



AISIN

FY2021

Consolidated Financial Results

**April 28th, 2021
AISIN CORPORATION**

Group-wide efforts to drive the two key reforms

- **Transformation of corporate structure in response to CASE**
- **Restructuring into a corporate entity with high profitability**

**Exit from or rebuilding of uncompetitive existing businesses
&
introduction of lean organizational structure**

Group Action Guidelines

1. Proactively read the future, and take swift positive action

Formulation of new Corporate Principles

2. Exit from uncompetitive businesses without exception

Exit from bed and sewing machine business

3. Collaboration is evolving from Separate Management to Group Management

Management integration of Aisin Seiki and Aisin AW

2 Business



Today's Presentation



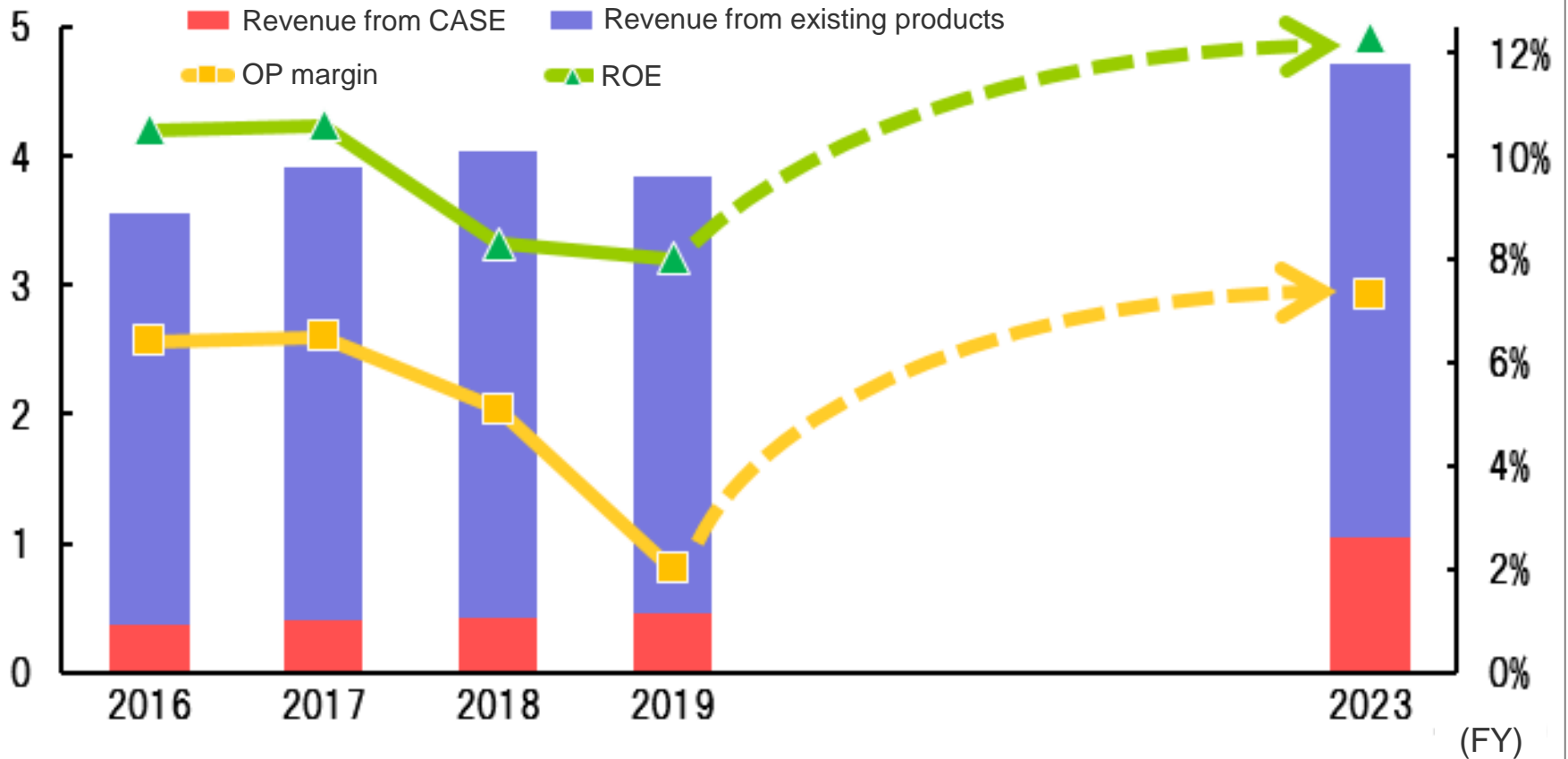
I. 2023 Targets: Progress of Medium-term Management Plan	1. Medium-Term Management Plan Management Targets for 2023	
	2. Powertrain unit sales forecast Estimated sales of brake products	
	3. Progress in fixed cost reduction	
II. Vision for 2030	“A Decade of Growth by Changing What’s Inside”	<ul style="list-style-type: none"> • What we want to be in 2030 • Revolution in business environment • Responding to electrification • New business initiatives • Orientation of development and investment • Vision Targets
III. Initiatives for Carbon Neutrality by 2050		

1. Medium-Term Management Plan: Management Targets for 2023 **AISIN**

IR Material (April 2019)

Aiming to achieve an operating profit margin of at least 7% in FY2023, after bottoming out in FY2019.

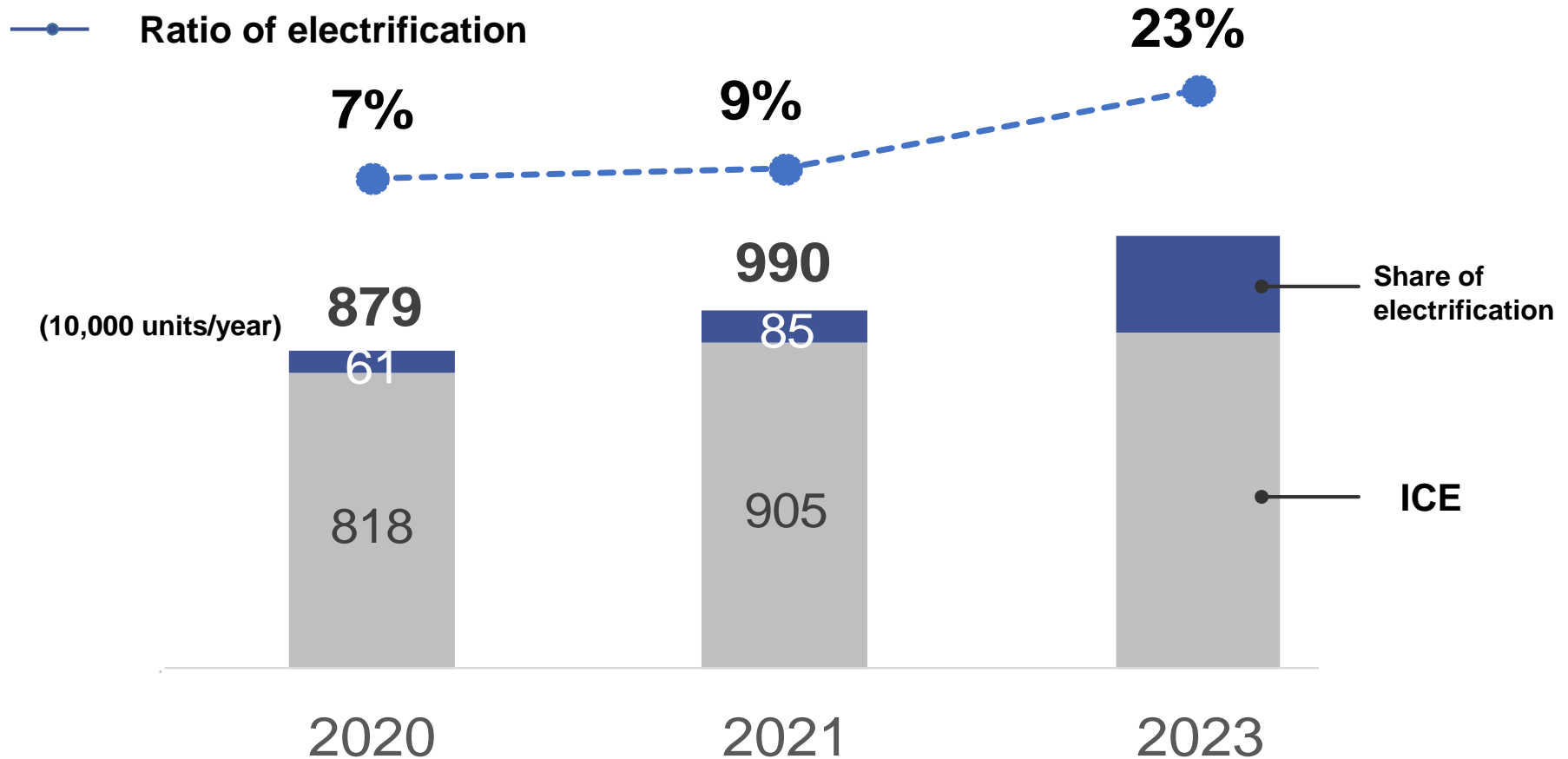
(Trillions of yen)



I. 2023 Target: Progress of Medium-term Management Plan

2. Powertrain unit sales forecast

- **Steadily capture ICE demand until 2023.**
- **Steadily expand sales to the rapidly expanding electrification market after 2023.**



* The number of vehicles includes AT, CVT, HV, and eAxe.

(FY)

I. 2023 Target: Progress of Medium-term Management Plan

Estimated sales of brake products

- Leveraging our strong results in the HV market, we will strengthen the product lineup to expand sales of our cooperative regenerative brake systems.
- Expanding the market for EPBs, which is expected to grow rapidly, and meeting the demand with a full lineup.
- Accumulating confirmed orders including from Chinese customers in 2023.

(Billions of yen)

545.3

Cooperative regenerative brake systems

Electric-assisted parking brake

Foundation brake

20

21

23



[Cooperative regenerative brake system]

Steadily capturing regenerative brake market share, mainly through the Toyota Alliance



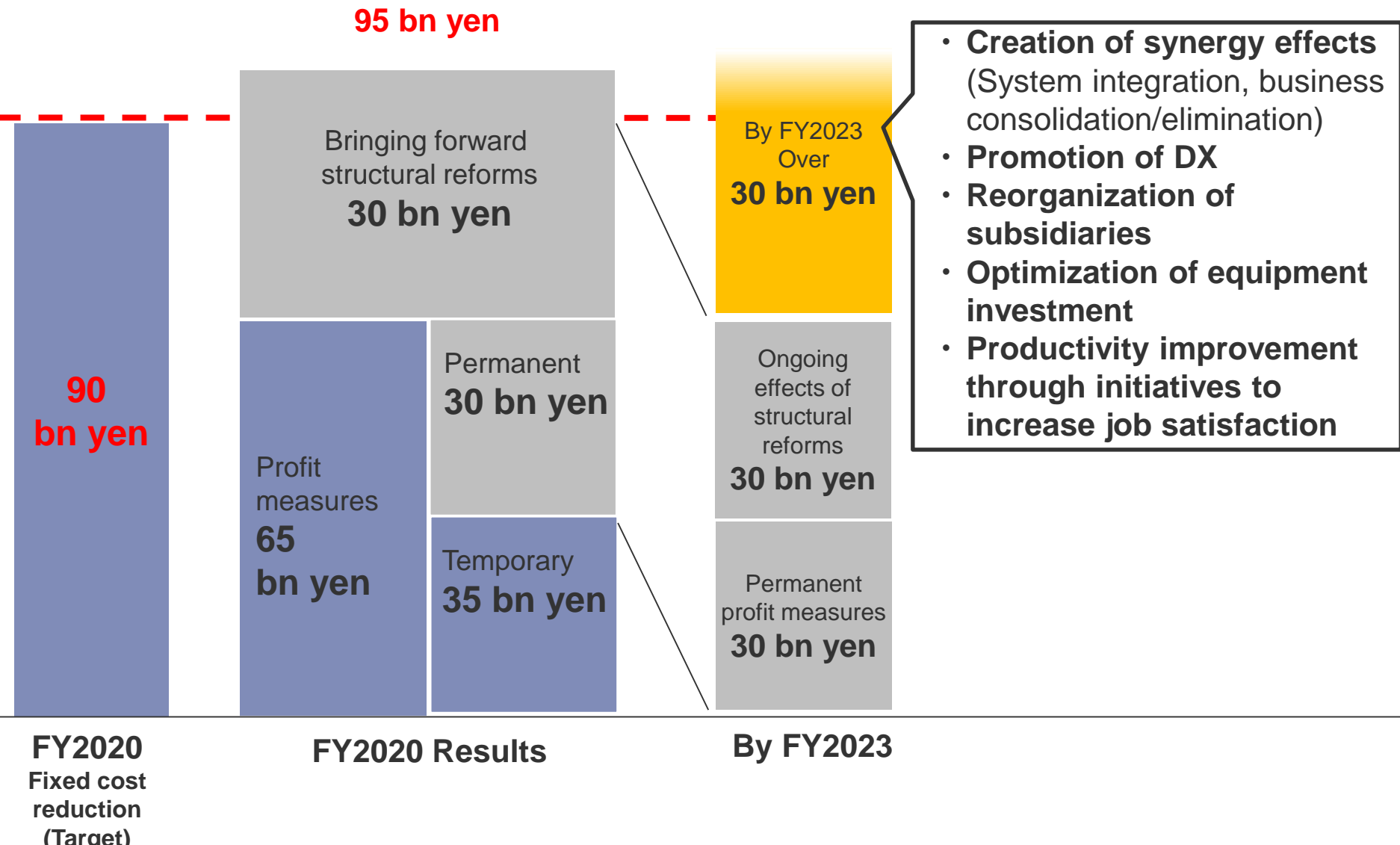
[Electric-assisted parking brake]

Meeting demand in the expanding EPB market with a full lineup

I. 2023 Target: Progress of Medium-term Management Plan

Progress in fixed cost reduction

Promoting further efficiency improvement, including the effects of integration, by FY 2023



I. 2023 Target: Progress of Medium-term Management Plan

[Case Study] Reorganization of Subsidiaries



Promoting the consolidation and elimination of unnecessary functions of subsidiaries in the Group and globally.

