

July 30, 2024

FY2024 1st Quarter Consolidated Financial Results [IFRS] (April 1, 2024 through June 30, 2024)

(English translation extracted from the original Japanese document)

Company Name: **EXEDY Corporation** Listing: Tokyo Stock Exchange
 Code No.: 7278 URL: <https://www.exedy.com>
 Representative: Tetsuya Yoshinaga, Representative Director, President
 Contact Person: Hiroshi Toyohara, Representative Director, Senior Executive Managing Officer,
 Executive General Manager of Administrative Headquarters
 Telephone: +81-72-822-1152

Scheduled Date to commence dividend payments: None
 Preparation of supplementary material on quarterly Financial Results : None
 Holding of quarterly financial results briefing: None

(Note: All amounts less than one million yen is rounded off)

1. Consolidated Financial Results for the 1st Quarter of FY2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated Operating Results (cumulative) (Percentage of change from previous year)

	Revenue		Operating Profit		Profit before Tax		Profit		Profit Attributable to Owners of Parent		Total Comprehensive Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2024 Q1	75,447	2.8	4,083	69.2	5,453	52.9	3,707	28.9	3,529	35.8	9,484	9.8
FY2023 Q1	73,367	13.8	2,414	133.5	3,565	38.8	2,877	62.1	2,598	69.6	8,639	(6.2)

	Basic Earnings per Share	Diluted Earnings per Share
	Yen	Yen
FY2024 Q1	76.62	-
FY2023 Q1	55.34	-

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio for Equity Attributable to Owners of Parent
	Million Yen	Million Yen	Million Yen	%
FY2024 Q1	323,108	234,004	220,556	68.3
FY2023	321,935	233,539	218,548	67.9

2. Dividends

	Annual Dividends per Share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	-	60.00	-	60.00	120.00
FY2024	-	-	-	-	-
FY2024 (Forecast)	-	60.00	-	60.00	120.00

(Note) Revisions of dividend forecast from recently announced figures: None

3. FY2024 Consolidated Financial Forecast (April 1, 2024 to March 31, 2025)

(Percentage of change from previous year)

	Revenue		Operating Profit		Income before Income Taxes		Profit Attributable to Owners of Parent		Basic Earnings Per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2024	300,000	(2.7)	16,000	-	15,000	-	10,000	-	221.41

(Note) Revisions of financial forecast from recently announced figures: None

The consolidated financial forecast for the full year remains unchanged from the previous announcement (April 25, 2024).

The average number of ordinary shares outstanding as of June 30, 2024 (excluding treasury shares) is used as the basis for the calculation of the above "basic earnings per share".

※ General Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in Accounting Policies, Accounting Estimations

① Changes in accounting policies required by IFRS : None

② Changes in accounting policies except ① : None

③ Changes in accounting estimates : None

(Note) For the details, refer to attachment p.11 “2. Quarterly Consolidated Financial Statements and Principal Notes (5) Notes on Quarterly Consolidated Financial Statements”

(3) Number of Outstanding Shares (Ordinary shares)

① Number of shares outstanding at the end of period (including treasury shares)	FY2024 Q1	48,593,736 shares	FY2023 Q4	48,593,736 shares
② Number of treasury shares at the end of period	FY2024 Q1	3,427,772 shares	FY2023 Q4	1,627,767 shares
③ Average number of ordinary shares outstanding during the period	FY2024 Q1	46,065,968 shares	FY2023 Q1	46,954,188 shares

(Note) The shares held within the ESOP trust accounts (FY2024 Q1: 81,200 shares, FY2023 Q4: 81,200 shares) are included in the number of Treasury Shares at the end of period. Furthermore, the shares held within the ESOP trust accounts are included in Treasury Shares that are deducted in the calculation of the average number of shares for the period. (FY2024 Q1 : 81,200 shares, FY2023 Q1 : 89,800 shares)

※ Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm :None

※ Regarding the appropriate use of Financial forecasts and other information

The above forecast is based on the information available, or the assumptions which the company thinks reasonable as of the release of this report. Actual results might be different from the above estimates due to subsequent changes in circumstances.

