Supplementary Material for Financial Results for the 1st Quarter of Fiscal Year Ending March 2027

EXEDY Corporation
Securities Code: 7278

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

Summary

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➢ Results for the 1st quarter of FY2026

- ✓ **Net Sales:** Net sales increased year on year despite lower demand in the Chinese AT business, driven by favorable foreign exchange effects, price pass-through to customers, increased sales of new business products in Japan, and higher motorcycle-related sales in Asia.
- ✓ **Operating Profit:** Operating profit increased slightly year on year. Although net sales increased, profit growth was limited by higher R&D expenses related to new businesses and an increase in unrealized profit associated with inventory buildup by overseas sales subsidiaries to expand aftermarket sales. Gains from the monetization of non-operating assets are scheduled to be recorded in the fourth quarter.
- ✓ **Net Profit:** Net profit increased, driven by higher operating profit as well as foreign exchange gains/losses and investment income.

➢ FY2027 Full-Year Forecast

- ✓ No revision to the earnings forecast announced on April 27, 2026.

➢ Shareholder Returns

- ✓ **FY2026:** To maintain an optimal capital structure (target equity ratio: 60%), the Company aims for a total payout ratio of 100%.
  - While maintaining disciplined capital allocation between growth investments and shareholder returns, we are enhancing capital efficiency through dividends and share repurchases.
  - Maintained an A+ credit rating from JCR in April 2026.
- ✓ **FY2027 and Beyond**: Capital exceeding the appropriate equity ratio level (60%) will be returned primarily through dividends, while maintaining a stable dividend policy.

Financial results for the 1st quarter of FY2026

Consolidated Financial Summary

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- ✓ **Sales :** Net sales increased year on year despite lower order volumes for AT products in China, driven by favorable foreign exchange effects, price pass-through to customers, increased sales of new business products in Japan, and higher motorcycle-related sales in Asia.
- ✓ **Operating Profit :** Operating profit increased slightly year on year despite higher R&D expenses related to new businesses and an increase in unrealized profit associated with inventory buildup by overseas sales subsidiaries to support aftermarket sales expansion. Gains from the monetization of non-operating assets are scheduled to be recorded in the fourth quarter.
- ✓ **Net Profit :** Net profit increased, driven by higher operating profit as well as foreign exchange gains/losses and investment income.

Unit: JPY Billion	FY 2025 1Q Results (2025/4-2025/6)	FY 2026 1Q Results (2026/4-2026/6)	Increase /Decrease	Rate of Change	Announced on April 27 **Forecast for FY2026**	Progress toward full-year forecast
Revenue	71.9	75.1	+ 3.2	+ 4.5%	305.0	24.6%
Operating Profit	4.9	5.0	+ 0.0	+ 1.7%	24.5	20.2%
Ratio to Revenue	6.8%	6.6%	▲ 0.2pt	–	8.0%	–
Net Profit	2.7	3.4	+ 0.7	+ 24.8%	14	24.2%
Ratio to Revenue	3.8%	4.5%	+ 0.7pt	–	4.6%	–
FX Rate (USD-JPY) (average)	145.2	160.5	+ 15.3	▲ 1.0%	155.0	–

