



December 8, 2021

Mikuni Corporation

News Release

Mikuni Starts Discussions on Terminating Joint Ventures with Pierburg Pump Technology GmbH

Mikuni Corporation (the "Company" or "Mikuni") today announced that the Company has agreed to start discussions on terminating two joint ventures (JV's) with Pierburg Pump Technology GmbH (hereinafter referred to as "PPT") by selling all of the stocks of the two JV's held by Mikuni to PPT. The two JV's referred to are (1) Pierburg Mikuni Pump Technology (Japan) Corporation, established in 2011 in Odawara, Japan, where Mikuni holds 49% and PPT holds 51% stake respectively, and (2) Pierburg Mikuni Pump Technology (Shanghai) Corporation, established in 2012 in Shanghai, China, where Mikuni also holds 49% and PPT holds 51% stake respectively.

Ever since the establishment of the two JV's, Mikuni and PPT had supported the JV's by bringing in products, R&D resources and production technologies. By utilizing the customer relationship that Mikuni and PPT have had, the JV's were able to expand the business in Japan, China, and in SE Asian market. Since the original goals of the JV's were already accomplished, both Mikuni and PPT agreed that it has come to the time for each of the parent company to walk on their own in order to maximize the business performance going forward. As for Mikuni, by selling all stocks of two JV's and reinvesting the resource to the Thermal Management System area, it intends to establish firm footprints within the Electrification Strategy of its Mobility business.

At this moment of time, what the two parties have agreed are as follows;

- Mikuni and PPT will negotiate to sign the Termination Agreement and the Share Transfer Agreement by December 31st, 2021.
- Termination of the JV's will take place by Mikuni selling all of the stocks of two JV's held by Mikuni to PPT. Thus, the JV's will then onwards operate as 100% subsidiaries of PPT. The company names will be changed accordingly.
- Any other details associated to the termination will be decided through the negotiation between Mikuni and PPT. Any conditions are also subject to change through the negotiations between the two parties.

The impact on financial results is expected to be minimal.