



Aisan Industry Co., Ltd

Medium-term Management Plan 2025–2030

February 25, 2025

Tokyo Stock Exchange
Prime Market
Nagoya Stock Exchange
Premier Market

Securities code **7283**

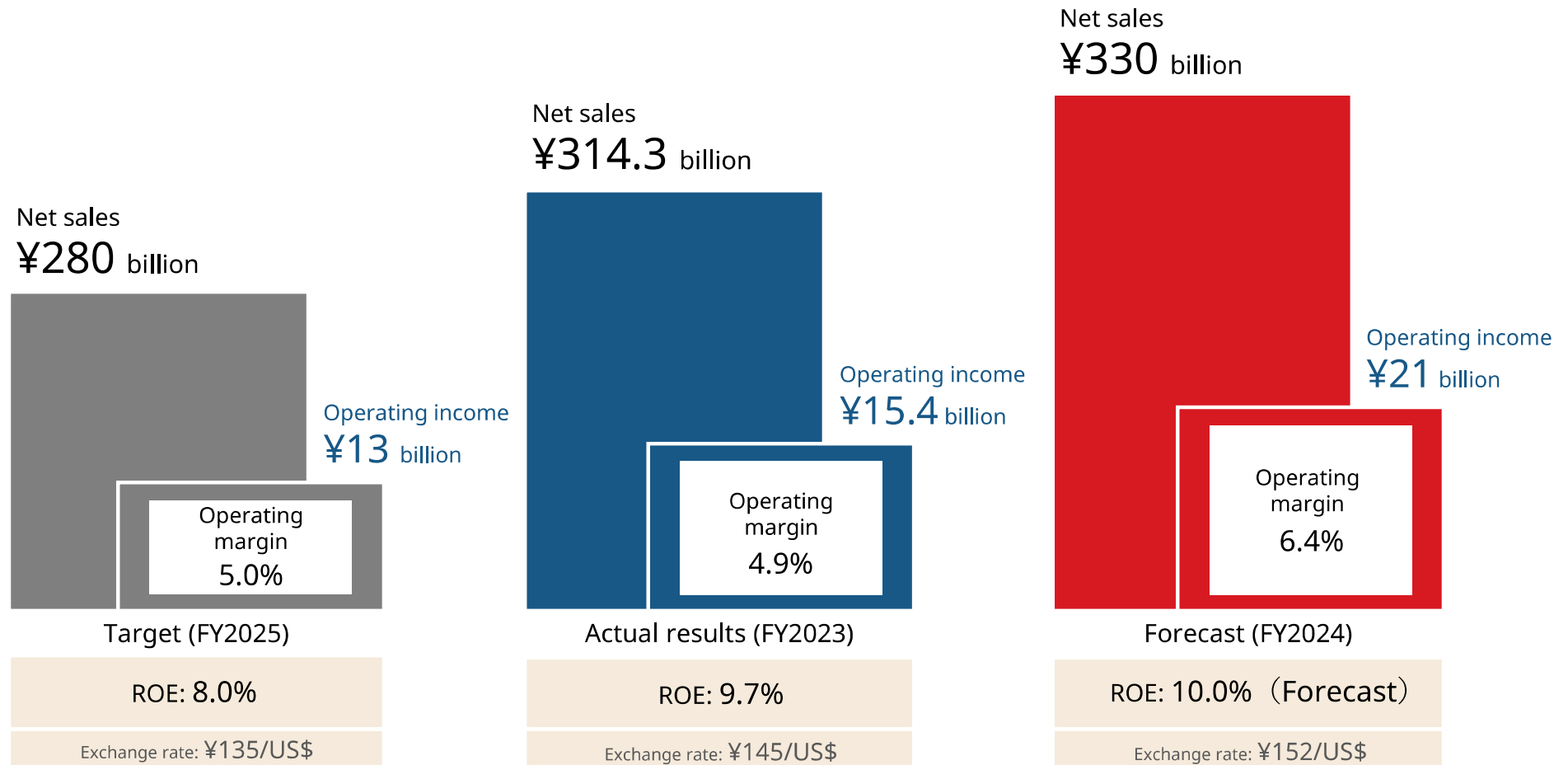


- I** Review of current medium-term management plan (2023–2025)
- II** New medium-term management plan (2025–2030)
 - 1. View of the Business Environment
 - 2. Aisan Group Vision
 - 3. Business Strategy
 - 4. Financial Capital Strategy (2025–2027)
 - 5. Promotion of Sustainability Management

① Progress toward current medium-term management plan objectives

- MMK* activities to improve earnings and exchange rate fluctuations have put us on track to achieve the current management plan's targets for net sales, operating income, and ROE ahead of schedule.

*MMK: Motto Monozukuri Kyoka (strength of manufacturing)



② Business strategy by segment: results and challenges

- Having acquired the fuel pump module business of another company, we hold the [global No.1 market share](#)
- We have achieved results in electrification and clean energy that support next-generation business

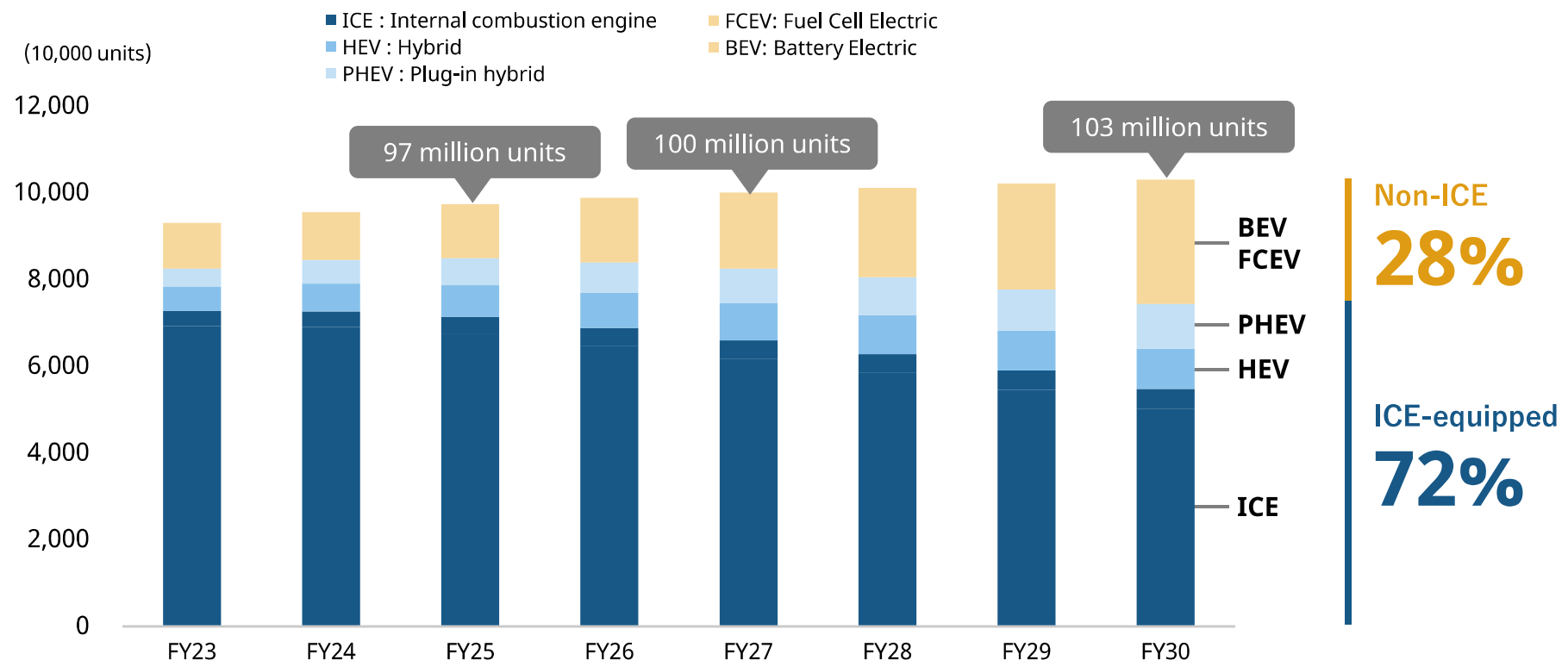
	Powertrain Products	Electrification Products	Clean Energy Technology
Result	■ MMK: Strengthening competitiveness via globally expanded activity ■ Maximizing fuel pump module business integration	■ Electrification products: Multiple orders received ■ Bus bar end caps (battery component) ■ Controller for micromobility vehicles ■ High-voltage branch boxes	■ Ammonia fuel cell power unit; demonstration run commenced
Issues	■ Evolution into an engine system supplier ■ Strengthen and implementation of global sales expansion strategies	■ Clarify exit strategy (commercialization)	■ Concrete action plan for market launch, including tighter collaboration with partners

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■ The external environment as we see it:

- ICE-powered vehicles, including HEVs & PHEVs, projected to account for 72% of the market through 2030
- Meanwhile, BEV production is rising steadily, and non-ICE share is expected to reach 28%

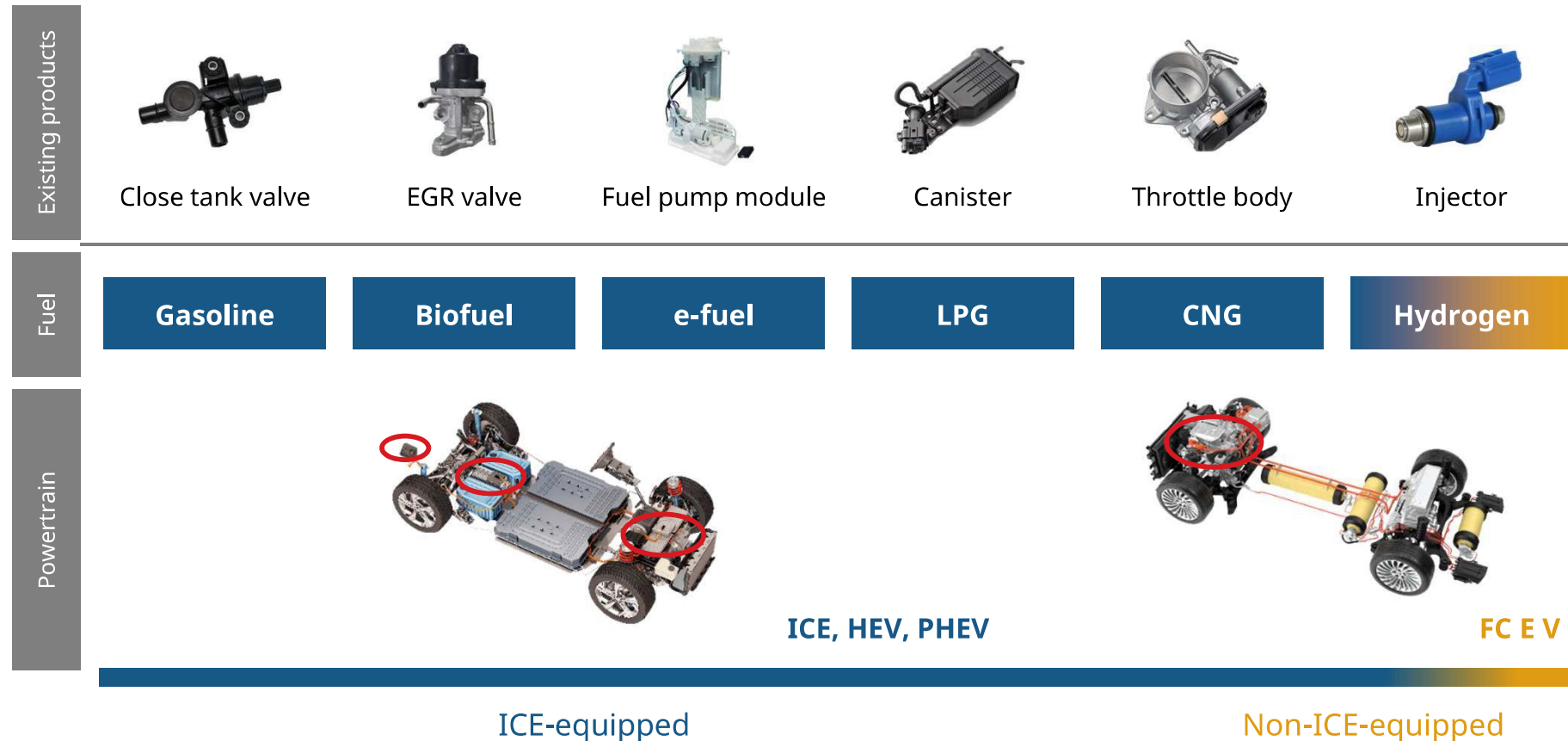
■ Projected global automobile production by vehicle type



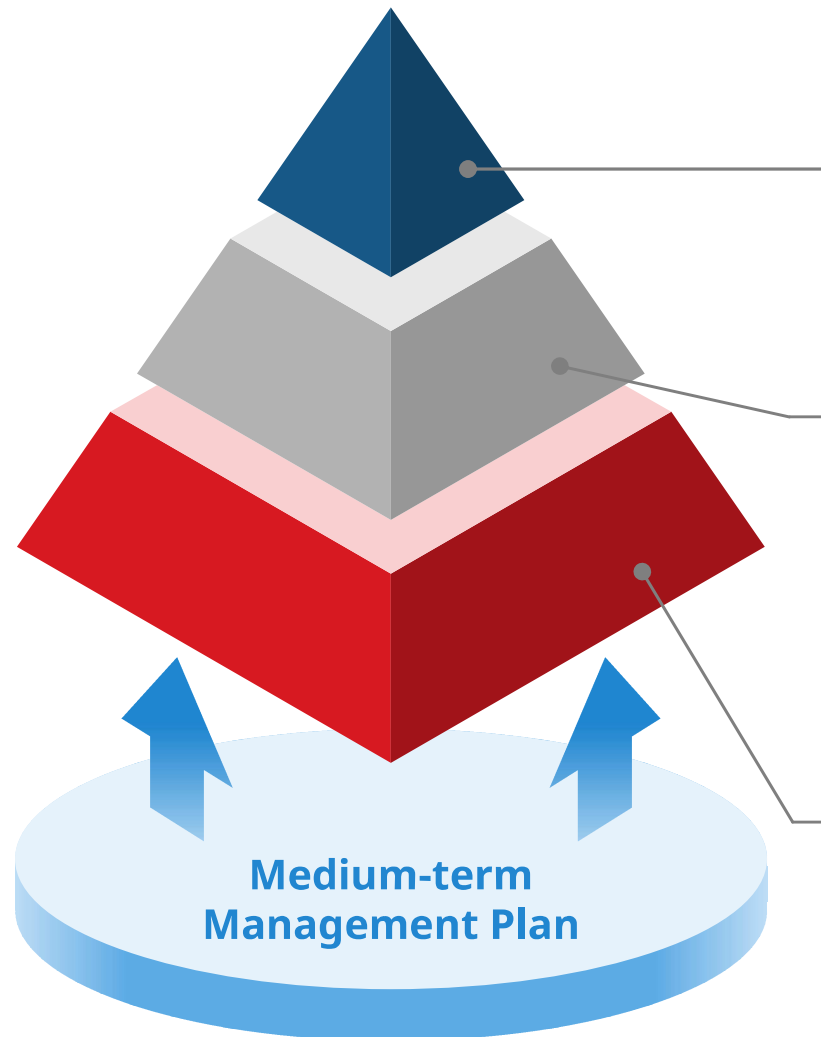
Source: Our forecast based on a 2024 Fuji Keizai survey

■ Current business areas

- We understand the characteristics of various fuels and offer technologies for their efficient supply and regulation
- We currently supply parts for a wide range of powertrains



Aisan Group Philosophy Schema



Management philosophy

- ① Creating products and services with the focus on customers
- ② Achieving "good quality" with innovative thinking and technology
- ③ Building a vital workplace with respect for individual employees

Sustainability Fundamental policy

- Based on its Management Principle, the Aisan Group will keep on providing solutions to social challenges and contribute to the sustainable development of society through our global business operations.
- Aisan will create new value with out time-proven technology and quality to meet out stakeholder's expectations and improve our corporate value in a sustainable manner.