Financial results for the 1st quarter of FY2026

Profit Increase / Decrease Factors FY2026 1Q Results vs. FY2025 1Q Results

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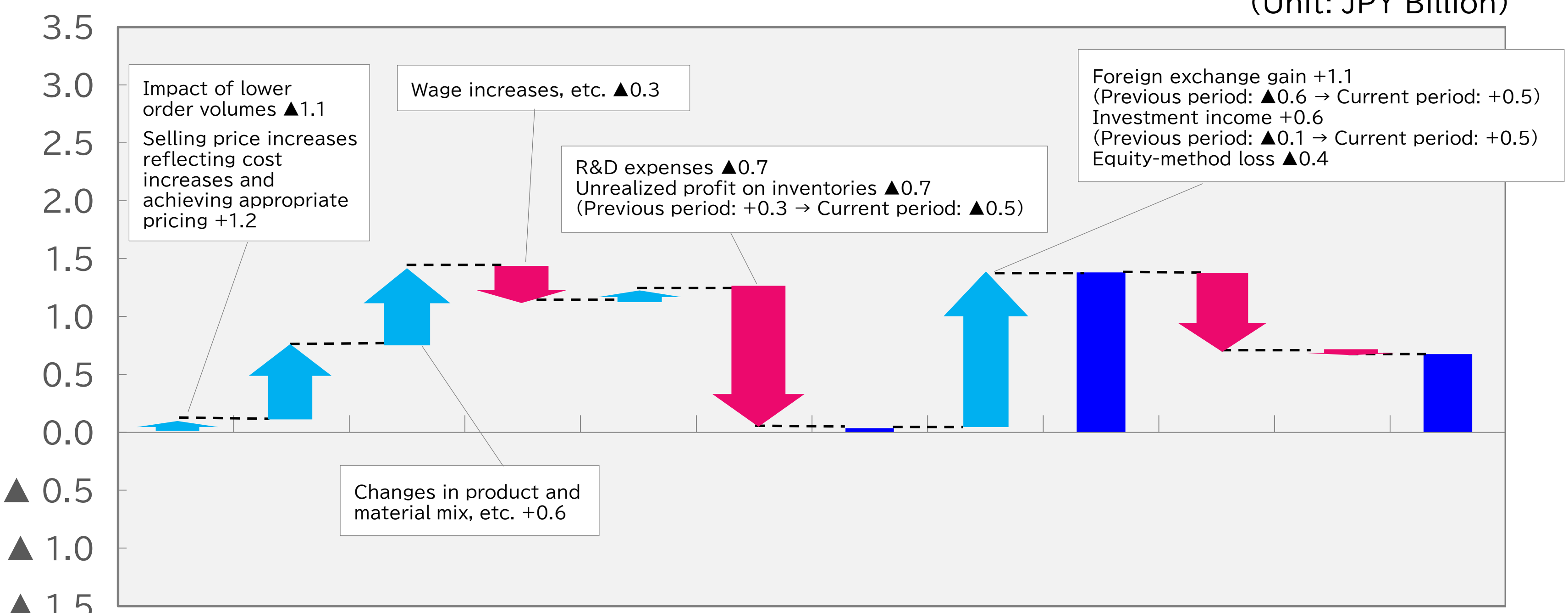
(Unit: JPY Billion)



Impact of Revenue Fluctuations	Impact of Exchange Rate fluctuations	Materials & subcontracting expenses	Labor cost	Depreciation expense	Other	Operating Profit	Finance & others	Profit before Income Taxes	Corporate Taxes, etc.	Non-controlling Interests	Net Profit
+ 0.1	+ 0.6	+ 0.7	▲ 0.3	+ 0.1	▲ 1.2	+ 0.0	+ 1.3	+ 1.4	▲ 0.7	▲ 0.0	+ 0.7

