

# Aisan Group's Principles

## Vision of the Company

Specific long-term policies aimed at solving social issues and achieving sustainable growth in order to realize our principles

Medium-term policy that sets the company's vision for 2030 in conjunction with the Sustainability Fundamental Policy

Specific actions to realize VISION2030

## Management Principles

## Management Principles

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

## Sustainability Fundamental Policy

Based on its Management Principles, 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 values with our time-proven technology and quality to meet our stakeholders' expectations and improve our corporate value in a sustainable manner.

## VISION2030

## VISION2030

## Medium-term Management Plan

## Beaming future is in our hands

We contribute to society through global growth and environmental preservation

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

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## Editorial Policy:

### What We Want to Communicate in the Integrated Report 2024

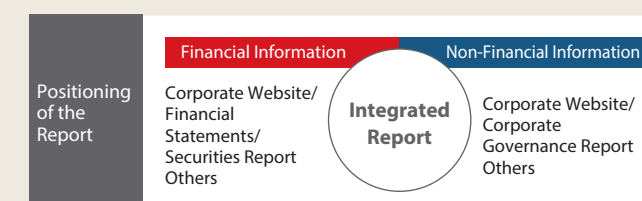
This Integrated Report is a tool to concisely provide information on Aisan Industry's medium- to long-term value creation story from both perspectives of financial information and non-financial information, which form the foundation of our sustainable growth. In fiscal 2023, based on feedback from institutional investors, we have organized our principles in the Introduction to better present our vision and more clearly outline our path to "taking on the challenge to become the top manufacturer of environmental technologies" in an easy-to-understand manner. In addition, in order to fulfill our responsibility as a global company, we have strengthened disclosure of materiality and disclosure of approaches to corporate value creation based on the ROIC tree, with a view to disclosing information required by the capital markets.

Going forward, we will continue to enhance the volume and quality of information disclosure in response to input and feedback received through our business activities and investor relations activities. We look forward to receiving continued feedback from stakeholders.

Reporting Period	April 1, 2023 to March 31, 2024 (some sections contain information from April 2024 onward).
Scope of Report	Aisan Industry Co., Ltd. and the Aisan Group

## Reference Guidelines

- ◎ International Integrated Reporting Framework published by the Value Reporting Foundation (VRF)
- ◎ The Guidance for Collaborative Value Creation formulated by the Ministry of Economy, Trade and Industry.



## Forward-Looking Statements

This report contains forward-looking statements based on our future outlook and plans. Please note that these statements include risks and uncertainties and may differ from actual results and performance.

## Management Principles: Valued Corporate Cultures

# We contribute to society through global growth and environmental preservation

We believe that corporate prosperity and social prosperity are interconnected, and we not only pursue profits, but also conduct business activities that are responsible to society and are environmentally conscious. Not only is this a step toward the sustainable development of society, but it is also an important factor in our own continued growth.



1

## Creating products and services with the focus on customers

We offer proposals and manufacturing that exceed our customers' expectations in order to contribute to society through the growth of our business. We aim to create new value throughout the value chain by anticipating customer needs, and to create a prosperous society that is environmentally friendly.

2

## Achieving good quality with innovative thinking and technology

We are always diligent in the development and research of new technologies and strive to develop both high quality manufacturing and products that contribute to society in the environmental sector. In order to continue to be trusted by our customers for being a quality provider, we will continue to pursue improvements in product performance and quality by leveraging our knowledge and technology.

3

## Building a vital workplace with respect for individual employees

We consider the employees we work with to be an important asset, and we aim to build a positive and vibrant workplace environment where each and every person working for the Aisan Group can find fulfillment in their work, grow, and play an active role. We will also foster a culture where employees can freely express their own ideas and opinions, thereby promoting the growth of both the company and its employees.