Table of Contents of Attachments

1. Qualitative Information on Quarterly Financial Results.....	2
(1) Explanation of Operating Results.....	2
(2) Explanation of Financial Position.....	3
(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information.....	3
2. Quarterly Consolidated Financial Statements and Principal Notes.....	4
(1) Quarterly Consolidated Statement of Financial Position.....	4
(2) Quarterly Consolidated Statement of Income/Consolidated Statement of Comprehensive Income	6
(3) Quarterly Consolidated Statement of Changes in Equity.....	8
(4) Quarterly Consolidated Statement of Cash Flows.....	10
(5) Notes on Quarterly Consolidated Financial Statements.....	11
(Notes for Going Concern)	11
(Change of Accounting Policy)	11
(Change in Accounting Estimate)	11
(Segment Information)	11

1. Qualitative Information on Quarterly Financial Results.

(1) Explanation of Operating Results

In the First quarter of the current consolidated cumulative period, the revenue increased due to passing on cost increase to the selling price, and the impact of foreign exchange conversion due to the depreciation of the yen. In terms of profits, Operating profit increased due to increase in revenue and decrease of depreciation and amortization following the recognition of impairment losses on fixed assets in the previous fiscal year.

The results for the first quarter of the current consolidated cumulative period were, Revenue ¥ 75.4 billion (increased by 2.8% from the same period of the previous fiscal year), Operating profit ¥ 4.1 billion (increased by 69.2% from the same period of the previous fiscal year), Profit before tax ¥ 5.5 billion (increased by 52.9% from the same period of the previous fiscal year), Profit attributable to owners of the parent company was ¥3.5 billion (increased by 35.8% from the same period of the previous fiscal year).

<Segment Information>

The summary by type of reportable segment is as follows.

[MT (Manual Automotive Drivetrain related business)]

Revenue was ¥17.8 billion (increased by 0.3% from the same period of the previous fiscal year). Segment profit was ¥2.1 billion (increased by 42.7% from the same period of the previous fiscal year) due to the cost increase passing on to selling prices.

[AT (Automatic Automotive Drivetrain related business)]

Revenue was ¥49.0 billion (increased by 4.2% from the same period of the previous fiscal year). This was due to the impact of passing on cost increase to the selling price, despite decrease in orders caused by production stoppages at some customers, and the impact of foreign exchange conversion due to the depreciation of the yen. The segment profit was ¥2.0 billion (increased by 206.8% from the same period of the previous fiscal year) due to decrease of depreciation and amortization following the recognition of impairment losses on fixed assets in the previous fiscal year.

[TS (Industrial machine Drivetrain operations)]

Revenue was ¥3.6 billion (decreased by 7.3% from the same period of the previous fiscal year). Segment profit was ¥0.4 billion (decreased by 34.0% from the same period of the previous fiscal year), due to decrease in revenue.

[Others]

Revenue was ¥5.0 billion (increased by 7.2% from the same period of the previous fiscal year). Segment profit was ¥0.2 billion (increased by 43.5% from the same period of the previous fiscal year) due to an increased revenue of motorcycle clutches in India and cost reduction efforts.

<Location Information>

The summary by location is as follows.

[Japan]

Revenue was ¥28.5 billion (decreased by 7.2% from the same period of the previous fiscal year). This was due to decrease in orders caused by production stoppages at some customers. Operating profit was ¥1.3 billion (decreased by 30.4% from the same period of the previous fiscal year), despite decrease of depreciation and amortization, due to decrease in orders and increased in labor cost.

[Americas]

Revenue was ¥16.2 billion (increased by 17.6% from the same period of the previous fiscal year). This was due to the impact of passing on cost increase to the selling price, and the impact of foreign exchange conversion due to the depreciation of the yen. Operating profit was ¥48 million (¥0.3 billion operating loss in the same period of the previous year) due to increase in revenue.

[Asia and Oceania]

Revenue was ¥27.7 billion (increased by 5.3% from the same period of the previous fiscal year). This was due to the increase in orders, as well as passing on cost increase to the selling price, and the impact of foreign exchange conversion due to the depreciation of the yen. Operating profit was ¥2.9 billion (increased by 109.3% from the same period of the previous fiscal year) due to increase in revenue and decrease of depreciation and amortization.

[Others]

Revenue was ¥3.1 billion (increased by 18.5% from the same period of the previous fiscal year). Operating profit was ¥0.1 billion (increased by 407.7% from the same period of the previous fiscal year) due to increase in revenue.

(2) Explanation of Financial Position.

