Financial Results Briefing Materials

(2024/4/1～2025/3/31)

MITSUBOSHI BELTING LTD.

Note to future-oriented statements

The forward-looking statements in this document, including performance forecasting, are based on currently available information and assumptions considered reasonable by us and do not guarantee our future financial results. Actual results may differ greatly from the forecast figures depending on various factors.

Note : This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Summary

(millions of yen)

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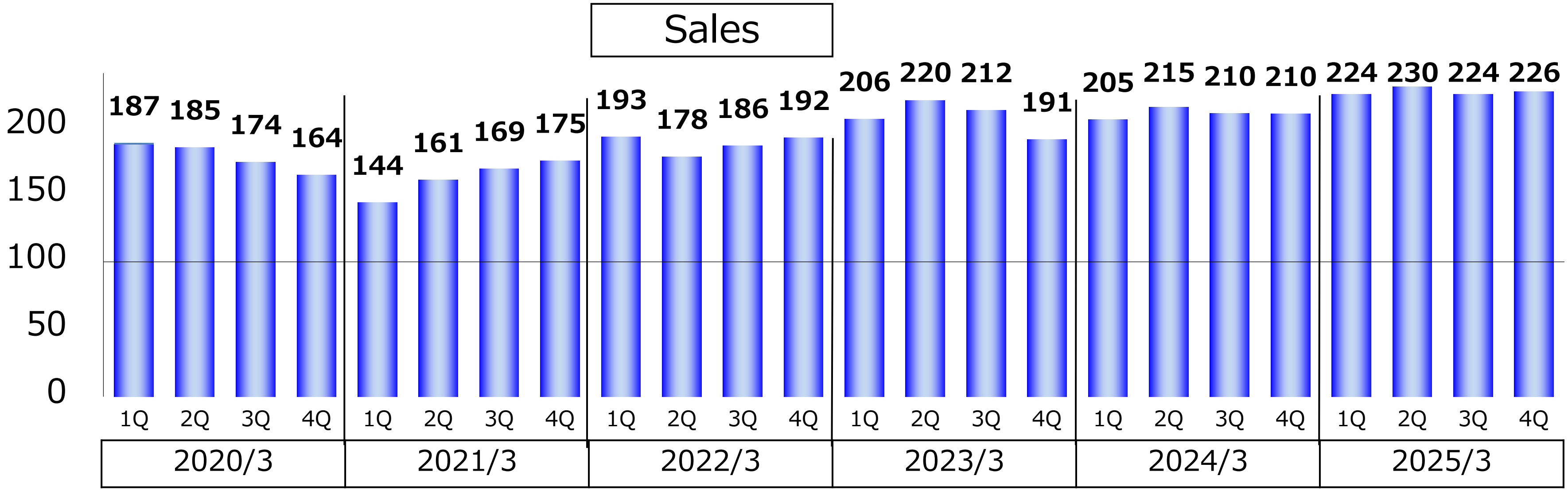
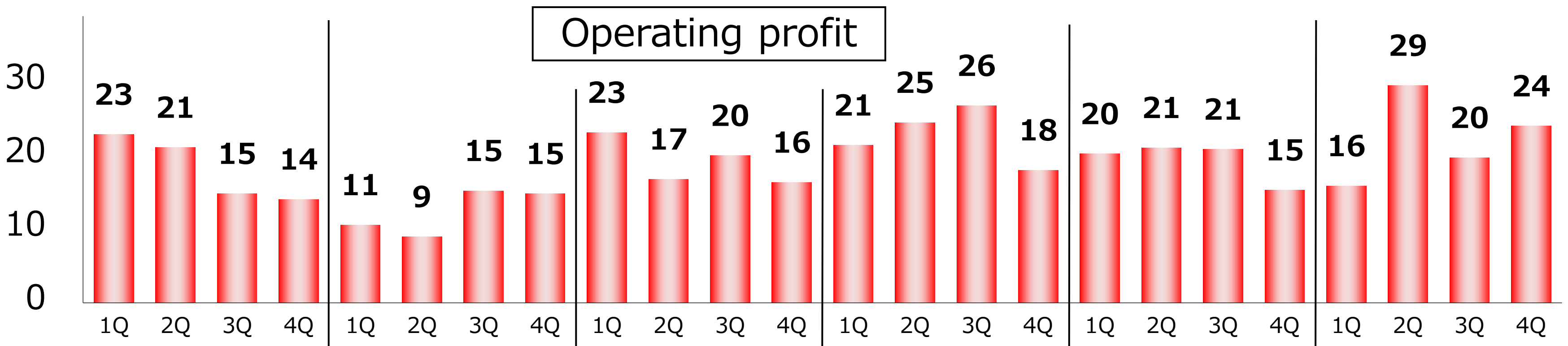
	2024/3 (2023/4-2024/3)			**2025/3 (2024/4-2025/3)**			Year-on-Year
	1st Half Margin	2nd Half Margin	Full Year Margin	1st Half Margin	2nd Half Margin	**Full Year** **Margin**	change %
Sales	42,028	41,986	84,014	45,451	45,059	**90,510**	+6,496 +7.7%
Operating profit	4,137 9.8%	3,622 8.6%	7,759 9.2%	4,548 10.0%	4,380 9.7%	**8,928** **9.9%**	+1,169 +15.1%
Ordinary profit	5,611 13.4%	3,994 9.5%	9,605 11.4%	4,286 9.4%	4,868 10.8%	**9,154** **10.1%**	△451 △4.7%
Profit attributable to owners of parent	3,593 8.5%	3,509 8.4%	7,102 8.5%	6,091 13.4%	2,969 6.6%	**9,060** **10.0%**	+1,958 +27.6%

