



(Reference Translation)

Financial Results Briefing



for the Six Months ended September 30, 2022



November 22, 2022

MIKUNI CORPORATION

Securities identification code: 7247

Financial Results Briefing

**November 22, 2022 Tuesday 14:00-15:00
at Mikuni Building**

Agenda

1. Consolidated Financial Results for the Six Months ended September 3, 2022
2. Forecast for the Fiscal Year ending March 31, 2023
3. Mid-to-long term Initiatives and Related Topics
4. Q&A Session

Speakers

Hisataka IKUTA

Satoshi FUJIMORI

Hiroshi IKEGAMI

President, CEO & COO

Director, Senior Executive Officer, CFO

Executive Officer,

General Manager, Corporate Planning

Consolidated Financial Results for the Six Months ended September 30, 2022

Note

Our fiscal year begins on April 1 of each year and ends on March 31 of the following year.

Net Sales and Composition Ratio by Business Segment

Other Business

Welfare vehicles, Nursing equipment

Turf-Care Equipment

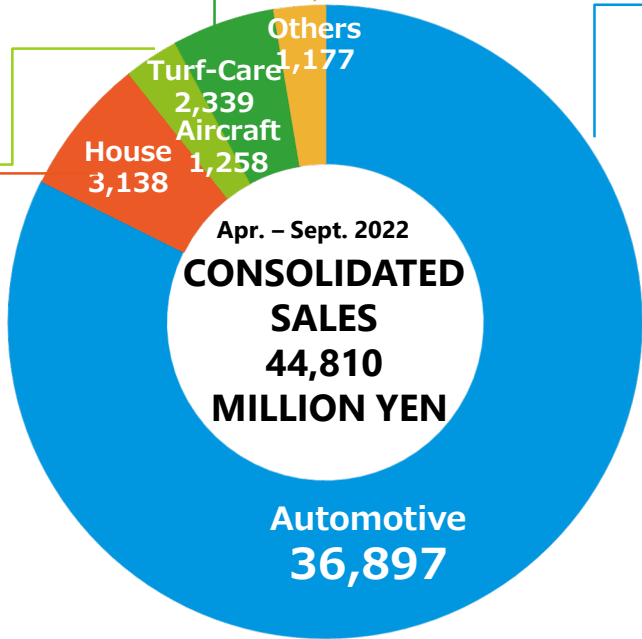
Sales of Turf-care equipment etc.

Aircraft Parts Import and Sales

Precision forged products, etc.

Household Appliances Device Products

Safety shut-off devices for gas appliances, gas control devices and other various flow control devices



Automotive-related Products

82%

» for Four-wheelers

AUTOMOBILE

» for Two-wheelers

MOTORCYCLE

Electronic Fuel Injection Systems
Carburetors, Pumps

Financial performance bottomed out in the July-September period and is expected to recover in the months ahead. Efforts to strengthen competitiveness will continue.

- Sales, especially in the automotive-related products business, exceeded the same period of the previous year. As the sales were significantly affected by foreign currency conversion, the contribution to profit was limited.
- The company will continue its efforts to strengthen profitability as well as its initiatives to enhance competitiveness and optimal allocation of management resources under its medium-term management plan, with assuming the current business environment will continue.

OPERATING RESULTS BY SEGMENT

Automotive Products Business

- Profit decreased due to the impact of prolonged parts shortages at customers production in ASEAN and affected by sluggish sales of final products in China and the zero-corona policy of the Chinese government.
- Although the earnings were strong in India, operating income for this segment declined 63.1% yoy due to significant negative factors such as sharp rises in raw material prices, transportation costs, fuel costs, etc.

Household Appliances Device Products Business

- In addition to intensified competition in the market due to soaring energy prices, the business was also affected by the slow housing market in China.
- Operating loss due to the impact of higher raw material prices, etc.

Aircraft Component Import and Sales Business

- In our commercial aircraft business, both sales and income increased due to a recovery trend in domestic air transportation demand and an expansion of the lineup of products we handle.

*continued from the previous page

OPERATING RESULTS BY SEGMENT

Turf-care Equipment, etc. Sales Business

- Sales and income increased due to steady capital investment by customers, especially golf courses, and successful focus on after-sales services.

Other Businesses

- Operating loss was recorded due to the impact of difficulties in procurement of vehicles for installation, etc., although sales of welfare and nursing care equipment increased.

6 Months ended Sept. 30, 2022 Summary of Income Statement

(Millions of yen)	6 months ended Sept. 30, 2021	6 months ended Sept. 30, 2022	Change	Forecast for FY2022 ended March, 2023	
				Initial	Revised
Net sales	39,556	44,810	5,254	95,000	95,100
Operating income	1,902	724	(1,178)	3,500	2,800
Ordinary income	1,685	429	(1,256)	3,100	2,500
Net income attributable to owners of the parent	748	(587)	(1,335)	1,400	900
Net income per share (yen)	22.33	(17.49)	(39.82)	41.71	26.82
Dividend per share (yen)	5.00	5.00	—	10.00	10.00
Exchange rate against the U.S. dollar (yen)					
Average rate for the period	107.82	123.14		Assumed exchange rate: 125	Assumed exchange rate: 133
Year-end	110.58	136.68			

- Note:
1. Amounts less than one million yen are discarded.
 2. Figures in parentheses are negative values.

