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Securities Code No. 7278

June 6, 2017

To Shareholders:

Hidehito Hisakawa
President and Representative Director

EXEDY Corporation

1-1-1 Kidamotomiya, Neyagawa-shi, Osaka

NOTICE OF CONVOCAION OF THE 67TH ANNUAL SHAREHOLDERS MEETING

Dear Shareholder,

Thank you for your continued interest in EXEDY Corporation (the "Company").

You are hereby notified that the 67th Annual Shareholders Meeting will be held as stated below.

You are respectfully requested to attend the Meeting.

In the event that you are unable to attend the Meeting, you may exercise your voting rights in writing or via the Internet. In such case, after examining the Reference Documents for Shareholders Meeting hereinafter, please duly exercise your voting rights by 5:00 p.m. on June 26, 2017 (Monday).

Sincerely,

Details

1. Date and Time 10:00 a.m. June 27, 2017 (Tuesday)
2. Place EXEDY Hall, 2nd Floor, New Main Building
EXEDY Corporation
1-1-1 Kidamotomiya, Neyagawa-shi, Osaka
3. Meeting Agenda
Matters to be Reported
 1. Report on the Business Report, and the Consolidated and Non-consolidated Financial Statements for the 67th Business Year (from April 1, 2016 to March 31, 2017)
 2. Report on the Audit Results of the Consolidated Financial Statements for the 67th Business Year by the Accounting Auditor and the Board of Corporate Auditors

Matters to be Resolved

- Proposal No. 1: Appropriation of Surplus
- Proposal No. 2: Election of Eleven (11) Directors
- Proposal No. 3: Election of One (1) Corporate Auditor

-End-


If attending the meeting in person, please submit the enclosed Voting Rights Exercise Form to the receptionist. Furthermore, to save valuable resources, please bring this "Notice of Convocation" with you when attending the Shareholders Meeting.

Of all documents to be provided with this Notice of Convocation of the Annual Shareholders Meeting, the consolidated statement of changes in net assets, the notes to consolidated financial statements, the statement of changes in net assets, and the notes to financial statements are not included in the documents attached to this convocation notice, as they are noted on our website (<http://www.exedy.com>) according to provisions of the relevant laws and regulations, and Article 14 of the Articles of Incorporation of the Company.

In the event that any change is made in the Reference Documents for the Shareholders Meeting, the Business Report, or the Consolidated and Non-consolidated Financial Statements, such changes will be notified on our website (<http://www.exedy.com>).


[How to exercise your voting rights]

You may exercise voting rights in one of the following three ways.

1  Exercising voting rights by attending the Shareholders Meeting


Date of the Shareholders Meeting 10:00 a.m. June 27, 2017 (Tuesday)

Please submit the enclosed Voting Rights Exercise Form to the receptionist on the date of the Shareholders Meeting.

2  Exercising voting rights in writing

Voting rights expiration time To be arrived by 5:00 p.m. June 26, 2017 (Monday)

Please indicate your approval or disapproval of the proposals in the enclosed Voting Rights Exercise Form, and return the Form so that it reaches us by the voting rights expiration time.

3  Exercising voting rights via the Internet

Voting rights expiration time 5:00 p.m. June 26, 2017 (Monday)

Please enter your approval or disapproval of the proposals at the Voting Rights Exercise Site (<http://www.evotep.jp/>) by the voting rights expiration time.

For institutional investors

The Company participates in the electronic voting rights exercise platform operated by ICJ.

[How to exercise your voting rights via the Internet]

Please refer to the following, access the Voting Rights Exercise Site of our shareholder registry administrator via the Internet (<http://www.evotep.jp/>), use the "Login ID" and "Provisional Password" indicated in the Voting Rights Exercise Form, and enter your approval or disapproval of the proposals, as displayed on the screen.

1. Voting Rights Exercise Site

- (1) Our designated Voting Rights Exercise Site (<http://www.evotep.jp/>) is not available from 2 a.m. to 5 a.m. every day.
- (2) You may not exercise your voting rights using a PC or a smartphone if, due to your Internet usage conditions, you use a firewall and other similar means, anti-virus software, or proxy servers, etc. when connecting with the Internet.

