



For the 2nd Quarter of the Fiscal Year 2025 (2025/4 - 2025/9) Financial Results

EXEDY Corporation

Amounts are rounded to the nearest billion yen.
Figures are presented based on IFRS.



Contents

- 1. Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan**
- 2. Financial results for the 2nd quarter of FY2025 and Revision of Full-Year Earnings Forecast**
- 3. Updates to Mid- to Long-Term Strategy and Future Initiatives**

➤ Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan

- ✓ Through the promotion of Mid- to Long-term Strategy, ROE improved to 6.4% in FY2025March. Achieved the current mid-term plan target (6%) two years ahead of schedule.
- ✓ Steady performance in the first half of this fiscal year, and decision to bring forward and upwardly revise the FY2030/ROE target (8%).

➤ Financial results for the 2nd quarter of FY2025 and Revision of Full-Year Earnings Forecast

- ✓ Sales and income decreased YoY due to lower sales of AT products in Japan & higher costs such as expenses related to human capital. However, compared to the initial forecast, progress was better than expected due to higher sales prices and an increase in AT products in China and motorcycle products in ASEAN countries.
- ✓ Following a favorable first half, full-year forecasts were revised upward due to the absence of downside factors in the second half (ROE: 6.6%→7.0%)

➤ Updates to Mid- to Long-Term Strategy and Future Initiatives

- ✓ **Business Strategy:** Renewed ROE targets (8% in FY2027, 10% in FY2030); organizational reform in Apr 2025 to improve "earning power" of core businesses & speed up concentrated allocation of management resources to new businesses.
- ✓ **Financial Strategy:** Review capital allocation and plan to use the 7.5 billion JPY increase in cash to invest in growth or to return profits to shareholders. In addition, in order to maintain an optimal capital structure (equity ratio of 60%), the company will continue its policy of a 100% total return ratio (stable dividend with a minimum DOE of 5% and a minimum dividend of 300 yen per year).
- ✓ **ESG Strategy:** Revolution of corporate governance to reduce the number of Director & increase the majority of independent outside directors.
- ✓ **SR Strategy:** Reduce cost of shareholders' equity by expanding dialogue with shareholders.
- ✓ **IR Strategy:** In addition to enhanced disclosure, proactive approach to institutional investors and analysts.



Contents

- 1. Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan**
2. Financial results for the 2nd quarter of FY2025 and Revision of Full-Year Earnings Forecast
3. Updates to Mid- to Long-Term Strategy and Future Initiatives

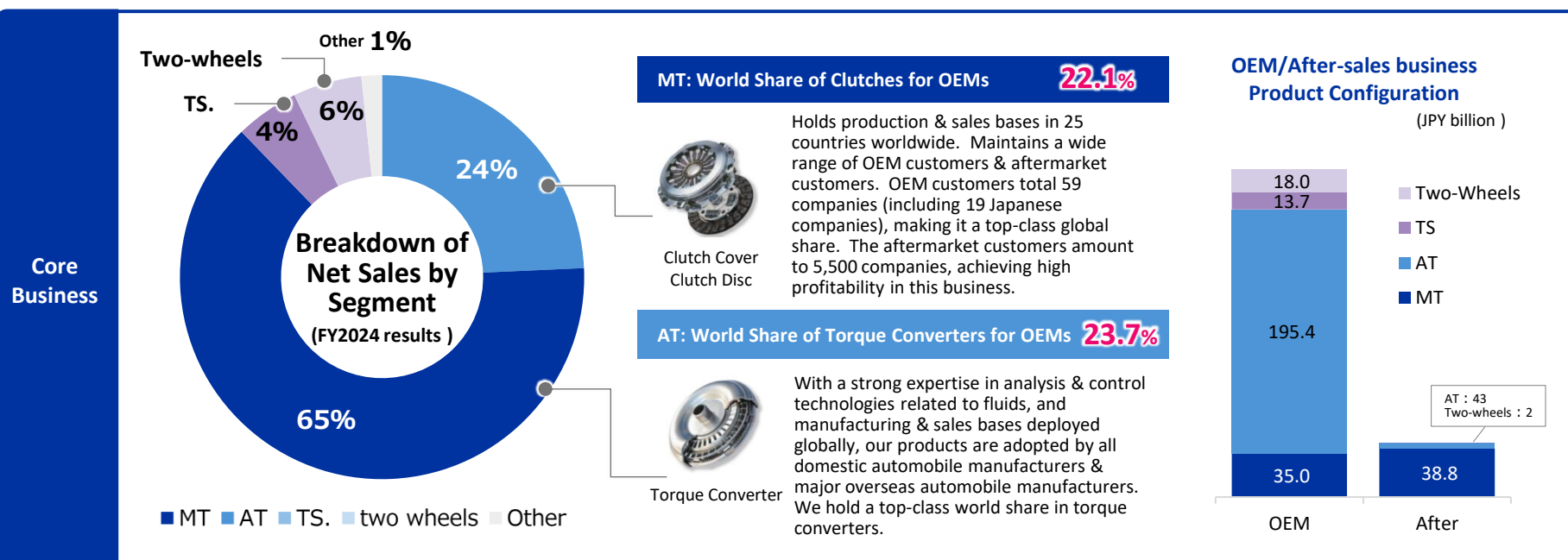
Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan

EXEDY Group Business Overview

Drive our future.

Let's create fulfillment for all, and our future.

- ✓ 52 companies in 25 countries, and the world's leading share of clutches/torque converters for OEMs (according to our own estimates).
- ✓ In the aftermarket business, we achieve high profitability through a unique sales network and strong brand power.
- ✓ In addition to the core businesses mentioned above, we are focusing on developing new products, such as those for electrification, as part of our new business initiatives.



New Business

We are progressing with new product development to "make the movement of people & goods comfortable" by leveraging core technologies in friction, vibration, and fluid dynamics that we have cultivated through the development of drive system components so far, adapting to decarbonization & lifestyle changes.



Two-wheel/Three-wheel
BEV drive unit



Drone



Wide-range drive system
for BEV



General Purpose
Electric Drive Unit



Smart robot

Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan

Business environment awareness & Business Strategy for FY 2030

Drive our future.

Let's create fulfillment for all, and our future.

- ✓ In the automotive industry, which is undergoing a major transformation, the reduction of internal combustion engine vehicles inevitably leads to a contraction of the OEM (AT) business.
- ✓ Based on the mid-to-long-term strategy formulated in April 2024, we will improve the earning power of our core business while concentrating management resources on creating new businesses to transform our business portfolio.

Business Portfolio Transformation

- Improve earning power in core businesses and focus human resources and capital on new business creation

Securing & improving profitability of Core Biz

- Aftermarket:
Expansion of product lines and development of the spare parts market in emerging countries
- OEM:
Pursuit of efficient management through optimization of the production system, and strengthening profitability by achieving appropriate pricing

Creation & Development of New Businesses

- Accelerate the Electrification Strategy by acquiring lacking resources through collaboration, etc.
- Prioritize management resources for Projects & achieve early realization
- Create more new businesses

Business Strategy KPIs (FY 2030 Targets)

ROE **update**
8% → 10%

Operating Profit
JPY 30 billion
<Operating Profit Margin 9%>

Net Sales
JPY 330 billion

New product
sales ratio
30%

Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan

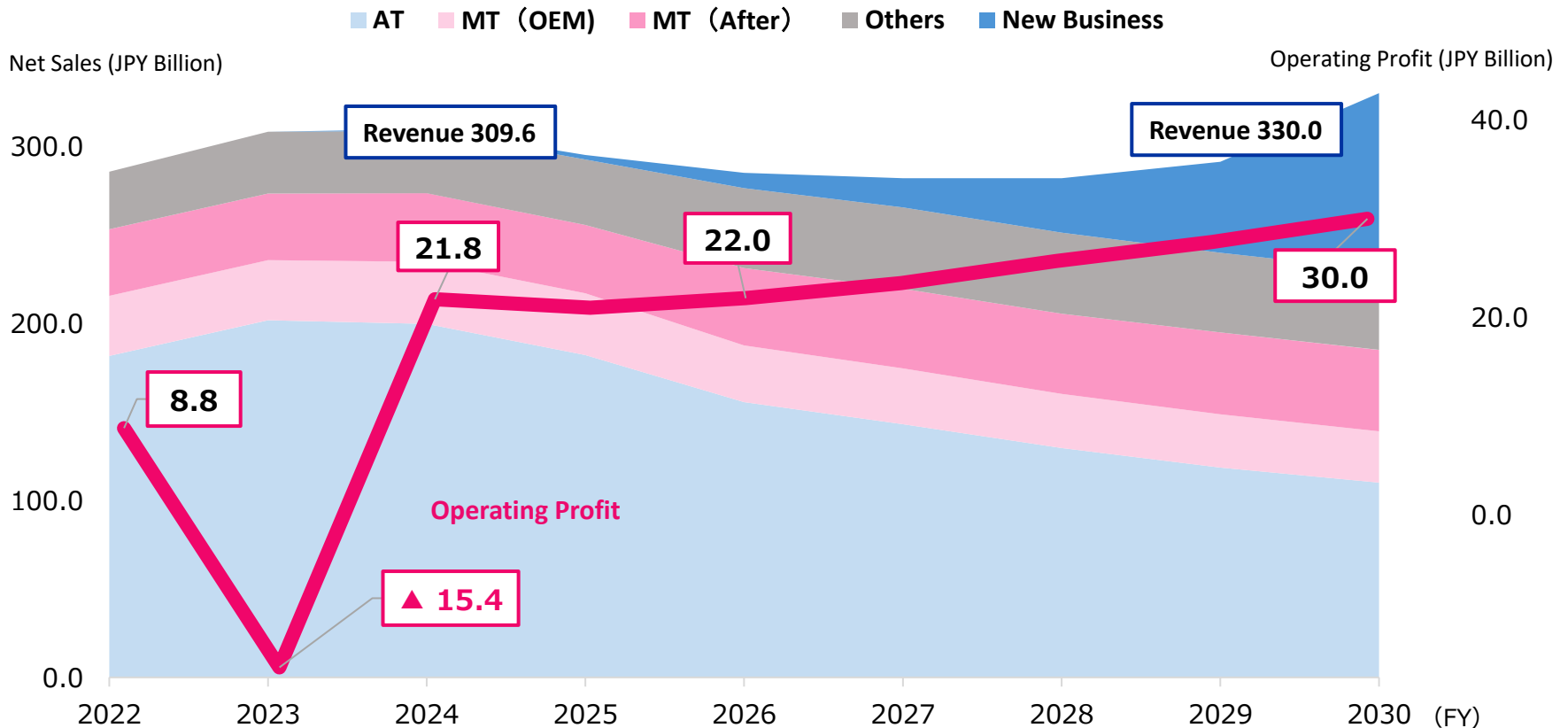
Roadmap towards the FY 2030

Drive our future.

Let's create fulfillment for all, and our future.

- ✓ Aim to shift from an AT business bias to a balanced business portfolio of three businesses (AT, MT, and new businesses) by promoting Mid- to Long-term Strategy

Transform the Business Portfolio by 2030 to improve "Earning Power".



Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan

ROE targets brought forward & revised upward

Drive our future.

