

Mid/Long-term Business Strategy Briefing

AISIN CORPORATION
Moritaka Yoshida
President

2023.09.14



1. Vision of 2030

2. Strategies of Business Divisions

3. 2025 Mid-term Plan for 2030

1

Changes

Biggest Revolution Period for Automotive Industry

**Carbon
Neutrality**

Electrification

Intelligence

**Drastic changes in industrial structure
surround automotive industry**

Changes

**Electrification
BEV**

**Big change on vehicle
structure**

Intelligence

**Diversification of
value with vehicle
structure changes**

**Achieve continuous growth
at unpredictable environment**

Management Foundation & Growing Domains

Major Management Transformation for the Future

- Shift Business to Growing Domains
- Strengthen Corporate Foundation

Change as Growth Challenge

Technological Innovation

**Value Added Products
For BEV as a whole**

**Unconventional
User Experience**

Individual Advanced Products

+

Systemize (Functional Integration, Integrated Control)

Strengths of AISIN

Various Products

- Hardware
- Software

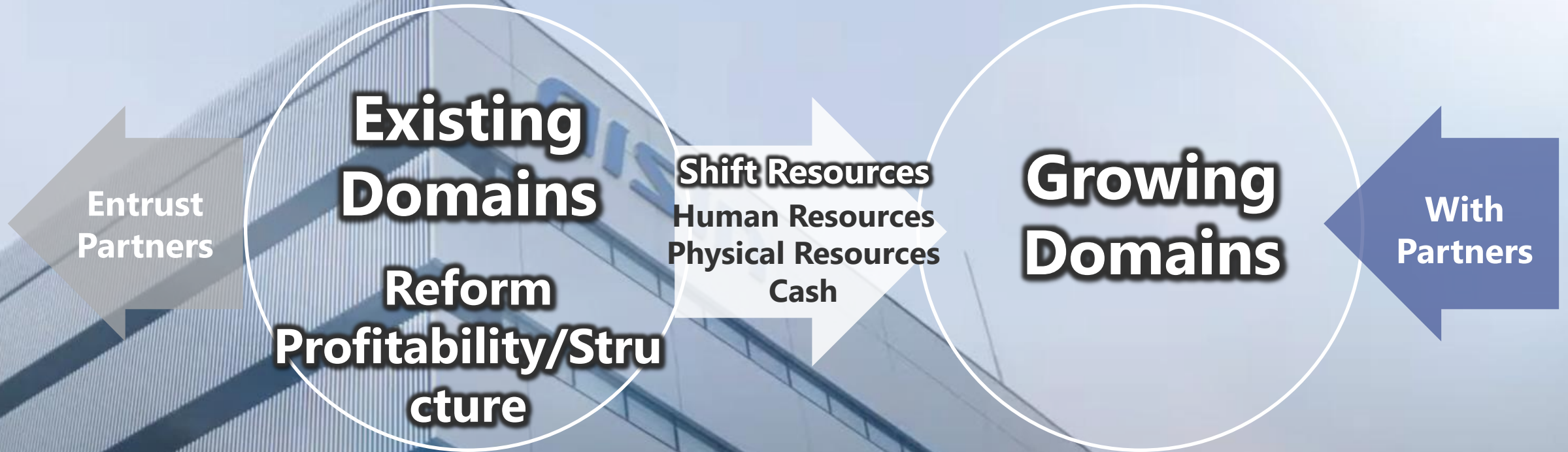
Manufacturing Practice

- Production Engineering
- Global Production Bases

3

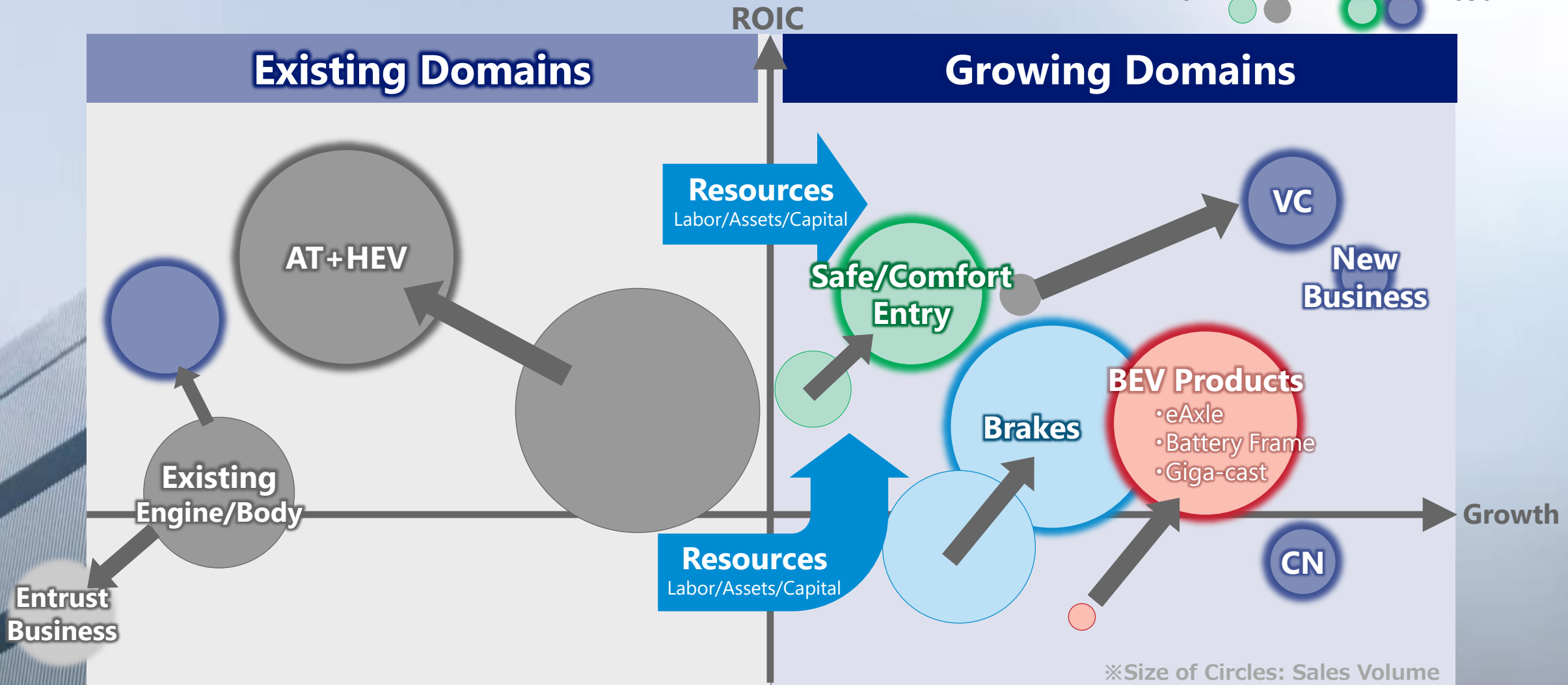
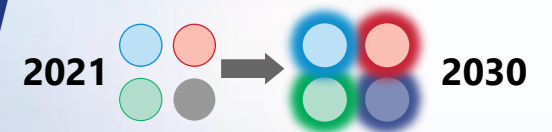
Management Foundation & Growing Domains

Restructure Business Portfolio



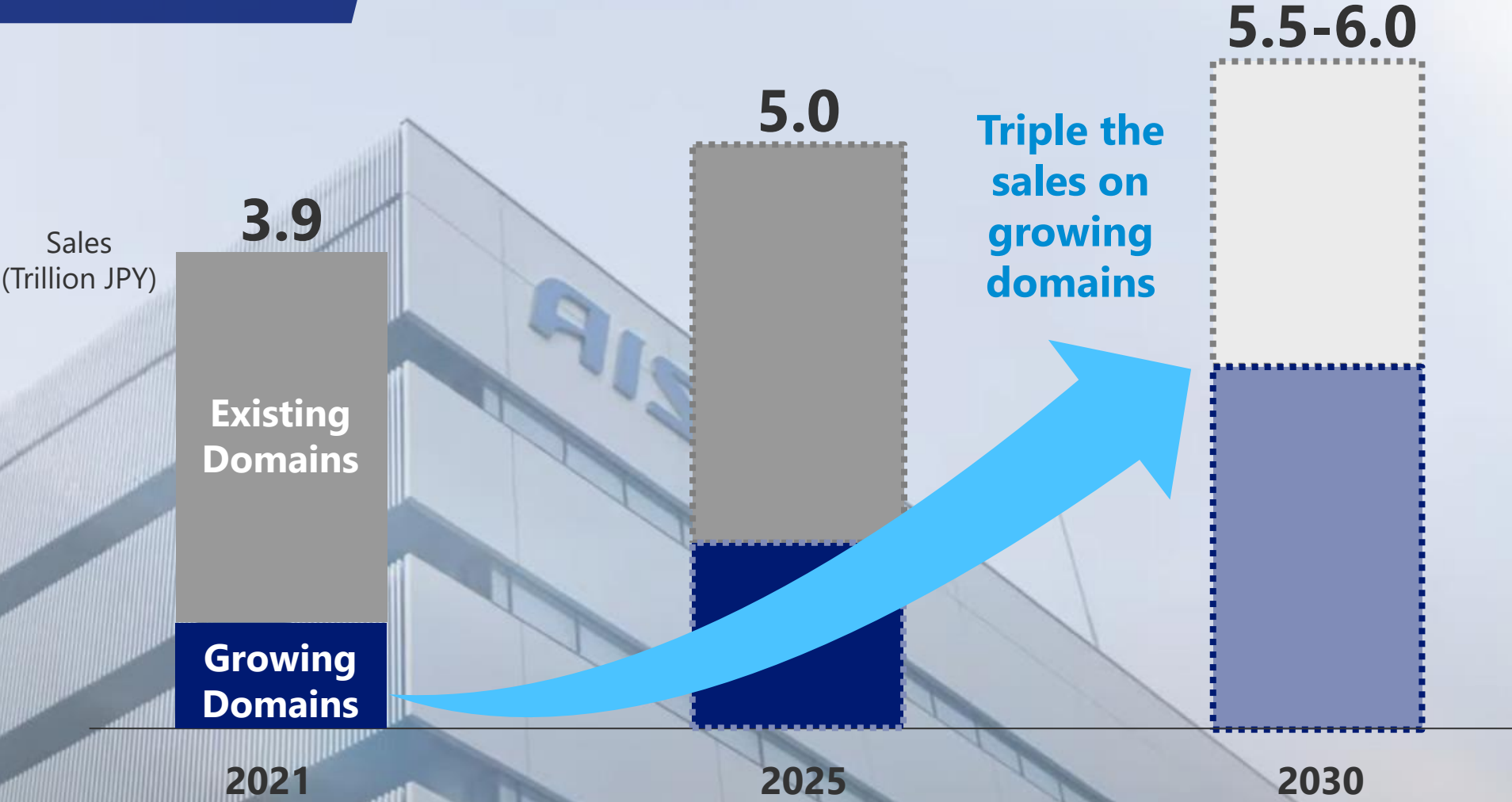
Accelerate full model change of AISIN

Restructure Business Portfolio for 2030



Shift resources to "BEV" "Brakes" "Safe/Comfort Entry"

