

# AISIN REPORT 2010

Annual Report for the Year Ended March 31, 2010



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### Notation of organization name

The name "AISIN" employed in this Report refers to Aisin Seiki Co., Ltd. and its subsidiaries and affiliates.

### Notation of figures concerning performance

The figures concerning performance listed in this Report are indicated with fractions discarded.

### Important points concerning future prospects

Current plans, prospects, strategies and convictions indicated in this brochure in connection with Aisin Seiki Co., Ltd. and its consolidated subsidiaries and affiliates (hereinafter AISIN) are forecasts of future results unless they are historical facts. These are based on judgments made by senior management at AISIN obtained from information that can be obtained at the present time and they inevitably include risk and uncertainty. It should be appreciated that a variety of factors may result in a situation where the actual results differ from these forecasts. The following are among the risk and uncertainty factors that may have an influence on actual results: 1) Changes in economic conditions, exchange rates, laws, regulations, policies or political conditions affecting the main business sectors in which AISIN is involved; 2) Environmental changes affecting AISIN's ability and capacity to develop new products in a timely manner and in line with the expectations of customers; 3) Fuel supply shortages, paralysis of traffic functions, strikes, interruption of work and difficulty of obtaining sufficient manpower in the markets for AISIN products and in regions where parts, materials and equipment are procured; 4) Consequences of fortuitous events. However, factors that may have an influence on results are not exclusively restricted to the above factors. Please refer to pages 69-70 for information on business and other risks.

## To Our Shareholders and Stakeholders

### We would like to thank all stakeholders in the AISIN Group for their generous patronage.

Rooted in our belief in “Quality First,” we strive to create appealing products that will please our customers. As the automobile industry has expanded, we have increased our business on a global scale, and we now enjoy a position as one of the world’s best comprehensive automotive parts manufacturers. We are also extending our businesses in the lifestyle & energy related fields, providing a range of products that support a prosperous life.

AISIN’s management philosophy advocates “Harmony with society and nature”, and we manage our businesses with a commitment to actively fulfill our social responsibilities. AISIN will continue to foster a better car society together with its approximately 160 Group companies around the world, and contribute to the development of a better living environment. We aspire to becoming a corporate Group that works with its stakeholders around the world, including our customers and the community, to create a brighter future.

We look forward to the continuing support and patronage of our shareholders, customers, suppliers, members of the local community and all our other stakeholders as we strive to realize this goal.

July 2010



Kanshiro Toyoda, Chairman



Fumio Fujimori, President



#### Corporate Principles

##### Based on “Quality First”

###### ① ENHANCED VALUE CREATION

We are committed to contributing to the advancement of society through future-oriented research and development that provides new value for our customers.

###### ② CONTINUOUS GLOBAL GROWTH

We are committed to realizing steady development and growth in the global marketplace by establishing the foundations of our business activities in local values, cultures and customs.

###### ③ HARMONY WITH SOCIETY AND NATURE

We are committed to earning trust as a responsible corporate citizen by valuing harmony with society and nature.

###### ④ INDIVIDUAL CREATIVITY AND INITIATIVE

We are committed to building a work environment that promotes continuous progress by developing the creativity and initiative of individual employees.

#### AISIN Group VISION 2015

##### Create with

We aim to generate new value that will contribute to the progress of society by joining the Group’s technological capabilities to develop highly functional system products that can be produced by none but AISIN.

##### Be with

We aim to be in harmony with our customers, local communities, and the environment at all times through continuous efforts to ensure trustworthy business practices.

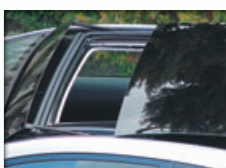
##### Harmonize with

We aim to develop market- and region-based business approaches, and to become a truly global enterprise that works in harmony with the international community and global markets.

# Contributing to the Betterment of Society through the Provision of Automotive Parts as well as Lifestyle & Energy Related Products

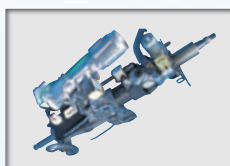
Aisin Seiki was established in 1965 with the merger of Aichi Kogyo and Shinkawa Kogyo as one of Japan's foremost integrated automotive parts manufacturers. Since then, following the development of the auto industry, we have contributed to the betterment of society by expanding our operations globally and leveraging our proprietary technologies and expertise in automotive parts to develop business in the lifestyle & energy related sectors as well as new business segments.

## Body Related Products



- Power sliding door system / Power back door system
- Door latches
- Power seats
- Sunroofs
- Etc.

## Brake & Chassis Related Products



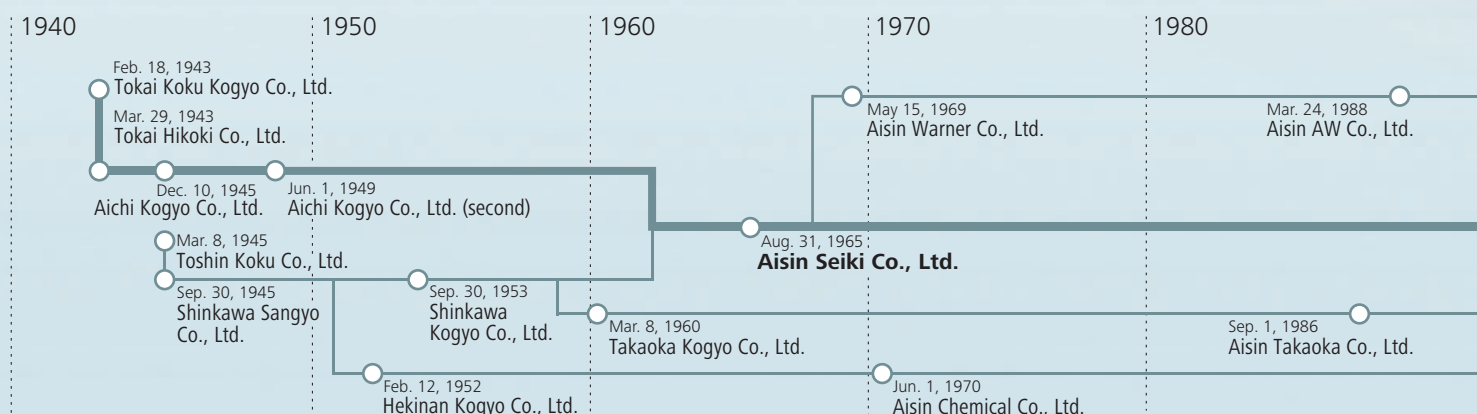
- Actuator for electric active stabilizers
- Air suspension system
- Power tilt & telescopic steering columns
- Etc.

## Engine Related Products



- Water pumps
- Oil pumps
- Intake manifolds
- Variable valve timing
- Etc.

## History of the AISIN Group — Establishment of the Six Core Companies —

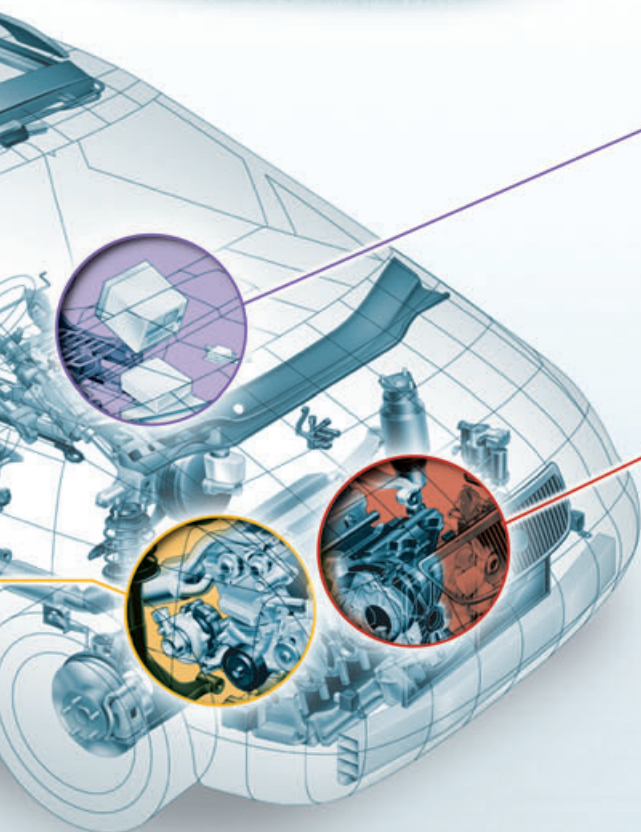






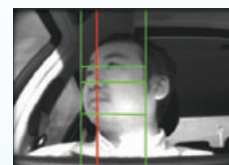
## Life Related and Other Products

- Beds and bedding
- Sewing machines
- Shower-toilet seats
- Gas heat pump (GHP) air conditioners
- Electric wheelchairs
- Etc.



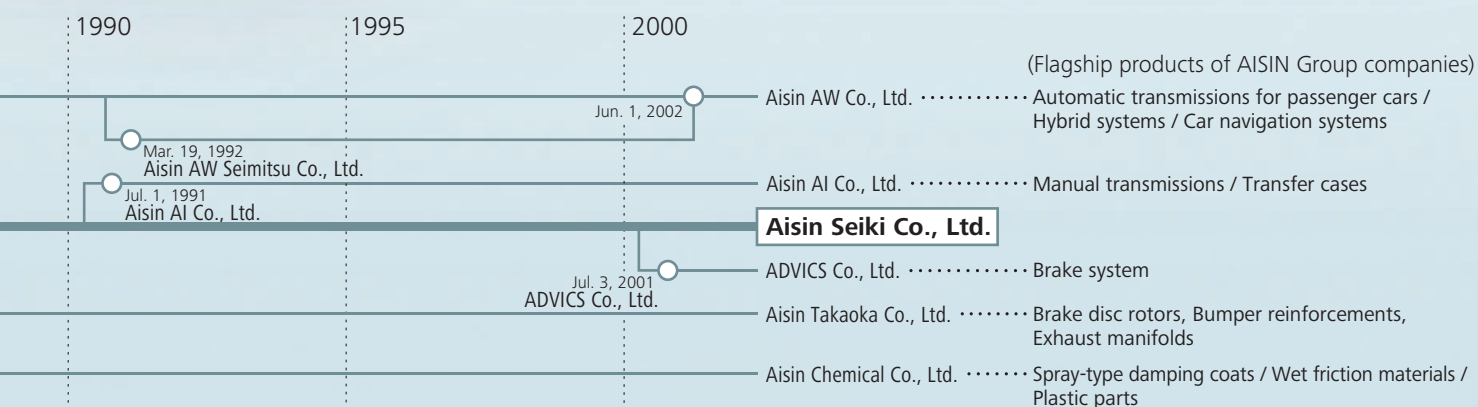
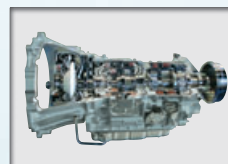
## Information Related Products

- Intelligent parking assist
- Parking assist system
- Driver monitor system
- Etc.



## Drivetrain Related Products

- Automatic transmission for commercial vehicles
- Automated manual transmission
- Clutch covers / Clutch discs
- Etc.



# FY2010 Summary

## Financial Information

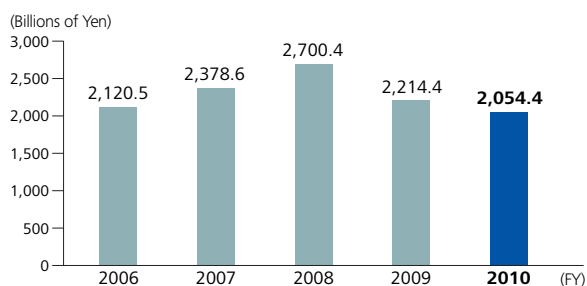
	Millions of Yen		% Change
	2010	2009	2010/2009
Full-year Information			
Net Sales	¥ 2,054,474	¥ 2,214,492	-7.2 %
Domestic Sales	1,303,280	1,337,159	-2.5
Overseas Sales	751,194	877,333	-14.4
Operating Income (Loss)	87,546	-3,489	—
Ordinary Income (Loss)	94,942	-4,965	—
Net Income (Loss)	16,605	-25,149	—
Capital Expenditures (Cash Flows)	105,713	231,175	-54.3
Depreciation	169,667	182,057	-6.8
R&D Expenses	101,102	115,994	-12.8
Information at Year-End			
Total Assets	¥ 1,981,988	¥ 1,731,689	14.5 %
Shareholders' Equity	871,889	814,506	7.0
Capital Stock	45,049	45,049	—
Management Index			
Return on Equity (ROE)	2.6 %	-3.6 %	—
Per Share of Common Stock			
Net Income	¥ 59.00	¥ -89.36	— %
Shareholders' equity	2,328.68	2,202.86	5.7
Cash Dividends	30.00	40.00	-25.0

Aisin Seiki Co., Ltd and its Subsidiaries  
Years ended March 31, 2010 and 2009

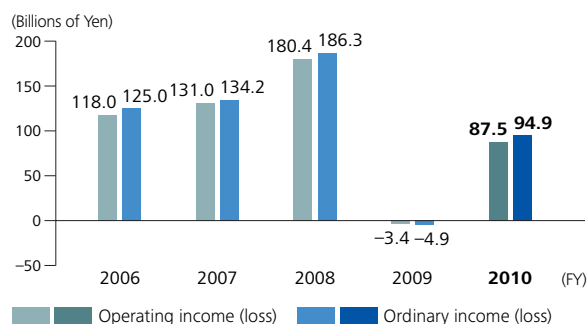
(Fiscal years in this Report begin on April 1 of the previous year and end on March 31 of the year indicated.)

Note: Calculation per share is based on the average number of shares each fiscal year in the case of net term loss, and the number of shares as of the end of each year in the case of share capital.

### Net sales



### Operating income (loss) and Ordinary income (loss)



# Environment



➔ P17-18, P21-32

## Environmental Management

- Eco Factory Evaluations conducted to improve the level of environmental management at Group companies, among other initiatives

## Thorough Legal Compliance Management

- Developed a system to manage chemical substances contained in products
- Introduced an electronic manifest and appropriately disposed of waste materials

## Design and Development

- Moving forward with the development of Eco-Friendly Products, such as an electric water pump for cooling the engine, in order to contribute to improving fuel economy in hybrid vehicles



## Production

- Reduced CO<sub>2</sub> emissions, lowered total emissions by 14% over the previous fiscal year and reduced specific consumption per ¥100 million in sales by 5% (10 main manufacturing companies in Japan)

## Shipping

- Reduced CO<sub>2</sub> emissions and the amount of packaging materials used

## Environmental Communication

- Carried out a biological survey of the river with children from a local elementary school

## Biodiversity

- Received an award for biotope within the factory

# Society



➔ P19-20, P33-44

## Be with Customers

- Worked to ensure product quality
- Improved products utilizing customer feedback

## Be with Shareholders and Investors

- Launched website for retail investors

## Be with Employees

- Reinforced activities to prevent occupational accidents
- Upgraded support systems for work-life balance
- Held management-employee advisory panels and lunch conferences to promote dialogue between managers and employees

## Be with Suppliers

- Established Green Procurement Guidelines standardized throughout the Group
- Provided safety education to all suppliers' employees

## Be with the Communities

- Held a variety of corporate citizenship activities in Japan and overseas



Japan: Outreach seminar on "Mono-zukuri (manufacturing)"



US: Lessons on safe driving

# Governance



➔ P45-51

## CSR Management

- AISIN pledged to "Contribute to society and the world's sustainable development" and established the "Aisin Group Principles of Corporate Behavior," laying down principles for the seven themes listed below.

### Seven themes of the Aisin Group Principles of Corporate Behavior

- Safety and quality
- Compliance
- Disclosure of information/Communication
- Human rights and labor
- The environment
- Corporate citizenship activities
- Top management leadership

## Corporate Governance

- Pursued extremely equitable and transparent management

## Internal Control

- Established basic policies for internal control

## Compliance

- Continued to provide training on compliance (5,179 participants from 12 main companies)

## Risk Management

- Established business continuity plan to prevent the spread of the new strain of influenza

## Disclosure of Information

- Pursued fair and timely disclosure of appropriate information

## Information Security

- Ensured familiarity through e-learning and other programs

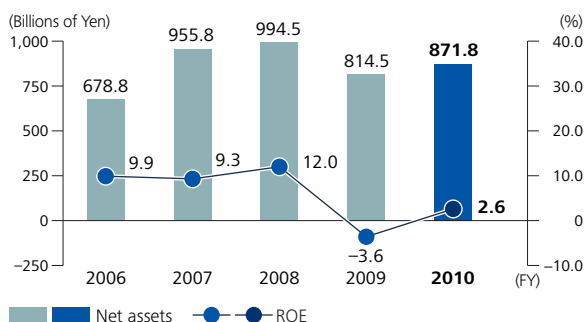
## Intellectual Property Management

- Total patents held domestically (12 main companies) 4,427 (3,966 in the previous fiscal year)

## Net income (loss)



## Net assets and ROE





Despite harsh conditions, we quickly returned to profitability and focused on laying the foundations for growth that will ensure our prosperity in the next era.

**Q.** How were your results in FY2010 ?

**A.** We steadily pursued structural reforms and returned to profitability.

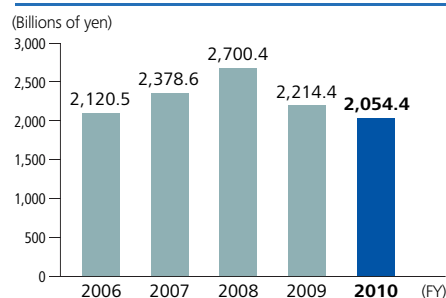
Although we developed and expanded sales of products that enhance a vehicle's environmental performance such as hybrid transmissions and electric water pumps for cooling the engine, sluggish sales of automobiles in major markets hurt sales in FY2010. As a result, consolidated net sales slid 7.2% year on year to ¥2,054.4 billion, compared to ¥2,214.4 billion in FY2009.

We pursued structural reforms to bring our profits quickly back into the black. This offset the decline in sales volume, resulting in operating income of ¥87.5 billion, compared to an operating loss of ¥3.4 billion in the previous fiscal year, and an ordinary income of ¥94.9 billion, compared to the preceding fiscal year's ordinary loss of ¥4.9 billion. Moreover, net income amounted to ¥16.6 billion, returning to the black after a net loss of ¥25.1 billion in the previous fiscal year. This can be attributed to the posting of ¥37.2 billion in impairment losses on excess capital equipment as an extraordinary loss, among other factors.

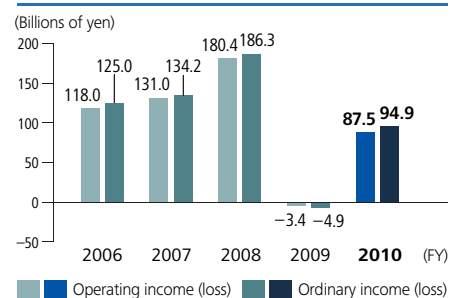
Fumio Fujimori  
President



### Net sales



### Operating income (loss) and Ordinary income (loss)



## Q. What were the key initiatives in FY2010 ?

### A. In addition to making structural reforms, we developed and expanded sales of new products to create new growth.

In FY2010, we focused on structural reform initiatives with the aim of quickly returning to the black. In addition, the Group made a collective effort to develop and expand sales of new products to create new growth.

\* Operational availability refers to the rate at which a piece of equipment will function normally when it is needed; it also represents the production maintainability and working efficiency of equipment.



Onsite inspection by the president

#### Key initiatives in FY2010

##### 1. Structural reform initiatives to ensure a firm foundation

- **Extensive improvement in productivity:** Raise operational availability\*, reduce logistics costs, lower energy costs and curtail supplementary material costs
- **Top-to-bottom rethinking of fixed costs:** Pursue operational reform and lower capital investment

##### 2. Develop and expand sales of new products to create new growth

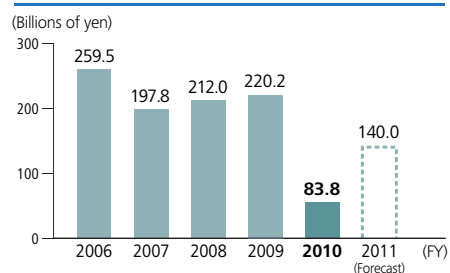
- Develop eco-friendly products
- Develop products that will create a safe and reliable car society

#### 1. Structural reform initiatives to ensure a firm foundation

AISIN achieved soaring growth through FY2008 as our clients boosted production. But we are now in a different age. Accordingly, we have endeavored to extensively improve productivity and rethink fixed costs from top to bottom with the aim of creating a streamlined, solid corporate structure capable of weathering production declines. This will allow us to prosper in the next era.

We formed a dedicated project team to address these extensive improvements to productivity. This team carried out a range of activities to make improvements in factories, from raising operational availability to reducing the cost of supplementary materials. Moreover, the entire Company joined in these efforts, starting with myself, including progress inspections carried out by executive officers through on-the-spot reports of the actual site and goods. We exhaustively reviewed fixed costs by promoting operational reform, fully reviewing work processes and methods and reducing capital spending. We encouraged the use of multi-purpose equipment capable of adapting to fluctuations in production volume and leading to lower investments, and also used our current equipment until it was worn out. In this way, we reviewed capital spending from every possible angle. We thoroughly debated the need for investments and only made investments after a rigorous selection process. As a result of these efforts, capital spending was reduced to ¥83.8 billion in FY2010, less than 40% of previous levels.

#### Capital expenditures





Electric water pump for cooling the engine

➔ Refer to pages 17-18 for details

## 2. The development and sales expansion of new products to create new growth

AISIN has pursued R&D focused on the environment, safety and comfort. In FY2010, we pursued higher productivity and fixed cost reductions, but also secured the necessary development costs to develop and expand sales of the new products that will bring new growth. At the same time, we worked proactively to develop eco-friendly products. The electric water pump for cooling the engine, which raises the fuel efficiency of hybrid vehicles, is a representative example of such products. In addition, we developed products that would create a safe and reliable car culture — the permanent mission of companies in the automobile industry. We endeavored to popularize Electronic Stability Control (ESC), a technology that can reduce traffic accidents and is the subject of a campaign in Europe and the US to make it a standard feature.

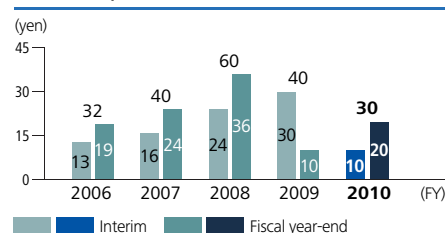
To ensure reliability, these parts and systems were installed in vehicles and tested and assessed in a variety of driving environments on three proving grounds with large-scale circumferential circuits.

## Q. What is the policy with respect to the distribution of profits ? How about dividends ?

### A. We reduced dividends in order to ensure stable finances.

In the medium and long term, we intend to raise dividends consistently, taking into account both earnings and our dividend payout ratio. In FY2010, we have decided to pay a fiscal year-end dividend of ¥20 per share. Including the interim dividend of ¥10 per share, this brings the annual dividend to ¥30 per share, ¥10 lower than the previous fiscal year.

Dividends per share



## Q. What is your forecast for business results for FY2011 ?

### A. We expect higher sales and profit.

The business environment remains uncertain, and the outlook for the automobile market is unknown, but we will continue our efforts to develop a streamlined, solid business structure to ensure revenue. Our performance forecasts for the next fiscal year are: net sales of ¥2,100 billion, operating income of ¥110 billion, ordinary income of ¥112 billion and net income of ¥50 billion, assuming exchange rates of ¥90 to the U.S. dollar and ¥125 to the euro. We plan to pay dividends of ¥30 per share in FY2011, the same as the fiscal year under review.

## Q. What are your medium- to long-term growth strategies ?

### A. We will adapt to changes in the business environment by ensuring new growth potential in emerging markets, eco-friendly cars and energy.



AISIN's business environment is facing major changes. One of these is a shift from markets in developed countries to emerging markets. The second change involves alterations in the categories of cars, with the shift from gasoline- and diesel-powered cars to hybrid cars and electric cars, and from large cars to small and inexpensive cars. In addition, we face a change from fossil fuels to natural energy such as solar power. AISIN is responding to these changes by identifying three priority issues: (1) breaking into emerging markets and pursuing cost reforms, (2) the development of new products that will form the core of eco-friendly cars, and (3) new initiatives



\* **Simultaneous Engineering (SE):** This is a development method that allows every step from design to manufacturing to be carried out simultaneously. The aim is to shorten the development process through to mass production as much as possible and take into account the entire product life cycle, from start to finish.

in energy and new fields. We will bring together the technology and expertise that the Group has built up thus far and boldly take on new challenges to ensure new growth potential.

### 1. Breaking into emerging markets and pursuing cost reforms

In the long term, I believe that emerging economies will be fully motorized, and the automobile market will continue to expand. Our success in building a business foundation in these markets will determine AISIN's growth in the future. We expect demand for small, entry-level cars will heighten in emerging markets, and we must steadily increase our business in these markets and develop products that can generate profits.

AISIN has designated China, Brazil and India as its priority regions, and will work to identify users' needs for automobiles and the operating environments in these regions, and also ascertain the performance and quality required. We will also upgrade our local abilities to procure materials and parts as well as to engage in manufacturing and development activities. To achieve groundbreaking low costs, the design divisions and manufacturing technology divisions will work together to pursue SE\* activities. They will select priority products, review construction methods and materials, reduce the types of parts and change product specifications and structural design.

### 2. Development of new products forming the core of eco-friendly cars

We will focus on the development of new products that will form the core of hybrid vehicles and electric cars, with an emphasis on the drivetrain field, energy regeneration and heat management. In addition to hybrid transmissions, a field in which we have already achieved results, we will also devote resources to the development of next-generation motors. At the same time, we will focus on innovation in enhancing existing products to improve the fuel efficiency of conventional gasoline-fuelled cars as well as engine efficiency, raise drive power transmission efficiency and reduce weight.

Moreover, we will reinforce collaboration within the AISIN Group in new product development. In FY2010, we reorganized the development and production systems in the brake related business for this very purpose.

### 3. Initiatives in energy and new fields

AISIN's particular strength lies in developing a wide range of businesses in areas other than automotive parts. We aim to create pillars for new businesses in energy and new fields. The SOFC\* residential fuel cell cogeneration system, which conserves energy and is effective in reducing CO<sub>2</sub>, is one such example. We are currently carrying out proving tests with the intention of developing practical applications.

The world's needs for an energy-saving, healthy and comfortable lifestyle are rising, which presents AISIN with unprecedented opportunities as a company that has built up technological expertise in the fields of automobiles, homes and energy. We will pursue perspectives and technologies unique to AISIN with the aim of creating new markets.

AISIN will continue to actively develop and expand sales of new technologies to achieve global growth. Moreover, we aspire to be a corporate group capable of coexisting with customers, the community and nature by accurately responding to society's demands and expectations. We ask our shareholders and other stakeholders for their continuing support going forward.

\* **SOFC:** Solid Oxide Fuel Cell



The SOFC residential fuel cell cogeneration system was jointly developed with Toyota Motors, Osaka Gas and Kyocera.

July 2010

Fumio Fujimori, President



## Conditions by product category

### Sales ratio per business category and sales mix ratio

#### Information related products

**121.1 billion yen 5.9%**

- Car navigation system
- Intelligent parking assist
- Sensors, etc.



#### Life related and other products

**84.4 billion yen 4.1%**

- Beds and bedding
- Sewing machines
- Shower-toilet seats
- Gas heat pump (GHP) air conditioners, etc.



#### Engine related products

**204.9 billion yen 10.0%**

- Oil pumps
- Water pumps
- Intake manifolds
- Variable valve timings (VVTs), etc.



#### Drivetrain related products

**842.6 billion yen 41.0%**

- Automatic transmissions (ATs)
- Manual transmissions (MTs)
- Clutch discs, etc.



#### Body related products

**386.7 billion yen 18.8%**

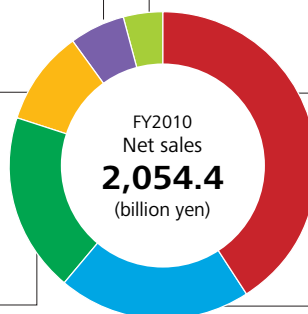
- Power sliding door system/ power back door system
- Sunroofs
- Door parts
- Seat components, etc.



#### Brake & chassis related products

**414.5 billion yen 20.2%**

- Anti-lock brake system (ABS)
- Electronic stability control (ESC)
- Disc brakes and drum brakes, etc.



### Automotive Parts Business

Net sales for FY2010 plunged 6.7% compared with the previous fiscal year to ¥1,969.9 billion.

Sales in this business declined due to sluggish growth in the number of automobiles sold, but the number of hybrid vehicles and others sold increased due to subsidies and tax incentives for eco-friendly automobiles. This restored the AISIN Group's sales volume for automobile parts. The hybrid transmission and electric water pumps for cooling the engine, which were newly adopted, made particularly significant contributions to sales.

#### Major new products in FY2010

Electric water pump for cooling the engine	→ Refer to pages 17-18
HDD (hard disk drive) navigation systems	→ Refer to pages 17-18
Moon roof with solar panel	→ Refer to pages 17-18
Three-piece hardtop system for four-seat vehicles	→ Refer to p. 16

### Life Related and Other Products Business

Net sales for FY2010 plunged 17.7% compared with the previous fiscal year to ¥84.4 billion.

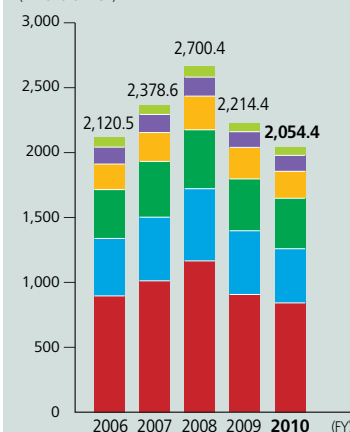
We aggressively expanded sales in FY2010 with the launch of the E1 Series, a smaller, light-weight external gas engine driven heat-pump unit, in June 2009; J Concept, a new series of beds that give the Japanese consumer a better night's rest, in July; and the SP10, a home-use sewing machine developed with the user in mind, in January 2010. However, the market weakened further in Japan, our main market, as deflation made consumers more cautious. As a result, sales declined in this segment.

