

MIKUNI INTEGRATED REPORT 2025

Creating products and services that satisfy our customers,
preserving a safe society,
and opening up the future of a prosperous society.



If you have any comments or questions regarding this report, please contact us using the information below.



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<https://www.mikuni.co.jp/en/esg/report/>

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Value Creation

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Editorial note

The purpose of this report is to introduce the Mikuni Group's medium- to long-term initiatives to create value from both financial and non-financial (environmental, social, governance, etc.) perspectives and to promote understanding among stakeholders.

In editing, we refer to various guidelines, mainly the International Integrated Reporting Framework recommended by the IFRS Foundation.

In the 2025 edition, in addition to the results for fiscal 2024, we introduce in more detail our initiatives to realize our long-term vision.

We position this report as an important tool to deepen our communication with you. We appreciate your candid opinions and feedback.

Reporting scope and boundaries

Mikuni Corporation and Mikuni Group

Reporting period

April 1, 2024 - March 31, 2025
(Part of the report includes information from April 1, 2025 onwards.)

Publication

Current issue: October 2025

Guidelines used as reference

This report uses the following guidelines as a reference.

- Ministry of the Environment (Japan): Environmental Reporting Guidelines (2018 Edition)
- Global Reporting Initiative (GRI): Sustainability Reporting Standards
- Japan Auto Parts Industries Association: CSR Guidebook (2010)
- International Integrated Reporting Framework recommended by the IFRS Foundation
- Ministry of Economy, Trade and Industry's "Guidance for Collaborative Value Creation," and others

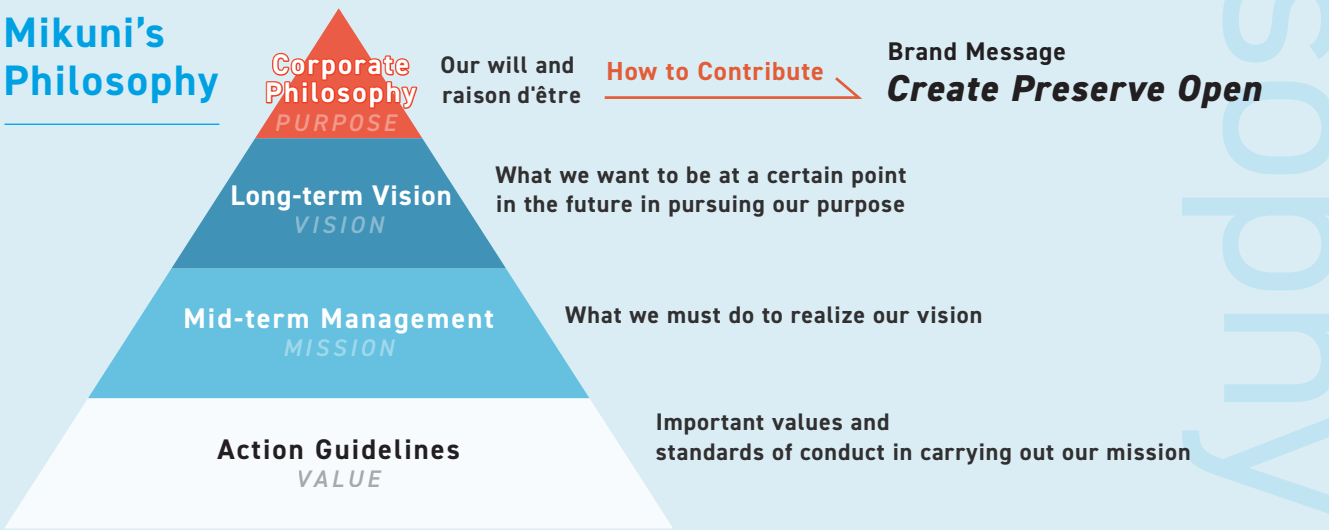
Notes on Forward-Looking Statements

This report contains strategies and plans for the future of the Company and the Group, as well as forecasts based on them. These statements are based on information available at the time of preparation of this report, but actual results may differ due to future changes in the business environment, uncertainties risks and other factors. We kindly ask for your understanding in this regard.

CORPORATE PHILOSOPHY AND BRAND MESSAGE

Corporate Philosophy

With a global perspective, Mikuni will contribute to the realization of a prosperous society by making full use of our human resources and technology.



Brand Message

We have put our vision and thoughts for the next 100 years into our new brand message. This is a promise from Mikuni to society, including our stakeholders, that shows concrete ways to contribute to the realization of a prosperous society.

Create

"Monozukuri" forms our foundation. With our own innovative technology supported by tradition and skill of craftsmen, let us create products and services that satisfy our customers.

Preserve

Let us ensure quality by strictly complying with laws while giving consideration to the environment so that all people can use our products safely and with peace of mind. Let us preserve diverse personalities and lifestyles so that various employees can work with smiles.

Open

Let us have dreams and make efforts to change ourselves and open up new possibilities, trends, and worlds with our own hands. And let us open up an prosperous society.

1 Monozukuri is a Japanese term to describe the process of creating superior products through the pride of workmanship, manufacturing excellence, and continuous improvement.

Action Guidelines

Revised in April 2024



The Action Guidelines are something that all of us in the Mikuni Group look back on when we think, make decisions, and take action in our work. In other words, they are the "Yardsticks" for us.

Earn Properly / Proceed Smartly / Respond Swiftly / Enjoy the Challenges

— making dreams an exciting reality

MESSAGE FROM TOP MANAGEMENT

Mikuni Has Steadily Started Working toward Realizing VISION 2033, Creating Value by Utilizing the Company's Characteristics

Mikuni Corporation
President, CEO& COO

生田久貴



— First, please tell us what Mikuni wants to achieve.

“Contributing to the Realization of a Prosperous Society” Is the Reason for Our Existence

Mikuni's ultimate goal is to realize its corporate philosophy: “With a global perspective, Mikuni will contribute to the realization of a prosperous society by making full use of our human resources and technology.” And how we contribute is included in our brand message: “Create Preserve Open.” To unravel the history, since our founding in 1923, we have been “creating” products and services related to safety and security, “preserving” people's lives through these services, and “opening up” the times by contributing to the development of motorization and mobility. The carburetor, which was once said to be synonymous with the Company, is perhaps a typical example of this. Even as times change, we will continue to “Create Preserve Open.” Contributing to the creation of a prosperous society by “creating” new value unique to Mikuni, “preserving” reliable relationships of trust with our stakeholders, including business partners and shareholders, and “opening up” a future in which we can develop together. We believe our reason for our existence is to make this happen. To achieve this goal, we are developing our long-term management vision for the next 10 years and our four-year mid-term management plan, which we are implementing, by reviewing every two years.

— I see. What is the long-term management vision for realizing the corporate philosophy, and what are the goals and strategies for achieving them?

VISION 2033, a Long-term Management Vision That Looks 10 Years into the Future Toward Value Creation That Leverages the Company's Characteristics

In VISION 2033, our long-term management vision with fiscal 2033 as the final year, we aim to become a company trusted by our stakeholders and entrusted with peace of mind. We will enhance the value of our existence by increasing the trust of our stakeholders, including our business partners, shareholders, employees, and local communities, and by making them think that Mikuni always finds a way.

There are two main pillars on which we are working to make this a reality. The first is “strengthening competitiveness by utilizing the Company's characteristics.” Our characteristics are independent and medium-sized. Against this backdrop, the Company has developed a broad customer base, diverse business portfolio, agile responsiveness and strong adaptability to change. In addition, in our main mobility business, our strengths lie in the reliability built on our many years of global experience in producing fuel injection-related and other important safety components, and the production technology that has supported them.

Leveraging these strengths, we will build a framework capable of responding swiftly and flexibly to changes in the business environment, aiming to transform into a structure that can secure profits without relying on volume. Specifically, we will establish a high-mix, low-volume production system and strive to shorten all lead times, thereby enhancing competitiveness across the entire manufacturing process from development to sales. In this era where change and uncertainty have become the norm and needs continue to diversify, we believe it is essential to establish a system that combines the ability to respond swiftly to change with the capacity to provide meticulous responses to diverse needs.

Furthermore, in enhancing competitiveness, we will firmly recognize our strengths as “value,” further elevate that value, and secure appropriate compensation to improve our “earning power.” This applies not only to manufacturing but to every industry: it is often the case that within the routine tasks performed daily, there lies hidden strength and value that competitors lack. That is why it is important not to overlook your company's activities as “just the norm,” but to consciously recognize them as valuable. Of course, it is essential to avoid overestimating our own strengths and maintain a level-headed approach to assessing them. However, we believe that correctly understanding our own value and leveraging it effectively is what leads to strengthening our competitiveness.

The second pillar is “Challenging Growth Areas.” In our core mobility business, the entire industry is undergoing a major transformation, symbolized by advances in electric vehicles and autonomous driving technology. Furthermore, regarding the industry-wide challenge of achieving carbon neutrality, there is no single path forward; various options exist. While it is difficult to address every possible scenario, “thermal management” is a critical factor common to many options. Against this backdrop, we have positioned thermal management as a growth area and are focusing our efforts on mastering the technology. In addition, we will intensify our focus on model-based development (Note 1), which we have been pursuing since 2015. By elevating our digital development capabilities to the industry's top level, we aim to contribute to solving customer challenges by playing a part in customer development functions, while also creating new sales opportunities.

(Note 1) A development methodology that models the development target on a computer and uses simulations based on that model to advance design and verification in parallel.

— So, How has the mid-term management plan progressed since its formulation a year ago? Could you share the key achievements to date?

Steady Progress in the First Year of the Mid-Term Management Plan for Fiscal 2024 Two Achievements in the Thermal Management Field

For fiscal 2024, while we saw increased sales but decreased profit, we assess that we made steady progress toward our envisioned future. In thermal management, which we position as a growth area, we achieved two key results, primarily through collaboration with Suzuki Motor Corporation.

The first initiative involves the partial entrustment of advanced development work related to thermal management for electric vehicles. Suzuki Motor Corporation installed test equipment within the facilities at our Odawara Operation, and our engineers handle the work. This development outsourcing represents a major step toward achieving the goal outlined in VISION 2033 of taking on a portion of our customer's development functions. In mid-September of this year, we held a joint equipment start-up ceremony with Suzuki Motor Corporation.

The other one entails our participation in the development and production of a BEV (Note 2) light truck for demonstration experiments. This vehicle will be used in demonstration experiments conducted by Suzuki Motor Corporation for users engaged in agriculture. Mikuni primarily contributed by optimizing the temperature management of the drive battery based on model-based development analysis and by constructing the battery management system. Thermal management is a critical control technology that affects battery life and the driving range of electric vehicles.

(Note 2) Battery-powered electric vehicles

We view these two achievements as recognition of the track record and expertise we have built up over the years.



Formulation of the 10-Year Master Plan: “Comprehensive Product Strategy”

Additionally, we launched a limited-term “Integrated Product Planning Project” to develop products that will generate long-term profits with a 10-year outlook. Then, in April of this year, we reorganized this project team and formally established it as a dedicated department. Based on the content planned for the project, we plan to formulate a “Comprehensive Product Strategy” by the end of fiscal 2025 as a master plan for the next 10 years to realize “Mikuni’s unique business model.”

The key points of the “Comprehensive Product Strategy” are twofold. First, development, sales, and production/procurement collaborate closely. Second, management and employees work together as one, refining the plan through repeated discussions. This will enable each individual to fully embrace their role, paving the way for transition into the implementation phase starting in fiscal 2026. Through a cross-departmental plan involving all members, we will pursue overall optimization to maximize value across the entire Group.

— On the other hand, what about the things that didn’t progress as planned, the remaining challenges, and the reasons for them? Also, how do you plan to address these going forward?

Ongoing Challenges Include Cash Flow Management, China Operations, and Gas Techno Business

There are three key priorities that we will continue to focus on in fiscal 2025 and beyond.

First is the promotion of cash flow management. Due to increased inventory in both our Mobility and Trading businesses, consolidated free cash flow was negative for three consecutive years through fiscal 2024, and interest-bearing debt also increased by approximately 4 billion yen over the past three years. The Trading business is performing particularly well in aircraft parts. The increasing inventory is essentially tied to specific orders,

resulting in low inventory risk and a stable profit-generating nature. On the other hand, the inventory in the Mobility business has a different nature. Therefore, we are currently promoting an inventory reduction project across the entire Group. We are conducting a comprehensive inventory check to thoroughly identify where and how much stock exists across our factories and logistics network. After clarifying structural issues, we will proceed with fundamental reforms to our production and procurement systems.

The second is the restructuring and rebuilding of our China operations. In 2024, we closed the Mikuni Chengdu facility and transferred its production functions to Mikuni Zhejiang. However, judging from the local situation, we believe we are still only halfway there. The Mobility and Gas Techno businesses operating there are facing a challenging situation due to intensifying price competition in the four-wheeled vehicle market and the prolonged real estate downturn. The likelihood of a short-term improvement in this business environment is low, and it is necessary to restructure the business framework based on the current situation.

Third, also related to our China operations, is turning the Gas Techno business, which has been operating at a loss, into a profitable venture. Currently, both in China and within Japan, we are pursuing every possible measure to achieve profitability, including internal improvements and appropriate pricing adjustments. While our business performance continues to face challenges, the Gas Techno business plays a vital role in “protecting lives and livelihoods.” It is a meaningful endeavor that aligns with our corporate philosophy of “contributing to the creation of a prosperous society.” In the long term, we anticipate that the expansion of natural gas adoption in emerging markets will create new business opportunities. We also expect to generate new demand in countries like Indonesia and India, where we are developing the Mobility business. To ensure the continued growth of the Gas Techno business, we will make every effort to achieve profitability.

— How is progress going on initiatives beyond business operations, such as decarbonization and human capital management?

Promoting Decarbonization in Collaboration with Local Communities

Efforts toward the early realization of carbon neutrality are steadily progressing. If this momentum continues, we expect to achieve the quantitative targets set in VISION 2033 ahead of schedule. In addition to energy conservation, we are also focusing on energy generation through solar power. As of the end of fiscal 2023, we had solar panels installed at six locations. In fiscal 2024, the Morioka Operation was added, bringing the total to seven locations. Furthermore, installation at the Odawara Operation, our development hub, is planned for fiscal 2025.

Decarbonization is a critical challenge for local communities as well, and we are advancing our efforts in collaboration with them. One example is establishing cooperative frameworks with regional power companies regarding surplus electricity generated through energy creation. Additionally, as part of activities to deepen collaboration with local communities, we may also hold key positions within regional economic organizations and other community groups. The Company has consistently upheld “coexistence with the local community” as a core management theme. Through close communication with the communities where we operate, we share local challenges and reaffirm the role we must play. Moving forward, we will actively contribute to solving regional issues, extending beyond the realm of decarbonization.

Certified as a “White 500” Enterprise among Outstanding Organization of ‘KENKO Investment for Health (investment for health and productivity management)’ for the First Time, Promoting Employee Growth and Organizational Transformation through Human Resource Development

As a key pillar of the human capital management, our health management initiatives earned us recognition this March as a “White 500” enterprise among “2025 Outstanding Organization of ‘KENKO Investment for Health (investment for health and productivity management)’ (Large Enterprise Category)” (jointly selected by the Ministry of Economy, Trade and Industry of Japan and Nippon Kenko Kaigi (Japan Health Council), an NPO). This marks our sixth consecutive year of certification as a Certified Health and Productivity Management Outstanding Organization, and this time the Company was selected for the “White 500” for the first time, which recognizes the top 500 companies. Certification is not a goal, but rather an objective indicator of the level of our health management activities. This achievement provides significant

momentum for raising internal awareness and accelerating initiatives. Moving forward, we will further expand data-driven issue analysis and initiative implementation through our “Collabo-health” efforts in partnership with a health insurance association.

Furthermore, in recent years, we have placed particular emphasis on human resource development. We aim for each employee not only to fulfill their role, but also to broaden their perspective, identify challenges independently, and take proactive action. As part of our human resource development initiatives, we have launched a company-wide project bringing together employees from various departments who will lead the next generation. This project focuses on exploring transformative proposals and solutions to challenges for the future. Additionally, we have established an internal university where executives serve as instructors. Some of the proposals generated through these activities have already been put into practice with the support of management. As a supplement, ideas generated from project activities are also reflected in VISION 2033 and the “Comprehensive Product Strategy.” This human resource development initiative was made possible precisely because we are a mid-sized company with a flexible organizational structure. We will continue to focus on human resource development, promoting both employee growth and organizational transformation.

— Finally, please share a message for stakeholders.

To Our Stakeholders

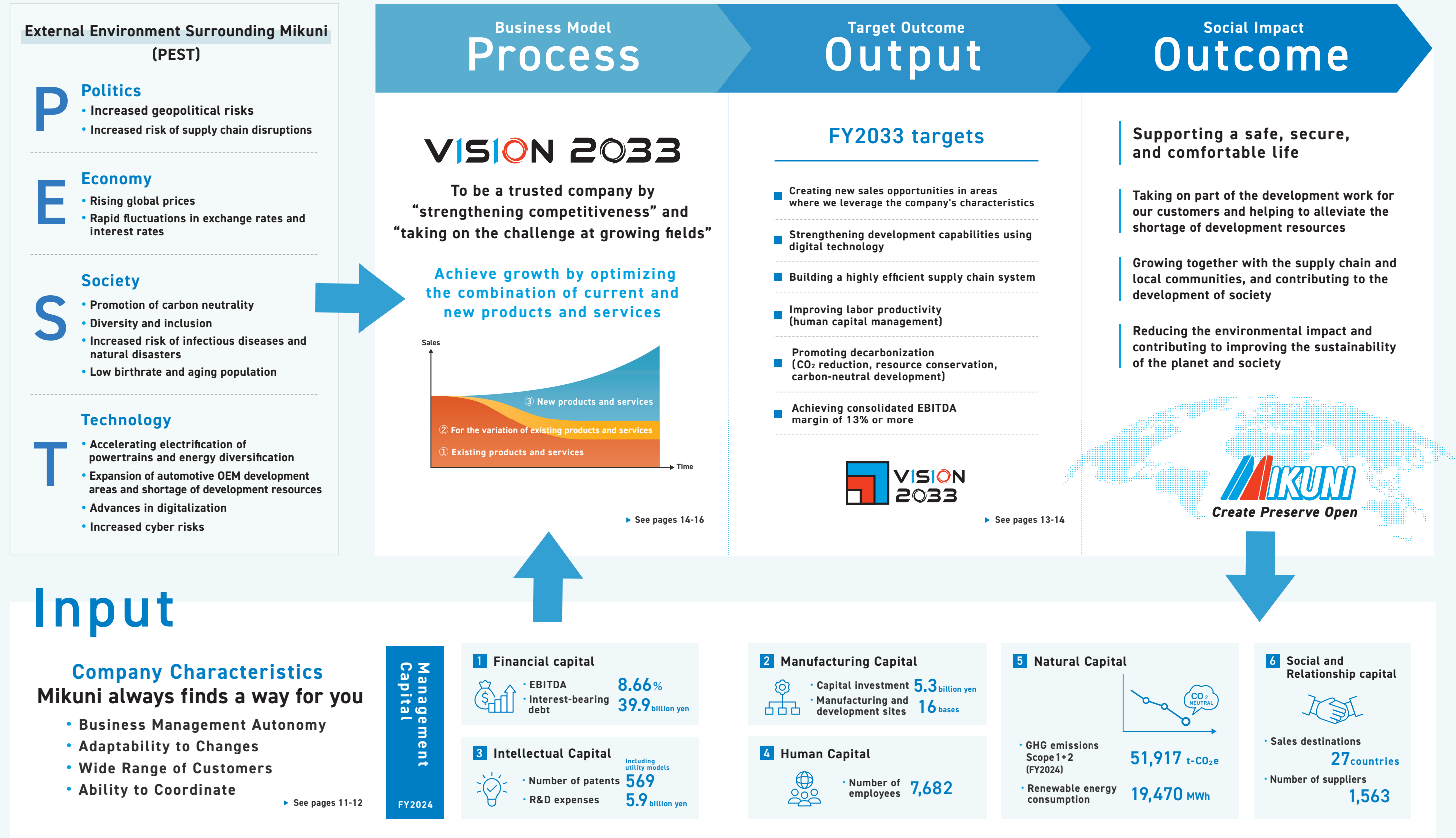
The Company took a steady step forward in fiscal 2024 toward realizing VISION 2033. While challenges remain, we will address each one reliably and strive for further progress. We plan to formulate the “Comprehensive Product Strategy” by the end of fiscal 2025 to serve as our roadmap. This will outline a more concrete story, leveraging Mikuni’s strengths and competitive advantages to create value while maximizing the use of our management resources. Even in an era where uncertainty and change have become the norm, Mikuni will continue to transform without pause. We sincerely ask our stakeholders to anticipate our growth and to continue their steadfast support.



VALUE CREATION STORY

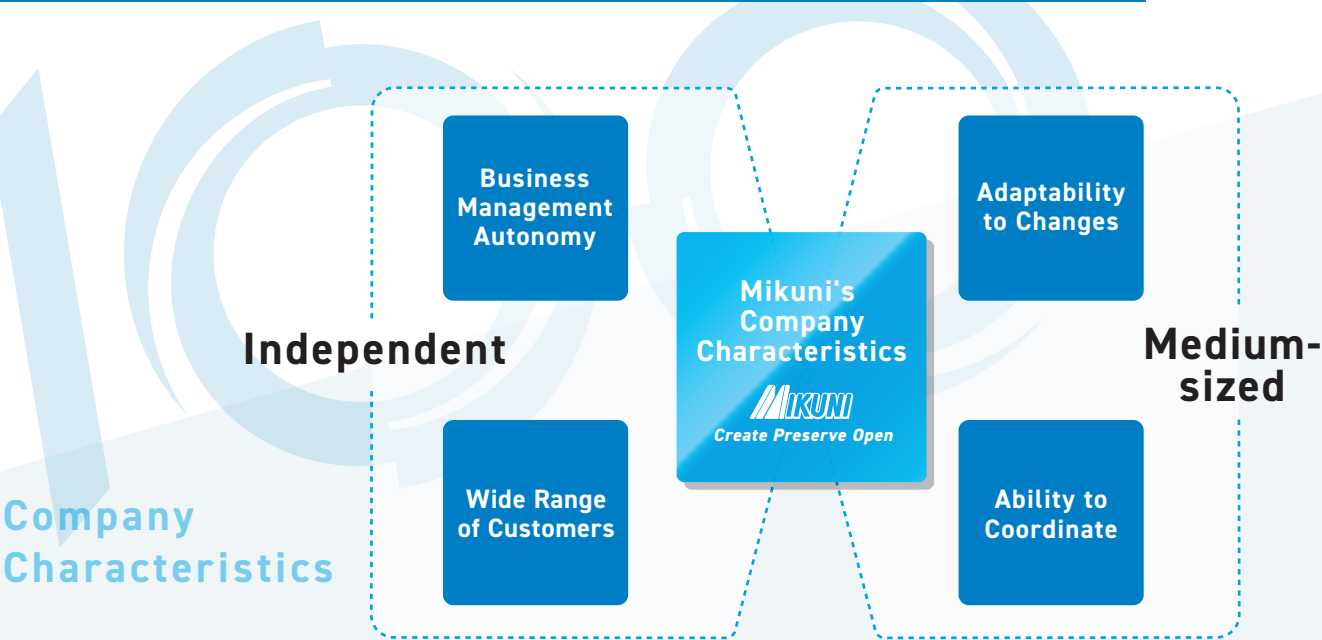
Corporate Philosophy

With a global perspective, Mikuni will contribute to the realization of an prosperous society by making full use of our human resources and technology.



