

Corporate governance

Basic stance

Aisin builds strong relationships with all of its stakeholders and achieves steady long-term growth and expansion to maximize our value as a company. To achieve this, we practice corporate governance based on our “Basic Stance on Corporate Governance.” Based on changes in our business or management environment and other factors, we promote ongoing effectiveness reviews and enhancements of our corporate governance.

Policy

We believe that it is important to conduct our business activities in a fair and transparent way in order to be a trusted corporate citizen in the international community. We focus on the enhancement of corporate governance by establishing the basic policy.

 Corporate Governance Report

Initiatives to enhance corporate governance

Aisin has been advancing initiatives to further enhance its corporate governance in view of rapid changes in our business or management environment and other factors.

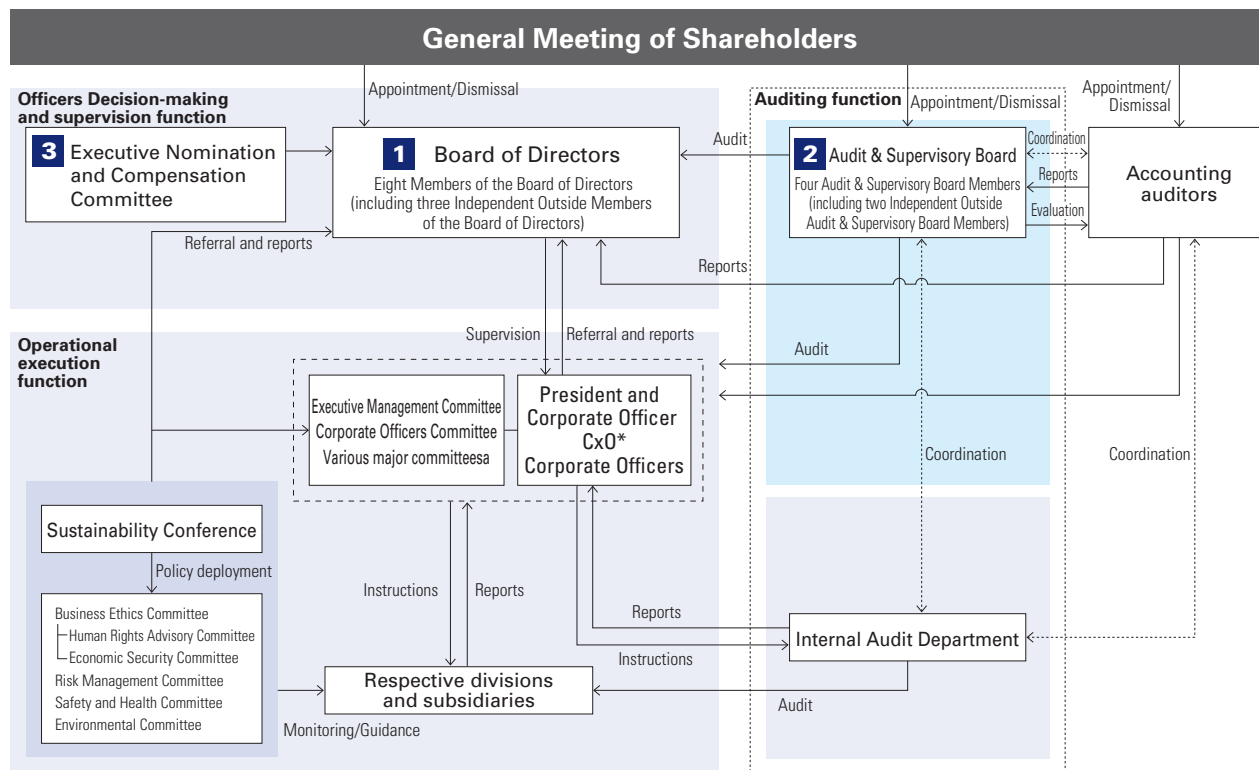
In April 2022, with the aim of expediting and improving our management decision-making and execution of business operations, responsibilities of the Executive Vice President class were eliminated, and their authorities were transferred to President and Senior Executive Officer, thereby reducing the decision-making steps in the executive structure. Furthermore, appointed from among Corporate Officers, the CxO has been established as the chief executive responsible for promoting key management issues across the entire company, and assists the president from a bird's-eye view of the entire group. At present, five CxOs have been appointed.

Also, since June 2022, we have changed the number of the Members of the Board of Directors to eight (including three independent Outside Member of the Board of Directors) by reducing one internal Member of the Board of Directors, with a view to improve objectivity and transparency in management decision-making. In addition, in order to improve objectivity and transparency regarding the nomination of, and decisions on remuneration for the Members of the Board of Directors, etc., the committees that had been separately established for the appointment and remuneration of the Executive Management were unified and renamed in June 2023, and at the same time, it was changed for the chairperson to be appointed from among independent Outside Members of the Board of Directors.

Reform of corporate governance structure

FY	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Number of Executives (persons)	53	50	51	50	32	29	31	26	23	
Number of Directors (persons)	14	13	14	14	9	9	9	8	8	
Of them, Outside Members of the Board of Directors (persons)	2	3	3	3	3	3	4	4	4	
Of them, Female Members of the Board of Directors		1	1	1	1	1	1	1	1	
Number of Audit & Supervisory Board Members (persons)	5	5	5	5	5	5	4	4	4	
including Outside Audit & Supervisory Board Member (independent)	3	3	3	3	3	3	2	2	2	
including Female Members of the Board of Directors							2	2	2	
Separation of management and execution	June 2005	- Members of the Board of Directors (responsible for decision-making and management supervision) and Corporate Officers (responsible for execution of operations) were separated to clarify their roles.								
	June 2014	- Outside Members of the Board of Directors were appointed.								
	January and March 2016	- Executive Personnel Committee and Compensation Committee were established.						June 2023		- Renamed to Executive Nomination and Compensation Committee.
								April 2022		- Responsibilities of the Executive Vice President class were eliminated and transferred to Executive General Managers. - CxO was newly established.

Corporate governance structure



*CxO: Appointed by Corporate Officers, CxO is the chief executive responsible for promoting key management issues across the entire company, and assists the president from a bird's-eye view of the entire group.

