

The Exedy logo is mounted on the upper part of a modern, multi-story building facade. The building features a grid of vertical concrete columns and dark window panels. The sky is a clear, bright blue.

**EXEDY**

# ***ANNUAL REPORT 2020***

*Year Ended March 31, 2020*

The Exedy logo is displayed in a large, stylized font with a white outline and a red and blue swoosh. Below it, the tagline "Excellent & Dynamic" is written in a smaller, blue, sans-serif font with a white outline.

**EXEDY**  
**Excellent & Dynamic**

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## Business Operations

### Review of Fiscal Year 2019

In the first half of the current consolidated fiscal year, the Chinese market slowed down, and in the second half of the year, business activities stagnated due to the global epidemic of COVID-19, so orders in each market decreased and revenue declined. In terms of profits, we tried to reduce costs, however, profit declined as a result of decline in revenue, and also, we recognized impairment loss on production facilities of subsidiaries in US and India, because of sluggish orders for products in the US and India markets are not expected to recover in the short term. Performance of current consolidated fiscal year are, Revenue: ¥ 263.9 billion (6.6% decreased from previous year), Operating profit: ¥ 16.8 billion (14.6% decreased from previous year), Income before income taxes: ¥ 15.0 billion (21.4% decreased from previous year), profit attributable to owners of parent ¥ 9.5 billion (26.8% decreased from previous year).

### Outlook of Fiscal Year 2020

Due to the spread of the COVID-19, restrictions on going out and moving around the world have kept business activities stagnant. There are no signs of the COVID-19 convergence, it is difficult to make a reasonable forecast of FY2020 at this point. We will promptly disclose the forecast when it becomes possible to do so.

July, 2020

Hidehito Hisakawa



President & Chief Executive Officer



Hidehito Hisakawa (President and Chief Executive Officer)

# The leading company for drivetrain components

EXEDY is a general drivetrain systems manufacturer with a main focus on automotive clutches and torque converters, which we manage from development to production. With our core technologies specializing in friction, vibration and fluid, EXEDY's products have been greatly recognized by car manufacturers around the world and widely adopted as a genuine brand. EXEDY Group continues to hold a large share in both domestic and international markets, with 43 companies in 25 countries.



## Core Technologies

### FRICITION

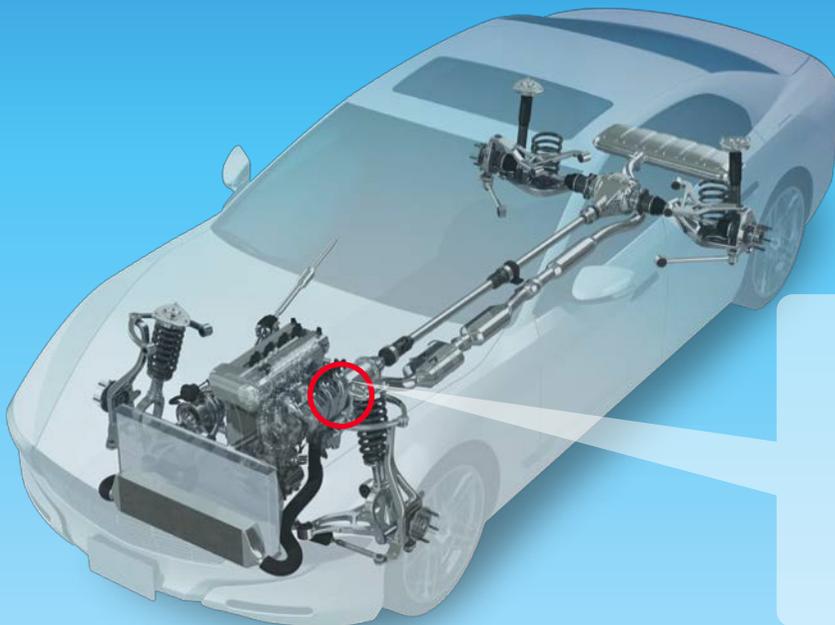
We develop friction materials that display top tier performance.

### VIBRATION

Vibrations from the engine are absorbed using the technology found within our high performance dampers.

### FLUID

We are able to offer high performance products to our customers by analyzing how fluid flows within torque converters.

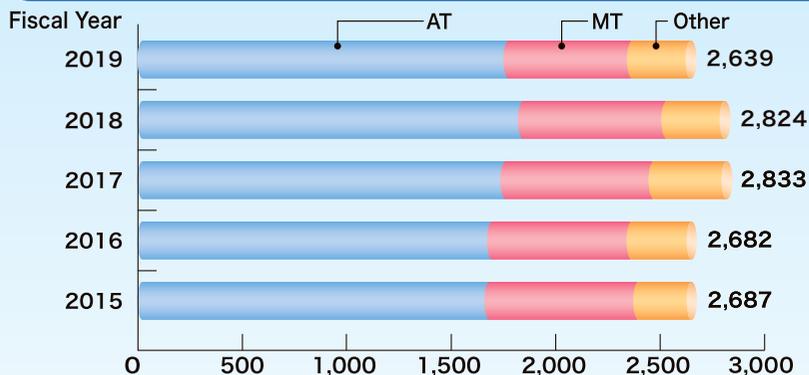


Torque Converter



Manual Clutch

## Consolidated Sales (Unit : ¥100 million)





# Global Market Leader

43 Companies in 25 Countries

## Global Network

● Production & Sales ● Sales

## AT products

EXEDY manufactures torque converters and clutch packs, providing today's drivers with a smooth and comfortable ride. Our Super Squashed Torque Converter, which is very efficient and grounded in hydrodynamics, has been making great advances in the American and Chinese automotive markets.



Low Speed Lock-up Torque Converter



Damper for Plug-in Hybrid Vehicles



Clutch Pack



Paper Disc



Clutch for Passenger Vehicles



Clutch for Large-sized Commercial-Vehicles



Sports Clutch

## MT products

EXEDY Group members manufacture clutch covers and clutch disc assemblies around the world. EXEDY also develops dampers with very efficient noise and vibration control, as well as high performance motor sports clutches.

## TS products

EXEDY supplies uncompromising, high-quality products with virtually made-to-order, multi-item, small-sized production. EXEDY's power shift transmission for construction and industrial vehicles powerfully supports Japan's key industries.



Power Shift Transmission



Retarder



DSP Wet Type Multi-plate Clutch



Wet Type Multi-plate Clutch with Coil Springs



Dry Type Centrifugal Clutch with Pulley



Wet Type Centrifugal Clutch



One-way Clutch

## Motorcycle products

EXEDY manufactures motorcycle clutches in the expanding markets of Southeast Asia. Utilizing our expertise accumulated in automotive clutches, EXEDY Group companies in the region produce and supply Wet Type Multi-plate Clutches and One-way Clutches for motorcycles.

## Awards

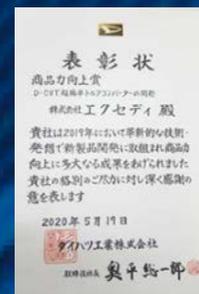
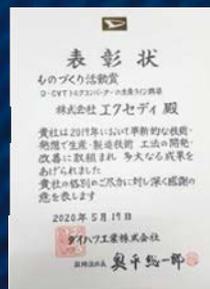
### EXEDY Received the Daihatsu Grand Award

On May 19, 2020, we received the Product Appeal Improvement Award and Monozukuri Activities Award from Daihatsu Motor Co., Ltd. They awarded our company with the two awards for being the most successful and active partner in development and production. On June 17, 2020, EXEDY received the award shield from Daihatsu Motor Co., Ltd.

Among the 608 member-companies, only one company received this award of the highest rank. Daihatsu Motor Co., Ltd. greatly appreciated our product development, production, manufacturing engineering and development and improvement of production methods of the new generation torque converter.



H. Hisakawa (President & CEO, EXEDY Corporation) (right) receives the award shield from K. Hashimoto (Chief of Purchasing Headquarters, Daihatsu Motor Co., Ltd.) (left)



Product Appeal Improvement Award (left) and Monozukuri Activities Award (right)

## Research & Development

### Development of Products for Electrified Vehicles

In anticipation of the automotive industry's shift towards electric powertrains, over the past years our company has been investing in the development of electrified products for automobiles, as well as in other fields, not directly related to the automotive industry. An example of these products is the Direct Drive iSG, an integrated Starter Generator placed around the torque converter or clutch that directly drives the engine without using a belt. We are also currently developing a drive motor for industrial drones, a wind power generator and the highly versatile Universal e-Drive Unit that can be used in a variety of mobility applications.



## Sports Support

### Iga FC Kunochi Mie Finished 4th in the Women's Football League Division 1

Since 2012, our company has been the main sponsor of the Iga FC Kunoichi Women's Football Team, active in the Japanese professional women's football league. We employ most of the players and provide an environment where the players can combine work with their football careers. This is how we help contribute to the development of women's football. Last season Iga FC Kunoichi Mie finished 4th in the Plenus Nadeshiko League's top division.



# 1. Consolidated Financial Statements

## (1) Consolidated Statement of Financial Position

	FY2018 (March 31, 2019)	FY2019 (March 31, 2020)
	Millions of yen	Millions of yen
Assets		
Current assets		
Cash and cash equivalents	45,413	45,416
Trade and other receivables	49,246	43,025
Other financial assets	1,465	1,846
Inventories	33,611	33,499
Other current assets	2,817	2,344
Total current assets	132,552	126,130
Non-current assets		
Property, plant and equipment	167,572	164,771
Goodwill and intangible assets	3,640	3,197
Investments accounted for using equity method	153	151
Investments in Equity Instruments	2,944	1,508
Other financial assets	138	126
Deferred tax assets	2,688	3,067
Retirement benefit asset	1,063	991
Other non-current assets	1,225	1,077
Total non-current assets	179,422	174,889
Total assets	311,975	301,019

	FY2018 (March 31, 2019)	FY2019 (March 31, 2020)
	Millions of yen	Millions of yen
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	7,745	7,538
Trade and other payables	37,722	31,936
Other financial liabilities	124	482
Income taxes payable	1,965	1,625
Employee benefits accruals	1,448	1,588
Provisions	2,840	2,314
Other current liabilities	1,632	1,948
Total current liabilities	53,476	47,430
Non-current liabilities		
Bonds and borrowings	38,124	36,509
Other financial liabilities	182	736
Retirement benefit liability	6,081	6,376
Deferred tax liabilities	1,368	159
Other non-current liabilities	718	1,101
Total non-current liabilities	46,473	44,881
Total liabilities	99,949	92,311
Equity		
Share capital	8,284	8,284
Capital surplus	7,590	7,582
Treasury shares	△1,144	△3,859
Other components of equity	△783	△6,389
Retained earnings	186,206	191,319
Total equity attributable to owners of parent	200,153	196,938
Non-controlling interests	11,873	11,771
Total equity	212,026	208,709
Total liabilities and equity	311,975	301,019

## (2) Consolidated Statement of Income/Consolidated Statement of Comprehensive Income

### (Consolidated Statement of Income)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
	Millions of yen	Millions of yen
Revenue	282,398	263,899
Cost of sales	229,799	214,115
Gross profit	52,598	49,785
Selling, general and administrative expenses	31,395	30,432
Other income	1,602	1,144
Other expenses	3,179	3,745
Operating profit	19,626	16,751
Finance income	407	355
Finance costs	1,020	2,163
Share of profit of investments accounted for using equity method	26	20
Income before Income Taxes	19,039	14,964
Income tax expense	5,704	4,143
Profit	13,334	10,822
Profit attributable to		
Owners of parent	12,967	9,492
Non-controlling interests	367	1,329
Profit	13,334	10,822
Earnings per share		
Basic and diluted earnings (loss) per share	269.52	198.34

## (Consolidated Statement of Comprehensive Income)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
	Millions of yen	Millions of yen
Profit	13,334	10,822
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	△459	△1,154
Remeasurements of defined benefit plans	△6	△32
Total of items that will not be reclassified to profit or loss	△465	△1,185
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	819	△5,043
Share of other comprehensive income of investments accounted for using equity method	△0	2
Total of items that may be reclassified to profit or loss	819	△5,042
Total other comprehensive income	354	△6,227
Comprehensive income	13,688	4,595
Comprehensive income attributable to		
Owners of parent	13,113	3,854
Non-controlling interests	575	741
Comprehensive income	13,688	4,595

### (3) Consolidated Statement of Changes in Equity

Previous fiscal year  
(April 1, 2018 to March 31, 2019)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Exchange differences on translation of foreign operations	Other components of equity		Total
					Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Re-measurements of defined benefit plans	
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balances as of April 1, 2018	8,284	7,656	△1,367	△2,256	1,330	-	△926
Profit	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	610	△459	△6	146
Total	-	-	-	610	△459	△6	146
Purchase of treasury shares	-	-	△1	-	-	-	-
Disposal of treasury shares	-	-	224	-	-	-	-
Dividends of surplus	-	-	-	-	-	-	-
Share-based payment transactions	-	△66	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	△8	6	△2
Total transactions with owners	-	△66	223	-	△8	6	△2
Total changes in equity	-	△66	223	610	△467	-	143
Balances as of March 31, 2019	8,284	7,590	△1,144	△1,646	863	-	△783

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Millions of yen	Millions of yen		
Balances as of April 1, 2018	177,808	191,455	12,177	203,631
Profit	12,967	12,967	367	13,334
Other comprehensive income	-	146	208	354
Total	12,967	13,113	575	13,688
Purchase of treasury shares	-	△1	-	△1
Disposal of treasury shares	-	224	-	224
Dividends of surplus	△4,572	△4,572	△879	△5,451
Share-based payment transactions	-	△66	-	△66
Transfer to retained earnings	2	-	-	-
Total transactions with owners	△4,570	△4,415	△879	△5,294
Total changes in equity	8,397	8,698	△304	8,394
Balances as of March 31, 2019	186,206	200,153	11,873	212,026

**Current fiscal year  
(April 1, 2019 to March 31, 2020)**

	Equity attributable to owners of parent						Total
	Share capital	Capital surplus	Treasury shares	Exchange differences on translation of foreign operations	Other components of equity		
					Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	Re-measurements of defined benefit plans	
Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Millions of yen	
Balances as of April 1, 2019	8,284	7,590	△1,144	△1,646	863	-	△783
Cumulative effect of accounting change	-	-	-	-	-	-	-
Restated balance	8,284	7,590	△1,144	△1,646	863	-	△783
Profit	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	△4,453	△1,154	△32	△5,638
Total	-	-	-	△4,453	△1,154	△32	△5,638
Purchase of treasury shares	-	△2	△2,765	-	-	-	-
Disposal of treasury shares	-	△5	50	-	-	-	-
Dividends of surplus	-	-	-	-	-	-	-
Share-based payment transactions	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	32	32
Total transactions with owners	-	△7	△2,715	-	-	32	32
Total changes in equity	-	△7	△2,715	△4,453	△1,154	-	△5,606
Balances as of March 31, 2020	8,284	7,582	△3,859	△6,099	△290	-	△6,389

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
	Millions of yen	Millions of yen		
Balances as of April 1, 2019	186,206	200,153	11,873	212,026
Cumulative effect of accounting change	△14	△14	-	△14
Restated balance	186,192	200,139	11,873	212,012
Profit	9,492	9,492	1,329	10,822
Other comprehensive income	-	△5,638	△589	△6,227
Total	9,492	3,854	741	4,595
Purchase of treasury shares	-	△2,767	-	△2,767
Disposal of treasury shares	-	44	-	44
Dividends of surplus	△4,333	△4,333	△843	△5,176
Share-based payment transactions	-	-	-	-
Transfer to retained earnings	△32	-	-	-
Total transactions with owners	△4,365	△7,056	△843	△7,898
Total changes in equity	5,127	△3,201	△102	△3,303
Balances as of March 31, 2020	191,319	196,938	11,771	208,709

