



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

28 January 2026

EXEDY Corporation

➤ 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

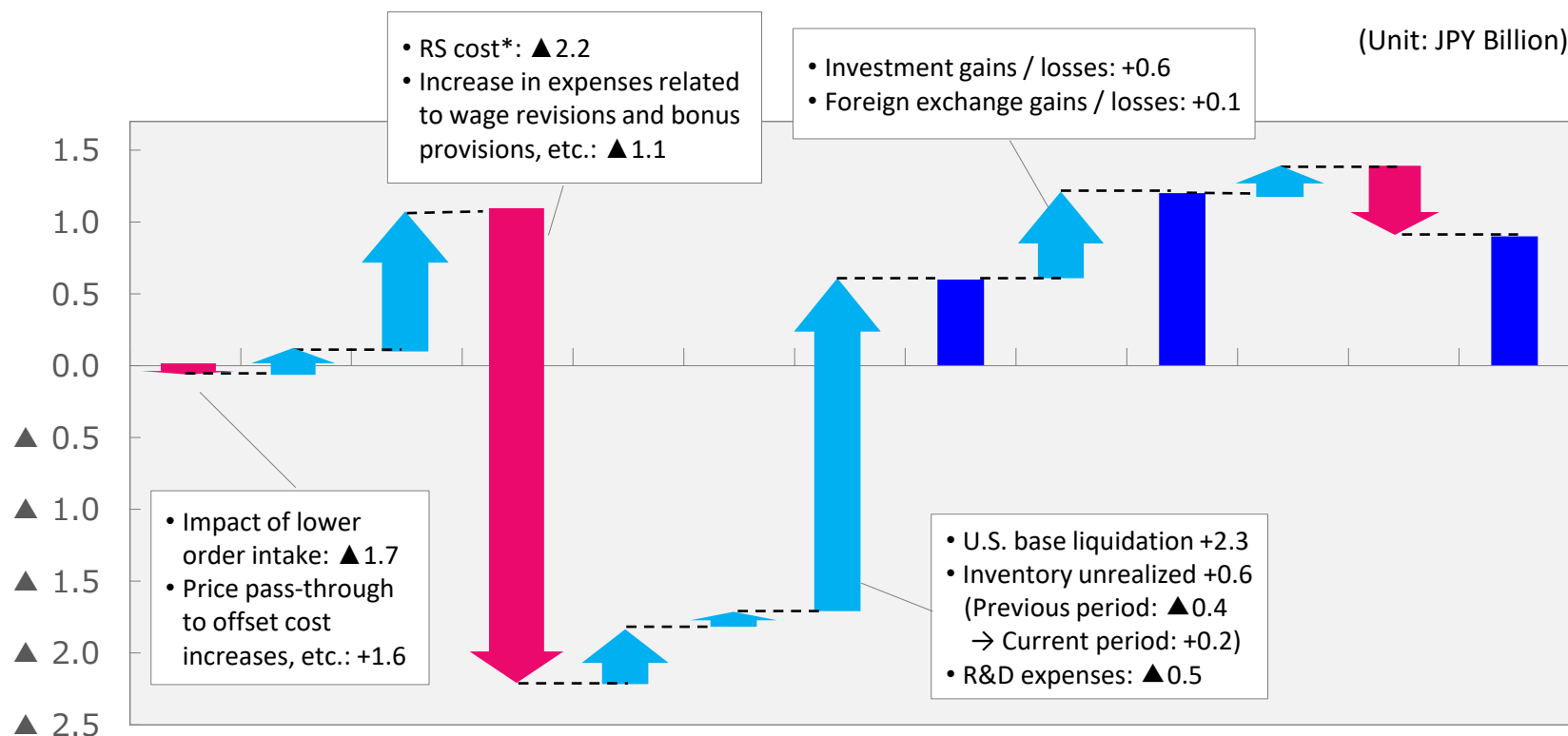
- ✓ In order to maintain an optimal capital structure (target equity ratio of 60%), the Company plans to achieve a total payout ratio of 100% on a cumulative basis for FY2025 and FY2026, with a minimum DOE of 5% and the continuation of stable dividends.

