FY2026 Q2 Financial Results Presentation Materials
(2026/4–2026/9)

EXEDY Corporation
Securities Code: 7278

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

Contents

1. FY2026 Q2 Financial Results
2. Progress of the Mid- to Long-Term Strategy
   1) Overview
   2) Business Strategy
   3) ESG Strategy
   4) IR&SR Strategy

Summary

Drive our future.
Let's create fulfillment for all, and our future.

FY2026 Q2 Financial Results

- ✓ **Revenue:** Despite lower order volumes for the AT business in China due to a decline in sales of Chinese gasoline-powered vehicles amid higher crude oil prices caused by the situation in the Middle East, revenue increased slightly year on year, driven by the weaker yen, price pass-through to customers for core business products, and increased sales of new business and aftermarket products.
- ✓ **Operating Profit:** Despite a slight increase in revenue, operating profit decreased due to higher R&D expenses for new business creation and an increase in unrealized profits associated with inventory build-up at overseas sales subsidiaries to expand aftermarket sales. In the second half, we aim to achieve the initial plan by realizing appropriate pricing for core business products and monetizing non-operating assets.
- ✓ **Net Profit:** Net profit decreased due to lower operating profit and equity-method losses associated with growth investments for new business creation.

Forecast for FY2026 & Shareholder Returns

- ✓ No changes to the earnings forecast announced on April 27, 2026.
- ✓ In line with our disciplined approach to balancing growth investments and shareholder returns, the annual dividend remains unchanged at JPY 350 per share, while the JPY 8.0 billion share buyback is currently underway.

Progress of the Mid- to Long-Term Strategy

- ✓ **Overview:** Steady progress toward the FY2030 ROE target of 10%. The next Medium-Term Management Plan is scheduled to be announced in late March 2027.
- ✓ **Business Strategy:** Core businesses are pursuing appropriate pricing; the aftermarket business is expanding its product lineup; and new businesses are developing six electrification businesses while promoting further business creation through M&A.
- ✓ **ESG Strategy:** Strengthening the linkage between executive compensation and business performance/share price, with the aim of aligning interests with shareholders.
- ✓ **IR & SR Strategy:** Proactively promoting SR meetings and small meetings led by Representative Executive Officers and resuming overseas IR activities, resulting in a 1.5-fold year-on-year increase in the number of shareholder and investor dialogue counterparties. The Company has also completely renewed its corporate website to enhance information disclosure.

Contents

1. FY2026 Q2 Financial Results
2. Progress of the Mid- to Long-Term Strategy
   1) Overview
   2) Business Strategy
   3) ESG Strategy
   4) IR&SR Strategy

Consolidated Financial Summary

Drive our future.
Let's create fulfillment for all, and our future.

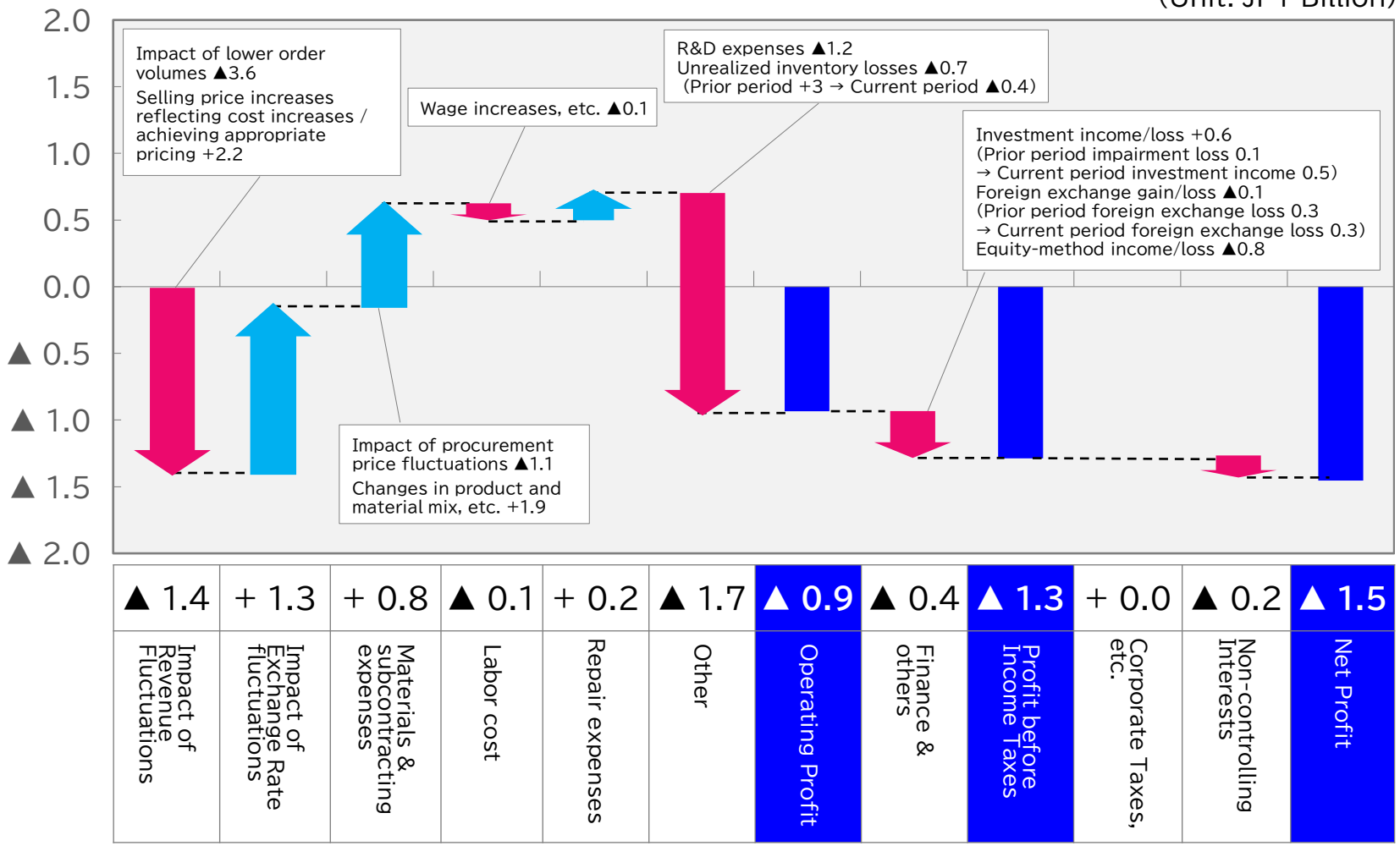
- ✓ **Revenue :** Despite lower order volumes for the AT business in China due to a decline in exports of Chinese gasoline-powered vehicles amid higher crude oil prices resulting from the situation in the Middle East, revenue increased slightly year on year, driven by the weaker yen, price pass-through to customers for core business products, and increased sales of new business and aftermarket products.
- ✓ **Operating Profit :** Despite the slight increase in revenue, operating profit decreased due to higher R&D expenses for new business creation and an increase in unrealized profits associated with inventory build-up at overseas sales subsidiaries to expand aftermarket sales. In the second half, we aim to achieve the initial plan by realizing appropriate pricing for core business products and monetizing non-operating assets.
- ✓ **Net Profit :** Net profit decreased due to lower operating profit and equity-method losses associated with growth investments for new business creation.

Unit: JPY Billion		FY 2024 Q2 Results	FY 2025 Q2 Results	Increase /Decrease	Rate of Change	Announced on April 27 Forecast for FY2026	Rate of Progress
Revenue		**148.1**	**148.8**	+ 0.6	+ 0.4%	**305.0**	**48.8%**
Operating Profit		**10.8**	**9.9**	▲ 0.9	▲ 8.6%	**24.5**	**40.3%**
Ratio to Revenue		7.3%	6.6%	▲ 0.7pt	–	8.0%	–
Net Profit		**6.3**	**4.8**	▲ 1.5	▲ 23.2%	**14**	**34.4%**
Ratio to Revenue		4.2%	3.2%	▲ 1.0pt	–	4.6%	–
Average Exchange Rates	USD/JPY	146.6	160.0	+ 13.5	+ 9.2%	155.0	–
	CNY/JPY	20.4	23.6	+ 3.2	+ 15.7%	21.0	–
	THB/JPY	4.5	4.8	+ 0.3	+ 6.7%	4.7	–

Profit Increase / Decrease Factors
H1 FY2026 Results vs. H1 FY2025 Results

Drive our future.
Let's create fulfillment for all, and our future.

(Unit: JPY Billion)

