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# **Annual Securities Report for the 103rd Fiscal Year**

From April 1, 2025 to March 31, 2026

**AISIN CORPORATION**

E01593

## Table of Contents

|                                                                                             |      |
|---------------------------------------------------------------------------------------------|------|
| Annual Securities Report for the 103rd Fiscal Year                                          | Page |
| Cover .....                                                                                 | 2    |
| Part I. Company Information.....                                                            | 3    |
| I. Overview of the Company.....                                                             | 3    |
| 1. Trends in key financial indicators.....                                                  | 3    |
| 2. History .....                                                                            | 5    |
| 3. Description of business.....                                                             | 6    |
| 4. Overview of subsidiaries and associates.....                                             | 8    |
| II. Overview of Business.....                                                               | 12   |
| 1. Management Policy, Business Environment, and Issues to be Addressed, etc.....            | 12   |
| 2. Approach to Sustainability and Related Initiatives.....                                  | 15   |
| 3. Business and Other Risks .....                                                           | 22   |
| 4. Management's analysis of financial condition, results of operations, and cash flows..... | 35   |
| 5. Significant Contracts, etc.....                                                          | 40   |
| 6. Research and Development .....                                                           | 40   |
| III. Information about Facilities.....                                                      | 41   |
| 1. Overview of equipment investments, etc.....                                              | 41   |
| 2. Major facilities.....                                                                    | 42   |
| 3. Planned additions, retirements, etc. of facilities .....                                 | 45   |
| IV. Status of the Filing Company .....                                                      | 46   |
| 1. Information about shares, etc.....                                                       | 46   |
| 2. Acquisition and disposal of treasury stock .....                                         | 48   |
| 3. Dividend policy .....                                                                    | 50   |
| 4. Corporate Governance .....                                                               | 51   |
| 5. Employee Status, etc.....                                                                | 84   |
| V. Accounting Status.....                                                                   | 91   |
| 1. Consolidated financial statements and other information.....                             | 92   |
| 2. Non-consolidated financial statements and other information.....                         | 159  |
| VI. Outline of Share-Related Administration of Filing Company .....                         | 173  |
| VII. Reference Information of Filing Company.....                                           | 174  |
| 1. Information on parent company or equivalent of the filing company .....                  | 174  |
| 2. Other reference information.....                                                         | 175  |
| Part II. Information on Guarantors for Filing Company.....                                  | 179  |

Cover

|                                    |                                                                                                                                                   |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| Document title                     | Annual Securities Report                                                                                                                          |
| Clause of stipulation              | Article 24, Paragraph (1) of the Financial Instruments and Exchange Act                                                                           |
| Place of filing                    | Director-General of the Kanto Local Finance Bureau                                                                                                |
| Filing date                        | June 12, 2026                                                                                                                                     |
| Fiscal year                        | 103rd (From April 1, 2025 to March 31, 2026)                                                                                                      |
| Company name                       | <i>Kabushiki-Kaisha Aishin</i>                                                                                                                    |
| Company name in English            | AISIN CORPORATION                                                                                                                                 |
| Title and name of representative   | Moritaka Yoshida, President                                                                                                                       |
| Address of registered headquarters | 2-1 Asahi-machi, Kariya, Aichi, Japan                                                                                                             |
| Telephone number                   | +81-566-24-8265 (Kariya)                                                                                                                          |
| Name of contact person             | Takashi Kurauchi, General Manager of Finance & Accounting Department                                                                              |
| Nearest place of contact           | 2-1 Asahi-machi, Kariya, Aichi, Japan                                                                                                             |
| Telephone number                   | +81-566-24-8265 (Kariya)                                                                                                                          |
| Name of contact person             | Takashi Kurauchi, General Manager of Finance & Accounting Department                                                                              |
| Place for public inspection        | Tokyo Stock Exchange, Inc.<br>(2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)<br>Nagoya Stock Exchange, Inc.<br>(3-8-20 Sakae, Naka-ku, Nagoya, Aichi) |

## Part I. Company Information

### I. Overview of the Company

#### 1. Trends in key financial indicators

##### (1) Consolidated financial indicators

| Fiscal year                                                                   |               | 99th       | 100th      | 101st      | 102nd      | 103rd      |
|-------------------------------------------------------------------------------|---------------|------------|------------|------------|------------|------------|
| Fiscal year ended                                                             |               | March 2022 | March 2023 | March 2024 | March 2025 | March 2026 |
| Revenue                                                                       | (Million Yen) | 3,917,434  | 4,402,823  | 4,909,557  | 4,896,104  | 5,117,764  |
| Profit before income taxes                                                    | (Million Yen) | 219,983    | 73,741     | 149,877    | 173,440    | 247,941    |
| Profit for the period attributable to owners of the parent                    | (Million Yen) | 141,941    | 37,670     | 90,813     | 107,586    | 171,697    |
| Comprehensive income for the period attributable to owners of the parent      | (Million Yen) | 266,744    | 39,353     | 426,802    | (37,780)   | 344,224    |
| Equity attributable to owners of the parent                                   | (Million Yen) | 1,756,516  | 1,751,326  | 2,135,837  | 1,977,263  | 2,200,573  |
| Total assets                                                                  | (Million Yen) | 4,205,801  | 4,135,826  | 4,643,016  | 4,284,600  | 4,512,274  |
| Equity attributable to owners of the parent per share                         | (Yen)         | 2,172.45   | 2,165.95   | 2,641.39   | 2,609.69   | 3,037.06   |
| Basic earnings per share                                                      | (Yen)         | 175.55     | 46.59      | 112.31     | 137.81     | 232.64     |
| Diluted earnings per share                                                    | (Yen)         | —          | —          | —          | —          | —          |
| Ratio of equity attributable to owners of the parent                          | (%)           | 41.8       | 42.3       | 46.0       | 46.1       | 48.8       |
| Ratio of profit for the period to equity attributable to owners of the parent | (%)           | 8.6        | 2.1        | 4.7        | 5.2        | 8.2        |
| Price earnings ratio                                                          |               | 8.0        | 26.1       | 18.5       | 11.8       | 9.3        |
| Net cash provided by (used in) operating activities                           | (Million Yen) | 193,343    | 237,970    | 499,740    | 339,870    | 376,084    |
| Net cash provided by (used in) investing activities                           | (Million Yen) | (204,952)  | (186,857)  | (93,153)   | (146,948)  | (77,180)   |
| Net cash provided by (used in) financing activities                           | (Million Yen) | (135,859)  | (127,752)  | (211,699)  | (270,221)  | (181,975)  |
| Cash and cash equivalents at end of period                                    | (Million Yen) | 386,906    | 317,693    | 527,191    | 451,690    | 592,398    |
| Number of employees                                                           |               | 117,177    | 116,649    | 115,140    | 114,449    | 113,292    |
| [Average number of temporary employees (not included above)]                  |               | [25,829]   | [25,596]   | [25,229]   | [24,799]   | [23,417]   |

Note 1: The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (hereinafter referred to as “IFRS”).

Note 2: On October 1, 2024, the Company executed a three-for-one stock split of its common stock. Equity attributable to owners of the parent per share and basic earnings per share have been calculated on the assumption that the stock split was conducted at the beginning of the 99th fiscal year.

Note 3: Information on diluted earnings per share is omitted due to the absence of potential shares.

(2) Financial indicators of filing company

| Fiscal year                                                  |               | 99th        | 100th       | 101st       | 102nd            | 103rd       |
|--------------------------------------------------------------|---------------|-------------|-------------|-------------|------------------|-------------|
| Fiscal year ended                                            |               | March 2022  | March 2023  | March 2024  | March 2025       | March 2026  |
| Revenue                                                      | (Million Yen) | 2,187,648   | 2,187,689   | 2,484,121   | 2,431,018        | 2,479,761   |
| Ordinary profit                                              | (Million Yen) | 135,033     | 73,547      | 49,715      | 105,888          | 119,785     |
| Profit for the period                                        | (Million Yen) | 335,465     | 73,274      | 109,994     | 97,744           | 223,611     |
| Capital stock                                                | (Million Yen) | 45,049      | 45,049      | 45,049      | 45,049           | 45,049      |
| Total number of issued shares                                |               | 294,674,634 | 294,674,634 | 294,674,634 | 809,023,902      | 759,023,902 |
| Total equity                                                 | (Million Yen) | 997,020     | 974,915     | 1,259,682   | 1,063,905        | 1,173,846   |
| Total assets                                                 | (Million Yen) | 2,625,196   | 2,591,451   | 2,968,913   | 2,586,258        | 2,680,818   |
| Net assets per share                                         | (Yen)         | 1,233.11    | 1,205.73    | 1,557.85    | 1,404.20         | 1,620.05    |
| Dividends per share                                          |               | 170.00      | 170.00      | 170.00      | *120.00          | 70.00       |
| (of which, interim dividends per share)                      | (Yen)         | (70.00)     | (70.00)     | (80.00)     | (90.00)          | (30.00)     |
| Earnings per share                                           | (Yen)         | 414.90      | 90.62       | 136.03      | 125.20           | 302.98      |
| Diluted earnings per share                                   | (Yen)         | —           | —           | —           | —                | —           |
| Equity ratio                                                 | (%)           | 38.0        | 37.6        | 42.4        | 41.1             | 43.8        |
| Return on equity                                             | (%)           | 35.8        | 7.4         | 9.8         | 8.4              | 20.0        |
| Price earnings ratio                                         |               | 3.4         | 13.4        | 15.2        | 13.0             | 7.2         |
| Dividends payout ratio                                       | (%)           | 13.7        | 62.5        | 41.7        | 47.9             | 23.1        |
| Number of employees                                          |               | 36,489      | 35,610      | 35,099      | 34,384           | 34,956      |
| [Average number of temporary employees (not included above)] |               | [7,098]     | [6,346]     | [6,579]     | [5,789]          | [6,027]     |
| Total shareholder return                                     |               | 103.9       | 94.9        | 160.3       | 132.4            | 176.3       |
| (Comparison benchmark: Dividend-included TOPIX)              | (%)           | (102.0)     | (107.9)     | (152.5)     | (150.2)          | (202.2)     |
| Highest share price                                          | (Yen)         | 5,060       | 4,525       | 6,239       | 1,882<br>(6,252) | 3,096       |
| Lowest share price                                           | (Yen)         | 3,530       | 3,400       | 3,575       | 1,562<br>(4,188) | 1,365.5     |

Note 1: On October 1, 2024, the Company executed a three-for-one stock split of its common stock. Net assets per share and earnings per share have been calculated on the assumption that the stock split was conducted at the beginning of the 99th fiscal year.

\* For the 102nd fiscal year, the interim dividend amount is stated as ¥90 before the stock split, and the year-end dividend amount is ¥30 after the stock split. The annual dividend amount is presented as a simple total of ¥120. The amount of dividend per share, without considering the stock split, is as follows (figures in brackets indicate interim dividends per share).

| Fiscal year                             |       | 99th       | 100th      | 101st      | 102nd      | 103rd      |
|-----------------------------------------|-------|------------|------------|------------|------------|------------|
| Fiscal year ended                       |       | March 2022 | March 2023 | March 2024 | March 2025 | March 2026 |
| Dividends per share                     |       | 170.00     | 170.00     | 170.00     | 180.00     | 210.00     |
| [of which, interim dividends per share] | (Yen) | [70.00]    | [70.00]    | [80.00]    | [90.00]    | [90.00]    |

Note 2: Diluted earnings per share is not presented, as there are no dilutive shares.

Note 3: The highest and lowest share prices are those quoted on the Tokyo Stock Exchange Prime Market on or after April 4, 2022, and on the Tokyo Stock Exchange First Section before April 4, 2022. For the 102nd fiscal year, the highest and lowest share prices after the stock split are presented, with the highest and lowest share prices before the stock split shown in parentheses.

## 2. History

| Month/Year    | Overview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| June 1949     | Aichi Kogyo Co., Ltd. was established with a capital of ¥15 million.<br>(Background of establishment)<br>Tokai Hikoki Co., Ltd. was established in March 1943 with a capital of ¥50 million, jointly funded by Toyota Motor Industries (currently Toyota Motor Corporation) and Kawasaki Aircraft Co., Ltd. (currently Kawasaki Heavy Industries, Ltd.). After the completion of the KARIYA PLANT in March 1944, the company was engaged in the production of aircraft engine parts until the end of World War II.<br>In late 1945, the company shifted its focus to the production of sewing machines and automotive parts, and changed its name to Aichi Kogyo Co., Ltd. in December of the same year. In June 1949, the company was re-established as the new Aichi Kogyo Co., Ltd. with a capital of ¥15 million following the approval of its reorganization plan under the Enterprise Reorganization Act in March. |
| July 1952     | Aichi Kogyo Co., Ltd. was newly listed on the Nagoya Stock Exchange.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| June 1953     | Aichi Kogyo Co., Ltd. began manufacturing die-cast products.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| March 1960    | Shinkawa Kogyo Co., Ltd. spun off its casting division and established Takaoka Industrial Co., Ltd. (currently AISIN TAKAOKA CO., LTD.).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| August 1961   | Aichi Kogyo Co., Ltd. began manufacturing automatic transmissions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| October       | Aichi Kogyo Co., Ltd. was listed on the First Section of the Nagoya Stock Exchange (currently the Nagoya Stock Exchange Premier Market).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| August 1965   | Aichi Kogyo Co., Ltd. merged with Shinkawa Kogyo Co., Ltd. (capital: ¥656 million) and changed its name to Aisin Seiki Co., Ltd. (capital: ¥2,856 million).<br>As part of the merger, it took over SHINKAWA PLANT (completed in March 1945) and SHINTOYO PLANT (completed in August 1961) from Shinkawa Kogyo Co., Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| May 1969      | Aisin Warner Co., Ltd. was established as a joint venture with U.S.-based BorgWarner Inc. (Renamed Aisin AW Co., Ltd. in March 1988.)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| May 1970      | Listed on the First Section of the Tokyo Stock Exchange (currently Tokyo Stock Exchange Prime Market) and the First Section of the Osaka Securities Exchange (delisted from the First Section of the Osaka Securities Exchange in December 2009).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| October       | Aisin U.S.A., Inc. was established.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| July 1988     | The manufacturing division of Aisin U.S.A., Inc. was spun off to establish Aisin U.S.A. Mfg., Inc., and Aisin America, Inc. was established to oversee both the manufacturing and sales companies.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| July 1991     | The SHIROYAMA PLANT was spun off to establish Aisin AI Co., Ltd. (merged by Aisin AW Co., Ltd. in April 2019).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| March 1992    | Aisin AW Seimitsu Co., Ltd. was established (merged by Aisin AW Co., Ltd. in June 2002).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| October       | Aisin America, Inc. and Aisin U.S.A., Inc. were merged and relaunched under the new name of Aisin World Corp. of America.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| November 1996 | Aisin Automotive Casting, Inc. (currently Aisin Automotive Casting, LLC) was established.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| November 1998 | AW North Carolina, Inc. (currently AISIN North Carolina Corporation) was established.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| January 2001  | The sales functions of Aisin World Corp. of America were spun off into a subsidiary, and the company was renamed Aisin Holdings of America, Inc. to serve as the regional headquarters for North America.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| July          | ADVICS CO., LTD. was established as a joint venture with DENSO Corporation, Sumitomo Electric Industries, Ltd., and Toyota Motor Corporation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| April 2010    | The KARIYA PLANT was transferred to ADVICS CO., LTD.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| April 2016    | Shiroki Corporation (currently AISIN SHIROKI CORPORATION) became a wholly owned subsidiary through a share exchange.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| February 2017 | ART METAL MFG. CO., LTD. became a subsidiary through share acquisition.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| April 2021    | Aisin AW Co., Ltd. was merged, and the company name was changed to AISIN CORPORATION.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| April 2025    | AISIN CHEMICAL CO., LTD. was merged.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

### 3. Description of business

The Group consists of the Company and 200 subsidiaries and associates (138 manufacturing companies, 19 sales companies, and 43 others). The business activities and the roles of each group company within those activities are as follows:

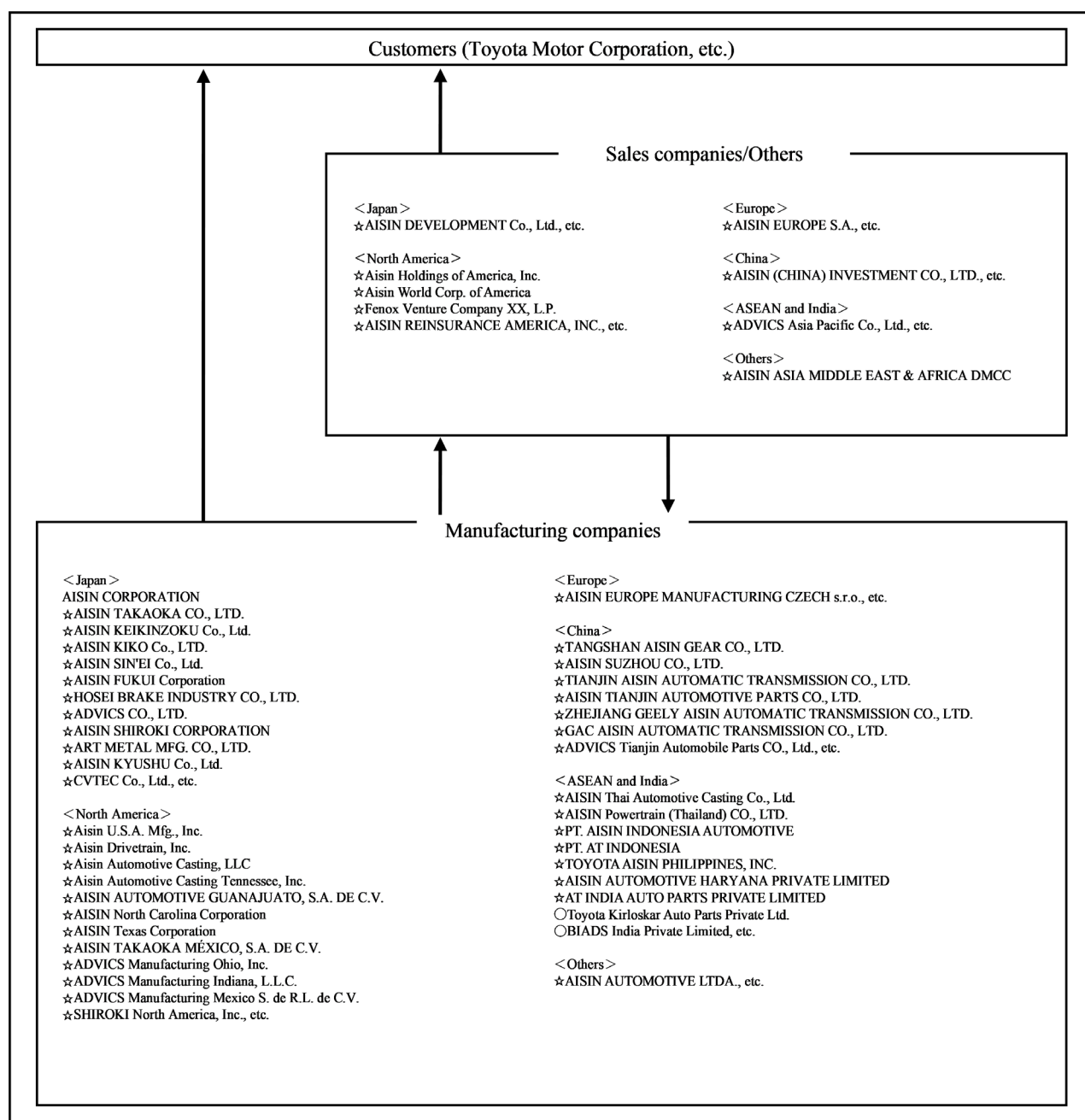
In the segments of “Japan,” “North America,” “Europe,” “China,” and “ASEAN and India,” we manufacture and sell the following products:

| Category                            |                                          | Main products                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------|------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Automotive parts                    | Powertrain-related                       | Automatic transmissions (AT), manual transmissions (MT), continuously variable transmissions (CVT), hybrid transmissions, eAxes, electric 4WD units (e-Four), hybrid dampers, electric water pumps, electric oil pumps, pistons, intake manifolds, exhaust manifolds, and variable valve timing systems (VVT)                                                            |
|                                     | Chassis & Vehicle Safety Systems-related | Brake boosters & master cylinders, disc brakes, electronic stability control (ESC), cooperative regenerative brake systems, electric-assisted parking brakes, active rear steering systems, power tilt and telescopic steering columns, driver monitoring systems, automated parking systems, surround monitoring systems, shift-by-wire, and brake pedal stroke sensors |
|                                     | Body-related                             | Power sliding door systems, power back door systems, sunroofs, pneumatic seats, door handles, door locks, door frames, grille shutters, universal steps, active front spoilers, active rear spoilers, occupant detection sensors, spray-type damping coats, and child presence detection systems                                                                         |
|                                     | LBS-related and others (Note)            | Car navigation systems and shared shuttle services                                                                                                                                                                                                                                                                                                                       |
|                                     | Aftermarket-related                      | Repair/maintenance products                                                                                                                                                                                                                                                                                                                                              |
| Energy solutions-related and others |                                          | [Energy solutions-related]<br>Gas heat pump air conditioners (GHP), cogeneration systems<br>[Others]<br>Femtosecond fiber lasers, home remodeling, and civil engineering/construction                                                                                                                                                                                    |

Note: Location-based services (LBS)

## Group Business Organization Chart

The Group's business organization chart and the names of major companies are as follows.



☆Subsidiaries    ○Associates for using the equity method

#### 4. Overview of subsidiaries and associates

| Name                                                    | Location           | Capital or Investment<br>(Million Yen) | Principal contents of business              | Ratio of voting rights held (%) | Concurrent executives | Loan of funds | Business transactions                                             | Lease of equipment |
|---------------------------------------------------------|--------------------|----------------------------------------|---------------------------------------------|---------------------------------|-----------------------|---------------|-------------------------------------------------------------------|--------------------|
| (Consolidated subsidiaries)<br>AISIN TAKAOKA CO., LTD.* | Toyota, Aichi      | 5,396                                  | Automotive parts                            | [3.4]<br>51.2                   | Yes                   | Yes           | Procurement of the company products                               | Yes                |
| AISIN KEIKINZOKU Co., Ltd.                              | Imizu, Toyama      | 1,500                                  | Automotive parts                            | [4.1]<br>60.0                   | Yes                   | No            | Procurement of the company products                               | Yes                |
| AISIN DEVELOPMENT Co., Ltd.                             | Kariya, Aichi      | 456                                    | Other                                       | [29.5]<br>100.0                 | Yes                   | No            | Civil engineering and construction orders placed with the company | Yes                |
| AISIN KIKO Co., LTD.                                    | Nishio, Aichi      | 4,100                                  | Automotive parts                            | [27.2]<br>100.0                 | Yes                   | No            | Procurement of the company products                               | Yes                |
| AISIN SIN'EI Co., Ltd.                                  | Hekinan, Aichi     | 2,310                                  | Automotive parts                            | [22.0]<br>100.0                 | No                    | No            | Procurement of the company products                               | Yes                |
| AISIN FUKUI Corporation                                 | Echizen, Fukui     | 2,057                                  | Automotive parts                            | [18.7]<br>100.0                 | Yes                   | No            | Procurement of the company products                               | Yes                |
| HOSEI BRAKE INDUSTRY CO., LTD.*                         | Toyota, Aichi      | 6,436                                  | Automotive parts                            | [50.1]<br>76.6                  | No                    | Yes           | Procurement of the company products                               | No                 |
| ADVICS CO., LTD.*                                       | Kariya, Aichi      | 12,209                                 | Automotive parts                            | 51.1                            | Yes                   | Yes           | Sales of the Company products                                     | Yes                |
| AISIN SHIROKI CORPORATION*                              | Toyokawa, Aichi    | 7,460                                  | Automotive parts                            | 100.0                           | No                    | Yes           | Procurement of the company products                               | Yes                |
| ART METAL MFG. CO., LTD.                                | Ueda, Nagano       | 2,397                                  | Automotive parts                            | 80.3                            | No                    | No            | Procurement of the company products                               | Yes                |
| AISIN KYUSHU Co., Ltd.                                  | Kumamoto, Kumamoto | 1,490                                  | Automotive parts                            | 100.0                           | Yes                   | Yes           | Procurement of the company products                               | Yes                |
| CVTEC Co., Ltd.                                         | Tahara, Aichi      | 1,500                                  | Automotive parts                            | 100.0                           | Yes                   | No            | Procurement of the company products                               | Yes                |
| Aisin Holdings of America, Inc.*                        | Indiana, USA       | 449,557<br>in thousands of USD         | Other                                       | 100.0                           | Yes                   | Yes           | No                                                                | No                 |
| Aisin World Corp. of America                            | Michigan, USA      | 39,500<br>in thousands of USD          | Automotive parts & energy solutions-related | [100.0]<br>100.0                | Yes                   | No            | Sales of the Company products                                     | No                 |
| Aisin U.S.A. Mfg., Inc.*                                | Indiana, USA       | 81,140<br>in thousands of USD          | Automotive parts                            | [100.0]<br>100.0                | No                    | No            | Sales of the Company products                                     | No                 |
| Aisin Drivetrain, Inc.*                                 | Indiana, USA       | 45,700<br>in thousands of USD          | Automotive parts                            | [100.0]<br>100.0                | No                    | No            | Sales of the Company products                                     | No                 |
| Aisin Automotive Casting, LLC*                          | Kentucky, USA      | 72,101<br>in thousands of USD          | Automotive parts                            | [100.0]<br>100.0                | No                    | No            | Sales of the Company products                                     | No                 |
| Aisin Automotive Casting Tennessee, Inc.*               | Tennessee, USA     | 55,700<br>in thousands of USD          | Automotive parts                            | [100.0]<br>100.0                | No                    | No            | Sales of the Company products                                     | No                 |

| Name                                            | Location                      | Capital or Investment (Million Yen) | Principal contents of business | Ratio of voting rights held (%) | Concurrent executives | Loan of funds | Business transactions         | Lease of equipment |
|-------------------------------------------------|-------------------------------|-------------------------------------|--------------------------------|---------------------------------|-----------------------|---------------|-------------------------------|--------------------|
| AISIN AUTOMOTIVE GUANAJUATO, S.A. DE C.V.*      | Guanajuato, Mexico            | 2,791 in millions of MXN            | Automotive parts               | [100.0]<br>100.0                | No                    | No            | Sales of the Company products | No                 |
| AISIN North Carolina Corporation*               | North Carolina, USA           | 75,000 in thousands of USD          | Automotive parts               | [100.0]<br>100.0                | No                    | No            | Sales of the Company products | No                 |
| AISIN Texas Corporation*                        | Texas, USA                    | 165,000 in thousands of USD         | Automotive parts               | [100.0]<br>100.0                | No                    | No            | Sales of the Company products | No                 |
| AISIN TAKAOKA MÉXICO, S.A. DE C.V.*             | Guanajuato, Mexico            | 1,622 in millions of MXN            | Automotive parts               | [100.0]<br>100.0                | No                    | No            | No                            | No                 |
| ADVICS Manufacturing Ohio, Inc.*                | Ohio, USA                     | 40,250 in thousands of USD          | Automotive parts               | [100.0]<br>100.0                | No                    | No            | No                            | No                 |
| ADVICS Manufacturing Indiana, L.L.C.*           | Indiana, USA                  | 41,400 in thousands of USD          | Automotive parts               | [100.0]<br>100.0                | No                    | No            | No                            | No                 |
| ADVICS Manufacturing Mexico S. de R.L. de C.V.* | Jalisco, Mexico               | 1,992 in millions of MXN            | Automotive parts               | [100.0]<br>100.0                | No                    | No            | No                            | No                 |
| SHIROKI North America, Inc.*                    | Tennessee, USA                | 51,286 in thousands of USD          | Automotive parts               | [100.0]<br>100.0                | No                    | No            | No                            | No                 |
| Fenox Venture Company XX, L.P.*                 | California, USA               | 50,500 in thousands of USD          | Other                          | 99.0                            | No                    | No            | No                            | No                 |
| AISIN RE-INSURANCE AMERICA, INC.*               | Hawaii, USA                   | 100,000 in thousands of USD         | Other                          | 100.0                           | No                    | No            | No                            | No                 |
| AISIN EUROPE S.A.*                              | Braine-l'Alleud, Belgium      | 150,862 in thousands of EUR         | Automotive parts               | 100.0                           | Yes                   | Yes           | Sales of the Company products | No                 |
| AISIN EUROPE MANUFACTURING CZECH s.r.o.*        | South Bohemia, Czech Republic | 1,842,200 in thousands of CZK       | Automotive parts               | [100.0]<br>100.0                | No                    | No            | Sales of the Company products | No                 |
| AISIN (CHINA) INVESTMENT CO., LTD.*             | Shanghai, China               | 1,252,894 in thousands of CNY       | Automotive parts               | 100.0                           | Yes                   | No            | Sales of the Company products | No                 |
| TANGSHAN AISIN GEAR CO., LTD.*                  | Tangshan, Hebei, China        | 2,171,425 in thousands of CNY       | Automotive parts               | [63.9]<br>99.3                  | No                    | Yes           | Sales of the Company products | No                 |
| AISIN SUZHOU CO., LTD.*                         | Suzhou, Jiangsu, China        | 1,099,652 in thousands of CNY       | Automotive parts               | [10.7]<br>100.0                 | No                    | Yes           | Sales of the Company products | No                 |
| TIANJIN AISIN AUTOMATIC TRANSMISSION CO., LTD.* | Tianjin, China                | 668,853 in thousands of CNY         | Automotive parts               | 80.0                            | No                    | No            | Sales of the Company products | No                 |

| Name                                                                   | Location                    | Capital or Investment (Million Yen) | Principal contents of business | Ratio of voting rights held (%) | Concurrent executives | Loan of funds | Business transactions         | Lease of equipment |
|------------------------------------------------------------------------|-----------------------------|-------------------------------------|--------------------------------|---------------------------------|-----------------------|---------------|-------------------------------|--------------------|
| AISIN TIANJIN AUTO-MOTIVE PARTS CO., LTD.*                             | Tianjin, China              | 619,778 in thousands of CNY         | Automotive parts               | [49.0]<br>100.0                 | No                    | No            | Sales of the Company products | No                 |
| ZHEJIANG GEELY AISIN AUTOMATIC TRANSMISSION CO., LTD.*                 | Ningbo, Zhejiang, China     | 822,755 in thousands of CNY         | Automotive parts               | [9.0]<br>60.0                   | Yes                   | No            | Sales of the Company products | No                 |
| GAC AISIN AUTOMATIC TRANSMISSION CO., LTD.*                            | Guangzhou, Guangdong, China | 1,896,674 in thousands of CNY       | Automotive parts               | [9.0]<br>60.0                   | Yes                   | Yes           | Sales of the Company products | No                 |
| ADVICS Tianjin Automobile Parts CO., Ltd.*                             | Tianjin, China              | 352,057 in thousands of CNY         | Automotive parts               | [50.1]<br>97.3                  | No                    | No            | No                            | No                 |
| AISIN Thai Automotive Casting Co., Ltd.*                               | Prachinburi, Thailand       | 1,681 in millions of THB            | Automotive parts               | 97.0                            | No                    | No            | Sales of the Company products | No                 |
| AISIN Powertrain (Thailand) CO., LTD.*                                 | Chonburi, Thailand          | 3,450 in millions of THB            | Automotive parts               | 100.0                           | No                    | No            | Sales of the Company products | No                 |
| PT AISIN INDONESIA AUTO-MOTIVE*                                        | West Java, Indonesia        | 1,160,000 in millions of IDR        | Automotive parts               | [100.0]<br>100.0                | No                    | No            | Sales of the Company products | No                 |
| PT. AT INDONESIA*                                                      | West Java, Indonesia        | 395,500 in millions of IDR          | Automotive parts               | [52.0]<br>56.0                  | No                    | No            | No                            | No                 |
| TOYOTA AISIN PHILIPPINES, INC.*                                        | Laguna, Philippines         | 1,000 in millions of PHP            | Automotive parts               | 61.0                            | No                    | No            | Sales of the Company products | No                 |
| AISIN AUTO-MOTIVE HARYANA PRIVATE LIMITED*                             | Haryana, India              | 11,451 in millions of INR           | Automotive parts               | [0.0]<br>99.4                   | No                    | Yes           | Sales of the Company products | No                 |
| AT INDIA AUTO PARTS PRIVATE LIMITED*                                   | Karnataka, India            | 6,300 in millions of INR            | Automotive parts               | [98.0]<br>98.0                  | No                    | No            | No                            | No                 |
| AISIN AUTO-MOTIVE LTDA.*                                               | São Paulo, Brazil           | 732,615 in thousands of BRL         | Automotive parts               | 100.0                           | No                    | No            | Sales of the Company products | No                 |
| Other 140 companies                                                    |                             |                                     |                                |                                 |                       |               |                               |                    |
| (Equity-method associates)<br>Toyota Kirloskar Auto Parts Private Ltd. | Karnataka, India            | 3,375 in millions of INR            | Automotive parts               | 26.0                            | No                    | No            | No                            | No                 |
| BIADS India Private Limited                                            | Tamil Nadu, India           | 2,750 in millions of INR            | Automotive parts               | [49.0]<br>49.0                  | No                    | No            | No                            | No                 |

| Name                     | Location      | Capital or Investment<br>(Million Yen) | Principal contents of business                        | Ratio of voting rights held (%) | Concurrent executives | Loan of funds | Business transactions         | Lease of equipment |
|--------------------------|---------------|----------------------------------------|-------------------------------------------------------|---------------------------------|-----------------------|---------------|-------------------------------|--------------------|
| Other 12 companies       |               |                                        |                                                       |                                 |                       |               |                               |                    |
| (Other affiliates)       |               |                                        |                                                       |                                 |                       |               |                               |                    |
| Toyota Motor Corporation | Toyota, Aichi | 635,402                                | Manufacture and sale of automobiles and related parts | [0.0]<br>22.4                   | No                    | No            | Sales of the Company products | Yes                |

Note 1: The “Principal contents of business” column indicates the name of the business type.

Note 2: Figures in brackets in the “Ratio of voting rights held” column represent the percentage held indirectly (included in the total).

Note 3: Companies marked with an asterisk (\*) are specified subsidiaries.

Note 4: Toyota Motor Corporation is a company that files securities reports.

Note 5: For Aisin World Corp. of America, the ratio of its revenue (excluding intercompany sales within the consolidated group) to the total consolidated revenue exceeds 10%.

(Million Yen)

|                              | Key profit and loss information etc. (IFRS) |                          |                     |              |              |
|------------------------------|---------------------------------------------|--------------------------|---------------------|--------------|--------------|
|                              | Revenue                                     | Loss before income taxes | Loss for the period | Total equity | Total assets |
| Aisin World Corp. of America | 865,048                                     | (4,861)                  | (3,543)             | 9,998        | 146,742      |

## II. Overview of Business

### 1. Management Policy, Business Environment, and Issues to be Addressed, etc.

Any forecasts or forward-looking statements included in the following descriptions are based on the Company's best estimates or judgments as of March 31, 2026.

#### (1) Aisin Group management philosophy

The Aisin Group operates under the management philosophy “Inspiring 'Movement,' Creating Tomorrow”. We continue to provide new value to our colleagues, customers, and society, aiming to realize a sustainable society.

Beyond contributing to the evolution of physical mobility, the Group aims to transcend conventional concepts and methods of mobility, offering people around the world all manner of "movement" experiences that stir the heart and inspire wonderment and joy.

By creating new value through environmentally conscious business activities, the Group is connecting our beautiful planet and a sustainable society full of smiles to the future.

With this commitment driving its management activities, the Aisin Group's root policy is to remain indispensable to society by uniting the efforts of all our colleagues.



#### (2) Business Environment

Changes in environmental policies and regulatory trends across borders have increased uncertainty in the environment surrounding the automotive market. In the near term, regional disparities have emerged in the pace of adoption of battery electric vehicles (BEVs), and the proliferation of diverse electrified vehicles, including plug-in hybrid electric vehicles (PHEVs) and hybrid electric vehicles (HEV), is accelerating. Meanwhile, the powertrain market is increasingly diversifying as demand for gasoline-powered cars and other internal combustion engine (ICE) vehicles is rebounding.

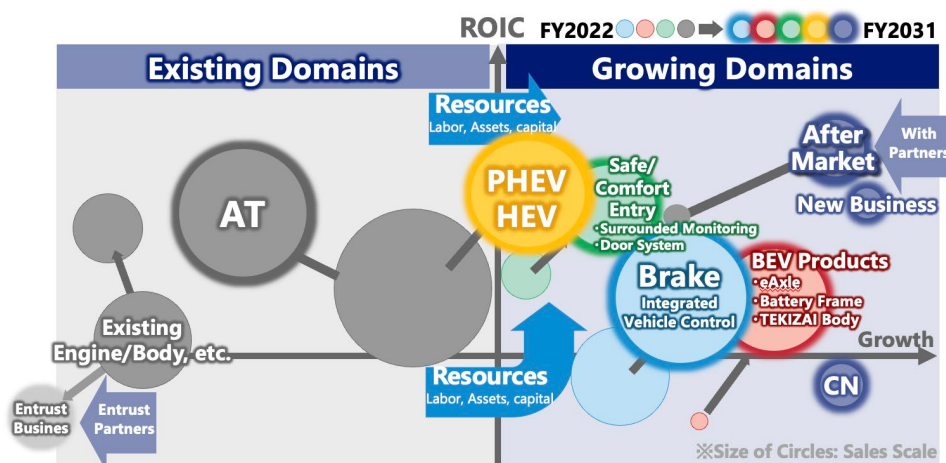
Looking ahead, the advancement of electrification and intelligent systems is expected to transform the nature of automobiles and mobility.

#### (3) Issues to be Addressed

Based on this understanding of the operating environment, the Group has established materiality issues to be addressed over the medium-to-long term as it pursues the realization of its management philosophy. These priority issues are defined as: “Harmony with nature and contribution to a sustainable future,” “Freedom of movement for people around the world,” and “Empowering diverse talents for personal fulfillment.” The direction we are taking to achieve this consists of five key areas—“Reducing our environmental impact across the value chain,” “Providing solutions for a clean energy society,” “Creating life-enriching value through mobility,” “Instilling a corporate culture that embraces challenges,” and “Respecting diversity and growing together” while “Laying a solid management

foundation” to support these objectives. To address material issues through our business activities, we have formulated a medium-to-long-term business strategy targeted at FY2031 and are moving forward with the transformation of our business portfolio.

Transformation of business portfolio with a view to FY2031



#### (4) Medium-to-Long-term Business Strategy and target management indicators

Under the medium-to-long-term business strategy in place through FY2031, in February 2026, the Group formulated its FY2029 Medium-Term Business Plan. Building on manufacturing expertise grounded in our broad product lineup and global production network, the Plan aims to drive the Company’s efforts to create added-value mobility solutions.

##### (i) Basic Policy

Aim to both strengthen “earning power” and “invest in future growth”.

##### (ii) Priority Initiatives

Initiatives will be advanced along three axes: product, region, and function.

##### i) Product Axis

The high-value mobility solutions offered by the Aisin Group are aligned according to our ideals of User-friendly ride, along with stress-free, safety, reliability of mind and comfortable mobility experience. The Group is deepening its hardware technologies in powertrain units, brakes, and other core areas of strength, and integrating sensing technologies and software to push forward the evolution of mobility that users seek.

##### ii) Region Axis

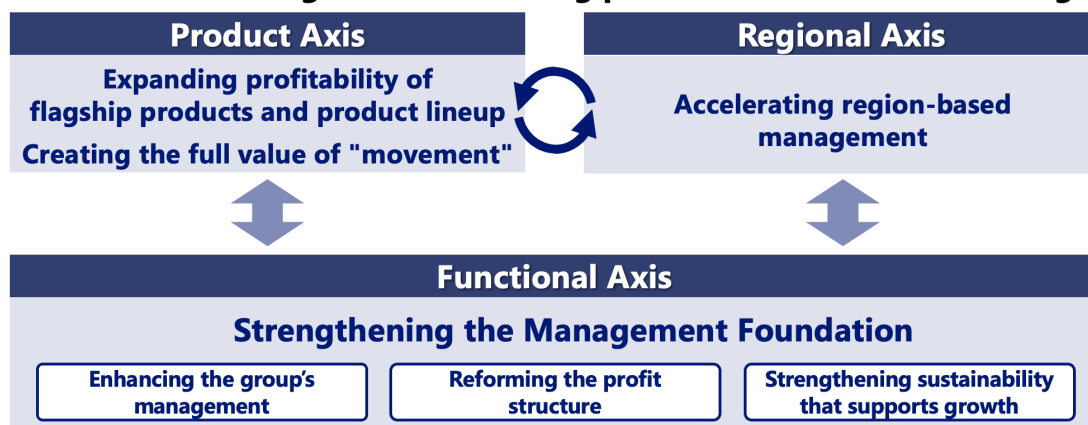
Environmental policies and energy conditions vary significantly by region, and the types of vehicle demanded by each market are diversifying in response. The Group works to accurately grasp these variances to deliver, through expanded local production, optimal products and services for each region’s market environment and for the needs of customers and users.

##### iii) Function Axis

As the product and region axes work together as two wheels of the same cart, strengthening the management foundation is an essential initiative to support both axes and accelerate their realization. Specifically, the Group is promoting three key activities: enhancing the Group’s management, reforming the profit structure, and strengthening sustainability that supports growth.

**Basic Policy :**

**Aim to balance both strengthen our “earning power” and “invest in future growth.”**



(iii) Target Management Indicators

The following indicators have been incorporated into our FY2029 Medium-Term Business Plan as the management performance targets.

| Indicator              | FY2029 MTP Target |
|------------------------|-------------------|
| Revenue                | 5.3 trillion yen  |
| Operating profit       | 330.0 billion yen |
| Operating profit ratio | 6.2%              |
| ROE                    | 10.0%             |
| ROIC (Note 1)          | 11.0%             |

Note 1:  $\text{ROIC (return on invested capital)} = \frac{\text{Operating Profit after Income Tax}}{(\text{Inventories} + \text{Tangible Fixed Assets} + \text{Intangible Asset})}$

Note 2: The above financial targets are based on the Aisin Group's reasonable judgment founded on circumstances that can be anticipated as of the date of submission of this Annual Securities Report, and do not guarantee their achievement.

## 2. Approach to Sustainability and Related Initiatives

Under its management philosophy of "Inspiring 'Movement,' Creating Tomorrow," the Aisin Group engages in sustainability management, anticipating social issues and needs through dialogue with stakeholders and its pursuit of business activities geared toward the realization of a sustainable society.

As the basis for its sustainability management effort, the Group has formulated the AISIN Group Charter of Sustainability, which serves as a guideline for corporate activities. Furthermore, the AISIN Group Code of Conduct has been established to ensure employees comply with the Charter.

Additionally, the Group has identified materiality issues—important issues to be addressed over the medium and long term toward the realization of its management philosophy—and positioned these at the core of its management strategy, promoting them in conjunction with its growth strategy.

Any forecasts or forward-looking statements included in the following descriptions are based on the management's assumptions and beliefs as of the end of the current consolidated fiscal year.

### (1) General approach and actions

#### (i) Governance

##### i) Oversight framework (governing body or individual)

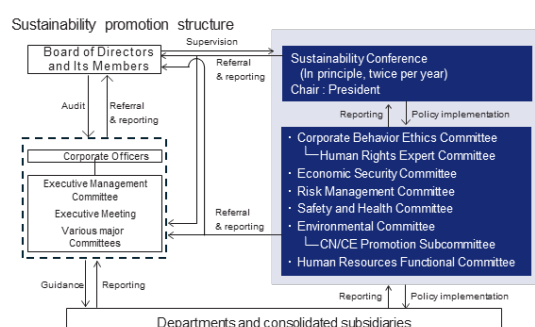
Oversight of sustainability-related risks and opportunities within the Aisin Group is handled by the Board of Directors. The Board of Directors receives reports on matters deliberated and decided at the Sustainability Conference and each of the committees as necessary. The principal sustainability-related agenda items discussed in FY2026 were as follows.

|                           | Board Agenda Topics                                                    | Classification | Promoting Committee                |
|---------------------------|------------------------------------------------------------------------|----------------|------------------------------------|
| Sustainability General    | Revision of the AISIN Group Code of Conduct                            | Report         | Sustainability Conference          |
|                           | Progress of sustainability management activities and future challenges | Report         |                                    |
| Risk Management (General) | Status of risk management initiatives                                  | Report         | Risk Management Committee          |
| Climate Change            | Operational status and challenges of the Environmental Committee       | Report         | Environmental Committee            |
| Human Capital             | Discussion on human capital strategy                                   | Report         | Human Resources Function Committee |

## ii) Approval hierarchy (role of management)

The Board of Directors has assigned management's role in the governance processes, controls, and procedures for monitoring, managing, and overseeing sustainability-related risks and opportunities to the Sustainability Conference, which is chaired by the President. The Conference meets twice a year in principle to deliberate on and determine policies and the direction of our sustainability initiatives, and also to monitor the progress of initiatives grounded in materiality issues. Furthermore, the policies decided upon by the Sustainability Conference are translated into action plans by various committees and other bodies, and initiatives aimed at achieving these goals are promoted.

Sustainability Promotion Structure



Sustainability Conference

|                    |                                                                                                                                                                                                                                                           |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Meeting Frequency  | In principle, twice per year                                                                                                                                                                                                                              |
| Chairperson        | President                                                                                                                                                                                                                                                 |
| Secretariat        | Sustainability Management Section, Corporate Planning Department                                                                                                                                                                                          |
| Participants       | Senior Executive Officers, Regional Executive General Managers, Presidents of Major Group Companies, etc.                                                                                                                                                 |
| Main Agenda Topics | <ul style="list-style-type: none"> <li>• Sharing of latest sustainability trends</li> <li>• Discuss and decide on sustainability policies</li> <li>• Review of materiality, determination of indicators and targets, and follow-up on progress</li> </ul> |

## iii) Skills and competencies required of the Board of Directors

To achieve sustained growth and medium- to long-term enhancement of corporate value, the Board of Directors is required to make accurate, swift, and fair decisions and to provide appropriate management oversight. Accordingly, members of the Company's Board of Directors are required to possess the skills and competencies to contribute to activating discussion and appropriate decision-making by leveraging their respective knowledge and experience. For further details, please refer to "Part IV: Status of the Filing Company, 4: Corporate Governance, etc., (2) Information about officers, (i) Officers."

## iv) Linkage of sustainability KPIs with executive compensation

To strengthen the incentives of Directors (excluding Outside Directors) with respect to their engagement in sustainability issues, Sustainability KPIs have been incorporated into the calculation metrics for performance-linked compensation. For further details, please refer to "Part IV: Status of the Filing Company, 4: Corporate Governance, etc., (4) Executive remuneration, etc., (i) Matters related to the policy on determining the amount or calculation method of executive remuneration"

## (ii) Risk management

The Aisin Group employs the following methods to identify, assess, prioritize, and monitor sustainability-related risks and opportunities.

Based on an understanding of the medium- to long-term business environment surrounding the Aisin Group, the Group identifies its materiality issues. Specifically, the identification and assessment is conducted by taking a bird's-eye view of the entire value chain and we provide a comprehensive overview of issues primarily related to the automotive industry and sustainability, considering both risks and opportunities. Based on this, we identified issues related to our business activities through employee workshops. Following discussions among executives, including outside directors, we narrowed down the list based on their impact on management and from the

perspectives of risk and opportunity. Furthermore, we verify the suitability of these materiality determinations through stakeholder engagement. The results of these deliberations are discussed and resolved at meetings of the Sustainability Conference. Details are subsequently reported to the Board of Directors, which then exercises its oversight function. Additionally, the Sustainability Conference reviews these determinations annually in light of changes in the business environment and other factors, and revises them as necessary.

From the materiality issues identified through the above process, sustainability-related risks and opportunities are identified in light of the concepts set forth in international guidelines. These risks are integrated into our companywide risk management system, where they are evaluated and managed within a single framework. In addition, before any decisions are made, significant investment and financing projects are subject to assessment for, among other things, the presence and impact of sustainability-related risks. For details on companywide risk management, please refer to “3. Business and Other Risks.” Furthermore, opportunities that have been identified are managed as an integral part of our business strategy via various key forums and the Executive Management Committee, and significant matters are submitted and reported to the Board of Directors.

## (2) Measures for climate change

The Aisin Group has positioned “Harmony with nature and contribution to a sustainable future” as one of its priority materiality issues and has identified reducing its environmental impact across the entire value chain as a path toward its realization. At the same time, it has reflected in its management strategy the risks and opportunities posed to its business activities by climate change.

### (i) Governance

The Aisin Group has established the Environmental Committee, which is responsible for deliberating on basic policies relating to the environment in general and for ensuring the proper execution of business operations and managing progress, as well as the CN/CE Promotion Subcommittee, which is responsible for strategizing and promoting carbon neutrality, circular economy, and harmony with nature.

Both meetings are chaired by Executive General Manager of the Carbon Neutrality & Environmental Promotion Center and are each held twice a year in principle, fulfilling their respective roles in accordance with policies determined by the Sustainability Conference. Important matters discussed by the Environmental Committee are submitted and reported on to the Board of Directors and that they are incorporated into business strategies and plans as necessary.

#### Environmental Committee

|                    |                                                                                                                                                                                                                                                             |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Meeting Frequency  | In principle, twice per year                                                                                                                                                                                                                                |
| Chairperson        | Executive General Manager of Carbon Neutral & Environmental Promotion Center                                                                                                                                                                                |
| Secretariat        | Carbon Neutral & Environment Promotion Department                                                                                                                                                                                                           |
| Participants       | President, Senior Executive Officers, Executive General Manager the Center /Division, Presidents of Major Group Companies, etc.                                                                                                                             |
| Main Agenda Topics | <ul style="list-style-type: none"> <li>· Deliberation and dissemination of basic policies on environmental matters in general</li> <li>· Ensuring proper execution of business operations related to environmental matters and managing progress</li> </ul> |

## CN/CE Promotion Subcommittee

|                    |                                                                                                       |
|--------------------|-------------------------------------------------------------------------------------------------------|
| Meeting Frequency  | In principle, twice per year                                                                          |
| Chairperson        | Executive General Manager of the Carbon Neutral & Environmental Promotion Center                      |
| Secretariat        | Carbon Neutral & Environmental Promotion Department                                                   |
| Participants       | Executive General Manager of the Center/Division, Officers in Charge at Major Group Companies, etc.   |
| Main Agenda Topics | Strategic consideration and promotion of carbon neutrality, circular economy, and nature conservation |

### (ii) Strategy

Taking into account the impact of climate change on business activities and medium-to-long-term corporate value, the Aisin Group has positioned the realization of carbon neutrality as a central challenge.

The Group pursues this objective along two axes: "production" and "products," with the aim of achieving carbon neutrality for production CO<sub>2</sub> emissions by FY2036 and overall carbon neutrality by FY2051.

On the production side, the Group is reducing energy consumption through rigorous conservation activities and innovative production technologies and will introduce and transition to renewables and other sources of clean energy.

On the product side, the Group is advancing the further evolution of products for electrified vehicles and the wider adoption of energy and resource circulation systems, aiming to create new value through the convergence of mobility and energy technologies.

In addition, the Group is strengthening its efforts to reduce environmental impact by incorporating the concept of the circular economy, such as the effective use of resources and reduction of waste.

Transition and physical risks and opportunities associated with climate change are analyzed once a year based on the targets, scenarios, and definitions set out below, and responses are reviewed on a regular basis.

#### i) Scope of Analysis

Sites: All Aisin Group sites

Business: All businesses

#### ii) Scenarios

Taking short-, medium-, and long-term perspectives into account, the following two scenarios were selected for analysis because transition and physical risks and opportunities are particularly prominent and have a significant impact on business activities.

|                | 1.5°C Scenario                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 4°C Scenario                                                                                                                                                         |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Social Picture | <p><b>Policy</b><br/>Vigorous policies to reduce greenhouse gas emissions are implemented, including carbon taxes and promotion of renewable energy.</p> <p><b>Technological Innovation</b><br/>Technologies for energy efficiency, CCUS (Carbon Capture, Utilization and Storage), etc. advance rapidly and are deployed socially.</p> <p><b>Market Change</b><br/>Electrification shift in the mobility market accelerates rapidly; products and services contributing to GHG reduction expand in the market.</p> | <p><b>Global Environment</b><br/>Temperature increase exceeds 4° C, and the negative impact of extreme weather events on business operations becomes pronounced.</p> |
| References     | <ul style="list-style-type: none"> <li>· IEA World Energy Outlook "NZE"</li> <li>· Automotive industry scenarios</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                         | IPCC AR6 SSP5-8.5                                                                                                                                                    |
| Related Risk   | Transition risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Physical risk                                                                                                                                                        |

iii) Time horizon definitions

Long (L): through FY2051; Medium (M): through FY2031; Short (S): through FY2027

iv) Financial impact definition

Large (L): 10 billion yen or more; Medium (M): 1 billion yen or more and less than 10 billion yen; Small (S): less than 1 billion yen

## <Climate change risks and opportunities, and the Aisin Group's Response>

| Classification     | Risk/<br>Opportunity<br>Type | Impact<br>Stage      | Impact on Aisin Group                                                                                                                                                                        | Time Horizon<br>L/M/S | Financial<br>Impact L/M/S | Response                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------|------------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Transition<br>Risk | Market                       | Product<br>Demand    | Decrease in demand for gasoline vehicle products amid increasing popularity of electrified vehicle products driven by the promotion of electrification                                       | M                     | L                         | <ul style="list-style-type: none"> <li>Expanding sales of energy solutions that contribute to mobility electrification and carbon neutrality, including electric units, Cooperative Regenerative Brake System, thermal management systems, aerodynamic devices, and other wide-ranging products</li> <li>Gaining share by capturing gasoline vehicle demand through a full lineup of drive units</li> </ul>                                                                           |
|                    |                              | Procure-<br>ment     | Rising demand for low-carbon materials spurs price increases for required raw materials, leading to higher procurement costs                                                                 | M                     | L                         | <ul style="list-style-type: none"> <li>Reduction of material usage through lightweighting at the product design stage</li> <li>Reduction of purchased materials through promotion of the circular economy</li> </ul>                                                                                                                                                                                                                                                                  |
|                    | Policy/<br>Regulation        | Direct<br>Operations | Cost increases due to policies such as carbon taxes and introduction of renewable energy                                                                                                     | M                     | L                         | <ul style="list-style-type: none"> <li>Promotion of energy-conservation activities aimed at minimizing energy use</li> <li>Introduction of renewable energy leveraging the characteristics of each region</li> </ul>                                                                                                                                                                                                                                                                  |
| Physical Risk      | Acute                        | Direct<br>Operations | Increased frequency and severity of adverse weather events (heavy rain, typhoons, floods, etc.) causing supply chain disruptions and temporary suspension of operations when disasters occur | S                     | M                         | <ul style="list-style-type: none"> <li>Formulation of action standards and rules for extreme weather events</li> <li>Advancement of business continuity planning (BCP) for procurement logistics</li> <li>Identifying and regularly monitoring high-risk sites</li> <li>Formulation and implementation of flood prevention plans</li> </ul>                                                                                                                                           |
| Opportunity        | Products/<br>Services        | Product<br>Demand    | Expanding demand for electrified vehicle products driven by the promotion of electrification                                                                                                 | M                     | L                         | <ul style="list-style-type: none"> <li>Leveraging a full lineup of drive units to capture increasing PHEV and HEV demand</li> <li>Early market launch of eAxle and other electric units with improved energy performance through higher efficiency and miniaturization</li> <li>Promoting expansion of Cooperative Regenerative brake system through improvements in energy efficiency and sensory performance</li> <li>Expanding production capacity for related products</li> </ul> |
|                    |                              |                      | Creation of new businesses arising from expanded demand for products and services contributing to CO <sub>2</sub> reduction                                                                  | M                     | M                         | <ul style="list-style-type: none"> <li>Market launch and securing of market share for perovskite solar cells</li> <li>Sales of Bio-M-Coke® (bio-briquette coke derived from coconut shells)</li> <li>Establishment and commercialization of CO<sub>2</sub> fixation technology</li> </ul>                                                                                                                                                                                             |
|                    |                              |                      | Expanding demand for energy-efficient, low-carbon-emission products                                                                                                                          | M                     | M                         | <ul style="list-style-type: none"> <li>Contributing to high-efficiency stable energy supply and resilience improvement through autonomous power generation during outages, by improving efficiency and expanding sales of the ENE FARM (SOFC) household fuel cell cogeneration system</li> <li>Contributing to decarbonized community development through collaboration with local governments</li> </ul>                                                                             |
|                    | Resource<br>Efficiency       | Direct<br>Operations | Reduction in procurement costs through improved energy efficiency.                                                                                                                           | M                     | L                         | <ul style="list-style-type: none"> <li>Energy conservation through thorough minimization of power sources, heat sources, and waste</li> <li>Development of innovative production technologies</li> <li>Development and introduction of clean energy, including CO<sub>2</sub> capture and utilization and Bio-M-Coke®</li> </ul>                                                                                                                                                      |

### (iii) Risk management

The Environmental Committee and other bodies deliberate on and decide responses to risks and opportunities identified in (ii) Strategy, via the companywide risk management process described in "3. Business and Other Risks," and regularly follow up on progress. We weigh countermeasures with due consideration for the laws and regulations of each country, dialogue with stakeholders, and customer trends.

### (iv) Indicators and targets

The following targets have been established for all Aisin Group sites.

