

Integrated Report 2025



Aisin's focus

Evolving from manufacturing to delivering the full value of movement

We aspire to remain central to the future of mobility
as we inspire the joy of movement in people around the world

Editorial Policy

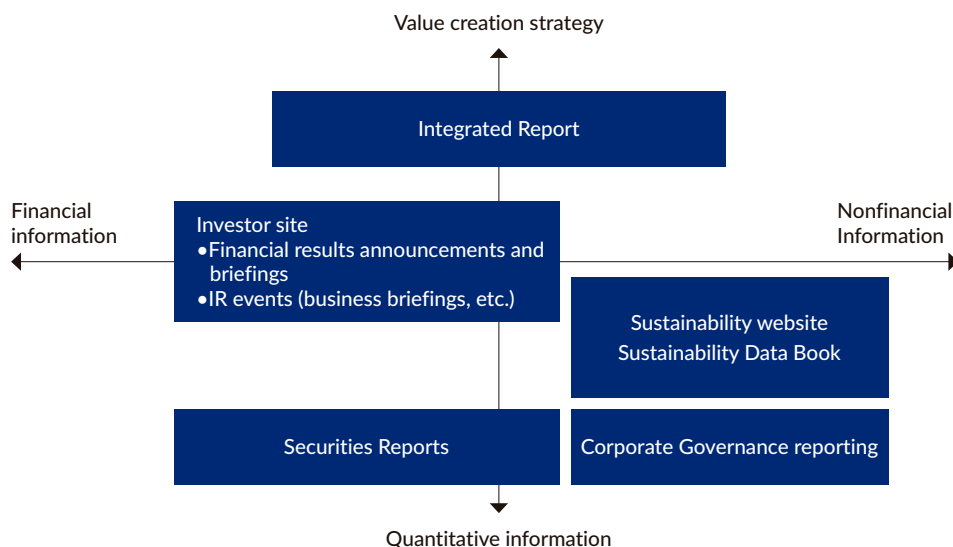
We publish our Integrated Report to help stakeholders understand our medium-to-long-term value creation strategy. We offer this report as an avenue for dialogue designed to further enhance corporate value.

The Aisin Integrated Report for 2025 is structured into chapters, Enhancing corporate value, Boosting earning power, Maximizing management capital, and Improving management quality, to help readers understand Aisin's growth story.

Moreover, amid changing business conditions and increasing societal demands, we reviewed our materiality situation in FY2025. Accordingly, ESG information has been organized primarily around the new materiality issues and is designed to help readers understand the interconnection between our business activities and sustainability.

In compiling this report, we referenced the International Integrated Reporting Framework (IIRC), which is managed by the IFRS Foundation, and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation.

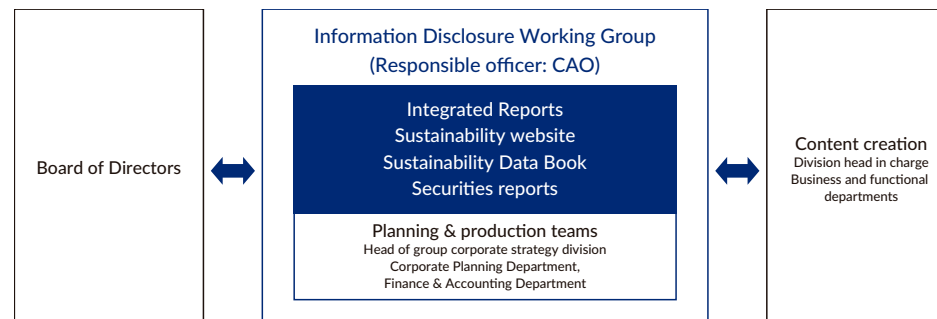
Information disclosure framework



Forward-looking statements

With the exception of matters relating to past or present facts, the content of this Report constitutes forward-looking statements based on future projections and plans. These forward-looking statements are based on information currently available at the time of planning and include various uncertainties and, hence, may differ from actual results and performance.

Publishing process



Coverage period

This document primarily focuses on FY2025 (April 1, 2024, to March 31, 2025), with some content from other periods also included.

Coverage scope

Covers the Aisin Group (Aisin Corporation and its consolidated subsidiaries) as a general rule. Where the coverage scope differs for specific information items, this is clearly stated (e.g., four core Group companies, 12 Group companies).

*Consolidated subsidiaries and equity-method affiliates are included in the consolidated financial statements.

Four core group companies

Aisin Corporation, Aisin Takaoka, Aisin Chemical, ADVICS

Twelve group companies

Aisin Corporation, Aisin Takaoka, Aisin Chemical, Aisin Light Metals, Aisin Development, Aisin Kiko, Aisin Sin'ei, Aisin Fukui, Hosei Brake Industry, ADVICS, Aisin Shiroki, Art Metal Mfg.

Reporting cycle

Published annually as an annual report

Date of issue

September 2025

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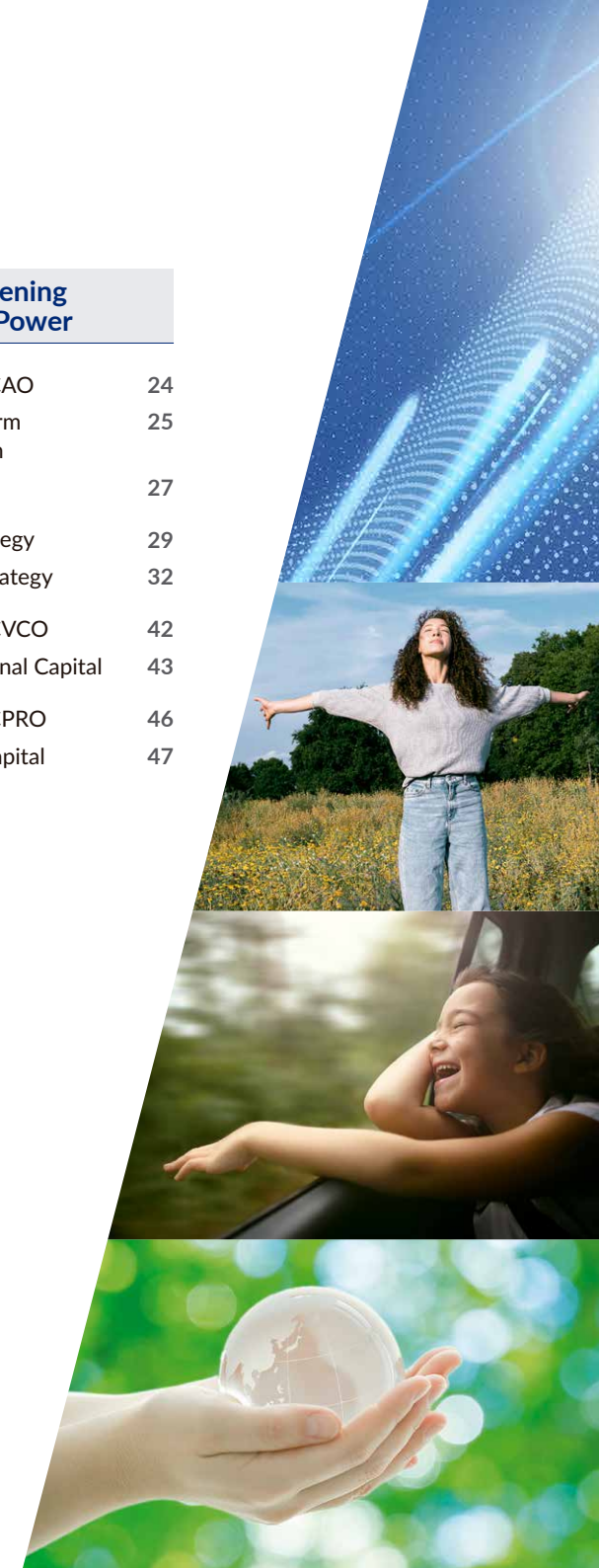
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AISIN Group Philosophy

Our corporate philosophy defines the group's raison d'être and mission, serving as the core of our operations.

We will continue to provide new value to our colleagues, customers, and society, aiming to realize a sustainable society.

Inspiring "movement", creating tomorrow

Mission

We will deliver beauty to our future earth,
bringing freedom and happiness to "movement".

Vision

We will act on our dreams and aspirations, show concrete
solutions to environmental and social challenges, focusing on
the evolution of "movement" by way of clean power as the
core and create a safe and comfortable future for everyone.

Value

To our colleagues,
growth and
happiness

To our customers,
inspiration and
trust

To the future,
a sustainable
environment

AISIN Group Charter of Sustainability

Sustainability management
we aim for

AISIN Group Way

Be proactive,
make change!

Raise individuals,
expand dreams!

Advance,
build the future!

**Safety, health, customer first, and quality supremacy
are the foundations of all.**

AISIN Group Charter of Sustainability

We have established the Aisin Group Sustainability Charter as our corporate action guidelines for realizing our corporate philosophy. It articulates Aisin's fundamental stance on sustainability, and we will implement it throughout our entire supply chain.

 AISIN Group Charter of Sustainability



AISIN Group Way

AISIN Group Way articulates the values and attitudes we cherish in our daily work to put our philosophy into practice.

AISIN Group Way

Be proactive, make change!

- Challenge without fearing failure.
- Move swiftly with the customer in mind.
- Work passionately.
- Let's value the spirit of "GENCHI GENBUTSU GENNIN".
(Get to the actual place, see the reality for ourselves and identify the facts.)

Raise individuals, expand dreams!

- Raise your ambitions and dreams.
- Show pride in your expertise and professionalism.
- Find motivation and happiness in life.
- Let's embrace the value and the spirit of one team.

Advance, build the future!

- Consider the best way, without being bound by convention.
- Grasp new trends and understand needs.
- Be useful to the environment and local communities.
- Let's learn from history and value our predecessors.

Safety, health, customer first, and quality supremacy are the foundations of all.

Let's pursue and refine the qualities our customers demand,
while giving the highest consideration to the safety and health of our colleagues.

Defining "quality supremacy"

Each individual must adopt the customer's perspective and pursue the ideal form and essence in all corporate activities to achieve customer satisfaction and delight.

Aisin's philosophy – words of Minoru Toyoda

In all aspects of my efforts to manage the Aisin Group, I base my approach on quality supremacy principles.

This stems from my profound realization, gained through many years of experience, that **building a level of quality accepted by society is the absolute requirement for a company's existence.**

[Omitted for brevity]

I believe that corporate management is nothing less than the pursuit of the dreams and romanticism that lead to human prosperity and contribution to society. To realize this, **we must hew to quality supremacy principles and continuously improve technology and management practices on into the future.**

I believe the key to corporate growth lies in this approach.



QUALITY COMPANY: management and practices of a quality supremacy operation
— Minoru Toyoda, Chairman of Aisin Seiki Co., Ltd. and President of Aisin Warner Co., Ltd., at the time of publication (1978)

Our Three Strengths

To meet diversifying needs, we are continuing to refine three areas of strength we have cultivated since our founding.



Group synergy

Global business platform and diverse business portfolio

Global business platform

Through partnerships with major global automakers, Aisin has built a comprehensive global business platform spanning research and development, production, sales, and after-sales service. Together with our many employees and suppliers, we continue to provide attractive products and services that meet the diverse needs of each region.

Diverse business portfolio

Since its founding, Aisin's primary business has been auto parts manufacturing in close alignment with automakers. It boasts deep knowledge of vehicle manufacturing and provides a diverse array of mobility products and services. By integrating technologies developed throughout the Group in such areas as materials and manufacturing processes, Aisin excels at creating added value. The Company leverages its high level of expertise to address various businesses needs in energy-related fields and other domains besides automobiles.

Broad automotive product portfolio



Outstanding technology development

Applying technical expertise to meet diverse societal and commercial requirements

Global development organization

Aisin has built a global R&D framework consisting of development facilities focused on creating products for a global customer base and advanced research centers targeting future technological breakthroughs.

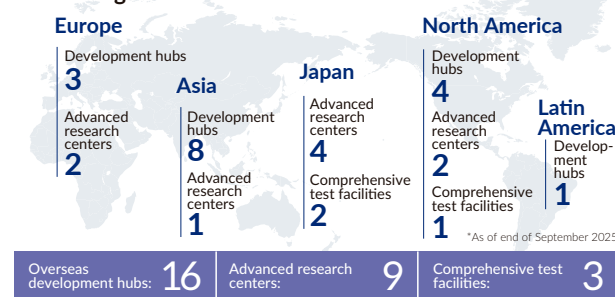
Comprehensive and proprietary system for evaluation and analytics

Way back in 1970, we established a comprehensive test facility featuring a circuit track. Using proving grounds that replicate the kinds of road conditions found worldwide as well as state-of-the-art equipment, we have continuously advanced verifiable performance and durability. Moreover, through digitally modeled simulations, we have been able to diversify our testing and evaluation regimen while generating immediate feedback. Through the fusion of real-world testing and digital modeling, we strive to enhance the appeal and value of our lineup.

Advanced technology developed in collaboration with partners in diverse industries

Rather than be confined to a proprietary development model, we actively pursue open innovation initiatives involving joint R&D with industry, government, and academia and also partner with startups who offer outstanding technologies.

Global development organization to address the needs of various regions



Manufacturing expertise

Production technology in pursuit of unrivaled excellence

At Aisin, we work tirelessly to achieve unparalleled excellence and create next-generation products through ongoing innovation with respect to our unique and original manufacturing methods and proprietary production infrastructure. We also operate an organization that supports high-quality manufacturing anywhere in the world.

Honing capabilities to an unmatched sharpness

A culture and ethos of kaizen—the pursuit of constant, incremental improvement—is deeply ingrained at Aisin. Every major Group company has received the Deming Prize, and a quality-first posture has been part of Aisin's identity for over 50 years.

Staff development ensures our tradition of manufacturing expertise is handed down

We opened Aisin Gakuen, an in-house vocational training school, in 1977. Overseas campuses launched in China in 2016 and Thailand in 2022 to cultivate the next generation of leaders who will support our global manufacturing effort. As we focus on bringing up manufacturing talent for a new era, we actively incorporate new curricula aligned with our changing times, covering such subjects as in AI.



Innovative aluminum die casting plant offering superior quality and productivity

Aisin's Journey

Since the 1965 founding of Aisin Seiki, the forerunner of Aisin Corporation, we have supported the adoption of the automobile while consistently offering products and services that deliver new value for every era. Leveraging our well-honed strengths—group synergy, outstanding technology development, and manufacturing expertise—we maintain our contribution to realizing a sustainable society.



At a Glance

Revenue by business segment

Established in
1965

Global employee count (consolidated)
Approximately **114,000**

R&D expenditure
¥**236.8** billion

Automotive parts revenue ranking*

Japan: **2nd** in, global: **7th**

*January–December 2024 Source: "Automotive News"

Patents held
8,575

LBS *1 and others

2.9% ¥**143.2**bn



AI-powered on-demand transportation "Choisoko"



Car navigation systems

Energy solutions, etc.

2.5% ¥**120.3**bn



Cogeneration System for Residential Use

Gas heat pump air conditioners (GHP)

Body

19.2% ¥**937.8**bn



Power sliding doors



Sunroofs



Grille shutters

Chassis and Vehicle Safety System

20.7% ¥**1,014.4**bn



Automated parking system



Cooperative regenerative braking system



Disc brakes

Powertrain

54.7% ¥**2,680.1**bn



eAxe (150 kW)



RWD 2-motor multi-stage hybrid transmission



FF 8-speed Automatic transmissions



Electric water pumps

Sales revenue
¥**4,896.1**bn

Aftermarket*2



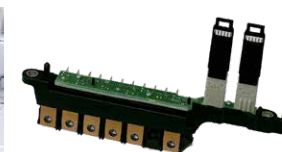
Repair and maintenance products

Raw Materials*2



High-performance spray-type damping coat

Electronic Parts*2



Electric Current Sensor

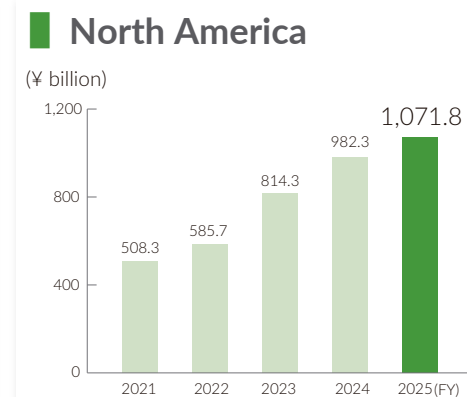
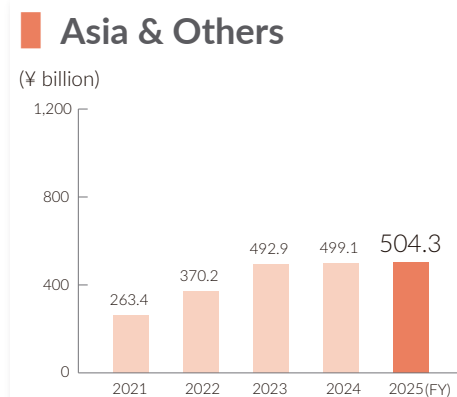
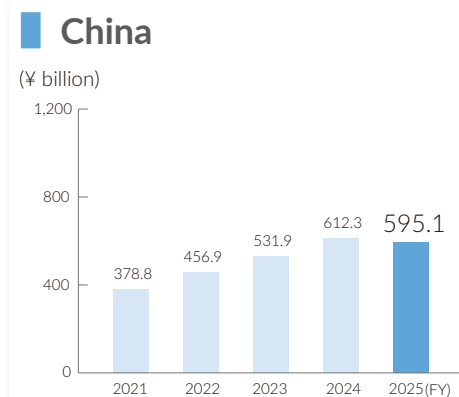
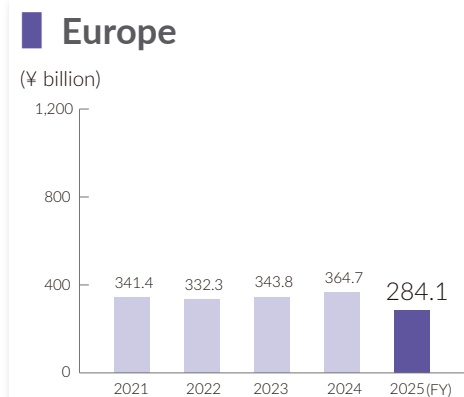
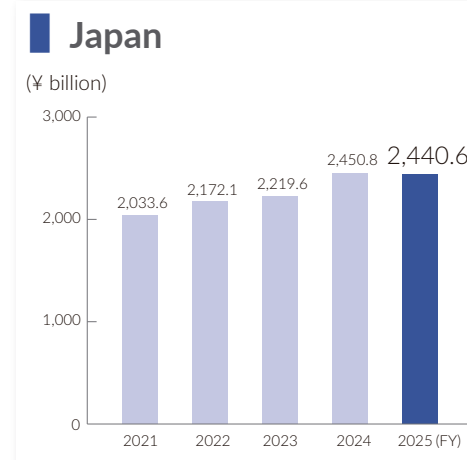
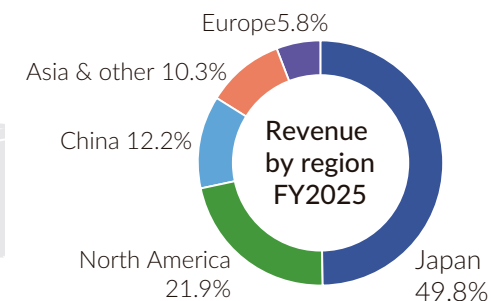
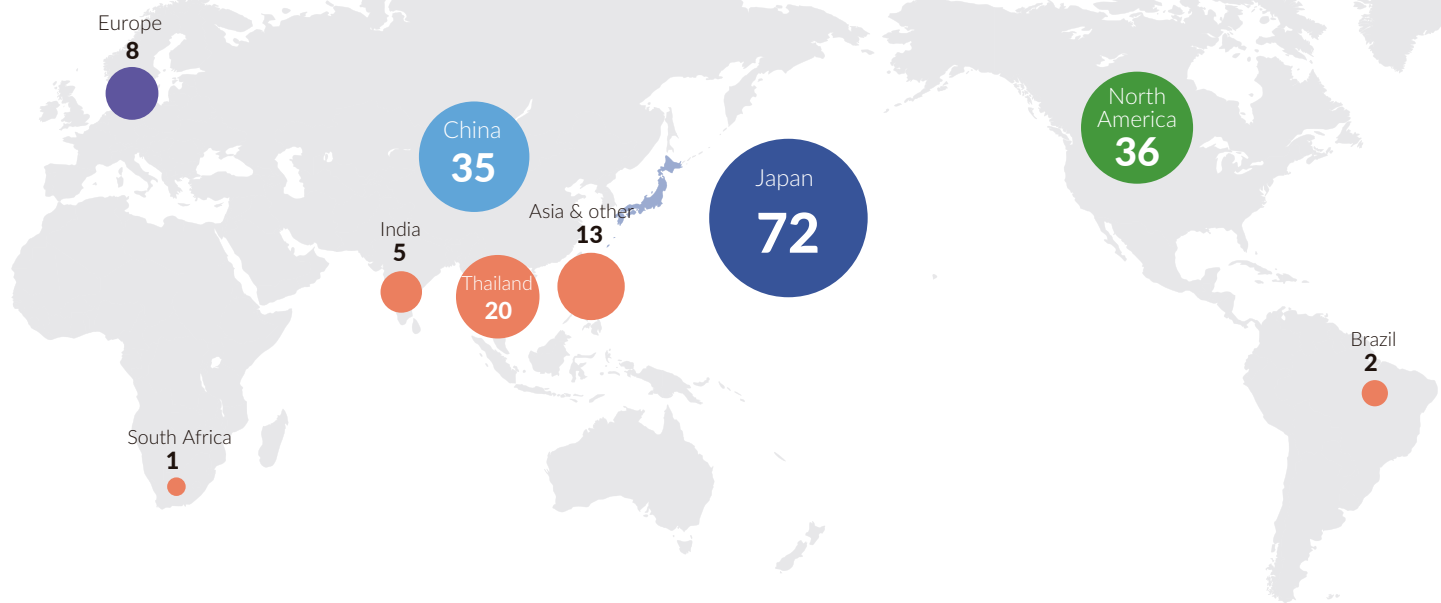
*1 Services using geolocation data

*2 Sales revenue is included in each business segment

At a Glance

Revenue & number of companies by region

Aisin Group: 192
(excluding equity-method affiliates)



Message from the President

Delivering the full value of movement

The message of this year's Integrated Report

We extend our deepest gratitude to our stakeholders for your continued exceptional support. The year 2025 marks a milestone as the fifth anniversary of the management integration between Aisin Seiki and Aisin AW and the final year of our three-year Medium-term Management Plan.

In last year's 2024 Integrated Report, we explained our steady progress with executing the Medium-term Management Plan and outlined our envisioned growth trajectory as we head toward 2030. Our 2025 Integrated Report focuses particularly on areas of particular interest to our stakeholders, such as profitability enhancement and our growth story for beyond 2030. Organized into chapters on enhancing corporate value, strengthening earnings power, optimizing management capital, and improving management quality, this report outlines Aisin's intended future direction.

Review of FY2025 and outlook for FY2026

Aisin's operating environment continues to present increasingly tough prospects, marked by widening regional disparities in progress with electrification and intensifying protectionism in various countries. Amid these conditions, revenue decreased by 0.3% year-on-year in FY2025, to ¥4,896.1 billion, primarily owing to a decline in unit sales of powertrain components. On the other hand, despite the revenue decline and investments in people and future development, operating income increased by 41.5% year-on-year, to ¥202.9 billion, driven by yen depreciation and efforts to improve corporate fundamentals.

For FY2026, we forecast revenue to edge up 0.1% year-on-year, to ¥4.9 trillion. We project operating income to rise by 1.0% year-on-year to ¥205.0 billion, reflecting strategic investments in medium-to-long-term growth, fortified investment in our people, and the impact of US tariff policies. What is more, we expect the cumulative effect of corporate restructuring efforts and structural reforms over the three-year period from FY2024 through FY2026 to reach approximately ¥200 billion, which demonstrates steady progress with profitability.



President, Member of
the Board of Directors,

Moritaka Yoshida

Message from the President

Progress on key themes from the 2025 Medium-term Management Plan

This year we saw tangible results from the two core initiatives we established since my appointment as President in 2021: significantly shifting our management course toward the future and strengthening our management foundation and earnings structure.

Steering the business toward the future

Our business portfolio restructuring is already producing steady results, with product line expansion and order intake progressing according to plan—particularly in the growing domain of components for battery electric vehicles (BEVs), we are expanding our lineup across a wide range of use cases. These include powertrain products such as eAxle and thermal management devices, structural products like battery frames, gigacasted parts and aerodynamic devices, and driving safety products such as cooperative regenerative braking systems. We are receiving inquiries primarily from customers seeking technological advancement.

While powertrain electrification progress varies by region, Aisin

offers a broad product portfolio. This includes not only BEVs, but also HEVs (hybrids), which are becoming mainstream in North America, Europe, and Japan, PHEVs (plug-in hybrids), which are expected to be a practical solution for electrification going forward, and automatic transmissions (ATs), a longstanding Aisin strength subject to ongoing solid demand. This full-lineup strategy is a major advantage for Aisin, as it enables us to meet the diverse needs of customers worldwide. Regardless of how electrification progresses, we have positioned ourselves to respond flexibly to change and achieve tenacious growth.

In the intelligent systems domain, we are advancing product development to better provide safety, security, comfort, and convenience. By integrating our reliable actuators, drive units, and sensing technologies with software, we are enabling vehicles to autonomously work for people. Services these technologies offer include help with entry and egress, comfortable mobility assistance while driving, and driving tailored to specific people and situations. Our goal is to enrich every aspect of the mobility experience.

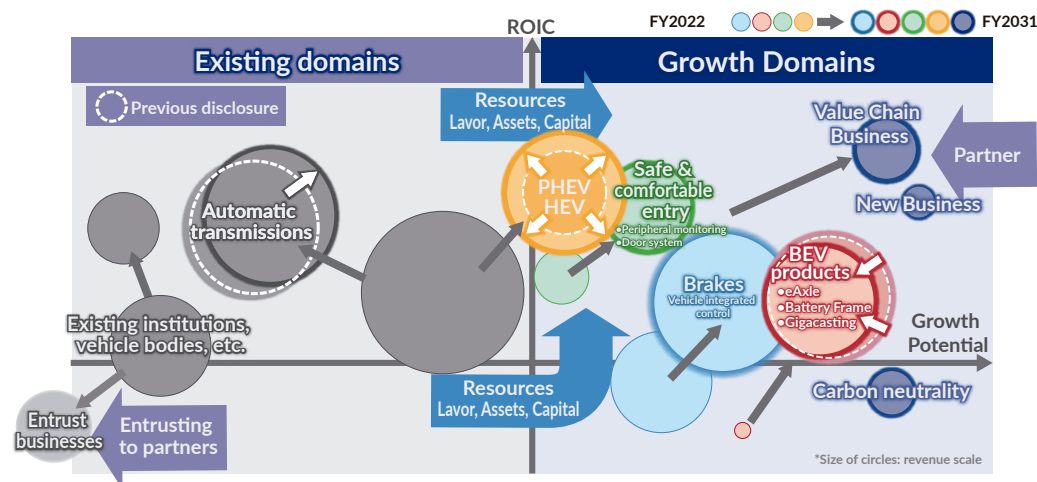
In this way, we are steadily building an expanding catalog of products in growth domains, and we feel confident with the progress we've made toward achieving our 2030 sales target of

¥5.5 trillion to ¥6 trillion. Under the keywords speed & agility, Aisin is managing its business to minimize risk and maximize opportunities. This involves staying ahead of competitors with preparations that accurately assess changes in the operating environment and delaying investment decisions until the last prudent moment.

In conjunction with these business focuses, we are promoting optimal resource allocation along a regional axis. Currently, Aisin does business with over 40 global automakers, supplying products from 130 production sites. Leveraging this worldwide network, we are advancing management of our regional network to respond more flexibly to customers' needs for onsite production. My vision for region-based management involves making strategic decisions and key policy determinations at headquarters while shifting operational responsibilities to regional entities. To do this, we are actively localizing our staff (including senior management), suppliers, and infrastructure. Over the past two years, presidents from local backgrounds have been appointed at three of our five overseas hubs. Regionally focused management of this nature enables us to accurately meet the needs of each region and each customer. It also broadens order opportunities, increases sales, and promotes robust local supply chains. Last year, we established a production partnership with BMW for e-axle*. This was achieved by setting the strategy at headquarters and charging regional members with securing the order. I consider this a tangible result of our regionally focused management.

*Customer's product name used

Transforming our business portfolio with an eye to 2030



Strengthening our management foundation and raising profitability

We are also working to enhance the profitability of existing products, including automatic transmissions (ATs). While the ATs, which have long been Aisin's flagship product that has underpinned the business, likely face a long-term market contraction, we anticipate steady demand in regions like India and South America. Therefore, we will consistently pursue market share growth. Furthermore, amid rising demand for PHEVs and HEVs, we are receiving numerous inquiries from both domestic and international customers and are

Message from the President

strengthening our global production capabilities. For these products, we aim to achieve high profitability by maximizing the use of existing facilities and equipment. By FY2031, we expect automatic transmissions to sustainably generate operating income of more than ¥80 billion and ROIC of 20%, and we intend to triple unit sales of PHEV- and HEV-related products compared with FY2025 and generate operating income of over ¥80 billion and achieve ROIC of 15% or better.

We are also reforming our balance sheet, with the aim of reducing our asset holdings by ¥400 billion, or 10% of total assets, by FY2026. We are actively investing funds generated by the business and other sources into growth initiatives while maintaining a balance with shareholder returns. Since FY2025, we have been changing our shareholder composition through stock offerings while consistently delivering shareholder returns via such measures as buybacks. We feel this has earned some degree of recognition from our stakeholders.

Further transformation at Aisin

This year, with our 2030 growth scenario now in sight, we are taking an even longer-term perspective and conceptualizing a vision focused on 2035. The nature of mobility is changing daily, pressed by evolving social needs and cutting-edge technologies. Amid these changes, Aisin must transform from a manufacturing company into a company that provides the full value of movement. To achieve this, when engaging with employees



internally, I pose the question: “What constitutes truly inspiring mobility?” This prompts us to consider whether we are leveraging Aisin's cultivated strengths to offer new value to our customers, or inspiring experiences through mobility. This line of thinking encourages a paradigm shift to a place beyond traditional manufacturing. I firmly believe this shift in mindset will ultimately enhance the value we deliver and make us a more profitable company.

Aisin, as a parts manufacturer closely aligned with automakers, is deeply knowledgeable about vehicle manufacturing and able to provide numerous products and services that support mobility. We have leveraged this strength to lay out a roadmap based on two modular units: the chassis, which supports a vehicle's driving, turning, and stopping functions, and the upper body, which ensures users experience safe, secure, comfortable, and convenient mobility. By integrating cutting-edge technologies like AI, semiconductors, and quantum computing into these modules, we will deliver unprecedented value in mobility. Achieving this requires collaboration beyond the confines of our company via partnerships with IT firms and other external entities. Accessing external expertise also stimulates innovation within Aisin. For example, our YYSsystem initiative, which we created with Microsoft's development assistance, has enabled continuous performance improvements and expanded our range of applications. We consider increasing such external collaborations crucial moving forward.

Furthermore, we are actively investing in areas beyond automotive parts manufacturing. We aim to strengthen businesses in the aftermarket and energy segments so as to increase our proportion of sales from non-automotive parts manufacturing—currently 4%—to 10% in the future and establishing it as a new revenue source for Aisin. One such initiative is the biofuel bio-briquette charcoal, for which we have established a joint venture in Indonesia where mass production is set to commence during FY2026. Created with the aim of realizing energy transition and resource recirculation, this product will contribute to reducing CO2 emissions from manufacturing processes by serving as an alternative to coking coal.

Over the next decade, Aisin will steadily advance its transformation from a manufacturing company to a company that provides the full value of movement, transcending the

boundaries of automotive parts and leveraging advanced technologies and collaborations with external partners.

People are the foundation of Aisin's transformation.

As Aisin enters this transformative period, enhancing our employees' ability to add value is increasingly vital. I firmly believe that people are our greatest asset and am actively driving investment in human capital.

In our newly established materiality issues centered on the idea of “empowering diverse talents for personal fulfillment” is one of our three priority themes. Respecting diversity and fostering a mindset accustomed to challenges are essential to realizing this. While we have expanded our frameworks by promoting diversity & inclusion, we now recognize the importance of creating a culture where motivated employees feel empowered to take on challenges. Coupled with performance-based evaluation and compensation, this promotes a virtuous cycle throughout the organization. In support of this program, we are introducing a new personnel system and developing mechanisms to actively encourage such challenges.

These initiatives have already sparked change within the company. The EV Promotion Center, established in response to the shift toward electrification, created a sense of urgency and incited action within the company. Its impact spread to other departments, raising the momentum for companywide challenges. Furthermore, the significant growth achieved by AISIN Aftermarket has instilled courage and confidence to take on challenges across the Group and revitalizing the entire organization.

The teams and individuals who accepted these challenges have grown and become more resilient. Employee mindsets are shifting toward self-directed personal development, and perspectives are broadening outward. To leverage this shift in mindset and support new growth, we position DX and the application of generative AI as key initiatives. We aim to use the time freed by operational efficiencies these tools offer as opportunities for each employee to challenge themselves with creative work only humans can do and using the experience to drive individual growth and corporate value creation. At Aisin,

Message from the President

we champion the idea of DX for all and promoting companywide AI adoption rather than focus on specific departments. To accelerate this, we have appointed AI utilization leaders in each headquarters division. We firmly believe that the leveraging of DX and generative AI by our diverse talent base will foster a diversity of outputs and enhance the organization's overall creativity and competitiveness.

An open workplace culture is essential to supporting the contributions and efforts of diverse talent. I prioritize dialogue with employees, listening to frontline voices while constantly working to improve the workplace environment. I can tangibly feel the culture shifting.

Sustainability management further enhances corporate value

An outlook informed by sustainability is also indispensable for enhancing corporate value. In recent years, Aisin has partaken extensively in dialog both internally and externally with the encouragement of our revised Charter of Sustainability and reassessing materiality issues facing the company. As a result,

Aisin's stance on sustainability has significantly changed. Particularly with regard to identifying new materiality issues to focus on, we positioned sustainability, which had often been discussed separately from business topics, at the center of our effort to enhance corporate value. The Board of Directors has actively engaged in this process, and we will continue to accelerate our efforts toward achieving sustainability management.

As Aisin enters a transformative era, the effectiveness of the Board of Directors and the decision-making process are more critical than ever. To enhance these functions, we established a separate Governance Forum in the previous fiscal year that works alongside the Board of Directors, deepening discussions with outside directors on the ideal form of the Board. This fiscal year, to enrich direct discussion of corporate value creation, we welcomed two new outside directors: Mr. Yasuhiro Hirota, a seasoned expert in business strategy, and Ms. Keiko Tatsuaki, who is well-versed in governance, risk management, and sustainability. We will continue advancing governance reforms so the Board of Directors can lead Aisin's transformation from the top.

Delivering the full value of movement

Since becoming President, I have strongly urged employees to break down every barrier to Aisin's sustainable growth and survival. As we shift from an business structure centered on automatic transmissions toward one based on electrification, we must reassess everything, from core technologies and product approaches to manufacturing methods. This is much more than a technological transition; it involves a comprehensive transformation of Aisin's mentality that encompasses the company's structure, work processes, and the mindset of each employee. Rather than rejecting the past, we have used the expression "full model change" to denote our resolve to renew everything for the upcoming era.

While the concept of 'mobility' will continue to evolve, Aisin's management philosophy, "Inspiring 'movement,' creating tomorrow" carries on. Guided by this philosophy, we will make the switch from manufacturer to a company that provides the full value of movement.

We underscore that dialogue with our stakeholders is essential for sustainable growth. To instill a deeper understanding of Aisin's initiatives, we have engaged in frequent dialogues with our many stakeholders. The opinions and expectations shared during these discussions have provided valuable insights for our management and driven progress. Moving forward, we will create more opportunities for dialogue with all our stakeholders, sincerely listen to their stories, and strive to add to our corporate value.

This year, as the fresh, green shoots of spring arrive, 788 new employees have joined the Aisin Group. As we celebrate our 60th anniversary, these employees, whom we will support and value, will support the Aisin of 40 years from now as they work alongside our current active employees to shape the future. It is difficult to imagine how mobility will have evolved 40 years from now, but Aisin wishes to remain a company standing at the heart of mobility, delivering the thrill of movement and joy to people around the world. We look forward to advancing together with our employees toward our 100th anniversary.

We sincerely appreciate your continued support and trust.

New materiality issues and paths toward realization



Enhancing Corporate Value

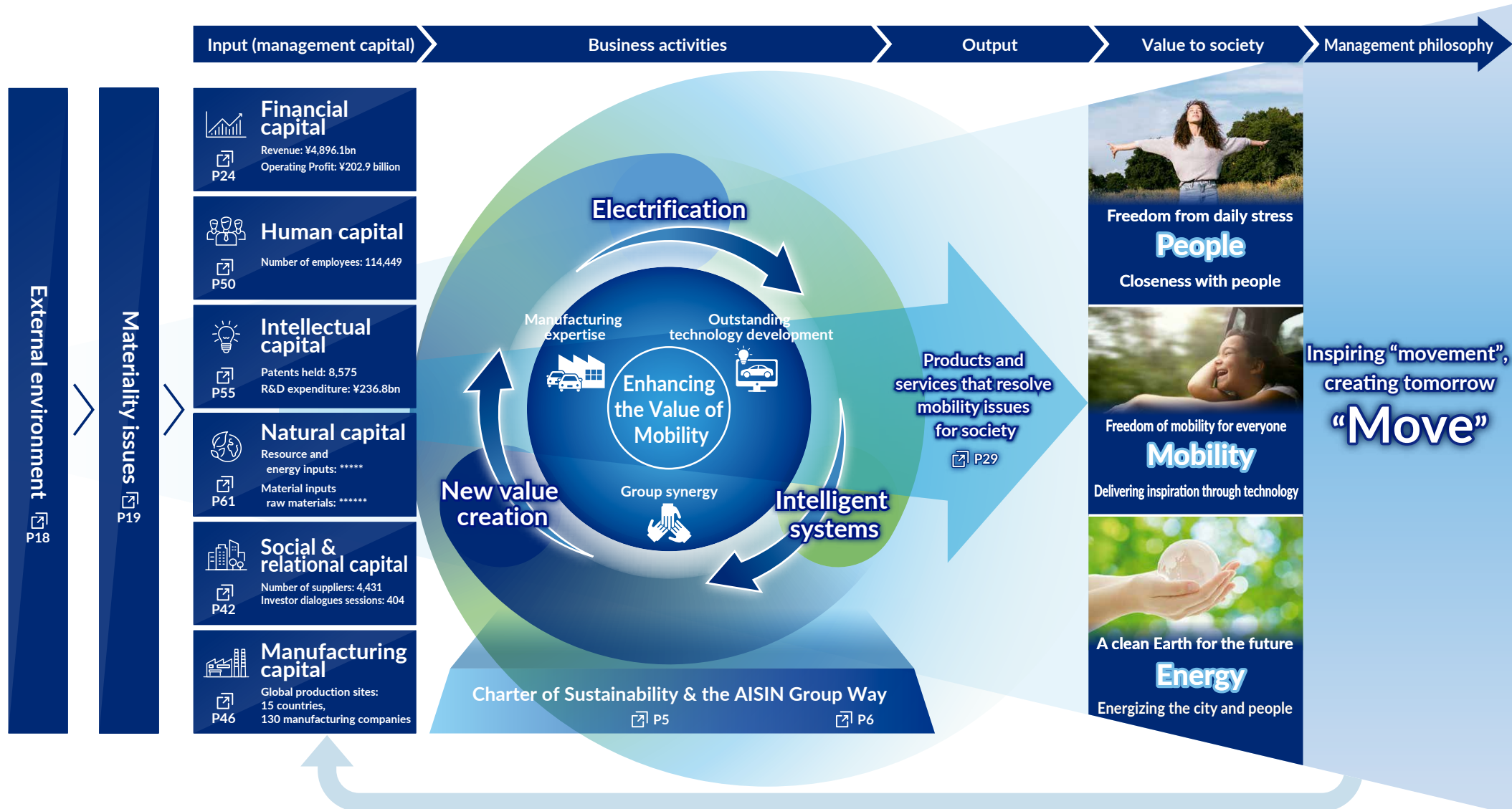
Motivated as we are by electrification, intelligent systems, and the creation new value, we add value for society in such key areas as mobility, energy, and personal lifestyles while enhancing corporate value.

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Aisin's Value Creation Process

Thanks to dialogue with diverse stakeholders, we are able to anticipate societal challenges and needs. We live our management philosophy, “Inspiring movement, creating tomorrow,” by creating products and services that add value in the mobility space. By leveraging our three key strengths—manufacturing expertise, technological development capability, and group synergy—we drive electrification, intelligent systems, and new value creation. We deliver new value centered on mobility, energy, and personal lifestyles to society.



Direction of Business for Providing New Value

AISIN aims to deliver value to customers and society through various types of “movement” for mobility, energy and people.

We will expand the products and services that contribute to solving environmental and social issues without being limited to conventional areas of business.

Inspiring “movement”, creating tomorrow



Situational Awareness: Risks and Opportunities

In identifying materiality issues, we analyze and evaluate risks and opportunities for Aisin based on internal and external environmental changes.

Risks related to sustainability are integrated into our companywide enterprise risk management (ERM). For details on specific risks and responses, please refer to the Risk Management section of this book. [P82](#)

Furthermore, opportunities related to sustainability are deliberated at various key meetings and management meetings. Significant opportunities are submitted to and reported to the Board of Directors.



Materiality Issues

Aisin has pursued sustainability management in accordance with materiality elements selected in FY2020, but in January 2025, we assessed our materiality program to accommodate changing business conditions and social demands.

In defining our materiality posture, we have identified three priority issues and five paths to achieving them. We will work to resolve these issues in the course of our business activities.

