

FY2024 2nd Quarter(Semi-annual) Consolidated Financial Results [IFRS] (April 1, 2024 through September 30, 2024)

(English translation extracted from the original Japanese document)

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 Scheduled date to file semi-annual securities report: November 13, 2024
 Scheduled Date to commence dividend payments: November 25, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Analysts and professional investors)

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

1. Consolidated Financial Results for the 2nd Quarter of FY2024 (April 1, 2024 to September 30, 2024)

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

	Revenue		Operating Profit		Profit before Tax		Profit		Profit Attributable to Owners of Parent		Total Comprehensive Income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY2024 Q2	153,799	1.7	11,337	76.3	9,785	21.2	6,735	14.1	6,304	17.4	5,820	(58.0)
FY2023 Q2	151,195	9.4	6,431	80.0	8,076	32.5	5,906	38.8	5,369	38.8	13,864	2.1

	Basic Earnings per Share		Diluted Earnings per Share	
	Yen		Yen	
FY2024 Q2	141.86		-	
FY2023 Q2	114.33		-	

(2) Consolidated Financial Position

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio for Equity Attributable to Owners of Parent
	Million Yen	Million Yen	Million Yen	%
FY2024 Q2	304,807	219,591	206,375	67.7
FY2023	321,935	233,539	218,548	67.9

2. Dividends

	Annual Dividends per Share				
	1st Quarter	2nd Quarter	3 rd Quarter	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2023	-	60.00	-	60.00	120.00
FY2024	-	100.00	-	-	-
FY2024 (Forecast)	-	-	-	100.00	200.00

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

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

(Percentage of change from previous year)

	Revenue		Operating Profit		Income before Income Taxes		Profit Attributable to Owners of Parent		Basic Earnings Per Share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
FY2024	300,000	(2.7)	16,000	-	15,000	-	10,000	-	239.27

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

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

The number of shares issued (excluding treasury shares) as of September 30, 2024 is used for the average number of shares during the period, which is the basis for calculating the above "basic earnings per share."

※ General Notes

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

(2) Changes in Accounting Policies, Accounting Estimations

① Changes in accounting policies required by IFRS : None

② Changes in accounting policies except ① : None

③ Changes in accounting estimates : None

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

(3) Number of Outstanding Shares (Ordinary shares)

① Number of shares outstanding at the end of period (including treasury shares)	FY2024 Q2	48,593,736 shares	FY2023 Q4	48,593,736 shares
② Number of treasury shares at the end of period	FY2024 Q2	6,800,027 shares	FY2023 Q4	1,627,767 shares
③ Average number of ordinary shares outstanding during the period	FY2024 Q2	44,440,493 shares	FY2023 Q2	46,958,426 shares

(Note) The shares held within the ESOP trust accounts (FY2024 Q2: 72,200 shares, FY2023 Q4: 81,200 shares) are included in the number of Treasury Shares at the end of period. Furthermore, the shares held within the ESOP trust accounts are included in Treasury Shares that are deducted in the calculation of the average number of shares for the period. (FY2024 Q2: 77,343 shares, FY2023 Q2: 87,014 shares)

※ Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

※ 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 Second quarter of the current consolidated cumulative period, the revenue increased due to passing on cost increase to the selling price, and the impact of foreign exchange conversion due to the depreciation of the yen. In terms of profits, despite of costs rising factors such as labor costs, operating profit increased due to increase in revenue and decrease of depreciation and amortization following the recognition of impairment losses on fixed assets in the previous fiscal year.

The results for the Second quarter of the current consolidated cumulative period were, Revenue ¥ 153.8 billion (increased by 1.7% from the same period of the previous fiscal year), Operating profit ¥ 11.3 billion (increased by 76.3% from the same period of the previous fiscal year), Profit before tax ¥ 9.8 billion (increased by 21.2% from the same period of the previous fiscal year), Profit attributable to owners of the parent company was ¥6.3 billion (increased by 17.4% 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 ¥35.9 billion (increased by 0.9% from the same period of the previous fiscal year). Segment profit was ¥5.0 billion (increased by 30.4% from the same period of the previous fiscal year) due to passing on the cost increase to selling prices.

[AT (Automatic Automotive Drivetrain related business)]

Revenue was ¥100.2 billion (increased by 1.9% from the same period of the previous fiscal year). This was due to the impact of passing on cost increase to the selling price and the impact of foreign exchange conversion due to the depreciation of the yen, despite decrease in orders. The segment profit was ¥6.1 billion (increased by 197.3% from the same period of the previous fiscal year) due to decrease of depreciation and amortization.