Net Sales and Operating Income by Business Segment



6 Months ended Sept. 30, 2022

Net Sales and Operating Income by Business Segment (Apr. – Sept. , 2020 and 2021)

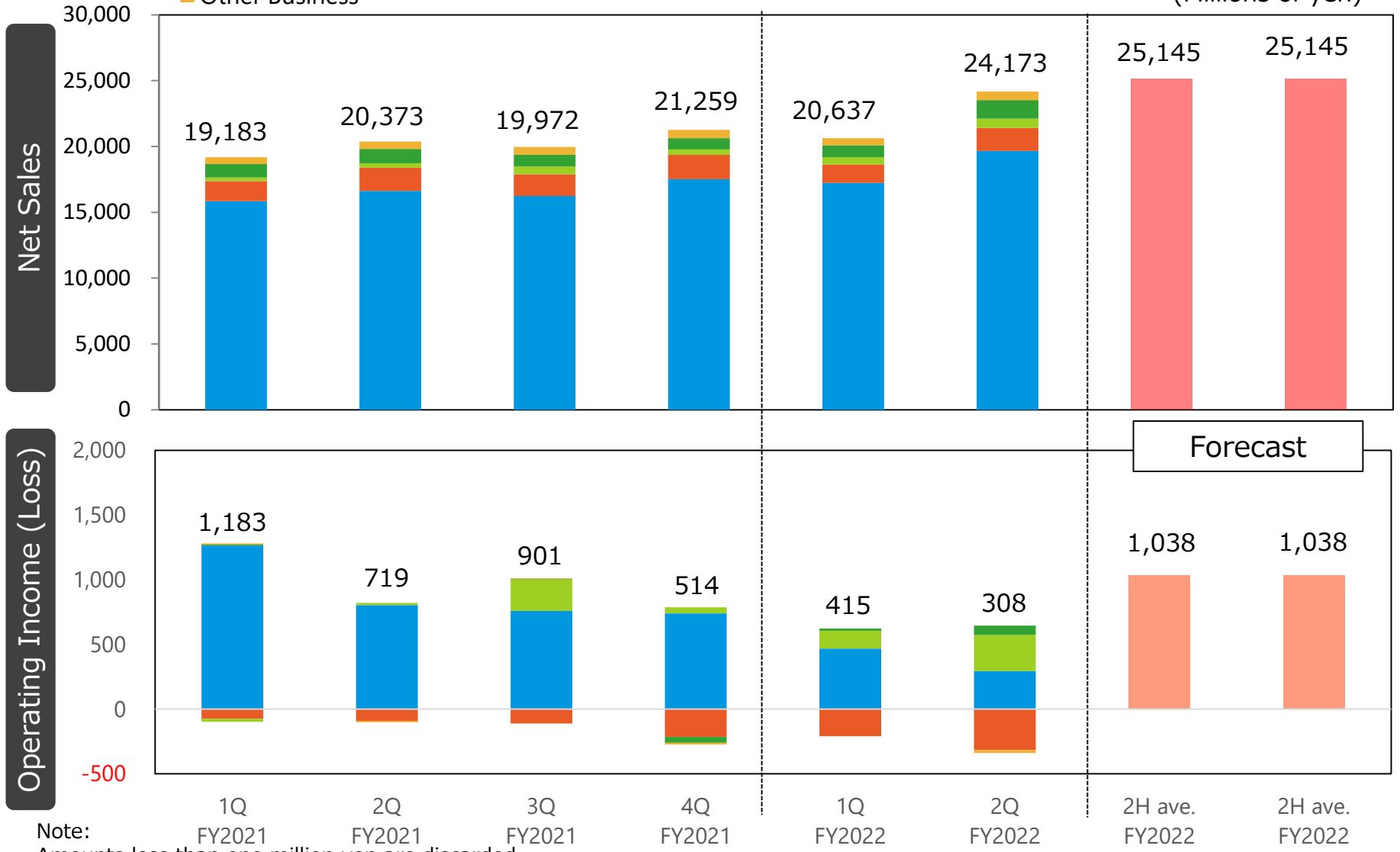
(Millions of Yen)	6 Months ended September, 2021		6 Months ended September, 2022		Change in Net Sales		Change in Operating Income	
	Net Sales	Operating Income	Net Sales	Operating income	Amount	Ratio	Amount	Ratio
	Sales ratio	Operating income ratio	Sales ratio	Operating income ratio				
Automotive Products	32,476 82.1%	2,068 6.4%	36,897 82.3%	763 2.1%	4,421	13.6%	(1,305)	(63.1%)
Household Appliances	3,267 8.3%	(165) —	3,138 7.0%	(526) —	(129)	(4.0%)	(361)	—
Aircraft Component	619 1.6%	(4) —	1,258 2.8%	419 33.3	638	103.1%	423	—
Turf-Care Equipment	2,127 5.4%	7 0.3%	2,339 5.2%	89 3.8%	212	10.0%	82	—
Other Business	1,065 2.7%	(3) —	1,177 2.6%	(21) —	111	10.5%	(17)	—
Total	39,556 4.8%	1,902 4.8%	44,810 1.6%	724 1.6%	5,254	13.3%	(1,178)	(61.9%)

- (Note)
1. Amounts less than one million yen are discarded.
 2. Due to the application of the "Accounting Standard for Revenue Recognition" and other standards, changes from the previous period are shown as "-".
 3. Figures in parentheses are negative values.