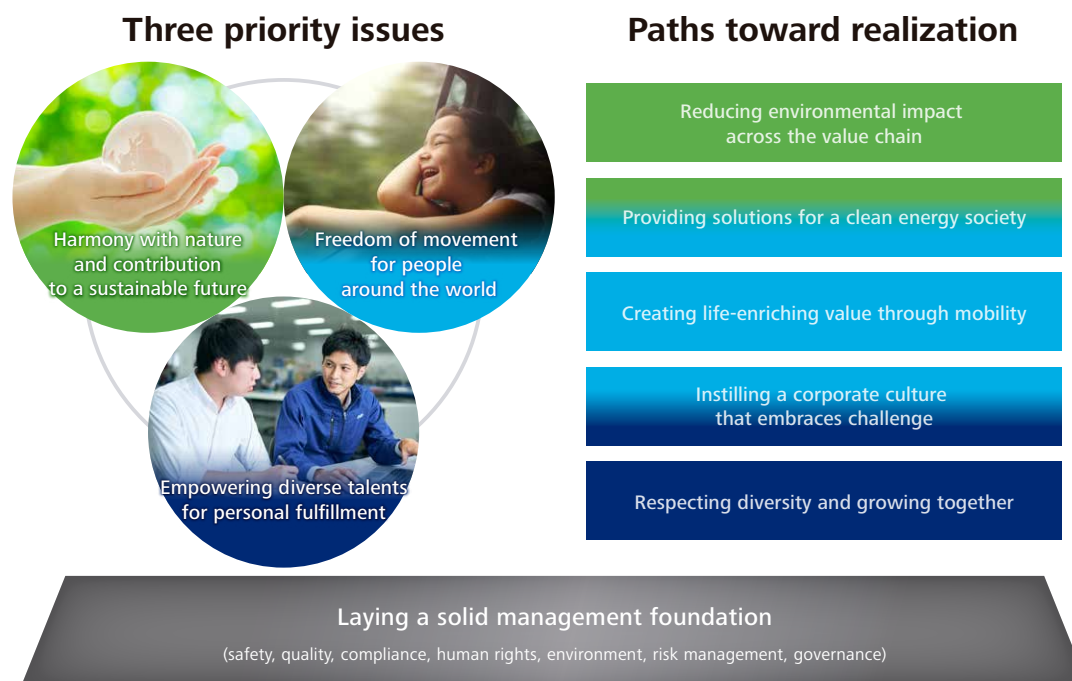
Materiality assessment process

To apply our management philosophy in the real world, we have defined issues that Aisin must address in the context of the long-term business environment and positioned them as materiality issues.

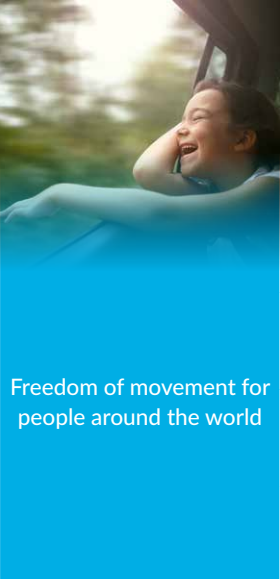
In assessing materiality issues, we, from employees to executives, reaffirm the essence of our management philosophy, view it against current social issues, and select topics that the Company should prioritize. The process for identifying materiality issues is as follows.

Issue extraction	Step 1	Catalog general business and ESG-related issues Reference guidelines and disclosure standards: ESRS, ISSB, SASB, GRI, etc.
	Step 2	Conduct employee workshops to extract issues related to Aisin's business activities
Prioritize	Step 3	Narrow down key management issues through workshops for executives (including outside directors)
	Step 4	Validate the materiality issues draft
Engage stakeholder (Investors, external experts, local residents, suppliers, employees, etc.)	Step 5	Discuss and resolve the materiality issues draft at the Sustainability Conference; report to the Board of Directors and obtain approval.
Identify materiality issues		

Identified materiality issues



Materiality Issues: Key Goal and Performance Indicators

Priority Issues	Paths toward realization	Goal (KGI)	Indicator (KPI)	FY2031 target values	Scope	Targeted SDGs
 Harmony with nature and contribution to a sustainable future	Reducing environmental impact across the value chain	Carbon neutrality Carbon neutrality by FY2051 Carbon-neutral in-house manufacturing by FY2036	Scope 1 & 2 emissions	46.2% decrease compared to FY2020	Consolidated	 
			Scope 3 emissions	27.5% decrease compared to FY2020		
		Circular economy Achieve zero-emission plant by FY2041 (landfill waste: 1% or less)	Optimizing resource utilization	10% efficiency improvement *1		
			Waste minimization Waste emissions	11% decrease compared to FY2020		
 Freedom of movement for people around the world	Providing solutions for a clean energy society	Widespread use of cleantech*2 products and services in the mobility and energy domains	CO ₂ emission reduction via products and services *3	20 million t-CO ₂ *4		 
			Number of cleantech products commercialized	Three or more		
	Creating life-enriching value through mobility	Realizing safe, reliable, comfortable and convenient mobility	Number of drive units sold *5 (cumulative since 1969)	270 million		 
			Number of newly adopted products and services (cumulative since 2025)	500		
			Build-out of aftermarket product and service lineup Product and service categories	100 or more		
			Total users of mobility-related services (MAU *6)	183,400		
			Number of key new business domains	3 domains		

*1 Resource efficiency: sum of the waste discharge reduction rate and the rate of increase in waste recycled for use within the group

*2 Cleantech: technological solutions that reduce environmental impact (e.g., renewable energy, efficiency improvements, resource recycling)

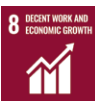
*3 Contribution CO₂ emission reduction: cuts in CO₂ emitted during product use achieved through performance enhancements

*4 Assumption: Based on projections as of July 2025

*5 Drive unit sales: sales volume of AT, CVT, HEV, PHEV, and eAxe units

*6 MAU: Monthly Active Users, number of people who used the service at least once per month

Materiality Issues: Key Goal and Performance Indicators

Priority Issues	Paths toward realization	Goal (KGI)	Indicator (KPI)	FY2031 target values	Scope	Targeted SDGs
 Empowering diverse talents for personal fulfillment	Instilling a corporate culture that embraces challenge	Ongoing accumulation of new fundamental technologies	Number of inventions* ⁷	1,500	Consolidated	 
		Environment conducive to a proactive work style	Positive response rate for employee engagement * ⁸	–	Aisin Corporation	
			Presenteeism performance Level* * ⁹	85%		
	Respecting diversity and growing together	A work environment where diverse professionals can thrive	Positive response rate for an environment that empowers employees* ¹⁰	–	Consolidated	 
			Ratio of female managers * ¹¹	4.5%* ¹²	Domestic group companies	
Laying a solid management foundation	Safety	A culture that prioritizes safety	Number of serious accidents * ¹³	0	Consolidated	   
	Compliance	Zero serious violations of laws and compliance policies	Positive response rate for ethics survey	90%		
	Human rights	Zero serious violations of human rights	Human rights risk assessment survey implementation rate * ¹⁴	100%		
			Human rights training implementation rate * ¹⁵	100%		
	Governance	Achieved enhanced management transparency and internal controls by transitioning the Board of Directors to a Monitoring Board structure, thereby separating oversight and execution	Ratio of female directors	30% or more	Aisin Corporation	

*⁷ Number of inventions: Total number of patent applications along with confidential and publicly disclosed instances of intellectual property

*⁸ Positive response rate for employee engagement: Percentage of employee survey respondents who answered "I want to contribute to the company, feel loyal, and am motivated to put in proactive effort"

*⁹ Presenteeism performance level: Percentage of employees who felt they could perform at 80% or more of their capacity over the past month, with 100% representing performance achievable while healthy.

*¹⁰ Positive response rate for an environment that empowers employees: Percentage of employees who responded in the employee survey that "There are opportunities to apply my skills and abilities, and a comfortable work environment is provided"

*¹¹ Manager: key position (section chief) and above

*¹² Target values were updated following the expansion of HR activities from the initial four companies (Aisin, Aisin Takaoka, Aisin Chemical, and ADVICS) to the entire domestic group.

*¹³ Serious accidents: Defined as those involving fatalities

*¹⁴ Human rights risk assessment survey implementation rate: (Number of companies conducting human rights risk surveys / Number of consolidated companies) × 100

*¹⁵ Human rights training implementation rate: (Number of employees who received training on compliance and human rights / Number of consolidated employees) × 100

Sustainability Promotion

Basic stance and policy

Aisin's management philosophy is "Inspiring 'movement,' creating tomorrow." Our mission is to deliver beauty to our future earth, bringing freedom and happiness to "movement."

Through dialogue with stakeholders, we anticipate social issues and needs and aim to achieve a virtuous cycle of sustainable society realization and corporate value enhancement through our business activities.

To fully implement sustainability management, we have established the Aisin Group Charter of Sustainability as a guideline for our corporate activities. Additionally, we have defined specific actions that employees should take to comply with the Charter in the Aisin Group Code of Conduct and ensure its thorough understanding and implementation.

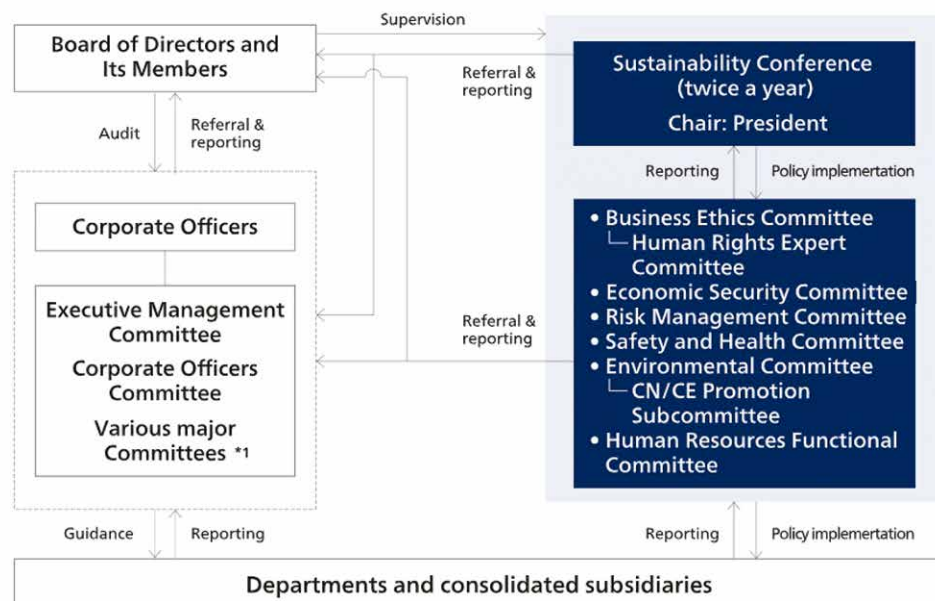
 AISIN Group Charter of Sustainability

 AISIN Group Code of Conduct

Promotion Structure

The Sustainability Conference, chaired by the President, is held twice a year to discuss and decide on the direction of sustainability-related activities, as well as to manage the progress of activities based on materiality. Based on the policies decided at the Sustainability Conference, activity plans are developed by various committees and other bodies, and efforts are made to achieve the goals.

Sustainability promotion structure



*1 Various major meetings include Strategy Functional Conference, VC business Conference, etc.

Sustainability conference

Frequency	2 times / year, in principle
Chair	President
Secretariat	Sustainability Management Section, Corporate Planning Department
Participants	Senior executive officers, regional division heads, presidents of major group companies, etc.
Main agenda items	• Sharing the latest trends in sustainability • Discussing and deciding on sustainability policies • Reviewing materiality, determining indicators and targets, and monitoring progress

Minutes of the Sustainability Conference and the proceedings of various committees are submitted and reported to the Board of Directors. Key agenda items for FY2025 are as follows.

Domain	Board of Directors agenda items	Category	Promoting committee
Sustainability (general)	Revision of the AISIN Group Charter of Sustainability	Resolutions	Sustainability Conference
	Materiality Report	Report	
Risk management overview	Results of semi-annual assessment of priority risks	Report	Risk Management Committee
Climate Change	Concept and Initiatives for Energy Value Chain Business Operations	Report	VC Business Conference Carbon Neutral Promotion Committee *2
	Medium-to-long-term business strategy	Report	Strategy Functional Conference Carbon Neutral Promotion Committee*2
Human capital	Human capital strategy	Report	Human Resources Functional Committee
	Health management	Report	Safety and Health Committee

*2 As of FY2025. The name of the meeting body will be changed to CN/CE Promotion Subcommittee from FY 2026.

In addition, to further incentivize directors to address sustainability issues, the Company has incorporated sustainability KPIs into evaluation procedures for performance-linked compensation. For details, please refer to the Corporate Governance section of this book. [P72](#)

Boosting Earning Power

We are navigating a bold, forward-looking management trajectory through business portfolio transformation and resource reallocation.

We are strengthen our management foundation by enhancing the profitability of existing products and reforming the balance sheet.

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Message from the CAO

**Strengthening profitability through restructuring and maximizing asset efficiency.
Aisin is appropriately allocating management resources to increase corporate value.**



Chief Administrative Officer **Shintaro Ito**

My role as CAO (financial capital)

Combining financial and human capital to drive Aisin's "full model change"

Aisin currently defines five CxO roles. Each CxO is expected to solve critical management challenges, working cross-functionally rather than from a divisional perspective. I see this as emblematic of President Yoshida's leadership.

When President Yoshida announced Aisin's "full model change" strategy during the 2021 corporate integration and outlined the aggressive redeployment of resources, the critical focus was on shifting financial and human resources. I assumed this role to drive optimal resource allocation and profit maximization, effectively becoming responsible for both financial and human capital. Corporate value is the present value of projected future cash flows generated by the Company. These cash flows only materialize when the value created by Aisin's employees is recognized by our stakeholders and we receive compensation for it. Financial and human capital are closely intertwined. I believe it is highly rational to view them holistically and to hold responsibility for both in my role as CAO.

Enhancing corporate value

Changing the perspective on capital efficiency, shifting to balance sheet-focused management

The automotive market is changing rapidly. We projected demand for BEVs to surge while we were writing our current medium-term business plan, but growth has now slowed. In response to these environmental changes, I work with each CxO to agilely review capital allocation as the finance lead to enable a flexible and strategic response. We are now

navigating a challenging period where conditions require careful balance to transfer our business portfolio between shifting our operational structure. Through 2025, we will steadily advance this structural overhaul and proceed selectively according to regional strategies. Rather than invest in all directions, we allocate our resource toward investments that promise clear future returns so that we may achieve sustainable growth.

Furthermore, we are continuously investing in our people in line with our policy of enhancing productivity and creativity across the entire organization. Historically, Aisin has grown by supplying parts in the favorable business environment of an expanding automotive market. While we are currently formulating our 2035 Vision, expanding beyond the automotive sector requires us to reexamine the quality of our assets and the effectiveness of their use in pursuit of higher asset efficiency. In other words, we believe it is necessary to shift toward balance-sheet focused management. Aisin aims for medium-to-long-term growth and prioritizes sustainable value circulation. We are working to strengthen our financial position and maximize corporate value while carefully balancing profit distribution among our five key groups of stakeholder, customers, suppliers, employees, local communities, and shareholders.

Maximizing profitability

Restructuring to raise profitability and speed business portfolio transformation

Aisin is currently advancing structural reforms as part of its medium-term business plan. Looking at 2025, profitability is expected to improve thanks to such initiatives as migrating to new product lines, including next-generation HEVs and

brakes, and eliminating manufacturing losses by building a system that copes well with demand volatility. Moreover, we are steadily progressing with asset reduction and, as our fundamentals improve, we believe the effects of these measures reliably generate profits. Looking toward 2030, while the slowdown in the BEV market will enhance the profitability of automatic transmissions and PHEVs/HEVs, our long-term view remains unchanged that the BEV market will expand. We will continue to appropriately allocate management resources. As some segments of our business portfolio evolve with market conditions and others are intentionally reshaped, we will strategically advance "entrust" to our partners and "collaboration" with our partners as outlined in our business portfolio transformation vision for 2030 while carefully assessing where Aisin can deliver added value.

To our stakeholders

Strengthening our finances and transforming our collective mindset to become a company that delivers the full value of movement

To transform into a company that delivers the full value of movement we must shift our management focus toward prioritizing the balance sheet and asset efficiency. I believe that having more business units focus on the balance sheet will encourage consideration of their own assets and the efficiency thereof, thereby strengthening the financial health of the entire Company and, ultimately, enhancing corporate value.

As CAO, I will continue to contribute to enhancing Aisin's corporate value by integrating and strengthening financial and human capital. We will consistently communicate our progress with this mission to our investors while steadily transforming our collective mindset

2025 Medium-Term Business Plan

Aisin formulated its medium-term business plan in September 2023. This plan, targeting achievement by FY2026, promotes structural reform based on four fundamental pillars. We will explain the progress of our initiatives to date.

1. Business portfolio reallocation

We have steadily shifted resources from existing products to growth domains, including BEV products. For BEV products, we are pursuing collaboration and sales expansion for our eAxe line with Toyota, SUBARU, BMW, and SUZUKI, while also securing orders from multiple companies for battery frame products. Furthermore, in the non-automotive sector, we have entered the phase of conducting demonstration evaluations toward commercializing perovskite solar cells. Meanwhile, we have transferred existing businesses like seat adjusters and bidet toilets to partner companies as part of our portfolio restructuring. Through these initiatives, we are working toward our goal of increasing the proportion of revenue attributable to growth areas to 48% by FY2026 from 38% in FY2024).

2. Improving profitability of existing products, including AT

To maximize the survivor's premium, we are pursuing automatic transmission orders in emerging markets where demand persists while aiming for high profitability by fully utilizing existing facilities and equipment. Additionally, for HEVs, where a rebound in demand from BEVs is anticipated, we have secured orders from partners like Guangzhou Automobile Group and Mitsubishi. At our North American base, we have commenced production of 1-motor and 2-motor HEVs and begun supplying them to Toyota and Stellantis, steadily advancing efforts to expand profitability. Particularly in North America, we are transitioning into a full-scale HEV unit production phase, and our North American operations, which had been operating at a loss, achieved profitability in the FY2024. Looking ahead, Aisin will leverage its broad product lineup to pursue further profit growth in response to the anticipated expansion of PHEV and HEV demand.

3. Resource shift to growth domains: people, materials, money

To achieve a steady resource shift toward growth domains, we are progressing with integration into the medium-term business plan, linked to the reconstruction of the revenue management model. Specifically, we analyze product groups based on two axes: operating profit margin and sales growth rate, partitioning them into four segments: products that require nurturing, competitive products, high-earning products, and those suitable for entrusting to partners. For each segment, we discuss profit targets (return) and necessary investment (human, material, and financial resources required for business profitability), advancing resource allocation toward growth domains. For FY2026, we are targeting 65% or more of capital investment at growth domains (FY2024: 40%) and a Research and development expenditure ratio of 75% or higher (FY2024: 59%). With specific regard to capital investment, we are building a production system

resilient to changes in the business environment. This involves carefully determining optimal investments in electrified products (BEV, PHEV, HEV) based on regional regulations and customer preferences, while consciously configuring production lines for mixed-model production. Furthermore, reskilling and the shift of personnel to growth areas are progressing as planned and contributing to the organization's overall responsiveness and competitiveness.

4. Generating funds through balance sheet reform

We have freed up a cumulative total of ¥99.2 billion in funds since FY2024 by reducing operational assets. We are advancing the offloading of businesses currently entrusted to partners, including portfolio restructuring and the dissolution of capital ties with EXEDY while thoroughly reducing existing operational assets. This includes selling idle infrastructure that have served their purpose and consolidating production subsidiaries based on future market trends. Regarding the reduction of strategically held shares, we have generated cumulative funds of ¥115.5 billion since FY2024 and are steadily progressing toward eliminating the rest of these shareholdings by FY2026. Also, we are working to normalize inventory levels that built up during the COVID-19 supply chain disruptions and, thereby, reducing global inventory. Through measures such as reviewing reserve stockpile levels and optimizing external warehousing, we have generated cumulative funds of ¥82.6 billion *2 compared to FY2022. Through these initiatives, we will reduce our overall asset holdings on the way to a targeted 10% reduction (¥400 billion) by FY2025.

Progress of the 2025 Medium-term Business Plan

Indicators		FY2022	FY2024	FY2025	FY2026 (target)
Growth strategy	Proportion of capital expenditures targeted at growth domains	30%	40%	59%	65% or more
	Proportion of R&D expenditure dedicated to growth domains	43%	59%	62%	75% or more
	Shift of personnel to growth domains	-	2,050	2,500*1	3,000
	Reskilling for growth domains*	-	3,860	4,490*1	3,000
	Proportion of revenue attributable to growth domains*	27%	38%	39%	48%
Strengthening corporate structure	Freeing up capital through balance sheet reform				
	Business assets	-	¥23.9 billion	¥99.2 billion*1	Reduced by over ¥100 billion
	Strategically held stocks	-	¥111.7 billion	¥115.5 billion*1	Reduced by over ¥100 billion
	Global inventory (inventory days)	- (29.4)	¥83.1 billion*2 (27.2 days)	¥82.6 billion*2 (26.4 days)	Reduced by over ¥100 billion (22.8 days)

*1 Cumulative total from FY2022 *2 Based on FY2022 exchange rate assumptions

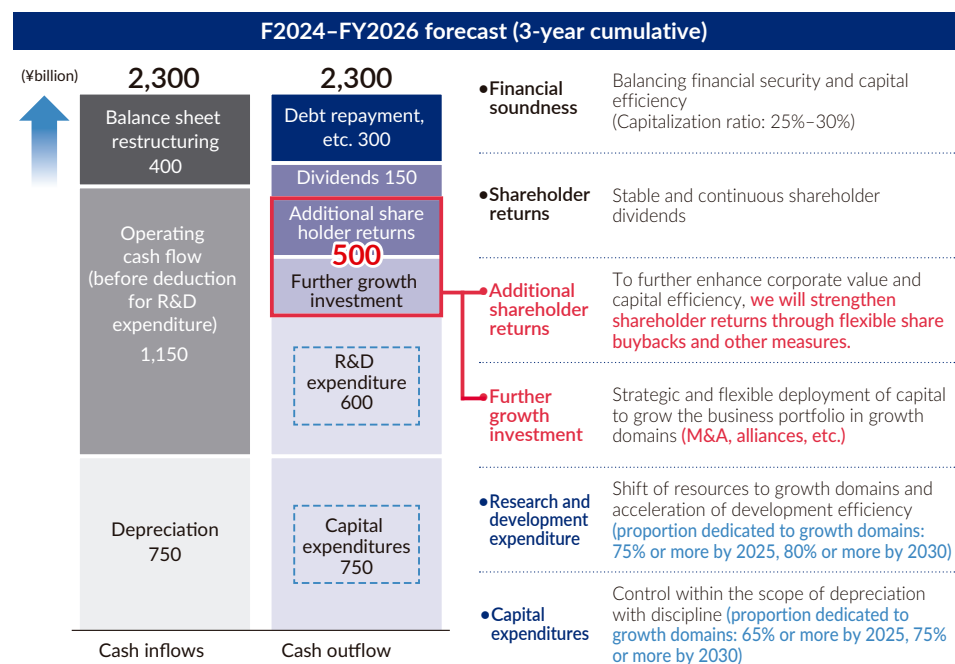
2025 Medium-Term Business Plan

FY2026 outlook

Regarding the operating profit target of ¥300 billion set in the medium-term business plan, we revised the outlook to ¥205 billion in April 2025, reflecting changes in assumptions since the plan's formulation in September 2023. Key factors include reduced sales volume to major customers in China, US tariffs, supplemental investment in expanded production capacity for PHEVs, HEVs, and other models across various regions, and investments in human capital.

While we have revised our assumptions, we will continue to push for profits beyond the targets of the original plan, focusing on enhancing the company's competitiveness through such initiatives as passing through higher resource costs, optimizing selling prices for low-margin products, innovating in logistics, and optimizing asset utilization.

Capital allocation in 2025

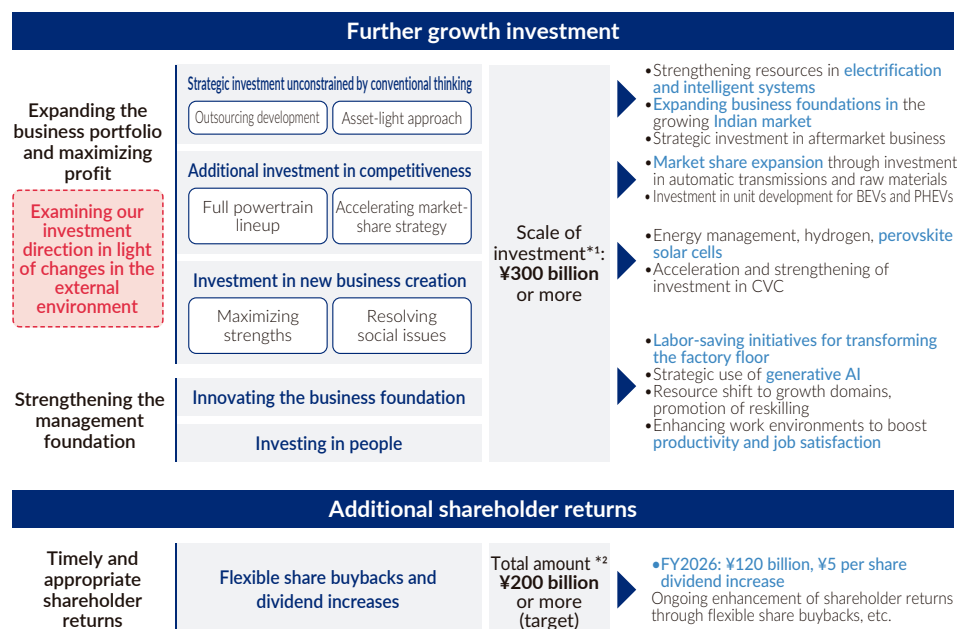


Capital allocation

Under the 2025 medium-term business plan, to ensure financial soundness, we aim to use funds arising from business profit growth and asset reduction for capital expenditures targeted at growth domains, research and development, stock dividends, and debt repayment. Moreover, the ¥500 billion in funding flexibility made available by these capital-positive activities will be applied to additional growth investments as well as buybacks and other shareholder return measures. Thus, we will drive the expansion of our business portfolio in growth domains and further enhance capital efficiency.

Of the ¥500 billion in funding generated through the steady execution of the medium-term business plan, we expect to allocate ¥300 billion toward growth investments aimed at broadening our business portfolio, maximizing earnings, and strengthening our management foundation, with a view extending beyond the fiscal year of 2025. We plan to allocate a total of ¥200 billion to additional shareholder returns by the end of FY2026 through flexible buybacks and dividend increases. We will continue to enhance shareholder returns while maintaining a focus on funding growth investment.

Direction for further growth investment and additional shareholder returns



*1 Covers FY2026 onwards *2 Includes ¥83.9 billion from FY2025

Financial Capital

Enhancing corporate value

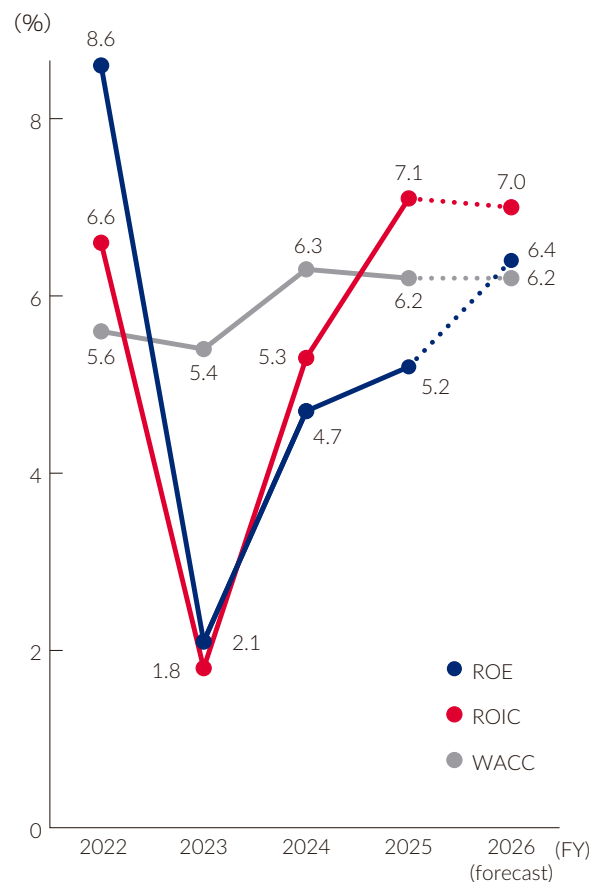
Aisin is working to enhance corporate value by targeting ROIC in excess of the cost of capital (WACC).

To improve profitability, we are accelerating the transformation of our business portfolio to strengthen and refine our earning power. We are also reforming our balance sheet to improve

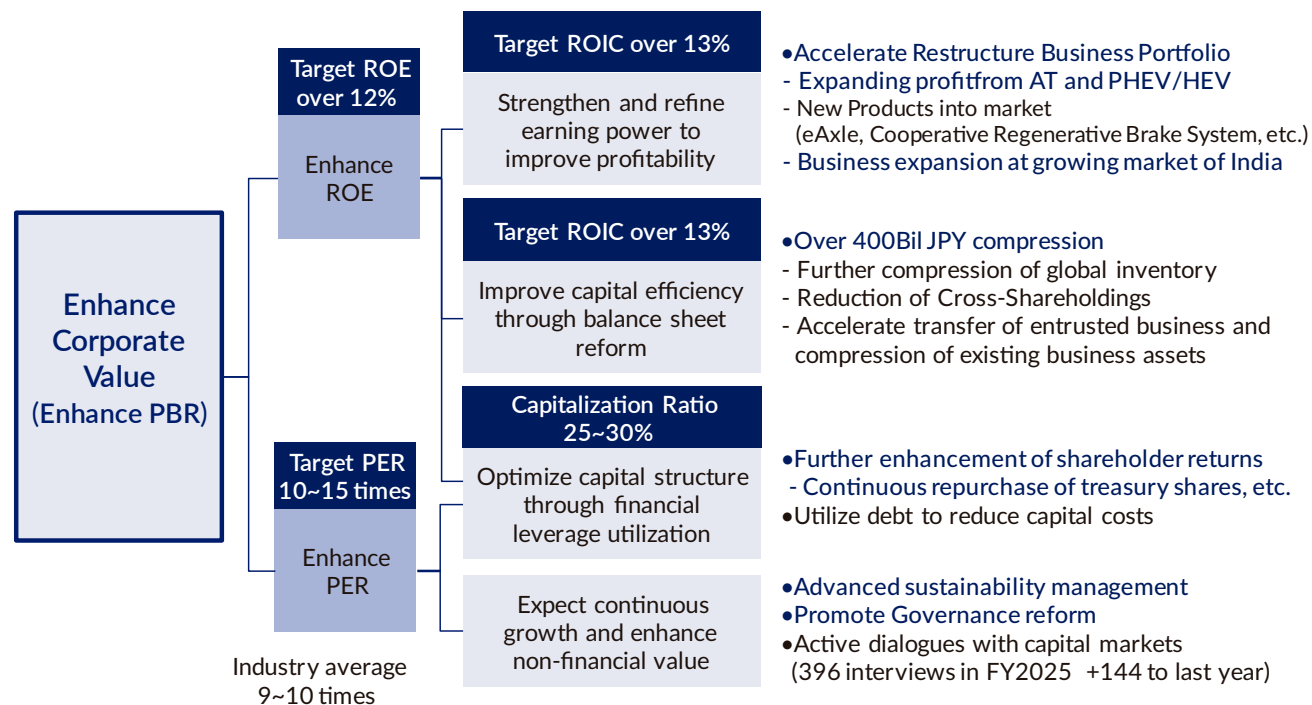
capital efficiency and enhance ROIC.

On the financial front, we are further enhancing corporate value by optimizing our capital structure through the appropriate use of leverage and the flexible use of share buybacks, thereby reducing our cost of capital (WACC).

ROE/ROIC trends



Initiatives for enhancing corporate value

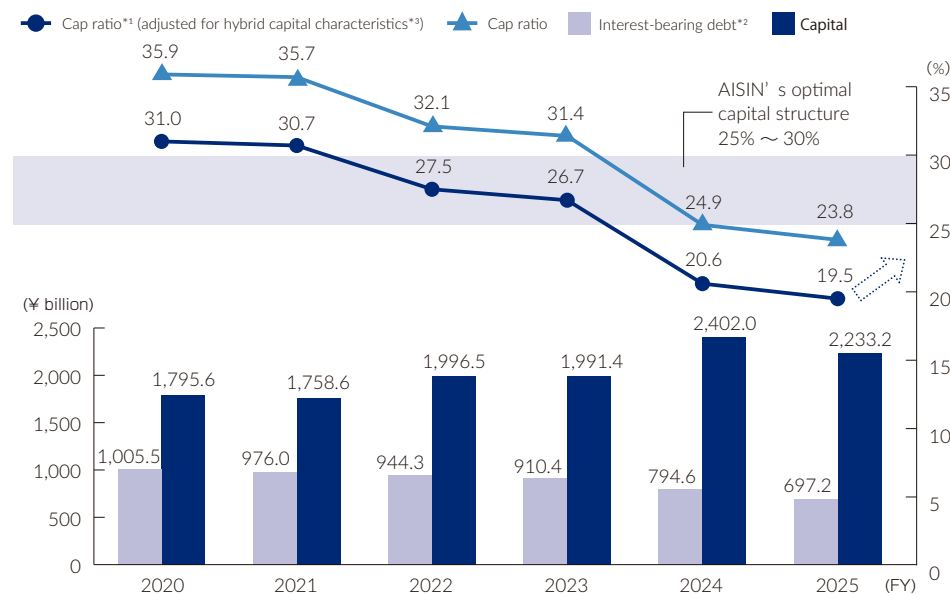


Financial Capital

Capital policy

Aisin's capital policy aims to reduce the cost of capital while balancing financial security and capital efficiency. Our fundamental policy is to ensure our ability to consistently secure low-cost financing while maintaining high credit ratings, thereby driving corporate value. Specifically, we target an optimal capital structure using a capitalization ratio of approximately 25%–30% as a benchmark. Leveraging its currently high financial stability, Aisin is following capital policies that enhance capital efficiency. This includes executing the Company's largest-ever share buyback and annual dividend per share in FY2025.

Capitalization ratio trend



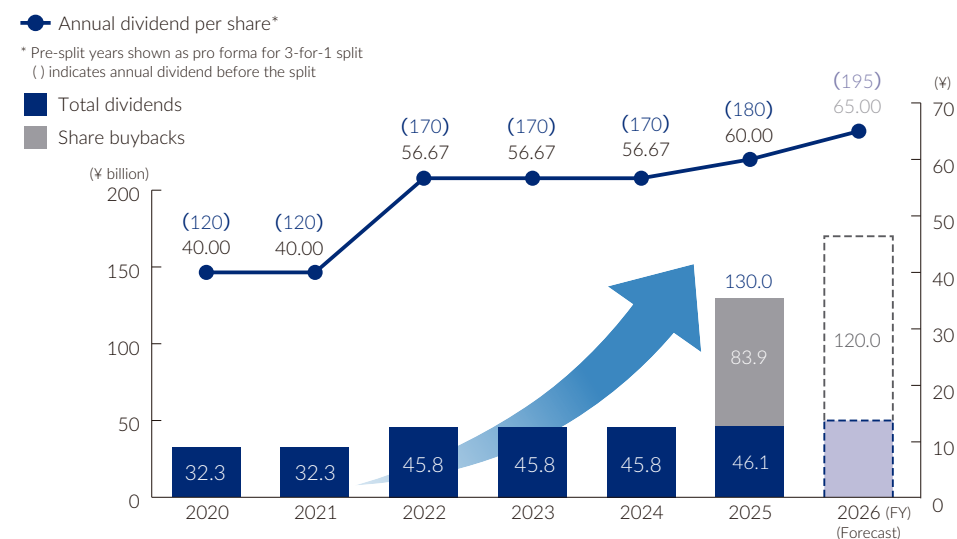
*1 Capitalization Ratio (Cap Ratio) = Interest-bearing debt / (Interest-bearing debt + Capital)
 *2 Interest-bearing debt = Corporate bonds and borrowings + Lease liabilities
 *3 50% of hybrid financing balance treated as rated capital

Shareholder returns

Aisin prioritizes stable shareholder dividends over the medium-to-long term. In addition to focusing on growth investments aimed at expanding the business portfolio, maximizing profits, and maintaining a management foundation that supports sustainable growth, the Company also targets more attractive shareholder returns through flexible buybacks and improved capital efficiency. In FY2025, in addition to paying an annual dividend of ¥60 per share (after stock split adjustment), the company bought back 51 million shares worth a split-adjusted ¥83.9 billion. This resulted in a total return of ¥130.0 billion and a total return ratio of 121.0%. For FY2026, we plan to increase the annual dividend per share to ¥65. Furthermore, in April 2025, we announced a buyback program with maximum limits of ¥120 billion and 130 million on the value and number of shares.

We will continue to prioritize stable shareholder dividends over the medium-to-long term. As we continue to allocate resources for investing in growth and an optimal capital structure, we will strive to enhance shareholder returns through flexible share buybacks and other measures, aiming to improve capital efficiency.

Dividend and share buyback trends



Net profit (¥ billion)	24.0	105.6	141.9	37.6	90.8	107.5	125.0
Dividend payout ratio	134.4%	30.6%	32.3%	121.6%	50.5%	43.5%	
Total return ratio	134.4%	30.6%	32.3%	121.6%	50.5%	121.0%	

2030 Business Strategy

Progress toward our 2030 Vision and business portfolio transformation

The environment surrounding the automotive industry faces significant change as we approach 2030. Aisin is positioning businesses that address societal challenges as opportunities to pursue growth amid these environmental shifts. In the automotive components business, we are developing and marketing new products at an accelerating rate, focusing particularly on BEV components, PHEV/HEV systems, brakes, and safe and comfortable entry systems.

Recently, BEV market expansion has slowed due to policy changes in various countries, and the PHEV/HEV market is expected to grow more than initially anticipated. Aisin has always offered a full lineup for electrification, and the environment is increasingly more conducive to leveraging this strength. In North America, we have started supplying HEV components to Toyota and Stellantis. It is also launching new products for Guangzhou Automobile Group and Mitsubishi. It will further expand its product lineup by such means as promoting the development of high-output models and steadily launch them in the marketplace.

In the BEV segment, development of the eAxe is advancing to accommodate a diverse range of small, medium, and large vehicles. Development and manufacturing operations are already underway in collaboration with various automakers, including Toyota, SUBARU, BMW, and SUZUKI. Next-generation products are also planned for introduction. Building on the trust Aisin has earned from automakers through long-standing partnerships, we are steadily achieving results in the expanding electrification market with cooperative regenerative braking systems. This includes plans to introduce increasingly profitable next-generation products.

Furthermore, we are reliably capturing demand for automatic transmissions by thoroughly meeting customer needs in growing markets such as India and South America. We will maximize use of existing assets to secure the benefits of survival of the fitness.

In our value chain (VC) operations, we are strengthening M&A and alliances in the aftermarket sector, which contributes to realizing a sustainable society within the growing market for personally owned vehicles. In the carbon neutrality (CN) segment, we are advancing demonstrator perovskite solar cells toward commercialization, further accelerating our business portfolio

transformation.

In our existing business domains, we are driving efficiency by optimizing our inventory of accumulated assets, including technology, know-how, personnel, and material resources. Furthermore, we are further strengthening our revenue base by entrusting certain functions to the most suitable partners when necessary. Through these initiatives, we aim to achieve our FY2031 targets: revenue of ¥5.5 trillion–¥6 trillion, an operating margin of 8% or higher, and a ROIC of 13% or better.

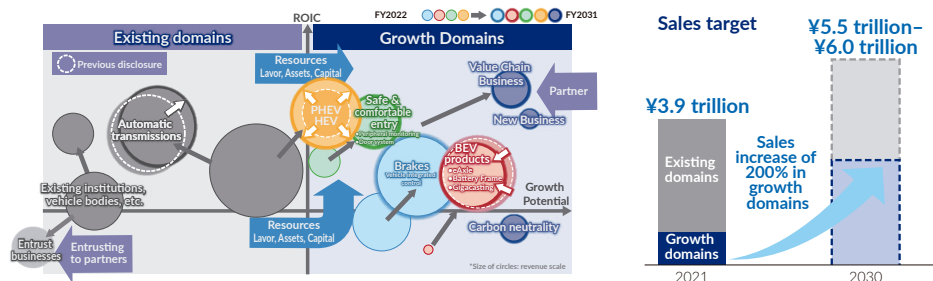
Progress in business portfolio transformation

Business domains	Market environment **	FY2024–FY2025 results	Planned Initiatives for FY2026
PHEV HEV	↑	- Commenced production of 2-motor and 1-motor HEVs at North American facilities - Expanded sales to Guangzhou Automobile Group, Mitsubishi, etc. - Started live vehicle evaluation of next-generation products for PHEVs	- Launched mass production for expansion projects - Completed preparations for North American production and ramped up full-scale HEV production - Implemented preparations for production designed to meet growing demand for hybrids
eAxe	↓	- Progressed with collaboration and sales expansion with SUBARU, BMW, SUZUKI, etc. - Prepared for production for market launch of second-generation products	- Launched second-generation products, started mass production for expansion projects - Implemented production preparations for establishment of global production system
Battery frame gigacast	↓	- Secured orders for battery frame products from multiple companies - Progressed with gigacast prototyping	- Launched new rocker EA and battery heatsink - Strengthened development of modular aluminum bodies and initiated collaboration with customers
Brakes	↑	- Progress in expanding sales of core products like cooperative regenerative braking systems - Established joint venture with Brakes India in the growing Indian market	- Launched 8th generation cooperative regenerative braking systems with enhanced profitability - Strengthened development of vehicle integrated control systems that link multiple products via software to improve fuel efficiency and driving performance**
Safe & comfortable entry	→	- Strengthening development of entry systems and safe/comfortable products - Practical application and sales expansion progress for child left-in-vehicle detection system	Pursuing convenience through system integration and in/out-vehicle sensing technologies (service linkage for autonomous driving and automated parking, predictive boarding/alighting support, etc.)
New businesses: value chain, carbon neutrality	→	- Value chain: Strengthening M&A and alliance promotion for global business expansion in the aftermarket domain - Carbon neutrality: Advancing demonstrator perovskite solar cells toward commercialization (multiple demonstrations planned in collaboration with external partners)	
Existing businesses	↑	- Automatic transmissions: Capturing ICE demand in India, South America, etc.; achieving high profitability through full use of existing locations and facilities - Entrusted business: Promoting transfer of certain businesses to partners (Transferred seat business, bidet toilet business, etc.; other projects ongoing)	

*1 Changes in the market environment since the formulation of the medium-term management plan

*2 Live vehicle test-drives held at our Technology and Test Drive Experience Event: Electrification and Intelligent systems

Transforming our business portfolio with an eye to 2030



2030 Business Strategy

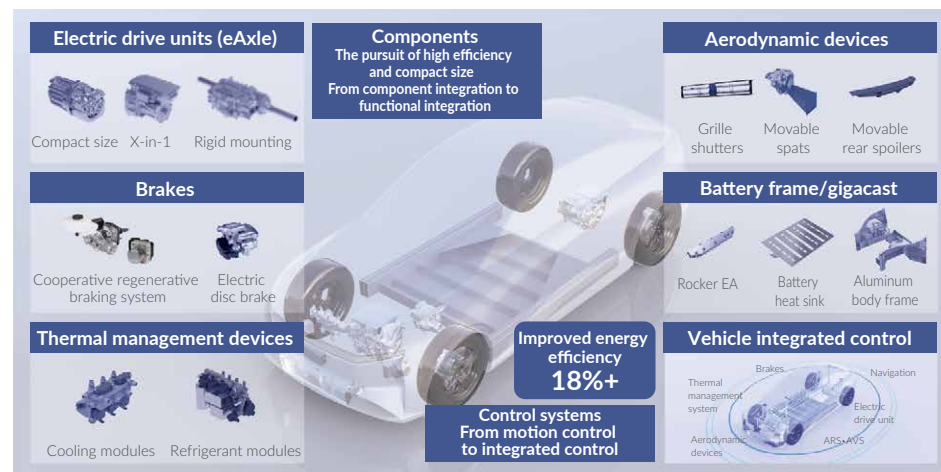
Contributing to BEVs and diversifying user value

BEVs, which we consider critically important long-term, will require BEV-specific products, starting with batteries, while surrounding products and components will also evolve. Aisin will focus on the following products and continue to support the electrification of the entire vehicle with diverse offerings.