[TS (Industrial machine Drivetrain operations)]

Revenue was ¥7.1 billion (decreased by 5.1% from the same period of the previous fiscal year). Segment profit was ¥1.0 billion (decreased by 15.8% from the same period of the previous fiscal year), due to decrease in revenue.

[Others]

Revenue was ¥10.6 billion (increased by 8.4% from the same period of the previous fiscal year). Segment profit was ¥0.7 billion (increased by 49.1% from the same period of the previous fiscal year) due to an increased revenue of motorcycle clutches in India and cost reduction efforts.

<Location Information>

The summary by location is as follows.

[Japan]

Revenue was ¥61.2 billion (decreased by 1.7% from the same period of the previous fiscal year). Operating profit was ¥6.0 billion (increased by 45.5% from the same period of the previous fiscal year), due to decrease of depreciation and amortization.

[Americas]

Revenue was ¥30.8 billion (increased by 8.2% from the same period of the previous fiscal year). This was due to the impact of foreign exchange conversion due to the depreciation of the yen. In terms of profits, despite efforts to streamline operations, such as improving productivity, the operating loss was ¥0.7 billion (¥1.1 billion operating loss in the same period of the previous year).

[Asia and Oceania]

Revenue was ¥55.6 billion (increased by 1.0% from the same period of the previous fiscal year). This was due to passing on cost increase to the selling price, and the impact of foreign exchange conversion due to the depreciation of the yen. Operating profit was ¥5.8 billion (increased by 73.1% from the same period of the previous fiscal year) due to increase in revenue and decrease of depreciation and amortization.

[Others]

Revenue was ¥6.2 billion (increased by 14.2% from the same period of the previous fiscal year). Operating profit was ¥0.3 billion (increased by 42.8% from the same period of the previous fiscal year) due to increase in revenue.

(2) Explanation of Financial Position.

In terms of the assets at the end of this Second quarter consolidated accounting period, the total assets were ¥304.8 billion (¥321.9 billion at the end of the previous consolidated fiscal year), it decreased by ¥17.1 billion (5.3%) from the end of the previous fiscal year. The main contents are ¥17.8 billion decrease in Cash and cash equivalents due to purchase of treasury shares, ¥4.2 billion decrease in Tangible fixed assets, ¥1.4 billion increase in Investments accounted for using equity method, ¥1.3 billion increase in Inventories and ¥1.4 billion increase in Other financial assets.

Total liabilities were ¥ 85.2 billion (¥88.4 billion at the end of the previous consolidated fiscal year), it decreased by ¥3.2 billion (3.6%) from the end of the previous fiscal year. The main contents are ¥2.4 billion decrease in corporate Bonds and borrowings and ¥0.4 billion decrease in Income taxes payable.

Total equity was ¥ 219.6 billion (¥233.5 billion in the previous consolidated fiscal year), it decreased by ¥13.9 billion (6.0%) from the end of the previous fiscal year. The main contents are ¥15.0 billion decrease by purchase of treasury shares, ¥0.8 billion increase in Capital surplus, ¥1.5 billion decrease in Other components of equity, ¥3.5 billion increase in Retained earnings (¥6.3 billion increase due to the Profit attributable to owners of the parent company, and ¥2.8 billion decrease due to the Appropriation of surplus (dividend)), and ¥1.8 billion decrease by Non-controlling interests.

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

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

2. Quarterly Consolidated Financial Statements and Principal Notes
 (1) Quarterly Consolidated Statement of Financial Position

	As of March 31, 2024	As of September 30, 2024
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	74,043	56,195
Trade and other receivables	53,513	54,010
Other financial assets	2,105	3,256
Inventories	44,278	45,530
Other current assets	2,949	3,202
Total current assets	<u>176,889</u>	<u>162,194</u>
Non-current assets		
Property, plant and equipment	117,824	113,589
Goodwill and intangible assets	2,412	2,542
Investments accounted for using equity method	1,043	2,455
Investments in Equity Instruments	4,767	5,014
Other financial assets	80	360
Deferred tax assets	16,592	16,508
Retirement benefit asset	1,418	1,429
Other non-current assets	909	716
Total non-current assets	<u>145,047</u>	<u>142,613</u>
Total assets	<u><u>321,935</u></u>	<u><u>304,807</u></u>

