

Mabuchi Motor
Integrated Report
2024

Fiscal year ended December 2023



Mabuchi Group supports the Sustainable Development Goals (SDGs).



Mabuchi Motor will continue to provide "movement" solutions in a wide range of fields with our core of compact, lightweight, and highly efficient motors, contributing to the enrichment of people's lives and the development of industry.

Management Principle

Contributing to International Society and Continuously Increasing Our Contribution.

The "Management principle" of Mabuchi Motor encompasses the following beliefs:

1. Elevate our level of contribution to society and to persevere, as a prominent entity the world cannot do without.
2. All members of the Mabuchi Group shall participate in acts of philanthropy through their work.
3. Achieve growth as an individual, and a richness of the heart that is derived not solely through material wealth, but through the experience of caring for fellow human beings, Mother Nature, and all elements that sustain our lives.

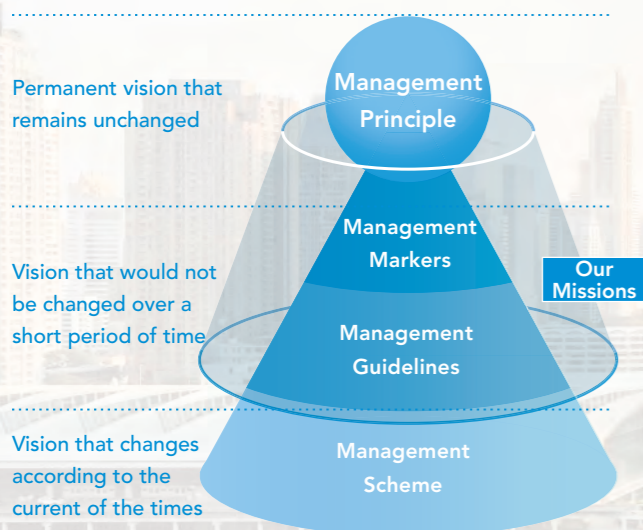
Management Markers

1. By offering superior products that are reasonably priced, we contribute to the well-being, comfort, and convenience of people all around the world.
2. By fostering career opportunities and technological development, we address social and economic disparities around the world.
3. By placing highest value on our people, we empower and encourage them to realize their potential and contribute to society.
4. Through our corporate activities we protect our planet's ecosystem and the health of its inhabitants.

Management Guidelines

1. Develop products that offer flexibility of application and optimize production conditions.
2. Improve product development based on thorough value analysis and standardization of parts and materials.
3. Realize cost reduction by using advanced processing technologies and by minimizing waste.
4. Pioneer new markets and secure sufficient market share in alignment with the company's values and strategy.
5. Cultivate the talent of our people by continuously matching the right person with the right opportunity.
6. Conduct business in a way that has the smallest possible environmental impact and that abides strictly by health and safety standards.
7. Enhance the company's sustainability through management policies and strategies that take a long-term view.

Mabuchi's Management Vision



Management Markers

A statement of how the "contribution" stated in the management principle is to be understood and embodied, and a statement of the major mission to be fulfilled through business activities.

Management Guidelines

A guideline for corporate activities that will serve as a starting point for creating value that contributes to society and achieving sound growth.

Our Missions

A set of values to be shared in order to "achieve further growth" by overcoming various difficulties and conflicts that arise in the course of performing one's duties.

Management Scheme

We are pursuing our business activities with the concept of "continuously demonstrating Mabuchi's unique characteristics, which cannot be easily imitated, by mobilizing our organizational strength based on selection and concentration."

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In editing the Mabuchi Motor Integrated Report 2024

The Mabuchi Group contributes to the development of a sustainable society by working to address social issues through its business and corporate activities. In this report, we explain our approach and actions towards fulfilling our responsibilities as a corporate steward of society, which are shaped in a collaborative dialogue with our stakeholders. We refer herein to the value co-creation guidance provided by the Ministry of Economy, Trade and Industry.



Covered Period

The figures in this report are as of the end of December 2023 unless otherwise stated.

Cautionary Note on Forecasts

Statements concerning the business forecast recorded in these slides are based on information available at the time of preparation. Actual results may differ from the forecast due to various factors. Factors that may affect the operating results include, but are not limited to:

- Fluctuations in exchange rates
- Changes in economic conditions, demand trends, and other factors surrounding our businesses
- Rapid technical innovations such as new technologies and new products
- Change in Environmental Regulations
- Fluctuations in market prices of copper, steel, rare earths, and other materials

Our Identity

| Diversifying Applications while Specializing in Small DC Motors |

Sources of our High Profitability as Seen in the History of our Founding and Business Development



The high-performance horseshoe-shaped magnetic motor



Tokyo Science Industrial Co., Ltd.