## (4) Consolidated Statement of Cash Flows

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
	Millions of yen	Millions of yen
<b>Cash flows from operating activities</b>		
Profit before tax	19,039	14,964
Depreciation and amortization	17,881	18,464
Impairment losses	2,224	2,416
Interest and dividend income	△377	△330
Interest expenses	839	1,021
Share of loss (profit) of investments accounted for using equity method	△26	△20
Foreign exchange loss (gain)	45	58
Decrease (increase) in inventories	△957	△1,227
Decrease (increase) in trade and other receivables	5,982	4,754
Increase (decrease) in trade and other payables	△4,779	△399
Other	905	2,752
<b>Subtotal</b>	<b>40,777</b>	<b>42,454</b>
Interest and dividends received	363	321
Interest paid	△1,001	△1,016
Income taxes paid	△8,380	△5,656
<b>Cash flows from operating activities</b>	<b>31,760</b>	<b>36,103</b>
<b>Cash flows from investing activities</b>		
Payments into time deposits	△50	△650
Purchase of property, plant and equipment	△26,991	△25,662
Proceeds from sale of property, plant and equipment	489	291
Purchase of intangible assets	△1,221	△633
Other	10	140
<b>Cash flows from investing activities</b>	<b>△27,763</b>	<b>△26,515</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	2,210	4,144
Repayments of short-term borrowings	△2,827	△4,750
Proceeds from long-term borrowings	9,152	5,484
Repayments of long-term borrowings	△6,323	△5,433
Purchase of treasury shares	△1	△2,765
Dividends paid	△4,572	△4,333
Other	△899	△985
<b>Cash flows from financing activities</b>	<b>△3,260</b>	<b>△8,638</b>
Effect of exchange rate changes on cash and cash equivalents	△21	△948
Net increase (decrease) in cash and cash equivalents	715	3
Cash and cash equivalents at beginning of period	44,698	45,413
<b>Cash and cash equivalents at end of period</b>	<b>45,413</b>	<b>45,416</b>

(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.

FY2018 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Reportable Segment			Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	Total			
Revenue						
External Customers	68,481	181,116	249,597	32,801	-	282,398
Intersegments (Note 2)	201	2,228	2,429	6,619	△9,048	-
Total	68,682	183,344	252,026	39,419	△9,048	282,398
Segment Profit (Note 3)	9,282	8,650	17,931	2,776	△1,081	19,626
Financial Income						407
Finance Expenses						1,020
Equity in Earnings of Affiliates						26
Income before Income Taxes						19,039

- (Note) 1. Other includes businesses which is not part of any of the 2 reportable segments, and contain industrial machine drive train 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 summary of quarterly consolidated statement of income.
4. Elimination of intersegment transactions and corporate expenses are included in adjustments.

FY2019 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reportable Segment			Other (Note 1)	Adjustments (Note 4)	Consolidated
	MT	AT	Total			
Revenue						
External Customers	62,632	172,487	235,119	28,780	-	263,899
Intersegments (Note 2)	127	1,814	1,941	6,462	△8,403	-
Total	62,759	174,301	237,060	35,243	△8,403	263,899
Segment Profit (Note 3)	8,155	9,100	17,255	911	△1,414	16,751
Financial Income						355
Finance Expenses						2,163
Equity in Earnings of Affiliates						20
Income before Income Taxes						14,964

- (Note) 1. Other includes businesses which is not part of any of the 2 reportable segments, and contain industrial machine drive train 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 summary of quarterly consolidated statement of income.
4. Elimination of intersegment transactions and corporate expenses are included in adjustments.

(Per Share Information)

Basis for calculating profit per share is as follows. There are no potentially dilutive ordinary shares during previous consolidated fiscal year and current consolidated fiscal year.

1. Profit Attributable to Owners of Parent

(Millions of yen)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Profit Attributable to Owners of Parent	12,967	9,492

2. Average Number of Shares Outstanding during the Period

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Average Number of Shares Outstanding during the Period	48,113,914	47,859,341

(Significant Subsequent Events)

Not applicable.

## Our approach

At EXEDY Group, we value our corporate philosophy “Creation of Fulfillment”, while we continue to grow as a global company contributing to society. This “Creation of Fulfillment” includes fulfillment for our customers through quality, cost and design, contribution to society by returning profits to shareholders and the payment of taxes, and happiness for our employees. Further, while carrying out our corporate activities in a healthy, fair and transparent manner, we aim to realize a sustainable development on both societal and global levels through “Creation of Fulfillment”.

### Corporate Philosophy = Creation of Fulfillment

- |   |   |
|---|---|
| <b>1) Fulfillment for Our Customers</b> | <b>Excellence in QCD<sup>※</sup> +D (Design)</b>              |
| <b>2) Contributing to Society</b>       | <b>CSR · Taxes · Dividend · Creation of Shareholder Value</b> |
| <b>3) Happiness for Our Employees</b>   | <b>A company where employees are fulfilled</b>                |

※Quality, Cost, Delivery

## Activities

At the EXEDY Group we ensure that we raise the awareness of all employees regarding our CSR activities, and promote CSR as a “way for our employees to approach their work”. After learning the basics during the new employee training, we acquire a wide range of ideas of CSR through regular reading sessions of the Code of Conduct and incorporate them in our everyday work.

## The code for putting our CSR into practice

### ● The code for putting our CSR into practice

The EXEDY Code of Conduct is distributed to all employees, including employees of our affiliated companies with the aim of spreading the basic policies, action guidelines and business manners to each and every member of the EXEDY Group working across the globe. The 2020 edition of our Code of Conduct was distributed to over 17,000 employees in 43 locations in 25 different countries.

The EXEDY Code of Conduct, first published in 1998 has been revised a total of 12 times, including the revision of the latest version issued on April 1, 2020, to respond to changes in various laws and regulations and changes in the social environment. Since 2013, we revise the Code of Conduct once a year so all employees can be informed on the latest information regarding our “EXEDY WAY” and “Midterm Consolidated Management Plan” showing our growth strategies.

In 2014 we started the localization of the Code of Conduct and it is now available in the following ten languages: Japanese, English, Chinese, Thai, Indonesian, Vietnamese, Spanish, Portuguese, Malay and Kannada.

In addition to the Corporate Philosophy, Midterm Consolidated Management Plan and basic policies, it contains basic rules regarding compliance and corporate ethics and business manner, and through reading sessions at each department employees gain a thorough understanding.



### ● CSR Training

#### ■ New Employee Training

Every year in April we carry out CSR training at our Headquarters and Ueno Division for all our new employees, including employees at our affiliated companies. Here our employees learn about the basics of CSR and the importance of adhering to the Code of Conduct.

#### ■ Stratified Education

In our management training, newly appointed managers learn about managing their employees (labor management, power harassment training, mental health etc.) and subcontracting law to enable them to carry out fair transactions with cooperating companies. We teach the participants about the leadership needed to lead their subordinates and earn the trust of their stakeholders with the aim to develop them into leaders that are able to support the company.

# CSR Policy

## Basic Policy

We at EXEDY Group are contributing to sustainable development on both societal and global levels, which, through our corporate activities, we carry out at each of our business locations. To accomplish this, we, based on the subsequent ten items, will, irrespective of domestic or overseas location, act with a sense of social decency, as well as uphold all human rights, laws, and international rules.

## Course of Action

### 1. Compliance: Fairness and Transparency

We will uphold a spirit of compliance with the laws of each country and region, and will conduct business recognizing that the fundamental rule for corporate activities is to ensure that competition is fair, transparent, and free.

### 2. Guaranteeing an Enjoyable Workplace Environment

Along with providing a rich and abundant life for our executives and employees and guaranteeing an enjoyable and safe workplace environment, we also offer a corporate climate that both respects the unique personalities of all of our employees and encourages their creativity.

### 3. The Provision and Development of Products and Services That Satisfy Society

We always ensure that the standard of the products and services that we provide are such that customers and consumers throughout the world feel the greatest level of satisfaction. We act with an awareness that this is our social obligation.

### 4. Prompt Disclosure of Business Information

As we do with our stockholders, we will continue to communicate with society at large and release corporate information in a prompt, accurate, and fair manner.

### 5. Proactive Efforts Towards Environmental Problems

In order to help build a world where our societies and nature can coexist, we will pursue our corporate philosophy of creation of fulfillment, and we will endeavor to be environmentally friendly in all aspects of our corporate activities.

### 6. Activities Aimed at Contributing to Society

As an exceptional corporate citizen, we will place emphasis on our relationships with local communities and conduct activities that contribute to these societies.

### 7. Our Countermeasures Towards Organized Crime

We resolutely assume countermeasures to organized crime syndicates that threaten the order and safety of civilian societies.

### 8. Being a Global Enterprise

As a global enterprise that has overseas facilities, we respect the cultures and traditions of each and every nation, and we pledge to contribute to the development of the regions and countries that these facilities are located in.

### 9. Business Ethics

Our top levels of management will lead by example, do their utmost to manifest the spirit found within our code of conduct, maintain our corporate structure, and strive to thoroughly apply our business ethics.

### 10. Resolving Problems

In the worst case scenario, if a violation of our conduct standards were to occur, our top levels of management would declare, both internally and externally, their stance on resolving the problem, would inquire into the causes of the violation, and would do all that they could to prevent a recurrence of that violation.

Furthermore, we will execute our responsibility of explaining and disclosing this information to society in an accurate and prompt manner, and, upon determining who was responsible, we will punish them without bias.

# Corporate Governance

## Corporate Governance Policy

We at EXEDY recognize that constructing a system of corporate governance and thoroughly carrying out compliance management serve as the basis for management.

More specifically, we have arranged a system that monitors and audits the actions of our directors through our board of directors and our audit and supervisory board, and, by improving the functionality of our internal controls and building an organization that immediately responds to changes in our managerial environment, we will make our management more transparent and endeavor to strengthen our system of governance and compliance management.

### Basic Policy

- 1) We will strive to ensure the equality and rights of our stockholders.
- 2) We will endeavor to cooperate with all stakeholders outside of our stockholders, including customers, business counterparts, creditors, the local community, employees, etc.
- 3) We will strive to ensure both the transparency and proper disclosure of information.
- 4) We will endeavor to have our board of directors properly carry out its functions and obligations so that it both makes decisions in a quick and decisive manner and remains fair and transparent.
- 5) We will strive to have a constructive dialogue with stockholders so that we can improve our medium to long-term business value and continue to grow.

## Business Management Organ Related to Managerial Decision-making, Performance of Duties, and Supervision of Such (Our System of Corporate Governance)

### Organizational Structure and Administration

<b>Organizational System</b>	Company with Audit and Supervisory Board Members
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#### Board of Directors

<b>Chairman of the Board</b>	President & CEO
<b>Number of Directors</b>	11
<b>Outside Directors Present</b>	Yes
<b>Number of Outside Directors</b>	3
<b>Number of Outside Directors Designated as Independent Executives</b>	2

#### Corporate Auditors

<b>Audit and Supervisory Board Present</b>	Yes
<b>Number of Audit and Supervisory Board Members</b>	4
<b>Outside Audit and Supervisory Board Members Present</b>	Yes
<b>Number of Outside Audit and Supervisory Board Members</b>	3

## ● An Outline of Our Current System of Corporate Governance: Matters Regarding Corporate Affairs, Appointments, Audits and Supervision, and Remuneration

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EXEDY's board of directors is comprised of 11 individuals, three of whom serve as outside directors. Our board of directors holds regular meetings once a month, and, when deemed necessary, additional meetings are held under special circumstances, where directors thoroughly discuss the matters at hand and make managerial decisions regarding them.

EXEDY's audit and supervisory board is made up of four members, three of whom are outside members. These audit and supervisory board members, along with participating in meetings alongside the board of directors where they give advice on managerial decisions from an auditing perspective, also supervise the board of directors in its performance of duties.

As part of our administrative strategies, we convene managing directors meetings, where six individuals from our upper management, consisting of our president and CEO, executive managing officers, and senior executive managing officers, assemble for a corporate review. In addition to this administration of corporate affairs, we also hold management meetings approximately twice a month, the participants of which include all full-time executives. At these meetings, members actively exchange their ideas and opinions, thoroughly conducting both reviews and discussions.

Moreover, in order to carry out corporate affairs in a manner that promptly responds to any changes in our managerial situation, we have been endeavoring to flexibly operate our business by: a.) constructing a board of directors with a small number of members, b.) introducing our executive officer system, and c.) appointing human resources that are knowledgeable and well-informed about business and work-related duties to executive positions.

EXEDY's financial audits are handled by the certified public accountants Kazuhiko Tomoda, Masahisa Kinoshita and Kengo Yamamoto, who are in the employ of PricewaterhouseCoopers Aarata. These auditors perform periodic audits of our corporation as well as provide us with consulting services regarding accounting matters.

As per our advisory agreements, our legal advisers will, even for matters related to financial affairs, enter into contracts with external specialists, and, as the situation demands, receive any pertinent or relevant advice from them.

With regards to EXEDY's internal control system, our Global Auditing Department, the division that performs operational audits independent of the direct control of the company president, carries out both compliance checks and operational audits for each and every one of our departments.

## ● Our Reasons for Selecting Our Current System of Corporate Governance

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We at EXEDY are carrying out efficient work operations and exercising prompt decision-making through the introduction of our executive officer system, where six of our directors concurrently serve as executives managing corporate affairs. At the same time, so that we can ensure transparency in all business operations, we made our board of directors consist of 11 directors and four auditors, of which six individuals are outside executives (and of these six two individuals serve as an independent outside directors and two individuals serve as independent outside auditors), and we have deemed that our present structure of a company with an audit and supervisory board is currently the optimum choice.

## Measures We Implement for Our Shareholders and Stakeholders

### 1. Our efforts aimed at invigorating the General Shareholders Meeting and streamlining the shareholder voting process

<b>When We Send the General Shareholders Meeting Convocation Notice</b>	We distribute the convocation notice for the General Shareholders Meeting approximately three weeks prior to when it convenes.
<b>Exercising voting rights through electromagnetic means</b>	It is possible for shareholders to execute their voting rights online.
<b>Efforts aimed at improving the voting process environment for institutional investors, such as using a platform that allows for the electronic execution of voting rights etc.</b>	We are currently using ICJ Inc.'s platform which allows for the electronic execution of voting rights.
<b>English Summary of the Convocation Notice</b>	We provide a summary of the convocation notice in English.
<b>Additional Points</b>	We are striving to manage our general meetings, so that our stockholders can further understand the current status of our corporation, through using visualizations such as slides for our business reports and sign language interpreting.

### 2. Investor relations efforts

<b>Holding Periodic Financial Briefings for Analysts and Institutional Investors</b>	We hold semiannual financial briefings in Tokyo for our institutional investors and stock analysts.
<b>Holding Periodic Financial Briefings for Foreign Investors</b>	We hold periodical briefings overseas for our institutional investors and foreign stock analysts.
<b>Disclosing Documents Regarding Investor Relations on Our Company Website</b>	On our webpage <a href="http://www.exedy.com">http://www.exedy.com</a> , account settlements, the convocation notices for our General Shareholders Meetings are available for access. In addition, convocation notices for our General Shareholders Meetings (summary) and fluctuations in our business performance are posted on our homepage in English as well.