	As of March 31, 2024	As of September 30, 2024
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	6,348	5,517
Trade and other payables	37,149	36,896
Other financial liabilities	664	643
Income taxes payable	2,739	2,372
Employee benefits accruals	2,591	2,609
Provisions	2,061	2,025
Other current liabilities	3,121	2,847
Total current liabilities	54,674	52,910
Non-current liabilities		
Bonds and borrowings	23,630	22,108
Other financial liabilities	943	906
Retirement benefit liability	6,566	6,739
Deferred tax liabilities	30	21
Other non-current liabilities	2,552	2,532
Total non-current liabilities	33,723	32,306
Total liabilities	88,396	85,216
Equity		
Share capital	8,284	8,284
Capital surplus	7,543	8,374
Treasury shares	(3,682)	(18,660)
Other components of equity	18,274	16,762
Retained earnings	188,129	191,615
Total equity attributable to owners of parent	218,548	206,375
Non-controlling interests	14,991	13,216
Total equity	233,539	219,591
Total liabilities and equity	321,935	304,807

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

	FY2023 2nd Quarter (April 1, 2023 through September 30, 2023)	FY2024 2nd Quarter (April 1, 2024 through September 30, 2024)
	Millions of yen	Millions of yen
Revenue	151,195	153,799
Cost of sales	127,427	125,103
Gross profit	23,767	28,696
Selling, general and administrative expenses	17,430	17,689
Other income	505	717
Other expenses	411	388
Operating profit	6,431	11,337
Finance income	2,127	290
Finance costs	514	1,866
Share of profit of investments accounted for using equity method	32	24
Profit before tax	8,076	9,785
Income tax expense	2,170	3,050
Profit	5,906	6,735
Profit attributable to		
Owners of parent	5,369	6,304
Non-controlling interests	537	431
Profit	5,906	6,735
Earnings per share		
Basic and diluted earnings per share	114.33	141.86

(Quarterly Consolidated Statement of Comprehensive Income)

	FY2023 2nd Quarter (April 1, 2023 through September 30, 2023)	FY2024 2nd Quarter (April 1, 2024 through September 30, 2024)
	Millions of yen	Millions of yen
Profit	5,906	6,735
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	216	(219)
Total of items that will not be reclassified to profit or loss	216	(219)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	7,735	(691)
Share of other comprehensive income of investments accounted for using equity method	7	(6)
Total of items that may be reclassified to profit or loss	7,742	(697)
Total other comprehensive income	7,958	(915)
Comprehensive income	13,864	5,820
Comprehensive income attributable to		
Owners of parent	12,499	4,792
Non-controlling interests	1,365	1,029
Comprehensive income	13,864	5,820

(3) Quarterly Consolidated Statement of Changes in Equity

Previous Second quarter consolidated cumulative period

(April 1, 2023 through September 30, 2023)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		Total
				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	
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	-	-	-	6,914	216	7,130
Comprehensive income	-	-	-	6,914	216	7,130
Purchase of treasury shares	-	-	(0)	-	-	-
Disposal of treasury shares	-	1	23	-	-	-
Dividends of surplus	-	-	-	-	-	-
Share-based remuneration transactions	-	(4)	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total transactions with owners	-	(3)	22	-	-	-
Total changes in equity	-	(3)	22	6,914	216	7,130
Balance as of September 30, 2023	8,284	7,538	(3,687)	18,368	(599)	17,769

	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	5,369	5,369	537	5,906
Other comprehensive income	-	7,130	828	7,958
Comprehensive income	5,369	12,499	1,365	13,864
Purchase of treasury shares	-	(0)	-	(0)
Disposal of treasury shares	-	24	-	24
Dividends of surplus	(2,113)	(2,113)	(1,142)	(3,255)
Share-based remuneration transactions	-	(4)	-	(4)
Transfer to retained earnings	-	-	-	-
Total transactions with owners	(2,113)	(2,093)	(1,142)	(3,236)
Total changes in equity	3,256	10,406	222	10,628
Balance as of September 30, 2023	206,064	235,968	14,560	250,528

Current Second quarter consolidated cumulative period
(April 1, 2024 through September 30, 2024)

	Equity attributable to owners of parent					
	Share capital	Capital surplus	Treasury shares	Other components of equity		
				Exchange differences on translation of foreign operations	Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Total
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2024	8,284	7,543	(3,682)	19,365	(1,091)	18,274
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	(1,294)	(219)	(1,512)
Comprehensive income	-	-	-	(1,294)	(219)	(1,512)
Purchase of treasury shares	-	(132)	(15,000)	-	-	-
Disposal of treasury shares	-	5	22	-	-	-
Dividends of surplus	-	-	-	-	-	-
Changes in ownership interest in subsidiaries	-	958	-	-	-	-
Obtaining of control of subsidiaries	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total transactions with owners	-	832	(14,978)	-	-	-
Total changes in equity	-	832	(14,978)	(1,294)	(219)	(1,512)
Balance as of September 30, 2024	8,284	8,374	(18,660)	18,071	(1,310)	16,762