For 2030



Drastic Expansion on growing domains for 2030

Employees as Revolution Engine



**Seek Improving Corporate
Culture that Every Employee
Challenges**

Corporate Principles



Inspiring "movement",
creating tomorrow

Strategies of Business Divisions

eAxle



CEO・CTSO

Y. YAMAMOTO

Battery Frame/Giga-cast
Safe/Comfort Entry



President: Body Company

H. SAKAUE

Brakes



ADVICS R/D General Manager

K. KONDO

2025 Mid-term Plan for 2030



CAO

S. ITO

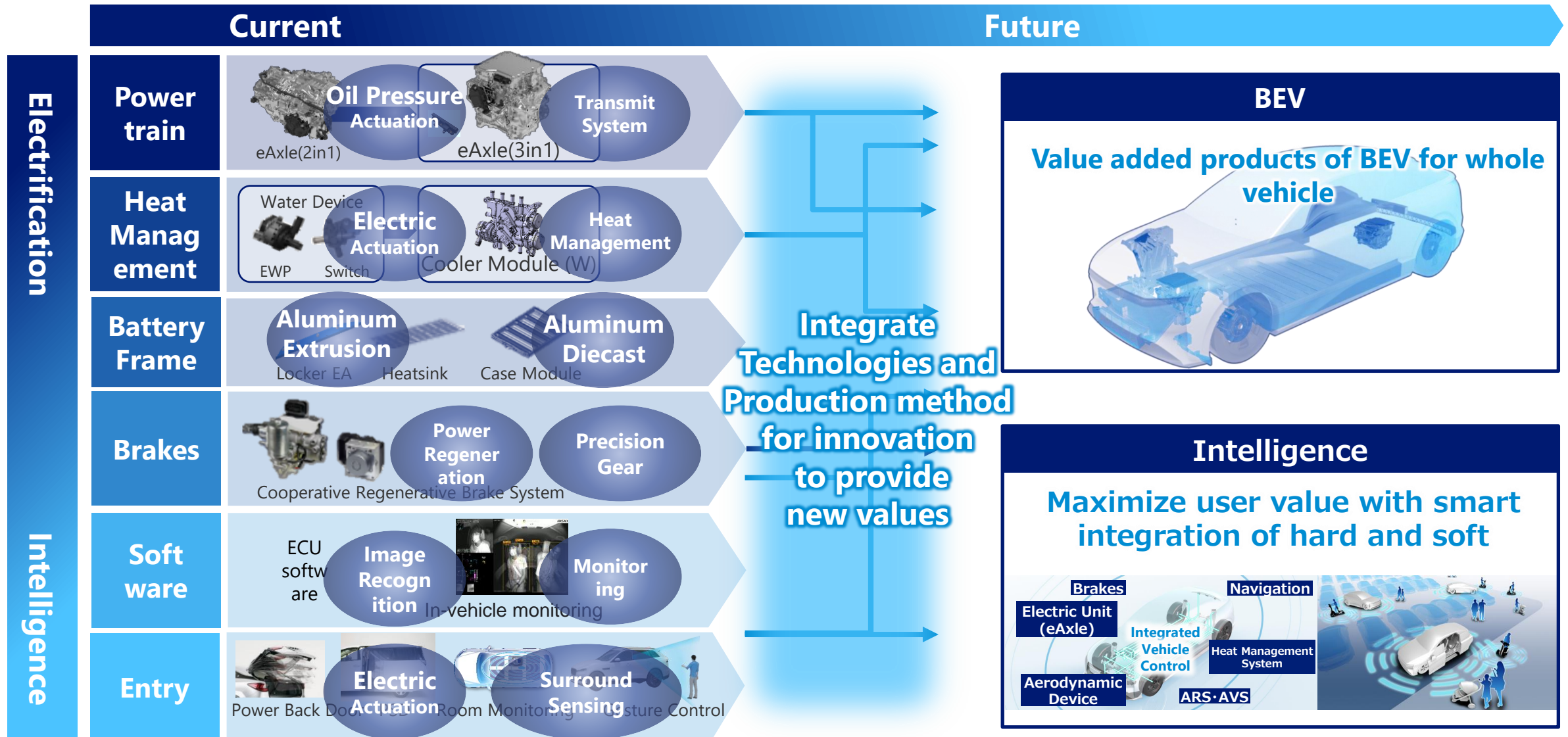
1. Vision of 2030

2. Strategies of Business Divisions

3. 2025 Mid-term Plan for 2030

2

Initiatives for BEV and Intelligence



Initiatives for Development of BEV Vehicle


Electric Unit (eAxle)



Downsize Xin1 Rigid

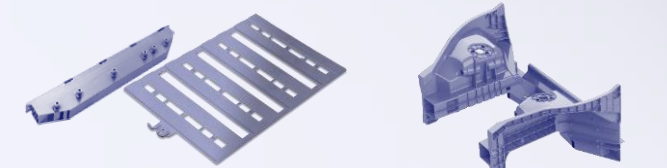
Improve efficiency* over 10%
(inc. inverter)

Heat Management Device



Cooling Module Refrigerating Module

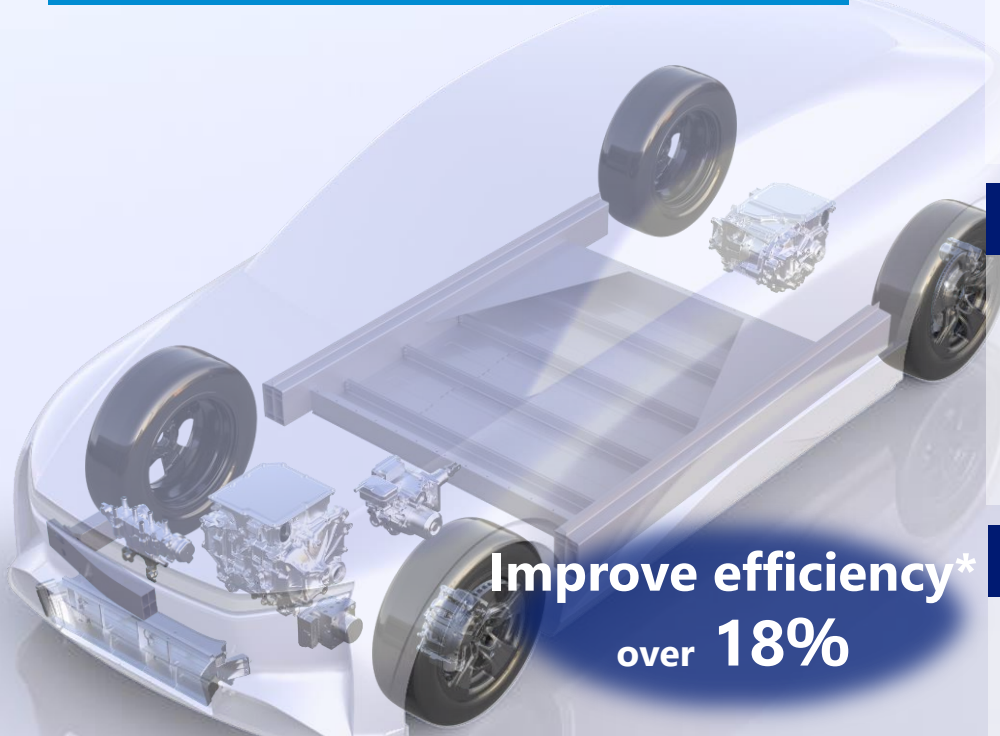
Battery Frame/Giga-cast



Locker EA Battery Heatsink Aluminum Body Frame

Component

Pursue Efficiency/Size
From parts to functional integration



Control

From Individual to Integrated

Integrated Vehicle Control



Improve efficiency* over 2%

Brakes



Cooperative Regenerative Brake E-Parking Brake

Improve efficiency* over 2%

Aerodynamic Device



Grill Shutter Fr Spoiler Rr Spoiler

Improve efficiency* over 4%

*Power Consumption Efficiency

Provide BEV products with AISIN technologies centered eAxle

eAxle Lineup and Sales Expansion Strategy

2020

2025

2030

1st Generation

2nd Generation

3rd generation

Strategy

Short-Mid

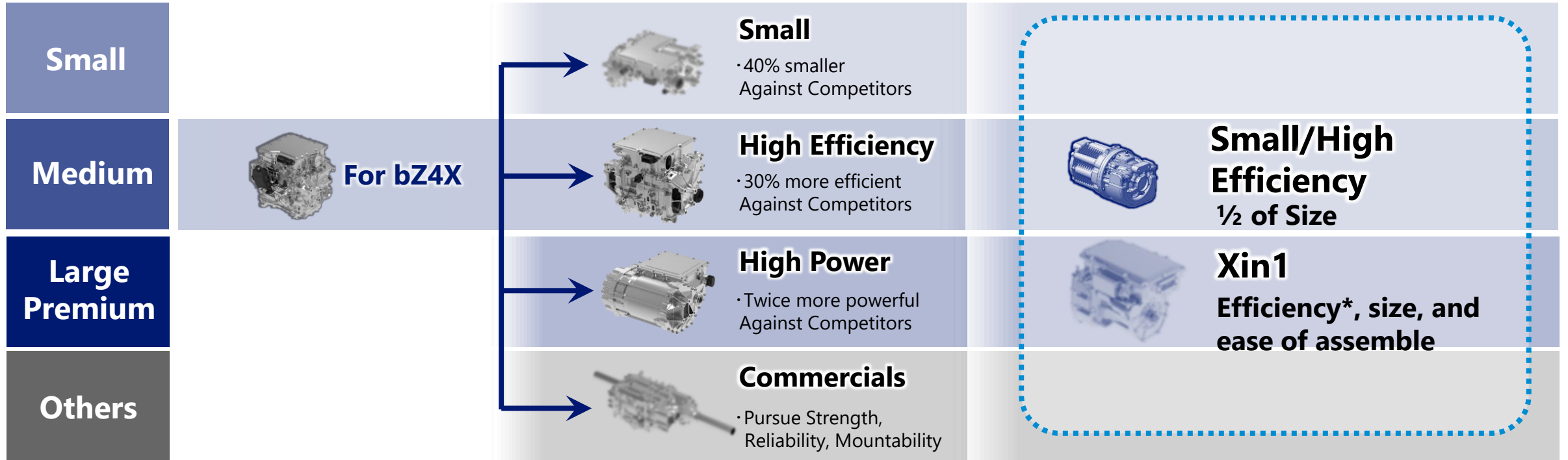
Full Lineup for Customer Needs

- Provide multi-models
- Achieve efficient, small, low cost

Mid-Long

Pursue World No.1 R/D for EV Expansion

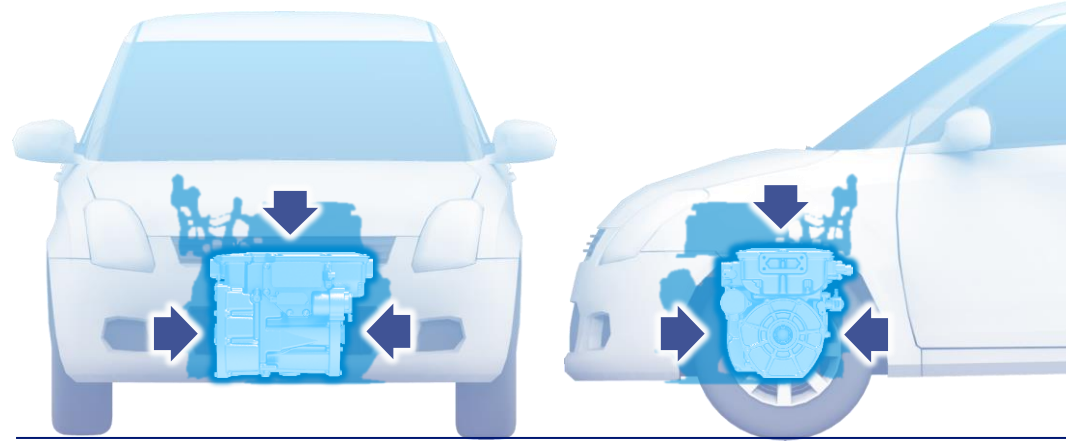
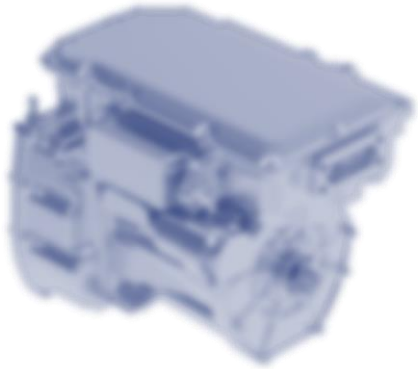
- Achieve drastic efficiency/small size
- Xin1 using downsizing and packaging technology