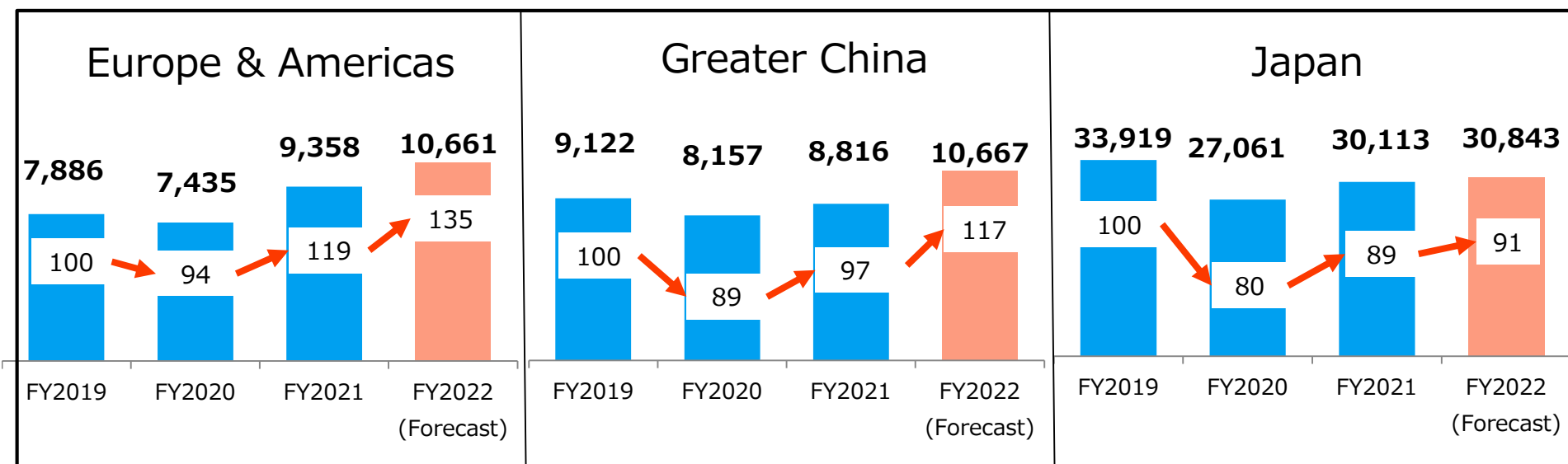
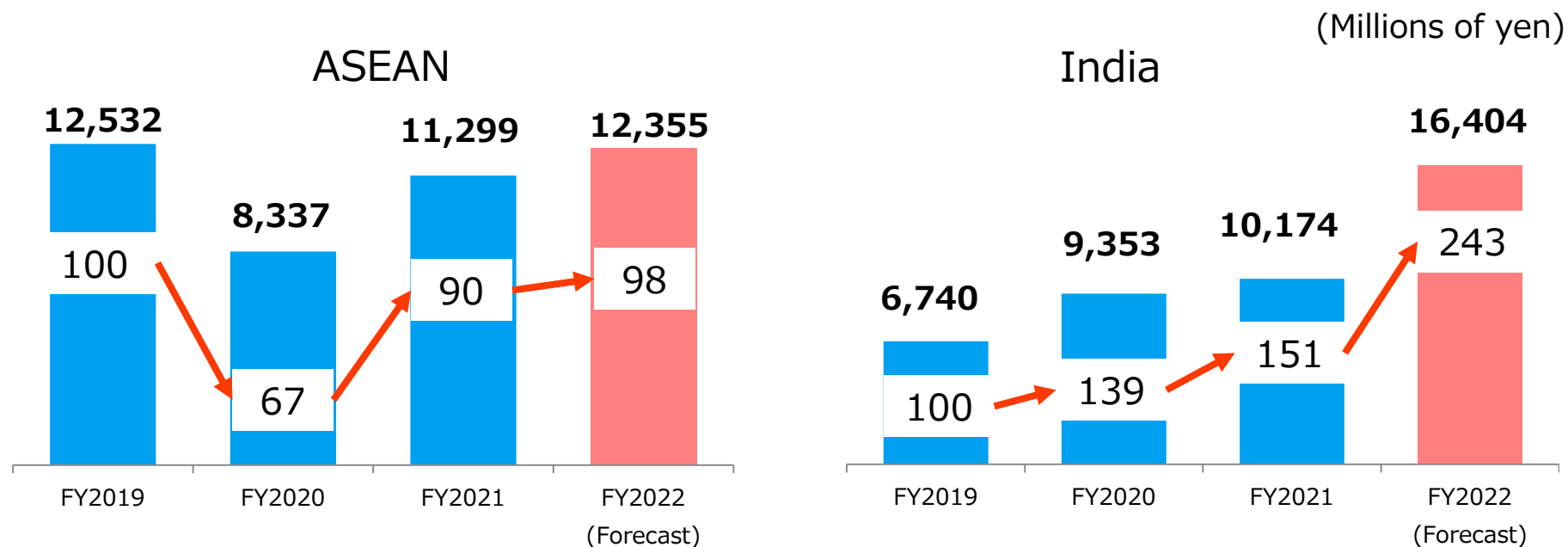


- Automotive Products Business
- Household Appliances Device Products Business
- Aircraft Parts Import and Sales Business
- Turf-Care Equipment Sales Business
- Other Business

(Millions of yen)



Note:
Amounts less than one million yen are discarded.



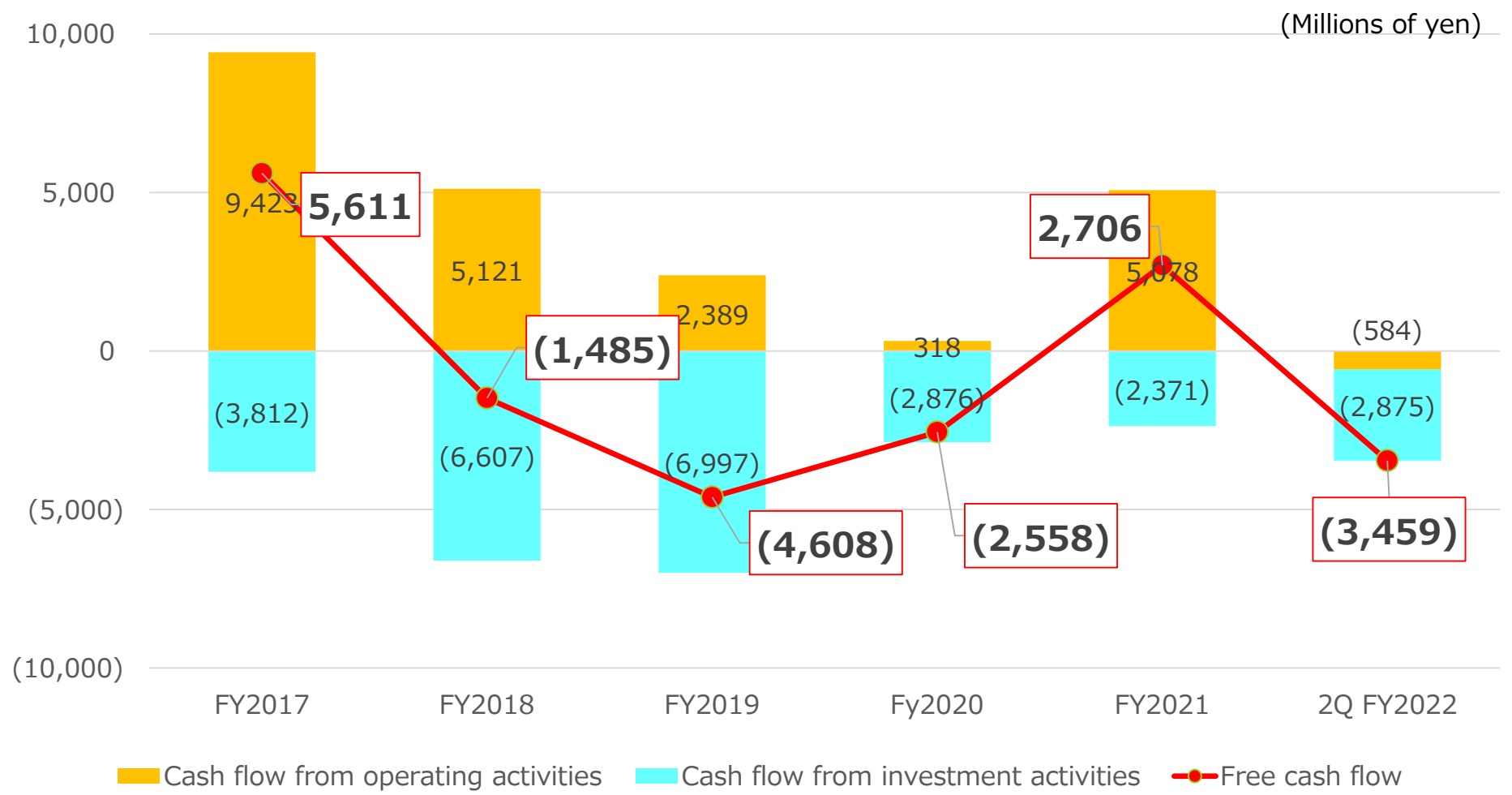
Note: Amounts less than one million yen are discarded.

