

June 7, 2016

To Shareholders:

Hidehito Hisakawa  
President and Representative Director

**EXEDY Corporation**

1-1-1 Kidamotomiya, Neyagawa-shi, Osaka

## NOTICE OF CONVOCAATION OF THE 66TH ANNUAL SHAREHOLDERS MEETING

Dear Shareholder,

Thank you for your continued interest in EXEDY Corporation (the "Company").

You are hereby notified that the 66th Annual Shareholders Meeting will be held as stated below.

You are respectfully requested to attend the Meeting.

In the event that you are unable to attend the Meeting, you may exercise your voting rights in writing or via the Internet. After examining the Reference Documents for Shareholders Meeting hereinafter, please duly exercise your voting rights by 5:00 p.m. on June 27, 2016 (Monday).

Sincerely,

### Details

1. **Date and Time** 10:00 a.m. June 28, 2016 (Tuesday)
2. **Place** EXEDY Hall, 2nd Floor, New Main Building  
EXEDY Corporation  
1-1-1 Kidamotomiya, Neyagawa-shi, Osaka
3. **Meeting Agenda**  
**Matters to be Reported**
  1. Report on the Business Report, and the Consolidated and Non-consolidated Financial Statements for the 66th Business Year (from April 1, 2015 to March 31, 2016)
  2. Report on the Audit Results of the Consolidated Financial Statements for the 66th Business Year by the Accounting Auditor and the Board of Corporate Auditors

### Matters to be Resolved

- Proposal No. 1: Appropriation of Surplus  
Proposal No. 2: Election of Eleven (11) Directors

-End-

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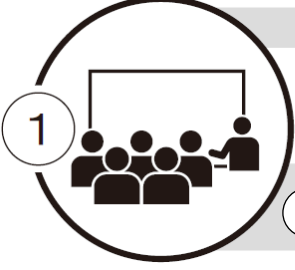
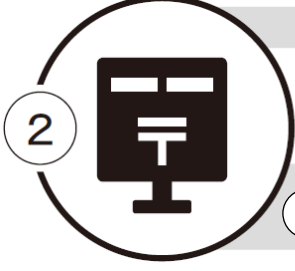

If attending the meeting in person, please submit the enclosed Voting Rights Exercise Form to the receptionist. Furthermore, to save valuable resources, please bring this "Notice of Convocation" with you when attending the Shareholders Meeting.

Of all documents to be provided with this Notice of Convocation of the Annual Shareholders Meeting, the consolidated statement of changes in net assets, the notes to consolidated financial statements, the statement of changes in net assets, and the notes to financial statements are not included in the documents attached to this convocation notice, as they are noted on our website (<http://www.exedy.com>) according to provisions of the relevant laws and regulations, and Article 14 of the Articles of Incorporation of the Company.

In the event that any change is made in the Reference Documents for the Shareholders Meeting, the Business Report, or the Consolidated and Non-consolidated Financial Statements, such changes will be notified on our website (<http://www.exedy.com>).

## [How to exercise your voting rights]

You may exercise voting rights in one of the following three ways.

-  **1** Exercising voting rights by attending the Shareholders Meeting  
Date of the Shareholders Meeting 10:00 a.m. June 28, 2016 (Tuesday)  
Please submit the enclosed Voting Rights Exercise Form to the receptionist on the date of the Shareholders Meeting.
-  **2** Exercising voting rights in writing  
Voting rights expiration time To be arrived by 5:00 p.m. June 27, 2016 (Monday)  
Please indicate your approval or disapproval of the proposals in the enclosed Voting Rights Exercise Form, and return the Form so that it reaches us by the voting rights expiration time.
-  **3** Exercising voting rights via the Internet  
Voting rights expiration time 5:00 p.m. June 27, 2016 (Monday)  
Please enter your approval or disapproval of the proposals at the Voting Rights Exercise Site (<http://www.evotep.jp/>) by the voting rights expiration time.

### For institutional investors

The Company participates in the electronic voting rights exercise platform operated by ICJ.

## [How to exercise your voting rights via the Internet]

Please refer to the following, access the Voting Rights Exercise Site of our shareholder registry administrator via the Internet (<http://www.evotep.jp/>), use the "Login ID" and "Provisional Password" indicated in the Voting Rights Exercise Form, and enter your approval or disapproval of the proposals, as displayed on the screen.