COMPANY CHARACTERISTICS

Mikuni will leverage the strengths of the characteristics cultivated as a company over the past 100 years to enhance its management capital.



Characteristics as an Independent, Medium-sized Company

■ Business Management Autonomy

As an independent company, we have built up a history of 100 years by taking advantage of the strength of our high degree of management flexibility. Taking advantage of the flexibility that comes with being an independent company, we aim to continue growing while keeping in mind the spirit of our founding, “finding, developing, and nurturing promising products with future potential.”

■ Adaptability to Changes

Taking advantage of the mobility and flexibility that comes with being a medium-sized company, we have been able to adapt to changes in the times and technology and meet our customers’ needs. In today’s world, which is often referred to as the VUCA era, the ability to respond quickly to changes is becoming increasingly important. We will continue to hone this ability and meet the expectations of our stakeholders.

■ Wide Range of Customers

Taking advantage of the agility that comes with being an independent company, we are doing business with a wide variety of customers globally. In addition, since we are both a manufacturing and trading company, our clients span a wide range of industries, including the automotive industry (four-wheeled vehicles, two-wheeled vehicles, etc.), agricultural and industrial equipment, gas equipment, aircraft parts, golf course turf management, and nursing care and welfare equipment.

■ Ability to Coordinate

Carburetors, which were our main product, required technique of extremely delicate adjustment to fit them with engines. As a carburetor manufacturer, Mikuni has accumulated technology and know-how through many years of experience, which we have passed down. We will utilize our “ability to make adjustments” to meet our customers’ requests and also work to solve our own problems.

With the above characteristics,

Mikuni always finds a way to solve customers’ problems in promoting the business.

MANAGEMENT CAPITAL

INPUT

1 Financial Capital	<ul style="list-style-type: none">• Total assets 109.9 billion yen• Interest-bearing debt 39.9 billion yen• EBITDA 8.66%• Shareholder’s equity ratio 34.5% <p>With maintaining a sound financial base as a key issue, we are working to optimize assets, improve profit margins, and increase shareholder’s equity ratio. Additionally, we are optimizing the allocation of management resources, including by focusing on investments on growing fields and our specialty fields.</p>
2 Manufacturing Capital	<ul style="list-style-type: none">• Capital investment 5.3 billion yen• Number of manufacturing and development bases Japan 6 sites• Tangible fixed assets 37.5 billion yen• Overseas 10 bases in 6 countries <p>We are currently building a highly efficient production system that can respond to diverse needs and changes in the business environment. We will increase our manufacturing competitiveness by utilizing flexible production lines that enable efficient high-mix, low-volume production, as well as connected factories and digital tools.</p>
3 Intellectual Capital	<ul style="list-style-type: none">• Number of patents 569 <small>Including utility models</small>• R&D expenses 5.9 billion yen <p>We have positioned our development capabilities as a source of competitiveness and are actively investing in research and development. We are working to strengthen our digital development capabilities and shorten development lead times.</p>
4 Human Capital	<ul style="list-style-type: none">• Number of employees 7,682 Japan 2,358 Overseas 5,324 <p>Based on our “human capital management model,” we are working to strengthen our workforce and productivity. We have positioned the promotion of health and productivity management as a key part of our human capital management and are implementing various measures.</p>
5 Natural Capital	<ul style="list-style-type: none">• GHG emissions 51,917 t-CO₂e Scope1+2 (FY2024)• Renewable energy 19,470 MWh consumption (FY2024) <p>We promote business activities that take into consideration the global environment, including climate change. We are expanding our use of renewable energy sources, including solar power generation.</p>
6 Social and Relationship capital	<ul style="list-style-type: none">• Sales destinations 27• Number of suppliers 1,563 <p>Mikuni operates globally and is supported by relationships with a diverse range of stakeholders. We will continue to communicate with our stakeholders to accurately understand their needs, thereby strengthening our engagement.</p>

First Step towards
the Next 100 Years

“Strengthening Competitiveness” and
“Taking on the Challenge at Growing Fields Where
We Can Utilize the Company Characteristics”

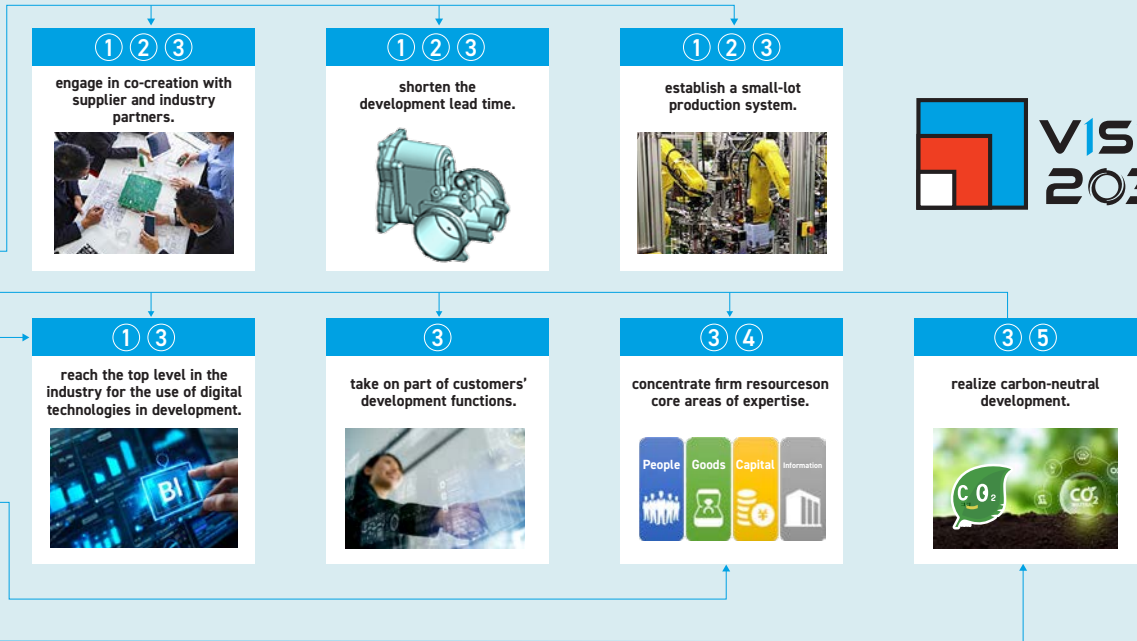
VISION 2033

To develop our business by taking advantage of Mikuni’s company characteristics and organizational capabilities, and become a company that is trusted by all stakeholders, including business partners, the local community, shareholders, and employees, and that can be trusted with confidence

- ☑ Create a system (process and organization) that can quickly respond to changes.
- ☑ Ensure profitability through high-mix, low-volume production.
- ☑ Increase profitable businesses by targeting markets (existing businesses/growing businesses) where the value that Mikuni provides can be compensated for.
- ☑ Improve the work environment and job satisfaction of employees and increase labor productivity through “investment in people.”
- ☑ Reduce CO2 emissions by 50% by 2030 to achieve carbon neutrality by FY2050.

- ▶ ① Create a system that utilizes the company characteristics.
- ▶ ② Create a system that does not require production of large quantities.
- ▶ ③ Make profits utilizing our specialty fields.
- ▶ ④ Increase employees’ motivation to work.
- ▶ ⑤ Contribute to the sustainability of the planet and society.

By FY2033,
we will

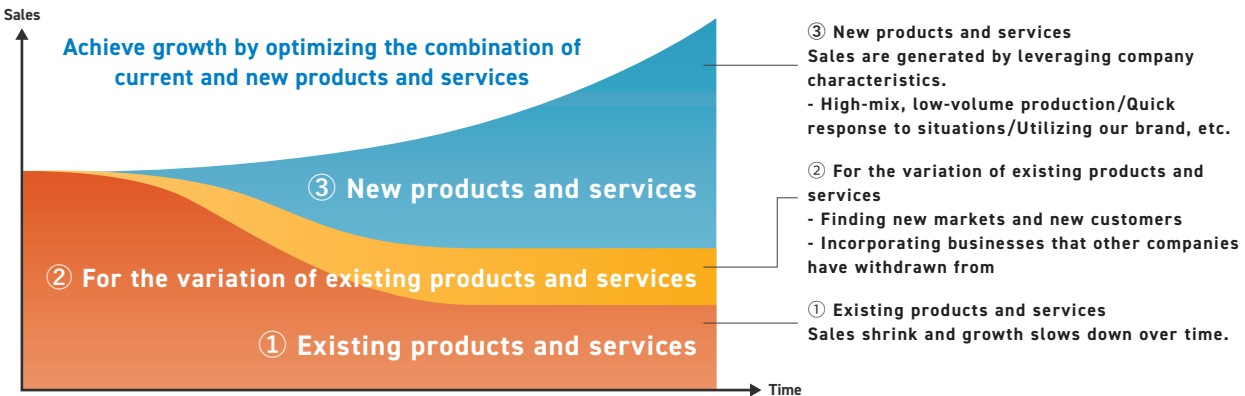


- Achieve consolidated EBITDA margin of **13%** or more in FY2033.
- Share the fruits of realizing our vision and aim to achieve the highest wage levels in the industry in all group companies.

Quantitative
Targets

FY2027	EBITDA margin of 10% or more
FY2033	EBITDA margin of 13% or more

■ Product Mix Strategy for Growth



☑ Based on this strategy, individual businesses will build an optimal product portfolio. ▶▶▶

LONG-TERM MANAGEMENT VISION

- BUSINESS STRATEGIES -

Realize Growth through New Products and Services by Leveraging the Company Characteristics

- ①

Existing products and services
- ②

For the variation of existing products and services
- ③

New products and services

Mobility



We aim to be a company that resolves customers' problems with products and services that only Mikuni can provide, and that customers feel happy to entrust their services to Mikuni. We are working to respond to the demand for EVs, with the goal of increasing sales for EVs* to more than 70% of our sales for automobile products by FY2030.
(*Including hybrid vehicles and plug-in hybrid vehicles)

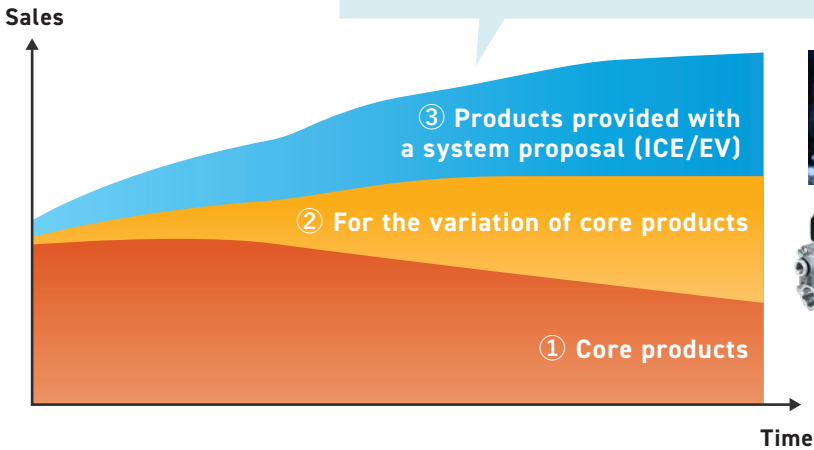
- Long-term strategy

•

Creating sales opportunities by strengthening development functions

•

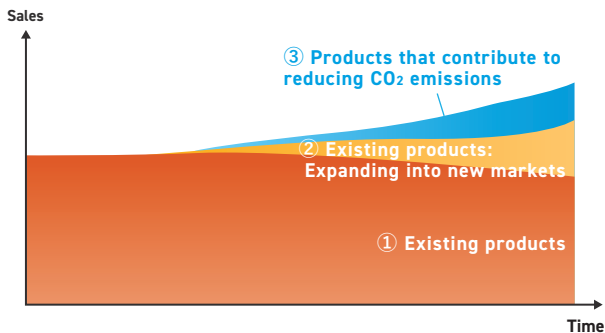
Achieving growth in the thermal management field



Gas Techno



We aim to protect the world's safety and environment by utilizing the fluid control technology we have cultivated over many years, and to create a comfortable society.
We will contribute to the realization of carbon neutrality by making full use of core technologies including hydrogen co-firing.

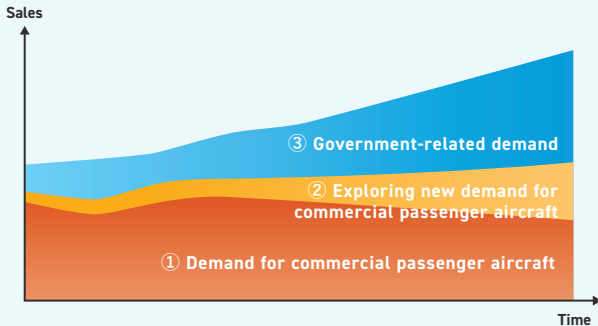


VISION 2033

Aerospace (Trading Company)



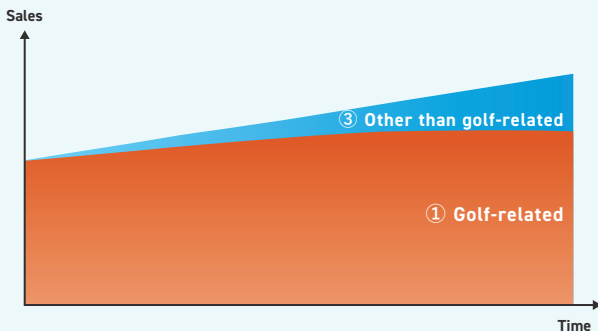
We aim to build a solid business foundation and achieve sustainable growth by increasing our value as a trading company through our existing services centered on commercial passenger aircraft, and by expanding sales opportunities through services for government agencies.



Turf-care Equipment (Trading Company)



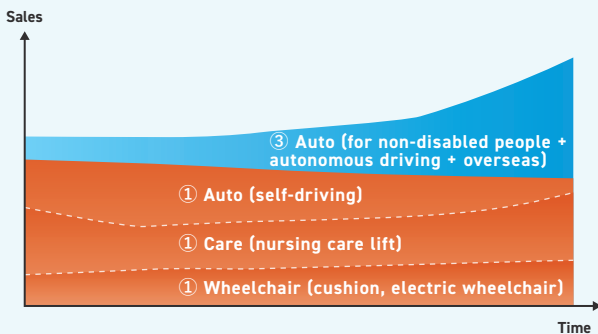
We will not only import and sell turf-care equipment for golf courses, but also increase the value of our presence as a company that can provide one-stop solutions for turf care, sports facilities, and landscape greening, and contribute to creating a rich social environment.



Welfare Equipment and Services



With the slogan "Providing freedom of movement and transfer for all," we aim to remain an indispensable company in society and to be the company that people with disabilities most want to work for.



Formulation of the Technology Strategy

Based on the Comprehensive Product Strategy

We have formulated the “Comprehensive Product Strategy” to realize VISION 2033 and are promoting initiatives across the company. The R&D, production, procurement, and sales divisions will work together to integrate elemental technologies from a medium- to long-term perspective, including external parties, and respond flexibly and quickly to the rapidly changing market environment. At its core, the Group has positioned its “technology strategy to flexibly control thermal energy,” aiming to achieve growth through incremental steps.

Reflecting on the formulation of VISION 2033

In 2023, Mikuni celebrated its 100th anniversary, and as the first step toward the next 100 years, the Company launched a new long-term vision, VISION 2033, which calls for the Company to “become a company trusted by all stakeholders and relied on with confidence, by strengthening our competitiveness and pursuing growth opportunities that leverage our company’s characteristics.” Specifically, the growth strategy combines the five pillars we will realize by 2033 with business development that takes advantage of our company characteristics.

VISION 2033 is a mid-term management plan that charts a course for growth even amid an uncertain business environment.

Background to the formulation of the Comprehensive Product Strategy

The “Comprehensive Product Strategy” was born from the ideas of our mid-career and younger employees—the generation responsible for VISION 2033. Realizing the vision set out in VISION 2033 by planning products collectively based on a new medium- to long-term strategy. That passion of mid-career and younger employees drove management. This idea was turned into a project, and a series of discussions led to a significant development of the path that the Company will follow in the next 10 years. Throughout this process, many employees and executives have participated in discussions, moving back and forth between the past and the future, allowing various ideas to develop, and ultimately converging on a single direction.

Why we created the “Comprehensive Product Strategy” (Master Plan) at this point

Achieving VISION 2033 in the era of uncertainty requires flexible strategies and faster decision making and action than ever before. This requires not only a strategy, but also a master plan for overall optimization, speed, and flexibility. As a common yardstick, the master plan involves company-wide discussions to change daily mindsets and actions. Furthermore, just as the business environment changes due to various shifts and external disturbances, the master plan will not be fixed but constantly updated, with all actions led by ONE TEAM. We refer to this corporate master plan as the “Comprehensive Product Strategy.”

How the “Comprehensive Product Strategy” was formulated

As a medium-sized and independent company, we need to continue to create strengths and uniqueness around our core elemental technologies. Therefore, we looked back on our 102-year history and extracted our strengths and uniqueness based on our elemental technologies (functional development and design/manufacturing technologies). Along the way, we have also redefined our business model and developed new technology, production/procurement, and customer base strategies. We will formulate a plan for each product based on these three strategies, but the key point is that this is a product strategy that efficiently realizes growth in both existing and new products by gradually expanding the number of products of the same quality through MBSE(*) and other means while selecting and concentrating elemental technologies. This “Comprehensive Product Strategy” reaffirms the elemental technologies that create value, ensures that the technologies to realize them are also acquired, and adds new challenges. The “Comprehensive Product Strategy” and the three strategies will enable us to move quickly and flexibly from an overall optimal perspective rather than a partial optimal view for each area, thereby generating growth.

(*) MBSE (Model-based Systems Engineering): A method of organizing the requirements and conditions of the entire system with a model that enables efficient development.

What is the “Comprehensive Product Strategy”

The meaning of the “comprehensive” rather than the conventional product strategy:

- a A product strategy that brings together all of our strengths (+ challenges) such as development, production, procurement, sales, and the local community
- b A product strategy to collectively develop elemental technologies
- c A product strategy in which we work together with external parties (customers, business partners, etc.)
- d A medium- to long-term (10 years) as well as short-term product strategy covering each industry
- e A product strategy that is top-level and a common yardstick for both management and employees in their daily business operation

This product strategy is to identify business opportunities and risks, and proactively take action to address future challenges that vary by industry and region amid increasing uncertainty.

What the “Comprehensive Product Strategy” will bring

The “Comprehensive Product Strategy” is a master plan centered on our strengths and uniqueness. We will accumulate elemental technologies (functional development and design/manufacturing technologies) and take on the challenge of creating products and systems that increase value without fear of failure. At the same time, by redefining our business model, we will create a competitive advantage that leverages the Company’s characteristics. We will create growth opportunities and achieve growth by increasing social, customer, and end-user awareness of our elemental technologies, products, and control systems. In addition, by placing the “Comprehensive Product Strategy” at the center of our internal transformation, we will create a positive chain reaction where each employee’s challenges support the Company’s growth.

Technology Strategy

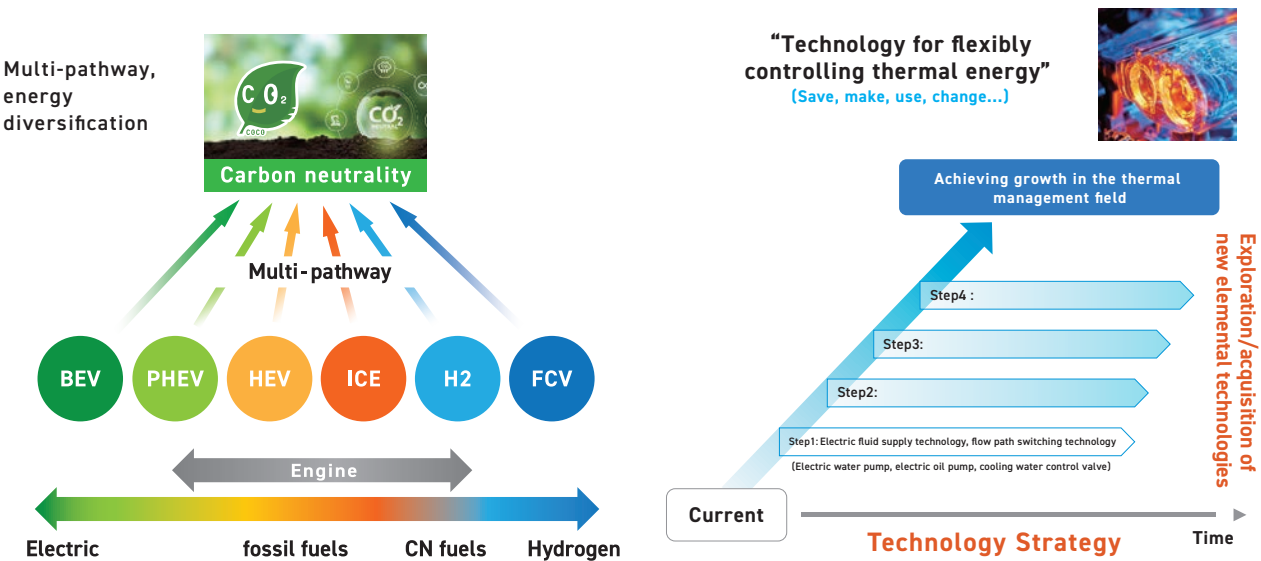
One of the most important strategies that serve as the starting point for the “Comprehensive Product Strategy” is the technology strategy.

Our goal is to further evolve our strong elemental technologies and continue to create uniqueness and value across industries. In order to achieve this goal, we have set ideals and worked to formulate strategies with the action guidelines of thinking for ourselves from the perspective of systems and users.

