



MITSUBA Corporation

Briefing on Results

for 2Q FY Mar 2025

(Securities code: 7280)

Wednesday, November 13, 2024

[Key Points of Second Quarter Results]

- Both sales and profits increased due to the effect of priority measures in the medium-term management plan, progress made in sales price improvement, strong motorcycle business sales and the impact of exchange rates due to the weak yen.

Automobile:

- In Japan, sales and profits increased due to inter-site revenue optimizations and price improvements.
- In the Americas, sales and profits increased due to increased vehicle production volumes and price improvements at major customers.
- In Europe, earnings went into the black due to sales price improvement, etc.
- In China, sales and profit decreased due to sluggishness of Japanese automakers.

Motorcycle:

- Continuing from the previous fiscal year, sales remained strong, particularly in Asia.
- The rapid acceleration of the yen in September resulted in a foreign exchange loss of 1.4 billion yen.
- Foreign currency translation adjustments were 17.4 billion yen (down 5.7 billion yen from the end of the previous fiscal year), and the equity ratio decreased to 27.1%.

(Unit: JPY B)

Consolidated	2Q FY03/2024	2Q FY03/2025	Change
Net sales	166.0	170.7	4.7
Operating income	6.9	10.2	3.2
Ordinary income	8.5	8.7	0.2
Profit	4.5	6.7	2.2

Consolidated	Mar 31, 2024	Sept 30, 2024	Change
Cash and deposits	102.2	91.9	-10.3
Inventories	55.3	54.1	-1.1
Interest-bearing debt	164.0	154.0	-10.0
Equity-to-asset ratio	28.4%	27.1%	-1.3%
Net D/E ratio	0.6	0.7	0.1

Consolidated	2Q FY03/2024	2Q FY03/2025	Change
CF from operating activities	14.0	15.8	1.8
Working capital	1.6	0.4	-1.2
CF from investing activities	(5.9)	(1.0)	4.9
Capital investment	(4.7)	(2.9)	1.8
Free cash flow	8.0	14.7	6.7

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I. Results for 2Q FY03/2025 (Consolidated)

Both sales and profits increased due to progress made in sales price improvement, strong motorcycle business sales and the impact of exchange rates due to the weak yen. Although a foreign exchange loss of 1.4 billion yen was reported , net income increased.

(Unit: JPY B)

	2Q FY03/2024	2Q FY03/2025	Change	Percentage change
Net sales	166.0	170.7	4.7	102.8%
Operating profit	6.9	10.2	3.2	147.1%
Operating margin	4.2%	6.0%	-	+1.8 pts
Ordinary profit	8.5	8.7	0.2	102.9%
Profit before tax	8.2	9.0	0.8	109.8%
Profit (*)	4.5	6.7	2.2	150.3%

(*) Profit attributable to owners of parent

(Unit: JPY B)

(Unit: JPY B)

Ave. exchange rates for Apr-Sept (Unit: JPY)

Currency	2Q FY03/2024	2Q FY03/2025
USD	141.07	152.76
EUR	153.51	166.07
CNY	19.75	21.16

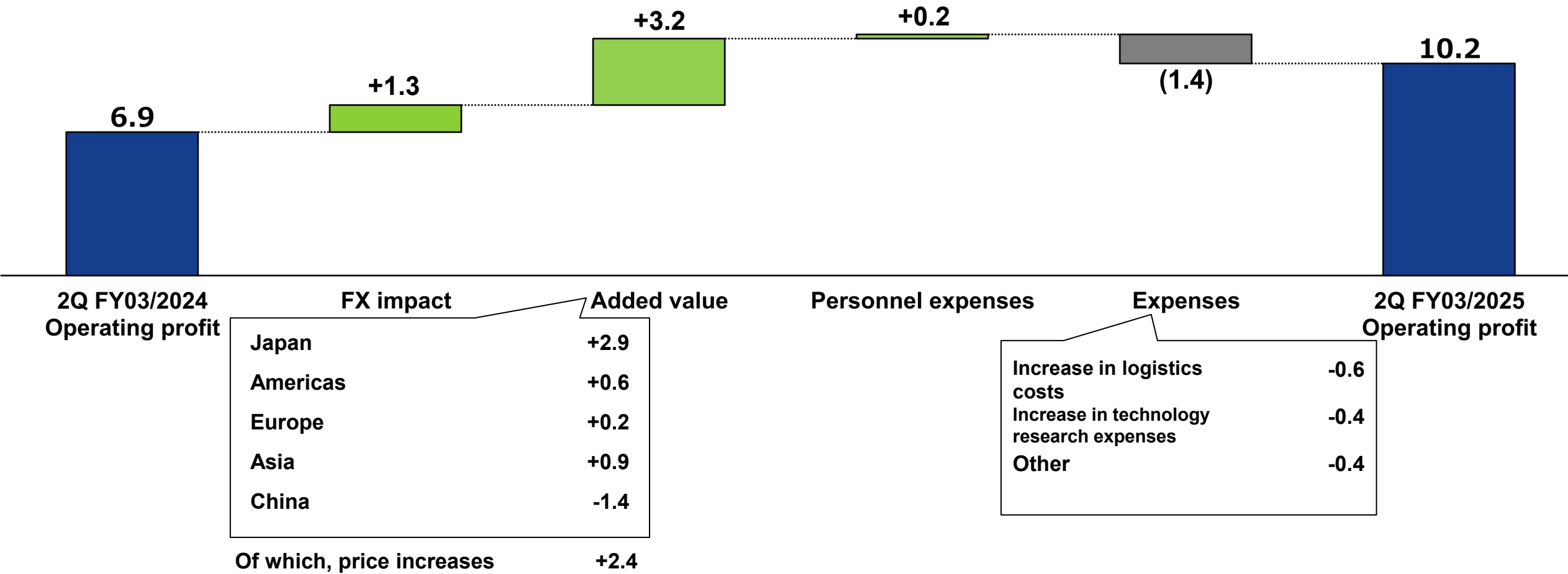
Currency	Foreign exchange sensitivity	
	Net sales	Operating profit
USD	0.5	0.1
EUR	0.15	0.05
CNY	3.3	1.1

Breakdown of non-operating income and expenses	Non-operating profit	2.4
	Non-operating expenses	(3.8)
Breakdown of ordinary profit	Extraordinary income/loss	0.2
	Income taxes	(1.6)
	Profit attributable to non-controlling interests	(0.6)

I. Results for 2Q FY03/2025 (Factors behind Changes in Operating Profit)

Factors behind Changes in Operating Profit (YoY)

(Unit: JPY B)



I. Results for 2Q FY03/2025 (by Segment)

(Unit: JPY B)

	2Q FY03/2024			2Q FY03/2025			Change in operating profit (B-A)	Operating profit YoY (B/A)
	Net sales	Operating profit (A)	Operating margin	Net sales	Operating profit (B)	Operating margin		
Transportation equipment-related operations	156.1	5.9	3.8%	160.0	9.1	5.7%	3.2	154.6%
Information service operations	7.5	0.8	10.9%	7.6	0.6	8.4%	-0.1	77.5%
Other operations	2.2	0.1	8.9%	3.0	0.4	13.9%	0.2	2.1 times
Adjustments	-	0.0	-	-	0.0	-	0.0	-
Total	166.0	6.9	4.2%	170.7	10.2	6.0%	3.2	-