Let's create fulfillment for all, and our future.

- ✓ The return on equity (ROE) for the fiscal year ending March 2025 reached 6.4%, surpassing the original target of 6% for the final year of the medium-term plan, achieving this milestone two years earlier than planned.
- ✓ Given consistent progress, the ROE target for fiscal year 2030, initially set at 8%, will be brought forward and adjusted upward.

	Unit: JPY Billion	FY 2024 Results <1st Year of the Mid-term Plan>	FY 2025 Forecast <2nd Year of the Mid-term Plan>	Target for FY 2026 <3rd Year of the Mid-term Plan>	Target for FY 2027 <4th Year of the Mid-term Plan>	Target for FY 2030
Before update	Revenue	309.6	285.0	280.0	No disclosure	330.0
	Operating Profit	21.8	19.0	20.0		30.0
	Ratio to Revenue	7.1%	6.7%	7.1%		9.1%
	ROE	6.4%	6.6%	6.7%※		8.0%
After update	Revenue	309.6	295.0	285.0	282.0	330.0
	Operating Profit	21.8	21.0	22.0	23.5	30.0
	Ratio to Revenue	7.1%	7.1%	7.7%	8.3%	9.1%
	Net Profit	12.7	12.5	13.8	14.8	18.6
	Ratio to Revenue	4.1%	4.2%	4.8%	5.2%	5.6%
	ROE	6.4%	7.0%	7.5%	8.0%	10.0%

*Target at the time of the announcement of the Mid-Term Management Plan in Apr 2024: 6.0%, updated in Apr 2025.

Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan

Medium- and long-term targets for FY2030

Drive our future.

Let's create fulfillment for all, and our future.

- ✓ **Core Businesses :** **AT :** Sales declined gradually due to volume decline, but profitability improved due to optimization of selling prices, etc.
MT : Profit amount increased due to growth of profitable after-sales business.
- ✓ **New Businesses :** Create new businesses with the funds earned from core businesses and develop them into **one of the pillars of our business by 2030.**

		Revenue (JPY Billion) / Sales composition ratio			Operating Profit (JPY Billion) / Ratio to Revenue		
		FY 2024 Results	Target for FY 2027	Target for FY 2030	FY 2024 Results	Target for FY 2027	Target for FY 2030
Core Business	AT (OEM & After)	199.7	143.0	110.0	12.4	10.0	8.5
		65%	51%	33%	6%	7%	8%
	MT (OEM)	35.0	31.5	29.0	2.2	1.5	1.5
		11%	11%	9%	6%	5%	5%
	MT (After)	38.8	45.0	46.0	8.6	10.5	11.5
		13%	16%	14%	22%	23%	25%
	Others (TS ▪ Two-wheels / OEM & After)	35.2	46.0	45.0	3.3	4.0	3.5
		11%	16%	14%	10%	9%	8%
		308.7	265.5	230.0	26.5	26.0	25.0
		100%	94%	70%	8.6%	9.8%	10.9%
New Business		0.9	16.5	100.0	▲ 1.7	1.0	10.0
		—	6%	30%	—	6%	10%
TOTAL*		309.6	282.0	330.0	21.8 7%	23.5 8%	30.0 9%
					6.4%	8.0%	10.0%

ROE ➡

* Operating profit is the figure after considering company-wide expenses.

Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan

Mid-Term Management Plan "REVOLUTION2026" positioning

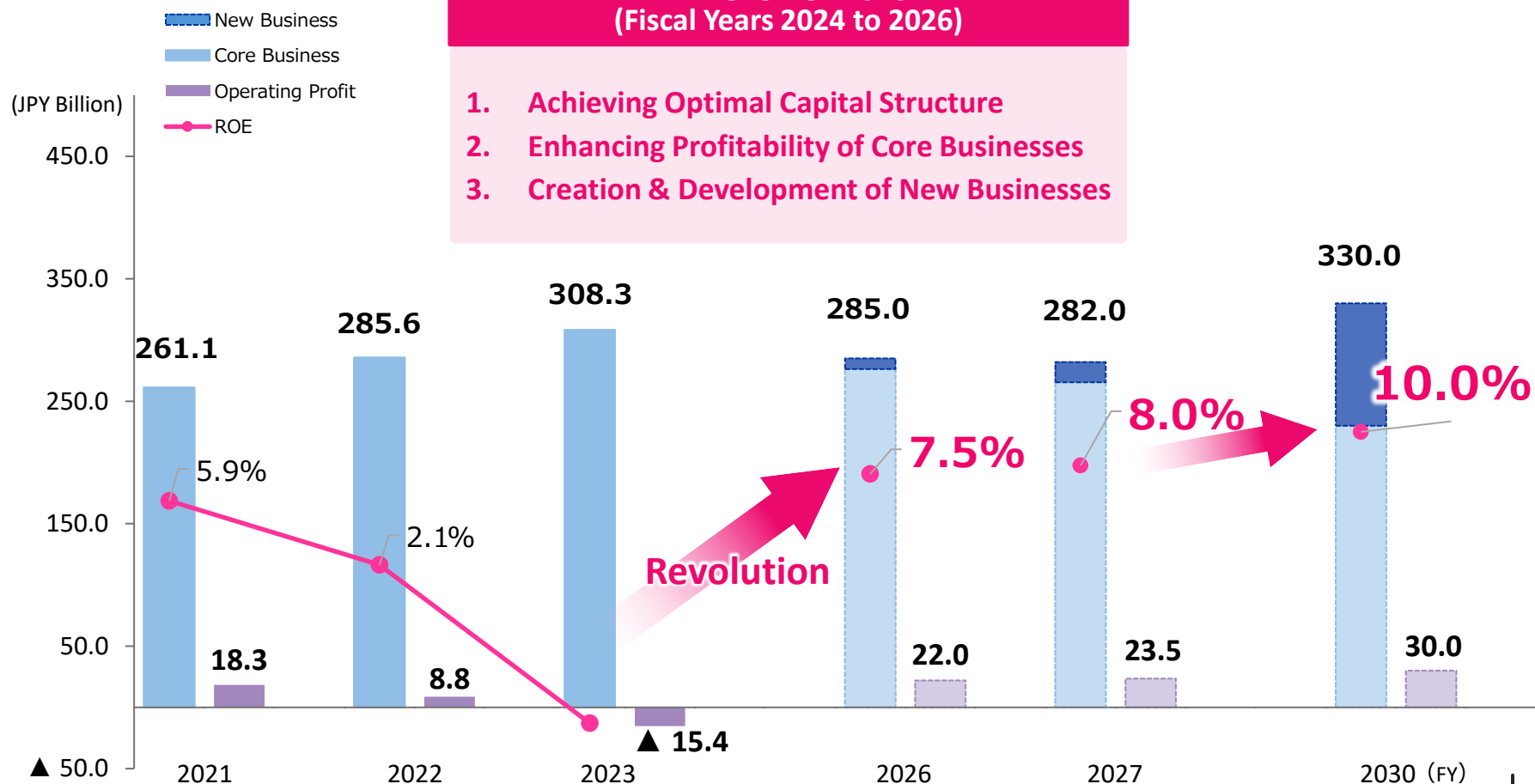
Drive our future.

Let's create fulfillment for all, and our future.

- ✓ The Mid-Term Management Plan (2024–2026) marks a "Transformational Period" aimed at achieving the 2030 targets.
- ✓ Through the promotion of financial strategies, an optimal capital structure was achieved in fiscal 2024. Efforts to enhance the profitability of core businesses and to create and nurture new businesses are currently underway as part of the business strategy.

REVOLUTION2026 (Fiscal Years 2024 to 2026)

1. Achieving Optimal Capital Structure
2. Enhancing Profitability of Core Businesses
3. Creation & Development of New Businesses



1. Achieving Optimal Capital Structure

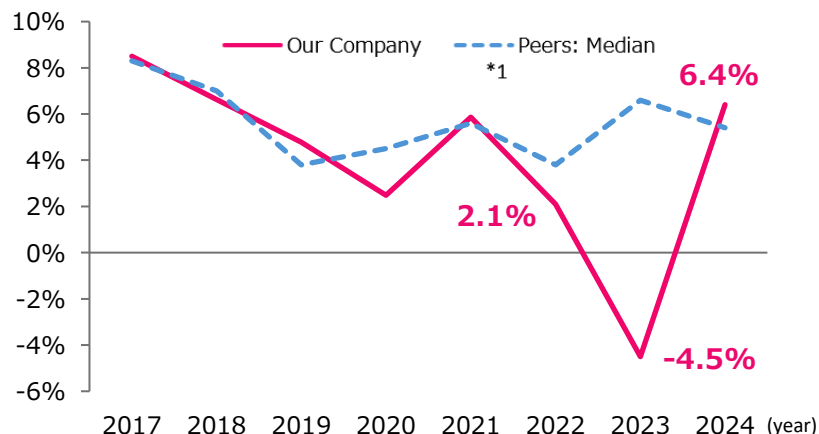
- ✓ Prior to FY2024, ROE was below cost of equity and P/B ratios below 1x were the norm.
- ✓ Update financial strategy in October 2024 based on dialogue with major shareholders to achieve optimal capital structure.
- ✓ REVOLUTION the balance sheet and achieved the current mid-term plan/ROE target two years ahead of schedule. (eliminated P/B ratio below 1x)

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 September 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%)	Achieve FY2026/ROE target "2 years ahead of schedule" (ROE: 6.4%) PBR: improved to 1.04x*1
	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.	Optimal BS is established "one year ahead of schedule". (Capital adequacy ratio: 59.4%, JCR rating: A+ maintained*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 300 *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)

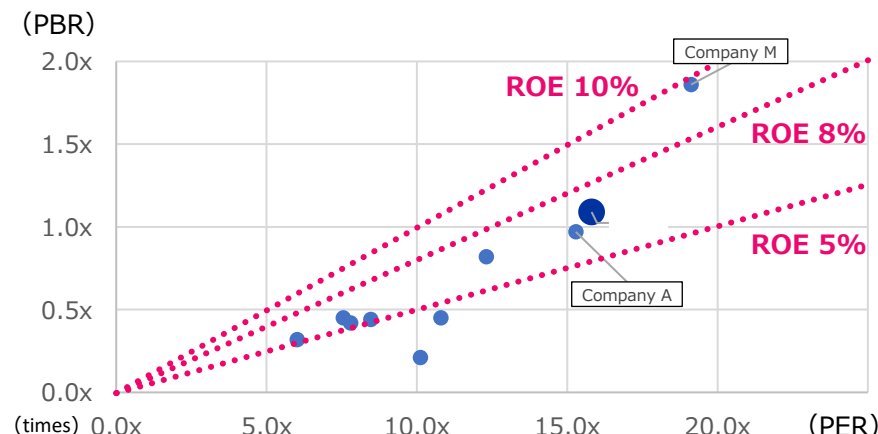
1. Achieving Optimal Capital Structure

✓ ROE improved, and PBR and PER also improved, achieving levels not inferior to peers.