External factors and strategic pillars

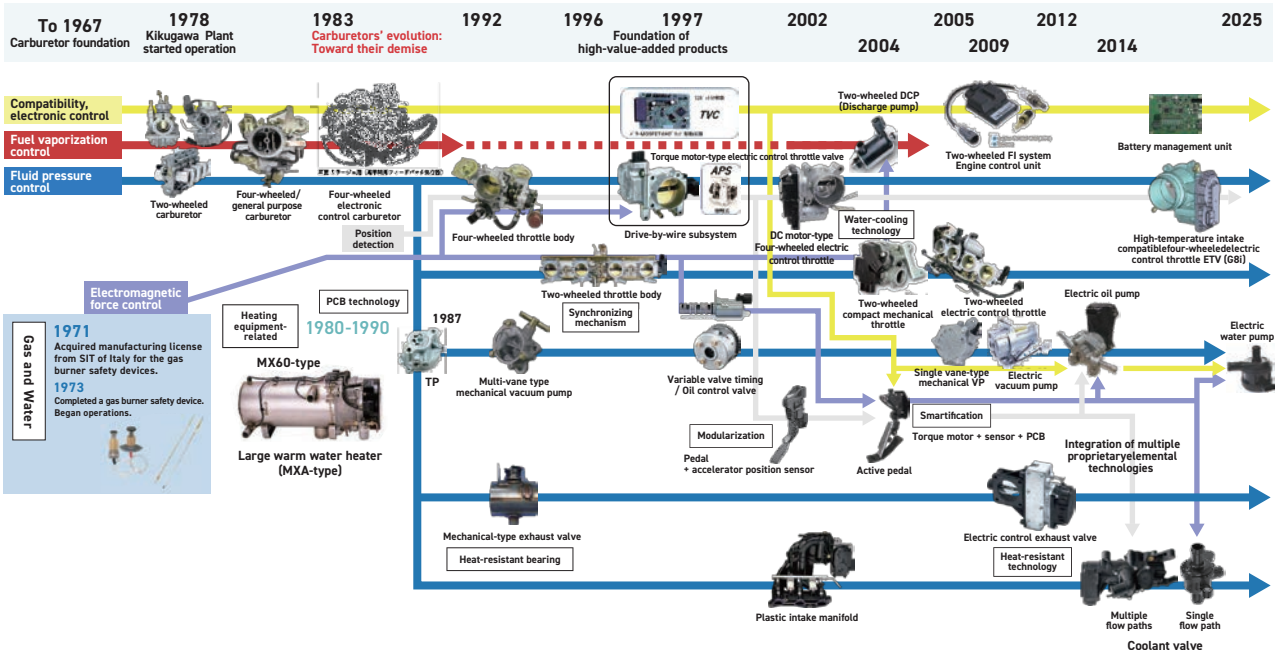
In the world of uncertainty, we will eventually move towards a carbon neutral society, but it is clear that we will move forward on a multi-pathway with not only BEVs but also a mix of vehicles (BEVs, PHEVs, HEVs, ICEs...), given the diversified mobility and fuel, as well as regional and industry differences.

With this in mind, we have looked at the problems of various vehicles through the daily lives of our users, and have come to see how important it is to quickly transition or keep batteries, catalysts, oil, cabins (people), etc., at their optimum temperatures. In addition, the key to solving this problem is how well thermal energy is handled. Based on the results of this study, we have decided that “technology for flexibly controlling thermal energy” is a key strategic pillar.



Elemental Technologies and Product Development through History

Looking back at our history, the origin of elemental technologies we possess was undoubtedly the carburetor. The key elemental technologies constituting a carburetor are air pressure control, fuel vaporization control, and air-fuel calibration technology. Among these, calibration technology later evolved into electronic control technology. The carburetor, a system integrating these three elemental technologies fundamental to internal combustion engine control, was a product highly valued by OEMs.



"Fuel vaporization control" lost its place with the demise of carburetors, but the calibration technology was transferred to ECU development for motorcycle fuel injection systems (FIs for motorcycles) and has since extended to BMUs in BEVs. Furthermore, through the mechanical oil pumps we began manufacturing around the same time, we mastered pressure control of oil, an incompressible fluid. Consequently, pressure control technology for air as a compressible fluid has been applied to throttle valve products and vacuum pumps, while pressure control technology for oil and water as incompressible fluids has spread to CCV, VVT, and current EWP/e-OP systems, leading to new products.

In addition to this, another crucial elemental technology is electromagnetic force control. The elemental technology that converts electricity into motion, used for valve retention in the safety device, evolved into the fuel-cutting solenoid valve adopted in carburetors and stepping motors for idle speed control of throttle valves. This technology has been passed down to the current brushless DC motor and is incorporated into EWP/e-OP. In this way, Mikuni has leveraged its few elemental technologies to develop products that meet the needs of the times. The internal factor defined as the pillar of its technology strategy—"technology for flexibly controlling thermal energy"—was possible because we already possessed a product lineup based on the elemental technologies (EWP/e-OP/CCV, etc.).

Phased Approach to Technology Strategy

STEP.01

Mikuni smart Multi Valve (MsMV), currently under development, combines our own two elemental technologies—fluid pressure control and electronic control. Furthermore, we leverage MBSE to take on the challenge of identifying user-centric value from a system perspective.

STEP.02

To further strengthen the above activities, we must expand our product lineup using our elemental technologies and broaden our system coverage. A specific effort for this is adding new media to pressure control technology and commercializing it.

This will enable us to create new product lines. For any remaining system components that are insufficient, we will actively explore and acquire partners.

STEP.03

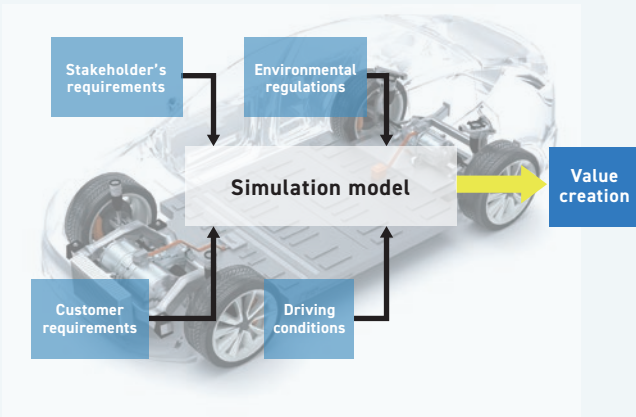
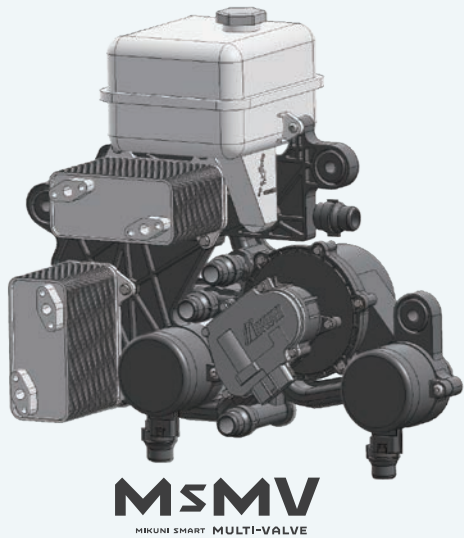
We will continue to explore and acquire new elemental technologies, and by creating products that utilize these technologies, we will evolve into a highly unique and robust system that will not allow competitors to follow suit.

Step 1 involves leveraging our elemental technologies to establish the foundational system for "technology for flexibly controlling thermal energy." The development of MsMV, which is central to this effort, is described below.

MsMV: Flexibly Controlling Thermal Energy

MsMV is a new module designed to maintain electric vehicle batteries and other components at their optimal temperature. It ensures battery safety, minimizes degradation to preserve asset value, and contributes to shorter rapid charging times and extended driving range. Utilizing our elemental technologies and incorporating MBSE*, we will carve out growth areas in line with the "Comprehensive Product Strategy."

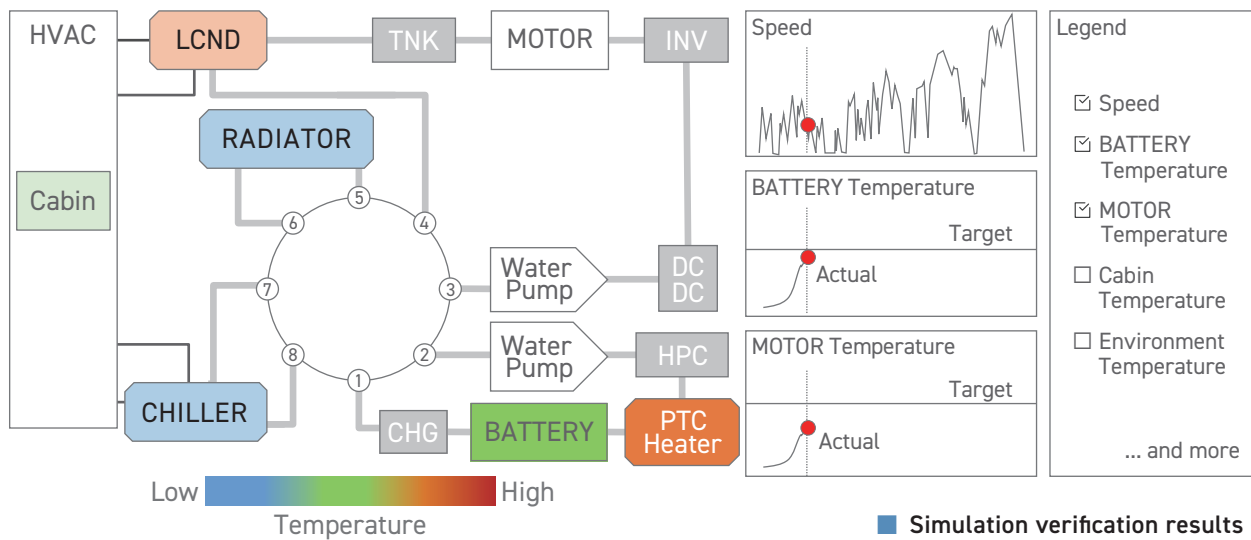
* MBSE (Model-Based Systems Engineering): A method of organizing the requirements and conditions of the entire system with a model that enables efficient development. At Mikuni, we utilize MBSE not only for MBD (Model-Based Development) of our own products, but also from the planning stage.



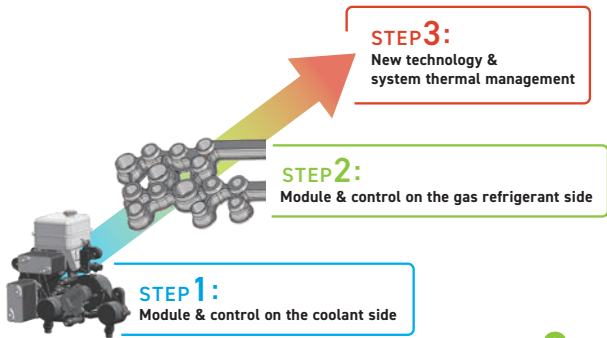
MsMV modularizes components such as the multi-valve (coolant switching function), electric water pump, and heat exchanger. By switching the coolant flow path according to conditions, it supplies coolant at the optimal temperature to the battery, motor, and other components. Furthermore, it supports customization to a modular configuration tailored to specific needs, maintaining the battery at an efficient and stable temperature.

01. Development by creating MBSE environment

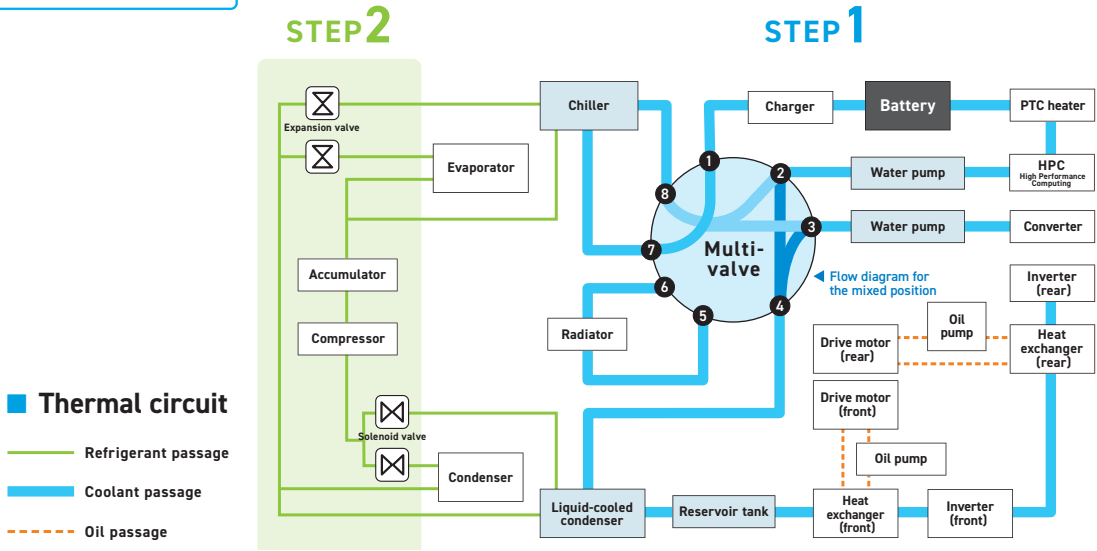
Mikuni has established a simulation environment based on MBSE. By verifying the effectiveness and value of the entire vehicle in advance, we aim to shorten development lead times and support customers' development efforts.



02. Evolving for growth



MsMV is currently implementing coolant control in Step 1, with Step 2 envisioning integration with air conditioning refrigerants (gas refrigerants), and Step 3 planning further expansion into new technologies and thermal management field. This phased system expansion will materialize our growth strategy.



Toward Growth in the Thermal Management Field

As diverse technological options are explored to achieve carbon neutrality, thermal management (control), which Mikuni positions as a growth field, is a critically important technology for automotive electrification. We contribute to "creating" thermal energy control systems, "preserving" customers' safety and security, and "opening" the future of electrification that leads to global environmental conservation.

Part of BEV Advanced Development Work Entrusted by Suzuki Motor Corporation

We have been entrusted by Suzuki Motor Corporation with a part of its advanced development work focused on thermal management for battery electric vehicles (BEVs). For this project, Suzuki Motor Corporation's test equipment is installed at our Odawara Operation, and our engineers handle the work. Leveraging the thermal management technology and experience we have cultivated, we will support our customers' BEV development while contributing to improved development efficiency.



Automotive test laboratory at Mikuni Odawara Operation (known as Lab.0)



Commissioning ceremony held at Odawara Operation in September 18, 2025

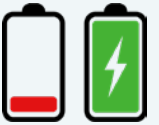
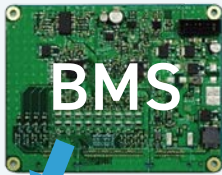
Participation in the Development and Manufacture of BEV Light Trucks for Demonstration Experiments

We participated in the development and manufacture of BEV light trucks used in demonstration experiments conducted by Suzuki Motor Corporation. The purpose of this experiment is to examine the usability and potential demand for BEV light trucks among farmers, as well as the self-consumption of solar power generated using BEV batteries, through vehicle loans to agricultural workers. It is scheduled to start in Shizuoka, Kumamoto, and other locations in fiscal 2025.

The Company participated in vehicle development and manufacture alongside four other companies¹, focusing our collaboration on optimizing temperature management for drive batteries based on MBD² analysis and constructing the Battery Management System (BMS)³. We will continue to contribute to the provision of safe and comfortable electric vehicles by pursuing the realization of energy-efficient "battery-lean electric vehicles" that do not carry excess battery capacity.



BEV light truck manufactured for demonstration experiments



The battery status is monitored.

Improved battery life

1 TOKYO R&D Co., Ltd., PUES Corporation, ELIY Power Co., Ltd., Office F VISION LLC
2 An abbreviation of Model-Based Development, which is a development methodology that models the development target on a computer and uses that model to perform simulations, thereby enabling design and verification to proceed in parallel.
3 A system that monitors and controls battery charging and discharging to manage safe and efficient battery usage.

IDENTIFYING PRIORITY ISSUES

Risks of Business and Others

The Mikuni Group recognizes the following major risks that could have a significant impact on its business operations. To address these risks, the directors have established a practical risk management system, and as part of this, the Company has set up the Sustainability Committee and Compliance Committee, which are made up of full-time directors and executive officers. The Sustainability Committee analyzes risk factors primarily from the perspectives of the environment and occupational health and safety, prevents risks from materializing, and takes measures to keep any losses to a minimum from the materialization of risk. The Compliance Committee, from the perspective of complying with laws, regulations, and corporate ethics, works to ensure that various rules and manuals are implemented practically and thoroughly, and prevent scandals by establishing an internal reporting system.

8 risks of business and others

1 Risks related to economic conditions

More than 80% of the Group's consolidated sales come from the mobility business, which manufactures and sells products whose demand is influenced by the economic conditions of the countries or regions where they are sold. A recession in key markets such as Japan, China, India, Southeast Asia, North America, and Europe, and a resulting decline in demand, could have a negative impact on the Group's financial position and operating results.

2 Risks related to exchange rates, interest rates, and financial market fluctuations

The Group operates not only in Japan but also in North America, Europe, and Asia. As such, fluctuations in exchange rates and interest rates in these countries and regions could affect demand for the Group's products, as well as transaction prices, purchase costs, and financial expenses, impacting the Group's financial position and operating results. Moreover, while overseas subsidiaries prepare financial statements in local currencies, these statements are translated into yen for the consolidated financial statements. Consequently, even if there are no fluctuations in the local currencies, the exchange rate used for conversion could influence the yen-denominated values.

3 Risks related to laws and regulations

The core of the Group's operations is the mobility business, which manufactures and sells fuel supply devices for 4-wheel vehicles, 2-wheel vehicles, and general-purpose engines, as well as engine-related components. Therefore, the Group is subject to various laws and regulations, such as emission regulations for automobiles, fuel efficiency regulations, and pollution control regulations for factory emissions, both in Japan and in the countries where it operates. Unexpected changes to these laws and regulations could affect the Group's development, production, and sales activities, and have an impact on its financial position and operating results. Additionally, new regulations related to the decarbonization trend, such as restrictions on the sale of new internal combustion engine vehicles, could also affect the Group.

4 Risks related to procurement of raw materials and components, and price fluctuations

The Group procures the raw materials and components necessary for manufacturing products both domestically and internationally. While efforts are made to secure stable procurement through multiple suppliers and alternative materials, geopolitical risks and imbalances in supply and demand could lead to soaring material prices or procurement difficulties. These factors could impact the Group's financial position and operating results. The Group strives to appropriately pass on cost increases through price adjustments.

5 Risks related to product quality

Although the Group prioritizes quality in the design, production, and sale of its products, there is a risk that defects may arise due to unforeseen causes. Product defects could increase warranty-related costs and undermine the trust in the quality of the Group's products, potentially leading to reduced demand. To address this, the Group is committed to ensuring product quality by raising awareness of quality issues and implementing systems to oversee the entire process from procurement to production, logistics, and sales.

6 Risks related to competition

The Group's business is affected by the production conditions of competitors, including other component manufacturers and customers. In the core mobility business, the advancement of powertrain electrification and diversification of energy sources is expected to increase in the future, and opportunities for new entrants from other industries into the automotive sector are increasing. If structural changes in the industry or competition progress faster than anticipated, it could impact the Group's financial position and operating results.

7 Risks related to natural disasters and infectious diseases

Natural disasters such as earthquakes and typhoons could cause damage to the Group's supply chain, including suppliers and procurement partners. Additionally, many of the Group's domestic facilities are located in regions vulnerable to major earthquakes, such as the Tokai Earthquake and urban near-source earthquakes. In the event of a large-scale disaster, the Group's manufacturing and sales activities could be significantly disrupted, impacting the Group's financial position and operating results. The Group is working to strengthen the seismic resistance of its manufacturing plants, conduct disaster preparedness training, and establish disaster recovery manuals. Furthermore, the Group's manufacturing and sales activities could be affected by global pandemics of new infectious diseases.

8 Risks related to global business expansion

The countries and regions where the Group operates may face various risks, including the following. While the Group is taking appropriate measures to address these risks, should any of these events occur, they could affect the Group's financial position and operating results:
Risks of Business and Others
• Outbreak of conflicts
• Disputes arising from differences in labor conditions
• Terrorist attacks, including cyberterrorism, wars, or fiscal crises
• Infringement of intellectual property rights owned by the Group, such as counterfeit products
• Unexpected litigation

Issues to be Addressed

To address the aforementioned risks, the Mikuni Group has positioned the following six issues as priority issues and is taking priority measures to resolve them.

6 priority issues to be addressed

- 1

Contributing to the sustainability of the planet and society
- 2

Responding to the electrification of powertrains and diversification of energy sources
- 3

Business continuity management for infectious diseases, natural disasters, geopolitical risks, and IT incidents
- 4

Addressing rising prices and labor costs due to global inflation
- 5

Promoting human capital management in anticipation of a declining working-age population due to aging and low birth rates
- 6

Maintaining a sound financial base

6 items of priority measures

- 1

Efforts towards achieving carbon neutrality by 2050
- 2

Efforts to enhance our presence in global markets
- 3

Efforts to build a development and production system that can quickly adapt to changes
- 4

Efforts to address cost increases
- 5

Efforts to address the declining workforce population
- 6

Efforts to maintain a sound financial base

Disclosure Based on TCFD

With regard to enhancing the quality and quantity of disclosures based on the Task Force on Climate-related Financial Disclosures (TCFD) and similar frameworks, we started calculating the group's Scope 3 emissions in FY2022 and continued our efforts in FY2024. We are taking concrete steps to meet targets under our existing governance structure.

Governance	Strategy
At the start of FY2022, we replaced our Risk Management Committee with the Sustainability Committee to create a mechanism for assessing and controlling the comprehensive risks and opportunities of the Mikuni Group (including climate-related risks).	For the automotive products business, which is the core business of the Mikuni Group, we are developing and selling products with the goal of increasing sales for EV products to more than 70% of the Group's sales for automobiles by 2030. We are creating mid- and long-term business strategies considering the risk of climate change, in addition to analyzing the influence of the risk of climate change on finances.
Risk Management	Metrics and Targets
The physical risks, including more devastating meteorological disasters, are addressed by the Disaster Countermeasure Subcommittee under the Sustainability Committee. For risks pertaining to business, such as the reinforcement of regulations for fuel efficiency and exhaust gas, and for the electrification of automobiles and motorcycles, the division tasked with businesses leads discussions on the response. The results are reviewed by the Board of Directors and are then incorporated into the management plans.	With the aim of achieving carbon neutrality by 2050, we set a 2030 target of reducing Scope 1 and Scope 2 emissions by 50% compared to 2016 and have set clear indicators and targets. In addition, to reduce Scope 3 emissions, we are striving to reduce greenhouse gas emissions from raw materials, transportation, etc. To reduce greenhouse gas emissions from products sold, we are strengthening our sales and development systems with the aim of increasing the use of our products in highly efficient and clean end products.

STAKEHOLDER ENGAGEMENT

We will deepen mutual understanding through dialogue with stakeholders and strengthen our engagement.

The Mikuni Group aims to build strong relationships of trust with our stakeholders and continue growing alongside society. We will engage in dialogue with our stakeholders to deepen mutual understanding and create new value. We will then contribute to society's sustainable growth and realize our corporate philosophy of "contributing to the realization of a prosperous society."