Business/Location Segment Matrix - Revenue

Unit: JPY Billion	Location	MT	AT	TS	2W	Other	Total
FY 2025 1Q Results	Japan	4.7	20.4	2.8	0.1	1.1	29.0
	Americas	1.7	9.1	0.3	0.0	0.0	11.1
	China	1.1	9.5	0.1	0.0	0.0	10.6
	Asia/Oceania	8.9	4.3	0.0	5.1	0.0	18.4
	Others	1.3	1.5	0.0	0.0	0.0	2.8
	Total	17.6	44.8	3.2	5.2	1.1	71.9
FY 2026 1Q Results	Japan	4.8	20.8	2.8	0.0	1.9	30.3
	Americas	2.0	10.5	0.3	0.0	0.0	12.8
	China	1.3	7.2	0.1	0.0	0.0	8.5
	Asia/Oceania	9.6	4.6	0.0	6.0	0.0	20.2
	Others	1.6	1.6	0.0	0.0	0.1	3.3
	Total	19.3	44.7	3.1	6.0	2.1	75.1
Difference	Japan	+ 0.1	+ 0.3	▲ 0.0	▲ 0.0	+ 0.8	+ 1.2
	Americas	+ 0.3	+ 1.4	▲ 0.1	0.0	+ 0.0	+ 1.7
	China	+ 0.2	▲ 2.3	▲ 0.0	▲ 0.0	▲ 0.0	▲ 2.1
	Asia/Oceania	+ 0.7	+ 0.2	+ 0.0	+ 0.8	+ 0.0	+ 1.8
	Others	+ 0.3	+ 0.1	0.0	0.0	+ 0.1	+ 0.6
	Total	+ 1.7	▲ 0.2	▲ 0.1	+ 0.8	+ 1.0	+ 3.2
For reference Differences excluding exchange rate translation effects*	Japan	+ 0.1	+ 0.3	▲ 0.0	▲ 0.0	+ 0.8	+ 1.2
	Americas	+ 0.1	+ 0.4	▲ 0.1	0.0	+ 0.0	+ 0.4
	China	+ 0.0	▲ 3.3	▲ 0.0	▲ 0.0	▲ 0.0	▲ 3.3
	Asia/Oceania	+ 0.1	▲ 0.3	▲ 0.0	+ 0.6	+ 0.0	+ 0.4
	Others	+ 0.1	▲ 0.1	0.0	0.0	+ 0.1	+ 0.2
	Total	+ 0.5	▲ 2.9	▲ 0.1	+ 0.6	+ 1.0	▲ 1.0

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

Business/Location Segment Matrix - Operating Profit

Unit: JPY Billion	Location	MT	AT	TS	2W	Other	Company-wide expenses	Total*1
FY 2025 1Q Results	Japan	1.15	0.98	0.29	▲ 0.04	▲ 0.35	▲ 1.15	0.97
	Americas	0.18	0.03	0.01	0.00	0.00	0.00	0.25
	China	0.05	1.12	0.01	▲ 0.00	0.00	0.00	1.29
	Asia/Oceania	1.08	0.47	0.00	0.43	▲ 0.02	0.00	1.96
	Others	0.08	0.08	0.00	0.00	0.01	0.00	0.19
	Consolidation adjustment	0.21	0.04	0.00	0.01	▲ 0.00	▲ 0.00	0.26
	Total	2.75	2.73	0.31	0.40	▲ 0.36	▲ 1.15	4.91
FY 2026 1Q Results	Japan	1.54	2.09	0.47	▲ 0.03	▲ 1.11	▲ 0.35	2.36
	Americas	0.19	0.16	▲ 0.01	0.00	▲ 0.05	0.00	0.35
	China	0.04	0.80	0.01	0.00	▲ 0.07	0.00	0.88
	Asia/Oceania	1.16	0.63	0.00	0.37	▲ 0.03	0.00	2.14
	Others	0.11	0.02	0.00	0.00	▲ 0.61	0.00	▲ 0.31
	Consolidation adjustment	▲ 0.35	▲ 0.03	▲ 0.00	0.00	▲ 0.03	▲ 0.06	▲ 0.47
	Total	2.69	3.66	0.48	0.35	▲ 1.90	▲ 0.41	4.95
Difference	Japan	+ 0.40	+ 1.10	+ 0.19	+ 0.01	▲ 0.75	+ 0.80	+ 1.39
	Americas	+ 0.01	+ 0.13	▲ 0.02	0.0	▲ 0.05	0.0	+ 0.10
	China	▲ 0.01	▲ 0.32	▲ 0.00	+ 0.00	▲ 0.07	0.0	▲ 0.41
	Asia/Oceania	+ 0.08	+ 0.16	+ 0.00	▲ 0.06	▲ 0.01	0.0	+ 0.18
	Others	+ 0.03	▲ 0.06	0.0	0.0	▲ 0.62	0.0	▲ 0.51
	Consolidation adjustment	▲ 0.56	▲ 0.08	▲ 0.00	▲ 0.00	▲ 0.03	▲ 0.06	▲ 0.73
	Total	▲ 0.06	+ 0.93	+ 0.16	▲ 0.05	▲ 1.55	+ 0.74	+ 0.04
For reference — Differences excluding exchange rate translation effects*2	Japan	+ 0.40	+ 1.10	+ 0.19	+ 0.01	▲ 0.75	+ 0.80	+ 1.39
	Americas	▲ 0.01	+ 0.11	▲ 0.02	0.0	▲ 0.05	0.0	+ 0.07
	China	▲ 0.01	▲ 0.44	▲ 0.01	+ 0.00	▲ 0.06	0.0	▲ 0.53
	Asia/Oceania	▲ 0.02	+ 0.09	▲ 0.00	▲ 0.08	▲ 0.01	0.0	▲ 0.01
	Others	+ 0.02	▲ 0.07	0.0	0.0	▲ 0.57	0.0	▲ 0.48
	Consolidation adjustment	▲ 0.56	▲ 0.08	▲ 0.00	▲ 0.00	▲ 0.03	▲ 0.06	▲ 0.73
	Total	▲ 0.19	+ 0.73	+ 0.16	▲ 0.07	▲ 1.47	+ 0.74	▲ 0.29