1 Board of Directors

The Board of Directors is responsible for overseeing the execution of business operations and passing resolutions on important management matters of Aisin and the AISIN Group.

Number of meetings: 13 per year

2 Audit & Supervisory Board

Together with monitoring the execution of duties by directors, Audit & Supervisory Board members conduct hearings of the state of affairs in respective business divisions to verify that management and the execution of business operations are being carried out properly.

Number of meetings: 14 per year

3 Executive Nomination and Compensation Committee

This committee reviews and establishes basic policies regarding our executive management system and framework in accordance with the vision and management policies of the Company. The appointment and dismissal of the Members of the Board of Directors and the Audit & Supervisory Board Members is proposed and discussed according to our basic policies.

Based on the outcome of the examination of the executive remuneration system and the policy for determining remuneration for each Member of the Board of Directors approved by the Board of Directors, the Executive Nomination and Compensation Committee decides the amount of individual remuneration based on factors such as the Company's business performance, job responsibilities and achievements.

Number of meetings: Twice per year for Executives Personnel Committee;
Three times per year for Compensation Committee

Corporate governance structure

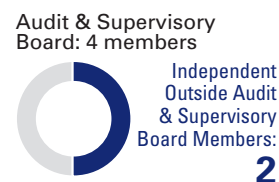
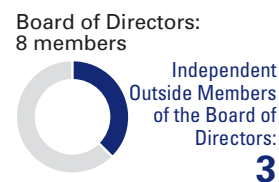
Aisin adopts the Audit & Supervisory Board Member system to strengthen the supervision function of the Board of Directors and improve efficiency in the execution of operations by our Corporate Officers system. To enable more accurate, faster and fairer decision-making, we established a framework in which at least one-third of the Members of the Board of Directors are independent Outside Members of the Board of Directors. To enable more independent and objective decision-making about appointing and compensating the Members of the Board of Directors and Corporate Officers, decisions are reviewed and discussed by the Executive Nomination and Compensation Committee which is chaired by an independent Outside Member of the Board of Directors, and the independent Outside Members of the Board of Directors account for the majority of the members, before being proposed to the Board of Directors.

In addition to making management decisions in a timely and appropriate manner based on business characteristics and on-site situations, Aisin believes that it is important to establish a system in which such management decisions can be constantly checked in terms of whether they are supported by diverse stakeholders and can satisfy their expectations. Based on this belief, we think the current structure, in which the Board of Directors, including Outside Directors, and the Audit and Supervisory Board, including Outside Audit & Supervisory Board Members (independent), supervise and audit execution of operations, is the most appropriate. We will continuously endeavor to improve the efficiency of our corporate governance structure so as to help increase our value as a company.

Members who attended the meetings of the Board of Directors, Audit & Supervisory Board, Executive Nomination and Compensation Committee

◎ Chair ○ Members

			Board of Directors	Audit & Supervisory Board	Executive Nomination and Compensation Committee	
Members of the Board of Directors	President	Moritaka Yoshida	◎		○	
	Members of the Board of Directors	Kenji Suzuki	○			
	Members of the Board of Directors	Shintaro Ito	○		○	
	Members of the Board of Directors	Yoshihisa Yamamoto	○			
	Members of the Board of Directors	Michiyo Hamada	Outside Independent Female	○	◎	
	Members of the Board of Directors	Seiichi Shin	Outside Independent	○	○	
	Members of the Board of Directors	Koji Kobayashi	Outside Independent	○		
	Members of the Board of Directors	Tsuguhiko Hoshino		○	○	
	Audit & Supervisory Board Members	Audit & Supervisory Board Member	Makoto Mitsuya	Female	○	◎
		Audit & Supervisory Board Member	Kiyomi Kato	Outside Independent Female	○	○
Audit & Supervisory Board Members		Junko Ueda	Outside Independent	○	○	
Audit & Supervisory Board Members		Katsuhiro Kashiwagi		○	○	



COLUMN

Outside Director

Michiyo Hamada



“Can we compete against competitors around the world with our conventional corporate governance system?” Based on this sense of crisis, listed Japanese companies are embarking on governance reforms. Our company has also been working from an early stage on streamlining our management structure and clarifying remuneration of executive management. Our reform has been accelerated recently. In particular, the Board of Directors has changed.

At our Board of Directors meetings, a variety of opinions are actively exchanged. This is largely attributable to the chairperson's management of the proceedings, but it also reflects the fact that the number of people attending the meeting is appropriate to facilitate discussions, and that they have diverse backgrounds. I also feel that the evaluation of the effectiveness of the Board of Directors has deepened the reforms year by year.

In this summer, we took this trend even further. (1) In principle, we will not hold shares for policy purposes unless it is deemed essential for increasing our corporate value. (2) The previous committees for personnel and compensation have been unified as the Executive Nomination and Compensation Committee, with the chairperson chosen from among the independent Outside Members of the Board of Directors.

As a jurist specializing in corporate laws, I have been paying close attention to these reforms, and now I have been appointed to chair the Executive Nomination and Compensation Committee. Although it is a heavy responsibility, I expect to contribute to further improvement of the objectivity and transparency of nominations and compensation decisions of Executive Management.

Members of the Board of Directors and Audit & Supervisory Board Members

Policies and procedures on the appointment and dismissal of Members of the Board of Directors and Audit & Supervisory Board Members

When appointing and dismissing members of our Board of Directors, we seek the optimum balance of knowledge, experience and skills to ensure the suitable, swift and fair decision-making and appropriate supervision of management that are needed to achieve sustainable growth and increase our value as a company in the medium and long term. We take a comprehensive approach, including appointing several Outside Members of the Board of Directors with advanced expertise inside and outside the industry and, in view of group management, appointing members of domestic and overseas subsidiaries who bring a wealth of experience and a wide range of insights.

Nomination, appointment and dismissal are reviewed and discussed at the Executive Nomination and Compensation Committee chaired by an independent Outside Member of the Board of Directors, in which the majority of members are independent Outside Members of the Board of Directors, to select candidates for Members of the Board of Directors and Audit & Supervisory Board Members and submit the proposal to the Board of Directors. Decisions for directors are made upon discussion at the General Meeting of Shareholders based on internal decisions made by the Board of Directors. Decisions for Audit & Supervisory Board Members are made upon discussion at the General Meeting of Shareholders based on internal decisions made by the Board of Directors after receiving consent from the Audit & Supervisory Board.