Stakeholders	Main responsibilities of Mikuni	Main methods and opportunities for dialogue (frequency)
Customers	<ul style="list-style-type: none">- Improve customer satisfaction in all areas, including quality, cost, and delivery- Provide appropriate and prompt response and support to customers- Provide accurate and appropriate information on products	<ul style="list-style-type: none">- Daily sales activities (as needed)- E-mail distribution, website (as needed)- Exhibitions
Shareholders, Investors, and Financial Institutions	<ul style="list-style-type: none">- Maintain and improve corporate value- Timely and appropriate disclosure of corporate information- Appropriate return of profits	<ul style="list-style-type: none">- General Meeting of Shareholders (once a year)- Financial results briefing for analysts (2 times/year)- Issuance of annual securities report (once a year)- Issuance of corporate governance report (once a year)- Information disclosure (summary of financial results, timely disclosure, etc.)
Employees	<ul style="list-style-type: none">- Improve knowledge of environmental issues- Respect for human rights- Promotion of safety and health maintenance and enhancement- Promotion of diversity and inclusion	<ul style="list-style-type: none">- Town-hall meeting (2 times/year)- Implementation of education and training- Labor-Management Consultations- Target management interviews (2 times/year)- Information disclosure via intranet (as needed)
Suppliers	<ul style="list-style-type: none">- Fair and equitable transactions- Support and cooperation for promotion of green procurement- Appropriate provision and sharing of information	<ul style="list-style-type: none">- Daily procurement activities (as needed)- Supplier briefing (as needed)- Regular supplier meetings (2 times/year)
Local Communities	<ul style="list-style-type: none">- Prevention of accidents and disasters, environmental conservation- Contribution to local communities- Respect for and contribution to the development of culture and customs	<ul style="list-style-type: none">- Plant tours and opening of facilities (as needed)- Community contribution activities by employees (as needed)- Participation in other local mutual aid activities (as needed)
Government	<ul style="list-style-type: none">- Compliance with laws and regulations- Payment of taxes- Cooperation with policies	<ul style="list-style-type: none">- Response to various notifications, surveys, and questionnaires (as needed)- Interview and provision of information (as needed)
Affiliations	<ul style="list-style-type: none">- Collaborate with organizations to achieve their goals- Compliance with requirements	<ul style="list-style-type: none">- E-mail distribution, website (as needed)- Participation in seminars and training sessions (as needed)
Environment	<ul style="list-style-type: none">- Reduction of greenhouse gas emissions- Promotion of energy saving, resource saving, and recycling- Reduction of hazardous chemical substances	<ul style="list-style-type: none">- Compliance with various laws and regulations (as needed)- Publication of environmental reports (once a year)- Environmental conservation activities (as needed)

Environmental

ENVIRONMENTAL

We are striving to reduce environmental impact in our business activities through environmental communication.

Basic Approach

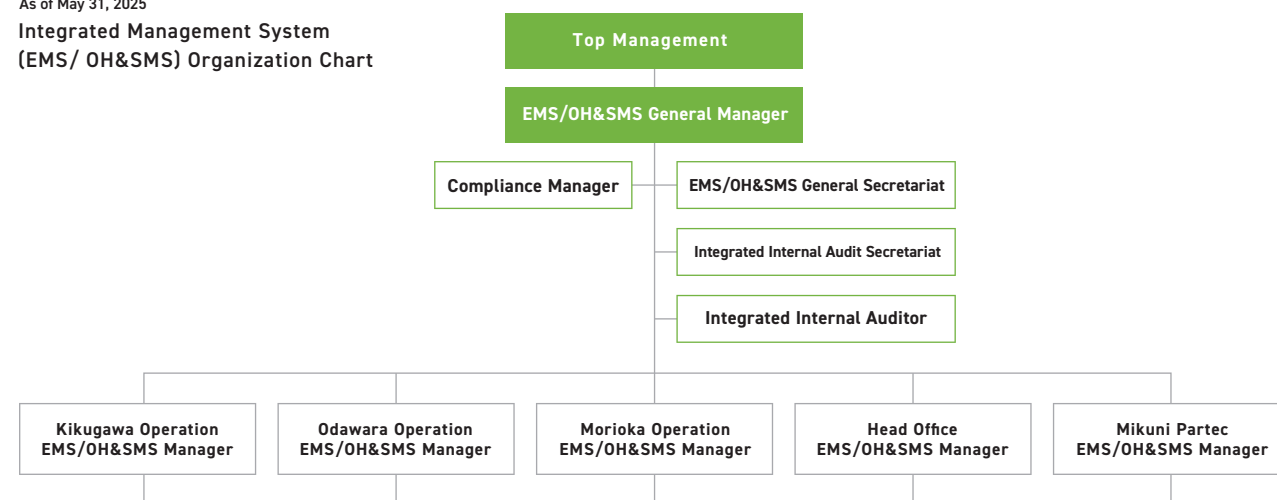
The Mikuni Group will follow our corporate philosophy
With a global perspective, Mikuni will contribute to the realization of a prosperous society by making full use of our human resources and technology and face the associated risks and issues head-on.
One issue is how to mitigate environmental impact, as climate change is affecting the entire planet. We are committed to resolving this issue as we push to reach the goal of carbon neutrality by 2050, and we are pursuing that end not just internally but through close communication with our stakeholders, including those upstream and downstream in our supply chain.

Policy in Business Activities

- Efficiency improvement and energy conservation are to be achieved by shortening process times in our business activities.
- Manufacturing is to be built that maximizes the use of renewable energy, low-carbon energy, etc., as we reduce CO₂ emissions on the path to carbon neutrality.
- Green procurement and environmentally friendly design will be employed to avoid environmentally hazardous substances and we will develop products for electric vehicles to expand our environmentally friendly products, with the ratio of such products to be 70% or more by FY2030.

Integrated (EHS) Management System - Japan

As of May 31, 2025
Integrated Management System
(EMS/ OH&SMS) Organization Chart



Under each operation site, there are EMS/ OH&SMS General Secretariat, Statutory Manager, departments, and subcontractors.

Issues in the Management System

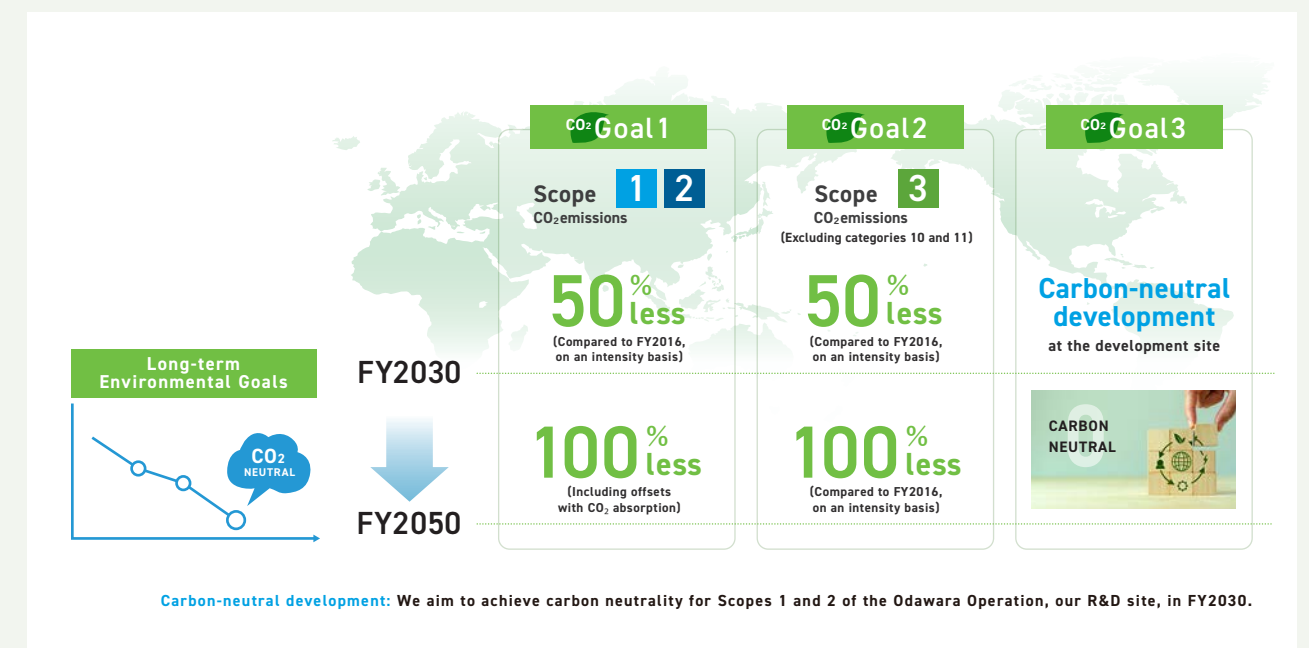
Regarding “priority issues to be addressed” as described in the “Identifying Priority Issues and Strategy” section, we picked up all issues regarding the operation of environmental and occupational health and safety management systems, classified them into external and internal issues, and then identified most-important issues.

External issues	EMS	OH&SMS	Relations with climate change
Realization of sustainable local communities	●	—	●
Promotion of the use of affordable and reliable energy	●	—	●
Effective use of water resources and pollution prevention	●	—	●
Strengthening of climate change measures	●	—	●
Realization of a sustainable supply chain	●	—	●
Rapid changes in laws, regulations, and related requirements	●	●	●
Privacy and information security	—	●	—

EMS: Issues to be addressed by the Environmental Management System
OH&SMS: Issues to be addressed by the Occupational Health and Safety Management System

Internal issues	EMS	OH&SMS	Relations with climate change
Strengthening of sustainability awareness	●	●	●
Expansion of the education system	●	●	●
Reinforcement of governance and ensuring of compliance	●	●	—
Realization of sustainable local communities	●	—	●
Respect for human rights	—	●	—
Energy efficiency improvement (including the promotion of renewable energy use)	●	—	●
Effective use of water resources and pollution prevention	●	—	●
Enhancement of disaster preparedness	●	●	●
Realization of a sustainable supply chain	●	—	●
Stable revenue growth	●	●	—
Contamination and damage prevention in hazardous chemicals	●	●	●

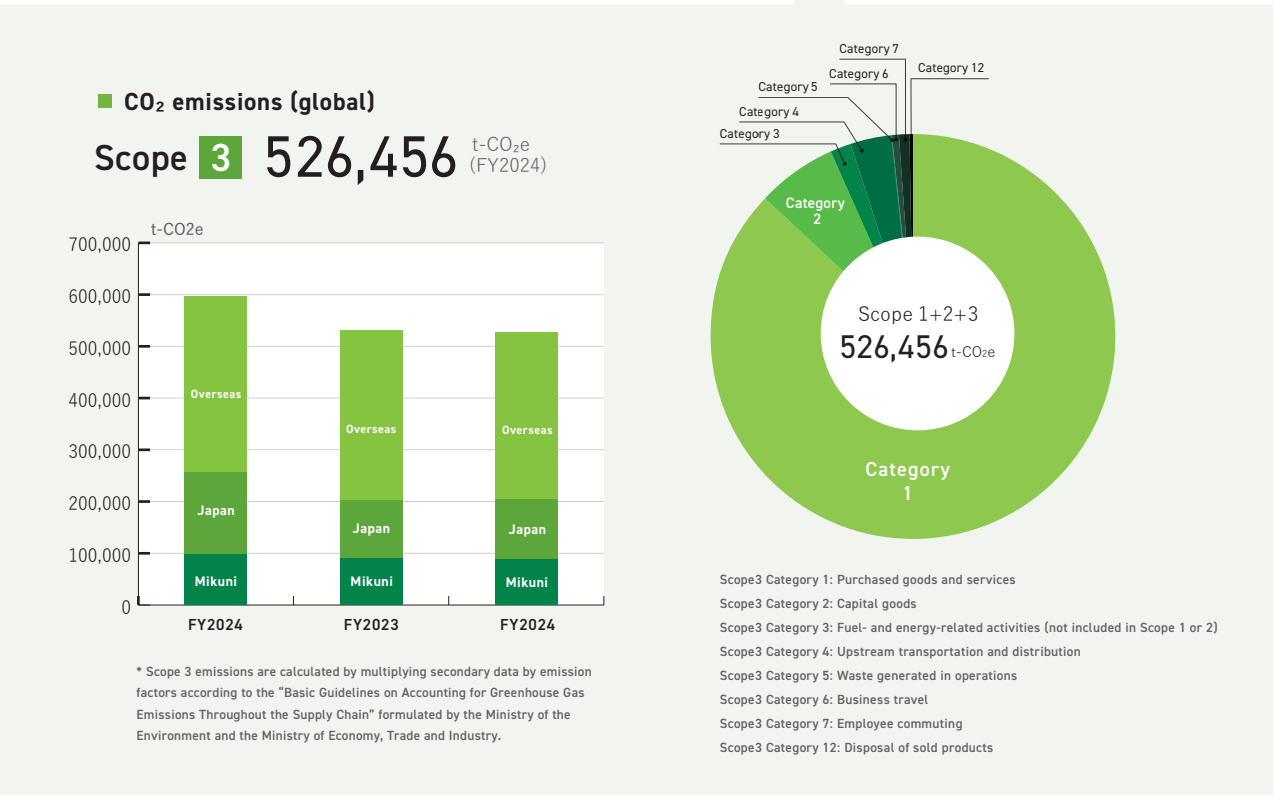
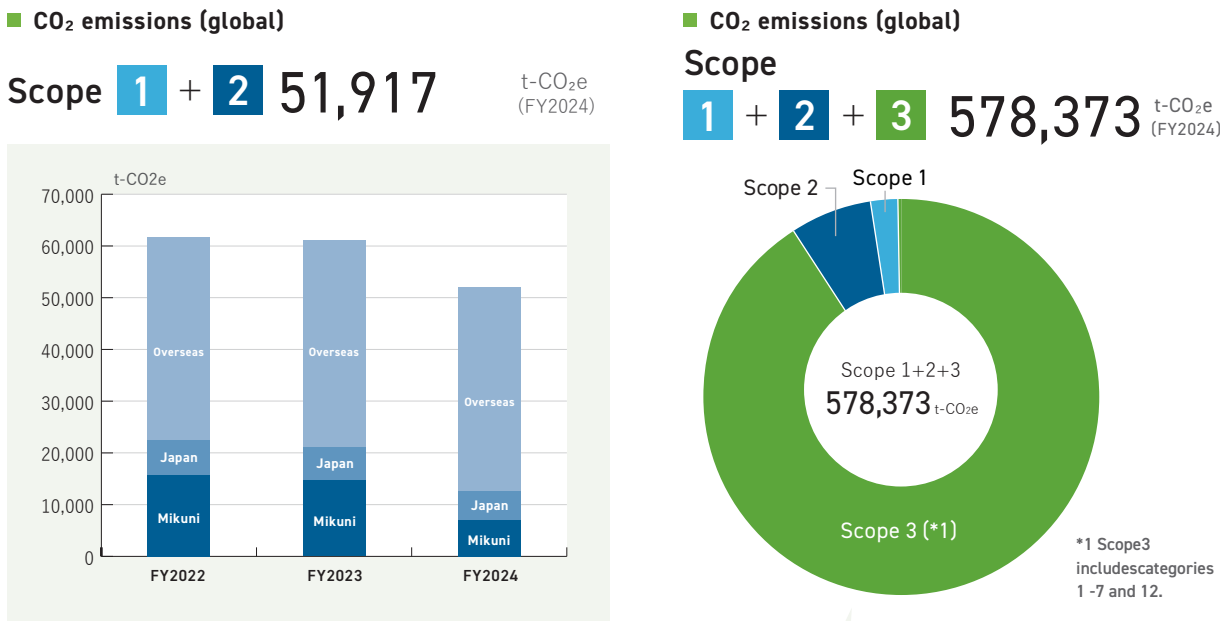
Long-term Environmental Vision / Goals



CO₂Emissions (Mikuni Group)

The Mikuni Group is reducing the emissions from its production activities.

The CO₂ emissions from the Mikuni Group are shown in the figure below.
Regarding Scope 1 and 2 emissions, the emissions in FY2024 decreased significantly from the previous year thanks to the promotion of energy conservation and the use of renewable energy. Scope 3 emissions also decreased as the CO₂ reduction activities using the LCA (Life Cycle Assessment) method has taken effect.
* For detailed values, please see the Data section at the end of this document.



Specific Efforts

Example of solar power system installation

In order to achieve carbon neutrality in the entire Mikuni Group by 2050, we are formulating and advancing specific measures such as energy conservation and fuel conversion. Among these, the installation of solar power systems is one of the main measures, and we are actively promoting the installation throughout the Group.

1 Mikuni India

Power generation began in May 2022. 999kW(panel capacity)

2 Tianjin Mikuni

Power generation began in August 2023. 935.55kW (panel capacity)

3 Mikuni Zhejiang

Power generation began up to the fourth phase in May 2024. 5,131kW (panel capacity)

4 Mikuni Thailand

Power generation began up to the second phase in December 2024. 1,197kW(panel capacity)

5 Kikugawa Operation

Power generation began in January 2024. 680.9kW (panel capacity)

6 Mikuni Partec

Power generation began in January 2024. 1,218kW (panel capacity)

7 Morioka Operation

Power generation began in May 2025. 365 kW(panel capacity)

8 Odawara Operation

* Currently under construction
Power generation is scheduled to begin sequentially in February 2026. (Construction is scheduled to be completed in FY2027.) 2,042kW(panel capacity)

Targets and Results - Mikuni (Non-Consolidated)

	Activity Items	Outline of Activities	Target	Actual Results
① Reduction of CO ₂ Emissions	1. Improved productivity	Increase productivity utilizing DX and AI to improve efficiency in operations both directly and indirectly	Short-term target FY2024 compared to FY2016 28.6% reduced Total emissions per marginal profit ¹ 0.741t/million yen Long-term target FY2030 compared to FY2016 50% reduced Total emissions per marginal profit ¹ 0.519 t/million yen	Compared to FY2016 53.0% reduced 0.488t/million yen
	2. Fewer defects and complaints	Reduce product defects inside and outside the factory to prevent waste and losses from re-manufacturing		
	3. Logistics improvement	Efficient transport in logistics (upstream, downstream, and in-house)		
	4. Utility low-emission improvements	Promote conversion to energy sources with lower CO ₂ emissions and substitute with high-efficiency equipment		
	5. Sales increase	Aim to increase sales by expanding sales of our environmentally friendly products, and promote the stabilization of business activities while reducing the environmental impact		
	6. Introduction of CO ₂ -free energy	Promote the purchase of CO ₂ -free electricity and installation of solar power generation facilities in the company		
② Environmentally Friendly Design	1. Resource conservation (weight reduction)	Reduce the size and weight of products and parts to contribute the reduction of material use and improved productivity and fuel efficiency	50 items	106 items
	2. Development of products for EVs	Promote shift from ICE (internal combustion engine) products to EV products to reduce environmental impact by developing products with consideration for ease of production	Completed compliance with regulations for both automotive and gas related products	
	3. Improvement of development efficiency	Improve efficiency through MBD ² , Digital Twin ³ , etc.	Substitution or reduction of products containing substances regulated by the Industrial Safety and Health Law, PRTR Law ⁴ , etc.	Survey underway to reduce MCCP6-containing components subject to the POPs Convention ⁵ (The use is expected to be prohibited under the Chemical Substances Control Law ⁷ in 2026)
③ Reduction of environmentally hazardous substances	1. Reduction of environmentally hazardous substances	Eliminate and substitute with safe substances or reduce the amount of chemical substances that affect the environment and human health		

1 Total emission per marginal profit refers to total emissions/marginal profit (sales - variable costs).
2 MBD refers to Model-Based Development.
3 Digital Twin refers to reproducing the real world in a virtual space and making it correspond to the real world.
4 PRTR Law is the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement.
5 POPs Convention is also known as the Stockholm Convention. POPs = Persistent Organic Pollutants. It stipulates the proper management of POPs, including restrictions on production and use, and reduction of emissions.
6 MCCP refers to Medium-Chain Chlorinated Paraffin (a type of a POP, similar to PFOS).
7 Chemical Substances Control Law is the Act aimed at preventing environmental pollution by chemical substances that may have adverse effects on plants and animals.

Details of Each Initiative

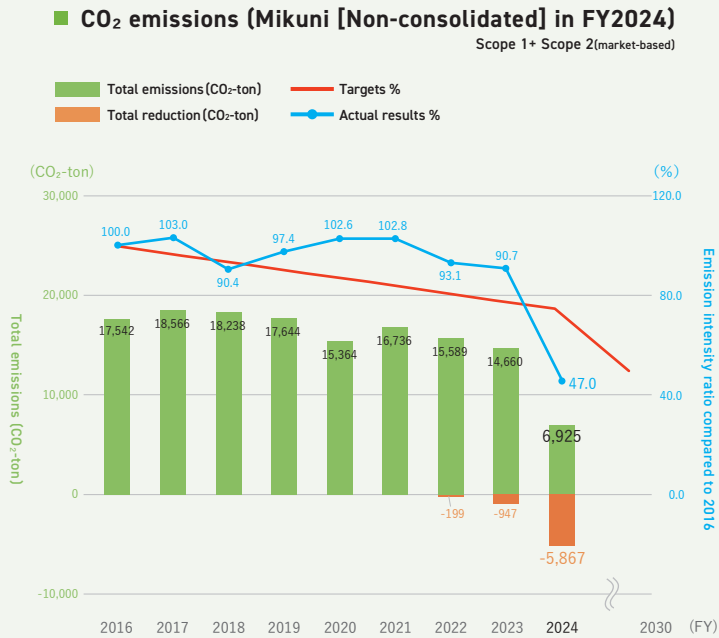
We are taking action to reach carbon neutrality by 2050.

① Reduction of CO₂ Emissions

Based on the Carbon Neutrality Declaration announced by the Japanese government in October 2020, Mikuni aims to reduce greenhouse gas emissions by 50% by FY2030 from the base year of 2016 and achieve carbon neutrality by FY2050. Towards this goal, we began new initiatives in FY2022.

As specific efforts, we introduced CO₂-free electricity at some of our offices from FY2022, and our head office building purchased a non-fossil fuel certificate to use renewable energy. In addition to the production sites, we also aim to reduce waste and loss in indirect operations, with each department setting goals and working to efficiently improve processes according to their specific duties.

As a result of these efforts, total emissions are decreasing, and we plan to take even more proactive steps to reduce emissions in the future, such as installing solar power generation facilities.



② Environmentally Friendly Design

Based on the technologies we have developed in carburetor production, we are working to safeguard the environment through advanced control and weight reduction. Our products are designed to thoroughly prevent pollution by controlling and reducing environmentally hazardous substances, and we are actively working on the 3Rs (reducing, reusing, and recycling). We design and manufacture products to specifications that ensure environmental friendliness, high performance, high quality, and optimal service life.

Activities

Our environmentally responsible design activities are based on the concept of LCA¹. We have been developing products that contribute to electrification, better fuel efficiency, weight reduction, energy conservation, exhaust gas control, reductions of CO₂ emissions, and promotion of VAVE² to improve energy conservation, ease of manufacturing, and disposal. Additionally, we will continue to work toward the goal of reducing or eliminating the use of environmentally hazardous substances through green procurement³.

