



## **Supplementary material for financial results for the 3rd Quarter of fiscal year ending March 2026**

**28 January 2026**

**EXEDY Corporation**

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

### ➤ **Financial results for the 3rd quarter of FY2025**

- ✓ Net sales decreased due to lower order intake of AT products in the Americas and Japan, as well as the negative impact of foreign exchange rates.
- ✓ Operating profit increased despite lower order intake of AT products and higher expenses related to human capital, driven by the withdrawal from an unprofitable U.S. subsidiary, higher sales in China and the rest of Asia, and price pass-through to offset cost increases.

### ➤ **Revision of Full-Year Earnings Forecast**

- ✓ Based on the weaker-than-expected yen and stronger-than-forecast performance through the third quarter, we have raised our full-year forecast (operating profit: JPY 21.0 billion to JPY 22.0 billion)

### ➤ **Shareholder Returns**

- ✓ In order to maintain an optimal capital structure (target equity ratio of 60%), the Company plans to achieve a total payout ratio of 100% on a cumulative basis for FY2025 and FY2026, with a minimum DOE of 5% and the continuation of stable dividends.

# Financial results for the 3rd quarter of FY2025

## Consolidated Financial Summary

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- ✓ **Sales:** Net sales decreased year-on-year due to lower order intake of AT products in the Americas and Japan, as well as unfavorable foreign exchange effects. However, progress versus the full-year forecast remains solid, supported by strong sales of two-wheel and AT products in Asia and AT products in China.
- ✓ **Operating Profit:** Despite profit-decreasing factors such as lower order intake of AT products and higher human capital-related expenses, performance remained solid both year-on-year and versus the full-year forecast, supported by the withdrawal from an unprofitable U.S. subsidiary, higher sales in China and the rest of Asia, and price pass-through to offset cost increases.
- ✓ **Net Profit:** Net profit increased, benefiting from higher operating profit as well as gains from investment income.

FY 2024 3Q Results (2024/4-2024/12)		FY 2025 3Q Results (2025/4-2025/12)		Increase /Decrease	Rate of Change	FY 2025 Forecast (Announced on Oct 29)	Progress toward full- year forecast
Unit: JPY Billion							
Revenue	<b>233.4</b>	<b>226.4</b>	▲ 6.9	▲ 3.0%		<b>295.0</b>	<b>76.8%</b>
Operating Profit	<b>16.2</b>	<b>16.7</b>	+ 0.6	+ 3.4%		<b>21.0</b>	<b>79.7%</b>
Ratio to Revenue	6.9%	7.4%	+ 0.5pt	-		7.1%	-
Net Profit	<b>10.2</b>	<b>11.1</b>	+ 0.9	+ 9.0%		<b>12.5</b>	<b>88.7%</b>
Ratio to Revenue	4.4%	4.9%	+ 0.5pt	-		4.2%	-
FX Rate (USD-JPY) (average)	152.9	149.3	▲ 3.5	▲ 2.3%		146.0	-

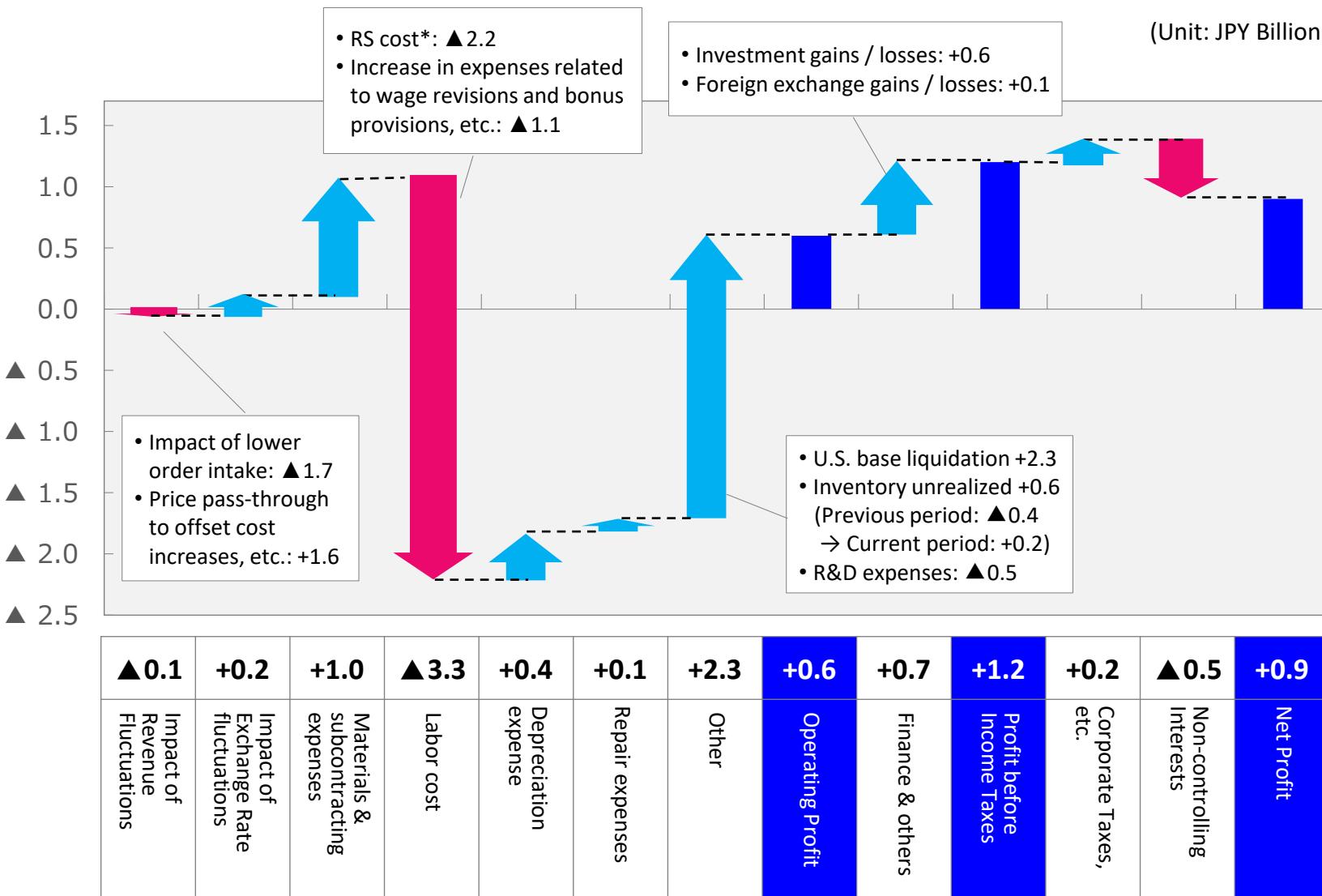
## Financial results for the 3rd quarter of FY2025