VISION2030: Beaming future is in our hands

Creating new values with proven technology and quality to enrich the society.

Making the present society more convenient, bringing happiness to future generations.

- VISION2030 (established January 2021)



Aisan Group Vision

VISION2030

Beaming future is in our hands

Aspirations

Creating new values with proven technology and quality to enrich the society.
Making the present society more convenient, bringing happiness to future generations.

- Business initiatives aimed at achieving our vision

Mobility

Providing a clean and safe mobility for all

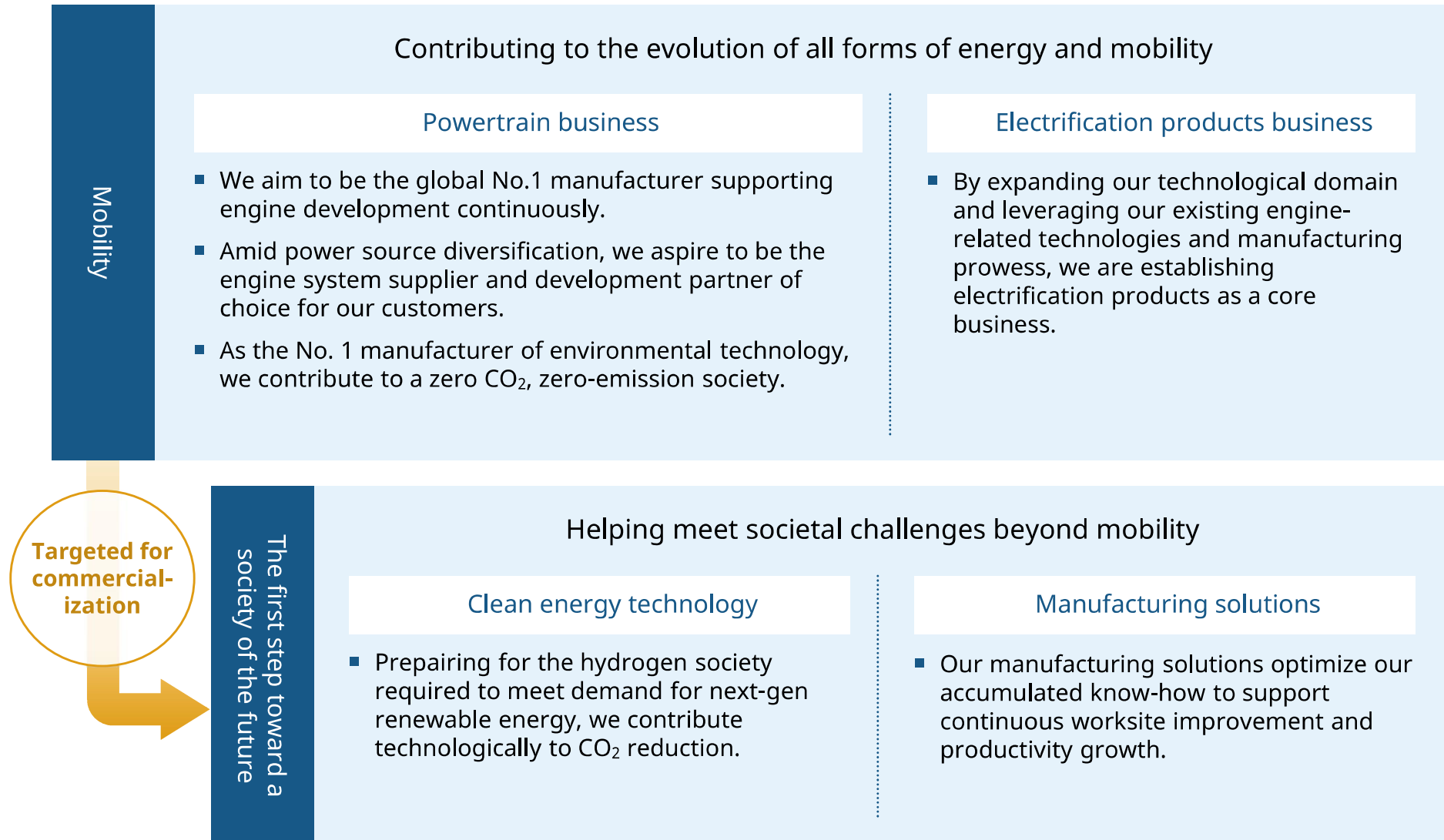
- Applying environmental technology to develop products that reduce CO₂ and decarbonize the economy
- As an engine system supplier, supporting progress toward safer and more secure mobility

Future society

Creating a “+1” value to enrich and improve the livability of society

- Employing a “build the future” mindset to expand possibilities outside the scope of mobility
- Helping build a hydrogen society through accumulated technological expertise and innovation

■ Business policy



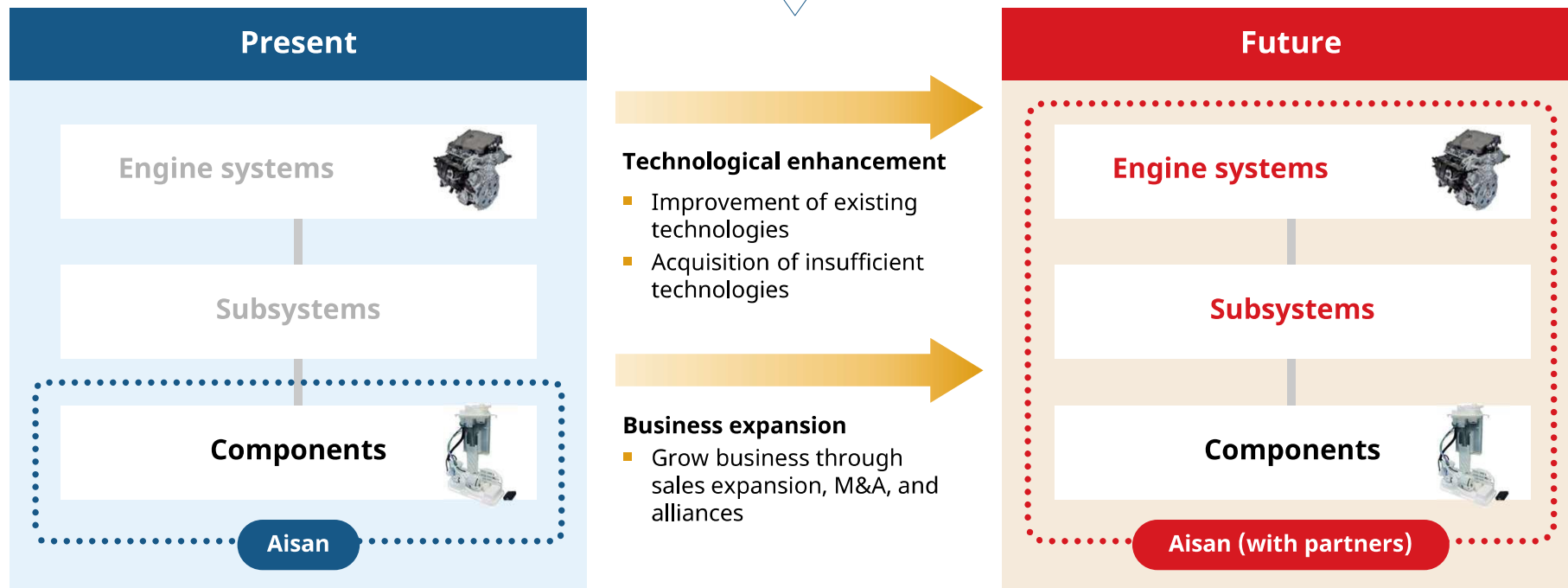
Future vision

Comprehensive engine system supplier

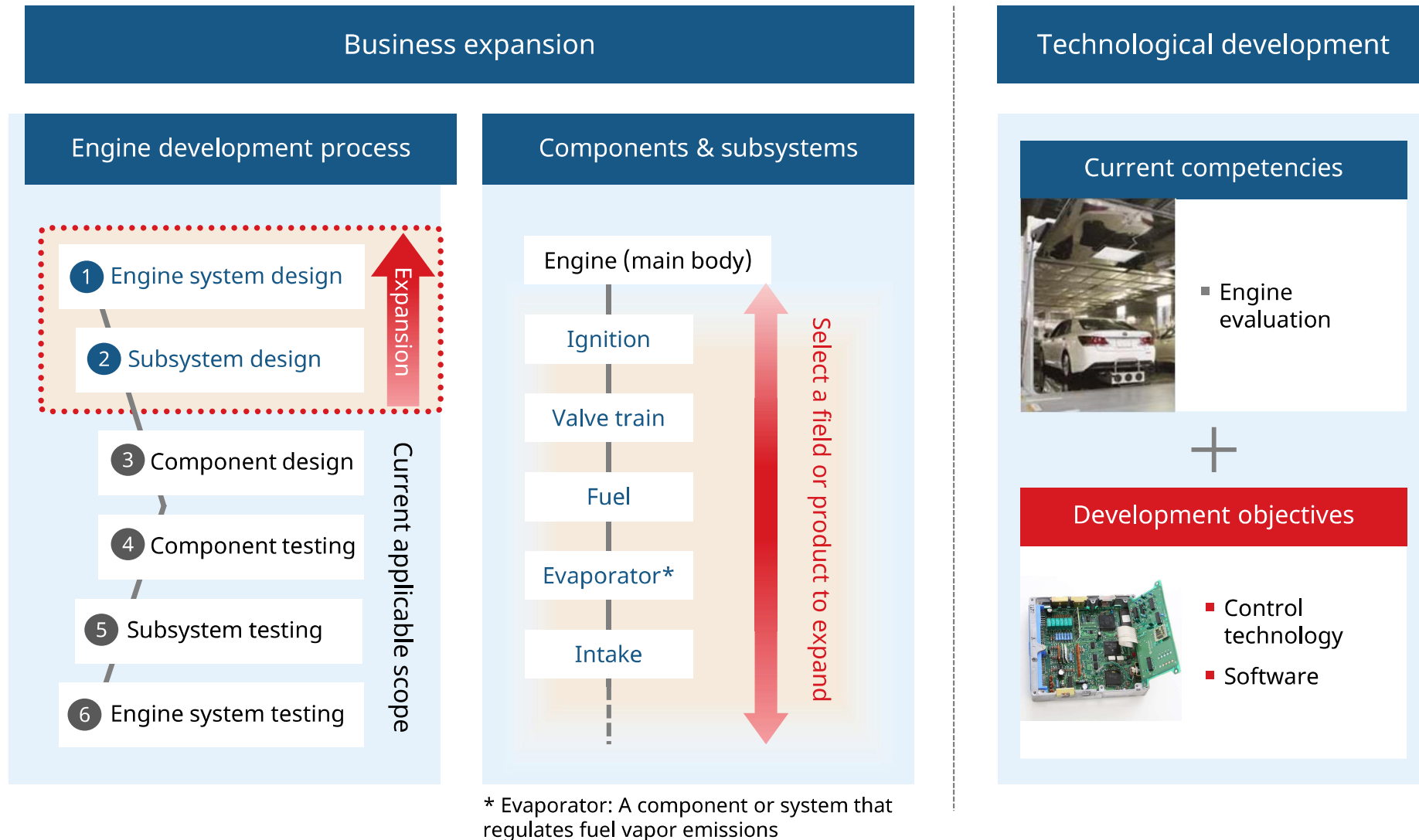
A supplier that—together with our OEM and other partners—offers end-to-end support for next-generation carbon-neutral engine systems including electronic control units (ECUs) and other management systems

By steadily advancing our technology
and growing our business:

We are raising engine peripheral technology to the highest level

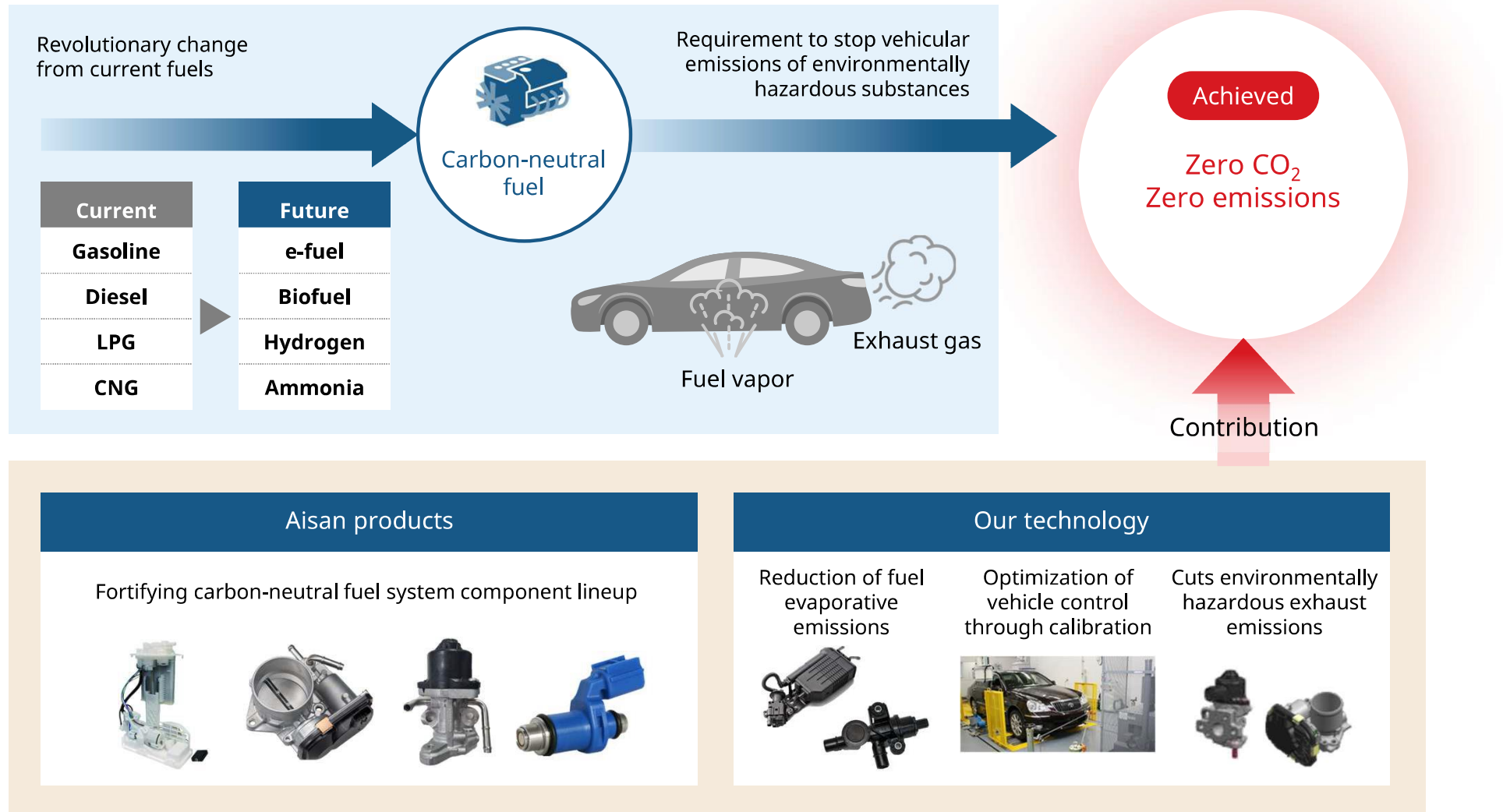


- Via active M&A and alliances, we promote technological and business advancement



■ Zero CO₂ and Zero emissions: Contributing through products and calibration technologies*

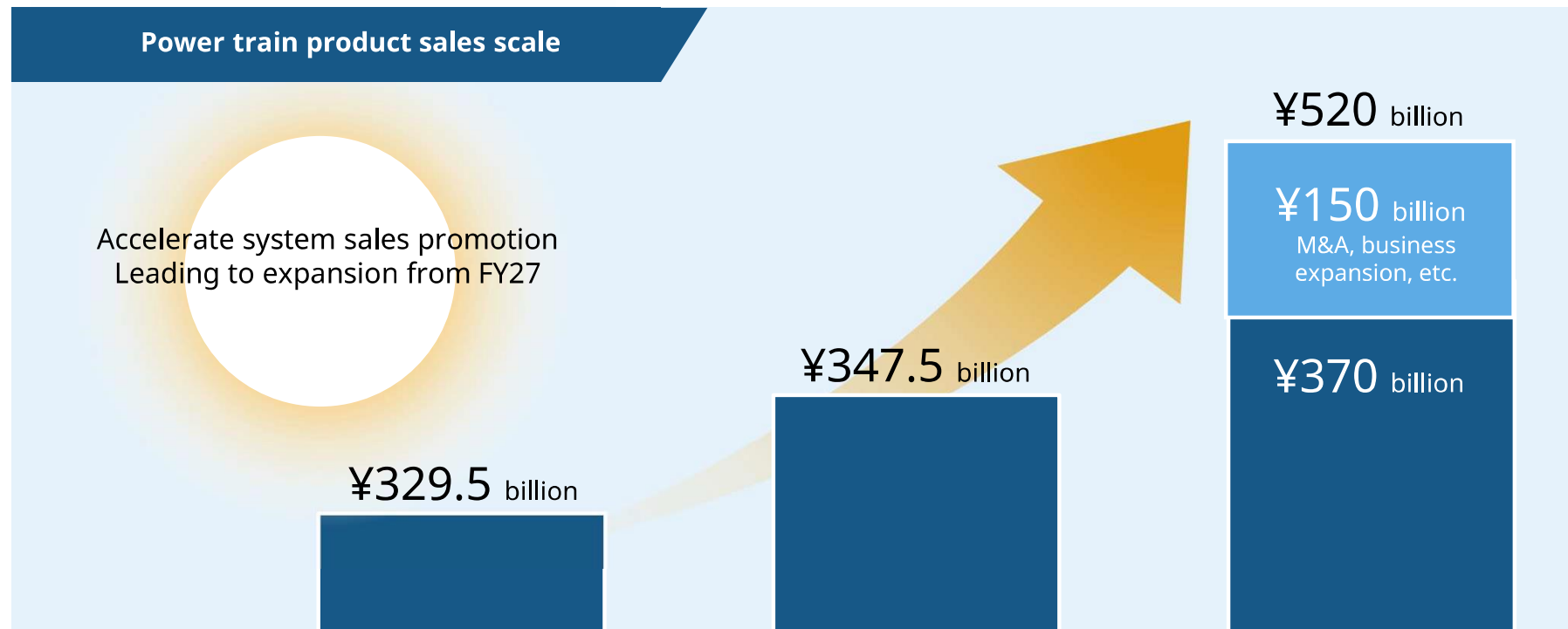
* Calibration technology: vehicle system control technology



- With technology and products, we help customers respond to the changes in the business environment as fuel diversification, tightening emissions regulations, and other.

	Zero CO ₂	Zero emissions
Changes in surrounding environment	■ Compatible with carbon-neutral fuels ■ Legislation of increased alcohol content ■ e-fuel ■ Biofuel ■ Vehicle transformation ■ Deterioration of residual fuel in tank due to PHEV (reduced engine operation)	■ Tighter exhaust gas regulations ■ E.g., Europe: Euro7, USA: LEV IV, India and ASEAN further tightening regulations ■ ORVR* Forecast of expansion of regulations ■ Regulations from USA and China adopted around the world * Onboard Refueling Vapor Recovery control (prevents release of fuel vapor into the atmosphere when refueling)
Specific initiatives	Improved brushless fuel pump design ■ Compatible with E100* ■ Maintenance-free regardless of fuel quality  Fuel pump *E100: Fuel containing 100% ethanol	Product + testing & certification promote regulatory compliance    Canister Close tank valve Testing & certification

- Expand the scope of our business by expanding the range of products in our current lineup and getting involved in the development process of engine systems

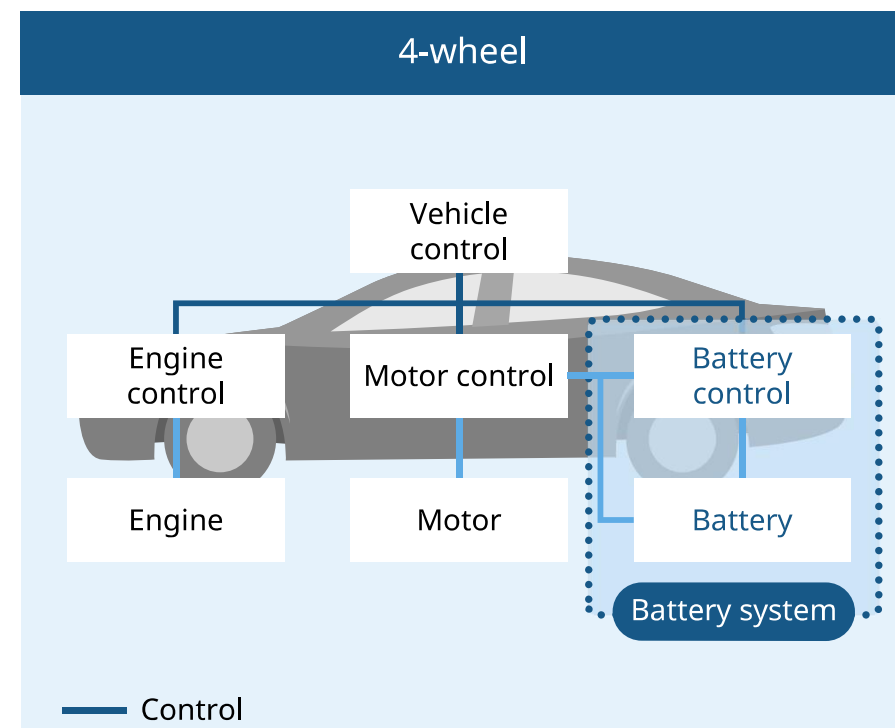
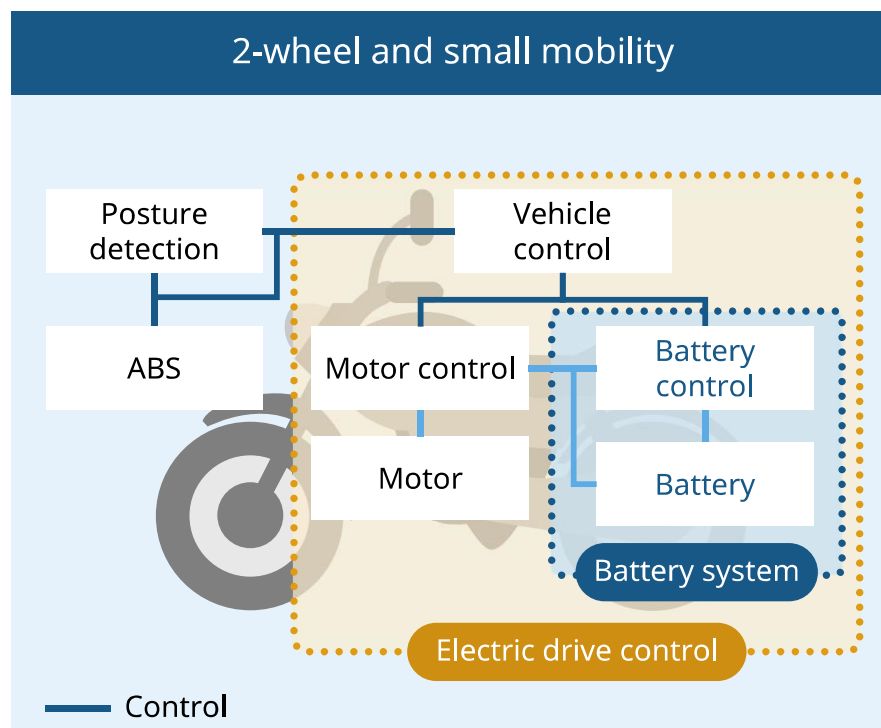


	FY2024 forecast	FY2027 target	FY2030 target
Powertrain	¥329.5 billion	¥347.5 billion	¥520 billion
Electrification Products	¥0.5 billion	¥2.5 billion	¥30 billion
Total	¥330 billion	¥350 billion	¥550 billion

■ Areas of electrification business focus

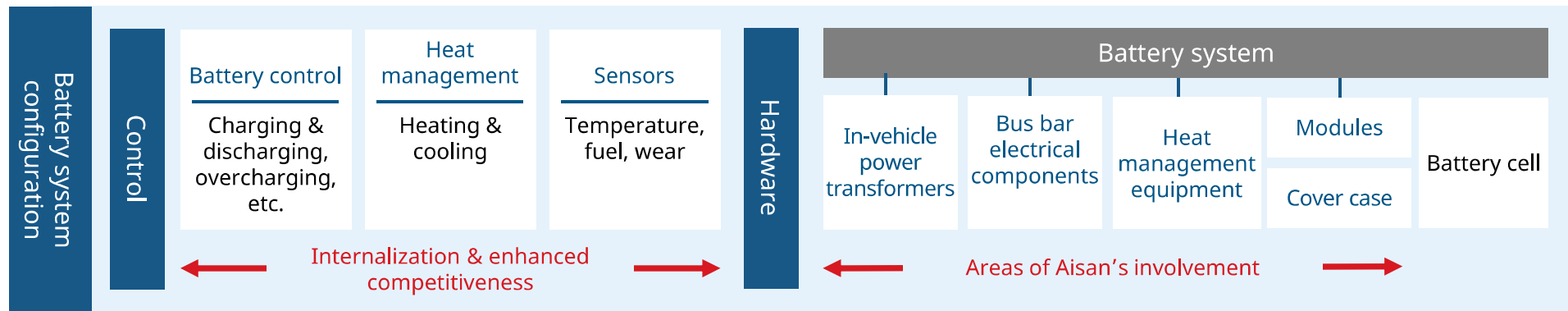
- By applying our existing technologies, we aim to commercialize **battery system** and **electric drive control** systems that will evolve and become central to raising the performance of electric vehicles.

