

AI SIN

INTEGRATED REPORT 2026



Create value through mobility

Five years have passed since the business integration of Aisin Seiki and Aisin AW.

By combining the management capital each company had built up, and by aligning diverse technologies, people, and expertise, we have greatly widened the areas in which we can take on challenges and broadened our options.

As we continue to confront the question “What is the value of mobility?”, Aisin is advancing into its “second founding” period defined by a new stage of growth.

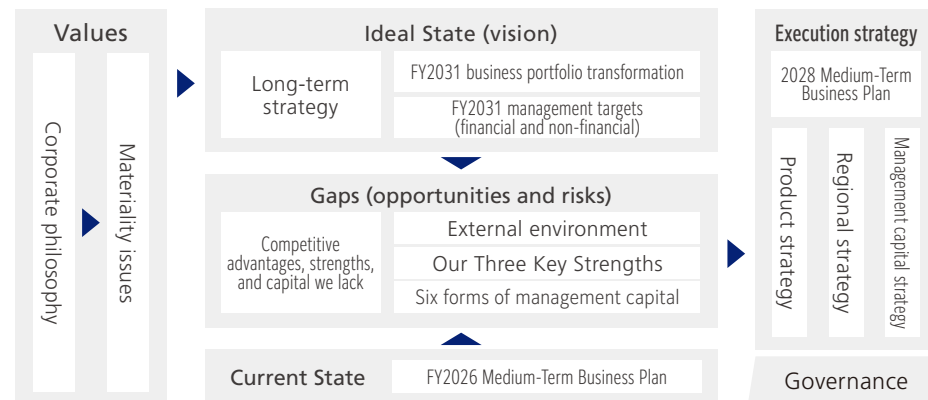
Powered by people and organizations that maintain a confident approach to challenges and an openness to change, we are speeding our shift to creating value through mobility.

Editorial Policy

The Aisin Corporation Integrated Report helps stakeholders understand our approach to medium-to-long-term value creation and the growth story intended to realize. We present this report as a starting point for dialogue that leads to further enhancement of corporate value. In the 2026 edition, we have reorganized our overall vision of value creation, starting from our corporate philosophy. Our long-term strategy shows how we resolve, through our business activities, the materiality issues identified as critical to realizing that philosophy and how doing so leads to growth.

We have also identified the gaps to be closed on the way to our goals, positioned the FY2029 Medium-Term Business Plan we announced in February 2026 as our strategy for execution, and focused this report on specific measures and avenues of progress. 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.

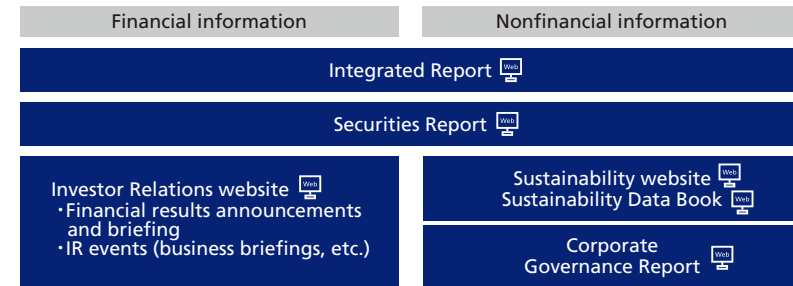
Structure of this report



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.

Information disclosure framework



Coverage period

This document primarily focuses on FY2026 (April 1, 2025, to March 31, 2026), 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., 3 Group companies, 13 Group companies).

3 Group companies
Aisin, Aisin Takaoka, ADVICS

13 Group companies
Aisin, Aisin Takaoka, Aisin Keikinzoku, Aisin Development, Aisin Kiko, Aisin Sin'ei, Aisin FUKUI, Hosei Brake Industry, ADVICS, Aisin Shiroki, Art Metal MFG., Aisin Kyushu, CVTEC

Reporting cycle

Published annually as an annual report

Date of issue

September 2026

Contents

Editorial Policy	02
Contents	03

Introduction

AISIN Group Philosophy	04
Sustainability Management	05
Our Three Key Strengths	06
Aisin's History	07
At a Glance	08

01 Why : Management Messages

Message from the President	10
Message from the CFO & CSO	15
CTO & CDO × CMzO Dialogue	18

02 What : Our Vision

Value Creation Process	22
Long-term Strategy	23

03 How : Execution Strategy

Review of the FY2026 Medium-Term Business Plan	27
FY2029 Medium-Term Business Plan	28
Financial Strategy	29
Product Strategy	32
Regional Strategy	40
Intellectual Capital	43
Manufacturing Capital	47
Human Capital	49
Natural Capital	53
Social and Relational Capital	58

04 Governance

Outside Directors' Roundtable	63
Corporate Governance	67
Risk Management	76
Quality	78

Data

Financial Data	79
Nonfinancial Data (Environment)	80
Nonfinancial Data (Social)	81
External Awards & Recognition	83
Company Information	84

Direction of transformation



P.10 Message from the President

Credibility of the strategy



P.15 Message from the CFO & CSO

Sources of competitive advantage



P.18 CTO & CDO × CMzO Dialogue

Supervisory function that raises the effectiveness of transformation



P.63 Outside Directors' Roundtable

AISIN Group Philosophy

Motivated by our corporate philosophy, "Inspiring 'movement,' creating tomorrow," we provide ongoing new value to our colleagues, customers, and society, so as to realize a sustainable society.

Beyond contributing to the evolution of physical movement, we furnish people around the world with all kinds of mobility experience that move the heart, transcending conventional concepts and modes of movement, and bring them the surprise, enjoyment, and inspiration this creates. By generating new value through environmentally conscious business, we also pass on to the future a sustainable society full of smiling faces and a beautiful planet.

To realize this corporate philosophy, the AISIN Group Charter of Sustainability lays out 11 principles for us as a company, and the AISIN Group Way articulates the values and attitudes we cherish in our daily work.

When all Group employees put these into practice, we make our corporate philosophy a reality.

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.**

Sustainability Management

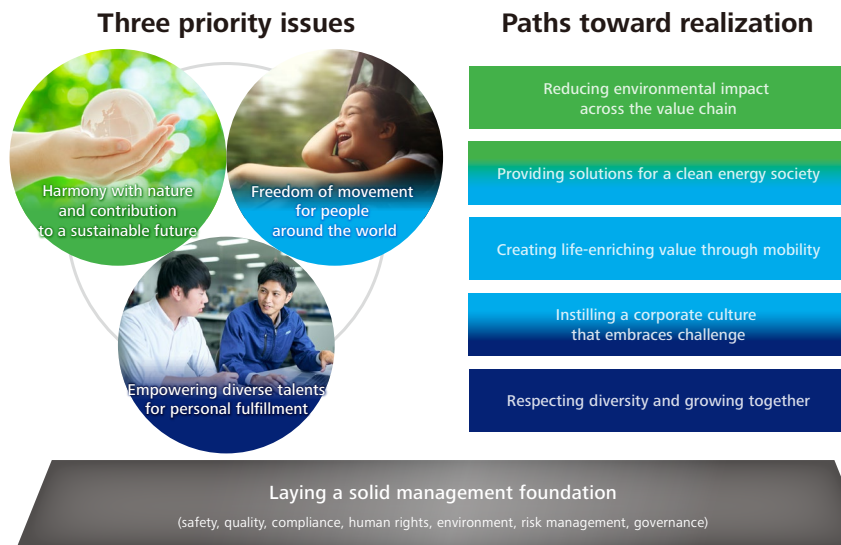
Driven by its corporate philosophy, "Inspiring 'movement,' creating tomorrow," Aisin works to anticipate social issues and needs through dialogue with stakeholders and pursue a virtuous cycle in which its operations contribute to a sustainable society while enhancing corporate value.

The Company has established its AISIN Group Charter of Sustainability, which guides our corporate activities and underpins our sustainability management effort. It has also identified the key material issues germane to realizing our corporate philosophy that we need to address in the medium-to-long term and placed them at the core of our management strategy. We are currently promoting them as an integral part of our growth strategy. For more on how materiality issues are identified, please see the Sustainability website. [Sustainability Website](#)

Identified materiality issues

We have identified three priority issues and five paths toward their resolution that we regard as central materiality concerns. We are resolving them through our business execution. For details of the materiality KGIs and KPIs, see the list of non-financial targets (materiality KGIs and KPIs) under our long-term strategy. ([P.24-25](#))

Materiality issues

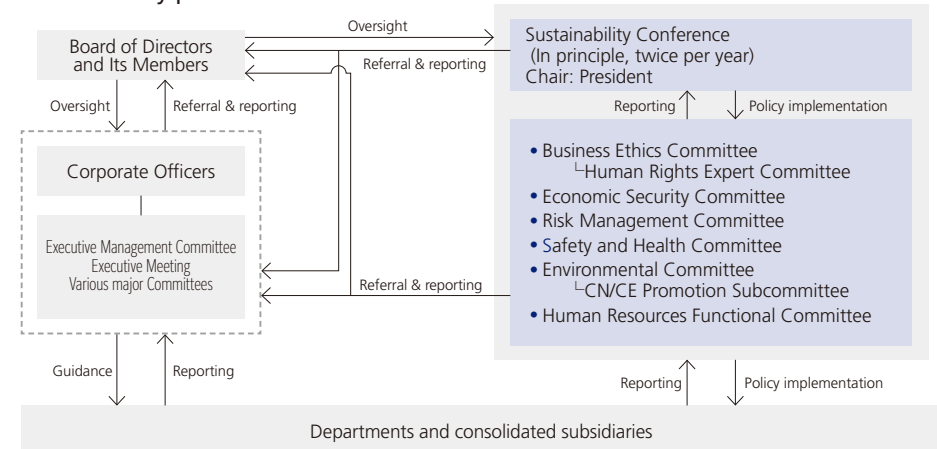


Sustainability promotion structure

We hold a Sustainability Conference, chaired by our President, twice a year to discuss and determine the direction of our sustainability policies and initiatives, as well as to manage the progress of initiatives based on materiality issues. Policies adopted at the Sustainability Conference are reflected in the plans of each committee and deliberative body so they can propel initiatives to achieve our goals.

Furthermore, important items from among matters deliberated and decided upon at the Sustainability Conference and in other forums are submitted and reported to the Board of Directors, which provides oversight.

Sustainability promotion structure



Sustainability Conference

Frequency	In principle, twice per year	Chair	President
Participants	Senior executive officers, Executive general managers of regional divisions, Presidents of major group companies, etc.		
Main Agenda Items	• Sharing the latest trends in sustainability • Discuss and decide on sustainability policies • Review of materiality, determination of indicators and targets, and follow-up on progress		

Our Three Key Strengths

Aisin has grown on the strength of the outstanding technology development, manufacturing expertise, and Group synergy it has cultivated since its founding. These three areas of strength have evolved by reinforcing one another and shaped a competitive advantage unique to Aisin. Outstanding technology development begets attractive products, and manufacturing expertise allows our design ideal to manifest in a form that excels in quality and is suited to mass production. Group synergy then channels that value to customers through our diverse business portfolio and global network. By repeating this cycle, we have successfully responded to social demands and customer needs while providing value through mobility solutions. We will further refine these three strengths and accelerate our transformation into a company that emphasizes value through mobility.



Outstanding technology development

// 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.



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 quality supremacy 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.



Group synergy

// 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.

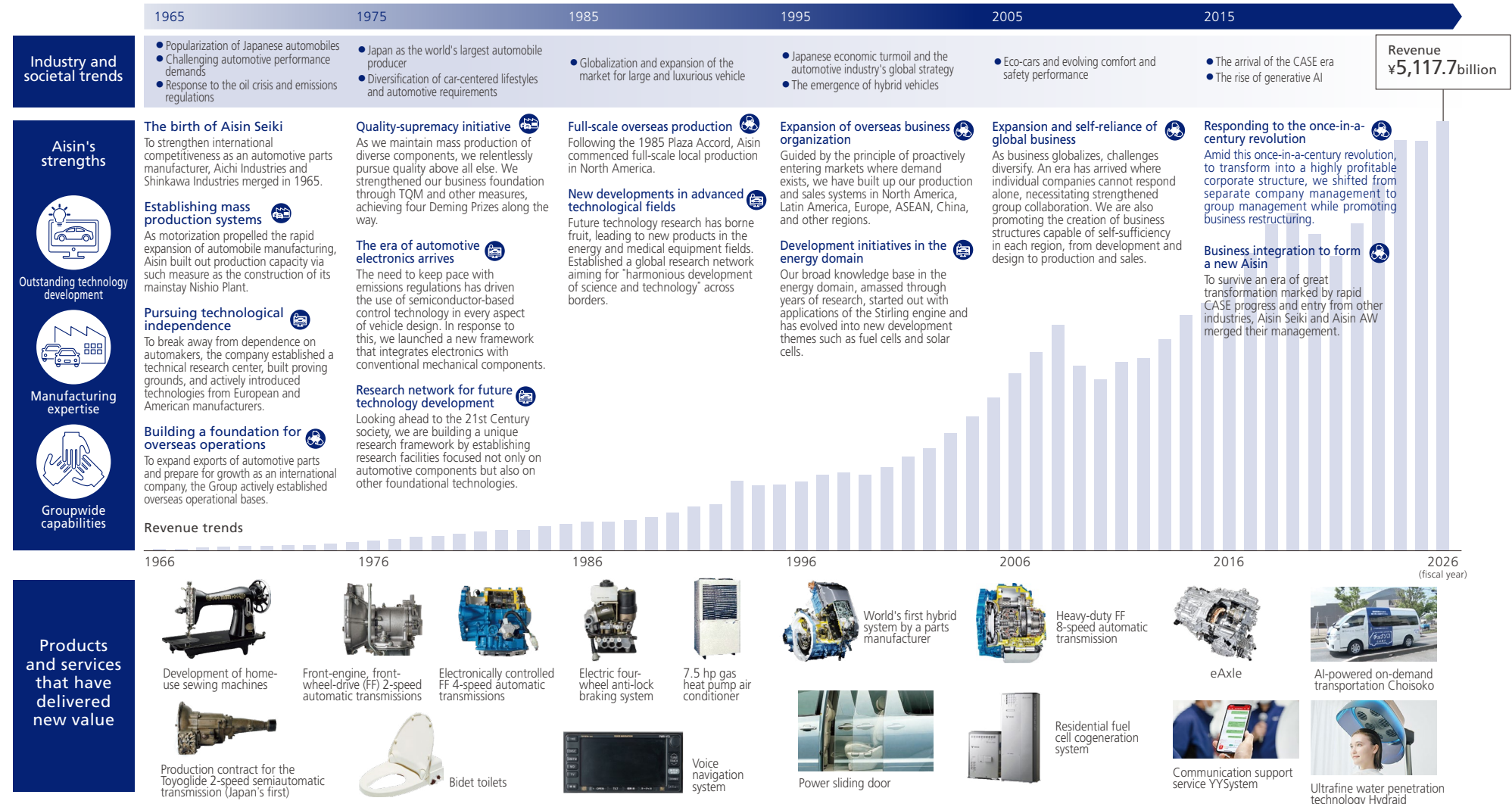
// Diverse business portfolio

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.

Aisin's History

AISIN CORPORATION INTEGRATED REPORT 2026 07

Since the 1965 birth of Aisin Seiki (now Aisin), we have evolved through technological refinement, driven by a spirit of challenge and, on September 1, 2025, we marked our 60th anniversary. We have historically responded to changes in society and the mobility segment by creating new value based on our passion for manufacturing and our future-oriented, inquiring spirit. With our 100th anniversary coming into view, we continue to take on new challenges as we pursue sustainable growth and contribute to society.



At a Glance (As of March 31, 2026)

Established in
1965

Global employee count
(consolidated)
113,292

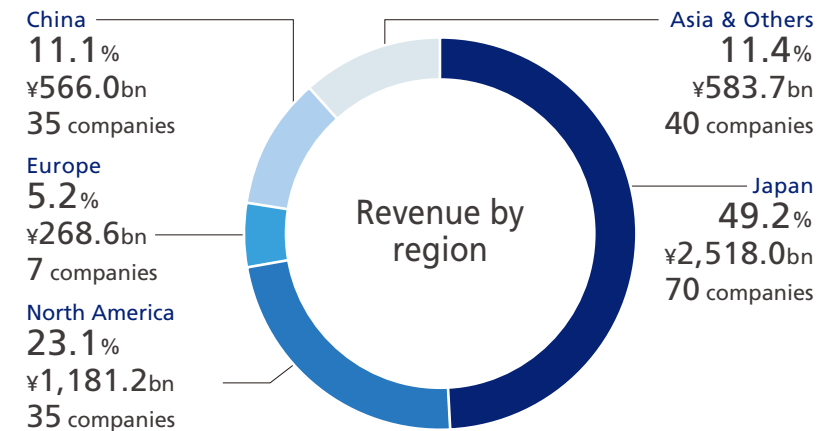
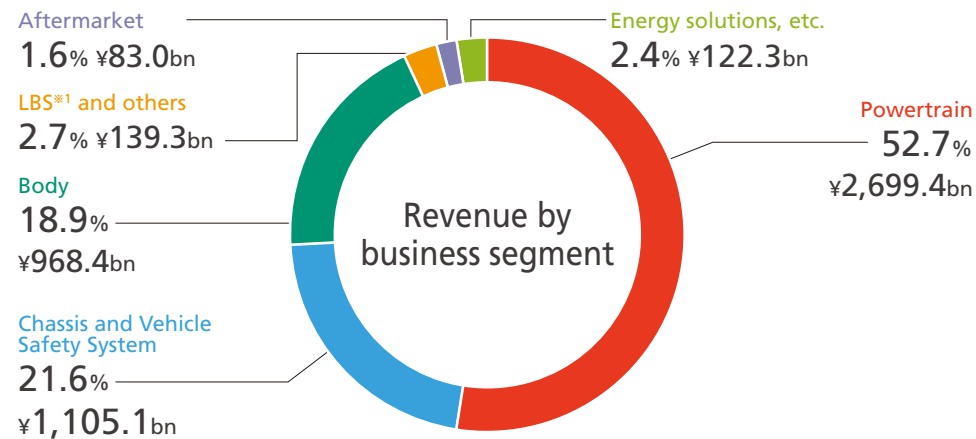
Revenue
¥5,117.7 billion

Operating profit
¥228.7 billion

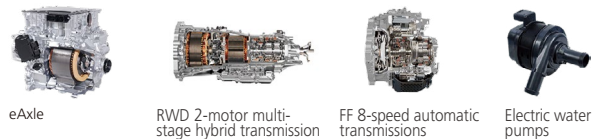
Automotive parts
revenue ranking*¹
Japan: **2nd**, global: **7th**

*1 January–December 2025 Source: "Automotive News"

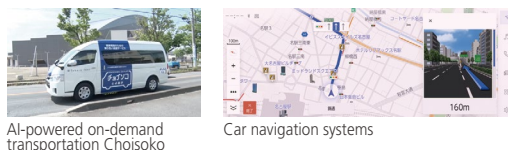
Revenue by business segment and region



Powertrain



LBS*2 and others

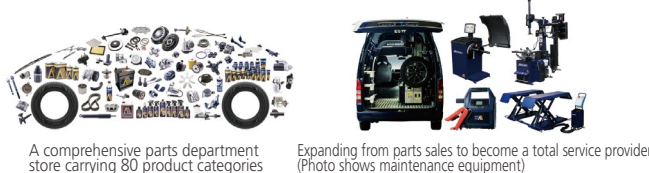


*2 Location Based Service (Services using geolocation data)

Chassis and Vehicle Safety System



Aftermarket



Body



Energy solutions, etc.



CHAPTER
01

Why : Management Messages

A Company That Creates Value Through Mobility
– Purpose and Motivation

CONTENTS

- 10 Message from the President
- 15 Message from the CFO & CSO
- 18 CTO & CDO × CMzO Dialogue

Message from the President

Truly becoming a company that creates value through mobility

From the second founding period and into the future



Moritaka Yoshida

President, Member of
the Board of Directors

First of all, we offer our sincere condolences to those who lost their lives in the 2026 Kumamoto Earthquake and extend our heartfelt sympathies to everyone impacted by the disaster. As one of the parties affected, with Group sites in the area, we will keep the words "no production without the local community" in our hearts and do everything we can to help the affected areas recover as soon as possible.

Prologue

What is the value of "movement"? It is a question I have kept asking myself throughout my long career in the automotive industry. There is no single answer, and there is no end to the asking. To prevail amid the currently unfolding once-in-a-century revolution, Aisin Seiki and Aisin AW integrated their management in 2021, and a new Aisin was born. Having become President that same year, I have regarded these five years as our "second founding period" and have pursued reforms accordingly. Now our gaze is set on 2035 and beyond. Here I would like to share what we are building and what we are seeking to achieve in these uncertain times.

What we will not change, and what we must change

When I was a child, a new car joined our household. With my father at the wheel, the whole family set off for Lake Biwa. The newly opened Meishin Expressway, the scenery streaming past the window, my heart racing. As a university student, I drove the first car I ever bought—my beloved chariot—to Hokkaido with friends. A straight road stretching all the way to the horizon. We could go anywhere... Even now, I cannot forget that sense of freedom. The desire to move about freely may be a fundamental human urge, one that humankind has held throughout its long history ever since our ancestors left Africa and spread across the world.

Movement is not merely a matter of connecting one point on a map to another. It brings us to new scenery, connects people with one another and increases our potential. It is the automobile that has brought free movement within closest reach for the most people. That is precisely why people have think of their cars not a mere means of transport but beloved actors in their lives. We live to support that freedom safely, comfortably, and in a way that inspires. That is where the value of mobility that Aisin should create resides.

Message from the President

Entrusted with management in an age when the future seems impenetrable, whenever I find myself hesitating, there is a starting point to which I always return.

It is our corporate philosophy "Inspiring 'movement,' creating tomorrow," which we established on the occasion of the integration. This philosophy is the foundation we rely on, one that must never change, however great the period of transformation.

Though we stand atop this unchanging foundation, there are realities that must change. The integration set sail into rough seas, buffeted by the COVID-19 pandemic and a semiconductor shortage.

We channeled funds generated by improvements to our existing businesses into electrification and intelligence and pursued a painful weeding-out process. We reevaluated the technologies and expertise each company had cultivated under management across separate companies, redefining them as assets of the Group. We then undertook a major course change toward synergistic group management.

As we have advanced along this path, there is one thing of which I have become ever more certain:

We at Aisin have the power to create value with regard to "movement."

Things only Aisin can do

If we liken a car to the human body, the cameras and sensors that recognize the surroundings are the eyes, the semiconductors and ECUs that make the judgments are the brain, and the actuators and drive units responsible for propulsion, steering, and braking are the muscles that move the body. Aisin's true strength lies in producing, on our own, the musculoskeletal organs that provide movement. Propulsion, control, and braking are functions we have continually refined and which let people freely move as they wish while enjoying peace of mind.

We coordinate these muscle elements with our automaker customers, assembling them into systems, and refining their application in actual vehicles at our own proving grounds in Japan and overseas. We call this position, in which we handle everything ourselves from planning and design through implementation and verification, "Tier 0.5." Only a handful of parts manufacturers in the world can go as far as practical vehicle testing and actual driving. One of the few manufacturers capable of creating the value of movement: that is Aisin.

Over many eras, our technologies have created new value and expanded the possibilities of movement for people. Automatic transmissions (ATs) freed drivers from complicated gear shifting and gave even those who had given up on driving the freedom to take to the road. At the Beijing International Automotive Exhibition in the spring of 2026, we demonstrated the application to the vehicle cabin of our Hydrad product (P.45), which was born from our catalyst technology for exhaust gas treatment, thereby revealing a mobility experience that becomes more comfortable and healthier the longer one rides.

Cars of the future will not be able to create value through either hardware or software

alone. By combining the muscles (actuators and motor controllers) with the brains (AI and software), we will create integrated, intelligent mobility value that is expressed neither as a component nor as software. That is a role only a Tier 0.5 company can fulfill.

In reaction to the rise of manufacturers in emerging countries and the response to electrification and intelligence, automakers' development resources are under more pressure than ever. What is needed now is not a company that delivers parts, but a partner who participates in the development process and brings answers validated in actual vehicle trials. We will remain a value-creation partner who proposes ideas from the end user's perspective.

The symbol of this is our functionally integrated electric unit (Xin1) motif, which brings together the Group's technologies. It evolves the eAxle concept and is now providing broader utility as a drive unit for battery electric vehicles (BEVs) and, by integrating multiple functions, offers reduced size, higher efficiency, and a lower cost. Because it reduces the batteries a vehicle needs as a whole, enabling weight reduction and greater design freedom, multiple automakers have approached us about it as a proposal that enhances the value of the entire vehicle.

In recognition of these technologies and the value proposition they enable, our business has been able to expand to cover more than 40 automakers worldwide. As we steadily grow our business alongside our principal customer, Toyota Motor Corporation (TOYOTA), we are initiating new transactions with customers around the world at an even faster pace, raising the ratio of sales to buyers other than TOYOTA at a projected rate of approximately 10 percentage points by 2030. We are growing the overall business as we restructure our revenue composition. In the process, we are sharing knowledge amassed



Message from the President

across the entire Group. Moreover, we are drawing on collaborations and external partnerships to strengthen our value creation capabilities. This is another thing only Aisin can do and should attract new customers and further enhance our corporate value.

Creating value through mobility

We are not fully meeting the market's expectations when measured against our revenue scale and technological capabilities. Our shareholders and investors give us frank and, at times severe, opinions. It would seem that both our earning power and capital efficiency remain insufficient. Compared with the growth of the automotive industry, the market's valuation of us has been modest. We cannot turn away from this reality. Closing this gap is the key management challenge facing Aisin today. What is being questioned is not the scale of our revenue. It is the ability to maintain earnings even when opposed by headwinds and not being reliant on favorable market conditions or the external environment.

Aisin is amid its transformation into a company that creates value through mobility. By "creation," we mean more than simply fulfilling customers' requests exactly as presented. We mean building upon the manufacturing base we have constructed under the banner of "quality supremacy" since our founding in 1965 to become a party that introspectively questions, envisions, and creates value through mobility in novel ways that others have not yet considered. From passive "making" to active "creating." This shift lies at the heart of our strategy as we head toward 2035.

The first pillar of value creation is our new-vehicle business, where we have cultivated our technologies and expertise. Here, we will further hone our skills in two domains. One is the domain that supports propulsion, steering, and braking. By combining powertrains, brakes, and integrated electronic control units (ECUs), we enhance basic vehicle performance while helping automakers reduce their development workload and enhance their brand value. The other is the area in which we deliver comfort in mobility. By building sensing, AI, and software into the cabin space, we treat every step from pre-boarding to after arrival as a single experience and deliver safety, comfort, and excitement to our users. By moving beyond functional value into experiential value, we raise the added value of the new-vehicle business itself.

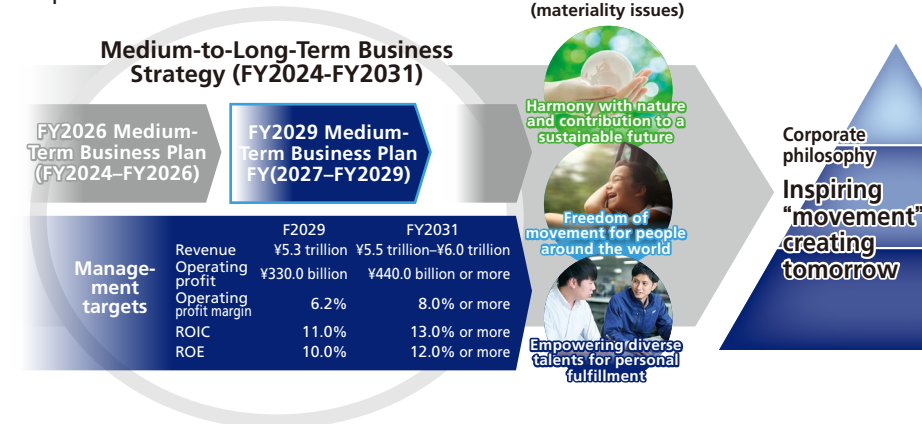
The second pillar is cultivating an earnings base that does not depend on new vehicles. At its core is the aftermarket business. Stewardship over the value of mobility does not end the moment a new vehicle is delivered. For those who drive the same car for many years, we supply carefully selected, reliable replacement parts to the world's markets, keeping their beloved car running longer and more safely.

This contributes to a society that uses resources with care, and it is another form of extracting value from mobility. We can also cite clean energy technologies that contribute to decarbonization as an area for development, along with other new domains we are exploring as extensions of the expertise we have cultivated with regard to the "power to

move things" and control technology. These efforts are not simply a matter of expanding our businesses. They require us to build a strong yet flexible business structure that does not depend excessively on any particular market or any particular power source—even as the automotive industry environment changes rapidly. Which pillars should we establish for 2035 and beyond, drawing on the technologies and customer base we have honed in the new-vehicle business? We are holding ongoing discussions in such forums such as off-site meetings where outside directors and executive management can freely exchange opinions.

The run-up to the future began five years ago. Through restructuring, ROIC has improved to 9.1%, and we have mapped out a path to raise it to 13% or more by FY2031—a level that comfortably exceeds our cost of capital. Over the next three years, we are slated to invest ¥450 billion in growth domains, and total shareholder returns are targeted at ¥300 billion or more. How much of our management resources should be allocated to which areas? We have engaged in frank discussions at the Board of Directors—including regarding the structure of our balance sheet—to verify the appropriateness of these decisions. We reinvest the profits we earn into our future growth and return the results to our shareholders. We believe that ensuring this virtuous cycle of capital is the path to aligning our corporate value with market valuation. We will remain a company that consistently creates value through mobility, whatever sort of era may come: That is my pledge to all our stakeholders, including our shareholders and investors.

Path toward sustainable enhancement of corporate value



Message from the President

Winning even in the face of headwinds

How do we put our strategy into action? The first step is the Medium-Term Business Plan we formulated in February 2026. Geopolitical risks, shifts in energy policy, and the rise of emerging-market manufacturers are key themes. These are not temporary headwinds but structural changes that are fundamentally reshaping the competitive environment. The current situation explains precisely why we have clarified those areas that we intend to develop over the next three years as well as how we will resource them and extract earnings. The Plan proceeds along three axes: product, region, and function. First we have the regional axis, under which we entrust functions and authority to local management. How do we protect and grow earnings when tariffs, trade policy, and exchange rates introduce volatility? Headquarters sets the key strategies, and the regions, led by senior local management, take the lead in deciding and executing everything from procurement and sales to production. We will ensure robust earnings in each region by, for example, expanding production of hybrid units in North America and of automatic transmissions (ATs) in India. Establishing roots in a region provides learning opportunities. We approach emerging-market manufacturers, with their overwhelming development speed and cost competitiveness, in a spirit of humility and willingness to learn. Working with the local partners in our joint ventures, we are shifting from our conventional mindset that tends to chase high performance to an approach that delivers the value local customers truly want at a reasonable and appropriate cost. By combining what we learn with the quality and reliability cultivated through Japanese monozukuri manufacturing, we will build the strength to compete in the markets that will grow from here.

Next is the product axis, under which we strengthen the profitability of our commercial offerings. As an example, the pace of decarbonization depends on how much energy each country can secure. In some regions, battery electric vehicles (BEVs) are the realistic solution, while in others hybrids (HEVs), plug-in hybrids (PHEVs), and ICE will remain in

demand for a long time to come. A single future is not unfolding for the world all at once; multiple futures await different populations. With world-leading powertrain units as our first priority, we are holding to a full-lineup strategy that delivers optimal solutions tailored to individual regions.

This is not insurance taken out because we cannot tell which future will arrive; we are going on the offensive to answer the real needs of each market. Among these, one of the technologies that will drive our future growth, alongside the functionally integrated electric unit (Xin1), is the cooperative regenerative brake system. This technology recovers energy generated during deceleration as electricity, directly improving fuel economy and electrical efficiency. Brakes are safety-critical parts on which lives depend. Because safety verification requires many years and a proven track record, latecomers face a substantial moat. Only a handful of parts manufacturers worldwide have, over many years, refined this technology and the ability to mass-produce it. Aisin is one of them. Our solutions can be fitted to HEV, PHEV, and BEV alike, so whichever power source becomes mainstream, we are ready to capitalize on earnings opportunities while minimizing risk.

Finally, there is the functional axis, which concerns itself with the fundamental strength of the entire company. Our ability to compete in each region and to respond with products can only be sustained if we move resources to where they generate the most value. In integrating such common functional domains as logistics, production, and digital, we must determine where to focus our people, technologies, equipment, and other existing assets. We will assess this on a function-by-function basis and allocate management resources optimally.

Whether the challenge is geopolitics, shifting energy policy, or competition with emerging-market manufacturers, if the three axes mesh together organically, we can fight our way through any headwind. This I believe.

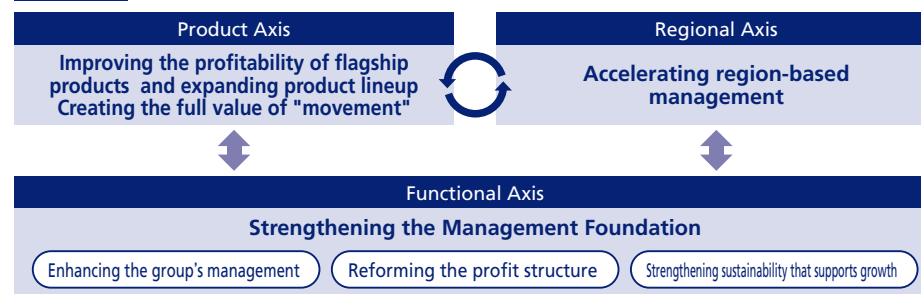
Response to social issues

When we pursue, from the customer's perspective, the value of mobility to its limit, we invariably encounter environmental and social issues. That is precisely why I place sustainability at the center of our management effort. Which businesses to operate, which technologies to nurture, which domains to invest in, and which social issues to address as an enterprise—these are key questions that have a critical sustainability element and which determine our medium-to-long-term corporate value.

Choisoko (P.61), the AI-powered on-demand transportation service we commercialized according to this line of reasoning, has become an everyday means of getting around for people who have surrendered their driver's licenses and for those living in areas with limited public transportation. Delivering freedom of movement to everyone, regardless of age, gender, or disability; that is a step toward the society we aim to create.

We take the same approach regarding the sustainability of the global environment. We extend the use of technologies designed for vehicle electrification to promote carbon

Basic Policy Aim to balance both strengthen our earning power and invest in future growth.



Message from the President

neutrality for society as a whole. Perovskite solar cells (P.57), hydrogen generation technology (P.57), and Bio-M-Coke® (P.55), a bio-briquette coke that replaces coking coal. We are implementing the results of our research and these demonstration projects in the field and, beyond simply contributing to the environment, are developing them into a core revenue stream. We believe that addressing social issues offers the opportunity for growth and that providing both social and economic value drives corporate value growth over the long term.