# PHILOSOPHY



## Sustainability Fundamental Policy

# Sustainability management practiced by the Aisan Group

For more than 80 years since its establishment, the Aisan Group has achieved growth by overcoming many changes through dedicated technological refinement to meet the changing markets of the social environment and stricter regulations. The spirit to challenge ourselves and pride in quality that we have cultivated throughout our history has been passed down to the present as the identity of the Aisan Group. Even in the midst of current social trends and changes in the automotive industry, we will carry on this spirit and contribute to society through business transformation.

## Sustainability Fundamental Policy

Based on its Management Principles, 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 values with our time-proven technology and quality to meet our stakeholders' expectations and improve our corporate value in a sustainable manner.



# SUSTAINABILITY

## Values we create through our business

### Mobility

#### Providing a clean and safe mobility for all

We have supported the evolution of mobility by leveraging our expertise in environmental technologies to achieve lower fuel consumption, lighter components, and cleaner emissions. In the diversification of mobility, we will contribute to the joy and pleasure of mobility by manufacturing that focuses on "good quality, low cost" products. In order to contribute to the sustainable development of mobility through our global business activities, the Aisan Group aims to create new value with reliable technology and quality, meet the expectations of our stakeholders, and enhance our corporate value.

### For the future society

#### Creating a "+1" value to enrich and improve the liveability of society

We have addressed precision control for CO<sub>2</sub> reduction in the fossil fuel-based mobility sector with all kinds of functional products.

Utilizing the technologies we have developed over the years to control the flow of liquids and gases and to clean exhaust gases, we will advance efforts to generate and utilize new energy sources such as hydrogen and ammonia more efficiently, without being limited to the framework of mobility. Our goal is to make the future sustainable society one that is more prosperous and brimming with smiles, while minimizing the burden on the environment through efforts to build a decarbonized society. As such, we will apply our technology in a wider range of sectors for sustainable development that will last for generations to come.

## Foundation for practical application

### Aisan Group's identity and strength

#### Have overcome transformations

Spirit of challenging ourselves



#### Supporting critical functional components

Pride in being a quality provider



#### Responding to waves of tighter regulations

Environmental technology



#### For all our stakeholders

Honest and dedicated corporate attitude



Manufacturing

Aisan's Strengths

Product development/  
Control technology

System development/  
Engineering

## VISION2030

# Vision of the Aisan Group

"In our hands" in VISION2030 signifies the determination of each and every employee to "take ownership and make it our personal mission."

And the word "beaming" reflects our desire that our products are needed by our customers, connecting us to them with beaming smiles, and nurturing the smiles of the children who will lead the next generation.

We will continue to challenge ourselves and innovate to remain a company needed by society.



**Strategy looking ahead to 2030**  
(Medium-term Management Plan)

## Source of growth

Strengthening of competitiveness and further growth of existing powertrain product business

## New growth investment

Business growth in new areas which contribute to decarbonization leveraging technological and manufacturing capabilities

**Management Principles**

▶ See pages 39–40

Continue to support the powertrain sector as a top manufacturer

Providing a clean and safe mobility for all

**Top environmental technology**

Creating a "+1" value to enrich and improve the liveability of society

Developing and producing products for all energy sources by leveraging our strengths, which are our technological and manufacturing capabilities

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.

## Vision

# VISION2030

We have always kept abreast of the changing times and responded to market expectations in line with the needs of the times. We will continue to bring about new changes in the future, overcoming the advent of motorization, emission regulations, and the waves of electrification.

AISAN GROUP HISTORY



Becoming an automotive parts manufacturer to meet private sector demand

Aisan Industry, established as a factory for manufacturing military supplies in 1938, produced Type 89 Grenade Dischargers and aircraft parts. After World War II, we took over the manufacturing of carburetors from Toyoda Automatic Loom Works, Ltd. (currently, Toyota Industries Corporation) and became a private-sector manufacturing company of automotive parts in 1946. Aisan Industry contributed to motorization as a company known for its carburetors through the rapid growth of carburetor production, while meeting increasingly strict environmental regulations. We acquired a wide variety of production technologies and expertise, including precision processing and aluminum die casting.

