



MITSUBA Corporation Briefing on Results for 3Q FY Mar 2024

Wednesday, February 14, 2024

[Key Points of Third Quarter Results]

- Both sales and profit increased from the same period of the previous year due to the progress made in sales price improvement and the effect of exchange rate in addition to increased sales against the background of a recovery in automotive production with the improvement of semiconductor supply.

Automobile:

- The number of units sold recovered significantly in Japan and the Americas.
- In Europe, earnings went into the black due to a sales recovery and improved sales prices.
- Sales of Japanese automakers were sluggish in China.

Motorcycle:

- The Motorcycle Business continued to be strong in Asia.

- Cash and deposits increased mainly due to a reduction of inventory in addition to the effect of a profit increase.
- Equity ratio was up 4.5 pts primarily due to an increase in foreign currency translation adjustments resulting from the yen's depreciation.

(Unit: JPY B)

Consolidated	3Q FY03/2023	3Q FY03/2024	Change
Net sales	237.0	256.8	19.7
Operating income	3.5	14.4	10.8
Ordinary income	3.8	15.7	11.8
Profit	(0.2)	10.1	10.3

Consolidated	Mar 31, 2023	Dec 31, 2023	Change
Cash and deposits	75.7	87.1	11.3
Inventories	59.4	55.3	-4.0
Interest-bearing debt	170.4	164.3	-6.0
Equity ratio	20.3%	24.8%	4.5%
Net D/E ratio	1.4	0.9	-0.5

Consolidated	3Q FY03/2023	3Q FY03/2024	Change
CF from operating activities	14.0	25.9	11.9
Working capital	1.7	4.5	2.7
CF from investing activities	(7.0)	(5.9)	1.1
Capital expenditures	(7.0)	(7.7)	-0.6
FCF	6.9	20.0	13.0

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II. Revision of the Full-Year Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024

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I. Results for 3Q FY03/2024 (Consolidated)

Both sales and profit increased from the same period of the previous year due to the progress made in sales price improvement and the effect of exchange rate in addition to increased sales against the background of a recovery in automotive production with the improvement of semiconductor supply.

(Unit: JPY B)

	3Q FY03/2023	3Q FY03/2024	Change	Percentage change
Net sales	237.0	256.8	19.7	108.3%
Operating income	3.5	14.4	10.8	4.0 times
Operating margin	1.5%	5.6%	-	+4.1 pts
Ordinary income	3.8	15.7	11.8	4.1 times
Profit before tax	3.8	15.6	11.7	4.0 times
Profit (*)	(0.2)	10.1	10.3	-

*Profit attributable to owners of parent

(Unit: JPY B)

(Unit: JPY B)

Average Exchange Rates for Apr-Dec

(JPY)

Currency	3Q FY03/2023	3Q FY03/2024
USD	136.50	143.33
EUR	140.66	155.38
CNY	19.87	19.98

Currency	Foreign exchange sensitivity	
	Sales	Operating income
USD	0.5	0.1
EUR	0.15	0.05
CNY	3.3	1.1

Breakdown of non-operating income and expenses	Non-operating income	3.7
	Non-operating expenses	(2.4)
Ordinary income Breakdown below	Extraordinary income/loss	(0.0)
	Corporation tax	(3.9)
	Net profit (loss) attributable to non-controlling interests	(1.5)

I. Results for 3Q FY03/2024 (Factors behind Changes in Operating Income)

Factors behind Changes in Operating Income (YoY)

(Unit: JPY B)



*Foreign currency translation adjustment . . . Effect of conversion of foreign currency into yen in the results of foreign subsidiaries

I. Results for 3Q FY03/2024 (by Segment)

(Unit: JPY B)

	3Q FY03/2023			3Q FY03/2024			Change in operating income (B-A)	Operating profit YoY (B/A)
	Net sales	Operating income (A)	Operating margin	Net sales	Operating income (B)	Operating margin		
Transportation equipment-related operations	223.0	2.5	1.1%	241.9	13.0	5.4%	10.5	5.2 times
Information service operations	9.9	0.7	7.7%	11.3	1.1	9.9%	0.3	146.4%
Other	4.0	0.3	7.5%	3.5	0.2	8.5%	-0.0	98.4%
Adjustments	-	0.0	-	-	0.0	-	-0.0	-
Total	237.0	3.5	1.5%	256.8	14.4	5.6%	10.8	-

