We are committed to contributing to the advancement of society through future-oriented research and development that provides new value for our customers.

2. Continuous global growth
We are committed to steady development and growth in the global marketplace by establishing the foundations of our business activities in local values, cultures and customs.

3. Harmony with society and nature
We are committed to earning trust as a responsible corporate citizen by valuing harmony with society and nature.

4. Individual creativity and initiative
We are committed to building a work environment that promotes continuous progress by developing the creativity and initiative of individual employees.
### Financial highlights

#### Revenue, operating profit and operating profit margin

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue (¥ billion)</th>
<th>Operating profit (¥ billion)</th>
<th>Operating profit margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,415.9</td>
<td>204.1</td>
<td>6.0</td>
</tr>
<tr>
<td>2017</td>
<td>3,393.6</td>
<td>202.0</td>
<td>6.0</td>
</tr>
<tr>
<td>2018</td>
<td>3,393.6</td>
<td>200.4</td>
<td>6.0</td>
</tr>
<tr>
<td>2019</td>
<td>3,404.1</td>
<td>203.5</td>
<td>6.0</td>
</tr>
</tbody>
</table>

*The index for fiscal year 2017 has been corrected.*

#### Profit before tax and profit attributable to the owner of the parent company for the current period

<table>
<thead>
<tr>
<th>Year</th>
<th>Profit before tax (¥ billion)</th>
<th>Profit attributable to the owner of the parent company for the current period (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>210</td>
<td>192.7</td>
</tr>
<tr>
<td>2017</td>
<td>213.4</td>
<td>228.6</td>
</tr>
<tr>
<td>2018</td>
<td>237.3</td>
<td>253.8</td>
</tr>
<tr>
<td>2019</td>
<td>237.3</td>
<td>253.8</td>
</tr>
</tbody>
</table>

#### Equipment investment and depreciation

<table>
<thead>
<tr>
<th>Year</th>
<th>Equipment investment (¥ billion)</th>
<th>Depreciation (¥ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>2017</td>
<td>130</td>
<td>130</td>
</tr>
<tr>
<td>2018</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td>2019</td>
<td>150</td>
<td>150</td>
</tr>
</tbody>
</table>

#### R&D expenditure and ratio of these costs to revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D expenditure (¥ billion)</th>
<th>Ratio of these costs to revenue (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>140</td>
<td>4.7</td>
</tr>
<tr>
<td>2017</td>
<td>150</td>
<td>5.0</td>
</tr>
<tr>
<td>2018</td>
<td>160</td>
<td>5.6</td>
</tr>
<tr>
<td>2019</td>
<td>170</td>
<td>6.3</td>
</tr>
</tbody>
</table>

#### EPS (basic earnings for the current period per share)

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS (basic earnings for the current period per share) (¥)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>444.66</td>
</tr>
<tr>
<td>2017</td>
<td>400.22</td>
</tr>
<tr>
<td>2018</td>
<td>408.64</td>
</tr>
<tr>
<td>2019</td>
<td>420.5</td>
</tr>
</tbody>
</table>

#### Dividends per share, payout ratio and total return ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividends per share (¥ per share)</th>
<th>Payout ratio (%)</th>
<th>Total return ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>100</td>
<td>60</td>
<td>120</td>
</tr>
<tr>
<td>2017</td>
<td>125</td>
<td>70</td>
<td>144</td>
</tr>
<tr>
<td>2018</td>
<td>120</td>
<td>55</td>
<td>144</td>
</tr>
<tr>
<td>2019</td>
<td>120</td>
<td>55</td>
<td>144</td>
</tr>
</tbody>
</table>

*¥49 billion in shares of ASIN were purchased in fiscal year 2017, and ¥59.4 billion in shares were purchased in fiscal year 2018.*

### Non-financial highlights

#### Total CO2 emissions and index of CO2 emissions per sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Total CO2 emissions (1,000t)</th>
<th>Index of CO2 emissions per sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>228.6</td>
<td>100</td>
</tr>
<tr>
<td>2017</td>
<td>253.8</td>
<td>110</td>
</tr>
<tr>
<td>2018</td>
<td>253.8</td>
<td>110</td>
</tr>
<tr>
<td>2019</td>
<td>253.8</td>
<td>110</td>
</tr>
</tbody>
</table>

*The indices for fiscal years 2018 and 2019 have been corrected.*

#### Total working hours

<table>
<thead>
<tr>
<th>Year</th>
<th>Total working hours (1,000 hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>757.7</td>
</tr>
<tr>
<td>2017</td>
<td>807.5</td>
</tr>
<tr>
<td>2018</td>
<td>827.0</td>
</tr>
<tr>
<td>2019</td>
<td>758.3</td>
</tr>
</tbody>
</table>

#### Rate of disabling injuries occurring in the workplace

<table>
<thead>
<tr>
<th>Year</th>
<th>Rate of disabling injuries occurring in the workplace (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>0.17</td>
</tr>
<tr>
<td>2017</td>
<td>0.13</td>
</tr>
<tr>
<td>2018</td>
<td>0.09</td>
</tr>
<tr>
<td>2019</td>
<td>0.08</td>
</tr>
</tbody>
</table>

*The index for fiscal year 2017 has been corrected.*

#### Total employees and ratio of overseas employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Total employees (Persons)</th>
<th>Ratio of overseas employees (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>194.0</td>
<td>53.3</td>
</tr>
<tr>
<td>2017</td>
<td>194.0</td>
<td>53.3</td>
</tr>
<tr>
<td>2018</td>
<td>194.0</td>
<td>53.3</td>
</tr>
<tr>
<td>2019</td>
<td>194.0</td>
<td>53.3</td>
</tr>
</tbody>
</table>

#### Waste emissions and index of waste emissions per sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Waste emissions (1,000t-CO2)</th>
<th>Index of waste emissions per sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>110.3</td>
<td>53.3</td>
</tr>
<tr>
<td>2017</td>
<td>110.1</td>
<td>53.3</td>
</tr>
<tr>
<td>2018</td>
<td>110.1</td>
<td>53.3</td>
</tr>
<tr>
<td>2019</td>
<td>110.1</td>
<td>53.3</td>
</tr>
</tbody>
</table>

*The index used for emissions per sales is calculated as a percentage of the figure for the baseline year (fiscal year 2010) of targets set out in the Sixth Environmental Action Plan.*

#### VOC emissions and index of VOC emissions per sales

<table>
<thead>
<tr>
<th>Year</th>
<th>VOC emissions (1,000t-CO2) (Index)</th>
<th>Index of VOC emissions per sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>167.7</td>
<td>53</td>
</tr>
<tr>
<td>2017</td>
<td>168.0</td>
<td>53</td>
</tr>
<tr>
<td>2018</td>
<td>162.6</td>
<td>53</td>
</tr>
<tr>
<td>2019</td>
<td>169.0</td>
<td>53</td>
</tr>
</tbody>
</table>

*The indices for fiscal years 2018 and 2019 have been corrected.*

#### Financial and non-financial highlights

- **Revenue, operating profit and operating profit margin**: Revenue, operating profit, and operating profit margin showed a slight increase year on year.
- **Profit before tax and profit attributable to the owner of the parent company for the current period**: Profit before tax and profit attributable to the owner of the parent company for the current period also showed a slight increase year on year.
- **Equipment investment and depreciation**: Equipment investment and depreciation increased year on year.
- **R&D expenditure and ratio of these costs to revenue**: R&D expenditure and the ratio of these costs to revenue increased year on year.
- **EPS (basic earnings for the current period per share)**: EPS (basic earnings for the current period per share) showed a slight increase year on year.
- **Dividends per share, payout ratio and total return ratio**: Dividends per share, payout ratio, and total return ratio showed a slight increase year on year.
- **Total CO2 emissions and index of CO2 emissions per sales**: Total CO2 emissions and index of CO2 emissions per sales showed an increase year on year.
- **Total working hours**: Total working hours showed a slight decrease year on year.
- **Rate of disabling injuries occurring in the workplace**: The rate of disabling injuries occurring in the workplace showed a slight decrease year on year.
- **Total employees and ratio of overseas employees**: Total employees and the ratio of overseas employees showed a slight increase year on year.
- **Waste emissions and index of waste emissions per sales**: Waste emissions and index of waste emissions per sales showed an increase year on year.
- **VOC emissions and index of VOC emissions per sales**: VOC emissions and index of VOC emissions per sales showed an increase year on year.
Progress in value creation

Since Aisin Seiki was first established in 1965, AISIN Group has played a crucial role in the expansion of the automotive industry, driving on a cutting-edge base of technology and outstanding adaptability to meet society’s needs and solve its issues in each new era. The whole of AISIN Group is working together to create even more value with the aim of building a sustainable society.

- **Global expansion**
- **Initiatives for a low-carbon society**
- **Energy-saving initiatives**
- **Initiatives to reduce traffic accidents**
- **Improvement of comfort and user-friendliness**

In 1965, on the eve of society’s modernization, Aisin Seiki was created through the merger of Aki Kogyo and Shinkawa Kogyo to fortify the international competitiveness of these companies as automotive parts manufacturers. We expanded our production capacity as the automobile-manufacturing industry rapidly grew. We also built a business foundation to constantly produce a higher caliber of technology through active initiatives such as the construction of technology development laboratories and the adoption of technology from Western manufacturers.

**AISIN GROUP REPORT 2020**
**AISIN Group’s value creation process**

AISIN Group identifies priority issues to tackle social issues through our business practices. “Quality First” is our basic philosophy as we apply the strengths we have developed in everything we do. We supply a wide range of products and services in areas such as automotive parts, energy and homes. AISIN Group works to provide value to society, increase our value as a company and maintain the trust of our stakeholders, but we are also thinking bigger than that: we are contributing to the accomplishment of many of the Sustainable Development Goals (SDGs) set by the United Nations.

### Business capital (input)
- **Financial capital**
  - Total assets: ¥1,795.6 billion
  - Interest-bearing debt: ¥1,005.5 billion
  - Cash on hand: ¥806.0 billion
  - Business cash flow: ¥327.5 billion
- **Production capital**
  - Production sites: 150
  - Invested in facilities: ¥290.6 billion
- **Intelectual capital**
  - NPD expenditure: ¥205.8 billion
  - Technical partners: 9,949
  - Patents held by AISIN Group: 9,949
  - Most of which are for overseas research and development sites
- **Human capital**
  - Employees: 119,535
  - Overseas employees: 50,283
  - Ratio of total employees = 42.1%
- **Social relations capital**
  - Feedback to management based on active disclosure and communication
  - Supplier audits (CSR evaluation)
  - Extensive communication between employees and company
- **Natural capital**
  - 32 domestic group companies
  - Energy input: 25,107,060 GJ
  - Quantities of raw materials used: 9,218,457 t

### Output/outcomes
- **Financial capital**
  - Dividends: ¥120
  - Aggregate market value: ¥717.9 billion
- **Production capital**
  - Achieved zero missed faults through AI-based detection technology
- **Intellectual capital**
  - Domestic patent applications: 1,408
  - Overseas patent applications: 1,433
- **Human capital**
  - Total annual work hours per employee: 2,061 hours
  - Ratio of local employees in executive positions: 31% (69 employees)
  - Ratio of female employees (head of department or higher) in overseas companies: 52.8%
- **Social relations capital**
  - Supplier audits (CSR/Environment)
  - Environmental risk inspections: 36 companies
  - 48 companies
  - Discussions with institutional investors and analysts: 262
  - Cost of social contribution activities (LBG standard): ¥2,225 million
- **Natural capital**
  - 32 domestic group companies
  - Establishment of a low-carbon society
  - CO2 emissions per sales from production: 20.2% decrease (from FY2010)
  - CO2 emissions per sales from distribution: 15.2% decrease (from FY2010)
  - Establishment of a recycling-based society
  - Waste per sales: 29.5% decrease (from FY2010)
  - Establishment of a society in which people coexist with nature
  - VOC emissions per sales: 47.3% decrease (from FY2010)
Business capital of AISIN Group

**Human capital**

- Increase job satisfaction for a diverse range of employees with the aim of creating new value
  - Promotion of group-wide initiatives to increase job satisfaction
  - Adverse survey results for job satisfaction
  - More working hours
  - Promotion of diversity and inclusion
  - Improvement of ratio of female employees in managerial positions
  - Compliance with the legally stipulated ratio of female employees
  - Improvement of ratio of local executives in overseas management system
  - Retaining and developing employees in key areas
  - Retaining personnel
  - Retaining global personnel

**Intellectual capital**

- Creating workplace that are satisfying for a diverse range of employees
  - Introduction of Work-life balance policies (flexible working, etc.)
  - Promotion of activities for the advancement of women
  - Establishment of project management training (e-learning)
  - Introduction of talent management (evaluation and career development system)
  - Strengthening of training of new graduates and mid-career candidates

**Production capital**

- Accelerating innovation to achieve the SDGs by FY2031
  - Resource shift to CASE** and advanced technology
  - Promotion of innovation in mobility and energy to solve social issues
  - Focusing on strengthening of intellectual property activities to contribute to the creation of new businesses, along with activities to protect and guarantee intellectual property to ensure that existing businesses are competitive

**Creating value with a view to the next 50 years**

- For FY2020
  - Initiatives
    - Strengthening of manufacturing and quality assurance with “Quality first” as our corporate principle
    - Manufacturing
      - Development of manufacturing techniques with the skills required for the new era
      - Strengthening of competitiveness of products through digital transformation (DX)
    - Quality assurance
      - Further strengthening of quality assurance framework focusing on the AI-All Quality Assurance Center
      - Promotion of TQM (Total Quality Management) for the development of quality assurance personnel

**Main initiatives for FY2020**

- Creation of workplaces that are satisfying for a diverse range of employees
- Creation of workplaces that are satisfying for a diverse range of employees
- Technology development initiatives
  - Digital development to improve product quality and shorten development times
  - Strengthening of AI technology development framework
  - Global expansion of platform for open innovation
  - Patent initiatives
    - Provision of patent information to development department during the development or planning stage
    - Revision of application standards to ensure the required quality for applications
    - Emphasis on inclusion related to advanced development in patent applications

**Results for FY2020**

- Technology development initiatives
  - Development of advanced sensor technology for AI development
  - Establishment of AI-based technology development (Center for Advanced Technology)
  - Evaluation of AI technologies
  - Patent initiatives
    - Patent applications
    - Patent protection
  - Technology development initiatives
  - Development of AI-based technology development

**Manufacturing**

- Achieved amount reduced faults through AI-based detection technology
- Quality assurance
  - Group-wide training of know-how through initiatives such as autonomous audits of specific processes
  - Meetings of Global Quality Improvement Committee
  - TQM (Total Quality Management) training

**Strengthening of engagement with stakeholders**

- Announcements of initiatives to increase job satisfaction

**Social relations capital**

- We engage with stakeholders, including customers, shareholders, and employees, to ensure that our business practices are aligned with our stakeholders' interests and goals.

**Natural capital**

- We aim to create value while adhering to ethical and socially responsible practices and promoting sustainable development.

**Financial capital**

- We are working to create value while adhering to ethical and socially responsible practices and promoting sustainable development.

---

1. CASE is an acronym for "connected”, “autonomous”, “shared mobility”, and “electrical”, indicating the core technologies of the automotive industry.
2. Claritas-Analytica: an analysis of intellectual property and patent trends based on its patent data and gives awards to companies and organizations that demonstrate the best practices in the world in research and development and intellectual property management.
3. AISIN Global Environmental Standard

---

<table>
<thead>
<tr>
<th>Key</th>
<th>Value</th>
<th>Creation for each form of capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human capital</td>
<td><strong>Increase job satisfaction for a diverse range of employees with the aim of creating new value</strong></td>
<td></td>
</tr>
<tr>
<td>Intellectual capital</td>
<td><strong>Creating workplace that are satisfying for a diverse range of employees</strong></td>
<td></td>
</tr>
<tr>
<td>Production capital</td>
<td><strong>Strengthening of manufacturing and quality assurance with “Quality first” as our corporate principle</strong></td>
<td></td>
</tr>
</tbody>
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<td>Production capital</td>
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<td></td>
</tr>
</tbody>
</table>
**AISIN Group’s sustainability initiatives: Priority issues, KPIs and targets for fiscal year 2031**

**The SDGs as a medium- to long-term business strategy**

Since its establishment, AISIN Group has adhered to the basic principle of “Quality First” and has sought to offer appealing products that meet customers’ needs. Upholding our corporate principles of “Contributing to the advancement of society” and “Harmony with society and nature”, the group promotes corporate behavior that helps create a sustainable society. The values and initiatives dovetail neatly with the Sustainable Development Goals (SDGs), and we are working to contribute to the accomplishment of the SDGs through our business activities.

**SDGs: Priority issues, KPIs and targets for fiscal year 2031**

KPIs (key performance indicators) and targets for fiscal year 2031 have been set for priority issues approved by the Board of Directors. These have been incorporated into specific activity plans and a framework has been established to promote and improve initiatives.

<table>
<thead>
<tr>
<th>Priority issues</th>
<th>Vision for FY2031</th>
<th>KPIs</th>
<th>Results for FY2020</th>
<th>Target for FY2021</th>
<th>Target for FY2031</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Global warming control</strong></td>
<td>To expand products toward substantially zero GHG emissions in 2050</td>
<td>Sales ratio of electrification products that contribute to reducing CO₂ emissions</td>
<td>10%</td>
<td>13%</td>
<td>50% or higher</td>
</tr>
<tr>
<td><strong>Reduction of traffic accidents</strong></td>
<td>To expand safety goods toward the realization of a zero road casualty society</td>
<td>Sales ratio of autonomous products that contribute to safe travel</td>
<td>29%</td>
<td>33%</td>
<td>50% or higher</td>
</tr>
<tr>
<td><strong>Providing safe means of movement/transportation</strong></td>
<td>To promote energy-related development toward a carbon-free recycling society</td>
<td>Contribution amount of CO₂ reduction by energy-related products (sales)</td>
<td>480,000 t/CO₂/year</td>
<td>530,000 t/CO₂/year</td>
<td>2,300,000 t/CO₂/year</td>
</tr>
<tr>
<td><strong>Promotion of transition to clean energy</strong></td>
<td>To create products and services toward the realization of a more convenient and safer society</td>
<td>No. of new products and services contributing to health and welfare that are adopted by society</td>
<td>4</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td><strong>Promotion of health and welfare</strong></td>
<td>To expand R&amp;D and tie-ups toward the promotion of a sustainable society</td>
<td>R&amp;D expense to revenue ratio</td>
<td>5.4%</td>
<td>5.2%</td>
<td>6.0%</td>
</tr>
<tr>
<td><strong>Lifestyle and energy-related products business</strong></td>
<td>To reduce CO₂ emissions by promoting efforts to eliminate burdens on the global environment</td>
<td>Ratio of development cost for CASE and cutting-edge technologies</td>
<td>42%</td>
<td>46%</td>
<td>70%</td>
</tr>
<tr>
<td><strong>Contributing to creating a mobility society that is more friendly to the environment and people by reducing energy consumption, utilizing clean energy, and providing safer and more comfortable means of transportation</strong></td>
<td>To eradicate major disasters and accidents that require time off from work through thorough risk control</td>
<td>Life cycle CO₂ emissions reduction rate</td>
<td>35% or greater</td>
<td>Compared to 2013</td>
<td>Reduction of 35% or greater</td>
</tr>
<tr>
<td><strong>Connected and shared / service-related products</strong></td>
<td>To realize a more comfortable and rewarding working environment for each of a diverse range of employees</td>
<td>Production CO₂ emissions reduction rate (total)</td>
<td>2,819,000 t/CO₂/year</td>
<td>2,738,000 t/CO₂/year</td>
<td>2,300,000 t/CO₂/year</td>
</tr>
<tr>
<td><strong>Common to all business</strong></td>
<td>To realize a more comfortable and rewarding working environment for each of a diverse range of employees</td>
<td>No. of serious accidents</td>
<td>1</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Common to entire group</strong></td>
<td>To realize a more comfortable and rewarding working environment for each of a diverse range of employees</td>
<td>Rate of disabling injuries occurring</td>
<td>0.06</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td><strong>Labor safety sanitation</strong></td>
<td>To make health and safety a concern at work and in the workplace</td>
<td>Rate of female employees managerial position</td>
<td>3.1%</td>
<td>3.2%</td>
<td>7.0%</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td>To realize a more comfortable and rewarding working environment for each of a diverse range of employees</td>
<td>Job satisfaction (from the results of employee awareness surveys)</td>
<td>3.4 points</td>
<td>3.7 points</td>
<td>4.0 points</td>
</tr>
<tr>
<td><strong>Protection of human rights</strong></td>
<td>To realize a more comfortable and rewarding working environment for each of a diverse range of employees</td>
<td>No. of cases of serious violation of laws and ordinances</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Promotion of diversification</strong></td>
<td>To realize high compliance awareness and to eradicate serious law violations by establishing a global group-wide legal and compliance system</td>
<td>Compliance rate of Guidelines by formulating and developing Group-wide global Guidelines for suppliers</td>
<td>Establishment of guidelines</td>
<td>Deployment to main domestic suppliers</td>
<td>100%</td>
</tr>
</tbody>
</table>
Creating value with a view to the next 50 years

Message from top management

Two reforms to transform AISIN and survive these turbulent times

Since AISIN Group was first established in 1965, our work has been guided by the principle of “Quality First”, with our branch management enabling us to distinguish ourselves with highly specialist products and services. For over 50 years, we have honed our outstanding technology development, excellent manufacturing and comprehensive strength as a group.

However, the automotive industry is undergoing once-in-a-century changes, with widespread environmental regulations, incredible technical innovations such as AI and 5G, and a shift from owning to using cars due to changes in people’s values and lifestyles. The technology and products the world is looking for have completely changed, and with other industries seeking a share of the market, our competitive environment surrounding our group is facing changes.

These are times where past successes are not a guarantee for the future, and in order to survive for another 50 years as a corporate group, it is essential that we change our practices without a moment’s delay. With this in mind, AISIN Group has been strongly promoting two structural reforms since 2018: reforming our corporate framework to become highly profitable and reforming our corporate structure to handle CASE.

Review of fiscal year 2020 and outlook for fiscal year 2021

Reforming our corporate framework to become highly profitable

The specific outcomes and current status of the two reforms mentioned earlier are as follows. Regarding the reform of our corporate framework to become highly profitable, we have worked to create a lean framework by scrapping and building existing businesses and cutting fixed costs. For scrapping and building existing businesses, following the withdrawal of our bed and sewing machine business in 2019, we are in the process of rigorously assessing our automobile part businesses. We are also working to boost productivity at our production sites through initiatives to incorporate the best elements of other workplaces around the world and reduce costs.