- eAxe: Capitalizing on Aisin's advantages in efficiency, cost management, and compact size
- Controlled braking systems, including cooperative regenerative braking systems essential for raising energy efficiency
- Efficiency-enhancing and space-saving cooling modules featuring evolving electric water pump functionality
- Aerodynamic devices that improve vehicle performance by combining body component design expertise with actuator technology
- Battery frames and gigacast products using Aisin's aluminum forming technologies (extrusion and gigacasting)
- Active rear steering that improves cornering performance even with long wheelbases needed to facilitate battery placement
- Integrated vehicle control that manages actuators throughout the vehicle to enhance dynamics and convenience

Beyond these efforts, we are advancing the preemptive development of new technologies and products that lead to innovative solutions. We are dependably responding to changes brought by electrification and meet our customers' expectations.

BEV products that leverage Aisin's strengths



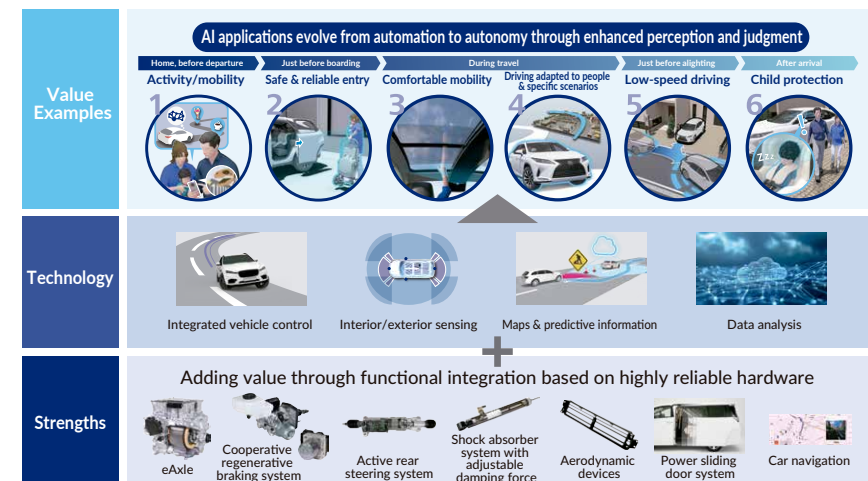
Aisin has for many years developed actuators, drive units and other highly reliable hardware. Building on this record, we are combining the latest sensing technologies and artificial intelligence with software integration to unify mechanical and electronic systems, thereby providing added value in the mobility market. The specific examples are as follows.

- Safe mobility solutions aiming for zero accidents
- Sustainable mobility development that is mindful of the environment
- Efficient, convenient, and comfortable mobility equipment that makes the best use of space and time
- Comfortable mobility options for everyone through personalization

By realizing these goals, we are working to provide a safe and comfortable mobility experience for all, regardless of age, gender, or disability.

Aisin will transition from automation of conventional functions to intelligent autonomous support systems. Our development program enhances perception, judgment, and action through such means as precision control of propulsion, steering, and braking. Thus, we aim to provide a safe, reliable, and user-friendly ride, along with stress-free vehicle access via our entry system products. In this way, we are realizing our vision: "Inspiring movement, creating tomorrow" by adding value across all travel scenarios, including before departure and after arrival.

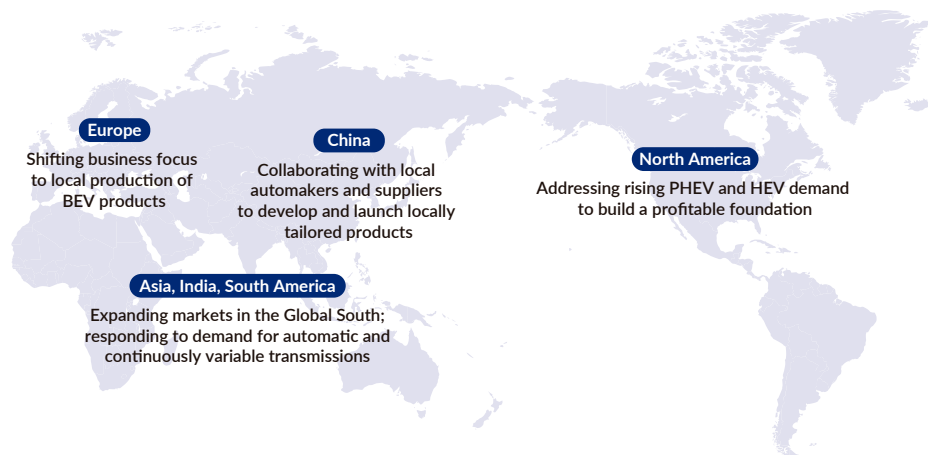
Initiatives toward intelligent systems



2030 Business Strategy

Aisin's regional market-driven initiatives

While automotive electrification is advancing globally, progress varies by region due to differing national policies and energy circumstances. Recently, easing of regulations that have driven electrification has been observed, further clarifying regional differences. Aisin does business with a diverse worldwide customer base and has built a global network to support each user's specific needs. By leveraging our long overseas production experience as well as the quality and reliability we maintain in every global environment, we are effectively utilizing existing commercial and production facilities to address region-specific customer needs and achieve high profitability.



North America

While uncertainties remain regarding trade policies and other factors, North America remains one of Aisin's most important markets. We have relentlessly worked to enhance the competitiveness of local production and build a robust revenue base supporting the Aisin Group. Amid growing demand for PHEVs and HEVs, we are accurately assessing customer needs, further honing our competitiveness by leveraging existing assets, and raising profitability.

China

The shift toward electrification, centered on BEVs and PHEVs, is advancing rapidly. Local automakers are making significant strides, creating a highly competitive environment not only in growth domains like electrification products but also in existing domains. We will deepen collaboration with local automakers and suppliers, providing products tailored to market characteristics to meet customer needs.

Europe

Following policy changes, the pace of electrification in the market is beginning to shift. To prepare for future electrification expansion, Aisin will commence local production of electric drive units—a first for the company.

Asia, India, South America

In the Global South, demand for automatic and continuously variable transmissions is growing as the automotive market expands.

Particularly in India, one of the Company's growth markets, demand for drive units is increasing, while a rising preference for premium vehicles is also fueling demand for higher-value-added products. We are working to raise our competitiveness through collaboration with local manufacturers.

Product Strategy: PHEV/HEV

Strengths

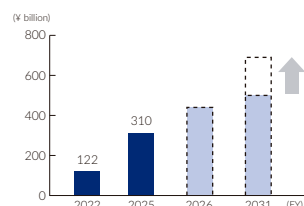
- Technologies that enable low-cost delivery of high efficiency and compact size
- Extensive experience and lineup amassed over more than 20 years of development and production supports installation in a wide range of vehicles
- Trust-based relationships with customers built on long-term partnership
- Problem-solving capabilities and proven development support extending to vehicle-level implementation
- Collaborative framework with diverse companies including BluE Nexus and J-QuAD DYNAMICS

Strategy

As PHEVs and HEVs remain strong electrification options with growing demand anticipated, we are meeting regional customers' ongoing needs with a product lineup backed by over 20 years of experience and broad coverage.

- Two system types—1-motor and 2-motor—to broadly cover small to large premium classes
- Strengthened lineup meets expanding PHEV/HEV demand
- New sales expansion maximizes Aisin's competitive advantage as one of the world's few HEV unit suppliers

Sales targets



FY2025 initiatives

We commenced production of the FR1 motor HEV system in North America and Japan, expanding our product lineup. Furthermore, to meet customer needs in the global market, we have started production of the FF2 Motor HEV for Mitsubishi Motors in Thailand and for Guangzhou Automobile Group in China.

Against the backdrop of slowing BEV market growth and policy revisions in various countries, we are actively pursuing order activities, having received new inquiries from many customers. Looking ahead, we are also developing next-generation PHEV products (FF2 Motor HEV, FR1 Motor HEV) aimed at further improving driving performance, electric range, and fuel efficiency.

Opportunities & risks

- Shift from internal combustion to electric vehicles driven by heightened environmental awareness and tighter regulations
- Varied electrification progress and needs across regions and countries (e.g., policy revisions, infrastructure gaps)
- Demand for electrification solutions to achieve carbon neutrality
- Supply constraints and price increases for rare metals and specialty materials

Roadmap

		2020	2025	2030	
Small Medium	FF	2-motor HEV	High efficiency / low cost	Model lineup	Fuel efficiency requirements
		1-motor PHEV		2-motor PHEV/HEV	
Large Premium	FR		Single motor HEV	1-motor PHEV • HEV	Driving performance, fuel efficiency, and electrical efficiency

Initiatives for FY2026

We will refine our products to ensure the smooth launch of projects currently in production preparation.

To meet the growing demand for HEVs and PHEVs in North America and other regions, we will leverage the strengths of our diverse lineup and our superior quality and technology to propose products best suited to the needs of each region and vehicle and advance our sales activities.

While continuing to expand our lineup, we will work to further develop technologies in related to the efficiency of electric drivetrains and fuel consumption to enhance the competitiveness of our products. At the same time, we will maximize the use of existing assets and redouble our efforts toward increasing local production for local consumption.

TOPICS

HEV unit adopted for Mitsubishi Motors' XFORCE HEV

An HEV unit developed by Aisin has been adopted for the Mitsubishi Motors XFORCE. Production of this unit has commenced at Aisin Powertrain (Thailand).



Mitsubishi Motors XFORCE HEV model



HEV unit adopted

Product Strategy: BEV Products (eAxe)

Strengths

- Technologies that enable low-cost delivery of high efficiency and compact size
- Problem-solving capabilities and proven development support extending to vehicle-level implementation
- Trust-based relationships with customers built on long-term partnership
- Production know-how accumulated in automatic transmission and HEV segments and effective application of existing infrastructure
- Collaborative framework with diverse companies including BluE Nexus and J-QuAD DYNAMICS

Opportunities & risks

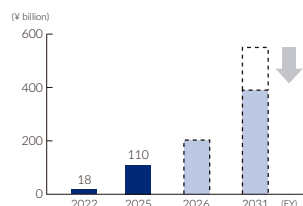
- Shift from internal combustion to electric vehicles driven by heightened environmental awareness and tighter regulations
- Varying degrees of electrification progress and differing needs across regions and countries (e.g., policy revisions, infrastructure gaps)
- Continuous evolution of BEVs
- Growing demand for electrification solutions to achieve carbon neutrality
- Supply constraints and price increases for rare metals and specialty materials
- Intensified competition from other industries and emerging manufacturers

Strategy

Ahead of the next BEV market expansion phase, we are committed to meeting the diverse expectations of customers worldwide with products designed to improve energy efficiency while also delivering compact and low-cost offerings.

- Expanding our lineup to address diverse customer needs
- Advance development of 3rd-generation eAxe (including X-in-1 designs featuring industry-leading miniaturization and highly integrated functions based on our core technologies)
- Expanded sales leveraging the trust of our customer base in Aisin's quality

Sales targets



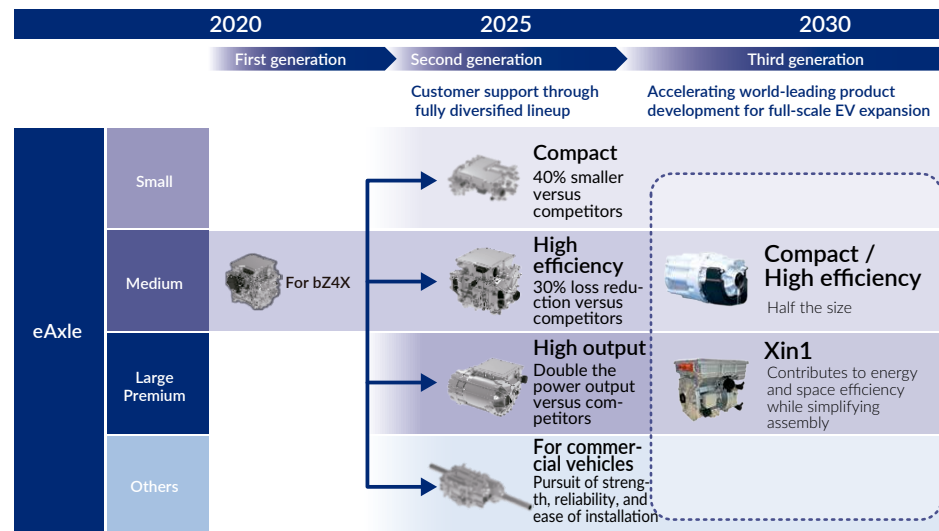
FY2025 initiatives

We have commenced market introduction for Japanese customers, starting with SUZUKI. We have also worked to develop a second generation that achieves significantly higher efficiency, lower cost, and smaller compared to its predecessor and prepared for its market introduction. As a new business model, we agreed to collaborate on contract manufacturing of the e-axle* designed by BMW.

Furthermore, in an effort to transform our business portfolio, we have entered into a business partnership agreement with Mitsubishi Electric Mobility Corporation for the development of the X-in-1 eAxe. We continually expand our product lineup while also developing the new elemental technologies that make this possible.

* Customer product name

Roadmap



Initiatives for FY2026

We plan to launch the second-generation eAxe and are taking action to ensure a smooth rollout. In addition to enhancing core technologies, we are expanding our product lineup by further developing a range of elemental technologies, including rare earth-free motors, to permit an agile response to regulations and factors affecting the external environment, such as carbon neutrality initiatives and geopolitical risk.

We are beefing up sales promotion activities targeted at our longstanding global customers in the automatic transmission and HEV segments while accurately adapting to regional characteristics.

TOPICS

SUZUKI's First BEV, e VITARA, employs our eAxe

The eAxe, jointly developed by Aisin, BluE Nexus, and Denso, has been designed into SUZUKI's first mass-produced BEV model, the e VITARA. This product is manufactured in India and supplied by BluE Nexus's Indian subsidiary.



SUZUKI e VITARA



eAxe for e VITARA

Product Strategy: BEV Products (Battery Frame / Gigacasting)

Strengths

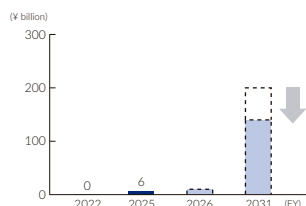
- Sales and marketing capabilities for systems that leverage extensive collision management technology (design, materials & analysis) and thermal management technology (water control devices & analysis)
- Wide-ranging manufacturing methods including coverage of basic material forming technologies (aluminum die casting, aluminum extrusion, steel roll forming) and joining technologies (welding, mechanical fastening)
- Optimized production process leveraging long-established aluminum manufacturing experience as well as global production bases and equipment

Strategy

Amid significant changes to vehicle structure driven by electrification, we recognize that battery frames and aluminum body components pose new business opportunities and are strengthening development in response. We are expanding our attention to products for electric vehicles.

- Expanding and launching battery frame products for electric vehicles
 - Maximizing battery capacity while protecting batteries from collisions
 - Lowering electricity costs and suppressing battery degradation with temperature control
- Development of integrated body structures contributing to enhanced vehicle performance and expanded living space
 - Modular aluminum body structure contributes to reduced vehicle repair costs
- Development of materials and structures that contribute to carbon neutrality

Sales targets



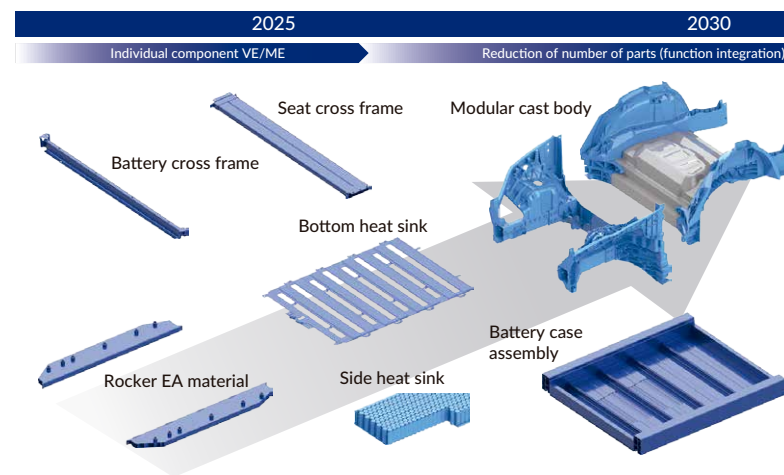
FY2025 initiatives

As the body structures of modern vehicles undergo significant change amid the electrification trend, we are developing battery frame products and integrated functional body products fabricated from aluminum. For battery frame products, we will sequentially introduce new rocker EA material and Aisin's first battery heat sink product to the market starting in 2025. Our rocker EA material utilize collision management technology and offers a lighter, more space-efficient structure than conventional designs. It has been adopted for Toyota Motor Corporation's electric vehicles. We achieved mass production of heat sinks by mastering optimal flow path design using thermal management systems and applying our core technologies in pressing and joining. For aluminum integrated functional body components, we have completed structural design verification for a modular cast body. This involves developing an optimal modularized structure and joining methods by selecting for each part the most appropriate materials and processes, including aluminum die casting and extrusion as well as steel roll forming.

Opportunities & risks

- Changes in vehicle structure due to electrification spur demand for new products
- Addressing electrification requirements that differ by region and country while building supply chains resilient to geopolitical risk
- Intensifying competition amid the rise of suppliers from emerging nations

Roadmap



Initiatives for FY2026

For battery frame products, we are progressing with mass production of rocker EA material that provide battery protection and battery thermal control heat sinks. For battery heat sinks, we are developing a side-mounted type for cylindrical cells, in addition to the bottom-mounted units for prismatic cells. Looking ahead, as we shift from individual components to system integration, we will work on structural development of the battery skeleton case assembly to enhance added value. For modular cast aluminum body components, we aim to establish a roadmap for developing critical elemental technologies. Moreover, in the electrification segment we will bring active aerodynamic products such as electrically actuated spats to market.

TOPICS

Began mass production of electric vehicle battery heat sinks for Toyota Motor

As mass production commences for battery heat sinks, Aisin's first foray into making such products, we introduced a continuous furnace at the Shintoyo Plant.

We intend to introduce these products to the market starting in FY2026 and plan mass production in North America.



Continuous furnace for battery heat sinks

Product Strategy: Brakes

Strengths

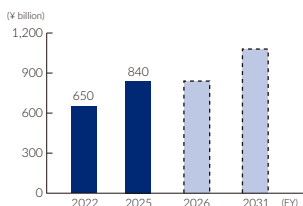
- Development capabilities based on the trinity of mechanical, electrical, and software technologies
 - Proposal of new vehicle functions and values using software
 - Integrated vehicle dynamics control technology
 - Development capabilities of cooperative regenerative braking systems and electric parking brake
- A wide range of high-quality products that bring together the Aisin Group's manufacturing

Strategy

AISIN Group will propose new functions and values to the electric vehicle market, which is expected to growth going forward, with its development capability based on the trinity of mechanical, electrical, and software technologies. We will work to improve the profitability of cooperative regenerative brake system and electric parking brake while working to promote their sales, aiming to develop them into pillars of our business.

- Propose new vehicle functions and values and business expansion driven by software
- Business Expansion to Indian- and Chinese-affiliated customers
- Expansion of cooperative regenerative braking system lineup
- Increase the profitability of cooperative regenerative braking systems and electric parking brake
- Develop technologies that contribute to improving electric consumption efficiency of BEVs and achieving carbon neutrality
- Promote development of electric disc brake

Sales targets

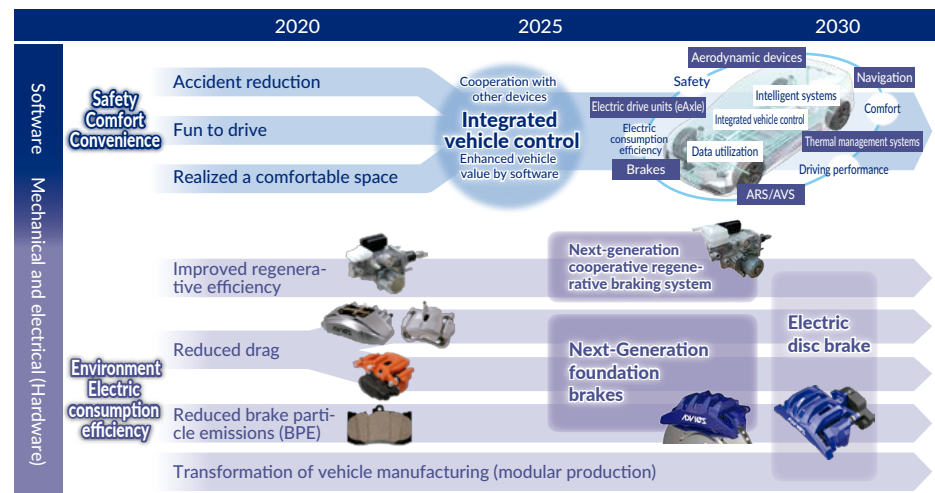


Opportunities & risks

- Preparing for carbon neutrality
 - Increase in electric vehicles, improved fuel/electrical efficiency
 - Changes in vehicle manufacturing methods
- Rising needs for safety and convenience
 - Needs for technologies to realize the practical use of autonomous driving
 - Widespread adaption of OTA* updates in vehicles
- Expansion of the Indian market

*Over the air (OTA): a technology to enable wireless update of vehicle software

Roadmap



Initiatives for FY2026

We plan to introduce a next-generation cooperative regenerative braking system that supports electrification.

We are promoting further sales expansion and aim to strengthen profitability. In the Indian market, we are leveraging our joint venture, BIADS, to aid the local development and production of braking control products, including ESC modulators. Demand for brake pads (NAO materials) meeting European market dust regulations is also growing in the Chinese market in anticipation of future regulatory actions. We are working to further encourage their adoption. At the same time, we aim to increase sales of products for which inquiries are already strong, such as drag-reducing calipers that improve the driving range of electric vehicles.

FY2025 initiatives

We are focused on expanding sales of our cooperative regenerative braking systems and electric parking brake. Both products, along with other items in our brake product lineup, were adopted for the n7 BEV sold by Luxgen, the upmarket brand of Taiwan's Yulon Motor Co., Ltd. (Yulon). Furthermore, to expand business in the growing Indian market, we established a joint venture, BIADS India Private Limited, with Brakes India, India's long-established brake manufacturer, in June 2024. This initiative aims to enhance competitiveness through localization while swiftly adapting to the complex business environment.

TOPICS

SUZUKI's First BEV e VITARA adopts brake products

Our components have been widely adopted in SUZUKI's first mass-produced BEV model, developed according to the concept, "Emotional Versatile Cruiser". Through electrified products such as cooperative regenerative braking systems and integrated electric parking brake calipers, we are contributing to improving the overall vehicle's energy efficiency.



SUZUKI e VITARA

Product Strategy: Safe and Comfortable Entry

Strengths

- Ability to address diverse requirements through system development
 - Mechanical structures and technologies (e.g., door opening & closing)
 - Sensing technologies (e.g., periphery monitoring, obstacle detection, driver recognition)
 - Control technology for sensors and actuators
- Global planning and development, local production systems
 - Regionally optimized design through support at customer sites
 - Production support at overseas customer factory sites

Opportunities & risks

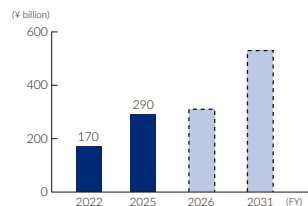
- Mobility evolution through functional updates
- Expanding user experience (UX)
- Addressing North American tariffs and new market entrants from India
- Compliance with environmental (carbon neutrality) regulations

Strategy

We provide users with new mobility value centered on the stress-free vehicle entry system, the concept of comfortable mobility space, and the company's contribution to the environment (carbon neutrality).

- Stress-free entry system
 - Achieves seamless UX from boarding to travel and alighting
- Comfortable and spacious passenger compartments
 - Provides a travel space that delivers inspiring experiences and contributes to health for all
- Environmental contribution (carbon neutrality)
 - Introduces products that realize life cycle assessment and CO₂ reduction

Sales targets



FY2025 initiatives

We have marketed new door automation mechanisms, such as the link-type power door system first unveiled at the Toyota Century SUV's world premiere. By combining conventional actuator technology with sensing technologies like cameras and millimeter-wave radar, we have implemented stress-free vehicle access and contributing to enhanced product appeal. In the field of comfortable and spacious passenger compartments, we are advancing development not only to enhance the appeal of existing products like sunroofs and pneumatic seats but also to provide a safe and reliable monitoring system through in-cabin sensing.

Roadmap



Initiatives for FY2026

To address social challenges and achieve sustainable growth, we are constructing a new growth scenario that envisions mobility in the society of 2035. Beyond product intelligence (actuator technology + sensing technology + system control), we aim to further strengthen competitiveness through the modularization of existing products.

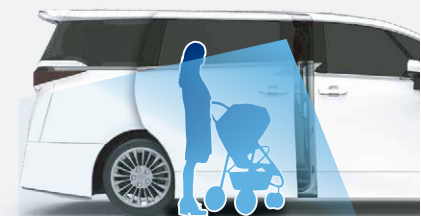
Furthermore, to address geopolitical risk and respond to diversifying customer requirements, we are strengthening collaboration with overseas technical centers to ensure competitiveness in the global market.

TOPICS

AI-based automatic door actuation system

We have developed a system that integrates cameras, radio wave sensors, and AI-powered recognition technology to anticipate the passengers' ingress and egress actions to automatically open and close the doors.

We are creating vehicles of the future that enable stress-free access for everyone, including the elderly and people with disabilities.



Product Strategy: Value Chain (Energy Value Chain)

Strengths

- Integrated system from development to production to after-sales service for energy products, cultivated through over 40 years of experience
- Development of core technologies compatible with carbon-neutral fuels (e-methane, hydrogen, biogas, etc.)
- Thermal management and energy management technologies honed through Ene-Farm (stationary SOFC) and collaborative framework with industry, government, academia, and external partners

Strategy

To achieve carbon neutrality, Aisin is leveraging its proprietary technologies and external partnerships to promote distributed energy products and enter new areas of the business value chain.

- Early commercialization of new products aligned with energy infrastructure transformation
 - Perovskite solar cells, hydrogen generation, hydrogen power generation, methanation
 - High-efficiency energy management
- Strengthening complementary relationships with external partners
- Enhancing business foundations by improving competitiveness of existing products
 - Ene-Farm (single-family homes, multiunit housing), GHP (factories, business facilities), etc.

Opportunities & risks

- Transition of energy infrastructure toward electrification and hydrogen to achieve carbon neutrality
- Expansion of subsidies and public-private investment in infrastructure for renewables, hydrogen, charging, etc.
- Rise in demand for energy-saving products driven by carbon pricing, etc.
- Rapid rise in prices of fuel (e.g., natural gas) due to exchange rates and geopolitical risk

Roadmap

	2020	2025	2030
Social trends	Thorough energy conservation Heightened energy conservation Introduction of carbon-neutral fuels		
Existing products	Ene-Farm GHP	Energy-conserving, low-cost, compact/lightweight, ultra-high-efficiency, robust Energy conservation, high efficiency (optimal mix of electricity and gas) Compliance with environmental regulations (new refrigerants/natural refrigerants)	e-Methane Pure hydrogen Hydrogen mixed fuel Biogas
New products and services	Perovskite solar cells Portable FC generator PEM/SOEC hydrogen generator Commercial SOFC Energy management	R&D R&D R&D R&D VPP demonstration (residential)	in-house demonstration external demonstration in-house demonstration external demonstration in-house demonstration external demonstration internal & external demonstrations (factory, business domains/mobility, logistics)

* Ene-Farm: residential fuel cell cogeneration systems GHP: commercial gas engine heat pump air conditioning
 SOFC: solid oxide fuel cell PEM: polymer electrolyte membrane SOEC: solid oxide electrolyzer cell VPP: virtual power plant

FY2025 initiatives

In support of a hydrogen society, we announced a compact, quiet “portable FC generator” at the H2 & FC EXPO and are advancing discussions with numerous partners toward commercialization. As part of activities to enhance the competitiveness of existing products, our Ene-Farm received the Japan Gas Association's Grand Prize for Technology for its proactive failure prevention activities using a fault prediction system based on remote monitoring.

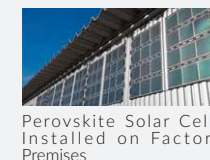
Initiatives for FY2026

On the energy management front, we have developed a solution for multiunit housing that combines Ene-Farm, storage batteries and solar cells to achieve significant utility cost reductions and high resilience. We have begun demonstration testing at company housing and will later expand these technologies horizontally into services for factories and businesses. For our existing GHP products, we have raised the pace of development to enable a switch to the new refrigerant (R32) that complies with increasingly stringent environmental regulations.

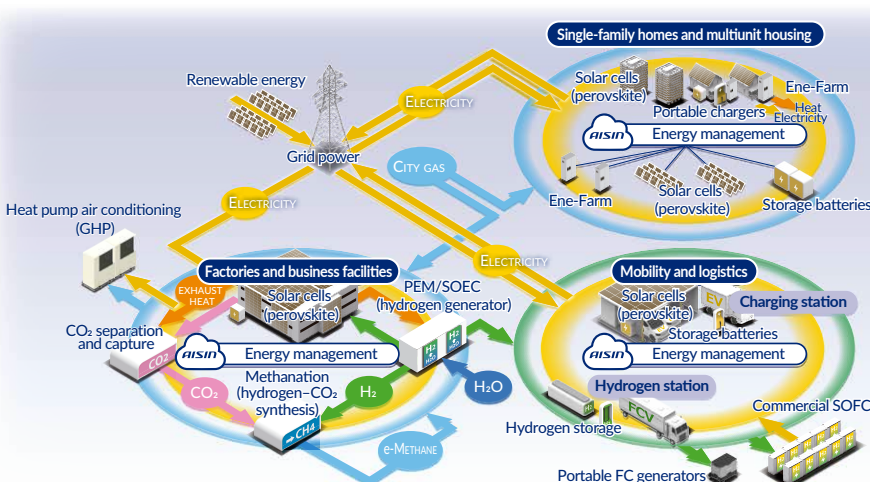
TOPICS

Accelerating activities for the social implementation of perovskite solar cells

Internal demonstration: First grid-connected operation in Japan commences at the Anjo Plant (March 2025 onward)
 External and regional collaboration: Participating in pitches to the Aichi Perovskite Solar Cell Promotion Council (January 2025 onward)



Perovskite Solar Cells Installed on Factory Premises



Product Strategy: Value Chain (Aftermarket)

Strengths

- Comprehensive product and service offerings unique to a complete parts manufacturer
- Regionally tailored products that balance quality and costs
- Globally integrated sales organization with local presence
- Efficient resource use enabled by rebuilt operations

Opportunities & risks

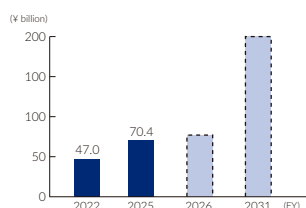
- Supplying parts for the globally growing used vehicle market (inventory driven market)
- Changes in product mix amid electrification
- Revised go-to-market approach driven by DX
- Geopolitical risks attendant to advancing global sales

Strategy

We are helping to build a sustainable society by supporting customers' safe and secure automotive lives while also promoting effective resource use.

- Leverage comprehensive abilities gained via business expansion to realize our vision as a total service provider and trusted neighborhood mechanic
- Contribute to the circular economy by providing repair parts and remanufactured components to owners of used and older vehicles, entering the vehicle repair business, and promoting regular maintenance to preserve vehicle value and extend usable lifespans
- Strengthen support for owners of older vehicles through collaboration with the Toyota Group

Sales targets



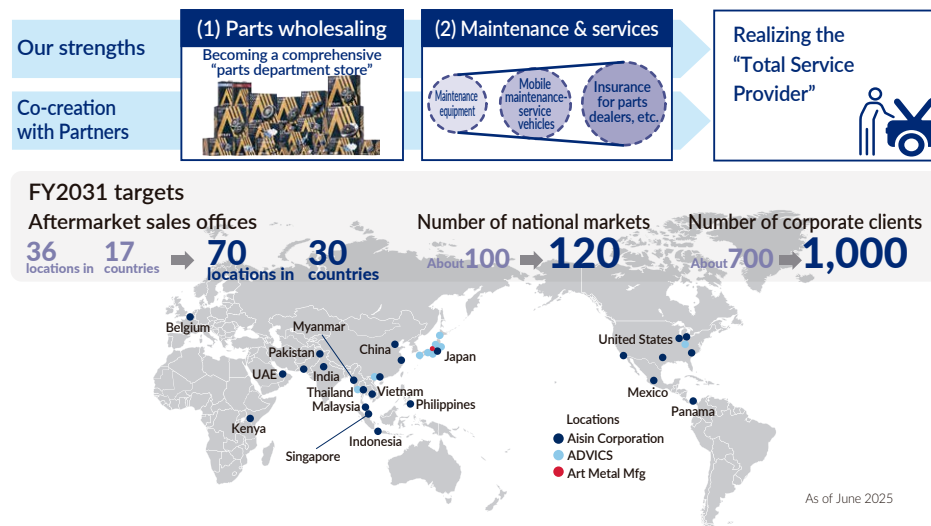
FY2025 initiatives

Strengthening the value chain

To build out our value chain, we have initiated plans to add maintenance services to our traditional parts sales model. To aid with challenges facing maintenance facilities, we are also strengthening partnerships with global maintenance equipment companies that offer high-quality products at low prices.

Moreover, to provide products suited to regional characteristics, we are expanding our lineup of high-demand items, such as tires, batteries, and oil while strengthening global collaboration with parts dealers in each region.

Roadmap



Initiatives for FY2026

Value chain diversification

To ensure stable supply of key products, we will promote diversification of global procurement sources.

To support face-to-face sales, we will establish a new base in Asia to provide services tailored to regional needs. In the European and American markets, we are strengthening sales by partnering with online parts retailers to improve convenience for end users. Additionally, as support for repair shops, we will begin offering not only parts but also high-quality, low-cost maintenance tooling.

TOPICS

Expanding our lineup as a total service provider

At the International Auto Aftermarket Expo, we showcased our theme of comprehensive support for repair shops. We presented a lineup of not only repair and replacement parts but also maintenance machinery like tire changers (which can be expensive) and business support solutions, such as collection insurance for receivables. We took the next step along our journey to become "your trusty local repair shop."



Exhibition display:
Left: Tire changer, Right: Wheel balancer

Product Strategy: Mobility Service Platforms

Strengths

- Cloud platform centered on location-based technology that seamlessly connects in-vehicle and mobile devices
- AI analysis combining multiple vehicle component behaviors with location data and processes driven by the voice of customer (VoC)
- Generation of predictive information essential to vehicle intelligent systems and smart mobility
- Technical capabilities and quality assurance processes for large-scale software development for vehicle-mounted devices

Opportunities & risks

- Market expansion in mobility service business domain driven by IT innovations such as generative AI
- Entrants into the mobility service sector from other industries, such as IT
- Strong societal demand for an accident rate of zero
- Growing demand for labor-saving automation solutions due to population decline
- Tightening environmental regulations governing carbon neutrality, electrification, environmental protection, and information security

Strategy

Our mobility service platform combines technologies accumulated through our work with car navigation systems to provide diverse mobility-related services. By sharing this platform, we aim to enhance quality, streamline development and operation, shorten time-to-market, and create new mobility solutions.

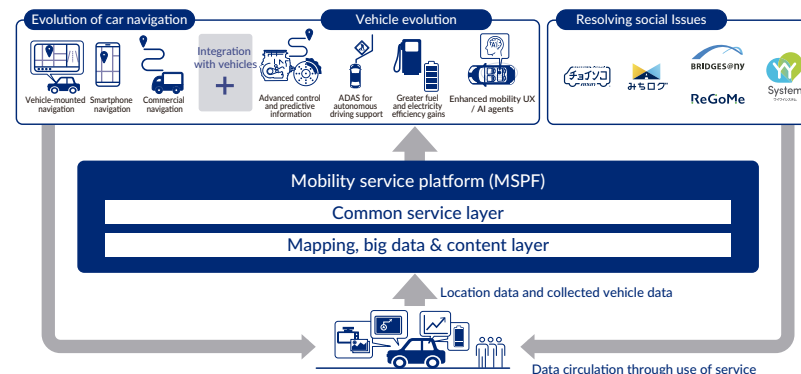
- Evolution of car navigation systems for BEVs and commercial vehicles like trucks and taxis
- Connectivity-driven vehicle evolution: autonomous driving support, improved fuel and electrical efficiency, superior mobility UX
- Resolving social challenges through mobility-enabling environmental support, such as eliminating physical and psychological barriers to travel

FY2025 initiatives

We are providing in-vehicle navigation systems to 100 countries and regions around the world, guiding users to their destinations more quickly and comfortably. To adapt to recent environmental initiatives (carbon neutrality and electrification), we have developed an energy-saving routing service for BEVs that uses predictive information and an EV routing service that improves convenience by supporting charging.

Building on location-based technology cultivated through our work with navigation systems, we are developing services that optimize the movement of people and goods. Having completed proof-of-concept trials, we are advancing toward public implementation. We are also working to ensure mobility in areas with widening transportation gaps, address shortages of drivers and other labor providers, and support mobility infrastructure development through road maintenance.

Supporting mechanisms behind our initiatives



* Please also refer to our section on Intellectual Capital (DX). [P59](#)

Initiatives for FY2026

Building on our global installation rate for navigation systems of 4.6 million vehicles per year, we are now promoting the use of real-time information through the evolution of connected navigation systems—particularly in the Global South where smartphone navigation dominates. We are also collaborating closely with vehicle manufacturers to implement vehicle intelligence that enhances safety, reliability, and comfort through personalized mobility experiences. This includes anticipating events ahead on the route and proactively applying this information to control various vehicle components and providing optimal guidance through the use of AI agents. Furthermore, Aisin continues to expand its business focus on resolving social issues in accordance with three key themes: supporting human mobility (Choisoko), supporting the mobility of cargo (BRIDGES@ny, ReGoMe), and infrastructure support that limits physical and psychological barriers to mobility (YYSystem, Michi-log). For details, please refer to the next page.

[P40](#)

TOPICS

Launch of navigation systems for BEVs

In the growing European BEV market, we have implemented route search functionality that is aware of charging stations to help with charging enroute.



BEV navigation systems

Product Strategy: New Businesses that Help Resolve Social Issues

We are tackling challenging problems in a number of our businesses by leveraging our inventory of technologies.

Logistics support service BRIDGES@ny

BRIDGES@ny is a cloud-based logistics support service that assists shipping companies, transport operators, and drivers with delivery management. It supports functions from understanding actual delivery conditions and help with such activities as delivery planning, dynamic management, and driver support. This helps reduce the cost and enhance the quality of transport services while improving working conditions.

For delivery planning, this system employs Aisin's system for executing temporal calculations based on vehicle movement, which we have developed based on years of car navigation development and a statistical database of vehicle tracking information. This enables highly accurate arrival predictions specifically tailored for trucks. Furthermore, route calculation that factors in restrictions and other current road conditions ensures that delivery plans accurately predict actual performance. The system incorporates unique support functions unavailable from other vendors, such as location-specific configurations for sharing site-specific rules, a dedicated disaster mode, and delay detection alerts. As for driver support, it features automatic departure and arrival detection, automated dispatch of delivery progress updates, and voice-guided navigation. This enables the operation of a logistics support platform that ensures safe and reliable transit—even for first-time delivery destinations or new drivers.

In 2024, the system was formally adopted as Toyota's pickup logistics system and has also been introduced into Aisin's internal procurement logistics process. In an environment where shipping companies' responsibilities are increasing daily due to factors like revisions to the Act on Advancement of Integration and Streamlining of Distribution Business, we are developing our system into a socially significant logistics support service that is responsive to changes in logistics-related laws and regulations and incorporates features such as optimized route planning, parking area capacity information sharing, cargo handling management, and analytics and data extraction functions for understanding inefficient trips.



Road maintenance support service Michi-log

Michi-log is a service that collects road condition data to the cloud via systems installed in municipal vehicles and taxis. It uses AI image analysis to monitor potholes, cracks, and worn lane markings in real time, thus enabling the detection of abnormalities across wide areas without special patrols and contributes to road safety. Aisin leverages strengths including highly reliable vehicle-mounted data collection equipment, AI-powered image and vehicle data analysis, cartographic technology, and intuitive user interfaces.

In FY2025, the system added lane marker wear detection, which is essential for the broad use of autonomous driving in the future, and commenced field trials in North America.

Development plans for FY2026 onward include functions to prevent road subsidence caused by water pipe breaks (a common societal issue due to aging infrastructure), as well as rutting and vegetation encroachment. Aisin will also actively expand operations in Europe and Southeast Asia through local partnerships.



AI-powered on-demand transportation Choisoko

Increasing numbers of people are losing access to mobility as elderly drivers surrender their licenses and service on some bus routes faces discontinuation. Aisin is collaborating with municipalities and local businesses to deploy Choisoko, an AI-powered on-demand transportation service. This service utilizes AI to determine optimal shared-ride routes and enable efficient, low-cost mobility.

In FY2025, we promoted initiatives to address diverse regional transportation challenges by participating in the Ministry of Land, Infrastructure, Transport and Tourism's Regional Public Transportation Redesign Implementation Council and in public-private partnership platforms aimed at eliminating transportation gaps. We drove the implementation of hybrid operating models combining on-demand and fixed-route services tailored to community requirements for, among other things, tourist services and transportation for children, while collaborating more closely with relevant organizations. We also helped establish wide-area cooperative public ride-sharing programs spanning multiple municipalities.

From FY2026 onward, we intend to work toward ensuring sustainable regional transportation by enhancing coordination with other modes of transport, such as buses and taxis, and improve the convenience of the overall regional mobility network.



Product Strategy: New Businesses that Help Resolve Social Issues

Communication support service YYSsystem

YYSsystem is an application that provides communication support built around a proprietary algorithm that creates visual representations of speech and ambient sounds. With the aim of enabling conversations anytime, anywhere, with anyone, it is designed to create a society where individuals with hearing impairments or those using different languages are left with no means of communication.

Following the April 2024 revision and enforcement of the Act for Eliminating Discrimination against Persons with Disabilities, which mandated reasonable accommodations, adoption of YYSsystem by public institutions and companies picked up. Particularly with major international events like the 2025 Osaka-Kansai Expo, World Athletics Championships, and Tokyo 2025 Deaflympics in sight, installation as a universal communication tool is progressing at locations such as station counters.

In addition, to meet users' individualized needs, we have developed a new My Engine feature utilizing the latest AI technology. This function accurately transcribes the speech of individuals with distinctive speaking patterns.

This project practices inclusive design through collaborative creation with users, incorporating feedback and information on the challenges they face. These efforts have been recognized with a Good Design Gold Award in 2023 and a Best Design win at Taiwan's GOLDEN PIN DESIGN AWARD 2024. This project has received high acclaim both domestically and internationally, including selection as a WSA Winner of 2024 at the international World Summit Awards (WSA).