Shifting core business from carburetor to EFI products

With the gradual tightening of gas emission regulations in various countries, the electrification and advanced functionalities of automobiles progressed. As a result, Aisan Industry shifted its main business from carburetors to electronic fuel injection (EFI) products. Utilizing carburetor technology, we expanded our EFI product range to include fuel systems and intake and exhaust systems. Furthermore, we acquired the engine calibration business from Toyota Motor Corporation, accumulating evaluation technology and know-how for the entire vehicle to strengthen and expand our development capabilities for engine control system manufacturers.

Developing the world’s best products and responding to globalization

For our core EFI products, we promoted the development of the world’s best products, pursuing higher efficiency, smaller size, and lighter weight. In addition, we have developed products that contribute to fuel efficiency and products compatible with clean energy sources such as LPG and hydrogen, contributing to the creation of environmentally friendly cars. Following the overseas expansion of automobile manufacturers, we opened production bases in the Americas, China, Korea, ASEAN, India, and Europe to establish a global production and supply structure. We contributed to society and the environment in each country and region through our products and vehicles.

Overcoming a period of major transformation and contributing to the future of mobility and society

In response to the once-a-century transformation of the automotive industry, we formulated VISION2030 as a medium- to long-term policy, and Medium-term Management Plan, with the aim of contributing to society through technology and manufacturing and providing useful value. We will continue to support powertrain products of automobiles and contribute to society by leveraging environmental technology, which is our field of expertise. We have also contributed to the further evolution of mobility, including electrification and clean energy. Beyond mobility, we also take on the challenge of enriching the society that is easy to live in with our hydrogen and ammonia technologies and manufacturing capabilities.



- 1938

Established in Nagoya for manufacturing of military supplies
- 1945

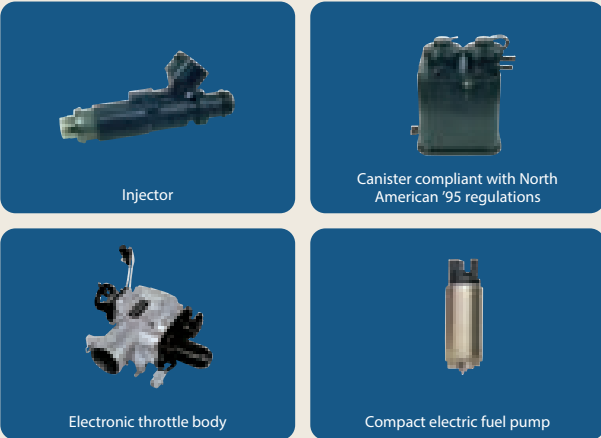
Started production of automobile parts such as carburetors at the end of the war
- 1957

Relocated headquarters and plant to Obu, Aichi
- 1960

Started production of engine valves
- 1971

Anjo Plant began operations
- 1980

Listed on the Second Section of the Nagoya Stock Exchange



- 1981

Started production of throttle bodies
- 1983

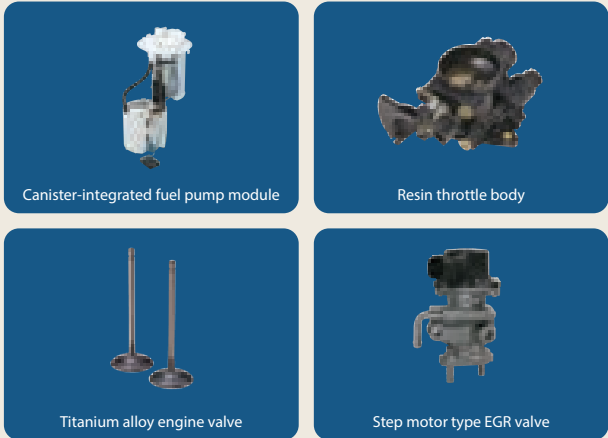
Started production of electric fuel pump
- 1984