*Power Consumption Efficiency

Proceed development to provide adequate products at adequate timing

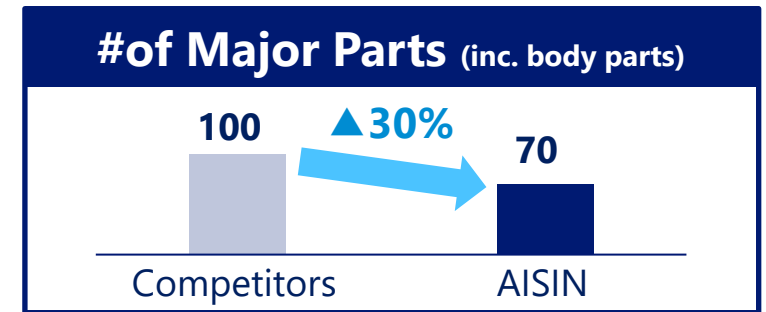
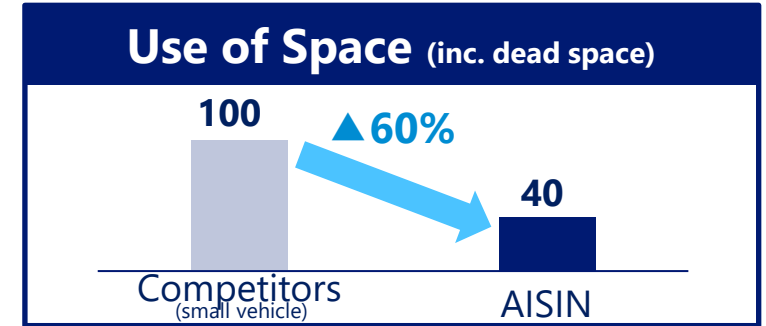
Xin1 Using Strengths of AISIN



Function
3in1
Heat Management
Power Conversion

Technology
Downsizing (1/2 size)
Packaging Technology
Integrated Control

Achieve efficiency, downsizing, and ease of assemble



Utilize 3rd generation technology, heat management, alliances to develop AISIN original Xin1 by 2027

Strategy and Target of eAxle

Strategy

Development

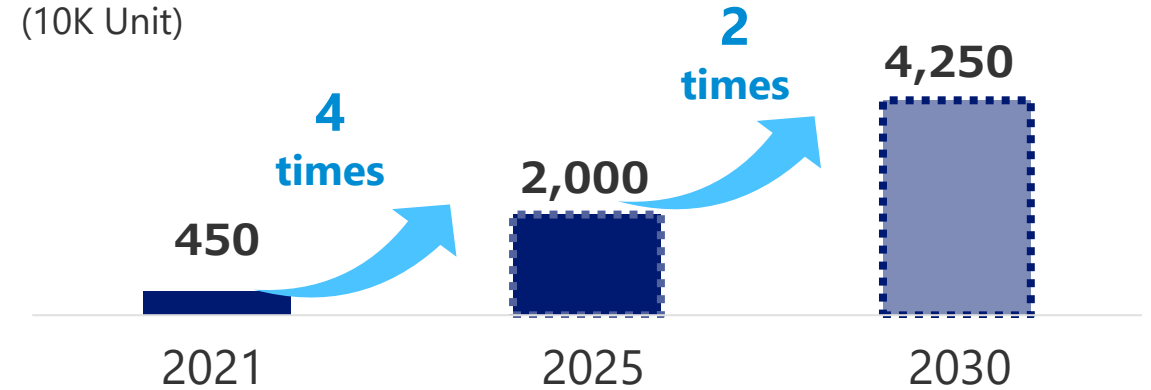
- [Short-mid] **Full lineup for customers**
- [Mid-long] **Accelerate World No.1 R/D**
- **Shift AT/HEV resource to BEV R/D**
- **Allies with external partners on technology shortage**

Production

- Establish efficient system by utilizing existing resource**
- **Use existing AT Company/equipment**
- **Global supply system**

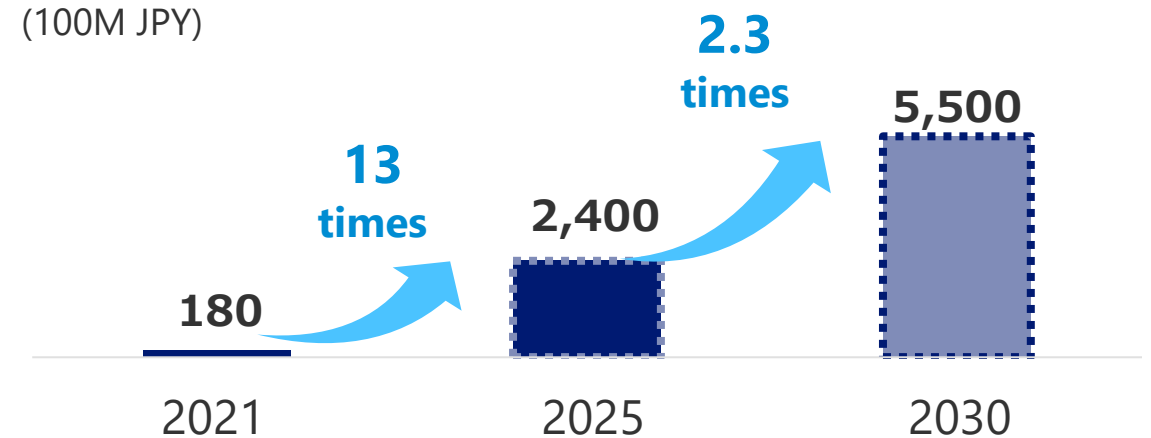
BEV Market Volume

(10K Unit)

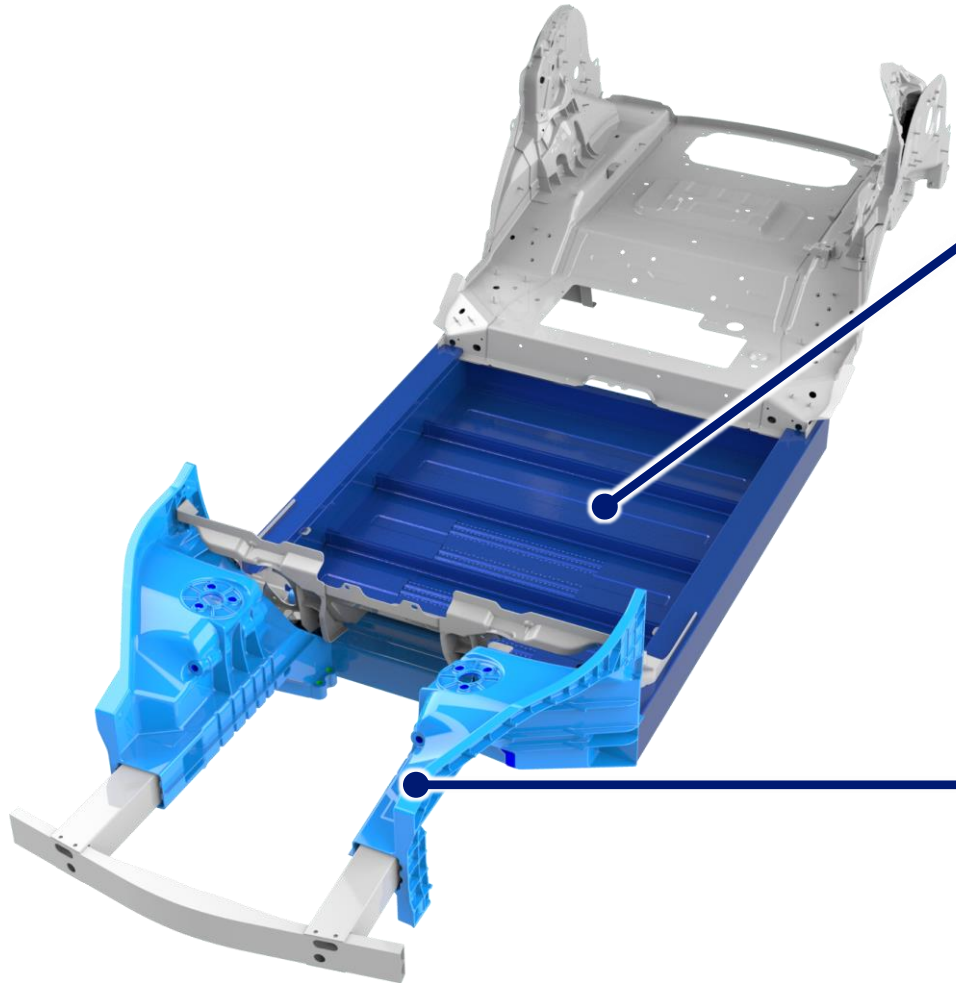


Sales Target

(100M JPY)



Provide attractive EV products to exceed OEM expectations



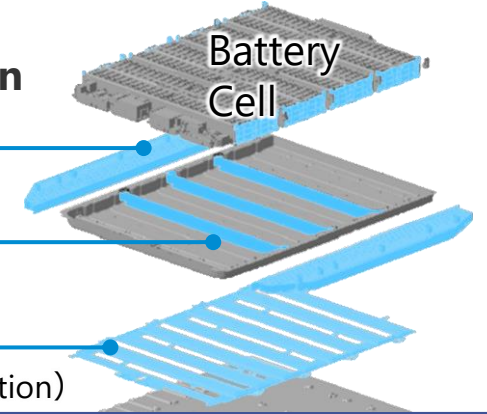
Battery Frame

- Protect battery from shocks
- Control temperature, efficiency, deterioration

Locker EA
(protect from side shocks)

Cross Frame
(protect from side shocks)

Battery Cooler
(control temperature, efficiency, deterioration)

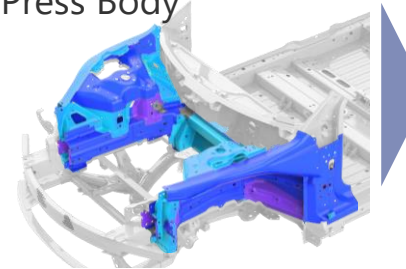


Giga-cast (Aluminum BEV Frame body)

Decrease BEV body part volume by Aluminum diecast
Increase vehicle performance by gain rigidity

