

This document has been translated from a part of the Japanese original for reference purpose only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

To Shareholders:

Haruo Shimizu
President and Representative Director
EXEDY Corporation
1-1-1 Kidamotomiya, Neyagawa-shi, Osaka

NOTICE OF CONVOCAION OF THE 64TH ANNUAL SHAREHOLDERS MEETING

Dear Shareholder,

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

You are hereby notified that the 64th 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. After examining the Reference Documents for Shareholders Meeting hereinafter and indicating your approval or disapproval to the proposals in the enclosed Voting Rights Exercise Form, please return the form so that it arrives to us by 5:00 p.m. on June 23, 2014 (Monday).

Sincerely,

Details

1. Date and Time 10:00 a.m. June 24, 2014 (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 64th Business Year (from April 1, 2013 to March 31, 2014)
 2. Report on the Audit Results of the Consolidated Financial Statements for the 64th Business Year by the Accounting Auditor and the Board of Company Auditors
 - Matters to be Resolved
 - Proposal No. 1: Appropriation of Surplus
 - Proposal No. 2: Election of Nine (9) Directors
 - Proposal No. 3: Election of an Accounting Auditor
 - Proposal No. 4: Decision on Amount and Contents of Share-based Compensation for Directors and Executive Officers

-End-

(The Business Report, the Consolidated and Non-consolidated Financial Statements, and the Audit Report to be attached to the Notice of Convocation are as stated in the Appendix, "Report for the 64th Business Year" (from Page 1 to Page 34).)

If attending the meeting in person, please submit the enclosed Voting Rights Exercise Form to the receptionist.

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>).

Proposal No. 2: Election of Nine (9) Directors

All Nine (9) Directors will complete their term of office at the closing of this Shareholders Meeting. Consequently, the Company proposes the election of nine (9) new Directors.

Mr. Fumio Fujimori is a candidate for Outside Director.

The candidates for Directors are as follows:

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company (Important concurrent positions)	Number of shares of the Company held
1	Haruo Shimizu (January 7, 1947)	February 1970 Joined the Company June 1994 Director of the Company June 1996 Executive General Manager, Sales Headquarters, of the Company June 1999 Managing Director of the Company June 2002 Senior Managing Director of the Company June 2006 Representative Director and President of the Company to the present	18,600
2	Hidehito Hisakawa (January 24, 1955)	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 to the present April 2012 Representative Director of the Company to the present	8,900
3	Hisayasu Masaoka (August 8, 1949)	October 2000 Joined the Company June 2001 Director of the Company June 2002 Executive General Manager, Administrative Headquarters, of the Company June 2004 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 2011 Executive General Manager, Global Strategy Headquarters, of the Company	9,900
4	Masayuki Matsuda (June 27, 1951)	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 July 2005 Executive General Manager, Purchasing Headquarters, 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	7,300

Candidate No.	Name (Date of birth)	Career summary, position and duties at the Company (Important concurrent positions)	Number of shares of the Company held
5	Hiroshi Toyohara (August 19, 1962)	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 to the present Executive General Manager, Administrative Headquarters, of the Company to the present	1,800
6	Tadashi Nakahara (October 8, 1962)	March 1981 Joined the Company April 2009 Manager, M&T Business Headquarters, of the Company June 2009 Executive Officer of the Company to the present 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	1,700
7	Yoshihiro Kojima (September 10, 1960)	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 to the present Executive General Manager, Production Technology Headquarters, of the Company to the present June 2013 Director of the Company to the present	1,300
8	Fumio Fujimori (January 5, 1949)	April 1971 Joined Aisin Seiki Co., Ltd. June 1997 Director of Aisin Seiki Co., Ltd. June 2005 Vice President and Representative Director of Aisin Seiki Co., Ltd. June 2009 President and Representative Director of Aisin Seiki Co., Ltd. to the present June 2012 Director of the Company to the present	2,000
9	Kagenori Fukumura (October 26, 1947)	June 1998 Joined Dynax Corporation October 2002 Managing Director of Dynax Corporation June 2004 Senior Managing Director of Dynax Corporation October 2011 President and Representative Director of Dynax Corporation to the present June 2012 Director of the Company to the present	3,500

- (Note) 1. The candidate for Outside Director, Mr. Fumio Fujimori, is the President and Representative Director of Aisin Seiki Co., Ltd., with which the Company has business relations in the form of sales and purchase of products, the amount of which however constitutes less than 0.5% of the Company's consolidated net sales. There are no special interests between other candidates and the Company.
2. Reason why the Company recommends Mr. Fumio Fujimori as a candidate for Outside Director
The reason is that we have judged that Mr. Fujimori's rich managerial expertise in the automobile parts industry would further strengthen our management and enhance the supervisory role of the Board of Directors.
3. Mr. Fumio Fujimori's term of office will be two (2) years at the conclusion of this Shareholders Meeting.

