

For the Fiscal year Ended March 31, 2023 1st Quarter
(April 1, 2022 to June 30, 2022)

Financial Results

July 29th, 2022

AISIN CORPORATION

FYE2023 1st Quarter Results Financial Summary

FYE2023 1Q Result

Revenue increased YoY due to FX impact, regardless of unfavorable OEM production volume caused by the lockdown in Shanghai.
Operating profit decreased YoY due to higher raw material prices and logistics costs, regardless of structural reforms and acceleration of cost reduction activities as planned.

FYE2023 Forecast

While it is difficult to forecast how the business environment might change due to factors such as COVID-19 situation, the semiconductor shortage and inflation, We secured our full-year forecast from the previous announcement. We keep accelerating of the resources shift and investment to key areas for the future and the improvement of earning structure through structural reforms, the strengthening response to production volume fluctuations and higher raw material prices.

Consolidated Financial Result (FYE2023 1st Quarter)

1

FYE2023 1st Quarter Results: Financial Summary

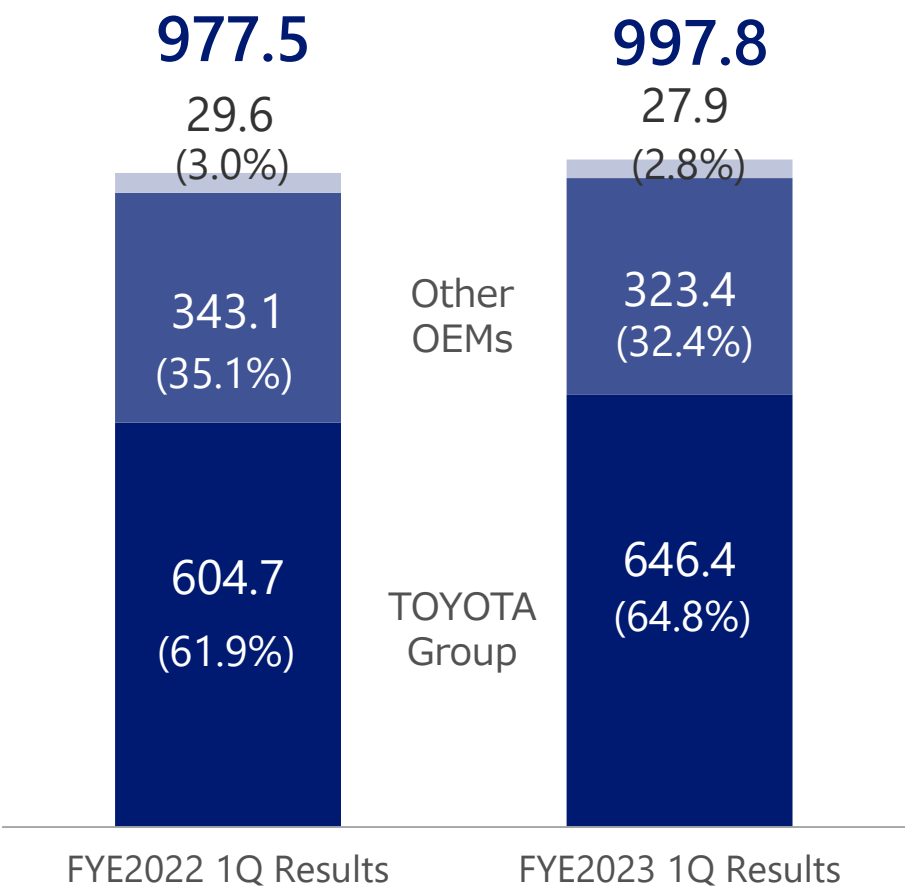
() shows rate to Revenue % 【Billion JPY】

		FYE2022 1 st Quarter Results		FYE2023 1 st Quarter Results		Change	Change rate %
Revenue		977.5	-	997.8	-	+20.3	+2.1
Operating Profit		59.8	(6.1)	6.6	(0.7)	-53.2	-89.0
Profit before income taxes		69.8	(7.1)	31.4	(3.2)	-38.4	-55.0
Profit for the period*1		46.0	(4.7)	21.6	(2.2)	-24.4	-53.0
Pre-conditions	FX Rate	USD	109 JPY	131 JPY		+22 JPY	+20.2
		CNY	17.0 JPY	19.7 JPY		+2.7 JPY	+15.9
	Toyota production		226 10,000 unit	215 10,000 unit		-11 10,000 unit	-4.8
	Powertrain Unit Sales*2		243 10,000 unit	229 10,000 unit		-14 10,000 unit	-5.5
	(number of electrification unit*3)		(20)	(27)		(+7)	

*2 : Total sales of AT, CVT, HEV and eAxe *3 : Total sales of HEV, eAxe

FYE2023 1st Quarter Revenue by Customer

- Mobility
- Energy Solutions and others



【 Billion JPY 】

Revenue by Customer (Other OEMs)				
Customer	FYE2022 1Q Results	FYE2023 1Q Results	Change	Change rate (%)
Stellantis	56.6	64.5	+7.9	+13.9
VW & Audi	65.7	46.9	-18.8	-28.5
SUZUKI	27.4	30.5	+3.1	+11.2
VOLVO	31.6	22.9	-8.7	-27.5
MITSUBISHI	18.8	15.1	-3.7	-19.6
NISSAN	12.8	14.2	+1.4	+10.8
HONDA	16.4	12.4	-4.0	-24.4
China FAW	9.2	11.6	+2.4	+26.0
ISUZU	11.5	11.3	-0.2	-1.3
Guangzhou Automobile	9.6	10.8	+1.2	+12.6
Others	83.5	83.2	-0.3	-0.4
Total	343.1	323.4	-19.7	-5.7
(Reference) Chinese OEMs	44.5	40.2	-4.3	-9.6