Started production of injectors
- 1989

Established a manufacturing subsidiary in the USA
- 1990

Toyota Plant began operations
- 1996

Started engine calibration operations



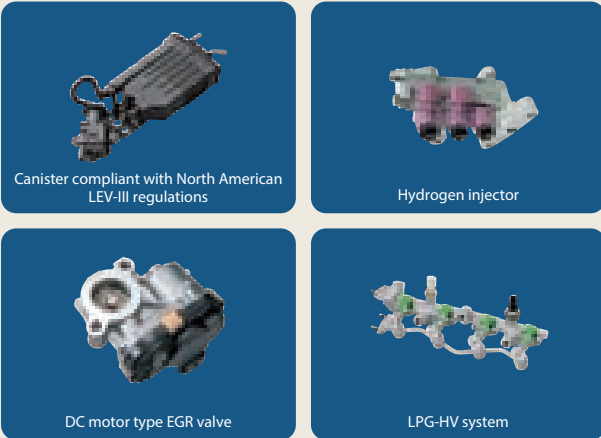
- 2001

Reassigned to the First Section of the Tokyo and Nagoya Stock Exchanges
- 2002

Developed fuel injection system for small motorcycles  
Established a manufacturing subsidiary in India
- 2013

Established a manufacturing subsidiary in Mexico
- 2017

Hirose Technical Center began operations  
Developed and produced LPG-HV systems for Toyota



