



May 15, 2026

To Shareholders,

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Notice Regarding Partial Redemption of Class D Shares

MITSUBA Corporation announces that the Company has decided to implement a partial redemption of the Class D shares issued in June 2024, as outlined below.

Description

1. Background of the Partial Redemption

As timely disclosed on May 10, 2024, the Company issued Class D shares worth 10 billion yen in order to promptly stabilize its financial structure and secure funds for growth investment as a part of its capital policy to achieve MITSUBA VISION 2030.

Since then, profitability improvement measures and structural reforms based on the Medium-Term Management Plan have progressed beyond initial expectations, resulting in financial performance exceeding the original plan, including an improved shareholders' equity ratio and the generation of stable cash flows.

In light of this steady progress under the Medium-Term Management Plan, the Company has decided to revise the initially planned redemption method and implement partial redemptions on an earlier and phased basis, with the aim of further enhancing capital efficiency and strengthening financial discipline.

2. Details of the Partial Redemption

(1) Class shares subject to redemption	Class D shares
(2) Total issue amount	10 billion yen
(3) Allottees	Development Bank of Japan Inc. and The Bank of Yokohama, Ltd. (5 billion yen each)
(4) Total redemption amount	10 billion yen
(5) Method and Timing	Partial redemptions of at least 2.5 billion yen per fiscal year from fiscal year 2026 onward, with the aim of early redemption

3. Future Outlook

The impact of this matter on the Company's business performance is expected to be minor at this point in time; however, it is expected to contribute to further strengthening the Company's financial structure.

The Company will continue to pursue both growth investments and financial soundness in order to achieve its Medium-Term Management Plan and MITSUBA VISION 2030.



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

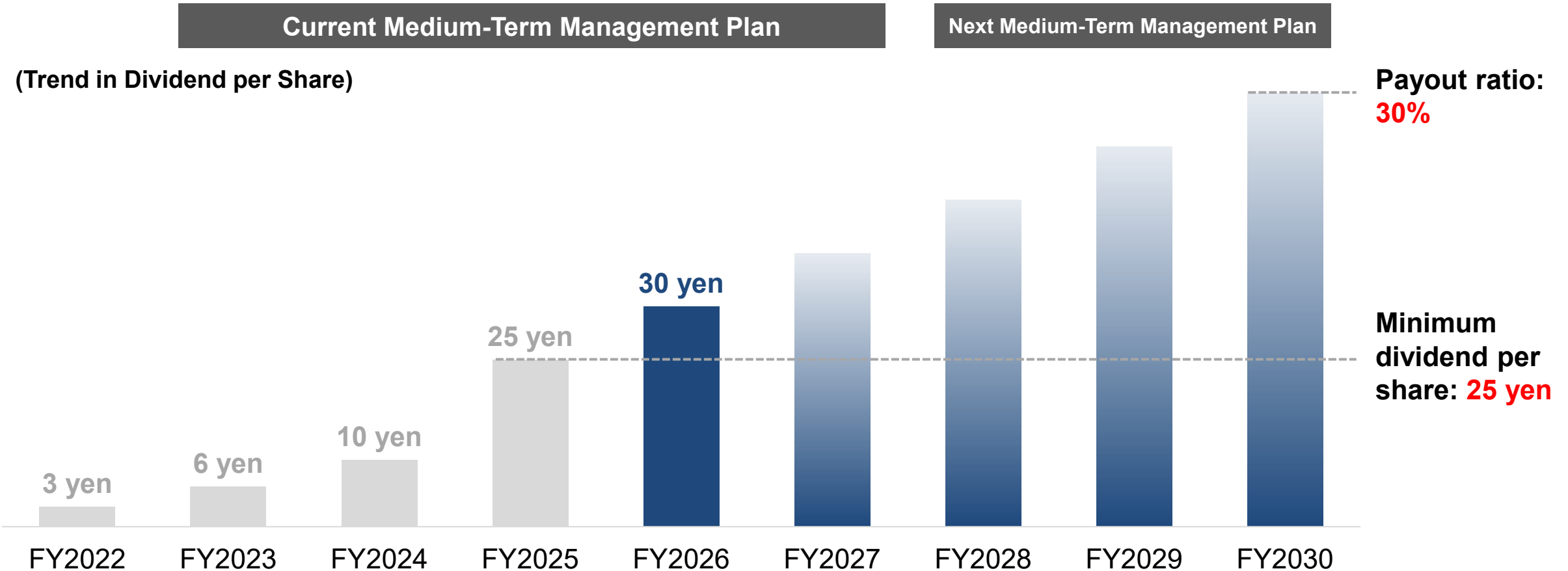
Progress in the Medium-Term Management Plan