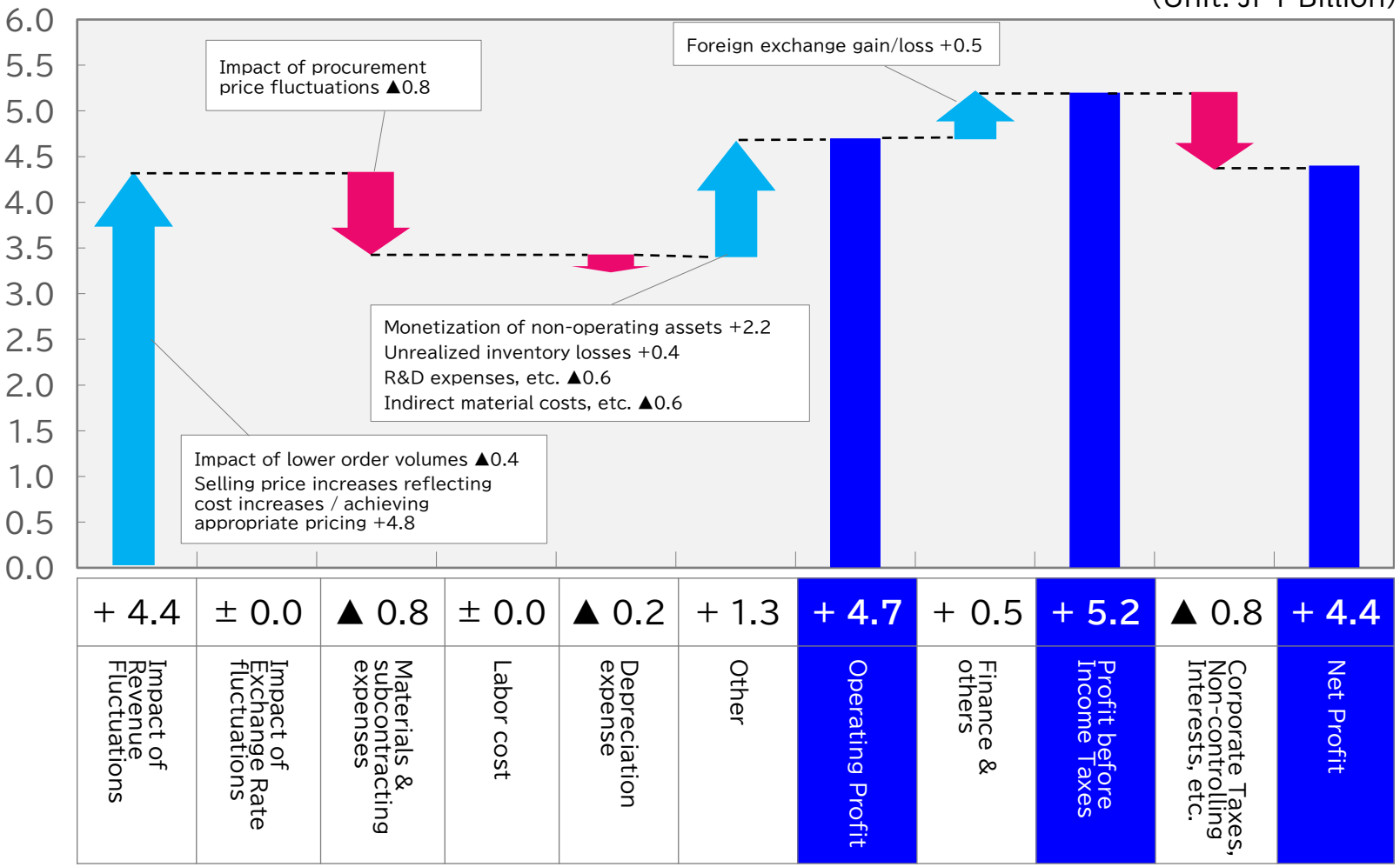


▲ 1.4	+ 1.3	+ 0.8	▲ 0.1	+ 0.2	▲ 1.7	▲ 0.9	▲ 0.4	▲ 1.3	+ 0.0	▲ 0.2	▲ 1.5
Impact of Revenue Fluctuations	Impact of Exchange Rate fluctuations	Materials & subcontracting expenses	Labor cost	Repair expenses	Other	Operating Profit	Finance & others	Profit before Income Taxes	Corporate Taxes, etc.	Non-controlling Interests	Net Profit

Profit Increase / Decrease Factors
H2 FY2026 Plan vs. H1 FY2026 Results

Drive our future.
Let's create fulfillment for all, and our future.

(Unit: JPY Billion)



+ 4.4	± 0.0	▲ 0.8	± 0.0	▲ 0.2	+ 1.3	+ 4.7	+ 0.5	+ 5.2	▲ 0.8	+ 4.4
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, Non-controlling Interests, etc.	Net Profit

Business/Location Segment Matrix - Revenue

Drive our future.
Let's create fulfillment for all, and our future.

Unit: JPY Billion	Location	MT	AT	TS	2W	Other	Total
FY 2025 Q2 Results	Japan	9.4	41.7	5.6	0.1	2.2	59.0
	Americas	3.7	18.6	0.7	0.0	0.0	23.1
	China	2.2	19.9	0.1	0.0	0.0	22.2
	Asia/Oceania	18.3	8.9	0.0	10.6	0.1	37.9
	Others	2.9	3.0	0.0	0.0	0.0	5.9
	Total	36.5	92.2	6.4	10.7	2.3	148.1
FY 2026 Q2 Results	Japan	9.7	41.5	5.5	0.0	4.0	60.7
	Americas	3.9	20.5	0.6	0.0	0.0	25.1
	China	2.5	12.0	0.1	0.0	0.0	14.6
	Asia/Oceania	19.8	9.7	0.0	12.4	0.0	41.9
	Others	3.0	3.2	0.0	0.0	0.3	6.4
	Total	38.8	86.9	6.3	12.5	4.3	148.8
Difference	Japan	+ 0.2	▲ 0.2	▲ 0.1	▲ 0.0	+ 1.8	+ 1.7
	Americas	+ 0.2	+ 1.9	▲ 0.1	0.0	+ 0.0	+ 2.0
	China	+ 0.3	▲ 7.9	+ 0.0	▲ 0.0	+ 0.0	▲ 7.6
	Asia/Oceania	+ 1.5	+ 0.8	+ 0.0	+ 1.8	▲ 0.1	+ 4.0
	Others	+ 0.1	+ 0.2	0.0	0.0	+ 0.3	+ 0.6
	Total	+ 2.3	▲ 5.3	▲ 0.2	+ 1.8	+ 2.0	+ 0.6
For reference Differences excluding exchange rate translation effects*	Japan	+ 0.2	▲ 0.2	▲ 0.1	▲ 0.0	+ 1.8	+ 1.7
	Americas	▲ 0.2	+ 0.2	▲ 0.1	0.0	+ 0.0	▲ 0.1
	China	▲ 0.0	▲ 9.6	▲ 0.0	▲ 0.0	+ 0.0	▲ 9.6
	Asia/Oceania	+ 0.5	▲ 0.2	+ 0.0	+ 1.5	▲ 0.1	+ 1.7
	Others	▲ 0.2	▲ 0.1	0.0	0.0	+ 0.2	▲ 0.0
	Total	+ 0.3	▲ 9.8	▲ 0.2	+ 1.4	+ 2.0	▲ 6.4

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

Business/Location Segment Matrix - Operating Profit

Drive our future.
Let's create fulfillment for all, and our future.

Unit: JPY Billion	Location	MT	AT	TS	2W	Other	Company-wide expenses	Total*1
FY 2025 Q2 Results	Japan	2.83	2.70	0.67	▲ 0.05	▲ 1.39	▲ 1.80	3.16
	Americas	0.24	▲ 0.26	0.03	0.00	▲ 0.00	0.00	0.05
	China	0.11	2.48	0.03	▲ 0.00	0.00	0.00	2.77
	Asia/Oceania	2.19	1.07	0.00	0.98	▲ 0.10	0.00	4.15
	Others	0.21	0.09	0.00	0.00	0.03	0.00	0.37
	Consolidation adjustment	0.30	▲ 0.01	0.00	0.02	▲ 0.00	0.00	0.31
	Total	5.88	6.07	0.73	0.94	▲ 1.45	▲ 1.80	10.81
FY 2026 Q2 Results	Japan	3.31	4.48	0.89	0.01	▲ 2.30	▲ 1.49	5.08
	Americas	0.24	▲ 0.15	0.05	0.00	▲ 0.24	0.00	▲ 0.02
	China	0.09	1.11	0.03	0.00	▲ 0.14	0.00	1.24
	Asia/Oceania	2.51	1.42	0.00	0.78	▲ 0.07	0.00	4.67
	Others	0.17	0.02	0.00	0.00	▲ 1.12	0.00	▲ 0.67
	Consolidation adjustment	▲ 0.30	▲ 0.07	0.00	0.01	▲ 0.01	▲ 0.06	▲ 0.42
	Total	6.01	6.82	0.97	0.81	▲ 3.87	▲ 1.56	9.88
Difference	Japan	+ 0.49	+ 1.78	+ 0.22	+ 0.06	▲ 0.91	+ 0.31	+ 1.92
	Americas	▲ 0.00	+ 0.11	+ 0.02	0.00	▲ 0.24	0.00	▲ 0.07
	China	▲ 0.03	▲ 1.37	▲ 0.00	+ 0.00	▲ 0.14	0.00	▲ 1.53
	Asia/Oceania	+ 0.33	+ 0.35	+ 0.00	▲ 0.19	+ 0.03	0.00	+ 0.52
	Others	▲ 0.04	▲ 0.06	0.00	0.00	▲ 1.15	0.00	▲ 1.04
	Consolidation adjustment	▲ 0.60	▲ 0.05	▲ 0.00	▲ 0.01	▲ 0.01	▲ 0.06	▲ 0.73
	Total	+ 0.14	+ 0.75	+ 0.24	▲ 0.13	▲ 2.43	+ 0.24	▲ 0.93
For reference Differences excluding exchange rate translation effects*2	Japan	+ 0.49	+ 1.78	+ 0.22	+ 0.06	▲ 0.91	+ 0.31	+ 1.92
	Americas	▲ 0.03	+ 0.12	+ 0.02	0.00	▲ 0.22	0.00	▲ 0.07
	China	▲ 0.04	▲ 1.52	▲ 0.01	+ 0.00	▲ 0.13	0.00	▲ 1.70
	Asia/Oceania	+ 0.15	+ 0.23	+ 0.00	▲ 0.23	+ 0.03	0.00	+ 0.18
	Others	▲ 0.06	▲ 0.07	0.00	0.00	▲ 1.06	0.00	▲ 0.99
	Consolidation adjustment	▲ 0.60	▲ 0.05	▲ 0.00	▲ 0.01	▲ 0.01	▲ 0.06	▲ 0.73
	Total	▲ 0.09	+ 0.48	+ 0.23	▲ 0.17	▲ 2.29	+ 0.24	▲ 1.39

*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.