#### <FY2051 Targets>

- Scope 1, 2 and 3: Carbon neutrality

#### <FY2036 targets>

- Production CO<sub>2</sub> emissions (Scope 1, 2 at production sites): Carbon neutrality

#### <FY2031 targets>

- Scope 1, 2: 46.2% cut vs. FY2020 (certified by Science Based Targets initiative [SBTi])

- Scope 3: 27.5% reduction vs. FY2020 (certified by SBTi for Categories 1 and 11 only)
- <FY2025 actuals>(note)
- Scope 1, 2 and 3: 23.60 Mt-CO<sub>2</sub>e (9.3% reduction vs. FY2020)
  - Scope 1, 2: 2.21 Mt- CO<sub>2</sub>e (20.5% reduction vs. FY2020)
  - Scope 1: 0.54 Mt- CO<sub>2</sub>e
  - Scope 2: 1.67 Mt- CO<sub>2</sub>
  - Scope 3: 21.39 Mt- CO<sub>2</sub>e (8.0% reduction vs. FY2020)
  - Production CO<sub>2</sub> emissions (Scope 1, 2 at production sites): 2.15 Mt- CO<sub>2</sub> (22.5% reduction vs. FY2014)
- Note: FY2026 actuals are to be published on the Company's Sustainability website (<https://www.aisin.com/en/sustainability/>) at end-September 2026, after third-party verification.

### (3) Human Capital

For the Aisin Group's "Initiatives related to human resource development, including securing diversity in human resources" and "Initiatives related to the improvement of the internal environment," please refer to "Part IV: Status of the Filing Company, 5. Employee Status, etc."

### 3. Business and Other Risks

#### (1) Basic stance

We view risk management and business operations as twin pillars of the Group's corporate management. External conditions evolve rapidly as we implement various management strategies, and the risks facing our business are intensifying. We are strengthening our ability to identify and mitigate risks that may hinder growth and enhancing our business continuity framework.

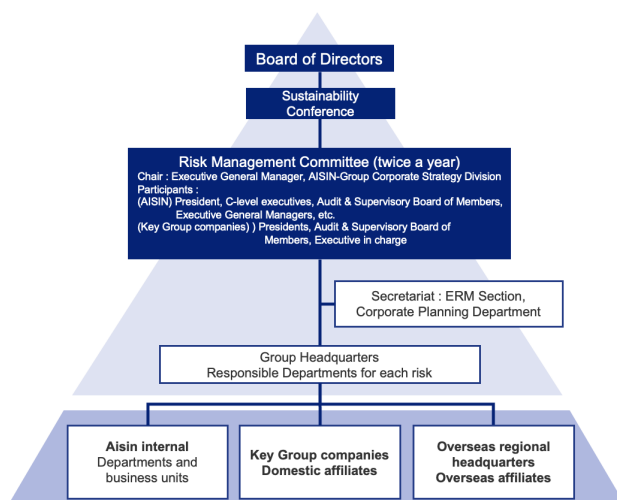
To support the achievement of our corporate objectives, we work to prevent and control the incidence of and mitigate damage from various risks with the potential to significantly impact operations. Should such risks materialize, we aim to minimize their effect on management and ensure the company's long-term sustainability, in line with stakeholder expectations.

#### (2) Promotional framework

As part of our risk management framework, we have established a Risk Management Committee comprising the president, C-level executives, Audit & Supervisory Board members ("auditors"), and the presidents of the key Group companies, as stipulated by the policy framework developed by way of the Sustainability Conference. The committee identifies and prioritizes risks based on internal incidents as well as external circumstances and trends and directs countermeasures. For each priority risk category, the Group headquarters designates a responsible department and appoints someone responsible for promoting countermeasures at each Group company in Japan and overseas, thus reinforcing our ability to respond on a groupwide basis.

Furthermore, risk management activities are regularly reported to the Board of Directors, which provides oversight and informs the development of corporate strategies.

#### Risk management framework



#### (3) Strategy: enhancing risk management

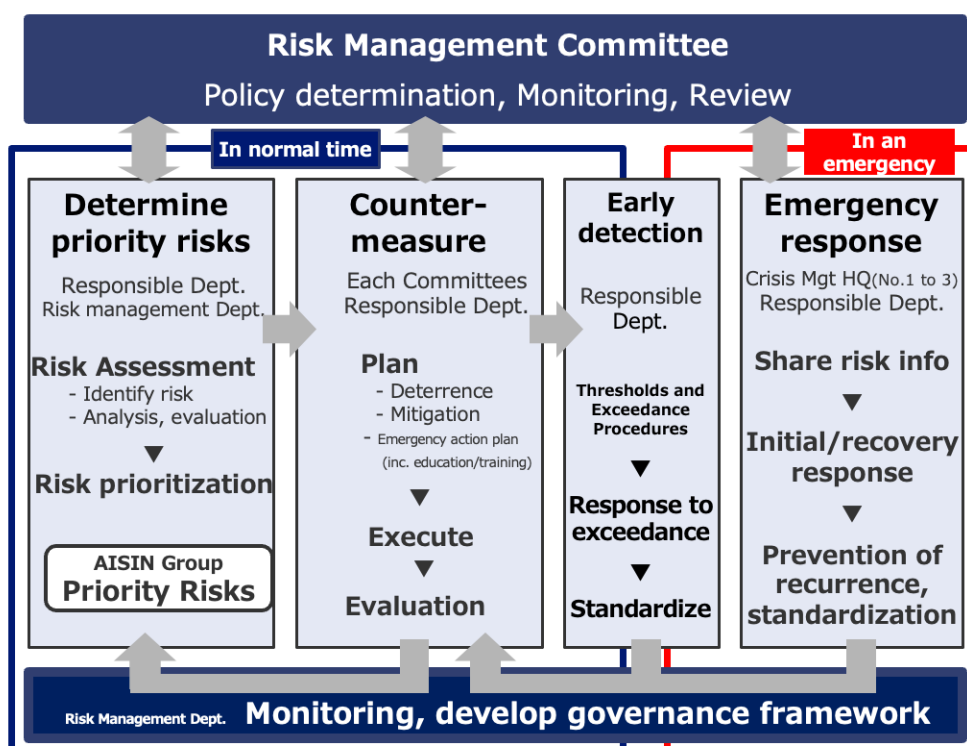
A 1997 fire at our Kariya Plant, which worried our customers and caused them inconvenience, prompted us to adopt an enterprise risk management (ERM)\* program and take companywide measures to prevent an unfortunate recurrence. The risk landscape facing management has grown more complex, encompassing severe earthquakes, violent rain fronts, and other natural disasters, as well as supply chain disruptions and geopolitical and economic security challenges.

In light of these circumstances, we are implementing a risk management process, including risks related to our business strategy, with the aim of achieving sustainable growth and stability. We take a proactive risk management stance by identifying early signs of risks and appropriately assessing their potential impact of two risk categories: operational risk, which potentially hinders the smooth operation of our business, and business strategy risk, which can impair the execution of our medium-term business strategy.

(4) Major initiatives

In accordance with its formal Risk Management Process, the Group works to prevent risks from manifesting and mitigate damage during normal times, and to recover quickly with minimal damage during emergencies. To detect risk indicators early and fend off trouble, the Group incorporated early warning management into its risk management framework beginning in FY2026. Moreover, by evaluating the effectiveness of these measures, making improvements, and applying standardization, and also by maintaining a continuous risk management cycle, we are enhancing our ability to effectively manage risk.

Risk Management Process: PDCA Cycle



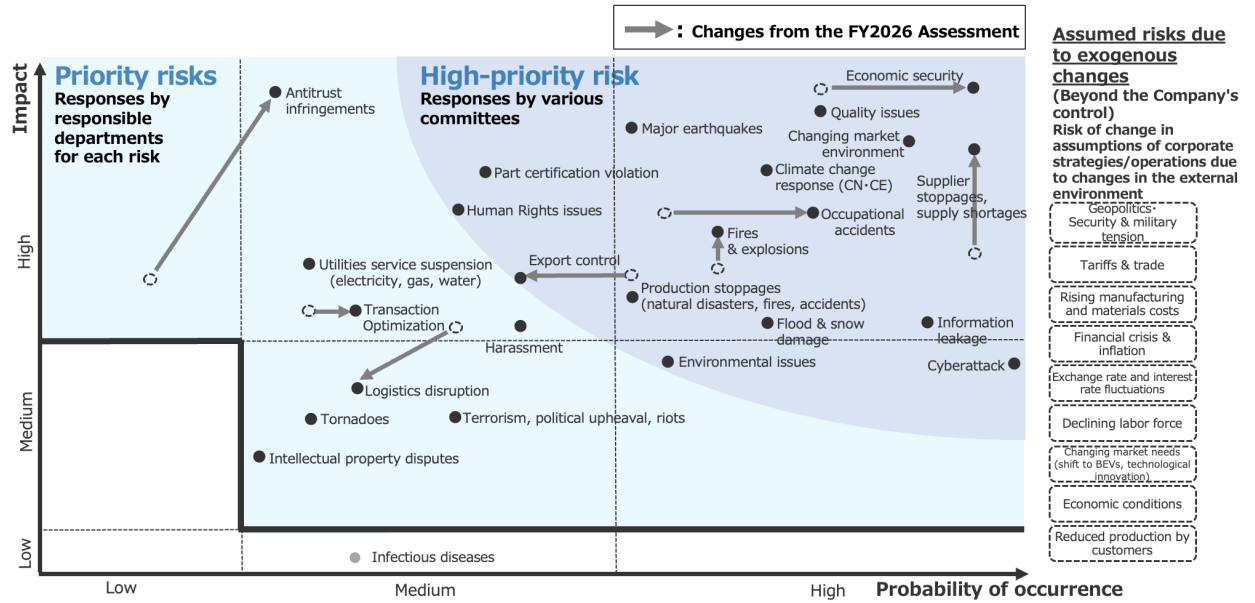
(5) Determining priority risks

Priority risks are determined by the Risk Management Committee twice a year. In determining the priority risks, we identify risks arising from changes in the external environment by conducting a risk assessment each year in conjunction with the formulation of Aisin Group's management policy. This assessment is based on companywide policy on opportunities and risks (short- and medium-term corporate strategy risks), reviewed by the Executive Management Committee and the Board of Directors, as well as on trends in external risk factors, customer expectations, and broader societal demands including those of stakeholders, and risk forecasts provided by the external expert institutions. In addition, we identify risks associated with changes in the internal environment, we identify them from the perspectives of the responsible departments for each risk, the operational characteristics of Group companies, and the geographical locations of our overseas offices.

These risks are analyzed and evaluated based on their probability of occurrence, trends, and degree of impact. After taking into account the risk reduction and damage mitigation effects of existing countermeasures, "priority risks" requiring focused groupwide countermeasures are determined.

The risks (determined by degree of impact and probability of occurrence) and responsible organizations are as follows.

## Aisin Group Priority Risks for FY2027



## Priority risks & responding organizations

|                                                                                                                                                                                                                                    | Risks                                                           | Responding organizations                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Risk assumptions<br>(beyond the Company's control)<br><br>Changes in the external environment<br><br>The risk that the assumptions underlying management strategy and operations will change in line with the external environment | Geopolitics, security, and military tensions                    | Deliberated on by the Executive Management Committee and Executive Meeting                                                                                                                                                                                                                         |
|                                                                                                                                                                                                                                    | Tariffs and trade                                               |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Rising manufacturing and materials costs                        |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Financial crisis and inflation                                  |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Exchange rate and interest rate fluctuations                    |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Declining labor force                                           |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Changing market needs (shift to BEVs, technological innovation) |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Economic conditions                                             |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Reduced production by customers                                 |                                                                                                                                                                                                                                                                                                    |
| High-priority risks                                                                                                                                                                                                                | Changing market environment                                     | Deliberated on by the Executive Management Committee, Strategy Committee, Executive Meeting and promoted by specialized organizations                                                                                                                                                              |
|                                                                                                                                                                                                                                    | Economic security                                               |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Climate change response (CN, CE)                                |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    |                                                                 | (Corporate Planning Department, Business Strategy Department, Cost Function Management Department / Revenue Planning Department, Carbon Neutral & Environmental Promotion Center, Economic Security Office)                                                                                        |
|                                                                                                                                                                                                                                    | Cyberattacks                                                    | Promotion by specialized organizations (Information Security Promotion Department)                                                                                                                                                                                                                 |
|                                                                                                                                                                                                                                    | Information leakage                                             |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Environmental issues                                            | Promoted by various committees (Corporate Behavior Ethics Committee, Human Rights Expert Committee, Economic Security Committee, Safety and Health Committee, Environmental Committee, CN/CE Promotion Subcommittee, Quality Function Committee, Legal & Regulatory Certification Committee, etc.) |
|                                                                                                                                                                                                                                    | Quality issues                                                  |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Occupational accidents                                          |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Fires & explosions                                              |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Human rights issues                                             |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Export controls                                                 |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Part certification violations                                   |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Major earthquakes                                               | Subcommittees of the Risk Management Committee (Disaster Response & Delivery subcommittees)                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                    | Flood & snow damage                                             |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Production stoppages (natural disasters, fires, accidents)      |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Supplier stoppages, supply shortages                            |                                                                                                                                                                                                                                                                                                    |
| Priority risks                                                                                                                                                                                                                     | Harassment                                                      | Responses by responsible department for each risk                                                                                                                                                                                                                                                  |
|                                                                                                                                                                                                                                    | Utilities service suspension (electricity, gas, water)          |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Transaction optimization                                        |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Logistics disruption                                            |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Antitrust infringements                                         |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Terrorism, political upheaval, riots                            |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Tornadoes                                                       |                                                                                                                                                                                                                                                                                                    |
|                                                                                                                                                                                                                                    | Intellectual property disputes                                  |                                                                                                                                                                                                                                                                                                    |

Items for reporting to and discussion by the Board of Directors

### (6) Business and other risks

Looking at risks that could affect the Group's financial condition and operating results, the following outlines the major factors that are considered likely to significantly impact investors' decisions. Please note that the following does not cover all risks related to the Group, and factors other than those listed

here may arise that could affect investors' decisions. Any forward-looking statements made herein reflect the Group's judgment as of the date of submission of the Annual Securities Report.

(i) Economic conditions

Related priority risks: economic conditions

Demand for automotive products, which account for a significant portion of the Group's consolidated revenue, reflects economic conditions in the countries and regions where the Group distributes its products. Accordingly, a contraction in economic conditions, business climate, and related automotive demand in the Group's major markets, including Japan, North America, Europe, China, Thailand, Indonesia, and India, could adversely affect the Group's financial position and operating results.

To address these risks, the Group regularly monitors for changes in global economic conditions and trends in automotive demand as it accelerates the advancement of its business transformation, which it accomplishes by strengthening product competitiveness, upgrading its management quality, and promoting further structural reform in regard to earnings.

(ii) Exchange rate volatility

Related priority risks: exchange rate and interest rate fluctuations

The Group translates the financial statements of its overseas consolidated subsidiaries into yen for consolidation purposes. Items denominated in local currencies may be affected by the exchange rate at the time of translation even if their value in local currency has not changed. In addition, the yen-equivalent amounts of costs, revenues, receivables, and payables arising from the Group's foreign-currency-denominated transactions may be affected by fluctuations in exchange rates. Moreover, a strengthening of the yen against other currencies used in transactions involving products manufactured and exported by our Group in Japan could adversely affect our financial condition and operating results by reducing the relative price competitiveness of our Group's products on a global basis and by other means.

The Group categorizes foreign exchange risk by currency and, based on the effectiveness and cost of hedging, uses forward exchange contracts, currency swaps, and currency options in accordance with its policy on financial derivatives to reduce foreign exchange risk to an acceptable level.

(iii) Financial market volatility

Related priority risks: financial crisis & inflation, exchange rate and interest rate fluctuations

Fluctuations in the value of shares and other equity held by the Group due to declining stock market conditions may have an adverse effect on the Group's financial position and operating results. The Group's basic policy is to not hold shares unless such holdings are deemed indispensable for enhancing corporate value and, where share holdings are maintained to pursue collaborative technology development or business alliances, the Board of Directors reviews the rationale for such holdings and plans for their reduction when appropriate. If this review determines that the subject holdings are not essential for enhancing corporate value, the Company proceeds to reduce them through dialogue with the respective issuers.

In addition, depending on prevailing interest rate conditions, interest received and paid on fund management services and procurement activities may increase or decrease, which could have an adverse effect on the Group's operating results. The Group pursues integrated management of assets and liabilities and takes measures to reduce the risk of interest rate fluctuations through interest rate swaps and similar instruments.

With regard to discount rates and pension plan assets used as assumptions in the calculation of the Group's defined benefit obligations, a deterioration in financial market conditions may cause actual results to fall below those assumptions, resulting in an increase in the Group's defined benefit plan obligations and potentially having an adverse effect on the Group's financial position and operating results. Recognizing that the management of corporate pension reserves affects not only the stable accumulation of assets for employees but also the Group's own financial condition, we strive to enhance the investment expertise of our corporate pension system and enable it to fulfill the functions expected of an asset owner. We approach this through personnel-focused and operational initiatives, such as the systematic recruitment and assignment of personnel who fully understand the objectives and processes of pension investment management. Furthermore, taking into account government regulations, our talent strategy, and personnel systems, we review and implement revisions to our pension plan as appropriate.

(iv) Procurement of raw materials and parts

Related priority risks: rising manufacturing and materials costs, supplier stoppages, supply shortages, transaction optimization

The Group procures raw materials and components necessary for manufacturing its products from multiple non-Group suppliers both in Japan and overseas, with which it has entered into basic transaction agreements to ensure stable business relationships. However, if it becomes difficult to procure the quantities necessary for the Group's operations due to recent trends in national trade policies, regulations on specific mineral resources, geopolitical factors, rapid fluctuations in demand, or supply constraints resulting from disasters, this could adversely impact the Group's financial condition and operating results. Furthermore, if the prices of raw materials and parts procured by the Group rise due to rapid increases in the cost of resource, energy, and labor that the Group is unable to absorb internally or by passing on the costs through selling prices, this could have an adverse effect on the Group's financial condition and operating results.

The Group strengthens communication with suppliers to ensure reliable delivery schedules and to build a stable and flexible supply system in order to meet customers' requests for continuous product supply. To address natural disasters, fires, and other incidents that could destabilize production and procurement, we are preparing for such events on a day-to-day basis and are working to ensure that we can respond swiftly and recover effectively from an emergency by establishing a supply chain information management system and via other means.

In the event that raw materials become unavailable due to recent international conflicts or import/export restrictions, the Group will promptly investigate the supply chain and, as necessary, works with relevant government agencies and customers to secure backup sources and ensure continuity of supply.

With regard to price pass-throughs (labor costs, raw materials, energy, mold and die storage costs, etc.), the Group proactively contacts suppliers to establish conditions conducive to open communication and conducts appropriate transactions through individual discussions with each supplier. The Group also discusses these matters with customers and promotes recovery negotiations to ensure they do not weigh on profits. In addition, the Group is pursuing cost reduction and innovation through the development of new materials and production methods in collaboration with suppliers.

(v) Dependence on specific customers

Related priority risks: reduced production by customers

The Group's automotive parts business, which accounts for the majority of its consolidated revenue, serves the world's major automakers. The Group's performance may thus be affected by factors beyond its control, such as fluctuations in the performance, sales, and production trends of each automaker. Moreover, consolidated revenue from the Toyota Group accounted for 69.7% of

our Group's total consolidated revenue during the current fiscal year. Accordingly, the Toyota Group's business strategy, purchasing policies, and other factors could affect our Group's financial condition and operating results.

Building on the strengths of its broad product portfolio and its manufacturing expertise, the Group actively develops and extends its customer base and market diversification, centered on electrification products, while also minimizing risk by gathering and responding to current information on the ongoing rebound demand for ICE, HEV, and PHEV. In addition, by strengthening our relationships with existing customers and improving satisfaction levels, we build long-term partnerships and identify customers' needs and concerns at an early stage.

(vi) Price competition

Related priority risks: changing market needs (shift to BEVs, technological innovation)

Price competition is highly intense in the global automotive parts business, which accounts for the majority of the Group's consolidated revenue. Such factors as requests from customers for price reductions, in-house production of components by automakers, the emergence of new competitors from electronics manufacturing and other domains, and alliances among existing competitors may make it difficult to maintain price competitiveness and product superiority. In such cases, declining demand for our Group's products and a decrease in selling prices could adversely affect the Group's financial condition and operating results, among other factors.

Leveraging the advantages of its broad product portfolio and its manufacturing expertise, the Group continues to globally supply superior-quality, high-value-added automotive products to ensure its competitive advantage. At the same time, the Group is strengthening both product competitiveness and cost competitiveness by formulating competitive product strategies, and developing design, quality, and cost planning at its product development center while also building an efficient worldwide business structure suited to the market environment and raising productivity through the use of IoT and AI.

(vii) Product development

Related priority risks: changing market needs (shift to BEVs, technological innovation)

The Group strives to develop innovative, future-facing products so that it can provide fresh value and contribute to societal prosperity. The Group believes it will continue to be able to develop creative and appealing new products that further environmental sustainability, safety, reliability, comfort, and convenience. However, the process of developing and marketing new state-of-the-art products is inherently complex and uncertain and involves the following risks, among others:

- i) The lack of certainty that long-term investments and large resource commitments will result in successful new products or technologies
- ii) The Group's inability to always accurately predict which new products or technologies will gain market acceptance, and the possibility that sales of those products will not be successful
- iii) Risks arising from geopolitical factors and other circumstances, such as constraints on the procurement of planned rare earth materials, that may delay research and development of new products and technologies
- iv) Rapid technological advances, changes in market needs, and delays in the commercialization of new technologies that may impair the ability of the Group's products to keep pace with market demand.

If the Group fails to adequately anticipate changes in the industry and market, including those relating to the risks listed above, and finds itself unable to develop and rapidly market appealing new products, future growth and profitability could decline and have an adverse effect on our financial position and operating results.

The Group is expanding its lineup of solution-driven products, centered on electrification and intelligent technologies, that balance sustainable growth with the goal of a sustainable society. Taking into account market trends and social demands, such as the shift to rare earth substitute materials, for products where competitiveness has declined and growth is difficult to foresee, the Group is working to emphasize human resource mobility through reskilling of engineers while reallocating development resources to the control and software elements of electric drive units, braking systems, and other components. At the same time, we are striving to streamline and enhance product development by leveraging digital development methods, including generative AI, with the goal of expanding our product lineup and accelerating development speed. Furthermore, we will actively promote technical collaboration with partners to accelerate the creation of new businesses through open-minded thinking. For more details, please refer to “6. Research and Development.”

(viii) Overseas business development

Related priority risks: geopolitics, security & military tensions, tariffs & trade, declining labor force, economic security, terrorism, political upheaval, riots

In order to develop and deliver high-value-added products that meet the diverse needs of the world’s major automakers close to where they are, the Group has built a global supply system. Business operations in the countries and regions where the Group operates are subject to the following inherent risks that, should any of them materialize, the Group’s financial condition, operating results, and other aspects of its business could be adversely affected.

- i) Unexpected updates to laws or regulations or changes to tax systems that have an adverse impact
- ii) Adverse effects on the Group’s operations due to underdeveloped social infrastructure
- iii) Occurrence of unfavorable political or economic factors
- iv) Difficulty in recruiting and retaining talent
- v) Social or economic disruption caused by terrorism, war, disease, or other factors

The Group promotes effective countermeasures by sharing information on risks common to the Group as a whole and risks specific to individual countries and regions — not only among domestic Group companies, but also with the regional executive general manager overseeing the Americas, Europe, China, ASEAN, and India — thereby strengthening risk management from a global perspective. Specifically, the Group’s Corporate Strategy Division takes the lead in centrally planning of business strategies and regional programs based on an understanding of business challenges in each region and the risks mentioned above. Moreover, we collect and act on timely information not only from the countries and regions where the Group operates but also from other countries relevant to our business.

In recent years, sudden changes in trade policies, including tariffs and import/export restrictions, along with rising military tensions, have been more frequent, posing a potentially significant impact for the Group’s supply chain and logistics network, ultimately leading to product cost increases.

In response to such geopolitical and economic security risks, which are highly variable and difficult to predict, the Group not only collects timely information on policy and regulatory changes and takes necessary measures in response to risks as they arise; it also works through the Company’s Economic Security Committee, a cross-functional organization, to reduce economic security risks—including security trade management and sensitive technology management.

(ix) Business investment

Related priority risks: changing market environment

The Group invests in growth areas centered on electrification and intelligence, as well as in fields expected to see expanding demand in the future, in order to establish a long-term competitive advantage and enhance corporate value. However, if the market environment or business conditions deteriorate beyond levels anticipated at the time investment decisions are taken, or if deviations from business plans result in unexpectedly weak cash flows, this could adversely affect the Group's financial position and operating results through such mechanisms as the recognition of impairment losses on tangible fixed assets. Furthermore, if a significant deterioration in the business environment or a decline in profitability is anticipated for the Company's consolidated subsidiaries in the future, this could affect assessments of the recoverability of deferred tax assets as well as other factors and could adversely affect the financial condition and operating results of the Company and its consolidated subsidiaries.

Given widespread recognition that the automotive industry is entering a major period of transformation centered on electrification and intelligence, the Group is further accelerating the transformation of its business portfolio. Specifically, it positions electrification and intelligence as growth areas and is reapportioning physical and financial resource shift and reskilling staff while building a business structure capable of flexibly responding to the diverse needs of different regions and customers. Furthermore, the Board of Directors, in accordance with the Board of Directors Operating Guidelines, deliberates on and resolves matters regarding the Group's medium-to-long-term direction and decision-making involving the entire Group. At the same time, the Executive Management Committee, Executive Meeting, and various functional committees monitor the business performance of each Group company and significant investments and discuss future directions and measures to improve performance.

(x) Product defects

Related priority risks: quality issues, part certification violations

The Group's flagship products include components related to vehicle driving, control, and safety. The Group recognizes that product quality and safety are critical management issues that are directly linked to maintaining customer trust and medium-to-long-term corporate value. Because large-scale recalls or accidents could lead to a decline in brand value and significant costs, the Group recognizes this as an important risk.

The Group operates under a unified global quality policy, setting quality checkpoints at each stage from development through mass production with an emphasis on proactive quality management to prevent problems before they arise. Moreover, the Group has established systems to evaluate quality-related risks at each stage of design, production planning, and mass manufacturing and to identify and correct problems at an early stage.

At the same time, the Group cannot guarantee that all products will be free from defects or recalls in the future. The Group maintains insurance coverage to cover product liability; however, depending on the nature and scale of any damage that may arise, insurance coverage may prove insufficient.

The ultimate responsibility for product quality rests with the corporate officer in charge of quality, with the quality-related organizations managing relevant risks throughout the Company on a cross-functional basis. Important quality issues and risks are reported regularly to management, which supervises and adjudicates on, among other things, the appropriateness of corrective actions and preventive measures.

For key initiatives aimed at reducing quality-related risk, please refer to the following:

- Verification of compliance with customer requirements and related laws and regulations
- Pre-assessment and enhanced management of high-risk products and processes
- Understanding quality evaluations and improvement status of domestic and overseas suppliers
- Strengthening development process frameworks and tools in response to advances in electrification and intelligence

(xi) Force majeure

Related priority risks: major earthquakes, tornadoes, flood & snow damage, fires & explosions, occupational accidents, production stoppages (natural disasters, fires, accidents), utilities service suspension (electricity, gas, water), logistics disruption

The Group anticipates the risk of human and material damage to Group companies arising from natural disasters such as large-scale earthquakes, tornadoes, and heavy rainfall and also arising due to accidents such as fires and explosions, and human-related disasters such as occupational accidents and infectious diseases. If operational stoppages caused by the occurrence of these risks disrupt the supply of products to customers, this could have an adverse effect on the Group's financial position and operating results. In particular, Group factories and business partners are located both in Japan and abroad and, if a large-scale disaster or similar event were to occur in these regions, our production operations and logistics could be suspended or delayed.

To address these risks, the Risk Management Committee, which covers the entire Aisin Group, deliberates on and establishes the direction of priority risks that require concentrated resource allocation, and works to strengthen the Group's ability to respond to risks. In response to natural disasters expected to cause extensive damage, the entire Group works together to prevent risks and minimize damage based on its Crisis Management Guide, which codifies practical guidelines for both routine and emergency responses, and a guide based on the lessons and insights learned from earthquake disasters, which standardizes lessons obtained from past experience. Our basic policy prioritizes our disaster response as follows: (1) safety of human life, (2) contribution to the community, and (3) recovery of production; and our guiding principle is "timely and ample support."

From FY2026, the Group has launched an early warning management framework to avert risk occurrence by setting thresholds for each risk category. As a specific example regarding domestic logistics, the Group obtains advance information on severe weather (typhoons, heavy rain, blizzards, etc.) and works to reduce the risk of delivery delays by deploying early dispatch responses and utilizing alternate routes. Internationally, we proactively gather information on port strikes, container shortages, and other matters and work to minimize the risk of delivery delays by employing alternative routes and ports and arranging for additional vessels.

The Group intends to maintain the highest-priority focus on ensuring the health and safety of its employees and their families as well as all other stakeholders including customers. Faced with a variety of risks, the Company strives to maintain its supply of products and services to customers through every available means, including alternative production arrangements and backup measures.

(xii) Climate change and environmental issues

Related priority risks: climate change response (CN, CE), environmental issues

The Group, informed by its worldwide operations, recognizes that it will be subject to various climate-change-related impacts over the medium-to-long term and has selected "harmony with nature and contribution to a sustainable future" as a priority issue. The Group extracts climate-related risks based on scenario analyses, incorporates countermeasures into its business strategy, and drives its response to climate change forward. It has identified the following three points as the main risks associated with transitioning to a decarbonized society.

- i) Increased demand for low-carbon raw materials, leading to higher procurement costs due to price increases for required materials
- ii) Cost increases due to policies such as carbon taxes and the introduction of renewable energy
- iii) Expansion of demand for products for electric vehicles expands amid the advance of electrification and decline in demand for gasoline vehicle products

In response to these risks, the Group addresses them on two fronts: "production" and "products."

On the production side, the Group is reducing energy consumption through rigorous conservation activities and innovative production technologies and will introduce and transition to renewables and other sources of clean energy.

On the product side, the Group is advancing the further evolution of products for electrified vehicles and the wider adoption of energy and resource circulation systems, aiming to create new value through the convergence of mobility and energy technologies. For details, please refer to “2. Approach to Sustainability and Related Initiatives (2) Measures for climate change.”

In addition, with regard to environmental issues, the Group is strengthening its environmental management foundation and working to enhance measures aimed at preventing environmental accidents throughout the supply chain through such strategies as early detection and thorough management of latent risks and enhanced environmental management capabilities, with an eye to maintaining its record of zero serious environmental accidents.

#### (xiii) Intellectual property rights

Related priority risks: intellectual property disputes

In our effort to ensure the superiority and safety of future added-value businesses, the Aisin Group acquires intellectual property (IP) through the creation of new business operations, proprietary technologies, and know-how. At the same time, it mitigates the risk of IP infringement by outside parties.

With regard to the acquisition of IP, in certain countries and regions, legal requirements may partly or fully impede protection of IP rights or invalidate such rights that are already held. As a result, measures to prevent unauthorized use or infringement of the Group’s IP by third parties may not be effective. Moreover, since the Group’s products implement a wide range of technologies, the Group may incur legal costs in the future due to lawsuits filed by third parties claiming infringement of their intellectual property rights.

To address these risks, the Group has established a department dedicated to IP management which, working with related departments, promotes IP-related initiatives.

With regard to innovation, the Group undertakes both offensive IP rights activities aimed at differentiating its products and services and building business superiority through the acquisition of rights and defensive measures to secure business freedom through rights acquisition and confidential trade secret protection, with the aim of protecting the Group’s own technologies.

In addition, the Group runs clearance investigations to ensure its products do not infringe on third-party intellectual property rights. In the event litigation is filed against the Group, management promptly assesses the nature of the alleged infringement, the validity of the rights concerned, and whether usage rights exist, and responds appropriately.

#### (xiv) Information security

Related priority risks: cyberattacks, information leakage

Our Group regards the defense against increasingly sophisticated threats, such as cyberattacks, and the prevention of information leaks, including corporate data and client and customer information, as key risk management priorities, and we are committed to strengthening our information security measures. However, there is a possibility that our information systems may experience disruptions, or that confidential information and personal information may be leaked to external parties—either through intentional acts (including cyberattacks) or negligence. Furthermore, it remains possible that business processes within our supply chain and elsewhere may be temporarily interrupted. In the event of such an occurrence, the Group’s financial condition and operating results could be adversely affected by disruptions in business activities or a decline in public trust.

In accordance with the Aisin Group Information Security Basic Policy, the Group is systematically implementing ongoing information security measures in recognition that information assets entrusted to us by our customers and business partners or internal to our business activities are important assets of the Group. To protect the entire Group from cyberattacks, internal fraud, and other risks, we have established a dedicated organization, the Information Security Promotion Department, to implement security policy throughout the Group and to collect, deploy, and respond to security vulnerability information to enable early detection and a prompt response.

In order to respond to recent instances of cyberattacks and internal fraud, we are working to strengthen our defenses by deploying technical solutions throughout the Company, establishing a centralized monitoring system for the entire Group under the Information Security Promotion Department and providing education and training for all employees.

In addition, with the advancement of AI technology, new risks have emerged, including the risk of internal information leakage due to the expanded use of AI within the company and the sophistication of infiltrations by cyberattackers utilizing AI.

The Group recognizes these as important risks and is working to develop internal guidelines for AI use, strengthen technical countermeasures, and enhance defenses against cyberattacks leveraging AI.

#### (xv) Compliance

Related priority risks: antitrust infringements, export controls, harassment

Compliance is fundamental to running our business, but the Group is nevertheless subject to risks related to the actions of regulatory authorities as well as other legal considerations. These risks may be linked to claims for damages, monetary fines by regulatory authorities, or restrictions on the conduct of our business. In addition, the increasing prevalence of alliances and overseas business, together with diversifying values and work styles, may magnify risks of antitrust violations, transgressions of export trade regulations, harassment, and other behaviors. In the event of a serious compliance violation, the Group's financial position and operating results could be adversely affected by a loss of public trust in the Group that negatively impacts its business.

The Company has established the AISIN Group Charter of Sustainability, which serves as a guiding principle for our Group, and the AISIN Group Code of Conduct, which sets out specific standards of conduct. In addition, we have established the Corporate Ethics Committee as a governing body to manage compliance policy and frameworks. When this committee convenes, presidents, executive officers in charge, and full-time auditors of key Group companies review the status of compliance practice, including compliance with laws and regulations, and identify challenges facing the Group, while also approving policies and implementation plans for the following fiscal year. Furthermore, recognizing that it is ultimately people who drive these initiatives, we conduct various ongoing educational and awareness-raising programs designed to prevent specific compliance violations, such as harassment, antitrust law violations, and violations of export control regulations. At the same time, we strive to raise compliance awareness among our employees, including temporary staff, employees seconded to Aisin, post-retirement re-hires, fixed-contract employees, and other Group employees—both in Japan and overseas. We also provide focused support to Group companies with high compliance risks to reduce risks across the Group. Meanwhile, to ensure the early detection and remediation of problems, we have established internal and external whistleblowing hotlines and endeavor to resolve problems promptly.

#### (xvi) Human rights

Related priority risks: human rights issues

The Group enshrines respect for human rights as a fundamental element of its global business execution and recognizes that risk factors exist that may affect human rights across the scope of its business activities, including within its supply chain. The manifestation of these risks and a failure

to address any that arise could undermine public trust, which could adversely impact the Group's financial position and operating results.

Our Group has formulated the AISIN Group Charter of Sustainability and the AISIN Group Human Rights Policy based on the UN Guiding Principles on Business and Human Rights, and we request that our supply chain partners understand and support our human rights policy through the Supplier Sustainability Guidelines. Moreover, the AISIN Group Human Rights Expert Committee approves our action plans. Our human rights due diligence effort places a particular emphasis on foreign workers and provides guidance to Group companies and major suppliers through self-assessments, training sessions, dialogue, and on-site inspections. Furthermore, to respond to the rapidly changing human rights landscape, we are using the rate of human rights training implementation among employees as an indicator and advancing initiatives to raise each individual's awareness of respect for human rights. In addition, we continue to establish internal and external consultation desks and participate in corporate collaboration programs such as the Japan Platform for Migrant Workers towards Responsible and Inclusive Society.

#### 4. Management's analysis of financial condition, results of operations, and cash flows

##### (1) Overview of Business Results

The following is a summary of the Aisin Group's financial position, operating results, and cash flows (hereinafter referred to as "results") for the fiscal year ended March 31, 2026.

##### (i) Explanation of financial position and information regarding operating results

Revenue for the fiscal year increased by 4.5% from the same period of the previous fiscal year (¥4,896.1 billion) to ¥5,117.7 billion, due to the increase in vehicle production volume at customers and sales of powertrain units, etc. In terms of profit, operating profit increased by 12.7% from the same period of the previous fiscal year (¥202.9 billion) to ¥228.7 billion, profit before income taxes increased by 43.0% from the same period of the previous fiscal year (¥173.4 billion) to ¥247.9 billion, and profit for the period attributable to owners of the parent increased by 59.6% from the same period of the previous fiscal year (¥107.5 billion) to ¥171.6 billion, due to the effects of the efforts to improve the corporate structure and structural reforms, etc, despite the increase in investments for human capital and the future, the tariff impact.

At the end of the fiscal year ended March 31, 2026, assets increased by 5.3% from the end of the previous fiscal year (¥4,284.6 billion) to ¥4,512.2 billion, mainly due to the increase in cash and cash equivalents and inventories, etc. Liabilities decreased by 1.7% from the end of the previous fiscal year (¥2,051.3 billion) to ¥2,016.1 billion, due to the decrease in trade and other payables and retirement benefit liabilities, despite the increase in income tax payables, etc. Equity increased by 11.8% from the end of the previous fiscal year (¥2,233.2 billion) to ¥2,496.0 billion, mainly due to profit for the period, etc.

Performance by segment is as follows.

##### i) Japan

Revenue increased by 2.4% from the same period of the previous fiscal year (¥3,139.3 billion) to ¥3,214.7 billion, due to the increase in the sales of hybrid transmission units and eAxle, etc. Operating profit increased by 8.9% from the same period of the previous fiscal year (¥73.6 billion) to ¥80.2 billion, due to the effects of the efforts to improve the corporate structure, despite the investments for human capital and the future.

##### ii) North America

Revenue increased by 10.0% from the same period of the previous fiscal year (¥1,086.9 billion) to ¥1,195.8 billion, due to the increase in production volume of hybrid transmission units, etc. Operating profit increased by 33.5% from the same period of the previous fiscal year (¥29.3 billion) to ¥39.1 billion, due to the increase in revenue and the effects of the efforts to improve the corporate structure, despite the tariff impact.

##### iii) Europe

Revenue decreased by 3.9% from the same period of the previous fiscal year (¥295.9 billion) to ¥284.2 billion, due to the decrease in sales of automatic transmissions. Operating profit decreased by 6.1% from the same period of the previous fiscal year (¥4.3 billion) to ¥4.1 billion, due to the decrease in revenue, etc, despite the effects of one-time income.

##### iv) China

Revenue decreased by 3.2% from the same period of the previous fiscal year (¥618.9 billion) to ¥598.9 billion, due to the decrease in sales of automatic transmissions. Operating

profit decreased by 5.3% from the same period of the previous fiscal year (¥32.3 billion) to ¥30.6 billion, due to the decrease in revenue and one-time cost such as structural reforms cost.

v) ASEAN and India

Revenue increased by 15.7% from the same period of the previous fiscal year (¥530.1 billion) to ¥613.4 billion, due to the increase in vehicle production volume at customers and sales of powertrain units. Operating profit increased by 17.3% from the same period of the previous fiscal year (¥59.3 billion) to ¥69.6 billion, due to the increase in revenue and the continued trend of weaker yen.

Note: The amounts of revenue for each segment include intersegment revenue in addition to revenue from external customers.

(ii) Explanation of cash flows

As for the status of cash flows in the current consolidated fiscal year, cash and cash equivalents (hereinafter referred to as “cash”) increased by ¥376.0 billion by operating activities, decreased by ¥77.1 billion by investing activities, decreased by ¥181.9 billion by financing activities, increased by ¥23.7 billion by translation adjustments on cash and cash equivalents. As of the end of the consolidated fiscal year, cash totaled ¥592.3 billion, by the increase ¥140.7 billion (31.2%) from the end of the previous fiscal year (¥451.6 billion).

(Net cash provided by operating activities)

Net cash provided by operating activities increased by ¥36.2 billion (10.7%) from the previous fiscal year (¥339.8 billion) to ¥376.0 billion. This increase was mainly due to the increase cash by the increase by ¥74.5 billion in profit before income tax, the increase by ¥54.2 billion in decrease (increase) in trade and other receivables and the decrease by ¥44.0 billion in income taxes paid, despite the decrease in using cash by the decrease by ¥112.4 billion in increase (decrease) in trade and other payables.

(Net cash used in investing activities)

Net cash used in investing activities decreased by ¥69.7 billion (47.5%) from the previous fiscal year (¥146.9 billion) to ¥77.1 billion. This decrease was mainly due to the decrease in using cash by the increase by ¥135.5 billion in proceeds from sales and redemption of investment securities, despite the increase in using cash by the decrease by ¥39.9 billion in proceeds from sales of investments accounted for using equity method.

(Net cash used in financing activities)

Net cash used in financing activities decreased by ¥88.2 billion (32.7%) from the previous fiscal year (¥270.2 billion) to ¥181.9 billion. This decrease was mainly due to the decrease in using cash by the decrease by ¥140.0 billion in redemption of bonds, despite the increase in using cash by the decrease by ¥36.5 billion in loans payable and its repayment.

(iii) Production, orders received, and revenue

i) Production

Breakdown of production by segment for the fiscal year ended March 31, 2026

| Segment name    | Production (Million yen) | YoY change (%) |
|-----------------|--------------------------|----------------|
| Japan           | 3,220,720                | 2.7            |
| North America   | 1,206,568                | 10.3           |
| Europe          | 270,106                  | (7.9)          |
| China           | 600,387                  | (2.6)          |
| ASEAN and India | 630,718                  | 19.1           |
| Others          | 39,605                   | 4.2            |
| Total           | 5,968,106                | 4.6            |

Note 1: Amounts are based on revenue prices and before elimination of intersegment transactions.

Note 2: The above amounts include purchases from outside suppliers.

ii) Orders received

In our mainstay business of manufacturing and selling automotive parts, all segments of our group receive orders from Toyota Motor Corporation and other major automobile manufacturers on a prearranged basis with lead times of approximately three months, and commencing production based on estimated output capacity.

iii) Revenue performance

Summary of revenue performance by segment for the fiscal year ended March 31, 2026

| Segment name    | Revenue (Million yen) | YoY Change (%) |
|-----------------|-----------------------|----------------|
| Japan           | 3,214,736             | 2.4            |
| North America   | 1,195,852             | 10.0           |
| Europe          | 284,252               | (3.9)          |
| China           | 598,917               | (3.2)          |
| ASEAN and India | 613,417               | 15.7           |
| Others          | 39,483                | 4.0            |
| Total           | 5,946,659             | 4.2            |

Note 1: Amounts are based on revenue prices and before elimination of intersegment transactions.

Note 2: Revenue to major customers and percentage of total revenue are as follows.

Percentage figures are calculated based on total revenue after elimination of inter-segment transactions.

| Customer                 | March 31, 2026        |           | March 31, 2026        |           |
|--------------------------|-----------------------|-----------|-----------------------|-----------|
|                          | Revenue (Million yen) | Share (%) | Revenue (Million yen) | Share (%) |
| Toyota Motor Corporation | 1,426,743             | 29.1      | 1,511,263             | 29.5      |

(2) Management's Discussion and Analysis of Operating Results

The following is a summary of the recognition, analysis, and discussion of the Group's operating results from the management's viewpoint.

Forward-looking statements are based on management's assumptions and beliefs as of the date of submission of the Annual Securities Report.

(i) Significant accounting estimates and assumptions used in making such estimates

The consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRS) pursuant to Article 312 of the Regulation for Terminology, Forms and Preparation of Consolidated Financial Statements (Ministry of Finance Ordinance No. 28 of 1976). In preparing consolidated financial statements, management makes judgments,

estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying management's assumptions are continually reviewed. The effect of a review of accounting estimates is recognized in the accounting period in which the review occurred and in future accounting periods.

Estimates and assumptions mentioned above that have a significant effect on the amounts recognized in the Group's consolidated financial statements are described in V. Accounting Status 1. Consolidated financial statements and other information 1. Consolidated financial statements Notes to consolidated financial statements 2. Basis of preparation 4. Significant accounting judgments, estimates, and assumptions. Forward-looking statements in the text are based on the judgment of our group as of the end of the period under review.

(ii) Analysis of operating results

For the fiscal year ended March 31, 2026 (FY2026), consolidated revenue increased 4.5% year-on-year, to ¥5,117.7 billion, operating profit increased 12.7%, to ¥228.7 billion, income before income taxes increased 43.0%, to ¥247.9 billion, and profit attributable to owners of the parent increased 59.6%, to ¥171.6 billion.

Below is an analysis of the factors that had a significant impact on the consolidated statement of income.

i) Revenue

The status of revenue for the current consolidated fiscal year is as described in "1. Overview of Business Results, (1) Financial position and operating results."

ii) Operating profit

The status of operating profit for the current consolidated fiscal year is as described in "1. Overview of Business Results, (1) Financial position and operating results."

iii) Income before income taxes

Income before income taxes for the current consolidated fiscal year increased by 43.0% from the previous fiscal year (¥173.4 billion) to ¥247.9 billion. This was mainly due to a decrease in foreign exchange losses, among other factors.

iv) Profit for the period attributable to owners of the parent

Profit for the period attributable to owners of the parent for the current consolidated fiscal year increased by 59.6% from the previous fiscal year (¥107.5 billion) to ¥171.6 billion, and basic earnings per share also increased from ¥137.81 to ¥232.64.

(iii) Sources of Capital and Liquidity

i) Status of Cash Flows

For an analysis of cash flows for the current consolidated fiscal year, please refer to "1. Overview of Business Results, (2) Consolidated Cash Flows."

ii) Funding requirements

The primary funding requirements of the Aisin Group are capital expenditures and research and development investments in growth areas, centered on BEV products, brakes, and the safe and comfortable entry category.

If funding requirements for capital expenditures and research and development investments necessary for sustainable growth are anticipated, the Group may seek to raise long-term funds.

iii) Financial strategy

To maximize corporate value, the Aisin Group aims to build fruitful relationships with all stakeholders and achieve long-term, stable growth and development.

The basic policy of the Group's capital policy is to balance financial security and capital efficiency so as to position itself to readily raise funds at low cost and to enhance corporate value. We use the capitalization ratio (Note1) as an indicator and believe that our capital structure is generally optimized when this metric is 25% to 30%.

With regard to financial security, we are guided by credit rating agency evaluations and strive to maintain high credit ratings so that we can remain agile in our ability to procure funds at low cost. On the other hand, with regard to capital efficiency, to the extent that we can maintain our credit rating, we prioritize debt financing and minimize equity, thereby reducing our overall cost of capital. In addition, by introducing cash management services (CMS; Note2), we are realizing our financial strategy on a consolidated basis and effectively employing funds within our group.

Note 1: This indicator shows the balance between interest-bearing debt and equity (net assets)  
$$(\text{interest-bearing debt} / (\text{interest-bearing debt} + \text{total equity}))$$

Note 2: A method or mechanism for efficient consolidated operations and fund management in which the parent or core company centrally manages the funds of group companies by establishing dedicated accounts within a common bank.

iv) Fund procurement

The Company's basic policy is to secure stable and low-cost sources of funding.

In procuring funds, the Company selects and executes the most appropriate funding options while accounting for market trends and other factors and sets financing terms that help maintain average remaining maturities and equalize repayment terms. In addition, the Group maintains high credit ratings and has established broad and favorable relationships with financial institutions and investors as it strives to maintain and pursue cost-competitive funding arrangements.

Of the ¥621.2 billion in bonds and loans payable outstanding at the end of the fiscal year, ¥227.5 billion was financed by hybrid bonds and hybrid loans, and the rating agencies have classified ¥113.7 billion (50% of the outstanding balance) as equity.

The Company strives to secure sufficient liquidity not only through cash and deposits but also through commitment line agreements that permit timely responses to various risks affecting the management of the Company.

(iv) Management policies and strategies, objective indicators for judging the achievement of management targets, etc.

Objective indicators to judge the achievement status of management policy, management strategy, and management targets are as described in "1. Management Policy, Business Environment, and Issues to be Addressed, etc., 4. Medium-to-Long-Term Management Strategy and Target Management Indicators, iv) Targeted management indicators." In the current consolidated fiscal year, we worked on reducing assets in existing businesses and optimizing global inventory. The operating profit margin was 4.5%, and ROIC (return on invested capital) was 9.1%.

Efforts to achieve this goal are described “1. Management Policy, Business Environment, and Issues to be Addressed, etc., 4. Medium-to-Long-Term Management Strategy and Target Management Indicators, ii) Key initiatives.”

5. Significant Contracts, etc.

No applicable information available.

6. Research and Development

Guided by its management philosophy embodied in the motto, “Inspiring ‘Movement,’ Creating Tomorrow,” the Aisin Group draws on the technological development capabilities and manufacturing expertise it has cultivated through its business activities to contribute to resolving social issues and to realize a sustainable society.

In recent years, the value of mobility has diversified beyond functional utility to encompass emotional and experiential value. Based on this understanding, the Aisin Group pushes technological development forward in three product domains that resonate with customers. We add value by improving reliability and innovating in the hardware space, as exemplified by powertrain units and power sliding doors, while integrating such software technologies as peripheral monitoring, electronic control, navigation, and artificial intelligence.

In the first domain, which supports the fundamental elements of vehicle performance: driving, turning, and stopping, the Group has established a development framework capable of providing a full lineup of diverse powertrains in response to advances in electrification and to customer needs and energy conditions that vary by region. The Group is also advancing the efficiency and functionality of brake systems, including cooperative regenerative braking systems and active rear steering, we are working to further improve reliability and enhance functionality. At the same time, by modularizing these functions and integrating the control of actuators across various systems, we are advancing technological development to deliver a safer, more comfortable, and more personalized driving experience for our customers, thereby enhancing the appeal of our vehicles.

In the second domain, which focuses on “mobility comfort,” the Group aims to create value across the entire mobility experience, from parking and boarding through traveling, stopping, and alighting. By advancing the sensing and actuation technologies we have cultivated through door systems, driver monitoring systems, and automatic parking systems, we are working to enhance peripheral monitoring technologies and in-cabin sensing technologies. We are also leveraging generative AI to deliver comfort one can palpably feel and are committed to providing solutions tailored to people’s needs.

In the third domain, we leverage location-based data and analysis, platform technologies, and software development capabilities to provide new mobility-related services in fields such as logistics support, road maintenance, and regional mobility support. Also, in the energy solutions sector, we are building on our track record in developing Ene-Farm and gas cogeneration systems by collaborating with universities and research institutions to advance technological development aimed at realizing a hydrogen-based society and to conduct research on next-generation energy technologies, such as perovskite solar cells. Through these efforts, we aim to contribute to a carbon-neutral society as we create new value.

To support the three domains described above, the Aisin Group has established a global R&D framework that combines domestic operations in Japan with collaboration with overseas R&D hubs and leading research institutes.

Research and development expenditure totaled ¥265.4 billion in the fiscal year ended March 31, 2026, reflecting R&D activities in growth areas centered on improving product value.

### III. Information about Facilities

#### 1. Overview of equipment investments, etc.

The Group is promoting the transformation of its business portfolio by making strategic investments in growth areas centered on electrification and intelligent systems, while controlling total investment by introducing flexible production lines and maximizing the utilization of existing facilities, based on careful assessment of changes in the market environment. As a result, the equipment investments during the fiscal year under review totaled ¥223,343 million. The components by segment is as follows.

| Segment name    | Equipment investment<br>(Million Yen) | Main equipment investments                                                                                                   |
|-----------------|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Japan           | 107,793                               | Automotive parts manufacturing equipment, carbon neutrality-related investments, and digital transformation (DX) investments |
| North America   | 38,324                                | Automotive parts manufacturing equipment, etc.                                                                               |
| Europe          | 28,213                                | Automotive parts manufacturing equipment, etc.                                                                               |
| China           | 21,324                                | Automotive parts manufacturing equipment, etc.                                                                               |
| ASEAN and India | 27,343                                | Automotive parts manufacturing equipment, etc.                                                                               |
| Other           | 344                                   | Automotive parts manufacturing equipment, etc.                                                                               |
| Total           | 223,343                               | —                                                                                                                            |

Note: The necessary funds were provided through internal reserves and borrowings.

There were no significant retirements, sales, etc. of facilities in the fiscal year under review.

## 2. Major facilities

The major facilities of the Group are as follows.

### (1) Filing company

As of March 31, 2026

| Facility name<br>(Location)                       | Segment name | Details of<br>facilities                                                              | Carrying amount (Million Yen)  |                              |                                                  |       |        | Number of<br>employees |
|---------------------------------------------------|--------------|---------------------------------------------------------------------------------------|--------------------------------|------------------------------|--------------------------------------------------|-------|--------|------------------------|
|                                                   |              |                                                                                       | Buildings<br>and<br>structures | Machinery<br>and<br>vehicles | Land<br>[Area in<br>thousand<br>m <sup>2</sup> ] | Other | Total  |                        |
| ANJO PLANT<br>1, ANJO<br>PLANT 2<br>(Anjo, Aichi) | Japan        | Powertrain-<br>related and other<br>manufacturing<br>equipment                        | 8,250                          | 34,840                       | 1,954<br>[278]                                   | 9,300 | 54,345 | 3,209                  |
| NISHIO<br>PLANT<br>(Nishio, Aichi)                | Japan        | Powertrain-<br>related and other<br>manufacturing<br>equipment                        | 15,432                         | 15,988                       | 5,293<br>[359]                                   | 9,574 | 46,288 | 1,992                  |
| HANDA<br>PLANT<br>(Handa, Aichi)                  | Japan        | Chassis &<br>vehicle safety<br>systems, LBS-<br>related<br>manufacturing<br>equipment | 5,169                          | 15,564                       | 3,553<br>[265]                                   | 2,788 | 27,075 | 1,951                  |
| TAHARA<br>PLANT<br>(Tahara, Aichi)                | Japan        | Powertrain-<br>related<br>manufacturing<br>equipment                                  | 3,907                          | 5,354                        | 8,559<br>[241]                                   | 1,155 | 18,977 | 2,124                  |
| ANJO PLANT<br>(Anjo, Aichi)                       | Japan        | Energy<br>solutions-related<br>manufacturing<br>equipment                             | 7,177                          | 1,196                        | 8,325<br>[129]                                   | 210   | 16,909 | 206                    |
| OKAZAKI<br>EAST PLANT<br>(Okazaki, Aichi)         | Japan        | Powertrain-<br>related<br>manufacturing<br>equipment                                  | 7,435                          | 2,940                        | 5,702<br>[209]                                   | 505   | 16,584 | 1,905                  |
| OKAZAKI<br>PLANT<br>(Okazaki, Aichi)              | Japan        | Powertrain/LBS-<br>related<br>manufacturing<br>equipment                              | 3,261                          | 3,268                        | 6,973<br>[116]                                   | 2,535 | 16,038 | 2,005                  |
| SHINTOYO<br>PLANT<br>(Toyota, Aichi)              | Japan        | Body-related<br>manufacturing<br>equipment                                            | 4,376                          | 8,653                        | 706<br>[123]                                     | 1,495 | 15,231 | 1,157                  |

## (2) Domestic subsidiaries

As of March 31, 2026

| Company name               | Facility name (Location)           | Segment name | Details of facilities                                                      | Carrying amount (Million Yen) |                        |                                         |       |        | Number of employees |
|----------------------------|------------------------------------|--------------|----------------------------------------------------------------------------|-------------------------------|------------------------|-----------------------------------------|-------|--------|---------------------|
|                            |                                    |              |                                                                            | Buildings and structures      | Machinery and vehicles | Land [Area in thousand m <sup>2</sup> ] | Other | Total  |                     |
| AISIN TAKAOKA CO., LTD.    | Head office plant (Toyota, Aichi)  | Japan        | Casting equipment and others                                               | 9,713                         | 12,754                 | 12,917 [402]                            | 2,517 | 37,903 | 1,427               |
| AISIN KEIKINZOKU Co., Ltd. | Head office plant (Imizu, Toyama)  | Japan        | Casting equipment and others                                               | 6,111                         | 19,616                 | 678 [230]                               | 6,721 | 33,126 | 1,533               |
| AISIN KIKO Co., LTD.       | KIRA PLANT (Nishio, Aichi)         | Japan        | Powertrain-related manufacturing equipment                                 | 4,316                         | 11,376                 | 6,267 [188]                             | 2,872 | 24,832 | 1,886               |
| AISIN FUKUI Corporation    | Head office plant (Echizen, Fukui) | Japan        | Powertrain-related manufacturing equipment                                 | 7,995                         | 8,028                  | 4,204 [237]                             | 2,200 | 22,428 | 2,384               |
| ADVICS CO., LTD.           | KARIYA PLANT (Kariya, Aichi)       | Japan        | Chassis & vehicle safety systems-related and other manufacturing equipment | 4,488                         | 18,094                 | 3 [91]                                  | 4,129 | 26,716 | 1,300               |
|                            | HANDA PLANT (Handa, Aichi)         | Japan        | Chassis & vehicle safety systems-related and other manufacturing equipment | 19,251                        | 36,759                 | 1,009 [59]                              | 2,437 | 59,458 | 2,099               |

## (3) Foreign subsidiaries

As of March 31, 2026

| Company name                                          | Facility name (Location)                          | Segment name    | Details of facilities                                            | Carrying amount (Million Yen) |                        |                                         |        |        | Number of employees |
|-------------------------------------------------------|---------------------------------------------------|-----------------|------------------------------------------------------------------|-------------------------------|------------------------|-----------------------------------------|--------|--------|---------------------|
|                                                       |                                                   |                 |                                                                  | Buildings and structures      | Machinery and vehicles | Land [Area in thousand m <sup>2</sup> ] | Other  | Total  |                     |
| AISIN North Carolina Corporation                      | Head office plant (North Carolina, USA)           | North America   | Powertrain-related manufacturing equipment                       | 6,037                         | 26,935                 | 1,032 [676]                             | 5,375  | 39,381 | 1,200               |
| AISIN Texas Corporation                               | Head office plant (Texas, USA)                    | North America   | Powertrain-related manufacturing equipment                       | 19,317                        | 11,390                 | 764 [646]                               | 1,266  | 32,738 | 888                 |
| ADVICS Manufacturing Ohio, Inc.                       | Head office plant (Ohio, USA)                     | North America   | Chassis & vehicle safety systems-related manufacturing equipment | 6,665                         | 13,314                 | 376 [248]                               | 1,735  | 22,090 | 897                 |
| Aisin U.S.A. Mfg., Inc.                               | Head office plant (Indiana, USA)                  | North America   | Body-related manufacturing equipment                             | 3,059                         | 11,805                 | 420 [422]                               | 5,638  | 20,923 | 1,798               |
| AISIN EUROPE MANUFACTURING CZECH s.r.o.               | Head office plant (South Bohemia, Czech Republic) | Europe          | Powertrain-related manufacturing equipment                       | 2,237                         | 3,691                  | 104 [154]                               | 33,971 | 40,004 | 779                 |
| TANGSHAN AISIN GEAR CO., LTD.                         | Head office plant (Tangshan, Hebei, China)        | China           | Powertrain-related manufacturing equipment                       | 1,568                         | 12,231                 | — [201]                                 | 20,416 | 34,216 | 1,470               |
| ZHEJIANG GEELY AISIN AUTOMATIC TRANSMISSION CO., LTD. | Head office plant (Ningbo, Zhejiang, China)       | China           | Powertrain-related and other manufacturing equipment             | 4,876                         | 14,586                 | — [144]                                 | 47     | 19,510 | 342                 |
| AISIN SUZHOU CO., LTD.                                | Head office plant (Suzhou, Jiangsu, China)        | China           | Powertrain-related and other manufacturing equipment             | 6,704                         | 12,568                 | — [182]                                 | 183    | 19,457 | 637                 |
| AISIN Powertrain (Thailand) CO., LTD.                 | Head office plant (Chonburi, Thailand)            | ASEAN and India | Powertrain-related and other manufacturing equipment             | 8,608                         | 4,542                  | 2,077 [213]                             | 1,234  | 16,462 | 864                 |

| Company name                             | Facility name (Location)           | Segment name    | Details of facilities                      | Carrying amount (Million Yen) |                        |                                         |       |        | Number of employees |
|------------------------------------------|------------------------------------|-----------------|--------------------------------------------|-------------------------------|------------------------|-----------------------------------------|-------|--------|---------------------|
|                                          |                                    |                 |                                            | Buildings and structures      | Machinery and vehicles | Land [Area in thousand m <sup>2</sup> ] | Other | Total  |                     |
| AISIN AUTOMOTIVE HARYANA PRIVATE LIMITED | Head office plant (Haryana, India) | ASEAN and India | Body-related manufacturing equipment, etc. | 632                           | 7,497                  | 1,043 [95]                              | 7,027 | 16,200 | 1,712               |

### 3. Planned additions, retirements, etc. of facilities

The Group's equipment investment plans are formulated based on a comprehensive assessment of factors such as customer production trends, business competitiveness, rationalization, research and development investment, and the ratio of investment to profit and cash flow. When executing equipment investments, the Group flexibly and appropriately reviews the content and timing of such investments, taking into consideration market trends, business performance, and funding plans.