The F-type motor, which uses a ferrite magnet

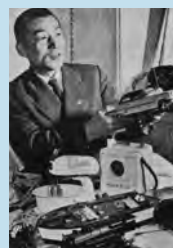
A Pioneer in Small DC Motors

The story of Mabuchi Motor begins in 1946, well before the Company's founding. In that year Kenichi MABUCHI, later to become the Company's first president, created a motor for use in teaching science to school children in Takamatsu, Japan. In 1947, he succeeded in developing the world's first high-performance horseshoe-shaped magnetic motor. In those days, the magnetic field in a DC motor conventionally was created using an electromagnetic coil. However Kenichi was an out-of-the-box thinker, and came up with the idea of using a permanent magnet that would allow for smaller motors and lower power consumption. He proceeded to make this idea a reality. Working with his younger brother Takaichi who would later become the Company's second president, Kenichi produced and sold high-performance horseshoe-shaped magnet motors for use in models. This motor was able to rotate continuously for one to two hours using only one battery, which was astounding at the time.

While building the foundation of the small DC motor business on these products for models, the Mabuchi brothers began to enter the toy parts market, which was larger than the model market. Back then toys were powered mainly by either springs or friction, power sources that dwindle quickly. Therefore, Kenichi and Takaichi developed a motor for toys. In 1953, they approached Nomura Toy, a toy wholesaler in Tokyo, to sell their new motor to the company. When Nomura Toy showed a motorized toy sample to a toy buyer from the United States, the buyer's eyes widened in surprise. This was the origin of Mabuchi Motor sales to Nomura Toy. Production and sales surged, and Kenichi and Takaichi moved their business to Tokyo, the hub of Japan's toy industry. They rented the second floor of Nomura Toy's warehouse and set up a factory there. Then on January 18, 1954, they established Tokyo Science Industrial Co., Ltd. – the date we regard as the founding date of Mabuchi Motor.

In the earlier days of the Company, motors produced by Mabuchi Motor were used mostly in toy cars made for export, and they were too expensive for ordinary Japanese people to buy at that time. The Company decided to create a small and powerful motor that could make toy cars affordable for children in Japan. Doing so was required reducing the cost of the motor from 120 yen to 20 yen, which was the cost of a spring. The main component of motors at that time was an expensive material called alnico magnet, therefore, we set out to develop a motor using a less expensive ferrite magnet. Using the new ferrite magnet, the Company created the F-type motor, whose performance matched that of an alnico magnet motor - at half the weight and a cost below 20 yen. Production of the F-type motor began in 1958. It was an innovation that synced perfectly with the plastic model fad at the time - and "Mabuchi" became a household name.

Thoughts Put into Our Motors



Mabuchi Motor started from a dream of a boy who loved models. Kenichi MABUCHI, the first president who loved manufacturing since he was a child, created model airplanes and ships and devised various ways to move them. When he was in sixth grade, he used gasoline as fuel to move a model of a steamship with alcohol lamps faster, which ignited and caused severe burns. At that time, he thought he wanted to create a safe power for children in the

world. This experience led to the later development of our motors.

In 1946, Kenichi created a motor for school teaching materials with the idea that "science education must be flourishing for the future development of Japan." That is the school motor. In this way, our educational support has been handed down from before our founding.

Technological Innovation and Diversification of Applications

In 1960, we focused our attention on the trend in tape recorders toward more compact, lighter weight, and cordless designs and began to develop a motor for tape recorders. For this application, we needed to achieve silent, smooth rotation while reducing current consumption to 10% of its existing level, and extending service life 50 to 100 times. We did so through a threefold innovation that improved shaft precision, used a new oil-less bearing, and refined the motor technologies, including to enable contact between a commutator and brush – all of which reduced production costs. As a result, we succeeded in developing the FM- 250 series of motors, which later gained an overwhelmingly large share of the tape recorder motor market. This is one example of our innovation pattern. Mabuchi Motor has realized diversification of expanded applications for our small DC motors through innovating in technologies and reasonable price.

We have specialized in small DC motors and have worked to diversify the market for their applications because we believe it is essential to concentrate our business resources on small DC motors in order to create products that outperform our

competitors, even though we are a modest company scale.

We have achieved business growth by developing our business activities with the aim of selling them not only in Japan but also to markets and customers around the world. As a result of these proactive sales activities to markets and customers around the world, the overseas sales ratio of motors has reached about 90%.



Standardization to Achieve High Profitability

In 1969, as the scale of motor production and sales grew rapidly, we experienced significant production shortage of parts and our assembly capacity proved insufficient. In the toy industry of the time, that products were custom-made was taken for granted, and Mabuchi Motor was producing a wide variety of motors whose specifications differed slightly depending on the customer. The production failure hit during the summer, which was the peak production period ahead of the Christmas holiday shopping season. In addition, we received a number of our customer complaints.

To rectify this situation – and just as importantly, to avoid its recurrence – Mabuchi Motor made the decision to standardize

its products. We started explaining to our customers how to achieve high profitability through standardization, and the first to agree with us was one of the largest toy manufacturers in the United States. As a global industry leader, the Company was keenly aware of the tough competitive environment and recognized that standardization offered a smart and reasonable way forward. After that first agreement, our standardization project clicked into gear. This unique strategy has enabled Mabuchi Motor to build, maintain, and expand its sustainable competitive advantage and achieve high profitability.

*Please refer to page 25 for more information on our standardization strategy.