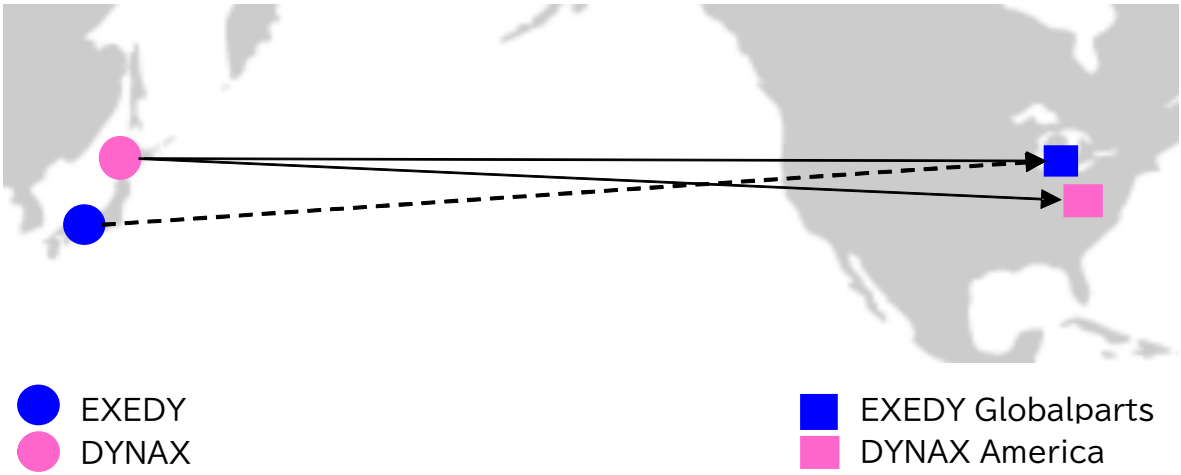
Impact of U.S. Tariff Policies on Financial Performance

Drive our future.
Let's create fulfillment for all, and our future.

Status of IEEPA Reciprocal Tariff Refunds at U.S. Operations

(Unit: thousand USD)

U.S. Locations of the EXEDY Group	Apr.–Sep. Refunds (Actual)	Oct.–Mar. Refunds (Forecast)	Total
EXEDY Globalparts Corporation	593	227	820
DYNAX America Corporation	1,591	1,465	3,056
Total	2,184	1,692	3,876



✓ Actual refunds for Apr.–Sep. 2026 were JPY 350 million, with JPY 270 million expected for Oct. 2026–Mar. 2027. (Assuming an exchange rate of JPY 160. 0/USD)

Impact of the Middle East Situation on Performance

Drive our future.
Let's create fulfillment for all, and our future.

Sales Impact in 1H FY2026 (Apr.–Sep. 2026)

(Unit: JPY billion)

		Impact on Revenue
EXEDY	Direct impact*	±0.0
	Indirect impact	▲ 0.68
Overseas subsidiaries	Direct impact*	▲ 0.19
Total		▲ 0.87



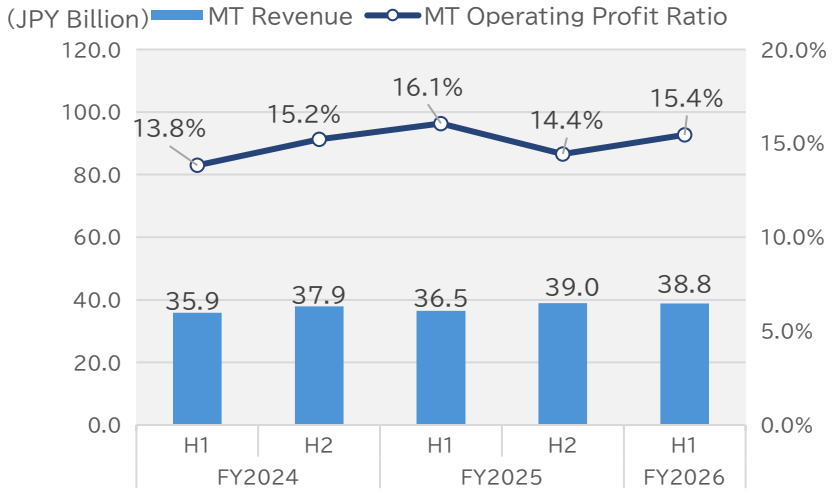
✓ FY2026 1H sales were negatively impacted by JPY 0.87 billion due to heightened tensions in the Middle East.

*Direct impact: Based on sales to external customers

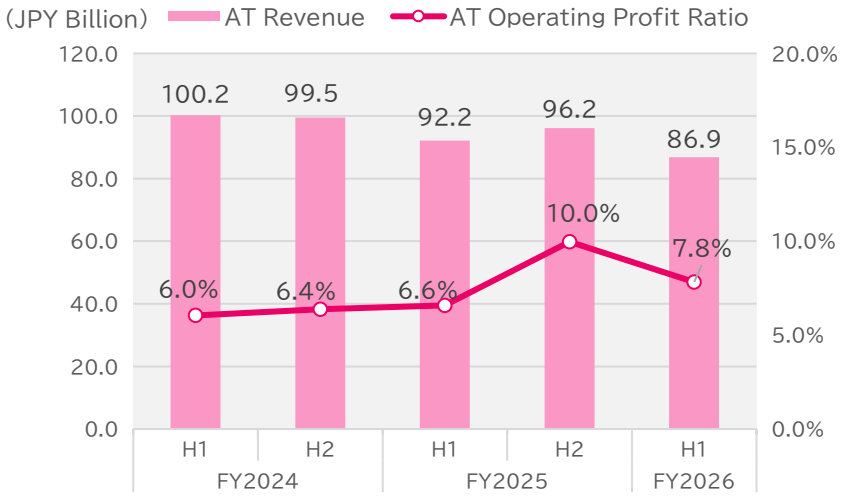
Business Segment Performance Trends

Drive our future.
Let's create fulfillment for all, and our future.

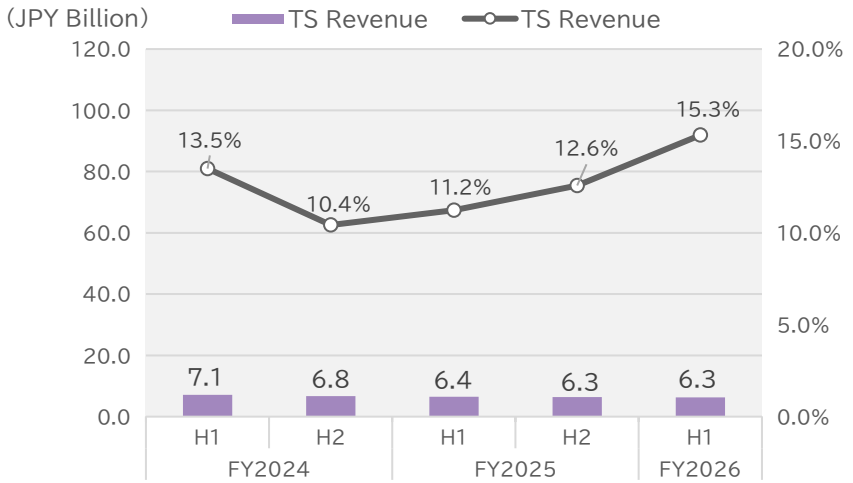
MT



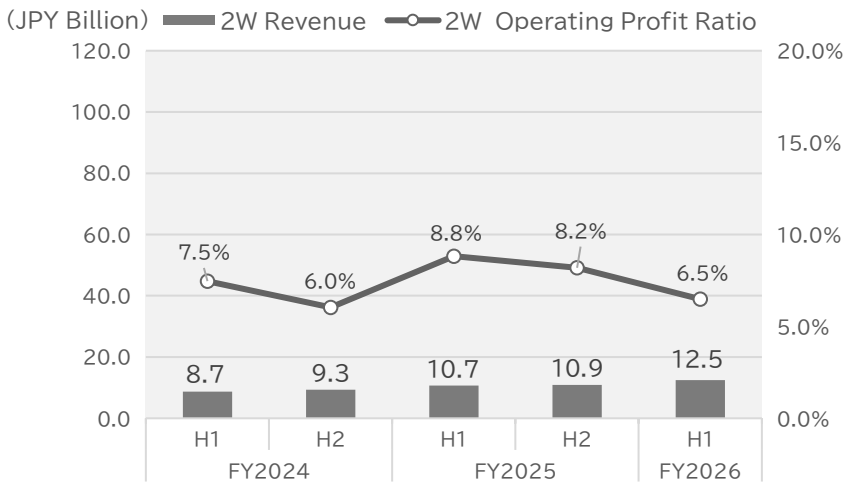
AT



TS



2W



Capital Allocation

Drive our future.
Let's create fulfillment for all, and our future.

Capital Allocation for FY2024-FY2026

Cash Flow (3-years cumulative)

IN

Operating CF:
JPY 96 billion

updated
Reduction of Working Capital, etc. :
JPY 7 billion → JPY 10 billion

Sale of cross-shareholdings:
JPY 1.7 billion

updated
Utilization of Financial Leverage:
JPY 30 billion → JPY 33 billion

OUT

Renewal Investment:
JPY 22 billion

Growth Investment:
JPY 30 billion

Shareholder Returns

Dividends:
JPY 30 billion

Acquisition of Treasury Stock:
JPY 53 billion

updated
Cash and Cash Equivalents:
JPY 5.7 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, utilizing M&A, 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% total return policy for FY2025–FY2026 to maintain an optimal capital structure (equity ratio of 60%)

① Shareholder Dividends
Maintain stable dividends
FY2026: Annual dividend of JPY 350 per share

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

- ✓ To enhance corporate value over the medium to long term, maintain disciplined capital allocation balancing growth investment and shareholder returns, while improving capital efficiency through stable dividends and flexible share buybacks.
- ✓ Funds generated through inventory reductions and bond issuance in anticipation of rising interest rates will be allocated to growth investments under the next Medium-Term Management Plan.

Shareholder Returns

Drive our future.
Let's create fulfillment for all, and our future.

Capital Efficiency, Financial Strength, and Sustainable Shareholder Returns

					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	JPY 300 Mid-year: JPY 150 Year-end: JPY 150	Annual JPY 350
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%*3).
- ✓ 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 (¥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.
*3 Optimal equity ratio of approx. 60%, based on risk exposure, WACC, and financial soundness. See p. 35 for details.

Contents

1. FY2026 Q2 Financial Results
2. Progress of the Mid- to Long-Term Strategy
   1) Overview
   2) Business Strategy
   3) ESG Strategy
   4) IR&SR Strategy

Overview / Mid- to Long-Term Strategy Toward FY2030

Drive our future.
Let's create fulfillment for all, and our future.