Support for outside executives

Aisin believes that the management of our business depends on Outside Members of the Board of Directors and Outside Audit & Supervisory Board Members (independent) 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

- (1) To secure sufficient time for deliberation at the Board of Directors meetings, the criteria for submission to the Board of Directors are reviewed as necessary to narrow down the matters to be discussed;
- (2) To facilitate meaningful discussion at the Board of Directors meetings, advance explanations are provided to Outside Member of the Board of Directors and Outside Audit & Supervisory Board Members (independent) by the Executive Management, etc. on individual matters to be submitted to the Board of Directors meetings to share the details of discussions at important internal meetings;
- (3) In order to promote understanding of our businesses and share issues with Outside Members of the Board of Directors and Outside Audit & Supervisory Board Members (independent), we provide them with opportunities, when they assume office, to explain the company's business and for visits to the main business locations. And every year, we also provide explanations and hold discussions about our business strategy, business environment, business risks, etc. both at and outside the Board of Directors meetings, on-site tours of factories and test courses, and meetings with Corporate Officers.
- (4) To provide information required by Outside Members of the Board of Directors and Outside Audit & Supervisory Board Members (independent), we appoint specific staff in the Corporate Planning Department and Audit & Supervisory Board Office to facilitate communication and coordination with Outside Members of the Board of Directors and Outside Audit & Supervisory Board Members (independent).

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Outside Director

Tsuguhiko Hoshino

On June 16, I took office as a Member of the Board of Directors. Recently, I visited com-center (AISIN Group's Exhibition Hall), Anjo 1st Plant and Nishio Die-Casting Plant, where I learned the Company's technological capabilities and history, as well as the ingenuity and comprehensive capabilities of employees to further improve products. I also witnessed thorough consideration for the working environment. Furthermore, at the General Meeting of Shareholders, I learned that there were many shareholders who were enthusiastic about supporting the Company, and I attended the Board of Directors meeting, where opinions were freely and actively exchanged. I was born in Nagoya, and I am pleased to have a connection with the Company, which I have felt close to myself since my childhood, and I am now determined to make every effort considering the current situation of the Company.

How should we respond to the dramatic fundamental changes surrounding automobiles, including the need to continue rowing all-out toward the huge wave of electrification? In order to improve corporate value, we are facing a pile of challenges, such as selection and concentration of business toward growth areas with an awareness of capital costs, accurate financial capital strategies, responses to DX, building a cohesive organizational culture and human resource development, which are required of Japanese companies in general.

Utilizing my experience and knowledge accumulated to date, I would like to do my best to manage and supervise corporate management in line with the expectations of our shareholders and other stakeholders, so that the Company can continue to contribute to society in the era known as VUCA.

Roles and expectation of independent Outside Directors

All independent Outside Directors appointed by Aisin are expected to fulfill the following duties and obligations.

1. Supervise management by providing warnings and advice about risks from a standpoint independent from management in important decision-making settings, such as the Board of Directors meetings, and also through deliberations of appointment and reappointment of executives and remuneration.
2. Apply specialized knowledge, wide-ranging experience and other assets gained from previous careers to the management at Aisin.
3. Supervise conflicts of interest between the company and parties, such as its management or controlling shareholders.
4. Appropriately reflect outside views of various stakeholders, including shareholders, in the Board of Directors meetings.

When selecting candidates for Outside Members of the Board of Directors, we focus on specialized expertise and a wide range of experience that will enable the candidates to provide frank and constructive advice about our management, in addition to the requirements for Outside Members of the Board of Directors stipulated by the Companies Act and those concerning independence stipulated by the Financial Instruments and Exchange Act.

Expertise and experience of Members of the Board of Directors, Audit & Supervisory Board Members and CxO (Skill Matrix)

		Company management	Environment/Carbon neutrality	Human resources development	DX	Manufacturing (Technology/Production/Quality)	Sales and procurement	Finance and accounts	Compliance/Risk management	Global
Members of the Board of Directors	President	Moritaka Yoshida	○			○				○
	Members of the Board of Directors	Kenji Suzuki	○		○	○	○			
	Members of the Board of Directors	Shintaro Ito	○		○			○	○	○
	Members of the Board of Directors	Yoshihisa Yamamoto	○	○		○				○
	Members of the Board of Directors	Michiyo Hamada							○	○
	Members of the Board of Directors	Seiichi Shin				○	○			
	Members of the Board of Directors	Koji Kobayashi	○				○	○	○	
	Members of the Board of Directors	Tsuguhiko Hoshino						○	○	○
	Audit & Supervisory Board Member	Makoto Mitsuya	○		○			○	○	○
Audit & Supervisory Board Members	Audit & Supervisory Board Member	Kiyomi Kato					○	○		
	Audit & Supervisory Board Members	Junko Ueda						○	○	○
	Audit & Supervisory Board Members	Katsuhiro Kashiwagi					○			
CxO	CCNO*1	Masahiro Nishikawa	○	○		○				○
	CVCO*2	Hiroaki Nanahara	○			○	○			○

*1 CCNO : Chief Carbon Neutral Officer

*2 CVCO : Chief Value Chain Officer

Board of Directors

Effectiveness evaluation of Board of Directors

In order to improve the effectiveness of the Board of Directors, the Company conducts an analysis and evaluation of the effectiveness of the Board of Directors every year. A summary of the effectiveness evaluation and results for FY2023 is as follows. Since the effectiveness evaluation conducted in FY2023, the scope of the evaluation has been expanded to all Members of the Board of Directors and Audit & Supervisory Board Members.

Subject persons: All of the eight Members of the Board of Directors and all of the four Audit & Supervisory Board members

Evaluation method: 1. Interview with subject persons (independent Outside Members of the Board of Directors and Audit & Supervisory Board Members underwent group interviews at the independent executive management meeting.)
2. Based on the results of analyses, the Board of Directors discussed issues and future measures for further improvement.

