



mitsuba Corporation
Briefing on Results
for 1Q FY Mar 2023

Wednesday, August 10, 2022

I. Results for 1Q FY03/2023 (Summary)

Overview of 1Q FY03/2023 Results

[Statement of Income] Net sales: JPY 66.8 B (YoY: -4.2%)
 Operating loss: JPY 1.9 B (YoY: -)

- Sales declined due to the impact of automakers' production cutbacks in response to the semiconductor shortage and Shanghai lockdown.
- Profit declined due to hikes in raw material and logistics costs which could not be offset by efforts to improve sales.

[Balance Sheet]

- Inventories grew as automakers halted production and cancelled orders due to the Shanghai lockdown. (Increased inventory value due to the yen's depreciation was also a factor.)
- Equity ratio was up due to an increase in foreign currency translation adjustments resulting from the yen's depreciation.

[Cash Flow Statement]

- Operating cash flow increased as the decrease in trade receivables brought working capital down.
- Free cash flow increased as capital expenditures remained on par with the same period of the previous year.

Consolidated	1Q FY03/2022	1Q FY03/2023	Change
Net sales	69.7	66.8	-2.9
Operating income	3.0	(1.9)	-4.9
Ordinary income	3.2	(0.5)	-3.8
Profit	1.1	(1.4)	-2.5

Consolidated	Mar 31, 2022	Jun 30, 2022	Change
Cash and deposits	74.5	79.9	5.4
Inventories	62.9	68.3	5.4
Interest-bearing debt	179.6	180.1	0.5
Net assets	88.2	95.8	7.6
Total assets	342.7	350.5	7.8
Equity ratio	19.8%	21.4%	1.6%
Net D/E ratio	1.5	1.3	-0.2

Consolidated	1Q FY03/2022	1Q FY03/2023	Change
CF from operating activities	4.4	6.9	2.5
Depreciation	4.2	4.1	-0.1
CF from investing activities	(1.9)	(2.3)	-0.4
Capital expenditures	(2.1)	(2.1)	-0.0
FCF	2.4	4.6	2.1

I. Results for 1Q FY03/2023

II. Mitsuba Vision 2030 Initiatives

- Development of Low-Profile Driving System
- Mitsuba Products at Work (Jan-Jun 2022)

III. Appendix

I. Results for 1Q FY03/2023 (Consolidated)

Sales declined due to production cutbacks by automakers and a decrease in production associated with the Shanghai lockdown, on top of the impact of the weaker yen on foreign exchange. Profit decreased as the impact of soaring raw material and logistics costs could not be absorbed by efforts to boost sales.

(JPY B)

	1Q FY03/2022	1Q FY03/2023	Change	Percentage change
Net sales	69.7	66.8	-2.9	-4.2%
Operating income	3.0	(1.9)	-4.9	-
<i>Operating margin</i>	4.3%	-2.9%	-	-7.2 pts
Ordinary income	3.2	(0.5)	-3.8	-
Profit before tax	3.1	(0.5)	-3.7	-
Profit(*)	1.1	(1.4)	-2.5	-

(*) Net profit attributable to owners of parent

(JPY B)

Average Exchange Rates for Apr-Jun (JPY)

(JPY B)

Currency	FY03/2022	FY03/2023
USD	109.52	129.73
EUR	131.96	138.30
CNY	16.96	19.59

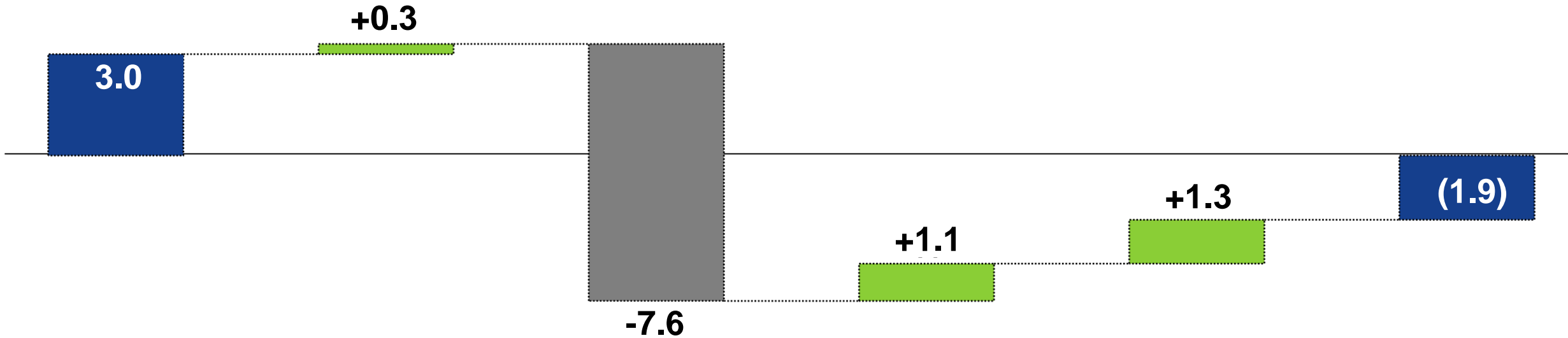
Currency	Foreign exchange sensitivity
USD	0.2
EUR	0.05
CNY	1.1

Breakdown of non-operating income and expenses	■ Non-operating income: 2.1
	■ Non-operating expenses: (0.7)
Breakdown of ordinary income	■ Extraordinary income/loss: (0.0)
	■ Corporation tax: (0.7)
	■ Net profit (loss) attributable to non-controlling interests: (0.1)

I. Results for 1Q FY03/2023 (Factors behind Changes in Operating Income)

(JPY B)

Factors behind Changes in Operating Income (YoY)



1Q FY03/2022
operating income

FX impact

Added value

Personnel expenses

Expenses

1Q FY03/2023
operating income

Decrease in sales	JPY -4.9 B
Soaring material costs	JPY -2.2 B
Elimination of unrealized gains	JPY -0.5 B

Decrease in salaries due to personnel reduction	JPY +1.0 B
Decrease in temporary staffing costs	JPY +0.1 B

Decrease in variable production costs	JPY +0.5 B
Decrease in depreciation	JPY +0.4 B
Increase in logistics costs	JPY -0.4 B
Other	JPY +0.8 B

I. Results for 1Q FY03/2023 (by Segment)

(JPY B)