✓ Based on the mid-to-long-term strategy formulated in April 2024, we will improve the earning power of our core business while concentrating management resources on creating new businesses to transform our business portfolio.

Business Portfolio Transformation

- Improve earning power in core businesses and focus human resources and capital on new business creation

Securing & improving profitability of Core Biz

- Aftermarket:
  Expansion of product lines and development of the spare parts market in emerging countries
- OEM:
  Pursuit of efficient management through optimization of the production system, and strengthening profitability by achieving appropriate pricing

Creation & Development of New Businesses

- Accelerate the Electrification Strategy by acquiring lacking resources through collaboration, etc.
- Prioritize management resources for Projects & achieve early realization
- Create additional new businesses through the proactive use of M&A and other initiatives

Business Strategy KPIs (FY 2030 Targets)

ROE 10%	Operating Profit JPY 30 billion <Operating Profit Margin 9%>
Net Sales JPY 330 billion	New product sales ratio 30%

2. Progress of the Mid- to Long-Term Strategy
Overview / Positioning of the Current Medium-Term Management Plan in the Mid- to Long-Term Strategy

Drive our future.
Let's create fulfillment for all, and our future.

Performance

(JPY billion)

	FY2023	Medium-Term Management Plan "REVOLUTION2026"						
		FY2024		FY2025		FY2026	FY2027	FY2030
	Results	Target*1	Results	Target*2	Results	Target*3	Target*4	Target*4
Revenue	308.3	300.0	**309.6**	285.0	**303.9**	305.0	282.0	330.0
Operating Profit	▲ 15.4	16.0	**21.8**	19.0	**22.2**	24.5	23.5	30.0
Net Profit	▲ 10.0	10.0	**12.7**	12.0	**13.7**	14.0	14.8	18.6
ROE	**▲4.5%**	4.5%	**6.4%**	6.6%	**7.3%**	**7.5%**	**8.0%**	**10.0%**
Equity*5	218.5	-	**180.5**	-	**192.7**	←Decrease of JPY 25.8 billion vs. FY2023 (Improved to 7.7%)		
Equity Ratio*5	67.9%	-	**59.4%**	-	**60.2%**			

*1 Disclosed on April 26, 2024, *2 Disclosed on April 25, 2025, *3 Disclosed on April 27, 2026, *4 Disclosed on October 29, 2025,
*5 Figures as of period-end

Key Initiatives

				FY2023	FY2024	FY2025	FY2026
Business Strategy	Core Biz	OEM	Production Restructuring (AT)	Impairment Loss of JPY 31.9 billion	Liquidation of U.S. subsidiary / Workforce reduction at two sites in China	Under Continuous Review	
			Price Increases		Passing on Cost Increases to Selling Prices		Achieving appropriate pricing
		After market	Product Line Expansion		See details on p. 19		
	New Biz	Develop-ment	Electrification Products	See details on p. 22			
		Creation	Leveraging M&A		Secured Growth Investment Capacity of JPY 30 billion	Dedicated M&A Department	Active Promotion
Financial Strategy	Balance Sheet Policy				Establishment of an Optimal Capital Structure (Equity Ratio: 60%)		
	Share-holder Returns	Total return ratio of 100% / DOE of 5%	Dividends		JPY 120→250	JPY 250→300	JPY 300→350
			Share Repurchases		JPY 45 billion	–	JPY 8 billion
ESG Strategy	Society	Human Capital Enhancement			Enhance employees' engagement in management through the introduction of RS* (JPY 5.9 billion).		
	Governance	Governance Enhancement			FY2025: Streamlined Board with a majority of outside directors FY2026: Transition to a Company with a Nominating Committee, etc. & revised executive compensation system (See p. 28)		

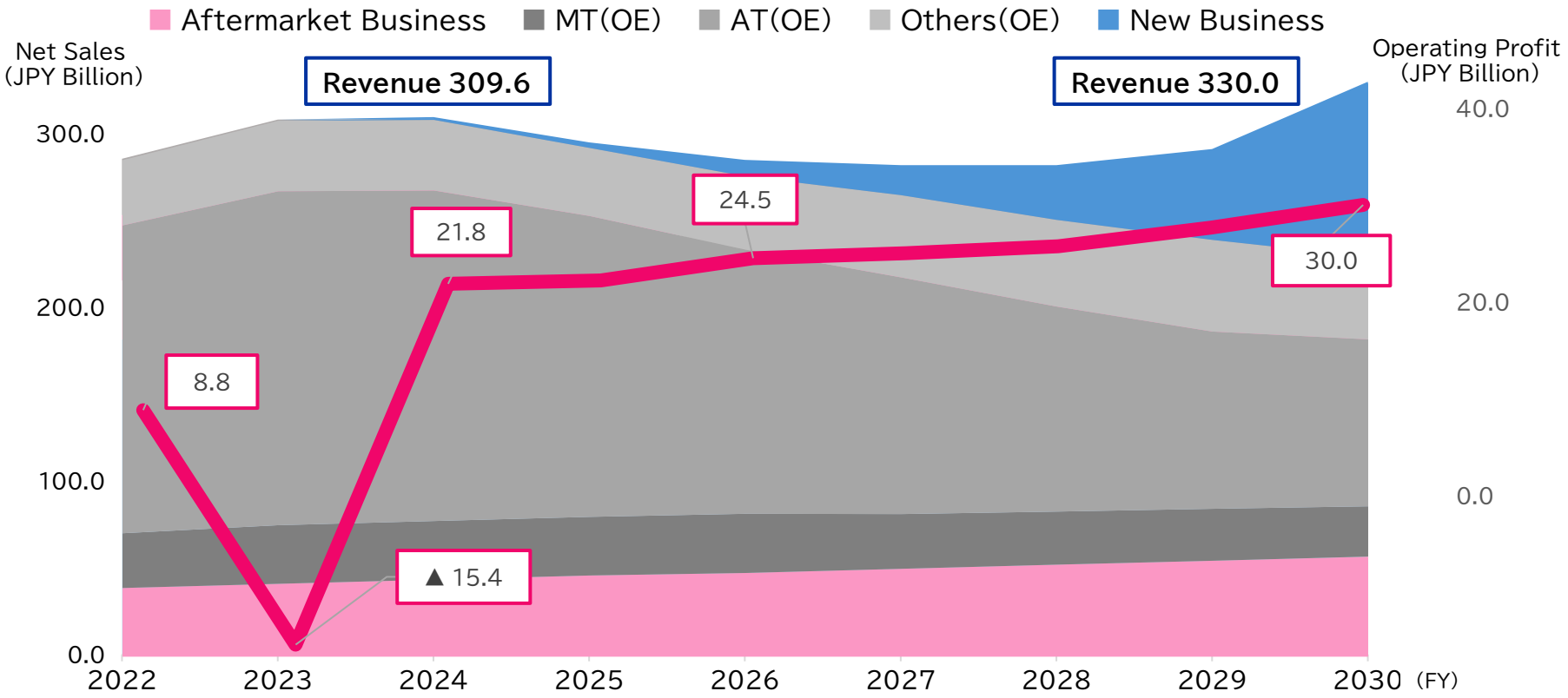
✓ The next Medium-Term Management Plan (four-year plan through FY2030) is currently planned for announcement in late March 2027.

*RS: Restricted stock grant program for the Employee Stock Ownership Plan.
RS expenses are recognized pro rata from Mar. 2025 to May 2027 (approx. JPY 3.0 billion/year).

Drive our future.
Let's create fulfillment for all, and our future.

- ✓ In the automotive industry, which is undergoing a major transformation, the reduction of internal combustion engine vehicles inevitably leads to a contraction of the OEM (AT) business.
- ✓ Aim to shift from an AT (OE)-focused business portfolio to a well-balanced portfolio of Core Businesses (OE), Aftermarket, and New Businesses through the Mid- to Long-Term Strategy.

Transform the Business Portfolio by 2030 to improve "Earning Power".



*Illustrative only

Drive our future.
Let's create fulfillment for all, and our future.

FY2030 Targets & Strategy

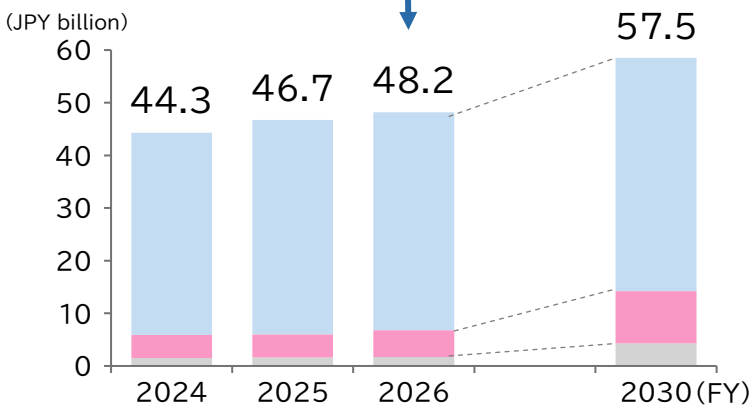
Aftermarket Product Sales
JPY 57.5 billion

- Expansion of MT repair parts lineup & price competitiveness by cost reduction
- Expansion of AT repair parts business (deployment of Oceania model within the group)
- Strengthening of business in Other repair parts such as brakes & suspensions

Sales Plan by Segment* and Initiatives during the Medium-Term Management Plan

H1 FY2026 Aftermarket Results
(JPY billion)

- Revenue: 24.2 (50.2% of full-year plan)
- Operating Profit: 5.7 (Operating Profit Margin: 24%)



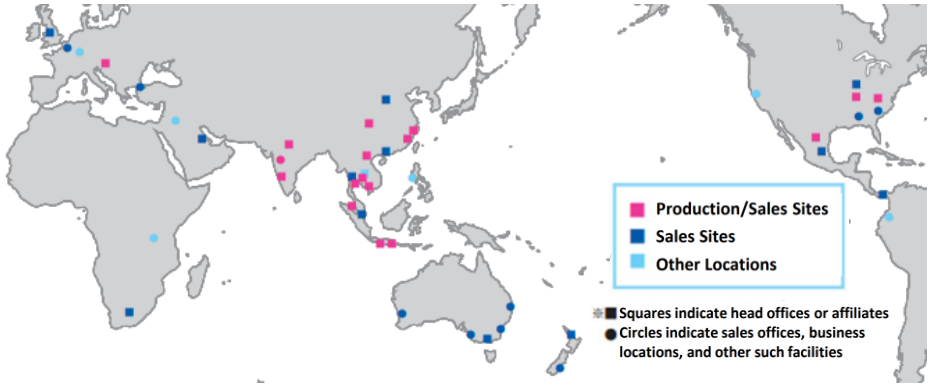
	Key Initiatives	Results under the Current Medium-Term Management Plan
MT	Expanding the line-up of clutch-related products for Korean, Chinese and European large vehicles	I. Started handling non-Japanese vehicle products at 5 locations II. Reviewed suppliers for aftermarket clutch cover components (PP)
AT	I. Expanding the line-up of friction material related products II. Expansion of sales bases for transmission-related products (Alltranz Business Expansion)	I. Developed 18 models; sales started at 3 new locations II. Trial sales started at 4 locations
Others	I. Launch of suspension- and brake-related products II. Expansion of sales bases for two-wheeler products	I. Started handling products at 5 locations in Japan and overseas through a JV with suspension manufacturer FRAP II. Sales started at 3 locations in Asia

✓ To leverage the global sales network developed aftermarket of MT, we will promote the expansion of the lineup of existing products & the introduction of new products.