2. Voting rights exercise methods

- (1) To prevent any third party other from accessing the site (impersonation), and to prevent falsification of your exercised voting rights, you will be requested to change your "Provisional Password" on the Voting Rights Exercise Site.
- (2) Every time a Shareholders Meeting is convened, you will be notified of your new "Login ID" and "Provisional Password."

3. Handling of voting rights exercised on multiple occasions

- (1) If you have exercised your voting rights both in writing and via the Internet, the contents of the voting rights you have exercised via the Internet will prevail.
- (2) If you have exercised your voting rights on multiple occasions via the Internet, the contents of the voting rights you have exercised on the last occasion will prevail.

4. Costs incurred for accessing the Voting Rights Exercise Site

You shall bear Internet connection fees and other costs incurred for accessing the Voting Rights Exercise Site.

[For inquiries about the above system, please contact the following.]

Corporate Agency Division (Help Desk),
Mitsubishi UFJ Trust and Banking Corporation
Tel: 0120-173-027 (toll-free, available from 9:00 to 21:00)

End

Reference Documents for the Shareholders Meeting

Proposal No. 1: Appropriation of Surplus

The Company will redistribute profits in an appropriate manner that meets shareholder expectations, by taking into consideration capital demands, business results, payout ratio, etc. in a comprehensive manner.

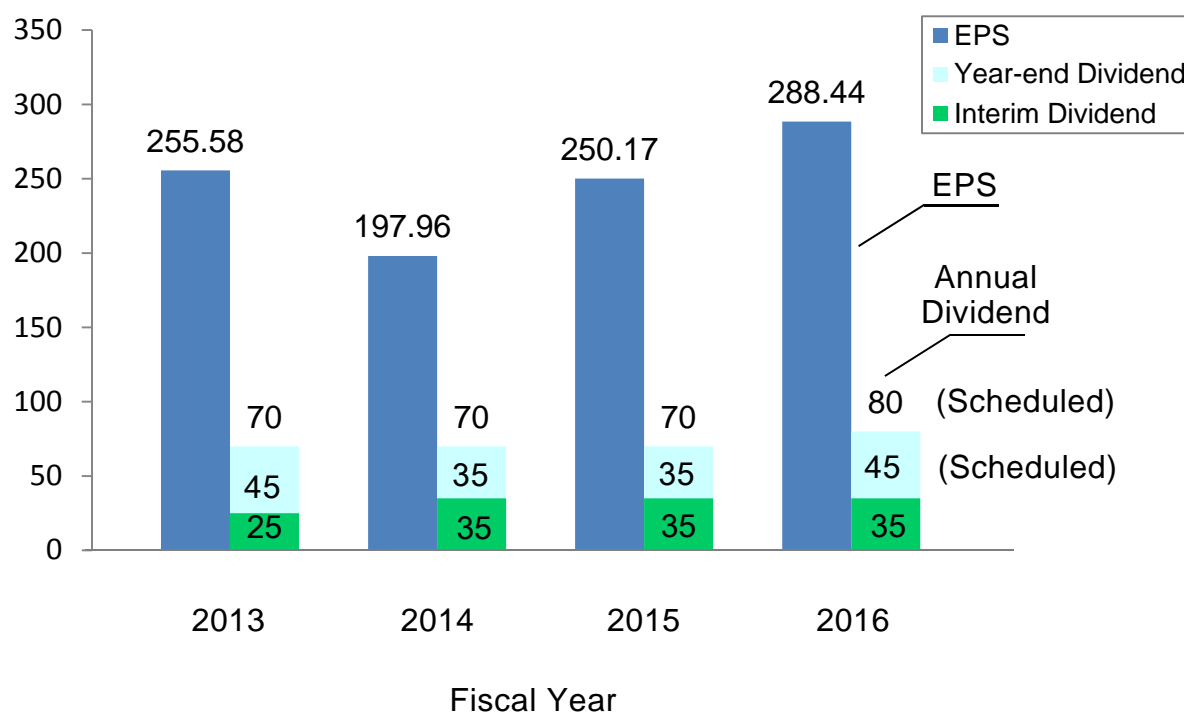
In this regard, the surplus will be appropriated as follows.