#### Major new products in FY2010

The E1 Series, energy-conserving, smaller and lighter gas heat pump (GHP) air conditioners	→ Refer to p. 15
J Concept, a new series of beds that give the Japanese consumer a better night's rest	→ Refer to p. 27
SP10, home-use sewing machines	→ Refer to p. 35

#### Net sales

(Billions of Yen)



- Drivetrain related products
- Brake & chassis related products
- Body related products
- Engine related products
- Information related products
- Life related and other products

### Consolidated sales rankings of the world's leading manufacturers of automotive parts

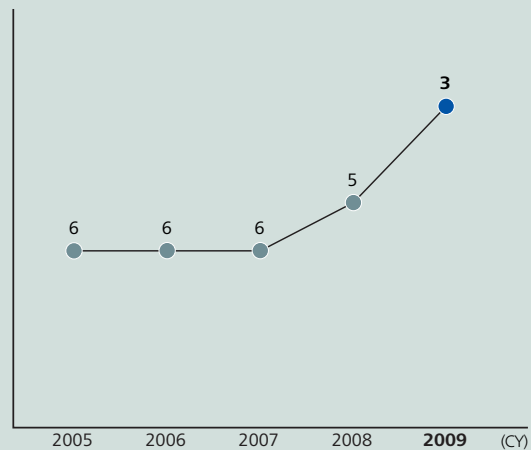
## AISIN ranked in third position among manufacturers of automotive parts worldwide

Top 10 companies in 2009

Ranking	Company	Sales (Automotive Parts) (Millions of dollars)	Previous Year's Ranking
1st	Denso Corporation (Japan)	\$ 28,731	2
2nd	Robert Bosch GmbH (Germany)	25,617	1
3rd	Aisin Seiki Co., Ltd. (Japan)	<b>20,585</b>	5
4th	Continental AG (Germany)	18,744	3
5th	Magna International Inc. (Canada)	17,367	4
6th	LG Chem Ltd. (South Korea)	13,080	—
7th	Faurecia (France)	13,000	8
8th	Johnson Controls Inc. (USA)	12,800	6
9th	Delphi Holding LLP (USA)	11,755	7
10th	ZF Friedrichshafen AG (Germany)	11,748	9

\* Source: "Top 100 Global OEM Automotive Parts Suppliers Sales Ranking in 2009 (January to December 2009)" by Automotive News

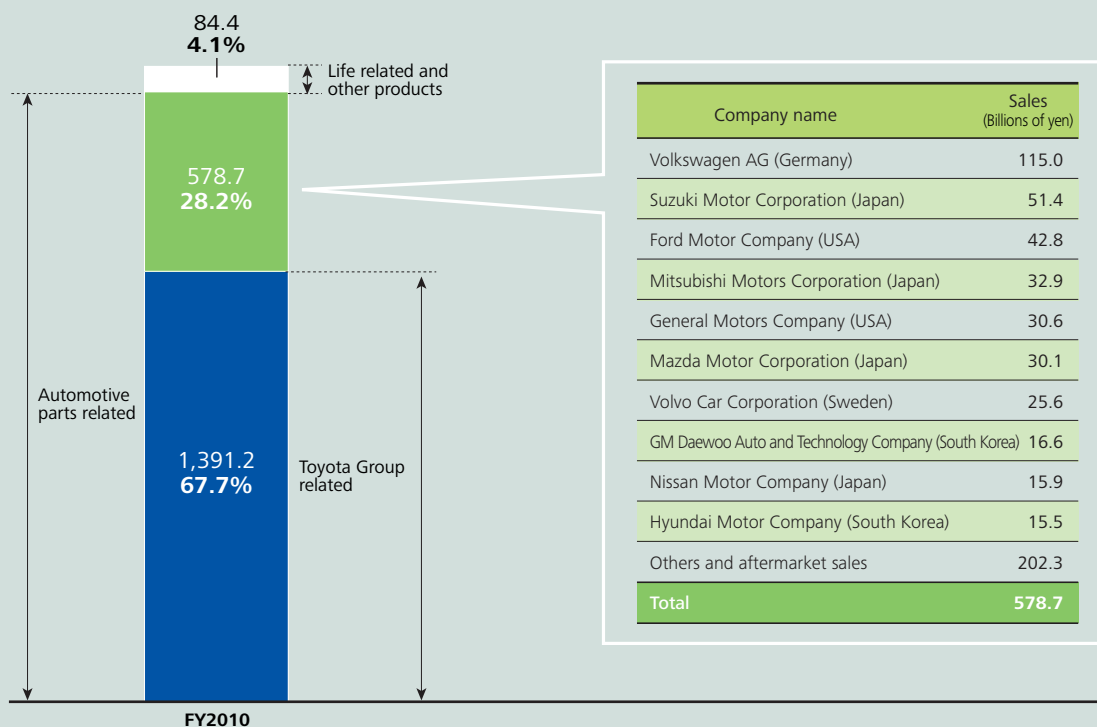
Changes in Aisin's ranking



### Sales proportions according to customer

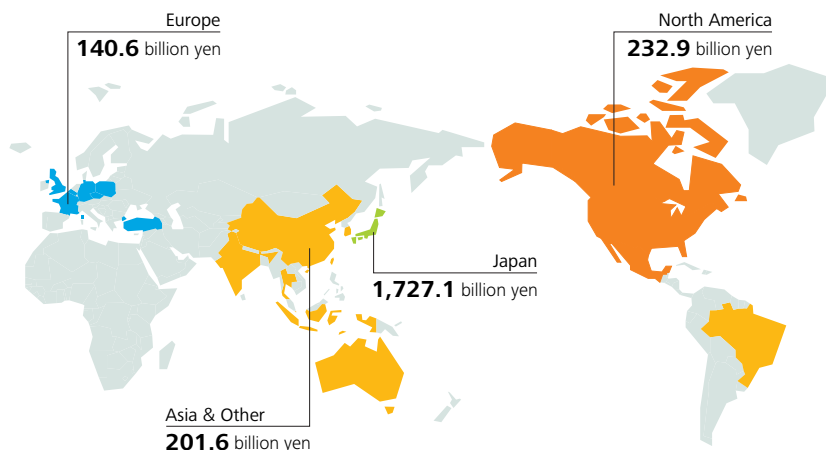
## AISIN does business with leading manufacturers all over the world

Detail of sales (Billions of yen)

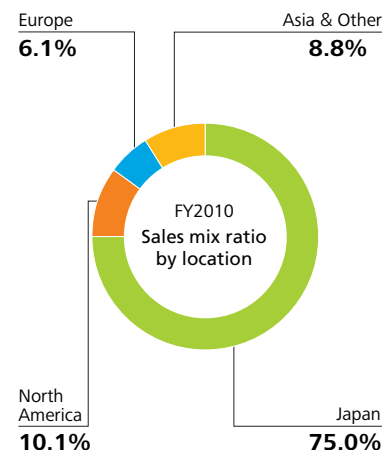


## Conditions by location

### Net sales by location



### Sales mix ratio by location

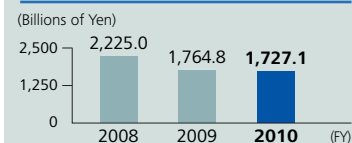


### Japan

Despite subsidies and tax incentives for eco-friendly vehicles, the decline in the number of automobiles produced in the first half of the fiscal year had a major impact. As a result, sales were ¥1,727.1 billion (down 2.1% compared with the previous year of ¥1,764.8 billion).

Despite lower sales, operating income amounted to ¥63.7 billion (compared with an operating loss of ¥36.3 billion in the previous fiscal year), thanks to the effects of initiatives to improve original costs and a decline in depreciation costs.

#### Net sales

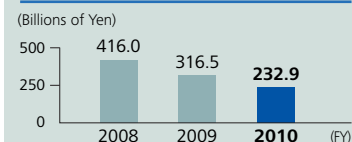


### North America

Sales came to ¥232.9 billion (down 26.4% compared with the previous year of ¥316.5 billion). This can be attributed to a decline in production volume resulting from the downturn in automobile sales as a result of the economic slowdown, as well as fluctuations in exchange rates.

Despite the drop in sales, the operating loss narrowed to ¥2.8 billion (compared with an operating loss of ¥7.3 billion in the previous fiscal year) due to the successful reduction of fixed costs.

#### Net sales



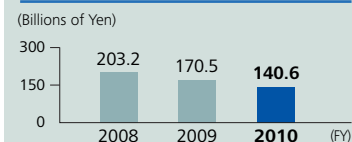
### Europe

Although automobile demand did recover in some regions due to scrap incentives\*, the number of automobiles produced declined and fluctuations in exchange rates hurt the Company's performance. As a result, sales amounted to ¥140.6 billion (down 17.5% compared with the previous year of ¥170.5 billion).

Operating income fell 6.1% to ¥1.3 billion, compared with ¥1.4 billion in the previous fiscal year.

\* This is an incentive measure by which the national government encourages consumers to scrap their older cars and replace them with new cars.

#### Net sales

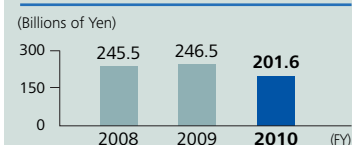


### Asia & Other

Although production increased for clients in China, this was offset by a drop in the number of automobiles sold in the Thailand market and the impact of exchange rates. As a result, net sales amounted to ¥201.6 billion (down 18.2% compared with the previous fiscal year of ¥246.5 billion).

Operating income decreased 22.7% to ¥26.8 billion, compared with ¥34.7 billion in the previous fiscal year.

#### Net sales





## Conditions in emerging markets and outlook

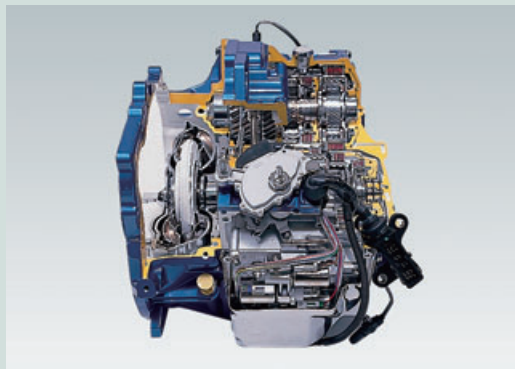
### We aim to strengthen the sales system in China and expand business.

The automobile market has almost reached its outer limits in Japan, the US and Europe in recent years, but the growth in demand for automobiles has been remarkable in China and India, and we expect these emerging markets to drive global automobile demand in the future. AISIN is actively working to expand business in these emerging markets, particularly China.

Currently, unit sales of automatic transmissions are increasing every year in China, and we expect further growth in the future. AISIN AW was quick to focus on the potential represented by the Chinese market, and has built up trusting relationships with the independent local automobile manufacturers, with whom we are yet to engage in transactions. These efforts are beginning to yield results in the form of new business relationships. In addition, in January 2010 Aisin Seiki set up an After Market Division and Sales Expansion Division in its Group subsidiary Aisin Seiki (Tianjin) Sales & Trading Co., Ltd., which is responsible for sales activities in China. This is intended to bring in more orders from China's independent automobile manufacturers.

Going forward, AISIN will strive to ascertain the needs of local automobile users and the environment in which they use them, as well as upgrade our local manufacturing and development capacity, actively promote local procurement of materials and parts and expand our business.

#### Start of new deals for FWD 5-speed AT with Chinese manufacturers



In FY2010, AISIN AW began selling automatic transmissions to China's Dongfeng Liuzhou Motor Co., Ltd. for the first time. This product is installed in the small multi-purpose vehicle (MPV) *Joyear TT* for sale in China's domestic market.

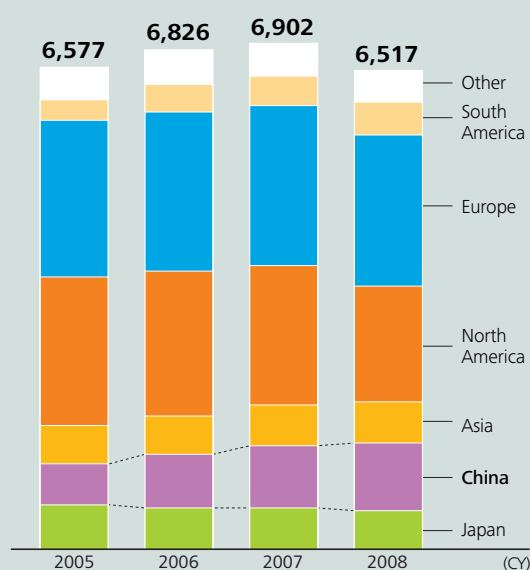
#### Ten Group companies enter China's auto show



Ten companies\* from the AISIN Group jointly entered AUTO CHINA 2010, an auto show held in Beijing, China between April 23 and May 2, 2010. The Group companies displayed products ranging from manual transmissions to cutting-edge products for hybrid vehicles, basic engine components, safety products such as ESC (Electronic Stability Control systems for preventing lateral skidding) and car navigation systems.

\* Aisin Seiki, Aisin AW, Aisin AI, ADVICS, Aisin Seiki (Tianjin) Sales & Trading, AW Shanghai Automotive Parts Trading, Tangshan Aisin Automotive Parts, Takaoka Lioho (Tianjin) Industries, ADVICS Tianjin Automobile Parts, ADVICS Guangzhou Automobile Parts

Number of automobiles sold worldwide (10,000 units)



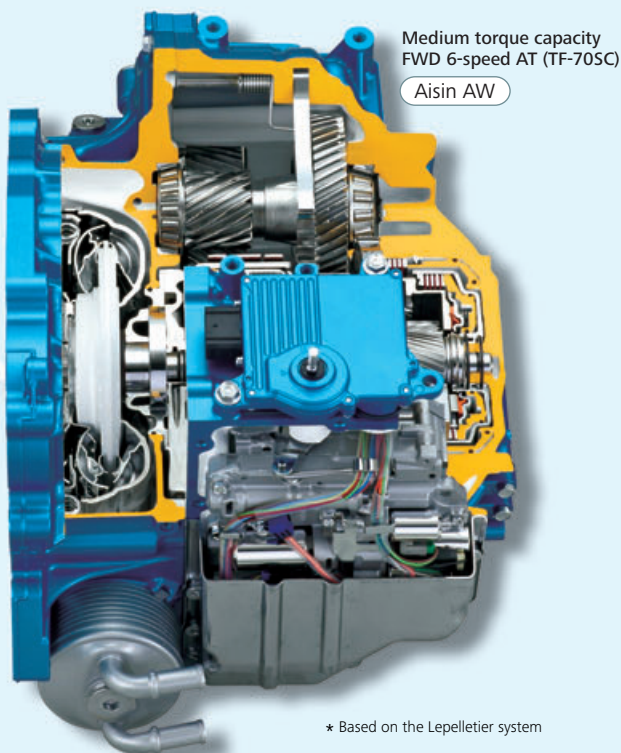
Source: MarkLines Co., Ltd, the AISIN Group and our own sources

## Topics

### Aisin AW started production of medium torque capacity FWD 6-speed AT

Sales Expansion

In providing a lighter weight and optimizing gear ratios, Aisin AW's medium torque capacity FWD 6-speed AT offer improved fuel efficiency and motor power performance. Production has commenced and products are used in the Peugeot 308CC and Citroen C5.

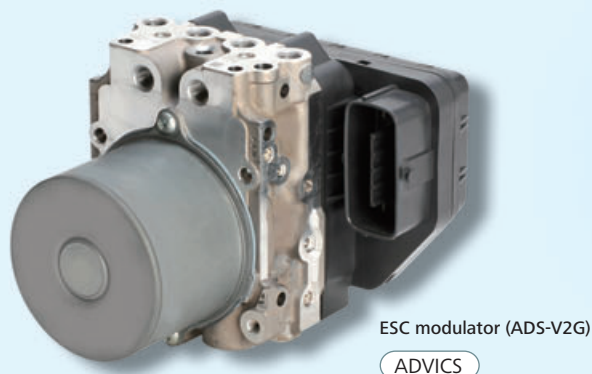


### First delivery of ESC modulators to Nissan Motor Co.

Sales Expansion

Nissan Motor Co.'s new-model *Fuga* has adopted ADVICS's ESC modulators, which achieve exceptional quietness and control through the use of gear pumps.

This marks the first delivery of ESC modulators to Nissan Motor Co.

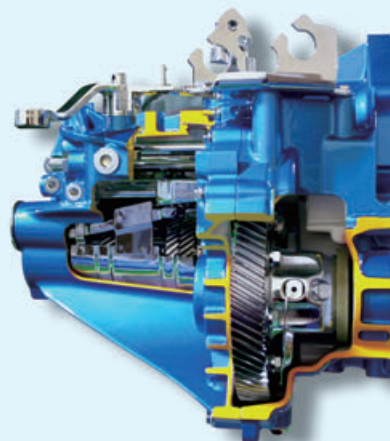


### Aisin AI started production of 6-speed MT for small and medium sized vehicles with FF design

Sales Expansion

Aisin AI has begun production of 6-speed MT for small and medium sized vehicles with FF design, used in the Toyota

compact SUV (Sport utility vehicle) *Urban Cruiser* (Japanese name: *ist*) now entering the European market. The same equipment is also installed in the Europe-bound *Corolla* and *Auris* models.



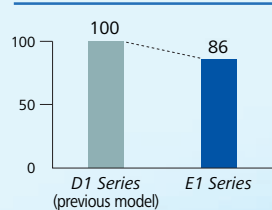
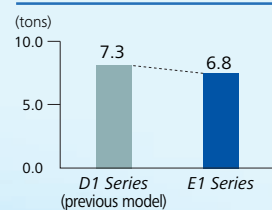
### Aisin Seiki released to promote the E1 Series, a smaller and lighter gas heat pump (GHP) air conditioner offering improved energy savings

New Product

In June 2009, Aisin Seiki released the E1 Series, a smaller and lighter gas heat pump (GHP) air conditioner offering improved energy savings.

The new GHP air conditioner reduces gas consumption by approximately 14% compared with previous models. This reduction corresponds to an approximate 7% decrease in CO<sub>2</sub> emissions.

Gas consumption (previous model = 100)


CO<sub>2</sub> emissions


The E1 Series, a smaller and lighter gas heat pump (GHP) air conditioner

Aisin Seiki

## Thai engine component manufacturing company begins production Production Site Expansion

Demand for compact car engine components is forecast to expand in the ASEAN region. In order to build business-specific production systems in Thailand, Aisin Seiki has spun off the engine component business of Group company Siam Aisin Co., Ltd. to establish Aisin Thai Automotive Casting Co., Ltd. in Prachinburi province.

The company began the production of products including timing chain cases and intake manifolds in April 2010.



AISIN Thai Automotive Casting Co., Ltd

## Construction of a third factory for disk brake pads Production Site Expansion

With the aim of expanding brake pad production, Aisin Chemical has constructed a third factory for disk brake pads within the Aisin Chemical headquarters grounds.

The factory is scheduled to begin production in October 2010, with a planned capacity of one million units per month.



Third factory for disk brake pads Aisin Chemical

## Application of a next-generation power seat adjuster in the Toyota Mark X Sales Expansion

Aisin Seiki's next-generation power seat adjuster for electrically controlling the position of seats has been introduced for use in the Toyota Mark X.

Power seats incorporating this adjuster offer nearly the same level of strength as previous products while achieving a 20% reduction in weight. Accordingly, these world-class lightweight power seats contribute to overall vehicular weight reduction.



Next-generation power seat adjuster

Aisin Seiki

\* Co-developed with Toyota Motor Corporation and Toyota Boshoku Corporation

## Three-piece hardtop system installed in the Lexus IS250C New Product

Three-piece hardtop system

Aisin Seiki



Aisin Seiki's newly developed three-piece hardtop system has been adopted by the Lexus IS250C.

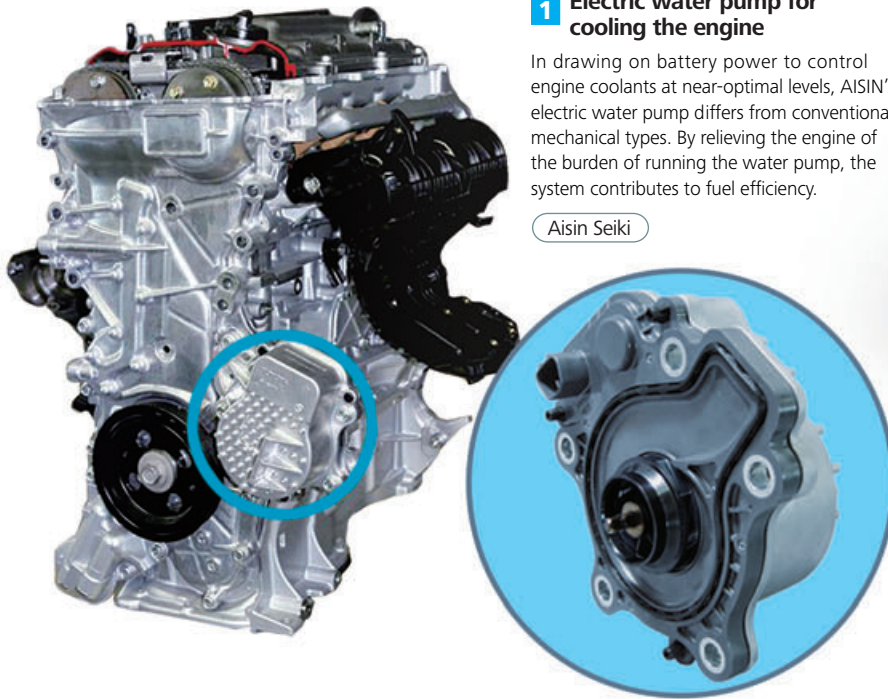
A complex, tri-part metal roof controlled by a combination of motors and sensors, this system achieves a best-in-class raising and lowering time of 20 seconds. It also operates with a level of quietness appropriate for luxury automobiles.

Moreover, the system's smaller functional parts leave enough space in the vehicle's trunk to store a golf bag even with the top down.



# AISIN Group technology enables the further reduction of CO<sub>2</sub> emissions in hybrid vehicles

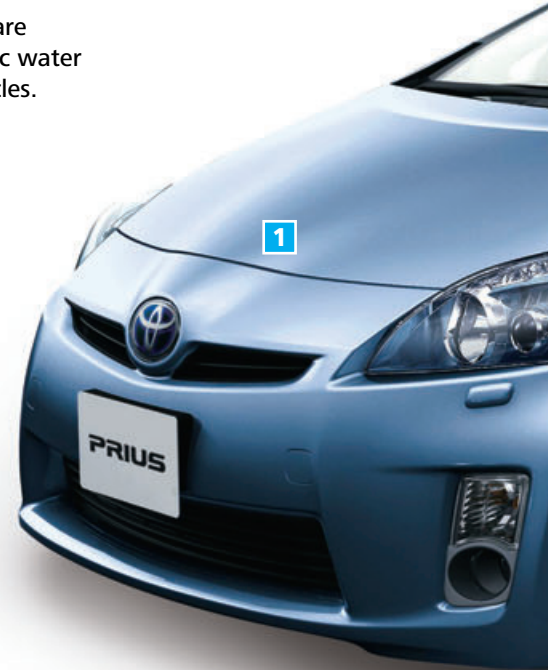
As the impacts of global warming continue to take hold, hybrid vehicles are attracting increased attention. In FY2010, Aisin Seiki developed an electric water pump for cooling the engine that boosts the fuel efficiency of hybrid vehicles.



## 1 Electric water pump for cooling the engine

In drawing on battery power to control engine coolants at near-optimal levels, AISIN's electric water pump differs from conventional mechanical types. By relieving the engine of the burden of running the water pump, the system contributes to fuel efficiency.

Aisin Seiki



The new-model Toyota Prius

## Demand for the Reduction of CO<sub>2</sub> by the Automotive Industry

Amid the increasing seriousness of global warming, reducing emissions of CO<sub>2</sub> and other greenhouse gases has become a pressing issue. The government of Japan, for its part, announced at the UN Summit on Climate Change in September 2009 that the nation would reduce greenhouse gas emissions by 25% through to 2020 compared with levels recorded in 1990.

The transportation sector accounts for about 20% of Japan's CO<sub>2</sub> emissions. Of this 20%, cars, buses and trucks make up around 88%. The automotive industry is being called upon to develop and introduce more eco-friendly vehicles that emit less CO<sub>2</sub>.

Hybrid vehicles are currently under the spotlight among the eco-friendly vehicles being developed by the world's automakers. While the use of electric vehicles is expected to expand in the future, practical performance measures, including costs and driving range, place their mass application further down the road.

In FY2010, Aisin Seiki developed an electric water pump for cooling the engine that improves the fuel efficiency of hybrid vehicles. The pump has been adopted for use in Toyota's new-model *Prius*.

## The water pump maintains engines at an optimal temperature, contributing to better fuel efficiency

Conventional water pumps are generally of a mechanical type that employ motive power from the engine to circulate coolant water. As this method ties the volume of circulated water to engine revolution speed, situations in which the engine runs at high speed but not under heavy load can result in greater water circulation than is needed. Moreover, the pump's consumption of a portion of the engine's power creates a barrier to fuel efficiency improvement.

In contrast, AISIN's newly developed electric water pump allows fully flexible electronic control over the amount of coolant water circulated, enabling the cooling of engines to be maintained at optimum levels. Another major advantage is that there is no loss of engine power, as power is drawn from the battery. Use of the pump raises the vehicle's fuel efficiency overall by 2%.

A major issue in the development of the product was how to externally dissipate heat generated by the circuit board. The solution found after trial and error was to attach the circuit board to a gel sheet with high heat thermal conductivity, and to affix that to a metal case specially formed to radiate heat. The solution enabled sufficient radiation at a low cost.



## 2 HDD navigation system

Aisin AW's HDD navigation system supports environmentally friendly driving through its "Eco Drive Screens," including the "Eco Level Meter," which indicates the degree of environmentally low-impact driving, and the "Per-Minute Mileage Display," which graphically displays per-minute average fuel economy.

Aisin AW



## 3 Electronically Controlled Brake System (ECB)

This system provides controls for the efficient operation of regenerative brakes, which recover and reuse energy during deceleration through conversion to electricity.

ADVICS

\* Co-developed with Toyota Motor Corporation



## Over 50 AISIN Group products and technologies on board

In addition to the electric water pump, the new-model *Prius* employs over 50 products and technologies from the AISIN Group. Noteworthy examples include our hard disk drive (HDD) navigation system (Aisin AW) that assists environmentally friendly driving, our electronically controlled brake system that converts deceleration energy into electricity for reuse (co-developed with ADVICS and Toyota Motor Corporation) and our solar panel-equipped moon roof that uses energy generated by the sun for cabin ventilation (Aisin Seiki, with solar cells by Kyocera Corporation and glass by Asahi Glass Co.).

## Ongoing development of products that contribute to environmental conservation

AISIN is pushing ahead with the development of products aimed at the growing market for hybrid, electric and other eco-friendly vehicles.

Among our primary initiatives are the development of next-generation motors for hybrid and electric vehicles, and hybrid drive systems for compact vehicles. We are also undertaking the development of products that raise the

environmental performance of eco-friendly vehicles, such as heat management systems that optimize overall vehicular heat usage.

Apart from these initiatives, AISIN also believes that ongoing improvement in fuel economy for conventional engine vehicles is a vital environmental issue for the automotive industry. As such, we are making efforts toward the development of technologies including transmissions to improve transfer efficiency of motive power and oil pumps that further boost engine energy efficiency.

Through the development of such products, AISIN will continue to contribute to the realization of sustainable society.



# To meet the trust extended to us by our customers, we approach quality assurance from all angles.

With “Quality First” as one of Aisin Seiki’s management principles, we implemented a number of initiatives aimed at quality assurance in FY2010. A-CF activities targeting zero defects, human resources development as the foundation of quality assurance, reliability evaluations on automobile track tests — these and all of our activities are connected to the assurance of quality.



ABS actuator assembly line at Handa Plant



The valve body inspection process



## Establishing a quality assurance framework through A-CF activities

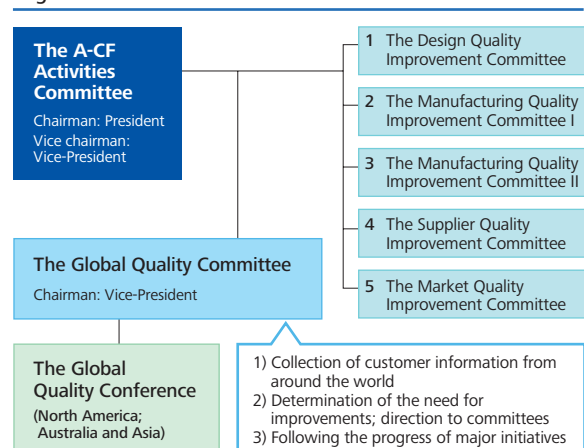
The products that Aisin Seiki supplies to customers are vital components in supporting automotive safety. Based on our conviction that “automobile quality is AISIN quality,” we have set “Quality First” as one of our management principles and have embarked upon improvement initiatives. At the center of these initiatives are A-CF (AISIN Customer First) activities in pursuit of improved customer satisfaction through quality assurance. Launched in 2006, A-CF establishes dedicated committees — Design, Manufacturing, Suppliers and Market — headed by the appropriate managers in charge, and in each area enacts initiatives aimed at zero defects. For example, the Manufacturing Quality Improvement Committee undertakes programs to build production lines that produce no defective goods, with the vice-president inspecting and advising the programs three times per month.

Such A-CF activities yielded real results in FY2010. As of March 2009, 144 production lines out of 1,000 had achieved a Level 1 status, indicating zero defects delivered for at least three months. There, as each skilled technician applied his or her own polished instinct and craft to work domains, we also conducted re-training so as to enable every worker to attain high quality. Furthermore, to prevent deficiencies stemming from the 4M’s\* whose changes impact the evenness of product quality, we have made efforts to make such changes, as well as countermeasures and their results, more visible as a means of raising quality.

As a result of such initiatives, in March 2010 all of our lines achieved a Level 1 status. In FY2011 we are taking steps to have all lines achieve a Level 2 status, indicating zero defects delivered for at least six months. Furthermore, we have prepared systems to quickly apply solutions in the event of a defective product. In FY2010, we established a new Global Quality Committee to gather early information on quality defects (discomfort, breakage or accident) among suppliers or in the market, and to promptly instruct all A-CF committees regarding improvements.

\* The 4Ms are Man, Machines, Material and Methods.

### Organization of A-CF activities







Experiencing jig and blade replacement, program creation and cutting at the machining center in the Back-to-Basics “Mono-zukuri (manufacturing)” Workshop.



Reliability testing through brake performance evaluation on a freezing surface



Training for overseas workers at the Back-to-Basics “Mono-zukuri (manufacturing)” Workshop

## Human resources development in “mono-zukuri (manufacturing)”

From the standpoint that quality assurance is founded in human resources, we make efforts toward the development of human resources in connection with the “mono-zukuri (manufacturing)”.

A vital player in our human resources development is the Aisin Technical Academy, an in-house, boarding-style training school targeting young graduates of technical high schools. The campus accepts new employees from not only Aisin Seiki but also Group companies domestically and overseas, and over the course of a year teaches practical skills. For top-ranking graduates we have also prepared a path to gain high-level skills and knowledge through an additional two years of education as technical trainees.

We also maintain the Global Skills Practice Center as a facility to educate all production-related employees from Japan or overseas in the knowledge required for production, from basic know-how and skills for product quality to safety education. We are also implementing education for suppliers' employees at the Center.

Finally, to build technology enabling high-quality, low-cost and short-time production, we undertake human resources development centered around the Back-to-Basics “Mono-zukuri (manufacturing)” Workshop set up within our production engineering center. The Workshop acts as a focal point for all functionality related to production engineering, including the development of engineering methods and

design and production of equipment and molds, and is the location where production engineering-related workers in AISIN Group companies around the world can hone their skills at assuring quality.

## Reliability assessment through automotive track testing

At Aisin Seiki, we further step up the evaluation test, in order to maintain reliability of products.

A key feature of our reliability evaluations is our three domestic and overseas automotive proving grounds, where we can conduct testing of not only components but entire vehicular systems (see p. 34 for details of the proving grounds). Simulating driving conditions from anywhere in the world on the test tracks, we conduct safety evaluations, environmental evaluations, durability evaluations and more to assess reliability from a variety of perspectives, thus making quality assurance more certain.

At Aisin Seiki we will continue advancing quality assurance initiatives in all facets of our business activities, in response to the trust extended to us by customers.



# E nvironment

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### Message from Management



**Masuji Arai**

Executive Vice President and Chairman of the AISIN Consolidated Environment Committee

Automobiles, the core of our business, are tools for moving humans and objects on land at extraordinary speeds, and have become indispensable to our lives. While contributing greatly to economic development, this progress has led to environmental problems and particularly global warming. Accordingly, reducing CO<sub>2</sub> emissions generated throughout the lifecycle of automotive parts, from their production through their use, is a crucial issue that we will be tackling over the next several decades.

Discussions are now underway over what policies to adopt in the post-Kyoto Protocol period. This and other regulations and measures intended to prevent global warming mean that industries will have to overhaul their programs designed to reduce CO<sub>2</sub> emissions. We must respond to future regulations and measures by making lighter-weight parts and improving efficiency to raise the fuel efficiency of automobiles, as well as develop and launch new parts for hybrid cars and electric cars. Simply maintaining diligent efforts is also important in pursuing motion loss and eliminating waste by adopting energy-saving equipment and methods on production sites and raising operational availability.