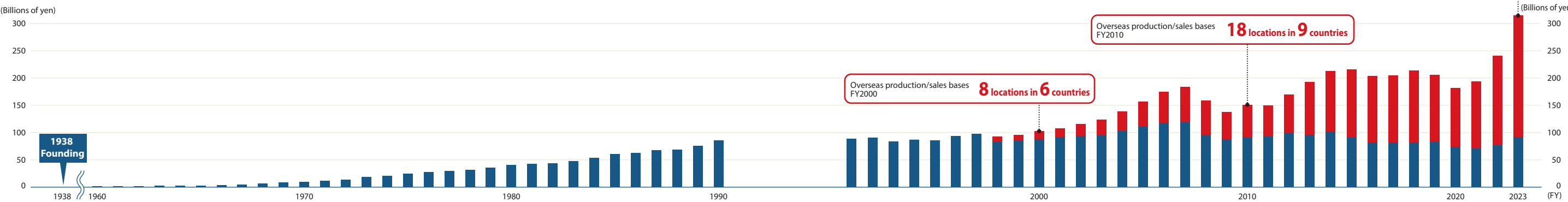
- 2020

Developed hydrogen FI system for Toyota FCV
- 2021

Formulated VISION2030
- 2022

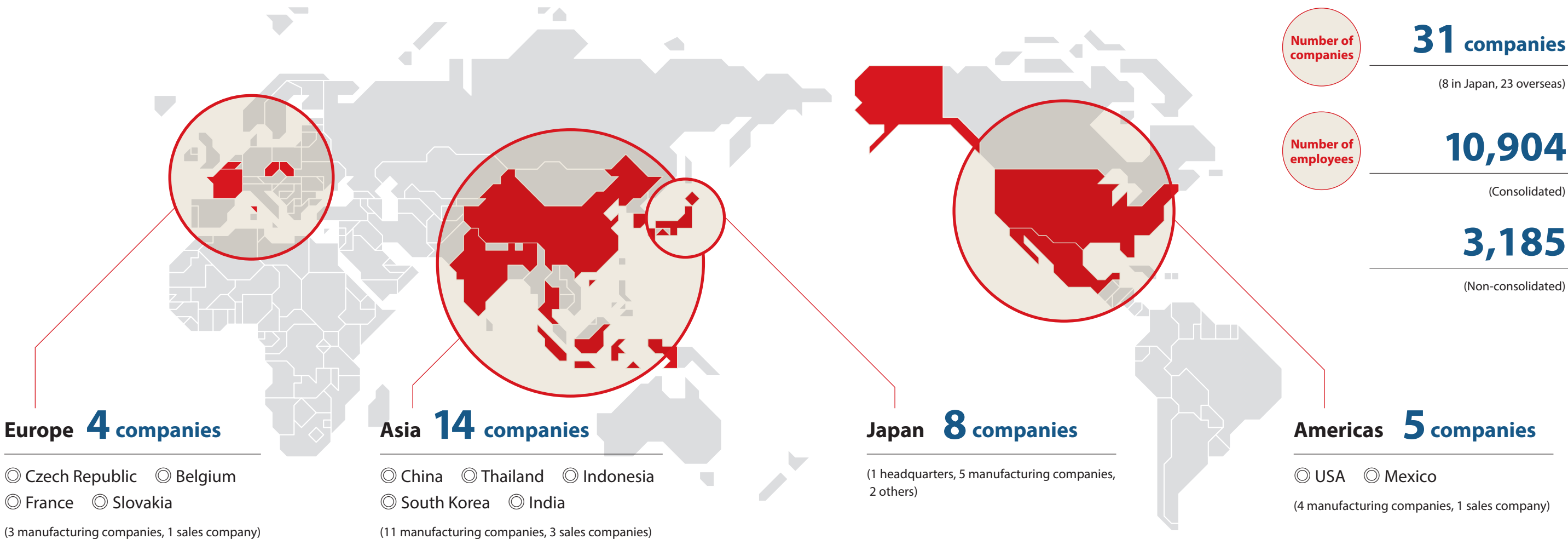
Selected the Prime Market following Tokyo Stock Exchange market reorganization  
Fuel pump module business transferred from DENSO Corporation  
Formulated 2025 Medium-term Management Plan

Performance Trends (Sales)

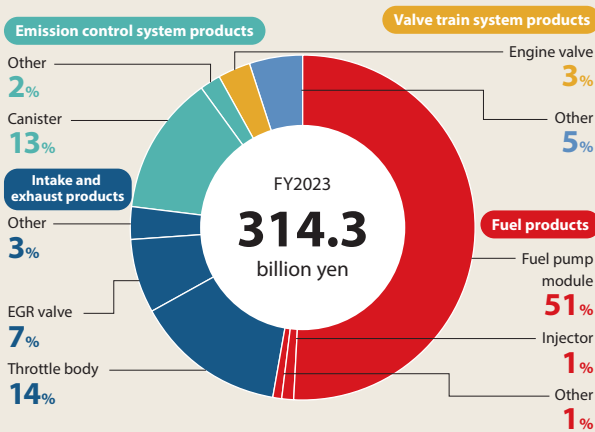




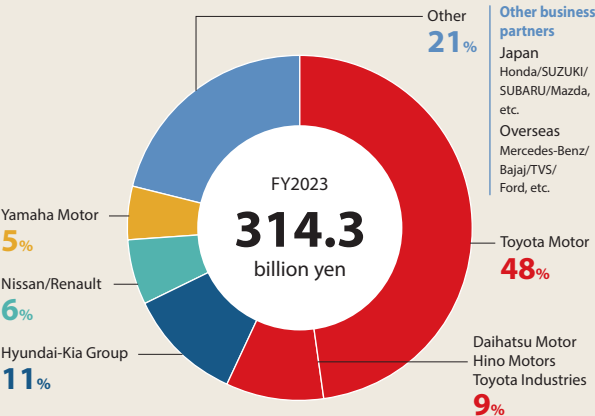
Approximately one out of every three cars on the road around the world is equipped with Aisan Group's products. As the diversification of power sources accelerates, our role is to anticipate changes in society, evolve our technologies, and steadily advance our response to next-generation mobility. We will continue to take on challenges for further growth.