Target setting completed for 70% of the 51 themes covered.

	Target Company	Efficiency of Administration			Consolidation of Companies		
		Theme	Completion/Projected	FY 2021 and beyond (Projects to be considered)	Theme	Completion/Projected	FY 2021 and beyond (Projects to be considered)
Japan	23	2	1	1	9	5	4
North America	21	2	2	-	4	2	2
China	14	1	1	-	7	4	3
Australasia	20	6	5	1	4	2	2
Europe	6	-	-	-	10	9	1
Other	12	1	1	-	5	4	1
Total	96	12	10	2	39	26	13

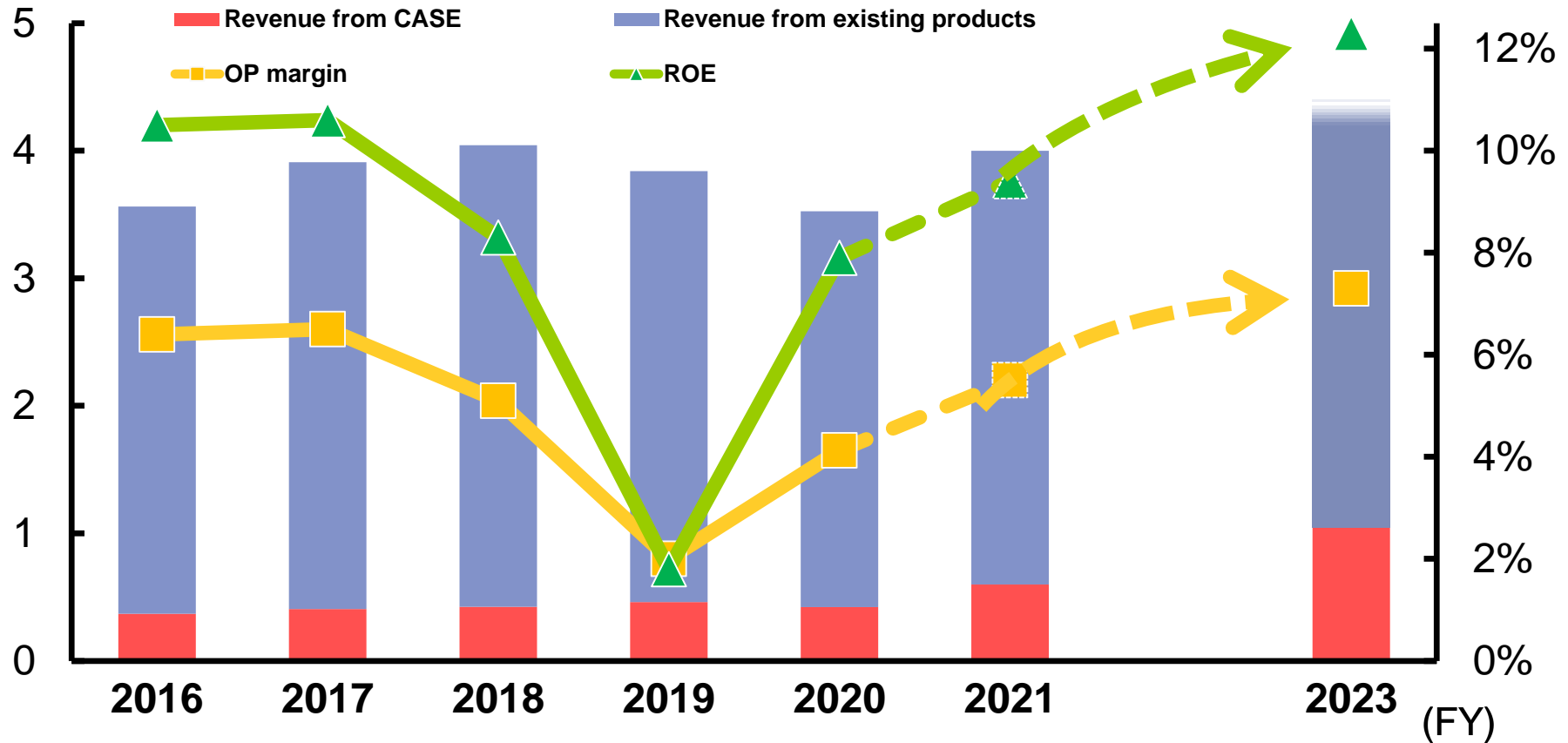
I. 2023 Target: Progress of Medium-term Management Plan

[Summary] Medium-Term Management Plan: Management Targets for 2023



Aiming to achieve operating profit margin of at least 7% in FY2023 as originally planned despite slowdown in revenue due to COVID-19.

(Trillions of yen)



Today's Presentation



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<p>III. Initiatives for Carbon Neutrality by 2050</p>		

II. Vision for 2030

Enhanced Vision: Formulated New Group Corporate Principles as New Aisin **AISIN**

Initiatives to Date

- (1) Transformation of corporate structure in response to CASE
- (2) Restructuring into a corporate entity with high profitability

Merger
with AW

Focusing on the next 50 years
as “Aisin’s Compass”

**New Corporate Principles formulated
(January 2021)**

Inspiring “Movement,” Creating Tomorrow

Mission

Why we exist

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

Vision

How we see the future
(in pursuit of our mission)

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

What we strive to give

- To our colleagues
- To our customers
- To the future

To our colleagues,
growth and
happiness

To our customers,
inspiration and
trust

To the future, a
sustainable
environment

Vision for 2030

**Clarifying the
value to each
stakeholder**

AISIN Group's Vision for 2030



Aiming to be a corporate group called a partner by our customers by providing solutions to social issues and innovating secure and comfortable “movement” to bring our philosophy: Inspiring “Movement,” Creating Tomorrow.

A solutions company realizing a society filled with excitement and smiles

Our Colleagues

To be a company that maximizes job satisfaction by promoting diversity and supporting people to challenge and grow.

Society

To be a sustainable corporate group by providing products and services with low environmental impact.

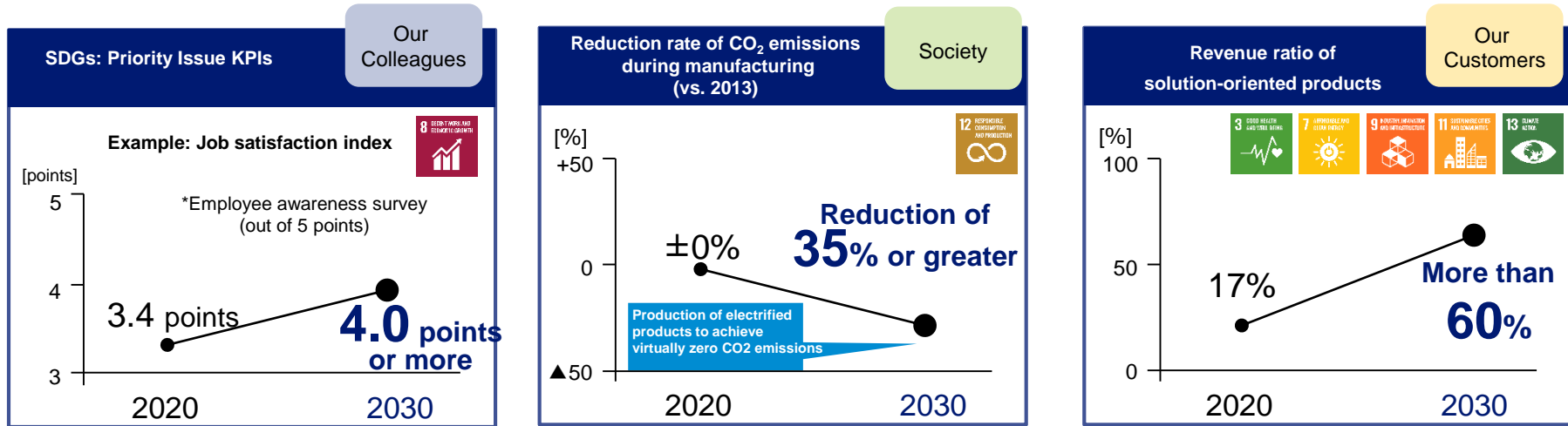
Our Customers

To be a partner in solving social issues by providing “movement” solutions to all people.

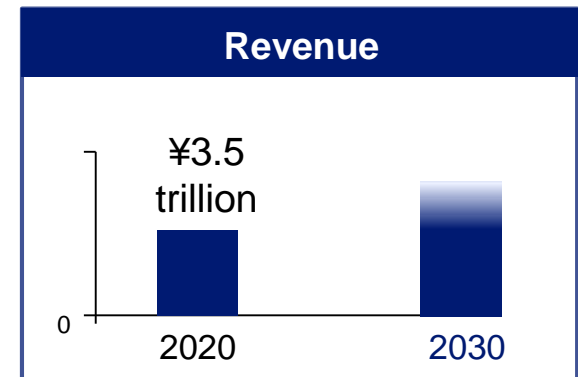
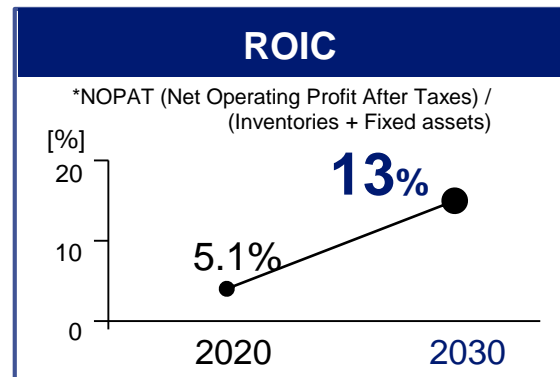
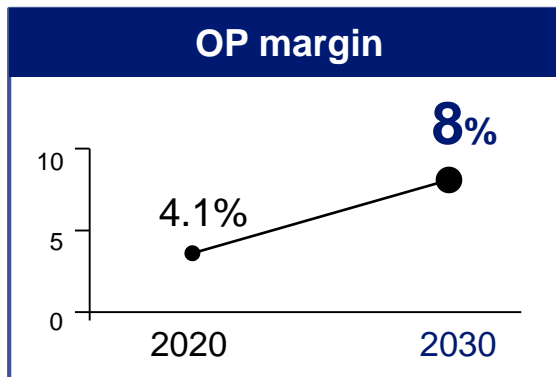
II. Vision for 2030

Target Items

Setting goals for each stakeholder



Shifting to ROIC management that emphasizes investment efficiency in group management, DX, etc. as we accelerate investment to solve social issues and achieve growth and happiness for our associates.