*Figures are on a consolidated basis.

Global "Sales Channels" built up over nearly 50 years of history

➢ 11 countries and 22 companies (sales & production/sales) covering nearly 200 countries



Top 7 Distributors by Net Sales in FY2025 (JPY Billion)

	Company Name	Country	Net Sales
1	EXEDY SINGAPORE PTE. LTD.	Singapore	7.2
2	EXEDY Globalparts Corporation	U.S.A.	6.0
3	EXEDY Clutch Europe Ltd.	UK	5.9
4	EXEDY Australia Pty. Ltd.	Australia	5.4
5	EXEDY Latin America, S.A.	Panama	5.2
6	EXEDY Middle East FZCO	UAE	4.6
7	ALLTRANZ PTY LIMITED	Australia	1.6

"Brand Power" Built Up Through the Unique Characteristics of the Aftermarket Business

➢ "Sales Channels" and "Brand Power" built up over 50 years are our strengths.

✓ We have a high OEM share (22.1%), and our OEM quality leads to a high replacement nomination rate.

✓ Highly trusted by distributors and parts dealers due to our prompt delivery system and knowledgeable aftermarket sales personnel.

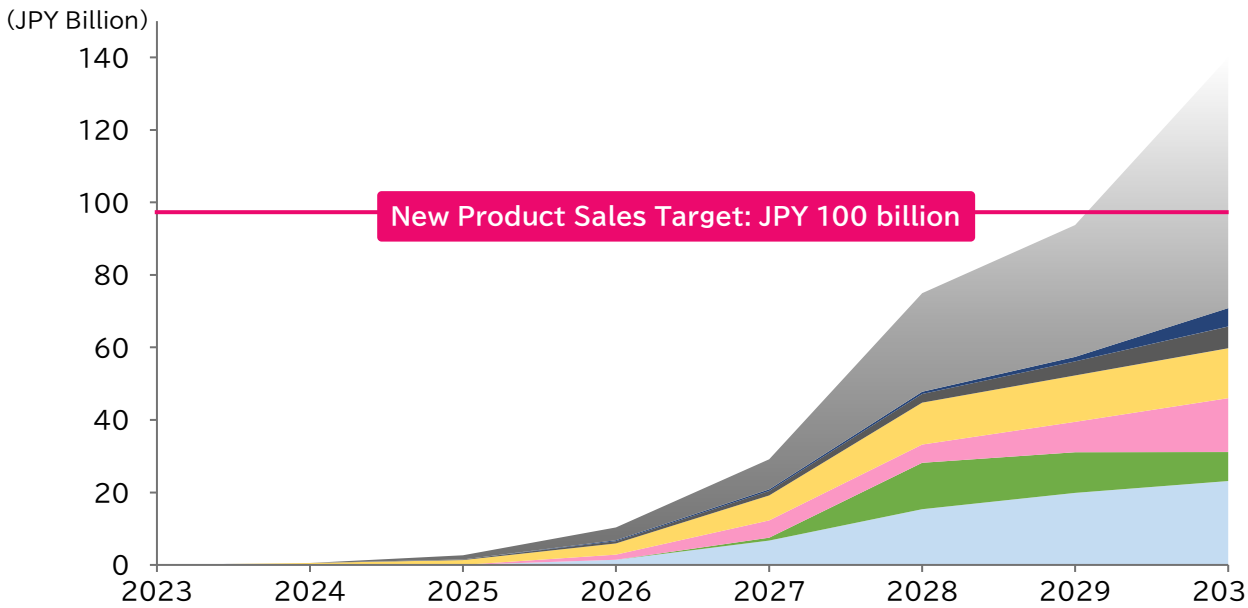
Drive our future.
Let's create fulfillment for all, and our future.

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

Revenue Plan for New Businesses Under Development



FY2030 outlook:
Over JPY 140.0 billion

Others: Over JPY 70.0 billion

- **Electrification products:** Industrial motors (Kawamata Seiki, Saitetta, etc.)
- **Materials Technology Products:** Low-friction products, etc. (See p. 27 for details)
- **M&A:** AI-enabled products, remanufactured products, environmental-related businesses

- General-Purpose Electric Drive Unit
- Smart Robot
- Drone
- In-Wheel Motor
- Commercial e-Mobility
- Small e-Mobility

JPY 70.8 billion
(See details on p. 22)

✓ The FY2030 outlook for the following six projects is JPY 70.8 billion. Including other projects (totaling over JPY 70.0 billion), initiatives are underway to accelerate early commercialization.
① Small electric mobility ② Commercial e-Mobility ③ In-wheel motor ④ Drone
⑤ Smart robot ⑥ General-purpose electric drive units

2. Progress of the Mid- to Long-Term Strategy
Business Strategy / New Businesses: Key Electrification Businesses

Drive our future.
Let's create fulfillment for all, and our future.

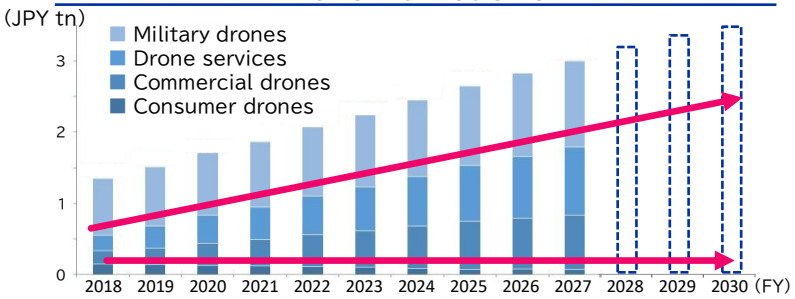
		Mobility Area			Drone	Plant Solutions Area	
		Small e-Mobility	Commercial e-Mobility	In-Wheel Motor		Smart Robot	General-Purpose Electric Drive Unit
Products							
Sales Plan	FY2025	JPY 0.004 billion	–	–	JPY 1.25 billion	JPY 0.07 billion	JPY 0.03 billion
	FY2026	JPY 0.28 billion	–	JPY 1.52 billion	JPY 2.41 billion	JPY 0.17 billion	JPY 0.11 billion
	FY2030	JPY 23.1 billion	JPY 8.0 billion	JPY 14.9 billion	JPY 13.8 billion	JPY 6.0 billion	JPY 5.1 billion
Target Markets		India: 2-wheel & 3-wheel market	Japan: Logistics and distribution industry, truck business market	Europe / ASEAN / Japan: Premium BEV market	North America: Agricultural drone market Japan: Survey and service drone market	Japan / U.S.: Logistics, Indoor Delivery, and Customer Service Markets	Japan / Overseas: Factory and warehouse transportation
Strengths		✓ Strong driving force at start-up ✓ Smooth shifting performance	✓ Reduced CO_2 emissions ✓ Extended driving range ✓ Utilization of existing vehicles	✓ Energy Efficiency ✓ Vehicle dynamics performance ✓ Cabin Space & Packaging	✓ Automotive-grade quality ✓ Made in Japan (Geopolitical risk mitigation)	✓ AI-enabled ✓ Easy installation and operation	✓ Safe and easy operation
Topics		✓ Mass production of electric three-wheel drive units began in September 2025	✓ All 21 project members seconded to PRE-EV Mobility Co., Ltd. (>p. 25)	✓ Acquired Protean as a subsidiary in March 2026 (>p. 26)	✓ Mass production of North American models is now scheduled in CY2027. (>p. 23)	✓ Major Customers • Logistics subsidiaries • Major retailers ✓ Appointed as "PR Ambassador for the Osaka Prefectural Police (>p. 24)	✓ Major Customers • Okudaya Giken Co., Ltd.

Drive our future.
Let's create fulfillment for all, and our future.

By combining our investees' expertise with our technology, manufacturing, and global sales network, we will internalize the entire value chain.

Sales Plan	FY2026 JPY 2.41 billion / FY2030 JPY 13.8 billion
Target Market	Industrial Equipment Manufacturing and Services (Agriculture, Firefighting, Logistics, Surveying, etc.)
Regions	Japan, North America, ASEAN, Europe
Growth Potential	Growing demand worldwide Increasing needs for Made-in-Japan drones driven by geopolitical risk considerations

Drone market size*



Drone Value Chain

	Marketing & Planning	Design & Prototyping	Component Production	Assembly & Manu-facturing	Sales	After Service	Related Services
North America / Agri-cultural Use	EXEDY Globalparts Corporation	baibars	EXEDY Globalparts Corporation				
South America / Agri-cultural Use	baibars				EXEDY Latin America, S.A.		
Africa / Agri-cultural Use	baibars				EXEDY Clutch Europe Ltd.		
Turkey / Agri-cultural Use	baibars						
Japan / Agri-cultural Use					WorldLink &Company		
Japan / Fire-fighting Use	EXEDY 株式会社エクセディ + AileLinX				WorldLink &Company		
Japan / Logistics Use	EAMS						
Japan / Surveying Use							FUWA DRONE

North American Market

- Development of agricultural drones based on Baibars products
- **Mass production start planned in CY2027 (for U.S. market)**
  FY2030 sales target: JPY 8.9 billion



Domestic Market (Japan)

- Expanding business in Japan for industrial applications, including surveying, inspection, firefighting, and logistics.