Hydraid ultra-fine water permeation technology

Hydraid is a technology in which water molecules from the air are adsorbed by a specially developed nano-structured membrane that assembles them into minute water particles measuring approximately 1.4 nanometers. Apart from their size, these minute water particles have interesting characteristics such as being electrically neutral, nonpolar, and structurally stable. This technology holds potential for application in various aspects of daily life in such domains as beauty and hair care, agriculture, food, medicine, and industry.

In the beauty and hair care sector, professional devices for hairdressers were launched in 2022, followed by professional devices for physicians in 2023. Both devices safely and reliably condition the foundation of hair and skin using only the power of water, enhancing and sustaining moisture retention and providing various effects through treatment. The number of salons adopting this technology is steadily increasing, primarily in the Kanto and Tokai regions.

In the biotechnology domain, we have focused on applications for food fermentation that promote health and enhance nutrition and sponsored research and development in collaboration with universities and companies. Within the scope of this effort, we successfully imparted fine water particles to post-fermented tea produced through traditional methods and then fermented using a lactic acid process. The end result is a tea with a richer aroma and more complex flavor. We are currently aiming for commercialization in autumn 2025 and are trial-installing the fine water particle generation device at tea manufacturers. Thus, we are working to evolve traditional methods and create new types of tea.

We believe Hydraid is a technology that anyone, anywhere, can benefit from. By using the readily available resource of water, we aim to contribute to a healthy and comfortable future for everyone.



Professional equipment for hairdressers



Professional equipment for physicians



Post-fermented tea



Message from the CVCO

Committing to be a company trusted and valued by all stakeholders as we build trust and establish foundations for our next phase of growth.

Chief Value Chain Officer **Hiroaki Nanahara**



My role as CVCO

Maximizing profitability across the value chain and driving new business

The tasks entrusted to me as CVCO drive revenue maximization across the entire Aisin Group value chain, from procurement to selling and also entail building a foundation for new businesses beyond automotive parts manufacturing. To maximize revenue, I believe it is crucial to increase Aisin's base of supporters and enhance customer satisfaction. Thus, we can expand sales while simultaneously building a robust supply chain and jointly work to reduce costs. Moreover, to create new mainstay businesses, we are actively commercializing future revenue sources in such areas as aftermarket parts and service, energy-related businesses, and other completely new domains.

Enhancing corporate value

Determining long-term market requirements and strengthening our value proposition for customers

The automotive industry currently faces unprecedented competitive pressure as traditional technological advantages are being challenged by the rise of Chinese companies—particularly in the BEV segment. Amid these changes, I strongly recognize that for Aisin to sustainably enhance its corporate value, formulating a new growth strategy grounded in a long-term perspective—looking 15 to 20 years ahead—is indispensable.

Meanwhile, growth of the BEV market has temporarily slowed, creating a near-term window of opportunity. We view this as the perfect moment to rebuild our competitiveness. While Aisin's product planning tends to be technology-driven, I believe it is crucial for our sales

departments to engage in planning at an earlier stage and strengthen their marketing capabilities to accurately capture future requirements. Sales teams in each region are to bring customers closer so we can uncover latent needs looking 5 to 10 years ahead and connect these insights to our technology development effort. Through such initiatives, we aim to establish a new product development cycle grounded in customer needs.

For businesses outside of automotive parts, we are devising a growth strategy with the goal of expanding these units' share of companywide sales from approximately 4% at present to around 10%. To achieve this goal, we plan to intensify alliances and other external collaborations to an even greater extent than before.

In support of the long-term vision for 2035 we are currently developing, all of Aisin is actively discussing how we can grow and transform. As Chief Value Chain Officer (CVCO), I aim to clarify our specific initiatives and desired future state from the perspective of the entire value chain.

Maximizing profitability

Building a competitive and profitable supply chain

Needless to say, strengthening our sales proposition is also crucial to maximizing profitability. Strategic and proactive marketing activities, spearheaded by the sales department and involving the entire company, are proving successful and boosting orders in markets abroad. Consequently, the importance of local overseas operations is increasing, and we are strengthening our regional management functions. While establishing a system to entrust daily operations to local teams, I have focused on building relationships with customer's top management both domestically and

internationally. I feel confident that this has allowed us to reaffirm and strengthen trust with our customers.

We are also focusing on initiatives to enhance the competitiveness of our supply chain. Aisin is supported by its group companies, large-scale suppliers, and local small and medium-sized enterprises (SMEs) in home region of Aichi Prefecture. Following corporate integration, we have strengthened our bargaining power with large suppliers by promoting centralized purchasing across the entire group. What is more, our locally rooted supply chain is a competitive advantage for Aisin, and we will continue to develop growth strategies with local suppliers for mutual prosperity by enhancing competitiveness and maximizing profitability.

Furthermore, building resilient local supply chains overseas is an urgent priority for advancing our regionally focused management plans. We are actively appointing and developing local talent and steadily transitioning to autonomous, locally seated operational structures.

To our stakeholders

Developing transformative talent for a sustainable future

For Aisin to sustain growth, talent development and a transformative collective mindset are essential. When faced with critical management challenges, CxOs provide swift and precise direction while delegating responsibility and authority to the front lines. This creates opportunities for motivated employees to take on challenges themselves and fosters the development of staff with broad perspectives and deep understanding. As CVCO, we will powerfully unify the value chain both within and outside the Group to contribute to enhancing corporate value and achieving sustainable growth. This will gain Aisin recognition for having changed.

Social and Relational Capital (Supply Chain)

Basic stance and policy

Aisin receives various parts and raw materials from numerous suppliers worldwide for its production activities. In our transactions, we strive to build trusting relationships with suppliers based on the fundamental principle of coexistence and mutual prosperity as good business partners. Guided by the principles of "mutual prosperity with suppliers based on long-term stable transactions" and "execution of open and fair transactions," we have implemented our "Basic Procurement Policy" globally to promote sustainable procurement activities throughout the entire supply chain.

 Basic policy

 AISIN Group Supplier Sustainability Guidelines

 AISIN Group Green Procurement Guidelines

 Partnership Building Declaration

Promotion Structure

The Group Procurement Headquarters participates in various internal committees and promotion meetings, including the Sustainability Conference. It collaborates with the responsible departments and related departments to serve as the point of contact for suppliers and promote various initiatives. Furthermore, it is progressively integrating functions with domestic group companies. In overseas regions, it closely coordinates with the procurement functions of regional headquarters to implement unified procurement policies for suppliers and conduct activities to identify and resolve issues.

Promotion of Basic Procurement Policies at Group companies domestically and internationally

Aisin is committed to mutual development with suppliers based on cooperation and shared prosperity. Guided by this fundamental objective, we have put in place formal Group Purchasing Policies and are enhancing our procurement process. In FY2025, we conducted procurement policy briefings* in our key global regions of Japan, North America, Europe, China, Asia, and India to share information on recent environmental trends and communicate the Group Procurement Policy.

*The Company invited critical suppliers from each region (Japan: 750 companies, overseas: 1,011 companies)

Strategy

As the business environment and product mix undergo significant change, we are enhancing the competitiveness of our entire supply chain and addressing social concerns.

We are building on our core competitive strengths with regard to quality, cost, and speed through continuous benchmarking, assessment of our own circumstances, and implementation of best practices.

Key initiatives

Risk assessment and enhanced coordinated response with suppliers

To consistently fulfill customer trust and expectations, we established a quality manual, Supplier Quality Assurance Manual for Parts Procurement (SQAM hereinafter) for all Tier 1 parts suppliers and have held regular reviews since its implementation.

We request top-tier suppliers to help ensure quality maintenance and improvement at Tier 2 and subsequent suppliers.

To continuously verify that parts meeting customer quality requirements are being supplied, we

conduct self-inspections and on-site audits based on a checklist covering compliance with the SQAM and the international quality assurance standard ATF 16949. This occurs once every three years and involves 432 companies.

Based on analysis of such risk metrics as the achievement status of quality targets and high-demand safety components, we conducted audits on 75 companies, including secondary suppliers, in FY2025, providing support until improvements are completed.

Furthermore, in FY2025, we ran quality assurance events with 53 companies (including continuations from the previous year). As a result, 20 companies moved up a rank in our proprietary quality evaluation.

For primary material suppliers, we have established the Supplier Quality Assurance Manual for Materials Procurement to ensure customer satisfaction with our product. We manage input ingredients in materials we purchase according to internal standards and conduct regular verification.

To address risks threatening stable procurement of purchased items (such as natural disasters, fires, and geopolitical risks), we have established dedicated organizations and built a system to consistently capture timely information. Our emergency risk response focuses on production sites and component SKUs deemed to be of critical importance. This fiscal year, we established a new business continuity program (BCP) management system. We catalog and employ data provided by suppliers on the manufacturing processes for components and raw materials we buy. This system brings the supply chain into clear view, enabling swift initial response and recovery actions.

For components identified as particularly high-risk, such as semiconductors and those containing rare earths, we apply risk control measures including inventory reviews and collaboration with design departments to build in more versatility during the early development stage.

Furthermore, we have established functions within each department within the Group Purchasing Division to promote proactive procurement. Working with relevant departments from the new product development stage, we strategically source materials and components in advance to minimize geopolitical risks and potential supply disruptions while ensuring stable procurement of competitive materials and parts.

Supplier Sustainability Guidelines

To further advance our response to ESG issues and achieve a sustainable society, we have issued the AISIN Group Supplier Sustainability Guidelines, which lay out requirements for our suppliers and specify fundamental matters to be addressed with our suppliers in the course of our business relationships. We hold explanatory sessions for key suppliers to promote understanding and obtain suppliers' commitment, in writing, that they will comply with these guidelines. In FY2025, we are extending these guidelines to overseas Group companies to promote understanding and adoption by international suppliers.

Furthermore, by issuing the Aisin Group Green Procurement Guidelines, we require suppliers to contribute to the reduction of greenhouse gas emissions, circular resource use (including waste treatment), water conservation, and biodiversity preservation.

Mutual upskilling with suppliers

Aisin provides HR development support to key suppliers to enhance the skills of their workforces and strengthen their business foundations.

In FY2025, we hosted study sessions on industrial accident and fire prevention, cybersecurity fortification, and human rights and also held mutual learning sessions focused on achieving carbon neutrality across the entire supply chain.

Representatives of specialized organizations within our head office advise suppliers on such matter as value analysis, disposal of obsolete molds, quality upgrades, and manufacturing advances. While respecting supplier opinions, we focus on GENCHI GENBUTSU GENBA that can aid supplier competitiveness.

Social and Relational Capital (Stakeholder Engagement)

Stakeholders	Policy	Engagement methods	Examples of activities
Customers	Guided by our core value proposition, "To our customers, inspiration and trust," we work to deliver products and services that surpass our customers' expectations.	Customer Contact Center Integrated Report Information via corporate website Exhibitions and test-drive events	We have hosted such events as Aisin Group new product exhibitions and test-drive opportunities to let our customers experience our latest products firsthand and to assess customer needs.
Local communities	We support voluntary employee-driven social initiatives addressing various challenges to the community. We also work with stakeholders to create value for society at large and promote sound development.	Regional round-table conferences Invitations to Aisin-sponsored events Participation in regional events	- Contributing to the community through athletics by organizing fan support tours and sports festivals. - Contributing to a prosperous society by fostering children's healthy physical and mental development through talks by athletes. - Holding regional round-table conferences to promote understanding of our business among local governments and neighborhood associations and to exchange information.
NGOs and NPOs		Participation in activities and communication with NGOs and NPOs	Granting elementary schools access to the Aisin Environmental Learning Program in collaboration with NPOs (outreach classes) Contributing to green regeneration by holding Mt. Fuji tree planting in collaboration with NPOs
Suppliers	We work to build partnerships for mutual trust and development, promoting open, fair, and clean procurement procedures.	Briefings on purchasing policies Collaborative meetings and training sessions Hosting events Supplier visits to production sites	Environmental risk inspections of suppliers Support for competitive manufacturing, quality, etc. Study sessions and on-site visits (safety, fire prevention, environmental issues, carbon neutrality, human rights, employment of foreign workers) Hearing concerns, such as disposal of old molds
Employees	We respect the diverse characteristics of our individual employees and strive to create the leading workplace for professional growth, in which everyone thrives amid a corporate culture that encourages taking on challenges.	Regular labor-management councils, information exchanges, town hall sessions Staff surveys covering such topics as employee awareness Access to information via internal portals and company newsletters	Video streaming of labor-management council sessions on the internal portal. The President personally explains new fiscal year policies and organizational changes to managers through face-to-face briefings and dialogue.
Shareholders & Investors	We disclose corporate information in a timely, appropriate, and fair manner. We enhance corporate value by maintaining and developing constructive dialogue and trust with stakeholders.	Shareholders' Meeting Financial results briefings Business briefings Dialogue with shareholders & investors Briefings for individual investors Issuance of various disclosure materials Website (IR & investor information)	- Opportunities for dialogue with shareholders & investors  - Core disclosure materials - Financial results briefing materials  - Annual Securities Report  - Corporate Governance Report  - IR event materials (business briefings, etc.) 
Academic and research institutions, government agencies, industry associations	We pursue the development of cutting-edge technology by avoiding rigid adherence to an in-house approach and remaining receptive to open innovation with startups who possessing superior technologies. We aim to discover new perspectives and ways of thinking to create value in mobility.	Participation in public-private partnerships Participation in business and industry associations Participation in policy advisory councils (Japan) Dialogue with external experts Joint research with industry, government, and academia	- Submitted regulatory reform proposals to Keidanren (Japan Business Federation). Requests concerning ridesharing were included in the "Report on Regulatory Reform Promotion" by the Cabinet Office's Council for Promotion of Regulatory Reform. - In cooperation with Chubu Electric Power Miraiz and Kansai Electric Power, we conducted a survey on the potential for broad societal implementation of perovskite solar cells. Jointly held introductory demonstrations

Social and Relational Capital (Dialogue With Shareholders And Investors)

Aisin works to gain understanding of its management policies and medium-to-long-term business strategies through timely and appropriate disclosure of enhanced information.

We also pursue corporate value enhancement by reflecting in our management policies opinions and requests received through dialogue with shareholders and investors.

Dialogue results (FY2025)

Main opportunities for dialogue	Number of events	Total number of participants	Main respondents	Agenda
Financial results briefings	4	1,843	CAO, officers in charge of IR	Held quarterly for analysts and institutional investors to explain financial results
Business briefings	1		President, CAO, CTSO, officers in charge of IR	Held a "Technology and Test Drive Experience Event: Electrification and Intelligence" event for analysts at the Toyokoro Test Site in August 2024
Individual meetings	334		CAO, officers in charge of IR, Corporate Planning Department	Arranged face-to-face and online sessions for analysts and institutional investors (including proxy voting agents) as needed
Public offering roadshows	44		CAO, officers in charge of IR	Maintained IR-related dialogue with domestic and international institutional investors (including via online meetings) following the public offering in June 2024
Overseas roadshows	14		Officers in charge of IR	Directly visited overseas institutional investors and held meetings
Briefings for individual investors	7	3,711	Officers in charge of IR	Held briefings at securities brokerage branches and online company briefings for individual investors



Key themes for dialogue, shareholder and investor concerns

We maintain dialogue on a wide range of topics, including automotive market trends, the regional demand outlook for our products, progress with transforming our business portfolio, and ESG initiatives.

Key themes, shareholder and investor concerns

Performance-related themes	- Automotive market trends and demand outlook - Assumptions and rationale for earnings forecasts (e.g., tariff impact projections) - Detailed disclosure of product-specific sales revenue
Management Strategy & Business Strategy	- Long-term market environment and technology trends - Progress on medium-to-long-term business strategy and medium-term management plan - Progress with business portfolio transformation - Powertrain business strategy response to changes in the automotive market
ESG and sustainability	- Climate change countermeasures - Initiatives related to human capital, diversity, and human rights - Corporate governance (Board composition, skills matrix, executive compensation system, etc.)
Financial strategy	- Capital allocation policy (including status of growth investments) - Shareholder return policy (including approach to share buybacks) - Progress with balance sheet reform (including unwinding of strategic shareholdings)



Agenda items incorporated based on feedback to management and dialogue with shareholders and investors

Opinions and requests received from shareholders and investors are reported at Board of Directors and Management Committee meetings and widely shared with relevant internal departments to improve management and IR/SR activities.

Agenda items taken up based on dialogue

Performance-related themes	- Disclosed FY2026 earnings forecasts discounting tariff impact amid uncertain external outlook (Featured in the Tokyo Stock Exchange's June 2025 Examples of Disclosure Regarding the Impact of U.S. Tariff Measures) - Driving internal initiatives directed at detailed disclosure of product-specific sales
Management Strategy & Business Strategy	- Held an event titled Technology and Test Drive Experience Event: Electrification and Intelligence to spread understanding of the current state of R&D pertaining to electrification and intelligent technologies. - In response to requests regarding risks and opportunities arising from recent changes in the automotive market environment, strengthened disclosure of progress on medium-to-long-term business strategies and business opportunities that manifested themselves (automatic transmissions, HEVs).
ESG and sustainability	- Implemented the following initiatives to further advance sustainability management: - Comprehensive review of ESG and other materiality issues - Revision of skills matrix and changes to the composition of independent outside directors' membership - Increase in the proportion of directors' stock-based compensation relative to total remuneration - Disclosed the magnitude of financial impact due to climate change (large, medium, small)
Financial strategy	- Disclosed direction regarding further investment and additional shareholder returns - Implemented share buybacks as part of our policy to reduce cost of capital

CPRO Message

Through our Factory Landscape Transformation Initiative, we are constructing attractive factories where people are inspired to work.
We are also working to enhance profitability everywhere, beginning with the factory floor.

Chief Production Reformation Officer **Hiromasa Okawa**



My role as CPRO

Leading groupwide production reforms that transform our business portfolio

Aisin positions the themes of “safety and health”, “customer first”, and “quality supremacy” as the foundation of its management philosophy. Our manufacturing operations have consistently focused on the development of production systems and staff capable of satisfying every aspect of our customers’ requirements, including quality, cost, and delivery. Currently, with our sights set on our vision for FY2031, we are accelerating the transformation of our business portfolio. We must make swift decisions and boldly advance new product introductions while optimizing resources in ways unbound by traditional group or business frameworks. Central to this is cross-functional collaboration among factories, including group companies. As CPRO, I am leading production reforms across the entire group, further promoting this kind of collaboration, and significantly enhancing the competitiveness of our manufacturing sites.

Enhancing corporate value

Changing the factory landscape: envisioning our future manufacturing environment

Manufacturing expertise is one of Aisin's key strengths. The source of our strength in this area traces to the attitude of each employee—a characteristic that defines our Company. We approach manufacturing with a sincerity and pure spirit of research that is backed by strong operational skills grounded in extensive experience on the production floor. We believe that having skilled personnel of this caliber managing our manufacturing sites enables us to run our production operations at a level that meets our customers’ sophisticated requirements.

However, as we look to transforming our business portfolio and fully implementing locally based management by FY2031, our high dependence on individualized skills presents a challenge. To respond with agility to the changing automotive business environment, reducing key-person dependency within manufacturing operations is critical, as is further advancing automation and DX. Based on this thinking, Aisin is promoting an initiative to change the factory landscape and move toward a future manufacturing environment, with the help of team members including young employees. This initiative focuses primarily on enhancing the competitiveness of our production capital through repeated investigations into maximizing human added value with the help of DX and AI strategies. Through these discussions, a clear direction has emerged: retain only tasks that require human intervention to simplify the production line and enable efficient evolution of work processes. We are driving transformation unfettered by convention toward a factory environment in which people want to work.

Maximizing profitability

Enhancing cost improvement awareness while cultivating next-generation leaders

We recognize maximizing profitability depends on further enhancing cost awareness as we work to transform our business portfolio and raise the profitability of existing products. As an example, in the logistics domain, through an initiative to cut logistics expenditures by half, we broke away from incremental improvement along our previous trajectory and fundamentally reexamined our systems. This produced dramatic progress with leveraging new technologies. As a result, automation now plays a greater role in factory operations that previously relied on human skills, and we are beginning to see results that contribute to profitability.

We plan to accelerate initiatives centering on DX and AI and build a library of success stories that tell the tale that Aisin's profitability has improved as a result of transformation at its factories.

To further enhance our Manufacturing expertise, we are of necessity strengthening global cross-functional collaboration and maximizing Group synergy. While each company and worksite previously chased progress independently, the shift to Group management has allowed us to rapidly spread successful factory initiatives throughout the entire Group, thereby boosting competitiveness.

By reorganizing our Group companies and redefining their roles in line with our business portfolio transformation, we aim to cement a resilient manufacturing foundation that optimizes our existing manufacturing assets. We recognize talent development as an urgent priority for hasten these efforts. We focus on cultivating leaders close to the factory floor who can spot issues and propose solutions to profitability challenges from a management perspective, as well identifying leaders who can drive region-centric management. This strengthens the talent pool responsible for next-generation manufacturing.

To our stakeholders

Pursuing manufacturing sites capable of safe execution at the highest speed

To continue providing competitive products to all our customers, we are preparing a manufacturing setting in which everyone can safely deliver high-quality work output at the highest practicable rate. We recognize that this requires boldly tackling challenges that are difficult to solve solely onsite. We will, therefore, intensify collaboration among CxOs to pool knowledge and resources across organizational boundaries and dedicate our full attention to realizing Aisin's vision.

Manufacturing Capital

Basic stance and policy

Aisin is involved with a wide range of products and manufacturing methods spanning from raw materials to finished goods and has built up strength through technologies and skills cultivated over many years. In particular, through thorough standardization, multi-skilling, and job rotation, it consistently benefits from high-quality on-site management. Among our 18 domestic sites, 42 overseas sites, and 20 group companies' production facilities, each location actively shares and incorporates not only new technologies and successful practices but also information on failures and defects. This enables everyone in the Group to learn from each other as they strive to improve productivity.

We are introducing lines that replace inspection tasks and the prediction and diagnosis of infrastructure abnormalities—activities that traditionally relied on human experience, skills, intuition, and know-how—with digital technology paradigms such as AI and DX. Furthermore, in preparation for transforming our business portfolio and implementing a full-lineup product strategy, we are promoting the development and introduction of agile production lines capable of responding flexibly to demand volatility.

At production sites, we urgently prioritize the development of personnel capable of operating the latest equipment utilizing digital technology, and we are establishing educational curricula and systems. Additionally, by continuously working to improve the factory environment, we aim to create a workplace that is employee-friendly, prioritizes our staff's happiness, and encourages long-term retention.

Through these initiatives, Aisin is developing a manufacturing platform integrated with digital technology, building the workforce, and outfitting production sites capable of meeting the needs of customers worldwide.

Production lines evolving with digital technology

The electric drive unit assembly line is designed around fully automated assembly by robots and cellular manufacturing. Utilizing the latest automation technology and the exceptional skills of our technicians, this setup is capable of flexibly and inexpensively handling multiple products. Moreover, to respond swiftly to customer requirements, we are digitalizing the preproduction phase. By conducting repeated simulations on a digital twin of the physical line*, we enhance design maturity and shorten production ramp-up lead times.

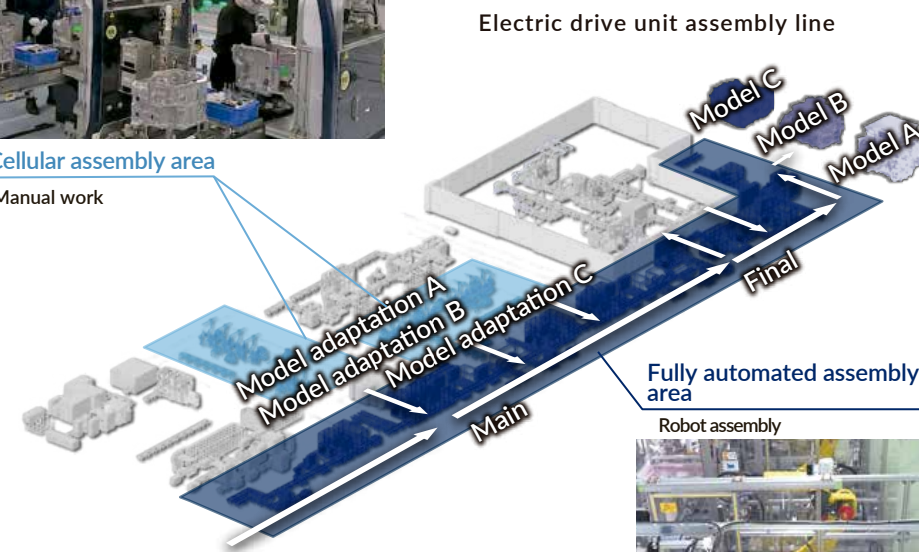
On mass production lines, we utilize IoT to connect sources of information on equipment status, quality, and production, enabling real-time process visualization. This stabilizes production by enabling predictive maintenance of equipment and reduces the workload of supervisors by digitally automating their data aggregation tasks. These activities free factory workers from repetitive tasks and high-load duties, allowing them to shift toward more creative roles. This contributes to enhanced job satisfaction.

* Cyber/Physical Information Factory

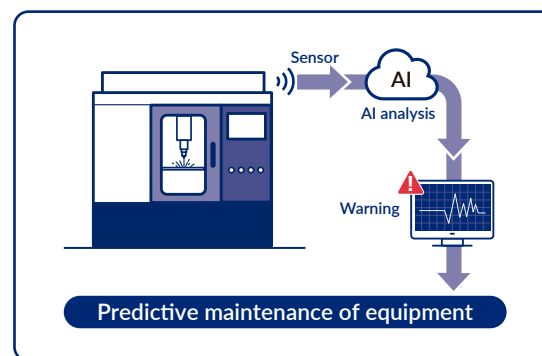


Cellular assembly area

Manual work



Electric drive unit assembly line



Robot assembly

Manufacturing Capital

Preparing people and workplaces for global engagement

To facilitate ease of work and develop workplaces where people want to remain engaged, we are improving the development of both environmental and human resources. We are working to build the workforce and workplaces capable of supporting our full lineup strategy. Previously, our focus was primarily on improving workplace conditions and establishing education systems specialized in specific product areas. Going forward, to adapt to product changes, we will introduce a system that enables employees to work with a diverse range of products through job rotation.

Additionally, we are redesigning our training system, moving away from its previous product-focused framework to one centered on manufacturing methods. This will enable the timely application of knowledge to new tasks, boost employee motivation to grow and improve, and accelerate talent development. Furthermore, to drive efficient and creative operational transformation, we are establishing training programs covering AI and IoT utilization and supporting the success of our factory workers.

These initiatives will be rolled out not only domestically but also across the Group's global network. Building on the training expertise and educational systems cultivated domestically, we will focus on human resource development to raise workplace quality and productivity across the global Group.



Example of environmental advancement:
factory break room



Training in automated visual inspection using
practice machines

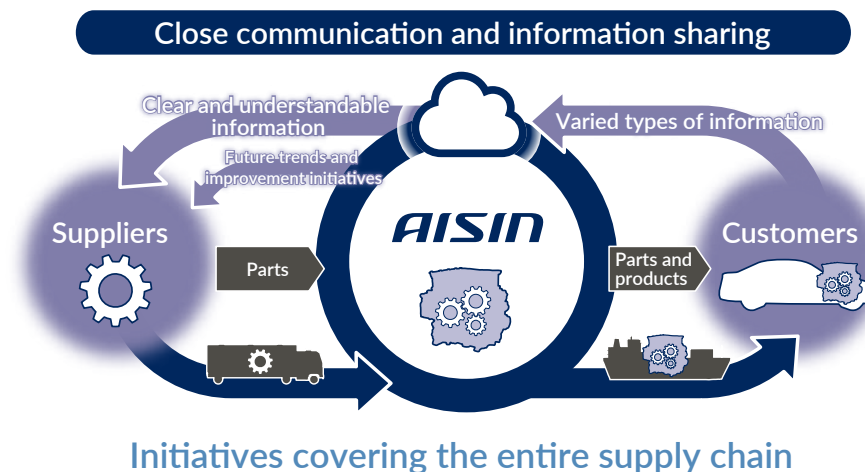
Building a resilient supply chain

Strengthening collaboration with customers and suppliers is essential to addressing social challenges and maintaining a competitive manufacturing posture.

Furthermore, responding to recent market environment changes and risks relating to quality and production requires parallel advancement not only domestically but across the global Group. Currently, we are enhancing the competitiveness of our worldwide organization by closely engaging with all of our suppliers and affiliates, mutually sharing and coordinating necessary information. We are expanding these initiatives globally.

Looking ahead, we will continue to nurture our relationships while striving for collective advancement across the entire supply chain. Furthermore, by having top management engage hands-on in problem-solving while focusing on the actual worksite, real products, and observable conditions—we are advancing the construction of a competitive and resilient supply chain.

Aisin's supply chain concept



Maximizing Management Capital

We maximize the value of our management capital and aim to achieve harmony with nature while contributing to a sustainable future and providing freedom of movement to people around the world through our business activities.

This we support through the active participation of diverse talent and the fulfillment they receive from their work.

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Message from the CAO

To advance our transformation from a manufacturing company to a company that “delivers the full value of movement,” we will further strengthen our investment in human capital.

Chief Administrative Officer **Shintaro Ito**

My role as CAO (human capital)

The key to transformation is people: Accelerating investment in our workforce

Since the 2021 corporate integration, I have been responsible for both financial and human capital and have worked to optimize the allocation of management resources across the entire Group. Aisin is transforming from a manufacturing company to a company that delivers the full value of movement. We position the development of human capital as one of our critical management challenges as we implement this transformation. My mission is to proactively drive investment in people, with an eye toward sustainably enhancing corporate value, and to create an environment where our approximately 110,000 group employees can consistently add value.

Enhancing corporate value

A diverse team of colleagues who share our corporate philosophy contribute their strengths to build corporate value

I believe that, above all, gathering together a host of colleagues who share our corporate philosophy is crucial for enhancing the value of our company. Aisin promotes initiatives to develop our staff so we can reach a state where employees who share a common vision can all find their roles and thrive. We are advancing these efforts in line with our goals of “groupwide, global collaboration to meet challenges” and “providing a work environment that leads the industry in helping employees develop and thrive”.

To transform from our traditional status as an automotive parts business into a company that delivers the full value of movement, we need to provide an environment in which a diverse range of talent can thrive by leveraging their unique perspectives. One initiative that symbolizes this is our YYSsystem. Developed to help create a society where

employees with hearing impairments or who speak different languages are never left out of the conversation, YYSsystem is an innovative solution born of a corporate culture that embraces diversity and applies it as a strength.

We are also promoting our regionally focused management model to maximize the potential of a global workforce spanning 192 companies. Given recent global conditions and the varied needs of customers in each region, it is essential that personnel with deep understanding of their respective localities take the lead in promoting initiatives tailored to local characteristics. Therefore, we are also focusing on developing local talent and have appointed local operational leadership in three regions.

At the same time, competition for new talent is intensifying. Here too, we are centering our recruitment activities on personal resonance with our corporate philosophy. As part of this effort, we are expanding internship opportunities to help students gain a deeper understanding of Aisin's values and work style. Going forward, we aim to actively communicate Aisin's unique appeal as a corporate brand globally, seeking to increase the number of like-minded individuals who share our philosophy from around the world.

Maximizing the value of management capital

Focus areas are “developing and empowering professional talent”, “promoting a spirit of challenge”, and “strengthening group synergy”

Aisin has identified “developing and empowering professional talent”, “promoting a spirit of challenge”, and “strengthening group synergy” as the key elements of its human capital strategy. We are actively investing in people based on these principles.

For me, investing in people means supporting the growth of each individual employee and helping them face their challenges by reviewing compensation, developing talent, and improving the work environment. Investing in people is also a crucial means of communicating to employees that the

company is genuinely committed to change. While it takes time for people to change, the candid discussions we've repeatedly held between management and employees have aligned our views on what labor and management need to do to enhance competitiveness. As a consequence, a virtuous cycle is emerging in which employees make self-directed efforts to raise competitiveness, and the company responds to challenges by investing further in people.

We emphasize the development of executives who will drive transformation. To provide employees with experience with approaching matters from a management perspective, we are intentionally broadening the scope and responsibilities of roles occupied by our next generation of executive candidates. Additionally, to instill in our executive leadership a sensitivity to corporate value from a shareholder perspective, we have introduced a stock-based compensation system. Through these initiatives, we aim to sustain growth in corporate value while strengthening our human capital to assure our position as a company trusted and selected by our stakeholders.

To our stakeholders

Focusing on developing talents who embody our corporate philosophy

In last year's review of material issues, we positioned as one of our priority issues the “Empowering diverse talents for personal fulfillment”.

This idea stems from our conviction that contributions by each individual generates new value which, in turn, drives business transformation and bolsters corporate value. The value created by employees is recognized by society, returned as cash, and then reinvested in people. As CAO, I am responsible for both human capital and financial capital and am invested in ensuring that this virtuous cycle continues. Under the cycle, the company will promote management behavior that balances the development of each employee with the growth of the company to achieve ongoing expansion of corporate value.

Human Capital

Basic stance and policy

At Aisin, we believe every working colleague is a protagonist, and that our work colleagues are our greatest strength. We place our Aisin work colleagues at the forefront of the value we provide in our corporate philosophy. By taking on the challenge of realizing our corporate philosophy and business strategy, we encourage self-directed growth and offer our work colleagues with a sense of fulfillment in their jobs and happiness in their lives.

Promotion structure

We convene the Human Resources Functional Committee with the involvement of the President, CxOs, and all division heads to discuss policies, plans, strategies, and progress regarding human capital.

For details, please refer to the Sustainability Promotion Framework. [P22](#)

Strategy

During our period of rapid expansion, our focus was on maintaining efficient performance. However, moving forward, we need to develop and deliver products in anticipation of societal needs and changes, rather than simply extending past practices. We must transform into an agile organization with a sound value proposition while leveraging the unique capabilities we have amassed.

For our people and organization, we maintain a vision for 2030 centered on proactively meeting challenges groupwide in a globally integrated way. The target conditions we define allow people more opportunity for growth than any rival can and ensure that everyone thrives. We place an open workplace culture at the foundation of everything we do and are enriching our human capital base with a focus on three key areas: enabling the growth and success of professional talent, promoting a spirit of challenge, and strengthening the Group's broad range of capabilities.



Related materiality issues

Materiality issue		Goal (KGI)	Indicator (KPI)	FY2031 target values
Priority issues	Paths toward realization			
Freedom of movement for people around the world	Instilling a corporate culture that embraces challenge	Environment conducive to a proactive work style	Positive response rate for employee engagement *1	—
Empowering diverse talents for personal fulfillment	Respecting diversity and growing together	A work environment where diverse professionals can thrive	Positive response rate for an environment that empowers employees *2	—
			Ratio of female managers	4.5%

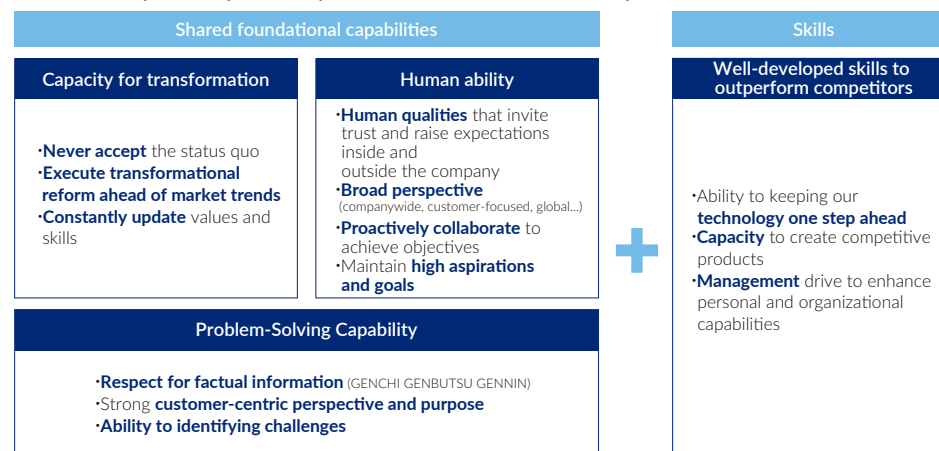
Key initiatives

Initiatives for the growth and success of professional talent

To transform into a company that creates new value, we need all diverse talents to thrive, proactively identifying challenges with a strong focus on society and customers first. We define our target talent profile as "Professional Talent" = "Individuals who proactively think and act for overall optimization within their role and position." We are promoting the growth of foundational capabilities for such professional talent.

Definition and elements of professionalism

The concept of professionalism applies to individuals who, from the perspective of their role and position, proactively think and act to achieve broad optimization.



Human Capital

Appropriate evaluation of challenges, balanced compensation

We are gradually upgrading our personnel systems to support the advancement and growth of our professional staff. In 2023, we revised the executive compensation system to more accurately reflect individual performance and incorporated nonfinancial metrics. For employees, we are revising our system starting with higher-level qualifications, centered on three pillars: meritocracy that values those who take on challenging assignments and learn from failure, a market-based system that rewards people for responsibility and results, and accelerating career mobility and an outward focus to break internal silos and put the right people in the right places at the right time. We will revise our re-employment system in October 2025.

Furthermore, we view compensation and wage increases as crucial investments in people and are pushing these forward with determination. Through ongoing labor-management discussions, we are accelerating companywide initiatives to achieve sustainable growth and a virtuous cycle of benefit sharing.

Clarifying roles and fostering proactivity for everyone's shared success

We believe that for everyone to do well, each individual must recognize their role and proactively contribute to the business's overall optimization. Through revisions to our organization, we are clarifying roles at each level. In particular, for skilled positions affected by an aging workforce and rising thresholds for qualification, we are creating new non-supervisory roles for highly skilled and experienced personnel. This foments value creation while contributing to individual fulfillment and growth. Through these system implementations, we promote the clarification of roles and encourage each employee to demonstrate individual initiative.

Professional talent development initiatives

To develop professional talent with initiative and a big-picture outlook, we are encouraging more cross-functional transfers for leadership and defining themes that cut across business domains. Moving forward, we will introduce early rotation triggers tailored to each employee's rank and function. Moreover, while maintaining on-the-job training as our development foundation, we will implement initiatives to build problem-solving skills, the capacity to drive reform, and human skills as we aim to become the undisputed industry leader in professional growth.

Shared core competencies	Key initiatives	Details	FY2025 results
Problem-solving	Training in problem-solving skills	We have expanded our training regime to strengthen both the ability of general employees to follow formal problem-solving approaches and the capacity for supervisors to provide guidance from a problem-solving perspective. Thus, we are enhancing practical application of these skills in the workplace.	1,709 participants
Capacity for transformation	Cross-boundary hands-on experience program	The Company has implemented a program to instill new values that are difficult to acquire through inside experience alone by engaging in social issue resolution initiatives with external parties. Participation yields insights and learning that empower participants to approach their own development themes from a broader perspective and higher vantage point and demonstrate measurable effectiveness. We will expand the program to include more participants.	121 participants
Human capabilities	Human capabilities: OMOIYARI communication training	Targeted at executives and managers who significantly influence workplace culture, this program enhances human capability and communication skills to foster psychological safety and employee well-being in the workplace.	5,890 participants
	Developing aspirations	We are strengthening our efforts to prepare compelling leaders who can gain the cooperation of diverse individuals. This requires each person to earnestly confront their own values and sense of self while nurturing their personal aspirations regarding lifetime career goals they wish to achieve. By FY2026, we plan to target 589 individuals, or 50% of our senior core staff, with these initiatives.	247 individuals

Resource shift and reskilling for growth domains

To swiftly redeploy resources and reskill as necessary to support growth domains, we are defining future workloads and talent specifications by function and promoting systematic development and shifting of existing personnel around the Group to meet these requirements.

Key initiatives	Details
Shift to electrification	• Shift completion by end of FY2024 • Transitioning from next-generation development to mass production and sales expansion
Electrification engineer development	• Providing expert training for personnel who have undergone skill changes, aiming to upgrade them to system engineers with a vehicle systems perspective
Electrification technician development	• Revamping the training system for skilled workshops for electrification (2,280 participants by end of FY2025)
DX and AI talent development	• Institute reskilling programs to enhance the use of AI and data (1,300 participants by end-FY2025) • Implement upskilling programs for applying generative AI to daily work (11,000 participants in FY2025) -Improve AI literacy at all levels -Hold prompt engineering workshops • Collaborate with academia on workshops that develop innovative talent
Software talent development	• Revamping educational programs to enhance product functionality and value by integrating software development talent into the core planning process (910 participants by end-FY2025) • Strengthening training to raise skill levels and increase added value -Building a talent development program in cooperation with the Toyota Group -New employee training for all technical positions -Software transition program for skilled workers

Initiatives to promote a spirit of challenge

In an era without definitive answers, we are transforming our culture in line with our goal of deepening the spirit of challenge among individuals and entire workplaces on the way to achieving our ideal target state via step-by-step evolution. We recognize that promoting proactivity requires management practices that account for each individual's characteristics and motivation to leverage personal intent and initiative.

Strengthening workplace management

To encourage proactive behavior, we are promoting a transformation initiative for all managers that capitalizes on individual strengths.

We are implementing a group leader management transformation in the workplace to allow group leaders to devote more time to developing their and worksites. As a result of these efforts, approximately 60% of managers have observed changes in their teams' awareness and behavior.

Key initiatives	Details
Management training to empower individuals	Training provided to all core managers to develop leadership skills that attract empathy and cooperation from others and promotes the acquisition of communication skills that empower individuals and helps them develop
Group leader seminars	Four-month workshop for representatives from each department led by external instructors, focusing on self-reflection and learning about their own performance as managers
Frank discussion sessions on group leader management	Discussions among managers below department head level, organized by department, to address challenges faced by group leaders
Group leader management study groups	Held for all core personnel; participants share concerns and insights to foster mutual learning and build camaraderie

Human Capital

Companywide and workplace-level activities driven by employee surveys

Every year, all workplaces hold feedback meetings to discuss workplace issues based on employee surveys and create "Action Plans" for improvement. To accelerate workplace action implementation, we provide study sessions for managers, including department heads, on interpreting survey results and create discussion forums for the management layer. This is beginning to spread proactive workplace improvement. Identifying "policy penetration" as a common challenge from company-wide results, we are advancing initiatives to embed our management philosophy and business strategy.

Furthermore, we have positioned as a key priority enhanced engagement at sites where skilled technicians work and are promoting this across the entire company and at all factories. We believe it is of paramount importance to create a work environment and train worksite leaders that value each individual as a person. Therefore, we are strengthening investment in the workplace, promoting communication, and sharing best practices from high-engagement factories to elevate standards at all facilities.

Continuous improvement of the working environment

We are improving our work environment and facilities to ensure everyone can perform energetically. Renovations to break rooms in offices and factories have created opportunities for employees to gather and chat. We will continue these ongoing workplace improvements to create an environment that inspires greater effort.

Initiatives to strengthen group synergy

To enhance competitiveness, we are shifting our management focus from the individual company level to the Group to encourage review of job roles and the positioning of group companies. In addition, to continuously power innovation, deliver new value, and sustainably maintain the talent pool needed to run our business, we are promoting diversity & inclusion.

Revising the executive structure to drive our "full model change"

To ensure our executives personally take the lead in addressing critical companywide challenges, we are revising the executive structure and expanding the scope of the various roles. Specifically, we are redefining executive function from organizational oversight to problem-solving leadership, with an intensified emphasis on strengthening our focus on key business domains and further accelerating of operational execution.