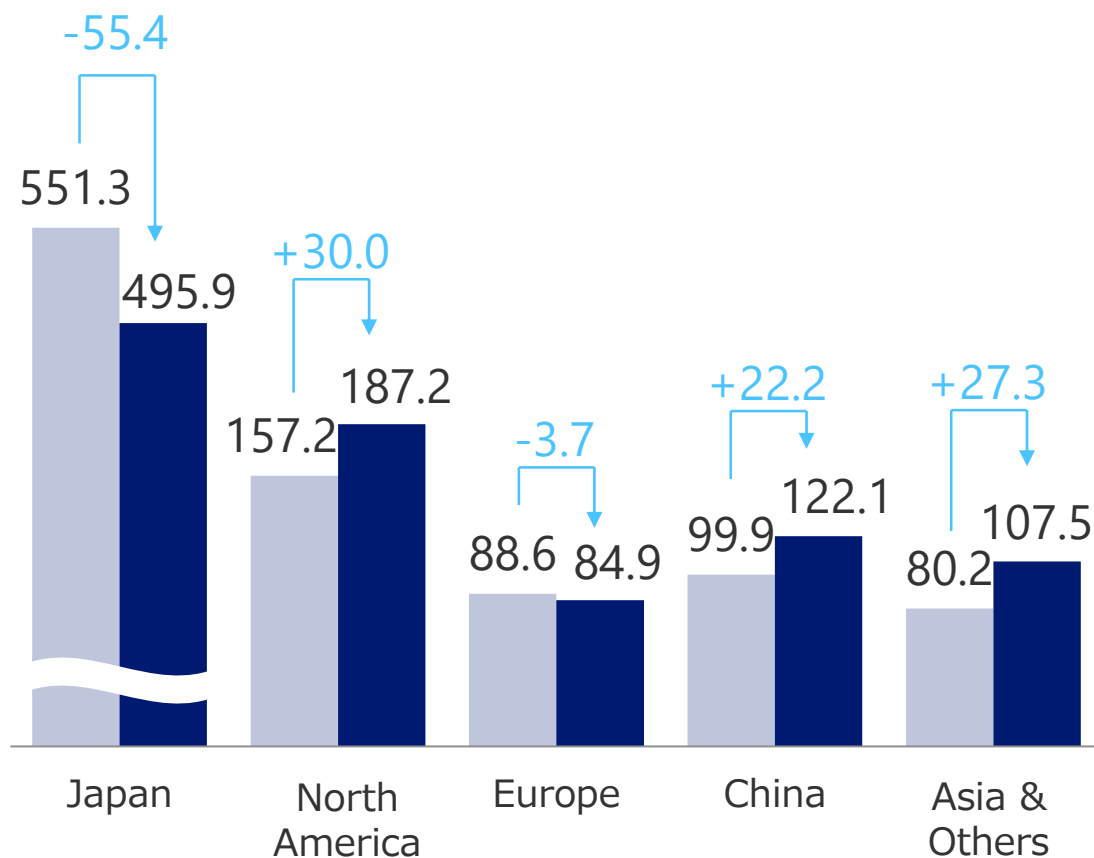
FYE2023 1st Quarter Segment Information

■ FYE2022 1st Quarter Results

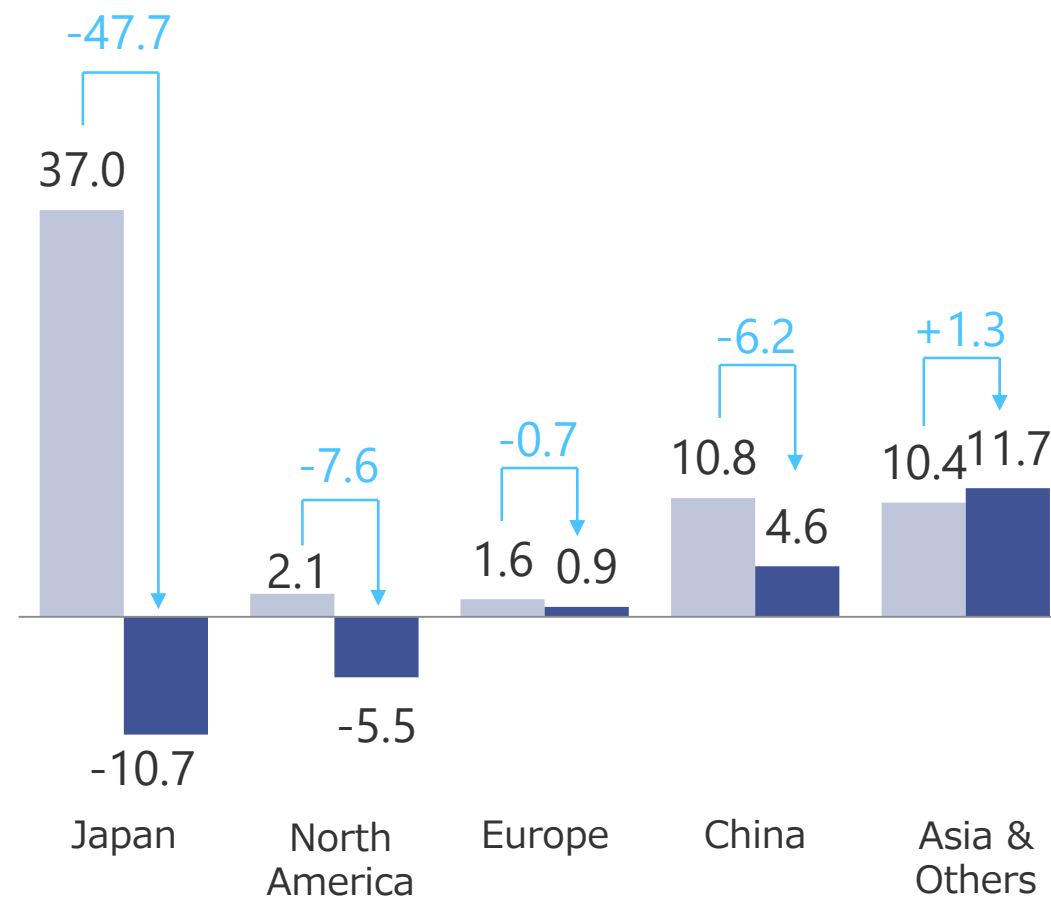
■ FYE2023 1st Quarter Results

【Billion JPY】

Revenue (YoY+20.3)



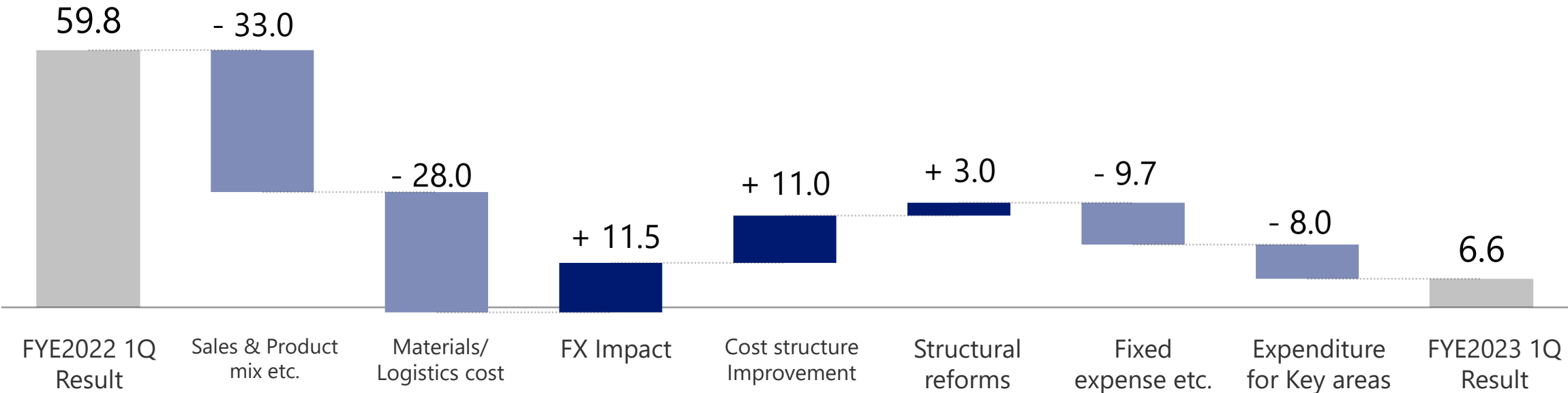
Operating Profit (YoY-53.2)



※Revenue to external customers

FYE2023 1st Quarter Analysis of Operating Profit

【Billion JPY】



Sales &Product mix etc.	
Sales Volume fluctuations	- 22.0
Sales price variance &Product mix	- 11.0