Quarterly Results

(100 mil. of yen)





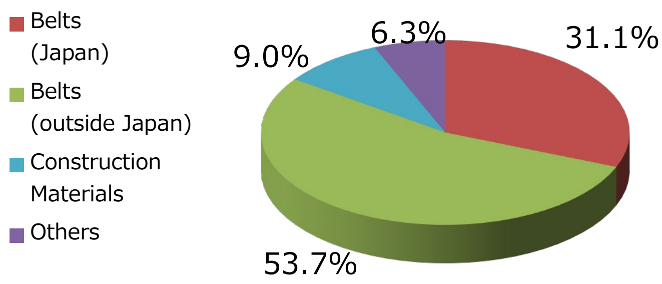
Operating profit margin	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3
	10.3%	7.7%	10.2%	10.9%	9.2%	9.9%

Sales by Business

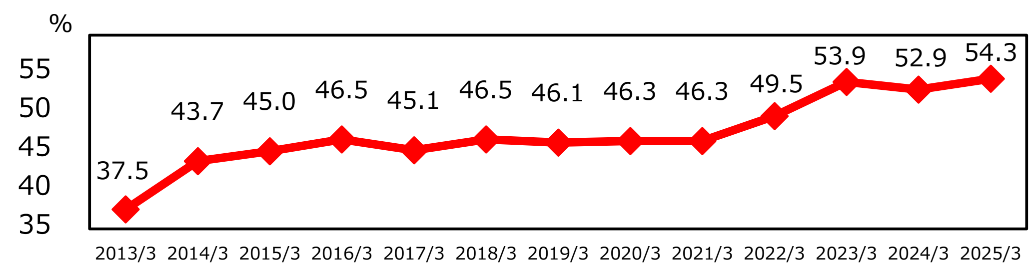
(millions of yen)

		2024/3 (2023/4-2024/3) 1st Half Margin	2nd Half Margin	Full Year Margin	**2025/3 (2024/4-2025/3)** 1st Half Margin	2nd Half Margin	**Full Year Margin**	Year-on-Year change %
Business	Belts (Japan)	13,877 33.0%	13,485 32.1%	27,362 32.6%	14,204 31.3%	13,934 30.9%	**28,138** **31.1%**	+776 +2.8%
	Belts (outside Japan)	22,424 53.4%	21,511 51.2%	43,935 52.3%	24,534 54.0%	24,061 53.4%	**48,595** **53.7%**	+4,660 +10.6%
	Building & Construction Materials	3,101 7.4%	4,206 10.0%	7,307 8.7%	3,726 8.2%	4,376 9.7%	**8,102** **9.0%**	+795 +10.9%
	Others	2,624 6.2%	2,785 6.6%	5,409 6.4%	2,986 6.6%	2,688 6.0%	**5,674** **6.3%**	+265 +4.9%
	Total	42,028 100%	41,986 100%	84,014 100%	45,451 100%	45,059 100%	**90,510** **100%**	+6,496 +7.7%
Sales outside Japan		22,680 54.0%	21,750 51.8%	44,430 52.9%	24,783 54.5%	24,358 54.1%	**49,141** **54.3%**	+4,711 +10.6%

《Sales by Business》



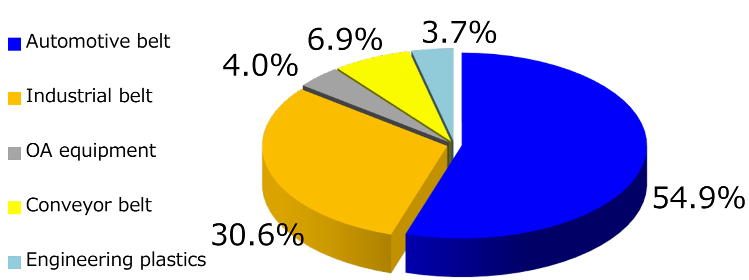
《Sales outside Japan》



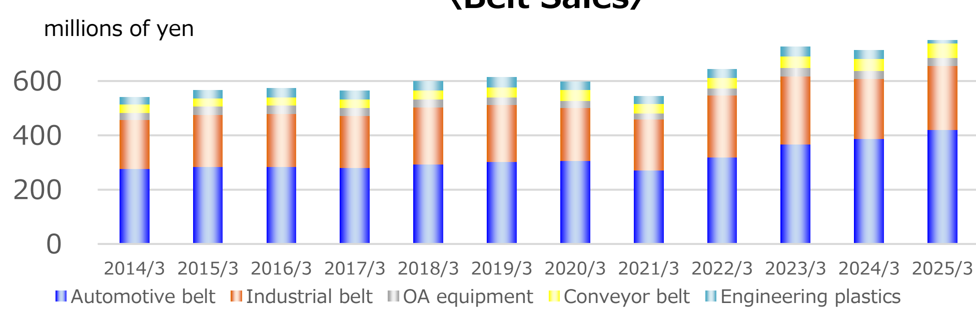
Breakdown of Belt Sales (millions of yen)