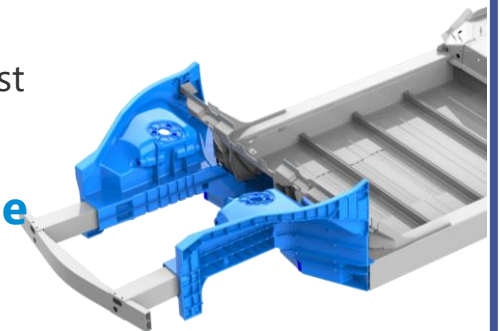
(Conventional) Fe Press Body

50~
120 pieces



Giga-cast

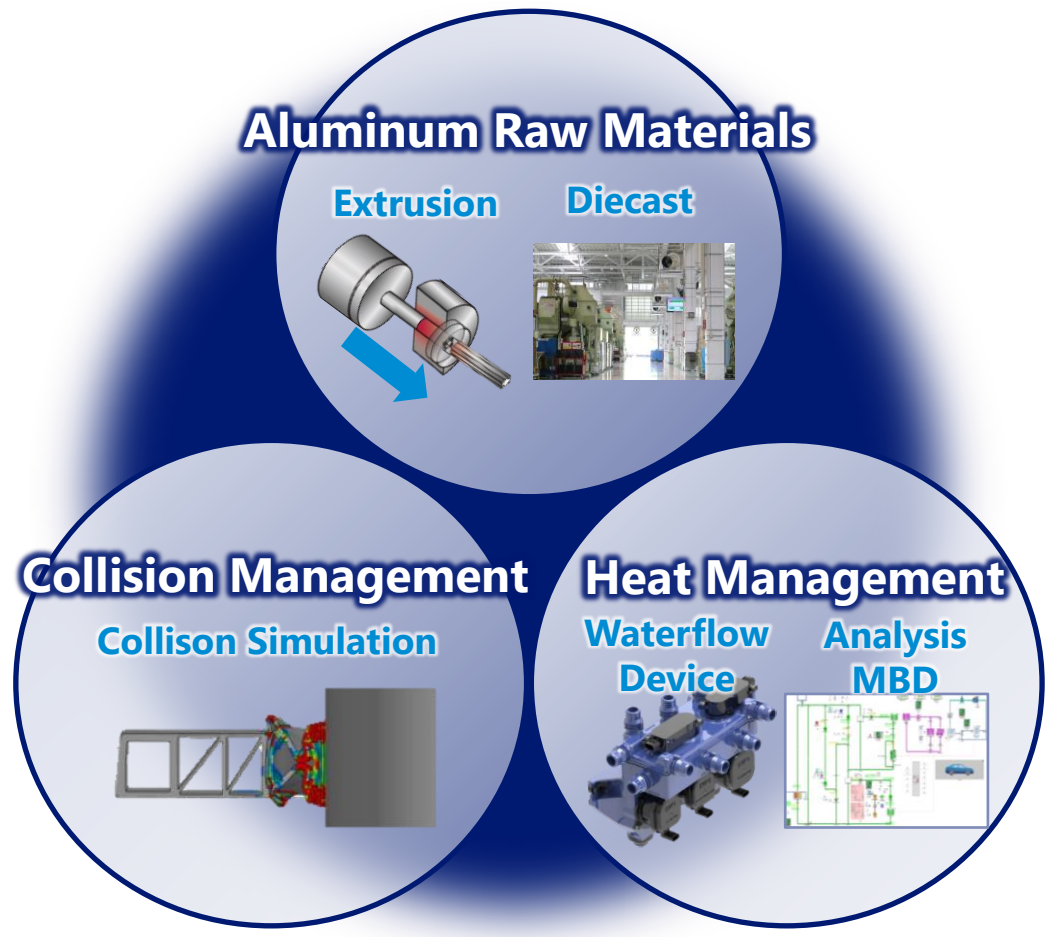
1 piece



Battery frame and Giga-cast are new growing market with BEV

Strengths and Vision of Battery Frame and Giga-cast

Strengths of AISIN



Vision

Battery Frame in 2025

Shock Protection × Temperature control



Integrated Functional Body in 2027

Battery Frame × Giga-cast



Evolve battery frame to integrated functional body with strengths of AISIN

Strategy and Target of Battery Frame and Giga-cast

Strategy

Synergy with OEM

To be "partner" of OEM
Synergize Engineering & production

Conducting technology proposal & dispatch engineers to multiple OEM

Utilize Alliance

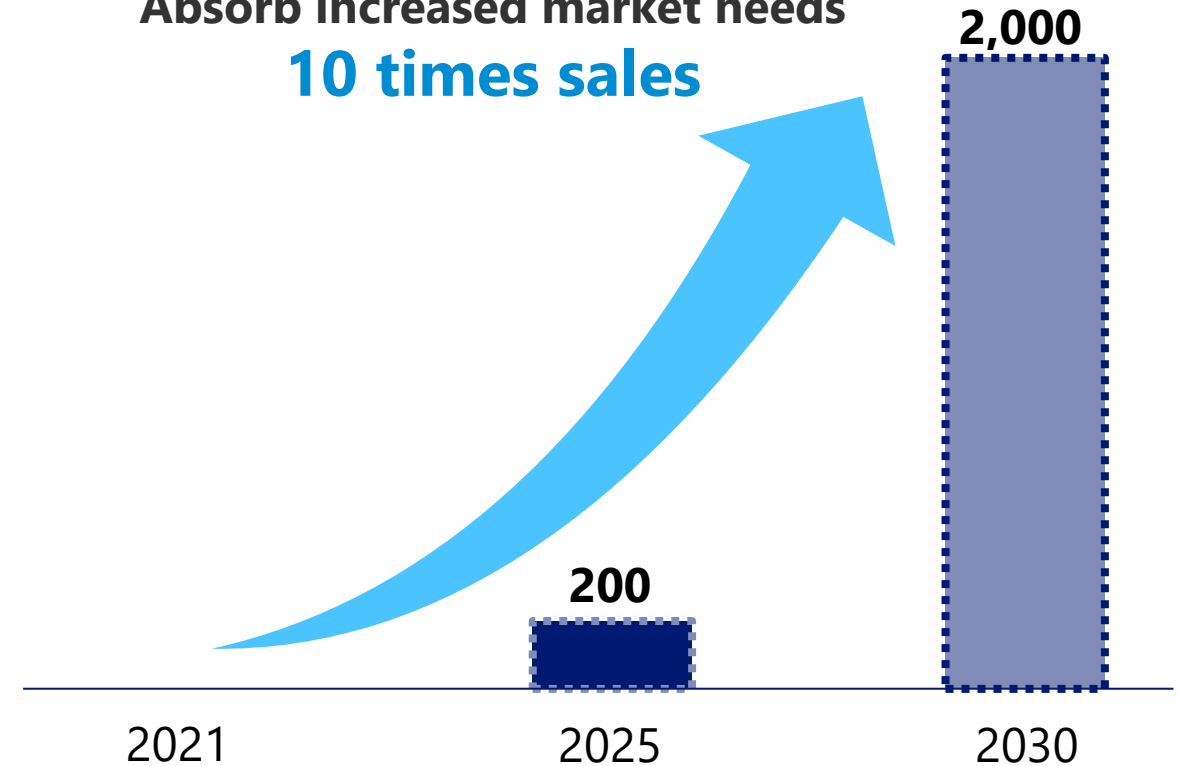
Enhance new customers

Decrease investment

Sales Target

(100M JPY)

Absorb increased market needs
10 times sales

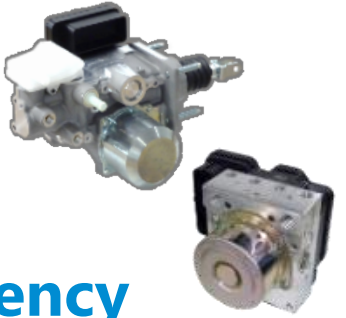


Target 200Bil JPY sales in 2030 by synergy with OEM and utilize alliance

Electrification

Efficiency: Cooperative Regenerative Brake


World-Ever
Front/rear independent
• High regenerations



Improve 2% efficiency

Efficiency: E-Parking Brakes

Top of market
• light weight
• low resistance (dragging brake)

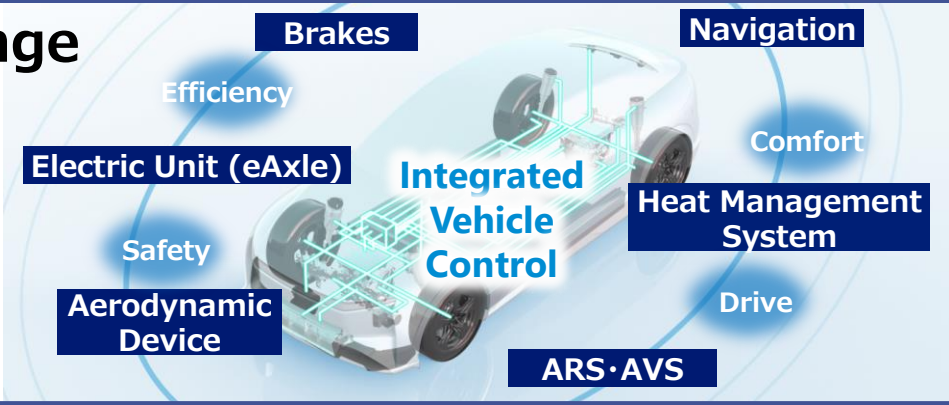


Improve 0.8% efficiency

Intelligence

Efficiency/Safety/Comfort/Drive : Integrated Vehicle Control

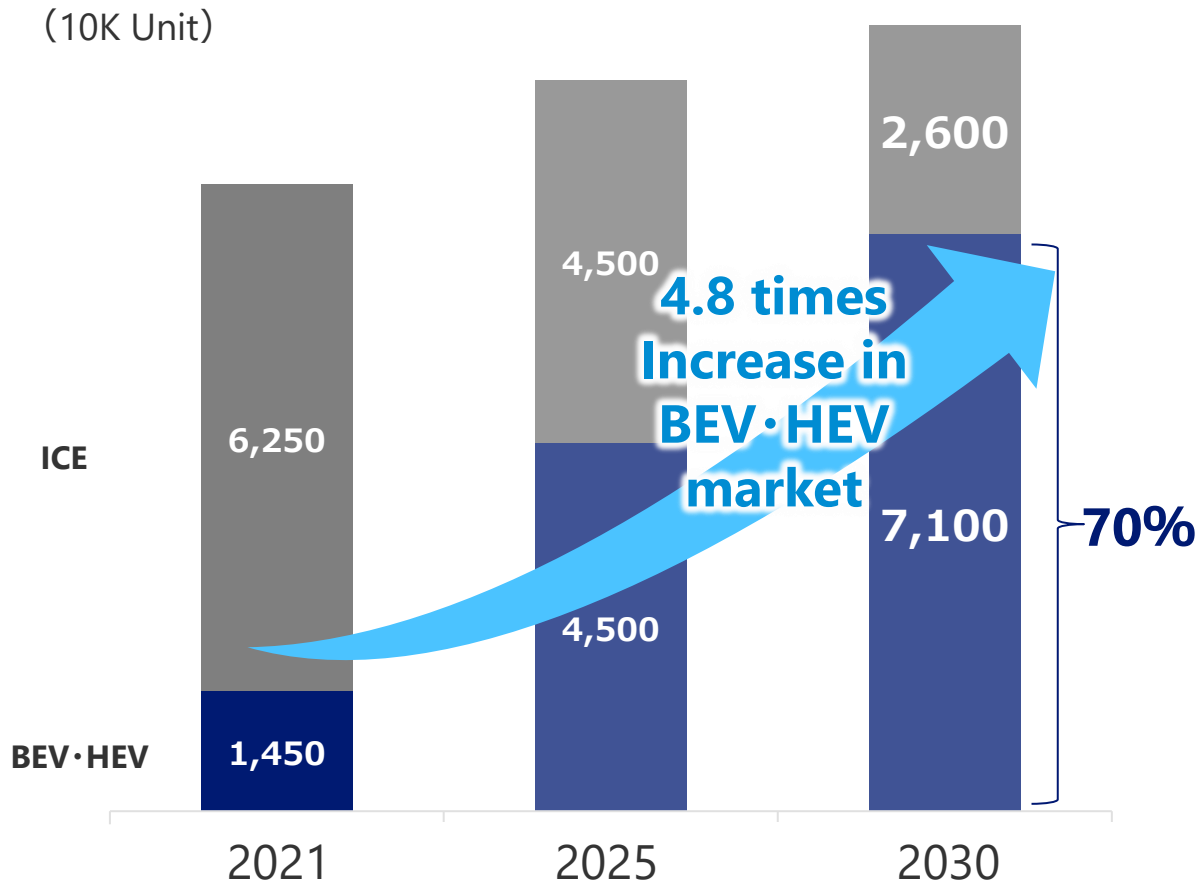
Enhance volume and range of regeneration by integrated control of "drive/brake"
Improve over 2% efficiency