Materials / Logistics cost	
[Activity for mitigation of business impacts]	
•Cost saving by multi-year contracts and expansion of supplied raw material from AISIN	
•Requesting OEM to pass on the surging costs of materials in the supply chain after cost reduction as much as possible	
[Activity for stable supply]	
•Switching to alternative parts / Keep the risk inventory in house according to risk importance	

FX Impact	
USD	+ 5.2
CNY	+ 4.4
EUR	+0.1
THB	+ 1.8

Expenditure for Key areas etc.	
Continuing resources shifts to priority areas and future investment even in the uncertain business environment	
•Development enhancement for EVs by EV Promotion Center	
•Strengthen strategic investments in CN and DX	
•Shifting fixed costs to production preparation and depreciation costs for electrification unit of 4.5M units	

(Ref) FYE2023 Forecast Financial Summary (Disclosed on April 28th)

() shows rate to Revenue % 【Billion JPY】

	FYE2022 Results		FYE2023 Forecasts		Change		Change rate %	(Ref.)FYE2018 Result
Revenue	3,917.4	-	4,450.0	-	+532.6	+13.6		3,908.9 -
Operating Profit	182.0	(4.6)	190.0	(4.3)	+8.0	+4.4		253.8 (6.5)
Profit before income taxes	219.9	(5.6)	205.0	(4.6)	-14.9	-6.8		268.1 (6.9)
Profit for the period ^{*1}	141.9	(3.6)	125.0	(2.8)	-16.9	-11.9		134.5 (3.4)

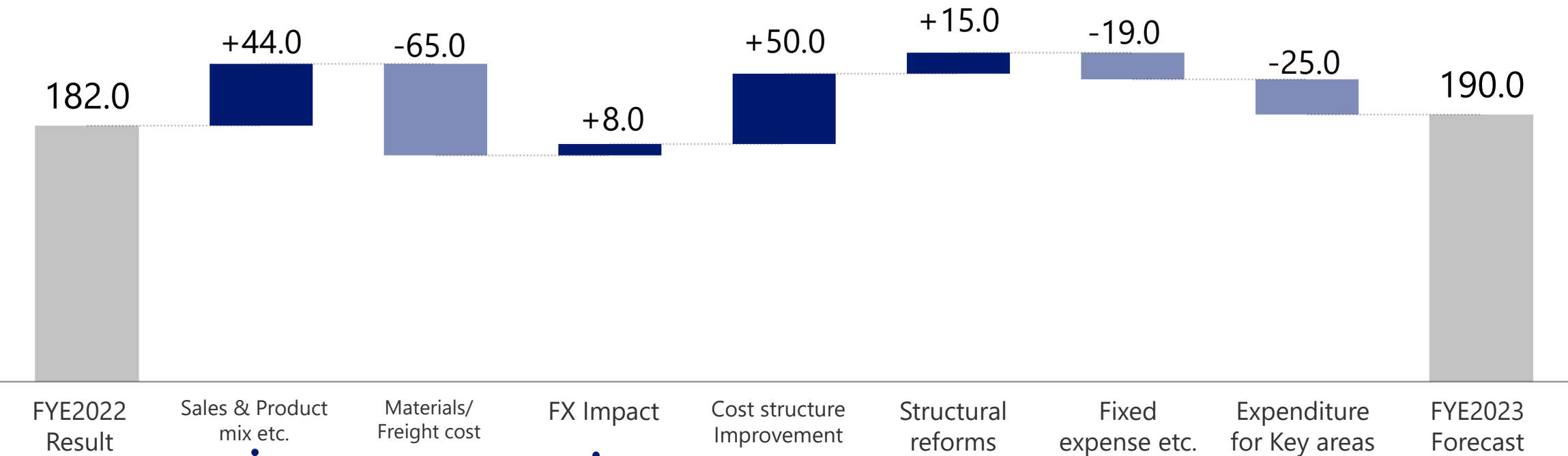
*1 : Profit for the period attributable to Owners of the parent

Pre-conditions	FX Rate	USD	113	JPY	115	JPY	+2	JPY	+1.8	111	JPY
		CNY	17.6	JPY	18.1	JPY	+0.5	JPY	+2.8	16.8	JPY
	Powertrain Unit Sales ^{*2}		953	10,000 unit	1,040	10,000 unit	+87	10,000 unit	+9.1	983	10,000 unit
	(number of electrification unit*3)		(93)		(173)		(+80)				

*2 : Total sales of AT, CVT, HEV and eAxle *3 : Total sales of HEV, eAxle

(Ref) FYE2023 Analysis of Operating Profit (Disclosed on April 28th)

【 Billion JPY 】



Sales & Product mix etc.	Breakdown	FX impact	Breakdown	Structural reforms	Expenditure for Key areas etc.
Sales Volume fluctuations	+ 94.0	USD	+ 3.3	• Acceleration of earning improvement activities for key products	• Expenditure for Key areas Established EV Promotion Center to accelerate activities for advanced development and product expansion for EVs. Strengthen strategic investments in CN and DX
Sales price variance & Product mix	- 50.0	CNY	+ 4.6	• Increase in-house added value for electrified products	
		EUR	- 0.1	• Acceleration of group-wide activities at HQ functions (Quality and productivity improvement, reduction of costs for logistics and indirect materials, etc.)	
		THB	+ 0.2	• Realization of the effects from subsidiaries and functions integration	

Topics

2

Adoption of Electric Units **【Main new products】**



Toyota's new Crown CROSSOVER RS 2.4L Dual-Boost Hybrid System

The new Crown will offer two types of powertrains with different characteristics. Our products are used in the newly developed dual-boost hybrid system, contributing to the realization of a torquey and pleasant driving experience.

● **FF 1-motor Hybrid Transmission (NEW)**

- **Realization of direct response during driving and a high-quality driving feel**
 - High starting responsiveness through the use and control of a newly developed high heat-resistant starting clutch
 - High torque assist effect by the combination of AT and drive motor
 - Smooth engine start and stop by coordinated control of two clutches
- **Improvement of vehicle mountability through downsizing technology and the electromechanical integration structure**
 - Significant reduction in the size of the drive motor by reducing the stator shaft length, cooling of the coil and optimization of the magnet layout
 - Minimize overall length increase by placement of two clutches inside the motor rotor
- **Reduce new investment by utilizing existing facilities**
 - Parts commonization with FF 6-speed AT
 - Mixed flow production with existing 1-motor HEV (8-speed) line



Newly Developed
FF 1-motor Hybrid Transmission



eAxle

● **eAxle**

- **High power performance and top class electric cost**

● **Regenerative cooperative braking system**

- **Independent control of front and rear wheel brake pressure**
 - Increase energy regeneration
- Improved ride comfort and sense of security by vehicle attitude control



Electric-Controlled
Brake System



ESC Modulator

TOYOTA's new Crown CROSSOVER RS features our electric units, etc.

