



The Mabuchi Group  
The 2016 Social &  
Environmental Report



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**Period:** Fiscal 2015 (January 1, 2015 – December 31, 2015) \* Except for certain periods  
**Activities covered:** Details of environmental and social activities related to the design, manufacture, and sales of motors and provision of services  
**Scope:** The Mabuchi Group

#### [Japan (Head Office)]

- Mabuchi Motor Co., Ltd.

#### [North and Latin America]

- Mabuchi Motor America Corp. (America Mabuchi)
- Mabuchi Motor Mexico S.A.DE.C.V. (Mexico Mabuchi)

#### [Europe]

- Mabuchi Motor (Europe) GmbH (Mabuchi Motor Europe)

#### [Asia Pacific]

- Mabuchi Taiwan Co., Ltd. (Taiwan Mabuchi)
- Mabuchi Motor Taiwan Ltd. (Kaohsiung Mabuchi)
- Mabuchi Motor Vietnam Ltd. (Vietnam Mabuchi)
- Mabuchi Motor Danang Ltd. (Danang Mabuchi)
- Mabuchi Motor (Singapore) Pte. Ltd. (Singapore Mabuchi)
- Mabuchi Motor Korea Co., Ltd. (Korea Mabuchi)

#### [China, Hong Kong]

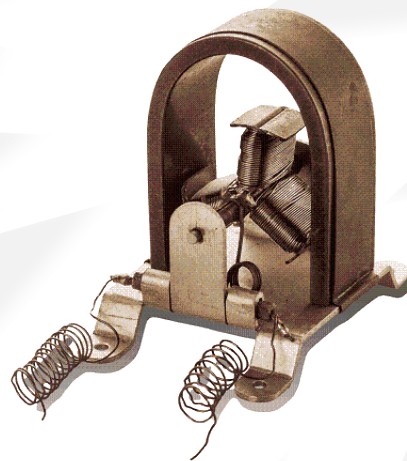
- Mabuchi Industry Co., Ltd. (Hong Kong Mabuchi)
- Mabuchi Motor (Dongguan) Co., Ltd. (Dongguan Mabuchi)
- Mabuchi Precision (Dongguan) Co., Ltd. (Ludong Mabuchi)
- Mabuchi Motor Dongguan Daojiao Co., Ltd. (Daojiao Mabuchi)
- Mabuchi Motor (Jiangxi) Co., Ltd. (Jiangxi Mabuchi)
- Mabuchi Motor Dalian Co., Ltd. (Dalian Mabuchi)
- Mabuchi Motor Wafangdian Co., Ltd. (Wafangdian Mabuchi)
- Mabuchi Motor (Jiangsu) Co., Ltd. (Jiangsu Mabuchi)
- Mabuchi Motor (Shanghai) Co., Ltd. (Shanghai Mabuchi)
- Mabuchi Motor Trading (Shenzhen) Co., Ltd. (Shenzhen Mabuchi)

# Actuating Your Dreams

Mabuchi Motor was born and has grown together with dreams. The dreams of children, technicians, and our customers. We have continued to move forward and grow, fulfilling the dreams of many people.

Moving into the 21st century, the age of change, small electric motors as functional components continue to create new dreams in various scenes around the world while supporting the lives of people, society, and industry.

We now return to the original ambitions we had when the company was established. With these ambitions, we will continue to generate the power needed to realize each and every one of these dreams by quickly, inexpensively, and steadily supplying the people around the world with high-quality small DC motors.

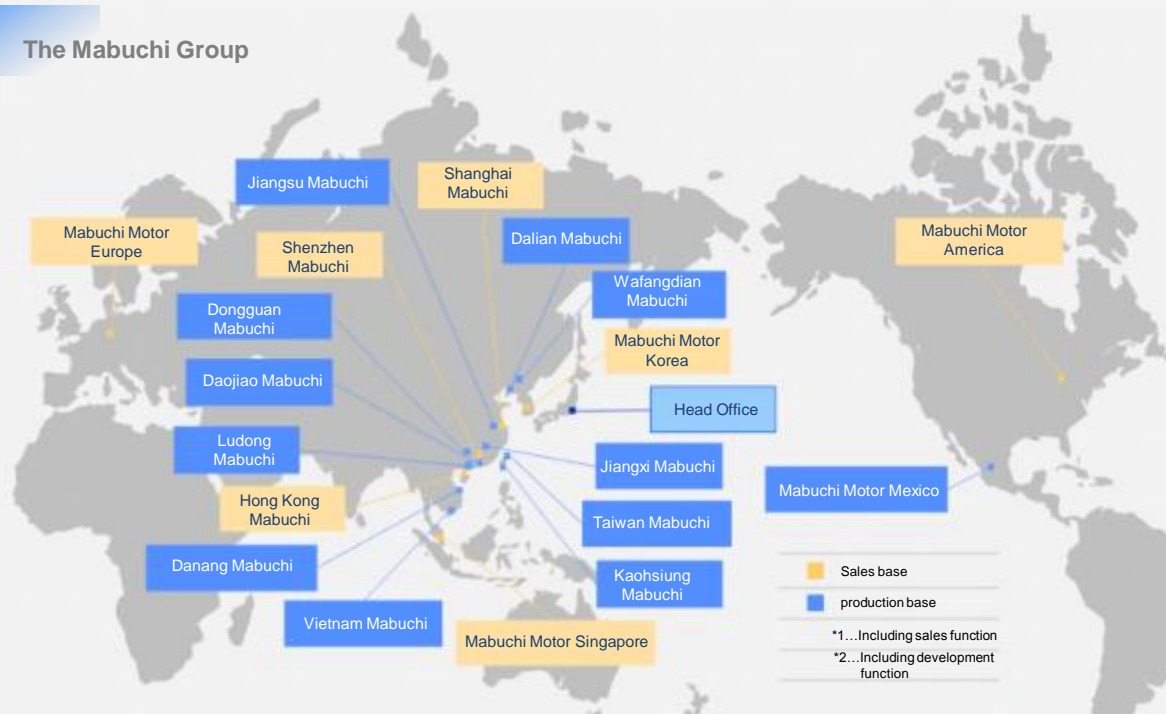


Horseshoe-shaped magnet motor that the founder invented in 1947

## Corporate Outline

■ Trade name	Mabuchi Motor Co., Ltd. MABUCHI MOTOR CO.,LTD.	■ Consolidated Business Results	Net sales: 143,143 million yen Net income: 18,546 million yen (FY2015 ended Dec. 31)
■ Date of establishment	January 18, 1954	■ Location (Head Office):	430 Matsuhidai, Matsudo-shi, Chiba-ken, 270-2280 Japan Tel.: +81-47-710-1111
■ Contents of operations	Manufacture and sale of small electric motors	(Technology Center)	280 Ryufukuji, Inzai-shi, Chiba-ken, 270-2293 Japan Tel.: +81-47-710-1222
■ Capital	20,704.81 million yen		
■ President:	President and Representative Director, Hiroo Okoshi		
■ Employees	Head Office: 762, Mabuchi Group: 24,419 (as of December 31, 2015)		

## The Mabuchi Group





President and Representative  
Director

大越博雄

### — Actuating Your Dreams — We contribute to the society through our motors.

Mabuchi Motor was established in 1954 with a wish to enable children around the world to enjoy high-quality and low-cost motors. “Contribution to international society and continuous expansion of that contribution” is the management principle and the basic concept applied to all activities of Mabuchi motors. All employees of the Mabuchi Group are working daily with a belief that companies exist to contribute to society and create happiness for people.

Our management principle is a perfect match with the concept of CSV (Creating Shared Value) which aims to successfully respect both social and corporate values and solve social problems through corporate and commercial activities. Our policy is to contribute to societies in a way that our activities to solve social problems coexist with our corporate activities, with both heading in the same direction and in sustainable ways.

