

Jan 30, 2023
Tokyo Stock Exchange**FY2022 3rd Quarter Consolidated Financial Results [IFRS]**
(April 1, 2022 through December 31, 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: February 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 3rd Quarter of FY2022 (April 1, 2022 to December 31, 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 Q3	213,335	12.8	8,684	(31.3)	10,205	(22.8)	7,331	(22.4)	6,884	(19.1)	10,087	(18.6)
FY2021 Q3	189,067	17.2	12,642	60.3	13,215	83.7	9,448	103.7	8,511	109.6	12,394	119.8

	Basic Earnings per Share		Diluted Earnings per Share	
	Yen		Yen	
FY2022 Q3	146.64		-	
FY2021 Q3	181.41		-	

(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 Q3	328,437		240,338		226,486		69.0	
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
FY2021	-	40.00	-	50.00	90.00
FY2022	-	45.00	-	-	-
FY2022 (Forecast)	-	-	-	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
FY2022	300,000	14.9	9,000	(50.9)	11,000	(43.5)	7,500	(39.9)	159.74

(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)

① Number of shares outstanding at the end of period (including treasury shares)	FY2022 Q3	48,593,736 shares	FY2021	48,593,736 shares
② Number of treasury shares at the end of period	FY2022 Q3	1,639,537 shares	FY2021	1,665,564 shares
③ Average number of ordinary shares outstanding during the period (quarterly total)	FY2022 Q3	46,942,795 shares	FY2021 Q3	46,918,228 shares

(Note) The shares held within the ESOP trust accounts (FY2022 Q3: 89,800 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 Q3: 94,880 shares, FY2021 Q3: 15,690 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 third quarter of the current consolidated cumulative period, the revenue increased by the impact of foreign exchange conversion due to the depreciation of the yen, although orders decreased due to the lockdown in China and production cuts by customers because of the semiconductor shortages. 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 third quarter of the current consolidated cumulative period were, Revenue ¥213.3 billion (increased by 12.8% from the same period of the previous fiscal year), Operating profit ¥8.7 billion (decreased by 31.3% from the same period of the previous fiscal year), Profit before tax ¥10.2 billion (decreased by 22.8% from the same period of the previous fiscal year), Profit attributable to owners of the parent company was ¥6.9 billion (decreased by 19.1% 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 ¥53.2 billion (increased by 13.5% from the same period of the previous fiscal year). Segment profit was ¥6.3 billion (increased by 12.3% from the same period of the previous fiscal year), despite soaring raw material prices which was proceeded with passing on to the selling price.

[AT (Automatic Automotive Drivetrain related business)]

Revenue was ¥135.8 billion (increased by 11.5% from the same period of the previous fiscal year). Although sales increased by the impact of foreign exchange conversion because of the depreciation of the yen, the segment profit was ¥1.0 billion (decreased by 81.1% from the same period of the previous fiscal 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 ¥24.3 billion (increased by 19.5% from the same period of the previous fiscal year). Segment profit was ¥1.8 billion (increased by 12.2% from the same period of the previous fiscal year) due to an increase in sales.

<Location Information>

The summary by location is as follows.

[Japan]

Revenue was ¥91.8 billion (increased by 4.7% from the same period of the previous fiscal year). Operating profit was ¥4.8 billion (decreased by 37.2% 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 ¥37.1 billion (increased by 22.4% 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 ¥0.9 billion (¥0.6 billion operating loss in the same period of the previous year) due to soaring raw material prices.

[Asia and Oceania]

Revenue was ¥78.1 billion (increased by 19.2% from the same period of the previous fiscal year). Operating profit was ¥5.3 billion (decreased by 13.2% from the same period of the previous fiscal year) due to the lockdown in China and the impact of production cuts 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 ¥6.4 billion (increased by 13.5% from the same period of the previous fiscal year). Operating profit was ¥0.3 billion (decreased by 37.9% from the same period of the previous fiscal year) due to soaring raw material prices and other factors, despite an increase in sales by the impact of foreign exchange conversion because of the depreciation of the yen.

(2) Explanation of Financial Position

In terms of the assets at the end of this third quarter consolidated accounting period, the total assets were ¥328.4 billion (¥332.8 billion at the end of the previous consolidated fiscal year), it decreased by ¥4.3 billion (1.3%) from the end of the previous fiscal year. The main contents are ¥5.3 billion decrease in tangible fixed assets, ¥5.0 billion decrease in cash and cash equivalents, ¥2.8 billion decrease in trade and other receivables, ¥3.4 billion increase in other financial assets, and ¥4.4 billion increase in inventories.

