



Supplementary material for financial results for the 1st Quarter of fiscal year ending March 2026

29 July 2025

EXEDY Corporation

➤ **Results for the First Quarter of the Fiscal Year 2025 (2025/4 – 2025/6)**

- ✓ Revenue declined due to the effects of foreign exchange rates and a reduction in orders within the AT business in the Americas. However, operating profit rose as a result of transferring increased costs to selling prices and the closure of an unprofitable U.S. subsidiary in the previous fiscal year. Net profit decreased mainly due to foreign exchange losses.

➤ **Forecast for the Fiscal Year 2025 (2025/4 – 2026/3)**

- ✓ There are no changes to the earnings forecast announced on April 24, 2025.

➤ **Shareholder returns**

- ✓ The company maintains a 100% total return policy to uphold an optimal capital structure, targeting an equity ratio of 60%.
- ✓ Considering current performance and the full-year forecast, the company anticipates securing funds for growth investments and has decided to raise the annual dividend by 50 JPY to 300 JPY, aiming to enhance capital efficiency.

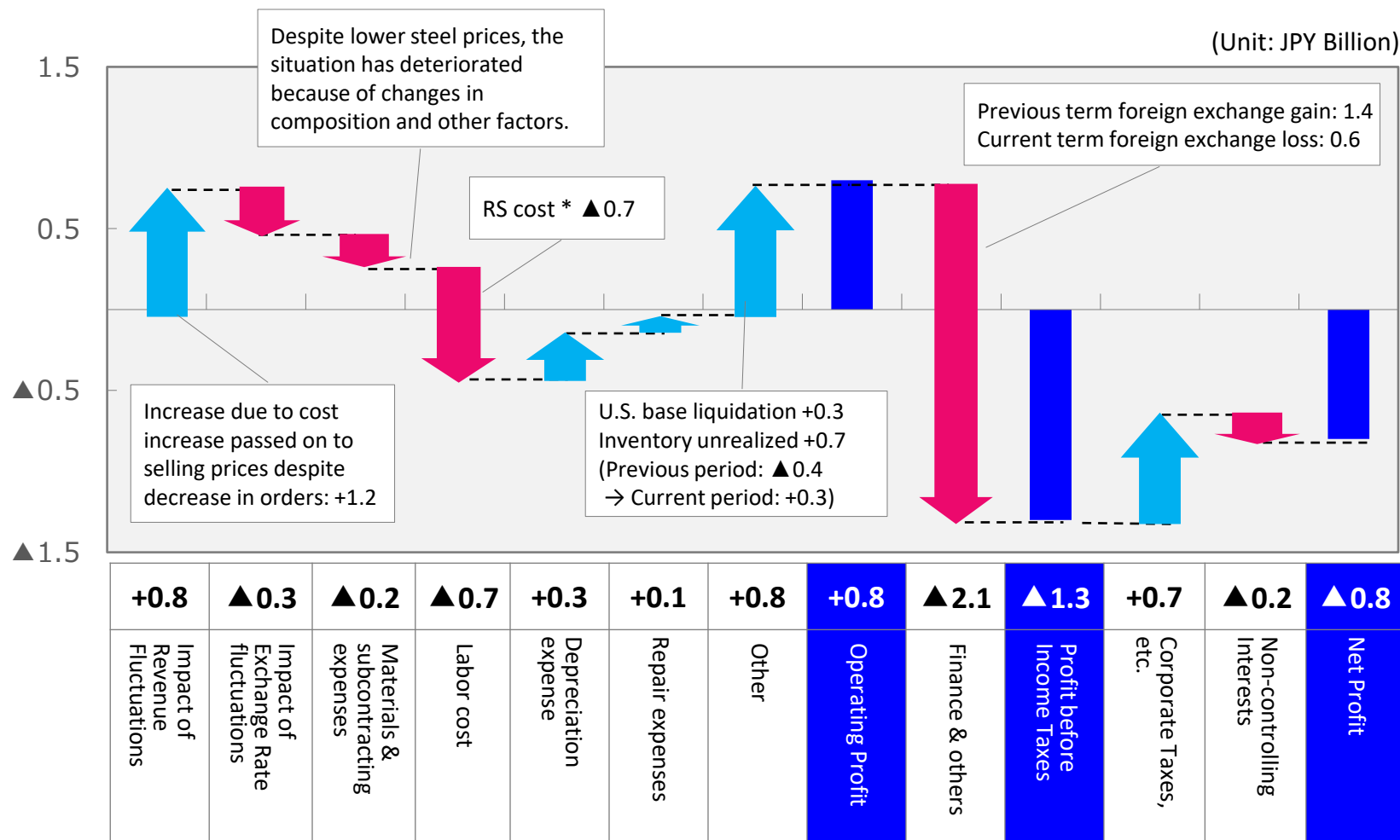
Consolidated Financial Summary

- ✓ **Sales:** Although there were factors for an increase such as the launch of new two-wheeler products in Asia and passing increased costs in Japan onto customers, sales declined due to the withdrawal of subsidiaries in the Americas and the impact of exchange rates.
- ✓ **Operating Profit:** Although personnel costs and other expenses are increasing, these are being passed on to customers. Operating Profit increased due to the realization of unrealized gains and the withdrawal from unprofitable subsidiaries in the Americas.
- ✓ **Net Profit:** Net Profit decreased due to foreign exchange losses.

	FY 2024 1Q Results (2024/4-2024/6)	FY 2025 1Q Results (2025/4-2025/6)	Increase /Decrease	Rate of Change