We are working to realize both high quality and low price by developing motors that satisfy the largest number of desires of our clients as our standard products. We acquire standardized components and produce products using highly efficient general-purpose facilities near our clients around the world. With this local acquisition and local production system, we are going to contribute to the society using the thoroughly standardized strategies for mass production of small devices as our unique strength.

Specifically, Mabuchi Motor's most important mission as a specialized motor manufacturer is to supply better and cheaper products and contribute to reducing the size and weight of our customers' final products, thereby conserving energy and resources society-wide. We aim to do this by utilizing our technology and wisdom, and in this way make the lives of our customers more convenient, comfortable, and safe. Therefore, we are striving to thoroughly develop the potential uses and benefits of motors and enhance their values.

After the launch of operations in Hong Kong in 1964, Mabuchi Motor has aggressively built global production and supply systems in China, Taiwan, and Vietnam. We have also contributed to developing economies and human resources in the regions of our global operations by creating employment and transferring technologies in the process of globalization.

This year, Mabuchi Motor Mexico, our first production base outside of Asia, is going to start mass production. This pushed our effort to pursue a global production and a supply system to a new stage. We are going to further expand our social contribution to the world with this progress.

In addition, we are actively participating in social contribution activities as corporate citizens. We are continuously supporting education using motors targeting young people and children who will become leaders of the future. Their encounter with motors may give them an opportunity to develop an interest in making things, technology, and science. When we see them, we can expect wonderful growth for children that have enthusiastic and sparkling eyes in craft classes and that visit classes, as

well as students who are working hard with great ideas in robot contests.

“Actuating Your Dreams” — this is our strong desire. People are creators of societies, and it is extremely important for international society to foster and train the next generation of engineers. By offering educational opportunities for people to experience various applications for our motors, we can contribute to fostering people who will play leading roles in the future. And if we can influence future technologies and products using our motors that would give us great pleasure.

Modern societies are facing various problems such as global environmental destruction caused by economic development, wealth disparities, and labor problems. No company can exist if it is isolated from society. Similarly, no company can sustain itself without a prosperous society. At the Mabuchi Group, we are going to actively work on solving these social problems through our business operations with various stakeholders.

We would appreciate your continued support.

**Management Principle** “Contributing to international society and continuously increasing our contribution.”

**Management Guidelines**

1. By bringing better and more reasonably priced goods to the market, we contribute to the creation of a more affluent society and more comfortable lives for everyone.
2. Contribute to eliminating international economic disparities and to economic development in other countries through the creation of employment opportunities and technology transfers.
3. People are the most important managerial resource.
4. Conduct corporate activities which preserve the earth’s environment and protect human health.

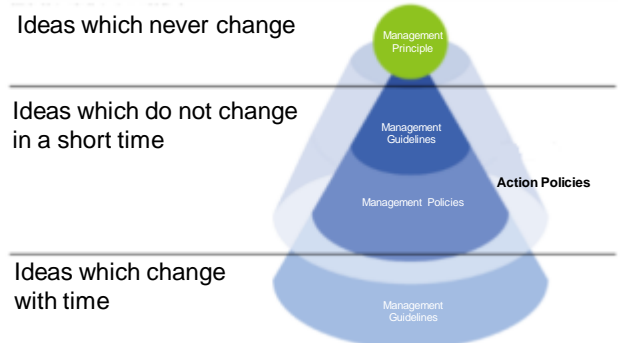


Diagram of Mabuchi Management Vision System

## Social contribution through motors

The Mabuchi Group is committed to pursuing possibilities of motors and enhancing their value to deliver better products with lower prices, all while keeping a stable supply of them. We also seek to reduce the size, weight, and energy consumption of motors, as well as contributing to the conservation of resources and energy in our entire society.



Our products realize environmentally friendly, high-performance, low-cost, and flexible production and supply. They can be used in a wide range of fields in various applications. This is the world's top brand with a production rate of about 1.5 billion items a year.

# Manufacturing Eco-Friendly Products

We at Mabuchi are producing eco-friendly products for the entire society by improving the performances of consumer products. We are doing this by increasing the energy efficiency, reducing the size and weight, increasing the output, and lengthening the service lives of our motors.



## Motors for power windows GD-558RE/LE GD-558RF/LF



GD-558RE/LE that satisfy standards of European automobile manufacturers is added to the GD-558 series of motors for power windows. This reduces the body weight of a car and improves fuel efficiency as one eco-friendly product.

### [Features of the product]

1. In compliance with the standard of European and American automobile manufacturers
  - In compliance with the restraint (stall) torque performance, position of connectors, and the shape of output shaft DIN\*1 that are required in European and American automobile manufacturers Front ECU\*2 slot-in GD-558RF/LF is also available.
2. Increased the torque by about 14% compared to the current products\*3
  - We increased the torque by about 14% from the current products\*3 using a ferrite magnet instead of a neodymium magnet through optimal designs of magnetic circuits.
3. Thinner gear box
  - The gear box became about 30% thinner than that of current products\*3 by integrating the helical gear with an output shaft, and gear box with a connector, and this reduced the thickness of the door.
4. Design to reduce weight
  - The product weight became about 14% (about 59 g) lighter than current products\*3, achieved by using optimal designs for motors and gears to keep their weight to about 355 g.

\*1: Industry standard in Germany

\*2 Electronic control unit

\*3: Comparison with our current product GA-558RN/LN



## Motor for moving bodies IS-92BZA, IS-94BZA



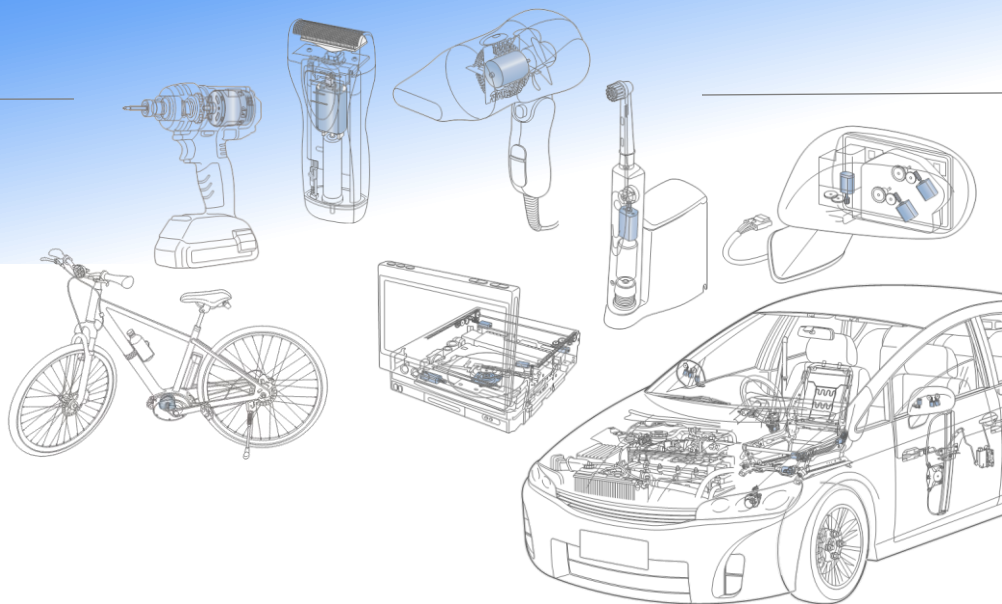
IS-94BZA (top)  
IS-92BZA  
(bottom)



We support the safe and comfortable lives of people by developing motors to reduce the size of and motorizing moving bodies which will be mounted on motorized bicycles and welfare equipment.

