



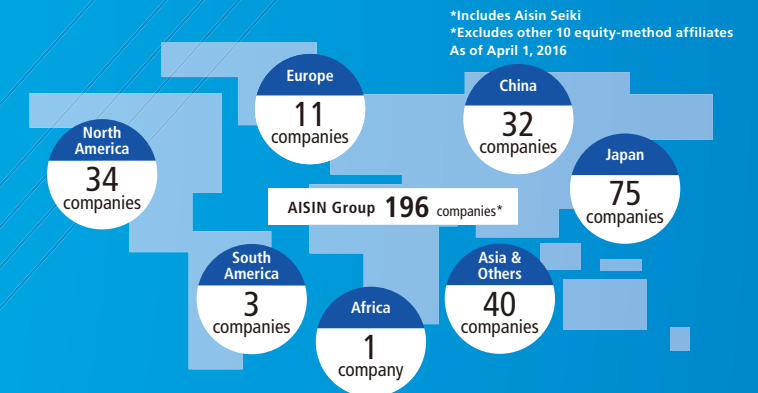
For a Better Tomorrow
AISIN GROUP

AISIN GROUP REPORT 2016



Aiming to Be an “Irreplaceable Global Partner”

The AISIN Group has promoted the spinoff of companies into a network of subsidiaries and affiliates centered on Aisin Seiki, which was established in 1965, to effectively leverage its advanced technological capabilities in the diversifying auto industry. By optimizing each company into a specialized business domain, we have become a corporate group able to process diverse materials such as steel, aluminum and resin into products that cover virtually all elements of driving that include the operating, turning and stopping functions of automobiles.



1965
Establishment

1985
Consolidated
net sales
¥0.4
trillion

1995
Consolidated
net sales
¥0.8
trillion

2005
Consolidated
net sales
¥2.1
trillion

2015
Consolidated
net sales
¥3.2
trillion

1965-1974

Birth of Aisin Seiki

Aisin Seiki was created in 1965 through the merger of Aichi Kogyo Co., Ltd. and Shinkawa Kogyo Co., Ltd. with the aim of strengthening its corporate structure and fortifying international competitiveness as an auto parts manufacturer.

Establishment of mass production structure

Production capacity was increased and strengthened to respond to a rapid expansion of automobile production.

Pursuit of self-reliance in technologies

To establish independent technologies, Aisin Seiki promoted measures to raise technological capabilities that included opening the Technology Development & Research Laboratory, building a proving ground and proactively introducing technologies from European and U.S. auto parts manufacturers.

Building a foundation for overseas business

Proceeded to build a foundation for overseas business in preparation for an expansion in exports of auto parts and for leaping forward as an international company.

1975-1984

Pursuit of “Quality First”

During the process of strengthening corporate structure through total quality control (TQC), won four crowns, including the Deming Prize, the Japan Quality Control Prize, the Plant Maintenance (PM) Prize and the PM Special Prize in TQC and total productive maintenance (TPM) categories.

Toward the age of car electronics

Launched a new structure that combined electronics with traditional mechanics to respond to rapid advances in car electronics.

Research network for future technology development

In anticipation of 21st century society, built an independent research structure that included a research laboratory with basic fields as its themes.

1985-1994

Full-fledged overseas production

In reaction to the Plaza Accord in 1985, the AISIN Group also commenced full-fledged overseas production.

New developments in leading-edge technology fields

Future-oriented technology research began to bloom with the creation of new products in energy and medical device fields. Established a global research network.

1995-2004

Expanding and upgrading overseas business structure

Along with the start of full-fledged local production, strengthened production and sales structures in North America, South and Central America, Europe, ASEAN countries and China guided by the policy “Advance on our own into areas where there are markets.”

Initiatives for development in energy fields

Advanced toward new development themes such as fuel cells and solar cells. Promoted efforts for commercialization to solve various environmental issues, beginning with global warming.

Aiming for a sustainable society

Commenced company-wide initiatives that position global environmental protection as a crucial management issue based on recognition that realizing a sustainable society is a social responsibility of companies.

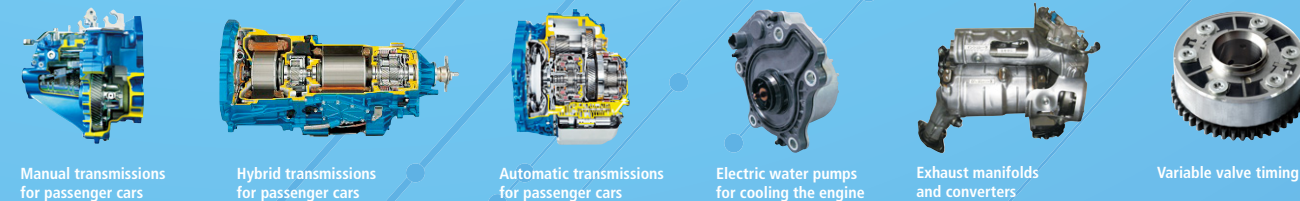
2005 -

Expansion and independence of global business

Along with the globalization of business, strengthened Group collaboration and progressed with the creation of a business structure in each region that enables operations ranging from development and design to production and sales to be carried out independently.

AISIN Group Main Product Lines

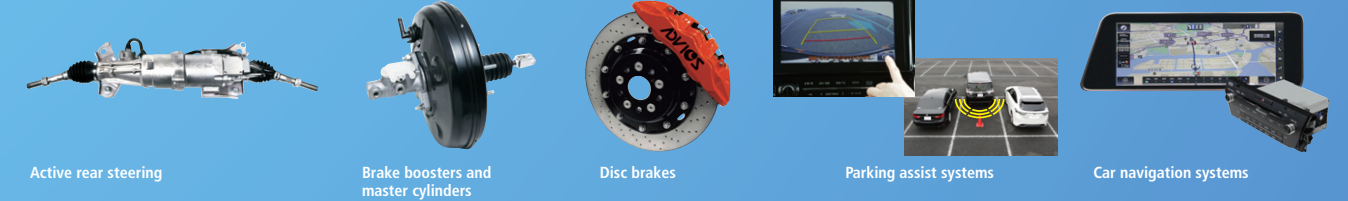
Powertrain Domain



Body Product Domain



Chassis & Vehicle Safety System Domain



L&E Domain



A Year of Making Steady Steps and Taking on Challenges for a Leap Forward

In fiscal 2016, the AISIN Group promoted a variety of initiatives to further solidify its underlying foundation and implemented challenging measures for achieving its next leap forward. These efforts bore fruit, most notably evidenced by the development and sales of new products and systems, and also helped raise Group collaboration.

2015

Initiatives for strengthening our growth foundation

January 2015 Thailand

AW (Thailand) Co., Ltd. established.



January & September 2015 India

Aisin Automotive Haryana Pvt. Ltd. commenced delivery of sunroofs in January and Aisin AW Co., Ltd. commenced delivery of automatic transmissions in September to Mahindra & Mahindra Limited.



Sunroofs



Automatic transmissions

March 2015 Japan

Aisin AW Industries Co., Ltd.'s Ikenoue Plant completed in Fukui Prefecture.

April 2015 Japan

Aisin Sin'ei Co., Ltd.'s Koda Plant completed in Aichi Prefecture.

May 2015 Czech Republic

ADVICS Manufacturing Czech s. r. o. commenced production of brake parts.



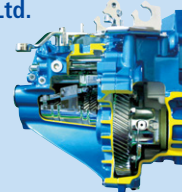
Brake calipers

June 2015 United States

Second plant completed at AISIN Chemical Indiana, LLC.

September 2015 Japan

Toyota Motor Corporation's manual transmission business consolidated into the operations of Aisin AI Co., Ltd.



September 2015 India

Decision made for capital participation in Toyota Kirloskar Auto Parts Private Ltd.

September 2015 Brazil

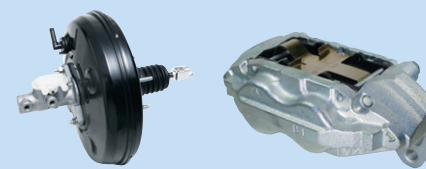
ADVICS Automotiva Latin America Ltda. commenced local production of brake parts.



Master cylinders with brake boosters

November 2015 South Africa

ADVICS South Africa (Pty) Ltd. commenced production of brake parts.



Master cylinders with brake boosters

Brake calipers

November 2015 Japan

Transferred development of seat frames for Toyota Motor Corporation to Toyota Boshoku Corporation.



December 2015 China

New office building completed at Aisin (Nantong) Technical Center of China Co., Ltd.



December 2015 India

Aisin Automotive Karnataka Pvt. Ltd. commenced deliveries of engine parts to Tata Motors Limited.

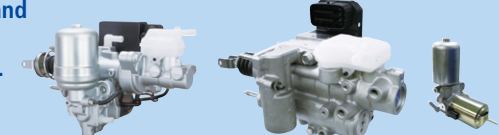


Oil pump with timing chain case

2016

January 2016 Japan

Development and production functions of the controlled brake business consolidated into ADVICS Co., Ltd. and the new Handa Plant constructed.



January 2016 Japan

Investment made in Toyota Autoparts Philippines Inc.

January 2016 Mexico

Aisin Takaoka Mexico, S.A. De C.V. established.

February 2016 Mexico

New plant constructed at ADVICS Manufacturing Mexico S. de R.L. de C.V.



March 2016 Japan

Construction of a new plant for Aisin Keikinzoku Co., Ltd.'s next-generation automatic transmissions commenced in Toyama Prefecture.

April 2016 Japan

Management integration with Shiroki Corporation.



March 2016 Japan

Held "50 JUMBLE" with the participation of approximately 8,500 Group employees and their families. Completed the Group song "I sing for tomorrow" composed with lyrics solicited from Group employees.



Create climate for improving Group collaboration

March 2015 Japan

AISIN Group 50th anniversary website launched with frequently expanded content that includes a global clock featuring the participation of employees throughout the world.

April 2015 Japan

Ekiden long-distance relay road race held with the participation of 9,300 people from AISIN Group companies in Japan and overseas.



April 2015 Japan

Commenced executive officer exchanges within the Group.

September 2015 Japan

AISIN Group company exhibition hall "com-center" opened.



September 2015 Japan

Held 50th anniversary commemorative ceremony and unveiled a new AISIN Group slogan, emblem and logo.





Message from the Chairman and President

Although unit sales of new cars declined in some emerging countries in fiscal 2016, the global auto industry performed favorably overall spurred in part by growth in the volume of new car sales in the major markets of North America, Europe and China. In contrast, domestic sales volume dipped below the previous year due to lower unit sales of compact cars.

During fiscal 2016, when the AISIN Group marked a milestone by celebrating its 50th anniversary, we implemented various initiatives focused on strengthening our competitiveness with the aim of becoming “developing further into a vital company capable of growing continuously.” Specifically, we fortified the Group’s competitive strengths, promoted the development of innovative technologies and reinforced our *monozukuri* (manufacturing) capabilities. Even though ordinary income declined, these measures resulted in increased net sales, operating income and profit attributable to owners of parent over the amounts recorded in the previous fiscal year.

Looking ahead to fiscal 2017, we will continue to accelerate crucial measures for strengthening the underlying foundation of our business implemented to the present. In doing so, we will strive to quickly achieve tangible results such as improving our profit structure and expanding sales as we shift toward high-quality growth.

As we work toward these objectives, we ask for your continued guidance and support.

 **Kanshiro Toyoda**
Chairman
Aisin Seiki Co., Ltd.

 **Yasumori Ihara**
President
Aisin Seiki Co., Ltd.

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.

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Editorial policy

AISIN Group Report 2016 is issued to provide stakeholders with information concerning the Group’s various activities while promoting dialogue with stakeholders. Along with this report, please refer to the AISIN Group CSR page on our website for more detailed information.

Period covered

Primarily fiscal 2016 (April 1, 2015 to March 31, 2016). Some information is related to activities outside this period.

Scope of the report

In principle, the AISIN Group (Aisin Seiki Co., Ltd. and its consolidated subsidiaries) is covered in this report. In case the scope of reporting differs for each information category listed, we indicate as such using the terms six core Group companies and 13 main Group companies.

Reference guidelines

ISO 26000, Global Reporting Initiative (GRI) *Sustainability Reporting Guidelines* Version 4, Japan’s Ministry of the Environment *Environmental Reporting Guidelines* (2012 Version)

Fiscal year

April 1, 2015 to March 31, 2016

All fiscal years mentioned in this report run from April 1 to March 31 of the following year based on the accounting fiscal period in Japan. Scope of consolidation covers consolidated subsidiaries and equity-method affiliates.

Issued

August 2016

Notations

AISIN Group	Aisin Seiki Co., Ltd. and consolidated subsidiaries
13 main Group companies*1	Aisin Seiki Co., Ltd.* Aisin Takaoka Co., Ltd.* Aisin Chemical Co., Ltd.* Aisin AW Co., Ltd.* Aisin Keikinzoku Co., Ltd. Aisin Development Co., Ltd. Aisin Kiko Co., Ltd. Aisin AI Co., Ltd.* Aisin Sin’ei Co., Ltd. Aisin AW Industries Co., Ltd. Hosei Brake Industry Co., Ltd. ADVICS Co., Ltd.* Shiroki Corporation
	*1 13 companies including Shiroki Corporation from fiscal 2017 *2 Six core Group companies

Cautionary statement with respect to forward-looking statements

The report contains statements concerning plans, prospects, strategies, convictions and business performance forecasts regarding the future of Aisin Seiki Co., Ltd., consolidated subsidiaries and equity-method affiliates. These statements are based on judgments made by AISIN from information that can be obtained at the present time and may also involve risks and uncertainties.



For a Better Tomorrow

We will achieve further growth, and strengthen competitiveness and Group collaboration with a sense of great determination.

Yasumori Ihara
President
Aisin Seiki Co., Ltd.
May 2016

1 | Review of Fiscal 2016

I wish to express my deepest sympathies to all the persons stricken by the 2016 Kumamoto earthquakes and am hoping for the quickest possible recovery of the devastated region. The AISIN Group was also affected by the earthquake and damage to Aisin Kyushu Co., Ltd. and Aisin Kyushu Casting Co., Ltd. caused great concern and inconvenience to all our stakeholders.

Nevertheless, Aisin Kyushu Casting was able to resume production immediately after the disaster and Aisin Kyushu has restored operations effective September 2016 thanks to the warm and prompt support of numerous stakeholders, beginning with our customers, business partners, team members and suppliers. Going forward, we will make Group-wide efforts to further reinforce our disaster prevention system.

Although the Japanese market declined below the level of fiscal 2015, which reflected lower unit sales of compact cars, the auto industry trended firmly on a global basis during fiscal 2016. Under these conditions, AISIN posted increases in both revenue and profits. To ensure that we remain a company that can continuously achieve growth, I believe we must become “a vibrant company that possesses true competitiveness and proposes new value.” With this in mind, during fiscal 2016 we focused on undertaking “problem-solving activities” and “strengthening Group competitiveness” to reinforce our underlying foundation. At the same time, we actively implemented a variety of initiatives for securing our future growth potential.

Fiscal 2016 Consolidated Financial Highlights

Net Sales	Ordinary Income	Profit attributable to owners of parent
¥3,243.1 billion	¥186.8 billion	¥96.9 billion

2 | Implementing “Problem-solving Activities” to Strengthen Our Underlying Foundation

First, in keeping with the principle of *genchi genbutsu* (go and see for yourself), during the past year I visited 220 of our 311 locations at approximately 200 companies worldwide to personally confirm the current state of our

production, development and management. These visits reaffirmed my awareness that we have various issues in each function, geographic region and product. I immediately identified and examined 350 of the most critical issues and then

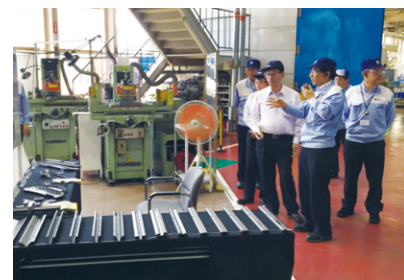
Our aim in fiscal 2018

A vibrant company that possesses true competitiveness and proposes new value

Slogan

“Do what you want to do to make tomorrow better.”

implemented initiatives across the entire company to solve them. The issues I observed spanned a



President Ihara makes an inspection visit to Shiroki Corporation's Nagoya Plant.

broad area. These ranged from those directly related to business activities such as development, procurement, production and quality to issues that concern our corporate culture. I am confident that solving these issues will be the first step toward raising our competitive strengths, and for this reason, I quickly launched "problem-solving activities." As an example of these measures, we moved to

rejuvenate our bed business, which has continuously operated in the red, by launching promotional activities on an unprecedented scale to raise recognition levels for our ASLEEP brand of beds, bedding and furniture. These initiatives underscore my strong determination to attain profitability in this business. As another notable initiative during the year, we unveiled the slogan, "Do what you want to do to make tomorrow better." This slogan aims at solidifying Group collaboration and unity to solve problems and reinvigorate AISIN's corporate culture of taking on challenges. It also expresses our resolve to pursue sustainable growth by sharing the aspirations of the nearly 100,000 AISIN employees worldwide and encouraging all individuals to devote their utmost efforts to their favorite activities.

3 | Implementing Business Restructuring to Enhance Competitiveness

The environment surrounding the AISIN Group in the auto industry is becoming ever-more severe due to the birth of new mega-suppliers through M&A, the rise of emerging country suppliers, fierce competition to develop next-generation technologies and intensifying price competition, and the entry of new participants from different industries. Competition to develop next-generation technologies such as autonomous driving, powertrain electrification and electronic platforms is

likely to fundamentally alter the business model of the auto industry. To overcome such changes and achieve growth, we embarked on business restructuring in five areas in fiscal 2016. This reorganization was prompted by the recognition that we must share our directions toward the future across the entire Group and establish true competitiveness that will allow us to vie successfully in global markets.

Column Initiatives for Raising Awareness of the ASLEEP Brand

Offering superb durability and pliability, our original material FINE REVO is used in our ASLEEP mattresses. This material realizes comfortable beds by allowing relaxing sleeping postures to be maintained over long periods. AISIN achieved a large increase in unit sales of these beds during the previous year by airing television and website commercials across Japan that emphasize the appealing features of this brand, and by innovating product displays at sales venues.



Scene from an ASLEEP brand TV commercial



FINE REVO features outstanding shape reproducibility

■ Business Restructuring Framework and State of Progress

Powertrain Domain

To strengthen our technology development and global supply structure for manual transmissions, we consolidated the development and Japanese production functions of Toyota Motor Corporation (TMC) under Aisin AI Co., Ltd. and also concluded a basic agreement for investing in Toyota Autoparts Philippines Inc. (Philippines) and Toyota Kirloskar Auto Parts Private Ltd. (India). The integration of these domestic production functions into Aisin AI was completed in February 2016 and the investment in Toyota Autoparts Philippines was executed in January 2016. With these moves, we have virtually completed the consolidation of domestic development and production functions.

From a global perspective, the market for manual transmissions is still huge. In view of this, I intend to quickly set up a structure that can respond globally in areas from development to production and establish a presence surpassing that of European manufacturers. Additionally, we are striding ahead with preparations for the management integration of Art Metal Mfg. Co., Ltd., a specialized manufacturer of engine pistons. This

integration is just one initiative for concentrating the resources of Aisin Seiki's engine components business in the field of energy management with a view toward future growth.

Chassis & Vehicle Safety System Domain

There are rising needs in preventive safety to eliminate accidents. In response, besides disc brakes and other basic brakes, controlled brakes that properly control basic brakes according to road surfaces and vehicle conditions are emerging as a key technology. Given this, we concluded a business transfer agreement to transfer the development, production and sales functions of the controlled brake production business of Aisin Seiki and DENSO Corporation to ADVICS Co., Ltd.

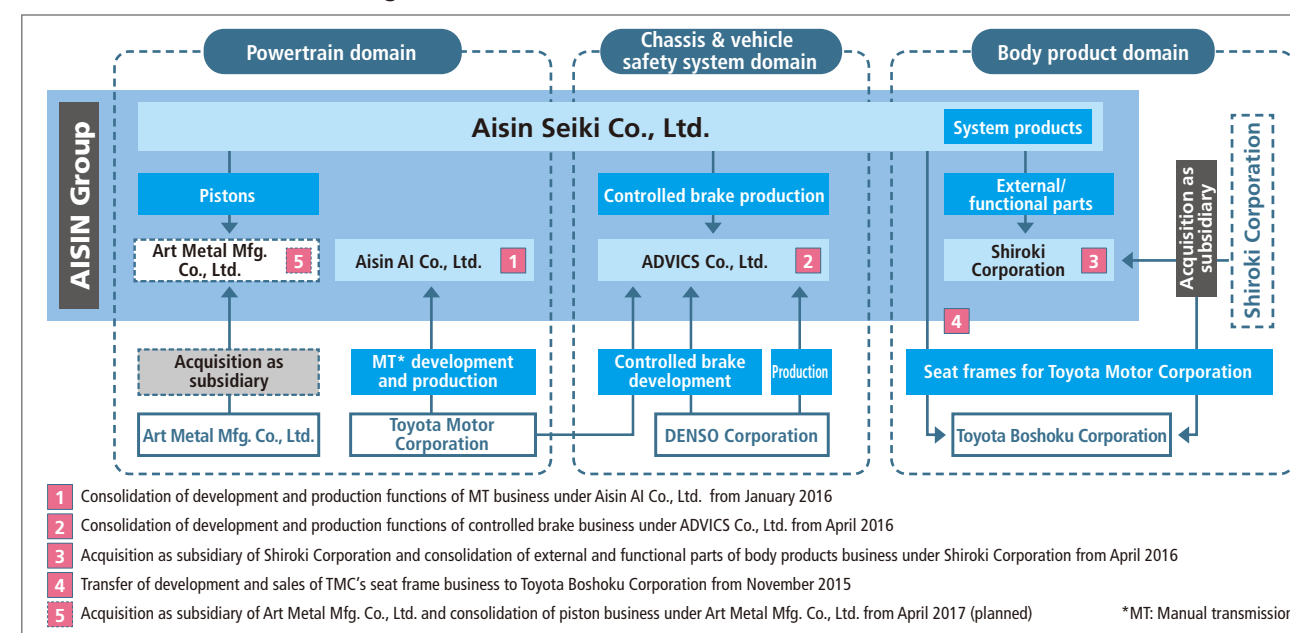
Additionally, in January 2016, a new plant for manufacturing controlled brakes was completed



ADVICS' new Handa plant

at ADVICS in Handa city, Aichi Prefecture. As these actions demonstrate, our efforts aimed at becoming the world's number-one brake manufacturer have gotten off to running start.

Outline of business restructuring



Body Parts Domain

The body parts domain is facing intensifying cost competition. To strengthen competitiveness in this field, we have steadily integrated the management of Shiroki Corporation into Aisin Seiki. Accordingly, Aisin Seiki will now concentrate management resources into system products such as power sliding doors and sunroofs, and Shiroki will devote resources to external and functional parts, including door frames and window regulators. Through this reorganization, we expect to enhance the efficiency of development resources and mutually utilize both companies' production hubs and customer bases. I believe this will also better enable us to leverage the competitiveness of the body parts business as a group.

⇒ Please refer to Group Dialogue on pages 12-15 for details.

In another strategic move, we transferred the development and sales of TMC's seat frames, including recliners and slide rails, to Toyota Boshoku Corporation. Further, in January 2016,

Aisin Seiki transferred to Toyota Boshoku all shares held in two joint venture companies in Brazil and Poland that were established with Toyota Boshoku.

■ Purpose of the Business Restructuring

Our business restructuring is not aimed simply at bringing together, as one, all the dispersed and overlapping business within the Group. Rather, this reorganization aims at attaining the top global shares for each product by more effectively concentrating our strengths in each company's domain of expertise, raising competitiveness and prevailing against mega-suppliers and suppliers in rapidly growing emerging countries.

In fiscal 2017, the Group will continue to work in unison and complete efforts to realize the benefits of business restructuring to secure true competitiveness and shift gears toward attaining continuous growth.

4 | Measures for Further Strengthening Group Collaboration

To date, the AISIN Group has achieved growth by leveraging the high level of expertise of each Group company. To attain further growth in the future, each company must strengthen collaboration to fortify the competitiveness of the entire Group. We have already launched several initiatives toward this objective. For example, in the area of Group management, we are promoting initiatives for building a variety of systems that support group-wide collaboration. These include efforts to strengthen cost competitiveness by introducing joint procurement systems and launching initiatives to streamline fixed costs by sharing personnel management systems and accounting systems.

On the operational front, we will make group-wide responses such as efficiently utilizing Group

resources for undertaking a large-scale expansion and strengthening the production capabilities of Aisin AW Co., Ltd. to meet the expected rise in demand for automatic transmissions.