	1Q FY03/2022			1Q FY03/2023			Change in operating income (A-B)	Percentage change in operating income (A/B)
	Net sales	Operating income (B)	Operating margin	Net sales	Operating income (A)	Operating margin		
Transportation equipment-related operations	65.9	2.8	4.4%	61.9	(2.2)	-3.7%	-5.1	-
Information service operations	2.5	(0.0)	-1.5%	3.4	0.1	4.6%	0.1	-
Other	1.3	0.1	11.9%	1.3	0.1	13.4%	0.0	19.7%
Adjustments	-	0.0	-	-	0.0	-	0.0	-
Total	69.7	3.0	4.3%	66.8	(1.9)	-2.9%	-4.9	-

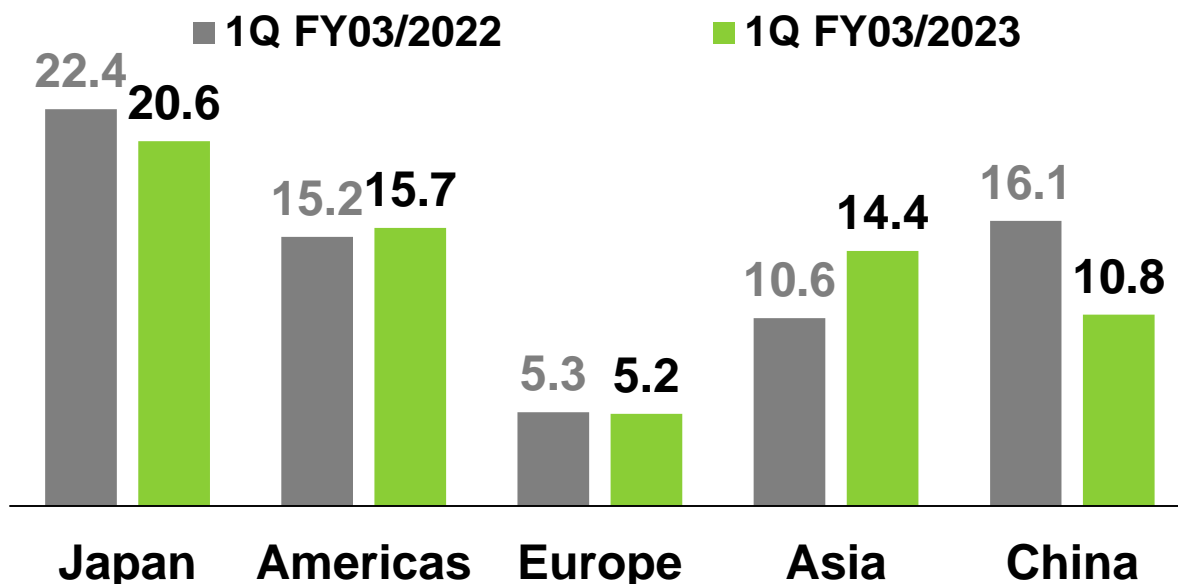
Transportation equipment-related operations	<ul style="list-style-type: none"> Both sales and profit declined due to the impact of automakers' production cutbacks in response to the semiconductor shortage and Shanghai lockdown.
Information service operations	<ul style="list-style-type: none"> Both sales and profit increased thanks to steady software development and system sales in the public works and social/industrial segments.
Other	<ul style="list-style-type: none"> Sales and profit edged up slightly YoY due to the strong performance of electrical work and civil engineering operations.

I. Results for 1Q FY03/2023 (by Region)

While sales remained steady in Asia, sales in Japan and China decreased due to the impact of automakers' production cutbacks during the Shanghai lockdown in April and May.

<Net Sales by Region>

(JPY B)

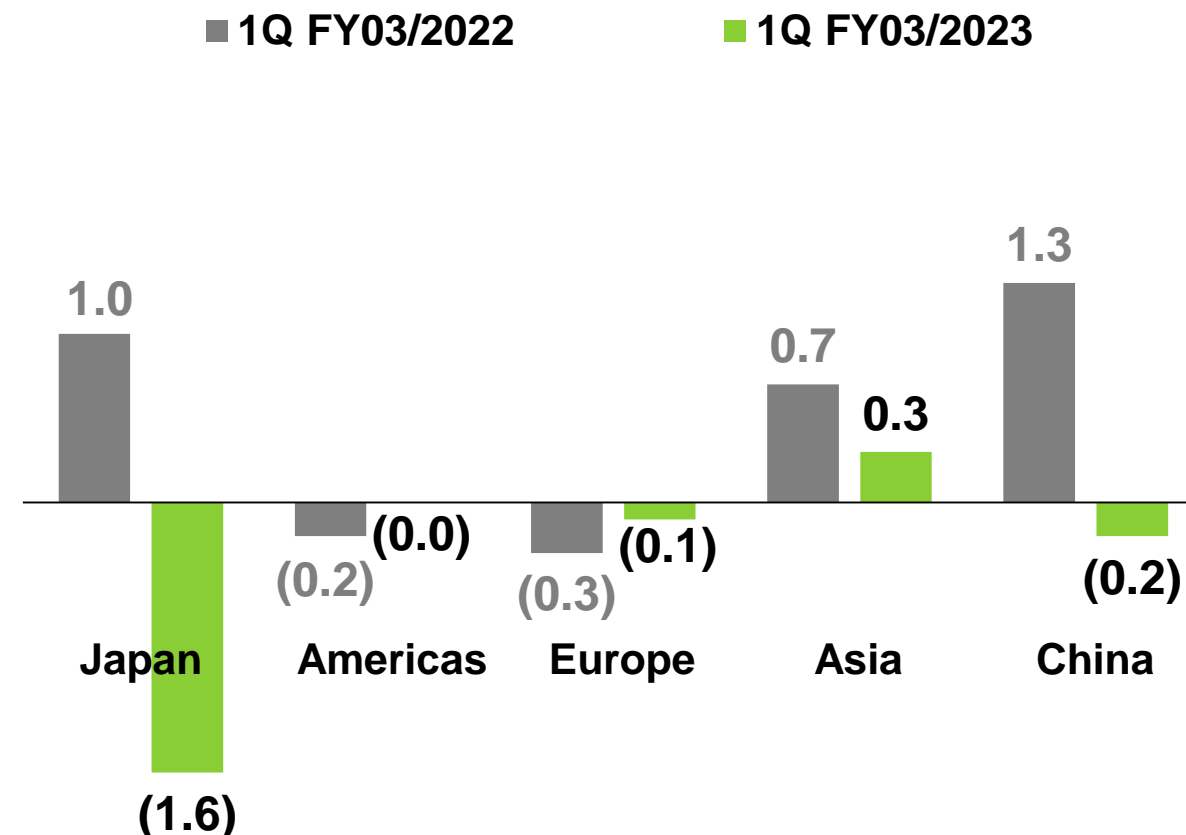


(YoY percentage change)

