

July 28, 2022
Tokyo Stock Exchange**FY2022 1st Quarter Consolidated Financial Results [IFRS]**
(April 1, 2022 through June 30, 2022)

(English translation extracted from the original Japanese document)

Company Name: **EXEDY Corporation**
 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 file quarterly securities report: August 10, 2022

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 FY2022 (April 1, 2022 to June 30, 2022)

(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	%
FY2022 Q1	64,447	3.8	1,034	(75.0)	2,568	(42.5)	1,775	(44.4)	1,532	(44.8)	9,209	201.9
FY2021 Q1	62,082	63.2	4,138	-	4,463	-	3,195	-	2,774	-	3,051	-

	Basic Earnings per Share		Diluted Earnings per Share	
	Yen		Yen	
FY2022 Q1	32.65		-	
FY2021 Q1	59.14		-	

(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	%
FY2022 Q1	335,892	241,832	227,547	67.7
FY2021	332,785	236,023	221,756	66.6

2. Dividends

	Annual Dividends per Share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2021	-	40.00	-	50.00	90.00
FY2022	-	-	-	-	-
FY2022 (Forecast)	-	45.00	-	45.00	90.00

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

3. FY2022 Consolidated Financial Forecast (April 1, 2022 to March 31, 2023)

(Percentage of change from previous year)

	Revenue		Operating Profit		Profit before Tax		Profit Attributable to Owners of Parent		Basic Earnings Per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Q2 (YTD)	140,000	13.5	4,500	(48.0)	5,700	(36.9)	4,000	(32.5)	85.24
FY2022	300,000	14.9	15,000	(18.2)	16,000	(17.8)	11,000	(11.8)	234.40

(Note) Revisions of financial forecast from recently announced figures: Yes

※ General Notes

(1) Changes in important subsidiaries during the period

(Changes in specified subsidiaries due to changes in the scope of consolidation): 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.10 “2. Quarterly Consolidated Financial Statements and Principal Notes (4) 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)	FY2022 Q1	48,593,736 shares	FY2021 Q4	48,593,736 shares
② Number of treasury shares at the end of period	FY2022 Q1	1,665,589 shares	FY2021 Q4	1,665,564 shares
③ Average number of ordinary shares outstanding during the period(quarterly total)	FY2022 Q1	46,928,166 shares	FY2021 Q1	46,904,208 shares

(Note) The shares held within the ESOP trust accounts (FY2022 Q1: 100,000 shares, FY2021: 100,000 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. (FY2022 Q1: 100,000 shares, FY2021 Q1: 19,200 shares)

※ Quarterly financial statements are not subject to quarterly reviews by certified accountants or audit corporations.

※ 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.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

In this first quarter, although orders decreased due to the lockdown in China and production cuts by customers because of the semiconductor shortages, the revenue increased from the impact of foreign exchange conversion due to the depreciation of the yen. In terms of profits, Operating profit decreased due to the decline in orders, soaring global raw material prices and supply chain disruptions. The results for the first quarter of the current consolidated cumulative period was, Revenue ¥64.4 billion (increased by 3.8% from the same period of the previous fiscal year), Operating profit ¥1.0 billion (decreased by 75.0% from the same period of the previous fiscal year), Profit before tax ¥2.6 billion (decreased by 42.5% from the same period of the previous fiscal year), Profit attributable to owners of the parent company was ¥1.5 billion (decreased by 44.8% 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 ¥16.8 billion (increased by 7.6% from the same period of the previous fiscal year). Segment profit was ¥1.9 billion (increased by 3.3% from the same period of the previous fiscal year), despite soaring raw material prices, it has been passed on to the selling prices.

[AT (Automatic Automotive Drivetrain related business)]

Revenue was ¥40.5 billion (increased by 0.7% from the same period of the previous fiscal year). Although sales increased due to the impact of foreign exchange conversion because of the depreciation of the yen, the segment loss was ¥0.9 billion (¥2.1 billion profits in the same period of the previous year) due to the lockdown in China and production cuts by customers because of the semiconductor shortages and soaring raw material costs.