Adoption of brake related products①

TOYOTA's bZ4X to Use our Newly Developed Regenerative Cooperative Braking System



TOYOTA 「bZ4X」
(May. 2022~)

Regenerative cooperative braking system



Electric-Controlled Brake System
(Newly developed)



ESC Modulator

- On-demand with high-response electric pump
- Increased energy regeneration by independent control of front and rear wheel brake pressure

Electric parking brake



Electric-Assisted Parking Brake with integrated caliper

- Other adopted products
- Front Caliper
 - Front and Rear Rotor

Provide optimal braking system that contributes to improved electric cost and comfortable travel

Guangzhou Automobile's new SUV "GS8 Hybrid" to adopt our brake-related products for the first time



Guangzhou Automobile 「GS8 Hybrid」
(Dec.2021~)

Regenerative cooperative braking system



Electric-Controlled Brake System



ESC Modulator



Electric-Assisted Parking Brake with integrated caliper

Accelerate sales expansion of products that respond to the electrification of the Chinese market

Adoption of brake related products ②

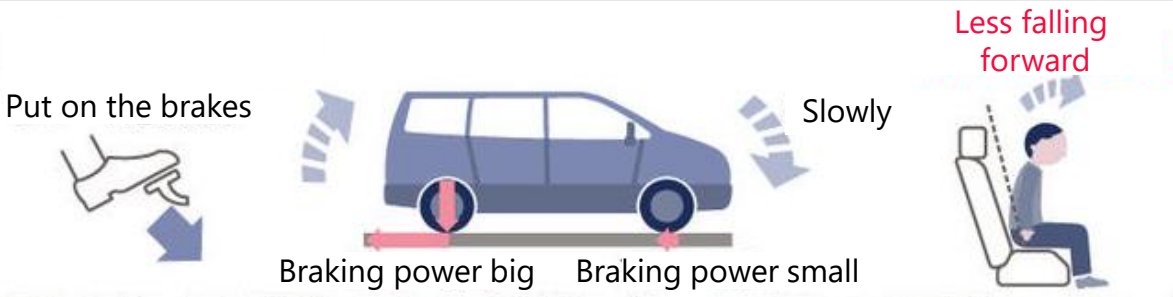
More detail available on our web site "AI Think" 

KINTO FACTORY "NAMERAKA (Smooth) Brake" to use brake control technology

- Vehicle motion control by optimally controlling brakes, etc. through advanced software design
- Analyzes the impact on the driver and passengers, and optimizes braking force to reduce driving fatigue and car sickness.

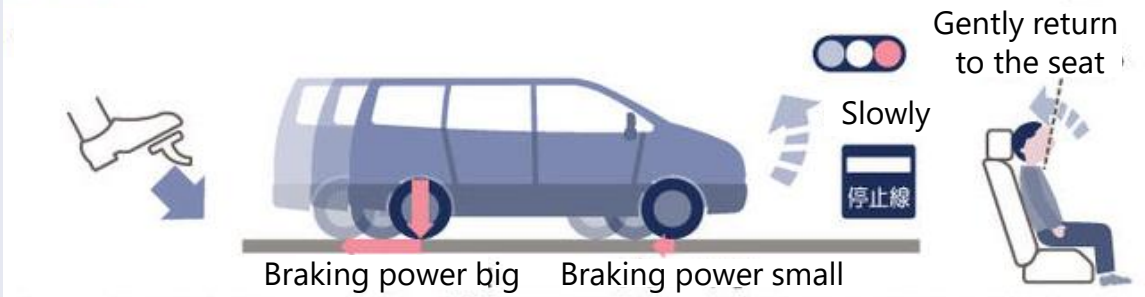
Brake Control Mechanism adopted by NAMERAKA Brake

At the start of braking



Optimal control of the brake balance of the front and rear wheels to prevent the passenger from falling forward at the start of braking.

Stopping



Smooth stopping by brake control to suppress the clunking sensation when stopping.

Providing new value through software to improve vehicle comfort

Reference information

3

Revenue Details (FYE2023 1Q Result・FYE2023 Forecast)

() shows composition ratio 【Billion JPY】

		FYE2022 1Q Results		FYE2023 1Q Result		Change	%
Mobility	Powertrain	548.5	(56.1)	575.4	(57.7)	+26.9	+4.9
	Chassis & Vehicle Safety systems	184.7	(18.9)	200.9	(20.1)	+16.2	+8.8
	Body	189.8	(19.4)	175.3	(17.6)	-14.5	-7.6
	CSS* & Others	24.8	(2.6)	18.1	(1.8)	-6.7	-27.0
		947.9	(97.0)	969.8	(97.2)	+21.9	+2.3
Energy Solutions and others		29.6	(3.0)	27.9	(2.8)	-1.7	-5.5
Total		977.5	(100.0)	997.8	(100.0)	+20.3	+2.1
		FYE2022 Results		FYE2023 Forecasts (Disclosed on Apr 28th)		Change	%
Mobility	Powertrain	2,234.3	(57.0)	2,535.0	(57.0)	+300.7	+13.5
	Chassis & Vehicle Safety systems	766.7	(19.6)	907.0	(20.4)	+140.3	+18.3
	Body	714.5	(18.3)	807.0	(18.1)	+92.5	+12.9
	CSS* & Others	83.2	(2.1)	72.0	(1.6)	-11.2	-13.5
		3,798.8	(97.0)	4,321.0	(97.1)	+522.2	+13.7
Energy Solutions and others		118.5	(3.0)	129.0	(2.9)	+10.5	+8.8

* CSS : Connected and Sharing Solutions

CAPEX / Depreciation / R&D

【Billion JPY】

By Business		FYE2022 1Q Result	FYE2023 1Q Result	FYE2022 Result	FYE2023 Forecast (Disclosed on Apr 28th)
CAPEX	Powertrain	16.6	18.6	96.7	125.0
	Chassis & Vehicle	6.6	7.3	46.6	49.0
	Safety systems				
	Body	13.3	6.6	31.9	35.5
	CSS* & Others	11.5	4.9	43.5	50.5
	Total	48.0	37.4	218.7	260.0
Depreciation	Powertrain	33.4	36.2	138.3	143.5
	Chassis & Vehicle	7.7	9.6	34.8	39.5
	Safety systems				
	Body	8.2	8.4	29.8	34.0
	CSS* & Others	10.0	10.9	42.3	43.0
	Total	59.3	65.1	245.2	260.0
R&D expenditure	Powertrain	18.9	21.0	82.0	85.0
	Chassis & Vehicle	6.6	12.5	48.1	52.0
	Safety systems				
	Body	11.1	8.5	28.8	34.0
	CSS* & Others	8.4	9.5	35.2	39.0
	Total	45.0	51.5	194.1	210.0

* CSS : Connected and Sharing Solutions

FYE2023 1Q Segment by Region

【Billion JPY】

	Region	FYE2022 1Q Results	FYE2023 1Q Results	Change		
					FX	Others
Revenue	Japan	551.3	495.9	-55.4	-	-55.4
	North America	157.2	187.2	+30.0	+29.0	+1.0
	Europe	88.6	84.9	-3.7	+3.5	-7.2
	China	99.9	122.1	+22.2	+16.5	+5.7
	Asia & Others	80.2	107.5	+27.3	+11.0	+16.3
	Total	977.5	997.8	+20.3	+60.0	-39.7
Operating profit	Japan	37.0	-10.7	-47.7	+11.0	-58.7
	North America	2.1	-5.5	-7.6	-0.8	-6.8
	Europe	1.6	0.9	-0.7	+0.0	-0.7
	China	10.8	4.6	-6.2	+0.6	-6.8
	Asia & Others	10.4	11.7	+1.3	+0.7	+0.6
	Elimination	-2.3	5.5	+7.8	-	+7.8
	Total	59.8	6.6	-53.2	+11.5	-64.7