Unit: JPY Billion				
Revenue	75.4	71.9	▲ 3.5	▲ 4.7%
Operating Profit	4.1	4.9	+ 0.8	+ 20.3%
Ratio to Revenue	5.4%	6.8%	+ 1.4pt	—
Net Profit	3.5	2.7	▲ 0.8	▲ 23.0%
Ratio to Revenue	4.7%	3.8%	▲ 0.9pt	—
FX Rate (USD-JPY) (average)	156.5	145.2	▲ 11.3	▲ 7.2%

Factors for Profit Increase/Decrease

: Comparison of Actual Results for FY 2025 1Q vs. FY 2024 1Q



*RS cost: Labor cost related to the Restricted Stock Incentive for Employee Shareholding Association implemented in FY2024

Business/Location Segment Matrix - Revenue

Unit: JPY Billion	Location	MT	AT	Others Total				Total
					TS	2 W	Other	
FY 2024 1Q Results	Japan	4.22	20.47	3.86	3.05	0.00	0.80	28.55
	Americas	1.96	13.69	0.52	0.52	0.00	0.00	16.16
	China	1.28	9.15	0.06	0.06	0.00	0.00	10.50
	Asia	8.92	4.07	4.17	0.00	4.16	0.00	17.16
	Others	1.44	1.64	0.01	0.00	0.00	0.01	3.09
	Total	17.81	49.02	8.62	3.64	4.17	0.81	75.45

FY 2025 1Q Results	Japan	4.65	20.43	3.94	2.80	0.05	1.09	29.02
	Americas	1.66	9.12	0.34	0.34	0.00	0.00	11.12
	China	1.08	9.46	0.07	0.06	0.00	0.01	10.60
	Asia	8.91	4.34	5.14	0.00	5.13	0.00	18.39
	Others	1.28	1.48	0.00	0.00	0.00	0.00	2.76
	Total	17.57	44.83	9.50	3.21	5.19	1.11	71.90

Difference	Japan	+ 0.43	▲ 0.04	+ 0.08	▲ 0.25	+ 0.05	+ 0.29	+ 0.47
	Americas	▲ 0.30	▲ 4.56	▲ 0.18	▲ 0.18	0.0	0.0	▲ 5.04
	China	▲ 0.20	+ 0.30	+ 0.01	▲ 0.00	+ 0.00	+ 0.01	+ 0.11
	Asia	▲ 0.01	+ 0.27	+ 0.97	+ 0.00	+ 0.97	+ 0.00	+ 1.23
	Others	▲ 0.17	▲ 0.15	▲ 0.00	0.0	0.0	▲ 0.00	▲ 0.32
	Total	▲ 0.24	▲ 4.19	+ 0.88	▲ 0.43	+ 1.02	+ 0.29	▲ 3.55

※For reference Difference excluding exchange rate effects	Japan	+ 0.43	▲ 0.04	+ 0.08	▲ 0.25	+ 0.05	+ 0.29	+ 0.47
	Americas	▲ 0.16	▲ 3.85	▲ 0.15	▲ 0.15	0.0	0.0	▲ 4.15
	China	▲ 0.13	+ 0.97	+ 0.01	+ 0.00	+ 0.00	+ 0.01	+ 0.86
	Asia	+ 0.43	+ 0.23	+ 1.39	+ 0.00	+ 1.39	+ 0.00	+ 2.05
	Others	▲ 0.14	▲ 0.12	▲ 0.00	0.0	0.0	▲ 0.00	▲ 0.26
	Total	+ 0.45	▲ 2.81	+ 1.33	▲ 0.40	+ 1.44	+ 0.29	▲ 1.03