Turning to technology development, three companies, namely Aisin Seiki, Aisin AW and Aisin AI, have jointly developed an electric 4WD unit for hybrid cars. Installed in the new model Prius that rolled out on the world stage in December 2015, these units have been well received in areas with heavy snowfall and in cold-weather regions. Going forward, we will pursue further synergies in technologies within the Group and strive to consistently provide products that satisfy customers.

⇒ Please refer to Group Highlights on pages 22-23 for details.

5 | Measures for Securing Future Growth Potential

During the past year we implemented business restructuring activities to strengthen Group collaboration to solidify our foundation and raise our competitiveness. The positive results of these efforts are now beginning to show results. From fiscal 2017, we will accelerate efforts to create new businesses and appealing products to ensure our future growth potential.

First, in the automotive parts business, as we work to develop next-generation products that anticipate future needs in areas such as power-train electrification and autonomous driving, we established the Business Promotion Group within the Business Planning Department and the Future Strategy Group within the Technology Planning Department. We also launched efforts for determining the directions that we will pursue in the future, and for formulating related strategies. In early 2017, I would like to start moving forward with specific, meaningful projects that make good sense regarding the future of the AISIN Group.

As we strive to cultivate businesses that will become the second pillar of our operations, we are strengthening and expanding our energy-related and aftermarket businesses. We are also stepping up efforts to tackle the challenge of creating new products and businesses that

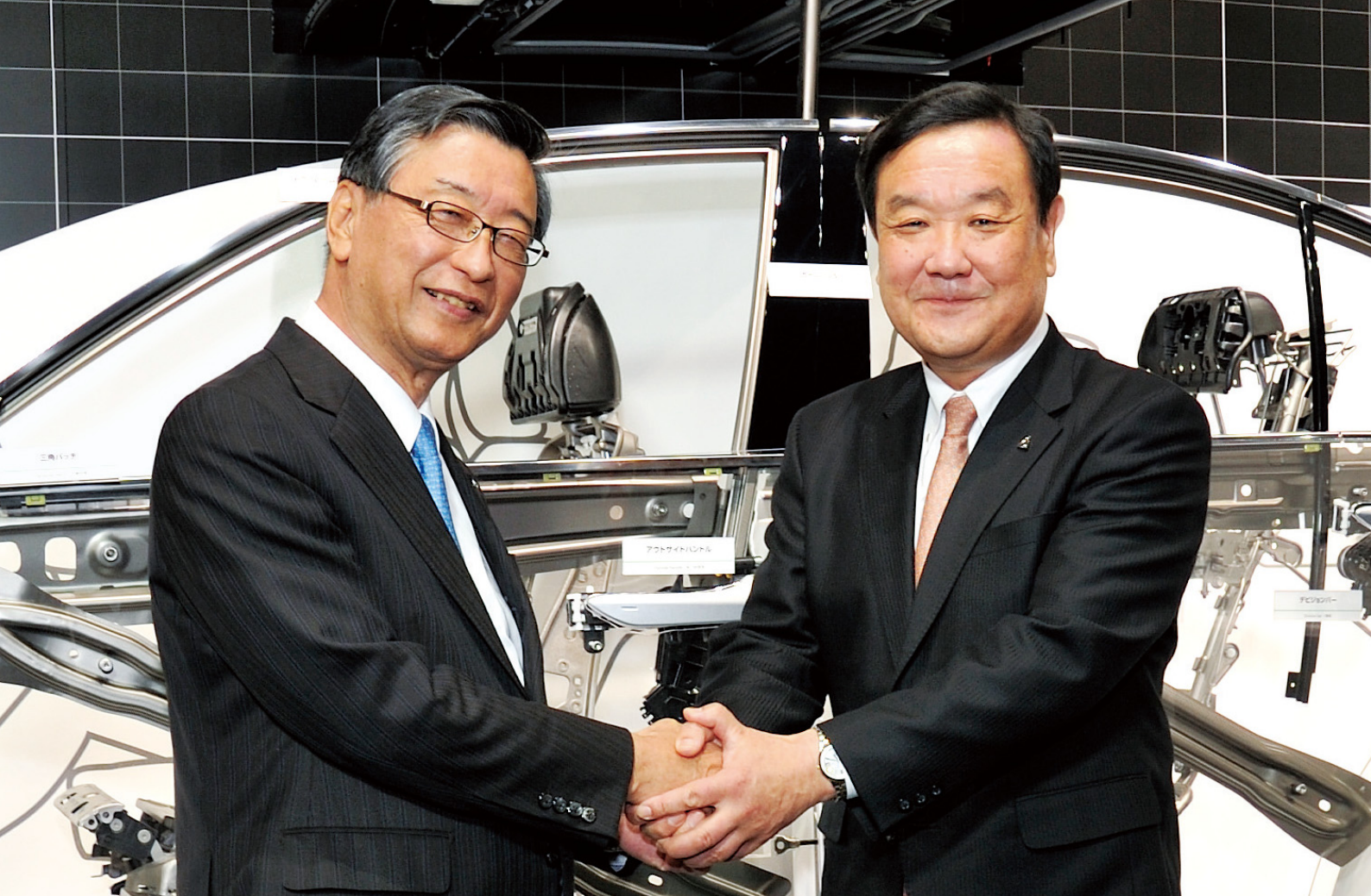
uncover the needs of end users.

On a different front, we are proceeding with efforts to reinforce our underlying foundation. In terms of quality, we continuously promote improvement activities and make efforts to create quality that meets and exceeds customer expectations.

At the same time, we will focus on creating safer workplaces beginning with efforts to prevent disasters and accidents, undertake environmental protection activities such as reducing CO₂ emissions and waste, and thoroughly implement compliance to a higher level as we fortify initiatives that reliably generate positive results.

I believe that my mission is to make the AISIN Group an organization of vibrant companies, raise cohesiveness and strengthen our competitiveness, and make AISIN a company with strong solution capabilities. For these reasons, I will put forth my utmost efforts to foster a corporate culture that enables each and every person working in the AISIN Group to take on challenges in pursuing their own dreams. As we all work "For a Better Tomorrow," I would like to see AISIN become a corporate group that can contribute even more to society and the world. You can count on the AISIN Group to attain these goals in the future.





Yasumori Ihara
President
Aisin Seiki Co., Ltd.



and



Takuo Matsui
President
Shiroki Corporation

AISIN Group Top Management Discussion

Toward Becoming the World's Top Body Parts Manufacturer

Currently, competition in the auto industry is increasing on a global scale. As price competition with suppliers in emerging countries intensifies, automakers compete fiercely in the development of next-generation technologies and new participants from different industries are entering the market using IT as a competitive strength.

To counter this changing environment and achieve sustainable growth, the AISIN Group conducted business restructuring in five areas. One of these is the management integration between Aisin Seiki and Shiroki Corporation. Maximizing the advantages of this management integration, we have now embarked on a new challenge of becoming the world's top body parts manufacturer.

Shiroki Corporation

Established: March 1946 Capital: 7,460 million yen Sales: ¥135,180 million (consolidated)

Employees: 5,240 (consolidated)

Main business: Manufacture and sales of automotive internal functional parts, external body parts and commuter train car seats
A global supplier expanding its production and supply systems in various countries, including North America, China, Thailand and Indonesia

(As of March 31, 2016)



Head Office and Technical Center
(Toyokawa)

AISIN Group Top Management Discussion

Yasumori Ihara President Aisin Seiki Co., Ltd. and Takuo Matsui President Shiroki Corporation

Background and Purpose of Management Integration

To Prevail over Intensifying Global Competition

Ihara: The integration of management of Aisin Seiki and Shiroki took place on April 1, 2016.

First, let me explain what led to this decision. Anywhere in the world, the Japanese auto industry is now facing fiercer competition with the birth of mega-suppliers through M&A and the rise of emerging country suppliers. In the field of auto body parts, Aisin Seiki had managed to prevail in the competition with many European and U.S. manufacturers in the past. Recently, however, we have been forced into competition with manufacturers in emerging countries armed with low-cost production and begun to lose in more cases. In order to fight more effectively in this difficult battle with low-cost suppliers in emerging countries and mega-suppliers in Europe and the United States, we decided to team up with Shiroki, which had once been our competitor, and set up a new framework to compete in the global arena.

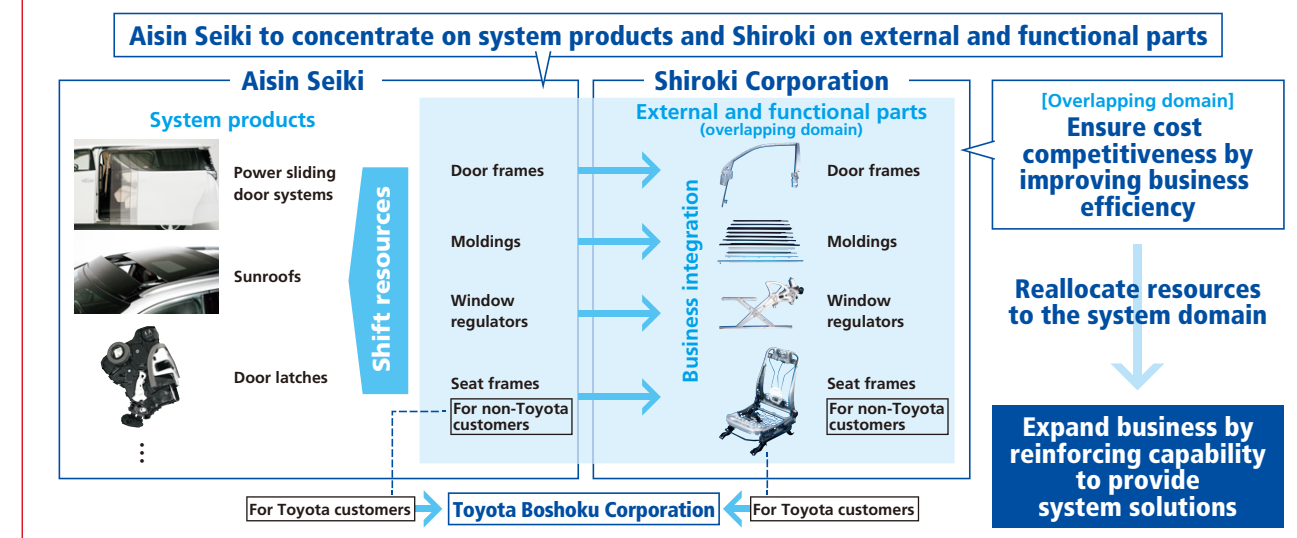
Matsui: In the body parts field, we had often engaged in three-way competition involving Aisin Seki, Shiroki and other competitors, and each of us had prevailed in the world market.

Ihara: My aim through the integration of management with Shiroki is to consolidate the resources and strengths of both companies and build a competitive force that is more resistant to changes in the business environment. There are considerable overlaps in parts manufactured by the two companies, and we believe it will be best to consolidate the development and production of external and functional parts that require a high level of cost competitiveness, including door frames, window regulators and moldings, into Shiroki in order for us to remain competitive in the world market.

Aisin Seiki, on the other hand, will concentrate on the development and production of its existing system and modular products, such as power sliding doors and sunroofs, and achieve even greater competitiveness. As Shiroki has an excellent capability to develop products, we hope to conduct development activities jointly in the future, while strategically assigning products thus developed to each company.

Matsui: At Shiroki, we were having some difficulty in balancing lighter weight, a factor that is becoming the norm in the technology race and safety of products. We also needed to grow globally but did not have sufficient ability to accelerate overseas business development. Moreover, we had been losing some of our "established" cost competitiveness against

Role of Each Company after the Integration



manufacturers that have grown in emerging countries, becoming no match for them in their home countries. Even worse, we had a heightened sense of crisis that we might lose the battle in the future in our own country. These were the reasons behind our decision to integrate management with Aisin Seiki.

Advantages of Management Integration

Leverage the Strengths of Both Companies and Learn and Grow Together

Ihara: I feel certain that by joining the AISIN Group, Shiroki will overcome the challenges President Matsui has mentioned earlier and will bolster its strengths further.

Matsui: With Shiroki becoming a member of the Group, we can create the best mix of Aisin Seiki's comprehensive capabilities encompassing outstanding technical competence, a strong commitment to quality and a sense of focus at its production sites and Shiroki's capabilities related to "simple, streamlined and speedy" operations and low-cost technologies. By turning these capabilities into a new strength of both companies, we can surely compete with mega-suppliers and with competitors in emerging countries.

Ihara: One characteristic of our management integration is that the integration has been carried out with Aisin Seiki and Shiroki standing on an equal footing, while retaining Shiroki's company name and organization as well as its brands, management structure and employees. Adding Aisin Seiki's pool of expertise on top of Shiroki's existing business foundation, we can make the most of our win-win relationship and compete in the best possible circumstances.

The management integration provides advantages for both Aisin Seiki and Shiroki. We can learn from each other and mutually enhance our strengths in various aspects, from development to production and procurement. We intend to forge ahead with the restructuring of our operations in a manner to create synergies while paying due respect to Shiroki's

long-accumulated pride in manufacturing.

Matsui: To that end, Shiroki will pour its energies into external and functional parts, which have been entrusted to us from the AISIN Group, and raise its capabilities as quickly as possible to the expected level.

Ihara: I am confident Shiroki will succeed in that regard. I visited Shiroki's seven domestic and six overseas locations and am well aware of their potential.

Shiroki's plants in Japan can be divided into two groups: one dedicated to manufacturing seats and door frames on a



Door frame production line at Shiroki's Toyokawa Plant

large scale and the other engaging in small-lot production of widely ranging products at locations near various automakers' facilities. I was particularly impressed with the latter group. Producing different products in small quantities surely imposes a challenge in terms of costs, but these plants were handling it very well by using their ingenuity. Their unique ideas, such as concentrated production technology used in production lines, were new to Aisin Seiki and made a strong impression.

Matsui: I also visited all plants of Aisin Seiki producing body parts in and outside of Japan. People everywhere were working together in a congenial atmosphere, feeling very proud of being a member of the AISIN Group and proactively undertaking their assigned tasks.

Also, I was surprised to find that each plant has a clear vision and a sense of focus, and I felt we have much to learn from their attitude. Quality first is their shared goal, but the approach to achieve this differs from plant to plant. One plant is committed to creating superior metal molds, one takes pride in its tooling change skills and another plant is taking bold steps in improving its production technology. We are looking forward to learning and absorbing many things from these plants in order to grow and progress.

What We Envision as a Group

Enhance the Competitiveness and Solution Capabilities across the Entire Group to Become the World's Top Body Parts Manufacturer

Ihara: The AISIN Group is made up of companies having a high level of expertise, each quickly making decisions and proceeding with business. That has



A safety dojo practice at PT. Shiroki Indonesia

been our distinctive culture, and we had believed it was the best way to win out over the competition. But this way of doing business is no longer effective in the face of increasingly globalized competition. While we encourage major Group companies to independently demonstrate their individual specialized capabilities, we must make sure that all companies move in the same direction. The best way in the future will be to join forces of the Group, including Shiroki, and achieve even greater results together.

Matsui: As we joined the AISIN Group, I felt the need to change ourselves in three aspects. First, Shiroki had been a "follower" in the industry but should now aim for a "leader" position. We need to remain more alert to market trends, customers' real expectations and business strategies of competitors, decide what to do business-wise on our own and seek and leverage opportunities to propose solutions to customers. Secondly, we will instill the idea of "Quality First," a basic philosophy of the AISIN Group, in Shiroki and attain improvements both in product quality and work quality. The third change involves overseas business development, which we had not been able to accomplish previously. By utilizing the AISIN Group's global network, we aim to achieve major growth overseas and contribute to further growth of the AISIN Group.

While remaining loyal to Shiroki's own corporate culture based on "simple, streamlined and speed," we hope to evolve into a company that can provide

the impetus for growth from within the AISIN Group.

Ihara: The aim of the management integration is to make and tirelessly promote concerted efforts to enhance the entire Group's competitiveness and capability to provide real solutions toward the ultimate goal of becoming the top body parts manufacturer in the world. On April 1, 2016, we made a strong step forward by initiating the restructuring of our operations, with Aisin Seiki sending 57 employees, including management staff, to Shiroki and welcoming seven employees from Shiroki to Aisin Seiki.

The year 2016 is the 73rd anniversary of Tokai Koku Kogyo, the origins of Aisin Seiki. Shiroki is also a company of long-standing, having a 70-year history. With the integration of management as a new starting point, we hope to attain solid growth together in the next 70 years, while taking action that will be noticed by AISIN Group competitors.

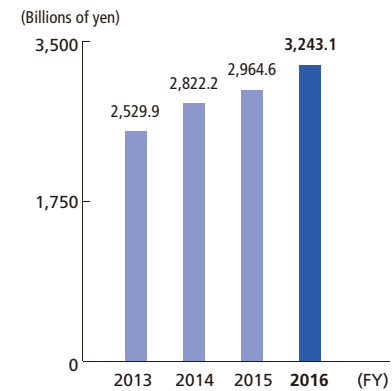


Products Zone body parts section in the Aisin com-center, the AISIN Group's exhibition hall

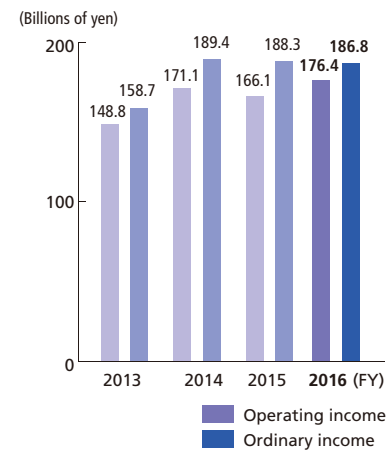
Consolidated Financial and Non-Financial Highlights

In fiscal 2016, together with solidifying our underlying foundation, initiatives were promoted for securing future growth potential.

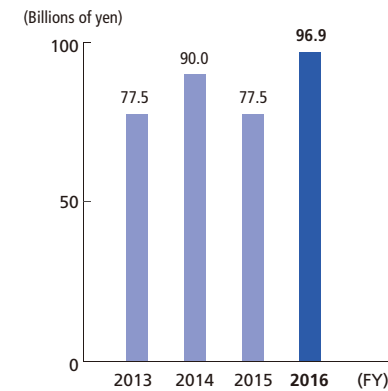
Net sales



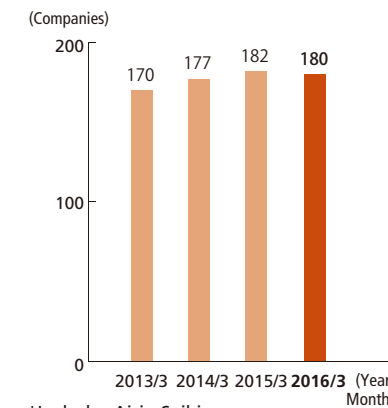
Operating income/ Ordinary income



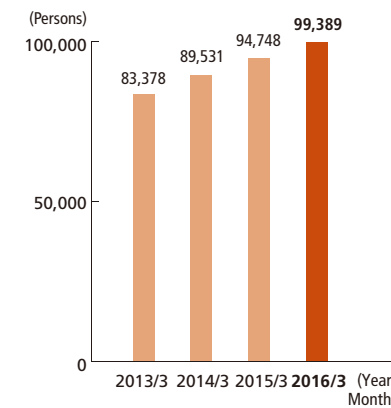
Net income (Profit attributable to owners of parent)



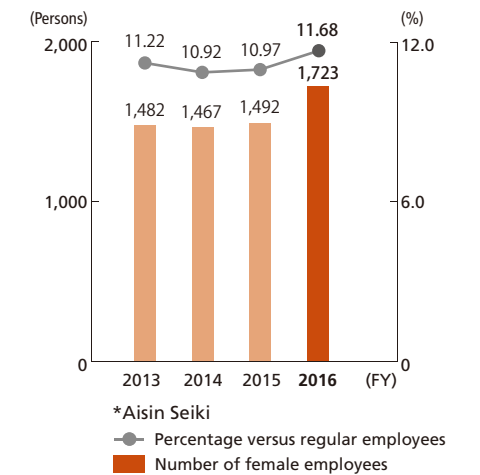
Number of Group companies



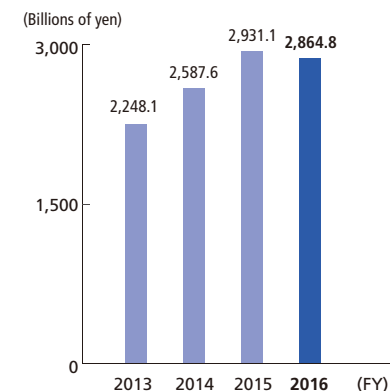
Number of employees



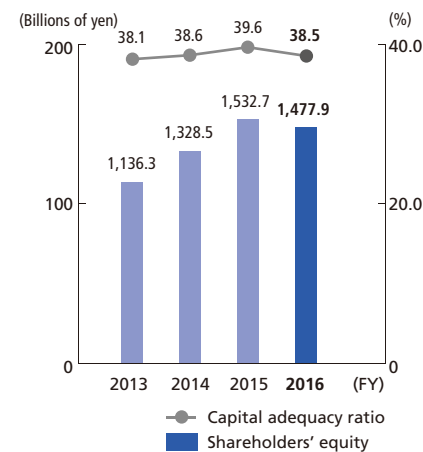
Number of female employees



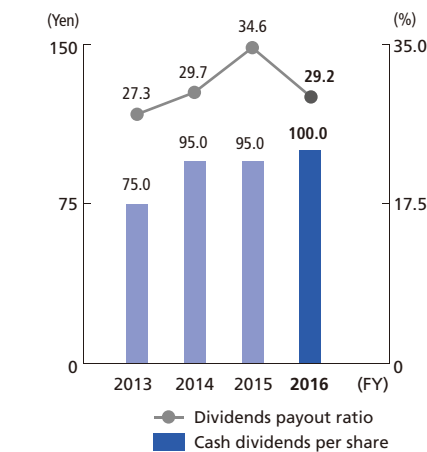
Total assets



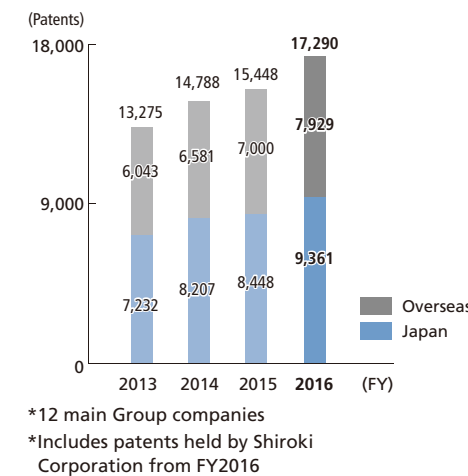
Shareholders' equity/ Capital adequacy ratio



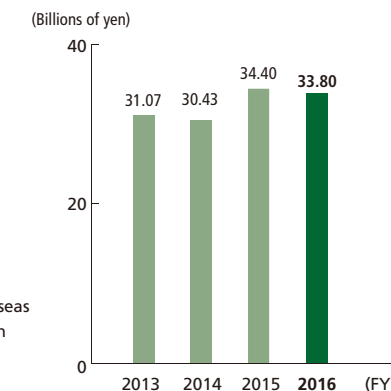
Cash dividends per share/ Dividends payout ratio



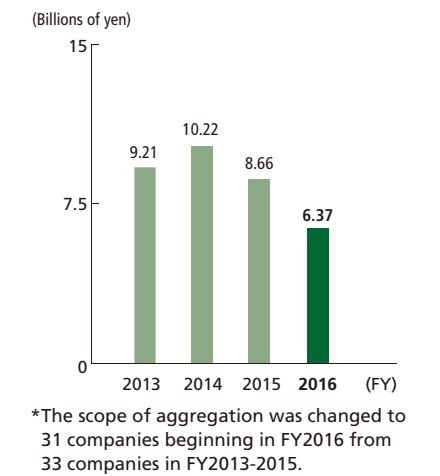
Patents held by the AISIN Group



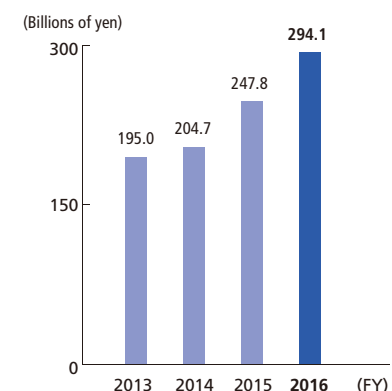
Environmental conservation costs (Total for 31 domestic Group companies)



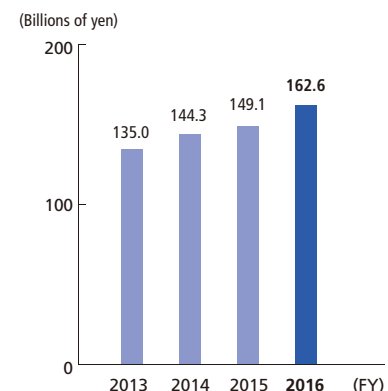
Effects of environmental conservation measures (Total for 31 domestic Group companies)



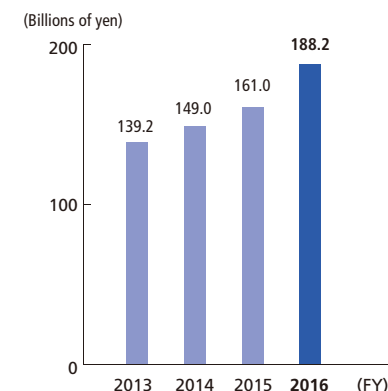
Capital investment



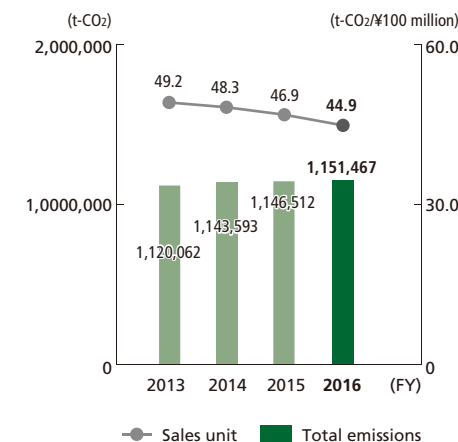
R&D expenses



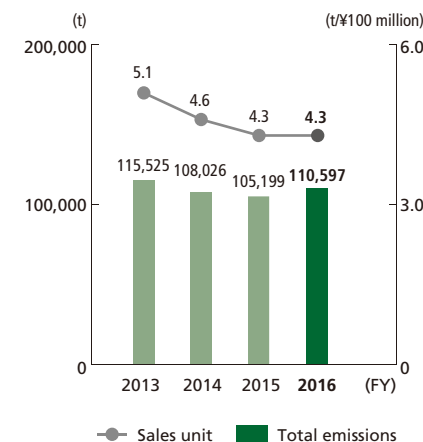
Depreciation and amortization



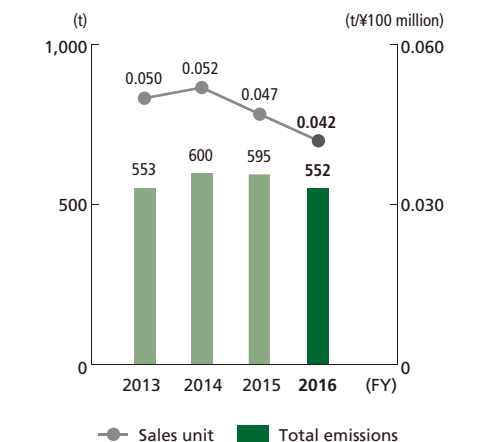
Total emissions of CO₂ per sales unit (From the Group's 11 main manufacturing companies in Japan)



Waste emissions per sales unit (From the Group's 11 main manufacturing companies in Japan)



VOC emissions per sales unit (From the Group's 11 main manufacturing companies in Japan)



Business Report for Fiscal 2016

During fiscal 2016, when we marked the major milestone of our 50th anniversary, the AISIN Group worked in unison and steadily achieved important results.