Regarding the reduction of fixed costs, we are promoting reforms to reduce fixed costs, with the keywords of “switching from branch management to group-wide management” and “promoting job satisfaction reform”.

Switching from branch management to group-wide management

AISIN Group previously used branch management to enable business to be conducted efficiently and decisions to be made more quickly. In recent years, however, this has led to issues such as duplication of management operations and scattering of development resources. To solve these issues, we reviewed our branch management structure last year and made the decision to switch to group-wide management.

Kiyotaka Ise
President

Briefing about our management merger on November 1, 2019

¥60 billion of the profits we aim to achieve through our emergency profit measures will be gained through permanent structural reforms we are conducting ahead of the business merger between Aisin Seiki and Aisin AW, such as the advanced integration of functions and operations, scrapping and building in technology developments, our initiatives for digital transformation (DX) and efforts to improve work efficiency through measures such as job satisfaction reforms.

We aim to further accelerate our structural reforms by fiscal year 2024, and in doing so, achieve profits at least ¥90 billion greater than those in fiscal year 2020.
In October 2019, Aisin Seiki and Aisin AW announced their business merger. The integration of the two companies, each with sales of over ¥1.5 trillion, is a major shift for AISIN Group, and various difficulties can be expected. However, with the consolidation and integration of overlapping departments, and through the demonstration of synergistic effects of the two companies’ technologies and know-how, we will be able to transform into a new, more competitive Aisin.

With this business merger planned for April 2021, we will have been proceeding with the integration ahead of schedule wherever possible. To take the procurement department for example, we have integrated the functions of the two companies in November 2019. With this reorganization of duplicated operations, we were able to assign more employees to work on operations such as procurement for motors—a particularly important part—and improving supplier quality. In April 2020, we integrated the companies’ sales functions, as well as management-related departments such as PR, recruitment and IT management, along with planning functions in each department. This series of reforms has improved cost efficiency by ¥10 billion.

In addition, in order to eliminate duplicate operations between group companies, we have also addressed domestic and overseas, have identified items to be consolidated or abolished, and are successively proceeding with their integration. In October 2019, we completed a merger of the management functions of two specialist onboard software companies, forming a new subsidiary called Aisin Software Co., Ltd. In August 2020, we made the decision to merge three domestic research and development companies, as well as to merge the South Korean sales companies of Aisin Seiki and Aisin AW.

Promoting job satisfaction

To achieve a significant boost in productivity, we are actively working on promoting job satisfaction. We consider this activity to be a factor that will set the tone for the AISIN Group’s progress in future. Japan is currently experiencing a decrease in its working population due to its declining birthrate and aging population, and labor productivity has been described as very low. As a result, both quantity and quality of work are a major concern.

On the other hand, emerging countries with a large workforce, such as China, have improved the quality of their products in recent years, and have become formidable rivals for Japan. In order to survive this tough battle, we need to shift the focus of our output from quantity to quality and outperform manufacturers in emerging countries by achieving a higher level of productivity and consistently delivering new value.

This will require us to move away from our old working practices of overtime and long working hours. When employees can leave on time, carve out time for self-improvement and spend time with their families, they come back refreshed with a motivation that the company alone cannot instill. A strong work-life balance leads to new ideas. Our initiatives for job satisfaction are not merely about reducing overtime or cutting costs. We are completely redesigning the way we work so that employees can pursue the work that is right for them and develop the skills they need to do the work intended for them, which will create new value and boost productivity.

Oddly enough, the COVID-19 pandemic has prompted us to accelerate these initiatives. Telecommuting and teleconferencing were promoted to avoid the three Cs that facilitate the spread of infectious diseases like COVID-19 (closed spaces, crowds and close contact), but they were found to have other benefits too. Employees expressed appreciation for the fact that they no longer needed to commute and said that they were able to concentrate better when working from home, showing that there is more than one way to come to work. Working parents and caregivers also mentioned that it was now easier for them to balance work with their responsibilities at home, which has inspired us to change our HR system to enable employees to choose from a variety of work formats. We will continue to promote job satisfaction reforms so that everyone who works in Aisin Group can thrive.

Reforming our corporate structure to handle CASE

Progress in the reform of our corporate structure to handle CASE is as follows: CASE is an area that we are focusing on more strongly in our development work due to its potential to solve social issues such as pollution, frequent traffic accidents and growing social inequality. We have rapidly increased the proportion of our research and development costs allocated to CASE products from 27% in fiscal year 2019 to around 50% this year.

AISIN Group is taking a particular focus on prevention of global warming through electrification (E) technology, reducing traffic accidents through automated driving (A) technology and creating sustainable communities through safe transportation of people and cargo using connected (C) car and shared/service (S) technology. The results of our initiatives in fiscal year 2020-2021 will follow.

(1) Prevention of global warming (electrification)

• Adoption of our eAxle electric drive module in Toyota’s new C-HR and DDA electric cars and in Lexus’s first commercially available electric car, the LEXUS UX300e. Mass production has commenced.
• Initiation of Toyota’s investment in BluE Nexus, a company created jointly with DENSO (July 2020). The combination of BluE Nexus’s range of electric modules and Toyota’s peripheral units such as engines and batteries, along with their technology to control these, represents the strengths of both companies, and will enable us to build a sales framework to meet every electrification need around the world.

(2) Reduction of traffic accidents and promotion of safe means of transportation for people and cargo (automated driving)

• Our new automated parking technology* is used in the Toyota Yaris. This technology allows the driver to park without needing to steer, control the axles or brakes or even set the parking position.

(3) Promotion of safe means of transportation for people and cargo/building sustainable communities (connected car and shared/service technology)

• Established a CSS company in April 2020. This company introduces new content and services using information from the vehicle or the driver’s smartphone, obtained by the latest navigation and connected car technology.
• Expansion of our shared shuttle bus service, Choisoko, throughout Japan (In August 2020, we signed a comprehensive agreement with the Okazaki City government to implement Choisoko.)
• Developed jointly with Toyota and DENSO.

Medium-term management plan

In last year’s Group Report, we explained our medium-term management plan, which indicates targets for fiscal year 2024. These include an operating profit margin of at least 7%, R&D of at least 12% and unit sales of at least 1.3 million for AT and HV transmissions, the main business of AISIN Group, and driving modules such as eAxle.

However, factors such as the stagnation of the Chinese market and the impact of the COVID-19 pandemic have caused drastic changes in our business environment. It is clear that we need to revise our medium-term management plan, and we are currently conducting a review. We will inform you of the changes to our plan as soon as they are finalized.

To all of our stakeholders

Many different social issues are occurring in our daily lives, including climate change, pollution, rapid urbanization and growing social inequality. The global society is holding companies increasingly responsible for their impact—both good and bad—on various social issues. A particularly prominent example is the Sustainable Development Goals (SDGs) set by the United Nations in 2015.

AISIN Group has incorporated this into our medium-term management plan. The SDGs are now a focus in our business activities, and, now more than ever, we will redesign our products, services and production framework to reduce our burden on the environment and build a safer society. As we set and work toward our targets for fiscal year 2031, we will transform our business structure to one where we can put the strengths we have built into practice and promote initiatives to tackle social issues, providing clear explanations on our work for people both inside and outside AISIN.

With the automotive industry facing its biggest period of change in 100 years and the unprecedented crisis of this pandemic, we at AISIN have a duty to think about how we can help to build a sustainable society. We will continue to strive for further structural reforms in AISIN Group so that we can meet society’s needs for 50 years and even 100 years to come. You can expect a lot from AISIN Group in the future.
Aiming to build foundations for sustainable growth and maximize corporate value

Looking back on fiscal year 2020

With the automotive industry dealing with its biggest change in 100 years and the Chinese market slowing down, fiscal year 2020 saw us take a step back in direction from our previous expansion routes to a leaner corporate structure. Despite our efforts, our profits declined for a second year in a row—a trend we have not experienced for 20 years—due to a perfect storm including the decline in sales caused by the delay in the recovery of the Chinese market, an increase in depreciation in investment in expansion in the past, the posting of business processing costs and the impact of COVID-19. The ROIC spread has been negative since the 2008 financial crisis, and our figures processing costs and the impact of COVID-19. The ROIC spread storm including the decline in sales caused by the delay in expansion routes to a leaner corporate structure. Despite our in 100 years and the Chinese market slowing down, fiscal year 2021 remains unclear. We are expecting our measures to reduce fixed costs earlier than planned, we will strategies and capital policies and execute them without fail.

Changes in ROIC+WACC (weighted average cost of capital)

Basic policies for our medium-term management strategies

We are building a business framework that will enable us to remain competitive in this new era, centering on two pillars: reforming our corporate framework to become highly profitable and reforming our corporate structure to handle CASE. The indicators of profitability that we will focus on are operating profit margin on sales, break-even point, ROE and ROIC spread. We are aiming for ROE of at least 12% and an operating profit margin of at least 7% in the medium term. First, we will reform our corporate framework to become highly profitable by slashing fixed costs. We are merging functional and operational units of Asis Seki and Asisin AW as a measure to begin merging the two companies’ management prior to their full merger in April 2021. This eliminates duplication and enables us to reduce costs through economy of scale. We are also accelerating our shift to group-wide management by clarifying head office functions and allocation of new roles at our companies under our company system, enabling effective use of the group’s assets (people, goods, capital, and information), where there had previously been a lack of unity under our branch management. We have also set a hurdle rate for each of our businesses and are thoroughly scrapping and building with nothing considered untouchable.

Next, we are working on CASE by accelerating the shift of our development resources from existing products to CASE products. In fiscal year 2021, CASE products account for around 50% of our development spending, compared to around 20% in fiscal year 2018. Strong measures are also taking place on the production side, with growth strategies underway to build a global production framework with the aim of expanding sales of electric products and strengthen our CSS operations with the aim of building a new business model.

Strengthening our corporate framework

Two structural reforms

Reforming our corporate framework to become highly profitable

• Early integration of functions and operational units between Asis Seki and Asisin AW
• New governance framework and allocation of roles under company system
• Thorough strategies for effective use of group assets
• Scraping existing businesses

Reforming our corporate structure to handle CASE

• Measurement shift to CASE development
• Strengthening of global production framework for electric products
• Focus on CSS to build new business model

Basic policies

Basic policy

AISIN Group’s core capital policy is to balance safe finances and efficient use of capital so that we can improve the value of our company while still being able to procure capital at a low cost at any time. Specifically, we use capitalization ratio as an indicator. We believe that this ratio should be around 25-30% to achieve the ideal capital composition.

We work to ensure the safety of our finances by using evaluations by rating agencies as one of our benchmarks and maintaining a high trust rating. To use our capital efficiently, we make it a priority to keep our debt within the scope that allows us to maintain the high rating required for capital procurement, and improve our stock capital margin. We have also built a cash management system (CMS)**, internal currency exchange system**, and internal insurance system** to carry out financial strategies and make effective use of the capital in AISIN Group on a consolidated basis.

Changes in Capitalization Ratio

Capital policy

Financial strategies of AISIN Group

Creating value with a view to the next 50 years

A new era of sustainable growth and reforming our corporate framework

We also took into account financing plans and market trends based on the assumption that the effects of the COVID-19 pandemic will be long-lasting. We are working to ensure ongoing liquidity through mobile, preventive financial measures such as the conclusion of a commitment line totaling 300 billion yen with multiple financial institutions in April 2020.

Shareholder returns

In terms of returns to shareholders, we aim to achieve steady dividends with a dividend payout ratio of around 30%. We will continue to keep our capitalization ratio and future investment trends at the forefront of our minds, and are considering share buy-back.

Changes in dividends

Changes in dividends

Profit for the period (billion yen)  
100.3  126.6  134.5  110.1  24.0
Total dividends (billion yen)  
28.3  35.2  40.7  40.4  32.3
Repayment of treasury stock (billion yen)  
0  49.0  59.4  0  0
Stockholding ratio(%)  
28.2  66.5  74.5  36.7  134.4

*1 Dividends per share + basic dividend per share

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The degree to which COVID-19 will affect the economy and society in fiscal year 2021 remains unclear. We are expecting that it will be difficult to achieve the figures we had planned on, and we may need to temporarily deviate from our medium-term targets, but we will hold firm to our management strategies and capital policies and execute them without fail.

Like many companies, AISIN is facing a difficult time due to the effects of COVID-19. However, in addition to carrying out our measures to reduce fixed costs earlier than planned, we will accelerate the digital transformation (DX) of our operations that took place as one of our measures against COVID-19. We aim to strengthen the framework of our company even further by making transformations to the way we work.
**Outstanding technology development**

AISIN Group has brought the world a wide range of competitive products since we were first established. We achieved this with a global development framework that enables us to incorporate the world’s needs into our development as quickly as possible, a unique integrated evaluation system to support this framework and collaboration with a wide range of industries to develop advanced technology that is not confined by not-invented-here syndrome. We are also accelerating our digital transformation in our technology development to make AISIN even more competitive.

We never lose sight of our vision to expand our existing products globally, and to develop products that will change the future of society. The 13 core companies in AISIN Group have 18 development sites and 13 advanced research facilities worldwide along with three test courses.

When it comes to proving grounds, AISIN Group was a trailblazer, beating our competitors to the punch by building a general proving ground including a circuit in 1970. Our proving grounds are unique integrated evaluation frameworks that will change the future of society. The 13 core companies in AISIN Group have 18 development sites and 13 advanced research facilities worldwide along with three test courses.

AISIN Group is working to add value to its technology by gathering information from a variety of industries to avoid not-invented-here syndrome. We recently formed a consolidated subsidiary fund in Silicon Valley to adopt cutting-edge technology from outstanding technical startups. Open innovation is now taking place through this fund. We are also carrying out joint research and development with partners such as an Indian graduate school and a Canadian venture corporation in the AI field.

**Initiatives for digital transformation (DX) in technology development**

AISIN Group’s DX work seeks to make society richer and more sustainable through timely provision of products with a high level of quality for our customers. In addition to improving simulation accuracy, reducing the need for do-overs through the use of digital information and shortening the working time of development projects by using 3D data throughout each project, we consolidate and link data across all of our companies on a global scale during the development phase of every product, making AISIN more competitive on the global stage.

**Virtual evaluations:**

Using virtual evaluations to develop more accurate peripheral monitoring systems for a world where traffic accidents can be prevented.

An important element of automated driving systems for reducing traffic accidents is peripheral monitoring systems, which use a camera to monitor the area around the vehicle and detect items that the vehicle is approaching, along with obstructions such as the dividers between parking areas. To ensure safety, these systems must accurately detect over a million different external situations consisting of combinations of peripheral vehicles, parking dividers, weather conditions and time. Conventional systems acquire images in the vehicle itself and use these to improve and verify the image recognition logic used in peripheral monitoring, but this has caused issues such as ensuring sufficient coverage and accuracy in the verifications, along with lengthy working hours and high cost. In our new development work using digital technology, we have built a virtual evaluation environment combining vehicle behavior models, camera sensor models and transportation environment models (roads, other vehicles, pedestrians, etc.). These are integrated with the image recognition logic for peripheral monitoring, enabling a total process from image creation to logic verification. This has succeeded in reducing evaluation time by around 30% and enabling desktop verifications to be performed before conducting evaluations in the vehicles themselves, meaning that evaluations do not need to be redone as many times.

**Evaluation of environmental burden of products**

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Excellent manufacturing

AISIN Group has continuously innovated in the creative methods and production equipment for the next generation of products, and we build on our framework for our development of production technology so that every product in every region of the world has the best possible quality. We are also actively training engineers for this new era by providing the next generation of training in addition to passing on the skills that have been necessary thus far. To make AISIN even more competitive, we are accelerating the digital transformation that is being implemented in our manufacturing.

Employee development on existing skills and innovation

AISIN Group considers employee development to be the foundation of manufacturing. Since 1984 we have conducted basic training called AISIN Basic Seminar, which includes elements such as the Toyota Production System and quality assurance. In addition to the knowledge and skills AISIN Group has amassed, we are actively providing new training that reflects the changes the industry has seen, such as AI training, to develop employees who are well equipped for this new era. This program has been expanded overseas so that the employees at our overseas sites are able to set up production lines autonomously.

Pursuing excellence in production technology

With a wide range of production methods and technology, from die casting and pressing to cutting, raw material handling and assembly, AISIN Group displays excellence in the entire production process, and our products account for an enormous number of the parts in a vehicle. We are working to strengthen our manufacturing through initiatives such as the development of simple, slim facilities and molds to achieve unbearable quality and cost.

Global manufacturing

We have built a global supply framework with 150 production sites around the world. We work closely with the world’s major automotive manufacturers to develop and supply products that meet their diverse range of needs and provide a high degree of added value. And we have no plans to rest on our laurels—we will continue to innovate in the creative methods and production processes we have developed, and will build on our framework for our development of production technology so that every product in every region of the world has the best possible quality.

Number of production sites by region

About 150 companies

<table>
<thead>
<tr>
<th>Region</th>
<th>Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>6</td>
</tr>
<tr>
<td>China</td>
<td>38</td>
</tr>
<tr>
<td>Japan</td>
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<td>South America</td>
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<td>Africa</td>
<td>1</td>
</tr>
<tr>
<td>Asia &amp; Oceania</td>
<td>33</td>
</tr>
</tbody>
</table>
**Strengths of AISIN Group**

**Cohesive strength as a group**

With specialized expertise in a wide range of business fields, we are able to meet a wide range of needs in areas that range from our core automotive parts business to fields such as energy.

**Total sales of AISIN Group**

¥3,784.5 billion

*Parts supplied by AISIN Group

**Highest seller among automotive parts manufacturers in the world**

6th*

*According to business categories at the time of settlement in March 2020.

**Strengths of the machine parts and tooling behind AISIN Group’s businesses and companies**

The core of our manufacturing is machine parts and tooling. AISIN Group’s businesses and companies are supported by specialist machine parts and tooling manufacturers.

**AT Aisin Takaoka**

A world-leading machine parts and tooling manufacturer with a focus on casting. Aisin Takaoka develops and manufactures equipment such as automotive parts, machine tools and molds.

**IT Reusing casting sand for more environmentally friendly manufacturing**

Since fiscal year 2014, Aisin Takaoka’s Kira Plant has reused casting sand, previously industrial waste, as an inner material in internal manufacturing, significantly reducing the volume that is disposed of. In fiscal year 2018, we established a framework to expand the use of the regenerated sand by supplying it to core manufacturers throughout the premises. This has reduced industrial waste by 4,200t per year.

**AC Aisin Chemical**

AISIN Group’s only specialist manufacturer of chemical products, Aisin Chemical develops and produces materials such as chemicals, friction materials and resin parts for automobiles.

**IC Minus emissions through the use of air purification coating materials**

We use minus emission technology for the coating applied to areas where large quantities of air pass through, such as electric fans and grille shutters. Ozone is converted back to cleaner the air becomes. The vehicle is in motion, the longer the vehicle is in motion, the cleaner the air becomes. This coating can be applied to either metal or non-metal parts of vehicles.

**AK Aisin Keikinzoku**

With an increasing call for lighter, safer and more environmentally friendly automobiles, Aisin Keikinzoku explores the infinite possibilities of aluminum to develop new products.

**From a virtual company system to a company system: maximizing the value of our businesses throughout the group in a sustainable way**

In an effort to strengthen collaboration within the group and improve management efficiency, AISIN Group pushed forward with the introduction of the virtual company system in April of 2017. In preparation for our merger between Aisin Seiki and Aisin AW in April 2021, we took our virtual company system to the next level in April 2020 by creating a company system that will enable a smooth transition for Aisin Seiki and Aisin AW as they work together to build a framework that will make our businesses more competitive and efficient, enable steady work on the integration of our businesses and maximize the value of our businesses throughout the group in a sustainable way.

We established six companies according to business type to further accelerate forward-looking development and tackle key business issues from a group-wide perspective.
Powertrain Company

Promoting the electrification of automobiles to help prevent global warming

Our Powertrain Company supplies electric drive units such as hybrid transmissions and eAxle and other products such as functional parts peripheral to engines. These parts are designed to improve fuel efficiency, reduce CO₂ and achieve cleaner exhaust in automobiles.

Challenges and needs in society

- Climate change
- Widening income inequality
- Natural disasters
- Inequality

Opportunities and risks

- Shift to carbon-free society to address the risk of climate change
- More stringent fuel and exhaust regulations at national and regional levels
- Change of powertrain mix from internal combustion to electric
- Entry into the electric vehicle market by companies in other industries
- Shift to emerging countries by growth markets and increase in diversity

Policies

- Evoke from high efficiency to electrification to achieve cleaner, more environmentally friendly mobility
  - Share the purposes of the management merger between Aisin Seiki and Aisin AW and combine the strengths of the two companies to achieve those purposes
  - Condense and optimize resources to achieve synergy
  - Strengthen response to environmental issues (CO₂ reduction, exhaust regulations)

Strengths

- Development of electric drive units based on overall powertrain technology including HV transmissions
- Proposal and adaptation of parts for powertrain systems using our experience in developing engine parts together with our transmission business and vehicle manufacturers
- Production framework in four core areas of the world (Japan, USA, China, ASEAN)

Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Electric</th>
<th>Non-electric</th>
</tr>
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<tbody>
<tr>
<td>2018</td>
<td>2,186.7</td>
<td>2,253.9</td>
</tr>
<tr>
<td>2019</td>
<td>2,060.4</td>
<td></td>
</tr>
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</table>

Basic strategies

- Expand range of electric drive unit products to meet a wide range of user needs and suit the characteristics of various regions
- Build a global supply framework for electric drive units that meet a wide range of customer needs
- Strengthen our electric technology by condensing and reallocating development resources

Ratio of electric products in our Powertrain Company

<table>
<thead>
<tr>
<th>Year</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electric</td>
<td>6%</td>
<td>30%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Electric drive units

- eAxle was released in 2020 (used in the Toyota C-HR and IZOA)

Making our electric products more competitive

New Morokururi Center (from April 2019)

This new center was established to strengthen our electrification initiatives by vastly expanding our facilities for electric products. The center conducts research and development of new motors that have a high performance and enable a high level of productivity. A proof-of-concept line for mass production has been installed to pursue new methods that achieve both high quality and strong productivity.