The planned equipment investment amount is ¥270 billion. This includes expanded investments aimed at sustainable future growth, focusing on new products in growth areas such as BEV-related products, brakes, and safe and comfortable entry systems, as well as investments related to carbon neutrality and digital transformation (DX). The components by segment are as follows.

| Segment name    | Planned investment amount (Million Yen) | Main equipment investments                                                                                                   |
|-----------------|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| Japan           | 146,000                                 | Automotive parts manufacturing equipment, carbon neutrality-related investments, and digital transformation (DX) investments |
| North America   | 60,000                                  | Automotive parts manufacturing equipment                                                                                     |
| Europe          | 11,000                                  | Automotive parts manufacturing equipment                                                                                     |
| China           | 25,000                                  | Automotive parts manufacturing equipment                                                                                     |
| ASEAN and India | 27,500                                  | Automotive parts manufacturing equipment                                                                                     |
| Other           | 500                                     | Automotive parts manufacturing equipment                                                                                     |
| Total           | 270,000                                 | —                                                                                                                            |

#### IV. Status of the Filing Company

##### 1. Information about shares, etc.

###### (1) Total number of shares, etc.

###### (i) Total number of shares

| Class        | Total number of authorized shares |
|--------------|-----------------------------------|
| Common stock | 2,100,000,000                     |
| Total        | 2,100,000,000                     |

###### (ii) Issued shares

| Class        | Number of shares issued as of the end of the fiscal year (March 31, 2026) | Number of shares issued as of the filing date (June 12, 2026) | Name of listed financial instruments exchange or registered or licensed financial instruments firms association | Description                                           |
|--------------|---------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|
| Common stock | 759,023,902                                                               | 726,023,902                                                   | Tokyo Stock Exchange Prime Market<br>Nagoya Stock Exchange Premier Market                                       | The number of shares constituting one unit 100 shares |
| Total        | 759,023,902                                                               | 726,023,902                                                   | —                                                                                                               | —                                                     |

Note: The decrease of 33,000,000 shares in the number of issued shares of common stock was due to the cancellation of treasury stock conducted on May 29, 2026, based on the resolution of the Board of Directors meeting held on April 28, 2026.

###### (2) Share acquisition rights, etc.

###### (i) Description of stock option plan

There are no applicable items.

###### (ii) Description of rights plan

There are no applicable items.

###### (iii) Other information about share acquisition rights

There are no applicable items.

###### (3) Exercise status of bonds with share acquisition rights containing a clause for exercise price adjustment

There are no applicable items.

###### (4) Changes in number of issued shares, share capital, etc.

| Date                     | Change in total number of issued shares (Thousands of shares) | Balance of total number of issued shares (Thousands of shares) | Amount of change in share capital (Million Yen) | Balance of share capital (Million Yen) | Amount of change in legal capital surplus (Million Yen) | Balance of legal capital surplus (Million Yen) |
|--------------------------|---------------------------------------------------------------|----------------------------------------------------------------|-------------------------------------------------|----------------------------------------|---------------------------------------------------------|------------------------------------------------|
| July 31, 2024 (Note 1)   | (25,000)                                                      | 269,674                                                        | —                                               | 45,049                                 | —                                                       | 62,926                                         |
| October 1, 2024 (Note 2) | 539,349                                                       | 809,023                                                        | —                                               | 45,049                                 | —                                                       | 62,926                                         |
| May 30, 2025 (Note 3)    | (50,000)                                                      | 759,023                                                        | —                                               | 45,049                                 | —                                                       | 62,926                                         |

Note 1: Based on the resolution of the Board of Directors meeting held on June 27, 2024, treasury stock was cancelled on July 31, 2024, resulting in a decrease of 25,000 thousand shares in the total number of issued shares.

Note 2: Based on the resolution of the Board of Directors meeting held on June 27, 2024, a stock split was conducted at a ratio of three shares for each share of common stock on October 1, 2024, resulting in an increase of 539,349 thousand shares in the total number of issued shares.

Note 3: Based on the resolution of the Board of Directors meeting held on April 25, 2025, treasury stock was cancelled on May 30, 2025, resulting in a decrease of 50,000 thousand shares in the total number of issued shares.

Note 4: Based on the resolution of the Board of Directors meeting held on April 28, 2026, treasury stock was cancelled on May 29, 2026, resulting in a decrease of 33,000 thousand shares in the total number of issued shares.

#### (5) Shareholding by shareholder category

As of March 31, 2026

| As of March 31, 2020             |                                                          |                        |                                          |                    |                            |             |                   |           |                                              |
|----------------------------------|----------------------------------------------------------|------------------------|------------------------------------------|--------------------|----------------------------|-------------|-------------------|-----------|----------------------------------------------|
| Category                         | Status of shares (Number of shares per unit: 100 shares) |                        |                                          |                    |                            |             |                   |           | Status of shares less than one unit (Shares) |
|                                  | Government and municipality                              | Financial institutions | Financial instruments business operators | Other corporations | Foreign corporations, etc. |             | Individuals, etc. | Total     |                                              |
|                                  |                                                          |                        |                                          |                    | Non-individuals            | Individuals |                   |           |                                              |
| Number of shareholders (Persons) | —                                                        | 108                    | 47                                       | 936                | 751                        | 63          | 52,725            | 54,630    | —                                            |
| Number of shares held (Units)    | —                                                        | 2,116,413              | 179,174                                  | 2,172,656          | 1,792,429                  | 856         | 1,325,325         | 7,586,853 | 338,602                                      |
| Shareholding ratio (%)           | —                                                        | 27.89                  | 2.36                                     | 28.64              | 23.63                      | 0.01        | 17.47             | 100.00    | —                                            |

Note: The number of shares of treasury stock is 34,451,032 shares, which includes 344,510 units under the category “Individuals, etc.” and 32 shares under the category “Status of shares less than one unit.”

#### (6) Major shareholders

As of March 31, 2026

| Name                                                                                                                     | Address                                                                              | Number of shares held (Thousands of shares) | Ratio of shares held to total number of issued shares (excluding treasury stock) (%) |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------------------------------------------------|
| Toyota Motor Corporation                                                                                                 | 1 Toyota-cho, Toyota-shi, Aichi                                                      | 161,828                                     | 22.34                                                                                |
| The Master Trust Bank of Japan, Ltd. (trust account)                                                                     | 1-8-1 Akasaka, Minato-ku, Tokyo                                                      | 79,249                                      | 10.94                                                                                |
| Custody Bank of Japan, Ltd. (trust account)                                                                              | 1-8-12 Harumi, Chuo-ku, Tokyo                                                        | 28,445                                      | 3.92                                                                                 |
| Toyota Industries Corporation                                                                                            | 2-1 Toyoda-cho, Kariya-shi, Aichi                                                    | 23,239                                      | 3.20                                                                                 |
| Aisin employee stock ownership                                                                                           | 2-1 Asahi-machi, Kariya, Aichi                                                       | 19,899                                      | 2.74                                                                                 |
| Toyota Fudosan Co., Ltd.                                                                                                 | 4-7-1 Meieki, Nakamura-ku, Nagoya-shi, Aichi                                         | 19,034                                      | 2.62                                                                                 |
| Nippon Life Insurance Company (Standing proxy: The Master Trust Bank of Japan, Ltd.)                                     | 1-6-6 Marunouchi, Chiyoda-ku, Tokyo (1-8-1 Akasaka, Minato-ku, Tokyo)                | 18,900                                      | 2.60                                                                                 |
| Kochi Shinkin Bank                                                                                                       | 2-4-4 Harimaya-cho, Kochi-shi, Kochi                                                 | 17,335                                      | 2.39                                                                                 |
| STATE STREET BANK AND TRUST COMPANY 505001 (Standing proxy: Mizuho Bank, Ltd.)                                           | ONE CONGRESS STREET, SUITE 1, BOSTON, MASSACHUSETTS (2-15-1 Konan, Minato-ku, Tokyo) | 10,940                                      | 1.51                                                                                 |
| National Mutual Insurance Federation of Agricultural Cooperatives (Standing proxy: The Master Trust Bank of Japan, Ltd.) | 2-7-9 Hirakawa-cho, Chiyoda-ku, Tokyo (1-8-1 Akasaka, Minato-ku, Tokyo)              | 10,319                                      | 1.42                                                                                 |
| Total                                                                                                                    | –                                                                                    | 389,191                                     | 53.68                                                                                |

Note: All shares held by The Master Trust Bank of Japan, Ltd. (trust account) and Custody Bank of Japan, Ltd. (trust account) are related to their trust business.

(7) Voting rights

(i) Issued shares

As of March 31, 2026

| Category                                                    | Number of shares<br>(Shares) | Number of voting rights<br>(Units) | Description                               |
|-------------------------------------------------------------|------------------------------|------------------------------------|-------------------------------------------|
| Shares without voting rights                                | —                            | —                                  | —                                         |
| Shares with restricted voting rights (Treasury stock, etc.) | —                            | —                                  | —                                         |
| Shares with restricted voting rights (Other)                | —                            | —                                  | —                                         |
| Shares with full voting rights (Treasury stock, etc.)       | Common stock<br>34,451,000   | —                                  | —                                         |
| Shares with full voting rights (Other)                      | Common stock<br>724,234,300  | 7,242,343                          | —                                         |
| Shares less than one unit                                   | Common stock<br>338,602      | —                                  | Shares less than one unit<br>(100 shares) |
| Total number of issued shares                               | 759,023,902                  | —                                  | —                                         |
| Total number of voting rights                               | —                            | 7,242,343                          | —                                         |

(ii) Treasury stock, etc.

As of March 31, 2026

| Shareholder's name   | Address of shareholder            | Number of shares<br>held under own<br>name | Number of shares<br>held under the<br>name of others | Total number of<br>shares held | Proportion of<br>number of shares<br>held against total<br>number of issued<br>shares (%) |
|----------------------|-----------------------------------|--------------------------------------------|------------------------------------------------------|--------------------------------|-------------------------------------------------------------------------------------------|
| AISIN<br>CORPORATION | 2-1 Asahi-machi,<br>Kariya, Aichi | 34,451,000                                 | —                                                    | 34,451,000                     | 4.54                                                                                      |
| Total                | —                                 | 34,451,000                                 | —                                                    | 34,451,000                     | 4.54                                                                                      |

2. Acquisition and disposal of treasury stock

Type of shares, etc.: Acquisition of common stock as stipulated in Article 155, item (iii) of the Companies Act, and acquisition of common stock as stipulated in Article 155, item (vii) of the Companies Act

(1) Acquisition by resolution at the General Meeting of Shareholders

There are no applicable items.

(2) Acquisition by resolution at the Board of Directors meeting

| Category                                                                                                                            | Number of shares | Total value (Yen) |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| Resolutions of the Board of Directors of April 25, 2025 and January 14, 2026<br>(Acquisition period: May 1, 2025 to April 30, 2026) | 130,000,000      | 150,000,000,000   |
| Treasury stock acquired before the fiscal year ended March 31, 2026                                                                 | —                | —                 |
| Treasury stock acquired during the fiscal year ended March 31, 2026                                                                 | 33,317,000       | 78,377,864,831    |
| Total number and total amount of shares remaining as balance of resolved number of shares to be purchased                           | 96,683,000       | 71,622,135,169    |
| Percentage of treasury stock yet to be acquired as of March 31, 2026 (%)                                                            | 74.4             | 47.7              |
| Treasury stock acquired between the end of the reporting period and the filing date of this securities report                       | —                | —                 |
| Percentage of treasury stock yet to be acquired as of filing date (%)                                                               | —                | —                 |

Note: At the Board of Directors meeting held on April 28, 2026, the Company resolved to suspend the acquisition of treasury stock based on the above resolutions, effective as of the same date.

| Category                                                                                                         | Number of shares | Total value (Yen) |
|------------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| Resolution of the Board of Directors of April 28, 2026<br>(Acquisition period: April 30, 2026 to March 31, 2027) | 65,000,000       | 100,000,000,000   |
| Treasury stock acquired before the fiscal year ended March 31, 2026                                              | —                | —                 |
| Treasury stock acquired during the fiscal year ended March 31, 2026                                              | —                | —                 |
| Total number and total amount of shares remaining as balance of resolved number of shares to be purchased        | —                | —                 |
| Percentage of treasury stock yet to be acquired as of March 31, 2026 (%)                                         | —                | —                 |
| Treasury stock acquired between the end of the reporting period and the filing date of this securities report    | —                | —                 |
| Percentage of treasury stock yet to be acquired as of filing date (%)                                            | 100.0            | 100.0             |

Note 1: At the Board of Directors meeting held on April 28, 2026, the Company resolved to conduct a tender offer for its own shares as the specific method of acquiring treasury stock. An overview of the tender offer is as follows.

Planned number of shares to be purchased: 23,239,327 shares (maximum)  
Public notice date of commencement of tendering: April 30, 2026  
Tendering period: April 30, 2026 to June 1, 2026  
Price of tendering: ¥1,986 per share of common stock  
Settlement commencement date: June 23, 2026

Note 2: Treasury stock acquired during the period from the end of the reporting period to the filing date of this securities report does not include shares acquired between June 1, 2026 and the filing date.

### (3) Acquisition not based on resolution at the General Meeting of Shareholders or Board of Directors meeting

| Category                                                                                                      | Number of shares | Total value (Yen) |
|---------------------------------------------------------------------------------------------------------------|------------------|-------------------|
| Treasury stock acquired during the fiscal year ended March 31, 2026                                           | 1,596            | 3,859,852         |
| Treasury stock acquired between the end of the reporting period and the filing date of this securities report | 66               | 155,187           |

Note: Treasury stock acquired during the period from the end of the reporting period to the filing date of this securities report does not include shares acquired through the purchase of shares less than one unit between June 1, 2026 and the filing date.

### (4) Disposal of acquired treasury stock and number of shares of treasury stock held

| Category                                                                                                                      | Fiscal year ended March 31, 2026 |                               | During the period from the end of the reporting period to the filing date of this securities report |                               |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------|-----------------------------------------------------------------------------------------------------|-------------------------------|
|                                                                                                                               | Number of shares                 | Total value of disposal (Yen) | Number of shares                                                                                    | Total value of disposal (Yen) |
| Acquired treasury stock for which subscribers were solicited                                                                  | —                                | —                             | —                                                                                                   | —                             |
| Acquired treasury stock that was cancelled                                                                                    | 50,000,000                       | 82,363,960,544                | 33,000,000                                                                                          | 76,843,870,084                |
| Acquired treasury stock that was transferred in connection with mergers, share exchanges, share deliveries, or company splits | —                                | —                             | —                                                                                                   | —                             |
| Other                                                                                                                         |                                  |                               |                                                                                                     |                               |
| (Disposal of treasury stock as restricted stock remuneration)                                                                 | 230,349                          | 403,853,458                   | —                                                                                                   | —                             |
| (Transfer through sale requests of shares less than one unit)                                                                 | 85                               | 165,652                       | —                                                                                                   | —                             |
| Number of treasury stock held (Note 2)                                                                                        | 34,451,032                       | —                             | 1,451,098                                                                                           | —                             |

- Note 1: The treasury stock disposed of during the period from the end of the reporting period to the filing date of this securities report does not include shares transferred through the sale of shares less than one unit between June 1, 2026 and the filing date.
- Note 2: The number of treasury stock held during the period from the end of the reporting period to the filing date of this securities report does not include shares acquired or transferred through the purchase or sale of shares less than one unit between June 1, 2026 and the filing date.

### 3. Dividend policy

With a basic policy of providing stable and continuous shareholder dividends over the medium to long term, we are strengthening shareholder returns through flexible treasury stock acquisitions while placing emphasis on growth investments for sustainable growth, aimed at further increasing corporate value and capital efficiency.

Regarding shareholder dividends, the Company has adopted a dividend policy based on the dividend on equity attributable to owners of the parent (DOE)\* as announced in the FY2029 Medium-term Business Plan published on February 19, 2026, with the objective of achieving stable and continuous profit returns and improving capital efficiency.

Under this policy, the Company intends to use a DOE level of 3.0% as the starting point and, supported by improvements in ROE, gradually raise it to a target level of approximately 3.5% by FY2029, thereby enhancing shareholder returns.

Our fundamental policy is to distribute surplus twice a year through interim and year-end dividends. The decision-making body for these dividends is the Board of Directors, to enable the flexible implementation of capital and dividend policies.

For FY2026, we declared an interim dividend of ¥30 per share and a year-end dividend of ¥40 per share.

Dividends of surplus with record dates falling within the fiscal year under review are as follows.

| Date of resolution                                                       | Total amount of dividends<br>(Million Yen) | Dividends per share<br>(Yen) |
|--------------------------------------------------------------------------|--------------------------------------------|------------------------------|
| Resolution at the Board of Directors meeting held on<br>October 31, 2025 | 22,132                                     | 30                           |
| Resolution at the Board of Directors meeting held on<br>April 28, 2026   | 28,982                                     | 40                           |

- Note 1: The Company's Articles of Incorporation provide that, by resolution of the Board of Directors, the Company may pay an interim dividend as prescribed in Article 454, paragraph 5 of the Companies Act, with September 30 of each year as the record date.
- Note 2: The Articles of Incorporation also stipulate that, pursuant to Article 459, paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, determine the distribution of surplus and other related matters.

(Reference) Formula for calculating the dividend on equity attributable to owners of the parent (DOE)

$$\text{DOE} = \frac{\text{Total annual dividends}}{\text{Equity attributable to owners of the parent} - \text{Other components of equity}}$$

- \* The equity attributable to owners of the parent used as the basis for DOE is an adjusted figure that excludes other components of equity, which are subject to significant fluctuations due to exchange rates and market conditions.

#### 4. Corporate Governance

##### (1) Overview of corporate governance

###### (i) Basic stance on corporate governance

Based on the Aisin Group Philosophy, we aim to build firm relationships with all stakeholders to maximize corporate value and achieve stable growth and development over the long term.

To realize this goal, it is important for management to act in a fair and highly transparent manner to ensure the Company is regarded as a corporate citizen trusted by the international community. We are, therefore, working to enhance corporate governance based on the following fundamental policies.

The policy described herein is codified and executed under the AISIN Group Charter of Sustainability.

- i) We respect the rights and ensure equality of shareholders and strive to create an environment for the appropriate exercise and protection of these rights.
- ii) We strive to cooperate with stakeholders who are not shareholders (customers, suppliers, employees, local communities, etc.) in a socially sensible and sincere manner.
- iii) We work to ensure transparency by appropriately disclosing information in accordance with laws and regulations and to proactively disseminate information beyond what is required by laws and regulations.
- iv) We endeavor to appropriately fulfill the roles and responsibilities of the Board of Directors in order to ensure transparent, fair, and flexible decision-making.
- v) We engage in constructive dialogue with shareholders based on a shared understanding of the Company's direction in its quest for long-term, stable growth.

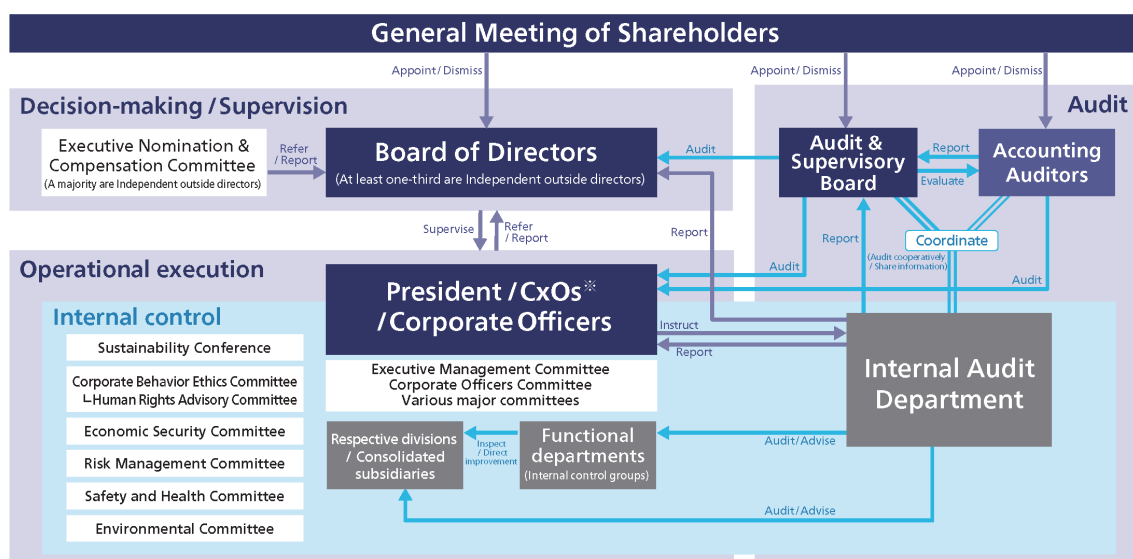
###### (ii) Corporate governance structure and reasons for its adoption

Under the Audit & Supervisory Board system, the Company is strengthening supervision of its business execution by directors and senior executive officers. The Board of Directors, of whose members at least one-third must be independent outside directors, provides oversight. Meanwhile the Audit & Supervisory Board, half of whose members are independent outside auditors, conducts audits while leveraging features of the Audit & Supervisory Board system, such as the independence of Audit & Supervisory Board members ("corporate auditors"), independent appointment procedures, and the appointment of full-time corporate auditors. Furthermore, to enhance the independence and objectivity of the Board of Directors, the nomination and remuneration of directors and senior executive officers are reviewed and discussed by the Executive Nomination & Compensation Committee, chaired by an independent outside director and consisting of a majority of independent outside directors, before being submitted to the Board of Directors.

We have adopted the current system because we believe it is important to assure timely and accurate management execution based on business circumstances and conditions on the factory floor, as well as to establish protocols for constantly monitoring whether such management decision-making is supported by and meets the expectations of our diverse stakeholder community.

Our corporate governance structure is as shown below:

## Corporate Governance Structure



※CxO : Reporting directly to the President, the Internal Audit Department conducts preliminary reviews of management decisions and drives management activity spanning the entire company.

### (iii) Meeting of the Board of Directors

The meeting of the Board of Directors is chaired by Moritaka Yoshida, President and Member of the Board of Directors, and is attended by eight directors, including four independent outside directors, and is held once a month in principle. The names of the members are listed in 2. Information about officers, (1) Officers. The meeting of the Board of Directors deliberates on and resolves important elements of management strategy, such as group management policy, earnings and investment budgets, capital policy, strategies for each business segment, and management infrastructure to provide support in such fundamental corporate domains as sustainability, human capital, and corporate governance. The Board of Directors also supervises the execution of duties by the Board of Directors and others by receiving reports from the Business Ethics Committee, the Risk Management Committee, and other committees.

#### <Key agenda items for resolution or reporting at the FY2026 Board of Directors meeting>

|                                        |                                                                                                                                    |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| Management strategy                    | Management strategy, medium-term business plan, Group management policy, earnings and investment budgets, cross-shareholdings      |
| Business strategy and portfolio review | Strategies for each region and business, alliances, progress reports on new businesses                                             |
| Sustainability                         | Progress of activities toward sustainability management, human capital strategy, economic security, compliance and risk management |
| Capital markets and other              | Results of dialogue with capital markets                                                                                           |

### (iv) Evaluating the effectiveness of Board of Directors meetings

Each year, the Company analyzes and evaluates the effectiveness of the Board of Directors in order to improve the impact of its meetings. The results of FY2026 Evaluation are as follows:

- i) Subjects: All directors (8) and corporate auditors (4)
- ii) Evaluation method:
  - (a) Third-party questionnaire-driven evaluation
  - (b) Interviews based on the results of the questionnaire
  - (c) Issues and future measures discussed by the Governance Advisory Meeting and the Board of Directors based on the analysis results
- iii) Evaluation criteria: Size and composition of the Board of Directors; its operations; support systems for outside directors; composition and operations of the Executive Nomination &

Compensation Committee; and the degree of improvement regarding issues identified in the previous fiscal year's evaluation, etc.

| Issues identified in FY2025                                     | Results of initiatives for FY2026                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Enhancement of discussions at the Board of Directors            | To enrich dialogue among our Board of Directors on realizing our Vision for FY2031, we welcomed two Outside Directors with strong, relevant skills (business transformation and sustainability). Our discussions have become more multidimensional and our deliberation on management issues and sustainability further enriched. (Note) |
| Strengthening of the Board of Directors' supervisory function   | Enhanced supervision by Outside Directors based on reports from various meetings and committees (the Sustainability Conference, the Business Ethics Committee, the Economic Security Committee, the Risk Management Committee, and the Environmental Committee) and from the internal audit department. (Note)                           |
| Linking necessary knowledge and skills with the succession plan | To enrich Board of Directors discussions, we reviewed the skills required of Directors and invited Directors who possess those skills, and we held study sessions linked to management issues so that Directors can acquire necessary knowledge and refine it through appropriate updates and other efforts.                             |

Note: Agenda items submitted to the Board of Directors are listed in the preceding section, Key agenda items for resolution or reporting at the FY2026 Board of Directors meetings.



[Overall assessment for FY2026] Overall, we are moving in a good direction. We will accelerate the shift so that the Board of Directors becomes a "forum for supervision" that sets the direction of management, evaluates it, and supports execution.



| Topics identified in FY2026                        | Plan of action                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Strategy discussions                               | <p>&lt;Key points&gt; Building consensus on growth trajectory</p> <ul style="list-style-type: none"> <li>• Sharing a common understanding of long-term policy leading to deliberating and resolving growth strategy and resource allocation</li> <li>• Progress in improving profitability resulting in reporting on Medium-Term Business Plan status</li> </ul> |
| Supervisory function                               | <p>&lt;Key points&gt; Understanding risks across the entire Group and strengthening Group management</p> <ul style="list-style-type: none"> <li>• Evolving Group management and piloting the organizational audits that support it</li> </ul>                                                                                                                    |
| Composition and function of the Board of Directors | <p>&lt;Key points&gt; Considering a composition and form that accelerates the shift to a forum for supervision</p> <ul style="list-style-type: none"> <li>• Continued discussion of the desired composition (perspectives and diversity to be supplemented) and of succession</li> </ul>                                                                         |

(v) Meetings of the Board of Directors and attendance of individual directors and corporate auditors during the fiscal year under review

| Classification                              | Name                | Board meeting attendance<br>(present/eligible) |
|---------------------------------------------|---------------------|------------------------------------------------|
| Director                                    | Moritaka Yoshida    | 16/16 (100%)                                   |
| Director                                    | Shintaro Ito        | 15/16 (94%)                                    |
| Director                                    | Yoshihisa Yamamoto  | 16/16 (100%)                                   |
| Director                                    | Masahiro Nishikawa  | 16/16 (100%)                                   |
| Outside Director                            | Michiyo Hamada      | 3/3 (100%)                                     |
| Outside Director                            | Seiichi Shin        | 3/3 (100%)                                     |
| Outside Director                            | Koji Kobayashi      | 14/14 (100%)                                   |
| Outside Director                            | Tsuguhiko Hoshino   | 16/16 (100%)                                   |
| Outside Director                            | Yasuhito Hirota     | 13/13 (100%)                                   |
| Outside Director                            | Keiko Tatsuwaki     | 13/13 (100%)                                   |
| Audit & Supervisory Board Member            | Makoto Mitsuya      | 16/16 (100%)                                   |
| Audit & Supervisory Board Member            | Kiyomi Kato         | 16/16 (100%)                                   |
| Outside Audit & Supervisory Board<br>Member | Junko Ueda          | 15/16 (94%)                                    |
| Outside Audit & Supervisory Board<br>Member | Katsuhiro Kashiwagi | 15/16 (94%)                                    |

- Note 1: At the conclusion of the 102nd Ordinary General Meeting of Shareholders held on June 17, 2025, Outside Director Michiyo Hamada and Outside Director Seiichi Shin retired due to the expiration of their terms of office.
- Note 2: Outside Director Koji Kobayashi has been identified as a specially interested party in connection with the Company's tender offer for treasury shares (to which Toyota Industries Corporation intends to tender its shares) and therefore has not participated in the deliberation or resolution of the relevant agenda item. Accordingly, the number of Board of Directors meetings attended by him differs from that of the other outside directors.
- Note 3: The Company has proposed the election of eight (8) directors as an agenda item for resolution at the Ordinary General Meeting of Shareholders to be held on June 19, 2026. If this proposal is approved and passed, the Company will have eight (8) directors, including three (3) outside directors. The members of the Board of Directors, if the proposal is approved, are as described in the section, 2. Information about officers, (1) Officers ii).

(vi) Execution of responsibilities

To properly govern management's execution of its responsibilities, the Company has established an Executive Management Committee to oversee the most important matters for the Group. It has also formed a Corporate Officers Committee, which monitors and directs policy related to earnings and other business matters and holds meetings at least once a month in principle. Senior executive officers and others join the Company's directors in these meetings to enhance consideration of critical issues.

(vii) Audit & Supervisory Board

The Audit & Supervisory Board is chaired by Audit & Supervisory Board Member Makoto Mitsuya and consists of four (4) auditors, including two independent outside auditors, and meets

once a month in principle. The names of the members are listed in 2. Information about officers, i) Officers. Based on the audit policy and planning conducted with oversight by the Audit & Supervisory Board, each auditor audits the legality and appropriateness of the execution of duties by the directors and the execution of duties at the Company and its subsidiaries as well as the reliability of financial reporting. This is accomplished by attending high-level meetings such as meetings of the Board of Directors, interviewing directors and representatives from various departments, and visiting domestic and overseas subsidiaries. Moreover, an Audit & Supervisory Board Office has been established under the direct supervision of the Audit & Supervisory Board Member, and staff are assigned who are dedicated to assisting the Audit & Supervisory Board Member, and collaboration with external auditors and internal audit departments is maintained to strengthen audit functions.

(viii) Executive Nomination and Compensation Committee

The Executive Nomination and Compensation Committee is chaired by an independent outside director and consists of a majority of members who are independent outside directors. In principle, the Committee meets four times a year. The Committee examines and discusses matters concerning the nomination and compensation of directors and senior executive officers and submits the meeting's conclusions to the Board of Directors, thereby ensuring objectivity and transparency. The Committee reviews and formulates fundamental policy governing nominations to the Board of Directors and the executive officer system and structure in accordance with the Company's vision and management policy, and it deliberates on the selection and dismissal of directors and auditors in accordance with the Company's basic policy. Nomination and dismissal procedures cover the selection of candidates for directors and auditors through consideration and deliberation by the Committee, and submission of the nomination and dismissal proposals at meetings of the Board of Directors. Decisions regarding the appointment of directors are made following deliberation at the Ordinary General Meeting of Shareholders based on informal resolutions approved at the meeting of the Board of Directors. Decisions regarding the appointment of auditors are made following deliberation at the Ordinary General Meeting of Shareholders based on informal resolutions approved at the meeting of the Board of Directors and with the consent of the Audit and Supervisory Board. In addition, remuneration for directors and auditors is determined on an individual basis in reflection of Company performance, individual responsibilities, and business results, in accordance with a review conducted under the Company's remuneration system and policies, etc. for individual directors established by the meeting of the Board of Directors.

The following table shows the results of Council meetings held during the fiscal year under review and the attendance of each member.

| Corporate title |                                       | Name              | Meeting frequency and attendance status |
|-----------------|---------------------------------------|-------------------|-----------------------------------------|
| Chairperson     | Independent Outside Director          | Tsuguhiko Hoshino | 5/5 (100%)                              |
| Member          | President                             | Moritaka Yoshida  | 5/5 (100%)                              |
| Member          | Director and Senior Executive Officer | Shintaro Ito      | 5/5 (100%)                              |
| Member          | Independent Outside Director          | Yasuhito Hirota   | 4/4 (100%)                              |
| Member          | Independent Outside Director          | Keiko Tatsuwaki   | 4/4 (100%)                              |

(ix) Other matters related to corporate governance

The Company, as the parent organization overseeing the management of a corporate group consisting of itself and its subsidiaries (hereinafter referred to as the "Group"), has established the following basic policy regarding internal control in order to establish a system to ensure the appropriateness of the Company Group's operations.

- i) System to ensure that directors of the Group execute their duties in compliance with laws, regulations, and the Company's articles of incorporation

#### Basic Policy 1

- (a) Establishment of sustainability management system to promote lawful and fair corporate activities based on the Group's Corporate Philosophy and the Charter of Sustainability.
- (b) Important management matters shall be comprehensively discussed by the Executive Management Committee and resolved at the meeting of the Board of Directors.
- (c) The Business Ethics Committee shall deliberate on and adopt policies and systems for legal and regulatory compliance as well as business conduct and ethics.
- (d) Directors shall actively promote the spirit of the Group's Charter of Sustainability and shall work to raise awareness of and respect for compliance throughout the Group.

#### Status of implementation

- (a) Through our Groupwide AISIN Group Charter of Sustainability, we clarify Aisin's basic stance toward sustainability and have established a promotional framework for the entire Group.
- (b) In executing their responsibilities, the Board of Directors and various cross-organizational committees submit matters to be discussed when they convene in accordance with regulations stipulating mandatory meeting agenda items, and decisions are reached following thorough consideration. Specifically, the Board of Directors shall address 1. matters stipulated in the Companies Act, 2. matters stipulated in the Articles of Incorporation, 3. items delegated by resolution of the Ordinary General Meeting of Shareholders, and 4. other important topics concerning management. Matters to be reported on shall include 1. matters stipulated in the Companies Act, 2. the status of business execution, and 3. other matters deemed necessary by the Board of Directors.
- (c) The direction of sustainability-related activities is discussed and ratified by the Sustainability Conference, which is chaired by the President and composed of officers at the level of general manager and higher together with the presidents of Group companies. The Conference is supervised and reviewed for progress by the Board of Directors and executive entities. The Business Ethics Committee acts on the above and determines the course of action and structure for the compliance function.
- (d) The Aisin Group Charter of Sustainability explicitly states that the realization of the Charter is the responsibility of the officers themselves. Officers actively communicate the importance of compliance and strive to raise employee awareness. A dedicated compliance department has also been established to plan and promote compliance activities across the entire Group.

- ii) System to ensure that Group employees execute their duties in compliance with laws and regulations and the Company's articles of incorporation

#### Basic Policy 2

- (a) Ensure employee compliance by, among other means, distributing guides on business ethics and providing education on legal matters and responsibilities for each rank in the corporate hierarchy.
- (b) Through such channels as the Business Ethics Consultation Office, the Company shall strive to quickly identify and resolve compliance-related problems and answer questions.
- (c) On-site audits and monitoring of the compliance-appropriateness of operations are conducted by the internal audit function and by other means.

#### Status of implementation

- (a) With the aim of ensuring that every member of the AISIN Group understands the spirit of the AISIN Group Charter of Sustainability and acts autonomously, we have revised the AISIN Group Code of Conduct. We are advancing education and awareness while revealing the connections between daily work and the Code of Conduct (compliance, human rights, the environment, and so on) and specific actions to be taken.

- (b) Compliance-related issues and questions concerning the entire Aisin Group are identified through the whistleblower hotlines established by each company as well as through an external hotline established by the Company for the entire Group. The relevant group companies and departments are handled by taking the necessary measures, including investigations of evidence and corrective actions, and reporting the outcome to the appropriate executives.
- (c) The Internal Audit Department conducts systematic internal audits of the entire Aisin Group in accordance with risks.

iii) System for storing and managing information on the execution of duties by Group directors

#### Basic Policy 3

Information related to the performance of duties by directors shall be properly stored and managed by each department in charge in accordance with pertinent laws and regulations.

Status of implementation

- (a) The Company ensures that the minutes of the Board of Directors meetings, as well as the reporting materials and minutes of meetings held throughout the Company, are properly stored in accordance with the relevant laws and regulations.
- (b) We are working to strengthen information security by establishing structures and mechanisms to drive efforts across the entire AISIN Group and by educating our staff on information security as an overarching discipline, including the management of confidential information.

iv) Rules and other measures for managing risk across the Group

#### Basic Policy 4

The Company shall establish a suitable risk management regime by developing a program for promoting varied risk controls and formulating basic rules and response plans for each risk classification, including quality, safety, compliance, information management, environment, and fires/natural disasters.

Status of implementation

Based on its awareness of the internal and external environment, the Risk Management Committee identifies priority risks to be addressed across the entire AISIN Group. To reduce these risks, a range committees that address economic security and other risk categories publish policies and promote measures to minimize risk overall. In addition, functional management groups examine business and investment risks from multiple angles.

v) Measures to ensure efficient execution of duties by Group directors

#### Basic Policy 5

Based on Group management policy, the Company shall practically implement the Company's at each level of the organization and conduct consistent policy management.

In addition, the Group shall integrate its data and centralize the management thereof while ensuring that each of its companies operates efficiently. The Group shall achieve this by fully comprehending the business activity plans and performance of each Group company and by disseminating information from the Company's various committees and functional divisions.

Status of implementation

- (a) Based on our ESG materiality regime, which evaluates the opportunities and risks arising from changes in the external environment, we formulate three-year Group management policies and to concretely prioritize action themes across our business, region, and functional domains, thereby assuring consistent policy management.
- (b) With the aim of further improving the speed and quality of management decision-making and business execution, the number of decision-making layers in the execution structure has been reduced and authority has been delegated to executive general managers of center/divisions. Furthermore, C-level executives have been appointed from among Executive Officers as the

ultimate persons responsible for promoting key management issues across the entire organization, with the role of assisting the President from a perspective that encompasses the Group as a whole. The President delegates execution authority within prescribed limits to the C-suite.

vi) Effective instruction of employees in assisting corporate auditors and matters

Basic Policy 6

- (a) The Company shall establish and staff a department dedicated to assisting the auditors in their duties.
- (b) The Company shall obtain the prior consent of the auditors with respect to the appointment of these employees.

Status of implementation

- (a) The Company has established the Audit & Supervisory Board Office, which is independent from the instruction and orders of directors and has full-time staff to provide effective support to the corporate auditors.
- (b) Personnel changes affecting full-time staff of the Audit & Supervisory Board Office are made with the prior consent of the auditors.

vii) System for reporting to auditors by directors and employees of the Group

Basic Policy 7

- (a) Directors shall expediently and properly report to the auditors on the execution of their business and shall immediately report to the auditors any information they discover that may cause significant damage to the Group.
- (b) Directors and employees shall make regular and ad hoc reports on business activities as requested by the Audit & Supervisory Board members.
- (c) Appropriate measures shall be taken so that those who have made such reports shall not be treated unfavorably because of their reporting.

Status of implementation

- (a) Directors, senior executive officers, and employees who execute Company business (hereinafter collectively referred to as “directors, etc.”) shall report regularly to the auditors on the progress of their main executive duties. In addition, they shall report as necessary when they discover any information concerning matters that may cause significant damage to the Group.
- (b) Directors, etc., report regularly on the status of execution of their responsibilities and on the status of consultation via internal reporting channels. In addition, directors and other executive officers of the parent Company and its Group companies report regularly on their business activities to the auditors and from time to time at the auditors’ request.
- (c) The Company has established whistleblower protection rules applicable to the entire Group that clearly stipulate that whistleblowers shall not be subjected to any prejudicial treatment.

viii) Other measures to ensure the effectiveness of internal audits of the Group

Basic Policy 8

- (a) To enhance the effectiveness of the activities of the standing auditors, directors of the Company actively cooperate with the Company’s auditors in their investigative activities. The scope of cooperation includes attendance at important meetings, inspection of important documents, on-site audits of plants and subsidiaries, and meetings with accounting auditors.
- (b) The internal audit function shall work closely with the corporate auditors and share information on audit results.
- (c) The Company shall cover the expenses necessary for the execution of duties by its auditors.

#### Status of implementation

- (a) The Company cooperates in auditing activities by establishing a system whereby auditors may attend meetings of the Executive Management Committee and other high-level committees, inspect important documents, conduct on-site audits of plants and subsidiaries, and meet with accounting auditors. The Company similarly cooperates in the activities of auditors at major domestic Group companies.
- (b) By exchanging information on a regular and ad hoc basis, the Company's business operations more closely align their activities with the audit function, beginning with the internal auditors and extending to internal control departments, the accounting auditors, and auditors of major domestic Group companies. The Company also focuses on tighter cooperation with auditors throughout the Group and improved audit effectiveness by way of the Group Auditors Liaison Committee.
- (c) The Company has set aside an annual budget for expenses necessary for its auditors to execute their duties in accordance with the audit plan. The Company also pays for any unplanned expenses as needed.

#### (x) Overview of limited liability agreements

The Company has entered into agreements with all outside directors, and Outside Audit & Supervisory Board Members to limit their liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act to the amount stipulated in Article 425, Paragraph 1 of the same act.

#### (xi) Outline of Directors' and Officers' Liability Insurance Contracts

The Company has concluded a directors' and officers' liability insurance contract with an insurance company as stipulated in Article 430(3), Item 1 of the Companies Act. The insurance policy provides that the Company and its subsidiaries' directors and officers who are insured against claims for damages arising out of their acts (including omissions) in the course of their duties as directors and officers of the Company and its subsidiaries shall not be liable for any loss or damage arising out of such acts. The policy provides coverage for damages and dispute expenses incurred by the insured as a result of claims for damages arising out of acts (including omissions) committed by the insured, directors and officers of the Company and its subsidiaries in the course of their duties as directors and officers of such companies. However, the policy does not cover criminal acts such as bribery, or damages incurred by officers who intentionally commit illegal acts, so that the appropriateness of the execution of duties by officers is not compromised. The insurance premiums are borne entirely by the Company.

#### (xii) Number of directors and requirements pertaining to the appointment of directors

##### i) Number of directors

The Company's Articles of Incorporation stipulate that the Company shall have no more than 15 directors.

##### ii) Requirements pertaining to the appointment of directors

The Company's Articles of Incorporation stipulate that resolutions for the election of directors shall be adopted by a majority of the voting rights of shareholders present at a meeting where shareholders holding one-third or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.

The Articles of Incorporation also stipulate that the resolution for the election of directors shall not be made by cumulative voting.

#### (xiii) Matters that may be resolved by the Board of Directors in place of the Ordinary General Meeting of Shareholders and reasons for these exceptions

##### i) Acquisition of treasury stock

The Company's Articles of Incorporation stipulate that the Company may acquire its own shares by a resolution of the Board of Directors pursuant to Article 165(2) of the Companies Act.

This is to enable the Company to implement flexible capital policies.

ii) Exemption of directors and corporate auditors from liability for damages

Pursuant to Article 426(1) of the Companies Act, the Company's Articles of Incorporation stipulate that the Company may, by a resolution of the Board of Directors, exempt directors and corporate auditors from liability for damages to the extent of the maximum amount allowed by law.

This is to ensure that the directors can fully fulfill their expected roles in the performance of their duties.

iii) Dividends of surplus, etc.

The Company's Articles of Incorporation stipulate that the Company may, by a resolution of the Board of Directors, pay interim dividends as stipulated in Article 454(5) of the Companies Act, with a record date of September 30 of each year, and that the Company may pay dividends from surplus and other disbursements by a resolution of the Board of Directors pursuant to the provisions of each item of Article 459(1) of the Companies Act.

This is to enable the execution of flexible capital and dividend policies.

(xiv) Requirements for special resolutions by the General Meeting of Shareholders

For the purpose of smooth operation of the General Meeting of Shareholders, the Company stipulates in its Articles of Incorporation that, with respect to the requirements for special resolutions of the General Meeting of Shareholders under Article 309(2) of the Companies Act, a resolution shall be adopted by 2/3 majority of the voting rights of shareholders present at the meeting where shareholders holding 1/3 or more of the voting rights of shareholders who are entitled to exercise their voting rights are present.

(2) Information about officers

(i) Officers

- i) The status of the Company's officers as of June 12, 2026 (the filing date of this securities report) is as follows:

Male: 9 Female: 3 (Female representation among executives: 25.0%)

| Title and position                 | Name               | Date of birth     | Career summary                                                                                                                                                                                                                                                                                                                                                                                                                                 | Term of office | Number of shares held (Thousands of shares) |
|------------------------------------|--------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| President, Representative Director | Moritaka Yoshida   | July 12, 1957     | <p>April 1980 Joined Toyota Motor Co., Ltd.</p> <p>June 2009 Managing Officer of Toyota Motor Corporation</p> <p>April 2014 Senior Managing Officer of Toyota Motor Corporation</p> <p>January 2018 Executive Vice President of Toyota Motor Corporation</p> <p>June 2020 Chairman of TOYOTA CENTRAL R&amp;D LABS., INC.</p> <p>June 2021 President, Member of the Board of Directors of the Company (to present)</p>                          | (Note 3)       | 140                                         |
| Director, Representative Director  | Shintaro Ito       | March 19, 1961    | <p>April 1983 Joined Aisin Seiki Co., Ltd.</p> <p>June 2010 Managing Officer of Aisin Seiki Co., Ltd.</p> <p>April 2017 Senior Managing Officer of Aisin Seiki Co., Ltd.</p> <p>April 2019 Senior Executive Officer of Aisin Seiki Co., Ltd.</p> <p>April 2021 Executive Vice President of the Company</p> <p>June 2021 Director of the Company (to present)</p> <p>April 2022 Senior Executive Officer of the Company</p>                     | (Note 3)       | 91                                          |
| Director                           | Yoshihisa Yamamoto | December 17, 1964 | <p>April 1989 Joined Aisin AW Co., Ltd.</p> <p>April 2015 Senior Executive Officer of Aisin AW Co., Ltd.</p> <p>April 2020 Senior Managing Officer of Aisin AW Co., Ltd.</p> <p>April 2021 Executive Vice President of the Company</p> <p>April 2022 Senior Executive Officer of the Company</p> <p>June 2022 Director of the Company (to present)</p> <p>April 2026 Executive Vice President of the Company (current system) (to present)</p> | (Note 3)       | 49                                          |
| Director                           | Masahiro Nishikawa | February 17, 1962 | <p>April 1984 Joined Aisin Seiki Co., Ltd.</p> <p>June 2011 Managing Officer of Aisin Seiki Co., Ltd.</p> <p>April 2014 Senior Managing Officer of Aisin Seiki Co., Ltd.</p> <p>June 2017 Director of Aisin Seiki Co., Ltd.</p> <p>April 2019 Senior Executive Officer of Aisin Seiki Co., Ltd.</p> <p>April 2021 Senior Executive Officer of the Company (to present)</p> <p>June 2024 Director of the Company (to present)</p>               | (Note 3)       | 88                                          |

| Title and position | Name              | Date of birth    | Career summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Term of office | Number of shares held (Thousands of shares) |
|--------------------|-------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Director           | Koji Kobayashi    | October 23, 1948 | <p>April 1972 Joined Toyota Motor Co., Ltd.</p> <p>June 2004 Managing Officer of Denso Corporation</p> <p>June 2015 Vice Chairman and Member of the Board of Denso Corporation</p> <p>February 2016 Advisor of Toyota Motor Corporation</p> <p>January 2018 Executive Vice President of Toyota Motor Corporation</p> <p>January 2018 Member of the Board of Denso Corporation</p> <p>June 2018 Executive Vice President and Member of the Board of Directors (Representative Director) of Toyota Motor Corporation</p> <p>June 2021 Director of the Company (to present)</p> <p>April 2023 “Banto” and Executive Fellow of Toyota Motor Corporation (to present)</p>                                                                                                                                                                                                                                                            | (Note 3)       | —                                           |
| Director           | Tsuguhiko Hoshino | November 6, 1959 | <p>April 1983 Joined the Ministry of Finance</p> <p>July 2011 Deputy Director General of the Minister’s Secretariat, Ministry of Finance</p> <p>July 2015 First Deputy Commissioner, National Tax Agency</p> <p>June 2016 Director General of the Tax Bureau, Ministry of Finance</p> <p>July 2019 Commissioner, National Tax Agency</p> <p>June 2021 Outside Director of Tokyu Fudosan Holdings Corporation (to present)</p> <p>June 2021 Board Member (Vice Chairman) of The General Insurance Association of Japan (to present)</p> <p>June 2023 Director of the Company (to present)</p>                                                                                                                                                                                                                                                                                                                                    | (Note 3)       | 1                                           |
| Director           | Yasuhito Hirota   | November 5, 1956 | <p>April 1980 Joined Mitsubishi Corporation</p> <p>April 2010 Senior Vice President, General Manager of Corporate Administration Dept. of Mitsubishi Corporation</p> <p>June 2014 Representative Director, Member of the Board, Executive Vice President, Corporate Functional Officer of Mitsubishi Corporation</p> <p>January 2018 Advisor of ASICS Corporation</p> <p>March 2018 President and COO, Representative Director of ASICS Corporation</p> <p>March 2022 President, CEO and COO, Representative Director of ASICS Corporation</p> <p>January 2024 Chairman and CEO, Representative Director of ASICS Corporation (to present)</p> <p>June 2024 Outside Director, Member of the Board of CASIO COMPUTER CO., LTD.</p> <p>April 2025 Vice Chairperson of Japan Association of Corporate Executives (Public Interest Incorporated Association) (to present)</p> <p>June 2025 Director of the Company (to present)</p> | (Note 3)       | 1                                           |

| Title and position               | Name            | Date of birth     | Career summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Term of office | Number of shares held (Thousands of shares) |
|----------------------------------|-----------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Director                         | Keiko Tatsuwaki | May 18, 1958      | <p>July 1984 Joined Recruit Co., Ltd.</p> <p>January 2000 Joined Tohmatsu &amp; Co. (now Deloitte Touche Tohmatsu LLC)</p> <p>June 2003 Partner at Deloitte Touche Tohmatsu LLC</p> <p>October 2016 Head, ESG and Integrated Reporting Advisory Unit of Deloitte Touche Tohmatsu LLC</p> <p>February 2017 President of Deloitte Tohmatsu Sustainability Co., Ltd.</p> <p>July 2023 Advisor of Deloitte Tohmatsu Sustainability Co., Ltd.</p> <p>March 2024 Outside Audit &amp; Supervisory Board Member of ISE CHEMICALS CORPORATION (to present)</p> <p>April 2025 Auditor, Japan Well-being Foundation (to present)</p> <p>June 2025 Director of the Company (to present)</p> | (Note 3)       | 0                                           |
| Audit & Supervisory Board Member | Makoto Mitsuya  | December 13, 1958 | <p>April 1981 Joined Aisin Seiki Co., Ltd.</p> <p>June 2005 Managing Officer of Aisin Seiki Co., Ltd.</p> <p>June 2009 Senior Managing Director of Aisin Seiki Co., Ltd.</p> <p>June 2012 Director and Senior Managing Officer of Aisin Seiki Co., Ltd.</p> <p>June 2013 Director and Vice President of Aisin Seiki Co., Ltd.</p> <p>April 2020 Executive Vice President of Aisin Seiki Co., Ltd.</p> <p>June 2020 Director of Aisin Seiki Co., Ltd.</p> <p>June 2021 Audit &amp; Supervisory Board Member of the Company (to present)</p>                                                                                                                                      | (Note 4)       | 147                                         |
| Audit & Supervisory Board Member | Kiyomi Kato     | November 6, 1963  | <p>March 2008 Joined Aisin Seiki Co., Ltd.</p> <p>January 2017 Assistant Section Chief in the Finance &amp; Accounting Department of Aisin Seiki Co., Ltd.</p> <p>January 2020 Manager of the Audit &amp; Supervisory Board Office of Aisin Seiki Co., Ltd.</p> <p>June 2021 Audit &amp; Supervisory Board Member of the Company (to present)</p>                                                                                                                                                                                                                                                                                                                               | (Note 4)       | 18                                          |
| Audit & Supervisory Board Member | Junko Ueda      | August 14, 1959   | <p>April 2003 Professor at Department of Modern Management, Sugiyama Jogakuen University</p> <p>April 2007 Professor at Shizuoka Law School</p> <p>May 2008 Outside Corporate Auditor of OKAYA &amp; CO., LTD.</p> <p>April 2010 Professor at Faculty of Law, Kyushu University</p> <p>April 2017 Professor at Aichi Law School (to present)</p> <p>April 2021 Dean of Aichi Law School (to present)</p> <p>June 2021 Audit &amp; Supervisory Board Member of the Company (to present)</p>                                                                                                                                                                                      | (Note 4)       | 1                                           |

| Title and position               | Name                | Date of birth    | Career summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Term of office | Number of shares held (Thousands of shares) |
|----------------------------------|---------------------|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Audit & Supervisory Board Member | Katsuhiro Kashiwagi | January 30, 1960 | <p>April 1982 Joined the Nagoya City Hall, Board of Education</p> <p>January 1986 Joined Audit Corporation Ito Kaikei Jimusho</p> <p>March 1989 Registered as a Certified Public Accountant</p> <p>May 1995 Director of Ito Management Consultant Co., Ltd.</p> <p>July 2005 Representative Partner of ChuoAoyama Audit Corporation</p> <p>August 2007 Representative Partner of AZSA &amp; Co. (current KPMG AZSA LLC)</p> <p>July 2010 Partner of KPMG AZSA LLC</p> <p>June 2022 Audit &amp; Supervisory Board Member of the Company (to present)</p> <p>July 2022 Representative of Katsuhiro Kashiwagi Certified Public Accountant Office (to present)</p> <p>August 2022 Established Katsuhiro Kashiwagi Tax Accountant Office (to present)</p> <p>April 2025 Inspection Commissioners of Aichi Prefectural Government (to present)</p> | (Note 5)       | 2                                           |
| Total                            |                     |                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                | 543                                         |

Note 1: Directors Koji Kobayashi, Tsuguhiko Hoshino, Yasuhito Hirota, and Keiko Tatsuwaki are Outside Directors.