✓ In July 2026, joined the Fire and Disaster Management Agency's firefighting drone R&D with Morita Holdings, Japan's largest fire truck manufacturer.



*Our Company's Estimation

Drive our future.
Let's create fulfillment for all, and our future.

Supporting Labor Saving and Automation with "Neibo," Focusing on Building a Strong Track Record

Sales Plan	FY2026 JPY 0.17billion / FY2030 JPY 6.0 billion
Products	Powerful robots, multi-robot solutions, etc.
Use Cases	Material handling, placement, indoor delivery, security, customer service, etc.
Market Potential	Chronic labor shortages across industries. The service robot market is expected to reach JPY 200.0 billion by 2030. *Company estimate

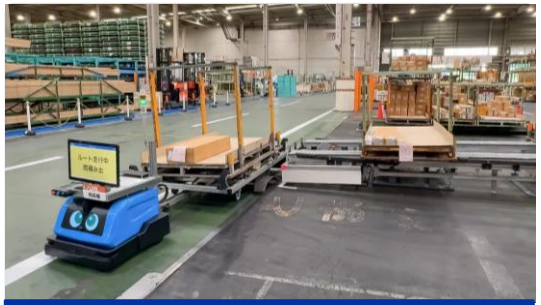
Neibo Product Features

Moves Heavy Loads	Low Initial Cost	Easy to Use
• Tows up to 1 ton • Handles steps and slopes	• No floor work or layout changes • Uses existing carts	• No-code setup • Operated by in-house staff

Leveraging EXEDY Technology

- ✓ Leverage technology developed for our core system, EXPRESS
- ✓ Provide platforms tailored to customer needs

Customer Feedback that Led to Adoption



LIXIL Logistics Corporation

~Safe and tough unmanned transport~

"It towed heavy loads while avoiding obstacles and smoothly handled small steps, so we decided to install it."



Shimadzu Corporation

~Easy to envision operation at the worksite~

"No-code operation makes it easy to use and create routes intuitively."



TOTO LTD.

~Flexibility to adapt to in-house operations~

"We can easily create maps ourselves without relying on external specialists."

Drive our future.
Let's create fulfillment for all, and our future.

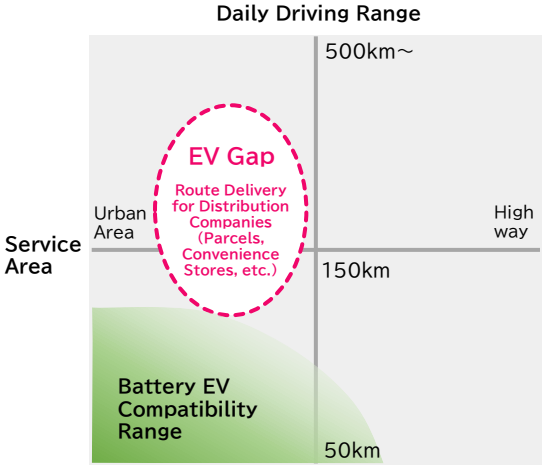
Transitioned to a structure led by PRE-EV Mobility to commercialize Commercial e-Mobility

Sales Plan	FY2030 JPY 8.0 billion	Planned start of mass production: FY2028
Products	Commercial Series Hybrid Electric System (SHEV*1)	
Target Customers	Logistics and distribution operators (e.g., trucking companies, delivery service providers)	
Customer Needs	Mandatory application of the SSBJ Standards*2 has made CO_2 emissions reduction an urgent management issue.	

- In October 2026, all 21 project members transferred to PRE-EV Mobility.
- PRE-EV Mobility now leads SHEV development and commercialization for greater speed and clear accountability.

PRE-EV Mobility Co., Ltd.
(Head Office: Neyagawa, Osaka)
- Established in 2022 to develop electric drive systems for commercial EV trucks
- Joined the EXEDY Group in July 2024

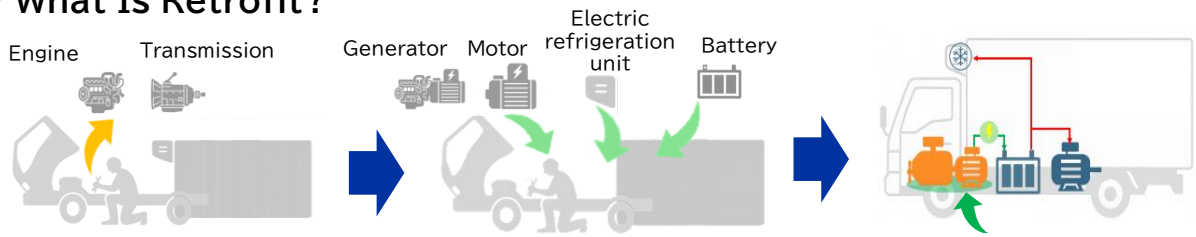
Market Opportunity



Market opportunities lie in areas not fully covered by BEVs.

Product Advantages

- Rapid Market Delivery of "Self-Generating EVs" through SHEV Retrofit
  - ✓ Diesel-powered driving with on-board power generation to secure long driving range
  - ✓ Electrification reduces fuel consumption and CO_2 emissions
  - ✓ Leveraging existing vehicles to minimize initial investment
- What Is Retrofit?



Removal of engine and related components

Installation of motors and related systems (retrofit)

Conversion to an EV capable of on-board power generation using diesel fuel

*1 SHEV (Series Hybrid Electric Vehicle): A system in which the engine is used exclusively for power generation, and the electricity generated by the engine is used to drive the vehicle.
*2 SSBJ Standards: Sustainability disclosure standards developed by the FSA.

Drive our future.
Let's create fulfillment for all, and our future.

In March 2026, we acquired Protean Electric Ltd. (UK), an in-wheel motor developer, manufacturer, and distributor.

Sales Plan	FY2026 JPY 1.52 billion / FY2030 JPY 14.9 billion
Products	In-Wheel Motor
Target Customers	[Europe / ASEAN / Japan] OEMs
Strategy	Integrating Protean's electrical and control-development expertise with our drivetrain technologies, quality, customer base, and global footprint

About Protean Electric Ltd.

Established: November 2008
Employees (consolidated): 98 UK / Head Office: 57
China / Tianjin Plant: 32 Shanghai Office: 9

- A leading company in in-wheel motor technology
- Develops inverter-integrated drive units
- Holds more than 300 patents worldwide (group basis)
- Proven adoption in high-performance EVs, EV conversions, and concept vehicles, with mass-production experience



Adopted by a European OEM

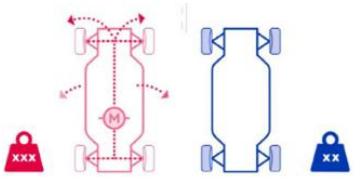
First mass-produced vehicle equipped with Protean's in-wheel motors by a major European passenger car manufacturer Adopted for

Renault 5 Turbo 3E



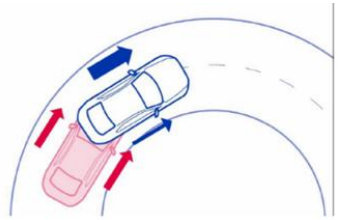
Product Advantages

(1) Energy Efficiency



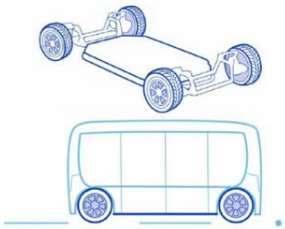
Direct-drive architecture without gears or shafts reduces power-transmission loss and improves efficiency

(2) Vehicle Dynamics



Independent control of all four wheels delivers high driving stability, controllability, and safety

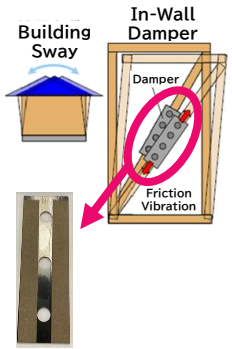
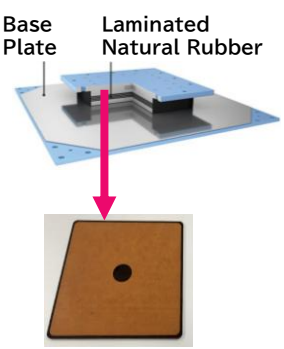
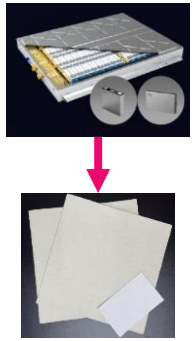
(3) Cabin Space & Packaging



Drive units integrated within the wheels expand cabin space and enhance vehicle-design flexibility

2. Progress of the Mid- to Long-Term Strategy
Business Strategy / New Businesses: DYNAX Materials Technology Products

Drive our future.
Let's create fulfillment for all, and our future.