Business/Location Segment Matrix - Operating Profit

Unit: JPY Billion	Location	MT	AT	Others Total	Others			Total*
					TS	2 W	Other	
FY 2024 1Q Results	Japan	+ 1.02	+ 0.72	+ 0.25	+ 0.40	▲ 0.07	▲ 0.08	+ 1.33
	Americas	+ 0.19	▲ 0.04	▲ 0.00	+ 0.00	0.0	▲ 0.01	+ 0.07
	China	+ 0.03	+ 0.97	+ 0.02	+ 0.02	0.0	0.0	+ 1.15
	Asia	+ 1.17	+ 0.34	+ 0.35	+ 0.00	+ 0.36	▲ 0.02	+ 1.77
	Others	+ 0.07	+ 0.03	+ 0.02	0.0	0.0	+ 0.02	+ 0.15
	Consolidation adjustment	▲ 0.33	▲ 0.06	+ 0.01	0.0	+ 0.01	0.0	▲ 0.38
Total		+ 2.14	+ 1.96	+ 0.65	+ 0.42	+ 0.30	▲ 0.07	+ 4.08
FY 2025 1Q Results	Japan	+ 1.15	+ 0.98	▲ 0.10	+ 0.29	▲ 0.04	▲ 0.35	+ 0.97
	Americas	+ 0.18	+ 0.03	+ 0.02	+ 0.01	0.0	+ 0.00	+ 0.25
	China	+ 0.05	+ 1.12	+ 0.02	+ 0.01	▲ 0.00	+ 0.00	+ 1.29
	Asia	+ 1.08	+ 0.47	+ 0.41	+ 0.00	+ 0.43	▲ 0.02	+ 1.96
	Others	+ 0.08	+ 0.08	+ 0.01	0.0	0.0	+ 0.01	+ 0.19
	Consolidation adjustment	+ 0.21	+ 0.04	+ 0.01	0.0	+ 0.01	▲ 0.00	+ 0.26
Total		+ 2.75	+ 2.73	+ 0.35	+ 0.31	+ 0.40	▲ 0.36	+ 4.91
Difference	Japan	+ 0.13	+ 0.26	▲ 0.35	▲ 0.11	+ 0.04	▲ 0.28	▲ 0.36
	Americas	▲ 0.00	+ 0.07	+ 0.02	+ 0.01	0.0	+ 0.01	+ 0.18
	China	+ 0.02	+ 0.15	▲ 0.00	▲ 0.01	▲ 0.00	+ 0.00	+ 0.14
	Asia	▲ 0.09	+ 0.13	+ 0.06	▲ 0.00	+ 0.06	▲ 0.01	+ 0.18
	Others	+ 0.01	+ 0.06	▲ 0.01	0.0	0.0	▲ 0.01	+ 0.05
	Consolidation adjustment	+ 0.54	+ 0.10	▲ 0.00	0.0	▲ 0.00	▲ 0.00	+ 0.64
Total		+ 0.61	+ 0.77	▲ 0.29	▲ 0.11	+ 0.10	▲ 0.28	+ 0.83
※For reference Difference excluding exchange rate effects	Japan	+ 0.13	+ 0.26	▲ 0.35	▲ 0.11	+ 0.04	▲ 0.28	▲ 0.36
	Americas	+ 0.01	+ 0.07	+ 0.02	+ 0.01	0.0	+ 0.01	+ 0.20
	China	+ 0.02	+ 0.23	▲ 0.00	▲ 0.00	▲ 0.00	+ 0.00	+ 0.23
	Asia	▲ 0.06	+ 0.13	+ 0.09	▲ 0.00	+ 0.10	▲ 0.01	+ 0.24
	Others	+ 0.01	+ 0.06	▲ 0.01	0.0	0.0	▲ 0.01	+ 0.05
	Consolidation adjustment	+ 0.54	+ 0.10	▲ 0.00	0.0	▲ 0.00	▲ 0.00	+ 0.64
Total		+ 0.65	+ 0.85	▲ 0.26	▲ 0.11	+ 0.13	▲ 0.28	+ 1.00

*The total figures include company-wide expenses and other revenue and expenses.