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Balance as of April 1, 2024	188,129	218,548	14,991	233,539
Profit for the period	6,304	6,304	431	6,735
Other comprehensive income	-	(1,512)	597	(915)
Comprehensive income	6,304	4,792	1,029	5,820
Purchase of treasury shares	-	(15,132)	-	(15,132)
Disposal of treasury shares	-	27	-	27
Dividends of surplus	(2,818)	(2,818)	(1,769)	(4,587)
Changes in ownership interest in subsidiaries	-	958	(958)	-
Obtaining of control of subsidiaries	-	-	(76)	(76)
Transfer to retained earnings	-	-	-	-
Total transactions with owners	(2,818)	(16,964)	(2,803)	(19,768)
Total changes in equity	3,486	(12,173)	(1,775)	(13,947)
Balance as of September 30, 2024	191,615	206,375	13,216	219,591

(4) Quarterly Consolidated Statement of Cash Flows

	FY2023 2nd Quarter (April 1, 2023 through September 30, 2023)	FY2024 2nd Quarter (April 1, 2024 through September 30, 2024)
	Millions of yen	Millions of yen
Cash flows from operating activities		
Profit before tax	8,076	9,785
Depreciation and amortization	9,590	7,178
Interest and dividend income	(184)	(287)
Interest expenses	355	319
Share of loss (profit) of investments accounted for using equity method	(32)	(24)
Foreign exchange loss (gain)	(0)	41
Decrease (increase) in inventories	2,126	(2,029)
Decrease (increase) in trade and other receivables	(421)	(1,209)
Increase (decrease) in trade and other payables	(609)	725
Other	600	129
Subtotal	19,500	14,627
Interest and dividends received	263	338
Interest paid	(400)	(295)
Income taxes paid	(2,396)	(3,439)
Net cash provided by (used in) operating activities	16,967	11,231
Cash flows from investing activities		
Payments into time deposits	(1,143)	(2,472)
Proceeds from withdrawal of time deposits	1,472	1,250
Purchase of property, plant and equipment	(4,735)	(3,341)
Proceeds from sale of property, plant and equipment	30	28
Purchase of intangible assets	(186)	(234)
Purchase of investment securities	(677)	(800)
Purchase of investments accounted for using equity method	(285)	(1,378)
Other	25	(190)
Net cash provided by (used in) investing activities	(5,499)	(7,138)
Cash flows from financing activities		
Proceeds from short-term borrowings	4,472	1,312
Repayments of short-term borrowings	(5,001)	(2,549)
Proceeds from long-term borrowings	484	100
Repayments of long-term borrowings	(2,034)	(1,181)
Purchase of treasury shares	(0)	(15,190)
Dividends paid	(2,114)	(2,828)
Other	(1,401)	(2,093)
Net cash provided by (used in) financing activities	(5,595)	(22,429)
Effect of exchange rate changes on cash and cash equivalents	1,426	483
Net increase (decrease) in cash and cash equivalents	7,298	(17,848)
Cash and cash equivalents at beginning of period	59,538	74,043
Cash and cash equivalents	66,836	56,195

(5) Notes on Quarterly Consolidated Financial Statements

(Notes for Going Concern)

Not applicable

(Change in Accounting Policy)

Not applicable

(Change in Accounting Estimate)

Not applicable

(Segment Information)

(1) Overview of Reportable Segments

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

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

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

Previous Second quarter consolidated cumulative period (April 1, 2023 to September 30, 2023)

(Million Yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	TS	Total			
Revenue							
External Customers	35,576	98,347	7,505	141,428	9,766	-	151,195
Intersegments (Note 2)	144	276	31	451	2,589	(3,040)	-
Total	35,719	98,624	7,537	141,879	12,355	(3,040)	151,195
Segment Profit (Note 3)	3,824	2,043	1,146	7,014	452	(1,035)	6,431
Finance Income							2,127
Finance Costs							514
Share of profit of investments accounted for using equity method							32
Profit before Tax							8,076

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

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

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

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

Current Second quarter consolidated cumulative period (April 1, 2024 to September 30, 2024)

(Million Yen)

	Reportable Segment				Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	TS	Total			
Revenue							
External Customers	35,903	100,184	7,124	143,211	10,588	-	153,799
Intersegments (Note 2)	143	279	29	451	2,712	(3,163)	-
Total	36,045	100,463	7,153	143,662	13,300	(3,163)	153,799
Segment Profit (Note 3)	4,985	6,075	965	12,026	674	(1,364)	11,337
Finance Income							290
Finance Costs							1,866
Share of profit of investments accounted for using equity method							24
Profit before Tax							9,785

(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.