ROE



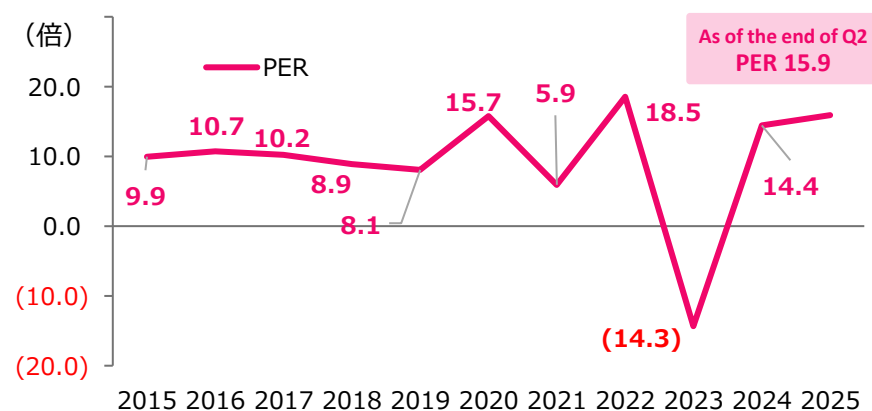
Comparison of PBR and PER with other companies in the same industry*2*3



PBR



PER



*1: 26 auto parts manufacturers categorized as transportation equipment and listed on the Tokyo Stock Exchange prime market

*2: 10 auto parts manufacturers focusing on drivelines *3: According to our own research

2. Enhancing Profitability of Core Businesses

3. Creation & Development of New Businesses

- ✓ The following business strategies are being implemented with the aim of further improving ROE. Some of the effects are being seen in the current fiscal year's results.

Enhancing Profitability of Core Businesses	OEM	✓ Pursue efficient operations and improve profitability of U.S. production sites ✓ Negotiations to pass on cost increases to the selling price and realize fair prices ✓ Capturing demand for motorcycles in emerging countries	Strengthening human capital
	After	MT	
		AT	
		その他	
Creation & Development of New Businesses	✓ Accelerate electrification strategy by acquiring scarce resources from external sources through collaboration, etc. ✓ Priority allocation of management resources to projects and early realization ✓ Create further new businesses through active use of M&A, etc.		✓ Introduced "Restricted Stock Incentive for Employee Shareholding Association employees.(about 2 million JPY/person, total 5.9 billion JPY) ✓ Organizational reforms are implemented. Currently working to optimize human capital allocation



Contents

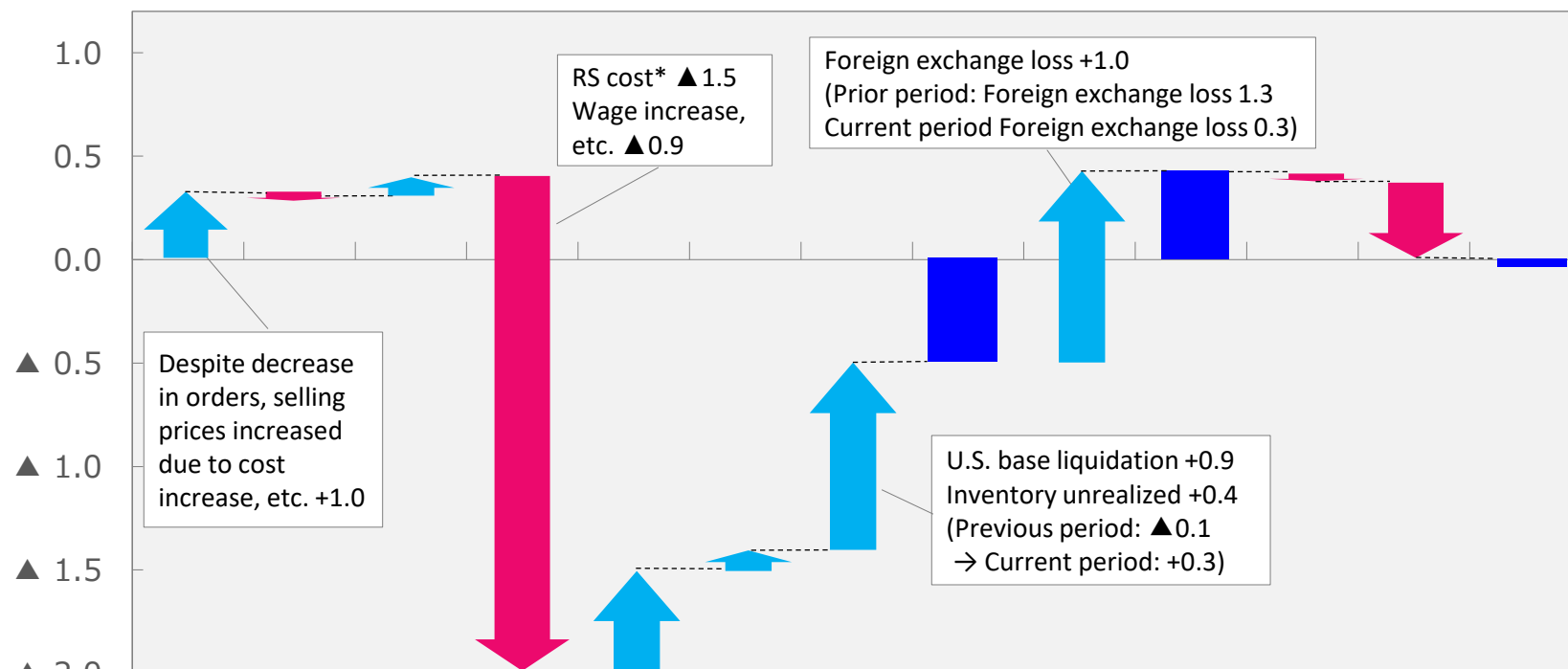
1. Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan
2. **Financial results for the 2nd quarter of FY2025 and Revision of Full-Year Earnings Forecast**
3. Updates to Mid- to Long-Term Strategy and Future Initiatives

Consolidated Financial Summary

- ✓ **Sales:** Although sales decreased from the previous year due to a decrease in AT products in Japan, withdrawal of a U.S. subsidiary, and foreign exchange effects, sales exceeded the initial forecast due to higher sales prices in Japan (cost increase passed on to selling prices) and increases in AT products in China and motorcycle products in ASEAN countries.
- ✓ **Operating Profit:** Although there was an increase in profit due to the withdrawal of an unprofitable U.S. subsidiary, the decrease was due to lower sales in Japan and higher costs, such as human capital expenses, compared to the previous year. However, compared to the initial forecast, progress was faster than expected due to higher sales prices and an increase in AT products in China and motorcycle products in ASEAN countries.
- ✓ **Net Profit:** Net Profit remained unchanged from the previous year due to a decrease in foreign exchange losses, and exceeded the initial projection.

	FY 2024 2Q Results (2024/4-2024/9)	FY 2025 2Q Results (2025/4-2025/9)	Increase /Decrease	Rate of Change	FY 2025 Forecast (Announced on Apr 25)	rate of progress
Unit: JPY Billion						
Revenue	153.8	148.1	▲ 5.6	▲ 3.7%	285.0	52.0%
Operating Profit	11.3	10.8	▲ 0.5	▲ 4.6%	19.0	56.9%
Ratio to Revenue	7.4%	7.3%	▲0.1pt	—	6.7%	—
Net Profit	6.3	6.3	▲ 0	▲ 0.4%	12.0	52.3%
Ratio to Revenue	4.1%	4.2%	+ 0.1pt	—	4.2%	—
FX Rate (USD-JPY) (average)	152.3	146.6	▲ 5.7	▲ 3.8%	143.0	—

(Unit: JPY Billion)



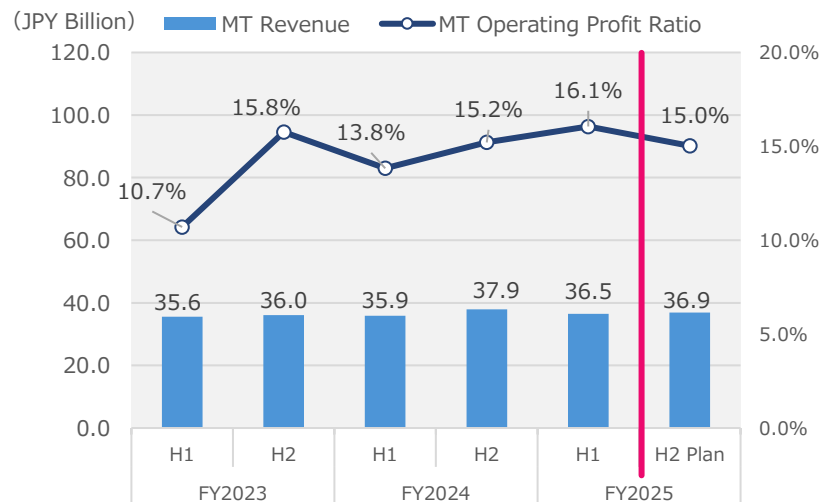
+0.3	▲ 0.0	+0.1	▲ 2.4	+0.5	+0.1	+0.9	▲ 0.5	+0.9	+0.4	▲ 0.0	▲ 0.4	▲ 0.0
Impact of Revenue Fluctuations	Impact of Exchange Rate fluctuations	Materials & subcontracting expenses	Labor cost	Depreciation expense	Repair expenses	Other	Operating Profit	Finance & others	Profit before Income Taxes	Corporate Taxes, etc.	Non-controlling Interests	Net Profit

Explanation of the revision of the full-year earnings forecast

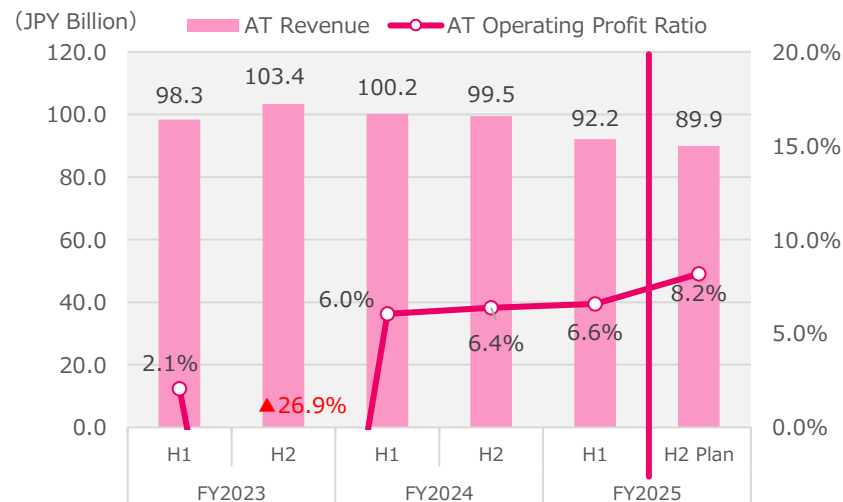
- ✓ Owing to stronger-than-anticipated results in the first half of the fiscal year and the anticipation that this momentum will persist into the second half, we have updated our full-year earnings forecast accordingly.