Shareholder returns aimed at enhancing corporate value & capital efficiency

					Transformation/REVOLUTION 2026 (3 years)		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Per Share Dividend	JPY 60	JPY 90	JPY 90	JPY 120	JPY 250	<div style="background-color: #0070C0; color: white; padding: 10px; text-align: center;"> update Annual JPY 300 Or more </div>	<div style="background-color: #0070C0; color: white; padding: 10px; text-align: center;"> update Annual JPY 300 Or more </div>
	Mid-year: JPY 30 Year-end: JPY 30	Mid-year: JPY 40 Year-end: JPY 50	Mid-year: JPY 45 Year-end: JPY 45	Mid-year: JPY 60 Year-end: JPY 60	Mid-year: JPY 100 Year-end: JPY 150		
Total Return Ratio	56%	34%	92%	▲56%	425%	100% total return ratio in 2 years update	
DOE*	1.4%	1.9%	1.9%	2.6%	5.2%	Aiming for DOE of 5%	
Treasury Stock Acquisition	-	-	-	-	JPY 45 billion	(Consideration based on changes in the business environment)	

【FY2025 & FY2026】

100% total return policy to maintain optimal capital structure (equity ratio of 60%)

- ✓ Considering current performance and the full-year forecast, the company anticipates securing funds for growth investments and has decided to raise the annual dividend aiming to enhance capital efficiency.
- ✓ Annual dividend increased to JPY300 per share once the impact of the U.S. tariff policy is uncertain.
- ✓ Plans to revise the capital allocation of the current medium-term management plan by the end of October 2025

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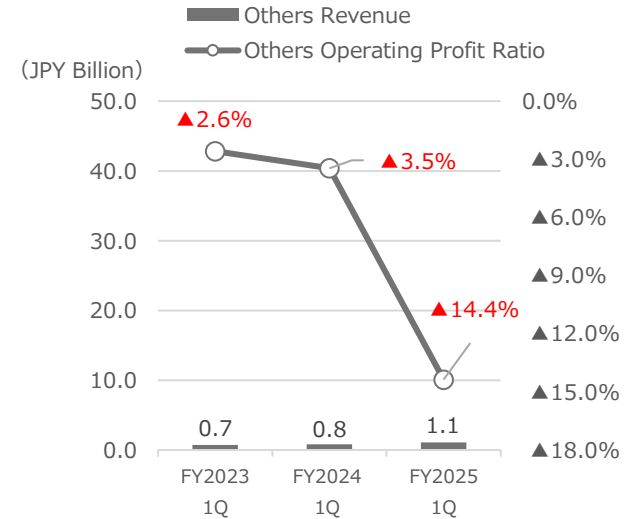
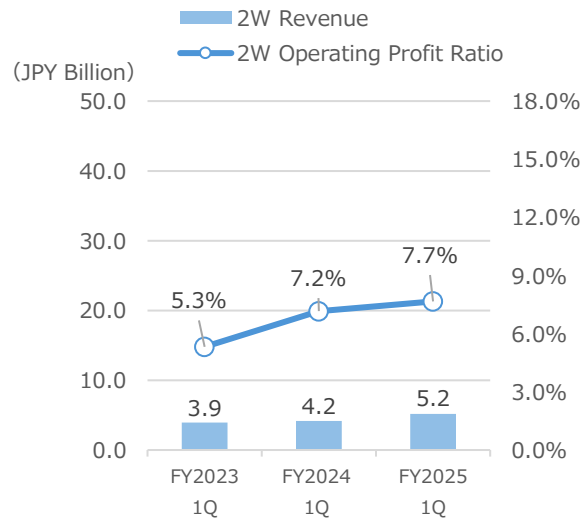
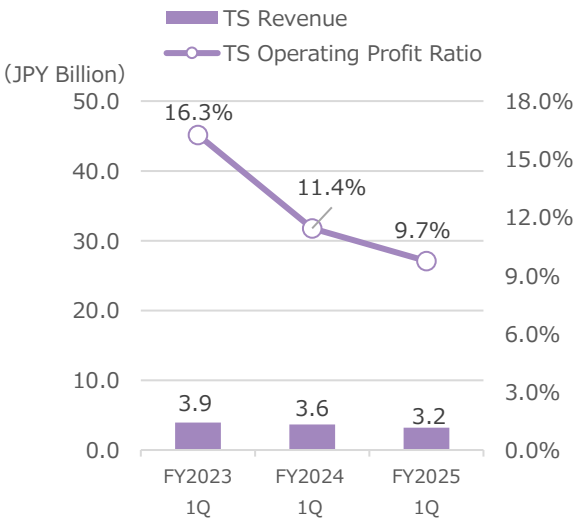
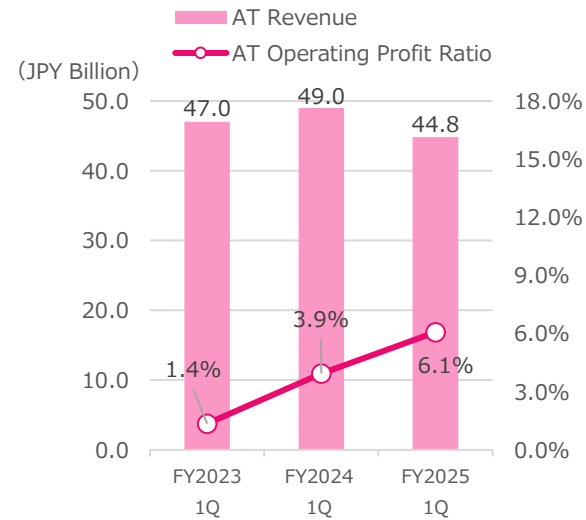
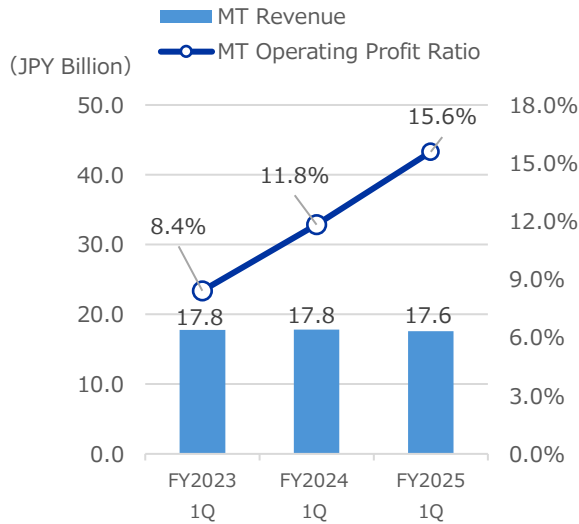
Appendix