In terms of the assets at the end of this first quarter consolidated accounting period, the total assets were ¥323.1 billion (¥321.9 billion at the end of the previous consolidated fiscal year), it increased by ¥1.2 billion (0.4%) from the end of the previous fiscal year. The main contents are ¥3.8 billion increase in Inventories, ¥1.8 billion increase in Other financial assets, ¥1.1 billion increase in Investments accounted for using equity method, ¥0.9 billion increase in Tangible fixed assets, ¥0.9 billion increase in Investments in Equity Instruments, and 8.3 billion decrease in Cash and cash equivalents.

Total liabilities were ¥89.1 billion (¥88.4 billion at the end of the previous consolidated fiscal year), it increased by ¥0.7 billion (0.8%) from the end of the previous fiscal year. The main contents are ¥2.6 billion increase in Trade and other payables, ¥1.4 billion decrease in corporate Bonds and borrowings, and ¥0.7 billion decrease in Income taxes payable.

Total equity was ¥234.0 billion (¥233.5 billion in the previous consolidated fiscal year), it increased by ¥0.5 billion (0.2%) from the end of the previous fiscal year. The main contents are ¥5.0 billion increase in Other components of equity due to an increase in the conversion difference of foreign operation due to the depreciation of the yen, ¥0.7 billion increase in Retained earnings (¥3.5 billion increase due to the Profit attributable to owners of the parent company, and ¥2.8 billion decrease due to the Appropriation of surplus (dividend)), and ¥4.7 billion decrease by Purchase of treasury shares.

(3) Explanation of Forecast of Consolidated Financial Results and Other Forward-Looking Information

There is no change in the consolidated financial forecast for the fiscal year ending March 31, 2025, which was announced on April 25, 2024.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Statement of Financial Position

	As of March 31, 2024	As of June 30, 2024
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	74,043	65,787
Trade and other receivables	53,513	53,616
Other financial assets	2,105	3,916
Inventories	44,278	48,033
Other current assets	2,949	3,177
Total current assets	<u>176,889</u>	<u>174,530</u>
Non-current assets		
Property, plant and equipment	117,824	118,741
Goodwill and intangible assets	2,412	2,458
Investments accounted for using equity method	1,043	2,134
Investments in Equity Instruments	4,767	5,644
Other financial assets	80	79
Deferred tax assets	16,592	17,305
Retirement benefit asset	1,418	1,424
Other non-current assets	909	794
Total non-current assets	<u>145,047</u>	<u>148,578</u>
Total assets	<u><u>321,935</u></u>	<u><u>323,108</u></u>

	As of March 31, 2024	As of June 30, 2024
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	6,348	5,429
Trade and other payables	37,149	39,699
Other financial liabilities	664	687
Income taxes payable	2,739	2,026
Employee benefits accruals	2,591	2,657
Provisions	2,061	2,042
Other current liabilities	3,121	3,154
Total current liabilities	54,674	55,694
Non-current liabilities		
Bonds and borrowings	23,630	23,149
Other financial liabilities	943	969
Retirement benefit liability	6,566	6,654
Deferred tax liabilities	30	29
Other non-current liabilities	2,552	2,609
Total non-current liabilities	33,723	33,410
Total liabilities	88,396	89,104
Equity		
Share capital	8,284	8,284
Capital surplus	7,543	8,496
Treasury shares	(3,682)	(8,341)
Other components of equity	18,274	23,276
Retained earnings	188,129	188,841
Total equity attributable to owners of parent	218,548	220,556
Non-controlling interests	14,991	13,448
Total equity	233,539	234,004
Total liabilities and equity	321,935	323,108

(2) Quarterly Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Quarterly Consolidated Statement of Income)

	FY2023 1st Quarter (April 1, 2023 through June 30, 2023)	FY2024 1st Quarter (April 1, 2024 through June 30, 2024)
	Millions of yen	Millions of yen
Revenue	73,367	75,447
Cost of sales	62,619	62,496
Gross profit	10,748	12,951
Selling, general and administrative expenses	8,398	9,008
Other income	266	415
Other expenses	203	274
Operating profit	2,414	4,083
Finance income	1,383	1,581
Finance costs	251	225
Share of profit of investments accounted for using equity method	19	13
Profit before tax	3,565	5,453
Income tax expense	688	1,745
Profit	2,877	3,707
Profit attributable to		
Owners of parent	2,598	3,529
Non-controlling interests	279	178
Profit	2,877	3,707
Earnings per share		
Basic and diluted earnings per share	55.34	76.62