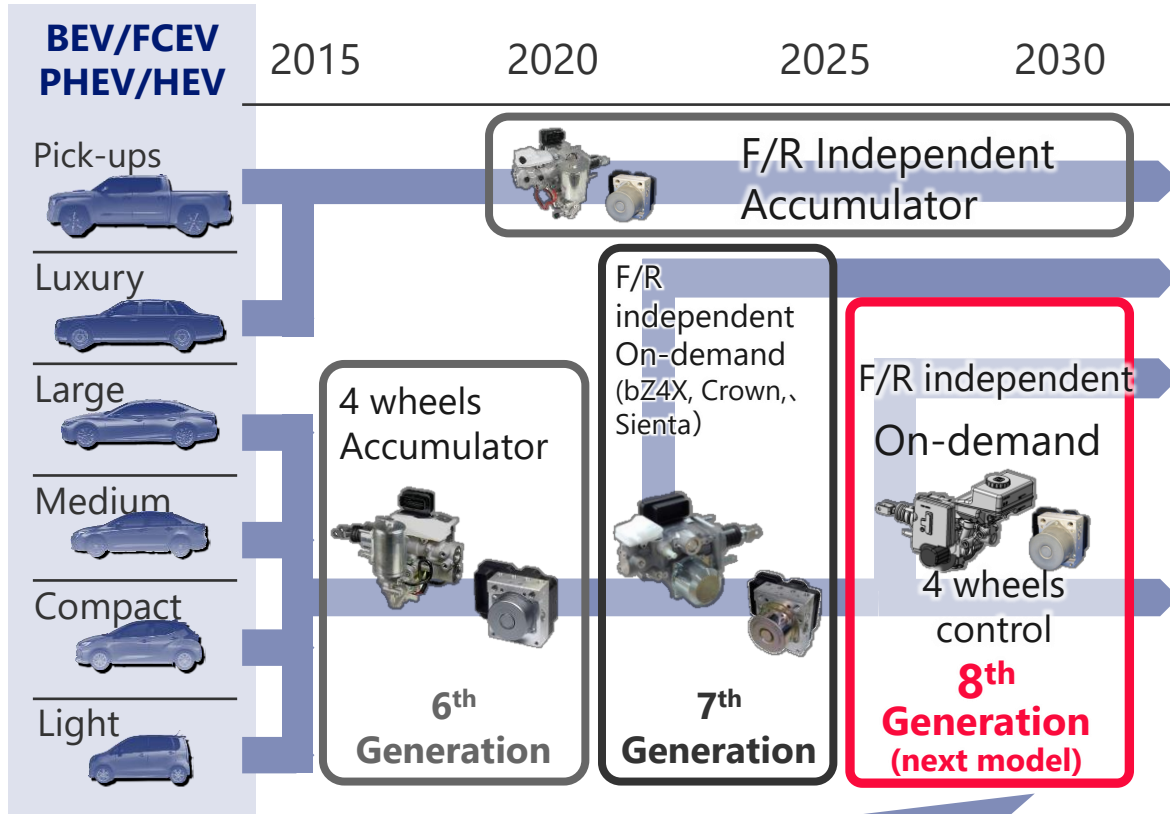
Control vehicle with integration of various products at AISIN Group
Contribute to safety/comfort/drive

Market and Roadmap

BEV·HEV Market Prediction



Roadmap

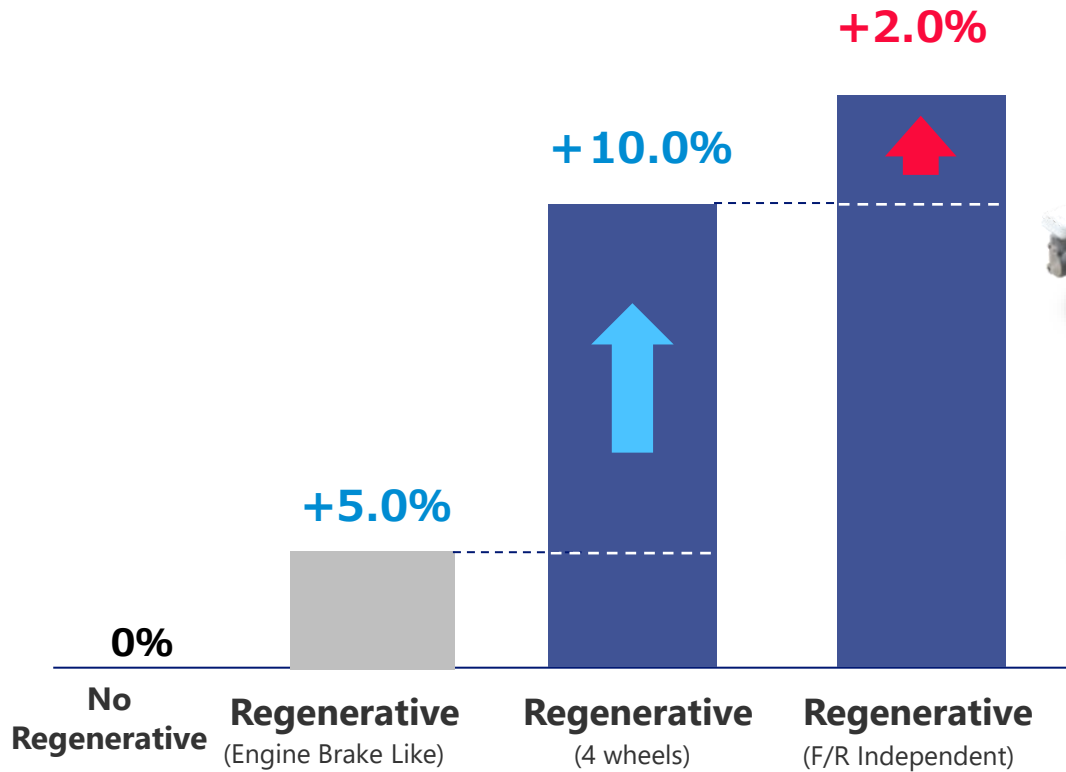


Low cost with simple structure ease foreign production
Enhance sales & profitability outside of Japan

Enhance sales & profitability with 8th generation for enlarging BEV·HEV market

Electrification : Cooperative Regenerative Brake System

Contributing to improve Efficiency* (Self Research)



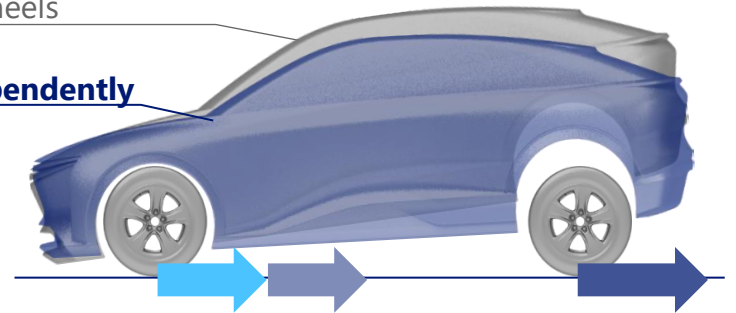
Gain regeneration with F/R independent control

Improve 2% Efficiency* (WTLP)

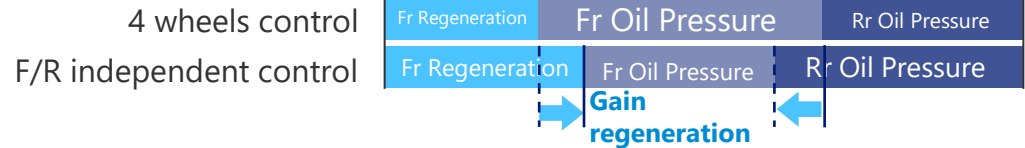


Control by 4 wheels

Control by F/R independently



Fr/Rr Brake Balance Image



*Power Consumption Efficiency

Efficiency*/Safety/Comfort/Drive: New Functions by Integrated Vehicle Control (Intelligence)

Brakes

Navigation

Efficiency*

Comfort

Electric Unit (eAxle)

Integrated Vehicle Control

Heat Management System

Safety

Drive

Aerodynamic Device

ARS·AVS

*Power Consumption Efficiency

Increase vehicle value by integrated vehicle control with Integration of AISIN Group products

Target And Strategy of Brakes

Strategy

Sales Expansion / Profitability

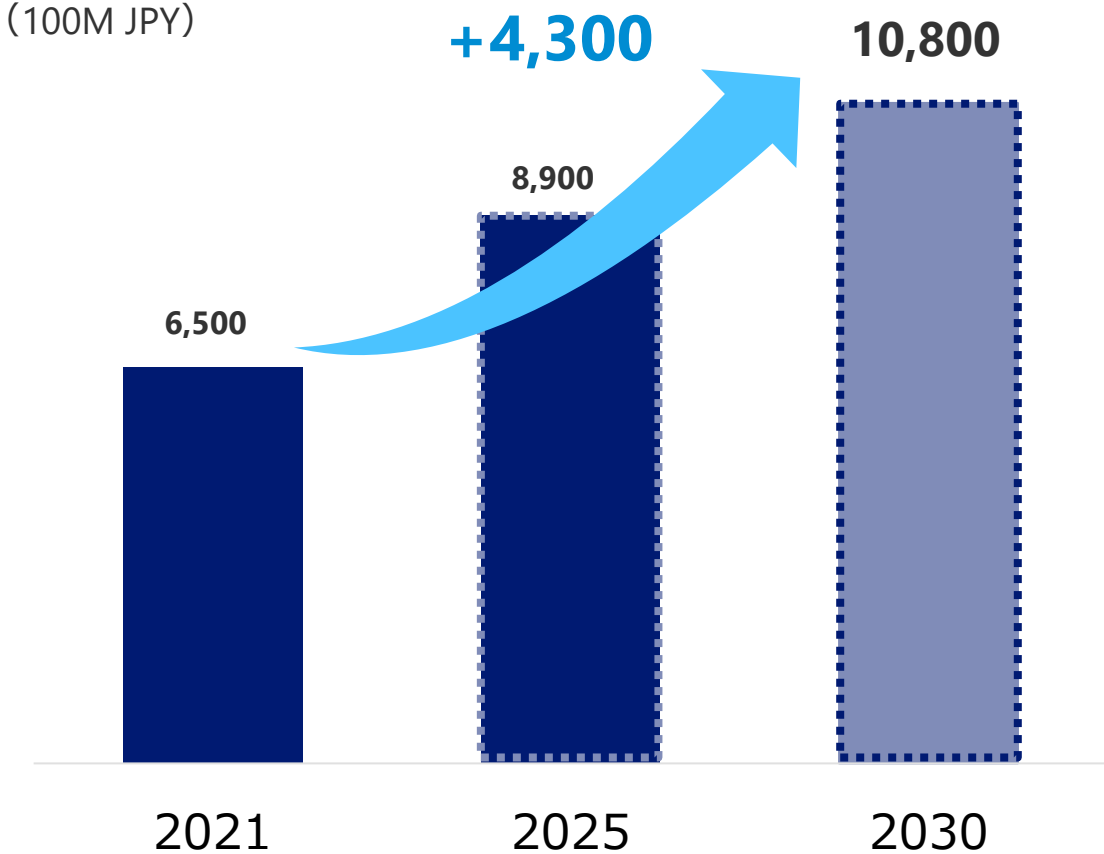
Utilize strengths of having all brake products and software development technology