Scope of each system class



Battery system policy

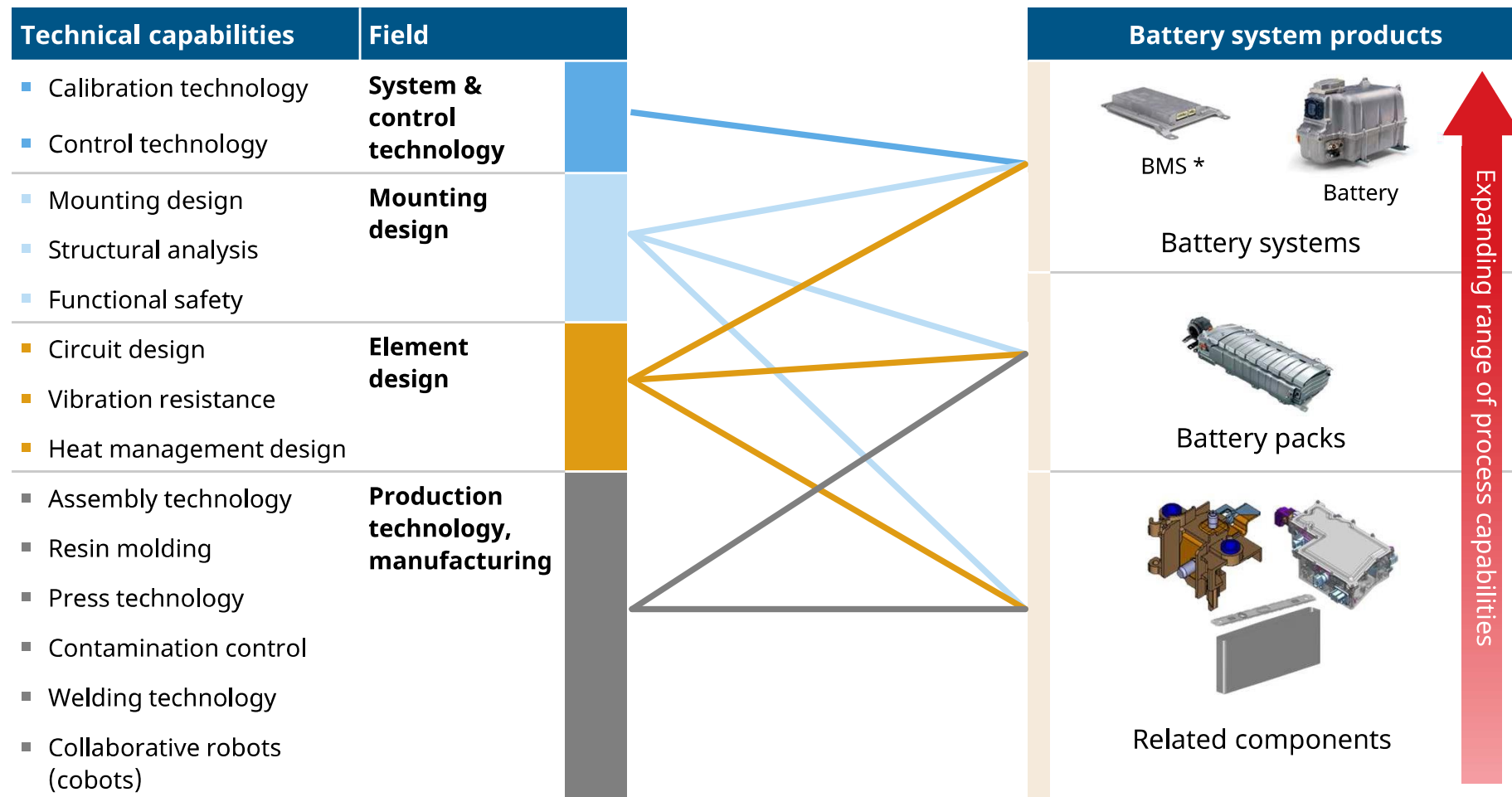
- We aim to internalize production of the entire system, including battery and thermal control and, thus, improve competitiveness.
- Two-wheel BEVs and four-wheel HEVs/PHEVs are our immediate focus.



Battery pack assembly		2-wheel BEV	4-wheel HEV	4-wheel PHEV
Case studies	Weight	25kg	50kg	200kg
	Capacity	—	1 - 2kwh	10 - 20kwh

Battery System utilization of existing technologies

- Existing technology can be used for most of the technology required for battery systems

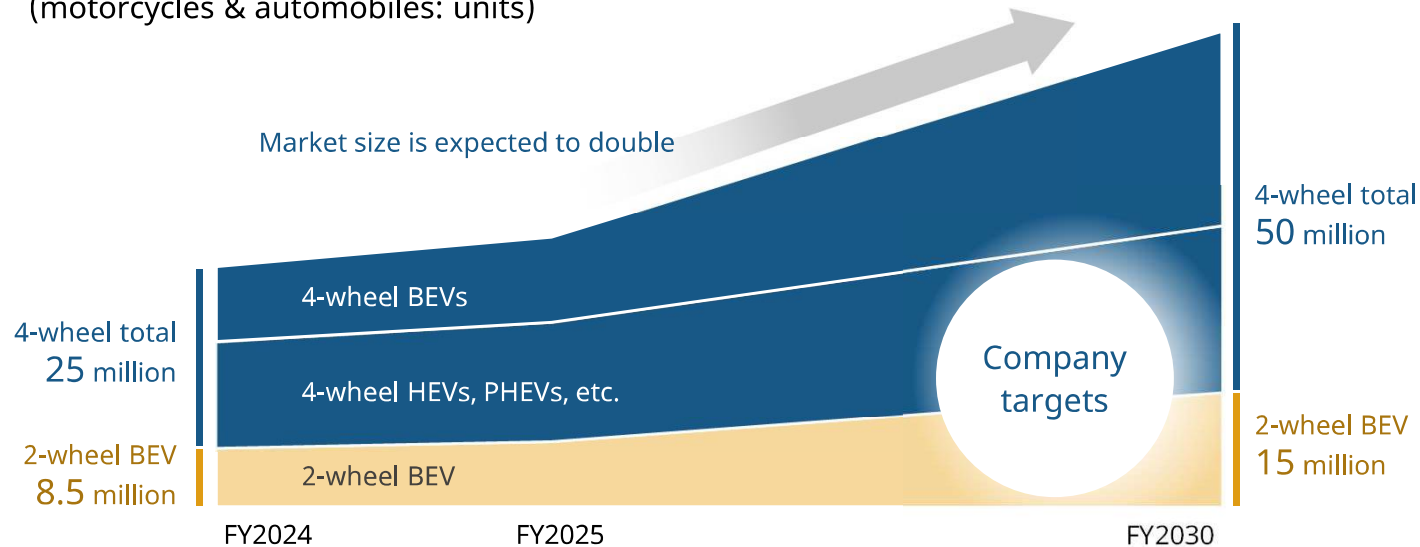


*BMS: Battery management system

Expanding range of process capabilities

- Targeting entry into the battery pack market focusing on 2-wheel BEVs and 4-wheel HEVs by leveraging our strength in manufacturing

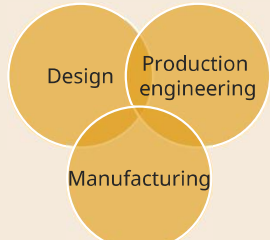
Battery pack assembly quantity trends
(motorcycles & automobiles: units)



Needs for battery pack production

1. Production technology and quality control
Assembly, fastening, contamination control
2. Maintaining product innovation
Flexible response to short product cycles
3. Cost competitiveness
Low-cost manufacturing tailored to needs

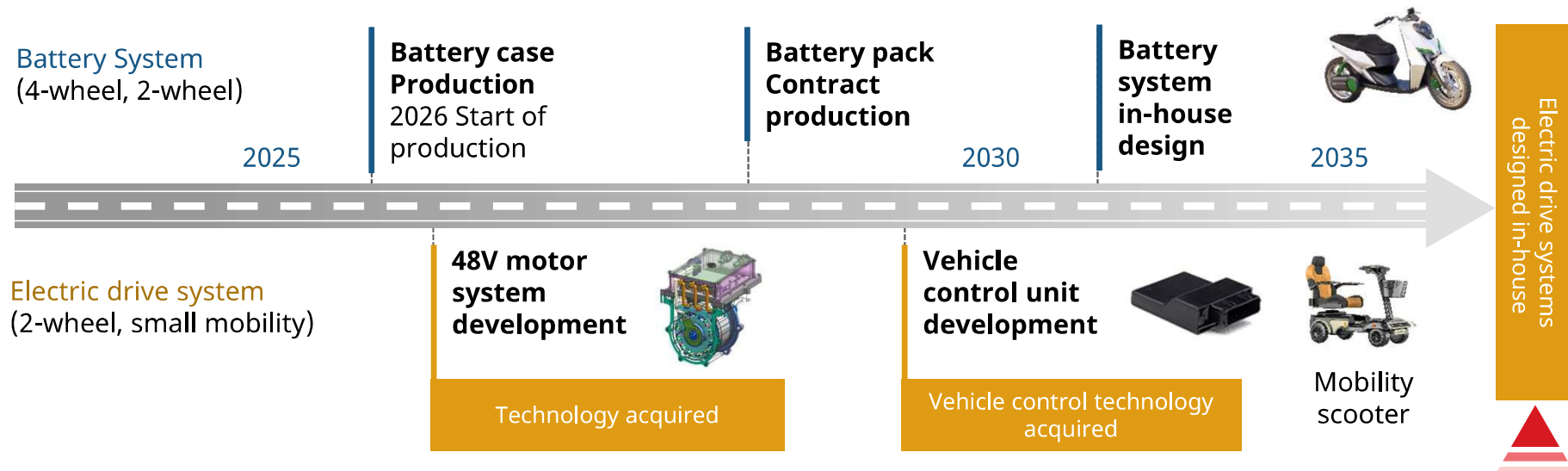
Strengths in battery pack manufacturing

1. Production technology & QC	2. Maintaining product innovation	3. Cost competitiveness
■ Diverse production technologies cultivated over 87 years ■ Stringent QC for the auto industry 	■ Creating flexible production lines ■ Collaborative robots, mixed-model assembly lines 	■ Efficient production based on TPS* ■ Activity "trinity"  

TPS: Toyota Production System

Electrification business roadmap

- Battery systems slated to achieve in-house design and mass production by 2030
- Electric drive control systems to be designed in-house by 2035