(Millions of yen)	End of March 2022	End of September 2022	Change in amount
Current assets	51,010	58,412	7,402
Fixed assets	45,906	48,638	2,731
Total assets	96,917	107,051	10,133
Current liabilities	33,553	41,361	7,808
Fixed liabilities	31,444	30,780	(663)
Net assets	31,918	34,908	2,989
Total liabilities and net assets	96,917	107,051	10,133
Shareholders' equity ratio	32.1%	31.8%	—
Net assets per share	925.67yen	1,013.79yen	—

(Note) 1. Amounts less than one million yen are discarded.
 2. Figures in parentheses are negative values.



Operating activities turned negative by -580 million yen, mainly due to increased demand for funds associated with inventories. In investing activities, capital expenditures amounted to -3.0 billion yen. Free cash through the first half was minus 3.46 billion yen.

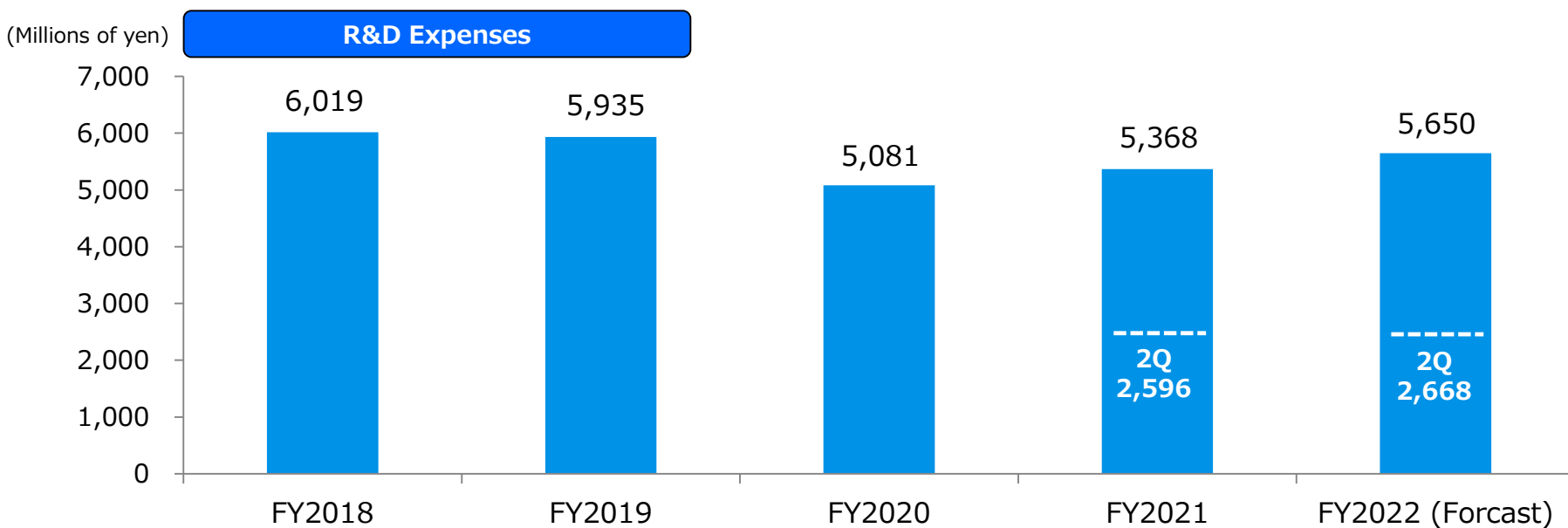
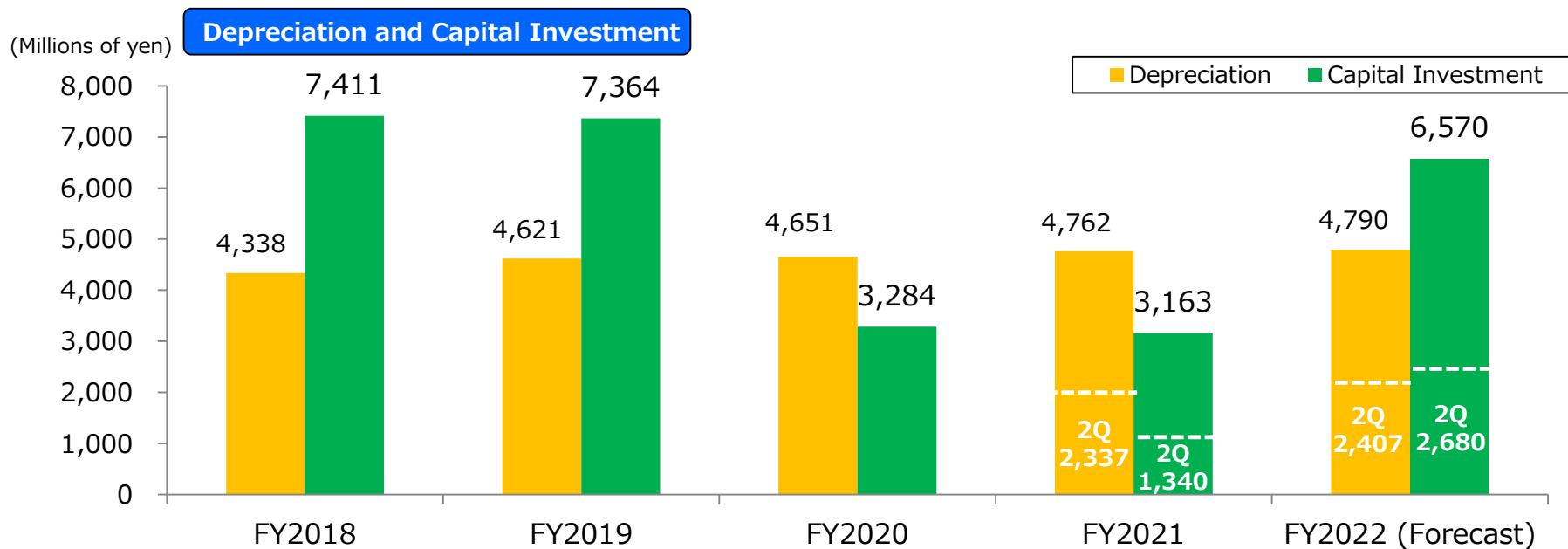