Consolidated Financial Summary

- ✓ **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
Unit: JPY Billion				
Revenue	233.4	226.4	▲ 6.9	▲ 3.0%
Operating Profit	16.2	16.7	+ 0.6	+ 3.4%
Ratio to Revenue	6.9%	7.4%	+ 0.5pt	—
Net Profit	10.2	11.1	+ 0.9	+ 9.0%
Ratio to Revenue	4.4%	4.9%	+ 0.5pt	—
FX Rate (USD-JPY) (average)	152.9	149.3	▲ 3.5	▲ 2.3%

FY 2025 Forecast (Announced on Oct 29)	Progress toward full- year forecast
295.0	76.8%
21.0	79.7%
7.1%	—
12.5	88.7%
4.2%	—
146.0	—



▲0.1	+0.2	+1.0	▲3.3	+0.4	+0.1	+2.3	+0.6	+0.7	+1.2	+0.2	▲0.5	+0.9
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

Business/Location Segment Matrix - Revenue

Unit: JPY Billion	Location	MT	AT	Others Total	Others			Total
					TS	2 W	Other	
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*1
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
	Total	+ 7.91	+ 8.75	+ 2.29	+ 1.34	+ 0.90	+ 0.05	▲ 2.78	+ 16.18
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
	Total	+ 8.65	+ 10.20	+ 0.08	+ 1.01	+ 1.31	▲ 2.24	▲ 2.81	+ 16.74
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
	Total	+ 0.73	+ 1.45	▲ 2.21	▲ 0.32	+ 0.41	▲ 2.29	▲ 0.03	+ 0.55
For reference Differences excluding exchange rate translation effects*2	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
	Total	+ 0.71	+ 1.44	▲ 2.15	▲ 0.32	+ 0.47	▲ 2.30	▲ 0.03	+ 0.58