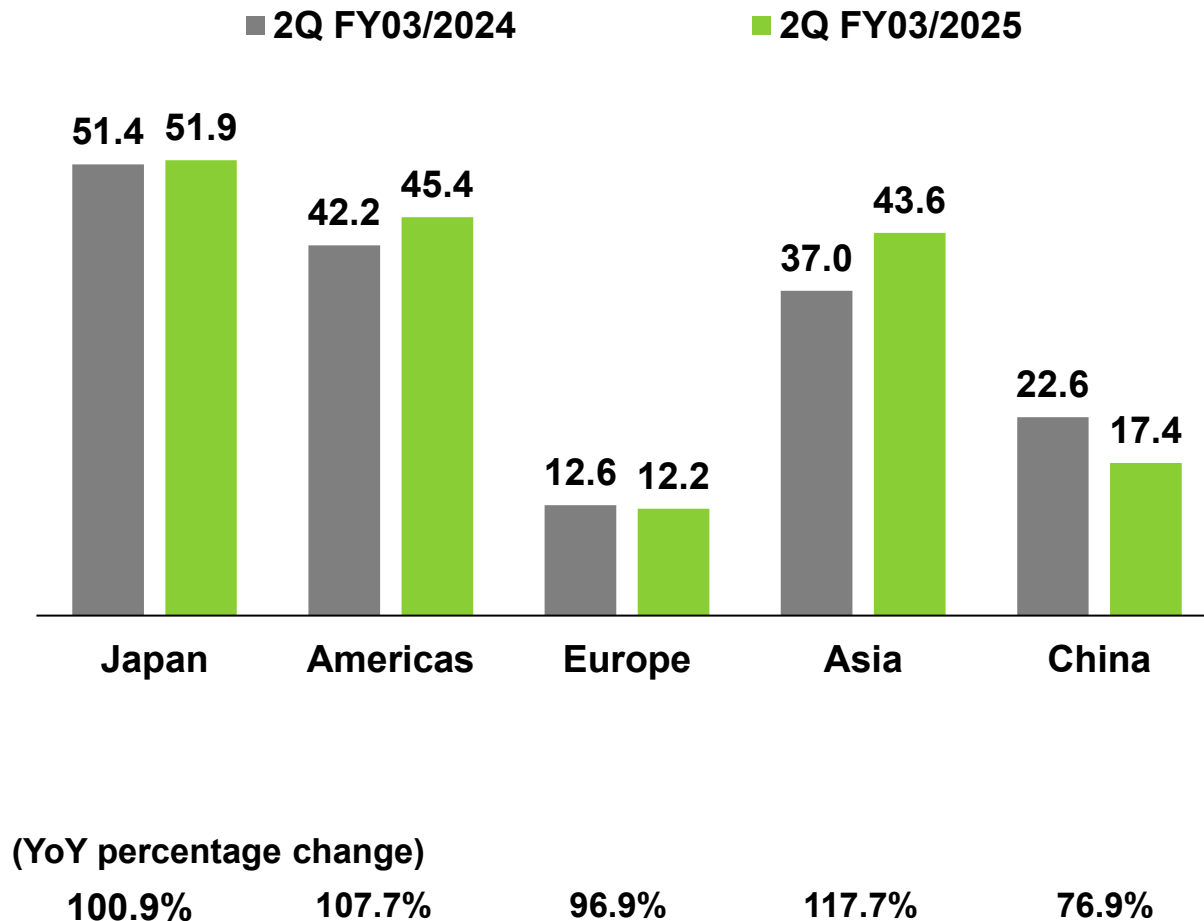
Transportation equipment-related operations	<ul style="list-style-type: none"> Automobiles: Sales and profits increased due to price improvements and the weak yen Motorcycles: Sales remained strong in Asia continuing from the previous fiscal year.
Information service operations	<ul style="list-style-type: none"> Both sales and profit increased as in-vehicle embedded software development support business and IT engineering service, such as AMO service for manufacturing, trended strongly as well as an increase in depreciation cost resulting from the establishment of a data center.

I. Results for 2Q FY03/2025 (by Region)

In Japan, sales and profits increased due to inter-site revenue optimizations and price improvements. In the Americas, sales and profits increased due to an increase in vehicle production volume and price improvements of main customers. In Europe, earnings went into the black due to sales price improvement, etc. In China, fixed costs were reduced but the impact of reduced production by Japanese automobile manufacturers was not able to be offset, resulting in an operating loss.

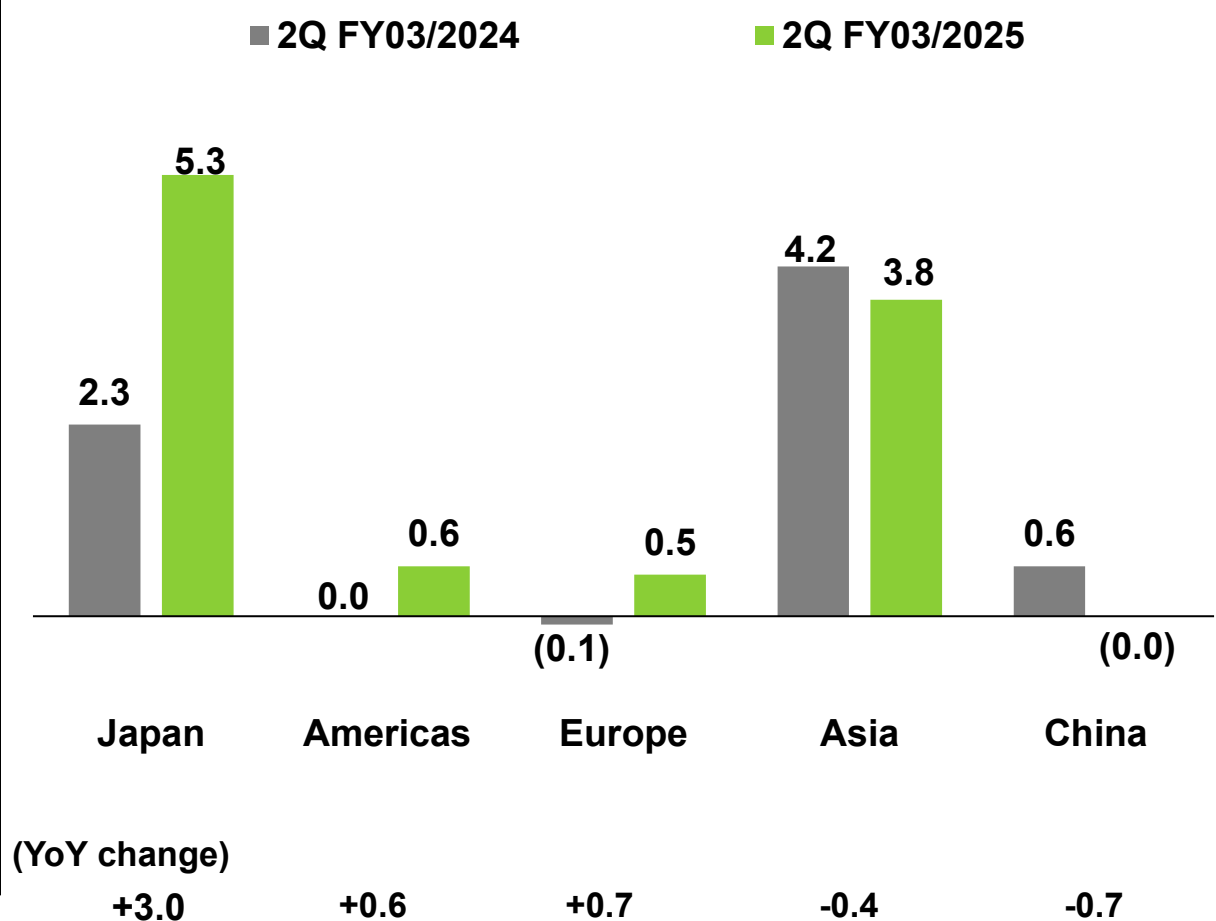
[Net Sales by Region]

(Unit: JPY B)



[Operating Profit by Region]

(Unit: JPY B)