1 LCA (Life Cycle Assessment): This refers to analyzing and evaluating the environmental impact of a product during the entire life cycle, from the procurement of raw materials to manufacturing, use, and disposal.
2 VAVE (Value Analysis, Value Engineering): It is one of the cost reduction methods.
3 Green procurement: This refers to an initiative to procure environmentally friendly raw materials.

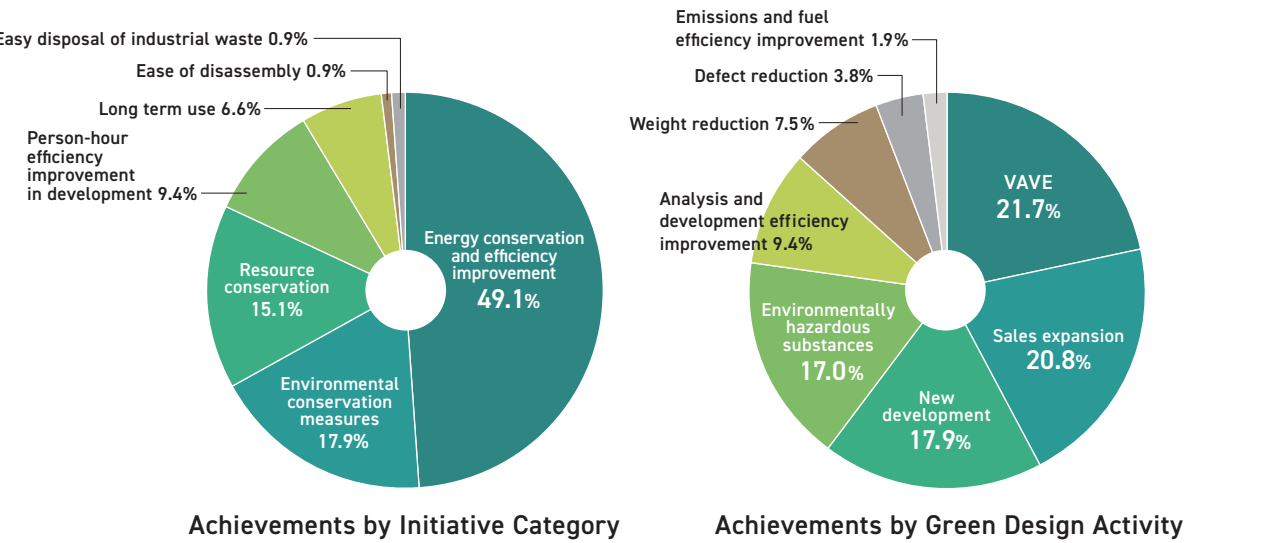
1. Initiatives at the R&D Division

Objectives	Activities (Specific Examples)	
Environmentally Friendly Design (Product Assessment)	Resource Conservation (downsizing of products, minimization of use of scarce resources, improvement of first-pass yields)	Environmental Conservation Measures (non-use of regulated chemical substances, reduction and substitution of hazardous substances, and suppression of heat, noise, and vibration)
	Ease of Disassembly (ease of sorting and recycling of disassembled materials)	Energy Conservation, Improvement of Efficiency, and Electrification (energy saving during use, transportation, and manufacturing)
Environmentally Responsive Design Environmentally Friendly Design Environmentally Compatible Design	Ease of Disposal (ease of destruction of products and consideration of safety during disposal)	Long Term Use (minimized resource use, easier repair and replacement, maintenance-free, and improved robustness through long service life)

2. Target and Achievement

Following the last fiscal year, in FY2024 we continued our efforts to identify and verify the environmental impacts and burdens of our products during development, production, and market phases based on LCA considerations. As a result, we selected the following as green design items and are continuing our activities: reduction of CO₂ emissions, productivity improvement, development efficiency improvement, addressing environmentally hazardous substances, energy conservation, VAVE, and electrified product development.

Target	Achievement
50 items or more	106 items



EMPLOYEES

Mikuni is working to improve working styles and career plans based on health, education, safety, quality, and compliance.

Basic Approach

Clearly stated in our employment regulations are respect for the Universal Declaration of Human Rights and international labor standards and the prohibition of human rights violations such as child labor, forced labor, and other similar acts. In addition, respect for human rights and the prohibition of discrimination are clearly stated in the Mikuni Group's Compliance Code of Conduct and Code of Ethics Declaration, and we are working to create a culture in which human rights are respected by raising employee awareness through regular training and other means.

Policy in Business Activities

- Health and education, safety and quality, and compliance are the foundation of all of our business activities
- Engagement improvement programs are to be run company-wide to maximize added value in human capital management
- Work environments and systems are to be created that expand inclusive hiring practices and focus on work styles and career plans
- Initiatives are to be proactively developed that lead to improved health literacy

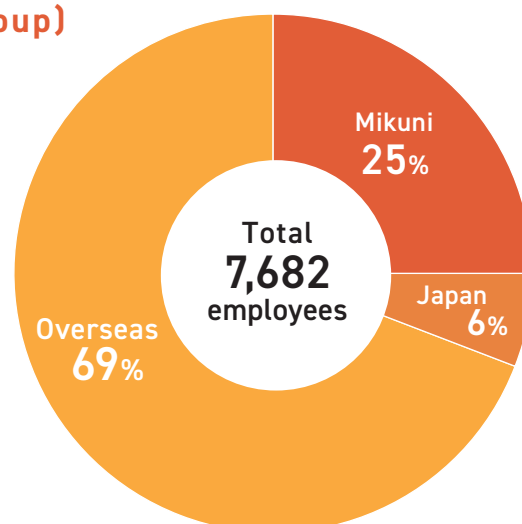
Number of Employees

① Number of Employees (Mikuni Group)

The right figure shows the number and regional percentage of employees of the Mikuni Group as of March 31, 2025.

Employees of the Mikuni Group
As of March 31, 2025

Total of consolidated group companies:
Full-time employees + temporary employees



Promotion of Human Capital Management

We are focusing on creating a more rewarding and comfortable working environment for employees through measures such as the improvement of engagement, fundamental review of our personnel system, and promotion of health and productivity management to maximize added value in human capital management.

① Basic Approach

When faced with a declining working-age population, unless some kind of change is made, output will also decline. For this reason, as shown in the diagram below, Mikuni's human capital management is based on the concept that the labor force and its productivity determine the creation of added value. To maximize the added value and strengthen labor and productivity respectively, we are implementing measures that we consider appropriate for each of the listed items, based on Mikuni's Human Capital Management Approach, explained in this section. Of those measures, we are currently most focused on improving engagement, fair HR system, and promoting health and productivity management, which are listed in the diagram under Phase II of our work style reform efforts. By improving them and strengthening productivity, we aim to increase added value, which is our output. The diagram below explains the main measures we are currently working on.

Mikuni's Human Capital Management Approach: The Positioning of Measures

$$\text{Added Value} = \text{Labor Force} \times \text{Productivity}$$

Below is Mikuni's approach to maximizing added value when facing the structural problem of a declining working-age population.



② Initiative to Improve Engagement

An engagement improvement program for all employees started in February 2022.

At Mikuni, we aim to increase employee engagement so that employees share responsibility with the company and maximize their individual capabilities to improve productivity. To this end, we launched an engagement improvement program in February 2022 and have conducted four engagement surveys so far for all employees.

We are working on the cycle of analyzing the survey results (engagement scores) to clarify the issues facing each organization, which are then shared within the workplace, and repeatedly making improvements. This will improve the score and create a more comfortable workplace.

In order to improve engagement, it is important to establish this cycle and for each employee to proactively tackle the challenges before them. We are also working to strengthen education to this end.



Engagement improvement workshop

③ Fundamental Review of Personnel System

We have begun a fundamental review of our personnel system, including moving from a "personal-based" ability-based grade system to a "job-based" mission grade system, and abolishing the clerical position into the general position.

For over 50 years, Mikuni had operated an ability-based personnel system, but this system had been an obstacle to flexible personnel allocation and the promotion of talented personnel. Therefore, we launched a project to review our personnel system in FY2022 and introduced a new personnel system in April 2024.

This new system has shifted from an ability-based grade system to a mission grade system (a Japanese version of a mission personnel system), making it possible to promote talented young personnel, optimize job content and remuneration, and make flexible organizational changes in response to changes in the environment. Additionally, by expanding the scope of the general position and abolishing the clerical position, we have created an environment in which talented personnel can advance their careers, regardless of gender. In fact, opportunities for career advancement are expanding, with female employees in the former clerical position being promoted to leadership positions.

Additionally, to foster understanding and adoption of the new system, we have implemented management training for leaders aimed at acquiring leadership roles and management skills, while also conducting evaluator training under the new system for all managers.



Promoting Health and Productivity Management

We are actively developing initiatives to improve health literacy.

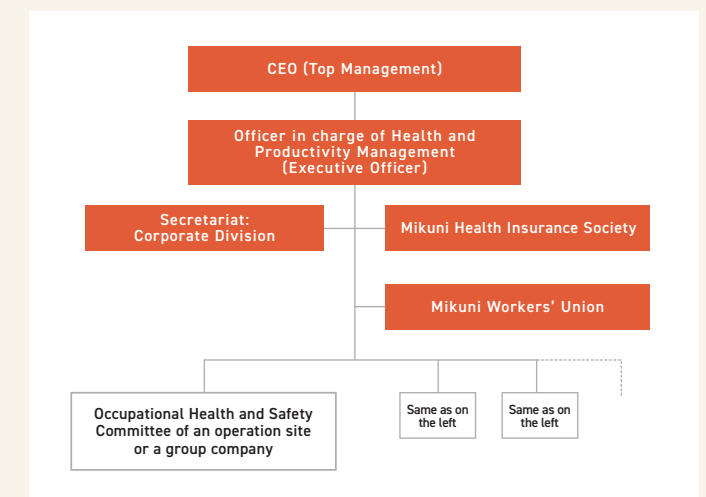
The Mikuni Group places importance on health and productivity management, and aims to achieve the well-being of all stakeholders and contribute to the realization of a sustainable society. To this end, we have established a Declaration of Health and Productivity Management to raise employees' awareness toward health and are developing a variety of initiatives in cooperation with Mikuni Health Insurance Society ("Collabo-health*"). * An initiative in which a health insurance association collaborates with a company to enhance employee health.

To promote health and productivity management, we have established a strategy map based on our management policy and health and productivity management promotion policy. Starting with employees' health issue of "improving health literacy," we are implementing various health measures (investments). By confirming the effect of these measures and continuously executing the PDCA cycle, we are promoting initiatives to achieve our health and productivity management goals. Furthermore, we believe that expanding the "health and productivity management" to the entire supply chain is important for future growth, and we are encouraging suppliers to participate in health measures and sharing our efforts and approach with them. As a result of these initiatives, the Mikuni Group has been awarded the "2025 Outstanding Organization of 'KENKO Investment for Health (investment for health and productivity management) (Large Enterprise Category)" by the Ministry of Economy, Trade and Industry of Japan and the Nippon Kenko Kaigi (Japan Health Council) for six consecutive years. Furthermore, the Group has been certified as a "White 500" enterprise, which is an honor bestowed upon the top 500 companies, for the first time.

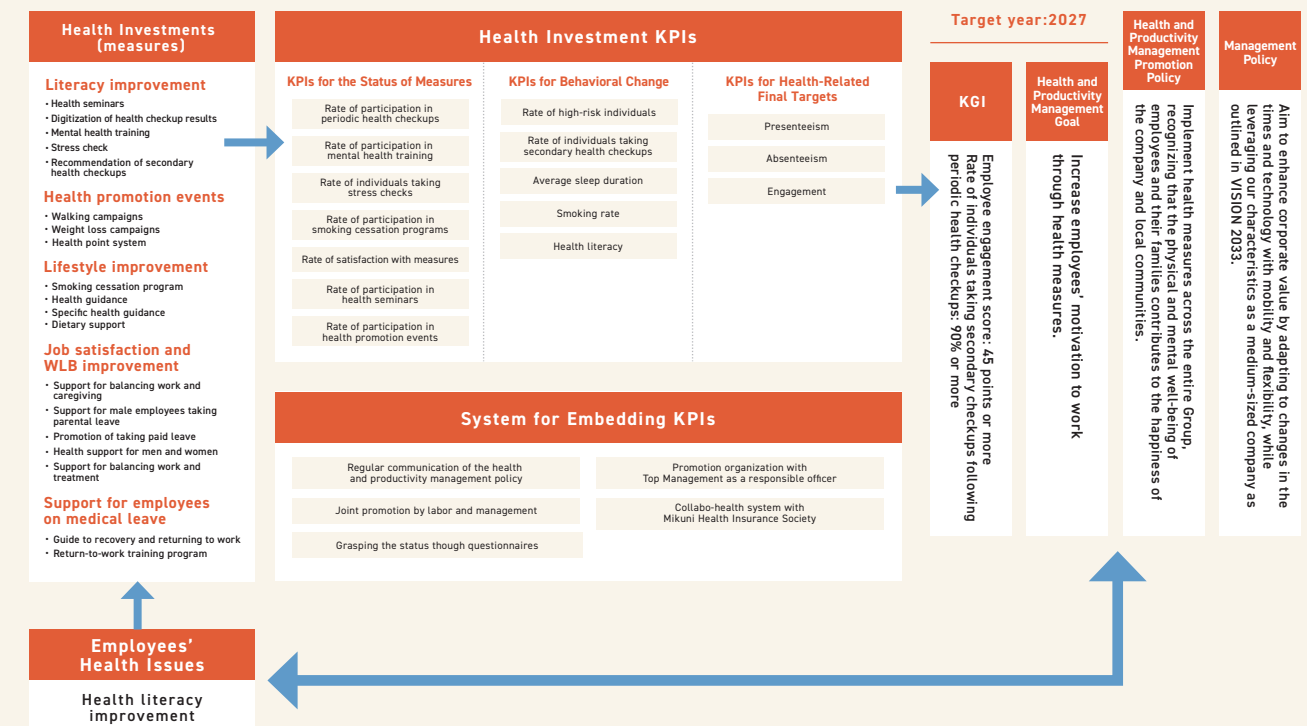
① Promotion Organization

An executive officer is assigned as the top person in charge of health and productivity management to ensure the thorough implementation of policies and measures.

To further expand activities, we set goals for each measure based on our strategy map.



② Strategy Map



3 Health Measures and Results

This chart shows the state of implementation of health measures and KPI targets. We promote the "collabo-health" initiative with the health insurance society through the PDCA cycle by quantitatively monitoring and tracking the results of various measures outlined in the strategy map through questionnaires, cloud-based data, seminar participation rates, and other metrics, and comparing these results with KPIs related to employees' health literacy and high-risk individuals that are identified as key priorities.

Health measures	Item	KPI target	FY2023 results	FY2024 results
Health literacy improvement	Participation in measures implemented widely among employees (number of views of health LIVE seminars and the health channel)	2,500	1,865	1,300
	Hygiene lectures (cumulative number of hygiene lectures given at each business site)	40 or more	34	40
	Participation in policies related to women's health issues (rate of participation in training on women and men's health issues for all employees)	90% or more	59.2%	- ³
	Participation in policies related to women's health issues (rate of participation in training aimed at leaders and upper-level managers)	90% or more	61.9%	- ⁴
	Percentage of individuals receiving stress checks	100%	95.9%	98.5%
	Participation rate for mental health "line-care" (supervisor) training	100%	95.5%	100%
	Participation in measures implemented widely among employees (for all employees) Participation rate for mental health "self-care" (employee) training	100%	98.1%	100%
	Understanding absenteeism ¹ * Average number of days of leave due to mental/physical illness in the previous year	3.0 days or less	3.8 days	3.9 days
	Understanding presenteeism ¹ *Average percentage based on the SPQ (Single-Item Presenteeism Question)	85% or more	77.8%	78.2%
	Employees' health literacy status ¹ *Percentage of employees whose health awareness has increased or remains high as a result of the company's health measures in the past year	70% or more	58.4%	58.1%
	Investment in individual health-related measures (thousands of yen) * excluding periodic health checkups	-	33,886	33,484
	Employee satisfaction with each measure ¹ Percentage of responses of "I strongly agree" or "I agree" to "Do you feel that the company is making sufficient efforts to maintain and enhance the health of our employees and to improve the working environment?"	70% or more	52.8%	56.6%
Health promotion measures	Walking campaign (spring and autumn) (Number of participants and average number of steps) * Mikuni Health Insurance Society as a whole	300 participants 920,000 steps	230 participants 812,490 steps	303 participants 725,283 steps
	Weight loss campaign (Number of participants and average weight loss rate) * Mikuni Health Insurance Society as a whole	300 participants (-3.0%)	82 participants (-1.1%)	74 participants (-2.6%)
Lifestyle-related disease prevention measures (for all age groups)	Grasping the rate of participation in periodic health checkups	100%	100%	100%
	Determining the percentage of employees with problems found in periodic health checkups. () shows the numbers for 35 years or older.	30.0% or less	30.2% (36.3%)	29.2% (34.1%)
	Determining the percentage of employees required to undergo reexamination during periodic health checkups	100%	82%	84.6%
	Smoking rate	30% or less	30.5%	29.5%
	Rate of high-risk individuals ² (percentage of individuals not receiving blood pressure treatment)	20% or less	24.7%	27.8%
	Rate of participation in specific health guidance for high-risk individuals (those not receiving blood pressure treatment)	50% or more	39.7%	37.3%
	Rate of high-risk individuals (percentage of individuals not receiving blood sugar treatment)	20% or less	21.7%	27.1%
Measures for improvement of job satisfaction and work-life balance	Rate of participation in specific health guidance for high-risk individuals(those not receiving blood sugar treatment)	50% or more	9.8%	12.5%
	Grasping the amount of time employees spend sleeping ¹ (percentage of individuals sleeping for 6 hours or more)	70% or more	45.8%	43.6%
	Percentage of high-stress individuals	15% or less	21.6%	22.2%
	Turnover status (average length of service)	-	19.5 years	20.1 years
	Absence from work for one month or more due to personal injury or illness(other than work-related accidents)	-	17 employees	19 employees
	Average monthly overtime hours	15 hours or less	19.5 hours	16.9 hours
	Conducting an engagement survey 1 Measuring work engagement by gauging expectations and satisfaction regarding the company, immediate superior, and workplace conditions.	FY2025 Engagement score 40 points or more	35.8 points	36.6 points

1 A questionnaire with additional custom questions was conducted along with an engagement survey for all employees. The number of people surveyed and the response rate by fiscal year are as follows.

FY	Number of people surveyed	Response rate
2022	1,794	98.7%
2023	1,774	99.8%
2024	1,722	99.8%

2 Based on the results of periodic health checkups, various measures are being implemented in cooperation with the health insurance society as priority measures.

3 Conducted in FY2025, with the participation rate of 87.5% as of September.

4 Conducted in FY2025, with the participation rate of 99% as of September.

4 First-time Award of a “White 500” Enterprise among “2025 Outstanding Organizations of ‘KENKO Investment for Health (investment for health and productivity management)’ (Large Enterprise Category)”

Since 2018, we have established a Declaration of Health and Productivity Management and have been developing a variety of initiatives in cooperation with the Mikuni Health Insurance Society to raise employees' awareness toward health. The effects of such initiatives are shown on a strategy map and the results are made public.

We also promote health and productivity management throughout the supply chain and share our principles and measures with business partners. We will continue to support the health of our employees and their families, improve our management capabilities by maximizing our human resources, and aim for growth.



5 Seminar on Balancing Work and Caregiving (for Managers)

Due to the rapid aging and declining birthrate, an era is approaching where everyone will need to care for their parents while working. Caregivers often bear the burdens and hardships of carving alone, leading to physical and mental exhaustion that frequently results in leaving their jobs. To address such a challenge, we held a seminar on balancing work and caregiving (for managers) featuring an external lecturer. This time, we recognized promoting health and productivity management as a critical initiative that should be implemented not only within the company but across the entire supply chain. We extended invitations to our business partners, and 20 companies participated in the seminar.

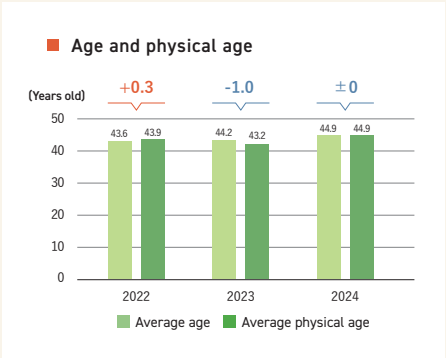
Participants provided the following feedback, highlighting once again the necessity for the company to establish opportunities to share information regularly.

● Promoting understanding of the system	"I learned about the purpose and application process of the Nursing care leave system for the first time."
● Awareness of the workplace environment	"I have reaffirmed the importance of creating an atmosphere conducive to open communication." "I felt the need to understand my subordinates' caregiving situations."
● Personal preparedness	"I came to realize that I might be personally involved, too." "I recognized that addressing long-distance caregiving is a real challenge."
● Expectations for the future	"I hope this will be held regularly." "I would like to see similar events held for non-managerial staff."

We will continue to strive to create a workplace where everyone can work with confidence, promoting understanding of caregiving and establishing support systems.

6 Physical Fitness Test for Independent Life

The fourth "Physical Fitness Test for Independent Life" was conducted from September to October 2024. The results showed that the average physical age was the same as the average age (actual age).



4th physical fitness test for independent life (Odawara Operation)

Diversity and Inclusion

Work styles that suit each employee's lifestyle

As part of its human capital management, Mikuni is promoting diversity and inclusion in Phase I of its Work Style Reform. This includes not only expanding employment opportunities to include women, seniors, foreign nationals, and people with disabilities, but also creating an environment and systems that support diverse work styles and career plans. Specifically, we offer flexibility in working arrangements (work rules, telecommuting, vacation, employee benefits, etc.) to create a comfortable working environment that suits each individual's lifestyle. Through these efforts, we aim to create a workplace where it is easy to balance work and family life, and we are promoting an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children.

1 Mikuni's Programs Related to Work Styles

Mikuni has the following programs in place:

- Working from home
 - Staggered working hours
 - Hourly paid leave
 - Half-day paid leave
 - Maternity and childcare leave
- Sliding working hours for childcare
 - Menstrual leave
 - Fertility treatment leave
 - Family care leave
 - Nursing care leave
- Volunteer leave
 - Leave for exercising civil rights
 - Marriage leave
 - Bereavement leave

2 Promotion of Gender Equality

Mikuni's ratio of female employees in senior management positions is 2.7% (8.7% for the entire Mikuni Group), up 0.4% year-on-year. We aim to further increase female senior managers. Due to personnel system changes effective April 2024, several outstanding female employees were promoted from clerical positions to leadership roles as management candidates. We will continue our efforts, including operational aspects, to create an environment where everyone, regardless of gender, can play active roles.



For details about our action plan based on Japan's Act on the Promotion of Female Participation and Career Advancement in the Workplace, please see the Database of Companies Promoting Women's Activities issued by Japan's Ministry of Health, Labor and Welfare.



