

Equity

Basic policy regarding cross-shareholdings

To survive the intense competition and continue to grow in the automotive parts and energy solutions businesses, where we operate, we believe that it is essential to build a cooperative relationship with various companies throughout all processes, including development, procurement, production, distribution and sales. To accomplish this, our basic policy is to hold the minimum stock deemed necessary to maintain and improve our corporate value in our areas of business from a medium- and long-term perspective.

Method for verifying whether to hold shares

Where necessary, Aisin communicates constructively with companies in which we hold shares from the perspective of maintaining and improving the value of the company and driving sustainable growth. These conversations take place with the aim of sharing business issues and solving problems. To verify that it is reasonable to hold the shares that we do, we regularly monitor situations, such as the financial situation and management results of the companies in which we own shares, and carry out rigorous quantitative reviews (dividend yield and average ROE for the past three years must exceed the weighted average cost to the company (5.6%)) and qualitative reviews (state of business trades, prospects for future collaborations, etc.) at Board of Directors' meetings each year to determine whether it is appropriate to hold the shares. Verifications for this year were made at the Board of Directors' meeting held in May 2021.

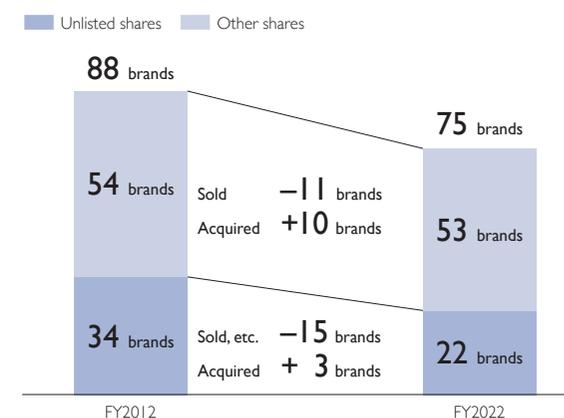
Standard for exercising voting rights

Voting at Aisin is not used to make uniform yes/no judgments according to regular short-term standards. Rather, points such as the management policies and strategies of companies being invested in are given plenty of weight, and decisions are made from the perspective of corporate value in the medium to long term and whether the decision will maintain or increase returns for shareholders.

When voting on each proposal, we confirm points, such as whether the company focuses on growth and shareholder profits in its management. Individual reviews are conducted based on internal rules, and the outcome of discussions with the company and other factors are taken into account when deciding whether to agree to a proposal.

Initiatives to reduce shareholding

We are continuously working to reduce shareholding through dialog with the companies about brands in which it is no longer worth holding shares. In fiscal 2022, we reduced shareholding of four listed brands and four unlisted brands.



*The above figures do not include Shiroki and Art Metal Mfg. Co., Ltd., which are now subsidiaries of ours.

Shareholding (at the end of this fiscal year)

	Amount posted on balance sheet (March 31, 2022)	Brands for which we increased our shares in FY2022	Brands for which we decreased our shares in FY2022
Unlisted shares	53 brands ¥17,911 million	—	4 brands ¥5 million
Other shares	22 brands ¥175,035 million	—	4 brands ¥1,308 million