### 3. Never forgetting the importance of our stakeholders

<b>Company Regulations That Always Keep in Mind the Importance of Our Stakeholders</b>	By contributing to society, satisfying the needs of our customers, and improving the well-being of our employees, we have achieved an even higher standard as a company, and, through our perpetual corporate development, are fulfilling our responsibility to our stockholders and other concerned parties. We include all of the above in our management philosophy, which we put into practice as per our code of conduct. This is distributed to all of our executives and employees, who then familiarize themselves with its contents.
<b>The Implementation of Environmental Safety and Corporate Social Responsibility Activities</b>	We at EXEDY recognize that we have a responsibility as a corporation to take into consideration the impact that our corporate operations have on both our natural and social environments. Because of this, we are continually moving forward with our environmental efforts, and we summarize the results of these efforts, which include each and every one of our businesses, in our annual environmental report. You can view this report at any time on our company's website.
<b>Additional Points</b>	<b>Regarding the policies and efforts that we have established to encourage the success of our female employees</b> We at EXEDY Group, along with moving forward with employing more women at our production facilities, are also making efforts to encourage our female employees to pursue opportunities in executive and managerial positions. Furthermore, within our network, we currently have female employees serving as directors at some of our locations.

## Regarding Our System of Internal Control

### ● Our Approach Towards and Management of Our System of Internal Control

Our management policy includes the extent at which we fulfill our corporate responsibility, how we improve ourselves so that we can be held in high esteem by the society we live in, our corporate ideology and compliance, and our response to environmental issues.

Adhering to the above, our board of directors has resolved to implement a fundamental policy for our system of internal control that upholds all applicable corporate laws and ordinances, and it is detailed as follows. Please note that the status of the following is reported to the board of directors as the situation demands.

#### ■ 1. Managing and saving information related to the duties of our directors

We will properly manage and save information related to the execution of corporate affairs, acting in accordance with our regulations for managing confidential information, preserving documents, and saving documents.

#### ■ 2. Regulations for risk management

We designate our Administrative Headquarters as the department in charge of comprehensive risk assessment, and are developing methods to prevent losses before they happen.

#### ■ 3. Ensuring that our directors conduct their duties in an effective manner

In addition to holding periodic board meetings once a month, we also hold management meetings twice a month that both our full-time directors and executives participate in. At these meetings, we have discussions and examine managerial issues, and, depending on the circumstances, put into place a flexible system that is able to deal with the issue at hand.

#### ■ 4. Ensuring that the duties of our directors and employees conform to all laws and articles of association

EXEDY has established its own code of conduct, and we strive to keep our employees, directors, and executives informed about all laws, articles of association, and company regulations. We ensure that we adhere to compliance management by combining the aforementioned with regulations concerning the protection of whistleblowers.

#### ■ 5. Ensuring that all work done in EXEDY Group is done in a fair manner

Following our regulations for managing affiliates, we unify all administrative tasks pertaining to EXEDY Group at our Administrative Headquarters.

##### 1) System for reporting to EXEDY about matters regarding EXEDY Group directors' execution of work duties

The manner in which work is being conducted at group companies is confirmed through monthly reports submitted by each company. Important matters regarding how work is conducted are reported and discussed at board of directors meetings and management meetings.

##### 2) System for regulations regarding the management of dangerous losses for group companies etc.

Based on our risk management/compliance regulations, which are also used at our group companies, we will spread our activities conducted to prevent losses.

##### 3) System to ensure that the execution of directors' work duties at our group companies is carried out efficiently

In order to materialize our midterm consolidated management plan that we have created, we are sharing our objectives and issues with the entire group and endeavoring to ensure a system where work duties are executed effectively.

#### ■ 6. Ensuring that the work conducted by both directors and employees of group companies complies with both the law and our articles of association

We distribute our code of conduct, which comes in the form of a small booklet, to all directors, executive officers, and employees, translating its contents whenever necessary.

Based on our regulations for the management of group companies and our regulations for internal audits, our Global Auditing Department inspects the extent to which regulations are upheld and how the organizations and systems of our group companies are being operated.

#### ■ 7. Employees will assist our audit and supervisory board members as required

Our audit and supervisory board members will, when they deem it necessary, appoint employees to assist them in their duties.

#### ■ 8. Assuring the independence that employees assisting audit and supervisory board members have from directors

All matters concerning employees assisting our audit and supervisory board members, such as their relocation, evaluation, punishment, etc., must first be discussed with and reported to an audit and supervisory board member.

## ■ 9. Ensuring the effectiveness of instructions given to employees assisting audit and supervisory board members

When an employee is put in the service of audit and supervisory board members, this employee will not serve concurrently with another department, and they must follow all instructions given by any audit and supervisory board members.

## ■ 10. Reporting to audit and supervisory board members

### 1) A system for directors and employees to report to audit and supervisory board members

All directors and executives, when discovering any information that could cause considerable damage to EXEDY Group, will immediately report these contents to an audit and supervisory board member.

### 2) A system for directors, audit and supervisory board members, assistants, or anyone who has received reports from any of the aforementioned to report to audit and supervisory board members

Both executives and employees of EXEDY Group must, when requested by the audit and supervisory board to make a report regarding matters relating to work duties, make both immediate and appropriate reports.

## ■ 11. Ensuring that individuals who report matters to the audit and supervisory board are not subject to unfavorable treatment due to the nature of their reports

Based on our regulations for protecting whistleblowers, employees will not be dismissed or punished for reporting or speaking about a whistleblowing matter.

## ■ 12. Matters concerning policies related to liabilities handling and expenses caused by the execution of work duties, such as repayment procedures and the paying of expenses caused by advance payments for the work of audit and supervisory board members

When it is requested that we, regarding the execution of work duties of an audit and supervisory board member, pay in advance for expenses based on corporate law, any expenses and liabilities related to this request, excluding cases where it is not deemed necessary for audit and supervisory board members to execute their work duties, will immediately be processed. We set aside a specific budget each year in order to pay for any expenses etc., which result from the execution of audit and supervisory board members work duties.

## ■ 13. Ensuring that that the audits of our audit and supervisory board members are being performed in an efficient manner

Full-time audit and supervisory board members will participate in management conferences as well as all other meetings where decision-making occurs, maintaining a system that is always able to grasp the current status of the execution of corporate affairs.

## ■ 14. Our countermeasures against organized crime

As written in our code of conduct, we resolutely assume countermeasures against organized crime syndicates that threaten the order and safety of civilian societies.

## ● Our Basic Policy and Countermeasures Against Organized Crime

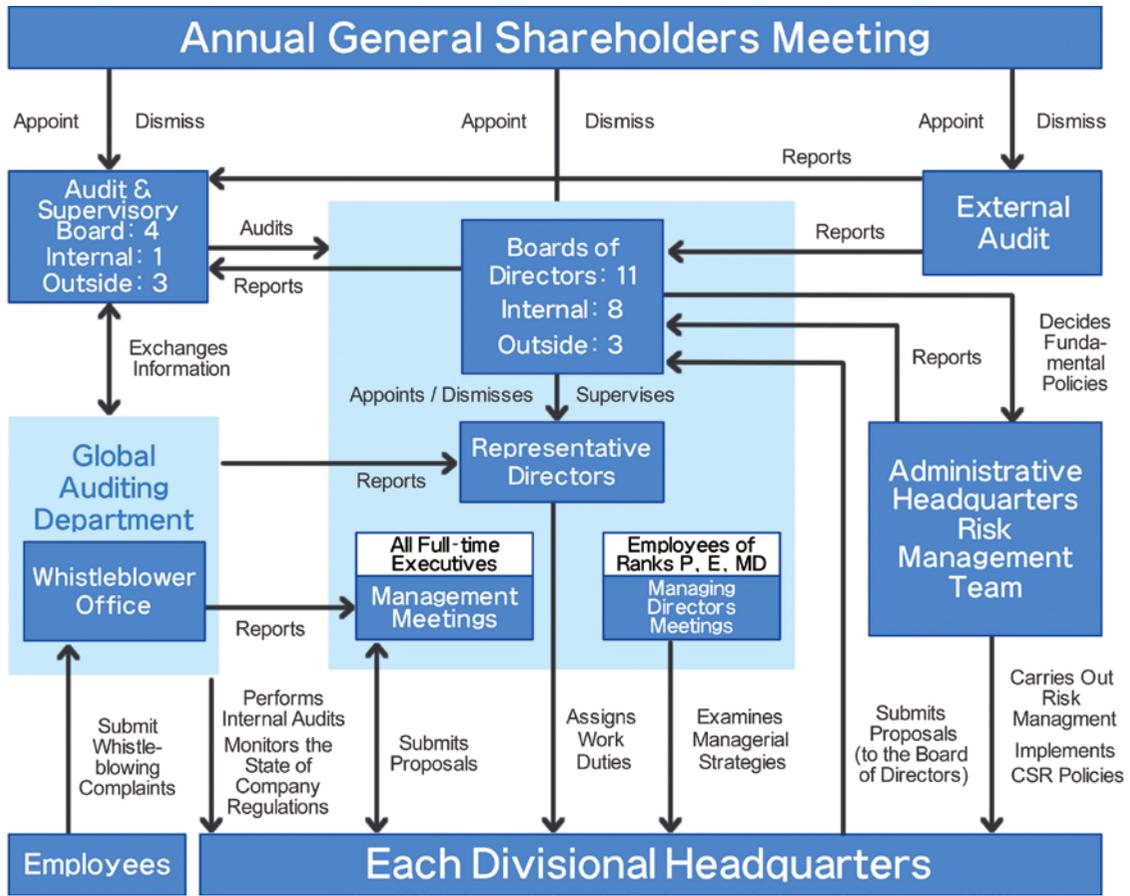
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As aforementioned, we resolutely assume countermeasures against organized crime syndicates that threaten the order and safety of civilian societies.

In order to accomplish this, we have established a division within our company that is prepared to deal with organized crime syndicates and is equipped to handle any unjust demands or illegal acts.

We have also included this policy inside of our code of conduct, and we have made sure to distribute it to all of our employees so that they can familiarize themselves with its contents.

■ A schematic of our system of corporate governance



## Board of Directors Meetings and Management Meeting Schedules

In the current fiscal year, we held 12 Board of Directors Meetings and 24 Management Meetings to efficiently operate business and, in addition, held six Risk Management Committee Meetings to respond to group-wide problems and discuss recurrence prevention measures. The Global Auditing Department systematically carries out both compliance checks and operational audits for EXEDY and its group companies and regularly reports to audit and supervisory board members.

Full-time Corporate Auditors attend the Management Meeting and the Risk Management Committee to oversee the company's operating performance. In addition to a contact point for whistleblowers, we have a corporate ethics consultation desk in place for the entire EXEDY Group.

Further, we opened the "EXEDY Hotline", a consultation desk where employees can report matter to an external lawyer directly. With this initiative we try to prevent and detect illegal activities in an early stage.

In order to thoroughly disseminate this information, we clearly mention the consultation desk in the "EXEDY Code of Conduct", a booklet distributed to every employee of the entire EXEDY Group, to improve awareness regarding compliance.

## Total Amount of Remuneration for Directors and Audit and Supervisory Board Members

Category	Number	Remuneration Amount
Directors (Outside)	13 (3)	235 million yen (17 million yen)
Audit and Supervisory Board Members (Outside)	4 (3)	35 million yen (17 million yen)
Total Amount (Outside)	17 (6)	270 million yen (34 million yen)

Note)

- 1.The table above includes three directors who retired at the conclusion of the General Shareholders Meeting held on Tuesday, June 26, 2019. One unpaid director who retired on October 31, 2019 is not included in the table above.
- 2.The remuneration amount shown above does not include the salary and bonus paid as employees to directors who serve concurrently as employees.
- 3.The upper limit on total compensation decided at the 56th General Meeting of Shareholders held on June 27, 2006:

Directors	Annual Amount	300 million yen
Supervisors	Annual Amount	60 million yen
- 4.The amounts shown above include directors' bonuses during the fiscal year under review.
- 5.Apart from the above, a cost of 12 million yen was appropriated in relation to remuneration by stock option to seven directors.

## Analysis and Evaluation of the Board of Directors' Effectiveness

We conducted a questionnaire at the FY 2017 Board of Directors Meeting regarding the effectiveness of our Board of Directors. Based on the results, we determined that the effectiveness of the Board of Directors has been ensured. At EXEDY, we will continue our activities to further improve the effectiveness of the Board of Directors.

## Corporate Ethics Consultation Desk

Our company has established three kinds of consultation desks to deal with employees' problems and questions: an internal consultation desk, a contact point for whistleblowers and external consultation desk. After confirming the facts, we respond promptly when problems are confirmed.

### Internal Consultation Desk

At this desk we help employees with matters concerning the Code of Conduct, ethics, working environment, etc.

### Whistleblowers Contact Point

Here we deal with violations of laws and company regulations.

### External Consultation Desk "EXEDY Hotline"

Established at an external law firm, can be contacted by telephone, email and letters.

# Corporate Governance

## Risk Management

### Our approach

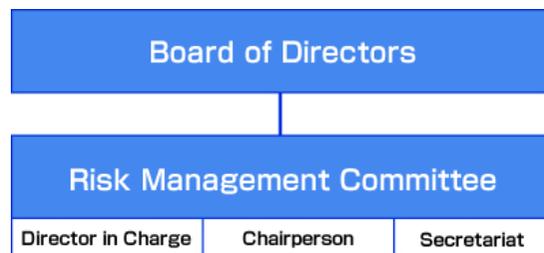
The EXEDY Group has established the following action guidelines for risk management:

1. Prevent occurrence of emergency situations, take preventative measures to minimize damage, make preparations in advance
2. In the event of an emergency, we will respond with quick initial action, minimize damage while promptly making all necessary effort for a speedy recovery

To ensure a reliable implementation of the guidelines, we determined the necessary measures and procedures. Further, our group companies comply with the concerned regulations, procedures and processes.

### Organization

Ultimate responsibility of our company's risk management is assigned to the President & CEO, while the Executive General Manager of the Administrative Headquarters is charged with overseeing risk management and the General Affairs Department is assigned to supervise Risk Management. The Risk Management Committee may be convened whenever necessary. The Risk Management Committee consists of the President & CEO, (Senior) Executive Managing Officers and Audit & Supervisory Board Members.



### The Risk Management Committee Schedule

In FY2019, the Risk Management Committee gathered six times to respond to group-wide problems and discuss recurrence prevention measures. Important matters were reported at the Board of Directors meeting.

Full-time Corporate Auditors attend the Management Meeting and the Risk Management Committee and to oversee the company's operating performance.

### Specific Action

#### ● Initiatives Regarding Information Security

##### ■ Basic Approach

In order to properly protect confidential information and personal information from threats such as cyber attacks, we have developed and deployed policies and regulations concerning information security. By periodically educating employees, we strive to strengthen our information security and prevent information leakage.

##### ■ Information Management

With the support of external experts with a deep knowledge of cyber security and internal fraud, we established a system to respond to information security incidents and advance warnings. While sharing information with external organizations, our company, including its affiliates, works to make improvements to this environment. We also conduct regular targeted e-mail training for all employees, provide education regarding personal information protection and security, and promote thorough personal information protection and information security.