Financial results for the First Quarter of the Fiscal Year 2025

Segment-wise income & expense transition

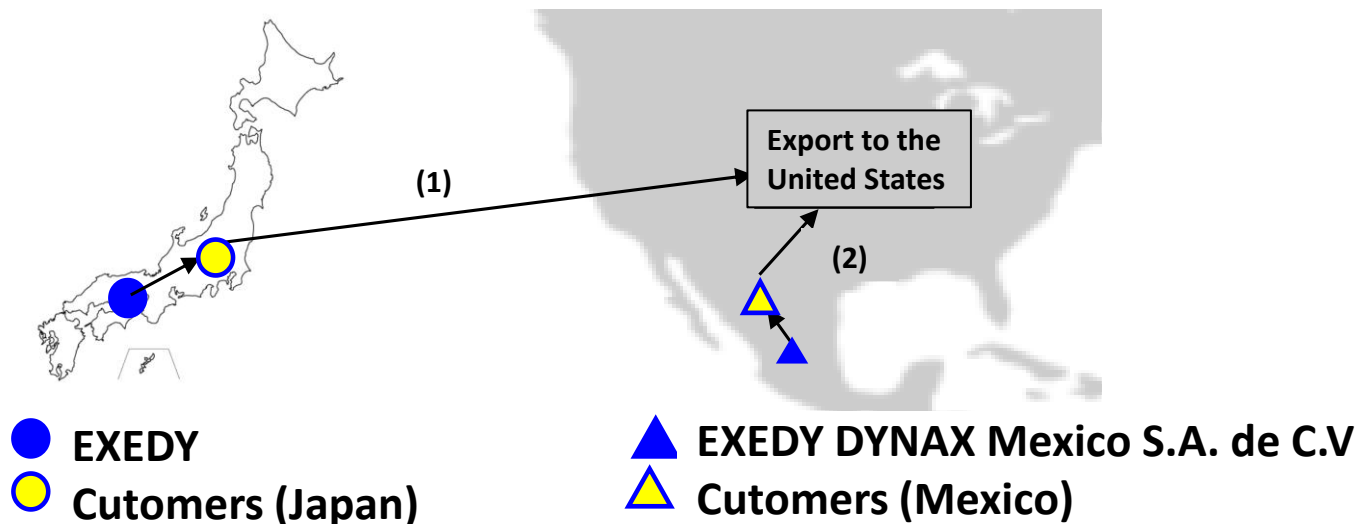
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2. Transactions for which the Group's customers may be subject to such tariffs