Items evaluated: Size, composition and operation of the Board of Directors, support system for outside Executive Management, composition and operation of committees regarding appointment and remuneration of Members of the Board of Directors and Executive Management, and the status of improvements to issues identified in the previous year's evaluation, etc.

Issues identified in the FY2022 evaluation of effectiveness	Initiatives implemented in FY2023
Further enhancement of exchange of opinions about business strategies, etc.	▶ Business strategy-related proposals were enhanced and strategy discussions were held.
Enhancement of on-site, hands-on observations	▶ Factory tours and test drives were implemented.
Enhancement of horizontal communication among Outside Directors and Outside Audit & Supervisory Board Members	▶ Independent Executive Management meetings and dinner parties for independent Executive Management were held.

Overall evaluation for FY2023

The overall effectiveness of the Board of Directors has improved.
 - Quality and content of operations and discussions were also improved.
 - The issues raised in the previous fiscal year are generally improving.
 For further improvement, discussions from higher perspectives and expansion of opportunities for on-site and hands-on observations are required.

Issues identified in FY2023	Future initiatives
Secure more time for strategic discussions from a broader perspective.	▶ Deliberations will be carried out in a planned manner while incorporating discussions on the future direction of the entire group and each business, medium- to long-term strategies, risk management, etc.
Understand business and recognize issues through broader on-site and hands-on opportunities.	▶ In addition to factory tours, opportunities for various on-site and hands-on observations, such as accompanying Audit & Supervisory Board Members in audits will be increased.
Strengthen relationships and share recognition through dialogue and exchange between outside executive management. Understand business and recognize issues through dialogue and exchange between Outside Executive Management and Corporate Officers.	▶ Opportunities for exchanging views among Outside Executive Management and between Outside Executive Management and Corporate Officers will be provided.

Main agenda discussed by the Board of Directors in FY2023 (Resolved and reported matters)

Management strategy	- Medium- and long-term strategy - Group management policy - Profit plan - Investment plan - Promoting sustainability activities - Business strategy of each Group company
Review of investment/loan/portfolio	- Deliberation and follow-up of investment and restructuring projects
Governance	- Evaluation of effectiveness of the Board of Directors - Appointment and remuneration of Executive Management - Status of internal control and compliance - Status of risk management (economic security, tight supply-and-demand situation for semiconductors, etc.) - Verification of the significance of holding shares for policy purposes - IR activity
Others	- Deliberation at the management meetings - Sharing reported items

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Outside Director

Seichi Shin

Currently, the Board of Directors consists of eight members, a size that allows us to conduct frank discussions. In addition to matters to be resolved, the secretariat works to deepen discussions by presenting themes as "Matters to be discussed" as appropriate, but going forward, it will be necessary to further enhance discussions on strategy. While we have discussed electrification, carbon neutrality, and aftermarket strategies, I feel that the Company's weak points lie in "C" and "S" of the CASE. Therefore, I would like to hear about the strategies in those areas.

Last fiscal year, meetings for exchanging opinions between Audit & Supervisory Board Members and Outside Members of the Board of Directors, and lunch meetings with Corporate Officers were held on a regular basis so that Outside Members of the Board of Directors could understand the actual state of the Company. In addition, we were provided with sufficient support, including advance explanations before the Board of Directors meetings together with factory tours, test ride and product exhibitions.

As COVID-19 was downgraded to Category 5, there are more opportunities to have direct contact with other Executive Management. In particular, when we were moving during factory tours, I was more than pleased that Outside Members of the Board of Directors exchanged views with each other on a voluntary basis, which gave me the opportunity to obtain knowledge of other Members of the Board of Directors who are experts in corporate law and administration, and that I could understand the background of their opinions. I also make efforts to contribute to the exchange of views so that other Members of the Board of Directors can understand the products and the technologies of the production sites.

Inspiring "movement" creating tomorrow is the Aisin philosophy. If I hesitate to decide, I would surely go back to this philosophy to give all things the power to "move" and bring out smiles from all of you.

Amid a drastic change called electrification, I strongly believe that it is our turn to show our capability of handling huge power as well as our distinguished technology in heat management. as

Audit & Supervisory Board Members

Responsibilities of Audit & Supervisory Board Members

As an independent organ authorized by shareholders, the Audit & Supervisory Board audits the execution of duties by Members of the Board of Directors, thereby aiming to help establish a good corporate governance structure that ensures the sound and sustainable growth of the company and responds to the trust of society. Audit & Supervisory Board Members take necessary action, such as expressing opinions, including advice and recommendations, for Members of the Board of Directors, etc. in a timely manner, endeavor to maintain their independent stance, always maintain a fair and unbiased attitude, and conduct audits on a genchi-genbutsu basis based on their own principles.

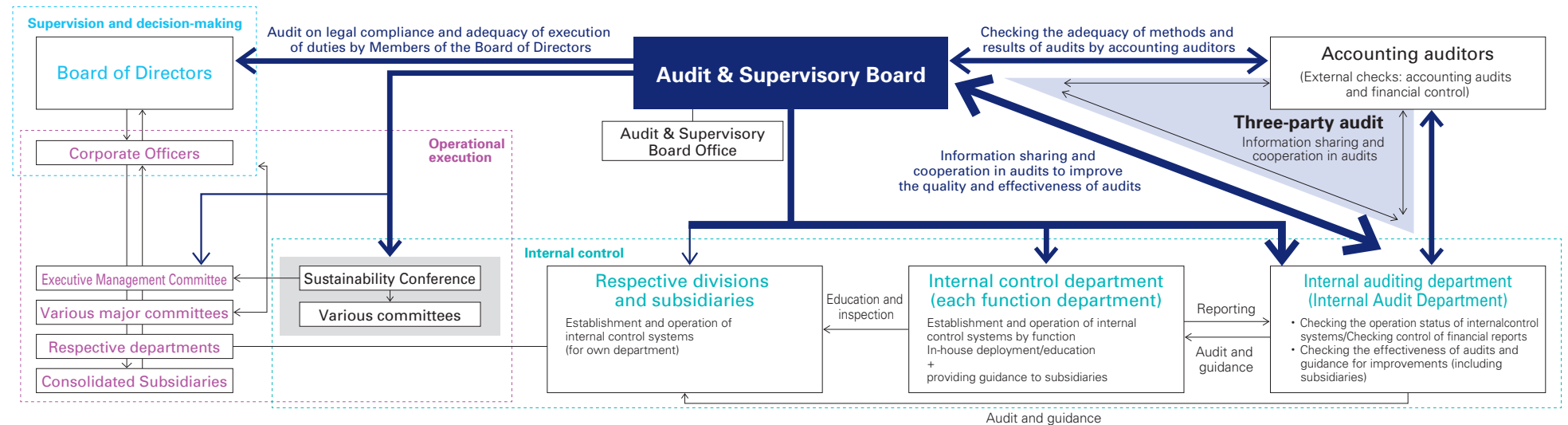
Activities of Audit & Supervisory Board and the members