4. The Company entered into contracts with Mr. Fumio Fujimori 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 he is reappointed, the Company shall continue such contract with him. An outline of the contents of that contract 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 and is not grossly negligent in performing his duties.

Proposal No. 3: Election of an Accounting Auditor

As the Company's Accounting Auditor, KPMG AZSA LLC, retires at the expiration of the current term of office, which comes at the closing of this Shareholders Meeting, we request you to newly elect an Accounting Auditor.

The Company has already obtained the consent from the Board of Company Auditors to this Proposal.

The candidate for the Accounting Auditor is as follows.

Name	PricewaterhouseCoopers Aarata		
Office	Main Office	Sumitomo Fudosan Shiodome Hamarikyū Bldg. 8-21-1 Ginza, Chuo-ku, Tokyo	
	Other offices	Osaka Office, Nagoya Office	
History	June 2006	Establishment of PricewaterhouseCoopers Aarata	
	July 2006	Commencement of operations	
Outline	Investment in capital	¥1,841,000,000	As of March 31, 2014
	Staffing	Senior Partners and Partners	110
		CPAs	758
		Assistant CPAs	367
		Assistant auditors	497
		Other Clerks	317
		Total	2,049
Client companies		As of March 31, 2014 838 As of June 30, 2013	

Proposal No. 4 Decision on Amount and Contents of Share-based Compensation for Directors and Executive Officers

1. Contents of the proposal and the purpose of introducing a compensation system

The remuneration of Company directors has been consisted of a "base salary" and "bonuses," but now, we would like to request that shareholders approve the introduction of a stock-based compensation system (hereinafter referred to as "the System") for directors (excluding outside directors and non-executive directors, hereunder the same in Proposal No. 4) and for Executive Officers (excluding personnel dispatched abroad, hereinafter referred to as "Directors, etc.").

The purpose of introducing the System is to enhance the awareness of Directors, etc. of their contribution to increased corporate value and improved performance to higher levels than before.

Specifically, we request shareholders to approve that new stock-based compensation be provided to Directors, etc. in proportion to their position and business metrics of each business year as a separate and distinct framework from the limited amounts of Director Allowances (equal to or less than 300 million yen, but not to include employee wages of directors who double as employees) that were approved at the 56th Annual Shareholders Meeting held on June 27, 2006.

If approved as proposed in Proposal No. 2 "Election of Nine (9) Directors," seven (7) directors and ten (10) Executive Officers Directors, etc. will be covered by the System.

In addition, if this proposal is passed as originally proposed, Director allowances will consist of a "base salary," "bonuses," and "stock-based compensation."

2. Amounts and details of remuneration, etc. in the System

(1) Outline of the System

Under the System, the Company shall set up a trust with a sum of money for acquiring Company stock. Company stock that the trust acquires will be issued to Directors, etc. in a quantity corresponding to the number of points awarded to them in accordance with performance indicators and rank. (A summary of the trust to be launched as the initial form of the System is set forth at the end of this Proposal. Please refer to "Initial Scheme of Trust. ") It should be noted that the timing of the Company stocks being issued to the Directors, etc. shall be when the Directors, etc. retire, as a general rule (*).

(*) Anyone who was dismissed due to a certain level of misconduct is not entitled to the issued Company stocks.

(2) Upper limit of money the Company is to contribute to the trust (*)

The Company shall contribute money that should not exceed a total of 240 million yen as remuneration for the Directors, etc. every two consecutive fiscal years to the trust (hereinafter referred to as "the Trust"). (Initially, this period spans two fiscal years from the fiscal year ending in March 31, 2015 through the fiscal year ending in March 31, 2016, and, if the trust period is extended, the period will become each of the subsequent two fiscal years after the extension; hereinafter referred to as "Subject Period."), The two-year trust period (including extension of the trust period as set forth below) is to be set up for the benefit of Directors, etc. that meet the beneficiary requirements.

(*) Money to be contributed to the Trust is for stocks the Trust will acquire and trust expenses.