1. Matters concerning the year-end dividend
 - (1) Matters concerning and the total amount of the dividend property to be allotted to shareholders
¥45 per share of the Company
Total of ¥2,167,412,625

Together with the interim dividend of ¥35 per share paid on November 21, 2016, the annual dividend is ¥80 per share.
 - (2) Effective date of dividends from the surplus
June 28, 2017
2. Other matters concerning the appropriation of surplus
 - (1) Items and amount of decreasing surplus
Retained earnings brought forward ¥4,000,000,000
 - (2) Items and amount of increasing surplus
General reserves ¥4,000,000,000

Dividend History DPS (Yen)

(Yen)



Proposal No. 2: Election of Eleven (11) Directors

All ten (10) Directors will complete their terms of office at the close of this Shareholders Meeting.

Mr. Osamu Okumura, an Outside Director, passed away on January 25, 2017.

Consequently, the Company proposes the election of eleven (11) Directors, including three (3) Outside Directors.

The candidates for Directors are as follows:

1 Hidehito Hisakawa (January 24, 1955)

Number of shares of the Company held 14,900 shares



Re-appointed

▶ Career summary, position and duties at the Company (Important concurrent positions)

April 1978	Joined the Company
June 2006	Director of the Company in charge of overseas businesses
April 2009	Executive General Manager, Sales Headquarters, of the Company
June 2009	Director and Executive Managing Officer of the Company
April 2011	Director and Senior Executive Managing Officer of the Company
April 2012	Representative Director of the Company
April 2015	Representative Director and President of the Company to the present

▶ Reasons for candidacy for a director's position

Mr. Hidehito Hisakawa has long been engaged in corporate management since he was appointed Director of the Company in June 2006, and has led the management as Representative Director and President since April 2015. The Company has thus continued to appoint him as a candidate for a director's position because, with his abundant experience and versatile perspective on corporate management, he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

2 Masayuki Matsuda (June 27, 1951)

Number of shares of the Company held 7,700 shares



Re-appointed

▶ Career summary, position and duties at the Company (Important concurrent positions)

April 1974	Joined the Company
June 2002	Director of the Company
June 2004	Executive General Manager, Sales Headquarters, of the Company
June 2005	Managing Director of the Company
June 2009	Director and Executive Managing Officer of the Company
April 2010	Director and Senior Executive Managing Officer of the Company to the present
April 2012	Executive General Manager, Development Headquarters, of the Company
April 2015	Representative Director of the Company to the present Executive General Manager, Purchasing Headquarters, of the Company to the present

▶ Reasons for candidacy for a director's position

Mr. Masayuki Matsuda has long been engaged in corporate management since he was appointed Director of the Company in June 2002, and has performed a wide range of the Group operations as Senior Executive Managing Officer of the Company since April 2010. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

3 Shogo Okamura (September 16, 1956)

Number of shares of the Company held 5,200 shares



Re-appointed

▶ Career summary, position and duties at the Company (Important concurrent positions)

March 1982	Joined the Company
July 2002	Branch Manager of Tokyo Sales Office
June 2005	Director of the Company
September 2006	Representative EXEDY ASEAN Regional Office
April 2010	Executive Managing Officer of the Company
April 2015	Senior Executive Managing Officer of the Company to the present Executive General Manager, Sales Headquarters, of the Company to the present
June 2015	Director of the Company to the present

▶ Reasons for candidacy for a director's position

Mr. Shogo Okamura has long worked overseas as an expatriate and accumulated experience and achievements in ASEAN- and India-related business operations, etc. , and has been broadly engaged in management of the Group business since he was appointed Director and Senior Executive Managing Officer since June 2015. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

4 Hiroshi Toyohara (August 19, 1962)

Number of shares of the Company held 2,200 shares



Re-appointed

▶ Career summary, position and duties at the Company (Important concurrent positions)

January 1995	Joined the Company
April 2010	Executive Officer of the Company
April 2011	Executive General Manager, Financial Planning Headquarters, of the Company
June 2012	Director of the Company to the present
April 2013	Senior Executive Officer of the Company Executive General Manager, Administrative Headquarters, of the Company to the present
April 2016	Executive Managing Officer of the Company to the present

