



May 15, 2026

To Shareholders,

Company name: MITSUBA Corporation  
Name of representative: Sadami Hino, Representative Director, President  
Security code: 7280 (Prime Market of Tokyo Stock Exchange)  
Inquiries: Koji Ogino, General Manager, Accounting and Finance Department  
Tel: 0277-52-0113

## Notice Regarding Shareholder Return Policy

MITSUBA Corporation hereby announces that the Company has adopted the following shareholder return policy, in particular its dividend policy.

### Description

#### 1. Basic Approach to Dividend Policy

The Company considers the stable and continuous profit returns to its shareholders as one of its key management priorities. The Company's basic policy on dividends is to determine them after comprehensively taking into consideration the soundness of financial position, internal reserves required for future growth investments, as well as business performance trends and the business environment in each fiscal year.

#### 2. Medium- to Long-Term Dividend Policy

From the standpoint of appropriately returning medium-term profit growth to shareholders, the Company has established the following medium- to long-term dividend policy.

- From the fiscal year ending March 31, 2027 onward, the Company will seek to expand shareholder returns in a phased manner in line with profit growth, aiming to achieve a consolidated payout ratio of approximately 30% by the fiscal year ending March 31, 2031.
- In each fiscal year, the Company will determine the dividend amount based on its business performance, financial position, and other relevant factors, with a minimum dividend of 25 yen per share as a guideline.

#### 3. Notes

This policy has been established based on the Company's current performance outlook and business environment, and may be revised in response to future changes in economic conditions, the business environment, financial position, and other factors. In addition, this policy does not guarantee future dividends.



# **MITSUBA Corporation**

## **– Progress of the Financial Soundness Improvement Plan and Future Financial Strategy –**

**Friday, May 15, 2026**

**Medium-Term Management Plan**

**MITSUBA VISION 2030**

Thorough structural reform and preparation for the new MITSUBA

**FY23-24**

**FY25-27**

**Management rationalization through structural reforms**

**Prioritization of the greater soundness of our financial structure**

**Shifting of resources to a growth portfolio**

**Response to changes in the external environment  
Preparations in Anticipation of the Next Medium-Term Management Plan**

**Steady progress was made in strengthening financial soundness.**

**Critical period for achieving MITSUBA VISION 2030**



**Provision of high value-added products corresponding to the evolution of mobility**





**Responding to the evolution of mobility**

**Strengthening of our management foundations**

**Soundness of financial structure**

**First two years of the Medium-Term Management Plan (FY23-24)**

**Prioritization of the greater soundness of our financial structure**

- Expanding orders for product groups with growth potential (thermal management systems, motorcycle engine accessories, etc.)
- Efforts to develop business with Chinese OEMs faced challenges due to intensifying price competition.
- Global production bases reorganization progressed as planned
- Reduction in inventory turnover days through advanced PSI management (73 days → 58 days)
- Reduction in personnel through personnel optimization (-1,300 people) (FY03/2023: 21,800 people → FY03/2025: 20,500 people)
- Capital adequacy ratio recovered to 28.7%
- Repaid over 20 billion yen in interest-bearing debt
- Class A and Class C shares (20 billion yen) were redeemed, and Class D shares (10 billion yen) were issued.

**Final three years of the Medium-Term Management Plan (FY25-27)**

**Shifting of resources to a growth portfolio**

Results of FY25	Plans for FY26-27
<ul style="list-style-type: none"> <li>➤ Active investment in the growth market of India                             <ul style="list-style-type: none"> <li>▪ Establishment of an R&amp;D center (500 million INR)</li> <li>▪ Installation of motorcycle drive production line</li> <li>▪ Effective utilization of idle equipment through relocation from other sites</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>➤ Active investment in the growth market of India                             <ul style="list-style-type: none"> <li>▪ Expansion of production plants</li> <li>▪ Start-up of R&amp;D testing equipment</li> </ul> </li> <li>➤ Strengthening toward SDV development</li> </ul>
<ul style="list-style-type: none"> <li>➤ Continued reorganization of global production bases</li> <li>➤ Ongoing enhancement of PSI management</li> </ul> <p>(FY03/2026: 19,511 people)</p>	<p>Same as the left</p> <p>Same as the left</p> <p>(Target for last fiscal year of the Medium-Term Management Plan: 57 days)</p> <ul style="list-style-type: none"> <li>➤ Labor-saving through automation, robotics, and AI utilization</li> </ul>
<ul style="list-style-type: none"> <li>➤ Equity ratio: 34.4% (Target for last fiscal year of the Medium-Term Management Plan: 30%)</li> <li>➤ Repayment of interest-bearing debt: 13.5 billion yen</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strategic capital allocation aimed at enhancing corporate value                             <ul style="list-style-type: none"> <li>▪ Enhancement of shareholder returns</li> <li>▪ Early redemption of Class D shares</li> </ul> </li> </ul>