Origin Story: Our Management Principle

Takaichi believed that, for the Company to keep growing and developing, it needed a strong management team, and to this end, we have formulated our Management Principle that our employees can truly identify with in 1971.

Under our Management Principle, profit is not the company's ultimate objective. However, we attach great importance to profit. We believe that profit is a company's reward for contributing to society or to customers, as well as an indicator of the level of its contribution. Profit is also a source of energy for powering more and increasing social contributions. We believe that a company can remain in a virtuous cycle of increasing social contribution, which increases its profits, which then through more and better activities again increases its social contribution, and so on. And we believe that such a company will gain the support of people and communities local and global. It will find that its purpose has become timeless.



History of Our Social Contribution and Future Business Development

Course of Contribution Area Expansion

At Mabuchi Motor, we operate a business specializing in small DC motors. Our strength lies in our technologies related to compact dimensions, light weight, and efficiency improvement. We started with a business of manufacturing and selling motors for toys and models. We entered the field of motors for practical applications in the 1960s and the field of applications for automotive products in the 1970s. In response to changes in the times and society, we have been expanding the fields to which we contribute by capitalizing on the high quality enabled by our standardization strategy, outstanding cost competitiveness, and ability to ensure a stable supply. As such, the breakdown of sales by application market has also been changing accordingly.

In the 1950's Motors that Revolutionized the Toy Industry

Price was considered more important than quality in the Japanese toy market. But the development of electric toys progressed rapidly with the acquisition of motors as revolutionary power sources. Ultimately, the Mabuchi name became synonymous with luxury toys, and the volume of exports to overseas also soared. In this way, our motors greatly revolutionized the toy industry in Japan and, by extension, toy production and entertainment of children around the world.



The F-type motor

1960 Foray into the Field of Motors for Practical Applications

To break away from our dependence on toy applications, we began to develop motors for tape recorders, the production volume of which was beginning to surge at the time. We succeeded in developing motors that came to be regarded highly in terms of both performance and price. By expanding into the field of motors for practical applications, we became able to cater to more advanced product development needs, production systems and quality assurance standards than ever before.



Motor for tape recorder

1975 Dominating the Market for Motors for Audio and Video Equipment

We released the Electronic Governor Motor equipped with device called an electronic governor, which keeps the rotation speed of the motor constant. It was recognized highly in terms of both performance and price, and the Mabuchi name gained recognition in the audio and video equipment market.



Electronic governor motor

1981 Progress in Diversification of Applications

Audio and Video Equipment accounted for 34% of sales, followed by Home Appliances and Power Tools at 29%, and Toys and Models at 27% as the diversification of applications dramatically progressed. We entered the field of applications for automotive products with motors for mirrors in 1975 and door lock actuators in 1981. Today we maintain over 80% and 70% of the worldwide market share of motors for mirrors and door lock actuators respectively.



Motor for mirror

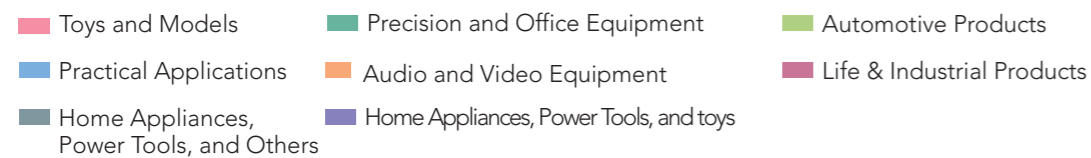
1989 Sales Expansion of Motors for Automotive Products

Since our first-generation power window lifter was launched in 1989, we have continued to develop and market newer generation models that are increasingly compact and lightweight, achieving full-scale entry into the power window lifter field. In recognition of our technological capabilities to make our motors smaller, lighter and more efficient together with reasonable prices resulting from our standardization strategy, sales of our motors for automotive products, including ones for power seats, realized significant growth.



Motor for power window lifter

Sales Amount of Motors by Application



*From 1981 to 1998, the company disclosed its business in the five fields of toys and models, audio and video equipment, precision and office equipment, automotive products, and home appliances and power tools.
 *From 1999 to 2013, the order of applications was changed by integrating the toys and models business into the home appliances and power tools business.
 *From 2014, disclosure by two fields: life & industrial products and automotive products.

1954 1955 1956 1957 1958 1959 1960

1970

1980

1990

2000

2010

2020

2023

Initiatives in the 3 M Fields

To achieve sustainable growth and the evolution of our business portfolio through the provision of products with higher added value, we have identified the 3 M fields -- that is, the Mobility and Machinery fields that help reduce CO₂ emissions and resolve manpower shortages through electrification and the Medical area that contributes to people's good health -- as growth fields where we can capitalize on features of our products, such as compact dimensions, light weight, and high efficiency, as well as reasonable prices, capability of ensuring stable supply, and other strengths. We accelerate initiatives in these fields. In addition to expanding applications of existing brush motors, we are driving the development and sales of brushless motors that are appropriate for proposing solutions including the provision of units and for various applications.

Mobility

In the mobility field, we will expand sales of our motors for mobile vehicles for widely used small mobility equipment such as AGVs (Automated Guided Vehicles), stair climbers, assisted bicycles, and senior cars.



