

(Reference Translation)

Financial Results Briefing



for the Six Months ended September 30, 2021



November 19, 2021

MIKUNI CORPORATION

Financial Results Briefing

**November 19, 2021 Thursday 14:00-15:00
at Mikuni Building**

Agenda

1. Consolidated Financial Results for the Six Months ended September 30, 2021

Satoshi FUJIMORI
Hiroshi Ikegami

Director, Senior Executive Officer, CFO
Executive Officer, General Manager,
Corporate Planning

2. Mid-term and Long-term Vision

Hisataka IKUTA

President, CEO & COO

3. Q&A session

Consolidated Financial Results for the Six Months ended September 30, 2021

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

3%

Turf-Care Equipment

5%

Sales of Turf-care equipment etc.

Aircraft Parts Import and Sales

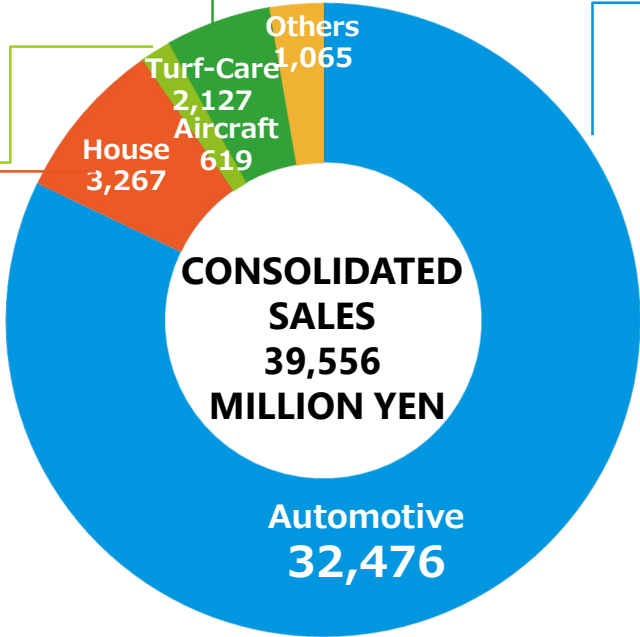
2%

Precision forged products, etc.

Household Appliances Device Products

8%

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

(Previous Accounting Standards)
**Net Sales and Composition Ratio
by Business Segment**

Other Business

2%

Turf-Care Equipment

4%

Sales of Turf-care equipment etc.

Aircraft Parts Import and Sales

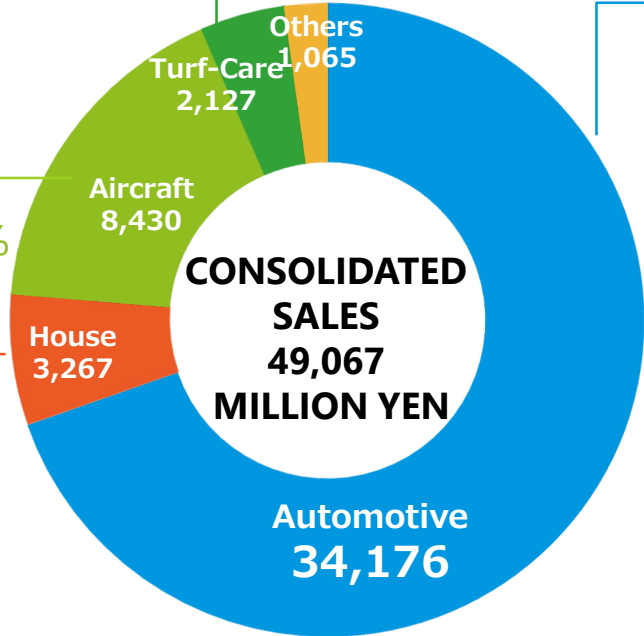
17%

Precision forged products, etc.

Household Appliances Device Products

7%

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



(Note)
The above values are only for reference based on the previous accounting standards.

Automotive-related Products
70%

» for **Four-wheelers**
AUTOMOBILE



» for **Two-wheelers**
MOTORCYCLE



Electronic Fuel Injection Systems
Carburetors, Pumps

**The Six Months ended September 30, 2021 (from April 2, 2021 to September, 30 2021)
Adopted "Accounting Standard for Revenue Recognition" and other standards, sales increased by 4.4% and operating income returned to profitability**

- Significant recovery in mainstay automotive products business; continue to focus on realizing the growth scenario of the revised medium-term management plan.
- Full-year forecasts remain unchanged due to concerns about shortages in parts procurement and semiconductors.
- (Reference) According to the previous accounting method, net sales for the second quarter increased by 29.5% year on year.

OPERATING RESULTS BY SEGMENT (Year-on-Year changes)

Automotive Products Business (increased in both sales and profit)

- Net sales recovered to the level of FY2019, before the spread of COVID-19. Improved production efficiency and fixed cost reductions boosted profitability and improved the operating margin, resulting in a significant positive operating income.
- Business in India grew as planned, contributing to higher sales and profits.
- In North America, demand increased due to the expansion of customers and the popularity of outdoor leisure due to COVID-19.

Household Appliances Device Products Business (increased in both sales and profit, operating loss narrowed)

- Operating loss narrowed due to revised product strategy and improved production efficiency.

*continued from the previous page

OPERATING RESULTS BY SEGMENT (Year-on-Year changes)

Aircraft Component Import and Sales Business (decrease in sales and profit)

- Net sales decreased significantly due to the application of "Accounting Standard for Revenue Recognition" etc.
- Decline in passenger aircraft demand and adjustments to delivery dates with customers resulted in lower revenue even under the previous accounting standards.

Turf-Care Equipment, etc. Sales Business (increased in both sales and profit)

- Sales increased due to recovery in capital investment by customers such as golf courses.
- Returned to profitability, partly due to the effect of the spin-off of the company.

Other Businesses (increased sales and profits, reduced operating loss)

- Sales and profits increased in "Other businesses" such as heaters for vehicles and welfare and nursing care equipment.

	First Half of FY ending March, 2021	First Half of FY ending March, 2022	(Reference) Previous Accounting Standards First Half of FY ending March, 2022	Full-year forecast for FY ending March, 2022
(Millions of yen)				
Net sales	37,901	39,556	49,067	84,400
Operating income	(1,438)	1,902	2,001	3,400
Ordinary income	(1,345)	1,685	1,775	3,000
Net income attributable to owners of the parent	(1,729)	748	839	1,200
Net income per share (yen)	(51.42)	22.33	25.02	35.73
Dividend per share (yen)	00.00	5.00	5.00	10.00
Exchange rate against the U.S. dollar (yen)				
Average rate for the period	108.23	107.82		(Assumed rate for the full year: US\$ = 109 yen)
Year-end	107.74	110.58		

(Note) 1. Amounts less than one million yen are discarded.

2. In order to apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) from the beginning of the fiscal year ending March 31, 2022, the above consolidated earnings forecasts are forecasts after applying the Accounting Standard.

Net Sales and Operating Income by Business Segment



FY2021 2nd Quarter

Net Sales and Operating Income by Business Segment (First Half, FY2019 and FY2020)

(Millions of Yen)	First Half of FY ending March, 2021		First Half of FY ending March, 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	23,728 62.6%	(1,270) —	32,476 82.1%	2,068 6.4%	8,747	36.9%	3,338	—
Household Appliances	2,358 6.2%	△264 —	3,267 8.3%	(165) —	909	38.6%	99	—
Aircraft Component	9,193 24.3%	261 2.8%	619 1.6%	(4) —	(8,573)	(93.3%)	(2,65)	—
Turf-Care Equipment	1,841 4.9%	(100) —	2,127 5.4%	7 0.3%	286	15.5%	108	—
Other Business	780 2.1%	(63) —	1,065 2.7%	(3) —	284	36.5%	59	—
Total	37,901 —	(1,438) —	39,556 4.8%	1,902 4.8%	1,654	4.4%	3,340	—

- (Note) 1. Amounts less than one million yen are discarded.
2. The figures for the first half of the fiscal year ending March 31, 2022 are after the application of "Accounting Standard for Revenue Recognition" etc.
3. Figures in parentheses are negative values.