1 | Course of Business and Results

■ Business environment

During fiscal 2016, although the global economy continued to recover steadily thanks to increased personal consumption in North America and Europe, the pace of growth slowed in emerging countries beginning with China. In Japan, the economy recovered owing to such factors as an improvement in corporate earnings and an increase in personal consumption.

Despite a decline in unit sales of new cars in some emerging countries, the global auto industry was favorable overall due to growth in the volume of new car sales in the major markets of North America, Europe and China as well as a rise in unit sales of passenger cars in Japan.

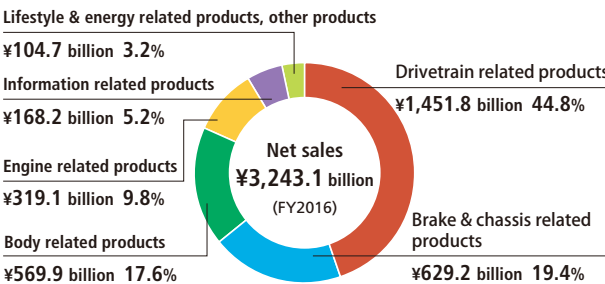
Under these conditions, in keeping with our aim of “developing further into a vital company capable of growing continuously,” the AISIN Group promoted a variety of initiatives focused on strengthening competi-

tiveness that included fortifying the Group’s competitive strengths, promoting the development of innovative technologies and reinforcing our *monozukuri* (manufacturing) capabilities.

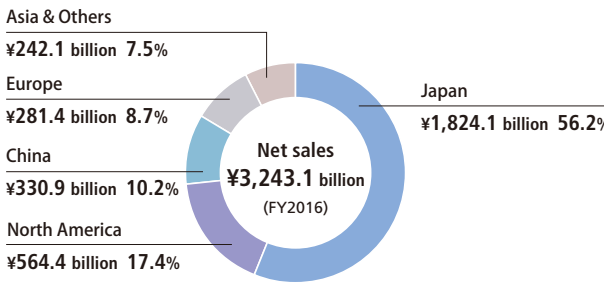
■ Review of business results

In fiscal 2016, net sales amounted to ¥3,243.1 billion (compared with ¥2,964.6 billion in the previous fiscal year) due to an increase in production volume by customer automakers in Japan and overseas. Despite an increase in R&D expenses for future growth and a rise in depreciation and amortization expenses, operating income reached ¥176.4 billion (compared with ¥166.1 billion in the previous fiscal year) as a result of activities for strengthening our profit structure that included promoting cost improvements. Ordinary income amounted to ¥186.8 billion (compared with ¥188.3 billion in the previous fiscal year) and profit attributable to owners of parent was ¥96.9 billion (compared with ¥77.5 billion in the previous fiscal year).

■ Sales breakdown by product category



■ Sales breakdown by geographical location



[Auto Parts Business]

■ Background and purpose of business restructuring

The AISIN Group has aimed for steady growth in global markets and has expanded its business with locations in various regions of the world. As a result, we have grown to become a Group that generates consolidated net sales of ¥3.2 trillion.

Nonetheless, in recent years the automobile industry has witnessed a dramatic advance in next-generation technologies, including innovations in powertrains and the progression of self-driving technologies. These trends have been accompanied by a further escalation of competition that includes the creation of new mega-suppliers through M&A and the entry of IT companies. Meanwhile, fierce price competition that also includes local suppliers is unfolding, primarily in emerging countries, where market growth is expected.

Amid these adverse changes in the environment, it is becoming increasingly difficult to survive in future global competition by relying on traditional frameworks for business focused on expanding scale. To achieve continuous growth, the AISIN Group must therefore secure true competitiveness for competing globally and shift toward high-quality growth that consistently generates profits. Acting on this recognition, we held repeated discussions on the best ways of attaining these goals. Ultimately, we decided to undertake

business restructuring in the Powertrain, Chassis & Vehicle Safety System and the Body Product domains and from November through December 2014 we exchanged basic agreements with each involved company.

■ Framework and state of progress of business restructuring

⇒ For details, refer to pages 9-10 in Message from Top Management.

■ Technology development

Needs in auto parts are evolving significantly in tandem with a diversification of lifestyles and values and a variety of technology innovations. As these changes unfold, we have deployed the AISIN Group’s wide-ranging resources to promote the development of new technologies based on our key themes of the environment and enhanced fuel efficiency, security and safety, and comfort and convenience.

■ Sales activities

Strengthening activities for expanding sales to overseas automakers

We promoted an expansion in sales to automakers in Europe and emerging countries by taking advantage of our strengths, namely our extensive product lineup and our high quality. In Europe, as in the previous year BMW once again used our FWD 8-speed automatic

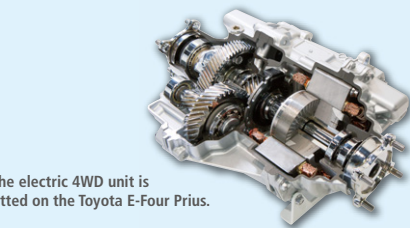
Technology Development Topics

Development of compact, high-efficiency transmission

We developed a compact, high-efficiency FWD 2-motor hybrid transmission that enhances fuel efficiency. By undertaking a fundamental review of the layout, which included changing the positioning of the motor mounting, we reduced total length by 10% and achieved a loss reduction of 20%.

Development of high-efficiency electric 4WD unit

⇒ For details, please refer to pages 22-23 in Group Highlight.

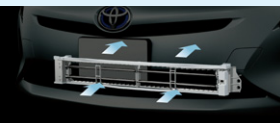


The electric 4WD unit is fitted on the Toyota E-Four Prius.

Environment and Enhanced Fuel Efficiency

Development of a grille shutter that contributes to engine warm-up and enhanced fuel efficiency

This grille shutter reduces air resistance through a rectifying effect under the floor. It also automatically opens the front shutter and cools the engine when the temperature of the engine cooling water is high; it closes the shutter and warms up the engine when the temperature of the cooling water is low.



Grille shutter opened



Grille shutter closed

Security and Safety

Development of high-function and low-cost Intelligent Parking Assist (IPA) system

Through enhanced space detection precision, the IPA system enables responses to a variety of parking situations that include parking lots with unmarked spaces, parallel parking in narrow areas and parking that requires climbing over curbs and other uneven areas. Also, by reviewing the configuration of the IPA system, we significantly reduced the price of the system.

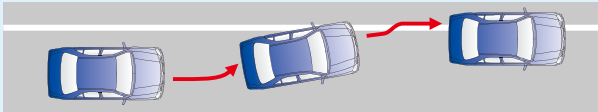
Development of advanced driving support system

We are promoting the development of technologies for advanced driving support systems with an emphasis on security and safety based on increased visibility and collision avoidance. We are progressing with the development of a variety of technologies in this field. These include an unconscious driver support system that uses a driver monitoring system to detect when a driver is unable to operate a vehicle after losing consciousness and then safely evacuates the vehicle to the shoulder of the road. Other technologies include a remote-controlled parking system that automatically parks vehicles in accordance with instructions provided from outside the vehicle, including from smartphones.

Unconscious driver support system



This technology detects any abnormalities with the driver based on facial direction and the degree to which the driver’s eyes are open and safely guides the vehicle to the road shoulder.



Details are provided here.



transmission in its new model vehicles. We also commenced business with Daimler for brake calipers. In emerging countries, Mahindra & Mahindra Limited of India adopted our FWD 6-speed automatic transmission and sunroof.

■ Strengthening our production structure Reinforcing our production structure for automatic transmissions

We made group-wide efforts to establish an efficient production structure for automatic transmissions, for which future demand is expected to grow. By fully utilizing the resources of the entire Group, we have established a fast and efficient supply structure for increasing future sales. Measures in this area include commencing production of automatic transmission parts at Aisin AI utilizing the technologies cultivated in the production of manual transmissions in addition to increasing and strengthening production capacity at Aisin AW, which serves as our main entity for development and production.

Strengthening our global production structure

We strengthened the production structure of each Group company to respond to growing demand globally. New companies established by ADVICS in Mexico, Brazil, the Czech Republic and South Africa began production of brake parts. Aisin Chemical increased and strengthened production capacity in the United States and China and commenced construction of a new plant in Thailand in preparation for an expansion of sales of wet friction materials. Meanwhile, Aisin Takaoka established a new company in Mexico for producing chassis parts such as disc rotors while Aisin Seiki established a new company in Mexico for manufacturing such body parts as door handles.

2 | Issues to Be Addressed

The AISIN Group will address the following four issues aimed at achieving continuous growth and increasing corporate value.

1. Strengthen Group competitiveness

Our recent business restructuring is just at the starting point. In the future, Group companies will share their orientations and leverage each company's strengths and distinctive features while striving to establish true competitiveness for competing globally. Specifically, using the recent business restructuring as a basis, we aim to firmly reap such positive results as strengthened cost competitiveness through increased business efficiency and an expansion in business through improved product appeal. In conjunction, we will build an efficient structure for increased production that maximizes the resources of Group companies as we expand the automatic transmission business that supports AISIN's company framework.

Moreover, from the perspective of optimizing the entire Group, we will promote both business and management reforms that include building business strategies, emphasizing the priority allocation of resources and streamlining administrative sections.

2. Strengthen the competitiveness of existing products

We aim to realize a strong profit structure that can also endure harsh operating environments, and to do so, we are working to strengthen the competitiveness of our existing products, which constitute the bedrock of our business operations. As we strive for efficient business development with established priorities for geographic regions, customers and products, we are promoting reforms to our manufacturing that integrate design, production technologies, plants and procurement. These efforts include pursuing the creation of original technologies, raising productivity and improving output levels, and carrying out bundled procurement. Additionally, we will work to realize appropriate fixed costs such as development expenses, capital investment and personnel expenses from a company-wide perspective.

3. Create new value in anticipation of the next generation

We will solidify our underlying foundation by strengthening the competitiveness of our existing products as well as focus on generating new business and creating new products to secure future growth potential. In the auto parts business, we will marshal the Group's technologies and resources and carry out advanced development of next-generation products that anticipate future needs such as powertrain electrification and self-driving. Also, we are striving to cultivate business that will become the second pillar of our operations and will therefore strengthen and expand our energy-related businesses and after-market businesses. Concurrently, we will take on the challenge of creating new products and businesses that uncover the latent needs of end users.

4. Reinforcing our management foundation

As our business extends across the globe, solidifying the foundation of our corporate management is a major prerequisite for achieving continuous growth through business activities deeply rooted in each region. Therefore, we will make unprecedented efforts to create safer workplaces, beginning with the prevention of disasters and accidents, as well as to carry out environmental protection activities, such as reducing CO₂ emissions and waste materials, and thoroughly implement compliance. With "Quality First" as our basis, we will provide reliable quality in accordance with the ways customers use our products in countries worldwide. Leveraging all our corporate activities as a base, we will foster a corporate culture in which each and every employee can work energetically and demonstrate his or her creativity and self-initiative regardless of nationality, gender or age.

These tasks are not something that can be attained overnight. In keeping with the slogan "Do what you want to do to make tomorrow better," all employees will share goals and energetically take on new challenges as we aim to be a "vibrant company that possesses true competitiveness and proposes new value."

Technology Development Topics

Development of touchless power back door system that enhances convenience in closing and opening doors

This system helps raise convenience in closing and opening doors by enabling the back door to be automatically opened by merely placing a hand over the emblem when holding a smart key.



Comfort and Convenience

[Life and Energy Related Business]

Initiatives for raising recognition levels for the ASLEEP brand

⇒ Please refer to the Column on page 8.

Details are provided here.



ENE-FARM TYPE S fuel cell cogeneration system for residential use undergoes model change

We thoroughly reviewed the materials and equipment specifications to realize the industry's highest generating efficiency and smallest equipment body while significantly reducing cost. The smaller size of the equipment body has reduced limitations on installation space, which enables installation in condominiums and other types of multi-dwelling housing complexes.



Taking on the Challenge of Developing the World's Best Products

Development of Electric 4WD Unit through Strengthened Group Collaboration

Aisin Seiki, Aisin AW and Aisin AI have collaborated in the joint development of an electric 4WD unit. This drive unit is installed in the new model E-Four Prius, which is earning praise for being a dependable "Lifestyle 4WD" as well as a "4WD usable for ordinary driving" in areas with heavy snowfall and cold weather. Through the advanced integration of their unique, combined technologies the three companies successfully developed this compact, lightweight and low-cost unit. Moreover, the quick progress and commercialization of this unit has significantly broadened the possibilities for group-wide collaboration.

Electric 4WD Unit Represents a New Concept in Four-Wheel Drive

In January 2016, efforts to strengthen collaboration within the AISIN Group led to a major breakthrough when three companies—Aisin Seiki, Aisin AW (AW) and Aisin AI (AI)—jointly developed an electric 4WD unit. In contrast to conventional 4WDs used for extreme

driving in mountainous regions and on rough roads, this electric 4WD unit was developed based on a new concept of providing safe and comfortable driving by activating when the vehicle starts to move forward in areas with heavy snowfall and cold weather and for low-speed driving on extreme grades.

Yuki Tojima
General Manager
Powertrain Products Division
Powertrain Systems Development
Department
Aisin Seiki Co., Ltd.

The new electric 4WD unit has three main features. First, the motor and differential gear are installed in the same axial line, and a two-axis structure with a reduction gear has been adopted to realize a compact unit. Second, to completely eliminate drag resistance when operating with front-wheel drive, a rear-wheel drive induction motor with no permanent magnetic force was adopted to cut energy loss when operating using front-wheel drive. Third, we adopted a new structure that can reduce oil-stirring loss caused by the rotation of the gears and motor inside the unit. These features contrib-

uted to the successful debut of the new-model E-Four Prius that pursues high fuel efficiency and comfort despite being a 4WD vehicle.

In undertaking the collaborative effort, Aisin Seiki handled the development project coordination and the housing that encases the unit, AW was responsible for the induction motor and AI handled the reduction gears.

Yuki Tojima of Aisin Seiki's Powertrain Products Division, Powertrain Systems Development Department explains the efforts required during development to solve several difficult issues, noting, "We sought to ensure the safety of a 4WD vehicle operating on snow-covered roads and frozen road surfaces during winter while raising fuel efficiency and curbing costs during other seasons."

Yoshihisa Yamamoto of AW's Technology Division comments: "AW is well known as a manufacturer of automatic transmissions. Besides these products,

however, we also develop and produce original hybrid transmissions, gears and motors. Our motor development and technological competencies played a huge role in the recent development of the electric 4WD unit."

Yuichi Fukuhara of the Technology Coordination Department of AI, which handled the reduction gears, adds, "I was confident we could contribute significantly by deploying our strong manual transmission development technologies, which are AI's forte, together with our precision gear technologies that assure quiet driving."

Three Companies Share Goals and Passion and Leverage Their Strengths

The three companies began joint-development efforts in March 2011. Reflecting back on that time, Yamamoto recalls: "A new technology center was completed at AW, which happens to be situated midway between the three companies. To undertake joint-development projects, we set up a structure enabling engineers from all three companies to be permanently stationed at the center. With the establishment of this structure, along with focusing on technologies, we were able to proceed with development as we shared our goals and passion."

This project skillfully blended the features and strengths of the technologies of the three companies and proceeded smoothly. "Although AW was able to fully leverage its strengths in motor development and production, AI's manual transmission technologies and its unique ideas, which we ourselves lacked, in fact helped us immensely," Yamamoto explains. "Induction motors represented an entirely new challenge for us and successfully developing a compact high-performance induction motor has instilled us with confidence."

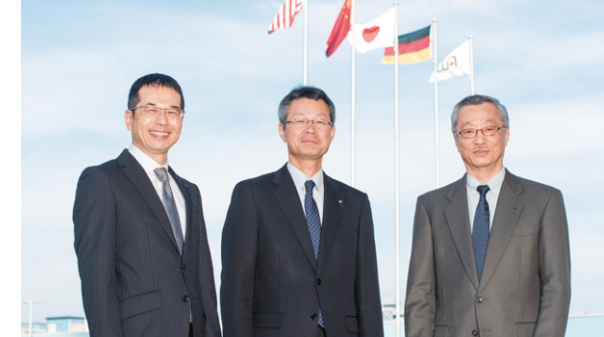
Fukuhara notes, "In developing two-shaft parallel gears, we are currently using mass-produced parts and processing methods to reduce costs, and I'm also proud that we contributed to the realization of quietness and successful evaluation tests."

"We were able to simultaneously proceed with the development of the entire unit and individual parts as well as undertake reviews and adjustments and this contributed to shortening development times and lowering costs," Tojima proudly points out. "Even though all three companies had an abundance of

unique attributes, I think it's truly meaningful that we were able to undertake the project smoothly in a variety of areas utilizing



Yoshihisa Yamamoto
Officer
Engineering Division
Aisin AW Co., Ltd.



the experiences gained from our collaboration to the present."

Tojima adds: "We could operate and evaluate a test vehicle integrating the unit at Aisin Seiki's proving ground in Toyokoro-cho, Hokkaido. This not only helped speed development but raised reliability and the degree of perfection." As testimony to its high acclaim, the E-Four accounts for a large portion of the volume of orders for the new-model Prius in Hokkaido.

An Era of Full-Fledged Group Collaboration has Begun

"It was a real pleasure for engineers involved in this project to produce results that were far more satisfying than any hardships we encountered, which was made possible by mobilizing the unique attributes of the three companies," Yamamoto recounts. "I think engineers themselves achieved growth not only by joining forces but also by competing against each other."

"This joint development also created more synergies than we had originally envisioned," says Tojima, "such as broadening our knowledge in totally new fields."

By combining the abilities of the three companies, there is no doubt we clearly produced results that exceeded the expectations of customers in such areas as compactness, weight savings, fuel efficiency, and costs. On top of this, the project served as a major springboard for further raising and vigorously deploying collaboration in the future.

Undeniably, our achievement in this recent joint development sets the stage for the AISIN Group to compete in this field globally. The successful completion of the project, which focused on the trend toward electrification technologies in powertrains and on system products rather than separate components, will surely provide a major incentive for engineers who are currently strengthening competitiveness at the three companies and at other companies throughout the Group. Other Group development bases spanning regions across the world are also expected to proceed with the development of a number of products recognized by customers.

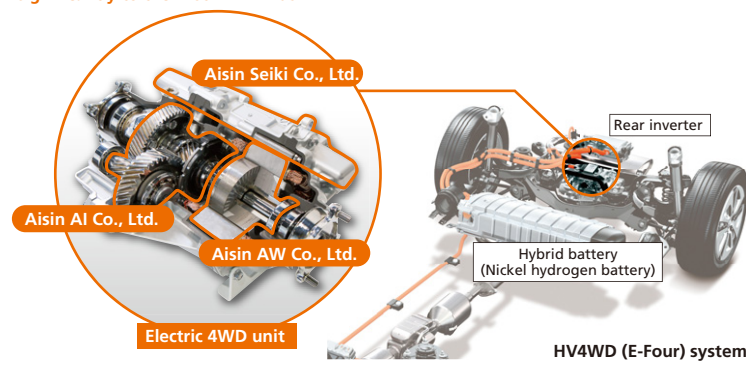
The electric 4WD unit has contributed to the creation of new appeal for the latest-model Prius. We will accelerate efforts to solidify collaboration within the AISIN Group and expect that further growth and development will be a symbol for the integration of technological strengths.

Yuichi Fukuhara
Technical Administrative
Managing Department
Aisin AI Co., Ltd.



Electric 4WD Unit

The development of a unit through collaboration in the AISIN Group contributed significantly to the first 4WD Prius.



AISIN Group CSR

Aiming to Become an Irreplaceable Global Partner

The AISIN Group strategically develops corporate activities in accordance with its Principles of Corporate Behavior, the code of conduct established in January 2010, as a means of fulfilling its Corporate Social Responsibility (CSR). Initiatives are also being carried out under the AISIN Way, established in April 2007, which conveys the values and behavioral principles to be shared among current and future AISIN generations.

Additionally, under the AISIN Group VISION 2020 formulated in April 2012, we aspire to become “a role model of CSR around the world” by implementing and promoting initiatives and establishing specific action plans.



To further promote management that emphasizes CSR, *AISIN Group Report 2016* incorporated reporting that draws upon the seven core themes of ISO 26000, an international standard that provides guidance on the social responsibility of organizations.

24 AISIN Group CSR

- 25 Organizational Governance
- 28 Human Rights and Labor Practices
- 36 Environment
- 48 Fair Operating Practices
- 52 Consumer Issues
- 54 Community Involvement and Development

Organizational Governance

The AISIN Group places importance on developing fair and highly transparent management activities and is striving to strengthen organizational governance as a corporate citizen trusted by all stakeholders.

CSR Management

AISIN Group CSR activities contributing to the sustainable development of society and the earth

We believe that CSR is an essential aspect of corporate governance as the cornerstone that underpins the stable long-term growth of the AISIN Group. To put that into practice, we have established the Aisin Group Principles of Corporate Behavior, outlining our commitment to the sustainable development of society and the earth as a whole, and to developing and maintaining sound relationships with all of our stakeholders. These principles form the basis for a wider range of CSR activities.

We also extend these principles not only in Japan but also to overseas Group companies in light of the circumstances in respective countries and regions.

The Aisin Group Principles of Corporate Behavior are introduced via the AISIN Group CSR website.

Principles of Corporate Behavior



English poster

Chinese poster

Implementing corporate principles through education and enlightenment

The AISIN Group has formulated and is promoting the Guidelines in Compliance with Social Responsibility to provide concrete behavioral standards for all employees to fulfill the Aisin Group Principles of Corporate Behavior.

These guidelines have a Q&A section for each of the seven principles defined under the Aisin Group Principles of Corporate Behavior, namely Safety and Quality, Compliance, Disclosure of Information and Communication, Human Rights and Labor, Environment,

Corporate Citizenship Activities and Top Management Leadership. This document serves to ensure that these principles are both easily understood and accessible in a booklet that is distributed to all employees.