-8.0% 3.2% -1.9% 35.8% -33.0%

<Operating Income by Region>

(JPY B)



(YoY percentage change)

- - - -55.5% -

I. Results for 1Q FY03/2023 (by Customer)

(JPY B)

	1Q FY03/2022		1Q FY03/2023		Cumulative change	Cumulative percentage change
	Cumulative sales	Percentage of total sales	Cumulative sales	Percentage of total sales		
Honda	27.6	40.8%	25.2	38.9%	-2.4	-8.7%
Automobile	17.4	25.8%	12.6	19.4%	-3.8	-27.6%
Motorcycle	10.2	15.0%	12.6	19.5%	+2.4	+23.5%
RNM	4.6	6.7%	4.6	7.1%	+0.0	+0.0%
SUBARU	3.2	4.7%	2.0	3.0%	-1.2	-37.5%
Suzuki	1.5	2.2%	2.1	3.1%	+0.6	+40.0%
Mazda	1.2	1.8%	1.2	1.9%	+0.0	+0.0%
VW Group	1.2	1.8%	1.6	2.5%	+0.4	+33.3%
Toyota Group	0.9	1.4%	0.6	1.0%	-0.3	-33.3%
Tier 1	19.8	29.2%	18.5	28.6%	-1.3	-6.6%
Other	7.7	11.4%	9.0	13.9%	+1.3	+16.9%
total	67.7		64.8		-2.9	-4.3%

*RNM: Renault, Nissan, and Mitsubishi Motors

*Sales figures by customer are used internally for transportation equipment-related operations and do not match the consolidated segment figures.

I. Results for 1Q FY03/2023 (by Business)

(JPY B)

	1Q FY03/2022		1Q FY03/2023		Cumulative change	Cumulative percentage change
	Cumulative sales	Percentage of total sales	Cumulative sales	Percentage of total sales		
Automobile	44.3	65.4%	40.2	62.1%	-4.1	-9.3%
Field-of-vision systems	22.7	33.5%	21.1	32.6%	-1.6	-7.0%
Convenience and comfort systems	21.6	31.9%	19.1	29.5%	-2.5	-11.6%
Motorcycle	13.9	20.5%	16.8	25.9%	+2.9	+20.9%
Electrification solutions	9.5	14.0%	7.8	12.0%	-1.7	-17.9%
total	67.7		64.8		-2.9	-4.3%

*Sales figures by business are used internally for transportation equipment-related operations and do not match the consolidated segment figures.

I. Results for 1Q FY03/2023 (Consolidated Balance Sheet)

		March 31, 2022	June 30, 2022	Change			March 31, 2022	June 30, 2022	Change
Current assets	Cash and deposits	74.5	79.9	5.4	Liabilities	Trade payables	25.3	24.0	-1.3
	Accounts receivable	50.9	46.5	-4.3		Other	49.5	50.5	1.0
	Inventories	62.9	68.3	5.4		Interest-bearing debt(*)	179.6	180.1	0.5
	Other	18.3	17.0	-1.2			254.5	254.7	0.1
Current assets		206.7	211.9	5.2					
Non-current assets	Property, plant and equipment	99.3	100.7	1.3	Total shareholders' equity	Shareholders' equity	65.0	62.5	-2.5
	Intangible assets	3.4	4.2	0.7		Accumulated comprehensive income	2.9	12.6	9.6
	Other	33.2	33.6	0.4			68.0	75.1	7.1
Non-current assets		136.0	138.6	2.6	Non-controlling interests	20.1	20.6	0.4	
Total assets		342.7	350.5	7.8	Total net assets	88.2	95.8	7.6	
					Total liabilities and net assets	342.7	350.5	7.8	

Month-end Exchange Rates

JPY

Currency	March 31, 2022	June 30, 2022
USD	122.42	136.69
EUR	136.74	142.79
CNY	19.22	20.36

(*) Borrowings + Bonds payable (excluding leases)

Indicators	March 31, 2022	June 30, 2022
Equity ratio	19.8%	21.4%
Net D/E ratio	1.5	1.3

I. Results for 1Q FY03/2023 (Consolidated Cash Flow)

		1Q FY03/2022	1Q FY03/2023	Change
CF from operating activities	Net profit before income taxes	3.1	(0.5)	-3.7
	Depreciation	4.2	4.1	-0.1
	Decrease (increase) in trade receivables	5.3	8.7	3.3
	Decrease (increase) in inventories	(4.8)	(1.1)	3.7
	Increase (decrease) in trade payables	(3.1)	(5.3)	-2.1
	Other	(0.3)	1.1	1.5
	Total	4.4	6.9	2.5
CF from investing activities	Purchase of non-current assets	(2.1)	(2.1)	-0.0
	Other	0.2	(0.1)	-0.3
	Total	(1.9)	(2.3)	-0.4
Free cash flow		2.4	4.6	2.1
CF from financing activities	Increase (decrease) in short-term borrowings	(1.1)	(1.1)	0.0
	Other	(1.2)	(0.9)	0.3
	Total	(2.4)	(2.0)	0.3
Foreign currency translation adjustment		0.3	2.9	2.5
Net increase (decrease) in cash and cash equivalents		0.4	5.4	4.9