I. Results for 2Q FY03/2025 (by Customer)

	2Q FY03/2024		2Q FY03/2025		Change	YoY percentage change
	Net sales	Percentage of total sales	Net sales	Percentage of total sales		
Honda	62.6	38.4%	68.9	41.4%	+6.3	110.1%
Automobile	28.6	17.5%	29.1	17.5%	+0.5	101.7%
Motorcycle	34.0	20.9%	39.8	23.9%	+5.8	117.1%
RNM	13.1	8.0%	12.1	7.3%	-1.0	92.4%
Suzuki	4.8	2.9%	4.6	2.8%	-0.2	95.8%
Mazda	4.2	2.6%	5.2	3.1%	+1.0	123.8%
VW Group	4.7	2.9%	4.4	2.7%	-0.3	93.6%
SUBARU	5.1	3.1%	2.7	1.6%	-2.4	52.9%
Toyota Group	1.5	0.9%	1.6	1.0%	+0.1	106.7%
Tier N	44.4	27.2%	42.8	25.7%	-1.6	96.4%
Other	22.6	13.9%	24.0	14.4%	+1.4	106.2%
Total	163.0		166.3		+3.3	102.0%

* RNM: Renault, Nissan, and Mitsubishi Motors

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

I. Results for 2Q FY03/2025 (by Business)

(Unit: JPY B)

	2Q FY03/2024		2Q FY03/2025		Change	YoY percentage change
	Net sales	Percentage of total sales	Net sales	Percentage of total sales		
Automobile	98.7	60.6%	96.2	57.8%	-2.5	97.5%
Motorcycle	44.3	27.2%	50.7	30.5%	+6.4	114.4%
Electrification solutions	20.0	12.2%	19.4	11.7%	-0.6	97.0%
Total	163.0		166.3		+3.3	102.0%

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

I. Results for 2Q FY03/2025 (Consolidated Balance Sheet)

		Mar 31, 2024	Sept 30, 2024	Change			Mar 31, 2024	Sept 30, 2024	Change
	Cash and deposits	102.2	91.9	-10.3		Trade payables	21.6	22.2	0.6
	Accounts receivable	51.1	49.7	-1.4		Other	49.2	46.3	-2.9
	Inventories	55.3	54.1	-1.1		Interest-bearing debt(*)	164.0	154.0	-10.0
	Other	12.2	11.1	-1.1		Liabilities	234.9	222.6	-12.2
Current assets		220.9	206.9	-14.0		Shareholders' equity	75.4	71.2	-4.1
	Property, plant and equipment	94.2	85.6	-8.6		Accumulated comprehensive income	26.2	19.0	-7.1
	Intangible assets	3.4	3.4	0.0		Total shareholders' equity	101.6	90.2	-11.3
	Other	38.8	36.8	-1.9		Non-controlling interests	20.9	20.0	-0.8
Non-current assets		136.5	126.0	-10.4	Total net assets		122.5	110.3	-12.2
Total assets		357.4	332.9	-24.4	Total liabilities and net assets		357.4	332.9	-24.4

Exchange rates

(Unit: JPY)

Currency	Mar 31, 2024	Sept 30, 2024
USD	151.45	142.80
EUR	163.37	159.54
CNY	20.89	20.45

(*) Borrowings + Bonds payable (excluding leases)

Indicators	Mar 31, 2024	Sept 30, 2024
Equity ratio	28.4%	27.1%
Net D/E ratio	0.6	0.7

I. Results for 2Q FY03/2025 (Consolidated Cash Flow)

(Unit: JPY B)

		2Q FY03/2024	2Q FY03/2025	Change
CF from operating activities	Profit before income taxes	8.2	9.0	0.8
	Depreciation	8.1	7.9	-0.1
	Decrease (increase) in trade receivables	(2.5)	(0.9)	1.5
	Decrease (increase) in inventories	5.8	(1.1)	-6.9
	Increase (decrease) in trade payables	(1.6)	2.4	4.1
	Other	(4.0)	(1.6)	2.3
Total		14.0	15.8	1.8
CF from investing activities	Purchase of non-current assets	(4.7)	(2.9)	1.8
	Others	(1.1)	1.8	3.0
	Total	(5.9)	(1.0)	4.9
Free cash flow		8.0	14.7	6.7
CF from financing activities	Increase (decrease) in short-term borrowings	(1.6)	(9.9)	-8.3
	Others	(2.6)	(12.4)	-9.8
	Total	(4.3)	(22.4)	-18.1
Foreign currency translation adjustment		3.9	(2.3)	-6.3
Net increase (decrease) in cash and cash equivalents		7.7	(10.0)	-17.7

I. Results for 2Q FY03/2025

**II. Revision of the Full-Year Consolidated Earnings
Forecast for the Fiscal Year Ending March 31, 2025**

III. Efforts toward achieving the Medium-Term Management
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II. Revision of the Full-Year Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025

Considering the expected declines in production and sales at its major customers, we have revised its net sales forecast. Although first-half profits exceeded expectations, taking into account the decline in sales and factors of current rising costs, the profit forecast remains unchanged.

(Unit: JPY B)

	Revised forecast for FY03/2025 (announced on August 7)		Revised forecast for FY03/2025 (announced today)		Change (B-A)
	1st half	Full term (A)	1st half results	Full term (B)	
Net sales	170.0	345.0	170.7	338.0	-7.0
Operating profit	8.5	18.5	10.2	18.5	-
Operating margin	5.0%	5.4%	6.0%	5.5%	-
Ordinary profit	7.5	16.5	8.7	16.5	-
Profit (*)	4.5	11.0	6.7	11.0	-

(*) Profit attributable to owners of parent

Exchange rates

Currency	FY03/2025 (initial)	FY03/2025 (revised)
USD	135.00	148.00
EUR	146.00	162.00
CNY	19.50	20.80