- **Controlled Brake System**
Compete with nest model of cooperative regenerative brake system
- **Foundation Brake**
E-Parking Brake, Opposed caliper, etc.
Enhance high added value products

Production

Secure efficient organizational structure by shifting group resources

Sales Target

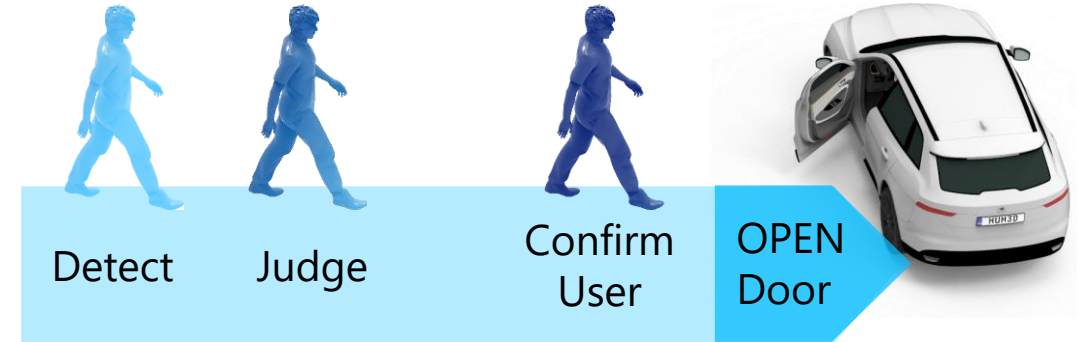


Target 1.08 trillion JPY sales in 2030 by utilizing group resources and alliance

Stress-Free Entry (universal design/safe for everyone)



Connect people and vehicle by monitoring technology and door systems



Confirm Safety
Sonar & Camera

No Operating Check-in
Digital Key System

Predict Functions
Surround Sensing

Easy to Get-on
Wide Door System

Comfortable Space
Room Sensing

Integrate Detect/judge/move achieves "Stress-Free entry" and "Comfortable Space"

Business Target and Strengths of AISIN



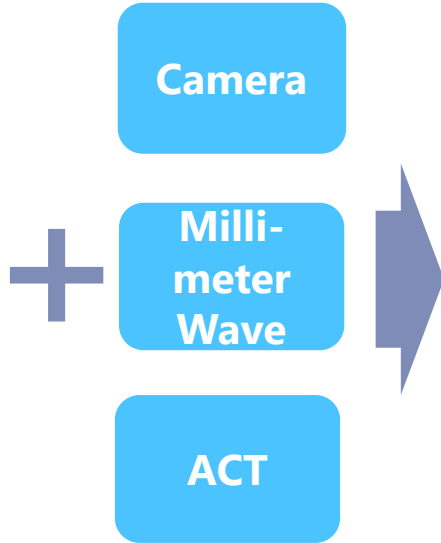
Single Function

Sun Roof Power Back Door

Door Handle

Pneumatic Electric Door Lock

Power Slide Door



Increase Added Values

Safety Support	Prediction Assist	Best Solution

Add sensing function to various products gains user values by system

Strategy and Target of Safe/Comfort Entry

Strategy

Function R/D Among Domains

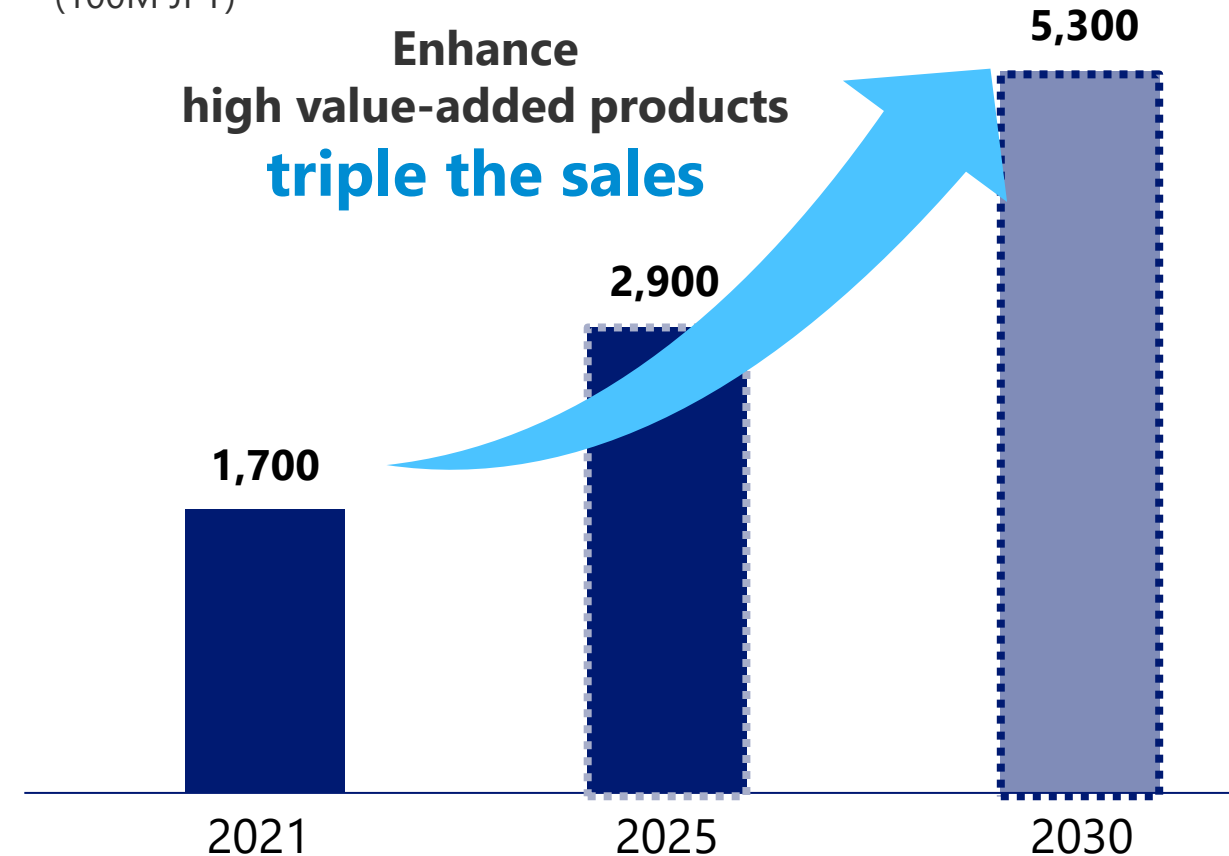
- Blend chassis domain and safety technologies
- Utilize sensing data to Enhance function

Alliance Reinforcement

- Develop and utilize updated technology
- Strengthen radio wave measure and signal process technology

Sales Target

(100M JPY)