		2024/3 (2023/4-2024/3)			2025/3 (2024/4-2025/3)			Year-on-Year
		1st Half Margin	2nd Half Margin	Full Year Margin	1st Half Margin	2nd Half Margin	**Full Year Margin**	change %
Automotive belt		19,316 53.2%	19,404 55.4%	38,720 54.3%	21,417 55.3%	20,709 54.5%	**42,126 54.9%**	+3,406 +8.8%
Industrial machinery	Industrial belt	11,698 32.2%	10,257 29.3%	21,955 30.8%	11,654 30.1%	11,818 31.1%	**23,472 30.6%**	+1,517 +6.9%
	OA equipment	1,372 3.8%	1,455 4.2%	2,827 4.0%	1,570 4.1%	1,479 3.9%	**3,049 4.0%**	+222 +7.8%
	Conveyor belt	2,347 6.5%	2,437 7.0%	4,784 6.7%	2,661 6.9%	2,622 6.9%	**5,283 6.9%**	+499 +10.4%
	Engineering plastics	1,569 4.3%	1,442 4.1%	3,011 4.2%	1,437 3.7%	1,367 3.6%	**2,804 3.7%**	△207 △6.9%
Total		36,302 100%	34,996 100%	71,298 100%	38,738 100%	37,995 100%	**76,733 100%**	+5,435 +7.6%

〈2024/3〉



〈Belt Sales〉

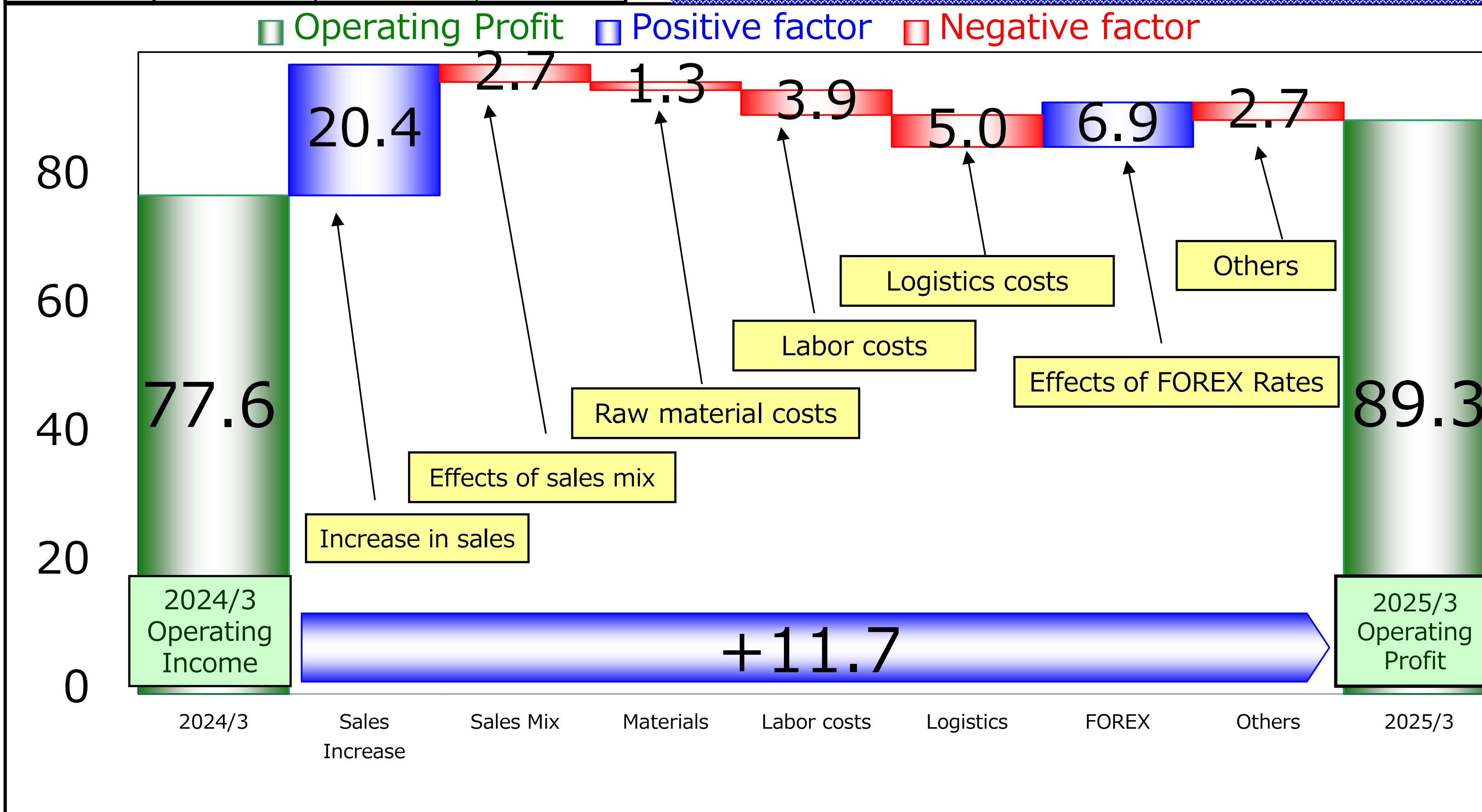


Analysis of Operating Profit

(100 mil. of yen)