- 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

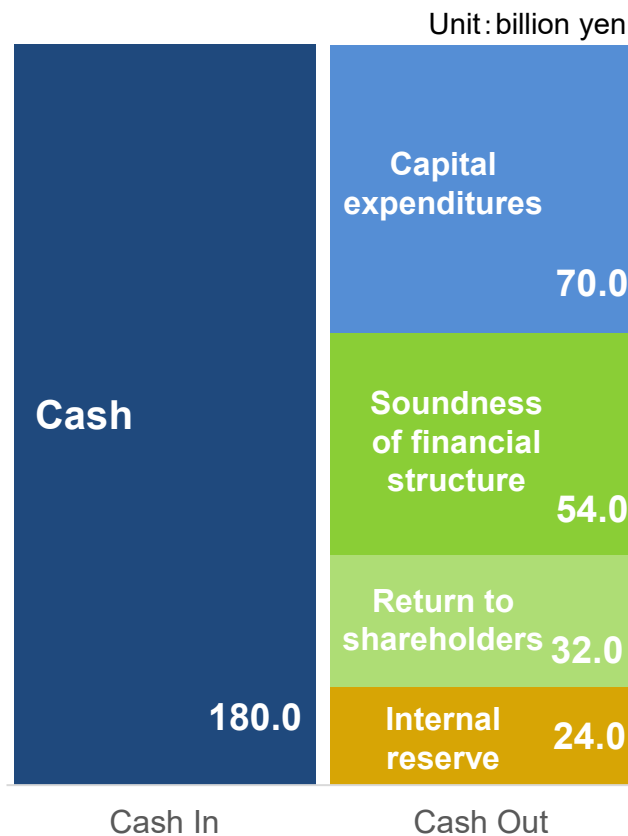
Future Redemption Policy

- 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

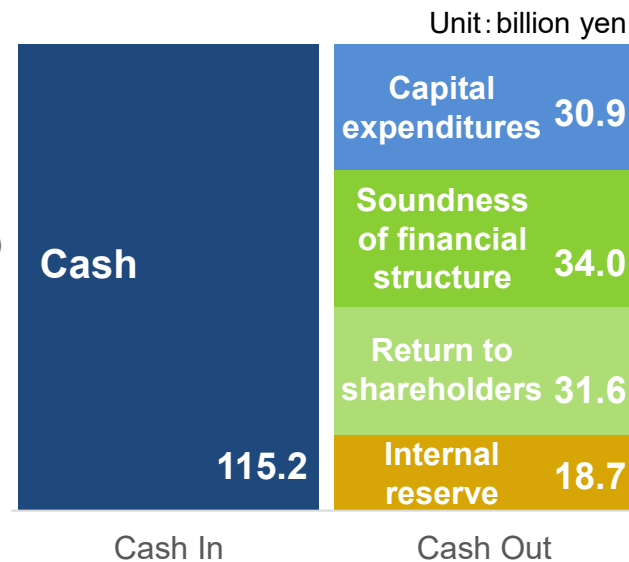
Financial Strategy – Capital Allocation Policy –

- 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.

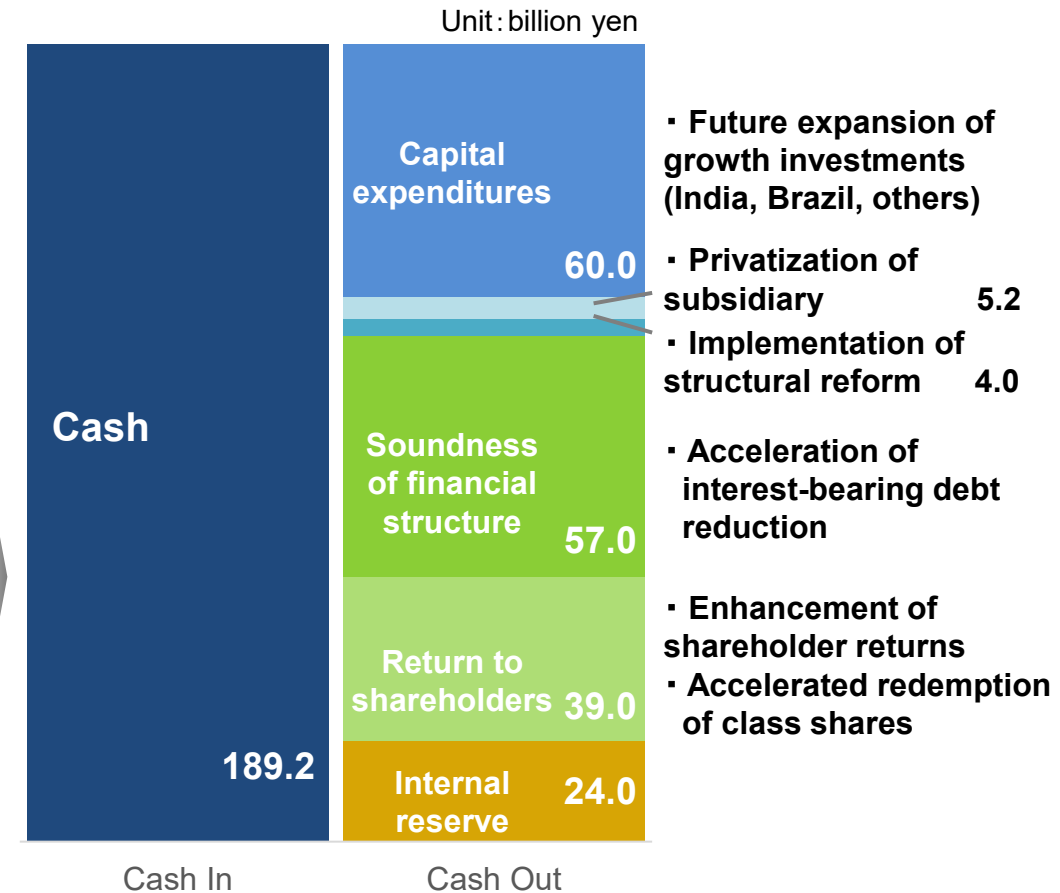
Five-year cumulative (planned)