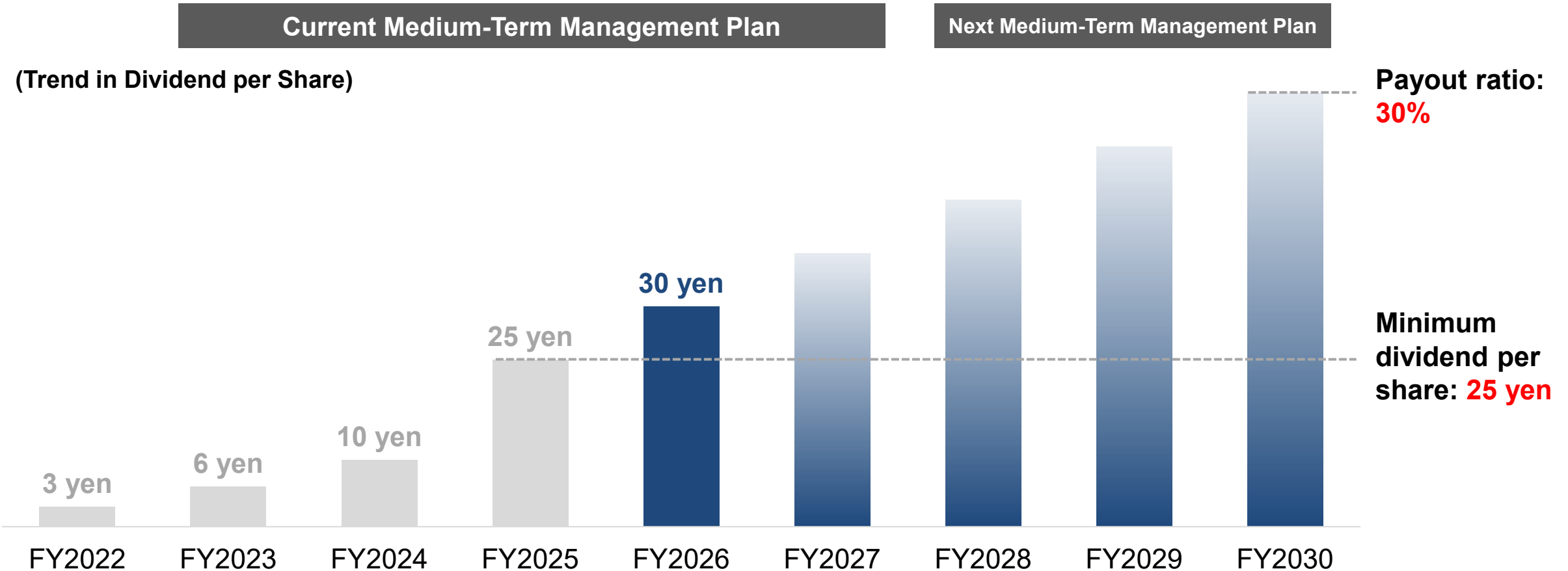
# Progress in the Medium-Term Management Plan

- The equity ratio recovered from 9.2% in the fiscal year ended March 31, 2020, to 34.4% in the fiscal year ended March 31, 2026, driven by the execution of various initiatives outlined in the medium-term management plan.
- In addition, interest-bearing debt was reduced through improved profitability and the generation of cash flow.