### [Features of the product]

1. Realized one of the smallest and lightest motors among ones with similar performances
  - The use of an embedded magnet-type rotor structure and high-density design which maximizes the effectiveness of using spaces within the motor
  - Achieved high output and high efficiency with thorough optimization of magnetic circuit such as the use of rotor-core shape
2. Improved lineup
  - Releasing IS-94BZA (length: 45.5 mm) and short-type IS-92BZA (length: 38.5 mm) at the same time to meet demands of expected applications



### Brushless motor for copy machines and multi-function printers (MFP) The ID series

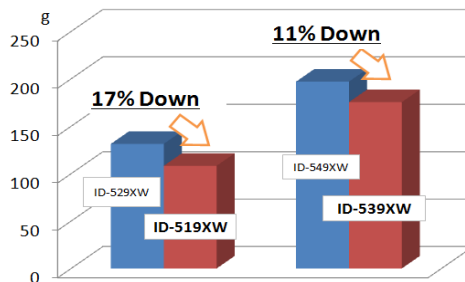
The ID series are inner-rotor brushless motors for copy machines and multi-function printers (MFP). The ID series have a higher environmental performance than conventional stepping motors. They satisfy the needs of our customers seeking reduced size, weight, and power consumption in their systems.

[Features of the product]

1. Reduced power consumption and weight compared to stepping motors with the same output
2. Built-in motor driving circuit and encoder for detecting rotation speed and position
3. Reduced step-out (dephasing) in low-speed and high-speed ranges which is unique to stepping motors
4. Realized reduced cost by not using neodymium magnet



Right: ID-519XW  
Left: ID-539XW



#### Automatic document feeder (ADF)

- A device which continuously feeds documents to a document rack (the scanner section)

#### Automatic paper delivering device

- A device which delivers printed paper to a paper output tray

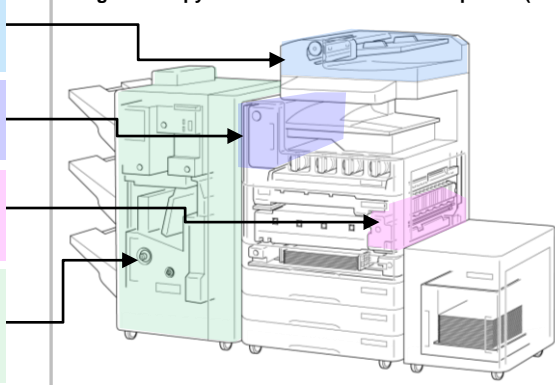
#### Automatic paper feeder

- A device which takes paper from a paper supply tray and sets it into a printing position

#### Automatic finisher

- A device which performs post-processing of printed paper, such as stapling and punching holes

Image of a copy machine and multi-function printer (MFP)



Example of using the product



The Mabuchi Group is implementing global activities in order to contribute to the society. We are satisfying our responsibilities as members of the society by effectively using available resources to not only build a stronger society but make it sustainable as well.

### **Corporate Governance**

### **Compliance**

### **Risk Management**

### **Support for Manufacturing / Education**

### **Supporting Local Communities**

### **Creating Lively Workplaces**



Danang Mabuchi won the contribution award for city economics and social development.

# Corporate Governance

With this concept, we believe that strengthening corporate governance is an essential process of business. We are thus building a transparent governance system.

## Basic Approach to Corporate Governance

At the Mabuchi Group, we recognize that the fulfillment of the mission stated in our Management Principle — “Contributing to international society and continuously increasing our contribution” — through our small DC motor business forms the very basis of our existence. Our corporate governance consists of an organizational design to help us achieve the management principle, a business management system, and business policies to maintain them. Therefore, the basic purpose of developing and implementing proper corporate governance is to sustainably increase the profit to all stakeholders including shareholders by creating proper profits and improving corporate values. As a listed company, we believe that building and maintaining the following system is an essential part of proper corporate governance:

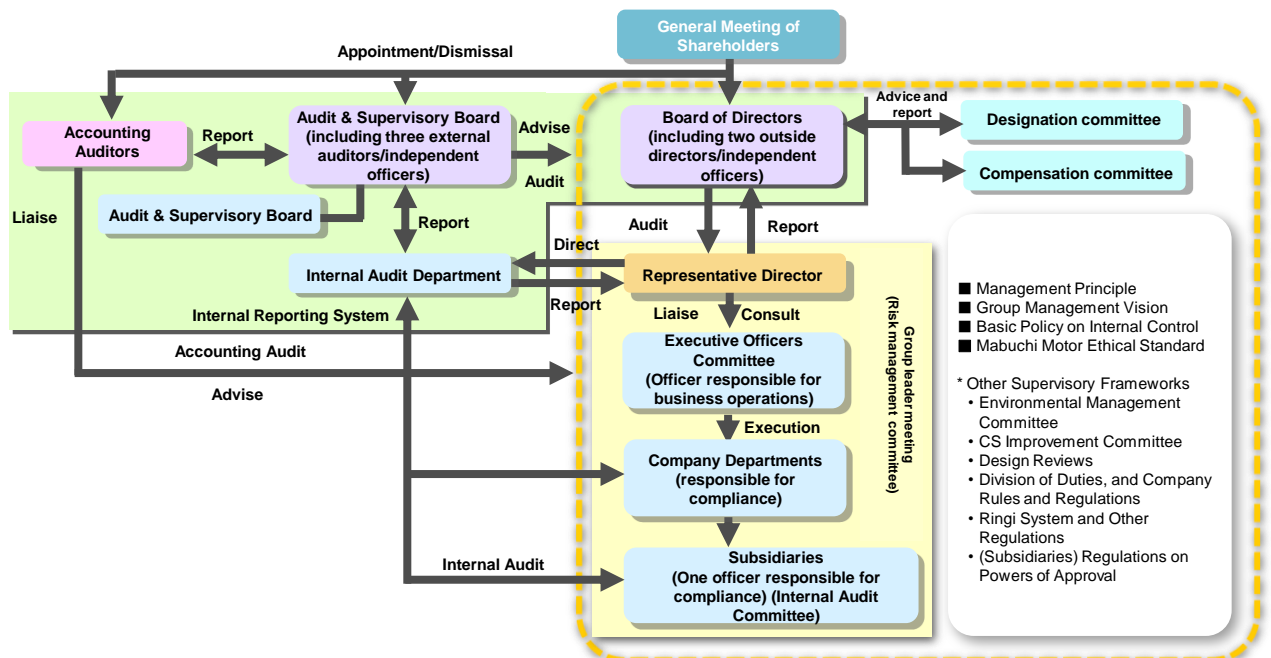
- To clearly separate management decision-making and efficient business execution, and to clarify the scope of accountability;
- To build and operate a sound internal control system, namely, to effectively operate the internal control system and the management supervision system;
- To appoint a suitable number of independent corporate officers whose interests do not conflict with those of general shareholders to ensure the objectivity and neutrality of management supervision functions;
- To foster a corporate culture in which all Group employees recognize and share the understanding that the practices of corporate ethics and compliance support the organization’s social impartiality and are fundamental to living up to the trust and expectations of all stakeholders; and

- To disclose corporate information to stakeholders such as all shareholders in an appropriate, fair, timely and clear manner and to ensure accountability through the Board of Directors, the Audit & Supervisory Board and other bodies.

## Establishment of a Structure and a System

The Mabuchi Group employs a system of corporate auditors in which corporate bodies (including independent corporate officers), accounting auditors, and other organizations stipulated by the Companies Act fulfill their respective legal functions. In addition to these organizations, Mabuchi has independently established the Executive Officers Committee, Internal Audit Department (internal audit division), designated committee, compensation committee, and other organizations related to business execution and internal control. With the participation of these organizations, we have established and are operating a Group-wide governance structure and system. At each of our overseas bases, we also conduct internal control through corporate bodies whose existence is required by the laws of the respective countries and through our internal organizations. Through the Mabuchi Group Management Vision, we also share our corporate culture and values globally, and are striving to improve our internal control functions throughout the Group by holding meetings for the management of overseas bases, holding Group-wide meetings, and having the Internal Audit Department conduct operational audits on overseas bases.