Three-year cumulative (actual)

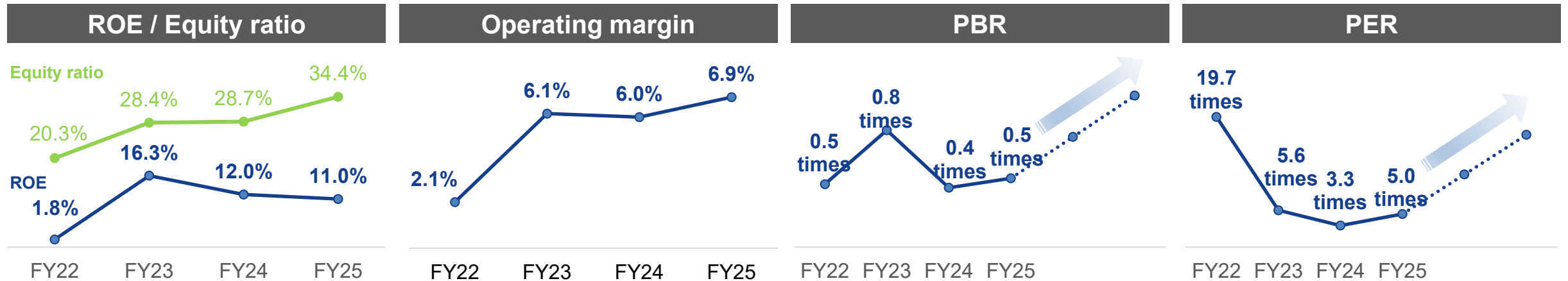


Five-year cumulative (forecast)

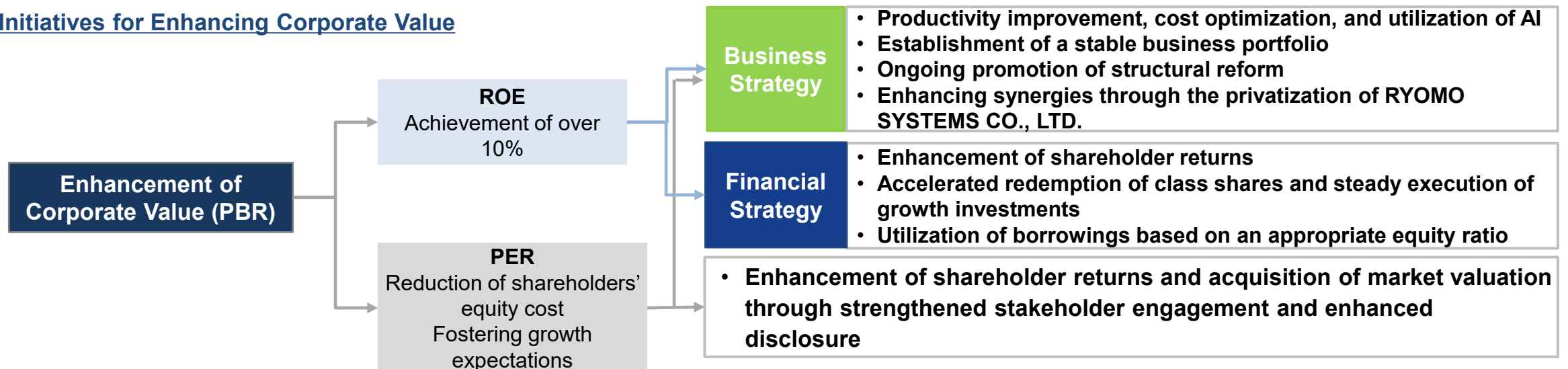


- While capital efficiency (ROE) has remained solid, challenges remain in market valuation (PER), and further efforts are required to drive improvement.
- The Company aims to improve PBR through a dual approach of sustainably enhancing ROE by advancing its business and financial strategies, and strengthening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

Current Situation Analysis



Initiatives for Enhancing Corporate Value





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