

FY2023 1st Quarter Consolidated Financial Results [IFRS] (April 1, 2023 through June 30, 2023)

(English translation extracted from the original Japanese document)

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 Scheduled date to file quarterly securities report: August 10, 2023
 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 FY2023 (April 1, 2023 to June 30, 2023)

(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	%
FY2023 Q1	73,367	13.8	2,414	133.5	3,565	38.8	2,877	62.1	2,598	69.6	8,639	(6.2)
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

	Basic Earnings per Share		Diluted Earnings per Share	
	Yen		Yen	
FY2023 Q1	55.34		-	
FY2022 Q1	32.65		-	

(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	%
FY2023 Q1	338,685	245,474	231,174	68.3
FY2022	331,875	239,901	225,563	68.0

2. Dividends

	Annual Dividends per Share				
	1 st Quarter	2 nd Quarter	3 rd Quarter	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2022	-	45.00	-	45.00	90.00
FY2023	-	-	-	-	-
FY2023 (Forecast)	-	60.00	-	60.00	120.00

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

3. FY2023 Consolidated Financial Forecast (April 1, 2023 to March 31, 2024)

(Percentage of change from previous year)

	Revenue		Operating Profit		Income before Income Taxes		Profit Attributable to Owners of Parent		Basic Earnings Per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Q2 (YTD)	150,000	8.5	6,000	67.9	5,500	(9.8)	3,000	(22.4)	63.89
FY2023	310,000	8.5	13,000	48.4	12,000	21.0	7,000	52.5	149.08

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

※ 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)

①Number of shares outstanding at the end of period (including treasury shares)	FY2023 Q1	48,593,736 shares	FY2022 Q4	48,593,736 shares
②Number of treasury shares at the end of period	FY2023 Q1	1,639,580 shares	FY2022 Q4	1,639,537 shares
③Average number of ordinary shares outstanding during the period	FY2023 Q1	46,954,188 shares	FY2022 Q1	46,928,166 shares

(Note) The shares held within the ESOP trust accounts (FY2023 Q1 : 89,800 shares, FY2022Q4: 89,800 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. (FY2023 Q1 : 89,800 shares, FY2022 Q1 : 100,000 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 the first quarter of the current consolidated cumulative period, the revenue increased due to the recovery of orders mainly in the AT (Automatic Automotive Drivetrain related business) segment, as well as passing on raw material price increase to the selling price, and the impact of foreign exchange conversion due to the depreciation of the yen. In terms of profits, Operating profit increased due to increase in sales, despite soaring raw material and energy costs.

The results for for the first quarter of the current consolidated cumulative period were, Revenue ¥73.4 billion (increased by 13.8% from the same period of the previous fiscal year), Operating profit ¥2.4 billion (increased by 133.5% from the same period of the previous fiscal year), Profit before tax ¥3.6 billion (increased by 38.8% from the same period of the previous fiscal year), Profit attributable to owners of the parent company was ¥2.6 billion (increased by 69.6% from the same period of the previous fiscal year).

<Segment Information>

The summary by type of reportable segment is as follows.

[MT (Manual Automotive Drivetrain related business)]

Revenue was ¥17.8 billion (increased by 5.7% from the same period of the previous fiscal year). Segment profit was ¥1.5 billion (decreased by 19.6% from the same period of the previous fiscal year), due to decrease in order and soaring raw material and energy costs despite the sales increase by the impact of foreign exchange conversion due to the depreciation of the yen.

[AT (Automatic Automotive Drivetrain related business)]

Revenue was ¥47.0 billion (increased by 16.0% from the same period of the previous fiscal year). This was due to the recovery of orders, as well as passing on raw material price increase to the selling price, and the impact of foreign exchange conversion due to the depreciation of the yen. The segment profit was ¥0.6 billion (¥0.9 billion operating loss in the same period of the previous fiscal year) due to increase in sales, despite soaring raw material and energy costs.