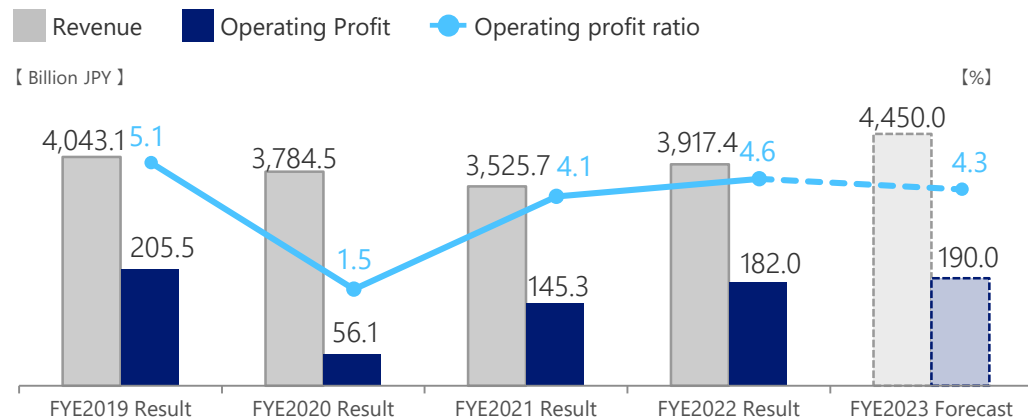
FYE2023 Segment by Region (Disclosed on Apr 28th)

【Billion JPY】

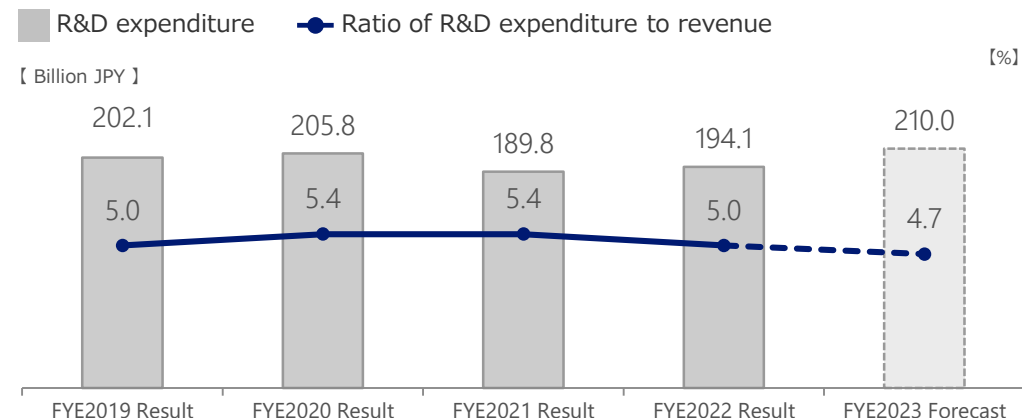
	Region	FYE2022 Results	FYE2023 Forecasts	Change		
					FX	Others
Revenue	Japan	2,172.1	2,320.0	+147.9	-	+147.9
	North America	585.7	700.0	+114.3	+17.3	+97.0
	Europe	332.3	400.0	+67.7	-0.2	+67.9
	China	456.9	630.0	+173.1	+21.2	+151.9
	Asia & Others	370.2	400.0	+29.8	+8.7	+21.1
	Total	3,917.4	4,450.0	+532.6	+47.0	+485.6
Operating profit	Japan	116.5	97.0	-19.5	+6.7	-26.2
	North America	-16.6	1.0	+17.6	+0.0	+17.6
	Europe	5.1	7.0	+1.9	+0.0	+1.9
	China	34.9	45.0	+10.1	+1.2	+8.9
	Asia & Others	48.8	40.0	-8.8	+0.1	-8.9
	Elimination	-6.8	-	+6.8	-	+6.8
	Total	182.0	190.0	+8.0	+8.0	-0.0

Highlights of Financial Performance

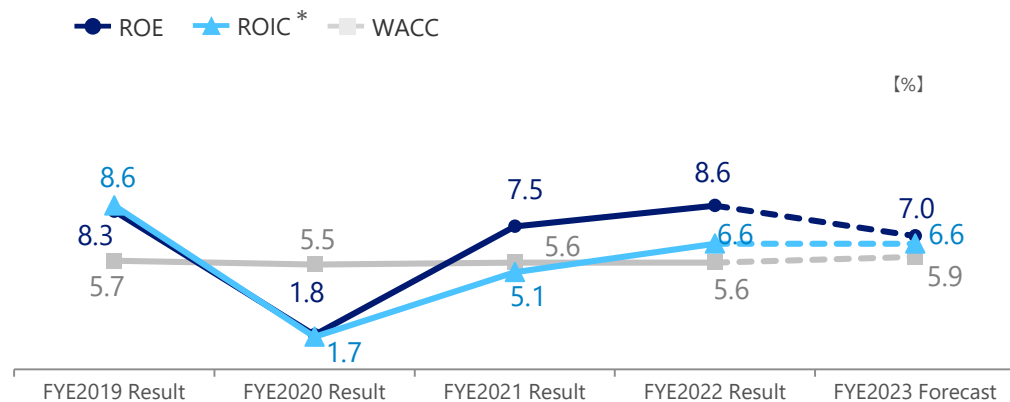
Revenue/Operating Profit/Operating profit ratio



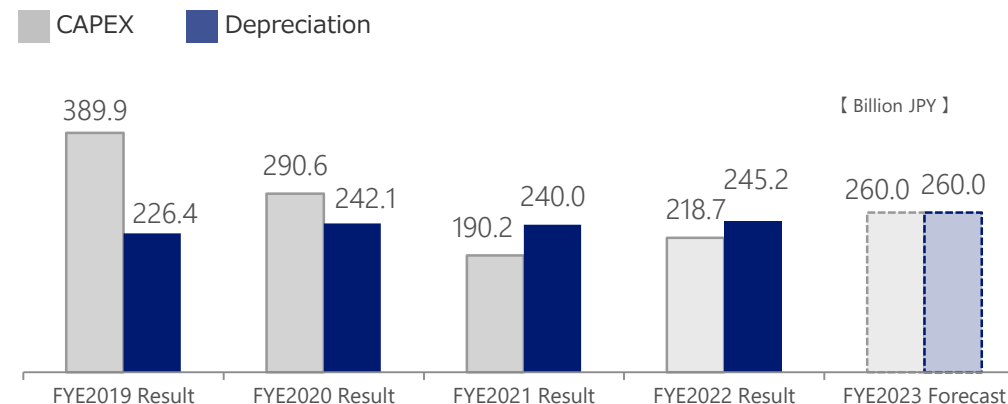
R&D expenditure /Ratio of R&D expenditure to revenue



