

# Mid/Long-term Business Strategy Briefing

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**1. Vision of 2030**

**2. Strategies of Business Divisions**

**3. 2025 Mid-term Plan for 2030**

**1**

# Changes

## Biggest Revolution Period for Automotive Industry

**Carbon  
Neutrality**

**Electrification**

**Intelligence**

**Drastic changes in industrial structure  
surround automotive industry**



# Changes

**Electrification  
BEV**

**Big change on vehicle  
structure**

**Intelligence**

**Diversification of  
value with vehicle  
structure changes**

**Achieve continuous growth  
at unpredictable environment**



## Major Management Transformation for the Future

- Shift Business to Growing Domains
- Strengthen Corporate Foundation

# Change as Growth Challenge

## Technological Innovation

**Value Added Products  
For BEV as a whole**

**Unconventional  
User Experience**

**Individual Advanced Products**

**+**

**Systemize (Functional Integration, Integrated Control)**

## Strengths of AISIN

**Various Products**

- Hardware
- Software

**Manufacturing Practice**

- Production Engineering
- Global Production Bases

3



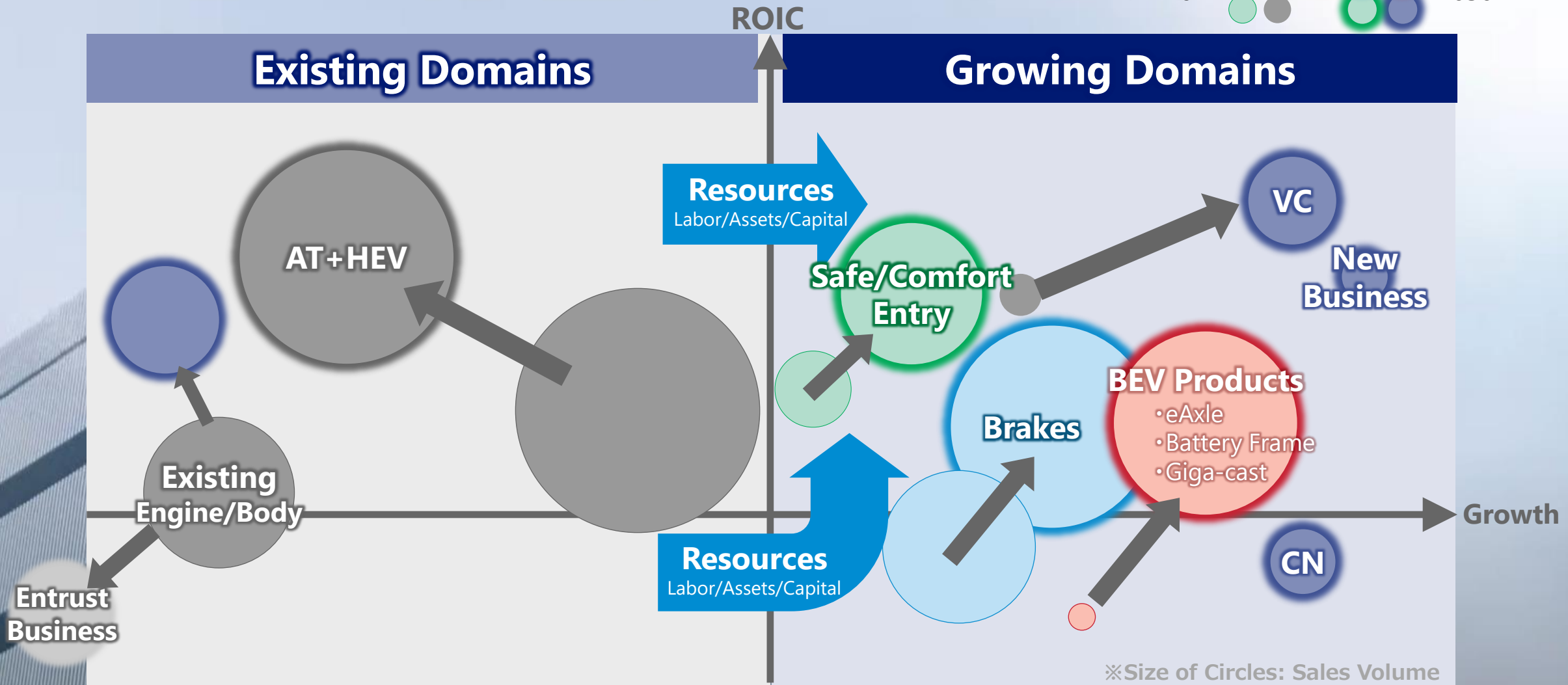
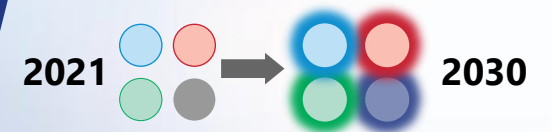
# Management Foundation & Growing Domains

## Restructure Business Portfolio



# Accelerate full model change of AISIN

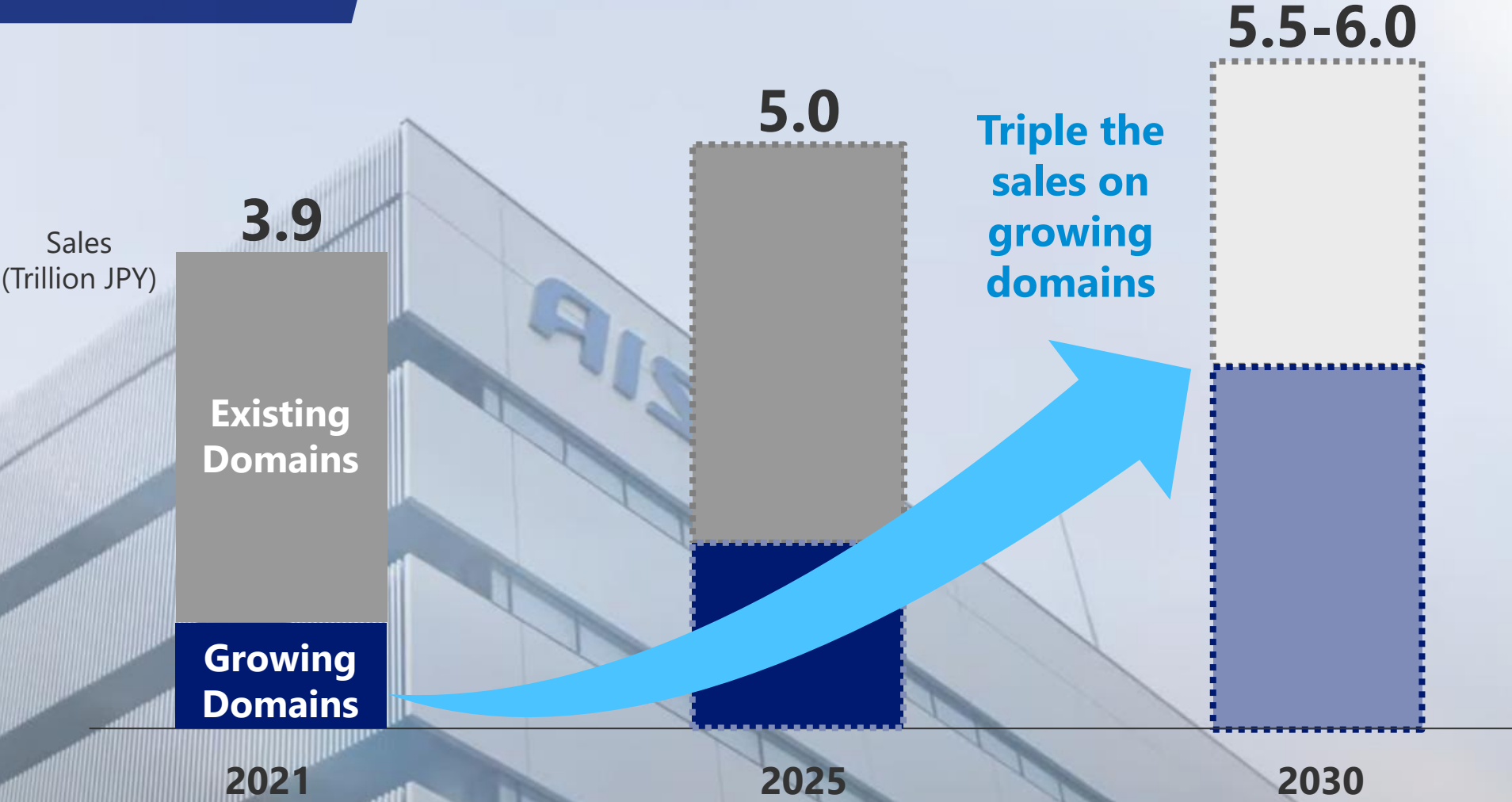
# Restructure Business Portfolio for 2030