Additionally, to promote employees’ awareness of CSR and encourage business practices with CSR in mind, training (for employees) and management training (for managers) are conducted as part of rank-specific training programs. Training for members of top management is also conducted at overseas locations, instilling an understanding of the AISIN Way and further promoting CSR activities globally.

Top management training

We hold training for managerial-level employees at overseas locations.



Establishing committees to promote CSR activities

The AISIN Group has also established committees within Aisin Seiki tasked with addressing the interests and concerns of all stakeholders, including the Business Ethics Committee, the Risk Management Committee, the Company-wide Environmental Committee, the Export Trade Control Committee and the Central Safety and Health Committee.

These committees monitor activities inside the Group in accordance with their respective topics and report on the results to the Board of Directors in seeking to improve relevant corporate activities.

Corporate Governance

Aiming to operate with fairness and transparency

AISIN strives to develop amicable relations with all stakeholders amid its steady growth and expansion over the long term in order to maximize its corporate value. To achieve that, we believe that maintaining fair and highly transparent management activities is of paramount importance in our role as a good corporate citizen trusted by the international community. We are committed to enhancing corporate governance through measures such as appointing three outside directors and actively complying with the Corporate Governance Code, which the Tokyo Stock Exchange has brought into effect as part of a long-term strategic initiative implemented by the Japanese government.

■System

Aisin Seiki has adopted the Audit & Supervisory Board system and has established a General Meeting of Shareholders, Board of Directors and Audit & Supervisory Board as statutory bodies.

●Board of Directors

The Board of Directors meets once a month and is responsible for overseeing the execution of business operations and passing resolutions on important management matters.

●Audit & Supervisory Board

The Audit & Supervisory Board is comprised of five members, including three external Audit & Supervisory Board members. Together with monitoring the execution of duties by directors, Audit & Supervisory Board members monitor the status of affairs in respective business divisions to ensure that management and the execution of business operations are being carried out properly.

Improvement and strengthening of the internal control system

Aisin Seiki is strengthening measures based on the Basic Policy Concerning the Establishment of Internal Control, which was approved by a resolution of the Board of Directors.

Specifically, after formulating activity policies through committees such as the Business Ethics Committee, the Risk Management Committee, the Company-wide Environmental Committee, the Export Trade Control Committee and the Central Safety and Health Committee, employees are educated on these policies through guidance and training. Aisin Seiki then carries out monitoring by committee members and internal auditing to verify the effectiveness of such activities through *genchi genbutsu* (go and see for yourself).

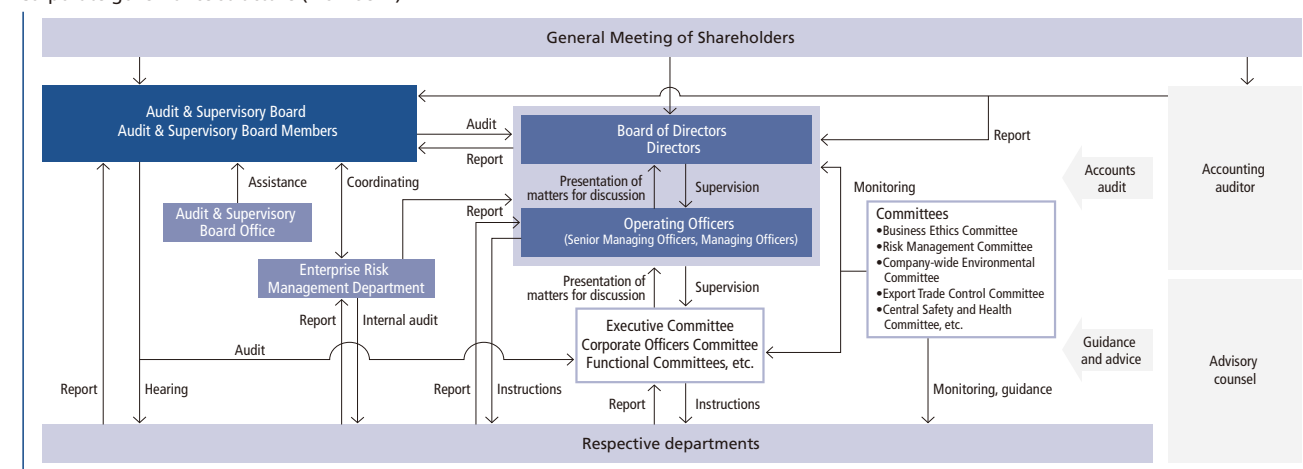
This series of activities is implemented on a global basis through meetings among AISIN Group companies and information sharing between functional departments. Additionally, a summary of all activities geared toward improving and strengthening internal controls is reported at a meeting of the Board of Directors held at the end of the fiscal year to verify the adequacy of these initiatives.

Global audits and risk management

The AISIN Group identifies risks that could have a serious impact on its corporate operations. Group companies collaborate globally to strengthen the risk management system and enhance measures to prevent risks from materializing. The goal is to create a company with a strong resistance to risk.

In response to the rapid globalization of business, we convene the Managing Officers Conference, comprised of auditors and risk management officers from the six core Group companies. Initiatives are led by the Enterprise Risk Management (ERM) Department as the supervisory department in charge of auditing and risk management. The ERM Department confirms risks and issues that are common throughout the AISIN Group. Information is shared to ensure that countermeasures are effectively

Corporate governance structure (Aisin Seiki)



implemented. AISIN also regularly convenes the Practical Business Conference and the Liaison Conference consisting of persons in charge of auditing and risk management at the 13 main Group companies including Shiroki Corporation from fiscal 2017, as we work to improve and standardize

our capabilities in this area.

Looking ahead, Aisin Seiki intends to further encourage cooperation within the Group and undertake integrated activities that combine auditing and risk management steadily and from a global perspective.

Dialogue with Stakeholders

Promoting CSR management through dialogue with stakeholders

The AISIN Group promotes CSR activities by placing an emphasis on dialogue with our stakeholders, including customers, shareholders and investors, suppliers, employees and local communities.

Example of Aisin Seiki



Customers

Main customer contact point: Customer Support Department

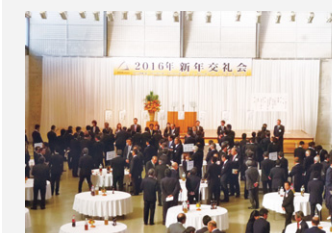
Through its Customer Support Department, Aisin Seiki strives to respond promptly, accurately and politely to customer inquiries regarding its lifestyle related products, including sewing machines and beds.



Shareholders and Investors

Main contact point: Finance & Costing Department

In addition to holding presentations on business performance and the announcement of financial results on a quarterly basis, we appropriately respond to individual interviews in a timely manner. Presentations on business results are also held for overseas investors in respective regions in Europe, North America and Asia.



Suppliers

Main contact point: Purchasing Planning & Administration Department, Materials & Machinery Purchasing Department, Purchasing Group of Planning Department in respective product divisions

In order to promote collaboration with suppliers throughout the Group, the six core Group companies take a lead and hold a New Year's party, technical exchange meetings and other gatherings.



Employees

Main contact point: Human Resources Management Department

Effective communication is promoted at respective workplaces based on reporting and consultation in daily operations and meetings. We value the input and opinions of all employees and have implemented measures such as rank-based meetings, workplace interviews with supervisors and subordinates and an employee awareness survey to better gauge their feedback. Newsletters are also issued as a key means of disseminating information to employees and their families.



Local communities

Main contact point: General Administration Department

We are developing community-based social contribution activities unique to the AISIN Group at locations in Japan and overseas.

Human Rights and Labor Practices



In developing its business globally, the AISIN Group complies with international standards related to human rights and labor practices, as well as laws and regulations of respective countries and regions, while striving to create workplaces that are enjoyable and satisfying.

Respect for Human Rights

Basic policy regarding respect for human rights

Under the AISIN Group Principles of Corporate Behavior, we established the basic policy of respecting employees' human rights: "We respect the character, individuality and diversity of our employees and provide a safe, enjoyable and productive work environment in order to help them achieve a balanced and fulfilling life."

Additionally, the AISIN Way clarifies values and behavioral principles to be shared among the Group that are timeless and global. Furthermore, the Guidelines in Compliance with Social Responsibility provide specific behavioral principles so that all Group employees may realize the principles of corporate behavior. They also indicate appropriate examples of behavior with regard to human rights and labor by making clear statements prohibiting forced labor and child labor, thereby establishing action guidelines that are essential for developing businesses on a global basis.

Education on respect for human rights

In addition to respecting employees' basic human rights, the AISIN Group conducts human rights education on various occasions, affording employees the ability to take actions.

Human rights, particularly fair hiring practices and assurance of equality, must be taken into consideration in all aspects of corporate activities.

In fiscal 2016, Group companies participated in the largest training seminar on human rights in Aichi Prefecture. Hosted by Aisin Seiki, the seminar included a lecture on fair recruitment practices, given by an official of the Aichi Labor Bureau. Through these efforts, the entire Group worked to increase its awareness of fair hiring practices and respect for human rights.

As one of our rank-specific training initiatives, we provide human rights training for employees at various stages of their careers, including when they enter the company and when they receive job promotions, ensuring a continual focus on and awareness of respect for human rights.

Training recipients regarding human rights (Aisin Seiki)		(Persons)		
	FY2014	FY2015	FY2016	
Newly appointed managers	176 (100%)	191 (100%)	192 (100%)	
New hires	296 (100%)	351 (100%)	472 (100%)	
Temporary hires	70 (100%)	43 (100%)	69 (100%)	
Mid-career hires	149 (100%)	137 (100%)	56 (100%)	

Figures in parentheses show training recipients as a percentage of personnel targeted for training.

Human rights training

We implement training on corporate activities and human rights.



Stable Employment

Basic stance

In order for the AISIN Group to provide stable employment, we need to become and remain a corporate group that is valued by society. We believe that each and every employee's active participation and personal growth will contribute to our achieving sound and sustainable business growth, which in turn will lead to stable employment over the long term.

Activities from a CSR perspective

In order for the AISIN Group to perpetually exist in the international community, it is essential that we fulfill our responsibilities as a corporate citizen. In this respect, the AISIN Group strictly observes international rules and various laws and regulations of respective countries and regions in which we operate.

In terms of ensuring stable employment, we have created a packaged manual that standardizes the AISIN Group's basic stance and systems concerning personnel and labor affairs. By globally promoting the formulation of measures based on this manual and on laws and regulations of respective countries and regions, we are

striving to reduce related risks and build sound labor-management relations.

Human Resources Development

Supporting the growth of each person by respecting individuality

At the AISIN Group, we are committed to developing human resources who are capable of viewing matters from a broad perspective and possess the diverse range of values needed to play an active role globally irrespective of gender, nationality or age. For example, we have set out educational programs and provide education and training based on the AISIN Way, which emphasizes respect for the individuality of our employees so that they can make the most of their abilities, as stated in our Guidelines in Compliance with Social Responsibility. To ensure that employees continue to find their work rewarding, we also implement initiatives such as devising suitable career plans for each individual and expanding areas of activity.

Development of global human resources

We are continuing to accelerate global human resources development in line with the AISIN Group's rapidly expanding global business. We are promoting three separate initiatives at Aisin Seiki, specifically top management training for local personnel aiming to secure management or executive positions at AISIN locations around the world; an overseas employee exchange system designed to develop young local employees at AISIN locations around the world; and a training program aimed at assigning young employees in Japan to overseas locations so that they can gain skills through on-the-job training (OJT).

Nurturing technical personnel in the Group

We continue to work together to strengthen educational capabilities for local technical personnel throughout the AISIN Group and in line with global expansion.

At the Aisin Technical Academy, an in-house, live-in training institute to cultivate future leaders of manufacturing operations, staff members who have entered the AISIN Group in Japan and trainees dispatched from overseas take a year of study to increase their practical technical skills. Trainees from 24 locations in 10 countries have graduated from the academy and are playing key roles at overseas subsidiaries in supervisory or technical capacities. In fiscal 2016, 30 trainees from China, Taiwan, Indonesia, Thailand, Mexico, the United States,

Top management training

Featuring a business course and a policy course, the aim of this training is to raise the capabilities of managerial-level staff so that overseas subsidiaries can operate more independently. This education also ensures that managers have an understanding of the AISIN Group's values and behavioral principles and are able to make appropriate decisions. In fiscal 2016, 17 persons took the business course targeted at management personnel and eight persons took the policy course.

Overseas employee exchange system

We accept local personnel from other countries for a period of one year, with the aim of improving the operational capabilities of young key employees at overseas subsidiaries, particularly in emerging countries, and promoting internationalization among employees working at the head office. We accepted 16 staff, including 15 from China, India and Thailand, and one additionally from Mexico in fiscal 2016, and are planning to accept 25 staff in fiscal 2017.

Overseas training program for young employees

Aimed at developing Japanese employees capable of playing a key role across borders, this program overseas business experience based on OJT. We assigned 17 employees to this program in fiscal 2016 and are planning to assign 30 employees in fiscal 2017.

I was sent to Aisin Automotive Ltda. in Brazil and engaged in many operations other than those of my own. This helped me expand my view. After returning home, I have more opportunities to deal with overseas counterparts, and the experience has allowed me to work from a more global perspective, respecting the other parties' culture and common practices.

Takehito Kita
Human Resources
Management Department,
Aisin Seiki Co., Ltd.



Canada and Turkey gained practical skills and graduated from the academy.

In fiscal 2017, we will accelerate development of technical personnel who can be active throughout the Group on a global basis by accepting additional trainees from overseas subsidiaries in China and Thailand.

Technical personnel education

We implement practical education at production sites.



Passing on knowledge and skills required of production staff

Previously, the knowledge and skills specific to each workplace had been conveyed in the form of “implicit” knowledge passed on to supervisors from their predecessors and depended heavily on their individual experiences and discretion. Different workplace culture and skill levels of supervisors had caused quality, cost and delivery (QCD) to vary. In seeking to achieve true globalization, we transformed rules that should be observed and actions that should be taken by technical personnel into “explicit” knowledge and started providing AISIN Basic Seminars in 2014. In these seminars, supervisors instill the explicit knowledge in trainees with thorough, on-site guidance, along with ideas behind the knowledge (why certain things must be done). We have thus set up a system and framework to pass on Aisin-style skills and have started implementing the same system and framework to our bases in and outside Japan as well as to Group companies.

Learning lessons from our predecessors

On April 1, 2016, we opened the Aisin Densho-kan (Educational Center), which provides education on quality, safety and fire prevention.

The aim of the center is to encourage employees to learn from our past failures, think about these failures as if they have happened to their task or role and take a lesson to heart that we should not repeat the same mistake. This aim is incorporated into various educational programs to raise employees’ awareness through repeated learning.

Quality Learning Zone

We intend to raise quality awareness and improve work quality by encouraging employees to learn our past approaches to attaining “Quality First,” as stipulated in our corporate principles, and by continuing to pass on lessons learned from past product defects as an important asset.

Safety Learning Zone

Using example cases of past work accidents, we nurture human resources who have high safety sensitivity and can protect themselves and their co-workers.

Fire Prevention Learning Zone

A fire that occurred in the Kariya Plant of Aisin Seiki in 1997 caused destruction and inconvenience. We foster awareness for fire prevention and safety initiatives in order to prevent future fire emergencies or similar disasters.

Developing vibrant human resources and workplaces

To develop further into a vital company capable of growing continuously as we look ahead to the next 50 years, the AISIN Group focuses on the development of a pleasant and vibrant workplace culture. As an example, Aisin Seiki holds a management study session every March to raise the capability level of management in each workplace and consequently develop vibrant human resources and workplaces. At the study session, all executive officers and department heads within Aisin Seiki as well as representatives from Group companies and overseas subsidiaries discuss issues in workplaces based on the analysis results of employee awareness surveys. The outcome of the discussion is reflected in activities to invigorate workplaces in the next fiscal year.

TOPICS AISIN Relay Race

A total of 534 teams, including seven teams from 21 overseas subsidiaries, participated in the annual AISIN Relay Race in fiscal 2016. More than 12,500 people, either as runners or supporters, fully enjoyed the event, feeling the importance of forming ties within the AISIN Group.



Harnessing a Diverse Range of Human Resources

Promotion of diversity

The AISIN Group regards the promotion of diversity as an important management strategy in developing further into a vital global corporate group capable of growing continuously.

In the coming years, more employees, both male and female, will only be able to work in a limited capacity due to nursing care and other reasons in addition to child care.

In enabling employees to demonstrate their capabilities to the fullest in every life stage, we are working to create an appropriate work environment as well as a workplace culture and framework to enable employees to actively take on new challenges in their work. By proactively promoting diversity management, we intend to increase productivity, spur innovation and achieve a level of competitiveness that will allow us to prevail over global competition.

Aisin Seiki has set up a regionally limited training course in Japan for employees in managerial positions to reflect on and encourage a work-life balance. To engage each workplace in the task of promoting diversity, Aisin Seiki has also established the Iku Boss Academy as an additional effort to nurture management-level employees in achieving both a work-life balance and higher productivity.

Promoting more active roles for female employees

To enable female employees to take advantage of career opportunities at Aisin Seiki, and continue working in rewarding positions, we support career development and work-life balance.

At Aisin Seiki, the Kirari Project, a project undertaken with commitment by top management by female employees selected from across the company to promote more active roles for women, is leading efforts to create a more comfortable working environment and better job satisfaction while energetically working to identify issues and countermeasures by collecting feedback and ideas from each workplace.

This project has already led to the launch of a career development training program and a mentor system to assist female employees in building their careers. As another initiative under the project, we rolled out a Career Development Program for Women (CDP) designed to foster individualized development of female employees by encouraging them to gain experience in a systematic manner to achieve a step higher goal. To foster an understanding of this matter among all employees, we disseminate information on our initiatives and systems related to the promotion of women’s more active roles via e-mail newsletters.

Work-life balance support

At the AISIN Group, we provide an environment in which employees can choose from a wide range of work styles according to their individual life stages. We promote initiatives to create an environment that makes it easier for employees to strike a balance between their lives at work and at home. At Aisin Seiki, in particular, we will launch a telecommuting system and short working hour system for family care in fiscal 2017 to further enhance our measures to support employees’ work-life balance and encourage the use of available systems. We are also providing parenting support to male employees and expanding leave options for the purpose of child care as a means of increasing their awareness and engagement in raising children.

TOPICS

Iku Boss Academy initiative to achieve both a comfortable working environment and job satisfaction

Activities of the Kirari Project, a project to promote more active roles for women, have resulted in the launch of the Iku Boss Academy in September 2015. The academy, established under the idea that supervisors hold the key to success in achieving a work-life balance of both male and female subordinates, intends to increase the number of supervisors (“Iku-Bosses”) who are supportive of the life and career of each subordinate, capable of improving their own work-life balance and able to attain business performance. It is a one-year, experience-based learning program targeting representatives selected from each functional and product division. “Students” mainly engage in issue-solving activities that encompass management designed to achieve a work-life balance and higher productivity as well as providing support to subordinates’ career development.

Iku-Bosses seek advice from other Iku-Bosses and experts for problems and challenges they encounter in

their activities and translate the advice into action. Findings and good practices that have been obtained by repeating this process are disseminated to all managers.

In February 2016, Aisin Seiki received an Aichi Prefecture Family-Friendly Company Award and Aichi Iku Men and Iku Boss Supporting Company Award from the Aichi prefectural government in recognition of Iku-Boss role models and accomplishments in creating a more comfortable working environment.



Iku Boss Academy



Receiving awards from Aichi prefectural governor Hideaki Omura

[Measures to shorten work hours]

To encourage a work-life balance, concerted measures are taken between the management and employees with the aim of increasing the acquisition of shortened working hours and annual paid holidays.

- Annual work hours
Target: 2,100 hours by the end of fiscal 2018

[Work-life balance support system]

In addition to improving systems stipulated by laws and regulations, the AISIN Group establishes systems in order to further balance work and life.

<Examples at Aisin Seiki>

- Telecommuting system
Allows employees in administrative or engineering positions having a child aged eight or younger as of April 1 to work a part of or full day from home.
- Short working hour system for child care
Allows employees having a child aged eight or younger as of April 1 to reduce work hours in accordance with the age of the child.
- Parental leave
Until the child reaches the age of 18 months or until the end of the fiscal year (March 31) in which the child reaches the age of one
- Family-care leave
Maximum of three years
- Short-term family-care leave
Allows employees to take a leave of 10 days a year for one person requiring nursing care or a leave of 20 days if there are two or more persons requiring nursing care.
- Anshin (secured) holidays
Employees can carry over up to 20 days of unused annual paid leave to cover personal illness or nursing care.

Promotion of diversity (Aisin Seiki)		(Persons)		
		FY2014	FY2015	FY2016
Female		1,467	1,492	1,723
	Percentage versus regular employees	10.92%	10.97%	11.68%
Re-employment after retirement		413	413	405
	Percentage versus all employees	2.50%	2.37%	2.38%
Persons with disabilities		192	195	216
	Percentage versus all employees	2.07%	2.04%	2.08%
Foreign nationality		119	124	133
	Percentage versus regular employees	0.89%	0.91%	0.90%

Number of female employees hired and number of females in managerial positions (Aisin Seiki)		(Persons)		
		FY2014	FY2015	FY2016
Employment (regular)	Administrative staff*1	6 (17.1%)	4 (11.4%)	11 (23.4%)
	Engineer*1	7 (5.0%)	7 (4.9%)	22 (13.1%)
	Technical and skilled worker*1	7 (6.3%)	11 (7.7%)	15 (7.9%)
	Clerical worker	11	30	30
Number of persons in managerial positions*2		23 (1.4%)	32 (1.8%)	39 (2.1%)

*1 Figures in parentheses show the percentage of females versus the number of employees hired.
*2 Figures in parentheses show the percentage of female employees in managerial positions.

Number of employees using parental and family-care support systems (Aisin Seiki)		(Persons)		
		FY2014	FY2015	FY2016
Parental leave	Female	83	74	115
	Male	4	5	11
Family-care leave	Female	0	2	1
	Male	2	2	3
Short working hour system for child care (*Number of people who have used the system more than once)	Female	192	263	314
	Male	46	72	100
Short working hour system for child care (Registrants)	Female	209	292	332
	Male	306	387	483

* Number of persons taking parental and family-care leave is calculated based on the year in which the leave has started.

Average length of service (Aisin Seiki)		(Years)		
		FY2014	FY2015	FY2016
Overall		15.1	15.4	14.8
	Male	15.5	15.8	15.3
	Female	11.6	12.2	11.1

Average overtime worked (Aisin Seiki)		(Hours/month)		
		FY2014	FY2015	FY2016
Overall		36.7	35.9	36.1

Annual paid leave taken (Aisin Seiki)		(%)		
		FY2014	FY2015	FY2016
Overall		96.3	97.7	98.1

Creating a workplace in which persons with disabilities can thrive

On the basis of an approach rooted in the concepts of “normalization and harmonious coexistence,” the AISIN Group is developing a working environment in which persons with disabilities can thrive and work with a sense of satisfaction. We hold regular consultation sessions at each plant to respond to concerns related to work and their daily lives and are actively promoting activities such as improving the workplace environment. The Group holds training sessions for managers and supervisors in the workplace so that they are better able to comprehend the situation of and give advice to persons with disabilities. Education and other relevant training are conducted for the workplaces that employ persons with disabilities. We also exchange information as necessary with Group companies. The aim is to work out solutions to current issues and establish an operating structure that includes individual affiliates.



* Revised legally required employment rate to 2.0% from April 2013

Re-employment after retirement

The AISIN Group establishes 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. While observing relevant laws and regulations, we re-employ all interested personnel.

The six core Group companies are introducing the Power Up Seminar, which seeks to improve the abilities of employees who wish to be re-employed. This seminar targets all regular employees who have reached the age of 55, which is five years before reaching the retirement age, and is aimed at promoting a widespread understanding of employment systems, identifying individual career paths and strengths and supporting various aspects such as creating individual study plans for the future. We are also working to increase motivation for re-employed individuals through initiatives such as establishing technical legacy coaching sessions aimed at passing on the advanced skills of re-employed individuals and by introducing a new retirement benefit system. Looking ahead, we will undertake an overhaul of our re-employment systems in order to further expand the re-employment of retirees.

Employee Safety and Health

A core principle of placing safety and health above all else

Based on the core principle of placing safety and health above all else, the AISIN Group continually strives to enhance the safety and health of all employees.

[Action Plan]

Promotion of workplace environment improvement with the highest priority on safety and health

[Three-Year Growth Phase Policy 2015-2017]

Share the perception throughout the entire AISIN Group that safety and environmental efforts are the lifeblood of continued business operations of a corporate group.

[FY2016-2018 Company-wide Policy]

Instill safety and environmental awareness and appropriate behavior, and achieve thorough compliance.