### Factors for Profit Increase/Decrease

#### : Comparison of Actual Results for FY 2025 3Q vs. FY 2024 3Q

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\*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	TS	2 W	Other	Total
FY 2024 3Q Results	Japan	+ 13.65	+ 67.61	+ 11.65	+ 8.93	+ 0.04	+ 2.68	+ 92.91
	Americas	+ 5.72	+ 36.85	+ 1.36	+ 1.36	0.0	0.0	+ 43.93
	China	+ 3.78	+ 29.97	+ 0.21	+ 0.20	+ 0.00	0.0	+ 33.96
	Asia/Oceania	+ 27.34	+ 13.05	+ 13.27	+ 0.00	+ 13.11	+ 0.16	+ 53.66
	Others	+ 4.32	+ 4.56	+ 0.03	0.0	0.0	+ 0.03	+ 8.92
	Total	+ 54.81	+ 152.05	+ 26.52	+ 10.49	+ 13.15	+ 2.87	+ 233.38

FY 2025 3Q Results	Japan	+ 14.48	+ 63.38	+ 11.78	+ 8.35	+ 0.07	+ 3.36	+ 89.65
	Americas	+ 5.60	+ 27.93	+ 1.00	+ 0.99	0.0	+ 0.00	+ 34.53
	China	+ 3.33	+ 31.32	+ 0.19	+ 0.18	+ 0.00	+ 0.01	+ 34.84
	Asia/Oceania	+ 27.86	+ 14.66	+ 16.14	+ 0.00	+ 15.93	+ 0.20	+ 58.66
	Others	+ 4.36	+ 4.40	+ 0.01	0.0	0.0	+ 0.01	+ 8.77
	Total	+ 55.63	+ 141.70	+ 29.11	+ 9.52	+ 16.01	+ 3.59	+ 226.45

Difference	Japan	+ 0.84	▲ 4.23	+ 0.13	▲ 0.58	+ 0.03	+ 0.68	▲ 3.26
	Americas	▲ 0.13	▲ 8.92	▲ 0.36	▲ 0.37	0.0	+ 0.00	▲ 9.41
	China	▲ 0.45	+ 1.35	▲ 0.01	▲ 0.03	+ 0.00	+ 0.01	+ 0.88
	Asia/Oceania	+ 0.52	+ 1.61	+ 2.87	+ 0.00	+ 2.83	+ 0.04	+ 5.00
	Others	+ 0.04	▲ 0.16	▲ 0.03	0.0	0.0	▲ 0.03	▲ 0.15
	Total	+ 0.82	▲ 10.35	+ 2.60	▲ 0.97	+ 2.86	+ 0.71	▲ 6.94

For reference  Differences excluding exchange rate translation effects*	Japan	+ 0.84	▲ 4.23	+ 0.13	▲ 0.58	+ 0.03	+ 0.68	▲ 3.26
	Americas	+ 0.01	▲ 8.26	▲ 0.34	▲ 0.34	0.0	+ 0.00	▲ 8.59
	China	▲ 0.40	+ 1.84	▲ 0.01	▲ 0.02	+ 0.00	+ 0.01	+ 1.43
	Asia/Oceania	+ 1.03	+ 1.04	+ 3.60	+ 0.00	+ 3.57	+ 0.03	+ 5.66
	Others	▲ 0.05	▲ 0.34	▲ 0.03	0.0	0.0	▲ 0.03	▲ 0.41
	Total	+ 1.42	▲ 9.94	+ 3.35	▲ 0.95	+ 3.60	+ 0.70	▲ 5.17

