

# ***ANNUAL REPORT 2012***

*Year Ended March 31, 2012*



***EXEDY***  
***Focus on Basics***

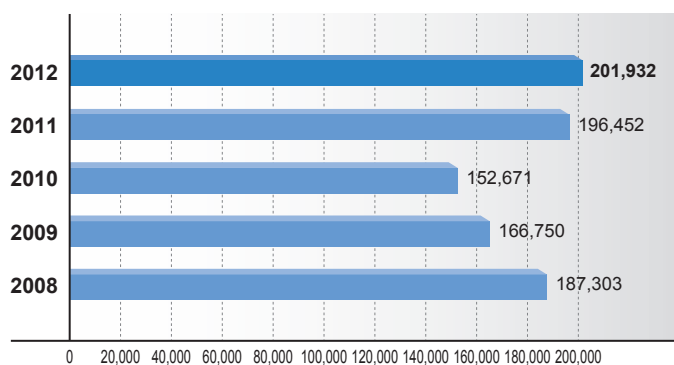
# Consolidated Financial Highlights

EXEDY CORPORATION AND CONSOLIDATED SUBSIDIARIES  
As of March 31, 2011 and 2012

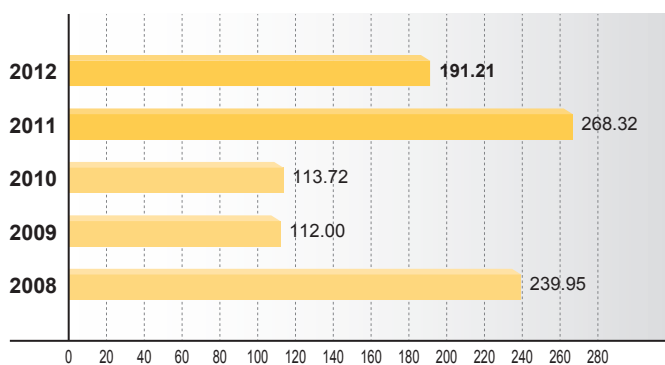
	Japanese yen (millions)		U.S. dollars (thousands)	% Charge
	2011	2012	2012	2011/2012
<b>For the year:</b>				
Net sales .....	¥196,452	¥201,932	\$2,456,893	+2.8%
Net income .....	13,024	9,222	112,203	-29.2%
<b>At year-end:</b>				
Total assets .....	164,417	176,038	2,141,842	+7.1%
Net assets .....	116,820	122,042	1,484,876	+4.5%
<b>Per share data:</b>				
	Japanese yen		U.S. dollars	
Net income .....	¥ 268.32	¥ 191.21	\$ 2.33	-28.7%
Net assets .....	2,279.57	2,386.53	29.04	+4.7%
Cash dividends .....	50.00	50.00	0.61	—

Note : Dollar figures are translated, for convenience only, at the rate of ¥82.19 to U.S. \$1.00.

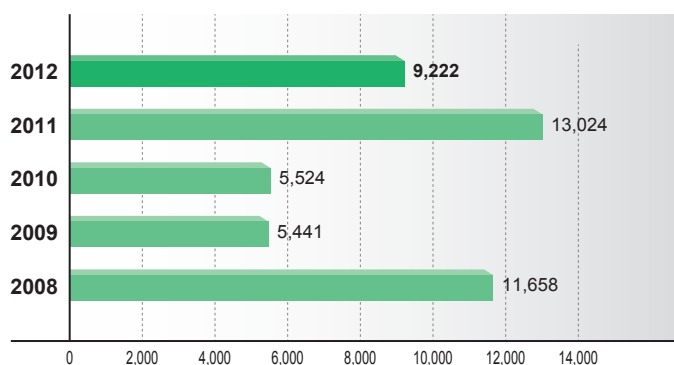
## Net Sales (Millions of yen)



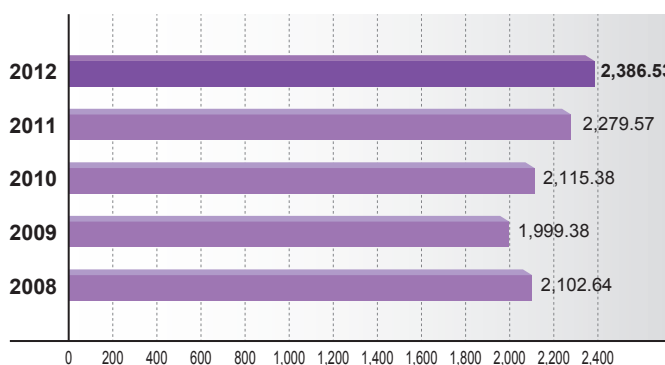
## Net Income Per Share of Common Stock (Yen)



## Net Income (Millions of yen)



## Net Assets Per Share of Common Stock (Yen)



## Business Operations

### Review of Fiscal Year 2011

Throughout the negative repercussions of the earthquake experienced in east Japan of last year, we had seen the recovery of orders in the second half of the 1st quarter, especially within AT products. Sales in Asia have maintained high growth, especially as the orders in China are expanding steadily within our group companies.

In regards to costs within production, factors such as the price of steel which has risen and the strong value of yen has put pressure on our profit margins. The consolidated financial results of the fiscal year are listed as following: Sales 201.9 billion yen (increase of 2.8%), Operating Profit 16,700 million yen (21.6% decrease), Ordinary Profit 16,100 million yen (22.4% decrease), Current Term Net Profit changed to 9,200 million yen (29.2% decrease).

### Outlook of Fiscal Year 2012

Within the next term, the amount of orders from our overseas firms is expected to increase sales. In order to be able to fulfill the overseas demand and enter new markets, resources to fund the developments will be acquired from profits in order to build the expansion of facilities and factories. Below lists the financial expectations ending in March, 2013. Sales 210 billion yen (an increase of 4.0% from the previous fiscal year), Operating Profit 16,500 million yen (1.7% decrease), Ordinary Profit 6 billion yen (1.1% decrease) and Current Term Net Profit 9 billion yen (2.4% decrease).

July, 2012

Haruo Shimizu



President and Chief Executive Officer



From left to right: Katsumi Shintou (Director), Masayuki Matsuda (Director), Hidehito Hisakawa (Director), Haruo Shimizu (President and Chief Executive Officer), Etsuji Terada (Director), Hisayasu Masaoka (Director), Hideki Miura (Director)



# EXEDY

**EXCELLENT & DYNAMIC**

## Global Network

- Production & Sales
- Sales

**EXEDY Clutch Europe Ltd.**  
(Cheshire, U.K.)

**EXEDY Clutch Europe Ltd.**  
(Moscow, Russia)

**EXEDY DYNAX Europe Ltd.**  
(Tatabanya, Hungary)

**EXEDY Middle East Fzco**  
(Amman, Jordan)

**EXEDY Middle East Fzco**  
(Riyadh, Saudi Arabia)

**EXEDY Middle East Fzco**  
(Dubai, U.A.E.)

**EXEDY Middle East Fzco**  
(Nairobi, Kenya)

**EXEDY Clutch India Private Limited**  
(Bangalore, India)

**EXEDY India Ltd.**  
(Aurangabad, India)

**EXEDY India Ltd.**  
(Greater Noida, India)

**EXEDY (Malaysia) Sdn.Bhd.**  
(Negeri Sembilan, Malaysia)

**EXEDY (Thailand) Co.,Ltd.**  
(Chonburi, Thailand)

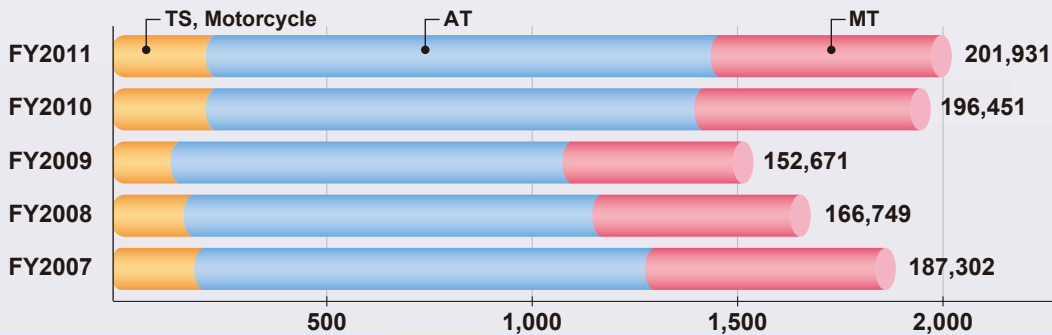
**EXEDY Friction Material Co.,Ltd.**  
(Chonburi, Thailand)

**EXEDY Vietnam Co., Ltd.**  
(Vinh Phuc, Vietnam)

**EXEDY Australia Pty.Ltd.**  
(Melbourne, Australia)

**EXEDY Australia Pty.Ltd.**  
(Sydney, Australia)

**Consolidated Sales (Unit : ¥100 million)**





# EXEDY's global strategy expands worldwide

EXEDY's global corporate activities are expanding in America, Europe, Asia, Oceania, Middle East, Mexico and Japan. We are structuring an optimal production system from a global point of view to sustain the top level of quality. Also, we are continuously and actively challenging ourselves in the manufacturing of new products by utilizing our solid technology such as production of Motorcycle Clutches in ASEAN countries.



DYNAX Industry (Shanghai) Co.,Ltd. (Shanghai, China)



EXEDY (Shanghai) Co., Ltd. (Shanghai, China)



Shanghai DYNAX Corporation (Shanghai, China)

EXEDY Chongqing Co., Ltd. (Chongqing, China)



EXEDY Guangzhou Co., Ltd. (Guangzhou, China)



P.T. EXEDY Indonesia (Karawang, Indonesia)



P.T. EXEDY Motorcycle Indonesia (Karawang, Indonesia)



EXEDY DYNAX Mexico S.A. de C.V. (Aguascalientes, Mexico)



EXEDY Globalparts Corporation (Michigan, U.S.A)



EXEDY DYNAX America Corporation (Michigan, U.S.A)

DYNAX America Corporation (Virginia, U.S.A)



EXEDY America Corporation (Tennessee, U.S.A)



EXEDY Casting Co.,Ltd. (Kyoto)



EXEDY Sun Co.,Ltd. (Osaka)



EXEDY Hiroshima Co.,Ltd.