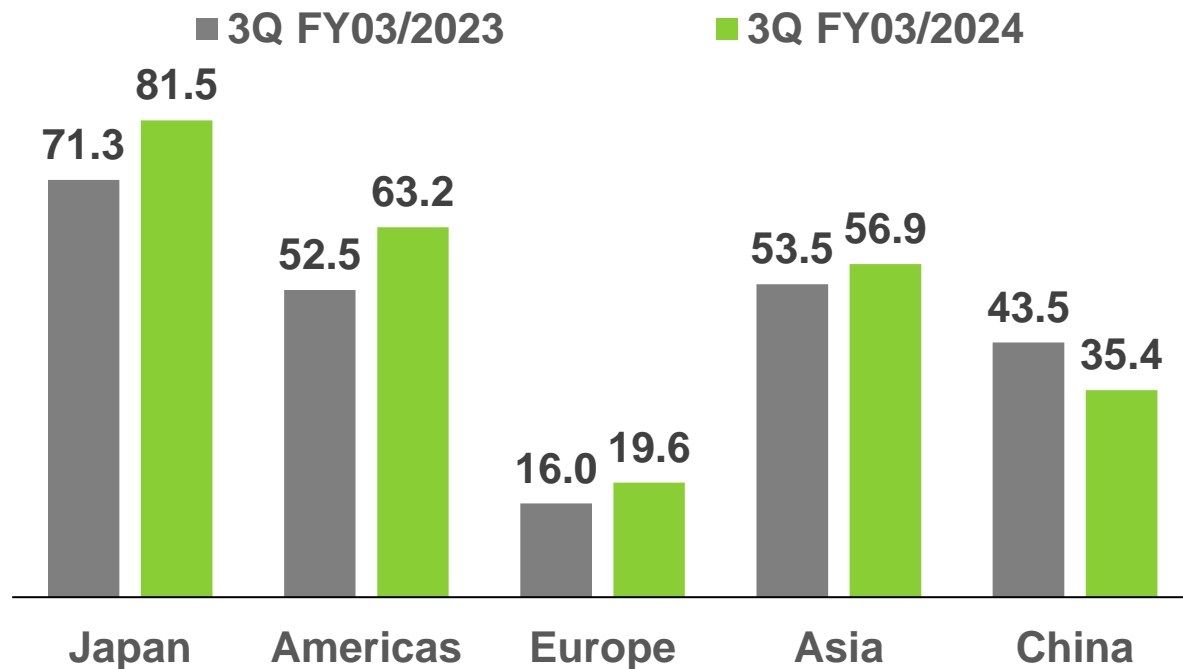
Transportation equipment-related operations	<ul style="list-style-type: none"> Automobile: The number of units sold recovered significantly in Japan and the Americas. Sales of Japanese automakers were sluggish in China. Motorcycle: Sales continued to be strong in Asia.
Information service operations	<ul style="list-style-type: none"> Both sales and profit increased, as system sales for local governments, the police and gas companies, and software development support business trended strongly.

I. Results for 3Q FY03/2024 (by Region)

In Japan, the Americas and Europe, sales and profit increased due to a recovery in automobile production, the impact of foreign exchange, and progress made in sales price improvement as well as control of fixed costs. Sales in Asia remained strong. In China, although sales declined due to sluggish sales of Japanese automakers, operating income remained nearly the same primarily due to control of material costs and fixed costs.

[Net Sales by Region]

(Unit: JPY B)

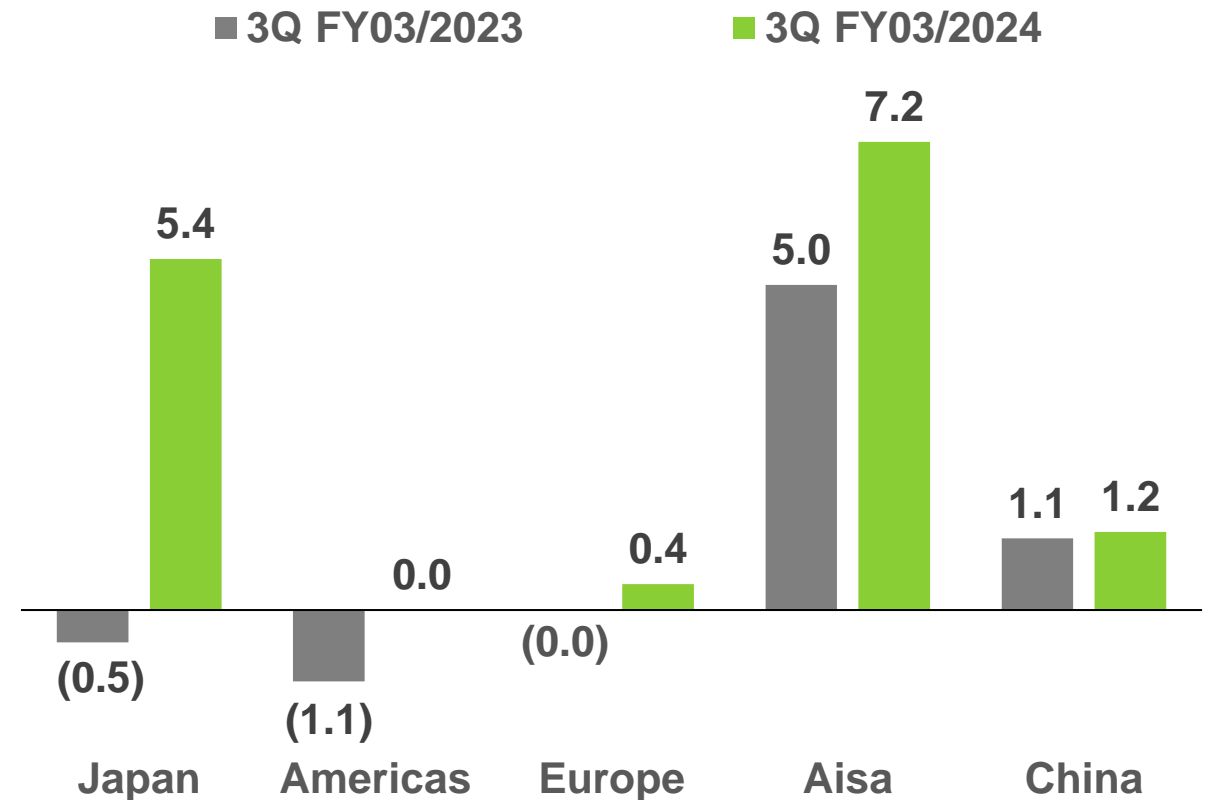


(YoY percentage change)