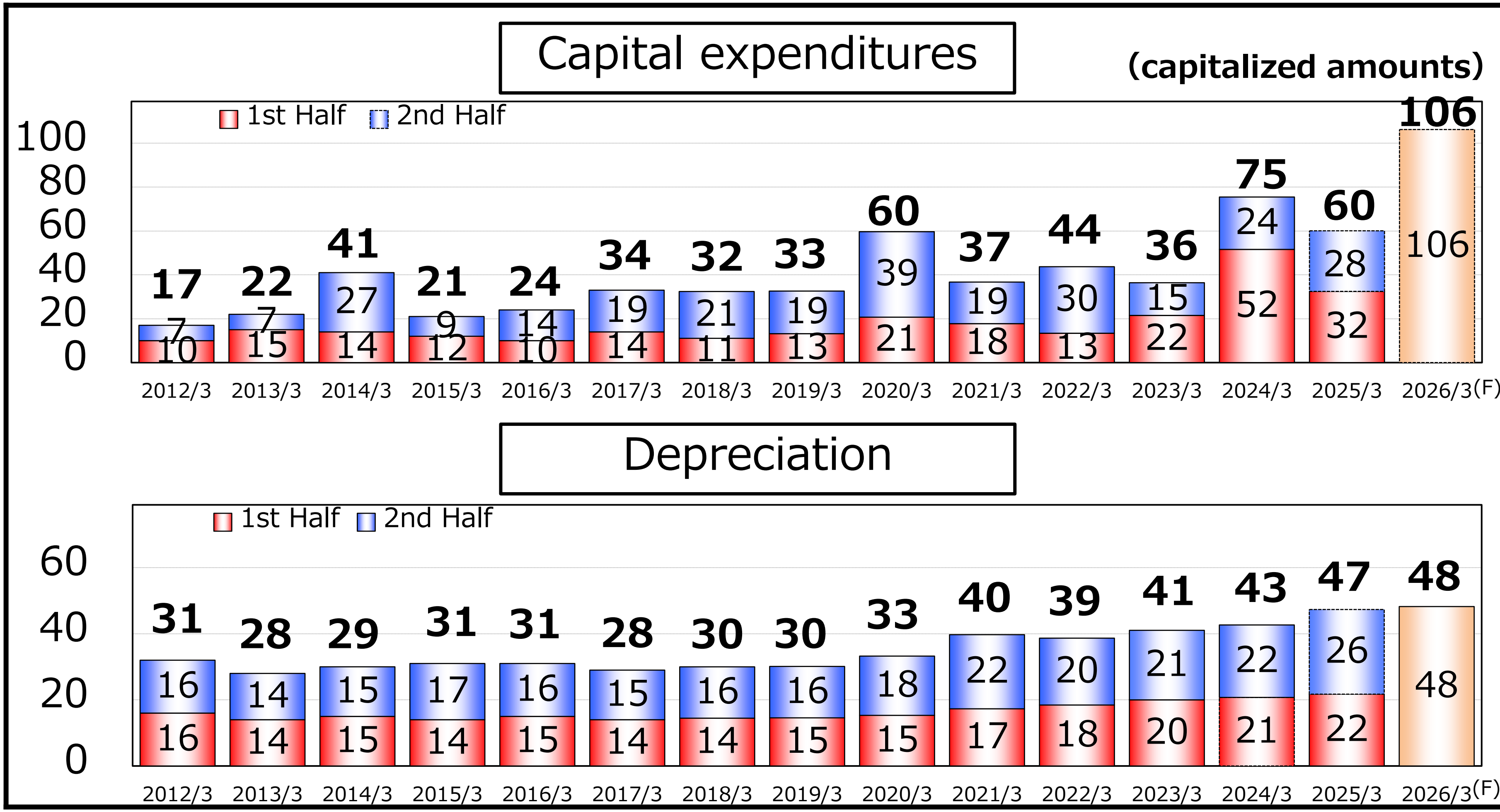
	2024/3	2025/3	change
Sales	840.1	905.1	65.0
Operating Profit	77.6	89.3	11.7
Ordinary Profit	96.1	91.5	△4.6

- (+) Increase in sales. Effects of FOREX Rates
- (−) Effects of sales composition
  Increase in raw material costs, labor costs and logistics costs



Capital expenditures and Depreciation

(100 mil. of yen)



’24 Mid-Term Business Plan (FY2024-FY2026)

- 3-year capital investment budget : 20.0 billion Yen
- The approved amount for FY2024 plan is approximately 7 billion yen (as of the end of March 2025).