#### ● Business Continuity Management (BCM)

Although our company did not suffer any major damage during the Great East Japan Earthquake of March 2011, all employees at the Kawagoe Plant, where a lower scale 5 on the Japanese intensity scale of 7 was registered, had to be evacuated temporarily. Fortunately our plant was not damaged, however after the earthquake we implemented necessary measures, such as night-time production in accordance with automobile manufacturers' production stops and scheduled blackouts, etc. Based on the lessons learned, EXEDY, keenly aware of the importance of quick and reliable business recovery, has incorporated a strengthened BCP Crisis Management Program in its Consolidated Medium-Term Management Plan and is structuring an organization that can cope well with emergencies.

##### ■ Activities

Since the Great East Japan Earthquake, we introduced BCP training in addition to the company-wide evacuation drill held every March. Through this training in order to quickly complete the process from setting up a countermeasure headquarters to the establishment of a business recovery system, cooperation among departments is strengthened. In addition, as a regular activity, we conduct periodic training and information sharing, led by the Fire and Disaster Prevention Committees at the Headquarters in Neyagawa and Ueno Division and local fire departments.

## Our approach

Through our business activities in different regions around the world, we found it is essential to comply with laws of each country in a quick and reliable manner, and to have a transparent approach to management in order to gain the trust of all stakeholders.

With “fairness and transparency” as our keywords and thorough compliance management and a corporate governance system at basis of our operations, we organize our company in a way that enables us to quickly respond to changes in the business environment, improve internal checking functions and carry out business activities with an understanding of the laws relating to our work.

## Excerpt of our CSR Policy

### 1. Compliance: Fairness and Transparency

We will uphold a spirit of compliance with the laws of each country and region, and will conduct business recognizing that the fundamental rule for corporate activities is to ensure that competition is fair, transparent, and free.

## Activities

Our employees learn about following compliance-related laws and rules through reading the EXEDY Code of Conduct: We emphasize the importance of a speedy Hou Ren Sou (Report, Contact, Consult) from subordinates to superiors when it comes to learning about laws relating to our daily work. It enables us to acquire knowledge, find the right stance and comply with laws and regulations.

- Antitrust law
- Subcontracting law
- Intellectual Property Right (Patents, Trademarks, Copyright and Know-how)
- Insider trading
- Personal information protection
- Rules Regarding Entertainment and Gifts
- Our Response to Illegal Activities and Organized Crime

# Safety and Environment Policy

## Basic Policy

Ensuring the safety of our employees, as well as preserving the environment, serve as the foundation of our corporate activities and social responsibility (CSR). While promoting health and with safety as our highest priority, we will strive to create an environment that is gentle to earth.

## Safety and Health Action Policy

- 1.If our employees are not safe, our company cannot do business. In order to achieve 'zero defects' and 'zero hospital visits', we will adhere strictly to health and safety laws and internal regulations.
- 2.We will continuously undertake Pika Pika and 5S5T activities to maintain our equipment and workplace.
- 3.By creating a healthy and comfortable workplace, we prevent work related illness and maintain and promote physical and mental health.
- 4.We will continue to carry out activities to eliminate all dangers and harmful factors in the workplace speedily, with face-to-face communication.
- 5.When an abnormality occurs, we will thoroughly follow our STOP, CALL and WAIT procedure.

## Environment Action Policy

- 1.We will comply with laws and stakeholders' requirements and prevent environmental pollution.
- 2.In the areas of production, products and service, we will implement and continuously improve our environmental management system to reduce environmental impact.
- 3.We will thoroughly carry out energy and natural resource conservation and limit their use and emissions to a minimum.
- 4.In cooperation with local communities, we will actively support and participate in nature and environmental protection activities.

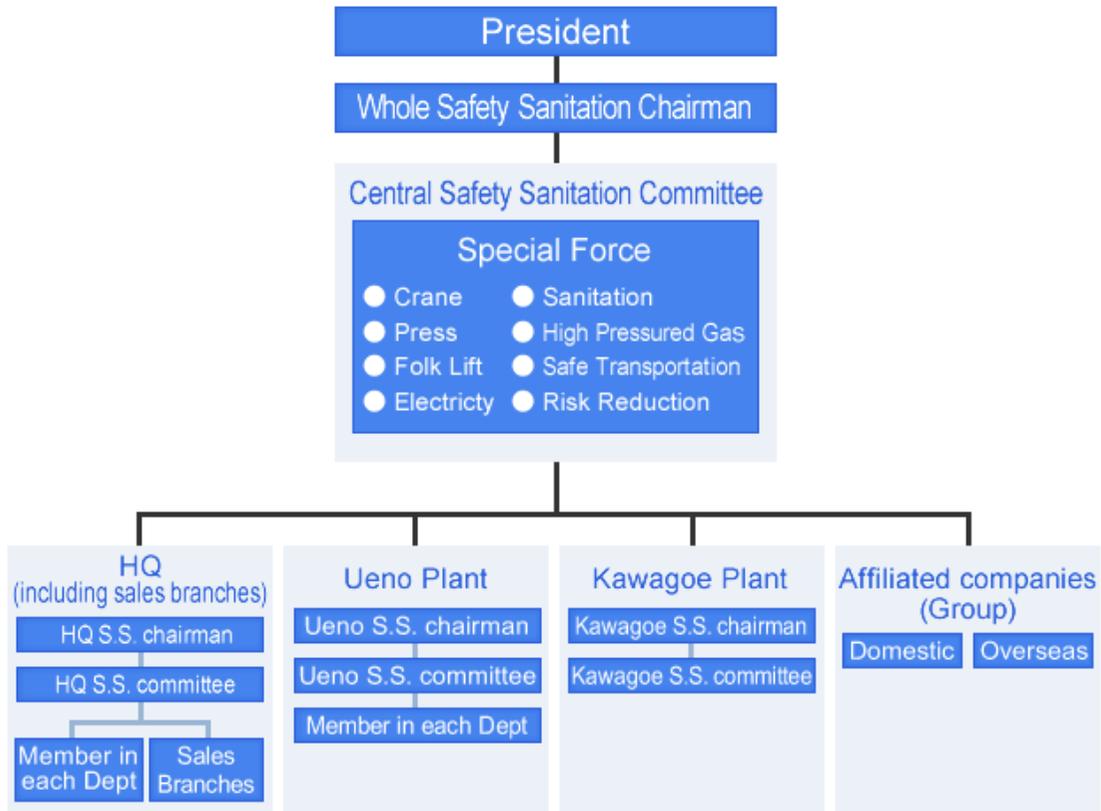
April 01, 2019  
President & CEO



# Health and Safety Organizational Structure

We at EXEDY have constructed a system headed by our Central Health and Safety Committee that supervises and manages all health and safety activities.

Furthermore, matters decided upon by the committee will be implemented as specific programs under the supervision of those in charge of safety at each and every one of our locations, who will relentlessly endeavor to improve these programs.



# Health and Safety Activities

Based on the policy “Our corporation cannot exist without safety”, we promote activities to maintain and improve employee safety to achieve “zero accidents”.

## Cultivating Safe Workers

Safety First is our company policy. No matter what it is that we do, at the EXEDY Group we make our judgments with safety being the top priority.

### Activities

#### Safety Basics Education

A safe worker possesses the following qualities:

- A familiarity with all safety rules
  - An ability to predict when safety hazards will occur
  - A propensity to stop activities when something is either unsafe or acting irregularly
- To enable our employees to carry out their work in the plants in absolute safety, and predict and prevent danger in advance, we offer training consisting of safety lectures and practical education in our safety dojo, a training room equipped with 17 simulators that were made based on accidents that actually occurred. Employees who pass this training are certified as a safe workers, and receive “Safe Worker Certificate”. We also get requests from outside the company to provide this highly valued training.

In addition, in 2018, we renewed the ‘working at heights training room’ to ensure that work at height is carried out safely.



#### Basic Life Support Training Course

Since 2012, first-aid instructors have been carrying out basic life support training courses and more than 1000 employees have participated in the course. We will continue promoting this activity in the future so that EXEDY employees can protect lives, not only at the company but also in daily life.

#### Risk Assessment Training

We have set up a risk committee to promote safety improvements in the workplace environment and are conducting activities to identify hazards in advance.

### Activities (overseas)

#### Global Safety Summit

Once a year, we hold the EXEDY Global Safety Summit to raise safety awareness throughout the entire EXEDY Group, share cases of accidents of each company and conduct cross-check activities.



#### Global Safety Instructor Training

Three times a year we hold the Safety Instructor Training. We invite safety staff and plant managers from overseas affiliates and share company-wide safety and health activities. We provide English and Chinese language support.

#### Overseas Go-and-See Activities

Twice a year we carry out priority activities to prevent accidents at overseas bases, and provide general guidance on safety.



## Various Training and Education

The EXEDY Group conducts training and education on a daily basis to prevent accidents and to minimize damage in case of an emergency.

### ● Various Training

#### ■ Company-wide Earthquake Disaster Drills

Every year in March, we conduct a company-wide earthquake disaster drill, to develop an organization that is able to respond calmly and smoothly in case of an emergency. In the first part, we set up an in-house firefighting department and conducted firefighting and lifesaving activities. In the second part, we set up a disaster countermeasure department to train to collect information and report on the situation, and prepare plans to restart production.



#### ■ Fire Fighting Drills

In addition earthquake disaster drills, we regularly conduct firefighting drills for all new employees joining the company.

#### ■ In-house Firefighting Team

We have established a self-defense fire brigade at domestic bases and sales offices. We carry out regular training such as table-top exercises and training with the portable pump. In addition, the fire prevention committee members participate in in-house seminars on fire prevention and disaster prevention knowledge, held twice a year, to solidify the basis of disaster prevention knowledge.

#### ■ Evacuation Training at Affiliates (EXEDY Logistics)

We carry out actual evacuation training after confirming the location of emergency bells, fire extinguishers, fire hydrants, operating the fire shutters, checking evacuation guidance lights (evacuation doors).



Evacuation training

### ● Education



#### ■ Traffic Safety Lectures

As part of our traffic safety education, we invite instructors from police stations and driving schools, and hold traffic safety workshops at the headquarters three times a year. Employees participate on a voluntary basis. Every time, over 200 employees participate and learn not only about driving a car, but also about rules that apply when riding a bicycle and safety protection when riding a motorcycle etc.

# Our Health Management

Based on the policy “Our corporation cannot exist without safety”, we promote activities to maintain and improve employee health to achieve “zero illness”.

## Course of Action

By creating a healthy and comfortable workplace, we prevent work related illness and maintain and promote physical and mental health.

## Our Health Initiatives

At EXEDY, we carry out various activities, with the goal of increasing the number of people who take necessary actions themselves to maintain and improve their health.

### ● Clinic

Nursing staff is stationed at the on-premise clinic to carry out health checks of employees and prevent serious illness. Medical interviews are carried out by the company nurse or psychosomatic physician to ensure our employees are both physically and mentally in good shape.

We also provide oral health care. A dental hygienist is stationed at the Headquarters' clinic's dentistry and employees can receive treatment by a dentist. We also conduct dental checkups as a part of our routine health examinations for all of our factory employees, to enable early detection and early treatment of any possible problem.



### ● Education

For our employees to develop an interest in and gain a correct understanding of health management and mental health care, we carry out stratified health management education and mental health care education adjusted to the employee's lifestyle.

### ● Promoting Sports

We have a gymnasium and gym facilities at our company premises that our employees can use freely. Since 2016, we organize global sports events to promote sports throughout the entire EXEDY Group and improve communication.



### ● Communication with others

Since 2011, we hold summer festivals at our Headquarters, Ueno Division and Kawagoe Plant, for our employees, their families and members of the local community to enjoy together.

In addition, we provide support to the social gatherings held in each department. We aim to improve communication within departments and contribute to the creation of a healthy and comfortable workplace.

Through various activities, we will continue to promote the physical and mental health of our employees.



## 2020 Certified Health and Productivity Management Organization (White 500)

On March 2, 2020, our company was recognized under the 2020 Health and Productivity Management Organization Recognition Program (White 500), organized by METI in cooperation with the Nippon Kenko Kaigi.

Under the recognition program, the Nippon Kenko Kaigi examines large enterprises, SMEs and other organizations engaging in initiatives for overcoming health-related challenges in regional communities or for promoting health-conscious activities led by the Nippon Kenko Kaigi, and recognizes outstanding enterprises engaging in efforts for health and productivity management.

Based on the policy “Our corporation cannot exist without safety”, we will continue to promote activities to maintain and improve employee health to achieve “zero illness”.



2020  
健康経営優良法人  
Health and productivity



# Quality Policy

## Basic Policy

We will continue to provide the highest quality levels of products and services that customers around the world appreciates. It is our social responsibility.

## Course of Action

We will continuously enhance the quality management system to achieve the highest levels of customer satisfaction (CS); we will achieve zero defects and be “the company where zero defects are the standard”.

1. We value the voice of our customers and subsequent processes, endeavor to attain the highest levels of quality from upstream process and respond with sincerity at all times.
2. We always act speedily, based on “Go & See” and adherence to the rules.
3. We always refine and improve our traceability capabilities.
4. So that zero defects are produced, we will:
  - a.) Control progression through stage transitions<sup>※</sup>
  - b.) Fully adhere to manufacturing change management
  - c.) Improve nonstop through QCC activities

April 01, 2019  
President & CEO



※The activity of designing product drawings at the Development Department and designing processes at the Production Engineering Department that allow easy manufacturing of quality products in the Manufacturing Department.

# Our Commitment to Quality

Under the Quality Policy and the Detailed Conduct Regulations described below, the EXEDY Group, as a specialized manufacturer of drivetrain components such as clutches, torque converters, AT parts, transmission for construction and industrial vehicles and motorcycle clutches, etc., is committed to carry out its production activities maintaining the highest quality and manufacturing capabilities, and provide reliable quality in response to customers' individual needs.

## Our approach

In order to implement this Quality Policy, all employees engage in their work with the following Detailed Conduct Regulations in mind.

### Detailed Conduct Regulations

So that we may provide our customers with products and services that give them the highest level of satisfaction, we will continue to ensure that our products are always manufactured with safety as a priority, and that their quality meets the demands of all our customers.

#### 1. Guaranteeing Quality

- 1) So that zero defects are produced, we will:
  - Control progression through stage transitions
  - Fully adhere to manufacturing change management and the handling of abnormal conditions
- 2) We will act based on the idea of guaranteeing our own process.  
This means:
  - We will not take in defects from any preceding processes
  - We will not create defects within our own process
  - We will not pass defects on to any subsequent processes
- 3) We will act based on the idea that the subsequent process is the customer.  
This means:
  - We will work such that there is no need to go back and do it again
  - We will work once we have obtained a clear image of what it is that will be outputted, and will eliminate time wasted by having to redo work
  - We will summarize what is needed, and improve our own work
  - We will output products that both please and satisfy our customers
- 4) We will thoroughly use statistical quality control (SQC) and guarantee the quality of our products.  
This means:
  - We will not rely on our own experience, intuition, or gut feeling
  - We will use statistical methods, such as the seven basic tools of quality (QC7), in response to any problems
  - We will always base our quality judgments on data
- 5) In order to achieve the four points listed above, with a sense of speed, we will strive to work in cooperation with not just those in our department, but also with our affiliates and customers.

#### 2. Market Information

- 1) We will establish systems that are always able to acquire information about the value of both our products and those of our competitors.
- 2) We will immediately relay all feedback regarding customer satisfaction and consumer requests back to EXEDY

# Quality

## Zero Defect Activities

At the EXEDY Group we promote zero defect activities based on the idea that “zero in-process defect lead to zero customers claims and will results in zero market claims”. These activities involve not only the Manufacturing Department but also Design, Production Engineering, Quality Control, and Inspection Departments, as well as other related divisions. We work together with the entire company to achieve “Zero Defects” on an everyday basis.