+14.3% +20.3% +22.2% +6.3% -18.5%

[Operating Income by Region]

(Unit: JPY B)



(YoY change)

+6.0 +1.1 +0.4 +2.2 +0.1

I. Results for 3Q FY03/2024 (by Customer)

(Unit: JPY B)

	3Q FY03/2023		3Q FY03/2024		Change	Percentage change
	Net sales	Percentage of total sales	Net sales	Percentage of total sales		
Honda	93.8	40.3%	97.6	38.7%	+3.8	104.1%
Automobile	45.8	19.7%	45.1	17.9%	-0.7	98.5%
Motorcycle	48.0	20.6%	52.5	20.8%	+4.5	109.4%
RNM	16.6	7.1%	20.5	8.1%	+3.9	123.5%
SUBARU	6.9	3.0%	7.1	2.8%	+0.2	102.9%
Suzuki	6.2	2.7%	7.3	2.9%	+1.1	117.7%
Mazda	4.8	2.1%	6.2	2.5%	+1.4	129.2%
VW Group	5.6	2.4%	7.3	2.9%	+1.7	130.4%
Toyota Group	2.1	0.9%	2.2	0.9%	+0.1	104.8%
Tier N	64.5	27.7%	69.5	27.5%	+5.0	107.8%
Other	32.1	13.8%	34.5	13.7%	+2.4	107.5%
Total	232.6		252.2		+19.6	108.4%

*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 3Q FY03/2024 (by Business)

(Unit: JPY B)

	3Q FY03/2023		3Q FY03/2024		Change	Percentage change
	Net sales	Percentage of total sales	Net sales	Percentage of total sales		
Automobile	142.2	61.1%	152.5	60.5%	+10.3	107.2%
Motorcycle	62.0	26.7%	67.9	26.9%	+5.9	109.5%
Electrification solutions	28.4	12.2%	31.8	12.6%	+3.4	112.0%
Total	232.6		252.2		+19.6	108.4%

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

I. Results for 3Q FY03/2024 (Consolidated Balance Sheet)

(Unit: JPY B)

		Mar 31, 2023	Dec 31, 2023	Change			Mar 31, 2023	Dec 31, 2023	Change
	Cash and deposits	75.7	87.1	11.3		Trade payables	20.3	22.5	2.1
	Accounts receivable	51.0	53.7	2.7		Other	50.6	46.7	-3.9
	Inventories	59.4	55.3	-4.0		Interest-bearing debt(*)	170.4	164.3	-6.0
	Other	11.9	11.7	-0.1		Liabilities	241.4	233.6	-7.8
Current assets		198.1	208.0	9.8		Shareholders' equity	59.0	68.4	9.4
	Property, plant and equipment	93.6	92.1	-1.4		Accumulated comprehensive income	7.7	15.5	7.8
	Intangible assets	3.6	3.3	-0.3		Total shareholders' equity	66.7	84.0	17.2
	Other	32.8	35.1	2.2		Non-controlling interests	20.1	21.0	0.8
Non-current assets		130.2	130.7	0.4	Total net assets		86.9	105.0	18.0
Total assets		328.4	338.7	10.2	Total liabilities and net assets		328.4	338.7	10.2

Exchange Rates

(JPY)

Currency	Mar 31, 2023	Dec 31, 2023
USD	133.54	141.83
EUR	145.81	157.11
CNY	19.42	19.95

(*) Borrowings + Bonds payable (excluding leases)

Indicators	Mar 31, 2023	Dec 31, 2023
Equity ratio	20.3%	24.8%
Net D/E ratio	1.4	0.9

I. Results for 3Q FY03/2024 (Consolidated Cash Flow)

(Unit: JPY B)

		3Q FY03/2023	3Q FY03/2024	Change
CF from operating activities	Net profit before income taxes	3.8	15.6	11.7
	Depreciation	12.7	12.1	-0.5
	Decrease (increase) in trade receivables	0.8	(0.3)	-1.2
	Decrease (increase) in inventories	1.5	6.2	4.7
	Increase (decrease) in trade payables	(0.5)	(1.3)	-0.7
	Other	(4.4)	(6.3)	-1.9
Total		14.0	25.9	11.9
CF from investing activities	Purchase of non-current assets	(7.0)	(7.7)	-0.6
	Other	0.0	1.7	1.7
	Total	(7.0)	(5.9)	1.1
Free cash flow		6.9	20.0	13.0
CF from financing activities	Increase (decrease) in short-term borrowings	(8.5)	(7.0)	1.5
	Other	(2.3)	(3.6)	-1.3
	Total	(10.9)	(10.6)	0.2
Foreign currency translation adjustment		0.1	1.7	1.6
Net increase (decrease) in cash and cash equivalents		(3.7)	11.1	14.9

I. Results for 3Q FY03/2024

**II. Revision of the Full-Year Consolidated Earnings
Forecast for the Fiscal Year Ending March 31, 2024**

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II. Revision of the Full-Year Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024

Although the sales plan was not achieved in real terms because the sales slump in the China area had a significant impact, both sales and profit items are expected to exceed the full-year forecasts at the beginning of the year, due to the unexpected depreciation of the yen, improvements of sales prices/distribution costs and lowering fixed costs.