Net Sales and Operating Income by Business Segment



(Reference) FY2021 2nd Quarter

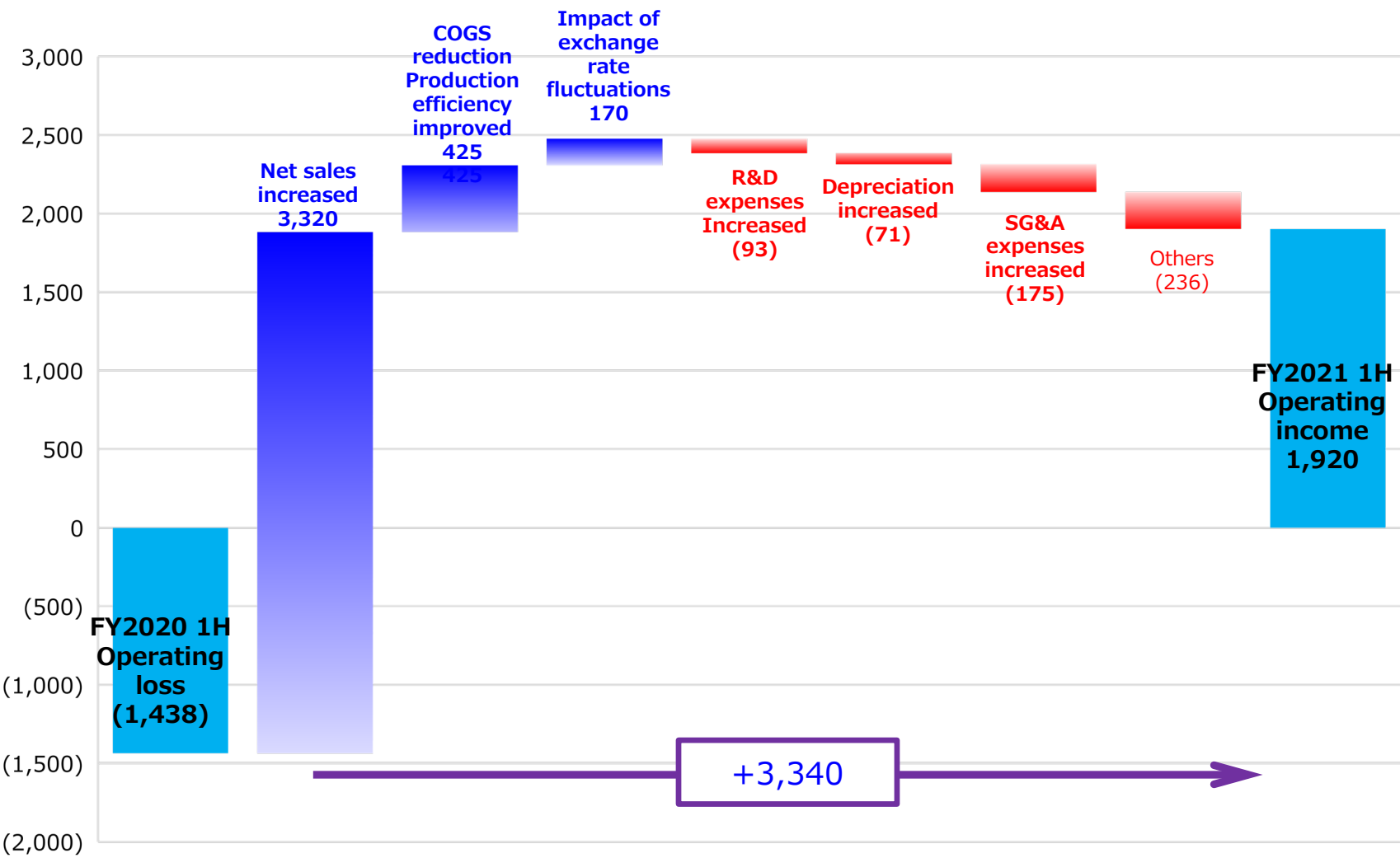
Net Sales and Operating Income by Business Segment (First Half, FY2019 and FY2020)

(Millions of Yen)	First Half of FY ending March, 2021		First Half of FY ending March, 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	23,728 62.6%	(1,270) —	34,176 69.7%	2,164 6.3%	10,447	44.0%	3,434	—
Household Appliances	2,358 6.2%	(264) —	3,267 6.7%	(162) —	909	38.6%	102	—
Aircraft Component	9,193 24.3%	261 2.8%	8,430 17.2%	(4) —	(762)	(8.3%)	(265)	—
Turf-Care Equipment	1,841 4.9%	(100) —	2,127 4.3%	7 0.3%	286	15.5%	108	—
Other Business	780 2.1%	(63) —	1,065 2.2%	(3) —	284	36.5%	59	—
Total	37,901 —	(1,438) —	49,067 4.1%	2,001 4.1%	11,165	29.5%	3,439	—

*Previous Accounting Standards
(Reference purpose only)*

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

(Millions of yen)



(Note) Figures in parentheses are negative values.

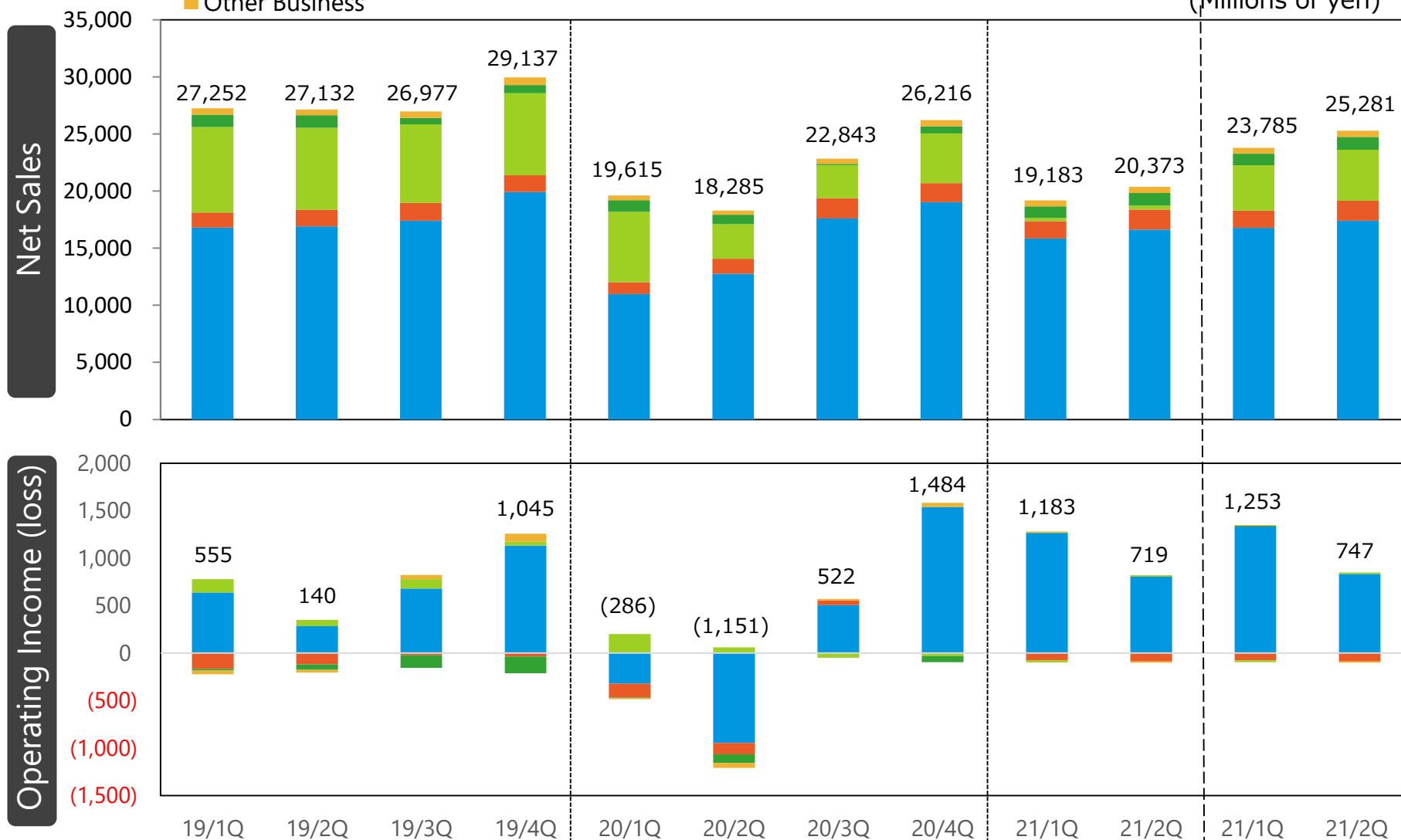
Transition of Quarterly Net Sales and Operating Income



FY2021 2nd Quarter

■ 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) 1. Amounts less than one million yen are discarded.
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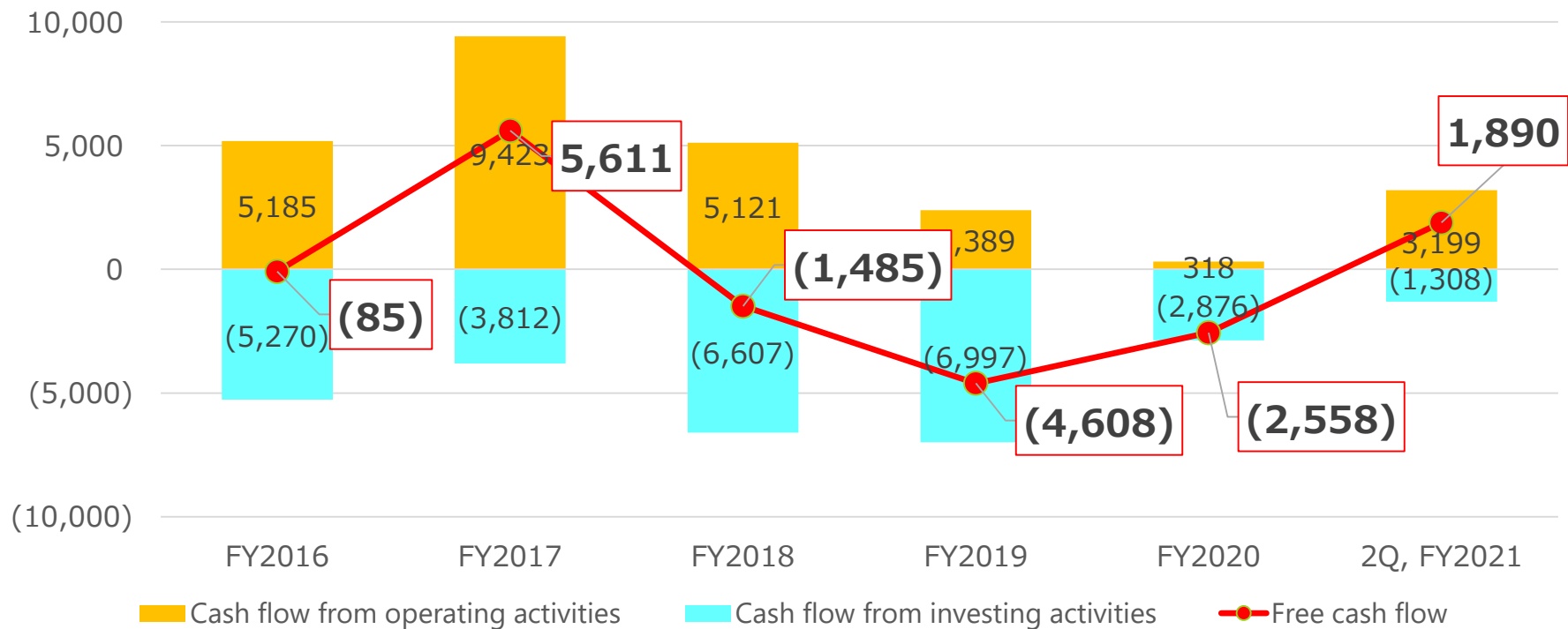
(Reference)
 Previous Accounting
 Standards