[Others]

Revenue was ¥7.1 billion (increased by 14.6% from the same period of the previous fiscal year). Segment profit was ¥0.3 billion (decreased by 39.9% from the same period of the previous fiscal year) due to soaring raw material prices and other factors, despite an increase in sales.

<Location Information>

The summary by location is as follows.

[Japan]

Revenue was ¥28.5 billion (decreased by 1.6% from the same period of the previous fiscal year). Operating profit was ¥0.5 billion (decreased by 78.3% from the same period of the previous fiscal year) due to a decrease in orders by the lockdown in China and production cuts by customers because of the semiconductor shortages and soaring raw material costs.

[Americas]

Revenue was ¥12.1 billion (increased by 17.2% from the same period of the previous fiscal year). Although revenue increased from the impact of exchange conversion due to the depreciation of the yen, the operating loss was ¥0.5 billion (¥0.2 billion operating loss in the same period of the previous year) due to soaring raw material prices.

[Asia and Oceania]

Revenue was ¥21.7 billion (increased by 4.4% from the same period of the previous fiscal year). Operating profit increased by ¥0.6 billion (decreased by 69.6% from the same period of the previous fiscal year) due to the lockdown in China and the impact of decrease in production by customers due to semiconductor shortages, although revenue increased from the impact of exchange conversion due to the depreciation of the yen.

[Others]

Revenue was ¥2.1 billion (increased by 7.1% from the same period of the previous fiscal year). Operating profit was ¥0.2 billion (increased by 7.3% from the same period of the previous fiscal year) due to the increase in revenue and other factors.

(2) Explanation of Financial Position

In terms of the assets at the end of this first quarter consolidated accounting period, the total assets were ¥335.9 billion (¥332.8 billion at the end of the previous consolidated fiscal year), it increased by ¥3.1 billion (0.9%) from the end of the previous fiscal year. The main contents are ¥2.8 billion increase in cash and cash equivalents, ¥4.8 billion decrease in trade and other receivables due to lockdown in Shanghai, China and the stagnation of business activities due to a shortage of semiconductors, and ¥3.5 billion increase in inventories, ¥1.7 billion increase in tangible fixed assets.

Total liabilities were ¥94.1 billion (¥96.8 billion at the end of the previous consolidated fiscal year), it decreased by ¥2.7 billion (2.8%) from the end of the previous fiscal year. The main contents are ¥2.8 billion decrease in income taxes payable, ¥1.7 billion decrease in corporate bonds and borrowings due to the repayment of borrowings, and ¥1.4 billion increase in trade and other payables.

Total equity was ¥241.8 billion (¥236.0 billion in the previous consolidated fiscal year), it increased by ¥5.8 billion (2.5%) from the end of the previous fiscal year. The main contents were ¥6.3 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, and ¥0.5 billion decrease in retained earnings (¥1.5 billion increase due to the quarterly profit attributable to owners of the parent company, ¥2.3 billion decrease due to the appropriation of surplus (dividend), and ¥0.3 billion transfer of other capital components to retained earnings due to sale of investment securities).

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

As of today, we have revised the consolidated financial forecast for the fiscal year ending March 31, 2023, which was announced on April 29, 2022. For the details, please refer to the "Notice of Revision of Consolidated Financial Forecast" announced today.

This forecast is based on the premise that there will be no large-scale suspension of business activities due to the spread of new coronavirus infections worldwide. If these premises are expected, this forecast may be revised.

The exchange rate is assumed to be ¥134 per US dollar.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Statement of Financial Position

	As of March 31, 2022	As of June 30, 2022
	Million Yen	Million Yen
Assets		
Current assets		
Cash and cash equivalents	55,407	58,186
Trade and other receivables	53,824	49,017
Other financial assets	1,974	2,219
Inventories	41,726	45,276
Other current assets	2,262	2,620
Total current assets	155,192	157,317
Non-current assets		
Property, plant and equipment	162,964	164,693
Goodwill and intangible assets	2,802	2,695
Investments accounted for using equity method	195	217
Investments in Equity Instruments	3,305	2,293
Other financial assets	45	44
Deferred tax assets	6,022	6,336
Retirement benefit asset	1,233	1,236
Other non-current assets	1,027	1,061
Total non-current assets	177,593	178,575
Total assets	332,785	335,892