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

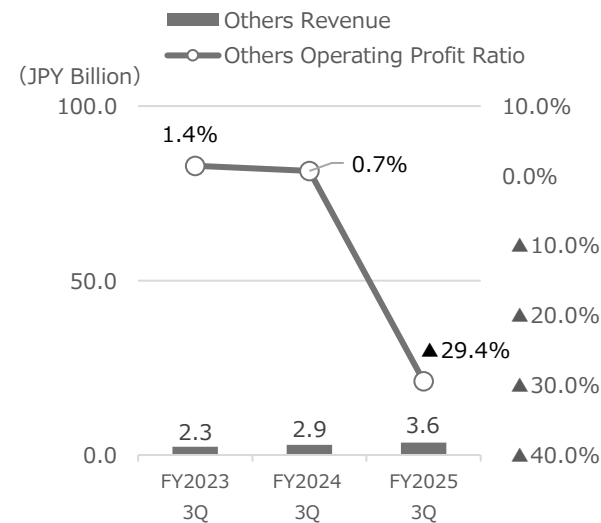
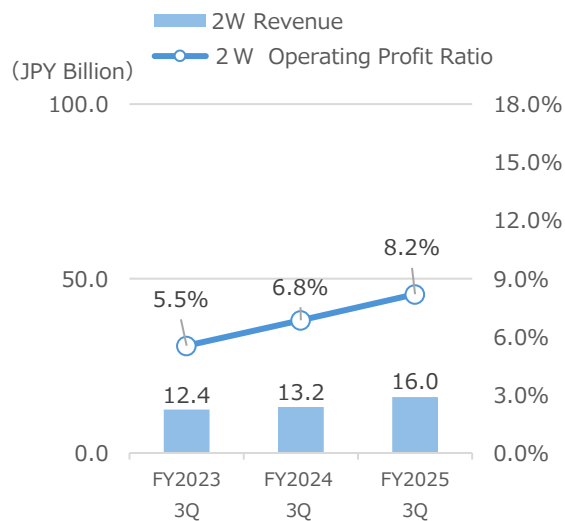
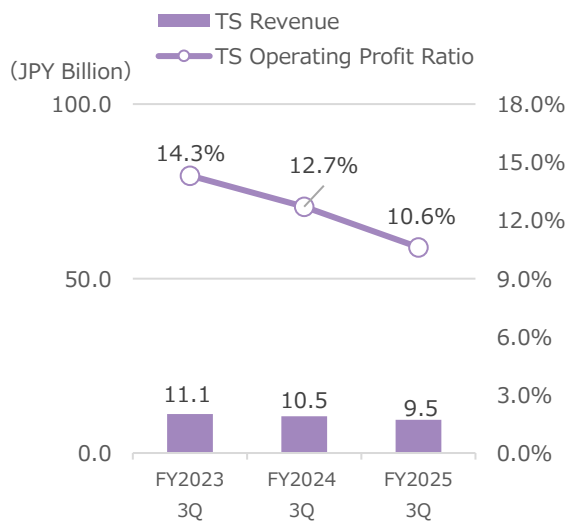
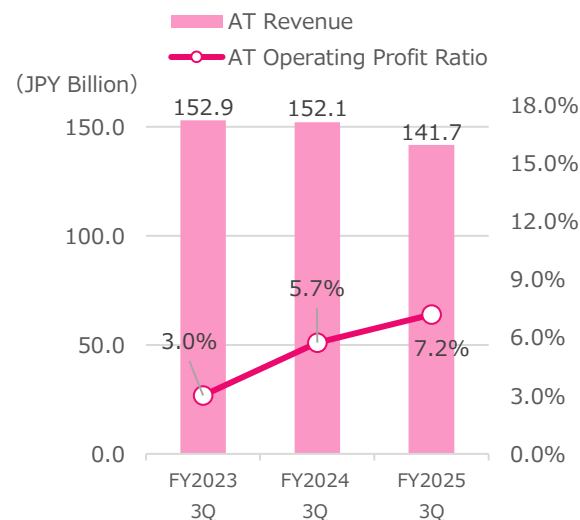
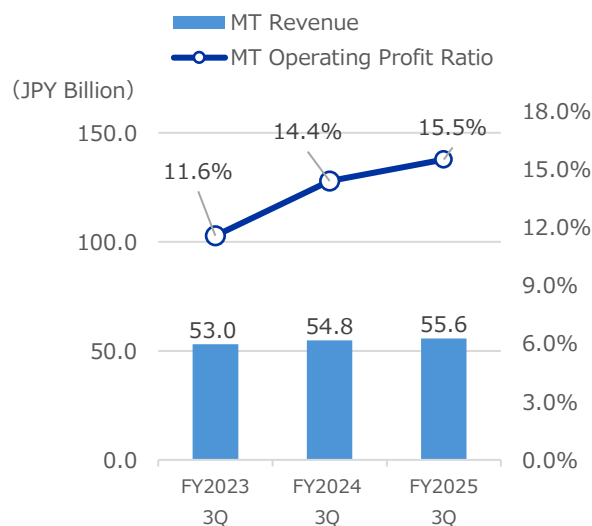
*2 : Impact of exchange rate differences from the translation of overseas subsidiaries' foreign currency financial statements into yen.

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	309.6	295.0	300.0	+ 5.0	+1.7%
Operating Profit	21.8	21.0	22.0	+ 1.0	+4.8%
Ratio to Revenue	7.1%	7.1%	7.3%	+0.2pt	—
Net Profit	12.7	12.5	13.5	+ 1.0	+8.0%
Ratio to Revenue	4.1%	4.2%	4.5%	+0.3pt	—
ROE	6.4%	7.0%	7.2%	+ 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	309.6	295.0 → 300.0	285.0	282.0	330.0
Operating Profit Ratio to Revenue	21.8 7.1%	21.0 → 22.0 7.3%	22.0 7.7%	23.5 8.3%	30.0 9.1%
Net Profit Ratio to Revenue	12.7 4.1%	12.5 → 13.5 4.5%	13.8 4.8%	14.8 5.2%	18.6 5.6%
ROE	6.4%	7.0% → 7.2%	7.5%	8.0%	10.0%

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

Drone Business : Value Chain

- ✓ 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**.