(Millions of yen)	End of March 2020	End of September 2021	Change in amount
Current assets	46,474	48,770	2,296
Fixed assets	47,417	46,956	(461)
Total assets	93,891	95,726	1,834
Current liabilities	31,218	32,307	1,088
Fixed liabilities	34,276	32,688	(1,588)
Net assets	28,396	30,731	2,334
Total liabilities and net assets	93,891	95,726	1,834
Shareholders' equity ratio	29.4%	31.1%	—
Net assets per share	822.12Yen	888.23Yen	—

- (Note) 1. Amounts less than one million yen are discarded.
 2. Figures in parentheses are negative values.
 3. In order to apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) from the beginning of the fiscal year ending March 31, 2022, the above figures as of September 30, 2021 are after the application of the said accounting standards etc.

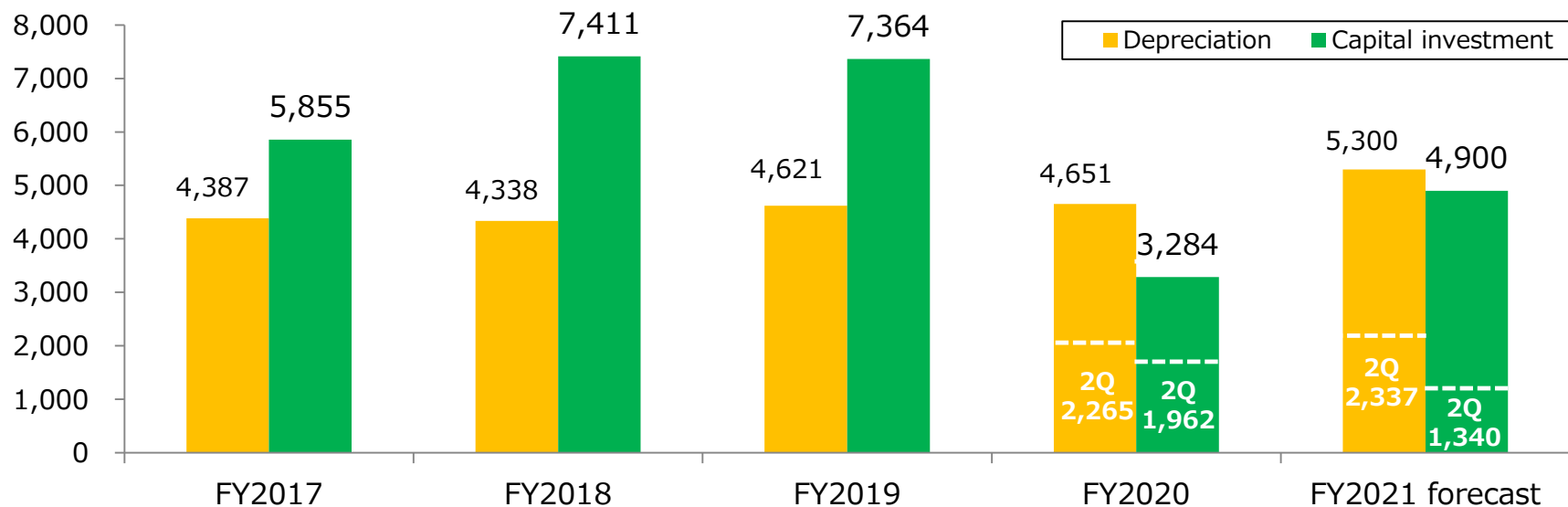
Cash flow from operating activities was an inflow of 3,199 million yen, and cash flow from investing activities was an outflow of 1,308 million yen, which was significantly lower than the same period last year (2,188 million yen). Free cash flow was positive 1,890 million yen.

(Millions of yen)



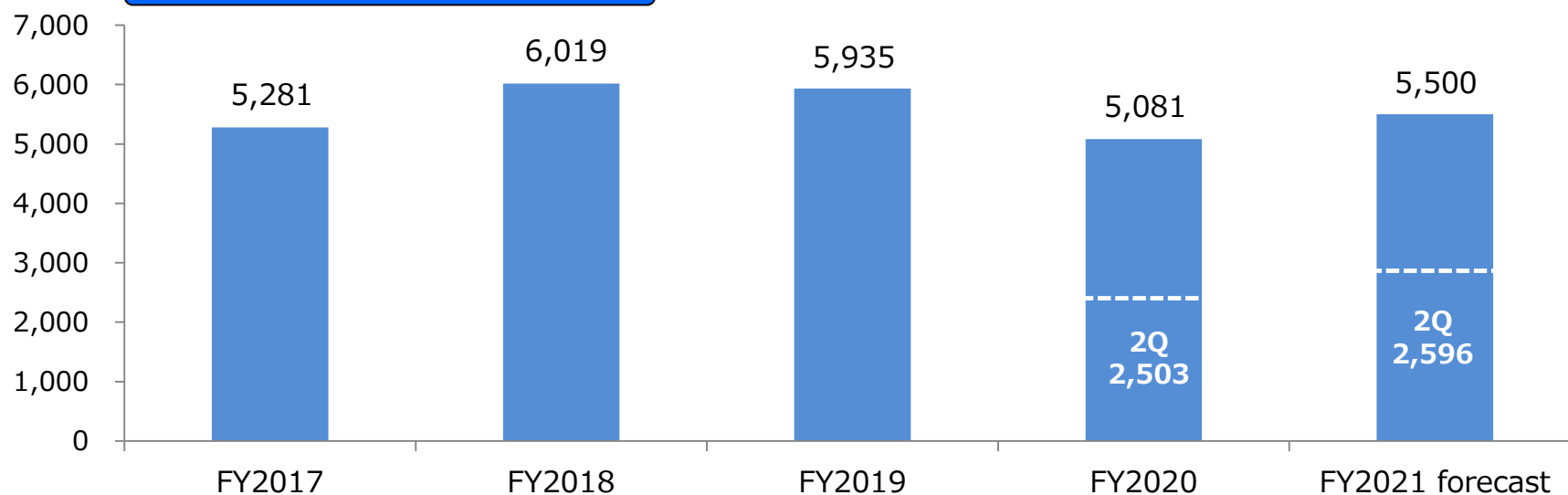
Depreciation and Capital Investment

(Millions of yen)

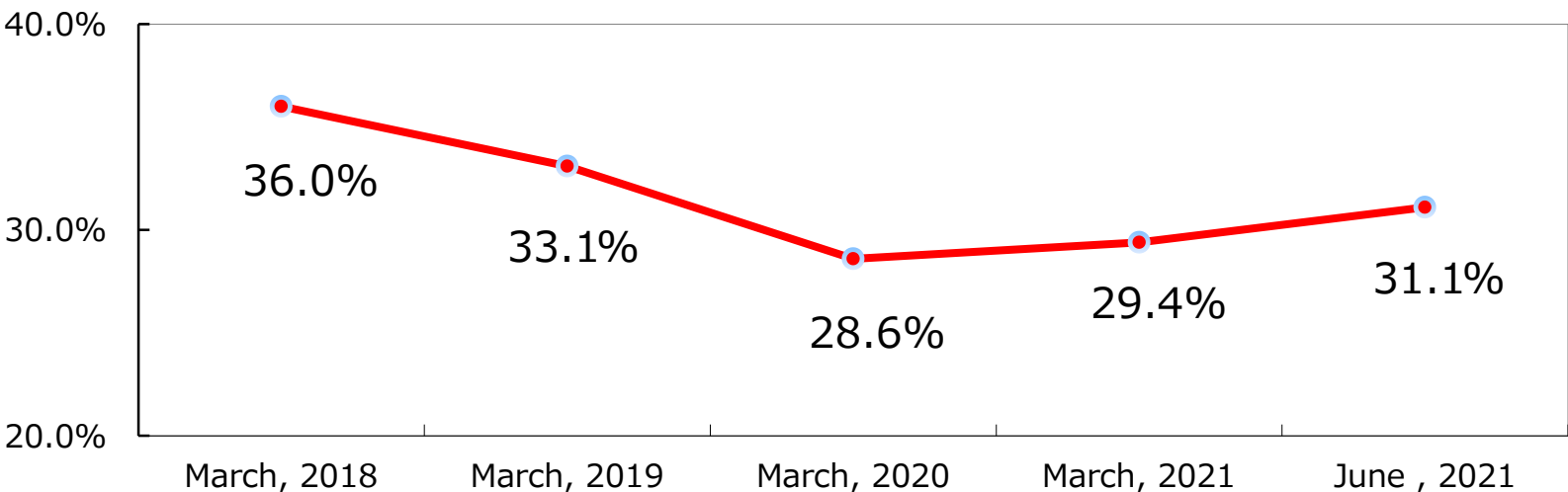


R&D Expenses

(Millions of yen)