## Financial Indicators

	Results of FY19	Results of FY23	Results of FY25	Plans for FY27	
Equity ratio	9.2 %	28.4 %	34.4 %	Over 30.0%	Achieved two fiscal years ahead of schedule
Shareholders' Equity Ratio	9.2 %	21.1 %	24.9 %	Over 29.0%	Expected to be achieved
Net D/E ratio	4.7 times	0.6 times	0.3 times	0.5 times	Achieved two fiscal years ahead of schedule
ROE	-32.2 %	16.3 %	11.0 %	Over 10.0%	Achieved for three consecutive fiscal years
ROA	-4.4 %	3.8 %	3.5 %	Over 4.0%	Expected to be achieved
Interest-bearing debt	192.0 billion yen	164.0 billion yen	138.6 billion yen	Less than 120.0 billion yen	Expected to be achieved
Cash and deposits	55.6 billion yen	102.2 billion yen	103.5 billion yen	Over 93 billion yen	Expected to be achieved

- A commemorative dividend (5 yen) will be paid in the fiscal year ending March 31, 2026, bringing the annual dividend to 25 yen per share.
- Based on continued investment in growth areas and the maintenance of financial soundness, the Company aims to achieve a dividend payout ratio of 30% by the fiscal year ending March 31, 2031, through the enhancement of shareholder returns in line with profit levels.
- To stabilize dividend levels, a new dividend policy has been established, setting a minimum annual dividend of 25 yen per share.
- In accordance with this policy, the Company plans to increase the annual dividend to 30 yen per share for the fiscal year ending March 31, 2027.



- In June 2024, the Company issued Class D shares to establish a stable capital structure. Based on the steady progress of the medium-term management plan, the Company believes that the initial objectives have largely been achieved.
- In light of this progress, the Company aims to optimize its capital structure and enhance sustainable corporate value through the phased redemption of Class D shares.

## Background to the Issuance of Class D Shares

- Issued in June 2024 as a capital policy measure to achieve early stabilization of financial soundness and to support growth investments toward Mitsuba Vision 2030
- Total issue amount: 10 billion yen; allocated to Development Bank of Japan Inc. and The Bank of Yokohama, Ltd. (5 billion yen each).

## Progress in the Medium-Term Management Plan

- Equity ratio reached 34.4% in FY03/2026, exceeding the medium-term management plan target of 30.0%
- Net sales and ROE have both exceeded the levels assumed in the medium-term management plan

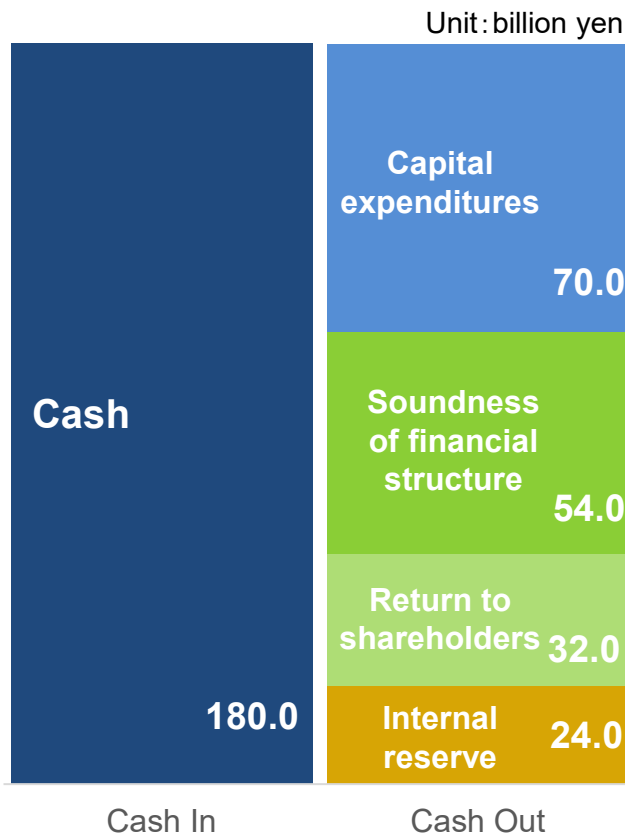
## Future Redemption Policy

- Phased partial redemption of at least 2.5 billion yen per year, targeting early redemption of the total 10.0 billion yen
- Redemptions will be conducted progressively alongside profit accumulation, minimizing the impact on the equity ratio and shareholders' equity ratio while continuing to execute growth investments