(Quarterly Consolidated Statement of Comprehensive Income)

	FY2023 1st Quarter (April 1, 2023 through June 30, 2023)	FY2024 1st Quarter (April 1, 2024 through June 30, 2024)
	Millions of yen	Millions of yen
Profit	2,877	3,707
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	125	(20)
Total of items that will not be reclassified to profit or loss	125	(20)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	5,631	5,786
Share of other comprehensive income of investments accounted for using equity method	6	10
Total of items that may be reclassified to profit or loss	5,637	5,797
Total other comprehensive income	5,762	5,777
Comprehensive income	8,639	9,484
Comprehensive income attributable to		
Owners of parent	7,722	8,531
Non-controlling interests	917	953
Comprehensive income	8,639	9,484

(3) Quarterly Consolidated Statement of Changes in Equity

Previous first quarter consolidated cumulative period

(April 1, 2023 through June 30, 2023)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Total
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2023	8,284	7,541	(3,709)	11,454	(815)	10,639
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	4,999	125	5,124
Comprehensive income	-	-	-	4,999	125	5,124
Purchase of treasury shares	-	-	(0)	-	-	-
Disposal of treasury shares	-	-	-	-	-	-
Dividends of surplus	-	-	-	-	-	-
Share-based remuneration transactions	-	2	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total transactions with owners	-	2	(0)	-	-	-
Total changes in equity	-	2	(0)	4,999	125	5,124
Balance as of June 30, 2023	8,284	7,543	(3,709)	16,453	(690)	15,763

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2023	202,808	225,563	14,338	239,901
Profit for the period	2,598	2,598	279	2,877
Other comprehensive income	-	5,124	638	5,762
Comprehensive income	2,598	7,722	917	8,639
Purchase of treasury shares	-	(0)	-	(0)
Disposal of treasury shares	-	-	-	-
Dividends of surplus	(2,113)	(2,113)	(955)	(3,068)
Share-based remuneration transactions	-	2	-	2
Transfer to retained earnings	-	-	-	-
Total transactions with owners	(2,113)	(2,111)	(955)	(3,066)
Total changes in equity	485	5,611	(38)	5,574
Balance as of June 30, 2023	203,293	231,174	14,300	245,474

Current first quarter consolidated cumulative period
(April 1, 2024 through June 30, 2024)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Total
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2024	8,284	7,543	(3,682)	19,365	(1,091)	18,274
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	5,021	(20)	5,002
Comprehensive income	-	-	-	5,021	(20)	5,002
Purchase of treasury shares	-	(5)	(4,658)	-	-	-
Disposal of treasury shares	-	-	-	-	-	-
Dividends of surplus	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	958	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total transactions with owners	-	953	(4,658)	-	-	-
Total changes in equity	-	953	(4,658)	5,021	(20)	5,002
Balance as of June 30, 2024	8,284	8,496	(8,341)	24,386	(1,111)	23,276

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2024	188,129	218,548	14,991	233,539
Profit for the period	3,529	3,529	178	3,707
Other comprehensive income	-	5,002	775	5,777
Comprehensive income	3,529	8,531	953	9,484
Purchase of treasury shares	-	(4,663)	-	(4,663)
Disposal of treasury shares	-	-	-	-
Dividends of surplus	(2,818)	(2,818)	(1,538)	(4,356)
Changes in ownership interest in subsidiaries	-	958	(958)	-
Transfer to retained earnings	-	-	-	-
Total transactions with owners	(2,818)	(6,523)	(2,496)	(9,019)
Total changes in equity	711	2,008	(1,543)	465
Balance as of June 30, 2024	188,841	220,556	13,448	234,004