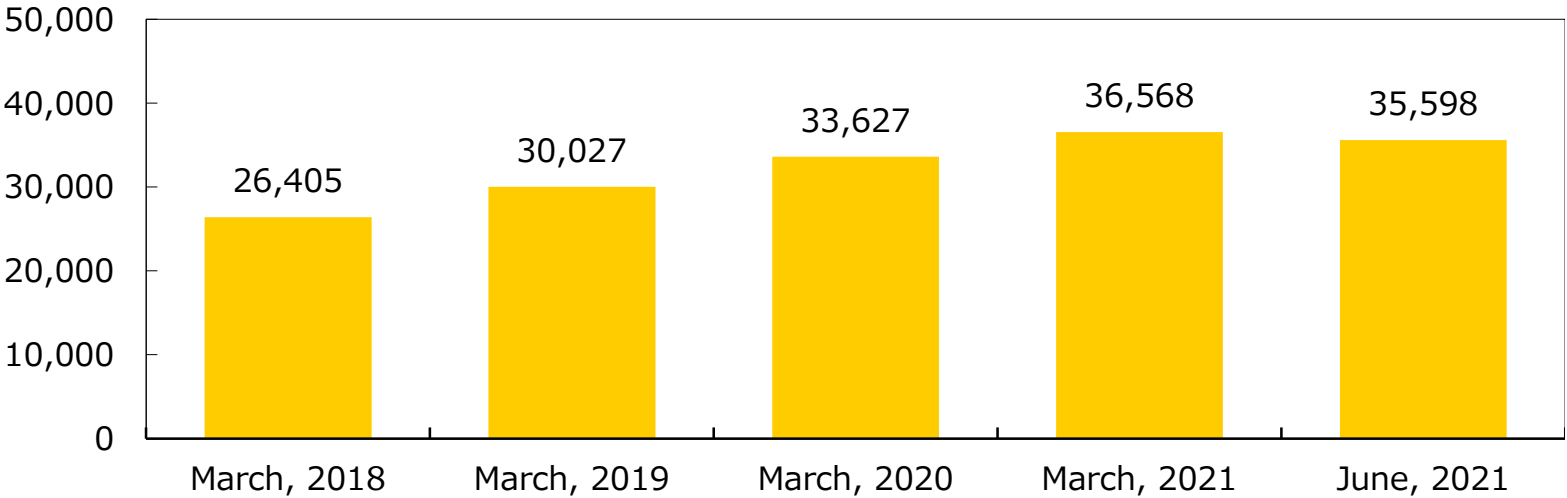


Transition of Capital Ratio



Transition of Interest-Bearing Debt

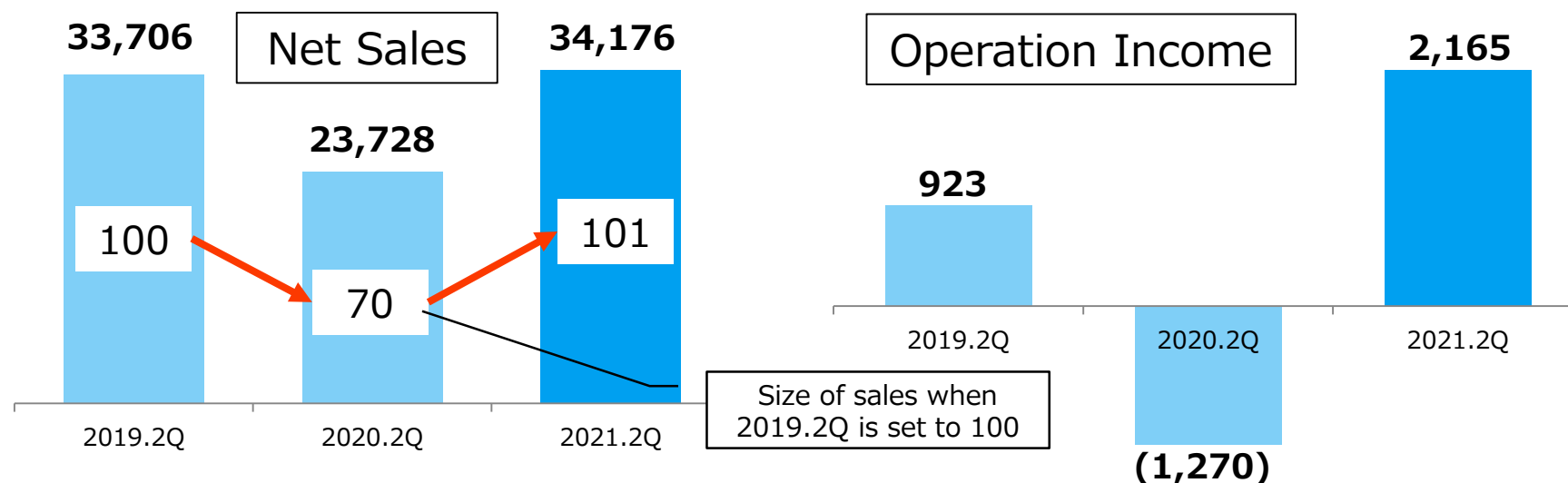
(Millions of yen)



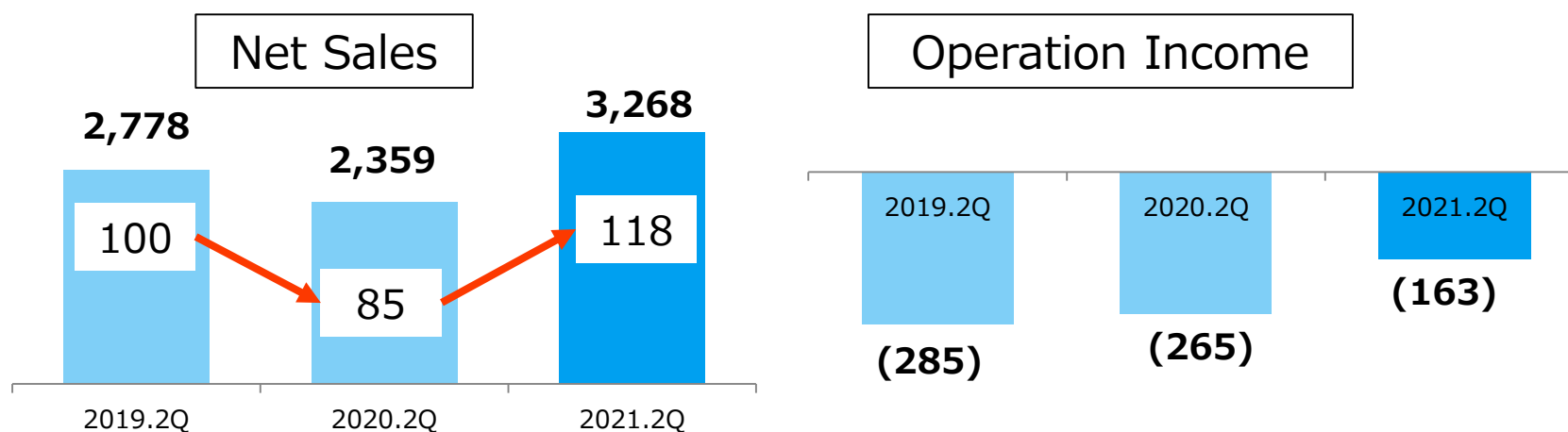
(Note) Amounts less than one million yen are discarded.

Automotive Products

(Millions of yen)



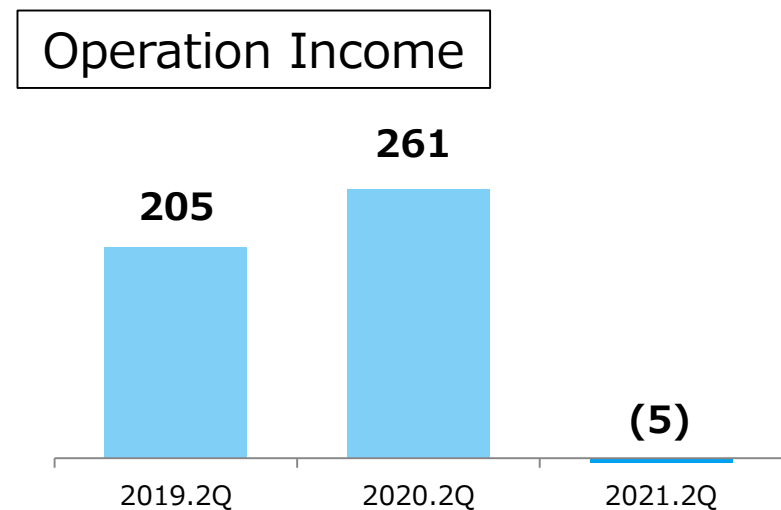
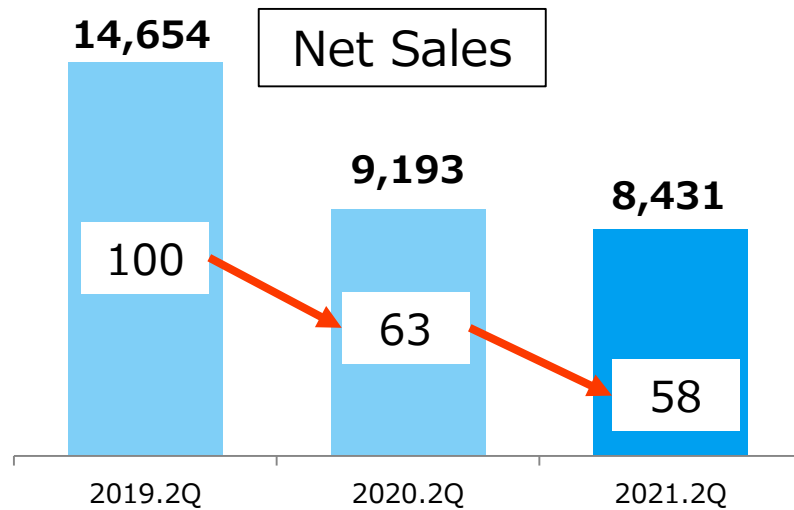
Household Appliances Device Products