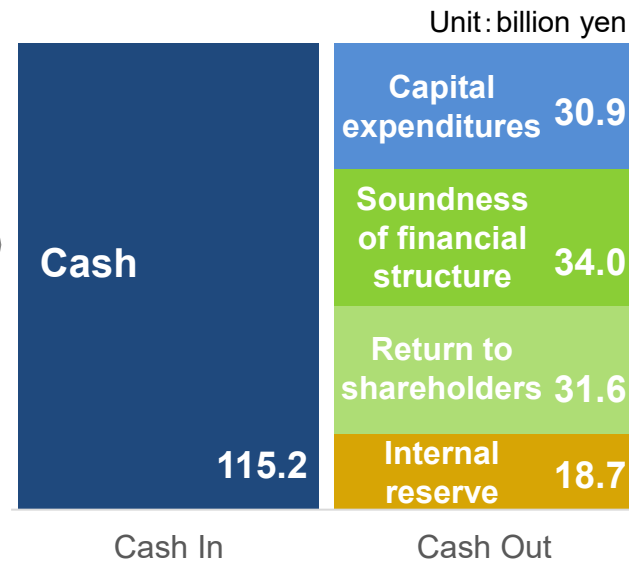
# Financial Strategy – Capital Allocation Policy –

- Overall cash flow is expected to progress largely in line with the medium-term management plan.
- Against the backdrop of improvements in the equity ratio, the Company will enhance shareholder returns while prioritizing investment in growth areas and maintaining financial soundness.
- To achieve early improvement in financial soundness, the reduction of interest-bearing debt will be accelerated compared with the initial plan.
- Capital will be allocated to structural reforms to strengthen profitability through the selection and concentration of business operations.

