



December 22, 2020

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Securities code: 7259 (TSE/NSE, First Sections)  
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Notice Regarding Conclusion of Merger Agreement (Simple and Short Form) with AISIN AW  
CO., LTD.

Today, Aisin Seiki Co., Ltd. (AI) hereby announces that AI and Aisin AW Co., Ltd. (AW), a consolidated subsidiary of AI, have concluded a merger agreement regarding a merger (the “Merger”) with an effective date of April 1, 2021 in accordance with the basic agreement on the management integration between the two companies timely disclosed on October 31, 2019.

Since the Merger is a simple and short-form merger of consolidated subsidiaries, some disclosure items and details are omitted.

1. Purpose of the Merger

In order for the Aisin Group to survive the once-in-a-century transformation of the automotive industry, which is ushering in rapidly developing CASE-related fields, and the entrance into the market by companies from other industries, it has become necessary to further strengthen our competitiveness, and to this end, in an effort to strengthen collaboration within the Group and improve management efficiency, the Aisin Group pushed forward with the introduction of a virtual company system in April of 2017.

In order to proceed to a new level of structural reform, AI and AW agreed to merge in October 2019, in the spirit of a merger on equal footing, and have concluded a merger agreement with an effective date of April 1, 2021 based on this agreement today.

The new company resulting from the AI and AW merger will further accelerate the shift of resources to critical areas with the objective of creating synergy effects in both operations and management and strengthening our competitiveness in CASE-related fields.

## 2. Summary of the Merger

### (1) Reorganization schedule

Resolution date by the Board of Directors for basic agreement conclusion	October 31, 2019
Basic agreement conclusion date	October 31, 2019
Resolution date by the Board of Directors for contract	December 22, 2020
Contract date	December 22, 2020
Merger effective date	April 1, 2021 (scheduled date)

\*As the Merger falls under the category of a simple and short-form merger as stipulated in Article 796, Paragraph 2 of the Companies Act, no shareholders' meeting will be held to approve the merger agreement.

### (2) Reorganization method

The Merger will be an absorption-type merger, with AI as the surviving company and AW as the extinguished company.

### (3) Allocation details of the Merger

At the time of the Merger, AI will deliver to the shareholders (excluding AI) listed in AW's shareholder registry on the day before the effective date a cash payment in an amount calculated based on the calculation basis for each share of AW owned.

### (4) Treatment on stock acquisition rights and bonds with share acquisition rights in connection with the Merger

AW has not issued any stock acquisition rights and bonds with share acquisition rights.

## 3. Calculation basis of the allocation details of the Merger

In calculating the consideration to be used in the Merger, the value of AW's shares, which are unlisted, will be calculated using the book value per share method based on the adjusted book value as of December 31, 2020.

(Note) Adjusted book value as of December 31, 2020 is calculated by adjusting the market value of land (including overseas land) of 10,000 square meters or more owned by the corporate group (AW Group) consisting of AW and its subsidiaries and by adjusting the market value of securities held by the AW Group.

4. Overview of the parties to the reorganization (as of March 31, 2020)

	Surviving company	Extinguished company
(1) Company name	Aisin Seiki Co., Ltd.	AISIN AW CO., LTD.
(2) Location	2-1 Asahi-machi, Kariya, Aichi	10 Takane, Fujii-cho, Anjo, Aichi
(3) Representative	Kiyotaka Ise, President	Kazuhisa Ozaki, President
(4) Business description	Manufacturing and sales of automotive parts	Manufacturing and sales of automotive parts
(5) Capital	45,049 million yen	26,480 million yen
(6) Establishment	August 1965	May 1969
(7) Number of outstanding shares	294,674,634 shares	9,802,283 shares
(8) Fiscal Period	March 31	March 31
(9) Number of employees	14,986	22,196
(10) Major customers	Toyota Motor Corporation	Toyota Motor Corporation
(11) Main banks	MUFG Bank, Ltd.	MUFG Bank, Ltd.
(12) Major shareholders and shareholding ratio	Toyota Motor Corporation: 24.80% Toyota Industries Corporation: 7.68% The Master Trust Bank of Japan, Ltd. (trust account): 4.87% DENSO Corporation: 4.81% Japan Trustee Services Bank, Ltd. (trust account): 4.41%	Aisin Seiki Co., Ltd.: 56.38% Toyota Motor Corporation: 39.65%

Financial position and results for the previous fiscal year			
AI [IFRS] (Consolidated)		AW [Japanese Standard] (Stand Alone)	
Fiscal Period	FY2020	Fiscal Period	FY2020
Equity attributable to owners of the parent company	1,280,165 million yen	Net assets	609,515 million yen

Total assets	3,992,652 million yen	Total assets	1,013,243 million yen
Equity attributable to owners of the parent per share (Yen)	4,750.07 yen	Net assets per share (Yen)	62,180.99 yen
Revenue	3,784,585 million yen	Revenue	1,399,858 million yen
Operating profit	56,129 million yen	Operating profit	3,373 million yen
Profit before income taxes	53,395 million yen	Ordinary profit	27,133 million yen
Profit for the period attributable to owners of the parent	24,061 million yen	Gross profit for period	26,125 million yen
Basic earnings per share (Yen)	89.28 yen	Net income per share (Yen)	2,665.28 yen

#### 5. Status after the merger

The Merger will have no change in the location of the head office, representative, business description, capital or fiscal period.

#### 6. Outlook for the future

The Merger will have no impact on the business results for FY2021 as the effective date of the Merger is April 1, 2021. We will promptly announce any matters that should be disclosed in the future.

(Reference) Consolidated financial forecast for the current fiscal year (announced on October 29, 2020) and consolidated results for the previous fiscal year

(Million Yen)

	Revenue	Operating profit	Profit before income taxes	Profit for the period attributable to owners of the parent
Financial forecast (FY2021)	3,380,000	50,000	50,000	27,000
Previous results (FY2020)	3,784,585	56,129	53,395	24,061