**Shift resources to "BEV" "Brakes" "Safe/Comfort Entry"**



**For 2030**



**Drastic Expansion on growing domains for 2030**

# Employees as Revolution Engine



**Seek Improving Corporate  
Culture that Every Employee  
Challenges**



# Corporate Principles



Inspiring "movement,"  
creating tomorrow



## Strategies of Business Divisions

eAxle

Battery Frame/Giga-cast  
Safe/Comfort Entry

Brakes



CEO・CTSO

**Y. YAMAMOTO**



President: Body Company

**H. SAKAUE**



ADVICS R/D General Manager

**K. KONDO**

## 2025 Mid-term Plan for 2030



CAO

**S. ITO**



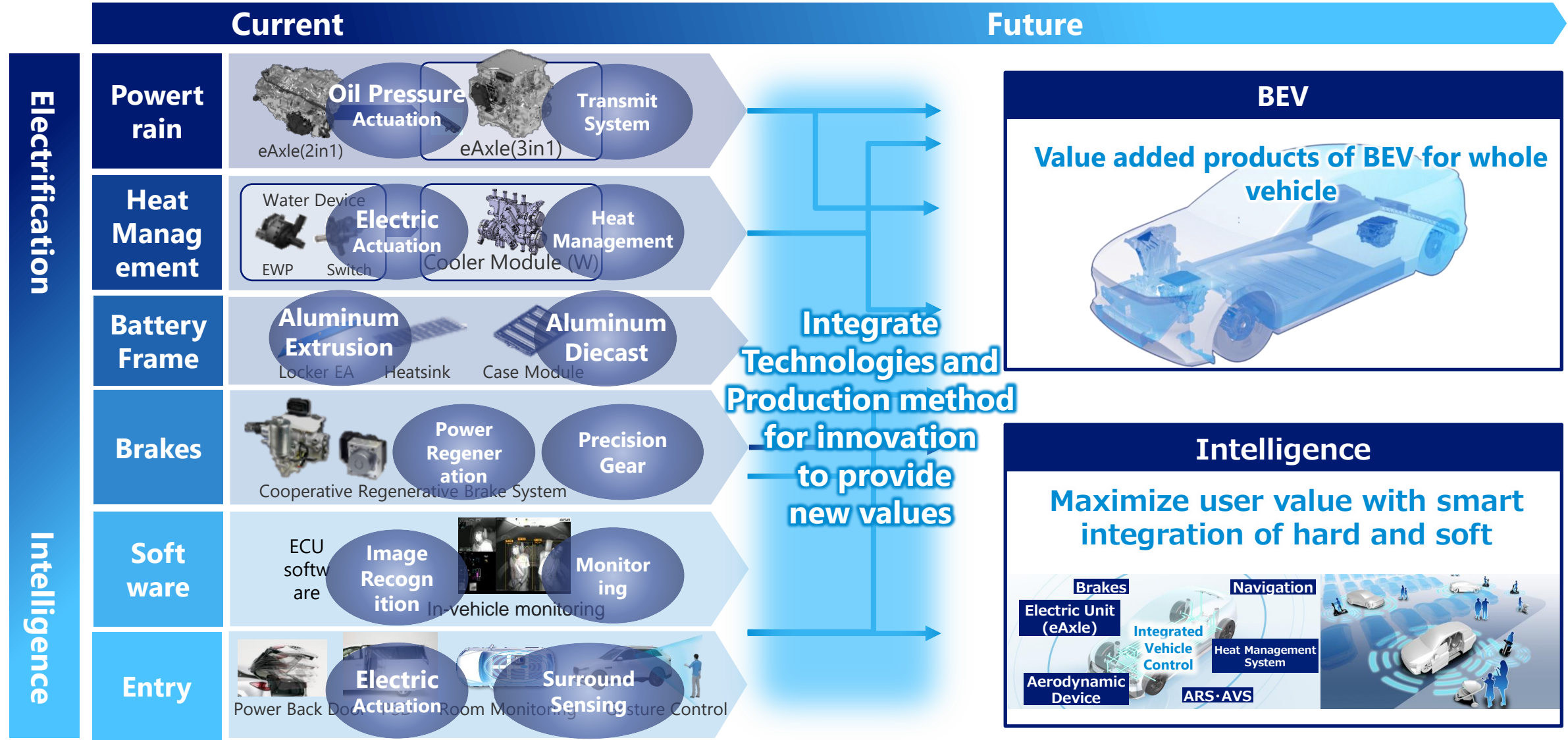
**1. Vision of 2030**

**2. Strategies of Business Divisions**

**3. 2025 Mid-term Plan for 2030**

**2**

# Initiatives for BEV and Intelligence





# Initiatives for Development of BEV Vehicle

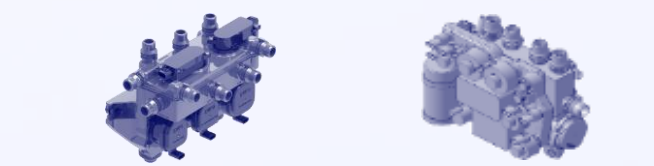
## Electric Unit (eAxle)



Downsize      Xin1      Rigid

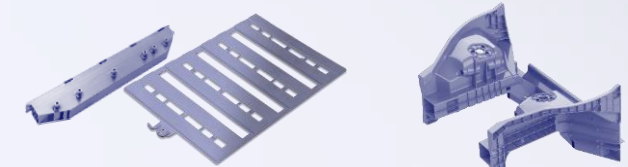
**Improve efficiency\* over 10%**  
(inc. inverter)

## Heat Management Device



Cooling Module      Refrigerating Module

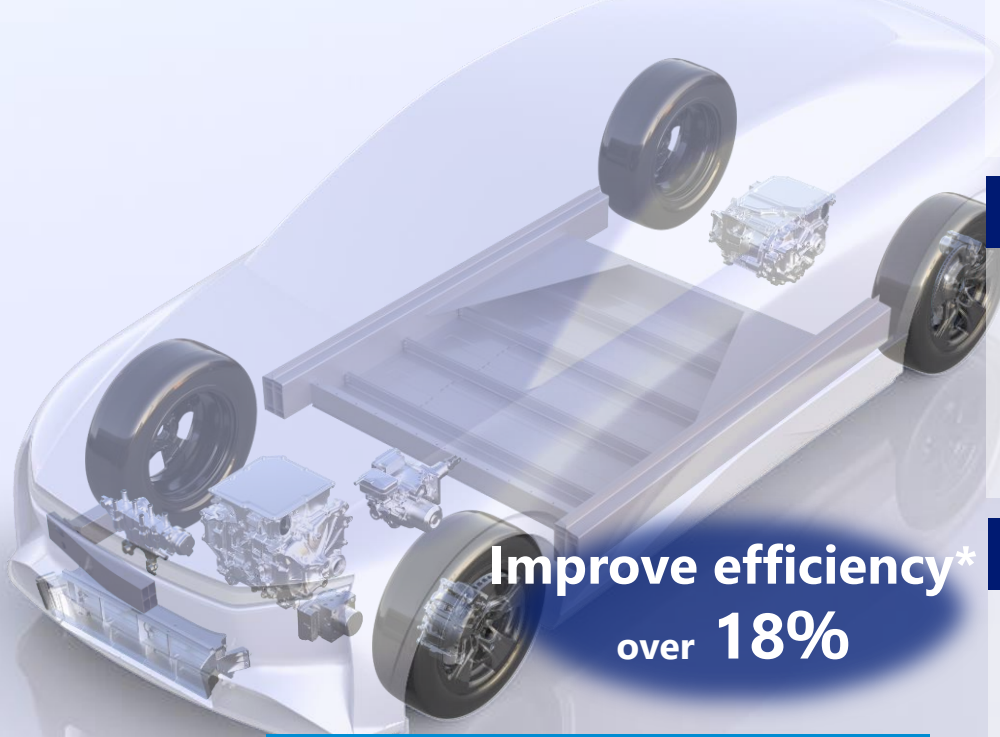
## Battery Frame/Giga-cast



Locker EA Battery Heatsink      Aluminum Body Frame

## Component

Pursue Efficiency/Size  
From parts to functional integration



## Control

From Individual to Integrated

## Integrated Vehicle Control



**Improve efficiency\* over 2%**

## Brakes



Cooperative Regenerative Brake      E-Parking Brake

**Improve efficiency\* over 2%**

## Aerodynamic Device



Grill Shutter      Fr Spoiler      Rr Spoiler

**Improve efficiency\* over 4%**

\*Power Consumption Efficiency

**Provide BEV products with AISIN technologies centered eAxle**

# eAxle Lineup and Sales Expansion Strategy

2020

2025

2030

## 1<sup>st</sup> Generation

## 2<sup>nd</sup> Generation

## 3<sup>rd</sup> generation

### Strategy

Short-Mid

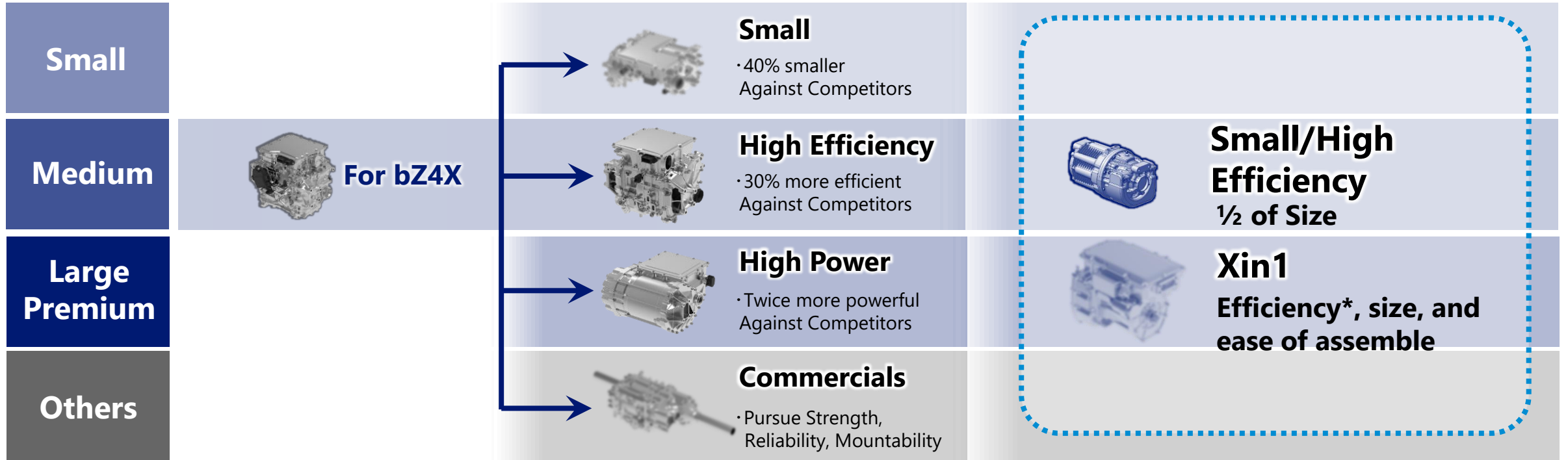
#### Full Lineup for Customer Needs

- Provide multi-models
- Achieve efficient, small, low cost

Mid-Long

#### Pursue World No.1 R/D for EV Expansion

- Achieve drastic efficiency/small size
- Xin1 using downsizing and packaging technology

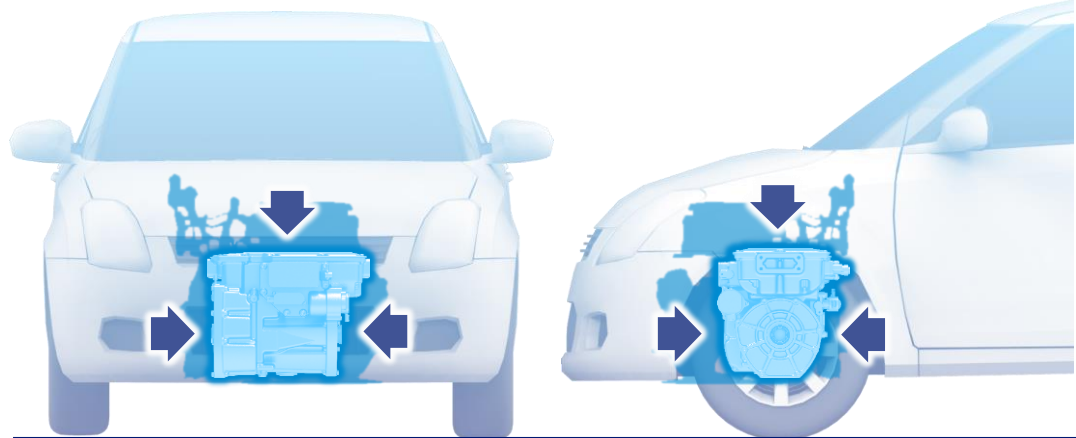
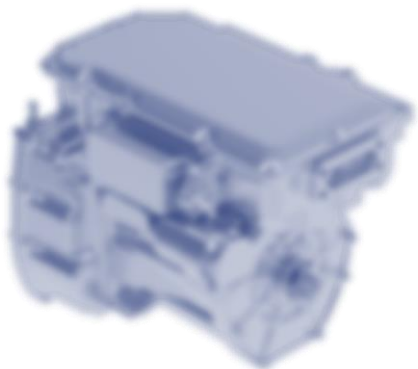


\*Power Consumption Efficiency

Proceed development to provide adequate products at adequate timing



# Xin1 Using Strengths of AISIN

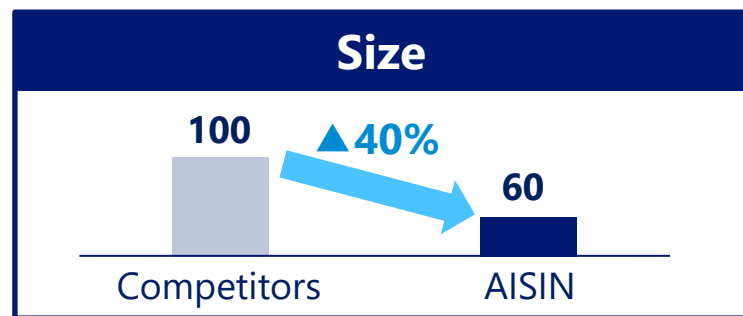
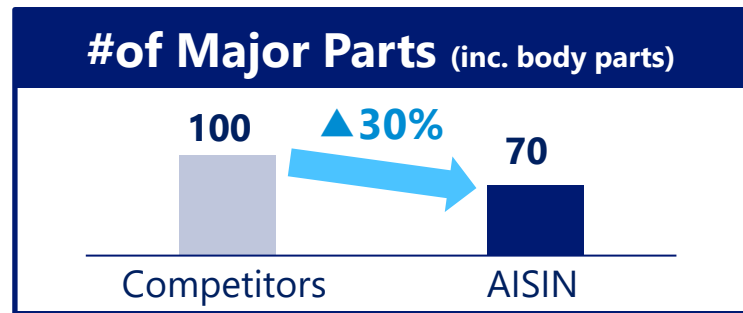
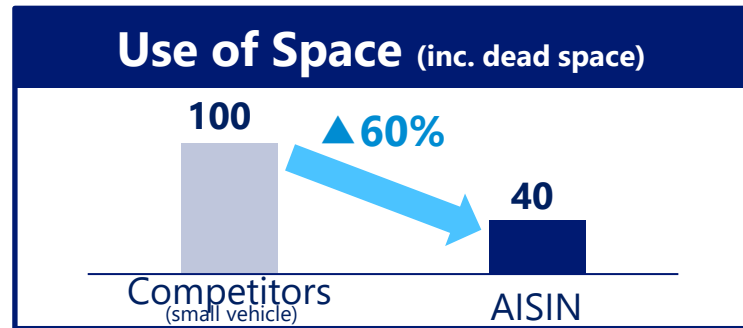