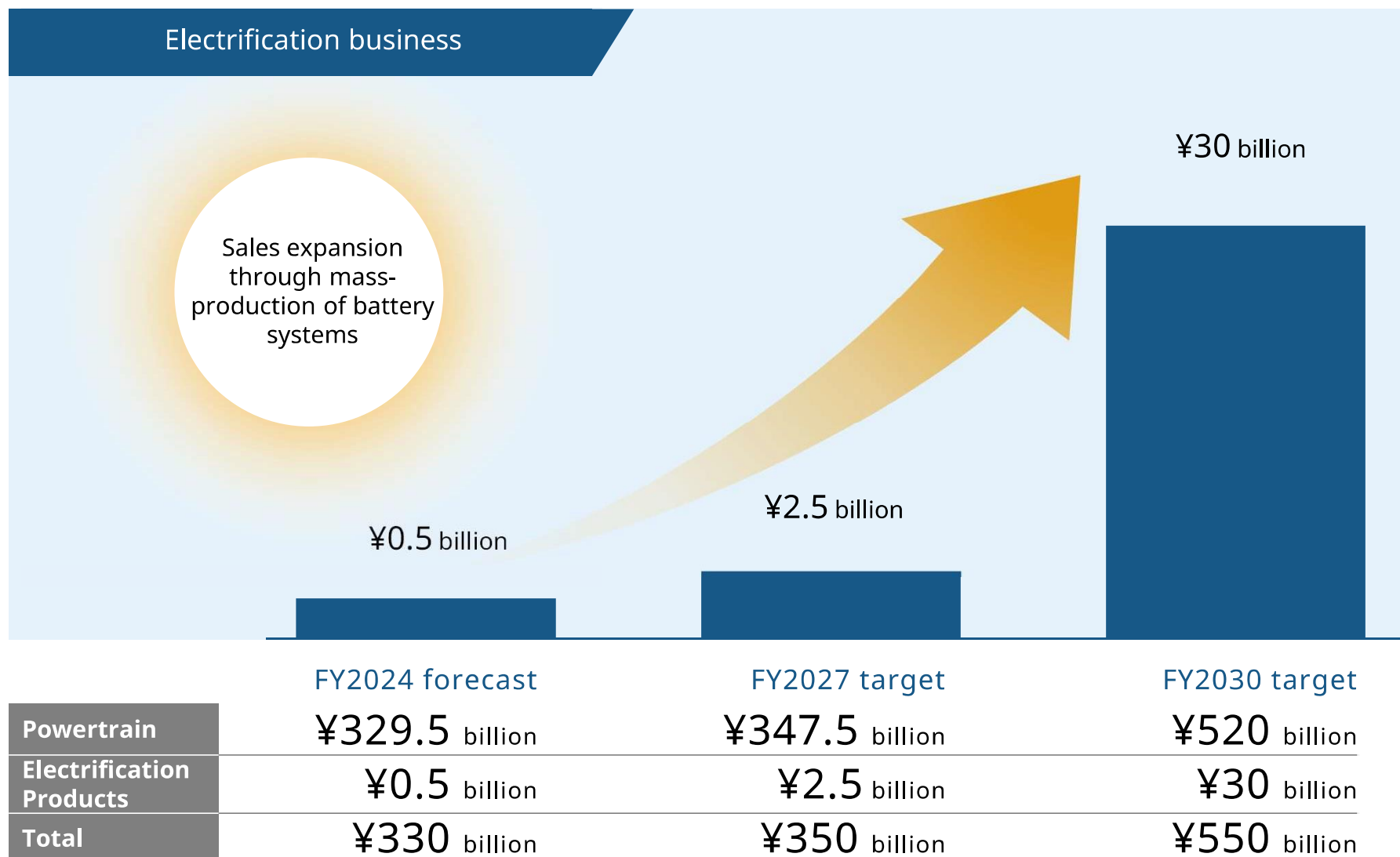


Products with order history

- Orders already received for multiple electrified products



- Expanding the scale of the business by mass-producing battery systems



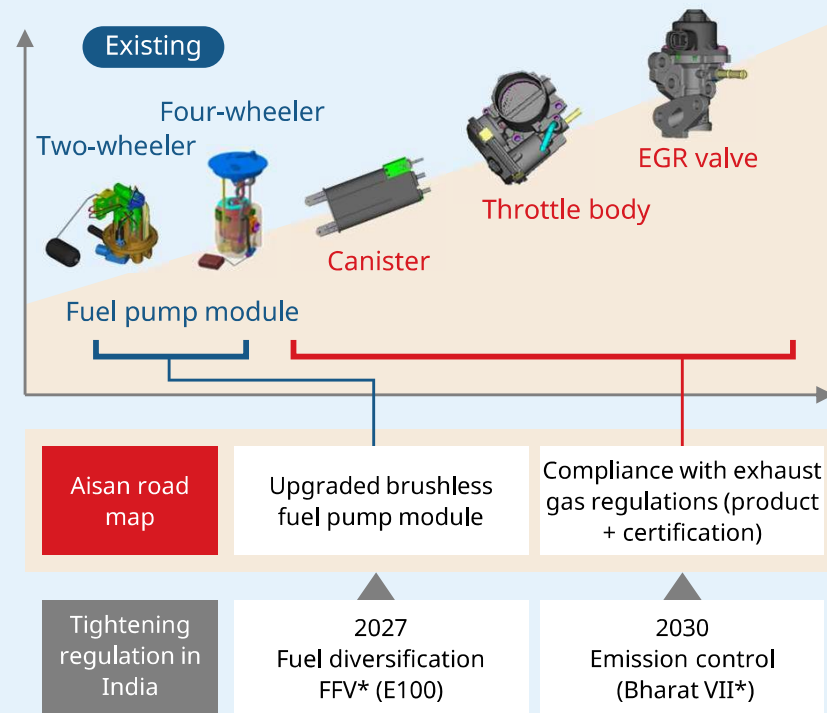
- Responding flexibly to environmental changes in each region and globally optimizing production

Region	Engine demand	Sales (Aisan)	Policy
India	Significantly Increase	Significantly Increase	■ Actively expanding regional business through high-priority investment
ASEAN			
Japan	Decrease	Increase	■ Maintaining sales by expanding powertrain lineup ■ Targeting further growth via new electrification products
Americas			
China	Decrease	Decrease	■ Building an efficient production system responsive to production volume volatility
Europe	Decrease	Keep	■ Restructure production platform and maintaining revenue through sales promotion
South Korea			

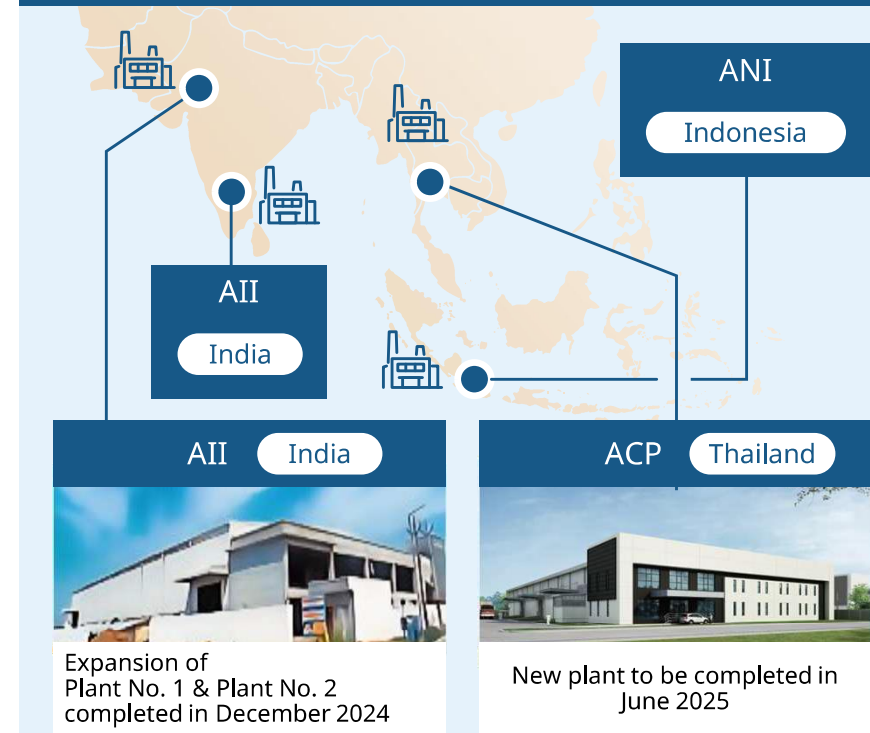
■ India and ASEAN business: sales expansion strategy

- Expecting growing engine development opportunity amid market expansion and tightening environmental rules
- Expanding business in this most critical region by introducing new products and producing locally

Expanded product range & volume drive sales



Production bases expansion



*FFV: Flexible Fuel Vehicle (a vehicle capable of running on various mixtures of gasoline and ethanol)
Bharat VII: Anticipated to be as strict as Euro 7 and ORVR

■ Aisan Group: social consciousness and our role

Uncertain market environment: categories of risk

Environmental

- Temperature rise due to CO₂ increase
- Climate change

Geopolitical

- Trade friction & tariffs
- Regional conflicts & terrorism

Economic

- Soaring raw material & fuel prices
- Resource depletion

Demographic

- Explosive increase in world population
- Worldwide societal aging

Societal themes we are addressing

Decarbonization, resource saving,
expansion of hydrogen society

Establishing hydrogen and ammonia fuel technology

- Promoting a hydrogen society and working to achieve carbon neutrality

Declining working populations in
developed countries

Providing manufacturing solutions

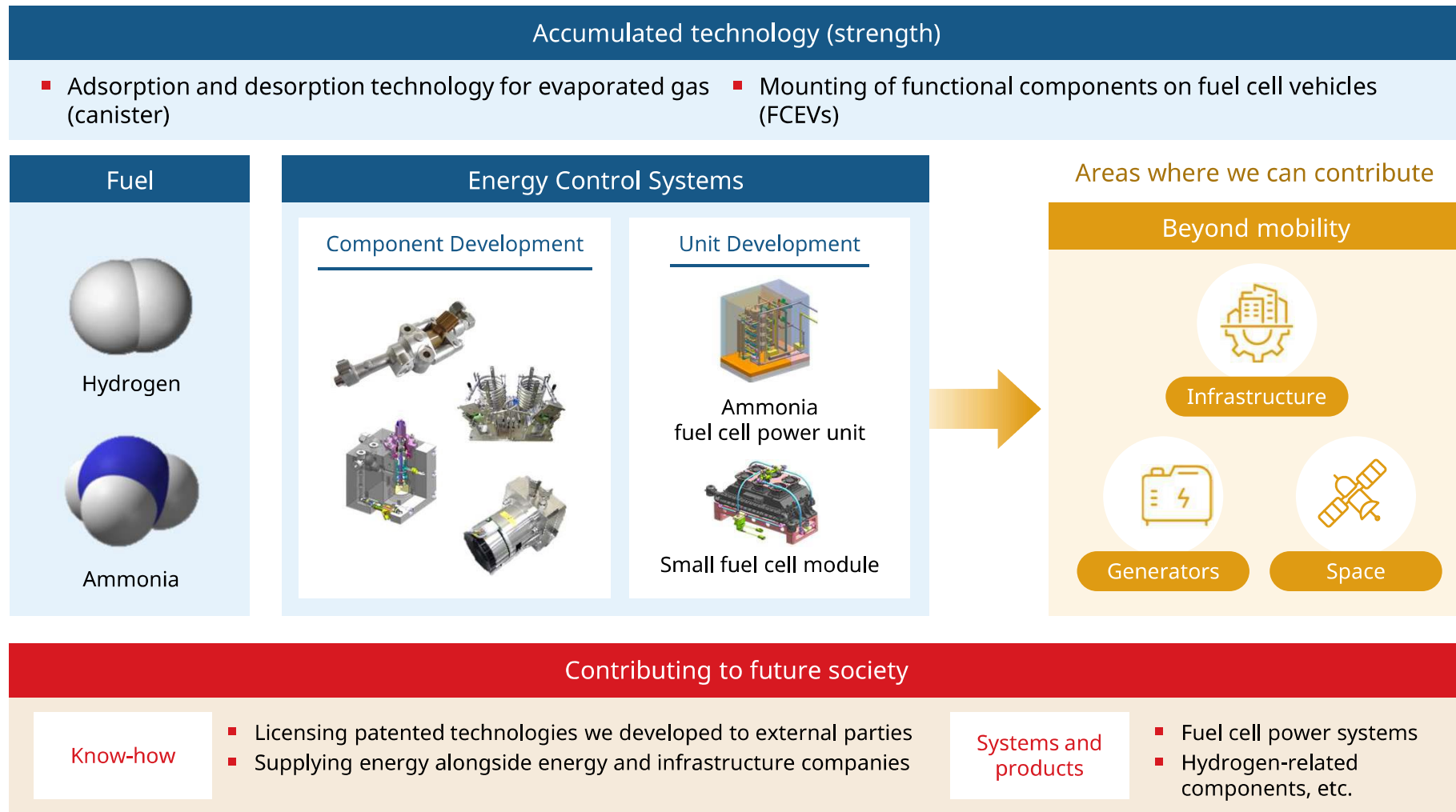
- As securing a workforce becomes increasingly difficult, our productivity know-how can help manufacturing industries struggling with manpower shortages

We challenge ourselves to solve social problems by using and developing our technological capabilities

II - 3 Business Strategy ② The first step toward a future society Utilizing clean energy technology

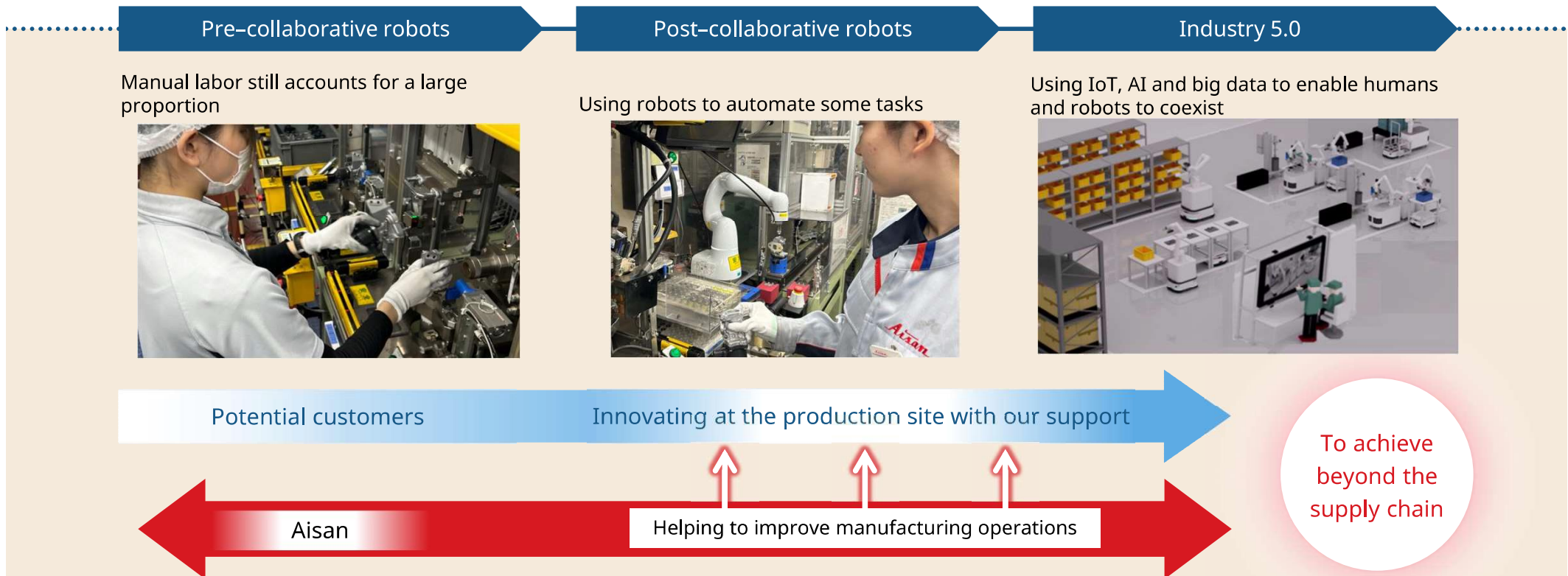


- Based on fuel control technology cultivated through our mobility business, we will utilize hydrogen and ammonia power technology to **enter non-mobility field**.