	FY 2024 Results	FY 2025 Forecast (Announced on Apr 25) A	FY 2025 Forecast (Announced on Oct 29) B	Increase /Decrease (B-A)	Rate of Change (B/A)
Unit: JPY Billion					
Revenue	309.6	285.0	295.0	10.0	+3.5%
Operating Profit	21.8	19.0	21.0	2.0	+10.5%
Ratio to Revenue	7.1%	6.7%	7.1%	+0.4pt	—
Net Profit	12.7	12.0	12.5	0.5	+4.2%
Ratio to Revenue	4.1%	4.2%	4.2%	—	—
ROE	6.4%	6.6%	7.0%	+0.4pt	—
FX Rate (USD-JPY) (average)	152.5	143.0	146.0	+3.0	+2.1%

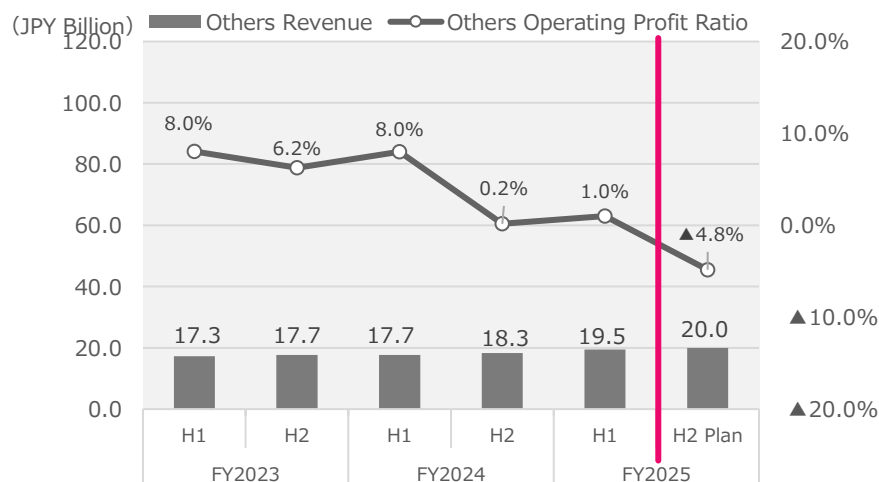
MT



AT



Others

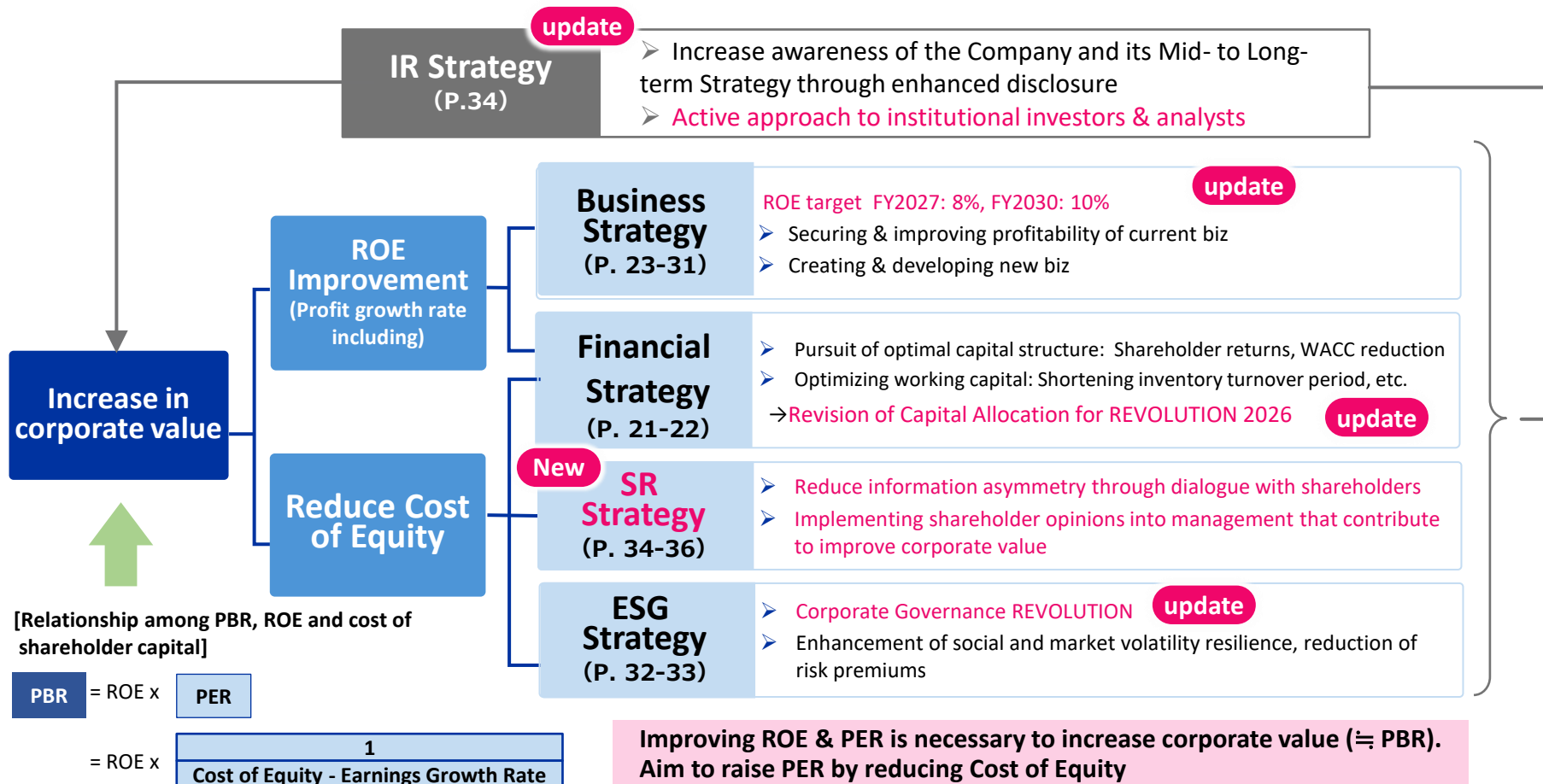


***Other segment includes the impact of expenses related to the launch of new businesses.**



Contents

1. Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan
2. Financial results for the 2nd quarter of FY2025 and Revision of Full-Year Earnings Forecast
3. **Updates to Mid- to Long-Term Strategy and Future Initiatives**



- ✓ The Group is promoting efforts to increase corporate value (≡PBR) by executing business, financial, ESG, and IR strategies with an awareness of cost of capital and stock price.
- ✓ The SR strategy has now been developed. Reduce information asymmetry and incorporate shareholder opinions into management through expanded dialogue with shareholders, leading to a reduction in the cost of shareholders' equity.

Capital Allocation for FY2024-FY2026

Cash Flow (3-years cumulative)

IN

OUT

Operating CF:
JPY 81 billion
↓
JPY 87 billion

update

update

Renewal Investment:
JPY 15 billion

Growth Investment:
JPY 30 billion

Investment for growth or shareholder
return Under consideration
(Return to shareholders if not allocated to
growth investments) JPY 7.5 billion

Renewal Investment:

FY2024 actual: JPY 3.9 billion FY2025 forecast: JPY 6.1 billion

Growth Investment:

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

FY2024 actual: JPY 4.9 billion FY2025 forecast: JPY 4.0 billion

Shareholder Returns:

- 100% total return policy to maintain optimal capital structure

① Shareholder Dividends

Maintain stable dividend with a minimum DOE of 5%.
Increase dividend per share to more than 300 JPY per share
per year from fiscal 2025

update

② Acquisition of Treasury Stock

Implement share buyback of 45 billion JPY in FY2024 to
improve corporate value & capital efficiency

- ✓ Cash-IN is expected to increase by 7.5 billion JPY due to an upswing in operating CF and the sale of all strategic shareholdings.
- ✓ To improve corporate value, we plan to give priority to investment in growth. If not allocated to growth, we will return profits to shareholders.

Shareholder returns aimed at enhancing corporate value & capital efficiency

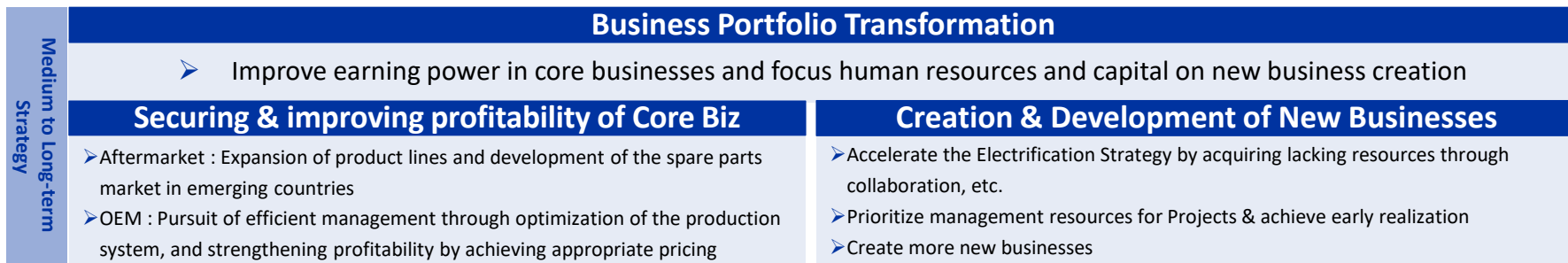
					Transformation/REVOLUTION 2026 (3 years)		
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Per Share Dividend	JPY 60 Mid-year: JPY 30 Year-end: JPY 30	JPY 90 Mid-year: JPY 40 Year-end: JPY 50	JPY 90 Mid-year: JPY 45 Year-end: JPY 45	JPY 120 Mid-year: JPY 60 Year-end: JPY 60	JPY 250 Mid-year: JPY 100 Year-end: JPY 150	Annual JPY 300 Or more	Annual JPY 300 Or more
Total Return Ratio	56%	34%	92%	▲56%	425%	100% total return ratio in 2 years	
DOE*	1.4%	1.9%	1.9%	2.6%	5.2%	DOE 5% as a lower limit update	
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%)

- ✓ Maintain stable dividend with a minimum DOE of 5%.
- ✓ Plans to return an appropriate amount of excess shareholders' equity to shareholders after the medium-term management plan period, mainly through dividends.

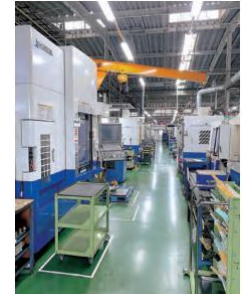
To achieve the Medium- to Long-term Strategy, implement organizational reforms on 1 April 2025



- ✓ To achieve "business portfolio transformation" by revolution the organization with clear objectives in order to promptly and appropriately respond to the challenges in promoting the Mid- to Long-term Strategy (improving profitability of core businesses and creating and nurturing new businesses).