EXEDY Precision Co.,Ltd. (Okayama)



## Domestic Network

● Production ■ Sales

- EXEDY Electric Facilities Co.,Ltd. (Osaka)
- EXEDY Trading Co.,Ltd. (Osaka)
- Nippon Retarder System Co.,Ltd. (Osaka)
- EXEDY Logistics Co.,Ltd. (Osaka)

DYNAX Tomakomai Plant

DYNAX Corporation (Hokkaido)



Kawagoe Plant (Saitama)



Ueno Division (Mie)



- CROYDON Ltd. (Fukushima)
- Utsunomiya Office
- Saitama Sales Office
- Tokyo Sales Office
- Shizuoka Sales Office
- Hamamatsu Sales Office (Shizuoka)
- Chubu Sales Office (Aichi)

Head Office (Osaka)



EXEDY Kyoto Co.,Ltd.



EXEDY Australia Pty.Ltd. (Brisbane, Australia)



EXEDY New Zealand Ltd. (Auckland, New Zealand)





# Topics of the Year

## New Headquarters

As the construction of the new headquarters had been completed on February 28th 2012, employees had started operation within the new facility as of March 26th 2012.

The new building consists of 11 floors, standing 56.6 meters tall with 12,500 square meters of floor space. Efforts to lower our dependency on outside energy sources and CO<sub>2</sub> consumption, numerous solar and wind powered fixtures have been installed throughout the building and landscape.



Energy efficient solar panels.



Ease of functionality has been a top priority considered during the construction of the offices.



Hall with accommodation for 250 people.

## Manufacturing

### EXEDY Clutch India Private Limited

In order to strengthen the participation within the automobile and motorcycle market in India, EXEDY Clutch India will begin the development of a third factory.

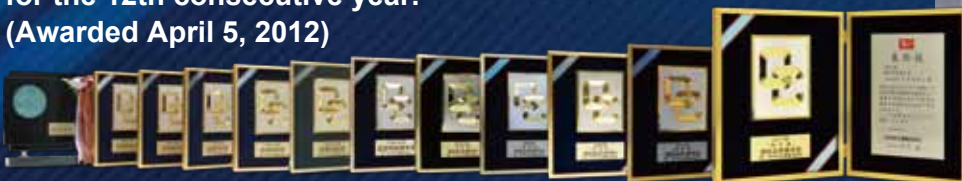


### EXEDY DYNAX Mexico S.A. de C.V.

As the production of automobiles continues to flourish in Mexico, we have begun our plans to expand and establish a new factory to meet the growing demand.

## Quality

EXEDY received the Daihatsu Special Quality Award for the 12th consecutive year. (Awarded April 5, 2012)



# Consolidated Five-Year Summary

EXEDY CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years ended March 31

	Japanese yen (millions)					U.S. dollars (thousands)
	2008	2009	2010	2011	2012	2012
<b>For the year:</b>						
Net sales .....	¥ 187,303	¥ 166,750	¥ 152,671	¥ 196,452	¥ 201,932	\$ 2,456,893
Net income .....	11,658	5,441	5,524	13,024	9,222	112,203
<b>At year-end:</b>						
Total assets .....	¥ 158,147	¥ 136,907	¥ 153,426	¥ 164,417	¥ 176,038	\$ 2,141,842
Current assets .....	82,000	59,871	81,478	91,136	96,138	1,169,704
Property, plant and equipment .....	68,220	70,140	64,986	65,395	71,092	864,971
Current liabilities .....	37,207	24,115	32,911	36,156	37,487	456,102
Long-term debt .....	2,966	2,627	3,099	4,200	9,838	119,698
Net assets .....	110,033	103,249	109,096	116,820	122,042	1,484,876
Net assets / Total assets .....	64.6 %	70.9 %	67.0 %	67.0 %	65.3 %	65.3%
Retained earnings .....	84,934	87,588	92,140	102,979	109,607	1,333,580
<b>Per share data:</b>						
	Japanese yen					U.S. dollars
Net income .....	¥ 239.95	¥ 112.00	¥ 113.72	¥ 268.32	¥ 191.21	\$ 2.33
Net income - diluted .....	—	—	—	—	—	—
Net assets .....	2,102.64	1,999.38	2,115.38	2,279.57	2,386.53	29.04

Note : Dollar figures are translated, for convenience only, at the rate of ¥ 82.19 to U.S. \$1.00.

## Financial Section

Consolidated Five-Year Summary .....	6
Consolidated Balance Sheets .....	7
Consolidated Statements of Income .....	9
Consolidated Statements of Comprehensive Income .....	10
Consolidated Statements of Changes in Net Assets .....	11
Consolidated Statements of Cash Flows .....	12
Notes to Consolidated Financial Statements .....	13
Independent Auditors' Report .....	29
Corporate Data .....	30

# Consolidated Balance Sheets

EXEDY CORPORATION AND CONSOLIDATED SUBSIDIARIES

As of March 31, 2011 and 2012

ASSETS	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
<b>Current Assets:</b>			
Cash and cash equivalents (Note 16)	¥ 30,038	¥ 27,923	\$ 339,737
Time deposits	283	83	1,010
Notes and accounts receivable (Notes 4, 16 and 18) -			
Trade	33,229	39,523	480,874
Non-consolidated subsidiaries and affiliates	8	14	170
Allowance for doubtful accounts	(82)	(89)	(1,083)
Inventories (Notes 2 and 4)	21,232	21,885	266,273
Deferred tax assets (Note 8)	2,819	2,789	33,934
Short-term loans	463	568	6,911
Other current assets	3,146	3,442	41,878
Total current assets	<u>91,136</u>	<u>96,138</u>	<u>1,169,704</u>
<b>Property, Plant and Equipment (Note 4) :</b>			
Land	8,166	8,524	103,711
Buildings and structures	42,105	47,003	571,882
Machinery and vehicles	107,490	111,953	1,362,124
Tools and furniture	38,741	40,400	491,544
Construction in progress	6,367	7,510	91,374
	<u>202,869</u>	<u>215,390</u>	<u>2,620,635</u>
Less - accumulated depreciation	<u>(137,474)</u>	<u>(144,298)</u>	<u>(1,755,663)</u>
Total property, plant and equipment	<u>65,395</u>	<u>71,092</u>	<u>864,972</u>
<b>Investments and Other Assets:</b>			
Investments in securities (Notes 3 and 16)	1,494	1,587	19,309
Investments in and loans to			
non-consolidated subsidiaries and affiliates	703	923	11,230
Long-term loans	141	123	1,497
Deferred tax assets (Note 8)	2,144	1,850	22,509
Other assets	3,404	4,325	52,621
Total investments and other assets	<u>7,886</u>	<u>8,808</u>	<u>107,166</u>
<b>Total Assets</b>	<u>¥ 164,417</u>	<u>¥ 176,038</u>	<u>\$ 2,141,842</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.



LIABILITIES AND NET ASSETS	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
<b>Current Liabilities:</b>			
Short-term borrowings including			
current portion of long-term debt (Notes 4, 6 and 17)	¥ 3,465	¥ 5,701	\$ 69,364
Notes and accounts payable (Note 16) -			
Trade	19,358	19,258	234,311
Construction	1,591	2,230	27,132
Non-consolidated subsidiaries and affiliates	33	264	3,212
Accrued expenses (Note 16)	7,126	7,196	87,553
Accrued income taxes	3,844	1,700	20,684
Other current liabilities	739	1,138	13,846
Total current liabilities	<u>36,156</u>	<u>37,487</u>	<u>456,102</u>
<b>Long-term Liabilities:</b>			
Long-term debt (Notes 4, 6 and 16)	4,200	9,838	119,698
Deferred tax liabilities (Note 8)	1,145	1,204	14,649
Employees' severance and retirement benefits (Note 9)	5,044	4,525	55,055
Retirement benefits for directors and corporate auditors	9	4	49
Other long-term liabilities	1,043	938	11,413
Total long-term liabilities	<u>11,441</u>	<u>16,509</u>	<u>200,864</u>
<b>Contingent Liabilities (Note 18)</b>			
<b>Net Assets</b>			
<b>Shareholders' Equity (Note 17):</b>			
Common stock			
Authorized - 168,000 thousand shares in 2011 and 2012			
Issued - 48,594 thousand shares in 2011 and 2012	8,284	8,284	100,791
Capital surplus	7,541	7,541	91,751
Retained earnings	102,979	109,607	1,333,580
Treasury stock			
288 thousand shares in 2011 and 432 thousand shares in 2011	(804)	(1,180)	(14,357)
Total shareholders' equity	<u>118,000</u>	<u>124,252</u>	<u>1,511,765</u>
<b>Accumulated Other Comprehensive Income</b>			
Valuation difference on available-for-sale securities	357	436	5,305
Foreign currency translation adjustments	(8,240)	(9,749)	(118,616)
Total accumulated other comprehensive income	<u>(7,883)</u>	<u>(9,313)</u>	<u>(113,311)</u>
Minority Interests	6,703	7,103	86,422
Total net assets	<u>116,820</u>	<u>122,042</u>	<u>1,484,876</u>
<b>Total Liabilities and Net Assets</b>	<u>¥ 164,417</u>	<u>¥ 176,038</u>	<u>\$ 2,141,842</u>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Income

EXEDY CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years ended March 31, 2011 and 2012

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
<b>Net Sales</b> .....	¥ 196,452	¥ 201,932	\$ 2,456,893
<b>Cost of Sales</b> .....	152,344	161,524	1,965,252
Gross profit .....	44,108	40,408	491,641
<b>Selling, General and Administrative Expenses (Note 10)</b> .....	22,712	23,625	287,443
Operating income .....	21,396	16,783	204,198
<b>Other Income (Expenses) :</b>			
Interest and dividend income .....	78	181	2,202
Interest expense .....	(323)	(409)	(4,976)
Losses on sale or disposal of property, plant and equipment .....	(32)	(195)	(2,373)
Equity in gains of non-consolidated subsidiaries and affiliates .....	59	4	49
Foreign exchange gains (losses), net .....	(860)	(895)	(10,889)
Gains on reversal of allowance for doubtful accounts .....	4	18	219
Gains on reversal of reserve for warranty .....	178	—	—
Impairment loss on goodwill (Note 5) .....	—	(515)	(6,266)
Other, net .....	511	690	8,394
	(385)	(1,121)	(13,640)
Income before income taxes and minority interests .....	21,011	15,662	190,558
<b>Income Taxes (Note 8)</b>			
Current .....	6,504	4,966	60,421
Deferred .....	225	361	4,392
<b>Income before Minority Interests</b> .....	14,282	10,335	125,745
<b>Minority Interests in Net Income of Consolidated Subsidiaries</b> .....	1,258	1,113	13,542
<b>Net Income</b> .....	¥ 13,024	¥ 9,222	\$ 112,203
<b>Per Share Data (Note 14) :</b>			
Net income .....	¥ 268.32	¥ 191.21	\$ 2.33
Net income - diluted .....	—	—	—
Cash dividends .....	50.00	50.00	0.61

The accompanying notes to the consolidated financial statements are an integral part of these statements.