II. Vision for 2030

Enhancing solution-based products that contribute to the resolution of social issues **AISIN**

Business Creation

Shared shuttle bus service



Logistics support



Provision of safe travel and transportation



Power sliding door



Automated parking system



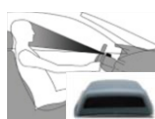
Reduction of traffic accidents



Electric-assisted parking brake



Driver Monitoring



HV transmissions



Cooperative regenerative brake systems



e-Axle



Preventing global warming



Software First

ENE-FARM typeS



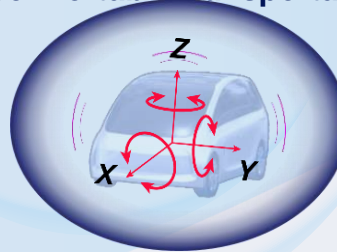
Clean Energy Driving the shift



Entry systems that contribute to free movement



Integrated Control and Vehicle Dynamics that contribute to safe and comfortable transportation



Mobility platform that contributes to solving problems by providing services



New and next-generation products that solve customer issues



Energy Management Systems that contribute to decarbonization of the region

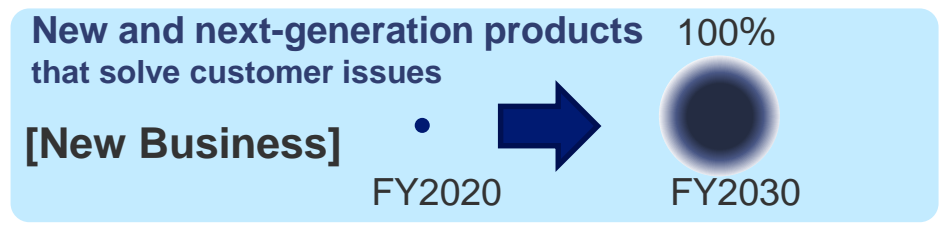
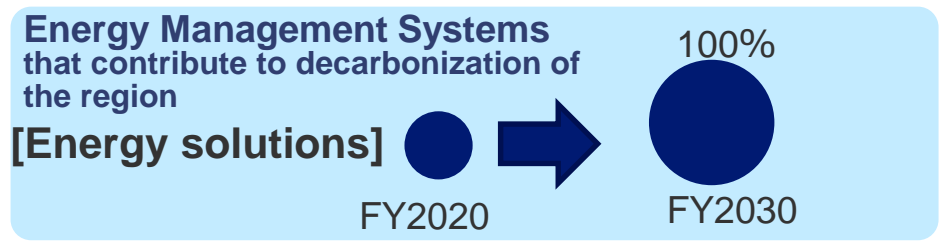
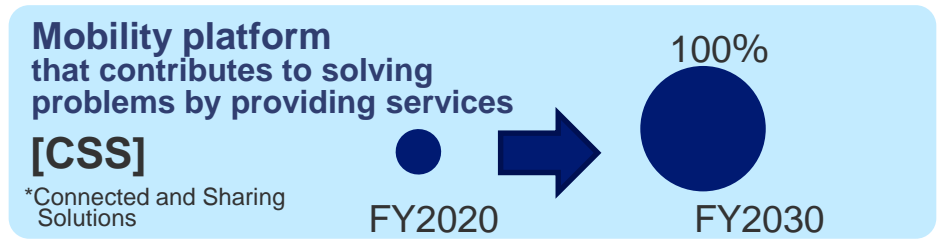
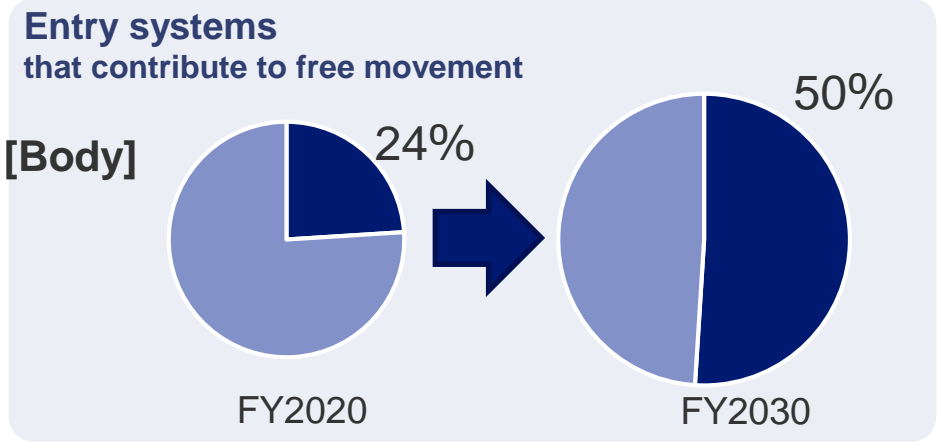
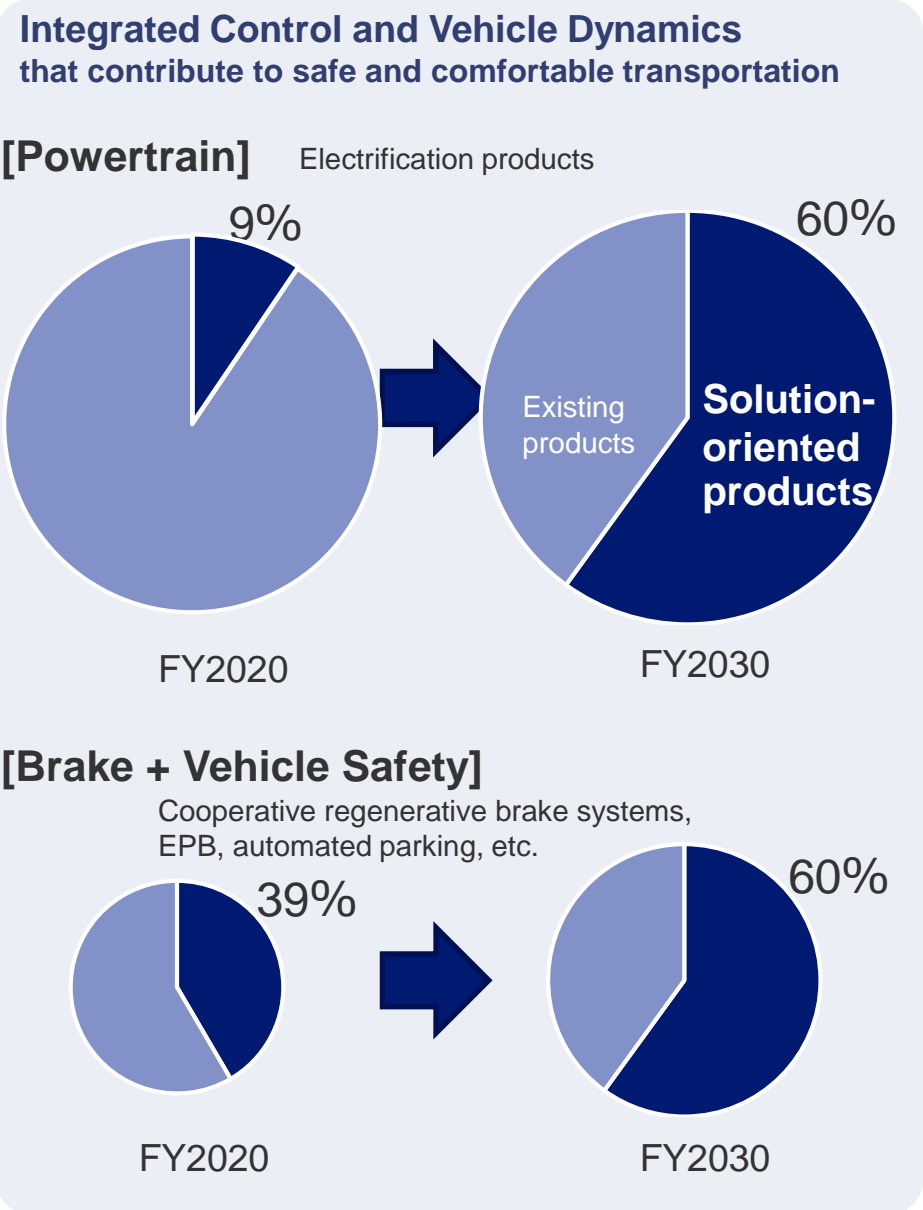


Present

Future

II. Vision for 2030

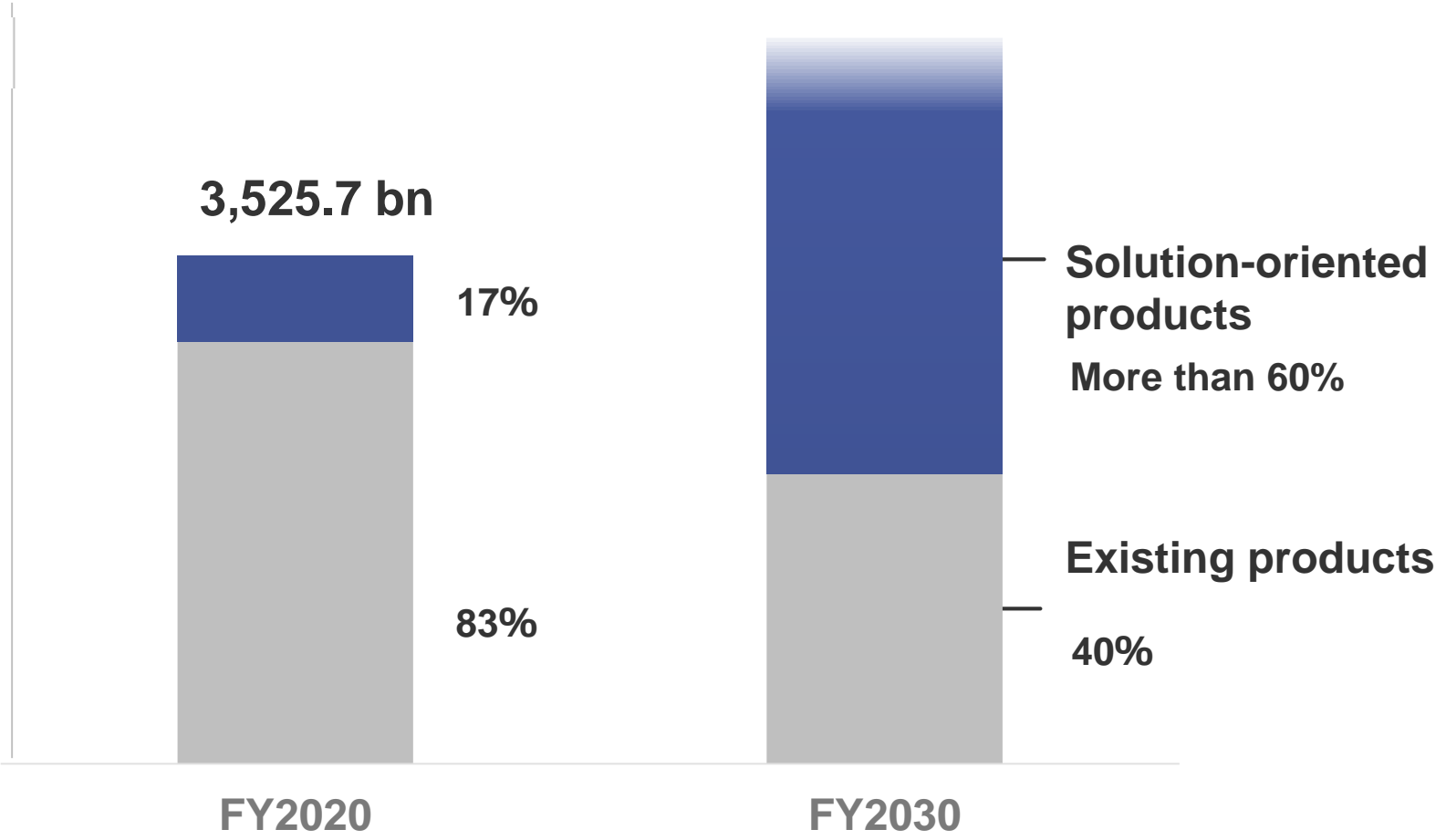
Composition Ratio of Solution-oriented Products in each Business Territory *AISIN*



Revolution in Aisin's Business Structure



Aiming for growth that exceeds the market evolution, "A decade of changing what's inside" for sustainable growth



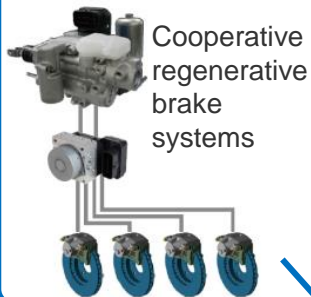
% (Comp.)

II. Vision for 2030 ~ Electrification Strategy

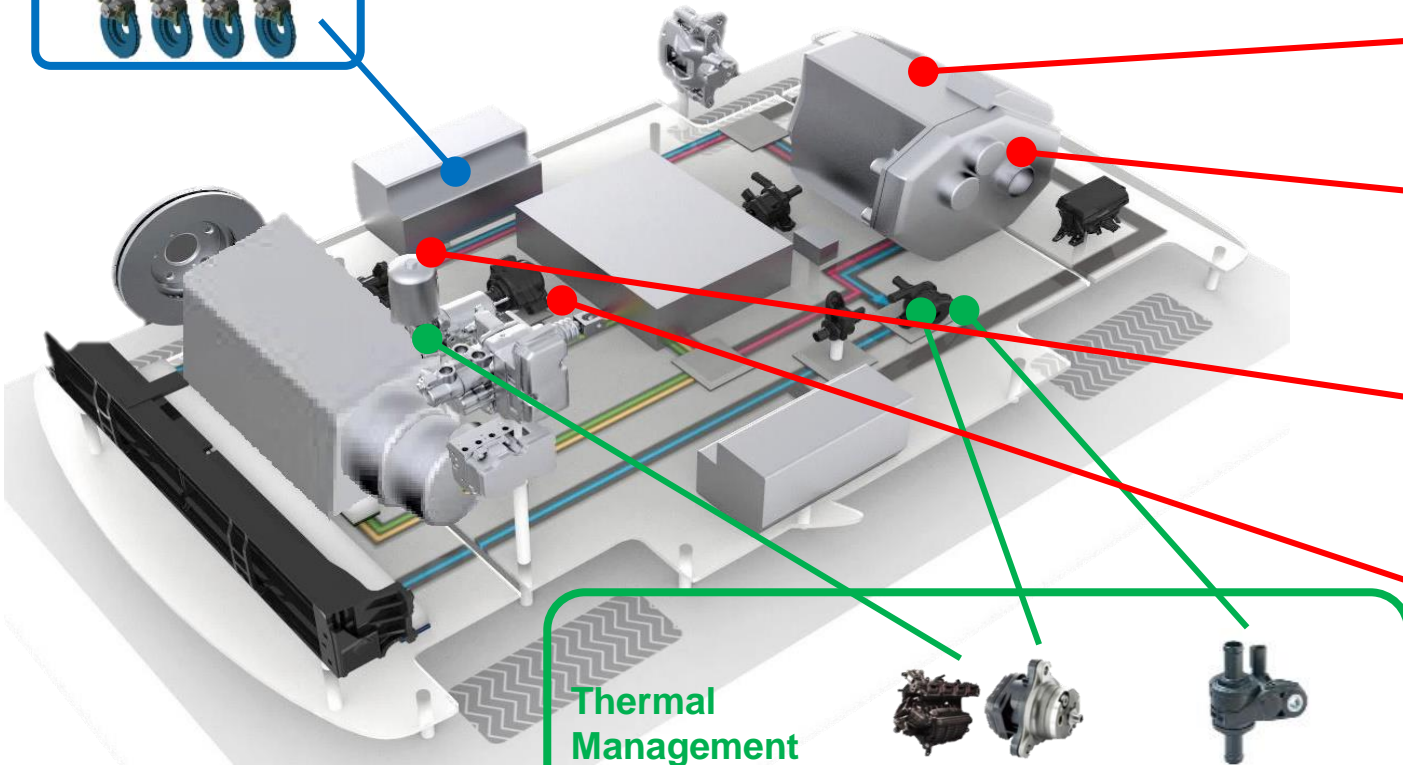
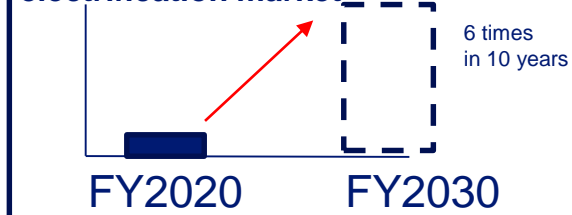
Lineup of electrified products