Function
<b>3in1</b>
<b>Heat Management</b>
<b>Power Conversion</b>

Technology
<b>Downsizing</b> (1/2 size)
<b>Packaging Technology</b>
<b>Integrated Control</b>



**Achieve efficiency, downsizing, and ease of assemble**



**Utilize 3rd generation technology, heat management, alliances to develop AISIN original Xin1 by 2027**

# Strategy and Target of eAxle

## Strategy

### Development

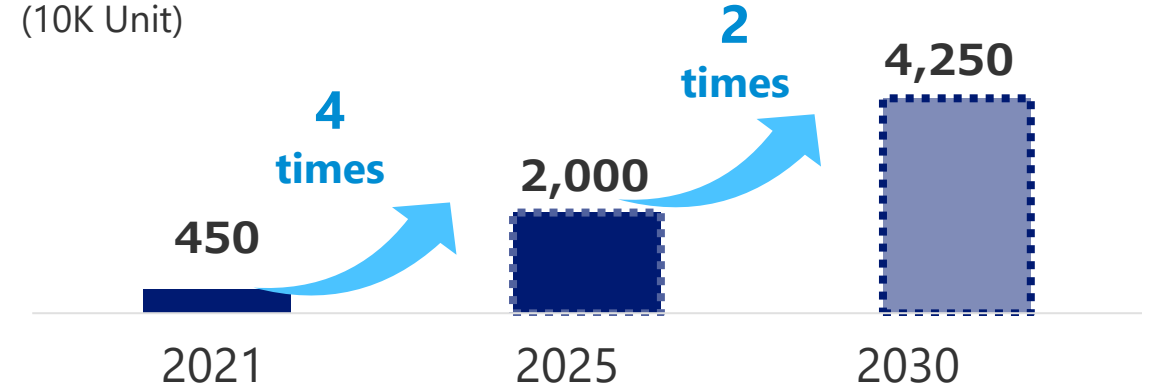
- [Short-mid] **Full lineup for customers**
- [Mid-long] **Accelerate World No.1 R/D**
- **Shift AT/HEV resource to BEV R/D**
- **Allies with external partners on technology shortage**

### Production

- Establish efficient system by utilizing existing resource**
- **Use existing AT Company/equipment**
- **Global supply system**

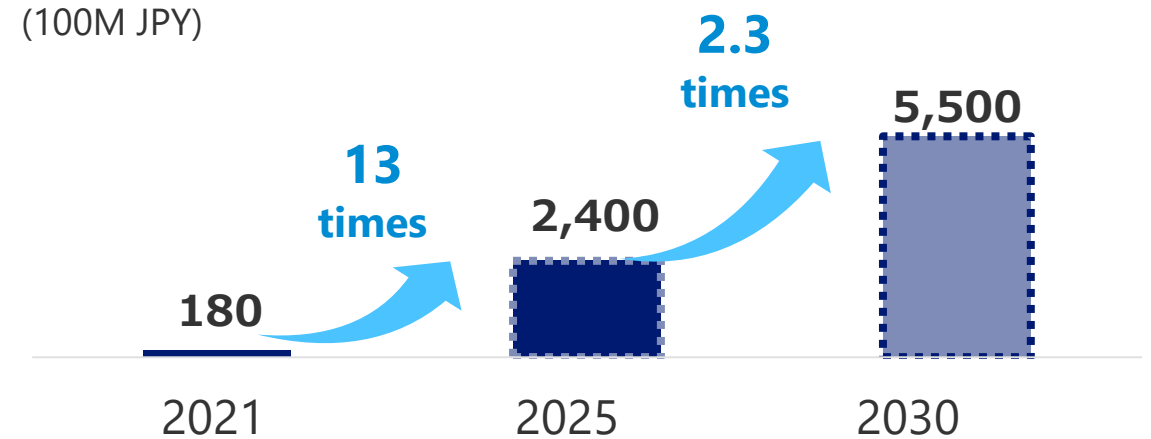
## BEV Market Volume

(10K Unit)



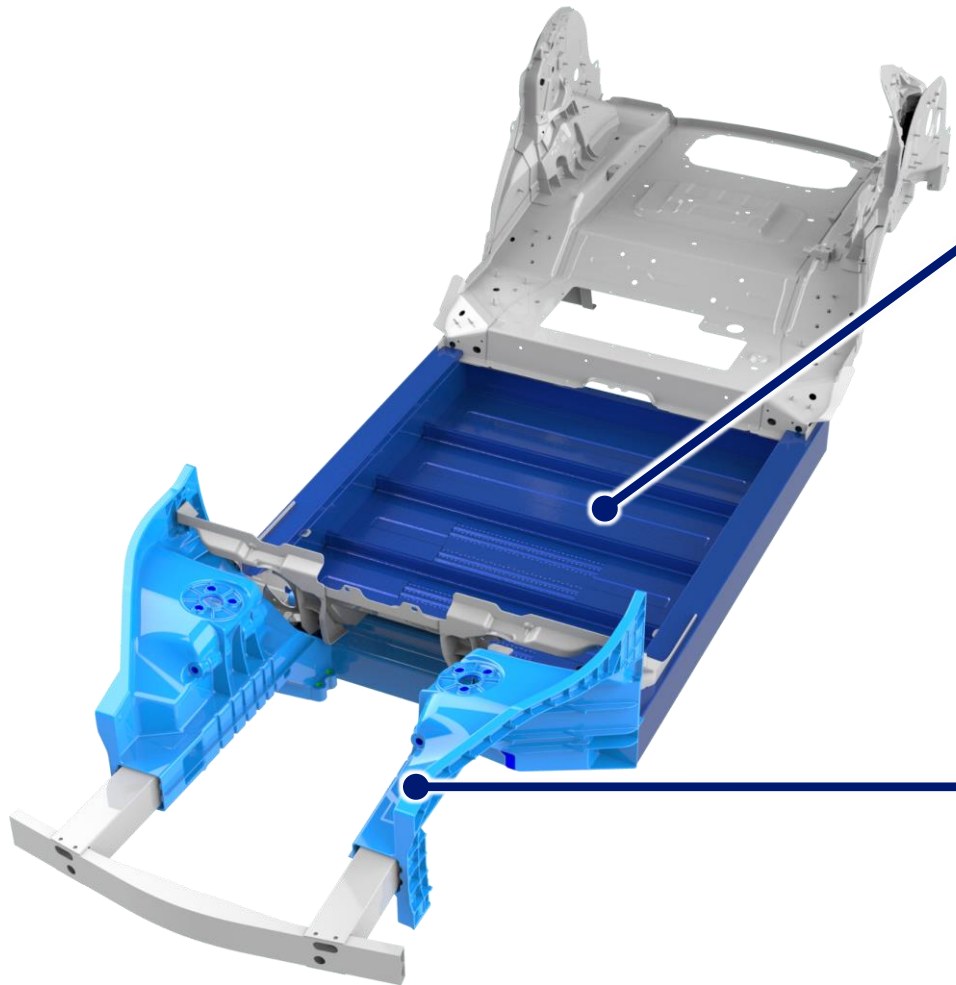
## Sales Target

(100M JPY)



**Provide attractive EV products to exceed OEM expectations**





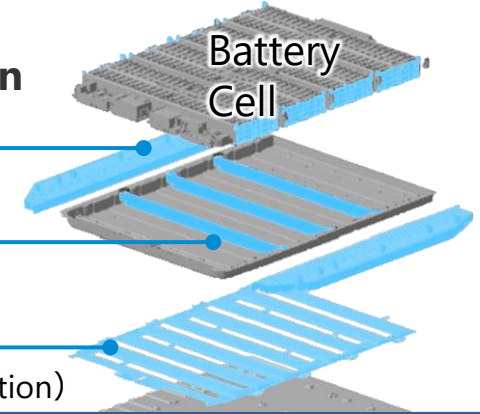
## Battery Frame

- Protect battery from shocks
- Control temperature, efficiency, deterioration

Locker EA  
(protect from side shocks)

Cross Frame  
(protect from side shocks)

Battery Cooler  
(control temperature, efficiency, deterioration)

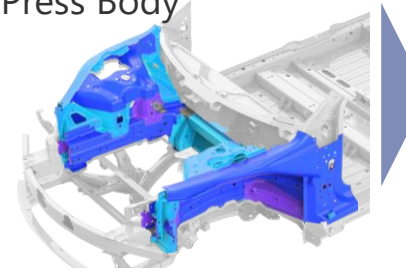


## Giga-cast (Aluminum BEV Frame body)

Decrease BEV body part volume by Aluminum diecast  
Increase vehicle performance by gain rigidity