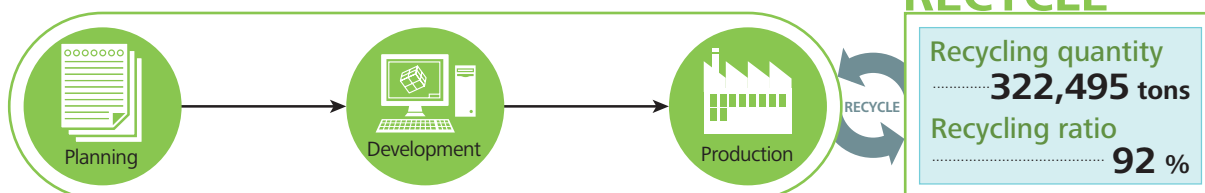
The environmental problems we face are extremely severe. However, the industry must leverage its own technology and race to the frontlines of this era of tremendous change. We believe that the products and manufacturing technologies generated in this way be used for industry, society and day-to-day living. AISIN pursues activities that respect harmony with the environment in all aspects of its business, and the entire Group works together to practice environmental management.

# Quantities of Resources Used and Emissions Released (FY2010)



## INPUT

<b>Energy</b> Total direct energy consumption ..... <b>7,580,767 GJ</b> Itemization    Coal products (anthracite, coke, etc.) ..... 996,968 GJ Natural gas ..... 5,732,760 GJ Petroleum products (gasoline, diesel, LPG, etc.) ..... 851,039 GJ Total indirect energy consumption ..... <b>12,497,592 GJ</b> Itemization    Electric power purchased ..... 12,497,041 GJ Solar and wind-generated power ..... 551 GJ		<b>Quantities of raw materials used</b> Metal, resin and etc.(purchase materials) ..... <b>1,162,660 tons</b> Chemical substances (PRTR substances) ..... <b>2,262 tons</b>
		<b>Quantities of water resources used</b> Total quantity used ..... <b>7,333,729 m³</b> Itemization    Public water supply ..... 809,229 m³ Industrial water ..... 5,046,564 m³ Underground water ..... 1,477,936 m³



## RECYCLE

**Recycling quantity**  
..... **322,495 tons**  
**Recycling ratio**  
..... **92 %**



## OUTPUT

<b>Greenhouse gases</b> <Production> Total emissions ..... <b>830,748 tons-CO<sub>2</sub></b> Itemization    Carbon dioxide (CO <sub>2</sub> ) ..... 826,734 tons-CO <sub>2</sub> Hydrofluorocarbons (HFCs)*1 ..... 429 tons-CO <sub>2</sub> Sulfur hexafluoride (SF <sub>6</sub> )*2 ..... 3,585 tons-CO <sub>2</sub> CO <sub>2</sub> emissions per sales unit ..... <b>39.8 tons-CO<sub>2</sub>/¥100 million</b>		<b>Waste products</b> Total waste emissions ..... <b>352,384 tons</b> Total emission of industrial waste ..... <b>111,590 tons</b> Quantity of end-processed general waste ..... <b>4,884 tons</b> Total emissions of waste per sales unit ..... <b>17.0 tons/¥100 million</b>
		<b>Chemical substances</b> PRTR emissions ..... <b>163 tons</b>
		<b>Total quantity of waste water</b> Public water area ..... <b>4,876,718 m³</b>

Notes 1. represents the total of the 10 main manufacturing companies in Japan; other figures represent the total of the 23 main companies in Japan.

2. For more detailed information, please refer to the Management Data Environmental Aspects section on pages 71-74

\*1 Hydrofluorocarbons (HFCs): A greenhouse gas with a warming effect thought to be from 140 to 14,800 times that of CO<sub>2</sub>.

\*2 Sulfur hexafluoride (SF<sub>6</sub>): A greenhouse gas with a warming effect thought to be 23,900 times that of CO<sub>2</sub>.

# Environmental Management

To achieve coexistence between society and nature, adopted as a goal in our management principles, the entire AISIN Group is engaged in the perpetuation and improvement of environmental management.

## AISIN's Consolidated Environmental Activities

### Basic approach

AISIN views global warming, air pollution, industrial waste and other

environmental problems as vital management issues to be tackled by the Group as a whole. We place coexistence between society and nature at the heart of our corporate principles. Toward that goal, we established our Fourth Environmental

Action Plan in February 2006 to guide our environmental initiatives through FY2011.

With FY2011 as the last year of the Plan, we are taking every effort to meet the goals we have set for items within the Plan.

## Next Medium-term Plan

### Designing the Fifth Environmental Action Plan

AISIN is advancing plans for its Fifth Environmental Action Plan, spanning the period from FY2012 to FY2016.

### Results of activities during FY2010 in connection with the Fourth Environmental Action Plan (FY2007-2011)

Priority items	Activities	Targets for FY2010	Results of activities	Assessment
Promoting the development of earth-friendly new products and technologies	Development of earth-friendly products	Vehicle sector: Commercialization of low-cost HV (hybrid vehicle) products	HV products: In addition to Japan's first electric water pump for cooling the engine, we commercialized an electric water pump for cooling the inverter and a damper with torque limiter for the 2009 Toyota Prius.	☆☆
		Lifestyle and Energy related sector: Commercialization of solar cells and gas engine co-generation systems for the home	Dye-sensitized solar cells: We have installed a solar-cell "window" at Nishio Okanoyama Roadside Station and our "Tree of the Future" monument at three locations (Laguna Gamagori, Hekinan City and our com-center (exhibition hall)) for monitoring purposes, to test the possibilities of products for dye-sensitized solar cells.	☆☆
	Environmental impact assessment at the development stage	LCA assessment target: 12 themes/year	Achievement: 16 themes/year. [Outcome] Improvement of LCA precision/incorporation of product's value to LCA.	☆☆
Reducing environmental impact in production activities	Prevention of global warming	CO <sub>2</sub> consolidated standard year ratio: 101 or less of total quantity	CO <sub>2</sub> consolidated standard year ratio: 101	☆☆
		CO <sub>2</sub> non-consolidated standard year ratio: 98 or less of total quantity	CO <sub>2</sub> non-consolidated standard year ratio: 99	☆
	Reduction of VOCs	Standard year ratio: 34 or less of total quantity	Standard year ratio: Total quantity 20	☆☆
	Reduction of emissions	Standard year ratio: 87 or less of basic unit	Standard year ratio: Basic unit 81	☆☆
	Logistical CO <sub>2</sub> emissions	Improvement in turnover rate of trucks (number of route runs per truck)	Reduction in the number of trucks by shortening idle time	☆☆
Expansion of environmental management	Development of consolidated EMS, audit, training system	Consolidated EMS manual and assessment sheet revisions	Publication of revisions (September 2009)	☆☆
		Consolidated environmental assessment target: 26 companies	28 companies	☆☆
		AISIN consolidated EMS training target: 36 persons	80 persons	☆☆
		Certification target: 1 company	4 companies: Aisin Kyushu Casting, CVTEC, Aisin Canada, Tianjin AW Automatic Transmission	☆☆
Further raise environmental awareness of individual employees worldwide	Communication with stakeholders of all kinds	Issue of AISIN Report; improvement and expansion of website	Issue of report with focus on consolidation (Jul. 2009)	☆☆
		Improvement and expansion of AISIN environmental PR	Holding local discussion meetings, environmental symposiums, and associated eco-tours introducing advanced examples	☆☆
Further encouragement of activities aimed at conserving nature and the environment	Natural environmental conservation activities	Improvement and expansion of environmental study program	Implementation of water quality surveys for local youth (66 people) Participation in environmental education programs for local elementary school children (5,100 people) and other programs	☆☆

**WEB** See "Fourth Environmental Action Plan: Results of Activities in FY2010" for details on the results of activities.

\* Reference value is 100.

☆☆☆ : Goal Achievement

☆☆ : Achievement ratio more than 95% and less than 100%.



This Plan will set its sights on building a low-carbon society, a recycling-oriented society and coexistence between society and nature, as goals to be addressed by the entire AISIN Group domestically and overseas.

### The AISIN Consolidated Environment Committee

#### Establishment of the AISIN Chinese Consolidated Environment Committee

AISIN has established the AISIN Consolidated Environment Committee, composed of the environmental management officers of the Group's 12 main companies and headed by the chief executive for environmental management (Aisin Seiki's Vice President). The Committee formulates policy and strategy for the Group as a whole to manage consolidated environmental activities.

In FY2005, we established the AISIN North American Consolidated Environment Committee to strengthen activities overseas.

In FY2010, amid the growing seriousness of environmental problems accompanying China's rapid economic expansion, we established the AISIN Chinese Consolidated Environment Committee. We have also set up



AISIN Chinese Consolidated Environment Committee

model sites within the country to begin building the foundation for systems to address the environment.

### AISIN Consolidated EMS Activities

From FY2008, AISIN has been engaged in AISIN Consolidated Environment EMS Activities based on standardization, human resources development and assessment.

#### Standardization — Publication of the AISIN Group Green Procurement Guidelines

In June of 2008, we published and began implementation of the AISIN Consolidated Environmental Manual, with the goal of collecting the know-how of all Group companies and becoming environmental leaders.

As part of these standardization activities and as a means to strengthen cooperation with our suppliers, in FY2010 we published the AISIN Group Green Procurement Guidelines (March 2010), summarizing the



AISIN Group Green Procurement Guidelines

Group's green procurement requirements into one document.

In FY2011, we will draw up a checklist based on these Guidelines and begin on-site inspections of suppliers.

#### Human resources development — Promotion of consolidated education

From FY2008, we have implemented AISIN Consolidated EMS Training for ongoing education of environmental managers in our consolidated companies. This comprehensive environmental education program covers environmental laws and rules, equipment management know-how and environmental management systems.

In FY2010, 80 persons from 29 companies undertook the course.



AISIN Consolidated EMS Training

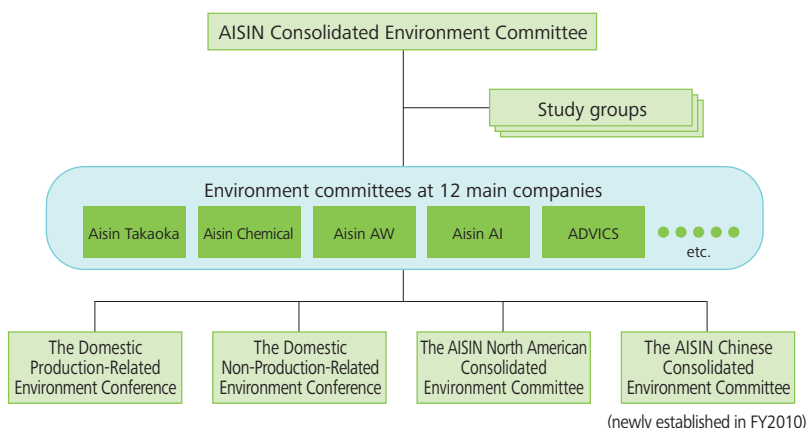
#### Assessment — Eco-factory assessment trials

From FY2008, we have carried out mutual assessments\*. In FY2010, we conducted "eco-factory assessment" trials targeting 10 main manufacturing companies in Japan.

These trials assessed the level of each company in both its CO<sub>2</sub> emissions and in its mutual assessment results. Building upon the results of the trials, we will launch formal implementation of the assessments from FY2011.

\* In a mutual assessment, a Group company is assessed by a team consisting of one assessor selected from each of about four other Group companies.

#### AISIN consolidated environmental management structure



#### Advancing ISO 14001 certification

We are advancing certification under ISO 14001, the standard for environmental management systems.

At the end of FY2010, 95% of AISIN's consolidated manufacturing companies, or 84 companies (including AISIN Group subsidiaries), had acquired ISO 14001 certification.

# Thorough Legal Compliance Management

AISIN is working to enhance employee understanding and awareness of hazardous chemicals and waste disposal practices through educational programs and the development of various internal control systems, in order to ensure full compliance with relevant environmental laws and regulations, which continue to grow stricter.

## Managing Environmental Load Substances

### Development of the Hazardous Chemical Control System

AISIN has developed an internal control system to monitor hazardous chemicals contained in products in compliance with various regulations on chemical substances, including the ELV Directive\*1, RoHS\*2 Directive and REACH Regulations\*3.

In FY2010, AISIN launched the Reporting Management System, which manages suppliers' hazardous chemical reporting and analysis. Supplier data from past reports can be easily retrieved and downloaded from the

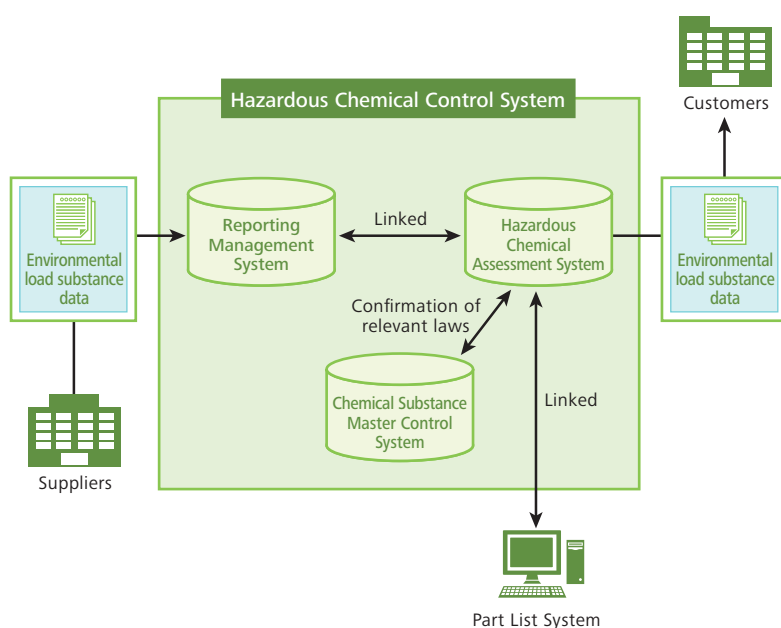
system, enabling us to communicate with suppliers more precisely and effectively. In FY2011, we plan to develop an assessment system that will be linked to the parts list and be able to ascertain compliance with relevant laws and regulations. The Group-wide launch of this system is tentatively scheduled for sometime in FY2012.

\*1 ELV Directive: A European Union directive that came into force in October 2000 calling for the recycling of end-of life vehicles and prohibition of the use of harmful substances.

\*2 RoHS Directive: A European Union directive that came into force in July 2006 prohibiting the use of harmful substances included in electrical and electronic devices.

\*3 REACH Regulations: European Union regulations that came into force in June 2007 in connection with the registration, assessment, authorization and restriction of all chemical substances (1 ton per year and above) in products and imports.

### Hazardous Chemical Control System Structure



## Ensuring Waste Disposal Best Practices

### Appropriate waste disposal

AISIN is actively working to ensure compliance with best practices concerning waste disposal laws and regulations. In FY2010, we installed the electronic manifest system\* at all of our manufacturing locations in Aichi Prefecture. Presently, we are moving forward with plans to install the system in plants and business offices outside of Aichi Prefecture.

In addition, we have introduced an internal policy where only employees who have completed an internal educational program can be involved with the management of the waste manifest. In FY2010, 190 employees completed this specialized educational program.

AISIN also provides various other educational programs to ensure compliance with best practices concerning relevant laws and regulations, such as on the notification and the effluent treatment management.

\* Electronic manifest system: A system that computerizes waste manifests used to track and confirm the disposal of waste byproducts, enabling waste emitters, collectors and disposers to work together through the Japan Waste Network (JWNET).



Educational program on legal compliance

# Design and Development

We are promoting energy efficient designs that take into account product lifecycles and are working to develop new earth-friendly products and technologies.

## Product Environmental Influence Assessments

### Lifecycle assessments

As a corporation involved in “mono-zukuri (manufacturing)”, AISIN advances the development of new earth-friendly products and technologies with an eye toward creating products that customers will use and that can

make a positive contribution to the earth’s environment.

As part of these efforts, we conduct lifecycle assessments (LCAs) that measure CO<sub>2</sub> emissions during product lifecycles, assess the impact of products on the environment and use such assessment template to curb CO<sub>2</sub> emissions through product design and development.

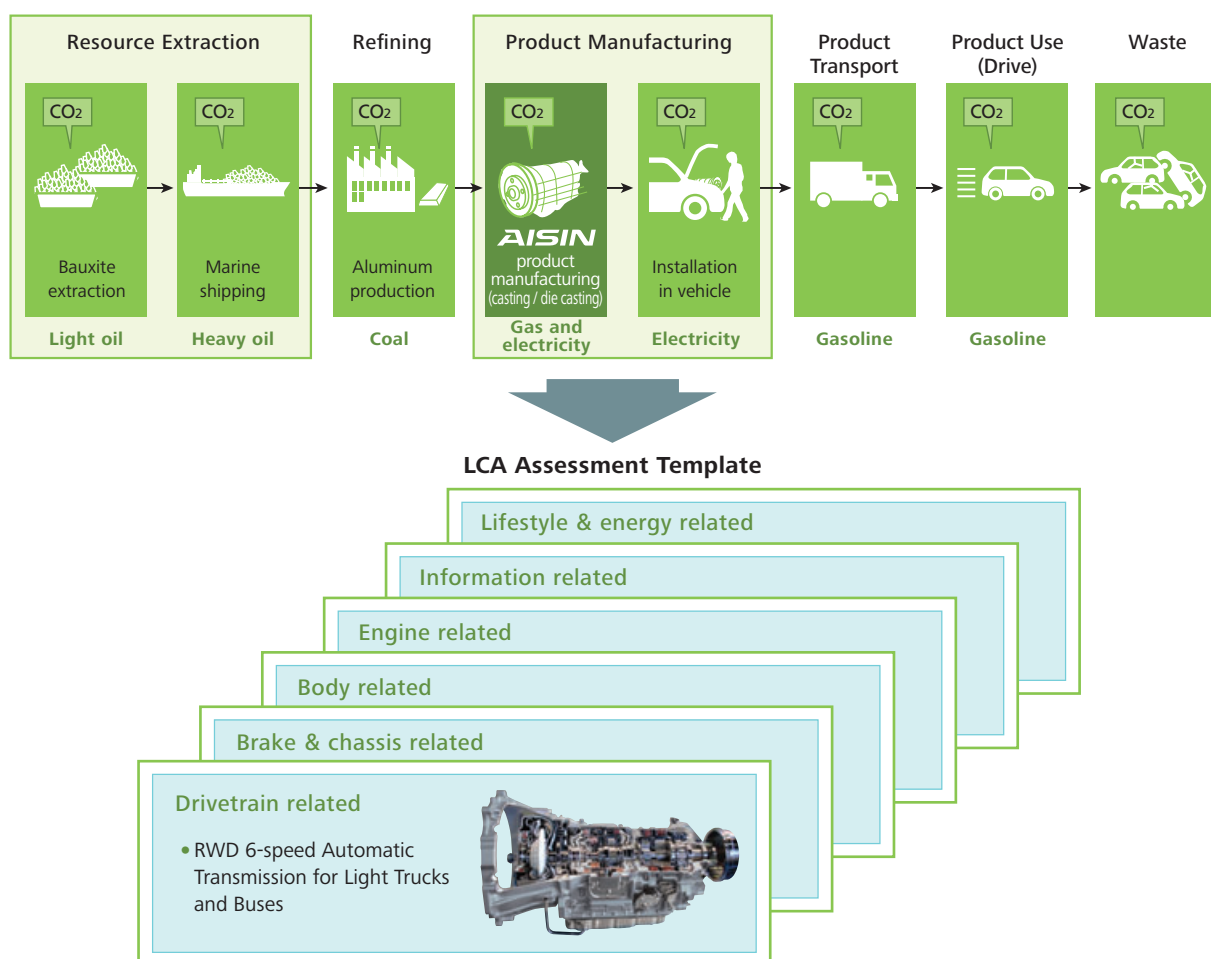
In FY2010, we conducted

assessments according to targets for 12 mainstay products, including drivetrain- and body-related products. For drivetrain-related products, specifically, we modified the LCA assessment template to assess the transfer loss reduction and weight reduction effect so that our energy efficient design could be reflected in the LCA score. In addition, through our sales catalogue, we made the LCA score of sewing machines for the home public, enabling customers to make a better-informed decision when making a purchase.

Moving forward, AISIN will continue to with these activities as a means to develop new products that meet the environmental needs of our customers.

Lifecycle assessments (LCAs)

Aluminum casting products



## Earth-Friendly Products — Development Cases

### Security Blind Shutter that Automatically Adjusts Sunlight and Airflow to Curb the Use of Air Conditioners

In 2009, AISIN launched an all-new Airy Guard in the security blind shutter series, employed by Toyota Home that can automatically control sunlight and airflow. Data input about the location of the home and direction the windows face enables the unit's internal computer to calculate the position of the sun and adjust the angle of the blinds accordingly to block harsh sunlight in the summer and allow warm sunlight in during the winter.

Because of these features, the unit is expected to reduce the hourly usage of air conditioners in the summertime, which averages from 21 hours per day, down to six hours.



Airy guard



Automatically controls sunlight according to the time of day and season

### Measuring PCB Concentrations Quickly and Inexpensively

AISIN developed and released a system in August 2010 called Immunomeasure that can measure the concentration of cancer causing polychlorinated biphenyl (PCB) much quicker and at lower cost than conventional systems.

Commonly used in insulation oil for condensers and converters in the past, PCB now poses a health risk due to potential leakages from deteriorating equipment and facilities. As a result, the law now requires that PCB be stored according to strict guidelines and that all amounts be rendered harmless by 2016. Conventional measurement methods required one month per test and were cost prohibitive. The Immunomeasure System, however, combines proprietary technologies with common immunochromatic antibodies into a kit that can perform 46 tests in one day, reigning in the cost per test to under ¥10,000.



The Immunomeasure PCB measurement system

### Eco-Friendly Mattress Using Highly Recyclable Materials

The J-CONCEPT SFF-JUS mattress represents the newest member of the J-CONCEPT Series, which was developed based on in-depth studies of the lifestyle and sleeping patterns of Japanese people. The SFF-JUS is an eco-friendly mattress that uses highly recyclable materials and employs a six-layered structure that can easily be taken apart, allowing customers to dispose of the mattress from their own home.

In addition, the mattress includes other innovations in terms of comfort and cleanliness, including a new bedspring type that evenly distributes body weight and a mattress pad cover that can be washed and air-dried at home. In addition to these features, the mattress has received strong marks for its aesthetic design and was awarded the Good Design Award in 2009 (commonly referred to as the G-mark) by the Japan Industrial Design Promotion Organization (JIDPO).



J-CONCEPT SFF-JUS mattress

## Production

AISIN is striving to lessen its environmental footprint as much as possible by reducing volatile organic compound (VOC) and greenhouse gas emissions from its production activities.

### Reducing Greenhouse Gases

#### AISIN initiatives

Greenhouse gases emitted during production processes include CO<sub>2</sub>, which is released when energy is consumed, and sulfur hexafluoride (SF<sub>6</sub>)\*, which is used during product manufacturing.

We have gradually moved forward with replacing greenhouse gases other than CO<sub>2</sub>, as today 99% of our greenhouse gas emissions originate from the CO<sub>2</sub> attributed to energy use. Moving forward, we will continue to pursue reduction measures focusing on CO<sub>2</sub> emissions.

\* Sulfur hexafluoride (SF<sub>6</sub>): A greenhouse gas with a warming effect thought to be 23,900 times that of CO<sub>2</sub>.

### Promoting energy saving activities Group-wide

The AISIN Consolidated Environment Committee has established a mid-term energy reduction plan, while the Energy Saving Working Group under the Environment Committee, is working to discover specific areas for energy reductions and share Kaizen ("improvement") case studies.

We have also created a tool called the Yokoten\* Map to verify the Kaizen activities of Group companies and promote Group-wide energy saving activities.

\* Yokoten: Refers to "Horizontal Expansion" in English, a system under which successful cases are passed on horizontally to other departments and Group companies to be implemented in a similar fashion.





Yokoten Map

## CO<sub>2</sub> emission reduction activities

AISIN is working to achieve its target to reduce total average five-year CO<sub>2</sub> emissions for the period between FY2009 and FY2013 by 7% of 1990 levels.

In FY2010, we conducted a variety of activities, including the measurement of electricity consumption of equipment and facilities at our processing lines, which allowed us to identify energy loss during standby and implement Kaizen such as fixed energy\*<sup>1</sup> reduction measures.

In addition, the All AISIN Energy



All AISIN Energy Saving Conference



Saving Conference, held in February 2010, enabled us to share energy saving initiatives undertaken at each of our Group companies.

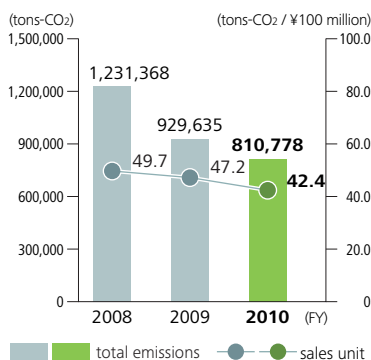
As a result of these activities, total emissions of the Group's 10 main manufacturing companies in Japan\*<sup>2</sup> from the fiscal year under review were 811 thousand tons, which represented a 14% reduction over FY2009. Emissions per ¥100 million in net sales totaled 42.4 tons, a 5% reduction over FY2009.

\*1 Fixed energy: Of the energy required to operate equipment and facilities, the energy not effected by fluctuations in production volume. Energy that changes in proportion to fluctuations in production volume is referred to as proportional energy.

\*2 Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin Keikinzoku, Aisin Kiko, Aisin AI, Aisin Sin'ei, Aisin AW Industries and Hosei Brake Industry.

### Total Emissions of CO<sub>2</sub> / Sales Unit

(From the Group's 10 main manufacturing companies in Japan)



### Emissions of Non-CO<sub>2</sub> Greenhouse Gases

(From the Group's 10 main manufacturing companies in Japan)

(FY)	2008	2009	2010
HFCs	1,673	531	429
SF <sub>6</sub>	326,235	82,455	3,585

## Reducing Chemical Substances

### Reducing VOCs

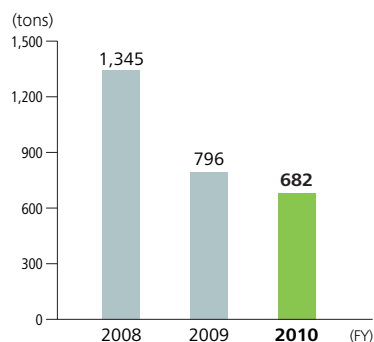
AISIN has established a medium-term reduction plan for VOCs\*, which are contained in solvents used to paint individual chassis parts and to coat electronic components, and have the potential to pollute the atmosphere.

We are bringing together design and production divisions to review manufacturing processes in order to decrease VOC usage, such as by optimizing the shape of spray nozzles and modifying design drawings to minimize areas requiring paint application.

\* VOC (Volatile Organic Compound): This is the generic name for substances that readily volatilize in the air at normal temperatures and under normal atmospheric pressure. The term generally refers to artificially synthesized substances of this nature. Although toluene and xylene are well-known examples, VOCs also include over 100 other substances.

### VOC Emissions

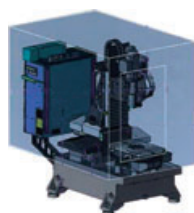
(From the Group's 10 main manufacturing companies in Japan)



## Fixed Energy Reduction Activity for Machining Equipment

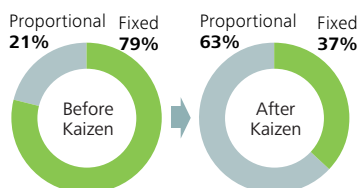
Reduced machining equipment fixed energy consumption by stopping the flow of coolant during standby

### Machining Equipment

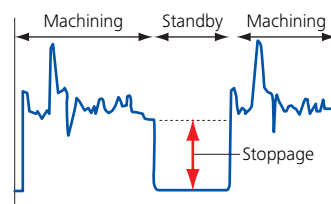


Equipment that uses drills and other cutting tools to machine and process materials.

### Energy Composition Ratio



### Electricity Wave Profile Post-Kaizen



# Shipping

AISIN is working to reduce CO<sub>2</sub> emissions that occur during product shipment as well as the amount of materials it uses to package products and parts.

## Reducing Quantities of Packaging Materials Used

### Cutting back on the use of cardboard and other materials

AISIN is striving to reduce the amount of materials it uses, including cardboard used in packaging products and parts.

In FY2010, we modified packaging specifications for parts exported overseas to improve space efficiency and employed smaller more compact packaging materials, including thin-walled cardboard, as our ongoing Kaizen activities have helped to greatly reduce the amount of packaging materials we use.

## Reducing CO<sub>2</sub> Emissions

### Actively using marine and rail transport modes

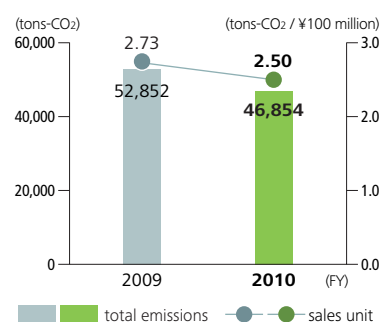
To decrease CO<sub>2</sub> emissions associated with the shipment of products and parts, AISIN actively employs marine and rail transport for long-distance shipping.

AISIN closely manages its freight truck fleet by monitoring and controlling the load for each route and promptly deploying the appropriate vehicle to meet changes in shipment volume. We have also raised the loading efficiency of each truck, for instance by augmenting practices wherein the cargo of each

Group company is shipped jointly. In addition, we have worked to reduce the idle times of trucks in our factories, whereby increasing the per truck frequency of operation, which has allowed us to reduce the number of trucks in our fleet. As a result of these efforts, we were successfully able to reduce total CO<sub>2</sub> emissions as well as CO<sub>2</sub> emissions per sales unit in FY2010.

### CO<sub>2</sub> emissions during haulage / sales units

(From the Group's 10 main manufacturing companies in Japan)



# Environmental Communication

Along with working to disclose appropriate information to the local residential communities surrounding its factories, AISIN also offers environmental education programs for local children to learn about the natural environment and the importance of environmental conservation.

## Dialogue with the Community

### Hosting district talk fests

AISIN regularly hosts district talk fests with representatives of neighborhood associations from the communities in which it operates. We use these meetings as a platform to disclose information on our business activities and relevant



District talk fests during a factory tour

environmental measurement results and to receive the understanding of local communities regarding our stance toward the environment. In FY2010, total 159 members have participated in six regions.

Leveraging this as an opportunity, we also conduct tours of production lines as well as environmental equipment. We endeavor to incorporate as much as possible the comments, opinions and requests received into our business and environmental conservation activities.

### Introducing the Group's environmental activities

AISIN makes the Group's environmental activities public as a means to broaden stakeholder understanding of its business activities. The AISIN Group Eco Tour, started in FY2010, represents

one aspect of this approach. In FY2010, the program welcomed 39 participants from local communities and Group employees and their families. The program visited the Group's wind and photovoltaic renewable power facilities, a cogeneration system of Aisin Seiki, the Dream Carry of Aisin AW, a transport device based on a wind-up doll that does not require electricity and the corporate head office of Aisin Takaoka, which maximizes use of natural light.



Wind power facility (Aisin Seiki)



Presentation of a wind-up doll (Aisin AW)

## Environmental Education

### Environmental Education Programs

Since FY2007, Aisin Seiki and Aisin AW have offered the AISIN Environmental Education Program for elementary school pupils in the communities surrounding its corporate head office and plants. The program features a wide-ranging curriculum meant to teach pupils about the importance of protecting the natural environment, including forest development, water ecosystem observation and visits to AISIN Ecotopia, an integrated environmental learning facility. This program is distinguished by its fundamental planning and operating efforts to combine learning processes with first-hand experience in an effort to enhance its educational effects.

In FY2010, 17 elementary schools from seven regions, representing 1,507 pupils, participated in the program.

## Natural Environment Conservation Activities

### Practicing forest conservation activities through Corporate Forest Development

Aisin Seiki concluded Corporate Forest Development Agreement with Aichi Prefecture. Under the agreement, we are implementing forest development activities on a five-hectare parcel of Aichi Prefecture-owned forestland located in Toyota City.

In FY2010, on five separate occasions we planted a total of 162 trees under the cooperation of 121 employee volunteers.



Corporate forest development activity

## Eco-Forest initiative

Aisin AW Industries launched an Eco-Forest initiative in FY2010. The objective of the initiative is to plant trees over a 10-year period to change a 24-hectare patch of grassland into forest in the mountain region of Fukui Prefecture.