The Audit & Supervisory Board is composed of four members, two Audit & Supervisory Board Members, and two independent Outside Audit & Supervisory Board Members, who meet once a month in principle. Based on auditing policies and audit plans established at Audit & Supervisory Board Meetings, Audit & Supervisory Board Members audit the work of our Members of the Board of Directors and the operations of Aisin and its subsidiaries to verify legal compliance and adequacy and the reliability of our financial reports, through attendance at Board of Directors' meetings and other critical meetings, interviews with Directors and departments, and visits to domestic and overseas subsidiaries. The Audit & Supervisory Board Office is placed under the direct control of the Audit &

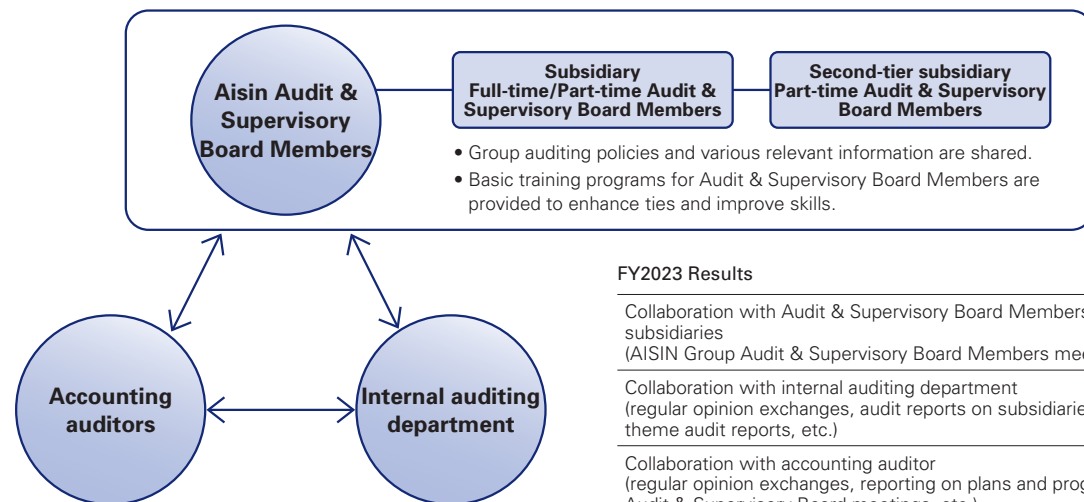
Supervisory Board, to which dedicated staff are assigned to support the work of Audit & Supervisory Board Members.

As for the status of operation of internal control systems, the internal control department (each function department) and the controlling department in each company are audited based on the management index, which was formulated in advance by the Audit & Supervisory Board Members. Audit & Supervisory Board Members share information with the internal auditing department (Internal Audit Department) through regular monthly opinion exchanges and, as necessary, cooperate with them in audits, with the aim of improving the quality and effectiveness of the audits. Similarly, they regularly exchange information with accounting auditors while checking the adequacy of the methods and results of audits by accounting auditors.

Structure of auditing by Audit & Supervisory Board Members



Collaboration in AISIN Group's auditing



FY2023 Results

Collaboration with Audit & Supervisory Board Members of subsidiaries (AISIN Group Audit & Supervisory Board Members meetings, etc.)	5 times
Collaboration with internal auditing department (regular opinion exchanges, audit reports on subsidiaries, J-SOX, theme audit reports, etc.)	15 times
Collaboration with accounting auditor (regular opinion exchanges, reporting on plans and progress at Audit & Supervisory Board meetings, etc.)	25 times

The AISIN Group consists of as many as 75 companies in Japan and 125 overseas. To ensure complete coverage in auditing for the entire Group, Audit & Supervisory Board Members are appointed at large-scale subsidiaries while executives or employees of the parent company are appointed as part-time Audit & Supervisory Board Members for small subsidiaries, with the aim of enhancing ties within the Group.

Moreover, the internal auditing department, accounting auditor, and the AISIN Group Audit & Supervisory Board Members work in collaboration through the following:

- sharing understanding of auditing plans (clarifying roles, examining efficiency and complementarity in audits);
- conducting audits and sharing information (audit results, risk information, etc.);
- checking the improvement status; and
- reflecting feedback in audit policies and plans for the following year.

On-site inspection by Audit & Supervisory Board Members and independent Outside Audit & Supervisory Board Members (consolidated subsidiaries)

In FY2023, we shifted from remote auditing during the coronavirus pandemic to on-site verification (genchi genbutsu), and conducted audits mainly at factories



and consolidated subsidiaries in Japan. Outside Audit & Supervisory Board Members (Independent) also accompanied these audits to conduct reviews based on their expert knowledge and independent perspective. Frank and lively discussions took place, with the involvement of Audit & Supervisory Board Members.

COLUMN

Outside Audit & Supervisory Board Member (independent)

Junko Ueda



“I serve as an audit & supervisory board member at XX Bank, which effectively means doing nothing.” When I was teaching an adult course at a university in the Tokyo area 17 years ago, one of my students, who was serving as an audit & supervisory board member of a major bank, introduced himself in a self-deprecatory manner. Over 10 years had passed since it became a requirement for large companies to have an audit & supervisory board. But it seemed that audit & supervisory board members in those days were not very motivated. On the contrary, the Audit & Supervisory Board meetings at Aisin are always opportunities for free and vigorous discussions. Audit & Supervisory Board Members are always working at their full capacity, implementing elaborate audit plans in daily cooperation with the relevant internal departments, Audit & Supervisory Board Members of Group companies, and the accounting auditor. Teamwork is crucial for auditing. As a member of the team, I am determined to make honest efforts and take aggressive or defensive action in a timely manner.