Aspiring to be the world’s most safety-conscious corporate group

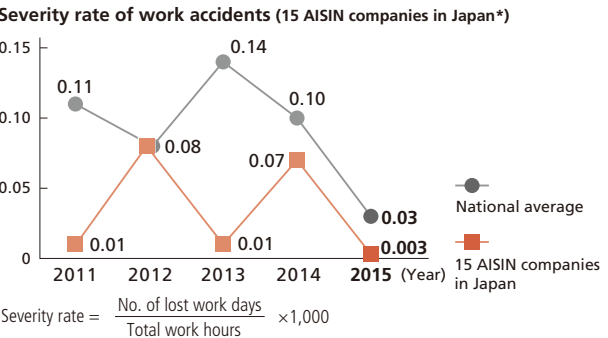
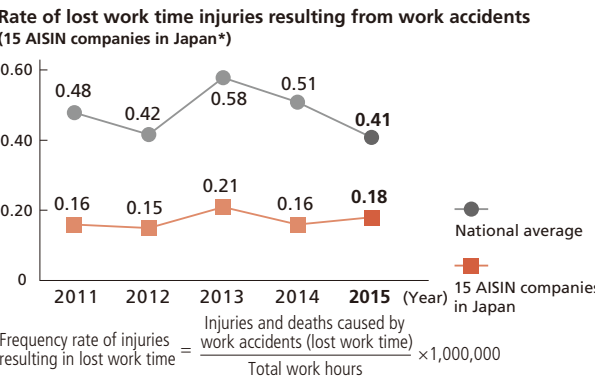
Fifteen Group companies in Japan* are retaining a frequency rate and severity rate of work accidents that is well below the national average for the industry.

In fiscal 2016, we continued to work on activities aimed at eliminating hazards by reviewing serious

accidents in the past, including cases where employees were caught between or in machinery, and by performing on-site inspections to confirm that countermeasures have been fully implemented and maintained.

In 2015, following a serious accident involving a supplier, which occurred in July at a plant of the AISIN Group, we started a new initiative to eliminate serious accidents in plants, while extending its scope from employees to outside contractors, material suppliers and on-site subcontractors.

The AISIN Group aspires to be the safest corporate group in the world, and to firmly establish a safety culture, will promote relevant occupational health and safety activities by further improving education, training and activities to enhance awareness.



* 12 main Group companies + Aisin Tohoku, Aisin Kyushu, Aisin Hokkaido

Achieving zero work accidents

We have had a standard safety slogan in place across the entire AISIN Group since fiscal 2014: “Follow the guidelines, protect yourselves and protect your co-workers.” In fiscal 2016, we dedicated July 1 as the first day of Safety Week and as the date for the ALL AISIN Safety Declaration, in which we organized activities aimed at raising safety awareness throughout the Group and



ALL AISIN Safety Declaration Day

simultaneously appealed to employees at our 12 main Group companies to comply with safety requirements.

Initiatives at respective companies and regions

The 12 main Group companies have been developing *Kodawari* (“commitment”) activities toward improving safety and health suited to the characteristics of each company to eliminate accidents through STOP 6^{*1}. As part of our activities at overseas locations, in 2015 we established the China Safety and Environmental Specialist Liaison Committee consisting of employees engaging in safety and environmental activities in the China region. Efforts have been facilitated as we commenced integrated activities throughout the region by implementing priority tasks and exchanging information through the committee.

China Safety and Environmental Specialist Liaison Committee



Case report

From 2016 and beyond, we will set up similar organizations in each country in Oceania and South America and facilitate locally rooted safety and health activities on a global scale. Among affiliated companies other than the 12 main Group companies, we have also formed the AISIN Affiliated Company Consolidated Safety and Health Liaison Committee, and its membership has increased from 14 companies up until 2014 to 20^{*2} in 2015. In fiscal 2016, the committee focused on activities designed to eliminate hazards that could cause serious accidents, such as employees getting stuck or caught in equipment.

^{*1} STOP 6: Six worst causes of serious accidents in the Toyota Group (1. caught between machinery, 2. contact with heavy objects, 3. contact with vehicles, 4. falls, 5. electrocution, 6. contact with high temperature objects)
^{*2} Aisin Seiki, Aisin Tohoku, Aisin Kyushu, Aisin Kyushu Casting, Aisin Hokkaido, Saitama Kogyo, Kotobuki Industry, Aichigiken, Yamagata Clutch, Sinsan, Konan Kogyo, Hekinan Unsou, Sanetsu Unyu, Aisin Collabo, Aisin ComCruise, Aisin Infotex, IMRA Material R&D, Aisin Cosmos R&D, Technova and FT Techno

[Activity Details of 12 Main Group Companies]

Aisin Seiki	Eliminate accidents involving anyone working on premises Roll out safety activities, encompassing employees as well as outside contractors, material suppliers and on-site subcontractors, to identify tasks prone to accidents and promote communications.
Aisin Takaoka	Prevent accidents through comprehensive and targeted efforts Use moveable fences as a means of preventing a fall into melting furnaces and reduce overall risks through process isolation. Compile points to be kept in mind in preventing employees from getting stuck or caught in equipment into the 12 Basic Rules of Safety and undertake activities to enable each employee to understand the background and meaning of each key point and act accordingly. Organize the Aisin Takaoka Safety and Health Cooperation Committee among about 100 outside contractors, transportation companies and on-site subcontractors and mutually upgrade safety activities to prevent accidents in plants.
Aisin Chemical	Reducing risks in back-office departments and of non-work related accidents Conduct a monthly AC roller campaign; identify sources of equipment-related hazards in response to the occurrence of a non-work related accident; identify sources of hazards in other departments and implement counter-measures; deploy a lock-up and emergency stop device to prevent equipment activation by third parties; complete the installation of the device in main control panels of 687 equipment; and conduct two training sessions on emergency shutdown procedures in production lines of Aisin Chemical products.
Aisin AW	Launching a plan to cultivate safety-oriented culture Have an external agency perform a safety diagnosis to clarify the strengths and weaknesses of Aisin AW and initiate a plan toward building a safety-first corporate culture.
Aisin Keikinzoku	Raising awareness and reforming behavior to predict hazards and protect oneself Increase safety awareness by providing simulation-based hazard education to all employees and build a system of safety activities cooperation by improving the quality of safety instructors who provide safety guidance and perform safety audits in and outside the company.
Aisin Development	Working with partner companies to facilitate safety activities Raise safety awareness of every employee through joint safety activities with partner companies to ensure on-site safety and security. Eliminate unsafe practices through warning calls, increase safety awareness and hazard sensitivity through experience-based safety education and make sure to conduct a risk assessment following a change in work processes.

Aisin Kiko	Developing safety-conscious personnel, implementing thorough improvements Develop safety-conscious personnel and implement thorough improvements, mainly through prevention of similar accidents by identifying issues in each past accident and by leveraging safety patrols, mutual checks in the workplace and increased communications.
Aisin AI	Working to eliminate similar accidents Eliminate accidents during the handling of equipment failures or other irregularities by encouraging employees to take 10 seconds to predict hazards before initiating irregularity handling procedures, providing training on warning calls in joint tasks and performing practical-level skill evaluations.
Aisin Sin'ei	Re-acknowledging that “safety first” is the company’s top priority and policy Perform a monthly safety patrol by top management of all on-site operations (by employees, outside contractors, subcontractors and suppliers) to confirm the safety status of each plant. Check actual procedures for hazards in order to encourage employees to understand the seriousness of safety-related issues. Accelerate improvements and become a company with zero accidents where everyone can work within a safe environment and with a sense of security.
Aisin AW Industries	Three-year safety promotion activities for creating a safety-first culture Ensure the safety of equipment (by conducting risk assessments as early as from the design stage), create a workplace in which employees freely voice their opinions (by utilizing a communication board) and foster personnel who can observe rules (through increased safety awareness by thoroughly conducting emergency shutdown procedures).
Hosei Brake Industry	Creating a safety-first culture through workplace improvements Create a safety-first culture through workplace improvements mainly by increasing safety education to management-level employees and relevant departments, and by means of safety patrols.
ADVICS	Providing education on irregularity handling procedures to managers and supervisors Establish a system of “protecting your workplace by yourself” by assigning the task of handling irregularities to all supervisors.

Mental health care activities for employees

At Aisin Seiki, we believe that the foundation of mental health care is building a vibrant work environment where employees are sound in body and mind and problems can be discussed freely. Based on this thinking, we strive to foster strong people and develop a high level of awareness regarding mental health and we are building systems to achieve both. The purpose of these systems is to enable the quick discovery and quick response to any mental distress and provide primary care, secondary care and tertiary care. Primary care is promoting an understanding of mental health through self-care education targeted at all employees in their second year of employment. Secondary care consists of providing mental health early intervention training to managers and supervisors (line care training) to improve the ability to notice distress early within the workplace, operating internal consultation services and enlisting the support of industrial physicians as necessary. Tertiary care consists of the operation of the Return to Work Trial, a system for supporting the return of employees to their workplaces aimed at the prevention of recurrence. In fiscal 2016, 208 employees participated in mental health early intervention training. We also provided support as part of a Return to Work Trial from both workplace and healthcare perspectives. Around 89% of participants successfully returned to their workplaces.

Return to Work Trial

The level of recovery is confirmed before participants return to work.



Safeguarding the health of employees – “Well-Center”

The AISIN Group conducts regular physical exams of its employees to monitor, maintain and enhance their health. The Well-Center demonstrates a commitment to supporting employee efforts to improve their health. The center is leading our efforts to enhance our health management system and undertake mental health countermeasures.

Consultation room at the Well-Center

For conducting interviews or medical examinations by a physician





Through our business activities designed to ensure coexistence with society and nature, we are contributing to the creation of a sustainable society in which people live in harmony with the environment well into the future.

Environmental Policy

AISIN Consolidated Environmental Policy

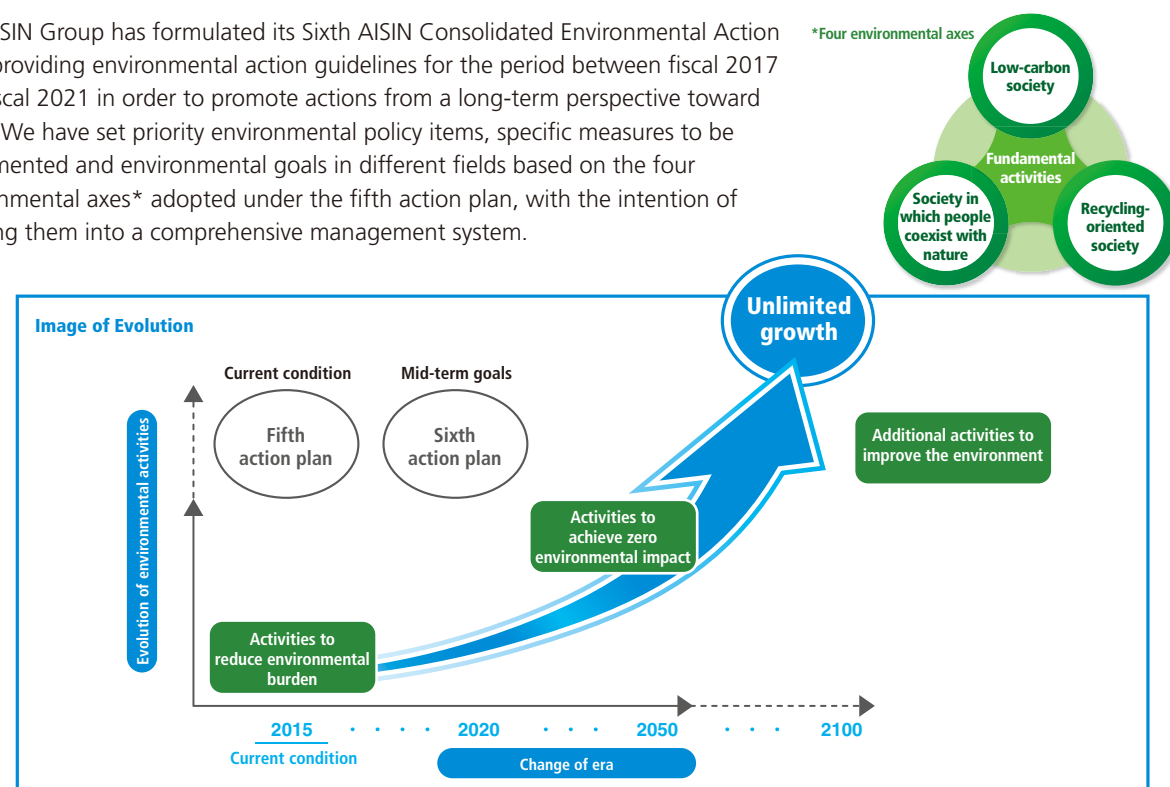
In order to realize AISIN's business ideals, which are based on "Quality First," our approach is rooted in how we can benefit society and our customers, making constant improvements and placing importance on each individual. Through business activities centering on MONOZUKURI (manufacturing expertise in value-added products), we contribute to the creation of a sustainable society in which people can coexist in harmony with the environment far into the future.

1. Establish annual policies based on a long-term vision and carry out continuous improvement and periodical review of the environmental management system toward achieving targeted objectives all over the world.
2. Promote efficient environmental management linking to original operations, through the sharing of information with the government, customers, local communities, suppliers and our employees, as well as cooperation with consolidated companies.
3. Promote innovative technology, enrichment of facilities, greater and more enlightened training and awareness by investing adequate management resources.
4. Promote the development of new earth-friendly products and technologies that take life cycle into account as well as environment-friendly manufacturing.
5. In addition to conformity with international standards, laws and regulations and pollution control agreements stipulated by respective countries, establish voluntary standards in an effort to prevent pollution.
6. Minimize usage and waste through resource and energy savings, procurement of materials with minimal environmental impact, logistics streamlining and expansion of recycling activities and other initiatives.
7. Promote global nature and environmental conservation activities.

We are undertaking initiatives in environmental management by ensuring the full awareness and understanding of this policy among all our employees working at business sites worldwide, along with actively disclosing the status of such activities.

Long-term perspective toward 2050

The AISIN Group has formulated its Sixth AISIN Consolidated Environmental Action Plan, providing environmental action guidelines for the period between fiscal 2017 and fiscal 2021 in order to promote actions from a long-term perspective toward 2050. We have set priority environmental policy items, specific measures to be implemented and environmental goals in different fields based on the four environmental axes* adopted under the fifth action plan, with the intention of evolving them into a comprehensive management system.



Four areas of evolution and priority policy items with a view to 2050

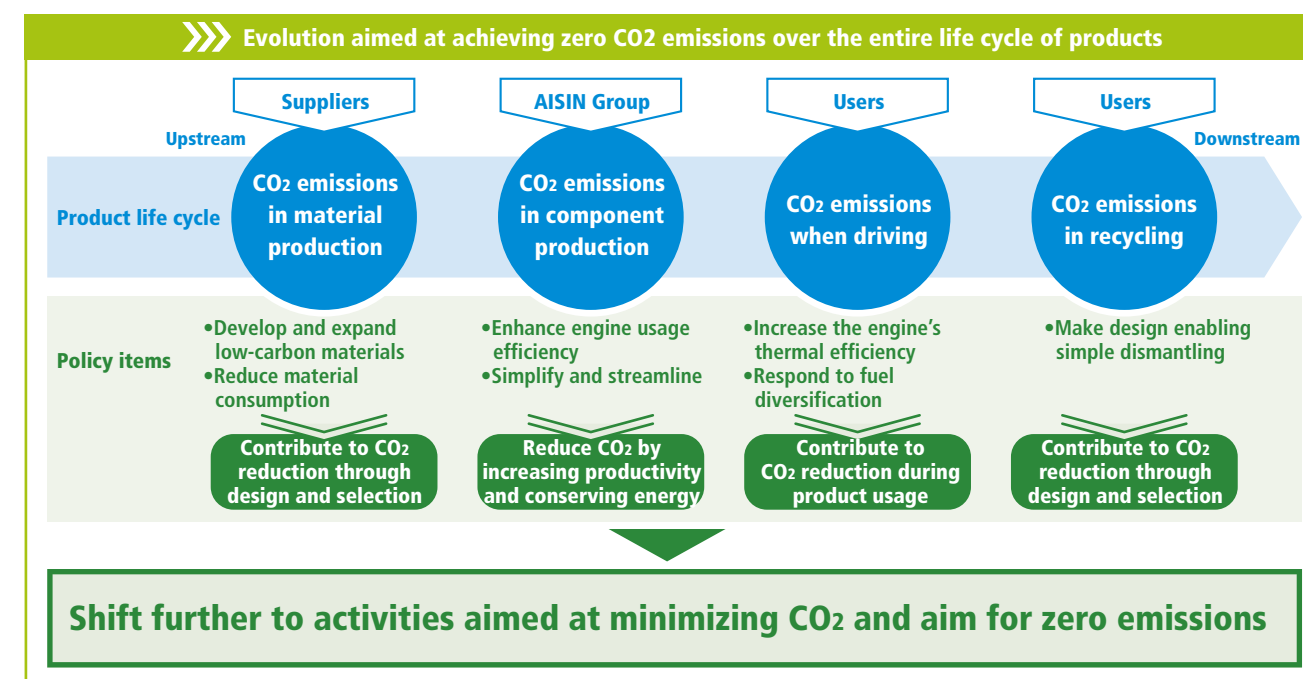
The AISIN Group seeks by 2050 **evolution aimed at achieving zero CO₂ emissions over the entire life cycle of products**, from production and use to waste disposal. By doing so, we believe that it is possible to establish a sustainable society in which people live in harmony with the global environment. The AISIN Group is prepared to mobilize all its business resources to help establish such a society.

For **evolution aimed at achieving zero environmental impact**, we will make effective use of resources and promote recycling as before, and we will also begin activities for using precious water resources to mitigate increasing global risks posed in particular by water shortages and water contamination.


For **evolution aimed at promoting harmony with nature**, we will further expand and link activities that we have been implementing, including ecosystem protection, preservation of rare species, tree-planting, study of living creatures and environmental learning together with local communities and Group companies.


For **evolution aimed at globalizing management and communication**, we will enhance cooperation within the AISIN Group on a global basis and deepen communication with customers and local communities in an effort to raise our level of environmental management.


Environmental axes	Priority policy items
Establishment of a low-carbon society	Evolution aimed at achieving zero CO₂ emissions over the entire life cycle of products See diagram below <ul style="list-style-type: none"> •Promotion and expansion of development of new functional components that can contribute to significant reduction of CO₂ emissions •Establishment of a clean energy factory system and manufacturing under such system
Establishment of a recycling-oriented society	Evolution aimed at achieving zero environmental impact <ul style="list-style-type: none"> In addition to measures to reduce waste materials: •Effective use of water resources and promotion of recycling
Establishment of a society in which people coexist with nature	Evolution aimed at promoting harmony with nature <ul style="list-style-type: none"> •Adoption of a regional program aimed at preserving biodiversity and sharing of best practices
Fundamental activities	Evolution aimed at globalizing management and communication <ul style="list-style-type: none"> •Establishment and operation of a system to evaluate the consolidated global environmental management system (EMS)



Priority Measures and Goals of the Sixth Environmental Action Plan

Environmental axes	Evolution	Measures	Implementation items, goals				
 Establishment of a low-carbon society	Reduction of CO2 emissions to zero over the entire life cycle of the product, from manufacture and use to disposal	1 Promotion and expansion of development of products with new functions for substantial reduction of CO2 emissions	Development of auto parts for clean-energy vehicles (PHV and FC) Development of high-performance powertrains and technologies to increase fuel efficiency by making car bodies lighter Development of next-generation energy systems (use of fuel cells and biofuels) Development of environmentally friendly products (buildings, household goods and others) that reflect the characteristics of each business field, and acceleration of development of such products				
		2 Increased transparency of factors that become environmental load	Application of life cycle assessment (LCA), which evaluates the environmental performance of products at all stages, from manufacturing and use to disposal, to all products, and group-wide promotion of LCA				
		3 Reduction of CO2 emissions from production [Overseas] Establishment of a CO2 reduction system similar to the one currently in place for domestic operations [Domestic] Maintenance and continuation of the current high-level CO2 reduction system	Promotion of CO2 reduction through daily improvement activities and introduction of energy-saving technologies, and all-out efforts to reduce energy loss through the utilization of waste heat and prevention of leakage of such heat Application of domestic energy-saving measures and technologies to global operations Reduction of CO2 emissions through the shared use of an energy management method Reduction of CO2 emissions through a cut in defective products, which results in materials being reduced				
		4 Establishment of an "AISIN clean-energy factory" and its operation	Introduction of innovative energy-saving technologies and use of renewable energy sources at model factories Formulation of a roadmap for applying a clean-energy system to overseas factories Active use of renewable energy sources and energy-saving technologies at existing factories				
		5 Enhancement of transportation efficiency in distribution activities [Overseas] Improvement of a CO2 reduction system in line with expanding overseas operations [Domestic] Continuation of improvement activities through the shared use of specific CO2 reduction methods (improvement know-how)	Joint transportation, improvement of load rate and expanded use of transportation means with less environmental impact Extraction of cases in which greenhouse gas emissions can be reduced in inter-region distribution activities (from Japan to overseas areas) and formulation of a roadmap for implementing reduction measures under such cases Grasping of situation regarding distribution-related CO2 emissions in each country				
			Reduction coverage	Scope of business operations covered by reduction efforts	Item	Base year	Goal
			CO2 emissions from production	Global operations (Consolidated CO2 emissions from domestic and overseas production)	CO2 emissions per sales unit	FY2010	20% cut
			Reduction coverage	Scope of business operations covered by reduction efforts	Item	Base year	Goal
			CO2 emissions in distribution	Domestic consolidated subsidiaries Overseas companies	CO2 emissions per sales unit	FY2010	11% cut
					Grasping of results		

 Establishment of a recycling-oriented society	Zero environmental load	6 Effective use of metallic resources during the development stage and all-out efforts to promote recycling	Reduction of use of metallic resources and promotion of design aimed at improving the rate of reuse Grasping of information regarding constraints on procurement of metallic resources and risks of depletion of such resources, and promotion of response action based on know-how accumulated under the previous implementation framework				
		7 Promotion of recycling of resources in production and distribution, and consequent reduction of the use of resources [Production] Promotion of intra-Group recycling of materials [Distribution] Reduction of packaging materials [Overall] Shared use of recycling methods and all-out intra-Group efforts to promote such methods	Development of recycling technologies to be applied to all AISIN Group companies and promotion of such technologies Transformation of used resources into valuable resources through mutual consignment between Group companies Reduction of use of packaging materials Application of waste-reducing methods and technologies used domestically to global operations				
			Reduction coverage	Scope of business operations covered by reduction efforts	Item	Base year	Goal
				Domestic consolidated subsidiaries	Discharge per sales unit	FY2010	28% cut
			Waste materials	Overseas companies	Management of intensity figures by each company	FY2016	5% cut
		8 Effective use of water resources and all-out efforts to promote recycling of water resources	Stabilization of region-to-region water supply, setting of the standards used to evaluate the safety of water discharge and implementation of such evaluation Setting and observance of goals used to reduce water consumption in response to each region's situation Establishment of a reasonable system to grasp water consumption Development and introduction of technologies to reduce consumption of water resources and recycling (water-saving and wastewater-recycling technologies)				
			Reduction coverage	Scope of business operations covered by reduction efforts	Item	Base year	Goal
			Water	Areas where there are many constraints	Grasping information on region-by-region safety of water resources by FY2018 and setting numerical targets for FY2021 concerning such safety		

Environmental axes	Evolution	Measures	Implementation items, goals				
 Establishment of a society in which people coexist with nature	Harmony with nature	9 Advanced action ahead of the official enforcement of regulations of harmful chemical substances contained in products	Effective curbing of chemical substances that become environmental load ahead of the official enforcement of regulations of such substances to ensure comparative advantage of AISIN products Sharing of information on regulations enforced in each country concerning chemical substances and establishment of a global system to respond to such regulations Active response action against environmental regulations imposed on exports from foreign countries, with the aim of expanding shipments to newly emerging countries				
		10 All-out efforts to prevent abnormal environmental situations	Establishment of a global "horizontal" system to obtain information on abnormal environmental situations Activities to enhance awareness of environmental issues through holding the "KYT" environmental training*1 globally Formulation of AGES*2 and its global application to enhance prevention of abnormal environmental situations				
		11 Reduction from production of chemical substances that become environmental load [Overseas] Establishment of a reduction system similar to the one that is currently in place for domestic operations [Domestic] Maintenance and continuation of the current high-level reduction system	Applying know-how used in Japan to reduce environmental impact to overseas business bases for its diffusion in overseas operations Reduction of the use of harmful chemical substances prior to moves by authorities to regulate such substances and possible effects on the surrounding environment Continued development of VOC-reducing technologies (establishment of a VOC-free production system, reduction of VOC use and reduction of VOC discharge)				
			Reduction coverage	Scope of business operations covered by reduction efforts	Item	Base year	Goal
			VOC	Domestic consolidated subsidiaries Overseas companies	Discharge per sales unit	FY2010	19% cut
					Grasping of results		
		12 Implementation of regional programs aimed at preserving biodiversity	Devising and publication of AISIN Group biodiversity guidelines Continuation of biodiversity activities by the AISIN Group and expansion of areas of such activities Regional efforts to protect and breed endangered species Protection of ecological systems through "Aisin no Mori" forest-making and tree-planting at AISIN factories, and promotion of regional interchange				