# Consolidated Statements of Comprehensive Income

EXEDY CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years ended March 31, 2011 and 2012

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
<b>Income before Minority Interests</b> .....	¥ 14,282	¥ 10,335	125,745
<b>Other Comprehensive Income</b>			
Valuation difference on available-for-sale securities .....	38	79	961
Foreign currency translation adjustments .....	(3,122)	(1,951)	(23,737)
Share of other comprehensive income of associates accounted for using equity method .....	1	—	—
Total other comprehensive income (Note19) .....	(3,083)	(1,872)	(22,776)
<b>Comprehensive Income</b> .....	¥ 11,199	¥ 8,463	\$ 102,969
<b>Comprehensive Income attribute to:</b>			
Owners of the parent .....	10,299	7,795	94,841
Minority interests .....	900	668	8,128

The accompanying notes to the consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Changes in Net Assets

EXEDY CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years ended March 31, 2011 and 2012

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
<b>Shareholders' equity</b>			
<b>Common stock</b>			
Balance at beginning of year	8,284	8,284	100,791
Balance at end of year	8,284	8,284	100,791
<b>Capital surplus</b>			
Balance at beginning of year	7,541	7,541	91,751
Balance at end of year	7,541	7,541	91,751
<b>Retained Earnings</b>			
Balance at beginning of year	92,140	102,979	1,252,938
Net income	13,024	9,222	112,203
Disposal of treasury stock	—	(1)	(12)
Capital increase of consolidated subsidiaries	—	63	766
Cash dividends paid	(2,185)	(2,656)	(32,315)
Balance at end of year	102,979	109,607	1,333,580
<b>Treasury stock</b>			
Balance at beginning of year	(39)	(804)	(9,782)
Purchase of treasury stock	(765)	(377)	(4,587)
Disposal of treasury stock	—	1	12
Balance at end of year	(804)	(1,180)	(14,357)
<b>Total shareholders' equity</b>			
Balance at beginning of year	107,926	118,000	1,435,698
Net income	13,024	9,222	112,203
Purchase of treasury stock	(765)	(377)	(4,587)
Disposal of treasury stock	—	0	0
Capital increase of consolidated subsidiaries	—	63	766
Cash dividends paid	(2,185)	(2,656)	(32,315)
Balance at end of year	118,000	124,252	1,511,765
<b>Accumulated other comprehensive income</b>			
<b>Valuation difference on available-for-sale securities</b>			
Balance at beginning of year	319	357	4,344
Other, net	38	79	961
Balance at end of year	357	436	5,305
<b>Foreign currency transaction adjustments</b>			
Balance at beginning of year	(5,477)	(8,240)	(100,256)
Other, net	(2,763)	(1,509)	(18,360)
Balance at end of year	(8,240)	(9,749)	(118,616)
<b>Minority interests</b>			
Balance at beginning of year	6,328	6,703	81,555
Other, net	375	400	4,867
Balance at end of year	6,703	7,103	86,422
<b>Total Net Assets</b>			
Balance at beginning of year	109,096	116,820	1,421,341
Net income	13,024	9,222	112,203
Purchase of treasury stock	(765)	(377)	(4,587)
Disposal of treasury stock	—	0	0
Capital increase of consolidated subsidiaries	—	63	766
Cash dividends paid	(2,185)	(2,656)	(32,315)
Other, net	(2,350)	(1,030)	(12,532)
Balance at end of year	116,820	122,042	1,484,876

The accompanying notes to the consolidated financial statements are an integral part of these statements.



# Consolidated Statements of Cash Flows

EXEDY CORPORATION AND CONSOLIDATED SUBSIDIARIES  
Years ended March 31, 2011 and 2012

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes and minority interests	¥ 21,011	¥ 15,662	\$ 190,558
Adjustments for :			
Depreciation and amortization	11,754	11,677	142,073
Losses on sale or disposal of property, plant and equipment	2	158	1,922
Impairment loss on goodwill	—	515	6,266
Decrease in allowance for doubtful accounts	(0)	(11)	(134)
Increase (decrease) in employees' severance and retirement benefits	(1,062)	(518)	(6,302)
Interest and dividend income	(78)	(181)	(2,202)
Interest expense	323	409	4,976
Decrease (increase) in notes and accounts receivables	(814)	(6,953)	(84,597)
Increase in inventories	(5,644)	(1,318)	(16,036)
Increase (decrease) in notes and accounts payables	3,453	697	8,480
Other, net	524	407	4,953
Subtotal	29,469	20,544	249,957
Interest and dividend income received	104	203	2,470
Interest paid	(316)	(412)	(5,012)
Income taxes paid	(6,449)	(7,392)	(89,938)
Net cash provided by operating activities	22,808	12,943	157,477
<b>Cash Flows from Investing Activities:</b>			
Increase in time deposits	(460)	(9)	(110)
Decrease in time deposits	809	204	2,482
Payments for purchases of property, plant and equipment	(13,965)	(17,928)	(218,129)
Proceeds from sales of property, plant and equipment	354	67	815
Payments for acquisitions of intangible assets	(826)	(1,950)	(23,726)
Payments for purchases of investment in securities	(286)	(14)	(170)
Payments for additional portions of consolidated subsidiaries	(439)	(134)	(1,630)
Additions to loans receivable	(52)	(199)	(2,421)
Collection of loans receivable	210	111	1,351
Other, net	(58)	53	645
Net cash used in investing activities	(14,713)	(19,799)	(240,893)
<b>Cash Flows from Financing Activities:</b>			
Increase (decrease) in short-term borrowings, net	(420)	185	2,251
Proceeds from long-term loans payable	2,018	1,652	20,100
Repayments of long-term loans payable	(1,153)	(614)	(7,470)
Payments for acquisitions of treasury stock	(765)	(377)	(4,587)
Cash dividends paid	(2,186)	(2,656)	(32,315)
Cash dividends paid to minority shareholders	(368)	(460)	(5,597)
Other, net	(6)	7,232	87,990
Net cash provided (used) in financing activities	(2,880)	4,962	60,372
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	(774)	(221)	(2,689)
<b>Net Increase in Cash and Cash Equivalents</b>	4,441	(2,115)	(25,733)
<b>Cash and Cash Equivalents at Beginning of Year</b>	25,597	30,038	365,470
<b>Cash and Cash Equivalents at End of Year</b>	¥ 30,038	¥ 27,923	\$ 339,737

The accompanying notes to the consolidated financial statements are an integral part of these statements.

# Notes to Consolidated Financial Statements

EXEDY CORPORATION AND CONSOLIDATED SUBSIDIARIES

## 1. Summary of Significant Accounting and Reporting Policies

### (a) Basis of presenting the consolidated financial statements

The accompanying consolidated financial statements of Exedy Corporation ("the Company") and its consolidated subsidiaries have been prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Law in Japan and its related accounting regulations, and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

The accounts of the Company's overseas subsidiaries are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, and partially reflect the adjustments which are necessary to conform with Japanese GAAP. The accompanying consolidated financial statements have been restructured and translated into English from the consolidated financial statements of the Company prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Financial Instruments and Exchange Law in Japan. Certain supplementary information included in the statutory Japanese language consolidated financial statements, but not required for fair presentation, is not presented in the accompanying consolidated financial statements.

The translation of the Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan, using the prevailing exchange rate at March 31, 2012, which was ¥82.19 to U.S. \$1.00. The convenience translation should not be construed as representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

### (b) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant companies over which the Company has power of control through majority voting rights or the existence of certain conditions evidencing control by the Company. The consolidated financial statements include the accounts of the Company and its 29 and 30 significant majority owned subsidiaries as of March 31, 2011 and 2012, respectively.

Investments in non-consolidated subsidiaries and affiliates over which the Company has the ability to exercise significant influence over operating and financial policies of the investees, are accounted for using the equity method. Investments in 5 and 4 non-consolidated subsidiaries as of March 31, 2011 and 2012 and 1 and 1 affiliate as of March 31, 2011 and 2012 are accounted for using the equity method.

In the elimination of investments in consolidated subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are valued using the fair value at the time the Company acquired control of the respective subsidiary. Material intercompany balances, transactions and profits have been eliminated in consolidation. All the overseas subsidiaries except for 2 consolidated subsidiaries, are consolidated using a fiscal period ending December 31. Significant transactions occurring from January 1 to March 31, the Company's fiscal year-end, are adjusted for in the consolidated financial statements.

### (c) Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currency are translated into Japanese yen at current rates at each balance sheet date and the resulting translation gains or losses are charged to income for the current period.

The balance sheets of consolidated overseas subsidiaries are translated into Japanese yen at the year-end rates except for shareholders' equity accounts, which are translated at historical rates. Income statements of consolidated overseas subsidiaries are translated at the average rates during the year. Translation adjustments resulting from translating financial statements whose accounts are denominated in foreign currencies are not included in the determination of net income but are reported as "Foreign currency translation adjustments" in a component of net assets and minority interests.

### (d) Securities

Securities consist principally of marketable and nonmarketable equity securities.

Other securities with available fair market value are stated at fair market value. Valuation difference on available-for-sale securities are reported, net of applicable income taxes, as a separate component of net assets. Realized gains and losses on the sale of such securities are computed using the moving average cost method.

Other securities with no available fair market value are stated at moving average cost, net of the amount considered uncollectible.

If the fair market value of other securities declines significantly, such securities are stated at fair market value and the difference between the fair market value and the carrying amount is recognized as a loss in the period of decline. If the net asset value of other securities with no available fair market value declines significantly, such securities should be written down to the net asset value by charging to income.

### (e) Derivatives

All derivatives are stated at fair value.

### (f) Inventories

Inventories possessed for selling except for supplies are mainly stated at the lower of cost (first-in, first-out) or net realizable value at the balance sheet date. Supplies are mainly stated at cost determined by the last purchase cost method.

### (g) Property, plant and equipment

The Company and its domestic consolidated subsidiaries compute the depreciation of property, plant and equipment by using the declining-balance method and its overseas consolidated subsidiaries mainly by using the straight-line method. The depreciation of buildings acquired by the Company and its domestic consolidated subsidiaries on and after April 1, 1998 is computed by using the straight-line method.

Estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	.....	3 - 50 years
Machinery and vehicles	.....	2 - 15 years
Tools and furniture	.....	2 - 20 years

Maintenance and repairs including minor renewals and betterments are charged to income as incurred.



**(h) Software**

Software is amortized using the straight-line method over the useful lives (3-5 years) of the software.

**(i) Leases**

Finance leases, except for certain immaterial leases, are capitalized and depreciated over lease terms, as applicable. However, as permitted, the Company and consolidated domestic subsidiaries account for finance leases commencing prior to April 1, 2008 which do not transfer ownership of the leased property to the lessee as operating lease with disclosure of certain "as if capitalized" information in Note 7.

**(j) Income taxes**

The Company and its consolidated subsidiaries recognize the tax effects of temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting purposes.

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

**(k) Allowance for doubtful accounts**

The Company and its consolidated subsidiaries provide for doubtful accounts principally at an amount computed based on the historical bad debt ratio during a certain reference period plus the estimated uncollectible amount based on the analysis of individual accounts.

**(l) Allowance for product warranties**

The Company and its consolidated subsidiaries provide for warranty claim costs relating to quality of products. The provision is estimated based on historical warranty claims ratio during a certain reference period.

**(m) Employees' severance and retirement benefits**

The Company and its consolidated subsidiaries provide for employees' severance and retirement benefits at the end of the fiscal year based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at that date.

Actuarial differences are fully amortized in the following year after when the actuarial differences are recognized. Prior service costs are recognized in expenses in the year in which they are incurred.

**(n) Retirement benefits for directors and corporate auditors**

Domestic consolidated subsidiaries have unfunded retirement allowance plans for directors and corporate auditors. The amounts required under the plans have been fully accrued.

**(o) Accounting for consumption taxes**

Consumption taxes withheld upon sale and consumption taxes paid by the Companies on their purchases of goods and services are not included in the amounts of respective revenue or cost or expense items in the accompanying consolidated statements of income.

**(p) Per share data**

The computation of net income per share is based on the weighted average number of shares outstanding during each year, excluding the Company's treasury stock, and based on net income attributed to ordinary shareholders, excluding bonuses to directors and corporate auditors, etc. The computation of net assets per share is based on the number of shares of common stock outstanding at the year-end, excluding the Company's treasury stock, and based on net assets attributed to ordinary shareholders, excluding minority interests.

Cash dividends per share shown in the statements of income are the amounts applicable to the respective years.

**(q) Goodwill**

Goodwill, except for minor goodwill is amortized by the straight-line method over five years. Minor goodwill is expensed as incurred.

**(r) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits and short-term investments which have maturities of three months or less when purchased, are easily convertible into cash and have few risks of fluctuation in value.

**(s) Reclassification**

Certain comparative figures have been reclassified to conform to the current year's presentation.

**(t) Additional Information****Change in Accounting Policies – Accounting Standards for Accounting Changes and Error Corrections**

The Company and its consolidated domestic subsidiaries adopted "Accounting Standard for Accounting Changes and Error Corrections" (Accounting Standards Board of Japan ("ASBJ") Statement No.24 issued on December 4, 2009) and "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, issued on December 4, 2009) for accounting changes and corrections of prior period errors which are made from the fiscal year beginning on April 1, 2011.

**Accounting method for disposal of treasury stock under Employee Stock Ownership Plan**

At the board of directors' meeting held on April 27, 2012, a resolution was made to introduce a trust-type employee incentive plan called "ESOP investing stock" and to dispose of treasury stock through third-party allotment to the trust account. The purpose for the disposal is to promote employee's motivation and provide positive effects of employee ownership and participation of the Company's operation, and to boost the Company's value in the medium to long term by accelerating management style focusing on increasing corporate value. Accordingly, the Company sold 100,000 shares of treasury stock to Mitsubishi UFJ Trust and Banking Corporation ("ESOP Trust Account") on May 17, 2012.

The Company's stock held by the ESOP Trust Account is treated as treasury stock held by the Company from the perspective of an economic substance. Accordingly, the Company's stock held in the ESOP Trust Account is recorded under treasury stock in the Company's consolidated financial statements.

As of March 31, 2012, the number of Company's stock held in the ESOP Trust Account amounted to 99,600 shares.

## 2. Inventories

Inventories as of March 31, 2011 and 2012 were as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
Finished goods .....	¥ 10,227	¥ 9,665	\$ 117,593
Work-in process .....	4,082	5,047	61,407
Raw materials .....	5,678	5,548	67,502
Supplies .....	1,245	1,625	19,771
	<u>¥ 21,232</u>	<u>¥ 21,885</u>	<u>\$ 266,273</u>

The ending inventory balance represents after write-down of book value when their carrying amounts become unrecoverable, and the write-down recognized at cost of sales were ¥260 million and ¥212 million (\$2,579 thousand) as of March 31, 2011 and 2012, respectively.

## 3. Securities

Other securities with book values (fair values) exceeding acquisition costs as of March 31, 2011 and 2012 were as follows:

	Japanese yen (millions)			U.S. dollars (thousands)		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
<b>March 31, 2011</b>						
Equity securities .....	¥ 644	¥ 1,286	¥ 642			
Interest-bearing securities .....	—	—	—			
Others .....	—	—	—			
	<u>¥ 644</u>	<u>¥ 1,286</u>	<u>¥ 642</u>			
<b>March 31, 2012</b>						
Equity securities .....	¥ 374	¥ 1,145	¥ 771	\$ 4,550	\$ 13,931	\$ 9,381
Interest-bearing securities .....	—	—	—	—	—	—
Others .....	—	—	—	—	—	—
	<u>¥ 374</u>	<u>¥ 1,145</u>	<u>¥ 771</u>	<u>\$ 4,550</u>	<u>\$ 13,931</u>	<u>\$ 9,381</u>

Other securities with book values (fair values) not exceeding acquisition costs as of March 31, 2011 and 2012 were as follows:

	Japanese yen (millions)			U.S. dollars (thousands)		
	Acquisition cost	Book value	Difference	Acquisition cost	Book value	Difference
<b>March 31, 2011</b>						
Equity securities .....	¥ 174	¥ 140	¥ (34)			
Interest-bearing securities .....	—	—	—			
Others .....	—	—	—			
	<u>¥ 174</u>	<u>¥ 140</u>	<u>¥ (34)</u>			
<b>March 31, 2012</b>						
Equity securities .....	¥ 453	¥ 370	¥ (83)	\$ 5,512	\$ 4,502	\$ (1,010)
Interest-bearing securities .....	—	—	—	—	—	—
Others .....	—	—	—	—	—	—
	<u>¥ 453</u>	<u>¥ 370</u>	<u>¥ (83)</u>	<u>\$ 5,512</u>	<u>\$ 4,502</u>	<u>\$ (1,010)</u>

The book value of securities with no available fair values as of March 31, 2011 and 2012 were as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
Other securities with no fair value Non-listed equity securities .....	¥ 68	¥ 72	\$ 876



#### 4. Assets Pledged as Collateral

The following assets were pledged as collateral for ¥179 million and ¥289 million (\$3,516 thousand) of secured loans from government-sponsored agencies as of March 31, 2011 and 2012, respectively :

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
Accounts receivable and inventories .....	¥ 94	¥ 1,403	\$ 17,070
Property, plant and equipment .....	—	1,131	13,761
	<u>¥ 94</u>	<u>¥ 2,534</u>	<u>\$ 30,831</u>

#### 5. Impairment of Fixed Assets

The Company and its consolidated subsidiaries evaluated the profitability in each business category, which is Manual automotive drivetrain operations, Automatic automotive drivetrain operations, Industrial drivetrain operations and Other (Plants and other facilities). Accounting for impairment of fixed assets shall be applied only when the investment may not be recoverable in the business.

For the year ended March 31, 2012, impairment loss on the equity share of EXEDY India Limited, a consolidated subsidiary, was recognized on the non-consolidated financial statement. As a result, impairment loss on goodwill of ¥515 million (\$ 6,266 thousand) for the subsidiary was recognized.

#### 6. Bonds Payable, Short-term Borrowings and Long-term Debt

Bonds Payable, Short-term borrowings and long-term debt as of March 31, 2011 and 2012 were as follows:

	Japanese yen (millions)		U.S. dollars (thousands)	Weighted average interest rates	Year due
	2011	2012	2012		
Short-term borrowings .....	¥ 2,775	¥ 2,717	\$ 33,058	4.3 %	
Current portion of long-term debt .....	690	2,984	36,306	4.0	
Current portion of lease obligation .....	22	23	280	—	
Bonds Payable .....	—	7,000	85,168	0.5	2017
Long-term debt .....	4,200	2,838	34,530	5.9	2013-2017
Lease obligations .....	27	42	511	—	2013-2017
Other interest bearing debt .....	81	213	2,591	0.4	
	<u>¥ 7,795</u>	<u>¥ 15,817</u>	<u>\$ 192,444</u>		

Average interest rates for lease obligations are omitted because lease obligations include assumed interest amounts.

Annual maturities of bonds payable, long-term debt and lease obligations as of March 31, 2012 were as follows:

<b>Bonds Payable</b>			<b>Lease obligation</b>		
Years ending March 31	Japanese yen (millions)	U.S. dollars (thousands)	Years ending March 31	Japanese yen (millions)	U.S. dollars (thousands)
2017 and thereafter .....	<u>7,000</u>	<u>85,168</u>	2014 .....	¥ 16	\$ 195
	<u>¥ 7,000</u>	<u>\$ 85,168</u>	2015 .....	12	146
			2016 .....	10	122
			2017 and thereafter .....	4	48
				<u>¥ 42</u>	<u>\$ 511</u>
<b>Long-term debt</b>					
Years ending March 31	Japanese yen (millions)	U.S. dollars (thousands)			
2014 .....	¥ 1,427	\$ 17,362			
2015 .....	794	9,661			
2016 .....	132	1,606			
2017 and thereafter .....	485	5,901			
	<u>¥ 2,838</u>	<u>\$ 34,530</u>			

## 7. Leases

### (a) Finance leases

As discussed in Note 1 (i), finance leases commenced prior to April 1, 2008 which do not transfer ownership of leased assets to lessees are accounted for as operating leases.

Information relating to finance leases, except those leases for which the ownership of the leased assets is considered to be transferred to the lessee, is described below.