	High-Friction Products		Low-Friction Products		Thermal Insulation Products
	Brake Disc for Power Liftgates	High-Friction Material for Seismic Dampers	Low-Friction Sliding Material for Seals	Low-Friction Material for Seismic Isolation Sliding Bearings	Thermal Insulation Material for Automotive LiB Covers
Products					
Market	China, EU, North America	Japan	Japan, China	Japan	Japan, China, Korea, EU
Opportunities	✓ Growing adoption of electric rear-door units	✓ Growing demand for seismic measures in large buildings and houses with seismic dampers	✓ Growing need for alternative materials for sliding bearings and valve seals as PFAS regulations tighten	✓ Growing adoption of seismic isolation in data centers, plants, bridges, etc.	✓ Growing demand for thermal insulation in BEVs and data centers
Advantages	✓ Reduced noise when opening/closing rear doors ✓ High durability	✓ Low speed and temperature dependence vs. conventional rubber dampers	✓ PFAS-free ✓ High-temperature sealing	✓ Low speed dependence ✓ Supports a wide range of seismic frequencies	✓ High heat resistance ✓ High thermal insulation at elevated temperatures
Strengths Leveraged	✓ Materials Technology (friction materials / oil-impregnated materials), Bonding Technology	✓ Materials Technology (friction materials)	✓ Materials Technology (friction materials / oil-impregnated materials)	✓ Materials Technology (friction materials / oil-impregnated materials)	✓ Materials Technology (paper)
Topics	✓ Inquiry from a German company ✓ Mass production scheduled for Dec. 2026	✓ Supplied to a major Japanese company	✓ Prototype under evaluation	✓ Catalog listing planned by the end of FY2026	✓ Full-scale battery adoption expected to take time

Revamped the Executive Compensation System to Align Interests with Shareholders

FY2026

➢ **Strengthened the linkage between executive compensation and business performance/share price**

Reflect share price performance in executive compensation, aligning management and shareholders toward the same goal of enhancing corporate value.

✓ **Bonus Scheme**	ROE, Operating Profit, and Net GHG Reduction Rate, plus Individual KPIs
✓ **Stock Compensation**	Changed to a performance-linked scheme based on ROE & Relative TSR*
✓ **Compensation Decision Process**	Compensation Committee (Chair: Outside Director) ensures a transparent and objective decision-making process.

Executive Compensation Linked to Business Performance & Share Price

Base Compensation

+

Short-Term Incentive / Bonus
ROE / Operating Profit / Net GHG Reduction Rate + Individual KPIs

+

Mid- to Long-Term Incentive / Stock Compensation
ROE 50% + Relative TSR* 50%

Enhance Corporate & Shareholder Value over the Medium to Long Term

➢ By reflecting business performance and share price in executive compensation, management and shareholders aim together to enhance corporate value over the medium to long term.

* Relative TSR : Total Shareholder Return. Relative TSR compares the Company's TSR (share price appreciation + dividends) with the TOPIX growth rate. Evaluation period: 5 fiscal years.

Drive our future.
Let's create fulfillment for all, and our future.

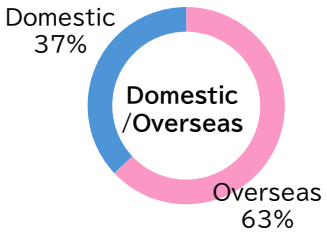
SR & IR Framework

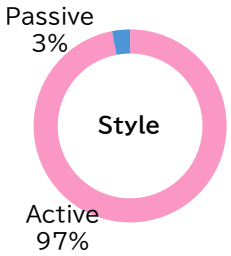
Officer in charge: **Director, Representative Executive Officer, Executive Vice President**
Department in charge: **Sustainability Group, ESG･IR Promotion Department**

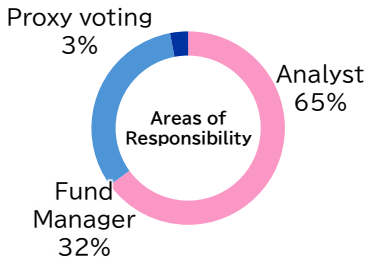
Main Correspondents	Financial Results Briefing	SR MTG	IR Small Meetings	IR 1on1 MTG
Director, Representative Executive Officer, President	●			
Director, Representative Executive Officer, Executive Vice President	●	●	●	●
Senior Group Manager of Sustainability Group				●

Overview of Dialogue with Shareholders & Investors in H1 FY2026

	FY2025 H1	FY2025 H2	FY2026 H1
Companies engaged in dialogue *Total number of companies	67	72	89
1 on 1 IRMTG	23	29	36
SR MTG	11	7	5
IR Small MTG	33	36	48







- Actively promoted SR meetings and small meetings led by the Representative Director & Senior Executive Managing Officer (approximately 1.5 times as many dialogue counterparties year on year).
  - ✓ While working to deepen shareholders' and investors' understanding of our strategy, we are incorporating feedback that contributes to enhancing corporate value into management decision-making.
- Please refer to the Appendix for details of the main discussion topics. (pp. 36–40).

SR & IR Strategy: Status of Dialogue with Shareholders and Investors

Drive our future.
Let's create fulfillment for all, and our future.

Strengthening Communication with Capital Markets through Enhanced Disclosure and Dialogue

Enhanced Disclosure

Corporate Website Fully Renewed

Redesigned to better communicate our strengths and growth strategy



Corporate Website >



Investors Guide >



Dialogue with Shareholders & Investors >

Content attracting particularly strong interest

Note: Note: English versions are currently being prepared.

Integrated Report

Expanded disclosure based on shareholder and investor feedback Published 1.5 months earlier than before



Integrated Report 2026 >

Note: Note: English versions are currently being prepared.

Dialogue with Investors

Resumed Overseas IR

Met with 5 institutional investors in North America by President & Vice President

Ongoing dialogue with overseas investors

External Recognition of Our Initiatives

Selected as a "Company Demonstrating Meaningful Progress" in the Tokyo Stock Exchange's Institutional Investor Survey

Our efforts to enhance disclosure and investor dialogue toward increasing corporate value were recognized.

Results of Institutional Investor Survey on Companies Demonstrating Meaningful Progress >

➢ Reflect investor feedback in disclosure and management to enhance dialogue quality and corporate value



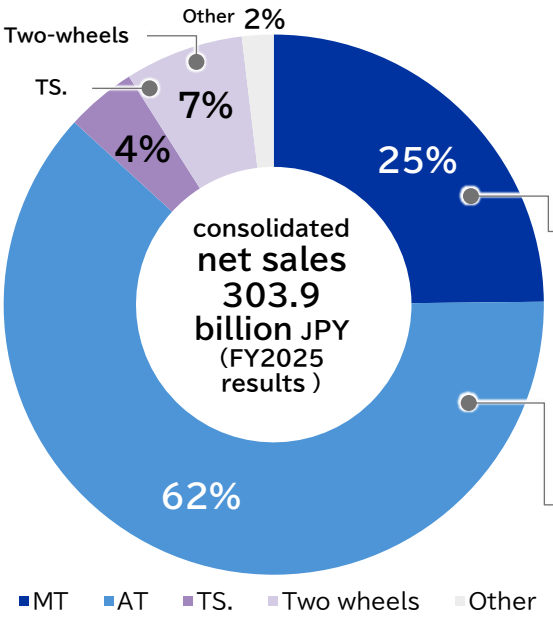
Appendix

Reference:
EXEDY Group Business Overview

Drive our future.
Let's create fulfillment for all, and our future.

- ✓ 59 companies in 26 countries, and the world's leading share of clutches/torque converters for OEMs (according to our own estimates).
- ✓ In the aftermarket business, we achieve high profitability through a unique sales network and strong brand power.
- ✓ In addition to the core businesses mentioned above, we are focusing on developing new products, such as those for electrification, as part of our new business initiatives.

Core Business



MT: World Share of Clutches for OEMs 22.1%



Clutch Cover
Clutch Disc

Holds production and sales bases worldwide and has a broad customer base across both OEM customers and aftermarket customers. The Company serves 59 OEM customers (including 19 Japanese companies), achieving a top-class global market share. The aftermarket business serves approximately 5,500 customers and delivers high profitability.

AT: World Share of Torque Converters for OEMs 23.7%

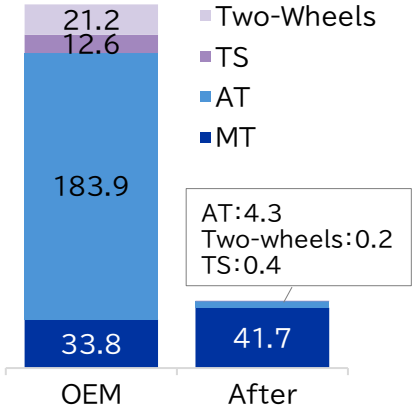


Torque Converter

With strong expertise in fluid analysis and control technologies and a globally deployed manufacturing and sales footprint, the Company's products are adopted by all domestic automobile manufacturers as well as major overseas automobile manufacturers. As a result, the Company holds a top-class global market share in torque converters.

OEM/After-sales business Product Configuration

(JPY billion)



New Business

We are progressing with new product development to "make the movement of people & goods comfortable" by leveraging core technologies in friction, vibration, and fluid dynamics that we have cultivated through the development of drive system components so far, adapting to decarbonization & lifestyle changes.



Two-wheel/Three-wheel BEV drive unit



Drone



Commercial Series Hybrid Electric System



General Purpose Electric Drive Unit



Smart robot

Reference:
Overall Picture of Improve Corporate Value Initiatives

Drive our future.
Let's create fulfillment for all, and our future.

- ✓ We are promoting initiatives to increase corporate value through the execution of our business, financial, ESG, and IR strategies. In October 2025, we disclosed an increase in our ROE target for FY2030 (from 8% to 10%), and we are strengthening our earning power.
- ✓ In Oct 2025, the SR strategy was developed. Reduce asymmetric information and incorporate shareholder opinions (which contribute to improve corporate value) into management through increased dialogue with shareholders, leading to a reduction in the cost of shareholders' equity.

IR Strategy
- Increase awareness of the Company and its Mid- to Long-term Strategy through enhanced disclosure
- Active approach to institutional investors & analysts

Increase in corporate value

ROE Improvement (Profit growth rate including)

Reduce Cost of Equity

Business Strategy
ROE target FY2027: 8%, FY2030: 10%
- Securing & improving profitability of current biz
- Creating & developing new biz

Financial Strategy
- Pursuit of optimal capital structure: Shareholder returns, WACC reduction
- Optimizing working capital: Shortening inventory turnover period, etc.

SR Strategy
- Reduce information asymmetry through dialogue with shareholders
- Implementing shareholder opinions into management that contribute to improve corporate value

ESG Strategy
- Corporate Governance REVOLUTION
- Enhancement of social and market volatility resilience, reduction of risk premiums

[Relationship among PBR, ROE and cost of shareholder capital]

$$PBR = ROE \times PER$$

$$= ROE \times \frac{1}{\text{Cost of Equity - Earnings Growth Rate}}$$

Improving ROE & PER is necessary to increase corporate value (≒ PBR). Aim to raise PER by reducing Cost of Equity

Reference:
Business Strategy / Core Businesses: Medium-Term Management Plan “REVOLUTION 2026”

Drive our future.
Let’s create fulfillment for all, and our future.

