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May 14, 2025

Shareholders

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Prime)
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Notice for receipt of written proposal regarding exercise of shareholder's proposal right and opinion for such proposal by the Board of Directors of the Company

MITSUBA Corporation (hereinafter referred to as the "Company") has received a document regarding the exercise of shareholder proposals regarding the agenda items at the 80th Annual Ordinary General Meeting of Shareholders scheduled to be held on June 26, 2025. At the Board of Directors meeting held today, the Company resolved to oppose the Shareholder Proposal, and hereby announces the details as follows.

Note

1 . Detail of the Shareholder Proposal

(1) Proposing Shareholders

1 individual shareholder

Number of voting rights held: 300

(2) Proposed agenda items

- ① Partial amendment to the Articles of Incorporation (applies to (3) I below)
- ② Surplus disposal (applies to (3) II below)

(3) Content of the Proposal (Except for formal adjustments, the Shareholder Proposal will be published verbatim)

Pursuant to Article 303 of the Companies Act, I propose the following:

I. 1. Contents of the Proposal

With sincere gratitude to all our employees, I propose the Company to decided to include in our Articles of Incorporation that resolutions regarding dividends shall be decided at the general shareholders' meeting, for the reasons

stated below.

2. Reasons for the proposal

Decisions regarding dividends made by resolutions of the board of directors do not at all reflect the "will of the shareholders." Can we say that per share dividends of "3 yen (fiscal year ending March 2022)," "3 yen (fiscal year ending March 2023)," "6 yen (fiscal year ending March 2024)," and "10 yen (planned for fiscal year ending March 2025)" represent "sufficient shareholder returns" or "shareholder-focused"?

II. 1. Contents of the Proposal

If the proposal in I above is approved, the dividend for fiscal year 2024 will be set at 100 yen per share.

2. Reasons for the proposal

(1) The Company has not conducted any share buybacks or stock splits for at least 10 years, (2) the stock price has not exceeded the 2015 price of 3,575 yen even though 10 years have passed since then, and (3) the market capitalization was approximately 75 billion yen when the stock price was 1,657 yen just one year ago (March 2024), but as of April 1, 2025 it is approximately 39 billion yen, a decrease of approximately 36 billion yen. Taking into consideration these facts, even taking into account the Company's interest-bearing liabilities of approximately 150 billion yen, under the current circumstances described above, the Company should aim to increase its market capitalization by "sufficiently increasing dividends."

In addition, Article 8, Paragraph 1 of the "Share Exchange Agreement Regarding the Acquisition of Tatsumi Corporation as a Wholly Owned Subsidiary of Mitsuba Corporation" stipulates that "Notwithstanding the provisions of the preceding article, Party A (shareholder proposer Note: Mitsuba) may pay dividends of surplus up to a maximum of 10 yen per share, with March 31, 2025 as the record date." However, since Mitsuba Corporation was already made a wholly owned subsidiary on April 1 of this year, it is in no way likely that the provisions of the agreement will undermine the shareholder proposal right mentioned above under Article 303 of the Companies Act.

I apologize for bothering the Company, then I appreciate your cooperation.

2. Opinion of the Board of Directors on the Shareholder Proposal

(1) Partial amendment to the Articles of Incorporation (applies to (3) I above)

① Overview of the Shareholder Proposal

This shareholder proposal stipulates in our Articles of Incorporation that resolutions regarding dividends shall be decided at the general meeting of shareholders.

② Opinion of the Company's Board of Directors

The Board of Directors of the Company hereby oppose such Shareholder Proposal.

3) Reasons for opposition

Our basic policy is to provide stable profit returns to shareholders while strengthening our management base, and we strive to make appropriate distributions, taking into consideration business performance, dividend payout ratios, and various circumstances surrounding our company. In addition, we are working to strengthen our financial position by effectively utilizing our retained earnings for research and development, capital investment, overseas investment, new business investment, and other purposes, leading to future growth.

In accordance with this basic policy, we need to determine dividend amounts taking into consideration changes in the business environment surrounding our company, our business characteristics, fair returns to shareholders, our future business outlook, as well as accurate and timely financial conditions, including our business performance for the current fiscal year, retained earnings, and distributable amounts. In this regard, the above information is available and analyzed most quickly,

accurately and in detail by our Board of Directors, which is dedicated to the management of our company. Since it would be difficult for the General Meeting of Shareholders to make a dividend decision that reflects our company's current situation in a timely manner due to time constraints, etc., I believe that dividends, as a management decision, should be determined promptly and flexibly by the Board of Directors, rather than by the General Meeting of Shareholders.

In light of the above, the decision-making body for the payment of dividends, etc. from our surplus funds shall be a resolution of the board of directors, in accordance with the provisions of Article 459, Paragraph 1 and Article 460 of the Companies Act. Going forward, we will continue to strengthen our management base while making it our basic policy to provide stable profit returns to shareholders, and will strive to make appropriate distributions while taking into consideration business performance, dividend payout ratios, and various circumstances surrounding our company.

Therefore, **the Board of Directors of the Company hereby oppose such Shareholder Proposal.**

(2) Surplus disposal (applies to (3) II below)

① Overview of the Shareholder Proposal

This shareholder proposal provides for a dividend of 100 yen per share of our common stock.

② Opinion of the Company's Board of Directors

The Company's Board of Directors opposes this Shareholder Proposal.

3) Reasons for opposition

This shareholder proposal is based on the assumption that Proposal No. 5, a partial amendment to our Articles of Incorporation, will be implemented, and as stated above, our Board of Directors is opposed to the shareholder proposal for Proposal No. 5. The disposal of our surplus funds is decided by our Board of Directors in accordance with the basic policy mentioned above.

Furthermore, this shareholder proposal would undermine the internal reserves that the Company should secure, and such a proposal cannot help but be seen as being based on a short-term perspective that contradicts the Company's policy of returning profits to stakeholders in order to increase its corporate value in the medium to long term. As a result, the Company has determined that this proposal will not lead to an increase in the corporate value of the Company Group in the medium to long term.

Therefore, **the Board of Directors of the Company hereby oppose such Shareholder Proposal.**