## Business/Location Segment Matrix - Operating Profit

Unit: JPY Billion	Location	MT	AT	Others Total	TS	2 W	Other	Company-wide expenses	Total <sup>*1</sup>
FY 2024 3Q Results	Japan	+ 4.31	+ 6.08	+ 1.13	+ 1.26	▲ 0.10	▲ 0.03	▲ 2.78	+ 9.12
	Americas	+ 0.53	▲ 2.02	+ 0.04	+ 0.04	0.0	+ 0.00	0.0	▲ 2.11
	China	+ 0.03	+ 3.43	+ 0.03	+ 0.03	+ 0.00	0.0	0.0	+ 3.74
	Asia/Oceania	+ 3.27	+ 1.15	+ 1.00	+ 0.00	+ 1.00	+ 0.00	0.0	+ 5.39
	Others	+ 0.23	+ 0.06	+ 0.08	0.0	0.0	+ 0.08	0.0	+ 0.44
	Consolidation adjustment	▲ 0.45	+ 0.05	+ 0.01	▲ 0.00	+ 0.01	+ 0.00	▲ 0.00	▲ 0.40
	<b>Total</b>	<b>+ 7.91</b>	<b>+ 8.75</b>	<b>+ 2.29</b>	<b>+ 1.34</b>	<b>+ 0.90</b>	<b>+ 0.05</b>	<b>▲ 2.78</b>	<b>+ 16.18</b>
FY 2025 3Q Results	Japan	+ 4.57	+ 4.70	▲ 1.33	+ 0.93	▲ 0.05	▲ 2.21	▲ 2.70	+ 5.48
	Americas	+ 0.38	▲ 0.43	+ 0.05	+ 0.04	0.0	+ 0.01	0.0	+ 0.05
	China	+ 0.06	+ 4.14	+ 0.05	+ 0.04	▲ 0.00	+ 0.00	0.0	+ 4.48
	Asia/Oceania	+ 3.39	+ 1.84	+ 1.25	+ 0.00	+ 1.34	▲ 0.09	0.0	+ 6.53
	Others	+ 0.31	+ 0.02	+ 0.04	0.0	0.0	+ 0.04	0.0	+ 0.43
	Consolidation adjustment	▲ 0.06	▲ 0.07	+ 0.02	▲ 0.00	+ 0.03	▲ 0.00	▲ 0.11	▲ 0.22
	<b>Total</b>	<b>+ 8.65</b>	<b>+ 10.20</b>	<b>+ 0.08</b>	<b>+ 1.01</b>	<b>+ 1.31</b>	<b>▲ 2.24</b>	<b>▲ 2.81</b>	<b>+ 16.74</b>
Difference	Japan	+ 0.27	▲ 1.38	▲ 2.45	▲ 0.33	+ 0.05	▲ 2.17	+ 0.08	▲ 3.64
	Americas	▲ 0.16	+ 1.59	+ 0.01	▲ 0.00	0.0	+ 0.01	0.0	+ 2.15
	China	+ 0.03	+ 0.71	+ 0.01	+ 0.01	▲ 0.00	+ 0.00	0.0	+ 0.74
	Asia/Oceania	+ 0.12	+ 0.69	+ 0.25	▲ 0.00	+ 0.34	▲ 0.09	0.0	+ 1.14
	Others	+ 0.07	▲ 0.04	▲ 0.04	0.0	0.0	▲ 0.04	0.0	▲ 0.02
	Consolidation adjustment	+ 0.39	▲ 0.12	+ 0.01	+ 0.00	+ 0.02	▲ 0.00	▲ 0.11	+ 0.17
	<b>Total</b>	<b>+ 0.73</b>	<b>+ 1.45</b>	<b>▲ 2.21</b>	<b>▲ 0.32</b>	<b>+ 0.41</b>	<b>▲ 2.29</b>	<b>▲ 0.03</b>	<b>+ 0.55</b>
For reference Differences excluding exchange rate translation effects <sup>*2</sup>	Japan	+ 0.27	▲ 1.38	▲ 2.45	▲ 0.33	+ 0.05	▲ 2.17	+ 0.08	▲ 3.64
	Americas	▲ 0.15	+ 1.58	+ 0.01	▲ 0.00	0.0	+ 0.01	0.0	+ 2.16
	China	+ 0.03	+ 0.77	+ 0.01	+ 0.01	▲ 0.00	+ 0.01	0.0	+ 0.81
	Asia/Oceania	+ 0.10	+ 0.62	+ 0.31	▲ 0.00	+ 0.40	▲ 0.10	0.0	+ 1.11
	Others	+ 0.07	▲ 0.04	▲ 0.04	0.0	0.0	▲ 0.04	0.0	▲ 0.02
	Consolidation adjustment	+ 0.39	▲ 0.12	+ 0.01	+ 0.00	+ 0.02	▲ 0.00	▲ 0.11	+ 0.17
	<b>Total</b>	<b>+ 0.71</b>	<b>+ 1.44</b>	<b>▲ 2.15</b>	<b>▲ 0.32</b>	<b>+ 0.47</b>	<b>▲ 2.30</b>	<b>▲ 0.03</b>	<b>+ 0.58</b>

\*1 : The total figures include other revenue and expenses.