Ratio of female employees

	Group	Mikuni	Japan	Overseas
Ratio of female employees	28.6%	23.5%	26.9%	30.6%
Permanent employees	32.6%	20.9%	25.8%	40.2%
Temporary employees	23.8%	31.1%	29.8%	22.2%
Female managers	12.2%	2.5%	12.3%	17.8%
Senior managers (manager and above)	8.7%	2.7%	4.9%	14.7%
Junior managers (assistant manager, assistant section chief, etc.)	14.6%	2.2%	18.2%	19.5%

3 Support for Work and Family Life Balance

We have established an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children in order to create a comfortable working environment where all employees can fully demonstrate their abilities and balance work and family life.

FY2024



4 Foreign Nationality Employees

We hire employees regardless of nationality, and our foreign national employees are highly active in many divisions, including sales, R&D, IT, and administration.



5 Employees with Disabilities and Support for Participation in Society

In Mikuni Group, many employees with disabilities are taking active roles in various departments. As a "special subsidiary" designated for the purpose, Mikuni Life and Auto Co., Ltd. employs many people with disabilities, leveraging their unique knowledge and experience. Also, the welfare and care products manufactured by the company offer many people with disabilities around the world greater freedom of movement, helping them to participate in society.

* The number of people with disabilities employed at Mikuni is listed in the Data section at the back of this publication.



Occupational Health and Safety

We recognize the importance of occupational health and safety as one of the foundations of our management, and strive to create a workplace where employees can work with confidence and vigor, and ensure the health of all employees.

Following this Basic Occupational Health and Safety Philosophy, we are committed to promoting occupational health and safety as part of our social responsibility (CSR). Our goal is to protect the health and safety of our employees and business partners, toward which end we are implementing the following initiatives.



1 Occupational Health and Safety Training

Occupational health and safety training is provided to employees and managers to ensure the safety and health of employees. The purpose of occupational health and safety training is to enable employees and managers to recognize hazards and risks associated with their work and to take appropriate measures.

2 Occupational Health and Safety Management

The purpose of occupational health and safety management is to prevent workplace accidents and occupational diseases and to ensure a comfortable and healthy working environment by eliminating or reducing hazards and adverse elements. There are two types of occupational health and safety management: mandatory, based on compliance with laws and regulations, and voluntary.

3 Occupational Health and Safety Examinations

Occupational health and safety examinations are the process of checking the work environment and health of workers in order to prevent work-related accidents and occupational diseases and to improve workplace conditions. Occupational health and safety examinations are conducted in accordance with laws and regulations, but we also have set our own high standards.

4 Occupational Health and Safety Improvements

Occupational health and safety improvements are made to the work environment and to work methods, aiming to protect the health and safety of employees. Occupational health and safety improvements are intended not only to ensure the health and safety of employees but to improve workplace comfort and productivity.

5 Occupational Health and Safety Activities

Occupational health and safety activities are activities in which the business owner and employees cooperate to protect the health and safety of employees. Activities to promote occupational health and safety include the prevention of accidents and illnesses, making improvements to the work environment, and the implementation of health management.

6 Occupational Accidents

The Mikuni Group is working with the aim of zero occupational accidents, including commuting accidents. However, we had as many as 30 accidents (including 13 with lost time) across the Group in FY2024. We will work together as one Group to eliminate work-related accidents.

	Group	Mikuni	Japan	Overseas
LTIFR ¹	0.703	0.000	2.812	0.692
LTISR ²	0.018	0.000	0.061	0.019

1 LTIFR (Lost Time Injury Frequency Rate): Number of fatalities and injuries due to workplace accidents resulting in lost work time per 1 million total actual working hours
2 LTISR (Lost Time Injury Severity Rate): Total number of lost workdays per 1,000 total actual working hours

Education and Training

As part of its work style reform, Mikuni is focusing on reskilling and education. We provide training appropriate to each career stage of our employees, starting from new hires, with particular emphasis on digital and language skills. In FY2022, we started conducting DX literacy training for all employees, and from FY2024, we started programs where employees can learn English and other subjects online. This allows employees to learn wherever they are.

1 Status of Training

Throughout the Mikuni Group, a total of 2,956 classroom training courses were offered. A total of 77,205 employees took the courses. This equates to approximately 10 courses per employee. These employees include contract employees and temporary employees. In addition, e-learning is offered, along with off-the-job training courses and self-learning courses for those who wish to take them.

Category	Classroom lecture			e-learning/self-learning course	
	Courses	Total no. of hours	Participants	Courses	Participants
General	1,195	4,046	10,773	22	475
Quality and Product Safety	1,142	32,335	37,301	20	2,780
Occupational Health and Safety	288	4,936	18,080	1	1
Human Rights and Labor	18	69	104	6	2,619
Human Resources	59	636	2,717	3	1,801
Environment	69	178	1,928	1	2
Compliance (Business Ethics)	39	428	1,676	14	5,522
Risk Management	73	1,293	3,444	1	272
DX and Information Management	23	115	355	14	5,181
Procurement	50	113	827	1	108
Total	2,956	44,150	77,205	83	18,761
Off-JT training, self-learning course, etc.	219	1,704	3,955	196	102

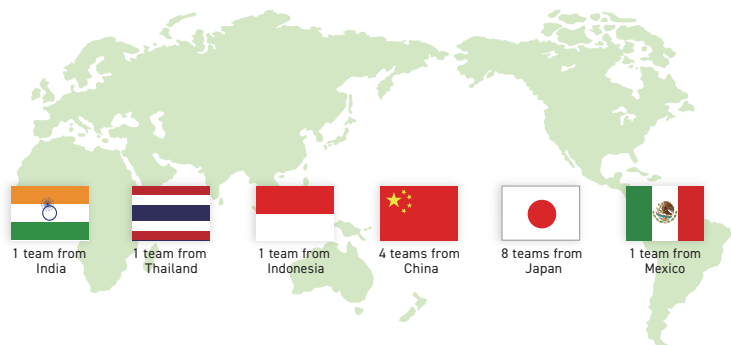
<div>General</div> <ul style="list-style-type: none">Corporate Philosophy, Management Policy, and Action GuidelinesCSRInternal controlIn-house rules and regulations (including 5S, etc.)AccountingOther items not included elsewhere	<div>Environment</div> <ul style="list-style-type: none">Basic Environmental Philosophy and PolicyISO14001Greenhouse gas emissions reductionEnvironmental laws and regulations, prevention of environmental pollutionResource conservation and waste reduction and managementAppropriate chemical substance managementEcosystem protectionEmergency response
<div>Quality and Product Safety</div> <ul style="list-style-type: none">Basic quality policiesISO9001Quality standards (IATF, Aerospace Quality System, etc.)Quality controlProduct safetyOther items of quality and product safety	<div>Compliance</div> <ul style="list-style-type: none">Compliance Code of Conduct, Declaration of ConductAnti-bribery and other forms of corruptionExport trade controlsProhibition of conflicts of interestCutting off relations with antisocial groupsWhistle-blower systemOther items of compliance
<div>Occupational Health and Safety</div> <ul style="list-style-type: none">Basic Safety Philosophy and Health and Safety PolicyISO45001Laws and regulations related to OHSSafe and healthy working environmentOHS Risk AssessmentEmergency responseMental healthOther items of OHS	<div>Risk Management</div> <ul style="list-style-type: none">Risk managementBusiness continuity plan, emergency response (preparedness for disasters and other risks)Other items of risk management
<div>Human Rights and Labor</div> <ul style="list-style-type: none">International Bill of Human Rights, International Labor StandardsRespect for human rightsProhibition of discrimination and harassmentProhibition of child labor and forced labor	<div>DX and Information Management</div> <ul style="list-style-type: none">Basic Information Security Policy, Code of Conduct on Information SecurityAppropriate information managementProtection of its own and others' intellectual propertyAppropriate information disclosure (including quality information)DX literacy improvement trainingOther (information management items)
<div>Human Resources</div> <ul style="list-style-type: none">Work rules, labor contracts, and employee rights and obligationsAppropriate management of working hoursHR development and subordinate trainingWage systemPersonnel evaluation system, career mapOther items of HR	<div>Procurement</div> <ul style="list-style-type: none">Prohibition of abuse of a superior positionAvoidance of using raw materials that may cause social problems such as conflict mineralsGreen procurementPromoting CSR in the supply chainOther items of procurement

KAIZEN Presentation World Meeting

Mikuni Group's challenge to improve quality and productivity: KAIZEN Presentation World Meeting

The Mikuni Group is working on kaizen (a Japanese term meaning "improvement") activities to improve quality and productivity every day in order to meet the expectations of our customers and end users. Every year, we hold the "KAIZEN Presentation World Meeting" as an opportunity to showcase the best examples of improvement activities conducted by each group company.

At this meeting, a variety of languages are spoken, including Japanese, English, Chinese, Hindi, Thai, Indonesian, and Spanish, and active discussions are held to enhance consumer reliance on Mikuni products, goods, and services. In addition, the "Kaze no Wa" (meaning "harmony of wind" in Japanese), a cooperative association of suppliers, is invited to participate and share examples of improvements.



16 teams

KAIZEN Presentation World Meeting 2024



Presentation at the World Meeting (Mikuni Shanghai)



Award ceremony



World Meeting members

SUPPLIERS

Sustainable Procurement

We are promoting sustainable procurement together with suppliers.

To promote sustainable procurement, we are instilling a responsible procurement policy through the formulation and sharing of CSR and Green Procurement Guidelines. We have also established a system for centralized management of primary and secondary supplier information using our SCM system, enabling us to respond quickly to natural disasters and supply chain risks. Furthermore, by advancing multifaceted initiatives such as managing conflict minerals and environmentally harmful substances, implementing cybersecurity measures, supporting health and productivity management, and strengthening disaster response systems, we enhance the transparency and sustainability of our procurement activities. We endorse the "Partnership Building Declaration" and strive for mutual prosperity with our business partners.

1 Guidelines and Various Surveys

Mikuni Supplier CSR Guidelines

In July 2020, we published the "Mikuni Supplier CSR Guidelines," which summarizes the CSR-related activities we have been undertaking with our suppliers. It is a guideline for the Mikuni Group to fulfill its corporate responsibility to present and future generations that would be difficult to achieve solely by the Group, through business activities that contribute to a sustainable society. Every year we have our main suppliers conduct a self-assessment survey regarding progress on the items stated in the Mikuni Supplier CSR Guidelines, and we are working with suppliers to make further improvements in the future.

Green Procurement Guidelines

The guidelines establish methods for reducing and managing legally regulated chemical substances (environmentally hazardous substances) and require suppliers to implement these methods in order to provide environmentally friendly products. The guidelines are based on the GADSL, a standard for the automotive industry, as well as the environmental regulations of countries and regions and customer requirements. We strive to eliminate or reduce environmentally hazardous substances by registering information or making reports using the IMDS* or JAPIA Standard Material Data sheet.

*IMDS: International Material Data System is a supply chain environmental information communication system developed mainly by the German Automobile Manufacturers Association.

Conflict Minerals Survey

Some of our products include parts and raw materials that contain tin, tantalum, tungsten, gold (Conflict Minerals 3TG), and cobalt. With the cooperation of our suppliers, we conduct a survey using the Conflict Minerals Reporting Template (CMRT), a standardized format of the Responsible Minerals Initiative (RMI), and report the results to our customers.

Cybersecurity Measures Status Survey

In order to protect the entire automotive industry from cyber attacks and strengthen security throughout the supply chain, we have our suppliers conduct a survey of cybersecurity measures status every year. The purpose is to improve the security level throughout the supply chain and minimize the risk of cyber attacks.

2 Collaboration with Suppliers

"Kaze no Wa": A Cooperative Association

We organized a cooperative association, called "Kaze no Wa," with about 100 of Mikuni's main suppliers. This is to build better relationships between members and to conduct various activities with subcommittees for the improvement of the quality of products and management.

Currently active subcommittees

- DX Subcommittee
- Carbon Neutrality Subcommittee
- BCP Subcommittee (see "Business Continuity" section for details)
- Quality Subcommittee

Partnership Building Declaration

Mikuni endorses the objectives of the Council on Promoting Partnership Building for Cultivating the Future, whose members include the chairman of the Japan Business Federation (Keidanren), the president of the Japan Chamber of Commerce and Industry (JCCI), the president of the Japanese Trade Union Confederation (RENGO), and relevant government ministers of the Cabinet Office, Ministry of Economy, Trade and Industry (METI), Ministry of Health, Labour and Welfare, Ministry of Agriculture, Forestry and Fisheries (MAFF), and Ministry of Land, Infrastructure, Transport and Tourism (MLIT). Mikuni formulated and announced the "Partnership Building Declaration" to express our commitment to building mutually beneficial relationships with our business partners, aimed at adding value throughout the supply chain.

Health and Productivity Management Initiatives

We are promoting health and productivity management measures together with our business partners. Specifically, we encourage our business partners to participate in health and productivity management seminars, such as a seminar for managers on balancing work and caregiving. We also use health and productivity management surveys to understand the status of our business partners' health and productivity management and safety and health initiatives, their certification status, and their interest in future joint events.

SCM System

The automotive industry is introducing Supply Chain Management System (SCM System). Mikuni has also introduced the system to collect information from not only primary but also secondary and subsequent suppliers. In the event of natural disasters, we can quickly assess the status and respond as necessary. In 2024, we conducted a total of 11 checks on the impact of natural disasters. We are currently working on improvements to grasp the situation even earlier.

LOCAL COMMUNITIES

Donations and Other Contributions

The Mikuni Group makes donations to local governments, welfare organizations, and other related facilities.

- Mikuni India made donations to a facility for people with disabilities and a technical college near the plant.
- Mikuni India cooperated with the Indian Red Cross blood donation drive.
- Mikuni Thailand presented calendars to visually impaired children as part of its Children's Day support activities.



Donation to a facility for people with disabilities (Mikuni India)



Blood donation drive (Mikuni India)



Donation of desk calendars (Mikuni Thailand)

Volunteer Activities

The Group companies actively perform various volunteer activities.

- Mikuni Thailand and Mikuni Indonesia participated in mangrove tree planting events.
- Mikuni Thailand employees participated in a charity run to support the purchase of medical equipment.
- Mikuni Odawara Operation conducted a cleanup activity along the Kuno River in the city.



Tree-planting event (Mikuni Thailand)



Tree-planting event (Mikuni Indonesia)



Cleanup activity along the Kuno River (Mikuni Odawara Operation)



Charity run (Mikuni Thailand)

Contribution to Local Communities

We are engaged in community-based activities.

- Mikuni Odawara Operation provides a field to Odawara Rugby School. Odawara Operation created an opportunity for children to receive direct coaching from players of a professional rugby team sponsored by Mikuni.
- Mikuni Partec participated in environmental activities organized by Makinohara City, including environmental beautification efforts, aquatic life surveys, and a medaka (Japanese rice fish) distribution project.
- Tianjin Mikuni participated in the local union's sports festival.



Odawara Rugby School's activity (Mikuni Odawara Operation)



Environmental beautification efforts, aquatic life surveys, and medaka (Japanese rice fish) distribution (Mikuni Partec)



Local union's sports festival (Tianjin Mikuni)

Other Activities

- Mikuni Morioka Operation received the highest award, the Carbon-Free Management Award, in the "ECO Action from What You Can Do!" initiative by the Iwate Prefectural Council for Global Warming Prevention.
- Mikuni Odawara Operation received a special award at the 3rd Climate Change Award hosted by the Odawara Hakone Chamber of Commerce and Industry, in recognition of its team carbon zero development activities.

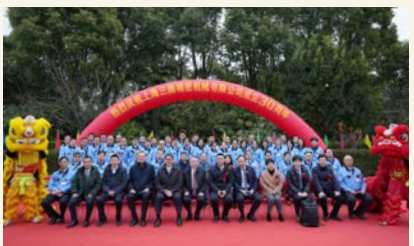


Award ceremony in the "Start with Simple Eco-friendly Actions!" initiative



Special award acceptance speech in the Climate Change Award

- Mikuni Shanghai and Tianjin Mikuni celebrated their 30th anniversary with a commemorative ceremony.



Mikuni Shanghai 30th anniversary commemorative ceremony



Tianjin Mikuni 30th anniversary commemorative ceremony

Governance

CORPORATE GOVERNANCE

We strive to realize our corporate philosophy by maintaining and enhancing management efficiency, fairness, and transparency.

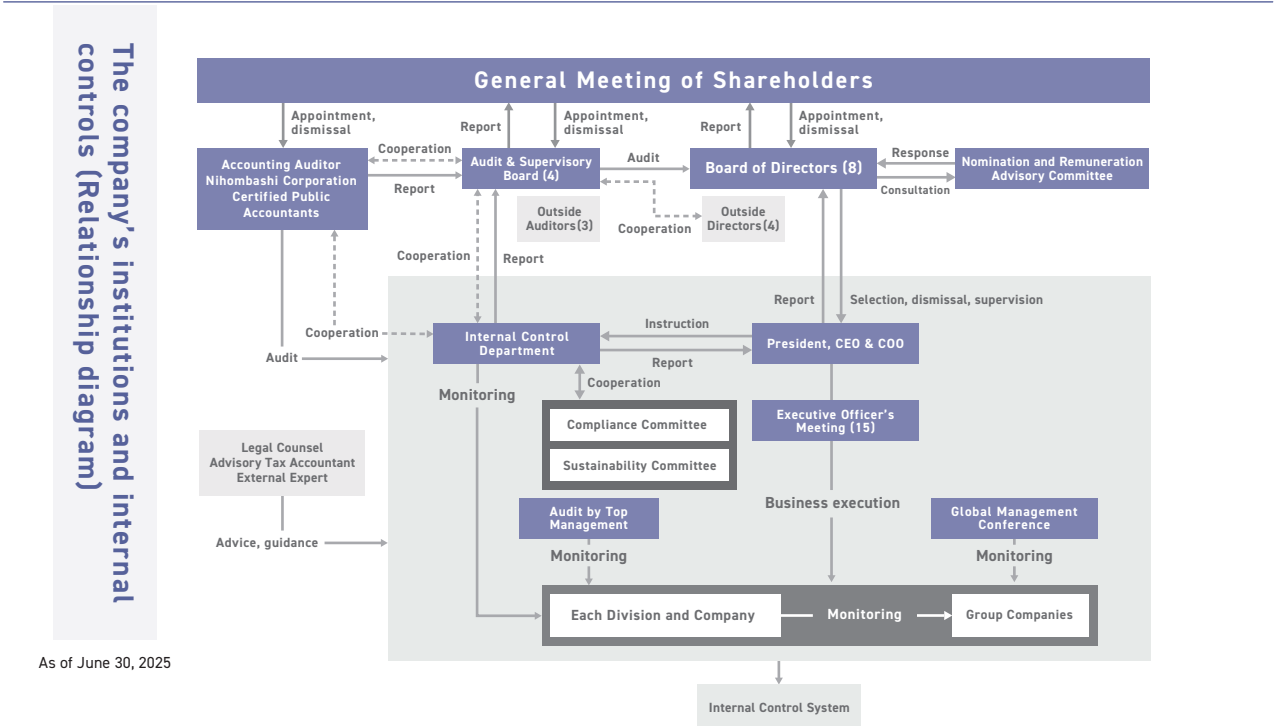
Basic Approach

Under our corporate philosophy of contributing to the realization of a prosperous society, our long-term management plan of VISION2033 aims to become a company trusted by all stakeholders—including shareholders, business partners, local communities, and employees—and to achieve sustainable growth. Concerning corporate governance, we believe it is important to establish and operate a system appropriate to the vision with our corporate philosophy and long-term management plan.

Policy in Business Activities

- Our basic policy is to be faithful to our corporate philosophy: "With a global perspective, Mikuni will contribute to the realization of a prosperous society by making full use of our human resources and technology."
- To enhance management efficiency, we are advancing the delegation of authority concerning business execution.
- To ensure management fairness and transparency, independent directors constitute more than half of the Board of Directors and Audit & Supervisory Board.
- The Board of Directors regularly reviews the status of the Company's corporate governance and other matters at its Board meetings.

The Structure of Corporate Governance



Board Skills Matrix

		Corporate management and organizational operation	Legal and internal controls	Financial accounting and capital policy	HR, labor control, and talent development	Global business	Technology (for production, development, and innovation)	IT and DX	Nomination and Remuneration Advisory Committee
Directors	Hisataka IKUTA	●	●	●	●	●			Member
	Kiyoshi FUJIWARA	●				●	●		
	Satoshi FUJIMORI	●	●	●	●	●			
	Atsuhiko OISHI	●				●	●	●	
	Hideo YAMADA *	●	●		●				Chairperson
	Takao SUZUKI *	●				●			Member
	Shigeru SHIINA *	●		●		●	●	●	Member
Audit & Supervisory Board Members	Masumi SHIRAISHI *		●		●				
	Kazushige SUZUKI	●	●	●	●				
	Takeshi ONOZAKI *	●	●	●					
	Tsukasa MIYAJIMA *		●						
	Taeko IZUMI *	●	●	●	●				

(Note 1) The above list is based on the expected skill items in addition to each person's experience, etc., and does not represent all the knowledge and experience each person has.
(Note 2) * is an outside director and independent director.

Directors

Hisataka IKUTA

Kiyoshi FUJIWARA

Satoshi FUJIMORI

Atsuhiko OISHI

Hideo YAMADA

Takao SUZUKI

Shigeru SHIINA

Masumi SHIRAISHI

Audit & Supervisory Board Members

Kazushige SUZUKI

Takeshi ONOZAKI

Tsukasa MIYAJIMA

Taeko IZUMI

Reasons Why the Skills Are Required

	Reasons why the skills are required
Corporate management and organizational operation	Experience and skills in corporate management, including organizational operation, are needed in order to make important decisions for a wide variety of business sectors in an increasingly uncertain business environment.
Legal and internal controls	Knowledge and experience in legal and internal controls are needed in order to set up a system to ensure appropriate business operations and to establish a corporate culture that places importance on compliance.
Financial accounting and capital policy	Knowledge and skills in financial accounting and capital policy are needed in order to ensure the reliability of financial reports and to plan and proceed with long-term capital policies.
HR, labor control, and talent development	Knowledge and experience in human resources, labor control, and talent development are needed because, to implement the corporate philosophy, it is required to set up appropriate human resources management functions, secure diversity, and develop talent from a long-term perspective.
Global business	Experience in management abroad and extensive experience and skills in overseas business are needed for more efficient operation of a global management system amid the circumstances of close economic connection between countries and rapid changes in operational environments.
Technology (for production, development, and innovation)	Expertise and skills in production and development are needed in order to keep up with the electrification of automobiles and motorcycles, as well as to accomplish the carbon neutrality of gas control products by 2050 based on our long-term environmental vision.
IT and DX	Expertise, experience, and skills in the IT sector are needed in order to reduce operation process time and efficiently capitalize on a range of information by using IT technologies (such as AI, BI, and RPA) and robots and utilizing data analysis, as well as to continue to transform business operations and improve productivity.