Pro forma information regarding leased property such as acquisition cost, accumulated depreciation, accumulated losses on impairment and future minimum lease payments under finance leases that do not transfer the ownership of the leased property to the lessee for the years ended March 31, 2011 and 2012 were as follows:

	Japanese yen (millions)				U.S. dollars (thousands)			
	Acquisition cost	Accumulated depreciation	Accumulated losses on impairment	Balance	Acquisition cost	Accumulated depreciation	Accumulated losses on impairment	Balance
<b>March 31, 2011</b>								
Machinery and vehicles .....	¥ 80	¥ 57	¥ —	¥ 23				
Tools and furniture .....	96	48	—	48				
	<u>¥ 176</u>	<u>¥ 105</u>	<u>¥ —</u>	<u>¥ 71</u>				
<b>March 31, 2012</b>								
Machinery and vehicles .....	¥ 39	¥ 34	¥ —	¥ 5	\$ 475	\$ 414	\$ —	\$ 61
Tools and furniture .....	91	57	—	34	1,107	693	—	414
	<u>¥ 130</u>	<u>¥ 91</u>	<u>¥ —</u>	<u>¥ 39</u>	<u>\$ 1,582</u>	<u>\$ 1,107</u>	<u>\$ —</u>	<u>\$ 475</u>

The scheduled maturities of future lease payments, on such lease contracts for the years ended March 31, 2011 and 2012 were as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
Due within one year .....	¥ 26	¥ 16	\$ 195
Due over one year .....	45	23	280
	<u>¥ 71</u>	<u>¥ 39</u>	<u>\$ 475</u>
Lease payments for the year .....	¥ 30	¥ 19	\$ 231

The amounts of acquisition costs and future minimum lease payments under finance leases included the interest expense portions.

Depreciation expenses, which are not reflected in the accompanying consolidated statements of income, calculated by the straight-line method, were ¥30 million and ¥19 million (\$ 231 thousand) for the years ended March 31, 2011 and 2012, respectively.

The Company had no leased assets on which impairment should have been recognized for the years ended March 31, 2011 and 2012.

### (b) Operating leases

The scheduled maturities of future lease payments under non-cancelable operating leases as of March 31, 2010 and 2011, were as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
Due within one year .....	¥ 8	¥ 10	\$ 122
Due over one year .....	22	30	365
	<u>¥ 30</u>	<u>¥ 40</u>	<u>\$ 487</u>

## 8. Income Taxes

Significant components of the Company and consolidated subsidiaries' deferred tax assets and liabilities as of March 31, 2011 and 2012 were as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
<b>Deferred tax assets:</b>			
Employees' severance and retirement benefits .....	¥ 2,038	¥ 1,679	\$ 20,428
Net operating losses carried forward .....	1,169	1,169	14,223
Accrued bonuses to employees .....	1,079	882	10,731
Impairment losses on property, plant and equipment .....	659	514	6,254
Unrealized profit eliminated in consolidation (inventories) .....	492	535	6,509
Losses on devaluation of inventories .....	471	573	6,972
Unrealized profit eliminated in consolidation (fixed assets) .....	374	399	4,855
Accrued warranty costs .....	328	209	2,543
Accrued enterprise tax .....	258	97	1,180
Retirement benefits for directors and corporate auditors .....	218	172	2,093
Other .....	976	971	11,814
<b>Total deferred tax assets</b> .....	<b>8,062</b>	<b>7,200</b>	<b>87,602</b>
Valuation allowance .....	(1,509)	(674)	(8,201)
<b>Deferred tax assets</b> .....	<b>6,553</b>	<b>6,526</b>	<b>79,401</b>
<b>Deferred tax liabilities:</b>			
Depreciation and amortization .....	(1,038)	(1,291)	(15,708)
Retained earnings of overseas subsidiaries .....	(1,001)	(1,024)	(12,459)
Reserve for advanced depreciation .....	(329)	(332)	(4,039)
Net unrealized holding gains on other securities .....	(251)	(252)	(3,066)
Other .....	(119)	(195)	(2,372)
<b>Total deferred tax liabilities</b> .....	<b>(2,738)</b>	<b>(3,094)</b>	<b>(37,644)</b>
Valuation allowance .....	—	—	—
<b>Deferred tax liabilities</b> .....	<b>(2,738)</b>	<b>(3,094)</b>	<b>(37,644)</b>
<b>Net deferred tax assets</b> .....	<b>¥ 3,815</b>	<b>¥ 3,432</b>	<b>\$ 41,757</b>

The Company and its consolidated subsidiaries are subject to a number of taxes based on income, which, in the aggregate, indicate a statutory tax rate in Japan of approximately 40.4% for the years ended March 31, 2011 and 2012.

The following table summarizes the significant differences between the statutory tax rate and the Company's effective tax rate for financial statement purposes for the years ended March 31, 2011 and 2012:

	2011	2012
<b>Statutory tax rate</b> .....	40.4 %	40.4 %
Adjustments for:		
Different tax rates applied to overseas subsidiaries .....	(5.3)	(4.5)
Adjustment for write-down of investment on subsidiaries .....	—	(2.8)
Tax credit for research and development expenses .....	(1.5)	(1.9)
Increase (decrease) in valuation allowance .....	(1.9)	(1.6)
Per capital inhabitants tax .....	0.1	0.1
Increase(decrease) of retained earnings of overseas subsidiaries .....	1.0	0.1
Non-deductible expenses .....	0.2	0.4
Foreign withholding tax .....	0.3	0.7
Impairment loss on goodwill .....	—	1.3
Correction due to tax-rate change .....	—	1.5
Other .....	(1.3)	0.3
<b>Effective tax rate</b> .....	<b>32.0 %</b>	<b>34.0 %</b>

### Adjustment of deferred tax assets and liabilities for enacted changes in tax laws and rates

On December 2, 2011, amendments to the Japanese tax regulations were enacted into law.

Due to this change in statutory income tax rates, net deferred tax assets decreased by JPY 199 million as of March 31, 2012 and deferred income tax expense recognized for the year ended March 31, 2012 increased by JPY 238 million.



## 9. Employees' Severance and Retirement Benefits

The Company and its domestic consolidated subsidiaries have adopted defined benefit retirement plans: cash balance plans and lump-sum payment plans, as well as defined contribution pension plans.

The liability for employees' severance and retirement benefits included in the liabilities section of the consolidated balance sheets as of March 31, 2011 and 2012 consisted of the following:

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
Projected benefit obligation .....	¥ (11,679)	¥ (11,621)	\$ (141,392)
Fair value of plan assets .....	6,446	7,035	85,594
	(5,233)	(4,586)	(55,798)
Unrecognized actuarial differences .....	189	61	743
Employees' severance and retirement benefits .....	¥ (5,044)	¥ (4,525)	\$ (55,055)

Included in the consolidated statements of income for the years ended March 31, 2011 and 2012 were employees' severance and retirement benefit expenses comprised of the following:

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
Service costs .....	¥ 535	¥ 496	\$ 6,035
Interest costs .....	231	231	2,810
Expected return on plan assets .....	(119)	(128)	(1,557)
Amortization of actuarial differences .....	(473)	222	2,701
Employees' severance and retirement benefit expenses .....	174	821	9,989
Others .....	190	189	2,300
	¥ 364	¥ 1,010	\$ 12,289

Note : "Others" represents the payments to defined contribution pension plans.

Assumptions used in the calculation of the above information were as follows:

	2011	2012
Method of attributing the projected benefits to periods of service	Straight-line basis	<b>Straight-line basis</b>
Discount rate .....	2.0%	<b>2.0%</b>
Expected rate of return on plan assets .....	2.0%	<b>2.0%</b>
Amortization of prior service costs .....	1 year	<b>1 year</b>
Amortization of actuarial differences .....	1 year	<b>1 year</b>

## 10. Research and development expenses

Research and development expenses are charged to income as incurred. Research and development expenses for the years ended March 31, 2011 and 2012 were as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
Research and development expenses .....	¥ 4,596	¥ 4,412	\$ 53,680

## 11. Derivatives

The following table provides information on derivative instruments as of March 31, 2011 and 2012.

	Japanese yen (millions)		
	Contract amount	Fair value	Gain (Loss)
<b>March 31, 2011</b>			
Forward exchange contracts:			
To sell U.S. dollars .....	¥ 672	¥ (4)	¥ (4)
To sell Euro .....	116	(4)	(4)
To buy U.S. dollars .....	203	(4)	(4)
To buy Thai bahts .....	73	(1)	(1)
To buy Japanese Yen .....	17	(0)	(0)
	<u>¥ 1,081</u>	<u>¥ (13)</u>	<u>¥ (13)</u>

	Japanese yen (millions)			U.S. dollars (thousands)		
	Contract amount	Fair value	Gain (Loss)	Contract amount	Fair value	Gain (Loss)
<b>March 31, 2012</b>						
Forward exchange contracts:						
To sell U.S. dollars .....	¥ 398	¥ (18)	¥ (18)	\$ 4,843	\$ (219)	\$ (219)
To sell Euro .....	176	(14)	(14)	2,141	(171)	(171)
To sell New Zealand dollars .....	14	(1)	(1)	170	(12)	(12)
To sell Japanese Yen .....	31	0	0	377	0	0
To buy Euro .....	16	0	0	195	0	0
To buy Japanese Yen .....	5	(0)	(0)	61	(0)	(0)
	<u>¥ 640</u>	<u>¥ (33)</u>	<u>¥ (33)</u>	<u>\$ 7,787</u>	<u>\$ (402)</u>	<u>\$ (402)</u>

## 12. Segment Information

### (a) General information about reportable segments

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 cooperation with its consolidated subsidiaries design business strategy and conduct business for these 2 product lines inside Japan and overseas. And concerning these 2 product lines, separate financial information is accessible among the constituent units of the Company and that are subject to periodical examination, in order for the Board of Directors of the Company to determine the allocation of management resources. 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.

### (b) Basis of measurement about reported segment profit or loss, segment assets, segment liabilities and other material items

The accounting policies of the reportable segment are mainly consistent to what described in Note 1 "Summary of Significant Accounting and Reporting Policies". The segment profit (loss) is based on operating income before amortization of goodwill. The prices of the goods traded or transferred among the segments are mainly determined considering market prices of the goods.