Expanding sales of products in related fields where the market is growing along with electrification

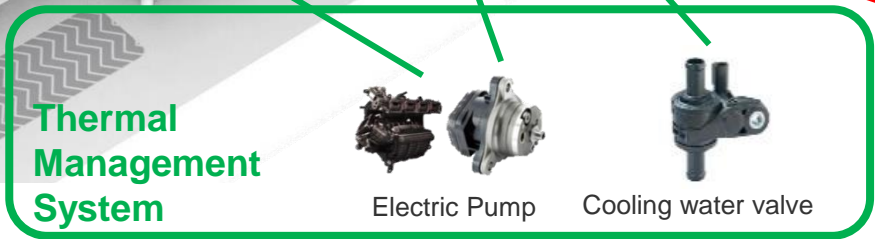
Regenerative brakes



Forecasting the growth rate of the electrification market



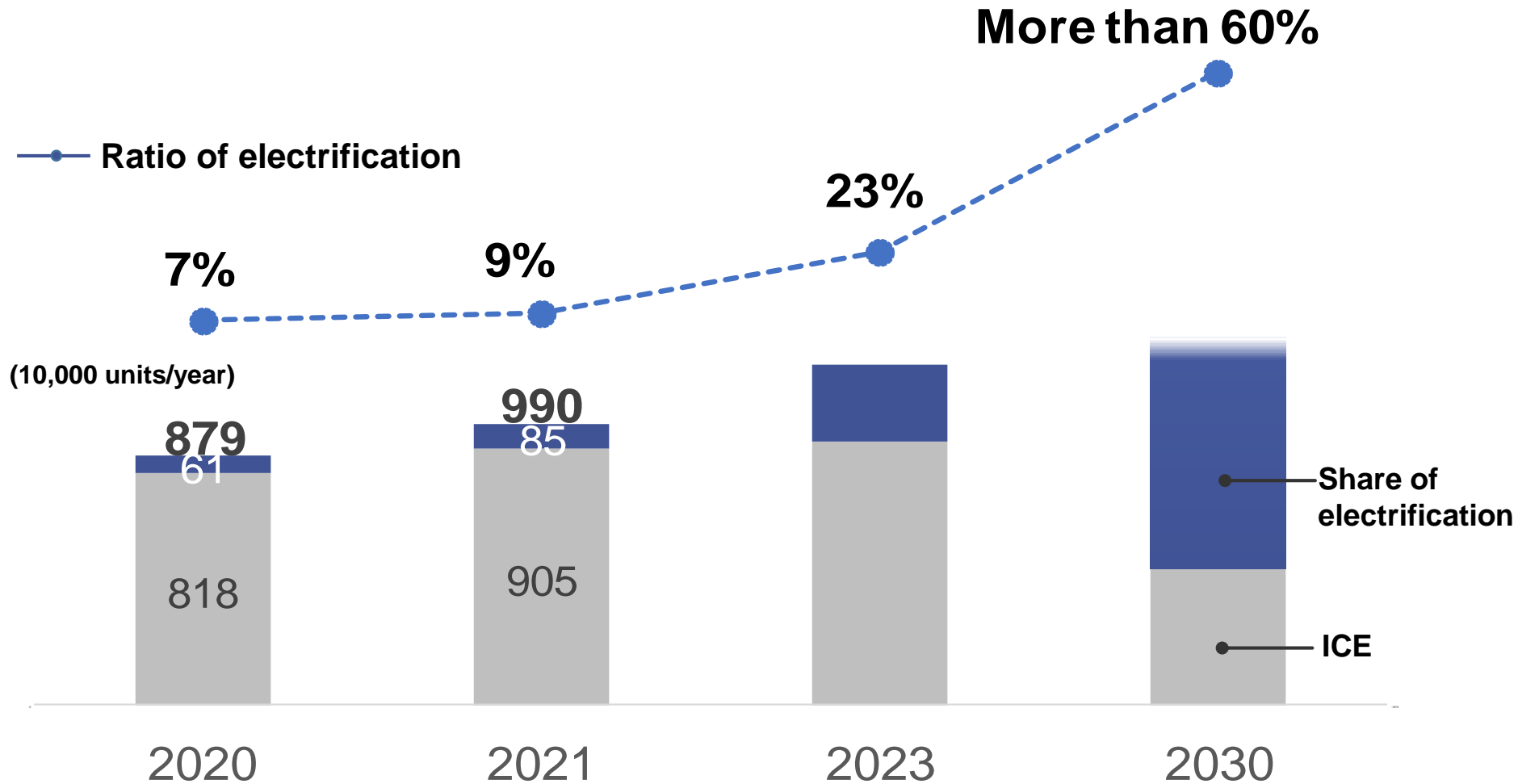
Electric drivetrain



II. Vision for 2030 ~ Electrification Strategy

Unit Sales of Powertrains

- While steadily responding to ICE until around 2023, prepare for the rapidly expanding electrification market.
- The ratio of electrified vehicles will increase to 60% or more in 2030.



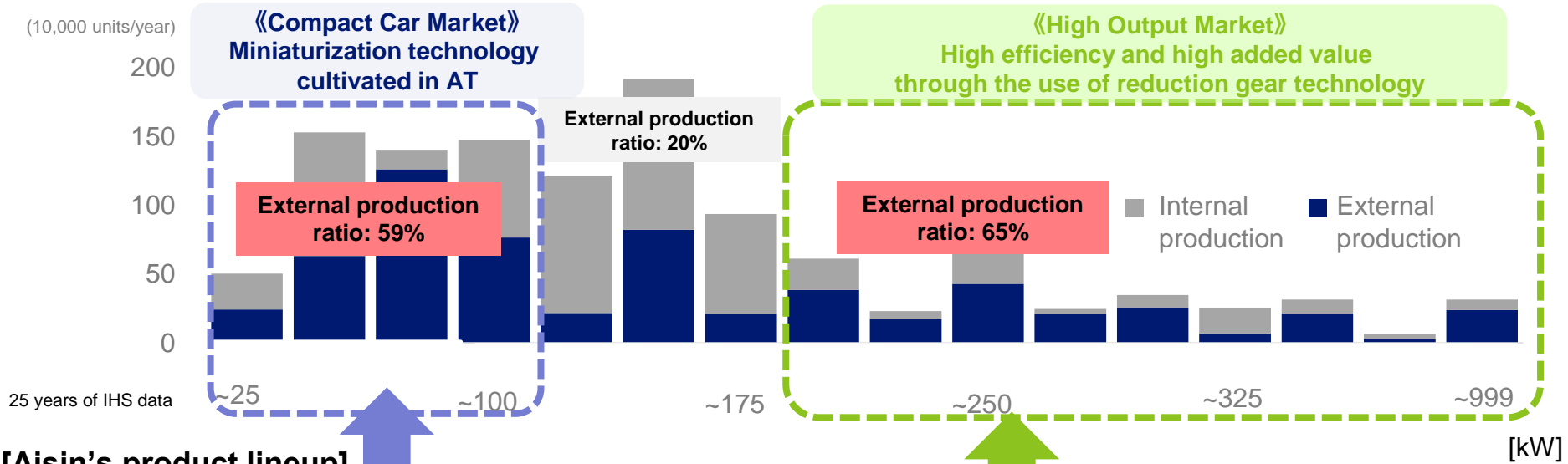
* The number of vehicles includes AT, CVT, HV, and eAxe.

(FY)

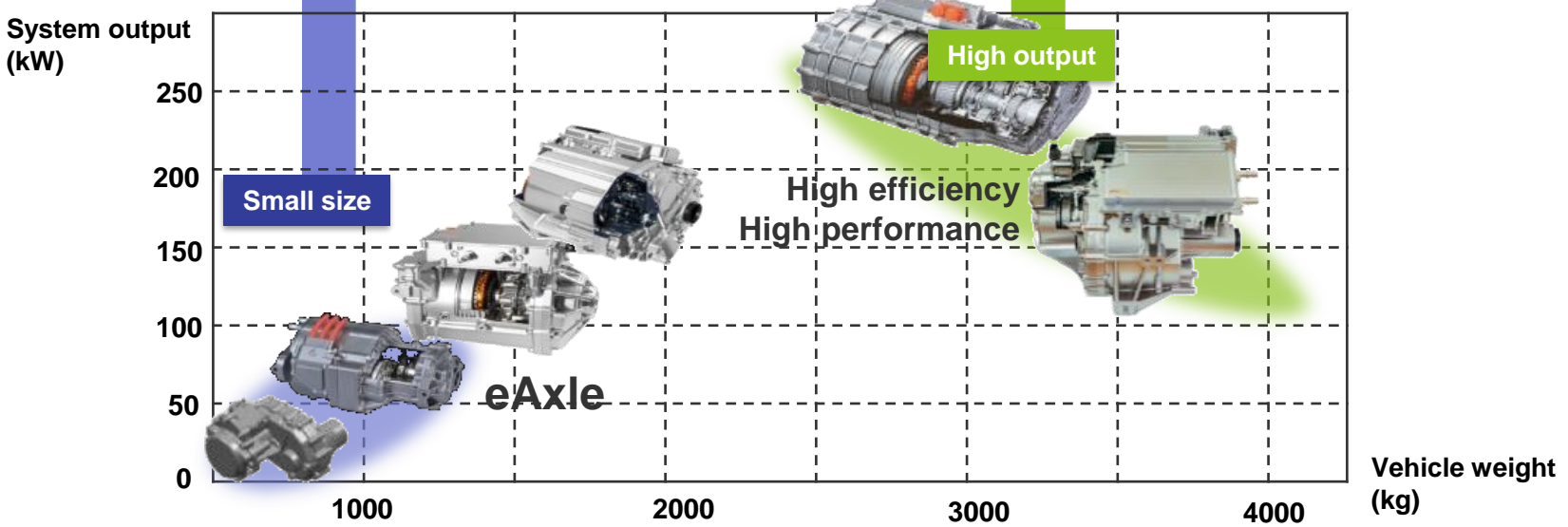
II. Vision for 2030 ~ Electrification Strategy

eAxle Market Trends and Targets

Customers' needs for modules will expand in the compact car and high output markets



[Aisin's product lineup]



How to Market Compact Cars (mini and A-segment)

Development of a unit for mini and A-segment cars by utilizing the miniaturization design technology cultivated in AT

(1) [Ultra-compact EV]



Toyota Motor Corporation "C+pod" installed

- High output secured by permanent magnet synchronous motor
- Downsizing by 3-axis gear train

Production started in 2020

(2) [For A-segment] (Under development)

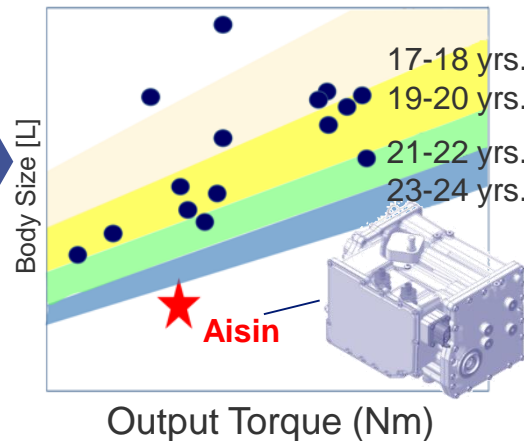


- Small-capacity and light-weight type aimed at the Japanese, European and Asian markets
- Small-diameter, high-efficiency motor for either front or rear mounting