■ Factory innovation for a future society

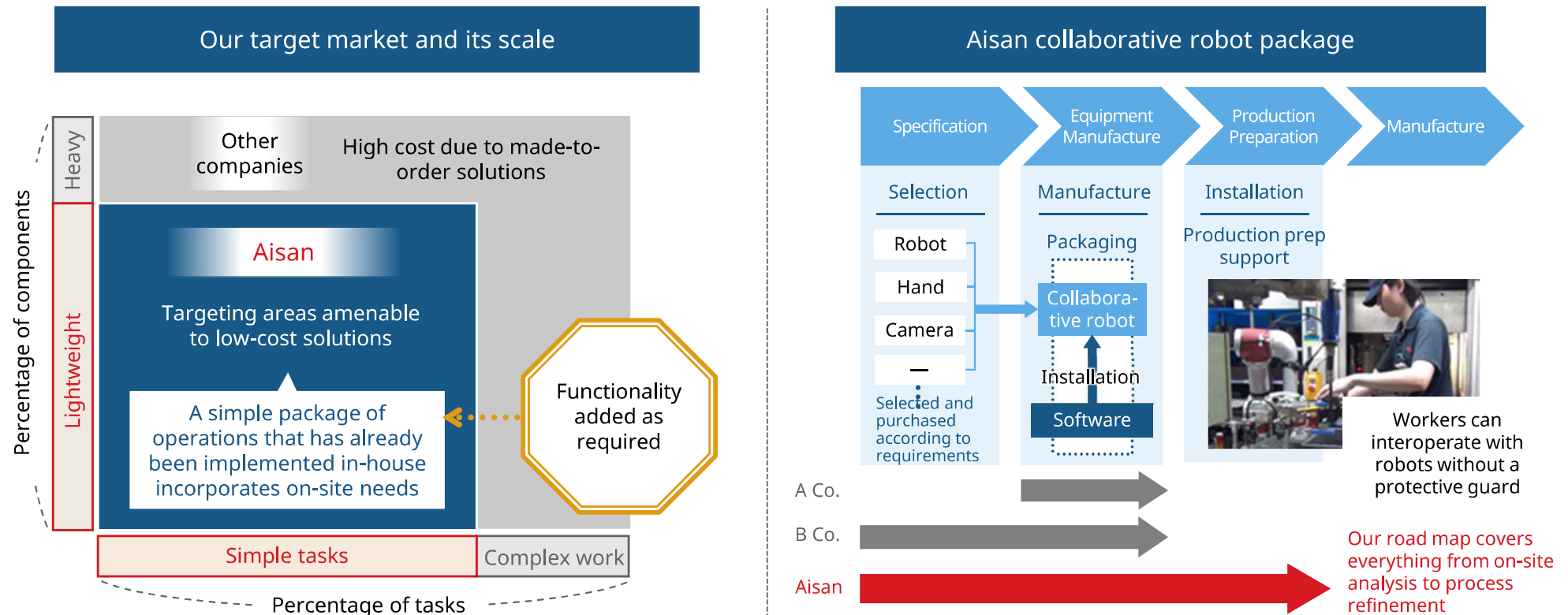
- Using IoT, AI, and big data to create a society where people and robots collaborate in the workplace
- As leading manufacturing innovator, providing solutions that transcend the traditional supply chain



Leveraging our know-how to provide collaborative robot packages that drive on-site innovation

■ Driving human-robot collaboration

- Weaving in the know-how that only Aisan, which has its own parts manufacturing site, can provide, we are creating an environment where people and robots can work together
- Realizing future manufacturing and contributing to solving the problems of manufacturing industries struggling with a shortage of manpower



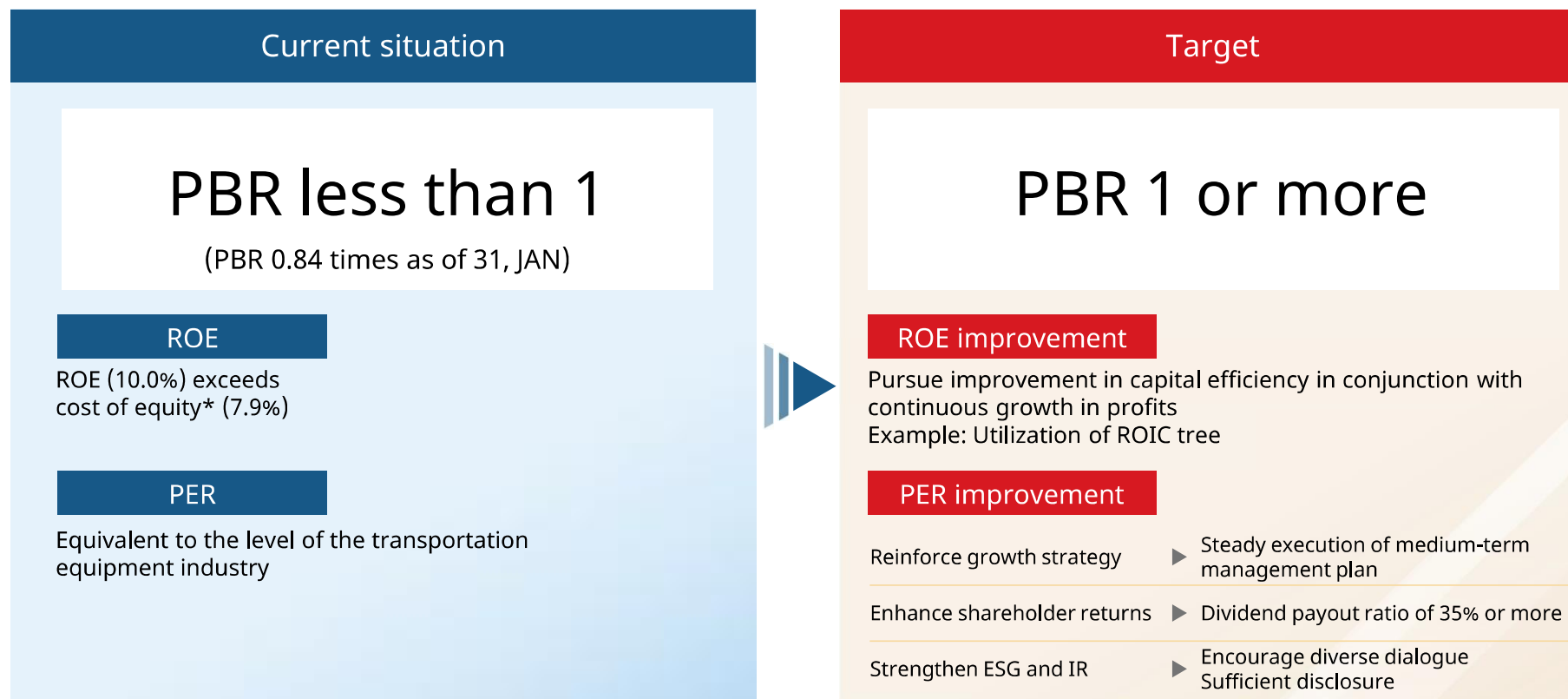
A cost-competitive collaborative robot package that provides a system that anyone can easily install

■ Management Targets

- Targeting both business expansion and capital efficiency gains
- Our management benchmarks target a balance between business scale, profitability, and capital efficiency

	FY2024 forecast	FY2027 target	FY2030 target
Sales	¥330 billion	¥350 billion	¥550 billion
Operating profit (margin)	¥21 billion (6.4%)	¥27 billion (7.7%)	¥44 billion (8.0%)
Net income	¥14 billion	¥17.5 billion	¥28 billion
ROE	10.0%	12.0%	14.0%
ROIC	9.2%	9.5%	11.0%
Exchange rate	¥152/US\$	¥145/US\$	¥145/US\$
PBR	0.84 times (as of Jan 31, 2025)	Looking to exceed 1 or more early and pursue continuous improvement thereafter	

- Targeting PBR of more than 1 as soon as possible and ongoing improvement in corporate value



Equity cost calculation

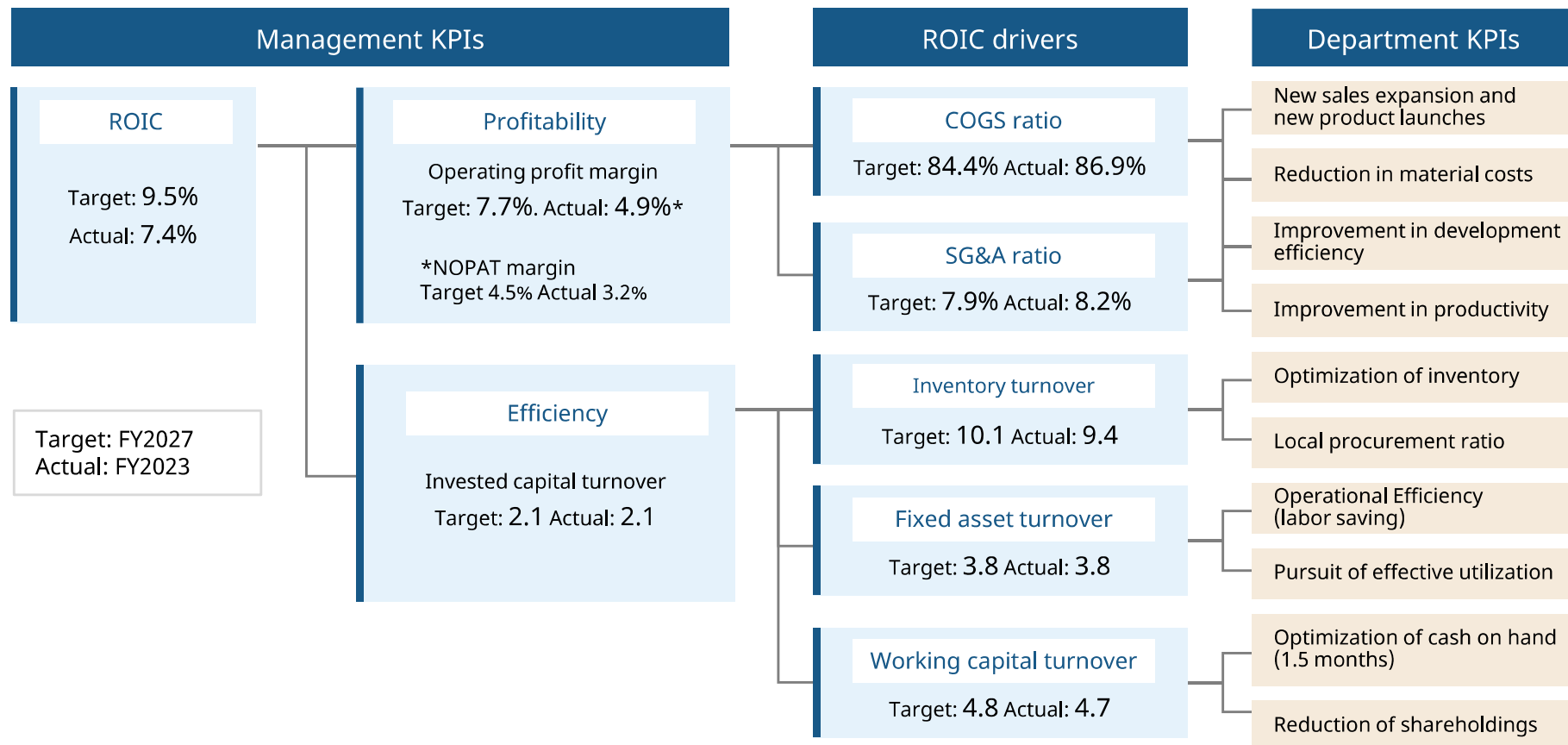
① Risk-free rate 1.3%	+	② Beta sensitivity 1.1	×	③ Market risk premium 6.0%	=	Cost of equity capital 7.9%
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① Risk-free rate: 10-year government bond yield ② β value: stock price sensitivity to 10-year market trends (TOPIX)

③ Market risk premium: Japanese stock market yield from 1970 to 2023

■ Pursuit of operational efficiency that exceeds the cost of capital

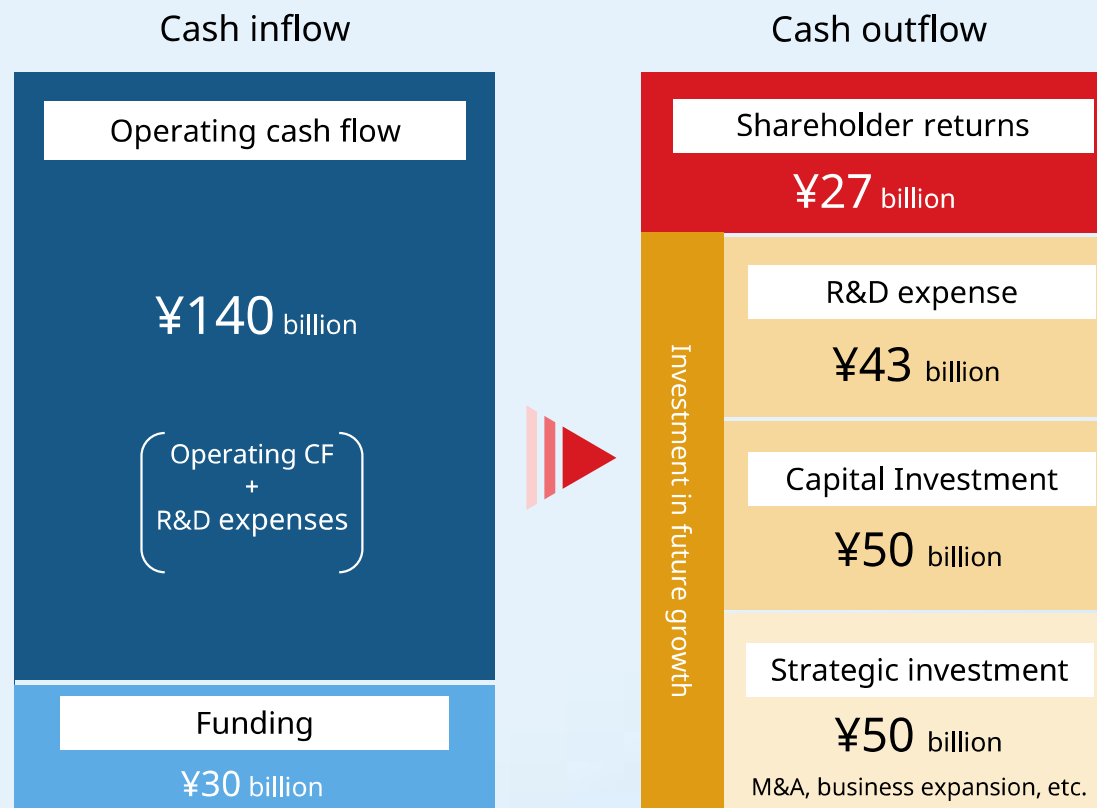
- Utilizing the ROIC tree, we will link on-site activity with management targets, maximize profits, and efficiently employ assets



■ Cash allocation

- Proactively allocate cash inflows to shareholder returns and investment in future growth