The first tree-planting event was held in May 2009, with a total of 250 broad-leaved trees planted. Plans call for 5,000 trees to be planted over the 10-year period.



Eco-Forest tree planting event

### Tree planting on Mt. Fuji

The 12 main companies\* of the AISIN Group have held tree planting events on Mt. Fuji since FY2004. The companies work together with local communities to promote the development of forest on Mt. Fuji, which has experienced a loss of greenery to deteriorating soil conditions.

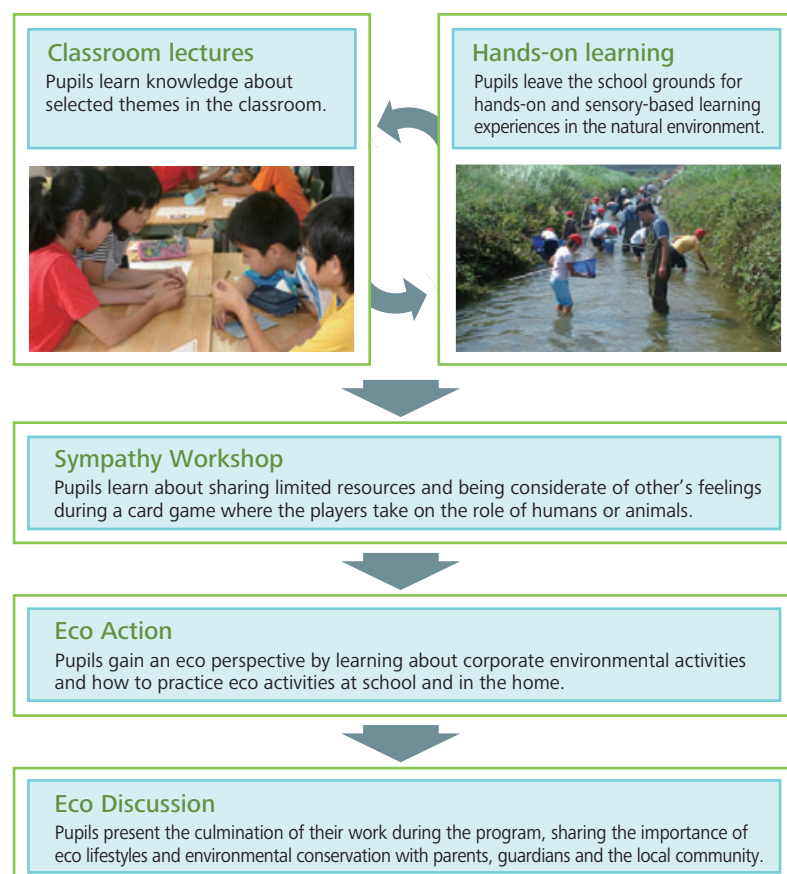
In FY2010, 269 employee and local volunteers worked together to plant 600 seedlings. In addition, 380 thousand yen in donations collected from company employees was donated to the Mt. Fuji National Trust, which engages in environmental conservation activities on Mt. Fuji, to be used to defray the cost of future seedling planting.

\* Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin Keikinzoku, Aisin Development, Aisin Kiko, Aisin AI, Aisin Sin'ei, Aisin AW Industries, Hosei Brake Industry and ADVICS



Tree planting event on Mt. Fuji

## Environmental Education Program Flow





# Biodiversity

AISIN is committed to biodiversity conservation through surveys on aquatic life in areas around its plants, educational activities for employees and local community residents and the management and operation of an on-site biotope.

## Biological Survey

### Biological survey on the local river

In FY2009, Aisin Seiki, in cooperation with an external research agency, conducted a biological survey of the Chosengawa River, which receives water discharge from both the Nishio and Ogawa plants. The results of the survey indicated that the river's watershed has grown more biologically diverse and has a larger population of biological species after the plants started discharging water.

Since FY2009, we have also invited area elementary school pupils to participate in biological surveys of the Chosengawa River in areas surrounding the Nishio and Ogawa plants as part of our commitment to the surrounding local communities.



Local elementary school pupils participating in a biological survey

### Ecological survey on rare fish species

In FY2010, Aisin Development, a company active in such fields as construction, civil engineering and greenery businesses, conducted an ecological survey, based on prefectural guidelines, on fish species for a sewer construction project tender won from the Aichi Prefectural Government. This survey



Survey of rare fish species

was conducted after having confirmed the non existence of rare species.

Survey results confirmed the absence of rare fish species.

## Educational Activities

### Symposiums

AISIN also focuses on educational activities that help increase awareness of employees and local community residents on the importance of biodiversity.

In July 2009, around 260 employees and NGO officials participated in the 3rd AISIN Group Environmental Symposium, held under the theme of Biodiversity and the COP10. Experts in biodiversity provided lectures for the symposium.

In addition, the 38th All AISIN Labor Policy Forum, held in November 2009 together with the Company's labor union, addressed the theme of biodiversity through lectures, panel discussions and quizzes. Approximately 470 employees and local community members participated.

In June 2010, the 4th AISIN Group Environmental Symposium was held, addressing the importance of biodiversity and its relationship with companies and individuals as well as how companies and individuals can practice eco-friendly lifestyles. The symposium welcomed approximately 260 employee and local community participants. During the symposium, local children participating in the AISIN Environmental Education Program also presented a picture-card

show highlighting their cleanup activities to safeguard the *Nepa hoffmannis*\*, a protected species. The symposium also featured lectures from expert journalists in the field of biodiversity and the environment.

\* *Nepa hoffmannis*: A rare aquatic insect approximately two centimeters in length that lives in small streams and ponds in cold spring water and marshes. With an extremely limited habitat in Japan, the insect is listed as a protected species in certain parts of Aichi and Mie prefectures.



Children presenting a picture-card show at the symposium

## In-factory Biotope

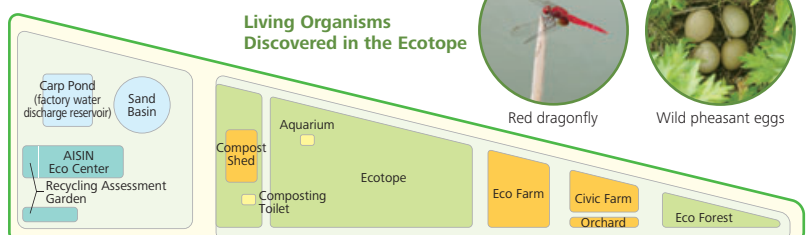
### Award to AISIN Ecotopia

The AISIN Ecotopia, a hands-on environmental learning facility for children located on the premises of the Aisin Seiki Handa Plant, features the Ecotope, a biotope where children can interact with a variety of living creatures in a natural setting, and many other facilities. Developed and maintained through the cooperation of employees, local residents and NPOs, the Ecotope has cultivated a rich biologically diverse ecosystem. In recognition of this, the Ecotope received the Chairperson's Award in the Natural Environment Creation Division at the Biotope Forum in Nagoya 2010 hosted by the NPO Japan Biotope Association in June 2010.



Certificate of commendation from the Japan Biotope Association

### Environmental Learning Facility AISIN Ecotopia







# Third-Party Observation

From a leader in CSR to a frontrunner in the environment, society and governance

2010 marks the fourth time I have compiled the third-party observation for the Aisin Seiki annual report. For 2009, I focused primarily on the Handa Plant's Ecotopia biotope and eco farm, but on this occasion I returned to the root of the environmental conservation discussion, receiving in-depth lectures from experts of the Environmental Department on Aisin Seiki's latest initiatives in the management of environmental load substances and industrial wastes. Prior to these lectures, I visited the AISIN com-center at the Company's corporate head office.

## What is an Aisin Seiki original technology?

I have visited the AISIN com-center (exhibition hall) many times in the past, but on this occasion a person in charge joined me to provide detailed explanations on everything from the displays on the history of engines and sewing machines to the leading global technologies found in The Future Zone. There was even an actual vintage Toyota Corolla on display that was completely restored by junior technicians under the guidance of their superiors. I felt reassured because the display offered a viable way of addressing the issue of passing technologies down to the younger generation, which has recently been acknowledged as a problem facing Japan's industry. AISIN's product line up showcasing the Company's key concepts of reliability, inspiration and joy were alive and kicking. As someone not well versed in automotive technologies, I found myself impressed with any and all products and technologies I saw on display, but I was unable to tell the difference between an AISIN original design and products and technologies already used in the automotive industry today, as there was no clear signage or indication. This is something that I felt could be improved.

## Environmental conservation activities as important elements of production activities

After I saw the dazzling displays of the finished product of AISIN's manufacturing activities at the AISIN com-center, I switched gears upon receiving the in-depth explanation of a staff of the Environmental Department on the latest information and initiatives the Company is taking for the management of environmental load substances and industrial waste, which virtually represent the veins of the Company.

Major international automakers employ a shared data management

system called the International Material Data System, or IMDS\*, that manages information on hazardous substances based on the Global Automotive Declarable Substance List, or GADSL, materials and the parts composition of products bound for the European market. I learned that AISIN has been using IMDS since 2005.

As evidenced by the small oversight by a particular company that resulted in a game console recall that damaged its corporate image and caused a substantial economic loss, "idleness is the devil's workshop." Although the management of environmental load substances and industrial waste activities go unnoticed by consumers, companies need to exert greater efforts in these fields, positioning them as significant management issues.

Next, I had the opportunity to learn in detail about the current status of legal compliance with industrial waste disposal laws and AISIN's initiatives from another staff.

Frequent legal revisions have greatly increased the responsibility of waste emitters and processors. As a result, environmental crimes related to the Wastes Disposal and Public Cleansing Act are rapidly surging. There has also been an unending stream of illegal and fraudulent management of paper-based industrial waste manifests.

Use of the electronic manifest system eliminates unapproved waste consignments, manifest entry errors, calculation mistakes and fraudulent entries. Prior to other Toyota Group companies, AISIN was the first to introduce the electronic manifest system at 11 manufacturing facilities in 2009. Today, the Company is making preparations to implement the system at other non-manufacturing offices as well. In addition, the Company also uses a designated operator system that places only qualified personnel in charge of the waste management duties.

This designated operator system is also applied to operators of water discharge treatment facilities and persons in charge of environmental filings to local and national government. Environmental Department staff also provide onsite training at the Company's consolidated subsidiaries, but moving forward, the challenge will be to provide practical guidance and educational programs for the rest of the supply chain.

\* IMDS: A system which allows the capture of chemical materials information in global automobile industry.

## The source of Japan's industrial competitiveness

The understanding and cooperation of other affiliated companies is critical to the management of environmental load substances and industrial waste. AISIN has established a Hazardous Chemical Control System and is in the process of developing a Research and Management System, Hazardous Chemical Assessment System and Chemical Substance Master Control System. Some of these systems are partially operational today, but the Company is in the process of preparing for the full-scale launch of all systems in 2011.

I felt reassured knowing that AISIN, one of the leading environment-conscious companies in Japan, is working to establish these innovative information systems.

Today was a day where I felt firmly convinced that these sincere and low profile initiatives, which do not always reach the eyes of the end user, are precisely the source of Japan's competitiveness today.

The key to promoting the realization of a sustainable society is for companies to think not only from a profit-driven viewpoint, but also to establish a management system that incorporates environmental and social perspectives as well. Furthermore, the parent company must not monopolize information alone. Management must actively share information on safety and security with the entire supply chain.

AISIN has already established a presence as a leading company in terms of CSR activities, energy conservation and zero emission initiatives. I expect nothing less than for the Company to be committed to evolving its management competencies further in order to become a forerunner in addressing concerns relating to the environment, society and governance, or ESG (Environment, Society, Governance), going forward.



**Seiji Mukai**

Representative Director of the Japan Carbon & Technology Exchange  
Executive Director of the Green Energy NPO Promotional Organization  
Part-time lecturer in environmental management at Nihon Fukushi University



# Society

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## Message from Management



**Shunichi Nakamura**

Executive Vice President in Charge of Corporate Planning & Managerial Administration

Since our founding, Aisin Seiki has operated under the basic desire to contribute to society through manufacturing. We have put our all into creating exciting products that delight customers. These days, the globalization of companies' economic activities is accompanied by increased opportunities to meet with new values, cultures and customs; likewise, the expectations that society places on companies are growing as well. At Aisin Seiki, where we have made "Quality First" a core principle, we recognize that to unfailingly provide safe and reliable products to customers we must be a company where all employees work energetically and to the best of their abilities. As we bear a vital responsibility to ensure the health and safety of those employees, we strive to create safe and comfortable work environments.

In January of 2010, we set forth the Aisin Group Principles of Corporate Behavior to support the Group-wide sharing and embracing of previously unclear policies on corporate social responsibility (CSR). With all people working in the AISIN Group sharing those values and making efforts to carry out our corporate social responsibilities, we aim to always continue growing into the future together with our customers, shareholders, employees, suppliers, communities and all stakeholders.

# Be with Customers

Under the core principle of "Quality First," AISIN makes every effort to create exciting products that satisfy its customers. We advance step-by-step improvements based on the "3G" kaizen principles of *genchi*, *genbutsu*, and *gennin* (actual place, actual matter and onsite confirmation).

## Quality Assurance

### Quality management system

In 2003, AISIN received certification under the ISO/TS 16949\* global standard for quality management systems in the automotive sector, and since then has expanded certification worldwide throughout the Group. At

present, certification covers 48 companies in Japan and overseas.

\* This standard applies automotive industry-specific requirements to the international ISO 9001 standard for quality management systems.

## Quality inspection and evaluation in the development and design process

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

To verify the quality of design after completing the prototypes, we carry out tests not only on individual parts, but also on assembled vehicles as a whole. In both cases we conduct reliability evaluation tests allowing for driving under the harshest environmental conditions.



## Establishing reliability at one of the world's foremost evaluation facilities

### Creating the best possible testing environment as soon as possible as a manufacturer of automobile parts

In order to satisfy the demands of reliability held by customers all over the world, AISIN believes it is not sufficient merely to test and evaluate the performance and reliability of individual products. The Company has taken the lead among automobile parts manufacturers by having a comprehensive system for appraising the performance and reliability of products, such as by running actual tests and evaluations of products in cars.

We opened our Fujioka Proving Ground in Aichi Prefecture in 1970 and another Proving Ground at Toyokoro in Hokkaido in 1992. Both have circumferential circuits, and we are proud to say that these are among the largest and best equipped testing facilities anywhere in the world among automotive parts manufacturers. Overseas, in 2005 we became the first Japanese supplier to open a Proving Ground in North America, at Fowlerville, Michigan.

### Establishment of a new circumferential circuit in imitation of an actual driving environment

In recent years, automotive parts have become increasingly systemized, complex and equipped with more advanced functions, necessitating improved test evaluations with regard to the compatibility of products with vehicles and to vehicle systems as a whole. AISIN decided therefore to install a new total circumferential circuit at the Toyokoro Proving Ground in September 2005. We created unbanked curves identical to those present on ordinary expressways along with upward and downward slopes, steel bridges, tunnels, concrete walls and road surfaces simulating American freeways and the German Autobahn in order to create a testing environment identical to a real driving environment. We have also prepared environments for testing poor driving conditions, including Japan's first artificially frozen surface and a rough, unpaved road 17 kilometers long. It is now possible to evaluate the various functions and performance required of vehicles in addition to driving performance, for instance through the installation of testing facilities related to radio wave interference and ITS (Intelligent Transport Systems).

In the future, to develop products that satisfy market needs in each region, we intend to expand our evaluation facilities premised upon all kinds of driving environments throughout the world and to strengthen our system of development. In addition, we will be directing all our energies toward further improving quality and ensuring reliability in order to fulfill our social responsibility as a manufacturer of automotive parts.

### Overview of Testing Facilities

#### Fujioka Proving Ground (established in 1970)

Location: Mitsukuri-cho, Toyota, Aichi, Japan  
Land Area: approx. 670,000 m<sup>2</sup>  
Track: 2.4 km / lap  
Rough road track: 4.6 km / lap



#### Toyokoro Proving Ground (established in 1992)

Location: Toyokoro-cho, Nakagawa-gun, Hokkaido, Japan  
Land area: approx. 7,480,000 m<sup>2</sup>  
General purpose track: 7.9 km / lap  
Rough road track: 17.0 km / lap



#### Fowlerville Proving Ground (established in 2005)

Location: Fowlerville, Michigan, U.S.A  
Land area: approx. 3,530,000 m<sup>2</sup>  
Track: 4.8 km / lap  
Dynamic pad: 150R  
Man-made low road: 210 m  
Straight track: 1.35 km



## Be with customers

### Quality inspection and evaluation in the production process

At the preparatory stage prior to production we look into whether the process plan and requisite quality settings are 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 continually maintain and manage the process using various methods of quality control.

\* Automation: Equipping machines with mechanisms for automatic stop upon detection of an abnormality, so as not to send defective items through to downstream processes. This automation that stops movement is separate from automation as a continuation of movement.

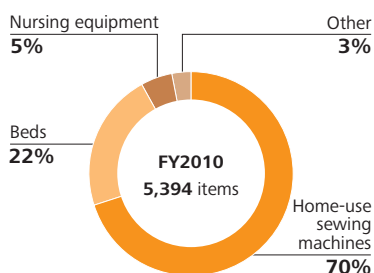
### Customer Satisfaction

#### Taking note of customers' opinions

Our Customer Support Department 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 those contained in product catalogues. The required information is available for instantaneous searching and use.

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

#### Itemization of inquiries in FY2010



### Retaining the customer's perspective

Maintaining a customer-oriented perspective is crucial for responding to the diverse needs of our clients.

To this end, Aisin Seiki launched the Board of Aisin Advisory Specialists for Consumer Affairs in FY2003, and since then has supported Advisory Specialist for Consumer Affairs qualification among employees. In FY2010, seven employees became certified, bringing the total certified employees in the Company to 28.

In FY2010, we conducted evaluations by qualification holders during production of a sewing

machine user's manual. The participants made actual use of the machine while following the manual, noting items easy to mistake or misunderstand and improving threading operation illustrations within.



Evaluations by Advisory Specialists for Consumer Affairs

### Example of heeding customer feedback

#### Simplified sewing machine manual is a hit with customers

The most common call we received from customers experiencing trouble with their sewing machines involved improper setting of the vertical threader. Older customers unfamiliar with machines and other customers took time to understand the operation.

We created a new, simpler manual with easy-to-understand photos using yarn to depict the difficult operations, which we send to customers unfamiliar with sewing machines.

The manual has been a hit with customers, some of whom even sent us letters of thanks afterward. Their opinions further aid us in revising the manual and improving easily misunderstood illustrations.



Simplified manual using yarn to depict operations

#### Easy-to-understand One-Point Navigation in a new product

Other feedback received from customers has gone into the development of new products. For our SP10 sewing machine released in January 2010, we built the One-Point Navigation illustration explaining usage right into the machine itself. A user experiencing trouble can find the guide in the machine's front-surface pocket and refer to the illustration's easy-to-understand checkpoints. As the illustration describes operations without words, the SP10 is easy to use for customers who don't understand Japanese.





# Be with Shareholders and Investors

In order for Aisin Seiki to grow together with our shareholders and investors, we make it a core policy to disclose important information about the Company in a fair and timely manner. Furthermore, we actively establish opportunities for communication with shareholders and investors and take care to present information in a way that individual investors can understand.

## Distribution of Profits

### Pursuing the stable increase in dividends while striking a balance with forward-looking investment

While Aisin Seiki aims to stably increase dividends, we also recognize that effective forward-looking investment is necessary for the continued growth of the Company and to secure future profits for investors. Aisin Seiki endeavors to strike a balance in achieving both of these goals.

Moreover, with due consideration to business results and cash flow levels, Aisin Seiki intends to acquire treasury stock and increase capital efficiency. However, the corporate articles of incorporation do include provisions for the distribution of surplus funds by a decision of the Board of Directors.

## Dialogue with Shareholders and Investors

### Regular dialogue through shareholders' meetings and investor briefing sessions

Aisin Seiki holds shareholders' meetings early, avoiding dates

crowded with other company shareholder meetings so that as many shareholders as possible can attend.

With regard to individual investors, we also take part in fairs sponsored by securities exchanges and brokerage firms, holding Company overview briefings. For analysts and institutional investors, we conduct briefings following our announcements of quarterly results, with supplementary reporting as required. Finally, we hold Company overview briefings for overseas investors once a year in regions including Europe, North America and Asia.

The opinions and requests that we receive during these dialogues are fed back and incorporated as far as possible into our business activities.

### New website for individual investors

In November 2009, Aisin Seiki opened a new website for individual investors. This site provides an easy-to-understand introduction to our Company and products, centered on the information most requested by individual investors.

We have also augmented information on our future

developments and mid- to long-term management strategies, areas of strong interest among individual investors. We update the site regularly and deliver news releases and information updates by email as well.



Individual investor website (Japanese only)

<http://www.aisin.co.jp/finance/personal/index.html>



Aisin by the numbers (Japanese only)

<http://www.aisin.co.jp/finance/personal/number/>

## From IR Staff



**Atsushi Ueda**  
Finance & Accounting  
Department  
Aisin Seiki

We receive many inquiries from institutional investors and analysts about the supply situation for eco-friendly vehicles such as electric and hybrid cars, or about initiatives in newly developing markets like China and India. I take care to explain our answers in easy-to-understand terms and as accurately as possible, via meetings or phone calls.

We also disseminate answers to these common inquiries in the Aisin Report and on the website. I welcome questions and comments from all shareholders and investors.

Voice

# Be with Employees

AISIN believes that the energy of each individual employee is the force that propels our corporate activities forward. Based on that belief, we strive to cultivate an environment in which employees can work with enthusiasm.

## Human Resources Development

### Supporting the growth of each individual

Focusing on the HR Development Center established in March 2007, Aisin Seiki provides career-based training for all employees from new recruits to senior managers.

We also engage in efforts to improve the skills of employees. At the Aisin Technical Academy, an in-house, boarding-style training school, we provide one-year practical skills instruction to new employees graduating from technical high schools in Japan and to trainees from overseas. For select graduates from the school, we also offer two-year instruction in high-level skills acquisition. As a result of these programs, at the 47th National Skills Competition for young engineers throughout Japan, AISIN Group employees brought home three silver medals, one bronze medal and three fighting spirit prizes.

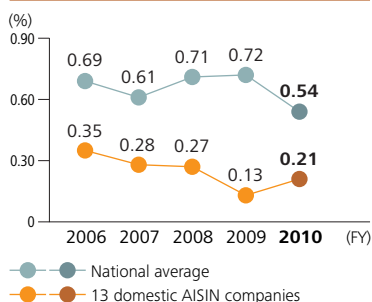
Aisin Technical Academy  
→ Pages 19-20, Special feature (2): Pursuing "Quality First"

## Occupational Health and Safety

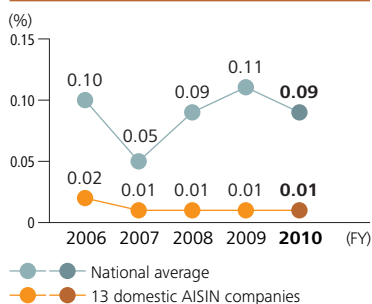
### Conforming to management systems and standards

Under the core principle of placing safety and health above all else, Aisin Seiki is doing its utmost to prevent

#### Frequency Ratio of Work Accidents (13 domestic AISIN companies)



#### Severity Ratio of Work Accidents (13 domestic AISIN companies)



Frequency ratio  

$$\frac{\text{No. of deaths and injuries due to accidents}}{\text{Total work hours}} \times 1,000,000$$

Severity ratio  

$$\frac{\text{No. of lost work days}}{\text{Total work hours}} \times 1,000$$

## 141 Employees Receive Prestigious Recognition

In Apr. 2010, 141 persons from 13 AISIN Group companies were awarded the Minister of Education, Culture, Sports, Science and Technology Prize for Creativity in the field of work. This award is given to individuals contributing to technical improvements in their fields of work through exceptional creativity.



Prize for Creativity recipients

occupational accidents from occurring by carrying out regular, voluntary workplace inspections on the basis of an occupational safety and health management system (OSHMS). We also perform occupational hazard risk assessments for all facilities and production lines.

Furthermore, we have formulated the AISIN Global Safety Standards (AGSS), which set out detailed safety measure standards for all equipment and tasks, and which guide us in making improvements to our equipment safety measures and workflow procedures. AGSS applies to all Group companies, including those overseas. In FY2010, we supplemented AGSS with seven new basic standards including those isolating people from machines, and 31 new common essential standards relating to machinery, including electrical and safety devices.

As a result of these activities, all 13 domestic AISIN companies continue their record of workplace accidents below the industry average in both number and severity.

### Launching new initiatives toward Zero Accidents

In FY2010, Aisin Seiki launched initiatives aimed at achieving our goal of Zero Accidents.

Among these is the "Safety Roller Strategy," under which the managing officer in charge of production promotion, the factory sub-chief, head of manufacturing, head of production engineering and other production managers visit one or two factories per month to identify equipment issues and the like that could cause major



Safety Roller Strategy (performing inspections)



Safety Instructor training (AED practical training)

accidents\*. Through March of 2010, the program identified 1,257 flaws, of which 1,240 (98.6%) had been addressed by the end of June. Countermeasures are made visible through the posting of before- and after-improvement photographs on the Safety Roller Strategy Countermeasure Status bulletin board in each factory.

We have also launched Safety Instructor training for those overseeing health and safety at factories. In FY2010, we recognized 15 instructors, who completed 156-hours of training on 27 subjects over a period of three months, including courses in practical skills such as the operation of automated external defibrillators (AEDs).

\* Major accidents: Accidents involving electrocution, falls, being caught in machinery and dangerous contact with high-temperature objects, vehicles, or heavy objects.

## Maintenance and Promotion of Health

### Education and awareness regarding mental health

Aisin Seiki conducts regular examinations to ascertain the physical condition of its employees, and takes steps to maintain or improve their health.

Concerning mental health, we administer stress surveys during health examinations and pass on the results to managers in each department of the Company to enhance each workplace environment. In FY2010, we conducted interviews with the managers of workplaces identified as high-stress by the survey. Our Safety & Health Department holds group discussions or individual interviews as required to effect improvements, and supports the creation and implementation of countermeasures.

We also implement listener training to help employees, active in their capacity as leaders, to become good listeners and to better understand the concerns of subordinates.



Listener training

## Labor-Management Relations

### Sound labor-management relations built on discussion

Aisin Seiki is diligently drawing up solutions based on discussions of mutual faith and understanding to address problems between labor and management.

In 1974, AISIN and its labor union concluded a labor-management agreement with the stated aim of continually improving Company prosperity and union members' working conditions through mutual trust and cooperation between the Company and the union, to foster stable labor-management relations.

In FY2010, employees of ADVICS newly joined the AISIN labor union, making a total of six main companies\* that work together to build labor-management relations. The number of labor union members reached 29,000.

\* Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin AI, and ADVICS.

### Appropriate management of working hours

To strengthen appropriate management of working hours and comply with related laws and regulations, AISIN cooperates with the labor union to bolster attendance management systems and to promote communication between managers and subordinates about the status of work.

We will continue our efforts to create an environment for the maintenance and strengthening of proper working hour management.

### Labor-management meeting

Aisin Seiki holds monthly labor-management meeting at each factory to maintain and build good relations.

At these gatherings in FY2010, we discussed topics including satisfaction with managers' performance interviews, and the securing of three-day paid vacations.



Labor-management meeting  
(Aisin Seiki Handa Plant)

### Lunch conferences sponsored by labor and management

As one Company-wide exercise to improve workplace energy, Aisin Seiki has held lunch conferences, jointly sponsored by labor and management, from August of 2006. Employees and top executives meet for lunch and discussions, in the spirit of building a workplace where all can gather and talk about anything.

In surveys, participating workers positively commented on how talking to executives in a different atmosphere helped build closeness, and how hearing stories of each leader's activities in their younger days was informative.

## Employment and Treatment

### Fair hiring

Aisin Seiki promotes external training courses for human resources managers, to foster fair hiring without discrimination. In FY2010, 86 persons attended a total of 41 courses on themes including social class discrimination and women's rights.

In FY2010, we also held briefings for managers performing hiring interviews for high school students, cautioning the managers about rights-infringing questions regarding registered address, family, wealth, beliefs and so on.

In February of 2010, Aisin Seiki hiring managers were invited to speak as guest lecturers on fair hiring and human rights awareness, at a training session on those topics sponsored by the Gifu Prefectural public employment office.



## Be with Employees

### System for transferring to full-time, permanent employee status

Aisin Seiki has an established system for transferring contract workers to full-time, permanent employees, on such conditions as motivation toward work and future growth potential.

In April 2010, we accepted 54 workers to full-time, permanent employee status under this system.

### Respect for Human Rights and Diversity

#### Declaration of respect for human rights

The Aisin Group Principles of Corporate Behavior declares our intent to act as a corporation with full respect for human rights.

We endeavor to secure safe and comfortable work environments that achieve affluence and peace of mind, while respecting the character, individuality and diversity of our employees.

#### Human rights education

Aisin Seiki undertakes human rights education through training programs targeting newly hired and promoted employees.

The training demonstrates the connection between respect for individual diversity and respect for human rights, continuing on to educate participants on topics including social class discrimination

and the rights of women, foreigners and disabled persons.

In FY2010, 666 new spring-season hires, 70 mid-season hires (including workers promoted to full-time, permanent employees), 328 promoted employees and 31 candidates for assistant managers participated in this training.

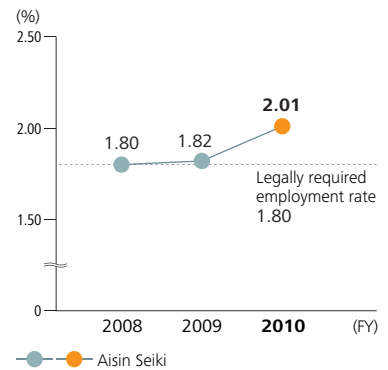
### Employment of people with disabilities

On the basis of an approach rooted in the concepts of normalization and harmonious coexistence, Aisin Seiki aims to create working environments in which people with and without disabilities can work together in a dynamic manner. In FY2010, Aisin Seiki achieved a disabled employment ratio of 2.01%, above the figure of 1.8% level set under the law.

We hold regular consultation sessions for employees with disabilities 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.

Aisin Seiki is also concentrating on the technical training of disabled employees. Under this training, three employees passed national trade skill tests in FY2010. Furthermore, one disabled employee took the silver medal at the Abilympics (a vocational skills competition for people with disabilities) in the mechanical CAD division.

### Employment Rate of Persons with Disabilities



### Promoting national employee diversity

As the globalization of our business advances year by year, so does the diversity of nationalities among AISIN Group employees. As of March 2010, of the 12,775 employees working at Aisin Seiki, 510 are citizens of countries other than Japan. Among these, 91 are full-time, permanent employees.

In FY2010, four contract workers of foreign nationality became full-time, permanent employees under the Company's established transfer system.

### Re-employment after retirement

Aisin Seiki has established systems for the re-employment of workers after retirement, including programs for limited hours or days of work in response to varied requests from retirees.

### From a Re-Employed Retiree



#### Tokiyoshi Okuda

Maintenance Group  
Nishio Die-Casting Plant  
Aisin Seiki

Before retirement I was in charge of all equipment maintenance at the old Nishio Plant. After re-employment, I pool the experience of other re-employed workers at the same plant to vigorously tackle work improvements aimed at realizing Zero Waste.

Working again, after reaching retirement age, this ability to make improvements is more enjoyable now than it was in my former working days. At various workplaces, other re-employed workers and I devise all sorts of ideas that result in cost savings or quality improvements and earn us the thanks of on-site workers. It is a pleasure to be of use to the factory.

From here on, I would like to transfer as much of my experience as possible to the younger generation.

# Voice



## Work-Life Balance

### Supporting compatibility between work and home life

To ensure an optimal balance between employees' work activities and private lives, AISIN coordinates closely with labor representatives for shortened work hours and an array of other benefits. Past initiatives include the establishment of reduced working hours and childcare leave programs, as well as the opening of in-house nursery.