(3) [For mini and A-segment vehicles] (Under development)

《Body Size x Output Torque》

Estimated trend



Ultra-compact unit aimed at **the world's smallest size** that can be installed in the mini class

II. Vision for 2030 ~ Electrification Strategy

Targeting the D/E-Segments and Commercial Vehicle Markets

~ Product Lineup Supporting High Efficiency and High Driving Force

AISIN

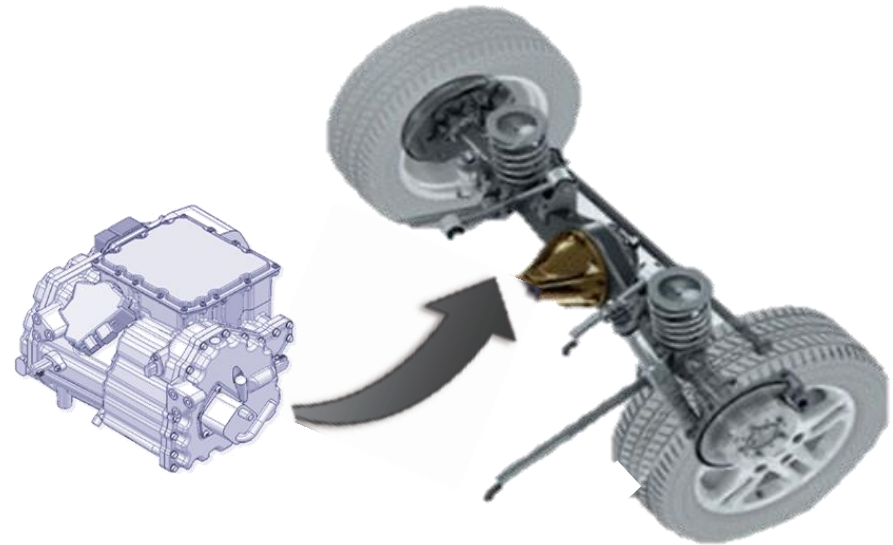
Developing and expanding sales of high-efficiency, high-performance units for SUVs, luxury, and commercial vehicles

Rear eAxle for luxury vehicles



Additional gearshift function efficiently utilizes the power of the motor from high-speed to low-speed and maximum torque

Integrated eAxle for commercial frame vehicles

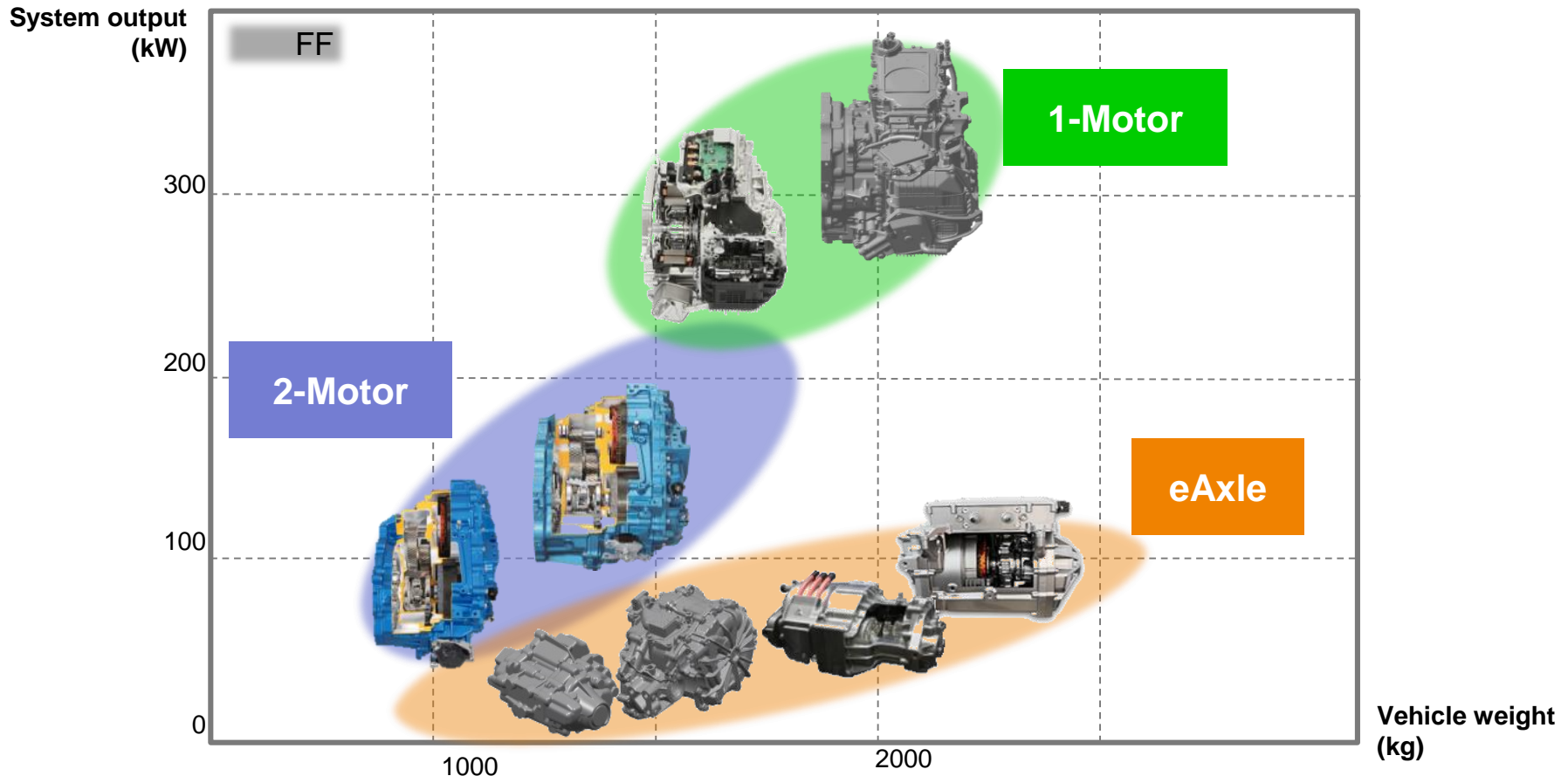


Contributing to the electrification of commercial vehicles with eAxle that is compatible with rigid-axle vehicles

II. Vision for 2030 ~ Electrification Strategy

Addressing HVs

Steadily capturing the growing HV market for the time being until full-scale EV market penetration by refining existing technologies



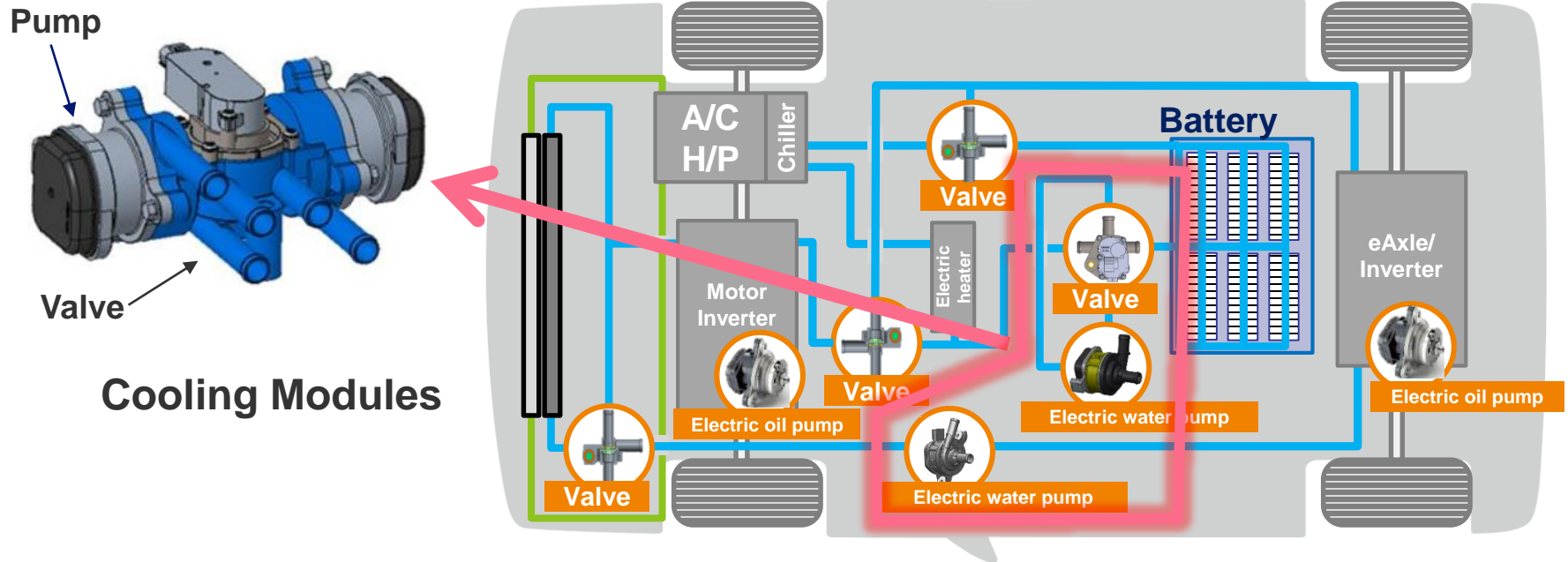
With China Roadmap 2.0 and the inauguration of the Biden administration in the U.S., there is a great opportunity for HEVs.

1-Motor: Expanding sales by promoting its superiority to the growing large SUV market. 2 confirmed, 2 inquiries.

2-Motor: Expanding sales based on the results for Toyota. 5 confirmed, 8 inquiries.

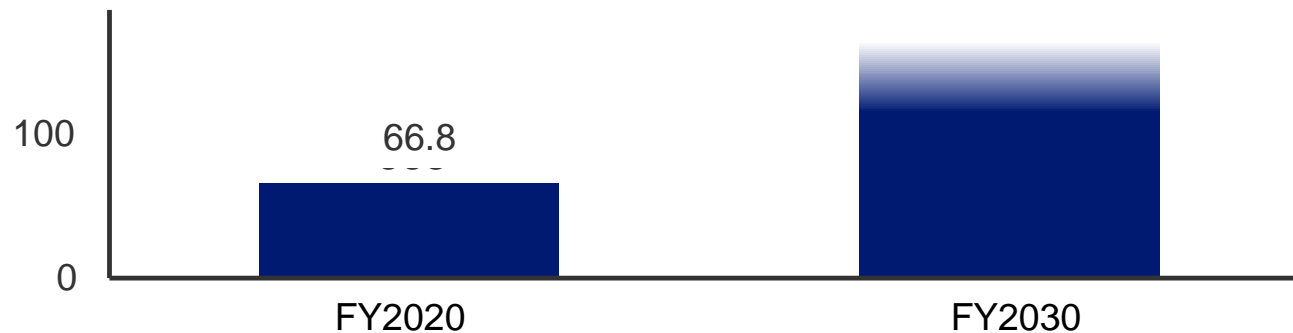
Thermal Management System

Proposing a cooling system for EV/HEV with electric pumps at its core for higher efficiency



(Billions of yen)

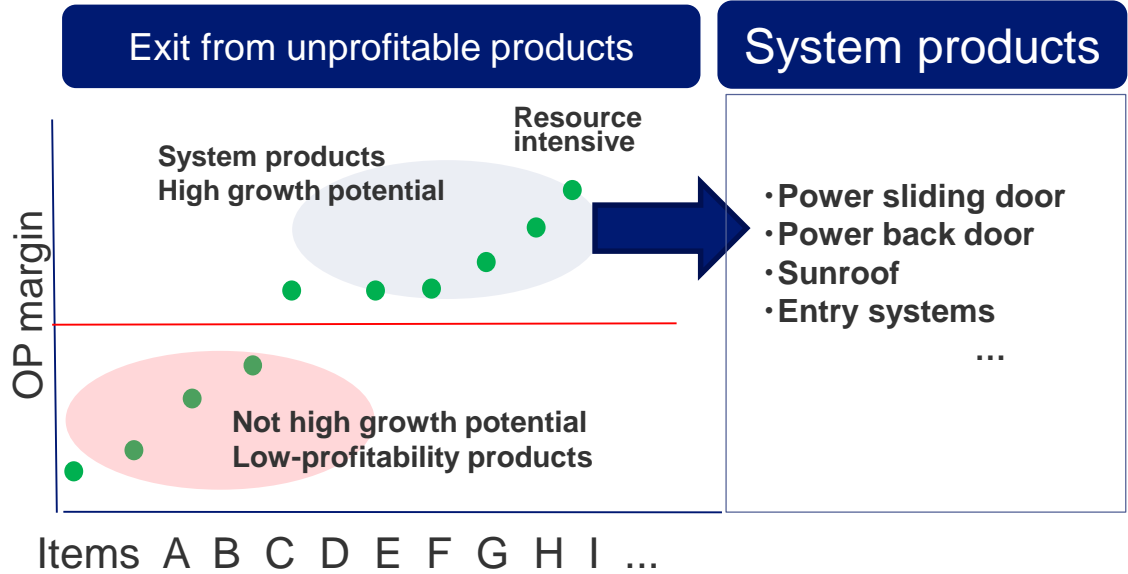
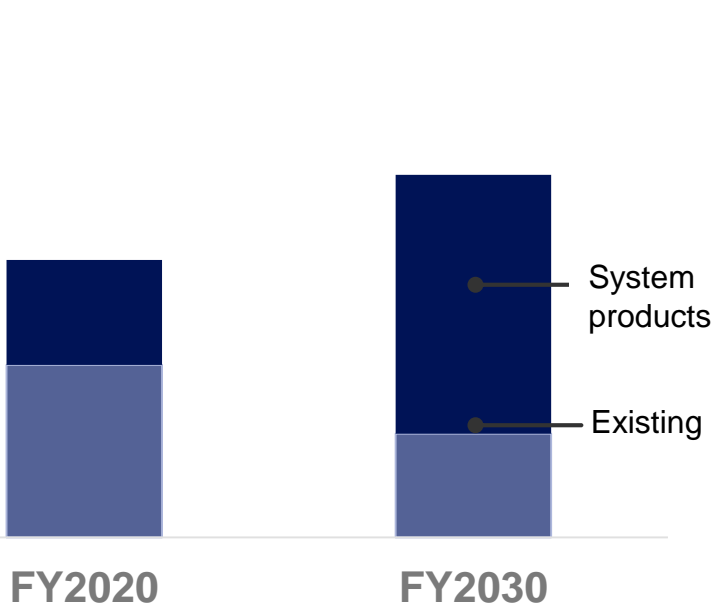
Sales target for thermal management system products