In addition, it may be possible to continue the Trust by adding trusts and changing the trust agreement at the expiration of the trust period. In that case, the trust period of the Trust shall be extended for the same period as the initial trust period (two years), additional contributions shall be made within the range of 240 million yen for each of the extended periods, and, during the period that was extended, the points shall continue to be awarded to Directors, etc. If there is surplus stock (other than Company stocks corresponding to the number of points awarded to Directors, etc., and stock that has yet to be issued) or money in the Trust on the last day of the trust period before extension (hereinafter referred to as "remaining shares, etc."), the total amount of trust money between that which is additionally contributed to the Trust and the value of the remaining shares, etc. shall be capped at 240 million yen.

Also, unless trusts are added or the trust agreement is changed, points shall not be awarded to Directors, etc. beyond the expiration of the trust period. However, if Directors, etc. that meet beneficiary requirements are in office at that time, the trust period of the Trust may be extended for another ten (10) years at the longest until the Directors, etc. retire and issuance of Company shares is completed.

(3) Upper limit and calculating method of shares of the Company that Directors, etc acquire

At the end of every March during the trust period, a number of points will be awarded to Directors, etc. in accordance with their ranks and performance indicators for the year ending on the day. One (1) share of the Company stock equates to one (1) point. Each Director, etc., at the time of retirement as Director, shall be issued shares in accordance with the cumulated number of points.

The upper limit per year of the total number of points that Directors, etc. may receive shall be 26,500 points. In addition, the number of Company shares that the Trust will acquire for each of the subject periods (hereinafter referred to as "the number of shares acquired") shall not exceed the total number of points per year (26,500 points) multiplied by two (2), the number of years of the trust period, or 53,000 shares.

(*) In the event, it is deemed fair to adjust the number of points because of share split or consolidation during the trust period, the number of points shall be adjusted in accordance with the ratio of split or consolidation.

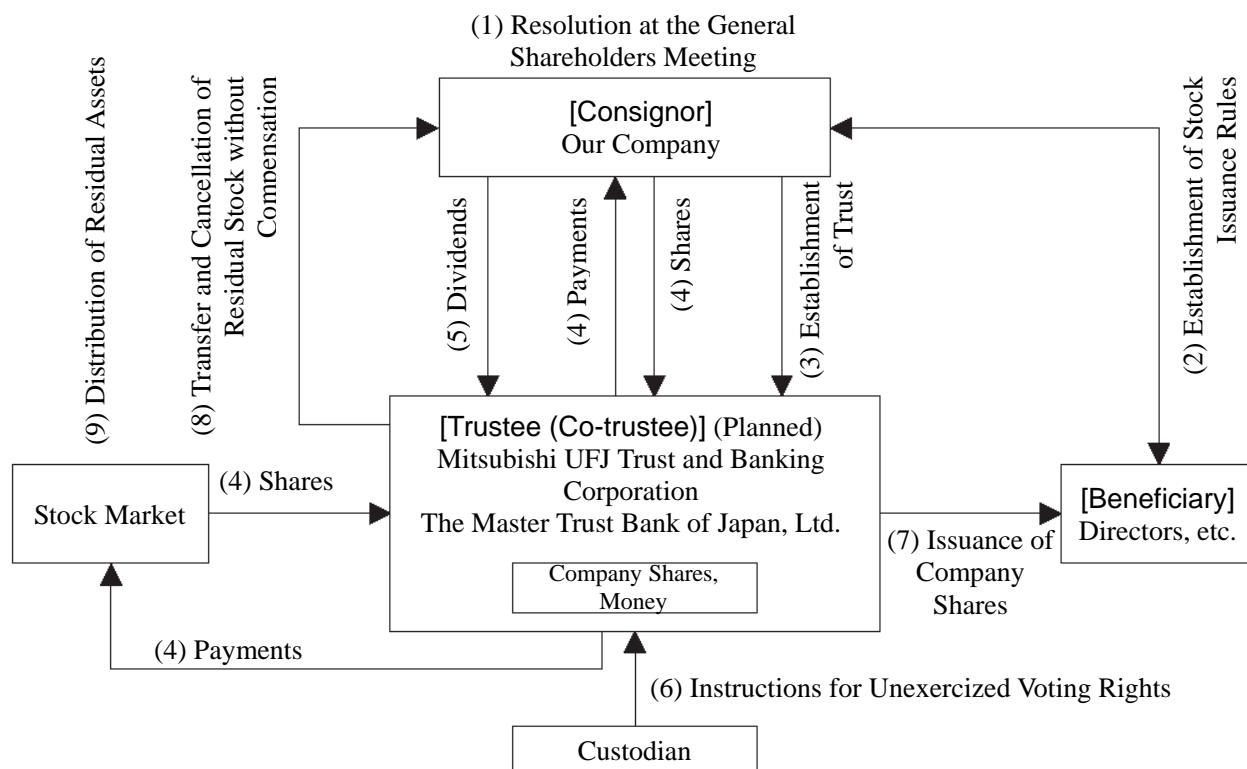
(4) The way the Trust obtains shares of the Company