Return on equity/Return on invested capital/ Weighted average cost of capital



CAPEX / Depreciation



Toyota production/Powertrain Unit Sales

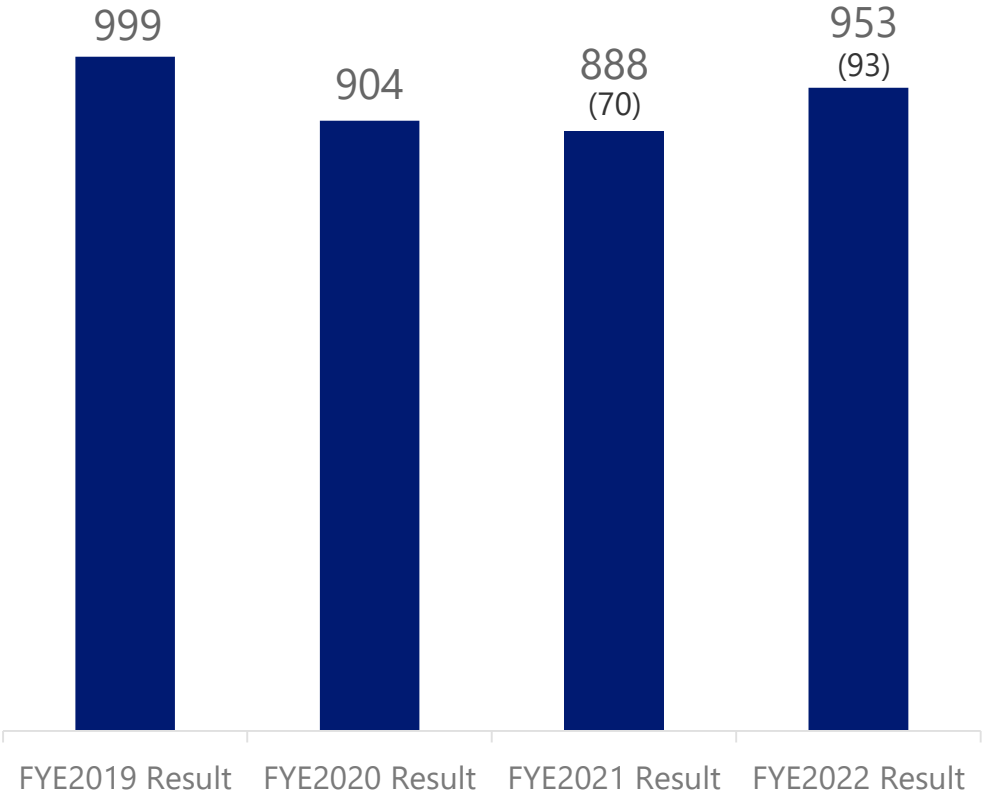
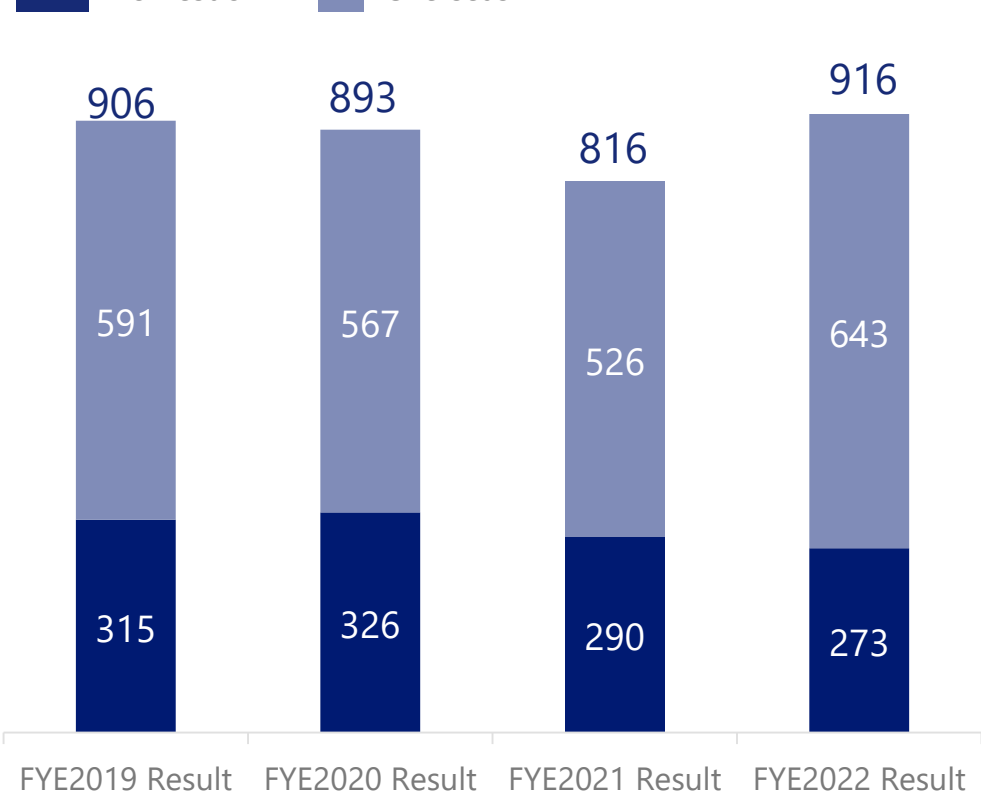
【10,000 Unit】

Toyota production Volume

Powertrain Unit Sales Volume

Domestic Overseas

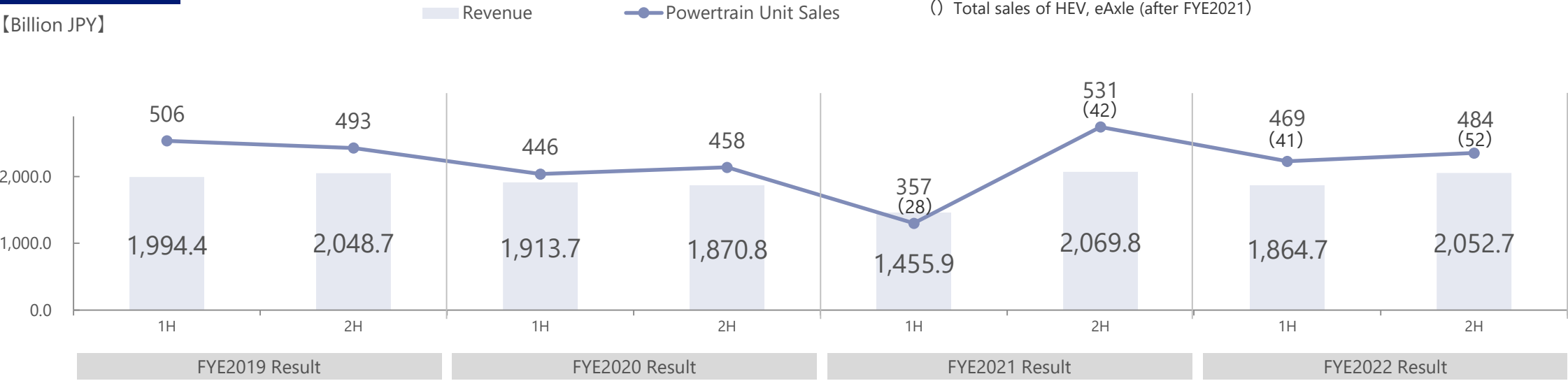
() Total sales of HEV, eAxle (after FYE2021)