I. Results for 2Q FY03/2025

II. Revision of the Full-Year Consolidated Earnings
Forecast for the Fiscal Year Ending March 31, 2025

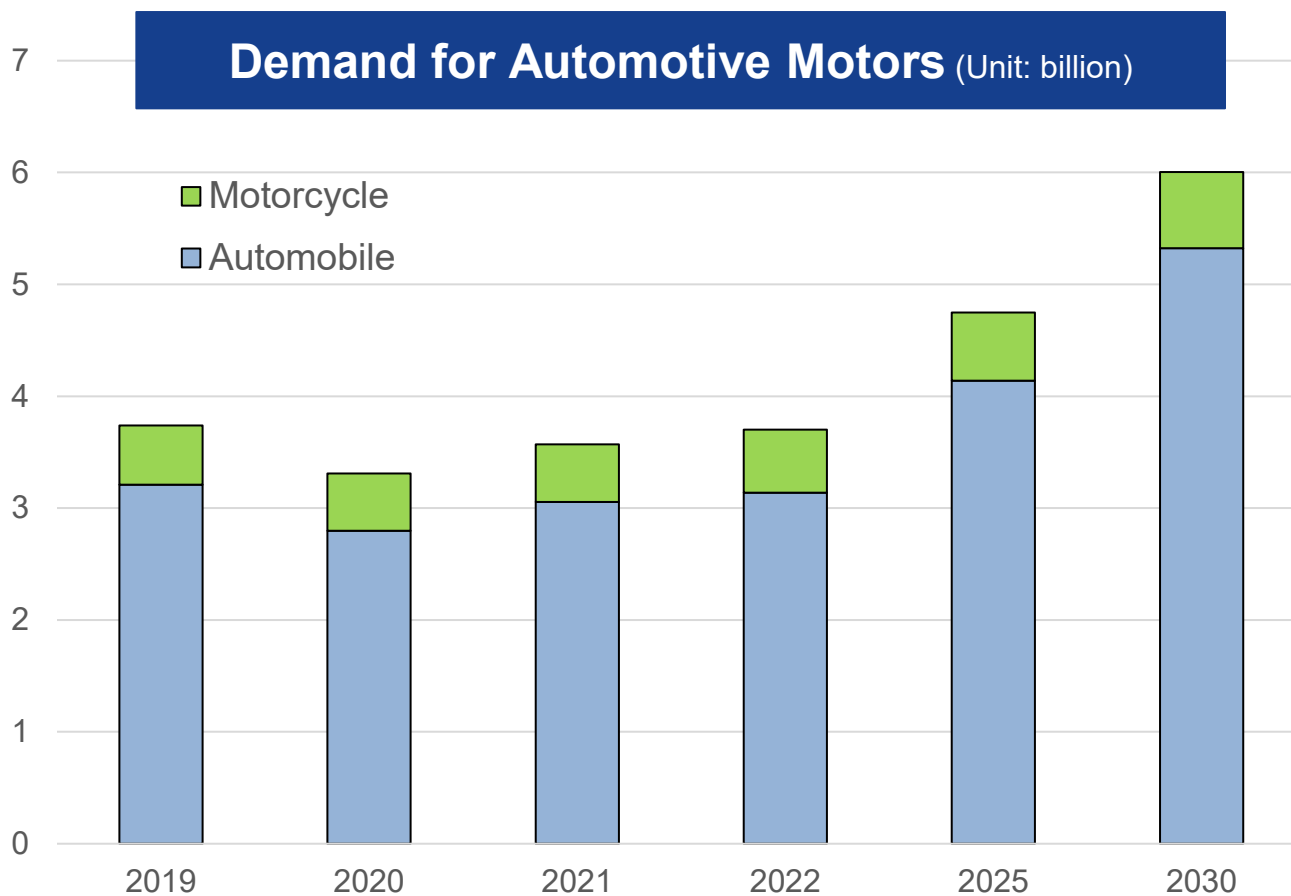
**III. Efforts toward achieving the Medium-Term Management
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III. Efforts toward achieving the Medium-Term Management Plan (Product segment)

- It is expected that in-vehicle motors will tend to grow from now on and reach around 6 billion motors in 2030 (about double compared to FY2022).
- The company, a motor manufacturer, views this as a good opportunity and will take on the challenge of expanding business.



Source:
 (Automobile) Yano Research Institute, "Automotive Motors Market 2023"
 (Motorcycle) Calculated from sales plans and other data

III. Efforts toward achieving the Medium-Term Management Plan (Product segment)

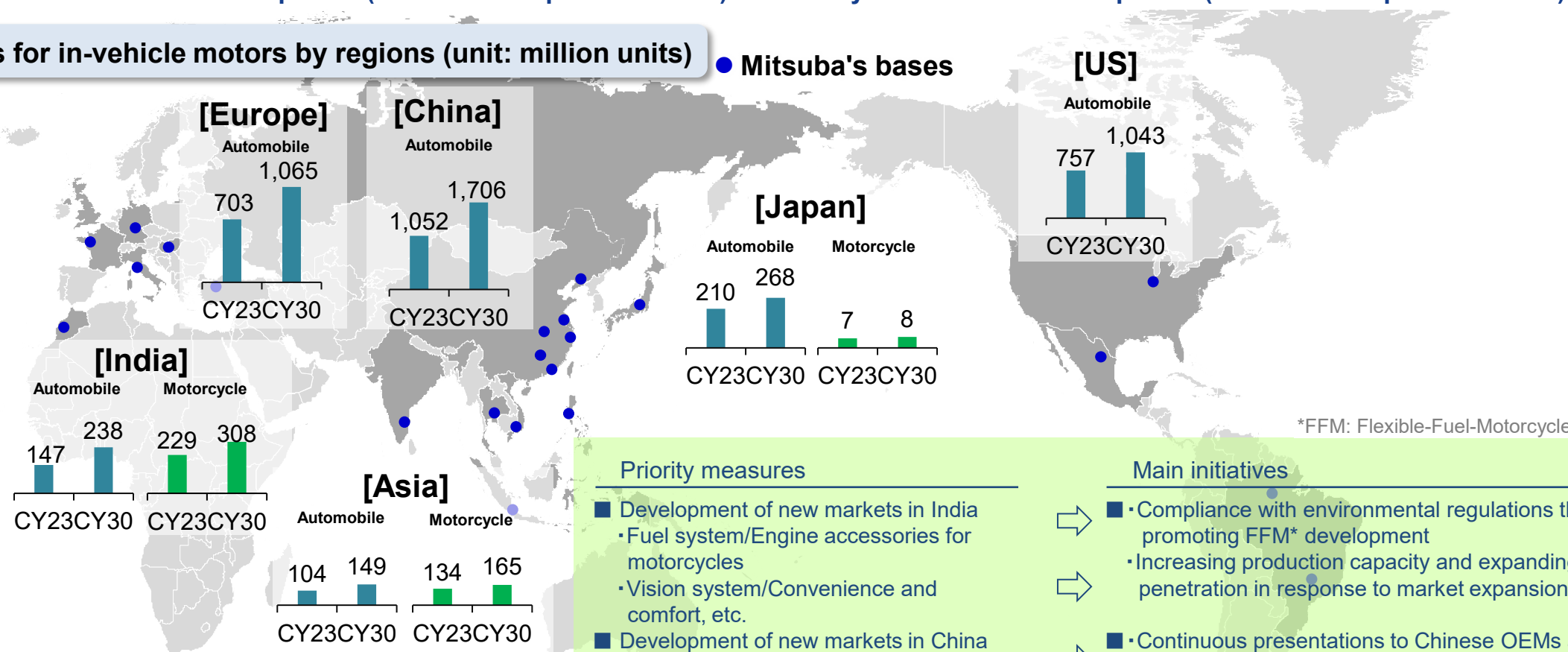
As automobiles become more electrified, in-vehicle motors will increase with a time difference by regions. We will expand our business by leveraging the advantages (footprint, customers, etc.) that we have gained through building a global supply system.

Automobile CY30: 5.3 billion pieces (1.7 times compared to CY22)

Motorcycle CY30: 0.7 billion pieces (1.2 times compared to CY22)

Demands for in-vehicle motors by regions (unit: million units)

● Mitsuba's bases



*FFM: Flexible-Fuel-Motorcycle

Priority measures

- Development of new markets in India
 - Fuel system/Engine accessories for motorcycles
 - Vision system/Convenience and comfort, etc.
- Development of new markets in China
 - Vision system/Convenience & comfort, etc.
- Electrification
 - EV/Thermal management for motorcycles
- Customer portfolio transformation

Main initiatives

- ⇒ ■ Compliance with environmental regulations through promoting FFM* development
- ⇒ ■ Increasing production capacity and expanding market penetration in response to market expansion
- ⇒ ■ Continuous presentations to Chinese OEMs and utilizing our footprint when expanding overseas business
- ⇒ ■ Establishment of prototype production line for Two-wheeled EVs in India
- ⇒ ■ Development of brushless fan motors for electric vehicles
- ⇒ ■ Expanding our business for OEMs with stable growth

Source:

(Automobile) Yano Research Institute, "Automotive Motors Market 2023"