I. Results for 1Q FY03/2023

II. Mitsuba Vision 2030 Initiatives

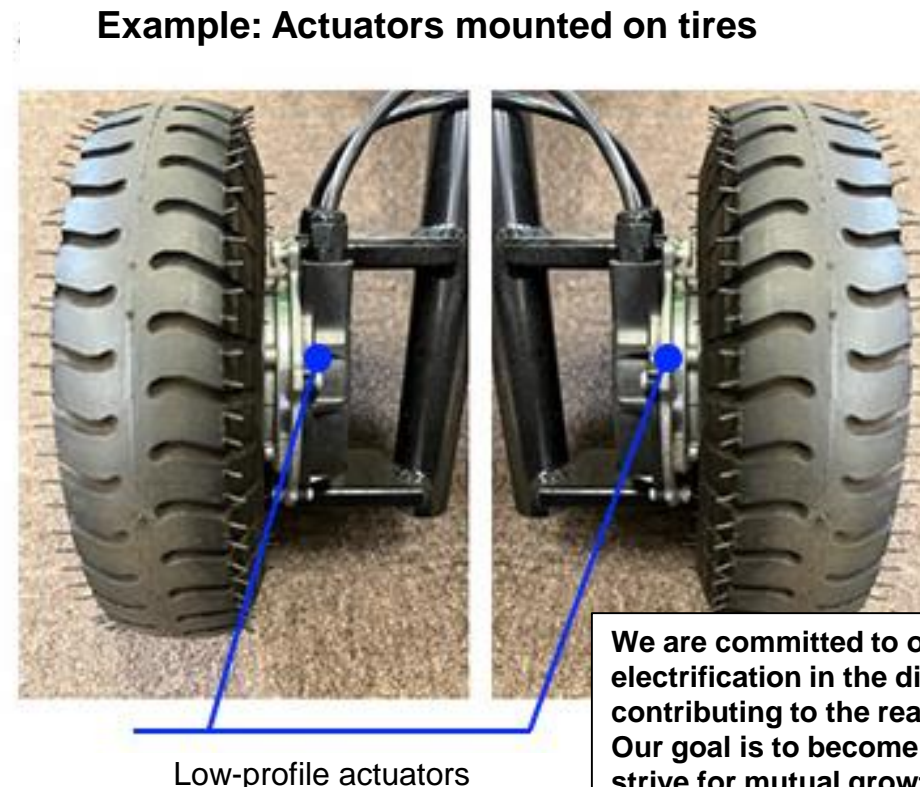
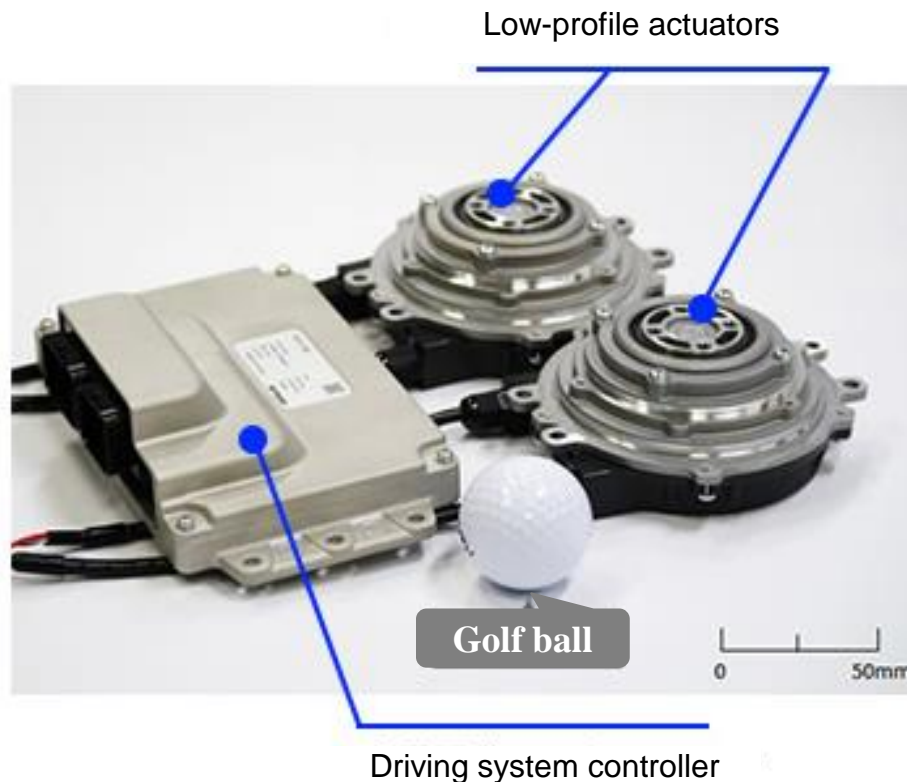
- Development of Low-Profile Driving System
- Mitsuba Products at Work (Jan-Jun 2022)

III. Appendix

II. Development of Low-profile Driving System

We developed and started selling a low-profile driving system comprising low-profile actuators and a driving system controller.






The product is designed for a wide range of applications, including wheelchairs and other slow-mobility devices, automated guided vehicles (AGVs) and other transport equipment, and service robots.



The low-profile driving system comes in 50, 100, and 200 watt models to accommodate various applications.

We are committed to offering optimal solutions for electrification in the diversifying mobility market, contributing to the realization of a carbon-neutral society. Our goal is to become a corporate group that continues to strive for mutual growth with society.

II. Mitsubishi Products at Work (Jan-Jun 2022)

		Date of announcement/release	Manufacturer	Model		Mitsuba products used
Automobile	NEW	May 2022	Nissan	Ariya		Front wipers, Rear wipers, Power window motors, Roof motors
		June 2022	Nissan	Sakura		Front wipers, Rear wipers, Washers, Power window motors, Fan motors
	FMC	May 2022	Honda	Step wgn		Front wipers, Rear wipers, Washers, Power window motors, Horns, relays, Power sliding doors, ETC motors, Fan motors
		Date of announcement/release	Manufacturer	Model		Mitsuba products used
Motorcycle	NEW	February 2022	Honda	ADV 350 (Thailand)		Starter motors, AC generators, LED turn signal lights, LED license plate lights
	FMC	January 2022	Honda	CLICK 160 VARIO 160		ACG starters, Fuel pumps, Flasher relays, LED turn signal lights, LED license plate lights, Relays, Horns
		June 2022	Kawasaki	KLX 230		Starter motors, AC generators, Starter relays

*Photos are posted with permission of manufacturers.

Models in blue bold letters indicate new products/new customers

I. Results for 1Q FY03/2023

II. Mitsuba Vision 2030 Initiatives

- Development of Low-Profile Driving System
- Mitsuba Products at Work (Jan-Jun 2022)

III. Appendix

III. Appendix: Results for 1Q FY03/2023 (Trend by Region)

(JPY B)

	1Q FY03/2022				1Q FY03/2023				YoY change (C/A)	QoQ change (C/B)
	1Q (A)	2Q	3Q	4Q (B)	1Q (C)	2Q	3Q	4Q		
Net sales total	69.7	67.1	72.0	77.5	66.8				-4.2%	-13.8%
Japan	22.4	23.4	24.0	25.1	20.6				-8.0%	-18.1%
Americas	15.2	13.8	14.0	16.2	15.7				3.2%	-3.3%
Europe	5.3	4.2	4.3	5.2	5.2				-1.9%	0.8%
Asia	10.6	12.3	12.9	14.6	14.4				35.8%	-1.6%
China	16.1	13.3	16.6	16.2	10.8				-33.0%	-33.4%
Operating income total	3.0	0.4	0.0	3.6	(1.9)				-	-
Japan	1.0	0.0	(0.9)	1.5	(1.6)				-	-
Americas	(0.2)	(0.4)	(0.0)	0.5	(0.0)				-	-
Europe	(0.3)	(0.2)	(0.2)	(0.0)	(0.1)				-	-
Asia	0.7	0.2	0.3	(0.1)	0.3				-55.5%	-
China	1.3	0.6	0.5	1.1	(0.2)				-	-

*Operating income by region is the value prior to the elimination of intersegment transactions.