*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.

Forecast for FY2026
Shareholder Returns

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Capital Efficiency, Financial Strength, and Sustainable Shareholder Returns

	FY 2020	FY 2021	FY 2022	FY 2023	REVOLUTION 2026 (3 years) 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	JPY 300 Mid-year: JPY 150 Year-end: JPY 150	Annual JPY 350 Or more
Total Return Ratio	56%	34%	92%	▲56%	425%	100% total return ratio in 2 years	
DOE*1	1.4%	1.9%	1.9%	2.6%	5.2%	5.9%	DOE 5% as a lower limit
Treasury Stock Acquisition	-	-	-	-	JPY 45.0 billion	-	JPY 8.0 billion
JCR Long-Term Rating	A+	A+	A+	A+	A+	A+	A+

【FY2025 & FY2026】
Targeting a total payout ratio of 100%*2 to maintain an optimal capital structure (target equity ratio: 60%).

✓ In FY2026:
- While adhering to disciplined capital allocation that balances growth investments and shareholder returns, we are enhancing capital efficiency through dividends (¥350 per share annually) and share repurchases (up to ¥8.0 billion through market purchases).
- Maintained an A+ credit rating from JCR in April 2026

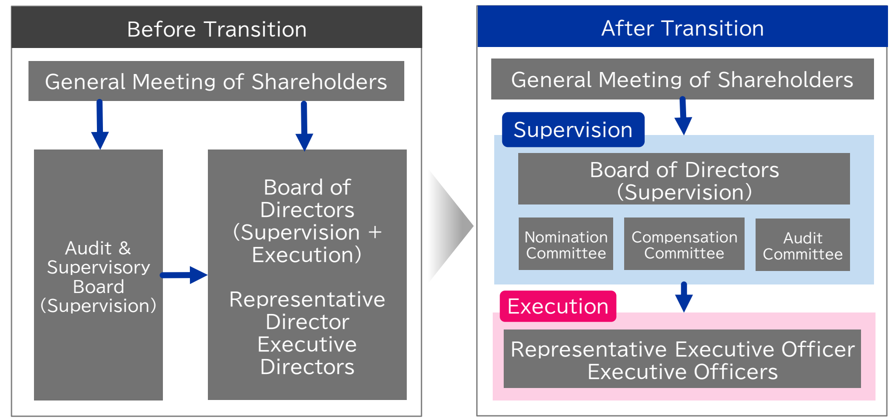
【After the Mid-Term Management Plan Period】
Capital exceeding the appropriate equity ratio level (60%) will be returned primarily through dividends, while maintaining a stable dividend policy.

*1 DOE calculated as DPS ÷ Average BPS at beginning and end of the period × 100
*2 Target total payout ratio of 100% on a cumulative basis for FY2025 and FY2026.

