August 5, 2024

To whom it may concern

Company name	EXEDY Corporation
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Code	7278, TSE Prime Market
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Notice regarding Dissolution of Consolidated Subsidiary

EXEDY Corporation (the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on today to dissolve and liquidate our consolidated subsidiary, EXEDY America Corporation ("EAC") as described below.

1. Reason for the dissolution

EAC mainly manufactures torque converters for automobiles, but orders for torque converters at EAC have been sluggish due to the increasing shift to EVs in the North American market.
To secure and improve the profitability of the current business, The Company is reorganizing its global production capacity in consultation with our customers as part of the structural reform of the automatic transmission related business (AT business).
In the process, it was evaluated that it would be difficult to secure the production volume of torque converters and improve the profitability of EAC, and the decision was made to dissolve and proceed with liquidation procedures of EAC.

2. Overview of the subsidiary to be dissolved

(1)	Company name	EXEDY America Corporation	
(2)	Location	Tennessee, United States of America	
(3)	Representative	President Norifumi Ikeda	
(4)	Description of business	Automatic Transmission Related Business	
(5)	Share Capital	83 million USD	
(6)	Date of establishment	October 27, 1994	
(7)	Major Shareholders and holding ratio	EXEDY Holdings of America 100%	
(8)	Relationship between the Company and EAC	Capital Relationship	The Company holds 100% of the voting rights of EAC（indirect ownership）
		Personnel Relationship	Representative of EAC is currently served by employees of the Company and 2 directors of the Company concurrently serve as director of EAC.
		Trade Relationship	The Company sells inventories to this Company and also lends funds to EAC.
		Related Party Status	EAC is a consolidated subsidiary of the Company and is its related party to the Company.

(9)） Financial Position and Performance in the Past 3 Fiscal Years

Fiscal year	March 31, 2022	March 31,2023	March 31,2024
Net assets	4,757	3,342	2,446
Total assets	10,556	11,590	11,454
Net assets per share (yen)	1,055,634	1,159,000	1,145,380
Revenue	7,047	11,858	11,585
Operating income	(836)	(1,754)	(1,057)
Profit Attributable to Owners of Parent	(659)	(1,868)	(1,281)
Earnings Per Share(yen)	(65,881)	(186,822)	(128,134)
Dividends per share	-	-	-

(Note) In millions of yen unless specified otherwise.

3. Schedule of the dissolution

August 5,2024 Resolution by the board of directors of the Company
The liquidation is scheduled to be completed as soon as the necessary procedures are completed in accordance with local regulations, but a specific date has not yet been determined.

4. Future outlook

Expenses to be incurred for the dissolution have already been estimated into the consolidated earnings forecast that has already been announced.
If there are any additional matters which should be announced in the future, the Company will promptly announce them.

Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.