III. Appendix: Results for 1Q FY03/2023 (Trend by Customer)

	FY03/2022				FY03/2023				YoY change (C/A)	QoQ change (C/B)
	1Q(A)	2Q	3Q	4Q(B)	1Q(C)	2Q	3Q	4Q		
Honda	27.6	27.8	30.7	32.2	25.2				-8.7%	-21.7%
Automobile	17.4	17.1	18.0	18.0	12.6				-27.6%	-30.0%
Motorcycle	10.2	10.6	12.7	14.2	12.6				+23.5%	-11.3%
RNM	4.6	4.9	5.9	5.5	4.6				+0.0%	-16.4%
SUBARU	3.2	2.9	3.7	3.4	2.0				-37.5%	-41.2%
Suzuki	1.5	1.7	1.8	2.0	2.1				+40.0%	+5.0%
Mazda	1.2	1.1	1.3	1.6	1.2				+0.0%	-25.0%
VW Group	1.2	1.0	1.0	1.2	1.6				+33.3%	+33.3%
Toyota Group	0.9	0.9	1.1	1.1	0.6				-33.3%	-45.5%
Tier 1	19.8	17.6	18.2	19.9	18.5				-6.6%	-7.0%
Other	7.7	4.8	6.0	6.6	9.0				+16.9%	+36.4%
Total	67.7	62.6	69.6	73.5	64.8				-4.3%	-11.8%

*RNM: Renault, Nissan, and Mitsubishi Motors

*Sales figures by customer are used internally for transportation equipment-related operations and do not match the consolidated segment figures.

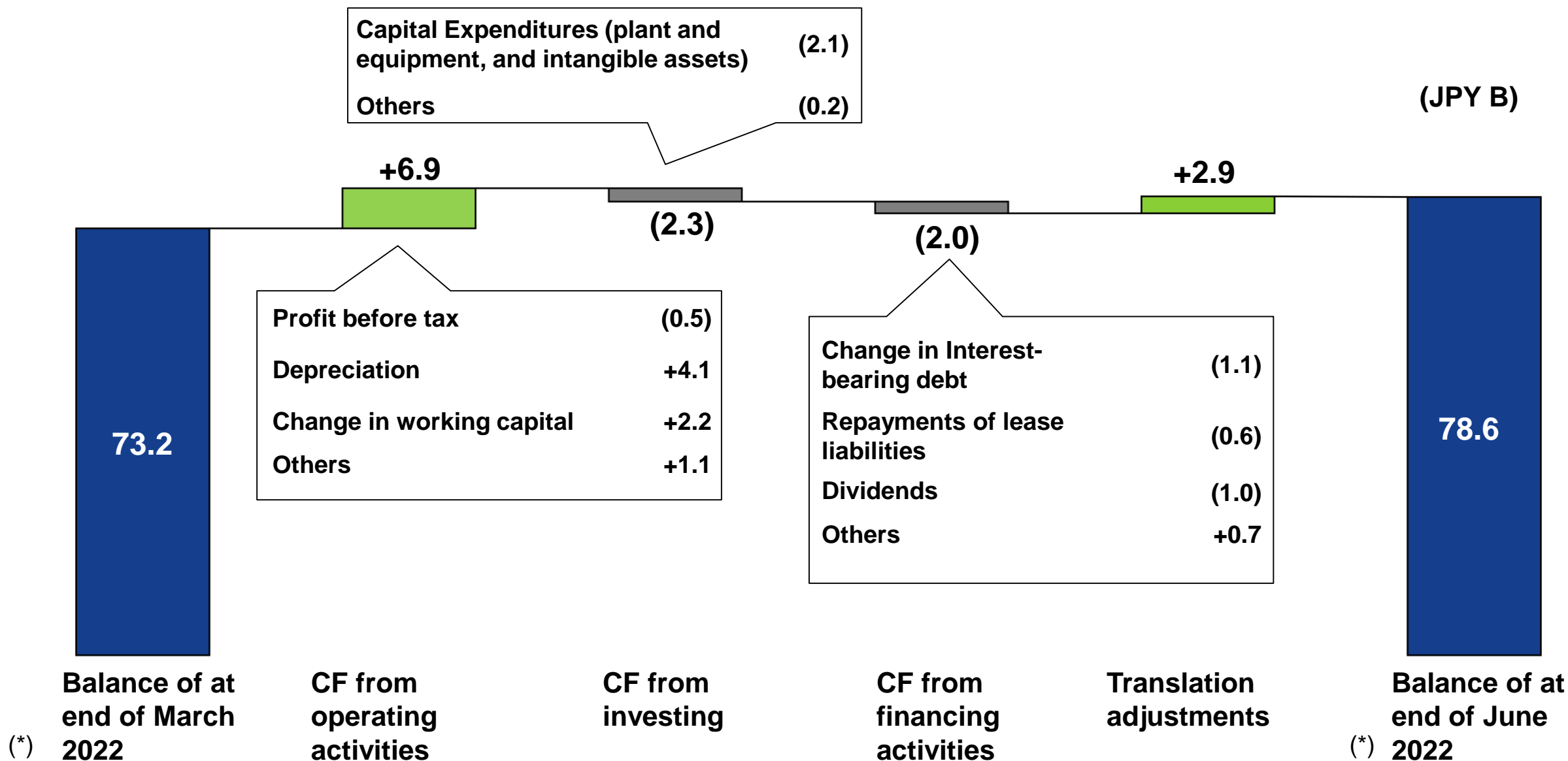
III. Appendix: Results for 1Q FY03/2023 (Trend by Business)

(JPY B)

	FY03/2022				FY03/2023				YoY change (C/A)	QoQ change (C/B)
	1Q (A)	2Q	3Q	4Q (B)	1Q (C)	2Q	3Q	4Q		
Automobile Parts Business Management	44.1	39.1	44.0	45.5	40.1				-9.1%	-11.9%
Motorcycle Business Management	13.8	14.9	15.9	17.9	16.8				+21.7%	-6.1%
Electrification Solutions Business Management	9.8	8.6	9.7	10.1	7.8				-20.4%	-22.8%
total	67.7	62.6	69.6	73.5	64.8				-4.3%	-11.8%

*Sales figures by business are used internally for transportation equipment-related operations and do not match the consolidated segment figures.