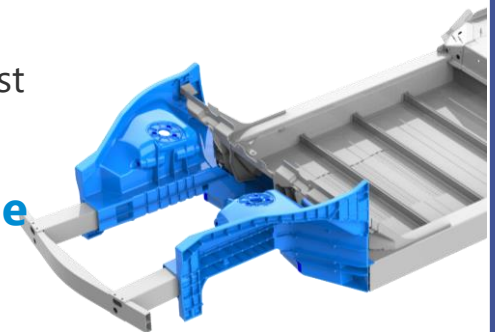
(Conventional) Fe Press Body

50~  
120 pieces



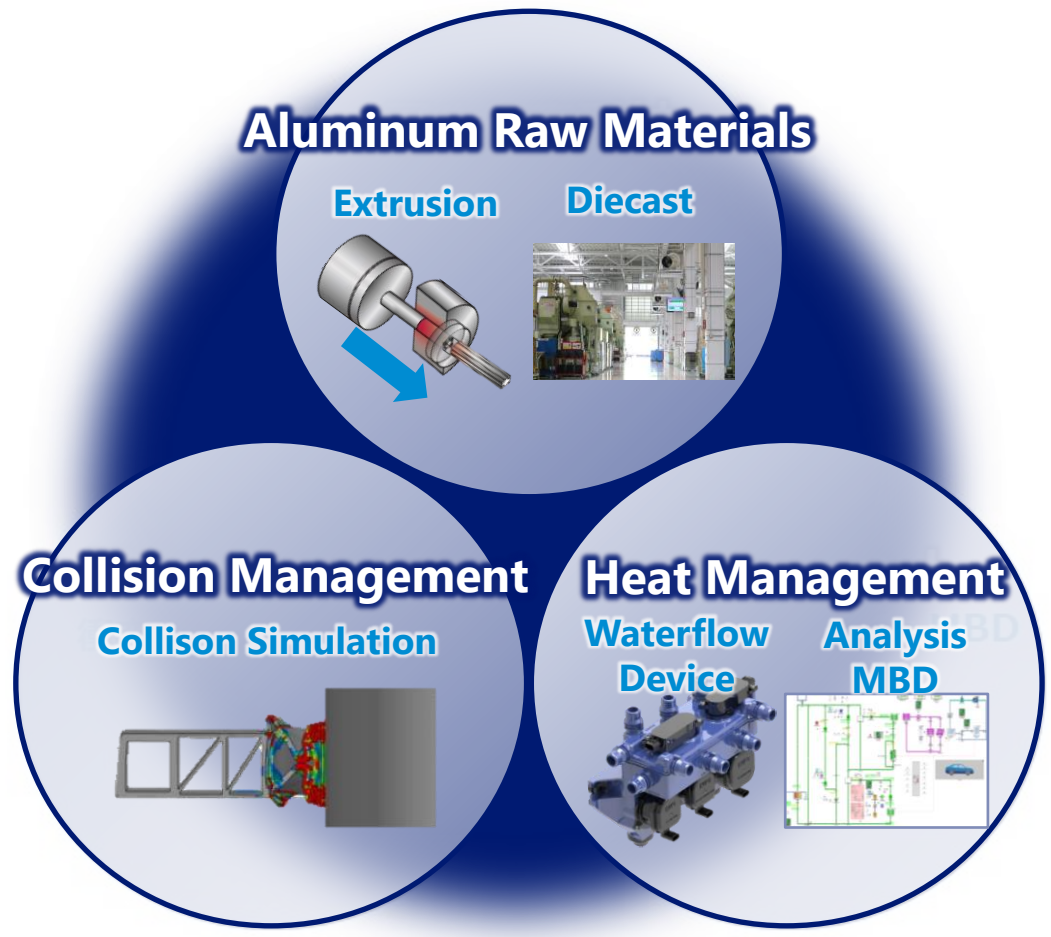
Giga-cast

1 piece



Battery frame and Giga-cast are new growing market with BEV

## Strengths of AISIN



## Vision

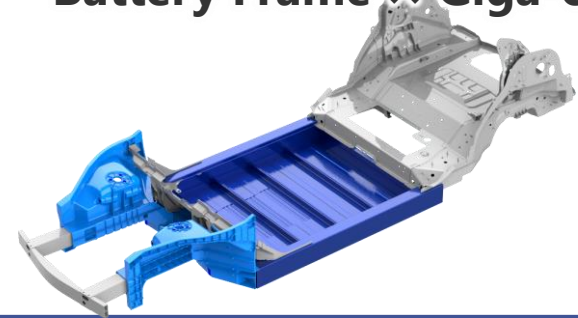
### Battery Frame in 2025

Shock Protection × Temperature control



### Integrated Functional Body in 2027

Battery Frame × Giga-cast



Evolve battery frame to integrated functional body with strengths of AISIN



# Strategy and Target of Battery Frame and Giga-cast

## Strategy

### Synergy with OEM

To be "partner" of OEM  
Synergize Engineering & production

Conducting technology proposal & dispatch engineers to multiple OEM

### Utilize Alliance

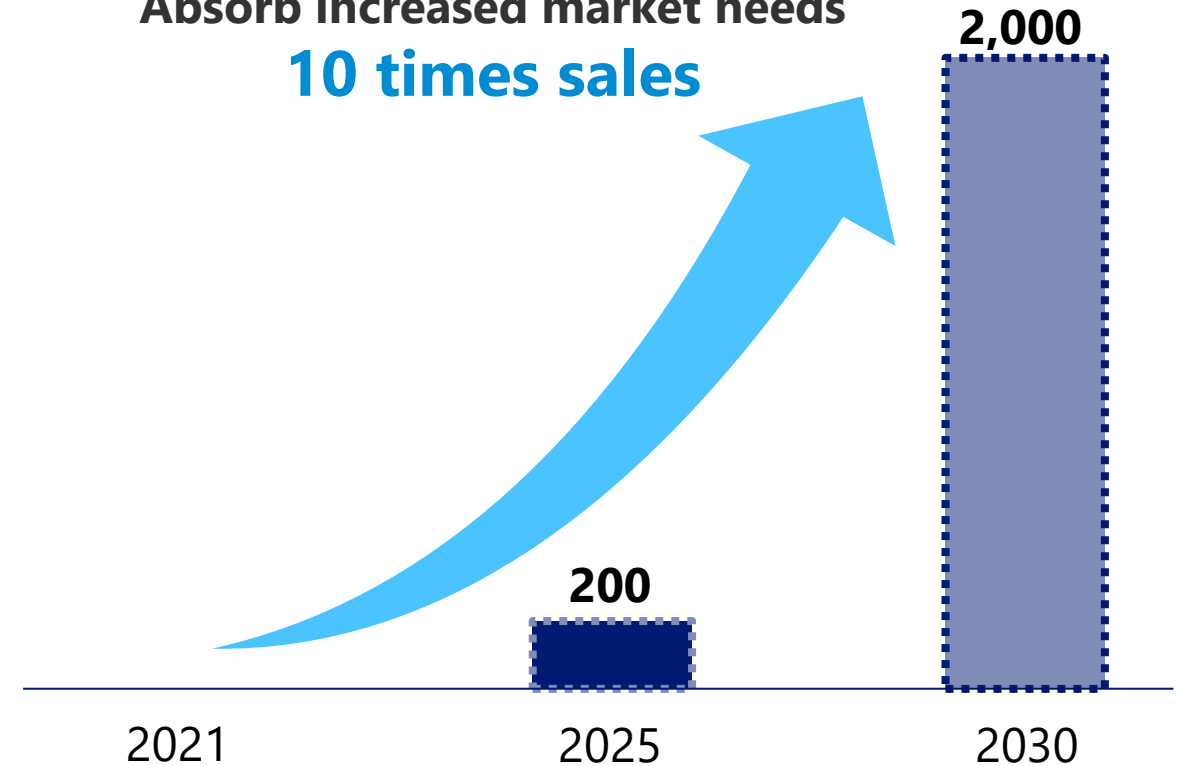
Enhance new customers

Decrease investment

## Sales Target

(100M JPY)