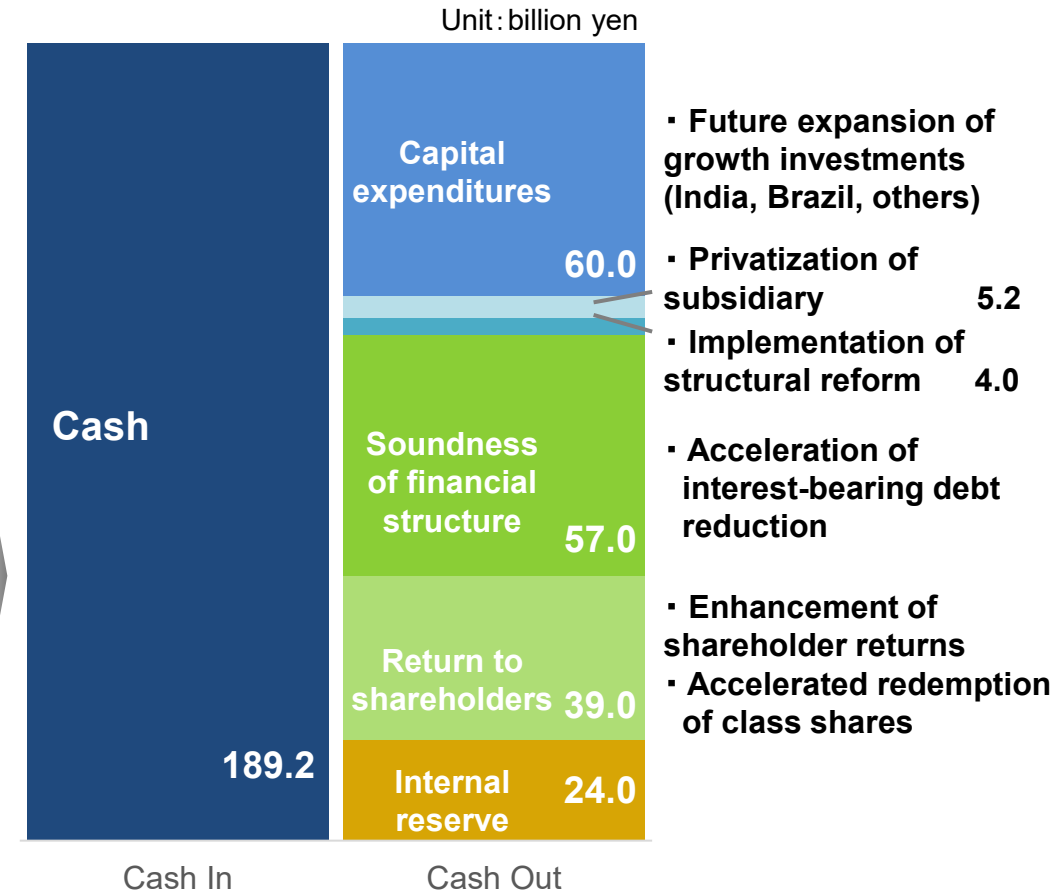
**Five-year cumulative (planned)**



**Three-year cumulative (actual)**

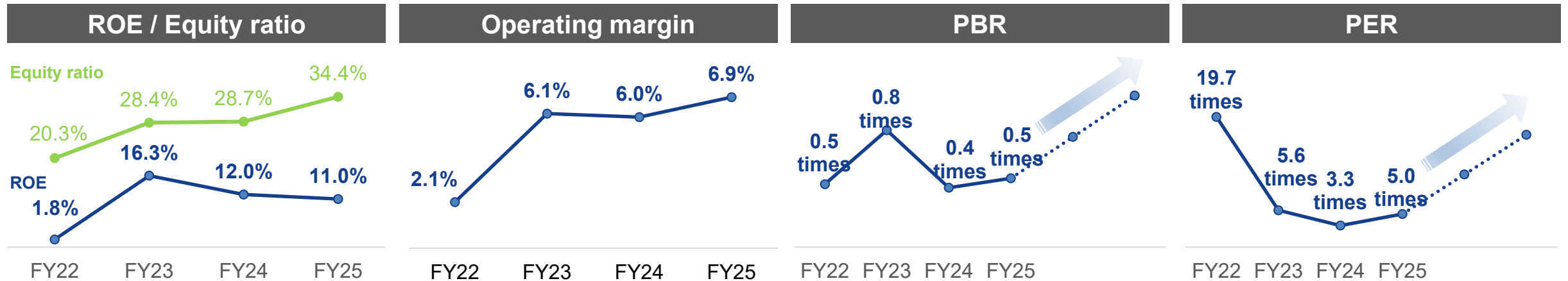


**Five-year cumulative (forecast)**

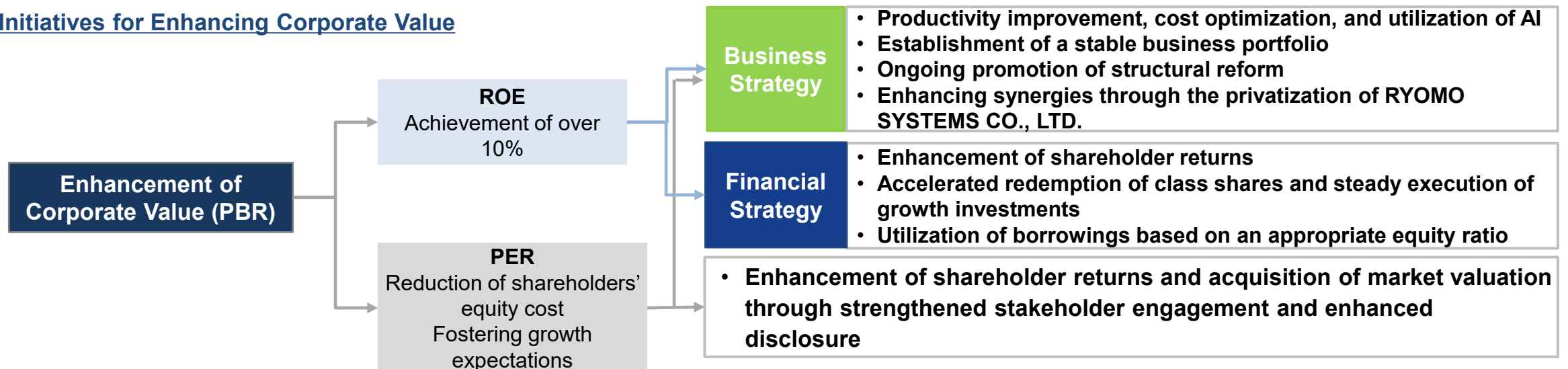


- While capital efficiency (ROE) has remained solid, challenges remain in market valuation (PER), and further efforts are required to drive improvement.
- The Company aims to improve PBR through a dual approach of sustainably enhancing ROE by advancing its business and financial strategies, and strengthening initiatives to improve PER.

## Current Situation Analysis



## Initiatives for Enhancing Corporate Value





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