Initiatives for systems

We achieve optimal temperature control through heat management in automotive systems to get the most out of products. We continue to evolve with advances in both our products for engines and our products for electric vehicles.

Initiatives for electric drive units

We have long focused on electric drive units based on the experience and results of our development and production of conventional transmissions such as AT and CVT. In 2004, we succeeded in developing a two-motor HV transmission and began mass production. We then expanded our range to include a one-motor HV transmission and eAxle. From 2020 onward, we aim to successively introduce the next generation of products to increase our ratio of electric drive units. We will continue to improve fuel efficiency and reduce exhaust emissions that place a burden on the environment.

Electrification initiatives

With urgent action needed to tackle climate change, the powertrain field is evolving to achieve zero emissions. We are accelerating our shift to electrification to improve fuel efficiency and reduce materials that place a burden on the environment.

- Proprietary motors
- Intermediate capacity
- Induction motor
- High-speed motors
- Condenser
- Radiator
- Electric oil pump
- Electric water pumps
- Electric drive units
- EV damper
- High-speed motors
- Variable valve timing
- Pistons
- Engine parts
- Electric pumps and cooling water control valves
- Aftermarket
- Body
- Chassis & Vehicle
- CIS
- Electronics Center
- Powertrain

Results of our value creation initiatives

Urbanization

Entry into the electric vehicle market by companies in other industries

Proposals and adaptation of parts for powertrain systems using our experience in developing engine parts together with our transmission business and vehicle manufacturers

Powertrain Company

Reducing CO₂ emissions and achieving cleaner exhaust in automobiles.

Investment in development resources for new products and expansion of our facilities for electric products.

Kazuhisa Ozaki
President
Powertrain Company
Accelerating our development of automated driving technology with brake and vehicle dynamics control technology to achieve zero traffic accidents

Our Chassis & Vehicle Safety System Company supplies products that enable advanced control of driving, turning and stopping to reduce traffic accidents, make driving more enjoyable and achieve greater comfort during driving.

- Electronically controlled brake system
- Electronic stability control (ESC) modulators
- Power 4W and telescopic steering columns
- Driver monitoring systems, etc.

Challenges and needs in society

- Climate change
- Natural disasters
- Inequality
- Inequality of mobility
- Health
- Road traffic accidents
- Natural resources
- Energy

Opportunities and risks

- Better prospects for automated driving and driving support features to assist the growing number of people with limited mobility as our society ages and regions become depopulated
- Measures to reduce traffic accidents and strengthened safety laws and regulations
- Need for greater fuel efficiency in HVs and EVs
- Possibilities for use of big data and high-speed networks

Policies

- Aim to achieve zero fatal traffic accidents and contribute to a driving society that meets this era’s need for safer, more convenient and more enjoyable driving

Strengths

- Development and production of actuators to handle the basic operations of vehicles—driving, turning and stopping—and systems for total control of these
- Image recognition technology using AI and big data

Sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Billion yen)</th>
<th>Ratio of CASE in Chassis &amp; Vehicle Safety Systems Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>685.8</td>
<td>CASE 60%  Driver 40%</td>
</tr>
<tr>
<td>2019</td>
<td>703.7</td>
<td>CASE 65%  Driver 35%</td>
</tr>
<tr>
<td>2020</td>
<td>724.1</td>
<td>CASE 70%  Driver 30%</td>
</tr>
</tbody>
</table>

Basic strategies

- Strengthen development of the next generation of products for automated driving
- Strengthen our development and production framework for electric products
- Expand our range of electric products
- Strengthen our framework for global collaboration, including collaborations with other companies and with government bodies and academia

Automated driving initiatives

AISIN Group combines a wide range of devices and technology in a wide range of driving phases to achieve safety, comfort and peace of mind, eliminate traffic accidents and alleviate traffic congestion.

- Driver monitoring system (DMS)
  To eliminate traffic accidents caused by drivers taking their eyes off the road or falling asleep while driving, our driver monitoring systems detect closed eyes, line of sight and face angle and use an alarm to alert the driver. Our DMSes were the first in the world to be used in commercially available vehicles in 2006, and in 2019 we developed a system for businesses in which the DMS is linked with a drive recorder. With DMSes set to be required in vehicles in the future, we are expecting demand to increase.

- Automated parking
  Our parking systems automate parking operations to meet the need for easier and safer parallel parking and parking in garages. In 2003, we were the first in the world to introduce a system that automatically operates the steering wheel. In 2019, we developed new parking support technology that also eliminates the need to operate the accelerator and brakes and set the parking position. This system is used in the Toyota Yaris. We are now building on this technology to develop automated valet parking, which automatically drives the vehicle from the entrance of a large parking area and parks the vehicle.

Electrification initiatives

- Electronically controlled brake systems (cooperative regenerative brake systems)
  These brake systems are installed in electric vehicles such as HVs and EVs, enabling energy to be recovered while still enabling smooth handling of the brakes. This improves fuel efficiency and is environmentally friendly. First used in HVs in 1997, the systems use our proprietary technology for independent control of brake pressure on the front and rear wheels, enabling more energy to be collected. Production is expected to increase dramatically in future as electric vehicles become more widely used. We are working to develop systems that enable even greater fuel efficiency and vehicle stability.

It is important to highlight the significance of these initiatives in promoting sustainable and safer driving experiences, contributing to the advancement of technology in the automotive industry.
Striving to be the world’s number one company for opening, closing and entry systems that contribute to society and people’s lives

To meet users’ diversifying needs, we provide systems in which functionality is complemented by excellent designs, light weight and greater comfort, convenience and safety.

Masahiro Nishikawa
President, Body Component Company

Challenges and needs in society

- Climate change
- Energy-saving and recycling
- Manufacturing efficiency
- Health management
- Natural disaster

Opportunities and risks

- Structural reform of the automotive industry caused by CASE
- Diversification of services (expansion of MaaS market) due to shift from ownership to sharing
- Expansion of products for electric vehicles and growing need for lightweight, recyclable parts
- Intensifying competition due to entry of companies from other industries in the market

Strengths

- Opening and closing systems and sensing technology that provide new value
- The collective strengths of our group companies enable us to meet a wide range of needs, from processing of machine parts and tooling to system products processing to system products
- Fast global development support/production in optimal locations (development: 3 sites in Japan, China and the USA, production: 47 sites)

Basic strategies

- Bring two of our strengths to the growing MaaS market: the development of opening and closing systems and the use of sensing technology. The new products and services we will release will contribute to greater safety for people around the world, while delivering an exciting user experience.
- Prioritize resource usage for products (CASE and MaaS) that society needs.
- Provide new value in the development of entry systems and the use of sensing technology.

Sales (Billion yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>789.1</td>
<td>789.0</td>
<td>769.7</td>
</tr>
</tbody>
</table>

Initiatives for a low-carbon society

We are working toward a low-carbon society through three core initiatives: aerodynamic performance, lighter weight and thermal management. Our measures include combining our group companies’ machine parts and tooling technology and manufacturing performance, along with initiatives to actively use recycled and reused materials.
A global sales framework that works closely with local communities

To meet the diverging needs of automobile users around the world, we have set up sites in various areas, with local companies planning and executing sales strategies based on the characteristics and needs of local communities. Since 2004, we have held a World Aftermarket Conference once a year, where the vision of our Aftermarket Company is shared along with policies and the status of activities specific to each area.

Aftermarket branches

- 36 sites in 17 countries
- Around 100 countries

Trading partners

- Around 700 companies

Our range of aftermarket products

We are strengthening our range of both mechanical parts and maintenance parts so that users can purchase our high-quality products in packages that have everything they need. We strive to be a global aftermarket supplier, selecting products that meet the stringent quality standards that the AISIN brand is known for and broadening our sales routes and the scope of our products.

Increasing recognition of the AISIN brand

We are carrying out a wide range of initiatives to increase recognition of the AISIN brand by creating an aftermarket business that is familiar to end users so that people around the world will know AISIN Group’s name.

Main products

- Clutches
  - (Aisin Seiki)
- Water pumps
  - (Aisin Seiki)
- Electric water pumps
  - (Aisin Seiki)
- AT fluid
  - (ADVICS)
- Brake pads
  - (Aisin Seiki)
- Pistons
  - (Art Metal Mfg.)

New products

- Rebuilt ATs
  - (Aisin AW)
- Valve bodies
  - (Aisin AW)
- Window regulators
  - (Shiroki Corporation)
- Batteries
- Oil filters
- Various additives

New suppliers’ products

- Piston rings
  - (AISIN ASIA (THAILAND))
- Brackets
  - (Aisin Seiki)
- Brake pads
  - (Aisin Seiki)
- Pistons
  - (Art Metal Mfg.)
- Valve bodies
  - (Aisin AW)
- Window regulators
  - (Shiroki Corporation)
- Batteries
- Oil filters
- Various additives

Increasing recognition of the AISIN brand

We are carrying out a wide range of initiatives to increase recognition of the AISIN brand by creating an aftermarket business that is familiar to end users so that people around the world will know AISIN Group’s name.

Motor sports collaborations

- TOYOTA ONE MAKE RACE (Thailand)
- Automechanika (UAE)
- Automechanika (China)
- AAPEX (USA)

Our Instagram account

We are active on social media.
We are striving to be the kind of energy system supplier that is essential for a zero-carbon society

Etsuji Obata
President, L&E Company

We contribute to creating a more environmentally conscious city by providing clean and highly efficient energy-related products.

Challenges and needs in society

- Climate
- Congestion
- Natural disaster
- Health
- Technology

Opportunities and risks

- Response to growing awareness of environmental issues
- Potential market expansion due to initiatives to create smaller sizes, reduce costs and increase resilience
- Large investment in developing fuel cell technology
- Outlook regarding the cost of hydrogen as an energy source is unclear

Sales

[Graph showing sales over years]

Policies

- Energy conservation and reduction of CO₂ through evolution and expansion of L&E products
- Acceleration of development that provides added value such as resilience to create a favorable cycle of growth
- Creation of new value by linking devices through IoT

Strengths

- Experience and track record in energy technology spanning over 40 years
- Development that balances efficient energy conversion with durability
- Retention of strong value chain
- Deployment of energy solutions through resilience measures and systematization

Sales

[Graph showing sales over years]

Development of low-carbon and zero-carbon energy products

Since our development of the Stirling engine in 1972, we have developed products that meet society’s needs in each new era. Our L&E Company draws on these historic strengths to accelerate the popularization, evolution and global expansion of GHP, COREMO and ENE·FARM.

<table>
<thead>
<tr>
<th>Year</th>
<th>Increase in energy consumption (FY)</th>
<th>Energy saving (FY)</th>
<th>Low carbon</th>
<th>Zero carbon</th>
</tr>
</thead>
<tbody>
<tr>
<td>1987 onward</td>
<td>Creation of new energy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002 onward</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011 onward</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012 onward</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Energy saving: Best mix of energy

Low carbon

- GHP: Gas engine cogeneration systems for residential use (COREMO)
- Gas heat-pump air-conditioning systems for industrial use (GHP)
- Shower-toilet seats, etc.

Zero carbon

- GHP use a gas engine for air conditioning. This dramatically reduces power consumption compared to electric air conditioning systems.
- COREMO is a system that uses electricity generated by a gas engine for household purposes and provides heating with the heat that is generated.
- ENE·FARM is a system that generates electricity through a reaction between hydrogen and oxygen. The generated heat is also used to heat water, enabling effective use of energy.

Increasing resilience

- ENE·FARM
- Energy Vehicle

Optimization of energy supplies using IoT technology

We are contributing to a low-carbon society through energy management using systems with energy products. With renewable energy increasing, we are helping to optimize energy usage through peak cutting and shifting.

<table>
<thead>
<tr>
<th>Energy vehicle</th>
<th>When sunny</th>
<th>When cloudy or rainy and at night</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable energy</td>
<td>High</td>
<td>Low</td>
</tr>
</tbody>
</table>

Power station

Low

Energy devices

- Low for residential use
- High for industrial use

Helping to build a hydrogen society through the development of pure hydrogen products and systems such as VPP and multination systems.

Results of our value creation initiatives

We contribute to society by creating new value through linkages among devices through IoT and promoting the development of energy systems for residential use as well as clean and highly efficient energy-related products.

Growing social inequality of mobility

- Widening of inequality
- Problems with traffic congestion
- Accidents

Energy conservation and reduction of CO₂

- In the long term, we will contribute to the building of social systems through the development of zero-carbon devices with a view to creating a hydrogen society.

<table>
<thead>
<tr>
<th>Year</th>
<th>Reduction of CO₂ (thousand t-CO₂)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>34.3</td>
</tr>
<tr>
<td>2019</td>
<td>38.5</td>
</tr>
<tr>
<td>2020</td>
<td>48.0</td>
</tr>
</tbody>
</table>

- We are contributing to a low-carbon society through energy management using systems with energy products.
- With renewable energy increasing, we are helping to optimize energy usage through peak cutting and shifting.

Energy-related products sold (thousand)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of energy-related products sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>37</td>
</tr>
<tr>
<td>2019</td>
<td>211</td>
</tr>
<tr>
<td>2020</td>
<td>2,300</td>
</tr>
</tbody>
</table>

- We are working to develop and promote low-carbon devices to reduce CO₂. In the long term, we will contribute to the development of zero-carbon devices with a view to creating a hydrogen society.

- Gas engine cogeneration systems for residential use (COREMO)
- Gas heat-pump air-conditioning systems for industrial use (GHP)
- Shower-toilet seats, etc.

- GHP: Gas engine cogeneration systems for residential use (COREMO)
- Gas heat-pump air-conditioning systems for industrial use (GHP)
- Gas engine cogeneration systems for residential use (COREMO)
- Gas heat-pump air-conditioning systems for industrial use (GHP)
- Shower-toilet seats, etc.
We are working side by side with top-performing global partners to provide new value for users through a wide range of mobility services.

As a manufacturer of world-class car navigation systems, we leverage our experience in navigation technologies to realize solutions that will contribute to safe and comfortable mobility in the cars and societies of the future.

- Voice car navigation systems
- Car navigation apps for smartphones

Cloud-connected hybrid navigation systems

Challenges and needs in society

- Climate change
- Natural disasters
- Inequality of mobility
- Health problems
- Technology trends

Opportunities and risks

- Expansion of CS business domain with innovations in communication technology such as 5G
- Emergence of new needs due to changing work styles
- Companies outside the automotive sector, such as IT, entering the CS business (risk)

Basic strategies

- Establish a mobility platform based on the highly accurate location technology we have built through our development of car navigation systems
- Collect a range of product data and vehicle information on a platform and analyze this by combining it with other relevant data, such as map data, social data and open data, to develop previously unknown experiences
- Utilize content and platforms to provide a variety of services that will address challenges in society such as difficulties in everyday life and mobility

Policies

- We build on the expertise in location-based services (LBS) technology that we have cultivated through the development of car navigation systems, to provide a variety of uses (services, apps, content and platforms) to increase value for mobility users.

Strengths

- Platform technology (for head units, mobile devices and servers) with LBS technology as a core element
- Technological capabilities for large-scale development of software for in-car head units, along with a solid quality assurance process

Utilize content and platforms to provide a variety of services that will address challenges in society such as difficulties in everyday life and mobility.

MaaS initiatives

As we provide solutions to problems, we will also add value to our services through the implementation of an LBS cycle, in which we collect data, analyze big data, provide services and gather used data again. For example, location-based information can also be utilized in autonomous driving, and when location information is available, vehicles can detect dangerous road conditions ahead. It is also possible to calculate optimal routes by using location information. With this route optimization technology, it is now possible to realize rideshare services for elderly people who would otherwise have difficulty going out, or to provide drop-off and pickup services for families raising children. Furthermore, since the vehicle sensor data can pinpoint the exact location where road repairs are needed, we have been collaborating with local authorities in the testing of a road maintenance system that makes it possible to fix road problems before motorists and pedestrians report them.

Results of our value creation initiatives

CSS Company

Kenji Suzuki
President, CSS Company

Road maintenance and management support services

Development companies

Service providers

Mobility partners

Application programming interface

Software development kit

Map providers

Collection and utilization of data

Enhancement of product appeal and improvement of quality

Global navigation system highly accurate roadway information

In-cabin and perimeter monitoring systems

Hospitality and support in everyday life

Big data analysis platform

Location-based services (LBS)

AISIN GROUP REPORT 2020

Podcast

Chassis & Vehicle Safety System

Body

Aftermarket

L&I

CSS

Electronics Center
We are working to solve social issues by accelerating CASE product development through innovation of our electronic technology

We are cross-functionally developing the ECU, sensor and actuator technology that is needed in each area of our business. The improvements we make to the performance of our electronic parts enable our products to evolve to meet the needs of this new era, such as electrification and automation.

We are promoting the development and production of electronic products to solve social issues and support core areas of our business and our Future Development Vision.

Challenges and needs in society
- Climate Change
- Intensifying competition on cost of electronic products
- China catching up with extremely rapid development
- Widening inequality of mobility

Opportunities and risks
- Acceleration of shift to CASE
- Various actuators
- • Sensors
- • Various actuators

Basic strategies
- Established Electronics Center to collect functions from the increasingly advanced electronics field and apply them cross-functionally throughout our companies
- Raise the caliber of our development work to achieve efficiency, optimize quality and production at a global level and contribute to greater product value at each company

Electro-mechanical integration initiatives
A strength of AISIN Group is that we work in both the mechanical and actuator field and the electronic field. We are working with partners in each area of our business to improve the quality and performance of AISIN Group’s main products to achieve total optimization.

Opportunities for safer and more environmentally friendly products
We are promoting the development and production of electronic products to solve social issues and support core areas of our business and our Future Development Vision.

Basic strategies
- Established Electronics Center to collect functions from the increasingly advanced electronics field and apply them cross-functionally throughout our companies
- Raise the caliber of our development work to achieve efficiency, optimize quality and production at a global level and contribute to greater product value at each company

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Strengthening our software development
AISIN SOFTWARE Co., Ltd. was established as a new company with the merger of Aisin Comcruise and AW Software, which handled the development of the group’s onboard software. The company draws on our base of advanced software technology to actively explore future-looking areas such as AI and IoT and develop products using this technology.
**Executive officers**

**Directors**

- **Kanshiro Hagiwara**
  - Appointed June 1984
  - Became president of Toyo Kogyo K.K. Ltd.

- **Toshiyuki Mizushima**
  - Appointed April 2011
  - Became managing director of Aisin Seiki

- **Kazuhisa Ozaki**
  - Appointed April 1981
  - Became managing director of Aisin Seiki

- **Makoto Mitsuhashi**
  - Appointed April 2013
  - Became managing director and managing officer of Aisin Seiki

- **Toshiyuki Ohashi**
  - Appointed April 2015
  - Became director of Aisin Seiki

- **Naoki Tsuchi**
  - Appointed April 2015
  - Became executive officer of Aisin Seiki

- **Takashi Suzuki**
  - Appointed June 2018
  - Became executive officer of Aisin Seiki

- **Takayuki Tanaka**
  - Appointed June 2019
  - Became executive officer of Aisin Seiki

**Executive directors**

- **Kiyotaka Ise**
  - Appointed June 2005
  - Became executive director of Aisin Seiki

- **Toshio Kobayashi**
  - Appointed February 1986
  - Became professor at the Institute of Industrial Science, University of Tokyo

- **Michiyuki Hamada**
  - Appointed April 1999
  - Became external auditor of Toyota Motor Corporation

- **Mitsuhisa Kato**
  - Appointed June 2001
  - Became managing director of AEON Reit Management Co., Ltd.

**External directors**

- **Tsunekazu Otake**
  - Appointed April 1994
  - Became executive director of Yamaha Motor Corporation

- **Ryo Kobayashi**
  - Appointed June 2018
  - Became executive director of Aisin Seiki

- **Masaaki Hotta**
  - Appointed June 2015
  - Became executive officer of Aisin Seiki

- **Makoto Nagura**
  - Appointed June 2017
  - Became executive officer of Toyota Motor Industries

- **Takayuki Tsuchi**
  - Appointed June 2019
  - Became executive officer of Aisin Seiki

**Chairman**

- **Kiyotaka Ise**
  - Appointed June 2018
  - Became chairman of Aisin Seiki

**External auditor**

- **Michiyuki Hamada**
  - Appointed March 2013
  - Became external auditor of Aisin Seiki

**Director**

- **Toshio Kobayashi**
  - Appointed April 2011
  - Became executive officer of Toyota Motor Corporation

- **Takashi Suzuki**
  - Appointed June 2018
  - Became executive officer of Aisin Seiki

- **Takayuki Tsuchi**
  - Appointed June 2019
  - Became executive officer of Aisin Seiki

**Managing officer**

- **Takashi Suzuki**
  - Appointed June 2018
  - Became managing officer of Aisin Seiki

- **Takayuki Tsuchi**
  - Appointed June 2019
  - Became managing officer of Aisin Seiki

- **Mitsuhisa Kato**
  - Appointed June 2018
  - Became managing officer of Toyota Motor Industries

- **Takayuki Tsuchi**
  - Appointed June 2019
  - Became managing officer of Aisin Seiki

**Auditor**

- **Mikiya Hamada**
  - Appointed April 1992
  - Became external auditor of Yamaha Motor Corporation

- **Takashi Suzuki**
  - Appointed June 2018
  - Became external auditor of Aisin Seiki

- **Takayuki Tsuchi**
  - Appointed June 2019
  - Became external auditor of Aisin Seiki

- **Mitsuhisa Kato**
  - Appointed June 2018
  - Became external auditor of Toyota Motor Industries

- **Takayuki Tsuchi**
  - Appointed June 2019
  - Became external auditor of Aisin Seiki

**Standing auditor**

- **Takashi Suzuki**
  - Appointed June 2018
  - Became standing auditor of Aisin Seiki

- **Takayuki Tsuchi**
  - Appointed June 2019
  - Became standing auditor of Aisin Seiki
Corporate governance

Basic stance on corporate governance

AISIN Group builds strong relationships with all of our stakeholders and achieves steady long-term growth and expansion to maximize our value as a company. In order to accomplish this, 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 carry out corporate governance according to our Basic Policy on Corporate Governance. We are also endeavoring to achieve sustainable growth and increase our value as a company in the medium to long term through ongoing effectiveness reviews and enhancements of our corporate governance based on factors such as changes in our business environment.