### 1. Voting Rights Exercise Site

- (1) Our designated Voting Rights Exercise Site (<http://www.evotep.jp/>) is not available from 2 a.m. to 5 a.m. every day.
- (2) You may not exercise your voting rights using a PC or a smartphone if, due to your Internet usage conditions, you use a firewall and other similar means, anti-virus software, or proxy servers, etc. when connecting with the Internet.

### 2. Voting rights exercise methods

- (1) To prevent any third party other from accessing the site (impersonation), and to prevent falsification of your exercised voting rights, you will be requested to change your "Provisional Password" on the Voting Rights Exercise Site.
- (2) Every time a Shareholders Meeting is convened, you will be notified of your new "Login ID" and "Provisional Password."

### 3. Handling of voting rights exercised on multiple occasions

- (1) If you have exercised your voting rights both in writing and via the Internet, the contents of the voting rights you have exercised via the Internet will prevail.
- (2) If you have exercised your voting rights on multiple occasions via the Internet, the contents of the voting rights you have exercised on the last occasion will prevail.

### 4. Costs incurred for accessing the Voting Rights Exercise Site

You shall bear Internet connection fees and other costs incurred for accessing the Voting Rights Exercise Site.

[For inquiries about the above system, please contact the following.]

Corporate Agency Division (Help Desk),  
Mitsubishi UFJ Trust and Banking Corporation  
Tel: 0120-173-027 (toll-free, available from 9:00 to 21:00)

End

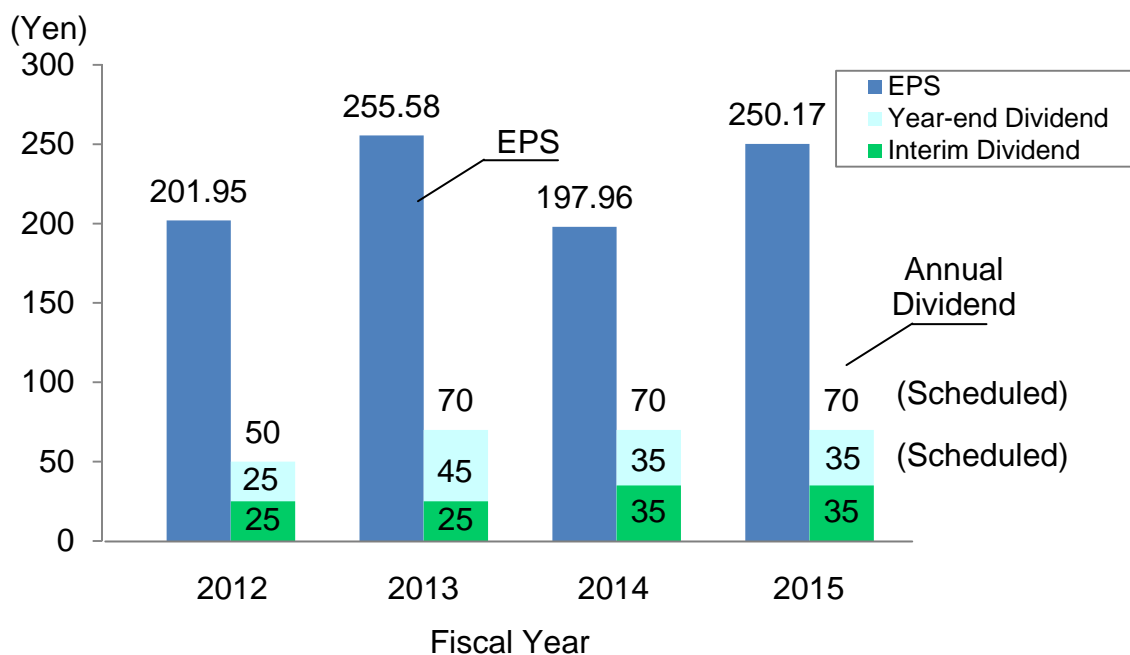
## Reference Documents for the Shareholders Meeting

### Proposal No. 1: Appropriation of Surplus

The Company will redistribute profits in an appropriate manner that meets shareholder expectations, by taking into consideration capital demands, business results, payout ratio, etc. in a comprehensive manner. In this regard, the surplus will be appropriated as follows.