Enhancing Board Transparency and Independence

➢ June 2026: Transition to a Company with a Nomination Committees, etc.

- ✓ Clear separation of execution and supervision, with the Board focusing on oversight
- ✓ Enhanced transparency of Nomination, Compensation, and Audit Committees (each chaired by an Independent Director)
- ✓ Faster and more agile decision-making through delegation of authority



➢ Response to the Revised Corporate Governance Code

✓ Promotion of Growth Investments
- Investment in new business creation based on disciplined capital allocation.(>P.15)
- Sale of all cross-shareholdings in FY2025 and planned monetization of non-operating assets in FY2026.

✓ Enhancement of Board Functions
- Majority Independent Outside Director Board since FY2025.
- Establishment of dedicated secretariats for the Nomination, Compensation, and Audit Committees (June 2026).

✓ Disclosure of the Annual Securities Report before the Annual General Meeting
- Annual Securities Report disclosed four business days before the Annual General Meeting of Shareholders (FY2026).

➢ To enhance the effectiveness of corporate governance, break away from passive business-operation structures, and achieve a management system capable of faster decision-making by defining our own business themes and future vision.

Appendix

Financial results for the 1st quarter of FY2026
Segment-wise income & expense transition

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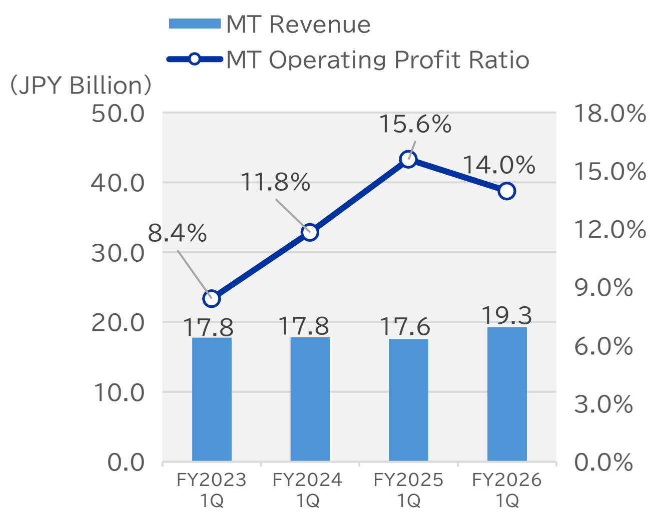