Compliance

Compliance is the foundation of all business activities.

We have established the “Compliance Code of Conduct” and “Code of Ethics Declaration” that are common to the entire Mikuni Group, and we always give priority to compliance in our activities. Compliance at the Mikuni Group is not limited to observing laws and regulations, but also refers to “conducting corporate activities with a high sense of ethics.”



Whistleblowing System

We have set up an internal reporting channel (helpline) in an external law firm and in the Compliance Committee Secretariat to accept reports not only from employees but also from business partners (suppliers).

For more information, please visit <https://www.mikuni.co.jp/esg/purchase/>

Compliance Manual

We have prepared and distributed a Compliance Manual to promote and improve the awareness of compliance among all employees of the Mikuni Group.

Elimination of Antisocial Forces

Mikuni and the Mikuni Group will not have any relationship with antisocial forces. We require our business partners (suppliers) and employees to submit a written pledge that they have no relationship with antisocial forces.

Risk Management

The Group shall pursue sustainability as a whole.

The Company's directors are building a practical risk management system to address risks surrounding the Mikuni Group. The Sustainability Committee, composed of the Company's directors and executive officers, develops various rules and manuals and promotes the risk management system with the approval of the Board of Directors. Each division and company manages its specific risks in accordance with these rules and manuals.



Other risks include the following.

- Risks related to competition, demand fluctuation, etc.: sales division
- Risks related to financial market fluctuations such as exchange rates and interest rates: finance division
- Risks related to product quality: QMS secretariat
 - ISO9001/IATF16949 (Automotive products business, household appliances device products business)
 - ISO9001/JISQ9100 (Aircraft parts import and sales business)
- Risks related to the environment: EMS secretariat
 - ISO14001
- Risks related to occupational health and safety: OH&SMS secretariat
 - ISO45001
- Risks related to raw materials, etc.: procurement division

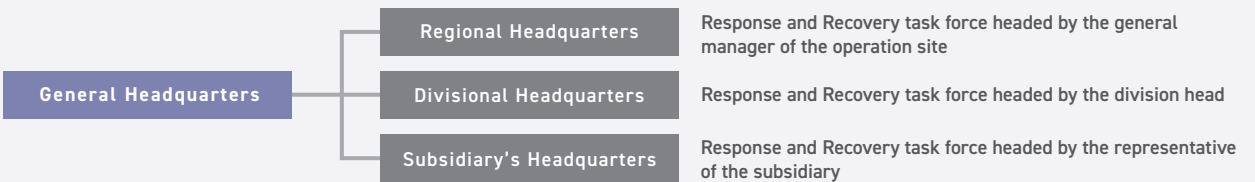
Business Continuity

We respond immediately to materialized risk and carry out business continuity activities.

In the automobile industry, which has a huge supply chain network, the just-in-time system is in operation, and a disaster in one region or a lockdown due to infectious disease can affect automobile production all over the world (such as the Niigata Chuetsu Offshore Earthquake in 2007 and the flooding in Thailand in 2011). The Mikuni Group promotes business continuity activities in cooperation with its suppliers in order to improve business continuity throughout the supply chain.

1 Crisis Response and Recovery

In the event of a significant crisis, such as a wide-area disaster, a large-scale accident, an incident of non-compliance, a crime, a dispute, an act of terrorism, or any other serious problems in Japan or overseas that may have a significant impact on the management of the Mikuni Group (hereinafter referred to as a “crisis”), the General Headquarter of Crisis Response, headed by the CEO, will be established to respond quickly and appropriately, which will mobilize the entire company's knowledge.



Company-wide Drills of Comprehensive Crisis Response

Since 2012, we have conducted company-wide crisis response drills at least once a year to transfer and develop the knowledge gained from the Great East Japan Earthquake and the 2011 Thailand floods. Without being bound by past cases, we examine initial response and recovery measures in the event of a crisis, assuming a variety of situations, and confirm the effectiveness of our crisis response and recovery system.

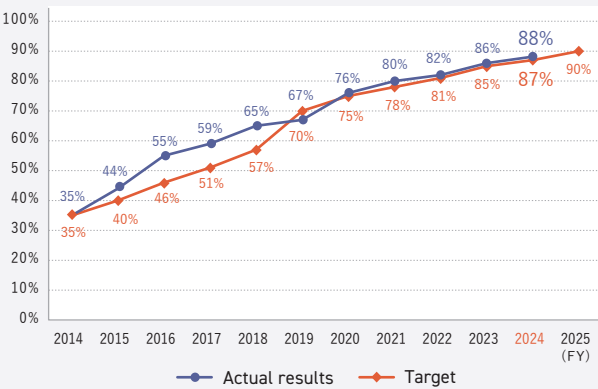
Crisis Response System and Risk Management System

In the Mikuni Group, the crisis response and recovery system is in charge of significant crises, while the risk management system and compliance system are in charge of preemptive measures against disasters and incidents with relatively little impact.

2 BCP Subcommittee

Mikuni has established a BCP subcommittee in “Kaze no Wa,” a cooperative association, and has been preparing BCPs (business continuity plans) with about 10 companies every year since FY2014. We certify companies who have participated in the subcommittee and completed a year of activities as “BCP Meister,” and they participate in the following year's activities as advisors. The theme for FY2025 was “BCP with everyone.”

BCP preparation rate among companies participating in the cooperative association



There are three specific activities:

1. [Creation of a BCP textbook](#) : We have created a textbook with the theme of “Disaster cases that business managers should see” to help business managers understand the importance of disasters.
2. [BCP training seminars](#) : Companies certified as BCP Meister act as instructors and share their BCP knowledge with other suppliers.
3. [Branding the supplier chain through vertical collaboration](#) : We have established a system to continue a stable supply even in times of disaster through collaboration with companies in the cooperative association.

In addition to BCP, we place importance on BCM (business continuity management), and certify companies that have achieved results in drills and response to actual disasters as “4-Star BCP Meister” or “5-Star BCP Meister.” In March 2020, the BCP Subcommittee was certified by the Ministry of Economy, Trade and Industry as a Collaborative Business Continuity Capacity Enhancement Plan. In FY2024, nine companies participated in and further strengthened the activities.




NON-FINANCIAL DATA

External Evaluation Awards

● Environment

CDP

We have received the rating of 2024 Climate Change C and Water Security C from CDP, a non-profit organization that guides environmental reporting.




EcoVadis

We have received the rating of 2024 COMMITTED BADGE from EcoVadis, a world-leading ratings platform.

EcoVadis

DBJ Environmental Rating

We received an environmentally rated loan from the Development Bank of Japan (DBJ) in August 2022, with the rating result evaluating us as "advanced in efforts for environmental consideration."



● Initiatives for Health and Productivity Management

2025 Outstanding Organization of 'KENKO Investment for Health (investment for health and productivity management)' ('White 500')

Our commitment to strategically addressing employee health from a corporate perspective has been recognized, and for the sixth year in a row, Mikuni has been awarded the "Outstanding Organization of 'KENKO Investment for Health (investment for health and productivity management)' (Large Enterprise Category)" by the Ministry of Economy, Trade and Industry of Japan and the Nippon Kenko Kaigi (Japan Health Council), which jointly selects corporations.

Last year we were selected for the "White 500" for the first time, recognizes the top 500 companies.



DBJ Health Management Rating

We received a health management rated loan from the Development Bank of Japan (DBJ) in May 2024, with the rating result evaluating us as "particularly outstanding in efforts to consider employee health," which was the highest rank.



● Promotion of Gender Equality

Eruboshi

In recognition of Mikuni's efforts in developing a work environment that encourages women to fully demonstrate their talent by meeting certain criteria, we received the highest grade (level 3) of the "Eruboshi" certification under the Act on Promotion of Female Participation and Career Advancement in the Workplace in 2018 and keep certified every year.

* Meaning "L Star": L stands for Lady, Labor, and Laudable.



Women's Advancement Certified Company of Iwate Prefecture

Our Morioka Operation site has been certified as a "Women's Advancement Certified Company of Iwate" at the highest level, Step 2, as a company that is actively working to promote the advancement of women.



Odawara L Yale


Our Odawara Operation site has been certified as a Gold Stage company, the highest level of the "Odawara L Yale" (Odawara City's certification system for excellent companies that promote woman's advancement).



● Others

Kurumin

In September 2021, we received "Kurumin" certification from Japan's Ministry of Health, Labour and Welfare as a "child-rearing support company" based on the Act on Advancement of Measures to Support Raising Next-Generation Children.



DBJ BCM Rating

We received a DBJ BCM rated loan from the Development Bank of Japan (DBJ) in May 2023, with the rating result evaluating us as "particularly outstanding in efforts for disaster prevention and business continuity," which was the highest rank.



ISO Certification Status

As of March 31, 2025

Region								
Type of company	Consoli- dation	Voting rights ratio	Business segment		Status of certification			
					QMS	EMS	OH&SMS	
Japan								
Manufacturing								
Mikuni Corporation	-	-	Mobility	Gas Techno	ISO9001 IATF16949	ISO14001	ISO45001	
Mikuni Partec Corporation	✓	100%	Mobility		ISO9001	ISO14001	ISO45001	
Mikuni Life & Auto Co., Ltd.	✓	100%	Others					
Sales								
Mikuni Aerospace Corporation	✓	100%	Trading Company Aircraft		ISO9001 JIS Q 9100			
Mikuni Green Service Co., Ltd.	✓	100%	Trading Company Turf-care					
Asahi Air Supply, Inc.	✓	100%	Trading Company Aircraft		ISO9001 JIS Q 9100			
Sunrise Medical Japan Co., Ltd.	✓	51%	Others					
Eberspächer Mikuni Climate Control Systems Corporation	-	12.5%	Mobility					
Services								
Mikuni Xymas Corporation	-	100%	Others					
Mikuni Living Service Corporation	-	36%	Others					
Asia								
Manufacturing								
Tianjin Mikuni Co., Ltd.	✓	100%	Mobility		ISO9001 IATF16949	ISO14001	ISO45001	
Mikuni (Zhejiang) Co., Ltd.	✓	100%	Mobility	Gas Techno	ISO9001	ISO14001	ISO45001	
Mikuni (Shanghai) Co., Ltd.	✓	90%	Mobility		ISO9001 IATF16949	ISO14001	ISO45001	
Nanjing Jincheng Mikuni Machinery & Electronics Co., Ltd.	-	35%	Mobility		ISO9001 IATF16949	ISO14001	ISO45001	
Mikuni R.K. Corporation	- (Equity method)	70%	Gas Techno		ISO9001	ISO14001		
Mikuni (Thailand) Co., Ltd.	✓	93%	Mobility		ISO9001 IATF16949	ISO14001	ISO45001	
PT. Mikuni Indonesia	✓	100%	Mobility		ISO9001 IATF16949	ISO14001	ISO45001	
Mikuni India Private Limited	✓	100%	Mobility		IATF16949	ISO14001	ISO45001	
Management and sales								
Mikuni Management (Shanghai) Co., Ltd.	✓	100%	Mobility					
Mikuni Taiwan Corporation	✓	100%	Mobility		ISO9001			
Americas								
Manufacturing								
Mikuni Mexicana S.A. de C.V.	✓	100%	Mobility		ISO9001 IATF16949	ISO14001		
Sales								
Mikuni American Corporation	✓	99%	Mobility	Trading Company Aircraft				
Services								
Corbin Properties Incorporated	✓	100%	Others					
Europe								
Sales								
Mikuni Europe GmbH	✓	100%	Mobility	Gas Techno				

Compliance Evaluation - Mikuni (Non-Consolidated)

The results (average values) of water quality and exhaust gas measurement at each operation site are shown below.

1 Water Quality

Water quality measurement results at the final drainage outlet based on the Water Pollution Prevention Act(based on the measurement certificate from the measurement company)



- Water quality at our head office and branch offices is not measured because of sewage drainage.

			pH	BOD (mg/L)	COD (mg/L)	Results
Odawara (R&D)	Standard		6.0~8.2	54 or less	54 or less	○
	Measured value		7.3	1.0	1.1	
Kikugawa (Plant)	Standard		6.0~8.2	18 or less	18 or less	○
	Measured value		7.0	3.1	6.8	
Takizawa, Morioka (Plant)	Standard		6.1~8.3	24 or less	24 or less	○
	Measured value		7.1	7.9	8.2	
Ogama, Morioka (Plant)	Standard		6.1~8.3	16 or less	24 or less	○
	Measured value		7.1	4.0	10.7	

2 Air Quality

Measurement results at facilities that generate soot and smoke based on the Air Pollution Control Act(based on the measurement certificate from the measurement company)



- Since all boilers used at Mikuni fall under the category of small boilers, the application of the regulation has been suspended based on a government ordinance.
- At Kikugawa plant, we use LNG as fuel for the cogeneration system, which has low CO₂ and NO_x emissions and does not produce SO_x. However, due to the structure of the system, a small amount of lubricating oil penetrates the combustion chamber and burns, which is the cause of the measured values in the table.
- Odawara Operation (R&D Center), the head office, and branch offices do not have specific facilities stipulated in the Air Pollution Control Act, so no measurements have been taken.

			SOx (Nmi/h)	NOx (ppm)	Soot and dust (g/Nmi)	Results
Kikugawa (Plant)	Boiler	Standard	0.2 or less	180 or less	0.1 or less	○
		Measured value	—	18.0	Less than 0.002	
	Hot and chilled water generator	Standard	0.2 or less	150 or less	0.1 or less	— 1
		Measured value	—	—	—	
Takizawa, Morioka (Plant)	Cogeneration system	Standard	0.2 or less	600 or less	0.05 or less	○
		Measured value	—	160.0	Less than 0.002	
	Boiler	Standard	2.55 or less	Suspended	Suspended	○
		Measured value	0.04	68.0	0.02	
Ogama, Morioka (Plant)	Hot and chilled water generator	Standard	0.21 or less	144 or less	0.24 or less	○
		Measured value	0.03	64.0	0.01	
	Boiler	Standard	0.46 or less	Suspended	Suspended	○
		Measured value	0.02	44.0	0.01	

1 Due to the amendment to the Enforcement Order of the Air Pollution Control Act on October 1, 2022 (in which the boiler size requirement was eliminated), this item is no longer subject to measurement, so no measurements were taken in FY2024.

Remarks: 1. The above data represent annual average values.

2. The above standard values are based on our voluntary control standard values of each operation site.

Environmental Accounting - Mikuni (Non-Consolidated)

We monitor and disclose the costs of our environmental conservation activities in order to promote and maintain them efficiently and effectively.

Category		Main initiatives	Invested amount (thousand yen)
(1) Business area cost Environmental conservation cost to control environmental impacts which result from production and serviceactivitieswiththe business area	① Pollution prevention cost	Air and water pollution prevention activities (including periodic analysis) Noise and vibration prevention activities Maintenance and inspection of pollution prevention facilities (including those related to septic tanks)	46,525
	② Global environmental conservation cost	Global warming prevention activities Energy conservation activities Ozone depletion prevention activities	61,736
	③ Resource circulation cost	Waste recycling and resource recycling activities Maintenance and inspection of waste treatment, reduction of energy generation	40,958
(2) Upstream and downstream cost Environmental conservation cost to control environmental impacts which result from production and service activities upstream or downstream		Green procurement activities	40,632
(3) Administration cost	① Cost for the setup and operation of the environmental management system	Maintaining the environmental management system Environmental education for employees	70,018
	② Cost of environmental improvement measures	Maintaining the environment through nature conservation, greening, and cleaning of company premises	20,876
	③ Cost of environmental impact monitoring	Monitoring of water quality, air quality, noise and vibration, soil, PRTR, etc.	4,790
(4) Social activity cost		Cleaning up the local area environment Supporting local environmental activities and donations	160.2
(5) Environmental remediation cost		Restoration of natural destruction, insurance fees to cover damage to the environment	200
Total			285,896

Material Balance - Mikuni Group



Others: Environmental and Social

Environmental

01. Energy consumption



		FY2022	FY2023	FY2024			
		Group	Group	Group	Mikuni	Japan	Overseas
Electricity consumption	(MWh)	90,755	90,388	86,853	25,405	7,318	54,130
Non-renewable purchased electricity	(MWh)	85,110	84,133	65,856	9,608	6,015	50,234
Non-renewable in-house power generation	(MWh)	44	1,668	1,526	1,526	0	0
Renewable purchased electricity	(MWh)	4,940	3,450	16,663	13,537	0	3,126
Renewable in-house power generation	(MWh)	0	1,137	2,807	733	1,303	771
Purchased heat	(MWh)	0	0	0	0	0	0
Gasoline	(kL)	222	272	194	27	95	73
Diesel oil	(kL)	171	541	176	8	141	27
Kerosene	(kL)	88	80	66	57	9	0
Heavy oil A	(kL)	252	237	221	221	0	0
Liquehed petroleum gas (LPG)	(ton)	1,468	1,485	1,402	23	801	578
Liquehed natural gas (LNG)	(ton)	1,029	971	1,056	753	0	304
Other combustible natural gas	(1000Nm³)	1,667	1,424	1,578	0	0	1,578
City gas	(1000Nm³)	939	1,167	858	0	0	858

02. CO2 emissions



		Group	Group	Group	Mikuni	Japan	Overseas
Scope 1	(ton-CO2e)	14,822	15,812	14,017	3,002	3,005	8,010
Scope 2 (market-based)	(ton-CO2e)	46,738	45,284	37,900	4,059	2,536	31,305
Scope 2 (location-based)	(ton-CO2e)	48,987	46,447	44,793	10,746	2,607	31,439
Scope 3	(ton-CO2e)	2,210,969	2,037,915	2,081,236	292,957	202,356	1,585,924
Category 1	(ton-CO2e)	495,413	469,119	459,005	73,749	108,746	276,510
Category 2	(ton-CO2e)	55,465	25,790	32,578	7,085	1,370	24,123
Category 3	(ton-CO2e)	10,016	9,828	9,268	2,326	1,188	5,754
Category 4	(ton-CO2e)	28,274	19,253	18,111	2,314	5,033	10,764
Category 5	(ton-CO2e)	89	112	118	24	8	86
Category 6	(ton-CO2e)	1,574	1,738	1,655	261	206	1,188
Category 7	(ton-CO2e)	4,625	5,327	4,924	1,672	654	2,599
Category 8	Not relevant						
Category 9	Not relevant						
Category 10	(ton-CO2e)	515	431	193	3	183	8
Category 11	(ton-CO2e)	1,613,856	1,505,619	1,554,587	205,403	86,958	1,264,226
Category 12	(ton-CO2e)	1,142	699	797	122	10	665
Category 13	Not relevant						
Category 14	Not relevant						
Category 15	Not relevant						

03. Environmentally hazardous substance emissions



		Group	Group	Group	Mikuni	Japan	Overseas
Chemical substances emissions							
PRTR substances	(ton)	7.5	13.5	10.5	4.8	5.8	---
Discharge to water system							
BOD	(ton)	7.8	6.3	5.1	0.6	0.5	4.0
COD	(ton)	11.5	9.0	10.4	1.0	1.0	8.3
Total other water pollutants		38.6	8.8	10.2	0.6	1.0	8.6
Emissions to the atmosphere							
Sulfur oxide (SOx)	(ton)	0.5	0.9	0.7	0.4	0.0	0.3
Nitrogen oxide (NOx)	(ton)	4.8	25.5	26.8	2.7	0.0	24.1
Particulate matter (PM), soot and dust	(ton)	0.9	7.3	7.9	0.2	0.0	7.8
Carbon monoxide (CO)	(ton)	3.4	4.6	4.7	0.0	0.0	4.7
Hydrocarbon	(ton)	0.1	0.4	1.6	0.0	0.0	1.6
Total other air pollutants	(ton)	0.0	0.0	1.5	0.0	0.0	1.5

04. Water consumption



		Group	Group	Group	Mikuni	Japan	Overseas
Water input	(ton)	702,793	738,386	763,723	308,854	191,504	263,365
Tap water	(ton)	310,634	315,010	308,200	58,568	45,912	203,720
Groundwater	(ton)	230,913	260,000	280,960	250,286	0	30,674
Rainwater	(ton)	154,441	156,025	145,592	0	145,592	0
Recycled water (recycled in-house)	(ton)	6,805	7,351	28,971	0	0	28,971

05. Raw materials



		Group	Group	Group	Mikuni	Japan	Overseas
Aluminum (die-casting material)	(ton)	8,061	7,644	7,362	1,565	1,469	4,328
Zinc (die-casting material)	(ton)	302	181	227	7	0	220
Other metals (iron, brass, copper, etc.)	(ton)	3,619	3,806	3,264	1,250	488	1,526
Resins used	(ton)	2,289	2,407	2,046	897	0	1,149

06. Waste



		Group	Group	Group	Mikuni	Japan	Overseas
Total waste discharged	(ton)	6,552	4,822	5,652	584	409	4,659
Recycled waste	(ton)	3,867	2,977	2,452	560	398	1,494
Recycling rate	(%)	59%	62%	43%	96%	97%	32%
Waste finally discharged	(ton)	2,685	1,845	3,199	24	11	3,165
Hazardous waste finally discharged	(ton)	1,641	1,165	2,150	24	4	2,122
Non-hazardous waste finally discharged	(ton)	1,043	679	1,049	0	7	1,042

Social

01. Employees¹



		FY2022	FY2023	FY2024			
		Group	Group	Group	Mikuni	Japan	Overseas
Employees		7,648	7,481	7,682	1,890	468	5,324
Male		5,095	5,208	5,483	1,445	342	3,696
Female		2,493	2,273	2,199	445	126	1,628
Other		60	0	0	0	0	0
Female ratio (%)		32.6%	30.4%	28.6%	23.5%	26.9%	30.6%
Permanent employees		4,803	4,483	4,209	1,398	337	2,474
Male		3,078	2,984	2,836	1,106	250	1,480
Female		1,725	1,499	1,373	292	87	994
Other		0	0	0	0	0	0
Female ratio (%)		35.9%	33.4%	32.6%	20.9%	25.8%	40.2%
Temporary employees		2,845	2,998	3,473	492	131	2,850
Male		2,017	2,224	2,647	339	92	2,216
Female		768	774	826	153	39	634
Other		60	0	0	0	0	0
Female ratio (%)		27.0%	25.8%	23.8%	31.1%	29.8%	22.2%
Senior managers (manager and above)		446	478	460	182	61	217
Male		407	436	420	177	58	185
Female		39	42	40	5	3	32
Other		0	0	0	0	0	0
Female ratio (%)		8.7%	8.8%	8.7%	2.7%	4.9%	14.7%
Elementary mangers (assistant manger, etc.)		788	712	666	183	77	406
Male		678	608	569	179	63	327
Female		110	104	97	4	14	79
Other		0	0	0	0	0	0
Female ratio (%)		14.0%	14.6%	14.6%	2.2%	18.2%	19.5%
Disabilities		62	64	35	24	1	10
Total working hours (hours per year/person)		2,310	2,334	2,223	1,591	2,280	2,442
Average number of paid leave taken		11.4	11.9	12.7	17.1	14.4	10.6

1 The number of temporary employees of Mikuni on a non-consolidated basis is as of March 31, 2025, and differs from the average number of temporary employees stated in the Annual Securities Report.
The number of employees of the Mikuni Group is as of March 31, 2025 and differs from the number of employees at the end of the fiscal year as shown in the Annual Securities Report.