(Initiated measure of FY 2024) To construct an optimal production system in response to environmental changes

- Americas: Liquidated "EXEDY America" and transferred production to other bases (Japan, China, and Mexico)
- China: Streamlining of personnel structure through early retirement at two bases (less than 20%)
- Japan: Improving efficiency through small-lot, multi-product, mixed-flow production in the torque converter assembly process



Small batch production line for torque converters

(Measures of FY 2025 & beyond) Achieving appropriate pricing & pursuing efficient operations, Capturing demand for 2-wheelers in emerging countries

- Global: Passing on higher costs to customers & strengthening activities to realize fair prices
Pursuit of efficient operations, including optimization of production systems (Line stop, multi-product mixed flow line, etc.)
- Americas: Improvement of deficit at friction material manufacturing base "DYNAX America" (reduction of unprofitable products, reduction of defects, etc.)
- Asia: Capture demand for motorcycles in India and Indonesia

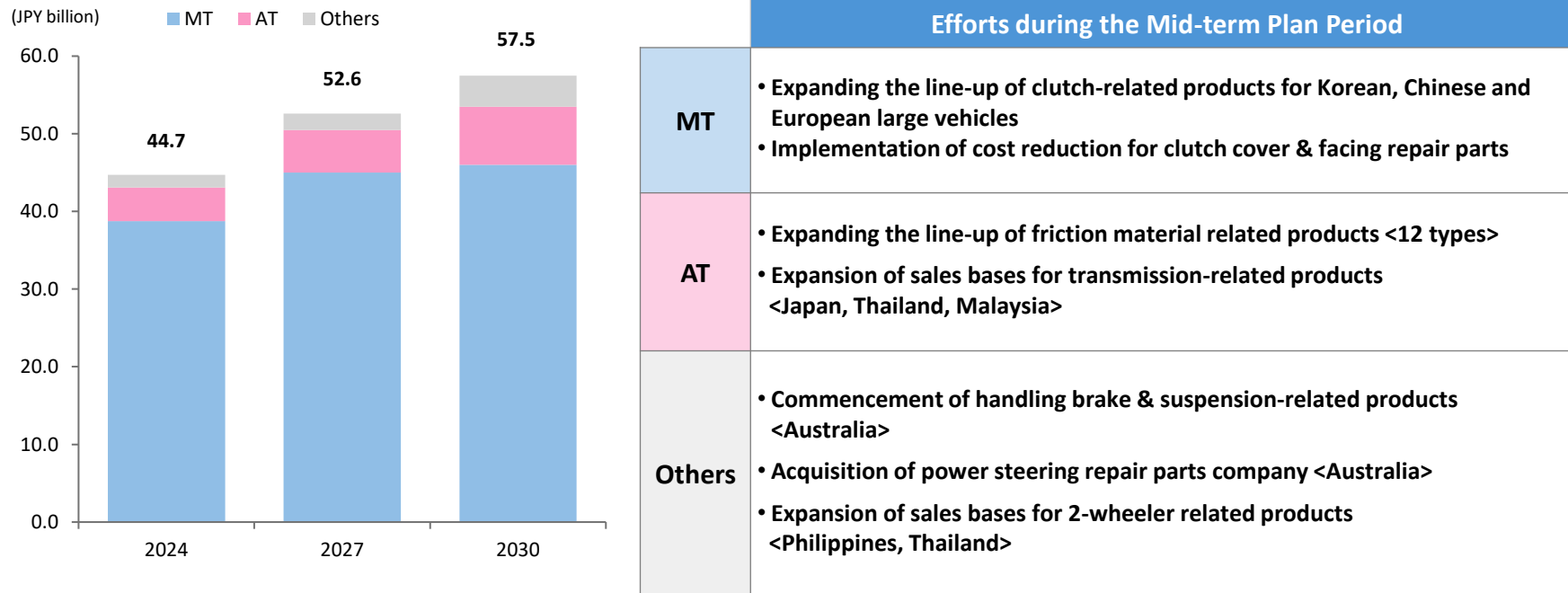
- ✓ Start optimization of global production system from FY2024 and implement further efficiency improvement measures in FY 2025 and beyond.
- ✓ Aiming to improve profit margins and capture demand for motorcycles in emerging countries by passing on higher costs to customers and realizing reasonable prices.

FY2030 Targets & Strategy

Aftermarket Product Sales
JPY 57.5 billion

- Expansion of MT repair parts lineup & price competitiveness by cost reduction
- Expansion of AT repair parts business (deployment of Oceania model within the group)
- Strengthening of business in Other repair parts such as brakes & suspensions

Sales Plan by Segment (Consolidated Basis) & Initiatives during the Mid-Term Plan



- ✓ To leverage the global sales network developed aftermarket of MT, we will promote the expansion of the lineup of existing products & the introduction of new products.

Global "Sales Channels" built up over nearly 50 years of history

11 countries and 22 companies (sales / production sites)
covering less than 200 countries



Top 7 Distributors by Net Sales in FY2024

	Company Name	Country	Net Sales
1	EXEDY Singapore	Singapore	6.9
2	EXEDY Global Parts	U.S.A.	6.6
3	EXEDY Clutch Europe UK	UK	5.4
4	EXEDY Australia	Australia	5.2
5	EXEDY Latin America	Panama	5.0
6	EXEDY Middle East	UAE	4.5
7	EXEDY Guangzhou	China	1.5

"Brand Power" refined according to the characteristics of the after-sales service

【Aftermarket Characteristics】 :

Demand exists for periodic replacement of repair parts for commercial vehicles.

- ✓ We have a high OEM share (22.1%) and a high replacement nomination rate due to our **OEM quality**.
- ✓ Highly trusted by distributors and parts dealers due to **our prompt delivery system** and **knowledgeable after-sales personnel**.



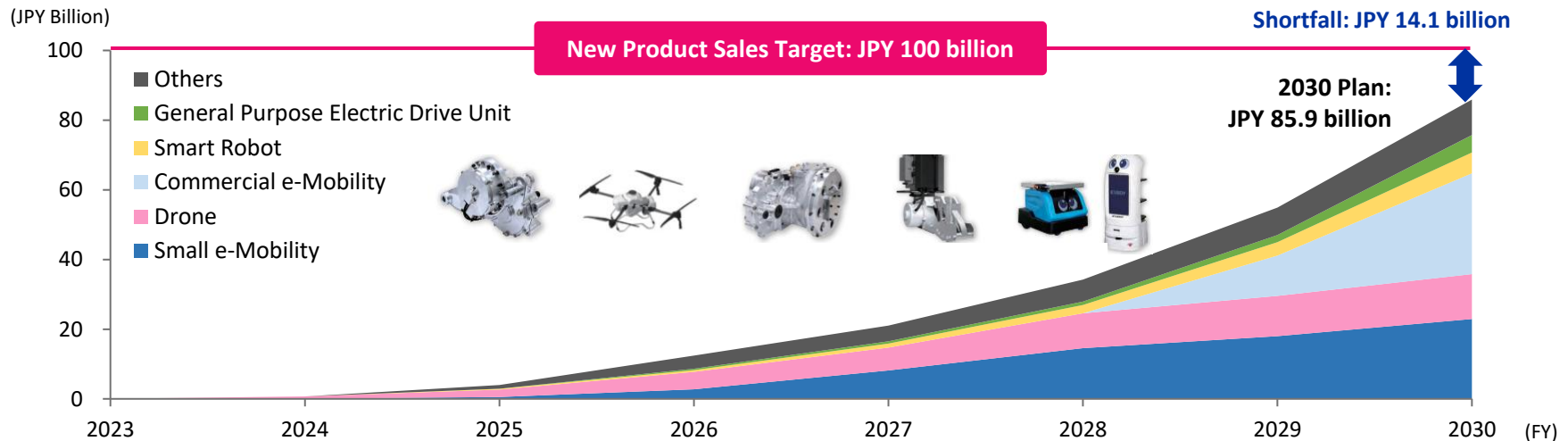
Automechanika HCM, Vietnam

- ✓ Our strength is the **"Sales Channels"** and **"Brand Power"** that we have built up over the past 50 years.
- ✓ (Sales Channels) 22 sales companies & production and sales companies cover almost **200 countries**. **<5,500 customers>**
- ✓ (Brand Strength) **OEM quality, immediate delivery system, and knowledgeable after-sales personnel** have earned high customer trust.

New Business Target & Measures for FY 2030

New product sales
JPY 100 billion

- Accelerate Electrification Strategies by acquiring insufficient resources from outside through collaboration etc. (EXEDY's strengths x External knowledge)
- Prioritize allocation of management resources to Projects for early realization
- Creating more further New Businesses



- ✓ Including 5 items, the sales plan for FY 2030 is JPY 85.9 billion. To achieve the target of JPY 100 billion, creating & nurturing even more new businesses.
(1) Small electric (2) Commercial e-mobility (3) Drone (4) Smart robot (5) General-purpose electric drive unit
- ✓ In April 2025, new division for new businesses (Strategic Business HQ) & departments (New Business Development Support Department, M&A Strategy Department and Business Incubation Department) were established to accelerate creating & nurturing of new businesses.

Updates to Mid- to Long-Term Strategy and Future Initiatives

Business Strategy / New Business: 5 electrification products

Drive our future.

Let's create fulfillment for all, and our future.

	Small e-Mobility	Commercial e-Mobility	Drone	Smart Robot	General Purpose Electric Drive Unit
Products					
FY 2030 Sales Plan	JPY 24.2 billion	JPY 28.9 billion	JPY 12.9 billion	JPY 6.0 billion	JPY 5.0 billion
Target Market	India/2-wheel & 3-wheel market National policy to promote electrification needs are great.	Japan/Commercial Vehicle Market • National policy to promote electrification needs are great. • Current technology lacks drivability & cruising range	Japan and North America/Industrial drone market (inspection, agriculture, logistics) High demand for Japanese products	Japan/U.S./Hauling/Indoor Delivery/Customer Service Market Automation and manpower saving needs due to labor shortage	Japan/overseas/manufacturing/factory, logistics/warehouse Increasing need for safe and comfortable transportation
product superiority (Our technology to be utilized)	Increased driving force at startup & smooth gear shifting with motor size unchanged (CVT)	【WREV】 Realization of increased driving force at startup & smooth gear shifting with motor size unchanged (torque converter) 【SHEV】 Smaller battery ensures longer cruising range.	Provide in-vehicle quality products with absolutely no accidents allowed (quality assurance system)	Provide APIs that easily connect to no-code applications and other systems and services on a highly customizable platform (system design capabilities)	Realization of smooth starting, soft stopping, and automatic braking (analytical technology for stress, structure, etc.)
Product Video	CVT unit for 3-wheel BEVs 【 video link 】	SHEV System 【 video link 】	Firefighting Drone 【 video link 】	Neibo Powerful Robot 【 Youtube 】	Electric Assist Tagger 【 Youtube 】

✓ Clarify the needs of the target market and actively communicate and promote the above advantages.

TOPIC

Began mass production of high-performance drive units for 3-wheel battery electric vehicles. First shipment on September 25, 2025.



Vehicles equipped with our CVT drive unit
"RAGE+CVT Pro"

We have combined the transmission technologies, including CVT *, cultivated through our internal combustion engine vehicles, with motor technology from our investee company STARYA to **develop a new drive unit**. This unit will be installed in the development vehicles of OMEGA SEIKI, a major Indian commercial three-wheeled BEV manufacturer in which we have invested, and is scheduled to **be sold domestically in India**.

*CVT (Continuously Variable Transmission): A stepless transmission that achieves smooth acceleration with minimal shift shock by combining a belt and two variable-diameter pulleys, without using gears. Most 2-wheel/3-wheel BEVs in the region currently lack a transmission function.

