November 9, 2022

To Shareholders,

Company name:	MITSUBA Corporation
Name of representative:	Katsuyoshi Kitada, Representative Director, President
Security code:	7280 (Prime Market of Tokyo Stock Exchange)
Inquiry:	Yoshiaki Takei, Operating Officer and General Manager of Accounting and Finance Department
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Notice on the Difference Between the Consolidated Earnings Forecast and Results for the Second Quarter of the Fiscal Year Ending March 2023 and Revision of the Full-Year Consolidated Earnings Forecast

MITSUBA Corporation announces the occurrence of a difference between the consolidated earnings forecast for the second quarter (from April 1, 2022 to September 30, 2022) of the fiscal year ending March 2023, announced on May 11, 2022, and the results for the above period, publicized today.

Additionally, please be advised that considering the recent trend of earnings and other factors, the Company has decided to make the following revision to the full-year consolidated earnings forecast for the fiscal year ending March 2023 (from April 1, 2022 to March 31, 2023).

This revision causes no change to the dividend forecast.

Details

1. Difference Between the Consolidated Earnings Forecast and Results for the Second Quarter of the Fiscal Year Ending March 2023
   (from April 1, 2022 to September 30, 2022)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous earnings forecast (A)	Millions of yen 155,000	Millions of yen 2,000	Millions of yen 1,200	Millions of yen (1,000)	Yen (32.43)
Results announced today (B)	153,054	425	1,978	(953)	(31.39)
Increase (decrease) (B-A)	(1,945)	(1,574)	778	46	
Change (%)	(1.3)	(78.7)	64.8	-	
(Reference) Results of the previous fiscal year (Second quarter of the fiscal year ended March 2022)	136,928	3,479	3,485	307	(3.21)

2. Revision of the Full-Year Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2023
(from April 1, 2022, to March 31, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
Previous earnings forecast (A)	Millions of yen 330,000	Millions of yen 11,000	Millions of yen 9,600	Millions of yen 4,000	Yen 69.26
Revised forecast (B)	320,000	10,000	10,000	3,000	46.92
Increase (decrease) (B-A)	(10,000)	(1,000)	400	(1,000)	
Change (%)	(3.0)	(9.1)	4.2	(25.0)	
(Reference) Results of the previous fiscal year (Fiscal year ended March 2022)	286,482	7,187	7,529	83	1.87

(Note) The earnings forecast above is based on current information, and actual earnings may be different from the forecast numbers in the future depending on various factors.

3. Reasons for the difference and the revision of the full-year consolidated earnings forecast

(1) Reasons for the difference between the consolidated earnings forecast and results for the second quarter of the fiscal year ending March 2023

During the second quarter of the fiscal year under review, the automotive industry, with which the Group is connected, saw automotive manufacturers, which are main customers of the Company, one after another, reduce their production due to shortages of semiconductors and the impact of lockdowns in Shanghai, China. Consequently, net sales of the Company decreased. In addition, the Company was not able to neutralize the rise of material costs resulting from the high raw material prices and the continued high level of distribution costs with selling price improvements, leading to a significant decrease in consolidated operating profit. Meanwhile, due to the recorded foreign exchange gain of the yen has declined. As a result consolidated ordinary profit and profit attributable to owners of parent exceeded forecasts.

(2) Reasons for the revision of the full-year consolidated earnings forecast

Consolidated net sales, operating profit and profit attributable to owners of parent are expected to fall short of the forecast made at the beginning of the fiscal year under review. The background to the downward revision is the continuation of the factors weighing on the Company’s consolidated earnings after October, such as the trend of automotive manufacturers reducing production resulting from shortages of semiconductors, the rise in material costs, and continued high levels of distribution costs in addition to the decrease in both net sales and profits in the second quarter of the fiscal year under review.