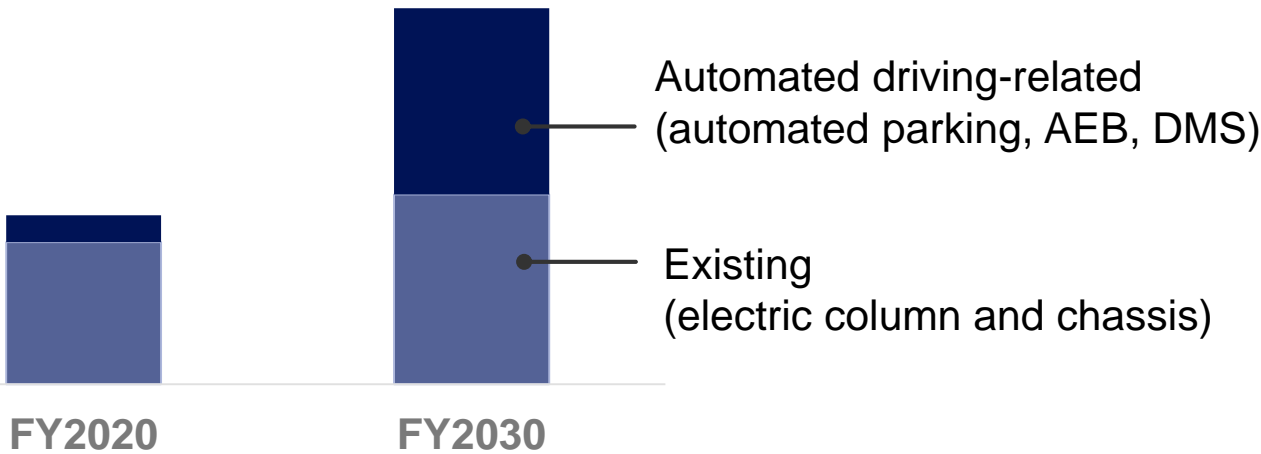
Body and Vehicle Safety Business



[Body] Shifting to high value-added system products



[Vehicle Safety] Capturing growth fields such as automated parking and DMS

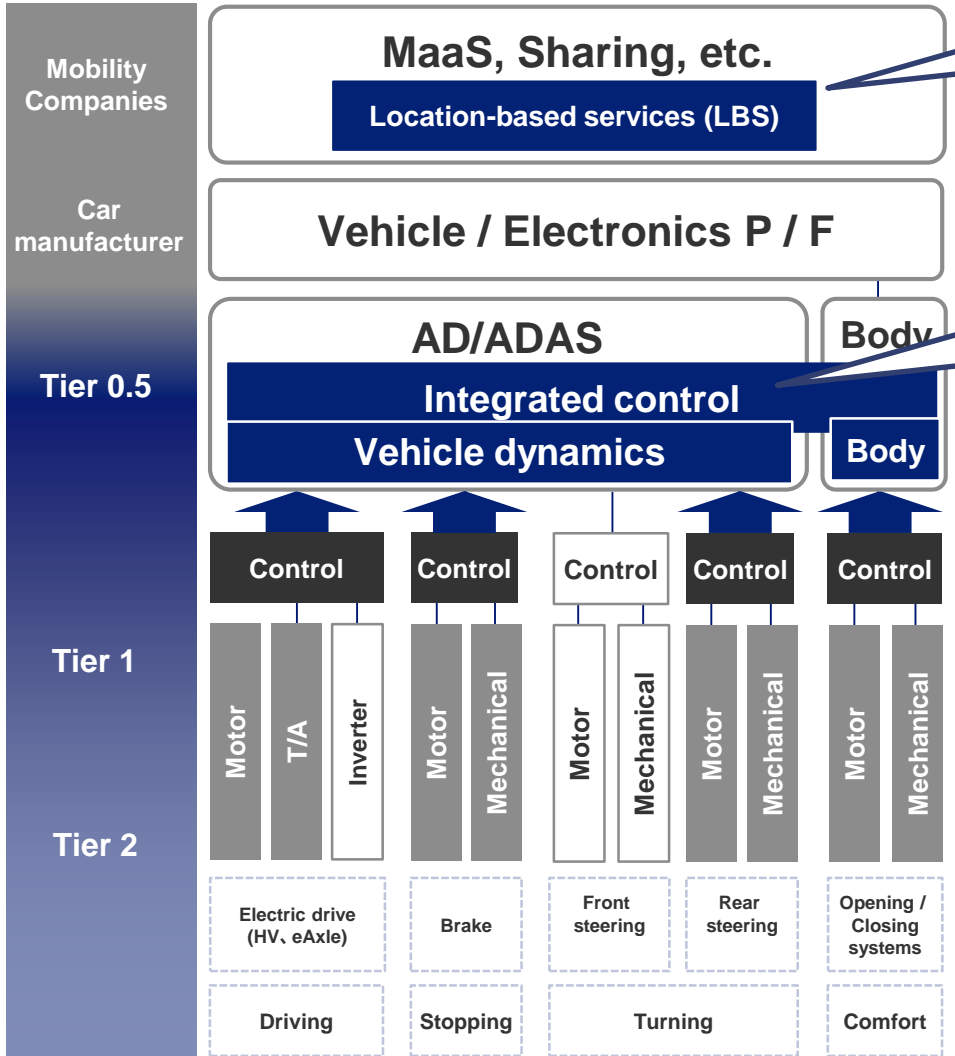


Full-scale mass production of automatic driving-related products

Integrated Control and Vehicle Dynamics



Becoming a partner for vehicle dynamics systems that support Driving, Turning, Stopping, and Comfort



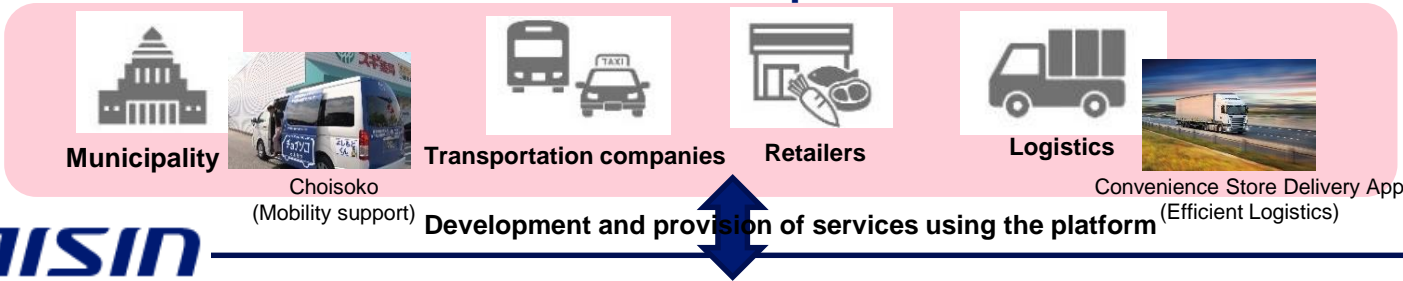
Explained on the next page

Based on hydraulic and electric actuator systems, we aim to evolve into a Tier 0.5 system supplier by realizing integrated control that contributes to the safe and comfortable movement of all people.

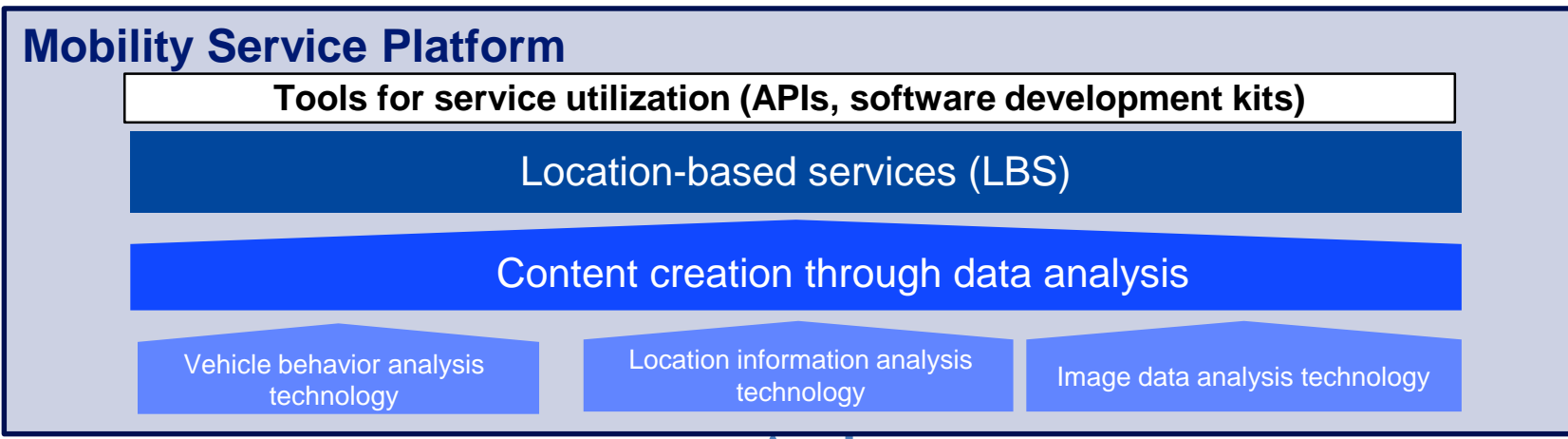
II. Vision for 2030 ~ CSS Business

Initiatives for Mobility Service Platform

Building a platform based on advanced location information technology cultivated through car navigation system. Developing and providing services to solve various social issues in collaboration with external parties.



Collaborating with more than 50 partners, including 16 IT companies, 7 logistics companies, and 20 municipalities.



Collecting data with high-precision location information

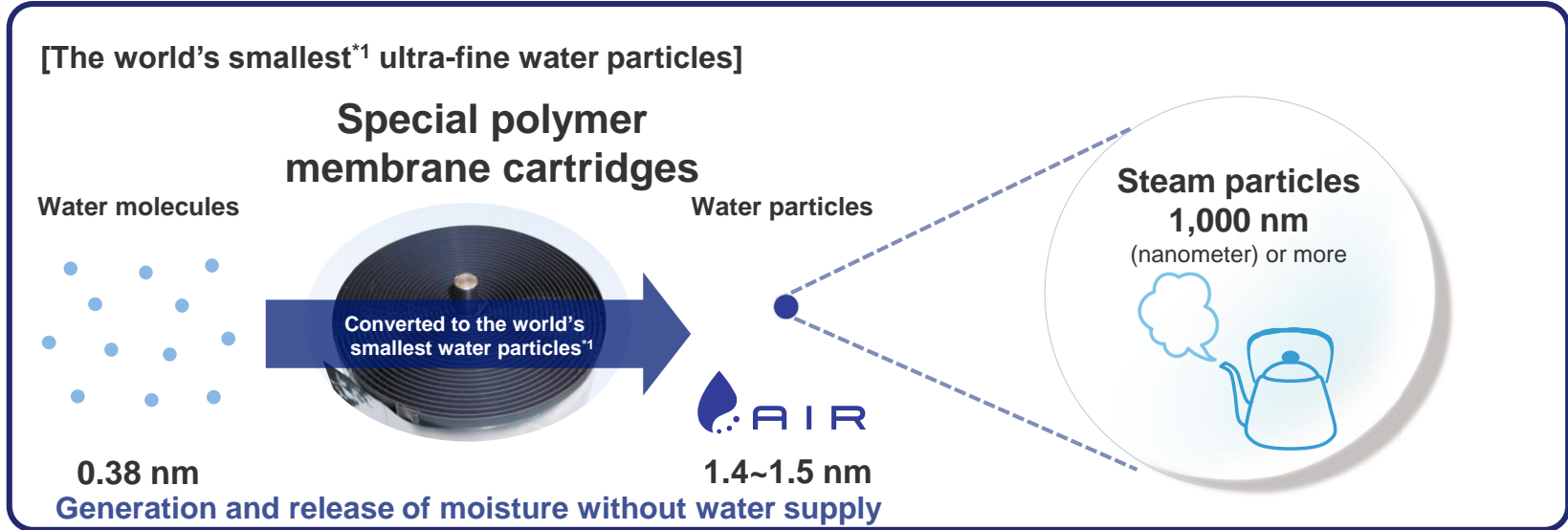
Using data to increase the attractiveness and to improve the quality of automotive parts



II. Vision for 2030 ~ New Business

AIR 「アイル」

Began using ultra-fine water particles from our proprietary special polymer membrane cartridges in various fields, including beauty care.