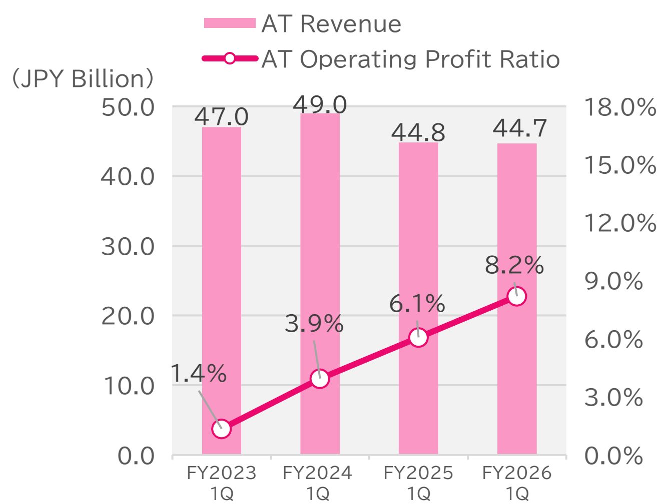

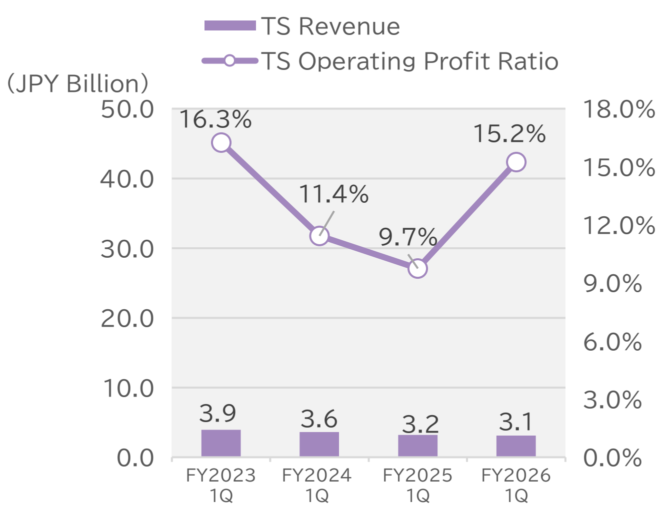

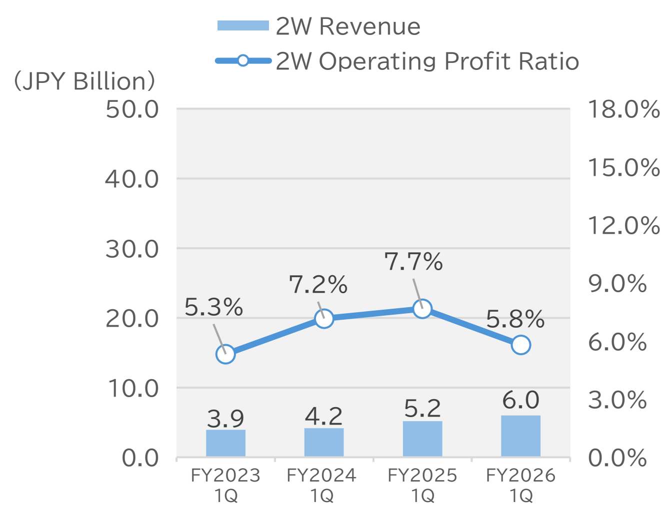

Forecast for FY2026
Consolidated Financial Summary

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- **Sales :** Despite a decline in order volumes for AT products, net sales are expected to increase by 0.4% compared with FY2025, supported by the ramp-up of new businesses and price pass-through to customers.
- **Operating Profit :** Despite lower orders for AT products, operating profit is expected to increase by 10.2% compared with FY2025, driven by price pass-through to customers and the monetization of non-operating assets in Thailand.
- **Net Profit :** Net profit is expected to increase by 2.3% in line with higher operating profit. Net sales, operating profit, and net profit have all been revised upward. ROE is expected to improve to 7.5% (+0.2pt compared with FY2025).

Unit: JPY Billion	FY 2025 Results (Second Year of the Mid-term Plan)	FY 2026 Forecast (Final Year of the Mid-term Plan)	Increase /Decrease	Rate of change	Reference: Announced on October 29, 2025 Target for FY 2026
Revenue	303.9	305.0	+ 1.1	+ 0.4%	285.0
Operating Profit	22.2	24.5	+ 2.3	+ 10.2%	22.0
Ratio to Revenue	7.3%	8.0%	+ 0.7pt	–	7.7%
Net Profit	13.7	14.0	+ 0.3	+ 2.3%	13.8
Ratio to Revenue	4.5%	4.6%	+ 0.1pt	–	4.8%
ROE	7.3%	7.5%	+ 0.2pt	–	7.5%
FX Rate (USD-JPY) (average)	151.0	155.0	+ 4.0	+ 2.7%	–

*Re-posted from FY2026 Financial Results Briefing Materials

Forecast for FY2026
Profit Increase / Decrease Factors
FY2026 Forecast vs. FY2025 Results