Machinery

In the Machinery field, we will expand sales for factory automation by introducing controllers that enable our motors to run on AC power at production sites. We will also expand sales of Mabuchi Electromag's ultra-high speed motors for industrial power tools. In addition, we will expand sales of our units for agricultural machinery and lawn mowers, and other applications, by taking advantage of the waterproof nature of our units for mobile equipment.



Medical

In the medical field, we will develop new products and expand sales of small pump unit products jointly developed with Mabuchi Oaken and motors for artificial respirators jointly developed with Mabuchi Electromag. We will also promote the sales expansion of motors for power tools for surgical operations by utilizing those for group companies and sales channels.



2023 Sales
178.6 billion yen

Message from Our Chairman

Changing with the Times and Continuing to Contribute to Society

Representative Director and Chairman **Hiroo OKOSHI**



Management Principle of Mabuchi Motor and Fields to Which It Contributes

We celebrated our 70th anniversary on January 18, 2024. At Mabuchi Motor, we have been providing compact, lightweight, and highly efficient motors for a range of applications through our Management Principle -- Contributing to International Society and Continuously Increasing Our Contribution -- while continuing to take on challenges and make innovation happen constantly. This is how we have been helping to improve the convenience, comfort, and safety of people's lives in a wide range of fields.

Over the past 10 years, we have rolled out application-specific standardization as an evolution of our existing standardization strategy, and greatly expanded our contributions in the field of Automotive Products. We have also established new production bases, in Mexico in the Americas and Poland in Europe, and have established a Five-Region Management Structure that strengthens our supply system by driving local production for local consumption while simultaneously reducing CO₂ emissions during product transportation.

Meanwhile, during the three years from 2021, we worked on our Mid-Term Management Plan, of which final fiscal year was 2023, with an aim to contribute to and increase the happiness of all our stakeholders, as targeted under the Long-Term Management Policy. Having defined the 3 M Fields (Mobility, Machinery, and Medical) as new fields to which we contribute, we have made a full-scale entry into unit products incorporating brushless motors and other motors. In addition, our motors are compact, lightweight, and highly efficient in energy conversion, making it possible to reduce weight and improve the energy-saving performance of all kinds of equipment with motors. As a consequence, they are increasing their contribution to reducing CO₂ emissions as well.

Changes in Business Portfolio Reflecting Market Changes

At present, we are facing rapid technological evolution and market changes. The automotive industry and many other industries are witnessing waves of electrification and automation. We need to take actions proactively without overlooking these changes. For this purpose, we will make a significant change in direction. While we have been

operating as a manufacturer specializing in motors with a focus on sales of motors, going forward we will move in the direction of creating new value by providing solutions on movement, including control and units, while keeping high-quality motors at the core. To evolve our business portfolio dynamically as a company providing solutions on movement, we have formulated Management Plan 2030, a seven-year plan of which final fiscal year is 2030. Under the Management Plan 2030, we will work to improve our corporate value by enhancing both financial indicators and unfinanced indicators and to achieve the desire that we have retained since our founding -- that is, a desire to be a company that continues to exist and make a contribution as a public institution.

I believe that, to change the company, it is important to further enhance the strengths of Mabuchi Motor, including our standardization strategy. We will identify what we will and won't do. In the areas of what we will do, we will narrow down the functions to provide value that meets the needs of customers and society. In doing so, we aim to provide solutions on movement with our standard motors at the core. We will continue to create a virtuous circle for our standardization strategy, in which the solutions we provide will allow customers to gain their desired value at reasonable prices, and the increase in the number of these customers

will lead to an increase in the use of our standard products.

The business environment is always uncertain and has been changing quickly. For example, the conditions and future prospects of the EV market have changed markedly in the past year. We understand that building a development, procurement, production, and sales system for responding flexibly to these changes is a task that we must complete. We will strengthen our management foundation based on this understanding. We believe that the proactive utilization of external resources, such as M&A and partnerships with external parties, is essential for strengthening our management foundation. We will make highly efficient investments for accelerating our future growth, generate excess profits as a result of our social contribution, and provide shareholder returns stably over the long term.

At Mabuchi Motor, we will continue to take on challenges and make innovation happen, thereby opening up a new future together with our shareholders, investors, customers, business partners, and people from local communities. We appreciate your continued support.

Leveraging Mabuchi Motor's strengths to expand our business into new areas

Representative Director and President **Tohru TAKAHASHI**



Looking Back on the Fiscal Year Ended December 31, 2023 and the Mid-Term Management Plan

— What are your thoughts looking back on 2023 in terms of results and the final year of the Mid-Term Management Plan?

The Mid-Term Management Plan that ended in 2023 was formulated at the end of 2020. At the time, we couldn't have predicted that the effects of the COVID-19 pandemic would be so long-lasting. Throughout most of the previous Mid-Term Management Plan, we were beset by an extremely difficult business environment, including slumping consumption, supply chain disruptions, restrictions on automotive production due to shortages of semiconductors and other components, rising geopolitical risks and soaring prices for energy and raw materials. There were even times when we faced production restrictions that lasted months due to the lockdown of some sites to prevent the spread of the COVID-19, but the Group came together to overcome these difficulties and fulfill its responsibility to supply customers with our products. Those stable supply capabilities were highly appreciated by customers, and the coordination between our different sites and departments was further strengthened.