In June 2010, we augmented our programs in conjunction with revisions to Japan's laws on family and medical leave. Major changes were the introduction of new leave for the essential care of family members, the expansion of applicable hours for reduced hour work programs and an increase in leave days granted for child medical care.

Moreover, with the opening in

October 2007 of the AI Mommy's Support nursery within the Aisin Seiki headquarters grounds, we support our employees by looking after about 35 infants and children up to the age of four (as of June 2010).

Number of Employees Using the System of Reduced Working Hours for Childcare  
Aisin Seiki

FY	registered users		users	
	men	women	men	women
2008	89	155	10	132
2009	111	167	13	152
2010	115	151	13	129



### Systems to Optimize Work-Life Balance

- 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 elementary school
- Reassurance leave: Carried over paid leave, maximum of 20 days
- Leave for child nursing: Up to five days a year until the child enters elementary school
- Limitations on overtime, work on holidays and late-night work
- System of support with payment of costs for use of child-rearing services
- Jury duty leave system: Enables employees to focus on their duties as jurors if selected.
- Dependent leave system: For employees who wish to work but are temporarily unable to do so due to a spouse's work transfer or similar situation, this system enables a return to work once the situation changes.

## From a User of the Company In-House Nursery



### Keiko Yabumoto

Safety & Health Department  
Aisin Seiki

I put my qualifications as a clinical psychologist to use in providing health and mental care to employees through counseling. I returned to work in FY2010.

So as not to waste the qualifications I worked so hard to acquire, after childbirth I wanted to return to work quickly. I was able to do so smoothly with the help of AI Mommy's Support. It is situated next to the Company so drop-off and pick-up takes little time. If my child gets a sudden fever I can be there quickly, which lets me work with ease.

When I take part in events like parent-child lunches, I make use of the reduced working hours system. Many male employees participate too, and I get the sense that this style where men and women cooperate in childcare efforts is spreading throughout AISIN. I am also thankful for the support of my bosses and colleagues in the workplace. As I often have to leave work for sudden childhood sicknesses, I do my best to make it easy for colleagues to help out, by reporting closely on my work, making clear where documents are and so on.

## Voice

AI Mommy's Support  
Parent-child lunch  
(February 2010)



# Be with Suppliers

As part of its manufacturing activities, Aisin Seiki procures a wide variety of parts and materials from numerous suppliers. To grow along with our suppliers, we strive for fair and open transactions as we foster relationships built on trust based on our basic policy on procurement.

## Basic Policy on Procurement

1. Mutual advancement through mutual trust
2. Fair and open competition
3. Promotion of green procurement
4. Promotion of localization to be a good corporate citizen
5. Compliance with laws and regulations

## Fairness in Business

### Conducting training for purchasing managers

Aisin Seiki takes fairness in business seriously. In FY2010, we conducted training for purchasing managers in our procurement and production divisions based on the theme of legal concerns affecting business with suppliers.

To further bolster proper business conduct, we require all divisions to conduct voluntary inspections.

## Promoting Green Procurement

### Unifying guidelines as a group

In March 2010, we reviewed the independent initiatives, taken over the past by 12 main companies, and newly

established the unified AISIN Group Green Procurement Guidelines.

We took steps to promote increased awareness of the content of the guidelines by our direct suppliers through briefings and the distribution of booklets. Through those suppliers, we also called for greater cooperation from indirect suppliers.

**WEB** AISIN Group Green Procurement Guidelines

### Enhancement of suppliers' environmental management systems

To support the development of environmental management systems among suppliers, Aisin Seiki undertakes activities to upgrade these partners' environmental management capabilities. On top of supplying check sheets and calling for suppliers to perform voluntary inspections, we perform site inspections and provide instruction where needed.

Many suppliers have raised the level of their environmental management through these activities, with 80 suppliers acquiring ISO 14001 certification between October 2003 and March 2010.

## Promoting CSR Activities through Collaboration

### Principles of Corporate Behavior Workshops

The Aisin Group Principles of Corporate Behavior that we established in January of 2010 sets its sights on CSR initiatives not only within the AISIN Group but also in unison with suppliers.

Aisin Seiki plans workshops for suppliers to promote understanding of the Principles. At a workshop held in March 2010 we hosted 64 participants from 61 companies.

### Safety education for suppliers' employees

Aisin Seiki conducts safety education for new employees of suppliers belonging to the AISIN Suppliers Network\*. In May 2010, 108 new employees from 30 suppliers participated in this program.

In addition to classroom instruction in basic safety knowledge, we build hands-on education into the program. Using machines at the Aisin Seiki Global Skills Practice Center to conduct simulations of accidents that could happen or actually have happened in the workplace, we taught participants the importance of ensuring workplace safety.

\* AISIN Suppliers Network  
Launched as a friendship association for all AISIN suppliers, the Network currently promotes information exchange and mutual study through lectures and workshops. There were 83 participating members as of April 2010.

## From a Supplier



**Hideyuki Kurata**  
CEO  
KURATA CO., LTD.

The environment surrounding the global automotive industry is changing in large and structural ways. In order to win in the future amid severe international competition, I am convinced that we suppliers need to come together to provide better goods at better prices in new markets. To cement our partnerships more strongly than ever before, I want us all to press ahead under the theme of "change and unity."

Moreover, in the management of our business, I aim to recognize our role as an AISIN partner and instill responsible corporate behavior throughout all we do.

# Voice

# Be with Communities

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 many individuals 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 expanding throughout the world at a growing pace.

Protection of  
Nature and the  
Environment

Community  
Building and  
Development

Fostering  
Youth



## The Three Pillars of Corporate Citizenship Activity

### Protection of nature and the environment

In order to preserve the sustainability of the global environment, we are cooperating with affiliated companies throughout the world on forestation and forestry maintenance projects.

### Fostering youth

We are engaged in a variety of hands-on study programs intended to support youth education and enable young people to become active human beings by experiencing for themselves the importance of nature and the pleasure to be gained from mono-zukuri (manufacturing).

### Community building and development

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

## From a Manager for Corporate Citizenship Activities



**Hidetoshi Sugita**

Corporate Citizenship Activities Group  
Volunteer Promoting &  
Welfare Consultation Center  
Aisin Seiki

At Aisin Seiki, Volunteer Promoting & Welfare Consultation Center is our main conduit for corporate citizenship activities. Under the three pillars of protection of nature and the environment, fostering youth and community building and development, we actively develop community-based activities to reach our vision of a company friendly to people, society and the environment.

An example of Aisin Seiki's corporate citizenship activity is our Environmental Education Program targeting elementary schools in Aichi Prefecture. This program aims for children to learn about the importance of life by gaining awareness of the environment. The point of the activities is involving not only the kids but their guardians and the community in connections to sustainable eco-action.

Many of our activities call for participation by AISIN Group company employees or involve the cooperation of nearby Toyota Group companies. Tree planting on Mt. Fuji and watershed preservation along the Yahagi River are examples of activities undertaken by the AISIN Group as a whole. Furthermore, twice a year (in spring and fall) since 1998, we have hosted harvest festivals together with Toyota Industries Corporation and invite nearby residents with disabilities to gather potatoes and other crops. (See page 30 for details on activities related to the protection of nature and the environment.)



**Yumi Shibata**

Social Contribution Promotion Group  
General Affairs Department, Human Resources Development Division  
Aisin AW

Rooted in our goal to be a loved and respected company coexisting with local communities as a good corporate citizen, Aisin AW has launched initiatives from FY2008 focused on the regions in which it operates. The company established a new Social Contribution Promotion Group in 2010 to promote more positive corporate citizenship activities, carrying on the ideas and spirit of earlier activities while striving to build a better society together with the community — as a member and a valued friend of that community.

While augmenting our action plans that draw on AW's strengths in manufacturing and creativity, we are advancing initiatives that let more employees than ever participate casually and have fun as volunteers together with people from the community, supported by our new Social Contribution Point System launched in FY2010.

Voice

Harvest festival with Toyota Industries  
Corporation (June 2009)





## Be with Communities

### Domestic Activities

#### Supporting sale of products from workshops for the disabled

Aisin Seiki provides a space in its cafeteria for the sale of bread, desserts, and more on behalf of an organization operating a bakery and supporting employment for disabled persons. At lunchtime, many of our employees purchase the sandwiches and desserts delivered by the group.

In FY2010, we added a sales corner in our Shintoyo Plant cafeteria. We plan to extend the program to additional locations as well.



#### Outreach Seminar on “Mono-zukuri (manufacturing)”

To introduce elementary school pupils to the joy of making things, Aisin Seiki and AISIN Group member company FT Techno, Inc. conduct Outreach Seminar on “Mono-zukuri (manufacturing)” at an elementary school in Toyokoro, Hokkaido, the home of one of our automotive proving grounds.

In September 2009, the company held lessons for the fourth time. Together with AISIN employees, 24 school children built a motorized model car. During the session the children tried out numerous improvements to make the model run faster, experiencing the fun of creativity.



#### Participation in Table for Two activities TABLE FOR TWO

From January 2010, Aisin Seiki has participated in Table for Two (TFT), a program tying food aid for developing nations with the elimination of the lifestyle-related illnesses in developed nations.

Under the program, 10 yen from the price of cafeteria meals designated as healthy, and 10 yen in matching funds from the cafeteria operator company, combine for a total of 20 yen in donations that provide a meal for a child in the developing world. Through June 2010, we succeeded in supplying about 10,000 meals through the program. We plan to extend our participation to additional locations.



#### Promoting employees' volunteer activities

In October 2009, Aisin AW launched its Social Contribution Point System to award points for participation in volunteer activities.

Points can be exchanged for donations to NPOs through the company, or for products from fair trade groups and vocational aid centers. The program aims to get employees actively and eagerly engaged in volunteer activities.



#### Cooperating with junior high school students' workplace experience

Aisin Chemical cooperates with a program to bring local junior high school students into the workplace. In FY2010, the company accepted three second-year students for three days to experience product inspection and material re-supply on the production line.

Aisin Kiko conducts similar activities. Both companies have received acclaim for their participation, including special recognition by Aichi Prefecture as workplaces providing valuable experiences to students.



#### Donations to NPOs

The All AISIN NPO Activities Support Fund, composed of 12 main companies, makes annual donations to NPOs and volunteer groups in Aichi, Fukui, and Toyama prefectures, homes to our Company sites. The donation funds come from charity concert collections and contributions from employees.

In FY2010, the 12th year of our participation, we donated a total of 3.1 million yen to 23 organizations involved in social welfare, environmental protection, youth education, and community building.





## Overseas Activities

### North America: Safe driving class for local high school students on our test track

In October 2009, FT Techno of America, LLC (FTTA) conducted a safe driving class for 30 high school students and their guardians at its test track in Fowlerville, Michigan.

Safe driving on slippery frozen roads is important during Michigan's cold winters. FTTA's test drivers offered one-on-one safe driving instruction on a low- $\mu$  (coefficient of friction) test track surface.



### North America: Cultivating vegetables on company grounds and providing food aid

The city of Detroit in the U.S. was hit hard by the global recession following the Lehman Shock, with many residents falling into economic hardship.

In May 2009, nine employee volunteers from Aisin World Corp. of America and Aisin Technical Center of America, Inc. set up a community garden on company grounds to cultivate tomatoes, squash and other vegetables. The harvested vegetables were donated to support groups such as Forgotten Harvest, providing aid for people in need of food.



### Europe: Supporting the restart of elementary school classes in a poverty-stricken Turkish village

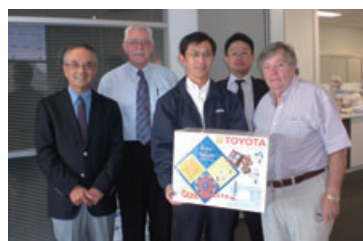
Aisin Otomotiv Parcalari Sanayi Ve Ticaret A. S. (ATR) launched an initiative to support an elementary school in an impoverished village in eastern Turkey, collecting contributions and unneeded goods from employees and donating needed equipment and stationery to the school.

A re-opening ceremony for the school was held in October 2009, with the ATR human resources manager in attendance. Thanks to the aid, 50 children from the region were able to begin school again.



### Oceania: Donating sewing machines to a technical training school in the Solomon Islands

A technical training school in the Solomon Islands faced an obstacle in its newly opened sewing class: it had only a few old sewing machines for use by 60 students. Working through a local Rotary Club, Aisin (Australia) Pty., Ltd. donated seven new AISIN home-use sewing machines to the school.



### China: Making use of skills in volunteer activity at a senior care facility

At Aishin Seiki Foshan Automotive Parts Co., Ltd. in China's Canton Province, members of the labor union are engaged in volunteer activities. In FY2010, employees in charge of equipment maintenance visited a local senior care facility and put their skills to work fixing electrical items. Employees also visited children's welfare facilities to assist in activities and to donate air conditioning equipment.



### Global: Relief donations for earthquake victims

AISIN works to support reconstruction in regions hit by large-scale natural disasters. Through NPOs such as Japan Platform, we donated a total of 4.5 million yen in FY2010 to assist victims of three major earthquakes in Sumatra, Haiti, and Chili.

#### Main Disasters Targeted by Relief Donations

- Chilean earthquake (February 27, 2010)
- Haiti earthquake (January 12, 2010)
- Sumatra earthquake (September 30, 2009)



# Governance

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Yasuhito Yamauchi  
Vice Chairman

Kanshiro Toyoda  
Chairman

Fumio Fujimori  
President



Shunichi Nakamura  
Executive Vice President

Masuji Arai  
Executive Vice President

### Board of Directors and Corporate Auditors (as of June 2010)

Chairman	Kanshiro Toyoda
Vice Chairman	Yasuhito Yamauchi
President	Fumio Fujimori
Executive Vice Presidents	Shunichi Nakamura Masuji Arai
Senior Managing Directors	Toshikazu Nagura Naofumi Fujie Takashi Morita Shizuo Shimanuki Makoto Mitsuya Toshiyuki Mizushima Takashi Enomoto Kazumi Usami Yutaka Miyamoto Masahiro Suo Toshiyuki Ishikawa Takeshi Kawata Tsutomu Ishikawa
Directors	Norio Oku Toshihiro Gonda Shoichiro Toyoda Ryo Kobayashi Hikaru Takasu
Standing Corporate Auditors	
Corporate Auditors	

# CSR Management

AISIN enacted the Aisin Group Principles of Corporate Behavior in January 2010.

Covering all Group companies, the principles form the foundation for the promotion of CSR activities based on the principles of respect for human rights and fair and equitable relationships with stakeholders.

## Corporate Principles and Vision

AISIN has been committed to the corporate principle of "Quality First" since the time of the Company's founding.

In FY2009, AISIN launched the AISIN Group VISION 2015 (see page 2), a mid- to long-term management vision that will enable the Group to achieve sustainable long-term future growth based in part on the principle of "Quality First." This vision represents a statement that the Group, as a leader in CSR practices, will aim to follow behavior respected by society and live in harmony with customers, local communities and the natural environment.

## Aisin Group Principles of Corporate Behavior

Aisin Seiki has pursued CSR best practices under the Aisin Principles of Corporate Behavior since 1998. With the greater globalization of our business activities in recent years, however, a more broad and diverse approach to CSR is required. That is, today the entire AISIN Group, including supplier partners, must work to achieve CSR best practices together.

Consequently, the Aisin Group Principles of Corporate Behavior were enacted in January 2010. The new principles feature additional entries on contributing to the sustainable development of society and the earth, respecting each employee's character, individuality and diversity, and developing and maintaining sound relationships with stakeholders based on active communication. These principles are shared across the entire AISIN Group, enabling us to engage in Group-wide CSR together with the cooperation of suppliers.

Shortly after the principles were implemented, the AISIN Group held an orientation meeting for 2,486 managers. In addition, explanatory sessions for supplier partners were also held as part of our broader plans to promote the awareness and implementation of the principles Group-wide (see page 41).

## Developing the Guideline to Promote Implementation

In unison with the Aisin Group Principles of Corporate Behavior, AISIN also enacted the Guideline in Compliance with Social Responsibility. The

guideline, based on the principles outlined in the corporate principles, indicates the specific actions and behaviors expected of employees. The guideline uses an easy-to-understand question and answer format to address important issues and expectations.

The guideline is distributed to all employees in a booklet. In addition, the guideline has also been translated into Portuguese for our Japanese-Brazilian employees.

## The "AISIN Way" of Corporate Values and Behavioral Principles

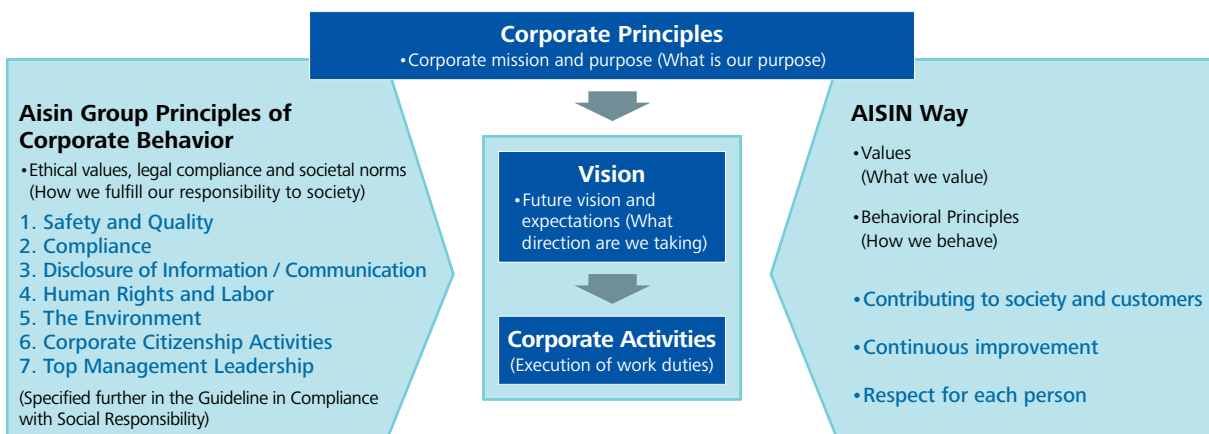
The AISIN Way lays out the behavioral principles and corporate values that should be shared among and followed by all employees working for the AISIN Group.

The AISIN Group focuses on employee training programs as a means of ensuring these behavioral principles and values that are firmly rooted in all employees across the AISIN Group, no matter their location, age or experience.

In FY2010, general managers led employee-training programs in Japan, which served to spread awareness and best practices. Internationally, training programs were held on the AISIN Way for executives at our North American subsidiaries and managers as well as executives at our companies in China, with 98 total participants worldwide.



CSR Management Conceptual Diagram



# Corporate Governance

With an aim of maximizing corporate value, AISIN targets long-term sustainable growth by building solid, positive relationships with all stakeholders.

In order to achieve this objective, we believe that we must 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 Seiki 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.

### Board of Directors (18 directors)

As a rule the Board of Directors meets once a month. As well as discussing legal matters, the Board of Directors 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 processes.

### Board of Auditors (5 corporate auditors; 3 of whom are external

auditors)

Auditors audit the execution of work performed by directors in accordance with predetermined auditing policies and plans, and keep track of how each business area 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.

## Responding to Stakeholders' Interests and Expectations

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 Group Principles of Corporate Behavior.

We have also set up committees tasked with promoting management that addresses the interests and

## Strengthening Corporate Governance

### 2005: Enhanced the Board of Auditors' Independence

- Established the Corporate Auditors Department as an organization under direct control of the Board of Auditors
- Deployed full-time staff

### 2005: Accelerated Decision Making and Operational Execution

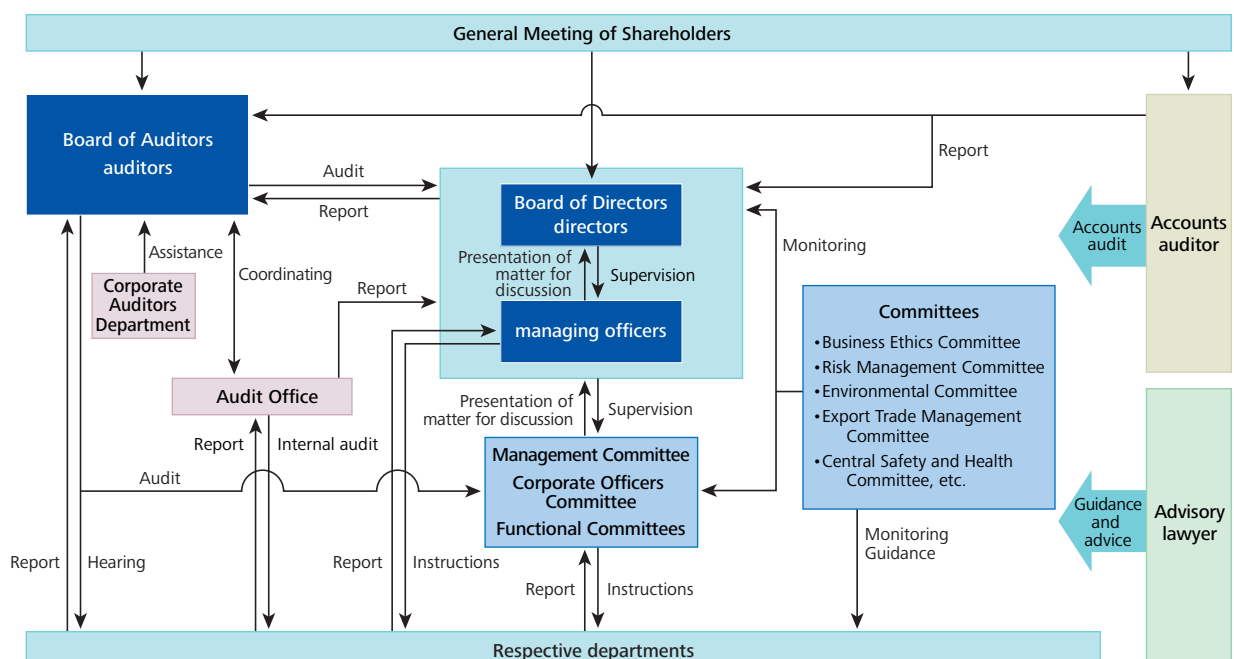
- Established new Managing Officer positions in charge of operational execution for each business division
- Appointed president of principal overseas subsidiary an Managing Officer of Aisin Seiki Japan
- Defined the senior managing director position as responsible for operational execution decision making
- Defined the president, vice chairman and chairman as responsible for supervising operational execution and formulating management strategy

### 2008: Strengthened the Board of Auditors' Audit Structure

- Moved Board of Auditors' meetings from quarterly to monthly

concerns of internal and external stakeholders, including the Business Ethics Committee, the Environmental Committee and the 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 relevant corporate activities.

Aisin Seiki Corporate Governance Structure





# Internal Control



Continuous efforts toward maintenance and improvement are being made on the basis of the “Basic policy concerning the establishment of internal control” in forms such as ensuring greater thoroughness on the operational front inside the Company and reviewing the system itself.

## Basic Policy Concerning the Establishment of Internal Control

In response to the enactment of the Companies Act, AISIN formulated the “Basic policy concerning the establishment of internal control” in May 2006.

In September 2009, we made partial revisions to this policy in order to enhance the accuracy and reliability of financial reporting and to ensure operating subsidiaries are executing duties appropriately (blue-colored text below).

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

In connection with handling assessments of the efficacy of internal control on financial reporting (the internal control reporting system), the Aisin Seiki Corporate Auditors Department maintains and evaluates the management of Companywide internal control, 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 control. Based on an internal assessment of the status of internal control, 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 our Group’s internal control on financial reporting were functioning effectively as of March 31, 2010. In June 2010, 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.

### Basic Policy Concerning the Establishment of Internal Control

#### 1. System for ensuring that the execution of duties by directors complies with laws and the articles of incorporation.

Based on the Company’s corporate principles and Principles of Corporate Behavior, directors shall work to maintain systems to ensure compliance with laws and the articles of incorporation.

- (1) During training upon appointment to their positions and at other relevant times, we shall thoroughly train directors to act in accordance with laws and the Articles of Incorporation by using guidebooks and other materials that address corporate behavioral ethics and the legal knowledge necessary for directors.
- (2) In executing tasks, directors shall make decisions upon comprehensive deliberation not only in the Board of Directors and the Management Committee, but at all manner of committees, councils and other cross-organizational meetings.
- (3) We shall establish a committee on corporate behavioral ethics, which shall deliberate on and determine policies and systems for legal and corporate ethics compliance.

#### 2. System for storage and management of information regarding execution of duties by directors

Information regarding execution of duties by directors shall be appropriately stored and managed by each responsible department, based on relevant regulations and laws.

#### 3. Regulations concerning management of the risk of loss, and other systems

- (1) We shall establish a committee on risk management, which shall deliberate on and determine important policies and systems regarding risk management, including ascertainment and evaluation of companywide risks, and identification of matters against which we need to focus on countermeasures. Based on these policies and systems, we shall take precautions to prevent risks, and respond to any crises that should become apparent.

#### (2) Identify risk in business processes, maintain written records and regularly evaluate implementation status of internal control activities in order to ensure accuracy and reliability in financial reporting.

#### 4. System for ensuring efficient execution of duties by directors

- (1) We shall carry out consistent policy management by making concrete policies at each level of the organization on the basis of medium-term management plans and yearly corporate policies.
- (2) Within our officer system of directors and managing officers, directors shall direct and supervise managing officers based on management policy and grant them executive authority within each department in order to exercise agile decision-making.

#### 5. System for ensuring that the execution of duties by employees complies with laws and the articles of incorporation.

- (1) Based on the policies of the committee on corporate behavioral ethics, employees shall be thoroughly trained in compliance matters via distributed guides on corporate ethics and through legal education and education at each management level.
- (2) We shall ensure that information that addresses issues and questions regarding compliance matters is quickly obtained through corporate ethics

consultation contact point and other services, so that such matters are understood and resolved early on.

- (3) We shall carry out on-site audits by an internal auditing department.

#### 6. System for ensuring the appropriateness of tasks in the corporate group consisting of the joint-stock company and its parent company and subsidiaries

- (1) Based on the common basic principles of the Group and the Principles of Corporate Behavior, we shall work to maintain systems to ensure compliance with laws and the Articles of Incorporation, and ingrain those systems through human interaction.
- (2) We shall place subsidiary management functions within the corporate planning department, and work to ensure the appropriateness of each company’s business activities by ascertaining each company’s planning and results pertaining to such activities.
- (3) We shall provide advice and support toward maintaining systems for ensuring information distribution to each Group company and the appropriateness of its business activities, though meetings as a corporate group and information sharing among each functional department on both a periodic and an as-needed basis.

#### (4) Monitor the appropriateness of operating subsidiaries’ operations through the Internal Auditing Department and other internal organizations.

#### 7. Matters concerning employees appointed on request to assist corporate auditors with their duties

We shall establish a dedicated department for assisting corporate auditors with their duties, and assign employees to posts therein.

#### 8. Matters concerning the independence of employees referred to in the preceding item from directors

The designation of employees to assist corporate auditors with their duties shall require the prior approval of the Board of Auditors or a standing corporate auditor specified by the Board of Auditors.

#### 9. System for reporting to corporate auditors by directors and employees, and other systems concerning reporting to corporate auditors

- (1) Directors shall report to the corporate auditors on the execution of main tasks via the departments responsible in a timely and appropriate manner, and shall immediately report to the corporate auditors upon discovery of any fact that could cause significant harm to the Company.
- (2) Directors, managing officers and employees shall report business matters to the corporate auditors on a periodic and as-needed basis, as per requests by the corporate auditors.

#### 10. Other systems for ensuring effective performance of audits by corporate auditors

- (1) To enhance the effectiveness of audits performed by the corporate auditors, directors shall actively cooperate in their audit activities, including corporate auditors’ attendance at important meetings, review of important documents, activities of on-site audits of plants and subsidiaries, and meetings with accounts auditors.
- (2) The internal auditing department shall interface closely with the corporate auditors and report to them the results of internal audits.

# Compliance

AISIN endeavors to ensure compliance best practices under the Aisin Group Principles of Corporate Behavior. The principles clearly stipulate corporate activities are to be fair, transparent and undertaken in open competition, adhere to the law and include business practices that uphold positive societal norms, maintain sound and appropriate relationships with the government and politics and avoid involvement in anti-social forces. In addition, the Guideline in Compliance with Social Responsibility uses a question and answer format to provide employees with concise information on specific laws and regulations to pay heed to during the execution of work duties.

## Summary of the Guideline on Compliance

(Excerpt from the Guideline in Compliance with Social Responsibility)

Legal compliance among all employees  
Open and honest behavior  
Become a true open-minded global corporation  
Open and fair competition  
Establishment of appropriate business policy  
Transparent purchases and procurement  
Sound public-private relationships  
Information management and protection  
Safeguard intellectual property assets

## System

The 12 main companies have set up a Business Ethics Committee or equivalent meeting committee at each company as a structure whose function is to discuss important matters related to corporate ethics, compliance and to decide on policy in this regard.

The committee consists of an executive selected from top management acting as chairman, with each executive officer assuming the role of committee member. The committee has met one to three times each year to deliberate since 1992.

## Consultation and Notification Contact Points

The 12 main companies have established a compliance hotline with internal contact points in each Group company and at two external law offices to receive inquiries and notices on matters pertaining to corporate ethics and compliance.

Since the first contact point was set up in Aisin Seiki in 1998, new internal and external contact points have been added at each Group company.

Contact points receive inquiries on compliance matters from employees, their families and business partners through telephone, facsimile and email. (The scope of each contact point varies between each Group company.)

Clear regulations have been created to ensure that the provider's name and the content of notifications and consultations provided via contact points remain confidential, and notification recipients and consultants protect this confidentiality.

In addition, managers receive extensive training to ensure that employees who use the compliance hotline are not penalized through demotion, pay deduction or termination.

The following chart outlines the number of contacts received during FY2010. In FY2011, we plan to take actions to raise awareness among employees about the compliance hotline, including posters that encourage its use.

## Compliance Hotline Contacts

12 main companies

(Contacts)		
FY	2009	2010
Total	254	233
External	20	24

## Ensuring Full Awareness on the Part of Employees

Among its rank-specific and theme-focused training programs, AISIN conducts compliance training as a means to raise awareness of relevant laws and regulations among employees. In FY2010, training focused on the fundamentals of the Antimonopoly Law as well as the management of export duties and contracts.

In addition, we also conduct discussion-based case studies at each workplace level that address a challenging topic in compliance. In FY2010, this case study addressed instances of information leakages, sexual harassment and power harassment, with discussions focused on the nature of the problem and the prevention of related compliance violations, deepening employee understanding of compliance. Furthermore, the AISIN internal magazine also seeks to raise awareness on compliance issues using special feature articles on corporate morals and ethics.

In addition, AISIN has designated October as Corporate Behavioral Ethics Month during which the Company sponsors lectures, awards commendations and issues a call for compliance slogans.

## Compliance Training by Rank

12 main companies

(Persons)		
FY	2009	2010
Officers	145	215
Managers	842	2,035
General employees	2,509 (1,299)	2,855 (996)
Agency workers	172	74
Total	3,668	5,179

Note: Participant numbers for FY2010 include participants from the orientation session on the Aisin Group Principles of Corporate Behavior.

\* Parenthesis denotes new hire participants, including mid-career hires.



Compliance Training



Poster to enhance ethical business activities

# Risk Management

AISIN strives to keep any risks that may have a serious influence on corporate management from materializing. In order to create a corporate constitution with strong resistance to risks, we consider that one of our priority management tasks is to reduce any damage to the minimum and ensure that rapid restoration is possible in the event of a risk actually occurring. Moreover, we work to strengthen the risk management system and enhance risk responsiveness under a coordinated Group framework.

## System

As part of its risk management and advancement system, Aisin Seiki has set up a Risk Management Committee chaired by the Vice President. The committee advances and strengthens risk management activities, such as monitoring of progress on measures against important Companywide risks, consideration of risks that may warrant greater safeguards in the coming fiscal year and continual follow-up on the implementation status at each department in charge of risks.