 Fundamental activities that cover all themes		13 Reinforcement of environmental compliance through the establishment of a system to centralize the collection of relevant information	Establishment of a system to share information on overseas infrastructure and relevant law revisions Establishment of a system to centralize the collection of compliance information Establishment and operation of a system to evaluate compliance observance in each region				
		14 Establishment and operation of a global consolidated EMS evaluation system	Focused environmental assessment activities by regional environmental committees and vitalization of such activities Establishment of standard environmental evaluation systems in each region Promotion of standardization in environmental management Continued promotion of activities aimed at enhancing evaluation systems through environmental assessment Establishment of a global mutual assessment system				
		15 Reinforcement of environmental management regarding supply chains and promotion of environmental activities in collaboration with suppliers	Revision of AISIN Group Green Procurement Guidelines Expansion of the scope of fields covered by such guidelines Continued support of suppliers to help them implement environmental measures through environmental inspections and sharing of relevant information				
		16 Reinforcement of environmental education to develop globally competitive human resources	Production of teaching materials used by all AISIN Group companies in environmental-related activities and environmental education using human development programs Development of globally competitive human resources with expertise in each environmental field				
		17 Promotion of social contribution activities in the field of the environment in cooperation with local communities	Shared use and promotion of regionally implemented social contribution measures in establishing a global management system, and dissemination of regional social contribution efforts to wider areas Efforts to enhance understanding by local young people of AISIN's social contribution activities through entry-level education offered at factories				
		18 Enhancement of communication with various stakeholders in the field of environment	Further information disclosure regarding the environment Continued publication of AISIN Group reports and brochures Setting of communication guidelines by the AISIN Group regarding the environment Continued exchanges with local communities through events such as regional informal meetings Promotion and public release of uniform environmental activities at all AISIN business bases both in Japan and abroad on various occasions including World Environment Day				
		19 Worldwide management of office environment	Promotion of activities to enhance awareness of the environment Declaration by the AISIN Group to promote environmental activities in the primary business area and efforts to disseminate the Group's environmental contribution to the general public Application of energy-saving technologies introduced at domestic business offices to global offices				

*1 Environmental KYT: Training aimed at enhancing detection and prevention of abnormal environmental situations
*2 AGES: Aisin Global Environmental Standards

Priority Actions and Results of the Fifth Environmental Action Plan

Environmental axes	Function-related	Specific actions and goals	FY2012-2016 results	Page
Establishment of a Low-Carbon Society	Development and Design	① Promotion of development/design of products oriented for a low carbon society	■ Expansion of eco certified products based on eco-product certification system ● 11 products, including a home-use sewing machine, gas heat-pump (GHP) air conditioner, shower-toilet seat and automotive components Action 1	▶ P.41-42
	Production	② Thorough commitment for reduction of greenhouse effect gases at offices and global development of the commitment Region AISIN Group Item Amount of emission per amount of sales Target 12% reduction compared to FY2008	■ Production-related action example Action 2 Action 3 ● Horizontal rollout of improvements in energy conservation across Group companies, and establishment of target management of energy reduction amount 5-year amount of energy reduced: 20,000t-CO ₂ ● Sharing of know-how focused on energy-intensive processes (dissolution, heat treatment, etc.) ● Sharing information via conferences and launch of cross-industrial factory tours Evaluation ○ FY2016 Target 12.8% reduction FY2016 Result 19.2% reduction	
	Logistics	③ Thorough commitment for reduction of greenhouse effect gases during distribution and global development of the commitment Region AISIN Group Item Amount of emission per amount of sales Target 13% reduction compared to FY2009	■ Logistics-related action example ● Increase in AISIN Group joint transport to distant places ● Promotion of elimination and consolidation of routes ● Reduction in consumption of fuel owing to improvement in loading ratios through appropriate assignment of vehicle class ● Education on eco-driving and implementation of practices Evaluation ○ FY2016 Target 11.1% reduction FY2016 Result 12.8% reduction	
Establishment of a Recycling-oriented Society	Development and Design	④ Promotion of development/design of products oriented for a recycling-based society	■ Product-related action example ● Product design featuring recyclability (FINE REVO series) ● Eco-product assessments for over 90% of key products through extension of such assessments to Group companies Action 6	▶ P.43
	Production and Logistics	⑤ Thorough utilization of resources at offices and during distribution and global development of the commitment Region AISIN Group Applicable Items Wastes Item Amount of emission per amount of sales Target 17% reduction compared to FY2008	■ Production-related action example Action 4 Action 5 ● Continuation of horizontal rollout of action examples of reduction in waste to each company and extension of lifespan of effluent, and all-out efforts for waste reuse ● Reduction in material weight for packaging used in logistics, improvement in storage efficiency and promotion of use of returnable container boxes for overseas Evaluation ○ FY2016 Target 28.4% reduction FY2016 Result 35.6% reduction	
	Sales	⑥ Expansion of new businesses which contribute to the cyclic use of resources	■ Resource recycling action example ● Establishment of sales structure for rebuilt parts for automatic transmission ● Operation of commuter buses using biofuels and supply of power to eco centers	
Establishment of a Society in Which People Coexist with Nature	Development and Design	⑦ Enhancement of management of environmentally hazardous materials contained in products	■ Compliance with legislation in key countries, including EU CLP regulations and REACH regulations ● Anticipation of trends in legislation, and establishment and refinement of a system to formulate and replace materials as response	▶ P.44
	Production	⑧ Thorough commitment for elimination of environmental risks and reduction of emission of environmentally hazardous materials and global development of the commitment Region AISIN Group Applicable Items VOC* ¹ Item Amount of emission per amount of sales Target 31% reduction compared to FY2008	■ Reduction of VOC emissions ● Reduction through promotion of anti-scattering production technologies and introduction of removal and recovery equipment ■ Activities to thoroughly reduce environmental risk ● Formulation of PDCA guidelines to prevent environmental abnormalities and accidents as well as prevent recurrence and follow-up on the progress of improvements made throughout Group companies from a stricter standpoint Evaluation ○ FY2016 Target 30.7% reduction FY2016 Result 57.9% reduction	
	Harmony with Society	⑨ Cross-group development of regional symbiotic activities which contribute to biodiversity	■ Protection of local living organisms ● Implementation of environmental protection activities such as for rare species of plants in the Mikawa, Hokuriku and Kyushu regions Action 7 ● Creation of landscape that blends in with the surroundings (biotope and farm) Action 8	
Fundamental activities that cover all themes	Management	⑩ Enhancement of global environmental management system	■ Establishment of environmental management in Japan and overseas ● Establishment of regulations based on consolidated EMS manual ● Improvements in assessment (auditing) levels at domestic and overseas bases 77 of 82 applicable companies achieved level B ● Introduction of environmental management system (A-GLOBE) at all domestic bases and start of introduction at overseas bases ● A total of 2,810 people nurtured as internal auditors through group-wide EMS training ● Establishment of a safety and environmental promotion system in each region (Europe, China, Oceania) Action 9	▶ P.45-46
		⑪ Promotion of environmental practices through cooperation with suppliers	■ Promotion of environmental activities with business partners ● Comprehension and inspection of environmental level at key suppliers based on Green Procurement Guidelines	
		⑫ Enrichment and promotion of ecological education	■ Improvement in environmental skills ● Systematic fostering of human resources via environmental education (basic education, specialized education and rank-based education) ● Implementation of awareness-raising activities in Environment Month and Energy Conservation month, etc. (awareness slogans, posters, etc.)	
		⑬ Enhanced dissemination of technologies and know-how of environmental management by communicating with external sources	■ Contribution to auto parts industry ● Promotion of activities by Japan Auto Parts Industries Association's Environmental Committee	
	Communication	⑭ Enrichment and global development of community-based activities which contribute to the environment/society	■ Protection of natural environment in surrounding areas ● Implementation of activities to beautify areas around factories and sales sites in connection with local events ● Implementation of activities to increase greenery such as tree- and flower-planting	
		⑮ Implementation of proactive environment related communication	■ Collection of opinions on and disclosure of environmental information ● A total of 1,117 people participated in the AISIN Group Consolidated Environmental Symposium Action 10 ● Holding of local roundtable discussions in regions with production sites (Toyota, Kariya, Nishio, etc.) ● Issuance of AISIN Group Report 2015 ● Release of Ecotopia News on our website providing information on seasonal eco-related activities, including photos	

* Volatile Organic Compounds (VOC): Chiefly refers to manmade synthetic substances that can easily be released into the atmosphere at room temperature and under normal pressure.

Establishment of a Low-carbon Society

Aiming to contribute to the prevention of global warming

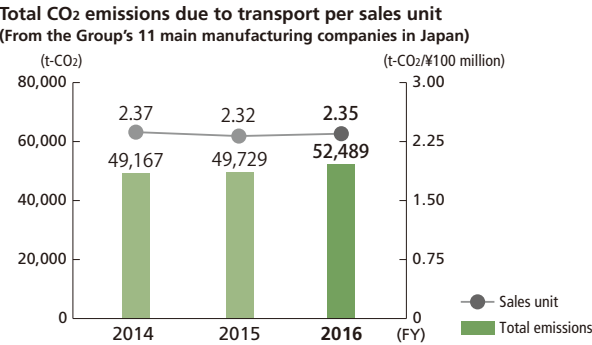
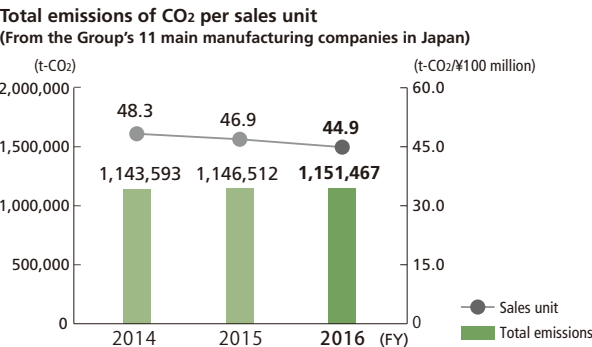
The AISIN Group is committed to preventing global warming and is promoting activities aimed at creating a low-carbon society in the development of product technology, production activities and shipping.

Targets and results of reducing CO₂ emissions

The AISIN Group set the target of a 12% reduction in CO₂ emissions on a per sales unit basis by fiscal 2016 versus fiscal 2008. In an effort to achieve this target, we established energy supply in conjunction with production and shared action examples from respective companies, particularly in the area of power conservation in production equipment, and factored these components into our reduction plan.

As a result of these initiatives, we reduced CO₂ emissions by 19.2% on a per sales unit basis at 11 main manufacturing companies in Japan* in fiscal 2016, thus achieving our target.

* Of the 12 main companies in Japan, refers to the 11 manufacturing companies excluding Aisin Development, a non-manufacturing company



Emissions of non-CO₂ greenhouse gases
(From the Group's 11 main manufacturing companies in Japan) (t-CO₂)

	FY2014	FY2015	FY2016
HFCs	162	157	4,175
SF ₆	5,497	4,302	11,400

* Figures for FY2016 have been revised according to global warming potential (GWP) values.

Initiatives to reduce CO₂ in the product life cycle

AISIN Group companies proactively set themes for CO₂ reduction in production for fiscal 2016 and worked to make improvements, namely activities aimed at enhancements using energy data and accumulating knowledge on heat in addition to the horizontal deployment of examples of CO₂ reduction from each company.

In product design, we conducted assessments of environmental load for over 90% of developed products in each stage of the product life cycle, from the procurement of the raw materials we use through to manufacture, use and disposal. This way, we endeavored to develop products with minimal CO₂ emissions.

In terms of reducing CO₂ in transportation, we bundled goods from the AISIN Group, particularly for customers far away, expanded joint transportation and enhanced load efficiency, which led to a reduction in the number of trucks needed.

Initiatives in fiscal 2017

The AISIN Group will promote activities toward the achievement of our targets while enhancing energy management amid efforts to expand the scope of our reduction targets globally by 2020.

Group company action highlights

Development of rechargeable lithium-air batteries enabling driving for at least 500km

IMRA Material R&D Co., Ltd., which handles research and development of advanced technologies, has shown that the "ultimate battery" is within reach with the rechargeable lithium-air battery after challenging various technical challenges in collaboration with the state and university. The battery is gaining attention as a post lithium-ion battery.

Electric vehicles can be driven for 500km with the 100kg battery system, which is thought to be impossible with current mainstream lithium-ion batteries. As such, the energy density of the rechargeable lithium-air battery may soon be on par with gasoline.

Going forward, we will seek to resolve issues related to durability and aim to enhance technology, which will include a review of each component and materials used in the batteries.

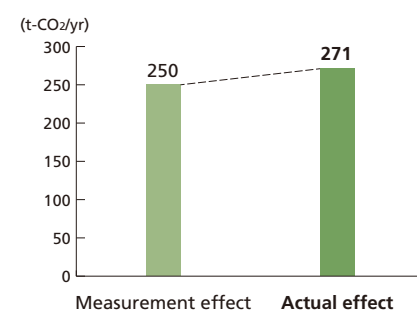
Prototype of the rechargeable lithium-ion battery stack (four-cell)



Reduction of CO₂ emissions by promoting steamless operations Action 2

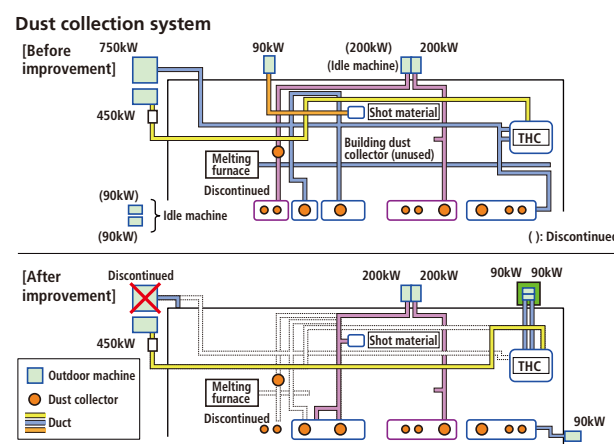
Aisin AI uses around 6,000 tons of steam a year to heat its number one and two plants, cool its number three plant and heat up its plant equipment. The steam is made through the combustion of LNG and heavy oil via a boiler, but due to increasing fuel prices and the fact that close to 60% of the steam is lost in supply, the company replaced the steam boiler with electricity. This resulted in a reduction of 271t-CO₂ for the year. Moving ahead, we will aim to become totally steam-free as we promote CO₂ reduction in production activities.

Effect (Amount of CO₂ reduced)



Power reduction through downsizing of dissolution-type dust collector Action 3

The large dissolution-type dust collector on Aisin Takaoka's molding line has the ability to collect dust over a wide area, but the long duct leads to significant pressure loss while there is variation in air volume due to damper control. Consequently, dust was being collected at a level of air volume that was beyond requirements. To solve the issue, small idle dust collectors were dispersed near the source of the dust, which meant the large dust collector could be turned off and the duct route simplified. Now dust can be collected using the required level of air volume as required. This resulted in a reduction of 1,060t-CO₂ for the year.



Establishment of a Recycling-oriented Society

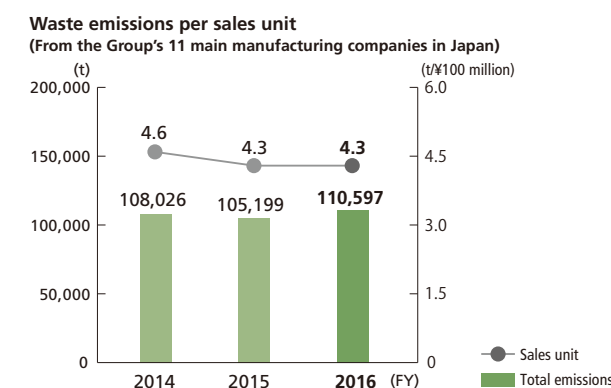
In order to effectively utilize resources supporting a sustainable society

In order to ensure the sustainable use of valuable resources into the future, the AISIN Group promotes product design in a way that minimal waste is generated as a means to conserve resources. At the same time, we are working to recycle and reuse waste generated in the production phase at all manufacturing sites and to maintain zero emissions (zero waste at landfill).

Targets and results in waste reduction

The AISIN Group achieved a 35% reduction in waste in fiscal 2016 after setting a target of a 17% reduction in industrial waste emissions per unit of sales by fiscal 2016 compared with fiscal 2008.

In terms of concrete initiatives, we sought to minimize waste and promote recycling by extending the period between exchanges of waste cleaning liquid emitted from cleaning machines for production equipment and encouraging resource reuse through recovery of different types of cutting fluid from the cutting process.



Initiatives in fiscal 2016

The AISIN Group has set priority items for waste reduction in light of the characteristics in each country and is making efforts to reduce waste by revisiting past cases of liquid waste in Japan and rolling out these same concepts worldwide.

Group company action highlights

New waste management system Action 4

Aisin AI (Thailand) Co., Ltd. is in the process of developing a waste management system. In fiscal 2016, members of Aisin AI's Safety and Environment Division visited the actual site in Thailand and spent the first half of the fiscal year sorting waste and identifying current conditions such as

the waste storage area. The team also studied the amount of waste generated while trying to normalize the situation. During the second half of the year, efforts were introduced to identify the causes of waste and limit the level of waste before it was generated. The company has set long-term targets from fiscal 2017 and beyond and is making waste management a priority.

Going forward, Aisin AI will create an independent management system so that its goals can be managed in accordance with the Sixth AISIN Consolidated Environmental Action Plan.

Providing on-site guidance aimed at identifying waste results



Challenging BDF power generation Action 5

Aisin Seiki has been using biodiesel fuel (BDF) recovered and refined from cooking oil used in the employee dining hall in its commuter buses since 2008. The buses have traveled over 90,000km using BDF. In light of these results, we started BDF power generation aimed at reducing CO₂ in April 2014.

Although the amount of power we have generated to date is small at 25kW, we are working on the development of a long-life oil in conjunction with Toyota Central R&D Labs., Inc.'s Tribology Lab. In the future, we will expand power generation to 800kW and reduce CO₂ by 2,600t-CO₂ per unit each year.



FINE REVO Mattress that can be dismantled for disposal Action 6

Aisin Seiki's ASLEEP brand mattresses uses material known as FINE REVO for the non-spring cushioning that lasts 30 years in order to maintain a sound sleep for users. Unlike other mattresses, the parts in this mattress can be replaced, enabling a longer mattress life. In addition, the parts can be separated and disposed of as general refuse, which helps keep waste to a minimum.



FINE REVO material



⇒ For details, please see the Column on P.8.

Activities for fiscal 2016

Eco-product certification Action 1

We have established our own eco-product certification system for Aisin Seiki products that are eco-friendly in an effort to promote environmentally sound product development. In fiscal 2016, we certified the F-series "XAIR II" Gas Heat Pump (GHP) air-conditioner, bringing the number of certified products to 11.

Going forward, we will work to increase eco-products and develop products that are kind to the global environment.

Product certified in fiscal 2016

Gas Heat Pump (GHP) air-conditioner GHP F-series "XAIR II"

GHP XAIR II



Features

- The new model maintains the outstanding compactness of Aisin Seiki's GHPs compared with competitors and realizes enhanced APFp (Annual Performance Factor - primary) and reduced legal refrigerant tons per unit capability.

Prevention of global warming

- Reduced CO₂ emissions by enhancing APFp
- 146,630kg-CO₂ ▶ 96,985kg-CO₂

[Comparison with standard model: GHP C-series "TGMP560C1N"]

Comments by a development representative

We realized both efficiency and compactness. This compactness, a feature of Aisin Seiki's GHP, has made customers with limited equipment space extremely pleased. However, this places limits on the size of the pipes and the bending radius, which typically compromises efficiency due to an increase in refrigerant pressure loss. To combat this, we employed a new structure in a newly developed model aimed at reducing pressure loss. In conjunction with this, we enhanced air-conditioning capability by introducing even more meticulous control of the GHP system than before while maintaining the compact design. This resulted in a level of efficiency that meets customer expectations.

Takeshi Ueda

Energy Engineering Department, Aisin Seiki Co., Ltd.



Establishment of a Society in Which People Coexist with Nature

Creating environments where industry, lifestyles and nature coexist in harmony

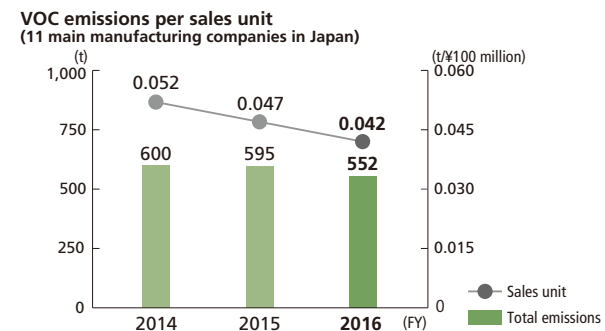
The AISIN Group is working to strengthen its management system based on the fundamental philosophy of minimizing environmental impact to the extent possible in the stage of product design.

In addition, we are aiming to contribute to the protection of biodiversity in local areas around our factories based on a philosophy of harmony with the natural environment in order to build an abundant society.

Targets and results of reducing VOC emissions

The AISIN Group set a target of a 31% reduction in VOC emissions per sales unit by fiscal 2016 versus fiscal 2008 and achieved this target with a 60% reduction in fiscal 2016.

Concrete initiatives involved continuing to promote activities such as the anti-scattering of coating as well as the introduction of VOC recovery and removal equipment, which aided in target achievement.



Initiatives in fiscal 2017

The AISIN Group is gradually changing its MACS management system to one with global specifications enabling the integrated management of the chemical substances it handles. The system is being introduced gradually with the objective of introducing it at all Group companies. Operating the system will ensure correct response to regulated substances and be used for the management of strategies to promote activities to reduce chemical substances.

Group company action highlights

Promotion of activities to protect biodiversity in conjunction with local communities

The AISIN Group is working to expand and enhance community-based social contribution activities for the environment. We have been introducing a regional program for the protection of biodiversity and ecosystems mainly in areas in which we operate manufacturing sites in

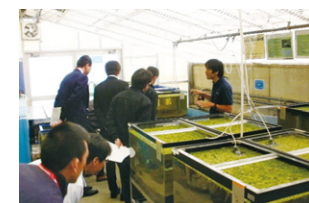
Japan since fiscal 2013, namely the Mikawa, Hokuriku and Kyushu regions.

In fiscal 2016, 22 people from 18 Group companies took part in efforts to remove weeds from the habitat of the *lychnis kiusiana*, a Japanese woodland perennial, to help protect the endangered grassland plant in the protected zone in Aso City, Kumamoto Prefecture. In the Hokuriku region, 18 people from nine Group companies participated in a program to protect important waterways and water environment in the Naka-ikemi Wetland of Fukui Prefecture as in fiscal 2015. We plan to add activities to protect Lake Utonai in Hokkaido and around the mouth of the Yahagi River in the Mikawa region in fiscal 2017.

Symbol for activities being undertaken by the Environmental Conservation Study Group



Regional programs



[Mikawa region]
Study group for aquatic organisms living in the river implemented at the Hekinan Seaside Aquarium



[Kyushu region]
Activities to protect endangered species implemented in Kumamoto Prefecture

Creating an original aquatic landscape popular with the local people

Action 8

Aisin Keikinzoku is creating an aquatic "park factory" surrounded with greenery and flowers and centered on a biotope and farm with the aim of bringing the local community closer together and contributing to the region. In fiscal 2016, around 50 employees took part as volunteers in cutting the grass, cultivating the soil and making furrows to build the foundations of the "park factory" in addition to promoting understanding of the region. A biotope measuring 900m² and a farm measuring 1,800m² were created as part of a pilot system. Native ash trees were transplanted around the pond to help return nature of the Ebie area (Imizu City, Toyama Prefecture) to how it once was. This has become the first step to building a genuine biotope in the future.

Image of biotope upon completion



Fundamental Activities: Environmental Management

Strengthen global environmental management

The AISIN Group has established the AISIN Consolidated Environment Committee, composed of the environmental management officers of the 13 main Group companies in order to respond to environmental laws and regulations that are getting stricter, and to build trust with local communities around the world. The committee is also creating a consolidated system for each region in Japan and overseas centered on each Group company as a means to implement activities.