- ✓ OEM business (AT & MT) is improving profitability through price pass-through reflecting cost increases, as well as the implementation of appropriate pricing.
- ✓ The aftermarket business is expanding profit by broadening its product lineup, leveraging its proprietary global sales network.

		Revenue(JPY Billion) / Sales composition ratio			Operating Profit(JPY Billion) / Ratio to Revenue		
		FY 2024 Results	FY 2025 Results	FY2026 Target	FY 2024 Results	FY 2025 Results	FY2026 Target
Core Businesses	AT (OEM& After)	199.7	188.3	177.6	12.4	15.7	14.8
		65%	62%	60%	6%	8%	8%
	MT (OEM)	33.8	33.8	35.6	1.7	1.1	1.8
		11%	11%	12%	5%	3%	5%
	MT (After)	40.0	41.7	42.4	9.1	10.4	10.4
		13%	14%	14%	23%	25%	24%
	Others (TS, 2W, etc.)	35.2	37.9	40.1	3.3	3.5	3.5
		11%	13%	14%	9%	9%	9%
		308.7	301.7	295.7	26.5	30.7	30.5
		100%	100%	100%	9%	10%	10%

*The OEM / aftermarket breakdown figures for the MT segment in FY2024 are reference values, compiled prior to system implementation.

Reference: Balance Sheet Analysis (as of Sep 30, 2024)

Drive our future.
Let's create fulfillment for all, and our future.

✓ Calculate an appropriate capital adequacy ratio (approximately 60%) based on recognition of the business environment using three approaches.

▸▸▸ Achieve this by the end of FY2025 through additional share buyback of 30 billion JPY and increased dividends.

Transformation to appropriate capital adequacy ratio

Recognition of Biz environment

- Carbon Neutral
- EV Shift
- Event Risk Recalls, etc.

Study capital structure considering the environment surrounding us

Balance Sheet approach

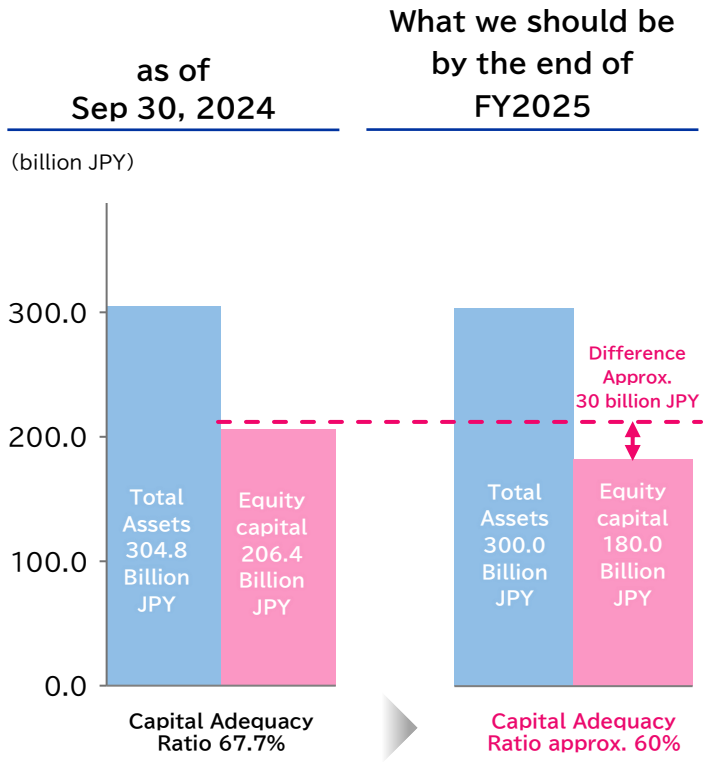
Calculation of adequate capital by accumulating risk amounts by balance sheet item

The approach based on Trade-off theory

Reducing WACC through capital structure optimization

Rating approach

Maintaining a high rating to reduce debt cost



Assuming total assets are around 300 billion JPY

(data) item	Question	Answer
Regarding the achievement of appropriate pricing	It is understood that improving the profitability of our core businesses is key to achieving the ROE target. Could you please elaborate on "achieving appropriate pricing," which is an important strategy for this purpose?	Regarding pricing, we have two key concepts: passing on cost increases and achieving appropriate pricing. Passing on cost increases means transferring increases in steel material costs, labor costs, supplier personnel expenses, and other cost rises to customers. A few years ago, we sometimes absorbed part of these increases internally. However, the cost increases in recent years have reached a level that can no longer be absorbed through internal efforts alone. As a result, we clearly communicate our policy of passing on all cost increases to customers and engage in discussions with them accordingly. In addition, achieving appropriate pricing is based on the idea of securing a certain level of profit in order to ensure the stable supply of torque converters. Traditionally, the automotive industry assumed that production volumes would continue to increase each year, and annual price reductions were considered standard practice. However, even within our AT-related business, which currently accounts for 65% of our sales, the torque converter business is expected to decline in volume going forward. Under these circumstances, appropriate pricing is essential to continue providing high-quality products in a stable manner. We believe this is not only an issue for our Company, but also an extremely important strategy for ensuring the sustainability of the entire supply chain. We recognized in advance that this approach might be perceived as unconventional in the automotive industry. Therefore, we carefully explained its significance to our sales teams, who are at the forefront of negotiations. Currently, sales representatives who have undergone a mindset transformation are engaging in discussions with customers in order to fulfill our long-term supply responsibilities.

(data) item	Question	Answer
Market share of core businesses	In the process of achieving appropriate pricing, are you considering further increasing your global market share, for example by taking over other companies' businesses?	No, we are not aiming to increase our share in the OEM business. Torque converters are designed to correspond one-to-one with current manufacturing lines. Moreover, because the investment required is substantial—ranging from 2 to 3 billion JPY—and the payback period is long, it is difficult to produce products from our company's Line A on a competitor's Line B. Taking on projects that other companies are handling would require us to make significant capital investments as well. We aim not to pursue volume, but rather to achieve fair pricing within our existing market share and improve our profit margins.

(data) item	Question	Answer
Aftermarket Business Strategy	What is your future growth strategy for the "aftermarket business," another key strategy for improving profitability? Are there different strategies for MT and AT?	The market for repair parts is completely different for MT and AT. MT clutches are consumable items that are subject to wear, and there is a demand for periodic replacement, especially in commercial vehicles. Since they are often ultimately exchanged at garages in town, it is easy for us to control prices by building our own sales network. On the other hand, AT transmissions are very complex in structure and cannot be easily repaired at a factory in town. This made it difficult for us to control prices as much as MT. Therefore, we acquired Alltranz, a highly profitable company in the Oceania region, to expand our repair business, which had been focused on MT, into the AT segment. We are preparing to expand this company's business expertise to the ASEAN market and other markets where AT is increasingly being used. In March 2026, we established a joint venture with FRAP S.p.A., an Italian suspension and steering components manufacturer, to expand our product lineup. In the future, we would like to expand our sales network to include aftermarket products that we do not currently manufacture, such as power steering and brakes, in order to increase customer convenience and expand our overall business base.

(data) item	Question	Answer
Investment decisions and exit criteria for new businesses	You mentioned that new businesses are necessary to exceed 8% ROE. What are your thoughts on investment decisions and withdrawal criteria?	When creating and nurturing new businesses, we use the "stage gate method" to determine whether or not a business can move to the next stage, which consists of business idea creation, initial research, business plan formulation, product development, verification and preparation for market launch, and market launch. The decision maker for Gate 1 is the Executive General Manager of the drafting department, the decision maker for Gate 2 is the Executive General Manager of the Strategic Business Headquarters, and the decision maker for Gate 3 and beyond is the Representative Director and President. The overall decision is based on 22 items, including value provided, commercialization plan, EXIT plan, risks, differentiation, and field test results. Furthermore, from the product development stage onward, we have adopted a project-based system and evaluate projects based on business scale (sales of JPY 5.0 billion or more) and return on invested capital (ROIC over 10%). In addition, with the aim of early commercialization, project leaders are granted authority over budget execution and personnel matters. The Representative Director and the Executive General Managers of the Corporate Strategy Promotion Headquarters, Strategic Business Headquarters, and Development Headquarters attend the Board of Directors meeting held every other month for each project to review progress against the milestones set in the original plan. Projects are suspended or withdrawn if significant deviations from the milestones or initial performance targets are identified.

(data) item	Question	Answer
Human Capital Enhancement	I have the impression that your company has changed a lot in the past 2 .3 years. Have there been any changes in the attitudes of your executives and employees? Also, please describe your human capital initiatives.	Over the past 2–3 years, I feel that both executives and employees have developed a growing awareness that we must change the company. As we transform our capital policy and business portfolio, the direction the company aims to take has become clearer, and employees have become increasingly aware of the need for change. Regarding human capital, we believe it is important to link our business strategy and human capital strategy. In particular, as we transform our business portfolio, we are shifting personnel from Core Businesses to New Businesses and strengthening personnel responsible for business development and engineering. In Integrated Report 2026, we also disclose our human resource development initiatives, including practical experience at investee companies and internal and external training, in addition to personnel shifts to new business areas. In addition, in June 2026, we transitioned to a Company with a Nominating Committee, etc. to separate management oversight from execution. We are also using the Nominating Committee secretariat as an opportunity to develop the next generation of management talent by assigning future management candidates to gain practical experience in management oversight. Going forward, we will develop our business portfolio and the supporting human resource portfolio in an integrated manner, while developing people who can lead transformation and continuously enhance corporate value.

Contact for inquiries regarding content

Corporate Strategy Promotion Headquarters
ESG･IR Promotion Department
072-822-1695
info@exedy.com

The statements regarding the future contained in this document are based on the information available at the time of preparation, and actual performance may differ due to changes in the business environment.