Target 530billion JPY sales in 2030 By R/D among domains and reinforce alliance

1. Vision of 2030

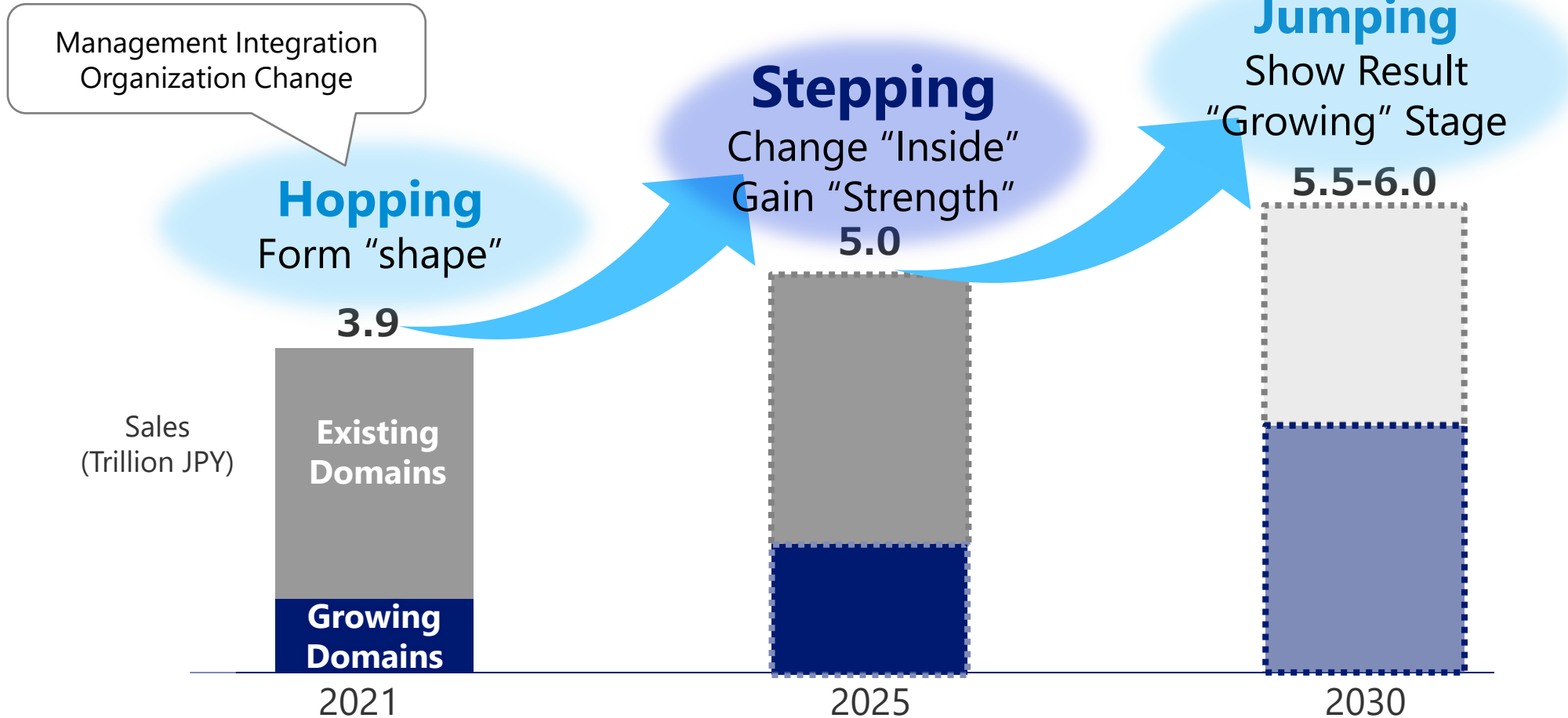
2. Strategies of Business Divisions

3. 2025 Mid-term Plan for 2030

3

Position of 2025 Aiming 2030

2025 Plan to Secure Resource for 2030



Proceed structural changes to promote strategies and retain resource for 2030

Target and Actions of 2025

Complete Functional Changes

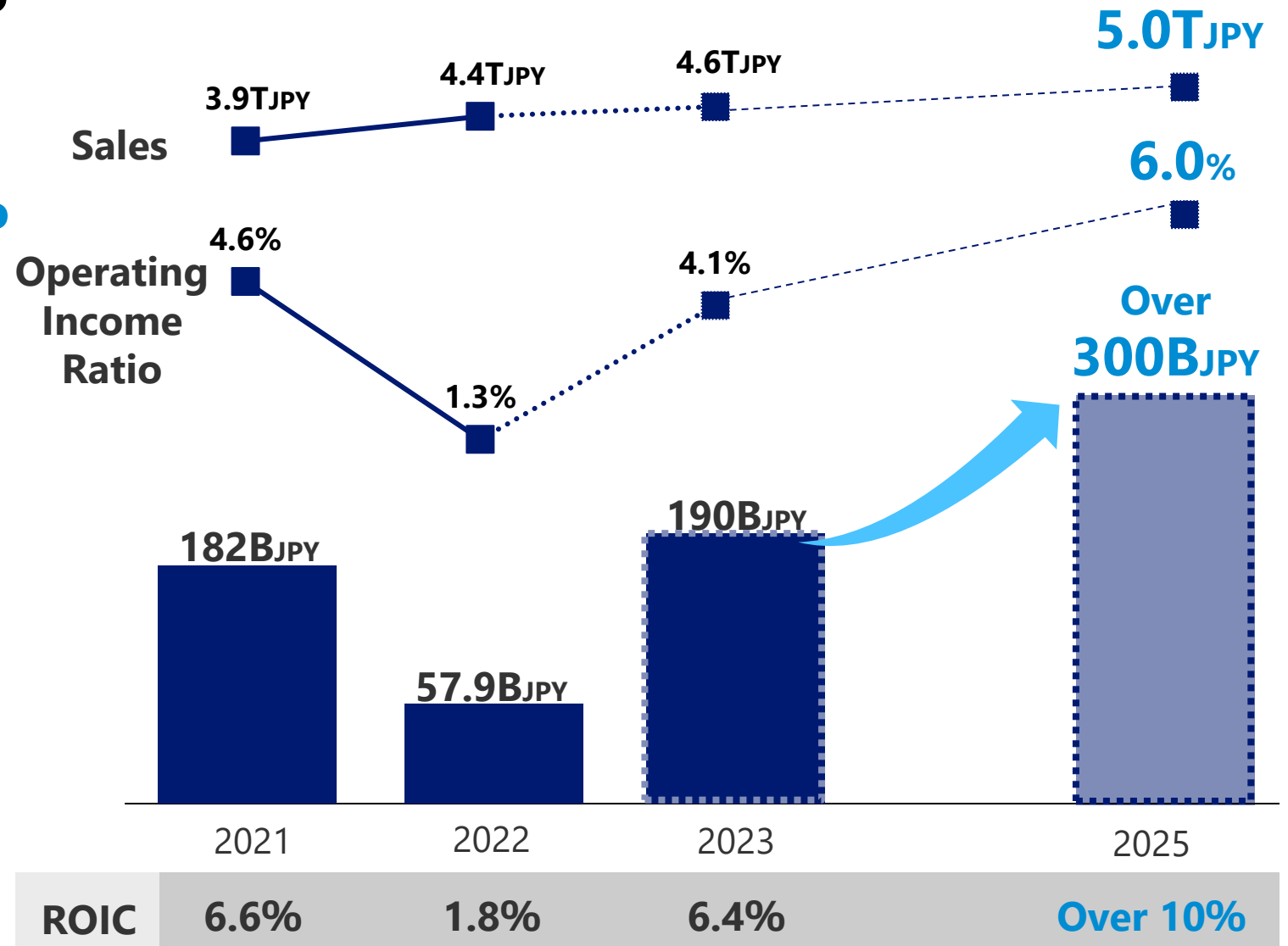
① Restructure Business Portfolio

② Increase Profitability on Existing Products like AT

③ Shift Resource to Growing Domains

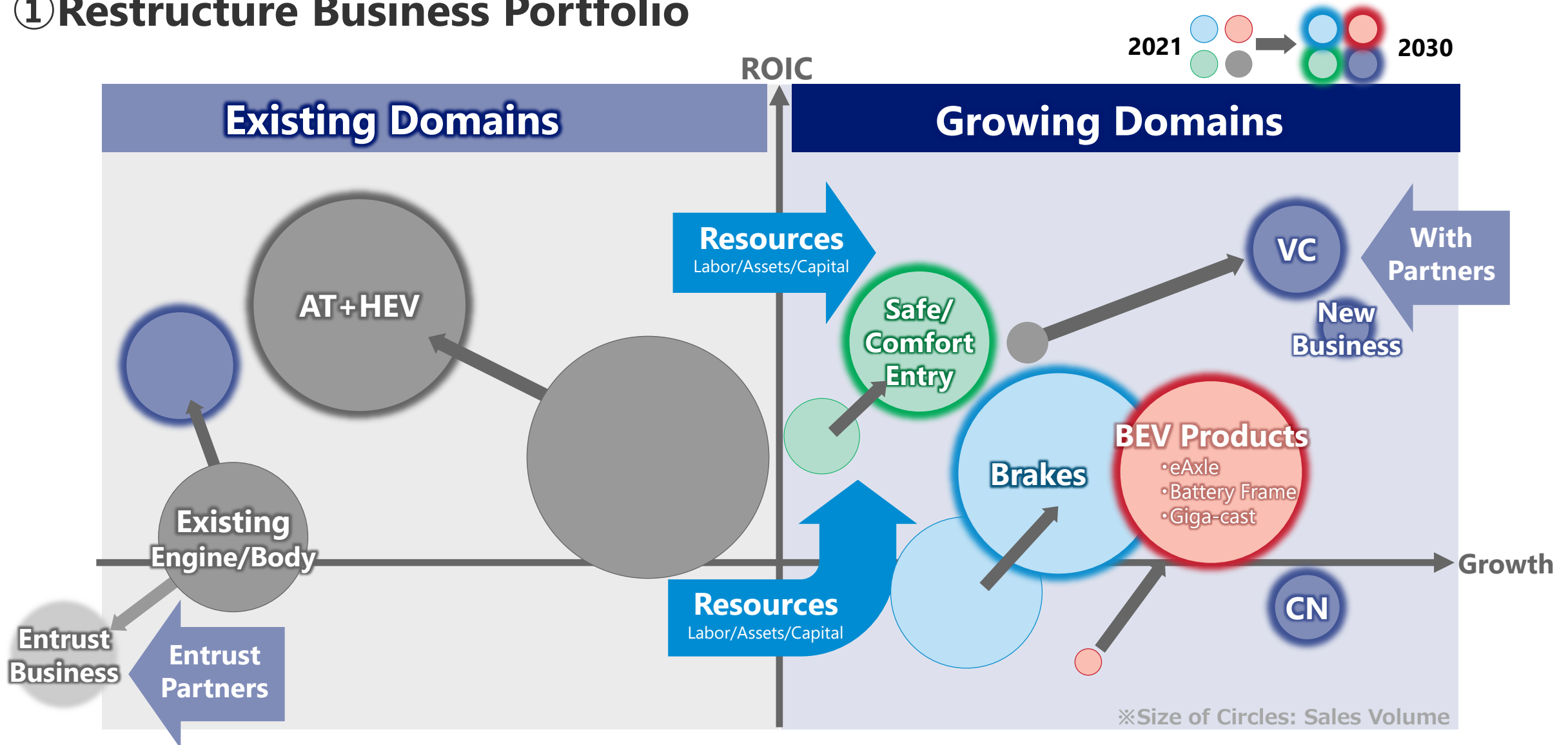
④ Generate Capital by Balance Sheet Reformation

- Business Assets
- Cross-Shareholdings
- Global Inventories



Promote “core changes” by completing functional changes for growing stage from 2026

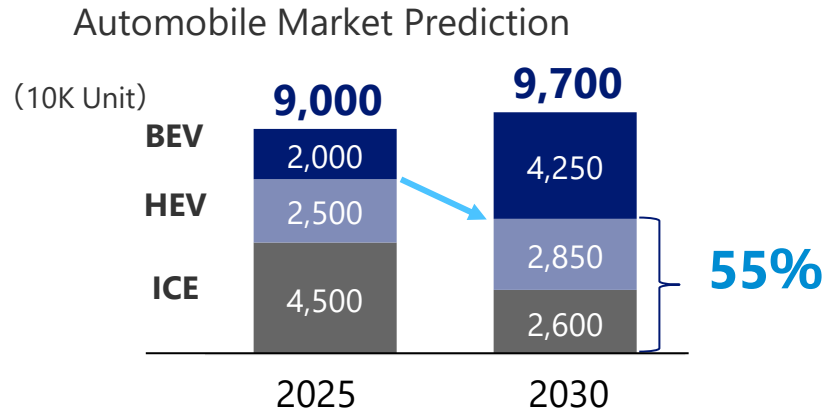
① Restructure Business Portfolio



Restructure portfolio by shifting resources to growing domains

② Improve Profitability on Existing Products (AT·HEV)

ICE·HEV Market Prediction



Even BEV expands,
**size of 50M units
market remains**

Key Strategy

- ① **Conventional demand at South America, India, etc.**
Minimize investment and enhance sales since strong demand of conventional products remains
- ② **Opportunity to take in OEM products**
Under discussion with several customers
- ③ **Bring unit for HEV demand**

Operating Income Target

100B JPY Operating Income
(constantly from 2025 to 2030)

ROIC = 15%
(at 2030)

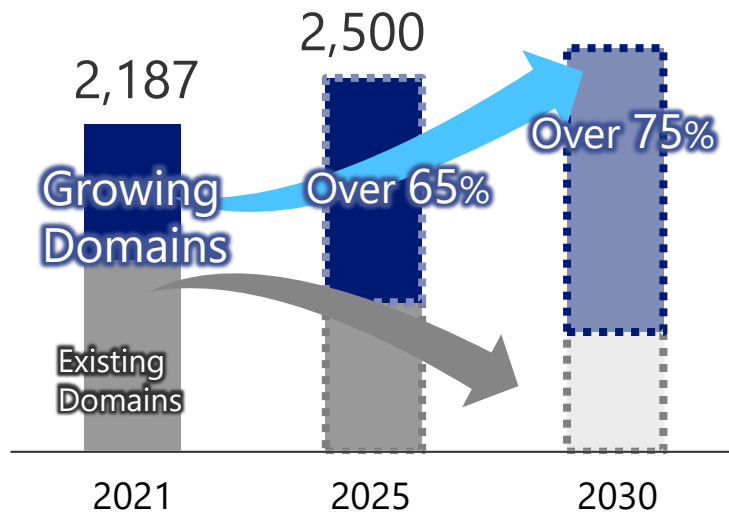
Estimate 100B JPY operating income on AT·HEV

③ Input Resource to Growing Domains

CAPEX

- Total investment based on depreciation
- **Use flexible-line and existing equipment to reduce investing amount**

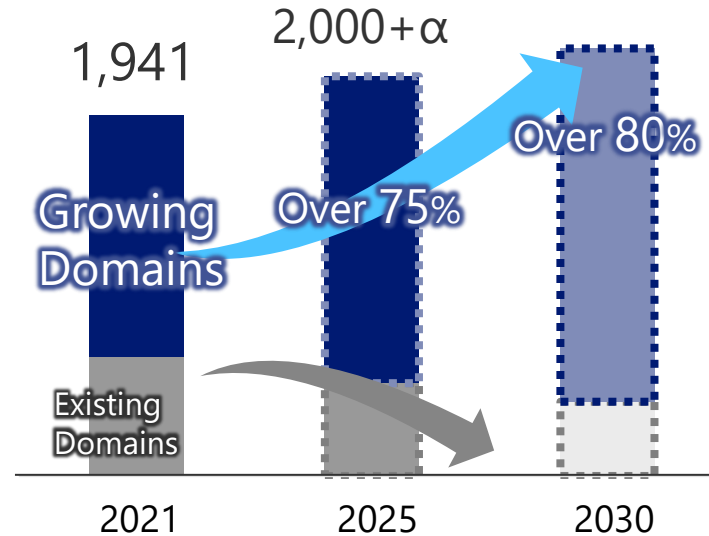
(100M JPY)



R&D

- **Strategical R&D to growing domains**
- Utilize MBD・DX for Optimization

(100M JPY)



Human Capital

- **Accelerate human capital shift to growing domains**
- Re-skilling to software domain, etc.