Forecast

(millions of yen)

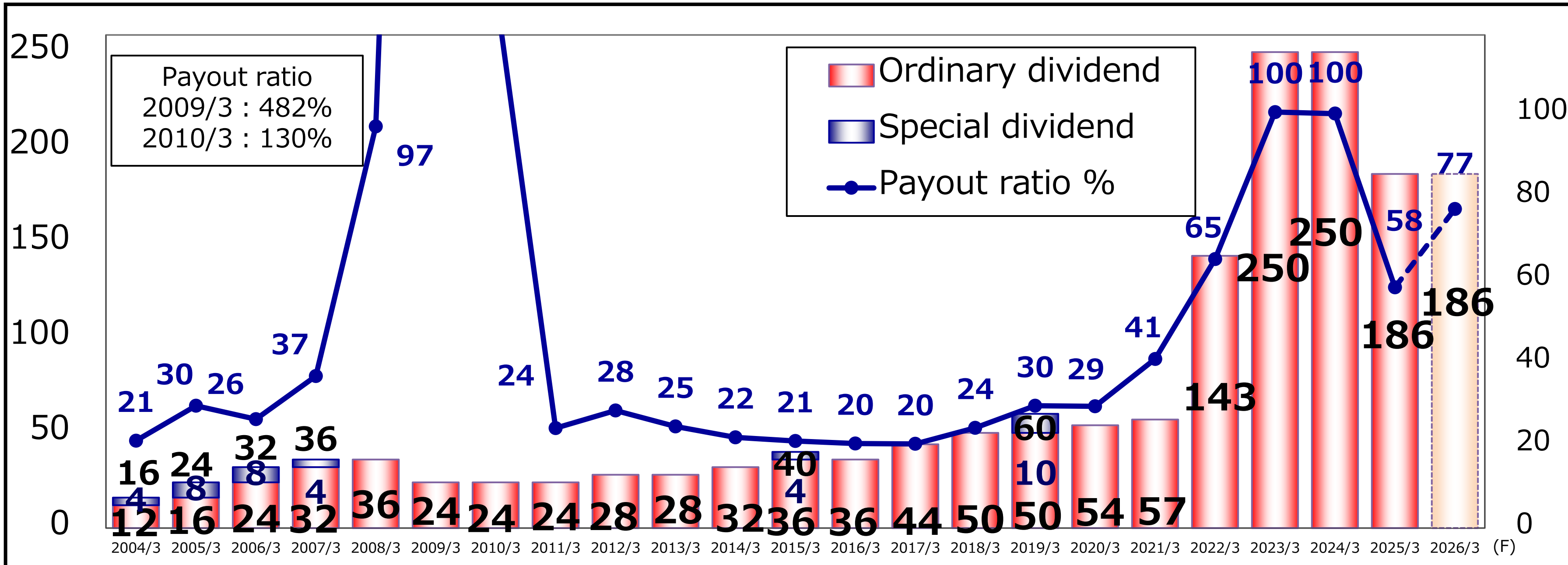
	2025/3	2026/3			Year-on-Year	
		Forecast			change	%
	Results	1st Half	2nd Half	**Full year**		
Sales	90,510	45,000	44,000	**89,000**	△1,510	△1.7%
Operating Profit	8,928	4,700	3,900	**8,600**	△328	△3.7%
Margin	9.9%	10.4%	8.9%	**9.7%**		
Ordinary Profit	9,154	4,600	4,000	**8,600**	△554	△6.1%
Margin	10.1%	10.2%	9.1%	**9.7%**		
Profit attributable to owners of parent	9,060	3,400	3,400	**6,800**	△2,260	△24.9%
Margin	10.0%	7.6%	7.7%	**7.6%**		

Exchange rate : USD	152.6 yen	140 yen	(period average)

・Sales and profit are expected to decline due to the appreciation of the yen.（Exchange rate : 1USD＝140yen）
・Extraordinary income from sale of cross-shareholdings（2025/3 Results） : approximately 3.5 billion yen
※The impact of the high tariff policy in the United States is not reflected in the forecast.

Dividends

	Interim	Year-end	Total
2024/3	¥125	¥125	¥250
2025/3(Forecast)	¥90	¥90→**¥96**	¥180→**¥186**
2026/3(Forecast)	¥90	¥96	¥186



The share was consolidated (2 shares→ 1 share) on Oct. 1, 2018. The values of dividends are converted on the post-consolidation basis.

- Dividend increased by 6 yen compared to the latest forecast
- '24 Mid-Term Business Plan (FY2024-FY2026)
  DOE target : approx. 5.4%
  (Dividend per share : at least 180 yen / year)

Acquisition and Retirement of treasury shares

(Thousand Shares)

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Aggregate number of shares issued as of June 30,1998
51,998 (100%)

Total acquisition of treasury shares
26,040 (50%)

Total retirement of treasury shares
20,835 (40%)

Owned

Disposal

Stock Market

	FY2024
Acquisition	242 (0.5%)

Aggregate number of shares issued as of September 30,2024
31,104 (60%)

(Except acquisition and retirement of shares less than one unit)

(The share was consolidated (2 shares→ 1 share) on Oct. 1, 2018. The number of shares is converted on the post-consolidation basis.)