In order to promote such practical activities in an efficient manner throughout the Company, we have set up a Corporate Risk Management Department, to deal exclusively with this matter, and we are striving to enhance responsiveness, whether trouble is present or absent.

## Ensuring Full Awareness on the Part of Employees

AISIN has created a Risk Management Guide that expounds on the basic approach of the Company, on the behavioral principles to be adopted by employees, and on how to respond in the event of an urgent situation actually arising. Efforts are made to ensure full awareness on the part of employees through annual working level activities and rank-specific training.

As a means to strengthen responses to diversifying overseas risks, we strive to ensure solid and timely training curricula on risk management best practices, including annual reviews of the content of risk management training for employees dispatched overseas and local executives.

In addition, for latent risks facing

employees, such as vehicle collisions, a large earthquake, or a new influenza epidemic, AISIN distributes a portable guidebook and manual to all employees and conducts training sessions to help employees take the appropriate action when danger arises.

## Business Continuity Plan (BCP)

AISIN has developed countermeasures and a business continuity plan in full consideration of its societal responsibility and impact on local communities, with focus on safeguarding human life, to address the heightened risk of an interruption to business operations from a large earthquake occurring in the Tokai region or a global pandemic of a new strain of influenza.

In FY2010, we faced the urgent task of responding to the global pandemic of the new strain of the influenza virus, and undertook several measures as a company to prevent the contraction and spread of the disease to protect employees, their families and local communities. We also enacted our business continuity plan and made efforts to improve our stance during FY2010 as well. Furthermore, we worked together with Group companies in Japan and overseas to share information and develop specific countermeasures at each company.



# Disclosure of Information

We disclose information in a fair and timely manner to ensure that our stakeholders, including shareholders and other investors properly understand and trust AISIN.

## System

We report immediately to individual sectors and information controllers in Group companies (general managers within Aisin Seiki; executive class officers in Group companies) in connection with issues involving individual councils and important facts occurring inside and outside AISIN.

Information controllers who receive reports convene meetings of assessment committees consisting of the representatives from the Corporate Planning Department, Finance &

Accounting Department and Legal Affairs Department. Decisions are reached at these meetings on whether or not it is necessary to disclose information at appropriate times in light of the rules of disclosure stipulated by securities exchanges. The decisions are reported to directors and promptly disclosed through TD net\* and other means. Furthermore, the Aisin Seiki website contains a variety of corporate information and includes an e-mail notification service for all who wish to stay abreast of statements of account and news releases.

## Preventing Insider Trading

To prevent insider trading we obtain written pledges from each officer and employee who come into contact with important internal information concerning information management and the trading of stock and other instruments. We also conduct educational sessions on insider trading regulations as needed, as part of our efforts to raise awareness.

\* TD net: Web-based disclosure service of the Tokyo Stock Exchange



Training session on insider trading

# Information Security

AISIN has established the following guidelines, among other measures, to prevent the leakage of confidential as well as personal information. These guidelines require that confidential and personal information of employees, customers and business partners be handled in full compliance with relevant laws and societal norms.

## Rules on Information Security

- Confidential Information Management Rules
- Personal Information Protection Policy
- Personal Information Protection Rules
- Cyber Information Security Management Rules

## System

Under a system advanced Companywide and supervised by the General Affairs Department, we place confidentiality managers in each department to take measures to prevent information leakage.

To respond to any information

leaks or suspected leaks that should occur, we have established an Emergency Countermeasures Headquarters to investigate each leakage, prevent secondary damage and provide for the parties affected.

## Ensuring Full Awareness on the Part of Employees

In FY2010, we worked to ensure information security best practices through various training programs conducted for all employees including temporary staff. In addition to e-Learning solutions,

paper-based curricula are also used for training programs held for workplaces without access to computers.

## Frameworks for Preventing Information Leaks

Aisin Seiki specifies procedures for protecting its information and information systems in its Cyber Information Security Management Rules. The Company designates security levels for each building according to the importance of the information housed, and manages the facilities and monitors who enters and exits based on the respective security levels.

To prevent information leakage due to computer theft and loss, we require that employees receive permission to remove computers from the premises, and we have implemented security software to prevent leakage even in the event of theft or loss. There were no incidents of confidential or personal information leakages in FY2010.

# Intellectual Property Management

AISIN engages in the management of intellectual property assets under the Aisin Group Principles of Corporate Behavior, which stipulates that the Company is to safeguard proprietarily developed products and technologies as intellectual properties and respect the intellectual properties of other companies.

## System

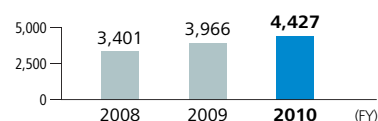
Amid the growing importance of intellectual properties, AISIN has established a specialized intellectual property management organization to support the safeguarding and protection

of intellectual properties at Group companies. In addition to enhancing awareness of intellectual property activities among persons in charge of development, we will continue to work to safeguard proprietarily developed

products and partake in activities that ensure the growth of profit and expansion of business of each company through the use and filing of intellectual property rights for new technologies.

AISIN is also striving to realize the full potential of its intellectual property right activities through an intra-Group liaison program.

Number of Patents Held in Japan  
(12 main companies)



## Message from an External Auditor



**Ryo Kobayashi**  
Professor, Nagoya University  
Graduate School of Law

I feel that today we have entered a turbulent era of tougher competition for the auto industry and its ancillary industries based on the launch of the electric vehicle and price cuts. The industry is also faced with the major challenge going forward of how to safeguard against unexpected malfunctions as auto parts become more computerized.

From a legal standpoint, various laws and regulations continue to remain in flux and grow more diverse and complex, as evidenced by the fact that revisions to the Companies Act are already under consideration. Accordingly, it has become vital to develop the systems and frameworks to address these changes. This is directly related to the area of internal control, illustrating that companies will need to focus greater efforts on developing and maintaining internal control systems moving forward. The need for internal control is clearly evident not because law requires it, but rather because of the recent series of incidents in corporate Japan involving mistakes that greatly damaged corporate brand value.

I would like to continue to engage in the development of internal control systems from the standpoint of a corporate auditor who emphasizes legal compliance, fairness and transparency, and accountability, with the ultimate aim of achieving the stable and sustainable growth of the Company.



# Management Data

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## Corporate Profile

**Established:** Aug. 31, 1965

**Capital:** ¥45 billion (as of Mar. 31, 2010)

**Head Office:** 2-1 Asahi-machi, Kariya, Aichi 448-8650 JAPAN  
Phone. +81-566-24-8441

**Representative:** Fumio Fujimori, President

**Employees:** 12,775 (as of Mar. 31, 2010)

**Businesses:** Manufacture and sales of automotive parts (Drivetrain, Body, Brake & Chassis, Engine, Information related), Lifestyle & Energy related products (sewing machines, beds, GHPs, etc.) and Welfare related products

## Board of Directors, Corporate Auditors

As of Jun. 23, 2010

■ **Chairman**  
Kanshiro Toyoda

■ **Vice Chairman**  
Yasuhiro Yamauchi

■ **President**  
Fumio Fujimori

■ **Executive Vice Presidents**  
Shunichi Nakamura  
Masuji Arai

■ **Senior Managing Directors**  
Toshikazu Nagura  
Naofumi Fujie  
Takashi Morita  
Shizuo Shimanuki  
Makoto Mitsuya  
Toshiyuki Mizushima  
Takashi Enomoto  
Kazumi Usami

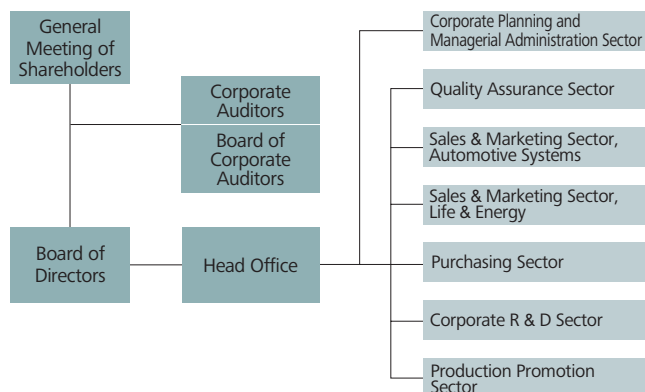
■ **Directors**  
Yutaka Miyamoto  
Masahiro Suo

Toshiyuki Ishikawa  
Takeshi Kawata  
Tsutomu Ishikawa

■ **Standing Corporate Auditors**  
Norio Oku  
Toshihiro Gonda

■ **Corporate Auditors**  
Shoichiro Toyoda  
Ryo Kobayashi  
Hikaru Takasu

## Organization



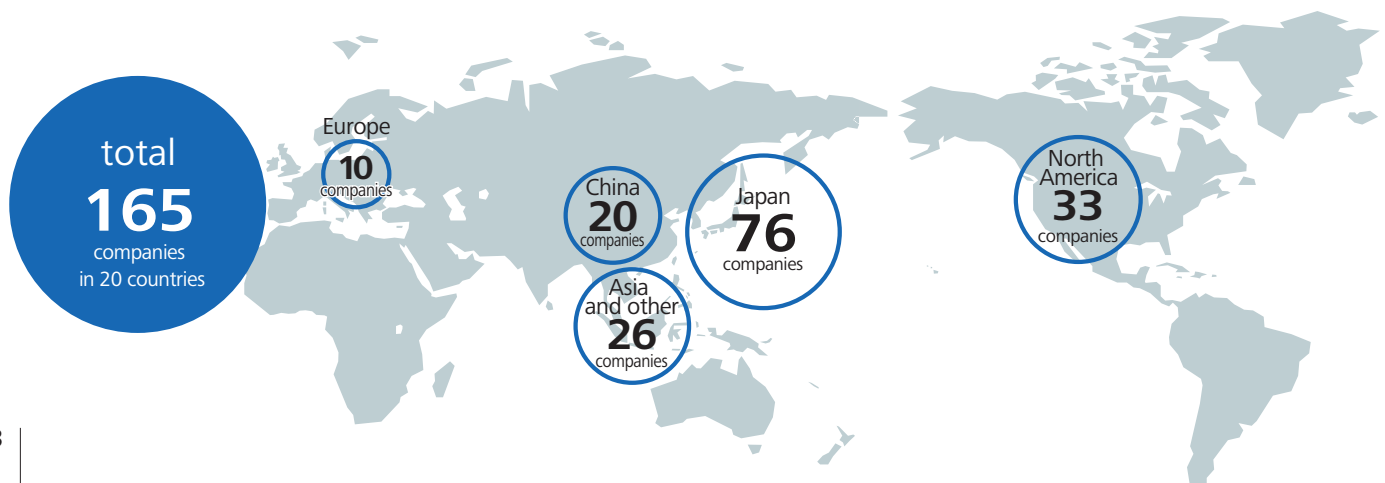
## Plants

\*The Kariya Plant was transferred to ADVICS Co., Ltd. in Apr. 2010.

- **Shinkawa Plant** (Hekinan City, Aichi Prefecture)  
**Employees:** 444  
**Main Products:** door latches, window regulators, sensors, etc.
- **Shintoyo Plant** (Toyota City, Aichi Prefecture)  
**Employees:** 1,444  
**Main Products:** roof moldings, belt moldings, seats, door frames, door hinges, power sliding doors, power back doors, press goods, etc.
- **Anjo Plant** (Anjo City, Aichi Prefecture)  
**Employees:** 302  
**Main Products:** gas engine driven heat pump air conditioners, shower-toilet seats, beds, etc.
- **Trial Manufacturing Plant** (Kariya City, Aichi Prefecture)  
**Employees:** 298  
**Main Products:** products developed in-house as well as custom-ordered by clients, welfare related products, dry pumps, etc.
- **Nishio Die-Casting Plant** (Nishio City, Aichi Prefecture)  
**Employees:** 1,018  
**Main Products:** transmission cases, transaxle cases, magnesium alloy cylinder head cover, etc.
- **Nishio Engine Components Plant** (Nishio City, Aichi Prefecture)  
**Employees:** 1,115  
**Main Products:** oil pumps, water pumps, piston, intake manifold, fuel rails, timing chain case covers, etc.
- **Machinery & Equipment Plant** (Nishio City, Aichi Prefecture)  
**Employees:** 321  
**Main Products:** die cast dies, gravity dies, press dies, resin mold dies, automatic assembly machines, testers, milling machines, etc.
- **Ogawa Plant** (Anjo City, Aichi Prefecture)  
**Employees:** 724  
**Main Products:** clutch covers, clutch discs, automatic transmissions, etc.
- **Handa Plant** (Handa City, Aichi Prefecture)  
**Employees:** 860  
**Main Products:** antilock brake systems, power tilt & telescopic steering columns, air suspension systems, etc.
- **Handa Electronics Plant** (Handa City, Aichi Prefecture)  
**Employees:** 909  
**Main Products:** electronic components (electronic control unit, sensors, solenoids, etc.)
- **Kinuura Plant** (Hekinan City, Aichi Prefecture)  
**Employees:** 563  
**Main Products:** door handles, sunroofs, spoilers, etc.

\*Number of employees as of Mar. 31, 2010.

## Number of Group Companies by Region

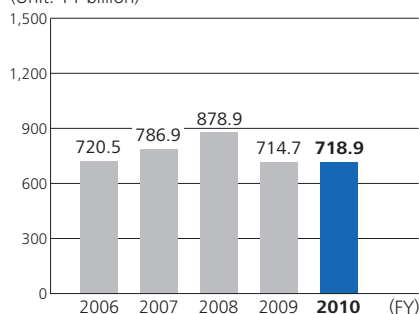


## Company Data

\*Fiscal years run from Apr. 1 to Mar. 31 of the following year.

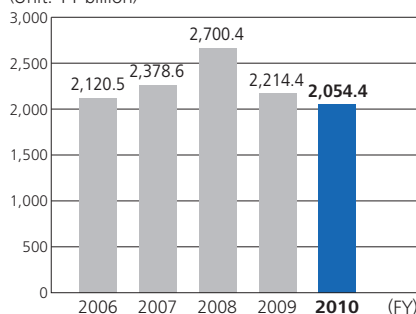
### Non-Consolidated Net Sales

(Unit: ¥1 billion)



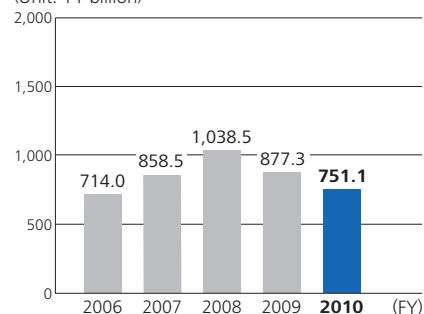
### Consolidated Net Sales

(Unit: ¥1 billion)



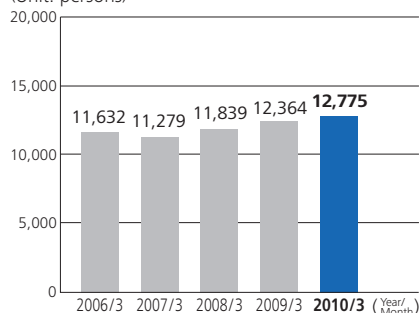
### Overseas Net Sales (consolidated)

(Unit: ¥1 billion)



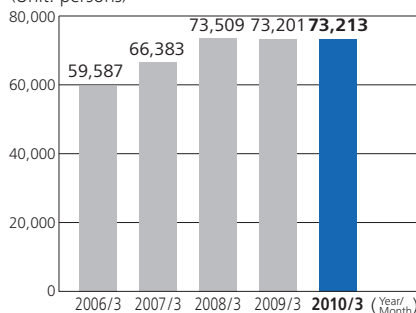
### Number of employees on a Non-Consolidated Basis

(Unit: persons)



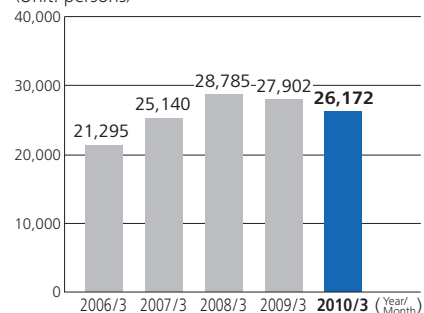
### Number of employees on a Consolidated Basis

(Unit: persons)



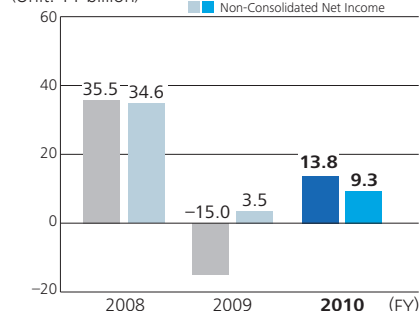
### Employees Overseas (consolidated)

(Unit: persons)



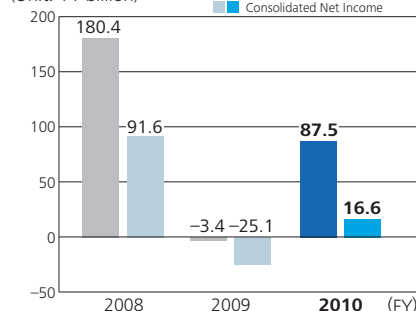
### Non-Consolidated Operating Income / Non-Consolidated Net Income

(Unit: ¥1 billion)



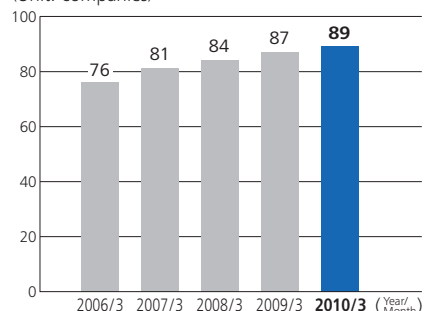
### Consolidated Operating Income / Consolidated Net Income

(Unit: ¥1 billion)

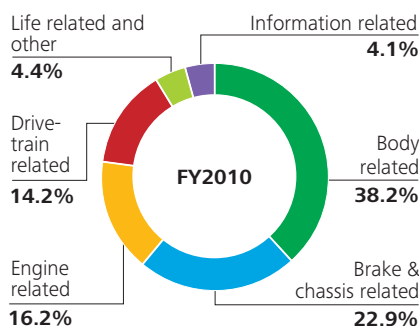


### Number of consolidated subsidiaries overseas

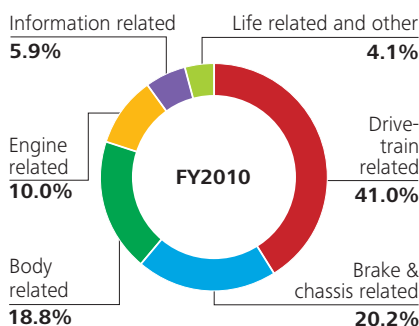
(Unit: companies)



### Non-Consolidated sales breakdown by product



### Consolidated sales breakdown by product



# Consolidated Subsidiaries in Japan (76 companies as of Mar. 31, 2010)

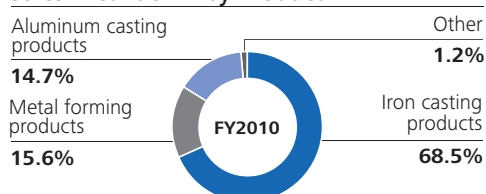
## Aisin Takaoka Co., Ltd.

**Website** <http://www.at-takaoka.co.jp/english/>

### Leading Manufacturer of Cast Products

Aisin Takaoka is Japan's largest dedicated manufacturer of cast products, and in recent years the company has been manufacturing parts for engines and brakes using a variety of materials such as iron, aluminum and stainless steel. Using new materials and production methods, it is contributing to the improved safety of automobiles as well as the environment by providing high-strength, light-weight products. In addition, the company also produces acoustic products based on its cast iron expertise and experience. Its speakers and stands marketed under the TAOC brand have received high marks from the audio industry.

#### Sales Breakdown by Product



Brake disc rotor



Stainless steel and cast iron composite exhaust manifold



Bumper reinforcement



TAOC speaker system

**Established:** Mar. 8, 1960

**Capital:** ¥5,396 million (as of Mar. 31, 2010)

**Head Office:** 1 Tenno, Takaokashin-machi, Toyota, Aichi 473-8501 JAPAN

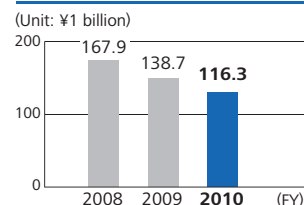
Phone: +81-565-54-1123

**Representative:** Toshiyuki Ishikawa, President

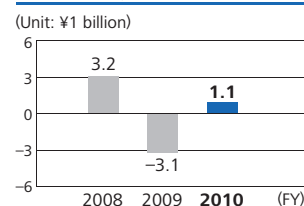
**Employees:** 2,970 (as of Mar. 31, 2010)

**Business:** manufacture and sales of iron and aluminum casting, machining, metal forming parts, audio products and sound proofing materials

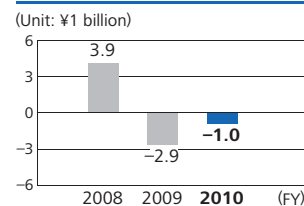
#### Net Sales



#### Operating Income



#### Net Income



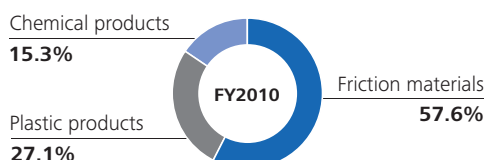
## Aisin Chemical Co., Ltd.

**Website** <http://www.aisin-chem.co.jp/english/index.html>

### Specialized Manufacturer of Chemical Products, Friction Materials and Plastic Parts

Aisin Chemical is the AISIN Group's only company specialized in the field of chemistry that develops and manufactures chemical products such as coatings, adhesives and damping coat, friction materials for transmissions and brake pads and also plastic parts. The company place a top priority on global environmental problems, engages in not only the development of eco-friendly products but also environmental conservation initiatives in all its corporate activities. We have also established a globally-oriented supply system with manufacturing plants in North America and Asia.

#### Sales Breakdown by Product



Spray-type damping coat



Segment type wet friction materials



Disk brake pad



Plastic Intake manifold

**Established:** Feb. 12, 1952

**Capital:** ¥2,118 million (as of Mar. 31, 2010)

**Head Office:** 1141-1 Okawagahara, Fujioka-lino-cho, Toyota, Aichi 470-0492 JAPAN

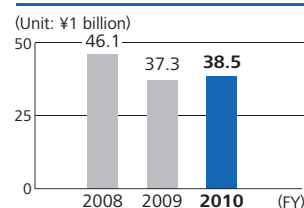
Phone: +81-565-76-6661

**Representative:** Yasuhide Shibata, President

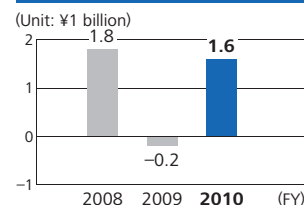
**Employees:** 998 (as of Mar. 31, 2010)

**Business:** development, manufacture and sales of chemical products, friction materials and plastic parts

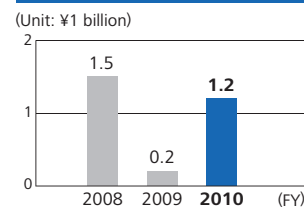
#### Net Sales



#### Operating Income



#### Net Income





## Aisin AW Co., Ltd.

**Website** <http://www.aisin-aw.co.jp/en/index.html>

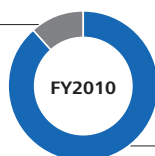
### Leading Manufacturer of Automatic Transmissions and Car Navigation Systems

Aisin AW has steadily expanded its business footprint by successfully commercializing the world's first RWD 8-speed automatic transmission as well as the world's first RWD 2-motor hybrid transmission. In car navigation, the company jointly developed the world's first "Map on Demand" with Toyota Motor Corporation and other partners, and plans to develop car navigation systems that feature latest technologies, which make it much easier to update map data.

#### Sales Breakdown by Product

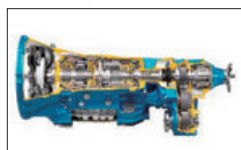
Car navigation systems

11.6%



Automatic transmissions

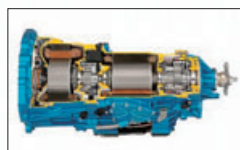
88.4%



RWD 8-speed AT  
\*Based on the Lepelletier system



CVT



RWD 2-motor hybrid transmission



Car navigation system

**Established:** May 15, 1969

**Capital:** ¥26,480 million (as of Mar. 31, 2010)

**Head Office:** 10 Takane, Fujii-cho, Anjo, Aichi 444-1192 JAPAN

Phone. +81-566-73-1111

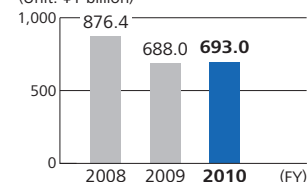
**Representative:** Tsutomu Ishikawa, President

**Employees:** 12,742 (as of Mar. 31, 2010)

**Business:** development, manufacture and sales of automatic transmissions, hybrid systems, and car navigation systems

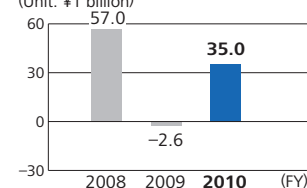
#### Net Sales

(Unit: ¥1 billion)



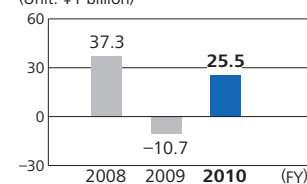
#### Operating Income

(Unit: ¥1 billion)



#### Net Income

(Unit: ¥1 billion)



## Aisin AI Co., Ltd.

**Website** <http://www.aisin-ai.co.jp/english/index.html>

### Leading Manufacturer of Manual Transmissions

Aisin AI is the top specialized manufacturer of manual transmissions in Japan, with a wide range of product that covers from compact cars to commercial vehicles. In addition to safety and comfort, Aisin AI is developing eco-friendly transmissions for next-generation that realize fun to drive and joy to shifting. Through this activity, Aisin AI will expand business for further growth in the future.

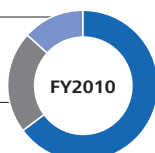
#### Sales Breakdown by Product

Other

13.1%

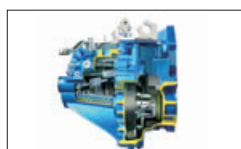
Transfers

22.0%

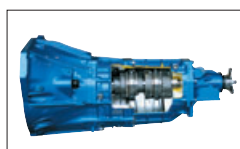


Manual transmissions

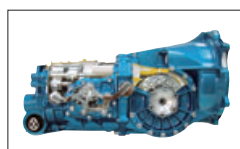
64.8%



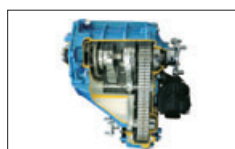
FWD 6-speed MT



RWD 6-speed MT



Rear-engine RWD 6-speed MT



Transfers for RWD vehicles

**Established:** Jul. 1, 1991

**Capital:** ¥5,000 million (as of Mar. 31, 2010)

**Head Office:** 1 Shiroyama, Ojima-cho, Nishio, Aichi 445-0006 JAPAN

Phone. +81-563-52-3111

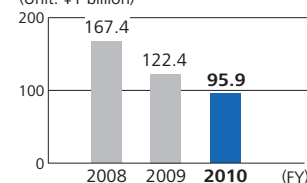
**Representative:** Kazumichi Sugiura, President

**Employees:** 2,066 (as of Mar. 31, 2010)

**Business:** development, manufacture and sales of manual transmissions, transfers and related parts

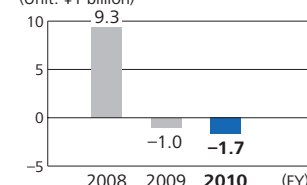
#### Net Sales

(Unit: ¥1 billion)



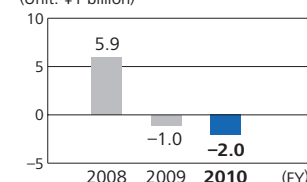
#### Operating Income

(Unit: ¥1 billion)



#### Net Income

(Unit: ¥1 billion)



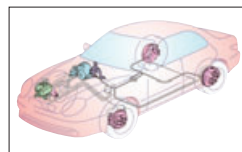
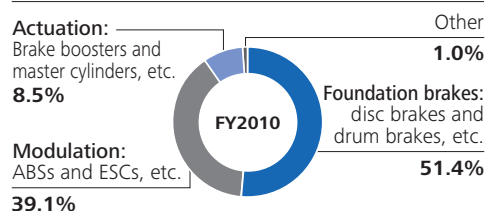
## ADVICS Co., Ltd.

**Website** <http://www.advics.co.jp/eng/index.html>

### Cutting-edge Brake System Supplier

ADVICS aims to contribute to the realization of an affluent society by providing attractive products that pursue environment, safety and comfort measures and embracing the development of new technologies. All ADVICS employees maintain a commitment to the company vision of "For Safety Evolution —Providing Reliability in a Scientific Approach for Safety" in their pursuit of new growth opportunities and value drivers going forward.

#### Sales Breakdown by Product



Brake system (image)



Brake booster and master cylinder



ESC modulator



Disc brake

**Established:** Jul. 3, 2001

**Capital:** ¥5,750 million (as of Mar. 31, 2010)

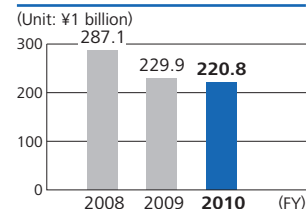
**Head Office:** 2-1 Showa-cho, Kariya, Aichi 448-8688 JAPAN  
Phone. +81-566-63-8000

**Representative:** Takeshi Kawata, President

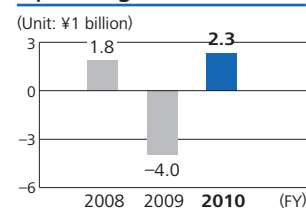
**Employees:** 982 (as of Mar. 31, 2010)

**Business:** development, manufacture and sales of brake systems and system components

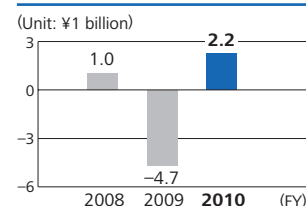
#### Net Sales



#### Operating Income



#### Net Income



#### Aisin Keikinzoku Co., Ltd.

**Established:** Feb., 1970

**Location:** Imizu, Toyama

**Business:** manufacture and sales of aluminum die-casting products for automobile components and aluminum extrusion

#### Aisin Development Co., Ltd.

**Established:** Dec., 1993

**Location:** Kariya, Aichi

**Businesses:** real estate, general construction (architecture, civil engineering, greenery, facility moves), insurance agency services, home remodeling (Aisin Livelan), lease and other financing, living goods

#### Aisin Kiko Co., Ltd.

**Established:** Jun., 1956

**Location:** Hazu, Aichi

**Business:** manufacture and sales of functional automatic transmission components, drivetrain related and body related components

#### Aisin Sin'ei Co., Ltd.

**Established:** Jul., 1961

**Location:** Hekinan, Aichi

**Business:** stamping of automobile components, painting and manufacture of body related components

#### Aisin AW Industries Co., Ltd.

**Established:** Mar., 1983

**Location:** Echizen, Fukui

**Business:** manufacture and sales of automatic transmission components

#### Hosei Brake Industry Co., Ltd.

**Established:** May, 1968

**Location:** Toyota, Aichi

**Business:** manufacture of automotive drum brakes and other brake parts

Aisin Tohoku Co., Ltd.  
Aisin Kyushu Co., Ltd.  
Aisin Kyushu Casting Co., Ltd.  
Aisin Hokkaido Co., Ltd.  
Saitama Kogyo Co., Ltd.  
Kotobuki Industry Co., Ltd.  
Aichi Giken Co., Ltd.  
Yamagata Clutch Co., Ltd.  
Aisin Metaltech Co., Ltd.  
Shinko Seiki Co., Ltd.  
Aisin Maintenance Co., Ltd.  
Aisin Engineering Co., Ltd.  
Aisin ComCruise Co., Ltd.  
Aisin Infotex Co., Ltd.  
IMRA Material R&D Co., Ltd.  
Aisin Cosmos R&D Co., Ltd.