(Unit: JPY B)

	Initial forecast	Revised forecast	Change	Percentage change
Net sales	322.0	340.0	18.0	5.6%
Operating income	15.0	19.0	4.0	26.7%
Operating margin	4.6%	5.5%	-	0.9 pts
Ordinary income	15.0	19.0	4.0	26.7%
Profit (*)	8.0	11.0	3.0	37.5%

*Profit attributable to owners of parent

Exchange Rates

(JPY)

Currency	Initial forecast	Revised forecast
USD	120.00	143.00
EUR	135.00	155.00
CNY	18.00	20.00

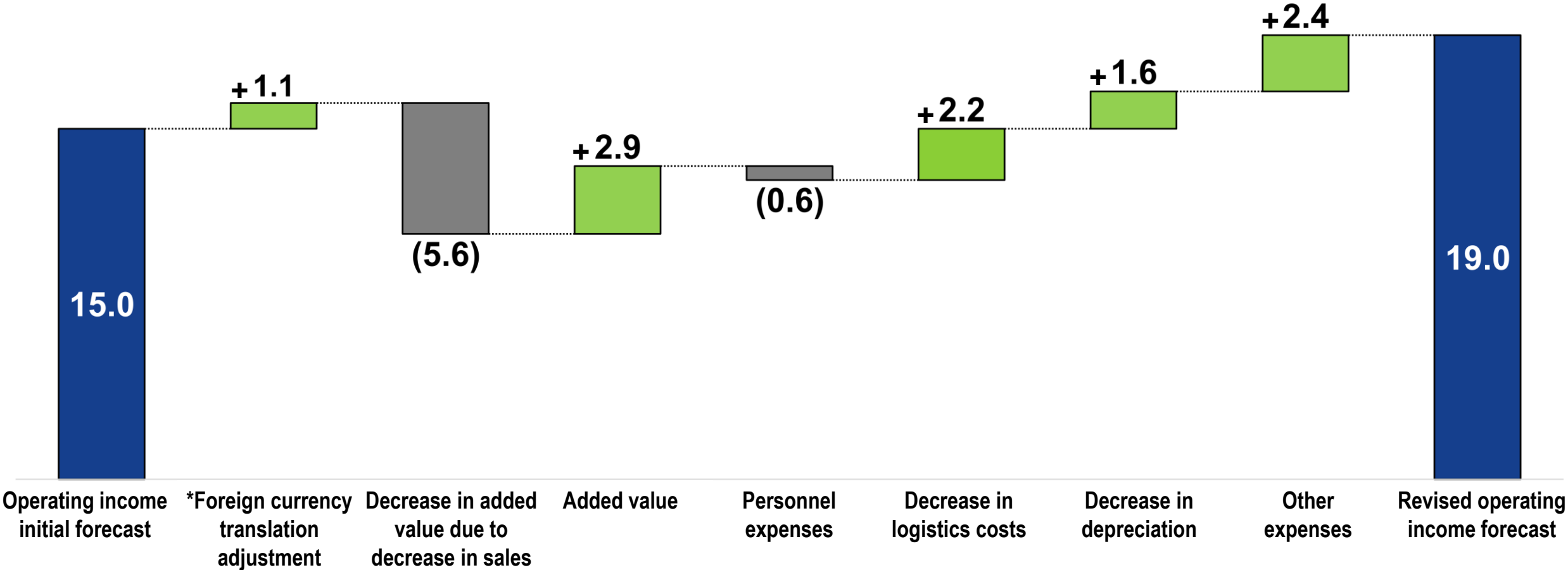
[Revision of dividend forecast]

	Annual dividends per share		
	2nd quarter-end	Year-end	Total
New revised forecast	-	3.00 yen	3.00 yen
Previous forecast	-	6.00 yen	6.00 yen
Results of the current fiscal year	-		
Results of the previous fiscal year (the fiscal year ended March 2023)	-	3.00 yen	3.00 yen

II. Revision of the Full-Year Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024

Factors behind Changes in Operating Income (vs. initial forecast)

(Unit: JPY B)



*Foreign currency translation adjustment . . . Effect of conversion of foreign currency into yen in the results of foreign subsidiaries

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Forecast for the Fiscal Year Ending March 31, 2024






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III. Mitsuba Products at Work

(Some Models Released from July to December 2023)






	Date of announcement/ release	Manufacturer	Model		Mitsuba products used
FMC	September 2023	Mercedes-Benz	E-CLASS		Rear wipers
	October 2023	Honda	Accord		Front wipers, Horns, Relays Power window motors, Fan motors ETC motors
	October 2023	Honda	N-BOX		Front wipers, Rear wipers, Washers Relays, Horns, Power window motors Starter motors, ETC motors, Winches
	November 2023	Suzuki	SPACIA		Rear wipers, Fan motors
	December 2023	Mitsubishi Motors	MINICAB-MiEV		Front wipers, Washers

*Photos are posted with permission from manufacturers.

Models in blue bold letters indicate new products/new customers

III. Mitsuaba Products at Work

(Some Models Released from July to December 2023)

	Date of announcement/ release	Manufacturer	Model		Mitsuba products used
NEW	September 2023	Honda	NT1100		Starter motors, LED winker lamps LED license plate lamps, Mission change Horns
	October 2023	Kawasaki	Ninja HEV		ACG starters
	November 2023	Suzuki	GSX-8R		Starter motors, Flasher relays Relays, Horns
FMC	August 2023	Honda	Giorno+		ACG starters, LED license lamps Fuel pumps, Flasher relays
	November 2023	Honda	CRF1100L		Starter motors, LED winker lamps LED license plate lamps, Mission change Horns

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Models in blue bold letters indicate new products/new customers

