



May 10, 2024

To Shareholders

Company name: MITSUBA Corporation
Name of representative: Katsuyoshi Kitada,
Representative Director, President
(Securities code: 7280 Prime Market of Tokyo Stock
Exchange)
Inquiry: Koji Ogino, General Manager,
Accounting and Finance Department
(Tel: 0277-52-0113)

Notice Concerning Recording of Extraordinary Losses and Deferred Tax Assets

MITSUBA Group announces that it has recorded extraordinary losses and deferred tax assets for the fourth quarter of the fiscal year ended March 31, 2024 (January 1, 2024 to March 31, 2024) as follows:

Details

1. Recording of extraordinary losses

As the cumulative inflation rate for three years exceeded 100% in Turkey and the application of inflation accounting for local tax and accounting procedural purposes, we determined that our subsidiary in Turkey, whose functional currency is the Turkish lira, is operating in a hyperinflationary economy. Accordingly, for the financial statements of the subsidiary in Turkey, accounting adjustments have been made from the fiscal year under review in accordance with the requirements stipulated in IAS 29 "Financial Reporting in Hyperinflationary Economies," and a loss of 3,040 million yen from the net monetary position was recorded as an Extraordinary Losses on the Consolidated Statement of Income.

2. Recording of deferred tax assets

As a result of careful consideration of the recoverability of deferred tax assets based on future business forecasts, MITSUBA Corporation accounted for income taxes - deferred of (1,869) million yen due to the recording of deferred tax assets in the fourth quarter of the fiscal year under review.

3. Impact on financial results

The above extraordinary losses and deferred tax assets are reflected in the "Consolidated Financial Results for Fiscal Year Ended March 31, 2024 (Under Japanese GAAP)" released today (May 10, 2024).