Corporate Governance Structure (Chart)



\*Non-target period (as of March 31, 2016)

# Compliance

Legal compliance and the maintenance of corporate ethics are social obligations of companies and also the foundation for a company to continue operating and grow. We are strengthening the compliance system so that individual employees of the Mabuchi Group understand and comply with this concept.

## Mabuchi Motor Ethical Standard

We set “Contributing to international society and continuously increasing our contribution” as our Management Principle and conduct business activities to remain true to it. Still, in order to realize this principle, we believe in remaining in compliance with laws and regulations in a given country and region and also to implement activities based on corporate principles that are expected in societies.

We thus established the Mabuchi Motor Ethical Standard and presented specific social rules such as laws and regulations that all executives and employees should follow to promulgate them. We compiled the Ethical Standard in a booklet and distributed it to all executives and employees to further improve associated activities and spread the knowledge of it. We will provide various study sessions and training programs concerning compliance (compliance with laws, regulations, and social ethics) to solidify our compliance system.

Compliance officers are assigned to all bases of the Mabuchi Group to reinforce the system. The director responsible for compliance at each base supervises compliance activities of that base under the overall control of the director responsible for internal control at the Head Office. They take a leading role in strengthening internal control and promoting continuous and autonomous compliance activities at each base.

Also, to continuously rectify and improve inadequate points related to compliance activities in the entire Mabuchi Group, the Internal Audit Department of the Head Office conducts periodical and non-periodical audits on all Mabuchi Group bases.

## Ethical Standard Hotline

We have set up the Ethical Standard Hotline in the company to allow all employees to directly inform or consult with the Internal Audit Department about compliance-related information under strict anonymity without using ordinary communication routes (senior managers or existing contact points of each division).

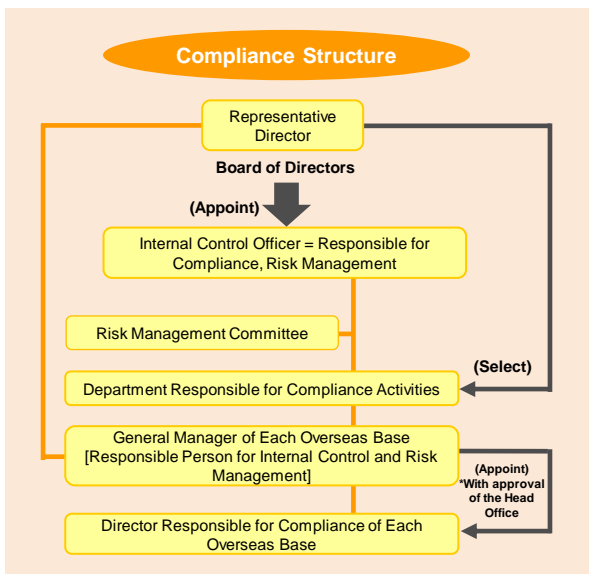
We are always striving to conduct honest and fair business with our suppliers and to build a relationship of trust with them. To address the current social situation, we extended the operational range of the Ethical Standard Hotline to some of our suppliers in addition to Mabuchi employees with a view to preventing problems in advance and strengthening the misconduct-prevention system.

We have also delivered a top management message promising that we will never allow those who have consulted with us to be treated disadvantageously because of their consultation, which is in accordance with the Whistleblower Protection Act.

### [Basic Policy of Ethical Standard (Outline)]



1. All the directors and employees of the Mabuchi Group will put more priority on observing laws, ordinances and rules in the countries and regions where our companies are located as well as international rules than on the profits and the work of our companies.
2. We will strictly refrain from conduct that goes against social ethics by fully recognizing our responsibilities to various stakeholders, including shareholders, investors, and local communities.
3. We will clearly describe particularly important items among laws, regulations and social ethics in such documents as in-house regulations and make them widely known. All the directors and employees will observe those items sincerely.



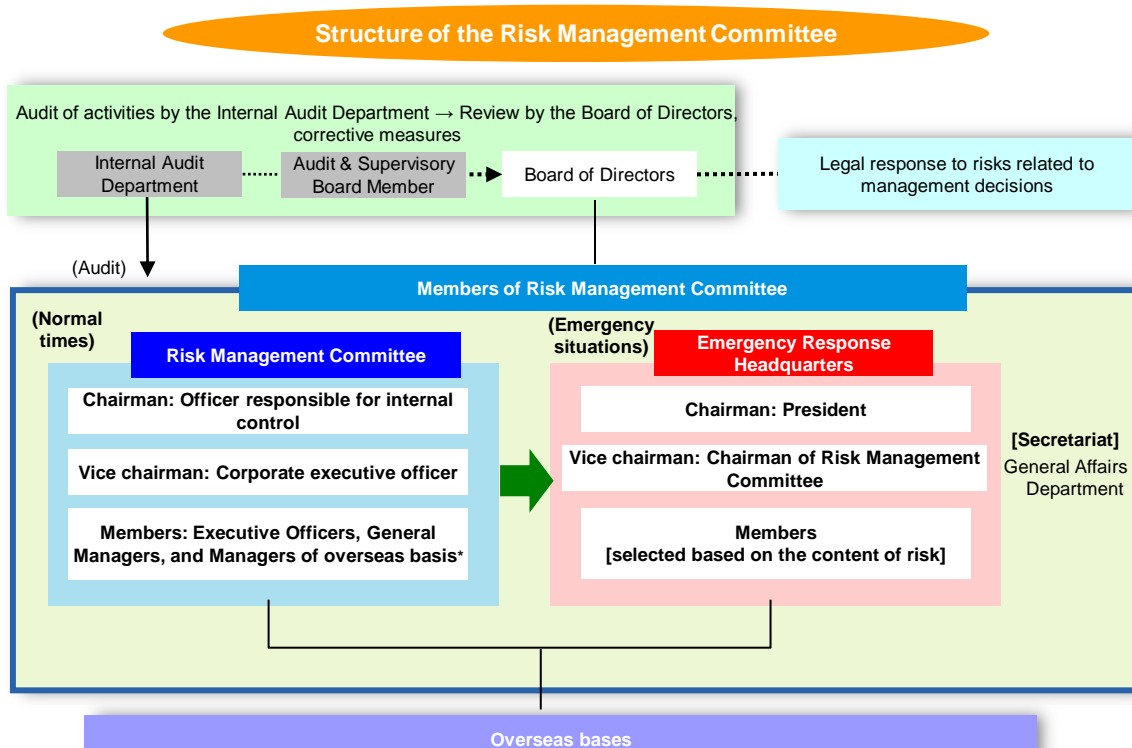
# Risk Management

The Mabuchi Group is working on enriching and strengthening risk management for global business activities. The aim is to ensure that the company will be on a long-lasting track for growth, while reducing and minimizing various risks inherent in diversifying business activities.

## Risk Management System

We established the Risk Management Committee to prevent risks from occurring and to minimize damage in the event that a risk has occurred. It is a system that enables us to take the most appropriate response as the entire Mabuchi Group. We have also prepared a response system, a response policy, and various manuals for times of emergency on the basis of the risk management system.

Risks specific to the work of each department are managed by the Mabuchi Group's objectives management system and responses to those risks are taken in each department under rigorous control and with approval of top management.



\* General Managers of overseas bases are part-time members (Information necessary for risk management is shared on an as-needed basis.)

### Expected risks

#### [External factors]

Natural disasters, social crimes, international and political situations, and risks of uncertain aspects of markets including interest rates, currencies, and prices of materials

#### [Internal factors]

Product quality and safety, compliance, information communication system, intellectual property rights, labor accident, facility accident, environment, labor issues, human rights, rumors, suppliers, distributions, M&A, etc.

### Actions of the members of Risk Management Committee

Categorized and specified into

- (i) Securing lives (safety) of people
- (ii) Compliance
- (iii) Information security
- (iv) Production and supply shutdown

Leader sections are specified for these risks to implement risk management activities as the entire Mabuchi Group while cooperating with the management section and related executive employees.

