General Motors (GM)	Aisin Mfg. Illinois
Prize for Outstanding Achievement (Export Category)	Taiwan Toyota	Elite Sewing Machie Mfg.
Excellent Quality Prize	Guangzhou Toyota	Aisin Seiki Foshan Automotive Parts
New Crown Project Commendation (Technical Category)	Toyota Motor Corporation	Aisin AW
Most Outstanding Supplier Prize	Toyota Europe (TME)	Aisin Europe Manufacturing Czech
Excellent Supply Prize	Toyota Industrial Equipment Co., Ltd. (TIESA)	Aisin Europe
Excellent Quality Prize	American Honda Motors	Aisin Brakes & Chassis
Supplier Prize	Toyota Europe (TME)	Aisin Otomotiv Parcalari Sanayi ve Ticaret A.S.
TSA (Toyota Supplier Assessment) Performance Prize for Excellence	TMCA	Aisin (Australia) Pty.
Prize for Achievement of Targets for Breakdown Rate in Newly Released Vehicles	Osaka Gas	Aisin Seiki



Corporate Citizenship Activities

We are working together with stakeholders in three areas, namely "Protection of Nature and the Environment", "Fostering Youth", and "Community Building and Development".



Basic approach

AISIN is working actively on corporate citizenship activities closely linked to the regions in three prioritized areas, namely "Protection of Nature and the Environment", "Fostering Youth", and "Community Building and Development". As fellow citizens, it is important for companies to work together with other members of the general public in fulfilling social responsibilities, and it is this ideal of cooperation that motivates our activities in this regard.

Such activities are spreading to our overseas bases and group companies, and Aisin's "ring of harmony" is fast expanding throughout the world.

• Protection of Nature and the Environment

In order to preserve the sustainability of the global environment, we are cooperating with stakeholders inside and outside Japan on forestation and forestry maintenance projects.

• Fostering Youth

We are engaged in a variety of hands-on study programs intended to enable young people to become active human beings by experiencing for themselves the importance of nature and the pleasure to be gained from making things.

• Community Building and Development

We are involved in various activities together with local government and communities so that we can listen to the opinions of people from the community and assist them in leading more prosperous lives.

• Overseas activities

AISIN is engaged in activities rooted in local communities in 19 countries all over the world.

Examples of corporate citizenship activities

Community Building and Development

Courses in friendly communication

In collaboration with regional organizations such as social welfare councils in nine cities in Aichi Prefecture, we are holding a course that we hope will give residents the chance to take part in volunteer activities.

In fiscal 2008 we held eight courses in subjects such as spoken communication, sign language, Braille, disaster prevention activities and international exchange, and we intend to hold eleven courses in fiscal 2009 from August 2008 to January 2009.



Overseas activities

Donation to University (U.S.A.)

Three Aisin Group companies based in the Marion quarter of Illinois jointly donated funds to the Southern Illinois University in October 2007.

These funds will serve in the future as the Aisin Scholarship Fund, which will be used to provide students at the university with high-level educational programs and services on an ongoing basis.



* See "Environmental Highlights" (Page 38) and "Social Highlights" (Page 48) for examples of activities involving "Fostering Youth" and "Protection of Nature and the Environment." Many other corporate citizenship activities are also introduced on the company website.