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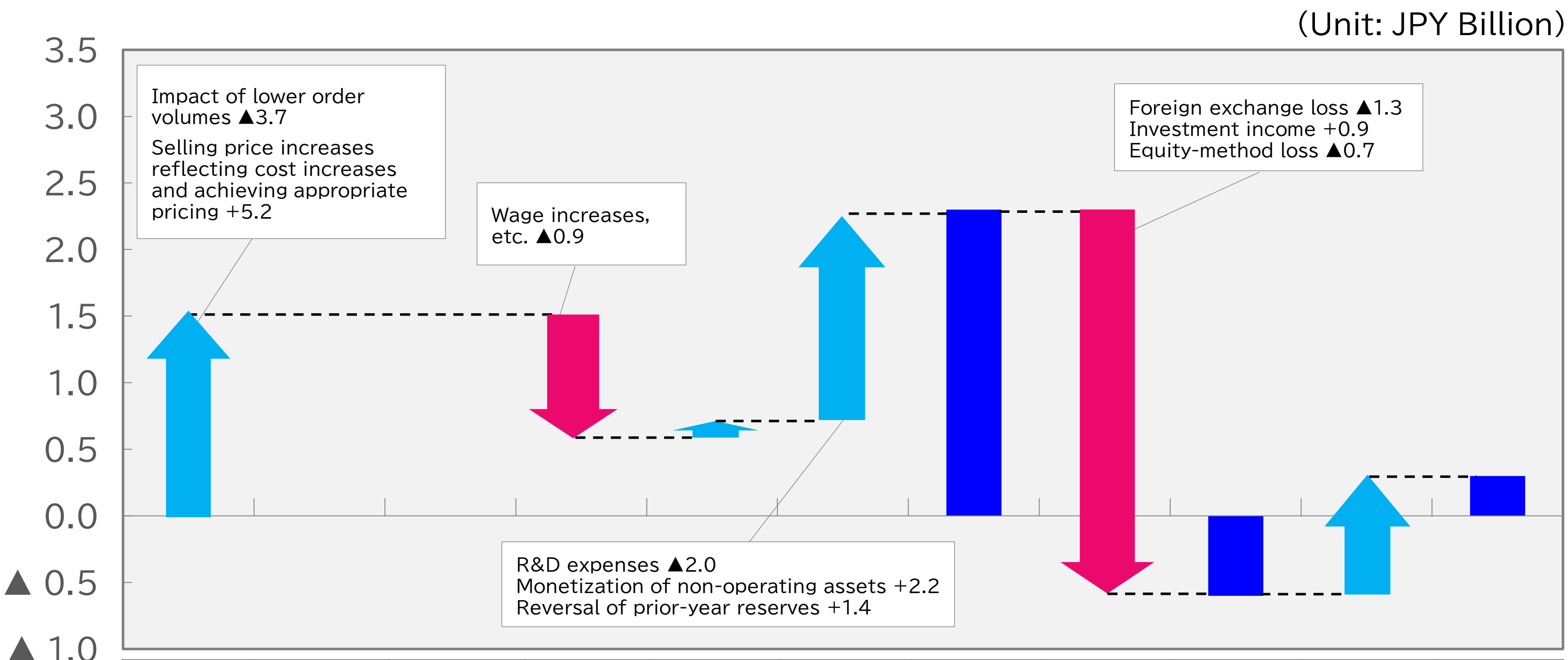
(Unit: JPY Billion)



Impact of Revenue Fluctuations	Impact of Exchange Rate fluctuations	Materials & subcontracting expenses	Labor cost	Depreciation expense	Other	Operating Profit	Finance & others	Profit before Income Taxes	Non-controlling Interests, Corporate Taxes, etc.	Net Profit
+ 1.5	0.0	0.0	▲ 0.9	+ 0.2	+ 1.5	+ 2.3	▲ 2.9	▲ 0.6	+ 0.9	+ 0.3