The progress of these activities are reported to the top management on a regular basis, raising the motivation of the members.



1. Improve process credibility Target: Cpk ≥ 1.67	Secure process capability
2. Improve process guarantee level Target: Occurrence (O) × Detection (D) ≤ 12	
3. ASA Zero Activities Speed up defect countermeasures	Secure reliability
4. Evaluate detection ability Maintain / improve in-process and shipment inspectors detection ability	
5. Standard operation patrol / standard maintenance, standard time ± 10%, optimization of maintenance frequency	



AT Senior Executive Managing Officer Report Meeting



Meeting MT/TS Senior Executive Managing Officer Report Meeting

### ASA ZERO Activities

As a part of our “Zero Defect Activities”, we conduct “ASA ZERO Activities” every day to be able to take quick measures whenever a defect occurs, and the related departments (Manufacturing, Production Engineering, Quality Control) carry out patrols.

We have expanded these activities globally and we are working to achieve “Zero Defects” at every base of the EXEDY Group around the world.

#### Zero Defect Activities

##### ASA ZERO Activities

Every morning between 9:00 and 10:00 related departments (Manufacturing, Quality Control and Production Engineering) carry out company-wide inspections.



To prevent everyday defects and make quick decisions regarding measurements.



#### Sharing the latest information face to face



Japan



China



Indonesia



Thailand



Malaysia

## “Quality Month” Activities

At the EXEDY Group, every year in November during “Quality Month”, we carry out activities based on a company-wide theme that contributes to the quality awareness of all our employees. To raise the employees’ awareness, the Executive General Managers of each Headquarters give quality lectures, and we conduct activities so that both departments directly and indirectly related to manufacturing can achieve “zero defects”.

## Manufacturing Change Management Handbook

The Manufacturing Change<sup>※1</sup> Management Handbook was first published in July 2014 and handed out to all employees, including employees of domestic and overseas affiliates with the aim of ensuring thoroughness in Manufacturing Change Management<sup>※2</sup> to achieve the “Zero Defects” goal specified in the Quality Policy. In August 2014 it was handed out to employees of more than 270 domestic cooperating companies. The Handbook is effectively being used as a tool to appropriately carry out Manufacturing Change Management.

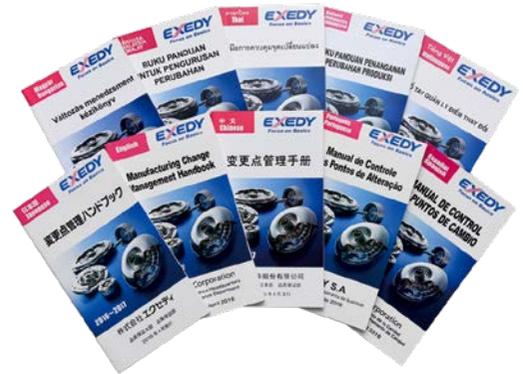
Besides Japanese, the Handbook is available in 10 languages including English, Portuguese, Chinese, Thai, Spanish, Indonesian, Hungarian, Vietnamese and Malay and distributed to local staff of overseas affiliates and cooperating companies, in an effort to globally strengthen our Manufacturing Change Management.

It would be ideal if we could continuously produce under the same specified manufacturing conditions, however, in reality there are always changes in the manufacturing process. Therefore, it is necessary to confirm that the quality levels before and after a manufacturing change are equal to or higher than than usual, before we start production.

Our Manufacturing Change Management Handbook includes the following easy-to-understand guidelines in case manufacturing change occurs:

- Different kinds of manufacturing change
- Points of concern in case of a manufacturing change
- Solutions

This handbook is updated once every two years, reflecting feedback from each company using the handbook, making it more convenient to use.



### ※1 What is Manufacturing Change?

We speak of manufacturing change when a change occurs to the 4M<sup>※</sup> related to the environment where products are made as compared with the initial production plan.

- **Man:** ... when a regular worker needs to be replaced by a worker less experienced, etc.
- **Material:** ... when the raw materials for a product change, etc.
- **Machine:** ... when equipment is replaced or restarted after large-scale maintenance, etc.
- **Method:** ... when work procedures or processing methods are changed, etc.

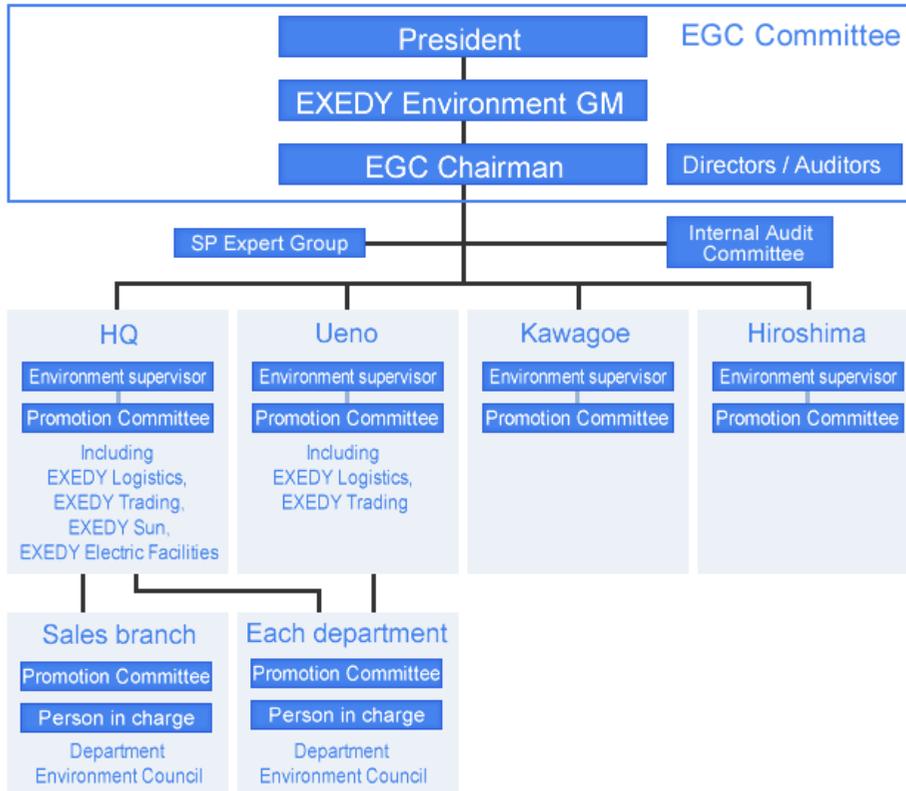
### ※2 What is Manufacturing Change Management?

Manufacturing Change Management is the history management, verification and confirmation of quality beforehand in order to prevent various problems occurring during a manufacturing change.

# Environmental Management

## Environmental Management System

Here at EXEDY, we have constructed a system of management known as the EXEDY Global Clean Committee, otherwise known as the EGC, that presides over all employees responsible for environmental matters.



■ ISO14001 Certification Acquired on June 16, 2000

## Environmental Audit (ISO 14001)

Internal Audit: carried out at all sites between October and December 2018.

External Audit (regular examination): carried out between February 10 and February 14, 2020 (organization: DQS Japan).

## Costs of and Investments in Environmental Activities and Environmental Accounting

We display here both the costs of environmental conservation as well as the economic and environmental results obtained from our conservation activities so that we can determine how to efficiently proceed with our conservation efforts.

### ● Cost of Environmental Conservation for the 2019 Fiscal Year

(JPY Million)

Item	Investment	Cost	Details
Anti-pollution Measures	8	75	Introduction of waste water treatment equipment and environmental installations
Preservation of the Global Environment	39	34	Solar panels, switch over to LED lighting, renewing air conditioning
Recycling Natural Resources	0	112	Waste disposal, recycling
Management	0	15	Monthly environmental events; periodic ISO inspections
Research Activities	0	2,904	The development of fuel-efficient products and recyclable materials; reductions in weight.
Social Activities	0	7	Planting of trees around our offices; environmental education
Subtotal	47	3,146	
Total		3,193	

### ● The Economic Benefits and Amount of Waste Reduced from Environmental Conservation

#### ■ Economic Benefits

(JPY Million)

Item	2017	2018	2019
CO2 Emission Reduction Costs (Compared to Previous Year)	6	0	34
Reduction of Waste Disposal Costs (Compared to Previous Year)	38	0	16
Subtotal	44	0	50

Item	2017	2018	2019
Selling off Recyclable Waste	651	796	512

#### ■ Quantity of Waste and Emissions Reduced

Item	2017	2018	2019
Amount of Industrial Waste Discharged*	49 tons	28 tons	23 tons
CO2 Emissions	69.3 kilotons of CO2	71.1 kilotons of CO2	65.7 kilotons of CO2

\* Amount of Industrial Waste does not include recycled waste.

## Environmental Risk Management

We carry out exercises with a scenario specified for each location, to prepare for accidents and emergency situations that can lead to environmental pollution. We clarify procedures and conduct training regularly, and familiarize ourselves with the procedures and improve them.

### ● Example of an Emergency Situation and Response Training

#### ■ Chemical Substance Leakage Response Training

At least once a year, we conduct training for each facility, based on an emergency response flow.

Example: Oil Leakage from a Delivery Truck



Headquarters:  
Oil leakage from delivery truck



Removing chemical substances  
from the gutter

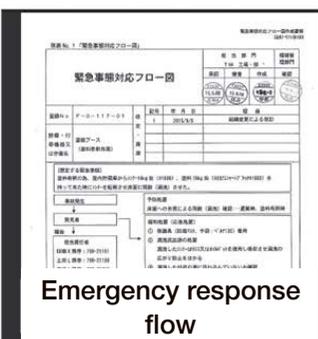


Applying oil processing agent

Chemical leakage response training (carried out once a year for equipment using chemical substance)



Training carried out based on emergency response flow



Emergency response  
flow



Checking emergency  
equipment stock



Cleaning the chemical substance



# Environmental Performance Data

At EXEDY Group, we proactively implement measures to reduce CO<sub>2</sub> emissions and waste in our products and the production process.

## Our Successes in 2019 and Our Targets for 2020

Objective	2019		2020
	Our Target	What We Accomplished	Our Target
<b>(as per the energy conservation law)</b>	Base Unit: 57.8 tons of CO <sub>2</sub> /100 Mil. JPY	Base Unit: 1.4% increase relative to previous year 55.4 tons of CO <sub>2</sub> /100 Mil. JPY	○ Base Unit: 54.9 tons of CO <sub>2</sub> /100 Mil. JPY
<b>Promote the Use of the 3Rs*2 to Reach Our Goal of Zero Emissions</b>	Base Unit: 2.66 tons of CO <sub>2</sub> /100 Mil. JPY	Base Unit: 3.6% increase relative to previous year 2.48 tons of CO <sub>2</sub> /100 Mil. JPY	○ Base Unit: 2.46 tons of CO <sub>2</sub> /100 Mil. JPY
<b>To Develop Products that Improve Fuel Efficiency</b>	The development of a variety of fuel-efficient products	Mass production and delivery complete	○ The development of a variety of fuel-efficient products
<b>Reduce, Abolish and Control the Use of Environmentally Hazardous Substances</b>	Continue to base our environmental management on PRTRs •Uphold laws and regulations for products and the environment •Strengthen our system for managing the chemicals used on our products	Reported to government and JAPIA*4 Emergency response training	○ Management based on PRTR Comply with environmental regulations Strengthen product chemical substance management system

\*1 Basic Unit: CO<sub>2</sub> emissions ÷ sales (in hundreds of millions of yen)

\*2 3Rs: Recycle, Reduce, Reuse

\*3 PRTR: Pollutant Release and Transfer Registers (A system used to gather and disperse information on the release of toxic substances from industrial facilities etc. to the environment)

\*4 JAPIA: Japan Auto Parts Industries Association

## Material Balance

In order to limit the energy and materials we use for manufacturing our products, we visualize the environmental burden of our production process. Knowing the exact numbers helps us reducing our environmental burden.

### Amount used and purchased

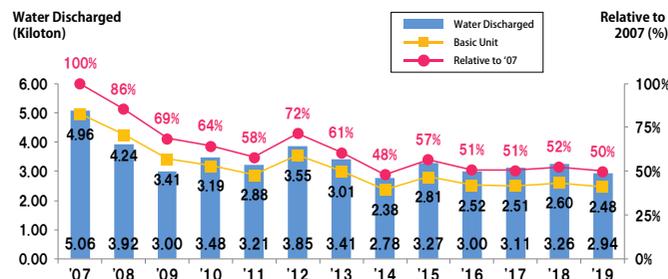
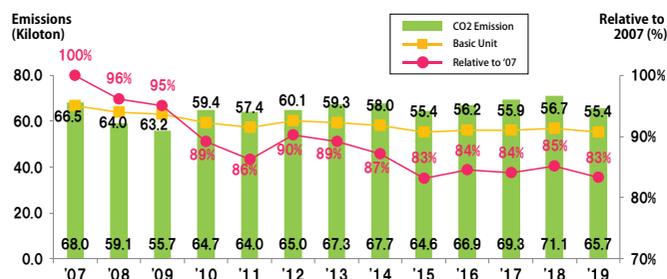
	Item	Unit	2013	2014	2015	2016	2017	2018	2019
Energy	Electricity	1000kWh	140,132	140,691	135,661	140,775	146,721	150,999	139,553
	Kerosene	kl	208	222	185	195	170	140	120
	Gasoline	kl	110	106	104	90	91	85	75
	Diesel	kl	201	259	118	166	129	165	166
	City gas	1000 m <sup>3</sup>	90	88	96	82	53	35	31
	LPG	tons	755	738	658	607	595	552	509
Purchased Materials	Steel	tons	111,451	121,933	116,544	125,967	129,345	131,677	127,816
	Casting	tons	11,348	12,296	13,178	12,751	11,804	11,519	10,652
	Forging	tons	12,983	14,663	15,402	15,317	16,012	16,515	15,134
	Friction Materials	Mil. Facings	8.2	8.4	12.5	12.1	11.8	11.0	10.1
Water	Tap Water	1000 m <sup>3</sup>	150	138	126	120	131	134	132
	Industrial Water	1000 m <sup>3</sup>	154	149	170	138	114	104	104

### Amount Recycled

(Unit: tons)

Scrap (Recycling) Within EXEDY	2013	2014	2015	2016	2017	2018	2019
	14,037	14,451	12,075	12,397	13,196	12,874	11,376

### Amount of Waste Discharged and the Basic Unit (base year)



※1 Source of CO<sub>2</sub> conversion factor of electricity: Japan Auto Parts Industries Association 0.453 t CO<sub>2</sub>/1000 kWh

※2 Basic Unit: CO<sub>2</sub> emissions or industrial waste ÷ sales (in hundreds of millions of yen)

※3 Japan Auto Parts Industries Association Activities in accordance with the 8th "Voluntary Environmental Action Plan"

## Amount Discharged

Location	Electricity [1000 kWh]	Fuel Consumption [tons of CO <sub>2</sub> ]	CO <sub>2</sub> Emissions [tons of CO <sub>2</sub> ]	processed Waste [tons]	
				Recycled	Landfill
Headquarters	30,132	831	14,481	32,628	18.4
Ueno	106,913	1,511	49,943	3,442	4.0
Kawagoe	1,518	164	851	95	0.0
Hiroshima	991	3	451	304	0.8
<b>Subtotal</b>	139,553	2,509	65,726	36,469	23.2

## Reduction effect (2007 base year)

<b>CO<sub>2</sub> Emissions Basic Unit</b>	<b>17% reduction</b>	<b>Waste Basic Unit</b>	<b>50% reduction</b>
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## Amount of Chemical Substances Discharged and Transferred

### PRTR Subject Chemical Substance (FY2019)

Location	Class I Designated Chemical Substance		Amount Discharged	Consumed	Transferred
	No.	Name	Atmospheric Emissions		Industrial Waste
Headquarters	384	1-Bromopropane	2,200	0	0
	80	Xylene	870	0	0
Ueno Division	384	1-Bromopropane	29,000	0	0
	151	1, 3 - Dioxolane	1,100	0	0
	80	Xylene	19	0	0
	296	1, 2, 3, 4 -Trimethyl-benzene	5.3	0	0

Kawagoe Plant, Hiroshima Plant: not applicable

#### Regarding Environmental Reports

- This report covers the domestic production bases: EXEDY Headquarters, Ueno Division, Kawagoe Plant and Hiroshima Plant. Preparing this report, we referred to the Environmental Report Guideline (2018 Edition) issued by the Ministry of the Environment. The report covers the period from Sunday, April 1, 2018 to Sunday, March 31, 2019. However, matters from other periods that were deemed necessary, have been included as well.
- Published: June 14, 2019

# Efforts to Reduce Environmental Impact

## Efforts to Reduce Environmental Impact in Product Development

### Development of Low Fuel Consumption Products

We at EXEDY have our sights set on eco-friendly product development, and are working to make products that contribute to smaller, lightweight, and fuel-efficient vehicles. In addition, we are contributing to the creation of societies that use vehicles in an environmentally friendly manner, with many of our products equipped within hybrid, plug-in hybrid, and other eco-friendly vehicles.