Continuing to question, continuing to challenge

Over the past five years, which we have positioned as our second founding period, we built the foundation for executing our strategy with the help of all our employees. Revenue has reached the ¥5 trillion level, and our operating profit margin has risen, giving us the strength to invest in the future. The functional division system, which removes organizational barriers, has taken root, enabling us to draw on the people, technologies, equipment, and know-how of the entire Group as a single unified asset.

Aisin's corporate value has its origin in the strength of each individual working on the front lines. That is why I have devoted the utmost effort to investing in our people. Rather than increasing our global workforce of approximately 110,000, we are shifting its composition toward growth domains. We plan to increase our software personnel by approximately 40% by FY2031 compared with FY2026, entrust routine work to AI and DX solutions, and have people perform work of higher added value.

Awareness on the front lines is also beginning to change. How can we use the strength of the Group, beyond the boundaries of departments and companies, to create greater value? Our gaze is turning ever outward and farther ahead. Every individual employee, when asked about the value of "movement," provides an answer through their own work. I believe that the accumulation of these responses will drive Aisin's corporate value forward into the future.

To execute management decisions with speed and agility close to the front lines, we revised our management structure this April. I have entrusted two vice presidents with distinct areas of responsibility, while I have shifted my focus to setting the overall direction for the Group, developing the next generation of business leaders, and devising long-term strategies for 2035 and beyond. Precisely because uncertainty is intensifying, we are shifting to team-based management that responds flexibly to change while on the move. Speed becomes a strength only when it is accompanied by correctness. The role of the Board of Directors is to supervise the fitness and application of strategies created and executed by management. We believe that a healthy balance of tension, in which each party fulfills its respective role, enhances corporate value. Our leadership team has been joined by new outside directors Yasuhito Hirota, who is highly experienced in corporate management, and Keiko Tatsuwaki, who has deep insight into sustainability. With this addition of objective perspectives from outside the Company, our discussions have

become deeper and more varied.

We are working to transition the Board of Directors into a supervisory body that looks beyond short-term, individual decisions. Its new expanded focus considers medium-to-long-term strategies and the allocation of management resources as well as the appropriate oversight of execution and encouragement of prudent risk-taking. Moving forward, we continue to clarify the distinct roles of supervision and execution and accelerate governance reforms aimed at enhancing corporate value.

Technologies that support mobility and management that links these to corporate value: This is the two-pronged strategy that will continue to come up with optimal solutions for each region and each customer. We return the value we create to all of our stakeholders. With these results and challenges at the fore, we strive to create more opportunities than ever to sit down and talk face to face with our shareholders and investors.

There is no end to the main question we are addressing: "What is the value of 'movement'?" We will continue to take on challenges as we protect what must not change and boldly reform that which should.

This is because we believe that movement itself makes people and society happy and brings smiles to people's faces, whether in the exhilaration I felt traveling at the wheel of a car in my student days, the evolution of technology that challenged me as an engineer, or a future in which people around the world can come and go freely and with peace of mind at any time.

To 2035 and beyond: Please continue to expect great things from Aisin.



A scene from the ekiden road relay in which Group employees took part to mark the 60th anniversary of Aisin's founding

Message from the CFO & CSO



Directing earning power at the next stage of growth

Daisuke Kondo

Executive Vice President, Member of the Board of Directors
Chief Financial Officer (CFO)
Chief Strategy Officer (CSO)

In April 2026, I was appointed CFO and CSO.

Following a career at a news organization, I joined Aisin Seiki and have since been involved with themes that marked turning points for the Company, including the formulation of the 2020 Vision after the global financial crisis, the business restructuring with Toyota Motor Corporation, and the management integration of Aisin Seiki and Aisin AW. Now, with Aisin in its “second founding period,” I take seriously my mission of overseeing financial and business strategy as a unified effort. Drawing on this experience, I would like to describe how we will accelerate our transformation into a company that creates value through mobility.

Enhancing our earning power

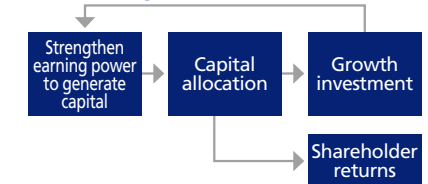
Since the management integration in 2021, we have reviewed our business portfolio and undergone restructuring. The aim of the integration was to build an organization in which the entire Group faces the same direction and can create and execute strategy at a time when electrification and intelligent systems are driving major structural changes in the global automotive industry.

In the Group reorganization kicked off by the management integration, we have carried out the corporate combination and reorganization of approximately 50 companies, streamlining our production structure and strengthening the supply capabilities needed to respond to a changing market. In FY2026, we achieved higher revenue and profit despite countervailing factors affecting cash flow, such as investment in people and in the future, the impact of tariffs, and geopolitical risk. I believe that the fact our fundamental constitution and earning power that enables a certain level of profit even when the external environment changes unexpectedly shows that the restructuring undertaken since the management integration is producing consistent results.

The FY2029 Medium-Term Business Plan (FY2029 Plan), announced in February 2026, does not simply set high targets; it is grounded in what we achieved under the previous FY2026 Plan and in the risks we anticipate. As we sustain our growth investment program, we are strengthening our earning power and further refining ourselves so we can simultaneously deliver profit growth and shareholder returns. We are demonstrating such steady progress through our single-year results and our achievement of the Plan’s objectives.

Sustainable growth

Future growth investments



The next question: Where to place our bets

In the FY2029 Plan, we took a combined look at the product and regional axes to clarify which products are to produce earnings and in which regions we can capture growth opportunities. To avoid dependence on a single market assumption, we are adopting management procedures that can respond to multiple growth scenarios.

The progress of electrification and intelligent systems differs by country and region and depends upon policy, energy circumstances, and customers. What management requires is not a commitment to a single vision of the future but a stance that can respond to change.

Supporting that stance is Aisin’s full lineup of powertrain units. Our broad product range spanning battery electric vehicles (BEV), plug-in hybrids (PHEV), hybrids (HEV), and internal combustion engine (ICE) vehicles and our global distribution capabilities that respect each region’s regulations and supply chains are major advantages in an era of rapid change.

Along the product axis, the FY2029 Plan identifies three earnings pillars: automatic transmissions (AT), PHEV/HEV, and brakes.

While ATs are unlikely to experience significant volume growth, we can raise this segment’s capital efficiency by using existing facilities and consolidating sites. This is a business that generates stable cash flow and supports our upcoming growth investments. PHEV/HEV constitute the domain that we expect to drive our future growth. Because the path to electrification differs by region, there is no shortage of markets—North America among them—where hybrids are the realistic solution. Drawing on the strength of our full lineup, we intend to steadily capture this demand. Brakes are also growing in importance as electrification advances. We intend to expand sales of highly profitable new models of cooperative regenerative brake systems and develop them into a key driver of future earnings.

We are investing with a view to 2030 and beyond. Although our eAxle range is currently affected by slowing BEV demand and price competition, we have made these units more

Message from the CFO & CSO

compact and efficient and raised their overall attractiveness to a level on a par with our competitors—including with regard to cost. We expect this product class to begin contributing to profit from 2028, and from 2030 onward we will develop it into a key source of earnings. Xin1, in particular, which integrates multiple functions, such as thermal management, into a compact eAxe package, is a high-value-added product line that offers automakers such practical benefits as more cabin space and designs involving fewer parts. Only a limited number of players worldwide can handle such diversified functional integration. As one of them, we are further strengthening our competitiveness.

On the regional axis, we combine products and supply systems to suit changes in the operating environment and customer requirements. Because policies, infrastructure, customer composition, and the pace of electrification differ from place to place, we cannot compete using the same model everywhere in the world. We assess demand region-by-region and combine the optimal products and management resources.

India is a concrete example, as its new-vehicle market is expected to grow substantially heading into 2035. At the same time, approximately 70% of that market still consists of manual transmission vehicles. Electrification is expected to progress over time, but before that stage arrives we anticipate replacement demand centering on AT and CVT. We are investing approximately ¥32.0 billion to localize production of AT and CVT by expanding existing plants and building new ones. At the same time, we are building this into a production base that can also be used if at some point demand shifts to PHEV/HEV or BEV.

We are investing management resources allow us to pursue multiple growth possibilities rather than betting on a single view of how the market will change. We are also progressing with localization of both management and operations to speed up decision-making and implementation, thereby maximizing profit. This is the basis of region-based management.

Creating revenue sources to complement the new-vehicle business

Fresh growth opportunities are not limited to the new-vehicle business. The “creating value through mobility” dictum we follow also extends to services and adjacent domains after a new vehicle is sold.

One of these is the aftermarket business, which serves demand for repair parts and maintenance. The new-vehicle market is affected by the economy, policy, and regional swings in demand, whereas the aftermarket derives from vehicles already on the road, so demand is relatively stable. Moreover, in countries such as India, where the base of new purchasers continues to expand, the number of vehicles on the road is increasing, and the aftermarket is expected to grow further. The aftermarket business model differs from that for new vehicles in that profitability can be raised by designing the product range and distribution channels, without presupposing large-scale new capital expenditure.

Drawing on the ability to identify quality that we have cultivated in our existing businesses, we can source a broad lineup of products from around the world that we judge as meeting our quality standards. By securing distribution channels in each region, we intend to develop this business into a reliable base of earnings. We aim for the aftermarket business to achieve an operating profit margin of 20% or more in FY2029 and to operating profit on the order of ¥40.0 billion in FY2031. This is not merely a pursuit of revenue for its own sake. We regard the aftermarket as an important initiative to build, alongside our new-vehicle business, a core source of earnings with high capital efficiency and a reasonable scale. Thus, we intend to strengthen the returns and resilience of the Company as a whole. In these ways, we are drawing on our technology, quality, manufacturing expertise, and distribution capability to cultivate future earnings drivers and diversify our revenue sources.

ROIC-based capital allocation

For a manufacturer such as Aisin, ROIC is a particularly critical factor in business portfolio transformation. Across our product and regional strategies and also for new businesses, we assess the potential return on invested capital.

In FY2026, ROE improved to 8.2% and ROIC to 9.1%. We are targeting ROE of 10.0% and ROIC of 11.0% in FY2029, and plan to raise these to at least 12.0% and 13.0% in FY2031. ROIC is not merely a financial indicator; it is the yardstick by which management decides where to invest its limited resources and which businesses to cultivate or entrust to our partners. What matters is not only whether these figures are high or low but also the identification of the role each business plays within the overall Group.

For example, automatic transmissions are a business that produces stable cash flow, PHEV/HEV and brakes drive future profit growth, and eAxe and X-in-1 are domains in which we must hone our competitiveness with a view to 2030 and beyond. It is essential to identify the role of each business and allocate capital accordingly.

To ensure that such management determinations are applied rigorously and consistently, we added ROIC to the benchmarks for executive remuneration from FY2027. We are now embedding ROIC-based decision-making throughout our management practices. We are continuing to review businesses for which we are not the most suitable owner and finding other solutions, including entrusting them to partners that can deliver greater value. Rather than simply withdrawing, we relocate such businesses to environments where their commercial value can be maximized while concentrating our management resources on domains where Aisin has distinct strengths.

	FY2026	FY2029(Plan)
Revenue	¥5,117.7bn	¥5,300.0bn
Operating profit	¥228.7bn	¥330.0bn
Operating profit margin	4.5%	6.2%
ROE	8.2%	10.0%
ROIC	9.1%	11.0%
Shareholder returns (DOE*)	3.2%	3.5% range

* The value for “equity attributable to owners of the parent” used as the basis for DOE is an adjusted figure that excludes other components of equity that are subject to significant fluctuations due to exchange rates and market conditions.

Message from the CFO & CSO

Embedding ROIC into the management culture requires understanding of not only each business's profitability but also where capital is created and where it is tied up. As the foundation for this, under the FY2029 Plan we are applying DX initiatives to eliminate variations in systems and business processes that persists even after the corporate integration. We are also accelerating efforts to interconnect information about costs, procurement, inventory, production, and finance throughout the entire company.

Logistics reform is another important initiative for improving capital efficiency. As we pursue our target of halving logistics costs by FY2031 compared with FY2022, we are promoting shared transportation arrangements, improving loading efficiency, reviewing packaging, and automating onsite conveyance. We are progressing steadily toward this target. Logistics costs are not limited to transportation; they are an indicator that reflects the entire flow of the supply chain. Improvement in this area also strengthens our cash flow.

Our people are also an important theme when investing management resources in growth domains.

Rather than significantly expanding our global workforce of approximately 110,000 people, we are focusing on changing the quality and composition of our talent pool. In electrification and intelligent systems, we require expertise in such fields as control, software, sensing, semiconductors, and AI. To that end, with our eyes set on FY2031 we will expand our roster of software talent by approximately 40% compared with FY2026, strengthening our talent base through external hiring and reskilling.

Creating a virtuous cycle of growth investment and shareholder returns

Under the FY2029 Plan, we target ¥450 billion in growth investment over three years. These funds target areas positioned for growth from 2030 onward: PHEV/HEV, eAxe, cooperative regenerative brake systems, growth regions such as India, and businesses beyond the new-vehicle scope, such as the aftermarket business and carbon neutrality. In the three areas we position as core technologies, namely sensing, actuators, and transfer cases, we place particular attention on the consistent pursuit of the world's most advanced capabilities and step up our efforts, including via collaboration with other companies. For shareholder returns, meanwhile, we plan basic shareholder returns of ¥150 billion plus additional shareholder returns of ¥150 billion or more, for a total of ¥300.0 billion or more over three years. For share buybacks, too, we set a buyback allocation with an upper limit of ¥100.0 billion for FY2027 from the start of the fiscal year.

The targeted additional shareholder returns of ¥150 billion or more that we presented at the announcement has, in some cases, been taken as an upper limit. However, this figure is a lower limit and, depending on business performance, we will also consider returns above this threshold. Growth investment and shareholder returns are not a trade-off. We

are creating a virtuous cycle in which growth investment raises our earnings power, the product of which we return to our shareholders.

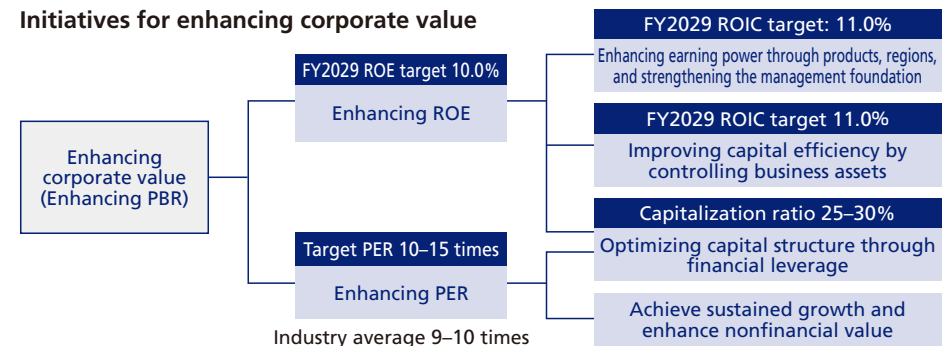
As for dividends, we emphasize dividend on equity (DOE), with a policy of raising it in stages from a starting point of 3.0% to the 3.5% range in FY2029. Precisely because the outlook is so hard to read in the current climate, we will clearly demonstrate a preference for stability with regard to shareholder returns.

PBR draws many comments from our shareholders and investors, and we believe it is important not to treat PBR above 1x as a one-time achievement but to establish it firmly as a benchmark. We are invigorating our earning power and appropriately allocating the resulting proceeds to growth investment and shareholder returns while also continuously improving capital efficiency. We believe these efforts will build on each other and enable PBR above 1x and, beyond that, deliver greater corporate value.

My role, as both CFO and CSO, is to connect the companywide mission of creating the value from mobility to sustainable profit and enhanced corporate value. Through the corporate structure we shored up through our reorganization, our growth strategy combining product and regional axes, and ROIC-based capital allocation, we are continuously solidifying our position as a company that grasps change and brings its own strengths to bear.

We are now holding in-depth deliberations so that we can present a concrete growth story for 2035 and beyond, looking ahead to the next 10 and 20 years. For Aisin to enhance its corporate value sustainably, dialogue with our shareholders and investors is vital. As one of those who has helped strengthen our IR function, I will continue to listen to your views and reflect them in management as we pursue both growth and capital efficiency.

Initiatives for enhancing corporate value



CTO·CDO × CMzO Dialogue



As the industry's underlying premises shift dramatically amid such trends as electrification, intelligent systems, and the rise of manufacturers from emerging markets, where does Aisin's competitive advantage lie, and why will it endure? Yumi Kawabata, an automotive and environmental journalist, put these questions to Yoshihisa Yamamoto, CTO and CDO, who is responsible for technology development, and Susumu Kato, CMzO, who oversees manufacturing.



Facilitator

Yumi Kawabata

Automotive and
Environmental Journalist

Ms. Kawabata offers a blend of hands-on experience as an engineer with a global journalism background, with a specialization in the transformation of the automotive industry, electrification, and sustainability. She provides institutional investors with surveillance of the latest technologies. She has also served as a government committee member and as participated in selection committees for international awards.

"Technology that makes things move" underpins the creation of the value through mobility

Kawabata Electrification and intelligent systems are advancing rapidly throughout the automotive industry, and even automakers cannot fully foresee the future. In an era such uncertainty, what will Aisin define as its competitive advantage?

Yamamoto In the past, suppliers like ourselves moved in concert with plans drawn up by our customers, the automakers. That is no longer the case. Our customers are now exploring how electrification will progress and which power sources will become mainstream in which regions. In an era when the future cannot be projected from a single premise, what is needed is not the ability to follow change after the fact, but the ability to

think of solutions, make proposals, and deliver tangible results on our own.

Aisin offers a broad range of products, including powertrains, brakes, body components, and chassis and vehicle safety systems. These may look to span disparate categories, but a common technology lies at their foundation: the actuator, which is to say, the technology that makes things move. Propulsion, steering, braking, opening and closing doors, structural support are all elements of vehicle movement these components control. Combining these functional disciplines with the manufacturing expertise to realize them through mass production is Aisin's competitive advantage.

Kawabata So technology that makes things move will be the foundation for creating new value. But will it remain a source of competitive advantage in an era of advancing electrification and heavy software?

Yamamoto We do not see this strength as limited to specific product lines. Even as electrification advances, vehicles will still need to move physically and carry people safely. Technologies for making things smaller and lighter, for managing heat and friction, and for accurately regulating motion are needed regardless of power source. The further intelligent systems advance, the more it is the brakes and steering apparatus—the technologies that makes things move—that ultimately execute the decisions made by software. The ability to design decision-making and execution as an integrated unit comes into its own precisely in the era of intelligent systems. What matters is not protecting technologies cultivated in the development of our existing products but combining them with assets from other domains to unveil new value. Going forward, we will leverage this technological foundation to enhance the product competitiveness of such areas as the eAxe, structural body components, and brakes to which our Medium-Term Business Plan allocates growth investments.

As the shift to software-defined vehicles (SDVs) advances, automakers must integrate their development process to cover not only conventional vehicle design and manufacturing

but also batteries, thermal management, and software. Customers greatly value products that are easy to build into a vehicle, can be launched in a short period, and can be supplied at a competitive cost. Our vision for the system supplier Aisin aims to be one that combines technology that makes things move, that exercises control, and which builds things through to completion. It is a business that delivers systems with strong product appeal.

Manufacturing turns dream designs into reality

Kawabata Before this dialogue I toured the plant, and one thing left an impression on me: Production engineering and the shop floor stand committed to realizing the ideals and vision of the design and development process rather than constraining them.

Kato We view the mission of production engineering as making the dreams envisioned by design and development come true. A symbolic example is the production launch of the world's first six-speed automatic transmission (AT) for front-wheel-drive (FF) vehicles. To be installed in the vehicles of different manufacturers around the world, this technology needed to be compact enough to fit into the available space in any vehicle. The precision thresholds for these parts tightened accordingly, and we struggled to develop new gear machining technology. Although the precision of the individual gears was within tolerance, 90% of the products were defective because of gear noise arising from the meshing of the gears after assembly. We pinned down where the problems lay one by one, not only in parts precision but also in assembly methods. In three months, we raised quality to a level at which mass production was possible. Building in quality on the shop floor that does not appear on the drawings; that is what manufacturing is. This way of thinking still runs through Aisin's DNA manufacturing today.

Yamamoto It is precisely because design and development trust the manufacturing team that they can commit to ambitious targets. When design and development set higher requirements, production engineering devises new methods of meeting them. Even after a mass production line is up and running, issues identified in production are fed back upstream to the design group, which modifies the drawings to make the units easier to manufacture without altering their functionality. This highly demanding symbiotic relationship strengthens our technology development capabilities and manufacturing expertise in parallel.

Multiplying technology and expertise born of the integration

Kawabata Aisin's management integration brought together a wide range of product domains in a single company. Where have the essential effects and results of the integration revealed themselves?

Yamamoto The purpose of the integration was never to increase our scale. It was to leverage the technologies and expertise honed separately by Aisin Seiki and Aisin AW

as a combined asset pool for the new Company. At the time, I came to regard the two companies as things of the past. Without that resolve, we could not have come together as one organization. The reason I keep saying, both inside and outside the Company, that we must break down the walls of mindset and organization is that our technological options narrow the moment anyone decides "my responsibility ends here, my business ends here," causing our products to lose their appeal.

Kato What struck me after the integration was that, while each domain had gone very deep in developing its own skills and wisdom, it was hard to see what the department next door was doing. The processing and materials technologies that domains such as powertrains, body components, and chassis and vehicle safety systems had each explored in depth on their own are now applied to evolving production engineering in other domains. This has been the real benefit of the integration.

Yamamoto With system products such as hybrids (HEV) and Xin1, which integrates multiple functions into a single unit, looking narrowly at the performance of individual components will not produce optimal solutions. We must consider which functions should be combined, and in what way, so as to make things smaller, lighter and easier to handle in the context of the whole vehicle. We need to think not from a component perspective but within a whole-vehicle scope and with the customer in mind. The integration was a necessary condition for combining expertise from multiple domains and delivering value as a system.

Reproducing quality expertise worldwide to ensure manufacturing practices that are resilient to change

Kawabata Manufacturing prowess becomes real competitiveness only when it can be reproduced not just at a specific plant in Japan but throughout the Company's global operations. Chinese manufacturers and suppliers are currently raising their presence through the speed of their development and production setup. Is it not a concern that Aisin's cultural prioritization of quality slows decision-making and delays launches?

Yamamoto That is an issue we must face head-on. In China, a development model that runs design and production preparation in parallel has become the norm and have, in some instances, demonstrated lead times half as long as Japanese rivals'. They do not fear refactoring; they move first. There are things we should learn from this approach. Our quality-centered culture is our strength, but we must not let this slow us down.

Our countermeasure against slowness is to use AI and digital technology to accelerate our design and production ramp-up processes by applying our accumulated stock of quality control data and our expertise in building quality into a wide range of products. The development experience we have cultivated over several decades of close coordination with our customers is an asset that latecomers cannot acquire in a short period of time.

Kato We feel the speed of Chinese manufacturers on the front lines of production ramp-up techniques, as well. However, launching quickly and reproducing consistent quality

CTO-CDO × CMzO Dialogue

all over the world are two different things. By using digital twins to redeploy the know-how and kaizen experience we amassed in Japan, we can rapidly ramp up high-quality production operations around the world. Being able to achieve both quality with a quick launch is, I believe, our competitive advantage.

Kawabata So the use of digital twins* is also advancing. In the electrification domain, even forecasting demand itself has become difficult. Will the nature of production lines change as well?

Kato Because energy policies and electric utility conditions differ from country to country, in the electrification domain we cannot fully predict what will sell, in which region, and in what volume. That is why we have developed flexible production that can manufacture a variety of specifications for multiple customers on a single production line. We start with standardized generic equipment and then add onto it only those functions required for each live product and process. Drawing on our in-house production machinery development capabilities, we keep our infrastructure simple and lean.

Even if order volumes fluctuate, another product can take up the slack, thus allowing us to maintain plant utilization rates while holding down investment risk. As a result, it becomes easier to maintain profitability even in markets with large demand fluctuations. When a new business opportunity arises, we can also respond with a short lead time. This approach turns the disadvantage of not being able to predict demand into a competitive edge by averting missed order opportunities. It is a contribution from the manufacturing side that supports the efficiency of capital expenditure and, in turn, overall capital efficiency.

Digital twins accelerate launch schedules, and flexible lines deal with demand volatility. By combining the two, we aim for manufacturing that can launch the products we need—where and when they are needed.

Yamamoto No matter how far AI evolves, what ultimately creates value is products that operate safely in the real world.

Physical technologies are indispensable to the essential actions of propulsion, steering, and braking. Aisin is leveraging AI and digital technology to further strengthen the quality control know-how we have accumulated and our on-site competence in building that quality into the product in a stable mass-production scenario. Thus, we improve our speed and cost competitiveness. The comprehensive strength this provides allows us to compete with any rival in the world.

*Digital twin: A technology that reproduces—ahead of time—real-world infrastructure, products, and processes in digital space and verifies processes and controls in parallel with the design and fabrication of the equipment.

The use of digital twins shortens the period from development to mass production while ensuring quality and, thus, supports rapid horizontal deployment to global sites.

Renewing our competitive advantage with every change

Kawabata Finally, what are the keys to sustaining this kind of competitive advantage?

Kato What matters is to envision the manufacturing dream we want to realize, to share our vision with our colleagues, and to keep facing new challenges. Any success becomes an artifact of the past the moment it is achieved. However, as long as our next objective is clear and we have a view of our target state, each achievement becomes a waypoint toward the future. That is precisely why I tell every individual on the front lines to have a dream and to keep pursuing new challenges. No matter how far AI and digital technology evolve, they are means to maximize the value of people. People with pride in their hearts and dreams in their heads are the source of our competitiveness.

Yamamoto You cannot talk about sustaining competitive advantage without talking about people. Aisin's competitive advantage is not a single technology or a single piece of equipment. It is "technology that makes things move"; production engineering that turns the ideals of design and development into mass-production quality; the ability to multiply expertise across businesses; and the ability to deploy all of these quickly around the world using digital technology. Individual elements can be imitated, but consistently reproducing this entire slated of advantages is not easy. What drives it is the strength of our people and our front line staff, who learn from failure, share expertise across organizations, and stay focused on the next opportunity to create value.

Kawabata The impression I had at the plant before this dialogue, that people on the front lines realize the ideals of design and development, has become more of a conviction based on what the two of you have said. In President Yoshida's goal of "a company that creates value through mobility," I felt that the technology, the manufacturing and the people who support it truly exist here. I have high expectations for Aisin.



CHAPTER
02

What Our Vision

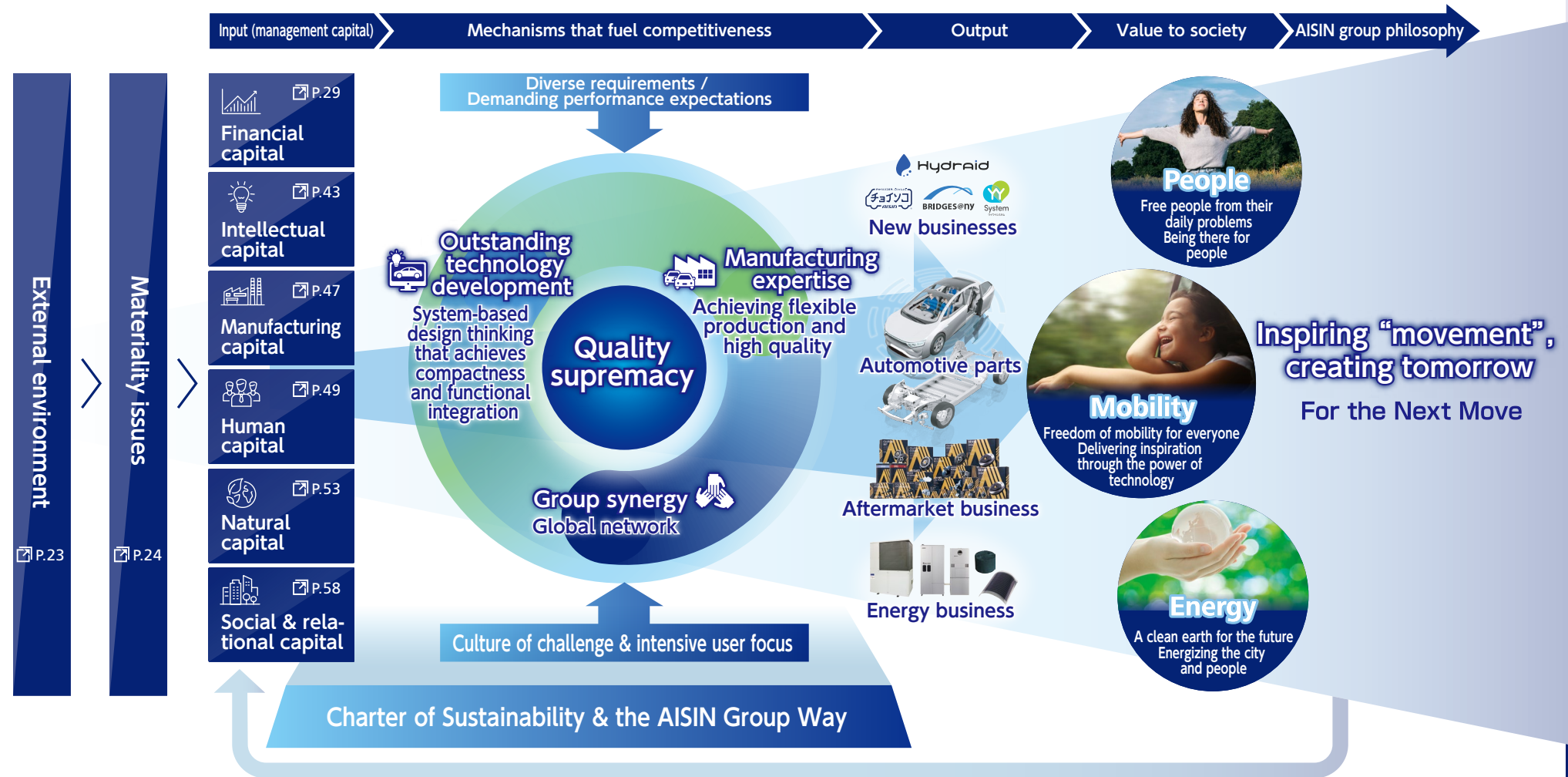
What will we achieve by evolving as a company that creates value through mobility?

CONTENTS

- 22 Value Creation Process
- 23 Long-term Strategy

Value Creation Process

By continuing to meet diverse requirements and demanding performance expectations, Aisin has honed its outstanding technology development, manufacturing expertise, and group synergy, strengthening its competitiveness in the process. Guided by a culture of challenge and a thoroughgoing user perspective, we will continue to create new value by combining these strengths with Quality Supremacy at their core. Building on the technologies and knowledge cultivated through our experience with mobility, we will expand our focus domains into energy and human concerns in response to changing social issues and customer expectations.



Long-Term Strategy

Recognition of the external environment and opportunities/risks

Amid major changes in our operating environment, companies are pressed to both address social issues and become more competitive. To resolve materiality issues it faces, Aisin has defined its vision and is transforming its business portfolio under a medium-to-long-term business strategy with an eye on FY2031. The Company has also formulated a Medium-Term Business Plan as a concrete execution roadmap for responding to and capitalizing on the opportunities and risks it identifies through its understanding of the external environment.

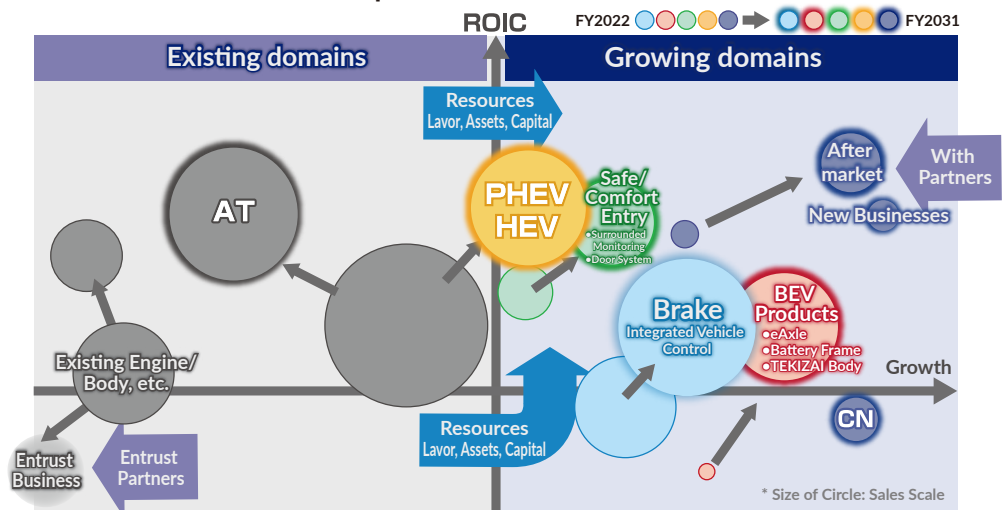
External environment	Opportunities and risks
(1) Changes in the automotive market and customer needs	Opportunities - Expansion of demand for mobility, centered on emerging markets - Expansion into new business domains through SDVs (Software Defined Vehicles) - Easing of the declining ICE trend amid slowing BEV adoption Risks - Demand fluctuations due to slowing automotive market growth and declining car ownership - Changes in the competitive environment due to emerging manufacturers - Changes in the profit structure accompanying the advance of BEV
(2) Rising geopolitical and economic security risks	Opportunities - Strengthening resilience through more robust supply chains and regional diversification Risks - Supply chain instability due to rising geopolitical risk - Procurement constraints and price fluctuations affecting critical resources - Impact on earnings from changes in trade policy
(3) Advances in digital technology and other innovation	Opportunities - Creating value by applying AI and digital technologies - Substantial productivity gains through the use of digital and robotics technologies Risks - Impact on competitiveness due to delays in responding to technological innovation - Rising cybersecurity risk
(4) Uncertainty in environmental regulations and energy policy	Opportunities - Creating new value through responses to carbon neutrality and resource recirculation - Flexible product offerings tailored to each region's energy circumstances Risks - Increasingly uncertain business conditions amid changing environmental regulations and policy - Impact on competitiveness from delays in environmental response
(5) Changes in demographics, lifestyles, and values	Opportunities - Creating value by leveraging workforce diversity - Creating businesses that respond to increasingly sophisticated and diverse social issues Risks - Greater difficulty securing talent due to the declining working-age population in developed countries - Stagnation in propagating skills due to changes in workforce structure and diversifying attitudes toward work

Evolving as a company that creates value through mobility

To sustainably enhance corporate value, Aisin has placed its transformation into "a company that creates value through mobility" at the core of its Long-term Strategy. Building on our strong manufacturing expertise, we have honed the competitiveness of our new-vehicle business by taking a whole-vehicle perspective and adopting a dual-pronged approach that supports two general areas of functionality: "propulsion, steering, and braking" and "comfort in mobility." We are also drawing on the technologies and customer base cultivated there to deliver the value of movement more broadly to society through the aftermarket, the energy field, and challenges in new businesses, while creating new growth opportunities.