TOPIC

Test drives for customers of principle prototype vehicles equipped with SHEV and WREV systems are being conducted from September 2025.



CEO Yoshinaga also test-drove the car to confirm its performance.

The principle prototype vehicle equipped with **SHEV & WREV** was presented to commercial vehicle manufacturers, transportation companies, etc., and evaluations were collected for the next phase.

SHEV : "EV that can run while generating their own electricity "

Self-generated electricity enables long-distance travel with less battery capacity than BEVs and shorter power supply time.

WREV : "Drive unit for commercial EVs to improve starting & acceleration and hill climbing performance"

Combining our strength in fluid technology with motors improves drive performance and realizes smooth acceleration.

* SHEV (Series Hybrid Electric Vehicle): A system in which the engine is completely dedicated to power generation and the vehicle runs on electricity generated by the engine.

* WREV (Wide Range drive system for EV): Unit system combining motor, reduction gear and torque converter for EV.

TOPIC

Drone Developed by Our Investment Company Performs Water Discharge Demonstration at National Firefighting and Rescue Technology Competition (Sponsored by Firefighters' Association of Japan)

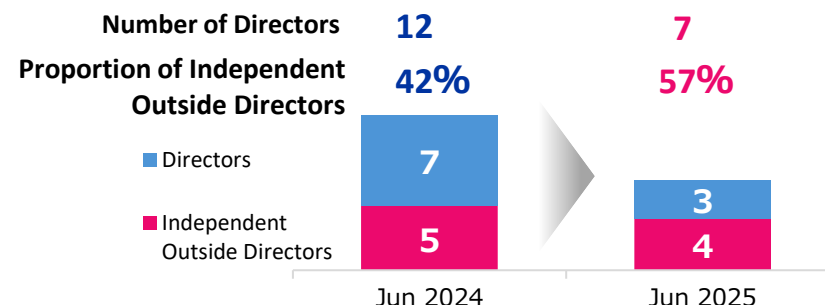


Our affiliated company baibars has developed, and WorldLink & Company is promoting domestic implementation of, **a firefighting drone. A water spray demonstration was conducted,** showcasing its ability to achieve stable flight and pinpoint firefighting through GPS guidance, even in complex terrains and at heights unreachable by ladder trucks.

Enhancement of Management Transparency and Autonomy

At this year's General Meeting of Shareholders, **four independent outside directors were elected, which is a majority of the total number of directors.**

Highly effective supervision from an independent and objective standpoint, and a **more active exchange of opinions by limiting the number of members of the Board of Directors.**



Enhancing the Efficiency of the Nomination and Compensation Committee

The chairpersons of both the Nomination Committee and the Compensation Committee shall be independent outside directors, with **a substantial increase in secretariat personnel** to improve the delivery of information essential for comprehensive discussions.

◆ Nomination Committee Activities

By engaging committee members in meetings alongside full-time directors addressing management matters and involving them in the selection of future executive candidates, the committee aims to enhance the thoroughness of the candidate evaluation process.

Expansion of KPI-linked and variable percentage of executive compensation

Aligning shareholder interests and raising awareness of contributions to corporate value enhancement through an **increased proportion of stock-based compensation.**

◆ Future strategies deliberated by the Compensation Committee

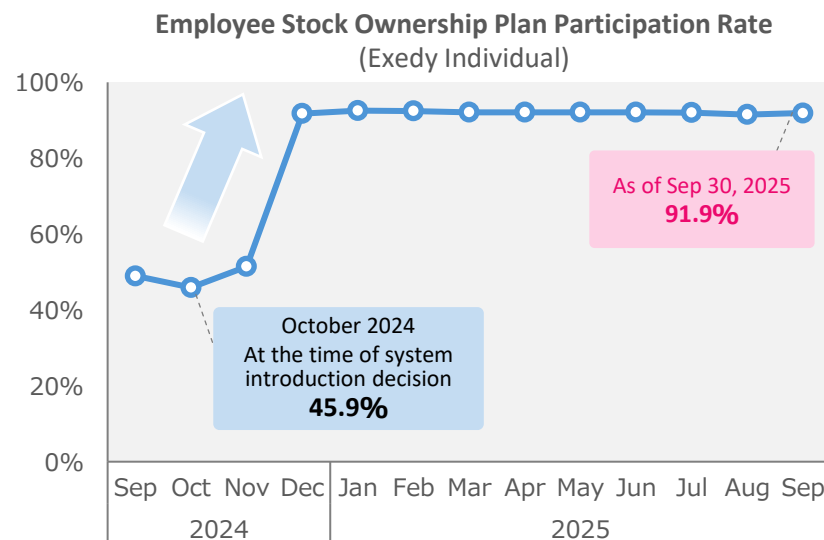
- Evaluating metrics that serve as effective incentives for sustainable growth: ROE, consolidated operating profit, and Net GHG reduction rate
- Implementation of performance-based restricted stock compensation

Presumed Breakdown of Director Remuneration

Reward Type	so far	FY2025 (Estimated)
Basic compensation (monthly compensation)	80	55
Bonuses (short-term incentives)	10	10
Stock compensation (mid- to long-term incentives)	10	35

Main initiatives related to the strengthening of Human Capital: Introduction of the restricted stock grant system for employee shareholding association

Purpose	① Expanding employee benefits as part of strengthening Human Capital ② Enhancing employees' awareness of participation in management ③ Promoting the Medium-Term Management Plan (REVOLUTION2026)
Target	Employees of EXEDY Corp who agree to this Plan
Number of shares granted	Approximately 1.26 million shares of our company's stock (494 shares/person)
Grant amount	Approximately JPY 5.9 billion (approximately JPY 2 million /person)
Payment due date	28 February 2025



- ✓ Introduced a stock grant program for all employees in anticipation of their determination to complete the Mid-Term Management Plan (This scheme is the first in Japan with a scale of JPY 1 million or more per person)
- ✓ As a result of the Representative Officer Director the policy intentions to all employees at 26 town hall MTGs, the employee stock ownership ratio increased to 91.9%*.
- ✓ Shareholder ranking in the Employee Stock Ownership Plan increased from 10th (1.29% at the end of Sep 2024) to 6th (4.80% at the end of Sep 2025)



Representative Director Toyohara explained Restricted Stock Incentive for Employee Shareholding Association at town hall meeting

Updates to Mid- to Long-Term Strategy and Future Initiatives

Newly established SR strategy and updated IR strategy

Drive our future.

Let's create fulfillment for all, and our future.

SR & IR strategy

New

SR strategy

In order to reduce the cost of shareholders' equity, we will strive to reduce information asymmetry by expanding dialogue with shareholders, and increase investor confidence in our company's performance by implementing shareholder proposals in management that contribute to improve corporate value.

update

IR strategy

To improve the volume of our stock and revolution the composition of our shareholders (the ratio of individual shareholders is excessive compared to other companies in our industry), we will expand disclosed information and proactively approach fundamentally-oriented institutional investors and analysts who are oriented toward medium- to long-term holdings.

PDCA

in Management

Directors' and management meetings include discussions to enhance management practices.

SR & IRI Structure

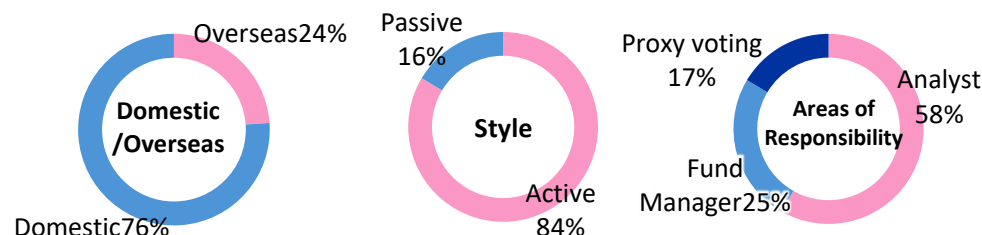
Officer in charge: **Representative Director & Senior Executive Managing Officer**

Department in charge: **ESG・IR Promotion Dept. (2 dedicated staff)**

Main Correspondents	Financial Results Briefing	SR MTG	IR Small Meetings	IR 1on1 MTG
Representative Director & President	●			
Representative Director & Senior Executive Managing Officer	●	●	●	
Senior Group Manager of Sustainability Group & General Manager of ESG/IR Promotion Department				●

Overview of dialogue with shareholders & investors in FY 2024 H1

Companies engaged in dialogue *Total number of companies	FY2024 H1	FY2024 H2	FY2025 H1
1 on 1 IRMTG	48	27	67
SR MTG	23	23	23
IR Small MTG	10	2	11
IR Small MTG	15	—	33
Institutional Investors Collective Engagement Forum	—	2	—



- ✓ Expanding dialogue with shareholders and investors since the establishment of a dedicated department in Apr 2024
- ✓ SR strategy to reduce cost of shareholders' equity, IR strategy to improve liquidity & revolution shareholder composition

Updates to Mid- to Long-Term Strategy and Future Initiatives

SR Strategy / Main requests from major shareholders

Drive our future.

Let's create fulfillment for all, and our future.

Item	Request	Response
ROE Optimal capital structure	① ROE improvement (7 shareholders) ② Raising ROE targets (3 shareholders) • Aim for ROE of 10% or more (can be after FY 2030)	①② Recently decided to bring forward and raise the ROE target for FY2030. (FY2027) 8% (FY2030) 10%
	Requests to improve Operating Profit margin in OEM business (2 companies) ~Negotiations for appropriate selling prices, including	In the automotive industry, where annual price reductions are the norm, "negotiations on the optimization of selling prices" is an unusual proposal, so we will discuss it at the directors' camps to be held in September and December 2024. In addition, the senior managing director of the company will directly talk with sales representatives to change their mind-set, and will begin to explain our company's situation to customers from January 2025, as it is essential for us to gain their understanding regarding the optimization of selling prices in order to fulfill our supply responsibility as our business shrinks in line with the shift to BEVs. Currently, we are negotiating with our customers on this matter.
	Balance sheet approach to improving ROE (especially capital adequacy level) & how to achieve it should be considered (7 companies)	In October 2024, the optimal capital adequacy ratio (68→60%) & the method to achieve it (dividend increase & additional share buyback of 30 billion JPY) were decided. April 2025, optimal capital structure already achieved
Shareholder Returns Policy	To achieve an optimal capital structure, we would like to see the following and increased shareholder returns ① Increase in dividends (4 shareholders: Domestic/Passive investors) ▪ Dividends should be at a high level to optimize the capital ratio. ② No need for review (2 shareholders: Domestic/Passive investors) ▪ Our company is in a period of growing new businesses. Now is not the time for expanding shareholder returns. ③ Share Buyback (1 shareholder: Overseas/Active Investor) ▪ The company should set a target equity capital amount, and any excess capital should be used to repurchase shares.	As a way to achieve the above "optimal capital structure", we decided to review our shareholder return policy in October 2024, based on a comprehensive assessment of cash flow & various shareholder proposals. Dividend increase & additional share buyback already executed
	Reinforcement of commitment to lower limit dividend (2 companies)	October 2024, DOE introduced to shareholder return policy. (October 2024) Aim for DOE of 4%. (April 2025) Aim for DOE of 5%.
Governance System	① Separation of monitoring and execution to strengthen governance & speed up execution (1 company) ② Improve effectiveness of nominating and compensation committees (3 companies) ③ Linking executive compensation to KPIs (3 companies) ④ Increase in Director ownership of company stock (1 company)	In the first half of FY2025 ①~④ have already been addressed (see page 32 for details). ① Streamlining the Board of Directors (from 11 to 7) and increasing the number of outside directors to a majority will strengthen governance and increase execution speed. ② Appointment of outside directors as chairpersons of both committees, and the respective secretariats as the Personnel Affairs Department and the Human Resources & Organization Development Department, with duties and authority being reorganized. ③ ROE has already been determined as a KPI to be linked to executive compensation.