Establishment of framework for an environmental management system (EMS)

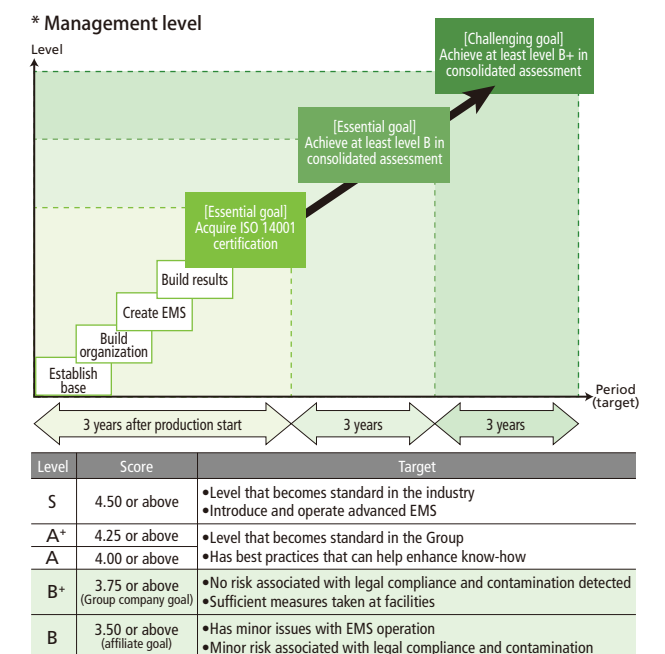
We have undertaken activities under the banner of establishing standards, implementing environmental assessments at consolidated companies and promoting group-wide EMS training to foster internal auditors as the three pillars for strengthening our management system.

For the first pillar of establishing standards, we released the third edition of our consolidated EMS manual based on consolidated environmental activities and put it into practice. This prompted the creation of an environmental manual for each company using the same perspective and improvements were made. We have also produced 11 procedural manuals that can be used throughout the Group.

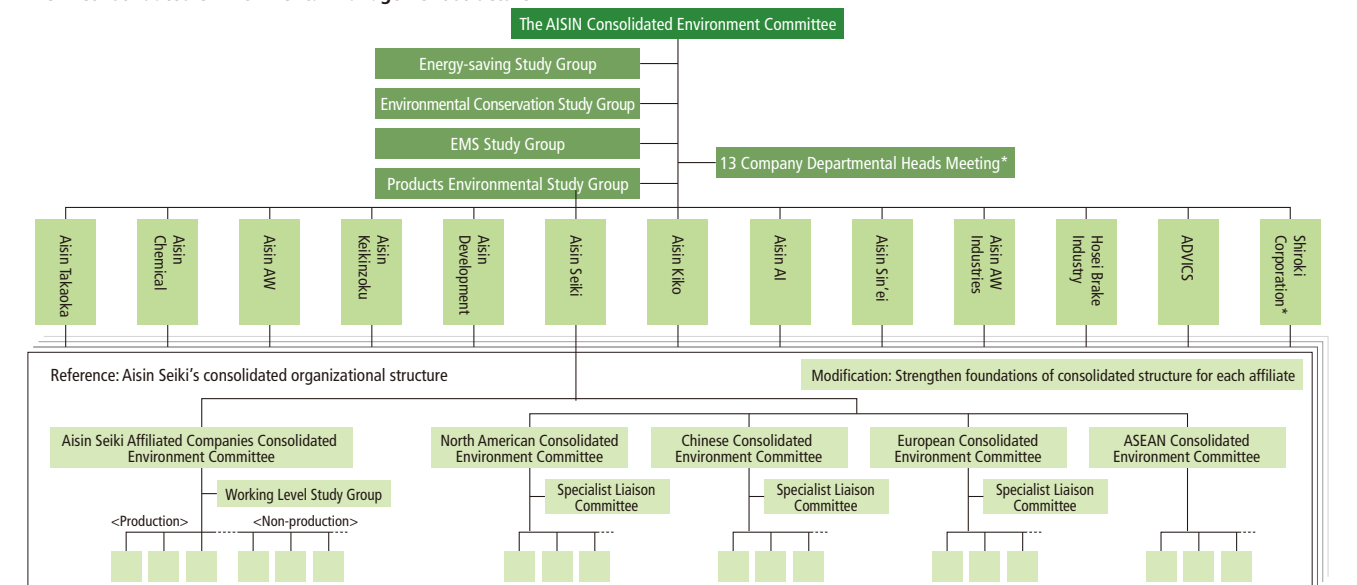
Deploying activities to enhance EMS at locations worldwide

The AISIN Group is formulating environmental standards as targets to achieve that are even stricter than the international environmental standard ISO 14001, and is undertaking actions at all locations to reach the next level in a step-wise manner. Progress is monitored via environmental assessments.

In fiscal 2016, we performed inspections and made improvements on legal compliance and environmental conservation at 65 of 83 applicable locations in Japan, North America, Europe, Asia and elsewhere. As a result, we confirmed that 77 companies had achieved management level B (see the table below), including the companies that achieved this up until last fiscal year.



AISIN consolidated environmental management structure



*Shiroki Corporation was added in fiscal 2017, making 13 companies.

In terms of environmental assessments, we held discussions with the environmental specialists from each company to help find solutions to specific issues and concerns, which is serving to steadily enhance environmental levels.

Group-wide EMS training has been held every year since 2000 to nurture internal auditors who implement environmental assessments. The training has been given to a total of 2,810 employees to date, which is contributing to a higher level in management in each company.

In fiscal 2017, we will set a new environmental management level to aim for by 2020 and follow up on improvements made at companies that are yet to achieve the target level while continuing to provide support so that they can run their own system in the region. We will also make revisions to the consolidated EMS manual in line with changes to the ISO 14001 standard since it is of prime importance for the AISIN Group's environmental activities.

Global consolidated management

Organizing environmental health and safety meetings in Europe

Action 9

As part of the AISIN Group's activities in Europe, we organize the Pan European Environment Meeting four times a year in order to share information relating to environmental health and safety. The meetings include reports on initiatives undertaken by respective companies and confirmation of improvements in plant settings, and this information is used to help prevent abnormal accidents and contribute to environmental protection activities.

Pan European
Environment Meeting



Activities related to environmental communication in the AISIN Group

The AISIN Group conducts activities aimed at deepening knowledge related to the environment among employees, their families and other concerned parties, while encouraging them to think more about the environment.

AISIN Group Consolidated Environmental Symposium

Action 10

The ninth AISIN Group Consolidated Environmental Symposium held in fiscal 2016 concerned the creation of a sustainable society, and approximately 270 Group employees participated. We invited Mr. Tokuji

Panel discussion at the
environmental
symposium



from Konica Minolta, Inc., which secured first place in the Nikkei Environmental Management Survey in 2014, to discuss environmental activities and environmental management in his company, and Mr. Takashi Kiuchi, Chairman of E-Square Inc. to discuss corporate environmental actions based on the laws of nature. This served as a great opportunity to think together about what the AISIN Group needs to do going forward in terms of corporate actions.

AISIN eco-spot tours

AISIN eco-spot tours were held in August of fiscal 2016. These tours are conducted during the summer holidays so that children can also participate, and this time 18 people from seven families attended. Participants visited the Yokkaichi Pollution and Environmental Museum for Future Awareness, where they learned about the initiatives being jointly undertaken by local citizens, companies and government to improve the environment following the generation of pollution in Yokkaichi City. Another tour took place at the Kawagoe Electric Power Museum Tera 46, where participants learned about the utilization of the natural environment, resources and energy since the birth of the earth's energy some 4.6 billion years ago. Both adults and children gained an insight into past environmental issues and the current state of the natural environment, energy and resources, thereby helping to further stimulate interest in the environment.

Learning about
initiatives to improve
the environment at the
Yokkaichi Pollution and
Environmental Museum
for Future Awareness



Group company action highlights

Eco discussion with students

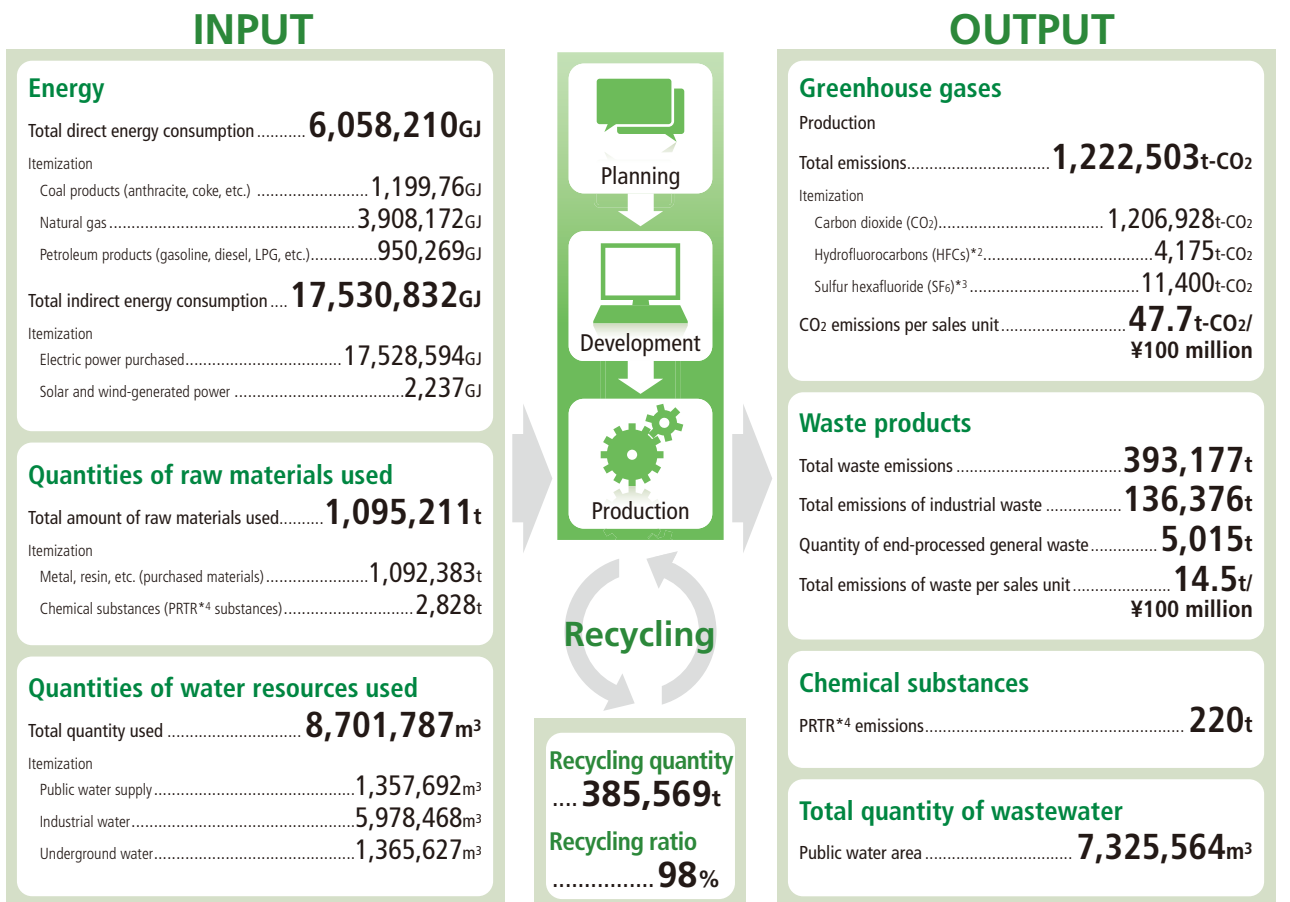
Aisin Chemical held an eco discussion for the AISIN Environmental Education Program in January 2016 for fourth graders at the Iino Elementary School in Toyota City, Aichi Prefecture, as part of social contribution activities. With the AISIN Environmental Education Program, lessons on the environment are held at elementary schools and are conducted jointly by the AISIN Group and ASK-NET, a specified non-profit corporation. During the eco discussion there was a presentation of an "eco declaration" based on ideas conceived of by children on what they could do to protect the environment.

Presenting what was
learned in the
Environmental
Education Program at
the eco discussion



⇒ For details, see P55 "Fostering Youth"

Resources Used and Emissions Released (FY2016) 31 main companies in Japan*1



*1 Domestic Group companies (31): Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, Aisin Keikinzoku, Aisin Development, Aisin Kiko, Aisin AI, Aisin Sin'ei, Aisin AW Industries, Hosi Brake Industry, ADVICS, Aisin Tohoku, Aisin Kyushu, Aisin Kyushu Casting, Aisin Hokkaido, Saitama Kogyo, Kotobuki Industry, Aichigiken, Yamagata Clutch, Aisin ComCruise, Aisin Infotex, IMRA Material R&D, Aisin Cosmos R&D, Technova, FT Techno, Aisin Collabo, Sinsan, Konan Kogyo, Hekinan Unso, Sanetsu Unyu

*2 Hydrofluorocarbons (HFCs): A greenhouse gas with a warming effect estimated to be from 140 to 14,800 times that of CO₂

*3 Sulfur hexafluoride (SF₆): A greenhouse gas with a warming effect estimated at 23,900 times that of CO₂

*4 Pollutant Release and Transfer Register (PRTR): A system requiring businesses to identify the amount of various hazardous chemical substances released from business sites to the environment (air, water, soil) and the amount transferred outside as waste, as well as report the data to the national government. Based on the data submitted, the national government estimates and announces to the public the amounts of release and transfer.

Environmental Accounting

		11 main manufacturing companies in Japan*5			31 main companies in Japan*4		
		FY2014	FY2015	FY2016	FY2014*6	FY2015*6	FY2016
Environmental conservation costs	Business operation costs	8.53	9.46	8.51	9.01	9.93	9.02
	Management costs	1.01	0.90	1.00	1.10	1.08	1.11
	Upstream/downstream costs	3.89	5.14	4.68	3.91	5.18	4.72
	Research and development costs	16.13	17.79	18.56	16.13	17.94	18.68
	Social contribution activity costs	0.14	0.13	0.14	0.14	0.14	0.14
	Environmental remediation costs	0.14	0.13	0.12	0.14	0.13	0.13
	Total	29.84	33.55	33.01	30.43	34.40	33.80
Effects of environmental conservation measures	Energy saving	0.85	0.93	1.02	0.88	0.96	1.23
	Resource saving	0.63	0.44	0.14	0.66	0.47	0.14
	Effects of reducing waste materials	0.03	0.04	0.03	0.06	0.04	0.04
	Sale of valued property	8.43	6.98	4.78	8.62	7.19	4.96
	Total	9.94	8.39	5.97	10.22	8.66	6.37

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

*5 Of the 12 main companies in Japan, refers to the 11 manufacturing companies excluding Aisin Development, a non-manufacturing company.

*6 There were 33 companies from 2013 to 2014.

Fair Operating Practices



The AISIN Group promotes free and fair competition in conducting its business activities in different countries and regions of the world and endeavors to fulfill its social responsibility together with all stakeholders related to its operations.

Compliance

Declaration of thorough compliance

We have declared our commitment to thorough compliance on a global scale in the Aisin Group Principles of Corporate Behavior. We have also formulated the Guidelines in Compliance with Social Responsibility to put the philosophy underpinning these principles into practice. The guidelines introduce specific laws and regulations to be adhered to during the execution of work duties in an easy-to-understand manner and are provided to all employees. We are also committed to continually reinforcing compliance throughout the Group and have adopted an even tougher stance on key universal issues such as antitrust laws and the prevention of bribery.

Promoting compliance group-wide

Each of the 12 main Group companies has established a Business Ethics Committee or a similar committee which is tasked with leading the discussion about matters related to corporate ethics, compliance and policy. Each committee is chaired by a member of top management, such as the vice president, and convenes between one and three times a year.

The 12 main Group companies regularly host the ALL AISIN Legal Affairs Committee comprising compliance function supervisors and the Group Compliance Committee comprising compliance managers. This enables the sharing of information and focus on integrated compliance activities as a Group on a global scale.



Group Compliance Committee meeting

Compliance education and training

Based on the belief that people are the key to promoting CSR, the AISIN Group provides information on the various laws and regulations through rank-specific education for employees and training for workplace managers and executive officers.

In fiscal 2016, we provided regional compliance training to domestic subsidiaries of the 12 main Group companies, and a total of 64 companies participated in the training. We also held training on antitrust laws, prevention of bribery and prevention of misconduct in the workplace twice for workplace managers and twice for executive officers. In addition, October of each year has been designated as AISIN Group Business Ethics Campaign Month, fostering opportunities for each and every employee to reflect on his or her normal routine and consider business ethics. During fiscal 2016, we created a common compliance textbook for global use and conducted core personnel training in Brazil. In fiscal 2017, we plan to provide this training in North America, Europe and China.

As another activity under AISIN Group Business Ethics Campaign Month, we conduct a group-wide, all-employee survey on compliance awareness. In fiscal 2016, we once again received around 50,000 responses and were able to confirm that compliance awareness is spreading and increasing in the workplace.



Regional compliance training

Tohoku region

Establishing a whistle-blower system to identify and correct inappropriate conduct

Our 12 main Group companies have each set up a hotline to receive inquiries and notices on matters relating to compliance, and as a means of notifying employees about AISIN Group Business Ethics Campaign Month and promptly identifying and correcting inappropriate conduct.

Consultation is available to employees and their

families as well as business partners. Regulations clearly stipulate that the name of the person filing a complaint or seeking consultation as well as the content be kept confidential, and the Group adheres strictly to this rule. Also, manager training programs are conducted to ensure that an employee, as a result of filing a complaint, will incur no retribution, such as dismissal from work or a reduction in salary. Aisin Seiki also is disseminating information about the hotline to temporary employees.

Poster to enhance ethical business activities



Poster in Japanese



Poster in Portuguese

Compliance hotline contacts (12 main Group companies)

	FY2014	FY2015	FY2016
Internal contacts	178	207	250
External contacts	31	21	12
Total	209	228	262

Building a Company Resilient to Disasters

Developing human resources and a framework resilient to disasters

In an effort to strengthen our emergency response capabilities, the AISIN Group undertakes education and enlightenment activities to enable each and every employee to take appropriate action in accordance with the Risk Management Guide when risk events occur. This guide stipulates procedures to be followed in ordinary times (before a risk occurs) and during an emergency (when a risk occurs).

Along with these efforts, we are in the process of formulating an additional Business Continuity Plan (BCP) from a global standpoint and reinforcing the structure to manage this BCP.

Following the 2016 Kumamoto earthquakes, we promptly set up an emergency headquarters and worked



Kumamoto Earthquake Emergency Headquarters (Aisin Seiki)

jointly with companies in the disaster-affected areas for an early recovery of our production operations. We will pass on the lessons learned in responding to the disaster and make group-wide efforts to build corporate resilience against disasters to the extent possible.

Strengthening capabilities to respond to a major disaster

We regard large earthquakes and other major disasters as a significant risk to continuing business and have developed a BCP with a focus on safeguarding people's lives, providing support to local communities and ensuring an early recovery to bolster our disaster response capabilities.

For the purpose of refining our BCPs as a Group, in fiscal 2015 we formulated guidelines to clearly define matters to be covered under a BCP, the order of priority and targeted response levels.

From a viewpoint of safeguarding people's lives and ensuring an early recovery, we are systematically making disaster mitigation efforts to prevent or reduce risks and implementing measures mainly in terms of "hardware," including adding earthquake resistance to corporate buildings, facilities and equipment.

As an initiative to enhance our initial response, we place particular emphasis on training to improve skills of employees who will play a crucial role in emergency response. Under our simulation drills designed to ensure employees' smooth action in real-world scenarios, we provide training on 24 topics, including effective evacuation, initial measures (putting out fires, rescuing people, administering first aid) and procedures to assess and determine if plant buildings are safe to use after an earthquake. Besides these simulation drills, we carried out emergency headquarters training to nurture the ability to collect and share information and make the right decisions in a disaster and to strengthen overall disaster response capabilities.

In order to ensure the steady execution of an initial response when there are disruptions in infrastructure services, we are increasing our disaster preparedness by stockpiling food and water and maintaining satellite phones and other required equipment and supplies.

In supporting local communities in the event of a disaster, we have concluded emergency relief agreements with related local authorities, and each base in the AISIN Group will provide necessary shelter and supplies.

Finally, to enable Group companies to collaborate in

Simulation drill

Joint drill with Group companies on procedures to determine whether it is safe to use a building



these endeavors, we encourage joint training, personal exchanges, mutual provision of supplies and setting up a structure to share damage information among Group companies that operate sites within the same area.

Relationship with Suppliers

A good business partner seeking mutual prosperity

As part of its manufacturing activities, the AISIN Group procures a wide variety of parts and materials from numerous suppliers around the world. The basic philosophy behind our procurement activities aims to establish trusting relationships with our suppliers so that we can grow and prosper together as good business partners, and to ensure responsible CSR procurement in accordance with our Global Procurement Policy, maintain stable procurement and enhance competitiveness.

Global Procurement Policy

Working together with suppliers	
1. CSR procurement	Reinforce CSR
2. Stable procurement	Establish a supply chain that is resilient to risks
3. Competitiveness	Produce globally competitive components and materials

Presentation outlining our Global Procurement Policy

Dissemination of basic policy



Strengthening CSR initiatives

CSR is the most important element that guides corporate as well as procurement activities.

The AISIN Group distributes its Aisin Group Principles of Corporate Behavior not only to primary suppliers, but as far up the supply chain as possible to promote CSR procurement activities in line with the philosophy that supports these principles.

With our suppliers, we promote fair procurement activities always based on the spirit of openness and fairness. As a specific effort, we conclude a basic transaction agreement with suppliers, which places greater emphasis on CSR-related clauses regarding compliance with antitrust laws and initiatives to prohibit bribery.

We also make joint efforts to augment initiatives concerning safety, the environment and quality with primary suppliers and within our entire supply chain.

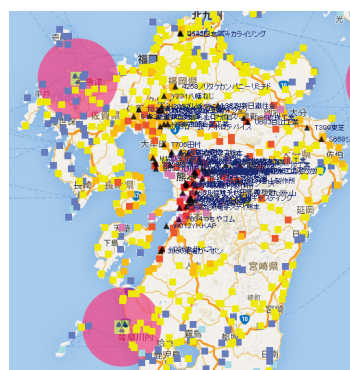
Additionally, the AISIN Group has established a contact

point for suppliers to make inquiries and seek advice on matters related to the Aisin Group Principles of Corporate Behavior.

Establishing a supply chain that is resilient to risks

In an effort to ensure swift response to an emergency, Aisin Seiki has been working to “visualize” its supply chain. More specifically, the company has created and operates a risk management system that connects data relating to components and materials purchased from suppliers with geographical and disaster information. This system is operated 24 hours a day, 365 days of the year, and if an earthquake or other disaster strikes we can swiftly ascertain data on suppliers and products in the relevant region and make the required response quickly. We have been deploying this system to Group companies in Japan as well as in North America, China and Oceania.

During the 2016 Kumamoto earthquakes, this system enabled us to identify local suppliers in just two hours following the disaster. After four hours, we were able to identify the serial numbers of the components produced by these suppliers and accelerate our recovery efforts, including preparing alternative production locations.

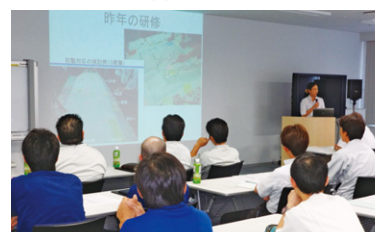


Risk management system in the supply chain

Encouraging suppliers to formulate BCP

Placing top priority on protecting the lives of suppliers' employees and from a standpoint of preparing ourselves for disasters in ordinary times, Aisin Seiki promotes the implementation of disaster-related measures at suppliers and provides support to their BCP development. This may include adding anti-seismic reinforcement to their buildings, firmly fixing equipment to the ground and securing evacuation routes.

By fiscal 2016, all suppliers have formulated their respective BCPs. In the future, we will shift our focus to disaster mitigation and work with suppliers to facilitate related measures. Efforts will include conducting on-site



BCP training session

checks and inspections on the progress in their disaster mitigation measures and hosting training sessions and workshops for refining BCPs.

Response to conflict minerals

Automakers listed on the U.S. stock exchange, which are our end customers, are required to report to the U.S. Securities and Exchange Commission (SEC) regarding conflict minerals. In fiscal 2016, we once again worked with business partners and industry groups to conduct surveys to confirm the origin and history of minerals used in products, and to ensure the avoidance of use of conflict minerals. We have since provided customers with feedback on our findings, and our customers can use our products with confidence.

As a key member of the auto parts industry, Aisin Seiki is also cooperating to promote these initiatives at other companies.

Information Protection and Management

Strengthening information security

The AISIN Group verifies the value of all the information it handles and treats it confidentially. At the same time, we work to appropriately obtain, utilize, disclose, manage and protect information as well as comply with all pertinent laws and regulations such as the Unfair Competition Prevention Act and insider trading regulations in Japan.