[TS (Industrial machine Drivetrain operations)]

Revenue was ¥3.9 billion (increased by 19.9% from the same period of the previous fiscal year). Segment profit was ¥0.6 billion (increased by 140.1% from the same period of the previous fiscal year), due to an increase in sales and cost reduction efforts.

[Others]

Revenue was ¥4.6 billion (increased by 21.1% from the same period of the previous fiscal year). Segment profit was ¥0.2 billion (increased by 129.7% from the same period of the previous fiscal year) due to an increased sales of motorcycle clutches in the ASEAN region and cost reduction efforts.

<Location Information>

The summary by location is as follows.

[Japan]

Revenue was ¥30.8 billion (increased by 7.7% from the same period of the previous fiscal year). Operating profit was ¥1.9 billion (increased by 249.6% from the same period of the previous fiscal year) due to increase in sales by passing on raw material price increase to the selling price.

[Americas]

Revenue was ¥13.7 billion (increased by 14.0% from the same period of the previous fiscal year). Although revenue increased by the impact of exchange conversion due to the depreciation of the yen, the operating loss was ¥0.3 billion (¥0.5 billion operating loss in the same period of the previous year) due to soaring raw material and energy costs.

[Asia and Oceania]

Revenue was ¥26.3 billion (increased by 20.9% from the same period of the previous fiscal year). This was due to the recovery of orders, as well as passing on raw material price increase to the selling price, and the impact of foreign exchange conversion due to the depreciation of the yen. Operating profit was ¥1.4 billion (increased by 130.9% from the same period of the previous fiscal year) due to increase in sales.

[Others]

Revenue was ¥2.6 billion (increased by 23.2% from the same period of the previous fiscal year). Operating profit was ¥29 million (decreased by 85.0% from the same period of the previous fiscal year) due to soaring raw material prices, despite an increase in sales.

(2) Explanation of Financial Position.

In terms of the assets at the end of this first quarter consolidated accounting period, the total assets were ¥338.7 billion (¥331.9 billion at the end of the previous consolidated fiscal year), it increased by ¥6.8 billion (2.1%) from the end of the previous fiscal year. The main contents are ¥3.0 billion increase in cash and cash equivalents, ¥1.0 billion increase in trade and other receivables, ¥1.7 billion increase in inventories, and ¥0.5 billion increase in investments in Equity Instruments.

Total liabilities were ¥93.2 billion (¥92.0 billion at the end of the previous consolidated fiscal year), it increased by ¥1.2 billion (1.3%) from the end of the previous fiscal year. The main contents are ¥0.6 billion increase in corporate bonds and borrowings, and ¥0.6 billion increase in trade and other payables.

Total equity was ¥245.5 billion (¥239.9 billion in the previous consolidated fiscal year), it increased by ¥5.6 billion (2.3%) from the end of the previous fiscal year. The main contents were ¥5.1 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 increase in retained earnings (¥2.6 billion increase due to the profit attributable to owners of the parent company, and ¥2.1 billion decrease due to the appropriation of surplus (dividend)).

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

There is no change in the consolidated financial forecast for the fiscal year ending March 31, 2024, which was announced on April 28, 2023.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Statement of Financial Position

	As of March 31, 2023	As of June 30, 2023
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	59,538	62,560
Trade and other receivables	53,929	54,880
Other financial assets	2,155	2,245
Inventories	44,198	45,930
Other current assets	3,634	3,261
Total current assets	163,454	168,876
Non-current assets		
Property, plant and equipment	154,632	154,956
Goodwill and intangible assets	2,939	2,835
Investments accounted for using equity method	272	584
Investments in Equity Instruments	1,810	2,305
Other financial assets	96	94
Deferred tax assets	6,366	6,723
Retirement benefit asset	1,206	1,210
Other non-current assets	1,100	1,101
Total non-current assets	168,421	169,809
Total assets	331,875	338,685