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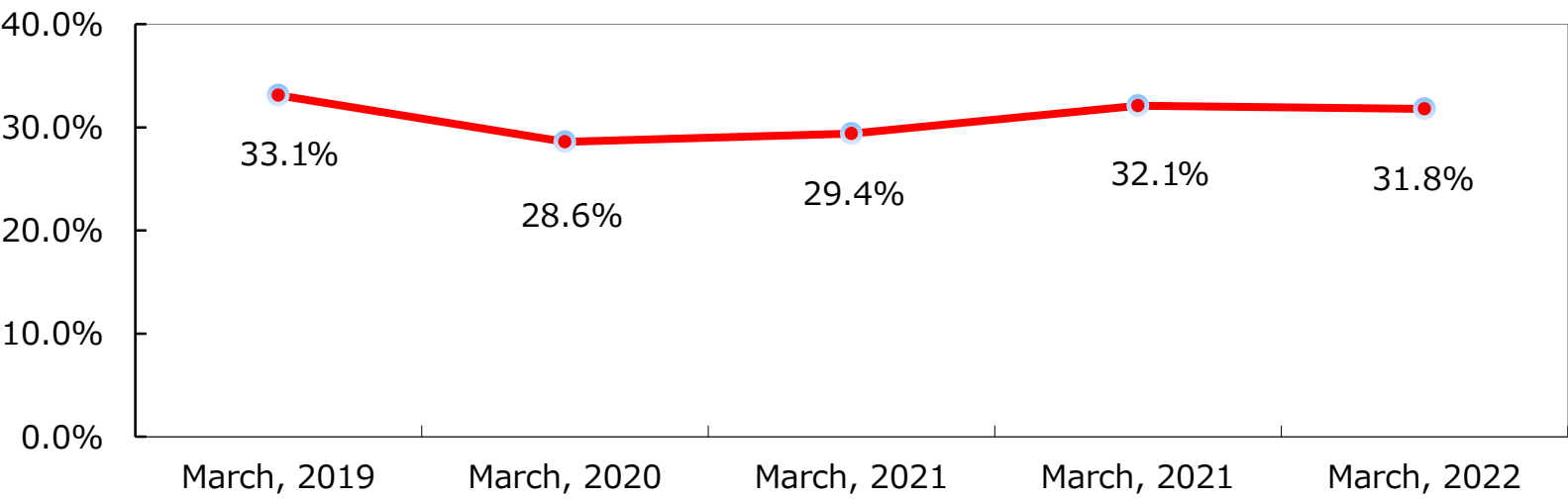
Depreciation, Capital Investment and R&D Expenses



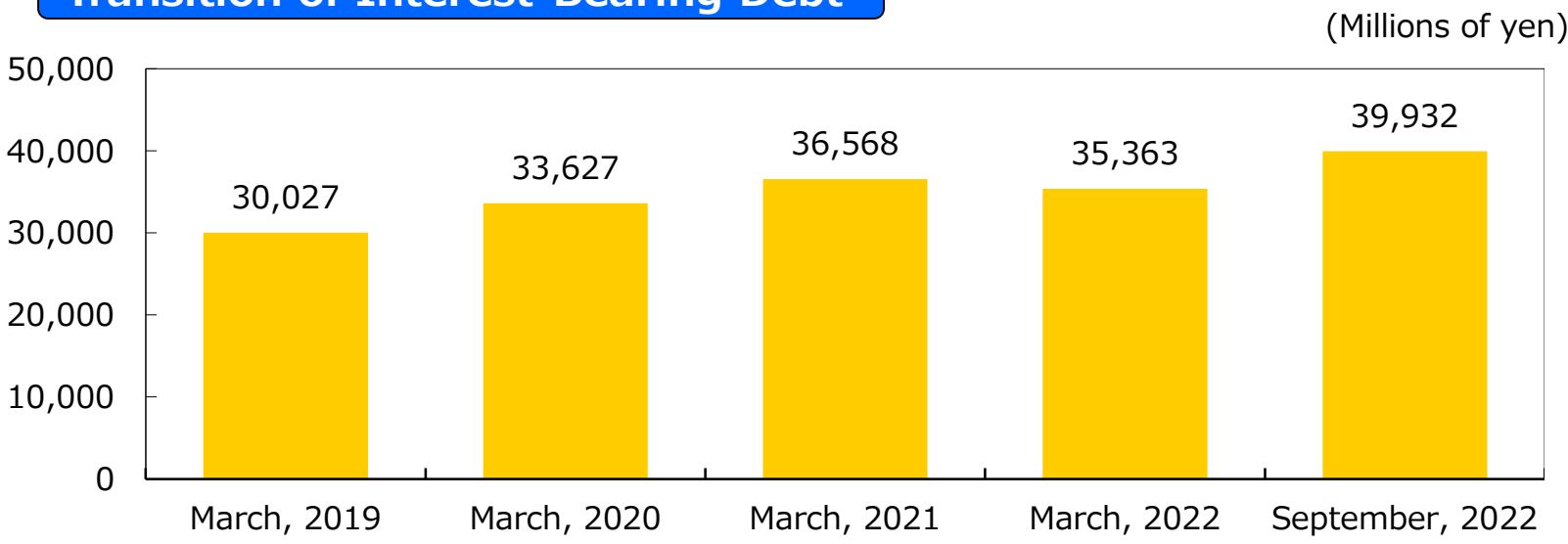
6 Months ended Sept. 30, 2022



Transition of Capital Ratio



Transition of Interest-Bearing Debt



Note: Amounts less than one million yen are discarded.