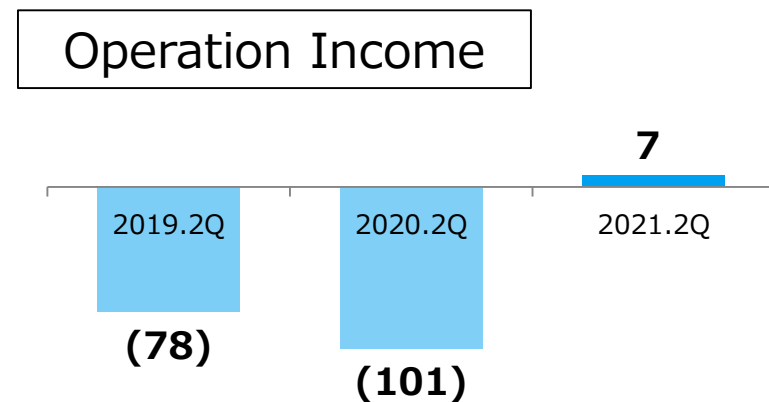
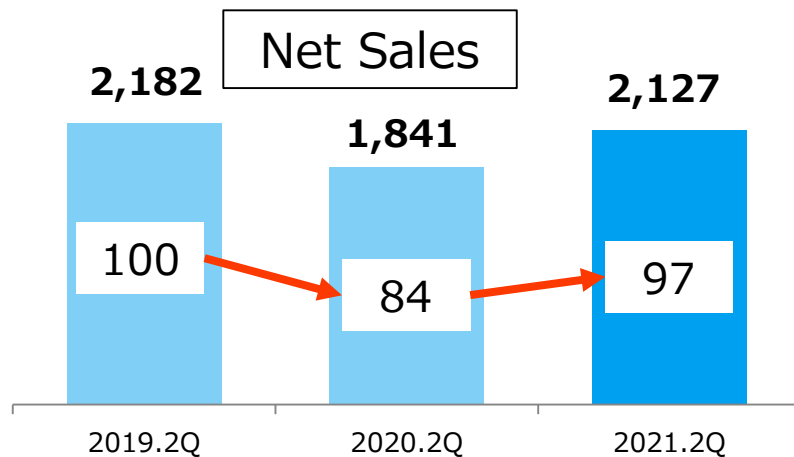
(Note) 1. Amounts less than one million yen are discarded. 2. Figures in parentheses are negative values.

Aircraft Parts Import and Sales

(Millions of yen)



Turf-care Equipment



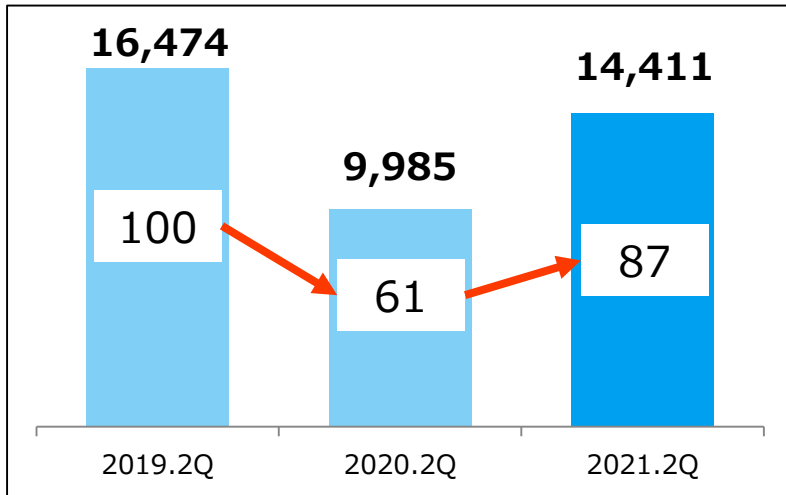
(Note) 1. Amounts less than one million yen are discarded. 2. Figures in parentheses are negative values.

(Reference) Comparison of Net Sales and Operating Income in Automotive Product Segment with the Last Two Fiscal Years (Previous Accounting Standard)

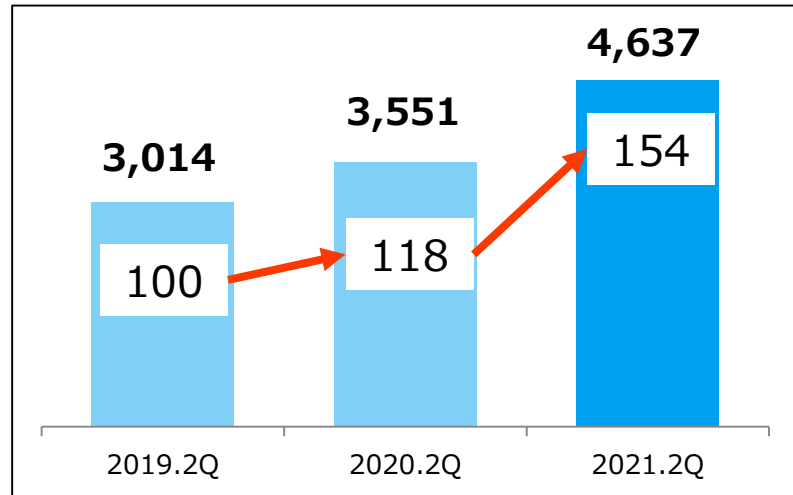


(Millions of yen)