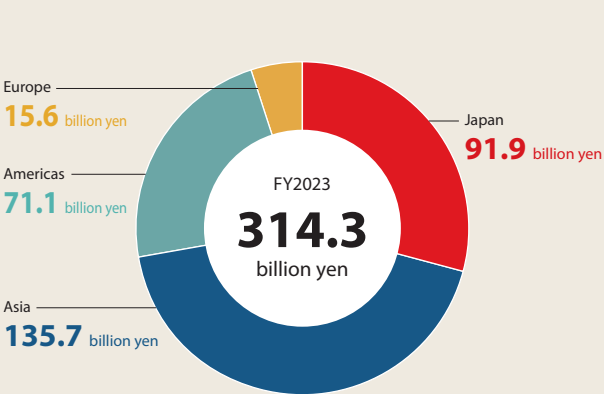
Percentage of net sales by product (Consolidated)



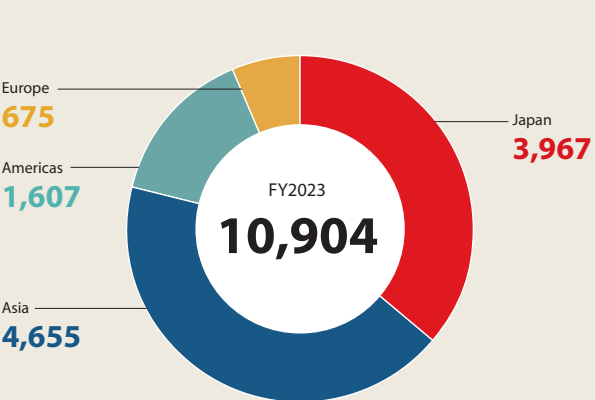
Percentage of net sales by customer (Consolidated)



Net sales composition by region (Consolidated)



Number of employees by region (Consolidated)

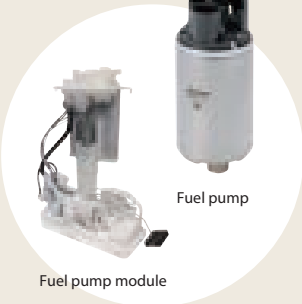


(As of March 31, 2024)

**Powertrain products**

**Fuel products**


Sends fuel from the tank to the engine. Peripheral products that maintain fuel pressure are also integrated, and by controlling the pump flow, it further improves the fuel economy.



Fuel pump module  
Fuel pump

**Intake and exhaust products**


Controls the amount of intake air to the engine to achieve comfortable driving performance. In addition, it contributes to improved fuel economy and lowers NOx by recirculating exhaust gas.



Throttle body  
EGR valve

**Valve train system products**


Opens and closes the intake and exhaust ports of the engine combustion chamber. These products require heat resistance and wear resistance to follow the high-speed rotation of engines in high-temperature environments.



Engine valve  
Titanium alloy engine valve

**Emission control system products**

Adsorbs the fuel evaporation gas generated in the fuel tank and supply lines which cause air pollution, and blocks them appropriately to prevent their release into the atmosphere.

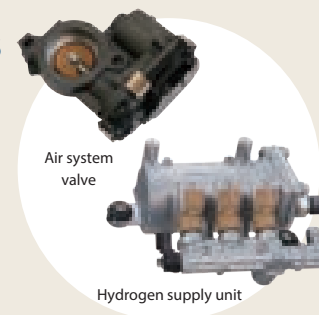


Fuel tank close valve  
Canister

**Products for clean energy**

**Fuel cell products**

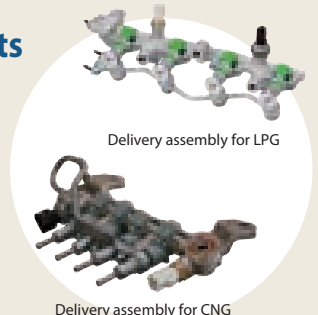
Utilizing our know-how accumulated from gas fuel systems, it controls the hydrogen and oxygen supplied to the fuel cell, contributing to highly efficient power generation.