	As of March 31, 2022	As of June 30, 2022
	Million Yen	Million Yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	10,381	8,846
Trade and other payables	36,093	37,511
Other financial liabilities	594	581
Income taxes payable	4,005	1,203
Employee benefits accruals	1,954	1,999
Provisions	2,240	2,269
Other current liabilities	3,636	3,895
Total current liabilities	58,903	56,305
Non-current liabilities		
Bonds and borrowings	27,533	27,409
Other financial liabilities	879	883
Retirement benefit liability	6,724	6,772
Deferred tax liabilities	1,245	966
Other non-current liabilities	1,479	1,724
Total non-current liabilities	37,859	37,755
Total liabilities	96,762	94,060
Equity		
Share capital	8,284	8,284
Capital surplus	7,555	7,562
Treasury shares	(3,768)	(3,768)
Other components of equity	7,524	13,793
Retained earnings	202,160	201,676
Total equity attributable to owners of parent	221,756	227,547
Non-controlling interests	14,267	14,285
Total equity	236,023	241,832
Total liabilities and equity	332,785	335,892

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

	FY2021 1st Quarter (April 1, 2021 through June 30, 2021)	FY2022 1st Quarter (April 1, 2022 through June 30, 2022)
	Million Yen	Million Yen
Revenue	62,082	64,447
Cost of sales	50,601	55,506
Gross profit	11,481	8,941
Selling, general and administrative expenses	7,337	8,127
Other income	225	316
Other expenses	231	96
Operating profit	4,138	1,034
Finance income	556	1,734
Finance costs	229	224
Share of profit (loss) of investments accounted for using equity method	(3)	25
Profit before tax	4,463	2,568
Income tax expense	1,268	793
Profit	3,195	1,775
Profit attributable to		
Owners of parent	2,774	1,532
Non-controlling interests	421	243
Profit	3,195	1,775
Earnings per share		
Basic and diluted earnings per share	59.14	32.65

(Quarterly Consolidated Statement of Comprehensive Income)

	FY2021 1st Quarter (April 1, 2021 through June 30, 2021)	FY2022 1st Quarter (April 1, 2022 through June 30, 2022)
	Million Yen	Million Yen
Profit	3,195	1,775
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	68	(47)
Total of items that will not be reclassified to profit or loss	68	(47)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(211)	7,477
Share of other comprehensive income of investments accounted for using equity method	(0)	4
Total of items that may be reclassified to profit or loss	(212)	7,481
Total other comprehensive income	(144)	7,434
Comprehensive income	3,051	9,209
Comprehensive income attributable to		
Owners of parent	2,811	8,131
Non-controlling interests	240	1,078
Comprehensive income	3,051	9,209

(3) Quarterly Consolidated Statement of Changes in Equity

Previous first quarter consolidated cumulative period
(April 1, 2021 through June 30, 2021)

	Equity attributable to owners of parent					Total
	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	
Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	
Balance as of April 1, 2021	8,284	7,571	(3,822)	(1,271)	287	(984)
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	(31)	68	37
Comprehensive income	-	-	-	(31)	68	37
Purchase of treasury shares	-	-	(0)	-	-	-
Disposal of treasury shares	-	-	-	-	-	-
Dividends of surplus	-	-	-	-	-	-
Share-based remuneration transactions	-	7	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total transactions with owners	-	7	(0)	-	-	-
Total changes in equity	-	7	(0)	(31)	68	37
Balance as of June 30, 2021	8,284	7,578	(3,823)	(1,302)	354	(947)