02. Occupational accidents



	Group	Group	Group	Mikuni	Japan	Overseas
LTIFR²	0.905	0.744	0.703	0.000	2.812	0.692
LTISR³	0.021	0.007	0.018	0.000	0.061	0.019

2 LTIFR (Lost Time Injury Frequency Rate): Number of fatalities and injuries due to workplace accidents resulting in lost work time per 1 million total actual working hours
3 LTISR (Lost Time Injury Severity Rate): Total number of lost workdays per 1,000 total actual working hours

03. Education and training



	Group	Group	Group	Mikuni	Japan	Overseas
Classroom lecture						
Courses	4,736	1,844	2,956	616	95	2,245
Total number of study hours	34,529	20,162	44,150	27,282	596	16,272
Participants	89,582	55,194	77,205	13,369	795	63,041
e-learning						
Courses	113	60	83	9	22	52
Participants	15,182	12,027	18,761	13,548	1,181	4,032

04. Purchase



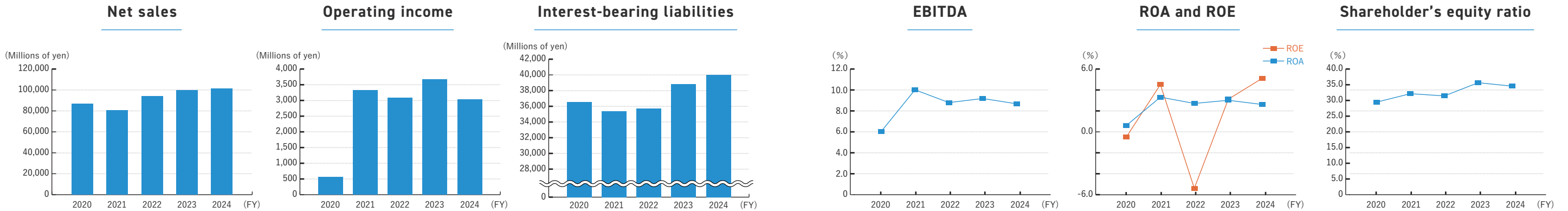
	Group	Group	Group	Mikuni	Japan	Overseas
Ratio of suppliers located domestically	90%	92%	92%	98%	92%	88%
Ratio of purchase amount from domestic suppliers	71%	65%	68%	100%	32%	86%

FINANCIAL DATA

■ Transition over the Past 11 Years (Consolidated)

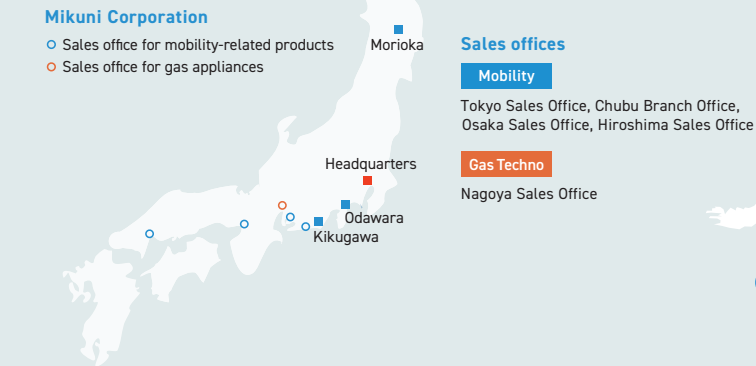
	(FY)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating results (Millions of yen)	Net sales ¹	98,518	97,874	94,787	103,772	121,803	110,499	86,962	80,789	93,847	99,941	101,428
	Operating income ¹	4,913	3,094	3,453	4,117	4,403	2,410	569	3,318	3,089	3,672	3,031
	Net income attributable to owners of parent ¹	2,994	1,269	2,685	2,547	2,262	(4,014)	(125)	1,318	(1,682)	1,115	1,995
	Capital investment	4,758	5,434	5,872	5,855	7,411	7,364	3,284	3,163	5,893	6,214	5,311
	Depreciation	4,043	4,343	4,238	4,387	4,338	4,621	4,651	4,762	5,149	5,493	5,752
	R&D expenses	4,260	4,322	4,831	5,281	6,019	5,935	5,081	5,368	5,486	5,689	5,939
Cash flows (Millions of yen)	Cash flows from operating activities	6,896	4,630	5,185	9,423	5,121	2,389	318	5,078	4,880	2,972	1,733
	Cash flows from investing activities	(3,984)	(4,746)	(5,270)	(3,812)	(6,607)	(6,997)	(2,876)	(2,371)	(5,441)	(5,052)	(3,133)
	Free cash flows	2,912	(116)	(85)	5,611	(1,486)	(4,608)	(2,558)	2,707	(561)	(2,080)	(1,400)
	Cash flows from financing activities	(4,622)	(384)	426	(5,624)	2,770	3,022	2,217	(2,474)	(940)	1,252	(138)
Financial position (Millions of yen)	Interest-bearing liabilities	28,757	29,601	31,263	26,405	30,027	33,627	36,568	35,363	35,734	38,845	39,994
	Equity	28,400	26,534	29,207	32,285	32,036	25,841	27,560	31,064	31,431	39,715	37,930
	Total assets	89,606	85,590	89,181	89,744	96,768	90,396	93,891	96,917	100,108	111,536	109,950
Key financial indicators (%)	Ratio of operating income to net sales	5.0	3.2	3.6	4.0	3.6	2.2	0.7	4.1	3.3	3.7	3.0
	EBITDA	9.09	7.60	8.11	8.19	7.18	6.36	6.00	10.00	8.78	9.17	8.66
	Return on assets (ROA)	5.0	3.5	4.0	4.5	4.7	2.0	0.6	3.3	2.7	3.0	2.6
	Return on equity (ROE)	12.0	4.6	9.6	8.3	7.0	(13.9)	(0.5)	4.5	(5.4)	3.1	5.1
	Shareholder's equity ratio	31.7	31.0	32.8	36.0	33.1	28.6	29.4	32.1	31.4	35.6	34.5
	Dividend payout ratio	11.3	39.8	15.0	19.8	22.3	—	—	25.4	—	60.3	23.6
Per share information (Yen)	Earnings per share (EPS)	88.40	37.67	79.87	75.77	67.26	(119.30)	(3.73)	39.31	(50.13)	33.19	59.29
	Dividend per share (DPS)	10.00	15.00	12.00	15.00	15.00	10.00	5.00	10.00	10.00	20.00	14.00
	Book value per share (BPS)	838.56	789.18	868.69	959.95	952.60	767.72	822.12	925.67	936.50	1,180.23	1,126.27

¹ The Company has applied the Accounting Standard for Revenue Recognition from FY2021.



MIKUNI GROUP

Operations in Japan



Headquarters **Mobility** **Trading Company Aircraft** **Trading Company Turf-care**

6-13-11 Sotokanda, Chiyoda-ku, Tokyo 101-0021, Japan



Odawara Operation (R&D Center) **Mobility**

2480 Kuno, Odawara, Kanagawa 250-0055, Japan

ISO9001 ISO14001

Comprehensive technological development and new business development base



Kikugawa Operation **Mobility**

2828 Hansai, Kikugawa, Shizuoka 439-0019, Japan

ISO9001 IATF16949 ISO14001 ISO45001

Main plant for motorcycle and automobile products



Morioka Operation / Takizawa Plant **Mobility** **Gas Techno**

309 Sotoyama, Takizawa, Iwate 020-0698, Japan

ISO9001 IATF16949 ISO14001 ISO45001

Technology development base and main plant for household appliances device products and functional element products



Morioka Operation / Ogama Plant **Mobility** **Gas Techno**

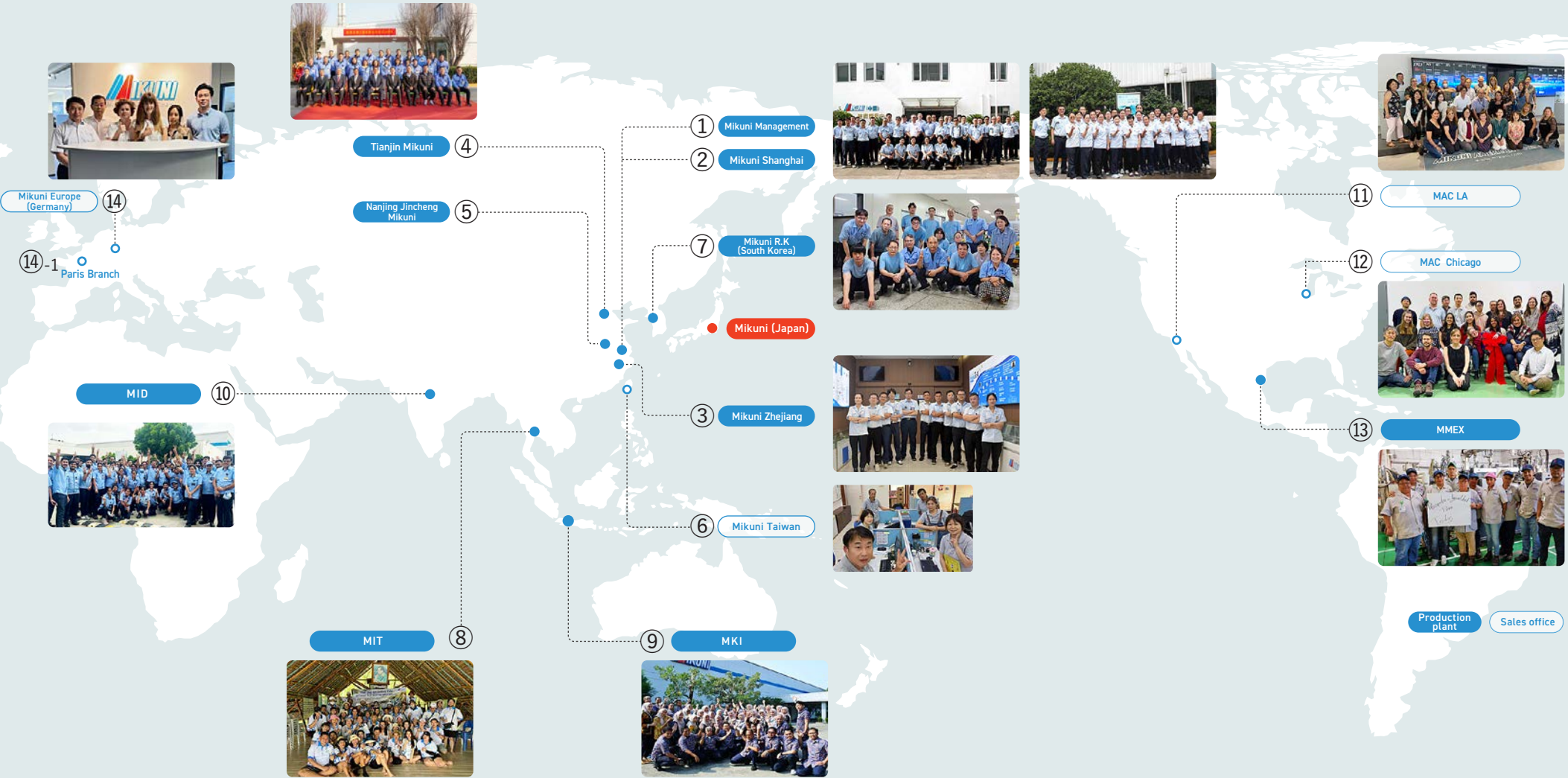
58-1 Ogamatakamori, Takizawa, Iwate 020-0756, Japan

ISO9001 IATF16949 ISO14001 ISO45001

Precision product assembly plant with clean rooms

Japan	Manufacturing	Mikuni Partec Corporation	Mobility
		Mikuni Life and Auto Co., Ltd.	Others
	Sales and services	Mikuni Aerospace Corporation	Trading Company Aircraft
		Mikuni Green Service Co., Ltd.	Trading Company Turf-care
		Eberspächer Mikuni Climate Control Systems Corporation	Mobility
		Asahi Air Supply, Inc.	Trading Company Aircraft
		Sunrise Medical Japan Co., Ltd.	Others
	Services	Mikuni Xymas Corporation	Others
		Mikuni Living Service Corporation	Others

Overseas



MIKUNI GROUP 2025

11 COUNTRIES and REGIONS

Asia

- ① Mikuni Management (Shanghai) Co., Ltd. **Mobility**
- ② Mikuni (Shanghai) Co., Ltd. **Mobility**
- ③ Mikuni (Zhejiang) Co., Ltd. **Mobility** **Gas Techno**
- ④ Tianjin Mikuni Co., Ltd. **Mobility**
- ⑤ Nanjing Jincheng Mikuni Machinery & Electronics Co., Ltd. **Mobility**
- ⑥ Mikuni Taiwan Corporation **Mobility**
- ⑦ Mikuni R.K Corporation **Gas Techno**
- ⑧ Mikuni (Thailand) Co.,Ltd. (MIT) **Mobility**
- ⑨ PT. Mikuni Indonesia (MKI) **Mobility**
- ⑩ Mikuni India Private Limited (MID) **Mobility**

Americas

- ⑪ Mikuni American Corporation (MAC LA) **Mobility** **Trading Company Aircraft**
- ⑫ Mikuni American Corporation (MAC Chicago) **Mobility**
- ⑬ Mikuni Mexicana S.A.de C.V. (MMEX) **Mobility**

Europe

- ⑭ Mikuni Europe GmbH (MEG) **Mobility** **Gas Techno**
- ⑭-1 MEG - Paris Branch

CORPORATE INFORMATION

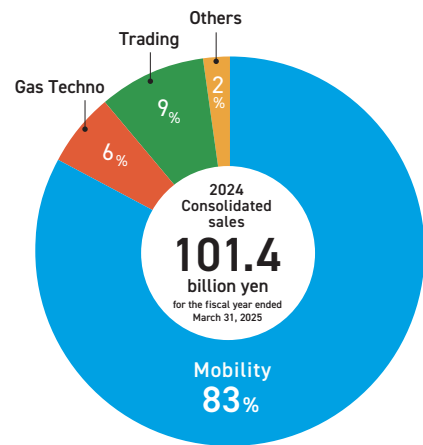


Basic Information

Name of Company	MIKUNI CORPORATION
Establishment	October 1, 1923
Incorporation	October 1, 1948
Representative	Hisataka IKUTA President, CEO & COO
Address	6-13-11 Sotokanda, Chiyoda-ku, Tokyo 101-0021, Japan
Capital	JPY 2,215.3 million
Stock Listed	Standard Market of Tokyo Stock Exchange
Main Line of Business	Manufacture and sale of fuel supply devices and engine functional parts for various types of automobiles, motorcycles, and general purpose engines, control devices for gas appliances, welfare and care equipment, and spray equipment Import and sales of aerospace equipment, parts and materials, lawn mowers and turf-care equipment

Business Segments

Mikuni Group operates its business in various fields. The following is a breakdown of its sales by business segment.



■ Mobility



Mikuni develops and manufactures intake systems, valve train systems, thermal control systems, fuel injection systems, sensors, pumps, and other components for automobiles, motorcycles, and power products. We contribute to improving engine performance and reducing environmental impact, supplying these products to finished vehicle and outboard engine manufacturers both domestically and internationally.

As an independent parts manufacturer not affiliated with any group, we operate globally.

■ Gas Techno



We develop and manufacture gas control equipment such as gas shut-off safety devices, functional parts for household water equipment used in bathrooms, toilets, and kitchens, and auxiliary parts for fuel cells.

■ Trading



Aircraft Parts Import and Sales

Mikuni Aerospace, a group company, imports large-sized castings and large-sized precision castings with complex shapes from the U.S. and other sources and supplies them to major Japanese heavy industry manufacturers involved in aerospace business and relevant companies.

■ Others



Turf-care Equipment

Mikuni Green Service, a group company, purchases turf-care equipment from domestic and overseas manufacturers, sells them to domestic golf courses and stadiums, and provides after-sales maintenance services.

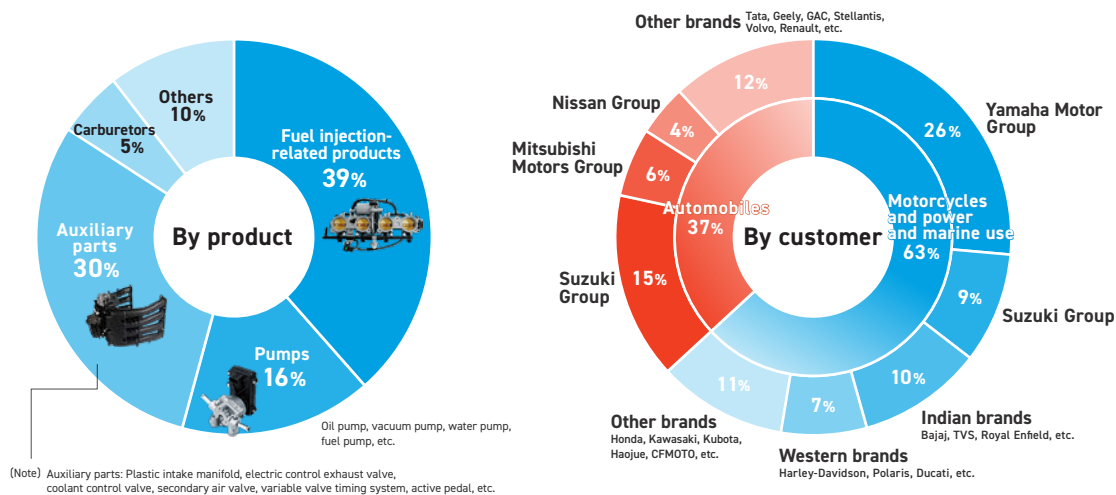
■ Others



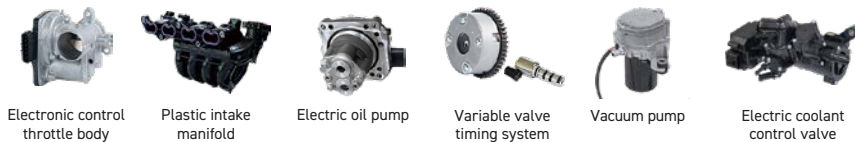
Mikuni Life & Auto, a group company, manufactures and sells driving assistive devices that assist the driving of people with disabilities as well as products to assist wheelchair users in getting in and out of a vehicle.

Mobility: Sales Composition by Product and Customer

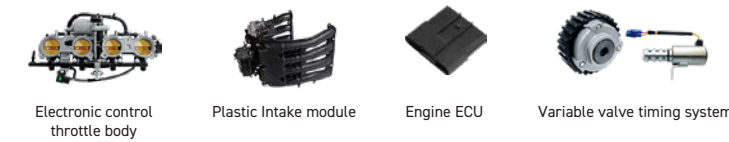
The sales composition by product and customer for the Mobility in FY2024 is as follows.



Products for Automobiles



Products for Motorcycles and Power and Marine Products



Major Business Partners (Excluding the Mobility)

Gas Techno	Rinnai Group, Noritz Group, Panasonic Group, LIXIL Corporation, Sabaf (Italy), Bosch Home Comfort Group (Germany)	Safety shut-off device for gas appliances	Proportional gas control valve	Small solenoid valve
Trading	Aircraft Parts Import and Sales IHI Corporation, Kawasaki Heavy Industries, Ltd., Subaru Corporation, Mitsubishi Heavy Industries, Ltd., NIPPI Corporation, ShinMaywa Industries, Ltd., Ministry of Defense, and other government agencies Turf-care Equipment John Deere (U.S.), Turfco (U.S.), Smithco (U.S.), Rain Bird (U.S.), SubAir (U.S.), Hatsuta Kakusanki Co., Ltd., Yamaha Motor Co., Ltd. (golf car)			
Others (Welfare and Care)	Auto-related Isuzu Body Corporation, Saitama Toyopet Co., Ltd., Saitama Toyota Motor Sales Co., Ltd. Care-related SAKAI Medical Co., Ltd., Nippon Care Supply Co., Ltd., Abilities Care-net, Inc.			

STOCK INFORMATION

Status of Shares (As of March 31, 2025)

Total number of shares authorized to be issued	110,000,000
Total number of shares issued	34,049,423
Number of shares constituting one unit	100
Number of shareholders	11,556
Listed stock exchange	Standard Market of Tokyo Stock Exchange
Securities code	7247

Status of Dividends

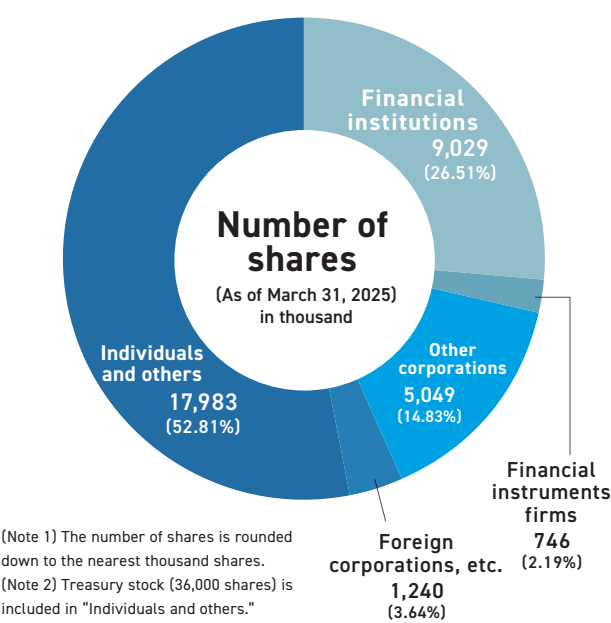
	Dividend per share	Dividend payout ratio
FY2020	5.0 yen	-
FY2021	10.0 yen	25.4%
FY2022	10.0 yen	-
FY2023	20.0 yen	60.3%
FY2024	14.0 yen	23.6%

Note 1: For FY2020 and 2022, a net loss was recorded.
Note 2: The dividend for FY2023 includes a 100th anniversary commemorative dividend of 10 yen.

Major Shareholders

Shareholder name	Number of shares held (thousands)	Shareholding ratio (%)
Kaze no Kai Shareholding Association	1,979	5.82
Aioi Nissay Dowa Insurance Co., Ltd.	1,906	5.61
Resona Bank, Ltd.	1,906	4.93
The Bank of Yokohama, Ltd.	1,678	4.93
MUFJ Bank, Ltd.	1,138	3.35
Mikuni Sogyo Corporation	1,016	2.99
Masaki Ikuta (Trust Account)	1,010	2.97
Suzuki Motor Corporation	1,007	2.96
Mutsuki Shareholding Association	922	2.71
Employee Shareholding Association	709	2.09

Share Distribution by Shareholder Category



Share Price Performance

Note: The indexes are shown with the closing price on April 1, 2020 set as 100.