In 2023, the final year of the previous Mid-Term Management Plan, sales to the Automotive Products market increased, reflecting both a recovery in automotive

production and an expansion in the range of models in which our products are installed. This covered the downturn in individual consumption for some applications in the Life & Industrial Products market, and as a result net sales rose 14% year over year to 178,663 million yen. Operating income benefitted from the weak yen in addition to price revisions and improved product mix, increasing 43.5% year on year to 15,536 million yen, with an operating income ratio of 8.7%. ROIC was 5.7%. This represented a strategic buildup of inventories in excess of regular times to ensure our supply responsibilities were met. We achieved a 15% CAGR in net sales, surpassing our performance guidance under the Mid-Term Management Plan of 8-10%, but failed to reach an operating income ratio of at least 15% and an ROIC of at least 12%.

As part of our Management Principle - Contributing to International Society and Continuously Increasing Our Contribution - we place a major emphasis on the profit earned from contributing to society and our customers, and consider profits to be an indicator of the contributions we make to society. Even in a tough business environment of rapid change, to ensure stable and high profitability we want to evolve our business portfolio for new growth and reinforce the management foundations to do that.

Key Points of Management Plan 2030

— Please give an overview of Management Plan 2030 that was announced in 2024.

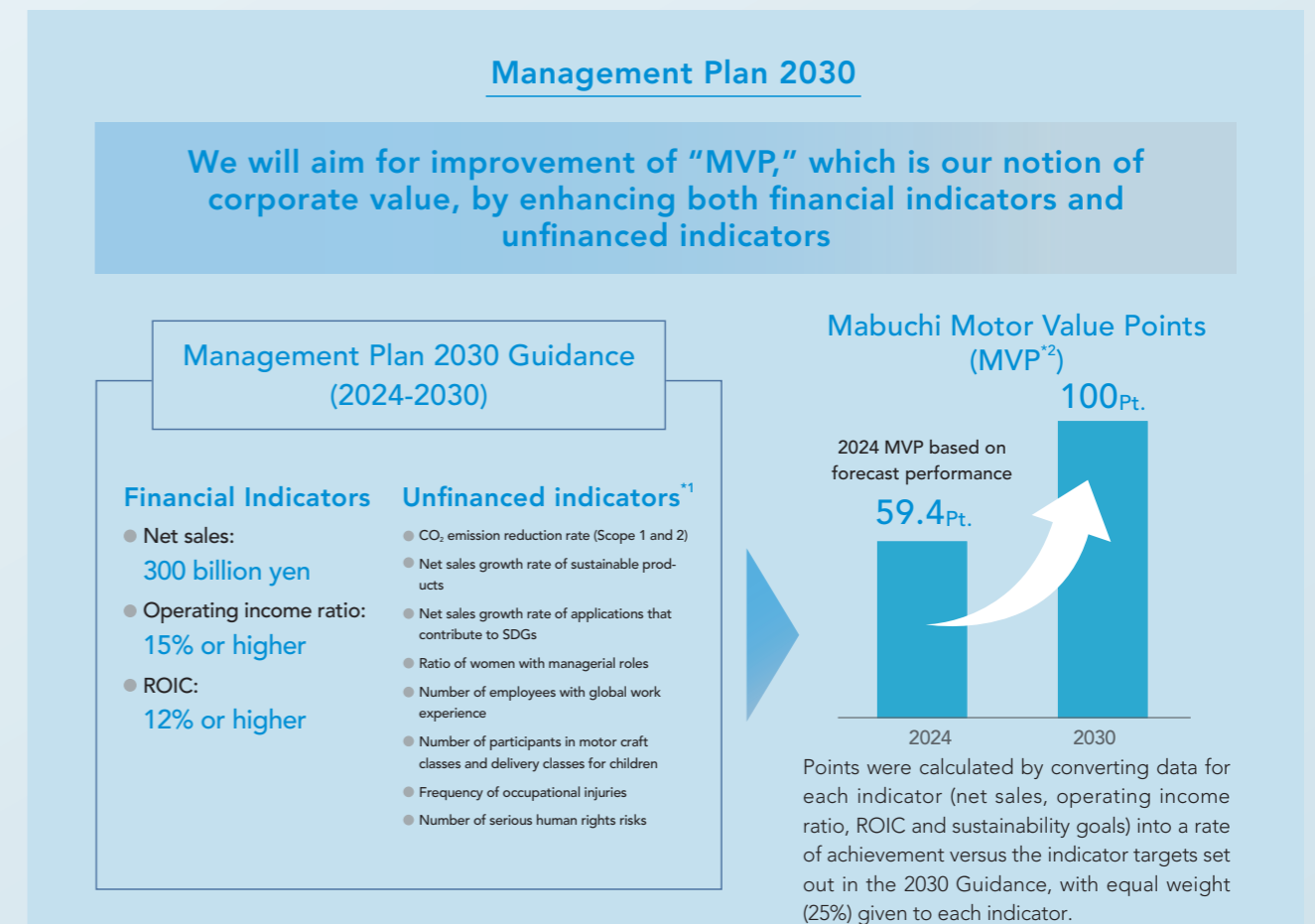
This year Mabuchi Motor announced Management Plan 2030 with the year 2030 as its final year. In Management Plan 2030, corporate value as we see it is expressed as Mabuchi Motor Value Points (MVP). We have set the points to be earned by realizing our 2030 guidance at 100. We look at the rate of achievement towards that goal each year, and strive to enhance corporate value through improvement efforts to enhance both the financial indicators set as KPIs and the unfinanced indicators that will contribute to finance in the future.