Note 2: Audit & Supervisory Board Members Junko Ueda and Katsuhiro Kashiwagi are Outside Members.

Note 3: The term of office for Directors is from the close of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2025 to the close of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2026.

Note 4: The term of office for Audit & Supervisory Board Members Makoto Mitsuya, Kiyomi Kato, and Junko Ueda is from the close of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2025 to the close of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2029.

Note 5: The term of office for Audit & Supervisory Board Member Katsuhiro Kashiwagi is from the close of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2022 to the close of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2026.

Note 6: The Company was created by the merger of Aisin Seiki Co., Ltd. and Aisin AW Co., Ltd. and changed the company name to AISIN CORPORATION in April 2021.

Note 7: To prepare for a situation in which the number of Audit & Supervisory Board Members falls below the statutory requirement, the Company has appointed one substitute Audit & Supervisory Board Member in accordance with Article 329, paragraph 3 of the Companies Act. The career summary of the substitute Audit & Supervisory Board Member is as follows:

| Name              | Date of birth     | Career summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Number of shares held (Thousands of shares) |
|-------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|
| Hidenori Nakagawa | November 20, 1967 | <p>April 1992 Admitted to the bar<br/>Joined Nagashima &amp; Ohno</p> <p>September 1997 Kirkland &amp; Ellis LLC</p> <p>April 1998 Admitted to the New York State bar</p> <p>September 1998 Legal Transactions Management Department, Tokyo Branch of Merrill Lynch Japan International</p> <p>April 2003 Seconded to UFJ Strategic Partners</p> <p>July 2004 Partner of TMI Associates (to present)</p> <p>June 2019 Outside Audit &amp; Supervisory Board Member of Nice Corporation (to present)</p> <p>December 2019 Outside Corporate Auditor of Airweave Inc.</p> | —                                           |

The capabilities and experience possessed by the Company's officers are as follows.

| Name                             |                        |                             | Corporate<br>manage-<br>ment | Global<br>business | Sustain-<br>ability | Environ-<br>ment /<br>Carbon<br>neutrality | Human<br>capital<br>strategy | Govern-<br>ance /<br>Compli-<br>ance /<br>Risk<br>manage-<br>ment | Manufac-<br>turing<br>(technol-<br>ogy /<br>produc-<br>tion /<br>quality) | Value<br>chain<br>(Sales /<br>Procure-<br>ment) | Finance /<br>Account-<br>ing |
|----------------------------------|------------------------|-----------------------------|------------------------------|--------------------|---------------------|--------------------------------------------|------------------------------|-------------------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------------------|------------------------------|
| Director                         | Moritaka<br>Yoshida    |                             | ○                            | ○                  |                     |                                            |                              |                                                                   | ○                                                                         |                                                 |                              |
|                                  | Shintaro<br>Ito        |                             | ○                            | ○                  | ○                   |                                            | ○                            | ○                                                                 |                                                                           |                                                 | ○                            |
|                                  | Yoshihisa<br>Yamamoto  |                             | ○                            | ○                  |                     | ○                                          |                              |                                                                   | ○                                                                         |                                                 |                              |
|                                  | Masahiro<br>Nishikawa  |                             | ○                            | ○                  |                     | ○                                          |                              |                                                                   | ○                                                                         |                                                 |                              |
|                                  | Koji<br>Kobayashi      | Outside                     | ○                            |                    |                     |                                            |                              | ○                                                                 |                                                                           | ○                                               | ○                            |
|                                  | Tsuguhiko<br>Hoshino   | Inde-<br>pendent<br>Outside |                              | ○                  |                     |                                            |                              | ○                                                                 |                                                                           |                                                 | ○                            |
|                                  | Yasuhito<br>Hirota     | Inde-<br>pendent<br>Outside | ○                            | ○                  | ○                   |                                            | ○                            | ○                                                                 |                                                                           |                                                 |                              |
| Audit & Supervisory Board Member | Keiko<br>Tatsuwaki     | Inde-<br>pendent<br>Outside | ○                            |                    | ○                   | ○                                          |                              | ○                                                                 |                                                                           |                                                 |                              |
|                                  | Makoto<br>Mitsuya      |                             | ○                            | ○                  | ○                   |                                            | ○                            | ○                                                                 |                                                                           |                                                 | ○                            |
|                                  | Kiyomi<br>Kato         |                             |                              |                    |                     |                                            |                              | ○                                                                 |                                                                           |                                                 | ○                            |
|                                  | Junko<br>Ueda          | Inde-<br>pendent<br>Outside |                              | ○                  |                     |                                            |                              | ○                                                                 |                                                                           |                                                 |                              |
|                                  | Katsuhiro<br>Kashiwagi | Inde-<br>pendent<br>Outside |                              |                    |                     |                                            |                              |                                                                   |                                                                           |                                                 | ○                            |

| Skill items                                       | Purpose of skill selection                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate management                              | This skill is considered vital to driving sustainable growth and enhancing corporate value through strategic decision-making and organizational management, as well as to discerning long-term societal shifts, backcasting from our envisioned future, and charting a growth trajectory for the business. |
| Global business                                   | This skill is considered essential to leveraging overseas management experience or insights on the international business environment to sustainably expand our business domains globally.                                                                                                                 |
| Sustainability                                    | This skill is considered critical to anticipating societal challenges and needs through communication with a diverse array of stakeholders, and to advancing a sustainability program that contributes to a resilient society while enhancing corporate value through business activities.                 |
| Environment / Carbon neutrality                   | This skill is considered a requirement for advancing product and production initiatives on an accelerated schedule with regard to achieving carbon neutrality.                                                                                                                                             |
| Human capital strategy                            | This skill is considered necessary to motivating individual employees and providing them with a sense of fulfillment.                                                                                                                                                                                      |
| Governance / Compliance / Risk management         | This skill is considered necessary to strengthening the internal controls and governance systems that contribute to sustainable growth and enhanced corporate value.                                                                                                                                       |
| Manufacturing (technology / production / quality) | This skill is considered a prerequisite for further refining manufacturing proficiency, enhancing market competitiveness, efficiency, and productivity, and shifting toward growth areas through the creation of new businesses.                                                                           |
| Value chain (Sales / Procurement)                 | We believe this skill is central to building relationships with business partners based on mutual trust and a focus on mutual interdependence and prosperity.                                                                                                                                              |
| Finance / Accounting                              | This skill is considered critical to promoting growth investment to sustain expansion and enhance corporate value, and to achieve appropriate shareholder returns while operating under an accurate financial reporting system and a solid financial foundation.                                           |

- ii) The proposals “Election of Eight Directors” and “Election of Two Audit & Supervisory Board Members” are scheduled to be submitted for resolution at the Ordinary General Meeting of Shareholders to be held on June 19, 2026. If these proposals are approved, the composition and terms of office of the Company’s officers will be as outlined below. The information also includes matters (such as titles and positions) expected to be resolved at the meeting of the Board of Directors to be held immediately following the Ordinary General Meeting of Shareholders.

Male: 9 Female: 3 (Female representation among executives: 25.0%)

| Title and position                 | Name             | Date of birth | Career summary                                                                                                                                                                                                                                                                                                                                                                                                                                   | Term of office | Number of shares held (Thousands of shares) |
|------------------------------------|------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| President, Representative Director | Moritaka Yoshida | July 12, 1957 | <p>April 1980      Joined Toyota Motor Co., Ltd.</p> <p>June 2009      Managing Officer of Toyota Motor Corporation</p> <p>April 2014      Senior Managing Officer of Toyota Motor Corporation</p> <p>January 2018   Executive Vice President of Toyota Motor Corporation</p> <p>June 2020      Chairman of TOYOTA CENTRAL R&amp;D LABS., INC.</p> <p>June 2021      President, Member of the Board of Directors of the Company (to present)</p> | (Note 3)       | 140                                         |

| Title and position                      | Name               | Date of birth      | Career summary                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Term of office | Number of shares held (Thousands of shares) |
|-----------------------------------------|--------------------|--------------------|-----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Director,<br>Representative<br>Director | Yoshihisa Yamamoto | December 17, 1964  | April 1989<br>April 2015<br>April 2020<br>April 2021<br>April 2022<br>June 2022<br>April 2026 | Joined Aisin AW Co., Ltd.<br>Senior Executive Officer of Aisin AW Co., Ltd.<br>Senior Managing Officer of Aisin AW Co., Ltd.<br>Executive Vice President of the Company<br>Senior Executive Officer of the Company<br>Director of the Company (to present)<br>Executive Vice President of the Company (current system) (to present)                                                                                                                                                                | (Note 3)       | 49                                          |
| Director                                | Masahiro Nishikawa | February 17, 1962  | April 1984<br>June 2011<br>April 2014<br>June 2017<br>April 2019<br>April 2021<br>June 2024   | Joined Aisin Seiki Co., Ltd.<br>Managing Officer of Aisin Seiki Co., Ltd.<br>Senior Managing Officer of Aisin Seiki Co., Ltd.<br>Director of Aisin Seiki Co., Ltd.<br>Senior Executive Officer of Aisin Seiki Co., Ltd.<br>Senior Executive Officer of the Company (to present)<br>Director of the Company (to present)                                                                                                                                                                            | (Note 3)       | 88                                          |
| Director                                | Daisuke Kondo      | September 12, 1970 | April 1994<br>November 2006<br>April 2022<br>April 2024<br>April 2026<br>June 2026            | Joined Japan Broadcasting Corporation (NHK)<br>Joined Aisin Seiki Co., Ltd.<br>Executive Officer of the Company<br>Senior Executive Officer of the Company<br>Executive Vice President of the Company (current system) (to present)<br>Director of the Company (scheduled)                                                                                                                                                                                                                         | (Note 3)       | 12                                          |
| Director                                | Yoichi Miyazaki    | October 19, 1963   | April 1986<br>April 2015<br>January 2019<br>April 2023<br>June 2023<br>June 2025<br>June 2026 | Joined Toyota Motor Corporation<br>Managing Officer of Toyota Motor Corporation<br>Operating Officer of Toyota Motor Corporation<br>Operating Officer and Executive Vice President of Toyota Motor Corporation<br>Member of the Board of Directors, Operating Officer and Executive Vice President of Toyota Motor Corporation<br>Executive Vice President, Member of the Board of Directors and Operating Officer of Toyota Motor Corporation (to present)<br>Director of the Company (scheduled) | (Note 3)       | —                                           |

| Title and position | Name              | Date of birth    | Career summary                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Term of office | Number of shares held (Thousands of shares) |
|--------------------|-------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Director           | Tsuguhiko Hoshino | November 6, 1959 | April 1983<br>July 2011<br><br>July 2015<br>June 2016<br>July 2019<br>June 2021<br>June 2021<br>June 2023                                         | Joined the Ministry of Finance<br>Deputy Director General of the Minister's Secretariat, Ministry of Finance<br><br>First Deputy Commissioner, National Tax Agency<br>Director General of the Tax Bureau, Ministry of Finance<br>Commissioner, National Tax Agency<br>Outside Director of Tokyu Fudosan Holdings Corporation (to present)<br>Board Member (Vice Chairman) of The General Insurance Association of Japan (to present)<br>Director of the Company (to present)                                                                                                                                                                                                                                                                                                  | (Note 3)       | 1                                           |
| Director           | Yasuhito Hirota   | November 5, 1956 | April 1980<br>April 2010<br><br>June 2014<br><br>January 2018<br>March 2018<br>March 2022<br>January 2024<br>June 2024<br>April 2025<br>June 2025 | Joined Mitsubishi Corporation<br>Senior Vice President, General Manager of Corporate Administration Dept. of Mitsubishi Corporation<br><br>Representative Director, Member of the Board, Executive Vice President, Corporate Functional Officer of Mitsubishi Corporation<br><br>Advisor of ASICS Corporation<br>President and COO, Representative Director of ASICS Corporation<br>President, CEO and COO, Representative Director of ASICS Corporation<br>Chairman and CEO, Representative Director of ASICS Corporation (to present)<br>Outside Director, Member of the Board of CASIO COMPUTER CO., LTD.<br>Vice Chairperson of Japan Association of Corporate Executives (Public Interest Incorporated Association) (to present)<br>Director of the Company (to present) | (Note 3)       | 1                                           |

| Title and position               | Name            | Date of birth    | Career summary                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Term of office | Number of shares held (Thousands of shares) |
|----------------------------------|-----------------|------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Director                         | Keiko Tatsuwaki | May 18, 1958     | July 1984<br>January 2000<br>June 2003<br>October 2016<br>February 2017<br>July 2023<br>March 2024<br>April 2025<br>June 2025 | Joined Recruit Co., Ltd.<br>Joined Tohmatsu & Co. (now Deloitte Touche Tohmatsu LLC)<br>Partner at Deloitte Touche Tohmatsu LLC<br>Head, ESG and Integrated Reporting Advisory Unit of Deloitte Touche Tohmatsu LLC<br>President of Deloitte Tohmatsu Sustainability Co., Ltd.<br>Advisor of Deloitte Tohmatsu Sustainability Co., Ltd.<br>Outside Audit & Supervisory Board Member of ISE CHEMICALS CORPORATION (to present)<br>Auditor, Japan Well-being Foundation (to present)<br>Director of the Company (to present) | (Note 3)       | 0                                           |
| Audit & Supervisory Board Member | Shintaro Ito    | March 19, 1961   | April 1983<br>June 2010<br>April 2017<br>April 2019<br>April 2021<br>June 2021<br>April 2022<br>June 2026                     | Joined Aisin Seiki Co., Ltd.<br>Managing Officer of Aisin Seiki Co., Ltd.<br>Senior Managing Officer of Aisin Seiki Co., Ltd.<br>Senior Executive Officer of Aisin Seiki Co., Ltd.<br>Executive Vice President of the Company<br>Director of the Company<br>Senior Executive Officer of the Company<br>Audit & Supervisory Board Member of the Company (scheduled)                                                                                                                                                         | (Note 4)       | 91                                          |
| Audit & Supervisory Board Member | Kiyomi Kato     | November 6, 1963 | March 2008<br>January 2017<br>January 2020<br>June 2021                                                                       | Joined Aisin Seiki Co., Ltd.<br>Assistant Section Chief in the Finance & Accounting Department of Aisin Seiki Co., Ltd.<br>Manager of the Audit & Supervisory Board Office of Aisin Seiki Co., Ltd.<br>Audit & Supervisory Board Member of the Company (to present)                                                                                                                                                                                                                                                        | (Note 5)       | 18                                          |
| Audit & Supervisory Board Member | Junko Ueda      | August 14, 1959  | April 2003<br>April 2007<br>May 2008<br>April 2010<br>April 2017<br>April 2021<br>June 2021                                   | Professor at Department of Modern Management, Sugiyama Jogakuen University<br>Professor at Shizuoka Law School<br>Outside Corporate Auditor of OKAYA & CO., LTD.<br>Professor at Faculty of Law, Kyushu University<br>Professor at Aichi Law School (to present)<br>Dean of Aichi Law School (to present)<br>Audit & Supervisory Board Member of the Company (to present)                                                                                                                                                  | (Note 5)       | 1                                           |

| Title and position               | Name                | Date of birth    | Career summary |                                                                                       | Term of office | Number of shares held (Thousands of shares) |
|----------------------------------|---------------------|------------------|----------------|---------------------------------------------------------------------------------------|----------------|---------------------------------------------|
| Audit & Supervisory Board Member | Katsuhiro Kashiwagi | January 30, 1960 | April 1982     | Joined the Nagoya City Hall, Board of Education                                       | (Note 4)       | 2                                           |
|                                  |                     |                  | January 1986   | Joined Audit Corporation Ito Kaikei Jimusho                                           |                |                                             |
|                                  |                     |                  | March 1989     | Registered as a Certified Public Accountant                                           |                |                                             |
|                                  |                     |                  | May 1995       | Director of Ito Management Consultants Co., Ltd.                                      |                |                                             |
|                                  |                     |                  | July 2005      | Representative Partner of ChuoAoyama Audit Corporation                                |                |                                             |
|                                  |                     |                  | August 2007    | Representative Partner of AZSA & Co. (current KPMG AZSA LLC)                          |                |                                             |
|                                  |                     |                  | July 2010      | Partner of KPMG AZSA LLC                                                              |                |                                             |
|                                  |                     |                  | June 2022      | Audit & Supervisory Board Member of the Company (to present)                          |                |                                             |
|                                  |                     |                  | July 2022      | Representative of Katsuhiro Kashiwagi Certified Public Accountant Office (to present) |                |                                             |
|                                  |                     |                  | August 2022    | Established Katsuhiro Kashiwagi Tax Accountant Office (to present)                    |                |                                             |
|                                  |                     |                  | April 2025     | Inspection Commissioners of Aichi Prefectural Government (to present)                 |                |                                             |
| Total                            |                     |                  |                |                                                                                       |                | 408                                         |

Note 1: Directors Tsuguhiko Hoshino, Yasuhito Hirota, and Keiko Tatsuwaki are Outside Directors.

Note 2: Audit & Supervisory Board Members Junko Ueda and Katsuhiro Kashiwagi are Outside Members.

Note 3: The term of office for Directors is from the close of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2026 to the close of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2027.

Note 4: The term of office for Audit & Supervisory Board Members Shintaro Ito and Katsuhiro Kashiwagi is from the close of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2026 to the close of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2030.

Note 5: The term of office for Audit & Supervisory Board Members Kiyomi Kato and Junko Ueda is from the close of the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2025 to the close of the Ordinary General Meeting of Shareholders for the fiscal year ending March 31, 2029.

Note 6: The Company was created by the merger of Aisin Seiki Co., Ltd. and Aisin AW Co., Ltd. and changed the company name to AISIN CORPORATION in April 2021.

Note 7: To prepare for a situation in which the number of Audit & Supervisory Board Members falls below the statutory requirement, the Company has appointed one substitute Audit & Supervisory Board Member in accordance with Article 329, paragraph 3 of the Companies Act. The career summary of the substitute Audit & Supervisory Board Member is as follows:

| Name              | Date of birth     | Career summary                                                                              | Number of shares held (Thousands of shares) |
|-------------------|-------------------|---------------------------------------------------------------------------------------------|---------------------------------------------|
| Hidenori Nakagawa | November 20, 1967 | April 1992                                                                                  | —                                           |
|                   |                   | Admitted to the bar                                                                         |                                             |
|                   |                   | Joined Nagashima & Ohno                                                                     |                                             |
|                   |                   | September 1997                                                                              |                                             |
|                   |                   | Kirkland & Ellis LLC                                                                        |                                             |
|                   |                   | April 1998                                                                                  |                                             |
|                   |                   | Admitted to the New York State bar                                                          |                                             |
|                   |                   | September 1998                                                                              |                                             |
|                   |                   | Legal Transactions Management Department, Tokyo Branch of Merrill Lynch Japan International |                                             |
|                   |                   | April 2003                                                                                  |                                             |
|                   |                   | Seconded to UFJ Strategic Partners                                                          |                                             |
|                   |                   | July 2004                                                                                   |                                             |
|                   |                   | Partner of TMI Associates (to present)                                                      |                                             |
|                   |                   | June 2019                                                                                   |                                             |
|                   |                   | Outside Audit & Supervisory Board Member of Nice Corporation (to present)                   |                                             |
|                   |                   | December 2019                                                                               |                                             |
|                   |                   | Outside Corporate Auditor of Airweave Inc.                                                  |                                             |

The capabilities and experience possessed by the Company's officers are as follows.

| Name                             |                     |                     | Corporate management | Global business | Sustainability | Environment / Carbon neutrality | Human capital strategy | Governance / Compliance / Risk management | Manufacturing (technology/ production / quality) | Value chain (Sales / Procurement) | Finance / Accounting |
|----------------------------------|---------------------|---------------------|----------------------|-----------------|----------------|---------------------------------|------------------------|-------------------------------------------|--------------------------------------------------|-----------------------------------|----------------------|
| Director                         | Moritaka Yoshida    |                     | ○                    | ○               | ○              |                                 | ○                      | ○                                         | ○                                                |                                   |                      |
|                                  | Yoshihisa Yamamoto  |                     | ○                    | ○               |                | ○                               |                        |                                           | ○                                                |                                   |                      |
|                                  | Masahiro Nishikawa  |                     | ○                    | ○               |                | ○                               |                        |                                           | ○                                                |                                   |                      |
|                                  | Daisuke Kondo       |                     | ○                    |                 | ○              |                                 |                        | ○                                         |                                                  |                                   | ○                    |
|                                  | Yoichi Miyazaki     |                     | ○                    | ○               | ○              |                                 | ○                      | ○                                         |                                                  | ○                                 | ○                    |
|                                  | Tsuguhiko Hoshino   | Independent Outside |                      | ○               | ○              |                                 |                        | ○                                         |                                                  |                                   | ○                    |
|                                  | Yasuhito Hirota     | Independent Outside | ○                    | ○               | ○              |                                 | ○                      | ○                                         |                                                  |                                   |                      |
| Audit & Supervisory Board Member | Keiko Tatsuwaki     | Independent Outside | ○                    |                 | ○              | ○                               | ○                      | ○                                         |                                                  |                                   |                      |
|                                  | Shintaro Ito        |                     | ○                    | ○               | ○              |                                 | ○                      | ○                                         |                                                  |                                   | ○                    |
|                                  | Kiyomi Kato         |                     |                      |                 |                |                                 |                        | ○                                         |                                                  |                                   | ○                    |
|                                  | Junko Ueda          | Independent Outside |                      | ○               |                |                                 |                        | ○                                         |                                                  |                                   |                      |
|                                  | Katsuhiro Kashiwagi | Independent Outside |                      |                 |                |                                 |                        |                                           |                                                  |                                   | ○                    |

Note: The skill items and the purposes of selecting the skills are as described in “(i) The status of the Company's officers as of June 12, 2026 (the filing date of this securities report).”

(ii) Information about outside officers

As of June 12, 2026 (the filing date of this securities report), the Company has appointed four Outside Directors and two Outside Audit & Supervisory Board Members, as stated in “(i) Officers.”

The Outside Directors have been appointed based on their specialized knowledge and broad experience in industries relevant to the Company or their expertise and insight as corporate executives. They provide advice grounded in their respective areas of expertise and broad experience and insight throughout the Company's decision-making processes, thereby contributing to enhancing the soundness and transparency of management.

Among the four Outside Directors, Mr. Koji Kobayashi serves as Executive Fellow at Toyota Motor Corporation, an “other affiliated company.” Toyota Motor Corporation is a major shareholder of the Company, and the Company purchases various materials for automotive parts from them and sells various automotive parts to them. These are ordinary, ongoing transactions. Mr. Tsuguhiko Hoshino serves as an Outside Director of Tokyu Fudosan Holdings Corporation and has no transactional relationship with the Company. Mr. Yasuhito Hirota is Chairman and CEO, and Representative Director of ASICS Corporation and has no transactional relationship with the Company. Ms. Keiko Tatsuwaki serves as an Outside Auditor of ISE CHEMICALS CORPORATION and has no transactional relationship with the Company.

There are no special interests between the Company and its Outside Directors.

To ensure the effectiveness of audits, the Outside Audit & Supervisory Board Members are experts in legal or financial and accounting fields. They perform audits from a professional, neutral, and fair perspective.

Among the two Outside Audit & Supervisory Board Members, Ms. Junko Ueda is the Dean of Aichi Law School, and has no transactional relationship with the Company. Mr. Katsuhiro Kashiwagi is the representative of Katsuhiro Kashiwagi Certified Public Accountant Office and Katsuhiro Kashiwagi Tax Accountant Office, and has no transactional relationship with the Company.

There are no special interests between the Company and its Outside Audit & Supervisory Board Members.

The Company has proposed the “Election of Eight Directors” as an agenda item for resolution at the Ordinary General Meeting of Shareholders to be held on June 19, 2026. If this proposal is approved and passed, Outside Director Koji Kobayashi will retire, resulting in three Outside Directors and two Outside Audit & Supervisory Board Members.

There are no special interests between the Company and its Outside Directors or Outside Audit & Supervisory Board Members.

The shareholding status of the Company’s Outside Directors and Outside Audit & Supervisory Board Members is stated in “(i) Officers.”

The Company has not established specific criteria or policies regarding the independence of candidates for Outside Directors or Outside Audit & Supervisory Board Members. However, upon selection, the Company designates them as independent officers in accordance with the independent director or company auditor rules set by the Tokyo Stock Exchange and other relevant bodies. The Company recognizes that it maintains a neutral and fair position and is not at risk of any conflict of interest with general shareholders.

- (iii) Coordination among supervision or audits conducted by Outside Directors or Outside Audit & Supervisory Board Members, internal audits, audits by the Audit & Supervisory Board Members, and accounting audits, as well as the relationship with the internal control department

The officer in charge reports to the Board of Directors, which is attended by Outside Directors and Outside Audit & Supervisory Board Members, on the operational status of the internal control system and the results of on-site audits conducted by the internal audit department concerning the legal compliance, business management, and procedural validity of the Company and its domestic and overseas subsidiaries. In addition to providing information necessary for deliberations at Board of Directors meetings and Audit & Supervisory Board meetings, the Company explains the activity plans and results of internal audits and provides updates as needed on the audit results for the Company and its domestic and overseas subsidiaries, as well as on collaboration between the internal audit department and the accounting auditor. Furthermore, Outside Audit & Supervisory Board Members receive reports from the accounting auditor and engage in discussions with them. To ensure that Outside Directors and Outside Audit & Supervisory Board Members receive accurate and timely information, dedicated liaison staff are assigned to the Corporate Planning Department and the Audit & Supervisory Board Office, enhancing coordination.

### (3) Status of Audit

#### (i) Status of Audit

The Company's Audit & Supervisory Board consists of two Audit & Supervisory Board members and two Outside Audit & Supervisory Board members.

During the fiscal year under review, the Audit & Supervisory Board of the Company held a total of 15 meetings, and the attendance status of each Audit & Supervisory Board member is as follows.

| Classification                           | Name                | Audit & Supervisory Board<br>(present/eligible) |
|------------------------------------------|---------------------|-------------------------------------------------|
| Audit & Supervisory Board Member         | Makoto Mitsuya      | 15/15 (100%)                                    |
| Audit & Supervisory Board Member         | Kiyomi Kato         | 15/15 (100%)                                    |
| Outside Audit & Supervisory Board Member | Junko Ueda          | 15/15 (100%)                                    |
| Outside Audit & Supervisory Board Member | Katsuhiro Kashiwagi | 15/15 (100%)                                    |

The Audit & Supervisory Board deliberates on the design of the Group's audit policy and audit plan, the status of the development and operation of the internal control system, the appropriateness of the accounting auditor's methods and results, and the content of proposals to be submitted to the annual shareholders' meeting. In addition, it regularly exchanges opinions with directors and outside directors.

With regard to the specific auditing activities of the full-time corporate auditors, the Company has established an annual activity plan that examines risks and concerns and directs audit activities in the five areas of i) directors, ii) business execution, iii) internal controls, iv) subsidiaries, etc., and v) cooperation with accounting auditors. A summary of these activities is as follows.

We raised issues and made recommendations to the directors and executing departments regarding matters identified through these audit activities.

|                        |                                                                                                                                                                                                                                                                                                                                                                                                      |
|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| i) Directors           | Attending Board meetings<br>Exchanging opinions with directors                                                                                                                                                                                                                                                                                                                                       |
|                        | Specifically reviewed matters<br>・ Checking agenda submission process, the substance of resolutions, and reports on the execution of duties<br>・ Confirming execution reports and effectiveness of monitoring/supervision<br>・ Confirming business execution in line with management policy and medium-to-long-term plan<br>・ Review of responses to changes in the corporate governance environment |
| ii) Business execution | Attending Executive Management Committee and key meetings<br>Auditing Group functional divisions (including factories), center divisions and companies<br>Reviewing key documents (approval documents, contracts, regulations, etc.)                                                                                                                                                                 |
|                        | Specifically reviewed matters<br>・ Confirming substance of resolutions and decision-making processes<br>・ Verifying compliance with internal regulations<br>・ Checking for legality, appropriateness, and risk<br>・ Confirming the progress of Group management policy implementation                                                                                                                |

|                                         |                                                                                                                                                                                                                                                                                                |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| iii) Internal controls                  | Attending Sustainability Conference<br><br>Attending various committees (Corporate Behavior Ethics Committee, Risk Management Committee, etc.)<br><br>Audits of the Internal Audit Department (Audit Department)<br><br>Audits of the Internal Control Department (Each Functional Department) |
|                                         | Specifically reviewed matters<br>・ Confirming effectiveness of internal audit function<br>・ Confirming establishment and operation of internal controls by function across the Company and Group                                                                                               |
| iv) Subsidiaries                        | Auditing subsidiaries<br><br>Exchanging opinions with subsidiary presidents<br><br>Exchanging opinions with labor unions, suppliers, external organizations, etc.                                                                                                                              |
|                                         | Specifically reviewed matters<br>・ Confirming establishment and operation of internal controls<br>・ Confirming management issues (near-term and medium-to-long-term) and liaison status with headquarters                                                                                      |
| v) Cooperation with accounting auditors | Confirming key risks in accounting audit<br><br>Confirming accounting treatment status of domestic and overseas subsidiaries                                                                                                                                                                   |
|                                         | Specifically reviewed matters<br>・ Narrowing down key audit matter (KAM) items and ongoing monitoring                                                                                                                                                                                          |

As part of its efforts to improve the effectiveness of audits, the Company aims to continuously enhance the effectiveness of the Audit & Supervisory Board by evaluating whether the Audit & Supervisory Board is successfully executing on its own roles and responsibilities, acknowledging the results, and addressing any issues.

During the fiscal year under review, in addition to self-evaluation by the Audit & Supervisory Board members, the scope of individual interviews was expanded to include accounting auditors, the internal audit department, subsidiary auditors, and inside and outside directors, with the aim of gathering a wide range of opinions on Audit & Supervisory Board activities (business audits, accounting audits, and improvement of audit effectiveness).

The results were discussed at a meeting of the Audit & Supervisory Board, and it was determined that effective audits were being conducted. The Company will continue strengthening cooperation between corporate auditors and independent outside auditors to further improve the effectiveness of the Audit & Supervisory Board.

## (ii) Status of internal audits

In accordance with the Company's internal audit regulations, the 37-member Audit Department conducts on-site audits of the Company and its domestic and overseas subsidiaries regarding legality of operations, appropriateness of operational management and procedures, and the overall state of implementation of the internal control system, and reports the results to the Board of Directors and the Board of Corporate Auditors. In addition, the Audit Department maintains close coordination with the Corporate Auditors and the independent auditors through mutual exchanges of information and other means.

(iii) Status of accounting audits

i) Name of audit firm

PricewaterhouseCoopers Japan LLC

ii) Continuous audit period

Since 1969

The Company has been continuously audited by PricewaterhouseCoopers Japan LLC since 2007. It was audited continuously from 1969 to 2006 by the former Ito & Co. and the former Chuo Aoyama Audit Corporation. Owing to difficulties in researching the Company's history covering the audit period through 1968, it cannot be conclusively asserted that the Company was continuously audited prior to that, although it may well have been.

iii) Certified public accountants responsible for execution

Tomohiro Nishimura

Kotaro Kuroyanagi

Tatsunoshin Niwata

iv) Composition of accounting audit assistance organization

The accounting audit of the Company was assisted by an organization consisting of 15 certified public accountants, 7 candidates for certified public accountants, and 15 other staff.

v) Selection policy and rationale for choice of audit firms

The Audit & Supervisory Board reappointed the accounting auditor for the fiscal year under review based on the Policy on Dismissal or Non-reappointment of Accounting Auditor described below and the results of the evaluation of the accounting auditor as described in (vi) below.

(Policy on Dismissal or Non-reappointment of Accounting Auditor)

The Audit & Supervisory Board shall dismiss the accounting auditor with the unanimous consent of its members if the accounting auditor is deemed to fall under any of the provisions of Article 340(1) of the Companies Act.

In addition to the above cases, the Audit & Supervisory Board shall decide on the content of a proposal to be submitted to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the accounting auditor if it is deemed difficult for the accounting auditor to conduct an appropriate audit due to events and other circumstances that impair the accounting auditor's qualification and independence.

vi) Evaluation of audit firms by the Audit & Supervisory Board and its members

The Audit & Supervisory Board prepares an Accounting Auditor Evaluation Check Sheet with reference to the Japan Audit & Supervisory Board Members Association publication, Practical Guidelines for Corporate Auditors and Others on the Evaluation of Accounting Auditors and the Formulation of Selection Criteria. It comprehensively evaluates the subject firm while giving consideration to the results of interviews with relevant departments involved in audit practice,

the governance system of the accounting auditor, and the results of inspections by external organizations.

(iv) Details of audit fee, etc.

i) Fees paid to certified public accountants, etc. for audits

(Million Yen)

| Category                  | Fiscal year ended March 31, 2025      |                             | Fiscal year ended March 31, 2026      |                             |
|---------------------------|---------------------------------------|-----------------------------|---------------------------------------|-----------------------------|
|                           | Fees for audit certification services | Fees for non-audit services | Fees for audit certification services | Fees for non-audit services |
| Filing company            | 161                                   | 2                           | 173                                   | 0                           |
| Consolidated subsidiaries | 181                                   | —                           | 166                                   | —                           |
| Total                     | 343                                   | 2                           | 340                                   | 0                           |

(Fiscal year ended March 31, 2025)

The non-audit services for which the Company pays fees to the certified public accountants, etc. include the preparation of comfort letters in connection with bond issuance.

(Fiscal year ended March 31, 2026)

The non-audit services for which the Company pays fees to the certified public accountants, etc. are information provision services related to International Financial Reporting Standards (IFRS).

ii) Fees paid to the same network as the certified public accountants, etc.  
(PricewaterhouseCoopers), excluding item i)

(Million Yen)

| Category                  | Fiscal year ended March 31, 2025      |                             | Fiscal year ended March 31, 2026      |                             |
|---------------------------|---------------------------------------|-----------------------------|---------------------------------------|-----------------------------|
|                           | Fees for audit certification services | Fees for non-audit services | Fees for audit certification services | Fees for non-audit services |
| Filing company            | —                                     | 14                          | —                                     | 9                           |
| Consolidated subsidiaries | 895                                   | 264                         | 987                                   | 104                         |
| Total                     | 895                                   | 278                         | 987                                   | 114                         |

(Fiscal year ended March 31, 2025)

The non-audit services for which the Company and its consolidated subsidiaries pay fees to the same network as the certified public accountants engaged in auditing primarily consist of advisory services related to tax matters.

(Fiscal year ended March 31, 2026)

The non-audit services for which the Company and its consolidated subsidiaries pay fees to the same network as the certified public accountants engaged in auditing primarily consist of advisory services related to tax matters.

iii) Details of other major fees for audit certification services

There are no applicable items.

iv) Policy on determining audit fee

The amount of the audit fee paid by the Company is determined through sufficient discussions with the certified public accountants, taking into consideration the audit plan, audit performance, audit efficiency, and other relevant factors.

- v) Reasons for approval of the fee, etc., for the accounting auditor by the Audit & Supervisory Board

The Audit & Supervisory Board reviewed the accounting auditor's audit plan, audit performance, and the basis for the estimated fee for the fiscal year under review. Having determined that the audit fee was reasonable, the Board gave its consent.

(4) Executive remuneration, etc.

- (i) Matters related to the policy on determining the amount or calculation method of executive remuneration

The Company's policy for determining the remuneration, etc., for individual Directors (hereinafter referred to as the "determination policy") is determined by the Board of Directors based on the deliberations of the Executive Nomination and Compensation Committee, chaired by an independent outside director and composed of a majority of independent outside directors.

To further enhance incentives in line with the following basic principles, the Company revised its "determination policy" by resolution of the Board of Directors held on March 27, 2026.

<Main revisions to the "determination policy">

Revision of the "performance benchmark" and "remuneration weighting ratios" for calculating performance-linked remuneration

| Benchmark classification | Before revision                                                                                                                                     | After revision                                                                                                                                                                                          |
|--------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial indicators     | Operating profit (degree of achievement against standard profit)<br>[90%]                                                                           | <ul style="list-style-type: none"> <li>Operating profit (degree of achievement against standard profit)</li> <li>ROIC (degree of achievement against the annual forecast)<br/>[40% for each]</li> </ul> |
| Non-financial indicators | <ul style="list-style-type: none"> <li>Reduction rate of production CO<sub>2</sub> emissions</li> <li>Job satisfaction<br/>[5% for each]</li> </ul> | Comprehensive (qualitative) evaluation of the degree of progress through initiatives during the fiscal year using all KGIs<br>[20%]                                                                     |

(Basic approach)

The Company's executive remuneration system is designed according to the following principles:

- Remuneration shall motivate executives to work toward achieving our Group Philosophy and management policies.
- Remuneration shall reflect the responsibilities, achievements, etc., of each executive.
- Remuneration shall reflect the business environment and short-term and medium- to long-term performance of the Group and encourage executives to enhance corporate value and manage business from the same perspective as shareholders.

(Remuneration structure)

As Directors (other than Outside Directors) are in charge of executing the operations of the Company, their remuneration comprises a fixed monthly remuneration along with performance-linked bonuses and stock-based remuneration. Specifically, the percentages of monthly remuneration, bonus, and stock-based remuneration to the base amount for Directors are set at roughly 25%, 25%, and 50%, respectively. Higher percentages for performance-linked remuneration are set, depending on the Director's title. However, depending on the level of profits, the actual remuneration may differ from the above proportions.

As Outside Directors and Audit & Supervisory Board Members are responsible for providing supervision and advice on business management or auditing the performance of business from an independent standpoint, they receive only a monthly remuneration with no bonus or stock-based remuneration.

# Remuneration structure for Directors (excluding Outside Directors)

|                        | Fixed remuneration          | Performance-linked remuneration |                                 |
|------------------------|-----------------------------|---------------------------------|---------------------------------|
|                        |                             | Short-term                      | Long-term                       |
| Remuneration structure | Monthly remuneration<br>25% | Bonus<br>25%                    | Stock-based remuneration<br>50% |
| Form of payment        | Cash                        |                                 | Stock                           |

(Policy of remuneration by type)

## i) Fixed remuneration (monthly remuneration)

Remuneration for Directors reflects their responsibilities and achievements. Remuneration for Audit & Supervisory Board Members reflects their responsibilities.

Monthly remuneration is paid regularly every month during the executive's tenure.

## ii) Performance-linked remuneration (bonus, stock-based remuneration)

To ensure a link with the Company's performance and to stimulate motivation to increase corporate value over the medium to long term, consolidated operating profit, ROIC, and the degree of progress toward sustainability KGIs are set as the calculation benchmarks.

The evaluation weight and evaluation method of each benchmark are as follows. The payout ratio of performance-linked remuneration varies within a range of 0% to 150% depending on the evaluation result.

| Benchmark                                     | Evaluation weight | Evaluation method                                                                                                                            |
|-----------------------------------------------|-------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| Consolidated operating profit                 | 40%               | Evaluated on the basis of the degree of achievement in each fiscal year of the standard profit set for the sustainable growth of the Company |
| ROIC                                          | 40%               | Evaluated on the basis of the degree of achievement in each fiscal year of the annual forecast                                               |
| Degree of progress toward sustainability KGIs | 20%               | Evaluated on the basis of the degree of progress through initiatives in each fiscal year toward all KGIs established by the Group            |

The bonus for the fiscal year under review was determined using the calculation benchmarks before the revision, namely consolidated operating profit and sustainability KPIs, based on the actual consolidated operating profit of ¥228.7 billion.

| Benchmark                     | Evaluation weight | Evaluation method                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Consolidated operating profit | 90%               | Evaluated on the basis of the degree of achievement in each fiscal year of the standard profit set for the sustainable growth of the Company                                                                                                                                                                                                                                        |
| Sustainability KPI            | 10%               | Evaluated on the basis of the degree of achievement of each fiscal year's targets for the calculation benchmarks selected from among the major KPIs that are widely related to society and employees, as defined by the Group.<br>[Benchmarks selected* for the fiscal year under review]<br>Reduction rate of production CO <sub>2</sub> emissions, job satisfaction (5% for each) |

\* The selected benchmarks were interpreted and evaluated as follows, in conjunction with the revision of materiality.

Reduction rate of production CO<sub>2</sub> emissions: Scope1 and 2 emissions (compared with FY2020)

Job satisfaction: Positive response rate for employee engagement and positive response rate for an environment that enables employees to thrive

The amount paid to each individual is determined on the basis of the Company's performance in the fiscal year and the execution of duties by each executive.

Performance-linked remuneration is paid once a year after the Ordinary General Meeting of Shareholders each fiscal year.

(Determination policy on stock-based remuneration)

Restricted stock remuneration is provided as an incentive to promote further sharing of value with shareholders and to sustainably enhance corporate value.

The key elements of the restricted stock remuneration system are as follows:

|                                                            |                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligible recipients                                        | Directors of the Company (excluding Outside Directors)                                                                                                                                                                                                                                                                                                   |
| Total amount of stock-based remuneration                   | Within ¥0.5 billion per year                                                                                                                                                                                                                                                                                                                             |
| Amount of stock-based remuneration for each Director       | Determined based on factors such as company performance, individual responsibilities, and performance                                                                                                                                                                                                                                                    |
| Class of shares to be allocated and the allocation method  | Common stocks (with transfer restrictions as stipulated in the allocation agreement) will be issued or disposed of                                                                                                                                                                                                                                       |
| Total number of shares to be allocated                     | Up to a total of 1.5 million shares per year for eligible Directors (In the event of a stock split or consolidation of common stocks of the Company (including free allotment), or other circumstances requiring adjustment of the total number of restricted stocks to be issued or disposed of, the number may be adjusted within a reasonable scope.) |
| Payment amount                                             | The amount shall be determined by the Board of Directors of the Company at a level that is not favorable to the eligible Director, based on the closing price of the Company's common stocks on the Tokyo Stock Exchange on the business day prior to the resolution date of the Board of Directors.                                                     |
| Transfer restriction period                                | 30 years from the date of allocation                                                                                                                                                                                                                                                                                                                     |
| Conditions for lifting transfer restrictions               | The transfer restrictions will be lifted upon expiration of the transfer restriction period.<br>However, if a Director retires prior to the end of the transfer restriction period due to the expiration of their term, death, or other legitimate reason, the restrictions will be lifted at that time.                                                 |
| Acquisition of shares by the Company without consideration | If, during the transfer restriction period, the recipient is found to have violated laws or regulations, or falls under other conditions stipulated by the Board of Directors, all allocated shares will be acquired by the Company without consideration.                                                                                               |

(Remuneration levels)

In order to verify objectivity and validity, the levels of total remuneration for Directors by position are determined each year by reference to the remuneration levels of manufacturers similar to the Company in size, industry, and business profile, as reported in executive compensation surveys conducted by external research organizations.

(Method for determining remuneration, etc.)

To ensure objectivity and transparency in determining the amount and system of remuneration for Directors, we have established the Executive Nomination and Compensation Committee, which is chaired by an independent outside director and in which independent outside directors account for the majority.

The Board of Directors has approved the policy for determining individual Director remuneration and the total amount of remuneration for the fiscal year under review, as well as resolved to entrust the determination of individual remuneration amounts to the Executive Nomination and Compensation Committee.

The Executive Nomination and Compensation Committee reviews the executive remuneration system and determines the individual remuneration amounts based on the policy for determining the remuneration for each Director established by the Board of Directors, taking into account factors such as company performance, job responsibilities, and achievements.

[Composition of the Executive Nomination and Compensation Committee]

| Chairperson                                      | Members                                                                                                                                                                                  |
|--------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tsuguhiko Hoshino (Independent Outside Director) | Moritaka Yoshida (President)<br>Shintaro Ito (Director and Senior Executive Officer)<br>Yasuhito Hirota (Independent Outside Director)<br>Keiko Tatsuwaki (Independent Outside Director) |

In determining the amount of individual remuneration, etc., for the fiscal year under review, the Executive Nomination and Compensation Committee convened and conducted deliberations in April and October 2025, as well as in January, March, and April 2026.

The Board of Directors determined that the details of remuneration, etc., for individual Directors for the fiscal year under review is line with the determination policy. This judgment was made because the amounts were determined within the total remuneration limit resolved at the General Meeting of Shareholders after a multifaceted deliberation conducted by the Executive Nomination and Compensation Committee, including an examination of consistency with the determination policy.

Furthermore, the monthly remuneration for each Audit & Supervisory Board Member is determined through discussions among the members, within the remuneration limit resolved at the General Meeting of Shareholders.

(Matters related to resolutions on remuneration)

The matters resolved at the General Meeting of Shareholders concerning remuneration, etc., for Directors and Audit & Supervisory Board Members of the Company are as follows:

| Type of remuneration, etc.       |                          | Overview of resolution at General Meeting of Shareholders (Total amount of remuneration) | Date of resolution                                                | Number of executives at the time of resolution                                                 |
|----------------------------------|--------------------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Director                         | Monthly remuneration     | Within ¥0.6 billion per year (of which up to ¥75 million per year for Outside Directors) | June 18, 2019<br>(96th Ordinary General Meeting of Shareholders)  | 9 Directors<br>(including 3 Outside Directors)                                                 |
|                                  | Bonus                    |                                                                                          |                                                                   |                                                                                                |
|                                  | Stock-based remuneration | Within ¥0.5 billion per year                                                             | June 19, 2024<br>(101st Ordinary General Meeting of Shareholders) | 8 Directors<br>(including 4 Outside Directors)                                                 |
| Audit & Supervisory Board Member | Monthly remuneration     | Up to ¥15 million per month                                                              | June 23, 2010<br>(87th Ordinary General Meeting of Shareholders)  | 5 Audit & Supervisory Board Members<br>(including 3 Outside Audit & Supervisory Board Members) |

(Other significant matters related to remuneration, etc.)

In the event of a sharp decline in business performance or circumstances that may impair corporate value, remuneration, etc., may be temporarily reduced or not paid.

(ii) Total amount of remuneration, etc., by executive category, by type of remuneration, etc., and the number of applicable executives

| Executive category                                   | Total amount of remuneration, etc. (Million Yen) | Totals for each type of remuneration, etc. (Million Yen) |                                 |                          | Number of applicable executives |
|------------------------------------------------------|--------------------------------------------------|----------------------------------------------------------|---------------------------------|--------------------------|---------------------------------|
|                                                      |                                                  | Fixed remuneration                                       | Performance-linked remuneration |                          |                                 |
|                                                      |                                                  | Monthly remuneration                                     | Bonus                           | Stock-based remuneration |                                 |
| Director                                             | 608                                              | 268                                                      | 164                             | 175                      | 10                              |
| (of which, Outside Director)                         | (57)                                             | (57)                                                     | (-)                             | (-)                      | (6)                             |
| Audit & Supervisory Board Member                     | 116                                              | 116                                                      | -                               | -                        | 4                               |
| (of which, Outside Audit & Supervisory Board Member) | (24)                                             | (24)                                                     | (-)                             | (-)                      | (2)                             |
| Total                                                | 724                                              | 384                                                      | 164                             | 175                      | 14                              |

Note 1: The table includes two Directors (including two Outside Directors) who retired at the conclusion of the 102nd Ordinary General Meeting of Shareholders held on June 17, 2025.

Note 2: The amount of performance-linked remuneration is based on the resolution of the Board of Directors meeting held on May 20, 2026.

Note 3: The actual consolidated operating profit for the fiscal year under review, which serves as the performance benchmark for performance-linked remuneration, was ¥228.7 billion.

Note 4: The stock-based remuneration is granted in the number of shares calculated by dividing the reported remuneration amount by the closing price of the Company's common stock on the business day prior to the resolution of the Board of Directors meeting held on May 20, 2026.

(iii) Total consolidated remuneration, etc., for individuals with consolidated remuneration of ¥0.1 billion or more

| Name             | Executive category | Company category | Amount by type of consolidated remuneration, etc.<br>(Million Yen) |                                 |                          | Total amount of consolidated remuneration, etc. (Million Yen) |
|------------------|--------------------|------------------|--------------------------------------------------------------------|---------------------------------|--------------------------|---------------------------------------------------------------|
|                  |                    |                  | Fixed remuneration                                                 | Performance-linked remuneration |                          |                                                               |
|                  |                    |                  | Monthly remuneration                                               | Bonus                           | Stock-based remuneration |                                                               |
| Moritaka Yoshida | Director           | Filing company   | 77                                                                 | 82                              | 117                      | 277                                                           |
| Shintaro Ito     | Director           | Filing company   | 48                                                                 | 53                              | –                        | 102                                                           |

(5) Shareholdings

(i) Standards and approach for classifying investment securities

The Company classifies its investment securities into those held for pure investment purposes and those held for purposes other than pure investment. Securities held solely for the purpose of earning profits from changes in the value of the shares or from dividends are classified as investment securities held for pure investment purposes. Securities held for other purposes are classified as investment securities held for purposes other than pure investment (hereinafter referred to as "cross-shareholdings"). The Company does not hold any investment securities for pure investment purposes.

(ii) Investment securities held for purposes other than pure investment

- i) Method for verifying holding policy and rationality, and details of the Board of Directors' review regarding the appropriateness of individual holdings

(Holding policy)

The Company's basic policy is not to hold cross-shareholdings unless such holdings are deemed essential for enhancing corporate value, from the perspectives of improving capital efficiency, reducing assets, and strengthening governance. We recognize the need to promote joint technological development and business alliances through shareholdings in order to survive intense competition and achieve sustainable growth. On the other hand, we assess whether a business relationship can be maintained without holding shares, and we only retain cross-shareholdings when it is determined that such holdings are truly essential for enhancing corporate value.

(Method for verifying the rationality of holdings and details of the Board of Directors' review regarding the appropriateness of individual holdings)

For each cross-shareholding, we examine the significance of continuing to hold the shares based on whether the business relationship can be maintained or expanded without such ownership. The Board of Directors reviews the findings of this assessment, along with progress on reduction and future reduction policies. If it is determined that a holding is not essential for enhancing corporate value, we pursue reduction through dialogue with the relevant business partners. In the fiscal year under review, we reduced our holdings in eight out of ten specified investment securities. For holdings that are deemed indispensable, we carefully evaluate and verify them by weighing the benefits and risks of holding the shares, taking into account the cost of capital.

ii) Number of stocks and balance sheet amount

|                                   | Number of stocks (issues) | Total balance sheet amount (Million Yen) |
|-----------------------------------|---------------------------|------------------------------------------|
| Unlisted shares                   | 51                        | 18,092                                   |
| Shares other than unlisted shares | 3                         | 1,183                                    |

(Stocks with an increase in the number of shares during the fiscal year under review)

|                                   | Number of stocks (issues) | Total acquisition amount related to the increase in number of shares (Million Yen) | Reason for the increase in the number of shares                                                                          |
|-----------------------------------|---------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|
| Unlisted shares                   | 2                         | 50                                                                                 | Mainly to collect information for the development of next-generation power semiconductors to strengthen competitiveness. |
| Shares other than unlisted shares | —                         | —                                                                                  | —                                                                                                                        |

(Stocks with a decrease in the number of shares during the fiscal year under review)

|                                   | Number of stocks (issues) | Total sale amount related to the decrease in number of shares (Million Yen) |
|-----------------------------------|---------------------------|-----------------------------------------------------------------------------|
| Unlisted shares                   | 3                         | 12                                                                          |
| Shares other than unlisted shares | 8                         | 150,841                                                                     |

iii) Information on the number of shares, balance sheet amount, etc., by stock for specified investment securities and deemed held shares

(Specified investment securities)

| Stock name                       | Fiscal year ended<br>March 31, 2026   | Fiscal year ended<br>March 31, 2025   | Purpose of holding, overview of<br>business alliance, quantitative effects<br>of holding, and reasons for the<br>increase in the number of shares                                                                                                                                                                                                                                   | Holding of the<br>Company's<br>shares |
|----------------------------------|---------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
|                                  | Number of shares                      | Number of shares                      |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
|                                  | Balance sheet amount<br>(Million Yen) | Balance sheet amount<br>(Million Yen) |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
| UMC Electronics Co.,<br>Ltd.     | 2,205,883                             | 2,205,883                             | Shares are held with the aim of<br>maintaining and strengthening the<br>business relationship, as the<br>company is an outsourcing partner<br>for electronic component<br>manufacturing.                                                                                                                                                                                            | No                                    |
|                                  | 668                                   | 661                                   |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
| Witz Corporation                 | 300,000                               | 300,000                               | Shares are held with the aim of<br>securing resources for in-vehicle<br>security software development and<br>studying future security trends.                                                                                                                                                                                                                                       | No                                    |
|                                  | 439                                   | 300                                   |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
| Fine Sinter Co., Ltd.            | 52,800                                | 105,600                               | Shares are held with the aim of<br>maintaining and strengthening the<br>business relationship, as the<br>company is a supplier of sintered<br>parts mainly used in powertrain-<br>related businesses. However,<br>discussions are underway based on<br>the premise that the partnership can<br>be maintained without holding<br>shares, and reductions are being<br>made in stages. | No                                    |
|                                  | 74                                    | 86                                    |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
| Toyota Industries<br>Corporation | —                                     | 6,578,372                             | —                                                                                                                                                                                                                                                                                                                                                                                   | Yes                                   |
|                                  | —                                     | 83,578                                |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
| SUZUKI MOTOR<br>CORPORATION      | —                                     | 5,608,000                             | —                                                                                                                                                                                                                                                                                                                                                                                   | No                                    |
|                                  | —                                     | 10,150                                |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
| JTEKT Corporation                | —                                     | 1,436,457                             | —                                                                                                                                                                                                                                                                                                                                                                                   | No                                    |
|                                  | —                                     | 1,619                                 |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
| Taiho Kogyo Co., Ltd.            | —                                     | 300,000                               | —                                                                                                                                                                                                                                                                                                                                                                                   | Yes                                   |
|                                  | —                                     | 178                                   |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
| LIXIL Corporation                | —                                     | 65,100                                | —                                                                                                                                                                                                                                                                                                                                                                                   | No                                    |
|                                  | —                                     | 112                                   |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
| OKAYA & CO., LTD.                | —                                     | 4,000                                 | —                                                                                                                                                                                                                                                                                                                                                                                   | Yes                                   |
|                                  | —                                     | 27                                    |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |
| MISONOZA Inc.                    | —                                     | 13,300                                | —                                                                                                                                                                                                                                                                                                                                                                                   | No                                    |
|                                  | —                                     | 22                                    |                                                                                                                                                                                                                                                                                                                                                                                     |                                       |

Note: Although it is difficult to disclose the quantitative effects of holding these shares in consideration of the various impacts on the investee companies, the Company verifies the significance of holding such shares on a fiscal year basis, and the Board of Directors has resolved to sell shares that are determined not to be essential for enhancing corporate value. For holdings that are deemed indispensable, we carefully evaluate and verify them by weighing the benefits and risks of holding the shares, taking into account the cost of capital.

(iii) Investment securities held for pure investment purposes

There are no applicable items.

## 5. Employee Status, etc.

### (1) Basic Policy on Human Resources Strategy, etc.

#### (i) Human resources strategy

In our quest to become a company that creates value through mobility, we are transforming our business portfolio in line with our medium-to-long-term business plan targeting FY2031. We recognize that the success of this strategy hinges on the self-motivated participation of our entire diverse range of employees, who create value by identifying issues facing society and customers.

This philosophy encourages us to position our human resources strategy at the core of our business operations and consistently work to strengthen it. As we head toward 2030, we define the ideal target state for our people and organization as one in which we work toward challenging objectives on a global, groupwide basis, while offering our people more opportunities to grow and thrive than any rival can. We are expanding our human capital in three domains: the growth and success of professional talent, promotion of a spirit of challenge, and the strengthening of the Group's broad range of capabilities.

Through these initiatives, we aim to enhance our organizational power and strengthen our global competitiveness across our three key target domains: product, region, and function, as prioritized in our FY2029 Medium-Term Business Plan.



#### (Growth and success of professional talent)

Based on the conviction that making our people and organizations more resilient is indispensable to sustainable value creation amid a constantly changing business environment, the Group defines its target employee profile as a professional who thinks and acts independently in their position to achieve the optimal outcome for the organization as a whole. The Group believes it is important for each individual to fully recognize his or her own function and take self-directed actions toward the desired outcome. It has, since 2023, upgraded its organizational systems in stages beginning from senior levels, clarifying individual roles and encouraging initiative. While on-the-job training (OJT) remains the foundation of professional development, the Group implements programs aimed at strengthening professional skills in the areas of business transformation, interpersonal skills, problem-solving, and advanced capabilities that improve the Company's competitiveness. In addition, to strengthen its competence in intelligent technologies and drive digital transformation, the Group is promoting reskilling in the areas of electrification, software, and DX, building a human capital base suited to growth domains.