Impact of U.S. Tariff Policies on Financial Performance

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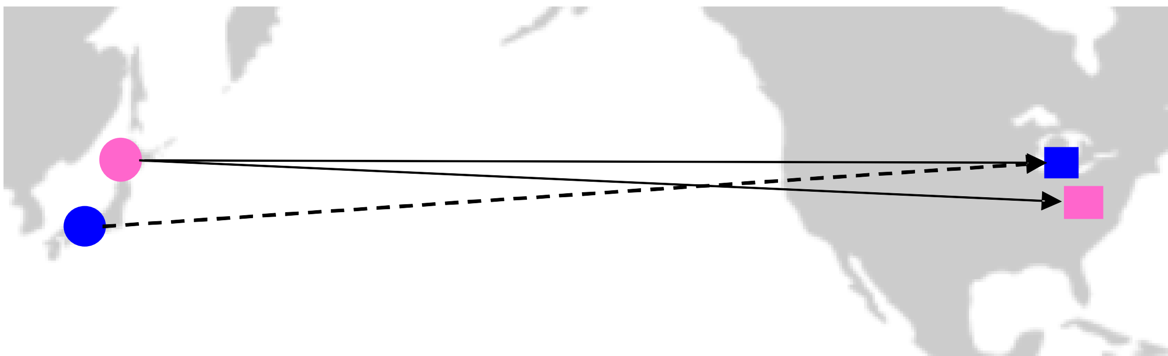
Status of IEEPA Reciprocal Tariff Refund Claims at U.S. Operations

(Unit: thousand USD)

Our U.S. group companies	Claimed Tariff Amount	Refunded	Pending Refund
EXEDY Globalparts Corporation	2,787	207	2,580
DYNAX America Corporation	3,000	1,341	1,659
Total	5,787	1,548	4,239



EXEDY
DYNAX

EXEDY Globalparts
DYNAX America

✓ Approximately 0.7 billion yen of IEEPA reciprocal tariff refund claims remain pending (based on an exchange rate of ¥160.0/USD).

Impact of the Middle East Situation on Performance

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Sales Impact in Q1 FY2026

(Unit: JPY billion)

		Impact on Revenue
EXEDY	Direct impact*	▲ 0.04
	Indirect impact	▲ 0.63
Overseas subsidiaries	Direct impact*	▲ 0.19
Total		▲0.86

✓ FY2027 Q1 sales were negatively impacted by 0.86 billion yen due to heightened tensions in the Middle East.

*Direct impact: Based on sales to external customers

*Re-posted from FY2026 Financial Results Briefing Materials

Forecast for FY2026
Capital Allocation

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Capital Allocation for FY2024-FY2026

Cash Flow (3-years cumulative)

IN	OUT
Operating CF: JPY 96 billion	Renewal Investment: JPY 22 billion
	Growth Investment: JPY 30 billion
Reduction of Working Capital, etc. : JPY 7 billion	Shareholder Returns Dividends: JPY 30 billion Acquisition of Treasury Stock: JPY 53 billion
Sale of cross-shareholdings: JPY 1.7 billion	
Utilization of Financial Leverage: JPY 30 billion	

Renewal Investment(JPY billion):
FY2024 actual: 4.1 / FY2025 actual: 7.8 / FY2026 forecast: 9.7

Growth Investment (JPY billion):
- Strategically & Flexibly Invest Funds to create new businesses
- Establish a dedicated M&A department in April 2025 to achieve the profit targets of the Mid-Term Management Plan

FY2024: 4.9
(Drone 2.5, Small electric mobility 1.4, Kawamata Seiki 0.3, etc.)
FY2025: 11.9
(In-wheel motor 6.3, VC 4.1, etc.)
FY2026 (forecast): 13.2
(In-wheel motor, drone, VC, etc.)

Shareholder Returns:
- 100% cumulative total payout ratio for FY2025-2026 to maintain an optimal capital structure.

① Shareholder Dividends
Increase annual dividend per share to JPY 350 in FY2026

② Acquisition of Treasury Stock
Implement share buybacks flexibly to improve corporate value and capital efficiency
FY2024: JPY 45.0 billion
FY2026: JPY 8.0 billion

✓ Cash-IN is expected to increase by JPY 9.0 billion due to an upswing in operating cash flow and the sale of all strategic shareholdings (completed in FY2025).

✓ Capital will be prioritized for growth investments; however, taking into account the deal pipeline and available investment capacity, shareholder returns will be enhanced through increased dividends and share buybacks.

Contact for inquiries regarding content

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