As for financial indicators, we have set extremely ambitious targets: net sales of 300 billion yen, an operating income ratio of at least 15%, and an ROIC of at least 12%. We have previously formulated three-year mid-term management plans, but this time we are adopting a long-term perspective, establishing a management plan that is relatively longer at seven years, in order to achieve a more dynamic transformation. To meet the challenging goals we have set, we have clarified the direction in which the Company is headed, share information about the challenges and targets that all employees of departments and sites will strive to

achieve, and are considering each of the measures that need to be implemented based on a backcasting approach, and carrying out those measures. As a result, we will work to promote a shared awareness and boost motivation across the organization, while strengthening organizational capabilities to respond flexibly to changes in the external environment.

In setting unfinanced indicators, we revised the materiality items in our Mid-Term Sustainability Targets tackled up to 2023, and set four materiality items: corporate activities that do not sacrifice the global environment, manufacturing that realizes an affluent society and comfortable lives for people, realization of an environment in which all people can play an active role, and fulfillment of social responsibilities. We have set eight indicators, comprising indicators to gauge the degree of contributions Mabuchi Motor has made to society, and indicators that Mabuchi Motor needs to achieve sustainable growth as a global company that enjoys a robust management infrastructure.

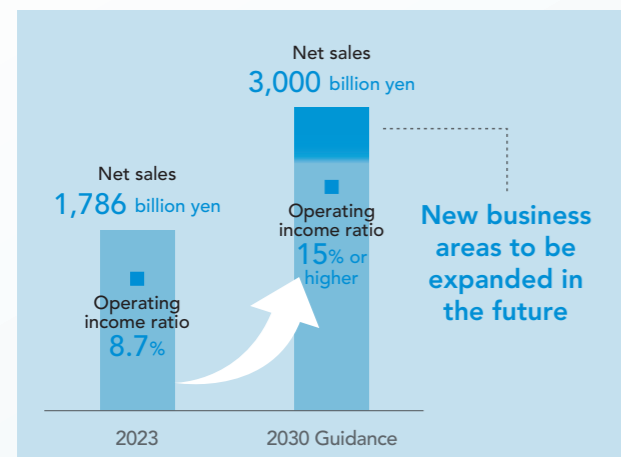
By setting concrete action plans to achieve these targets and regularly managing our progress, we hope to enhance management transparency, while helping stakeholders gain a deeper understanding and trust of Mabuchi Motor's vision and strategies.



^{*1} Unfinanced indicators are indicators of intangible assets such as human capital which do not contribute financially yet but will contribute to business results in the future. Since they are as important to us financial indicators, we refer to them as "unfinanced indicators" rather than as "non-financial indicators."

^{*2} MVP: Results each year are quantified through the provision of points for financial indicators and unfinanced indicators.

Initiatives to Achieve 300 Billion Yen in Net Sales



— Out of your financial indicators, net sales of 300 billion yen in particular is an ambitious target. How will you achieve it?

With our current business portfolio, roughly 80% of net sales are for Automotive Products, while the remaining 20% are for Life & Industrial products. We want to change this portfolio to achieve a ratio of 6:4 by the year 2030, and in the context of our target net sales of 300 billion yen, around 180 billion yen will be from automotive products, and the remaining 120 billion yen or so will be from life & industrial products.

For automotive products, net sales in 2023 were 140 billion yen, so we plan to expand this by around 40 billion yen. Within the automotive products market, we will steadily expand sales of compact electrical components with a focus on products with a relatively high market share such as mirrors and door lock actuators, in line with growth of the automotive market. At the same time, we will expand sales of new products that meet various needs in the shift to electric vehicles. For medium-sized electrical components such as power window lifters (PW) and power seats (PS), we aim to achieve growth that surpasses growth in the automotive market. Our global and stable supply capabilities, and products boasting compact sizes, light weight and high quality have earned high markets from customers, and we have made progress in

expanding the number of models in which our products are installed, and encouraging customers to switch over from our competitors. For PW, from 2025 we plan to begin mass production shipments to the third major US-based automotive manufacturer. With PS, when we first entered the market our sales were mainly from major European manufacturers. However, we began shipments to major Japanese manufacturers from 2023, and expect adoption to expand in the future. For both PW and PS, we hope to achieve a market share of 20% as early as possible prior to the year 2030.