NO.	Main relevant commercial distribution
(1)	Our Group (Japan) → Customers (Japan) → U.S.A.
(2)	Our Group (Mexico) → Customers (Mexico) → U.S.
Of the total 66.4 billion JPY, approximately 90% is accounted for by (1) & (2)	



- ✓ Transactions for which our group's customers could be subject to such tariffs amounted to 66.4 billion JPY (21.4% of the previous year's sales).
- ✓ Since it is not possible to properly estimate the impact of the tariff policy on the decrease in orders at this time, it is not reflected in the forecast for FY2025. While the increase in tariff costs will be reflected in selling prices, the company plans to optimize its production system in the event of a decrease in orders.
 →No impact on business performance as of July 2025

Forecast for the Fiscal Year 2025

Consolidated Financial Summary

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- ✓ **Sales:** Due to a decrease in the number of orders in the AT business & exchange rate effect from the stronger JPY, a decrease of 7.9% is expected compared to FY 2024.
- ✓ **Operating Profit:** Despite factors that reduce profit, such as a decline in order volume and an increase in labor cost associated with stock provision to employees in FY2024, there are recovery strategies like liquidating the deficit in the U.S. subsidiary and transferring price increases to customers. While a boost of 13.0% decrease is expected compared to FY 2024, the projections do not fall short of the targets for the final fiscal year of the mid-term plan, FY 2026 (Operating Profit of JPY 19 billion & ROE of 6%).
- ✓ **Medium-term plan targets:** Based on steady progress, the Operating Profit & ROE have been revised upwards.

Unit: JPY Billion	FY 2024 Results (2024/4-2025/3) <First Year of the Mid-term Plan>	FY 2025 Forecast (2025/4-2026/3) <Second Year of the Mid-term Plan>	Increase /Decrease	Rate of change	Reference: Target for FY 2026 (Final year of the medium-term plan)
Revenue	309.6	285.0	▲ 24.6	▲ 7.9%	290.0 → 280.0
Operating Profit	21.8	19.0	▲ 2.8	▲ 13.0%	19.0 → 20.0
Ratio to Revenue	7.1%	6.7%	▲ 0.4pt	—	7.1%
Net Profit	12.7	12.0	▲ 0.7	▲ 5.8%	12.5
Ratio to Revenue	4.1%	4.2%	+0.1pt	—	4.5%
ROE	6.4%	6.6%	+0.2pt	—	6.0% → 6.7%
FX Rate (USD-JPY)	152.5	143.0	▲ 9.5	▲ 6.2%	143.0