1. Matters concerning the year-end dividend
  - (1) Matters concerning and the total amount of the dividend property to be allotted to shareholders  
¥35 per share of the Company  
Total of ¥1,684,514,790  
  
Together with the interim dividend of ¥35 per share paid on November 24, 2015, the annual dividend is ¥70 per share.
  - (2) Effective date of dividends from the surplus  
June 29, 2016
2. Other matters concerning the appropriation of surplus
  - (1) Items and amount of decreasing surplus  
Retained earnings brought forward      ¥4,000,000,000
  - (2) Items and amount of increasing surplus  
General reserves                              ¥4,000,000,000

### Dividend History DPS (Yen)



## Proposal No. 2: Election of Eleven (11) Directors

All ten (10) Directors will complete their terms of office at the close of this Shareholders Meeting. Consequently, and also to further enhance our corporate governance structure, the Company proposes the election of eleven (11) Directors in total by adding one Director, as follows.

Mr. Fumio Fujimori, Mr. Ichizo Yoshikawa, and Mr. Osamu Okumura are candidates for Outside Directors.

The candidates for Directors are as follows:

### 1 Hidehito Hisakawa (January 24, 1955) Number of shares of the Company held 12,700 shares



Re-appointed

- ▶ Career summary, position and duties at the Company (Important concurrent positions)
  - April 1978      Joined the Company
  - June 2006      Director of the Company in charge of overseas businesses
  - April 2009      Executive General Manager, Sales Headquarters, of the Company
  - June 2009      Director and Executive Managing Officer of the Company
  - April 2011      Director and Senior Executive Managing Officer of the Company
  - April 2012      Representative Director of the Company
  - April 2015      Representative Director and President of the Company to the present
  
- ▶ Reasons for candidacy for a director's position  
Mr. Hidehito Hisakawa has long been engaged in corporate management since he was appointed Director of the Company in June 2006, and has led the management as Representative Director and President since April 2015. The Company has thus continued to appoint him as a candidate for a director's position because, with his abundant experience and versatile perspective on corporate management, he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

## 2 Masayuki Matsuda (June 27, 1951)

Number of shares of the Company held 7,600 shares



Re-appointed

- ▶ Career summary, position and duties at the Company (Important concurrent positions)

April 1974	Joined the Company
June 2002	Director of the Company
June 2004	Executive General Manager, Sales Headquarters, of the Company
June 2005	Managing Director of the Company
June 2009	Director and Executive Managing Officer of the Company
April 2010	Director and Senior Executive Managing Officer of the Company to the present
April 2012	Executive General Manager, Development Headquarters, of the Company
April 2015	Representative Director of the Company to the present Executive General Manager, Purchasing Headquarters, of the Company to the present

- ▶ Reasons for candidacy for a director's position

Mr. Masayuki Matsuda has long been engaged in corporate management since he was appointed Director of the Company in June 2002, and has performed a wide range of the Group operations as Senior Executive Managing Officer of the Company since April 2010.

The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

### 3 Hisayasu Masaoka (August 8, 1949)

Number of shares of the Company held 10,800 shares



Re-appointed

- ▶ Career summary, position and duties at the Company (Important concurrent positions)
  - October 2000 Joined the Company
  - June 2001 Director of the Company
  - June 2002 Executive General Manager, Administrative Headquarters, of the Company
  - June 2004 Managing Director of the Company
  - June 2009 Director and Executive Managing Officer of the Company
  - April 2010 Director and Senior Executive Managing Officer of the Company to the present
  - April 2011 Executive General Manager, Global Strategy Headquarters, of the Company
  
- ▶ Reasons for candidacy for a director's position

Mr. Hisayasu Masaoka has long been engaged in corporate management since he was appointed Director of the Company in June 2001, and has performed a wide range of the Group operations as Senior Executive Managing Officer of the Company since April 2010.

The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

## 4 Shogo Okamura (September 16, 1956)

Number of shares of the Company held 5,100 shares



Re-appointed

- ▶ Career summary, position and duties at the Company (Important concurrent positions)

March 1982      Joined the Company

July 2002      Branch Manager of Tokyo Sales Office

June 2005      Director of the Company

September 2006      EXEDY Corporation ASEAN Regional Office

April 2010      Executive Managing Officer of the Company

April 2015      Senior Executive Managing Officer of the Company to the present

Executive General Manager, Sales Headquarters, of the Company to the present

June 2015      Director of the Company to the present

- ▶ Reasons for candidacy for a director's position

Mr. Shogo Okamura has long worked overseas as an expatriate and accumulated experience and achievements in ASEAN- and India-related business operations, etc., and has been broadly engaged in management of the Group business since he was appointed Director and Senior Executive Managing Officer since June 2015. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.