▶ Reasons for candidacy for a director's position

Mr. Hiroshi Toyohara has abundant experience and achievements in general administrative operations, as head of the financial and planning departments, etc., and has been broadly engaged in the execution of the Group business since his appointment as Director in June 2012. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

5 Kenji Matsuda (October 23, 1962)

Number of shares of the Company held 1,500 shares



Newly appointed

▶ Career summary, position and duties at the Company (Important concurrent positions)

April 1993	Joined the Company
April 2010	Executive Officer of the Company
April 2012	Executive General Manager, Production Management Headquarters of the Company
April 2013	Senior Executive Officer of the Company
April 2016	Executive General Manager, M&T Manufacturing Headquarters of the Company Executive Managing Officer of the Company to the present
April 2017	Executive General Manager, MT Manufacturing Headquarters of the Company to the present

▶ Reasons for candidacy for a director's position

Mr. Kenji Matsuda has abundant experience and achievements in manufacturing/production management operations, and has been broadly engaged in the execution of the Group business since his appointment as an Executive Managing Officer in April 2016. The Company has thus newly appointed him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

6 Yoshihiro Kojima (September 10, 1960)

Number of shares of the Company held 1,700 shares



Re-appointed

▶ Career summary, position and duties at the Company (Important concurrent positions)

April 1985	Joined NISSAN MOTOR Co., Ltd.
October 2001	Joined JATCO Ltd.
April 2009	Manager, Prototype Headquarters, of JATCO Ltd.
April 2011	Joined the Company
April 2012	Executive Officer of the Company Executive General Manager, Production Engineering Headquarters, of the Company
June 2013	Director of the Company to the present
April 2015	Senior Executive Officer of the Company to the present
April 2017	Executive General Manager, TS Manufacturing Headquarters, of the Company to the present

▶ Reasons for candidacy for a director's position

Mr. Yoshihiro Kojima has abundant experience and achievements in the production engineering field in general both inside and outside the Company, and has been broadly engaged in the execution of the Group business since his appointment as Director in June 2013. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

7 Tadashi Nakahara (October 8, 1962)

Number of shares of the Company held 2,100 shares



Re-appointed

▶ Career summary, position and duties at the Company (Important concurrent positions)

March 1981	Joined the Company
April 2009	Executive General Manager, M&T Business Headquarters, of the Company
June 2009	Executive Officer of the Company
April 2010	Executive General Manager, M&T Manufacturing Headquarters, of the Company
June 2012	Director of the Company to the present
April 2014	Executive General Manager, AT Manufacturing Headquarters, of the Company to the present
April 2016	Senior Executive Officer of the Company to the present

▶ Reasons for candidacy for a director's position

Mr. Tadashi Nakahara has abundant experience and achievements in the manufacturing field in general, and has been broadly engaged in the execution of the Group business since his appointment as Director in June 2012. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

8 Makoto Mitsuya (December 13, 1958)

Number of shares of the Company held 2,000 shares



Newly
appointed

Outside

▶ Career summary, position and duties at the Company (Important concurrent positions)

April 1981	Joined AISIN SEIKI CO., LTD.
June 2005	Managing Officer of AISIN SEIKI CO., LTD.
June 2009	Senior Managing Director of AISIN SEIKI CO., LTD.
June 2012	Director and Senior Managing Officer of AISIN SEIKI CO., LTD.
June 2013	Representative Director and Executive Vice President of AISIN SEIKI CO., LTD. to the present

▶ Reasons for candidacy for an outside director's position

Mr. Makoto Mitsuya has long been engaged in management of AISIN SEIKI CO., LTD. and accumulated abundant expertise as a corporate manager in the automotive component industry. The Company has thus newly appointed him as a candidate for an outside director's position because he is expected to provide the Company with additional management reinforcement and enhancement of supervisory functions by the Board of Directors.