Absorb increased market needs  
**10 times sales**

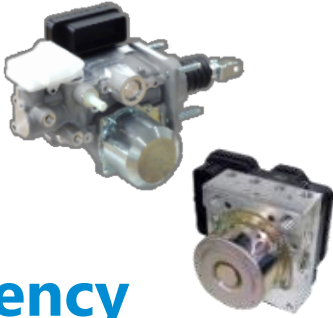


Target 200Bil JPY sales in 2030 by synergy with OEM and utilize alliance

## Electrification

### Efficiency: Cooperative Regenerative Brake


**World-Ever**  
**Front/rear independent**  
• High regenerations



**Improve 2% efficiency**

### Efficiency: E-Parking Brakes

**Top of market**  
• light weight  
• low resistance (dragging brake)

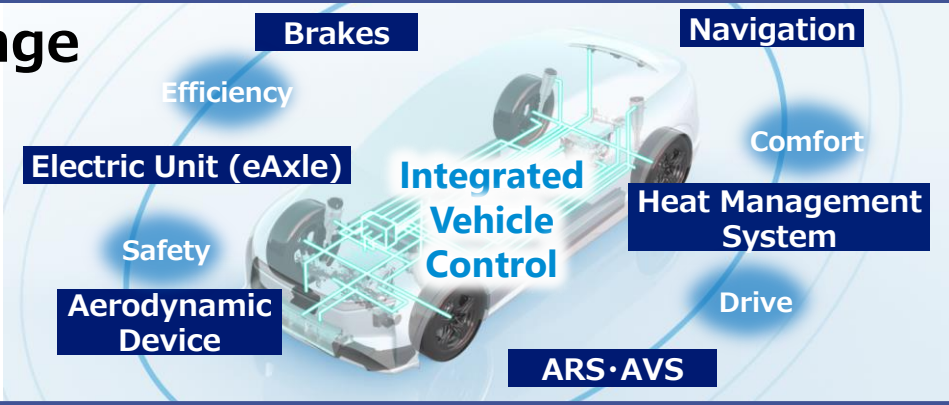


**Improve 0.8% efficiency**

## Intelligence

### Efficiency/Safety/Comfort/Drive : Integrated Vehicle Control

**Enhance volume and range of regeneration by integrated control of "drive/brake"**  
**Improve over 2% efficiency**

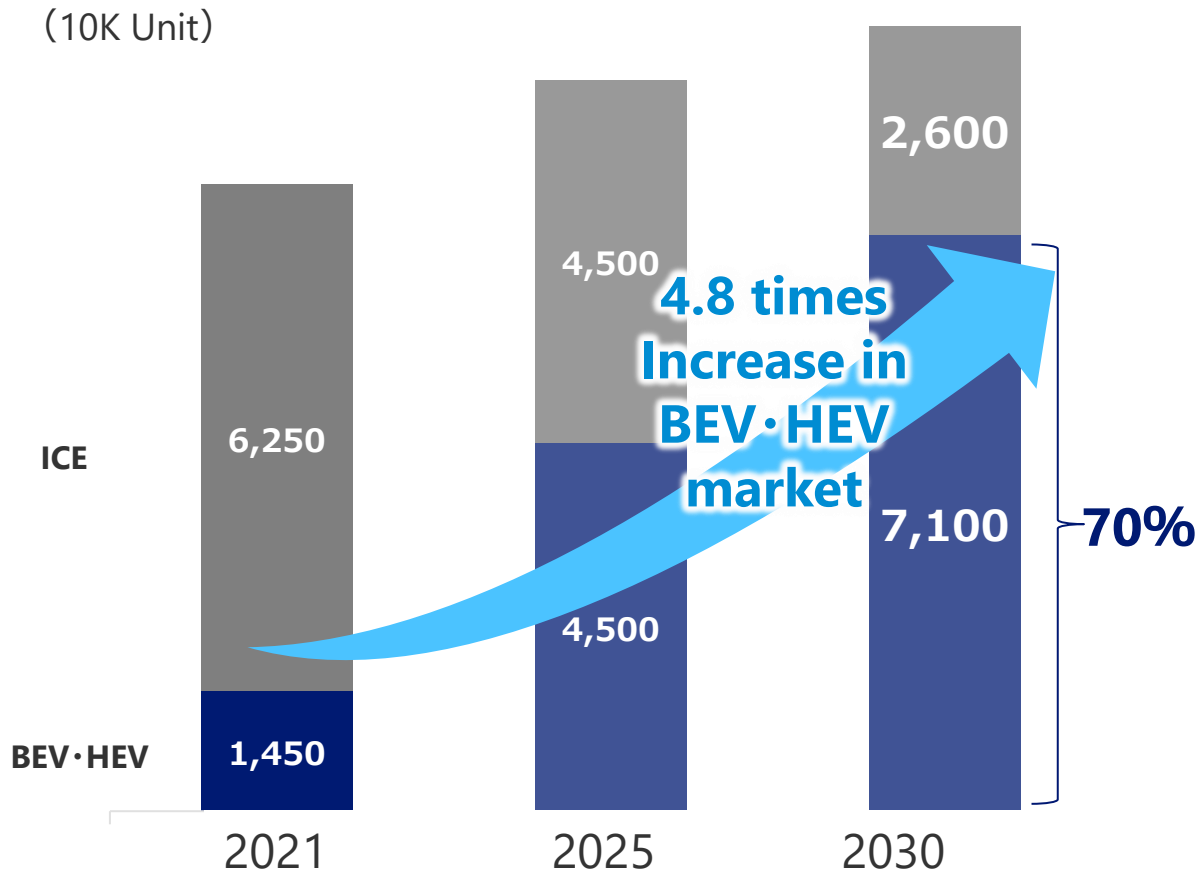


**Control vehicle with integration of various products at AISIN Group**  
**Contribute to safety/comfort/drive**

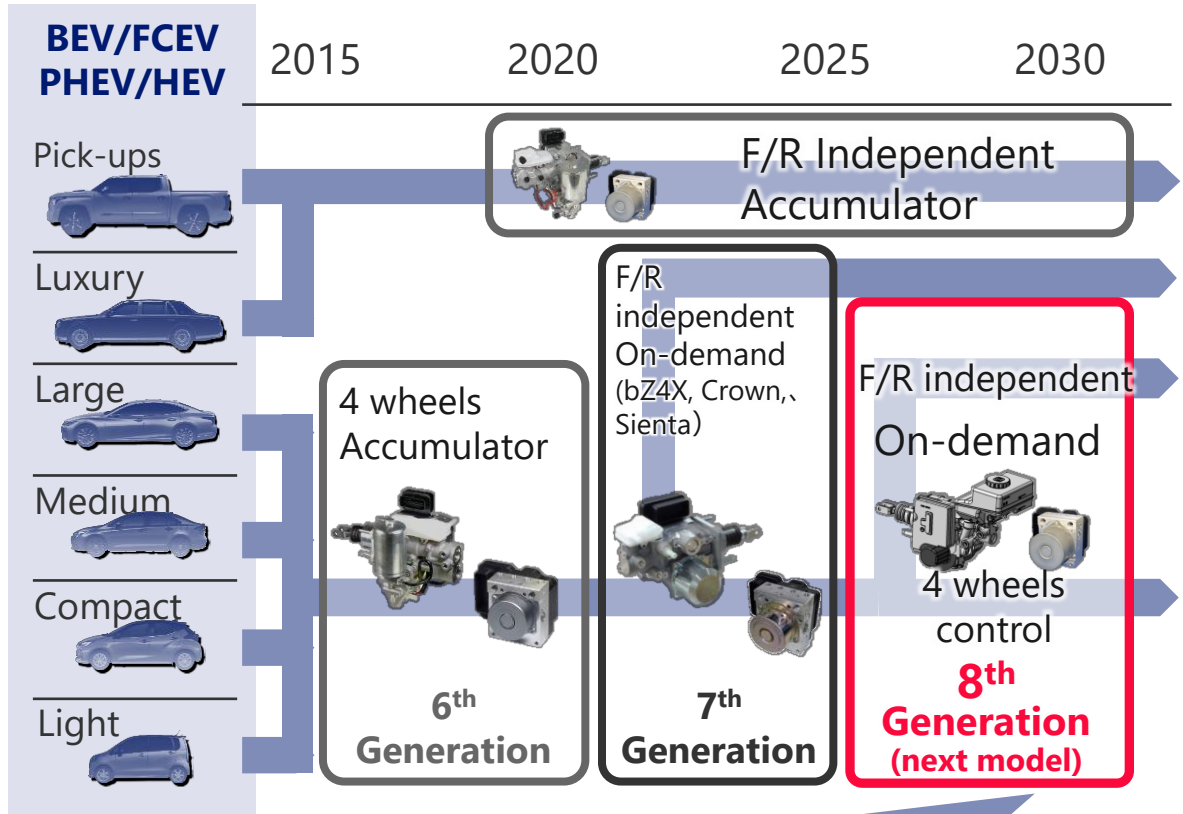


# Market and Roadmap

## BEV·HEV Market Prediction



## Roadmap

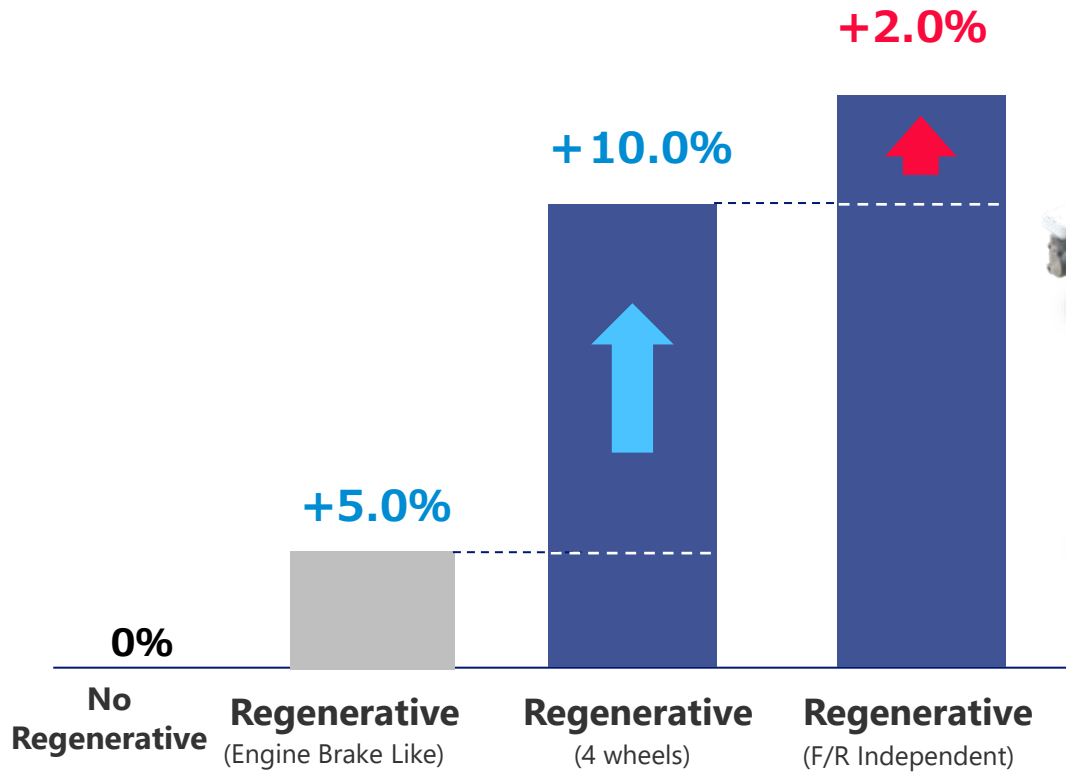


Low cost with simple structure ease foreign production  
Enhance sales & profitability outside of Japan

**Enhance sales & profitability with 8th generation for enlarging BEV·HEV market**

## Electrification : Cooperative Regenerative Brake System

Contributing to improve Efficiency\* (Self Research)



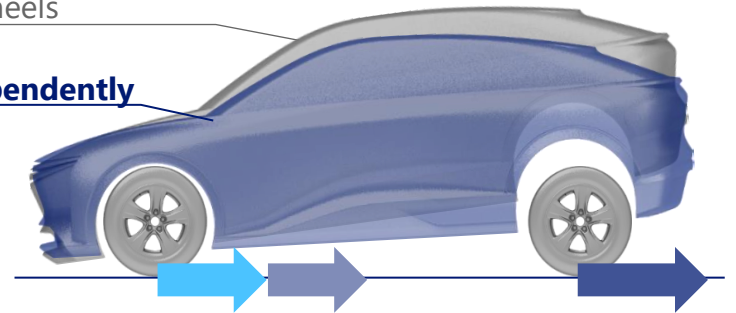
Gain regeneration with F/R independent control

Improve 2% Efficiency\* (WTLP)

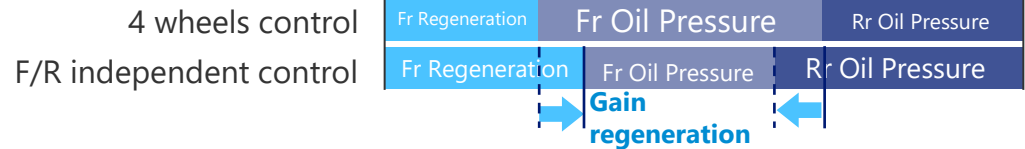


Control by 4 wheels

Control by F/R independently



Fr/Rr Brake Balance Image



\*Power Consumption Efficiency



# Efficiency\*/Safety/Comfort/Drive: New Functions by Integrated Vehicle Control (Intelligence)

Brakes

Navigation

Efficiency\*

Comfort

Electric Unit (eAxle)

**Integrated Vehicle Control**

Heat Management System

Safety

Drive

Aerodynamic Device

ARS·AVS

\*Power Consumption Efficiency

Increase vehicle value by integrated vehicle control with Integration of AISIN Group products

# Target And Strategy of Brakes

## Strategy

### Sales Expansion / Profitability

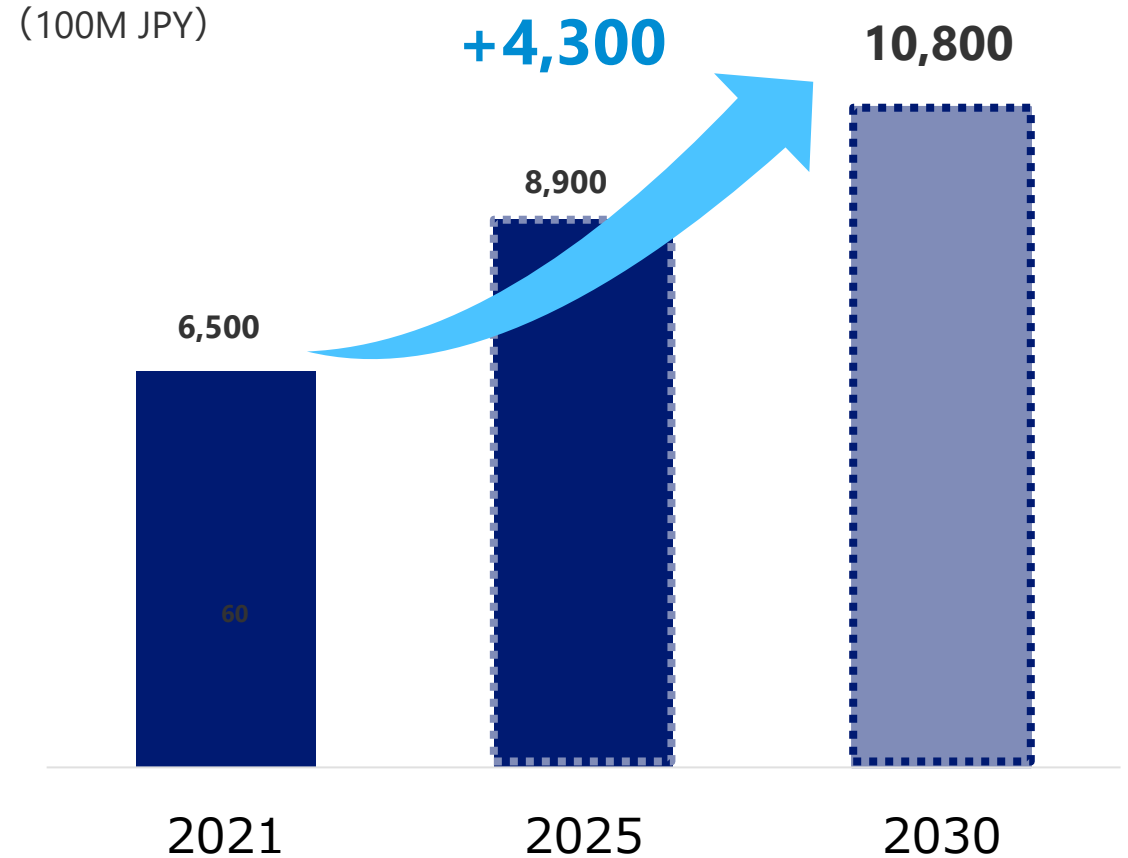
Utilize strengths of having all brake products and software development technology

- **Controlled Brake System**  
Compete with nest model of cooperative regenerative brake system
- **Foundation Brake**  
E-Parking Brake, Opposed caliper, etc.  
Enhance high added value products

### Production

Secure efficient organizational structure by shifting group resources

## Sales Target



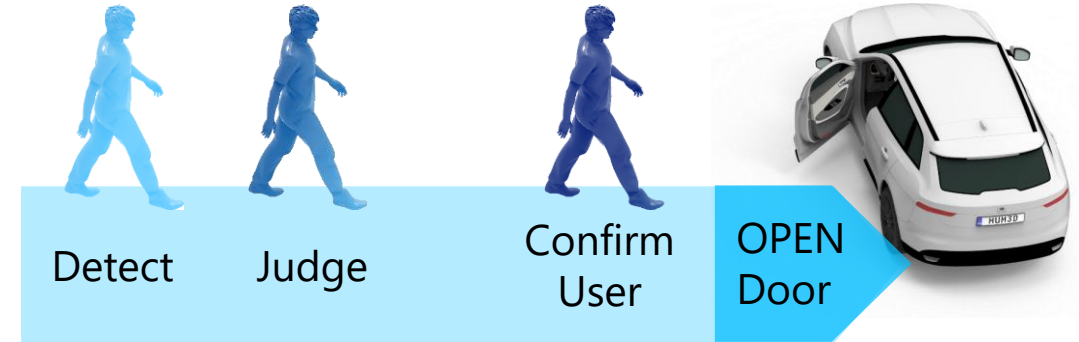
**Target 1.08 trillion JPY sales in 2030 by utilizing group resources and alliance**