### Professional Human Resources Development: Key Initiatives (person)

|                        | Key initiatives                                                     | FY2023 | FY2024 | FY2025 | FY2026 |
|------------------------|---------------------------------------------------------------------|--------|--------|--------|--------|
| Problem-solving skills | Problem-solving training<br>intermediate and advanced MAST training | 1,633  | 2,260  | 1,790  | 2,235  |
| Transformation skills  | Cross-boundary experience program                                   | 30     | 155    | 121    | 127    |
| Interpersonal Skills   | Developing aspirations training                                     | –      | 296    | 247    | 224    |
|                        | OMOIYARI Interpersonal Skills and Communication Training            | –      | 4,820  | 5,890  | 6,944  |

Note: The scope of each initiative is as follows:

- Problem-solving: Conducted as mandatory tiered training for employees with general qualifications
- Intermediate and advanced MAST: Conducted as mandatory training for newly appointed general managers and newly appointed section managers
- Boundary-crossing experience program: Conducted as an open-application program for managers and employees with general qualifications
- Developing aspirations training: Targeted at 50% of general-manager-level employees by FY2026
- OMOIYARI Interpersonal Skills and Communication Training: Provided to executive officers and management-level employees

#### (Promoting a spirit of challenge)

The Group recognizes that creating an environment in which every employee can proactively take on challenges is important for strategy execution. To foster a culture of challenge, defined as envisioning an ideal state and approaching it step by step, the Group is advancing a cultural transformation under the directive, "deepening the spirit of challenge among individuals and entire workplaces."

With the view that both individual voluntary effort and an environment in which individuals can thrive are critical to instilling a spirit of challenge among our professional staff, the Group has designated employee engagement and an employee enablement (measured according to the employee engagement survey) as priority KPIs. Through a combination of companywide initiatives we have thus far pursued, such as creating an open workplace culture, revising the HR system with role-based evaluation at its center, and improving the working environment. Owing to our two-pronged approach to the companywide initiatives we have pursued to date: (1) cultivating a frank and open workplace culture, revising the HR system around roles, and improving the working environment, and (2) proactive, workplace-level initiatives such as the use of AI in which all employees participate, results in FY2025 improved significantly compared with the previous fiscal year and exceeded the average for Japan's manufacturing industry. In the current fiscal year, the Group is approaching the process of shifting toward higher-value-added work as an opportunity for each employee to take on challenges. The Company aims to link its expansion as a business with the growth of each individual by emphasizing learning through this sort of practical engagement.

#### (Strengthening the group's broad range of capabilities)

To strengthen the Group's competitiveness, is transitioning from decentralized management of affiliated companies to integrated group management.

Domestically, the Group is advancing resource transfers and talent exchanges that transcend company and organizational boundaries, optimizing organizational structures and talent deployment.

Overseas, the Group recognizes securing and developing leaders who can drive regional business strategy while delivering optimal results globally as a critical challenge in accelerating regionally decentralized management. Using our global common benchmark, Aisin Global Grading (AG2), the Group identifies key positions, drafts and implements succession plans, and strengthens its staff development pipeline via its management talent development program, Global Leaders Session. Thus, we are working to achieve autonomous management at the local level.

In recognition that the active participation of a wide spectrum of human resources leads to sustainable growth, the Group also promotes diversity & inclusion. With the ratio of female managers designated as a priority KPI, the Group has reset its 2030 target for the ratio of female managers to 4.5% in order to expand the scope of initiatives from core companies to the entire domestic group. Given that achieving this target requires twice the number of female manager appointments per year compared to historical rates, the Group has identified approximately 2.5 times as many development candidates as the number of female manager promotions needed by 2030 and is strengthening systematic development. The Group will also work to eliminate implicit assumptions about managers' roles and working styles that discourage ambitions for promotion and promote the active participation of our diverse workforce through workplace culture reform.

#### Human Resources Strategy Indicators and Targets

The Aisin Group has established the following indicators for measuring the progress of its human resources strategy as materiality KPIs, and monitors progress at the Sustainability Conference attended by the President, C-level executives, and division heads.

| Indicator                              | Results<br>(FY2024)                                         | Results<br>(FY2025)                                         | Results<br>(FY2026)                       | Target<br>(FY2031)      | Reference Value                                |
|----------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------|-------------------------|------------------------------------------------|
| Employee engagement                    | —                                                           | 53%<br>(parent: 53%)                                        | 61%<br>(parent: 59%)                      | —                       | Manufacturing<br>industry avg. (Japan):<br>55% |
| Environment that<br>empowers employees | —                                                           | 48%<br>(parent: 48%)                                        | 59%<br>(parent: 55%)                      | —                       | Manufacturing<br>industry avg. (Japan):<br>54% |
| Ratio of female<br>managers            | Four major<br>Group<br>companies:<br>2.6%<br>(parent: 2.8%) | Four major<br>Group<br>companies:<br>2.8%<br>(parent: 3.0%) | Domestic<br>Group: 3.0%<br>(parent: 3.1%) | Domestic<br>Group: 4.5% | —                                              |

Note 1: From FY2025, the employee awareness survey was revised with a view to globalization, and the indicators were updated to "employee engagement" and "employee enablement "

Note 2: After completing the global rollout of the engagement survey, global targets will be set in FY2028, taking into account actual results and the characteristics of each region and culture.

Note 3: Through FY2025, the ratio of female managers was managed as a common indicator across the four major Group companies (the Company, AISIN Takaoka Co., Ltd., AISIN Chemical Co., Ltd., and ADVICS Co., Ltd.). From FY2026 onward, the scope has been expanded to cover all domestic Group companies.

#### Health management

As a global company, building and maintaining a workplace environment in which all people laboring on-site can work safely and in good health is positioned as a critical management challenge that must be realized at every business site. The Aisin Group regards the principle that "safety and health take precedence over all else" as an important foundation for corporate value creation and works to improve the safety and health of all employees.

The Aisin Group is implementing thorough recurrence prevention activities and various initiatives to raise health awareness and make healthy behaviors habitual, with the goal of eliminating serious accidents and lost-time incidents. The Group has set KPIs in its Group Safety Vision for 2030 and is working to create workplace environments where employees can work with peace of mind and continuously thrive in good physical and mental health.

#### (Occupational safety and health)

Since FY2021, the Occupational Safety and Health Management System (OSHMS), which enables risk management and performance improvement, has been adopted across the Aisin Group including on-site contractors. To proactively address internal and external challenges as well as the needs of workers and stakeholders, we identify risks and opportunities once a year. Based on our findings, we prioritize issues that demand attention, add them to the following fiscal year's occupational safety and health plan, and promote actions aimed directly at our targets. Moreover, taking into account the results of these efforts and other changing factors, we conduct a management review to clarify the direction for the coming fiscal year and strive to enhance the quality of our actions.

#### (Health)

The Aisin Group, having positioned employee health promotion as a management priority, established the Aisin Group Health Declaration in April 2021 and is emphasizing health management to raise health awareness among all Group employees and make healthy behaviors habitual.

With the aim of fostering a corporate culture that embraces challenge and achieving a state in which challenge is promoted, the Group has incorporated this into its strategy map so that employees can leverage their good physical and mental health to perform to their full potential and is actively engaged in activities that encourage this.

#### Health management indicators and targets

| Indicator                      | Results<br>(FY2024) | Results<br>(FY2025) | Results<br>(FY2026) | Target<br>(FY2031) |
|--------------------------------|---------------------|---------------------|---------------------|--------------------|
| Number of serious accidents    | 0                   | 0                   | 0                   | 0                  |
| Presenteeism performance Level | 83.1%               | 76.0%               | 79.7%               | 85.0%              |

Note 1: Presenteeism: A state in which a person comes to work while suffering from some kind of illness or condition, and their ability to perform work or their productivity is reduced.

Presenteeism performance: The percentage of employees who reported being able to perform at 80% or more of their healthy capacity over the past month, calculated using the Single-item Presenteeism Question (SPQ) from The University of Tokyo. Healthy capacity is defined as 100%.

Note 2: Presenteeism performance is calculated based on figures for the Company on a standalone basis, which is managed under a common indicator as of FY2026.

#### (ii) Compensation policy

In terms of salary, the Company's compensation system encompasses a base salary, bonuses, and various allowances. Base salary is set in accordance with functional job grade and role. Job skills qualification standards are defined by the Company around professional skills in the areas of business transformation, human ability, problem-solving, and advanced capabilities that improve the Company's competitiveness. Bonuses are calculated at a level linked to business performance, reflecting the Company's overall performance and other factors. Recognizing that individual awareness of one's role is essential for everyone to thrive, the Company clarifies job roles at each level and reflects them in remuneration accordingly, with individual payment amounts determined based on each employee's evaluation results.

Moreover, with a view to the active growth and development of professional human resources, the Company has revised its evaluation and remuneration policies in stages from senior qualification levels, centering on three principles: merit-based evaluation, which rewards the acceptance of challenges and learning advances due to failure; performance-based evaluation, which recognizes current responsibilities and results; and an acceleration of job mobility and externally focused roles, which breaks down insularity and ensures the right person is in the right role at the right time.

In FY2026, the Company raised base salaries to maintain and improve the competitiveness of its remuneration, exceeding the manufacturing industry average (year-on-year increase: +5.4%).

The Company regards wage hikes and other compensation increase as an important investment in people and pursues this investment with purpose. Through repeated labor-management consultations, we aim to accelerate unified companywide efforts and establish a virtuous cycle of sustainable growth and distribution.

## (2) Information about employees

### (i) Consolidated companies

As of March 31, 2026

| Segment name    | Number of employees |          |
|-----------------|---------------------|----------|
| Japan           | 63,954              | [16,989] |
| North America   | 15,626              | [1,315]  |
| Europe          | 2,274               | [184]    |
| China           | 13,020              | [975]    |
| ASEAN and India | 17,599              | [3,929]  |
| Other           | 819                 | [25]     |
| Total           | 113,292             | [23,417] |

Note 1: The number of employees refers to the number of personnel actually working (excluding those seconded from the Group to outside entities, and including those seconded from outside entities to the Group). The number of temporary employees is shown in brackets [ ] and represents the average number employed over the year, not included in the total.

Note 2: Temporary employees include fixed-term, part-time, contract, and dispatched (agency) workers.

### (ii) Filing company

As of March 31, 2026

| Number of employees | Average age (Years) | Average length of service (Years) | Average annual salary (Thousands of yen) | Rate of change in average annual salary compared with the previous fiscal year (%) |
|---------------------|---------------------|-----------------------------------|------------------------------------------|------------------------------------------------------------------------------------|
| 34,956 [6,027]      | 40.7                | 17.3                              | 7,772                                    | 5.4                                                                                |

Note 1: The number of employees refers to the number of personnel actually working (excluding those seconded from the Company to outside entities, and including those seconded from outside entities to the Company). The number of temporary employees is shown in brackets [ ] and represents the average number employed over the year, not included in the total.

Note 2: Temporary employees include fixed-term, part-time, contract, and dispatched (agency) workers.

Note 3: The average annual salary includes bonuses and non-base wages.

Note 4: All employees and temporary employees belong to the Japan segment.

### (iii) Status of workers' union

There are no matters to be noted between labor and management.

- (iv) Ratio of female workers in management positions, ratio of male workers taking parental leave, and wage gap between male and female workers

i) Filing company

| Fiscal year ended March 31, 2026                             |                                                          |                                                                              |                                                       |                   |                                  | Supplementary explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------|-------------------|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ratio of female workers in management positions (%) (Note 1) | Ratio of male workers taking parental leave (%) (Note 2) | Ratio of male workers taking parental leave and childcare leave (%) (Note 3) | Wage gap between male and female workers (%) (Note 1) |                   |                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|                                                              |                                                          |                                                                              | All workers                                           | Full-time workers | Part-time and fixed-term workers |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| 3.1                                                          | 79.8                                                     | 96.3                                                                         | 69.1                                                  | 69.3              | 70.6                             | <p>The main reason for the wage gap between male and female full-time workers is the difference in the composition ratio by job qualification. There are no gender-based differences in the Company's wage structure or personnel system. As the Company has expanded its hiring of women in recent years, the average length of service for men is longer than that for women, and the proportion of men in higher-level qualification positions is higher. These factors have affected the wage gap.</p> <p>The main reason for the wage gap between male and female non-full-time workers is differences in the composition of employees rehired after retirement. The treatment of rehired employees is determined by factors such as their roles and qualifications prior to retirement, and there are no gender-based differences in the system. At present, differences in the ratios of male to female employees and of male to female managers affect the wage gap.</p> |

Note 1: Calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

Note 2: Parental leave uptake calculated as in Article 71-6, item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

Note 3: Parental leave and childcare leave uptake calculated as in Article 71-6, item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). It may exceed 100% if there are male workers whose spouses gave birth in a different fiscal year from the year in which the workers took parental leave or childcare leave.

ii) Consolidated subsidiaries

| Fiscal year ended March 31, 2026 |                                                              |                                                          |                                                                              |                                                       |                   |                                  |
|----------------------------------|--------------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------------------------------|-------------------------------------------------------|-------------------|----------------------------------|
| Name                             | Ratio of female workers in management positions (%) (Note 1) | Ratio of male workers taking parental leave (%) (Note 2) | Ratio of male workers taking parental leave and childcare leave (%) (Note 3) | Wage gap between male and female workers (%) (Note 1) |                   |                                  |
|                                  |                                                              |                                                          |                                                                              | All workers                                           | Full-time workers | Part-time and fixed-term workers |
| AISIN TAKAOKA CO., LTD.          | 1.1                                                          | 61.3                                                     | 118.1                                                                        | 67.3                                                  | 65.0              | 78.7                             |
| AISIN KEIKINZOKU Co., Ltd.       | 5.0                                                          | 92.8                                                     | 96.4                                                                         | 83.3                                                  | 81.4              | 89.7                             |
| AISIN DEVELOPMENT Co., Ltd.      | 5.3                                                          | 60.0                                                     | 180.0                                                                        | 55.5                                                  | 65.0              | 32.0                             |
| AISIN KIKO Co., LTD.             | 0.9                                                          | 76.9                                                     | 94.2                                                                         | 69.9                                                  | 68.8              | 98.0                             |
| AISIN SIN'EI Co., Ltd.           | 5.5                                                          | 77.1                                                     | 85.7                                                                         | 76.0                                                  | 74.2              | 107.4                            |
| AISIN FUKUI Corporation          | 1.9                                                          | 92.3                                                     | 105.1                                                                        | 70.1                                                  | 70.2              | 69.9                             |
| HOSEI BRAKE INDUSTRY CO., LTD.   | 3.5                                                          | 68.7                                                     | 90.6                                                                         | 67.1                                                  | 66.6              | 72.7                             |
| ADVICS CO., LTD.                 | 1.4                                                          | 79.1                                                     | 94.5                                                                         | 68.1                                                  | 69.8              | 51.3                             |
| AISIN SHIROKI CORPORATION        | 2.4                                                          | 47.0                                                     | 111.7                                                                        | 67.7                                                  | 73.6              | 79.8                             |
| ART METAL MFG. CO., LTD.         | —                                                            | 12.5                                                     | 75.0                                                                         | 83.2                                                  | 81.9              | 99.1                             |
| AISIN KYUSHU Co., Ltd.           | 1.8                                                          | 52.1                                                     | 104.3                                                                        | 66.4                                                  | 71.9              | 81.2                             |
| CVTEC Co., Ltd.                  | 0.0                                                          | 100.0                                                    | 100.0                                                                        | 67.8                                                  | 70.0              | 85.1                             |

Note 1: Calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

Note 2: Parental leave uptake calculated as in Article 71-6, item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

Note 3: Parental leave and childcare leave uptake calculated as in Article 71-6, item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). It may exceed 100% if there are male workers whose spouses gave birth in a different fiscal year from the year in which the workers took parental leave or childcare leave.

Note 4: ART METAL MFG. CO., LTD. calculates the average annual wage for part-time and fixed-term workers based on the number of personnel converted using the prescribed working hours of full-time workers.

Note 5: For consolidated subsidiaries other than major ones, please refer to "VII. Reference Information of Filing Company, 2. Other reference information, (2) Ratio of female workers in management positions, ratio of male workers taking parental leave, and wage gap between male and female workers."

Note 6: A "—" indicates that the item is not subject to disclosure either because it has not been voluntarily disclosed under the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015), or because there is no obligation to disclose it under the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

## V. Accounting Status

### 1. Preparation of consolidated financial statements and non-consolidated financial statements

- (1) The Company's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as "IFRS"), pursuant to Article 312 of the "Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ordinance of the Ministry of Finance No. 28 of 1976).
- (2) The Company's non-consolidated financial statements are prepared in accordance with the "Ordinance on the Terminology, Forms, and Preparation Methods of Financial Statements, etc." (Ordinance of the Ministry of Finance No. 59 of 1963, hereinafter referred to as the "Financial Statements Ordinance").

As the Company falls under the category of a company filing financial statements prepared in accordance with special provisions, the non-consolidated financial statements of the Company are prepared in accordance with Article 127 of the Financial Statements Ordinance.

### 2. Audit certification

Pursuant to Article 193-2, Paragraph (1) of the Financial Instruments and Exchange Act, the Company undergoes an audit by PricewaterhouseCoopers Japan LLC for the consolidated financial statements and the non-consolidated financial statements for FY2026 (from April 1, 2025 to March 31, 2026).

### 3. Special initiatives to ensure the appropriateness of consolidated financial statements, etc., and the development of a system to properly prepare them based on IFRS

The Company has implemented special initiatives to ensure the appropriateness of its consolidated financial statements, etc. and has developed a system that enables proper preparation of such statements in accordance with IFRS. The content is as follows:

- (1) To appropriately understand accounting standards and respond accurately to any changes in those standards, the Company is a member of the Financial Accounting Standards Foundation and obtains information on accounting standards through participation in seminars and other means.
- (2) With regard to the application of IFRS, the Company obtains press releases and standards issued by the International Accounting Standards Board as needed to stay informed of the latest standards. Furthermore, to ensure the proper preparation of consolidated financial statements in accordance with IFRS, the Company has established group accounting policies compliant with IFRS and conducts accounting procedures based on those policies.

1. Consolidated financial statements and other information

(1) Consolidated financial statements

(i) Consolidated statement of financial position

(Million Yen)

|                                                   | Notes  | As of March 31, 2025 | As of March 31, 2026 |
|---------------------------------------------------|--------|----------------------|----------------------|
| Assets                                            |        |                      |                      |
| Current assets                                    |        |                      |                      |
| Cash and cash equivalents                         | 5      | 451,690              | 592,398              |
| Trade and other receivables                       | 6      | 737,206              | 773,800              |
| Other financial assets                            | 12     | 17,754               | 18,502               |
| Inventories                                       | 7      | 530,082              | 580,272              |
| Other current assets                              | 19     | 93,262               | 75,334               |
| Total current assets                              |        | 1,829,996            | 2,040,308            |
| Non-current assets                                |        |                      |                      |
| Property, plant and equipment                     | 9      | 1,424,038            | 1,444,048            |
| Intangible assets                                 | 10     | 56,623               | 53,437               |
| Right-of-use assets                               | 24     | 72,427               | 75,564               |
| Investments accounted for using the equity method | 11     | 78,247               | 84,515               |
| Other financial assets                            | 12     | 692,778              | 677,756              |
| Deferred tax assets                               | 19     | 88,204               | 86,646               |
| Other non-current assets                          | 18     | 42,285               | 49,996               |
| Total non-current assets                          |        | 2,454,604            | 2,471,966            |
| Total assets                                      |        | 4,284,600            | 4,512,274            |
| Liabilities and equity                            |        |                      |                      |
| Liabilities                                       |        |                      |                      |
| Current liabilities                               |        |                      |                      |
| Trade and other payables                          | 13     | 928,595              | 879,532              |
| Bonds and loans payable                           | 14, 16 | 90,694               | 97,755               |
| Lease liabilities                                 | 16, 23 | 18,780               | 13,871               |
| Other financial liabilities                       | 15     | 7,106                | 7,275                |
| Provisions                                        | 17     | 46,325               | 42,853               |
| Income tax payables                               |        | 19,713               | 52,184               |
| Other current liabilities                         |        | 42,530               | 48,292               |
| Total current liabilities                         |        | 1,153,746            | 1,141,765            |
| Non-current liabilities                           |        |                      |                      |
| Bonds and loans payable                           | 14, 16 | 539,167              | 523,522              |
| Lease liabilities                                 | 16, 23 | 48,654               | 50,854               |
| Other financial liabilities                       | 15     | 18,278               | 20,533               |
| Retirement benefit liabilities                    | 18     | 197,013              | 187,026              |
| Provisions                                        | 17     | 2,460                | 2,557                |
| Deferred tax liabilities                          | 19     | 75,401               | 75,234               |
| Other non-current liabilities                     |        | 16,614               | 14,682               |
| Total non-current liabilities                     |        | 897,589              | 874,410              |
| Total liabilities                                 |        | 2,051,335            | 2,016,176            |

(Million Yen)

|                                                     | Notes | As of March 31, 2025 | As of March 31, 2026 |
|-----------------------------------------------------|-------|----------------------|----------------------|
| Equity                                              |       |                      |                      |
| Capital stock                                       | 20    | 45,049               | 45,049               |
| Capital surplus                                     | 20    | 80,578               | 79,847               |
| Treasury stock                                      | 20    | (84,621)             | (80,262)             |
| Other components of equity                          |       | 444,397              | 511,703              |
| Retained earnings                                   | 20    | 1,491,859            | 1,644,235            |
| Equity attributable to owners of the parent company |       | 1,977,263            | 2,200,573            |
| Non-controlling interests                           |       | 256,001              | 295,524              |
| Total equity                                        |       | 2,233,265            | 2,496,098            |
| Total liabilities and equity                        |       | 4,284,600            | 4,512,274            |

## (ii) Consolidated statements of income and Consolidated statements of comprehensive income

## Consolidated statements of income

(Million Yen)

|                                                                          | Notes  | Fiscal year ended March 31,<br>2025 | Fiscal year ended March 31,<br>2026 |
|--------------------------------------------------------------------------|--------|-------------------------------------|-------------------------------------|
| Revenue                                                                  | 4, 25  | 4,896,104                           | 5,117,764                           |
| Cost of revenue                                                          | 27     | (4,332,615)                         | (4,498,831)                         |
| Gross profit                                                             |        | 563,489                             | 618,932                             |
| Selling, general and administrative expenses                             | 26, 27 | (375,083)                           | (383,524)                           |
| Other income                                                             | 28     | 36,115                              | 26,787                              |
| Other expenses                                                           | 28     | (21,579)                            | (33,398)                            |
| Operating profit                                                         | 4      | 202,941                             | 228,796                             |
| Finance income                                                           | 29     | 30,452                              | 28,787                              |
| Finance expenses                                                         | 29     | (49,402)                            | (15,221)                            |
| Equity in earnings of affiliates                                         | 11     | 5,666                               | 5,578                               |
| Gains (losses) on sales of investments accounted for using equity method | 11     | (16,217)                            | —                                   |
| Profit before income taxes                                               |        | 173,440                             | 247,941                             |
| Income tax expenses                                                      | 19     | (49,220)                            | (45,615)                            |
| Profit for the period                                                    |        | 124,220                             | 202,326                             |
| Profit for the period attributable to:                                   |        |                                     |                                     |
| Owners of the parent                                                     |        | 107,586                             | 171,697                             |
| Non-controlling interests                                                |        | 16,634                              | 30,628                              |
| Total                                                                    |        | 124,220                             | 202,326                             |
| Earnings per share                                                       |        |                                     |                                     |
| Basic earnings per share (Yen)                                           | 31     | 137.81                              | 232.64                              |
| Diluted earnings per share (Yen)                                         | 31     | —                                   | —                                   |

# Consolidated statements of comprehensive income

(Million Yen)

|                                                                                                                 | Notes  | Fiscal year ended March 31,<br>2025 | Fiscal year ended March 31,<br>2026 |
|-----------------------------------------------------------------------------------------------------------------|--------|-------------------------------------|-------------------------------------|
| Profit for the period                                                                                           |        | 124,220                             | 202,326                             |
| Other comprehensive income (loss)                                                                               |        |                                     |                                     |
| Items that will not be reclassified to profit or loss                                                           |        |                                     |                                     |
| Remeasurements of defined benefit plans                                                                         | 18, 30 | (7,862)                             | 14,408                              |
| Net changes in revaluation of financial assets measured at fair value through other comprehensive income (loss) | 23, 30 | (136,251)                           | 97,952                              |
| Share of other comprehensive income (loss) of associates accounted for using the equity method                  | 11, 30 | 29                                  | (56)                                |
| Total                                                                                                           |        | (144,084)                           | 112,303                             |
| Items that may be reclassified subsequently to profit or loss                                                   |        |                                     |                                     |
| Net changes in revaluation of financial assets measured at fair value through other comprehensive income (loss) | 23, 30 | (15)                                | (136)                               |
| Cash flow hedges                                                                                                | 23, 30 | 57                                  | 57                                  |
| Exchange differences on translating foreign operations                                                          | 30     | 2,478                               | 79,777                              |
| Share of other comprehensive income (loss) of associates accounted for using the equity method                  | 11, 30 | (518)                               | 1,367                               |
| Total                                                                                                           |        | 2,001                               | 81,065                              |
| Other comprehensive income (loss) total                                                                         |        | (142,082)                           | 193,369                             |
| Comprehensive income (loss) for the period                                                                      |        | (17,861)                            | 395,696                             |
| Comprehensive income (loss) for the period attributable to:                                                     |        |                                     |                                     |
| Owners of the parent                                                                                            |        | (37,780)                            | 344,224                             |
| Non-controlling interests                                                                                       |        | 19,919                              | 51,471                              |
| Total                                                                                                           |        | (17,861)                            | 395,696                             |

## (iii) Consolidated statements of changes in equity

Fiscal year ended March 31, 2025

(Million Yen)

|                                                               |       | Equity attributable to owners of the parent |                 |                |                                                    |                                                                                                                               |                     |                                                                       |           |
|---------------------------------------------------------------|-------|---------------------------------------------|-----------------|----------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------|-----------|
|                                                               |       | Other components of equity                  |                 |                |                                                    |                                                                                                                               |                     |                                                                       |           |
|                                                               | Notes | Capital stock                               | Capital surplus | Treasury stock | Remeasure-<br>ments of<br>defined benefit<br>plans | Net changes in<br>revaluation of<br>financial assets<br>measured at<br>fair value<br>through other<br>comprehensive<br>income | Cash flow<br>hedges | Exchange<br>differences on<br>translation of<br>foreign<br>operations | Total     |
| Balance as of April 1, 2024                                   |       | 45,049                                      | 79,352          | (115,627)      | —                                                  | 504,099                                                                                                                       | (34)                | 73,526                                                                | 577,590   |
| Profit for the period                                         |       | —                                           | —               | —              | —                                                  | —                                                                                                                             | —                   | —                                                                     | —         |
| Other comprehensive income (loss)                             |       | —                                           | —               | —              | (9,992)                                            | (135,100)                                                                                                                     | 68                  | (343)                                                                 | (145,367) |
| Comprehensive income (loss) for the period                    |       | —                                           | —               | —              | (9,992)                                            | (135,100)                                                                                                                     | 68                  | (343)                                                                 | (145,367) |
| Hyperinflation adjustment                                     | 35    | —                                           | —               | —              | —                                                  | —                                                                                                                             | —                   | —                                                                     | —         |
| Acquisition of treasury stock                                 | 20    | —                                           | —               | (83,921)       | —                                                  | —                                                                                                                             | —                   | —                                                                     | —         |
| Disposal of treasury stock                                    | 20    | —                                           | 9               | 108            | —                                                  | —                                                                                                                             | —                   | —                                                                     | —         |
| Cancellation of treasury stock                                | 20    | —                                           | (10,952)        | 114,818        | —                                                  | —                                                                                                                             | —                   | —                                                                     | —         |
| Dividends                                                     | 21    | —                                           | —               | —              | —                                                  | —                                                                                                                             | —                   | —                                                                     | —         |
| Changes in the ownership interest in subsidiaries             |       | —                                           | 12,169          | —              | (59)                                               | —                                                                                                                             | —                   | —                                                                     | (59)      |
| Change in scope of consolidation                              |       | —                                           | —               | —              | —                                                  | —                                                                                                                             | —                   | 198                                                                   | 198       |
| Transfer from other components of equity to retained earnings |       | —                                           | —               | —              | 10,051                                             | 1,983                                                                                                                         | —                   | —                                                                     | 12,035    |
| Total transactions with owners                                |       | —                                           | 1,226           | 31,005         | 9,992                                              | 1,983                                                                                                                         | —                   | 198                                                                   | 12,174    |
| Balance as of March 31, 2025                                  |       | 45,049                                      | 80,578          | (84,621)       | —                                                  | 370,982                                                                                                                       | 34                  | 73,381                                                                | 444,397   |

|                                                               | Notes | Equity attributable to owners of the parent |           | Non-controlling interests | Total equity |
|---------------------------------------------------------------|-------|---------------------------------------------|-----------|---------------------------|--------------|
|                                                               |       | Retained earnings                           | Total     |                           |              |
| Balance as of April 1, 2024                                   |       | 1,549,472                                   | 2,135,837 | 266,192                   | 2,402,029    |
| Profit for the period                                         |       | 107,586                                     | 107,586   | 16,634                    | 124,220      |
| Other comprehensive income (loss)                             |       | –                                           | (145,367) | 3,284                     | (142,082)    |
| Comprehensive income (loss) for the period                    |       | 107,586                                     | (37,780)  | 19,919                    | (17,861)     |
| Hyperinflation adjustment                                     | 35    | 1,291                                       | 1,291     | –                         | 1,291        |
| Acquisition of treasury stock                                 | 20    | –                                           | (83,921)  | –                         | (83,921)     |
| Disposal of treasury stock                                    | 20    | –                                           | 118       | –                         | 118          |
| Cancellation of treasury stock                                | 20    | (106,749)                                   | (2,883)   | 2,883                     | –            |
| Dividends                                                     | 21    | (47,705)                                    | (47,705)  | (14,436)                  | (62,142)     |
| Changes in the ownership interest in subsidiaries             |       | –                                           | 12,109    | (18,293)                  | (6,183)      |
| Change in scope of consolidation                              |       | –                                           | 198       | (263)                     | (65)         |
| Transfer from other components of equity to retained earnings |       | (12,035)                                    | –         | –                         | –            |
| Total transactions with owners                                |       | (166,490)                                   | (122,083) | (30,110)                  | (152,193)    |
| Balance as of March 31, 2025                                  |       | 1,491,859                                   | 1,977,263 | 256,001                   | 2,233,265    |

Fiscal year ended March 31, 2026

(Million Yen)

|                                                               |    | Equity attributable to owners of the parent |                 |                |                                                    |                                                                                                                               |                     |                                                                       |           |
|---------------------------------------------------------------|----|---------------------------------------------|-----------------|----------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------------------------------------------------|-----------|
|                                                               |    | Other components of equity                  |                 |                |                                                    |                                                                                                                               |                     |                                                                       |           |
| Notes                                                         |    | Capital stock                               | Capital surplus | Treasury stock | Remeasure-<br>ments of<br>defined benefit<br>plans | Net changes in<br>revaluation of<br>financial assets<br>measured at<br>fair value<br>through other<br>comprehensive<br>income | Cash flow<br>hedges | Exchange<br>differences on<br>translation of<br>foreign<br>operations | Total     |
|                                                               |    |                                             |                 |                |                                                    |                                                                                                                               |                     |                                                                       |           |
| Balance as of April 1, 2025                                   |    | 45,049                                      | 80,578          | (84,621)       | –                                                  | 370,982                                                                                                                       | 34                  | 73,381                                                                | 444,397   |
| Profit for the period                                         |    | –                                           | –               | –              | –                                                  | –                                                                                                                             | –                   | –                                                                     | –         |
| Other comprehensive income                                    |    | –                                           | –               | –              | 11,243                                             | 97,260                                                                                                                        | 37                  | 63,984                                                                | 172,526   |
| Comprehensive income for the period                           |    | –                                           | –               | –              | 11,243                                             | 97,260                                                                                                                        | 37                  | 63,984                                                                | 172,526   |
| Hyperinflation adjustment                                     | 35 | –                                           | –               | –              | –                                                  | –                                                                                                                             | –                   | –                                                                     | –         |
| Acquisition of treasury stock                                 | 20 | –                                           | –               | (78,420)       | –                                                  | –                                                                                                                             | –                   | –                                                                     | –         |
| Disposal of treasury stock                                    | 20 | –                                           | 15              | 404            | –                                                  | –                                                                                                                             | –                   | –                                                                     | –         |
| Cancellation of treasury stock                                | 20 | –                                           | –               | 82,376         | –                                                  | –                                                                                                                             | –                   | –                                                                     | –         |
| Dividends                                                     | 21 | –                                           | –               | –              | –                                                  | –                                                                                                                             | –                   | –                                                                     | –         |
| Changes in the ownership interest in subsidiaries             |    | –                                           | (746)           | –              | 3                                                  | –                                                                                                                             | –                   | –                                                                     | 3         |
| Transfer from other components of equity to retained earnings |    | –                                           | –               | –              | (11,247)                                           | (93,977)                                                                                                                      | –                   | –                                                                     | (105,224) |
| Total transactions with owners                                |    | –                                           | (730)           | 4,359          | (11,243)                                           | (93,977)                                                                                                                      | –                   | –                                                                     | (105,221) |
| Balance as of March 31, 2026                                  |    | 45,049                                      | 79,847          | (80,262)       | –                                                  | 374,265                                                                                                                       | 72                  | 137,365                                                               | 511,703   |

|                                                               | Notes | Equity attributable to owners of the parent |           | Non-controlling interests | Total equity |
|---------------------------------------------------------------|-------|---------------------------------------------|-----------|---------------------------|--------------|
|                                                               |       | Retained earnings                           | Total     |                           |              |
| Balance as of April 1, 2025                                   |       | 1,491,859                                   | 1,977,263 | 256,001                   | 2,233,265    |
| Profit for the period                                         |       | 171,697                                     | 171,697   | 30,628                    | 202,326      |
| Other comprehensive income                                    |       | –                                           | 172,526   | 20,842                    | 193,369      |
| Comprehensive income for the period                           |       | 171,697                                     | 344,224   | 51,471                    | 395,696      |
| Hyperinflation adjustment                                     | 35    | 2,691                                       | 2,691     | –                         | 2,691        |
| Acquisition of treasury stock                                 | 20    | –                                           | (78,420)  | –                         | (78,420)     |
| Disposal of treasury stock                                    | 20    | –                                           | 419       | –                         | 419          |
| Cancellation of treasury stock                                | 20    | (82,376)                                    | –         | –                         | –            |
| Dividends                                                     | 21    | (44,862)                                    | (44,862)  | (11,890)                  | (56,752)     |
| Changes in the ownership interest in subsidiaries             |       | –                                           | (743)     | (57)                      | (800)        |
| Transfer from other components of equity to retained earnings |       | 105,224                                     | –         | –                         | –            |
| Total transactions with owners                                |       | (22,013)                                    | (123,606) | (11,948)                  | (135,554)    |
| Balance as of March 31, 2026                                  |       | 1,644,235                                   | 2,200,573 | 295,524                   | 2,496,098    |

## (iv) Consolidated statements of cash flows

(Million Yen)

|                                                                          | Notes  | Fiscal year ended March 31,<br>2025 | Fiscal year ended March 31,<br>2026 |
|--------------------------------------------------------------------------|--------|-------------------------------------|-------------------------------------|
| Net cash provided by (used in) operating activities                      |        |                                     |                                     |
| Profit before income taxes                                               |        | 173,440                             | 247,941                             |
| Depreciation and amortization                                            |        | 272,839                             | 264,634                             |
| Impairment losses                                                        |        | 4,201                               | 15,233                              |
| Losses (gains) on sales of investments accounted for using equity method | 11     | 16,217                              | —                                   |
| Decrease (increase) in trade and other receivables                       |        | (38,621)                            | 15,579                              |
| Decrease (increase) in inventories                                       |        | 1,355                               | (19,351)                            |
| Increase (decrease) in trade and other payables                          |        | 14,354                              | (98,118)                            |
| Other, net                                                               |        | (29,240)                            | (15,959)                            |
| Subtotal                                                                 |        | 414,547                             | 409,958                             |
| Interest income received                                                 |        | 5,458                               | 5,517                               |
| Dividends income received                                                |        | 21,734                              | 21,356                              |
| Interest expenses paid                                                   |        | (4,621)                             | (7,535)                             |
| Income taxes paid                                                        |        | (97,249)                            | (53,212)                            |
| Net cash provided by (used in) operating activities                      |        | 339,870                             | 376,084                             |
| Net cash provided by (used in) investing activities                      |        |                                     |                                     |
| Decrease (increase) in time deposits                                     |        | 415                                 | 728                                 |
| Purchase of property, plant and equipment                                |        | (218,851)                           | (241,798)                           |
| Proceeds from sales of property, plant and equipment                     |        | 13,925                              | 10,607                              |
| Purchase of intangible assets                                            |        | (17,571)                            | (18,351)                            |
| Purchase of investment securities                                        |        | (17,653)                            | (22,881)                            |
| Proceeds from sales and redemption of investment securities              |        | 34,234                              | 169,752                             |
| Proceeds from collection of lease receivables                            |        | 12,843                              | 21,401                              |
| Proceeds from sales of subsidiaries or other businesses                  |        | 2,446                               | 1,482                               |
| Proceeds from sales of investments accounted for using equity method     | 11     | 39,924                              | —                                   |
| Other, net                                                               |        | 3,337                               | 1,877                               |
| Net cash provided by (used in) investing activities                      |        | (146,948)                           | (77,180)                            |
| Net cash provided by (used in) financing activities                      |        |                                     |                                     |
| Increase (decrease) in short-term bank loans and commercial papers       | 16     | (12,172)                            | 10,401                              |
| Proceeds from long-term loans payable                                    | 16     | 90,000                              | 69,520                              |
| Repayment of long-term loans payable                                     | 16     | (53,832)                            | (92,440)                            |
| Proceeds from issuance of bonds                                          | 16     | 20,000                              | —                                   |
| Redemption of bonds                                                      | 14, 16 | (140,000)                           | —                                   |
| Repayment of lease liabilities                                           | 16, 24 | (25,905)                            | (33,642)                            |
| Acquisition of treasury stock                                            |        | (83,923)                            | (78,420)                            |
| Cash dividends paid                                                      | 21     | (47,687)                            | (44,863)                            |
| Cash dividends paid to non-controlling interests                         |        | (14,436)                            | (11,890)                            |
| Other, net                                                               |        | (2,262)                             | (640)                               |
| Net cash provided by (used in) financing activities                      |        | (270,221)                           | (181,975)                           |
| Effect of exchange rate change on cash and cash equivalents              |        | 1,669                               | 23,778                              |
| Net increase (decrease) in cash and cash equivalents                     |        | (75,629)                            | 140,707                             |
| Cash and cash equivalents at beginning of period                         |        | 527,191                             | 451,690                             |
| To reclassify cash and cash equivalents included in assets held for sale |        | 129                                 | —                                   |
| Cash and cash equivalents at end of period                               | 5      | 451,690                             | 592,398                             |

## Notes to consolidated financial statements

### 1. Reporting entity

AISIN CORPORATION (the “Company”) is a stock corporation located in Japan. The addresses of the Company’s registered head office and principal plants are available on the Company’s website (<https://www.aisin.com/en/>).

The Company’s consolidated financial statements are for the fiscal year ended March 31, 2026, and comprise the Company and its subsidiaries (the “Group”), and associates. The principal business of the Group is manufacture and sale of automotive parts and energy solution related products.

### 2. Basis of preparation

#### (1) Compliance with IFRS

The Group meets the requirements for a “Specified Companies Complying with Designated International Accounting Standards” to prepare its consolidated financial statements by applying the designated IFRS as stipulated under Article 1-2 of the “Ordinance on Terminology, Forms, and Preparation Methods of Consolidated Financial Statements” (Ordinance of the Ministry of Finance No. 28 of 1976). Hence the Group’s consolidated financial statements are prepared in accordance with IFRS based on the provisions of Article 312 of the Ordinance.

The Group’s consolidated financial statements were approved on June 12, 2026 by Moritaka Yoshida, President of the Company.

#### (2) Basis of measurement

Except for the financial instruments that are measured at fair value and application of hyperinflation accounting in the consolidated subsidiaries, etc. in Turkey, etc., as stated in “3. Material accounting policies” and “35. Hyperinflation adjustments,” the Group’s consolidated financial statements are prepared on a cost basis.

#### (3) Functional currency and presentation currency

The Group’s consolidated financial statements are presented in Japanese yen, which is the Company’s functional currency. Figures less than one million yen are rounded down to the nearest million yen.

#### (4) Significant accounting judgments, estimates, and assumptions

In preparing the consolidated financial statements, management established judgments, estimates, and assumptions that have an effect on the application of accounting policies, as well as the reported amounts of assets, liabilities, revenues, and expenses. Actual outcomes may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. The effects of revisions on accounting estimates are recognized in the period in which the estimate is revised and in future periods.

Accounting judgments, estimates, and assumptions that have material impact on the amounts recognized in the consolidated financial statements are as follows.

##### (i) Impairment of non-financial assets

For non-financial assets of the Group other than inventories and deferred tax assets, whenever there is an event or change in circumstances indicating that the carrying amount of an asset or cash-generating unit may exceed the recoverable amount, the Group estimates the recoverable amount of the asset or cash-generating unit assuming that there is an indication of impairment. In estimating the recoverable amount, assumptions such as the remaining useful life of the asset, projections of future cash flows, and discount rates are used. Business plans, which serve as the basis of future cash flows, are based on sales forecasts and cost reduction plans for the relevant period. If there is an indication of impairment loss, the Group conducts an impairment test. If the carrying amount exceeds the recoverable amount, impairment loss is recognized in profit or loss.

The Group believes that the judgements concerning the identification of impairment indicators and the recognition of impairment loss, as well as the estimates of recoverable amounts are reasonable. However, as these estimates include uncertainties, the Group may consequently

recognize additional impairment losses in the future if the estimates related to assessing non-financial assets change due to unpredictable changes to assumptions, etc.

Impairment losses on property, plant and equipment are stated in “9. Property, plant and equipment, (2) Impairment losses.” Impairment losses on intangible assets are stated in “10. Intangible assets, (2) Impairment losses.”

(ii) Quality assurance obligations

Quality assurance obligations represent provision for product warranties to provide for estimated future product warranty-related costs, and accrued expenses for recalls and other market actions determined by automobile manufacturers and other customers.

Product warranty-related costs include expenses related to claims arising during the product warranty period, as well as costs associated with market actions such as recalls determined by automobile manufacturers and other customers.

The estimated future costs of claims arising during the product warranty period are recognized based on sales performance and warranty cost experience over a specified historical period.

The estimated future costs of market actions such as recalls determined by automobile manufacturers and other customers are calculated based on the “cumulative amount of market action costs paid,” “sales during the period covered by market action experience,” and “sales expected to give rise to future market action costs.” The “cumulative amount of market action costs paid” is reassessed using updated data for each period and is managed over a ten-year horizon by sales period. “Sales during the period covered by market action experience” represent revenue generated during periods in which the market action costs included in the “cumulative amount of market action costs paid” could arise, adjusted using occurrence rates based on historical experience. “Sales expected to give rise to future market action costs” represent revenue from periods in which such costs may arise in the future, adjusted for each sales period using occurrence rates based on historical experience. The estimated future amount is calculated by dividing the “cumulative amount of market action costs paid” by “sales during the period covered by market action experience” and multiplying the result by “sales expected to give rise to future market action costs.”

However, for market actions resulting from product recalls and similar issues, costs are estimated individually when deemed appropriate based on the nature and scale of the matter. The related accrued expenses are estimated and recognized based on decisions regarding recalls, etc. by automobile manufacturers and other customers, in an amount reasonably expected to be borne by the Company, taking into consideration assumptions such as the number of subject vehicles, repair expenses per vehicle, defect handling incidence rate, and expected burden ratio with customers.

The Group believes that the estimates of the assumptions related to the calculation of these expenses are reasonable. However, as these estimates include uncertainties, the Group may consequently recognize or reverse additional provision for product warranties or accrued expenses if the actual expenses are different from the estimates due to unpredictable changes to assumptions, etc.

Provision for product warranties is stated in “17. Provisions,” and accrued expenses for recalls and other market actions are stated in “13. Trade and other payables.”

(iii) Measurement of defined benefit obligations

The present value of defined benefit obligations is determined with actuarial calculations using assumptions such as discount rate, rate of salary increase, rate of employee turnover, and mortality rate. The discount rate is a particularly significant assumption. The discount rate is determined by reference to the market yields at the end of each fiscal year on high-quality corporate bonds that have maturity terms approximating those of the Group’s obligations.

The Group believes that the estimates of the assumptions related to the calculation of defined benefit obligations are reasonable. However, as these estimates include uncertainties, differences in assumptions from the actual results or changes made to assumptions may have an impact on the evaluation of the Group’s defined benefit obligations.

The carrying amount of defined benefit obligations, and the expected impact on defined benefit obligations due to fluctuations in the discount rate are stated in “18. Employee benefits, (1) Post-employment benefits.”

(iv) Recoverability of deferred tax assets

Deferred tax assets are recognized for deductible temporary differences, carryforward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax liabilities are basically recognized for taxable temporary differences. Future taxable profit represents the best estimate based on sales forecasts, cost reduction plans, and other information that is available by the end of fiscal year. Deferred tax assets are reviewed each fiscal year and reduced for the part that sufficient taxable profits will not be available to allow the benefit.

The Group believes that the estimates made for assessing the recoverability of deferred tax assets are reasonable. However, as these estimates include uncertainties, the Group may consequently make additional reductions of deferred tax assets in the future if the estimates related to assessing the recoverability of deferred tax assets change due to unpredictable changes to assumptions, etc.

Deductible temporary differences and unused tax losses for which deferred tax assets are not recognized are stated in “19. Income taxes, (1) Deferred tax assets and deferred tax liabilities.”

(v) Fair value of financial instruments

The fair value of certain assets and liabilities has been determined using market information such as quoted market prices, and valuation methodologies such as the market approach, income approach, and cost approach. If available, quoted prices on active markets, or observable inputs, are used to measure fair value. If such information is not available, unobservable inputs that reflect the Group’s judgment on assumptions, which market participants would use when pricing the assets or liabilities, are used. The Group develops unobservable inputs using the best information available in the circumstances, which might include the Group’s own data.

The Group believes that assessments of fair value of financial instruments are reasonable. However, as these assessments include uncertainties, the fair value measurement may consequently change if the estimates related to assessing financial instruments change due to unpredictable changes to assumptions, etc.

The carrying amounts of financial instruments, details of material unobservable inputs and valuation methodologies for the financial instruments classified as Level 3 are stated in “23. Financial instruments, (3) Fair value of financial instruments.”

(vi) Changes in accounting estimation

From the fiscal year under review, the Company has revised its accounting estimation method for market action costs, including recall-related costs determined by customers such as automobile manufacturers. Previously, the Company applied both an individual estimation method and a comprehensive estimation method for product warranty provisions at the time of product sales. Under the revised method, the Company generally estimates product warranty provisions comprehensively at the time of product sales, except for certain cases where individual estimation is considered more appropriate based on the nature and scale of the costs. This change is due to the accumulation of sufficient historical performance data, which has enabled the Company, as a general principle, to reasonably estimate costs related to market action measures through a comprehensive calculation. As a result of this change in the estimation method, the product warranty provisions decreased by ¥5,862 million as of the end of the fiscal year under review. This decrease is included in selling, general, and administrative expenses.

(5) Change in presentation method

“Purchase of short-term securities with maturities of more than three months” and “proceeds from sales and redemption of short-term securities with maturities of more than three months,” which had been included in “Decrease (increase) in time deposits” on a net basis in the consolidated statements of cash flows for the previous fiscal year, have been included in “Purchase of investment securities” and “Proceeds from sales and redemption of investment securities” respectively from the fiscal year

under review in order to enhance clarity of presentation. Accordingly, the consolidated statements of cash flows for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, in the consolidated statements of cash flows for the previous fiscal year, the amounts of ¥17,130 million presented in “Decrease (increase) in time deposits,” ¥(5,653) million presented in “Purchase of investment securities,” and ¥5,519 million presented in “Proceeds from sales and redemption of investment securities” under “Net cash provided by (used in) investing activities” have been reclassified as ¥415 million in “Decrease (increase) in time deposits,” ¥(17,653) million in “Purchase of investment securities” and ¥34,234 million in “Proceeds from sales and redemption of investment securities,” respectively.

(6) Standards and interpretations announced but not adopted

The newly established or amended standards and interpretations that have been issued prior to the approval date of the consolidated financial statements, but have not been applied by the Group, are as follows.

The impact of adopting IFRS 9 and IFRS 7 on the Group is immaterial. The impact of adopting IFRS 18 on the Group is still under consideration and cannot be estimated at this time.

| Standards and interpretations |                                                                   | Mandatory adoption<br>(from fiscal year<br>beginning on or after) | Fiscal year in which<br>the Group will adopt<br>the standard | Overview of new standards and amendments                                                                                                                                    |
|-------------------------------|-------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| IFRS 9<br>IFRS 7              | Financial Instruments<br>Financial<br>Instruments:<br>Disclosures | January 1, 2026                                                   | FY2027                                                       | Revisions to accounting treatment and disclosures related to contracts referencing nature-dependent electricity                                                             |
| IFRS 18                       | Presentation and<br>disclosure in<br>financial statements         | January 1, 2027                                                   | FY2028                                                       | A new standard that replaces IAS 1, “Presentation of Financial Statements,” which is the current accounting standard on presentation and disclosure in financial statements |

### 3. Material accounting policies

Material accounting policies that were adopted in preparing the consolidated financial statements are as follows. Unless stated otherwise, these policies are applied continuously for all reporting periods indicated.

(1) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities that are controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity, and has the ability to affect those returns through its power over the entity.

The subsidiary’s financial statements are included in the consolidation from the date of acquisition until the date on which the Group loses control.

In cases where the accounting policies applied by subsidiaries are different from those applied by the Group, adjustments are made to the financial statements of such subsidiaries.

All intergroup balances, transactions, and unrealized gains or losses arising from transactions within the Group are eliminated in preparing the consolidated financial statements.

Changes in ownership interest without loss of control of the subsidiary are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the parent.

If the Group loses control of a subsidiary, the gain or loss on disposal is calculated as the difference between the aggregate of the fair value of the consideration received, the fair value of any retained non-controlling interest and the carrying amount of former subsidiary’s net assets (including goodwill), liabilities and carrying amount of any non-controlling interest in the former subsidiary on the date the control is lost. The difference is recognized in profit or loss.

(ii) Associates

An associate is an entity over which the Group has significant influence on financial and operating policies but does not have control.

Investments in associates are accounted for using the equity method and recognized at acquisition cost at the time of acquisition. Then, from the date on which the Group has significant influence until the date on which it ceases to have significant influence, the amount of investments is revised to recognize the Group's share of the associates' profits or losses and other comprehensive income.

Unrealized gains or losses resulting from transactions with associates are added to or subtracted from the investment up to the amount of the Group's interest.

In cases where the accounting policies adopted by associates are different from those applied by the Group, adjustments are made to the financial statements of such associates.

When there is objective evidence of impairment of an investment in an associate, the total investment in the associate is tested for impairment as a single asset.

When an entity ceases to be an associate and is no longer accounted for by the equity method, the gains or losses resulting from the cessation of application of the equity method are recognized in profit or loss.

(iii) Business combinations

Business combinations are accounted for using the acquisition method.

The consideration of an acquisition is measured as the sum of the acquisition-date fair value of the assets transferred, liabilities assumed, and equity instruments issued by the Company in exchange for control over an acquiree. Acquisition-related costs incurred in relation to business combinations are recognized as expenses when they are incurred.

Identifiable assets acquired and liabilities assumed by business combinations are measured at fair values on the acquisition date. The Group chooses, on a transaction-by-transaction basis, whether to measure the non-controlling interests at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets.

If the consideration of an acquisition exceeds the fair value of identifiable assets acquired and liabilities assumed, the excess is recognized as goodwill. In case the identifiable assets and liabilities exceed the consideration, the difference is recognized as profit or loss. Additional acquisition of non-controlling interests subsequent to the initial acquisition is accounted for as a capital transaction, and no goodwill is recognized with respect to such transactions.

(2) Foreign currency translation

(i) Translation of foreign currency transactions

Financial statements of each Group company are prepared in the functional currency of that company. Transactions in currencies other than functional currency (foreign currencies) are translated at the exchange rate on the transaction date.

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate on the fiscal year-end date. Non-monetary items denominated in foreign currencies are translated at the exchange rates on the transaction date if measured at acquisition cost, and at the exchange rates on the measurement dates if measured at fair value.

Exchange differences arising from translations or settlements are recognized in profit or loss. However, exchange differences arising from equity instruments measured through other comprehensive income and cash flow hedges are recognized in other comprehensive income.

(ii) Translation of foreign operations

Assets and liabilities of foreign operations are translated into Japanese yen at the exchange rate on the fiscal year-end date. Revenue and expenses of foreign operations other than those operating in hyperinflationary economies are translated into Japanese yen at period-average exchange rates. Exchange differences arising from translation of financial statements of foreign operations are recognized in other comprehensive income. On the disposal of a foreign

operation, the cumulative amount of the exchange differences of that foreign operation is recognized in profit or loss in the period of disposition.

(3) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits that can be withdrawn as needed, and short-term investments that are readily convertible into cash, have little risk of changes in value, and have a short maturity of three months or less from the date of acquisition.

(4) Financial instruments

(i) Financial assets (excluding derivatives)

i) Initial recognition and measurement

The Group recognizes financial assets on the transaction date on which the Group becomes a party to the contractual provisions of the financial instrument.

All financial assets, except for financial assets measured at fair value through profit or loss, are initially measured at their fair value plus transaction costs that are directly attributable to such financial assets.

ii) Classification

(a) Debt instruments

a. Financial assets measured at amortized cost

Financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

- the assets are held based on a business model whose objective is to hold assets in order to collect contractual cash flows; and
- cash flows that are solely payments of principal and interest on the principal amount outstanding occur on specified dates under the contractual terms of the financial assets.

b. Financial assets measured at fair value through other comprehensive income

Financial assets are classified as financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

- the assets are held based on a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- cash flows that are solely payments of principal and interest on the principal amount outstanding occur on specified dates under the contractual terms of the financial assets.

c. Financial assets measured at fair value through profit or loss

Financial assets except for those provided above are classified as financial assets measured at fair value through profit or loss.

However, for the purpose of eliminating or significantly reducing accounting mismatch, the Group may, at initial recognition, designate a financial asset other than a financial asset measured at fair value through profit or loss as financial asset measured at fair value through profit or loss.

(b) Equity instruments

a. Financial assets measured at fair value through other comprehensive income

Financial assets that are designated at initial recognition as financial assets whose changes in fair values are to be recognized through other comprehensive income, are classified as financial assets measured at fair value through other comprehensive income.

b. Financial assets measured at fair value through profit or loss

Financial assets other than financial assets measured at fair value through other comprehensive income are classified as financial assets measured at fair value through profit or loss.

iii) Subsequent measurement

Financial assets measured at amortized cost are measured using the effective interest method.

Financial assets measured at fair value through profit or loss are measured at fair value, and gains and losses are recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income are measured at fair value, and gains and losses are recognized in other comprehensive income.

When a financial asset is derecognized, the cumulative profit or loss recognized in other comprehensive income are transferred to profit or loss for debt instruments, and to retained earnings for equity instruments.

Dividends are recognized in profit or loss.

iv) Impairment of financial assets

The Group recognizes expected credit loss for debt instruments measured at fair value through other comprehensive income and financial assets measured at amortized cost in allowance for doubtful accounts.

Allowance for doubtful accounts is measured at the same amount as 12-month expected credit loss for financial assets at the end of each reporting period. However, if the Group, based on objective data, determines that the credit risk on financial assets has increased significantly since initial recognition, the amount equal to the lifetime expected credit losses is recognized as allowance for doubtful accounts. Whether credit risk has increased significantly is determined based on changes in default risk of the financial assets.

Notwithstanding the above, allowance for doubtful accounts for trade receivables is always measured at the same amount as lifetime expected credit losses.

v) Derecognition

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when substantially all the risks and rewards of ownership of the assets are transferred.

(ii) Financial liabilities (excluding derivatives)

i) Initial recognition and measurement

The Group recognizes financial liabilities on the transaction date on which the Group becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are measured at fair value at initial recognition. However, financial liabilities measured subsequently at amortized cost are measured at their fair value after deducting transaction costs that are directly attributable to the issuance of the financial liabilities.

ii) Classification

(a) Financial liabilities measured at fair value through profit or loss

For the purpose of eliminating or significantly reducing accounting mismatch, the Group classifies financial liabilities that are designated at initial recognition as financial liabilities measured at fair values through profit or loss as financial liabilities measured at fair value through profit or loss.

(b) Financial liabilities measured at amortized cost

Financial liabilities other than financial liabilities measured at fair value through profit or loss are classified as financial liabilities measured at amortized cost.

iii) Subsequent measurement

Financial liabilities measured at amortized cost are measured using the effective interest method.

Financial liabilities measured at fair value through profit or loss are measured at fair value, and gains and losses are recognized in profit or loss.

iv) Derecognition

The Group derecognizes financial liabilities when its contractual obligations are discharged, cancelled, or expired.

(iii) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amounts are presented in the consolidated statements of financial position when the Group has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize assets and settle liabilities simultaneously.

(iv) Derivatives and hedge accounting

The Group utilizes derivatives, including forward exchange, currency swaps, currency options, and interest rate swaps to hedge foreign exchange and interest rate risks. In addition, derivatives are recognized in connection with the settlement of cash flows with power producers under virtual power purchase agreements. These derivatives are initially recognized at fair value when the derivative contracts are entered into and are also remeasured at fair value after initial recognition.

At the inception of a hedge, the Group formally designates and documents the hedging relationship between the hedge instrument and hedged item, and the objectives and strategies of risk management for undertaking the hedge. In addition, at the inception of the hedge and on an ongoing basis throughout the hedging period, hedges are assessed as to whether the derivatives used for the hedge transactions are highly effective in offsetting the changes in fair values and cash flows of the hedged items.