Remuneration of Executive Management

Basic stance on remuneration of Executive Management

Our system for remuneration of our Executive Management is designed according to the following principles:

1. Remuneration shall motivate our executives to work toward achieving the AISIN Group's Philosophy 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 their corporate value and manage from the perspective of the shareholders.

Remuneration structure for Executive Management

As Members of the Board of Directors oversee the operations of the company, the remuneration structure for Directors (other than Outside Directors) comprises a fixed monthly remuneration along with bonuses and share-based remuneration tied to results. Specifically, the base amounts of monthly remuneration, bonuses, and share-based remuneration 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 remuneration with no bonuses or share-based remuneration.

Configuration of remuneration for Members of the Board of Directors (other than Outside Directors)

	Fixed remuneration	Performance-linked remuneration	
		Short term	Long term
Remuneration structure	Monthly remuneration 50%	Bonuses 35%	Share-based remuneration 15%
Form of payment	Money		Shares

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

Payment policy by remuneration type

Monthly remuneration	<ul style="list-style-type: none"> • Remuneration of Members of the Board of Directors 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 remuneration will be paid regularly every month during the executive's tenure.
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 2023 were set based on our consolidated Operating Profit of ¥57.9 billion (results). • The remuneration for each executive is decided based on the company's results for each business year and the status of each executive's work. • Bonuses are paid once a year, after the Annual General Meeting of Shareholders for each business year.
Share-based remuneration	<ul style="list-style-type: none"> • Restricted stock remuneration is given as an incentive to increase shared value with our shareholders and thereby continuously improve our corporate value. • Share-based remuneration for eligible directors is decided based on factors such as the company's performance results and the directors' duties and achievements. • Share-based remuneration is paid once a year, after the Annual General Meeting of Shareholders for each business year. • For details on this system, see the "Securities Report" on p. 53 WEB.

Remuneration standard for Executive Management

Remuneration for each level of Members of the Board of Directors 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.

Method of deciding remuneration of Executive Management

In order to ensure objectivity and transparency in determining the amount and system of remuneration for Members of the Board of Directors, we have established the Executive Nomination & Compensation Committee chaired by an independent Outside Director and made up of a majority of independent Outside Directors.

The Board of Directors has resolved a policy for determining individual remuneration for directors and the total amount of remuneration for the current business year, and has also decided to leave the determination of individual remuneration amounts

to the Executive Nomination & Compensation Committee.

The Executive Nomination & Compensation Committee considers the executive remuneration system, and based on the policy for determining remuneration for each director established by the Board of Directors, decides the amount of individual remuneration based on factors such as the company's business performance, job responsibilities, and achievements.

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

Remuneration amount for Members of the Board of Directors and Audit & Supervisory Board Members

Classification of Executive Management	Total amount of remuneration, etc. (Million yen)	Totals for each type of remuneration (million yen)			Number of recipients (persons)
		Fixed remuneration	Performance-linked remuneration		
		Monthly remuneration	Bonuses	Share-based remuneration	
Members of the Board of Directors (including Outside Directors)	398 (57)	274 (57)	76 (-)	47 (-)	10 (4)
Audit & Supervisory Board Members (including Outside Members)	116 (24)	116 (24)	- (-)	- (-)	5 (3)
Total	514	390	76	47	15

Notes: 1. The above figures include two directors (no Outside Directors) and one Audit & Supervisory Board Member (outside auditor) who left the office upon conclusion of the 99th General Meeting of Shareholders on June 17, 2022.

2. Bonuses and share-based remuneration indicate the amount resolved at the Board of Directors meeting on May 23, 2023.

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

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

5. 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 more than 15 million yen per month.

Executive Management

I = Independent executive M = Male F = Female

Members of the Board of Directors



April 1980 Joined Toyota Motor Corporation
 June 2009 Managing Officer of Toyota Motor Corporation
 April 2014 Senior Managing Officer of Toyota Motor Corporation
 January 2018 Executive Vice President of Toyota Motor Corporation
 June 2020 Chairman of Toyota Central R&D Labs, Inc.
 June 2021 President & Member of the Board of Directors of Aisin (current role)

Reason for appointment

Mr. Yoshida has gained management experience through his roles as Executive Vice President, MSV Company President, and Vehicle Development Center President at Toyota Motor Corporation, along with his position at Toyota Central R&D Labs, Inc. He also became President of Aisin in 2021, and brings a wealth of experience and wide-ranging insights in all areas of management.

Number of Board of Directors meetings attended 13/13 times (100%)



April 1984 Joined Aisin-Warner Ltd.
 June 2011 Director of Aisin AW Co., Ltd.
 June 2013 Officer of Aisin AW Co., Ltd.
 April 2014 Managing Officer of Aisin AW Co., Ltd.
 April 2016 Senior Managing Officer of Aisin AW Co., Ltd.
 June 2016 Director of Aisin AW Co., Ltd.
 April 2020 Senior Executive Officer of Aisin Seiki
 Executive Vice President of Aisin AW Co., Ltd.
 April 2021 Executive Vice President of Aisin
 June 2021 Member of the Board of Directors of Aisin (current role)
 April 2022 Senior Executive Officer of Aisin (current role)

Reason for appointment

Mr. Suzuki has worked for Aisin primarily in electronic technology, and became Executive Vice President & Member of the Board of Directors in 2021. He is now a Senior Executive Officer & Member of the Board of Directors, as well as the Chief Software & Digital Officer, and brings a wealth of experience and wide-ranging insights in DX and all areas of management.