## Stress-Free Entry (universal design/safe for everyone)



Connect people and vehicle by monitoring technology and door systems



**Confirm Safety**  
Sonar & Camera

**No Operating Check-in**  
Digital Key System

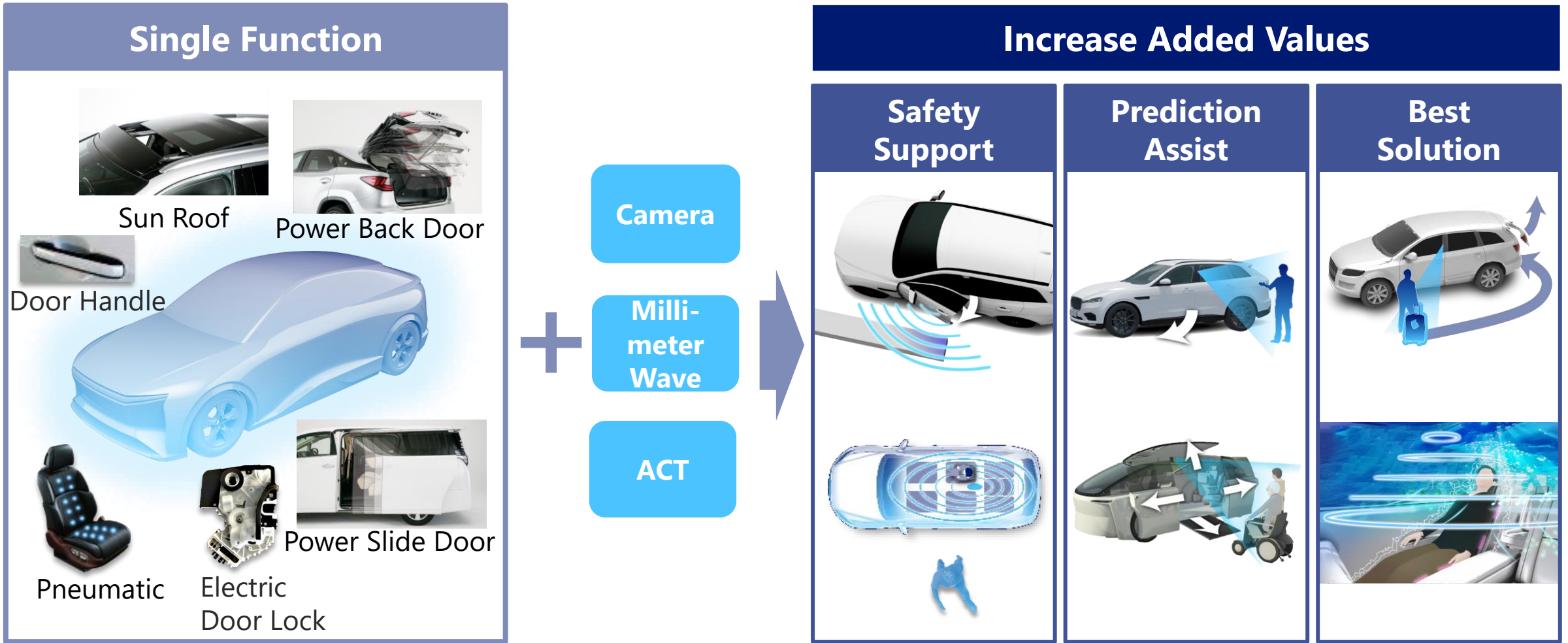
**Predict Functions**  
Surround Sensing

**Easy to Get-on**  
Wide Door System

**Comfortable Space**  
Room Sensing

Integrate Detect/judge/move achieves "Stress-Free entry" and "Comfortable Space"

# Business Target and Strengths of AISIN



**Add sensing function to various products gains user values by system**

# Strategy and Target of Safe/Comfort Entry

## Strategy

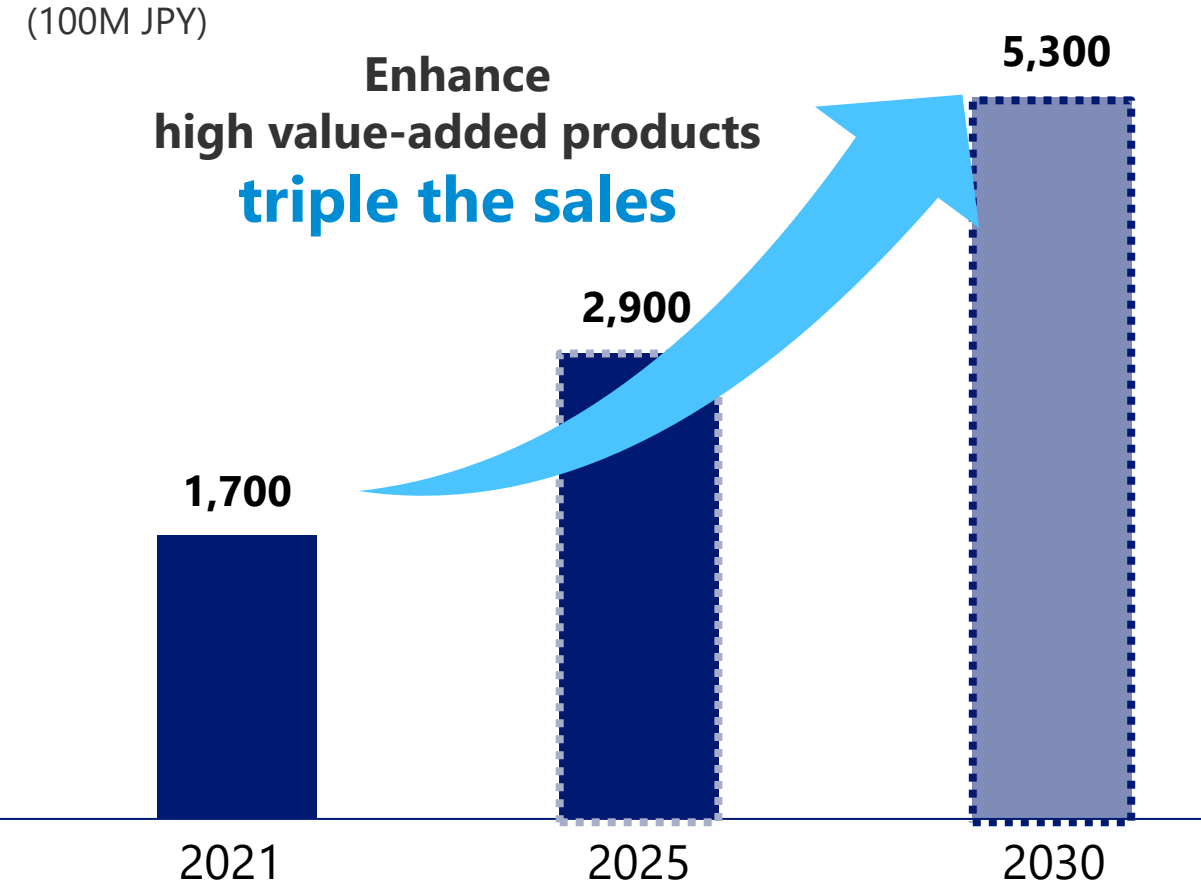
### Function R/D Among Domains

- Blend chassis domain and safety technologies
- Utilize sensing data to Enhance function

### Alliance Reinforcement

- Develop and utilize updated technology
- Strengthen radio wave measure and signal process technology