Corporate governance structure

AISIN Group uses an audit and supervisory board system to strengthen the management and supervision of the Board of Directors and enable more efficient management by our operating officers system. To enable more accurate, faster and fairer decision making, we established a framework from June 2019 in which at least one of our directors is an independent external director. To enable more independent, objective decision-making about appointing and compensating directors and operating officers, decisions of this nature are reviewed and discussed by the Officers Personnel Committee and Compensation Committee, with external directors accounting for the majority of members, before being raised at the Board of Directors meeting.

Initiatives to improve corporate governance

From April 1, 2020, we appointed a new president and operating officer for our operating officers system to enable more flexible changes to the system when an officer is transferred. On June 16, 2020, a partial change to our articles of incorporation was approved at the General Meeting of Shareholders, allowing the president to be selected from our operating officers. The position of executive vice president has also been eliminated to clarify roles in decision-making and business operations within the director system. These changes, among others, will further strengthen our corporate governance.

Board of Directors

Members of our Board of Directors, Audit & Supervisory Board, Officers Personnel Committee and Compensation Committee

<table>
<thead>
<tr>
<th>Directors</th>
<th>Board of Directors</th>
<th>Audit &amp; Supervisory Board</th>
<th>Officers Personnel Committee</th>
<th>Compensation Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>Kanshiro Toyoda</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>President</td>
<td>Kiyotaka Iue</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Makoto Mitsuha</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Toyohi Shioka</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Tetsuya Okabe</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Toshio Kobayashi</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Tsunekazu Haraguchi</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Director</td>
<td>Michiyo Hamada</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standing auditor</td>
<td>Toshikazu Nagura</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standing auditor</td>
<td>Masayoshi Hotta</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditor</td>
<td>Mitsuhi Kato</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditor</td>
<td>Ryo Kobayashi</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auditor</td>
<td>Hikaru Takasu</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ratio of external directors

Board of Directors

- External Directors: 3
- Internal Directors: 6
- Number of meetings: 15 per year

Audit & Supervisory Board

- External Auditors: 3
- Standing Auditors: 2
- Number of meetings: 14 per year

Officers Personnel Committee

- External Directors: 3
- Number of meetings: 3 per year

Compensation Committee

- External Directors: 3
- Number of meetings: 1 per year

*The number of meetings is for fiscal year 2020.*
Policies and procedures on the appointment and dismissal of directors and auditors
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 that is 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 multiple external directors with advanced expertise inside and outside the industry. We are conscious of the need for efficient consolidated management and appoint directors of key subsidiaries as directors of Asin Seki.

Specialties and experience of directors and auditors
Nomination, appointment and dismissal is reviewed and discussed by our Officers Personnel Committee, in which the majority of members are external directors, to select candidates for director and auditor positions. Decisions for directors are made on discussion at the General Meeting of Shareholders based on internal decisions made by the Board of Directors. Decisions for auditors are made on discussion at the General Meeting of Shareholders based on internal decisions made by the Board of Directors and agreed upon by our auditors.

Initiatives for a more active Board of Directors
We believe it is important that every member of our Board of Directors brings their own knowledge and experience to their management activities, and we endeavor to facilitate active discussion between our directors, including external directors.

Separation of supervision and execution
• Slimmed down management framework
• Diverse balance of knowledge, experience and skills

Sufficient time for discussion
• Review of standards for discussions by Board of Directors
• Prior explanation of proposed topics for discussion, etc. for external directors
• Creation of annual schedule for Board of Directors meetings

Sharing of information and strengthening of framework for collaboration
• Sharing of details of decisions at important meetings such as management committee meetings
• Holding opinion exchange meetings, round-table conferences, training, etc.
• Observation of domestic and overseas subsidiaries, etc. by external directors

Effectiveness evaluation of Board of Directors
Our Board of Directors includes multiple external directors to guarantee that functions performed by the Board of Directors, such as decision-making and the running of meetings, are executed effectively. Interviews are held with all external directors and auditors to ask about the effectiveness of the Board of Directors as a whole and improvements are made based on their answers.

Evaluation and issues for fiscal year 2020
In our interviews at the end of fiscal year 2020, our external directors expressed that the overall effectiveness of our Board of Directors had improved. Positive points included more active discussion on important issues and a sufficient support framework. Issues included the need for further enhancement of on-site observations and opinion exchange about strategies and risks.

Improvements and future initiatives
We are creating venues for free discussion between external directors and operating officers to provide more opportunities for exchanges of opinion where necessary, an issue that was raised. Attendees discuss and provide advice on a wide range of topics, such as energy business strategies for building a zero carbon society and visions for a research company in AISIN Group. On-site observations are also done when there are no severe outbreaks of COVID-19.

Initiatives to strengthen internal control
Aisin Seki is strengthening measures based on the Basic Policy Concerning the Establishment of Internal Control, which was approved by a resolution of the Board of Directors. The core group companies in AISIN belong to consolidated committees such as the Consolidated Business Ethics Committee, the Consolidated Risk Management Committee, the Consolidated Environmental Committee and the Consolidated Safety and Health Committee, which carry out comprehensive notification and executive activities such as establishing and enacting basic policies to optimize operations and minimize risk, creating guides and carrying out training. The committees also monitor operations throughout the company to ensure that all sites are operating effectively. With regard to auditing activities conducted by internal auditing departments, as of January 2018, the group has sought to enhance its auditing structure by consolidating the auditing functions of its 13 core group companies within group headquarters. Moving forward, we plan to audit all of the group’s consolidated subsidiaries on a regular basis using the gendai genbutsu (genchi genbutsu) approach.

Additionally, a summary of all activities geared toward improving and strengthening internal controls is reported at a meeting of the Board of Directors, held during April of each year, to verify the adequacy of these initiatives.

Criteria and characteristics of independent external directors
All independent external directors appointed by Asin Seki are expected to fulfill the following duties and obligations.
1. Apply specialized knowledge, wide-ranging experience and other assets gained from previous roles to their management at Asin Seki.
2. Provide warnings and advice about risks from an impartial and far perspective in important decision-making settings such as meetings of the Board of Directors.
3. Promote over conflicts of interest between the company and parties such as its management or controlling shareholders
4. Appropriately represent outside views at meetings of the Board of Directors. When selecting candidates for external director positions, we focus on specialized expertise and a wide range of experience that will enable the candidate to provide frank and constructive advice about our management, in addition to the requirements for independence set by the Companies Act and the Tokyo Stock Exchange.

Sharing of information with external officers
Aisin believes that the management of our business depends on external directors and auditors carrying out their roles and duties effectively from an independent, objective standpoint. External directors attend monthly round-table conferences to promote understanding among external directors and auditors about the businesses and functions of our company. We endeavor to facilitate exchanges of information and boost awareness through venues such as observations of plants, test courses and relevant conferences and discussions with the relevant officers and managers in each headquarters and division. We have also appointed specific staff in our Corporate Planning Dept. and Audit & Supervisory Board Office to facilitate communication and coordination with external directors and auditors and ensure that the information required by external directors and auditors is provided accurately.

Main reports and proposals at Board of Directors meetings (July 2019 - June 2020)

<table>
<thead>
<tr>
<th>Proposals</th>
<th>Reports</th>
<th>Total</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business strategies, sustainability and governance</td>
<td>19</td>
<td>11</td>
<td>27</td>
</tr>
<tr>
<td>Settlement, dividends and other financial matters</td>
<td>13</td>
<td>2</td>
<td>15</td>
</tr>
<tr>
<td>Internal control, risk management and compliance</td>
<td>20</td>
<td>2</td>
<td>22</td>
</tr>
<tr>
<td>HR, appointment, remuneration and organizational changes</td>
<td>20</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>Individual matters</td>
<td>0</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>29</td>
<td>78</td>
</tr>
</tbody>
</table>
Remuneration of officers

Basic stance on remuneration of officers

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

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

Remuneration structure for officers

As officers oversee the operations of the company, the remuneration structure for directors (other than external directors) comprises a fixed monthly salary along with bonuses and stock options tied to results.

In recognition of their position as officers responsible for providing supervision and advice or audits of our management from an independent standpoint, external directors and auditors receive only a monthly salary with no bonuses or stock options.

Method for deciding remuneration of officers

Remuneration of directors is decided by the Compensation Committee, in which the majority of members are external directors. The remuneration system and decision method are deliberated on to ensure that officers are paid appropriately and the amount for each position is discussed before a final decision is made by the Board of Directors.

The monthly salary for each auditor is decided upon discussion between the auditors.

System and configuration of remuneration for directors and auditors

<table>
<thead>
<tr>
<th>Type of remuneration</th>
<th>Directors (excluding external directors)</th>
<th>External directors</th>
<th>Auditors</th>
<th>Payment policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed remuneration</td>
<td>Monthly salary</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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</tr>
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</table>

Directors’ remuneration reflects factors such as the director’s duties and experiences, along with trends among other companies.

Bonuses are based on the consolidated operating profit achieved through our operations in each period, 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 31, 2020 were set based on our consolidated operating profit of ¥451.7 billion (results).

Fixed remuneration

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<tr>
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Remuneration amount for directors and auditors

<table>
<thead>
<tr>
<th>Category</th>
<th>Total remuneration, etc. (Million yen)</th>
<th>Total for each type of remuneration (Million yen)</th>
<th>Directors (excluding external directors)</th>
<th>External directors</th>
<th>Auditors</th>
<th>Payment policy</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
<td>Monthly salary</td>
<td>100%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bonuses</td>
<td>5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Stock options</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The data for each type of remuneration is calculated based on the number of recipients.

Equity

Basic policy regarding cross-shareholdings

To survive the intense competition and continue to grow in the automotive parts and home and energy 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. For this reason, AISIN retains cross-shareholdings to maintain and improve our company’s value in the medium- to long-term, from an all-encompassing perspective including business strategies and business relationships with trading partners. AISIN does not hold investment shares for net investment for the purpose of receiving profit from changes in the value of our own shares or dividends generated by our shares.

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 along with the aim of sharing business issues and solving problems. At each year’s Board of Directors meeting, we discuss all of our cross-shareholdings. Taking into account factors such as benefits and risks based on capital costs, we verify the economic viability and future prospects of the shares from a medium- to long-term perspective based on the return and risk and reflect this in specific explanations of the aims and viability of retaining the shares. If shares are not expected to contribute to maintaining and improving the medium- to long-term value of the company, we consider reducing them. We made a decision at the Board of Directors meeting in May 2020 about whether to hold shares in each individual brand, taking into account quantitative factors such as how much we have traded with them recently and the dividend yield and the company’s ROE compared to our weighted average capital cost, and qualitative factors such as the purpose of holding the shares and our future trading relationship and business development based on our business policies.

Cross-shareholdings held by AISIN

<table>
<thead>
<tr>
<th>Category</th>
<th>Number of shares</th>
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</thead>
<tbody>
<tr>
<td>Brands for which shareholding is maintained or increased in FY2020</td>
<td>50 brands</td>
</tr>
<tr>
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<td>2 brands</td>
</tr>
</tbody>
</table>

*We increased our shares in some brands in fiscal year 2020 because the additional shares were necessary to maintain and improve the corporate value of AISIN Group in the medium to long term.*

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 and whether the company engages in any practices that are harmful to society. Points such as shareholder returns, expansion of authorized capital, measures to prevent takeovers and business restructuring are also evaluated individually as necessary and the outcomes of discussions with the company are taken into account when deciding whether to agree to a proposal.

In the event that a company holding shares in AISIN expresses the intent to sell its shares, AISIN does not prevent the sale.

Ensuring the rights and equality of our shareholders

We endeavor to provide sufficient time for our shareholders to discuss each item at the General Meeting of Shareholders and disclose information in a fair and appropriate manner so that all of our shareholders can make suitable judgments about how to vote. We also strive to create a voting environment that ensures the rights and equality of all of our shareholders, including shareholders with a small number of shares and overseas shareholders including practical shareholders.

Handling of Corporate Governance Code

AISIN endorses every principle of its Corporate Governance Code. Details are provided in the Corporate Governance Report we submit to the Tokyo Stock Exchange. The Japanese version of our Corporate Governance Report is provided at the website below:

https://www.aisin.co.jp/ corporate/governance.html

Cross-shareholdings held by AISIN

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CSR management

CSR activities are at the heart of AISIN Group's management philosophy, and are the foundation of its initiatives for steady long-term growth. To put this principle into action, we have established AISIN Group Principles of Corporate Behavior to contribute to sustainable development of the planet and maintain and develop sound relations with our stakeholders. Various CSR activities are being carried out according to this charter.

CSR activities in our overseas group companies reflect both the AISIN Group Principles of Corporate Behavior and the situation in each country and region.

A card distributed to all employees, containing information on AISIN Group Principles of Corporate Behavior

AISIN Group Principles of Corporate Behavior

Rooted in our belief in “Quality First”, we, the AISIN Group of companies, strive to actively contribute to the creation of a sustainable society through our business activities in each country and region in which we operate. To this end, in accordance with the following nine principles, irrespective of the location, we respect human rights, abide by the letter and spirit of all applicable laws, rules and regulations, and act in a sincere and socially responsible manner.

1. Safety, Quality and Contribution to Creating a Sustainable Society p.47 (S: Social)

2. Compliance p.48 (G: Governance)

3. Disclosure and Communication p.49 (G: Governance)

4. Respect for Human Rights p.52 (S: Social)

5. Promotion of Diversified Work Styles and Upgrading the Work Environment p.53 (S: Social)

6. Environment p.58 (E: Environmental)

7. Social engagement and contribution to development p.68 (S: Social)

8. Thorough Crisis Management p.70 (G: Governance)

9. Company Leadership

AISIN Group has formulated guidelines in compliance with social responsibility to provide concrete behavioral standards for all employees to fulfill AISIN Group Principles of Corporate Behavior. We are working to make these known throughout the group.

The action guideline contains questions and answers about the nine principles outlined in AISIN Group Principles of Corporate Behavior—Safety, Quality and Contribution to the Creation of a Sustainable Society; Compliance, Disclosure and Communication; Respect for Human Rights; Promotion of Diversified Work Styles and Upgrading of Work Environment; Environment; Social Engagement and Contribution to Development; Thorough Crisis Management; and Company Leadership—providing a resource that is easy for everyone to understand. After the revision of AISIN Group Principles of Corporate Behavior in May 2019, we created an AISIN Group Principles of Corporate Behavior card and gave it to all of our employees to carry. AISIN Group Principles of Corporate Behavior can be viewed on our website at any time. All employees receive this information and are thoroughly trained according to these policies.

The 13 core companies in AISIN Group carry out CSR training management-focused and basic CSR training for general employees so that everyone recognizes the importance of CSR and engages in company activities with an awareness that we are a valued corporate citizen within a larger community. The top management of our overseas sites receive training to equip them with an understanding of the AISIN Way that lies at the heart of all of our values and activities, in addition to improving their management skills.

Training and education to raise awareness of the Principles of Corporate Behavior and put it into action.

Our commitment to quality assurance

“Quality First” is one of AISIN Group’s basic corporate principles. We believe that one of the most crucial requirements for achieving sustainable growth of our business is increasing the quality of not only our products and services but our work in general in every way we can, and all of our employees work together with a customer-first mindset under management policies aiming to improve the framework of our company and TQM (total quality management) practices.

In fiscal year 2021, “Top Prioritization of Safety and Compliance” and “Quality First” were the foundation of AISIN Group's management policies, driving our corporate activities on a daily basis.

Global, group-wide activities to put customers first

With the automotive industry experiencing the biggest period of change in 100 years, customers' attitudes toward quality and approaches to quality assurance are changing. In April 2017, AISIN Group established the All-Aisin Quality Assurance Center. At this center, we establish quality policies to set a single, common direction for the whole of the group, sharing the experience and knowledge of each company and establishing systems and other initiatives to make the best use of the facilities and personnel at each of our group companies. In particular, from fiscal year 2020 we have integrated our training and accreditation for supplier auditors from each company who carry out autonomous audits of special processes, in a group-wide initiative to prevent defects from occurring in these processes. This has eliminated duplication of work, improving quality and efficiency and reducing the workload of suppliers. We will work to further strengthen cooperation within the group in future.

Cooperative framework for autonomous audits of special processes

Aisin Densho-kan: a place to learn about the importance of safety, quality and unfettered customer feedback

Aisin Densho-kan (Educational Center) is a place for all AISIN Group employees to learn about workplace safety and disaster-prevention initiatives and unfettered feedback received from customers. The center also picks up lessons from past incidents and passes on valuable insights gained from problems that have occurred in the past to foster an awareness of quality and improve the caliber of our work. For example, the Kumamoto Earthquakes Learning Zone is an educational space for ensuring that insights and lessons learned from AISIN Group’s responses to the 2016 Kumamoto Earthquakes are properly passed on to our employees. This zone features easy-to-understand exhibits designed to increase awareness about disaster prevention and readiness by presenting efforts made from directly after the occurrence of the disaster until recovery, along with impressing upon employees the importance of initiatives to reduce earthquake damage.

In April 2016, AISIN Group established the Quality Learning Zone for the purpose of learning from past failures. In July 2018, AISIN Group installed a “tunnel for learning how scary quality problems can be” based on the theme of knowing and feeling the importance of quality at a company, to further improve quality awareness. AISIN Group also plans to create a new simulator, presenting feedback from people who have experienced quality issues in the past and share expertise gained from past faults and defects at various group companies when needed.

*Aisin Densho-kan is not open to the general public.

The "tunnel for learning how scary quality problems can be"
2. Compliance

Compliance principles
AISIN Group believes that compliance is not only about following laws and regulations but also about meeting people’s expectations and earning their trust as a good corporate citizen. Compliance training is training for new directors, newly promoted personnel and new employees that contains content on compliance. A compliance seminar is held every year for all of the Japan-based directors in the group. Outside experts are invited to give talks on the latest trends related to compliance or topics chosen based on AISIN Group’s situation, so that directors can lead by example. Role-specific training includes training given to personnel who are about to transfer to an overseas post and training for heads of division and higher levels of management in overseas companies. Annual compliance training is also given to compliance enforcement personnel in each department of domestic group companies. 745 people attended this training in fiscal year 2020. Enforcement personnel carry out departmental training and awareness-raising activities about compliance on a day-to-day basis.

Our awareness surveys are conducted every October during AISIN Group Business Ethics Campaign Month, as part of our activities to raise awareness of compliance. All employees at our domestic group companies are surveyed (78,936 respondents in fiscal year 2020) about their awareness of a wide range of points regarding compliance. The results for fiscal year 2020 indicated that 96.3% of employees had a high (improved) awareness of compliance and 91.3% would take appropriate action in the event of a compliance violation, such as cautioning the offender or reporting them to a supervisor. Improvement activities based on these results were incorporated into our compliance activity plan for fiscal year 2021 and have been put into action.

Activities to raise awareness of compliance
To ensure that compliance is the default state of mind for every employee in AISIN Group, we are using initiatives such as group training and e-learning to ensure that everyone around the world has access to compliance training. We also distribute workplace discussion sheets with specific topics and publish a monthly compliance report to raise awareness of compliance. Our domestic group companies are surveyed about their awareness of compliance. AISIN Group carries out these three main types of training to ensure that everyone from top management to employees is aware of compliance. These are level-specific training, role-specific training and topic-specific training. Level-specific training is training for new directors, newly promoted personnel and new employees that contains content on compliance. A compliance seminar is held every year for all of the Japan-based directors in the group. Outside experts are invited to give talks on the latest trends related to compliance or topics chosen based on AISIN Group’s situation, so that directors can lead by example. Role-specific training includes training given to personnel who are about to transfer to an overseas post and training for heads of division and higher levels of management in overseas companies. Annual compliance training is also given to compliance enforcement personnel in each department of domestic group companies. 745 people attended this training in fiscal year 2020. Enforcement personnel carry out departmental training and awareness-raising activities about compliance on a day-to-day basis.

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Early detection and correction of issues through whistleblowing system
AISIN Group has a service for reporting and questions about compliance. The service is available to everyone who works for AISIN Group and people connected to them, such as family members. Anonymous contact is accepted. We endeavor to detect and correct violations as quickly as possible with this service. Thorough attention is paid to the rights of whistleblowers, including privacy and prevention of reprisal, when taking measures. In Japan, there are three services to suit different purposes: an internal reporting service within each company, a group-wide external reporting service handled by an attorney and a service handled by the legal affairs division in our Group Head Office. The legal affairs division in our Group Head Office is involved as appropriate to ensure early detection and correction of issues. Similar whistleblowing services are being set up overseas, and sites in other Asian countries and North America are able to use the main group service.

3. Disclosure and Communication

Emphasizing dialog with a wide range of stakeholders
Engagement with stakeholders is one of AISIN Group’s corporate principles. We endeavor to strengthen our engagement with all of our stakeholders, placing great importance on dialog with stakeholders such as customers, shareholders and investors, employees, local communities and suppliers. We look at the constant changes in the needs of society and our customers as opportunities to create new value, and actively work to create value that suits each new era. We are also working to achieve sustainable growth and increase our corporate value through initiatives that make use of the characteristics of each company in AISIN Group to solve social issues through our business operations. We will continue to carry out initiatives with the aim of remaining a company that acts in good faith in the spirit of our corporate principles and earns our stakeholders’ trust.

Initiatives regarding compliance with the Antimonopoly Act
This is a key focus in our training. In Japan, a wide range of education is provided by e-learning. The Antimonopoly Act is covered in training at various levels and roles to increase awareness of compliance. Overseas, training is tailored to the specific risks of each area.

In April 2020, we established our Anti-trust Compliance Policy as a global policy for the group. Other initiatives include checks with a specific ledger before interacting with competitors.

Export management activities
To ensure that we comply with all relevant laws and regulations regarding export management, AISIN Group has established a group-wide export management system to ensure that trades involving exports are carried out effectively and efficiently. We are also working to achieve sustainable growth and increase our corporate value through initiatives that make use of the characteristics of each company in AISIN Group to solve social issues through our business operations. We will continue to carry out initiatives with the aim of remaining a company that acts in good faith in the spirit of our corporate principles and earns our stakeholders’ trust.

AISIN Group Principles of Corporate Behavior declares that AISIN Group shall maintain the sound relationships with governments and administrative bodies that are expected of companies, and have no ties to antisocial forces or organizations. In April 2020, we established our Policy for Compliance with the Antimonopoly Act and Anti-Corruption Policy as global policies for the group. These policies indicate the conduct required of everyone in AISIN Group to prevent bribery, corrupt acts and inappropriate favors and exchanges of gifts and to conduct appropriate accounting practices regarding these points. These policies are enforced in all of our domestic and overseas group companies. We are also working to improve awareness of compliance through various training. Nobody in the group was fined or dismissed for corruption in fiscal year 2020.