Number of Board of Directors meetings attended 13/13 times (100%)



April 1983 Joined Aisin Seiki
 June 2010 Managing Officer of Aisin Seiki
 April 2017 Senior Managing Officer of Aisin Seiki
 April 2019 Senior Executive Officer of Aisin Seiki
 April 2021 Executive Vice President of Aisin
 June 2021 Member of the Board of Directors of Aisin (current role)
 April 2022 Senior Executive Officer of Aisin (current role)

Reason for appointment

Mr. Ito primarily worked in Aisin's management divisions and gained management experience in the top management of our overseas companies. He became Executive Vice President & Member of the Board of Directors in 2021. He is now a Senior Executive Officer & Member of the Board of Directors, and Executive Vice President, as well as the Chief Administrative Officer, and brings a wealth of experience and wide-ranging insights in all areas of management.

Number of Board of Directors meetings attended 13/13 times (100%)



April 1989 Joined Aisin AW Co., Ltd.
 April 2015 Officer of Aisin AW Co., Ltd.
 April 2020 Senior Managing Officer of Aisin AW Co., Ltd.
 April 2021 Executive Vice President of Aisin
 April 2022 Senior Executive Officer of Aisin (current role)
 June 2022 Member of the Board of Directors of Aisin (current role)

Reason for appointment

Mr. Yamamoto has worked for Aisin primarily in powertrain technology development and became Executive Vice President in 2021. He is now a Senior Executive Officer & Member of the Board of Directors, the Chief Electric Strategy Officer, and the Chief Technology Strategy Officer, and brings a wealth of experience and wide-ranging insights in electrification strategy promotion and all areas of management.

Number of Board of Directors meetings attended 11/11 times (100%)

Members of the Board of Directors



April 1974 Assistant Professor at Nagoya University's School of Law
 April 1985 Professor at Nagoya University's School of Law
 June 2004 Audit & Supervisory Board Member of Aisin Seiki
 April 2008 Dean of Nagoya University's Graduate School of Law
 April 2009 Member of the Japan Fair Trade Commission
 Professor Emeritus of Nagoya University (current role)
 June 2014 Outside Auditor of Toho Gas Co., Ltd.
 Outside Auditor of Metropolitan Expressway Company Limited
 June 2015 Outside Director of Sangetsu Corporation (current role)
 June 2016 Member of the Board of Directors of Aisin (current role)
 June 2020 Outside Director of Toho Gas Co., Ltd. (current role)

Reason for appointment

Ms. Hamada has a high level of expertise concerning the Companies Act and the Antimonopoly Act, and a wealth of experience and a wide range of insights in corporate governance as a result of her experience in roles such as Professor at Nagoya University's School of Law and a member of the Japan Fair Trade Commission, as well as outside officer roles at other companies.

Number of Board of Directors meetings attended 13/13 times (100%)



May 1988 Assistant Professor at the Institute of Information Sciences and Electronics of the University of Tsukuba
 April 1992 Assistant Professor at the Faculty of Engineering of the University of Tokyo
 April 1995 Assistant Professor at the School of Engineering of the University of Tokyo
 April 1998 Assistant Professor at the affiliated Engineering Research Institute, School of Engineering, the University of Tokyo
 March 2001 Director of the Society of Instrument and Control Engineers (SICE)
 April 2006 Professor at the Faculty of Electro-Communications of the University of Electro-Communications
 Director and Vice-President of the Society of Instrument and Control Engineers (SICE)
 March 2012 Chief Director of the Control System Security Center
 March 2013 Director and President of the Society of Instrument and Control Engineers (SICE)
 April 2015 Professor at the University of Electro-Communications Graduate School of Informatics and Engineering
 April 2018 Dean of Informatics and Engineering at the University of Electro-Communications
 April 2020 Emeritus Professor of the University of Electro-Communications (current role)
 October 2020 Director of Canon Medical Systems Corporation Advanced Research Institute (current role)
 June 2021 Member of the Board of Directors of Aisin (current role)

Reason for appointment

Mr. Shin has specialized expertise in metrology and control engineering in his work in roles such as Professor at the University of Electro-Communications Graduate School of Informatics and Engineering, and he has gained a wide range of insights from this background.

Number of Board of Directors meetings attended 13/13 times (100%)



April 1972 Joined Toyota Motor Corporation
 June 2004 Executive Director of DENSO Corporation
 June 2007 Senior Executive Director of DENSO Corporation
 June 2010 Executive Vice President of DENSO Corporation
 June 2015 Vice Chairman of DENSO Corporation
 February 2016 Advisor of Toyota Motor Corporation
 April 2017 Senior Advisor of Toyota Motor Corporation
 January 2018 Executive Vice President of Toyota Motor Corporation
 Director of DENSO Corporation
 June 2018 Director and Executive Vice President of Toyota Motor Corporation
 April 2020 "Banto," Director, and Operating Officer of Toyota Motor Corporation
 June 2021 Member of the Board of Directors of Aisin (current role)
 June 2022 "Banto" and Operating Officer of Toyota Motor Corporation (current role)
 April 2023 "Banto" and Executive Fellow of Toyota Motor Corporation (current role)

Reason for appointment

Mr. Kobayashi has many years of management experience at companies in the automotive industry, such as Toyota Motor Corporation, and brings a wealth of experience and a wide range of insights as a manager.

Number of Board of Directors meetings attended 13/13 times (100%)



April 1983 Joined Ministry of Finance
 July 2011 Deputy Director-General of the Minister's Secretariat, Ministry of Finance
 July 2015 First Deputy Commissioner of the National Tax Agency
 June 2016 Director General of the Tax Bureau, Ministry of Finance
 July 2019 Commissioner of the National Tax Agency
 June 2021 Outside Director of Tokyu Fudosan Holdings Corporation (current role)
 Board Member (Vice Chairman) of the General Insurance Association of Japan (current role)
 June 2023 Member of the Board of Directors of Aisin (current role)

Reason for appointment

In addition to his high level of expertise in finance, monetary policy, legal affairs, and compliance, which he has cultivated through his roles such as Director-General of the Ministry of Finance's Tax Bureau and Commissioner of the National Tax Agency, he has gained a wealth of experience and a wide range of insight through his experience in public affairs at overseas diplomatic missions, as well as supervisory experience as an outside director at companies in other industries.