### (c) Information about reported segment profit or loss, segment assets, segment liabilities and other material items

Reported segment information for the years ended 31, 2011 and 2012 were as follows :

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
<b>Sales:</b>			
Manual automotive drivetrain operations	¥ 57,349	¥ 58,074	\$ 706,582
Automatic automotive drivetrain operations	120,756	123,277	1,499,903
Reporting segment total	178,105	181,351	2,206,485
Other operations	27,964	31,601	384,487
Sub Total	206,069	212,952	2,590,972
Eliminations (inter-segment net sales)	(9,617)	(11,020)	(134,079)
	¥ 196,452	¥ 201,932	\$ 2,456,893
<b>Operating Costs and Expenses:</b>			
Manual automotive drivetrain operations	¥ 47,916	¥ 49,434	\$ 601,460
Automatic automotive drivetrain operations	110,574	116,463	1,416,997
Reporting segment total	158,490	165,897	2,018,457
Other operations	25,432	29,438	358,170
Sub Total	183,922	195,335	2,376,627
Non-allocated operating expenses and eliminations	(8,866)	(10,186)	(123,932)
	¥ 175,056	¥ 185,149	\$ 2,252,695
<b>Operating Income:</b>			
Manual automotive drivetrain operations	¥ 9,433	¥ 8,640	\$ 105,122
Automatic automotive drivetrain operations	10,182	6,814	82,906
Reporting segment total	19,615	15,454	188,028
Other operations	2,532	2,163	26,317
Sub Total	22,147	17,617	214,345
Non-allocated operating expenses and eliminations	(751)	(834)	(10,147)
	¥ 21,396	¥ 16,783	\$ 204,198
<b>Assets:</b>			
Manual automotive drivetrain operations	¥ 43,033	¥ 46,675	\$ 567,891
Automatic automotive drivetrain operations	78,937	87,550	1,065,215
Reporting segment total	121,970	134,225	1,633,106
Other operations	20,990	23,173	281,944
Sub Total	142,960	157,398	1,915,050
Corporate and eliminations	21,457	18,640	226,792
	¥ 164,417	¥ 176,038	\$ 2,141,842
<b>Depreciation and Amortization:</b>			
Manual automotive drivetrain operations	¥ 2,861	¥ 2,701	\$ 32,863
Automatic automotive drivetrain operations	7,820	8,060	98,065
Reporting segment total	10,681	10,761	130,928
Other operations	1,067	1,083	13,177
Sub Total	11,748	11,844	144,105
Corporate and eliminations	6	(167)	(2,032)
	¥ 11,754	¥ 11,677	\$ 142,073



**Capital Expenditures:**

Manual automotive drivetrain operations .....	¥ 4,266	¥ 4,487	\$ 54,593
Automatic automotive drivetrain operations .....	9,218	13,936	169,558
Reporting segment total .....	13,484	18,423	224,151
Other operations .....	2,291	3,098	37,694
Sub Total .....	15,775	21,521	261,845
Corporate and eliminations .....	(62)	(180)	(2,191)
	<u>¥ 15,713</u>	<u>¥ 21,341</u>	<u>\$ 259,654</u>

Note : 1. "Other operations" is the business segment which doesn't attribute to any reportable segments, and contain industrial machine drivetrain operation, clutches for motorcycle operation, transport operation, etc.

2. The contents of Adjustments are as follows :

- "Non-allocated operating expenses and eliminations" of Operating Income ¥(834) million(\$10,147 thousand) consists of "Elimination of intersegment transactions" ¥237 million(\$2,884 thousand), "Amortization of goodwill" ¥(136) million(\$1,655 thousand), "Company-wide expense" which is not allocated to reportable segments ¥(861) million(\$10,476 thousand) and "other adjustments" ¥(74) million(\$900 thousand). "Company-wide expense" mainly consists general and administrative expenses and expense for new-product development not attributable to any reportable segments.
- "Corporate and eliminations" of Assets ¥18,640 million(\$226,792 thousand) consists of "Company-wide assets" which is not allocated to reportable segments ¥20,989 million(\$255,372 thousand), "Elimination of intersegment transaction" ¥(2,136) million(\$25,989 thousand) and "other adjustments" ¥(213) million(\$2,591 thousand). "Company-wide assets" mainly consists of the cash and cash equivalents and securities that are not attributable to any reportable segments.
- "Corporate and eliminations" of Depreciation and Amortization ¥(167) million(\$2,032 thousand) consists of "Adjustment of unrealized gain for intersegment transaction of fixed assets" ¥(167) million(\$2,032 thousand).
- "Corporate and eliminations" of Capital Expenditures ¥(180) million(\$2,191 thousand) consists of "Adjustment of unrealized gain for intersegment transaction of fixed assets" ¥(180) million(\$2,191 thousand).

3. The segment income is adjusted to accord with operating income of "consolidated statement of income".

(1) Information about products and services

Due to the segment of products and services are same as the reportable segment, description of this item is omitted.

(2) Information about geographic areas for the years ended March 31, 2011 and 2012 were as follows :

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
<b>Sales:</b>			
Japan .....	¥ 89,646	¥ 102,196	\$ 1,243,412
America .....	36,994	33,972	413,335
Asia-Oceania .....	60,400	57,166	695,535
Other .....	9,412	8,598	104,611
	<u>¥ 196,452</u>	<u>¥ 201,932</u>	<u>\$ 2,456,893</u>
<b>Tangible Assets:</b>			
Japan .....	¥ 38,098	¥ 39,667	\$ 482,626
America .....	7,816	9,310	113,274
Asia-Oceania .....	19,091	21,791	265,130
Other .....	390	324	3,941
	<u>¥ 65,395</u>	<u>¥ 71,092</u>	<u>\$ 864,971</u>

The Company's operations are classified into geographical areas as follows: Japan, America (including Mexico), Asia-Oceania (Thailand, Malaysia, China, Korea, Indonesia, Vietnam, Australia, United Arab Emirates, New Zealand and India) and Other (Europe).

(3) Information about major customer for the years ended March 31 2011 and 2012 were as follows :

Company Name	Sales Segment	Japanese yen (millions)		U.S. dollars (thousands)
		2011	2012	2012
JATCO Corporation	AT and MT	¥ 29,892	¥ 32,236	\$ 392,213

### 13. Related Party Transactions

For the years ended March 31, 2011 and 2012, the Company and its consolidated subsidiaries had operational transactions with Aisin AW Co., Ltd and Aisin Holdings of America, Inc., which are subsidiaries of Aisin Seiki Co., Ltd. which holds 33.4% of the Company's voting rights.

A summary of the significant transactions between the Company and its consolidated subsidiaries and such companies for the years ended March 31, 2011 and 2012 were as follows:

#### March 31, 2011

Subjects	Categories	Name	Address	Capital Japanese yen (millions)	Operation	Voting rights (%)	Relationship Business relationship	Trade	Amount Japanese yen (millions)	Accounts	Balance Japanese yen (millions)
The Company	Other related company's subsidiary	Aisin AW Co., Ltd.	Anjo City Aichi pref.	¥ 26,480	Manufacturing automotive parts	—	Sale of products	Sale of products Concurrently serving as directors	¥ 5,693	Accounts receivable	¥ 1,239
										Advanced received	¥ 8
Dynax Corporation	Other related company's subsidiary	Aisin AW Co., Ltd.	Anjo City Aichi pref.	¥ 26,480	Manufacturing automotive parts	—	Sale of products	Sale of products	¥ 2,941	Accounts receivable	¥ 609
Exedy America Corporation	Other related company's subsidiary	Aisin Holdings of America, Inc.	Indiana U.S.A.	\$ 282,290	Administration of overall North American operations	40% (directly held)	Dept	Interest expense	¥ 12	Long-term debt	¥ 1,369

#### March 31, 2012

Subjects	Categories	Name	Address	Capital Japanese yen (millions) U.S. dollars (thousands)	Operation	Voting rights (%)	Relationship Business relationship	Trade	Amount Japanese yen (millions) U.S. dollars (thousands)	Accounts	Balance Japanese yen (millions) U.S. dollars (thousands)
The Company	Other related company's subsidiary	Aisin AW Co., Ltd.	Anjo City Aichi pref.	¥ 26,480 \$ 322,180	Manufacturing automotive parts	—	Sale of products	Sale of products Concurrently serving as directors	¥ 6,140 \$ 74,705	Accounts receivable	¥ 1,232 \$ 14,990
										Advanced received	¥ 12 \$ 146
Dynax Corporation	Other related company's subsidiary	Aisin AW Co., Ltd.	Anjo City Aichi pref.	¥ 26,480 \$ 322,180	Manufacturing automotive parts	—	Sale of products	Sale of products	¥ 3,258 \$ 39,640	Accounts receivable	¥ 769 \$ 9,356
Exedy America Corporation	Other related company's subsidiary	Aisin Holdings of America, Inc.	Indiana U.S.A.	\$ 282,290	Administration of overall North American operations	40% (directly held)	Dept	Interest expense	¥ 10 \$ 122	Long-term debt	¥ 1,306 \$ 15,890

(Transaction terms and policy determination thereof)

With regard to sale of products and debt, prices and other transaction terms are determined by negotiation in consideration of market situations.

Consumption taxes are included in the balance, but not in the trade amounts.

## 14. Per Share Data

Per share data for the years ended March 31, 2011 and 2012 were as follows :

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
Net income	¥ 268.32	¥ 191.21	\$ 2.33
Net income - diluted	—	—	—
Net assets	2,279.57	2,386.53	29.04

Diluted net income per share is not disclosed because potentially dilutive securities have not been issued.

The information on which per share data was calculated for the years ended March 31, 2011 and 2012 were as follows:

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
<b>Net income per share of common stock</b>			
Net income	¥ 13,024	¥ 9,222	\$ 112,203
Amounts not attributed to ordinary shareholders	—	—	—
Net income attributed to ordinary shareholders	¥ 13,024	¥ 9,222	\$ 112,203
The weighted average number of shares (thousands)	48,539	48,228	

## 15. Changes in Net Assets

### (a) Shares issued / Treasury stock

March 31, 2011	Number of shares as of March 31, 2010	Increase	Decrease	Number of shares as of March 31, 2011
Shares issued:				
Common stock (thousands)	48,594	—	—	48,594
	<u>48,594</u>	<u>—</u>	<u>—</u>	<u>48,594</u>
Treasury stock:				
Common stock (thousands)	12	276	—	288
	<u>12</u>	<u>276</u>	<u>—</u>	<u>288</u>

The increase of treasury stock - common stock 275 thousand is due to open-market purchase of treasury stock pursuant to a resolution of the board of directors' meeting held on January 27, 2011

The increase of treasury stock - common stock 1 thousand is due to purchase of the stocks less than standard unit 6 hundred.