Initiatives to prevent bribery and corruption
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We have also introduced a qualification system for export managers to ensure that all export managers in the group meet or exceed a particular level of knowledge. In Japan, we use our group-wide export management system to ensure that trades involving exports are carried out effectively and efficiently. We are also working to achieve sustainable growth and increase our corporate value through initiatives that make use of the characteristics of each company in AISIN Group to solve social issues through our business operations. We will continue to carry out initiatives with the aim of remaining a company that acts in good faith in the spirit of our corporate principles and earns our stakeholders’ trust.

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Shareholders and investors
We actively engage in IR activities, making use of various opportunities to strengthen communication with our shareholders and investors, such as presentations for investors and one-on-one dialog. Business strategies, financial information and other relevant information is disclosed in a timely manner, and we are always striving to disclose more information. We receive valuable feedback through constructive dialog with our shareholders and investors, which we pass on to our management and relevant departments as appropriate and apply to initiatives to achieve sustainable growth and improvement of our corporate value in the medium and long term.

Our ESG initiatives within the group are well regarded by ESG evaluation agencies, and we have selected for ESG indices both domestically and overseas.
3. Disclosure and Communication

AISIN Group believes in coexisting and sharing prosperity with our suppliers, and strives to achieve mutual development. To ensure that all of our procurement activities comply with AISIN Group’s policies along with relevant laws and regulations, we have translated AISIN Group Principles of Corporate Behavior into our suppliers’ languages, distributed the translations to our suppliers and asked them to ensure that both they and their trading partners comply with the principles.

AISIN Group’s procurement principles

AISIN Group procures a wide variety of items, including parts and materials, from numerous suppliers around the world. In each of these transactions, AISIN Group works to increase collaboration and establish trust relationships with our suppliers based on our basic philosophy of seeking growth and prosperity as good business partners.

Jointly undertaking CSR initiatives with suppliers

AISIN Group is promoting CSR procurement activities, beginning with primary suppliers and going as far up the supply chain as possible. With its suppliers, AISIN Group promotes fair procurement activities based on the spirit of openness and fairness, and mutually concludes basic transaction agreements placing greater emphasis on CSR-related clauses. AISIN Group is also engaged in initiatives as a group, such as making payments to all small- to medium-sized domestic suppliers in cash, with a view to achieving future-oriented trade practices with its suppliers. Additionally, AISIN Group has established a contact point for suppliers to make inquiries and seek advice on matters related to business ethics.

Activities under AISIN Group Green Procurement Guidelines

AISIN Group carries out various activities to promote understanding and cooperation of AISIN Group’s procurement activities among our suppliers. In fiscal year 2020, AISIN Group enhanced its management of substances that have an environmental impact, based on our guidelines, to ensure a reliable response to environmental laws and regulations, which are becoming more stringent every year in countries around the world. In order to accomplish this, AISIN Group requested surveys of chemicals contained in items purchased from our suppliers and had them disclose and register relevant information in a shared system for recording data on chemical substances.

Risk assessment and monitoring of suppliers

AISIN Group, in conducting regular risk assessments of our suppliers, will continue to work with our Environment Dept. to instruct our suppliers on improvements.

AISIN Group believes in coexisting and sharing prosperity with our suppliers, and strives to achieve mutual development. To ensure that all of our procurement activities comply with AISIN Group’s policies along with relevant laws and regulations, we have translated AISIN Group Principles of Corporate Behavior into our suppliers’ languages, distributed the translations to our suppliers and asked them to ensure that both they and their trading partners comply with the principles. The principles include policies on points such as human rights, labor practices, the environment and compliance, covering both social issues, including child labor, forced labor, equal opportunities and prohibition of discrimination, freedom of association, collective bargaining, reduction of long working hours, minimum wage and health and safety, and environmental issues such as water usage and biodiversity. We have particularly stringent standards about the environment, asking our suppliers to reduce GHG emissions, recycle waste materials and resources, reduce water usage and preserve biodiversity according to AISIN Group Green Procurement Guidelines.

AISIN Group procures a wide variety of items, including parts and materials, from numerous suppliers around the world. In each of these transactions, AISIN Group works to increase collaboration and establish trust relationships with our suppliers based on our basic philosophy of seeking growth and prosperity as good business partners.

Jointly undertaking CSR initiatives with suppliers

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Representatives from the procurement functions in 13 domestic group companies meet at AISIN Group Suppliers’ Environmental Inspection Liaison Meeting. These representatives conduct environmental risk inspections to prevent environmental issues at our suppliers’ companies. 245 companies with processes and/or facilities that place a particular burden on the environment have been identified as high-risk suppliers, and our representatives check that these companies are complying with laws and regulations, identify hazards and encourage the companies to improve on these points. In fiscal year 2020, we inspected 36 companies and confirmed that their improvements were completed (100% of planned work). Our management will continue to work with our Environment Dept. to instruct our suppliers on improvements.

Risk assessment and monitoring of suppliers

AISIN Group, in conducting regular risk assessments of our suppliers, will continue to work with our Environment Dept. to instruct our suppliers on improvements.
4. Respect for Human Rights

Basic policy regarding respect for human rights

Under AISIN Group Principles of Corporate Behavior, following international directives such as the UN’s Universal Declaration of Human Rights, we established a basic policy for respecting the human rights of all employees. “We respect the rights of all people.”

The Guidelines in Compliance with Social Responsibility provide a specific code of conduct to ensure that our Principles of Corporate Behavior are adhered to, including clear statements on respect for the character and rights of all people, fair hiring and the prohibition of forced labor and child labor.

Training, awareness-raising activities and a consultation service regarding human rights

AISIN Group takes all employees’ human rights seriously and takes every opportunity to educate our employees on human rights, from initial training for new employees to additional training for those receiving a promotion or being appointed as a director, under AISIN Group Principles of Corporate Behavior and Guidelines in Compliance with Social Responsibility. In addition to common CSR training for the 13 core companies in AISIN Group, we invited a guest lecturer from the Aichi Labor Bureau and hold a training seminar on fair recruitment by group companies. Our compliance consultation service accepts a wide range of questions and allows anonymity. Thorough attention is paid to the rights of those using the service, including privacy and prevention of reprisal, when taking measures.

Affiliated groups and involvement in initiatives

AISIN Group is a member of the Industrial Federation for Human Rights, Aichi, an organization comprising 26 companies in Aichi Prefecture that works with relevant administrative bodies and labor boards to pass on AISIN-style knowledge in trainees with thorough on-site guidance, we have also turned rules that need to be observed and actions that need to be taken by technical personnel into explicit knowledge. Through AISIN Basic Seminars, in which supervisors instill this now-explicit knowledge with the relevant divisions and local holding companies to address issues found in the survey, and our suppliers were involved in our work to improve on these points.

Responsible procurement of minerals (measures against conflict minerals)

In fiscal year 2020, we continued to investigate our supply chain to determine whether conflict minerals were used, as part of our initiatives for responsible procurement of minerals (measures against conflict minerals). The results were reported to our customers.

We are also involved in work by industry organizations to establish effective procurement methods and increase understanding of this issue through presentations. AISIN Group will continue to promote responsible procurement of minerals by promoting appropriate procurement of resources and materials based on the following policy.

Policy on the procurement of minerals

To promote global mineral procurement that takes into account the impacts of social issues such as human rights and the environment, AISIN Group carries out initiatives to avoid the use of minerals that are defined as an issue under the laws and regulations of each country (Dodd-Frank Wall Street Reform and Consumer Protection Act in the USA, Conflict Minerals Regulation in the EU, etc.). We ask that our suppliers confirm that employees are not engaging in work that differs from the agreed-upon plan and that they are paid appropriately.

Stable employment

To ensure that AISIN Group remains a company that is needed by society, it is essential that every employee takes an active role, grow as an employee and contribute to achieving sound and sustainable business growth. This will lead to stable employment in the long term. For this reason, we believe that standardization of our basic stance and systems concerning personnel and labor affairs is essential. AISIN Group develops measures based on this principle and the laws and regulations of respective countries and regions to reduce related risks and build sound relations between our management and our employees.

Human rights initiatives from a global perspective

Employee CSR surveys
From 2020, we conducted an employee CSR survey practice at 200 domestic and overseas group companies to assess our companies’ compliance related to HR and labor requirements and their management of human rights according to the laws and regulations of their respective countries. AISIN Group Principles of Corporate Behavior and Guidelines in Compliance with Social Responsibility. Our management worked together with the relevant divisions and local holding companies to address issues found in the survey, and our suppliers were involved in our work to improve on these points.

Employee training

AISIN Group, we are committed to developing globally-minded employees who are capable of viewing matters from a broad perspective and possess a diverse range of values, irrespective of gender, nationality or age. This is of particular importance in Japan, where we see a declining birthrate and aging population. We respect the individuality of our employees as part of our Guidelines in Compliance with Social Responsibility, and provide education and training so that employees can make the most of their abilities based on the AISIN Way, which indicates the values and principles of conduct that need to be shared throughout the group.

Employee development that respects individuality

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Development of globally-minded employees who increase our competitiveness

AISIN Group is continuing to accelerate our development of employees who are capable of engaging in global business. Before employees from the 13 core companies in AISIN Group leave for an overseas position, they receive training on different cultures. Aisin Seiki also promotes exchange with overseas employees for the purpose of training young local employees at our overseas sites.

Nurturing technical and production personnel who can contribute to development in each country

To cultivate future leaders of manufacturing operations, AISIN Group operates AISIN Technical Academy and AISIN AW Advanced Skill Training Academy to provide education on practical technical skills for one year to staff members who have entered AISIN Group in Japan and trainees dispatched from overseas. To date, a total of 6,000 members from group companies in Japan have graduated from these academies. AISIN Group has accepted overseas trainees from 23 locations in 11 countries, and these graduates are now playing key roles at overseas subsidiaries in supervisory or technical capacities.

To ensure that knowledge and skills specific to each workplace are taken on reliably, we are working to visualize and systematize knowledge and skills that are regarded as implicit knowledge, and the experience and judgment of individual employees. We have also turned rules that need to be observed and actions that need to be taken by technical personnel into explicit knowledge.

Through AISIN Basic Seminars, in which supervisors instill this now-explicit knowledge in trainees with thorough on-site guidance, we have been expanding our system and framework to pass on AISIN-style skills globally throughout AISIN Group.

Creating a workplace with vitality

From fiscal year 2020, AISIN Group has introduced teleworking so that employees can work from anywhere at any time, and allows casual attire to encourage new ideas that are not bound by culture or customs. To facilitate effective use of time through our reforms of our working practices, we are rolling out new systems and working cultures such as early finishes on some days and support for self-learning.

We are also strengthening our company framework through Aisin Active Team Building Activities (ATBA), a team-building activity that fosters the communication and trust relationship required for a high-performing team, based on our mindset that every workplace and employee is the star.

Vision to make work more fulfilling

AISIN Group recognizes that to remain truly competitive and ensure our survival as a company, we need to address not only our employees’ workload but their experience of work as a whole. To accomplish this, we believe that we need to ensure that every employee can make a fulfilling life work and create value that only AISIN Group can provide. As a measure to strengthen the foundation of our management and support sustainable growth, we are working to make work more fulfilling for our over 120,000 employees around the world, including those at our affiliated companies. In addition to supporting the growth of each and every employee, this improves our value as a company.

We are also visualizing employee engagement (fulfillment, adaptation, etc.), with a common survey carried out at our core five companies since fiscal year 2018. In future, we will broaden the scope of this work to include all companies in the group.

Creating a workplace with vitality

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5. Promotion of Diversified Work Styles and Upgrading the Work Environment

Promoting diversity and inclusiveness as a management strategy

As part of AISIN Group’s corporate principles of contributing to the advancement of society and harmony with society and nature, we strive to be a company where a diverse range of employees, regardless of nationality, gender, sexuality or disability status, can be respected as individuals, find fulfillment in their work and bring their unique professional skills and characteristics to the table.

Diversity and inclusiveness is a key management strategy of ours, and we are actively promoting initiatives of this nature to achieve ongoing innovation and provide new value that will be appreciated by customers around the world.

D&I Road Map

Vision and initiatives for promoting more active roles for female employees

AISIN Group aims to be a company where each female employee can thrive, achieve her full potential and be active in the workplace.

To enable our female employees to be true to themselves and shine at work, we carry out initiatives to provide career support and help women to balance their work and home lives.

We have created an organizational framework with female representatives in each division to find out what women at each of our sites need. These representative work together with our top management to create measures to support our female employees’ vision for their careers and accommodate life events.

Specific measures include our Ikubosu Training, in which management learn to support a work-life balance in various overseas locations around the world. We established a training plan (NEXT MAP PLAN) at each site to carry out systematic training initiatives.

In fiscal 2020, 52.8% of the officers (heads of department and higher) at Aisin Seiki’s overseas sites were local officers.

In future, we will build a framework to remove barriers for a diverse range of employees in addition to our initiatives to promote understanding.

Establishment of an environment where our employees can work as long as they want

AISIN Group establishes systems for the re-employment of workers after retirement, for limited hours or days of work, in response to various requests from retirees.

We re-employ all interested personnel, observing all relevant laws and regulations.

The five core companies in AISIN Group hold seminars for employees in their 50s, providing advice on points such as our re-employment system, health and the pension and retirement allowance system to help them plan the continuation of their career and their lifestyle after they reach retirement age.

We are also working to increase motivation for re-employed individuals through initiatives such as establishing technical legacy coaching sessions to pass on their advanced skills as part of efforts to further expand the re-employment of retirees.

Creating a workplace in which people with disabilities can thrive

AISIN Group is working to develop a working environment in which people with disabilities can thrive, and increase the number of employment opportunities available to people with disabilities. Our initiatives are based on nationwide efforts to normalize workplaces that welcome employees who have disabilities.

AISIN Group has continuously held joint interview sessions for people with disabilities since fiscal year 2018. We held our fourth session between 19 group companies in April 2019. A special subsidiary called Aisin Well Smile Co., Ltd., was established in October 2019, and began operations in April 2020. In addition to putting in place working conditions that are better suited to the needs of people with disabilities and creating and building on employment opportunities, we are providing operational support for employees with disabilities in each of our group companies. Looking ahead, AISIN Group members will continue to promote collaborative activities, work to improve workplace environments and expand the range of areas in which people with disabilities can thrive.

Development initiatives for local employees overseas

Of the over 120,000 employees in AISIN Group, around 42% work in various overseas locations around the world.

To develop local officers, we hold top management training every year for managers and officers at overseas sites and have established a training plan (NEXT MAP PLAN) at each site to carry out systematic training initiatives.

In fiscal 2020, 52.8% of the officers (heads of department and higher) at Aisin Seiki’s overseas sites were local officers.

Activities to promote understanding of LGBT equality and other diversity

Aisin Seiki holds training for all managers to promote understanding of LGBT equality and other diversity. We also use case studies at workplace meetings to foster understanding among all employees.

In future, we will build a framework to remove barriers for a diverse range of employees in addition to our initiatives to promote understanding.
5. Promotion of Diversified Work Styles and Upgrading the Work Environment

Placing health and safety above all else

As a corporate group conducting global business, creating safe, healthy and hygienic workplaces for our employees is crucial at all of our sites. Based on the core principle that putting health and safety first at all times is the foundation of value creation in a company, AISIN Group continually strives to enhance the health and safety of all employees.

Framework to promote safety and hygiene

To ensure that no lives are lost on AISIN Group premises, a Consolidated Health and Safety Committee has been established. Comprising the presidents of every company in AISIN Group, the committee works to unify policies and standards to ensure the safety of everyone who works on our premises. In March 2019, we asked a third-party organization to provide safety seminars for the officers in charge of our safety operations.

Specialist safety training was also provided to ordering staff to prevent serious accidents in contracted work and ensure that the ALL TOYOTA Safety Standard for Contractor Work on the Premises is enacted correctly by the contractor and our ordering staff.

As a result of these measures, the rate of disabling injuries occurring in the workplace decreased at our 13 core group companies. However, accidents involving employees getting caught in machinery are still occurring, so we are carrying out group-wide initiatives to prevent these accidents and become the world’s safest corporate group.

Organizational Diagram of Consolidated Safety and Health Committee

<table>
<thead>
<tr>
<th>Consolidated Safety and Health Committee (one meeting per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aisin Seiki, Aisin Nakada, Aisin Chemical, Aisin AW, ADVICS</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ALL AISIN Safety &amp; Health Committee (twice per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aisin Seiki, Aisin Nakada, Aisin Chemical, Aisin AW, ADVICS, Advics, Kariya Plant</td>
</tr>
<tr>
<td>Aisin Development, Aisin Kiko, Aisin Awai, Aisin Chemical Kariya, Aisin Dickson, House &amp; Shop, Kesrea, Aisin Sin’ei</td>
</tr>
<tr>
<td>Aisin Chemical, Overseas Healthcare, Tranquil Health</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ALL AISIN Safety and Fire Prevention Subcommittee (4 meetings per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aisin Seiki, Aisin Nakada, Aisin Chemical, Aisin AW, ADVICS, Advics, Kariya Plant</td>
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</table>

<table>
<thead>
<tr>
<th>ALL AISIN Health Subcommittee (two meetings per year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aisin Seiki, Aisin Nakada, Aisin Chemical, Aisin AW, ADVICS, Advics, Kariya Plant</td>
</tr>
</tbody>
</table>

Initiatives to prevent anticipated accidents and prevent reoccurrence of past accidents

AISIN Group is committed to ensuring that accidents at our sites do not occur again. Group-wide safety standards have been established and facility safety, risk assessment and safety training initiatives have been thoroughly strengthened throughout the group since 2016 to ensure that no lives are lost on our premises.

AISIN Global Safety Standard (AGSS) has also been established to prevent STOP6* accidents, and risk assessments and safety inspections are carried out when equipment is received or modified. In fiscal year 2020, the top management of each company in AISIN Group thoroughly surveyed their respective companies’ sites and implemented occupational health and safety activities according to an action plan.

*The six causes of the most serious accidents in the Toyota Group: 1. getting caught in machinery, 2. contact with heavy objects, 3. contact with vehicles, 4. falls, 5. electrocution, 6. contact with high temperature objects

Serious accidents within AISIN Group (consolidated for both domestic and overseas)

<table>
<thead>
<tr>
<th>Employees</th>
<th>Construction and delivery contractors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>2019</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>0</td>
<td>2020</td>
</tr>
<tr>
<td>0</td>
<td>2021</td>
</tr>
</tbody>
</table>

Initiatives to prevent disaster and minimize damage in the event that a disaster occurs

AISIN Group learned an important lesson from the fire at our Kariya Plant in 1997. We are working together as a group to increase employees’ knowledge and awareness about preventing fires, provide extensive training on fire prevention, foster a working culture that prioritizes fire prevention and increase employees’ risk sensitivity.

AISIN Group has established four standardized actions (basic actions) to ensure that fast action is taken in the event of a fire to minimize damage. In addition to carrying out ongoing training, we have created a training DVD with actual footage so that employees at Aisin Seiki and our group companies understand the purpose of everything they are being asked to do.

In particular, we have noticed that employees sometimes hesitate before activating the fire alarm. We have created a demo unit for use in training at our domestic and overseas group companies.

Activities to maintain and promote the health of employees

Aisin Seki has earned accreditation under the Certified Health & Productivity Management Organization Recognition Program for four years running and has implemented a variety of measures to promote the physical and mental health of our employees.

Initiatives to maintain and improve physical health

If a health checkup for an employee (either at a domestic site or overseas) indicates that an employee is at a high risk for neurological or cardiac conditions, we take the necessary measures to ensure their health. Advice on points such as smoking, exercise and diet is given to address the risk of lifestyle diseases. To prevent passive smoking, we set up designated smoking areas at each of our business sites from 2012, and made all indoor areas smokefree from 2015.

Initiatives to maintain and improve mental health

We take various measures, including mental health education, line care training attended by managers and supervisors at group companies, stress checks and an employee assistance program, to help our employees prevent mental health issues and detect any issues that arise as quickly as possible. We have also built a framework to provide support to employees on long-term leave with a Return to Work Trial and follow-up support to help make their return as smooth as possible and ensure that their experience at work afterwards is positive.

Initiatives to prevent infectious diseases

As a measure to prevent the spread of COVID-19, we have created basic policies and a manual for preventing transmission. Actions to be taken by employees are clearly indicated, and the entire group is working to stop the spread.

Top-down initiatives to instill an awareness of safety to put our principle of placing health and safety above all else into practice

AISIN Group carries out safety management seminars for the top safety managers at all of our group companies to strengthen cooperation and improve safety.

In fiscal year 2020, our managers held safety seminars. We believe that all injuries and occupational illnesses are preventable, and our officers maintain a high level of safety at all times and never stop educating each other about safety. The whole of AISIN Group works together to improve our awareness of safety and build a safety-first culture through the use of felt leadership* at an officer level.

*Form of leadership in which the top management has a passionate awareness about safety.
Aisin Consolidated Environmental Policy

In order to realize Aisin’s Corporate Principles, which are based on “Quality First”, we take an approach rooted in contributing to society and customers, a continuous process of improvement and respect for each and every person. Through business activities centering on monozukuri (manufacturing expertise in value-added products), we contribute to the creation of a sustainable society in which people will be able to coexist in harmony with the environment far into the future.

1. Establish annual policies based on a long-term vision and carry out continuous improvements and periodical reviews of our environmental management system toward achieving targeted objectives all over the world.
2. Promote efficient environmental management linking to original operations, through the sharing of information with governments, customers, local communities, suppliers and our employees, as well as cooperation with our consolidated companies.
3. Promote innovative technology, enrichment of facilities, greater and more enlightened training and awareness by investing adequate management resources.
4. Promote the development of new earth-friendly products and technologies that take life cycle into account, as well as environmentally friendly manufacturing.
5. In addition to complying with international standards; laws and regulations and pollution control agreements stipulated by respective countries, establish voluntary standards in an effort to prevent pollution.
6. Minimize usage and waste through resource and energy savings, procurement of materials with minimal environmental impact, logistics streamlinning and expansion of recycling activities and other initiatives.
7. Promote global nature and environmental conservation activities.