Labor Shift

Shift

3,000 employees
by 2025

Re-skilling

Re-skilling

3,000 employees
by 2025

Control strategical investment and total amount with discipline
Accelerate "human capital" shift to growing domains

④ Generate Capital by Balance Sheet Reformation

Business Assets

Compress over **100BJPY**

Transfer “entrust” business and depreciate existing business assets

Entrust Partners

- Seat Business
- Shower Toilet Business
- Other Projects (Ongoing)

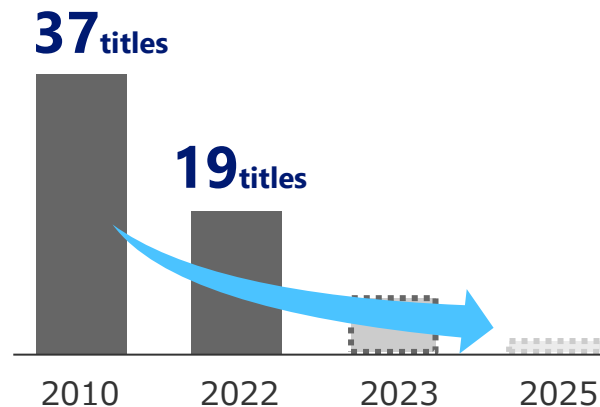
Accelerate Reduction of Inefficient assets

- Structural change on surplus assets
- Marge Production companies (Ongoing)

Cross-Shareholdings

Sell over **100BJPY**

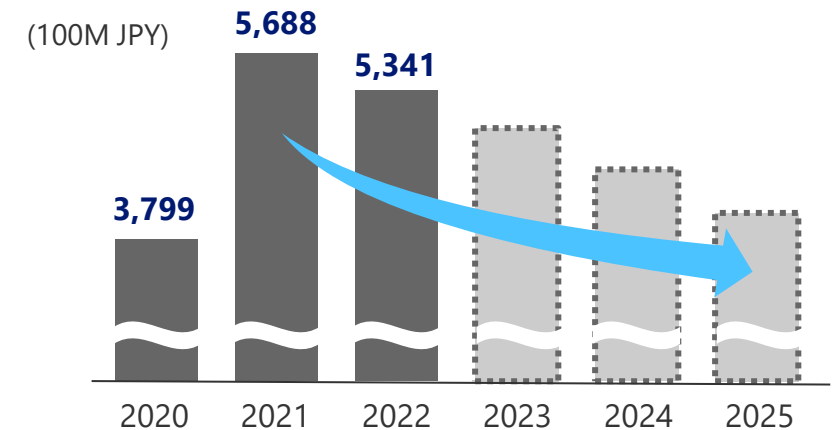
Aim for zero



Global Inventories

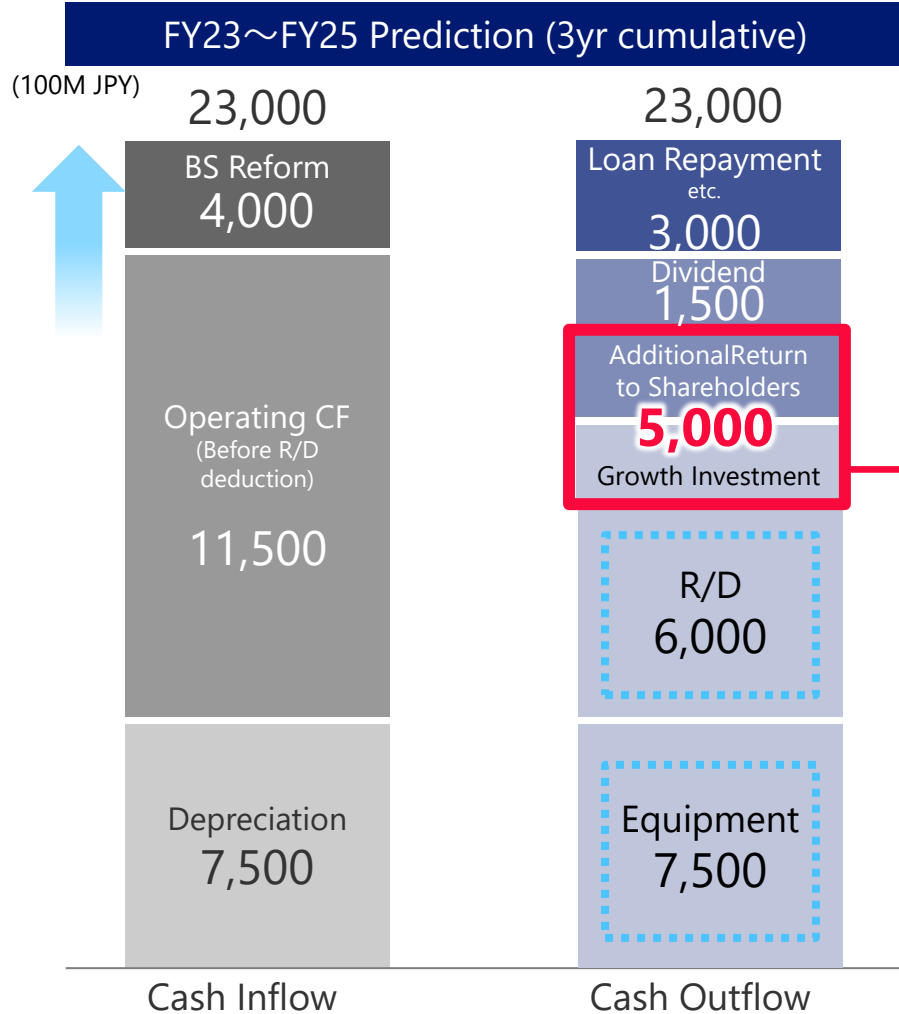
Compress over **100BJPY**

Compress to Pre-COVID19 Level By 2025



Reform 400BJPY, which is 10% of total assets, by 2025

Capital Allocation for 2025



● Financial Health

Control balance on financial health and investment efficiency (Capitalization ratio 25%~30%)

● Return to shareholders

Stable dividend (payout ratio about 30%)

● Additional return to shareholders

For more business value and investment efficiency, **enhance proactive acquisition of own stock, increase dividend, etc.**

● Growth Investment

Strategical investment to growing domains to expand business portfolio (**M&A, Alliance, etc.**)

● R/D

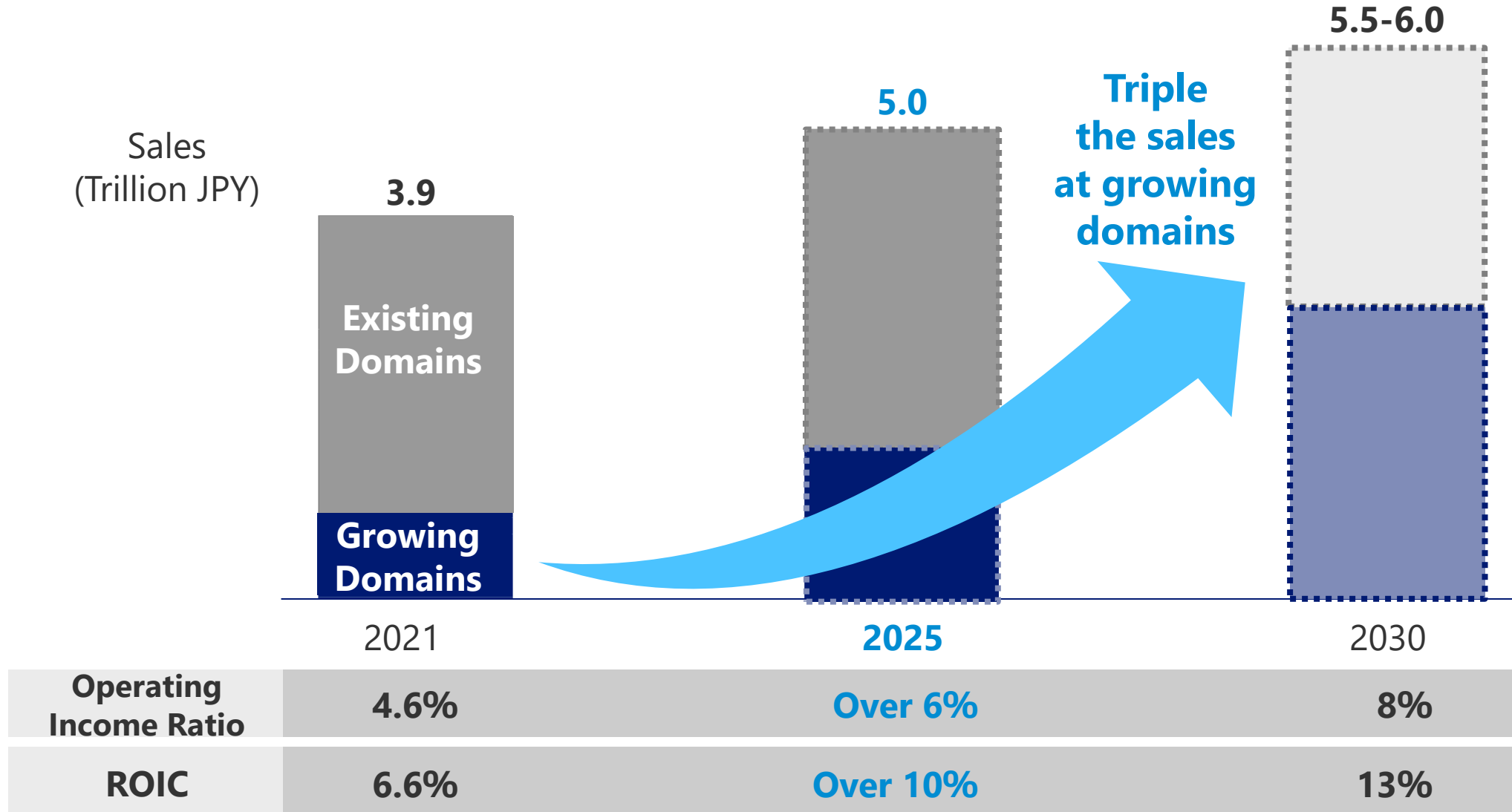
Shift resource to growing domains and increase development efficiency
(**Growing domain ratio over 75% by 2025, over 80% by 2030**)

● Equipment

Control depreciation with discipline
(**Growing domain ratio over 65% by 2025, over 75% by 2030**)

Utilize generated cash for growth investment and shareholder returns to achieve PBR over 1x

Aim for 2030



Enhance growing domains for 2030 and target over 13% on ROIC



【Note on future predictions】

Excluding matters related to past and current facts, the business results forecasts and forward-looking estimates, strategies and targets disclosed by the Company are estimates regarding the future. These estimates are formulated from plans, expectations and judgments made based on information that the Company can obtain at the present time, and certain assumptions deemed reasonable. Accordingly, actual results may vary from the disclosed business results forecasts, etc.,

due to variable factors with uncertainties, including the economic situation.

AISIN CORPORATION and its employees assume no responsibility whatsoever regarding any losses incurred due to the use of information on our documents.