9 Koji Akita (February 17, 1962)

Number of shares of the Company held 3,374 shares



Re-appointed

▶ Career summary, position and duties at the Company (Important concurrent positions)

March 1985	Joined the Company
June 2006	Director of the Company
June 2009	Senior Executive Officer of the Company
April 2011	Director and Executive Managing Officer of DYNAX Corporation
April 2013	Director and Senior Executive Managing Officer of DYNAX Corporation
April 2015	Representative Director and President of DYNAX Corporation to the present
June 2015	Director of the Company to the present

▶ Reasons for candidacy for a director's position

Mr. Koji Akita has been broadly engaged in the execution of the Group business as the representative director and president of DYNAX Corporation, the largest subsidiary in the Group, since April 2015, and as a director of the Company since June 2015. The Company has thus continued to appoint him as a candidate for a director's position because he is expected to contribute to enhancing the corporate values of the entire Group and to promoting proper management decisions.

10 Ichizo Yoshikawa (May 20, 1946)

Number of shares of the Company held 1,000 shares



Re-appointed

Outside

Independent

▶ Career summary, position and duties at the Company (Important concurrent positions)

- | | |
|-------------|---|
| April 1970 | Joined Suminoe Textile Co., Ltd. |
| August 1997 | Director of Suminoe Textile Co., Ltd. |
| August 2005 | Representative Director and President of Suminoe Textile Co., Ltd. |
| May 2016 | Outside Director of KINTETSU Department Store Co., Ltd. to the present |
| June 2016 | Representative Director and Chairman of Suminoe Textile Co., Ltd.
Director of the Company to the present |
| July 2016 | Representative Director and Chairman and President of Suminoe Textile Co., Ltd. to the present |

- ▶ Reasons for candidacy for an outside director's position
Mr. Ichizo Yoshikawa has long accumulated abundant expertise as a manager of a listed company, by fulfilling corporate management responsibilities as a representative director of Suminoe Textile Co., Ltd. The Company has thus continued to appoint him as a candidate for an outside director's position because he is expected to provide the Company with additional management reinforcement and enhancement of supervisory functions by the Board of Directors.

11 Toshiki Takano (August 31, 1954)

Number of shares of the Company held 2,000 shares



Newly
appointed

Outside

Independent

▶ Career summary, position and duties at the Company (Important concurrent positions)

- | | |
|--------------|---|
| January 1984 | Joined ROHM Co., Ltd. |
| June 2010 | Director of ROHM Co., Ltd. |
| June 2015 | Retired from the post of director of ROHM Co., Ltd. |

- ▶ Reasons for candidacy for an outside director's position
Mr. Toshiki Takano has long accumulated abundant expertise as a corporate manager, by fulfilling his responsibilities as a director of ROHM Co., Ltd. The Company has thus newly appointed him as a candidate for an outside director's position because he is expected to provide the Company with additional management reinforcement and enhancement of supervisory functions by the Board of Directors.

(Notes)

1. Mr. Makoto Mitsuya is a Representative Director and Executive Vice President of AISIN SEIKI CO., LTD., which has business transactions, including product sales and purchases, with the Company; however, the transaction value remains less than 0.4% of our consolidated sales. The other candidates have no special vested interest with the Company.
2. Mr. Makoto Mitsuya, Mr. Ichizo Yoshikawa, and Mr. Toshiki Takano are candidates for Outside Directors.
3. AISIN SEIKI CO., LTD., of which Mr. Makoto Mitsuya is the Representative Director and Executive Vice President, paid a fine of US\$35.8 million to the United States government in February 2015 for violations of the U.S. Antitrust Law in connection with part of the sales of Variable Valve Timing ("VVT") devices, an automotive engine component.
4. Suminoe Textile Co., Ltd., of which Mr. Ichizo Yoshikawa is a Representative Director, made a correction to the financial results for the preceding year in October 2016 due to a certain inappropriate accounting problem that took place in its local subsidiary in the U.S.
5. Mr. Ichizo Yoshikawa's term of office, as an Outside Director, will be one (1) year at the conclusion of this Shareholders Meeting.
6. The Company has entered into a contract with Mr. Ichizo Yoshikawa pursuant to the provision of the Company's Articles of Incorporation to limit his liabilities to the Company. In the event that this proposal is approved in its original form and that he is reappointed, the Company shall continue such contract with him.
In the event that this proposal is approved in its original form and that Mr. Makoto Mitsuya and Mr. Toshiki Takano are appointed, the Company shall enter into contracts with them, respectively, pursuant to the provisions of the Company's Articles of Incorporation, to limit their liabilities to the Company.
An outline of the contents of the liability limitation contracts is as follows.
 - (1) If an Outside Director is liable to the Company for damages, the amount of such damages shall be limited to the minimum liability amount prescribed in Article 425 of the Companies Act;
 - (2) The foregoing limitation shall be limited to cases where an Outside Director is without knowledge of the act that gives rise to damages and is not grossly negligent in performing his or her duties.
7. Mr. Ichizo Yoshikawa is an Independent Officer stipulated by the Tokyo Stock Exchange. Mr. Toshiki Takano satisfies the requirements for an Independent Director stipulated by the Tokyo Stock Exchange, and is scheduled to be registered as such in the Exchange.