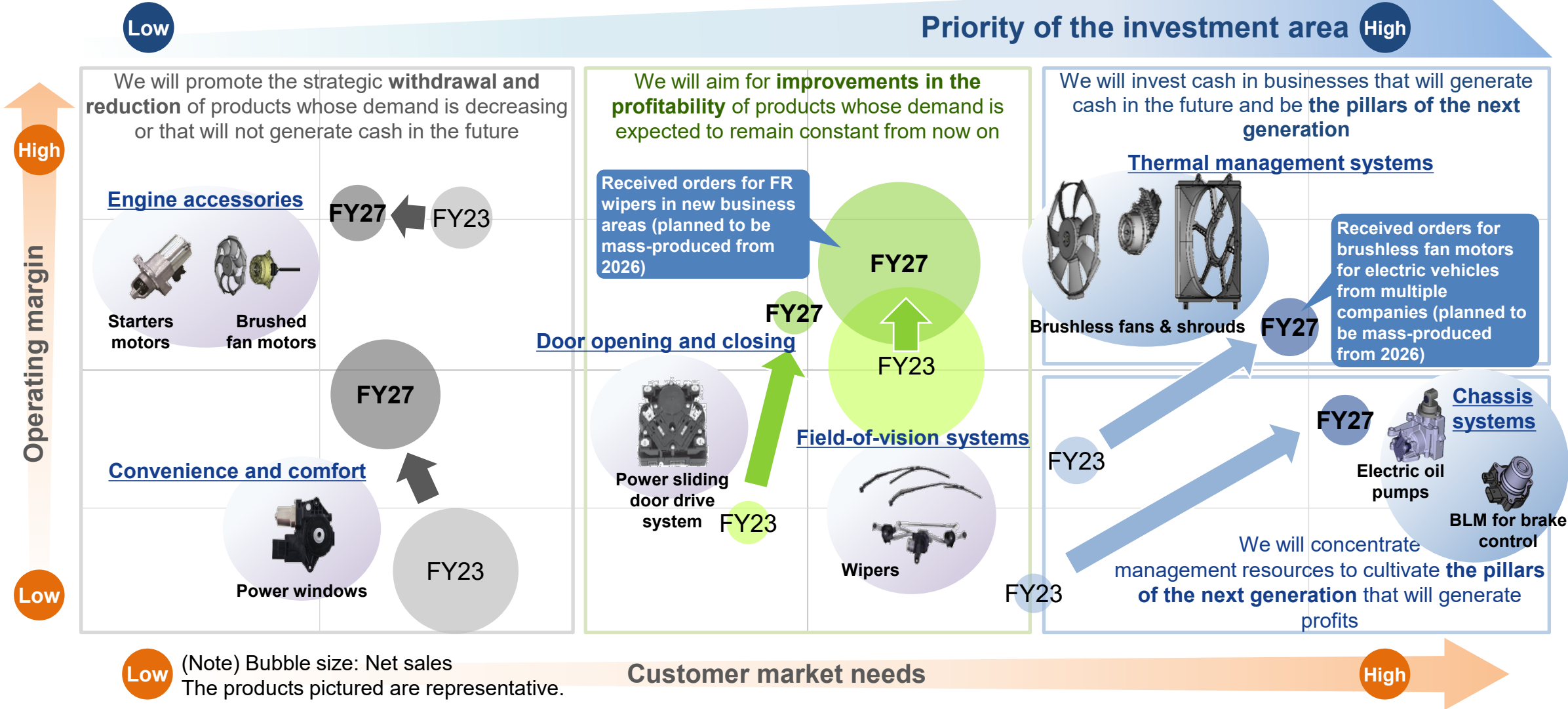
(Motorcycle) Calculated from sales plans and other data

III. Business Portfolio Strategy (Automobile Market)

Automotive Market

Policies for managing the business portfolio

Main Topics

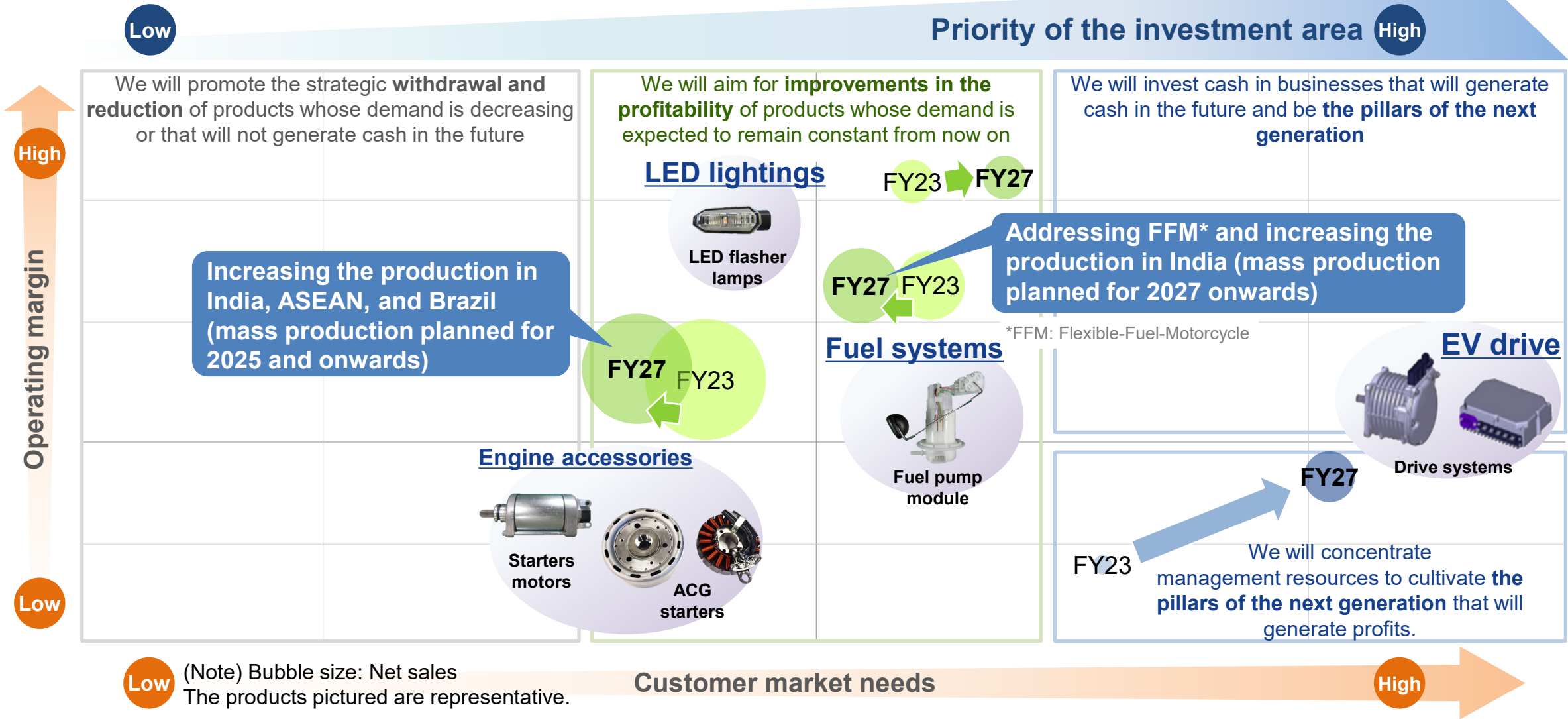


III. Business Portfolio Strategy (Motorcycle Market)

Motorcycle Market

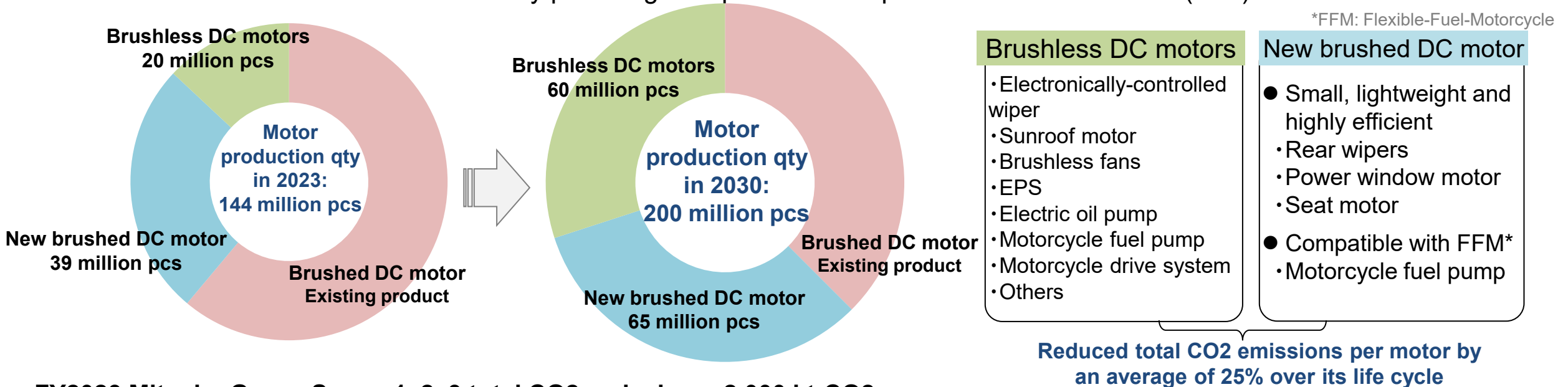
Policies for managing the business portfolio