Our Ultra Thin Flywheel Damper for Hybrid Vehicles

### Our Efforts to Reduce Energy Consumption and CO<sub>2</sub> Emissions Resulting from Tests Run During Product Development (Development Headquarters)

In order to contribute to our society and make products that please our customers, we, in 2015, introduced our transient dynamometer, a testing machine that simulates the conditions of an actual vehicle, and we have actively been developing products that can handle reduced CO<sub>2</sub> emissions and improvements in fuel efficiency.



Transient Dynamometer Testing Equipment

We also have been moving forward with energy conservation at our currently existing facilities, carrying out energy-saving design that includes a switch from hydraulic power sources to electric ones and the establishment of regenerative power mechanisms. While maintaining required functionality, we have been able to make improvements to power consumption and keep it below 10%. In addition to this, we have been able to reduce power consumption by 20% by moving forward with switching each of our testing facilities over to LED lighting, all the while making sure that the rooms remain appropriately lit for the work being done.

## Efforts to Reduce Environmental Impact in Our Business Operations

### Renewal of waste water treatment facility at the Headquarters

In September 2017, we renewed the waste water treatment equipment at the EXEDY HQ Plant to process the waste water generated in the plant and discharge it to the sewage system. (total construction cost approx. 40 million yen)

Processing the waste water inside the plant ourselves not only enables us to reduce the amount of industrial waste generated, but also allows us to discharge water with a higher quality than the established sewage water quality standard.

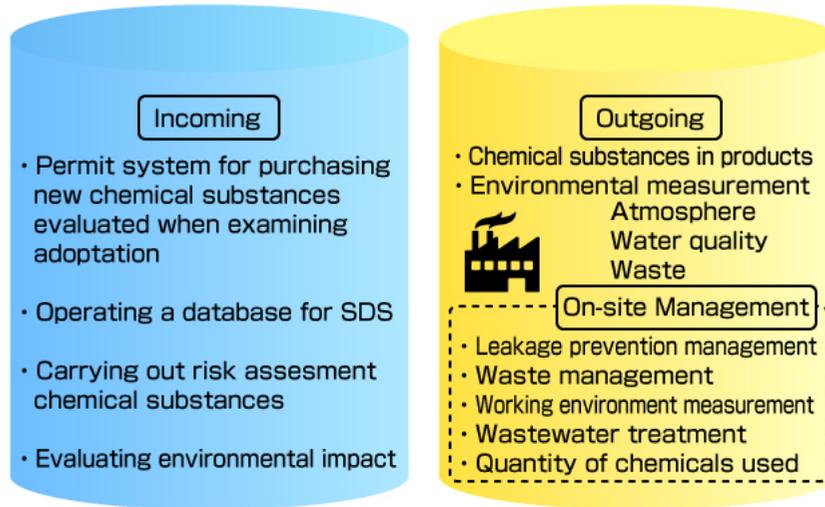
Before discharging the water, through activated carbon filtration and coagulating sedimentation processes in our waste water treatment facility, the water is clean enough for fish to live in. Next to our waste water treatment facility, we actually keep fish in an aquarium filled with processed waste water.



## Chemical Substance Regulations

In order to comply with environmental laws and regulations, prevent environmental pollution and reduce risks, we have introduced an evaluation system before adopting chemical substances and work to reduce environmental impact.

### Chemical Substance Management



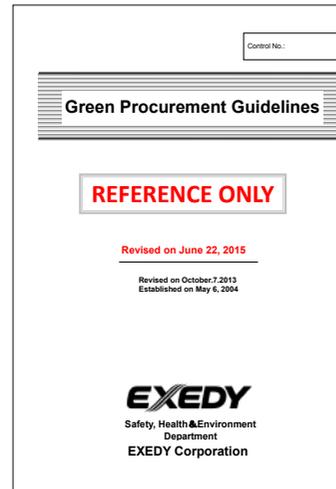
## Efforts to Reduce Environmental Impact in Our Purchasing and Transportation

### Efforts to Reduce Environmental Impact in Our Business Purchasing

Green Procurement Guidelines (Outline)

Our Request to Cooperating Companies

1. Compliance with Ordinance and Regulations etc.
2. Establishment and Maintenance of Our Environmental Management System
3. Management of Chemical Substances
4. Environmental Efforts in Our Business Operations
  - A. Reduction of Greenhouse Gas Emissions
  - B. VOC Reduction
  - C. Reduction of PRTR Substance
  - D. Promotion of Waste Reduction and Recycling
  - E. Reducing Impact on Water Resources and Water Quality
5. Management of the Supply Chain



### Efforts to Reduce Environmental Impact in Our Transportation (Streamlining Transportation Efficiency)

In order to reduce CO<sub>2</sub> generated in the transportation process of products, we work together with our affiliate EXEDY Logistics Co., Ltd. to improve packaging and packaging materials to improve loading efficiency, and we are continually looking to implement improvements such as shorter transportation routes, etc.

## Activities Aimed at Contributing to Society and Preserving Biodiversity

### ● Visiting Lecture ISO14001 for Kids

We support the activities of ISO14001 for Kids, an initiative of Mie Prefecture and every year we visit elementary schools in Mie to give lectures. The children who participate in the program, work on conservation of energy and resource in their homes with cooperation from their families.



### ● Wall Surface Greening Activities - Kawagoe Plant

As a part of the greening activities at the Kawagoe Plant, the plant's wall surface is being used to cultivate fruits. In FY 2017, employees cultivated grapes, kiwis, etc., and harvested the fruits that grew on the walls. Through these activities we raise our employees' environmental awareness and contribute to CO<sub>2</sub> reduction, while enjoying the fruit that we grow ourselves.



# CSR Guidelines for Cooperating Companies

At EXEDY we believe CSR efforts throughout the automotive industry's supply chain are of vital importance, if we want to keep developing in a way that is sustainable to earth and society. Therefore, in May 2017, we established the "CSR Guidelines for Cooperating Companies". We ask our cooperating companies to comply with these guidelines and to forward them to their suppliers.

## Outline

- I.Guidelines
- II.EXEDY's Corporate Philosophy and CSR Policy
- III.Basic Procurement Policy
- IV.CSR Guidelines for Cooperating Companies
  - 1.Compliance
  - 2.Human Rights and Labor
  - 3.Local and Global Societies
  - 4.Share with Your Suppliers



## ● Respect for Human Rights

Regarding the following eight items stipulated in CSR Guidelines for Cooperating Companies, we request that cooperating companies carry out activities and education, etc. to respect human rights.

- 1.Elimination of Discrimination
- 2.Respect for Human Rights
- 3.Child Labor
- 4.Forced Labor
- 5.Wages
- 6.Working Hours
- 7.Dialogue and Consultation with Employees
- 8.Safe and Healthy Working Environment

# Initiatives Involving Our Suppliers

## Environmental Action

In order to respond to environmental problems in our business activities, we have been continually working on improving our environmental management system since acquiring an ISO 14001 certification. In order to implement production with consideration for the environmental impact, we realized that the management of the entire supply chain is indispensable. Therefore, we established the “Green Procurement Guidelines” in May 2004. We revise it in accordance with changes in domestic and international environmental regulations and we ask our affiliates to cooperate with the company’s initiatives and policies in environmental conservation activities throughout the supply chain.



### ● Green Procurement Guidelines

1. Basic Environmental Policy
2. Management of Specific Substances
3. Our Request to Cooperating Companies
  - A. Compliance with Ordinance and Regulations etc.
  - B. Establishment and Maintenance of Our Environmental Management System
  - C. Handling Specific Substances

### ● Activities

#### 1. Dealing with companies that are yet to acquire ISO 14001 certification

We request self-audits regarding environmental initiatives for cooperating companies that have not yet acquired ISO 14001. The cooperating companies that do not meet the desired standards are asked to improve and hereby we are able to raise the overall level.

#### 2. Promoting Green Procurement

- 1) We conducted a survey among cooperating companies and held a briefing session regarding management of chemical substances for those companies that need further understanding of environmental management. It was held in January 2017 and 82 companies participated.
- 2) We ask our cooperating companies for their cooperation with green procurement at the annual Purchasing Guidelines Briefing.
- 3) Based on customer request, we conduct surveys for the presence of specific substances such as phthalates and/or PFOA in procured products.

## Preventing Bribery in Our Supply Chain

In order to promote fair and transparent corporate and procurement activities, we have set the following two points on corruption prevention in our “CSR Guidelines for Cooperating Companies”. We request that all cooperating companies understand and follow them.

1. We carry out all political contributions and donations, etc. abiding by each country’s respective laws and endeavor to build fair and transparent relationships with governments and administrations of these countries.
2. We shall neither offer nor accept entertainment, gifts and money with the objective of gaining profit in an unfair manner.

As a part of our education, the Code of Conduct is distributed to all employees and we hold reading sessions to gain a thorough understanding.

Employees are expected to politely refuse offers of entertainment and gifts. In case employees are unable to refuse, they will immediately report the matter to their superior and make sure matters are carried out openly.

## CSR Workshops and Promotion of Appropriate Transactions



In order to understand CSR correctly, we participate in CSR workshops organized by our customers and deepen our understanding.

For cooperating companies to understand and carry out CSR activities, we introduce the “CSR Guidelines for Cooperating Companies” and “Guidelines for Appropriate Transactions in the Automobile Industry” in our Purchasing Guidelines Briefings, and we ask our cooperating companies to pass it on through the chain of suppliers.

In addition, we inform our cooperating companies regarding various seminars on promoting fair and transparent transactions to raise their awareness.

## Education of Our Employees

We carry out training for our employees on a regular basis to promote appropriate transactions.

### • Code of Conduct Reading Sessions

Every week everyone gathers for the morning meeting and where we read the Code of Conduct together and deepen our understanding.

### • Appropriate Transaction Classes



Every year in November during “Appropriate Subcontracting Promotion Month”, we organize a lecture with instructors from within and outside the company, to raise awareness regarding appropriate transactions (Subcontract Law etc.) among employees of our company and its affiliated companies.

Further, we attend seminars promoting appropriate transactions hosted by the various organizations.

## Conflict Minerals

The EXEDY Group carries out its procurement activities taking into consideration the impact of conflict minerals\* (raw materials that may cause social problems relating to human rights and the environment) on local communities. With our “Cooperating Company CSR Guidelines” we request cooperating companies to do the same. Since 2013, in accordance with customers and the activities of the Japan Auto Parts Industries Association, we conduct a yearly survey of our domestic and overseas cooperation companies and their supply chain.

\*Conflict Minerals

Four minerals “tin”, “tantalum”, “tungsten” and “gold”, produced in the Democratic Republic of Congo and its neighboring countries in Africa are used to fund armed groups etc.

## Supply Chain Management

The Group conducts activities to minimize the disruption of the supply chain at the time of a bankruptcy, disaster, etc., at a cooperating company, or natural disaster, so that we can recover as soon as possible. In particular, to minimize the damage when a disaster strikes, we regularly confirm the location information of each production base, the earthquake resistance status of buildings and production facilities, and emergency contact information. We request improvements from cooperating companies where necessary.

### ● Supporting Suppliers Affected by Disaster

Hoping for a speedy recovery of the affected cooperating companies, we sent gasoline and diesel after the Great East Japan Earthquake. After the Central Tottori Earthquake, we send plastic tarpaulins as a material support to the affected area.

## Collaborations with Our overseas Bases

Purchasing staff at overseas production bases gather at the EXEDY Headquarters and hold a Global Purchasing Meeting. Here we review, share and improve the supply chain risk management activities of each company.



# Our Contributions to Society

As an exceptional corporate citizen, contributing to local communities is essential. At the EXEDY Group, each company carries out these activities in line with their specific circumstances.

## Establishment of the Disaster Prevention Park at the Headquarters in Neyagawa

EXEDY donated a piece of land near the Headquarters to Neyagawa City and Osaka Prefecture, and completed the construction including the surrounding roads. The Disaster Prevention Park serves as an evacuation site and is equipped with solar-powered LED lighting and emergency toilets etc.



## Clean-up and Tree Planting Activities

Together with the EXEDY Workers' Community (workers' union), employees and management united their efforts to carry out environmental activities. Every year, we carry out the Clean Campaign (clean-up and tree planting in the areas surrounding the company) and participate in the Clean River Neyagawa (cleaning activities of the Neyagawa River).

### Clean River Neyagawa



**Clean Campaign**



**Supporting Student Auto Racing Competitions (EXEDY)**

We at EXEDY support student formula and solar car races in order to develop future engineers as well as improve automobile technologies. We have hopes that these students, through the process of building a vehicle, will work hard at improving fuel efficiency and lowering production costs, and from this grow into engineers that can create automobiles that are environmentally friendly.



Student Formula



Solar Car Race

## Volunteer Activities

Here we introduce the volunteer activities carried out by EXEDY Group.

### EXEDY DYNAX Shanghai Volunteer Team Initiatives



The volunteer team established in December 2008 at EXEDY DYNAX Shanghai carries out activities contributing to the local community. The volunteer team initially consisting of only two members at its foundation, currently exceeds 100 members. Activities include cleaning of the company premises and neighboring housing complexes, cleaning and supporting the children's study at the welfare institution for children, and organizing the books at the library. In 2016, the volunteer team was awarded the prize of 'Leading Organization' from the development district where the company is located and from the Fengcheng District Library they received the 'Excellent Volunteer Team Award'. The team even made an appearance in the media.