## Sales Target



**Target 530billion JPY sales in 2030 By R/D among domains and reinforce alliance**



**1. Vision of 2030**

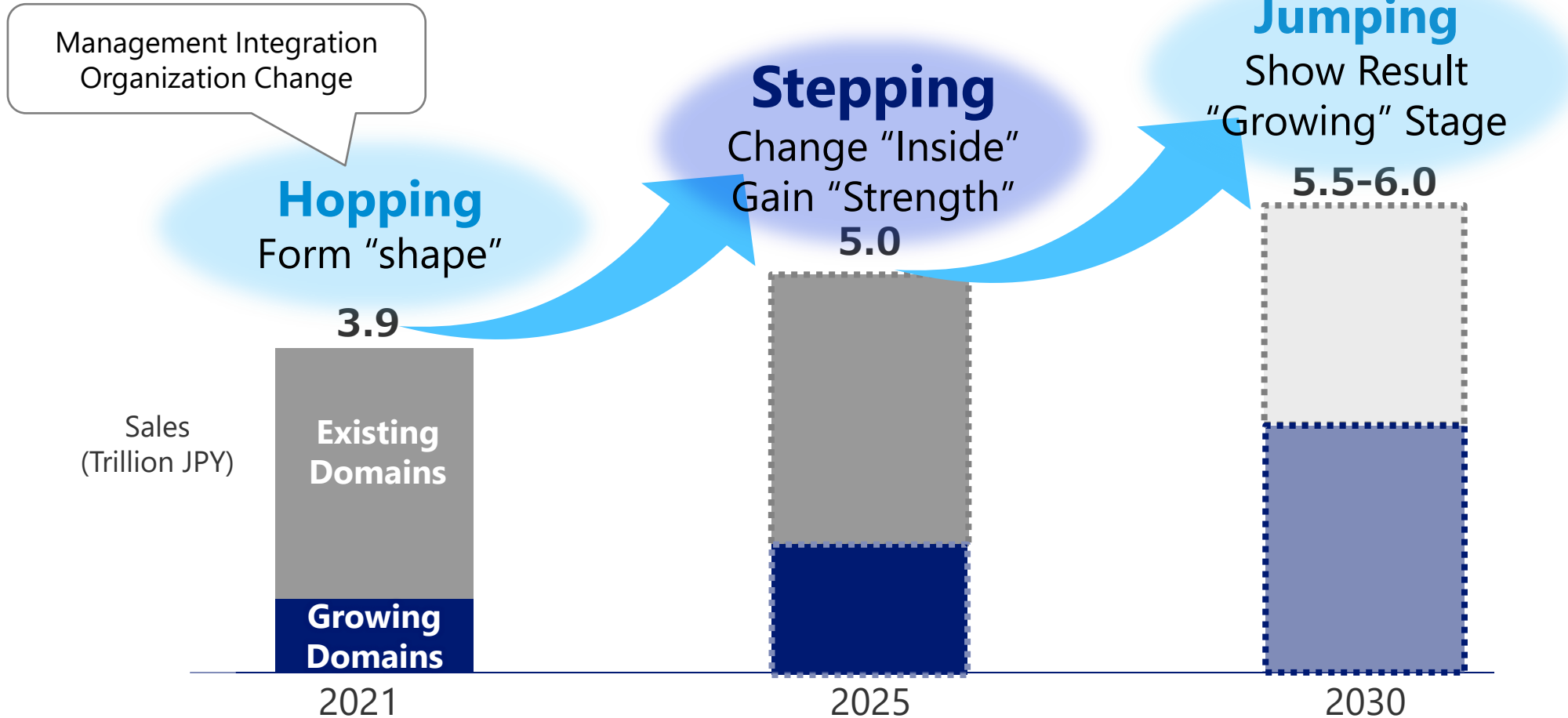
**2. Strategies of Business Divisions**

**3. 2025 Mid-term Plan for 2030**

**3**

# Position of 2025 Aiming 2030

## 2025 Plan to Secure Resource for 2030



**Proceed structural changes to promote strategies and retain resource for 2030**

# Target and Actions of 2025

## Complete Functional Changes

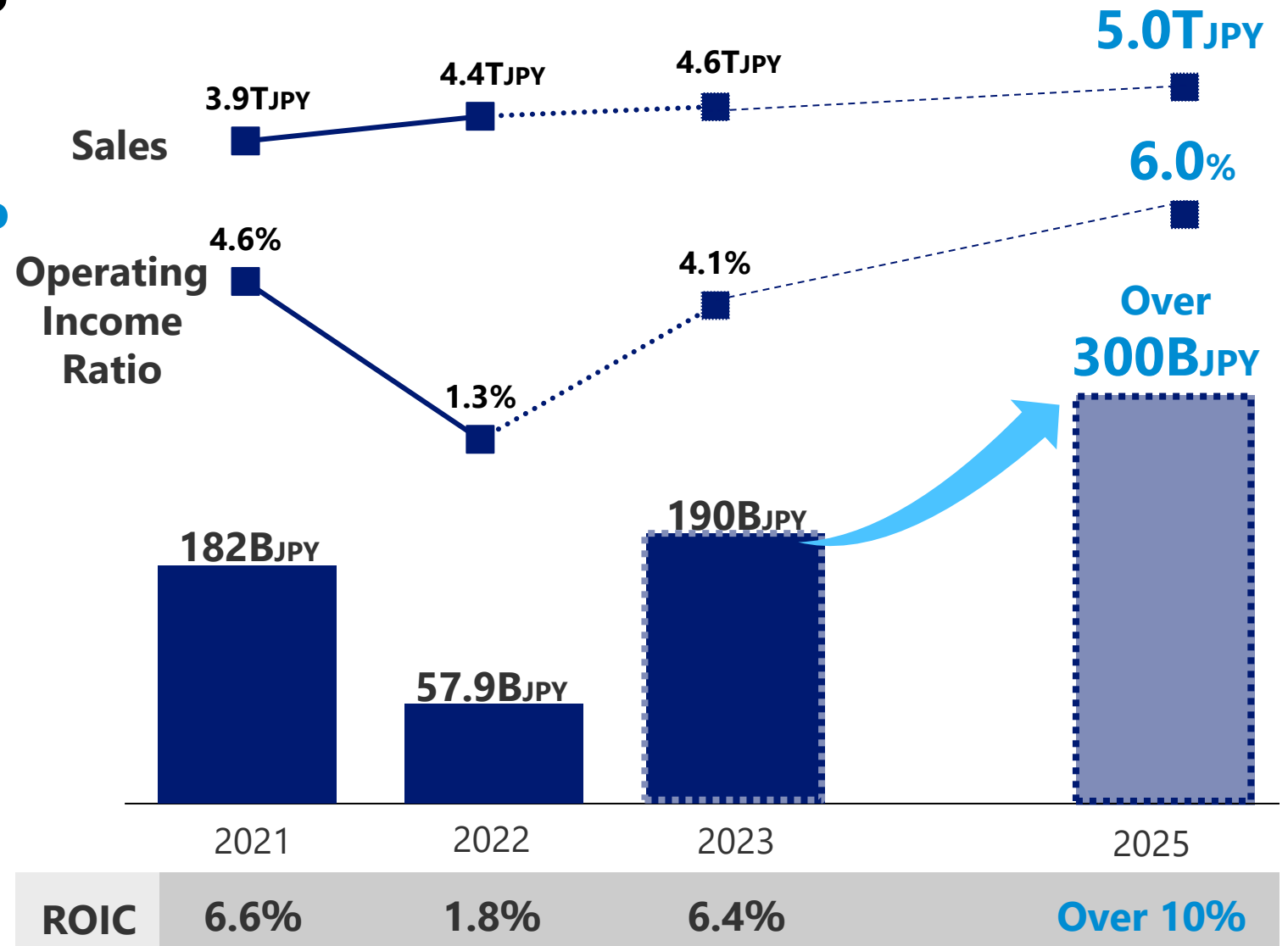
① Restructure Business Portfolio

② Increase Profitability on Existing Products like AT

③ Shift Resource to Growing Domains

④ Secure Capital by Balance Sheet Reformation

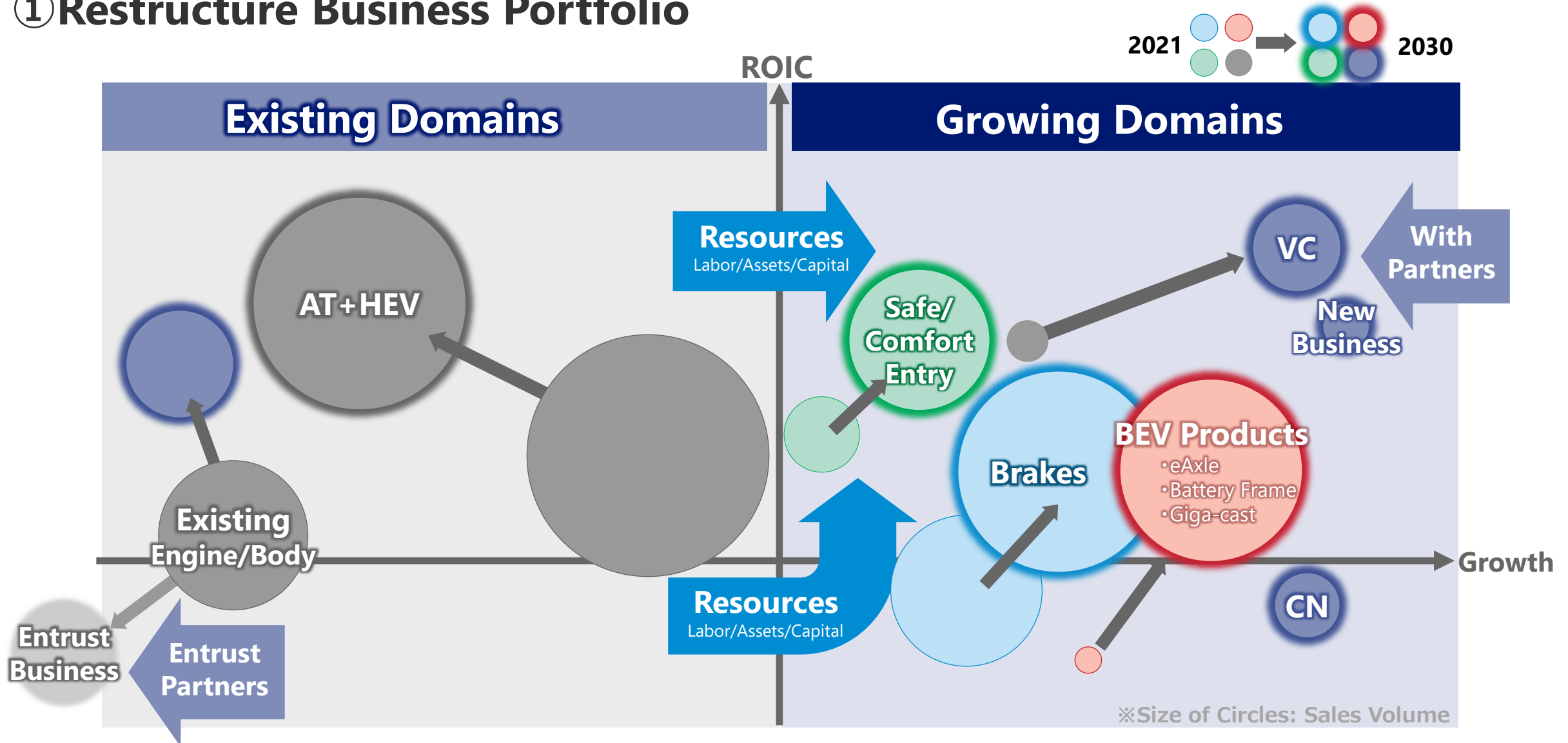
- Business Assets
- Cross-Shareholdings
- Global Inventories



Promote “core changes” by completing functional changes for growing stage from 2026



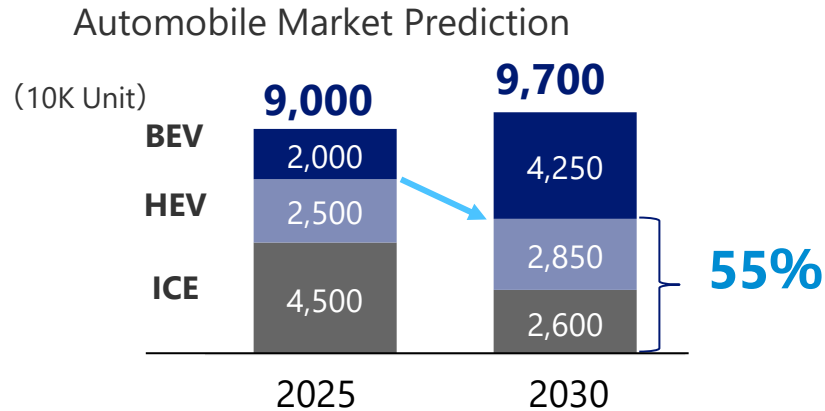
# ① Restructure Business Portfolio



**Restructure portfolio by shifting resources to growing domains**

## ② Improve Profitability on Existing Products (AT·HEV)

### ICE·HEV Market Prediction



Even BEV expands,  
**size of 50M units  
market remains**

### Key Strategy

- ① **Conventional demand at South America, India, etc.**  
Minimize investment and enhance sales since strong demand of conventional products remains
- ② **Opportunity to take in OEM products**  
Under discussion with several customers
- ③ **Bring unit for HEV demand**

### Operating Income Target

**100B JPY Operating Income**  
(constantly from 2025 to 2030)

**ROIC = 15%**  
(at 2030)

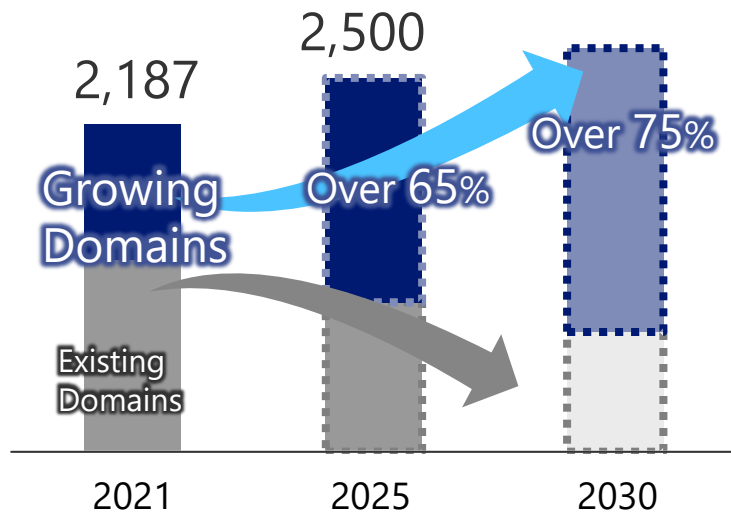
**Estimate 100B JPY operating income on AT·HEV**

### ③ Input Resource to Growing Domains

#### CAPEX

- Total investment based on depreciation
- **Use flexible-line and existing equipment to reduce investing amount**

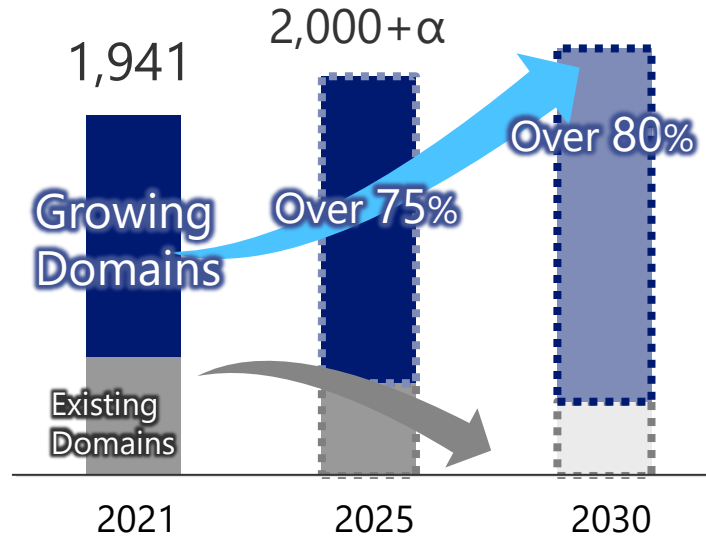
(100M JPY)



#### R&D

- **Strategical R&D to growing domains**
- Utilize MBD・DX for Optimization

(100M JPY)



#### Human Capital

- **Accelerate human capital shift to growing domains**
- Re-skilling to software domain, etc.