With an eye on FY2031, and with stable earnings from such existing businesses as AT and PHEV/HEV as our base, we are progressively shifting more resources to growth domains like eAxe and integrated control systems, thereby driving our business portfolio transformation toward an earnings structure that does not depend excessively on any particular market or power source. Through these measures, we are targeting an operating profit margin of 8.0% or more, ROIC of 13.0% or more, and ROE of 12.0% in FY2031. Looking to 2030 and beyond, we target sustainable growth and enhance corporate value by strengthening the earning power of existing businesses while also making preparation for the future.

Transformation of business portfolio with a view to FY2031



Long-term Strategy

Sustainable growth requires not only achieving our financial targets but also advancing toward our non-financial objectives. We track progress against the KPIs set for each materiality issue and use this to make our initiatives more effective.

List of Non-Financial Targets (Materiality Issues KGI/KPI)

Priority Issues	Paths toward realization	Goals (KGI)	Indicators (KPI)	FY2026 actual results	FY2031 target values	Scope	Targeted SDGs
	Reducing environmental impact across the value chain	Carbon neutrality Carbon neutrality by FY2051 Carbon-neutral in-house manufacturing by FY2036	Scope 1 & 2 emissions (compared with FY2020)	1.74 million t-CO ₂ e (37.4% decrease)	46.2% decrease	Consolidated	 
			Scope 3 emissions (compared with FY2020)	22.35 million t-CO ₂ e (3.8% decrease)	27.5% decrease		
	Providing solutions for a clean energy society	Circular economy Achieve zero-emission plant by FY2041 (landfill waste: 1% or less)	Optimizing resource utilization	—*1	10% efficiency improvement*2		
			Waste minimization Waste emissions (compared with FY2020)	—*1	11% decrease		
	Creating life-enriching value through mobility TOPICS 	Widespread use of cleantech*3 products and services in the mobility and energy domains	CO ₂ emission reduction via products and services *4 (cumulative from FY2026)	2.06 million t-CO ₂	20 million t-CO ₂ *5	Consolidated	 
			Number of cleantech products commercialized	Three business model proposals	Three or more		
	Realizing safe, reliable, comfortable, and convenient mobility		Number of drive units sold *6 (cumulative since 1969)	218.07 million units	270 million		
			Number of newly adopted products and services (cumulative from FY2026)	71	500		
			Build-out of aftermarket product and service lineup Number of Product and Service Categories	78	100 or more		
			Total users of mobility-related services (MAU *7)	76,445	183,400		
	Instilling a corporate culture that embraces challenge	Ongoing accumulation of new fundamental technologies	Number of inventions*8 (One-year)	1,374	1,500	Consolidated	 
		Environment conducive to a proactive work style	Positive response rate for employee engagement *9	61% *10	—*11	Aisin Corporation (parent)	
	Respecting diversity and growing together	A work environment where diverse professionals can thrive	Presenteeism performance Level *12	79.7%	85%	Consolidated	 
			Positive response rate for an environment that empowers employees*13	59% *10	—*11	Consolidated	
			Ratio of female managers *14	3.0%	4.5%	Domestic group companies	

*1 Performance evaluation to begin in FY2027

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

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

*4 CO₂ emission reduction contribution: reduction in CO₂ emissions during product use achieved through improvements in product performance

*5 Assumption: Based on projections as of July 2025

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

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

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

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

*10 Scope of current fiscal year results: 68 domestic and 36 overseas companies

*11 After the global rollout of the employee engagement survey is completed, a worldwide target is slated to be set in FY2028 based on actual results as well as regional, cultural, and other characteristics

*12 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

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

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

Long-term Strategy

List of Non-Financial Targets (Materiality Issues KGI/KPI)

Priority Issues	Paths toward realization	Goals (KGI)	Indicators (KPI)	FY2026 actual results	FY2031 target values	Scope	Targeted SDGs
Laying a solid management foundation	Safety	A culture that prioritizes safety	Number of serious accidents ^{*15}	0	0	Consolidated	   
	Compliance	Zero serious violations of laws and compliance policies	Positive response rate for ethics survey	72%	80% ^{*16}		
	Human rights	Zero serious violations of human rights	Human rights risk assessment survey implementation rate ^{*17}	100%	100%		
			Human rights training implementation rate ^{*18}	93%	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	12.5%	30% or more	Aisin Corporation	

^{*15} Serious accidents: Defined as those involving fatalities

^{*16} Following the analysis accompanying the review of the ethics survey methodology (FY2026), target values were reset based on national and regional characteristics and external benchmarks

^{*17} Human rights risk assessment survey implementation rate: (Number of companies conducting human rights risk surveys / Number of consolidated companies) × 100

^{*18} Human rights training implementation rate: (Number of employees who received training on compliance and human rights / Number of consolidated employees) × 100



Creating life-enriching value through mobility

Value delivered by Aisin's business, as seen in five KPIs

Aisin has to date supported the mobility of people around the world and expanded the possibilities of each individual's life. Movement is not merely a means; it is itself a value that connects people and enriches lives. Based on this thinking, we pursue the objectives of "realizing safe, reliable, comfortable, and convenient modes of mobility" (KGI) as a means toward "creating life-enriching value through mobility." The five KPIs set for achieving this demonstrate the value Aisin provides through its business.

Cumulative count of drive units sold shows our ongoing support for the mobility of people around the world. Volume of newly adopted products and services demonstrates our continued

creation of new mobility-related value in response to changing societal needs. Number of aftermarket product and service categories, reveal that we deliver a long, safe and reliable car lifespan to vehicle owners through the aftermarket. Total user base for mobility-related services illustrates our delivery of safe, reliable, comfortable, and convenient mobility options to a diverse range of car owners and others. Through new businesses, we will go beyond the concept of mobility to create new value that brings inspiration and smiles to the community. We will continue to enrich people's lives through the idea of "movement" and contribute to realizing a sustainable society.

TOPICS

CHAPTER 03

How Execution Strategy

What strategies can we execute to achieve growth?

CONTENTS

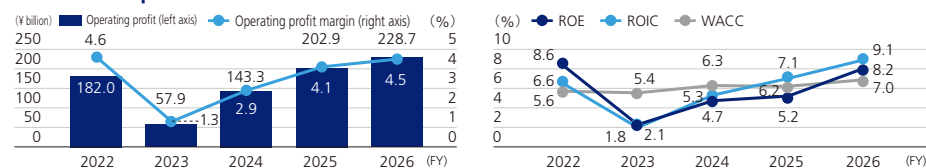
27	Review of the FY2026 Medium-Term Business Plan	43	Intellectual Capital
28	FY2029 Medium-Term Business Plan	47	Manufacturing Capital
29	Financial Strategy	49	Human Capital
32	Product Strategy	53	Natural Capital
40	Regional Strategy	58	Social and Relational Capital

Review of the FY2026 Medium-Term Business Plan

Summary of the FY2026 Medium-Term Business Plan

We announced our FY2026 Medium-Term Business Plan (FY2024–FY2026) in September 2023 and have since worked to implement it. Although the period brought changes in the external environment, such as lower customer vehicle volumes and the impact of tariffs, improvement of our corporate structure progressed beyond plan. Our parallel execution of balance sheet reform steadily improved our profit structure and capital efficiency. Backed by this stronger profit structure and by progress in restructuring, we are deliberately investing in growth in the electrification and intelligent systems domains and in human capital while simultaneously maintaining shareholder returns.

Business performance trends



Per our FY2026 Medium-Term Business Plan, we have supplemented our growth strategy with four restructuring themes designed to free up resources with a view to 2030.

1. Business portfolio reallocation

By shifting our business focus from existing domains to growth areas, we raised the share of revenue from these to 41%, versus 27% in FY2022, despite such challenges in the external environment as the slowdown in the shift to BEV. Amid shifting conditions in the automotive market, we also bolstered our lineup of powertrain units and built out our global supply system, leading to new orders. At the same time, while holding fixed assets to around ¥1.5 trillion as we transformed our operations, we transferred businesses in existing domains, such as the bidet toilet business, to partner companies. To establish a business portfolio centered on growth domains, we are continuing to optimize each business along the product, region, and investment efficiency axes, among others.

2. Improving profitability of AT and other existing products

As we progress in capturing ICE-related demand, mainly in emerging markets, and take on work that automakers previously handled in-house, we improved our ability to generate cash by maximizing the use of existing facilities. As a result, we have revised up our FY2031 operating profit target for automatic transmissions and implemented a structure that can reliably secure funds for growth investment.

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

We are strategically allocating capital and R&D funding to growth domains. In FY2026, the proportion of capex targeted at growth areas was 61% (FY2022: 30%), and the proportion of R&D spending was 70% (FY2022: 43%). With capital expenditures in particular, we have fully accounted for regulations and customer requirements in each operating region and targeted investment based on a careful assessment of demand trends for BEV, PHEV, and HEV. We have also focused on production line configurations supportive of mixed-model manufacturing of multiple products and thus constructed a production system resilient to environmental change. We also promoted the reskilling of 5,840 staff with a focus on the electrification domain, thereby facilitating our business portfolio transformation. We recognize that obtaining software talent for our intelligent systems business remains a challenge, and we are strengthening our efforts in this area.

4. Generating funds through balance sheet reform

Against a target of ¥400.0 billion, we achieved ¥449.4 billion in funding. To reduce our business asset base, we sold off idle infrastructure, such as real estate and equipment that had served their purpose, and transferred businesses to partners. We have substantially reduced our strategic shareholdings from 19 issuers as of the end of FY2023 to three. We are working to reduce global inventory while maintaining inventory turnover at a consistent level during periods of increased workload.

Progress of the FY2026 Medium-Term Business Plan

Indicators		FY2022	FY2024	FY2025	FY2026	FY2026 (target)
Growth strategy	Proportion of capital expenditures targeted at growth domains	30%	40%	59%	61%	65% or more
	Proportion of R&D expenditure dedicated to growth domains	43%	59%	62%	70%	75% or more
	Shift of personnel to growth domains	-	2,050	2,500*1	3,010*1	3,000
	Reskilling for growth domains	-	3,860	4,490*1	5,840*1	3,000
	Proportion of revenue attributable to growth domains	27%	38%	39%	41%	48%
Strengthening corporate structure	Freeing up capital through balance sheet reform					
	Business assets	-	¥23.9 billion	¥99.2 billion*1	¥123.2 billion*1	Reduced by over ¥100 billion
	Strategically held stocks	-	¥111.7 billion	¥115.5 billion*1	¥266.4 billion*1	Reduced by over ¥100 billion
	Global inventory (inventory days)	- (29.4 days)	¥83.1 billion*2 (27.2 days)	¥82.6 billion*2 (26.4 days)	¥59.8 billion*2 (27.7 days)	Reduced by over ¥100 billion (22.8 days)

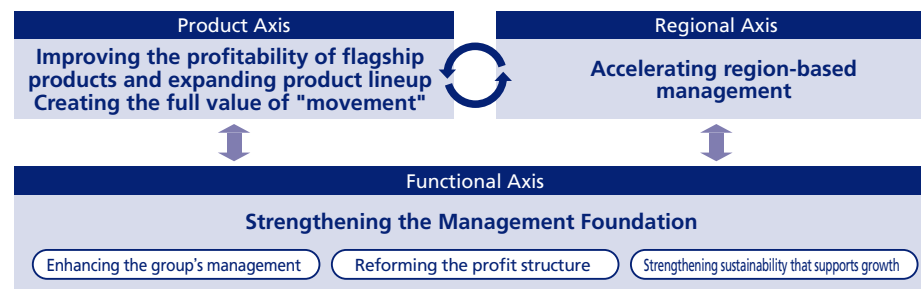
*1 Cumulative total from FY2024 *2 Based on FY2022 exchange rate assumptions

FY2029 Medium-Term Business Plan

FY2029 Medium-Term Business Plan framework

In February 2026, we announced our FY2029 Medium-Term Business Plan covering FY2027–FY2029. This is our second medium-term business plan formulated toward achieving our 2030 targets. FY2029 Medium-Term Business Plan builds on the foundation laid over the past three years to both strengthen our earning power for sustainable growth and support preparations for the future with an eye to expansion from 2030 onward. To achieve these dual objectives, we are pursuing initiatives along three axes—product, region, and function—to boost profitability, raise our competitiveness, and deliver sustainable growth.

Basic Policy Aim to balance both strengthen our earning power and invest in future growth.



On the product axis, we are building upon the hardware business that has evolved to become Aisin's core strength, encompassing powertrain units, brakes, and structural products. At the same time, we are focusing our energy on such technologies as sensing and software to offer products that add new value across the many scenes of mobility.

On the region axis, we are developing our businesses in the manner best suited to each location, reflecting regional differences in the environmental policies, energy circumstances, and customer needs, while also responding to demand for local procurement and production, through which we pursue further growth.

On the axis of function, we are strengthening the management foundation that underpins the product and region axes. Specifically, we are enhancing our corporate structure and raising the quality of our management. We are strengthening our strategic execution by advancing group management, reforming our profit structure, and promoting sustainability management. By pursuing initiatives aligned on these three axes as an integrated whole, we aim to achieve the targets set out in the FY2029 Medium-Term Business Plan.

Management targets

Financial Targets

*1 "Equity attributable to owners of the parent company," the basis for DOE (dividend on equity), is an adjusted figure that excludes "other components of equity" account, which fluctuates significantly with exchange rates and market conditions

	FY2026	FY2027 (forecast)	FY2029 (plan)
Revenue	¥5,117.7 billion	¥5,250.0 billion	¥5,300.0 billion
Operating profit	¥228.7 billion	¥235.0 billion	¥330.0 billion
Operating profit margin	4.5%	4.5%	6.2%
ROE	8.2%	6.8%	10.0%
ROIC	9.1%	8.0%	11.0%
Shareholder returns (DOE ^{*1})	3.2%	—	3.5% level

Nonfinancial Targets

We have set KGIs and KPIs^{*2} for 2030 for each materiality issue and are pursuing initiatives to meet them.

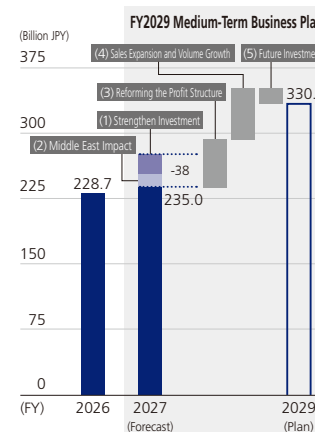
*2 Details of the KGIs and KPIs are provided on pp. 24–25

Harmony with nature and contribution to a sustainable future	Freedom of movement for people around the world	Empowering diverse talents for personal fulfillment	Laying a solid management foundation
--	---	---	--------------------------------------

Positioning of the Plan's first year and the Path to FY2029

In FY2027, the first year of the FY2029 Medium-Term Business Plan, we are strengthening investment for medium-to-long-term growth in line with the original Plan. Full-scale progress toward our managerial operating profit targets is expected to materialize toward 2028, driven by higher profit levels resulting from the reform of our profit structure and higher unit volumes from expanded sales.

Operating Profit Trends



Key Points of FY2027 Operating Profit Forecast

- (1) Strengthen Investment for Mid- to Long-Term Growth (-23 Bil JPY)**
 - R&D for electrification and intelligence, and new product launches
 - Strengthening of digital infrastructure, Sustainable investments, and creation of new businesses, etc.
- (2) Middle East Impact (-15 Bil JPY)**
 - Impact of rising resource prices, etc.

Operating Profit Outlook Toward FY2029

- (3) Reforming the Profit Structure**
 - Strengthening the Competitiveness of Existing Products (Based on learnings from Chinese-style practices, specifications and cost structures are reformed and rolled out globally)
 - Product mix improvement driven by new products, mainly electrification units and brakes
- (4) Sales Expansion and Volume Growth**
 - Leveraging a global production network to capture regional demand (Expansion of local production for PHEV/HEV in North America and ASEAN, etc.)
- (5) Future Investment**
 - Investment for human capital and DX (Shorter lead times, reduced investment, improved productivity, etc.)

Financial Strategy

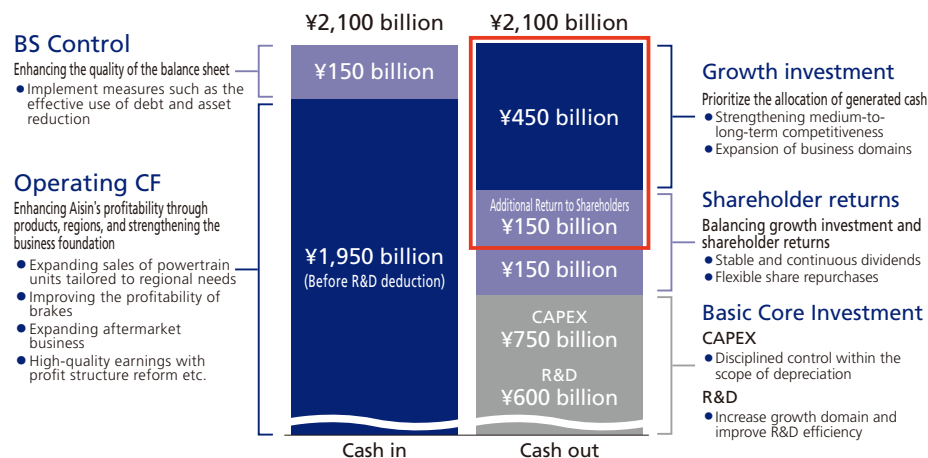
Capital allocation

To achieve the FY2029 Medium-Term Business Plan's objectives, we are channeling cash generated by our increased earning power into the growth domains that constitute our target business portfolio. In allocating capital, we will direct ¥1,350 billion to basic core investment through capital expenditures and R&D in order to secure sustained investment returns and enhance corporate value. This should improve profitability in both growth and legacy domains while strengthening the foundation for medium-to-long-term growth. To capture growth opportunities on a timeline for 2030 and beyond, we have also allocated ¥450 billion for growth investment and are steadily driving our preparations for the future.

Shareholder returns are based on stable and continuous dividends, and we have set a shareholder return allocation of ¥150 billion on a cumulative three-year basis. On top of this, as part of our effort to raise capital efficiency further, we have established an additional shareholder return allocation of ¥150 billion or more.

To support growth investment and additional shareholder returns, including stock repurchases, we are allocating capital flexibly and comprehensively accounting for the business environment, investment opportunities, capital efficiency, and other factors. Through these allocations, we are raising the prominence of growth domains in our business portfolio while further improving capital efficiency as we aim to sustainably enhance corporate value.

Financial Strategy to Achieve the FY2029 Medium-Term Business Plan (Capital Allocation)



Growth investment

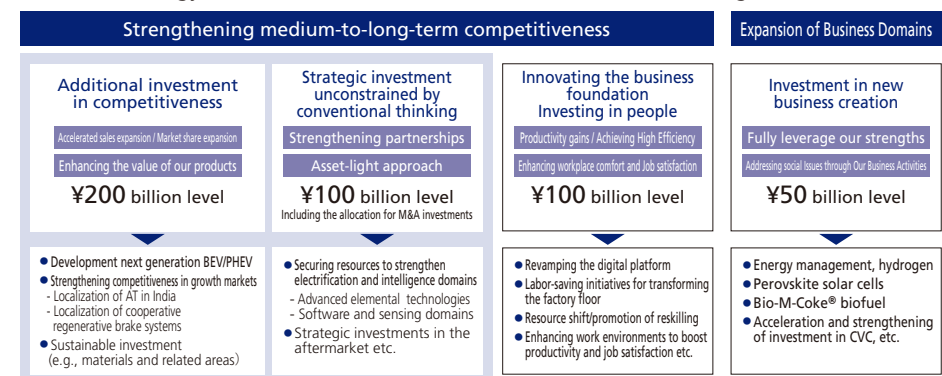
Our capital allocation strategy does not promote simple expansion of growth investment targets. Rather, we are carefully selecting investment target domains with an emphasis on quality, which is to say those in which we can maintain a competitive advantage over the medium-to-long term and generate stable returns.

Specifically, to further enhance the product appeal of our full lineup and leverage the superiority of our global supply system—both key strengths of Aisin—we will allocate approximately ¥200 billion on a priority basis to growth domains. These include stronger production systems in North America and India, along with higher-value-added systems—including intelligent options—for electric drive units and brakes. We have also made an investment allocation of approximately ¥100 billion (including for M&A) to complement the functions and technologies we lack, meaning these initiatives are not limited to our own resource base but are accelerated through collaboration with partners and the application of external resources.

We will also invest approximately ¥100 billion in strengthening our business organization with a focus on investment in people—the “capital” most indispensable to sustainable growth—and including the renewal of the digital infrastructure that supports future earnings generation and productivity gains.

Furthermore, we will invest approximately ¥50 billion in creating new businesses that leverage the technologies and knowledge Aisin has cultivated to date. Target areas include commercialization opportunities in the carbon neutrality domain, such as perovskite solar cells and the bio-briquette coke Bio-M-Coke®, and expand our business domains with a view to 2030 and beyond. Through these growth investments, we are transforming our business portfolio and strengthen our earnings base.

Financial strategy to realize the FY2029 Medium-Term Business Plan (growth investment)



Financial Strategy

// Initiatives for enhancing corporate value

Aisin aims to sustainably enhance corporate value as it raises growth expectations with a focus on achieving a return on invested capital (ROIC) that exceeds the cost of capital (WACC). To achieve this, we are working to maximize corporate value, via our two-pronged strategy that hinges on (1) improving ROIC and strengthening ROE through an optimal capital structure and (2) expanding expectations (PER) through initiatives for future growth. Our capital structure positions the capitalization ratio* (cap ratio) as a key indicator and optimizes it while appropriately controlling financial leverage.

We are further improving profitability and capital efficiency With ROIC of around 11% and ROE near 10% appearing achievable by FY2029 and things looking on track for 13% and 12% by FY2031.

To enhance our earning power, we are expanding earnings from our core automatic transmissions and PHEV/HEV segments while improving profitability in the brake business, expanding aftermarket operations, and improving our earnings structure through reorganization. We are also reliably capturing new demand in growth domain markets around the world by expanding local production. To improve capital efficiency by invoking controls on business assets, we are raising the

efficiency of invested capital by capping the scale of our operating assets while reducing existing assets and reviewing our portfolio.

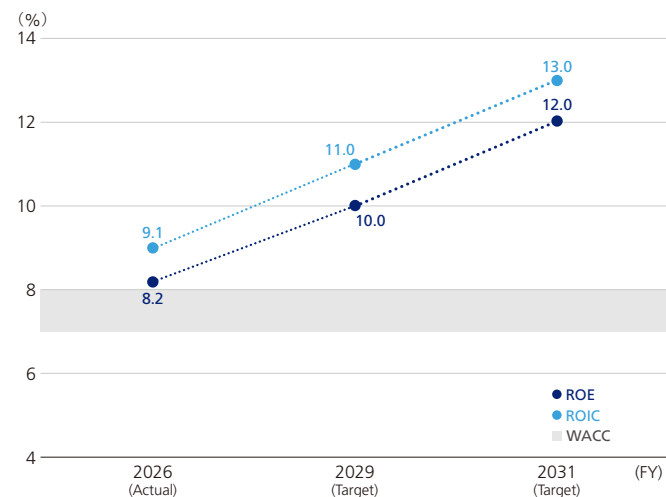
Furthermore, to optimize our capital structure, we are boosting capital efficiency and cutting the cost of capital by applying financial leverage based on a cap ratio of 25% to 30%.

At the same time, we continuously pay stable shareholder dividends and flexibly buy back shares to optimize our capital allocation. We have also introduced the benchmark dividend on equity (DOE) as our shareholder dividend indicator to bolster returns driven by capital efficiency.

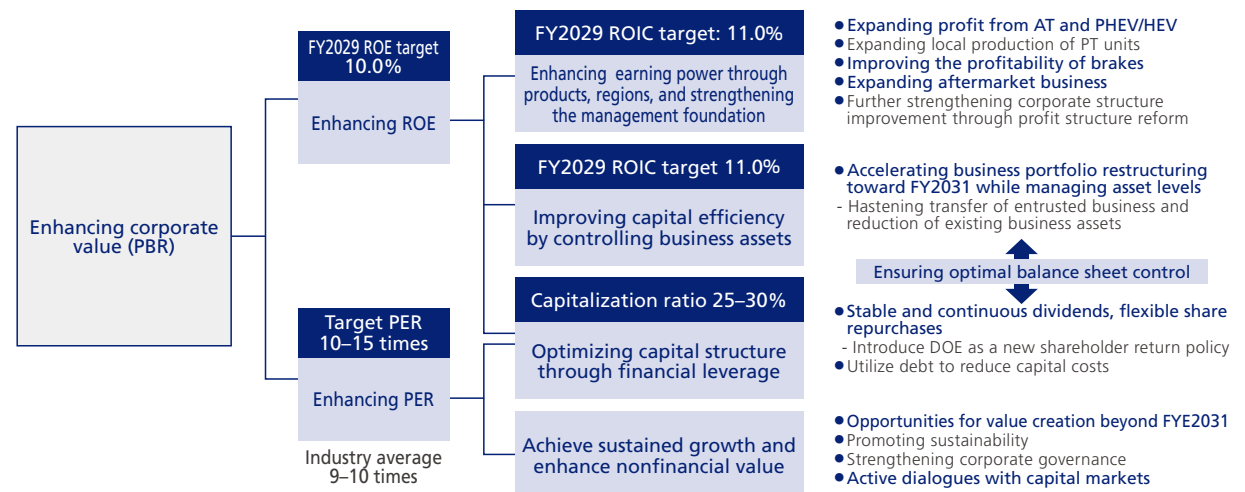
Beyond these measures, we are working to lift growth expectations through investment in electrification and intelligence, enhancement of sustainability management, application of stronger corporate governance, and the maintenance of active dialogues with capital markets participants. Through a holistic approach to strengthening our earning power, improving our capital efficiency, and raising growth expectations, we create value in excess of the cost of capital and thereby seek to sustainably enhance corporate value.

*Capitalization ratio (cap ratio) = interest-bearing debt / (interest-bearing debt + capital)

ROE/ROIC trends



Initiatives for enhancing corporate value



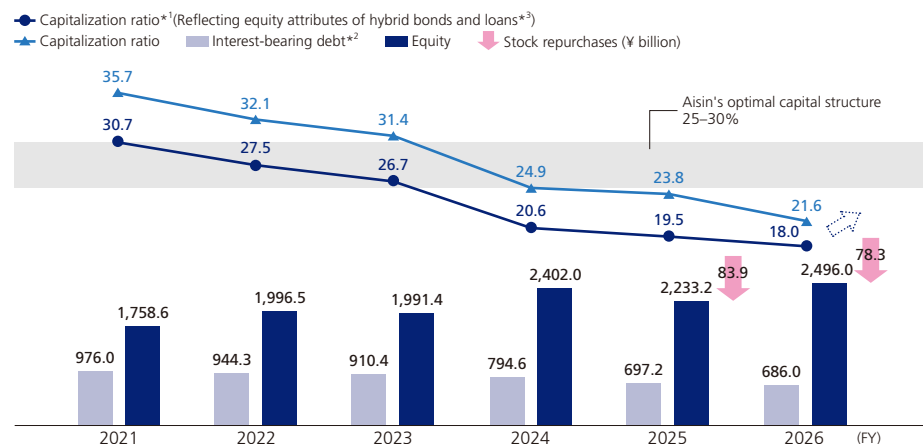
Financial Strategy

Capital policy

We pursue the optimal balance between financial security and capital efficiency as we work to enhance corporate value. Our key indicator here is cap ratio, for which we regard 25–30% as the optimal range for our capital structure. In recent years, a stronger earnings base has contributed to steadily equity growth, while we have also reduced interest-bearing debt. As a result, the cap ratio fell from 35.7% in FY2021 to 21.6% in FY2026. In light of this, we repurchased shares worth ¥83.9 billion in FY2025 and ¥78.3 billion in FY2026 to bring our capital structure to an appropriate state. In FY2027 we plan further stock repurchases on the order of ¥100 billion, which will curb excess capital accumulation and improve capital efficiency.

We will maintain disciplined capital allocation by drawing on the cash generated by our businesses and balancing growth investment with shareholder returns. By keeping the capitalization ratio at an appropriate level, we will ensure financial security while improving capital efficiency and, ultimately, sustainably enhance shareholder value.

Capitalization ratio trend



*1 : Capitalization ratio (cap ratio) = interest-bearing debt/(interest-bearing debt + equity)

*2: Interest-bearing debt = bonds and loans payable + lease liabilities

*3: 50% of the balance of hybrid procurement is considered as capital on the rating

Shareholder returns

To enhance corporate value over the medium-to-long term, our basic policy is to prioritize growth investment while providing shareholder returns through stable and continuous dividends and flexible stock repurchases.

Under the FY2029 Medium-Term Business Plan, we introduced DOE (dividend on equity attributable to owners of the parent) as a new dividend metric to link shareholder returns more closely to improvements in capital efficiency. DOE is less susceptible to earnings fluctuations and makes stable dividends possible and also aligns closely with ROE. Starting from a DOE level of 3.0%—and supported by stronger earning power and a higher ROE—we aim to raise DOE to a level of 3.5% in FY2029. Accordingly, we plan to raise the annual dividend per share in stages starting from ¥70 in FY2026. Following stock repurchases of ¥83.9 billion in FY2025 and ¥78.3 billion in FY2026, we also plan stock repurchases on the order of ¥100 billion in FY2027 to further enhance overall shareholder returns.

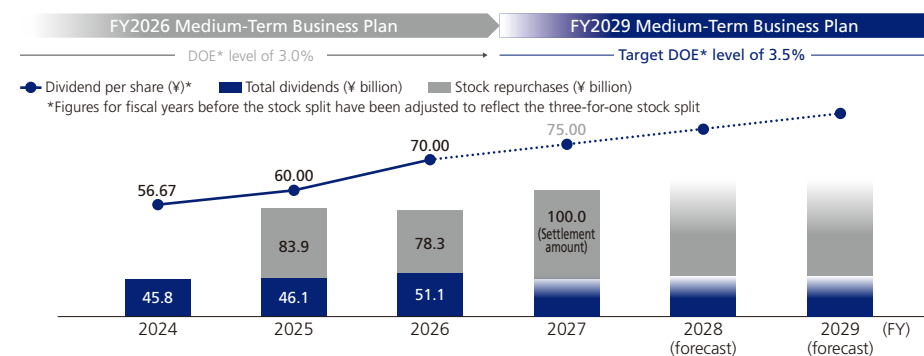
By expanding shareholder returns while improving capital efficiency, we will strengthen the trust of the capital markets and sustainably enhance corporate value.

Dividend and stock repurchase trends

(Reference) Formula for calculating the dividend on equity attributable to owners of the parent (DOE)

$$\text{DOE} = \frac{\text{Total annual dividends}}{\text{Equity attributable to owners of the parent} - \text{Other components of equity}}$$

* The equity attributable to owners of the parent used as the basis for DOE is an adjusted figure that excludes other components of equity, which are subject to significant fluctuations due to exchange rates and market conditions.



DOE*	3.1%	3.0%	3.2%
Total return ratio	50.5%	121.0%	75.4%

Product Strategy

// The Aisin value proposition

The mobility value Aisin provides centers on user-immersive driving and smooth ride and a safe, reliable, and comfortable mobility experience. As a parts manufacturer with close ties to automakers and deep expertise in vehicle manufacturing, we are advancing our core hardware, such as powertrain units and brakes, in the areas that support propulsion, steering, and braking, as well as those that deliver a comfortable ride. By combining these technologies with sensing and software solutions, we provide new value across a wide range of mobility scenarios.

Safe, reliable, and comfortable mobility experience

User-immersive driving and ride comfort



In the domain that covers propulsion, steering, and braking, we offer a wide range of products, such as powertrain units, brakes, thermal management devices, and structural body components that are combined with integrated control to deliver high-level performance while targeting for safety, reliability, and a zero accident rate. In our operational segment dedicated to the comfort of mobility, we view the user's entire travel experience holistically, beginning before boarding and extending through driving, reaching the destination, and alighting to begin the next phase of the journey. By advancing the linkage of sensing technologies and software, centered on actuator technology, one of Aisin's strengths, we contribute to realizing safe, reliable, comfortable and convenient mobility.

// Expanding earnings from core products

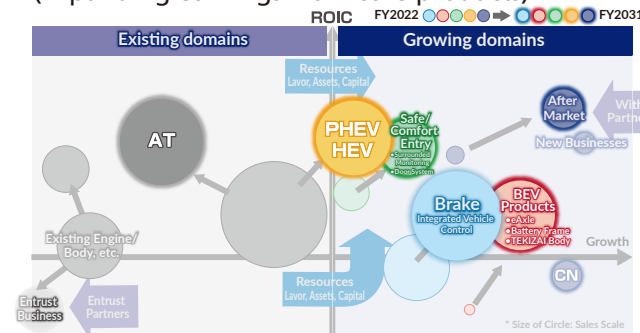
At present, the environment surrounding the automotive industry heading into 2030 is changing significantly, as powertrains diversify in response to changes in environmental policies and regulatory trends in each country. To turn these external forces into business opportunities, Aisin positions businesses that promise to resolve social issues as growth domains and is continuing to transform its business portfolio under the FY2029 Medium-Term Business Plan, as well.

The main growth drivers through FY2029 are automatic transmissions, PHEV/HEV, brakes, and the aftermarket. In the automatic transmission segment, we are capturing firm demand and raising profitability by maximizing existing resources. For PHEV/HEV, we are capturing expanding demand by broadening our product lineup and improving our competitiveness. We are expanding the brake business into the growing electrification market by such means as launching next-generation cooperative regenerative brake system products that offer improved profitability. In the aftermarket business, which lies outside our new-vehicle sphere of operations, we aim to expand the business in response to growing demand for replacement parts and maintenance of vehicles in use. This effort hinges on our wide range of products and services as well as alliances and M&A.

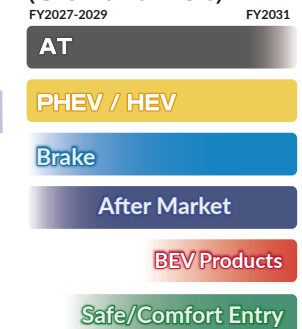
For BEV Products such as the eAxe and for safe and comfortable ingress and egress, the FY2029 Medium-Term Business Plan defines a period of preparation for future business expansion. Regarding eAxe, the pace of BEV uptake has slowed, but the results of our efforts to date are nevertheless steadily coming to fruition. Examples include the recent commencement of new product supplies to TOYOTA, ISUZU, and DAIHATSU. In anticipation of full-scale BEV adoption, we plan to continue introducing next-generation products and are accelerating R&D for the future.

We aim to create new value with regard to safe and comfortable vehicle entry by linking sensors and software with Aisin's extensive range of existing products, such as doors and roof panels. Through these initiatives, we are transforming our business portfolio and strengthening our earning power.