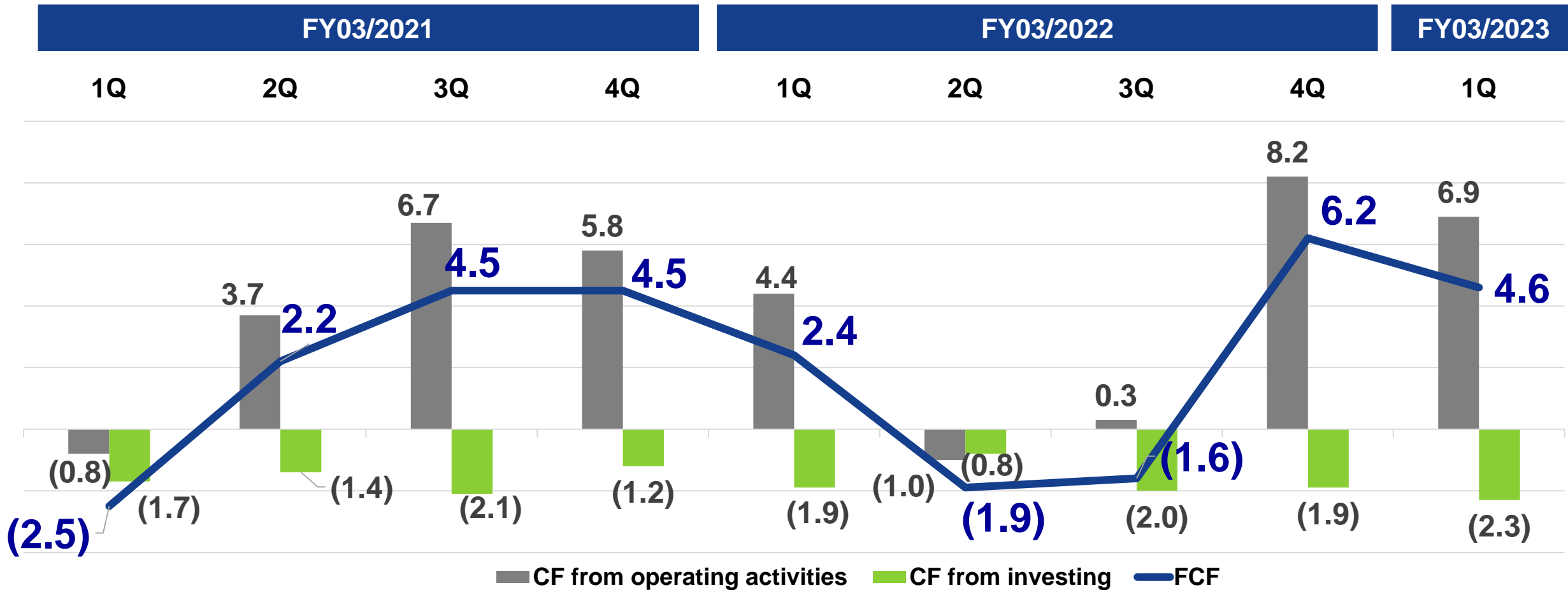
III. Appendix Results for 1Q FY03/2023 (Consolidated Cash Flow)



(*) Cash and cash equivalents

III. Appendix: Results for 1Q FY03/2023 (Consolidated Cash Flow)

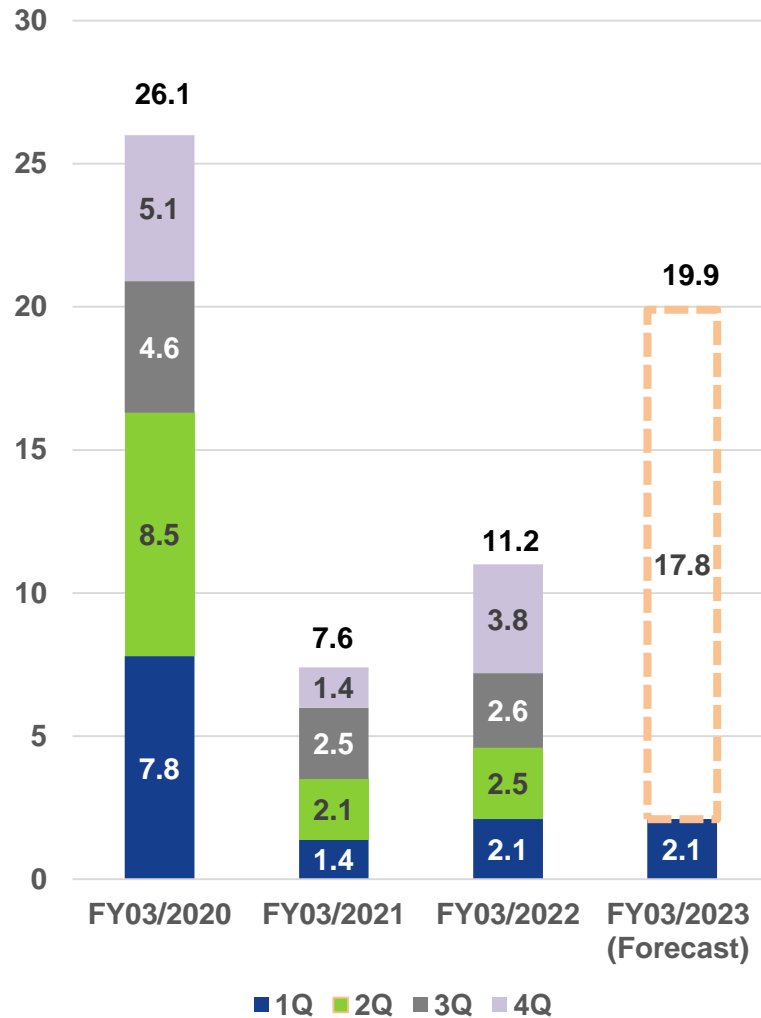
(JPY B)