March 31, 2012	Number of shares as of March 31, 2011	Increase	Decrease	Number of shares as of March 31, 2012
Shares issued:				
Common stock (thousands)	48,594	—	—	48,594
	<u>48,594</u>	<u>—</u>	<u>—</u>	<u>48,594</u>
Treasury stock:				
Common stock (thousands)	288	144	—	432
	<u>288</u>	<u>144</u>	<u>—</u>	<u>432</u>

The increase of treasury stock - common stock 144 thousand is due to open-market purchase of treasury stock pursuant to a resolution of the board of directors' meeting held on August 29, 2011.

The decrease of treasury stock-common stock 0 thousand is due to investing stock from Mitsubishi UFJ Trust and Banking Corporation (ESOP Trust Account) in employees who become beneficiaries of the ESOP based on the Company's policy of investing stock.

The number of treasury stock as of March 31, 2012 includes the Company's stock amounted to 99 thousand shares held by The Master Trust Bank of Japan ,Ltd. (ESOP Trust Account)

The increase of treasury stock - common stock 0 thousand is due to purchase of the stocks less than standard unit 2 hundred.



**(b) Dividends**

## (1) Dividends

March 31, 2011

Resolution	Type of shares	Cash dividends paid Japanese yen (millions)	Dividends per share (Japanese yen)	Cut-off date	Effective date
Ordinary general meeting of the shareholders on June 24, 2010	Common stock	¥ 1,215	¥ 25.0	March 31, 2010	June 25, 2010
Board of Directors' meeting on October 28, 2010	Common stock	¥ 972	¥ 20.0	September 30, 2010	November 26, 2010

March 31, 2012

Resolution	Type of shares	Cash dividends paid Japanese yen (millions) U.S. dollars (thousands)	Cash dividends paid (Japanese yen) (U.S. dollars)	Cut-off date	Effective date
Ordinary general meeting of the shareholders on June 28, 2011	Common stock	¥ 1,449 \$ 17,630	¥ 30.0 \$ 0.37	March 31, 2011	June 29, 2011
Board of Directors' meeting on October 27, 2011	Common stock	¥ 1,207 \$ 14,685	¥ 25.0 \$ 0.30	September 30, 2011	November 25, 2011

## (2) Dividends, of which cut-off date was in the year ended March 31, 2012, and effective date of which will be in the year ending March 31, 2013

Resolution	Type of shares	Cash dividends paid Japanese yen (millions) U.S. dollars (thousands)	Source of dividends	Cash dividends paid (Japanese yen) (U.S. dollars)	Cut-off date	Effective date
Ordinary general meeting of the shareholders on June 22, 2012	Common stock	¥ 1,207 \$ 14,685	Retained earnings	¥ 25.0 \$ 0.30	March 31, 2012	June 25, 2012

## 16. Financial instruments

The Company and its consolidated subsidiaries manage funds only in short-term deposits, raise funds by bonds or loans and engage in derivative transactions for the purpose of avoiding the risk of foreign exchange rate fluctuation and ensuring steady cash flow, not for trading or speculative purposes. Hedging accounting through derivative transactions was not applied as the necessary conditions were not met.

Notes and accounts receivable have exposure to the credit risk of customers. The Company and its consolidated subsidiaries are managing such a risk by controlling the due date and balance of receivables from customers and watching their credit risk conditions in accordance with the Group credit regulations. Furthermore, to avoid the risk and ensure steady cash flow of accounts receivable in foreign currency, the Company and its consolidated subsidiaries engage in derivative transactions (forward currency exchange contracts).

Certain securities include exposure to market risk. The Company and its consolidated subsidiaries have such securities for the purpose of maintaining relationships with customers or suppliers not for trading purposes. The fair values of the securities are periodically reported to the Board of Directors of the board meeting of the Company.

Due dates of notes and accounts payable are mainly within one year.

Short-term borrowings are mainly for the purpose of working capital and bonds payable and long-term debt is mainly for the purpose of payment for investment in equipment. Derivative transactions are entered and controlled by the financial department with approval of the financial manager under the rules of each company, which provide the details such as the department in charge and the maximum transaction amount. To reduce credit risk, transactio

Notes and accounts payable and borrowings have exposure to liquidity risk. The Company and its consolidated subsidiaries are controlling such risk by planning monthly budgets of payment.

The book values of the financial instruments included in the consolidated balance sheet and their fair values at March 31, 2011 and 2012 were as follows.

	Japanese yen (millions)			U.S. dollars (thousands)		
	Book value	Fair value	Difference	Book value	Fair value	Difference
<b>March 31, 2011</b>						
Cash and time deposit .....	¥ 30,321	¥ 30,321	¥ —			
Notes and accounts receivable .....	33,235	33,235	—			
Investments in securities						
Other securities .....	1,426	1,426	—			
Notes and accounts payable .....	(17,178)	(17,178)	—			
Short-term borrowings .....	(2,775)	(2,775)	—			
Accrued expenses .....	(6,223)	(6,223)	—			
Long-term debt .....	(4,890)	(4,817)	(△ 73)			
Derivative transactions .....	(13)	(13)	—			
<b>March 31, 2012</b>						
Cash and time deposit .....	¥ 28,006	¥ 28,006	¥ —	\$ 340,747	\$ 340,747	\$ —
Notes and accounts receivable .....	39,534	39,534	—	481,007	481,007	—
Investments in securities						
Other securities .....	1,515	1,515	—	18,433	18,433	—
Notes and accounts payable .....	(17,236)	(17,236)	—	(209,709)	(209,709)	—
Short-term borrowings .....	(2,717)	(2,717)	—	(33,058)	(33,058)	—
Accrued expenses .....	(6,600)	(6,600)	—	(80,302)	(80,302)	—
Bonds payable .....	(7,000)	(7,000)	—	(85,169)	(85,169)	—
Long-term debt .....	(5,822)	(5,771)	(△ 51)	(70,836)	(70,215)	(△ 621)
Derivative transactions .....	(33)	(33)	—	(402)	(402)	—

1. The methods used to determine the fair value of financial instruments and derivative transactions are as follows:

Cash and time deposit, notes and accounts receivable, notes and accounts payable, short-term borrowings and accrued expenses are settled in the short term and the fair values are considered to be equal to book values. Therefore, fair values are stated at book values.

Investments in securities (Other securities) are stated at fair market value. Information regarding investments in securities classified by the purposes for which they are held is noted in the relevant section of this report.

Bonds payable is stated at carrying amount which approximates fair value because the date of issue is close to March 31, 2012.

Long-term debt is stated at fair value based on the method in which total amount of principal and interest is discounted at the interest rate that would be applied if each company borrowed the same, but new, principal amount.

Derivative information is noted in the relevant section of this report.

## 2. Financial instruments for which the fair value is considered difficult to determine

Non-listed equity securities and investments in non-consolidated subsidiaries and affiliates (book value ¥995 million (\$12,107 thousand)) have no market price available and are considered to be financial instruments for which the fair market value is difficult to determine. Therefore, these instruments are not included in "Investment insecurities (Other securities)" in the table above.

## 3. Refund schedule for current credit after consolidated date

	Japanese yen (millions)				U.S. dollars (thousands)			
	2013	2014 ~2017	2018 ~2022	2023 and thereafter	2013	2014 ~2017	2018 ~2022	2023 and thereafter
Cash and time deposit	¥28,006	¥ —	¥ —	¥ —	\$340,747	\$ —	\$ —	\$ —
Notes and accounts receivable	39,534	—	—	—	481,007	—	—	—
	¥67,540	¥ —	¥ —	¥ —	\$821,754	\$ —	\$ —	\$ —

## 4. Payment schedule for long-term debt after consolidated date

	Japanese yen (millions)				U.S. dollars (thousands)			
	2013	2014 ~2017	2018 ~2022	2023 and thereafter	2013	2014 ~2017	2018 ~2022	2023 and thereafter
Long-term debt	¥ 2,984	¥ 9,483	¥ 355	¥ —	\$ 36,306	\$ 115,379	\$ 4,320	\$ —

## 17. Net Assets

Net assets section comprises three subsections, which are shareholders' equity, valuation and translation adjustments and minority interests.

Under the Japanese Corporate Law ("the Law"), the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one-half of the price of the new shares as additional paid-in-capital, which is included in capital surplus.

Under the Law, in cases where a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in-capital and legal earnings reserve must be set aside as additional paid-in-capital or legal earnings reserve. Additional paid-in-capital is included in capital surplus and legal earnings reserve is included in retained earnings in the accompanying consolidated balance sheets.

Under the Law, legal earnings reserve and additional paid-in capital could be used to eliminate or reduce a deficit and could be capitalized by a resolution of the shareholders' meeting.

Under the Law, additional paid-in capital and legal earnings reserve may not be distributed as dividends. However, by a resolution of the shareholders' meeting, all additional paid-in-capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the non-consolidated financial statements of the Company in accordance with Japanese laws and regulations.