Common roles of working groups

• Creation of medium- to long-term activity plans for each working group based on our consolidated medium- to long-term activity plans
• Creation of annual activity plans based on the medium- to long-term activity plans for each working group and semiannual reporting of activities.
• Establishment of various relevant consolidated guidelines, standards, etc.

Initiatives of our working groups

Energy-saving

• Reduction of CO2 emissions in our production work

Environmental conservation

• Outperforming every other company in each region by achieving zero abnormalities and complaints related to the environment (1) Legal compliance activities (2) Risk management such as activities to prevent environmental accidents

EMS

• Consolidated EMS training and training of consolidated auditors
• Reporting of assessment plans at the All-Aisin Environment Meeting
• Creation of EMS-related documents

Products

• Identification and sharing of elements such as indexes for measuring a product’s impact on the environment and methods for managing chemicals
• Visualization of the degree to which we are contributing to environmentally friendly products

Changes in the world around us

AISIN Group believes that it is important to adapt flexibly to the ever-changing world around us in order to build a sustainable society. In particular, environmental laws and regulations are becoming more and more stringent every year.

With our businesses expanding around the world, AISIN Group assesses the degree to which each country’s laws and regulations affect our business and discusses how to handle this. The measures that are decided on are adopted by the Consolidated Environmental Committee and other relevant committees, and are incorporated into our policies.

Our future-looking Seventh Environmental Action Plan

AISIN Group has continuously strengthened its environmental initiatives by establishing AISIN Environmental Plans. Our Seventh Environmental Action Plan, which comes into effect from fiscal year 2022, contains plans and targets that are backcast like our SDG initiatives, rather than forecast like conventional plans. We are helping to build a sustainable society, with a particular focus on reducing CO2.
Establishment of a low-carbon society

Aiming to reduce life cycle CO2 emissions to zero

Aisin Group is drawing on its cohesive strength as a group to reduce CO2 emissions from production and to reduce CO2 throughout the life of our products from design to transportation, use and disposal. We are accelerating our development of products that help to improve fuel efficiency, such as electric drive units and parts such as brakes, chassis and bodies for electric and fuel cell vehicles.

We are also working to drastically reduce CO2 emissions throughout the production process, by carrying out activities to conserve energy within Aisin, compiling data on topics for innovation in production technology and adopting renewable energy.

Emissions of non-CO2 greenhouse gases (global)

<table>
<thead>
<tr>
<th>Year</th>
<th>CH4</th>
<th>N2O</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>5,195</td>
<td>5,960</td>
</tr>
<tr>
<td>2019</td>
<td>1,195</td>
<td>3,420</td>
</tr>
</tbody>
</table>

Target for CO2 emissions per sales*³

- 2019: 1,195
- 2018: 3,420
- 5,700
- 1,570

Water Consumption

- 2019: 60
- 2017: 53
- 2016: 57

*3 Target for FY2021: 20% reduction compared to FY2010

 Establishment of a recycling-oriented society

Reducing environmental impact of development, production and logistics to zero

Aisin Group is working to reduce its environmental impact to zero, chiefly through the Environmental Conservation Working Group. This includes developing products that make effective use of resources and can be recycled, stepping up resource recycling at the production and logistics stages and making effective use of water resources.

Waste emissions/CO2 emissions per sales

<table>
<thead>
<tr>
<th>Year</th>
<th>Waste emissions</th>
<th>CO2 emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1,195</td>
<td>1,195</td>
</tr>
<tr>
<td>2017</td>
<td>1,195</td>
<td>1,195</td>
</tr>
<tr>
<td>2018</td>
<td>1,195</td>
<td>1,195</td>
</tr>
<tr>
<td>2019</td>
<td>1,195</td>
<td>1,195</td>
</tr>
</tbody>
</table>

Water Consumption

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>60</td>
</tr>
<tr>
<td>2017</td>
<td>53</td>
</tr>
<tr>
<td>2018</td>
<td>57</td>
</tr>
</tbody>
</table>

Factual activities: Environmental management

Aisin Group is continually improving its EMS to become one of the most environmentally friendly companies in existence. In addition to gaining the international ISO14001 standard, we have devised our own, more stringent management targets to work toward.

Our EMS Working Group carries out the following three activities to promote environmental management throughout the group.

1. Standardization
2. Assessment
3. Employee development

On November 24, 2019, we ran a booth at Let’s Eco Action in Aichi, held by the Aichi prefectural government, outside Kariya station.

We told attendees about the critical issue of plastics in the sea and carried out the Wakata no Eco Safari (My Eco Action Declaration). Like other companies, Aisin Group has worked on eliminating plastic register bags since 2018, and from January 2020 we have achieved zero plastic register bags in our stores.

ASIN AW Industries is working to reduce the sludge that occurs as a waste material in the treatment of its waste water by selecting or changing the chemicals used in the chemical treatment processes at its treatment plants and optimizing additives.

In fiscal year 2020, we reduced sludge by 20% (5%) year on year by optimizing the chemicals at our waste water treatment plants. We will actively work to reduce our environmental footprint even further in future.

Value creation management

6. Environment

Aisin Group is working on biomass power generation to help build a society that is both low carbon and recycling-oriented. Yamagata Clutch Co., Ltd. introduced Aisin Group’s first electricity generated by biomass in July 2020, achieving an annual emission reduction of around 300t-CO2.

We are now working to expand the use of biomass-based electricity throughout Aisin Group and use more renewable energy in future to build a sustainable society.

*Biomas is a general term for biological materials from sources such as flora and fauna. When electricity is generated from biomass, these materials are converted to energy through processes such as direct combustion or gasification. Technology development in this area is advancing, with various forms of biomass used effectively.

Establishment of a society in which people coexist with nature

Achieving harmony with nature

EXPO 2005 AICHI JAPAN inspired AISIN Group to set up biotopes from 2007. After the Aichi Targets were set to stop the loss of biodiversity at COP10 in 2010, we redoubled our initiatives to preserve rare species in the area.

Our Environmental Conservation Working Group actively works on biodiversity initiatives to prevent abnormal environmental conditions and protect the natural environment.

Biotopes were set up at Asin Sin’s Kouta Plant in December 2018 as a biodiversity activity, and the company began working with Hekinan Sea Side Aquarium in May and August 2019 to release and protect 170 Prusorobora pumila subsp. sensu, a species of fish classified as endangered (IA).

These fish lived in the area around 25 years ago, and were captured and raised by the aquarium. They became extinct in 2019 to release and protect 170 Pseudorasbora pumila subsp. sensu.

Aisin Seiki Co., Ltd. and 128 main consolidated manufacturing subsidiaries (as of November 2019) purchased electricity in Japan Electric Power Exchange and other companies’ networks.

Data indicated with * were received from the independent practitioner’s assurance.

Shaping calculation method

Total CO2 emissions = (Fuel consumption × CO2 emission factor) + (purchased electricity × emission factor)

Scope of calculation

Aisin Seiki Co., Ltd. and 128 main consolidated manufacturing subsidiaries (as of November 2019)

Calculation method

Scope of calculation

Non-fossil-fuel energy certificate associated with renewable power generation (with tracking)

FIT power

General power companies’ networks

Our power stations

AISIN sites

Aisin AW Industries is working to reduce the sludge that occurs as a waste material in the treatment of its waste water by selecting or changing the chemicals used in the chemical treatment processes at its treatment plants and optimizing additives.

In fiscal year 2020, we reduced sludge by 20% (5%) year on year by optimizing the chemicals at our waste water treatment plants. We will actively work to reduce our environmental footprint even further in future.

Value creation management

6. Environment
Resources used and emissions released (fiscal year 2020) 32 core companies in Japan

### INPUT

<table>
<thead>
<tr>
<th>Resource</th>
<th>FY2020</th>
<th>FY2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total direct energy consumption</td>
<td>11,13,936,568</td>
<td>18,480,372</td>
</tr>
<tr>
<td>Natural gas</td>
<td>4,247,265</td>
<td>803,424</td>
</tr>
<tr>
<td>Total indirect energy consumption</td>
<td>18,771,368</td>
<td>66,389</td>
</tr>
</tbody>
</table>

### Quantities of raw materials used

<table>
<thead>
<tr>
<th>Quantity used</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total raw materials used</td>
<td>1,478,060</td>
</tr>
<tr>
<td>Metal, oil, etc. (excluding raw materials)</td>
<td>1,478,060</td>
</tr>
<tr>
<td>Chemical substances (PRTR*2 substances)</td>
<td>1,650</td>
</tr>
</tbody>
</table>

### Quantities of water resources used

<table>
<thead>
<tr>
<th>Quantity used</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total water used</td>
<td>9,218,457</td>
</tr>
<tr>
<td>Public water supply</td>
<td>2,151,521</td>
</tr>
<tr>
<td>Industrial water</td>
<td>5,815,312</td>
</tr>
<tr>
<td>Underground water</td>
<td>1,268,024</td>
</tr>
</tbody>
</table>

### OUTPUT

#### Greenhouse gases

<table>
<thead>
<tr>
<th>Production</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total emissions</td>
<td>1,194,347</td>
</tr>
<tr>
<td>Carbon dioxide (CO2)</td>
<td>1,190,927</td>
</tr>
<tr>
<td>Sulfur hexafluoride (SF6)*3</td>
<td>3,420</td>
</tr>
</tbody>
</table>

#### Waste products

<table>
<thead>
<tr>
<th>Total waste emissions</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total emissions of industrial waste</td>
<td>98.5%</td>
</tr>
<tr>
<td>Quantity of end-processed general waste (to landfill)</td>
<td>3,715</td>
</tr>
</tbody>
</table>

#### Chemical substances

<table>
<thead>
<tr>
<th>Pentachloroethene (PTE) emissions</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total emissions</td>
<td>425</td>
</tr>
</tbody>
</table>

### Recycling

<table>
<thead>
<tr>
<th>Recycling quantity</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total quantity used</td>
<td>382,370</td>
</tr>
<tr>
<td>Public water used</td>
<td>7,346,337</td>
</tr>
<tr>
<td>Recycling rate</td>
<td>98.4%</td>
</tr>
</tbody>
</table>

### Environmental accounting

#### Environmental conservation costs

<table>
<thead>
<tr>
<th>12 core manufacturing companies in Japan*2</th>
<th>Group companies in Japan*1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business operation costs</td>
<td>8.9</td>
</tr>
<tr>
<td>Management costs</td>
<td>1.0</td>
</tr>
<tr>
<td>Upstream/downstream costs</td>
<td>7.0</td>
</tr>
<tr>
<td>Research and development costs</td>
<td>18.05</td>
</tr>
<tr>
<td>Social contribution activity costs</td>
<td>0.21</td>
</tr>
<tr>
<td>Environmental remediation costs</td>
<td>0.08</td>
</tr>
<tr>
<td>Total</td>
<td>35.26</td>
</tr>
</tbody>
</table>

#### Effects of environmental conservation measures

| Energy saving                             | 1.0 | 1.08 | 1.65 | 1.37 | 1.19 | 1.67 |
| Resource saving                           | 0.21 | 0.27 | 0.46 | 0.22 | 0.27 | 0.46 |
| Effects of reducing waste materials       | 0.05 | 0.05 | 0.04 | 0.10 | 0.10 | 0.07 |
| Sale of valued property                   | 7.58 | 9.22 | 6.64 | 7.72 | 9.38 | 6.74 |
| Total                                       | 8.84 | 10.62 | 8.79 | 9.41 | 10.94 | 8.94 |

Note: These figures are based on Environmental Accounting Guidelines fiscal year 2006, issued by Japan’s Ministry of the Environment.

*1 All of the 13 core group companies in Japan except Aisin Development, a non-manufacturing company.

*2 There were 32 companies in fiscal year 2018 and fiscal year 2019 and 31 companies in fiscal year 2020.

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### Independent practitioner’s assurance

#### Deloitte

#### Independent Practitioner’s Assurance Report

September 8, 2020

Mr. Kyosuke Ina, President
Aisin-Seiki Co., Ltd.

Mitsubishi Sajjima
Representative Director
Deloitte Tohmatsu Sustainability Co., Ltd.
3-2, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the Total CO2 emissions and the Water Consumption indicated with ¥5. for the year ended March 31, 2020 (the “Quantitative Environmental Information”) included in the “AISIN GROUP REPORT 2020” (the “Report”) of Aisin-Seiki Co., Ltd. (the “Company”).

The Company’s Responsibility

The Company is responsible for the preparation of the Quantitative Environmental Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the Quantitative Environmental Information included in the Report). CO2 quantification is subject to inherent uncertainty for reasons such as inapplicable scientific knowledge used to determine emissions factors and numerical data.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountancy, which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standards on Quality Control (ISQC), Quality Control for Firms that Perform Auditing and Review of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Quantitative Environmental Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information), issued by the International Auditing and Assurance Standards Board (IAASB), ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the ISAE and the Practical Guidance for the Assurance of Sustainability Information, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of process execution, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and appraising with underlying records. These procedures also included

- Evaluating whether the Company’s methods for estimates are appropriate and had been consistently applied.
- Performing interviews of responsible persons and inspecting documentary evidence to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.
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The procedures performed a limited assurance engagement in nature and timing there, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower that the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing comes to our attention that causes us to believe that the Quantitative Environmental Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner’s Assurance Report issued in the Japanese language.

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AISIN GROUP REPORT 2020 62

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AISIN GROUP REPORT 2020 63
Disclosure according to the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Support for TCFD recommendations and disclosure of information

About TCFD (overview)

TCFD is a task force established by the Financial Stability Board in 2015 to meet the requirements set at G20. The final report was published in June 2017. TCFD’s statement recommends that companies focus on four key elements in the disclosure of information on their organizational operations to enable appropriate evaluation and ranking of their handling of climate change risks and opportunities.

Items recommended for disclosure by TCFD and AISIN Group’s compliance

Governance

Recommended disclosure

- Overseeing the Board of Directors meetings on climate-related risks and opportunities
- Establish consolidated environmental policies and evaluate environmental initiatives under the supervision of the Board of Directors

Compliance

- Set priority issues for the SDGs, including climate change, through management meetings and Board of Director meetings to accelerate sustainability management
- Establish consolidated environmental policies and evaluate environmental initiatives under the supervision of the Board of Directors

Risk management

Recommended disclosure

- Identify transitional and physical risks caused by climate change and build a framework for evaluation and management of risks
- Identify three as major risks that impact AISIN Group and regularly monitor them through the Sustainability Conference, etc.
- Reflect external evaluations such as COPs and dialog with investors in our risk management throughout our organization

Compliance

- Identify transitional and physical risks caused by climate change and build a framework for evaluation and management of risks
- Identify three as major risks that impact AISIN Group and regularly monitor them through the Sustainability Conference, etc.
- Reflect external evaluations such as COPs and dialog with investors in our risk management throughout our organization

Indices and targets

Recommended disclosure

- Disclosure measurement standards used for evaluation of climate-related risks and opportunities according to our own strategies and risk management
- Disclose GHG emissions and related risks for scopes 1, 2 and 3
- Targets for FY2031
  - CO2 emissions from production* (Scope 1, 2 and 3)
  - CO2 emissions and energy in scope 1 (direct) and scope 2 (indirect)

Compliance

- Analysis of opportunities and transitional and physical risks accompanying climate change in the short- to medium-term
- Building of company structure to promote the transition to a zero carbon society as a business
- Analysis of transitional and physical risks based on definitions of the TCFD recommendations

Impact on direct operations

A below 2°C scenario

- To achieve the vision for the future outlined in TCFD, AISIN Group recognizes that climate action is an important management strategy. Initiatives to prevent global warming are discussed at our management meetings and Board of Directors meetings, and this issue has been selected as a priority issue to be tackled by AISIN Group according to the SDGs.
- To achieve the vision for the future outlined in TCFD, AISIN Group recognizes that climate action is an important management strategy. Initiatives to prevent global warming are discussed at our management meetings and Board of Directors meetings, and this issue has been selected as a priority issue to be tackled by AISIN Group according to the SDGs.

Support for TCFD recommendations

AISIN Group agreed to TCFD recommendations in November 2019 and established a scenario analysis project that ran from December 2019 to March 2020.

Scenario analysis and setting of targets and scenarios

AISIN Group has always met the diverging needs of the automotive industry with advanced technology, but with the biggest period of change in 100 years and the threat of large-scale disasters caused by climate change, we are facing our biggest challenges ever.
- To overcome this period of change and assess whether we can achieve sustainable growth, we have analyzed scenarios using TCFD based on the perspectives we are anticipating from our stakeholders.

Analysis and setting of scenarios

We conducted a global analysis of all of our businesses to confirm the overall impact on AISIN Group’s businesses.
- A below 2°C scenario is expected as a result of the impact from a transitional perspective and a 4°C scenario is expected as a result of the impact from a physical perspective.
- 2030 was set as the timeframe to assess short-, medium- and long-term perspectives, as this is the point at which the automotive industry is expected to transition to electrification.

Global average change in temperature

AISIN Group identified all anticipated risks and opportunities, including points other than the anticipated concerns of our stakeholders, and conducted a detailed analysis of three risks that are of particular concern.

Identification of risks and opportunities

• Difficulty staying in business due to depletions of usable marine resources
• Increases in average temperatures and air conditioning costs due to production processes
• Increase in demand for high-resilience ENFARM household fuel cells (SOFC) and gas heat pump air-conditioners

Strategies

- Bold policies and technological innovation to achieve sustainable development
- Introduction of carbon tax
- Shift to electrification

Anticipated concerns of stakeholders

<table>
<thead>
<tr>
<th>Transitional</th>
<th>Physical</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Low evaluation of carbon efficiency, easily affected by carbon tax</td>
<td>(1) Increase in demand for high-resilience ENFARM household fuel cells (SOFC) and gas heat pump air-conditioners</td>
</tr>
<tr>
<td>(2) Internal combustion engines are still widely used, industry will need to adapt rapidly to electrification</td>
<td>(2) Demand differs depending on whether customers comply with zero carbon requirements</td>
</tr>
</tbody>
</table>

Risks and opportunities below 2°C scenario

- Disruption of supply chains as a result of a further increase in weather disasters (heavy rains, typhoons, etc.)
- With a rise in sea levels and average temperatures and the depletion of usable marine resources in communities, key supplier sites that we have dealt with thus far will struggle to stay in business

Risks and opportunities in 4°C scenario

- Increase in health risks for employees and air conditioning costs due to increases in average temperatures
- Difficulty staying in business due to depletion of usable marine resources in communities

Vision for society

- Bold policies and technological innovation to achieve sustainable development
- Introduction of carbon tax
- Shift to electrification

Society in which climate change caused by global warming affects businesses

- More severe flooding from heavy rains and typhoons

For more details on our climate change measures, refer to p.58-63 of our Integrated Report or our website.
Results of scenario analysis (details)

**Scenario 1**
Introduction of carbon tax, increasing call for zero carbon by our customers

**Scenario 2**
While the promotion of electrification increases demand for electric vehicle products, it also decreases demand for products for vehicles with an internal combustion engine

### Risks/opportunities

<table>
<thead>
<tr>
<th><strong>Risks/opportunities</strong></th>
<th><strong>Prerequisites</strong></th>
<th><strong>Measures</strong></th>
<th><strong>Impact/evaluation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Possibility of carbon tax due to future government regulations, etc.</td>
<td>C.O. emissions from production</td>
<td>AISIN Group is working to reduce emissions by 35% compared to FY2014 by FY2031</td>
<td>Improved carbon efficiency in future due to initiatives to reduce emissions</td>
</tr>
<tr>
<td>Selection of products for procurement from the perspective of carbon efficiency in customer production processes</td>
<td>Carbon prices $10,000/CO₂ based on SDP price in IEA WEO2019 in anticipation of 2°C scenario</td>
<td>We are considering new technology such as methanation and hydrogen technology, along with renewable energy procurement strategies</td>
<td>Scenarios for reduction of C.O₂ in production in FY2031.</td>
</tr>
<tr>
<td>Greater calls for reductions of emissions in scopes 1 and 2 by AISIN Group as automotive manufacturers are expected to set targets for the reduction of CO₂ throughout the life of products</td>
<td>There is a concern that our business will be threatened by the impact on sales of products with low carbon efficiency combined with high CO₂ emissions from production subject to carbon tax</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Risks/opportunities

<table>
<thead>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

**Scenario 3**
Temporary suspensions of business as a result of larger and more frequent weather disasters (heavy rains, typhoons, etc.)

**Scenario 4**
4°C scenario × impact on direct operations

**Future developments**

Fiscal year 2031, in addition to setting priority issues regarding the SDGs, we have set targets and KPIs for fiscal year 2031 to promote specific activities. The results will be reflected in our medium- to long-term strategies and targets in future. We are steadily carrying out the following measures to strengthen our resilience in the face of the impact on AISIN Group's products and services.

- Shift to products for electric vehicles (product development)
- Reduction of CO₂ emissions from production (Environmental Action Plan)

### Risks/opportunities

<table>
<thead>
<tr>
<th><strong>Risks/opportunities</strong></th>
<th><strong>Prerequisites</strong></th>
<th><strong>Measures</strong></th>
<th><strong>Impact/evaluation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Larger and more frequent weather disasters</td>
<td>Research on flood risks at production sites based on local government bodies' hazard maps</td>
<td>We are establishing measures to keep out deep water (prevent damage to the area in the event of flooding of this nature), steadily implementing these measures and working to strengthen them.</td>
<td>We identified sites with a high risk of water damage (8 due to flooding and 6 due to storm surges)</td>
</tr>
<tr>
<td>Concerns about opportunity losses and disaster recovery costs as a result of temporary suspensions of business after disasters</td>
<td>Damage to rise embankments as a result of area's highest class of rainfall in the last 200 years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Message from Officer**

Environmental conservation initiatives such as the prevention of global warming are a key point tackled in AISIN Group’s management. In addition to setting priority issues regarding the SDGs, we have set targets and KPIs for fiscal year 2031 to promote specific activities. Based on the environmental issues the world has faced thus far, we recognize the importance of building a sustainable society through the products and services we provide as a manufacturer to resolve worsening issues such as climate change, impact on water resources and plastic pollution in the seas. As electric vehicles become mainstream around the world and electricity shifts to natural sources, we are conducting comprehensive evaluations of environmental risks and opportunities in future and presenting specific policies for group-wide initiatives.
7. Social Engagement and Contribution to Development

Initiatives to “Be With” local communities

“Harmony with Society and Nature” is a core corporate principle of AISIN Group, with AISIN Group Principles of Corporate Behavior pledging to actively engage with society and contribute to sustainable development based on an awareness that companies are members of society. Our activities are guided by the motto “Be With”. We work with local communities to build a richer society.