III. Appendix: FY03/2023 (Capital Expenditure, Depreciation, and R&D Expenses)

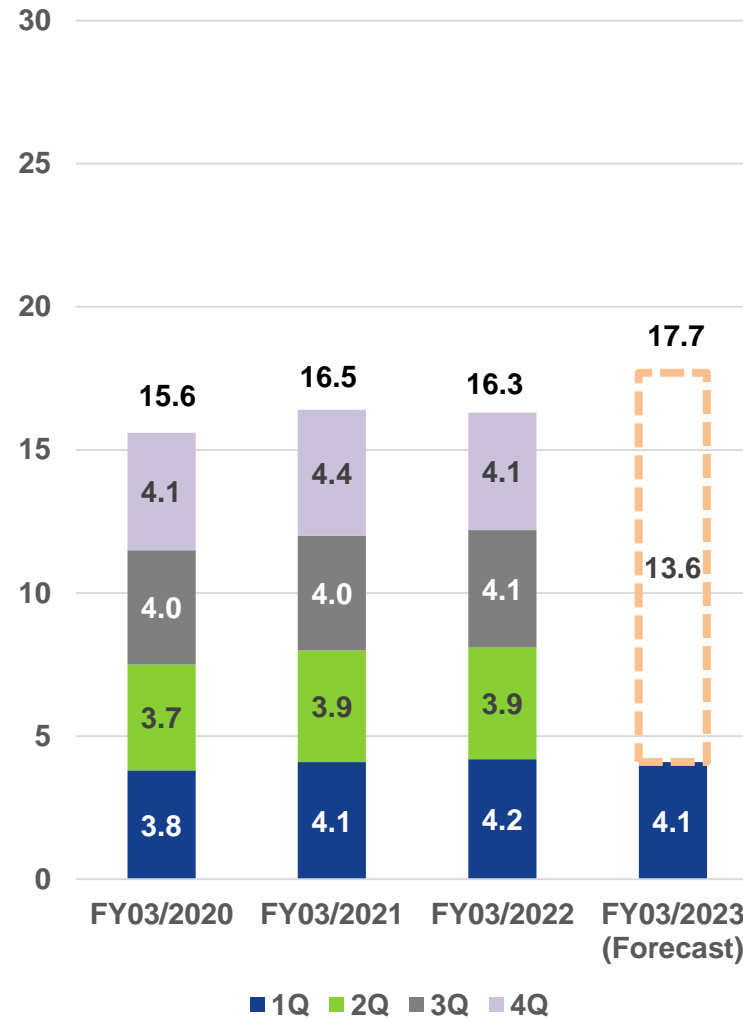
(JPY B)

Capital Expenditures



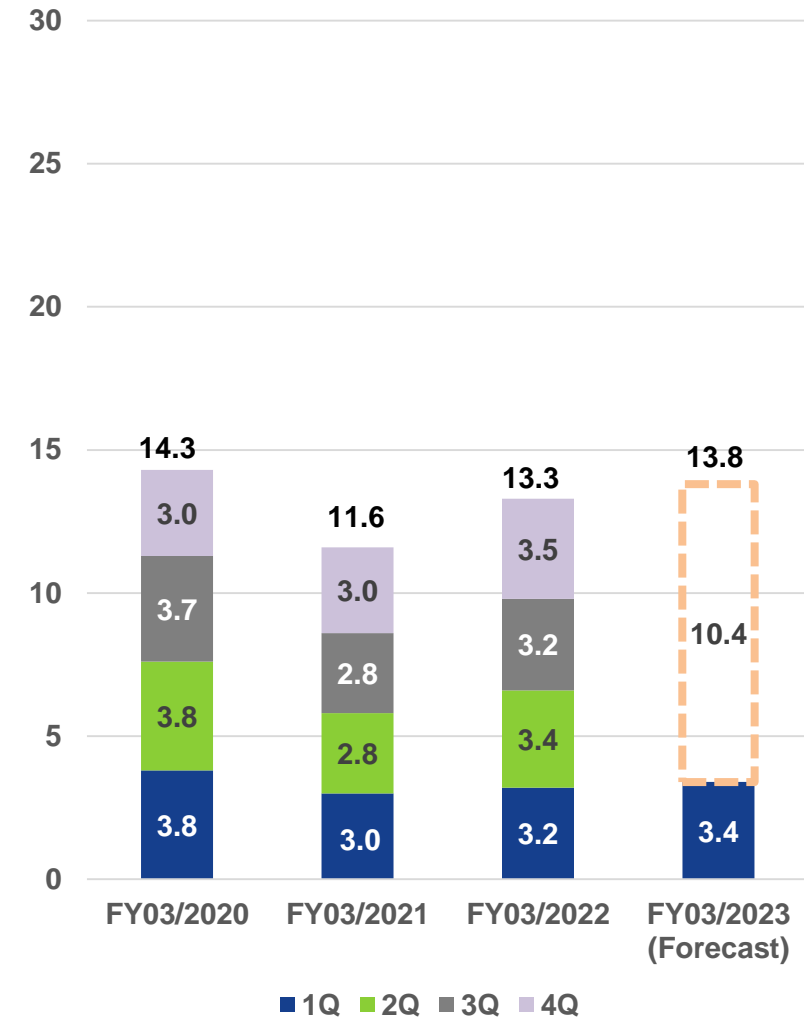
(JPY B)

Depreciation



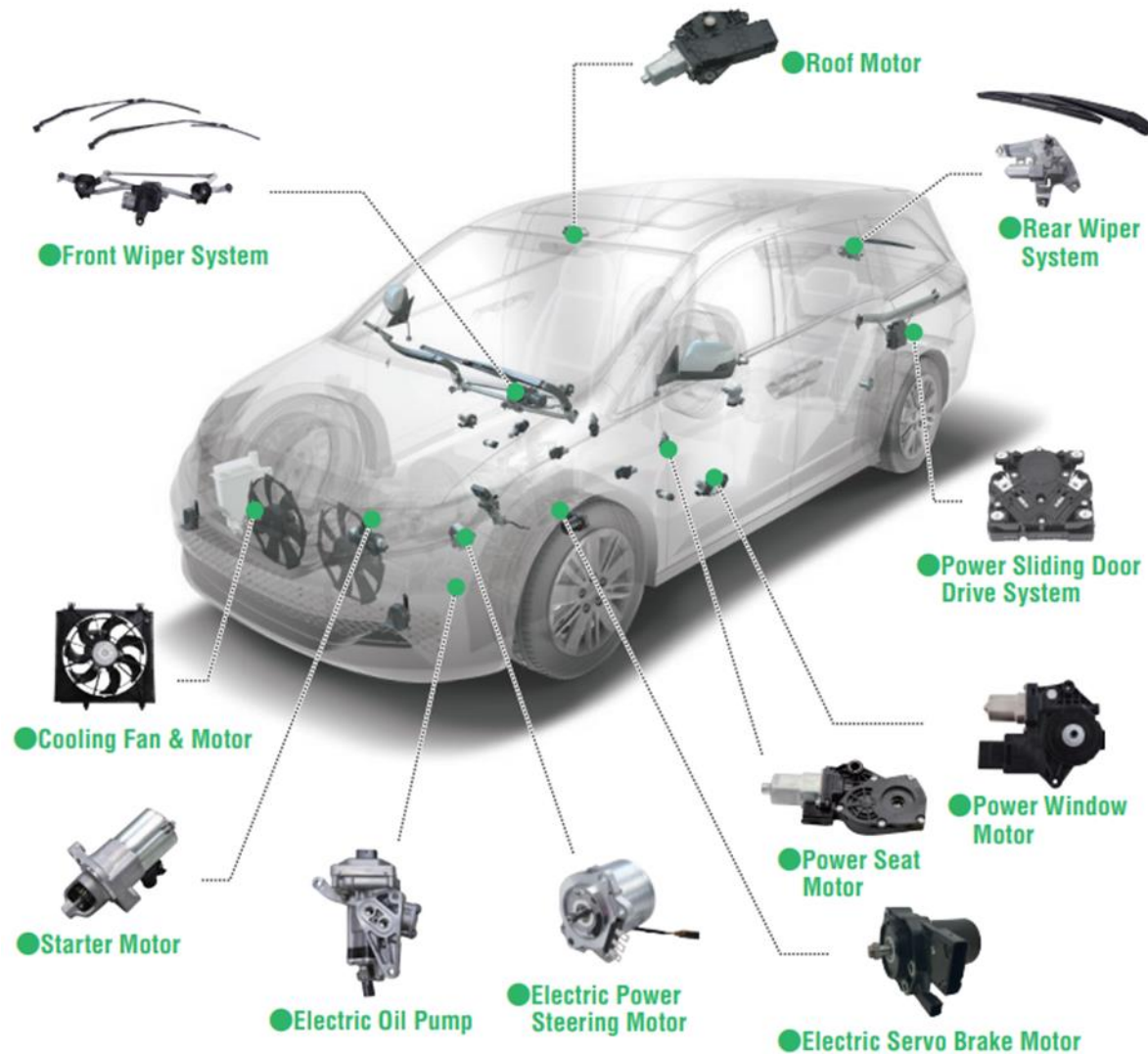
(JPY B)