	As of March 31, 2023	As of June 30, 2023
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	8,228	8,894
Trade and other payables	37,789	38,434
Other financial liabilities	545	617
Income taxes payable	1,664	1,082
Employee benefits accruals	2,336	2,383
Provisions	2,186	2,165
Other current liabilities	3,379	3,592
Total current liabilities	56,127	57,168
Non-current liabilities		
Bonds and borrowings	25,423	25,327
Other financial liabilities	1,076	1,090
Retirement benefit liability	6,609	6,638
Deferred tax liabilities	697	704
Other non-current liabilities	2,042	2,284
Total non-current liabilities	35,848	36,043
Total liabilities	91,975	93,211
Equity		
Share capital	8,284	8,284
Capital surplus	7,541	7,543
Treasury shares	(3,709)	(3,709)
Other components of equity	10,639	15,763
Retained earnings	202,808	203,293
Total equity attributable to owners of parent	225,563	231,174
Non-controlling interests	14,338	14,300
Total equity	239,901	245,474
Total liabilities and equity	331,875	338,685

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

	FY2022 1st Quarter (April 1, 2022 through June 30, 2022)	FY2023 1st Quarter (April 1, 2023 through June 30, 2023)
	Millions of yen	Millions of yen
Revenue	64,447	73,367
Cost of sales	55,506	62,619
Gross profit	8,941	10,748
Selling, general and administrative expenses	8,127	8,398
Other income	316	266
Other expenses	96	203
Operating profit	1,034	2,414
Finance income	1,734	1,383
Finance costs	224	251
Share of profit of investments accounted for using equity method	25	19
Profit before tax	2,568	3,565
Income tax expense	793	688
Profit	1,775	2,877
Profit attributable to		
Owners of parent	1,532	2,598
Non-controlling interests	243	279
Profit	1,775	2,877
Earnings per share		
Basic and diluted earnings per share	32.65	55.34

(Quarterly Consolidated Statement of Comprehensive Income)

	FY2022 1st Quarter (April 1, 2022 through June 30, 2022)	FY2023 1st Quarter (April 1, 2023 through June 30, 2023)
	Millions of yen	Millions of yen
Profit	1,775	2,877
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	(47)	125
Total of items that will not be reclassified to profit or loss	(47)	125
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,477	5,631
Share of other comprehensive income of investments accounted for using equity method	4	6
Total of items that may be reclassified to profit or loss	7,481	5,637
Total other comprehensive income	7,434	5,762
Comprehensive income	9,209	8,639
Comprehensive income attributable to		
Owners of parent	8,131	7,722
Non-controlling interests	1,078	917
Comprehensive income	9,209	8,639

(3) Quarterly Consolidated Statement of Changes in Equity

Previous first quarter consolidated cumulative period

(April 1, 2022 through June 30, 2022)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Total
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 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		
	Millions of yen	Millions of yen	Millions of yen	Millions of 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

Current first quarter consolidated cumulative period
(April 1, 2023 through June 30, 2023)

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

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

(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 3 group, "Manual Transmission Parts", "Automatic Transmission Parts" and "Industrial machine Drivetrain Parts". The Company, in corporation with its consolidated subsidiaries, design business strategy and conduct business for these 3 product lines inside Japan and overseas. Accordingly, the reportable segments of the Company are composed of 3 segments, "MT (Manual Automotive Drivetrain related business)" which manufactures and sells Manual Transmission Parts, "AT (Automatic Automotive Drivetrain related business)" which manufactures and sells Automatic Transmission Parts and "TS (Industrial machine Drivetrain operations)" which manufactures and sells parts for construction machinery and industrial vehicles

The segment information for the first quarter of the previous fiscal year is disclosed based on the reporting segment classification for the first quarter of the current fiscal year.

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

Previous 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	TS	Total			
Revenue							
External Customers	16,797	40,541	3,272	60,609	3,838	-	64,447
Intersegments (Note 2)	81	174	15	270	1,291	(1,561)	-
Total	16,878	40,715	3,286	60,879	5,129	(1,561)	64,447
Segment Profit (Loss) (Note 3)	1,865	(874)	267	1,257	68	(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 reportable segments, and contain 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 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, 2023 to June 30, 2023)

(Million Yen)

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

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

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

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

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