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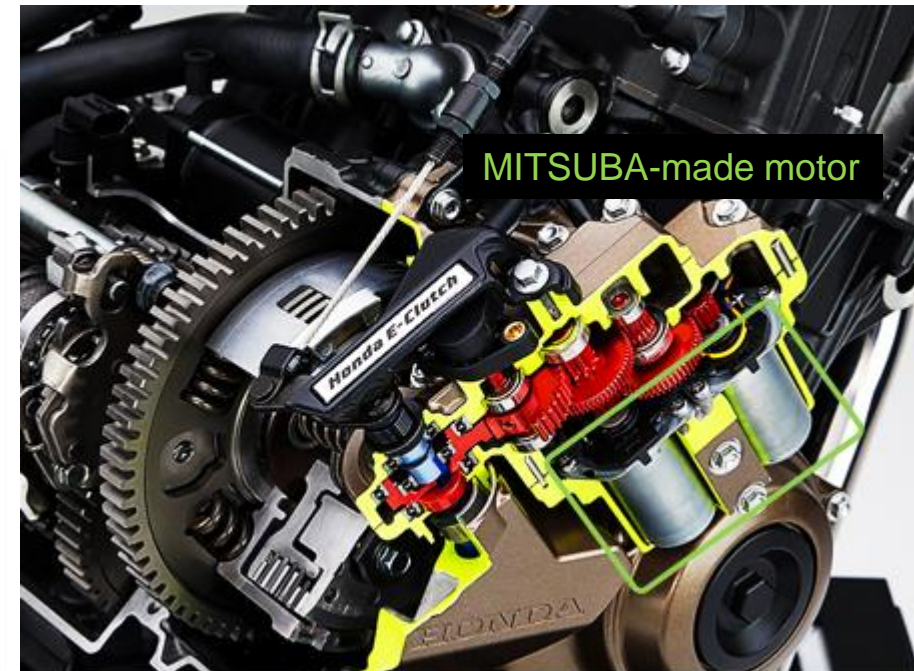
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MITSUBA-Made Motors Adopted by Honda “E-Clutch System”

- The Company's unique compact and high-performance motors, which have a proven track record in four-wheel throttle bodies, have been highly evaluated and adopted for Honda's “electronically controlled E-Clutch system for two-wheel vehicles.”

■ What is an electronically controlled clutch (E-Clutch)?

Honda E-Clutch is an electronic control technology that automatically controls clutch operation without the need for the rider to operate the clutch lever, enabling *smooth starting and gear shifting. (*Gear shift pedal operation is required to change gears.)



Quoted from a news release (Nov. 17, 2023) on the Honda website

MITSUBA Products Exhibited at the 15th EV JAPAN (EV, HV & FCV Technology Expo)

EV JAPAN was held from January 24 to 26, 2024 at Tokyo Big Sight, where Mitsuba exhibited products from the Electrification Solutions Business and Motorcycle Business, receiving positive feedback from a great number of visitors.



AWD drive system
for electric assist
bicycles
(Conceptual
presentation)

[Exhibited products]



Low-Profile Driving System



EV Drive System for Motorcycles

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V. Appendix: Results for 3Q FY03/2024 (Trend by Region)

(Unit: JPY B)

		FY03/2023				FY03/2024				YoY change (C/A)	QoQ change (C/B)
		1Q	2Q	3Q (A)	4Q	1Q	2Q (B)	3Q (C)	4Q Forecast		
Net sales total		66.8	86.2	84.0	82.4	79.0	86.9	90.8	83.3	108%	105%
	Japan	20.6	24.5	26.1	27.2	23.8	27.5	30.0	-	115%	109%
	Americas	15.7	18.7	18.0	20.6	20.0	22.1	21.0	-	116%	95%
	Europe	5.2	5.2	5.5	6.4	6.4	6.1	7.0	-	126%	114%
	Asia	14.4	18.8	20.3	17.4	17.5	19.5	19.8	-	98%	102%
	China	10.8	18.8	13.8	10.4	11.2	11.4	12.8	-	92%	112%
Operating income total		(1.9)	2.3	3.2	3.1	1.7	5.2	7.4	4.7	2 times	142%
	Japan	(1.6)	0.3	0.7	0.8	0.1	2.2	3.1	-	4 times	142%
	Americas	(0.0)	(0.5)	(0.4)	1.0	(0.2)	0.2	0.0	-	-	17%
	Europe	(0.1)	(0.0)	0.0	(0.2)	(0.1)	0.0	0.5	-	9 times	25 times
	Asia	0.3	1.5	3.1	1.0	1.8	2.4	2.9	-	96%	124%
	China	(0.2)	1.5	(0.1)	0.0	0.2	0.4	0.5	-	-	141%

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

V. Appendix: Results for 3Q FY03/2024 (Trend by Customer)

(Unit: JPY B)

		FY03/2023				FY03/2024				YoY change (C/A)	QoQ change (C/B)
		1Q	2Q	3Q (A)	4Q	1Q	2Q (B)	3Q (C)	4Q		
Honda		25.2	35.4	33.2	31.1	29.8	32.8	35.0		105.4%	106.7%
	Automobile	12.6	18.4	14.8	14.9	13.6	14.9	16.5		111.5%	110.7%
	Motorcycle	12.6	17.0	18.4	16.2	16.2	17.9	18.5		100.5%	103.4%
RNM		4.6	5.8	6.2	6.7	6.2	6.9	7.4		119.4%	107.2%
SUBARU		2.0	2.4	2.6	2.7	2.5	2.6	2.0		76.9%	76.9%
Suzuki		2.1	2.1	2.0	2.4	2.4	2.4	2.5		125.0%	104.2%
Mazda		1.2	1.7	1.8	2.2	2.2	2.0	1.9		105.6%	95.0%
VW Group		1.6	1.9	2.1	1.7	2.0	2.7	2.5		119.0%	92.6%
Toyota Group		0.6	0.7	0.8	0.8	0.7	0.8	0.8		100.0%	100.0%
Tier N		18.5	23.5	22.4	20.3	21.1	23.3	25.1		112.1%	107.7%
Other		9.0	11.5	11.8	12.0	11.2	11.4	12.0		101.7%	105.3%
Total		64.8	85.0	82.9	79.9	78.1	84.9	89.2		107.6%	105.1%

* RNM: Renault, Nissan, and Mitsubishi Motors
* Sales figures by customer are used internally for management of transportation equipment-related operations and do not match the consolidated segment figures.