AISIN Group develops a wide range of social contribution activities together with our stakeholders, through the three pillars of protection of nature and the environment, nurturing youth and community building and development. Through these activities, the group is working proactively to contribute to the achievement of the Sustainable Development Goals (SDGs), a set of common goals for international society to work toward achieving by the year 2030.

As a member of the automotive industry, we are actively carrying out activities at each of our sites around the world, including community activities to increase awareness of traffic safety, safety patrols, safety talks and donations.

Driving sessions on a local test course

We provided sessions with our driving technology at a local test course at Lake Yudo-uma, Hokkaido to promote traffic safety in the community. We taught members of the community how to drive on the frozen lake. The session taught members of the local community, including town hall employees and officers in police boxes, about technology for driving in winter.

We give employees the opportunity to help tackle global health issues and volunteer for causes such as support for regions affected by disasters.

Taking part in TABLE FOR TWO

We have been taking part in TABLE FOR TWO (TFT), an activity aiming to provide food to developing countries and eradicate obesity and lifestyle diseases in industrialized countries, with a focus on imbalances in world food consumption. In fiscal year 2020, we raised enough money to provide around 235,000 meals and achieved “Platinum Supporter” status, the highest level awarded by TFT, for the Seventh consecutive year. (We placed first in the cafeteria category.)

Support for medical facilities

We are involved in the Kksorohakkejyoubiken Project*, which supports medical facilities that are working around the clock on COVID-19 testing and treatment. We support these hardworking professionals by producing basic beds and partitions, and have donated surgical masks to local medical and welfare facilities.

Spending on social contribution activities

Our spending on social contribution activities can be classified into the following three categories according to the LBS (London Benchmarking Group) guidelines.

| Charitable donations (million yen) | 335 |
| Community investment | 469 |
| Commercial initiatives | 1,421 |
| **Total** | **2,225** |

* A project by the Toyota Group encompassing various initiatives to support patients, medical professionals, governments and local government bodies in the fight against COVID-19.
8. Thorough Crisis Management

Risk management policies and risks

We are entering an age in which business activities are impacted by climate change, depletion of resources, large-scale disasters and outbreaks of infectious diseases, and social and environmental issues such as the destabilization of society caused by growing inequality are having a significant impact on companies’ value creation and business models. With our business environment changing so drastically, we need to assess the risks that could stand in the way of sustainable growth in the long term and take suitable measures to address them. AISIN Group considers risk management to be a crucial element that needs to be tackled in order to achieve sustainable growth and stability. After the fire at our Kariya Plant in 1997, we established a Consolidated Risk Management Committee, chaired by our Chief Risk Officer (CRO), to apply the valuable lessons we learned and carry out all-encompassing management of all the major risks that we face. As part of our group-wide efforts to build resilience against disasters, we undertake education and awareness-raising activities to enable each and every employee to take appropriate action in accordance with the Risk Management Guide when risk events occur. This guide stipulates procedures to be followed in ordinary times (before a situation occurs) and during an emergency (when a situation occurs).

Ascertaining risks and conducting risk assessments during normal times

Risk assessments are conducted to predict and then minimize risks in a company’s business environment. AISIN Group carries out activities to identify key risks each year based on societal changes and environmental issues, including discussions with top management and divisions affected by each risk. Risks with varying degrees of severity are mapped on two axes: degree of impact and likelihood of occurrence. High-priority risks are tackled through risk management activities led by the relevant divisions. Risks that have become more critical in fiscal year 2021 are water disasters, cyber attacks and supply chain disruptions caused by supplier’s operations. In addition to targeted activities against these risks, we are taking measures against new risks on our radar, such as infectious diseases and fraud. These measures are approved by the Consolidated Risk Management Committee and addressed through countermeasures by all companies and relevant divisions in AISIN Group.

Corporate security system

Thus far, AISIN Group assigns the responsibilities and authority for corporate security and the protection and use of personal information to the officers responsible for the management of various risks that could severely impact our business and those responsible for establishing information strategies, IT investment plans and similar according to our management strategies. From April 2020, we appointed a new Chief Digital Officer (CDD) to strengthen our corporate security governance throughout AISIN Group.

Risk assessments and measures for response and recovery in the event of an incident

AISIN Group carries out our response and recovery measures according to our guide to measures in the event of a major earthquake (response) and our manual on our process for handling disasters (response and recovery). These were created based on the section in our Risk Management Guide about when an emergency occurs (response and recovery). We also build a group headquarters framework when we discover or predict a hazard, and group-wide training is carried out regularly so that employees are able to take measures to minimize damage at any time.

Business continuity plan (BCP) and company-wide risk management

To pass on lessons and observations that AISIN Group has gained from past disasters to all of our employees, an AISIN Group BCP Committee comprising the top management, officers and relevant managers in the group’s 5 core companies meets each year on the anniversary of the Kumamoto earthquake with the aim of strengthening our business community plan (BCP) activities.

In fiscal year 2021, we carried out disaster mitigation activities, put measures in place at one of our production sites (diversification into multiple sites, etc.) and installed backup power sources. We also carried out systematic measures to minimize damage caused by major earthquakes based on the AISIN Global Safety Standard (AGSS) and what we have learned from the earthquakes that occurred in Kumamoto, Osaka and Hokkaido over the last few years. AISIN Group is also enhancing its response capabilities in preparation for responding to earthquakes and other large-scale disasters, with the basic policies of saving lives, ensuring safety, contributing to local communities and restoring production. To prepare for flooding and fires, two disasters that cause widespread damage, we have established a system to visualize our supply chain 24 hours a day, 365 days a year, so that we can respond to and recover from disasters more quickly.

Corporate security policies

Advances in IoT are connecting more and more items and types of information, bringing new value to society. Unfortunately, threats such as cyber attacks are being carried out more skilfully each day, and there is an ever-present threat that company information, customer details and other private information will be leaked. Attacks like these stand in the way of sustainable growth of companies, and it is critical that these risks are managed.

With this in mind, AISIN Group has established AISIN Group Basic Policy on Information Security. Information assets that are entrusted to us by customers and trading partners or are related to the group’s business activities are vital assets of AISIN Group, and we carry out systematic, ongoing information security measures to protect them.

We also established the Global AISIN-Corporate Security Center (GA-CSC) as a specialist security organization to protect the company from risks such as cyber attacks and unauthorized actions by employees. GA-CSC collects and deploys security-related information and handles incidents to enable early detection and a rapid response throughout AISIN Group.

Organization diagram of Consolidated Risk Management Committee (one meeting per year)

AISIN Group BCP Conference (on the anniversary of the Kumamoto Earthquake)
**Risk plan for fiscal year 2020**

<table>
<thead>
<tr>
<th>Risk item</th>
<th>KPIs for risk measures</th>
<th>FY2020</th>
<th>Main issues/activity plan</th>
<th>Activities</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Major earthquakes</td>
<td>• Fatalities or injuries</td>
<td>• Full implementation of disaster-preventing measures in plant facilities.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Incidents at overseas facilities</td>
<td>• Measures against emissions in AOE after changing the layout of the facility.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>• Comprehension of disaster-preventing measures</td>
<td>• Continuous training of disaster-preventing measures (details reported at BCF training).</td>
<td></td>
<td>Not achieved</td>
<td></td>
</tr>
<tr>
<td>2 Lightning damage</td>
<td>• Incidents or faults in testing facilities</td>
<td>• Ensuring safety and preventing damage to facilities in the event of lightning.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Implementation of countermeasures by each domestic group company</td>
<td>• Implementation of countermeasures at each company.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>3 Water damage</td>
<td>• Fatalities or impact on communities</td>
<td>• Assessment of risks at each company from hazard map.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>• Failure to handle incidents</td>
<td>• Route collection of information from group companies.</td>
<td></td>
<td></td>
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<tr>
<td>4 Occupational accidents</td>
<td>• Severe accidents</td>
<td>• Systematic installation of 3D scanning equipment.</td>
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<tr>
<td></td>
<td>• Prevention of accidents in construction</td>
<td>• Continuous prevention of accidents.</td>
<td></td>
<td></td>
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<tr>
<td>5 Fire and explosions</td>
<td>• Fires</td>
<td>• Continuous 100% completion of training for the 4 basic actions.</td>
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<tr>
<td></td>
<td>• Foreign fires</td>
<td>• Measures for fires in dust and dust collection.</td>
<td></td>
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</tr>
<tr>
<td>6 Suspension of production due to a disaster or accident</td>
<td>• Suspensions of production due to disasters or accidents</td>
<td>• Measures for suspension and suspension of production due to disasters.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>• Establishment of recovery procedures as a model for actions in the event of a disaster</td>
<td>• Establishment of procedures for disaster prevention and response.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 Suspension of production</td>
<td>• Suspension of production for back-up power supplies for 22 facilities where suspension would severely impact production</td>
<td>• Establishment of safety management and equipment management.</td>
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<tr>
<td></td>
<td></td>
<td>• Establishment of safety management and equipment management.</td>
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</tr>
<tr>
<td>8 Terror, coup, riots</td>
<td>• Fatalities or injuries</td>
<td>• Handling of threats to life due to terrorism, riots, etc.</td>
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<td></td>
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<tr>
<td></td>
<td>• Incidents at overseas facilities</td>
<td>• Strengthening of training and provision of information for employees who are posted overseas or traveling for business.</td>
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<tr>
<td>9 Cyber attacks</td>
<td>• Information leakage</td>
<td>• Strengthening of advanced log analysis by specialized security organization.</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td>• Incidents at overseas facilities</td>
<td>• Implementation of security measures and updates to content published online.</td>
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<td></td>
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</tr>
<tr>
<td>10 Damage resulting from theft</td>
<td>• Incidents or faults in testing facilities</td>
<td>• Building of framework for fast response to cyber incidents.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Prevention of threats to life due to damage to the power supply</td>
<td>• Training and provision of information for employees who are posted overseas or traveling for business (warnings, travel restrictions, thorough safety procedures, etc.).</td>
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</tr>
</tbody>
</table>

**Administrative risks**

<table>
<thead>
<tr>
<th>Risk item</th>
<th>KPIs for risk measures</th>
<th>FY2020</th>
<th>Main issues/activity plan</th>
<th>Activities</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Information leakage</td>
<td>• Major cases of leakage</td>
<td>• Compliance with and thorough implementation of information security management rules for mobile work.</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>• Continuous evaluation of information security management rules for all companies in the group.</td>
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</tr>
<tr>
<td>13 Environmental pollution</td>
<td>• Incidents of external thresholds being exceeded</td>
<td>• Creation of operational management rules to prevent environmental incidents and to effectively implement measures for improvement.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Measure against environmental abnormality.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>14 Quality issues</td>
<td>• Major cases of leakage</td>
<td>• Strengthening of advanced log analysis for use in the mobile environment.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Incidents of external thresholds being exceeded</td>
<td>• Strengthening of advanced log analysis for use in the mobile environment.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>15 Suspension of suppliers’ operations</td>
<td>• Incidents of external thresholds being exceeded</td>
<td>• Strengthening of advanced log analysis for use in the mobile environment.</td>
<td></td>
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</tr>
</tbody>
</table>

**Financing plans for the year**

- Establishment of response plan to maintain financial stability and good governance
- Establishment of response to financial abnormality

**Risk of accidents and disaster**

- Establishment of measures against theft
- Establishment of measures against cyber attacks
- Establishment of measures against natural disasters

**Financial management**

- Establishment of financial management rules for mobile work
- Establishment of measures against environmental abnormality
## Environmental Data

### Results of activities for the Sixth Environmental Action Plan in fiscal year 2020

<table>
<thead>
<tr>
<th>Environmental area</th>
<th>Evolutions</th>
<th>Measures</th>
<th>FY2020 results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishment of a recycling-oriented society</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effort in Japan</td>
<td></td>
<td></td>
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<tr>
<td>1. Effort in Japan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement of transportation efficiency in distribution activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement of CO reduction system in line with expansion of overseas operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan: Continuation of improvement efforts</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Promotion of recycling of resources in production and distribution, and consequent reduction of the use of resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion of recycling of materials</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>within the group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduction of packaging materials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall: Redirection of packaging materials and all-out intensive efforts to promote such methods</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective use of metallic resources during the development stage and all-out efforts to promote recycling</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed activities to ascertain the current state of metallic resources that should be managed by AISIN Group, and confirmed that there is no problem at present</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Created 12 representative examples of waste reduction and recovery of valuable matter from for AISIN Group</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed 7 examples of countermeasures against sources of issues overseas</td>
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<tr>
<td>Promotion of recycling of resources in production and distribution, and consequent reduction of the use of resources</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion of recycling of materials</td>
<td></td>
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<tr>
<td>within the group</td>
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<tr>
<td>Distribution</td>
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</tr>
<tr>
<td>Reduction of packaging materials</td>
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<td></td>
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</tr>
<tr>
<td>Overall: Redirection of packaging materials and all-out intensive efforts to promote such methods</td>
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<td></td>
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</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>Completed 7 examples of countermeasures against sources of issues overseas</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
A system enabling employees to choose from many different career options

A leave system for employees who cannot work due to their spouse relocating for reasons such as a transfer

A system for rehiring employees who leave for unavoidable reasons such as raising children or caring for a family member

Two day care centers are available to serve employees in various locations. Employees can also use the Toyota Group’s day care

An online test for all managers to promote an understanding of diversity and inclusion

AISIN GROUP REPORT 2020

HR data

Key themes

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respect for human rights</td>
<td></td>
<td></td>
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<tr>
<td>Employees who answered the employee CSR survey</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Alan Seiki</td>
<td></td>
<td>%</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
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<tr>
<td>5 companies</td>
<td></td>
<td>%</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
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<tr>
<td>Investment in employees</td>
<td></td>
<td>Hours</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Annual hours of training per employee</td>
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<tr>
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<td>38.0</td>
<td>38.0</td>
<td>38.0</td>
<td>38.0</td>
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<tr>
<td>Fulfillment (engagement)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fulfillment (according to results of employee awareness survey)</td>
<td></td>
<td>%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alan Seiki</td>
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<td>%</td>
<td>3.4</td>
<td>3.4</td>
<td>3.4</td>
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</tr>
<tr>
<td>5 companies</td>
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<td>%</td>
<td>3.4</td>
<td>3.4</td>
<td>3.4</td>
<td>3.4</td>
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<tr>
<td>Turnover (resignation)</td>
<td></td>
<td>%</td>
<td></td>
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</tr>
<tr>
<td>Alan Seiki</td>
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<td>%</td>
<td>1.3</td>
<td>1.3</td>
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<tr>
<td>5 companies</td>
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<td>%</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
<td>1.3</td>
</tr>
</tbody>
</table>

Diversity and inclusion

Managers and ratio of female manager | Persons | % | 58.9 | 58.9 | 58.9 | 58.9 |

Local employees in executive positions (head of division or higher) at overseas companies | Persons | % | 56.3 | 56.3 | 56.3 | 56.3 |

Re-employment | | % | 73.3 | 73.3 | 73.3 | 73.3 |

Hiring of employees with disabilities* | Persons | % | 100.0 | 100.0 | 100.0 | 100.0 |

Work-life balance

Work hours | Persons | % | 100.0 | 100.0 | 100.0 | 100.0 |

Paid leave taken | Persons | % | 100.0 | 100.0 | 100.0 | 100.0 |

Key themes

<table>
<thead>
<tr>
<th>Item</th>
<th>Unit</th>
<th>FY2016</th>
<th>FY2017</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career support for women</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees receiving stress check/mental health check</td>
<td></td>
<td>%</td>
<td>98.4</td>
<td>98.4</td>
<td>98.4</td>
<td>98.4</td>
</tr>
<tr>
<td>Alan Seiki</td>
<td></td>
<td>%</td>
<td>98.4</td>
<td>98.4</td>
<td>98.4</td>
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<tr>
<td>5 companies</td>
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<td>%</td>
<td>98.4</td>
<td>98.4</td>
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</tr>
<tr>
<td>Employees undergoing mental health training*</td>
<td></td>
<td>%</td>
<td>144</td>
<td>144</td>
<td>144</td>
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</tr>
<tr>
<td>Alan Seiki</td>
<td></td>
<td>%</td>
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<td>144</td>
<td>144</td>
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</tr>
<tr>
<td>5 companies</td>
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<td>%</td>
<td>144</td>
<td>144</td>
<td>144</td>
<td>144</td>
</tr>
<tr>
<td>Non-reducing employees</td>
<td></td>
<td>%</td>
<td>67.8</td>
<td>67.8</td>
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<td>67.8</td>
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<tr>
<td>Alan Seiki</td>
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<tr>
<td>5 companies</td>
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<td>Healthy business practices</td>
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<td>67.8</td>
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</tbody>
</table>

* Figures for each year are recorded on June 1.
*3 Company-wide training commenced in fiscal year 2019.

AISIN GROUP REPORT 2020
## Consolidated summary of financial and non-financial information over the last 11 years

### Financial condition and operations results

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Revenue (net sales)</td>
<td>¥ 2,054,474</td>
<td>¥ 2,257,486</td>
<td>¥ 2,304,168</td>
<td>¥ 2,529,964</td>
<td>¥ 2,822,215</td>
<td>¥ 2,964,619</td>
<td>¥ 3,243,178</td>
<td>¥ 3,345,985</td>
<td>¥ 3,562,622</td>
<td>¥ 3,908,937</td>
<td>¥ 4,043,110</td>
</tr>
<tr>
<td>Revenue ratio of overseas locations (%)</td>
<td>26.7</td>
<td>29.8</td>
<td>29.4</td>
<td>31.7</td>
<td>36.5</td>
<td>39.3</td>
<td>43.8</td>
<td>43.7</td>
<td>41.8</td>
<td>41.1</td>
<td>41.2</td>
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<tr>
<td>Operating profit</td>
<td>87,546</td>
<td>137,266</td>
<td>121,832</td>
<td>148,892</td>
<td>171,196</td>
<td>166,103</td>
<td>176,435</td>
<td>190,640</td>
<td>228,691</td>
<td>253,808</td>
<td>205,562</td>
</tr>
<tr>
<td>Profit before income taxes (income before income taxes and non-controlling interests)</td>
<td>57,665</td>
<td>147,894</td>
<td>129,140</td>
<td>158,725</td>
<td>189,462</td>
<td>184,062</td>
<td>186,887</td>
<td>194,060</td>
<td>237,311</td>
<td>268,171</td>
<td>217,486</td>
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<tr>
<td>Profit for the period attributable to owners of the parent</td>
<td>16,605</td>
<td>69,643</td>
<td>55,497</td>
<td>77,518</td>
<td>90,089</td>
<td>77,550</td>
<td>96,974</td>
<td>100,332</td>
<td>126,653</td>
<td>134,551</td>
<td>110,123</td>
</tr>
<tr>
<td>Total equity (net assets)</td>
<td>871,889</td>
<td>917,907</td>
<td>969,307</td>
<td>1,136,343</td>
<td>1,328,503</td>
<td>1,532,776</td>
<td>1,777,990</td>
<td>1,558,468</td>
<td>1,694,864</td>
<td>1,803,129</td>
<td>1,873,627</td>
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<tr>
<td>Total assets</td>
<td>1,981,988</td>
<td>1,978,225</td>
<td>2,073,836</td>
<td>2,248,100</td>
<td>2,587,623</td>
<td>2,931,175</td>
<td>2,864,616</td>
<td>3,309,377</td>
<td>3,338,339</td>
<td>3,527,910</td>
<td>3,751,880</td>
</tr>
<tr>
<td>Equipment investment</td>
<td>83,821</td>
<td>133,283</td>
<td>150,798</td>
<td>195,032</td>
<td>204,796</td>
<td>247,815</td>
<td>294,188</td>
<td>294,188</td>
<td>237,449</td>
<td>260,315</td>
<td>389,932</td>
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<td>Depreciation</td>
<td>169,667</td>
<td>144,831</td>
<td>137,757</td>
<td>139,220</td>
<td>149,038</td>
<td>161,028</td>
<td>188,213</td>
<td>186,197</td>
<td>197,168</td>
<td>213,430</td>
<td>224,168</td>
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<tr>
<td>R&amp;D expenditure</td>
<td>101,102</td>
<td>111,430</td>
<td>121,449</td>
<td>135,067</td>
<td>144,383</td>
<td>149,132</td>
<td>162,635</td>
<td>162,635</td>
<td>167,719</td>
<td>182,900</td>
<td>205,823</td>
</tr>
<tr>
<td>R&amp;D to revenue ratio (%)</td>
<td>4.9</td>
<td>4.9</td>
<td>5.3</td>
<td>5.3</td>
<td>5.1</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>4.7</td>
<td>4.7</td>
<td>5.4</td>
</tr>
</tbody>
</table>

### Per share information (unit: yen, U.S. dollar)

- **EPS**: Basic earnings per share
  - 2010: ¥ 50.0
  - 2011: ¥ 247.46
  - 2012: ¥ 197.04
  - 2013: ¥ 275.05
- **ROIC**: Return on invested capital
  - 2010: 1.3%
  - 2011: 5.0%
  - 2012: 7.2%
  - 2013: 3.2%

### Cash flow

- **Cash flow**: Net cash provided by (used in) operating activities
  - 2010: ¥ 303,788
  - 2011: ¥ 273,627
  - 2012: ¥ 167,201
  - 2013: ¥ 256,343
- **Net cash provided by (used in) investing activities**: ¥ 386,606
  - 2010: ¥ -331,630
  - 2011: ¥ 14,833
  - 2012: ¥ -195,165
  - 2013: ¥ -198,693
- **Net cash provided by (used in) financing activities**: ¥ 3,891,582
  - 2010: ¥ 3,542,600
  - 2011: ¥ 4,109,211
  - 2012: ¥ 3,981,583
  - 2013: ¥ 100

### Dividends/payout ratio (%)

- 2010: 30.0%
- 2011: 50.0%
- 2012: 50.0%
- 2013: 50.0%

### Consolidated financial indicators

- **Operating profit margin (%)**: 4.1%
- **Net profit margin (%)**: 1.6%
- **Return on equity (%)**: 9.8%

### Other

- **Exchange rate (U.S. dollar)**
  - 2010: ¥ 75.84
  - 2011: ¥ 69.02
  - 2012: ¥ 59.02
  - 2013: ¥ 59.02

### Non-financial data

- **Total CO2 emissions (1,000t-CO2)**
  - 2010: 2,077,496
  - 2011: 2,305,986
  - 2012: 2,231,883
  - 2013: 2,279,487
- **Total CO2 emissions in transportation (1,000t-CO2)**
  - 2010: 52,065
  - 2011: 59,922
  - 2012: 64,944
  - 2013: 67,824
- **Waste emissions (1,000t-CO2)**
  - 2010: 147,100
  - 2011: 146,910
  - 2012: 148,900
  - 2013: 164,944
- **VOC emissions (t) and index of VOC emissions per sales**
  - 2010: 1,041,800
  - 2011: 783,573
  - 2012: 855,075
  - 2013: 838,570
- **Employees**
  - 2010: 73,213
  - 2011: 73,671
  - 2012: 78,212
  - 2013: 83,378
- **Overseas employees/total (%)**
  - 2010: 26.19%
  - 2011: 34.36%
  - 2012: 36.84%
  - 2013: 40.43%
- **Rate of disability injuries occurring in the workplace (%)**
  - 2010: 0.17
  - 2011: 0.14
  - 2012: 0.13
  - 2013: 0.09

[2] Emissions in transportation (1,000t-CO2), emissions index of CO2 emissions per sales.
[3] Index of VOC emissions per sales.