Proposal No. 3: Election of One (1) Corporate Auditor

Mr. Kanshiro Toyoda, a Corporate Auditor, will complete his term of office at the close of this Shareholders Meeting. Consequently, the Company proposes the election of one (1) Corporate Auditor, as follows.

For this proposal, the consent of the Board of Corporate Auditors has been obtained. The candidate for the Corporate Auditor is follows:

Kanshiro Toyoda (August 14, 1941)

Number of shares of the Company held 20,000 shares



Re-appointed

Outside

▶ Career summary, position at the Company (Important concurrent positions)

April 1965	Joined Shinkawa Kogyo Co., Ltd. (current AISIN SEIKI CO., LTD.)
June 1979	Director of AISIN SEIKI CO., LTD.
June 1983	Managing Director of AISIN SEIKI CO., LTD.
June 1985	Senior Managing Director of AISIN SEIKI CO., LTD.
June 1988	Representative Director and Executive Vice President of AISIN SEIKI CO., LTD.
June 1995	Representative Director and President of AISIN SEIKI CO., LTD.
June 1999	Director and Chairman of AISIN AI CO., LTD.
June 2002	Corporate Auditor of the Company to the present
June 2005	Representative Director and Chairman of AISIN SEIKI CO., LTD.
June 2014	Director and Chairman of AISIN SEIKI CO., LTD. to the present

▶ Reasons for candidacy for an outside corporate auditor's position

Mr. Kanshiro Toyoda has long been engaged in management of AISIN SEIKI CO., LTD. and accumulated abundant expertise as a corporate manager in the automotive component industry. The Company has thus continued to appoint him as a candidate for an Outside Corporate Auditor's position because he is expected to provide proper proposal and advice on execution of the performance of our directors.

(Notes)

1. Mr. Kanshiro Toyoda is a Director and Chairman of AISIN SEIKI CO., LTD., which has business transactions, including product sales and purchases, with the Company; however, the transaction value remains less than 0.4% of our consolidated sales.
2. Mr. Kanshiro Toyoda is a candidate for an Outside Corporate Auditor.
3. AISIN SEIKI CO., LTD., of which Mr. Kanshiro Toyoda is the Director and Chairman, paid a fine of US\$35.8 million to the United States government in February 2015 for violations of the U.S. Antitrust Law in connection with part of the sales of Variable Valve Timing ("VVT") devices, an automotive engine component.
4. Mr. Kanshiro Toyoda's term of office as an Outside Corporate Auditor will be fifteen (15) years at the conclusion of this Shareholders Meeting.
5. The Company has entered into a contract with Mr. Kanshiro Toyoda pursuant to the provision of the Company's Articles of Incorporation to limit his liabilities to the Company. In the event that this proposal is approved in its original form and that he is reappointed, the Company shall continue such contract with him.

An outline of the contents of the liability limitation contract is as follows.

- (1) If an Outside Corporate Auditor is liable to the Company for damages, the amount of such damages shall be limited to the minimum liability amount prescribed in Article 425 of the Companies Act;
- (2) The foregoing limitation shall be limited to cases where an Outside Corporate Auditor is without knowledge of the act that gives rise to damages and is not grossly negligent in performing his or her duties.

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