V. Appendix: Results for 3Q FY03/2024 (Trend by Business)

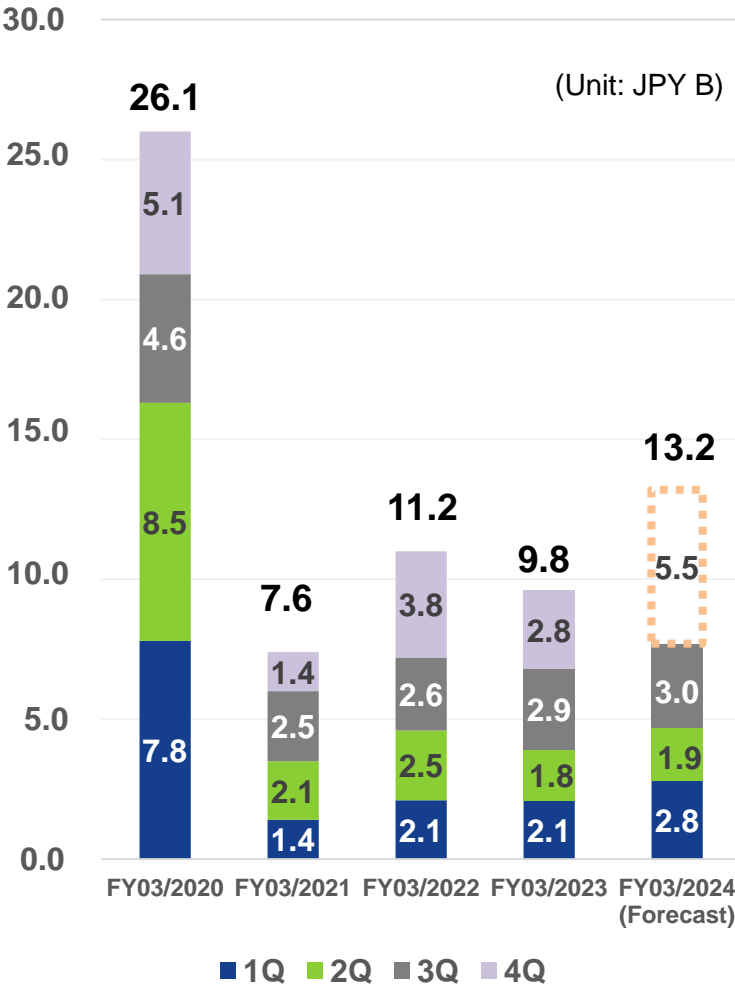
(Unit: JPY B)

	FY03/2023				FY03/2024				YoY change (C/A)	QoQ change (C/B)
	1Q	2Q	3Q (A)	4Q	1Q	2Q (B)	3Q (C)	4Q		
Automobile	40.1	53.0	49.3	50.1	47.3	51.4	53.8		109.1%	104.7%
Motorcycle	16.8	21.8	23.3	21.1	21.3	23.0	23.6		101.3%	102.6%
Electrification solutions	7.8	10.2	10.3	8.6	9.5	10.5	11.8		114.6%	112.4%
Total	64.8	85.0	82.9	79.9	78.1	84.9	89.2		107.6%	105.1%

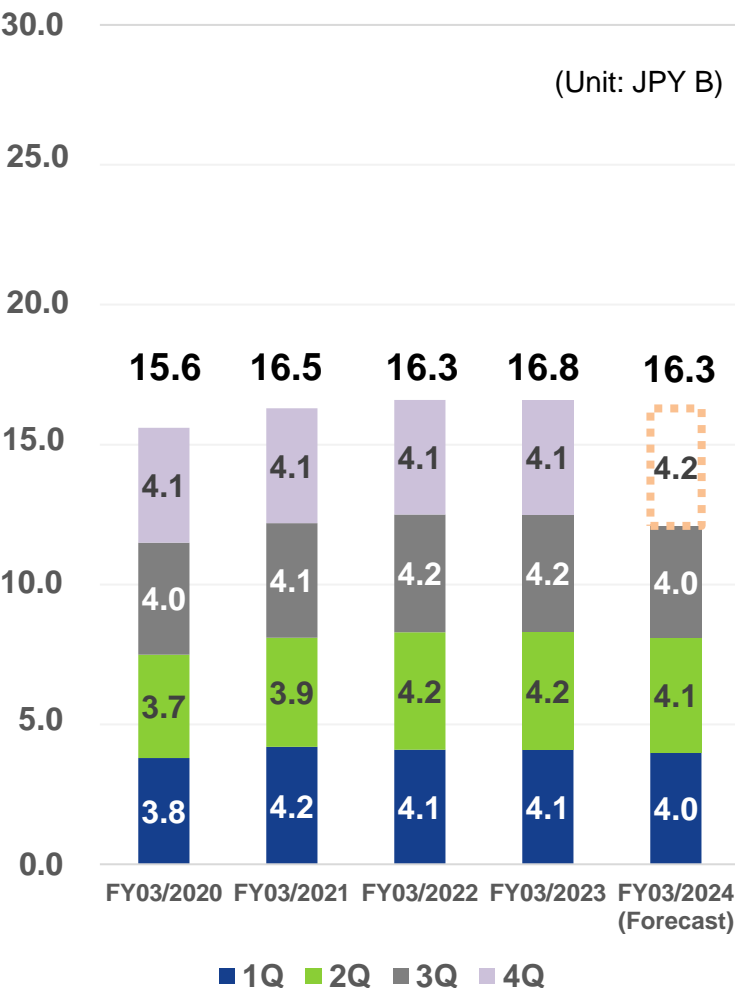
* Sales figures by business are used internally for management of transportation equipment-related operations and do not match the consolidated segment figures.