The Group classifies and applies hedge accounting to transactions under the following categories.

i) Fair value hedge

Changes in fair value of derivatives designated as hedging instrument are recognized in profit or loss. For changes in fair values of the hedged items attributable to the hedged risks, the carrying amounts of the hedged items are adjusted and recognized in profit or loss.

ii) Cash flow hedge

The effective portion of the gains or losses on the hedging instruments is recognized in other comprehensive income, while the ineffective portion is recognized in profit or loss. The amounts of hedging instruments recognized in other components of equity are reclassified to profit or loss when the transactions of the hedged items affect profit or loss.

(5) Inventories

Inventories are measured at the lower of acquisition cost and net realizable value. The cost of inventories is determined using mainly the weighted average method, and includes all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated selling expenses.

(6) Property, plant and equipment

Property, plant and equipment is measured using the cost model and is stated at acquisition cost less accumulated depreciation and accumulated impairment losses. Acquisition cost includes any costs directly attributable to the acquisition of the asset, dismantlement and removal, and land restoration costs, as well as borrowing costs eligible for capitalization.

Except for assets that are not subject to depreciation such as land and construction in progress, property, plant and equipment is mainly depreciated using the straight-line method over their estimated useful lives.

The estimated useful lives of major property, plant and equipment are as follows:

|                                |               |
|--------------------------------|---------------|
| Buildings and structures:      | 3 to 60 years |
| Machinery and vehicles:        | 3 to 10 years |
| Tools, furniture and fixtures: | 2 to 10 years |

The estimated useful lives, residual values, and depreciation method are reviewed at the end of each fiscal year and, if there are any changes, the effects of changes in accounting estimates are recognized prospectively.

(7) Intangible assets

(i) Goodwill

Details on the measurement of goodwill at initial recognition are stated in “(1) Basis of consolidation, (iii) Business combinations.” Goodwill is stated at acquisition cost less accumulated impairment losses.

(ii) Other intangible assets

Other intangible assets are measured using the cost model and are stated at acquisition cost less accumulated amortization and accumulated impairment losses.

i) Separately acquired intangible assets and intangible assets acquired in business combinations

Separately acquired intangible assets are measured at cost upon initial recognition. Intangible assets acquired in business combinations are recognized separately from goodwill and measured at fair value at the acquisition date.

ii) Internally generated intangible assets

Cost arising from development activities (or from the development phase of an internal project) is recognized as asset if, and only if, the Group can demonstrate all of the following:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits;
- (e) the availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs and expenditures related to development activities that do not satisfy the above asset recognition conditions are recognized in profit or loss as incurred.

iii) Amortization

Intangible assets with finite useful lives are amortized using the straight-line method over their estimated useful lives.

The estimated useful lives of major intangible assets are as follows:

|                    |               |
|--------------------|---------------|
| Software:          | 3 to 10 years |
| Development costs: | 2 to 5 years  |

The estimated useful lives and amortization method are reviewed at the end of each fiscal year and, if there are any changes, the effects of changes in accounting estimates are recognized prospectively.

(8) Leases

Upon entering into a contract, the Group assesses whether the contract is or contains a lease in accordance with IFRS 16.

(i) As lessee

At the inception of a contract, the Group assesses whether the contract is or contains a lease. For all leases excluding leases that have a lease term of 12 months or less and leases of low-value assets, the Group applies a single accounting model and recognizes at the commencement date its right to use the underlying lease assets as right-of-use assets, and its obligation to make lease payments as lease liabilities.

Lease liabilities are measured at the present value of the lease payments that are not paid at the commencement date, discounted using the lessee's incremental borrowing rate. After the commencement date, the carrying amounts of lease liabilities are adjusted by reflecting interest on the lease liabilities and lease payments made. Lease liabilities are remeasured if there is a lease modification. The lease term is determined as the non-cancellable period of lease, together with both a period covered by an option to extend the lease if the lessee is reasonably certain to exercise that option and a period covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Right-of-use assets are initially measured at the amount of the initial measurement of lease liabilities adjusted by any initial direct costs, prepaid lease payments, and other costs. After the initial measurement, a cost model is adopted, and the right-of-use assets are depreciated on a regular basis from the commencement date to the earlier of the end of the useful life or the end of the lease term.

For leases that have a lease term of 12 months or less and leases of low-value assets, lease payments are recognized as expense on a straight-line basis over the lease term.

(ii) As lessor

For lease receivables in finance lease transactions, the net investment in the lease is recognized in assets. If the Group becomes a lessor as manufacturer or dealer, sales revenue from finance lease is recognized at the commencement date.

(9) Impairment of non-financial assets

The Group assesses, at the end of each reporting period, whether there is any indication that the Group's non-financial assets (excluding inventories and deferred tax assets) may be impaired. If there is any indication of impairment, the Group performs impairment tests. For goodwill and intangible assets with indefinite useful lives and intangible assets that are not yet in use, impairment tests are performed every year and each time there is an indication of impairment.

The recoverable amount is the higher of its value in use or fair value less disposition costs. In calculating value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the asset. In case where the recoverable amount cannot be estimated for each asset, the recoverable amount of the cash-generating unit to which the asset belongs is calculated.

The cash-generating unit of assets other than goodwill is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The cash-generating unit of goodwill is determined based on the unit monitored for the purpose of internal reporting, which should not be larger than an operating segment prior to combination. Since the corporate assets do not generate independent cash inflows, the Group determines the recoverable amount of the cash-generating units to which the corporate assets are attributed in the event there is an indication that the corporate assets are impaired.

If the carrying amount of an asset or cash-generating unit exceeds the recoverable amount, impairment losses are recognized in profit or loss.

The Group assesses, at the end of each reporting period, whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may have decreased or no longer exist. If any such indication exists and there are changes in the estimates used for the determination of the recoverable amount, impairment loss is reversed. An impairment loss is reversed up to the carrying amount (net of necessary depreciation or amortization) that would have been determined if no impairment loss had been recognized in prior years. Impairment losses related to goodwill are not reversed.

(10) Employee benefits

(i) Post-employment benefits

i) Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans. The Group's net defined benefit obligations are calculated respectively for each plan by estimating the future amount of benefits that employees have earned in exchange for their service over the previous years and the current year, and discounting the present value with such amount. The fair values of plan assets are deducted from the results of calculations. If the defined benefit plan has a surplus, the defined benefit asset (retirement benefit assets) to be stated in the consolidated statements of financial position is limited to the asset ceiling that is the present value of any future economic benefits available in the form of reduction in the future contributions to the defined benefit plan.

Net interest cost on the net defined benefit liability (asset) is calculated by applying a discount rate to the net defined benefit liability (asset) and recognized in employee benefit expenses. The discount rate is determined by reference to the market yields at the end of each fiscal year on high-quality corporate bonds that have maturity terms approximating those of the Group's obligations.

If the plan is revised or reduced, changes in the present value of defined benefit obligations due to increase or decrease in payment for employees' past service are immediately recognized in profit or loss.

The Group recognizes all adjustments due to remeasurement from the defined benefit plan in other comprehensive income, and immediately reclassifies them from other comprehensive income to retained earnings.

ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans in which the employer pays fixed contributions into separate entities and will have no legal or constructive obligation to make further contributions. The obligations for contributions to defined contribution plans are recognized in profit or loss during the period the employees render services.

(ii) Short-term employee benefits

Short-term employee benefits are measured on an undiscounted basis and are recognized in profit or loss when the relevant service is rendered.

If the Group has a legal or constructive obligation to pay bonuses and paid vacation expenses, and the obligation can be estimated reliably, the estimated amounts to be paid under such plan are recognized in trade and other payables.

(iii) Other long-term employee benefits

Obligations under the long service award system are calculated by discounting the present value with the estimated future amount of benefits that employees have earned in exchange for their service over the previous years and the current year.

(11) Stock-based remuneration

The Company provides a restricted stock remuneration system as an equity-settled stock-based remuneration system for Directors (excluding Outside Directors). Consideration for the services received is measured at the fair value of the Company's equity on the grant date. It is recognized as expense in the consolidated statements of income from the grant date throughout the vested period, and the same amount is recognized as increase in equity in the consolidated statements of financial position.

## (12) Provisions

The Group recognizes provisions when it has present legal or constructive obligations as a result of past events, it is probable that outflows of resources embodying economic benefits will be required to settle the obligations, and reliable estimates can be made of the amount of the obligations. Where the effect of the time value of money is material, the amounts of provisions are measured at the present value by the estimated future cash flows that is discounted by a pretax rate that reflects the time value of money and the risk specific to the liability. Reversals of discounts due to the passage of time are recognized as finance expenses.

## (13) Equity

The amount of common stocks issued by the Company is recognized in capital stock and capital surplus, and direct issue costs (after tax effects) are deducted from capital surplus.

When the Company acquires treasury stock, the consideration paid, net of direct transaction costs and tax, is recognized as a deduction from equity. When the Company disposes of treasury stock, the difference between carrying amount and consideration received is recognized in capital surplus.

## (14) Revenue

The Group recognizes revenue from contracts with customers except for lease income, etc. in IFRS 16 “Leases” by applying the following five-step approach.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Group is mainly engaged in the manufacture and sale of automotive parts, serving automobile manufacturers in Japan and overseas. The Group’s performance obligation is primarily to deliver a finished product to the customer. In addition, after comprehensively considering the indicators of the transfer of control in IFRS 15, for the Group’s automotive parts business, control of the product is deemed transferred to the customer and the performance obligation is satisfied, in principle, at the time the customer inspects the product, or at the time the product is handed over to the designated freight forwarder, therefore revenue is recognized at that point. Revenue is measured at the amount of consideration promised in the contract with the customer, taking into consideration price discounts and other subsequent adjustments. When a transaction takes place based on a temporary unit price, an estimate is made based on an appropriate method such as using the most likely amount to determine the amount of variable consideration. Consideration for the sale of products is generally received within about three months from the time the customer inspects the products, and the amount does not include any significant financing components.

## (15) Income taxes

Income tax expenses comprise current income taxes and deferred taxes. Income tax expenses are recognized in profit or loss, except for taxes arising from business combinations and those arising from items that are recognized directly in equity or in other comprehensive income.

Current income taxes are measured at the amount expected to be paid to or refunded from the taxation authorities. The Group uses the tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred taxes are calculated based on the temporary differences between the carrying amounts of assets and liabilities at the end of the fiscal year and their tax bases. Deferred tax assets are recognized for deductible temporary differences, carryforward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax liabilities are basically recognized for taxable temporary differences. Deferred tax assets are reviewed each fiscal year and reduced for the part that sufficient taxable profits will not be available to allow the benefit.

No deferred tax assets and liabilities are recognized for the following temporary differences:

- taxable temporary differences arising from the initial recognition of goodwill;

- temporary differences arising from the initial recognition of assets and liabilities resulting from transactions, that are not business combinations, that affect neither accounting profit nor taxable profit at the time of the transactions, and do not give rise to equal amounts of taxable and deductible temporary differences at the time of the transactions;
- taxable temporary differences arising from investments in subsidiaries and associates, to the extent that the timing of reversal of the temporary difference is controlled and that it is probable that the temporary difference will not reverse in the foreseeable future; and
- deductible temporary differences arising from investments in subsidiaries and associates, to the extent that it is not probable that future taxable profits will be available against which the temporary differences can be utilized, or that it is not probable that the temporary difference will reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the assets are realized or the liabilities are settled, based on the tax rates and tax laws that have been enacted or substantively enacted by the end of the fiscal year.

Deferred tax assets and liabilities are offset if the Group has a legally enforceable right to set off current tax assets against tax liabilities and income taxes are levied by the same taxation authority on the same taxable entity.

The Company and some of its consolidated subsidiaries apply the Japanese group relief system.

The Group applies the “International Tax Reform—Pillar Two Model Rules” (Amendments to IAS 12 “Income Taxes”). As such, the Group does not recognize or disclose information about deferred tax assets and deferred tax liabilities related to Pillar Two income taxes.

#### (16) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the Group will receive the grants and comply with the conditions attached to them.

Grants related to assets are deducted from the acquisition cost of the assets and recognized in profit or loss on a regular basis over the useful lives of the assets.

Grants related to revenue are recognized in profit or loss on a regular basis over the periods in which the related costs for which the grants are intended to compensate are recognized.

#### (17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are included in the acquisition cost of such asset until it is substantially ready for its intended use or sale.

All borrowing costs other than those above are recognized in profit or loss in the period in which they are incurred.

#### (18) Earnings per share

Basic earnings per share are calculated by dividing profit or loss attributable to common shareholders of the parent entity by the weighted average number of shares (common stocks) outstanding during the period, adjusting treasury stock. Diluted earnings per share are calculated by adjusting for the effects of dilutive potential shares.

#### (19) Assets held for sale

A non-current asset or disposal group for which the value will be recovered through a sale transaction rather than through continuing use is classified as held for sale only when it is highly probable that the asset or asset group will be sold within one year, that the asset or asset group is available for immediate sale in its present condition, and that the Group management commits to the sale plan.

The Group measures the non-current asset or disposal group classified as held for sale at the lower of its carrying amount or its fair value less costs to sell. The assets are not depreciated or amortized after they are classified as held for sale.

#### 4. Segment information

##### (1) General information regarding reportable segments

The reportable segments of the Group are components for which financial information is available and whose operating results are periodically reviewed by the Board of Directors to make decisions about the allocation of resources and to assess performance.

We devise strategies, policies and goals for maximizing sustainable business value for the entire Group by meeting diverse needs near major automobile manufacturers around the world, and developing, producing, and selling high value-added products. We have assigned officers in charge of each region to supervise the devising of comprehensive strategies in the regions. In addition, the Group mainly manufactures and sells automobile parts, etc., and each company is conducting business activities based on the economic conditions and automobile parts market trends in each region, as well as business strategies and sales activities.

Therefore, the Group consists of segments by location of the company based on the manufacture and sale of automobile parts, etc., and set five reportable segments with similar economic characteristics, etc.: “Japan,” “North America,” “Europe,” “China,” and “ASEAN and India.”

Reportable segments and their product and service are as follows.

| Segment         | Products and services                                        |
|-----------------|--------------------------------------------------------------|
| Japan           | Overall automotive parts<br>Energy solution related products |
| North America   | Overall automotive parts                                     |
| Europe          | Overall automotive parts                                     |
| China           | Overall automotive parts                                     |
| ASEAN and India | Overall automotive parts                                     |

(2) Information on reportable segments

The accounting policies for reportable segments are consistent with the accounting policies of the Group as described in “3. Material accounting policies.”

FY2025 (Apr. 1, 2024 through Mar. 31, 2025)

(Million Yen)

|                                                                          | Reportable segments |               |         |         |                 |           | Others | Adjustments | Total     |
|--------------------------------------------------------------------------|---------------------|---------------|---------|---------|-----------------|-----------|--------|-------------|-----------|
|                                                                          | Japan               | North America | Europe  | China   | ASEAN and India | Total     |        |             |           |
| Revenue                                                                  |                     |               |         |         |                 |           |        |             |           |
| Revenue from third parties                                               | 2,440,604           | 1,071,808     | 284,182 | 595,126 | 466,465         | 4,858,187 | 37,917 | –           | 4,896,104 |
| Inter-segment                                                            | 698,737             | 15,119        | 11,747  | 23,775  | 63,719          | 813,099   | 31     | (813,130)   | –         |
| Total                                                                    | 3,139,341           | 1,086,928     | 295,929 | 618,902 | 530,184         | 5,671,286 | 37,948 | (813,130)   | 4,896,104 |
| Segment profit                                                           | 73,694              | 29,311        | 4,390   | 32,381  | 59,356          | 199,135   | 3,527  | 278         | 202,941   |
| Finance income                                                           |                     |               |         |         |                 |           |        |             | 30,452    |
| Finance expenses                                                         |                     |               |         |         |                 |           |        |             | (49,402)  |
| Equity in earnings of affiliates                                         |                     |               |         |         |                 |           |        |             | 5,666     |
| Gains (losses) on sales of investments accounted for using equity method |                     |               |         |         |                 |           |        |             | (16,217)  |
| Profit before income taxes                                               |                     |               |         |         |                 |           |        |             | 173,440   |
| Other items                                                              |                     |               |         |         |                 |           |        |             |           |
| Depreciation and amortization                                            | 166,806             | 43,330        | 2,770   | 35,701  | 23,101          | 271,711   | 1,128  | –           | 272,839   |
| Capital expenditures                                                     | 135,720             | 40,432        | 9,285   | 17,362  | 29,001          | 231,801   | 508    | –           | 232,310   |

Note 1: Others include omitted non-core regions that manufacture and sell automotive parts, such as Brazil.

Note 2: Inter-segment revenue is based on transaction price negotiated each year in consideration of market price and total cost.

Note 3: Segment profit is based on operating profit.

Note 4: Capital expenditures are the total of property, plant and equipment and intangible assets (excluding goodwill and development costs).

FY2026 (Apr. 1, 2025 through Mar. 31, 2026)

(Million Yen)

|                                  | Reportable segments |               |         |         |                 |           | Others | Adjustments | Total     |
|----------------------------------|---------------------|---------------|---------|---------|-----------------|-----------|--------|-------------|-----------|
|                                  | Japan               | North America | Europe  | China   | ASEAN and India | Total     |        |             |           |
| Revenue                          |                     |               |         |         |                 |           |        |             |           |
| Revenue from third parties       | 2,518,054           | 1,181,242     | 268,672 | 566,074 | 544,258         | 5,078,302 | 39,461 | –           | 5,117,764 |
| Inter-segment                    | 696,682             | 14,609        | 15,579  | 32,842  | 69,158          | 828,873   | 21     | (828,895)   | –         |
| Total                            | 3,214,736           | 1,195,852     | 284,252 | 598,917 | 613,417         | 5,907,175 | 39,483 | (828,895)   | 5,117,764 |
| Segment profit                   | 80,257              | 39,133        | 4,123   | 30,657  | 69,618          | 223,790   | 4,244  | 761         | 228,796   |
| Finance income                   |                     |               |         |         |                 |           |        |             | 28,787    |
| Finance expenses                 |                     |               |         |         |                 |           |        |             | (15,221)  |
| Equity in earnings of affiliates |                     |               |         |         |                 |           |        |             | 5,578     |
| Profit before income taxes       |                     |               |         |         |                 |           |        |             | 247,941   |
| Other items                      |                     |               |         |         |                 |           |        |             |           |
| Depreciation and amortization    | 160,140             | 43,231        | 3,450   | 32,503  | 24,239          | 263,565   | 1,068  | –           | 264,634   |
| Capital expenditures             | 114,496             | 39,154        | 28,679  | 21,489  | 27,920          | 231,740   | 354    | –           | 232,095   |

Note 1: Others include omitted non-core regions that manufacture and sell automotive parts, such as Brazil.

Note 2: Inter-segment revenue is based on transaction price negotiated each year in consideration of market price and total cost.

Note 3: Segment profit is based on operating profit.

Note 4: Capital expenditures are the total of property, plant and equipment and intangible assets (excluding goodwill and development costs).

(3) Information on products and services

This information has been omitted, as revenue from external customers of automotive parts accounts for a large percentage of revenue recorded on the consolidated statements of income.

(4) Information by geographical area

(i) Revenue from third parties

(Million Yen)

|                   | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|-------------------|------------------------------------------------|------------------------------------------------|
| Japan             | 2,175,216                                      | 2,316,889                                      |
| The United States | 839,538                                        | 941,282                                        |
| China             | 639,548                                        | 588,382                                        |
| Others            | 1,241,802                                      | 1,271,209                                      |
| Total             | 4,896,104                                      | 5,117,764                                      |

Note: Revenue is segmented based on the locations of customers.

(ii) Non-current assets

(Million Yen)

|                   | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-------------------|------------------------------|------------------------------|
| Japan             | 923,870                      | 890,313                      |
| The United States | 220,444                      | 230,423                      |
| China             | 216,723                      | 213,642                      |
| Others            | 220,652                      | 265,040                      |
| Total             | 1,581,691                    | 1,599,420                    |

Note: Non-current assets are segmented based on locations of assets, and do not include financial assets, deferred tax assets, and retirement benefit assets.

(5) Information on major customers

The Group's major customer is Toyota Motor Corporation and its group companies. Revenue from the major customer is recorded in all reportable segments.

(Million Yen)

| FY2025 (Apr. 1, 2024 through Mar. 31, 2025) | FY2026 (Apr. 1, 2025 through Mar. 31, 2026) |
|---------------------------------------------|---------------------------------------------|
| 2,870,025                                   | 3,112,449                                   |

## 5. Cash and cash equivalents

The components of cash and cash equivalents are as follows.

(Million Yen)

|                        | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|------------------------|------------------------------|------------------------------|
| Cash and deposits      | 447,059                      | 569,978                      |
| Short-term investments | 4,631                        | 22,419                       |
| Total                  | 451,690                      | 592,398                      |

## 6. Trade and other receivables

The components of trade and other receivables are as follows.

(Million Yen)

|                                                              | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|--------------------------------------------------------------|------------------------------|------------------------------|
| Accounts receivable—trade                                    | 625,888                      | 673,603                      |
| Notes receivable and electronically recorded monetary claims | 74,783                       | 71,168                       |
| Other                                                        | 38,614                       | 31,756                       |
| Allowance for doubtful accounts                              | (2,080)                      | (2,727)                      |
| Total                                                        | 737,206                      | 773,800                      |

Note: Trade and other receivables are classified as financial assets measured at amortized cost.

## 7. Inventories

The components of inventories are as follows.

(Million Yen)

|                                | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|--------------------------------|------------------------------|------------------------------|
| Merchandise and finished goods | 209,553                      | 228,048                      |
| Work in progress               | 151,338                      | 161,847                      |
| Raw materials and supplies     | 169,190                      | 190,376                      |
| Total                          | 530,082                      | 580,272                      |

Note: The amounts of write-down (or reversal) of inventories recognized as expense in cost of revenue for FY2025 and FY2026 were ¥3,267 million and (¥5,341) million, respectively.

## 8. Assets held for sale

There are no applicable items.

## 9. Property, plant and equipment

### (1) Schedule of changes in property, plant and equipment

Changes in acquisition cost, accumulated depreciation, and accumulated impairment losses, as well as carrying amounts of property, plant and equipment are as follows.

(Million Yen)

| Acquisition cost                       | Buildings and structures | Machinery and vehicles | Tools, furniture and fixtures | Land    | Construction in progress | Total     |
|----------------------------------------|--------------------------|------------------------|-------------------------------|---------|--------------------------|-----------|
| Balance as of April 1, 2024            | 1,108,879                | 2,981,034              | 417,023                       | 173,143 | 147,592                  | 4,827,672 |
| Acquisition                            | 16,852                   | 24,384                 | 6,288                         | 181     | 176,031                  | 223,738   |
| Transfer from construction in progress | 9,626                    | 116,752                | 23,459                        | 1,066   | (150,905)                | –         |
| Disposal                               | (12,975)                 | (127,182)              | (26,207)                      | (2,253) | (1,893)                  | (170,512) |
| Foreign exchange differences           | (4,657)                  | (10,609)               | (1,117)                       | (478)   | (1,100)                  | (17,963)  |
| Other                                  | (464)                    | (580)                  | 3,880                         | (94)    | (1,100)                  | 1,640     |
| Balance as of March 31, 2025           | 1,117,259                | 2,983,798              | 423,327                       | 171,564 | 168,625                  | 4,864,575 |
| Acquisition                            | 14,140                   | 23,496                 | 7,083                         | 2,614   | 176,008                  | 223,343   |
| Transfer from construction in progress | 13,067                   | 140,539                | 27,024                        | 0       | (180,632)                | –         |
| Disposal                               | (16,179)                 | (78,110)               | (24,825)                      | (2,854) | (2,644)                  | (124,613) |
| Foreign exchange differences           | 32,616                   | 109,329                | 14,760                        | 2,295   | 9,673                    | 168,675   |
| Excluded from consolidation            | (2,092)                  | (5,417)                | (1,457)                       | –       | (25)                     | (8,993)   |
| Other                                  | 1,082                    | (724)                  | 126                           | (521)   | 315                      | 279       |
| Balance as of March 31, 2026           | 1,159,894                | 3,172,912              | 446,038                       | 173,100 | 171,319                  | 5,123,266 |

(Million Yen)

| Accumulated depreciation and accumulated impairment losses | Buildings and structures | Machinery and vehicles | Tools, furniture and fixtures | Land    | Construction in progress | Total       |
|------------------------------------------------------------|--------------------------|------------------------|-------------------------------|---------|--------------------------|-------------|
| Balance as of April 1, 2024                                | (698,966)                | (2,300,779)            | (349,770)                     | (4,130) | (3,162)                  | (3,356,810) |
| Depreciation                                               | (35,406)                 | (171,596)              | (34,289)                      | –       | –                        | (241,293)   |
| Impairment losses                                          | (21)                     | (2,343)                | (971)                         | –       | (864)                    | (4,201)     |
| Disposal                                                   | 11,301                   | 120,895                | 26,012                        | 1       | 215                      | 158,426     |
| Foreign exchange differences                               | 1,492                    | 4,119                  | 478                           | 6       | 40                       | 6,137       |
| Other                                                      | (397)                    | 1,174                  | (3,806)                       | 445     | (212)                    | (2,796)     |
| Balance as of March 31, 2025                               | (721,997)                | (2,348,530)            | (362,348)                     | (3,677) | (3,983)                  | (3,440,537) |
| Depreciation                                               | (35,316)                 | (164,533)              | (31,949)                      | –       | –                        | (231,800)   |
| Impairment losses                                          | (1,504)                  | (7,260)                | (1,452)                       | –       | (393)                    | (10,611)    |
| Disposal                                                   | 13,224                   | 73,164                 | 23,283                        | –       | 376                      | 110,048     |
| Foreign exchange differences                               | (18,087)                 | (80,251)               | (12,129)                      | (32)    | (371)                    | (110,872)   |
| Excluded from consolidation                                | 521                      | 2,811                  | 1,288                         | –       | –                        | 4,621       |
| Other                                                      | (623)                    | (447)                  | 65                            | 859     | 81                       | (65)        |
| Balance as of March 31, 2026                               | (763,783)                | (2,525,048)            | (383,242)                     | (2,850) | (4,291)                  | (3,679,217) |

Note: Depreciation of property, plant and equipment is included in cost of revenue, selling, general and administrative expenses, and other expenses in the consolidated statements of income.

(Million Yen)

| Carrying amount              | Buildings and structures | Machinery and vehicles | Tools, furniture and fixtures | Land    | Construction in progress | Total     |
|------------------------------|--------------------------|------------------------|-------------------------------|---------|--------------------------|-----------|
| Balance as of April 1, 2024  | 409,912                  | 680,254                | 67,252                        | 169,012 | 144,430                  | 1,470,862 |
| Balance as of March 31, 2025 | 395,262                  | 635,268                | 60,979                        | 167,887 | 164,641                  | 1,424,038 |
| Balance as of March 31, 2026 | 396,110                  | 647,863                | 62,796                        | 170,249 | 167,028                  | 1,444,048 |

## (2) Impairment losses

For property, plant and equipment, the Group defines a cash-generating unit as the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Operating assets are grouped by business group (primarily by individual consolidated subsidiary for consolidated subsidiaries), while idle assets and assets scheduled for disposal through sale or other means are treated as separate units. The Group assesses whether there are any indications of impairment at the end of each reporting period. In the event there is an indication of impairment, the Group determines the recoverable amount of such cash-generating units. The recoverable amount is the higher of its value in use or fair value less disposition costs. In calculating value in use, the estimated cash flows are discounted to their present value using a pretax discount rate that reflects the time value of money and the risks specific to the cash-generating unit.

Impairment losses are included in other expenses in the consolidated statements of income.

FY2025 (Apr. 1, 2024 through Mar. 31, 2025)

The amount recognized as impairment losses is not material.

FY2026 (Apr. 1, 2025 through Mar. 31, 2026)

For certain property, plant and equipment held by the Group in China, North America, and other regions, indicators of impairment were identified due to changes in the business environment and other factors. After considering future business performance forecasts and recoverability, the recoverable amount was determined to be lower than the carrying amount. As a result, the Group recognized impairment losses of ¥10,611 million. Of this amount, impairment losses of ¥8,578 million were recognized in the China segment, ¥1,754 million in the North America segment, ¥196 million in the Japan segment, and ¥82 million in the ASEAN and India segment.

The recoverable amount was measured based on fair value less disposition costs (including estimated selling prices), with the fair value categorized as Level 3 within the fair value hierarchy. For idle assets that were determined to be difficult to sell, the carrying amount was written down to a nominal value or zero.

## 10. Intangible assets

### (1) Schedule of changes in intangible assets

Changes in acquisition cost, accumulated amortization, and accumulated impairment losses, as well as carrying amounts of intangible assets are as follows.

(Million Yen)

| Acquisition cost                            | Goodwill | Software | Development costs | Intangible assets in progress | Other  | Total    |
|---------------------------------------------|----------|----------|-------------------|-------------------------------|--------|----------|
| Balance as of April 1, 2024                 | 1,432    | 60,259   | 40,995            | 3,243                         | 16,561 | 122,490  |
| Acquisition                                 | 769      | 2,763    | 8,214             | 5,322                         | 501    | 17,571   |
| Transfer from intangible assets in progress | —        | 4,673    | —                 | (4,815)                       | 141    | —        |
| Disposal                                    | —        | (10,911) | (6,435)           | (11)                          | (37)   | (17,395) |
| Foreign exchange differences                | (19)     | (128)    | —                 | (4)                           | (541)  | (693)    |
| Other                                       | —        | (109)    | —                 | 55                            | 0      | (53)     |
| Balance as of March 31, 2025                | 2,181    | 56,548   | 42,773            | 3,790                         | 16,625 | 121,919  |
| Acquisition                                 | —        | 2,634    | 9,552             | 5,634                         | 529    | 18,351   |
| Transfer from intangible assets in progress | —        | 4,528    | —                 | (4,644)                       | 116    | —        |
| Disposal                                    | —        | (8,324)  | (7,830)           | (7)                           | (89)   | (16,251) |
| Foreign exchange differences                | 105      | 1,323    | —                 | 65                            | 691    | 2,186    |
| Other                                       | —        | (138)    | —                 | 174                           | 0      | 36       |
| Balance as of March 31, 2026                | 2,287    | 56,572   | 44,495            | 5,012                         | 17,873 | 126,241  |

(Million Yen)

| Accumulated amortization and accumulated impairment losses | Goodwill | Software | Development costs | Intangible assets in progress | Other    | Total    |
|------------------------------------------------------------|----------|----------|-------------------|-------------------------------|----------|----------|
| Balance as of April 1, 2024                                | —        | (41,381) | (17,725)          | —                             | (7,501)  | (66,608) |
| Amortization                                               | —        | (7,621)  | (5,204)           | —                             | (3,315)  | (16,141) |
| Disposal                                                   | —        | 10,840   | 6,435             | —                             | 2        | 17,277   |
| Foreign exchange differences                               | —        | 67       | —                 | —                             | 29       | 96       |
| Other                                                      | —        | 59       | —                 | —                             | 19       | 79       |
| Balance as of March 31, 2025                               | —        | (38,035) | (16,493)          | —                             | (10,766) | (65,296) |
| Amortization                                               | —        | (7,876)  | (6,303)           | —                             | (3,392)  | (17,571) |
| Impairment losses                                          | —        | (11)     | (4,609)           | —                             | (1)      | (4,622)  |
| Disposal                                                   | —        | 8,205    | 7,829             | —                             | 45       | 16,080   |
| Foreign exchange differences                               | —        | (1,028)  | —                 | —                             | (553)    | (1,581)  |
| Other                                                      | —        | 169      | —                 | —                             | 17       | 186      |
| Balance as of March 31, 2026                               | —        | (38,576) | (19,577)          | —                             | (14,650) | (72,804) |

Note: Amortization of intangible assets is included in cost of revenue and selling, general and administrative expenses in the consolidated statements of income.

(Million Yen)

| Carrying amount              | Goodwill | Software | Development costs | Intangible assets in progress | Other | Total  |
|------------------------------|----------|----------|-------------------|-------------------------------|-------|--------|
| Balance as of April 1, 2024  | 1,432    | 18,878   | 23,269            | 3,243                         | 9,059 | 55,882 |
| Balance as of March 31, 2025 | 2,181    | 18,512   | 26,279            | 3,790                         | 5,858 | 56,623 |
| Balance as of March 31, 2026 | 2,287    | 17,996   | 24,918            | 5,012                         | 3,222 | 53,437 |

## (2) Impairment losses

For intangible assets, the Group defines a cash-generating unit as the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Capitalized development costs are grouped by development project, while software, patents and similar assets are grouped on an individual asset basis. The Group assesses whether there are any indications of impairment at the end of each reporting period. In the event there is an indication of impairment, the Group determines the recoverable amount of such cash-generating units.

Impairment losses are included in other expenses in the consolidated statements of income.

FY2025 (Apr. 1, 2024 through Mar. 31, 2025)

The amount recognized as impairment losses is not material.

FY2026 (Apr. 1, 2025 through Mar. 31, 2026)

For certain intangible assets held by the Group in Japan and China, indicators of impairment were identified due to customers' decisions to discontinue vehicle development and production, among other factors. After considering recoverability, the Group recognized impairment losses of ¥4,622 million. Of this amount, impairment losses of ¥4,610 million were recognized in the Japan segment and ¥11 million in the China segment.

The recoverable amount was measured based on value in use, which was determined to be zero.

## 11. Investments accounted for using the equity method

The carrying amount of investments in associates that are not individually material is as follows.

(Million Yen)

|                       | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-----------------------|------------------------------|------------------------------|
| Total carrying amount | 78,247                       | 84,515                       |

The Group's share of comprehensive income of associates that are not individually material is as follows.

(Million Yen)

|                                                 | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|-------------------------------------------------|------------------------------------------------|------------------------------------------------|
| The Group's share of profit                     | 5,666                                          | 5,578                                          |
| The Group's share of other comprehensive income | (488)                                          | 1,311                                          |
| Total                                           | 5,178                                          | 6,889                                          |

During FY2025, the Group excluded EXEDY Corporation and EXEDY America Corporation, which were equity-method associates, from the scope of equity-method accounting, as all the shares held by the Group were sold. As a result, a loss on the sale of these shares in the amount of ¥16,217 million was recorded under "Gains (losses) on sales of investments accounted for using equity method" in the consolidated statements of income. In addition, proceeds from the sale of these shares in the amount of ¥39,924 million were recorded as "Proceeds from sales of investments accounted for using equity method" in the consolidated statements of cash flows.

## 12. Other financial assets

### (1) Components of other financial assets

The components of other financial assets are as follows.

(Million Yen)

|                                                                  | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|------------------------------------------------------------------|------------------------------|------------------------------|
| Equity securities (Note 1)                                       | 668,736                      | 659,427                      |
| Bonds receivable (Note 1)                                        | 18,463                       | 21,659                       |
| Time deposits (with maturity of more than three months) (Note 2) | 1,573                        | 995                          |
| Lease receivables                                                | 7,721                        | 1,585                        |
| Derivative assets (Note 3)                                       | 4,163                        | 1,544                        |
| Other                                                            | 13,244                       | 11,623                       |
| Allowance for doubtful accounts                                  | (3,370)                      | (576)                        |
| Total                                                            | 710,533                      | 696,259                      |

Note 1: Equity securities and bonds receivable are classified as financial assets measured at fair value mainly through other comprehensive income. Bonds receivable includes some financial assets measured at fair value through profit or loss.

Note 2: Time deposits (with maturity of more than three months) are classified as financial assets measured at amortized cost.

Note 3: Derivative assets are classified as financial assets measured at fair value through profit or loss.

### (2) Financial assets measured at fair value through other comprehensive income

The names of major securities held as financial assets measured at fair value through other comprehensive income and their fair values are as follows.

(Million Yen)

|                               | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-------------------------------|------------------------------|------------------------------|
| Toyota Motor Corporation      | 461,563                      | 557,898                      |
| Toyota Fudosan Co., Ltd.      | 96,522                       | 85,293                       |
| Toyota Industries Corporation | 83,578                       | —                            |
| SUZUKI MOTOR CORPORATION      | 10,188                       | —                            |
| JTEKT Corporation             | 1,629                        | —                            |

Note: Equity securities are held mainly for strengthening relationships with investees. Therefore, they are classified as financial assets measured at fair value through other comprehensive income.

### (3) Derecognition of financial assets measured at fair value through other comprehensive income

In accordance with its policy on strategic shareholdings, the Group is disposing of (derecognizing) financial assets measured at fair value through other comprehensive income.

The fair value at derecognition and cumulative losses and gains that have been recognized in equity as other comprehensive income are as follows.

(Million Yen)

|                                       | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|---------------------------------------|------------------------------------------------|------------------------------------------------|
| Fair value                            | 4,176                                          | 151,391                                        |
| Cumulative losses and gains (pre-tax) | 590                                            | 136,369                                        |
| Dividend income                       | 72                                             | 1,211                                          |

Note: Cumulative losses and gains that have been recognized in equity as other comprehensive income were transferred to retained earnings at the time of disposal. The amounts transferred to retained earnings were net of taxes.

### 13. Trade and other payables

The components of trade and other payables are as follows.

(Million Yen)

|                                                       | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-------------------------------------------------------|------------------------------|------------------------------|
| Accounts payable—trade                                | 401,738                      | 403,988                      |
| Notes payable and electronically recorded obligations | 90,736                       | 49,658                       |
| Accrued expenses                                      | 376,780                      | 375,131                      |
| Other                                                 | 59,339                       | 50,754                       |
| Total                                                 | 928,595                      | 879,532                      |

Note 1: Trade and other payables are classified as financial liabilities measured at amortized cost, except for some items included in accrued expenses.

Note 2: Of the accrued expenses for FY2025 and FY2026, accrued expenses for recalls and other market actions were ¥94,916 million and ¥78,014 million, respectively.

### 14. Bonds and loans payable

The components of bonds and loans payable are as follows.

|                                            | FY2025 (As of Mar. 31, 2025)<br>(Million Yen) | FY2026 (As of Mar. 31, 2026)<br>(Million Yen) | Average interest rate<br>(%) (Note 1) | Repayment term<br>(Note 2) |
|--------------------------------------------|-----------------------------------------------|-----------------------------------------------|---------------------------------------|----------------------------|
| Short-term loans payable                   | 24,231                                        | 36,281                                        | 4.450                                 | —                          |
| Current portion of long-term loans payable | 66,463                                        | 41,473                                        | 0.488                                 | —                          |
| Current portion of bonds                   | —                                             | 20,000                                        | 0.160                                 | —                          |
| Bonds                                      | 140,000                                       | 120,000                                       | 0.653                                 | Sep. 2027 to Feb. 2080     |
| Long-term loans payable                    | 399,167                                       | 403,522                                       | 0.883                                 | Apr. 2027 to Mar. 2080     |
| Total                                      | 629,862                                       | 621,277                                       | —                                     | —                          |

Note 1: Average interest rates are the weighted average interest rates for the balances at the end of FY2026.

Note 2: The repayment terms are the terms for the balances at the end of FY2026.

The components of bonds are as follows.

| Issuer      | Issue                                                                                                        | Date of issuance | FY2025 (As of Mar. 31, 2025)<br>(Million Yen) | FY2026 (As of Mar. 31, 2026)<br>(Million Yen) | Interest rate (%) | Maturity date             |
|-------------|--------------------------------------------------------------------------------------------------------------|------------------|-----------------------------------------------|-----------------------------------------------|-------------------|---------------------------|
| The Company | The 16th unsecured straight bonds                                                                            | Sep. 26, 2016    | 20,000                                        | 20,000                                        | 0.160             | Sep. 25, 2026             |
| The Company | The 17th unsecured straight bonds                                                                            | Sep. 26, 2016    | 10,000                                        | 10,000                                        | 0.706             | Sep. 26, 2036             |
| The Company | The 18th unsecured straight bonds                                                                            | Sep. 6, 2017     | 10,000                                        | 10,000                                        | 0.280             | Sep. 6, 2027              |
| The Company | The 19th unsecured straight bonds                                                                            | Sep. 6, 2017     | 10,000                                        | 10,000                                        | 0.747             | Sep. 4, 2037              |
| The Company | The 2nd unsecured subordinated bonds with optional interest payment deferral and early redemption provisions | Feb. 28, 2020    | 19,000                                        | 19,000                                        | 0.410<br>(Note 1) | Feb. 28, 2080<br>(Note 2) |
| The Company | The 3rd unsecured subordinated bonds with optional interest payment deferral and early redemption provisions | Feb. 28, 2020    | 51,000                                        | 51,000                                        | 0.470<br>(Note 3) | Feb. 28, 2080<br>(Note 4) |
| The Company | The 4th unsecured subordinated bonds with optional interest payment deferral and early redemption provisions | Dec. 19, 2024    | 20,000                                        | 20,000                                        | 1.462<br>(Note 5) | Dec. 19, 2054<br>(Note 6) |
| Total       | —                                                                                                            | —                | 140,000                                       | 140,000                                       | —                 | —                         |

- Note 1: Fixed interest rate from the day following February 28, 2020 to February 28, 2027; variable interest rate from the day following February 28, 2027.  
(Interest rate shall step up on the day following February 28, 2030 and the day following February 28, 2047)
- Note 2: Subject to early redemption provision under which the Company may, at its discretion, redeem the bonds on any interest payment date on or after February 28, 2027.
- Note 3: Fixed interest rate from the day following February 28, 2020 to February 28, 2030; variable interest rate from the day following February 28, 2030.  
(Interest rate shall step up on the day following February 28, 2030 and the day following February 28, 2050)
- Note 4: Subject to early redemption provision under which the Company may, at its discretion, redeem the bonds on any interest payment date on or after February 28, 2030.
- Note 5: Fixed interest rate from the day following December 19, 2024 to December 19, 2031; variable interest rate from the day following December 19, 2031.  
(Interest rate shall step up on the day following December 19, 2034 and the day following December 19, 2051)
- Note 6: Subject to early redemption provision under which the Company may, at its discretion, redeem the bonds on any interest payment date on or after December 19, 2031.

## 15. Other financial liabilities

The components of other financial liabilities are as follows.

(Million Yen)

|                               | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-------------------------------|------------------------------|------------------------------|
| Derivative liabilities (Note) | 23,209                       | 26,723                       |
| Other                         | 2,175                        | 1,085                        |
| Total                         | 25,385                       | 27,809                       |

Note: Derivative liabilities are classified as financial liabilities measured at fair value through profit or loss.

## 16. Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are as follows.

(Million Yen)

|                                                | Short-term<br>loans payable | Long-term<br>loans payable<br>(Note 1) | Bonds<br>(Note 1) | Lease<br>liabilities | Derivatives<br>(Note 2) | Total     |
|------------------------------------------------|-----------------------------|----------------------------------------|-------------------|----------------------|-------------------------|-----------|
| Balance as of April 1, 2024                    | 36,668                      | 429,627                                | 260,000           | 68,367               | 293                     | 794,955   |
| Changes from financing cash flows              | (12,172)                    | 36,167                                 | (120,000)         | (25,905)             | —                       | (121,911) |
| Non-cash changes                               |                             |                                        |                   |                      |                         |           |
| Effect of changes in foreign<br>exchange rates | (263)                       | (163)                                  | —                 | (424)                | —                       | (851)     |
| New leases                                     | —                           | —                                      | —                 | 24,718               | —                       | 24,718    |
| Changes in fair values                         | —                           | —                                      | —                 | —                    | (287)                   | (287)     |
| Other                                          | —                           | —                                      | —                 | 680                  | —                       | 680       |
| Balance as of March 31, 2025                   | 24,231                      | 465,630                                | 140,000           | 67,434               | 6                       | 697,303   |
| Changes from financing cash flows              | 10,401                      | (22,920)                               | —                 | (33,642)             | —                       | (46,161)  |
| Non-cash changes                               |                             |                                        |                   |                      |                         |           |
| Effect of changes in foreign<br>exchange rates | 1,971                       | 2,285                                  | —                 | 1,202                | —                       | 5,459     |
| New leases                                     | —                           | —                                      | —                 | 30,503               | —                       | 30,503    |
| Changes in fair values                         | —                           | —                                      | —                 | —                    | (65)                    | (65)      |
| Other                                          | (323)                       | —                                      | —                 | (772)                | —                       | (1,096)   |
| Balance as of March 31, 2026                   | 36,281                      | 444,996                                | 140,000           | 64,725               | (59)                    | 685,943   |

Note 1: Long-term loans payable and bonds include the balance of the current portions.

Note 2: Derivatives are held to hedge foreign exchange risks of loans payable denominated in foreign currencies.

## 17. Provisions

Changes in provisions are as follows.

(Million Yen)

|                                            | Provision for product warranties | Other | Total   |
|--------------------------------------------|----------------------------------|-------|---------|
| Balance as of April 1, 2024                | 43,070                           | 3,359 | 46,430  |
| Increase during the fiscal year            | 5,069                            | 573   | 5,642   |
| Decrease during the fiscal year (used)     | (2,757)                          | (345) | (3,102) |
| Decrease during the fiscal year (reversed) | (110)                            | (23)  | (134)   |
| Other                                      | (14)                             | (36)  | (50)    |
| Balance as of March 31, 2025               | 45,258                           | 3,526 | 48,785  |
| Increase during the fiscal year            | 10,537                           | 466   | 11,003  |
| Decrease during the fiscal year (used)     | (8,497)                          | (358) | (8,855) |
| Decrease during the fiscal year (reversed) | (6,118)                          | (48)  | (6,166) |
| Other                                      | 542                              | 100   | 643     |
| Balance as of March 31, 2026               | 41,723                           | 3,687 | 45,411  |

Note: Of the provisions recognized in FY2025 and FY2026, the provision for product warranties related to recalls and other market actions amounted to ¥30,855 million and ¥23,161 million, respectively.

## 18. Employee benefits

### (1) Post-employment benefits

#### (i) Overview of retirement benefit plans

The Company, domestic subsidiaries, and some overseas subsidiaries have the following defined benefit plans: lump sum severance plan (unfunded), fund-type corporate pension plan (funded), contract-type corporate pension plan (funded), and employees' pension fund scheme; they also have the following defined contribution plans: defined contribution plan and Smaller Enterprise Retirement Allowance Mutual Aid Scheme. The benefits of these plans are basically determined based on years of service, the salaries, and other conditions.

The funded defined benefit plans are managed by a pension fund that is legally segregated from the Group in accordance with statutory requirements. The board of the pension fund and the pension fund manager are required by law to act in the best interest of the pension beneficiaries, and are responsible for managing the plan assets based on a prescribed policy.

The majority of our domestic Group companies subscribe to the corporate pension fund under the Defined Benefit Corporate Pension Act. Contributions to the pension fund are measured by certified pension actuaries pursuant to the provisions of relevant laws and regulations. Contributions are made to cover past-period benefits as well as to prepare for the payment of future benefits.

(ii) Defined benefit plans

i) Schedule of defined benefit obligations and plan assets

The relationship between the defined benefit obligations and plan assets and the net amount of defined benefit liabilities and assets recognized in the consolidated statements of financial position is as follows.

(Million Yen)

|                                                                                                                | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|----------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Present value of funded defined benefit obligations                                                            | (232,176)                    | (202,166)                    |
| Fair value of plan assets                                                                                      | 326,002                      | 351,084                      |
| Subtotal                                                                                                       | 93,826                       | 148,917                      |
| Present value of unfunded defined benefit obligations                                                          | (198,804)                    | (186,213)                    |
| Effect of asset ceiling                                                                                        | (78,351)                     | (126,103)                    |
| Net amount of defined benefit obligations and plan assets                                                      | (183,329)                    | (163,399)                    |
| Amount recognized in the consolidated statements of financial position                                         |                              |                              |
| Retirement benefit liabilities                                                                                 | (197,013)                    | (187,026)                    |
| Retirement benefit assets                                                                                      | 13,683                       | 23,627                       |
| Net amount of defined benefit obligations and plan assets in the consolidated statements of financial position | (183,329)                    | (163,399)                    |

Note: Retirement benefit assets are included in other non-current assets in the consolidated statements of financial position.

ii) Changes in present value of defined benefit obligations

Changes in present value of defined benefit obligations are as follows.

(Million Yen)

|                                                                                            | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|--------------------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Present value of defined benefit obligations at beginning of period                        | (465,452)                                      | (430,981)                                      |
| Service cost                                                                               | (27,703)                                       | (25,267)                                       |
| Interest cost                                                                              | (7,984)                                        | (10,461)                                       |
| Remeasurement (actuarial gains and losses arising from changes in demographic assumptions) | 332                                            | 34                                             |
| Remeasurement (actuarial gains and losses arising from changes in financial assumptions)   | 49,360                                         | 55,196                                         |
| Remeasurement (adjustment based on actual results)                                         | (1,007)                                        | 167                                            |
| Benefits paid                                                                              | 22,193                                         | 21,725                                         |
| Other                                                                                      | (719)                                          | 1,204                                          |
| Present value of defined benefit obligations at end of period                              | (430,981)                                      | (388,380)                                      |

iii) Changes in fair value of plan assets

Changes in the fair value of the plan assets are as follows.

(Million Yen)

|                                                  | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|--------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Fair value of plan assets at beginning of period | 324,910                                        | 326,002                                        |
| Interest income                                  | 5,246                                          | 7,770                                          |
| Remeasurement (income from plan assets)          | (7,853)                                        | 13,732                                         |
| Contributions by employer                        | 13,392                                         | 12,887                                         |
| Benefits paid                                    | (9,687)                                        | (9,772)                                        |
| Other                                            | (4)                                            | 463                                            |
| Fair value of plan assets at end of period       | 326,002                                        | 351,084                                        |

Note: The employer plans to pay contributions of ¥12,804 million to the plan assets for the year beginning April 1, 2026 and ending March 31, 2027.

iv) Major components of plan assets

Plan assets are managed in accordance with the basic asset allocation aimed to achieve stable return over the medium and long term under tolerable risks to provide future payments of benefits. Specifically, the Group tries to match the defined benefit obligations with the plan assets by investing in highly secure fixed interest bonds, and monitors the diversification of revenue source and risk allocation in an aim to control the fluctuation of return and reduce the decline. The basic asset allocation is revised periodically based on changes in market from the initial assumptions, debt characteristics, and changes in reserves.

The components of each major type of plan asset are as follows.

(Million Yen)

| Class of assets                     | FY2025 (As of Mar. 31, 2025)                            |                                                            |         | FY2026 (As of Mar. 31, 2026)                            |                                                            |         |
|-------------------------------------|---------------------------------------------------------|------------------------------------------------------------|---------|---------------------------------------------------------|------------------------------------------------------------|---------|
|                                     | Plan assets with quoted market prices in active markets | Plan assets without quoted market prices in active markets | Total   | Plan assets with quoted market prices in active markets | Plan assets without quoted market prices in active markets | Total   |
| Japanese bonds                      | (1)                                                     | 17,613                                                     | 17,611  | 0                                                       | 32,769                                                     | 32,769  |
| Overseas bonds                      | 1,555                                                   | 82,583                                                     | 84,138  | 0                                                       | 88,849                                                     | 88,849  |
| Japanese equity securities          | 27,469                                                  | 776                                                        | 28,245  | 34,306                                                  | –                                                          | 34,306  |
| Overseas equity securities          | 10,829                                                  | 69,700                                                     | 80,530  | 12,265                                                  | 75,642                                                     | 87,908  |
| General account of insurance assets | –                                                       | 48,918                                                     | 48,918  | –                                                       | 55,589                                                     | 55,589  |
| Other (Note)                        | 72                                                      | 66,485                                                     | 66,558  | 77                                                      | 51,582                                                     | 51,660  |
| Total                               | 39,925                                                  | 286,077                                                    | 326,002 | 46,650                                                  | 304,433                                                    | 351,084 |

Note: Other mainly includes collective investment funds and alternative investments of short-term financial assets.

v) Reconciliation of the effect of asset ceiling

Changes in the effect of asset ceiling are as follows.

(Million Yen)

|                                                                | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|----------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Balance at beginning of period for the effect of asset ceiling | (26,845)                                       | (78,351)                                       |
| Remeasurement                                                  |                                                |                                                |
| Changes in effect of asset ceiling                             | (51,506)                                       | (47,751)                                       |
| Balance at end of period for the effect of asset ceiling       | (78,351)                                       | (126,103)                                      |

Note: As the effect of asset ceiling became material in FY2026, a reconciliation of the effect of asset ceiling has been newly presented beginning in FY2026. Accordingly, comparative information for FY2025 has also been presented.

vi) Actuarial assumptions

Material actuarial assumptions are as follows.

|               | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|---------------|------------------------------|------------------------------|
| Discount rate | 2.6%                         | 3.7%                         |

vii) Sensitivity analysis

The sensitivity of defined benefit obligations to changes in discount rate at the end of the period is as follows. The analysis assumes that all other variables remain the same. However, in practice, it is unlikely that changes in assumptions will occur independently as shown, and changes in some of the assumptions may be correlated.

|                                | Amount of effect on defined benefit obligations |                              |
|--------------------------------|-------------------------------------------------|------------------------------|
|                                | FY2025 (As of Mar. 31, 2025)                    | FY2026 (As of Mar. 31, 2026) |
| 0.5% increase in discount rate | Decrease of ¥25,520 million                     | Decrease of ¥20,343 million  |
| 0.5% decrease in discount rate | Increase of ¥28,797 million                     | Increase of ¥22,724 million  |

viii) Information on maturity analysis of defined benefit obligations

The weighted average durations of defined benefit obligations are 18.8 years for FY2025 and 18.7 years for FY2026.

(iii) Defined contribution plans

The amounts recognized as expenses related to defined contribution plans are ¥6,414 million for FY2025 and ¥6,994 million for FY2026. The employees' pension insurance premiums are accounted for in the same manner as defined contribution plans and are included in employee benefit expenses.

(2) Employee benefit expenses

The total amounts of employee benefit expenses included in cost of revenue and selling, general and administrative expenses in the consolidated statements of income are ¥1,023,047 million in FY2025 and ¥1,083,504 million in FY2026.

The above amounts include employees' pension insurance premium payable by the employer.

## 19. Income taxes

### (1) Deferred tax assets and deferred tax liabilities

The breakdown of deferred tax assets and deferred tax liabilities by major source is as follows.

(Million Yen)

|                                                                                                          | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|----------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Deferred tax assets                                                                                      |                              |                              |
| Accrued expenses                                                                                         | 70,962                       | 80,296                       |
| Retirement benefit liabilities                                                                           | 59,809                       | 56,638                       |
| Property, plant and equipment & intangible assets                                                        | 11,180                       | 14,344                       |
| Provision for product warranties                                                                         | 13,331                       | 12,189                       |
| Inventories                                                                                              | 24,943                       | 25,881                       |
| Tax loss carryforwards                                                                                   | 23,868                       | 16,835                       |
| Lease liabilities                                                                                        | 16,207                       | 15,883                       |
| Other                                                                                                    | 42,633                       | 43,720                       |
| Total                                                                                                    | 262,936                      | 265,789                      |
| Deferred tax liabilities                                                                                 |                              |                              |
| Net changes in revaluation of financial assets measured at fair value through other comprehensive income | (171,402)                    | (171,989)                    |
| Property, plant and equipment & intangible assets                                                        | (20,242)                     | (16,565)                     |
| Retained earnings of subsidiaries and associates                                                         | (12,020)                     | (11,598)                     |
| Right-of-use assets                                                                                      | (16,084)                     | (15,656)                     |
| Other                                                                                                    | (30,383)                     | (38,567)                     |
| Total                                                                                                    | (250,133)                    | (254,377)                    |

Note 1: In the consolidated statements of financial position, deferred tax assets and liabilities are presented at the net amount after offsetting.

Note 2: In recognizing deferred tax assets, the Group takes into consideration the likelihood that some or all of the deductible temporary differences or tax loss carryforwards may be utilized against future taxable income. In evaluating the recoverability of deferred tax assets, the Group takes into account the scheduled reversal of taxable temporary differences, projected future taxable income, and tax planning strategies. The Group believes that it is highly probable that the recognized deferred tax assets will be realized, based on the level of past taxable income and projections of future taxable income during the periods in which the deferred tax assets are expected to be utilized.

The changes in the net amount of deferred tax assets and deferred tax liabilities are as follows.

(Million Yen)

|                                               | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|-----------------------------------------------|------------------------------------------------|------------------------------------------------|
| Balance at beginning of period                | (60,325)                                       | 12,802                                         |
| Recognized through profit or loss             | 14,560                                         | 5,184                                          |
| Recognized through other comprehensive income | 57,497                                         | (9,517)                                        |
| Other                                         | 1,070                                          | 2,941                                          |
| Balance at end of period                      | 12,802                                         | 11,412                                         |

The tax loss carryforwards, deductible temporary differences, and tax credit carryforwards for which deferred tax assets have not been recognized are as follows.

(Million Yen)

|                                  | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|----------------------------------|------------------------------|------------------------------|
| Tax loss carryforwards           | 98,274                       | 100,963                      |
| Deductible temporary differences | 80,320                       | 50,403                       |
| Tax credit carryforwards         | 2,176                        | 3,693                        |
| Total                            | 180,771                      | 155,060                      |

The breakdown of tax loss carryforwards, for which deferred tax assets are not recognized, by expiration period is as follows.

