



May 10, 2023

To Whom It May Concern

Corporate name: MITSUBA Corporation  
Legal Katsuyoshi KITADA  
Representative: Representative Director, President  
Code: 7280  
Tokyo Stock Exchange Prime Market  
Head Office: 1-2681 Hirosawa-cho, Kiryu-shi, Gunma 376-8555, Japan  
Contact: Yoshiaki TAKEI, Operating Officer In charge of Corporate  
Planning  
Tel.: +81-(0)277-52-0113

**Notice of Occurrence of a Reason for Terminating the Restriction on Conversion of  
Class-A Shares and Class-C Shares**

The underwriting agreement entered into by and between MITSUBA Corporation (“Company”) and Japan Industrial Solutions Fund II (“JIS Fund”), a class share holder, (“Underwriting Agreement”) contains a restriction on the conversion of the right of acquisition for common shares as is attached to Class-A shares and Class-C shares based on the articles of incorporation of the Company and the right of acquisition for cash and Class-B shares as is attached to Class-A shares (collectively “Rights of Acquisition”), which stipulates that the Rights of Acquisition may only be exercised from July 1, 2024, as announced in “Notification about issue of class share by allocation to third party, partial amendment of the articles of incorporation, decrease of capital and reserve, and distribution of surplus” dated July 15, 2020. However, it was also agreed that in the event a certain reason for terminating the restriction on conversion has occurred, JIS Fund may exercise its Rights of Acquisition even prior to July 1, 2024.

In addition, the articles of incorporation of the Company do not restrict the transfer of Class-A shares, Class-B shares or Class-C shares (collectively “Class Shares”), but under the Underwriting Agreement, if JIS Fund intends to transfer Class Shares to a third party by June 30, 2024, it is required to obtain approval from the Board of Directors of the Company. However, it was also agreed that, in the event a certain reason for terminating the restriction on transfer occurs, JIS Fund may transfer Class Shares to a third party without obtaining approval from the Board of Directors of the Company even prior to July 1, 2024.

This is to inform you that based on the “Financial Results for the Term Ended March 2023 [Japanese standard] (consolidated accounts)” announced today, a reason for terminating the restriction on conversion and a reason for terminating the restriction on transfer (collectively “Reasons for Terminating the Restriction on Conversion, etc.”) have recently occurred as follows.

Please note that the Company has confirmed with JIS Fund that although the Reasons for Terminating the Restriction on Conversion, etc., have occurred, JIS Fund has no plan at the present time for the exercise of its Rights of Acquisition or for transfer of Class Shares to a third party for the time being.

Details

1. Reasons for Terminating the Restriction on Conversion, etc.

The consolidated operating profit of the Company for the term ended March 2023 did not reach the level stipulated in the Underwriting Agreement.

2. The number of dilutive Class-A shares and dilutive Class-C shares as of today

(1) Class-A shares

	Number of shares (shares)	Number of voting rights (rights)
(i) Number of Class-A shares issued	10,000	-
(ii) Number of common shares to be granted as consideration (*1)	25,621,316	256,213
(iii) Number of shares of the Company issued (*2)	45,581,809	447,093

\*1. Calculated by dividing the Class-A shares payment amount per share (1,000,000 yen) by initial acquisition value (390.3 yen). We did not take into account the amount equivalent to unpaid cumulative dividends or pro rata unpaid preferred dividends on Class-A shares

\*2. Based on figures as of March 31, 2023.

(2) Class-C shares

	Number of shares (shares)	Number of voting rights (rights)
(i) Number of Class-C shares issued	5,000	-
(ii) Number of common shares to be granted as consideration (*3)	12,810,658	128,106
(iii) Number of shares of the Company issued (*4)	45,581,809	447,093

\*3. Calculated by dividing the Class-C shares payment amount per share (1,000,000 yen) by initial acquisition value (390.3 yen).

\*4. Based on figures as of March 31, 2023.

End