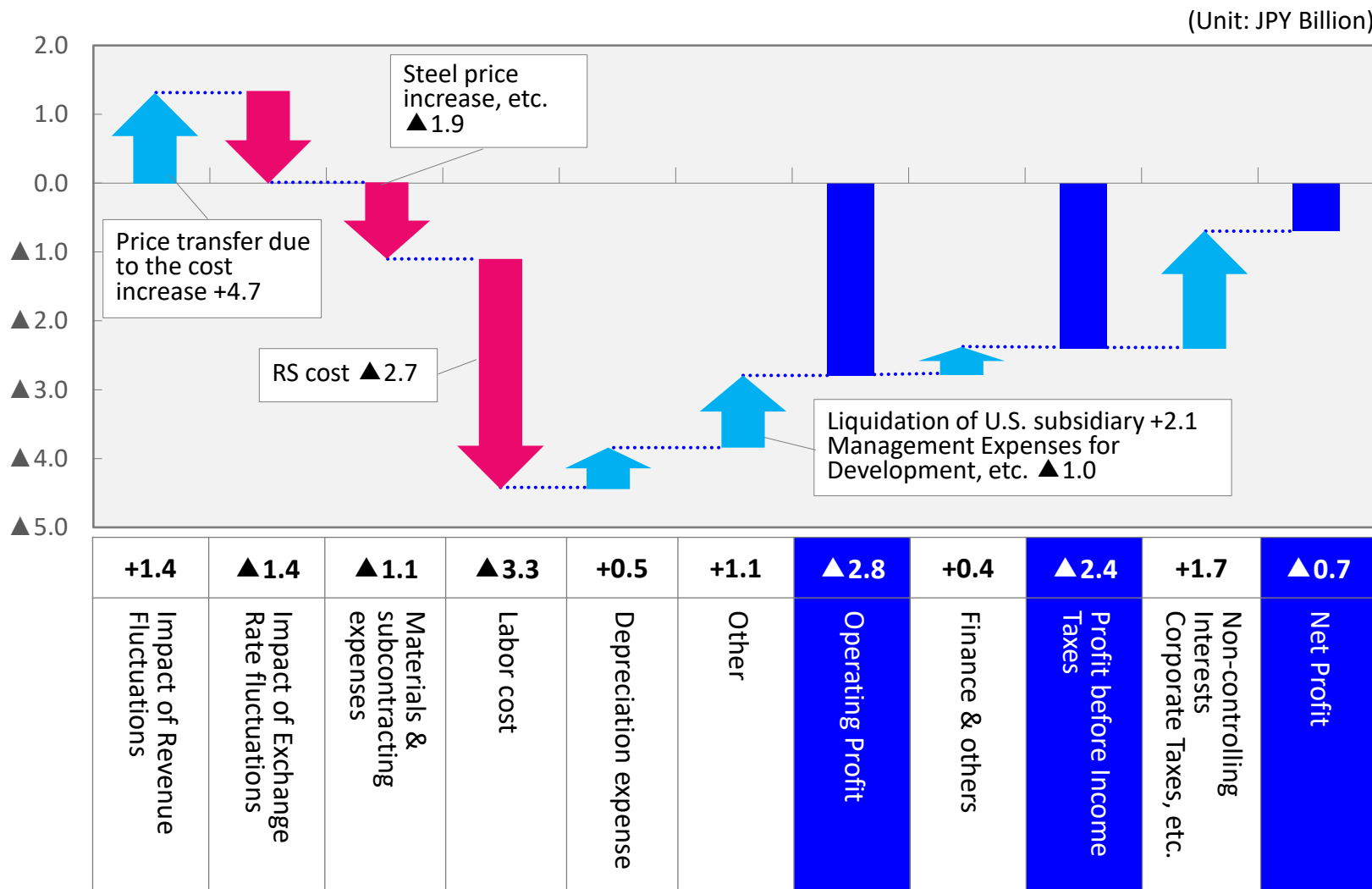
Forecast for the Fiscal Year 2025

Factors for Profit Increase/Decrease

: Forecast for FY 2025 vs. Results for FY 2024

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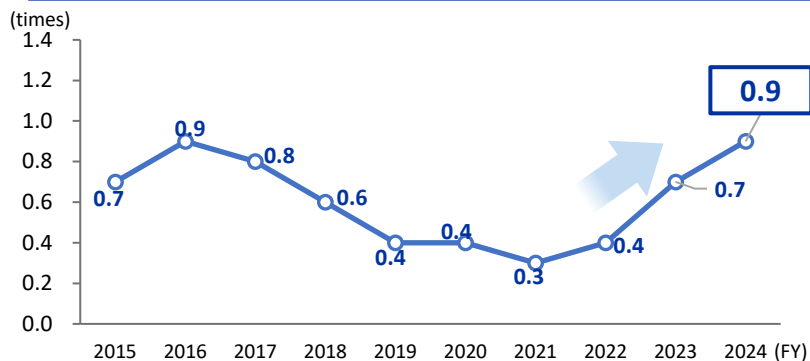
Progress on the Medium-Term Management Plan "REVOLUTION 2026"