## 5 Hiroshi Toyohara (August 19, 1962)

Number of shares of the Company held 2,000 shares



Re-appointed

- ▶ Career summary, position and duties at the Company (Important concurrent positions)

January 1995 Joined the Company  
April 2010 Executive Officer of the Company  
April 2011 Executive General Manager, Financial Planning Headquarters, of the Company  
June 2012 Director of the Company to the present  
April 2013 Senior Executive Officer of the Company Executive General Manager, Administrative Headquarters, of the Company to the present  
April 2016 Executive Managing Officer of the Company to the present

- ▶ Reasons for candidacy for a director's position

Mr. Hiroshi Toyohara has abundant experience and achievements in general administrative operations, as head of the financial and planning departments, etc., and has been broadly engaged in the execution of the Group business since his appointment as Director in June 2012. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

## 6 Yoshihiro Kojima (September 10, 1960)

Number of shares of the Company held 1,500 shares



Re-appointed

- ▶ Career summary, position and duties at the Company (Important concurrent positions)

April 1985 Joined NISSAN MOTOR Co., Ltd.  
October 2001 Joined JATCO Ltd.  
April 2009 Manager, Prototype Headquarters, of JATCO Ltd.  
April 2011 Joined the Company  
April 2012 Executive Officer of the Company Executive General Manager, Production Engineering Headquarters, of the Company to the present  
June 2013 Director of the Company to the present  
April 2015 Senior Executive Officer of the Company to the present

- ▶ Reasons for candidacy for a director's position

Mr. Yoshihiro Kojima has abundant experience and achievements in the production engineering field in general both inside and outside the Company, and has been broadly engaged in the execution of the Group business since his appointment as Director in June 2013. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

## 7 Tadashi Nakahara (October 8, 1962)

Number of shares of the Company held 2,000 shares



Re-appointed

- ▶ Career summary, position and duties at the Company (Important concurrent positions)

March 1981      Joined the Company  
April 2009      Executive General Manager, M&T Business  
                         Headquarters, of the Company  
June 2009      Executive Officer of the Company  
April 2010      Executive General Manager, M&T Manufacturing  
                         Headquarters, of the Company  
June 2012      Director of the Company to the present  
April 2014      Executive General Manager, AT Manufacturing  
                         Headquarters, of the Company to the present  
April 2016      Senior Executive Officer of the Company to the  
                         present

- ▶ Reasons for candidacy for a director's position

Mr. Tadashi Nakahara has abundant experience and achievements in the manufacturing field in general, and has been broadly engaged in the execution of the Group business since his appointment as Director in June 2012. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

## 8 Fumio Fujimori (January 5, 1949)

Number of shares of the Company held 2,000 shares



Re-appointed

Outside

- ▶ Career summary, position and duties at the Company (Important concurrent positions)

April 1971      Joined AISIN SEIKI CO., LTD.  
June 1997      Director of AISIN SEIKI CO., LTD.  
June 2005      Executive Vice President and Representative  
                         Director of AISIN SEIKI CO., LTD.  
June 2009      Representative Director and President of AISIN  
                         SEIKI CO., LTD.  
June 2012      Director of the Company to the present  
June 2015      Representative Director and Vice Chairman of  
                         AISIN SEIKI CO., LTD. to the present

- ▶ Reasons for candidacy for an outside director's position

With his abundant expertise as a manager in the automobile component industry, Mr. Fumio Fujimori is expected to provide the Company with additional management reinforcement and enhancement of supervisory functions of the Board of Directors. The Company has thus continued to appoint him as a candidate for an outside director's position.