#### Labor Shift

#### Shift

**3,000 employees**  
by 2025

#### Re-skilling

#### Re-skilling

**3,000 employees**  
by 2025

**Control strategical investment and total amount with discipline**  
**Accelerate "human capital" shift to growing domains**



# ④ Generate Capital by Balance Sheet Reformation

## Business Assets

Compress over **100BJPY**

Transfer “entrust” business and depreciate existing business assets

### Entrust Partners

- Seat Business
- Shower Toilet Business
- Other Projects (Ongoing)

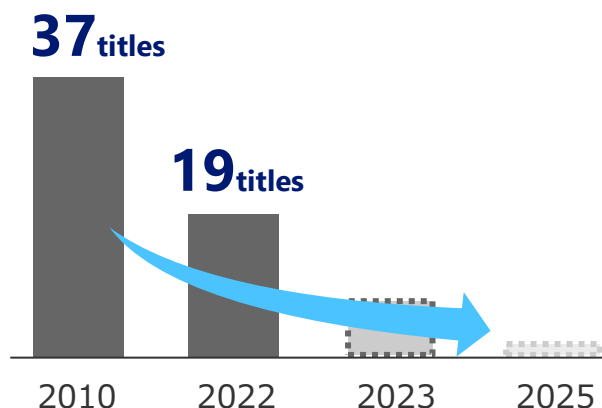
### Accelerate Reduction of Inefficient assets

- Structural change on surplus assets
- Marge Production companies (Ongoing)

## Cross-Shareholdings

Sell over **100BJPY**

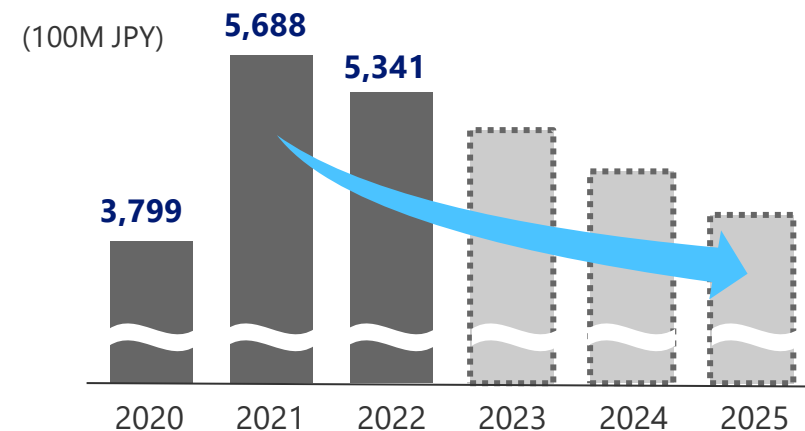
Aim for zero



## Global Inventories

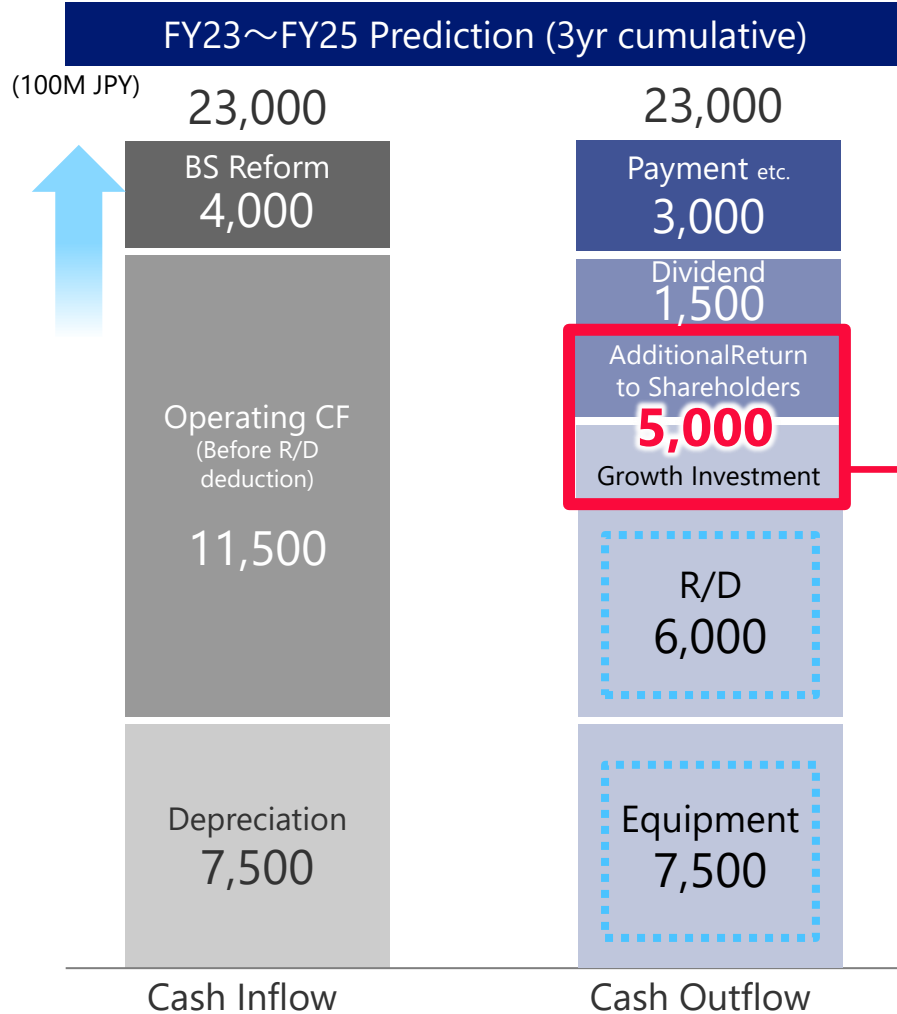
Compress over **100BJPY**

Compress to Pre-COVID19 Level By 2025



**Reform 400BJPY, which is 10% of total assets, by 2025**

# Capital Allocation for 2025



## ● Financial Health

Control balance on financial health and investment efficiency  
(Capitalization ratio 25%~30%)

## ● Return to shareholders

Stable dividend (payout ratio about 30%)

## ● Additional return to shareholders

For more business value and investment efficiency, **enhance proactive acquisition of own stock, increase dividend, etc.**

## ● Growth Investment

Strategical investment to growing domains to expand business portfolio **(M&A, Alliance, etc.)**

## ● R/D

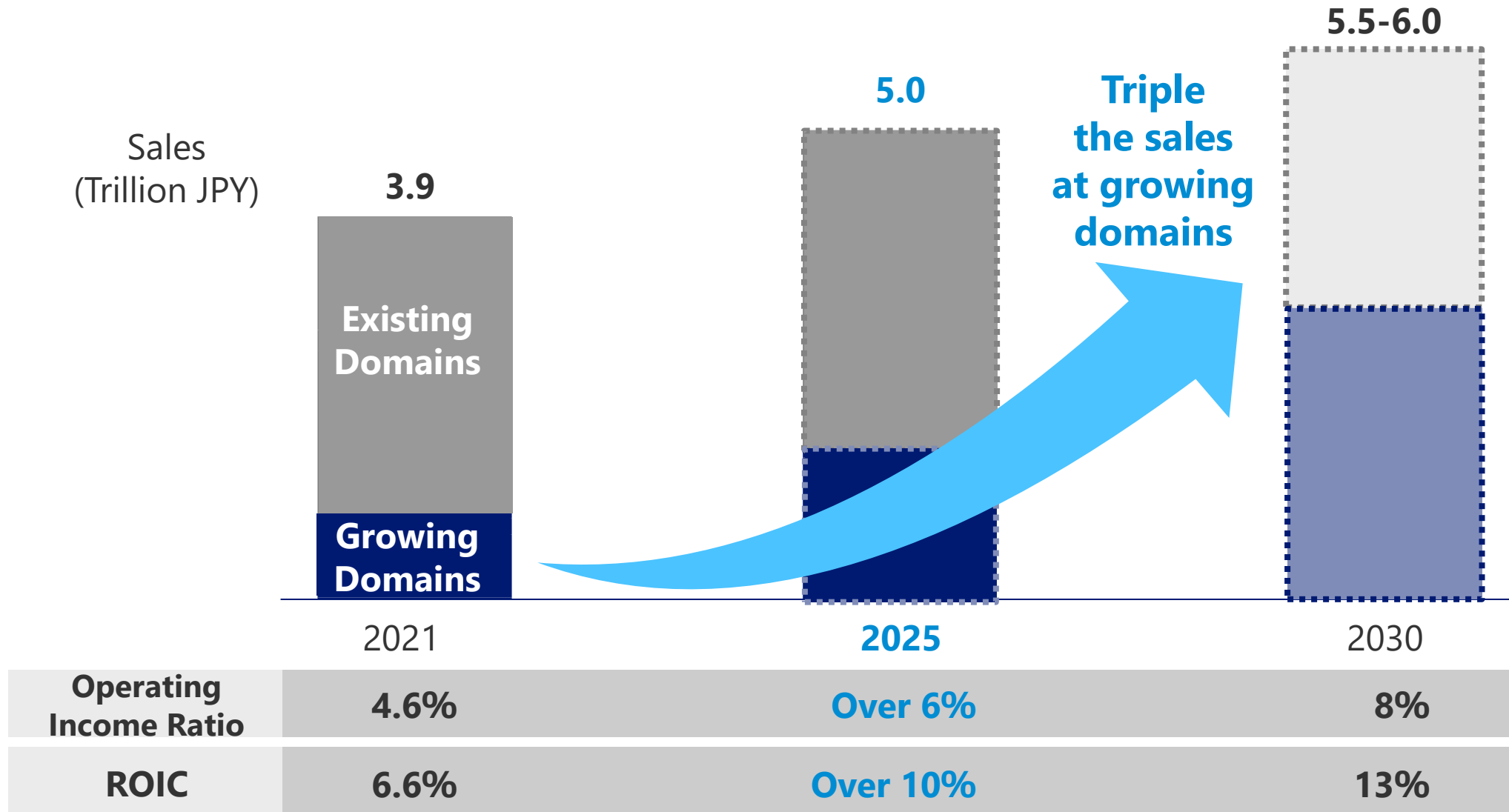
Shift resource to growing domains and increase development efficiency  
**(Growing domain ratio over 75% by 2025, over 80% by 2030)**

## ● Equipment

Control depreciation with discipline  
**(Growing domain ratio over 65% by 2025, over 75% by 2030)**

**Utilize generated cash for growth investment and shareholder returns to achieve PBR over 1x**

# Aim for 2030



**Enhance growing domains for 2030 and target over 13% on ROIC**





**【Note on future predictions】**

Excluding matters related to past and current facts, the business results forecasts and forward-looking estimates, strategies and targets disclosed by the Company are estimates regarding the future. These estimates are formulated from plans, expectations and judgments made based on information that the Company can obtain at the present time, and certain assumptions deemed reasonable. Accordingly, actual results may vary from the disclosed business results forecasts, etc.,

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