Fiscal years 2025 to 2027 cumulative



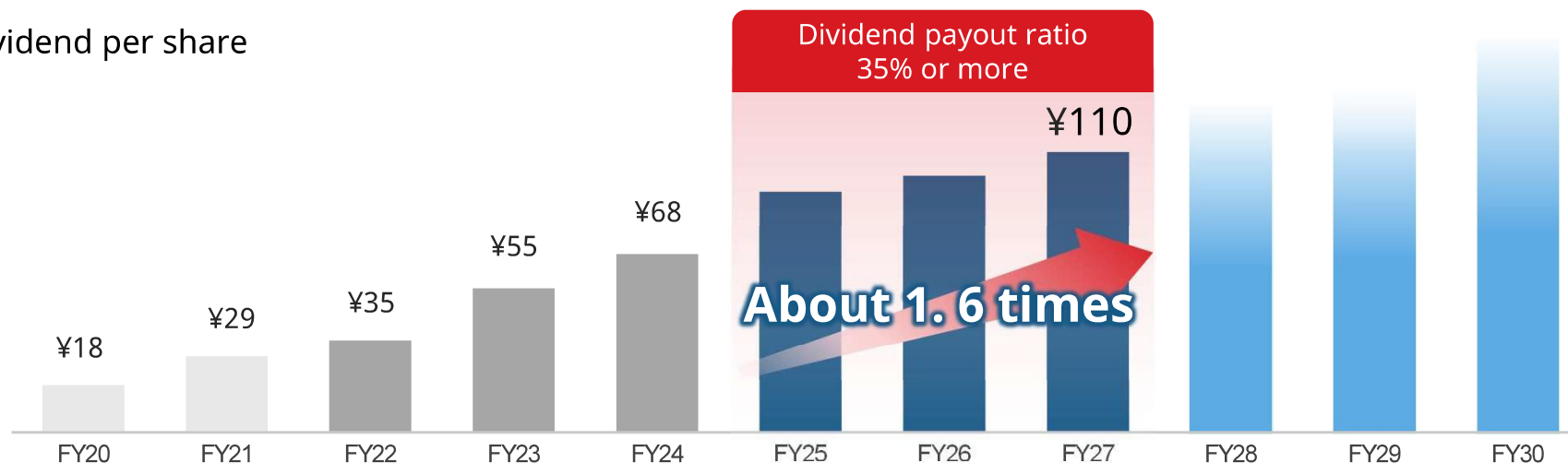
■ Shareholder return policy

Shareholder return policy during new medium-term management plan (2025–2027)

Strengthening shareholder returns while maintaining stable dividends

- Consolidated dividend payout ratio of 35% or more
- Flexible share buybacks

Dividend per share



Item	Previous three-year period (2022–2024)	New medium-term plan (2025–2027)
Dividend payout ratio	29%	35% or more
Treasury stock	¥1 billion	Flexible execution
Total shareholder returns	¥10.9 billion	¥27 billion

R&D expenses, capital investment

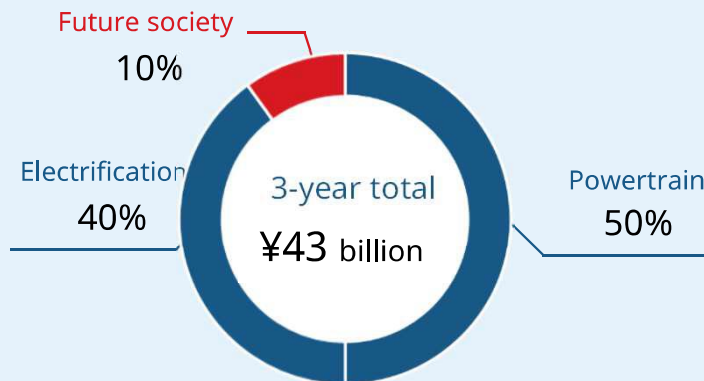
Research and development expenses

Powertrain and electrification

- Carbon-neutral product development to meet stricter fuel and evaporative emissions regulations
- Human capital investment in battery system product business
- Training staff to develop electrification software

Future society

- Creating new value in the environmental and energy sectors



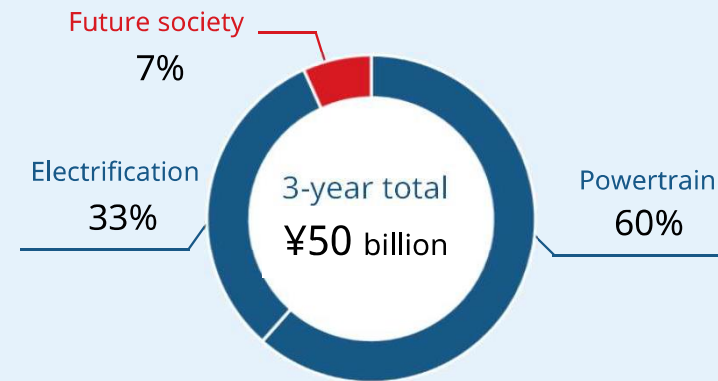
Capital investment

Powertrain and electrification

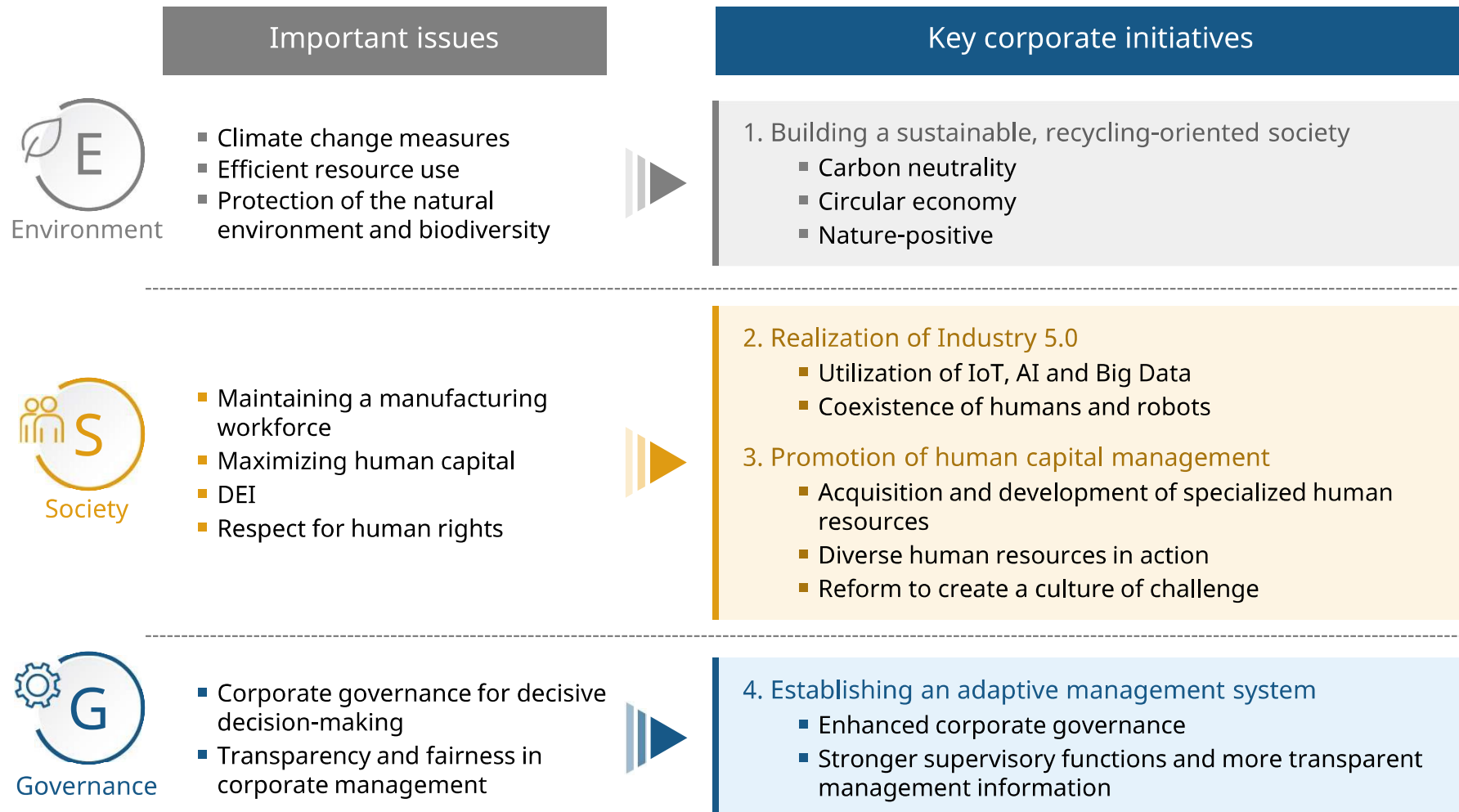
- Business expansion in India and ASEAN, increased sales
- Strengthening core operations : Streamlining of production & logistics
- Electrification product expansion : Production preparation for product orders

Future society

- Environmental technology: adoption of hydrogen and ammonia fuels



- Strengthening our ESG initiatives based on our management philosophy, basic sustainability policy, and VISION 2030 plan



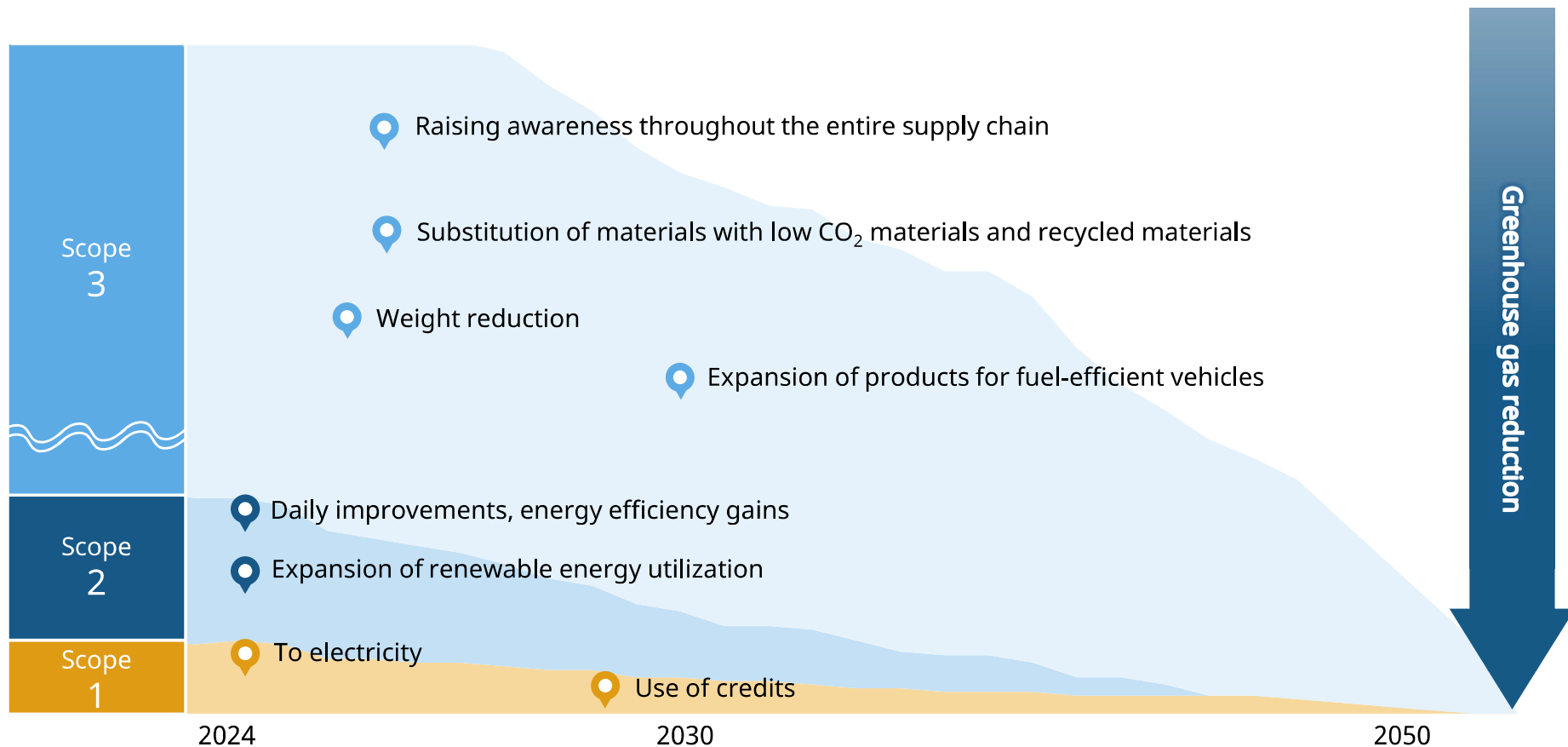
Sustainable circulating society



Classification		Item	Target Value
Carbon Neutrality	- Factory CO₂ reduction - Use of clean energy - CO₂ reduction across the entire supply chain	Scope 1 & 2	Down 60% versus FY2019
		Scope 3	Down 28% versus FY2019
		Renewable energy	55%
		Power generation	5%
Circular Economy	- Design innovation (material substitution, miniaturization, weight reduction) - Promotion of zero-pollutant emissions	Zero waste emissions	Down 5% versus FY2019 (per unit)
Nature Positivity	- Abundant Nature - Conservation and restoration of biodiversity	Water usage	Down 5% versus FY2019 (per unit)
		Water risk (quantity and quality)	Minimization
		Nature-friendly production bases	5 bases
New technologies		Accumulated intellectual property	500 cases
		Industry-government-academia collaboration	25 items