Optimizing the domestic Group organization and staff allocation

To initiate and accelerate Group-level management, we are optimizing our domestic organization and the allocation of personnel. This includes reskilling engineers to support business restructuring, shifting resources around the Group's companies and organizations, and arranging personnel exchanges involving executives.

In April 2025, we integrated management of the parent company with that of Group company Aisin Chemical in an effort to jointly transform our business portfolio and build on the strengths of each business. We will enhance competitiveness by optimally allocating group resources and improving management efficiency.

Groupwide and global leadership development

Senior managers directly identify potential candidates and promote initiatives such as AG2 (Aisin

Global Grading), which is designed to improve the visibility of various positions and ensure succession planning, and the Global Leaders Session management training program to develop talent and support optimal work assignments. We are considering further strengthening these efforts and expanding them throughout our domestic Group companies.

Promoting diversity & inclusion

—Advancing women's participation

As we work toward our 2030 goal, we have identified approximately 300 female candidates for managerial positions. We are creating and implementing development plans that are mindful of life events and broadening our focus to address cultural and managerial workstyle conditions that demotivate women with regard to promotion and limit growth opportunities. On the recruiting side, we retain a high proportion of women relative to the applicant pool: approximately 45% for administrative positions and 10% for technical roles.

In technically focused workplaces, we work to improve production line processes, such as by optimizing cycle times and procedures, to enable workers to maintain excellent performance while availing themselves of shortened work schedule accommodations for childcare. This enhances individual job satisfaction and develops our pool of future managerial candidates.

Senior employees

To foster a company culture where anyone can challenge themselves, anytime, and for as long as they wish, we have revised our re-employment system to ensure fair evaluation and treatment for employees who continue to contribute regardless of age. We also made career development training mandatory for staff in their 40s and older to help with future planning at an early stage.

In skilled workplaces, we are creating an environment where employees can work throughout their lives, such as through process improvements using video analysis to gather quantitative workload data. We are also promoting the maintenance and improvement of physical fitness, introducing fatigue-reducing measures, and boosting confidence to continue working vigorously.

Employment and support people with disabilities

Across our entire Group, we are advancing workplace initiatives that treat disabilities not as handicaps but as unique strengths and enable individuals to reach their potential. At AISIN WELLSMILE (a special-purpose subsidiary serving people with disabilities), we have been building on our traditional cleaning and document digitization services by trialing three support functions that contribute to Group operations and production: technical development, manufacturing, and administrative support. Employees who participated in these trials have expressed positive feedback with such statements as "It's rewarding" and "I want to do more." This led to the full-scale launch of these services as official operations starting in April 2025.



Anjo Plant 1: shortened-hours worker line

Human Capital (Health Management)

Basic stance and policy

Aisin recognizes that the safety and health of our employees are paramount to delivering a level of quality our customer's demand. We have, therefore, issued the "Aisin Group Health Declaration" in April 2021 and are committed to health management, focusing on preventing lifestyle-related diseases and supporting mental health among our employees.

Promotion structure

The direction of health-related policy is discussed and approved annually by the Aisin Group Safety and Health Committee and is then rolled out gradually to workplace safety and health committees at each Group company. The Council for the Promotion of Healthy Business Practices, which falls under the Committee umbrella, receives policy direction from the Group Safety and Health Committee. With members including the Safety and Health Promotion Department (which includes medical professionals), HR functional departments, the Workers' Union, and the Health Insurance Society, the Council addresses companywide issues and discusses countermeasures. Furthermore, regarding the health promotion initiatives at group companies, the Aisin Group Health and Safety Subcommittee conducts activities tailored to each company's needs, aiming for mutual improvement through two-way communication.

Strategy

Amid the challenging labor shortage caused by the declining birthrate and aging population, to secure the workforce we need, we are promoting a work environment where senior employees and women can remain with the company. We are putting these measures into practice to ensure that everyone can perform to their full potential both physically and mentally.

While maintaining the confidentiality of personal information, we share information from senior management down to department members by engaging in discussions and reviews aimed at improving methods and metrics.

Related materiality issues

Materiality		Goal (KGI)	Indicator (KPI)	FY2031 target value
Priority Issue	Paths toward realization			
Empowering diverse talents for personal fulfillment	Instilling a corporate culture that embraces challenge	Environment conducive to a proactive work style	Presenteeism Performance Level*	85%

Key initiatives

Health management initiatives

Mental health measures

We are promoting further improvements in the practical skills of workplace supervisors for early detection and response to prevent individuals experiencing health issues from becoming severely ill. In this effort, we are focusing on preventing both new cases and relapses.

Efforts to prevent severe illness through early detection and treatment

Aisin, in its aim to minimize work time lost to mental health issues, focuses on prevention and early detection. To ensure that supervisors can recognize signs of distress in their subordinates and promptly connect them with company doctors or external parties, we have expanded the scope of line care training participants starting in FY2024. The training is designed to include various case studies that

enable supervisors to experience simulated scenarios and help them comprehend the importance of mental health initiatives and translate their understanding into practical action.

To help employees recognize their own stress and promote self-care, we conduct stress checks alongside self-care training, distribute video content, establish health consultation services, and provide occupational physician consultations for those experiencing high stress. In FY2025, we expanded the target audience for self-care training beyond the traditional second-year employees to include newly promoted staff, whose new roles or responsibilities often impose increased mental strain.

Prevention of relapses following return to work

We have put in place a return-to-work support program staffed by clinical psychologists and public health nurses to ensure employees can return to work safely and reliably. The return-to-work trial involves employees who have initiated the return-to-work process visiting the company's return-to-work support office. There, they perform tasks not directly related to their job duties during their scheduled work hours, allowing us to assess the recovery of their physical stamina, concentration, and task execution abilities.

Physical health measures

We are working to strengthen preventative measures through health promotion and workplace environment improvements, as well as preventing severe conditions through early detection and early treatment, aimed at preventing lifestyle-related diseases.

Early detection and treatment

We follow up on regular health checks with both the workplace and the patient to ensure all employees take part and have maintained a 100% participation rate each year.

As a follow-up to health checkups, we have developed a proprietary system that identifies individuals at high risk for brain or heart disease based on each employee's health check results from the preceding 10 years. Based on the level of risk, we offer guidance through interviews with occupational physicians and implement safety precautions by way of work restrictions. We also emphasize the importance of self-directed health monitoring and strive to avoid aggravating patients' symptom.

Women's health issues

To counter declines in labor productivity and enable female employees to maximize their capabilities, we began addressing health topics specific to women in 2021. In FY2025, we focused on improving health literacy among younger employees, promoting education designed to foster awareness and knowledge about their own health challenges and empower them to proactively make improvements. Simultaneously, we offered training for managers and supervisors to acquire knowledge about their subordinates' health challenges and the skills to support them appropriately. Collaborating with each department, we promote a workplace culture that deepens mutual understanding between men and women.

Furthermore, in addition to our existing women's support systems, we introduced a femtech program in 2022. This program supports solutions for women's unique health challenges, such as menstruation and menopause and enabling women to balance work with life events.

Senior employee support initiatives

To enable employees to remain healthy and vibrant while continuing to work as long as they want, we view maintaining and improving physical fitness as essential. Beginning this fiscal year, we launched the Body Learning Workshop for skilled workers in their 50s and conducted nine types of physical fitness assessments. Based on these results, we provide exercise guidance and implement stretching routines aimed at remediating fatigue. This program aims to awaken participants to their own physical fitness and encourage them to continue activities independently after the program concludes.

Additionally, our annual Life Design Seminars (for employees aged 33 and 53) provide awareness activities on preventing lifestyle-related diseases and managing stress.

Message from the CTSO

Mobility, energy, and people: Aisin's high-value domains.

We are committed to developing technologies that lead to satisfying customer's expectations with our products.

Chief Technology Strategy Officer **Yoshihisa Yamamoto**



My role as CTSO

To fuse technology and product strategies to deliver products that satisfy customer expectations

The CTSO is responsible for driving technology development strategy forward. I believe technology is meaningless unless it translates into a useful product—the thing that reaches the customer. While many companies have CTOs, Aisin's deliberate establishment of a CTSO position clearly demonstrates our intent to integrate technology and product strategies to maximize the value we deliver.

In recent years, the transition to BEVs has been a prominent topic, but the current powertrain landscape covers a mix of BEVs, PHEVs, HEVs, and conventional ICE vehicles. As end-user needs diversify further, we have been pursuing our “full electrification lineup” strategy for the past three years to meet these expectations. This strategy is not merely about deploying technology; it reflects our commitment to meeting customer expectations with our products.

Enhancing corporate value

2035 and beyond: Technological innovation drives our value proposition for future

Advances in electrification, software defined vehicles (SDVs) and intelligent systems are significantly transforming the structure of vehicles and the value they provide. Amid these changes, we are formulating our management vision for 2035 to anticipate the kinds of products customers will demand in the future, how to create them, and what technological advances are needed. While our core focus remains on mobility, specifically within the automotive sector, we also aim to broaden the value we offer into the energy and people (living environment) domains. In the medium-to-long term, we will continue to drive technological evolution and strengthen our product

development capabilities to create value that contributes to realizing a safe and secure mobility society with zero traffic accidents and a sustainable society powered by clean energy. Looking ahead yet further, we are promoting research and development of cutting-edge technologies. At IMRA, our research and development hub spanning Japan, Europe, and the United States, we are developing new technologies in the energy and materials fields. We are also innovating with laser and optical techniques applicable to next-generation ultra-high-speed communications and developing new technologies utilizing superconductivity cultivated over many years. We collaborate with the Toyota Central R&D Labs, universities, and research institutions both domestically and internationally.

Product development initiatives by domain

Enhancing mobility value through electrification and intelligent systems

Looking toward 2030, we are enhancing product value in our core mobility domain through electrification and intelligent system.

In the electrification space, we are advancing a full lineup of eAxe products for BEVs and units for PHEVs/HEVs. We are also expanding our product scope beyond the powertrain to encompass the entire vehicle and include evolved cooperative regenerative braking systems and battery frame products utilizing aluminum forming technology.

For intelligent mobility, we comprehensively capture the entire user journey—from entering the vehicle, driving, stopping, exiting, and beyond—to contribute to safe, secure, comfortable, and convenient mobility. Centered on Aisin's strength in actuator technology, we are advancing the integration of sensing technology and software.

Among automotive parts manufacturers, Aisin is one of the closest one to automakers and offers a diverse range of products. Based on this strength, we are mapping out a

roadmap that organizes automotive parts into two major categories: the underbody, which supports a vehicle's fundamental functions of propulsion, steering, and braking; and the upper body, which provides a zone of safety, reliability, comfort, and convenience for the user. We will further build value in these categories by adding intelligent features.

In the energy sector, we are preparing demonstration prototypes to accelerate the practical application of perovskite solar cells as part of our effort to promote a clean energy society. Additionally, building on technology cultivated through Ene-Farm, we are developing hydrogen production technology using Solid Oxide Electrolyzer Cell (SOEC) technology, with commercialization targeted for the near future.

To our stakeholders

Accelerating next-generation product development outside of traditional frameworks

We believe a flexible, agile development organization consisting of small teams is effective for driving these new initiatives.

By separating the EV Promotion Center from the product development division last year, we were able to thoroughly focus on our customers and fully plot our BEV product roadmap. This year, we have entered a new phase focused on mass production.

This experience has reinforced our conviction that free ourselves from conventional frameworks and earnestly addressing customer needs and expectations are crucial prerequisites for creating valuable products. We maintain a sense of urgency since survival is impossible the moment we forget this, and we will dedicate our full and ongoing attention to creating new products and developing technologies that meet the expectations of our customers and make them happy.

Intellectual Capital

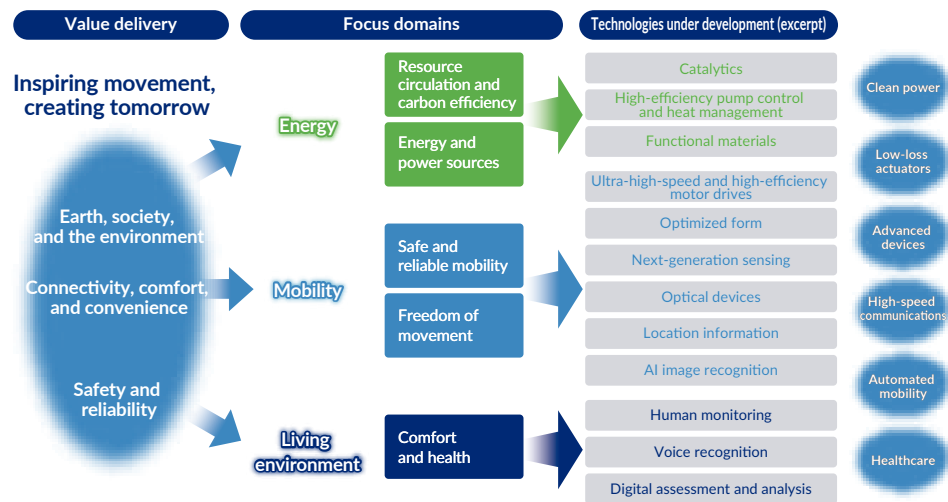
Key initiatives

Aisin's approach to technology development

Over its 60-year history of product development, Aisin has accurately responded to changing market needs. To realize our vision of “inspiring movement, creating tomorrow,” we have focused on mobility, energy, and people (living environment), challenging ourselves to create value tailored to the lifestyles of each region in which we are active.

Moving forward, we will maintain our passion for transforming ideas into tangible products and services by leveraging cutting-edge technology while remaining mindful of the value we deliver to our customers.

Our mission to realize the vision “inspiring movement, creating tomorrow”



Research and development at Aisin

At Aisin's research and development hub (IMRA), we develop cutting-edge technologies that include new technologies in the energy and materials domains and innovations in laser and other optical technologies applicable to next-generation ultra-high-speed communications. We also actively promote collaboration with Toyota Central R&D Labs and academia.

In this way, Aisin pursues growth through environmentally conscious initiatives that fulfill our social responsibilities and reinvest the resulting returns into advanced research.

Leveraging intellectual capital to develop attractive products

Aisin has developed and sold door systems, automated parking systems, car navigation systems, and other technologies that ensure safe, reliable, comfortable, and convenient mobility for everyone from children to the elderly.

However, in recent years, worldwide social challenges are becoming more complex. We must respond to such changes as artificial intelligence and other technological innovations and structural shifts within the mobility industry. To address these changes, Aisin's fundamental approach is to leverage its expertise in sensing technologies (with the use of AI) and diverse actuation solutions. We are advancing the state of peripheral monitoring and in-cabin sensing technologies to improve safety, comfort, and convenience for all user scenarios, from entering the vehicle to after exiting, and are ultimately target a vehicular accident rate of zero.

We combine our long-established, highly reliable hardware, including actuators and drive units, with advanced sensing technologies and new tools such as artificial intelligence. By integrating these elements through software, we ensure safety, reliability, comfort, and convenience for our customers.

Aisin offers a broad range of products, spanning across powertrains, brakes, driving safety systems, navigation systems, and multiple body products. We consider our strength to be our ability to develop new value from a user perspective by effectively linking high-performance hardware and control technology.

Furthermore, by focusing on technology that uses location information, content, software, and analytics, we will leverage diverse sources of data and collaborate with external partners to develop concrete solutions to various social challenges. This effort spans such domains as logistics support, road maintenance management, and regional mobility assistance.

In this way, Aisin provides a wide range of solutions that enhance the value of mobility.

We have designated energy as a key focus area with regard to addressing environmental challenges. Building on our track record in developing products like residential fuel cell and gas cogeneration systems, we are creating new value. We are developing hydrogen fuel cell technologies and promoting clean energy through innovations like perovskite solar cells.

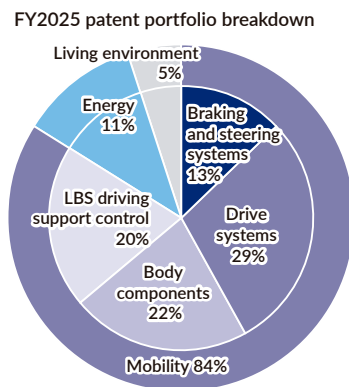
Intellectual Capital

Intellectual capital stock

Our technological development produces an accumulated stock intellectual capital. To enhance vehicle value, we are establishing foundational technologies that enable the integrated application of widely varying intellectual capital. This includes not only functional mobility elements such as braking, steering systems, drivetrains, vehicle systems, driver assistance control, and LBS, but also broader domains like energy and people (living environment).

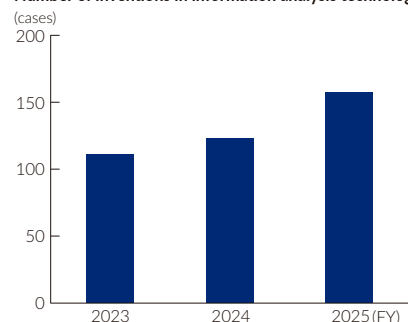
To sustain our accumulation of future-oriented elemental technologies, we actively create and discover inventions born of advanced technological concepts. We manage inventions strategically through technical reports and patent applications to assure rights protection.

In our mainstay mobility domain, we are promoting diverse invention in such areas as the location data usage and other information analysis technologies that further enhance the value delivered through the functions of propulsion, steering, and braking. This effort allows us to build a portfolio of new fundamental technologies. In the energy domain, we are also advancing hydrogen-related and other technologies as energy sources that protect the environment as part of our carbon neutrality response.

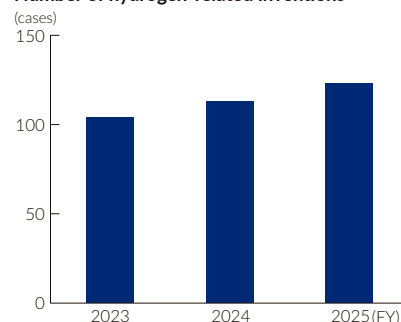


Number of patents held: 8,575

Number of inventions in information analysis technology



Number of hydrogen-related inventions



Software development initiatives

In recent years, automobiles have evolved to become significantly more intelligent, and the importance of software to this arc of progress continues to deepen. Aisin has established an in-house development organization to produce highly reliable and competitive control and functional software. To date, we have provided the market not only with the hardware for various products, but also with electronic control systems that include software we have created. Aisin's strength in software development lies in its software engineers with specific understanding of vehicle systems and control.

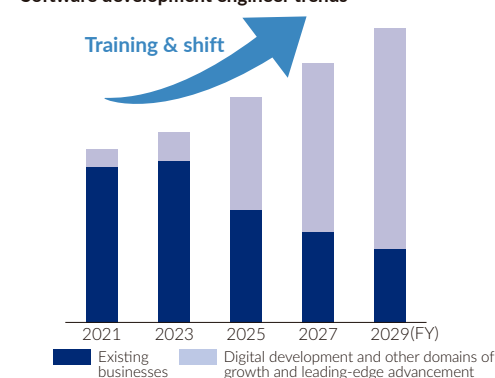
To raise our software engineers' development capabilities, contribute to enhanced vehicle intelligence, and provide customers with compelling products, Aisin is accelerating its development process through the use of generative AI. We achieve this by first verifying system control via the use of digital twins, thereby achieving completion at an earlier stage without the wait for mechanical/structural component prototypes.

In this way, we shorten development and production lead times and achieve development speeds superior to our competitors while ensuring functional and performance quality that make us more competitive.

Furthermore, through an educational framework combining the Toyota Software Academy and Aisin's training programs, we accelerate the growth of software talent pool by promoting the acquisition of AI and other necessary skills and encouraging career development.

By intensifying external collaboration in such areas as software and sensing technology and by leveraging the latest semiconductors, we are advancing the state of vehicle intelligence and delivering compelling value to customers.

Software development engineer trends



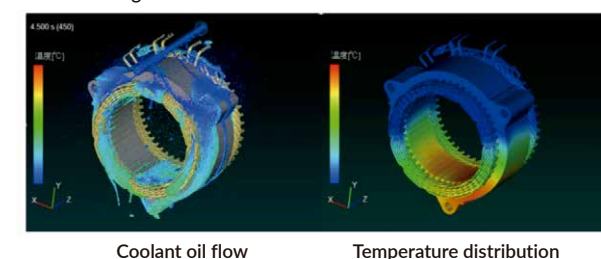
Streamlining development through the use of digital technology

As a parts manufacturer, Aisin recognizes the importance of holistic evaluation of the whole vehicle and, therefore, owns two proving grounds (Toyokoro and Fujioka). To build in performance and reliability, we have established a system for testing and development using actual vehicles under summer or winter conditions.

Meanwhile, raising development speed through advancements in digital technology has become increasingly critical in recent years.

We have built up a range of simulation technologies for evaluating performance and structural integrity. By combining virtual assessment techniques with real-world vehicle testing at our proving grounds, we achieve highly efficient development processes. Moreover, by incorporating artificial intelligence, we are constructing a technical development environment that is efficient even by simulation standards.

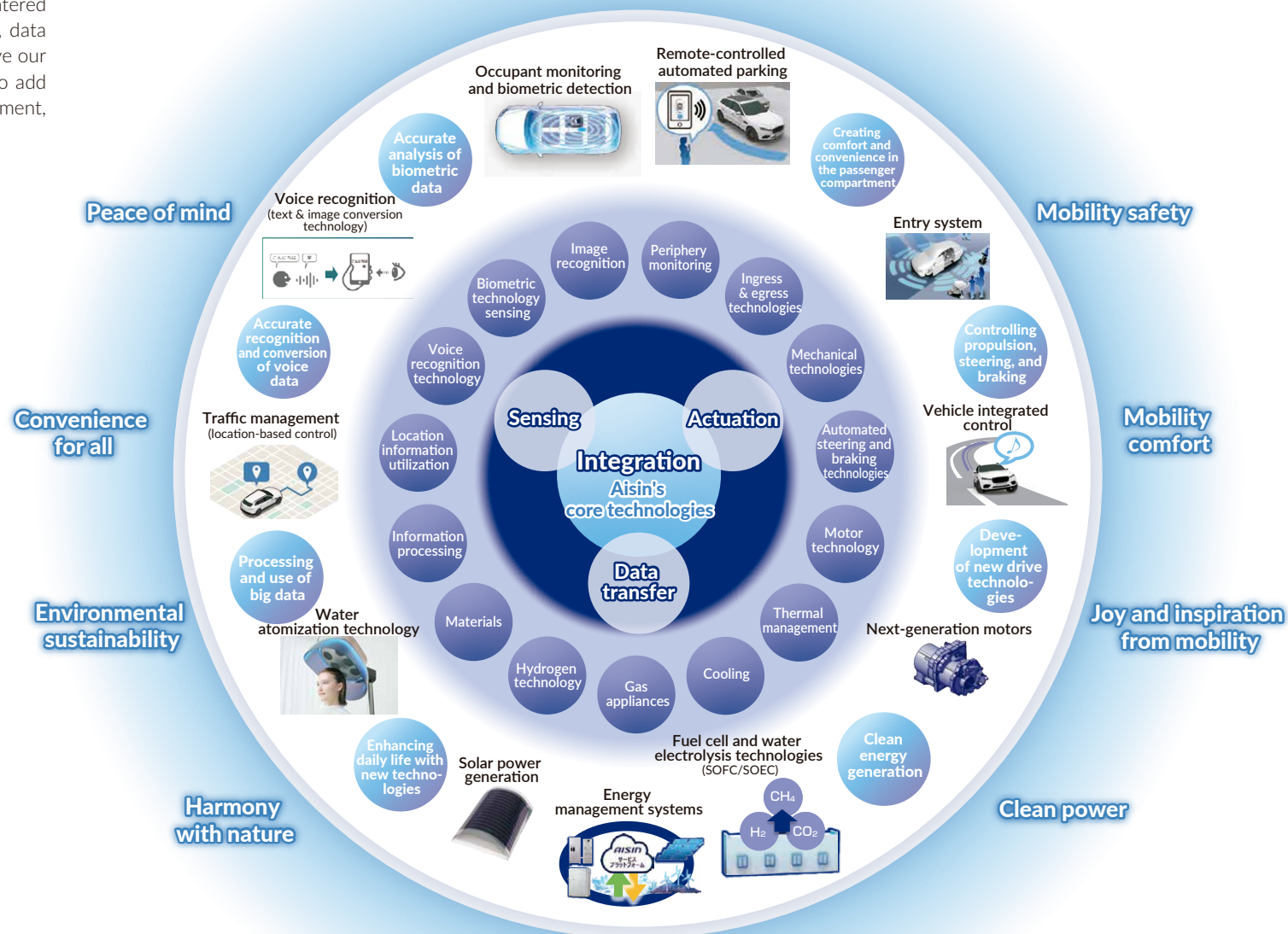
Motor cooling simulation



Intellectual Capital

The expanding scope of Aisin's core competencies and value proposition

Aisin has developed various products and services centered on its core technology: the integration of detection, data transfer, and actuation. Moving forward, we will evolve our suite of core technologies and challenge ourselves to add more value in pursuit of our vision of "inspiring movement, creating tomorrow."

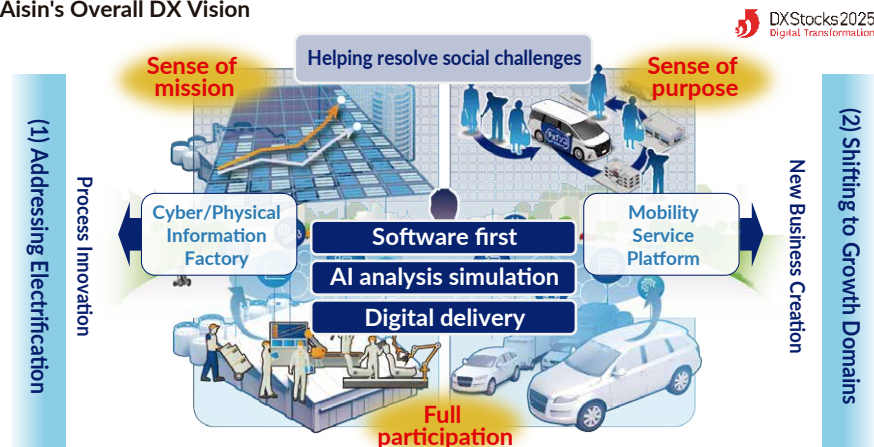


Intellectual Capital (DX)

Basic stance and policy

Leveraging technological advantages in location information, software and system development, and analytics cultivated through our diverse automotive parts operations, we are creating value-added R&D and manufacturing processes and tackle social challenges with a sense of mission and purpose.

Aisin's Overall DX Vision



Promotion structure

To vigorously propel DX, we have established a framework centered on our DX Strategy Center, through which all departments collaborate on a companywide basis. The Center is responsible for horizontally instituting DX themes and overseeing digital governance in such areas as IT investment and information security. When substantively promoting DX, teams are formed with members from each business division in connection with each theme. The Center and manufacturing sites work as a single unit, combining their individual strengths and knowledge. These efforts have been recognized via our selection by METI, the Tokyo Stock Exchange, and Information-technology Promotion Agency as a DX-focused company for two consecutive years.

Strategy

By promoting DX, we are accelerating our response to electrification and shift to growth domains as we strive to add new value and resolve societal challenges.

Regarding our response to electrification, we strategically pursue process innovation to swiftly market diverse products and systems. As we shift toward growth domains, we hone technologies in such domains as software development and AI to create new businesses and add value to existing ones.

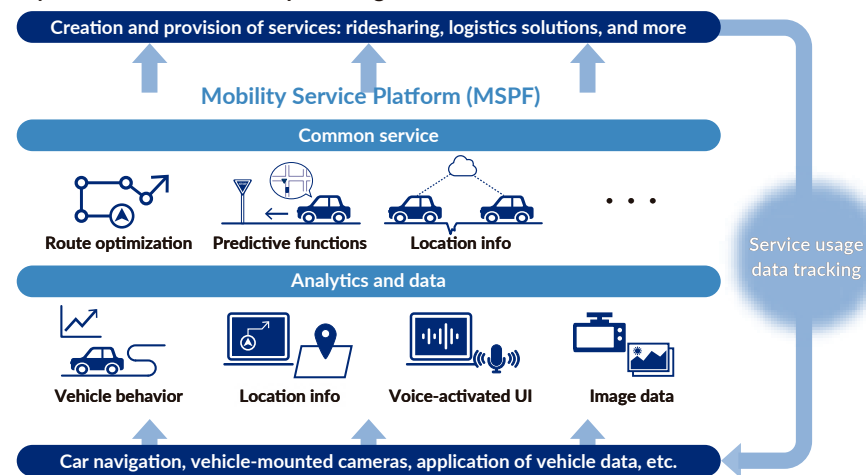
Platform development

Our manufacturing process innovation follows our Cyber/Physical Information Factory (CPIF) concept, which models and analyzes physical space as data in cyberspace, we apply virtual verification techniques to production and 3D information to shorten lead times and improve product competitiveness.

Among the new businesses we are creating is a Mobility Service Platform* that combines location information—the linchpin of mobility services—with comprehensive vehicle data to support a range of valuable services, such as ridesharing and logistics. These platforms enable the rapid delivery of software, services, and solutions. Simultaneously, by leveraging accumulated data and utilizing cutting-edge technologies like AI, we will create unprecedented added value and achieve flexible adaptation to ongoing environmental changes.

* Mobility Service Platform: Please also refer to our section on Product strategy: Mobility service support platforms. [P39](#)

Mobility Service Platform conceptual diagram



DX for everyone

Amid the transformation of the automotive industry, our guiding policy is "DX for everyone." This means that every individual will be expected to correctly understand and use digital technology and develop the ability to create new value through their own ideas, thus enabling the Group to overcome challenges with everybody acting as one.

We are promoting the development of personnel who possess the mindset to actively challenge DX. This involves taking the lead in transforming business processes, organizations, and the business itself by utilizing digital technology as their own responsibility, driven by a deep understanding of organizational and work challenges.

Intellectual Capital (DX)

Key initiatives

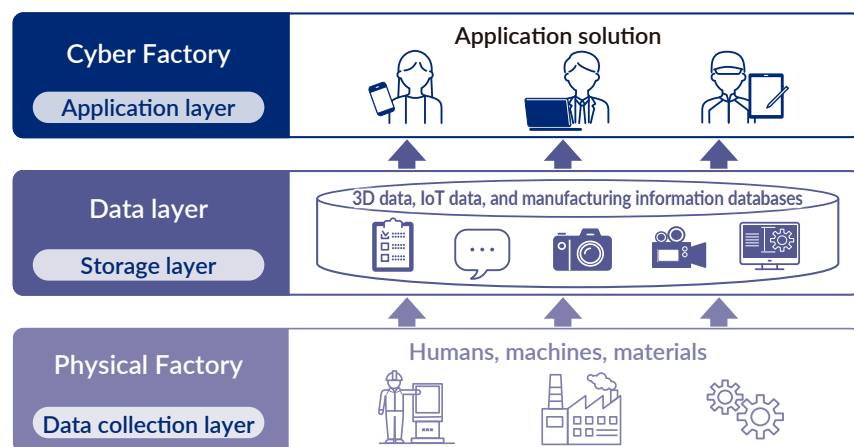
Strengthening manufacturing capabilities and driving a cycle of improvement

Under the Cyber/Physical Information Factory (CPIF) concept, we are building a manufacturing information database to centrally manage manufacturing-related information during production preparation processes. Our aim here is to enable real-time design change management and process control.

We are transforming traditional product lifecycle management (PLM) by managing all process information from design to production and maintenance in conjunction with 3D models. This enables processes to be virtually verified and shortens preproduction timelines by making process information visible throughout the Company.

On the production management side, we are taking a data-driven approach to optimizing manufacturing processes based on feedback and, thereby, shortening lead times and lowering costs. Moving forward, we are focusing on building mechanisms that accurately assess and respond to changes in the market driven by shifting social conditions and external factors and

Conceptual diagram of Cyber/Physical Information Factory



which support swift and decisive management action. We are establishing a system that quickly predicts the impact of process changes and optimizes material usage.

We are driving operational innovation with AI. In one example, we are automating the inspection processes with proprietary software that generates learning models using image data. By accumulating the results of AI-based assessments and using them for retraining, we have stabilized the accuracy of the assessment process, thereby lowering labor requirements and improving quality. To ensure smooth introduction and usage across all sites, we have made this system available as a service that can be applied by generalist technicians. At the same time, to

accelerate implementation we are training AI leaders through onsite initiatives.

We have also automated processes traditionally dependent on manual intervention, such as solder joint inspection and burr detection after the machining of actuators. Through the extended use of AI and further onsite innovation, we are promoting new systems that prevent the manufacture of defective products. We are reviewing the production process itself and moving toward a system capable of 100% production yields.

Through these initiatives, we are enhancing the efficiency and sophistication of our production process while reducing costs and promoting a data-driven virtuous cycle of improvement.

Generative AI initiatives

As we progress with digital transformation (DX), we are actively leveraging generative AI and other forms of artificial intelligence to add value and strengthen Aisin's competitiveness.

For example, we are evolving image and behavior recognition technologies to enhance the appeal of products like periphery sensing and entry systems. We are also raising operational efficiency through patent abstracting and research and developing tools for evaluating initial cross-sectional shapes by combining computer-aided design (CAD) geometry data with strength analysis using computer-aided engineering (CAE) tools.

These objectives are being pursued as companywide, cross-disciplinary projects. We are approaching them using a "broad participation" system in which specialized departments integrate with production sites to work as one, thus driving operational renewal and creating new value.

Fostering a culture of embracing new technologies

As part of creating an environment that supports employee challenges, we are actively promoting the establishment of systems and talent development that enable the proactive use of new technologies like generative AI.

In addition to tiered training based on skill levels, we conduct practical training utilizing educational production lines. Furthermore, we have built an internal video-sharing platform to create and share content related to digital utilization. The use of these videos promotes literacy improvement, leading to increased participation and fostering a culture of challenge. We also promote internal and external community activities related to cloud and data utilization, providing diverse educational opportunities.

We actively engage in external collaboration, supporting new challenges through industry-academia joint research, participation in consortia, and open innovation activities with startups possessing outstanding technologies.

Message from the CCNO

All parties involved in manufacturing bear responsibility for building a society that is in harmony with nature.

We make it known across the Group that this is a business continuity and expansion priority and ensure all-hands participation.

Chief Carbon Neutral Officer

Masahiro Nishikawa



My role as CCNO

Responsible for advancing the realization of a society in harmony with nature.

Aisin has adopted a mission to “deliver beauty to our future earth” and is accelerating efforts toward realizing a sustainable society. In 2021, we established a Carbon Neutral Promotion Center reporting directly to the President and formally launched environmental initiatives centered on decarbonization. In recent years, we have expanded our activities into areas such as resource circulation and harmony with nature. In April 2025, we strengthened our framework for promoting these initiatives by establishing the Carbon Neutral & Environmental Promotion Center,” driving a more comprehensive environmental strategy. As the head of this center, I lead companywide efforts to realize a society coexisting with nature while making efficient use of natural capital. We view addressing environmental challenges as both a corporate social responsibility and the foundation for sustainable growth, striving to enhance value for the future.

Enhancing Corporate Value

Creating new value leveraging Aisin's strengths

Aisin aims to achieve revenue of ¥5.5 trillion to ¥6 trillion by 2030. We position carbon neutrality and the circular economy as critical management issues and take care to balance these objectives with profitability.

Based on our newly defined materiality, we are working to achieve reduction targets for Scope 1, 2, and 3 emissions while also developing products that enhance environmental value. Specifically, we aim for carbon neutrality not only within our own operations but throughout the entire product lifecycle. We are promoting the shift to low-CO₂ materials and reducing the carbon signatures of procured parts through

strengthened collaboration with suppliers. In this way, we are, improving the environmental performance of our products and the vehicles they are installed in.

We are to the fullest extent leveraging Aisin's outstanding technology development and manufacturing expertise that spans from raw materials through to functional components. We are challenging ourselves to both reduce our environmental impact and build corporate value in a way only Aisin can accomplish. Through these initiatives, we will contribute to the sustainability of society while fulfilling our corporate responsibilities and achieving growth.

Maximizing the value of management capital

Efficient use of natural capital

Aisin positions carbon neutrality and the circular economy as key pillars of its management strategy. It is my important mission to ensure that all of our approximately 110,000 group employees unite in support of these objectives. Understanding in the workplace and self-directed efforts at progress are essential to enhancing the effectiveness of our CO₂ reduction measures. We prioritize the careful assessment of current conditions and discussing the gap between these and our goals. We promote continuous improvement by ensuring staff at manufacturing sites understand the causal relationship between productivity gains, reduced energy consumption, and waste reduction aimed at lowering CO₂ emissions.

We have established procedures for incorporating Life Cycle Assessment (LCA) results into the development of new products during the design phase. This strategy envisions the interdependent relationship between emissions performance under SDGs scopes 1, 2, and 3 and the composition of the product lineup. By breaking down our 2030 revenue targets

by product and scope, we clarify the gap with the current state and enable more precise strategizing.

Moreover, we are actively developing environmental technology to facilitate a transition in the energy market and drive resource circulation. Starting in FY2026, we plan to begin mass production of bio-briquette coke in Indonesia as an alternative to coking coal used in iron melting processes. We are steadily advancing the development of next-generation technologies such as perovskite solar cells and CO₂ fixation and methanation. This is done with an eye toward reducing the environmental burden for society as a whole and achieving carbon neutrality for manufacturing by 2035.

The concept of a circular economy is extremely critical to achieving sustainable manufacturing in resource-constrained Japan. Through collaboration among industry, government, and academia and participation in Toyota Group task forces, we are advancing the selection of recycled materials we use and increase their incorporation into our designs to promote optimal resource use.

To our stakeholders

Leveraging capital to connect to the future: my vision

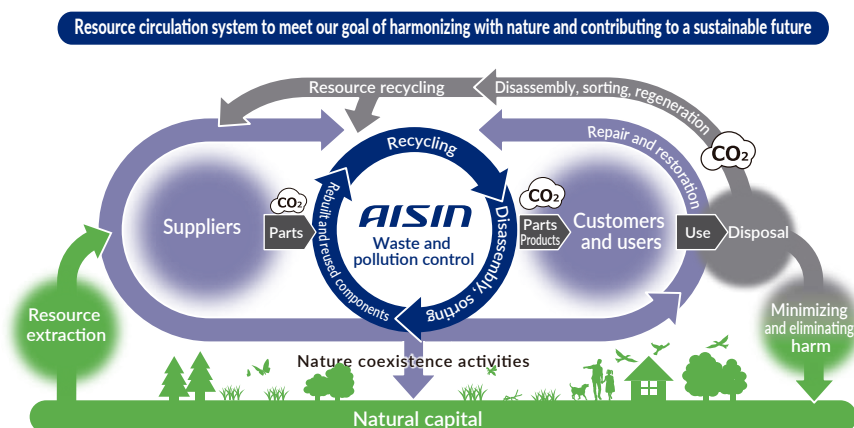
By integrating group synergy, outstanding technological development, and manufacturing expertise, Aisin is transformatively applying the concepts of carbon neutrality and the circular economy to enhance corporate value and boost competitiveness. Our leveraging of natural capital goes beyond strict environmental compliance; we are further strengthening the foundation of our competitiveness. Moving forward, we are vigorously working to enhance natural capital while prizing dialogue and collaboration with our stakeholders.

Natural Capital

Basic stance and policy

Building upon concepts such as legal compliance that form the foundation of our management, the Company prioritizes harmonizing with nature and contributing to a sustainable future through decarbonization, circular resource usage, and living in coexistence with the environment. By leveraging the vast product portfolio the Group has built that spans from automotive applications to construction, greening, and energy—combined with our leading technological skills and services—we aim to help address global environmental issues. We can thus continue bringing prosperity to the Earth of the future. Each Aisin employee is expected to sincerely confront environmental issues such as climate change and resource depletion. To leave on a sustainable environment for future generations, we aim to realize a society where everyone can live a relaxed and secure life in harmony with nature.

 AISIN Consolidated Environmental Policy



Promotion structure

In response to growing societal demand for environmental action, we renamed Carbon Neutral Promotion Center to the Carbon Neutral & Environment Promotion Center and strengthened its framework to holistically advance strategies and initiatives—from decarbonization, resource circulation, and coexistence with nature to environmental infrastructure activities.

In keeping with top-level policy, we hold regular meetings of the Environmental Committee and the CN/CE Promotion subcommittee to review, promote, deliberate, and monitor strategies related to building environmental infrastructure, decarbonization, resource circulation, and coexistence with nature. This enables swift and flexible decision-making.

Furthermore, important matters are submitted for discussion and reported to the Board of Directors. Business strategies and plans are revised as necessary to optimize management strategy.

For details, please refer to the Sustainability Promotion Framework.  P22

Strategy

We have defined harmonizing with nature and contributing to a sustainable future as our priority materiality issues theme and established the direction for reducing our environmental impact across the entire value chain. Specifically, we have set carbon neutrality (CN) and the circular economy (CE) as key goal indicators (KGIs) and are working towards them with established key performance indicators (KPIs).

Aisin has advanced environmental activities since FY1994 by establishing a consolidated five-year Environmental Action Plan outlining specific initiatives. For FY2025, rather than building on past approaches, Aisin has put together its Aisin Environmental Action Plan 2031 by working backward from its desired future state to address environmental challenges from a unique perspective. With FY2026 as a trial period, the entire group will advance activities toward full-scale implementation starting in FY2027.

Related materiality issues

Materiality issue		Goals (KGI)	Indicators (KPI)	FY2031 target values
Priority issues	Paths toward realization			
Harmony with nature and contribution to a sustainable future	Reducing environmental impact across the entire value chain	Carbon neutrality FY2051: achieve CN FY2036: achieve CN for CO ₂ from manufacturing	Scope 1 & 2 reduction	46.2% decrease compared to FY2020
			Scope 3 reduction	27.5% decrease compared to FY2020
		Circular economy Achieve zero-emission factory by 2040 (Landfill waste ≤1%)	Resource efficiency	10% efficiency improvement
			Waste minimization Waste reduction	11% decrease compared to FY2020

Key initiatives

Carbon neutrality initiatives

Scope 1 & 2

We are reducing energy consumption through rigorous energy-saving activities and the development and introduction of innovative production technologies. Furthermore, we are progressively switching our electricity supply to solar and wind power and renewable sources. We are advancing the replacement of non-electric energy by way of electrification while promoting CO₂ separation, capture, reuse, and substitution with new energy sources.

Natural Capital

Our energy conservation initiatives dictate the strengthening of groupwide efforts to assess the energy consumption of each piece of equipment and process used in producing a single product and eliminate waste. Among these efforts, the Energy Conservation Center Chairman's Award was presented for an idea involving the intermittent operation of cleaning equipment at that organization's FY2025 Energy Conservation Awards ceremony. By shifting to small-lot cleaning processes, powering down idle equipment, and applying inverter control tactics, we reduced annual electricity consumption by approximately 27% (a decrease of 12,453 kWh compared to previous levels).

Furthermore, the executives responsible for sustainability matters tour domestic and international factories to personally verify CN and CE initiatives on-site. They engage directly with personnel to identify challenges and implement countermeasures. We will continue devising new energy-saving initiatives and share existing ones beyond the Group with external parties in an effort to contribute to CO₂ reduction at the societal level.



Energy Conservation Grand Prize Winner

We are reducing CO₂ emissions while maintaining production capacity through innovative production technologies, such as power and heat source reduction, unmanned operation, and the development and use of ultra-eco equipment.