Total liabilities were ¥88.1 billion (¥96.8 billion at the end of the previous consolidated fiscal year), it decreased by ¥8.7 billion (9.0%) from the end of the previous fiscal year. The main contents are ¥4.4 billion decrease in corporate bonds and borrowings due to the repayment of borrowings, ¥3.4 billion decrease in income taxes payable, and ¥1.0 billion decrease in trade and other payables.

Total equity was ¥240.3 billion (¥236.0 billion in the previous consolidated fiscal year), it increased by ¥4.3 billion (1.8%) from the end of the previous fiscal year. The main contents were ¥1.9 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 ¥2.8 billion increase in retained earnings (¥6.9 billion increase due to the quarterly profit attributable to owners of the parent company, ¥4.5 billion decrease due to the appropriation of surplus (dividend), and ¥0.3 billion transfer of other components of equity to retained earnings due to sale of investment securities).

(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, 2023, which was announced on October 31, 2022.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Statement of Financial Position

	As of March 31, 2022	As of December 31, 2022
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	55,407	50,388
Trade and other receivables	53,824	51,012
Other financial assets	1,974	5,268
Inventories	41,726	46,172
Other current assets	2,262	3,641
Total current assets	155,192	156,481
Non-current assets		
Property, plant and equipment	162,964	157,670
Goodwill and intangible assets	2,802	2,554
Investments accounted for using equity method	195	248
Investments in Equity Instruments	3,305	2,740
Other financial assets	45	102
Deferred tax assets	6,022	6,285
Retirement benefit asset	1,233	1,241
Other non-current assets	1,027	1,116
Total non-current assets	177,593	171,955
Total assets	332,785	328,437

	As of March 31, 2022	As of December 31, 2022
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	10,381	8,201
Trade and other payables	36,093	35,044
Other financial liabilities	594	567
Income taxes payable	4,005	590
Employee benefits accruals	1,954	2,003
Provisions	2,240	2,264
Other current liabilities	3,636	3,579
Total current liabilities	58,903	52,247
Non-current liabilities		
Bonds and borrowings	27,533	25,277
Other financial liabilities	879	1,051
Retirement benefit liability	6,724	6,802
Deferred tax liabilities	1,245	984
Other non-current liabilities	1,479	1,738
Total non-current liabilities	37,859	35,852
Total liabilities	96,762	88,099
Equity		
Share capital	8,284	8,284
Capital surplus	7,555	7,534
Treasury shares	(3,768)	(3,709)
Other components of equity	7,524	9,463
Retained earnings	202,160	204,915
Total equity attributable to owners of parent	221,756	226,486
Non-controlling interests	14,267	13,852
Total equity	236,023	240,338
Total liabilities and equity	332,785	328,437

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

	FY2021 3rd Quarter (April 1, 2021 through December 31, 2021)	FY2022 3rd Quarter (April 1, 2022 through December 31, 2022)
	Millions of yen	Millions of yen
Revenue	189,067	213,335
Cost of sales	155,019	181,131
Gross profit	34,048	32,205
Selling, general and administrative expenses	22,575	24,662
Other income	1,542	2,065
Other expenses	373	923
Operating profit	12,642	8,684
Finance income	1,273	2,188
Finance costs	720	725
Share of profit of investments accounted for using equity method	19	58
Profit before tax	13,215	10,205
Income tax expense	3,767	2,874
Profit	9,448	7,331
Profit attributable to		
Owners of parent	8,511	6,884
Non-controlling interests	937	447
Profit	9,448	7,331
Earnings per share		
Basic and diluted earnings per share	181.41	146.64

(Quarterly Consolidated Statement of Comprehensive Income)

	FY2021 3rd Quarter (April 1, 2021 through December 31, 2021)	FY2022 3rd Quarter (April 1, 2022 through December 31, 2022)
	<u>Millions of yen</u>	<u>Millions of yen</u>
Profit	9,448	7,331
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	11	(87)
Total of items that will not be reclassified to profit or loss	<u>11</u>	<u>(87)</u>
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	2,933	2,843
Share of other comprehensive income of investments accounted for using equity method	2	0
Total of items that may be reclassified to profit or loss	<u>2,935</u>	<u>2,844</u>
Total other comprehensive income	<u>2,946</u>	<u>2,756</u>
Comprehensive income	<u>12,394</u>	<u>10,087</u>
Comprehensive income attributable to		
Owners of parent	11,431	9,152
Non-controlling interests	962	935
Comprehensive income	<u>12,394</u>	<u>10,087</u>