## 18. Contingent Liabilities

Contingent liabilities as of March 31, 2011 and 2012 were as follows :

	Japanese yen (millions)		U.S. dollars (thousands)
	2011	2012	2012
Trade notes receivable discounted	¥ 125	¥ 297	\$ 3,614
Trade notes receivable endorsed	—	15	183

## 19. Comprehensive Income

Amounts reclassified to net income (loss) in the current period that were recognized in other comprehensive income in the current or previous periods and tax effects for each component of other comprehensive income were as follows

	Japanese yen (millions)	U.S. dollars (thousands)
	<b>2012</b>	<b>2012</b>
Valuation difference on available-for-sale securities		
Increase(decrease) during the year	¥ 79	\$ 961
Reclassification adjustments	—	—
Sub-total, before tax	<u>79</u>	<u>961</u>
Tax (expense) or benefit	<u>(0)</u>	<u>(0)</u>
Sub-total, net of tax	<u>79</u>	<u>961</u>
Deferred gains or losses on hedges		
Increase(decrease) during the year	<u>(1,951)</u>	<u>(23,737)</u>
Sub-total, net of tax	<u>(1,951)</u>	<u>(23,737)</u>
Share of other comprehensive income of associates accounted for using equity method		
Increase(decrease) during the year	<u>(3)</u>	<u>(37)</u>
Reclassification adjustments	<u>3</u>	<u>37</u>
Sub-total, net of tax	<u>—</u>	<u>—</u>
Total other comprehensive income	<u><u>(1,872)</u></u>	<u><u>(22,776)</u></u>



# Independent Auditors' Report

EXEDY CORPORATION AND CONSOLIDATED SUBSIDIARIES

To the Board of Directors of EXEDY Corporation:

We have audited the accompanying consolidated financial statements of EXEDY Corporation and its consolidated subsidiaries, which comprise the consolidated balance sheets as at March 31, 2012 and 2011, and the consolidated income statements, statements of comprehensive income, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the financial statement audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of EXEDY Corporation and its consolidated subsidiaries as at March 31, 2012 and 2011, and their financial performance and cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

## Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2012 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

KPMG AZSA LLC

July 11, 2012  
Osaka, Japan

# Corporate Data

## BOARD OF DIRECTORS AND CORPORATE AUDITORS

As of June 30, 2012

*President and Chief Executive Officer:*

**Haruo Shimizu**

*Director:*

**Etsuji Terada**  
**Hidehito Hisakawa**  
**Hisayasu Masaoka**  
**Masayuki Matsuda**  
**Tadashi Nakahara**  
**Hiroshi Toyohara**  
**Kagenori Fukumura**  
**Fumio Fujimori**

*Auditors:* **Shigeru Sugiyama**  
**Kanshiro Toyoda**  
**Koji Okada**  
**Takenori Yamasaki**

## EXECUTIVE OFFICERS

As of June 30, 2012

*Senior Executive Managing Officer:*

**Etsuji Terada** **Hidehito Hisakawa**  
**Hisayasu Masaoka** **Masayuki Matsuda**

*Executive Managing Officer:*

**Shogo Okamura**

*Senior Executive Officer:*

**Koji Akita** **Yoshio Katayama**  
**Makoto Ichikawa** **Katsumi Shinto**

*Executive Officer:*

**Tadashi Nakahara** **Hiroshi Toyohara**  
**Masahito Baba** **Mitsugu Yamaguchi**  
**Tetsuya Yoshinaga** **Keizo Nishigaki**  
**Kenji Matsuda** **Akira Hirai**  
**Yoshihiro Yamamura** **Shinji Fujimoto**  
**Shigeo Tabata** **Yoshihiro Kojima**

## OUTLINE OF COMPANY

As of March 31, 2012

*Name:* **EXEDY Corporation** *Number of Issued Shares:* **48,594 thousand shares**  
*Established:* **July 1, 1950** *Number of Shareholders:* **8,400**  
*Paid-in Capital:* **¥8,284 million** *Average number of shares held by one Shareholder:* **6,494 shares**  
*Number of Employees:* **2,541** *Listed on First Sections, Tokyo/Osaka Stock Exchange*  
*Number of Authorized Shares:* **168,000 thousand shares**

## DOMESTIC JAPANESE NETWORK

### Head Office

1-1-1 Kidamotomiya, Neyagawa-shi, Osaka, 572-8570  
Tel: 81-72-824-6933 Fax: 81-72-821-7913

### Tokyo Sales Office

EXEDY Trading Bldg., 5th Floor, 2-17-2 Iwamoto-cho, Chiyoda-ku, Tokyo, 101-0032  
Tel: 81-3-3862-2771 Fax: 81-3-3864-1547

### Saitama Sales Office

Oomiyanakacho AK Bldg., 6th Floor, 1-104 Naka-cho, Oomiya-ku, Saitama-shi, Saitama, 330-0845  
Tel: 81-48-650-4441/2 Fax: 81-48-650-4443

### < Utsunomiya Office >

Data Service Utsunomiya Bldg. 5th Floor, 4-8-22 Motoimaizumi, Utsunomiya-shi, Tochigi, 321-0954  
Tel: 81-28-614-3620 Fax: 81-28-614-3680

### 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

CITY21 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

Tosho 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

EXEDY Trading Bldg., Room202, 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

### DYNAX Corporation

1053-1 Kamiosatsu, Chitose-shi, Hokkaido, 066-8585  
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 Hiroshima Co., Ltd.

6-11 Taguchi Kenkyu Danchi, Higashi Hiroshima-shi, Hiroshima, 739-0038  
Tel: 81-82-425-3434/5 Fax: 81-82-425-3436

### 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, 572-0822  
Tel: 81-72-824-7633 Fax: 81-72-822-1016

### EXEDY Electric Facilities Co., Ltd.

6-17, Kamiki-cho, Moriguchi-shi, Osaka, 572-0024  
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 Sun Co., Ltd.

1-16-5 Kidamotomiya, Neyagawa-shi, Osaka, 572-0822  
Tel: 81-72-822-1147 Fax: 81-72-824-3871

## OVERSEAS NETWORK

### EXEDY Holdings of America Corporation (EHA)

8601 Haggerty Road South, Belleville, MI 48111, U.S.A.  
Tel: 1-734-397-3333 Fax: 1-734-397-9567

### EXEDY America Corporation (EAC)

2121 Holston Bend Drive, Mascot, TN 37806, U.S.A.  
Tel: 1-865-932-3700 Fax: 1-865-932-2230

### EXEDY Globalparts Corporation (EGP)

8601 Haggerty Road South, Belleville, MI 48111, U.S.A.  
Tel: 1-734-397-3333 Fax: 1-734-397-7300

### EXEDY-DYNAX America Corporation (EDA)

8601 Haggerty Road South, Belleville, MI 48111, U.S.A.  
Tel: 1-734-397-6556 Fax: 1-734-397-6556

### DYNAX America Corporation (DXA)

568 East Park Drive, Roanoke, VA 24019, U.S.A.  
Tel: 1-540-966-6010 Fax: 1-540-966-6011

### EXEDY DYNAX Mexico S.A. de C.V. (EDM)

Av. Estados Unidos de America 114, Parque Industrial San Francisco, San Francisco de Los Romo, Aguascalientes C.P. 20300, MEXICO  
Tel: 52-449-929-2104 Fax: 52-449-139-4904

### EXEDY Clutch Europe Ltd. (ECE)

Unit2, Rokeby Court, Manor Park, Runcorn, Cheshire, WA7 1RW, U.K.  
Tel: 44-1928-571850 Fax: 44-1928-571852

### < Moscow Representative Office >

Room No. 657, Smolensky Passage, Smolenskaya sq. 3, 121099, Moscow, RUSSIA  
Tel: 7-495-937-8301 Fax: 7-495-937-8200

### EXEDY DYNAX Europe Ltd. (EDE)

2800 Tatabanya, Szarkalab UT6, HUNGARY  
Tel: 36-34-311-117 Fax: 36-34-311-122

### 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)

**EXEDY Corporation Asean Regional Office (EAR)**  
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 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

### P.T. EXEDY Indonesia (EXI)

Jl. Permata V Lot EE 3 Kawasan Industri KIIC Karawang 41361 Jawa Barat, INDONESIA  
Tel: 62-21-89114666 Fax: 62-21-89114568

### P.T. EXEDY Motorcycle Indonesia (EMI)

Jl. Permata V Lot EE 3 Kawasan Industri KIIC Karawang 41361 Jawa Barat, INDONESIA  
Tel: 62-21-89114573 Fax: 62-21-89114574

### EXEDY Vietnam Co., Ltd. (EXV)

Khau Quang Industrial Zone, Vinh Yen City, Vinh Phuc Province, Socialist Republic of VIETNAM  
Tel: 84-211-3721252 Fax: 84-211-3721253

### EXEDY Chongqing Co., Ltd. (EXC)

No.4 Longjing Road, North New Economic Development Zone, Chongqing, 401122, CHINA  
Tel: 86-23-62924439 Fax: 86-23-62900348

### EXEDY (Shanghai) Co., Ltd. (ESC)

1399 Chengqiao Road, Fengxian District, Shanghai, 201400, CHINA  
Tel: 86-21-67109075 Fax: 86-21-37565209

### EXEDY Guangzhou Co., Ltd. (EGC)

No.406 E-Area, Longfu Car Accessories Centre, Hengfu Road, Guangzhou, CHINA  
Tel: 86-20-83489166 Fax: 86-20-83489370

### Shanghai DYNAX Corporation (DXC)

No.2 plant 1399 Chengqiao Road, Fengxian District, Shanghai, 201400, CHINA  
Tel: 86-21-57437465 Fax: 86-21-57437458

### DYNAX Industry (Shanghai) Co., Ltd. (DXS)

No.350 Rongxiang Road, Songjiang Export Processing Zone, Shanghai 201613, CHINA  
Tel: 86-21-57748388 Fax: 86-21-57748389

### EXEDY India Ltd. (EIL)

< Aurangabad Plant >  
Plot No.L-4, M.I.D.C. Industrial Area, Chikalthana, Aurangabad 431 210, Maharashtra, not M.H.INDIA  
Tel: 91-240-2484014 Fax: 91-240-2484403

### < Greater Noida Plant >

Plot No.9, Udyog Kendra Industrial Area, Greater Noida, 201 304, U.P., INDIA  
Tel: 91-750-3131000 Fax: 91-120-2397086

### EXEDY Clutch India Private Limited (ECI)

No60/1, Ground Floor Miyajima House Residency Road 2nd Cross, Bangalore-560025 Karnataka, INDIA  
Tel: 91-80-4173-9891 Fax: 91-80-4173-9891

### EXEDY Middle East FZCO (EME)

P.O.BOX 18199, Warehouse No. ZE5 & ZE6 Jebel Ali Free Zone, Jebel Ali Dubai, U.A.E.  
Tel: 971-4-883-2244 Fax: 971-4-883-2500

### < Amman Representative Office >

Room No.103, 1st Floor, Al Housanie Bldg. #6 Salem Moh'd Al-Ekdah Street Sweifeih, Wadi Al-Saier, Amman, JORDAN  
Tel: 962-658-13215 Fax: 962-658-13015

### < Nairobi Representative Office >

International House, 1st Floor, Room No.12, Mama Ngina Street, P.O. Box 41931-00100, Nairobi, KENYA  
Tel: 254-20-221-1214 Fax: 254-20-221-5700

### < Riyadh Representative Office >

Room #1 Al Edressi Bldg, Price Fahed Bin Ibrahim St. In front of AL-Majal Centre, Riyadh, Kingdom SAUDI ARABIA  
Tel: 966-121-48431 Fax: 966-121-48728



**EXEDY Corporation**

1-1-1, Kidamotomiya, Neyagawa-shi, Osaka, 572-8570, Japan

Tel: 81-72-824-6933 Fax: 81-72-821-7913

URL <http://www.exedy.com>

## 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.*



***Focus on Basics***

**EXEDY Corporation**