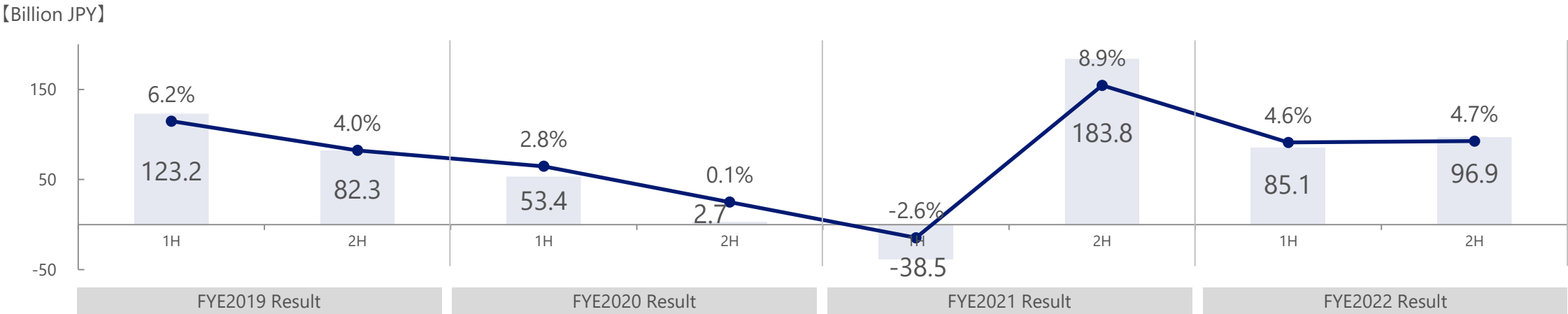
Half Yearly Performance

Revenue

【10,000 Unit】



Operating Profit

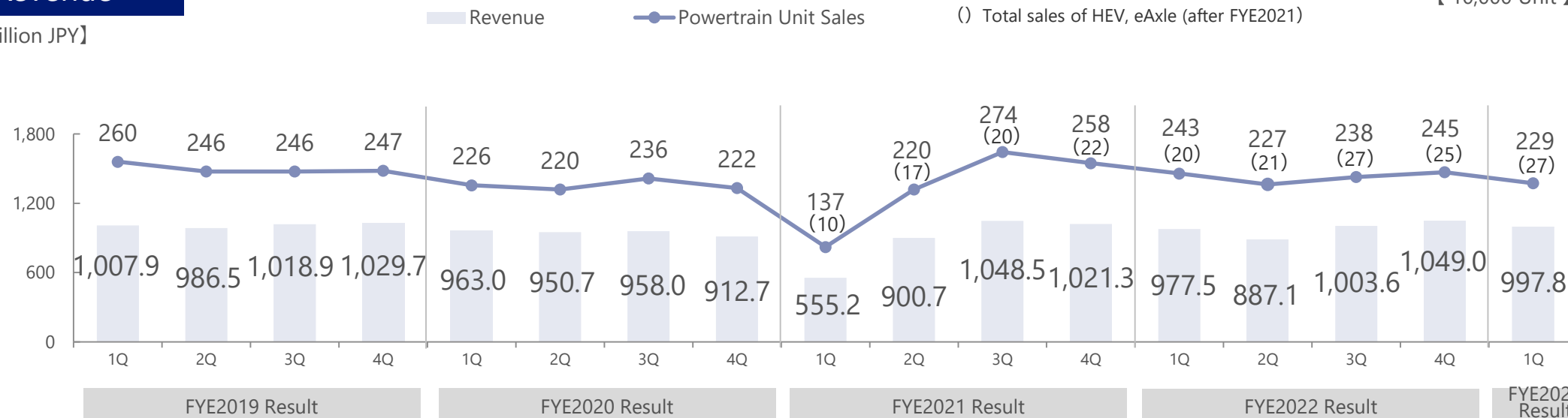


Quarterly Performance

Revenue

【Billion JPY】

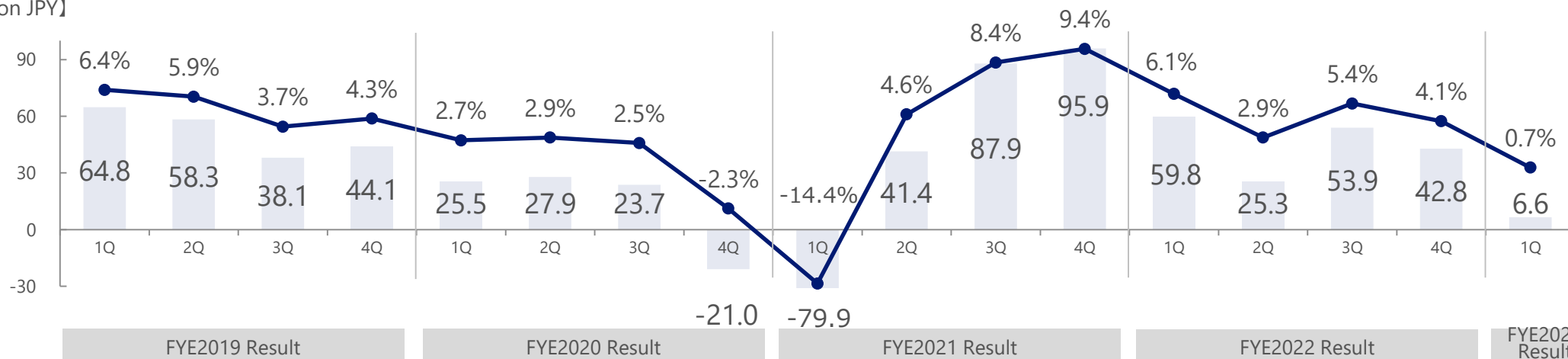
【 10,000 Unit 】



Operating Profit

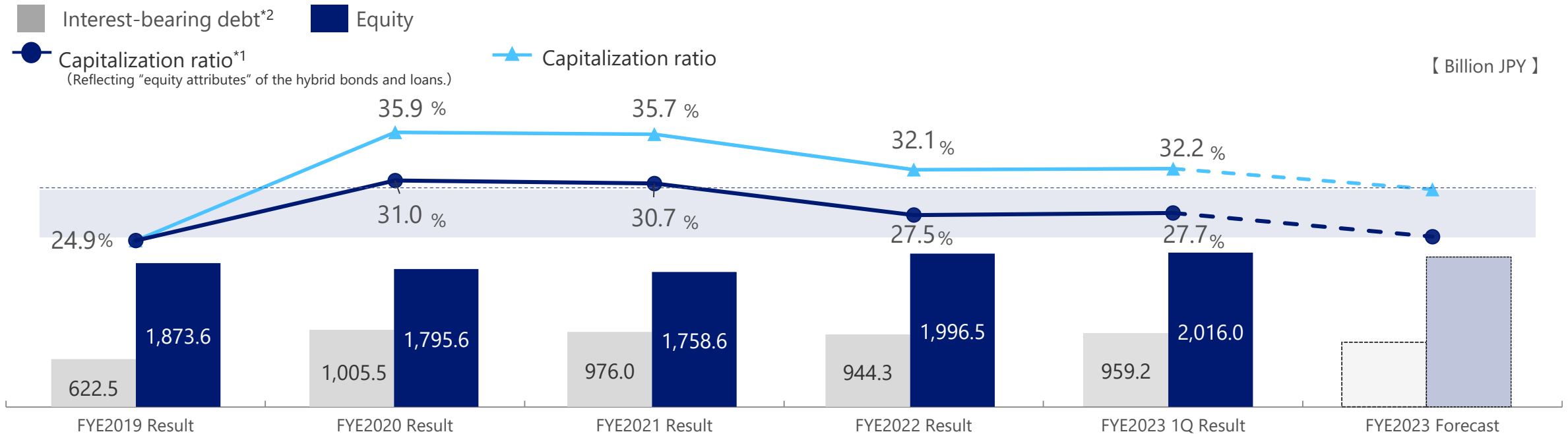
【Billion JPY】

Operating Profit Operating Profit ratio



Capital policy

Our core capital policy is to maximize corporate value by maintaining the balance between “financial safety” and “capital efficiency”. We regard capitalization ratio*¹ as an important financial index to assess our capital structure, and believe the ratio from 25% to 30% represents optimal balance.



The capitalization ratio increased due to financing for AW’s stock buy-back (FYE2020), however, following that period we improved it through reducing interest-bearing debt. On June 2022, the capitalization ratio increased due to exchange conversion of interest-bearing debt in foreign currency.