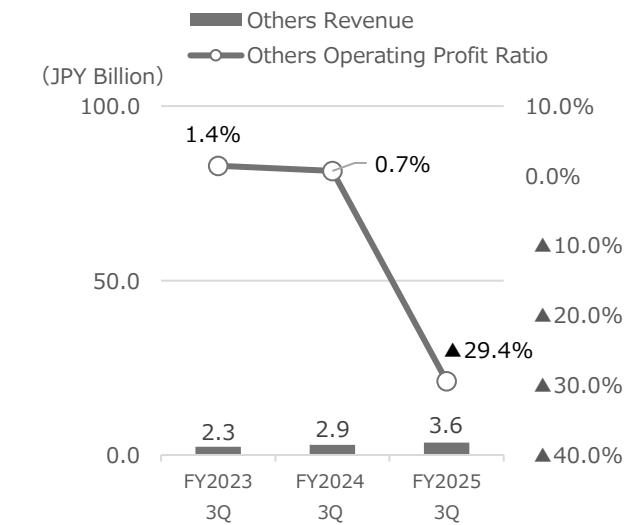
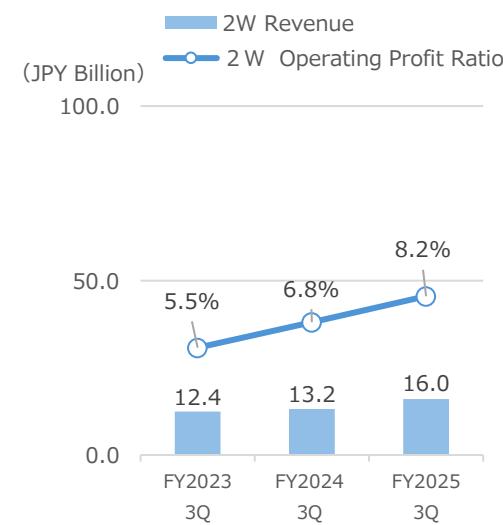
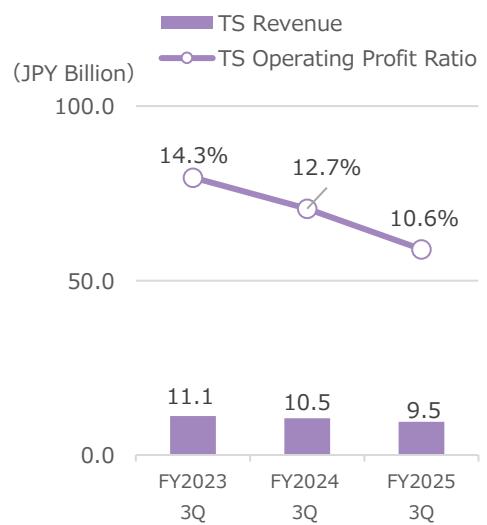
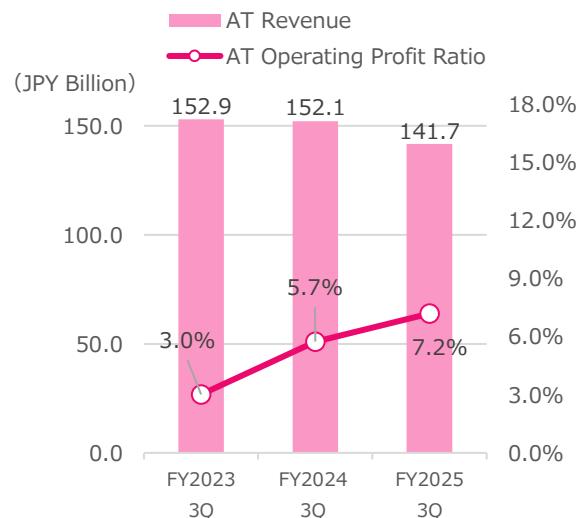
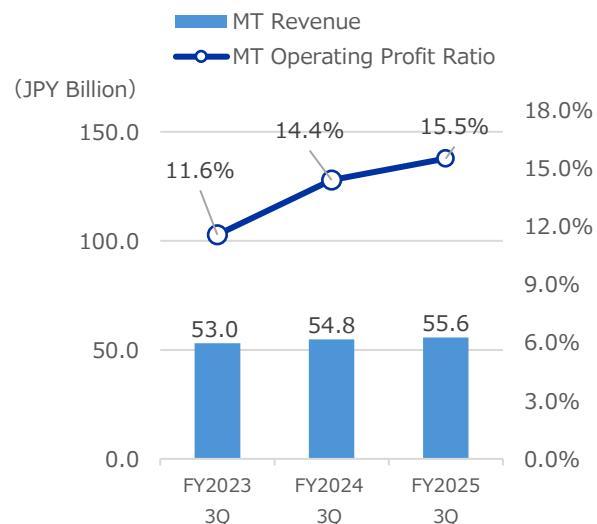
\*2 : Impact of exchange rate differences from the translation of overseas subsidiaries' foreign currency financial statements into yen.

## Financial results for the 3rd Quarter of FY2025

### Segment-wise income & expense transition

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## Explanation of the revision of the full-year earnings forecast

- ✓ Based on the weaker-than-expected yen and stronger-than-forecast performance through the third quarter, we have raised our full-year forecast.

FY 2024 Results		FY 2025 Forecast (Announced on Oct 29) A	FY 2025 Forecast (Announced on Jan 28) B	Increase /Decrease (B-A)	Rate of Change (B/A)
Unit: JPY Billion					
Revenue	<b>309.6</b>	<b>295.0</b>	<b>300.0</b>	+ 5.0	+1.7%
Operating Profit	<b>21.8</b>	<b>21.0</b>	<b>22.0</b>	+ 1.0	+4.8%
Ratio to Revenue	7.1%	7.1%	7.3%	+0.2pt	—
Net Profit	<b>12.7</b>	<b>12.5</b>	<b>13.5</b>	+ 1.0	+8.0%
Ratio to Revenue	4.1%	4.2%	4.5%	+0.3pt	—
ROE	<b>6.4%</b>	<b>7.0%</b>	<b>7.2%</b>	+0.2pt	—
FX Rate (USD-JPY) (average)	152.5	146.0	151.0	+ 5.0	+3.4%

- ✓ To achieve the ROE targets of 8% in FY2027 and 10% in FY2030, the Company will enhance the earning power of its core businesses and concentrate management resources on the creation and development of new businesses, thereby transforming its business portfolio.