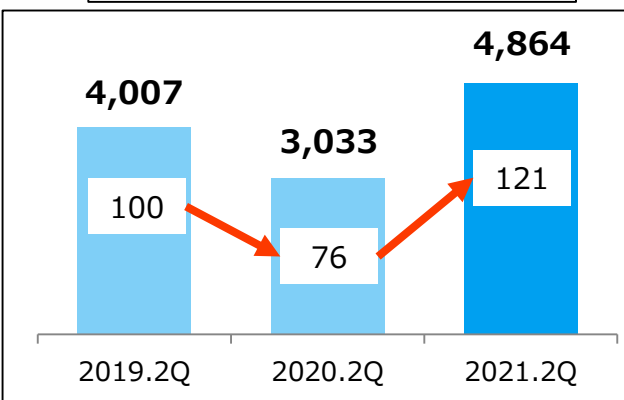
Japan



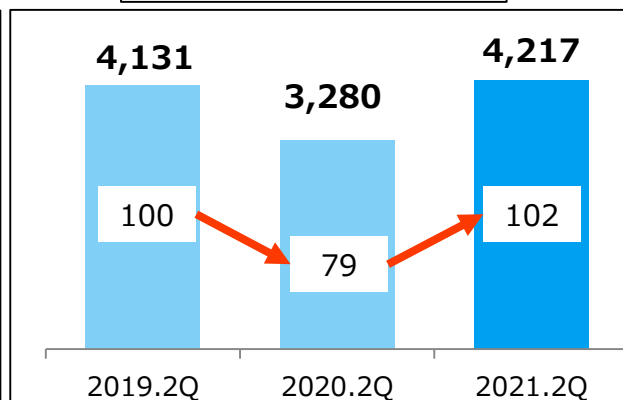
India



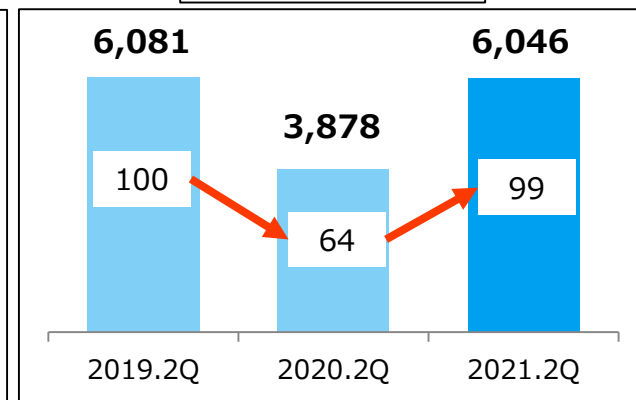
Europe & Americas



Greater China



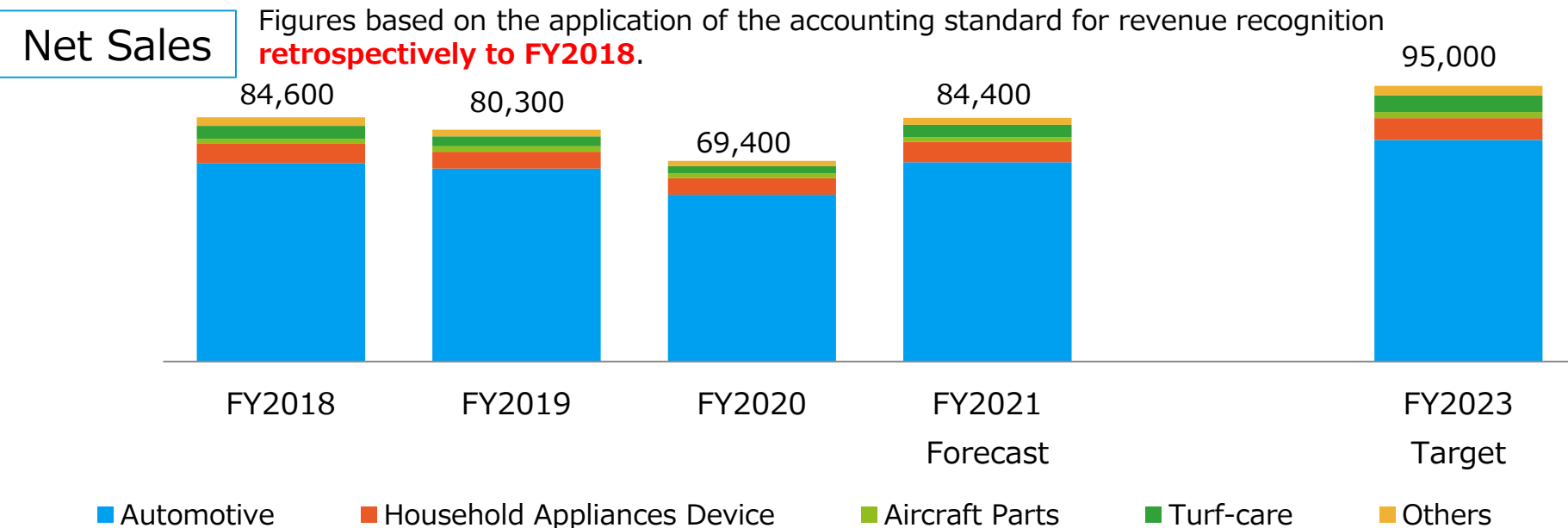
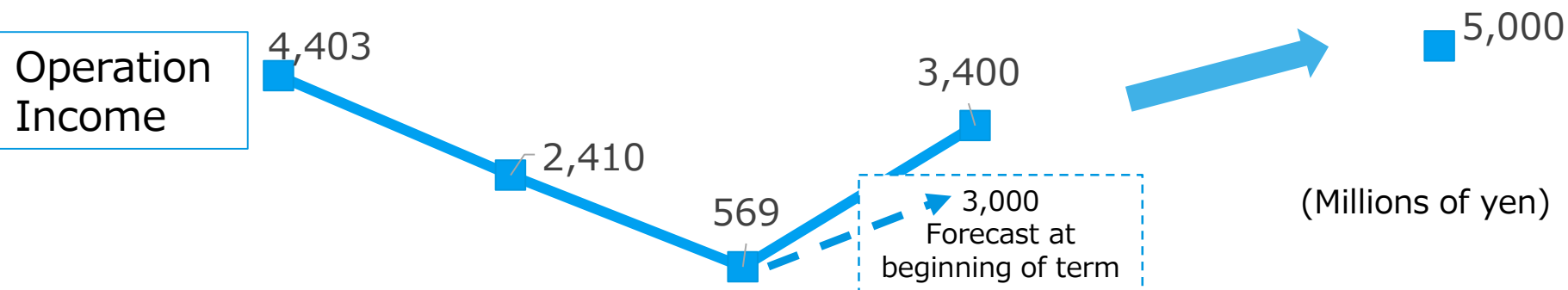
ASEAN



(Note) Amounts less than one million yen are discarded.

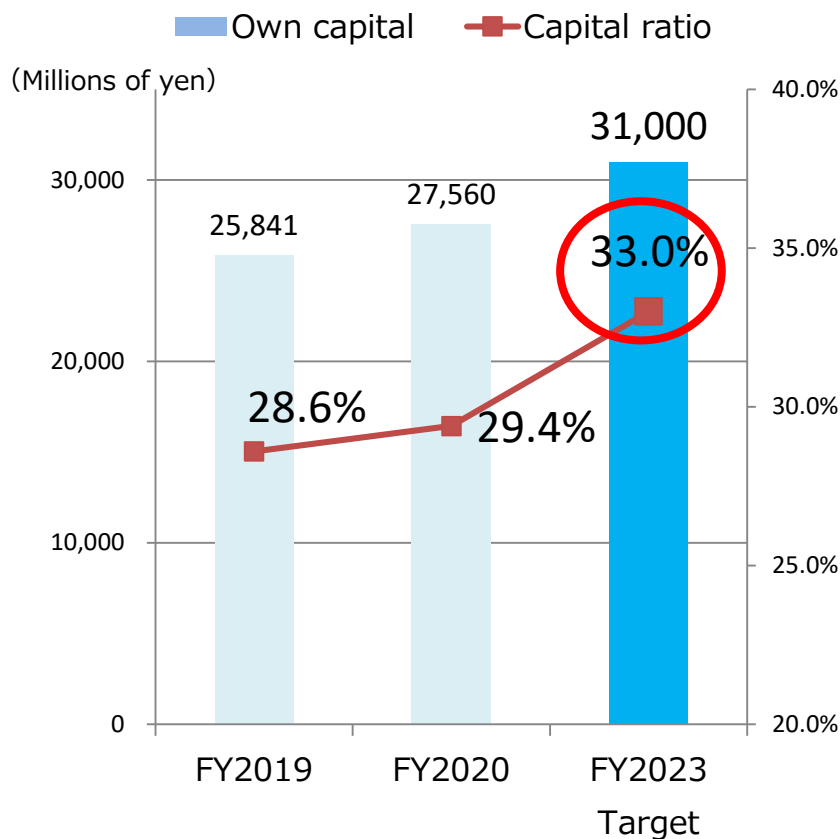
Mid-term and Long-term Vision

FY2023 Targets: Net Sales 95 billion yen
Operating Income 5 billion yen
Profit Margin 5.0% or more