## Disaster Response Manuals and Training

We prepared and distributed the “Emergency Response Manual for Employees in Case of a Disaster” and “Emergency Response Cards for Large-scale Disasters,” in addition to the “Initial Response and Instructions Manual for Managers.” We also introduced the “Safety Confirmation System (for all head office employees).” Furthermore, a response manual was prepared for each department that plays an important role in the event of a disaster, such as the Emergency Response HQ. We also educate our personnel about disaster prevention and carry out various disaster drills (drills for evacuation, reporting, fire extinguishing, disaster relief, safety confirmation, and safe return to home) so that employees can calmly take the appropriate action in the event of a disaster. In addition, we keep in stock disaster supplies such as protective items, equipment, food and drinks, and daily necessities to ensure safety, and accept employees in the company who are unable to return home. The Head Office can secure a large amount of drinking water even when the water supply is disrupted because we use groundwater as our regular drinking water. We are now preparing to conclude a water supply agreement with the Matsudo municipal government so that we can provide drinking water to people in the community who are affected in the event of a disaster.



Emergency Response Cards for Large-scale Disasters

### Storage of supplies, materials, equipment, drinking water, and food (Head Office)

- Set up two priority telephone lines in the Head Office building.
- Provide a Personal Handy-phone System (PHS) for emergency uses as a means of communication during a power outage.
- Keep an emergency power generator and the fuel necessary for the operation of the Emergency Response Headquarters and the protection of the computer system as a way to be prepared for a power outage, as well as emergency toilets.
- Have the helmets necessary for an emergency evacuation
- Have drinking water to be given to those who are heading home
- Stockpile food and drinks and water for toilets sufficient for three days in case employees are unable to return home
- Take measures to prevent the collapse of facilities, furniture, and equipment
- Keep in stock equipment and tools that can be used to recover and urgently repair facilities, apparatus, and furniture and to support the affected employees and local communities.



Implemented with instructions from the fire station  
Fire drill/Top  
Emergency evacuation training/Left (Head Office)



Emergency aid training/Top  
Traffic safety education/Left (China)



Fire extinction exercise (Vietnam)



Fire drill (China)

## Information Security Policy

We consider it one of our corporate social responsibilities to manage our information assets and information security adequately and to prevent the leak, falsification, loss, and theft of information. Based on this concept, we established the “Information Security Policy” with which all the employees are deepening their understanding on the necessity of and responsibility related to information security to ensure a high level of information security.

## Privacy Policy

Recognizing that it is our important obligation to adequately handle and protect information that can be used to identify individuals (hereinafter referred to as “personal information”), we will strive to protect personal information based on policies.

# Support for Manufacturing / Education

Mabuchi aims to contribute to the development of society by extending various types of support to local communities and international society. This is an effort in line with our management principle “Contributing to international society and continuously increasing our contribution.” As one such activity, we provide educational support to the young people who will lead the next generation to help them grow up surrounded by the joy of science and manufacturing.

## Sponsoring Robot Contest

Mabuchi has been co-sponsoring the National Technical College Robot Contest and the ABU Robot Contest and the College Robot Contest by providing motors and funds for them. We support these events in the hope that we can help to foster future engineers and develop science and technology.



ABU Robot Contest 2015



Student Robot Contest 2015

## Providing Motors

Support for National Technical College Robot Contest - approx. 20,400 motors in total



RS-555VC with gear head (top) JC/LC-578VA RS-385PH with gear head (bottom), etc.



National Technical College Robot Contest 2015



## We are teaching the fun aspects of science to children.

### Visiting classes

We have been sending our employees to elementary schools in the Head Office area (Matsudo City) as science instructors every year. We have received comments from children saying things such as they found science to be fun as they experimented with magnets using motor components. Employees of Jiangsu Mabuchi also visited the Japanese School in Jiangsu, China to hold classes.



Classes held in a local elementary school (Head Office)



Classes held in the Japanese School (China)

### Exhibition and Support for Events at the Science Museum

Mabuchi has been presenting a permanent exhibition at the Science Museum (Chiyoda-ku, Tokyo) to support scientific education for young people. Displays include an explanation on the mechanism of motors, various motors used in our daily lives, and handicrafts powered by a motor. We have also been holding science experiment classes with the museum.



Science experiment class in the Science Museum (Head Office)

## Enjoying manufacturing with children!

### Summer Vacation Handicraft Class

We hold the “summer vacation handicraft class for parents and children” every year for children (fourth through sixth graders) living in the area around the Head Office (Matsudo City). We are going to continue this handicraft class so that more students can enjoy the pleasure of creating something.



Summer Vacation Handicraft Class, “Quick power generation! Make a paper dragonfly and zoetrope rotate!” with our employees as instructors



### Wooden craft event

Besides the summer vacation classes, children enjoyed wooden crafts with our motors in the Shizuoka Hobby Show in May, Chiba Museum of Science and Industry in September, and Tokyo Motor Show in October.



Handicraft event at Chiba Museum of Science and Industry



Handicraft event in Tokyo Motor Show

### Workplace Experience and Observation

The Head Office regularly accepts pupils from elementary schools in the community to cooperate in their career education at school.

Overseas bases are also inviting local students to observe workplaces.



Work site observation (China)

### Support for education at overseas bases

Our bases in China have continuously been providing educational support such as constructing school buildings and providing scholarships, and donating books and school supplies for students of various ages from local elementary school to college age.



Donation of books and sport goods to elementary schools

Providing scholarship to students in junior high schools and elementary schools



### Internship Program

We hold an internship program for college students to provide them with an opportunity to deepen their understanding of Mabuchi's policy through actual work. The Head Office thus accepted advanced vocational school students, graduate students, and the U.S. college students as interns.



Accepting interns from advanced vocational schools every year (Head Office)



Interns from overseas (Head Office)



Donating Japanese school backpacks and stationeries to employees with elementary school children



Donating water purifiers to elementary schools

(China)

# Supporting Local Communities

The entire Mabuchi Group has continuously been conducting various community activities including an activity to protect the environment and social and welfare activities.

## The Head Office is aiming to coexist with local communities.

When the Head Office building was being constructed, a gentle waterscape and field called the Bio Garden was built in the spacious front yard of the premises to convey one of the concepts of “co-existence with the local community.”

Vegetation management is still continuing today, 11 years after the construction of the building. Such management improves the regional environment by rebuilding vegetation that is unique to the region for biodiversity and eliminating alien species.



Wild birds are also visiting Bio Garden. (Won the 2013 City of Matsudo Landscape Award)

## Supporting Local Communities

We continuously visit and make donations to children’s homes and elderly care homes to extend a helping hand.



Visit to an elderly care home (left) and a children’s home (Vietnam)



Visit to a children’s home (China)

## Blood Donation

Mabuchi employees, including those in the Head Office are actively cooperating in donating blood as a Group-wide activity.



(Head Office)



(China)

**We are actively engaging in tree-planting, nature beautification, and cleanup activities in overseas bases as well.**



Clean-up activities around factories (China)



# Creating Lively Workplaces

The key to our company is “to position people as the most important business resource and effectively utilize them through work and nurture people who are useful for society.” We are also striving to create a stimulating work environment at every workplace, including overseas bases, by respecting the basic rights of employees and encouraging them to pursue self-development and self-fulfillment individually.

## Personnel Performance Evaluation System and Self-assessment System

Mabuchi’s personnel evaluation system is aimed at ensuring the mutual growth of the company and employees by correctly identifying the contributions of all the employees that play a wide variety of roles in the company. We positively use the system not only as a management tool but also as a tool for the development of human resources.

In addition, we consider that the right person in the right place and the creation of a positive work atmosphere are very important in bringing out the best in each of our employees and making the best use of them. With this in mind, we have employees periodically carry out self-assessment to grasp their awareness of work and use the results to achieve these two elements.