The Company has continued to acquire treasury shares.

(Total number of treasury shares acquired : 50% , Total number of treasury shares retired : 40%)

- The Company aims to acquire 3 billion yen of shares in 3 years during " '24 Mid-Term Business Plan" (FY2024-FY2026).
- The Company acquired treasury shares : 241,900 shares , approximately 1 billion yen in FY2024.
- The Company introduced Share-Based Compensation Plan using the ESOP trust structure as a stock incentive plan for employees in August 2024.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price ①

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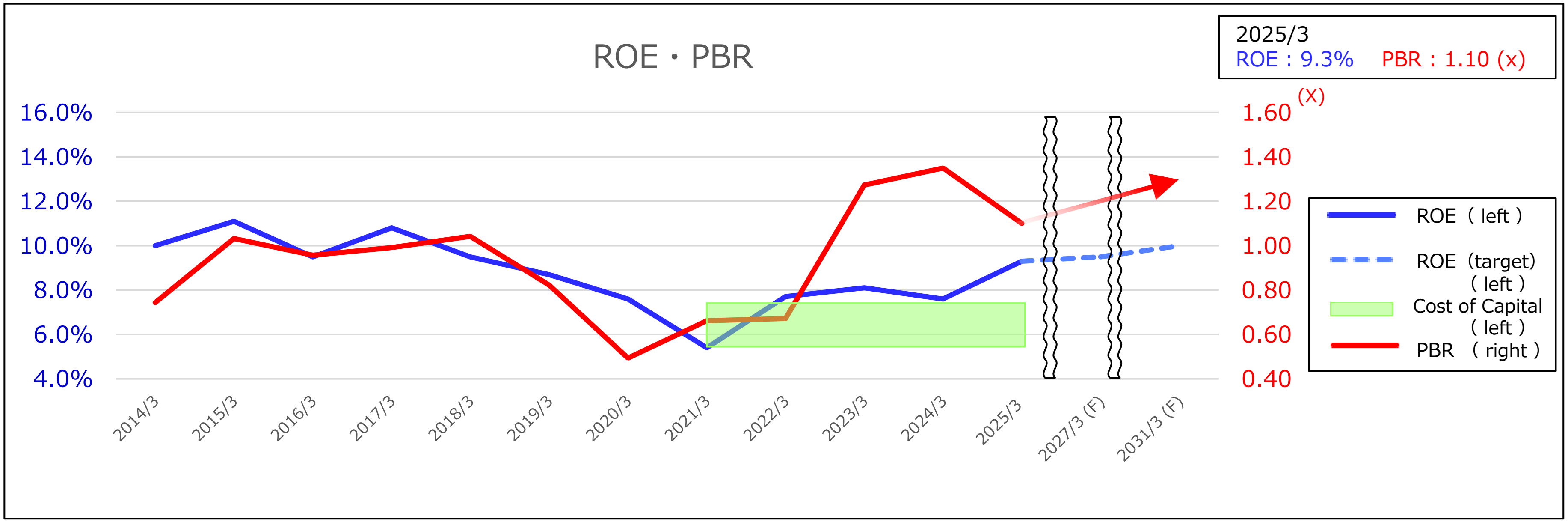
" '24 Mid-Term Business Plan" marks the second phase toward FY2030 "Target Position." The previous plan focused on strengthening our business foundation, while the current plan positions itself as a period of accelerated growth.

FY2030 "Target Position"
- **Net sales: 100 billion yen** ・**Operating profit: 13 billion yen** ・**ROE : 10%**

	FY2024 Results	'24 Mid-Term Business Plan (FY2024-FY2026) FY2026 KPI target
Profitability	・Net sales: 90.5 billion yen ・Operating profit: 8.9 billion yen	・Net sales: 91.5 billion yen ・Operating profit: 10.5 billion yen
Capital efficiency	・ROE : 9.3% ・Value of cross-shareholdings sold : 3.5billion yen	・ROE : 9% ・Value of cross-shareholdings sold : 5.0 billion yen (FY2024～FY2026 Total)
Capital investment	・ Amount of plan approval: 7 billion yen	・ 3-year capital investment budget: 20.0 billion yen (excluding M&A)
Shareholder returns	・DOE target : approx.5.4% (Dividend per share : 186 yen / year) ・Repurchase of treasury shares: 1 billion yen	・DOE target : approx. 5.4% (Dividend per share : at least 180 yen / year) ・Repurchase of treasury shares: 3.0 billion yen (FY2024～FY2026 Total)
ESG	・CO_2 emission reduction : 34% vs. FY2013	・ CO_2 emission reduction target: 40% vs. FY2013
Estimated exchange rates	・152.6 yen/USD (average rate for the period)	・130 yen/USD

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price ②



Strengthen financial position, then pursue higher capital efficiency

"Current conditions of ROE and PBR"

- Current ROE is higher than our recognized cost of capital.
- In recent years, PBR has remained above 1x.