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	Target for FY 2030
Revenue	<b>309.6</b>	295.0 → <b>300.0</b>	<b>285.0</b>	<b>282.0</b>	<b>330.0</b>
Operating Profit Ratio to Revenue	<b>21.8</b> 7.1%	21.0 → <b>22.0</b> 7.3%	<b>22.0</b> 7.7%	<b>23.5</b> 8.3%	<b>30.0</b> 9.1%
Net Profit Ratio to Revenue	<b>12.7</b> 4.1%	12.5 → <b>13.5</b> 4.5%	<b>13.8</b> 4.8%	<b>14.8</b> 5.2%	<b>18.6</b> 5.6%
ROE	<b>6.4%</b>	7.0% → <b>7.2%</b>	<b>7.5%</b>	<b>8.0%</b>	<b>10.0%</b>

## TOPIC

**In December 2025, toward the realization of “Made-in-Japan Drones,”  
we acquired UAV development business assets of AileLinX.\***

By combining EXEDY's quality assurance and mass production know-how with proprietary flight control technology and talent, we will realize the development of domestically manufactured “Made-in-Japan Drones.”



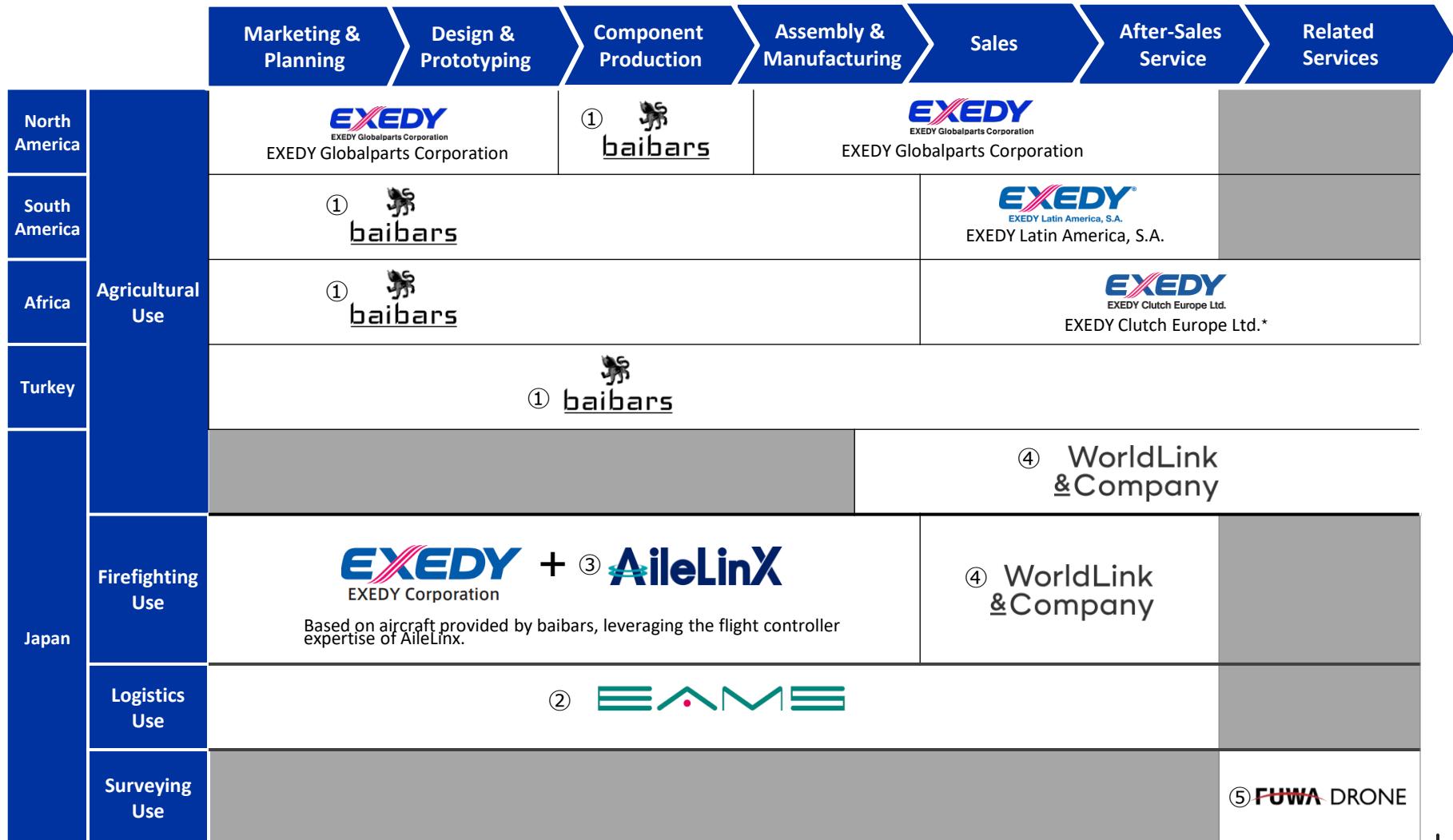
One of the products developed by AileLinX: stationary surveillance robot “HOVER EYE”

**Business scope:** UAV development business managed by Kitagawa Iron Works' UAV Promotion Office and AileLinX

**Technology assets:** Equipment, facilities, and intellectual property related to product development

**Products:** Product lineup developed and owned by the acquired business

✓ Leveraging “Made-in-Japan Drones” to address geopolitical risk mitigation needs, we will combine the expertise of our investee partners with EXEDY’s technology, manufacturing capabilities, and global sales network to internalize the entire value chain.