Outlook for Aisin's business portfolio (Expanding earnings from core products)



Core products (Growth drivers)



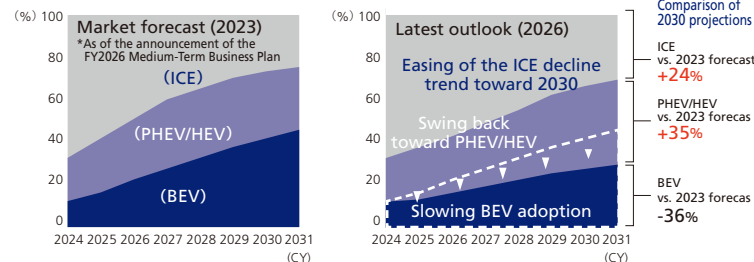
Product Strategy

Changes in the automotive market environment and Aisin's full lineup strategy

Forecasts at the time the FY2026 Medium-Term Business Plan was announced anticipated that BEV volume would grow sharply heading into 2030. However, BEV market expansion has recently slowed in response to policy changes in various countries. ICE demand is defying initial assumptions and holding firm, while PHEV/HEV demand is also expanding.

Changes in the automotive market environment

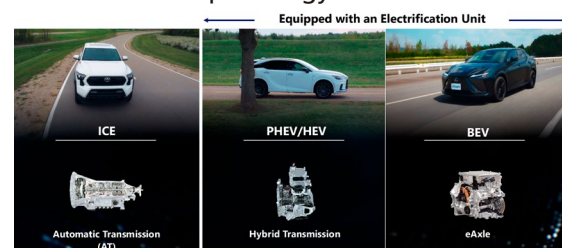
* Calculated by Aisin based on external data



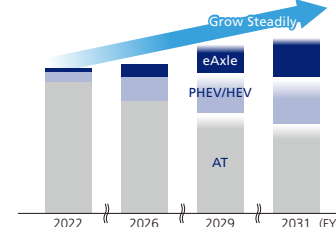
Amid these significant changes in the external environment, Aisin has long pursued a strategy of responding to electrification by offering a full product lineup, and the current diversification of powertrains creates an environment in which this strength can be leveraged further. Specific results include, in the North American AT market, the production startup of a six-speed automatic transmission for Mazda under contract and, in PHEV/HEV segment, the commencement of hybrid drive module supply arrangements with Stellantis.

For the eAxe, although the pace of BEV market expansion has slowed, we are steadily amassing results in preparation for full-scale adoption. An example is the market launch of a second-generation eAxe. Through our full-lineup strategy, which is built on the strengths of our extensive product lineup and a global production system, we expect steady volume growth in our mainstay powertrain unit business as we approach 2030.

Aisin's full-lineup strategy



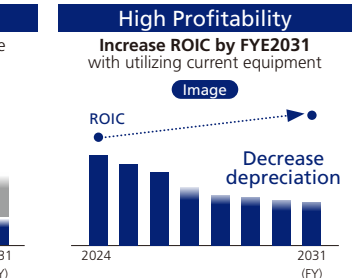
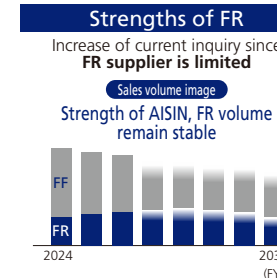
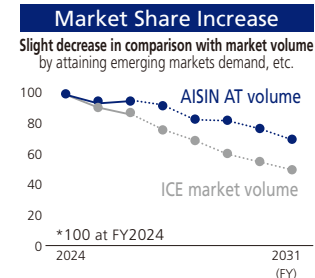
Powertrain Unit Sales Volume Trends



Further AT market share expansion and building a strong earnings base

While electrification is advancing mainly in China and Europe, robust demand for ICE automobiles is also expected to continue in the Global South, including South America and India. Drawing on the advantage of its hard-won global No. 1 share, Aisin plans to steadily capture this ICE demand as it expands its market share in the AT space. For AT for front-engine rear-wheel-drive (FR) vehicles, in particular, we expect to lock up stable volumes through 2030, in part because few suppliers are able to supply them—even globally. Inquiries for FR AT units are also presently increasing at, and we are accelerating our efforts to win these orders.

Another of our major strengths in AT is that we have already established a global production system. By maximizing the use of existing sites and facilities, we can hold down new investment while improving profitability toward 2030. Our specific targets for AT are: operating profit of ¥105.0 billion or more and ROIC of around 19% in FY2029 and operating profit of ¥80.0 billion or more and ROIC of around 20% in FY2031.



Contract manufacturing of Mazda's six-speed automatic transmission in the United States

Aisin Drivetrain, Inc., our consolidated subsidiary in the United States, has begun contract manufacturing of a six-speed automatic transmission developed by Mazda. This further strengthens our supply capacity and responsiveness in the North American market and, through local production tailored to customer needs, contributes to stable supply and greater competitiveness.



AISIN Drivetrain, Inc.

Product Strategy: PHEV/HEV Units

Strengths

- Technologies that enable low-cost delivery of compact, high efficiency units
- Extensive experience gained from more than 20 years of development and production and a broad lineup that enables 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

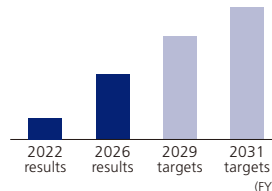
Opportunities & risks

- Shift from internal combustion to electric vehicles driven by heightened environmental awareness and tighter regulations
- Demand growing for PHEV/HEV as BEV adoption slows
- Varied electrification progress and needs across regions and countries (e.g., policy revisions, infrastructure gaps)
- Demand for localization of procurement and production to achieve carbon neutrality
- Supply constraints and price increases for rare metals and specialty materials

Strategy

To capture demand securely in the PHEV/HEV market, which we expect to expand, we are further broaden our product lineup while improving profitability. For FY2029, we are targeting operating profit of ¥53.0 billion or more and ROIC of around 18%, and for FY2031, operating profit of ¥80.0 billion or more and ROIC of around 20%.

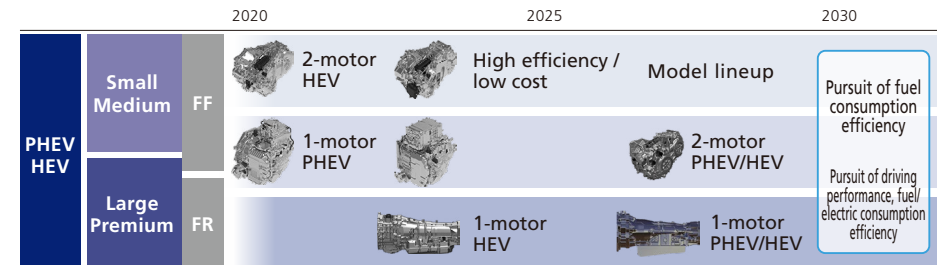
- Two system types—1-motor and 2-motor—to broadly cover small to large premium classes
- New sales expansion maximizes Aisin's competitive advantage as one of the world's few HEV unit suppliers
- Strengthening local production in regions where PHEV/HEV demand is expanding



Initiatives for FY2024–FY2026

To meet growing global demand for electrified vehicles and stricter environmental regulations, we expanded production capacity for our mainstay HEV units and moved next-generation PHEV products through the development and live vehicle evaluation. For HEV, we ramped up production for single- and dual-motor HEV units at our North American sites and moved into full-scale local volume production. In China and ASEAN, we also began producing electric drive units for HEV models from automakers including Guangzhou Automobile Group and Mitsubishi Motors. In the PHEV segment, we moved next-generation products from development into live vehicle evaluation and are strengthening our lineup with a view to achieving carbon neutrality in the future.

Roadmap



Initiatives for FY2027

We see the expansion of the HEV market as a growth opportunity, and to meet this demand we are accelerating expansion of our lineup further and optimizing our global supply system. In anticipation of new orders and rising demand, we are developing HEV units for large and premium FF (front-wheel-drive) and FR (rear-wheel-drive) vehicles. Even as regulatory tightening slows with regard to fuel efficiency, we are also stepping up development to further improve fuel efficiency from an environmental protection standpoint.

Newly developed two-motor hybrid drive module adopted for Stellantis's updated Jeep Cherokee

Blue Nexus, AISIN, and DENSO have recently developed a two-motor hybrid drive module, which has been installed in the new-model Cherokee. The transaxle and motor sections of this product are made at AISIN North Carolina Corporation and the inverter at DENSO Manufacturing Tennessee, Inc., which also supports the rollout of HEV in the North American market.



Stellantis's new Jeep Cherokee

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 brake system and electric parking brake
- A wide range of high-quality products that bring together the Aisin Group's manufacturing

Opportunities & risks

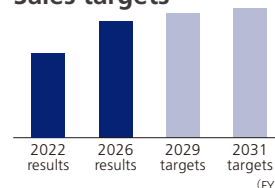
- Preparing for carbon neutrality
- Increase in electric vehicles, improved fuel/electrical efficiency
- Changes in vehicle manufacturing methods
- Rising needs for safety and convenience
- Needs for technologies to realize the practical use of autonomous driving
- Widespread adaption of OTA* updates in vehicles
- *Over the air (OTA): a technology to enable wireless update of vehicle software
- Expansion of the Indian market

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 grow the cooperative regenerative brake system and electric parking brake businesses by expanding sales and strengthening their profitability. We are molding them into new pillars of our business, targeting operating profit of ¥45.0 billion or more and ROIC of around 11% in FY2029, and operating profit of ¥70.0 billion or more and ROIC of around 15% in FY2031.

- Propose new vehicle functions and values and business expansion driven by software
- Business Expansion to Indian- and Chinese-affiliated customers
- Expansion of cooperative regenerative brake system lineup
- Increase the profitability of cooperative regenerative brake systems and electric parking brake
- Expanding sales of low-drag calipers and environmentally friendly brake pads, which contribute to improving electrical efficiency
- Promote development of electric disc brake

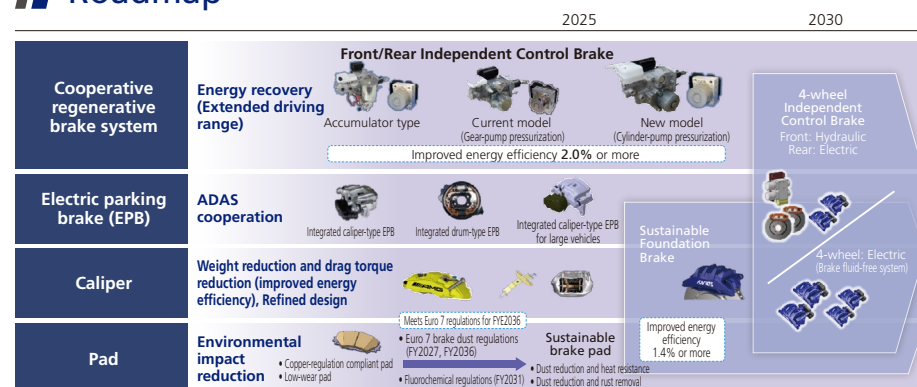
Sales targets



Initiatives for FY2024–FY2026

We have expanded sales of our cooperative regenerative brake systems and the electric parking brakes. In April 2024, a brake assembly including both was adopted for the n7 BEV from Luxgen, the premium vehicle brand of Taiwan's Yulon Motor and, in February 2026, for Suzuki's eVITARA. To expand business in the Indian market, we also moved forward with local production, establishing the joint venture BIADS India Private Limited with Brakes India in June 2024. In September 2025, our aluminum opposed six-piston caliper was adopted for the Alpine A390 BEV from France's Alpine. It combines a high level of design quality with drag-reduction technology to improve electrical efficiency.

Roadmap



Initiatives for FY2027

To expand sales and strengthen the profitability of our cooperative regenerative brake systems, we are working to capture growth in the BEV and HEV markets with a full lineup that adds a new mass-market specification based on general-purpose technologies. We are expanding sales of our electric parking brake lineup—a part of our existing earnings base—to emerging markets, such as ASEAN and India. One initiative for growing this business is to broaden adoption of the low-drag caliper. For brake pads that meet European environmental regulations, we will actively expand sales in response to rising needs and convert this into orders.

New cooperative regenerative brake system adopted for TOYOTA's new RAV4

The new cooperative regenerative brake system replaces the pressurization source with an electric cylinder, improving productivity while maintaining high control performance and improved electrical efficiency. This has raised profitability and enabled us to serve a wide range of electrified vehicle segments. A wide range of other products, including the electric parking brake and front calipers, were also adopted.



TOYOTA RAV4

Product Strategy: Aftermarket

Strengths

- Business development program that leverages our hard-earned Aisin brand
- Broad product and service lineup that upholds Aisin quality standards
- A global sales organization rooted in local communities
- Efficient resource use enabled by rebuilt operations

Opportunities & risks

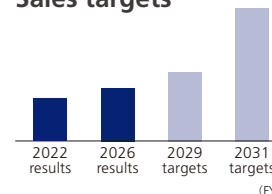
- Growing demand for parts supply and maintenance for used vehicles (the vehicle parc)
- Changes in product mix amid electrification
- Growing demand for online sales
- Impact of geopolitical risk on global sales expansion

Strategy

We are contributing to a sustainable society by supporting safe and secure motoring for our customers and using resources effectively by extending vehicle lifespans. We aim to move beyond being a purveyor of parts to become a “total service provider” through the expansion of our business domain into maintenance and services. We target operating profit of ¥23 billion or more and an operating profit margin of 20% or more in FY2029, and operating profit of ¥40 billion or more in FY2031.

- Expanding our product lineup to meet global quality standards
- Achieving stable supply of key products by diversifying procurement sources
- Localizing sales operations to meet regional needs
- Offering high-quality, competitively priced maintenance equipment
- Diversifying sales channels by strengthening our online business

Sales targets



Initiatives for FY2024–FY2026

To realize our vision of becoming a total service provider, we expanded our product lineup and, to support repair shops, began offering high-quality, low-cost maintenance equipment in addition to repair parts. These initiatives have roughly doubled our product range and number of services over the past three years. The Company has established new bases in India and Japan and strengthened its sales network and service organization through equity partnerships, further building out its locally rooted business foundation.

Roadmap

Our strengths

Co-creation with Partners

(1) Parts wholesaling
Becoming a comprehensive “parts department store”

(2) Maintenance & services
Maintenance equipment, Mobile maintenance service vehicles, Insurance for parts dealers, etc.

Realizing the “Total Service Provider”

FY2031 targets

Aftermarket sales offices

38 locations in 20 countries → 70 locations in 30 countries

Number of national markets

About 100 → 120

Number of corporate clients

About 700 → 1,000

As of May 2026



Initiatives for FY2027

To respond better to local needs, we will localize sales bases and procurement functions, centered on South America and Europe. Through partnerships with online retailers, we will also strengthen e-commerce sales globally and further expand our product lineup. Moreover, we will expand our business coverage by collaborating with additional global partners.

Exhibiting at a trade show under the theme “The Aisin brand is all available online!”

At the International Auto Aftermarket Expo, we presented our online parts sales business to potential industrial customers and individual consumers. Working with Amazon, we aim to resolve the challenge of delivering parts to wholesalers and repair shops nationwide, while improving convenience by supplying parts at affordable prices.



Expanding sales channels via Amazon Business

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
- Effective use of accumulated automatic transmission and HEV production know-how together with our global production assets
- Collaborative framework with diverse companies including BluE Nexus and J-QuAD DYNAMICS

Opportunities & risks

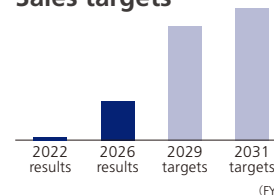
- Renewed growth in demand for ICE-powered vehicles and HEV as BEV adoption slows
- Varying degrees of electrification progress and differing needs across regions and countries (e.g., policy revisions, infrastructure gaps)
- Growing need for local procurement driven by geopolitical risk and trade policy
- Tighter regulations aimed at achieving carbon neutrality
- Supply constraints and price increases for rare metals and specialty materials
- Intensified competition from other industries and emerging manufacturers

Strategy

Ahead of any full-scale BEV expansion, we are meeting the wide-ranging expectations of customers worldwide with products that economize electricity consumption through efficiency gains as we pursue component downsizing and cost reduction.

- Expanding our lineup to address diverse customer needs
- Preemptive development of the 3rd-generation eAxe (including "Xin1" components that deliver cutting-edge compactness while also improving electrical and space efficiency while simplifying vehicle assembly)
- Expanded sales leveraging the trust of our customer base in Aisin's quality

Sales targets

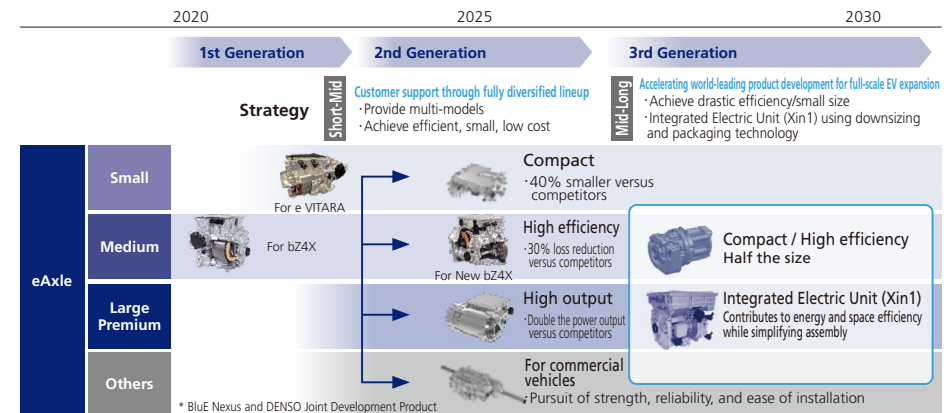


Initiatives for FY2024–FY2026

We expanded our second-generation eAxe lineup, promoted development for Japanese automakers led by TOYOTA and for overseas automakers such as Changan Automobile, and began the process of bringing these products to market. As a new business model, we also agreed to collaborate on the manufacture of BMW Group's e-axle* under contract and are ramping up for mass production. In support of our business portfolio transform, we have also concluded a business alliance agreement with Mitsubishi Electric Mobility covering the development of next-generation electrification products. Development is now under way. We are continually expanding our product range by building out a full lineup while also developing elemental technologies.

*Customer's product name is used.

Roadmap



Initiatives for FY2027

We plan to bring to market for BMW its proprietary "e axle" design, which we will manufacture under contract. We are working to ensure a smooth start-up of overseas production. We are also accelerating the expansion of our second-generation eAxe product lineup and speeding development of third-generation products. Moreover, to enable a flexible response to changes in regulations and the external environment, including carbon neutrality requirements and the avoidance of geopolitical risk, we are pressing ahead with developing a range of elemental technologies, including rare earth-free motors. As we respond appropriately to regional idiosyncrasies and customer needs, we are stepping up sales promotion initiatives targeting longstanding automatic transmission and HEV unit customers worldwide.

Newly developed eAxe adopted for TOYOTA's updated bZ4X model

The eAxe, jointly developed by Aisin, BluE Nexus, and DENSO, is standard equipment on TOYOTA's new bZ4X.



TOYOTA bZ4X



eAxe for the bZ4X

Product Strategy: BEV Products (Battery Frame & TEKIZAI Body)

Strengths

- Sales and marketing capabilities for systems that leverage extensive collision management technology and thermal management technology
- Wide-ranging production engineering capabilities, including such fundamental forming techniques as aluminum die casting, aluminum extrusion, and steel roll forming, as well as various joining methods
- Optimized production of aluminum products that leverages the network of global sites and equipment we have established over many years

Opportunities & risks

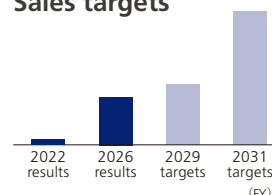
- Changes in vehicle structure due to electrification spur demand for new products
- Addressing electrification requirements that differ by region and country while building supply chains resilient to geopolitical risk
- Intensifying competition amid the rise of suppliers from emerging nations

Strategy

Capitalizing on the changes in vehicle structural design in response to electrification, we are expanding our business surrounding battery frames and the modular-cast TEKIZAI Body line.

- Development of battery frame products for electric vehicles
 - Battery protection in collisions
 - Improved electrical efficiency and reduced performance degradation through temperature control management
- Development of the TEKIZAI body (modular cast body)
 - Lower vehicle repair costs through a modular structure
 - Reduced investment requirements through use of existing equipment
- Development of materials and structures that contribute to carbon neutrality

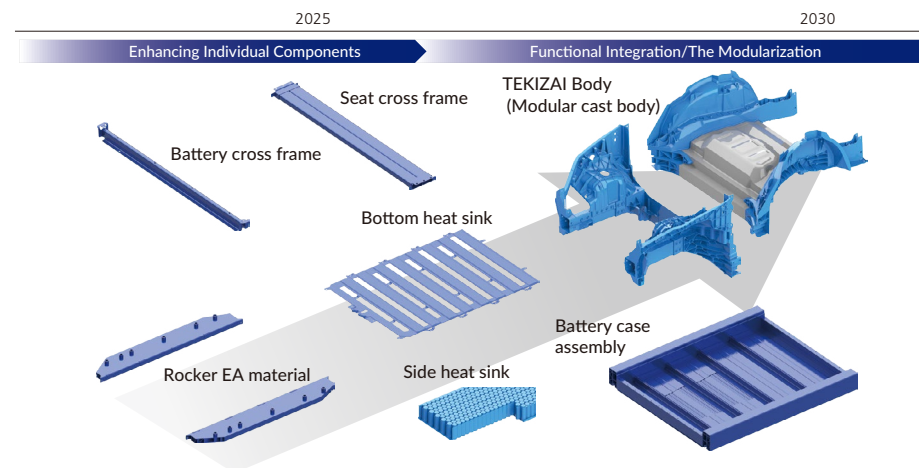
Sales targets



Initiatives for FY2024–FY2026

In response to major changes to vehicle body structures amid ongoing electrification, we are developing battery frame products and the TEKIZAI Body line. In our battery frame business, we began domestic mass production of heat sinks for battery temperature control in FY2026—a first for Aisin. We evaluated TEKIZAI body prototypes in actual vehicle installations. These units employ an optimized modular structure and joining technologies that employ the best-suited processes for aluminum and steel materials. Discussions with multiple automakers are ongoing. As a supplier, with demand for aluminum frame components growing in the North American market, we have also established a joint venture with Toyota Tsusho and Minth to produce them, strengthening our supply structure.

Roadmap



Initiatives for FY2027

In the battery frame segment, we plan to begin mass production of heat sinks for battery temperature control applications in North America as well as in Japan. Alongside bottom-mounted heat sinks for prismatic cells, we are also developing, in collaboration with automakers, side-mounted units for cylindrical cells. Looking farther ahead, we are developing battery case assembly structures that no longer isolate the heat sink as a standalone part but, rather, incorporate peripheral components and achieving functional integration to add value. We are also developing the TEKIZAI body concept in collaboration with automakers, with adoption for vehicle and installation as the goal.

TEKIZAI Body (modular cast body) development

We prototyped a TEKIZAI body that uses aluminum and steel material processes selectively, each where it is best suited, and evaluated it in an actual vehicle setting. Using the example of this prototype vehicle, we have begun technical discussions with several automakers.



Aluminum die-cast Aluminum extrusion

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

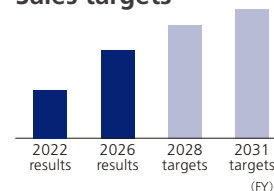
- Mobility evolution through functional updates
- Expanding user experience (UX)
- Addressing North American tariffs and the Indian market
- Compliance with environmental (carbon neutrality) regulations

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



Initiatives for FY2024–FY2026

We have developed new vehicle entry products, starting with the link-type power door system adopted for TOYOTA's Century model. By combining our conventional actuator technology with sensing technologies such as cameras and millimeter-wave radar, we are developing solutions that smooth vehicle ingress. With regard to mobility comfort, we are improving the competitiveness of existing products such as sunroof units and pneumatic systems. Our newly developed panoramic sunroof achieves one of the world's largest opening areas and a thin profile, providing an interior that feels open from any seat. We are also developing a safe and reliable monitoring system that uses in-cabin sensing technology.

Roadmap



Initiatives for FY2027

To address social issues and achieve sustainable growth, we are building a new growth scenario that looks ahead to the mobility society of 2035. We are further strengthening our competitiveness by combining existing products into intelligent modules that combine actuator technology, sensing technology, and system control. We are also using AI and digital technologies to achieve shift resources to new products and accelerate development. To address geopolitical risk and respond quickly to diversifying user needs, we are also strengthening collaboration with overseas technical centers to ensure competitiveness in the global market.

Development of a large-opening, thin, movable panoramic sunroof

A compact electric shade facilitates one of the world's largest opening areas, while the thin design leaves more headroom. The large opening gives occupants an airy view extending to the third-row seats, while the electric shade protects them from direct sunlight and ultraviolet rays.



Large-opening, thin, movable panoramic sunroof

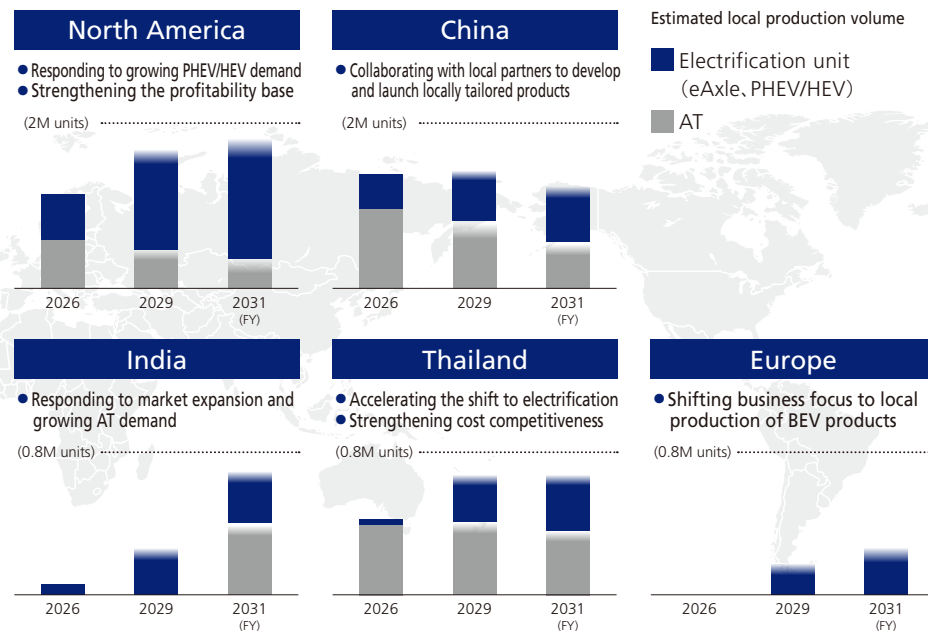
Regional Strategy

Regional growth strategy

Environmental policies and energy circumstances vary greatly from region to region, and the market's needs are diversifying. Aisin meets these changes with its full lineup of automatic transmissions, PHEV/HEV components, and eAxe products to provide the optimal powertrain. By responding flexibly to the shifting market, we capture demand to strengthen our revenue base and deliver sustainable growth.

We position North America and India as growth-driver regions. In North America, where demand for electrified vehicles is expanding, we are accelerating local manufacturing of PHEV/HEV products. In India, we are capturing the shift in demand from manual to automatic vehicles and expanding the supply of AT/CVT units to strengthen our revenue base in this growing market. In ASEAN—Thailand in particular—and in Europe, we are accelerating investment in electrification and in expanding sales of powertrain units. By strengthening our production systems for PHEV/HEV products and eAxe, we intend to capture future earnings opportunities

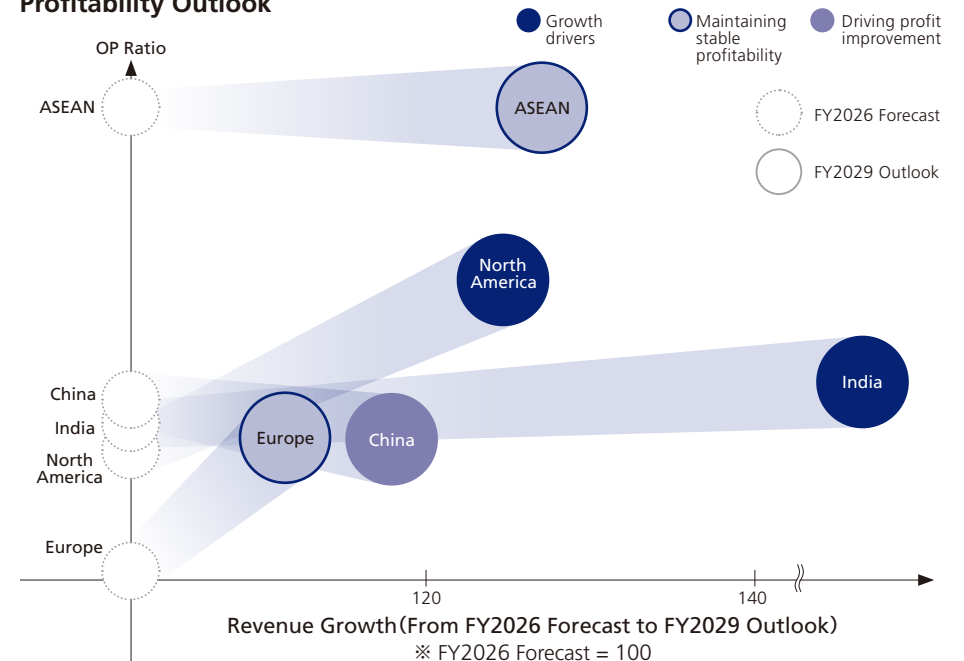
Regional Growth Strategy



and ensure stable earnings. In China, where competition continues to intensify, our focus is on earnings growth. Through the collaborative relationships built with our joint venture partners, we are honing our expertise in development timeline and production lead time reduction and in cutting costs. We are also launching products suited to market characteristics, thereby maintaining and enhancing our competitiveness.

As the foundation for these initiatives, we are localizing our design, sales, procurement, and production functions to speed up decision-making and strengthen our responsiveness to customers. We are also maximizing our global asset base and collaborating across regions to achieve optimal allocation of resources and stronger cost competitiveness. Through flexible business development tailored to the needs of each region, we will continue to build a revenue that can withstand changes in the environment and enhance corporate value over the medium to long term.

Profitability Outlook



Regional Strategy

// North America

The North American market is expected to grow moderately as electrification advances, with demand for HEV in particular anticipated to expand. At the same time, demand for large vehicles persists, and a swing back from electrification is also evident. In this environment, Aisin positions North America alongside India as a key growth market and is expanding its business under its full lineup strategy by meeting demand centered on the PHEV/HEV segment.

In North America, we currently produce electric drive units at three sites in the United States, including in Texas and North Carolina. With a view to curbing trade risks and meeting medium-to-long-term demand growth, we are further strengthening our production system. For PHEV/HEV in particular, where demand is expected to grow on the strength of both practicality and environmental performance, we will expand local production toward 2030 and build a flexible, stable supply system. At each of our North American sites, we are also automating production processes and putting the necessary systems in place while taking into account labor mobility in each region. This is raising production stability and efficiency and strengthening our earnings structure through higher productivity. Through these initiatives, we intend to reliably capture electrification demand in North America and, by building a highly competitive supply chain, achieve sustainable growth and higher profitability.

// India

The Indian automotive market continues to expand, supported by solid economic growth. In particular, an intensifying need for reduced driving burden and greater convenience are spurring a shift from mainstream stick-shift vehicles to automatics, which we expect to propel for traditional automatic transmissions and CVTs, a key area of Aisin's strength. In light of these market changes, we are localizing production of ATs and CVTs alongside eAxle, which is already in local production. In connection with this effort, we have decided to invest approximately ¥32 billion to expand our existing plant in Rohtak, Haryana, and build a new facility in Chhatrapati Sambhajinagar, Maharashtra. This is securing capacity to supply growing demand while improving cost competitiveness through local production and enabling a rapid response to customer requests. Both sites are scheduled to start operations in FY2030.

We are also expanding our Indian product portfolio beyond the powertrain domain. Through a joint venture with Brakes India, a major Indian brake manufacturer, we are localizing production of brake control products, including electronic stability control, and broadening our product lineup. To strengthen our business foundation, we are also localizing operations through such measures as appointing local personnel to the top position in each region. Through these initiatives, we aim to build a management foundation rooted in the Indian market and achieve sustainable growth and higher earnings.

Message –Relationships of Trust with Stakeholders Woven in Each Region–



Mr. Nayab Singh Saini
Honorable Chief
Minister of Haryana

The Government of Haryana places the highest value on its strong and enduring partnership with AISIN Corporation, founded upon mutual trust, shared vision, and a steadfast commitment to sustainable industrial development. AISIN's distinguished technological capabilities and sustained investments have significantly enhanced the competitiveness of Haryana's automotive ecosystem. India—and Haryana in particular—stands at a pivotal stage of growth, supported by sustained economic expansion, a young and skilled workforce, expanding infrastructure, and a consistent policy focus on manufacturing under initiatives such as "Make in India." Haryana's strategic location, well-established industrial base, and integrated supply chains position it as a leading automotive hub. Amid rising domestic demand and the ongoing realignment of global supply chains, the automotive sector is expected to grow steadily, driven by localization, scale, and continued industrial development. In this context, AISIN's presence is both timely and of strategic importance. The Memorandum of Understanding signed in 6th October 2025 further strengthens this partnership, supporting the expansion of automotive component manufacturing in IMT Rohtak, along with meaningful investment and employment generation. The Government of Haryana remains resolute in its commitment to providing a transparent and business-friendly environment, and we hold high expectations for AISIN's continued growth and leadership. We look forward to further deepening this trusted partnership.



Mohan Kumar
Executive General
Manager, India
Region, Aisin

Indian automotive market stands at a pivotal inflection point — With India among the world's fastest-growing auto markets, consumer preference is decisively shifting toward 2-pedal transmissions — ATs and CVTs included, a structural transformation in how India will drive in the future. Aisin's strategic response is to locally manufacture ATs and CVTs in India, leveraging not only local components and equipment, but more importantly, local talent. We will embed ourselves deeply into India's manufacturing ecosystem to achieve cost competitiveness required to win in this price-sensitive yet quality-conscious market. This strategy is also supported by a rare convergence of policy tailwinds. India's Make in India initiative incentivises domestic manufacturing at scale. Simultaneously, the Government of Japan's Global South initiatives actively encourage Japanese industry leaders like Aisin to invest in, and grow alongside, emerging economies — with India as its centrepiece. Together, these frameworks create an unprecedented enabling environment for Aisin to expand capacity, deepen customer partnerships, and deliver high-quality transmission solutions where demand is certain and significant, where we expect sustainable growth, stronger margins, and compelling returns for our valued shareholders. India is one of Aisin's top priority regions.