Main Topics



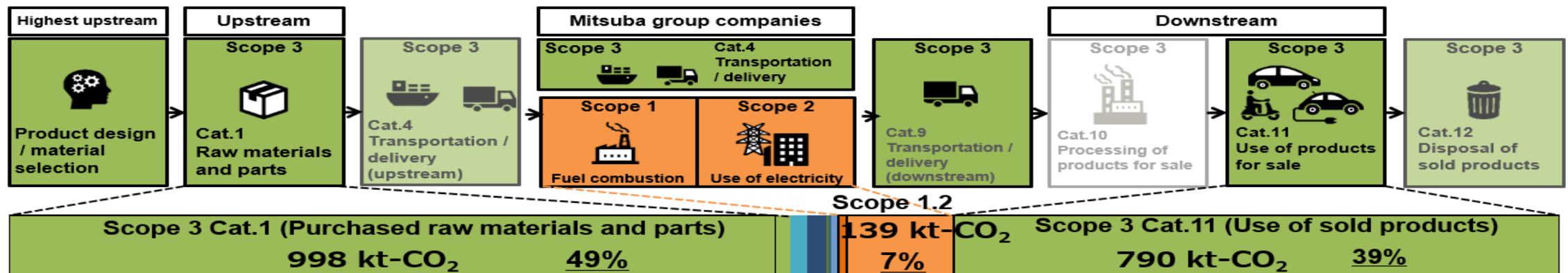
III. Contribution to CN through small, lightweight, and highly efficient motors

In response to the growing need for in-vehicle motors, we are working to reduce the amount of materials used and CO2 emissions at the product usage stage (Scope 3) by expanding our lineup of new small, lightweight, and highly efficient products. In addition, we will contribute to the realization of CN by providing new products compatible with electrification (xEV) and FFM*.



FY2023 Mitsuba Group Scope 1, 2, 3 total CO2 emissions: 2,000 kt-CO2

*Calculated based on Environmental Load Calculation Data Sheets in JAPIA LCI Calculation Guidelines



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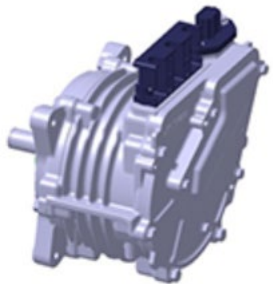
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Exhibited at Indonesia Motorcycle Show 2024

- Aimed at increasing its presence in Indonesia, one of Southeast Asia's leading motorcycle markets, and expanding sales of EV-related products
- A modified electric motorcycle equipped with an EV drive system and controller was exhibited for the first time in Indonesia and had a good reputation.

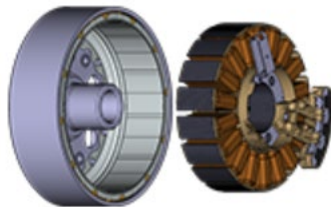
● EV drive system
(inner rotor)



● Controller



● EV drive system
(outer rotor)



(Source: Asian Economic News)

Mitsuba's overseas bases have received quality awards from customers

- Our Mexican base, Corporación Mitsuba de Mexico, has received the Quality Excellence Award from Mazda de Mexico Vehicle Operation, and Thai Summit Mitsuba Electric Manufacturing Co., Ltd. has received the Regional Supplier Quality Award 2024 from Nissan Motor Thailand and Nissan Motor Asia Pacific.



New product "Alpha Blade" now on sale on Amazon

- In an effort to increase Mitsuba's awareness and secure long-term profits, we have begun selling its new aftermarket wiper blade product, "Alpha Blade," on the online shopping site Amazon.
- Combining the innovative design and high performance unique to flat blades, we offer a lineup of 10 types ranging from 350 mm to 650 mm.



I. Results for 2Q FY03/2025

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V. Appendix: Results for 2Q FY03/2025 (Trend by Region)

(Unit: JPY B)

		FY03/2024				FY03/2025				YoY change (C/A)	QoQ change (C/B)
		1Q	2Q (A)	3Q	4Q	1Q (B)	2Q (C)	3Q	4Q		
Net sales total		79.0	86.9	90.8	87.2	84.4	86.2			99.3%	102.2%
	Japan	23.8	27.5	30.0	28.0	24.4	27.5			99.8%	112.7%
	Americas	20.0	22.1	21.0	22.4	23.8	21.6			97.6%	90.6%
	Europe	6.4	6.1	7.0	6.5	6.5	5.6			91.0%	85.4%
	Asia	17.5	19.5	19.8	20.7	20.5	23.0			118.1%	112.3%
	China	11.2	11.4	12.8	9.3	8.9	8.4			73.8%	93.6%
Operating profit total		1.7	5.2	7.4	6.7	4.4	5.7			110.0%	129.2%
	Japan	0.1	2.2	3.1	2.8	2.5	2.7			126.4%	109.3%
	Americas	(0.2)	0.2	0.0	1.3	0.3	0.3			105.8%	79.3%
	Europe	(0.1)	0.0	0.5	0.2	0.4	0.1			6.0 times	34.1%
	Asia	1.8	2.4	2.9	2.1	1.9	1.9			80.1%	101.2%
	China	0.2	0.4	0.5	(0.0)	(0.2)	0.2			58.3%	-

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

V. Appendix: Results for 2Q FY03/2025 (Trend by Customer)

	FY03/2024				FY03/2025				YoY change (C/A)	QoQ change (C/B)
	1Q	2Q (A)	3Q	4Q	1Q(B)	2Q (C)	3Q	4Q		
Honda	29.8	32.8	35.0	34.4	33.6	35.3			107.6%	105.1%
Automobile	13.6	14.9	16.5	14.8	14.8	14.3			96.0%	96.6%
Motorcycle	16.2	17.9	18.5	19.6	18.8	21.0			117.3%	111.7%
RNM	6.2	6.9	7.4	6.9	6.1	6.0			87.0%	98.4%
Suzuki	2.4	2.4	2.5	2.7	2.7	1.9			79.2%	70.4%
Mazda	2.2	2.0	1.9	2.3	2.6	2.6			130.0%	100.0%
VW Group	2.0	2.7	2.5	1.8	1.9	2.5			92.6%	131.6%
SUBARU	2.5	2.6	2.0	2.0	1.2	1.6			61.5%	133.3%
Toyota Group	0.7	0.8	0.8	0.6	0.6	0.9			112.5%	150.0%
Tier N	21.1	23.3	25.1	22.6	21.2	21.6			92.7%	101.9%
Other	11.2	11.4	12.0	12.3	12.8	11.2			98.2%	87.5%
Total	78.1	84.9	89.2	85.6	82.7	83.6			98.5%	101.1%