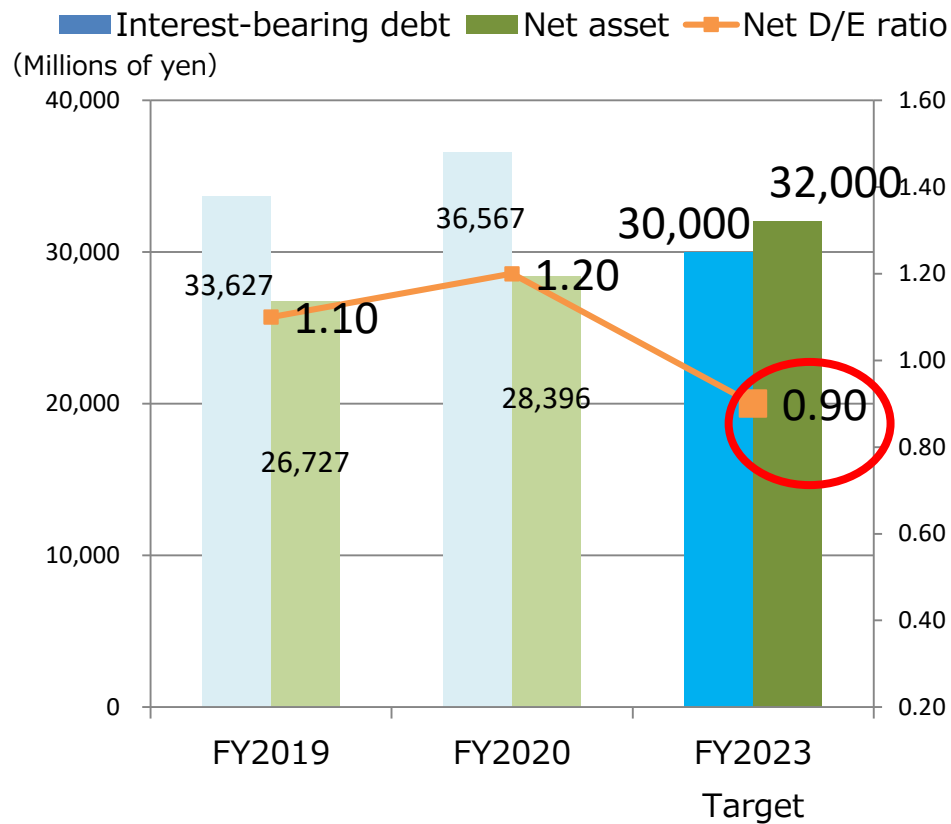


Recover capital ratio and debt-to-equity ratio to appropriate levels

Capital ratio
33% or higher



Net D/E ratio
less than 0.9

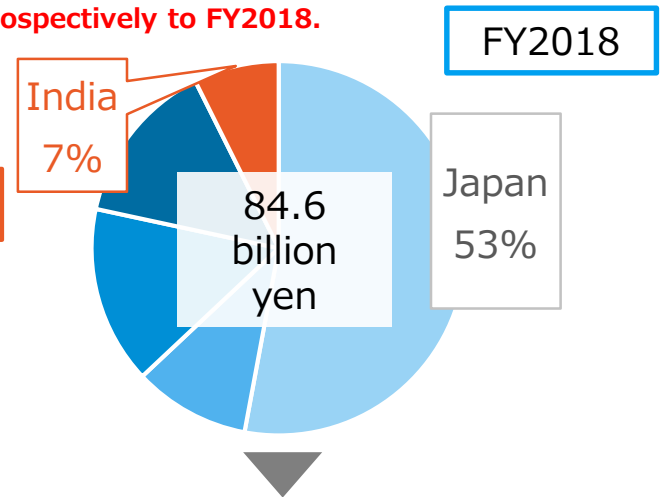
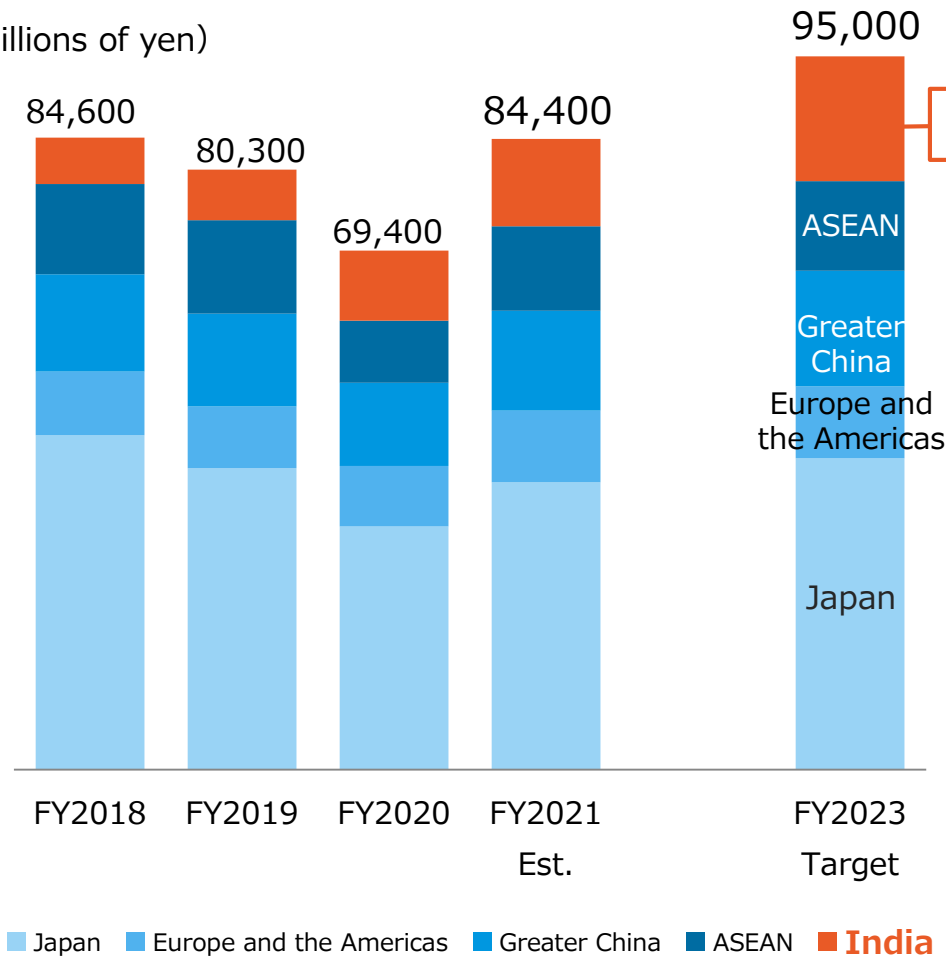


Net Sales by Region

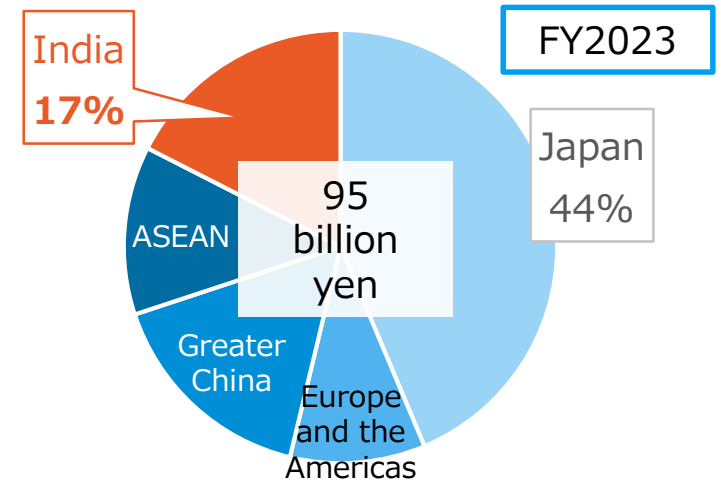
- Leveraging Mikuni's strengths in India, the world's largest motorcycle market
 - Contribute to the growth of the Indian automobile market with technology
- Thus, make the mobility business in India a driving force for the growth of the entire Mikuni Group

Figures based on the application of the accounting standard for revenue recognition **retrospectively to FY2018**.

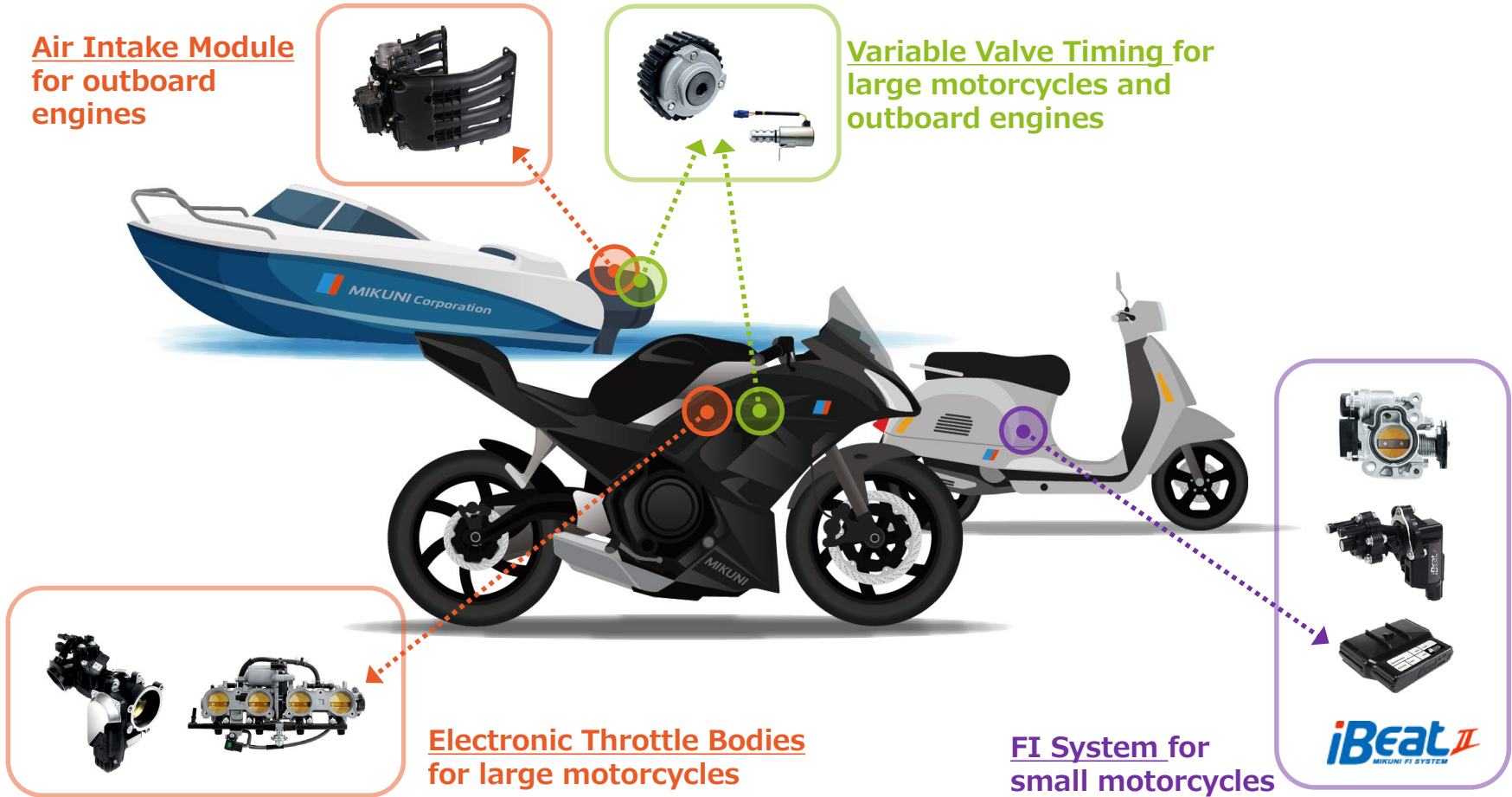
(Millions of yen)