Regional Strategy

// ASEAN

Demand in the ASEAN market is projected to rise over the medium-to-long-term, and electrification is expected to progress. In the meantime market competition is likely to intensify further. In this business environment, Aisin is strengthening its electric drive unit production system with a focus on for PHEV/HEV in order to reliably capture electrification demand. In March 2025, we commenced mass production of an electrification unit (a two-motor series-parallel HEV unit) in Thailand—the first in the ASEAN region. We plan to continue expanding production capacity for electrification units and fortifying our product lineup.

To address changes in the competitive environment, we are also prioritizing working with Japanese automakers to further enhance our overall capabilities with regard to performance, quality, and cost, among other things. We are leveraging our globally cultivated knowledge to strengthen our business foundation rooted in the ASEAN region and achieve sustainable growth.

// China

In the China market, electrification is accelerating, centered on BEV and PHEV, and competition is further intensifying with the rise of local automakers. Under these market conditions, Aisin is deepening collaboration with local automakers and suppliers, and strengthening its ability to meet customer needs by providing products tailored to the characteristics of the market.

Specifically, we are steadily promoting electrification initiatives, including contract manufacturing of hybrid units for PHEV at GAC Aisin Automatic Transmission Co., Ltd., our joint venture with Guangzhou Automobile Group. We are also honing our development and production expertise for achieving short lead times and low costs through collaboration with partners and strengthening our competitiveness by developing and optimizing the local supply chain. Moreover, we are improving profitability through restructuring measures, including a review of our business portfolio, realigning capital, optimizing our production organization, and reducing fixed costs. Through these initiatives, we are strengthening our response to market changes, with special attention to leading local development and co-creating with partners, and enhancing our competitiveness in the China market.

// Europe

In the European market, electrification is advancing ahead of other regions against a backdrop of stricter environmental regulations, and competition is expected to intensify further. Under these market conditions, Aisin is expanding its business centered on electric vehicle components in order to achieve medium-to-long-term growth and secure earnings. In particular, we are steadily modifying our business structure by strengthening the local production organization for BEV-related products. As part of these initiatives, in 2024 we agreed with BMW Group, a major European automaker, to collaborate on build-to-print production of an e-axle* designed by BMW Group, with a view to building a long-term strategic partnership with the company.

These products are planned to be installed in BMW Group vehicles from the late 2020s and will be produced at sites in China and Europe. To meet resulting demand, we are accelerating the development of our production organization in Europe, including a building expansion at AISIN EUROPE MANUFACTURING CZECH s.r.o. Through our collaboration with BMW Group, we will strengthen our production and procurement base in Europe and, over the medium-to-long term, aim to establish our position as an electrification partner trusted by European automakers.

*Customer's product name is used.

Message



Stewart NAPIER

Executive General
Manager, Europe
Region, Aisin

What I value most in business is the relationship of trust we share with our customers. We are currently working with BMW Group on a powertrain unit production project in the Czech Republic—the first of its kind in Europe. By bringing together Aisin's superlative technology development strengths, manufacturing expertise, and Group synergy, and by providing value that exceeds expectations based on the concept of Quality Supremacy, we are further strengthening this relationship of trust, through which we intend to achieve a long-term strategic partnership and sustainable growth.

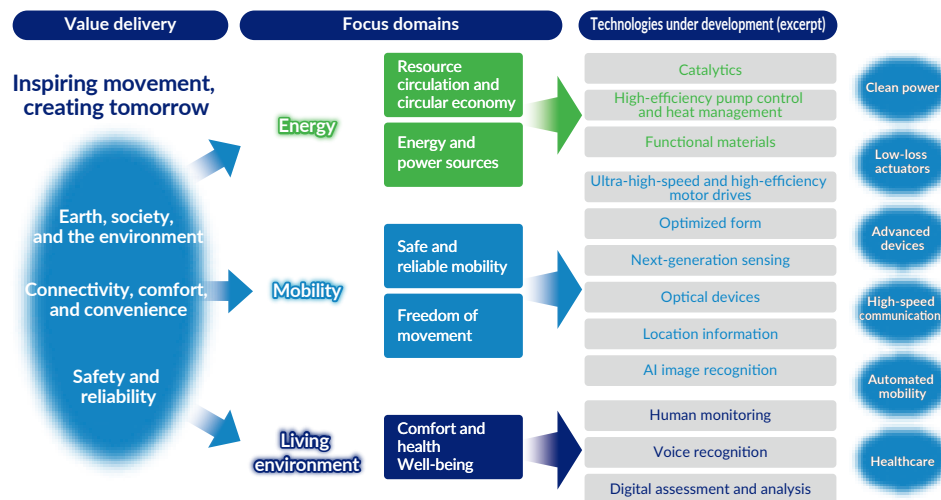
TOPICS

Intellectual Capital

Basic stance and policy

Taking its Group Philosophy, "Inspiring 'movement,' creating tomorrow," as its starting point, Aisin has defined its focus domains to be energy, mobility, and people (living environment). In each domain, we bring together diverse elemental technologies cultivated through R&D and develop them into such valuable assets as clean power, low-loss actuators, advanced devices, high-speed communications, automated mobility, and healthcare. Through our initiatives, we aim for practical results in the thematic areas of "the Earth, society, and the environment," "connectivity, comfort, and convenience," and "safety and reliability," as we create new value for people and society.

Our mission to realize the vision "inspiring movement, creating tomorrow"



Intellectual capital base (FY2026 results)

- R&D expenses: ¥265.4 billion
- Ratio of R&D resources applied to growth domains: 70%
- R&D sites: three major overseas regions (North America, Europe, and China), three advanced research centers, and three comprehensive test facilities

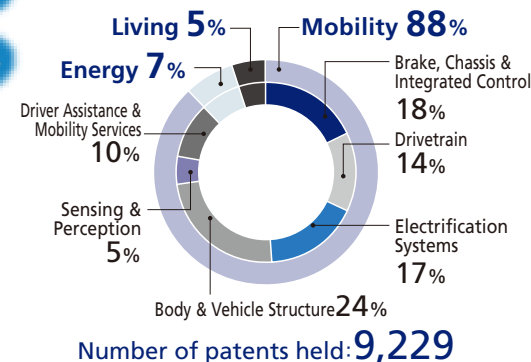
Intellectual property strategy

We inventory our intellectual property against an analysis of the external environment to enhance our management and business strategies. For future growth, we identify the kind of value we should create, the domains in which we should build a competitive advantage, and the jurisdiction in which we should ensure freedom of business operation. On this basis, we formulate our intellectual property strategy from both offensive and defensive perspectives.

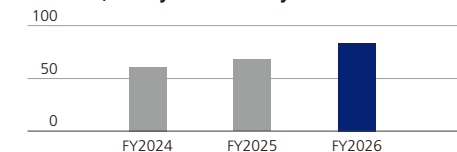
Based on this strategy, we are building an IP portfolio spanning four focus domains: mobility, energy, and people (living environment). As of FY2026, the number of patents held by the Company stood at 9,229, a high level even among automotive parts manufacturers. We use this intellectual property in our existing businesses and, to create new value, also apply it in cross-domain applications that transcend internal business domains and in building cooperative frameworks with external partners, thereby maximizing the value we deliver.

As regards materiality issues, we have likewise set the number of inventions as a KPI as we aim for the ongoing accumulation of new fundamental technologies targeted at the future and systematically pursue inventions and discoveries. Based on our business strategies, we strategically manage new inventions by appropriately securing patent rights and keeping them as confidential know-how to help us establish competitive advantage and maximizing our IP assets' contribution to our businesses. In light of changes in the business environment and social issues over recent years, we have focused in the mobility domain on areas such as intelligent-system technologies that combine sensing, software, and AI to support comfortable, safe, and secure mobility, and have accumulated diverse new elemental technologies. In the energy domain as well, we have built a roster of new elemental technologies in areas such as hydrogen technologies that support the production and circulation of clean energy, CO₂ capture and utilization, and power generation and renewable energy.

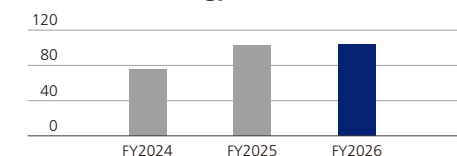
FY2026 patent portfolio



Number of mobility inventions supporting comfort, safety and security



Number of energy-related inventions



Intellectual Capital

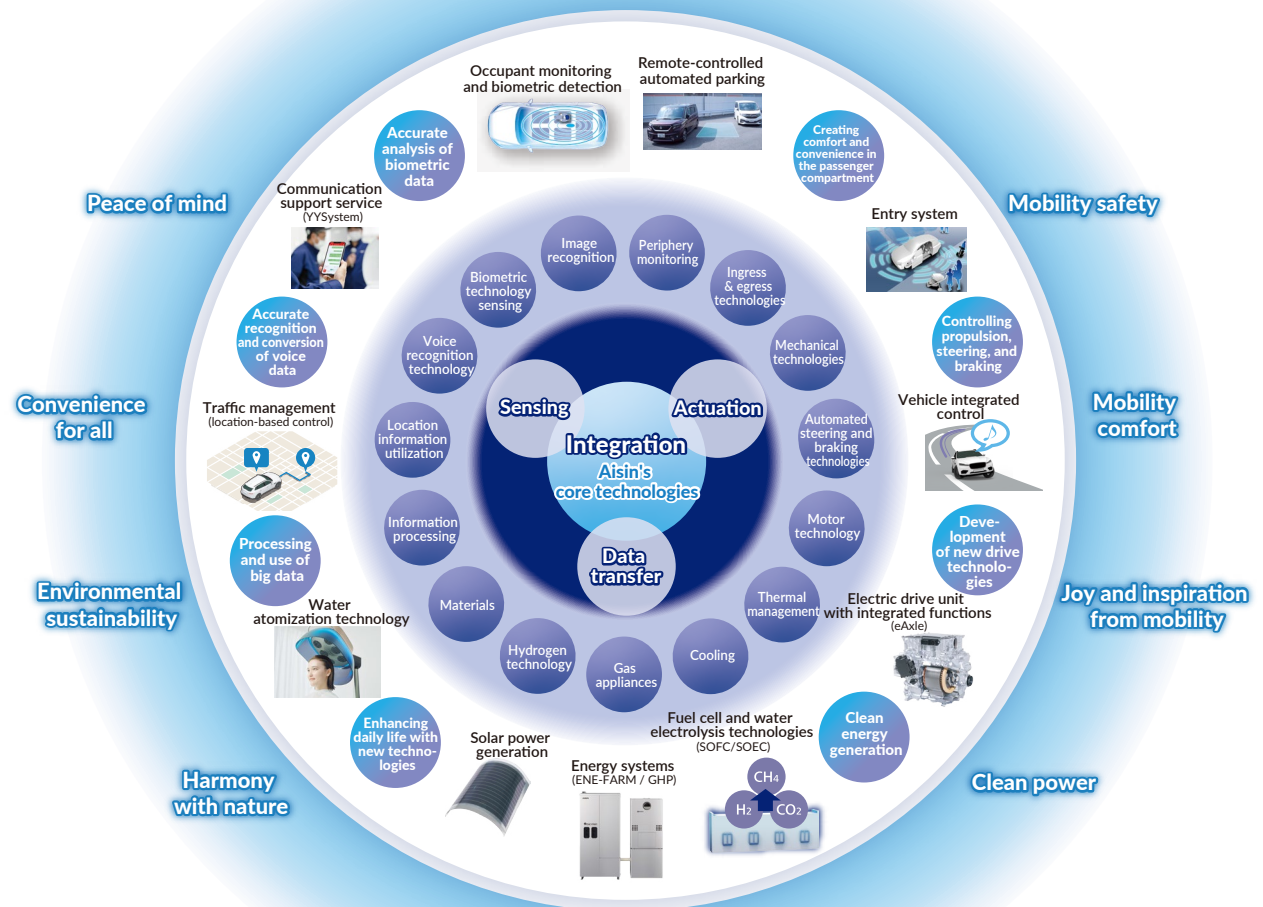
Core technology strategy for creating value

Aisin positions sensing (detection), actuators (manipulation) and transfer (transmission) as its core technology domains and has integrated them to create a diverse range of products and services. In recent years, we have used data and digital technologies to increase the value of our products and technologies add and to expand our enterprise value by promoting our existing businesses and creating new value.

Integrating our core technologies delivers mobility value in such area as safety, comfort, and the joy and inspiration of free movement. Not only that, it offers a broad range of value for people and society in such contexts as clean power, harmony with nature, environmental sustainability, peace of mind in daily life, and convenience for all. To ensure that our businesses not only persist but expand five and ten years ahead, Aisin's advanced research centers in Japan, the United States, and France perform R&D involving advanced technologies covering such realms as new materials and innovations in laser and optical technologies that support next-generation ultra-high-speed communications. We have also established a global network of venture funds to discover and apply outstanding cutting-edge technologies offered by startups around the world. We also actively collaborate with Toyota Central R&D Labs, Inc., and universities.

In this way, Aisin pursues new value creation and sustainable growth, with the deepening of core technologies and the promotion of advanced research as the main thrust of its two-pronged strategy.

Overview of value creation rooted in core technologies



Intellectual Capital

Initiatives for creating new value

Communication support service, YYSystem

YYSsystem is an application that converts speech and ambient sound into text and visualizes it in real time, supporting communication with people who are deaf or hard-of-hearing and with speakers of other languages. The service was developed from an in-house project born of the voice recognition technology Aisin has worked on over the years and the communication challenges that deaf and hard-of-hearing people faced during the COVID-19 pandemic. The YYSsystem's functionality was expanded to make possible a society in which conversations can be had anytime, anywhere, with anyone. Downloads of the YYSsystem series have surpassed 3 million, and the system's use is spreading beyond personal use into business, public spaces and other varied settings.

Following the April 2024 revision of the Act for Eliminating Discrimination against Persons with Disabilities, adoption is growing at station counters, public facilities and other locations. Nagoya Railroad (MEITETSU) ran a demonstration test that converts station staff announcements into text and translates them into multiple languages in real time, in preparation for the 20th Asian Games and the 5th Asian Para Games (Aichi-Nagoya 2026), to be held in Aichi and Nagoya in autumn 2026.

The test uses the My Engine feature, which uses AI to learn and optimizes for each speaker's vocal articulation and raise recognition accuracy for smoother, more accurate guidance. On the technical side, the service has earned strong recognition, including the Aichi Invention Award for a patent related to its voice recognition technology. Service improvements are driven by users' feedback and the challenges they face, an approach recognized as co-creative inclusive design that builds the service together with its users and awarded the Good Design Gold Award in 2023. We continue to strengthen functionality and expand the scope of use to meet diverse needs as we work toward a society in which everyone can communicate smoothly and with peace of mind.

[Learn more](#)



Hydraid ultra-fine water permeation technology

Hydraid, which was developed by applying the catalyst structure technology used in automotive exhaust gas treatment, generates and releases water particles formed at the smallest size ever achieved worldwide*, penetrating power, moisturizing and water-retention power, and pure water particles. It has potential applications in many areas of daily life, including beauty, food, agriculture, and fermentation and cultivation. In the beauty industry, the professional beauty device ReFa HYDRAID has been on the market since April 2026. Aisin has also applied the knowledge gained from the beauty device design to the vehicle cabin, presenting a new concept, "the more you ride, the more beautiful you become," at the 19th Beijing International Automotive Exhibition. We continue to create new value that adds to people's comfort, sense of well-being and health across diverse domains, beginning with mobility spaces.

[Learn more](#)



ReFa HYDRAID beauty device



Image of ReFa HYDRAID installed in a Lexus vehicle

* World's smallest: Based on a comparison with commercialized technologies capable of stably generating water clusters of the same type (published values of major global manufacturers; Stella Associe survey, November 1, 2025)

Molecular clock research findings published in Nature Communications

IMRA America, Inc., a research outfit that conducts advanced research for Aisin, conducts laser research in the field of optics. Terahertz light sources are important to a wide range of scientific and technological fields, and their application to high-precision spectroscopy using the rotational transitions of molecules shows particular promise.

Using a proprietary resonator, IMRA America demonstrated a method for stabilizing terahertz frequencies with the molecular rotational transition of carbonyl sulfide (OCS) as the reference. This yielded a low-noise, highly stable terahertz source and demonstrated its potential for use in precision spectroscopy, frequency standardization, and next-generation communications. The paper was also featured in the March 11, 2025, issue of Nature Communications. We are pursuing further research aimed at applying this technology to next-generation communication devices and other equipment.

[Learn more](#)

Intellectual Capital

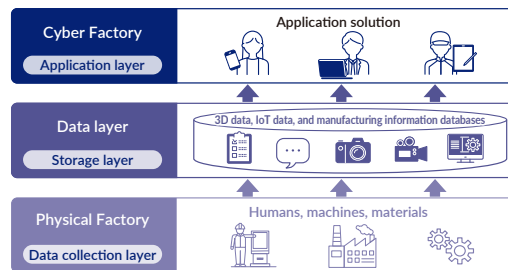
// Achieving digital transformation

Strengthening intellectual capital is essential to realizing our growth strategy, and we position the use of digital transformation (DX) and generative AI as one of our key initiatives. As changes in the market environment accelerate, we are fusing data and digital technologies with our conventional technology development and manufacturing strengths to drive new value and evolve our business structure while also raising the sophistication of our decision-making process and enhancing corporate value.

We are combining this approach to digital transformation, which is an integral part of our management strategy, with the power of DX in three areas: technology development, manufacturing, and management platform. In each area we are deepening the use of data, improving QCD in quality and development, strengthening the manufacturing foundation and raising the sophistication of our management controls, all to strengthen our competitiveness.

To complete these transformations quickly and globally, we have centered our platform strategy on DX promotion. For example, we run an IT platform based on the Cyber/Physical Information Factory (CPIF) concept, which aggregates and reproduces in cyberspace the diverse data obtained from manufacturing sites, products and services, enabling AI-based analysis and utilization. As a result, data linkage across departments and domains is advancing, and the shift to holistically optimized manufacturing is accelerating.

Conceptual diagram of Cyber/Physical Information Factory



We are developing these initiatives to spur companywide value creation and extending our use of DX and generative AI to every corner of the company. We are thus advancing operational reform through all-hands participation. Beyond improving operational efficiency, we are creating an environment in which employees can shift to higher-value-added work and deepen their expertise, thereby fostering the evolution into people and an organization with job satisfaction, where each individual can attempt new challenges on their own initiative. Through these measures, we work for sustainable enhancement of corporate value while we address social issues.

Technology development initiatives

To improve our quality, cost, and development (QCD) profile, we are using AI to advance the design and development processes, drawing on our rich store of information regarding defects and the production process as well as formal know-how and tacit knowledge surrounding each process. Using AI tools to expose and isolate risks at the design stage, we are raising the quality of initial studies, speeding the adoption of preventive development techniques and improving design quality. We are also leveraging AI to automatically generate design proposals and accelerate simulations in an integrated way, speeding up design decisions that take cost and performance into account. Projecting forward from product specifications, we identify potential production process issues and quality considerations in advance and reduce the risk of losses due to various causes, thereby establishing a cycle that prevents defects before they occur. This helps us work toward more advanced processes from development through production and data-driven quality improvement.

Manufacturing initiatives

To evolve toward next-generation manufacturing, we are streamlining information by rebuilding and standardizing our product lifecycle management (PLM) program based on the centralized management of process design information using a bill of process (BOP) methodology. Under the CPIF concept, we are improving the efficiency of production ramp-up processes and enhancing quality through digital twins using BOP. We also reverify data obtained from actual production lines in cyberspace, feed the results back into our BOP and upgrade shop-floor management and supervisory work. Thus, we drive a fast, continuous improvement cycle that strengthens our competitiveness.

Management platform initiatives

To facilitate a shift to a more flexible and resilient corporate structure, we are building a management platform that can respond quickly and appropriately to changes affecting the competitiveness of our products and our customers. By bringing digital tools to areas that previously relied mainly on manual analog handling, we are improving the timeliness of our decision-making process by enabling faster and more granular data analysis. This use of data is raising the prominence of analysis-based decision-making and of the PDCA cycle. For example, we are managing costs by speeding up the cycle of refinement through integrated analysis of costs and profit and loss, thereby strengthening our earnings structure and promoting the agile creation of value in response to changes in the competitive environment.

Manufacturing Capital

Basic stance and policy

As the business environment grows more uncertain, manufacturers must respond quickly to market changes while sustaining their competitiveness. The manufacturing environment is changing significantly as products evolve through electrification and the introduction of intelligent systems, demand fluctuates as market needs diversify, global production expands, and labor shortages arise owing to declining birthrates and aging populations. Aisin's foundational policy for managing manufacturing capital is to build a manufacturing base that can respond quickly in any market environment.

At its core is "people-centered manufacturing." Starting from human ingenuity and master craftsmanship, we create simple, streamlined production machinery that combines karakuri (mechanical automation devices) with other machinery, and build infrastructure in-house that can flexibly accommodate changes in model mix and volume. We are implementing production systems that use digital technology and AI and building a global production framework that connects production sites around the world. These efforts are supported by a core human resource development function that enables people to handle challenges posed by change. Through a manufacturing process in which people and technology evolve in parallel, we continue to strengthen our frontline staff's capabilities—the lynchpin of our competitive advantage—to deliver value to customers and contributing to sustainable growth of our enterprise.

Strengths underpinning manufacturing capital

A key element of Aisin's competitiveness lies in the wide-ranging array of production technologies amassed over many years, spanning basic materials and forming, machining, assembly, equipment, and dies and molds. This body of knowledge is applied by the people who support the Company's production facilities around the world. We combine these strengths to deliver high productivity and quality. At the same time, we continuously evolve our production lines based on the wisdom and ingenuity of frontline employees. It is people who push the envelope with technologies and infrastructure, and the growth and development of our staff underpins the evolution of manufacturing at Aisin.

Opportunities & risks

The automotive industry has entered a period of sweeping transformation as electrification and intelligent systems advance. Demand for products that support the movement of people and goods will persist, and the areas in which production technologies and digital technologies are applied will expand further. At the same time, the manufacturing environment is growing increasingly severe, with the shift to high-mix, low-volume production as the market's needs diversify, labor shortages and challenges in the transfer of skills, and intensifying global competition. Aisin is building a manufacturing base that is resilient to change and can address these opportunities and risks.

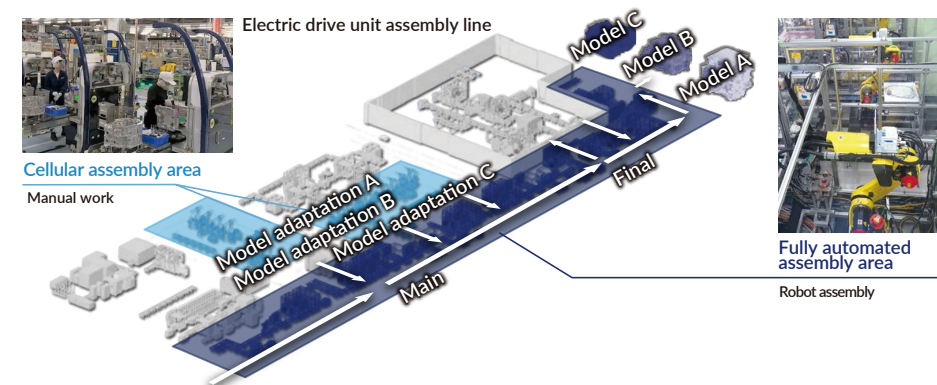
Execution strategy

In line with our fundamental stance and policy, we are focusing on the following three initiatives and promoting a shift to the high-quality earnings structure reform set out in the FY2029 Medium-Term Business Plan.

1. Construction of a flexible production system that accommodates high-mix, low-volume production and demand volatility
2. Digitalization of production and logistics through the cyber/physical information factory (CPIF)
3. Human resource development and the provision of workplaces that offer job satisfaction

Construction of a flexible production system that accommodates high-mix, low-volume production and demand volatility

To capitalize on change as a competitive advantage rather than a risk, we are building a flexible production system that can adapt to mixed-model production and fluctuations in production volume. Alongside the automation technologies we are introducing, we are applying robotics to automate simple and physically demanding tasks while leaving complex assembly tasks that vary by model to skilled human operators under a cell production model that achieves both flexibility and low cost. Cell production also creates an environment in which diverse staff, including older workers and women, can play active roles and help us respond to the declining birthrate and aging population. Competing with and learning skills from one another encourages employees toward further productivity gains and offers a sense of accomplishment in their work.



Manufacturing Capital

// Digitalization of production and logistics through the cyber/physical information factory (CPIF)

We are building CPIF facilities that digitally connect information on factory equipment, products, and people and reproduces the physical space in a virtual one. Linking information in the physical space lets us detect early signs of abnormalities, prevent line stoppages before they occur, and raise production efficiency. As a result, people are increasingly shifting to more creative work. Digital twin initiatives, which preemptively verify production line conditions and processes in a virtual space, shorten production ramp-up lead times and provide us with the speed to respond to market changes quickly.

In the logistics space, we have significantly reduced downtime by refining operation planning precision with technologies developed through our car navigation business. Together with such measures as joint transport with other companies to improve loading rates and shorter cargo handling times, these efforts are directed at halving logistics costs by 2030 (vs. 2021). We are also extending the logistics reforms developed at our factories in Japan to Group companies and suppliers in Japan and overseas, leading to stable supply and stronger cost competitiveness across the entire supply chain. By rapidly deploying these CPIF initiatives worldwide, we are building a robust global production foundation that can respond flexibly to changes in the market environment.

// Human resource development and the provision of workplaces that offer job satisfaction

Based on our belief that our people are the source of competitiveness, we are developing staff who can employ digital technologies and new production methods while pursuing kaizen and skills transfer initiatives based on the Toyota Production System (TPS). By taking part in challenging events, such as skills competitions (WorldSkills), we are also fostering a culture in which each individual thinks independently, takes on challenges and grows professionally.

Aisin continues to develop the people and workplaces that support people-centered manufacturing and, by building a manufacturing foundation in which people and technology evolve together and which is resilient to change, contribute to sustainably enhancing corporate value.



Silver medalist: 3rd WorldSkills Asia Competition

[Learn more](#)

Initiatives leveraging technologies developed through our car navigation business

Logistics support service BRIDGES@ny

BRIDGES@ny is a cloud-based delivery management system that supports the delivery management operations of the shippers, transporters, and drivers involved in logistics. Designed to help resolve social issues in the logistics industry, such as labor shortages, inefficient operations and dependence on specific individuals, this system enables lower transport costs, higher transport quality, and better working conditions across the entire logistics process.

For delivery planning, this system employs Aisin's methodology 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.

These initiatives contribute to driver safety and greater operational efficiency, and the system's high extensibility, which allows it to adapt flexibly to legal revisions and social demands, earned it the Good Design Award 2025. We will continue to expand it functionally while incorporating the voices of frontline users and, thereby, contributing to solving the logistics industry's issues.

[Learn more](#)



Human Capital

Message from the Chief Human Resource Officer (CHRO)

In our effort to evolve into a company that creates value through mobility, we are promoting business portfolio transformation under our medium-to-long-term business strategy toward 2030. To keep growing sustainably even amid dramatic changes in the business environment, it is essential that we adapt as agile, change-resilient workers and ensure we are an organization in which diverse talent can fully demonstrate their abilities and continue facing the challenges of creating new value. Based on this thinking, Aisin positions its human capital strategy as a critical element of its management foundation. As we head toward 2030, we have defined our vision for our people and organization as "Working toward challenging objectives through groupwide" and "Allowing people more opportunity for growth than any rival can and ensuring that everyone thrives." We are enriching our human capital to that end.



Yuji Nakamura
Senior Executive
Officer, CHRO

Basic stance and policy

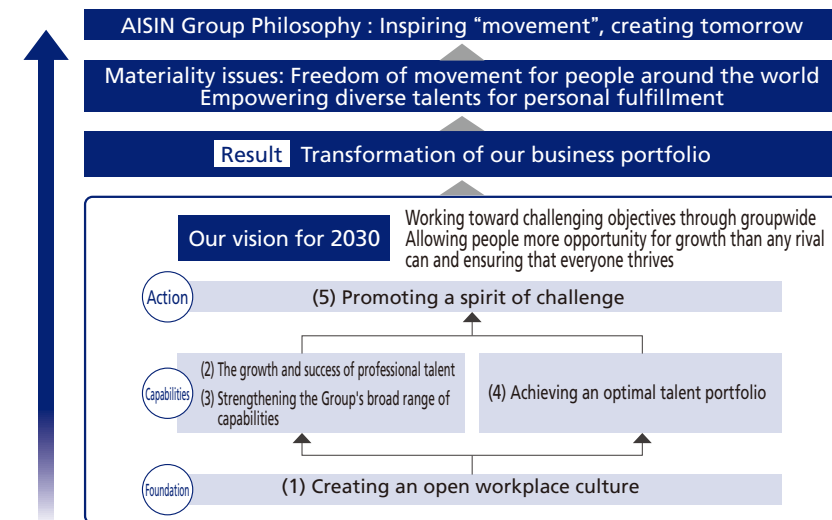
At Aisin, we believe every work colleague is a protagonist in their own story and that our people are the source of the Company's competitiveness. The AISIN Group Philosophy places our colleagues first among the values we provide. By taking on the challenges our business strategy poses, we encourage self-directed growth and offer our work colleagues a sense of fulfillment in their jobs and happiness in their lives.

Execution strategy

The business portfolio transformation Aisin is pursuing is an initiative to strengthen the earning power of its existing businesses and reallocate management resources to growth domains. Management prioritizes strengthening the organizational capabilities that underpin this transformation. Aisin's earnestness, on-site capabilities, and culture of accumulating continuous kaizen have supported our growth to date as a source of competitiveness. Even as we leverage these strengths in our businesses that generate earnings and pursue further evolution, amid rapid changes in the business environment, we are required to identify issues ourselves from the perspectives of society and customers and create change swiftly and boldly across organizational boundaries. With this in mind, we believe it is necessary to move beyond an inward-looking and passive stance and evolve into an organization that identifies issues on its own and creates new value across organizational boundaries, thereby generating opportunities for each individual to grow and take on challenges.

To realize our vision for our people and organization, we identify and address priority

issues across three layers: foundation, capabilities, and action. We place "Creating an open workplace culture" at the foundation of all our initiatives. As capabilities, we work on "The growth and success of professional talent," "Strengthening the Group's broad range of capabilities," and "Achieving an optimal talent portfolio" to secure and develop talent in terms of both quality and quantity. As action, we encourage "Promoting a spirit of challenge," with each individual taking on challenges with a sense of ownership. Through these efforts, we will realize our medium-to-long-term business strategy and grow into an organization that reliably meets the expectations of society and our customers.



Related materiality issues

Materiality issues		Goal (KGI)	Indicator (KPI)	FY2026 results	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	61%*1	—*2
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	59%*1	—*2
			Ratio of female managers*3	3.0%	4.5%

*1 Coverage scope for results in the current fiscal year: 68 domestic companies and 36 overseas companies

*2 After the global rollout of the employee engagement survey is complete, global targets are scheduled to be set in FY2028 based on actual results and regional and cultural characteristics

*3 Manager: key position (section chief) and above (scope: domestic Group companies)

Human Capital

// Creating an open workplace culture <Foundation>

Among factors that underpin all our efforts are enhancing relationships among workplace colleagues, collaboration across organizations, and mutual understanding between management and the front line. In keeping with our president's own message that the most important elements of a full model change are, above all else, people, followed by workplace culture, we hold labor-management roundtables to provide forums for active dialogue between the workforce and managers at each level of the organization. We are also promoting an open workplace culture by enhancing transparency by such means as explaining our business strategy in our in-house newsletter.

Promoting companywide and workplace activities in response to employee engagement surveys

We conduct employee engagement surveys across the Group, and based on the results, we promote activities to improve each workplace.

To advance self-directed workplace enhancement at each site, all workplaces hold feedback meetings in which team members discuss issues based on survey results and design and enact plans for improvement. To support these activities, we actively promote activities customized for individual workplaces, including training for managers on how to interpret survey results, management study sessions, and forums for mutual learning and other modes of sharing management case studies.

As a result, self-directed efforts at workplace improvement have spread steadily, and our engagement score has improved by more than five points from the previous fiscal year. To raise engagement across the entire Group, we are progressively expanding the scope of the engagement survey, and its rollout to all Group companies, including those overseas, is scheduled to be completed in FY2027.

// The growth and success of professional talent <Capabilities: Qualitative fulfillment of talent>

To continue creating value amid future changes in the business environment, it is essential to transform our people and organization into ones that are resilient to change. We define our ideal type of talent, "professional talent," as individuals who proactively think and act from the perspective of overall optimization in their respective roles and positions. We define the components of professional talent as capacity for transformation, human capabilities, problem-solving, and skills, and are expanding growth opportunities.

Professional talent development initiatives

To develop professional talent with a sense of ownership and a holistic perspective on optimization, we are encouraging cross-departmental transfers and assigning companywide themes within our leadership tier. These initiatives promote a perspective that transcends organizations and domains and drives autonomous decision-making and problem identification. In addition, while building on everyday on-the-job training, we systematically deploy development measures focused on deepening the capacity for transformation, enhancing human capabilities, and sharpening problem-solving skills, thereby helping our professional talent to expand growth opportunities. To gauge the effectiveness of this series of initiatives, we conducted a survey to gauge each employee's sense of their own growth and change. As a result, we ascertained that more than 60% of employees felt a change with respect to the themes of "outward-looking perspective," "proactive problem identification," and "motivation for and interest in change." To sustain and broaden employees' sense of growth and change, we will identify contributing factors through trend analysis by employee attribute and use the findings to further strengthen our initiatives.

Shared core competencies	Key initiatives	Details	FY2026 results
Problem-solving	Training in problem-solving skills Intermediate/advanced MAST training	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.	2,235 participants
Capacity for transformation	Cross-boundary hands-on experience program	The program is designed to help participants develop new perspectives that are difficult to gain through internal experience alone by working with external parties to address social issues. The insights and learning gained through participation have produced certain effects, such as enabling participants to address their own themes from a broader perspective and a higher vantage point. We will expand the program to include more participants.	127 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.	6,944 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. We have successfully completed our targeted rollout to 50% of senior core staff by FY2026. We will further expand the scope to spread transformation throughout the organization.	224 participants

Human Capital

// Strengthening the Group's broad range of capabilities <Capabilities: Qualitative fulfillment of talent>

To enhance competitiveness, we are shifting from management on an individual-company basis to group management and reviewing the roles and positioning of Group companies. We are also promoting diversity & inclusion in order to continue creating value sustainably and securing the talent needed to support it.

Groupwide and global leadership development

We are strengthening the intentional and systematic development of management talent who support corporate transformation, including business transformation and regionally focused management. For candidates identified by senior management, we promote systematic development and placement by visualizing positions through AG2 (Aisin Global Grading), formulating succession plans, and providing management talent training through the Global Leaders Session.