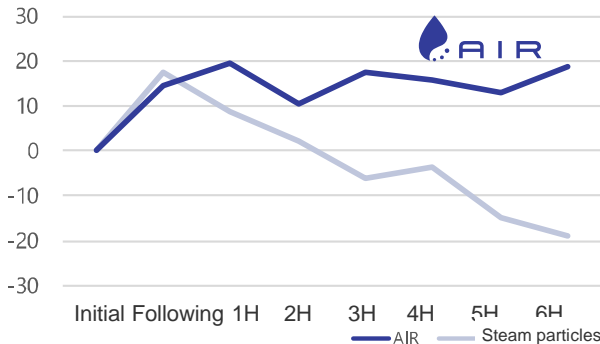


*1 In comparison with humidification technologies that produce water particles. (Researched by Aisin as of April 12, 2021)

Beauty

- Long-lasting **moisturization** of skin
- Possibility of clinical application for atopic dermatitis, etc.

Moisture



* Comparing the amount of keratin moisture after applying AIR and steam particles to the skin for 20 minutes each.



The 120th Annual Meeting of the Japanese Dermatological Association (June 10-13, 2021) Products to be exhibited

Expansion to multiple areas

- Cleanliness and Hygiene
- Medical treatment
- Culture and Growth
- Industrial use

II. Vision for 2030 ~ New Business

Application of Core Technologies to Industrial Equipment

Applying core technologies cultivated in automotive parts to equipment at manufacturing sites

Small Precision Gear Pump (ESC)

ESC module Componentry (Gear Pump)

without change

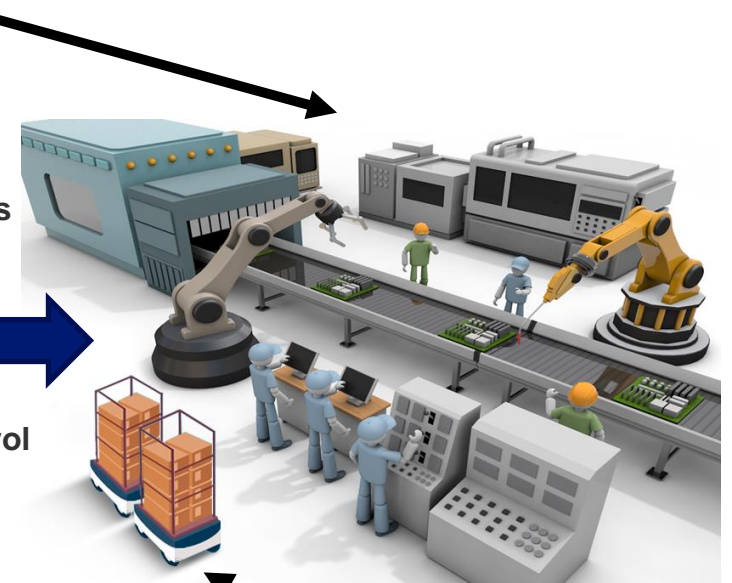
High Pressure Cleaning Tools for Machining Centers

Sales start in FY2021

Precision Hydraulic Control (AT-control)

AT Valve Body ECU Electric Pump

Industrial Equipment Applying Hydraulic Control



Unshakable AGV [Automated conveyance robots]

Femtosecond Laser

Compact Mobility Technology

Motion Reduction Technology (Active damping treatment)

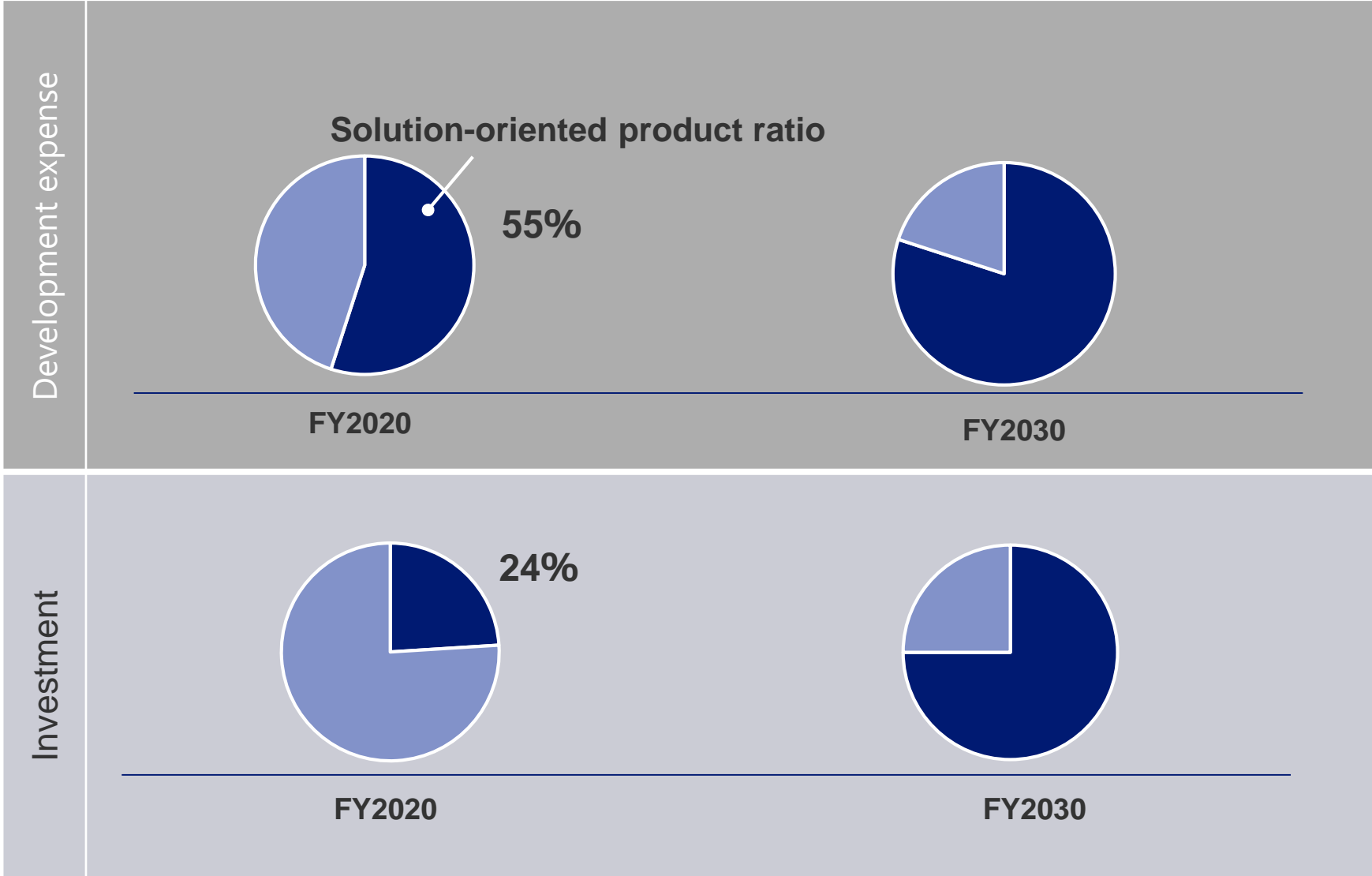
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R&D and Investment Orientation



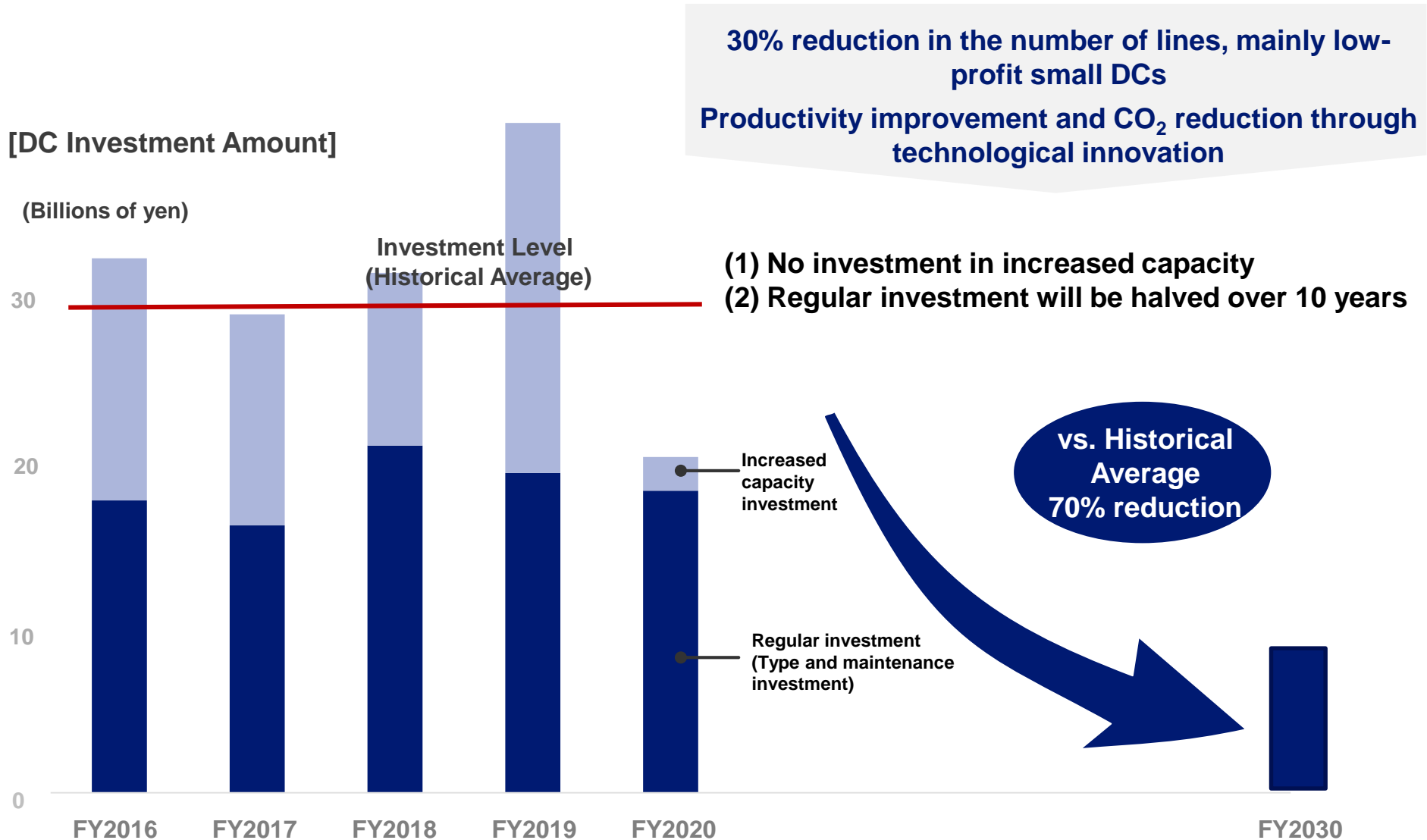
Development expenses and investments shifted to solution-based products
Investment efficiency is followed by ROIC



II. Vision for 2030

Appropriate Level of Investment in DC Business

Reforming the Die-casting business, which has long been unprofitable.
Changing business structure to pursue quality with an awareness of ROIC



Initiatives for DX

Promoting DX to create new businesses and to improve the efficiency of existing operations

[Image of the Digital Management Platform]