V. Appendix: FY03/2024 (Capital Expenditure, Depreciation, and R&D Expenses)

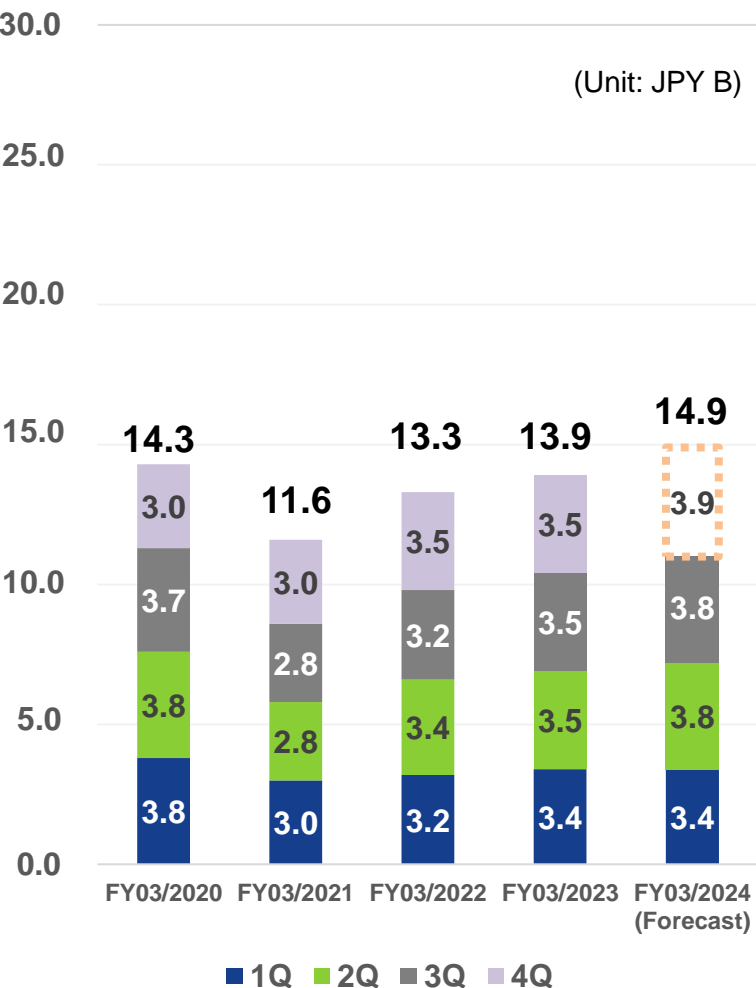
Capital expenditures



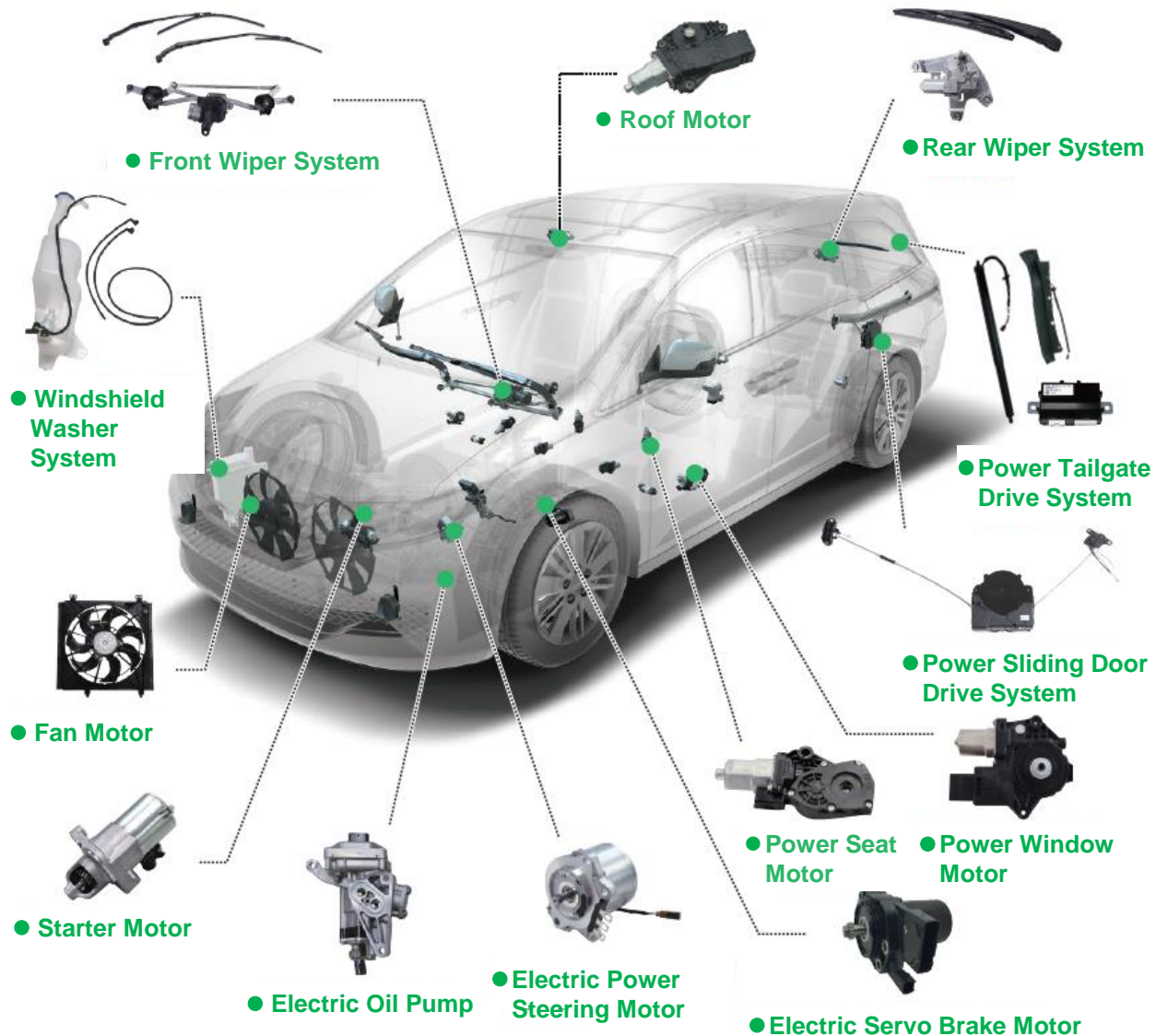