Forecast for the Fiscal Year Ending March 31, 2023

Summary of Income Statement



	FY2020 ended March, 2021	FY2021 ended March, 2022	Forecast for FY2022 ending March, 2023
(Millions of yen)			
Net sales	86,962	80,789	95,100
Operating income	569	3,318	2,800
Ordinary income	597	3,137	2,500
Net income attributable to owners of the parent	(125)	1,318	900
Net income per share (yen)	(3.73)	39.31	26.82
Dividend per share (yen)	5.00	10.00	10.00
Exchange rate against the U.S. dollar (yen)			
Average rate for the period	106.76	109.90	Assumed exchange rate: 133
Year-end	103.50	115.02	

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	April - September 2021	October 2021 - March 2022	April - September 2022	Forecast October 2022 - March 2023
(Millions of yen)				
Net sales	39,556	41,233	44,810	50,290
Operating income	1,902	1,416	724	2,076
Ordinary income	1,685	1,452	429	2,071
Net income attributable to owners of the parent	748	570	(587)	1,487

Note:

1. Amounts less than one million yen are discarded.
2. Figures in parentheses are negative values.
3. Since "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) and others have been applied from the beginning of fiscal year ended March 31, 2022, the above results for the same period are after the application of the said accounting standard and others. The figures for "Reference" are the figures based on the previous accounting standard.

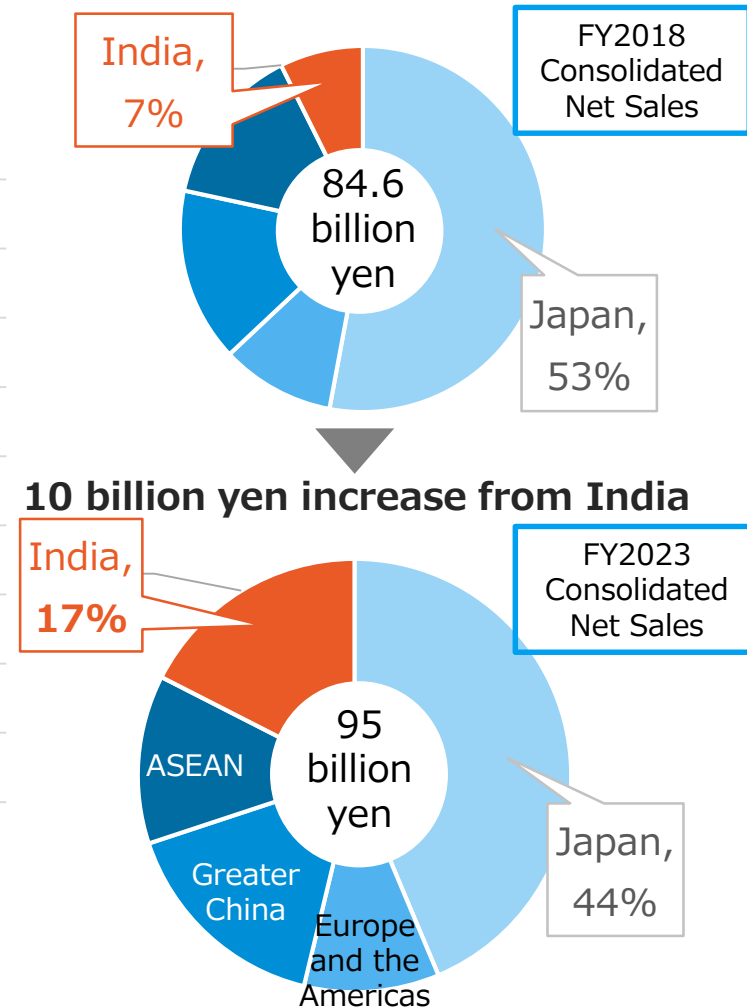
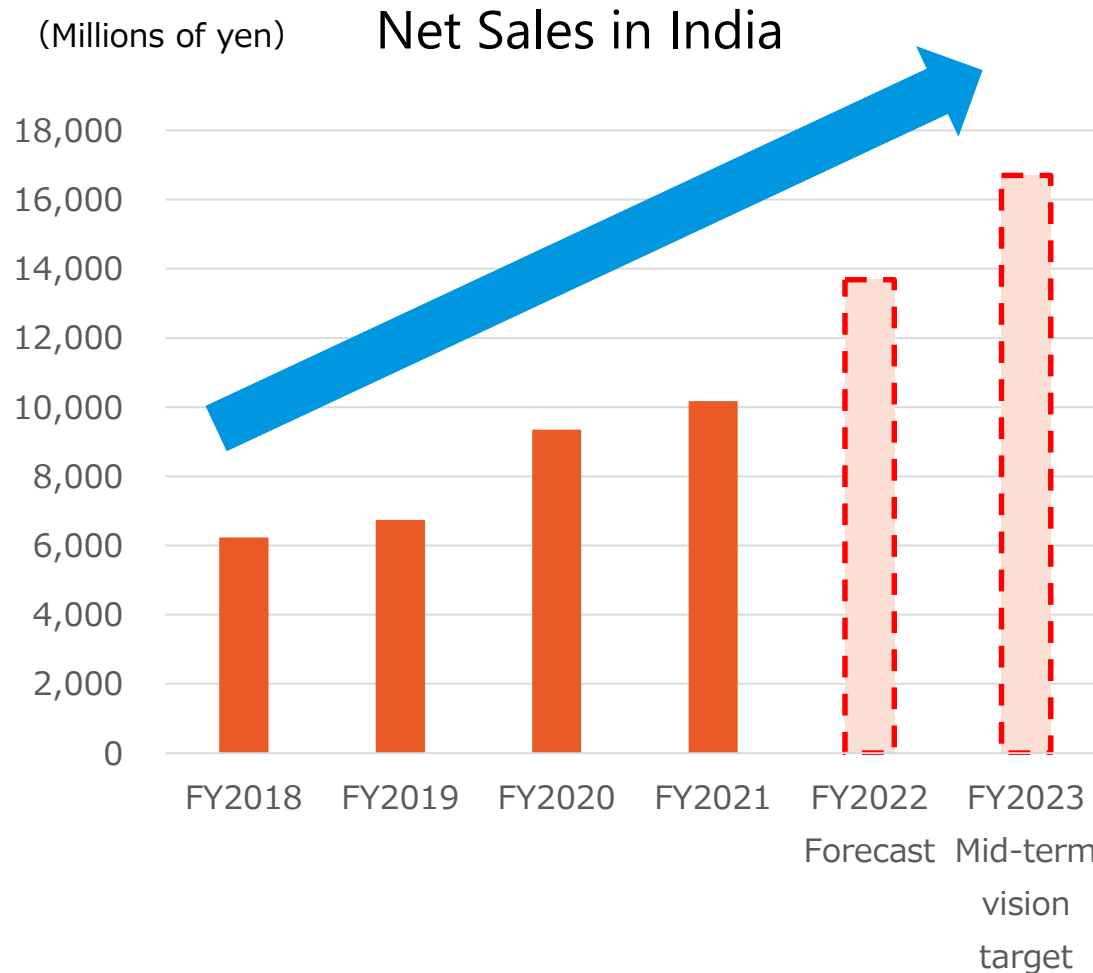
Net Sales and Operating Income by Business Segment (FY2021 and FY2022)