(3) Quarterly Consolidated Statement of Changes in Equity

Previous third quarter consolidated cumulative period

(April 1, 2021 through December 31, 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	
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balance as of April 1, 2021	8,284	7,571	(3,822)	(1,271)	287	(984)
Profit for the period	-	-	-	-	-	-
Other comprehensive income	-	-	-	2,909	11	2,920
Comprehensive income	-	-	-	2,909	11	2,920
Purchase of treasury shares	-	-	(1)	-	-	-
Disposal of treasury shares	-	(16)	56	-	-	-
Dividends of surplus	-	-	-	-	-	-
Share-based remuneration transactions	-	(7)	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-
Total transactions with owners	-	(23)	55	-	-	-
Total changes in equity	-	(23)	55	2,909	11	2,920
Balance as of Dec 31, 2021	8,284	7,548	(3,767)	1,638	298	1,936

	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, 2021	192,878	203,927	12,803	216,730
Profit for the period	8,511	8,511	937	9,448
Other comprehensive income	-	2,920	26	2,946
Comprehensive income	8,511	11,431	962	12,394
Purchase of treasury shares	-	(1)	-	(1)
Disposal of treasury shares	-	40	-	40
Dividends of surplus	(3,284)	(3,284)	(816)	(4,100)
Share-based remuneration transactions	-	(7)	-	(7)
Transfer to retained earnings	-	-	-	-
Total transactions with owners	(3,284)	(3,252)	(816)	(4,067)
Total changes in equity	5,227	8,180	147	8,326
Balance as of Dec 31, 2021	198,106	212,107	12,950	225,057

Current third quarter consolidated cumulative period
(April 1, 2022 through December 31, 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	
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	-	-	-	2,355	(87)	2,268
Comprehensive income	-	-	-	2,355	(87)	2,268
Purchase of treasury shares	-	-	(0)	-	-	-
Disposal of treasury shares	-	(15)	59	-	-	-
Dividends of surplus	-	-	-	-	-	-
Share-based remuneration transactions	-	(7)	-	-	-	-
Transfer to retained earnings	-	-	-	-	(329)	(329)
Total transactions with owners	-	(22)	59	-	(329)	(329)
Total changes in equity	-	(22)	59	2,355	(417)	1,939
Balance as of Dec 31, 2022	8,284	7,534	(3,709)	9,629	(167)	9,463

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Millions of yen	Millions of yen		
Balance as of April 1, 2022	202,160	221,756	14,267	236,023
Profit for the period	6,884	6,884	447	7,331
Other comprehensive income	-	2,268	488	2,756
Comprehensive income	6,884	9,152	935	10,087
Purchase of treasury shares	-	(0)	-	(0)
Disposal of treasury shares	-	44	-	44
Dividends of surplus	(4,459)	(4,459)	(1,350)	(5,809)
Share-based remuneration transactions	-	(7)	-	(7)
Transfer to retained earnings	329	-	-	-
Total transactions with owners	(4,130)	(4,422)	(1,350)	(5,772)
Total changes in equity	2,754	4,730	(415)	4,315
Balance as of Dec 31, 2022	204,915	226,486	13,852	240,338

(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 third quarter consolidated cumulative period (April 1, 2021 to December 31, 2021)

(Million Yen)

	Reportable Segment			Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	Total			
Revenue						
External Customers	46,866	121,838	168,705	20,362	-	189,067
Intersegments (Note 2)	234	1,837	2,070	5,112	(7,182)	-
Total	47,100	123,675	170,775	25,474	(7,182)	189,067
Segment Profit (Note 3)	5,634	5,436	11,071	1,565	7	12,642
Finance Income						1,273
Finance Costs						720
Share of profit of investments accounted for using equity method						19
Profit before Tax						13,215

- (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 third quarter consolidated cumulative period (April 1, 2022 to December 31, 2022)

(Million Yen)

	Reportable Segment			Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	Total			
Revenue						
External Customers	53,204	135,799	189,003	24,332	-	213,335
Intersegments (Note 2)	230	445	675	4,135	(4,810)	-
Total	53,435	136,243	189,678	28,467	(4,810)	213,335
Segment Profit (Note 3)	6,329	1,028	7,356	1,756	(428)	8,684
Finance Income						2,188
Finance Costs						725
Share of profit of investments accounted for using equity method						58
Profit before Tax						10,205

- (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.