



February 8, 2023

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 Recording of Non-Operating Expenses (Foreign Exchange Loss) and Revision of the Full-Year Consolidated Earnings Forecast

MITSUBA Corporation announces that the Company recorded non-operating expenses (foreign exchange loss) for the third quarter of the consolidated fiscal year ending March 2023 (from October 1, 2022 to December 31, 2022) as follows.

Additionally, please be advised that considering the recent trend of earnings, the Company has revised its consolidated financial results forecast for the fiscal year ending March 2023 (from April 1, 2022 to March 31, 2023), announced on November 9, 2022, as follows.

This revision causes no change to the dividend forecast.

Details

1. Details of Non-Operating Expenses (foreign exchange loss)

The Company recorded a foreign exchange loss of 1,235 million yen, resulting from the recent rapid appreciation of the yen, in non-operating expenses for the third quarter of the consolidated fiscal year ending March 2023. The main reason was that a loss was caused when foreign currency-denominated receivables held by the Company group were revaluated with exchange rates at the end of the term. The recorded value will fluctuate depending on foreign exchange rates in the future.

The Company recorded exchange gains of 1,821 million yen for the first six months of the fiscal year ending March 2023 (from April 1, 2022 to September 30, 2022). As a result, exchange gains for the first nine months of the consolidated fiscal year ending March 2023 (from April 1, 2022 to December 31, 2022) have changed to 585 million yen.

2. Revision of the Full-Year Consolidated Earnings Forecast (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 320,000 | Millions of yen 10,000 | Millions of yen 10,000 | Millions of yen 3,000 | Yen 46.92 |
| Revised forecast (B) | 310,000 | 8,000 | 7,500 | 1,200 | 6.70 |
| Increase (decrease) (B-A) | (10,000) | (2,000) | (2,500) | (1,800) | |
| Change (%) | (3.1) | (20.0) | (25.0) | (60.00) | |
| (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 Revision of the Full-Year Consolidated Earnings Forecast

In the consolidated financial results for the nine months ended December 31, 2022, the Company posted increases in both net sales and profit. This was mainly due to profitability improvement effects from continued sales price improvement activities in addition to a recovery in orders that the Company received on the back of a recovery in production of automobile manufacturers in each region excluding China, and the strong sales trend of two-wheel vehicle manufacturers in Asia. However, the outlook for a production recovery in automobile manufacturers is uncertain because of the impact of the spread of COVID-19 infections in China and the prolonged shortages of semiconductors. Consequently, net sales and operating profit are expected to fall short of the previously announced forecasts. Furthermore, ordinary profit and profit attributable to owners of parent are also projected to be lower than previously announced forecasts due to the recording of a foreign exchange loss caused by the rising value of the yen.