

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 achieve 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.

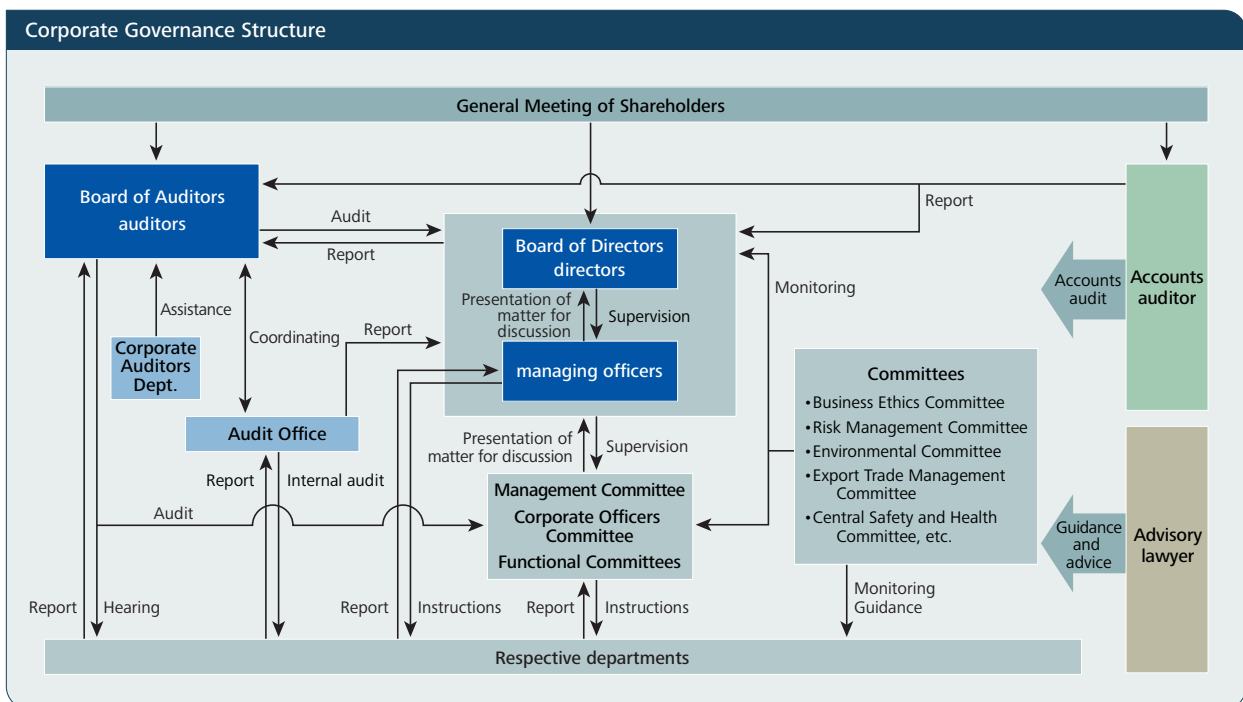
The board of directors as a rule meets once a month. As well as discussing legal matters, it passes resolutions on important matters related to management affairs, including management policy, business planning, planning of capital investment, establishment of subsidiaries, and investment in subsidiaries.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

The board of auditors consists of five auditors including three external auditors. Starting in fiscal

2009, the board of auditors increased its meeting frequency from four times a year to once a month, as a general rule. Auditors audit the execution of work performed by directors in accordance with auditing policy and planning thus determined, and keep track of how each sector is performing its work. They thus verify whether 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 to accelerate the decision-making process and the implementation of work. We established the new position of managing officers in charge of execution of work, assigned officers holding this position to each sector within the



company, and gave presidents of leading overseas subsidiaries concurrent positions as managing officers. We also defined senior managing directors as "officers with responsibility for reaching decision in connection with execution of work" and directors of the rank of vice president and above as "officers responsible for formulating business strategy and supervising the execution of work."

We have also set up a Management Committee, a Corporate Officers Committee and Functional Committees, which are responsible for deliberating individual matters and supervising and providing guidance and advice on the execution of work on the basis of policy determined by the Board of Directors.

Responding to Stakeholders' Interests and Concerns

AISIN considers that active realization of its social responsibilities stands at the heart of its business activities and we have enshrined that conviction in the "AISIN Charter of Corporate Behavior."

We have also set up committees tasked with promoting management that addresses the interests and concerns of internal and external stakeholders, including the Business Ethics Committee, the Environmental Committee, and Central Safety and Health Committee. These committees monitor activities inside the company in accordance with their respective topics and report on the results to the Board of Directors with the aim of improving activities of all kinds.

Internal Controls

Basic Policy Concerning the Establishment of Internal Control

In response to the enactment of the Companies Act, AISIN's Board of Directors passed a motion in May 2006 in connection with "Basic policy concerning the establishment of internal control."

Continuous efforts toward maintenance and improvement are being made on the basis of this policy in forms such as ensuring greater thoroughness on the operational front inside the company and reviewing the system itself.

Handling Assessments of the Efficacy of Internal Controls on Financial Reporting (Internal Control Reporting System)

In connection with handling assessments of the efficacy of internal controls on financial reporting (the internal control reporting system), AISIN established a companywide project team within the Corporate Risk Management Department in 2006. The project team promotes the maintenance of companywide internal controls, account settlement process controls, business process

(management of sales, accounts receivable, inventory assets, purchasing, etc.) controls and general information technology controls, in accordance with the Financial Instruments and Exchange Act and the Financial Services Agency's practice standards. In addition, Aisin Seiki has specified a policy to Group companies in Japan and overseas on how to handle internal controls. Based on internal assessment of the status of internal controls, we have identified items requiring improvement, upgraded systems, and developed and thoroughly implemented regulations.

The assessment of the first year of the internal control reporting system concluded that the Company's internal controls on financial reporting were functioning effectively as of March 31, 2009. In June 2009, we disclosed this information in an internal control report.

PricewaterhouseCoopers Arata judged the Company's internal control report appropriate, and provided its audit report in relation to the document.