Technova Inc.  
FT Techno Inc.  
Aisin Collabo Co., Ltd.  
Sinsan Corporation  
Konan Kogyo Co., Ltd.  
Hekinan Unsou Co., Ltd.  
Sanetsu Unyu Co., Ltd.  
Fuji Kousan Co., Ltd.  
Aisin Sinwa Co., Ltd.  
Kozakai Industries Co., Ltd.  
AT Maintenance Co., Ltd.  
AT Materials Co., Ltd.  
Inatestsu Co., Ltd.  
Fukuta Co., Ltd.  
AT Kyushu Co., Ltd.  
AT Nanyo Co., Ltd.

AT Technos Co., Ltd.  
AT Agri Co., Ltd.  
Sinwa Industries Co., Ltd.  
AC Industries Co., Ltd.  
AW Service Co., Ltd.  
Equos Research Co., Ltd.  
AW Engineering Co., Ltd.  
AW Maintenance Co., Ltd.  
AW Software Co., Ltd.  
CVTEC Co., Ltd.  
Awquis Japan Co., Ltd.  
AW IS Co., Ltd.  
Techno Metal Co., Ltd.  
Tonamino Kogyo Co., Ltd.  
AD Nobi Co., Ltd.  
AD Sun Utopia Co., Ltd.

AI Dream Life Support Co., Ltd.  
AD Green Co., Ltd.  
AKK-M Co., Ltd.  
AI Machine Tech Co., Ltd.  
Sin'ei Maintenance Co., Ltd.  
Toho Chemical Co., Ltd.  
S&E Brake, Inc.  
AS Brake Systems, Inc.  
EXEDY Corporation\*  
Cataler Corporation\*  
Toyoaki Mokko Co., Ltd.\*  
Toyotsu Vehitecs Co., Ltd.\*  
Nakagawa Mold & Design, Inc.\*

(\*) indicates equity-method affiliate

# Overseas Consolidated Subsidiaries (89 companies as of Mar. 31, 2010)

## North America

United States of America	● AISIN HOLDINGS OF AMERICA, INC.
	■ AISIN U.S.A. MFG., INC.
	◆ IMRA AMERICA, INC.
	■ AISIN ELECTRONICS, INC.
	■ AISIN DRIVETRAIN, INC.
	■ AISIN AUTOMOTIVE CASTING, LLC
	● AISIN WORLD CORP. OF AMERICA
	■ AISIN MFG. ILLINOIS, LLC
	■ AISIN LIGHT METALS, LLC
	■ AISIN AUTOMOTIVE CASTING TENNESSEE, INC.
	■ AISIN ELECTRONICS ILLINOIS, LLC
	◆ FT TECHNO OF AMERICA, LLC
	■ AISIN CHEMICAL INDIANA, LLC
	◆ AISIN TECHNICAL CENTER OF AMERICA, INC.
	■ INTAT PRECISION, INC.
	● AISIN TAKAOKA U.S.A., INC.
	■ ATTC MANUFACTURING, INC.
	■ AW TRANSMISSION ENGINEERING U.S.A., INC.
	■ AW NORTH CAROLINA, INC.
	◆ AW TECHNICAL CENTER U.S.A., INC.
	● AISIN DEVELOPMENT OF AMERICA, INC.
	■ ADVICS MANUFACTURING OHIO, INC.
	■ SAFA L.L.C.
	■ AISIN BRAKE & CHASSIS, INC.
	● ADVICS NORTH AMERICA, INC.
	■ EXEDY AMERICA CORPORATION*
Canada	■ AISIN CANADA, INC.
Mexico	■ LIBERTY MEXICANA S.A. DE C.V.
	■ AISIN MEXICANA S.A. DE C.V.
	■ AISIN MFG. AGUASCALIENTES, S. A. DE C.V.

## South America

Brazil	■ AISIN DO BRASIL COM. E IND LTDA.
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## Europe

France	◆ IMRA EUROPE S.A.S.
United Kingdom	■ AISIN EUROPE MANUFACTURING (UK) LTD.
	● AISIN EUROPE S.A.
Belgium	■ AW EUROPE S.A.
	◆ AW TECHNICAL CENTER EUROPE S.A.
	● AISIN AI EUROPE GmbH
Germany	◆ FT TECHNO EUROPE GmbH
Czech Republic	■ AISIN EUROPE MANUFACTURING CZECH s. r. o.
Turkey	■ AISIN OTOMOTIV PARCALARI SANAYI VE TICARET A. S.
Poland	■ TBAI POLAND Sp.z o. o.*

## Asia

Singapore	● AISIN ASIA PTE. LTD.
Thailand	■ SIAM AISIN CO., LTD.
	■ AISIN THAI AUTOMOTIVE CASTING CO., LTD.
	● AISIN ASIA PACIFIC CO., LTD.
	■ YCK (THAILAND) CO., LTD.
	■ THE SIAM NAWALOHA FOUNDRY CO., LTD.
	■ THAI ENGINEERING PRODUCTS CO., LTD.
	■ THE NAWALOHA INDUSTRY CO., LTD.
	■ SIAM AT INDUSTRY CO., LTD.
	■ AISIN TAKAOKA FOUNDRY BANGPAKONG CO., LTD.
	● AISIN TAKAOKA (THAILAND) CO., LTD.
	■ AISIN CHEMICAL (THAILAND) CO., LTD.
	■ AISIN AI (THAILAND) CO., LTD.
Indonesia	● ADVICS ASIA PACIFIC CO., LTD.
	■ EXEDY FRICTION MATERIAL CO., LTD.*
	■ PT. AISIN INDONESIA
	■ PT. AT INDONESIA
India	● PT. ADVICS INDONESIA
	■ AISIN NTTF PVT. LTD.
Taiwan	■ Elite Sewing Machine Mfg. Co., Ltd.
	■ Long Go Industry Co., Ltd.
	● ADVICS Taiwan Automotive Parts Co., Ltd.
China	■ Zhejiang Aisin-Hongda Automobile Parts Co., Ltd.
	■ Tangshan Aisin Gear Co., Ltd.
	■ Aisin Tianjin Body Parts Co., Ltd.
	■ Zhejiang Aisin Elite Machinery & Electric Co., Ltd.
	■ Hangzhou Aisin INAX Machinery & Electric Co., Ltd.
	■ Aisin Seiki Foshan Automotive Parts Co., Ltd.
	■ Fengai (Guangzhou) Automotive Seat Parts Co., Ltd.*
	■ Aisin Seiki Foshan Body Parts Co., Ltd.
	■ Tangshan Aisin Automotive Parts Co., Ltd.
	■ Tianjin Feng Ai Automotive Seat Parts Co., Ltd.*
	● Aisin Seiki (Tianjin) Sales & Trading Co., Ltd.
	■ Taizhou Aisin Ruifeng Automobile Parts Co., Ltd.
	■ Takaoka Lioho (Tianjin) Industries Co., Ltd.
	■ Takaoka Lioho (Guangzhou) Industries Co., Ltd.
	■ Tianjin AW Automatic Transmission Co., Ltd.
	● AW Shanghai Automotive Parts Trading Co., Ltd.
	◆ AW Hangzhou Software Development Co., Ltd.
South Korea	■ Hosei (Fu Zhou) Brake Industry Co., Ltd.
	■ ADVICS Tianjin Automobile Parts Co., Ltd.
	■ ADVICS Guangzhou Automobile Parts Co., Ltd.
	● AW KOREA CO., LTD.

## Oceania

Australia	■ AISIN (AUSTRALIA) PTY., LTD.
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(\*) indicates equity-method affiliate

● = Sales & Administration    ◆ = R&D    ■ = Manufacturing

## History

AISIN has developed into an integrated automotive parts manufacturer, with operations in the segments of lifestyle & energy related solutions.

The Company also is developing businesses in new segments aimed at capitalizing on future growth opportunities.

### Automotive Parts Business

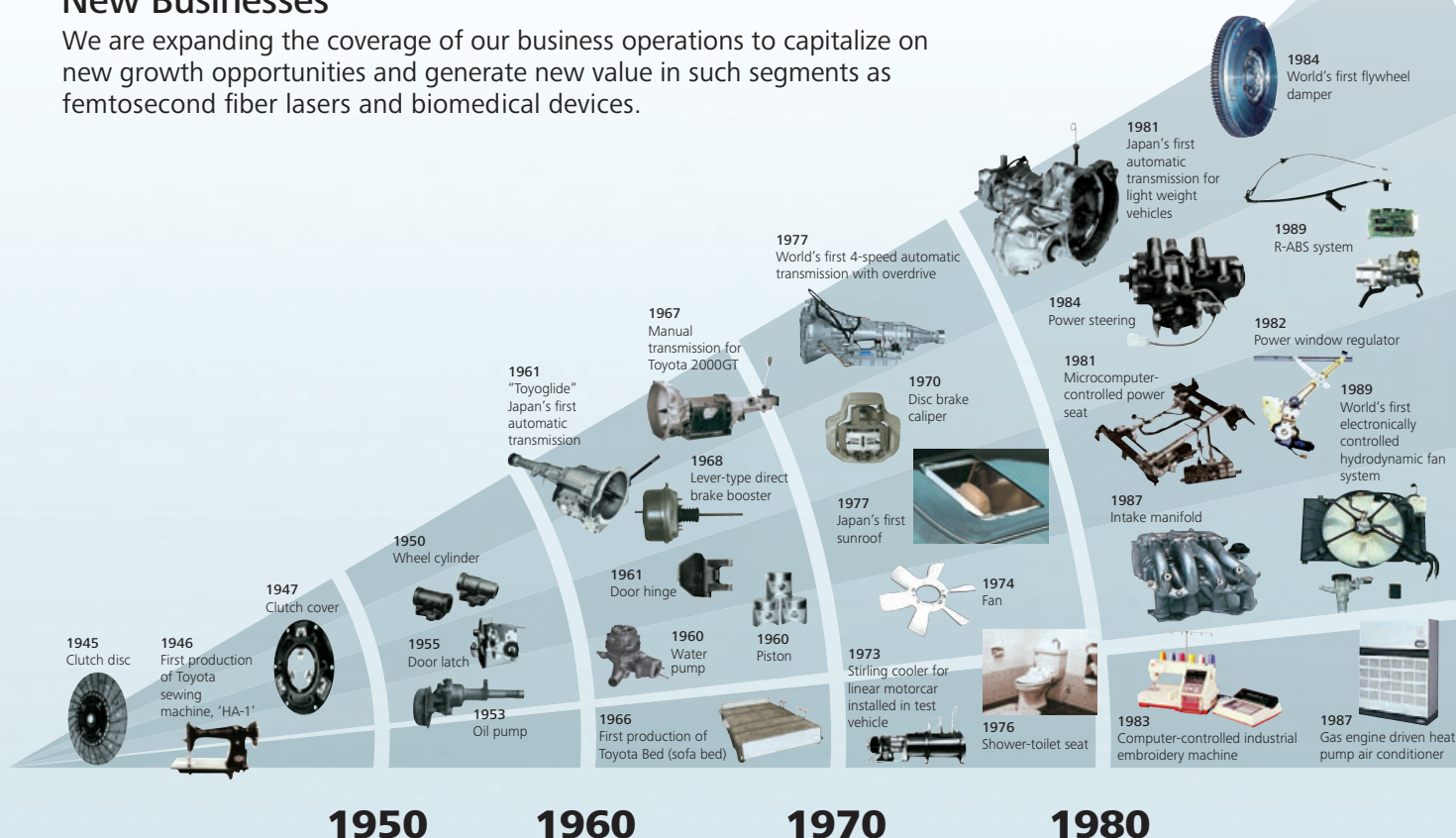
Over the years, we have used our engineering competencies to meet the ever-changing needs of the auto industry with high-performance, high-quality products. Leveraging the advantage of handling a broad range of automotive parts, we are now promoting integrated automotive system solutions.

### Lifestyle & Energy Related Business

We provide a broad mix of products and solutions that improve the comfort of people's lifestyles, such as beds and sewing machines, as well as achieving harmony with the environment through such products as gas heat pump air conditioners. We also enrich and support the lifestyles of senior citizens.

### New Businesses

We are expanding the coverage of our business operations to capitalize on new growth opportunities and generate new value in such segments as femtosecond fiber lasers and biomedical devices.



### Corporate History

- 1943** Tokai Hikoki Co., Ltd. established through joint investment by Toyota Motor Co., Ltd. and Kawasaki Kokuki Co., Ltd. (launched production of components for aircraft motors)
- 1945** Shifted focus to automotive parts and sewing machines
- 1949** Established as Aichi Kogyo Co., Ltd. (automotive parts and sewing machines)
- 1961** Launched production of automatic transmission Toyoglide
- 1965** Merged with Shinkawa Kogyo Co., Ltd. and changes name to Aisin Seiki Co., Ltd.

- 1966** Launched production sales of Toyota Bed (currently ASLEEP)
- 1969** Established Aisin-Warner Limited (currently Aisin AW Co., Ltd.)
- 1970** Construction completed on the Fujioka Proving Ground  
Established first overseas sales company (United States)
- 1973** Established first overseas manufacturing company (Mexico)
- 1976** Began OEM supply of shower-toilet seats to Ina Seito Co, Ltd. (currently INAX Corporation)
- 1985** Launched production of automotive parts in Taiwan  
Received the Prime Minister's Award for Excellence in Business





1990

2000

2010

- 1986** Established the Company's first overseas locally incorporated research institute (France)
- 1987** Entered the air conditioning device business (launched production of gas heat pump air conditioners)
- 1988** Launched production of automotive parts in Indiana, USA
- 1991** Established Aisin AI Co., Ltd.
- 1995** Established manufacturing company in China and Indonesia
- 1997** Obtained QS9000 and ISO9001 certification  
Launched production and sales of electric wheelchairs

- 1998** Established manufacturing company in the United Kingdom
- 1999** Obtained ISO14001 certification  
Established manufacturing company in India
- 2001** Established ADVICS Co., Ltd. together with joint investments from Denso Corporation, Sumitomo Electric Industries, Ltd. and Toyota Motor Corporation
- 2002** Established manufacturing company in Canada and Czech Republic
- 2004** Established manufacturing company in Turkey
- 2010** Divested part of automotive brake manufacturing business to ADVICS Co, Ltd.

# Financial Data

## Summarized Financial Data for Ten Years

AISIN SEIKI CO., LTD. and Its Subsidiaries Years ended March 31

	Millions of Yen			
	2001	2002	2003	2004
Net Sales	¥ 1,128,484	¥ 1,221,916	¥ 1,408,012	¥ 1,605,252
Domestic Sales	904,040	968,878	1,103,979	1,208,311
Overseas Sales	224,443	253,037	304,033	396,940
Operating Income (loss)	64,816	60,644	80,600	86,768
Net Income (loss)	-7,230	25,651	47,994	34,719
Total Assets	1,104,641	1,146,819	1,224,311	1,382,584
Shareholders' Equity	414,671	431,872	428,602	506,260
Capital Stock	41,140	41,140	41,140	45,049
Capital Expenditures (Cash Flows)	80,853	81,258	115,355	147,586
Depreciation	82,650	80,238	86,350	97,563
Research and Development Expenses	58,831	67,665	80,074	89,076
Return on Equity (ROE)	-1.9 %	6.1 %	11.2 %	7.4 %

	Yen			
	2001	2002	2003	2004
Per Share of Common Stock				
Net Income — Basic	¥ -25.89	¥ 91.84	¥ 171.98	¥ 126.11
Net Income — Diluted	—	86.76	161.28	118.38
Shareholders' Equity	1,484.53	1,546.21	1,612.96	1,771.12
Cash Dividends	12.00	13.00	15.00	18.00
Average Number of Shares (in thousands)	279,329	279,322	273,746	267,404
Equity to Assets Ratio	37.5 %	37.7 %	35.0 %	36.6 %
Number of Employees	36,343	40,234	44,132	47,616

- Notes: 1. Income per share of capital stock is calculated by dividing net income by the weighted-average number of shares outstanding during the reported period, and Shareholders' equity per share of common stock is calculated based on the number of shares outstanding at year-end.
2. Effective beginning the year ended March 31, 2005, the "Accounting Standards for Net Income per Share (Corporate Accounting Standard No. 2)" and "Guidelines for the Application of Accounting Standards for Net Income Per Share (Guidelines for the Application of Corporate Accounting Standards No. 4)" issued by the Accounting Standards Board of Japan on September 25, 2002 have been applied.
3. Effective beginning the year ended March 31, 2007, the "Accounting Standard for Presentation of Net Assets in the Balance Sheet (Corporate Accounting Standard No. 5)" and "Guidance on Accounting Standard for Presentation of Shareholders' equity in the Balance Sheet (Accounting Standards Board of Japan Guidance No. 8)" issued by the Accounting Standards Board of Japan on December 9, 2005 have been applied.
4. The number of consolidated subsidiaries and affiliates accounted for by the equity method is as follows.

	2001	2002	2003	2004
Consolidated Subsidiaries	89	102	106	114
Affiliates Accounted for by the Equity Method	13	15	14	14

Millions of Yen					
2005	2006	2007	2008	2009	2010
¥ 1,829,064	¥ 2,120,588	¥ 2,378,611	¥ 2,700,405	¥ 2,214,492	¥ 2,054,474
1,269,497	1,406,584	1,520,081	1,661,827	1,337,159	1,303,280
559,567	714,004	858,530	1,038,578	877,333	751,194
95,110	118,096	131,034	180,484	-3,489	87,546
46,718	61,095	66,889	91,654	-25,149	16,605
1,503,313	1,853,458	2,037,896	2,097,727	1,731,689	1,981,988
552,752	678,881	955,853	994,592	814,506	871,889
45,049	45,049	45,049	45,049	45,049	45,049
162,327	218,753	224,433	204,845	231,175	105,713
105,968	123,033	145,276	167,482	182,057	169,667
95,545	95,148	103,749	115,330	115,994	101,102
8.8 %	9.9 %	9.3 %	12.0 %	-3.6 %	2.6 %

Yen					
2005	2006	2007	2008	2009	2010
¥ 159.94	¥ 209.15	¥ 233.03	¥ 322.50	¥ -89.36	¥ 59.00
159.77	208.86	232.71	322.15	—	—
1,928.58	2,361.66	2,662.78	2,725.67	2,202.86	2,328.68
24.00	32.00	40.00	60.00	40.00	30.00
285,807	286,628	287,038	284,197	281,456	281,453
36.8 %	36.6 %	37.2 %	36.6 %	35.8 %	33.1 %
53,237	59,587	66,383	73,509	73,201	73,213

2005	2006	2007	2008	2009	2010
122	132	141	148	151	154
14	14	12	11	12	10

## Consolidated Balance Sheets

AISIN SEIKI CO., LTD. and Its Subsidiaries Years ended March 31, 2010 and 2009

Category	Millions of Yen	
	FY2009 (As of Mar. 31, 2009)	FY2010 (As of Mar. 31, 2010)
<b>ASSETS</b>		
<b>I Current assets</b>		
1 Cash and deposits	¥ 72,586	¥ 282,538
2 Notes and accounts receivable-trade	199,437	312,372
3 Short-term investment securities	77,651	73,540
4 Merchandise and finished goods	62,310	69,309
5 Work in process	36,940	33,156
6 Raw materials and supplies	48,282	39,373
7 Deferred tax assets	49,368	58,929
8 Others	68,327	59,360
Allowance for doubtful accounts	-1,324	-448
<b>Total current assets</b>	<b>613,581</b>	<b>928,135</b>
<b>II Noncurrent assets</b>		
<b>1 Property, plant and equipment</b>		
(1) Buildings and structures	542,825	557,721
Accumulated depreciation	-297,775	-314,387
Buildings and structures (net)	245,050	243,333
(2) Machinery, equipment and vehicles	1,391,874	1,360,354
Accumulated depreciation	-980,991	-1,037,690
Machinery, equipment and vehicles (net)	410,882	322,663
(3) Tools, furniture and fixtures	257,612	261,725
Accumulated depreciation	-221,509	-233,880
Tools, furniture and fixtures (net)	36,102	27,845
(4) Land	100,429	103,320
(5) Leased assets	507	821
Accumulated depreciation	-100	-221
Leased assets (net)	407	599
(6) Construction in progress	48,699	23,759
<b>Total property, plant and equipment</b>	<b>841,571</b>	<b>721,520</b>
<b>2 Intangible assets</b>	<b>18,905</b>	<b>15,458</b>
<b>3 Investments and other assets</b>		
(1) Investment securities	190,406	244,855
(2) Deferred tax assets	30,597	37,493
(3) Others	37,179	34,991
Allowance for doubtful accounts	-552	-466
<b>Total investments and other assets</b>	<b>257,631</b>	<b>316,874</b>
<b>Total noncurrent assets</b>	<b>1,118,108</b>	<b>1,053,853</b>
<b>Total assets</b>	<b>1,731,689</b>	<b>1,981,988</b>



Millions of Yen

Category	FY2009 (As of Mar. 31, 2009)	FY2010 (As of Mar. 31, 2010)
<b>LIABILITIES</b>		
<b>I Current liabilities</b>		
1 Notes and accounts payable-trade	¥ 194,397	¥ 296,788
2 Short-term loans payable	36,960	35,768
3 Current portion of bonds	—	10,000
4 Lease obligations	133	212
5 Accrued expenses	132,736	144,846
6 Income taxes payable	—	30,568
7 Provision for product warranties	19,153	19,378
8 Other provision	729	1,370
9 Others	71,570	58,504
<b>Total current liabilities</b>	<b>455,682</b>	<b>597,436</b>
<b>II Noncurrent liabilities</b>		
1 Bonds payable	69,989	79,990
2 Long-term loans payable	287,985	313,631
3 Lease obligations	311	499
4 Deferred tax liabilities	8,882	20,905
5 Provision for retirement benefits	84,485	87,911
6 Provision for directors' retirement benefits	6,260	6,090
7 Others	3,584	3,631
<b>Total noncurrent liabilities</b>	<b>461,499</b>	<b>512,662</b>
<b>Total liabilities</b>	<b>917,182</b>	<b>1,110,099</b>
<b>NET ASSETS</b>		
<b>I Shareholders' equity</b>		
1 Capital stock	45,049	45,049
2 Capital surplus	58,831	58,831
3 Retained earnings	535,242	546,218
4 Treasury stock	-20,724	-20,783
<b>Total shareholders' equity</b>	<b>618,398</b>	<b>629,315</b>
<b>II Valuation and translation adjustments</b>		
1 Valuation difference on available-for-sale securities	41,843	58,845
2 Deferred gains or losses on hedges	-1,330	-1,337
3 Foreign currency translation adjustment	-38,902	-31,454
<b>Total valuation and translation adjustments</b>	<b>1,610</b>	<b>26,053</b>
<b>Subscription rights to shares</b>	<b>1,016</b>	<b>1,538</b>
<b>III Minority interests</b>	<b>193,481</b>	<b>214,981</b>
<b>IV Total net assets</b>	<b>814,506</b>	<b>871,889</b>
<b>Total liabilities and net assets</b>	<b>1,731,689</b>	<b>1,981,988</b>

## Consolidated Statements of Income

AISIN SEIKI CO., LTD. and Its Subsidiaries Years ended March 31, 2010 and 2009

Category	Millions of Yen	
	FY2009 (Apr. 1, 2008 through Mar. 31, 2009)	FY2010 (Apr. 1, 2009 through Mar. 31, 2010)
<b>I Net Sales</b>	<b>¥ 2,214,492</b>	<b>¥ 2,054,474</b>
<b>II Cost of sales</b>	<b>2,023,144</b>	<b>1,791,771</b>
<b>Gross profit</b>	<b>191,348</b>	<b>262,703</b>
<b>III Selling, general and administrative expenses</b>		
1 Freightage and packing expenses	32,364	28,715
2 Provision for product warranties	3,396	5,353
3 Salaries and allowances	51,688	48,750
4 Provision for directors' bonuses	683	1,212
5 Provision for directors' retirement benefits	1,261	949
6 Others	105,443	90,174
<b>Total selling, general and administrative expenses</b>	<b>194,837</b>	<b>175,156</b>
<b>Operating income (loss)</b>	<b>-3,489</b>	<b>87,546</b>
<b>IV Non-operating income</b>		
1 Interest income	1,170	562
2 Dividends income	5,334	2,108
3 Equity in earnings of affiliates	1,769	4,600
4 Others	11,357	17,673
<b>Total non-operating income</b>	<b>19,631</b>	<b>24,944</b>
<b>V Non-operating expenses</b>		
1 Interest expenses	3,888	6,066
2 Loss on sales and retirement of noncurrent assets	5,428	3,609
3 Others	11,791	7,872
<b>Total non-operating expenses</b>	<b>21,108</b>	<b>17,549</b>
<b>Ordinary income (loss)</b>	<b>-4,965</b>	<b>94,942</b>
<b>Extraordinary loss</b>		
Impairment loss	10,017	37,276
<b>Total extraordinary loss</b>	<b>10,017</b>	<b>37,276</b>
<b>Income (loss) before income taxes and minority interests</b>	<b>-14,983</b>	<b>57,665</b>
<b>Income taxes-current</b>	<b>11,203</b>	<b>34,598</b>
<b>Income taxes-deferred</b>	<b>5,199</b>	<b>-15,172</b>
<b>Total income taxes</b>	<b>16,402</b>	<b>19,425</b>
<b>Minority interests in income (loss)</b>	<b>-6,235</b>	<b>21,634</b>
<b>Net income (loss)</b>	<b>-25,149</b>	<b>16,605</b>

## Consolidated Statements of Cash Flows

AISIN SEIKI CO., LTD. and Its Subsidiaries Years ended March 31, 2010 and 2009

Category	Millions of Yen	
	FY2009 (Apr. 1, 2008 through Mar. 31, 2009)	FY2010 (Apr. 1, 2009 through Mar. 31, 2010)
<b>I Net cash provided by (used in) operating activities</b>		
1 Income (loss) before income taxes and minority interests	¥ -14,983	¥ 57,665
2 Depreciation and amortization	182,057	169,667
3 Impairment loss	10,017	37,276
4 Decrease (increase) in notes and accounts receivable-trade	151,900	-111,593
5 Decrease (increase) in inventories	11,101	6,032
6 Increase (decrease) in notes and accounts payable-trade	-149,969	104,381
7 Others	-7,235	30,132
Subtotal	182,887	293,563
8 Interest and dividends income received	8,965	3,166
9 Interest expenses paid	-3,400	-5,878
10 Income taxes paid	-73,783	12,936
<b>Net cash provided by (used in) operating activities</b>	<b>114,668</b>	<b>303,788</b>
<b>II Net cash provided by (used in) investment activities</b>		
1 Decrease (increase) in time deposits and securities	2,533	-197,514
2 Purchase of property, plant and equipment	-231,175	-105,713
3 Proceeds from sales of property, plant and equipment	8,878	5,290
4 Purchase of investment securities	-14,755	-38,309
5 Proceeds from sales and redemption of investment securities	16,189	8,328
6 Others	-5,423	-3,713
<b>Net cash provided by (used in) investment activities</b>	<b>-223,752</b>	<b>-331,630</b>
<b>III Net cash provided by (used in) financing activities</b>		
1 Net increase (decrease) in short-term loans payable	5,175	-6,871
2 Proceeds from long-term loans payable	81,893	59,785
3 Repayment of long-term loans payable	-14,647	-29,591
4 Proceeds from issuance of bonds	30,000	20,000
5 Cash dividends paid	-18,573	-5,634
6 Cash dividends paid to minority shareholders	-8,439	-2,645
7 Others	334	-224
<b>Net cash provided by (used in) financing activities</b>	<b>75,743</b>	<b>34,817</b>
<b>IV Effect of exchange rate change on cash and cash equivalents</b>	<b>-13,100</b>	<b>1,947</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>-46,440</b>	<b>8,923</b>
<b>VI Cash and cash equivalents at beginning of period</b>	<b>190,245</b>	<b>143,804</b>
<b>VII Cash and cash equivalents at end of period</b>	<b>143,804</b>	<b>152,727</b>

## Consolidated Statements of Changes in Shareholders' Equity

AISIN SEIKI CO., LTD. and Its Subsidiaries Years ended March 31, 2010 and 2009

Category	Millions of Yen	
	FY2009 (Apr. 1, 2008 through Mar. 31, 2009)	FY2010 (Apr. 1, 2009 through Mar. 31, 2010)
<b>Shareholders' equity</b>		
<b>Capital stock</b>		
Balance at the end of previous period	¥ 45,049	¥ 45,049
Balance at the end of current period	45,049	45,049
<b>Capital surplus</b>		
Balance at the end of previous period	58,825	58,831
Changes of items during the period		
Disposal of treasury stock	5	-0
<b>Total changes of items during the period</b>	5	-0
Balance at the end of current period	58,831	58,831
<b>Retained earnings</b>		
Balance at the end of previous period	578,969	535,242
Changes of items during the period		
Dividends from surplus	-18,577	-5,629
Net income (loss)	-25,149	16,605
<b>Total changes of items during the period</b>	-43,727	10,975
Balance at the end of current period	535,242	546,218
<b>Treasury stock</b>		
Balance at the end of previous period	-20,738	-20,724
Changes of items during the period		
Purchase of treasury stock	-20	-60
Disposal of treasury stock	35	1
<b>Total changes of items during the period</b>	14	-58
Balance at the end of current period	-20,724	-20,783
<b>Total shareholders' equity</b>		
Balance at the end of previous period	662,106	618,398
Changes of items during the period		
Dividends from surplus	-18,577	-5,629
Net income (loss)	-25,149	16,605
Purchase of treasury stock	-20	-60
Disposal of treasury stock	40	1
<b>Total changes of items during the period</b>	-43,707	10,917
Balance at the end of current period	618,398	629,315



Category	Millions of Yen	
	FY2009 (Apr. 1, 2008 through Mar. 31, 2009)	FY2010 (Apr. 1, 2009 through Mar. 31, 2010)
<b>Valuation and translation adjustments</b>		
<b>Valuation difference on available-for-sale securities</b>		
Balance at the end of previous period	¥ 88,130	¥ 41,843
Changes of items during the period		
Net changes of items other than shareholders' equity	-46,286	17,001
<b>Total changes of items during the period</b>	-46,286	17,001
Balance at the end of current period	41,843	58,845
<b>Deferred gains or losses on hedges</b>		
Balance at the end of previous period	-1,184	-1,330
Changes of items during the period		
Net changes of items other than shareholders' equity	-145	-6
<b>Total changes of items during the period</b>	-145	-6
Balance at the end of current period	-1,330	-1,337
<b>Foreign currency translation adjustment</b>		
Balance at the end of previous period	18,071	-38,902
Changes of items during the period		
Net changes of items other than shareholders' equity	-56,974	7,448
<b>Total changes of items during the period</b>	-56,974	7,448
Balance at the end of current period	-38,902	-31,454
<b>Total valuation and translation adjustments</b>		
Balance at the end of previous period	105,016	1,610
Changes of items during the period		
Net changes of items other than shareholders' equity	-103,406	24,442
<b>Total changes of items during the period</b>	-103,406	24,442
Balance at the end of current period	1,610	26,053
<b>Subscription rights to shares</b>		
Balance at the end of previous period	601	1,016
Changes of items during the period		
Net changes of items other than shareholders' equity	414	522
<b>Total changes of items during the period</b>	414	522
Balance at the end of current period	1,016	1,538
<b>Minority interests</b>		
Balance at the end of previous period	226,867	193,481
Changes of items during the period		
Net changes of items other than shareholders' equity	-33,386	21,500
<b>Total changes of items during the period</b>	-33,386	21,500
Balance at the end of current period	193,481	214,981
<b>Total net assets</b>		
Balance at the end of previous period	994,592	814,506
Changes of items during the period		
Dividends from surplus	-18,577	-5,629
Net income (loss)	-25,149	16,605
Purchase of treasury stock	-20	-60
Disposal of treasury stock	40	1
Net changes of items other than shareholders' equity	-136,377	46,465
<b>Total changes of items during the period</b>	-180,085	57,382
Balance at the end of current period	814,506	871,889

## Business and Other Risks

The following risks could potentially affect AISIN's performance and financial position (including its share price).