Updates to Mid- to Long-Term Strategy and Future Initiatives

SR Strategy / Main requests from major shareholders

Drive our future.

Let's create fulfillment for all, and our future.

(data) item	suggestion	support
disclosure of information	Disclosure of information to ensure the probability of sales and profit targets for FY2030 (sales and profit targets by segment, etc.) (3 companies)	Already disclosed in this document (pages 8 to 9)
	Request for enhanced disclosure regarding the following factors that make EXEDY's stock price undervalued (1 company) ① Since future profit growth is not believed, the forecast of profit amount by business for FY2030 target should be disclosed. ② It is necessary to show the maximization of residual benefits of existing businesses as an achievement. Realization of price increases for AT products and disclosure of the results	① Disclosed in this document (pages 8 to 9) ② As mentioned above, we started explaining our situation to our customers in sequence from Jan 2025. Negotiations are currently underway with the customer.
	Information to ensure the probability of sales targets for new businesses should be disclosed (3 companies)	Information related to new business & 5 projects already disclosed in Oct 2024 (Sales target including)
	Disclosure of rules for growth investments (2 companies) -Investment criteria, exit rules, etc. for new businesses and M&A	Expected to be disclosed in the next Integrated Report 2025
	Disclosure of Nominating and Compensation Committee activities (2 companies)	Expected to be disclosed in the next Integrated Report 2025
	Disclosure of the following information pertaining to outside directors ① Activities (2 companies) ② SR interviews (2 companies)	① Already disclosed in the Integrated Report 2024 (pages 82-85) Integrated Report Exedy Corporation ② Considering disclosure in Integrated Report 2026 to be issued next year
	Disclosure on Employee Satisfaction Surveys ① Analysis results & countermeasures (1 company) ② Correlation with improve corporate value (1 company)	①② Already disclosed in the Integrated Report 2024 (pages 51-52) Integrated Report Exedy Corporation
	Disclosure of supplemental materials incorporating factors for profit increase/decrease and business and geographic segment matrices for each quarter (2 companies)	Already started to respond from the first quarter of March 2026
Stock Compensation for Employees	Internal Reporting Disclosure of whistleblower performance (1 company)	Already disclosed in the Integrated Report 2024 (page 97) Integrated Report EXEDY Corporation
	Consideration of creating a mechanism for employees to become major shareholders over the medium to long term through the granting of acquired treasury stock to employees (2 companies)	We plan to strengthen our human capital and foster a sense of participation in management by our employees, In February 2025, the company introduced a restricted stock grant program for the Employee Stock Ownership Plan (as of Sep 30, 2025, the plan ranked No. 6 in terms of shareholder ranking).



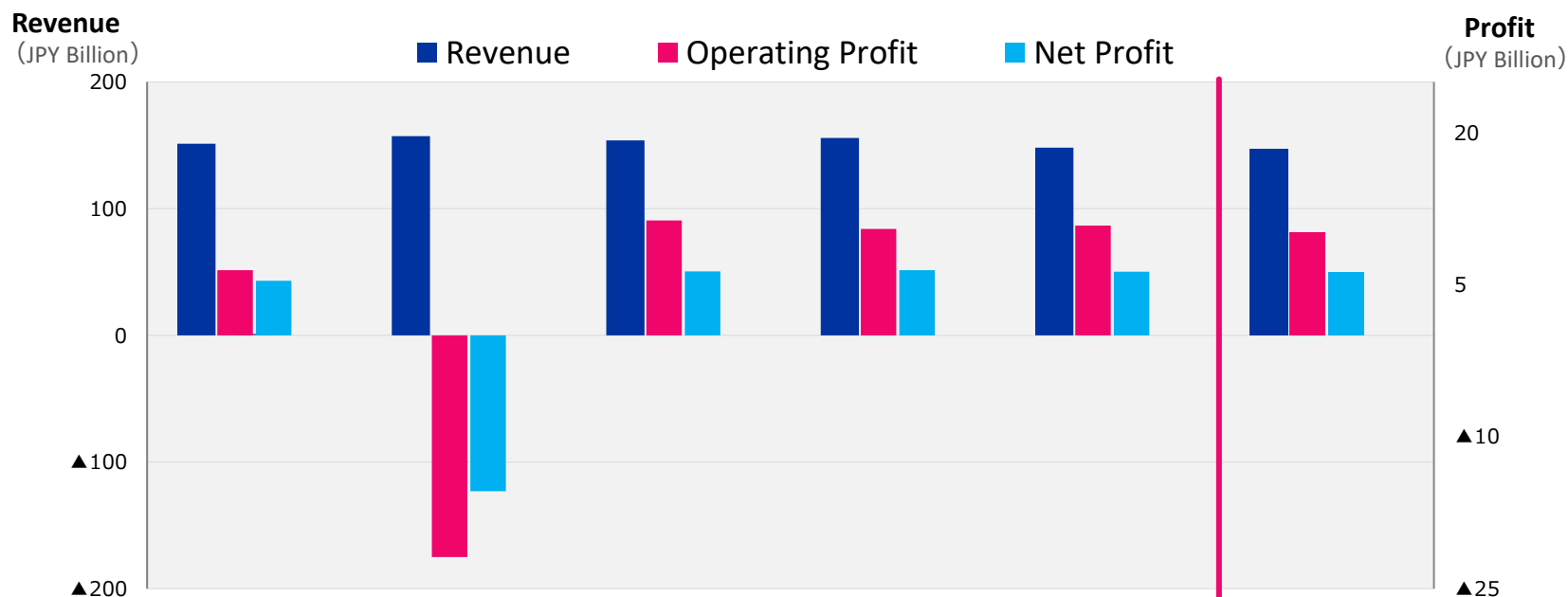
Drive our future.

Let's create fulfillment for all, and our future.



Appendix

Consolidated Half-Year Financial Performance Trends



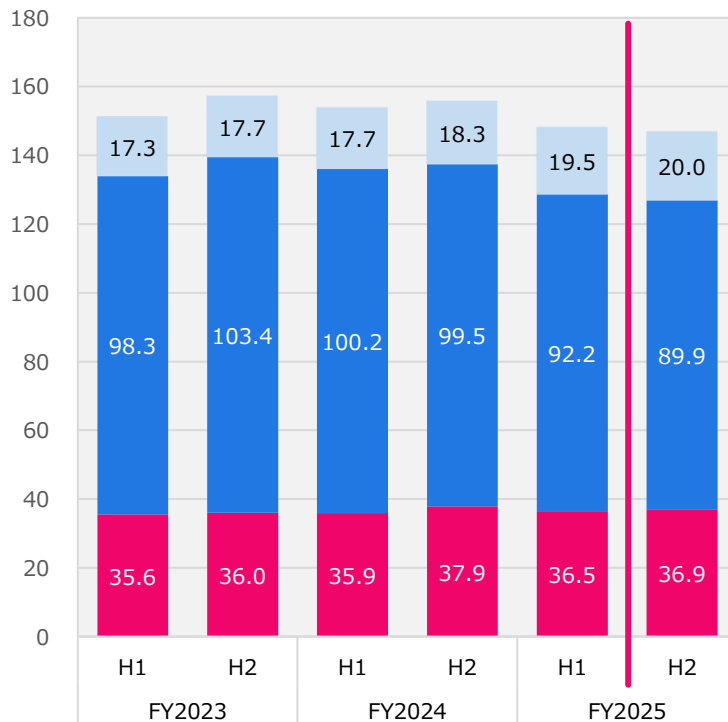
Unit: JPY Billion	FY2023		FY2024		FY2025	
	H1	H2	H1	H2	H1	H2
Revenue	151.2	157.1	153.8	155.8	148.1	146.9
Operating Profit	6.4	▲21.9	11.3	10.5	10.8	10.2
Ratio to Revenue	4.3%	▲13.9%	7.4%	6.7%	7.3%	6.9%
Net Profit	5.4	▲15.4	6.3	6.4	6.3	6.2
Ratio to Revenue	3.6%	▲9.8%	4.1%	4.1%	4.2%	4.2%
FX Rate (USD-JPY) (average)	141.31	144.40	152.30	152.48	146.57	146.00

Segment-wise income & expense transition

Revenue

(JPY Billion)

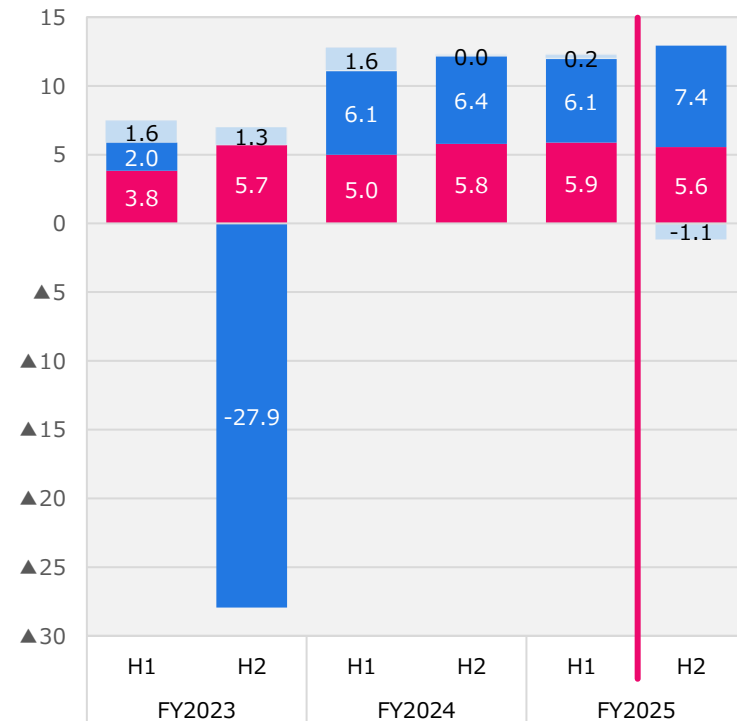
■ MT ■ AT ■ Other



Operating Profit

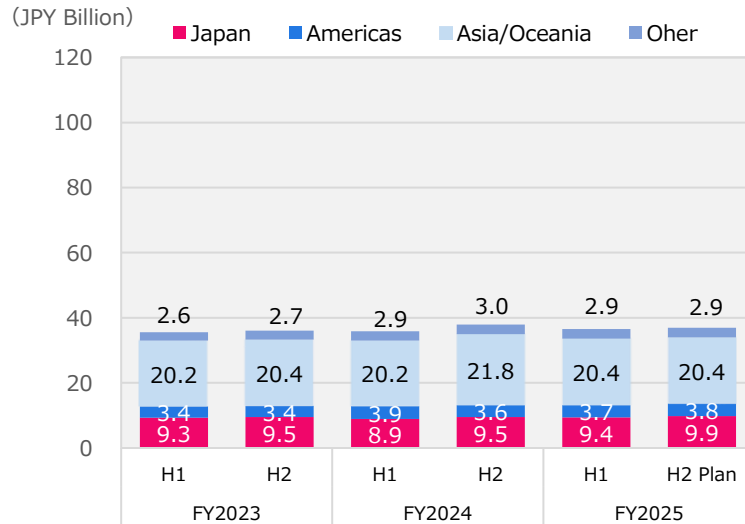
(JPY Billion)