## Employee award system

The Mabuchi Group has an award system to give certificates in the anniversary ceremony every year to long-time employees (30, 20, and 10 years in employment), employees who contributed greatly to the company, employees who exhibited honorable behavior, and employees who contributed to regional communities. All employees of the Mabuchi Group are eligible for receiving this award. The Golden Award in 2015 was given to the employees of Vietnam Mabuchi.



## Promoting Employment of Persons with Disabilities

The Head Office and the entire Group are promoting the employment of persons with disabilities. The aim is to realize a society in which they can work based on their ability and aptitude and lead an independent life in the community in the same way as persons without disabilities. We are establishing measures which are friendly to persons with disabilities in all aspects including their activities and assignments in the company and building a comfortable work environment for them.

## Work-life Balance

We are striving to create an environment in which employees can lead a flexible life at various stages of their lives, such as child-raising and middle or older-aged stages, both at home and in the community while continuing to work with a sense of fulfillment at the company.

We are promoting family-friendly policies such as setting a longer childcare leave than legally designated lengths and starting a short-work-hour system for employees raising small children. We are also participating in Chiba Prefecture’s “Lively Employees! Energetic Company Declaration” program.

The Chiba Labor Bureau recognized the company as a “Complying Business” under the Act on Advancement of Measures to Support Raising Next-Generation Children. The company received the next-generation certificate symbol, “Kurumin.”



### To build an employee-friendly environment

- Parental leave (three years) / Nursing leave (one year)
- Support for self-improvement during nursing leave and parental leave
- Leave for childbirth by spouse: Acquisition rate 100%
- Low-interest loans for fertility treatment
- Short working hours and exemption from overtime work for parental and nursing leave
- Encouragement for employees to take paid leave
- Enrichment of welfare facilities, etc.

## Corporate award for workers

Danang Mabuchi received an award from the committee consisting of the Ministry of Labour, Invalids and Social Affairs, workers’ papers, and chambers of commerce as a company with excellent measures for workers.

The award was given in recognition for the great social contribution through businesses consisting of production and sales such as paying tax and employing people.

The recognition also included the effort to improve the labor environment through active union activities.



## Overseas Bases Personnel Exchange System

We have been promoting the exchange of personnel to create unity as the entire Mabuchi Group, build a cooperation system, share information, and improve Mabuchi's overall capability through the increased opportunities. Specifically, staff members of overseas bases are provided with more opportunities to go on business trips to the Head Office.

We will continue to enhance the system while implementing it on an ongoing basis.



## Training for employees to learn and grow

We regard our training system as one of the processes for employees to gain a self-regulating mindset and spontaneously learn and grow. We are providing training from various perspectives targeting persons from executives to new employees.



Holding various types of training (Head Office)

## Human resources development at overseas bases

Representatives of individual production bases of the Mabuchi Group are gathering every year and holding a work skill competition. Employees who did well in the work skill competitions receive awards. Similar events are held at individual bases, and employees are improving their skills through competitions.



Held in the base in China in 2015

## Educational Support and Qualification Incentive System

### ◇Support for English Learning

The Mabuchi Group is implementing the following programs to build a company-wide environment for employees to learn languages (especially English) so that employees can contribute to international societies.

- Providing opportunities for people to take the TOEIC test
- Holding TOEIC classes
- Providing opportunities for people to use an online English conversation system
- Running a short-term overseas study program
- Implementing a trainee system, etc.

We are also aiming to improve global communication abilities by holding English communication classes with interns from overseas and holding classes for people to learn technical knowledge.

### ◇Qualification Incentive System

We are promoting employees' self-development by establishing the Qualification Incentive System with a view to creating a self-learning atmosphere in the company and encouraging employees to acquire a wide range of knowledge useful for business operations.

Also, the Mabuchi Business School (home study system) is held twice a year, and the cost of the education is reimbursed to those who complete the program so as to create an environment where more employees can actively learn on their own.

### ◇Self-Access Learning (SAL) Room

The in-house Self-Access Learning (SAL) Room was established for employees to learn foreign languages and study for certificate tests based on their levels as well as for group discussions in the Head Office.

Computers, a wireless Internet connection, educational software and books, and English newspapers and magazines are provided in the room for employees to use to improve themselves.



Self-Access Learning (SAL) Room (Head Office)

## Training for employees in new bases

Training for the employees of Mabuchi Motor Mexico that was planning to start mass production in 2016 was held in Monozukuri Dojo in the Head Office and Jiangsu Mabuchi. We are teaching our concept of manufacturing starting with the basics to train people who can become the core part of our Monozukuri.



## Various Events for Employees and Families | Keeping a Health Body and Mind

We hold a variety of events such as garden parties and bowling tournaments by teams of departments to enhance communication and build a sense of unity among all employees.



Garden party for the enjoyment of families of employees (Head Office)



Bowling tournament participated in by departments (Head Office)

We believe that employees' healthy bodies and minds are the base of their good social life and the source of Mabuchi's vitality. Therefore, we started a mental health program at the Head Office more than 20 years ago that includes mental health checks, care given by in-house counselors, and mental health seminars.

A no-smoking policy started in the Head Office in 2015. Public health nurses provided a no-smoking seminar (right). In addition, the company pays a portion of the expense when employees who are 35 years or older undergo a complete medical check. The company also provides health counseling by industrial doctors after the medical check.



Overseas bases also strive to keep employees' bodies and minds healthy by implementing measures suitable for the conditions of each country or region.



Health lecture for employees (China)

### Employee participation event at overseas bases

Each overseas base also holds many events regularly, including sports festivals, company trips, and cultural festivals.



Participation in local sport event and New Year's party, etc. (China)

# Environmental Report

At the Mabuchi Group, we carry out our corporate activities without sacrificing the environment or human health. We also strive for continuous improvement through our environmental management system, and aim at achieving a sustainable society.

## Environmental Management

## Green Procurement

## Eco-Friendly Business Administration

## Environmental Communication

## Environmental Risk Management

## Report of Environmental Data

### Progress of the environmental activities of Mabuchi Motor

- |       |  |       |   |
|-------|--|-------|---|
| 1993: | The Management Guideline "Conduct corporate activities which preserve the earth's environment and protect human health" is explicitly stipulated.  | 2001: | Publication of the Environmental Report is started. Preparations for the commercial application of lead-free soldering are completed.   |
| 1997: | The Environmental Management Committee is established to take specific measures against environmental problems.                                    | 2002: | Shipment of hexavalent chromium-free sample motors is started.  |
| 1998: | Mabuchi Group's Basic Environmental Policy is established.   | 2004: | The new Head Office building incorporating advanced energy-efficient technologies is completed.   |
| 1999: | ISO 14001 Certification is acquired.   | 2006: | The production policy is switched to the production of motors complying with the EU's RoHS and ELV directives, and a green procurement explanatory meeting is held at all production bases. |
| 2000: | Start of green procurement activities (Selection and evaluation of alternative materials for the production of cadmium-free motors are completed.) | 2008: | The report title, the Environmental Report, is changed to the Social & Environmental Report (report on social activities added).  |
|       |  | 2012: | The Basic Environmental Policy is revised and established as the Mabuchi Group Environmental Policy.  |

# Environmental Management

We at Mabuchi began to introduce the “Environmental Management System ISO 14001” and all our bases including the Head Office have already acquired this certification. In addition, we carry out environmental management actively by setting an individual environmental target for the Mabuchi Group, the Head Office, each overseas base, and each department, and managing them rigorously through the plan-do-check-act (PDCA) cycle. We will continue to implement a high level of environmental conservation activities while improving the environmental management system on an ongoing basis.