*1 : Capitalization ratio (cap ratio) = Interest-bearing debt/(Interest-bearing debt + Equity)

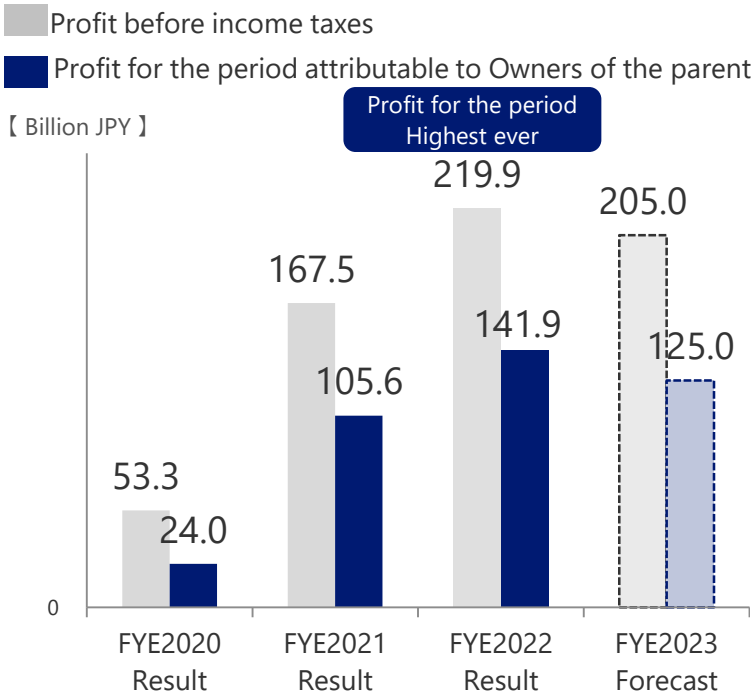
*2 : Interest-bearing debt = Bonds and loans payable + Lease liabilities

*3 : 50% of the balance of hybrid procurement (272.5 billion JPY) is considered as capital on the rating.

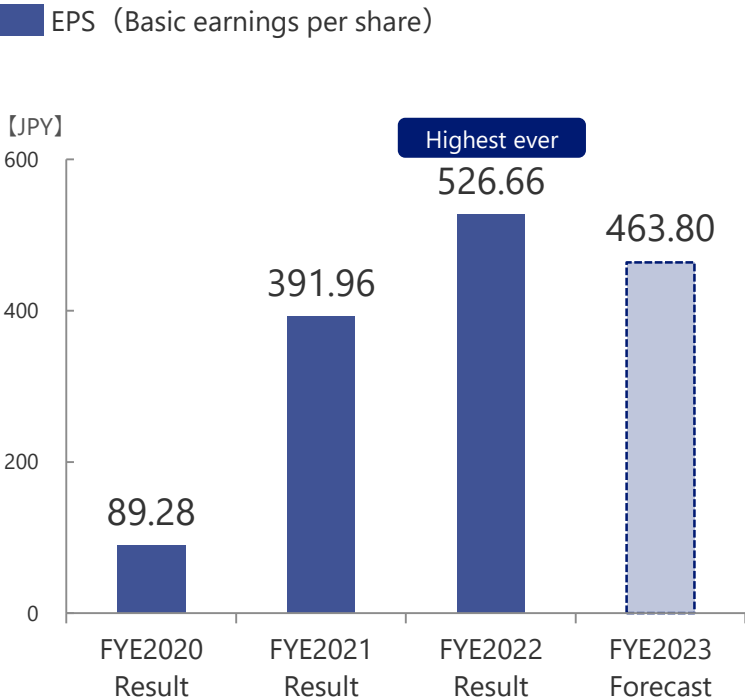
Return to Shareholders

Our “Return to shareholders” policy is to achieve **steady dividend payout** with a **dividend payout ratio of around 30%**. We also consider to repurchase Treasury Stock based on our capitalization ratio and future investment trends.

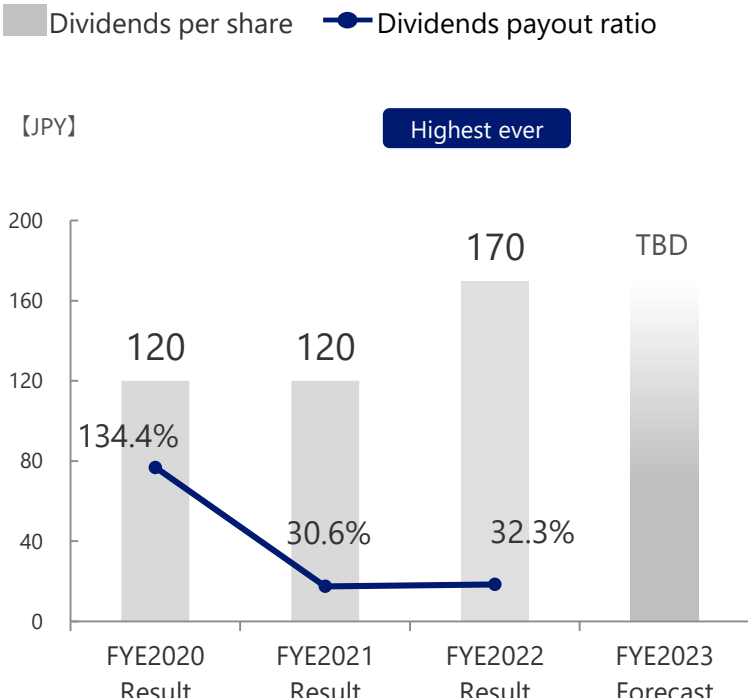
Profit before income taxes／
Profit for the period attributable to
Owners of the parent



EPS
(Basic earnings per share)



Dividends per share／
Dividends payout ratio





【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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