(Million Yen)

|                       | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-----------------------|------------------------------|------------------------------|
| Year 1                | 9,629                        | 5,824                        |
| Year 2                | 5,539                        | 8,330                        |
| Year 3                | 9,316                        | 5,381                        |
| Year 4                | 8,288                        | 6,112                        |
| Year 5 and thereafter | 65,500                       | 75,313                       |
| Total                 | 98,274                       | 100,963                      |

The taxable temporary differences related to investments in subsidiaries and associates for which deferred tax liabilities have not been recognized amounted to ¥849,024 million at the end of FY2025 and ¥966,201 million at the end of FY2026. The deferred tax liabilities for these temporary differences have not been recognized because the Group is able to control the timing of the reversal of the temporary differences, and it is highly probable that the differences will not reverse within a foreseeable future.

Other current assets include income taxes receivable in the amounts of ¥13,801 million and ¥4,540 million, respectively, as of the end of FY2025 and FY2026.

## (2) Income tax expense

The breakdown of the income tax expense and deferred income tax expense for the fiscal years under review is as follows.

(Million Yen)

|                                                    | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|----------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Current income tax expense                         |                                                |                                                |
| For the fiscal year                                | 63,780                                         | 50,799                                         |
| Total                                              | 63,780                                         | 50,799                                         |
| Deferred income tax expense                        |                                                |                                                |
| Arising from and reversal of temporary differences | (14,130)                                       | (188)                                          |
| Change in tax rates                                | (1,228)                                        | (2,419)                                        |
| Change in unrecognized deferred tax assets         | 797                                            | (2,577)                                        |
| Total                                              | (14,560)                                       | (5,184)                                        |
| Total income tax expense                           | 49,220                                         | 45,615                                         |

The reconciliation between the statutory effective tax rate and the actual effective tax rate is as follows.

|                                                                                 | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|---------------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Effective statutory tax rate                                                    | 30.88%                                         | 30.88%                                         |
| Tax credit for research and development expenses                                | (4.58)                                         | (7.04)                                         |
| Change in unrecognized deferred tax assets                                      | 0.46                                           | (1.04)                                         |
| Tax rate differences with subsidiaries                                          | (2.52)                                         | (5.42)                                         |
| Retained earnings of subsidiaries and associates                                | (2.86)                                         | (0.17)                                         |
| Withholding tax on dividends from subsidiaries                                  | 2.13                                           | 1.94                                           |
| Investment losses (profits) in equity-method affiliates                         | 1.88                                           | (0.69)                                         |
| Consolidation adjustments related to the sale of equity-method affiliate shares | 3.38                                           | —                                              |
| Impact of tax rate change due to special corporation tax for national defense   | (0.71)                                         | (0.98)                                         |
| Other                                                                           | 0.31                                           | 0.91                                           |
| Actual effective tax rate                                                       | 28.38                                          | 18.40                                          |

The Company is primarily subject to corporation tax, inhabitant tax, and business tax deductible for tax purposes. The statutory effective tax rate calculated based on these taxes is 30.88% for both FY2025 and FY2026. Corporation taxes are imposed on foreign operations in accordance with the tax laws of their respective jurisdictions.

In Japan, where the Company is headquartered, the 2023 tax reform introduced the Income Inclusion Rule (IIR) under the BEPS global minimum tax framework. The Company, which is the ultimate parent company in the Group, is subject to top-up taxation to ensure that the effective tax rate in each country where its subsidiaries are located reaches the minimum rate of 15%. Within the Group, certain consolidated subsidiaries operate in countries or regions where the effective tax rate under Pillar Two is 15% or less. The income tax under Pillar Two has been recorded as current income tax expense in FY2025 and FY2026. The impact of this taxation on the Group's consolidated financial statements is immaterial.

## 20. Equity

### (1) Capital stock and treasury stock

The number of authorized shares as of the end of FY2025 and FY2026 is 2,100,000,000 shares.

The changes in the number of issued shares fully paid and the number of shares of treasury stock are as follows. All shares issued by the Company are common stocks without par value and restrictions on rights.

(Shares)

|                                    | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|------------------------------------|------------------------------------------------|------------------------------------------------|
| Number of issued shares            |                                                |                                                |
| Balance at beginning of period     | 294,674,634                                    | 809,023,902                                    |
| Change                             | 514,349,268                                    | (50,000,000)                                   |
| Balance at end of period           | 809,023,902                                    | 759,023,902                                    |
| Number of shares of treasury stock |                                                |                                                |
| Balance at beginning of period     | 25,140,588                                     | 51,362,870                                     |
| Change                             | 26,222,282                                     | (16,911,838)                                   |
| Balance at end of period           | 51,362,870                                     | 34,451,032                                     |

Note 1: The change in the number of issued shares during FY2025 was due to a stock split at a ratio of three shares for one common stock effective October 1, 2024, and a decrease resulting from the cancellation of treasury stock by resolution of the Board of Directors. In addition, the change in the number of issued shares during FY2026 was due to a decrease resulting from the cancellation of treasury stock by resolution of the Board of Directors.

Note 2: The changes in the number of shares of treasury stock during FY2025 were due to an increase from the acquisition of treasury stock by resolution of the Board of Directors, stock splits, and purchase requests for shares less than one unit, and a decrease resulting from the cancellation of treasury stock by resolution of the Board of Directors, disposal under the restricted stock compensation system, and sale requests for such fractional shares. The changes in the number of shares of treasury stock during FY2026 were due to an increase from the acquisition of treasury stock by resolution of the Board of Directors and purchase requests for shares less than one unit, and a decrease resulting from the cancellation of treasury stock by resolution of the Board of Directors, disposal under the restricted stock compensation system, and sale requests for such fractional shares.

### (2) Capital surplus

The main component of capital surplus is the Company's legal capital surplus.

Under the Companies Act of Japan (hereinafter referred to as the "Companies Act"), at least half of the amount paid or contributed for the issuance of shares is required to be included in capital, with the remainder recorded as legal capital surplus. The Companies Act also provides that the amounts from legal capital surplus may be transferred to capital stock upon resolution at the General Meeting of Shareholders.

### (3) Retained earnings

The Companies Act stipulates that one-tenth of the amount paid as dividends of surplus must be set aside as legal capital surplus or legal retained earnings until the total of legal capital surplus and legal retained earnings reaches one-quarter of the capital. The accumulated legal retained earnings can be used to cover deficits. Additionally, the Companies Act allows the legal retained earnings to be reduced by resolution of the General Meeting of Shareholders.

## 21. Dividends

### (1) Cash dividends paid

#### FY2025 (Apr. 1, 2024 through Mar. 31, 2025)

| Resolution                                     | Class of shares | Total amount of dividends<br>(Million Yen) | Dividends per share<br>(Yen) | Record date        | Effective date    |
|------------------------------------------------|-----------------|--------------------------------------------|------------------------------|--------------------|-------------------|
| Board of Directors meeting on April 26, 2024   | Common stock    | 24,258                                     | 90                           | March 31, 2024     | May 29, 2024      |
| Board of Directors meeting on October 31, 2024 | Common stock    | 23,402                                     | 90                           | September 30, 2024 | November 26, 2024 |

Note: On October 1, 2024, the Company executed a three-for-one stock split of its common stock. "Dividends per share" represent the amounts before the stock split.

#### FY2026 (Apr. 1, 2025 through Mar. 31, 2026)

| Resolution                                     | Class of shares | Total amount of dividends<br>(Million Yen) | Dividends per share<br>(Yen) | Record date        | Effective date    |
|------------------------------------------------|-----------------|--------------------------------------------|------------------------------|--------------------|-------------------|
| Board of Directors meeting on April 25, 2025   | Common stock    | 22,729                                     | 30                           | March 31, 2025     | May 29, 2025      |
| Board of Directors meeting on October 31, 2025 | Common stock    | 22,132                                     | 30                           | September 30, 2025 | November 26, 2025 |

### (2) Dividends whose record date belongs to the fiscal year under review but the effective date belongs to the following fiscal year

| Resolution                                   | Class of shares | Source for dividends | Total amount of dividends<br>(Million Yen) | Dividends per share (Yen) | Record date    | Effective date |
|----------------------------------------------|-----------------|----------------------|--------------------------------------------|---------------------------|----------------|----------------|
| Board of Directors meeting on April 28, 2026 | Common stock    | Retained earnings    | 28,982                                     | 40                        | March 31, 2026 | May 29, 2026   |

## 22. Stock-based remuneration

### (1) Details of the plan

The Company has introduced the restricted stock remuneration plan with the aim of providing incentives to promote further sharing of value with shareholders and to sustainably enhance corporate value. Under the plan, the Company will pay monetary compensation as remuneration for the purpose of granting restricted stock to our Directors (excluding Outside Directors; hereinafter “Eligible Directors”), senior executive officers who do not serve as Directors (hereinafter “Eligible Executive Officers”), and Executive Officers (hereinafter together with Eligible Executive Officers, “Eligible Executive Officers, etc.” and, together with Eligible Directors, “Eligible Directors, etc.”). The Eligible Directors, etc. will contribute all of the monetary compensation claims as assets in kind and will receive an issuance and disposition of the Company’s common stock. The Company and the Eligible Directors, etc. will enter into a restricted stock allotment agreement (hereinafter, the “Allotment Agreement”), in which the Eligible Directors, etc. are prohibited from transferring, the creation of a security interest, or any other disposition of the Company’s common stock that has been allocated under the Allotment Agreement (hereinafter “Transfer Restrictions”) for a period of 30 years from the date of allocation under the Allotment Agreement (hereinafter “Transfer Restriction Period”). Provided that the Eligible Directors continued to hold the position of a Director of the Company during the Transfer Restriction Period, or the Eligible Executive Officers, etc. continued to hold the position of either a Director, senior executive officer who does not serve as a Director, or an Executive Officer of the Company during the Transfer Restriction Period, the Transfer Restrictions for all of the allotted shares will be lifted at the expiration of Transfer Restriction Period. Notwithstanding the foregoing, if, before the expiration of the Transfer Restriction Period, an Eligible Director ceases to hold the position of Director of the Company, or an Eligible Executive Officer, etc. ceases to hold all positions as a Director, senior executive officer who does not serve as a Director, or an Executive Officer of the Company due to the expiration of the term of office, mandatory retirement, or any other legitimate reason (including death; the same applies hereinafter), the Transfer Restrictions for all of the allotted shares held at the time of such retirement will be lifted immediately upon such retirement. Furthermore, under the plan, if, during the Transfer Restriction Period, the recipient is found to have violated laws or regulations, or falls under other conditions stipulated by the Board of Directors, all allocated shares will be acquired by the Company without consideration.

### (2) Number of shares granted during the fiscal year and the fair value

|                                    | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|------------------------------------|------------------------------------------------|------------------------------------------------|
| Grant date                         | June 20, 2024                                  | May 19, 2025                                   |
| Number of shares granted           | 20,758                                         | 230,349                                        |
| Fair value at the grant date (Yen) | 5,650                                          | 1,821.5                                        |

Note 1: The fair value at the grant date is calculated based on the market price of the Company’s shares.

Note 2: Fair value measurement does not take into account expected dividends.

Note 3: On October 1, 2024, the Company executed a three-for-one stock split of its common stock. The number of shares granted and the fair value at the grant date when taking into account the stock split are as follows.

|                                    | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|------------------------------------|------------------------------------------------|------------------------------------------------|
| Grant date                         | June 20, 2024                                  | May 19, 2025                                   |
| Number of shares granted           | 62,274                                         | 230,349                                        |
| Fair value at the grant date (Yen) | 1,883                                          | 1,821.5                                        |

Note 4: At the Board of Directors meeting held on March 26, 2025, the Company has resolved to introduce the plan for senior executive officers who do not serve as Directors (excluding appointed C-level executives) and Executive Officers. As for FY2025, there was no grant of restricted stock for senior executive officers who do not serve as Directors (excluding C-level executives) and Executive Officers.

(3) Expenses associated with stock-based remuneration

The expenses associated with stock-based remuneration were ¥419 million for FY2025 and ¥437 million for FY2026, and included in “Selling, general and administrative expenses” in the consolidated statements of income.

23. Financial instruments

(1) Capital management

The Group’s basic policy on capital management is to enhance corporate value while maintaining a balance between financial security and capital efficiency, and we use the capitalization ratio (Note) as the primary indicator for capital management.

Regarding financial security, we refer to ratings by rating agencies as a guideline and strive to maintain high credit ratings for long-term debt, enabling external financing at low cost.

Meanwhile, regarding capital efficiency, we prioritize debt financing within the scope of maintaining the above-mentioned ratings to restrain the amount of capital, thereby reducing overall capital costs.

There are no significant capital regulations applicable to the Group.

|                             | FY2025<br>(As of March 31, 2025) | FY2026<br>(As of Mar. 31, 2026) |
|-----------------------------|----------------------------------|---------------------------------|
| Capitalization ratio (Note) | 19.5%                            | 18.0%                           |

Note: The formula for capitalization ratio is: interest-bearing debt / (interest-bearing debt + equity). For subordinated bonds and subordinated loans, interest-bearing debt recognized by rating agencies as having equity credit is deemed as equity and included in the calculation.

(2) Financial risk management

In the course of its business activities, the Group is exposed to various financial risks, and engages in risk management based on certain policies to avoid or reduce such risks. We use derivative transactions to avoid these risks and do not carry out any speculative transactions.

(i) Credit risk

Accounts receivable-trade, notes receivable, and electronically recorded monetary claims, which are trade receivables, are exposed to the credit risk of a business partner.

The Group manages trade receivables in accordance with internal regulations for accounts receivable management guidelines, with the finance & accounting department and each sales department keeping track of the due dates and balances of each business partner as well as monitoring the credit status of major business partners, thereby identifying risks of collection concerns due to deterioration of financial positions at an early stage to mitigate such risks.

Trade receivables consist primarily of receivables from Toyota Motor Corporation and its group companies, whose creditworthiness is high with limited credit risk.

We manage bond receivables held in accordance with internal regulations for fund management guidelines, limiting to those with high credit ratings.

Regarding the use of derivative transactions, we only conduct transactions with highly rated financial institutions to reduce the credit risk of financial institutions with which we transact with.

The maximum exposure to credit risk on financial assets is the carrying amount after impairment reported in the consolidated financial statements.

i) Changes in allowance for doubtful accounts

Changes in allowance for doubtful accounts are as follows.

(Million Yen)

|                                            | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|--------------------------------------------|------------------------------------------------|------------------------------------------------|
| Balance at beginning of period             | 5,814                                          | 5,450                                          |
| Increase during the fiscal year            | 994                                            | 3,010                                          |
| Decrease during the fiscal year (used)     | (83)                                           | (278)                                          |
| Decrease during the fiscal year (reversed) | (1,182)                                        | (5,025)                                        |
| Other                                      | (90)                                           | 146                                            |
| Balance at end of period                   | 5,450                                          | 3,303                                          |

ii) Credit risk exposure

Credit risk exposures associated with trade and other receivables are as follows.

FY2025 (As of Mar. 31, 2025)

(Million Yen)

| Past due period                    | Financial assets with an allowance for doubtful accounts measured at an amount equal to 12-month expected credit losses | Financial assets with an allowance for doubtful accounts measured at an amount equal to lifetime expected credit losses |                                                                                            | Total   |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------|
|                                    |                                                                                                                         | Financial assets whose credit risk has increased significantly since initial recognition                                | Financial assets are always measured at an amount equal to lifetime expected credit losses |         |
| Prior to due date                  | 38,447                                                                                                                  | —                                                                                                                       | 681,209                                                                                    | 719,657 |
| Due within 90 days                 | 26                                                                                                                      | —                                                                                                                       | 13,559                                                                                     | 13,585  |
| Due after 90 days through one year | 12                                                                                                                      | —                                                                                                                       | 1,799                                                                                      | 1,812   |
| Due after one year                 | —                                                                                                                       | 18                                                                                                                      | 2,131                                                                                      | 2,150   |
| Total                              | 38,486                                                                                                                  | 18                                                                                                                      | 698,700                                                                                    | 737,206 |

Note: The credit risk exposures presented above are shown net of the allowance for doubtful accounts.

FY2026 (As of Mar. 31, 2026)

(Million Yen)

| Past due period                    | Financial assets with an allowance for doubtful accounts measured at an amount equal to 12-month expected credit losses | Financial assets with an allowance for doubtful accounts measured at an amount equal to lifetime expected credit losses |                                                                                            | Total   |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|---------|
|                                    |                                                                                                                         | Financial assets whose credit risk has increased significantly since initial recognition                                | Financial assets are always measured at an amount equal to lifetime expected credit losses |         |
| Prior to due date                  | 30,984                                                                                                                  | —                                                                                                                       | 726,595                                                                                    | 757,579 |
| Due within 90 days                 | 224                                                                                                                     | —                                                                                                                       | 11,839                                                                                     | 12,064  |
| Due after 90 days through one year | 9                                                                                                                       | —                                                                                                                       | 1,964                                                                                      | 1,973   |
| Due after one year                 | —                                                                                                                       | 47                                                                                                                      | 2,135                                                                                      | 2,183   |
| Total                              | 31,218                                                                                                                  | 47                                                                                                                      | 742,534                                                                                    | 773,800 |

Note: The credit risk exposures presented above are shown net of the allowance for doubtful accounts.

(ii) Market risk

i) Foreign currency risk

As the Group operates globally, it conducts transactions denominated in foreign currencies. As a result, its foreign currency-denominated monetary receivables and liabilities are exposed to exchange rate fluctuation risks.

To mitigate exchange rate fluctuation risks identified by currency, the Group hedges the risks by using forward exchange contracts, currency swaps, and currency options, in accordance with derivative risk management guidelines. The derivative details are as follows.

Derivative transactions to which hedge accounting is not applied

(Million Yen)

|                                                       | FY2025<br>(As of Mar. 31, 2025) |                              |            | FY2026<br>(As of Mar. 31, 2026) |                              |            |
|-------------------------------------------------------|---------------------------------|------------------------------|------------|---------------------------------|------------------------------|------------|
|                                                       | Contractual amount, etc.        |                              | Fair value | Contractual amount, etc.        |                              | Fair value |
|                                                       |                                 | Of which, due after one year |            |                                 | Of which, due after one year |            |
| Forward exchange contracts                            |                                 |                              |            |                                 |                              |            |
| Selling                                               | 30,156                          | —                            | 149        | 40,642                          | —                            | (743)      |
| Buying                                                | 157                             | —                            | 1          | 338                             | —                            | 5          |
| currency swaps                                        |                                 |                              |            |                                 |                              |            |
| Receipt in Japanese yen / Payment in foreign currency | 232,531                         | 177,039                      | (22,364)   | 202,829                         | 156,419                      | (25,707)   |
| Receipt in foreign currency / Payment in Japanese yen | 14,952                          | —                            | (6)        | 15,988                          | —                            | 59         |
| Other                                                 | —                               | —                            | —          | —                               | —                            | —          |

Derivative transactions to which hedge accounting is applied

(Million Yen)

|                            | FY2025<br>(As of Mar. 31, 2025) |                              |            | FY2026<br>(As of Mar. 31, 2026) |                              |            |
|----------------------------|---------------------------------|------------------------------|------------|---------------------------------|------------------------------|------------|
|                            | Contractual amount, etc.        |                              | Fair value | Contractual amount, etc.        |                              | Fair value |
|                            |                                 | Of which, due after one year |            |                                 | Of which, due after one year |            |
| Forward exchange contracts |                                 |                              |            |                                 |                              |            |
| Selling                    | 35                              | —                            | 0          | 37                              | —                            | (1)        |
| Buying                     | 1,492                           | —                            | (48)       | 1,200                           | —                            | 13         |

Note: The above derivative transactions apply cash flow hedging.

## Foreign exchange sensitivity analysis

Provided that the Japanese yen appreciates by 1% against the USD, Euro, THB, and CNY, for foreign currency-denominated financial instruments held by the Group at the end of each fiscal year, its impact on the profit for the period in the consolidated statements of income will be as follows.

The analysis assumes that other variable factors remain constant.

(Million Yen)

|     | FY2025<br>(As of Mar. 31, 2025) | FY2026<br>(As of Mar. 31, 2026) |
|-----|---------------------------------|---------------------------------|
| USD | (424)                           | (405)                           |
| EUR | 14                              | (5)                             |
| THB | (88)                            | (106)                           |
| CNY | (224)                           | (167)                           |

### ii) Interest rate risk

Loans payable with fluctuating interest rates are exposed to interest rate fluctuation risks.

To mitigate such interest rate fluctuation risks, the Group, as a general rule, hedges against fluctuation risks in interest rate paid on loans payable by using interest rate swaps.

The important conditions for the hedged item and hedging instrument are consistent, and the quantities of the hedged item and hedging instruments are adjusted to be one to one in principle.

The impact of fluctuations in interest payments on the Group's profits and losses are immaterial.

The derivative details are as follows.

Derivative transactions to which hedge accounting is not applied

There are no applicable items.

Derivative transactions to which hedge accounting is applied

(Million Yen)

|                                                                              | FY2025<br>(As of Mar. 31, 2025) |                              |            | FY2026<br>(As of Mar. 31, 2026) |                              |            |
|------------------------------------------------------------------------------|---------------------------------|------------------------------|------------|---------------------------------|------------------------------|------------|
|                                                                              | Contractual amount, etc.        |                              | Fair value | Contractual amount, etc.        |                              | Fair value |
|                                                                              |                                 | Of which, due after one year |            |                                 | Of which, due after one year |            |
| Interest rate swaps<br>Receipt in variable rates / Payment in the fixed rate | 6,500                           | 6,500                        | 74         | 6,500                           | 4,500                        | 100        |

Note: The above derivative transactions apply cash flow hedging.

### iii) Price fluctuation risk of equity instruments

The Group holds listed shares of companies with which it has business relationships, and is exposed to price fluctuation risk of equity instruments. We continuously monitor fluctuations in the fair value of listed shares.

# Equity instruments sensitivity analysis

Provided that the listed share prices dropped by 10% for the equity instruments held by the Group at the end of each fiscal year, its impact on the other comprehensive income (after tax effects) in the consolidated statements of comprehensive income will be as follows.

(Million Yen)

|                            | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|----------------------------|------------------------------|------------------------------|
| Other comprehensive income | (38,254)                     | (38,276)                     |

## iv) Price fluctuation risk of other financial assets

The prices of energy used in manufacturing the Group's products are exposed to price fluctuation risks. We have entered into a virtual power purchase agreement to avoid energy price fluctuation risks. The derivative details are as follows.

(Million Yen)

|                                  | FY2025 (As of Mar. 31, 2025) |                              |            | FY2026 (As of Mar. 31, 2026) |                              |            |
|----------------------------------|------------------------------|------------------------------|------------|------------------------------|------------------------------|------------|
|                                  | Contractual amount, etc.     |                              | Fair value | Contractual amount, etc.     |                              | Fair value |
|                                  |                              | Of which, due after one year |            |                              | Of which, due after one year |            |
| Virtual power purchase agreement | 12,288                       | 11,958                       | 3,146      | 13,166                       | 12,233                       | 1,093      |

## (iii) Liquidity risk

The Group conducts financing through loans payable and bonds; however, we are exposed to the risk of failure to make payments on the due date due to deterioration in the financing environment and other factors.

We manage liquidity risk with methods such as regularly preparing and updating financial plans and securing appropriate liquidity on hand through cash on hand and commitment line contracts.

The balance of financial liabilities by payment due date is as follows.

FY2025 (As of Mar. 31, 2025)

(Million Yen)

|                                   | Carrying amount | Contractual cash flows | Due within one year | Due after one year through five years | Due after five years |
|-----------------------------------|-----------------|------------------------|---------------------|---------------------------------------|----------------------|
| Trade and other payables (Note 1) | 878,038         | 878,038                | 878,038             | —                                     | —                    |
| Bonds (Note 2)                    | 140,000         | 145,150                | 815                 | 102,816                               | 41,518               |
| Loans payable (Note 3)            | 489,862         | 504,740                | 118,653             | 259,261                               | 126,825              |
| Derivative liabilities            | 23,209          | 23,209                 | 4,938               | 15,276                                | 2,993                |
| Lease liabilities                 | 67,434          | 73,261                 | 19,416              | 29,523                                | 24,321               |
| Other                             | 2,175           | 2,175                  | 2,167               | 8                                     | —                    |
| Total                             | 1,600,721       | 1,626,575              | 1,024,030           | 406,886                               | 195,658              |

Note 1: The items only classified as financial liabilities are included in the trade and other payables reported in the consolidated statements of financial position.

Note 2: Of the contractual amounts of bonds, the amount "Due after one year through five years" includes the principal of unsecured subordinated bonds with optional interest payment deferral and early redemption provisions (hereinafter "hybrid bonds") that are expected to be redeemed early in February 2027 and February 2030 (Second Series: ¥19,000 million; Third Series: ¥51,000 million).  
In addition, the amount "Due after five years" includes the principal of the hybrid bonds (Fourth Series: ¥20,000 million) that are expected to be redeemed early in December 2031.

Note 3: Of the contractual amounts of loans payable, the amount "Due within one year" includes the principal of the hybrid loan (subordinated loan) executed on March 31, 2020 (Tranche A: ¥25,000 million), which was repaid early on March 31, 2026.

In addition, the amount “Due after one year through five years” includes the principal of the same hybrid loan (subordinated loan) (Tranche B: ¥22,500 million; Tranche C: ¥25,000 million), which is expected to be repaid early in March 2028 and March 2029.

Furthermore, the amount “Due after five years” includes the principal of the hybrid loan (subordinated loan) executed on February 28, 2025 (Tranche A: ¥50,000 million; Tranche B: ¥40,000 million), which is expected to be repaid early in February 2031 and February 2033.

FY2026 (As of Mar. 31, 2026)

(Million Yen)

|                                   | Carrying amount | Contractual cash flows | Due within one year | Due after one year through five years | Due after five years |
|-----------------------------------|-----------------|------------------------|---------------------|---------------------------------------|----------------------|
| Trade and other payables (Note 1) | 827,565         | 827,565                | 827,565             | —                                     | —                    |
| Bonds (Note 2)                    | 140,000         | 144,334                | 39,791              | 63,462                                | 41,080               |
| Loans payable (Note 3)            | 481,277         | 499,692                | 81,435              | 297,971                               | 120,285              |
| Derivative liabilities            | 26,723          | 26,723                 | 6,206               | 19,933                                | 584                  |
| Lease liabilities                 | 64,725          | 71,501                 | 14,675              | 37,834                                | 18,992               |
| Other                             | 1,085           | 1,085                  | 1,069               | 16                                    | —                    |
| Total                             | 1,541,378       | 1,570,904              | 970,744             | 419,217                               | 180,942              |

Note 1: The items only classified as financial liabilities are included in the trade and other payables reported in the consolidated statements of financial position.

Note 2: Of the contractual amounts of bonds, the amount “Due within one year” includes the principal of unsecured subordinated bonds with optional interest payment deferral and early redemption provisions (hereinafter “hybrid bonds”) that are expected to be redeemed early in February 2027 (Second Series: ¥19,000 million).

In addition, the amount “Due after one year through five years” includes the principal of the hybrid bonds (Third Series: ¥51,000 million) that are expected to be redeemed early in February 2030.

Furthermore, the amount “Due after five years” includes the principal of the hybrid bonds (Fourth Series: ¥20,000 million) that are expected to be redeemed early in December 2031.

Note 3: Of the contractual amounts of Loans payable, the amount “Due after one year through five years” includes the principal of the hybrid loan (subordinated loan) executed on March 31, 2020 (Tranche B: ¥22,500 million; Tranche C: ¥25,000 million), which is expected to be repaid early in March 2028 and March 2029, as well as the principal of the hybrid loan (subordinated loan) executed on February 28, 2025 (Tranche A: ¥50,000 million), which is expected to be repaid early in February 2031.

In addition, the amount “Due after five years” includes the principal of the same hybrid loan (subordinated loan) (Tranche B: ¥40,000 million), which is expected to be repaid early in February 2033.

The balance of unused loans based on our Group’s commitment line contract is as follows.

(Million Yen)

|                                          | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|------------------------------------------|------------------------------|------------------------------|
| Total amount of commitment line contract | 210,000                      | 360,000                      |
| Balance of used loans                    | —                            | —                            |
| Balance                                  | 210,000                      | 360,000                      |

### (3) Fair value of financial instruments

#### (i) Fair value hierarchy

The fair value hierarchy of financial instruments is as follows.

Level 1: Fair value measured at the quoted price in the active market

Level 2: Fair value, other than Level 1, that is determined by directly or indirectly using observable inputs

Level 3: Fair value determined using a valuation technique including unobservable inputs

(ii) Measurement method of fair value

- i) Cash and cash equivalents, time deposits (with a maturity of more than three months), trade and other receivables, and trade and other payables

The carrying amount is used as the fair value of these instruments, given that the fair value is almost the same as the carrying amount, as they are mostly settled in a short period of time.

- ii) Bonds and loans payable

Bonds with market prices are calculated based on the market prices. Bonds without market prices are measured based on the present value obtained by discounting the future cash flows at interest rates that would be charged for the issuance of similar new bonds.

Short-term loans payable are measured based on the carrying amount, given that the fair value is almost the same as the carrying amount, as they are mostly settled in a short period of time.

Long-term loans payable are calculated by present value obtained by discounting future cash flows at interest rates that would be charged for similar new loans.

- iii) Other financial assets and other financial liabilities

Listed shares are calculated by the market prices at the end of the fiscal year.

Non-listed shares and capital investments are calculated by using appropriate valuation techniques, such as a valuation technique based on the market prices of similar companies and a valuation technique based on net assets. Illiquidity discount, which is a significant unobservable input, is 30% in the measurement. These fair value measurements are implemented by the administrative department that is independent from the investment department in accordance with internal regulations, and such measurement results are authorized by persons with appropriate authority.

Bond receivables are calculated based on the exchange prices, the prices provided by financial institutions with which we transact with based on the observable market data, and adjusted book value net assets.

The fair values of forward exchange contracts, interest rate swaps, and currency swaps are calculated by using data calculated by financial institutions with which we transact with based on the observable market data.

The fair value of a virtual power purchase agreement is calculated by using the discounted cash flow method based on the assumption of expected renewable energy market price and of expected power generation from renewable energy facilities.

(iii) Financial instruments measured at amortized cost

The carrying amount and fair value of financial instruments measured at amortized cost are as follows.

Cash and cash equivalents, time deposits (with a maturity of more than three months), trade and other receivables, and trade and other payables are not included, as the fair values are almost the same as the carrying amounts.

(Million Yen)

|               | FY2025 (As of Mar. 31, 2025) |            | FY2026 (As of Mar. 31, 2026) |            |
|---------------|------------------------------|------------|------------------------------|------------|
|               | Carrying amount              | Fair value | Carrying amount              | Fair value |
| Bonds         | 140,000                      | 132,607    | 140,000                      | 130,382    |
| Loans payable | 489,862                      | 477,238    | 481,277                      | 456,912    |

Note: The fair value hierarchy for financial instruments measured at amortized cost is Level 2.

(iv) Financial instruments measured at fair value

The fair value hierarchy for financial instruments measured at fair value is as follows.

## FY2025 (As of Mar. 31, 2025)

(Million Yen)

|                                              | Level 1 | Level 2 | Level 3 | Total   |
|----------------------------------------------|---------|---------|---------|---------|
| Financial assets measured at fair value      |         |         |         |         |
| Shares                                       | 560,363 | —       | 108,373 | 668,736 |
| Investments in capital                       | —       | —       | 6,127   | 6,127   |
| Bonds receivable                             | —       | 12,191  | 6,272   | 18,463  |
| Derivative assets                            | —       | 4,163   | —       | 4,163   |
| Total                                        | 560,363 | 16,354  | 120,773 | 697,491 |
| Financial liabilities measured at fair value |         |         |         |         |
| Derivative liabilities                       | —       | 23,209  | —       | 23,209  |
| Total                                        | —       | 23,209  | —       | 23,209  |

Note: There were no significant transfers of financial instruments between levels for FY2025.

## FY2026 (As of Mar. 31, 2026)

(Million Yen)

|                                              | Level 1 | Level 2 | Level 3 | Total   |
|----------------------------------------------|---------|---------|---------|---------|
| Financial assets measured at fair value      |         |         |         |         |
| Shares                                       | 560,823 | —       | 98,604  | 659,427 |
| Investments in capital                       | —       | —       | 5,960   | 5,960   |
| Bonds receivable                             | —       | 16,331  | 5,327   | 21,659  |
| Derivative assets                            | —       | 450     | 1,093   | 1,544   |
| Total                                        | 560,823 | 16,782  | 110,986 | 688,592 |
| Financial liabilities measured at fair value |         |         |         |         |
| Derivative liabilities                       | —       | 26,723  | —       | 26,723  |
| Total                                        | —       | 26,723  | —       | 26,723  |

Note: During FY2026, a portion of the balance of derivative assets was transferred from Level 2 to Level 3.

The adjustment table for the financial instruments classified as Level 3 from the balance at beginning of period to the balance at end of period is as follows.

(Million Yen)

|                                   | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|-----------------------------------|------------------------------------------------|------------------------------------------------|
| Balance at beginning of period    | 82,875                                         | 120,773                                        |
| Acquisition                       | 1,102                                          | 416                                            |
| Other comprehensive income (Note) | 36,465                                         | (10,826)                                       |
| Disposal                          | (13)                                           | (32)                                           |
| Other                             | 343                                            | 655                                            |
| Balance at end of period          | 120,773                                        | 110,986                                        |

Note: Other comprehensive income relates to the financial assets measured at fair value through other comprehensive income and is included in the net changes in revaluation of financial assets measured at fair value through other comprehensive income in the consolidated statements of comprehensive income.

(4) Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset, and the net amounts are presented in the consolidated statements of financial position since the Group has a legally enforceable right to set off the recognized amounts of certain financial assets and liabilities and intends either to settle on a net basis or to realize assets and settle liabilities simultaneously.

For financial assets and financial liabilities recognized for the same business partner, the components of the amount offset in the consolidated statements of financial position and the amount recorded in the consolidated statements of financial position is as follows.

FY2025 (As of Mar. 31, 2025)

(Million Yen)

|                             | Total amount of financial assets | Total amount of financial liabilities offset in consolidated statements of financial position | Net amount of financial assets reported in consolidated statements of financial position |
|-----------------------------|----------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Financial assets            |                                  |                                                                                               |                                                                                          |
| Trade and other receivables | 57,333                           | (53,146)                                                                                      | 4,187                                                                                    |

(Million Yen)

|                          | Total amount of financial liabilities | Total amount of financial assets offset in consolidated statements of financial position | Net amount of financial liabilities reported in consolidated statements of financial position |
|--------------------------|---------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Financial liabilities    |                                       |                                                                                          |                                                                                               |
| Trade and other payables | 214,471                               | (53,146)                                                                                 | 161,324                                                                                       |

FY2026 (As of Mar. 31, 2026)

(Million Yen)

|                             | Total amount of financial assets | Total amount of financial liabilities offset in consolidated statements of financial position | Net amount of financial assets reported in consolidated statements of financial position |
|-----------------------------|----------------------------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Financial assets            |                                  |                                                                                               |                                                                                          |
| Trade and other receivables | 57,085                           | (52,859)                                                                                      | 4,225                                                                                    |

(Million Yen)

|                          | Total amount of financial liabilities | Total amount of financial assets offset in consolidated statements of financial position | Net amount of financial liabilities reported in consolidated statements of financial position |
|--------------------------|---------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Financial liabilities    |                                       |                                                                                          |                                                                                               |
| Trade and other payables | 172,845                               | (52,859)                                                                                 | 119,985                                                                                       |

## 24. Lease transactions

The Group, as a lessee, mainly leases buildings and land as well as molds and other products in its automotive parts business.

The contract period ranges from one year to 60 years.

We also rent out molds and other products as a lessor. The recovery period for such molds is within one year in principle.

There are no variable lease payments, renewal or purchase options, escalation clauses, or restrictions imposed by lease agreements.

### (1) Lessee

#### (i) Gain or loss on leases

The components of gain or loss on leases are as follows.

(Million Yen)

|                                                                  | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Depreciation of right-of-use assets                              |                                                |                                                |
| Items with buildings and structures as the underlying asset      | 9,643                                          | 9,744                                          |
| Items with machinery and vehicles as the underlying asset        | 2,714                                          | 2,492                                          |
| Items with tools, furniture and fixtures as the underlying asset | 1,754                                          | 1,872                                          |
| Items with land as the underlying asset                          | 1,187                                          | 1,067                                          |
| Other                                                            | 105                                            | 85                                             |
| Total depreciation                                               | 15,404                                         | 15,262                                         |
| Interest expenses on lease liabilities                           | 773                                            | 839                                            |
| Short-term lease expenses                                        | 5,418                                          | 5,859                                          |
| Leases of low value assets expenses                              | 1,203                                          | 2,152                                          |
| Sublease revenue                                                 | 4,581                                          | 13,206                                         |

#### (ii) Right-of-use assets

The components of carrying amount of right-of-use assets are as follows.

(Million Yen)

|                                                                  | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|------------------------------------------------------------------|------------------------------|------------------------------|
| Components of carrying amount of right-of-use assets             |                              |                              |
| Items with buildings and structures as the underlying asset      | 43,382                       | 47,582                       |
| Items with machinery and vehicles as the underlying asset        | 5,823                        | 5,678                        |
| Items with tools, furniture and fixtures as the underlying asset | 5,016                        | 5,858                        |
| Items with land as the underlying asset                          | 18,094                       | 16,372                       |
| Other                                                            | 110                          | 72                           |
| Total                                                            | 72,427                       | 75,564                       |

Note: The amounts of increase in right-of-use assets for FY2025 and FY2026 were ¥15,863 million and ¥30,006 million, respectively.

(iii) Lease liabilities

The details on maturity analysis for lease liabilities are described in Note “23. Financial instruments (2) Financial risk management (iii) Liquidity risk.”

(iv) Total amount of cash outflow on leases

The total amount of cash outflow on leases is as follows.

(Million Yen)

|                              | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|------------------------------|------------------------------------------------|------------------------------------------------|
| Total amount of cash outflow | 33,300                                         | 42,493                                         |

(2) Lessor

(i) Lease revenue

The lease revenue based on the finance lease agreement is as follows.

(Million Yen)

|                                                   | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|---------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Finance income on the net investment in the lease | 6,361                                          | 16,502                                         |

Note: Finance income on the net investment in the lease includes sublease revenue.

(ii) Lease receivables

The maturity analysis for lease receivables (before discount) on the finance lease agreement is as follows.

(Million Yen)

|                                          | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|------------------------------------------|------------------------------|------------------------------|
| Due within one year                      | 6,774                        | 1,092                        |
| Due after one year through two years     | 947                          | 492                          |
| Due after two years through three years  | —                            | —                            |
| Due after three years through four years | —                            | —                            |
| Due after four years through five years  | —                            | —                            |
| Due after five years                     | —                            | —                            |
| Total                                    | 7,721                        | 1,585                        |

25. Revenue

(1) Disaggregation of revenue

As described in “4. Segment information,” the Group is comprised of five reportable segments: Japan, North America, Europe, China, and ASEAN and India.

The Group is primarily engaged in the automotive parts business and energy solutions-related business. We disaggregate the revenue of the automotive parts business, which accounts for the majority of consolidated revenue, by customer group.

The relationship between these disaggregated revenues and each reportable segment revenue is as follows.

## FY2025 (Apr. 1, 2024 through Mar. 31, 2025)

(Million Yen)

|  |                                                  | Reportable segments |               |         |         |                 | Other  | Total     |
|--|--------------------------------------------------|---------------------|---------------|---------|---------|-----------------|--------|-----------|
|  |                                                  | Japan               | North America | Europe  | China   | ASEAN and India |        |           |
|  | Toyota Group                                     | 1,703,968           | 906,122       | 35,524  | 316,350 | 346,631         | 35,592 | 3,344,191 |
|  | OEM and others                                   | 628,305             | 159,499       | 248,612 | 277,246 | 115,535         | 2,324  | 1,431,524 |
|  | Automotive parts business total                  | 2,332,274           | 1,065,622     | 284,137 | 593,597 | 462,167         | 37,917 | 4,775,716 |
|  | Energy solutions-related and others              | 108,329             | 6,185         | 45      | 1,529   | 4,298           | —      | 120,388   |
|  | Total                                            | 2,440,604           | 1,071,808     | 284,182 | 595,126 | 466,465         | 37,917 | 4,896,104 |
|  | Revenue recognized from contracts with customers | 2,434,267           | 1,071,655     | 284,157 | 595,126 | 466,465         | 37,917 | 4,889,591 |
|  | Revenue recognized arising from other sources    | 6,336               | 152           | 24      | —       | —               | —      | 6,513     |

Note 1: Disaggregation of revenue is presented as revenue from third parties.

Note 2: Revenue recognized arising from other sources includes lease income based on IFRS 16, which is included mainly in the automotive parts business.

## FY2026 (Apr. 1, 2025 through Mar. 31, 2026)

(Million Yen)

|  |                                                  | Reportable segments |               |         |         |                 | Other  | Total     |
|--|--------------------------------------------------|---------------------|---------------|---------|---------|-----------------|--------|-----------|
|  |                                                  | Japan               | North America | Europe  | China   | ASEAN and India |        |           |
|  | Toyota Group                                     | 1,804,482           | 1,019,618     | 39,447  | 293,197 | 374,797         | 36,413 | 3,567,956 |
|  | OEM and others                                   | 604,233             | 154,700       | 229,188 | 266,243 | 166,132         | 3,048  | 1,423,546 |
|  | Automotive parts business total                  | 2,408,715           | 1,174,319     | 268,636 | 559,440 | 540,929         | 39,461 | 4,991,503 |
|  | Energy solutions-related and others              | 109,338             | 6,923         | 36      | 6,633   | 3,329           | —      | 126,260   |
|  | Total                                            | 2,518,054           | 1,181,242     | 268,672 | 566,074 | 544,258         | 39,461 | 5,117,764 |
|  | Revenue recognized from contracts with customers | 2,501,578           | 1,181,117     | 268,645 | 566,074 | 544,258         | 39,461 | 5,101,137 |
|  | Revenue recognized arising from other sources    | 16,475              | 125           | 26      | —       | —               | —      | 16,626    |

Note 1: Disaggregation of revenue is presented as revenue from third parties.

Note 2: Revenue recognized arising from other sources includes lease income based on IFRS 16, which is included mainly in the automotive parts business.

## (2) Contract balance

Balances of receivables arising from contracts with customers and of contract liabilities are as follows.

(Million Yen)

|                                           | Beginning of FY2025<br>(As of Apr. 1, 2024) | FY2025<br>(As of Mar. 31, 2025) | FY2026<br>(As of Mar. 31, 2026) |
|-------------------------------------------|---------------------------------------------|---------------------------------|---------------------------------|
| Receivables from contracts with customers | 615,217                                     | 698,591                         | 742,044                         |
| Contract liabilities (Note 1, Note 2)     | 4,555                                       | 7,019                           | 4,235                           |

Note 1: Contract liabilities primarily relate to advances received from customers and reversed when recorded as revenue after the performance obligation is fully satisfied. All amounts included in the balance of contract liabilities as of the beginning of each fiscal year are recognized as revenue during the respective fiscal year. The amount of revenue recognized from performance obligations satisfied (or partially satisfied) in prior periods was not considered significant for FY2025 and FY2026.

Note 2: Contract liabilities are included in other current liabilities in the consolidated statements of financial position.

(3) Transaction prices allocated to the remaining performance obligations

Information on the remaining performance obligations has been omitted by applying practical expedients, as the Group has no significant transactions with individual forecast contract periods exceeding one year.

(4) Assets recognized from contract costs

The amount of assets recognized from the costs to acquire contracts with customers or to fulfill obligations was not considered significant for FY2025 and FY2026. In the case where the amortization period of assets to be recognized is one year or less, we expense the incremental costs associated with contract acquisitions when incurred by applying practical expedients.

## 26. Selling, general and administrative expenses

The components of selling, general and administrative expenses are as follows.

(Million Yen)

|                               | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|-------------------------------|------------------------------------------------|------------------------------------------------|
| Freight and packing costs     | 58,762                                         | 57,418                                         |
| Product warranty costs        | 17,662                                         | 15,163                                         |
| Employee benefit expenses     | 140,363                                        | 150,561                                        |
| Depreciation and amortization | 19,379                                         | 19,348                                         |
| Other                         | 138,915                                        | 141,033                                        |
| Total                         | 375,083                                        | 383,524                                        |

## 27. Research and development expenses

Research and development expenses included in the cost of revenue and selling, general and administrative expenses in the consolidated statements of income are as follows.

(Million Yen)

|                                   | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|-----------------------------------|------------------------------------------------|------------------------------------------------|
| Research and development expenses | 236,844                                        | 265,494                                        |

Note: Amortization of capitalized development costs is not included.

## 28. Other income and expenses

(1) Other income

The components of other income are as follows.

(Million Yen)

|                              | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|------------------------------|------------------------------------------------|------------------------------------------------|
| Government grant income      | 3,096                                          | 2,236                                          |
| Gain on sale of fixed assets | 7,508                                          | 1,738                                          |
| Other                        | 25,509                                         | 22,811                                         |
| Total                        | 36,115                                         | 26,787                                         |

(2) Other expenses

The components of other expenses are as follows.

(Million Yen)

|                                             | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|---------------------------------------------|------------------------------------------------|------------------------------------------------|
| Impairment loss on fixed assets             | 4,201                                          | 15,233                                         |
| Loss on sale and retirement of fixed assets | 5,833                                          | 4,152                                          |
| Donations                                   | 294                                            | 6,113                                          |
| Other                                       | 11,249                                         | 7,897                                          |
| Total                                       | 21,579                                         | 33,398                                         |

(Change in presentation method)

Donations, which were included in “other” in FY2025, are presented as a separate line item beginning in FY2026 due to its increased materiality. To reflect this change in presentation, the notes for FY2025 have been reclassified.

As a result, the ¥11,544 million previously presented as “other” in FY2025 has been reclassified as ¥294 million for donations and ¥11,249 million for “other.”

## 29. Finance income and expenses

### (1) Finance income

The components of finance income are as follows.

(Million Yen)

|                                                                            | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|----------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Interest income                                                            |                                                |                                                |
| Financial assets measured at amortized cost                                | 5,704                                          | 4,271                                          |
| Financial assets measured at fair value through other comprehensive income | 265                                            | 245                                            |
| Dividend income                                                            |                                                |                                                |
| Financial assets measured at fair value through other comprehensive income | 18,005                                         | 18,634                                         |
| Foreign exchange gains                                                     | —                                              | 1,990                                          |
| Gain on valuation of derivatives                                           | 3,210                                          | —                                              |
| Other                                                                      | 3,267                                          | 3,645                                          |
| Total                                                                      | 30,452                                         | 28,787                                         |

Note: Dividend income from financial assets measured at fair value through other comprehensive income recognized in FY2025 and FY2026 includes dividend income from financial assets measured at fair value through other comprehensive income that were derecognized during each reporting period (Refer to “12. Other financial assets”).

### (2) Finance expenses

The components of finance expenses are as follows.

(Million Yen)

|                                                  | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|--------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Interest expenses                                |                                                |                                                |
| Financial liabilities measured at amortized cost | 4,459                                          | 5,360                                          |
| Lease liabilities                                | 773                                            | 839                                            |
| Loss on net monetary position                    | 2,406                                          | 2,165                                          |
| Foreign exchange losses                          | 37,677                                         | —                                              |
| Loss on valuation of derivatives                 | —                                              | 2,141                                          |
| Other                                            | 4,085                                          | 4,714                                          |
| Total                                            | 49,402                                         | 15,221                                         |

### 30. Other comprehensive income

The components of other comprehensive income are as follows.

FY2025 (Apr. 1, 2024 through Mar. 31, 2025)

(Million Yen)

|                                                                                                                 | Amount arising during the period | Reclassification adjustments | Before tax effect | Tax effect | After tax effect |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------|-------------------|------------|------------------|
| Items that will not be reclassified to profit or loss                                                           |                                  |                              |                   |            |                  |
| Remeasurements of defined benefit plans                                                                         | (10,674)                         | —                            | (10,674)          | 2,811      | (7,862)          |
| Net changes in revaluation of financial assets measured at fair value through other comprehensive income (loss) | (190,967)                        | —                            | (190,967)         | 54,716     | (136,251)        |
| Share of other comprehensive income (loss) of associates accounted for using the equity method                  | 29                               | —                            | 29                | —          | 29               |
| Total                                                                                                           | (201,612)                        | —                            | (201,612)         | 57,527     | (144,084)        |
| Items that may be reclassified subsequently to profit or loss                                                   |                                  |                              |                   |            |                  |
| Net changes in revaluation of financial assets measured at fair value through other comprehensive income (loss) | (21)                             | —                            | (21)              | 6          | (15)             |
| Cash flow hedges                                                                                                | 71                               | 22                           | 94                | (36)       | 57               |
| Exchange differences on translating foreign operations                                                          | 2,279                            | 198                          | 2,478             | —          | 2,478            |
| Share of other comprehensive income (loss) of associates accounted for using the equity method                  | (518)                            | —                            | (518)             | —          | (518)            |
| Total                                                                                                           | 1,811                            | 221                          | 2,032             | (30)       | 2,001            |
| Other comprehensive income (loss) total                                                                         | (199,800)                        | 221                          | (199,579)         | 57,497     | (142,082)        |

FY2026 (Apr. 1, 2025 through Mar. 31, 2026)

(Million Yen)

|                                                                                                                 | Amount arising during the period | Reclassification adjustments | Before tax effect | Tax effect | After tax effect |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------|------------------------------|-------------------|------------|------------------|
| Items that will not be reclassified to profit or loss                                                           |                                  |                              |                   |            |                  |
| Remeasurements of defined benefit plans                                                                         | 21,379                           | —                            | 21,379            | (6,971)    | 14,408           |
| Net changes in revaluation of financial assets measured at fair value through other comprehensive income (loss) | 141,797                          | —                            | 141,797           | (43,844)   | 97,952           |
| Share of other comprehensive income (loss) of associates accounted for using the equity method                  | (56)                             | —                            | (56)              | —          | (56)             |
| Total                                                                                                           | 163,120                          | —                            | 163,120           | (50,816)   | 112,303          |
| Items that may be reclassified subsequently to profit or loss                                                   |                                  |                              |                   |            |                  |
| Net changes in revaluation of financial assets measured at fair value through other comprehensive income (loss) | (197)                            | —                            | (197)             | 61         | (136)            |
| Cash flow hedges                                                                                                | 90                               | (8)                          | 81                | (24)       | 57               |
| Exchange differences on translating foreign operations                                                          | 79,628                           | 149                          | 79,777            | —          | 79,777           |
| Share of other comprehensive income (loss) of associates accounted for using the equity method                  | 1,367                            | —                            | 1,367             | —          | 1,367            |
| Total                                                                                                           | 80,888                           | 140                          | 81,028            | 36         | 81,065           |
| Other comprehensive income (loss) total                                                                         | 244,008                          | 140                          | 244,148           | (50,779)   | 193,369          |

### 31. Earnings per share

The basis for calculating basic earnings per share is as follows.

|                                                                          | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|--------------------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Profit for the period attributable to owners of the parent (Million Yen) | 107,586                                        | 171,697                                        |
| Average number of common stocks (Thousands of shares)                    | 780,701                                        | 738,038                                        |
| Basic earnings per share (Yen)                                           | 137.81                                         | 232.64                                         |

Note 1: Information on diluted earnings per share is omitted due to the absence of potential shares.

Note 2: On October 1, 2024, the Company executed a three-for-one stock split of its common stock. The amounts of basic earnings per share have been calculated assuming that the relevant stock split was conducted at the beginning of FY2025.

### 32. Related parties

#### (1) Transactions with related parties

Descriptions of the transactions between the Group and related parties are as follows.

We determine the transaction terms with related parties by taking into account market prices and total costs, offering our desired prices through price negotiations each period.

FY2025 (Apr. 1, 2024 through Mar. 31, 2025)

(Million Yen)

| Type                                 | Name                           | Nature of transactions          | Transaction amount | Outstanding balance |
|--------------------------------------|--------------------------------|---------------------------------|--------------------|---------------------|
| Companies with significant influence | Toyota Motor Corporation Group | Sales of automotive parts, etc. | 2,870,025          | 322,987             |

FY2026 (Apr. 1, 2025 through Mar. 31, 2026)

(Million Yen)

| Type                                 | Name                           | Nature of transactions          | Transaction amount | Outstanding balance |
|--------------------------------------|--------------------------------|---------------------------------|--------------------|---------------------|
| Companies with significant influence | Toyota Motor Corporation Group | Sales of automotive parts, etc. | 3,112,449          | 348,504             |

(2) Remuneration for key management personnel

Descriptions of the remuneration for key management personnel are as follows.

(Million Yen)

|                                | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|--------------------------------|------------------------------------------------|------------------------------------------------|
| Basic remuneration and bonuses | 499                                            | 549                                            |
| Stock-based remuneration       | 176                                            | 175                                            |
| Total                          | 675                                            | 724                                            |

### 33. Principal subsidiaries

#### (1) Principal subsidiaries

The Group's principal subsidiaries are as follows.

| Name                                           | Location                      | Principal contents of business              | Ratio of voting rights (%) |
|------------------------------------------------|-------------------------------|---------------------------------------------|----------------------------|
| AISIN TAKAOKA CO., LTD.                        | Toyota, Aichi                 | Automotive parts                            | 51.2                       |
| AISIN KEIKINZOKU Co., Ltd.                     | Imizu, Toyama                 | Automotive parts                            | 60.0                       |
| AISIN DEVELOPMENT Co., Ltd.                    | Kariya, Aichi                 | Other                                       | 100.0                      |
| AISIN KIKO Co., LTD.                           | Nishio, Aichi                 | Automotive parts                            | 100.0                      |
| AISIN SIN'EI Co., Ltd.                         | Hekinan, Aichi                | Automotive parts                            | 100.0                      |
| AISIN FUKUI Corporation                        | Echizen, Fukui                | Automotive parts                            | 100.0                      |
| HOSEI BRAKE INDUSTRY CO., LTD.                 | Toyota, Aichi                 | Automotive parts                            | 76.6                       |
| ADVICS CO., LTD.                               | Kariya, Aichi                 | Automotive parts                            | 51.1                       |
| AISIN SHIROKI CORPORATION                      | Toyokawa, Aichi               | Automotive parts                            | 100.0                      |
| ART METAL MFG. CO., LTD.                       | Ueda, Nagano                  | Automotive parts                            | 80.3                       |
| AISIN KYUSHU Co., Ltd.                         | Kumamoto, Kumamoto            | Automotive parts                            | 100.0                      |
| CVTEC Co., Ltd.                                | Tahara, Aichi                 | Automotive parts                            | 100.0                      |
| Aisin Holdings of America, Inc.                | Indiana, USA                  | Other                                       | 100.0                      |
| Aisin World Corp. of America                   | Michigan, USA                 | Automotive parts & energy solutions-related | 100.0                      |
| Aisin U.S.A. Mfg., Inc.                        | Indiana, USA                  | Automotive parts                            | 100.0                      |
| Aisin Drivetrain, Inc.                         | Indiana, USA                  | Automotive parts                            | 100.0                      |
| Aisin Automotive Casting, LLC                  | Kentucky, USA                 | Automotive parts                            | 100.0                      |
| Aisin Automotive Casting Tennessee, Inc.       | Tennessee, USA                | Automotive parts                            | 100.0                      |
| AISIN AUTOMOTIVE GUANAJUATO, S.A. DE C.V.      | Guanajuato, Mexico            | Automotive parts                            | 100.0                      |
| AISIN North Carolina Corporation               | North Carolina, USA           | Automotive parts                            | 100.0                      |
| AISIN Texas Corporation                        | Texas, USA                    | Automotive parts                            | 100.0                      |
| AISIN TAKAOKA MÉXICO, S.A. DE C.V.             | Guanajuato, Mexico            | Automotive parts                            | 100.0                      |
| ADVICS Manufacturing Ohio, Inc.                | Ohio, USA                     | Automotive parts                            | 100.0                      |
| ADVICS Manufacturing Indiana, L.L.C.           | Indiana, USA                  | Automotive parts                            | 100.0                      |
| ADVICS Manufacturing Mexico S. de R.L. de C.V. | Jalisco, Mexico               | Automotive parts                            | 100.0                      |
| SHIROKI North America, Inc.                    | Tennessee, USA                | Automotive parts                            | 100.0                      |
| Fenox Venture Company XX, L.P.                 | California, USA               | Other                                       | 99.0                       |
| AISIN REINSURANCE AMERICA, INC.                | Hawaii, USA                   | Other                                       | 100.0                      |
| AISIN EUROPE S.A.                              | Braine-l'Alleud, Belgium      | Automotive parts                            | 100.0                      |
| AISIN EUROPE MANUFACTURING CZECH s.r.o.        | South Bohemia, Czech Republic | Automotive parts                            | 100.0                      |
| AISIN (CHINA) INVESTMENT CO., LTD.             | Shanghai, China               | Automotive parts                            | 100.0                      |
| TANGSHAN AISIN GEAR CO., LTD.                  | Tangshan, Hebei, China        | Automotive parts                            | 99.3                       |
| AISIN SUZHOU CO., LTD.                         | Suzhou, Jiangsu, China        | Automotive parts                            | 100.0                      |
| TIANJIN AISIN AUTOMATIC TRANSMISSION CO., LTD. | Tianjin, China                | Automotive parts                            | 80.0                       |
| AISIN TIANJIN AUTOMOTIVE PARTS CO., LTD.       | Tianjin, China                | Automotive parts                            | 100.0                      |

| Name                                                  | Location                    | Principal contents of business | Ratio of voting rights (%) |
|-------------------------------------------------------|-----------------------------|--------------------------------|----------------------------|
| ZHEJIANG GEELY AISIN AUTOMATIC TRANSMISSION CO., LTD. | Ningbo, Zhejiang, China     | Automotive parts               | 60.0                       |
| GAC AISIN AUTOMATIC TRANSMISSION CO., LTD.            | Guangzhou, Guangdong, China | Automotive parts               | 60.0                       |
| ADVICS Tianjin Automobile Parts CO., Ltd.             | Tianjin, China              | Automotive parts               | 97.3                       |
| AISIN Thai Automotive Casting Co., Ltd.               | Prachinburi, Thailand       | Automotive parts               | 97.0                       |
| AISIN Powertrain (Thailand) CO., LTD.                 | Chonburi, Thailand          | Automotive parts               | 100.0                      |
| PT AISIN INDONESIA AUTOMOTIVE                         | West Java, Indonesia        | Automotive parts               | 100.0                      |
| PT. AT INDONESIA                                      | West Java, Indonesia        | Automotive parts               | 56.0                       |
| TOYOTA AISIN PHILIPPINES, INC.                        | Laguna, Philippines         | Automotive parts               | 61.0                       |
| AISIN AUTOMOTIVE HARYANA PRIVATE LIMITED              | Haryana, India              | Automotive parts               | 99.4                       |
| AT INDIA AUTO PARTS PRIVATE LIMITED                   | Karnataka, India            | Automotive parts               | 98.0                       |
| AISIN AUTOMOTIVE LTDA.                                | São Paulo, Brazil           | Automotive parts               | 100.0                      |

(2) Summary financial information on subsidiaries with significant non-controlling interests

(i) Ratio of ownership interests held by non-controlling interests

|                         | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-------------------------|------------------------------|------------------------------|
| AISIN TAKAOKA CO., LTD. | 49.2%                        | 49.2%                        |
| ADVICS CO., LTD.        | 48.9%                        | 48.9%                        |

(ii) Ratio of voting rights held by non-controlling interests

|                         | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-------------------------|------------------------------|------------------------------|
| AISIN TAKAOKA CO., LTD. | 48.8%                        | 48.8%                        |
| ADVICS CO., LTD.        | 48.9%                        | 48.9%                        |

(iii) Summary financial information

Summary financial information below is based on the consolidated financial statements prepared by AISIN TAKAOKA CO., LTD. and ADVICS CO., LTD., in accordance with IFRS.

i) AISIN TAKAOKA CO., LTD.