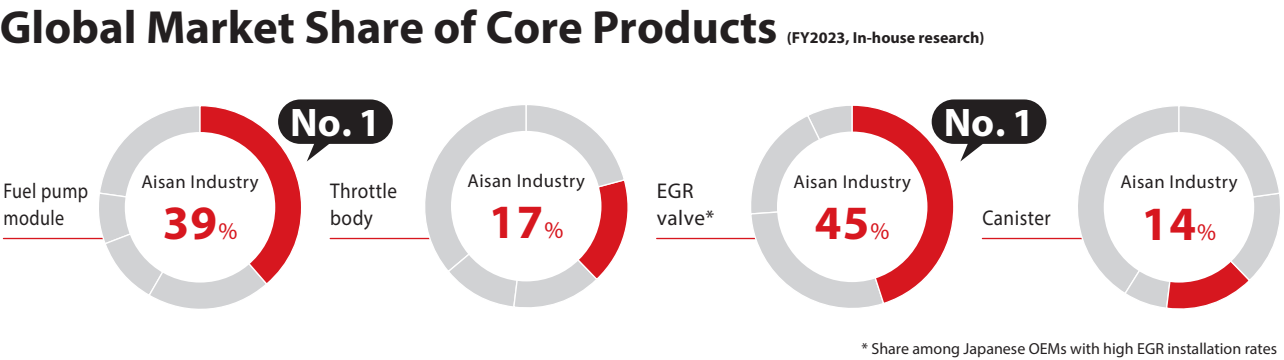
Air system valve  
Hydrogen supply unit

**LPG/CNG products**

It responds to the diversification of power sources, including LPG, which is widely used for taxis in Japan, and CNG, which is expected to be in demand mainly in resource-rich countries.

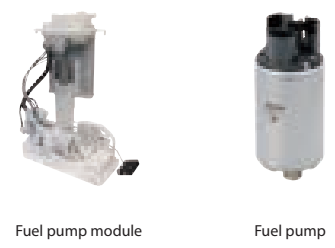


Delivery assembly for LPG  
Delivery assembly for CNG




Core products for four-wheeled vehicles

**1 Fuel products**




Fuel pump module  
Fuel pump

**2 Intake and exhaust products**




Throttle body  
EGR valve

**3 Valve train system products**



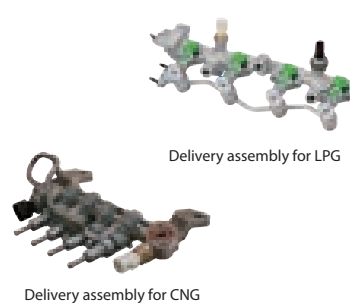
Engine valve  
Titanium alloy engine valve

**4 Emission control system products**

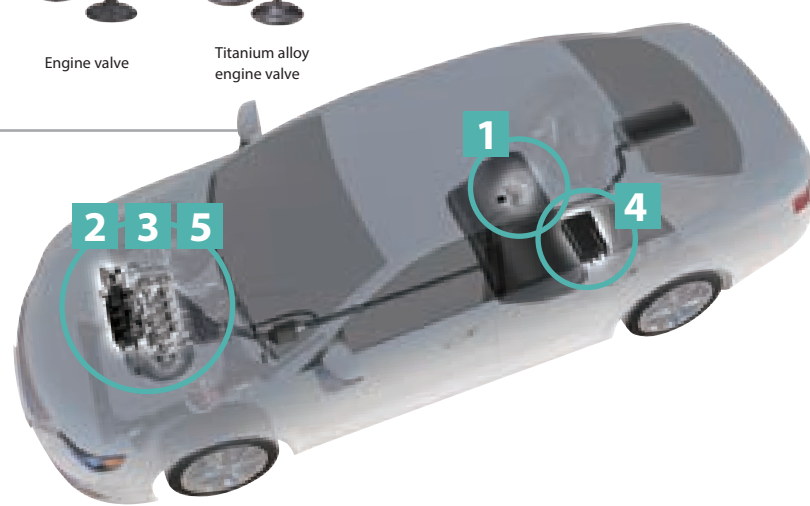


Fuel tank close valve  
Canister

**5 LPG/CNG products**



Delivery assembly for LPG  
Delivery assembly for CNG



Core products for small motorcycles



Canister

Brushless fuel pump

Injector

Fuel pump module

Throttle body