\* As a related service, the Company is also collaborating with SORA Technology Co., Ltd. on malaria control initiatives in Africa.

# Mid- to Long-Term Strategy / New Business

## Drone Business : Investment Partners

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- ✓ As the social implementation of drones accelerates, we actively collaborate with knowledgeable startups to strengthen aircraft development, solution offerings, and the expansion of DaaS (Drone as a Service), thereby accelerating the resolution of customer challenges.

Aircraft Development

Sales & Services

### ① baibars Mechatronics Aviation Industry Joint Stock Company



#### Top agri-drone maker in Turkey

Location Turkey

Founded 2015

Business Drone development/manufacturing/sales; spraying services; training

Investment Timing Dec 2023

Rationale Enter agri-spraying services (NA/SA/Africa/Turkey) and acquire airframe & after-sales

### ② EAMS ROBOTICS Co., Ltd.



#### Strong development capability for Japan type certification

Location Minamisoma, Fukushima, Japan

Founded 2016

Business Industrial drones and autonomous systems (manufacturing & sales)

Investment Timing May 2024

Rationale Address supply-chain/geopolitical risks with Japan-compliant certified aircraft and control software.

### ③ AileLinX Co., Ltd. (Business Assets Acquired)



#### Key technology enabling domestically manufactured drones

Location Fuchu, Hiroshima, Japan

Founded 2018

Business Aerospace (UAV development & sales)

Investment Timing Dec 2025

Rationale Acquire and further develop proprietary flight control technology and specialized talent.

### ④ WorldLink & Company Co., Ltd.



#### A drone industry pioneer with approximately 2,000 corporate customers

Location Kyoto, Japan

Founded 2014

Business Drone sales & maintenance; industrial/agri solutions

Investment Timing Oct 2024

Rationale Build a total drone solutions business leveraging its customer base, product expertise, and public-sector channels.

### ⑤ FUWA DRONE Co., Ltd.



#### High-precision UAV surveying services

Location Miyazaki, Japan

Founded 2019

Business UAV surveying services (LiDAR, photogrammetry, 3D processing)

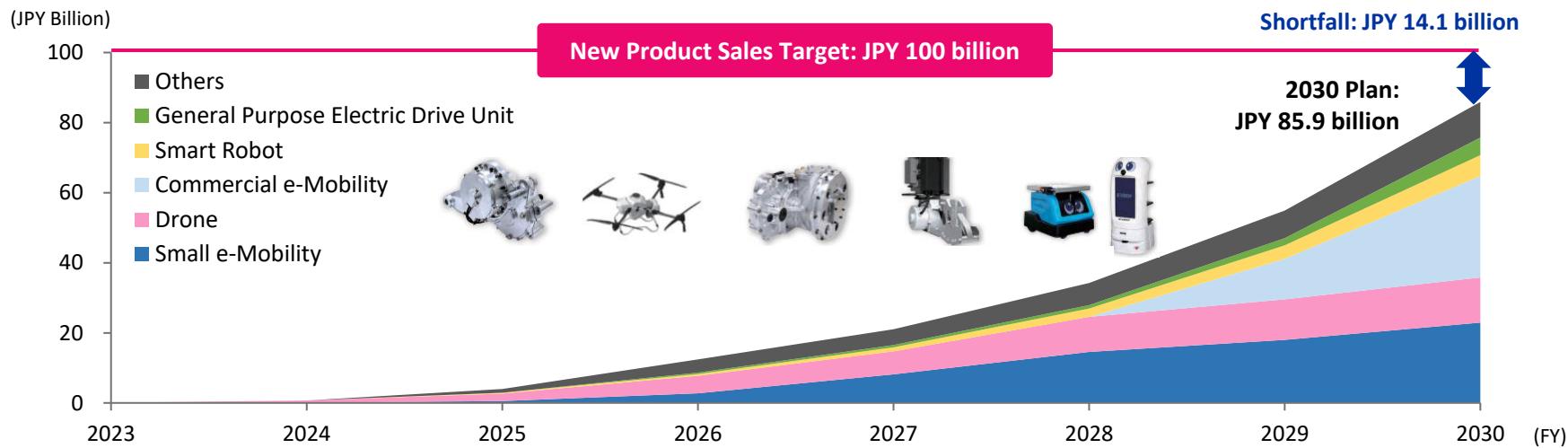
Investment Timing Apr 2025

Rationale Expand service business leveraging high-precision UAV surveying.