		Marketing & Planning	Design & Prototyping	Component Production	Assembly & Manufacturing	Sales	After-Sales Service	Related Services
North America	Agricultural Use	 EXEDY Globalparts Corporation		①  <u>baibars</u>	 EXEDY Globalparts Corporation			
South America		①  <u>baibars</u>				 EXEDY Latin America, S.A.		
Africa		①  <u>baibars</u>				 EXEDY Clutch Europe Ltd.*		
Turkey		①  <u>baibars</u>						
Japan						④ WorldLink & Company		
	Firefighting Use	 + ③  EXEDY Corporation Based on aircraft provided by baibars, leveraging the flight controller expertise of AileLinX.				④ WorldLink & Company		
	Logistics Use	② 						
	Surveying Use							

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

- ✓ 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.

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.



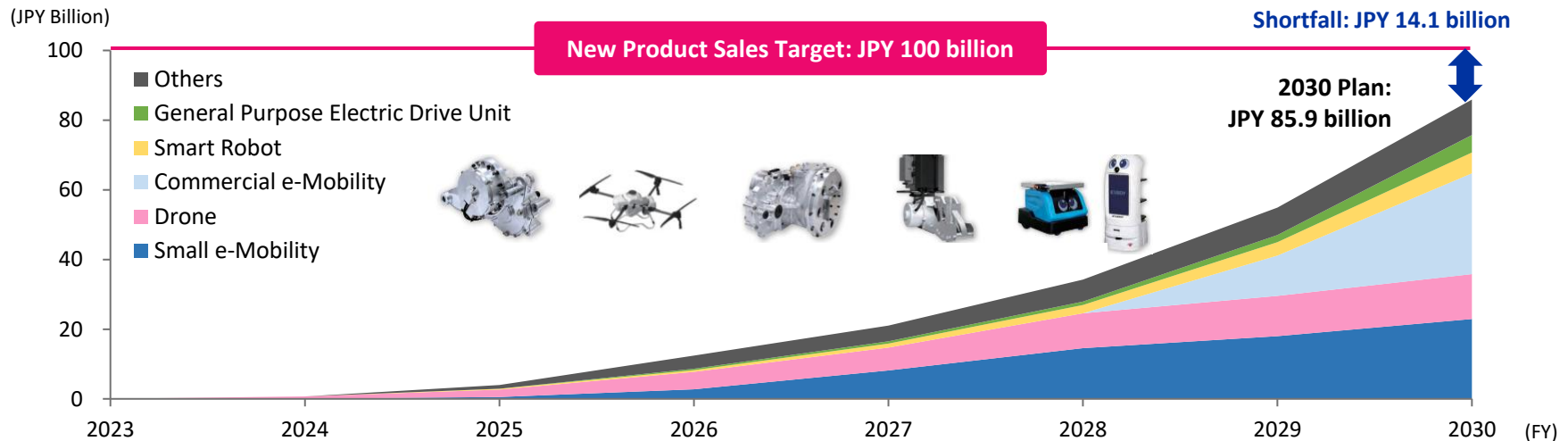
High-precision UAV surveying services

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)
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%) 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 As of the end of Q2 2025, *2 Announced on Apr 7, 2025, *3 Forecast for FY2025

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

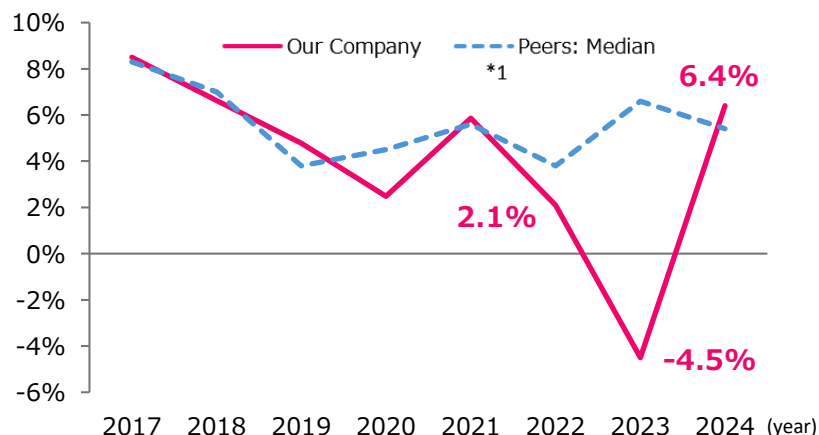
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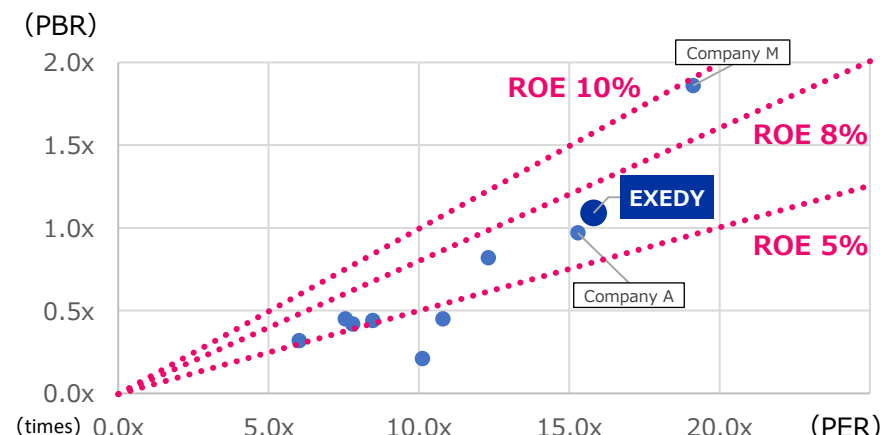
1. Achieving Optimal Capital Structure