This time, the "Room-Temperature Rust-Preventing Cleaner" jointly developed with Kao Corporation has received the Grand prize of Minister of Economy, Trade and Industry at the 52nd Environment Awards hosted by the National Institute for Environmental Studies and Nikkan Kogyo Shimbun, Ltd. Combining three key functions—high cleaning effectiveness at room temperature, high drying efficiency without the need for hot air, and high rust prevention that obviates the need for rust treatment—this process achieves a 73% reduction in CO₂ emissions versus conventional cleaning machines and reduces the need for rust prevention materials.

Furthermore, extending the usage period of the cleaning solution reduces water resource consumption to less than one-third and lightens the load on wastewater treatment.

Aisin handles raw materials and runs a variety of heat-intensive production processes, which presents challenges for Scope 1 reduction. Aisin Takaoka has developed a biofuel, Bio-M-Coke, as an alternative to coking coal used in iron smelting. The company has conducted demonstration tests replacing 100% of its production line with bio-briquette coke, confirming stable operation under normal conditions. Concurrently, demonstration tests are progressing at domestic partner foundries, with sales of this product scheduled to begin around autumn 2025.

Scope 3

We are focusing emissions reduction activities on the four categories (1, 4, 11, 12) that account for the largest share of CO₂ emissions across the entire production lifecycle, from resource extraction through disposal.

Specifically, in addition to reducing CO₂ during use by improving the performance of our products, we are working on CO₂ reduction activities across the entire supply chain. This includes promoting the adoption of low-CO₂ materials, supporting suppliers' carbon neutrality programs, and collaborating with suppliers and transport services to improve loading rates and optimize routes. These initiatives lessen our environmental impact while also raising our competitiveness as a company.

To tackle CO₂ reduction from the initial stages of development, we incorporate lifecycle assessment (LCA) into our product designs. We use measuring tools in accordance with internal assessment guidelines to quantitatively evaluate the LCA of our products. Moreover, we have integrated LCA education into our companywide training system to enhance our employees' understanding and improve their assessment skills. By adopting low-CO₂ materials and introducing smaller, lighter products starting at the early development stage, we reduce CO₂ emissions throughout the entire product lifecycle.

Our efforts have been recognized and, in March 2025, we were certified as a Five-Star Low-Carbon Supplier by the China Automotive Technology and Research Center (CATARC).

* Life Cycle Assessment (LCA): Quantitatively evaluates the environmental impact throughout the entire life cycle of a product or service.

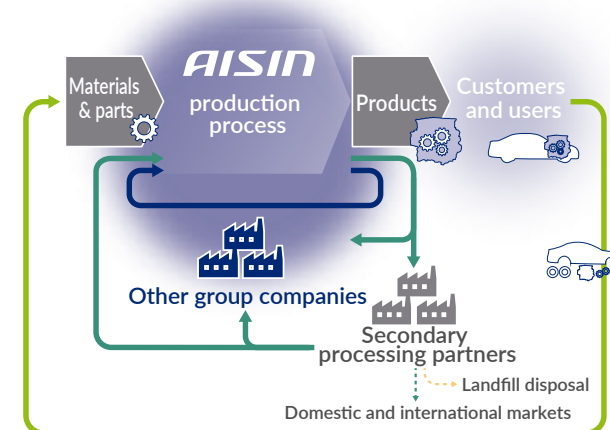
Circular economy Initiatives

We are promoting such activities as effective resource use and minimization of waste to achieve zero-emission factories by 2040. Moreover, circular resource usage initiatives applied across the entire supply chain have also proven effective in reducing Scope 3 emissions.

We target all items involved in our business activities: raw materials, auxiliary materials, production equipment, molds, jigs, packaging materials, etc., for conversion into recyclable states through disassembly, sorting, and promoting eco-design, thereby advancing resource recovery.

As this is difficult to achieve on our own, we promote the adoption of recycled materials in collaboration with industry, government, and academia and through our participation in Toyota Group task forces.

Circular resource usage diagram



Natural Capital

Effective resource use

We effectively use resources by cutting material usage through product weight reduction and miniaturization, waste minimization, value enhancement, reduced use of auxiliary materials, and a lower ratio of new materials and products introduced. Our products and manufacturing technologies are designed from the outset to minimize scrap and waste. For unavoidable manufacturing byproducts like scrap and chips, we rely on recycling and enhance value through waste separation.

At Aisin's Handa electronics plant and Aisin Tohoku, the initial work-in-process (WIP) items used the same resin and metal used in the final products, resulting in metal waste. To address this, we replaced the metal parts with dummy components made from recycled materials for the WIP, thereby reducing wasted metal. We are spreading improvement techniques like this across all of our factories and Group companies, working groupwide to optimize our use of resources.

Minimizing waste

As part of our Group's effort to convert industrial waste that would otherwise end up as landfill into usable materials, which is achieved by reducing the amount of waste created and improving production process technology, Aisin Takaoka, found that during casting approximately 5% of waste from sand molds was not recyclable and destined for landfill disposal. This non-recyclable landfill waste was sorted, cleaned of foreign matter, and used as a raw material for cement. As a result, recycling rates increased by 80% compared to the previous year.

Other initiatives

Harmony with nature

Aisin promotes activities that promote harmony with nature according to three pillars: watershed conservation, collaboration with local stakeholders, and contribution to ecosystem network development. In FY2025, we expanded our global natural harmony activities beyond the cleanup activities conducted around many manufacturing sites to include tree planting, protection of rare species and removal of invasive species, and river and coastal cleanup. Furthermore, under the "Green & Blue Project," which aims to plant 800,000 trees by FY2031, we achieved a cumulative total of 359,000 trees planted as of end-FY2025.

We define facilities that comply with all three pillars described above as Aisin Group Nature-Harmonized Factories. In FY2025, we certified one new facility, bringing the total to five. We aim to have certified a total of 10 facilities by FY2031. Moreover, we have begun to educate all employees, including management, to provide a platform for everyone working at Aisin to learn about nature positivity and understand its connection to our business.

Foundational activities

Environmental management

To ensure environmental initiatives are reliably promoted at all locations, the Company shares its Aisin Consolidated Environmental Policy across all Group companies.

In 2008, we established EMS working groups, which meets four times a year focusing on three pillars: standardization, human resource development, and assessment. At monthly meetings with environmental managers at our six overseas headquarters, we ensure compliance with environmental laws and prevent major environmental incidents.

Standardization

Since 2018, the entire Group has implemented the Aisin Global Environmental Standards (AGES) to identify potential environmental risks, such as environmental accidents, pollution, and legal violations. We are working to prevent or minimize environmental risks across seven key areas: wastewater, air, solid waste, noise and vibration, soil and groundwater, odors, and management of relevant subsidiaries, suppliers, and customers. Reflecting on past environmental incidents, we are strengthening regulations, employee training, and audits to prevent recurrence.

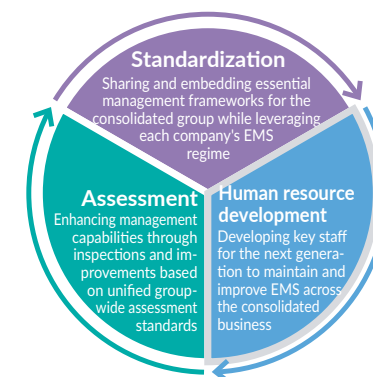
Human resource development

To achieve a consistent level of environmental management across the Group, we have promoted the harmonization of manuals and standards since 2022. Operations directly linked to environmental law violations, accidents, or abnormalities are restricted to company-certified personnel, with mandatory education and on-the-job-training every three years. We will continue to develop expert staff for operations requiring specialized knowledge and skills to prevent environmental law violations and accidents.

Assessment

At Aisin, 90% of our Group companies have obtained and maintain certification for their Environmental Management System (ISO 14001 international standard). However, we have discovered inconsistencies in the implementation of systems, procedures, and management standards across Group companies that pose challenges to the early detection of environmental incidents and aberrations. Therefore, starting in FY2025, we strengthened our control structure by initiating the integration of management reviews and standardizing key themes for internal audits.

EMS enhancement cycle



Enhancing Management Quality

We promote ongoing governance reforms to enhance corporate value through high-quality dialogue.

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Corporate Governance

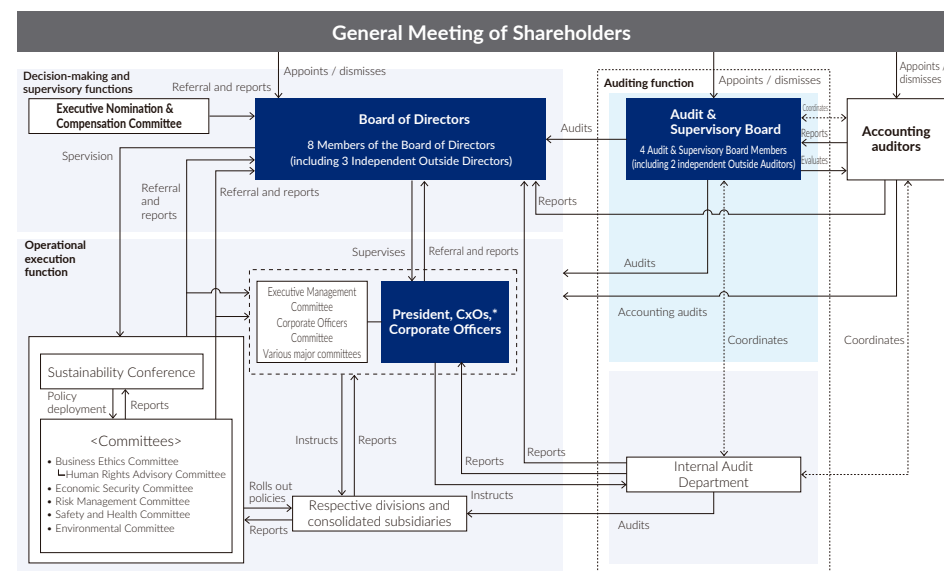
Basic stance and policy

Guided by our Group management philosophy, we aim to maximize corporate value by building sound relationships with all stakeholders and ensuring stable, long-term growth and development.

To achieve this, we must make certain to manage our business fairly and transparently as is expected of a corporate citizen to be trusted by the international community. We have established the following basic policy and are working to enhance our corporate governance.

 Corporate governance reporting

Corporate governance framework



*CxO: A chief executive responsible for driving key management initiatives in a particular domain across the entire organization. CxOs are chosen from among our executive officers and assist the president from the broad perspective of the entire Group.

Under our Audit & Supervisory Board system, we are strengthening oversight of business execution by our directors and executive officers. We leverage the strengths of this system, namely: supervision by a Board of Directors at least one-third of which consists of independent outside directors, the independence and sole authority of the audit function, and the presence of full-time members of the Audit & Supervisory Board, while auditing the business through an Audit Committee half composed of independent outside auditors. Moreover, to enhance independence and objectivity, the nomination and compensation of directors and executive officers are reviewed and deliberated by the Executive Nomination and Compensation Committee, chaired by an independent outside director and majority composed of independent outside directors, before being submitted to the Board of Directors.

We believe it is critical to establish a system that facilitates timely and accurate management decisions based on the nature of each business characteristics as well as onsite conditions, while also regularly verifying whether those decisions are supported by a diverse body stakeholders and ensuring their expectations are met. It is for these reasons that we have adopted our current structure.

Regarding operational execution under this structure, in April 2022, we eliminated the areas of responsibility for the Vice President level and transferred authority to the heads of divisions. This was done to trim the number of decision-making layers within the executive structure in the interest of increased speed as well as superior management decision-making and operational execution. What is more, we appointed CxOs from among our executive officers to serve as C-level officers responsible for driving key management initiatives across the entire Company and assisting the president gain a clear overview of the entire Group. Currently, five CxOs are in office. We will continue to strive for a more effective corporate governance structure to enhance corporate value.

Evolution of our corporate governance structure

FY	2016~2019	2020~2021	2022	2023~2025
Board of Directors	13-14	9		8
Of which independent outside directors	2-3	3		3
Of which female members	1 (since 2016)	1		1
Ratio of independent outside directors	14.3%~23.1%	33.3%		37.5%
Audit & Supervisory Board members	5		4	
Of which independent outside auditors	2*		2	
Of which female members	0		2	
Ratio of independent outside auditors	40.0%		50.0%	

*In accordance with the Companies Act, there must be 3 outside auditors

Related materiality issues

Materiality issue	Goal (KGI)	Indicator (KPI)	FY2031 target value
Laying a solid management foundation	Achieved enhanced management transparency and internal controls by transitioning the Board of Directors to a Monitoring Board structure, thereby separating oversight and execution	Ratio of female directors	30% or more

Key Initiatives

June 2014	Appointed independent outside directors	June 2023	Selected the Chair of the Nomination and Compensation Committee from among the independent outside directors
January/ March 2016	Established the Executive Nomination and Compensation Committee		
April 2022	Eliminated vice president-level oversight and transferred authority to division heads and other leadership	November 2024	Established a Governance Roundtable as an offsite meeting of the Board of Directors

Corporate Governance

Board of Directors

The Board of Directors, which consists of eight directors, including three independent outside directors, meets once a month in principle. The Board deliberates on and resolves important elements of management strategy, such as group management policy, earnings and investment budgets, capital policy, strategies for each business segment, and management infrastructure to provide support in such fundamental corporate domains as sustainability, human capital, and corporate governance. The Board of Directors also supervises the execution of duties by directors and other officers by way of reports received from the Business Ethics Committee, the Risk Management Committee, and other committees.

In FY2025, as described in the “Board Effectiveness Assessment,” sustainability discussions were conducted in parallel with management and business strategy discussions, and oversight was strengthened based on reports from executive-level committees. [P68](#)

Key agenda items for resolution or reporting at the FY2025 Board of Directors meeting

Management strategy	Management strategy, medium-to-long-term business strategy, Group management policy, earnings and investment budgets, shareholder composition
Business strategy and portfolio review	Strategies for each region and business segment and alliances and progress report on new businesses
Sustainability	Aisin Group Charter of Sustainability, materiality elements, climate change, human capital strategy, status of internal controls, compliance, and risk management, status of the Board of Directors, results of the Board of Directors' effectiveness evaluation and issues
Other	Report on matters deliberated on by the Executive Management Committee

Additionally, in November 2024, we established a Governance Roundtable as a special meeting of the Board of Directors an offsite format. Directors, including outside directors, discuss governance issues and direction and review matters such as the Board's monitoring function and succession planning based on the skills matrix.

The scope of Board deliberations, including such offsite meetings, has been expanded year by year.

Independent outside directors: expectations and function

The Company expects its independent outside directors to fulfill the following roles and responsibilities:

1. To raise risk warnings and advice at important decision-making forums, such as Board meetings, from a position independent of management, and to oversee the Company's management through deliberations on the nomination, reappointment, and compensation of management executives
2. To avail the Company's management of the specialized knowledge and broad experience they have gained throughout their professional careers.
3. To adjudicate conflicts of interest between the Company and its management, controlling shareholders, and other parties.
4. To properly ensure the voices of shareholders and other stakeholders are heard by the Board of Directors.

The Company considers it crucial that outside directors and outside auditors be empowered to effectively fulfill their roles and responsibilities from an independent, objective standpoint. To this end, we are implementing the following measures:

1. To ensure sufficient time for deliberation at board meetings, we periodically review the criteria for board agenda items and streamline matters to be discussed.
2. To enable meaningful discussions at board meetings, we provide outside directors and outside auditors with individual advance explanations from officers and others regarding board agenda items and share the minutes from important internal meetings.
3. To enhance outside directors' and outside auditors' understanding of our business and facilitate the sharing of information, we provide opportunities for onsite visits to key locations and explanations of our business operations upon their appointment. Annually, we hold briefings and discussions on our business strategy and environment as well as operational risks both inside and outside the Board of Directors. We also arrange onsite visits to factories and proving grounds, informal meetings with executive officers, and management issue study sessions linked to relevant challenges.
4. To provide information required by outside directors and outside auditors, designated staff responsible for liaising and coordinating with them are assigned to departments such as the Corporate Planning Department and the Audit & Supervisory Board Office.

Corporate Governance

Evaluating the effectiveness of Board of Directors meetings

Each year, the Company analyzes and assesses the effectiveness of the Board of Directors in order to improve the impact of its meetings. The results of FY2025 Evaluation are as follows:

- i Subjects: All directors (8 members) and corporate auditors (4 members)
- ii Evaluation method: (a) Third-party questionnaire-driven evaluation
(b) Interviews based on questionnaire results
(c) Discussion of issues and future measures at Board of Directors meeting based on the results of analysis
- iii Evaluation topics include the size, composition, and operation of the Board of Directors, support system for independent outside directors, composition and operation of the Executive Nomination and Compensation Committee for directors, and the status of improvement in regard to issues flagged during the previous fiscal year's evaluation.

Issues identified in FY2024	Enhancement of the meeting of the Board of Directors	Strengthening of the Board of Directors' Supervisory Functions	Discussion on the Company's governance with an eye to the future
Results of initiatives for FY2025	Discussed sustainability issues (Aisin Group Charter of Sustainability, ESG materiality, climate change, human capital strategy) along with discussions on management strategy and medium-to-long-term business strategy (Note).	Regular reports were made to the Board of Directors by the Business Ethics Committee, Risk Management Committee, and other committees and with regard to internal audit results (Note)	The Company has established a Governance Roundtable, where top management and corporate auditors regularly convene in an off-site meeting format, and is more precisely defining the ideal role of the Board of Directors through such measures as review of succession plans based on monitoring and the Board's skills matrix.

Note: Agenda items submitted to the Board of Directors are listed in the preceding section, Key agenda items for resolution or reporting at the FY2025 Board of Directors meetings. [P67](#)

Overall assessment for FY2025: The effectiveness of the Board of Directors has been improving year by year. Further advancement will be pursued to support the constantly evolving role of the Board of Directors.

Topics identified in FY2025	Enhancement of the meeting of the Board of Directors' discussions	Strengthening the supervisory function of the Board of Directors	Improving links between necessary knowledge and skills and succession planning
Action plan	Hold multifaceted discussions on management strategies and sustainability to achieve the Vision for 2030 targets announced at the 2023 Medium-to-Long-Term Business Strategy Briefing.	Enhance the perspective of internal controls and the risk response measures across the Group via reporting by various committees.	To enhance discourse at the Executive Management Committee leading toward the realization of the Vision for 2030 plan, the skills required of directors are being reviewed, a succession plan based on the review is to be discussed. Directors with the required skills will be nominated, and study sessions are planned in conjunction with pending management issues.

Corporate Governance

Policies and procedures for nominating directors and auditors

Regarding the nomination of candidates for directors and auditors of the Company, to achieve sustainable growth and enhance corporate value over the medium-to-long-term, we appoint multiple highly specialized individuals as outside directors—both from inside and outside the industry, to ensure accurate, prompt, and fair decision-making and appropriate management oversight. Furthermore, with management of the Group in mind, we appoint directors with extensive experience and broad insight gained at domestic and international subsidiaries. Thus, we are thoroughly investigating various measures we can take to achieve the optimal balance of knowledge, experience, and capability.

As one action plan based on the Board Effectiveness Evaluation results, our Board of Directors reviewed the skills required of directors to further advance and strengthen business portfolio

transformation and sustainability management towards realizing the Vision for 2030 initiative announced at our medium-to-long-term business strategy briefing in September 2023. As a consequence, we nominated eight director candidates with these skills.

The nomination process involved deliberation and review by the Nomination and Compensation Committee, followed by the selection of director and auditor candidates for submission to the Board of Directors. For directors, the deciding votes were cast at the General Meeting of Shareholders following a nomination resolution by the Board of Directors. For members of the Audit & Supervisory Board, the ultimate decision was made at the General Meeting of Shareholders following provisional appointment by the Board of Directors after obtaining the consent of the Audit & Supervisory Board.

Skill matrix and meeting attendance members

◎ Chair ○ Member in attendance

Name	Corporate management	Global business	Sustainability	Environment & carbon neutrality	Human capital strategy	Governance, compliance & risk management	Manufacturing (technology, production & quality)	Value chain (sales & procurement)	Finance & accounting	Board of Directors	Audit & Supervisory Board	Executive Nomination and Compensation Committee
Members of the Board of Directors												
Moritaka Yoshida	○	○					○			◎		○
Shintaro Ito	○	○	○		○	○			○	○		○
Yoshihisa Yamamoto	○	○		○			○			○		
Masahiro Nishikawa	○	○		○			○			○		
Koji Kobayashi	Outside					○		○	○	○		
Tsuguhiko Hoshino	Outside Independent	○				○			○	○		◎
Yasuhito Hirota	Outside Independent	○	○		○	○				○		○
Keiko Tatsuwaki	Outside Independent		○	○		○				○		○
Audit & Supervisory Board members												
Makoto Mitsuya	○	○	○		○	○			○	○	◎	
Kiyomi Kato						○			○	○	○	
Junko Ueda	Outside Independent					○				○	○	
Katsuhiro Kashiwagi	Outside Independent								○	○	○	

Board of Directors: 8
Independent outside directors: 3
Meetings held: 12 per year

Audit & Supervisory Board: 4
Independent outside corporate auditors: 2
Meetings held: 14 per year

Executive Nomination and Compensation Committee: 5
Independent outside directors: 3
Meetings held: 4 per year

Skill items	Purpose of skill selection	Skill items	Purpose of skill selection
Corporate management	This skill is considered vital to driving sustainable growth and enhancing corporate value through strategic decision-making and organizational management, as well as to discerning long-term societal shifts, backcasting from our envisioned future, and charting a growth trajectory for the business.	Human resources development	This skill is considered necessary to motivating individual employees and providing them with a sense of fulfillment.
Global business	This skill is considered essential to leveraging overseas management experience or insights on the international business environment to sustainably expand our business domains globally.	Governance, compliance, and risk management	This skill is considered necessary to strengthening the internal controls and governance systems that contribute to sustainable growth and enhanced corporate value.
Sustainability	This skill is considered critical to anticipating societal challenges and needs through communication with a diverse array of stakeholders, and to advancing a sustainability program that contributes to a resilient society while enhancing corporate value through business activities.	Manufacturing (technology, production, quality)	This skill is considered a prerequisite for further refining manufacturing proficiency, enhancing market competitiveness, efficiency, and productivity, and shifting toward growth areas through the creation of new businesses.
Environment and carbon neutrality	This skill is considered a requirement for advancing product and production initiatives on an accelerated schedule with regard to achieving carbon neutrality.	Value chain (sales and procurement)	We believe this skill is central to building relationships with business partners based on mutual trust and a focus on mutual interdependence and prosperity.
		Finance and accounting	This skill is considered critical to promoting growth investment to sustain expansion and enhance corporate value, and to achieve appropriate shareholder returns while operating under an accurate financial reporting system and a solid financial foundation.

Corporate Governance

Audit & Supervisory Board members

Duties of the Audit & Supervisory Board members

As an independent body entrusted by shareholders, the Audit & Supervisory Board member ("corporate auditor") aims to ensure the company's sound and sustainable growth while establishing a high-quality corporate governance system that engenders societal trust through audits of directors as they execute their responsibilities. Moreover, the corporate auditor provides advice and recommendations to directors and other officers in a timely manner while taking all necessary measures to maintain independence. The corporate auditor consistently maintains an impartial and unbiased stance and performs audits based on honest convictions and adherence to the principle of onsite verification.

Activities of corporate auditors and the Audit & Supervisory Board

The Audit & Supervisory Board consists of four members: two full-time corporate auditors and two independent outside auditors and convenes once a month in principle. Each corporate auditor, based on the audit policies and plans devised by the Audit & Supervisory Board, reviews the legality and appropriateness of responsibilities executed by directors, the conduct of business by the Company and its subsidiaries, and the reliability of financial reporting. This is achieved through attendance of key meetings, including the Board of Directors, interviews with directors and department staff, and visits to domestic and overseas subsidiaries. Additionally, an Audit & Supervisory Board Office has been established that reports directly to the auditors and is staffed with personnel dedicated to assisting the auditors in the performance of their duties. Regarding audit operations, the Company is promoting the use of generative AI to support the creation of audit records and drive data analysis and risk detection in an effort to improve audit

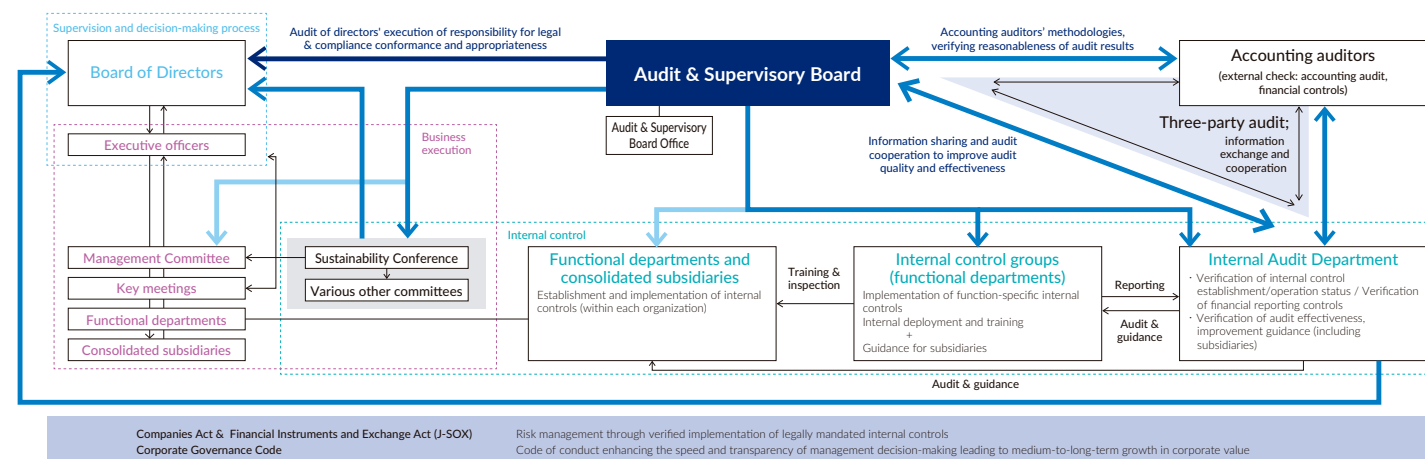
efficiency and accuracy.

The status of internal control design and implementation is audited primarily by the internal control organizations within each functional department based on preestablished management indicators. Through regular monthly meetings with the Internal Audit Department (Audit Department), information is shared, and audits are mutually supplemented as necessary to enhance their quality and effectiveness. Regular information exchanges are likewise conducted with the accounting auditor, and the appropriateness of the accounting auditor's audit methods and results is verified.

Assessing the effectiveness of the Audit & Supervisory Board

Since FY2025, we have assessed the effectiveness of the Audit & Supervisory Board. By assessing whether the Board is effectively fulfilling its roles and responsibilities, acknowledging the results, and addressing any issues identified, we work continuously to improve and enhance the effectiveness of the Audit & Supervisory Board. We conducted individual interviews with all auditors to confirm and assess their opinions on various aspects of the business. These include the Audit & Supervisory Board's structure and operational status, its audit and supervisory activities, its interaction with the internal control and internal audit functions, collaboration with the accounting auditor, the state of the audit environment, including discussions with the representative directors and coordination with outside directors, and the understanding and response of the Board of Directors and management to the auditors' advice and proposals. The results are discussed at the Audit & Supervisory Board meetings and used to confirm whether effective audits are being conducted. The Company will continue to further strengthen collaboration between full-time corporate auditors and outside auditors to enhance the effectiveness of the Audit & Supervisory Board.

Audit system diagram



Major activities for FY2025

Audit & Supervisory Board meetings held	14 times
Attendance at Board of Directors meetings and other key forums (Board of Directors meetings, management meetings, the Sustainability Conference, etc.)	213 times
Meetings and hearings with executives and departments (President, directors, CxOs, executive officers, department heads, etc.)	132 times
Onsite inspections of domestic and overseas subsidiaries (20 overseas companies, 8 domestic companies)	28 companies

Audit & Supervisory Board meetings held 14 times

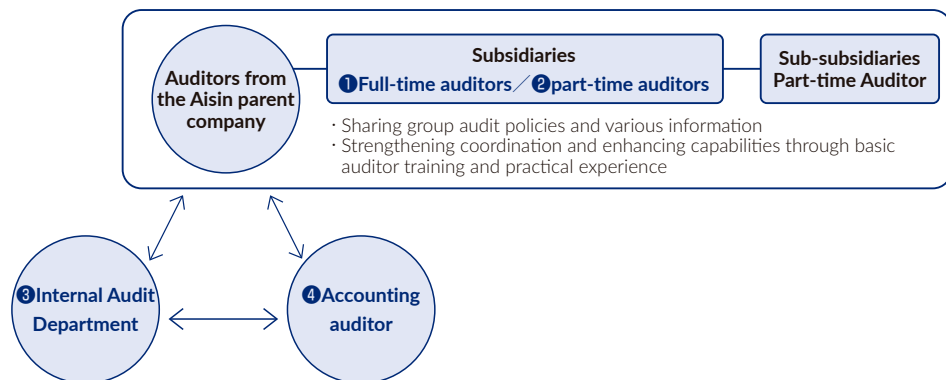


Corporate Governance

Audit & Supervisory Board members

Aisin Group audit coordination status

The Aisin Group consists of many companies: 72 domestic and 120 overseas. To construct a comprehensive audit system across the entire group, full-time auditors are appointed to larger subsidiaries, while part-time auditors (parent company officers or employees) are appointed to other subsidiaries.



Avenues of collaboration for the FY2025 Aisin Group audit

① Collaboration with full-time auditors of subsidiaries

Aisin Group auditor liaison meetings are held monthly to report on audit activities at each company and share information, and audit activity reports are submitted from each Group company to the parent's Audit & Supervisory Board twice a year. Furthermore, the Company has created an Aisin Group Auditor's Guide to standardize audit activities across the entire Group and enhance their effectiveness.

Number of auditor liaison meetings held:

12

② Collaboration with part-time auditors of subsidiaries

Orientation sessions regarding auditors' responsibilities are provided to newly appointed part-time auditors, and audit activity reports are submitted from each company's part-time auditors to the parent's auditors.

Audit activity report submissions:

19 times

③ Collaboration with the Internal Audit Department

The status of the Company's various audits, including subsidiary audits, J SOX audits, and thematic audits, is shared and discussed monthly at regular meetings. Additional reporting sessions are held as needed to ensure close cooperation. The Audit & Supervisory Board also receives reports on audit plans and progress.

Number of sessions:

27

④ Collaboration with the accounting auditor

The Audit & Supervisory Board receives regular reports on quarterly audit results and findings from subsidiary site visits, engages in discussion and, twice a year, receives reports on the planning and status of audits at Audit & Supervisory Board meetings. The evaluation of the accounting auditor is conducted by auditors (including those from subsidiaries) and the Accounting Department using a checklist. The results are fed back to the accounting auditor.

Number of sessions:

27

Collaboration among full-time auditors, independent outside auditors, and independent outside directors

Collaboration among full-time auditors, independent outside auditors, and independent outside directors. Full-time auditors, outside auditors, and outside directors closely share information and exchange of opinions to ensure they can thoroughly fulfill their respective roles and responsibilities by leveraging their unique abilities. The Company holds formal semiannual exchange meetings between auditors and outside directors and share the auditors' monthly reports. Furthermore, from FY2024, joint onsite inspections of subsidiaries by auditors and outside directors were conducted in FY2025. Through direct observation of locations and assets, they exchanged opinions based on their respective roles and expertise so as to better understand the business.

Beyond tightening cooperation, the Audit & Supervisory Board and outside directors mutually verify and oversee each other's roles: The Audit & Supervisory Board ensures outside directors are appropriately executing their responsibilities, while outside directors ensure the Audit & Supervisory Board is properly performing its duties. This mutual oversight further enhances corporate governance across the entire Group.



Joint onsite inspections of domestic subsidiaries

Confirming key risk responses in light of environmental changes

In recent years, stakeholder expectations of companies have significantly changed, encompassing initiatives such as the Corporate Governance Code, sustainability, and environmental, social, and governance (ESG) efforts. While financial information has traditionally been regarded as the most important disclosure item, nonfinancial information on such matters as climate change and human capital is now considered equally important. Our auditors view these as critically important factors in enhancing corporate value and meticulously verify the Company's activities with a focused approach. Through meetings with directors and relevant departments, and also by participating in the Sustainability Conference and risk management committees, the Company's auditors actively uncover issues, put forward proposals, and request improvements regarding challenges and concerns identified in the course of their oversight. Topics that have been addressed include increasingly sophisticated sustainability disclosure requirements, alignment of the company's growth strategy with defined materiality issues and quantifying the cost of investing sustainability initiatives and assessing their connection to enhancing corporate value.

Corporate Governance

Executive Compensation

Basic policy on executive compensation

The Company's executive remuneration system is designed according to the following principles:

- Remuneration shall motivate executives to work toward achieving our Group Philosophy and management policies.
- Remuneration shall reflect the responsibilities, achievements, etc., of each executive.
- Remuneration shall reflect the business environment and short-term and medium- to long-term performance of the Group and encourage executives to enhance corporate value and manage business from the same perspective as shareholders.

Executive compensation structure

As Directors (other than Outside Directors) are in charge of executing the operations of the Company, their remuneration comprises a fixed monthly remuneration along with performance-linked bonuses and stock-based remuneration. Specifically, the percentages of monthly remuneration, bonus, and stock-based remuneration to the base amount for Directors are set at roughly 25%, 25%, and 50%, respectively. Higher percentages for performance-linked remuneration are set, depending on the Director's title. However, depending on the level of profits, the actual remuneration may differ from the above proportions. As Outside Directors and Audit & Supervisory Board members are responsible for providing supervision and advice on business management or auditing the performance of business from an independent standpoint, they receive only a monthly remuneration with no bonus or stock-based remuneration.

Remuneration structure for Directors (excluding Outside Directors)

	Fixed remuneration	Performance-linked remuneration	
		Short-term	Long-term
Remuneration structure	Monthly remuneration 25%	Bonus 25%	Stock-based remuneration 50%
Form of payment	Cash		Stock

*Note that the actual remuneration may differ based on the achieved profit.

Executive compensation structure

Fixed remuneration (monthly salary)

- Remuneration for Directors reflects their responsibilities and achievements. Remuneration for Audit & Supervisory Board members reflects their responsibilities.
- Monthly remuneration is paid regularly every month during the executive's tenure.

Performance-linked remuneration (bonus, stock-based remuneration)

- To ensure a link with the Company's performance and to stimulate motivation to increase corporate value over the medium to long term, consolidated operating profit and sustainability KPI are set as the calculation benchmarks.
- The evaluation weight and evaluation method of each benchmark are as follows. The payout ratio of performance-linked remuneration varies within a range of 0% to 150% depending on the results of the evaluation.

Benchmark	Evaluation weighting	Evaluation methodology
Consolidated operating income	90%	Evaluated based on degree of achievement in each fiscal year of the profit standard set for the sustainable growth of the Company
Sustainability KPI	10%	Evaluated based on degree of achievement of each fiscal year's targets for the calculation benchmarks selected from among the major KPIs that broadly affect society and employees, as defined by the Group. * Benchmarks selected for the fiscal year under review: Reduction rate of production CO2 emissions, job satisfaction (5% for each)

- Individual payment amounts are determined based on the company's performance for each fiscal year and the individual performance of each officer.
- Performance-based compensation is paid once annually after the regular shareholders' meeting for each fiscal year.
- Furthermore, restricted stock awards are granted as an incentive to promote greater value sharing with shareholders and achieve sustainable enhancement of corporate value.

For details of the system, please refer to page 61 of the Annual Securities Report.

 Annual Securities Report

Corporate Governance

Executive Compensation

Executive compensation standards

In order to verify objectivity and validity, total remuneration levels for directors by role are determined each year by referencing manufacturers similar in size, industry and business format to the Company, through executive compensation surveys conducted by external research organizations.

Method for determining executive compensation, etc.

To ensure objectivity and transparency in determining the amount and system of remuneration for directors, we have established the Executive Nomination and Compensation Committee, which is chaired by an independent outside director and in which independent outside directors account for the majority.

The Board of Directors has approved the policy for determining individual Director remuneration and the total amount of remuneration for the fiscal year under review, as well as resolved to entrust the determination of individual remuneration amounts to the Executive Nomination and Compensation Committee.

The Executive Nomination and Compensation Committee determines the individual remuneration amounts based on a review of the executive remuneration system and the policy for determining the remuneration for each Director established by the Board of Directors, with consideration of factors such as company performance, job responsibilities, and achievements. Furthermore, the monthly remuneration amount for each auditor is determined through consultation among the auditors, within the remuneration range established by a resolution of the shareholders' meeting.

Remuneration amounts for directors and auditors

Officer category	Total remuneration amount (¥ million)	Total amount by remuneration type (¥ million)			Number of eligible officers (persons)
		Fixed remuneration	Performance-linked remuneration		
			Monthly salary	Bonus	
Directors (including outside directors)	559 (57)	251 (57)	132 (－)	176 (－)	9 (4)
Auditors (including outside auditors)	116 (24)	116 (24)	－ (－)	－ (－)	4 (2)
Total	675	367	132	176	13

(Note) 1. The above includes (excluding outside directors) one inside director who retired upon the conclusion of the 101st Ordinary General Meeting of Shareholders held on June 19, 2024.
 2. Performance-based compensation amounts shown are those approved by the Board of Directors meeting of May 19, 2025.
 3. Total monthly remuneration and bonus amounts for directors were resolved at the 96th Ordinary General Meeting of Shareholders held on June 18, 2019, to be within ¥600 million annually (of which the portion for outside directors is to be within ¥75 million annually). Stock-based compensation was resolved at the 101st Ordinary General Meeting of Shareholders held on June 19, 2024, to be within ¥500 million annually.
 4. Monthly remuneration for auditors was resolved at the 87th Ordinary General Meeting of Shareholders held on June 23, 2010, to be within ¥15 million per month.

Corporate Governance

Executive Management

Members of the Board of Directors



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

Reason for appointment

Mr. Yoshida served as Executive Vice President at Toyota Motor Corporation, holding positions including President of the MSV Company and President of the Vehicle Development Center. He possesses management experience at Toyota Central R&D Labs, Inc. Has served as President of the Company and Member of the Board of Directors since 2021, bringing his extensive experience and broad insight into all aspects of management.

Moritaka Yoshida
 President, Member of the Board of Directors

Board of Directors Meetings attended
12/12 (100.0%)



April 1983 Joined AISIN Seiki Co., Ltd.
 June 2010 Managing Officer, AISIN Seiki Co., Ltd.
 April 2017 Senior Managing Officer, AISIN Seiki Co., Ltd.
 April 2019 Senior Executive Officer, AISIN Seiki Co., Ltd.
 April 2021 Executive Vice President, AISIN Corporation
 June 2021 Member of the Board of Directors, AISIN Corporation (current role)
 April 2022 Senior Executive Officer, AISIN Corporation (current role)

Reason for appointment

Mr. Ito has worked primarily in managerial and administrative roles at the Company and offers management experience gained as the head of one of our overseas holding companies. He has served as Director, Executive Vice President since 2021 and currently holds the positions of Director, Senior Executive Officer, Chief Administrative Officer and Executive Vice President. He possesses extensive experience and can provide broad insight across all aspects of management.

Shintaro Ito
 Member of the Board of Directors

Board of Directors Meetings attended
12/12 (100.0%)



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

Reason for appointment

Mr. Yamamoto has been engaged primarily in powertrain technology development functions at the Company. Since 2021, he has served as Executive Vice President and currently holds the positions of Director, Executive Officer, and Chief Technology Strategy Officer. He possesses extensive experience and broad insight with regard to general management and technology development strategy.

Yoshihisa Yamamoto
 Member of the Board of Directors

Board of Directors Meetings attended
12/12 (100.0%)



April 1984 Joined AISIN Seiki Co., Ltd.
 June 2011 Managing Officer, AISIN Seiki Co., Ltd.
 April 2014 Senior Managing Officer, AISIN Seiki Co., Ltd.
 June 2017 Member of the Board of Directors, AISIN Seiki Co., Ltd.
 April 2019 Senior Executive Officer, AISIN Seiki Co., Ltd.
 April 2021 Senior Executive Officer, AISIN Corporation (current role)
 April 2024 Member of the Board of Directors, AISIN Corporation (current role)

Reason for appointment

Mr. Nishikawa work at the Company has centered primarily on production engineering for structural body components at the Company. He has served as an Executive Officer since 2019 and currently holds the positions of Director, Executive Officer, and Chief Carbon Neutrality Officer. He brings extensive experience and wide-ranging insight into overall management and manufacturing both domestically and internationally.

Masahiro Nishikawa
 Member of the Board of Directors

Board of Directors Meetings attended
10/10 (100.0%)

Corporate Governance

Executive Management

Members of the Board of Directors



Koji Kobayashi

Member of the Board of Directors

Outside

Board of Directors Meetings attended
10/12 (83.3%)

April 1972 Joined Toyota Motor Corporation
June 2004 Executive Director of DENSO Corporation
June 2015 Vice Chairman of DENSO Corporation
February 2016 Advisor of Toyota Motor Corporation
January 2018 Executive Vice President of Toyota Motor Corporation
Director of DENSO Corporation
June 2018 Director and Executive Vice President of Toyota Motor Corporation
June 2021 Member of the Board of Directors, AISIN Corporation (current role)
April 2023 "Banto" and Executive Fellow of Toyota Motor Corporation (current role)

Reason for appointment

He has been a manager in the automotive industry for many years at companies including Toyota Motor Corporation and brings with him extensive experience and comprehensive managerial insight.



Tsuguhiko Hoshino

Member of the Board of Directors

Outside Independent

Board of Directors Meetings attended
12 /12 (100.0%)

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

Reason for appointment

He has served as Director-General of the Tax Bureau at the Ministry of Finance and as Commissioner of the National Tax Agency. In addition to the advanced expertise in finance, banking, legal affairs, and compliance he has amassed throughout his career, he brings extensive experience and deep insight gained from his public service at overseas diplomatic missions and as an outside director at companies in other industries.



Yasuhito Hirota

Member of the Board of Directors

Newly appointed
Outside Independent

April 1980 Joined Mitsubishi Corporation
April 2010 Executive Officer, General Manager of General Affairs Department, Mitsubishi Corporation
April 2014 Representative Director, Managing Executive Officer (Corporate Affairs Officer), Mitsubishi Corporation
January 2018 Advisor, ASICS Corporation
March 2018 President and Representative Director, COO, ASICS Corporation
March 2022 President and Representative Director, CEO and COO, ASICS Corporation
January 2024 Representative Director, Chairman and CEO, ASICS Corporation (present)
June 2024 Outside Director, Casio Computer Co., Ltd.
June 2025 Member of the Board of Directors, AISIN Corporation (current role)

Reason for appointment

Mr. Hirota has been involved for many years in the management of Mitsubishi Corporation and ASICS Corporation. Throughout his career, he has achieved an advanced level of expertise, particularly with regard to business strategy, and also brings extensive experience and broad insight in general management



Keiko Tatsuwaki

Member of the Board of Directors

Newly appointed
Outside Independent

July 1984 Joined Recruit Co., Ltd.
January 2000 Joined Deloitte Touche Tohmatsu LLC (currently Deloitte Touche Tohmatsu LLC)
June 2003 Partner, Deloitte Touche Tohmatsu LLC
October 2016 Head of ESG & Integrated Reporting Advisory Unit at the same firm
February 2017 President and Representative Director, Deloitte Tohmatsu Sustainability Co., Ltd.
July 2023 Advisor, Deloitte Tohmatsu Sustainability Co., Ltd.
March 2024 Outside Auditor, Ise Chemical Industry Co., Ltd. (current role)
April 2025 Auditor, Japan Well-being Foundation (current role)
June 2025 Member of the Board of Directors, AISIN Corporation (current role)

Reason for appointment

After working at Recruit Co., Ltd., Ms. Tatsuwaki worked for many years at Deloitte Tohmatsu in consulting roles related to ESG, CSR, internal controls, and related matters. Throughout her career, she has developed a high degree of expertise, particularly in regard to governance, risk management, and sustainability. Moreover, having served in outside director roles before, she offers extensive experience and broad insight in corporate management and audit.