## Environmental Management System

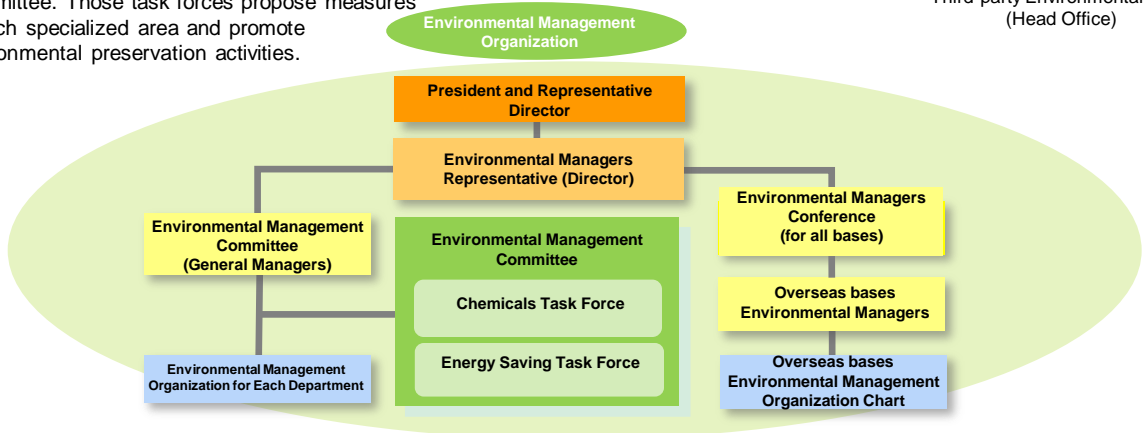
The environmental management system of the entire Mabuchi Group is supervised by a director who holds the position of Environmental Management Representative. The Environmental Management Committee is established at the Head Office. This committee is comprised of the chairman, who is the Environmental Management Representative, and general managers of each department. They discuss and determine the Mabuchi Group’s environmental policy, objectives, and measures to be taken. Also, we have set up the Chemicals Task Force and the Energy Saving Task Force under the Environmental Management Committee. Those task forces propose measures in each specialized area and promote environmental preservation activities.

## Environmental Audits

Conformance of our environmental management system to the ISO requirements and the current effective management status of the system are audited by an external certification body (third party) and the internal Audit Department. Through these audits, we maintain and improve the level of our environmental management continuously.



Third-party Environmental Audit (Head Office)



## Mabuchi Group Environmental Policy

We carry out our corporate activities without sacrificing the environment or human health. We also strive for continuous improvement through our environmental management system, and aim at achieving a sustainable society.

1. We observe environmental laws and regulations, and make diligent efforts to prevent pollution. We are always aware of the impact that our business activities have on the environment, and manage the impact by establishing our own standards.
2. In order to reduce environmental impacts associated with our business activities, we focus on the following:
  - 2.1 In order to reduce CO<sub>2</sub> emissions and to effectively utilize limited resources, we actively work on energy saving, resource saving, recycling, and waste reduction.
  - 2.2 In our products and production processes, we thoroughly manage any substances of concern and seek to switch to equivalent alternative substances as much as possible.
  - 2.3 We perform green procurement activities positively using environmentally friendly parts and materials.
  - 2.4 Being aware that the protection of biodiversity is a significant corporate objective, we promote eco-friendly approaches.
3. In order to raise the environmental awareness of all our employees, we actively conduct environment-related educational activities.
4. We familiarize all of our employees with this environmental policy, and announce the policy to outside parties.

Established: September 27, 1998, Revised: March 28, 2013

Mabuchi Motor Co., Ltd.  
 President and Representative Director  
**大越博雄**

# Green Procurement

By setting our own special evaluation criteria in addition to laws, regulations, and customer requests, we at Mabuchi strictly control environmentally prohibited substances designated in those standards so that they will not be included in materials and parts of products that we procure from our suppliers. We also prioritize the use of materials and members with a lower environmental impact. We are also prioritizing purchases from suppliers certified with ISO14001, the environmental management standard.

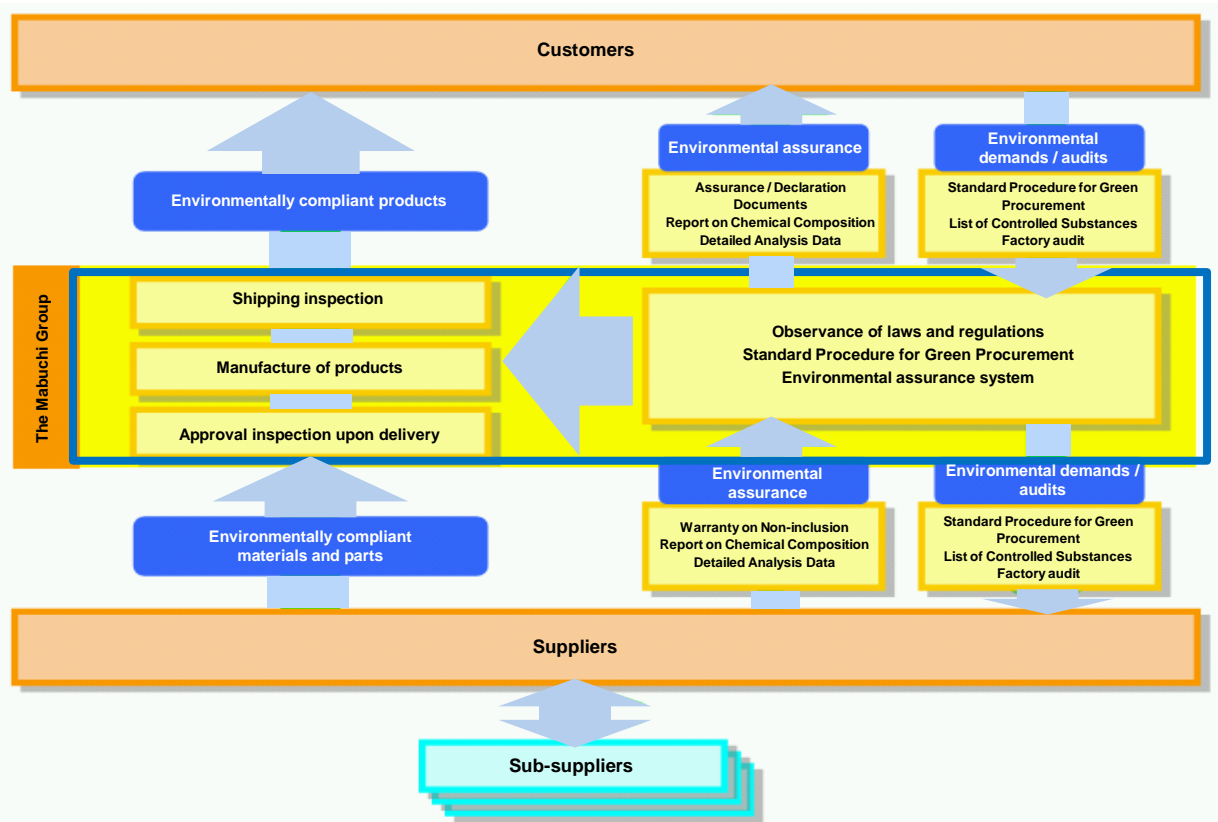
## Promotion of Green Procurement

Our own environmental conservation efforts are not enough for developing products with a low environmental impact throughout the life cycle of products, ranging from the extraction of material resources, production and processing, distribution and sales, consumption and uses to disposal and recycling. Thus, we also evaluate the environmental efforts of our suppliers to reduce environmental impact and avoid environmental risks.

We make it a rule that suppliers must follow the green procurement procedure shown in the flowchart below and submit documents certifying that environmentally prohibited substances are not contained in their parts and materials, in addition to an environmental activity survey sheet.

We hold a "Green Procurement Briefing Session" when needed. We are also actively implementing environmental audits to check how environmentally influential substances are used and stored at our suppliers. We conducted environmental audits at about 50 suppliers in FY 2015. We are closely communicating with our suppliers on a daily basis and actively auditing the uses and storage conditions of environmentally hazardous products. Thanks to these efforts, we have received no environmental complaints since the enactment of the 2006 RoHS Directive in Europe up to now. We will continue to promote green procurement activities with our customers and suppliers.