## 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.

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# Appendix

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

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## 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)
<b>Continuation of PBR less than 1 &lt;PBR: 0.7 times&gt;</b>	<b>ROE Improvement: 7 shareholders</b>	<b>Updating Financial Strategy to achieve ROE goals (FY 2026 6%)</b>	<b>Achieve FY2026/ROE target "2 years ahead of schedule" (ROE: 6.4%) PBR: improved to 1.04x<sup>*1</sup></b>
<b>① ROE below shareholder capital cost &lt;Equity Ratio: 67.9%&gt;</b>	<b>Formulation of Balance Sheet (BS) policy: 7 shareholders</b>	<b>Calculated the optimal equity ratio (60%) and formulated an achievement policy by the end of FY 2025.</b>	<b>Optimal BS is established "one year ahead of schedule". (Capital adequacy ratio: 59.4%, JCR rating: A+ maintained<sup>*2</sup>)</b>
<b>② Decrease in torque converter demand due to BEV shift</b>	<b>Review shareholder returns</b>	<b>Reviewed the medium-term plan &amp; capital allocation incorporating financial leverage utilization based on various shareholder preferences &amp; cash flow</b>	<b>Mobilized funds through the utilization of financial leverage (JPY 30 billion) &amp; working capital compression to implement the following:</b>
	<b>Increased Dividends: 4 shareholders</b>		<b>Increased Dividend (from JPY 120 to over JPY 300<sup>*3</sup>)</b>
	<b>Not Necessary (Focusing on growth investment): 2 shareholders</b>		<b>Securing Growth Investment Funds (JPY 30 billion)</b>
	<b>Share Buyback: 1 shareholder</b>		<b>Additional Share Buyback JPY 30 billion (total JPY 45 billion)</b>

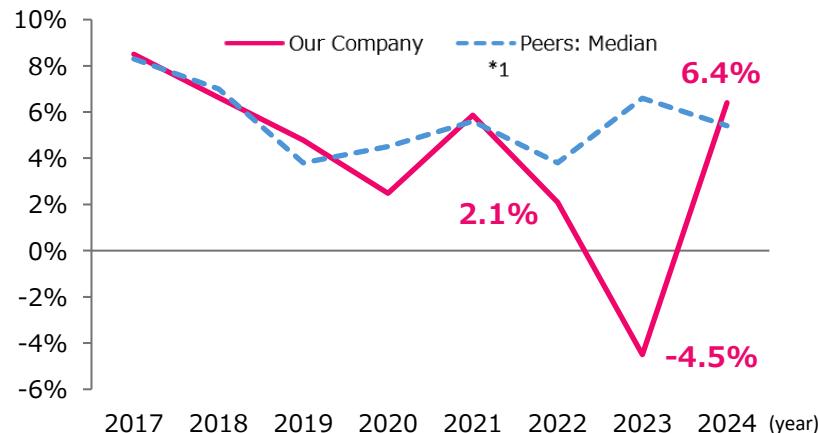
## Review and Updates on Mid- to Long-Term Strategy and Mid-Term Management Plan

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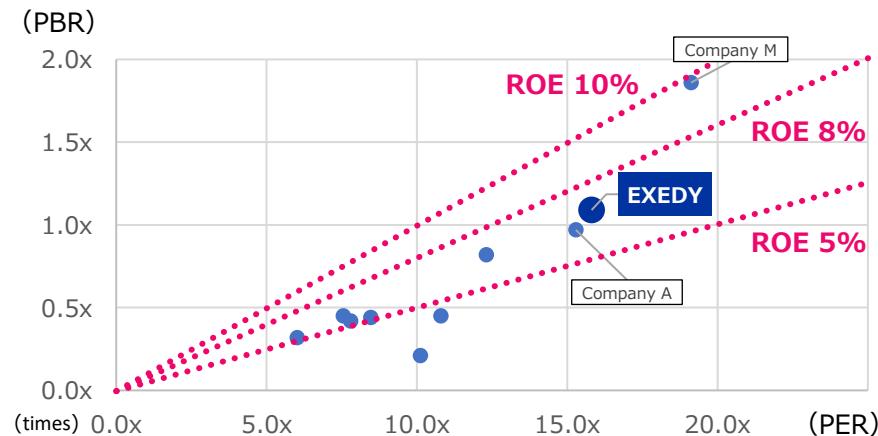
## 1. Achieving Optimal Capital Structure