■ MT ■ AT ■ Other

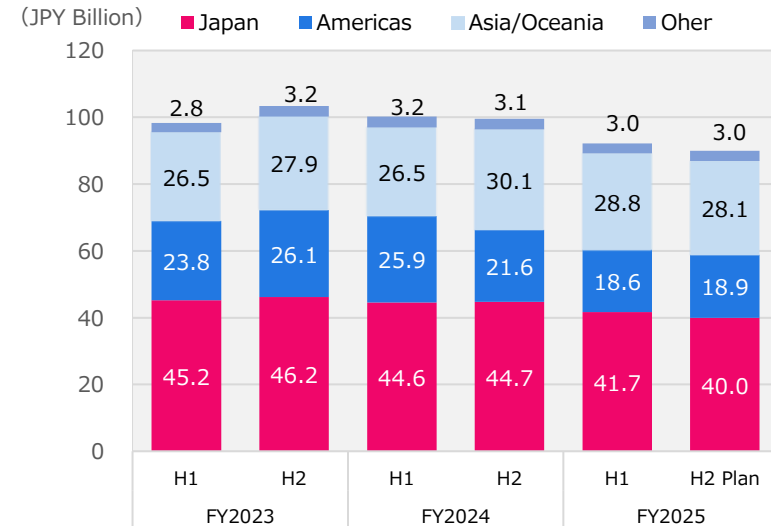


Consolidated Operating Results by Geographic Area

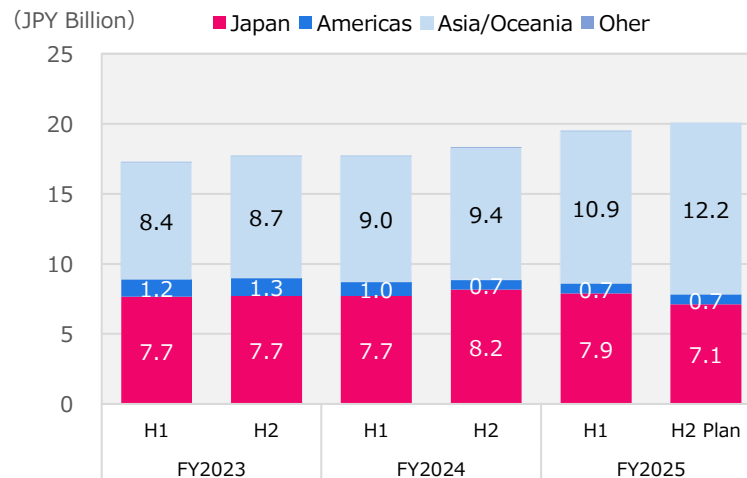
MT



AT



Others



Business/Location Segment Matrix - Revenue

Unit: JPY Billion	Location	MT	AT	Others Total	TS	2 W	Other	Total
FY 2024 2Q Results	Japan	+ 8.95	+ 44.55	+ 7.71	+ 5.99	+ 0.04	+ 1.68	+ 61.21
	Americas	+ 3.90	+ 25.89	+ 1.01	+ 1.01	0.0	+ 0.00	+ 30.80
	China	+ 2.51	+ 18.02	+ 0.13	+ 0.13	0.0	0.0	+ 20.66
	Asia/Oceania	+ 17.65	+ 8.49	+ 8.84	+ 0.00	+ 8.71	+ 0.13	+ 34.98
	Others	+ 2.90	+ 3.22	+ 0.03	0.0	0.0	+ 0.03	+ 6.15
	Total	+ 35.90	+ 100.18	+ 17.71	+ 7.12	+ 8.74	+ 1.85	+ 153.80

FY 2025 2Q Results	Japan	+ 9.45	+ 41.71	+ 7.89	+ 5.62	+ 0.05	+ 2.22	+ 59.04
	Americas	+ 3.73	+ 18.62	+ 0.70	+ 0.70	0.0	0.0	+ 23.05
	China	+ 2.17	+ 19.92	+ 0.13	+ 0.12	+ 0.00	+ 0.01	+ 22.23
	Asia/Oceania	+ 18.27	+ 8.91	+ 10.76	+ 0.00	+ 10.64	+ 0.12	+ 37.94
	Others	+ 2.88	+ 2.99	+ 0.01	0.0	0.0	+ 0.01	+ 5.88
	Total	+ 36.50	+ 92.16	+ 19.49	+ 6.44	+ 10.70	+ 2.35	+ 148.15

Difference	Japan	+ 0.50	▲ 2.85	+ 0.18	▲ 0.37	+ 0.02	+ 0.53	▲ 2.17
	Americas	▲ 0.17	▲ 7.27	▲ 0.31	▲ 0.30	0.0	▲ 0.00	▲ 7.75
	China	▲ 0.34	+ 1.90	+ 0.01	▲ 0.01	+ 0.00	+ 0.01	+ 1.57
	Asia/Oceania	+ 0.62	+ 0.42	+ 1.92	▲ 0.00	+ 1.94	▲ 0.01	+ 2.96
	Others	▲ 0.02	▲ 0.23	▲ 0.02	0.0	0.0	▲ 0.02	▲ 0.27
	Total	+ 0.60	▲ 8.03	+ 1.78	▲ 0.68	+ 1.96	+ 0.50	▲ 5.65

※For reference Difference excluding exchange rate effects	Japan	+ 0.50	▲ 2.85	+ 0.18	▲ 0.37	+ 0.02	+ 0.53	▲ 2.17
	Americas	▲ 0.01	▲ 6.54	▲ 0.28	▲ 0.28	0.0	▲ 0.00	▲ 6.83
	China	▲ 0.25	+ 2.66	+ 0.01	▲ 0.00	+ 0.00	+ 0.01	+ 2.42
	Asia/Oceania	+ 1.18	+ 0.20	+ 2.53	▲ 0.00	+ 2.55	▲ 0.02	+ 3.91
	Others	▲ 0.02	▲ 0.28	▲ 0.02	0.0	0.0	▲ 0.02	▲ 0.32
	Total	+ 1.39	▲ 6.80	+ 2.42	▲ 0.65	+ 2.57	+ 0.50	▲ 2.98

Business/Location Segment Matrix - Operating Profit

Unit: JPY Billion	Location	MT	AT	Others Total	TS	2 W	Other	Total*
FY 2024 2Q Results	Japan	+ 2.52	+ 4.30	▲ 0.76	+ 0.91	▲ 0.07	▲ 1.60	+ 6.06
	Americas	+ 0.32	▲ 0.97	▲ 0.03	+ 0.03	0.0	▲ 0.06	▲ 0.68
	China	+ 0.04	+ 1.96	+ 0.23	+ 0.02	0.0	+ 0.21	+ 2.22
	Asia/Oceania	+ 2.14	+ 0.70	+ 0.71	+ 0.00	+ 0.71	▲ 0.00	+ 3.55
	Others	+ 0.15	+ 0.06	+ 0.11	0.0	0.0	+ 0.11	+ 0.32
	Consolidation adjustment	▲ 0.18	+ 0.04	+ 0.00	▲ 0.00	+ 0.01	▲ 0.00	▲ 0.14
	Total	+ 4.99	+ 6.08	+ 0.28	+ 0.97	+ 0.65	▲ 1.34	+ 11.34
FY 2025 2Q Results	Japan	+ 2.83	+ 2.70	▲ 2.37	+ 0.67	▲ 0.05	▲ 2.99	+ 3.16
	Americas	+ 0.24	▲ 0.26	+ 0.06	+ 0.03	0.0	+ 0.04	+ 0.05
	China	+ 0.11	+ 2.48	+ 0.18	+ 0.03	▲ 0.00	+ 0.15	+ 2.77
	Asia/Oceania	+ 2.19	+ 1.07	+ 0.90	+ 0.00	+ 0.98	▲ 0.08	+ 4.15
	Others	+ 0.21	+ 0.09	+ 0.07	0.0	0.0	+ 0.07	+ 0.37
	Consolidation adjustment	+ 0.30	▲ 0.01	+ 0.02	+ 0.00	+ 0.02	▲ 0.00	+ 0.31
	Total	+ 5.88	+ 6.07	▲ 1.14	+ 0.73	+ 0.94	▲ 2.81	+ 10.81
Difference	Japan	+ 0.31	▲ 1.60	▲ 1.61	▲ 0.24	+ 0.01	▲ 1.39	▲ 2.90
	Americas	▲ 0.08	+ 0.72	+ 0.09	▲ 0.01	0.0	+ 0.10	+ 0.73
	China	+ 0.08	+ 0.53	▲ 0.05	+ 0.00	▲ 0.00	▲ 0.06	+ 0.55
	Asia/Oceania	+ 0.04	+ 0.37	+ 0.19	▲ 0.00	+ 0.27	▲ 0.08	+ 0.60
	Others	+ 0.06	+ 0.03	▲ 0.04	0.0	0.0	▲ 0.04	+ 0.05
	Consolidation adjustment	+ 0.49	▲ 0.05	+ 0.01	+ 0.00	+ 0.01	+ 0.00	+ 0.45
	Total	+ 0.89	▲ 0.00	▲ 1.42	▲ 0.24	+ 0.29	▲ 1.47	▲ 0.52
※For reference Difference excluding exchange rate effects	Japan	+ 0.31	▲ 1.60	▲ 1.61	▲ 0.24	+ 0.01	▲ 1.39	▲ 2.90
	Americas	▲ 0.08	+ 0.71	+ 0.09	▲ 0.01	0.0	+ 0.10	+ 0.73
	China	+ 0.08	+ 0.62	▲ 0.05	+ 0.01	▲ 0.00	▲ 0.05	+ 0.65
	Asia/Oceania	+ 0.06	+ 0.35	+ 0.24	▲ 0.00	+ 0.32	▲ 0.08	+ 0.65
	Others	+ 0.06	+ 0.03	▲ 0.04	0.0	0.0	▲ 0.04	+ 0.05
	Consolidation adjustment	+ 0.49	▲ 0.05	+ 0.01	+ 0.00	+ 0.01	+ 0.00	+ 0.45
	Total	+ 0.92	+ 0.06	▲ 1.36	▲ 0.24	+ 0.34	▲ 1.47	▲ 0.38

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

Contact for inquiries regarding content

Corporate Strategy Promotion Headquarters

ESG•IR Promotion Department

072-822-1695

info@exedy.com

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.