Cleaning-up Neighboring Housing Complexes



Volunteer Activities at the Welfare Institution for Children



Organizing the Books at the Library

### EXEDY DYNAX Shanghai Volunteer Team Awards



2016 Shanghai Development District 'Leading Organization Award'



2017 Fengcheng District Library 'Excellent Volunteer Team Award'



● **Maintaining the National Park (EXEDY Thailand)**

On June 24, 2017, as a part of their CSR activities, EXEDY Thailand visited Kao Chamau Kao Wang National Park, where they built a dam, planted banana trees and installed a mineral supply for wild elephants. Everyone enjoyed the fulfilling activities together.



● **Blood Donation Campaign (EXEDY Malaysia)**

On August 12, 2016, EXEDY Malaysia hosted a blood drive at their training room. 80 people, including employees from neighboring companies, participated. This activity raised awareness among the employees about their part in Malaysian society, and it increased the sense of solidarity with the other companies.



## Donations

Here we introduce EXEDY Group's donations.

### ● Volunteer Activities to Collect Supplies to Support Reconstruction after East Japan Great Earthquake Disaster (EXEDY)

EXEDY participated in the "East Japan Great Earthquake Disaster Reconstruction Support Volunteer Activities" organized by Nihokai (Kyohokai and Eihokai), held every year, and collected and donated unneeded mobile phones, postcards, unused stamps, telephone cards and bellmark points.

### ● Money donation to the Kumamoto Earthquake-stricken Area (EXEDY)

Through the Kansai Association of Corporate Executives, we donated 1 million yen to the affected areas of the Kumamoto earthquake. On June 13, 2016, Hiroyuki Suzuki, Representative Director of the Kansai Association of Corporate Executives visited the Kumamoto Prefectural Office and handed over a logbook to the Vice-Governor of the Kumamoto Prefecture, Taisuke Ono. We hope for a quick recovery for everyone affected by the disaster.

### ● Donation of a Water Purification System to an Elementary School (EXEDY Thailand)

120 employees, including Ryu Suzuki, (former) President of EXEDY Thailand, visited a neighboring elementary school on May 29, 2016 for the donation of the water purification system and volunteering activities. Together with the children our employees painted the walls and cleaned up the school building. They also played games and in the end all 97 students sang a song of gratitude. Our employees thoroughly enjoyed their involvement in the activities.



### ● Contribution to Arts Support Kansai

Since March 2016, we cooperate with Arts Support Kansai, an organization supporting art and culture in the Kansai Region. For every drink sold at the vending machines installed at the EXEDY Headquarters, Ueno Division and EXEDY Nara, one yen is donated. On a yearly basis this accumulates to an amount of approximately 1 million yen.

## Contributing to the Region

The EXEDY Group has strong connections with local societies.

### Workplace Experience for Junior High School Students

#### Neyagawa City (EXEDY Headquarters)

Every year we invite junior high school students to the headquarters in Neyagawa for a workplace experience. The students go on a plant tour and study about the products, get practical inspection training, create drawings and make their own business cards; they learn what it means to “work”.



#### Mimasaka City (EXEDY Precision)

We have been inviting 2nd grade students of Mimasaka Junior High School in Okayama Prefecture for a workplace experience since 2013. The children interact with many different people, and we hope they draw confidence from achieving the goals set for the day. We hope these children, after graduating high school and university, will develop into leaders of the region with “love for their hometown” and “healthy development” as their driving forces.



### Fire Fighting Competition (EXEDY Fukushima)

New employees take part in the fire fighting competition sponsored by the Kitakata City Fire Department in Fukushima Prefecture, held in June every year. Here new employees put the skills they acquired during the new recruitment training into practice, and compete for the top places every year.



### Handing Out Reusable Shopping Bags at the Local Bon Dance Event (DYNAX)

Our employees participate in the Bon Dances held in August every year in the cities of Tomakomai and Chitose and hand out reusable shopping bags. All employees wearing matching yukatas (Japanese summer kimono) dance together with the local residents with much enthusiasm.



## Activities Involving Employment

### ● Employment of Handicapped People

26 employees with disabilities (as of March 2020) work at our special subsidiary, EXEDY Sun Co., Ltd.

In addition, employees with hearing disabilities and those with impaired arms or legs work in the same way as non-handicapped people, while receiving the necessary support within the company.

### ● Providing Internship Opportunities

We have an internship system that provides opportunities for students to have a work experience so they are better able to choose their vocation and determine what they are good at.

In FY 2019, we offered internships in die design, equipment development, 3D inspection, etc. at the Production Engineering Headquarters for two weeks in August. In September, we had week-long internships at the Development Headquarters, and participant experienced evaluating the reliability of a clutch. These are valuable experiences that students usually do not gain at school.

In addition to that, we hold one-day internships in summer and winter.



# Employees

## Growing as a Global Company

The personal development of employees is development of the EXEDY Group. The strategic direction of this growth is defined in the “EXEDY Way”. In order to continue to grow and evolve as a global company, we believe that developing global human resources and contributing to society and self-fulfillment through our work will lead to “Creation of Fulfillment”, our corporate philosophy.

## Global Human Resources Development Headquarters

In order to prevail in global competition, our management activities focus on “how to develop global human resources” and “how to develop human resources that are capable of working on their own initiative, producing results”. As a first step, in April 2016 we established the “Global Human Resources Development Headquarters” that specializes in creating mechanisms for human resources development, training plans and planning work. While undertaking its role as the base of human development for the EXEDY Group, a structure will be developed that trains human resources who are able to contribute to customers and society.

# Global Human Resources Development

## Global Training for New Graduates

At the EXEDY Group, we put effort in the development of new graduates. Since FY2016, we set up individual “ten-year training plans” for each new graduate, and carry out training based this plan. Once every four months, Human Resources representatives hold one-on-one interviews and discuss work and the workplace environment. Each department prepares detailed yearly plans on which we base the education so employees acquire technologies and know-how in a timely way. We also carry out strategic rotation including overseas training. This system allows our employees to gain valuable experience at a young age.

## GETS Lectures

GETS (Global EXEDY Technical School) was established in 2012 to support the employees trying to learn on their own initiative. Here we mainly carry out stratified education and specialized manufacturing training. In this specialized manufacturing training, in addition to practical basic skills and knowledge, we teach skills that can be used in the workplace, in levels ranging from basic to expert. Rather than learning while seated at a desk, we incorporate a lot of education where employees get to master skills by practicing. We hand down technology taking advantage of the experience of in-house and OB lecturers. Some courses are attended by people outside our company to learn the basics of manufacturing.

## Global Management Training

The EXEDY Group, with bases all over the world, carries out management training to strengthen the management of overseas production bases and sales companies. The EXEDY WAY, which is the core of our company, embodies our values and way of thinking and leads the way to evolution globally. As managers at the various locations share this way of thinking, we are able to achieve further development.



Plant tour at EXEDY HQ



Participants receive a certificate of completion

## Top Seminars

Since 2012 we have been inviting well-known individuals and people from our top management to EXEDY Headquarters to hold lectures. Until 2019, we held a total of 25 lectures. Through these lectures our employees learn about different ideas and perspectives. We hope this encourages them to grow, while keeping a broad perspective, and that they will incorporate this in their daily work.



## QC Circle Activities

There are 300 active QC circles at EXEDY Corporation and worldwide there are around 1,100 circles. While employees grow through these activities solving work-related problems, we revitalize communication at the workplace. In the course of these activities, employees learn the problem-solving procedure that is the basis of quality, as well as nurture leadership and membership skills and improve field capabilities. In addition, we organize domestic and global QC Circle competitions to stimulate QC activities throughout the company while increasing the sense of unity and raising awareness towards improvement activities in the EXEDY Group. The best QC circles at the EXEDY tournament will participate in the various external QC Circle Conferences. Below we listed the major awards received by EXEDY’s QC circles.



Elite circles that won domestic and international qualifications get to participate in the yearly Global QC Tournament

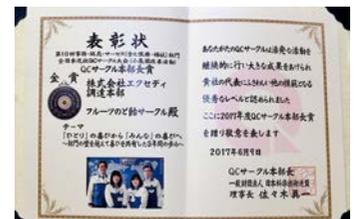


A creative and entertaining presentation by an overseas QC Circle

## ■ QC Circle Convention Achievements (excerpt)

### —QC Circle Headquarters / Union of Japanese Scientists and Engineers—

[Event]	The 6th Clerical, Sales and Service Section (Including Medical and Welfare) Nationwide QC Circle Conference (Small-group Activities)
[Date]	June 14, 2013
[Result]	Director's Award Gold Prize
[Circle Name]	The Problem Solver Experts (Global Strategy Headquarters)
[Event]	The 46th Nationwide QC Circle Conference (Small-group Activities)
[Date]	November 29, 2016
[Result]	Director's Award Silver Prize
[Circle Name]	Material Technology (Development Headquarters)
[Event]	The 10th Clerical, Sales and Service Section (Including Medical and Welfare) Nationwide QC Circle Conference (Small-group Activities)
[Date]	June 09, 2017
[Result]	Director's Award Gold Prize
[Circle Name]	Fruit Nodoame (Purchasing Headquarters)
[Event]	The 48th Nationwide QC Circle Conference (Small-group Activities)
[Date]	November 27, 2018
[Result]	Director's Award Silver Prize
[Circle Name]	CAMCAM (Production Engineering Plant)
[Event]	The 12th Clerical, Sales and Service Section (Including Medical and Welfare) Nationwide QC Circle Conference (Small-group Activities)
[Date]	June 7, 2019
[Result]	Director's Award Silver Prize
[Circle Name]	Shushu Circle (AT Quality Control Department)



### —QC Circle Kinki Regional Chapter—

[Event]	The 5981th QC Circle Kinki Regional Chapter Hyogo Area Convention
[Date]	November 17, 2017
[Result]	Regional Chapter Director's Award
[Circle Name]	Right Now (Information Systems Department)
[Event]	The 16th QC Circle Champions Tournament in Osaka
[Date]	January 18, 2018
[Result]	Governor's Prize
[Circle Name]	CAMCAM (Production Engineering Plant)
[Event]	The 6104h QC Circle Tokai Regional Chapter Exchange Convention
[Date]	February 14, 2019
[Result]	Director's Award Gold Prize
[Circle Name]	Shushu Circle (AT Quality Control Department)



The Fruit Nodoame Circle (Purchasing Headquarters) was awarded the Director's Award Gold Prize on June 9, 2017 at the Nationwide QC Circle Conference

## ● Improving Technical Skills

In order to improve the technological capabilities of our employees, we carry out various activities throughout the entire EXEDY Group. The EXEDY Olympics are held with the aim of increasing the motivation of employees involved in manufacturing. Various members of the EXEDY Group compete their skills in disciplines such as forklift, measurement skills, crane, insert change and die exchange.



Forklift Olympic Event



Measurement Skill Olympic Event

## Diversity

We believe it is essential to be a company where every employee can achieve his or her full potential making use of individual differences such as age, nationality or gender. In addition to current efforts, we established our “Diversity Policy” on July 2, 2018 to further promote diversity.

### ● Diversity Policy

#### Basic Policy

We will continue to grow as a global company, making full use of the abilities of diverse human resources and create new value by increasing our organizational strength.

#### Course of Action

We aim to be a company that all employees are happy to work for, regardless of their differences in attributes, values, experience, etc.

1. We mutually accept and respect each other regardless of gender, age, nationality, religion and beliefs, academic background, possible disabilities and differences in values and experiences.
2. With emphasis on dialogue, we will make use of diverse opinions to find better ways.
3. All our employees will continue to grow while keeping a professional mindset, and mutually acknowledge each other other's abilities.
4. We respect the work-life balance that each employee aims for.

We will create the environment and structure to make this a reality.

July 2, 2018  
President & CEO  


### ● EXEDY Received New Diversity Management Selection 100 Award

On March 22, 2019, EXEDY has been selected by the Ministry of Economy, Trade and Industry (METI) for the 'New Diversity Management Selection 100 Program'. METI selects enterprises that have improved its corporate value through diversity management. We will further strengthen our efforts to improve diversity.



### ● Diversity Training

Since FY 2019, we provide diversity training to employees in management and supervisory positions. We offer the opportunity to find tips that can be reflected in our daily work in terms of making the most of the capabilities of our diverse workforce.

### ● Diversity Awareness Survey

We have been conducting diversity awareness surveys on our employees in order to grasp the extent diversity awareness has taken hold. The goal is to clarify issues and find a future direction, as we aim to be a company that respects diversity and enables everyone to fulfill their full potential. Our future activities are linked to the results of the survey.

### ● Female Advancement Initiative

Our company focuses on creating a comfortable working environment for women. As quality is of vital importance in the manufacturing industry, in various ways we try to incorporate the viewpoints of our female employees, who often have a fine eye for detail. After hearing the opinions of the female workers, we made adjustments to our production line for torque converters, our core product. We created a model line that makes it easy for anyone to work by introducing equipment with height-adjustable operation panels and start switches. We also established a women-only break room.



## ● Introducing Systems to Support Coexistence of Childcare / Nursing Care with Work



### ■ Childcare

We maintain high return-to-work rates and childcare leave rates. We allow employees to shorten their work hours until their children finish third grade of elementary school. Also, support is provided at the start of the leave period and when returning to work. When employees enter maternity and child-care leave, interviews with their superior and human resources representative take place to relieve anxieties about returning to work.

In addition, we distribute the “Before and After Maternity Leave Guidebook” to raise awareness and understanding of necessary procedures and available systems. In the future, to support the generation of double-income households, we have our thoughts set on expanding the childcare leave system to make it available for male employees as well.



### ■ Nursing Care

Our employees are able to take nursing leave up to three times for a period of two years, so we can meet the needs of employees living in an aging society.

### ■ Work-at-Home System

We introduced a work-at-home system for some employees involved in childcare and nursing care. For those employees who have difficulty coming to work at a given day, we provide an environment where they can continue to work and maximize their abilities.

## ● Employing Foreigners

Currently we employ approx. 700 foreigners from 20 different countries. Working with people with different backgrounds on a daily basis, cultivates a global perspective and way of thinking. Even though nationalities and background of our employees differ, we share our way of thinking, the “EXEDY WAY”. We all cooperate in workplaces such as Accounting, Human Resources, Sales and Development, making full use of our individual strengths.



## ● Technical Trainee System

Many employees come to the mother plant in Japan through the Technical Trainee System from affiliated companies in various countries such as Thailand, Vietnam, Indonesia, Mexico, etc., to polish their technical skills. We established a praying room and displayed multi-language sign boards in the plants, we provide job-specific training, QC lectures and Japanese language education during the weekends. We support the trainees to make sure their training is fruitful, and hold events like intercultural exchange meetings and informal gatherings with company directors.



## ● Employing People with Disabilities

In March 2011 we established EXEDY Sun Co., Ltd., a special subsidiary to create an environment that makes it easier for people with disabilities to make full use of their potential. Including this special subsidiary, the number of employees with disabilities surpasses the legally mandated employment ratio. In addition to our support of their daily work, we hold meetings with hearing impaired employees once every two months, with the help of a sign language interpreter. Using their suggestions we strive to create a better workplace.

## ● Participation of Employees Older than 60

At EXEDY we have a system in place to enable employees to continue their work after reaching retirement age at 60. These employees mainly focus on guiding junior employees and handing down skills and expertise.

# Revitalization Activities

## Summer Festival

Since 2011 we have been organizing summer festivals at our Headquarters and other locations. The festivals are very popular events and are visited by local residents as well as employees and their families; every year the combined summer festivals attract over 4,000 visitors. Each location plans their own exciting events. The festival's fair and food stalls are free of charge, and also the lottery with great prizes is very popular.