2025/3
ROE : 9.3%
PBR : 1.10
2024/3
ROE : 7.6%
PBR : 1.35

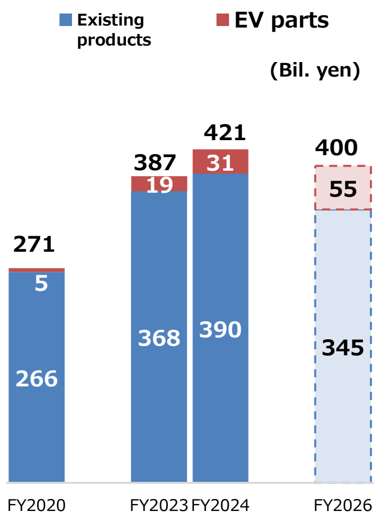
"Target"

- The Company will steadily implement the business strategies and capital policies in our Mid-Term Business Plan to continuously improve our corporate value.
- FY2030 "Target Position"
  ROE : 10%
- FY2026 ('24 Mid-Term Business Plan)
  ROE : 9%
- PBR : Further Improvement

Individual business strategies①

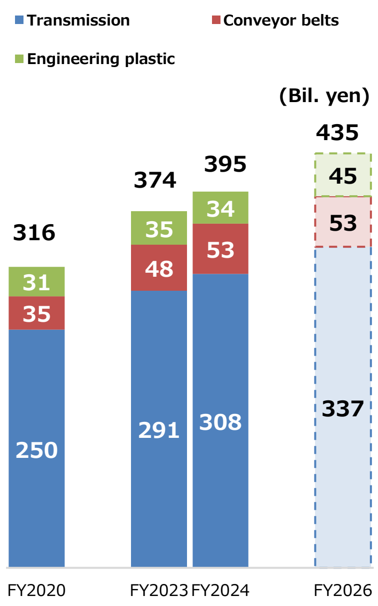
1. Automotive parts

Respond to electrification・contribute to environment	・Sales of M-HEVs (mild hybrid vehicles) increased mainly in the European market ・Increased use of belt drive systems for electric power steering systems (EPS) ・With the electrification of motorcycles, the number of models using timing belts for rear wheel drive has increased
Expand sales to global aftermarket	・Strengthen sales activities to existing customers and develop new customers



2. Industrial machinery

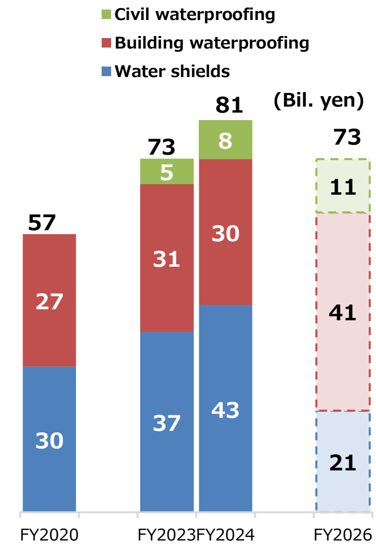
Support for food businesses/industry	・Developed and expanded sales of high-load belts for agricultural machinery
Respond to labor shortage	・Developing new small-pitch, high-torque products for robots
Respond to green transformation	・Efforts to increase the use of biomass resin belts
Respond to energy conservation	・Expanding sales of high-performance belts for blower and HVAC systems
Expand sales in the global aftermarket	・Expanding sales to overseas agricultural machinery markets



Individual business strategies②

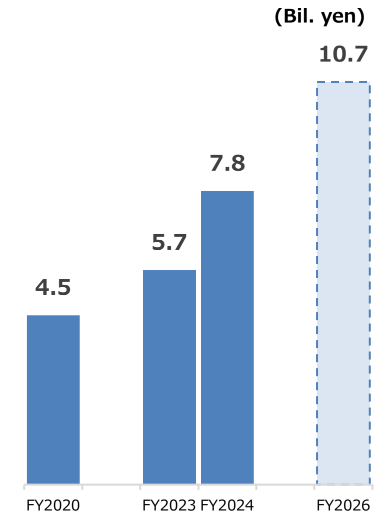
3. Construction materials

Respond to improvement of working environment	・Improvement of fastback waterproofing method with reduced number of secondary materials for sheet waterproofing. Sales of Neo Coat AG acrylic film waterproofing material expanded
Respond to solutions for residential environment issues	・Expanding sales of products and methods that contribute to improving the energy-saving performance of buildings and extending the life of the waterproof layer itself
Respond to conservation of the natural environment	・Expanding sales of water leak detection systems and high-pressure drainage pipes for disposal sites
Respond to infrastructure improvement	・Sales of waterproofing and road maintenance work for sewerage facilities increased



4. Electronic materials, Development products, and new sectors

Electronic materials Respond to informatization	・Increased sales of substrate products for data centers on the back of continued growth in AI-related demand
Respond to electrification	・Developing paste that can improve performance of power semiconductor modules
Respond to energy and resource conservation	・Developing paste for ceramic heaters used in semiconductor manufacturing equipment
Respond to reducing environmental impact	・Expanding sales of bonding pastes for next-generation semiconductors that can replace existing lead solder bonding materials
Development products and new sectors Create new business by effectively utilizing technological assets	・Investing in venture funds to create new businesses