Any forward-looking statements contained herein reflect estimates as of the date of issue of the annual securities report (June 24, 2010).

### (1) Economic Trends

Within revenues from AISIN's worldwide operations, demand for mainstay automobile-related products is vulnerable to economic conditions in the countries and regions where AISIN products are manufactured and sold. Consequently, economic recessions in such crucial markets as Japan, North America, Europe and Asia, along with subsequent contractions in demand, have the potential to negatively impact AISIN's performance and financial position.

AISIN's operations could also be indirectly affected by economic conditions in regions where competitors manufacture products. For example, if competitors employ cheaper labor in a region, this may adversely affect AISIN's sales of the same types of products in that region since competitors can provide more competitively priced products. Moreover, if the local currency in the region which AISIN produces components and raw materials depreciates, manufacturing costs may decline for both AISIN and other manufacturers. This may result in intensified export and price competition, and may have a negative impact on AISIN's performance and financial position.

### (2) Supply of Raw Materials and Components

AISIN's products are heavily dependent on raw materials and components provided by multiple suppliers outside the AISIN Group. While these external suppliers are obligated to provide stable services through basic contracts, they cannot guarantee supply in the event of shortages due to rapidly rising prices due to changing market conditions, supply crunches or unforeseen mishaps in their operations. Such events have the potential to drive up the cost of AISIN's products and halt production, and may have a negative impact on AISIN's performance and financial position.

### (3) Principal Customers

AISIN chiefly produces and sells automotive parts and life-related products, with its mainstay Automotive Parts and Systems Business mostly targeting automobile manufacturers in and outside Japan. Among these customers, AISIN has the highest level of dependence on Toyota Motor Corporation (TMC) and the Toyota Group, with sales totaling ¥1,391.2 billion and representing 67.7% of AISIN's net sales in fiscal 2010. For that reason, changes in sales volume within TMC and the Toyota Group have the potential to negatively impact AISIN's performance and financial position. As of March 31, 2010, the portion of AISIN's voting shares held by TMC directly was 23.3%, and indirectly was 0.1%.

### (4) Exchange Rate Fluctuations

AISIN has worked to bolster its sales in Japan and actively cultivate overseas markets chiefly in North America, Europe and Asia, bringing the ratio of overseas net sales to total net sales to 36.6% as of March 31, 2010.

Accounting items listed in local currencies, including sales, expenses and assets in respective overseas countries, are converted into yen when making the consolidated financial statements. Accordingly, there is a possibility that the value of accounting items may be negatively affected after translation even when there is no fluctuation in local currencies. The strengthening of the yen against other currencies (especially against the U.S. dollar and the euro, which account for a significant portion of AISIN's sales) may negatively affect AISIN's performance and financial position.

Such strengthening of the yen against other currencies in business operations that manufacture and export from Japan could relatively reduce AISIN's price competitiveness on a global basis and potentially have a negative impact on AISIN's performance and financial position. Although AISIN is working to minimize the negative impact of exchange rate fluctuations among various currencies, including the U.S. dollar, the euro and the yen through hedging transactions, such fluctuations have the potential to negatively affect AISIN's performance and financial position.

#### **(5) Business Inroads in Overseas Markets**

AISIN has subsidiaries and affiliates in such varying areas as North America, Europe and Asia. Expanding businesses in overseas markets entails the following risks, which have the potential to negatively affect AISIN's performance and financial position if they occur.

1. Unanticipated laws, regulations and changes to the tax system unfavorable to business
2. Underdeveloped social overhead capital (infrastructure)
3. Occurrences of unfavorable governmental issues or economic conditions
4. Difficulties in hiring and retaining staff
5. Social upheavals due to terrorism, war or other factors

#### **(6) Product Development**

AISIN works to develop new products to provide added value and contribute to the enrichment of society. While AISIN aims to continue developing original and attractive products, the following are some of the risks entailed in the often complex and uncertain process involving the development and sales of cutting-edge products.

1. There is no guarantee that the necessary funds and resources for investment in new products and technologies will be sufficiently available.
2. There is no guarantee that long-term and substantial investment will produce successful new products and technologies.
3. There is no guarantee that AISIN will accurately predict which new products and technologies will gain the support of the market, or that AISIN will succeed in marketing these products.
4. There is no guarantee that new products and technologies will be protected as our own intellectual property.
5. Rapid advances in technology and changes in market needs may make AISIN's products obsolete.
6. Delays in commercialization of technologies under development may not keep pace with trends in market demand.

In addition to the abovementioned risks, the inability to sufficiently anticipate changes in respective industries and markets, as well as to develop and release attractive new products in a timely manner, could hamper future growth and profitability and have a negative effect on AISIN's performance and financial position.

#### **(7) Product Defects**

AISIN is fully committed to producing high-quality, attractive products that meet customer needs based on the concept of "Quality First." However, AISIN cannot guarantee that there will be no defects, or that recalls will not be made in the future. Moreover, while AISIN is insured for product liability indemnity, there is no guarantee that such insurance policies will fully cover the final indemnities. Product defects that lead to widespread recalls and product liability indemnities could produce large cost burdens and downgrade the valuation of AISIN. This would subsequently hamper sales and could negatively affect AISIN's performance and financial position.

#### **(8) Effects of Disaster and Power Blackouts**

AISIN conducts regular disaster prevention and equipment checks to minimize the adverse effects of a halt in production line operations. However, there is no guarantee that AISIN can fully prevent or lessen the effects of a disaster, power blackout or other such events that may cause discontinuation of operations at a production facility. For example, the majority of AISIN's domestic factories are located in the Chubu region of Japan. Consequently, a large-scale earthquake in the Chubu region or other events that may halt operations could negatively impact AISIN's performance and financial position.

## Environmental Management

Number of companies that have acquired ISO 14001 certification/  
acquisition rate

All AISIN Group manufacturing companies			
	FY2008	FY2009	FY2010
Number of manufacturing companies	92	88	<b>88</b>
Number of companies that have acquired certification	74	81	<b>84</b>
Proportion of companies with certification (%)	80%	92%	<b>95%</b>

Number of environmental accidents and incidents exceeding agreed-upon values

	Non-consolidated			10 main manufacturing companies in Japan			23 main companies in Japan	
	FY2008	FY2009	FY2010	FY2008	FY2009	FY2010	FY2009	FY2010
Environmental accidents	0	0	<b>0</b>	0	1*1	<b>0</b>	1*1	<b>0</b>
Exceeded values agreed upon with regional governments and the local community	0	2*2	<b>0</b>	0	2*2	<b>0</b>	2*2	<b>0</b>

\*1 Aisin Chemical's headquarters plant (ground pollution)

\*2 Region near Aisin Seiki's Nishio plant (exceeded agreed-upon values for coliform bacteria), Ogawa plant (exceeded agreed-upon BOD values)

Environmental inspections (conducted by departments in charge of environmental management)

	Non-consolidated			10 main manufacturing companies in Japan			23 main companies in Japan	
	FY2008	FY2009	FY2010	FY2008	FY2009	FY2010	FY2009	FY2010
Frequency of environmental inspections (times)	2	4	<b>4</b>	18	26	<b>23</b>	47	<b>41</b>
Implementing departments	16	31	<b>22</b>	42	59	<b>50</b>	119	<b>91</b>
Items indicated as being in need of improvement	143	127	<b>97</b>	366	588	<b>263</b>	824	<b>416</b>
Number of internal inspectors	485	597	<b>687</b>	1,671	1,649	<b>1,692</b>	1,954	<b>1,995</b>
Frequency of training of inspectors (times)	2	2	<b>2</b>	34	28	<b>9</b>	35	<b>16</b>

Participants of Environmental Training

(persons)

	Non-consolidated		10 main manufacturing companies in Japan		23 main companies in Japan	
	FY2009	FY2010	FY2009	FY2010	FY2009	FY2010
Training of environmental divisions	29	<b>62</b>	231	<b>328</b>	371	<b>377</b>
Training of ordinary divisions	2,165	<b>1,823</b>	3,851	<b>2,433</b>	6,146	<b>2,644</b>

## Greenhouse Gases

Japan Auto Parts Industries Association's coefficient is used for CO<sub>2</sub> conversions.

Calculations of HFCs, SF<sub>6</sub> and CO<sub>2</sub> employ global warming figures prescribed by the Law Concerning the Promotion of Measures to Cope with Global Warming enforcement regulations.

Emissions of greenhouse gases

(tons-CO<sub>2</sub>)

	Non-consolidated					
	FY1991 (standard year)	FY2008	FY2009	FY2010		
Total emission	195,798	595,381	290,207	<b>197,870</b>		
Itemization of total emissions	Carbon dioxide (CO <sub>2</sub> )	195,798	267,473	207,221	<b>193,856</b>	
	Hydrofluorocarbons (HFCs)	0	1,673	531	<b>429</b>	
	Sulfur hexafluoride (SF <sub>6</sub> )	0	326,235	82,455	<b>3,585</b>	
	10 main manufacturing companies in Japan				23 main companies in Japan	
	FY1991 (standard year)	FY2008	FY2009	FY2010	FY2009	FY2010
Total emission	750,203	1,559,276	1,012,621	<b>814,792</b>	1,041,958	<b>830,748</b>
Itemization of total emissions	Carbon dioxide (CO <sub>2</sub> )	750,203	1,231,368	929,635	958,972	<b>826,734</b>
	Hydrofluorocarbons (HFCs)	0	1,673	531	531	<b>429</b>
	Sulfur hexafluoride (SF <sub>6</sub> )	0	326,235	82,455	82,455	<b>3,585</b>



CO<sub>2</sub> emissions per sales unit(tons-CO<sub>2</sub> / 100 million yen)

	Non-consolidated					
	FY1991 (standard year)	FY2008	FY2009	FY2010		
Units	36.4	29.8	28.0	26.6		
10 main manufacturing companies in Japan					23 main companies in Japan	
	FY1991 (standard year)	FY2008	FY2009	FY2010	FY2009	FY2010
Units	72.6	49.7	47.2	42.4	45.9	39.8

Note: No methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O) or perfluorocarbons (PFCs) were emitted.

## Energy

Energy to heat conversions employs figures prescribed by the Act on the Rational Use of Energy Enforcement Regulations.

## Direct energy consumption

(GJ)

	Non-consolidated					
	FY1991 (standard year)	FY2008	FY2009	FY2010		
Total direct energy consumption	1,193,299	2,932,347	2,517,253	2,384,836		
Itemization						
Coal products (anthracite, coke, etc.)	0	0	0	0		
Natural gas	620,054	2,593,722	2,290,838	2,193,992		
Petroleum products (gasoline, diesel, LPG, etc.)	573,245	338,625	226,415	190,844		
10 main manufacturing companies in Japan					23 main companies in Japan	
	FY1991 (standard year)	FY2008	FY2009	FY2010	FY2009	FY2010
Total direct energy consumption	4,388,968	9,893,932	8,199,079	7,519,561	8,091,693	7,580,767
Itemization						
Coal products (anthracite, coke, etc.)	1,612,006	1,632,651	1,266,485	996,968	1,266,485	996,968
Natural gas	1,122,007	6,746,672	5,882,917	5,721,132	5,709,574	5,732,760
Petroleum products (gasoline, diesel, LPG, etc.)	1,654,955	1,514,609	1,049,677	801,461	1,115,634	851,039

## Indirect energy consumption

(GJ)

	Non-consolidated					
	FY1991 (standard year)	FY2008	FY2009	FY2010		
Total indirect energy consumption	3,369,247	3,098,016	2,582,754	2,405,251		
Itemization						
Electric power purchased	3,369,247	3,097,577	2,582,340	2,404,818		
Solar and wind-generated power	—	439	414	433		
10 main manufacturing companies in Japan					23 main companies in Japan	
	FY1991 (standard year)	FY2008	FY2009	FY2010	FY2009	FY2010
Total indirect energy consumption	10,926,740	15,836,895	13,036,408	12,202,344	13,491,540	12,497,592
Itemization						
Electric power purchased	10,926,740	15,836,456	13,035,994	12,201,911	13,491,126	12,497,041
Solar and wind-generated power	—	439	414	433	414	551

Note: Past data may be changed due to revisions and other reasons.

## Scope of data calculations

Non-consolidated	Aisin Seiki only
10 main manufacturing companies in Japan	Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin Keikinzoku, Aisin Kiko, Aisin AI, Aisin Sin'ei, Aisin AW Industries, Hosei Brake Industry
23 main companies in Japan	Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin Keikinzoku, Aisin Development, Aisin Kiko, Aisin AI, Aisin Sin'ei, Aisin AW Industries, Hosei Brake Industry, Aisin Tohoku, Aisin Kyushu, Saitama Kogyo, Kotobuki Industry, Aichi Giken, Aisin Maintenance, Aisin Engineering, Sinsan, Konan Kogyo, Hekinan Unsou, Sanetsu Unyu, Yamagata Clutch

## Chemical Substances

	Non-consolidated			10 main manufacturing companies in Japan			23 main companies in Japan	
	FY2008	FY2009	FY2010	FY2008	FY2009	FY2010	FY2009	FY2010
VOC emissions	345	317	267	1,345	796	682	799	683
PRTR emissions	79	63	55	336	180	162	182	163

## Input Raw Materials

	Non-consolidated			10 main manufacturing companies in Japan			23 main companies in Japan	
	FY2008	FY2009	FY2010	FY2008	FY2009	FY2010	FY2009	FY2010
Total input raw materials	499,904	379,895	428,983	1,405,062	1,031,901	1,139,639	1,038,028	1,164,922
Metals, resins, etc. (purchased materials)	499,474	379,637	428,708	1,402,343	1,029,636	1,137,541	1,035,597	1,162,660
Itemization Chemical substances (Total for substances subject to PRTR notification)	430	258	275	2,719	2,265	2,098	2,431	2,262

## Waste Products and Recycling

Total emissions of waste, etc. (tons)								
	Non-consolidated			10 main manufacturing companies in Japan			23 main companies in Japan	
	FY2008	FY2009	FY2010	FY2008	FY2009	FY2010	FY2009	FY2010
Industrial waste and valuable resources								
Total emissions of waste, etc.	71,817	51,450	51,140	468,100	350,274	345,097	358,560	352,384
Amount of recycled waste resources	70,972	51,033	50,600	455,254	337,354	315,449	345,095	322,495
Recycling ratio (%)	99%	99%	99%	97%	96%	91%	96%	92%
Quantity of end-processed (direct landfill) waste	3.0	3.1	3.9	53.8	28.8	4,790.0*	116.3	4,884.0*
Industrial waste								
Total emissions of general waste	4,327	3,157	2,672	168,052	124,906	109,723	127,099	111,590
Recycled resources (recycling)	3,838	2,972	2,335	159,465	124,174	102,232	126,131	103,877
Recycling ratio (%)	89%	94%	87%	95%	99%	93%	99%	93%
Quantity of end-processed industrial waste	3.0	3.1	3.9	53.8	28.8	4,790.0*	116.3	4,884.0*

\* Reflecting the tightening of standards applicable to recycling, certain waste was temporarily disposed of in landfills.

Total emissions of waste, etc., per unit sales (tons/100 million yen)								
	Non-consolidated			10 main manufacturing companies in Japan			23 main companies in Japan	
	FY2008	FY2009	FY2010	FY2008	FY2009	FY2010	FY2009	FY2010
Industrial waste and valuable resources	8.0	6.9	7.0	18.9	17.7	18.0	17.2	17.0

## Water

Quantities of water resources used (tons)						
	Non-consolidated			10 main manufacturing companies in Japan		
	FY2008	FY2009	FY2010	FY2008	FY2009	FY2010
Total quantity used	4,130,502	3,138,630	2,638,043	10,814,095	8,662,486	7,333,729
Public water supply	233,867	205,220	199,952	1,544,906	898,575	809,229
Itemization Industrial water	2,205,077	1,923,943	1,837,093	6,127,886	5,616,258	5,046,564
Underground water	1,691,558	1,009,467	600,998	3,141,303	2,147,653	1,477,936

Total quantity of waste water (tons)						
	Non-consolidated			10 main manufacturing companies in Japan		
	FY2008	FY2009	FY2010	FY2008	FY2009	FY2010
Public water area	3,195,679	2,896,088	2,437,231	7,100,478	5,686,404	4,876,718

## Shipping

Calculations of CO<sub>2</sub> emissions employ calculation methods prescribed in the Act on the Rational Use of Energy and related guidelines.

### Quantities of CO<sub>2</sub> accompanying shipping

(tons-CO<sub>2</sub>)

	Non-consolidated			10 main manufacturing companies in Japan	
	FY2008	FY2009	<b>FY2010</b>	FY2009	<b>FY2010</b>
Total quantity of emissions	17,300	13,900	<b>12,600</b>	52,852	<b>46,854</b>

## Environmental Accounting

These figures are based on *Environmental Accounting Guidelines 2005*, issued by Japan's Ministry of the Environment.

(100 million yen)

Environmental conservation costs	Non-consolidated			10 main manufacturing companies in Japan			23 main companies in Japan	
	FY2008	FY2009	<b>FY2010</b>	FY2008	FY2009	<b>FY2010</b>	FY2009	<b>FY2010</b>
Cost for business operation	32.4	38.7	<b>34.6</b>	106.6	107.4	<b>76.7</b>	114.6	<b>82.1</b>
Costs of management activities	6.0	1.9	<b>2.6</b>	12.7	8.3	<b>7.2</b>	9.0	<b>8.7</b>
Upstream and downstream costs	14.8	13.8	<b>12.5</b>	25.7	25.6	<b>19.3</b>	26.3	<b>20.1</b>
Research and development costs	46.0	51.9	<b>56.1</b>	82.7	88.1	<b>89.3</b>	88.1	<b>89.4</b>
Costs of community involvement	0.6	1.3	<b>5.1</b>	2.0	2.4	<b>5.9</b>	2.4	<b>5.9</b>
Environmental damage countermeasure costs	0.6	0.6	<b>0.7</b>	0.7	1.5	<b>0.7</b>	1.5	<b>0.7</b>
Total	100.4	108.2	<b>111.6</b>	230.4	233.3	<b>199.1</b>	241.9	<b>206.9</b>

Effects of environmental conservation measures	Non-consolidated			10 main manufacturing companies in Japan			23 main companies in Japan	
	FY2008	FY2009	<b>FY2010</b>	FY2008	FY2009	<b>FY2010</b>	FY2009	<b>FY2010</b>
Energy-saving	2.3	3.0	<b>2.1</b>	6.6	7.3	<b>9.7</b>	7.5	<b>9.9</b>
Resource saving	3.9	2.2	<b>2.6</b>	4.1	2.2	<b>2.5</b>	2.3	<b>2.6</b>
Effects of reducing waste materials	0.0	0.1	<b>0.0</b>	0.2	0.6	<b>0.6</b>	0.6	<b>0.7</b>
Sale of valued property	37.0	35.4	<b>13.9</b>	91.2	79.7	<b>35.1</b>	81.8	<b>36.1</b>
Total	43.2	40.7	<b>18.6</b>	102.1	89.8	<b>47.9</b>	92.2	<b>49.3</b>

Note: Past data may be changed as a result of revisions and other reasons.

### Scope of data calculated

Non-consolidated	Aisin Seiki only
10 main manufacturing companies in Japan	Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin Keikinzoku, Aisin Kiko, Aisin AI, Aisin Sin'ei, Aisin AW Industries, Hosei Brake Industry
23 main companies in Japan	Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin Keikinzoku, Aisin Development, Aisin Kiko, Aisin AI, Aisin Sin'ei, Aisin AW Industries, Hosei Brake Industry, Aisin Tohoku, Aisin Kyushu, Saitama Kogyo, Kotobuki Industry, Aichi Giken, Aisin Maintenance, Aisin Engineering, Sinsan, Konan Kogyo, Hekinan Unsou, Sanetsu Unyu, Yamagata Clutch

# Societal Data

## Workforce

Number of employees (Consolidated)

FY2006	FY2007	FY2008	FY2009	<b>FY2010</b>
59,587	66,383	73,509	73,201	<b>73,213</b>

Number of employees by type of business (Consolidated)

	Automotive parts business	Life related products business	Other businesses	Managed (shared)	Total
<b>FY2010</b>	62,119 [8,745]	1,102 [198]	4,202 [1,650]	5,790 [361]	73,213 [10,954]

Note 1: The number of employees refers to the number of people employed (including employees on loan to Group companies by companies outside of the Group, excluding employees on loan to companies outside of the Group by Group companies). The average number of temporary employees hired annually is indicated separately in parentheses.

Note 2: Temporary employees include seasonal workers, part-time workers, dispatched workers and employees on a short-term contract.

Recruitment of new graduates (Non-consolidated)

(number)

	University graduates: clerical employees		University graduates: technical employees		Skilled employees (including those with disabilities)	
	Male	Female	Male	Female	Male	Female
<b>FY2010</b>	17	4	109	6	67	17

Mid-career recruitment (Non-consolidated)

(number)

	University graduates: clerical employees		University graduates: technical employees		Skilled employees (including registered full-time permanent employees)	
	Male	Female	Male	Female	Male	Female
<b>FY2010</b>	2	0	0	0	0	0

Average length of employment (Non-consolidated)

(years)

	Male	Female	Male-female average
<b>FY2010</b>	15.3	12.7	15.0

Turnover rate (Non-consolidated)

(%)

	Male	Female
<b>FY2010</b>	3.3	3.3

Note: Includes all reasons for leaving work (attainment of retirement age, personal reasons, death, transfer, appointment as officer, etc.). The denominator represents the number of full employees as of the end of the preceding fiscal year.

## Diversity

Ratio of male to female employees (Non-consolidated)

	Male (number)	Male ratio (%)	Female (number)	Female ratio (%)
<b>FY2010</b>	11,569	91%	1,206	9%

Note: Full-time permanent employees only

Ratio of disabled people employed (Non-consolidated)

(%)

FY2007	FY2008	FY2009	<b>FY2010</b>
1.98	1.80	1.82	<b>2.01</b>

Status of system to rehire people after reaching retirement age (Non-consolidated)

	FY2008	FY2009	<b>FY2010</b>
Number of retired persons	245	224	<b>270</b>
Number of applicants	135	129	<b>146</b>
Number of rehired persons	129	113	<b>143</b>



## Securing a Balance between Work and Life

Number of people taking leave for childrearing (Non-consolidated)

FY2008	FY2009	FY2010
46	55	72

Number of employees using the reduced-hours working system for childcare (Non-consolidated)

	FY2008	FY2009	FY2010
Male	10	13	13
Female	132	152	129
Total	142	165	142

## Labor Safety

Accidents at work

(number)

	FY2006	FY2007	FY2008	FY2009	FY2010
Non-consolidated (Aisin Seiki only)	3	4	4	3	3
Domestic group	30	26	27	13	17
Overseas group	29	26	29	30	20

Frequency rate

(%)

	FY2006	FY2007	FY2008	FY2009	FY2010
Japan's national average	0.69	0.61	0.71	0.72	0.54
Non-consolidated (Aisin Seiki only)	0.09	0.11	0.11	0.09	0.10
Domestic group	0.35	0.28	0.27	0.13	0.21
Overseas group	1.08	0.84	0.80	0.79	0.69

Strength rate

(%)

	FY2006	FY2007	FY2008	FY2009	FY2010
Japan's national average	0.10	0.05	0.09	0.11	0.09
Non-consolidated (Aisin Seiki only)	0.00	0.01	0.00	0.00	0.00
Domestic group	0.02	0.01	0.01	0.01	0.01
Overseas group	—	—	—	—	—

Work-related illnesses

(number)

	FY2006	FY2007	FY2008	FY2009	FY2010
Non-consolidated (Aisin Seiki only)	3	5	1	1	0
Domestic group	—	—	—	—	—
Overseas group	1	12	11	6	6

Notes: Domestic group: 13 companies

Overseas group: 45 companies

## Product Liability

Number of customer service inquiries (Non-consolidated)

FY2006	FY2007	FY2008	FY2009	FY2010
3,725	3,870	4,217	4,973	5,394

Detail of inquiries (Non-consolidated)

(%)

	Beds	Nursing care products	Home-use sewing machines	Others
FY2010	22.2	5.2	69.6	3.1

# Investor Information

As of March 31, 2010  
AISIN SEIKI CO., LTD.

## Stock and Number of Shareholders

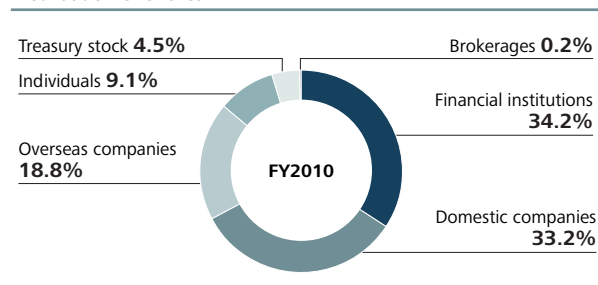
Common Stock	Authorized—700,000,000 shares
	Issued—294,674,634 shares
Stock Listings	Tokyo, Nagoya
Ticker Symbol Number	7259
Trading Unit	100 shares
Number of Shareholders	22,946

## Major Shareholders (Top 10)

Name of shareholders	Number of shares (Thousand shares)	% of voting shares (%)
Toyota Motor Corporation	65,558	23.3
Japan Trustee Services Bank, Ltd. (trust accounts)	19,746	7.0
Toyota Industries Corporation	19,658	7.0
The Master Trust Bank of Japan, Ltd. (trust accounts)	19,346	6.9
Nippon Life Insurance Company	7,000	2.5
Japan Trustee Services Bank, Ltd. (trust accounts 9)	6,693	2.4
Towa Real Estate Co., Ltd.	6,344	2.3
Mitsui Sumitomo Insurance Co., Ltd.	5,902	2.1
Sompo Japan Insurance Inc.	5,855	2.1
Meiji Yasuda Life Insurance Company	3,609	1.3

\* The Company holds 13,207,000 shares of treasury stock.

## Distribution of Shares



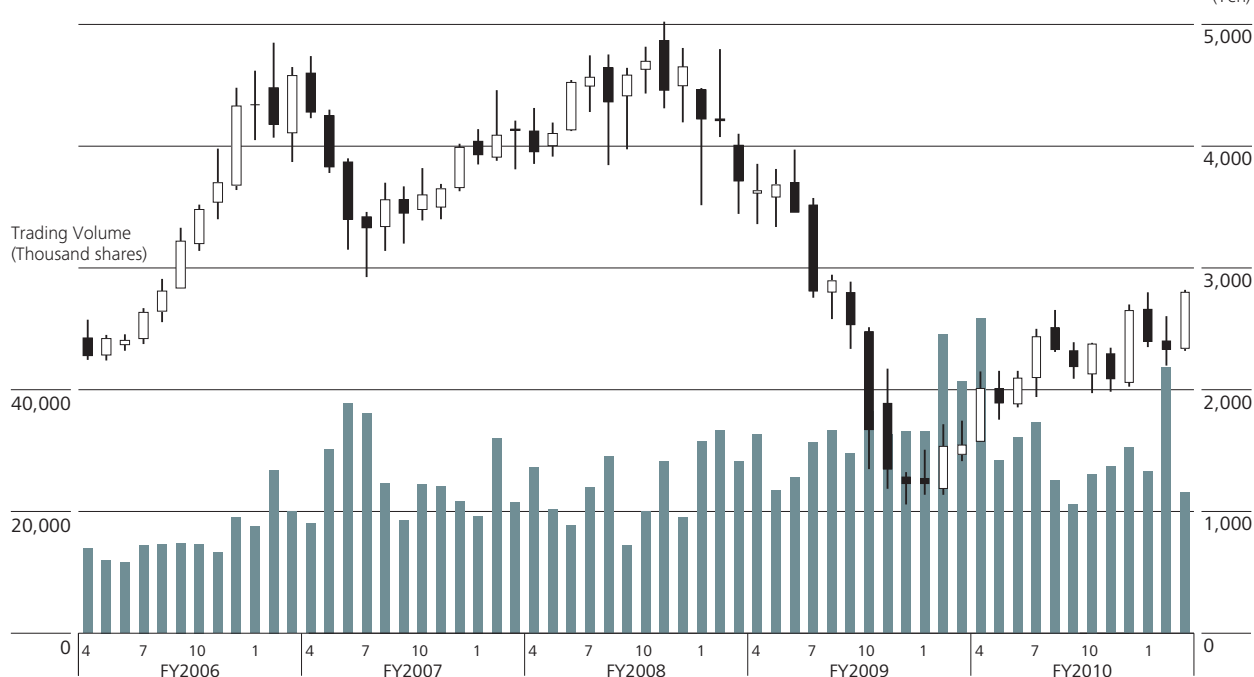
## Cash Dividends per Share

(Yen)

	FY2006	FY2007	FY2008	FY2009	<b>FY2010</b>
Interim	13.0	16.0	24.0	30.0	<b>10.0</b>
Year-end	19.0	24.0	36.0	10.0	<b>20.0</b>
Total	32.0	40.0	60.0	40.0	<b>30.0</b>

## Common Stock Price and Trading Volume on the Tokyo Stock Exchange

Common Stock Price  
(Yen)



## Guideline Comparative Table

The chart below includes the categories for disclosure required under the GRI\* Sustainability Reporting Guidelines 2006 and indicates the pages of this report that correspond to individual categories.

\* GRI is an acronym for the Global Reporting Initiative. GRI was established in 1997 as an international institution to create and disseminate international guidelines related to corporate sustainability reporting.

Notes: 1. Information related to items not included in this report has been omitted. The complete version is available on our website.

2. ■ denotes a key indicator.

Economic		
Disclosure on Management Approach		<b>P7-10</b>
Performance Indicators		
Economic Performance		
■ EC1.	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	<b>P61-68</b>
Market Presence		
■ EC6.	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	<b>P41</b>
■ EC8.	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	<b>P31</b>
Environmental		
Disclosure on Management Approach		<b>P21</b>
Performance Indicators		
Materials		
■ EN1.	Materials used by weight or volume.	<b>P22, P73</b>
Energy		
■ EN3.	Direct energy consumption by primary energy source.	<b>P22, P72</b>
■ EN4.	Indirect energy consumption by primary source.	<b>P22, P72</b>
EN5.	Energy saved due to conservation and efficiency improvements.	<b>P28</b>
EN6.	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	<b>P11-12, P19</b>
EN7.	Initiatives to reduce indirect energy consumption and reductions achieved.	<b>P29</b>
Biodiversity		
EN13.	Habitats protected or restored.	<b>P31</b>
Emissions, Effluents, and Waste		
■ EN16.	Total direct and indirect greenhouse gas emissions by weight.	<b>P22, P28 P29, P71-72</b>
EN18.	Initiatives to reduce greenhouse gas emissions and reductions achieved.	<b>P28, P29</b>
■ EN20.	NO, SO, and other significant air emissions by type and weight.	<b>P28, P73</b>
■ EN22.	Total weight of waste by type and disposal method.	<b>P73</b>
Products and Services		
EN26.	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	<b>P11-12, P19</b>

Transport		
EN29.	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	<b>P29</b>
Overall		
EN30.	Total environmental protection expenditures and investments by type.	<b>P74</b>
Social		
Labor Practices and Decent Work		
Disclosure on Management Approach		<b>P33</b>
Performance Indicators		
Employment		
■ LA1.	Total workforce by employment type, employment contract, and region.	<b>P75</b>
■ LA2.	Total number and rate of employee turnover by age group, gender, and region.	<b>P75</b>
Occupational Health and Safety		
■ LA7.	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region.	<b>P37, P76</b>
■ LA8.	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	<b>P38</b>
Training and Education		
LA11.	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	<b>P37</b>
Diversity and Equal Opportunity		
■ LA13.	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	<b>P75</b>
Product Responsibility		
Disclosure on Management Approach		<b>P33</b>
Product and Service Labeling		
PR5.	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	<b>P35</b>
Human Rights		
HR3.	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	<b>P39</b>
Society		
■ SO3.	Percentage of employees trained in organization's anti-corruption policies and procedures.	<b>P46, P49</b>
■ SO8.	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	<b>P71</b>

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