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

V. Appendix: Results for 2Q FY03/2025 (Trend by Business)

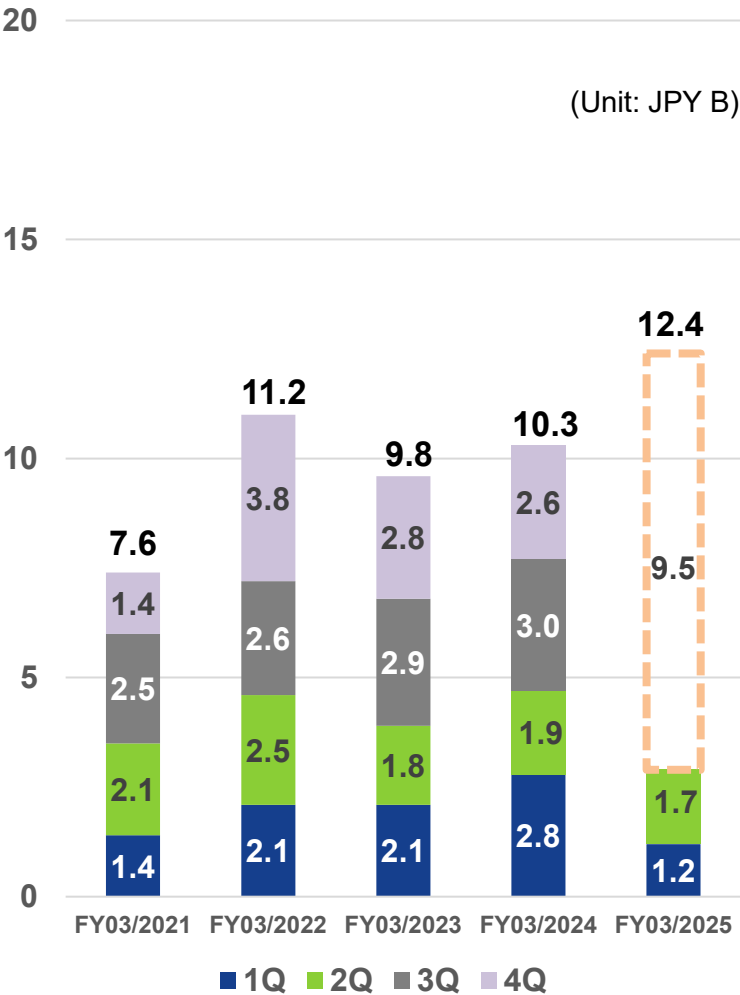
(Unit: JPY B)

	FY03/2024				FY03/2025				YoY change (C/A)	QoQ change (C/B)
	1Q	2Q (A)	3Q	4Q	1Q (B)	2Q (C)	3Q	4Q		
Automobile	47.3	51.4	53.8	50.7	48.5	47.6			92.6%	98.1%
Motorcycle	21.3	23.0	23.6	25.2	24.5	26.3			114.3%	107.3%
Electrification solutions	9.5	10.5	11.8	9.7	9.7	9.7			92.4%	100.0%
Total	78.1	84.9	89.2	85.6	82.7	83.6			98.5%	101.1%

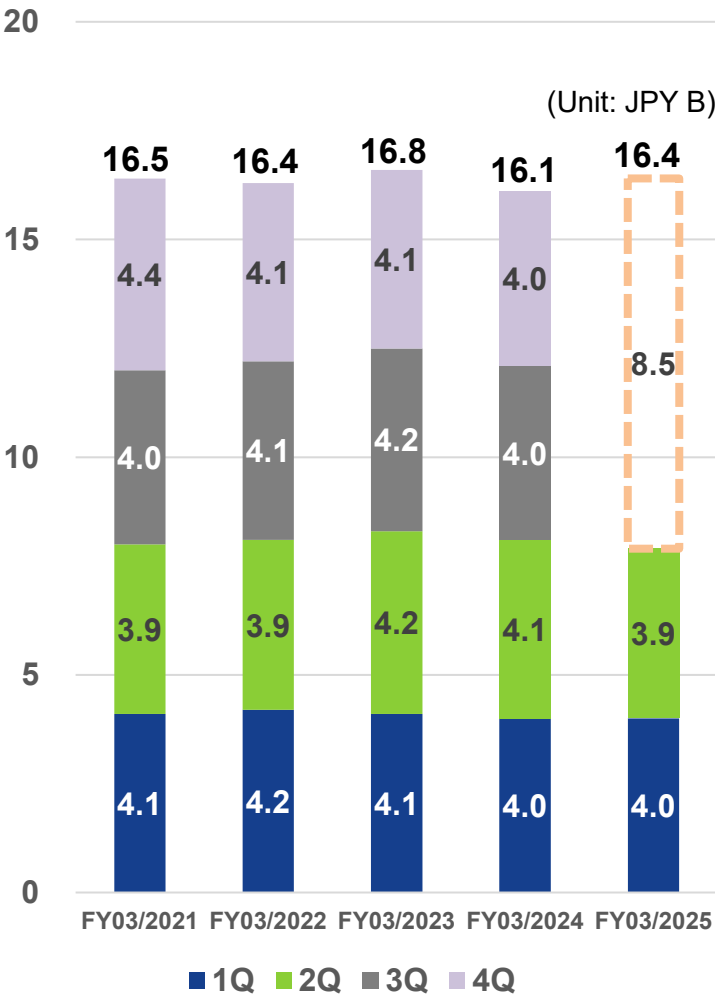
* Sales figures by business are used internally for management of the transportation equipment-related operations and do not match the consolidated segment figures.

