

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 based on every principles of the corporate governance.

Basic Approach to Corporate Governance

At the Mabuchi Group, we recognize that 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 Committee and other bodies.

Establishment of a Structure and a System

On March 28, 2019, we transitioned to a company with an audit committee to strengthen the supervisory role of the board of directors and to accelerate management decision-making by transferring some authority for business decisions to the directors.

Furthermore, we have named the designation committee and the compensation committee as voluntary advisory bodies to the board of directors. As leaders in the field of small DC motors, we have focused on the development of unique products and technologies and the establishment of a management structure and system, and have grown through differentiation.

Additionally, we have continually strengthened and enhanced our corporate governance, built a management and business execution system and a practical internal control system, and managed our group efficiently.

In order to maintain regularity in the management organization and achieve appropriate risk management and compliance throughout the group, we have established and implemented a multifaceted management oversight system that includes directors who are audit committee members with a high degree of independence and expertise, as well as internal audits such as management audits, quality system audits, and independent accountant audits, in addition to having appointed outside directors with a high degree of independence and extensive management experience.

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

March 27, 2020