Corporate Governance

Executive Management

Audit & Supervisory Board members



Makoto Mitsuya

Audit & Supervisory Board Member

Board of Directors Meetings attended
12/12 (100.0%)
Audit & Supervisory Board Meetings attended
14/14 (100.0%)

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

Reason for appointment

Mr. Mitsuya has served primarily in managerial and administrated roles within the Company, holding positions including Director and Executive Vice President. He possesses extensive knowledge of finance and accounting and offers his rich experience and broad insight as a manager.



Kiyomi Kato

Audit & Supervisory Board Member

Board of Directors Meetings attended
12/12 (100.0%)
Audit & Supervisory Board Meetings attended
14/14 (100.0%)

March 2008 Joined AISIN Seiki Co., Ltd.
 January 2017 Project General Manager of Finance & Accounting Department, AISIN Seiki Co., Ltd.
 January 2020 General Manager of Audit & Supervisory Board Office, AISIN Seiki Co., Ltd.
 June 2021 Audit & Supervisory Board Member, AISIN Corporation (current role)

Reason for appointment

Ms. Kato has worked primarily in accounting and auditing roles at the Company and has accumulated particular expertise in the Companies Act, finance, and accounting. She possesses extensive experience and offers broad insight based on her career experience.



Junko Ueda

Audit & Supervisory Board Member

Outside Independent

Board of Directors Meetings attended
12/12 (100.0%)
Audit & Supervisory Board Meetings attended
14/14 (100.0%)

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

Reason for appointment

Ms. Ueda has served as Professor at Aichi University Graduate School Department of Law and outside officer of another company. She brings a high level of expertise in the Companies Act as well as a wealth of experience and wide-ranging insights in corporate governance gained throughout her career.



Katsuhiro Kashiwagi

Audit & Supervisory Board Member

Outside Independent

Board of Directors Meetings attended
12/12 (100.0%)
Audit & Supervisory Board Meetings attended
14/14 (100.0%)

April 1982 Joined Nagoya City Hall
 January 1986 Joined Ito Accounting Office, an auditing company
 March 1989 Registered as a Certified Public Accountant
 May 1995 Director of Ito Management Consultant Co., Ltd.
 July 2005 Representative Partner at Chuo Aoyama Audit Corporation
 August 2007 Representative Partner at Azusa Audit Corporation
 July 2010 Partner at KPMG AZSA LLC
 June 2022 Audit & Supervisory Board Member, AISIN Corporation (current role)
 July 2022 Opened Katsuhiro Kashiwagi Certified Public Accountant Office (current)
 August 2022 Opened Katsuhiro Kashiwagi Tax Accountant Office (current)
 April 2025 Audit Commissioner, Aichi Prefecture (Present)

Reason for appointment

With many years of experience as a certified public accountant, Mr. Kashiwagi brings us his extensive expertise in corporate accounting and auditing, along with broad insight into corporate management.

Roundtable Discussion

Chairman of the Board X Independent Outside Directors

We held this exchange of views on business strategy, sustainability issues, and governance reforms to help overcome the challenges facing the automotive industry.

Please share your impressions of Aisin as new appointees.

Mr. Hirota Although I have corporate management experience at Mitsubishi Corporation and ASICS, this is my first opportunity to manage a large manufacturer like Aisin, and I'm genuinely surprised by its scale. Upon assuming my role as Independent Outside Director, I visited the Aisin com-center (exhibition hall) and several factories. This allowed me to learn about Aisin's carbon neutrality technologies and the history of its diverse mobility businesses. Today, I also toured the Aisin Densho-kan, an educational facility focused on quality, safety, and fire prevention, which helped me gain a palpable sense of the company's commitment to the quality-supremacy mentality. In my conversations with employees, I was impressed not only by Aisin's sincere and earnest dedication to rigorous standards for quality, safety, and reliability, but also by its forward-looking corporate culture and embrace of technological innovation.

A major transformation is upon the automotive industry, with work proceeding not only on autonomous driving but even "flying car" demos. As the very concept of the automobile evolves, I believe a major challenge lies in anticipating changes and proactively seizing business opportunities. I intend to leverage my experience and insights to actively initiate debate over Aisin's business strategy as the Company strives to shift its focus to delivering the full value of movement.

Ms. Tatsuwaki Like Mr. Hirota, I have also been newly appointed as an independent outside director. At Deloitte Tohmatsu, I worked for many years in consulting on



President,
Chairman of the Board
Moritaka Yoshida

Independent
outside director
Yasuhito Hirota

Independent
outside director
Keiko Tatsuwaki

Independent
outside director
Tsuguhiko Hoshino

environmental, social, and governance (ESG) matters, corporate social responsibility (CSR), and internal controls. With a focus on managing sustainability—a key element of Aisin's philosophy—I plan to use my experience to oversee the company's management from an outside perspective. It's difficult to participate in discussions without understanding the business and the workings of the industry, so the opportunity to visit sites is extremely helpful. During my recent inspection of the Nishio Die-Casting Plant, I could feel a strong determination to tackle environmental challenges by leveraging technological prowess. For instance, this facility has already started trials to separate and recover large quantities of CO₂ emitted during the aluminum casting process. I also visited the com-center for the first time in several years and was surprised that the exhibits had changed significantly with a dramatically greater emphasis on displays related to electrification and intelligent systems. This strongly

reinforced my sense that the broader industry is at a major turning point and that the challenges companies are tackling have changed so drastically in just a few years. Doing business during such a transitional period can be risky, but fresh business opportunities abound. I hope Aisin can actively pursue such opportunities.

Mr. Hoshino I became an outside director in June 2023 and am heading into my third year. Even when I first joined the Board of Directors, we extensively discussed the two major external environmental shifts impacting the automotive industry: electrification and intelligent systems. While these conversations continue today, I have always felt that this company is sincerely committed to answering fundamental management questions. Like both of you, I strongly share the impression that this is a place where our employees take our motto, "Inspiring movement, creating tomorrow," to heart as their personal mission. They earnestly dedicate their mental

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and physical effort to creating great vehicles and great driving experiences and inspiring excitement in others.

Mr. Yoshida As Mr. Hirota pointed out, we are currently in a period where the concept of the automobile and its role in society are undergoing significant change. I firmly believe that, in the current business environment, the Company is one of the few that can make a major contribution to the development of the future mobility society at the global level. This is because we are a parts manufacturer positioned extremely close to automakers within a multitiered supply chain.

Furthermore, as Ms. Tatsuaki observed at the com-center, while the themes we tackle as a company are evolving, we have unfortunately not yet reached the level where we can dominate the market by winning against emerging manufacturers and other global competitors. As you noted, we certainly have many earnest and proactive employees, but we lack personnel who can proactively take the initiative and aggressively pursue opportunities. I strongly feel we need to increase such motivated individuals and transform our corporate culture. In an increasingly challenging business environment, I ask everyone to provide opinions and engage in discussions from diverse perspectives that differ from those of the executive side.

How do you view the achievements of the Board of Directors in 2024?

Mr. Hoshino In its 2023 effectiveness assessment, the Board identified three key challenges for itself. Addressing these challenges was a strong focus in 2024, and improvements have been made. The first challenge was raising the quality of the Board's dialogue. Throughout 2024, we held ongoing discussions on management strategies directed at achieving the goals of our medium-term management plan. Additionally, we deepened our conversation on sustainability-related themes such as the Charter of Sustainability, ESG and other materiality issues, climate change, and human capital strategy. The second was strengthening oversight functions, in regard to which activity reports from the Business Ethics Committee and Risk Management Committee, along with internal audit reports, have been regularly submitted to the Board of

Directors. Each outside director provides opinions and recommendations from their varied perspectives. Third is governance with an eye toward the future. As a means to enhance governance, we have established a Governance Roundtable that convenes in an offsite format and offers a platform for discussion involving directors (including outside directors) and members of the Audit & Supervisory Board. Three forums were held in 2024. To improve the quality of decision-making, we reviewed the monitoring function of the Board of Directors and the appropriateness of its skills matrix and succession planning.

Mr. Yoshida The three points identified as challenges represent functions that were insufficiently implemented at the Company, which has been narrowly focused on manufacturing. I feel that over the past year and despite some difficulties, we have made tangible progress. Regarding the quality of the Board's dialogue, we have focused on creating an environment conducive to deep strategic debate. Specifically, while the Board had previously dedicated an inordinate amount of time reviewing numerous resolutions due to the broad scope of our business, we have worked to reduce this by delegating authority to other executive functions. This shift has freed up substantial time for discussing strategy at Board meetings. I consider the increased opportunity to receive strategic management



guidance from our outside directors as highly positive. After establishing this environment for discussion, we also created forums outside the Board to discuss the nature of the Board's role, an example of which is the governance roundtable mentioned earlier by Mr. Hoshino.

Mr. Hoshino I feel discussions regarding business strategy have become significantly more lively than in the past. While the Company is shifting resources toward electrification, the transition to EVs is becoming increasingly complex as regional disparities widen and some backlash is felt. Consequently, we must strike a balance between leveraging our traditional technological base and manufacturing strengths, including for hybrid vehicles, and investing in developing new technologies and equipment. Discussions have deepened regarding our response to these environmental changes. We have also promoted discussion of capital efficiency improvement, covering such topics as how much funding should be redirected toward new domains and sources of demand. I consider it a major achievement that we can now have timely discussions on how to respond to the changing business environment.

Mr. Yoshida That's correct. In an era of rapidly changing business conditions, even established strategies increasingly require ongoing revision in response to change. Unless we adopt agile strategies that define how to respond when conditions shift, there's little point in discussing our response at all. To make sound management decisions while navigating the company through extremely challenging circumstances, I aim to further enhance communication with our outside directors.

Please tell us about the management challenges Aisin faces.

Mr. Hoshino At our September 2023 medium-to-long-term business strategy briefing, we announced our 2025 Medium-term Management Plan, which begins to define our vision for 2030. We recognize two major challenges for achieving the goals of this plan: transforming our business portfolio and implementing sustainability management. Our grand vision is to transform the company to enable it to deliver the full value

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of movement by resolving these challenges. The key to transforming our business portfolio is our skill in anticipating market changes a decade ahead and boldly shifting resources toward growth domains. This involves promoting growth investment and initiating new ventures through M&A, alliances, and other means. We are making steady progress with sustainability management through initiatives like revising our Charter of Sustainability and identifying materiality issues and establishing KPIs. However, we recognize that the level of discussion remains insufficient and that we are only halfway there. Specifically, as we enhance our competitiveness through portfolio transformation, we need deeper Board discussions on our medium-to-long-term business direction; namely, how to achieve sustained growth aligned with our corporate purpose. To this end, I understand a Governance Roundtable has been established to rethink the Board's role and promote initiatives that strengthen governance.

Mr. Hirota I believe one of the challenges facing Aisin's business model is the need to strengthen our earning power and improve profit margins. You have consistently emphasized that we must enhance profitability by out-innovating our competitors in regard to technology and



continuously marketing higher-value-added products. I also recognize this as an extremely important challenge for Aisin and believe our primary focus should be on executing this strategy. As an outside director, I consider it my vital mission to actively propose initiatives and provide oversight.

Mr. Yoshida As Mr. Hirota has pointed out, our top priority is to make our businesses more competitive. Until a few years ago, our strategy centering on operating along business axes under a system of individual companies, with regional, sales, procurement, production, and other functions performing diligently within this framework. However, this approach has become unsustainable amid significant changes in the business environment. Fundamentally, the automotive industry we operate within is deeply intertwined with national policies. In recent years, the pace of electrification and other factors have spurred substantial shifts specific to each country and region. We have, therefore, concluded that we cannot survive unless we develop robust business strategies tailored to each region. Specifically, we will holistically attend to our business axes (such as powertrain, body, and brakes) and our regional axes, enabling us to devise strategies that integrate each business with its respective region.

As we enhance the competitiveness of our business, we must also position sustainability more firmly as a core management principle, with an emphasis on reducing environmental impact. We have declared our goal of achieving carbon neutrality by fiscal 2051. However, for an automotive components manufacturer, reduction environmental impact while expanding business operations is an extremely challenging task. Rather than merely pursuing ideals, we believe it is vital for us to conceive realistic solutions for sustainability management problems while simultaneously achieving carbon neutrality.

Ms. Tatsuaki As President Yoshida mentioned, in recent years we have seen a significant increase in the number of companies that recognize sustainability as a core guiding principle and strongly promoting sustainability management. However, the reality for these companies is often that they



treat business operations and sustainability as separate concerns and frequently get mired in discussions about reconciling the two. To promote sustainability management, I believe it is best to discuss the significance and background of the initiatives in the context of overall corporate strategy and maintain a steady effort.

Mr. Hoshino Our company is challenging itself to integrate its business functions with sustainability. Placing sustainability at the core of our management focus and appropriately disclosing our efforts is crucial for engaging with investors and shareholders who support us from a long-term perspective. This amply demonstrates that as a corporate group, we are capable of fulfilling our purpose well into the future. Having sustainability experts like Ms. Tatsuaki join the discussion is extremely reassuring.

Please share your thoughts and expectations regarding the appointment of new outside directors.

Mr. Hoshino The chair of the Executive Nomination & Compensation Committee is stipulated to be an independent outside director, and I have served as chair since June 2025. Our efforts to strengthen corporate governance involve ongoing discussions not only within the Board of Directors

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but also at the Governance Roundtable and by the Executive Nomination & Compensation Committee. I look forward to deepening these discussions with Mr. Hirota and Ms. Tatsuwaki going forward.



Yoshida As I mentioned earlier, I have long understood the need to deepen strategy discussions. With a view toward our company's path of development, we have held extensive discussions, including at the Governance Roundtable held in the latter half of last year, on the types of experience and skills we require of our outside directors. We were able to welcome Mr. Hirota and Ms. Tatsuwaki as outside directors, both of whom possess extensive experience in their respective fields, to oversee specific discussions and direct progress on business strategy and sustainability. While we internal executives are professional specialists in automotive manufacturing, the advice we receive from our outside directors, which focuses on the essence of important issues, is extremely valuable.

For example, Mr. Hirota is a manager of a fabless manufacturer that, like Aisin, is a company that makes things, but which has a different business model to ours. For our company, which aims to improve capital efficiency, we greatly appreciate the many insights he can provide in areas of our current operations that require improvement. As Mr. Hoshino

mentioned earlier regarding the enhancement of oversight functions, activity reports from the Business Ethics Committee and the Risk Management Committee are crucial. Ms. Tatsuwaki has already joined the Sustainability Committee, which is her area of expertise, and we look forward to her advice and ideas for deriving practical solutions for sustainability management that align with our company's identity. Mr. Hoshino, who continues in his role, has served as Director General of the Tax Bureau at the Ministry of Finance and Commissioner of the National Tax Agency, among other positions. He brings extensive knowledge and a well-balanced perspective, particularly in finance, banking, legal affairs, and compliance. This year, he has also assumed the role of Chairman of the Executive Nomination & Compensation Committee. We have high expectations that his participation will significantly strengthen our corporate governance.

Please share your aspirations for enhancing corporate value and further invigorating the Board of Directors.

Mr. Hoshino Even among independent outside directors, opinions on enhancing corporate value over the medium to long term vary widely, which ensures a diversity of thought. I aim to contribute to improving management quality through discussions in the Governance Roundtable and the Executive Nomination & Compensation Committee. Topics are to include consideration of appropriate long term policy, specifically how we should enhance corporate value, what skills are required of directors, and what the optimal member composition should be.

Mr. Hirota I have only recently joined Aisin as an outside director, so everything lies ahead. However, the current situation where PBR is below 1x indicates numerous challenges that require attention. Automotive parts manufacturing is a capital-intensive industry, and Aisin possesses substantial physical infrastructure. I feel it is necessary to discuss whether current asset efficiency is appropriate and whether each of the various businesses Aisin operates is viable. I also believe my experience at ASICS can

be leveraged regarding business portfolio transformation and balance sheet reform—areas in which I hold a strong interest. Regarding global business expansion, while it is crucial to look ahead to the future of mobility in society, management and executive departments have expressed a keen sense of urgency about strategic review in response to changes in each regional business environment. I see it as a key role of an outside director to provide supervision that ensures these statements translate into concrete action.

Ms. Tatsuwaki For companies aiming to boost corporate value by placing sustainability at the core of their management, the funds allocated to sustainability activities should naturally be viewed not as costs but as spending that offers a return on investment. This perspective should encourage the Company to naturally manage the progress of such investments in the course of business. If Aisin is to fully commit to sustainability management, it must ceaselessly question the process by which sustainability initiatives contribute to corporate value. I understand that one of my key roles as an outside director is precisely to keep asking this question.

Opportunities exist in various areas to implement principles of sustainability within our management framework. Hints are likely hidden within discussions on medium-to-long-term growth and the tightening of risk management. We intend to actively pursue efforts to devise a unique approach to sustainability for Aisin's management based on these hints.

Mr. Yoshida With the arrival of Mr. Hirota and Ms. Tatsuwaki, our new management structure has come together. Today, we gained valuable insights from the perspectives of our independent outside directors. This year marks the Company's 60th anniversary and, among our current young employees, there are some who will experience our 100th anniversary. To assure these members of a bright future, both the management team and the Board of Directors must rise to the occasion.

Our Board of Directors is composed of members with diverse experience and insight. I am reminded once again that through ongoing and varied opinions and advice, we can guide the AISIN Group toward sound and sustainable growth. Thank you very much for today.

Internal Control

Basic stance and policy

We are strengthening our internal control regime based on the Company's Basic Policy Concerning the Establishment of Internal Control as resolved by the Board of Directors. Specifically, we create and implement policies governing our activities through such groups as the Business Ethics Committee and the Risk Management Committee, in which major Group companies participate. We also ensure thorough awareness by publishing various guides and running training programs, while we verify the effectiveness of our effort onsite and in person through Internal Audit Department oversight.

Promotion structure

To ensure the independence of internal audits, our Internal Audit Department operates directly under the President. The Department conducts onsite audits of the overall establishment and operation of our internal control system, including the legality of operations and the appropriateness of business management and procedures at the Company and its domestic and overseas subsidiaries. Audit results are reported to the President and other senior managers and are also regularly reviewed under the oversight of the Board of Directors and the Audit & Supervisory Board with the aim of further tightening governance. Moreover, to enhance the quality and effectiveness of our audit process, we mutually share information and cooperate with our Audit & Supervisory Board members and accounting auditor.

* For structural details on how we promote the audit process, please refer to the section "Corporate Governance Structure" on page [P66](#)

Key initiatives

Based on our formal Internal Audit Rules and the audit plan for each year, we conduct regular audits in accordance with groupwide audit standards. Additionally, we implement internal audits by choosing key themes using a risk-based approach. Audit findings not only identify deficiencies but also provide suggestions for improvement from a fair and objective standpoint as well as an opportunity to follow up on the status of improvement. Furthermore, to spur progress in each department and Group company, audit findings and risk assessments are shared with internal control departments such as Legal Affairs, Accounting, Human Resources, and Procurement. Through our internal audit activities, we aim to strengthen internal controls by enabling each department and Group company to autonomously implement the PDCA cycle for improvement.

Thematic audits and audits of affiliates

We select audit themes using a risk-based approach and conduct thematic audits targeting specific control frameworks within the Company and each company in the Group. For Group affiliates, we audit the control framework governing our overall operation along four lines of interrogation: (1) companywide internal controls, (2) finance and accounts receivable/payable, (3) information management, and (4) labor, safety, health, environment, and quality. These audits run on a four-year rotating cycle. We propose improvements to audited companies based on audit results and enhance the effectiveness of our audit process by validating improvement plans and verifying progress. (In FY2025, 73 companies were audited.)

Audits based on the Financial Instruments and Exchange Act

Based on the Financial Services Agency's Standards and Practice Standards for Management Assessment and Audit Concerning Internal Control over Financial Reporting, we conduct internal audits regarding the establishment and operation of internal controls. Target companies are selected in consultation with the audit firm from among the parent company and its Group members based on their materiality to the reliability of financial reporting. Each year, we evaluate all operations concerning internal controls spanning the whole enterprise, including the closing process, business processes such as sales, purchasing, and inventory management, and IT controls. We ensure the audit's effectiveness by reviews documentation and conducting face-to-face interviews.

As of FY2025, we have determined that the internal controls over financial reporting for the Group were effective and submitted an Internal Control Report in June of that year. Furthermore, our external audit firm submitted an audit report stating that this assessment was accurate.

Risk Management

Basic stance and policy

Aisin considers risk management to be one of two wheels that drive corporate management, the other being business activity. As we execute our management strategies, risks impacting our business increasing owing to rapid shifts in the external environment. We address risks that could hinder growth by both identifying and controlling them and by strengthening our business continuity apparatus.

We proactively prevent or mitigate risks that could significantly affect the company effort to achieve its objectives. Should any such risk manifest itself, we will minimize the impact on management and ensure the company's sustainability, thereby meeting the expectations of our stakeholders.

 AISIN Group Charter of Sustainability Chapter 10 Thorough Risk Management

Promotion structure

Our risk management promotion effort is structured around a Risk Management Committee. This committee consists of the President, CxOs, Audit & Supervisory Board members, and the presidents of the 12 Group companies*¹. The committee decides the direction for priority risks requiring attention, based on the status of occurrence within the Company and the environmental conditions and trends inside and outside the Group. This dynamic powers Aisin's risk countermeasures. For any priority risks identified, the Group Head Office assigns a responsible department to each. We appoint managers to be responsible for countermeasure and staff to promoter risk management at each domestic and overseas Group company. Thus, we strengthen our overall risk response through groupwide efforts.

Furthermore, through regular reporting to the Board of Directors, we ensure oversight of our risk management function and, thereby, enhance our management strategy.

*1 Twelve Group companies: The 12 Aisin Group companies as of FY2026, excluding the parent were Aisin Takaoka, Aisin Light Metals, Aisin Development, Aisin Kiko, Aisin Sin'ei, Aisin Fukui, Hosei Brake Industry, ADVICS, Aisin Shiroki, Art Metal Industry, Aisin Kyushu, CVTEC

Strategy

Enhancing risk management

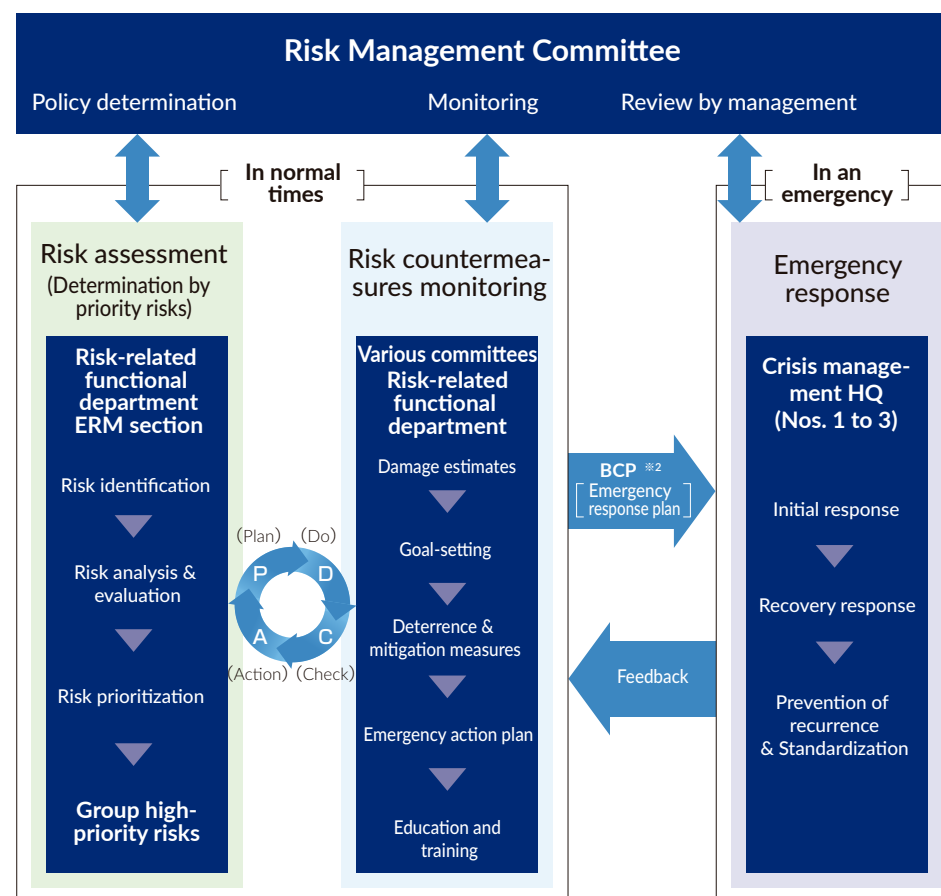
We caused inconvenience and concern to many on account of the 1997 Kariya Plant fire. This incident prompted us to introduce ERM*² to avoid repeating this kind of failure, which has spawned numerous companywide risk management efforts. In recent years, business risk has become increasingly complex and diverse, encompassing natural disasters like major earthquakes and frequent rain squalls, parts supply interruptions, and geopolitical and economic security risks. Amid these circumstances, we have introduced a risk management process covering risks to our management strategy and are aiming for sustainable growth and stability. We are proactive about risk management, identifying early signs of operational risk that hinder smooth business operation and detecting strategic risks that may impede execution of our medium-term management plans. Once risks are identified, we analyze and assess their impact as appropriate.

Key initiatives

Basic initiatives

Based on our risk management process, Aisin works to prevent and mitigate damage during normal operation and, in the event of an emergency, to recover quickly and minimize damage. Furthermore, we maximize our risk management effectiveness by evaluating the performance of these measures, making improvements, standardizing them, and continuously cycling through the risk management process.

Risk management process: PDCA cycle



※2 BCP: Business Continuity Planning

Risk Management

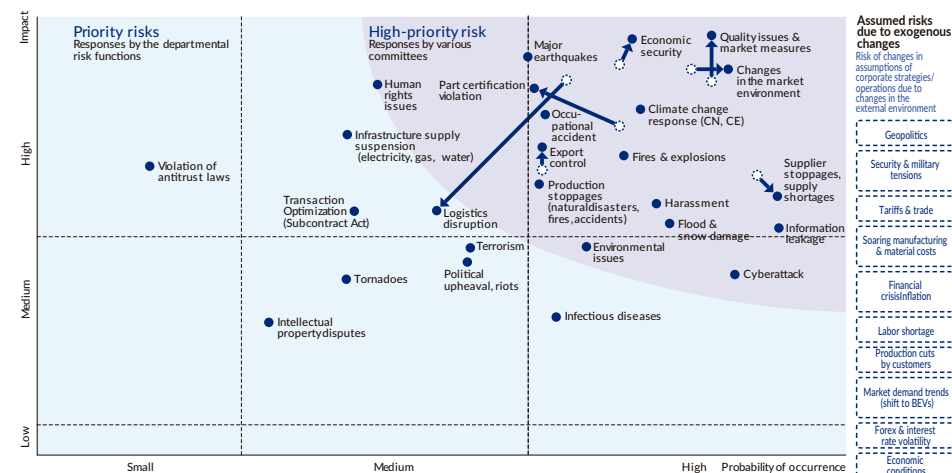
Response under normal conditions

Risk assessment (identifying priority risks)

Aisin enacts risk assessment exercises twice a year. We identify potential risks from the distinct perspective of departments tasked with managing specific risks, the operational characteristics of our Group companies, and the geographies of our locations abroad. Our risk evaluation process simultaneously analyzes assessed results based on the frequency of occurrence, related trends, and impact severity, and also with consideration for the relative suppression and mitigation success or failure of past risk countermeasures.

Furthermore, concurrently with these internal risk evaluations, the Risk Management Committee classifies serious risks as top-priority or priority with reference to external perspectives, such as prioritization by customers, investors, and other stakeholders and risk assessments by specialized institutions, such as global risk reports.

Aisin Group priority risks for FY2026



Risk countermeasures and monitoring

Top-priority risks and priority risks determined by the Risk Management Committee are addressed by various committees and the departments responsible for each class of risk through prevention, mitigation, and controls. The Risk Management Committee monitors top-priority risks, while the ERM Office monitors priority risks as both work toward continuous improvement.

Early warning management

Our management processes implement early warning triggers to help us swiftly detect and avoid risks that could adversely impact our operations. Thresholds for risks are determined, and response procedures (department and action) for when thresholds are exceeded are established in advance.

In an emergency

Emergency response

Our fundamental policy during emergencies prioritizes: (1) human life and safety, (2) community contribution, and (3) production recovery. We have established a business continuity plan (BCP) based on this policy.

During the initial response to an emergency, a risk report is triggered to promptly notify the President, executives, and departments responsible for relevant risks. This report serves as the catalyst for establishing a disaster response headquarters (levels I to III, commensurate with the crisis level). The head of this headquarters is appointed by the Risk Management Committee chair. The ERM Office, the Risk Management Department, serves as the secretariat for Level I headquarters, while the departments primarily responsible for managing the particular risks serve as the secretariat for Levels II and III.

The disaster response headquarters prioritizes securing human life and safety aiming to minimize damage.

Next, guided by the notion that Aisin's production recovery in areas impacted by disasters depends on regional restoration, we focus on contributing to the community. Specifically, we collaborate with local governments in affected areas to provide scarce supplies and relief goods and support suppliers in stricken regions with material assistance.

As we resume production, we prioritize restoring critical functions determined in advance based on the extent of damage. In cases where damage is severe, standard operations may shift to alternative tasks or substitute production to ensure business continuity. To prepare for emergencies, each department systematically implements risk control and mitigation measures for specific risks in its sphere or responsibility. Education and training is also conducted in line with our contingency action plans. Particularly for strong earthquakes capable of causing significant damage, the initial response is critical to minimizing damage. Therefore, we regularly conduct disaster response headquarters initial response drills, with senior management directing the response headquarters.

We enhance the effectiveness of our BCP strategy through its design and with training. Under normal circumstances, we simultaneously aim to enhance the crisis-tolerance of our organizations, workplaces, and personnel by preparing our staff for a strong emergency response through these processes.

Education and awareness

We provide education and promote awareness in order to deepen the risk management capabilities of all our employees. We have published a Crisis Management (Risk Management) Guide, which codifies standard operating procedures for risk countermeasures to be implemented under normal conditions (prevention and mitigation) and emergency responses. Moreover, we hold tiered risk management training for each management layer, including our executives, and publish the Aisin Group Risk Management Bulletin for all employees. This document educates and promotes awareness so each employee comes to regard risk as a personal responsibility and ensures countermeasures are thoroughly implemented.

Furthermore, Aisin has established the Kumamoto Earthquake Learning Zone within the Aisin Denso-kan to ensure the devastating damage caused by major earthquakes of the past is never repeated. Through panels and videos, the exhibit shares lessons and insights gained from the damage and recovery efforts following the 2016 Kumamoto Earthquake, ensuring the proper mindset and preparedness for natural disasters. In response to the Noto Peninsula Earthquake of New Year's Day 2024, Aisin is helping to prepare future generations by compiling data on the effectiveness of measures instituted following past disasters and relating to such scenarios as suspended objects and presenting this along with lessons and insights pertaining to newer topics.

Quality

Basic stance and policy

Aisin upholds its motto, “To our customers, inspiration and trust,” as a component of its value proposition and focuses on quality to create new value that exceeds customer expectations. Furthermore, the Company places Quality Supremacy mentality at the core of its corporate guidelines, the AISIN Group Charter of Sustainability, and its guidelines for individual behavior, the Aisin Group Way. We are dedicated to enhancing not only our products and services but also the quality of our work. All employees cooperate with each other to promote TQM*1 as a fundamental force in improving our corporate structure based on the principle of putting the customer first. *1 Total Quality Management

Our policy on quality is defined as follows, and the framework for quality assurance activities is stipulated in our Quality Manual.

Policy

By pursuing— with due consideration for safety and the global environment—the quality our customers demand throughout the commercial lifecycle, we are able to offer products and services that inspire delight and happiness on a timely schedule as we help sustain a security and comfort society.

Promotion structure

The AISIN Group Quality Division bears responsibility and holds authority for maintaining quality across the entire Group and plays a central role in guaranteeing our customers receive quality goods and services.

To provide satisfaction and peace of mind to our worldwide customer base, we implement our quality policy across our product and functional divisions, centered on Quality Function Deployment meetings. We monitor quality improvement initiatives in accordance with this policy, constantly gathering opinions from customers and providing companywide feedback. We also perform audits and provide quality training to drive product development advancement.

In response to recent certification irregularities within the Toyota Group and quality issues at our North American subsidiary, our senior management has become directly involved. In an effort to restore trust, we have established a new Group Regulatory Certification Committee and tasked cross-functional teams with initiatives aimed at raising product quality. Furthermore, we are driving a shift in mindset by thoroughly imbuing our workplace culture with Quality Supremacy ethos and actively listening to voices from the front lines.

Strategy

Ensuring customer safety and reliability by establishing a global system that delivers the highest quality

- Building, auditing, and improving our global quality assurance framework (Quality Management System) by addressing next-generation products and service quality, and strengthening governance
- In a digitally transforming (DX) society, cultivating talent capable of adding value amid progress with such growth domain as electrification and carbon neutrality

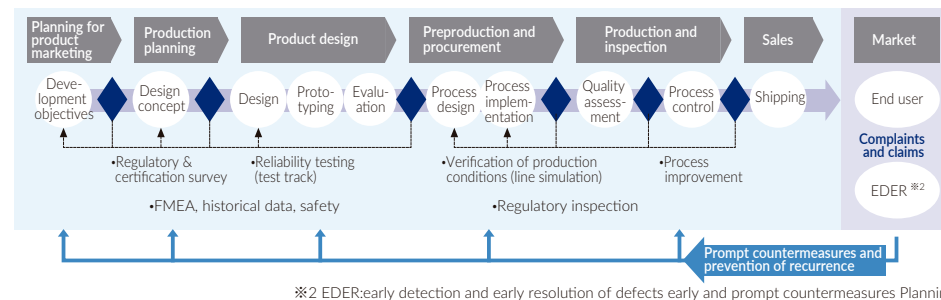
Key initiatives

Ensuring reliable quality assurance throughout development to production processes for medium-to-long-term growth

Specialized departments from product design, production engineering, and factories collaborate on electrification from the product design stage. We are shortening development cycles through digital innovation in the development process. For new product launches, detailed implementation guidelines are created within the quality assurance framework, and quality is rigorously assessed at key milestones throughout the process. During development, we reevaluate safety and regulatory compliance from the customer's perspective, consolidate technical expertise and insights across product lines, and work to improve design quality by incorporating lessons learned from past failures.

For quality evaluation, we use proprietary test courses and facilities that replicate challenging environments found at sites around the world, including extreme temperatures, rough and icy roads, and electromagnetic interference, to comprehensively assess the functionality and performance customers demand of automobiles. Moreover, during preparation for production, we leverage cutting-edge digital technologies such as production line simulations to rapidly establish highly refined production systems. We then run multiple mass-production trials to ensure stable output and continuous quality advancement.

Quality assurance steps ◆ Milestone verification and assessment



Building a workplace culture and people who thoroughly pursue “Quality Supremacy”

To restore our fundamental Quality Supremacy ethos to its previous status, we engage employees from three vantages: knowledge, wisdom, and context. We focus on spreading knowledge through educational channels that explain the meaning of Quality Supremacy in a modern setting. We appeal to wisdom through our Densho-kan, which displays compelling cases of failure, and quality-focused exhibitions that emphasize actual product displays. We put all this into the context of our workplace culture, where everyone naturally prioritizes quality in all tasks. To this end, we hold quality-themed lectures, set up dialogues on quality among employees and top management, and stage workplace-level quality meetings.

Beyond QC circle activities, through daily operations we are strengthening the foundation from which we develop staff and guide workplace culture. This includes requiring all employees to submit annual Quality Action Declarations, which are subject to monthly review, and annual self-assessments of individual tasks based on the three elements of the Quality Supremacy mindset.

Quality Management System

Aisin has established a quality management system compliant with IATF 16949 ^{*3}. All employees work together as one to execute quality assurance procedures, thereby ensuring that we deliver satisfaction and peace of mind for our customers. As of May 2025, 52 production sites had obtained IATF 16949 certification.

※3 IATF16949: Quality Management System specifically for the automotive industry

Compliance

Basic stance and policy

Aisin believes that compliance means more than adhering to laws and regulations and that it is equally important to meet the expectations and trust of all stakeholders as a responsible corporate citizen. In this regard, we are guided by the spirit of our management philosophy: "Inspiring 'movement,' creating tomorrow."

To this end, we have adopted the AISIN Group Charter of Sustainability and the AISIN Group Principles of Corporate Behavior as our foundational policies. For key areas of law and regulation—specifically antitrust and anticorruption—we have developed and implemented a groupwide Antitrust Compliance Policy and an Anti-Corruption Policy along with detailed guidelines outlining specific directives for action. In response to stakeholder requests and expectations, we revised and republished our AISIN Group Anti-Corruption Policy as the Aisin Global Policy on Prevention of Bribery and Corrupt Practices in May 2025.

Aisin strives to ensure that every employee upholds high ethical standards of integrity, honesty, and fairness and impartiality that enable them to practice sound compliance naturally. We work diligently to spread this mindset across all domestic and international Group companies, with a goal of maintaining a strong compliance awareness and eliminating serious legal violations through the maintenance of a global legal and compliance framework covering our entire business.

Aisin believes that an open workplace culture where employees feel comfortable speaking their minds is the foundation of compliance. We are actively dedicated to creating such an environment, in which employees can consult their superiors when in doubt, and to raising awareness of the internal reporting system. Moreover, through workplace visits and ethics surveys that measure individual and collective compliance awareness, we gather authentic feedback from the workplace. By sharing both joys and concerns, we are promoting a thriving workplace culture of mutual respect and consideration.

 AISIN Group Code of Conduct

 AISIN Group Antitrust Compliance Policy

 Aisin Global Policy on Prevention of Bribery and Corrupt Practices

FY2025 Antitrust Violations: 0 cases

FY2025 Anti-Corruption Violations: 0 cases

Promotion structure

Aisin has established the Business Ethics Committee, chaired by the head of group HR division, as the body charged with governing key compliance policies and structures. Attended by presidents, executives, and auditors from 12 Group companies, the Committee reviews compliance activities and challenges in the legal and other domains and approves the following year's policies and implementation items.

To ensure consistent compliance across the entire Group, the Legal Affairs Department was established in January 2018 within the Group Head Office by consolidating the legal functions of each Group company. As the Group's sole specialized legal department, it exclusively plans and promotes compliance activities for Group companies both domestically and internationally. Concurrently, a compliance officer and compliance managers have been appointed at each Group company in an effort to build a framework for ensuring compliance globally.

Strategy

To reach a state of reflexive compliance practice, Aisin annually selects key focus areas at the Business

Ethics Committee based on changes in the business environment and stakeholder expectations (FY2026 focuses: integrity, harassment, fair trading, bribery & corruption, antitrust law), and aims for zero material legal or serious compliance violations (materiality issues: KGI). Particularly for bribery/corruption prevention and antitrust law, as five years have passed since establishing policies and guidelines in 2020, we continuously promote efforts to deepen understanding and embed these practices into behavior. We also measure the level of compliance awareness (the KPI: positive response rate for ethics survey) through our ethics survey.

Related materiality issues

Materiality issues	Goal (KGI)	Indicator (KPI)	FY2031 target value
Laying a solid management foundation	Zero serious violations of laws and compliance policies	Positive response rate for ethics survey	90%

Key initiatives

Initiatives aimed at achieving zero serious violations of laws and compliance policies

Early detection and remediation of issues via a whistleblowing system

Aisin has established a compliance reporting and consultation office that accepting inquiries from a broad range of stakeholders, including domestic and international officers, employees, retirees, their families, business partners, and local residents. When responding, we thoroughly prioritize privacy and the prevention of disadvantaging the reporting party. In this way, we strive for the early detection and correction of misconduct.

To accommodate different types of report and inquiry, multiple channels are available: company-specific consultation offices, a groupwide external legal office staffed by attorneys, and the Aisin Business Ethics Consultation Desk managed by the Group Head Office Legal Affairs Department. For external stakeholders, reports and inquiries are accepted via the web-based Aisin Global Hotline. Internal reports are consolidated at the Legal Affairs Department. For material cases, the Legal Affairs Department leads the response, establishing a process to enable early detection and correction of issues. Furthermore, regular reports are made to Aisin's auditors to monitor operational factors. Additionally, third-party attorneys are engaged to incorporate objective, specialized expertise, enabling swift handling of critical cases.

Ethics questionnaire

Each year, Aisin executes a common ethics questionnaire on compliance matters for all employees worldwide (including temporary staff, employees seconded to Aisin, reemployed retirees, fixed-term employees, and Group company employees). The response rate for FY2025 was 93.6%.

We assess the penetration rate for compliance initiatives, the existence of potential compliance risks, and the degree of awareness concerning internal reporting channels. We report these findings to the Business Ethics Committee and provide feedback to all internal departments and domestic/international Group companies. Moreover, we analyze the survey results and implement remedial initiatives for Group companies requiring targeted, focused support.

Human Rights

Basic stance and policy

Respecting the human rights of all individuals, including employees and stakeholders both inside and outside the company, is fundamental to achieving our goals of promoting a spirit of challenge through Group and global Integration and empowering all employees and fostering growth unmatched by rivals. Moreover, we strongly recognize that respect for human rights lies at the center of all business activities. We are keenly aware of our need to deepen our understanding of—and take appropriate action on—human rights issues relevant to our activities in each country and business.

In April 2021, our Human Rights Expert Committee formulated the Aisin Group Human Rights Policy, which declares our commitment to fulfilling our responsibility with regard to human rights and is incorporated into key rules across all elements of our business, including Group companies and the supply chain.

The scope of human rights risks covered by the Human Rights Policy includes: discrimination and harassment; child and youth labor and other violations of children's rights; migrant labor and forced labor; wages (minimum wage, living wage, gender pay gap for equal work); working hours, holidays, and other basic working conditions; excessive working hours; safe and healthy working environments; dialogue with employees; diversity and inclusion; minorities (LGBTQ, persons with disabilities, etc.) and women; rights of indigenous and local communities (land, forests, water resources, etc.); use of security companies; privacy; consumers (product safety, information provision); and bribery and corruption.

We also disclose the Group's efforts to prevent forced labor and human trafficking based on laws such as the UK's Modern Slavery Act.