V. Appendix: FY03/2025 (Capital Expenditure, Depreciation, and R&D Expenses)

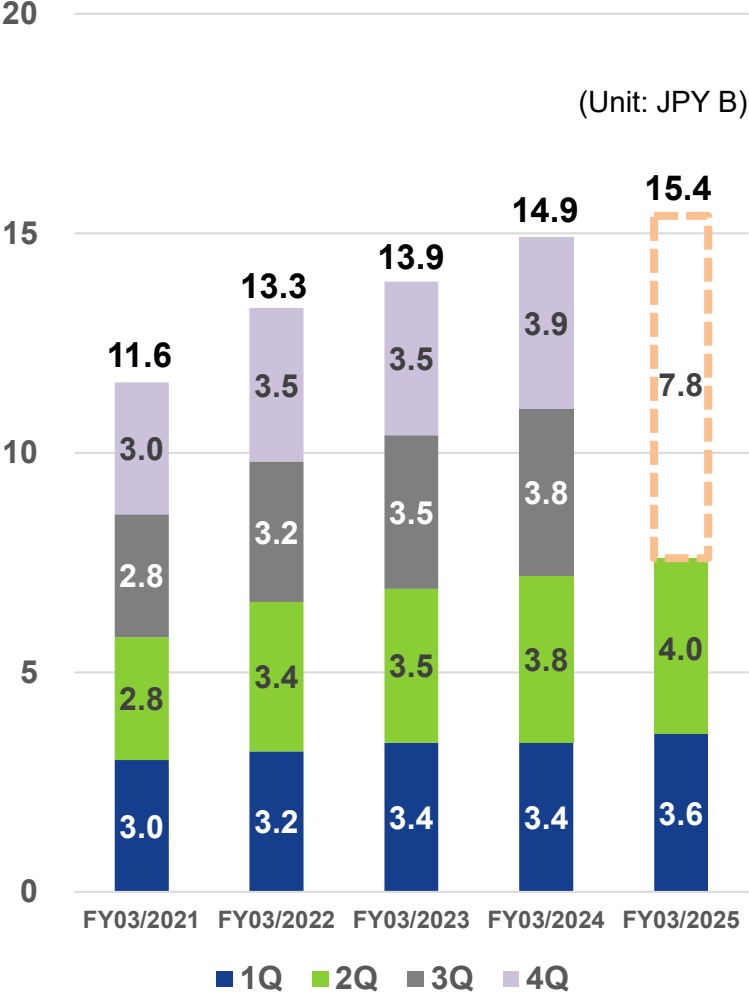
Capital expenditures



Depreciation

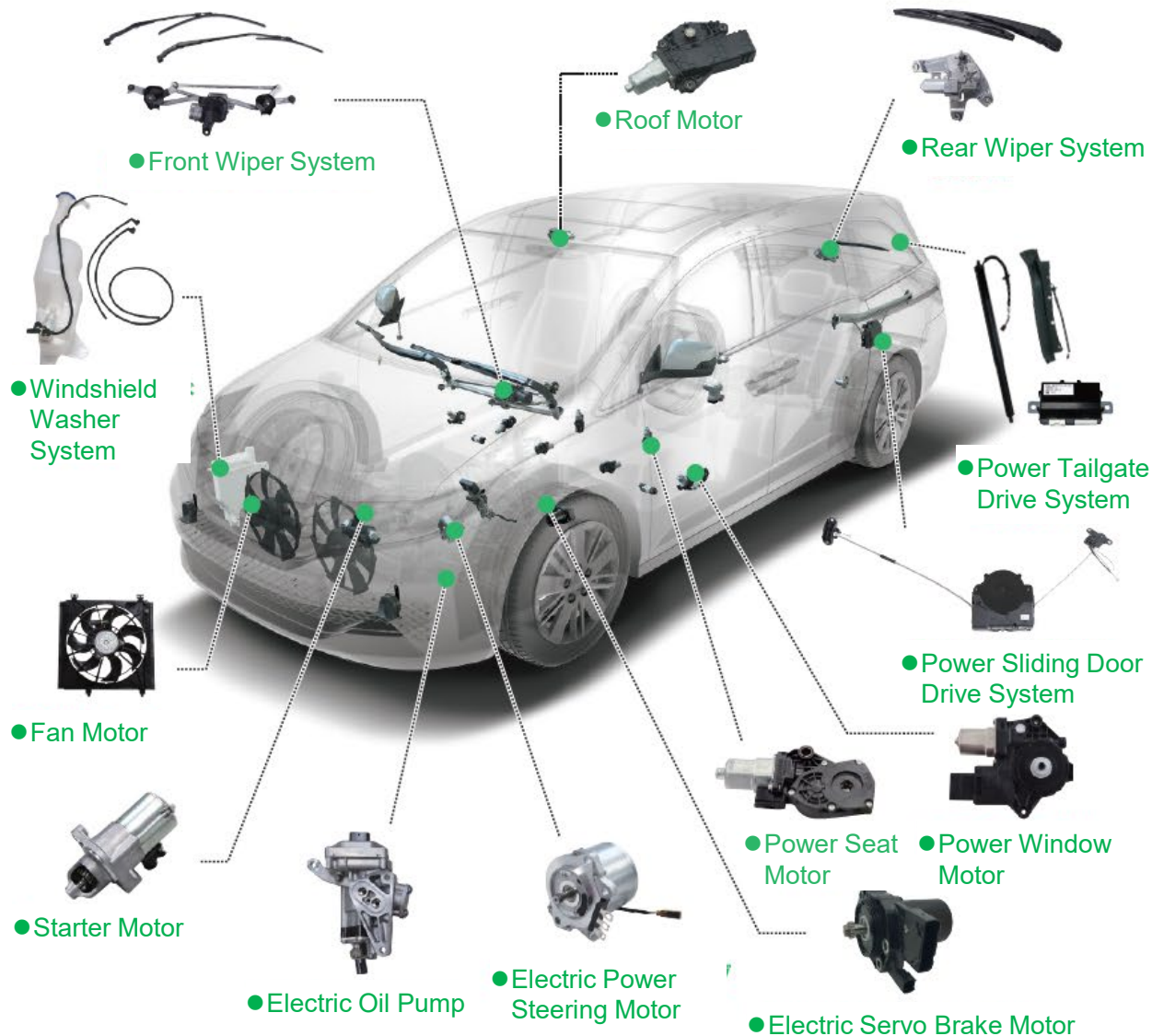


R&D Expenses

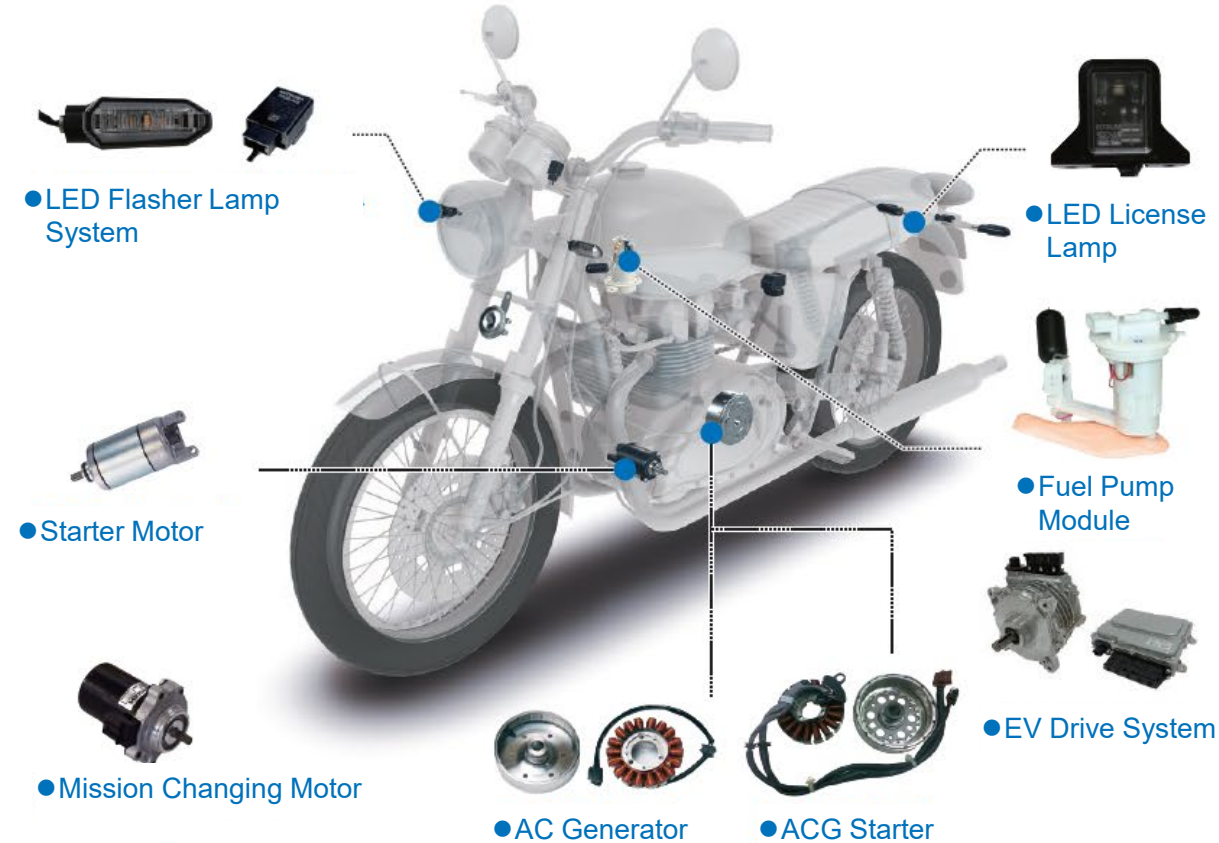


V. Appendix: Product Introduction

Automotive Products



Motorcycle Products



Micro Mobility Products



MITSUBA 29/30
株式会社 ミツバ



Disclaimer

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~ End of Presentation ~