

Board of Directors

Effectiveness evaluation of Board of Directors

The effectiveness of the Board of Directors is evaluated by all independent Outside Directors and independent Outside Audit & Supervisory Board Members at the end of each fiscal year. The evaluation is conducted through interviews. Issues identified and the direction of their solutions are discussed and summarized by internal executives and reported to and discussed at the Board of Directors to advance improvements.

Issues identified in FY2021	Initiatives implemented in FY2022
Enhancement of opportunities for exchanges of opinions about critical issues	Set opportunities to discuss medium- to long-term themes, such as review of strategies of each business segment
Ongoing setting of on-site observations	Participated in exhibitions for new products and the production technology presentation meetings

Overall evaluation of FY2022

- The overall effectiveness of the Board of Directors has improved.
- Composition of the Board of Directors: With the percentage of Outside Directors increased, advanced into the direction recommended by the Corporate Governance Code
- Operation of the Board of Directors: All Directors contributed to making their discussions more active based on their respective knowledge and experience. Advance explanation on proposals for the Board of Directors meetings and other support measures have been enhanced.

Issues identified in FY2022	Future initiatives
Further enhancement of exchanges of opinions about business strategies, etc.	In addition to enhancement of discussions on business strategies and other key themes, setting opportunities for discussions on strategies other than the Board of Directors meetings
Enhancement of on-site, hands-on observations	Resuming and continuing on-site observations of plants, etc. and test-riding on test courses and other events
Enhancement of horizontal communication among Outside Directors and Outside Audit & Supervisory Board Members	Enhancing opportunities for opinion exchanges and face-to-face communications among outside executives

Major reports and proposals at Board of Directors meetings (July 2021 - June 2022)

	Proposals	Report	Total	Ratio
Business strategies, sustainability and governance	12	6	18	34%
Settlement, dividends and other financial matters	9	1	10	19%
Internal control, risk management and compliance	1	3	4	8%
Human Resources, appointment and remuneration	14	1	15	28%
Individual matters	0	6	6	11%
Total	36	17	53	100%

Support for outside executives

Aisin believes that the management of our business depends on Outside Directors and Outside Audit & Supervisory Board Members carrying out their roles and duties effectively from an independent, objective standpoint. To ensure this, the following measures have been introduced.

- (1) To secure sufficient time for deliberation at the Board of Directors meetings, review the criteria for submission to the Board of Directors meeting as necessary to narrow down the matters to be discussed
- (2) To facilitate meaningful discussion at the Board of Directors meetings, provide Outside Directors and Outside Audit & Supervisory Board Members with advance explanations by executives, etc. on individual matters submitted to the Board of Directors meetings to share the details of discussions at important internal meetings
- (3) To promote understanding about the business and sharing of issues among Outside Directors and Outside Audit & Supervisory Board Members, offer various opportunities, such as observations of plants, test courses and subsidiaries both inside and outside Japan, and reports by or conversations with the relevant executives and managers in each company, headquarters and division
- (4) To provide information required by Outside Directors and Outside Audit & Supervisory Board Members, appoint specific staff in the Corporate Planning Dept. and Audit & Supervisory Board Office to facilitate communication and coordination with Outside Directors and Outside Audit & Supervisory Board Members