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*2020 AISIN GROUP REPORT*
Overview of status of business results

The overview of the group’s financial condition, business results and cash flow status in the current consolidated fiscal year are as follows.

1. Status of financial condition and business results

   Looking at the business environment surrounding the automotive industry during this consolidated fiscal year, the downturn in consumers’ inclination to purchase products due to factors such as trade frictions between the USA and China are being compounded by the COVID-19 pandemic, creating grim economic conditions around the world. This is a crisis for the automotive industry. Automobile sales have plummeted, falling behind last year’s figures in all major markets including China, North America and Europe.

   To overcome these circumstances, AISIN Group is aiming to become a vibrant company that is truly competitive and strengthen our corporate framework, and have been building a framework that will enable us to survive the next era.

Results by segment are as follows.

• Aisin Seiki Group

   Revenue was ¥1,685.7 billion, a 5.4% decrease over the previous consolidated fiscal year (¥1,782.6 billion), due to a decrease in sales to domestic and overseas customers. Operating profit was ¥30.2 billion, a 54.9% decrease over the previous consolidated fiscal year (¥67.0 billion), due to a decrease in sales and the posting of business process costs such as impairment, despite factors that increased profit, such as rationalization efforts.

   Results by segment are as follows.

• Aisin AW Group

   Revenue was ¥1,622.1 billion, a 9.8% decrease over the previous consolidated fiscal year (¥1,799.2 billion), due to a decrease in sales to domestic and overseas customers. Operating profit was ¥19.9 billion, an 81.9% decrease over the previous consolidated fiscal year (¥110.2 billion), due to a decrease in sales and the posting of business process costs, despite factors that increased profit, such as rationalization efforts.

• Aisin Takaoka Group

   Revenue was ¥131.0 billion, a 3.3% decrease over the previous consolidated fiscal year (¥135.2 billion), due to a decrease in sales to domestic and overseas customers. Operating profit was ¥6.7 billion, a 50.4% decrease over the previous consolidated fiscal year (¥13.5 billion), due to an increase in corporate bonds and loans. Capital at the end of this consolidated fiscal year was ¥1,795.6 billion, a 4.2% decrease over the end of the previous fiscal year (¥1,873.6 billion).

• ADVICS Group

   Revenue was ¥582.6 billion, a 3.0% decrease over the previous consolidated fiscal year (¥600.4 billion), due to a decrease in sales to domestic and overseas customers. Despite factors that increased profit such as rationalization efforts, factors such as a decrease in sales and the posting of depreciation of prior investments led to a ¥3.5 billion decrease in operating profit over the previous consolidated fiscal year (¥11.8 billion).

• Other

   Revenue was ¥65.6 billion, a 4.8% decrease over the previous consolidated fiscal year (¥68.9 billion), and operating profit was ¥1.9 billion, a 49.6% decrease over the previous consolidated fiscal year (¥4.8 billion), due to a decrease in sales to domestic and overseas customers.
2. Status of cash flow

Regarding the status of cash flow, the balance of cash and equivalents (hereafter "capital") for the current consolidated fiscal year shows an increase of ¥327.5 billion due to operating activities, a decrease of ¥273.8 billion due to investing activities, an increase of ¥275.3 billion due to financing activities and a decrease of ¥11.0 billion due to exchange differences on capital. The balance at the end of the current consolidated fiscal year was ¥675.1 billion, a ¥317.9 billion (89.0%) increase over the end of the previous consolidated fiscal year (¥357.1 billion).

- Cash flow due to operating activities
  Capital gained from operating activities was ¥327.5 billion, a ¥27.3 billion (7.7%) decrease over the previous consolidated fiscal year (¥354.9 billion). This was due to factors such as a ¥76.8 billion increase in the category "Other" due to causes such as an increase in impairment loss on property, plants and equipment, along with a ¥164.0 billion decrease in profit before income taxes despite a ¥67.3 billion decrease on trade and other receivables.

- Cash flow due to investment activities
  Capital gained from investing activities was ¥273.8 billion, a ¥140.6 billion (33.9%) decrease over the previous consolidated fiscal year (¥414.4 billion). This was mainly due to a decrease of ¥64.2 billion in purchasing of property, plants and equipment, a decrease of ¥63.1 billion in savings accounts and a decrease of ¥1.2 billion in purchasing of investment securities.

- Cash flow due to financing activities
  Capital gained from financing activities was ¥275.3 billion, a dramatic increase over the previous consolidated fiscal year (¥13.1 billion). This was due to a ¥188.0 billion increase in proceeds from issuance of bonds and an ¥81.7 billion increase in the balance of loans and repayment despite an ¥11.9 billion increase in repayment of lease liabilities. One reason for this is that some cash flow related to operating leases is now indicated as cash flow due to financing activities after applying IFRS 16 Leases. Before this standard was applied, this cash flow was indicated as cash flow due to operating activities.

### Consolidated statements of financial position

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>357,195</td>
<td>675,162</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>620,630</td>
<td>533,577</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>137,433</td>
<td>107,774</td>
</tr>
<tr>
<td>Inventories</td>
<td>341,506</td>
<td>365,251</td>
</tr>
<tr>
<td>Other current assets</td>
<td>66,722</td>
<td>61,105</td>
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<tr>
<td>Total current assets</td>
<td>1,523,488</td>
<td>1,746,871</td>
</tr>
<tr>
<td>Non-current assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plants and equipment</td>
<td>1,479,621</td>
<td>1,463,084</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>40,702</td>
<td>36,741</td>
</tr>
<tr>
<td>Right-of-use assets</td>
<td>40,000</td>
<td>57,831</td>
</tr>
<tr>
<td>Investments accounted for using the equity method</td>
<td>107,854</td>
<td>112,515</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>449,982</td>
<td>434,583</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>120,525</td>
<td>141,685</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>29,707</td>
<td>19,378</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>2,228,392</td>
<td>2,245,780</td>
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<tr>
<td><strong>Total assets</strong></td>
<td>3,751,880</td>
<td>3,992,652</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities and equity</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current liabilities</td>
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<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>850,616</td>
<td>778,466</td>
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<tr>
<td>Bonds and loans payable</td>
<td>86,148</td>
<td>102,760</td>
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<tr>
<td>Lease liabilities</td>
<td>8,031</td>
<td>17,103</td>
</tr>
<tr>
<td>Other financial liabilities</td>
<td>30,385</td>
<td>31,031</td>
</tr>
<tr>
<td>Provisions</td>
<td>23,703</td>
<td>21,030</td>
</tr>
<tr>
<td>Income tax payables</td>
<td>23,198</td>
<td>14,843</td>
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<tr>
<td>Total current liabilities</td>
<td>1,051,748</td>
<td>1,001,272</td>
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<tr>
<td>Non-current liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bonds and loans payable</td>
<td>524,193</td>
<td>849,228</td>
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<tr>
<td>Lease liabilities</td>
<td>8,031</td>
<td>17,103</td>
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<tr>
<td>Other financial liabilities</td>
<td>5,081</td>
<td>5,292</td>
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<td>Retirement benefit liabilities</td>
<td>215,946</td>
<td>236,643</td>
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<td>Provisions</td>
<td>5,446</td>
<td>3,193</td>
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<td>Deferred tax liabilities</td>
<td>62,222</td>
<td>51,001</td>
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<tr>
<td>Other non-current liabilities</td>
<td>3,369</td>
<td>3,369</td>
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<tr>
<td>Total non-current liabilities</td>
<td>626,504</td>
<td>1,195,684</td>
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<td><strong>Total liabilities</strong></td>
<td>1,678,252</td>
<td>2,186,957</td>
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<table>
<thead>
<tr>
<th>Equity</th>
<th>FY2019</th>
<th>FY2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital stock</td>
<td>45,049</td>
<td>45,049</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>70,403</td>
<td>67,070</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>-115,844</td>
<td>-115,770</td>
</tr>
<tr>
<td>Other components of equity</td>
<td>121,549</td>
<td>121,549</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>1,226,224</td>
<td>1,205,465</td>
</tr>
<tr>
<td>Equity attributable to owners of the parent company</td>
<td>1,346,902</td>
<td>1,280,165</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>526,725</td>
<td>515,529</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>1,873,627</td>
<td>1,795,695</td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td>3,751,880</td>
<td>3,992,652</td>
</tr>
</tbody>
</table>
Consolidated financial statements

Consolidated statements of income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,043,110</td>
<td>3,784,585</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>-3,545,278</td>
<td>-3,400,414</td>
</tr>
<tr>
<td>Gross profit</td>
<td>497,832</td>
<td>384,170</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>-306,591</td>
<td>-300,582</td>
</tr>
<tr>
<td>Other income</td>
<td>27,186</td>
<td>36,181</td>
</tr>
<tr>
<td>Other expenses</td>
<td>-12,865</td>
<td>-33,640</td>
</tr>
<tr>
<td>Operating income</td>
<td>205,562</td>
<td>56,129</td>
</tr>
<tr>
<td>Finance income</td>
<td>15,742</td>
<td>15,101</td>
</tr>
<tr>
<td>Finance expenses</td>
<td>-11,315</td>
<td>-27,093</td>
</tr>
<tr>
<td>Equity in earnings of affiliates</td>
<td>2,517</td>
<td>9,217</td>
</tr>
<tr>
<td>Profit before income</td>
<td>217,466</td>
<td>53,395</td>
</tr>
<tr>
<td>Income tax expenses</td>
<td>-58,361</td>
<td>-23,859</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>159,124</td>
<td>29,536</td>
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<td>Profit for the period attributable to:</td>
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<tr>
<td>Owners of the parent</td>
<td>110,123</td>
<td>24,061</td>
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<tr>
<td>Non-controlling interests</td>
<td>49,000</td>
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<tr>
<td>Total</td>
<td>159,124</td>
<td>29,536</td>
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</table>

Consolidated statements of comprehensive income

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the period</td>
<td>159,124</td>
<td>29,536</td>
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<tr>
<td>Other comprehensive income</td>
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<td></td>
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<tr>
<td>Items that will not be reclassified to profit or loss:</td>
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<td></td>
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<tr>
<td>Remeasurements of defined benefit plans</td>
<td>-4,715</td>
<td>-7,014</td>
</tr>
<tr>
<td>Net changes in revaluation of equity financial assets measured at fair value through other comprehensive income</td>
<td>-25,584</td>
<td>-20,102</td>
</tr>
<tr>
<td>Share of other comprehensive income of associates accounted for using the equity method</td>
<td>-163</td>
<td>-402</td>
</tr>
<tr>
<td>Total</td>
<td>-32,463</td>
<td>-27,518</td>
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<tr>
<td>Items that may be reclassified subsequently to profit or loss:</td>
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<td></td>
</tr>
<tr>
<td>Net changes in revaluation of liability financial assets measured at fair value through other comprehensive income</td>
<td>-122</td>
<td>-31</td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td>180</td>
<td>407</td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>-1,274</td>
<td>-35,299</td>
</tr>
<tr>
<td>Share of other comprehensive income of associates accounted for using the equity method</td>
<td>314</td>
<td>-135</td>
</tr>
<tr>
<td>Total</td>
<td>-902</td>
<td>-35,058</td>
</tr>
<tr>
<td>Other comprehensive income total</td>
<td>-43,365</td>
<td>-62,577</td>
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<tr>
<td>Comprehensive income for the period</td>
<td>125,759</td>
<td>33,041</td>
</tr>
<tr>
<td>Comprehensive income for the period attributable to:</td>
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<td></td>
</tr>
<tr>
<td>Owners of the parent</td>
<td>78,041</td>
<td>-24,544</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>46,817</td>
<td>-8,497</td>
</tr>
<tr>
<td>Total</td>
<td>125,759</td>
<td>33,041</td>
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</table>

Consolidated statements of changes in equity

<table>
<thead>
<tr>
<th></th>
<th>FY2020 (Apr. 1, 2019 through Mar. 31, 2020)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity attributable to owners of the parent</td>
<td></td>
</tr>
<tr>
<td>Capital stock</td>
<td>45,049</td>
</tr>
<tr>
<td>Capital surplus</td>
<td>70,043</td>
</tr>
<tr>
<td>Treasury stock</td>
<td>-115,844</td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans</td>
<td>-409</td>
</tr>
<tr>
<td>of financial assets measured at fair value through other comprehensive income</td>
<td>-24,076</td>
</tr>
<tr>
<td>Cash flow hedges</td>
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</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>-115,770</td>
</tr>
<tr>
<td>Total</td>
<td>1,217,486</td>
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<tr>
<td>Profit for the period</td>
<td>24,061</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-48,605</td>
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<tr>
<td>Comprehensive income for the period</td>
<td>24,061</td>
</tr>
<tr>
<td>Acquisition of treasury stock</td>
<td>-4</td>
</tr>
<tr>
<td>Disposal of treasury stock</td>
<td>77</td>
</tr>
<tr>
<td>Dividends</td>
<td>-4</td>
</tr>
<tr>
<td>Changes in the ownership interest in subsidiaries</td>
<td>-2,564</td>
</tr>
<tr>
<td>Total</td>
<td>-839</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>-2,973</td>
</tr>
<tr>
<td>Total transactions with owners</td>
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<tr>
<td>Balance at end of period</td>
<td>45,049</td>
</tr>
<tr>
<td>Total</td>
<td>1,217,486</td>
</tr>
</tbody>
</table>

Consolidated statements of changes in equity

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity attributable to owners of the parent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital stock</td>
<td>1,226,224</td>
<td></td>
</tr>
<tr>
<td>Capital surplus</td>
<td>1,346,902</td>
<td></td>
</tr>
<tr>
<td>Treasury stock</td>
<td>217,486</td>
<td></td>
</tr>
<tr>
<td>Remeasurements of defined benefit plans</td>
<td>-526,725</td>
<td></td>
</tr>
<tr>
<td>of financial assets measured at fair value through other comprehensive income</td>
<td>1,873,627</td>
<td></td>
</tr>
<tr>
<td>Cash flow hedges</td>
<td>54,049</td>
<td></td>
</tr>
<tr>
<td>Exchange differences on translation of foreign operations</td>
<td>-48,605</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>515,529</td>
<td></td>
</tr>
<tr>
<td>Profit for the period</td>
<td>24,061</td>
<td></td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-13,971</td>
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</tr>
<tr>
<td>Comprehensive income for the period</td>
<td>24,061</td>
<td></td>
</tr>
<tr>
<td>Acquisition of treasury stock</td>
<td>-4</td>
<td></td>
</tr>
<tr>
<td>Disposal of treasury stock</td>
<td>-2</td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>Changes in the ownership interest in subsidiaries</td>
<td>-1,822</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>-62,577</td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>61</td>
<td></td>
</tr>
<tr>
<td>Total transactions with owners</td>
<td>-2,698</td>
<td></td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>1,205,465</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,205,465</td>
<td></td>
</tr>
</tbody>
</table>

Capital stock | 1,346,902 |
Capital surplus | 217,486 |
Treasury stock | -526,725 |
Remeasurements of defined benefit plans | 1,873,627 |
Cash flow hedges | 54,049 |
Exchange differences on translation of foreign operations | -48,605 |
Total | 515,529 |
Profit for the period | 24,061 |
Other comprehensive income | -13,971 |
Comprehensive income for the period | 24,061 |
Acquisition of treasury stock | -4 |
Disposal of treasury stock | -2 |
Dividends | 58 |
Changes in the ownership interest in subsidiaries | -1,822 |
Total transactions with owners | -2,698 |
Balance at end of period | 1,205,465 |
Total | 1,205,465 |
Consolidated statements of cash flows

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td></td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>217,486</td>
<td>53,395</td>
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<tr>
<td>Depreciation and amortization</td>
<td>226,418</td>
<td>255,549</td>
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<tr>
<td>Decrease (increase) in trade and other receivables</td>
<td>4,758</td>
<td>72,110</td>
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<tr>
<td>Decrease (increase) in inventories</td>
<td>-42,520</td>
<td>-37,933</td>
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<tr>
<td>Increase (decrease) in trade and other payables</td>
<td>40,903</td>
<td>-8,204</td>
</tr>
<tr>
<td>Other</td>
<td>-21,246</td>
<td>55,574</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>425,799</td>
<td>368,535</td>
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<tr>
<td><strong>Interest income received</strong></td>
<td><strong>Interest income received</strong></td>
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<tr>
<td></td>
<td>2,689</td>
<td>3,014</td>
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<tr>
<td><strong>Dividend income received</strong></td>
<td><strong>Dividend income received</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>16,287</td>
<td>14,795</td>
</tr>
<tr>
<td><strong>Interest expenses paid</strong></td>
<td><strong>Interest expenses paid</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-7,513</td>
<td>-8,204</td>
</tr>
<tr>
<td><strong>Income taxes (paid) refund</strong></td>
<td><strong>Income taxes (paid) refund</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-82,321</td>
<td>-50,588</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td><strong>Net cash provided by (used in) operating activities</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>354,942</td>
<td>327,552</td>
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<tr>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td><strong>Net cash provided by (used in) investing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Decrease (increase) in time deposits</td>
<td>-43,266</td>
<td>19,895</td>
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<tr>
<td>Purchase of property, plants and equipment</td>
<td>-377,075</td>
<td>-312,776</td>
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<tr>
<td>Proceeds from sales of property, plants and equipment</td>
<td>16,287</td>
<td>14,795</td>
</tr>
<tr>
<td>Interest expenses paid</td>
<td>-7,513</td>
<td>-8,204</td>
</tr>
<tr>
<td>Income taxes (paid) refund</td>
<td>-82,321</td>
<td>-50,588</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>-414,494</td>
<td>-273,876</td>
<td></td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td></td>
</tr>
<tr>
<td>Increase (decrease) in short-term bank loans and commercial papers</td>
<td>4,409</td>
<td>6,121</td>
</tr>
<tr>
<td>Proceeds from long-term loans payable</td>
<td>119,635</td>
<td>181,630</td>
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<tr>
<td>Repayment of long-term loans payable</td>
<td>-41,063</td>
<td>-22,971</td>
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<tr>
<td>Proceeds from issuance of bonds</td>
<td>12,000</td>
<td>200,000</td>
</tr>
<tr>
<td>Redemption of bonds</td>
<td>-10,017</td>
<td>-20,000</td>
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<tr>
<td>Repayment of lease liabilities</td>
<td>-12,792</td>
<td>-24,783</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td>-40,456</td>
<td>-40,412</td>
</tr>
<tr>
<td>Cash dividends paid to non-controlling interests</td>
<td>-21,521</td>
<td>-11,253</td>
</tr>
<tr>
<td>Other</td>
<td>-2,037</td>
<td>-595</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>-275,382</td>
<td>-173,876</td>
<td></td>
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</table>

Financial and company information

Consolidated financial statements/major shareholders

**Major shareholders**

<table>
<thead>
<tr>
<th>Shareholder's name</th>
<th>Number of shares held (thousand shares)</th>
<th>Voting ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toyota Motor Corporation</td>
<td>66,863</td>
<td>24.80</td>
</tr>
<tr>
<td>Toyota Industries Corporation</td>
<td>20,711</td>
<td>7.68</td>
</tr>
<tr>
<td>The Master Trust Bank of Japan, Ltd. (trust account)</td>
<td>13,139</td>
<td>4.87</td>
</tr>
<tr>
<td>DENSO Corporation</td>
<td>12,964</td>
<td>4.81</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account)</td>
<td>11,911</td>
<td>4.41</td>
</tr>
<tr>
<td>Towa Real Estate Co., Ltd.</td>
<td>6,344</td>
<td>2.35</td>
</tr>
<tr>
<td>Nippon Life Insurance Company</td>
<td>6,300</td>
<td>2.33</td>
</tr>
<tr>
<td>Japan Trustee Services Bank, Ltd. (trust account)</td>
<td>4,256</td>
<td>1.57</td>
</tr>
<tr>
<td>Asis Seiki Shareholding Association</td>
<td>3,781</td>
<td>1.40</td>
</tr>
<tr>
<td>Meiji Yasuda Life Insurance Company</td>
<td>3,675</td>
<td>1.36</td>
</tr>
</tbody>
</table>

(Note) 1. The table above excludes 25,170,000 shares of treasury stock held by Aisin Seiki Co., Ltd.
2. The voting ratio has been calculated by deducting the treasury stock from issued and outstanding common stock.

**Stock price transition/total shareholder returns (TSR)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Stock price* (yen)</th>
<th>Dividend (yen)</th>
<th>Total shareholder returns** (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020/3</td>
<td>2,664</td>
<td>120</td>
<td>75.9</td>
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<tr>
<td>2019/3</td>
<td>3,955</td>
<td>150</td>
<td>102.8</td>
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<tr>
<td>2018/3</td>
<td>5,780</td>
<td>150</td>
<td>141.2</td>
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<tr>
<td>2017/3</td>
<td>5,470</td>
<td>125</td>
<td>130.6</td>
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<tr>
<td>2016/3</td>
<td>4,240</td>
<td>100</td>
<td>99.5</td>
</tr>
<tr>
<td>2015/3</td>
<td>4,360</td>
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<td></td>
</tr>
</tbody>
</table>

* Stock prices indicate values at the end of the fiscal year
** Calculated based on March 2015