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

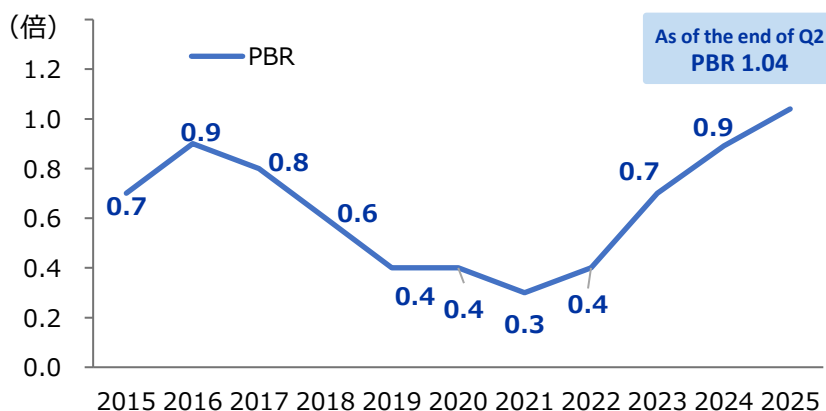
ROE



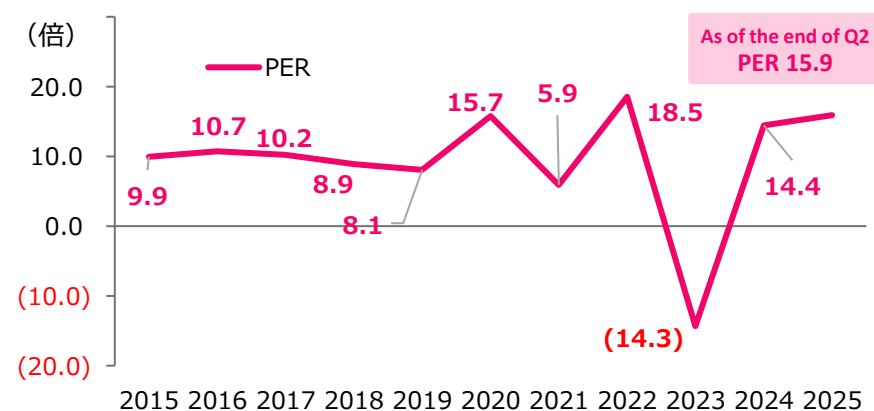
Comparison of PBR and PER with other companies in the same industry*2*3



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 Flow (3-years cumulative)

IN

OUT

Operating CF:
JPY 87 billion

Reduction of Working Capital,
etc.:JPY 7 billion

Sale of cross-shareholdings:
JPY 1.5 billion

Utilization of Financial Leverage:
JPY 30 billion

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

Shareholder Returns

Dividends:
JPY 28 billion

Acquisition of Treasury Stock:
JPY 45 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**

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.**

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 & 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	
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.

Contact for inquiries regarding content

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