(Millions of yen)	FY2021 ended March, 2022		FY2022 ending March, 2023		Change in Net Sales		Change in Operating Income	
	Net Sales	Operating Income	Net Sales	Operating income	Amount	Ratio	Amount	Ratio
	Sales ratio	Operating income ratio	Sales ratio	Operating income ratio				
Automotive Products	66,245	3,567	79,800	2,900	13,554	20.5%	(667)	(18.7%)
	82.0%	5.4%	83.9%	3.6%				
Household Appliances	6,753	(491)	6,600	(650)	(153)	(2.3%)	(158)	—
	8.4%	—	6.9%	—				
Aircraft Component	1,615	286	2,200	470	584	36.2%	183	64.2%
	2.0%	17.7%	2.3%	21.4%				
Turf-care Equipment	3,877	(33)	4,600	50	722	18.6%	83	—
	4.8%	—	4.8%	1.1%				
Other Business	2,297	(10)	1,900	30	(397)	(17.3%)	40	—
	2.8%	—	2.0%	1.6%				
Total	80,789	3,318	95,100	2,800	14,310	17.7%	(518)	(15.6%)
		4.1%		2.9%				

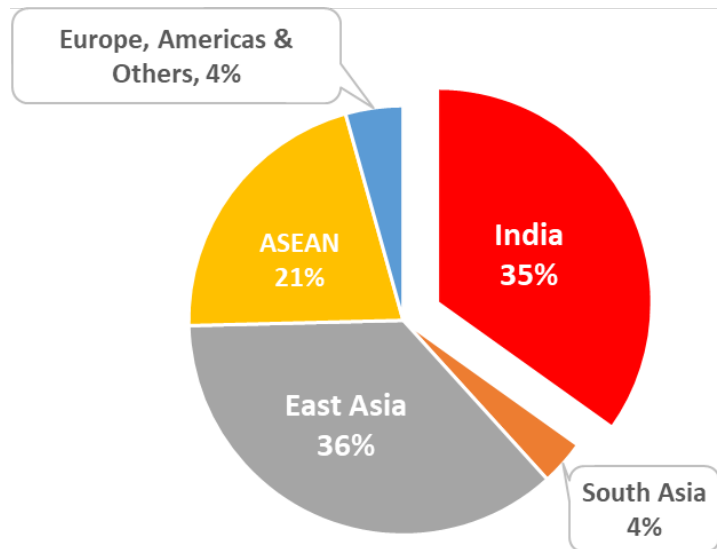
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Mid- and Long-term Initiatives and Related Topics

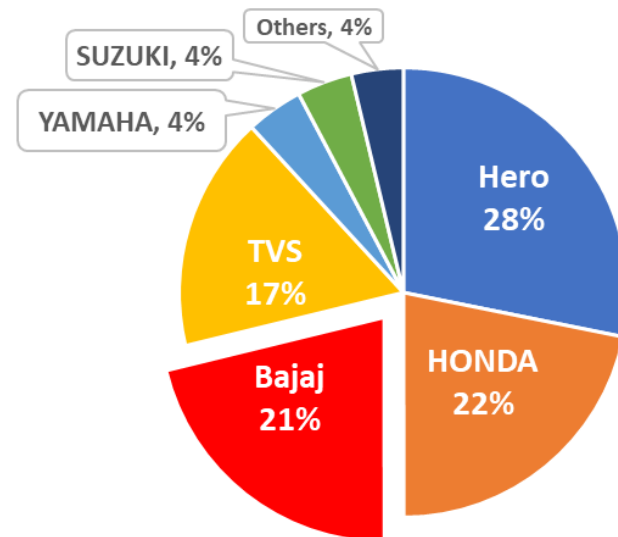
- Leveraging Mikuni's strengths in India, the world's largest motorcycle market
- Contribute to the growth of the Indian automobile market with our



■ Expanding production for fuel injection system for motorcycles in India



**Global Motorcycle Market
(Volume Share by Region)**



**Indian Motorcycle Market
(Volume Share by Maker)**

■ Increasing production of VVT (Variable Valve Timing)* in India

With a capital investment of 200 million rupees (approx. 350 million yen) VVT production capacity will be increased by more than 60% to be installed in customers' new models