 Aisin Group Human Rights Policy

 Aisin Group Statement on Modern Slavery Act

Promotion structure

We have established a framework aligned with the UN Guiding Principles on Business and Human Rights. To enhance management's commitment, we annually convene our Human Rights Expert Committee to deliberate and decide on policies and plans. Relevant departments then collaborate to advance relevant initiatives.

Strategy

Aisin is establishing a human rights due diligence process that encompasses its supply chain. To reduce the risk of serious human rights violations, we have set the implementation of human rights risk assessment surveys and education as key indicators. Human rights risk identification surveys form the core of human rights due diligence. We conduct these surveys regularly to stay abreast of changes in the environment and the status of corrective actions. Having identified key risks, we pursue corrective measures with full disclosure to drive continuous improvement. We will share our fundamental understanding of human rights and information on the Company's initiatives so that every Aisin employee can practice respect for human rights from their own perspective.

Related materiality issues

Materiality issues	Goal (KGI)	Indicators (KPI)	FY2031 target values
Laying a solid management foundation	Zero serious violations of laws and compliance policies	Human rights risk assessment survey implementation rate	100%
		Human rights training implementation rate	100%

Key initiatives

Initiatives aimed at achieving zero serious violations of human rights

Human rights due diligence

Based on the Aisin Group Human Rights Policy, we prioritize risk according to severity (impact) and potential (likelihood of occurrence). Foreign (migrant) workers, including technical interns, are a top priority due to high social awareness of forced labor and other potential rights violations and because they are widely employed by the Group and its suppliers. We also confirm the status of initiatives in other key human rights areas, such as discrimination and harassment, at each company.

Assessment in key human rights areas

To gauge the current status of and drive improvements in key human rights initiatives covering discrimination, harassment, forced labor, child labor, working hours, wages, dialogue with employees, safety and health, and supplier engagement, we conducted an introspective survey in FY2025 across the entire Group and 226 major suppliers. The survey's results demonstrate overall improvement year-on-year, particularly within Japan (on a 5-point scale, overall average +0.2 points compared to FY2024). However, challenges remain in raising awareness and verifying the actual status of child labor and forced labor within Japan. Therefore, we are (1) appointing human rights promotion officers and holding study sessions across all our companies, (2) distributing checklists covering relevant human rights laws and regulations, (3) sharing and disseminating content that raises awareness. We will maintain our surveying and on-site dialogue to monitor improvement.

Education and awareness activities

Aisin provides the following training and awareness opportunities, thoroughly enforcing respect for human rights by updating content annually.

Target	Content
Executives	Incorporate human rights-related content into new executive training
Human rights-related departments (HR, procurement, etc.)	Hold study sessions with Group companies on human rights trends and Aisin Group policies and initiatives
Recruiters	Japan: Thoroughly instruct interviewers and others on points to note through lectures
Dowa problem*	Joined the "The Industrial Federation for Human Rights, Aichi"; conducted awareness activities and promotion with the "The Corporate Federation for Dowa and Human Rights Issue."
New hires & employee promotions	Japan: Implemented CSR education including the human rights field
All employees	Japan: Conducted awareness activities based on accessible case studies Overseas: Incorporated human rights content into each region's compliance training
Suppliers	Issued the "AISIN Group Supplier Sustainability Guidelines" and requested endorsement through explanatory meetings

*Discrimination against Burakumin and other marginalized communities

Safety and Health

Basic stance and policy

Safety and health first

As a global company, a critical management issue for us that strictly applies at every one of our locations is the building and maintenance of a workplace where everyone can perform safely and healthily.

Aisin has established the Aisin Group Safety and Health Policy and the Aisin Group Health Declaration based on the principle of "Safety and health first", which applies at all times. We conduct various activities based on these policies and declarations.

 Aisin Group Safety and Health Promotion Policy

 Aisin Group Health Declaration

Promotion structure

Safety and fire-prevention Promotion Structure

To protect all individuals working on Aisin premises from work-related accidents, we have established a Safety and Health Committee composed of presidents from each Group company. This committee promotes activities aimed at unifying policies and standards. Matters discussed are reported to and approved by the Committee at each workplace and then progressively rolled out to individual workplaces via workplace safety promotion committee members. Furthermore, initiatives are disseminated to Group companies through the Aisin Group Safety and Health Study Group, while also providing support for safety activities tailored to each company's specific needs.

Strategy

Group Safety Vision for 2030

We work strenuously to prevent the recurrence of unfortunate incidents and eliminate catastrophic disruptions and lost-time injuries by applying strategies that enhance safety awareness and make safe behavior a habit. We have established KPIs within the Group Safety Vision for 2030 and are working to create an environment where employees can work with peace of mind, remain physically and mentally healthy, and thrive.



Related materiality issues

Materiality issues	Goal (KGI)	Indicator (KPI)	FY2031 target value
Laying a solid management foundation	A culture that prioritizes safety	Serious accidents	0

Key initiatives

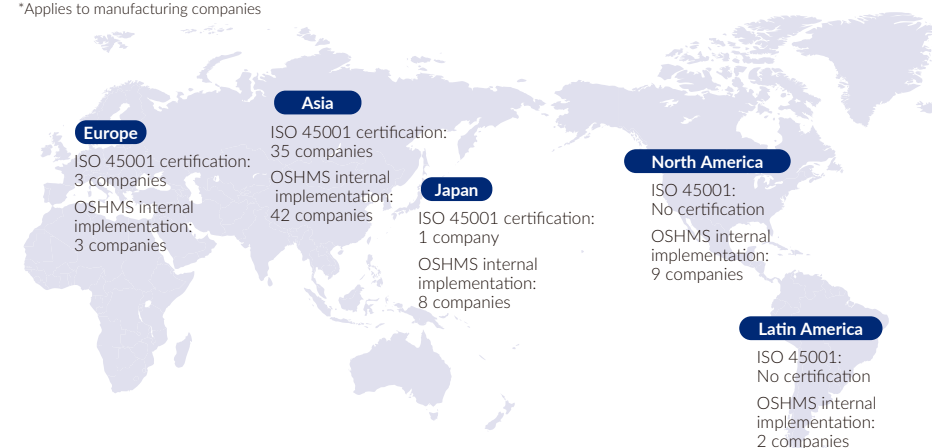
Establishing a culture that prioritizes safety

Occupational Health and Safety Management System

To support risk management and raise performance, since FY2021, we have operated an Occupational Health and Safety Management System across the entire Aisin Group, including on-site contractors. By FY2025, 39 Group companies, including the parent, have been certified for ISO 45001, an international standard. We annually assess risks and opportunities based on internal and external objectives and the needs of employees and other stakeholders. We prioritize the selected items, incorporate them into the following fiscal year's health and safety plan, and promote activities to achieve our goals. Based on the outcomes of our activities as well as other variables, management reviews are conducted. After clarifying our direction for the upcoming fiscal year, efforts are made to enhance the level of our initiatives.

ISO 45001 certification status (End-March 2025)

ISO 45001 acquisition rate*: 30%
OSHMS internal implementation: 50%
*Applies to manufacturing companies



Information Security

Basic stance and policy

As corporate DX strategies accelerate, new value is being created through enhanced interconnection of the physical world with information. We recognize that, in addition to enjoying the benefits DX offers, we can only sustain growth by taking on the critical challenge of managing risks related to cyberattack threats and information leaks that potentially involve information proprietary to the company and our customers and business partners. We must address risks associated with new initiatives, an example being intellectual property infringement spurred by recent rapid advances and applications of AI technologies.

Therefore, the Company has established the AISIN Group Information Security Basic Policy* and is committed to systematic and continuous information security measures.

 AISIN Group Information Security Basic Policy

 Personal Information Protection Policy

Promotion structure

Responsibility and authority for information security measures and personal information protection rest with the head of the DX Strategy Center, which devises information strategies and IT investment plans aligned with the company's business strategy and plays a key role in promoting information security. Under the head of the DX Strategy Center, the Information Security Promotion Department, a specialized security organization, has been established. We have thus built a framework for enabling the entire Group to respond swiftly to cyberattacks, internal misconduct, and other information risks.

Information security policies and countermeasures are proposed by the Risk Management Committee to ensure shared awareness across the Aisin Group. This approach is designed to fortify security standards and ensure the reliable implementation of countermeasures.

Strategy

Data entrusted to us by customers and business partners and our internal business information are critical assets, and we will therefore properly identify changes in threats to the management of our company and potentially troublesome technological advancements and implement comprehensive groupwide countermeasures.

Key initiatives

Information security measures

Our information security program rests on three pillars: structure, response, and education. By centralizing security measures at the Group headquarters and implementing them globally without exception, we are bolstering our response to increasingly sophisticated cyberattacks and internal threats such as information leaks and strengthening our compliance with security-related laws across various jurisdictions.

In the event of a critical security incident with the potential to halt production, we promptly report the matter to the head of the DX Strategy Center and relevant risk management

departments to initiate the investigation and analysis of the incident and deploy countermeasures, ensuring swift resolution and uninterrupted business.

Structure

- We maintain a 24/7/365 monitoring system operated by specialized teams to address security threats across the entire Group.
- We have established the AISIN Group Security Guidelines, a globally recognized standard compliant with international standards like ISO 27001*¹, the TISAX*² system, and the JAMA/JAPIA Cybersecurity Guidelines. This prepares us to meet customer security requirements and drives mutual advancement across the entire supply chain.

*¹ ISO 27001: An international standard for Information Security Management Systems (ISMS). As of April 2022, six departments have obtained certification.

*² TISAX: Trusted Information Security Assessment Exchange / A system where certification bodies undergo audits based on the VDA Information Security Assessment Criteria (VDA ISA) established by the German Association of the Automotive Industry (VDA). As of April 2025, ten locations worldwide have obtained certification.

Countermeasures

- With support from external experts, we deploy the latest security technology across the entire Group to address increasingly sophisticated and advanced cyberattacks, internal information leaks, and other security threats.
- In anticipation of an expanding range of vehicles subject to various regulations, we are establishing a threat monitoring system centered on PSIRT. We are members of the Japan-US Automobile Information Sharing and Analysis Center (AUTO-ISAC)*³, through which we collect risk data from across the industry to use in furthering our own development. We are also working on security measures for vehicular products in compliance with ISO 21434*⁴.

*³ AUTO-ISAC: Automobile Information Sharing and Analysis Center, a North American automotive cybersecurity organization

*⁴ ISO 21434: A key international standard for cybersecurity measures in vehicles

Education

Tightening security requires all employees to take ownership and recognize security as an unyielding concern and to act accordingly. To this end, we implement groupwide initiatives including tiered training, education during events like overseas assignments, suspicious email response drills, and awareness campaigns during Information Security Awareness Month. For example, we implement post-training comprehension tests and solicit cybersecurity slogans from employees worldwide. These are published in the "Cybersecurity News," distributed across the entire group, to encourage individual participation and foster security awareness.

Examples of education and awareness initiatives

①	Tiered training upon joining the company or with promotion (twice/year)
②	Training for specific circumstances, such as overseas assignments or integrating employees on secondment
③	Suspicious email response training for all employees (three times/year)
④	Awareness raising conducted during the company's Information Security Awareness Month (yearly) and distribution of internal newsletters (monthly)

Disclosures Based on TCFD Recommendations

TCFD endorsement and disclosure

Aisin announced its endorsement of the TCFD recommendations in November 2019 and discloses information based thereon.

TCFD recommended disclosures and implementation status at Aisin

Governance

Recommended disclosures	Status of Implementation
(a) Board oversight of climate-related risks and opportunities	• Sharing medium-to-long-term sustainability challenges and setting policies and KPIs for the Sustainability Conference • Strategy review, promotion, deliberation, and monitoring conducted at the Environmental Committee and CN/CE Promotion Council chaired by the Chief Carbon Neutral Officer, based on top-level policies and KPIs • Climate-related material issues submitted for deliberation or reporting through the Sustainability Conference are reviewed by the Board of Directors
(b) Management's role in assessing and managing climate-related risks and opportunities	

Strategy

Recommended disclosures	Status
(a) Short-, medium-, and long-term climate-related risks and opportunities identified by the organization	• Identified response to climate change as an urgent global concern and selected it as a material issue • Extracted short-, medium-, and long-term transition and physical risks, as well as opportunities for all Aisin businesses using 1.5°C and 4°C scenarios
(b) Impact of climate-related risks and opportunities on operations, strategy, and financial plans	
(c) Resilience of the organization's strategy under different climate-related scenarios, including a 2°C or lower scenario	

Risk management

Recommended disclosures	Status
(a) Process for identifying and assessing climate risk	• Identification, isolation, and review of individual risks affecting the Company by the Risk Management Committee (twice/year) • Climate risk is prioritized as top priority and is regularly monitored and managed by the Environmental Committee, etc.
(b) Organizational processes for managing climate risk	
(c) Integration of processes for identifying, assessing, and managing climate- risk into companywide risk management system	

Indicators and targets

Recommended disclosures	Status of Implementation
(a) Disclosure of metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management	• In FY2022, declared goals of CO₂ carbon neutrality of manufacturing operations by FY2036 and carbon neutrality by FY2051 • Set decarbonization metrics based on materiality issues. - Climate initiatives advanced according to three thematic pillars: power sources, heat sources and waste reduction, clean energy, and aspirationally zero-waste resource circulation. Goals FY2036: CO₂ carbon neutrality of manufacturing operations FY2051: Total carbon neutrality Indicators (FY2031) *SBTi Certified • Scope 1 & 2: 46.2% reduction compared to FY2020 • Scope 3 (Categories 1, 11): 27.5% reduction compared to FY2020 Achievements (FY2025) • Scope 1 & 2: 2.21 million t-CO₂ (20.5% reduction versus FY2020) • Scope 3: 21.39 million t-CO₂ (8.0% reduction versus FY2020)
(b) Disclosure of Scope 1, 2, and 3 greenhouse gas emissions and associated risks	
(c) Targets and performance metrics used by the organization to manage climate risk and opportunity	

Disclosures Based on TCFD Recommendations

TCFD disclosure recommendations and Aisin's implementation status

Category	Risk/opportunity type	Impact stage	Impact on Aisin	Time horizon: short/medium/long	Financial impact: small/medium/large	Future actions
Transition risks	Market	Procurement	Increased demand for low-carbon raw materials and rising procurement costs due to surging prices of essential materials	Medium	Large	- Reduction of raw material usage through weight reduction and material substitution during product design - Reduction of raw material purchases through promotion of the circular economy
	New regulations	Direct operation	Increased costs from carbon taxes and other policies as well as the adoption of renewable energy	Medium	Large	- Promotion of energy-saving measures to minimize energy usage - Introduction of renewable energy suited to regional characteristics
	New regulations	Product demand	Progress with electrification increases demand for electric vehicle components while reducing demand for ICE vehicle parts	Medium	Large	- Shift of product portfolio toward electric vehicles in anticipation of increased electrification rate for powertrain unit sales by 2030 - Strengthened sales expansion for energy solutions and products that contribute to carbon neutrality through electrification of mobility, including a wide range of items including high-efficiency, compact electric units, cooperative regenerative braking systems, thermal management systems, and aerodynamic devices
Physical risk	Acute	Direct operation	Supply chain disruptions and temporary production stoppages during disasters caused by increasingly frequent and severe weather-related disasters (heavy rain, typhoons, floods, etc.)	Short	Medium	- Establishment of standards for action and rules that apply during extreme weather events - Enhancement of BCP for purchasing logistics - Identification and regular monitoring of exposed locations - Formulation and promulgation of flood countermeasure plans
Opportunity			Increased demand for electric vehicle products driven by electrification progress	Medium	Large	- Early market introduction of electric units with better energy performance through high efficiency and miniaturization - Cost reduction through standardization of currently model-specific units and reduced use of materials - Improved EV range through evolution of cooperative regenerative braking systems - Expanded production capacity for related products
	Product demand	Products and services	New business creation driven by growing demand for CO ₂ -reducing products and services	Medium	Medium	- Market launch and share capture for perovskite solar cells - Sales of bio-briquette coal derived from coconut shells - Commercialization of technology to fix CO₂ as calcium carbonate
			Expanding demand for energy-saving and low-carbon-emission products	Medium	Medium	- Raising efficiency further and expanding sales of the Ene-Farm home-use fuel cell cogeneration system, which contributes to enhanced resilience through high-efficiency, stable energy supply and independent power generation during outages - Promoting decarbonization initiatives in collaboration with local governments to contribute to urban development
	Resource efficiency	Direct operations	Energy efficiency gains reduce energy consumption and cut energy procurement costs	Medium	Large	- Energy savings achieved through thorough implementation of power sources, heat sources, and waste reduction - Development of innovative production technologies - Clean energy transition through CO₂ capture and utilization (e.g., through methanation) and the introduction of bio-briquette coal

(Note) Timeframe – short: through FY2026, medium: through FY2031, long: through FY2051

Financial impact – large: ¥10 billion or more, medium: ¥1 billion through ¥10 billion *Minor financial impacts excluded from disclosure

Disclosures Based on TNFD Recommendations

TNFD endorsement and disclosure

Aisin announced its endorsement of the TNFD recommendations in September 2023 and discloses information based thereon.

TNFD disclosure recommendations and Aisin's implementation status

Governance

Recommended disclosures	Status of Implementation
A. Board oversight of risks and opportunities related to the natural environment	• Sharing medium-to-long-term sustainability challenges and setting policies and KPIs at regular meetings of the Sustainability Conference • Based on top-level policies/KPIs, the Environmental Committee and CN/CE Promotion Council (chaired by the CCNO) direct strategy reviews, promotion, deliberation, and monitoring
B. Management's role in assessing and managing nature-related risks and opportunities	
C. Human rights policy regarding stakeholders, engagement activities with stakeholders, and board and management oversight of stakeholder-related issues	 On our sustainability website, navigate to the human right section under "Society".  AISIN Group Human Rights Policy

Strategy

Recommended disclosures	Status of responses			
A. Natural dependencies, impacts, risks, and opportunities identified by the organization as short-, medium-, and long-term concerns	• Integrated disclosure following the LEAP approach			
B. Impacts of nature-related dependencies, risks, and opportunities on the organization's business model, value chain, strategy, and financial planning	Scope • Direct operations • Upstream: Primary suppliers • Downstream: Automotive manufacturing industry	Evaluate Assessing dependencies and impacts Same as left	Assess Evaluating significant risks and opportunities Same as left	Prepare Preparing responses and reporting • Direct operations
C. Results of scenario analysis for nature-related risks and opportunities and resilience strategies for each scenario	Consideration items • Evaluating activity locations • Identifying priority areas	• Dependency and Impact Assessment • Validity Verification • Extraction of High-Priority Dependencies and Impact Items	• Risk and Opportunity List Creation • Qualitative Importance Assessment of Risks and Opportunities Based on Scenario Analysis • Risk Management Approach Organization	• Strategy and Resource Allocation • Performance Measurement • Information Disclosure Preparation
D. Priority regions for direct operations and the upstream and downstream segments of the value chain	Output (1) Assessment of operational locations (2) Identification of priority regions	(1) Dependency and impact assessment (2) List of high-priority dependencies and impact items	(1) List of risks and opportunities and opportunities (2) Qualitative materiality assessment of risks (3) List of material risks and opportunities based on scenario analysis (4) Risk management strategies and mitigation measures *Items (3) and (4) apply only to direct operations	• Disclosure aligned with TNFD-recommended items

Disclosures Based on TNFD Recommendations

Management of risk and impact

Recommended disclosures	Status of Implementation	
A. (i) Process for assessing nature-related dependencies, impacts, risks, and opportunities connected with direct operations	Upstream and downstream value chain – Risk materiality assessment results (excerpt)	
A. (ii) Process for assessing nature-related dependencies, impacts, risks, and opportunities in upstream and downstream value chains	Upstream/downstream value/chain – Assessment of material nature-related opportunities (excerpt)	
B. Process for managing nature-related risks and opportunities		
C. Positioning of processes for assessing and managing nature-related risks within the Company's overall risk management program	At the Risk Management Committee, the Risk Management Committee identifies, extracts, and reviews risks affecting the Group (twice a year)	

Measurement indicators and targets

Recommended disclosures	Status of Implementation
A. Measurement indicators for managing nature-related risks and opportunities	Status of global nature harmonization efforts • Established a goal of fully harmonize our global operations with the natural world and local ecosystems as one of our 2050 aspirations as we aim to ensure a society in balance with nature Goals 2030: Locations coexisting with nature (10 or more locations) Management metrics • Reduction in water usage • Water discharge quality and volume • Implementation status of activities directed at harmonizing our operations with nature (watershed conservation, collaboration with local stakeholders, contribution to ecosystem network development)
B. Measurement indicators for managing nature-related dependencies and impacts	
C. Goals and progress for managing nature-related risks and opportunities	

Data

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Financial Data (Consolidated)

(¥ million)

	(FY)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Financial position and operating results	Revenue	3,245,985	3,562,622	3,908,937	4,043,110	3,784,585	3,525,799	3,917,434	4,402,823	4,909,557	4,896,104
	Ratio of revenue from overseas locations (%)	43.7	41.8	41.1	41.2	42.1	42.3	44.6	49.6	50.1	50.2
	Operating profit	192,722	228,691	253,808	205,562	56,129	145,332	182,011	57,942	143,396	202,941
	Profit before income taxes	194,060	237,311	268,171	217,486	53,395	167,523	219,983	73,741	149,877	173,440
	Profit attributable to the owners of the parent for the period	100,332	126,653	134,551	110,123	24,061	105,638	141,941	37,670	90,813	107,586
	Equity attributable to owners of the parent company	1,168,953	1,236,385	1,310,176	1,346,902	1,280,165	1,535,512	1,756,516	1,751,326	2,135,837	1,977,263
	Total assets	3,009,377	3,338,339	3,527,910	3,751,880	3,992,652	4,027,103	4,205,801	4,135,826	4,643,016	4,284,600
	Capital expenditure	294,188	237,449	260,315	389,932	290,646	190,268	218,771	221,494	230,033	223,738
	Depreciation	186,197	197,168	213,430	226,418	242,167	240,016	245,257	263,562	259,831	257,434
	R&D expenses	162,635	167,719	182,900	202,190	205,823	189,850	194,162	218,631	225,594	236,844
	R&D to revenue ratio (%)	5.0	4.7	4.7	5.0	5.4	5.4	5.0	5.0	4.6	4.8
Per-share information (¥)	EPS (basic earnings per share) *1	118.18	148.15	163.41	136.21	29.76	130.65	175.55	46.59	112.31	137.81
	BPS (book value of equity attributable to owners of the parent per share) *1	1,375.77	1,475.37	1,620.56	1,666.00	1,583.36	1,899.10	2,172.45	2,165.95	2,641.39	2,609.69
	Dividends*1	33.33	41.67	50.00	50.00	40.00	40.00	56.67	56.67	56.67	60.00
	Dividend payout ratio (%)	28.2	28.1	30.6	36.7	134.4	30.6	32.3	121.6	50.5	43.5
Cash Flow	Net cash provided by (used in) operating activities	294,184	394,812	311,542	354,942	327,552	343,314	193,343	237,970	499,740	339,870
	Net cash provided by (used in) investing activities	-228,437	-229,109	-229,346	-414,494	-273,876	-138,175	-204,952	-186,857	-93,153	-146,948
	Net cash provided by (used in) financing activities	-88,162	-31,617	-73,634	13,164	275,382	-373,880	-135,859	-127,752	-211,699	-270,221
	Free cash flow	65,747	165,703	82,196	-59,552	53,676	205,139	-11,609	51,112	406,587	192,922
	Cash and cash equivalents	263,217	394,559	406,508	357,195	675,162	520,028	386,906	317,693	527,191	451,690
Financial Ratios	Operating profit ratio (%)	5.9	6.4	6.5	5.1	1.5	4.1	4.6	1.3	2.9	4.1
	Ratio of equity attributable to owners of the parent (%)	38.8	37.0	37.1	35.9	32.1	38.1	41.8	42.3	46.0	46.1
	ROE (ratio of profit to equity attributable to owners of the parent; %)	8.4	10.5	10.6	8.3	1.8	7.5	8.6	2.1	4.7	5.2
	ROIC (return on invested capital; %)*2	9.8	11.5	11.6	8.6	1.7	5.1	6.6	1.8	5.3	7.1

*1 A 3-for-1 stock split was implemented on October 1, 2024. Figures are adjusted to reflect the post-split ratio.

*2 ROIC (return on invested capital): operating profit after income tax ÷ (inventories + property, plant, and equipment + intangible fixed assets)

Nonfinancial Data (Environment)

Greenhouse gases (consolidated)

Greenhouse gas emissions

Calculation method

Total CO₂ emissions = $\sum$ (fuel consumption $\times$ CO₂ emission factor) + $\sum$ (purchased electricity $\times$ CO₂ emission factor)

CO₂ emission factor

Emissions for FY2020–FY2025

Japan

Fuel Emission factors based on IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories

Purchased electricity Adjusted emission factors by electric utility provider published by the ministry of the environment and the ministry of economy, trade and industry (2019&2020: FY2020, 2021: FY2021, 2022: FY2022, 2023: FY2023, 2024: FY2024)

Overseas

Fuel Emission factors based on IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas inventories

Purchased electricity Emission factors based on IEA: CO₂ emissions from fuel combustion (2019/2020: IEA 2017, 2019 edition, 2021: IEA 2019, 2021 edition, 2022: IEA 2020, 2022 edition, 2023: IEA 2021, 2023 edition, 2024: IEA 2022, 2024 edition)

SF₆ CO₂ conversion uses the global warming potential (GWP) values specified in the “enforcement order for the act on the promotion of measures to cope with global warming.”

Total scope 1, 2, and 3 (t-CO₂ e)
(FY)

2020	2021	2022	2023	2024	2025
26,016,371	24,515,960	25,530,744	24,088,622	25,224,731	23,596,868

CO₂ emissions from manufacturing (Scopes 1 & 2)

(t-CO₂ e)
(FY)

Item	2020	2021	2022	2023	2024	2025
Scope1	630,904	577,100	602,011	533,137	525,133	491,009
Scope2	2,080,878	1,907,664	1,963,240	1,745,595	1,755,040	1,657,897
Total	2,711,782	2,484,764	2,565,251	2,278,732	2,280,173	2,148,906

Supply chain emissions (Scope 3)

(t-CO₂ e)
(FY)

Item	2020	2021	2022	2023	2024	2025
1. Purchased products and services	10,905,462	10,666,463	11,373,619	10,736,420	11,177,441	11,022,068
2. Capital goods	999,649	654,409	752,442	761,807	791,314	769,659
3. Fuel and energy-related activities not included in Scope 1 and 2	438,413	398,144	409,028	361,030	348,710	328,008
4. Transportation and distribution (upstream)	578,235	525,970	608,026	669,230	689,386	554,313
5. Waste generated from operations	73,710	70,085	54,752	53,040	58,472	55,266
6. Business travel	19,218	9,348	11,552	13,814	16,149	17,735
7. Employee commutation	60,852	40,701	37,080	32,963	36,868	51,288
8. Leased assets (upstream)	—	—	—	—	—	—
9. Transportation and distribution (downstream)	160,454	155,584	158,884	168,284	175,895	192,164
10. Processing of sold products	488,317	505,268	492,297	517,713	379,242	311,603
11. Use of products sold	9,309,776	8,742,538	8,814,825	8,230,378	9,042,565	7,967,008
12. End-of-life handling of products sold	29,414	28,068	29,558	29,261	29,789	21,936
13. Leased assets (downstream)	—	—	—	—	—	—
14. Franchising	—	—	—	—	—	—
15. Investments	173,679	167,025	150,733	167,752	127,995	95,071
Total	23,237,179	21,963,602	22,892,795	21,741,694	22,873,825	21,386,118

Greenhouse gas reduction targets certified by SBTi

Scope	FY2031 target (vs. FY2020)
Scope1 & 2	46.2% reduction
Scope 3 (categories 1 & 11)	27.5% reduction

Progress toward targets

In November 2023, Aisin received certification from the Science-Based Targets Initiative (SBTi) confirming that its Scope 1 and 2 reduction targets align with the 1.5°C pathway. Alongside this certification, the company also received approval confirming that its reduction targets for Scope 3 emissions intensity in categories 1 and 11 align with the Well Below 2°C pathway. Reduction rate (%) compared to base fiscal year (FY2020)
(FY)

Target	2021	2022	2023	2024	2025
Scope1 & 2	8.2	5.1	15.6	15.4	20.5
Scope 3 (categories 1 & 11)	4.0	0.1	6.2	0.0	6.1

Nonfinancial Data (Environment)

Water consumption (Consolidated)

(m³)

(FY)

2021	2022	2023	2024	2025
14,905,571	15,050,599	14,015,795	14,119,698	13,126,934

The manufacturing scope for each fiscal year is as follows.

2021: Production sites of Aisin and 135 consolidated companies

2022: Production sites of Aisin and 136 consolidated companies

2023: Production sites of Aisin and 136 consolidated companies

2024: Production sites of Aisin and 132 consolidated companies

2025: Production sites of Aisin and 126 consolidated companies

Total industrial waste discharge

(t)

(FY)

	2020	2021	2022	2023	2024	2025
Domestic*	126,287	153,976	160,314	144,912	163,520	140,980

* Scope of domestic waste calculation: industrial waste (landfill, offsite intermediate treatment, offsite paid recycling)

Nonfinancial Data (Social)

Human resources data

(FY)

Item				Unit	2021	2022	2023	2024	2025	
Number of Emp loyees *1		Aisin Corporation		Person	15,493	36,489	35,610	35,099	34,384	
		Consolidated			118,359	117,177	116,649	115,140	114,449	
Number of regular employees	Number of regular employees (by gender, ratio of female staff)	Aisin Corporation	Male	Person	13,418	33,467	32,677	32,351	31,668	
			Female		2,073	4,377	4,331	4,383	4,343	
			Percentage of female staff		%	13.4	11.6	11.7	11.9	12.1
		Consolidated	Male	Person	-	97,754	97,445	97,278	96,483	
			Female		-	19,989	20,216	21,033	20,443	
			Percentage of female staff		%	-	17.1	17.2	17.8	17.5
Job satisfaction (engagement)	Job satisfaction (employee survey results) *2	Aisin Corporation	Average	3.5	3.4	3.4	3.4	3.3		
		12 Group companies		-	3.4	3.4	3.4	3.3		
	Resignation rate (voluntary resignations)	Aisin Corporation	%	1.3	1.8	1.9	1.9	2.0		
		4 Group companies		1.6	1.8	1.8	2.0	2.3		
Diversity & inclusion	Percentage of female directors*3	Aisin Corporation	Directors	Male	Person	10	9	9	9	9
				Female		3	3	3	3	3
				Percentage of female staff		%	23.1	25.0	25.0	25.0
	Percentage of female managers		Department manager level	Male	Person	546	1,157	1,161	1,129	1,121
				Female		17	25	27	28	28
				Percentage of female staff		%	3.0	2.1	2.3	2.4
			Section manager level	Male	Person	1,710	3,314	3,458	3,655	3,745
				Female		59	95	103	111	125
				Percentage of female staff		%	3.3	2.8	2.9	3.0
	Managers		Male	Person	2,256	4,471	4,619	4,784	4,866	
			Female		76	120	130	139	153	
			Percentage of female staff		%	3.3	2.6	2.7	2.8	3.1
	Percentage of female section chiefs		Section chief level	Male	Person	3,807	5,712	5,800	5,818	5,807
				Female		200	229	292	322	352
				Percentage of female staff		%	5.0	3.9	4.8	5.2
	Percentage of female directors*4	Directors	Male	Person	-	529	527	485	452	
			Female		-	10	12	10	15	
			Percentage of female staff		%	-	1.9	2.2	2.0	3.2
	Percentage of female managers	Consolidated	Department manager level	Male	Person	-	2,917	2,969	2,809	2,812
				Female		-	148	155	151	141
				Percentage of female staff		%	-	4.8	5.0	5.1
			Section manager level	Male	Person	-	6,241	6,559	6,540	6,597
				Female		-	459	509	473	494
				Percentage of female staff		%	-	6.9	7.2	6.7
			Managers	Male	Person	-	9,158	9,528	9,349	9,409
				Female		-	607	664	624	635
				Percentage of female staff		%	-	6.2	6.5	6.3

Note: Four companies since FY2022: Aisin, Aisin Takaoka, Aisin Chemical, ADVICS. Five companies prior to FY2021: Aisin Seiki, Aisin Takaoka, Aisin Chemical, Aisin AW, ADVICS.

*1 Number of employees refers to the number of working personnel (excluding employees seconded from Aisin to outside companies, but including employees seconded from outside companies to Aisin).

*2 Job satisfaction (employee survey results): Indicator is a 5-point scale. Job satisfaction is measured by questions on job fulfillment and job fit.

*3 Ratio of female executives (Aisin Corporation, parent): Directors, Auditors.

*4 Female Executive Ratio (Consolidated): Scope: Domestic: 73 companies, overseas: 113 companies. President, Vice President

Non-Financial Data (Social)

(FY)

Item				Unit	2021	2022	2023	2024	2025
Diversity & inclusion	Number of newly promoted managers	Aisin Corporation	Male	Person	-	361	380	443	342
			Female		-	29	13	15	18
			Percentage of female staff	%	-	7.4	3.3	3.3	5.0
		4 Group companies	Male	Person	-	408	442	510	421
			Female		-	31	13	19	19
			Percentage of female staff	%	-	7.1	2.9	3.6	4.5
	Percentage of midcareer hires promoted to management positions	Aisin Corporation	Number of male midcareer hires in management positions	Person	596	1,027	1,083	1,130	1,460
			Number of female midcareer hires in management positions		21	28	31	32	48
			Midcareer hire ratio	%	26.5	23.0	23.5	23.6	30.1
		4 Group companies	Number of male midcareer hires in management positions	Person	-	1,140	1,206	1,271	1,341
			Number of female midcareer hires in management positions		-	31	34	35	40
			Midcareer hire ratio	%	-	22.1	22.0	22.5	23.3
	Gender pay gap among employees *5	Aisin Corporation	All workers	%	-	-	74.9	68.6	70.3
			Regular employees		-	-	76.2	68.8	79.2
			Part-time and fixed-term employees		-	-	80.1	82.3	70.1
	Percentage of local employees among executives (Vice President level and above) at overseas subsidiaries *6	Consolidated	Local employees	Person	122	106	110	109	114
			Number of positions	Position	337	304	318	317	318
			Local employee ratio	%	36.2	34.9	34.6	34.4	35.8
Work-Life Balance	Paid leave utilization rate *7	Aisin Corporation		%	98.0	95.4	101.0	94.0	98.2
		4 Group companies			95.6	95.3	100.7	93.8	96.1
	Average length of service	Aisin Corporation	Male	Year	16.5	16.2	16.2	16.7	17.3
			Female		13.1	12.7	12.7	13.4	14.1
			Total		16.0	15.8	15.8	16.4	16.9
		4 Group companies	Male	Year	15.6	16.3	16.4	16.6	16.3
			Female		10.8	11.6	12.0	13.0	13.0
			Total		15.0	15.8	15.9	16.2	15.9
	Average monthly non-statutory working hours*8	Aisin Corporation		Hour	16.2	21.0	21.3	24.3	23.1
	Male childcare leave utilization rate*9	Aisin Corporation		%	12.2	17.2	34.0	50.4	62.8
	Male childcare leave and male childcare-purpose leave utilization rate*10				-	-	95.7	95.8	92.2
	Male parental leave 100% utilization target achievement rate*11				100.0	100.0	100.0	100.0	100.0
	Male parental leave utilization rate	4 Group companies		%	21.1	17.9	33.2	49.7	62.5
	Male parental leave and childcare leave utilization rate				-	-	95.5	95.7	92.6
	Male parental leave 100% utilization target achievement rate				-	100.0	99.6	98.3	98.2
労働安全衛生	P従業員(派遣社員含む)の休業度数率*12	12 Group companies		%	0.07	0.14	0.17	0.15	0.25

*5 Gender pay gap: Calculated based on the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015). The main determinant of the pay gap among regular employees is a difference in the composition of job qualifications. The current gender pay gap stems from men having longer average tenure and greater representation in roles requiring advanced qualifications.

*6 Ratio of local employees among executives (Vice President level and above) at overseas subsidiaries: Target: overseas: 113 companies. President, vice president, director.

*7 Paid leave utilization rate: Calculated using the number of days granted in a single year as the denominator. The numerator includes both the number of paid leave days taken and the number of days taken under the "Anshin Leave" system (employees can carry over up to 20 days of unused annual paid leave to cover personal illness, nursing or care of a family member, childbirth of a spouse, or childcare).

*8 Average monthly overtime hours: union member average

*9 Male childcare leave utilization rate: For FY2019–FY2022, calculated based on those who took leave within the respective fiscal year. From FY2023, the utilization rate for childcare leave, etc., as defined in Article 71-4, Item 1 of the Enforcement Regulations of the Act on the Welfare of Workers Who Take Childcare Leave, Family Care Leave, etc. (Ministry of Labor Ordinance No. 25 of 1991), is calculated based on the provisions of the Act on the Welfare of Workers Who Take Childcare Leave, Family Care Leave, etc. (Act No. 76 of 1991).

*10 Male employee childcare leave and childcare-purpose leave utilization rates: These rates were calculated based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991) and Article 71-4, Item 2 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ministry of Labor Ordinance No. 25 of 1991). When male workers report different years for their spouse's childbirth and for taking statutory or company-sponsored childcare leave, the rate may exceed 100%. Company-sponsored childcare leave includes special leave (a system allowing employees with children under two years old to take five days of leave per child for their spouse's childbirth or childcare) and "Anshin Leave".

*11 Targeted male childcare leave take-up rate of 100%: statutory childcare leave, employer-sponsored childcare leave (special leave, "Anshin Leave")

*12 Lost-time injury frequency = (number of casualties / total actual working hours) × 1,000,000

External Awards and Recognitions

Aisin has received high recognition from various external evaluation organizations for its sustainability initiatives.

Inclusion in ESG indices



FTSE4Good

FTSE4Good Index Series

<https://www.lseg.com/en/ftse-russell/indices/ftse4good>



S&P/JPX carbon efficiency index



FTSE Blossom Japan Index

FTSE Blossom Japan Index

<https://www.lseg.com/en/ftse-russell/indices/blossom-japan>



Sompo Sustainability Index

Sompo Sustainability Index



FTSE Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index

<https://www.lseg.com/en/ftse-russell/indices/blossom-japan>

External ESG assessments



DX Stocks 2025

Selected for two consecutive years starting in 2024



Digital Transformation Certification

Certified each year since 2021
Selected as a DX Certified Business



CDP

In 2024, we were selected for the A List, the highest rating, in the climate change segment, by the Carbon Disclosure Project (CDP), an international nonprofit organization that assesses corporate environmental initiatives.



ESG Finance Award Japan (Ministry of the Environment)

For the first time we received the Silver Award (Minister of the Environment Award) in the 6th presentation for the Environmentally Sustainable Company category, which recognizes companies that have actively engaged in green projects and had a significant positive impact on the environment and society. We received the Bronze Award in the 4th and 5th editions of these awards.



Selected as a White 500 company under the 2025 Health & Productivity Management Outstanding Organizations recognition program

Awarded in nine consecutive years since 2017
Health & Productivity Management Outstanding Organizations 2025 (Large Enterprise category) White 500

Company Information

Company overview (as of March 31, 2025)

Company name	AISIN CORPORATION
Capital	¥45 billion
Head office address	Head office address 1-2 Asahimachi, Kariya-shi, Aichi 448-8650 Phone: 0566-24-8441 (Main)
Representative:	Moritaka Yoshida: President, Member of the Board of Directors
Number of employees	Parent: 34,384 Group: 114,449
Number of consolidated subsidiaries	Consolidated subsidiaries: 191 (domestic: 71, overseas: 120) Equity method affiliates: 13 (domestic: 7, overseas: 6)
Business activities	Manufacture and sale of automotive parts and energy solution-related equipment

Stock data (as of March 31, 2025)

A 3-for-1 stock split was implemented on October 1, 2024. Figures are adjusted to reflect the post-split values.

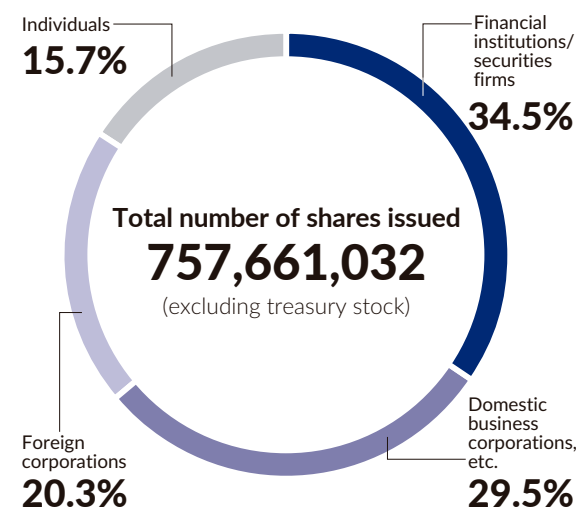
Major shareholders (top 10)*1

Shareholder name	Number of shares held (thousands)	Shareholding ratio*2 (%)
Toyota motor corporation	161,828	21.35
The master trust bank of Japan, Ltd. (trust account)	74,064	9.77
The Japan custody bank, Ltd. (trust account)	43,879	5.79
Toyota Industries Corporation	23,239	3.06
Aisin Employee Stock Ownership Association	20,531	2.70
Toyota Real Estate Corporation	19,034	2.51
Nippon Life Insurance Company	18,900	2.49
Kochi Shinkin Bank	17,955	2.36
JPMorgan Securities Japan Co., Ltd.	15,934	2.10
STATE STREET BANK WEST CLIENT - TREATY 505234	10,371	1.36

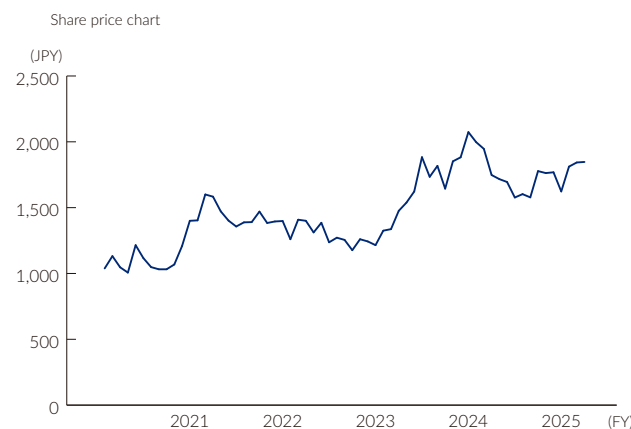
*1 The Company holds 51,362 thousand shares of treasury stock that are excluded from holdings of the major shareholders listed above.

*2 Shareholding ratios are calculated after deducting treasury stock from the total number of shares issued.

Shareholder breakdown



Share price trends and total shareholder return (TSR)



Fiscal Year	Stock Price*1 (¥)	Dividend (¥)	Total shareholder return*2 (%)
2025	1,623	60.00	213.2
2024	2,074	56.67	257.2
2023	1,215	56.67	154.1
2022	1,398	56.67	168.4
2021	1,400	40.00	162.2

*1 Share prices are as of the year-end close.

*2 Calculated using March 2020 baseline.

Contact

<https://www.aisin.com/en/contact/>