Having continued to work on reinforcing management systems for entering and exiting buildings, strengthening information management systems and promoting security education and awareness at domestic Group companies, in fiscal 2016, we placed greater weight on awareness-raising and skills development. As such we held a legal seminar and joint study sessions on management of confidential information. Through these efforts, we seek to establish a robust system to manage confidential information across the entire Group, including Group companies both in and outside Japan.

AISIN Group joint study session on confidential information management



Managing personal information

The AISIN Group complies with all laws and regulations

related to protecting the personal information of customers, business contacts and employees that we handle in our day-to-day operations. We have also established rules and systems to ensure the appropriate handling and management of personal information.

Following the enforcement of Japan's new Social Security and Tax Number System in 2015, we laid down appropriate regulations for the management and use of relevant personal information.

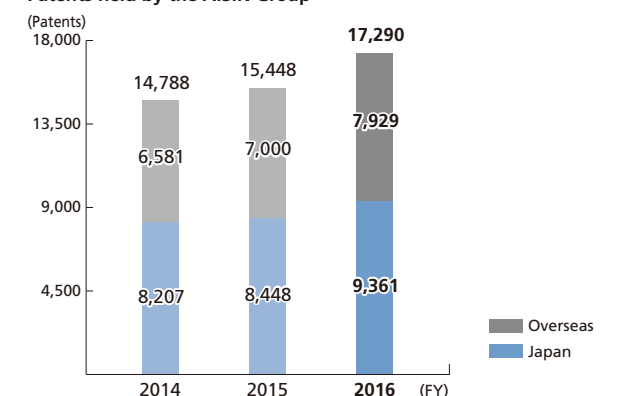
Intellectual Property Activities

Intellectual property management

To contribute to further increasing the competitiveness of the AISIN Group, we strategically undertake activities related to the safeguarding and protection of intellectual properties at each Group company.

At the Group level, we are conducting collaborative efforts related to intellectual properties. These include encouraging personnel exchanges to augment related functionality and nurture responsible personnel at our 13 main Group companies, and operating the Intellectual Property Liaison Committee for sharing information. Simultaneously, we are working to build a global intellectual property network by establishing contact points at our development locations in North America, South America, China and Asia, defining rules on the handling of intellectual properties and providing the required infrastructure. As one effort to facilitate the use of patent information in the product planning process, we engage intellectual property teams early from the product planning stage to check patent portfolios and development activities of other companies based on patent information and guide the direction of our development efforts. Moreover, by ensuring that resulting inventions are effectively transformed into and utilized as intellectual properties, we intend to help Group companies expand business and secure profits.

Patents held by the AISIN Group*



*12 main Group companies

*The figures for fiscal 2016 include patents held by Shiroki Corporation.



To provide quality products that exceed the expectations of our customers around the world, we strive to develop systems and human resources that can further enhance quality so that customers may use our products safely and well into the future.

Quality First

Management philosophy

The AISIN Group has advocated the philosophy of “Quality First” and believes that maintaining and enhancing quality forms the basis of our existence. In addition, we promote Total Quality Management (TQM) as a corporate activity to improve the constitution of the Group based on a “Customer First” mindset, in which everyone involved in work within the Group cooperates with each other to achieve management goals.

To reinforce our “Quality First” and “Customer First” philosophies, we held the first All AISIN TQM Conference in fiscal 2016 and shared top management’s commitment to TQM activities directly with participants. The AISIN Group continues to develop human resources capable of maintaining and improving quality standards throughout the Group.

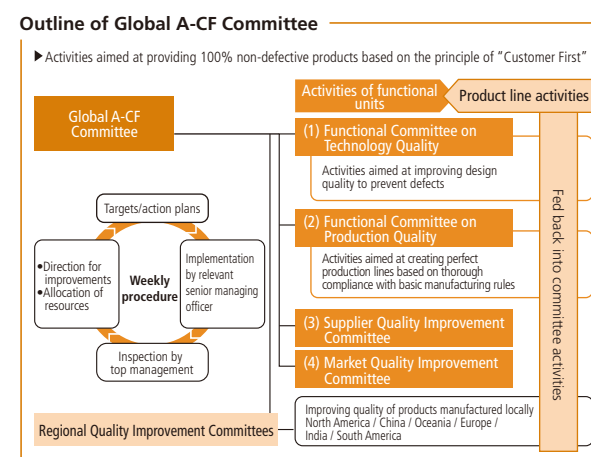
A worldwide effort to put customers first

The AISIN Group shares information related to quality and deliberates on matters to be addressed at Group quality assurance meetings.

In order to continue delivering 100% non-defective products under a Customer First philosophy, Aisin Seiki has established the Global AISIN Customer First (A-CF) Committee. Under this committee, executive officers carry out assessments based on targets and action plans in individual areas – design, manufacturing, suppliers and the market – in order to determine the right direction for improvement measures. In fiscal 2016, in addition to the conventional quality improvements by function, we established a system to increase quality, cost and delivery (QCD) levels by product line under each product division. Through this system, we make collaborative efforts as a Group to improve the quality of respective products.

In an effort to establish a global quality assurance system, we are working to strengthen quality assurance in line with market expansion, revolving primarily around quality improvement committees in North America, China, Oceania, Europe, India and South America to strengthen quality assurance in line with market expansion. In North America and China, we have also launched a QA Center

similar to the one in Japan, equipped with the necessary research and analytical capabilities. These centers serve as a base to make sustained improvements in quality and respond quickly to the needs of local customers and markets. In fiscal 2016, we established another QA Center in Thailand. These QA Centers are used by Group companies operating in respective regions, and they work together to share quality-related information in each region.



Enhancing the quality of products through full employee participation

AISIN Group companies conduct QC circle activities that engage all personnel in each workplace, and activities to propose innovative improvement ideas for achieving higher product quality and work quality. We also promote human resources development through these activities.

These QC circle activities are now widespread throughout overseas Group companies, and the results of efforts are announced at the Global QC Circle Conference. In fiscal 2016, a total of 43 circles, or 200 employees, from 40 Group companies overseas and eight companies in Japan participated in the conference and were keen to report on their activities.

We also pour our efforts into activities proposing innovative improvements and remain at the highest level in terms of the

Global QC Circle Conference



number of awards for the Minister of Education, Culture, Sports, Science and Technology Awards recognizing outstanding examples of improvement.

Developing professionals in quality

The AISIN Group promotes the nurturing of quality professionals capable of using statistical quality control (SQC) methods in their work.

As part of these efforts, AISIN encourages employees throughout the Group to attain QC certification (levels 1-4) issued by the Japanese Standards Association. By the end of fiscal 2016, 26,091 employees had acquired the certification at the 12 main Group companies. We are also working to attain advanced knowledge related to quality and put it into practice through training in SQC methods and by promoting activities to resolve key issues and individual registration of quality-based themes, with briefing sessions held to announce the results of the activities.

Initiatives to ensure reliability

In testing and evaluating new products, the AISIN Group conducts surveys on how customers in different parts of the world use its various products and under what kind of conditions, in order to ensure safety and reliability in products.

In an effort to ensure the reliability of automotive parts from the standpoint of finished vehicles rather than individual components, we conduct repeated vehicle testing using test tracks designed to recreate various road conditions around the world, namely the Fujioka Proving Ground (Aichi Prefecture, Japan), Toyokoro Proving Ground (Hokkaido, Japan) and Fowlerville Proving Ground (Michigan, USA). In addition to testing and assessments at our facilities, we also conduct repeated tests locally in North America, South America, Europe, India and China based on stringent conditions that accurately reflect different natural environments and ways in which vehicles are used in different countries. This enables us to obtain unique knowledge and data, which we then incorporate into development and quality assurance. We also put the resulting expertise to good use in terms of recreating road conditions at our test tracks and raising the standard of assessments.

For lifestyle and energy related products, we evaluate performance using large-scale equipment such as an

Fowlerville Proving Ground (approximately 3,840,000m²)



Opened in 2005 to assist increasing local design and development activities. It contributes to the assurance of reliability by evaluating products, such as drivetrains, brake systems and intelligent transport system (ITS) products, on actual vehicles.



environmental chamber to assess resistance to sunlight, wind and rain, and humidity changes. This enables us to conduct tests to determine how products will perform in the actual market so that we can create products that are both safe and reliable.

Responding to customers

Through its Customer Support Department, Aisin Seiki strives to respond promptly, accurately and thoroughly to inquiries received from customers regarding its lifestyle related products, including sewing machines, beds and nursing care products. After completing the response process of each inquiry, details of a request for a better product or service are fed back to the relevant departments and are subsequently incorporated into new product development.

We also organize exhibitions twice a year to showcase quality initiatives to our own employees and employees from Group companies. At these exhibitions, we set up booths so that employees can listen to recorded complaints from customers, thereby providing an opportunity for employees to truly learn what our “Customer First” philosophy means.

Developing human resources and systems with a consumer-oriented perspective

At the AISIN Group, we maintain a consumer-oriented perspective and aim to develop human resources and systems that embody our commitment to protecting consumer rights.

In fulfilling our responsibilities as a manufacturer, Aisin Seiki’s Customer Support Department provides internal education for employees responsible for creating product manuals, as well as product catalogs and other documents used as sales promotion tools, and performs a check and review of text in these documents. Moreover, we have augmented our system of proofreading by native speakers in order to ensure more appropriate phrasing matched to the culture and customs of a specific country or region. In fiscal 2016, we conducted an on-the-spot check on how product manuals and documents for sales promotion used in North America are proofread by native English speakers.

We also encourage employees to obtain certification as Advisory Specialists for Consumer Affairs, with the aim of developing more human resources capable of promoting our Customer First approach and incorporating consumer perspectives into their work. We currently have 28 certified employees.

Session to review product manuals



Community

Involvement and Development



Based on “Be With” as the key message, the AISIN Group is committed to carrying out social contribution activities closely linked to regions in order to earn the trust and meet the expectations of everyone in local communities.

Basic Social Contribution Activities

“Be With” local communities

The AISIN Group established “Harmony with Society and Nature” under the Corporate Principles and stated that “we respect the culture and customs of each country and territory in which we operate, and we actively contribute to civic activities closely connected to local communities” under the Aisin Group Principles of Corporate Behavior. Working as a team throughout the AISIN Group, our aim is to carry out social contribution activities as a good corporate citizen rooted in the local community as we continue to work toward our AISIN Group VISION 2020.

Based on these concepts, the AISIN Group is actively working to promote social contribution activities closely linked to respective regions and countries. We consider it important that employees who participate in activities volunteer on their own initiative and share the same views as local people in carrying out operations.

“Be With” goes hand in hand with our activities. On this basis, the AISIN Group hopes to fulfill its social responsibility as a business entity operating globally together with all members of local communities.

Examples of Social Contribution Activities

Protection of Nature and the Environment

Rolling out tree-planting activities in Inner Mongolia, China

Since April 2013, six core Group companies together with the public interest incorporated foundation Aste have been conducting tree-planting activities in the desert area in the Xilinhot district of the Inner Mongolia Autonomous Region in China. In an effort to prevent the rapid desertification of the grasslands due to issues such as global warming, we are working on plans to plant saplings across 20 hectares of land over the course of 10 years. Species include yellow willow, which acts as an effective wind break. At the same time, we are also organizing environmental education and exchange events for local elementary school students.

Three pillars of social contribution activities

The AISIN Group develops social contribution activities that are closely linked to local communities through the three pillars of Protection of Nature and the Environment, Fostering Youth and Community Building and Development.

In fiscal 2016, we conducted a survey on the status of activities at each Group company around the world. We will utilize the survey results to maintain and upgrade activities in the future.

Concept image of the three pillars of social contribution activities



In the third tree-planting event in April 2015, 17 employees from domestic AISIN Group companies and 52 from local subsidiaries planted some 100,000 saplings on two hectares of land. We again took part in the fourth event held in April 2016.

Tree-planting activity in Inner Mongolia, China

Saplings are planted including yellow willow to stop desert sand from being blown away.



Participating in activities to support restoration of pine tree forests in Rikuzentakata

Jointly with members of the Association for the Preservation of Takatamatsubara, the AISIN Group is engaging in activities to support the restoration of beautiful white sandy beaches and green pine trees (“Takatamatsubara”) in Rikuzentakata City, Iwate Prefecture, which were devastated by the 2011 Great East Japan Earthquake. Besides raising funds for the restoration within the Group, activities will proceed in two steps. The first step (from 2015 to 2017) is to help nurture pine tree saplings by cultivating land for nursery beds and weeding these beds, and the next step (2017 and onwards) is to assist the actual planting of saplings. We will provide support for the restoration of the pine tree forests by repeating the cycle of weeding, nurturing and planting for years to come.

Environmental education event: “Parent-child nature experience in Neba Village”

The AISIN Group has concluded a “forestry foster parent agreement” in 2004 with Neba, a municipality in Nagano Prefecture. This agreement serves to protect the upstream forest that is the source of the Yahagi River, which we use to obtain water for industrial and domestic purposes. Since then, the AISIN Group has been cooperating in forest development activities through various initiatives. The “Parent-child nature experience in Neba Village” is an environmental event that started as part of such initiatives. This event is held every year during the children’s summer holidays to enhance environmental awareness while enabling children and parents to realize the importance of water and the beauty of nature in an enjoyable manner.

During the event held in 2015, we organized activities to explore living organisms inhabiting areas surrounding the river and create a plate bearing a slogan of eco-action each family has chosen. These experiences educate children about the environment and help them develop an appreciation for its importance in a fun way.

Environmental education event: “Parent-child nature experience in Neba Village”

A trip down the river on a tire tube



Examples of Social Contribution Activities

Fostering Youth

Environmental education program for elementary school students

Six core Group companies are working together with ASK-NET (a specified non-profit corporation) to host the AISIN Environmental Education Program for elementary school students.

The program is part of an integrated study class of fourth and fifth graders at elementary schools in 14 cities and towns in Aichi Prefecture, which also encompasses the city of Kariya where our corporate head office is located. To date, a total of about 19,000 students at 216 elementary schools have learned about the environment in a structured manner through classroom lectures, hands-on learning, a sympathy-cultivating workshop, eco action and a talk session.

AISIN Environmental Education Program

Talk session presenting activity results



In September 2015, four university students conducted a presentation on original ways to improve the educational effects of the AISIN Environmental Education Program in the Kagayake Aichi Sustainability Research Lab, a project led by the Aichi prefectural government on the basis of the outcome of the UNESCO World Conference on Education for Sustainable Development (ESD).

Outreach seminar on monozukuri (manufacturing)

The outreach seminar on *monozukuri* involves classroom lectures and hands-on lessons and enables children to develop a scientific perspective through manufacturing. The seminars mainly consist of the outreach seminar on *monozukuri*, which is held by visiting local elementary schools, AISIN *Monozukuri* Hiroba (Manufacturing Forum) events in the area around the Aisin Seiki head office in Kariya and weekend workshops held at the Toyota Commemorative Museum of Industry and Technology (Aichi Prefecture). A total of 6,741 children have participated in 75 events from 2002 up to the end of fiscal 2016.

Outreach seminar on monozukuri (manufacturing)

Classroom lecture and hands-on lessons on manufacturing



Supporting development of junior high school basketball players

The AISIN Group has men’s and women’s basketball teams* in Japan’s top leagues, and players and coaches regularly conduct basketball clinics for elementary and junior high school students. In August 2015, coaches and players of the SeaHorses MIKAWA provided skills instruction to 37 children in Toyokoro-cho in Hokkaido, where our Toyokoro Proving Ground is located.

*SeaHorses MIKAWA and AW Wings

Through the exchange with these children, they helped nurturing youth through sports.

Basketball clinic held in Toyokoro-cho

Contributing to youth development and sports promotion through sports



Examples of Social Contribution Activities Community Building and Development

Efforts toward social issues

The AISIN Group is actively implementing activities targeting social issues.

For several years at sites around the world, including Japan, we have continued with a traffic safety program to protect the safety of the automobile society.

Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin Kiko and ADVICS are actively purchasing such items as machine parts and food from organizations supporting the employment of persons with disabilities.

Moreover, in addition to Aisin Seiki, Aisin Takaoka, Aisin Sin'ei and Hosei Brake Industry, from fiscal 2016 Aisin AI took part in TABLE FOR TWO (TFT), which is an organization dedicated to providing food to developing countries and eradicating obesity and lifestyle diseases in industrialized countries with a focus on imbalances in world food consumption. Whenever an employee orders an item from the healthy foods menu in the company cafeteria, the employee as well as the company and the cafeteria association donate ¥10, or a total of ¥20, to TFT. This ¥20 goes toward providing a child in developing countries in Africa with a meal. In fiscal 2016, we raised enough money to provide around 93,000 meals and achieved "Platinum Supporter" status, the highest level awarded by TFT.

The AISIN Group has also signed up to an initiative organized by the NPO Japan Committee Vaccines for the

World's Children, which donates vaccines for children in developing countries for every plastic bottle cap they receive.

Activities that are closely linked to local communities

The AISIN Group launched the All AISIN NPO Activities Support Fund (Aichi, Fukui and Toyama regions) through the 12 main Group companies as one part of activities that are closely linked to local communities. The fund assists actions taken by NPO groups. It operates using proceeds from the All AISIN Charity Concert held every year in autumn and supported 22 NPO groups in fiscal 2016.

All AISIN NPO Activities Support Fund

Assistance and support for volunteers and regional groups conducting welfare activities



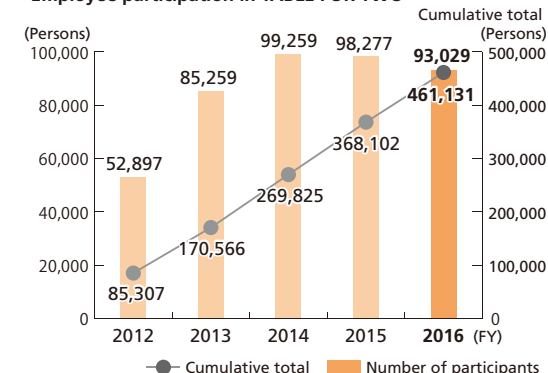
In collaboration with Toyota Industries Corporation, we again held spring and fall "Friendship Farm" harvest festivals in fiscal 2016 and the same as in the past invited people from local welfare facilities. A potato harvest and sweet potato harvest were held in June and October, respectively, in which participants with little chance to feel the land experienced harvesting by directly seeing and touching agricultural crops.

Disaster support efforts

The AISIN Group promotes disaster relief activities in Japan and around the world.

In fiscal 2016, as part of the ongoing, collaborative volunteer activities in the Toyota Group to support the recovery areas affected by the Great East Japan Earthquake, we carried out a range of activities during the period from June to October 2015, including cutting the grass at temporary housing, lending a hand to local summer festivals and helping scallop farming.

Employee participation in TABLE FOR TWO



2015 Spotlight on Global Activities

We maintain the spirit of "Be With" in seeking social integration and working with local people to create a better society in global regions where our bases are located. We contribute to local communities through activities such as donations and blood drives and actively organize events that also get local communities and employees' families involved.

North America

Supporting youth exchange through music

IMRA AMERICA, INC.

As part of the 25th anniversary commemorative project, IMRA AMERICA provided support to a friendly visit of the Toyota City Junior Orchestra to the United States. A joint concert with local young orchestral players and high school students provided hopes and dreams to the young members of the junior orchestra.



Providing driving training for local high school students

FT Techno of America, LLC

FT Techno has provided driving lessons for students on the test course, using their own vehicles. Through a variety of lesson menus, including simulated driving on ice and snow, they learned the basics of safety driving.



Providing experience-based environmental education to local children

Aisin Mexicana S.A. De C.V.

Aisin Mexicana planted trees on the company premises with local children, wishing for both the children's and trees' healthy growth.



South America

Planting trees in the Japan-Brazil Friendship Forest, commemorating the 120th anniversary of diplomatic relations between the two countries

Aisin Do Brasil Com. E Ind. Ltda.

The company planted Ipe trees native to Brazil in a park together with children living in surrounding areas.



Belgium

Open Door Day to appeal the companies' attractiveness

AW Europe S.A./AW Technical Center Europe S.A.

The companies invited families of employees and local community members to tour the plant, test course and other facilities.



Thailand

Interacting with local children

ADVICS Manufacturing (Thailand) Co., Ltd.

ADVICS Manufacturing visited a welfare facility for children with disabilities and enjoyed creative activities together.



China

Donating books to a school in a rural farming community

Zhejiang Aisin Elite Machinery & Electric Co., Ltd. (China)

The company donated books to a school to create a school library.



India

Local cleanup activities

Aisin Automotive Karnataka Pvt. Ltd.

All employees participated in cleanup activities along nearby roads.



AISIN Group Profile (13 Main Companies)

These 13 companies form the core of the AISIN Group and are working toward the creation of an enriched society in their respective, unique technology domains based on a “Quality First” approach while combining the comprehensive strengths and advanced technological capabilities of the Group.

Aisin Seiki Co., Ltd.

The company engages in the automotive parts business as the core company of the AISIN Group. It also utilizes technologies cultivated in the manufacture of automobiles to carry out businesses in a variety of other fields, including life and energy related products.

Established August 31, 1965
Head office.... Kariya, Aichi, Japan
URL..... <http://www.aisin.com>

Aisin Takaoka Co., Ltd.

The company undertakes the development and manufacture of various automotive parts utilizing such materials as steel and stainless steel materials as one of the world’s largest manufacturers of casting and plastic-forming parts.

Established March 8, 1960
Head office.... Toyota, Aichi, Japan
URL..... <http://www.at-takaoka.co.jp/english/>

Aisin Chemical Co., Ltd.

The company is the Group’s only specialty manufacturer in the chemicals field. It engages in the development and manufacture of automobile-use chemical products such as paint, adhesive agents and damping materials; wet friction materials and dry friction materials for transmissions; disc brake pads; and plastic parts.

Established February 12, 1952
Head office.... Toyota, Aichi, Japan
URL..... <http://www.aisin-chem.co.jp/english/>

Aisin AW Co., Ltd.

The company is a top manufacturer of automatic transmissions. It also engages in the manufacture of car navigation systems and hybrid systems and provides customers around the world with products that are at the forefront of the times.

Established May 15, 1969
Head office.... Anjo, Aichi, Japan
URL..... <http://www.aisin-aw.co.jp/en/>

Aisin Keikinzoku Co., Ltd.

The company is a manufacturer that engages mainly in the planning, development and production of automotive parts based on aluminum materials. It develops a variety of materials and products to respond to weight reductions, safety and environmental features required by automobiles.

Established February 1970
Head office.... Imizu, Toyama, Japan
URL..... <http://www.aisin-ak.co.jp/english/>

Aisin Development Co., Ltd.

As the only developer in the Group, the company is contributing to the creation of an even better social environment through its construction business, urban development business and insurance business.

Established December 1993
Head office.... Kariya, Aichi, Japan
URL..... <http://www.aisin-ad.co.jp> (Japanese)

Aisin Kiko Co., Ltd.

The company manufactures drivetrain related and body related components utilizing its cutting, plastic-forming and other precision technologies and its flexible assembly that can respond to multiple models.

Established June 1956
Head office.... Nishio, Aichi, Japan
URL..... <http://www.aisin-kiko.jp> (Japanese)

Aisin AI Co., Ltd.

The company is a specialist manufacturer of manual transmissions that provides “enjoyment in handing automobiles.” It is involved with a wide range of automobiles from minicars to sports cars and commercial vehicles.

Established July 1, 1991
Head office.... Nishio, Aichi, Japan
URL..... <http://www.aisin-ai.co.jp/english/>

Aisin Sin’ei Co., Ltd.

Utilizing its integrated production system, the company manufactures a variety of exterior body components and functional components. It provides products and services trusted by customers by leveraging its industry-leading core technologies (plastic forming, plastic molding, painting).

Established July 1961
Head office.... Hekinan, Aichi, Japan
URL..... <http://www.aisin-sinei.co.jp> (Japanese)

Aisin AW Industries Co., Ltd.

The company is a specialist manufacturer involved in the production of torque converters, which serve as the heart of automatic transmissions, and various types of transmission parts.

Established March 1983
Head office.... Echizen, Fukui, Japan
URL..... <http://www.aw-i.co.jp> (Japanese)

Hosei Brake Industry Co., Ltd.

The company boasts industry top-level production volume as a brake parts manufacturer and is also involved in products that use its pressing and welding technologies.

Established May 1968
Head office.... Toyota, Aichi, Japan
URL..... <http://www.hosei.co.jp/english/>

ADVICS Co., Ltd.

The company proposes the development of systems suited to customer needs as a global supplier of brake systems.

Established July 3, 2001
Head office.... Kariya, Aichi, Japan
URL..... <http://www.advics.co.jp/eng/>

Shiroki Corporation

The company manufactures such automotive parts as window regulators, door frames and seats. It also manufactures seats for trains.

Established March 1946
Head office.... Toyokawa, Aichi, Japan
URL..... <http://www.shiroki.co.jp/english/>