(a) Summary of consolidated statements of financial position

(Million Yen)

|                         | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-------------------------|------------------------------|------------------------------|
| Current assets          | 135,802                      | 142,848                      |
| Non-current assets      | 172,720                      | 181,708                      |
| Current liabilities     | 91,010                       | 95,513                       |
| Non-current liabilities | 50,088                       | 47,464                       |
| Equity                  | 167,424                      | 181,578                      |

Note: The amounts of accumulated non-controlling interests for FY2025 and FY2026 were ¥97,847 million and ¥106,317 million, respectively.

(b) Summary of consolidated statements of income / Summary of consolidated statements of comprehensive income

(Million Yen)

|                                     | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|-------------------------------------|------------------------------------------------|------------------------------------------------|
| Revenue                             | 416,447                                        | 431,287                                        |
| Profit for the period               | (870)                                          | 14,050                                         |
| Comprehensive income for the period | 3,721                                          | 20,222                                         |

Note 1: The amounts of profit or loss allocated to non-controlling interests for FY2025 and FY2026 were ¥578 million and ¥8,247 million, respectively.

Note 2: There were no dividends paid by AISIN TAKAOKA CO., LTD. to non-controlling interests in FY2025. The dividends paid by AISIN TAKAOKA CO., LTD. to non-controlling interests were ¥1,509 million in FY2026.

(c) Summary of consolidated statements of cash flows

(Million Yen)

|                                                             | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|-------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Net cash provided by (used in) operating activities         | 20,031                                         | 25,955                                         |
| Net cash provided by (used in) investing activities         | 9,254                                          | (18,181)                                       |
| Net cash provided by (used in) financing activities         | (28,277)                                       | (9,451)                                        |
| Effect of exchange rate change on cash and cash equivalents | 1,891                                          | (519)                                          |

ii) ADVICS CO., LTD.

(a) Summary of consolidated statements of financial position

(Million Yen)

|                         | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-------------------------|------------------------------|------------------------------|
| Current assets          | 283,357                      | 317,149                      |
| Non-current assets      | 313,629                      | 294,563                      |
| Current liabilities     | 236,080                      | 237,475                      |
| Non-current liabilities | 208,662                      | 187,767                      |
| Equity                  | 152,243                      | 186,469                      |

Note: The amounts of accumulated non-controlling interests for FY2025 and FY2026 were ¥72,900 million and ¥89,610 million, respectively.

(b) Summary of consolidated statements of income / Summary of consolidated statements of comprehensive income

(Million Yen)

|                                     | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|-------------------------------------|------------------------------------------------|------------------------------------------------|
| Revenue                             | 837,239                                        | 911,606                                        |
| Profit for the period               | 13,445                                         | 30,730                                         |
| Comprehensive income for the period | 16,724                                         | 40,271                                         |

Note 1: The amounts of profit or loss allocated to non-controlling interests for FY2025 and FY2026 were ¥7,203 million and ¥15,528 million, respectively.

Note 2: The dividends paid by ADVICS CO., LTD. to non-controlling interests for FY2025 and FY2026 were ¥1,843 million and ¥2,547 million, respectively.

(c) Summary of consolidated statements of cash flows

(Million Yen)

|                                                             | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|-------------------------------------------------------------|------------------------------------------------|------------------------------------------------|
| Net cash provided by (used in) operating activities         | 51,834                                         | 71,271                                         |
| Net cash provided by (used in) investing activities         | (44,167)                                       | (20,277)                                       |
| Net cash provided by (used in) financing activities         | (19,470)                                       | (47,709)                                       |
| Effect of exchange rate change on cash and cash equivalents | (1,656)                                        | 317                                            |

34. Commitments

Significant commitments pertaining to the acquisition of assets that have been contracted but are not recognized in the consolidated financial statements are as follows.

(Million Yen)

|                               | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-------------------------------|------------------------------|------------------------------|
| Property, plant and equipment | 45,799                       | 38,734                       |

### 35. Hyperinflation adjustments

Turkey's cumulative inflation rate over the past three years has exceeded 100%. In light of this, we have determined that consolidated subsidiaries and other entities that use Turkish lira as their functional currency are in the hyperinflationary economy. The non-consolidated financial statements of such consolidated subsidiaries and other entities are included in the Group's consolidated financial statements by remeasuring amounts to the measuring unit current at the end of the reporting period, in accordance with IAS 29 Financial Reporting in Hyperinflationary Economies.

In the non-consolidated financial statements of consolidated subsidiaries and other entities that use Turkish lira as their functional currency, non-monetary items such as property, plant and equipment stated at acquisition cost are restated by applying the conversion factor based on their dates of acquisition. Monetary items and non-monetary items stated at present cost are not restated because they are considered to have been expressed in terms of the measuring unit current at the end of the reporting period. The impact of inflation on the net monetary position is stated in finance income or finance expenses in the consolidated statements of income.

In addition, the non-consolidated financial statements of consolidated subsidiaries and other entities that use Turkish lira as their functional currency are translated into Japanese yen using the exchange rates at the end of the fiscal year.

To remeasure the non-consolidated financial statements of consolidated subsidiaries and other entities in Turkey, the Group uses the conversion factors derived from the Turkey Consumer Price Index (CPI) announced by Turkish Statistical Institute.

The Turkey CPIs and conversion factors that correspond to the date of each statement of financial position are as follows.

| Date of statement of financial position | CPI    | Conversion factor |
|-----------------------------------------|--------|-------------------|
| Mar. 31, 2005                           | 3.61   | 3,368             |
| Mar. 31, 2006                           | 3.90   | 3,114             |
| Mar. 31, 2007                           | 4.32   | 2,809             |
| Mar. 31, 2008                           | 4.72   | 2,573             |
| Mar. 31, 2009                           | 5.09   | 2,385             |
| Mar. 31, 2010                           | 5.58   | 2,177             |
| Mar. 31, 2011                           | 5.80   | 2,093             |
| Mar. 31, 2012                           | 6.41   | 1,896             |
| Mar. 31, 2013                           | 6.87   | 1,767             |
| Mar. 31, 2014                           | 7.45   | 1,630             |
| Mar. 31, 2015                           | 8.02   | 1,515             |
| Mar. 31, 2016                           | 8.62   | 1,410             |
| Mar. 31, 2017                           | 9.59   | 1,267             |
| Mar. 31, 2018                           | 10.57  | 1,149             |
| Mar. 31, 2019                           | 12.65  | 960               |
| Mar. 31, 2020                           | 14.15  | 858               |
| Mar. 31, 2021                           | 16.45  | 739               |
| Mar. 31, 2022                           | 26.50  | 458               |
| Mar. 31, 2023                           | 39.89  | 305               |
| Mar. 31, 2024                           | 67.21  | 181               |
| Mar. 31, 2025                           | 92.82  | 131               |
| Mar. 31, 2026                           | 121.47 | 100               |

### 36. Subsequent events

(Share repurchase, tender offer for own shares and cancellation of treasury shares)

At the meeting of the Board of Directors held on April 28, 2026, the Company resolved to acquire treasury stock pursuant to Article 156 of the Companies Act, as applied pursuant to Article 165, paragraph 3 of the Companies Act, to conduct a tender offer for treasury stock (the “Tender Offer”) as the specific method of acquiring treasury stock pursuant to Article 156, paragraph 1 of the Companies Act, as applied pursuant to Article 165, paragraph 3 of the Companies Act, and the Company’s Articles of Incorporation, and to cancel treasury stock pursuant to Article 178 of the Companies Act. The Company subsequently completed the Tender Offer and the cancellation of treasury stock.

#### (1) Reason for the acquisition of treasury stock

In FY2029 Mid-Term Business Plan announced on February 19, 2026, the Company has a policy of expanding business in growth areas and improving capital efficiency in order to achieve sustainable growth and enhance corporate value over the medium to long-term.

This share repurchase is in line with the above policy and is intended to improve capital efficiency and enhance corporate value. Going forward, the Company will continue to strengthen shareholder returns through stable and continuous dividends and agile share repurchases, taking into account the balance between financial stability and capital efficiency, as well as future investment trends.

#### (2) Details of the acquisition of treasury stock

- (i) Class of shares to be repurchased Common stock of the Company
- (ii) Total number of shares to be repurchased 65,000,000 shares (maximum) (Note 1)  
(9.0% of total number of issued shares [excluding treasury stock])
- (iii) Aggregate amount of repurchase cost of shares ¥100.0 billion (maximum) (Note 1)
- (iv) Period of repurchase April 30, 2026 to March 31, 2027
- (v) Means of repurchase Market purchases on the Tokyo Stock Exchange, Inc., off-floor trading (ToSTNeT-3), and a tender offer for own shares
- (vi) Other Decisions relating to any necessary matters for the acquisition of treasury stock will be entrusted to the Representative Director of the Company. However, this excludes the acquisition of treasury stock by a tender offer for own shares.

Note 1: “Total number of shares to be repurchased” and “Aggregate amount of repurchase cost of shares” include the amounts set forth in (3) “Overview of the Tender Offer” below.

Note 2: The repurchase may not be completed in part or in whole depending on market trends.

#### (3) Overview of the Tender Offer

- (i) Planned number of shares to be purchased 23,239,327 shares (maximum)
- (ii) Public notice of commencement of the tender offer April 30, 2026
- (iii) Tender offer period April 30, 2026 to June 1, 2026
- (iv) Price of tendering ¥1,986 per share of common stock
- (v) Total amount of purchase cost ¥46.1 billion
- (vi) Settlement commencement date June 23, 2026

#### (4) Details of the cancellation of treasury stock

- (i) Class of shares cancelled Common stock of the Company
- (ii) Total number of shares cancelled 33,000,000 shares (4.3% of the total number of issued shares before the cancellation)

(iii) Date of cancellation

May 29, 2026

(2) Others

Half-yearly information for the fiscal year ended March 31, 2026

|                                                                                                  | Six months ended September 30,<br>2025 | Fiscal year ended March 31, 2026 |
|--------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------|
| Revenue (Million Yen)                                                                            | 2,472,066                              | 5,117,764                        |
| Interim profit before tax or profit before income taxes<br>(Million Yen)                         | 106,422                                | 247,941                          |
| Profit for the interim period (the period) attributable to<br>owners of the parent (Million Yen) | 69,811                                 | 171,697                          |
| Basic earnings per share for the interim period (the<br>period) (Yen)                            | 93.19                                  | 232.64                           |

## 2. Non-consolidated financial statements and other information

### (1) Financial statements

#### (i) Balance sheet

(Million Yen)

|                                                   | As of March 31, 2025 | As of March 31, 2026 |
|---------------------------------------------------|----------------------|----------------------|
| <b>Assets</b>                                     |                      |                      |
| Current assets                                    |                      |                      |
| Cash and deposits                                 | 197,061              | 303,431              |
| Notes receivable                                  | 7                    | 0                    |
| Electronically recorded monetary claims—operating | *1 37,924            | *1 39,217            |
| Accounts receivable—trade                         | *1 427,045           | *1 430,173           |
| Securities                                        | 6,995                | 26,861               |
| Merchandise and finished goods                    | 36,528               | 42,799               |
| Work in progress                                  | 80,217               | 83,526               |
| Raw materials and supplies                        | 10,817               | 16,192               |
| Income taxes receivable                           | 8,358                | —                    |
| Other                                             | *1 242,382           | *1 228,660           |
| Allowance for doubtful accounts                   | (6,549)              | (1,572)              |
| Total current assets                              | 1,040,788            | 1,169,289            |
| Non-current assets                                |                      |                      |
| Property, plant and equipment                     |                      |                      |
| Buildings                                         | 109,215              | 109,325              |
| Structures                                        | 10,965               | 10,875               |
| Machinery and equipment                           | 98,734               | 105,241              |
| Vehicles                                          | 1,277                | 1,506                |
| Tools, furniture and fixtures                     | 11,506               | 14,316               |
| Land                                              | 84,889               | 85,489               |
| Leased assets                                     | 1,728                | 2,558                |
| Construction in progress                          | 34,788               | 26,233               |
| Total property, plant and equipment               | 353,105              | 355,546              |
| Intangible assets                                 |                      |                      |
| Software                                          | 15,749               | 15,167               |
| Other                                             | 4,561                | 1,572                |
| Total intangible assets                           | 20,311               | 16,739               |
| Investments and other assets                      |                      |                      |
| Investment securities                             | 121,975              | 24,603               |
| Shares of affiliates                              | 672,880              | 772,466              |
| Long-term loans receivable                        | *1 299,268           | *1 270,576           |
| Prepaid pension costs                             | 2,316                | 8,074                |
| Other                                             | 81,593               | 75,399               |
| Allowance for doubtful accounts                   | (5,982)              | (11,878)             |
| Total investments and other assets                | 1,172,052            | 1,139,241            |
| Total non-current assets                          | 1,545,469            | 1,511,528            |
| <b>Total assets</b>                               | <b>2,586,258</b>     | <b>2,680,818</b>     |

(Million Yen)

|                                                               | As of March 31, 2025 |           | As of March 31, 2026 |           |
|---------------------------------------------------------------|----------------------|-----------|----------------------|-----------|
| Liabilities                                                   |                      |           |                      |           |
| Current liabilities                                           |                      |           |                      |           |
| Electronically recorded obligations—operating                 | *1                   | 66,710    | *1                   | 38,974    |
| Accounts payable—trade                                        | *1                   | 201,427   | *1                   | 198,411   |
| Short-term loans payable                                      |                      | 62,500    |                      | 37,100    |
| Accounts payable                                              | *1                   | 28,892    | *1                   | 20,380    |
| Accrued expenses                                              | *1                   | 182,567   | *1                   | 178,462   |
| Income tax payables                                           |                      | —         |                      | 29,352    |
| Deposits received                                             | *1                   | 229,885   | *1                   | 230,956   |
| Provision for product warranties                              |                      | 40,123    |                      | 33,524    |
| Provision for loss on subsidiaries                            |                      | 2,126     |                      | 3,248     |
| Other                                                         | *1                   | 6,242     | *1                   | 38,054    |
| Total current liabilities                                     |                      | 820,476   |                      | 808,466   |
| Non-current liabilities                                       |                      |           |                      |           |
| Bonds payable                                                 |                      | 140,000   |                      | 120,000   |
| Long-term loans payable                                       |                      | 380,700   |                      | 388,100   |
| Deferred tax liabilities                                      |                      | 13,542    |                      | 13,542    |
| Provision for retirement benefits                             |                      | 147,056   |                      | 153,359   |
| Other                                                         | *1                   | 20,576    | *1                   | 23,503    |
| Total non-current liabilities                                 |                      | 701,876   |                      | 698,505   |
| Total liabilities                                             |                      | 1,522,352 |                      | 1,506,971 |
| Net assets                                                    |                      |           |                      |           |
| Shareholders' equity                                          |                      |           |                      |           |
| Capital stock                                                 |                      | 45,049    |                      | 45,049    |
| Capital surplus                                               |                      |           |                      |           |
| Legal capital surplus                                         |                      | 62,926    |                      | 62,926    |
| Total capital surplus                                         |                      | 62,926    |                      | 62,926    |
| Retained earnings                                             |                      |           |                      |           |
| Legal retained earnings                                       |                      | 10,285    |                      | 10,285    |
| Other retained earnings                                       |                      |           |                      |           |
| Reserve for tax purpose reduction entry of non-current assets |                      | 1,263     |                      | 2,012     |
| Reserve for special account                                   |                      | 1,132     |                      | 124       |
| General reserve                                               |                      | 112,500   |                      | 112,500   |
| Retained earnings brought forward                             |                      | 598,146   |                      | 694,806   |
| Total retained earnings                                       |                      | 723,328   |                      | 819,729   |
| Treasury stock                                                |                      | (84,608)  |                      | (80,222)  |
| Total shareholders' equity                                    |                      | 746,695   |                      | 847,482   |
| Valuation and translation adjustments                         |                      |           |                      |           |
| Valuation difference on available-for-sale securities         |                      | 317,210   |                      | 326,364   |
| Total valuation and translation adjustments                   |                      | 317,210   |                      | 326,364   |
| Total net assets                                              |                      | 1,063,905 |                      | 1,173,846 |
| Total liabilities and net assets                              |                      | 2,586,258 |                      | 2,680,818 |

## (ii) Statement of income

(Million Yen)

|                                                    | Fiscal year ended March 31,<br>2025 |           | Fiscal year ended March 31,<br>2026 |           |
|----------------------------------------------------|-------------------------------------|-----------|-------------------------------------|-----------|
| Revenue                                            | *1                                  | 2,431,018 | *1                                  | 2,479,761 |
| Cost of revenue                                    | *1                                  | 2,215,335 | *1                                  | 2,269,808 |
| Gross profit                                       |                                     | 215,682   |                                     | 209,952   |
| Selling, general and administrative expenses       |                                     |           |                                     |           |
| Freight and packing costs                          |                                     | 37,084    |                                     | 35,832    |
| Salaries and allowances                            |                                     | 35,965    |                                     | 34,938    |
| Depreciation                                       |                                     | 5,975     |                                     | 6,060     |
| Research and development expenses                  |                                     | 22,781    |                                     | 19,225    |
| Market claims expenses                             |                                     | 11,152    |                                     | 947       |
| Other                                              |                                     | 77,232    |                                     | 83,219    |
| Total selling, general and administrative expenses |                                     | 190,191   |                                     | 180,224   |
| Operating profit                                   |                                     | 25,491    |                                     | 29,727    |
| Non-operating income                               |                                     |           |                                     |           |
| Interest and dividend income                       | *1                                  | 83,072    | *1                                  | 98,282    |
| Other                                              | *1                                  | 29,844    | *1                                  | 27,022    |
| Total non-operating income                         |                                     | 112,916   |                                     | 125,305   |
| Non-operating expenses                             |                                     |           |                                     |           |
| Interest expenses                                  | *1                                  | 3,941     | *1                                  | 5,660     |
| Other                                              | *1                                  | 28,577    | *1                                  | 29,586    |
| Total non-operating expenses                       |                                     | 32,519    |                                     | 35,247    |
| Ordinary profit                                    |                                     | 105,888   |                                     | 119,785   |
| Extraordinary income                               |                                     |           |                                     |           |
| Gain on sales of investment securities             |                                     | —         | *2                                  | 137,049   |
| Total extraordinary income                         |                                     | —         |                                     | 137,049   |
| Profit before income taxes                         |                                     | 105,888   |                                     | 256,834   |
| Income taxes—current                               |                                     | 8,800     |                                     | 35,100    |
| Income taxes—deferred                              |                                     | (655)     |                                     | (1,876)   |
| Total income taxes                                 |                                     | 8,144     |                                     | 33,223    |
| Profit for the period                              |                                     | 97,744    |                                     | 223,611   |

## (iii) Statement of changes in shareholders' equity

Fiscal year ended March 31, 2025

(Million Yen)

|                                                      | Shareholders' equity |                       |                       |                         |                                                               |                             |                 |                                   |                         |
|------------------------------------------------------|----------------------|-----------------------|-----------------------|-------------------------|---------------------------------------------------------------|-----------------------------|-----------------|-----------------------------------|-------------------------|
|                                                      | Capital stock        | Capital surplus       |                       | Retained earnings       |                                                               |                             |                 |                                   | Total retained earnings |
|                                                      |                      | Legal capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings                                       |                             |                 |                                   |                         |
|                                                      |                      |                       |                       |                         | Reserve for tax purpose reduction entry of non-current assets | Reserve for special account | General reserve | Retained earnings brought forward |                         |
| Balance as of April 1, 2024                          | 45,049               | 62,926                | 62,926                | 10,285                  | 1,340                                                         | 124                         | 112,500         | 678,217                           | 802,468                 |
| Changes during period                                |                      |                       |                       |                         |                                                               |                             |                 |                                   |                         |
| Provision of reserves                                | —                    | —                     | —                     | —                       | —                                                             | 1,007                       | —               | (1,007)                           | —                       |
| Reversal of reserves                                 | —                    | —                     | —                     | —                       | (77)                                                          | —                           | —               | 77                                | —                       |
| Dividends                                            | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | (47,660)                          | (47,660)                |
| Profit for the period                                | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | 97,744                            | 97,744                  |
| Acquisition of treasury stock                        | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | —                                 | —                       |
| Disposal of treasury stock                           | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | 9                                 | 9                       |
| Cancellation of treasury stock                       | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | (129,233)                         | (129,233)               |
| Net changes in items other than shareholders' equity | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | —                                 | —                       |
| Total changes during period                          | —                    | —                     | —                     | —                       | (77)                                                          | 1,007                       | —               | (80,070)                          | (79,140)                |
| Balance as of March 31, 2025                         | 45,049               | 62,926                | 62,926                | 10,285                  | 1,263                                                         | 1,132                       | 112,500         | 598,146                           | 723,328                 |

|                                                      | Shareholders' equity |                            | Valuation and translation adjustments                 |                                             | Total net assets |
|------------------------------------------------------|----------------------|----------------------------|-------------------------------------------------------|---------------------------------------------|------------------|
|                                                      | Treasury stock       | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments |                  |
| Balance as of April 1, 2024                          | (130,035)            | 780,408                    | 479,274                                               | 479,274                                     | 1,259,682        |
| Changes during period                                |                      |                            |                                                       |                                             |                  |
| Provision of reserves                                | —                    | —                          | —                                                     | —                                           | —                |
| Reversal of reserves                                 | —                    | —                          | —                                                     | —                                           | —                |
| Dividends                                            | —                    | (47,660)                   | —                                                     | —                                           | (47,660)         |
| Profit for the period                                | —                    | 97,744                     | —                                                     | —                                           | 97,744           |
| Acquisition of treasury stock                        | (83,915)             | (83,915)                   | —                                                     | —                                           | (83,915)         |
| Disposal of treasury stock                           | 108                  | 118                        | —                                                     | —                                           | 118              |
| Cancellation of treasury stock                       | 129,233              | —                          | —                                                     | —                                           | —                |
| Net changes in items other than shareholders' equity | —                    | —                          | (162,064)                                             | (162,064)                                   | (162,064)        |
| Total changes during period                          | 45,426               | (33,713)                   | (162,064)                                             | (162,064)                                   | (195,777)        |
| Balance as of March 31, 2025                         | (84,608)             | 746,695                    | 317,210                                               | 317,210                                     | 1,063,905        |

Fiscal year ended March 31, 2026

(Million Yen)

|                                                      | Shareholders' equity |                       |                       |                         |                                                               |                             |                 |                                   |                         |
|------------------------------------------------------|----------------------|-----------------------|-----------------------|-------------------------|---------------------------------------------------------------|-----------------------------|-----------------|-----------------------------------|-------------------------|
|                                                      | Capital stock        | Capital surplus       |                       | Retained earnings       |                                                               |                             |                 |                                   | Total retained earnings |
|                                                      |                      | Legal capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings                                       |                             |                 |                                   |                         |
|                                                      |                      |                       |                       |                         | Reserve for tax purpose reduction entry of non-current assets | Reserve for special account | General reserve | Retained earnings brought forward |                         |
| Balance as of April 1, 2025                          | 45,049               | 62,926                | 62,926                | 10,285                  | 1,263                                                         | 1,132                       | 112,500         | 598,146                           | 723,328                 |
| Changes during period                                |                      |                       |                       |                         |                                                               |                             |                 |                                   |                         |
| Provision of reserves                                | —                    | —                     | —                     | —                       | 806                                                           | —                           | —               | (806)                             | —                       |
| Reversal of reserves                                 | —                    | —                     | —                     | —                       | (57)                                                          | (1,007)                     | —               | 1,065                             | —                       |
| Dividends                                            | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | (44,862)                          | (44,862)                |
| Profit for the period                                | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | 223,611                           | 223,611                 |
| Acquisition of treasury stock                        | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | —                                 | —                       |
| Disposal of treasury stock                           | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | 15                                | 15                      |
| Cancellation of treasury stock                       | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | (82,363)                          | (82,363)                |
| Net changes in items other than shareholders' equity | —                    | —                     | —                     | —                       | —                                                             | —                           | —               | —                                 | —                       |
| Total changes during period                          | —                    | —                     | —                     | —                       | 749                                                           | (1,007)                     | —               | 96,659                            | 96,400                  |
| Balance as of March 31, 2026                         | 45,049               | 62,926                | 62,926                | 10,285                  | 2,012                                                         | 124                         | 112,500         | 694,806                           | 819,729                 |

|                                                      | Shareholders' equity |                            | Valuation and translation adjustments                 |                                             | Total net assets |
|------------------------------------------------------|----------------------|----------------------------|-------------------------------------------------------|---------------------------------------------|------------------|
|                                                      | Treasury stock       | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments |                  |
| Balance as of April 1, 2025                          | (84,608)             | 746,695                    | 317,210                                               | 317,210                                     | 1,063,905        |
| Changes during period                                |                      |                            |                                                       |                                             |                  |
| Provision of reserves                                | —                    | —                          | —                                                     | —                                           | —                |
| Reversal of reserves                                 | —                    | —                          | —                                                     | —                                           | —                |
| Dividends                                            | —                    | (44,862)                   | —                                                     | —                                           | (44,862)         |
| Profit for the period                                | —                    | 223,611                    | —                                                     | —                                           | 223,611          |
| Acquisition of treasury stock                        | (78,381)             | (78,381)                   | —                                                     | —                                           | (78,381)         |
| Disposal of treasury stock                           | 404                  | 419                        | —                                                     | —                                           | 419              |
| Cancellation of treasury stock                       | 82,363               | —                          | —                                                     | —                                           | —                |
| Net changes in items other than shareholders' equity | —                    | —                          | 9,154                                                 | 9,154                                       | 9,154            |
| Total changes during period                          | 4,386                | 100,787                    | 9,154                                                 | 9,154                                       | 109,941          |
| Balance as of March 31, 2026                         | (80,222)             | 847,482                    | 326,364                                               | 326,364                                     | 1,173,846        |

## Notes to financial statements

### (Significant accounting policies)

#### 1. Basis and method of valuation of securities

##### (1) Shares of subsidiaries and associates

Stated at cost using the moving average method.

##### (2) Available-for-sale securities

Other than shares and other securities with no market price

Stated at fair value (Valuation differences are directly included in net assets; cost of securities sold is determined by the moving average method).

Shares and other securities with no market price

Stated at cost using the moving average method.

#### 2. Basis and method of valuation of derivatives

Stated at fair value.

#### 3. Basis and methods of valuation of inventories

Stated at cost using the periodic average method (Carrying amounts on the balance sheet are subject to the book value reduction method based on the decreased profitability).

#### 4. Depreciation method of non-current assets

##### (1) Property, plant and equipment (excluding leased assets)

Recorded using the declining-balance method.

##### (2) Intangible assets (excluding leased assets)

Recorded using the straight-line method.

##### (3) Leased assets

Leased assets in finance leases that do not transfer ownership are depreciated using the straight-line method with zero residual value assuming the lease periods as useful lives.

#### 5. Accounting policy for provisions

##### (1) Allowance for doubtful accounts

To prepare for credit losses on receivables, an estimated uncollectable amount is provided, based either on comprehensive consideration using the historical rate of credit loss for general receivables, or on individual consideration of collectability for specific receivables such as those with potential bad debts.

##### (2) Provision for product warranties

To prepare for expenses that may be incurred in responding to complaints that arise while the product is still under warranty, the amount of expected claim for the remaining warranty period is estimated based on historical experience and recorded in accordance with its accounting standards.

##### (3) Provision for loss on subsidiaries

As the Company has a responsibility to supervise the financial position of subsidiaries with regard to their borrowings from other subsidiaries, the estimated losses are recorded based on individual consideration of financial position of such subsidiary.

(4) Provision for retirement benefits

To prepare for employee retirement benefits, the amount recognized as accruing at the end of the fiscal year under review is recorded based on the estimated amounts of retirement benefit obligations and pension assets at the end of the fiscal year under review.

6. Accounting policy for revenues and expenses

The Company recognizes revenue based on the following five-step approach.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

The Company is mainly engaged in the manufacture and sale of automotive parts, serving automobile manufacturers in Japan and overseas. The Company's performance obligation is primarily to deliver a finished product to the customer. In addition, after comprehensively considering the indicators of the transfer of control, for its automotive parts business, control of the product is deemed transferred to the customer and the performance obligation is satisfied, in principle, at the time the customer inspects the product, or at the time the product is handed over to the designated freight forwarder, therefore revenue is recognized at that point. Revenue is measured at the amount of consideration promised in the contract with the customer, taking into consideration price discounts and other subsequent adjustments. When a transaction takes place based on a temporary unit price, an estimate is made based on an appropriate method such as using the most likely amount to determine the amount of variable consideration. Consideration for the sale of products is generally received within about three months from the time the customer inspects the products, and the amount does not include any significant financing components.

7. Hedge accounting method

Deferred hedge method is used. Exceptional treatment is adopted to interest rate swaps that satisfy the requirements for exceptional treatment.

8. Application of Japanese group relief system

Japanese group relief system is applied.

(Significant accounting estimates)

Items for which the amount has been recorded in the financial statements for the fiscal year under review based on accounting estimates and may have a significant impact on the financial statements for the following fiscal year are as follows.

1. Valuation of shares of affiliates

Regarding the valuation of shares of affiliates, if the substantial stock value significantly declines as a result of deterioration of the issuing company's financial position, impairment procedure shall be used unless substantiated by proof of sufficient recoverability. Recoverability represents the best estimate based on sales forecasts, cost reduction plans, and other information that is available by the end of the fiscal year. Any significant changes in future market trends, business activities, and other assumptions may affect this estimate, resulting in the need for recognizing an impairment loss on shares.

The amounts of shares of affiliates recorded in the balance sheets for FY2025 and FY2026 were ¥672,880 million and ¥772,466 million, respectively.

## 2. Quality assurance obligations

Quality assurance obligations represent provision for product warranties to provide for estimated future product warranty-related costs, and accrued expenses for recalls and other market actions determined by automobile manufacturers and other customers.

Product warranty-related costs include expenses related to claims arising during the product warranty period, as well as costs associated with market actions such as recalls determined by automobile manufacturers and other customers.

The estimated future costs of claims arising during the product warranty period are recognized based on sales performance and warranty cost experience over a specified historical period.

The estimated future costs of market actions such as recalls determined by automobile manufacturers and other customers are calculated based on the “cumulative amount of market action costs paid,” “sales during the period covered by market action experience,” and “sales expected to give rise to future market action costs.” The “cumulative amount of market action costs paid” is reassessed using updated data for each period and is managed over a ten-year horizon by sales period. “Sales during the period covered by market action experience” represent revenue generated during periods in which the market action costs included in the “cumulative amount of market action costs paid” could arise, adjusted using occurrence rates based on historical experience. “Sales expected to give rise to future market action costs” represent revenue from periods in which such costs may arise in the future, adjusted for each sales period using occurrence rates based on historical experience. The estimated future amount is calculated by dividing the “cumulative amount of market action costs paid” by “sales during the period covered by market action experience” and multiplying the result by “sales expected to give rise to future market action costs.”

However, for market actions resulting from product recalls and similar issues, costs are estimated individually when deemed appropriate based on the nature and scale of the matter. The related accrued expenses are estimated and recognized based on decisions regarding recalls, etc. by automobile manufacturers and other customers, in an amount reasonably expected to be borne by the Company, taking into consideration assumptions such as the number of subject vehicles, repair expenses per vehicle, defect handling incidence rate, and expected burden ratio with customers.

The Company believes that the estimates of the assumptions related to the calculation of these expenses are reasonable. However, as these estimates include uncertainties, the Company may consequently recognize or reverse additional provision for product warranties or accrued expenses if the actual expenses are different from the estimates due to unpredictable changes to assumptions, etc.

Of the provision for product warranties recorded in the balance sheets for FY2025 and FY2026, expenses for provision for product warranties related to recalls and other market actions were ¥30,855 million and ¥23,161 million, respectively. In addition, of the accrued expenses recorded in the balance sheets for FY2025 and FY2026, accrued expenses for recalls and other market actions were ¥58,458 million and ¥52,911 million, respectively.

(Accounting standards issued but not yet applied)

- “Accounting Standard for Leases” (ASBJ Statement No. 34, issued by the Accounting Standards Board of Japan on September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, issued by the Accounting Standards Board of Japan on September 13, 2024), and related guidance

### 1. Overview

As part of its efforts to further align Japanese accounting standards with international standards, the Accounting Standards Board of Japan (ASBJ) considered the development of lease accounting standards under which lessees recognize assets and liabilities for all leases, taking into account international accounting standards. As a result, it issued new lease accounting standards based on the single accounting model under IFRS 16. Rather than incorporating all of the requirements of IFRS 16, however, the standards adopt only its principal requirements with the aim of providing a simpler and more practical framework while ensuring that, in principle, no adjustments will be necessary when applying the IFRS 16 requirements to non-consolidated financial statements.

Under lessee accounting, with respect to the allocation of lease expenses, a single accounting model, similar to that under IFRS 16, is applied, whereby, regardless of whether a lease is classified as a finance lease or an operating lease, all leases are accounted for by recognizing depreciation of right-of-use assets and interest expense on lease liabilities.

## 2. Scheduled date of application

The standards are scheduled to be applied beginning with the fiscal year ending March 31, 2028.

## 3. Impact of applying the accounting standards

The impact of applying the “Accounting Standard for Leases” and related guidance on the Company’s financial statements is currently under evaluation.

### (Change in accounting estimate)

Beginning in the fiscal year under review, the Company changed its accounting method for estimating market action costs arising from recalls and other market actions determined by automobile manufacturers and other customers. Previously, the Company used a combination of individual estimates and a comprehensive provision for product warranties recognized at the time of product sale. Under the revised approach, market action costs are generally estimated through a comprehensive provision for product warranties recognized at the time of sale, except in certain cases where individual estimation is deemed more appropriate based on the nature and scale of the matter. This change was made because sufficient historical data has accumulated, enabling the Company to reasonably estimate market action-related costs through a comprehensive calculation approach in most cases. As a result of this change in estimation method, the provision for product warranties decreased by ¥5,862 million as of the end of the fiscal year under review. This decrease is included in selling, general and administrative expenses.

### (Balance sheet)

#### \*1 Monetary receivables and obligations to affiliates

|                                 | (Million Yen)                |                              |
|---------------------------------|------------------------------|------------------------------|
|                                 | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
| Short-term monetary receivables | 539,628                      | 532,734                      |
| Long-term monetary receivables  | 299,240                      | 270,556                      |
| Short-term monetary obligations | 353,745                      | 352,803                      |
| Long-term monetary obligations  | 615                          | 587                          |

## 2 Commitment line contract

The Company has entered into commitment line contracts with banks it transacts with to secure flexible working capital.

|                                          | (Million Yen)                |                              |
|------------------------------------------|------------------------------|------------------------------|
|                                          | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
| Total amount of commitment line contract | 210,000                      | 360,000                      |
| Balance of used loans                    | —                            | —                            |
| Balance                                  | 210,000                      | 360,000                      |

(Statement of income)

\*1 Transactions with affiliates

(Million Yen)

|                            | FY2025<br>(Apr. 1, 2024 through Mar. 31, 2025) | FY2026<br>(Apr. 1, 2025 through Mar. 31, 2026) |
|----------------------------|------------------------------------------------|------------------------------------------------|
| Operating transactions     |                                                |                                                |
| Revenue                    | 1,718,477                                      | 1,828,680                                      |
| Purchases                  | 592,632                                        | 614,019                                        |
| Non-operating transactions | 81,188                                         | 95,367                                         |

\*2 Gain on sales of investment securities

Owing to the sale of cross-shareholdings

(Securities)

Shares of subsidiaries and associates

Fiscal year ended March 31, 2025

There are no applicable items.

Fiscal year ended March 31, 2026

There are no applicable items.

Note: Amount of shares and other securities with no market price not included in the above

(Million Yen)

| Category               | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|------------------------|------------------------------|------------------------------|
| Shares of subsidiaries | 216,782                      | 221,169                      |
| Shares of associates   | 3,141                        | 3,493                        |

(Tax effect accounting)

1. Components of deferred tax assets and liabilities by major source

|                                                       | (Million Yen)                |                              |
|-------------------------------------------------------|------------------------------|------------------------------|
|                                                       | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
| (Deferred tax assets)                                 |                              |                              |
| Provision for retirement benefits                     | 45,463                       | 47,480                       |
| Accrued expenses                                      | 36,370                       | 36,624                       |
| Loss on valuation of securities                       | 20,510                       | 23,076                       |
| Depreciation                                          | 20,440                       | 20,829                       |
| Provision for product warranties                      | 12,065                       | 10,379                       |
| Inventories                                           | 9,987                        | 9,556                        |
| Allowance for doubtful accounts                       | 4,407                        | 5,170                        |
| Unearned revenue                                      | 9                            | 3,311                        |
| Other                                                 | 7,073                        | 9,087                        |
| Subtotal deferred tax assets                          | 156,327                      | 165,517                      |
| Valuation allowance                                   | (25,672)                     | (29,060)                     |
| Total deferred tax assets                             | 130,655                      | 136,457                      |
| (Deferred tax liabilities)                            |                              |                              |
| Valuation difference on available-for-sale securities | (142,414)                    | (146,532)                    |
| Other                                                 | (1,783)                      | (3,467)                      |
| Total deferred tax liabilities                        | (144,198)                    | (149,999)                    |
| Net amount of deferred tax assets (liabilities)       | (13,542)                     | (13,542)                     |

(Change in presentation method)

Unearned revenue, which was included in “other” under deferred tax assets in FY2025, is presented as a separate line item beginning in FY2026 due to its increased materiality. To reflect this change in presentation, the notes for FY2025 have been reclassified.

As a result, the ¥7,083 million previously presented as “other” under deferred tax assets for FY2025 has been reclassified as ¥9 million for unearned revenue and ¥7,073 million for “other.”

2. Components of the difference between the effective statutory tax rate and effective income tax rate after application of tax-effect accounting by major item

|                                                                                   | FY2025 (As of Mar. 31, 2025) | FY2026 (As of Mar. 31, 2026) |
|-----------------------------------------------------------------------------------|------------------------------|------------------------------|
| Effective statutory tax rate                                                      | 30.07%                       | 30.07%                       |
| (Adjustments)                                                                     |                              |                              |
| Exclusion of dividend income from taxable income                                  | (14.73)                      | (7.91)                       |
| Tax credit provided by research and development promotion tax system              | (4.86)                       | (5.44)                       |
| Extraordinary gains and losses arising from mergers                               | —                            | (1.96)                       |
| Upward adjustment of deferred tax assets at end of period due to tax rate changes | (1.62)                       | (0.92)                       |
| Withholding tax on dividends, etc. from foreign subsidiaries                      | 1.94                         | 0.80                         |
| Other                                                                             | (3.11)                       | (1.70)                       |
| Effective income tax rate after application of tax-effect accounting              | 7.69                         | 12.94                        |

3. Accounting for corporation tax and local corporation tax or accounting for tax effects related thereto

The Company applies the Japanese group relief system and implements accounting and disclosure of corporation tax and local corporation tax, or accounting and disclosure of tax effects thereto, in accordance with “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, issued on August 12, 2021).

(Revenue recognition)

Basic information for understanding revenue from contracts with customers are described in “(Significant accounting policies) 6. Accounting policy for revenues and expenses.”

(Significant subsequent events)

(Share repurchase, tender offer for own shares and cancellation of treasury shares)

Notes are omitted as the same information is described in “36. Subsequent events” in the Notes to consolidated financial statements.

## (iv) Annexed detailed schedules

## Detailed schedule of property, plant and equipment, etc.

(Million Yen)

| Category                      | Type of assets                | Balance at beginning of period | Increase during period | Decrease during period | Balance at end of period | Accumulated depreciation or accumulated amortization at end of period | Amortization during period | Net balance at end of period |
|-------------------------------|-------------------------------|--------------------------------|------------------------|------------------------|--------------------------|-----------------------------------------------------------------------|----------------------------|------------------------------|
| Property, plant and equipment | Buildings                     | 428,452                        | 22,752                 | 3,595                  | 447,609                  | 338,284                                                               | 10,644                     | 109,325                      |
|                               | Structures                    | 67,730                         | 3,119                  | 219                    | 70,631                   | 59,756                                                                | 1,182                      | 10,875                       |
|                               | Machinery and equipment       | 938,875                        | 69,612                 | 30,279                 | 978,208                  | 872,966                                                               | 37,027                     | 105,241                      |
|                               | Vehicles                      | 9,599                          | 963                    | 443                    | 10,120                   | 8,613                                                                 | 609                        | 1,506                        |
|                               | Tools, furniture and fixtures | 157,607                        | 23,807                 | 10,097                 | 171,317                  | 157,000                                                               | 8,533                      | 14,316                       |
|                               | Land                          | 84,889                         | 4,184                  | 3,585                  | 85,489                   | —                                                                     | —                          | 85,489                       |
|                               | Leased assets                 | 2,567                          | 1,180                  | 65                     | 3,683                    | 1,124                                                                 | 348                        | 2,558                        |
|                               | Construction in progress      | 34,788                         | 35,225                 | 43,780                 | 26,233                   | —                                                                     | —                          | 26,233                       |
|                               | Total                         | 1,724,511                      | 160,846                | 92,065                 | 1,793,292                | 1,437,746                                                             | 58,347                     | 355,546                      |
| Intangible assets             | Software                      | 32,281                         | 5,306                  | 4,316                  | 33,271                   | 18,104                                                                | 5,698                      | 15,167                       |
|                               | Other                         | 13,088                         | 257                    | 53                     | 13,292                   | 11,719                                                                | 3,212                      | 1,572                        |
|                               | Total                         | 45,370                         | 5,563                  | 4,370                  | 46,564                   | 29,824                                                                | 8,910                      | 16,739                       |

Note 1: The components of the increase in machinery and equipment for the period are as follows.

Increase due to mergers: ¥26,858 million

Assembly machinery and other equipment: ¥42,753 million

Note 2: The components of the decrease in machinery and equipment for the period are as follows.

Retirement: ¥24,652 million

Sales and other: ¥5,626 million

Note 3: The increase in construction in progress for the period is mainly due to an increase in machinery and equipment.

Note 4: The decrease in construction in progress for the period is mainly due to a decrease in machinery and equipment.

Note 5: The balances at the beginning and end of the period are stated at acquisition cost.

## Detailed schedule of provisions

(Million Yen)

| Account titles                                           | Balance at beginning of period | Increase during period | Decrease during period | Balance at end of period |
|----------------------------------------------------------|--------------------------------|------------------------|------------------------|--------------------------|
| Allowance for doubtful accounts                          | 12,531                         | 13,451                 | 12,531                 | 13,451                   |
| Provision for product warranties                         | 40,123                         | 6,935                  | 13,534                 | 33,524                   |
| Provision for bonuses for directors (and other officers) | 340                            | 347                    | 340                    | 347                      |
| Provision for loss on subsidiaries                       | 2,126                          | 3,248                  | 2,126                  | 3,248                    |

Note 1: The decrease in allowance for doubtful accounts and provision for loss on subsidiaries for the period is mainly due to the reversal thereof.

Note 2: The decrease in the provision for product warranties for the period includes reversals resulting from the revision of the estimation method in the fiscal year under review.

## (2) Details of major assets and liabilities

This information is omitted as the consolidated financial statements are prepared.

(3) Other

There are no applicable items.

## VI. Outline of Share-Related Administration of Filing Company

|                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fiscal year                                | From April 1 to March 31                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Ordinary General Meeting of Shareholders   | In June                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Record date                                | March 31                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Record dates for dividends of surplus      | September 30<br>March 31                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Number of shares per share unit            | 100 shares                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Purchase/sale of shares less than one unit |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Office for handling business               | (Special account)<br>Mitsubishi UFJ Trust and Banking Corporation<br>Securities Agency Division<br>1-4-5 Marunouchi, Chiyoda-ku, Tokyo                                                                                                                                                                                                                                                                                                                       |
| Shareholder register administrator         | (Special account)<br>Mitsubishi UFJ Trust and Banking Corporation<br>1-4-5 Marunouchi, Chiyoda-ku, Tokyo                                                                                                                                                                                                                                                                                                                                                     |
| Forwarding office                          | —                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Handling charge for purchase/sale          | No charge                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Method of public notice                    | The public notices of the Company shall be given by electronic means. However, in the case of unavoidable circumstances, such as accidents and any other unavoidable reasons that prevent the use of public notices by electronic means, they shall be placed in the Nikkei (Nihon Keizai Shimbun) newspaper.<br>Public notices will be posted on our website at the following address.<br><a href="https://www.aisin.com/en/">https://www.aisin.com/en/</a> |
| Special benefits to shareholders           | —                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

Note: The Company stipulates in its Articles of Incorporation that shareholders holding shares less than one unit may not exercise any rights other than those listed below.

- (1) The rights listed in each item of Article 189, paragraph 2 of the Companies Act
- (2) The right to receive an allotment of offered shares and share acquisition rights for subscription, in proportion to the number of shares held by each shareholder
- (3) The right to make a demand for purchasing shares less than one unit

## **VII. Reference Information of Filing Company**

### **1. Information on parent company or equivalent of the filing company**

The Company has no parent company or equivalent as prescribed in Article 24-7, Paragraph (1) of the Financial Instruments and Exchange Act.

## 2. Other reference information

### (1) Documents filed from the beginning of this fiscal year until the filing date of this Annual Securities Report

From the beginning of this fiscal year until the filing date of this Annual Securities Report, the Company has filed the following documents.

|    |                                                                    |                                                                                                                                    |                                              |                                                                                  |
|----|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------------------------------------------|
| 1  | Extraordinary Report                                               | Filed based on Article 19, paragraph (2), item (ii)-2 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. |                                              | Filed to Director-General of the Kanto Local Finance Bureau on May 19, 2025      |
| 2  | Annual Securities Report, its attachments, and Confirmation Letter | Fiscal year (102nd)                                                                                                                | From April 1, 2024 to March 31, 2025         | Filed to Director-General of the Kanto Local Finance Bureau on June 16, 2025     |
| 3  | Internal Control Report                                            |                                                                                                                                    |                                              | Filed to Director-General of the Kanto Local Finance Bureau on June 16, 2025     |
| 4  | Extraordinary Report                                               | Filed based on Article 19, paragraph (2), item (ix)-2 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. |                                              | Filed to Director-General of the Kanto Local Finance Bureau on June 18, 2025     |
| 5  | Share Buyback Report                                               |                                                                                                                                    | From June 1, 2025 to June 30, 2025           | Filed to Director-General of the Kanto Local Finance Bureau on July 4, 2025      |
| 6  | Share Buyback Report                                               |                                                                                                                                    | From July 1, 2025 to July 31, 2025           | Filed to Director-General of the Kanto Local Finance Bureau on August 6, 2025    |
| 7  | Share Buyback Report                                               |                                                                                                                                    | From August 1, 2025 to August 31, 2025       | Filed to Director-General of the Kanto Local Finance Bureau on September 4, 2025 |
| 8  | Share Buyback Report                                               |                                                                                                                                    | From September 1, 2025 to September 30, 2025 | Filed to Director-General of the Kanto Local Finance Bureau on October 6, 2025   |
| 9  | Share Buyback Report                                               |                                                                                                                                    | From October 1, 2025 to October 31, 2025     | Filed to Director-General of the Kanto Local Finance Bureau on November 6, 2025  |
| 10 | Semiannual Securities Report and Confirmation Letter               | (First half of the 103rd fiscal year)                                                                                              | From April 1, 2025 to September 30, 2025     | Filed to Director-General of the Kanto Local Finance Bureau on November 7, 2025  |
| 11 | Shelf Registration Statement                                       |                                                                                                                                    |                                              | Filed to Director-General of the Kanto Local Finance Bureau on November 20, 2025 |
| 12 | Share Buyback Report                                               |                                                                                                                                    | From November 1, 2025 to November 30, 2025   | Filed to Director-General of the Kanto Local Finance Bureau on December 4, 2025  |
| 13 | Share Buyback Report                                               |                                                                                                                                    | From December 1, 2025 to December 31, 2025   | Filed to Director-General of the Kanto Local Finance Bureau on January 9, 2026   |
| 14 | Share Buyback Report                                               |                                                                                                                                    | From January 1, 2026 to January 31, 2026     | Filed to Director-General of the Kanto Local Finance Bureau on February 5, 2026  |
| 15 | Extraordinary Report                                               | Filed based on Article 19, paragraph (2), item (ix) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc.   |                                              | Filed to Director-General of the Kanto Local Finance Bureau on February 25, 2026 |
| 16 | Amended Shelf Registration Statement                               |                                                                                                                                    |                                              | Filed to Director-General of the Kanto Local Finance Bureau on February 25, 2026 |
| 17 | Share Buyback Report                                               |                                                                                                                                    | From February 1, 2026 to February 28, 2026   | Filed to Director-General of the Kanto Local Finance Bureau on March 5, 2026     |

|    |                                      |                                                                                                                                    |                                                                               |
|----|--------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| 18 | Extraordinary Report                 | Filed based on Article 19, paragraph (2), item (xii) of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc.  | Filed to Director-General of the Kanto Local Finance Bureau on March 24, 2026 |
| 19 | Amended Shelf Registration Statement |                                                                                                                                    | Filed to Director-General of the Kanto Local Finance Bureau on March 24, 2026 |
| 20 | Share Buyback Report                 | From March 1, 2026 to March 31, 2026                                                                                               | Filed to Director-General of the Kanto Local Finance Bureau on April 6, 2026  |
| 21 | Share Buyback Report                 | From April 1, 2026 to April 30, 2026                                                                                               | Filed to Director-General of the Kanto Local Finance Bureau on May 11, 2026   |
| 22 | Extraordinary Report                 | Filed based on Article 19, paragraph (2), item (ii)-2 of the Cabinet Office Ordinance on the Disclosure of Corporate Affairs, etc. | Filed to Director-General of the Kanto Local Finance Bureau on May 20, 2026   |
| 23 | Amended Shelf Registration Statement |                                                                                                                                    | Filed to Director-General of the Kanto Local Finance Bureau on May 20, 2026   |
| 24 | Share Buyback Report                 | From May 1, 2026 to May 31, 2026                                                                                                   | Filed to Director-General of the Kanto Local Finance Bureau on June 4, 2026   |

- (2) Ratio of female workers in management positions, ratio of male workers taking parental leave, and wage gap between male and female workers

Ratio of female workers in management positions, ratio of male workers taking parental leave, and wage gap between male and female workers at consolidated subsidiaries other than major consolidated subsidiaries are as follows.

| Fiscal year ended March 31, 2026      |                                                              |                                                           |                                                                                               |                                                       |                   |                                  |
|---------------------------------------|--------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------|-------------------|----------------------------------|
| Name                                  | Ratio of female workers in management positions (%) (Note 1) | Ratio of male workers taking childcare leave (%) (Note 2) | Ratio of male workers taking childcare leave and holidays for childcare purposes (%) (Note 3) | Wage gap between male and female workers (%) (Note 1) |                   |                                  |
|                                       |                                                              |                                                           |                                                                                               | All workers                                           | Full-time workers | Part-time and fixed-term workers |
| AISIN COLLABO CO.,LTD.                | 19.4                                                         | 100.0                                                     | 100.0                                                                                         | 59.1                                                  | 64.5              | 67.4                             |
| AISIN SOFTWARE Co., Ltd.              | 1.9                                                          | 88.0                                                      | 96.0                                                                                          | 77.2                                                  | 77.1              | 78.5                             |
| AISIN DIGITAL ENGINEERING Corporation | 3.1                                                          | 100.0                                                     | 100.0                                                                                         | 74.9                                                  | 73.5              | 121.7                            |
| AISIN TOHOKU Co., Ltd.                | —                                                            | 100.0                                                     | —                                                                                             | 74.5                                                  | 74.9              | 70.8                             |
| AISIN HOKKAIDO CO., LTD.              | —                                                            | 80.0                                                      | —                                                                                             | 78.8                                                  | 80.6              | 90.1                             |
| AISIN MACHINETECH Corporation         | —                                                            | 100.0                                                     | 100.0                                                                                         | 78.8                                                  | 78.4              | 71.8                             |
| AISIN MIZUNAMI Corporation            | —                                                            | 95.6                                                      | 100.0                                                                                         | 78.0                                                  | 78.7              | 37.6                             |
| AISIN METALTECH CO., LTD.             | —                                                            | 57.1                                                      | 85.7                                                                                          | 78.3                                                  | 69.8              | 77.1                             |
| AISIN LOGITECH SERVICE Corporation    | —                                                            | 100.0                                                     | 133.3                                                                                         | 49.8                                                  | 71.1              | 58.1                             |
| FT TECHNO CO.,LTD.                    | —                                                            | 115.3                                                     | 123.0                                                                                         | 69.7                                                  | 70.4              | 123.2                            |
| KOTOBUKI INDUSTRY CO., LTD            | —                                                            | —                                                         | —                                                                                             | 67.8                                                  | 69.5              | 55.1                             |
| SAITAMA KOGYO CO., LTD.               | —                                                            | 100.0                                                     | —                                                                                             | —                                                     | —                 | —                                |
| CVTEC Kyushu Co., Ltd.                | —                                                            | 45.0                                                      | 75.0                                                                                          | 68.9                                                  | 65.3              | 96.0                             |
| Sinsan Shoji Co., Ltd.                | 6.7                                                          | 0.0                                                       | 0.0                                                                                           | 53.0                                                  | 66.6              | 79.6                             |
| HEKINAN UNSO CO., LTD.                | 6.1                                                          | 133.3                                                     | 133.3                                                                                         | 73.6                                                  | 72.8              | 65.7                             |
| AISIN SINWA CO., LTD                  | 2.6                                                          | 85.7                                                      | 85.7                                                                                          | 83.2                                                  | 83.0              | 82.5                             |
| KYUSHU SHIROKI CO., LTD.              | —                                                            | —                                                         | —                                                                                             | 90.2                                                  | 87.6              | —                                |

Note 1: Calculated in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015).

Note 2: Childcare leave uptake calculated as in Article 71-6, item 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991).

Note 3: Childcare leave and holidays for childcare purposes uptake calculated as in Article 71-6, item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991) in accordance with the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991). It may exceed 100% if there are male workers whose spouses gave birth in a different fiscal year from the year in which the workers took childcare leave and holidays for childcare purposes.

Note 4: Regarding AISIN COLLABO CO.,LTD., AISIN MIZUNAMI Corporation, AISIN LOGITECH SERVICE Corporation, FT TECHNO CO.,LTD., and Sinsan Shoji Co., Ltd., the average annual wage for part-time and fixed-term workers is calculated using the number of personnel converted based on the prescribed working hours of full-time workers.

- Note 5: Descriptions of the filing company and major consolidated subsidiaries are described in “IV. Status of the Filing Company 5. Employee Status, etc. (2) Information about employees (iv) Ratio of female workers in management positions, ratio of male workers taking parental leave, and wage gap between male and female workers.”
- Note 6: “—” represents the following cases: disclosure is not made for the Act on the Promotion of Women’s Active Engagement in Professional Life (Act No. 64 of 2015); there is no obligation to disclose information pursuant to the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991); there are no eligible persons of either gender or only eligible persons of one gender regarding “Wage gap between male and female workers”: the denominator for “Ratio of male workers taking childcare leave” is zero.

**Part II. Information on Guarantors for Filing Company**

There are no applicable items.