Depreciation



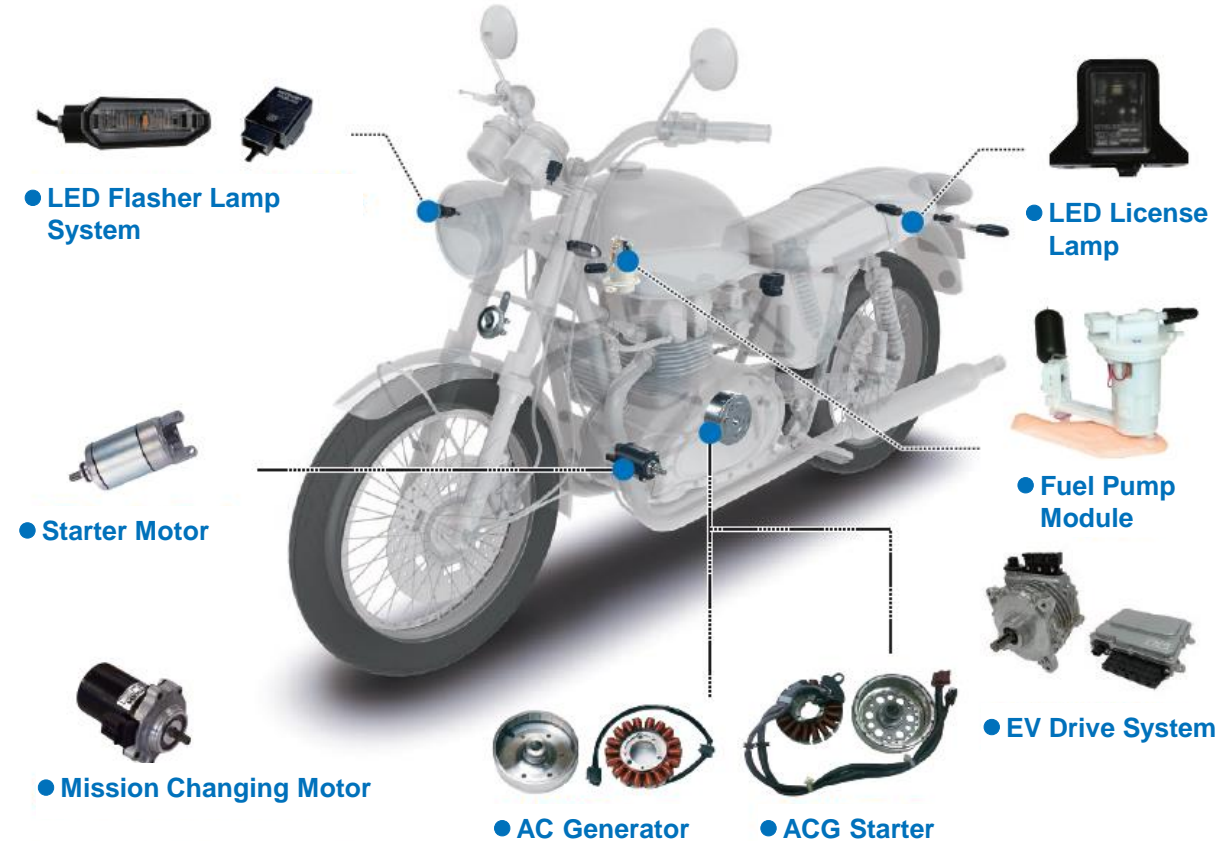
R&D Expenses



Automotive Products



Motorcycle Products



Micro Mobility Products



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