In terms of new areas, in particular we expect to see growth in valve actuator motors for battery cooling, which is designed to provide thermal control for electric vehicles. We can take the valve actuator motors for internal combustion engines we have traditionally sold and repurpose them for battery cooling purposes without extra modification. In addition, integrated brushless motor units that enable flow paths to be switched in detail are currently under development and we plan to start shipping during 2024. Recently there appears to be a slowdown in the trend of electric vehicle adoption, but in terms of the long-term trend the shift to electric vehicles is undoubtedly proceeding worldwide, and we want to make sure we do not miss the opportunities created by these changes and translate them into growth.

Net sales for Life & Industrial Products was 38.6 billion yen in 2023, so we cannot reach our goals merely as an extension of past performance. We will accelerate initiatives in the 3 M fields that we focused on during the previous mid-term plan: Mobility, Machinery, and Medical. Under Mobility, we will expand sales of motors for light electric vehicles such as e-bikes and motorized carts for the elderly. Under Machinery, we will introduce controllers to operate our motors on AC power and aim to expand sales for factory automation applications. We will also strive to further expand sales of Mabuchi Electromag motors known for their ultra-high RPMs, capitalizing on their track record of deliveries for industrial machinery in addition to medical applications. Under Medical, in addition to expanding sales for existing applications such as high-end toothbrushes, we will expand synergies with the likes of Mabuchi Electromag

The 3 M fields

Mobility

- Expand sales of motors for mobility applications such as e-bikes and motorized carts for the elderly
- Expand sales of cooling water valve actuator motors and units for EVs

Machinery

- Develop drive circuits for AC motor operations and expand sales for FA
- Expand sales of Mabuchi Electromag's ultra high speed rotation motors for industrial power tool application
- Expand sales of products of agricultural machinery and lawn mower applications

Medical

- Expand sales of compact pump unit products (jointly developed with Mabuchi Oken)
- Develop and expand sales of new ventilator motor products jointly developed with Mabuchi Electromag
- Expand sales of surgical power tool motors

e-MOTO Business Concept

— In Management Plan 2030, Mabuchi Motor has declared that it will evolve as a company that provides “movement” solutions with motors remaining at its core with the aim of further expanding contributions, and announced e-MOTO as the concept at the core of that endeavor.

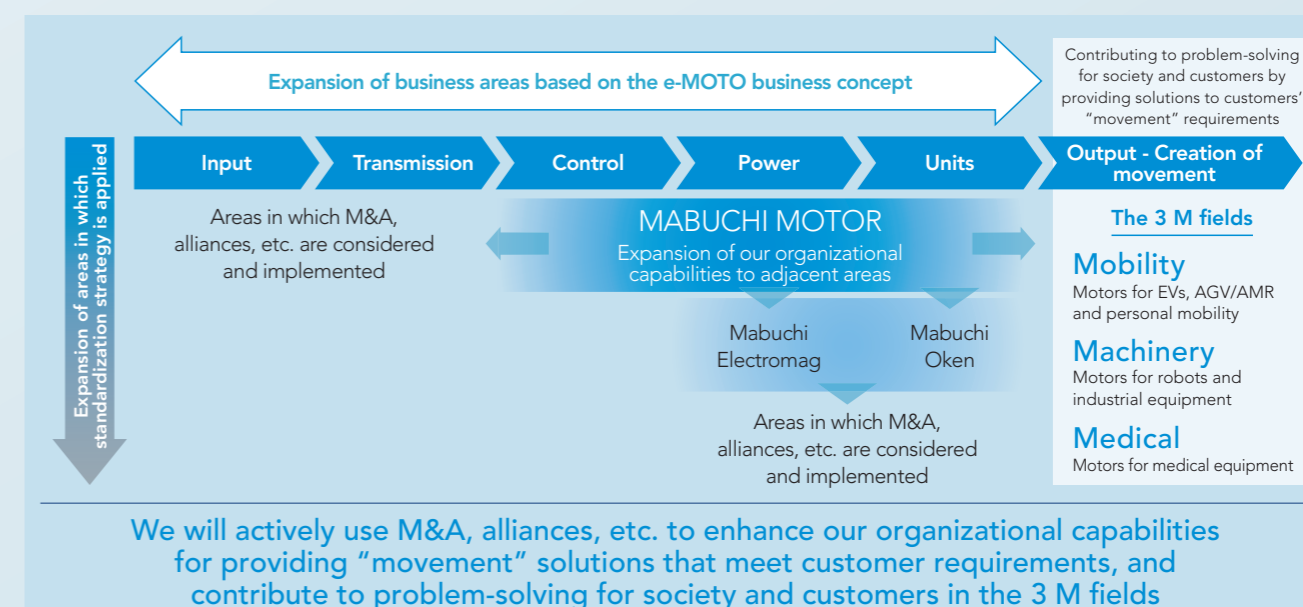
e-MOTO is a combination of the English word “electric,” meaning “moved by electricity” and the Latin “moto,” which means “to give motion” and the origin of the word “motor.” Looking towards 2030 we will aim for rapid growth, defining the value we will provide as “movement.” To date, Mabuchi Motor has centered its business around motors as standalone offerings, but in an increasing number of cases customers are demanding the provision of products in complete units, and going forward we will aim to provide solutions that cater to various movements beyond rotation, including control and unit packages. To achieve this, in addition to increasing the types of motors we offer, we will actively utilize M&A activities and collaboration with outside parties as we expand our business domains in areas such as control and units. In June 2024, we announced the business acquisition of Oki Micro Engineering. This acquisition will give us a lineup of products Mabuchi Motor has not had in the past including stepping motors and rotary solenoids, and expand product development capabilities for these products. The company also has stable business dealings with major companies which we believe has potential for expanding future sales channels.

