

Remuneration of executives

Basic stance on remuneration of executives

Our system for remuneration of our executives is designed according to the following principles.

1. Remuneration shall motivate our executives to work toward achieving the AISIN Group's corporate principles and following its management policies.
2. Remuneration shall reflect the responsibilities, results, etc. of each executive.
3. Remuneration shall reflect the business environment and short- to medium-term results of the AISIN Group and encourage executives to improve our corporate value and manage from the perspective of our shareholders.

Remuneration structure for executives

As board of directors oversee the operations of the company, the remuneration structure for Directors (other than Outside Directors) comprises a fixed monthly salary along with bonuses and stock options tied to results. Specifically, the base amounts of monthly salary, bonuses, and stock options are roughly set so that they account for 50%, 35%, and 15%, respectively, regardless of the title.

In recognition of their position as executives responsible for providing supervision and advice or audits of our management from an independent standpoint, Outside Directors and Audit & Supervisory Board Members receive only a monthly salary with no bonuses or stock options.

Configuration of remuneration for Directors (other than Outside Directors)

Configuration	Fixed remuneration	Performance-linked remuneration	
		Short term	Long term
	Monthly salary 50%	Bonuses 35%	Stock options 15%
Form of payment	Money		Stock

The actual remuneration may differ from the above depending on the amount of profits.

Payment policy by remuneration type

Monthly salary	<ul style="list-style-type: none"> • Directors' remuneration reflects factors such as the director's duties and experience, along with trends among other companies. Audit & Supervisory Board Members' remuneration reflects factors such as their duties and trends among other companies. • Monthly salary is paid every month throughout directors' and Audit & Supervisory Board Members' terms.
Bonuses	<ul style="list-style-type: none"> • Bonuses are based on the consolidated operating profit achieved through our operations in each business year and are decided through a comprehensive assessment of dividends, the size of the bonuses given to our employees, trends among other companies and bonuses that were paid in the past. Bonuses for the period ended March 2022 were set based on our consolidated operating profit of ¥182.0 billion (results). • The compensation for each director is decided based on the company's results for each business year and the status of each director's work. • Bonuses are paid once a year, after the Annual General Meeting of Shareholders for each business year.
Stock options	<ul style="list-style-type: none"> • Shares with restriction on transfer are given as an incentive to increase shared value with our shareholders and thereby continuously improve our corporate value. • Stock options for eligible directors are decided based on factors such as the company's performance results and the directors' duties and achievements. • Stock options are paid once a year, after the Annual General Meeting of Shareholders for each business year. • For details on this system, see "Securities Report" on p. 49.

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Method for deciding remuneration of executives

To ensure that the company's systems operate in a way that is suited to the status of the company's management and operations and that agile decisions about executive compensation are made, the authority to decide standards for each level of director; assess each executive and decide on compensation for each director is given to the Chairman and Vice Chairman of the Board of Directors, the President and the Vice President in charge of human resources management.

As a measure to ensure that this authority is exercised appropriately, executive compensation is deliberated and discussed by the Compensation Committee, where the

majority of members are independent Outside Directors, before being put to the Board of Directors.

The Compensation Committee is chaired by the President and includes the Vice President in charge of human resources management and three independent Outside Directors. The committee discusses compensation systems and decision policies and methods to ensure appropriate executive compensation, along with compensation standards for each level of executive and the compensation for each executive.

Once a director is appointed, their compensation is decided based on details approved by the Compensation Committee. If this decision differs from that of the Compensation Committee, the reason must be explained

to the Compensation Committee in advance.

The Board of Directors then decides on the director's pay within the total compensation range decided at the General Meeting of Shareholders.

Compensation for each level of director is decided each year, referring to the baselines at manufacturing companies whose size, industry and operations are similar to ours according to an investigation on executive compensation by an external research institute to verify the objectivity and validity of our standards.

The monthly salary for each Audit & Supervisory Board Member is decided upon discussion between the auditors within the compensation range decided at the General Meeting of Shareholders.

Remuneration amount for directors and auditors

Category	Total remuneration, etc. (million yen)	Totals for each type of remuneration (million yen)			Number of recipients (persons)
		Fixed remuneration	Performance-linked remuneration		
		Monthly salary	Bonuses	Stock options	
Directors (Outside Directors)	544 (54)	324 (54)	170 (-)	49 (-)	14 (5)
Audit & Supervisory Board Members (Outside Auditors)	122 (27)	122 (27)	- (-)	- (-)	8 (4)
Total	666	446	170	49	22

(Notes) 1. The above figures include five directors (including one Outside Director) and four Audit & Supervisory Board Members (including two outside auditors) who left the office upon conclusion of the 98th General Meeting of Shareholders on June 18, 2021.

2. Bonuses indicate the amount resolved at the Board of Directors meeting on May 20, 2022.

3. Stock options indicate the amount expensed in this business year under the shares with restriction on transfer program.

4. It was decided at the 96th General Meeting of Shareholders on June 18, 2019 that the total monthly salary and bonuses paid to all directors collectively must be no greater than 600 million yen per year (with no greater than 75 million yen paid to the outside directors).

5. It was decided at the 96th General Meeting of Shareholders on June 18, 2019 that the total stock options to be given to all non-Outside Directors collectively must be worth no greater than 100 million yen per year.

6. It was decided at the 87th General Meeting of Shareholders on June 23, 2010 that the total monthly salary paid to all Audit & Supervisory Board Members collectively must be no greater than 15 million yen per month.