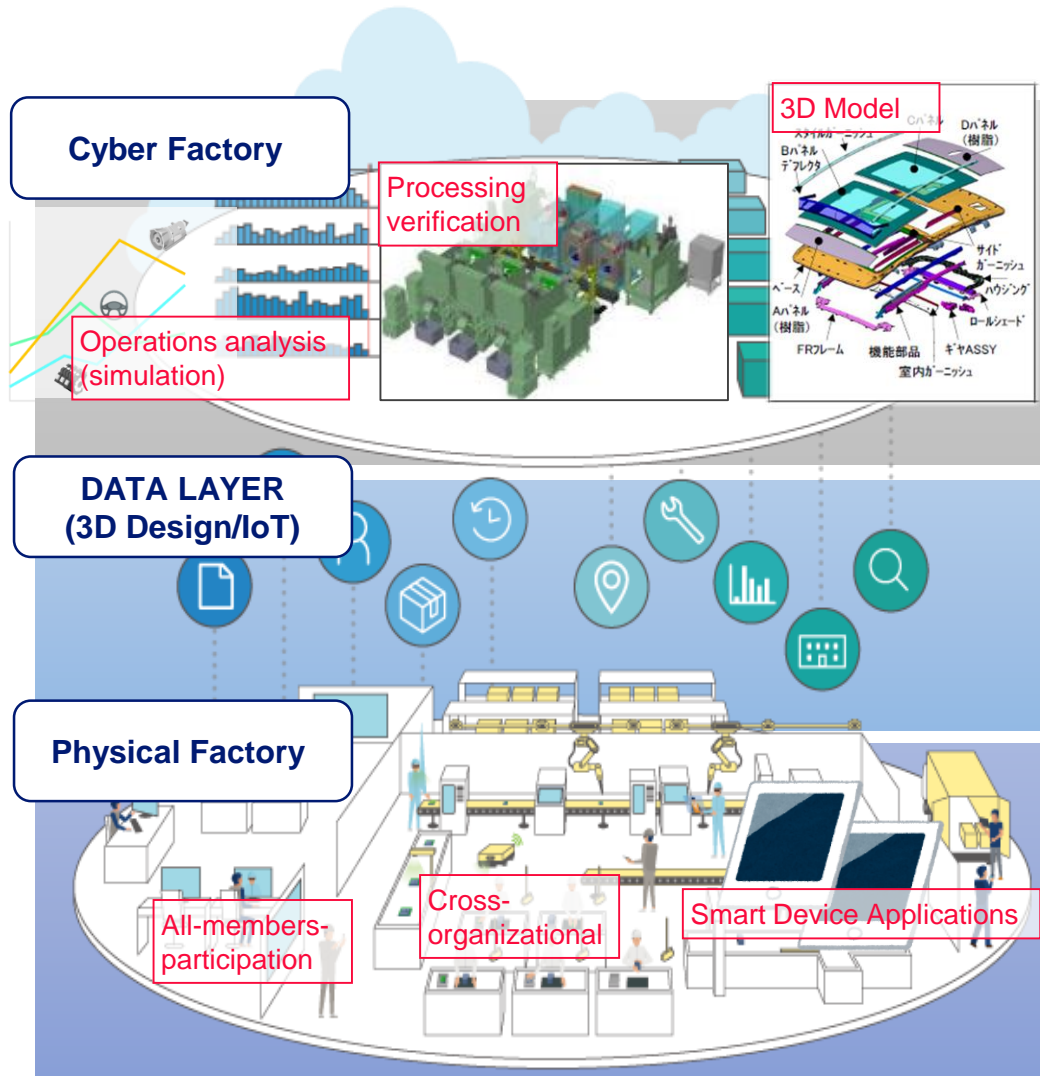
➤ Logo of the DX certification system



II. Vision for 2030

Improving Business Efficiency through DX

Use of DX to fundamentally change operations and to improve efficiency



■ Priority Measures

By FY2025

(1) Management Resources Protection

Standardization and streamlining of operations

More than 25% increase in efficiency of Administration

By FY2025

(2) Design and preparation

Shorter product development period through digitization

Reduce development period by 30%

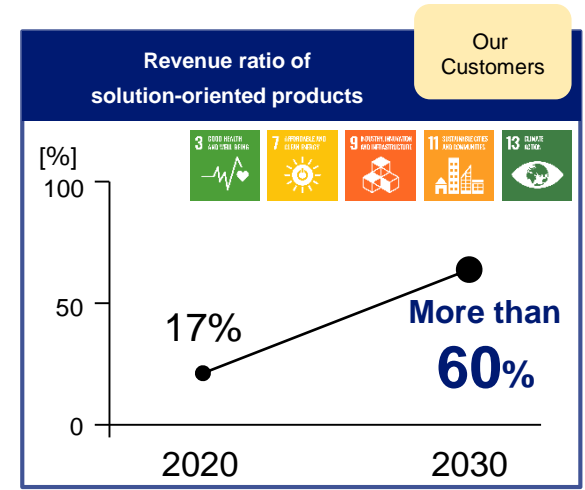
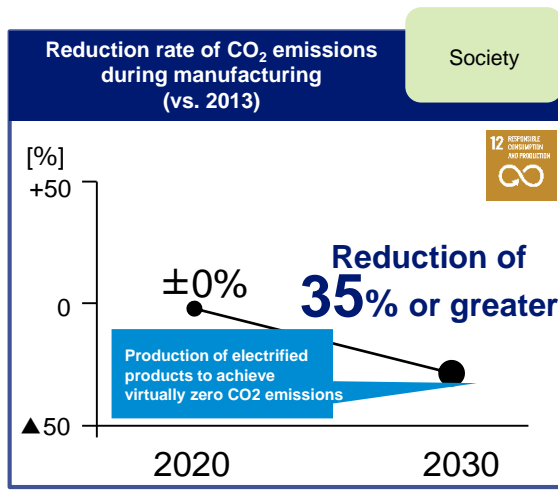
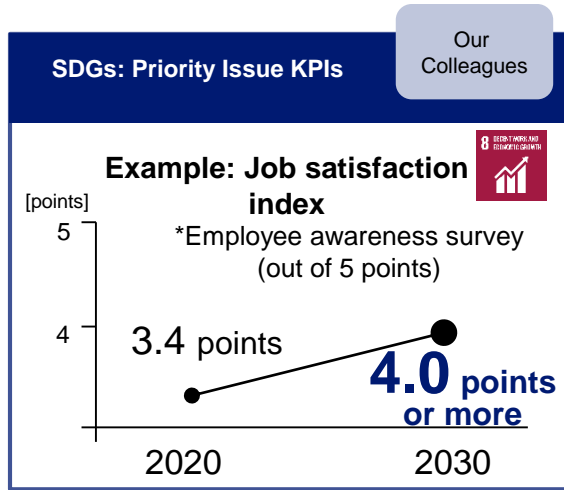
By FY2030

(3) Production and logistics

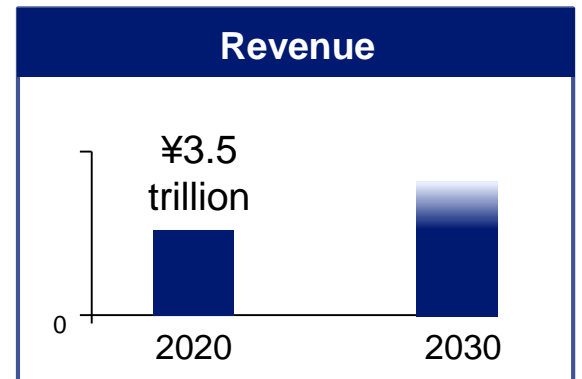
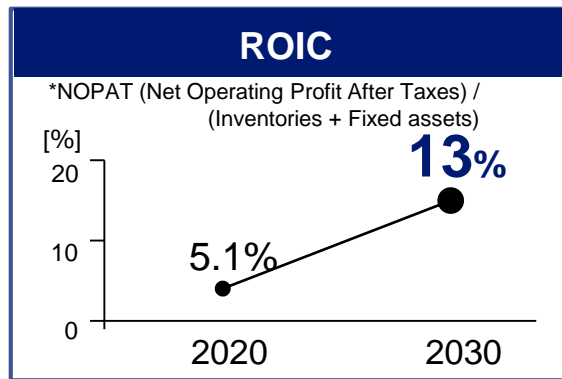
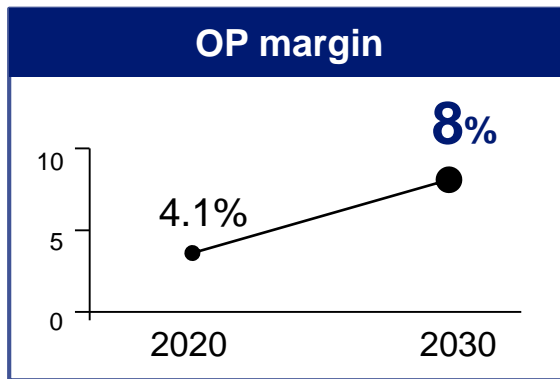
Improvement of quality and productivity at manufacturing sites with IoT

Reduce production cost by 30%

Target Items



Shifting to ROIC management that emphasizes investment efficiency in group management, DX, etc. as we accelerate investment to solve social issues and achieve growth and happiness for our associates.



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III. Initiatives for Carbon Neutrality by 2050		



III. Carbon neutral by 2050

CO₂ Reduction Targets for Production and Products (announced in October 2020)




Goals (milestones) for FY2030

■ Reducing CO₂ emissions from product manufacturing through use and disposal toward a low-carbon society

	KPI	FY2019 Results	FY2020 Targets	FY2030 Targets
Manufacturing	 Life cycle CO ₂ emissions reduction rate	17,330,000 t-CO ₂ / year	Improvement of accuracy of measuring results for the purpose of setting targets	Reduction of 25% or more [Compared to 2013]
	 Production CO ₂ emissions reduction rate (total)	2,819,000 t-CO ₂ / year	2,738,000 t-CO ₂ / year	^{*1} Reduction of 35% or more [Compared to 2013] (2,474,000 t-CO ₂ / year)

■ To expand products toward substantially zero GHG emissions in 2050

^{*1} Target values are under consideration in response to the latest government policy

Products	 Sales ratio of electrification products that contribute to reducing CO ₂ emissions	10%	13%	50% or higher ^{*2}
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^{*2} Sales ratio of electrification products included in total sales of related fields (power training and running safety)

■ To promote energy-related development toward a carbon-free recycling society

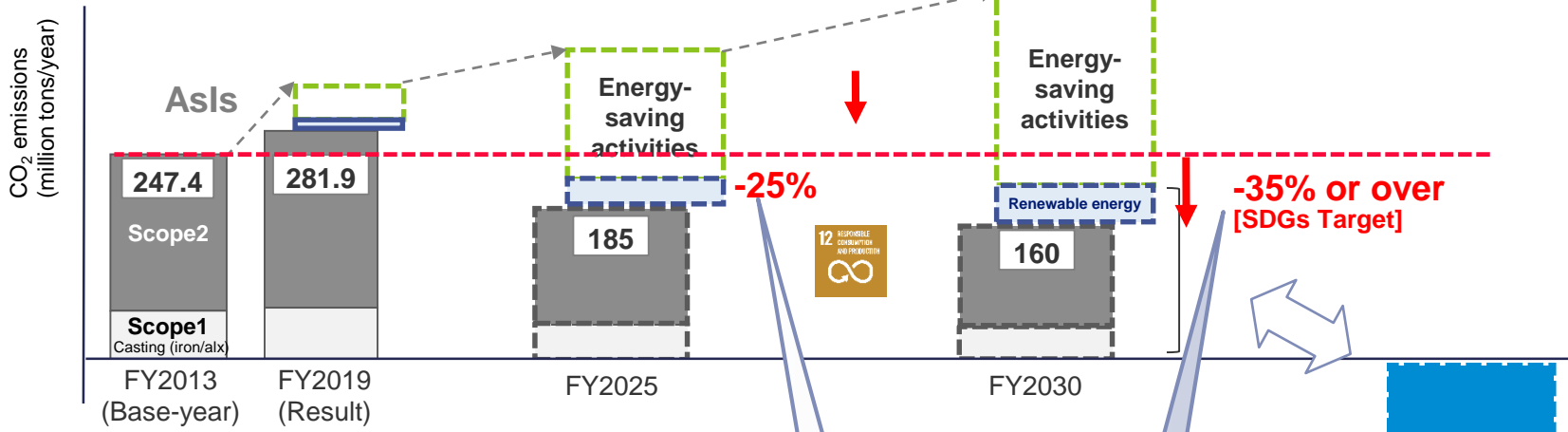
Products	 Contribution amount of CO ₂ reduction by energy-related products (sales)	480,000 t-CO ₂ / year	530,000 t-CO ₂ / year	2,300,000 t-CO₂ / year
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III. Carbon neutral by 2050

Toward a 35% Reduction in Production CO₂ by 2030

- Promoting the reduction of production CO₂ emissions, and make all electrified products “Production CO₂-free Products” by 2030.
- By promoting sales of clean energy-related products, the contribution amount to CO₂ reduction in society will be increased to the equivalent of the Aisin Group’s total production CO₂ emissions.

Plan for production CO₂ reduction (Scope1+2)



Production of CO₂-free Products

[Energy Conservation Activities] Solar Power Generation at Aisin Tohoku

- Start production of electric pumps in the expanded area
- About 30% of the expansion will be powered by renewable energy

Electrification drivetrain unit

eAxle/HEV transmissions

All electrification products

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Contributing to CO₂ reduction through clean energy-related products

Selling a cumulative total of 2 million clean energy products by FY2030, contributing to CO₂ reduction (equivalent to 2.3 million tons of CO₂ reduction contribution)

CO₂ emissions reduction from products

Product	CO ₂ emissions reduction
ENE-FARM typeS	1.5 t -CO ₂ /unit/year
GHP	1.7 t -CO ₂ /unit/year
COREMO	1.5 t -CO ₂ /unit/year

*Comparison of thermal power generation of each product (ENE·FARM: our survey, COREMO: Hokkaido Gas's catalog values) (Reference) Ministry of the Environment, Survey on CO₂ Emissions, Households with 4 members (3.84 t -CO₂/household/year)



【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.

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