### ● Headquarters

In 2019 the summer festival at the Headquarters attracted over 3,000 visitors. Highlights of the event were the performance by a professional dance group and penalty shoot-out between departments. At the food stalls we served sausages, fried chicken, ice cream and pineapple.



PK shoot-outs



Popcorn



Drinks

### ● Ueno Division

At the festival at our Ueno Division we enjoyed the traditional dance of our technical trainees, basketball free-throw contests between departments and dance performance by the junior cheerleaders with Kunon-chan, the mascot of Iga FC Kunoichi, womens football team playing in the Nadeshiko league. The summer festival at the Ueno Division attracted more than 1,000 local residents and employees and their families.



Traditional dance by trainees from Thailand



Traditional dance by trainees from Vietnam



Free-throw contest



Food and drinks

## ● Kawagoe Plant

At our Kawagoe Plant, visitors enjoyed a performance of high school brass band and played a PK shoot-out contest. At the stalls we had a shooting gallery and we served ice cream, fried soba noodles and pop corn. The lively event was attended by employees and their families.



PK shoot-out



Lottery



Brass band

## ● EXEDY Nara

In July 2017, we held the first summer festival at EXEDY Nara. Sausages, fried soba noodles, fried chicken and drinks were served at the food stalls. The family members enjoyed Yoyo and gold fish scooping. The main event of the festival was the gold fish scooping tournament between teams. Thanks to the local nature (Yamato-koriyama City) of the events all participants were very excited.



Lottery



Gold fish scooping tournament



Lottery

## Cultural Festival

Employees show another side of themselves, playing folk guitar or performing with their band. The music resonated across the cafeteria transforming it into a music hall with a capacity of over 400 people. The first edition was held in 2015 and more than 900 people participated, making for a lively event that really brought the musicians and spectators together.



## Global Sports Events

To deepen camaraderie between employees, we have been organizing sport events since 2016. We held the 1st and 2nd Badminton Tournaments. Teams from overseas and domestic affiliates that won their qualifiers also competed in these lively events, bringing the entire EXEDY Group together.



## Table Tennis Team

The women's table tennis team that was founded in 1988, celebrates its 31st anniversary in 2019. The team participates in the Japan Table Tennis League, the pinnacle of domestic table tennis, and won the first half of the season in the second division. The second half of the 2019 season the team got some good results and managed to stay in the top division. In addition, the team has finished in the best eight at the All-Japan Women's Corporate Tennis Championships on two occasions.

Based at Ueno Division in Iga City, Mie Prefecture, the members participate as instructors in sports classes and trial sessions, targeting elementary and junior high school students in the prefecture as a part of the 2019 Mie Prefecture Citizen's Day commemorative events under the theme of 'Revitalize Mie with the Power of Sports'.

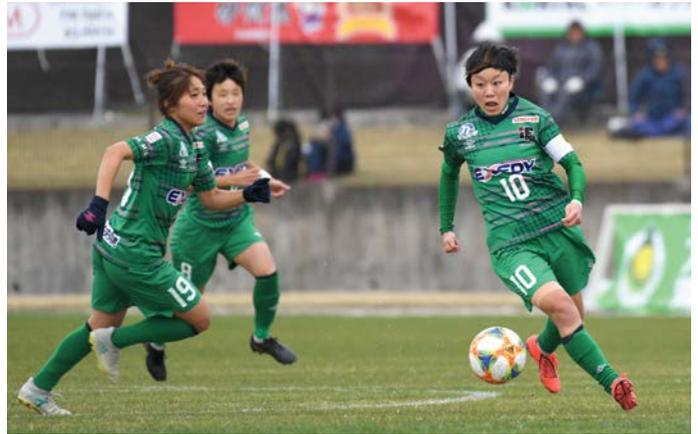
Further, in preparation of the National Athletic Meet to be held in Mie in 2021, the members of our table tennis team have been training 20 boys and girls as a part of the '2018 Mie Table Tennis Association Elementary and Junior High School Development Program' organized by the Mie Table Tennis Association. We will continue our involvement with local communities through such activities.



Mie Table Tennis Association Elementary and Junior High School Development Program

## Iga FC Kunoichi

Our company became the main sponsor of the Iga FC Kunoichi Women's Football Team, playing in the Plenus Nadeshiko League. Founded in 1976, Iga FC Kunoichi is a team with a long history and celebrated its 40th anniversary in 2016. Most of the players are employed by EXEDY. We provide an environment where the players work until 2 pm every day, and can focus on training in the afternoon. This is how we help create an environment for women's football and contribute to its development.



# Corporate Data

## BOARD OF DIRECTORS AND CORPORATE AUDITORS

As of June 30, 2020

President and Chief Executive Officer:

Hidehito Hisakawa

Directors: Shogo Okamura  
Hiroshi Toyohara  
Tetsuya Yoshinaga  
Shinji Fujimoto  
Yuzuru Hirose  
Junji Yamakawa  
Makoto Mitsuya  
Ichizo Yoshikawa  
Toshiki Takano  
Takashi Hayashi

Auditors: Keizo Nishigaki  
Kanshiro Toyoda  
Tadashi Fukuda  
Satoshi Tsubota

## EXECUTIVE OFFICERS

As of June 30, 2020

Senior Executive Managing Officer:

Shogo Okamura Hiroshi Toyohara

Executive Managing Officers:

Tetsuya Yoshinaga Kenji Matsuda  
Mitsuhiro Gondo

Senior Executive Officers:

Shinji Fujimoto Yuzuru Hirose  
Junji Yamakawa Yoshihiro Kojima  
Yoshimi Osanai Tomoaki Goto  
Yoshihiro Yamamura

Executive Officers:

Masahito Baba Ryu Suzuki  
Mitsugu Yamaguchi Tatsuyuki Aoki  
Toshiyuki Tanaka Hisashi Honjo  
Yoichi Yoshida

## OUTLINE OF COMPANY

As of March 31, 2020

Name: **EXEDY Corporation** Number of Issued Shares: **48,593 thousand shares**  
Established: **July 1, 1950** Number of Shareholders: **22,928**  
Paid-in Capital: **¥8,284 million** Average number of shares held by one Shareholder: **2,119 shares**  
Number of Employees: **2,663** Listed on First Sections, Tokyo Stock Exchange  
Number of Authorized Shares: **168,000 thousand shares**

## JAPANESE NETWORK

### Head Office

1-1-1 Kidamotomiya, Neyagawa-shi, Osaka, 572-8570  
Tel: 81-72-822-1152 Fax: 81-72-822-7552

### Tokyo Sales Office

Shishido Building 6th Floor, 1-15-14 Sakai, Musashino City, Tokyo, 180-0022  
Tel: 81-42-250-0751 Fax: 81-42-253-1110

### Kanagawa Sales Office

Asahi Mutual Life Insurance Co. Bldg. 7th Floor, 4-1-10 Naka-cho, Atsugi-shi, Kanagawa, 243-0018  
Tel: 81-46-297-7051 Fax: 81-46-225-5568

### Shizuoka Sales Office

RICOH Solutions Higashi Shizuoka Bldg. 2nd Floor, 6-20 Aratajima-cho, Fuji-shi, Shizuoka, 417-0043  
Tel: 81-545-54-0861 Fax: 81-545-54-0862

### Hamamatsu Sales Office

City 21 Bldg. 6th Floor, 320-4 Sunayama-cho, Naka-ku, Hamamatsu-shi, Shizuoka, 430-0926  
Tel: 81-53-413-6011 Fax: 81-53-413-6012

### Chubu Sales Office

Tocho Bldg. 2nd Floor, 1-16-5 Mikawaanjo-cho, Anjo-shi, Aichi, 446-0056  
Tel: 81-566-71-2750 Fax: 81-566-72-7015

### Hiroshima Sales Office

Crest Court Kaita Sakaemachi Bldg. Room 202, 6-6 Sakaemachi, Kaita-cho, Aki-gun, Hiroshima, 736-0043  
Tel: 81-82-821-0021 Fax: 81-82-823-6620

### Ueno Division

2418 Ota-cho, Iga-shi, Mie, 518-0825  
Tel: 81-595-23-8101 Fax: 81-595-24-5521

### Kawagoe Plant

1-103-25 Yoshinodai, Kawagoe-shi, Saitama, 350-0833  
Tel: 81-49-225-0601 Fax: 81-49-225-0600

### Hiroshima Plant

6-11 Taguchi Kenkyu Danchi, Higashi Hiroshima-shi, Hiroshima, 739-0038  
Tel: 81-82-425-3434 Fax: 81-82-425-3436

### DYNAX Corporation

1053-1 Kamiosatsu, Chitose-shi, Hokkaido, 066-0077  
Tel: 81-123-24-3247 Fax: 81-123-49-2050

### EXEDY Casting Co., Ltd.

112 Haishi, Fukuchiyama-shi, Kyoto, 620-0955  
Tel: 81-773-22-1156 Fax: 81-773-23-8477

### EXEDY Kyoto Co., Ltd.

15 Kizuogawa, Kizugawa-shi, Kyoto, 619-0214  
Tel: 81-774-73-0631 Fax: 81-774-73-2147

### EXEDY Precision Co., Ltd.

104-1 Joden, Mimasaka-shi, Okayama, 701-2625  
Tel: 81-868-74-3501 Fax: 81-868-74-3503

### EXEDY Logistics Co., Ltd.

1-30-1 Kidamotomiya, Neyagawa-shi, Osaka, 572-0822  
Tel: 81-72-822-1462 Fax: 81-72-822-1174

### EXEDY Trading Co., Ltd.

1-1-33 Kidamotomiya, Neyagawa-shi, Osaka, 572-8822  
Tel: 81-72-824-7633 Fax: 81-72-822-1016

### EXEDY Sun Co., Ltd.

1-16-5 Kidamotomiya, Neyagawa-shi, Osaka, 572-8822  
Tel: 81-72-822-1147 Fax: 81-72-824-3871

### EXEDY Electric Facilities Co., Ltd.

8-6 Hyuga-cho, Moriguchi-shi, Osaka, 570-0023  
Tel: 81-6-6997-3131 Fax: 81-6-6997-3150

### Nippon Retarder System Co., Ltd.

1-1-33 Kidamotomiya, Neyagawa-shi, Osaka, 572-0822  
Tel: 81-72-820-0911 Fax: 81-72-824-1035

### EXEDY Fukushima Co., Ltd.

65 Matsubara, Torimiyama, Matsuyama-machi, Kitakata-shi, Fukushima, 966-0901  
Tel: 81-241-23-3100 Fax: 81-241-25-7367

### EXEDY SB Hyogo Co., Ltd.

Nakanoshima Festival Tower West 21st Floor, 3-2-4, Nakanoshima, Kita-ku, Osaka-shi, Osaka, 530-0005  
Tel: 81-6-7708-8173 Fax: 81-6-7708-8182

### EXEDY Nara Co., Ltd.

68 Nukatateramachi, Yamatokoriyama-shi, Nara, 639-1036  
Tel: 81-743-56-6878 Fax: 81-743-56-5033

## OVERSEAS NETWORK

### EXEDY America Corporation (EAC)

2121 Holston Bend Drive, Mascot, TN 37806, USA  
Tel: 1-865-932-3700 Fax: 1-865-932-2230

### EXEDY Globalparts Corporation (EGP)

8601 Haggerty Road Van Buren TWP, Michigan 48111-1607, USA  
Tel: 1-734-397-3333 Fax: 1-734-397-7300

### DYNAX America Corporation (DXA)

568 East Park Drive, Roanoke, VA 24019, USA  
Tel: 1-540-966-6010 Fax: 1-540-966-6011

### EXEDY DYNAX MEXICO, S.A. DE C.V. (EDM)

Circuito Progreso #101, Parque Industrial de Logística Automotriz (Pila), Peñuelas, Aguascalientes, MEXICO, CP 20340  
Tel: 52-449-176-0000 Fax: 52-449-139-4904

### EXEDY Mexico Aftermarket Sales, S.A. de C.V. (EMA)

Via Adolfo Lopez Mateos 9, Col. Lomas Verdes, Naucalpan, Edo. De Mexico, 53120, MEXICO  
Tel: 52-55-5572-5127 Fax: 52-55-535-4163

### EXEDY Latin America S.A. (ELA)

Edificio Patilla Office Tower, Oficina # 902, 903, 904, Avenida 8va. Sur y Calle 56 Este, Corregimiento de San Francisco, Ciudad de Panama, Republica de PANAMA  
Tel: 507-395-7122 Fax: 507-395-7124

### EXEDY Clutch Europe Ltd. (ECE)

Unit 2, Rokeby Court, Manor Park, Runcorn, Cheshire, WA7 1RW, UK  
Tel: 44-1928-571850 Fax: 44-1928-571852

### < Netherlands Representative Office >

Tradeport A109, Atoomweg 63, 3542AA Utrecht, NETHERLANDS  
Tel: 31-30-850-5446

### < Turkey Office >

Esentepe Mah, Büyükdere Cd. No:195, Kat:5 ODA No.7001  
34394 Şişli/İstanbul, Turkey  
Tel: 05306949502 Fax: 02127059500

### EXEDY DYNAX Europe Ltd. (EDE)

2800 Tatabanya, Szarkalab UT6, HUNGARY  
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### EXEDY Australia Pty. Ltd. (EAP)

21 Fiveways Boulevard, Keysborough, Victoria 3173, AUSTRALIA  
Tel: 61-3-9701-5556 Fax: 61-3-9701-5684

### EXEDY New Zealand Ltd. (ENZ)

151 Wairau Road Glenfield Auckland, NEW ZEALAND  
Tel: 64-9-444-0901 Fax: 64-9-444-0903

### EXEDY Thailand Co., Ltd. (EXT)

700/316 Moo 6, Bangna-Trad Road, Tumbon Don Hua Roh, Amphur Muang, Chonburi 20000, THAILAND  
Tel: 66-38-214-423 Fax: 66-38-214-422

### EXEDY ENGINEERING ASIA Co., Ltd. (EEA)

700/552 Moo 6, Bangna-Trad Road, Tumbon Don Hua Roh, Amphur Muang, Chonburi 20000, THAILAND  
Tel: 66-38-453-182 Fax: 66-38-453-181

### EXEDY Friction Material Co., Ltd. (EFM)

700/359 Moo 6, Bangna-Trad Road, Tumbon Don Hua Roh, Amphur Muang, Chonburi 20000, THAILAND  
Tel: 66-38-743-923 Fax: 66-38-743-927

### EXEDY (Malaysia) Sdn.Bhd. (EXM)

PT 16748, Jalan Permata 1/5, Arab-Malaysian Industrial Park 71800 Nilai, Negeri Sembilan, MALAYSIA  
Tel: 60-6-7992988 Fax: 60-6-7996388

### EXEDY SINGAPORE PTE. LTD. (ESP)

45 UBI ROAD #02-01 SINGAPORE 408696  
Tel: 65-6749-1395 Fax: 65-6742-6936

### PT. EXEDY Manufacturing Indonesia (EMI)

Jl. Permata V Lot EE 3 Kawasan Industri KIIC Karawang 41361 Jawa Barat, INDONESIA  
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## Mission Statement

### ***The Shape of Our Future: “Creation of Fulfillment”***

***Each employee, with a good conscience and hope for the future, will create fulfillment for our society.***

***Through advanced technology and scrupulous attention to detail, we will create fulfillment for our customers.***

***With pride and a desire to grow, we will create fulfillment for the EXEDY family.***



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