Green Procurement Flowchart



# Eco-Friendly Business Administration

The entire Mabuchi Group has been continuously taking a range of measures, improvements, and preventive measures to protect the global environment as a concerted effort from the perspective of corporate administration.

## Construction of an eco-friendly new factory

We reduced environmental load in the construction of Mabuchi Motor Mexico by incorporating the following measures to reduce energy and resource consumptions.

- Use of LED lights in all parts of factories and offices
- Use of an energy-efficient and water-conservation type of air-cooled closed pipe cooling water system
- Use of succulents as outdoor planning to reduce the irrigation water needed to maintain vegetation



Construction of a new factory (Mexico)

## Kaohsiung Mabuchi was recognized as a company with excellent resource recovery

Kaohsiung Mabuchi received an award from Kaohsiung Government Organization, Taiwan in recognition for being a company with excellent resource recovery (waste recycling) for two consecutive years.



Trophy

## Activity to replace lights with LED lights in Head Office

After experiencing the power shortage during the 2011 Great East Japan Earthquake, the Head Office of Mabuchi Motor has been eliminating unnecessary use of lights in the Head Office building.

But given the recent progress in energy efficient lighting technologies, we are shifting to energy conservation measures using LED lights.



## Environmental measures in the construction of the parking structure for employees

In the construction of a parking structure for the employees of Head Office, we reduced about 8 tons of CO<sub>2</sub> by using LED lights, of course, and also by reducing the use of wooden molds, scaffolds, and excavation soil as environmental measures in the construction phase.

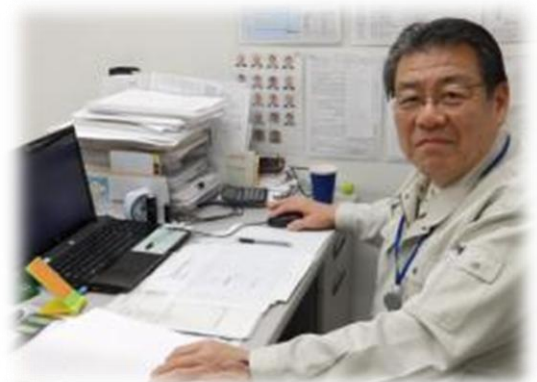


Parking structure for employees (Head Office)

### VOICE

Shimizu BLC, Co., Ltd.  
Building Management Department, Chiba Office  
Mr. Kazuto Iijima

I am in charge of the Head Office facility management. We sympathize with the environmental policy of Mabuchi Motor, "Implementation of corporate activities which never sacrifice the health of the global environment and people." We thereby improve environmental awareness to help reduce environmental load. We are going to work together with our Technical Management Department and make daily efforts with our facility staff to carry out the facility management to provide better work environment.



# Environmental Communication

Mabuchi provides wide-ranging information on its environmental policy and environmental management activities to parties both inside and outside the company. We hope our customers and people at large in addition to our employees will have a deeper understanding of our approach to environmental conservation and related activities through our environmental communication.

## Publication of Social & Environmental Report and Environmental Information on Our Website

As a corporate citizen, we will continue to be fully accountable for our CSR approach and the results of our activities through the publication of the Social and Environmental Report on the company website. Also, we will further improve communication with all stakeholders of the Mabuchi Group.



Information on social contribution and environmental activities on our website

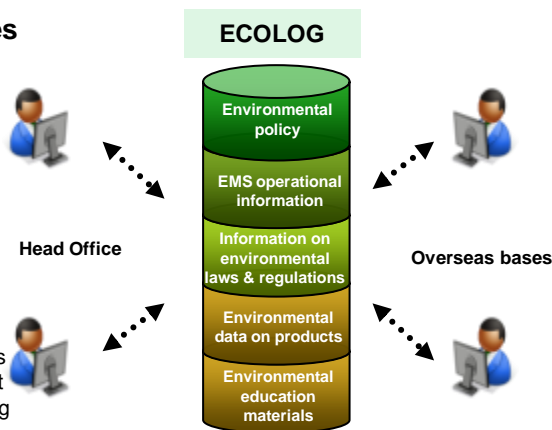


## Environmental Communication to Communities

To share environmental information and to efficiently implement environmental conservation in the entire Mabuchi Group, the Environmental Managers Conference has been held every year with the participation of environmental managers from the Head Office and overseas production bases.

We have created a database called the ECOLOG on our intranet and put it into operation to allow personnel to share environmental information. Mabuchi Group employees around the world, including those at the Head Office, are sharing a variety of environmental information through this ECOLOG.

We also publish feature articles on environmental information in our company newsletter to introduce the present status of Mabuchi's environmental activities and the latest environmental information, with a view to increasing the environmental awareness of employees.



Environmental Managers Conference (teleconference)



Environmental information posted in the employee dining hall (Head Office)





## Slogan and Poster Contest for Environmental Consideration

To enhance the environmental awareness of employees, the Slogan and Poster Contest Promoting Environmental Consideration has been held annually as a Group-wide event. Posters and slogans that were selected from 120 pieces submitted from the Head Office and overseas bases were posted in the dining hall of the Head Office. Employees are further increasing their environmental awareness through these events.

☆Example of winning works

Poster Category



Displayed winning works of the contest (Head Office)

Slogan Category

- 让环保扎根万宝至，用绿色昭示万宝至的未来  
(Spread the root of environmental protection to build Mabuchi based on green administration.)
- 绿色环保，节约资源，做身边的事，做力所能及的事  
(Start with what we can in daily lives to protect the environment and conserve resources.)
- 垃圾混置是垃圾，垃圾分类是资源  
(Garbage if mixed, but a resource if sorted)

## Environmental education

Mabuchi's environmental education is organized according to the purposes and levels of employees to improve their environmental awareness.



Waste sorting lesson (Head Office)

**1-2 なぜ『みんなで行う環境』か？**

① 一人一人の活動があってこそ、環境事故を未然に防めます！

一人一人の活動が、あらゆる環境リスクを極小化する！  
法令違反、環境不適合の流出、環境事故の未然防止など  
＜ポイント＞

(1) 担当者がいなければ対応出来ない	⇒会社として許されない
(2) 一人が起した問題	⇒結果的に会社の問題となる
(3) 社会的な制裁	⇒会社に対して行われる

**環境活動は全員参加で行うのが鉄則！**  
**マブチでは『皆で行う環境を目指す！』**

『環境負荷物質の流出』『火災・爆発』『化学物質漏洩』等の環境事故を起こすと、結果として会社の社会的な責任を問われ、信用を失います

A part of environmental education materials shared by all employees (Head Office)

# Environmental Risk Management

Mabuchi manages chemical substances stringently to prevent accidents (environmental) that could have a serious impact on the environment. We also conduct emergency response education and drills regularly to quickly respond to emergencies.

## Emergency Response Drills

We conduct drills related to emergency responses and reporting by projecting various scenarios appropriate for each location so that the occurrence and spread of environmental pollution can be prevented, even in a disaster.



(Vietnam)



(China)



(Head Office)

## Report of Environmental Data

	Unit	2011	2012	2013	2014	2015
Amount of electricity purchased	(10,000 kWh)	16,454	16,443	16,351	17,331	18,388
Amount of CO <sub>2</sub> emission	(t-CO <sub>2</sub> )	117,487	98,301	84,057	85,860	88,196
Waste generated	(t)	1,069	1,387	1,437	1,503	1,273
Water usage	(1,000 m <sup>3</sup> )	1,176	1,191	942	886	815
Volume of coal used	(t)	14,986	8,551	2,876	1,650	0

\* These data are computed based on the data of Mabuchi Motor's Head Office and major overseas production bases.



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