Promoting diversity & inclusion

■ Advancing women's participation

We have set a target of 4.5% for the ratio of female managers by 2030 and expanded the scope of this metric from core companies to domestic Group companies. We have identified roughly 2.5 times as many development candidates as the number of women who will need to be promoted to managerial positions by 2030 to achieve our benchmark, and we are strengthening their systematic development. At the same time, we are promoting the success of diverse talent by reforming workplace culture and by dispelling implicit assumptions about management roles and working styles that discourage the desire for promotion. In skill-intensive workplaces, we work to improve production line processes, such as by optimizing cycle times and work procedures, to enable employees to continue performing effectively while using reduced working hours for childcare. Through these efforts, we enhance individual job satisfaction and cultivate future candidates for supervisory positions.

■ 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. By clarifying the roles that individuals take on, we have ensured that approximately 50% of employees continue to thrive after re-employment.

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 promoting the maintenance and improvement of physical fitness, introducing fatigue-reducing measures, and boosting confidence to continue working vigorously.

// Achieving an optimal talent portfolio <Capabilities: Quantitative fulfillment of talent>

To actualize the business portfolio transformation set out in our medium-to-long-term business strategy, we are optimizing our talent portfolio. In the growth domains of electrification and intelligent systems, we define future workloads and required talent profiles by function and promote planned personnel shifts and reskilling across the Group as one. Regarding the software talent who are so essential to intelligence, we have to date made some progress toward fashioning our envisioned structure through development and recruitment. We will further enhance our competitiveness while also considering offshoring and the use of external resources. In the aftermarket domain, which continues to grow as a mainstay of our business portfolio outside of new-vehicle operations, we have increased staffing from approximately 300 to 800 since 2021, driving further growth of the business. In skill-intensive workplaces, we expect the required roles and the quality and quantity of needed skills to change significantly in step with our business portfolio transformation and the evolution of manufacturing at the hands of DX and AI. To respond to these changes, we are recognizing the key challenges of shifting work processes and providing planned development, starting from a clear accounting of our talent portfolio. At the same time, to enhance our ability to add value we are creating diverse growth opportunities that are not limited to supervisory positions but also include paths for skilled specialists.

Key initiatives	Details
DX and AI talent development add operational sophistication	- Institute reskilling programs to enhance the use of AI and data (1,400 participants by end-FY2026) - Building on our educational efforts in the AI and data domains, we revamped our talent development framework to focus on the use of generative AI. Through hands-on learning by job function and training in building AI chatbots, we are educating staff capable of using generative AI to transform our operations and improve productivity
Software talent development for intelligence applications	- Revamped our educational framework to raise product functionality and value by involving software talent beginning from the basic concept stage (910 participants by the end of FY2026) - Built a training framework in cooperation with the Toyota Group (Toyota Software Academy: 465 participants) - Strengthening training to raise skill levels and increase added value
Talent development in the electrification domain	- Completed staff reallocation by the end of FY2024; now transitioning from next-generation development to the mass-production and sales-expansion phase - Provided expert training for reskilled engineers with the aim of upskilling them to become system engineers with a vehicle systems perspective - Revamped the training framework for skilled workplaces for electrification (3,070 participants by the end of FY2026)

Human Capital

// Promoting a spirit of challenge

<Action: Individual challenge-oriented actions>

Laying our foundation and building out our capabilities are, on their own, insufficient to spur the business portfolio transformation we seek; this cannot happen without a proactive approach from all employees toward taking on challenges. At Aisin, 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.

Clarifying roles and fostering proactivity for everyone's shared success

Amid a rapidly evolving business environment in which new domains and themes continually emerge, the roles each individual must fill are not fixed and must be flexibly reconsidered in response to change. Based on this recognition, Aisin is shifting toward a way of working that starts from each person's role.

To achieve this while aligning each person's challenges with the company's direction, management has worked to better communicate its business strategy and policies. At the same time, in each workplace, we tightened each employee's connection to their role and duties by improving the quality of policy implementation and goal-setting meetings. In addition, to accelerate our response to challenges that cross organizational boundaries, we are creating situations and settings conducive to taking on challenges via such measures as establishing cross-departmental, time-limited organizations (BR organizations*).

In skill-intensive workplaces, we have promoted stronger investment in the workplace environment and richer communication in the belief that a workplace environment and management team that value each individual are essential. Building on this, we revised our personnel system to establish new roles in which highly capable and experienced personnel can demonstrate their value in roles outside the supervisory scope, thereby creating an environment where, given our graying workforce, everyone can thrive regardless of age.

Through the accumulation of these efforts at the management and workplace levels, positive responses to both "employee engagement" and "empowering environment" items increased significantly from the previous year and exceeded the average for the Japanese manufacturing sector. In skill-intensive workplaces in particular, both indicators improved by more than five points from the previous year, demonstrating the tangible effectiveness of workplace-driven initiatives.

Going forward, we will regard the process of shifting toward higher-value-added work as an opportunity for each employee to take on new challenges. By promoting growth through these experiences, we aim to align the growth of our company with the growth of our people.

* BR organizations: Business Reform organization. a flexible project organization that addresses companywide issues speedily across divisions and functions.

Appropriate evaluation of challenges, balanced compensation

To properly reward challenge and results, we are revising our personnel system in stages from the perspectives of evaluation and compensation. In 2023, we revised the executive compensation system, expanding the reflection of individual performance evaluations and incorporating nonfinancial indicators. For employees, we have reviewed our personnel systems in stages, starting with the highest qualification levels, based on three pillars: a "points-based system" that recognizes challenges and learning from failure; a "market-based system" that rewards results achieved in the current role; and "accelerated mobility and outward orientation," which promotes the shift away from an inward-looking mindset and encourages the effective use of talent by way of appropriate timing and staff allocation. The revision of the re-employment system was completed in FY2026. These revisions shift our emphasis from a conventional focus on competency-based qualifications to compensation based on the role one assumes and the value it creates. By aligning evaluation and compensation procedures with each role, we are building a system in which an employee's spirit of challenge and actual results can be appropriately rewarded even amid changing business conditions. 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.

TOPICS Developing people and organizations that support value creation in the electrification era

The spread of electrification is bringing new growth opportunities to Aisin's businesses and to its powertrain business in particular. The PT System Product Planning Department, which leads our electrification efforts, is working to assemble the talent and create the organization needed to sustainably add value. Our preemptive development team emphasizes actively taking in new perspectives and ideas while tracking changing markets and technological progress; it has expanded its technology education effort and its opportunities for hands-on practice, and it treats development work itself as an opportunity for growth.

We have also built a development framework in which frontline teams make decisions and act on their own initiative by sharing information on the external environment, customer feedback, and management policies with the front line, clarifying roles and expectations, and pressing ahead with the delegation of authority. As a result, a culture has taken root in which people freely propose and discuss value creation opportunities and issues in the context of combining knowledge and experience amassed within the Company with prominent external information and insights. Collaboration and knowledge sharing across organizational boundaries have grown more active, speeding the development process and creating value.



Tsubasa Deguchi

PT System Product Planning Department
General Manager,
Advanced Planning Office

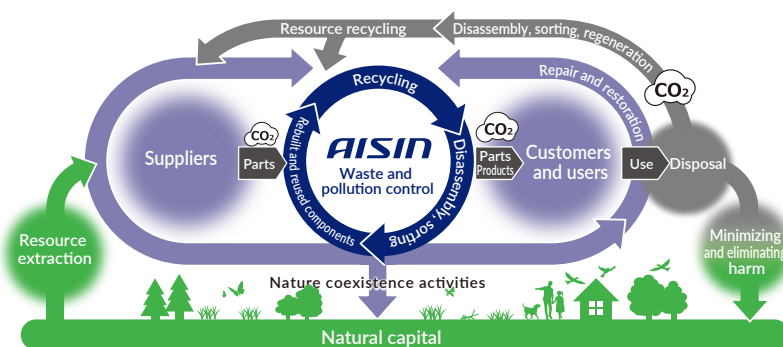
Natural Capital

Basic stance and policy

Guided by the AISIN Group's management philosophy of "Inspiring 'movement', creating tomorrow," the Company pursues lasting harmony between people and the planet and addresses environmental and social issues. By drawing on the broad product portfolio we have built, which spans automotive applications, construction, greening, and energy, along with our leading technologies and services, we help address global environmental issues and continue to bring prosperity to the Earth of the future. To this end, each employee confronts environmental issues such as climate change and resource depletion head-on so as to pass a sustainable environment on to future generations. Our goal is a society in harmony with nature, where everyone can live with peace of mind.

 AISIN Group Environmental Policy

Resource circulation system to meet our goal of harmonizing with nature and contributing to a sustainable future



Opportunities & risks related to natural capital

Opportunities

- Lower energy costs by promoting energy saving and improving productivity
- Lower resource purchasing and waste disposal costs through improved resource efficiency
- Expanded business opportunities amid rising demand for environmentally friendly products and technologies

Risks

- Impact on earnings from falling demand for existing products even as demand for environmentally friendly products and technologies rises
- Impact on earnings from the introduction of carbon pricing and higher energy procurement costs (carbon taxes, costs of introducing renewable energy, etc.)
- Higher procurement costs and lost business opportunities as raw material prices soar on rising demand for low-carbon raw materials

Execution strategy

We established the AISIN Consolidated Environmental Action Plan in 1993 as one of our environmental initiatives and have worked to five-year action plans under the Plan ever since. Starting in FY2027, we redefined the scope, levels, and items we evaluate against our vision for the future and formulated a new, more challenging plan, the Aisin Environmental Action Plan 2031, which targets FY2031. We pursue these initiatives under a defined set of policies: for Scope 1 & 2, "reducing energy use with a focus on power sources, heat sources, and eliminating waste, and establishing energy substitution and circulation technologies"; for Scope 3, "reducing emissions across the entire value chain through initiatives in priority categories"; and for the circular economy, "effective use of resources based on full consumption within our own processes and plants" and "minimizing waste emissions by increasing the value of waste." Carbon neutrality and the circular economy, which bear directly on sustainability management, are positioned as materiality KGIs. The entire AISIN Group is working on them as one entity.

 Aisin Environmental Action Plan 2031

Related materiality issues

Materiality issue		Goals (KGI)	Indicators (KPI)	FY2026 results	FY2031 target values
Priority issues	Path to 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 emissions (compared to FY2020)	1.74 million t-CO ₂ e (37.4% decrease)	46.2% decrease
			Scope 3 emissions (compared to FY2020)	22.35 million t-CO ₂ e (3.8% decrease)	27.5% decrease
		[Circular economy] Achieve zero-emission factories by FY2041 (landfill waste ≤1%)	Optimizing resource utilization	—*1	10% efficiency improvement*2
			Waste minimization Waste emissions (compared to FY2020)	—*1	11% decrease

*1 Performance evaluation to begin in FY2027

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

Carbon neutrality initiatives

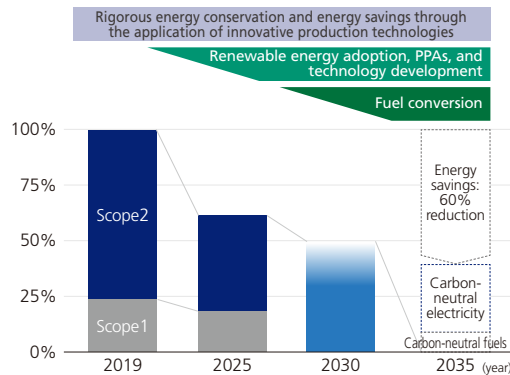
We target carbon neutrality by FY2051 on two fronts: production and products. With regard to the production process, we are cutting energy use and switching to clean energy such as renewables through rigorous energy-saving activities and by developing innovative production technologies. On the product side, we are further evolving our products for electrified vehicles and promoting the spread of energy and resource circulation systems, to create new value by fusing mobility and energy technologies.

Natural Capital

Scope 1 & 2

AISIN's target is carbon neutrality for CO₂ from manufacturing by FY2036. Reducing Scope 1 & 2 emissions lowers our environmental impact and, by cutting energy costs, also strengthens our corporate fundamentals. We are therefore cutting energy use through rigorous energy-saving activities and by introducing innovative production technologies. For the CO₂ emissions we cannot eliminate, we are switching step-by-step to renewable energy sources, including solar and wind power, to reduce Scope 2 emissions. As to Scope 1 emissions, we are moving ahead with the electrification

Scope 1 & 2 reduction scenario



of non-electric energy, developing clean energy technologies (bio-briquette coke, CO₂ recycling, etc.), and converting to new fuels such as e-methane* to cut CO₂ emissions further. In FY2026, we reduced emissions by 37.4% compared to FY2020, keeping us on track for our FY2031 target.

* e-methane: a synthetic fuel made by combining CO₂ with hydrogen derived from renewables and other energy sources. Because it is made from captured CO₂, burning it does not substantially increase atmospheric CO₂ versus the baseline.

■ Saving energy through higher equipment efficiency, optimized operations, and thorough elimination of waste and losses

Aisin pursues productivity improvement and thorough energy saving as a single, integrated effort. Alongside our Six Energy-Saving Principles (stop, turn off, recover, switch, fix, and lower), we have focused on the energy consumed to make each individual product and eliminated waste and losses thoroughly. Through our CN Base Camp and CN Caravan programs, which instruct employees in the fundamentals of carbon neutrality, we have also helped employees practice energy saving on their own initiative and raised awareness. In FY2026, we continued to eliminate waste and losses and focus on the global rollout of methodology refinements from Japan. Aisin Group companies will now visit one another's sites for "GENCHI GENBUTSU GENNIN" (go to the actual place, see the reality for ourselves and identify the facts) inspections to build up further energy-saving measures.

Winning the Energy Conservation Grand Prize for three themes (Aisin)

By shortening air blow times and optimizing air usage, Aisin cut CO₂ emissions for an entire line by approximately 112 t-CO₂ per year. We also cut approximately 73 t-CO₂ per year by using IT solutions to optimize cleaning equipment operation. Beyond conventional plant-level energy-saving initiatives, we also run small-group activities spanning all sites that focus on particular production methods. These actions identify new energy-saving measures and promote their horizontal deployment to every site. These initiatives received the Energy Conservation Center Chairman's Award in the energy-saving case category of the FY2026 Energy Conservation Grand Prize.

[Learn more](#)



Winning the Energy Conservation Grand Prize

Utilizing the heat-storage capacity of discarded materials (Art Metal MFG.)

Art Metal MFG. reduced CO₂ emissions from its molten-aluminum holding furnaces, a major CO₂ source, by using waste alumina. After confirming that waste alumina retains alumina's heat-storage capacity, the company lined the holding furnaces with it, which limited drops in furnace temperature and reduced LPG consumption. Because it makes use of alumina the AISIN Group previously would have discarded, the approach also lowers purchasing costs.



Hearth of the holding furnace

■ Promoting the adoption of renewable energy

To reduce Scope 2 emissions, AISIN is switching to renewable energy in stages, with thorough energy saving as the prerequisite. We set out to install solar power at every feasible site in Japan and overseas by FY2026 and have largely accomplished this. In Europe in particular, given local energy sector conditions and characteristics, we adopted renewable energy ahead of other regions. We are continuing to adopt renewable energy through diverse means suited to each region.

Natural Capital

Offsite solar PPA for local production and local consumption using idle land (Aisin Keikinzoku)

Aisin Keikinzoku introduced the AISIN Group's first offsite solar PPA* in Japan to use idle land for local production and consumption, thereby contributing to Scope 2 emissions reductions. The company's head-office plant has introduced onsite solar PPAs in stages since 2023 and, with this addition, its renewable energy capacity reaches about 7 MW. The plant uses about 7.4 GWh of renewable energy a year, cutting CO₂ emissions by about 3,700 t-CO₂.

[Learn more](#)

* PPA: Power Purchase Agreement, an individual contract to purchase electricity.

Achieving a 100% renewable energy adoption rate (Aisin Tohoku)

In April 2026, Aisin Tohoku signed a power supply agreement with the Tohoku Automotive Industry Green Energy Promotion Association (TAGA), an electricity retailer. Renewable energy supplies commenced under this agreement, and the electricity the company uses in its business is now 100% renewable. Through TAGA, the Company uses renewable energy supplied by the Iwate Prefectural Enterprise Bureau and supplies surplus electricity from its solar generation to automotive companies in Tohoku, thus helping to build a regional circular economy. Funds earned from selling surplus electricity are applied toward regional social issues, such as biodiversity and seagrass-bed restoration.

■ Development of clean energy technologies

To reduce Scope 1 emissions, AISIN is developing clean energy technologies and converting to new fuels while pursuing energy saving and equipment electrification. Specifically, we are methodically developing and demonstrating bio-briquette coke, perovskite solar cells, CO₂ recycling, and other technologies, with future commercialization and deployment in scope. By commercializing these technologies, we are spreading them through society as a means to help cut CO₂ emissions at the societal level. ([P.57](#))

Mass production of bio-briquette coke commences (Aisin Takaoka)

Aisin Takaoka develops Bio-M-Coke®, a bio-briquette coke that can fully replace the coal coke used to melt iron in cupola furnaces. The Company runs demonstration tests on its own production line, replacing 100% of the coke with bio-briquette coke, confirming the viability of stable operation. By 2030, the Company plans to replace all the fuel it uses with bio-briquette coke. At the same time, it is running

external demonstration tests at foundries in Japan. The Company has also established a joint venture, PT. ATP Bio Indonesia (Indonesia), to handle production and sales, with selling to commence in April 2026. Use is planned not only at the company but also at other companies that operate cupola furnaces, to help reduce CO₂ emissions across the whole industry.



Bio-briquette coke (Bio-M-Coke®)

Scope3

Scope 3 emissions account for about 90% of AISIN's total CO₂ output, and their reduction is essential to reaching carbon neutrality by FY2051. Across the product life cycle from resource extraction to disposal, we are concentrating our reductions on categories 1, 4, 11, and 12, which emit the most heavily. Specifically, we are reducing CO₂ emissions in the consumer use phase by improving product performance and, across the entire supply chain, we are adopting more low-CO₂ materials, supporting suppliers' carbon-neutrality efforts, and improving load efficiency and optimizing routes together with suppliers and transporters. These efforts combine to reduce our environmental impact and strengthen the company's competitiveness.

■ Expanding our electrified product lineup and improving product performance (higher efficiency, compact size, lower weight, etc.)

We are bringing to market a broad lineup of products offering high efficiency and compact size and including electric drive units, Cooperative Regenerative Brake System, thermal management systems, and aerodynamic devices. Our energy value chain business contributes to reducing CO₂ emissions across society.

([P.35](#), [P.37](#), [P.38](#), [P.57](#))

We have also introduced the Life Cycle Assessment (LCA)* regimen into our product design process to strengthen product competitiveness and reduce CO₂ emissions across the entire supply chain (Scope 3). Using a calculation tool based on our internal assessment guidelines, we quantify the environmental impact of each product. We are reducing CO₂ emissions across the entire product life cycle by examining options such as adopting low-CO₂ materials and making products smaller and lighter. We also provide training to improve employees' understanding and assessment capabilities. These initiatives earned us the highest rank in the low-carbon supplier evaluation of the China Automotive Technology and Research Center Co., Ltd. (CATARC).

* Life Cycle Assessment: a quantitative evaluation of the environmental impact of a product or service across its entire life cycle.

Natural Capital

■ Supporting suppliers' CN activities by sharing best practices on-site through a *GENCHI GENBUTSU* (go to the actual place and see the reality for ourselves) approach

About 40% of Scope 3 emissions are traceable to raw materials and parts, so reducing them requires working with suppliers. Under the slogan "Leave no one behind," Aisin works continuously on three pillars: (1) CN Open Campus, where participants learn the fundamentals of carbon neutrality and other companies' initiatives; (2) sector-specific working groups, in which Aisin plant operators and suppliers learn from one another; and (3) CN Activity Support, where they put what they have learned into practice onsite. We are now extending this support globally in a manner tailored to local supplier relationships and other regional characteristics to reduce CO₂ emissions across the entire supply chain.

Promoting carbon neutrality-focused initiatives with suppliers (Aisin, AISIN ASIA PACIFIC)

Aisin is working with suppliers in Japan and overseas to achieve carbon neutrality across the entire supply chain. In Japan, we held a CN workshop together with Toyota Motor Corporation, SANGO CO., LTD., and TOYOTA BOSHOKU CORPORATION (in order of participation) that was attended by approximately 140 people from 77 suppliers and three government agencies. The workshop gave each company an opportunity to identify the issues and priorities in its CN activities, encouraged action across the entire supply chain, and deepened management's understanding and sense of ownership. Overseas, AISIN ASIA PACIFIC (Thailand) runs study tours and provides educational support on CO₂ reduction for 12 suppliers with a high share of sales. We will continue to extend these activities across the supply chain with support tailored to each company's issues.

// Circular economy initiatives

Resource circulation strengthens our corporate fundamentals by reducing our environmental impact through the efficient use of finite resources and the production of less waste. This practice cuts raw material costs and waste treatment expenses. We are therefore using resources effectively and minimizing waste to achieve zero-emission factories by FY2041. Through the promotion of disassembly, sorting, and eco-design (environmentally conscious design), we will make resources involved in our business activities suitable for circular use and promote resource recycling. Because there are limits to what we can do on our own, we are also

adopting more recycled materials through industry-government-academia collaboration and Toyota Group task forces. These initiatives reduce not only Scope 3 but also Scope 1 & 2 emissions, and we treat them as key measures for achieving carbon neutrality.

■ Optimizing resource utilization based on using materials fully within each process and plant

To make the circular economy a reality, we use resources effectively and consistently from design through production, guided by the root policy of using materials fully in the context of each process and plant. At the design stage, we develop products that generate fewer offcuts and less waste, make them smaller and lighter to use less material, and design them for easy disassembly and reuse. At the production stage, we extend the life of molds, jigs, and cutting tools and use them maximally for their intended applications. We also recycle the offcuts and cutting chips generated in manufacturing. We are continuing to minimize resource input and maximize reuse through both product design and production technology.

Production of remanufactured products through the remanufacturing business (Awquis Japan, AISIN EUROPE, AISIN Aftermarket & Service of America)

We disassemble and remanufacture automatic transmissions recovered from the market in Japan, Europe, and North America. By supplying customers with quality-assured remanufactured products, we make effective use of resources. In FY2026, we remanufactured about 25,000 units (Aisin Group total).

 Learn more

■ Minimizing waste emissions by increasing the value of waste

Aisin's basic approach is not just to reduce waste but to increase its value as a resource. Starting with measures at the source, we raise the value of landfill and industrial waste through disassembly and sorting, including by developing treatment technologies.

Upcycling and commercializing waste (CVTEC)

CVTEC supplies sludge discharged from its automotive parts manufacturing processes to Marushun Ceramic Ltd., which upcycles it into flowerpots. This initiative turns waste, previously regarded as a cost driver, into new value.

 Learn more

Natural Capital Initiatives Drive Energy Value Chain Business Expansion

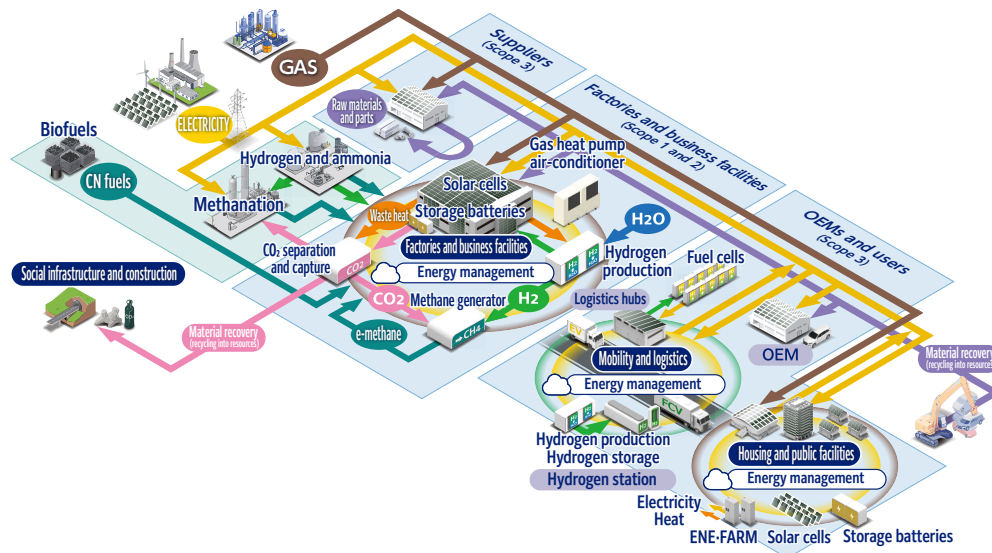
AISIN CORPORATION INTEGRATED REPORT 2026 57

The energy and resource circulation technologies and operational know-how that Aisin has developed through its natural capital initiatives are opening up new business opportunities. By deploying these technologies as products and services, we are contributing to the achievement of carbon neutrality across society at large while sustainably enhancing corporate value.

Business strategy

With renewable energy becoming a mainstay power source, new challenges have emerged, including timing mismatches between power generation and consumption, the distance between power-generating regions and localities of demand, and the infrastructure constraints and transportation burdens of hydrogen. To address these social issues, we are building a distributed energy solutions business based on local production for local consumption and founded on core competencies developed through our existing business. Examples include technologies for thermal management, system integration, compactness and high-efficiency, fuel cells, and thin films. To achieve a circular resource society and carbon neutrality, we are drawing on technologies developed at our own plants and on external collaboration. We thus intend to expand our lineup of distributed energy products for local production and consumption and to enter new businesses within the value chain. We will apply the knowledge gained from technology demonstrations to social implementation, thereby contributing to our customers' decarbonization and the stable use of energy.

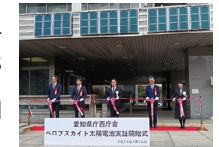
Our vision for energy value chain business operations



Key initiatives for FY2027

Perovskite solar cells

We are taking part in Aichi Prefecture's Perovskite Solar Cell Deployment Expansion Project, resolving issues through demonstration evaluations at a total of nine sites, including infrastructure scenarios such as roads and railways, to accelerate commercialization.

[Learn more](#)


Ceremony marking the start of the perovskite solar cell demonstration at the Aichi Prefectural Office West Annex

Proton electrolyte membrane (PEM) water electrolysis hydrogen production system

We are working to establish a hydrogen supply model based on local production for local consumption, producing hydrogen on-site for the growing network of hydrogen stations under the Hydrogen Artery initiative. Alongside the demonstration of a 0.8 MW-scale water electrolyzer at our own plant, we are also taking part in a NEDO research project and conducting pre-commercialization investigations.

[Learn more](#)


PEM water electrolysis demonstration unit at the Nishio Die-Casting Plant (rendering of completed unit)

CO₂ separation and capture

We are scaling up demonstrations of our CO₂ separation and capture equipment, which uses waste heat to achieve higher efficiency and a proprietary structure to achieve a more compact size. We are pursuing development and commercialization through a NEDO project targeting a wide range of emission sources and CO₂ capture and utilization applications.

[Learn more](#)


CO₂ separation and capture demonstration unit at the Nishio Die-Casting Plant

Commercialization plans

		2026	2028	2030
Existing products	ENE-FARM ^{*1}	Energy conservation, high efficiency, device interconnectivity, improved durability	Solar prioritization scheme	Multi-fuel compatibility (hydrogen, e-methane, etc.)
	Gas heat pump air-conditioner	Energy saving, high efficiency, improved resilience	New refrigerant specification	Compliance with environmental regulations (new refrigerant/natural refrigerant)
New products	Perovskite solar cells	external demonstration	test sales	commercialization
	PEM ^{*2} hydrogen production system	in-house demonstration	external demonstration	commercialization
	CO ₂ separation and capture	in-house demonstration	external demonstration	commercialization
	Energy management	in-house demonstration	external demonstration	commercialization

^{*1} ENE-FARM: residential fuel cell cogeneration systems

^{*2} PEM: polymer electrolyte membrane

Social and Relational Capital

// Stakeholder engagement

Guided by our corporate philosophy, “Inspiring “Movement”, Creating Tomorrow,” we accurately identify issues and needs facing society through dialogue with our diverse stakeholders and actively reflect these insights in our business activities and decision-making. By building constructive and ongoing dialogues with a wide range of stakeholders, we deepen mutual understanding and trust as we advance our response to sustainability topics based on the expectations and opinions we learn about. In this way, we will create a virtuous cycle that contributes to a sustainable society and enhances corporate value over the medium-to-long term.

Stakeholders	Policy	Engagement methods	Examples of activities
Customers	Guided by our value proposition, “To our customers, inspiration and trust,” we strive to provide products and services that exceed our customers’ expectations. We also endeavor to ensure their satisfaction and gain their trust by providing suitable information about our products and services and communicating sincerely.	• Dialogue maintained through regular sales activity • Customer Contact Center • 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 • Exhibiting at motor shows and other events and exhibitions to gather customer needs
Local communities	In recognition that companies bear responsibility as members of society, we contribute to sustainable development through active participation in the community. 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 presentations by athletes • Holding regional round-table conferences to promote understanding of our business among local governments and neighborhood associations and to exchange information. • Providing educational opportunities by holding <i>monozukuri</i> (manufacturing) outreach classes, factory tours, and on-the-job learning
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 • Donating the equivalent of 190,000 school meals to children in developing countries through the TABLE FOR TWO program 
Suppliers	Across the supply chain as well, we share the AISIN Group Charter of Sustainability and promote open, fair, and clean procurement so that its spirit takes root and is put into practice.	• Study and Information Sessions • Collaborative meetings and training sessions • Hosting events • Supplier visits to production sites	• Briefings on purchasing policies • Deploying the AISIN Group Supplier Sustainability Guidelines and conducting surveys • Support tailored to each supplier’s challenges (manufacturing, quality, safety, fire prevention, the environment, carbon neutrality, human rights, employment of foreign workers, and information security) • Hearing concerns, such as disposal of old molds
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 shareholders and other stakeholders.	• Shareholders’ Meeting • Financial results briefings • Business briefings • Dialogue with shareholders & investors • Briefings for individual investors • Issuance of various disclosure materials, including integrated reports • Website (IR & investor information)	Opportunities for dialogue with shareholders & investors  Core disclosure materials • Financial results briefing materials  • Content directed at individual investors  • Annual Securities Report  • Corporate Governance Report 
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. Furthermore, guided by the principle of “Safety and health first” we endeavor to provide a comfortable work environment.	• Regular labor–management councils, information exchanges, town hall sessions • Staff surveys covering such topics as engagement survey • Access to information via internal portals and company newsletters	• Video streaming of labor–management council sessions on the internal portal • Personal explanation by our president of new fiscal year policies and organizational changes to managers through face-to-face briefings and dialogue • Improving the workplace environment through our 60th-anniversary event, the launch of a dedicated website, and office renovations
Academic and research institutions, government agencies, industry associations	Leveraging our core strengths—Group synergy, Outstanding technology development, and Manufacturing expertise—we take on the challenge of creating new value and strive to provide useful, safe products and services that contribute to sustainable economic growth and the resolution of social issues.	• Participation in public-private partnerships • Participation in, dialogue with, and collaboration with business and industry associations • Participation in policy advisory councils (Japan) • Dialogue with external experts • Joint research with industry, government, and academia	• Submitted regulatory-reform requests to Keidanren. At the Cabinet Office’s Council for the Promotion of Regulatory Reform, our proposed “review of the Radio Act usage rules (technical-standards conformity certification, etc.)” was included as a future consideration for regulatory and institutional reform • Jointly developed with Tohoku University a world-first proof-of-concept chip for edge AI utilizing fused CMOS/spintronics technology, and confirmed on a demonstration system an energy-efficiency improvement of more than 50 times compared with conventional technology  • Participated in Japan’s first joint demonstration of a regional CO₂-recycling e-methane supply facility and in the Public-Private Council for Promoting Methanation, advancing efforts toward the social implementation of regional CO₂ recycling 

Social and Relational Capital

// Customers

New value through co-creation with customers

Aisin centers its partnerships with customers around co-creation and relationships that are more than transactional and which form the core of its social and relational capital. The automotive industry now faces growing uncertainty from unpredictable trade policies and geopolitical risk as well as the progress of electrification and changes in the competitive landscape. In this environment, continuous corporate value creation depends on a long-term perspective that anticipates future market conditions and social issues in concert with our customers. Starting from ongoing dialogue with customers, we share our understanding of future market conditions and needs as well as social issues, participate in concept development from the earliest stages of vehicle design, and create new value together with customers by combining technologies and services from across the Group.

We also actively create opportunities through such measures as new product exhibitions and test-drive events. These initiatives allow customers to experience our products and services firsthand and appreciate their appeal. This face-to-face communication offers an important opportunity to deepen mutual understanding with customers and create new value. We are broadening our points of contact with customers in the aftermarket and energy businesses and in new business domains. We are actively drawing up value proposals with the aim of gradually expanding revenue from outside the new-vehicle market to build new mainstay businesses.

Maximizing customer value by strengthening region-based management

The global competitive environment surrounding automakers and the technology levels demanded of them are changing significantly, driven by such factors as the entry of Chinese companies and regionally diversifying customer needs. In response to these changes in the environment, we are strengthening region-based management and building a structure that can better meet customer expectations. By strengthening local operations in each region and allowing decisions to be made autonomously, we are bringing ourselves closer to our customers and building relationships of trust through continuous dialogue and improvement. We also promote product ideas and local production initiatives tailored to the characteristics of and market trends in each region. The outcome is highly practical value matched to customer needs. We will continue to think, create, and grow along with our customers as we build relationships that enable us to achieve sustainable growth and contribute to society even in an era of change.

// Suppliers

A resilient supply chain that supports stable supply

Amid major changes in the business environment and product mix, we are building a resilient supply chain to achieve stable sourcing founded on quality.

To maintain supplies to customers not in the face of conventionally anticipated risks but also amid increasingly uncertain global conditions impacted by geopolitical risk, protectionism, and resource constraints, we have established a dedicated organization and a purpose-built system for capturing timely information in real time. Because identifying the affected production sites and relevant part numbers is the top priority when responding to an emergency, we have assembled a system for managing our business continuity plan (BCP) that is tailored for this purpose.

We visualize process information related to the manufacture of purchased parts and raw materials and share risk signals at an early stage. This enables a swift initial response and rapid recovery. Thanks to these initiatives, when the 2026 Kumamoto Earthquake struck in July 2026, we could quickly assess the damage across the entire supply chain, including suppliers, and promptly implemented measures from the BCP, such as alternative production arrangements, thus maintaining supplies to customers.

We are also reviewing inventory levels and adopting highly versatile components from the early stages of development for parts with particularly high risk. Notably risky categories include rare earths and semiconductors.

Strengthening competitiveness through collaboration and mutual prosperity with suppliers

When commencing business with a new supplier, Aisin concludes a basic transaction agreement that, in an open and fair spirit, specifies terms for compliance with laws and regulations on competition, anti-bribery, the exclusion of antisocial forces, and other matters, as well as attention to safety and health, pollution control, and the like. The agreement thus promotes fair procurement practices.