## 9 Koji Akita (February 17, 1962)

Number of shares of the Company held 3,174 shares



Re-appointed

- ▶ Career summary, position and duties at the Company (Important concurrent positions)

March 1985	Joined the Company
June 2006	Director of the Company
June 2009	Senior Executive Officer of the Company
April 2011	Director and Executive Managing Officer of DYNAX Corporation
April 2013	Director and Senior Executive Managing Officer of DYNAX Corporation
April 2015	Representative Director and President of DYNAX Corporation to the present
June 2015	Director of the Company to the present
- ▶ Reasons for candidacy for a director's position  
Mr. Koji Akita has been broadly engaged in the execution of the Group business as the representative director and president of DYNAX Corporation, the largest subsidiary in the Group, since April 2015, and as a director of the Company since June 2015. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

## 10 Ichizo Yoshikawa (May 20, 1946 )

Number of shares of the Company held 1,000 shares



Newly-appointed

Outside

Independent

- ▶ Career summary, position and duties at the Company (Important concurrent positions)

April 1970	Joined Suminoe Textile Co., Ltd.
August 1997	Director of Suminoe Textile Co., Ltd.
August 2005	Representative Director and President of Suminoe Textile Co., Ltd.
June 2016	Representative Director and Chairman of Suminoe Textile Co., Ltd. to the present
- ▶ Reasons for candidacy for an outside director's position  
Mr. Ichizo Yoshikawa has long accumulated abundant expertise as a manager of a listed company, by fulfilling corporate management responsibilities as a representative director of Suminoe Textile Co., Ltd. The Company has thus newly appointed him as a candidate for an outside director's position because he is expected to provide the Company with additional management reinforcement and enhancement of supervisory functions by the Board of Directors.

## 11 Osamu Okumura ( December 7, 1946 )

Number of shares of the Company held 2,000 shares



Newly-appointed

Outside

Independent

- ▶ Career summary, position and duties at the Company (Important concurrent positions)

April 1970      Joined Daikin Industries, Ltd.  
June 1996      Director of Daikin Industries, Ltd.  
June 2004      Senior Executive Managing Officer of Daikin Industries, Ltd.  
June 2012      Corporate Advisor of Daikin Industries, Ltd.

- ▶ Reasons for candidacy for an outside director's position

Mr. Osamu Okumura has long accumulated abundant expertise as a corporate manager, by fulfilling his responsibilities as a senior executive managing officer of Daikin Industries, Ltd. The Company has thus newly appointed him as a candidate for an outside director's position because he is expected to provide the Company with additional management reinforcement and enhancement of supervisory functions by the Board of Directors.

- (Note) 1 The candidate for Outside Director, Mr. Fumio Fujimori, is the Representative Director and Vice Chairman of AISIN SEIKI CO., LTD., with which the Company has business relations in the form of sales and purchase of products, the amount of which however constitutes less than 0.5% of the Company's consolidated net sales. There are no special interests between other candidates and the Company.
2. AISIN SEIKI CO., LTD., of which Mr. Fumio Fujimori is the Representative Director and Vice Chairman, paid a fine of US\$ 35.8 million to the United States government in February 2015 for violations of U.S. Antitrust law in connection with part of the sales of Variable Valve Timing ("VVT") devices, an automotive engine component.
  3. Mr. Fumio Fujimori's term of office will be four (4) years at the conclusion of this Shareholders Meeting.
  4. The Company entered into contracts with Mr. Fumio Fujimori pursuant to the provision of the Company's Articles of Incorporation to limit his liabilities to the Company. In the event that this proposal is approved in its original form and he is reappointed, the Company shall continue such contract with him.  
In the event that this proposal is approved in its original form and they are appointed, the Company shall enter into contracts with Mr. Ichizo Yoshikawa and Mr. Osamu Okumura, respectively, pursuant to the provisions of the Company's Articles of Incorporation, to limit their liabilities to the Company.  
An outline of the contents of the contracts is as follows.
    - (1) If an Outside Director is liable to the Company for damages, the amount of such damages shall be limited to the minimum liability amount prescribed in Article 425 of the Companies Act;
    - (2) The foregoing limitation shall be limited to cases where an Outside Director is without knowledge and is not grossly negligent in performing his duties.
  5. Mr. Fumio Fujimori is scheduled to retire from the post of the representative director and vice chairman of AISIN SEIKI CO., LTD. at the close of the annual general meeting of shareholders of the company to be held on June 17, 2016.
  6. Mr. Ichizo Yoshikawa and Mr. Osamu Okumura satisfy the requirements for Independent Officers stipulated by the Tokyo Stock Exchange, and are scheduled to be registered as such to the Exchange.

End of Document