Sustainable circulating society

Defense (risk response) **Reducing greenhouse gas emissions**



II - 5 Promoting sustainability management

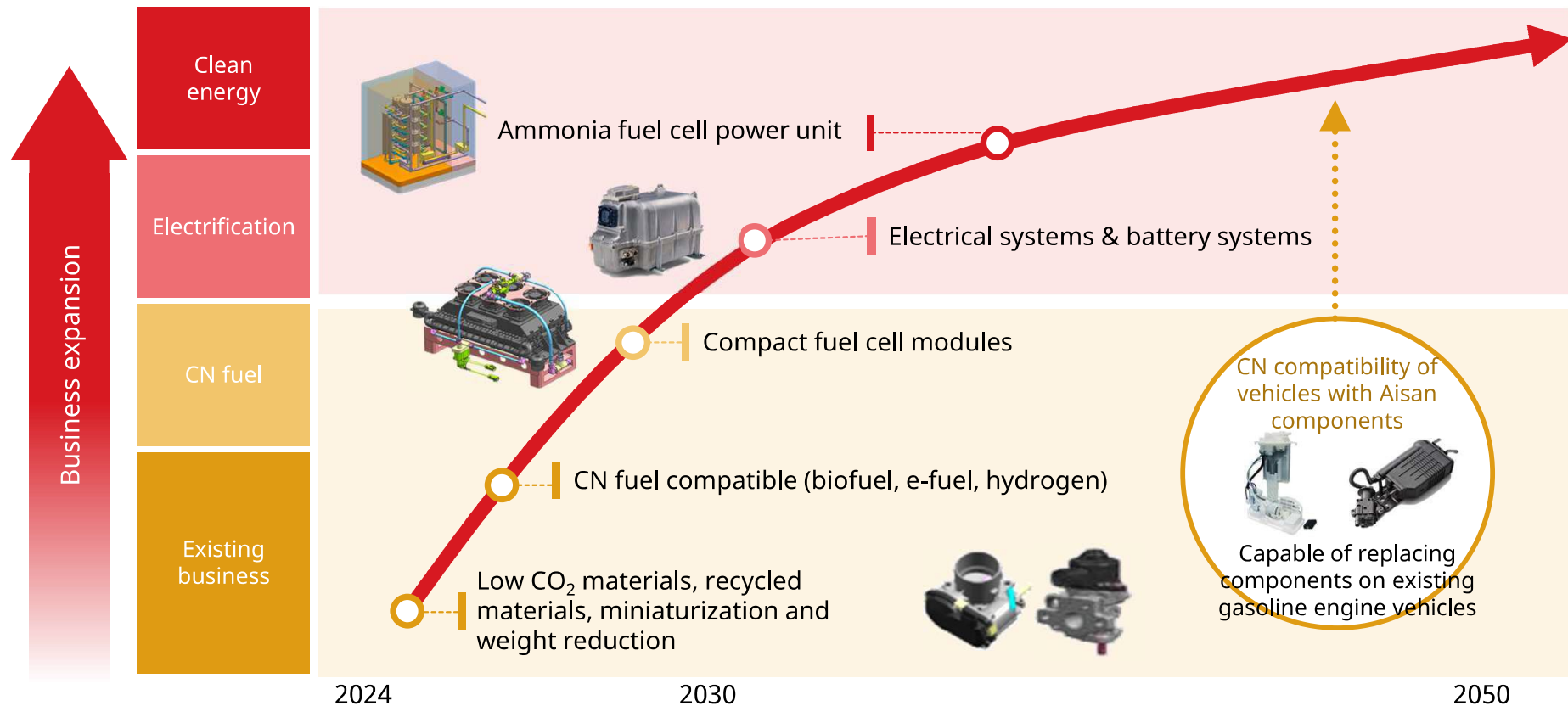


Sustainable circulating society



Offense (growth opportunity)

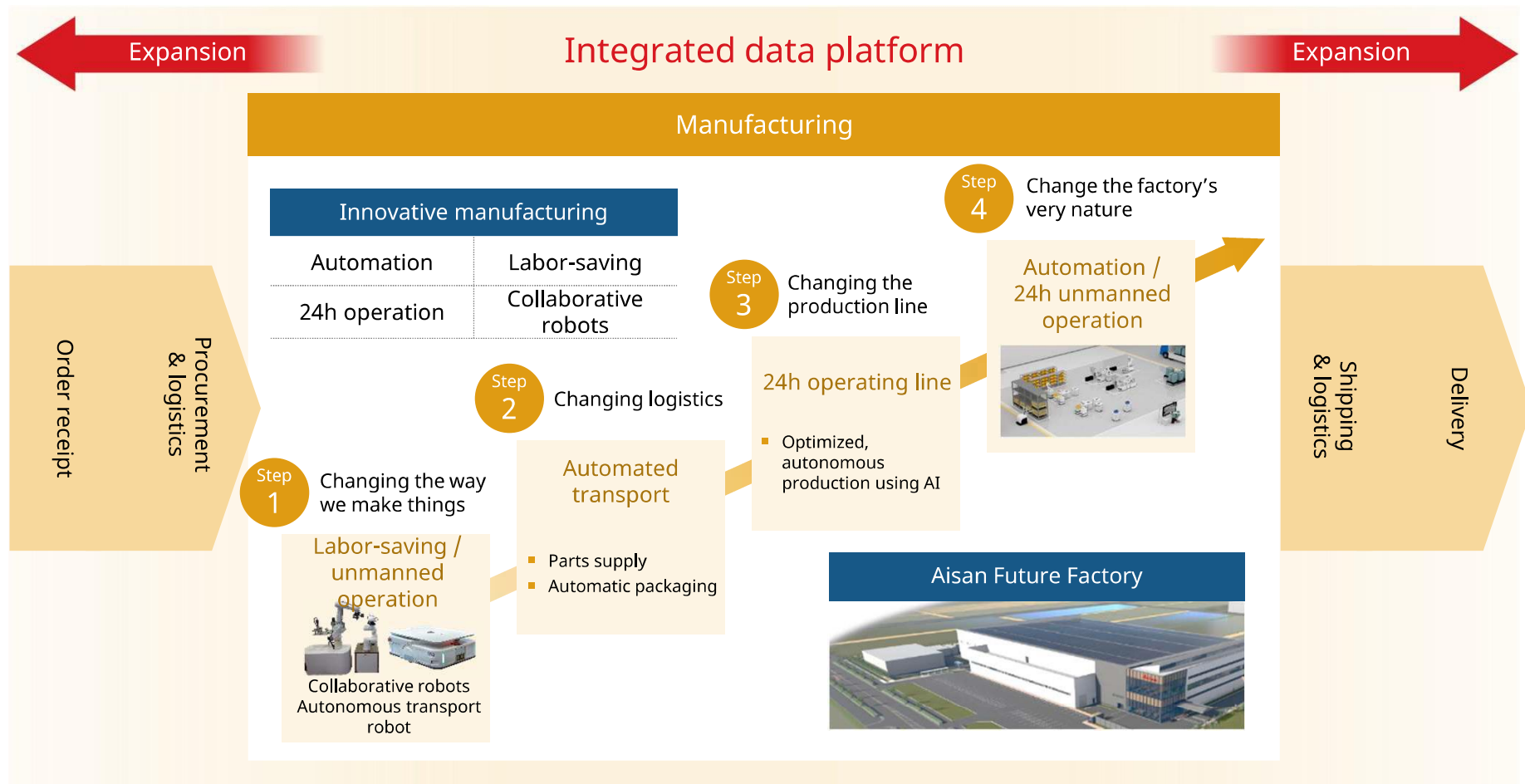
Steps toward new fields and future products





Social – Realizing Industry 5.0

The Aisan Future Factory (scheduled for completion in May 2025) is designed for sustainable manufacturing as a role model that does not burden the environment or society. It uses IoT, AI, and big data throughout the entire value chain and is being expanded globally.





The concept of human capital management

By integrating business and human resource strategies while actively investing in staff who learn, think, and take on challenges autonomously, we are creating an organization of people who continuously advance.

		KPI			
Three pillars + Foundation	Main initiatives	Statistic	FY2024	FY2027	FY2030
Human resource reform	Acquisition and development of specialized employees who will drive business expansion - Attracting key staff to strengthen the development and production of new products (electronics, electrical, robotics, IT, software, etc.) - Enhancing education to foster self-directed staff - Identifying and developing global human capital	Software & electronics staff (parent) Job roles that respond to electrification and other market changes	105 staff	190 staff	270 staff
		Digital specialists (parent) * Human resources who promote DX across the company	53 staff	110 staff	220 staff
Diverse Human resources	Propelling innovation via the active participation of diverse staff - Support for independent career development - HR systems that promote diverse work styles - Promotion of the localization of executive hires	Female managers (consolidated)	89 staff (10%)	100 staff (12%)	110 staff (13%)
		Local managers of overseas bases Ratio of local hires (consolidated)	73.1%	75.0 %	90.0 %
Cultural reform	Transforming the workplace culture to encourage employees to take on a difficult challenge - Unlocking the potential of all employees through thorough dialogue (Aisan Katariba, 1-on-1s, etc.) - Intensive workplace culture reform with labor and management working together	Employee Engagement Score (parent)	53pt	57pt	60pt
		Male employees taking childcare leave (parent)	81.9%	85.0%	90.0%
Health & safety	Building a foundation that supports the three pillars Creating a safe and secure workplace where employees can perform with vitality and enthusiasm	Accident frequency (parent) *2023 avg., manufacturing industries: 1.29	1.07	0.5	0
		Comprehensive medical exam rate (parent)	82%	95%	100%



Establish a flexible management scheme

Strengthening of corporate governance scheme Separation of management and execution

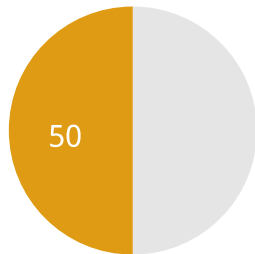
Raising the effectiveness of the Board of Directors

- Board of Directors system ensures independence and diversity
- Evaluation of effectiveness by a third-party organization

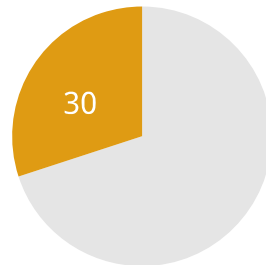
Ideal image

Board of Directors composition* (2030)

% outside directors



% female members



* Directors, auditors

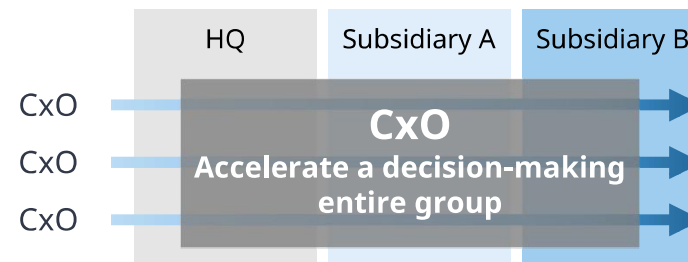
Strengthening the executive function

- Full-scale introduction of the Chief Officer (CxO) system (faster decision-making and sure execution)

Ideal image



◀ Chief Officer
Group Executive Officer



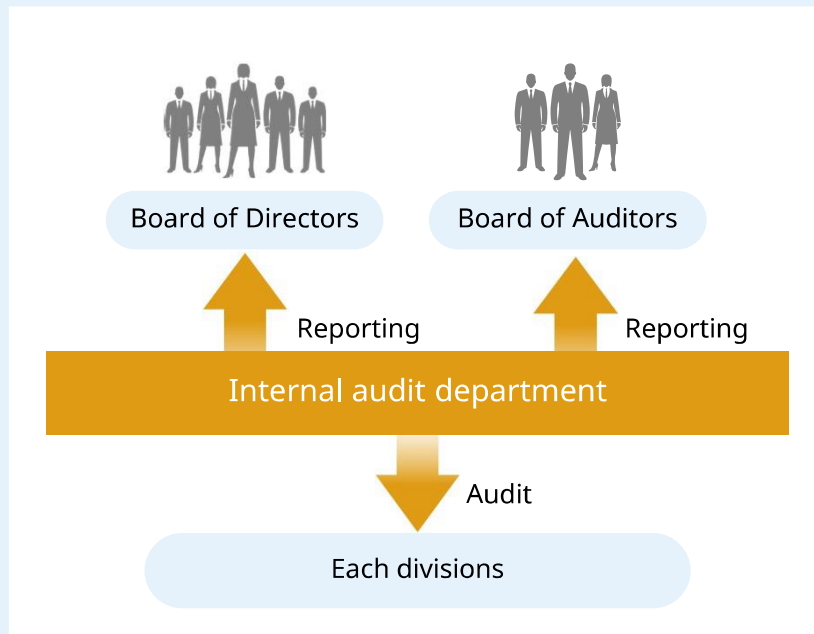


Establish a flexible management scheme

Ensuring management transparency
Strengthening supervisory functions & ensuring management transparency

Strengthening internal audits

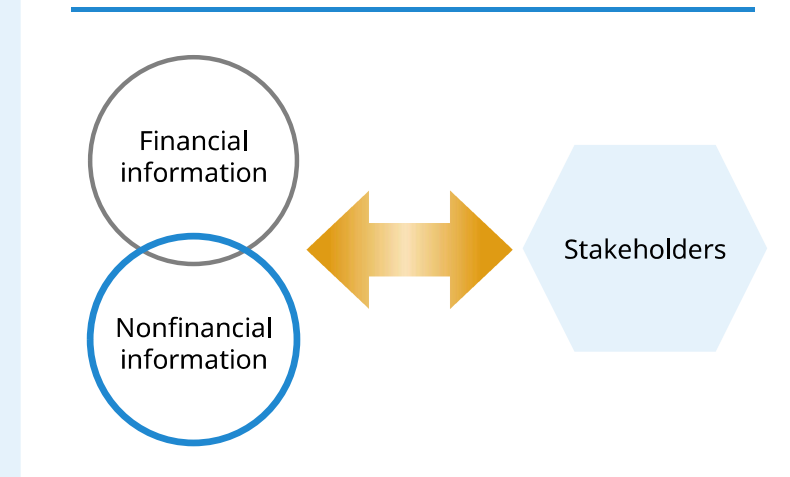
- Ensuring audit independence, strengthening internal audits through direct reporting



Enhancing disclosure information

- Proactive disclosure of nonfinancial information (sustainability information)

Enhancing dialogue and activities that promote understanding



Beaming future is in our hands

Warning Regarding Forward-Looking Statements

- This document contains forward-looking statements regarding performance forecasts, company policies, and plans. These statements are based on certain assumptions about the business environment surrounding the company and company policies at the time of writing. Therefore, please be aware that actual results may differ from these forecasts due to various factors.
- Risks that could affect actual results include, but are not limited to, fluctuations in the automotive market, fluctuations in exchange rates, fluctuations in the prices of raw materials and parts, and the impact of laws and regulations, as well as disasters and infectious diseases.