Status of dialogue with shareholders and investors

Dialogue with shareholders and investors（FY2023～FY2024）

（Unit：Number of times）

	2023	2024	Company Responders
Financial results briefing for institutional investors and securities analysts	2	2	President，Senior Managing Director (at the end of the second quarter and at the end of the fiscal year)
Individual dialogue with institutional investors and securities analysts	64	53	・IR Planning（Office of the President），Corporate Planning Division, and Finance & Accounting Department take the lead in conducting dialogue. ・President and Sustainability Promotion Department also attend the dialogue depending on the theme.
（Domestic institutional investors）	（35）	（26）	
（Overseas institutional investors）	（18）	（15）	
（Securities companies, etc.）	（11）	（12）	

Feedback to management

	Contents
Financial results briefing	Report the content of the question and answer session to the directors and auditors
Individual dialogue	Timely reporting of opinions, major questions, etc. identified through dialogue as necessary, as well as annual activity reports to the Board of Directors

・In FY2023, the number of dialogues increased prior to the announcement of “’24 Mid-Term Business Plan”. In FY2024, we had a balanced number of dialogues per quarter.
・IR Planning Department was established in April 2025 to strengthen the system for responding to contacts from institutional investors.

ESG initiatives（1）

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Time		Category	Initiatives
Nov.	2000	S	Mitsuboshi Belting Fureai Council, a volunteer organization comprising Group employees, formed to promote town development where residents and businesses coexist
Oct.	2003	G	Executive Officer system introduced
May	2015	G	Risk Management Committee and Compliance Committee established
Oct.	2018	E S G	CSR Promotion Committee established ※Renamed to SDGs Promotion Committee in March 2021
June	2020	S	Work Style Reform Promotion Committee established
Dec.	2020	E S G	Specific SDGs initiatives formulated
March	2021	G	Nomination and Remuneration Advisory Committee established
March	2021	E	CO_2 emission reduction targets established ((vs. FY2013) FY2023 : 20% reduction , FY2030 : 35% reduction , FY2050 : CN)
April	2022	E S G	Sustainability Promotion Committee and Sustainability Promotion Department established (Sustainability Promotion Committee comprises Management Council members and is chaired by President)
April	2022	E S G	Working Group of Sustainability Promotion Committee organized
May	2022	E	CO_2 emission reduction targets revised ((vs. FY2013) FY2023 : 20%➡At least 22% reduction , FY2030 : 35%➡46% reduction)
June	2022	G	First female Director takes office (at least 1/3 of Directors are Outside Directors) Shortened the term of office of directors from 2 years to 1 year
July	2022	E	Information based on TCFD recommendations disclosed （CDP2022)
Nov.	2022	E S G	Materiality formulated
Nov.	2022	S	Human rights due diligence activities started （Human Rights Policy, Human Rights DD Implementation Guidelines, and Human Rights DD Guidelines established ）
Nov.	2022	G	Mitsuboshi Belting Group Code of Conduct revised
Dec.	2022	E S	Announced support for each initiative （①TCFD, ②TCFD Consortium, ③Human Capital Management Consortium, ④GX League)
Jan.	2023	S	Initiatives to improve employee engagement promoted （Measuring engagement started ）
Jan.	2023	S G	Various policies formulated and disclosed （①Procurement Policy, ②Disclosure Policy)
Feb.	2023	E	Sustainability Linked Loan Agreement concluded
Feb.	2023	E	New mid-term target for CO_2 emissions reduction established （FY2025 : 27% reduction (vs. FY2013) ）

ESG initiatives（2）

Time		Category	Initiatives
March	2023	S G	The Corporate Philosophy, Management Principle, etc. organized into a new philosophy system.
June	2023	E S G	Selected as a constituent of the FTSE Blossom Japan Sector Relative Index, a leading index for ESG investment
Sep.	2023	E S G	“Sustainability Report 2023” published （Enhanced the content of the previous “CSR Report”） https://www.mitsuboshi.com/english/news/news_en_231102_2/
Oct.	2023	E S	Participation in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum
Feb.	2024	E S G	Procurement Guidelines established
Feb.	2024	E G	Received a “B” score from CDP in the areas of “Climate Change" and "Water Security“
July	2024	E S G	The organization was changed from Sustainability Promotion Committee to Sustainability Council to strengthen sustainability activities.
July	2024	E S G	Selected as a constituent of the FTSE Blossom Japan Index, a leading index for ESG investment （ESG Score：3.3）
Sep.	2024	E S G	“Integrated Report 2024” published https://www.mitsuboshi.com/english/news/news_en_241206/

Formulation of medium- to long-term targets for carbon neutrality by 2050

We have set the following numerical CO_2 emission reduction targets (vs. FY2013)

・FY2023: At least 22%
・FY2026: 40%
・FY2030: 46%

CO_2 emissions in FY2024 ：
27,108t、Reduction of 34%（Compared to FY2013）