Number of Board of Directors meetings attended -

Audit & Supervisory Board Members



April 1981 Joined Aisin Seiki
 June 2005 Managing Officer of Aisin Seiki
 June 2009 Senior Managing Director of Aisin Seiki
 June 2012 Director and Senior Managing Officer of Aisin Seiki
 June 2013 Executive Vice President, Member of the Board of Directors of Aisin Seiki
 April 2020 Executive Vice President of Aisin Seiki
 June 2020 Member of the Board of Directors of Aisin Seiki
 June 2021 Audit & Supervisory Board Member of Aisin (current role)

Reason for appointment

Mr. Mitsuya has worked for Aisin primarily in the management division, as well as serving as Executive Vice President & Member of the Board of Directors, and brings knowledge about finance and accounting, a wealth of experience, and a wide range of insights in management.

Number of Board of Directors meetings attended	13/13 times (100%)
Number of Audit & Supervisory Board meetings attended	14/14 times (100%)



March 2008 Joined Aisin Seiki
 January 2017 Project General Manager of Aisin Seiki's Finance & Accounting Department
 January 2020 General Manager of Aisin Seiki's Audit & Supervisory Board Office
 June 2021 Audit & Supervisory Board Member of Aisin (current role)

Reason for appointment

Ms. Kato has worked for Aisin primarily in accounting and auditing. She is particularly knowledgeable about corporate law, finance, and accounting, and she has accumulated a wealth of experience and a wide range of insights through this background.

Number of Board of Directors meetings attended	13/13 times (100%)
Number of Audit & Supervisory Board meetings attended	14/14 times (100%)



April 2003 Professor at Sugiyama Jogakuen University's School of Modern Management
 April 2007 Professor at Shizuoka University's Graduate School of Law
 May 2008 Outside Auditor of Okaya & Co., Ltd. (current role)
 April 2010 Professor at Kyushu University Faculty of Law
 April 2017 Professor at Aichi University's Graduate School of Law (current role)
 April 2021 Dean of Aichi University's Graduate School of Law (current role)
 June 2021 Audit & Supervisory Board Member of Aisin (current role)

Reason for appointment

Ms. Ueda has a high level of expertise in corporate law and a wealth of experience and a wide range of insights in corporate governance as a result of her experience in roles such as Professor at Aichi University's Graduate School of Law and outside officer roles at other companies.

Number of Board of Directors meetings attended	13/13 times (100%)
Number of Audit & Supervisory Board meetings attended	14/14 times (100%)



April 1982 Joined Nagoya City Hall
 January 1986 Joined Ito Accounting Office, an auditing company
 March 1989 Registered as a Certified Public Accountant
 May 1995 Director of Ito Management Consultant Co., Ltd.
 July 2005 Representative Partner at Chuo Aoyama Audit Corporation
 August 2007 Representative Partner at Azusa Audit Corporation
 July 2010 Partner at KPMG AZSA LLC
 June 2022 Audit & Supervisory Board Member of Aisin (current role)
 July 2022 Opened Katsuhiro Kashiwagi Certified Public Accountant Office (current)
 August 2022 Opened Katsuhiro Kashiwagi Tax Accountant Office (current)

Reason for appointment

Mr. Kashiwagi has long-term extensive experience and expertise in corporate accounting and auditing as a certified public accountant and a wide range of insights in company management.

Number of Board of Directors meetings attended	11/11 times (100%)
Number of Audit & Supervisory Board meetings attended	11/11 times (100%)

Stock holdings

Basic policy regarding cross-shareholdings

From the viewpoint of improving capital efficiency, streamlining assets and enhancing governance, it is, in principle, our policy not to hold shares for policy purposes unless such shareholding is considered indispensable for the improvement of corporate value. In order to maintain sustainable growth by surviving the current intense competitions, we recognize the need to promote joint development of technology and business alliances through stock ownership. On the other hand, it is our policy to hold shares for policy purposes only when such stockholding is deemed essential for improving corporate value, following an examination of the significance of cross-shareholding from the perspective of whether it is possible to maintain business relationships without cross-shareholding.

Method for verifying whether to hold shares

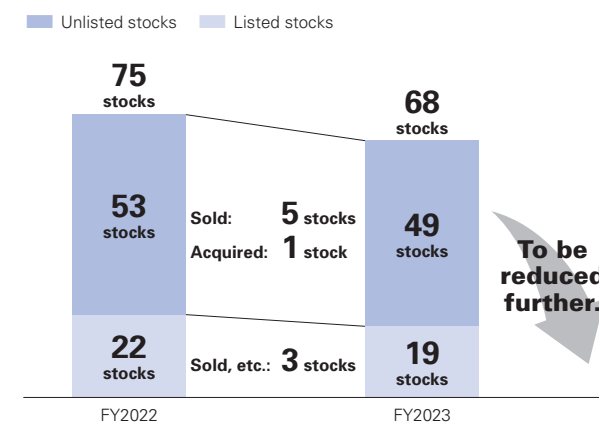
We examine the significance of cross-shareholdings from the perspective of whether it is possible to maintain and expand business relationships without holding the relevant shares, and verify the details, reduction results and future reduction policy at the Board of Directors meeting in each business term.

Standard for exercising voting rights

Voting rights are not exercised by making uniform yes/no judgments according to regular short-term standards. Rather, points such as the management policies and strategies of the relevant investee companies are properly respected, and decisions are made from the perspective of corporate value in the medium to long term and whether the decision will contribute to maintaining or increasing shareholder returns. When exercising voting rights, we pay attention to the points, such as whether the investee company focuses on growth and shareholder interests in its management, and check each proposal. Individual reviews are conducted in accordance with internal rules, and the outcome of dialogue with the relevant company and other factors are taken into account to decide whether to agree to a proposal.

Initiatives to reduce shareholding

If we determine that our stock holdings are not essential to improve our corporate value, we reduce them through dialogue with our business partners. During the fiscal year under review, we sold 3 out of 22 listed stocks and 5 out of 53 unlisted stocks.



Shareholding (as of the end of current fiscal year)

	Stocks Balance sheet amount (March 31, 2023)	Stocks for which we increased our shares in FY2023	Stocks for which we decreased our shares in FY2023
Unlisted stocks	49 stocks 18,085 million yen	1 stock 300 million yen	7 stocks 137 million yen
Listed stocks	19 stocks 163,831 million yen	-	3 stocks 229 million yen