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

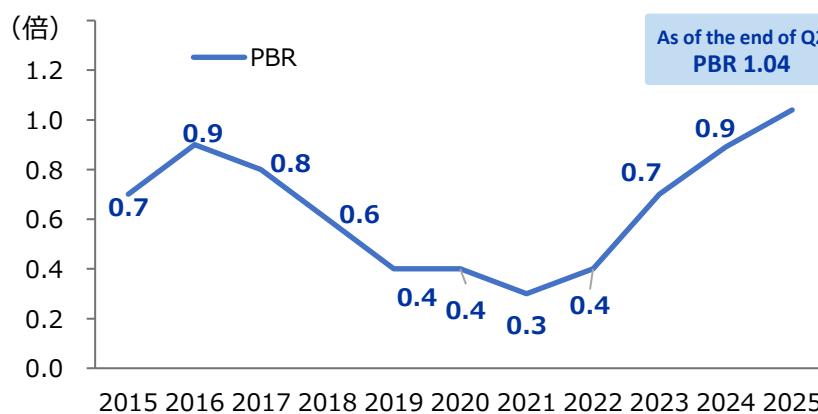
## ROE



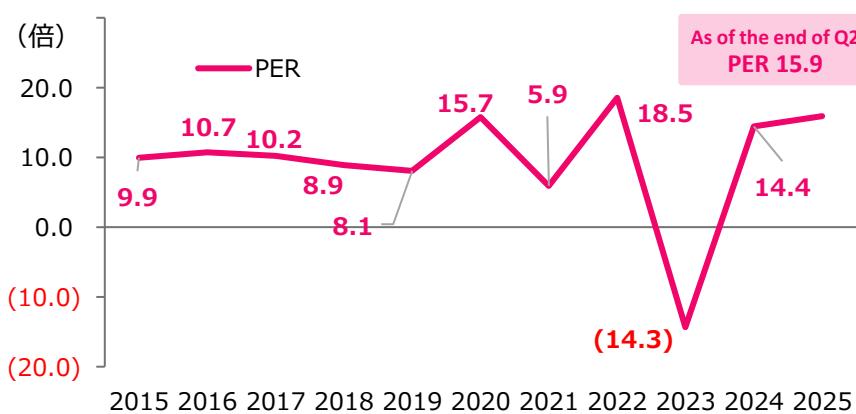
## Comparison of PBR and PER with other companies in the same industry\*2\*3



## 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 (share price as of Oct 15, 2025)

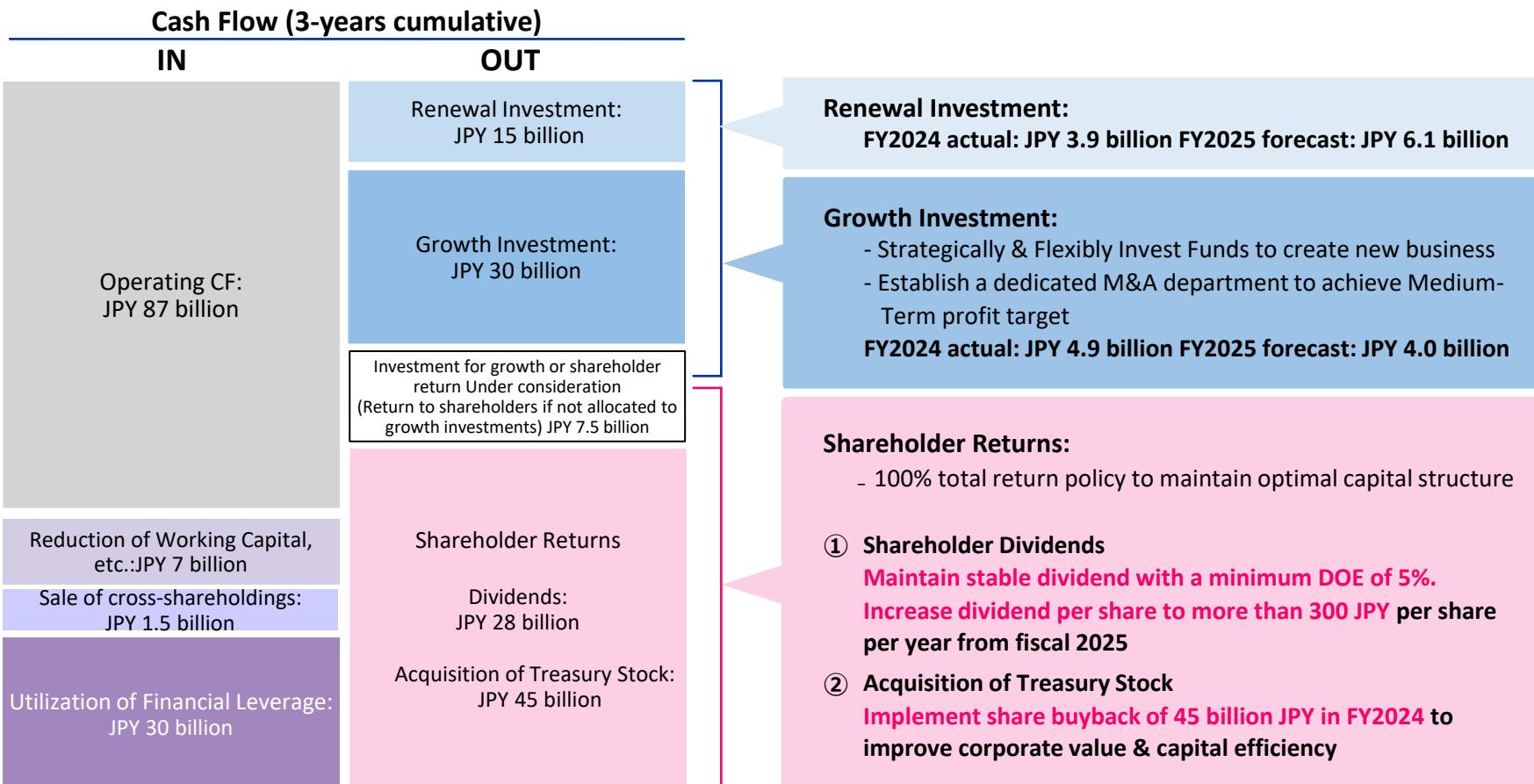
## Updates to Mid- to Long-Term Strategy and Future Initiatives

## Financial Strategy :Capital Allocation

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## Capital Allocation for FY2024-FY2026



- ✓ 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.

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

## Financial Strategy :Shareholder Returns

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## Shareholder returns aimed at enhancing corporate value &amp; 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	Annual JPY 300 Or more	Annual JPY 300 Or more
	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	
DOE*	1.4%	1.9%	1.9%	2.6%	5.2%	DOE 5% as a lower limit	
Treasury Stock Acquisition	-	-	-	-	JPY 45 billion	(Consideration based on changes in the business environment)	

## 【FY2025 &amp; 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.

## Contact for inquiries regarding content

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