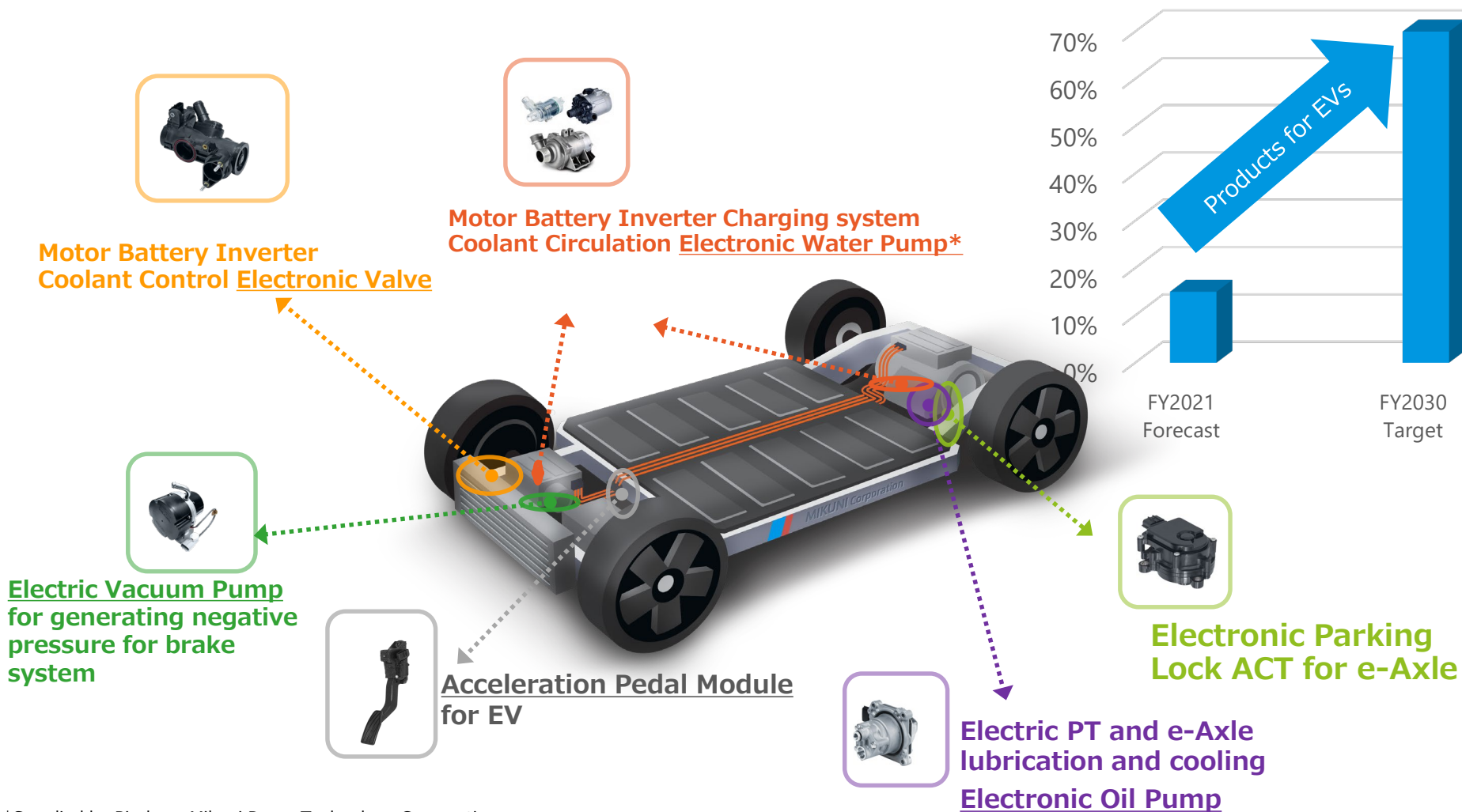
10 billion yen increase from India



In the growing motorcycle and marine product market, Mikuni further enhances its market presence by leveraging its technology

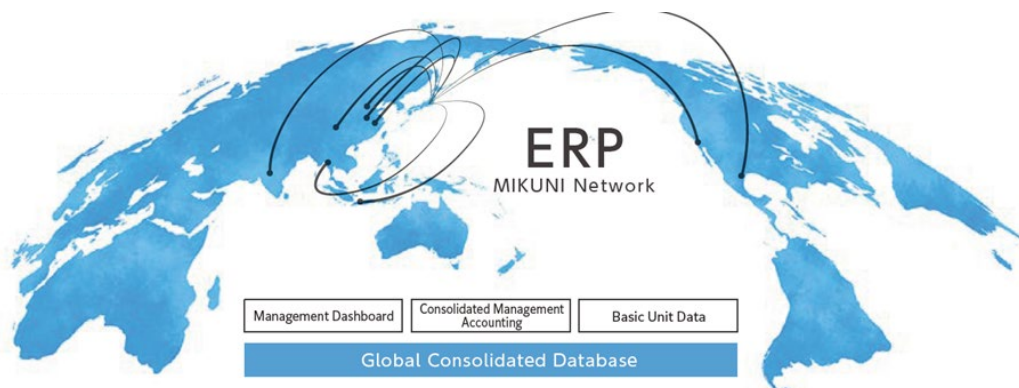
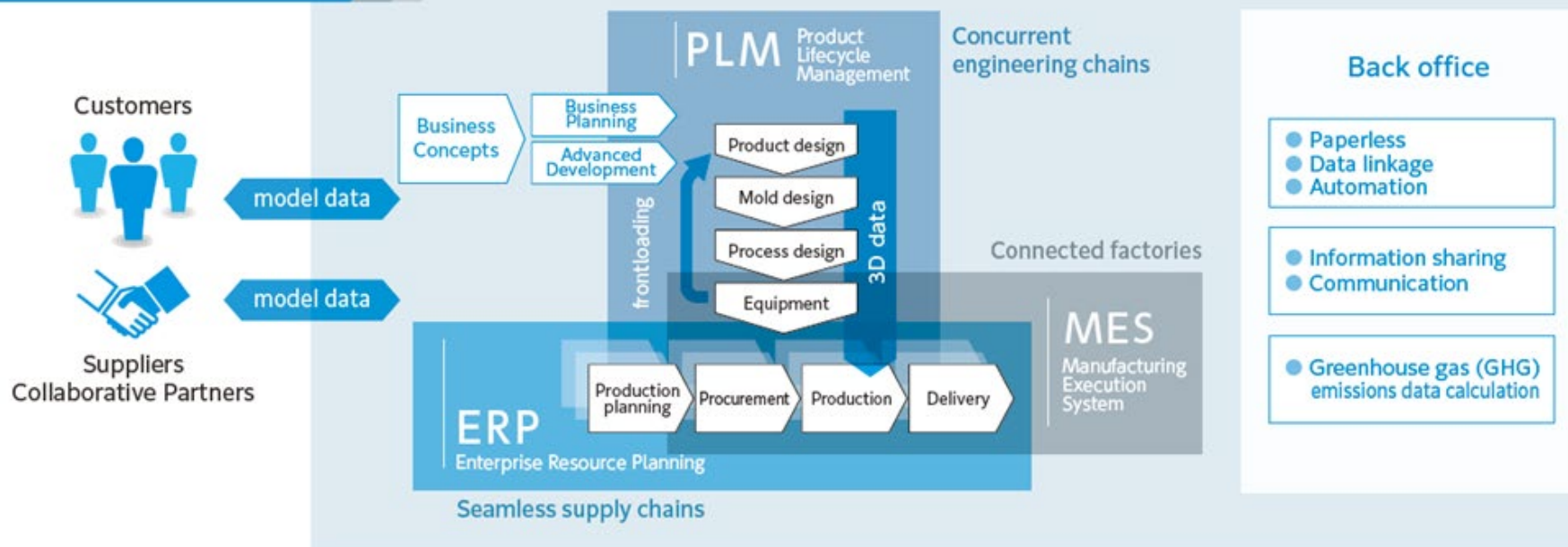


Increase the sales proportion of products for electric vehicles in Mikuni to 70% by FY2030
The growing market of HEVs and PHEVs is a tailwind for us.



*Supplied by Pierburg Mikuni Pump Technology Corporation.

MIKUNI DX



Promoting the digitization of development and manufacturing processes

- Facilitating the flow of design information in the engineering chain
- Sharing design information in the form of 3D drawings, starting with model-based development, and concentrating the knowledge of related departments

to minimize design changes, reduce losses, and shorten development lead time

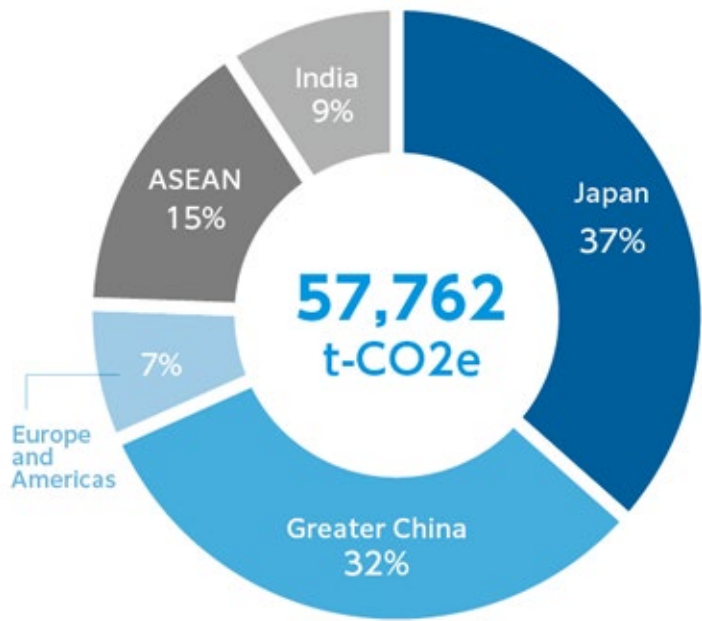
Corporate Philosophy

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

Long-term Environmental Vision

We will continue to be a valuable entity in solving the environmental issues of countries, regions, and customers.

CO2 Emissions and Regional Ratios FY2020
(Mikuni Group, Scope 1 + Scope 2)



Achieving the 2030 Paris Agreement and SDGs



Aiming for Carbon Neutrality in 2050

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.

For more information, please contact

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