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Million Yen	Million Yen		
Balance as of April 1, 2021	192,878	203,927	12,803	216,730
Profit for the period	2,774	2,774	421	3,195
Other comprehensive income	-	37	(181)	(144)
Comprehensive income	2,774	2,811	240	3,051
Purchase of treasury shares	-	(0)	-	(0)
Disposal of treasury shares	-	-	-	-
Dividends of surplus	(1,407)	(1,407)	(629)	(2,037)
Share-based remuneration transactions	-	7	-	7
Transfer to retained earnings	-	-	-	-
Total transactions with owners	(1,407)	(1,400)	(629)	(2,030)
Total changes in equity	1,367	1,411	(390)	1,021
Balance as of June 30, 2021	194,245	205,338	12,414	217,752

Current first quarter consolidated cumulative period
(April 1, 2022 through June 30, 2022)

	Equity attributable to owners of parent					Total
	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	
Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	Million Yen	
Balance as of April 1, 2022	8,284	7,555	(3,768)	7,274	250	7,524
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	6,646	(47)	6,599
Comprehensive income	-	-	-	6,646	(47)	6,599
Purchase of treasury shares	-	-	(0)	-	-	-
Disposal of treasury shares	-	-	-	-	-	-
Dividends of surplus	-	-	-	-	-	-
Share-based remuneration transactions	-	7	-	-	-	-
Transfer to retained earnings	-	-	-	-	(329)	(329)
Total transactions with owners	-	7	(0)	-	(329)	(329)
Total changes in equity	-	7	(0)	6,646	(377)	6,269
Balance as of June 30, 2022	8,284	7,562	(3,768)	13,920	(127)	13,793

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Million Yen	Million Yen		
Balance as of April 1, 2022	202,160	221,756	14,267	236,023
Profit for the period	1,532	1,532	243	1,775
Other comprehensive income	-	6,599	835	7,434
Comprehensive income	1,532	8,131	1,078	9,209
Purchase of treasury shares	-	(0)	-	(0)
Disposal of treasury shares	-	-	-	-
Dividends of surplus	(2,346)	(2,346)	(1,060)	(3,406)
Share-based remuneration transactions	-	7	-	7
Transfer to retained earnings	329	-	-	-
Total transactions with owners	(2,017)	(2,340)	(1,060)	(3,400)
Total changes in equity	(485)	5,791	18	5,809
Balance as of June 30, 2022	201,676	227,547	14,285	241,832

(4) 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 2 group, "Manual Transmission Parts" and "Automatic Transmission Parts". The Company, in corporation with its consolidated subsidiaries, design business strategy and conduct business for these 2 product lines inside Japan and overseas. Accordingly, the reportable segments of the Company are composed of 2 segments, "MT (Manual Automotive Drivetrain related business)" which manufactures and sells Manual Transmission Parts and "AT (Automatic Automotive Drivetrain related business)" which manufactures and sells Automatic Transmission Parts.

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

Previous first quarter consolidated cumulative period (April 1, 2021 to June 30, 2021)

(Million Yen)

	Reportable Segment			Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	Total			
Revenue						
External Customers	15,605	40,274	55,879	6,203	-	62,802
Intersegments (Note 2)	66	562	628	1,705	(2,333)	-
Total	15,670	40,837	56,507	7,908	(2,333)	62,082
Segment Profit (Note 3)	1,806	2,129	3,935	557	(354)	4,138
Finance Income						556
Finance Costs						229
Share of loss of investments accounted for using equity method						(3)
Profit before Tax						4,463

(Note) 1. Other includes businesses which is not part of any of the 2 reportable segments, and contain industrial machine drivetrain operation, 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, 2022 to June 30, 2022)

(Million Yen)

	Reportable Segment			Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	Total			
Revenue						
External Customers	16,797	40,541	57,337	7,110	-	64,447
Intersegments (Note 2)	81	174	255	1,306	(1,561)	-
Total	16,878	40,715	57,593	8,416	(1,561)	64,447
Segment Profit (Loss) (Note 3)	1,865	(874)	991	335	(292)	1,034
Finance Income						1,734
Finance Costs						224
Share of profit of investments accounted for using equity method						25
Profit before Tax						2,568

(Note) 1. Other includes businesses which is not part of any of the 2 reportable segments, and contain industrial machine drivetrain operation, clutches for motorcycle operation, transport operation, etc.

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

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

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