In recent years, we have been implementing appropriate price pass-through arrangements in response to the impact of tariffs and rising labor costs, raw material prices, logistics costs, energy costs, and other expenses, while communicating carefully and directly with each supplier. Meanwhile, to improve the competitiveness of our suppliers, we have established dedicated organizations at the divisional level that provide hands-on support for value analysis (VA) activities, disposal of obsolete molds, quality improvement, and manufacturing process enhancement. We gather and listen to the opinions of our suppliers and help resolve problems in their manufacturing processes. We collectively uncover opportunities for improving supplier competitiveness, with a firm commitment to GENCHI GENBUTSU GENBA. We also support business succession planning and successor development at key supplier partners by having their staff work within our organization through our "family study program" and via secondment. We also provide a range of training programs.

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 are also committed to enhancing corporate value by incorporating the opinions and requests we receive through dialogue with our shareholders and investors into our management decisions.

Dialogue results (FY2026)

Opportunities for dialogue	Number of events	Total number of participants	Main respondents	Agenda
Financial results briefings	4	2,024	CAO*1, officers in charge of IR	Held quarterly for analysts and institutional investors to explain financial results
Business briefings	1		President, CAO, CTSO*2, officers in charge of IR, presidents of the Group companies	Held a briefing on the FY2029 Medium Term Business Plan in February 2026
Individual meetings	372		President, 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
Overseas roadshows	25	2,397	CAO, officers in charge of IR	Directly visited overseas institutional investors and held meetings
Briefings for individual investors	5		Officers in charge of IR	Provided individual investors with online briefings and information sessions at local brokerage branches while also participating in IR events *Excluding viewers of media broadcasts targeting individual investors (approx. 140,000)

*1 CAO:Chief Administrative Officer *2 CTSO : Chief Technology Strategy Officer



FY2029 Medium-Term Business Plan Briefing



Appearance on Nikkei CNBC's "Aggressive IR – Market Breakthrough"

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 medium-to-long term demand outlook - Assumptions and rationale for earnings forecasts (e.g., the outlook for the Middle East situation) - Detailed disclosure of product-specific sales revenue
Management Strategy & Business Strategy	- Progress on medium-to-long-term business strategies and new Medium-Term Business Plan targets - Product strategy in light of changes in the external environment - Regional growth strategies based on the varying pace of electrification across geographies - Business strategies outside the new vehicle business
ESG and sustainability	- Climate change countermeasures, TNFD - Initiatives related to human capital, diversity, and human rights, and supply chain management - Corporate governance (Board composition, executive compensation system, etc.)
Financial strategy	- Capital allocation policy, including trends in growth-oriented investment - Shareholder return policy, including our approach to dividend-related metrics and share buybacks, etc. - Results of balance sheet reform, including unwinding of cross-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	- Amid an unpredictable external environment, the Company has disclosed its FY2027 earnings forecast, which incorporates the impact of the situation in the Middle East - In its FY2029 Medium-Term Business Plan, the Company has disclosed operating profit and ROIC targets for its core businesses and products
Management Strategy & Business Strategy	- Revealed our FY2029 Medium-Term Business Plan, whose aim is achieving FY2031 targets and which discloses the following: - Product strategies and quantitative targets for key businesses and products - Growth strategies and revenue projections for each region - An aftermarket strategy as a new business distinct the new-vehicle segment
ESG and sustainability	- To further advance sustainability management, we have undertaken the following initiatives: - Added ROIC as a new metric for calculating directors' performance-based compensation (bonuses and stock-based compensation) - Reviewed the composition of the Board of Directors
Financial strategy	- Disclose details regarding capital allocation and growth investments (scope and scale of investment, etc.) in the FY2029 Medium-Term Business Plan - Adopt DOE as a new dividend metric - Implement share buybacks as part of a capital policy to improve capital efficiency

Social and Relational Capital

Employees

Enhancing employee engagement through 60th Anniversary projects

Aisin celebrated the 60th anniversary of its founding on September 1, 2025. To mark this milestone, we initiated 60th anniversary projects under themes encouraging us to "Believe in our own strength," "Build a sense of unity," and "Come to love Aisin." We also released a message from the president expounding on our 60-year history and conveying our resolve for the future. We also delivered a commemorative video that looks back on our history of pushing through challenges, and "My Challenge" declaration videos, in which individual employees shared their own aspirations. These projects gave employees an opportunity to reflect on what the value of mobility personally means to them and on the challenges they want to address next.

At the same time, we held events at the division and plant levels to deepen connections among employees and strengthen our sense of organizational unity. These events were intended to address the decline of in-person communication that accompanied the diversification of working styles, such as remote work, since the COVID-19 pandemic, and to promote mutual understanding following the corporate integration of Group companies. Each organization took the lead in planning events tailored to the needs of its members, encouraging cross-departmental interaction and mutual understanding. The annual Aisin Ekiden relay was also held jointly with AISIN FES as a special 60th anniversary edition of the event, drawing 620 teams from 59 Group companies in Japan and overseas and a record 24,800 visitors. Bringing together employees, their families, and Group companies from Japan and overseas, it succeeded as a commemorative event and symbol of Aisin Group unity. We received many comments from employees, such as "I was able to interact with people I don't usually work with, and now I speak to others more often in my daily work" and "Seeing our history made me strongly want to contribute to the Company myself." By looking back on our past and reaffirming our path forward through the 60th anniversary projects, we raised employee engagement and strengthened Group cohesion.



60th Anniversary of Founding Commemorative Video



Scene from AISIN FES

Initiatives for resolving social issues related to mobility

We are working with local residents, municipalities, and businesses to resolve social issues such as mobility difficulties and infrastructure maintenance. Drawing on technologies gained through car navigation system development efforts, we offer services that support safe and efficient mobility. In recognition of this practical social contribution, Choisoko and Michi-log received the Grand Prize and the Mobility Solution Award, respectively, at the 5th Car, Culture, Society & Partnership Award.

AI-powered on-demand transportation Choisoko

Choisoko is a service that aims to create an environment where everyone can travel with ease to any destination. Because getting around is becoming more difficult owing to shrinking public transportation infrastructure, the surrender of driver's licenses by the elderly, and the consolidation and closure of schools, we provide a means of transportation that a wide range of users find easy to use that combines AI-based vehicle dispatch optimization with support for telephone reservations.



Furthermore, through a sponsorship system in which local companies support operations, and through *kotozukurī*, the creation of reasons for people to go out, the service also contributes to creating opportunities for outings and revitalizing local communities. Operational designs tailored to each community deliver both convenience and practical efficiency. We will expand collaborations involving various modes of transportation and roll out the service nationwide as a form of sustainable regional transportation. [Learn more](#)

Road maintenance support service Michi-log

In recognition that we live at a time when the aging of infrastructure has become a serious concern, Michi-log offers a service designed to efficiently maintain a road environment in which everyone can travel with peace of mind. Using location information, AI image analysis, and vehicle-mounted cameras and sensors, it automatically detects potholes, cracks, and other road surface abnormalities. By ensuring that road abnormalities that can cause traffic accidents are repaired, it helps maintain a safe travel environment. Centralized management in the cloud, together with driving data collected with the help of municipalities and transport operators, makes maintenance and management more efficient. We are broadening the service's range of application, such as by installing it in more types of vehicle and linking it with satellite data, to support safe and secure social infrastructure. [Learn more](#)



CHAPTER

04

Governance

How will we strengthen the underpinnings of corporate value?

CONTENTS

- 63 Outside Directors' Roundtable
- 67 Corporate Governance
- 76 Risk Management
- 78 Quality

Outside Directors' Roundtable

Making governance a force for enhancing corporate value

Outside directors discuss where Aisin stands today and where it is heading

As governance reforms enter a new phase, Yasuhito Hirota and Keiko Tatsuawaki, who have completed their first year in office, and Tsuguhiko Hoshino, who has served for three years since his appointment, discuss where governance stands today, their involvement in formulating the FY2029 Medium-Term Business Plan, sustainability management and the effectiveness of oversight, and the roles they themselves should play.

Tsuguhiko Hoshino

Outside Director (appointed June 2023) / Chair, Executive Nomination & Compensation Committee

Joined the Ministry of Finance in 1983. Served as Director General of the Tax Bureau, Ministry of Finance and as Commissioner of the National Tax Agency. Outside Director of Tokyu Fudosan Holdings Corporation and Director (Vice Chairman) of the General Insurance Association of Japan since 2021.

Keiko Tatsuawaki

Outside Director (appointed June 2025)

After a career at Recruit Co., Ltd., joined Tohmatsu & Co. in 2000 and became a Partner in 2003. Served as President and Representative Director of Deloitte Tohmatsu Sustainability Co., Ltd.; Outside Audit & Supervisory Board Member of Ise Chemical Industry Co., Ltd. since 2024.

Yasuhito Hirota

Outside Director (appointed June 2025)

Joined Mitsubishi Corporation in 1980. After serving as Representative Director, Senior Managing Executive Officer and Corporate Officer in charge of corporate functions at Mitsubishi Corporation, became President, COO, and Representative Director of ASICS Corporation in 2018, and has served as Chairman, CEO, and Representative Director of ASICS since 2024.

Aisin's continually evolving governance

Mr. Hirota and Ms. Tatsuawaki, you have now completed your first year in office. What are your impressions of Aisin's governance?

Hirota Both at Mitsubishi Corporation, my previous employer, and at ASICS today, my role has included responsibility for execution. Viewed from that standpoint, what initially impressed me about serving as an Outside Director was how many opportunities I was given to learn what kind of company Aisin is at a time when the business environment is changing dramatically. Through visits to the Japan Mobility Show and the Automotive Engineering Exposition and by way of on-site inspections of Group companies, I came to understand the breadth of the automotive industry's supporting base and the importance of the domains Aisin operates in. On that basis, I understand Aisin to be a very earnest company—one in which, while running a business of this size, the Board of Directors and the executives coordinate well while remaining conscious of the issues.

Tatsuawaki The Board of Directors offers a forum where everyone speaks their mind, regardless of position. What impresses me is that offsite meetings have been created separately from the Board of Directors in which the outside directors and the executive side exchange views freely, and initiatives to discuss long-term themes are being launched

one after another. I cannot help paying particular attention to risk management and compliance and, through inspections of Group companies and by other means, I have been able to see how those mechanisms are inherently built in. At the same time, because Aisin is a huge group with many Group companies around the world, how to govern it is a question that must be revisited continuously. Another characteristic of Aisin's is its membership in the Toyota Group. I feel this brings many advantages in principle. That said, the outside directors' role in protecting the interests of minority shareholders requires us to keep a close watch in this regard.

Hirota In that respect, I think the tender offer for shares of Toyota Industries Corporation was a key management decision. The Toyota Group tends to be viewed as a single entity but, in reality, the Board of Directors discussed many times how Aisin should respond, based on Aisin's own criteria. I feel it is important that Aisin, while a member of the Toyota Group, continues to make its own independent decisions.

Mr. Hoshino, you have been in your role for three years. How do you view recent changes in governance?

Hoshino I feel that Aisin's governance is improving steadily each year. The Board Effectiveness Evaluation for FY2024, conducted immediately after I took office, identified

Outside Directors' Roundtable

three issues: "Enhancement of the meeting of the Board of Directors," "strengthening of oversight functions," and "discussion of the form governance should take in the future." To resolve these, in 2024 a Governance Roundtable dedicated to discussing governance issues was established at which internal and outside directors have discussed how the Board of Directors should evolve in order to realize our vision for 2030 and transform our business portfolio. The Roundtable also examined the skills required of directors and, after discussion at the Executive Nomination & Compensation Committee, Hirota and Tatsuwaki joined us in 2025; as a result, discussions of business strategy and sustainability have become more multifaceted. The unwinding of strategic shareholdings has also progressed over the past few years, further heightening the sense of tension that comes with facing the capital markets directly. While strengthening oversight of execution, the Board of Directors will further deepen its discussion of medium-to-long-term management policies and strategy. Are the issues identified from the perspective of investors and outside parties properly recognized within the Company? That is precisely where there is room to grow, and I believe the Company's growth lies in overcoming these issues.

Involvement in formulating the FY2029 Medium-Term Business Plan and awareness of issues

What is your take on the formulation of the FY2029 Medium-Term Business Plan (FY2029 Plan) and the changes in the environment since then?

Hoshino To start with the background, when we announced the 2025 Medium-term Management Plan (FY2026 Plan) in 2023, the market worried about Aisin's prospects amid expectations that the shift to battery EV (BEV) would be rapid. The 2025 MTP set out a bold growth strategy to change that perception significantly. For the FY2029 Plan, announced last February, we began discussions in the context of subsequent changes in the environment and progress that has been made through steady improvements to our corporate structure as we lay the foundation for business portfolio transformation.

Hirota Having only recently taken office, we first received briefings on the FY2026 Plan and the FY2031 targets and then joined the discussions. I would emphasize that the three-year cycle of our medium-term plan is not a fixed feature. The environment surrounding the automotive market is changing at this very moment. How do we make course corrections along the way and turn them into growth? That question is, itself, extremely important to forging our path toward 2030.

Tatsuwaki The greatest change in the environment is that geopolitical risks, including the situation in the Middle East, tariffs, and import and export regulations, have intensified as uncertainty has increased substantially. Since we cannot accurately predict what will happen, our only option is to

build a business organization that can withstand whatever does occur.

We understand that discussions were held at offsite meetings as well as at the Board of Directors. How were you involved in the deliberative process?

Hoshino We began by building a shared understanding among the internal and outside directors. We thus confirmed the progress of our restructuring effort and the directional shift of our earnings base from "quantity to quality." On that basis, the outside directors, whose expertise and experience differ from those of our executives, exchanged views that also accounted for the views of investors. I believe this was central to the formulation of the Plan. The time spent by the Board of Directors discussing medium-to-long-term business strategy, rather than simply approving individual matters, has increased and feels to have roughly doubled.

Hirota The operating profit margin and ROE targets established in the Plan are ambitious—significantly higher than the current levels. Being more stringent than a "vision", a medium-term plan is a promise that must be kept, so we thoroughly confirmed the likelihood of achieving it; namely, what would be done, where, and how. Were the figures merely a dream? To what extent did they factor in execution risk? We cited these as issues that outside directors should raise, and we discussed them at length.

Tatsuwaki I asked that KGIs and KPIs related to sustainability be incorporated into the Plan as numerical targets. I could tell that those involved gave this sincere consideration but, in the end, specific figures were not included. Even so, I feel the executive team is consistent in taking the opinions of outside directors seriously and translating them into proactive action.

What are the major challenges in achieving the FY2029 Plan?

Hirota The environment has already changed since the Plan was drawn up. In particular, Chinese manufacturers are moving fast and aggressively, and Aisin's position in the Chinese market has changed. These effects are spreading to Southeast Asia and Europe, as well. How to overcome this is a major challenge. A PBR below 1x is also an issue that a listed company must take seriously and resolve with urgency. The stock market looks at cash flow over a horizon longer than a medium-term plan, so we need to demonstrate the likelihood of long-term growth. In my monitoring as outside director, I look above all at the numbers. At the Board of Directors, we discuss what must be done to ensure that our publicly announced targets are achieved.

Hoshino The challenges can be organized along a product axis, a regional axis, and a functional axis. On the product axis, key questions concern which products Aisin will leverage competitively as electrification and intelligent systems advance and how to allocate resources. While we assess growth potential and emphasize investment in growth, we must also take a hard look at products with no prospect of an improved earnings contribution and ask whether Aisin is truly their best owner. In the event that these answer is "no", we must proceed with withdrawal or conversion. The Board of Directors compares ROIC by product domain and discusses the matter in depth, down to



Outside Directors' Roundtable

the level of investments and the accessing funds to enable them. Reallocating resources with the backing of hard data is indispensable, both for explaining our decisions externally and for gaining understanding within the company.

Tatsuwaki As we expand our use of localization to meet the needs of each region, centrifugal force inevitably pulls on our governance framework. The major challenge on the functional axis is how to redesign our global Group governance effort with the regional axis as a prominent assumption. Looking at the audit structure alone, we can ask whether it is acceptable for all members of the audit team to be dispatched from Japan and, on the assumption it is not, how local personnel should be deployed and roles apportioned. I see this as an important theme that must be resolved to achieve the Plan's goals. A localization movement led by people who know the regional situations well is effective in terms of, among other things, governance. At the same time, I believe it is important to build mechanisms for monitoring whether the entire Group is navigating along its desired path.

Enhancing corporate value over the medium to long term and sustainability management

On the executive side, consideration of the 2035 Long-term Policy is under way. How are the outside directors involved?

Hoshino The draft plans under consideration are shared with us, as well, and we discuss them at offsite meetings. We first look back on the origins of the Toyota Group and on Aisin's journey to build a shared understanding and then developing scenarios by backcasting from where we expect society and the automotive industry to be in 2035. In July, the CxOs and outside directors spent an intensive full-day session in which they looked ahead to 2035. What we discussed was not the projection of individual businesses but two themes: How will society and the automotive industry have changed by 2035, and what value should Aisin be providing at that time? This is the first discussion to go this deep since I took office. As the value proposition of the automobile evolves, it is important to work together with our automaker customers and to carefully grasp, region by region, what end users are seeking. I feel that the Board of Directors is becoming an ever-more-effective forum for discussing not only the Medium-Term Plan but also value creation ten years out.

Hirota The full-day intensive discussion at the offsite was valuable, underlaid as it was by a strong sense of crisis. Electrification may face delays, but it will surely come, and so will intelligent systems. It was highly significant that we could focus our discussion on determining the role Aisin can play when that time comes. For my part, I took part in discussions on controlling our large balance sheet and on the reorganization and consolidation of assets and subsidiaries.

Tatsuwaki Discussions surrounding the 2035 Long-term Policy have begun to yield essential material for our value creation story, and the challenge from here is to refine it into a narrative. There is also still room for debating our relationship with society,

particularly in regard to the social role Aisin will play. How the Group as a whole should position new businesses with potential outside the automotive sector, such as energy and Hydrad, is another theme into which I would like to delve deeper.

What are the challenges for sustainable growth?

Tatsuwaki I see the purpose of my appointment as outside director as being to help Aisin realize its goal of embedding sustainability principles firmly within its management process. The greatest challenge, therefore, is to more tightly integrate our management plans and sustainability initiatives. Through my participation in the Sustainability Conference and the discussions at the Board of Directors, I can clearly see how seriously all our executives are engaged.

However, we have not yet reached the point where sustainability themes are integrally baked into the management plan. That is what I would like to think through together with the company. As to individual topics, I see the circular economy and decarbonization as having the potential to contribute to management strategy. To become a company where talented people choose to work, efforts on Human Capital are also indispensable.

Hoshino Since Tatsuwaki joined us, discussions on sustainability at the Board of Directors have accelerated greatly. To build issues into management decisions and strategy, it is important to align understanding across various forums and levels, and that is what I would like to deepen.

Hirota Sustainable growth is a question of whether a company can keep growing soundly into the future. I prioritize risk management, determining where risks lie and whether they have been properly prepared for. In the response to the earthquake that struck Kumamoto on July 28, the actions taken in its wake were truly agile, and the focus on contributing to the local community before restoring our own production was thoroughly maintained. It is important to eliminate risk blind spots, and I conduct routine surveillance from that perspective.

Hoshino Our relatively early restoration of production after this Kumamoto earthquake was underpinned by the lessons of the 2016 Kumamoto Earthquake. At that time, parts production at Aisin Kyushu Co., Ltd., which suffered major damage, came to a halt, and this had a considerable follow-on impact on automakers' production. Today's Business Continuity Planning (BCP) program, under which we maintain redundant production at multiple sites and keep inventories and logistics networks in a state of readiness, was born out of that experience. Aisin operates its Densho-kan museum to ensure that past disasters and fires are not forgotten. There, the lessons of the Kumamoto Earthquake have been passed down along with those of the 1997 Kariya Plant fire. I believe these lessons were put to good use in this response as well.



Outside Directors' Roundtable

Effectiveness of oversight and dialogue with investors

Mr. Hoshino chairs the Executive Nomination & Compensation Committee. How does sustainability relate to the executive remuneration system?

Hoshino The Committee revised the remuneration system to strengthen incentives to build corporate value and to accelerate sustainability initiatives. There are two new key factors. First, KPIs set out in the Medium-term Management Plan and our Materiality Issues, such as ROIC, are now used as benchmarked metrics for performance-linked remuneration to ensure progress toward our public commitments is evaluated and reflected in the compensation process. Second, we have doubled the weighting of nonfinancial metrics. Through these revisions, we support the growth of corporate value and management practices that reflect the perspective of shareholders.

Hirota Reflecting Materiality Issues and, in particular, nonfinancial metrics in remuneration is an extremely difficult undertaking, and there is likely still room for improvement. Still, it is significant to have taken the first step. Linking these metrics to remuneration matters greatly, because it clarifies what each officer is expected to do and incentivizes them to take ownership of it.

Tatsuwaki Beyond that, I would like each organization to flesh out and share plans backed out from our long-term targets, and to accelerate sustainability management with a firm commitment to accountability for results. We hear that you also maintain an active dialogue with investors.

Hoshino Some time ago, we held an investor meeting attended only by outside directors. Our inability at that meeting to explain risk management fully and systematically became a strong point of concern and, after we shared this with our executive team, a system was implemented to systematically analyze and manage risks and report them to the Board of Directors. This is one example of dialogue with investors as the impetus for improvement.

Tatsuwaki First of all, I believe that in relations with investors it is critical that the management team, beginning with the President, listens to investors' voices directly.

On that basis, as an outside director I want to offer the perspective of how an investor might see things.

Hirota Ms. Tatsuwaki answered shareholders' questions directly at this year's General Meeting of Shareholders. An outside director personally facing shareholders is, I think, admirable act of engagement. I, too, have remarked to the Board of Directors that the President himself should be more out-front and speak to investors. President Yoshida has, in fact, been holding a series of investor meetings, and I understand that meetings are also planned to be held in Europe this autumn. That is a visible change. When points are raised, what can be changed is changed immediately, and views on longer-term issues are also taken on board. I sense that Aisin has that kind of attitude.



Roles and contributions as outside directors

How will you apply your own experience and skills to management challenges?

Hoshino Neither the Medium-term Management Plan nor our Long-term Policy ends when the document is finalized. Outside directors, as members of the management team, must work toward achieving targets set therein. As Chair of the Executive Nomination & Compensation Committee, I continuously examine succession plans for the members of the Board of Directors who are the management team's leaders and consider what a highly effective Board of Directors should look like with respect to such factors as its institutional design. In areas involving responses to growing political risks and public-private cooperation, I will contribute by drawing on my familiarity with national policy.

Hirota As an active executive, I am responsible for managing affairs at my employer, ASICS. This illustrates a most important point: that there are differences between B-to-B and B-to-C companies as well as between companies that operate large-scale plants and equipment and ones without such heavy infrastructure, but the formula for efficiently turning over the same funds to generate profit is the same. There is still room to raise capital efficiency and profitability, and I can contribute by offering opinions from that perspective.

One major role of an outside director is, ultimately, to confirm that management decisions are made without bias and that management is not losing its bearings.

Recently, problems concerning top management have arisen at various companies and, even when I think about my own situation, I feel it is very difficult for people inside a company to speak up to the top. At times, something may seem a little off; words and actions may seem inconsistent. Outside directors need to monitor such situations closely. I intend to carry out my role with that in mind.

Tatsuwaki At Deloitte Tohmatsu, I worked for many years on corporate governance, risk management, and sustainability. Drawing on that experience, I want to promote, from the standpoint of an outside director, the integration of management and sustainability, so that Aisin can establish itself the long-term role it should occupy in society. How things look from the community's point of view is also important, so when I see something through that lens that I find inappropriate, I point it out directly. At the same time, I will consider together with everyone how the Board of Directors can be focused on themes of high importance rather than simply high urgency and on discussing the significant risks that the entire Group should watch closely.

Corporate Governance

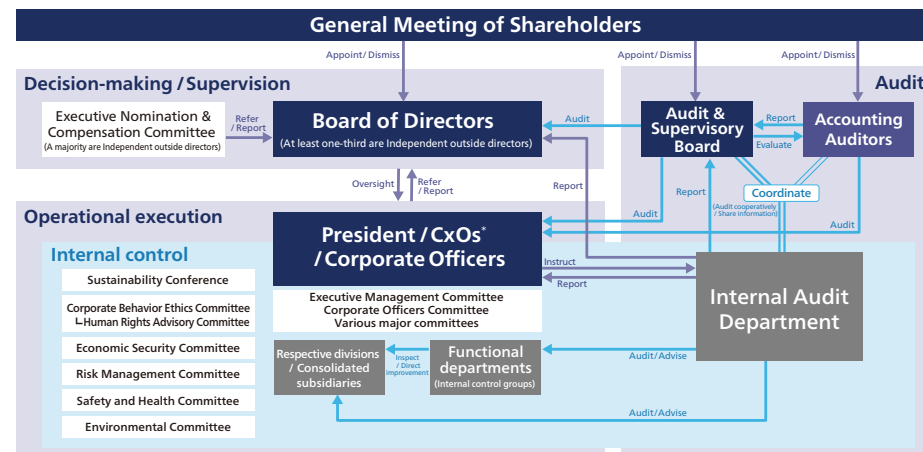
Basic stance and policy

Based on the Aisin Group Philosophy, we aim to build firm relationships with all stakeholders to maximize corporate value and achieve stable growth and development over the long term.

To realize this goal, it is important for management to act in a fair and highly transparent manner to ensure the Company is regarded as a corporate citizen trusted by the international community. We are, therefore, working to enhance corporate governance based on the following fundamental policies. The policy described herein is codified and executed under the AISIN Group Charter of Sustainability.

 Corporate governance reporting

Corporate Governance Structure



* CxO : Reporting directly to the President, the Internal Audit Department conducts preliminary reviews of management decisions and drives management activity spanning the entire company.

Under the Audit & Supervisory Board system, the Company is strengthening supervision of its business execution by directors and senior executive officers. The Board of Directors, of whose members at least one-third must be independent outside directors, provides oversight. Meanwhile the Audit & Supervisory Board, half of whose members are independent outside auditors, conducts audits while leveraging features of the Audit & Supervisory Board system, such as the independence of Audit & Supervisory Board members ("corporate auditors"), independent appointment procedures, and the appointment of full-time corporate auditors. Furthermore, to enhance the independence and objectivity of the Board of Directors, the nomination and remuneration of directors and senior executive officers are reviewed and discussed by the Executive Nomination and Compensation Committee, chaired by an independent outside director and consisting of a majority of independent outside directors, before being submitted to the Board of Directors.

We have adopted the current system because we believe it is important to assure timely and accurate management execution based on business circumstances and conditions on the factory floor, as well as to establish protocols for constantly monitoring whether such management decision-making is supported by and meets the expectations of our diverse stakeholder community. Regarding our organization approach to business execution, from FY2026 we appointed two executive vice presidents to serve as the ultimate decision-makers on thematic matters and other tasks delegated to them by the president, which is expected to further accelerate business execution and drive companywide strategic discussion and implementation. In addition, we are increasing the number of CxOs and expanding their roles. Under the direct supervision of the President, these officers pre-screen management decisions and drive management priorities across the entire company. We will continue to strive for a more effective corporate governance structure to enhance corporate value.

Evolution of our corporate governance structure

Fiscal year	2016-2019	2020-2021	2022	2023-
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%
Auditors		5		4
Of which independent outside auditors		2*		2
Of which female members		0		2
Ratio of independent outside auditors		40.0%		50.0%

* Under the Companies Act, three of the auditors were classified as outside auditors

Related materiality issues

Materiality issues	Goal (KGI)	Indicator(KPI)	FY2026 results	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	12.5%	30% or more

Key Initiatives

June 2014	Appointed independent outside directors	June 2023	Selected the Chair of the Executive Nomination and Compensation Committee from among the independent outside directors
January/ March 2016	Established the Executive Nomination Committee and the Compensation Committee	November 2024	Established a Governance Roundtable as an offsite meeting of the Board of Directors
April 2022	Eliminated vice president-level oversight and transferred authority to division heads and other leadership and established the CxO positions	April 2026	Appointed executive vice presidents and expanded and increased the number of CxOs to accelerate companywide strategic discussion and execution

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 meeting of the Board of Directors 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 the Board of Directors and others by receiving reports from the Business Ethics Committee, the Risk Management Committee, and other committees.

In FY2026, as described in the section “Evaluating the effectiveness of Board of Directors meetings,” the appointment of outside directors with acquired expertise in management transformation and sustainability resulted in increasingly multifaceted discussions that contributed to more substantive deliberations on management issues and sustainability. (P.69)

Key agenda items for resolution or reporting at the FY2026 Board of Directors meeting

Management strategy	Management strategy, medium-term business plan, Group management policy, earnings and investment budgets, cross-shareholdings
Business strategy and portfolio review	Strategies for each region and business, alliances, progress reports on new businesses
Sustainability	Progress of activities toward sustainability management, human capital strategy, economic security, compliance, risk management and the results of the Board effectiveness evaluation
Capital markets	Results of dialogue with capital markets

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 evaluates 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) and corporate auditors (4)
- ii Evaluation method: (a) Third-party questionnaire-driven evaluation
(b) Interviews based on the results of the questionnaire
(c) Issues and future measures discussed by the Governance Roundtable and the Board of Directors based on the analysis results
- iii Evaluation criteria: Size and composition of the Board of Directors; its operations; support systems for outside directors; composition and operations of the Executive Nomination and Compensation Committee; and the degree of improvement regarding issues identified in the previous fiscal year's evaluation, etc.

Issues identified in FY2025	Enhancement of discussions at the Board of Directors	Strengthening of the Board of Directors' supervisory function	Linking necessary knowledge and skills with the succession plan
Results of initiatives for FY2026	To enrich dialogue among our Board of Directors on realizing our Vision for 2030, we welcomed two outside directors with strong, relevant skills (business transformation and sustainability). Our discussions have become more multidimensional and our deliberation on management issues and sustainability further enriched.*	Enhanced supervision by outside directors based on reports from various meetings and committees (the Sustainability Conference, the Business Ethics Committee, the Economic Security Committee, the Risk Management Committee, and the Environmental Committee) and from the internal audit department.*	To enrich Board of Directors discussions, we reviewed the skills required of directors and invited directors who possess those skills, and we held study sessions linked to management issues so that directors can acquire necessary knowledge and refine it through appropriate updates and other efforts.

* 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. (P.68)

[Overall assessment for FY2026] Overall, we are moving in a good direction. We will accelerate the shift so that the Board of Directors becomes a "forum for supervision" that sets the direction of management, evaluates it, and supports execution.

Topics identified in FY2026	Strategy discussions	Supervisory function	Composition and function of the Board of Directors
Plan of action	<Key points> - Building consensus on growth trajectory - Sharing a common understanding of long-term policy leading to deliberating and resolving growth strategy and resource allocation - Progress in improving profitability resulting in reporting on Medium-Term Business Plan status	<Key points> - Understanding risks across the entire Group and strengthening Group management - Evolving Group management and piloting the organizational audits that support it	<Key points> - Considering a composition and form that accelerates the shift to a forum for supervision - Continued discussion of the desired composition (perspectives and diversity to be supplemented) and of succession

Policies and procedures for nominating directors and auditors

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

The nomination process involved deliberation and review by the Executive 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

Skill items	Purpose of skill selection
Human capital strategy	This skill is considered necessary to motivating individual employees and providing them with a sense of fulfillment.
Governance / Compliance / Risk management	This skill is considered necessary to strengthening the internal controls and governance systems that contribute to sustainable growth and enhanced corporate value.
Manufacturing (technology, production, and 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.
Value chain (Sales / 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 / 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

// 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

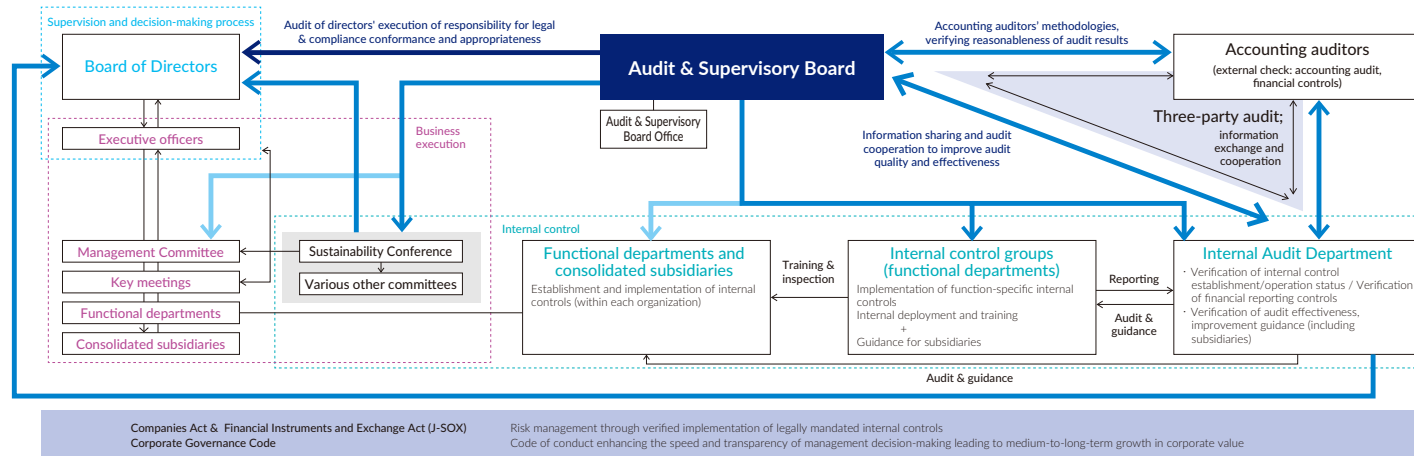
performance of their duties. Regarding audit operations, the Company is promoting the use of generative AI to support the creation of audit records and drive data analysis and risk detection in an effort to improve audit efficiency and accuracy.

The design and implementation of our internal controls are audited primarily by dedicated internal control functions in line with preestablished management indicators. Through regular monthly meetings with the Internal Audit Department, information is shared, and audits are collaboratively 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

In FY2026, in addition to self-evaluation by the Audit & Supervisory Board members, the scope of individual interviews was expanded to include accounting auditors, the internal audit department, subsidiary auditors, and inside and outside directors, with the aim of gathering a wide range of opinions on Audit & Supervisory Board activities (business audits, accounting audits, and improvement of audit effectiveness). The results were discussed at a meeting of the Audit & Supervisory Board, and it was determined that effective audits were being conducted. The Company will continue strengthening cooperation between corporate auditors and independent outside auditors to further improve the effectiveness of the Audit & Supervisory Board.

Audit system diagram



Major activities for FY2026

Audit & Supervisory Board meetings held	15 times
Attendance at Board of Directors meetings and other key forums (Board of Directors meetings, management meetings, the Sustainability Conference, etc.)	212 times
Meetings and hearings with executives and departments (President, directors, CxOs, executive officers, department heads, etc.)	115 times
Onsite inspections of domestic and overseas subsidiaries (14 overseas companies, 10 domestic companies)	24 companies

Onsite inspections of domestic subsidiaries



Corporate Governance

Aisin Group audit coordination status

The Aisin Group consists of many companies: 69 domestic and 117 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.