(4) Quarterly Consolidated Statement of Cash Flows

	FY2023 1st Quarter (April 1, 2023 through June 30, 2023)	FY2024 1st Quarter (April 1, 2024 through June 30, 2024)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	3,565	5,453
Depreciation and amortization	4,721	3,605
Interest and dividend income	(98)	(151)
Interest expenses	187	182
Share of loss (profit) of investments accounted for using equity method	(19)	(13)
Foreign exchange loss (gain)	0	(0)
Decrease (increase) in inventories	481	(1,730)
Decrease (increase) in trade and other receivables	664	1,705
Increase (decrease) in trade and other payables	177	1,186
Other	1,129	(773)
Subtotal	10,807	9,463
Interest and dividends received	179	213
Interest paid	(164)	(193)
Income taxes paid	(2,183)	(2,727)
Net cash provided by (used in) operating activities	8,640	6,756
Cash flows from investing activities		
Payments into time deposits	(842)	(2,132)
Proceeds from withdrawal of time deposits	874	465
Purchase of property, plant and equipment	(2,964)	(1,989)
Proceeds from sale of property, plant and equipment	7	24
Purchase of intangible assets	(60)	(100)
Purchase of investment securities	(338)	(793)
Other	(284)	(939)
Net cash provided by (used in) investing activities	(3,606)	(5,465)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,959	20
Repayments of short-term borrowings	(1,341)	(1,426)
Proceeds from long-term borrowings	380	-
Repayments of long-term borrowings	(975)	(493)
Purchase of treasury shares	(0)	(4,658)
Dividends paid	(2,069)	(2,768)
Other	(1,084)	(1,625)
Net cash provided by (used in) financing activities	(3,131)	(10,950)
Effect of exchange rate changes on cash and cash equivalents	1,119	1,403
Net increase (decrease) in cash and cash equivalents	3,022	(8,256)
Cash and cash equivalents at beginning of period	59,538	74,043
Cash and cash equivalents	62,560	65,787

(5) Notes on Quarterly Consolidated Financial Statements

(Notes for Going Concern)

Not applicable

(Change in Accounting Policy)

Not applicable

(Change in Accounting Estimate)

Not applicable

(Segment Information)

(1) Overview of Reportable Segments

The reportable segments are components of business activities for which discrete, and such information is regularly reviewed by the Company's Board of Directors to make decisions about the allocation of resources and assess its performance.

The Company and its consolidated subsidiaries are mainly engaged in the manufacture and sale of automotive parts. From the aspects of function, technological specification and productive structure, the product lines of the Company are classified roughly into 3 group, "Manual Transmission Parts", "Automatic Transmission Parts" and "Industrial machine Drivetrain Parts". The Company, in corporation with its consolidated subsidiaries, design business strategy and conduct business for these 3 product lines inside Japan and overseas. Accordingly, the reportable segments of the Company are composed of 3 segments, "MT (Manual Automotive Drivetrain related business)" which manufactures and sells Manual Transmission Parts, "AT (Automatic Automotive Drivetrain related business)" which manufactures and sells Automatic Transmission Parts and "TS (Industrial machine Drivetrain operations)" which manufactures and sells parts for construction machinery and industrial vehicles

(2) Information of Revenue, Profit and Loss by Segment and The Amount of Other Important Items.

Previous first quarter consolidated cumulative period (April 1, 2023 to June 30, 2023)

(Million Yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	TS	Total			
Revenue							
External Customers	17,753	47,045	3,922	68,720	4,648	-	73,367
Intersegments (Note 2)	69	127	16	212	1,281	(1,493)	-
Total	17,822	47,172	3,938	68,932	5,929	(1,493)	73,367
Segment Profit (Note 3)	1,500	637	640	2,777	156	(520)	2,414
Finance Income							1,383
Finance Costs							251
Share of profit of investments accounted for using equity method							19
Profit before Tax							3,565

(Note) 1. Other includes businesses which is not part of any of the reportable segments, and contain clutches for motorcycle operation, transport operation, etc.

2. Amount of intersegments transactions is based on market price.

3. Segment profit is based on operating profit on quarterly consolidated income statement.

4. Elimination of intersegment transactions and corporate expenses are included in adjustments.

Current first quarter consolidated cumulative period (April 1, 2024 to June 30, 2024)

(Million Yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	TS	Total			
Revenue							
External Customers	17,814	49,017	3,636	70,467	4,980	-	75,447
Intersegments (Note 2)	286	578	61	924	1,344	(2,268)	-
Total	18,100	49,594	3,697	71,391	6,324	(2,268)	75,447
Segment Profit (Note 3)	2,140	1,956	423	4,519	224	(660)	4,083
Finance Income							1,581
Finance Costs							225
Share of profit of investments accounted for using equity method							13
Profit before Tax							5,453

(Note) 1. Other includes businesses which is not part of any of the reportable segments, and contain clutches for motorcycle operation, transport operation, etc.

2. Amount of intersegments transactions is based on market price.

3. Segment profit is based on operating profit on quarterly consolidated income statement.

4. Elimination of intersegment transactions and corporate expenses are included in adjustments.