Financial Strategy (Improving capital profitability through the pursuit

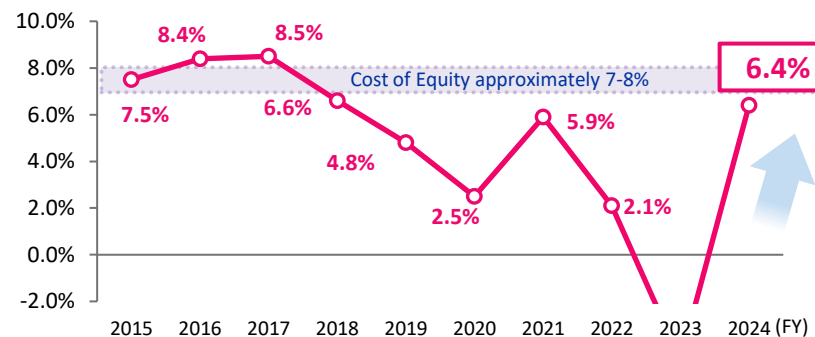
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PBR



ROE & Cost of Equity



Challenges (As of End of March 2024)	Main requests from 7 major Shareholders (in June—September 2024)	Updated Financial Strategy (in October 2024)	Results (As of End of March 2025)
Continuation of PBR less than 1 <PBR: 0.7 times> ① ROE below shareholder capital cost <Equity Ratio: 67.9%> ② Decrease in torque converter demand due to BEV shift	ROE Improvement: 7 shareholders	Updating Financial Strategy to achieve ROE goals (FY 2026: 6%, FY 2030: 8%)	Achieved ROE target for FY 2026 two years ahead (ROE: 6.4%, improved PBR: 0.9 times)
	Formulation of Balance Sheet (BS) policy: 7 shareholders	Calculated the optimal equity ratio (60%)^{※1}, and formulated an achievement policy by the end of FY 2025.	Built an optimal Balance Sheet (Equity ratio: 59.4%, maintain JCR rating A+ ^{※2})
	Review shareholder returns	Reviewed the medium-term plan & capital allocation incorporating financial leverage utilization based on various shareholder preferences & cash flow	Mobilized funds through the utilization of financial leverage (JPY 30 billion) & working capital compression to implement the following:
	Increased Dividends: 4 shareholders		Increased Dividend (from JPY 120 to over JPY 200 ^{※3})
Not Necessary (Focusing on growth investment): 2 shareholders	Securing Growth Investment Funds (JPY 30 billion)		
Share Buyback: 1 shareholder		Additional Share Buyback JPY 30 billion (total JPY 45 billion)	

- ✓ Financial Strategy revised based on dialogue with major 7 shareholders. By transforming to an optimal balance sheet, the current medium-term plan's ROE target of 6% was achieved two years ahead of schedule (improving the PBR to 0.9 times. Maintained JCR rating A+ after changes in capital structure).
- ✓ Going forward, this ratio of equity capital will be maintained.

※1 Calculated based on business environment awareness (such as BEV shift) and three approaches (quantifying risk by BS items, reducing WACC, and reducing debt costs by maintaining high credit ratings) ※2 Announced on April 7, 2025 ※3 The forecast for the FY 2024 is 250 JPY annually

Progress on the Medium-Term Management Plan "REVOLUTION 2026" Financial Strategy (Capital Allocation)

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Capital Allocation for FY2024-FY2026

Cash Flow (3-years cumulative)

IN	OUT
Operating CF: JPY 81 billion	Growth Investment: JPY 30 billion
	Renewal Investment: JPY 15 billion
	Shareholder Returns Dividends: JPY 28 billion Acquisition of Treasury Stock: JPY 45 billion
Reduction of Working Capital, etc.: JPY 7 billion	
Utilization of Financial Leverage: JPY 30 billion	

Growth Investment

① Strategic Investment

- Strategically & Flexibly Invest Funds to create new business
- Establish a dedicated M&A department to achieve Medium-Term profit target

② R&D

- To concentrate Investment of talent & funds into new business
<Investment ration to New Biz> 63% in FY2026, 70% in FY2030

Shareholder Returns

① Increase in Shareholder Dividends

Increase annual dividend per share to at least JPY 250

② Acquisition of Treasury Stock

Conducted acquisition of treasury stock worth JPY 45 billion in FY 2024 to enhance corporate value & capital efficiency

- ✓ FY2024: Increased the annual dividend per share to JPY 250, carried out the acquisition of treasury stock worth JPY 45 billion. Utilized Financial Leverage (JPY 300 billion raised through a syndicated loan).
- ✓ FY 2025 & beyond: Focus on aggressive Growth Investment to increase corporate value, and continue sufficient shareholder returns.

Contact for inquiries regarding content

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The statements regarding the future contained in this document are based on the information available at the time of preparation, and actual performance may differ due to changes in the business environment.