R&D Expenses



III. Appendix: Product introduction

Automotive Products



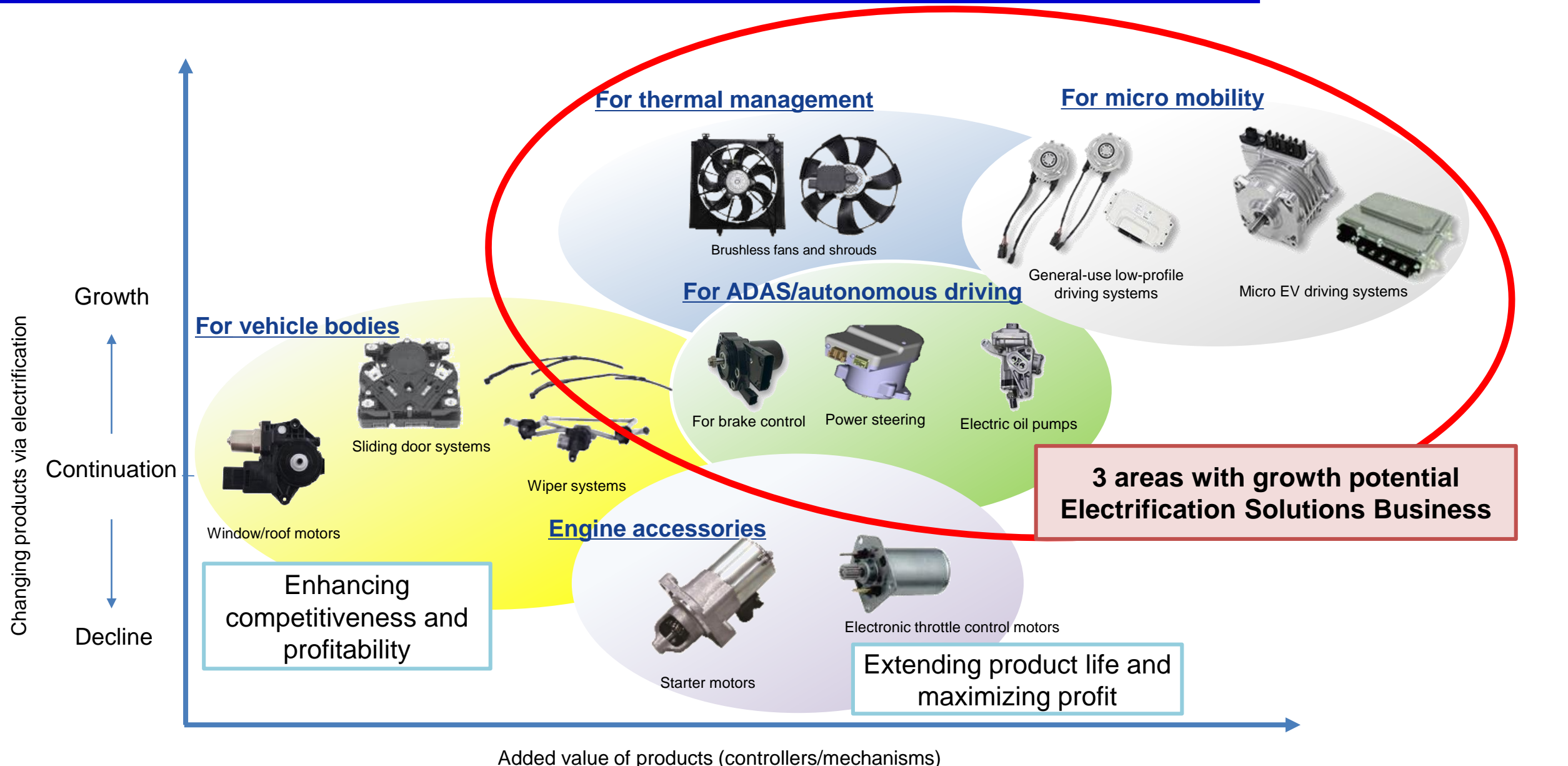
Motorcycle Products



Micro Mobility Products



III. Appendix: Product Lineup of Electrification Solutions Business Management



III. Appendix: Special Virtual Exhibition Website

[Virtual Exhibition | Mitsuba Corporation \(https://www.mitsuba.co.jp/en/vpep/\)](https://www.mitsuba.co.jp/en/vpep/)



Disclaimer

This document contains forward-looking statements regarding the Mitsuba Group's forecasts, targets, etc.

These statements are based on information and forecasts that were available at the time this document was prepared and judgments made by Mitsuba based on assumptions made at the time this document was prepared.

Note that actual business results may differ from the information provided in this document due to the effects of economic conditions, business trends, changes in laws and regulations, and other various risks and factors.

This document should not be construed as an offer or solicitation to buy or sell shares or any other securities of Mitsuba.



~ End of Presentation ~