FY2026 Aisin Group audit coordination results

(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: **9**

(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: **23** companies

(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: **22**

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 shares the auditors' monthly reports. Furthermore, in FY2026, Audit & Supervisory Board members and outside directors continued to jointly inspect subsidiaries onsite. Through direct observation of various locations and assets, they were able to exchange opinions from the perspective of their distinct 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 and sustainability.

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

Basic policy on executive compensation

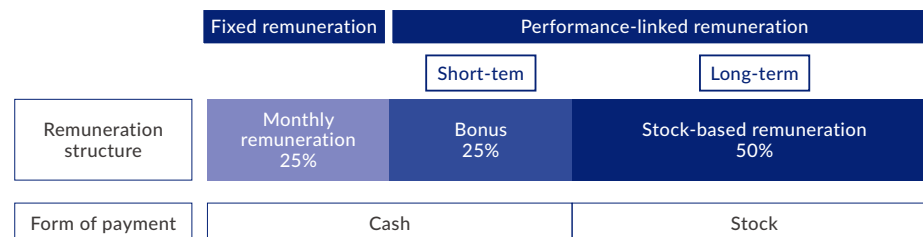
The Company's executive remuneration system is designed according to the following principles:

1. Remuneration shall motivate executives to work toward achieving our Group Philosophy and management policies.
 2. Remuneration shall reflect the responsibilities, achievements, etc., of each executive.
 3. 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.
- To further motivate performance in line with the basic policy above, effective from FY2027 we have revised our policy on performance benchmarks and ratios used to determine variable compensation and how these are used to calculate performance-linked remuneration.

Executive compensation structure

As Directors (other than non-executive 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. The remuneration of non-executive directors, such as outside directors and of Audit & Supervisory Board members consists solely of a monthly salary and does not include a bonus or stock-based remuneration, which is in keeping with their operationally non-executive function. These officers are independent of business execution and are responsible for overseeing and advising management or auditing business execution.

Remuneration structure for Directors*



* Excluding outside directors and other non-executive officers. Depending on earnings performance, remuneration may differ from the above.

Policy of remuneration by type

Fixed remuneration (monthly remuneration)

- 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, ROIC, and the degree of progress toward sustainability KGI 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 evaluation result.

Benchmark	Evaluation weight	Evaluation method
Consolidated operating profit	40%	Evaluated on the basis of the degree of achievement in each fiscal year of the standard profit set for the sustainable growth of the Company
ROIC	40%	Evaluated on the basis of the degree of achievement in each fiscal year of the annual forecast
Degree of progress toward sustainability KGIs	20%	Evaluated on the basis of the degree of progress through initiatives in each fiscal year toward all KGIs established by the Group

Corporate Governance

- The FY2026 bonus was calculated using the pre-revision calculation benchmarks, namely consolidated operating profit and sustainability KPIs.

Benchmark	Evaluation weight	Evaluation method
Consolidated operating profit	90%	Evaluated on the basis of the degree of achievement in each fiscal year of the standard profit set for the sustainable growth of the Company
Sustainability KPI	10%	Evaluated on the basis of the degree of achievement of each fiscal year's targets for the calculation benchmarks selected from among the major KPIs that are widely related to society and employees, as defined by the Group. Selection criteria for FY2026* "Rate of reduction in CO ₂ emissions from production activities" and "Job satisfaction" (5% each)

*In line with the revision of our materiality definitions, the selection criteria have been calibrated and evaluated as follows:

"Rate of reduction in CO₂ emissions from production activities": Scope 1 and 2 emissions (compared to FY2020)

"Job satisfaction": Positive response rate for employee engagement and for an empowering environment for employees

- The amount paid to each individual is determined on the basis of the Company's performance in the fiscal year and the execution of duties by each executive.
- Performance-linked remuneration is paid once a year after the Ordinary General Meeting of Shareholders each fiscal year.
- Restricted stock remuneration is provided as an incentive to promote further sharing of value with shareholders and to sustainably enhance corporate value. For details of the system, please refer to page 79 of the Annual Securities Report.

 Securities Reports P.79

Executive compensation standards

In order to verify objectivity and validity, the levels of total remuneration for Directors by position are determined each year by reference to the remuneration levels of manufacturers similar to the Company in size, industry, and business profile, as reported in 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 reviews the executive remuneration system and determines the individual remuneration amounts based on the policy for determining the remuneration for each Director established by the Board of Directors, taking into account factors such as company performance, job responsibilities, and achievements.

Furthermore, the monthly remuneration for each Audit & Supervisory Board Member is determined through discussions among the members, within the remuneration limit resolved at the General Meeting of Shareholders.

Remuneration amounts for directors and auditors

Executive category	Total amount of remuneration, etc. (Million Yen)	Totals for each type of remuneration, etc. (Million Yen)			Number of applicable executives
		Fixed remuneration	Performance-linked remuneration		
		Monthly remuneration	Bonus	Stock-based remuneration	
Director (of which, Outside Director)	608 (57)	268 (57)	164 (—)	175 (—)	10 (6)
Audit & Supervisory Board Member (of which, Outside Audit & Supervisory Board Member)	116 (24)	116 (24)	— (—)	— (—)	4 (2)
Total	724	384	164	175	14

(Note) 1. The table includes two Directors (including two Outside Directors) who retired at the conclusion of the 102nd Ordinary General Meeting of Shareholders held on June 17, 2025.

2. The amount of performance-linked remuneration is based on the resolution of the Board of Directors meeting held on May 20, 2026.

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

Member of the Board of Directors



Moritaka Yoshida
President, Member of
the Board of Directors

Tenure: 5years
Board of Directors
Meetings attended
16/16 (100%)

Significant concurrent positions
None



Yoshihisa Yamamoto
Member of the Board
of Directors

Tenure: 5years
Board of Directors
Meetings attended
16/16 (100%)

Significant concurrent positions
None



Masahiro Nishikawa
Member of the Board
of Directors

Tenure: 2years
Board of Directors
Meetings attended
16/16 (100%)

Significant concurrent positions
None



Daisuke Kondo
Member of the Board
of Directors
Newly appointed

Significant concurrent positions
None



Yoichi Miyazaki
Member of the Board
of Directors
Newly appointed

Significant concurrent positions
Executive Vice President, Member of the
Board of Directors and Operating Officer of
Toyota Motor Corporation



Tsuguhiko Hoshino
Member of the Board
of Directors
Outside Independent

Tenure: 3years
Board of Directors
Meetings attended
16/16 (100%)

Significant concurrent positions
Outside Director of Tokyu Fudosan Holdings Corporation
Board Member (Vice Chairman) of The General Insurance
Association of Japan



Yasuhito Hirota
Member of the Board
of Directors
Outside Independent

Tenure: 1years
Board of Directors
Meetings attended
13/13 (100%)

Significant concurrent positions
Chairman and CEO, Representative Director of ASICS Corporation
Vice Chairperson of Japan Association of Corporate Executives
(Public Interest Incorporated Association)
Councillor, The Tokio Marine Sports Foundation



Keiko Tatsuwaki
Member of the Board
of Directors
Outside Independent

Tenure: 1years
Board of Directors
Meetings attended
13/13 (100%)

Significant concurrent positions
Outside Audit & Supervisory Board Member of
ISE CHEMICALS CORPORATION

Audit & Supervisory Board Members



Shintaro Ito
Audit & Supervisory
Board Member
Newly appointed

Significant concurrent positions
None



Kiyomi Kato
Audit & Supervisory
Board Member

Tenure: 5years
Board of Directors
Meetings attended
16/16 (100%)
Audit & Supervisory Board
Meetings attended
15/15 (100%)

Significant concurrent positions
None



Junko Ueda
Audit & Supervisory
Board Member
Outside Independent

Tenure: 5years
Board of Directors
Meetings attended
15/16 (93.75%)
Audit & Supervisory Board
Meetings attended
15/15 (100%)

Significant concurrent positions
Dean of Aichi Law School



Katsuhiro Kashiwagi
Audit & Supervisory
Board Member
Outside Independent

Tenure: 4years
Board of Directors
Meetings attended
15/16 (93.75%)
Audit & Supervisory Board
Meetings attended
15/15 (100%)

Significant concurrent positions
Katsuhiro Kashiwagi Tax Accountant Office
Inspection Commissioners of Aichi Prefectural Government

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 to our business are intensifying owing to the rapidly shifting external environment. We address risks that could hinder growth by both identifying and controlling them and by strengthening our business continuity apparatus.

We will suppress the occurrence and mitigate the impact of the various risks that could significantly affect the company's progress toward 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

As part of our structure for promoting risk management and in response to policies developed by our Sustainability Conference, a high-level deliberative body, we have established a Risk Management Committee comprising the President, CxOs, Audit & Supervisory Board Members, and the presidents of major Group companies. The Committee advances risk countermeasures by deliberating on and setting the direction for priority risks to be addressed in line with observed risk incidents at Aisin as well as external conditions and trends. For each priority risk thus identified, Aisin's parent company designates a responsible department, and each domestic and overseas Group company appoints a person responsible for promoting risk management. In this way, we strengthen our ability to respond by addressing risks across the entire Group. Furthermore, regular reporting to the Board of Directors keeps our risk management activities under its oversight and helps us enhance our management strategy.

Strategy

We caused inconvenience and concern to many on account of the 1997 Kariya Plant fire. This incident prompted us to introduce ERM* to avoid repeating this kind of failure, which has spawned numerous companywide risk management efforts.

In recent years, management risk has grown more complex and diverse, ranging from natural disasters such as major earthquakes and increasingly frequent squall lines to parts supply interruptions, information security incidents, and geopolitical and economic security risk. Amid these circumstances, we have introduced a risk management process covering risks connected with management strategy and are aiming for sustainable growth and stability. We are proactive about risk management,

*ERM: Enterprise Risk Management

identifying early signs of risk on the operational side that hinders smooth business operations and on the management strategy front, where it impedes the execution of medium-to-long-term management strategies. Once risks are identified, we analyze and evaluate their impact as appropriate.

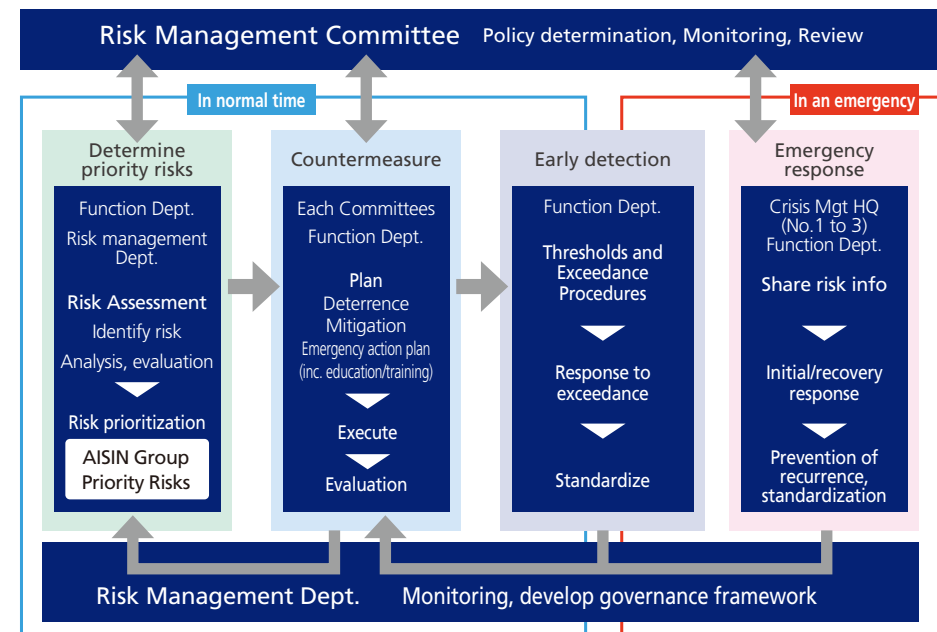
 Supply chain

 Information security

Key initiatives

Based on our Risk Management Process, Aisin works to suppress the occurrence and mitigate the impact of risks under normal conditions and to achieve early recovery and minimize damage in emergencies. In addition, in order to detect signs of risk at the earliest possible stage and avoid risks, we incorporated management of risk warning indicators into our risk management framework from FY2026. 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



Risk Management

// Risk Management

Identifying priority risks

Aisin determines its priority risks at the Risk Management Committee twice a year. When annually determining priority risks based on the "Opportunities and Risks" confirmed by the Executive Management Committee and the Board of Directors at the time our Group management policy is formulated, we identify, through risk assessment, the risks arising from changes in the external environment, drawing on trends in the external risk environment, societal demands including customer expectations and stakeholder concerns, and risk forecasts by specialized external agents. In addition, we identify risks arising from changes in the internal environment from the distinctive vantage of each department in charge of a particular risk, as perspective of overseas sites. We analyze and evaluate these risks in terms of their probability of occurrence, trends, and degree of impact, and, taking into account the preventive and mitigating effects of our past risk countermeasures, we determine the "priority risks" that the entire Group should focus on addressing.

 Aisin Group priority risks for FY2027

Risk countermeasures and monitoring

For the high-priority risks and priority risks enumerated by the Risk Management Committee, the various committees and the departments tasked with managing each class of risk implement measures to minimize their occurrence and mitigate their impact. The Risk Management Committee monitors high-priority risks, while the ERM Office monitors priority risks, as both work toward continuous improvement.

Risk warning indicator management

We conduct management of risk warning indicators to swiftly detect signs of risks that could adversely affect company operations and avoid such risks. 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

In the initial response when an emergency occurs, starting from a "Risk Report," the occurrence of the risk is promptly communicated to the President and other executives and to the departments overseeing each risk classification. On that basis, we establish a "response headquarters" (Level 1 to Level 3) according to the crisis level. In cases of Level 1 risks, the Chair of the Risk Management Committee appoints a headquarters leader

according to the nature of the risk. In a Level 2 scenario, as a general rule, the head of the department responsible for the risk in question assumes this role; in the case of Category 3 incidents, the director of the department responsible for the risk assumes it. In assigning a secretariat of each response headquarters, the department in charge of each risk together with the Enterprise Risk Management Section, which serves as our risk-management promotion department, overseeing a Level 1 response headquarters. Departments responsible for each class of risk runs Level 2 and Level 3 response headquarters. Under this structure, in responding to emergencies such as disasters, we set forth as our basic policy the priority order of (1) human life and safety, (2) community contribution, and (3) production recovery, and we define in our action guideline that assistance be early and ample. Based on these principles, we have formulated emergency response plans (BCP). When a disaster or other emergency transpires, we give top priority to securing human life and safety and work to minimize damage. Next, based on the premise that there can be no recovery of Aisin's operations without the recovery of the community, we focus on contributing to our neighbors' well-being. Specifically, we work in cooperation with the governments of affected areas to provide scarce relief supplies and offer material support to suppliers in the affected areas. In a production recovery situation, we restore function prioritized according to operational criticality as determined in advance and based on the extent of the damage. Furthermore, when damage is severe, we shift to alternative operations or alternative production to continue doing business. To prepare for these emergencies, the departments in charge of each risk systematically implement risk control and mitigation measures and render education and training in advance in line with our emergency action plans. In particular, when major earthquakes occur that are expected to cause severe damage, our initial and immediate response is the key to minimizing damage. We therefore regularly hold initial response training for the disaster response headquarters," with top management leading the response headquarters. We further enhance recovery effectiveness through formal BCPs and training and the development of staff who are resilient in emergencies. Even under normal conditions, we use these tactics to build an organization, workplace, and workforce that are resilient to crises.

During the 2026 Kumamoto Earthquake of July 28, 2026, Group company Aisin Kyushu Co., Ltd., recorded a seismic intensity of Upper 6 on the Japanese scale, exceeding the mark of Lower 6 recorded in 2016. Under the basic policy described above, we gave top priority to ensuring the safety of employees and assessing the extent of damage, then turned to supporting the recovery and reconstruction of local communities while pressing ahead with the early restoration of production. Partial production resumed on August 2 and normal operations on August 5. Whereas it took 22 days to resume normal operations after the 2016 Kumamoto Earthquake, this time we took only eight days. Countermeasures informed by the lessons of the 2016 Kumamoto Earthquake enabled us to limit the damage and recover quickly. We will review our response to this incident and further improve our earthquake countermeasures.

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. We place quality supremacy at the foundation of both the AISIN Group Charter of Sustainability, our reference for corporate conduct, and the AISIN Group Way, our guide for individual conduct. 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. Our policy on quality is defined as follows, and the framework for quality assurance activities is stipulated in our Quality Manual.

*1 Total Quality Management

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 safe and comfortable society.

Promotion structure

The AISIN Group Quality Division bears responsibility and holds authority for the quality of the entire Group and plays a central role in quality assurance for our customers. To provide satisfaction and peace of mind to customers around the world, we position our Quality Function Deployment meetings—in which top management participates—at the core of our effort and deploy our quality policy across each product group and functional division. We monitor the status of quality-focused activities based on this policy while regularly collecting and digesting customer feedback and disseminating our findings throughout the company. Furthermore, through audit activities and quality-centered education, we work to create products of ever higher quality.

Strategy

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

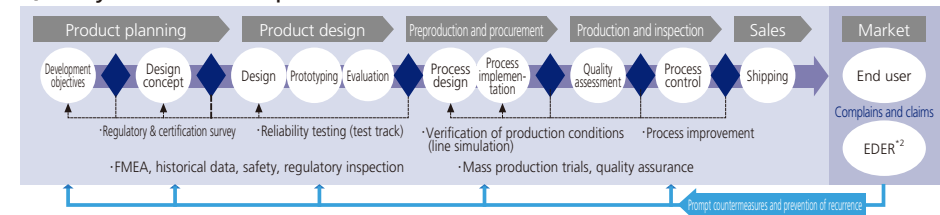
- Build, audit, and improve a quality assurance framework (quality management system) that is applicable worldwide, by addressing next-generation product and service quality and strengthening governance
- Develop human resources capable of creating new value in response to progress in intelligent systems, new businesses, and carbon neutrality—the growing domains of a digital society

Key initiatives

Reliable quality assurance across each process lifecycle from development to production in medium-to-long-term priority areas

When launching new products, we identify and reduce quality-related risks at key milestones of each process based on our quality assurance framework. In this way, we prevent quality problems before they occur. We also promote DX and AI programs that integrate specialized units in the design and production engineering domains and the factory floor, contributing to both shorter development lead times and higher quality through innovation during the development process. We introduce quality improvements at the product design stage by reverifying safety and regulatory compliance from the customer's perspective, consolidating the technologies and insights amassed across each product group, and working rigorously to prevent a recurrence of past defects. We also use Company-owned test courses and testing facilities that replicate the distinctive operating environments found around the world, investigating high- and low-temperature scenarios, various road surface conditions, and electromagnetic effects, to comprehensively evaluate the functions and performance required for automobiles. At the production preparation stage, we leverage simulations and other cutting-edge digital technologies to quickly build sophisticated, highly refined production lines. Furthermore, through repeated mass-production trials, we work to stabilize production and improve quality.

Quality assurance steps ◆ Milestone verification and assessment



*2 EDER: early detection and early resolution of defects early and prompt countermeasures

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.

Financial Data (Consolidated)

(¥ million)

(FY)		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Financial position and operating results	Revenue	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	5,117,764
	Ratio of revenue from overseas locations (%)	41.8	41.1	41.2	42.1	42.3	44.6	49.6	50.1	50.2	50.8
	Operating profit	228,691	253,808	205,562	56,129	145,332	182,011	57,942	143,396	202,941	228,796
	Profit before income taxes	237,311	268,171	217,486	53,395	167,523	219,983	73,741	149,877	173,440	247,941
	Profit attributable to the owners of the parent for the period	126,653	134,551	110,123	24,061	105,638	141,941	37,670	90,813	107,586	171,697
	Equity attributable to owners of the parent company	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	2,200,573
	Total assets	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	4,512,274
	Capital expenditure	237,449	260,315	389,932	290,646	190,268	218,771	221,494	230,033	223,738	223,343
	Depreciation	197,168	213,430	226,418	242,167	240,016	245,257	263,562	259,831	257,434	249,372
	R&D expenses	167,719	182,900	202,190	205,823	189,850	194,162	218,631	225,594	236,844	265,494
	R&D to revenue ratio (%)	4.7	4.7	5.0	5.4	5.4	5.0	5.0	4.6	4.8	5.2
Per-share information (¥)	EPS (basic earnings per share) *1	148.15	163.41	136.21	29.76	130.65	175.55	46.59	112.31	137.81	232.64
	BPS (book value of equity attributable to owners of the parent per share) *1	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	3,037.06
	Dividends *1	41.67	50.00	50.00	40.00	40.00	56.67	56.67	56.67	60.00	70.00
	Dividend payout ratio (%)	28.1	30.6	36.7	134.4	30.6	32.3	121.6	50.5	43.5	30.1
Cash Flow	Net cash provided by (used in) operating activities	394,812	311,542	354,942	327,552	343,314	193,343	237,970	499,740	339,870	376,084
	Net cash provided by (used in) investing activities	-229,109	-229,346	-414,494	-273,876	-38,175	-204,952	-186,857	-93,153	-146,948	-77,180
	Net cash provided by (used in) financing activities	-31,617	-73,634	13,164	275,382	-373,880	-135,859	-127,752	-211,699	-270,221	-181,975
	Free cash flow	165,703	82,196	-59,552	53,676	205,139	-11,609	51,112	406,587	192,922	298,904
	Cash and cash equivalents	394,559	406,508	357,195	675,162	520,028	386,906	317,693	527,191	451,690	592,398
Financial Ratios	Operating profit ratio (%)	6.4	6.5	5.1	1.5	4.1	4.6	1.3	2.9	4.1	4.5
	Ratio of equity attributable to owners of the parent (%)	37.0	37.1	35.9	32.1	38.1	41.8	42.3	46.0	46.1	48.8
	ROE (ratio of profit to equity attributable to owners of the parent; %)	10.5	10.6	8.3	1.8	7.5	8.6	2.1	4.7	5.2	8.2
	ROIC (return on invested capital; %)*2	11.5	11.6	8.6	1.7	5.1	6.6	1.8	5.3	7.1	9.1

*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 =
 $\Sigma (\text{fuel consumption} \times \text{CO}_2 \text{ emission factor}) + \Sigma (\text{purchased electricity} \times \text{CO}_2 \text{ emission factor})$

CO₂ emission factor
 Emissions for FY2020–FY2026

Japan	Fuel	Emission factors based on IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas Inventories * Coefficients defined under the Act on Promotion of Global Warming Countermeasures (Japan) are used for city gas.
	Purchased electricity	Adjusted emission factors by electric utility provider published by the ministry of the environment and the ministry of economy, trade and industry (2021: FY2021, 2022: FY2022, 2023: FY2023, 2024: FY2024, 2025: FY2025)
Overseas	Fuel	Emission factors based on IPCC 2006, 2006 IPCC Guidelines for National Greenhouse Gas inventories
	Purchased electricity	Emission factors based on IEA: CO ₂ emissions from fuel combustion (2021: IEA 2019, 2021 edition, 2022: IEA 2020, 2022 edition, 2023: IEA 2021, 2023 edition, 2024: IEA 2022, 2024 edition, 2025: IEA 2023, 2025 edition)

* Coefficients defined under the Act on Promotion of Global Warming Countermeasures (Japan) are used for global warming potential (GWP).

Total scope 1, 2, and 3

(t-CO₂ e)

FY2022	FY2023	FY2024	FY2025	FY2026
25,530,744	24,088,622	25,224,731	23,596,868	24,087,189

CO₂ emissions from manufacturing (Scopes 1 & 2)

(t-CO₂ e)

Item	FY2022	FY2023	FY2024	FY2025	FY2026
Scope1	602,011	533,137	525,133	491,009	475,460
Scope2	1,963,240	1,745,595	1,755,040	1,657,897	1,218,240
Total	2,565,251	2,278,732	2,280,173	2,148,906	1,693,700

Supply chain emissions (Scope 3)

(t-CO₂ e)

Item	FY2022	FY2023	FY2024	FY2025	FY2026
1. Purchased products and services	11,373,619	10,736,420	11,177,441	11,022,068	11,545,813
2. Capital goods	752,442	761,807	791,314	769,659	775,210
3. Fuel and energy-related activities not included in Scope 1 and 2	409,028	361,030	348,710	328,008	264,606
4. Transportation and distribution (upstream)	608,026	669,230	689,386	554,313	548,421
5. Waste generated from operations	54,752	53,040	58,472	55,266	58,255
6. Business travel	11,552	13,814	16,149	17,735	14,728
7. Employee commutation	37,080	32,963	36,868	51,288	41,481
8. Leased assets (upstream)	—	—	—	—	—
9. Transportation and distribution (downstream)	158,884	168,284	175,895	192,164	204,402
10. Processing of sold products	492,297	517,713	379,242	311,603	254,450
11. Use of products sold	8,814,825	8,230,378	9,042,565	7,967,008	8,411,219
12. End-of-life handling of products sold	29,558	29,261	29,789	21,936	157,345
13. Leased assets (downstream)	—	—	—	—	—
14. Franchising	—	—	—	—	—
15. Investments	150,733	167,752	127,995	95,071	72,484
Total	22,892,795	21,741,694	22,873,825	21,386,118	22,348,414

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

Reduction rate (%) compared to base fiscal year (FY2020)

Item	FY2022	FY2023	FY2024	FY2025	FY2026
Scope1 & 2	5.1	15.6	15.4	20.5	37.4
Scope 3 (categories 1 & 11)	0.1	6.2	0.0	6.1	1.3

Water consumption (Consolidated)

(m³)

FY2022	FY2023	FY2024	FY2025	FY2026
15,050,599	14,015,795	14,119,698	13,126,934	13,029,393

The manufacturing scope for each fiscal year is as follows.

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

2026: Production sites of Aisin and 124 consolidated companies

Total industrial waste discharge

(t)

FY2022	FY2023	FY2024	FY2025	FY2026
160,314	144,912	163,520	140,980	174,435

* Covers industrial waste (landfill, offsite intermediate treatment, and offsite paid recycling)

Nonfinancial Data (Social)

// Human resources data

Item				Unit	FY2022	FY2023	FY2024	FY2025	FY2026
Number of Employees ^{*1}		Consolidated		Persons	117,177	116,649	115,140	114,449	113,292
Number of regular employees	Number of regular employees (By gender, ratio of female staff)	Consolidated	Male	Persons	97,754	97,445	97,278	96,483	91,907
			Female	Persons	19,989	20,216	21,033	20,443	20,502
			Ratio of female staff	%	17.1%	17.2	17.8	17.5	18.2
Job satisfaction (engagement)	Employee engagement (engagement survey results)	69 domestic companies		Positive response rate (%)	-	-	-	53 ^{*2}	56 ^{*2}
	An environment that empowers employees (engagement survey results)			Positive response rate (%)	-	-	-	49 ^{*2}	54 ^{*2}
	Resignation rate (voluntary resignations)	3 group companies*		%	1.8	1.8	2.0	2.3	1.7
Diversity & inclusion	Ratio of female directors ^{*3}	Consolidated	Male	Persons	529	527	485	452	440
			Female	Persons	10	12	10	15	17
			Ratio of female staff	%	1.9	2.2	2.0	3.2	3.7
	Ratio of female managers	69 domestic companies	Male	Persons	5,158 ^{*4}	5,495 ^{*4}	5,663 ^{*4}	5,760 ^{*4}	7,712
			Female	Persons	131 ^{*4}	141 ^{*4}	153 ^{*4}	168 ^{*4}	239
			Ratio of female staff	%	2.5 ^{*4}	2.5 ^{*4}	2.6 ^{*4}	2.8 ^{*4}	3.0
		Consolidated	Male	Persons	9,158	9,528	9,349	9,409	9,659
			Female	Persons	607	664	624	635	670
			Ratio of female staff	%	6.2	6.5	6.3	6.3	6.5
	Ratio of female section chiefs	3 group companies*	Male	Persons	6,786	6,930	6,994	6,990	7,083
			Female	Persons	255	333	371	409	459
			Ratio of female staff	%	3.6	4.6	5.0	5.5	6.1

* 3 group companies : From FY2026, three companies (Aisin, Aisin Takaoka, ADVICS); prior to FY2025, four companies (Aisin, Aisin Takaoka, Aisin Chemical, 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. Information disclosed in annual securities reports).

*2 Coverage scope for the current fiscal year's results: twelve Group companies in FY2025; 68 Group companies in FY2026

*3 Ratio of female executives: President, Vice Presidents, Directors

*4 Coverage scope for the current fiscal year's results: four core Group companies in FY2025

Nonfinancial Data (Social)

Item				Unit	FY2022	FY2023	FY2024	FY2025	FY2026
Diversity & inclusion	Gender pay gap among employees ^{*5}	Aisin Corporation (parent)	All workers	%	-	74.9	68.6	70.3	69.1
			Regular employees	%	-	76.2	68.8	79.2	69.3
			Part-time and fixed-term employees	%	-	80.1	82.3	70.1	70.6
	Ratio of local employees among executives (Vice President level and above) at overseas subsidiaries ^{*6}	Overseas (110 Group companies)	Local employees	Persons	106	110	109	114	121
			Number of positions	Positions	304	318	317	318	289
			Local employee ratio	%	34.9	34.6	34.4	35.8	41.9
Work-life balance	Paid leave utilization rate ^{*7}	3 group companies*		%	95.3	100.7	93.8	96.1	93.6
	Average length of service		Male	Year	16.3	16.4	16.6	16.3	16.7
			Female	Year	11.6	12.0	13.0	13.0	13.5
			All	Year	15.8	15.9	16.2	15.9	16.3
	Average monthly non-statutory working hours ^{*8}	Aisin Corporation (parent)		Hours	21.0	21.3	24.3	23.1	22.7
	Male childcare leave utilization rate ^{*9}	3 group companies*		%	17.9	33.2	49.7	62.5	79.1
	Male childcare leave and male childcare-purpose leave utilization rate ^{*10}			%	-	95.5	95.7	92.6	96.8
	Male parental leave 100% utilization target achievement rate ^{*11}			%	100.0	99.6	98.3	98.2	98.4
Occupational safety and health	Lost-time injury frequency (employees, including temporary staff) ^{*12}	13 group companies		%	0.14	0.17	0.15	0.25	0.19

^{*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} Executives (Vice President level and above) at overseas subsidiaries: 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 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 71-6, 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 71-6, 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 rate: (number of casualties / total actual working hours) × 1,000,000

External Awards and Recognition

Aisin's sustainability initiatives have been highly rated by various external evaluation organizations.

// Inclusion in ESG indices



FTSE4Good

FTSE4Good Index Series

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



TSE JPX Blossom Japan Index

FTSE Blossom Japan Index

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



TSE JPX Blossom Japan Sector Relative Index

FTSE Blossom Japan Sector Relative Index

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



S&P/JPX Carbon Efficient Index



Sompo Sustainability Index

Sompo Sustainability Index

// External ESG assessments



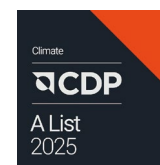
Noteworthy DX Company 2026

Selected as a Noteworthy DX Company 2026, recognized by the Ministry of Economy, Trade and Industry and others as a company drawing attention for outstanding DX initiatives that contribute to enhancing corporate value.



Digital Transformation Certification

Acquired since 2021
Selected as a DX Certified Business Operator.



CDP

In 2025, we were selected by CDP, an international non-profit organization that evaluates corporate environmental initiatives, for its highest rating, the "A List," in the Climate Change category. This is the third consecutive year we have been selected since 2023.



クルマ・文化・社会・パートナーシップ大賞

Car, Culture, Society & Partnership Award

At the 5th Car, Culture, Society & Partnership Awards, hosted by the Japan Automobile Conference Council and the Daily Automotive News (Nikkan Jidosha Shimbun), our shared-ride shuttle service Choisoko received the Grand Prize.



Health & Productivity Management Outstanding Organization (large enterprise category) / White 500

Certified for 10 consecutive years since 2017

Company Information

// Company overview (as of March 31, 2026)

Company name	AISIN CORPORATION
Capital	¥45 billion
Head office address	1-2 Asahi-machi, Kariya, Aichi 448-8650 Phone: +81-566-24-8441(Main)
Representative	Moritaka Yoshida: President, Member of the Board of Directors
Number of employees	Parent: 34,956 Group: 113,292
Number of consolidated subsidiaries	Consolidated subsidiaries: 186 (domestic: 69, overseas: 117) Equity method affiliates: 14 (domestic: 7, overseas: 7)
Business activities	Manufacturing and sale of automotive parts and energy-related products

// Stock data (as of March 31, 2026)

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	22.34
The Master Trust Bank of Japan, Ltd. (trust account)	79,249	10.94
Custody Bank of Japan, Ltd. (trust account)	28,445	3.92
Toyota Industries Corporation	23,239	3.20
Aisin Employee Stock Ownership Association	19,899	2.74
Toyota Real Estate Corporation	19,034	2.62
Nippon Life Insurance Company	18,900	2.60
Kochi Shinkin Bank	17,335	2.39
STATE STREET BANK AND TRUST COMPANY 505001	10,940	1.51
National Mutual Insurance Federation of Agricultural Cooperatives	10,319	1.42

*1 The Company holds 34,451 thousand shares of treasury stock that are excluded from holdings of the major shareholders listed above.

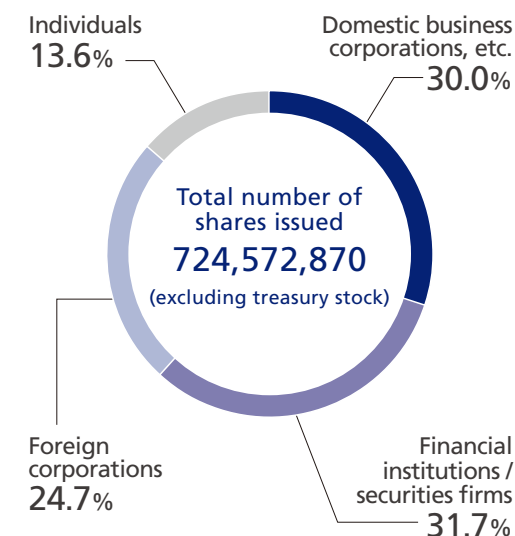
*2 Shareholding ratios are calculated after deducting treasury stock from the total number of shares issued.

Share price trends and total shareholder return (TSR)

Share price chart



Shareholder breakdown



Fiscal Year	Stock Price*1 (¥)	Dividend (¥)	Total shareholder return*2 (%)
2022	1,398	56.67	103.9
2023	1,215	56.67	94.9
2024	2,074	56.67	160.3
2025	1,623	60.00	132.4
2026	2,168	70.00	176.3

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

*2 Calculated using March 2021 baseline.

Contact <https://www.aisin.com/en/contact/>