With regards to the initial acquisition of Company shares by the Trust, we plan to acquire Company stocks from ourselves (disposal of treasury stock) or from the stock market, within the scope of the upper limit of the number of acquired shares and the upper limit of money to contribute to the trust.

If there is a shortage in the number of shares corresponding to the cumulative number of points for Directors, etc. during the trust period, the company may contribute additional money to the Trust and acquire additional shares of the Company, within the scope of the upper limit of the number of acquired shares and the upper limit of money to be contributed to the trust.

(Reference)

[Initial Scheme of Trust]



- (1) The Company obtains approval of the General Assembly for the resolution on executive compensation under the System at this General Shareholders Meeting.
- (2) The Board of Directors establishes share issuance rules relating to executive compensation under the System.
- (3) The Company sets up the Trust by contributing money to the extent approved by General Assembly Resolution (1), for the benefit of directors that meet the beneficiary requirements.
- (4) In accordance with the instructions of the custodian, the Trust obtains Company shares from the stock market or from our company (disposal of treasury shares) by using the money contributed for (3) as capital. The number of shares that the Trust acquires is within the range approved by General Assembly Resolution (1).
- (5) Company surplus is distributed to Company shares held by the Trust in the same manner as other stocks.
- (6) Voting rights for Company shares held in the Trust shall not be exercised throughout the trust period.
- (7) A certain number of points will be awarded at the end of each fiscal year to the Directors, etc. in accordance with sales, net income and operating income of consolidated earnings forecasts that are disclosed at the beginning of each fiscal year during the trust period. Company shares of a number corresponding to the number of earned points will be issued to Directors, etc. that meet the beneficiary requirements, at the time of retirement as Directors, etc.
- (8) If residual stock exists at the end of the trust period due to factors such as unachieved performance targets during the trust period, we plan to continue to use the Trust as new stock-based compensation by changing the trust agreement or adding trusts, or we plan to transfer the residual shares from the Trust to the Company and eventually cancel the shares pursuant to resolution of the Board of Directors.
- (9) Residual assets after being distributed to the beneficiaries at the liquidation of the Trust are to belong to the Company.

[Contents of the Trust Agreement]

- | | |
|-----------------------------------|---|
| (1)Type of trust | Monetary trust other than that managed for a particular single purpose (Third-Party-Benefit Trust) |
| (2)Purpose of trust | Incentives for Directors, etc. |
| (3)Consignor | Our Company |
| (4)Trustee | Mitsubishi UFJ Trust and Banking Corporation (Planned)
(Co-trustee The Master Trust Bank of Japan, Ltd. (Planned)) |
| (5)Beneficiaries | Directors, etc. who have retired and meet beneficiary requirements |
| (6)Custodian | Third party without conflict of interest with the Company (Certified Public Accountants) |
| (7)Trust contract date | August 25, 2014 (Planned) |
| (8)Trust period | August 25, 2014 (Planned)-August 31, 2016 (Planned) |
| (9)Starting date of the System | October 1, 2014 (Planned)

(Points will be awarded from the March 31, 2015.) |
| (10)Voting rights | Shall not be exercised |
| (11)Type of shares acquired | Company common stock |
| (12)Maximum amount of trust money | 240 million yen (Including trust expenses) |
| (13)Holder of Vested Rights | Our Company |
| (14)Residual assets | Residual assets that can be received by the Company as the Holder of Vested Rights shall be the net after subtracting the funds necessary for stock acquisition from the trust money. |

[Contents of trust and equity-related administration]

- | | |
|----------------------------------|--|
| (1)Trust-related administration | It is planned that Mitsubishi UFJ Trust and Banking Corporation and the Master Trust Bank of Japan, Ltd. serve as trustees of the Trust and handle fiduciary-related duties. |
| (2)Equity-related administration | It is planned that Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. handle the issuance of Company shares to beneficiaries based on administrative consignment contract. |