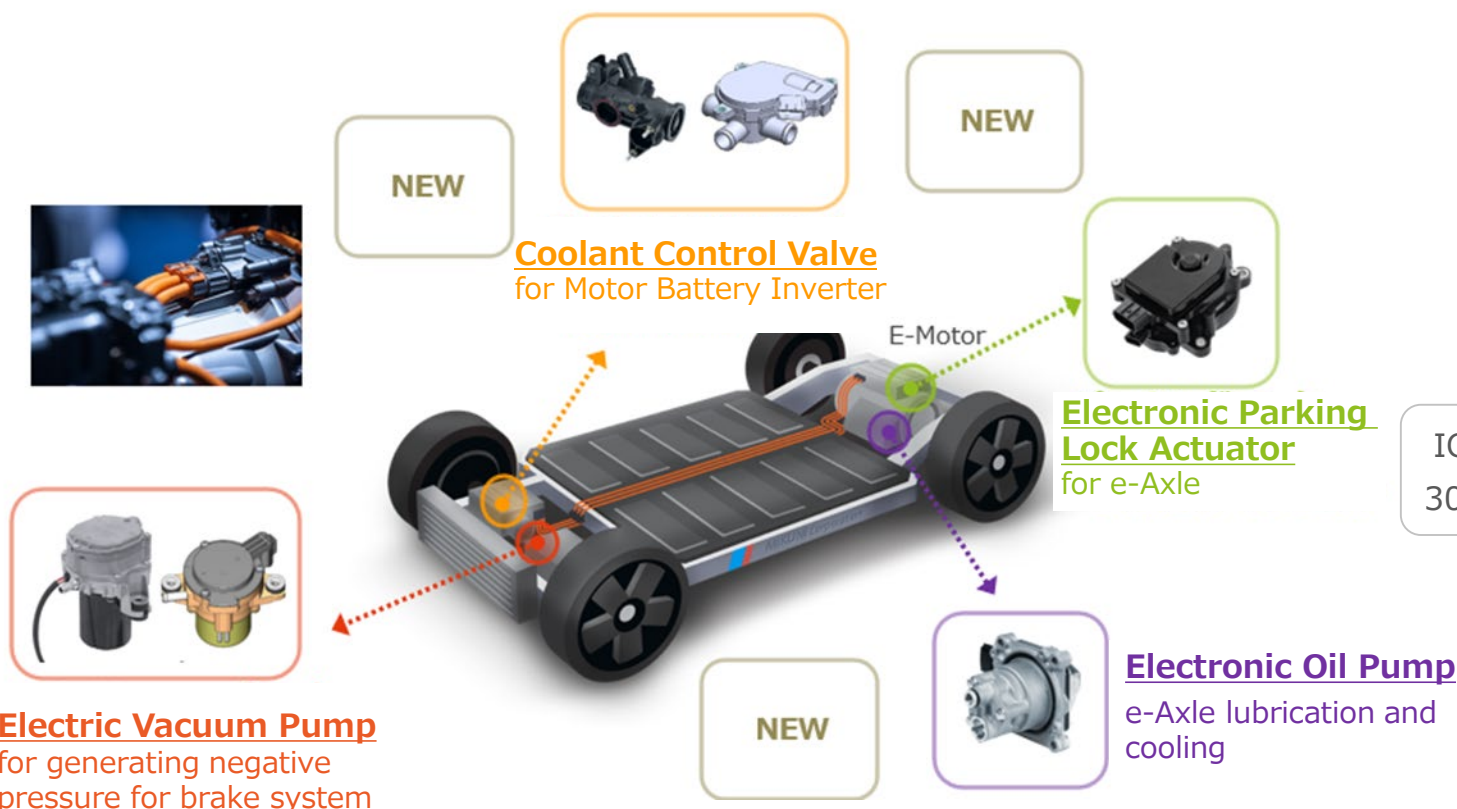
* VVT is a product that helps reduce CO2 emissions and exhaust emissions, and Mikuni is an expert in this field. We produce it at our plants in Japan, China, Thailand, and India.



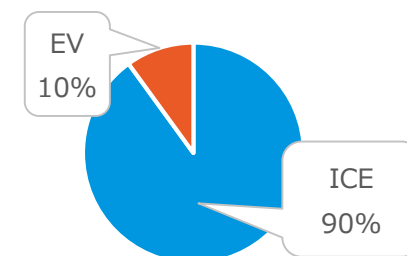
Products for EV to be 70% by FY2030

We will increase the sales ratio of EV products to more than 70% of our automobile (four-wheeler) business segment by 2030

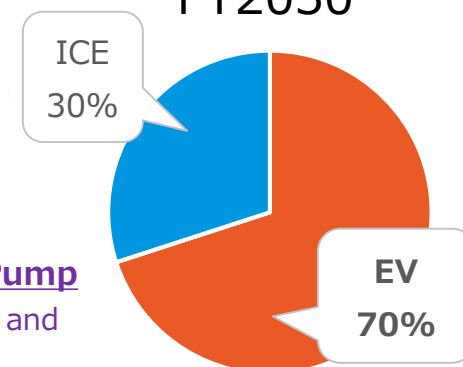
(Examples of products developed for EVs)



FY2021



FY2030



Accelerating development through the Model Based Development (MBD)

■ New businesses for EV

June: Began production of electric oil pumps for light EV trucks.

August: Began mass production and supply of accelerator pedal modules to a BEV (Battery Electric Vehicle) manufacturer in California, U.S.A.



■ New production line for electric oil pumps has been installed in Shanghai

In addition to Japanese EV manufacturers, we are also meeting demand from Chinese E-Axle (electric vehicle drive unit) manufacturers in China.



■ New business alliance



We have reached an agreement with TBK Co., Ltd. to study possibilities of a business alliance, including joint development, in the field of thermal management for commercial vehicles.

Disclaimer

1. This document has been prepared on a consolidated basis.
2. This document summarizes the financial results and earnings forecasts that have already been announced, and is provided solely for the purpose of providing information to investors, and is not intended as a solicitation to buy or sell.
3. The forward-looking statements, including earnings forecasts, contained in this document are based on information available as of the date of the announcement, and actual results may differ from these forecasts due to various factors.
4. Statements regarding business performance, etc., have been prepared based on various data that are believed to be reliable, but we do not guarantee their accuracy.

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