By expanding our business domains through e-MOTO, we will increase opportunities for our motors to be employed and sell more of our standard motor products, further solidifying the standardization strategy that has been a source of our strength. Moreover by expanding these standardization concepts to the strategies and unit products of the companies we welcome to the Group through acquisitions, we will further reinforce our competitiveness as a business.

— What do you recognize to be the management challenges that will be faced as you expand the business through the e-MOTO strategy with a focus on the 3 M fields?

When expanding the business in these new fields, it will be important to look closely at what fields enable us to play to our strengths, and to change how we proceed and the basis for decision making as we develop products and prepare for their mass production with new applications. To date we have developed our business through a narrow focus on brush motors, but since we will expand the breadth of our products from brush motors to brushless motors and unit products, we have significantly revised the guidelines for business decisions that operate internally.

On the production front, rather than immediately installing large-scale facilities with a view to mass production, we will need to look closely and what can be utilized based on the facilities we currently own, and pursue a phased expansion. We will also need to decide what parts to produce in-house and what parts to utilize outside collaboration, and that outside collaboration will need to be utilized in smart ways. Our high in-house production ratio is one of our strengths, but I think we also need to consider the role of in-house production. Up to now our basic approach has been to manufacture components, assemble motors and ship them out at each factory, but as we pursue the development of unit products going forward, adding new manufacturing processes for unit components such as control boards and gears at all production bases will increase fixed costs and require a long time for the recovery of investment. I believe that creating distinct qualities for each factory based on processes and items and promoting smooth coordination between factories while mitigating the risks will be vital for production management going forward. I hope to utilize my many years of experience with production management to build a new production system for Mabuchi Motor in the future.



Increasing Profitability to Enhance Corporate Value and Capital Policy

Initiatives to Improve Capital Efficiency and Profitability

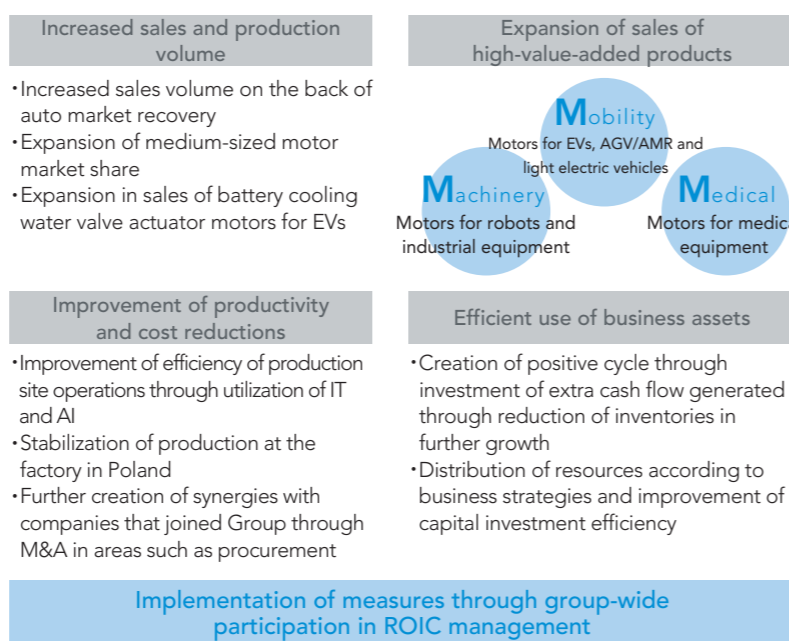
Mabuchi Motor aims to quickly increase ROIC and ROE by maximizing returns through the growth of its business and improving capital efficiency.



Initiatives for Improving Profitability

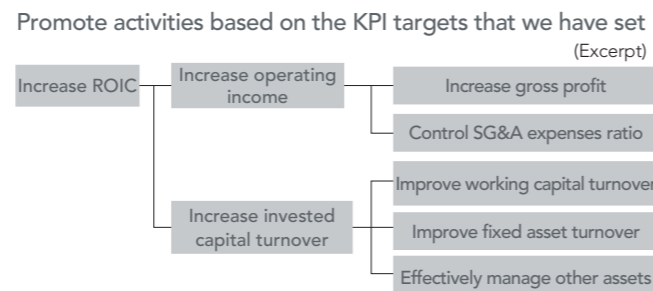
We aim to increase sales and production, with a particular focus on increasing sales of high-value-added products in the 3 M fields. We will streamline indirect operations at production sites using IT, use AI to accelerate the reduction of labor in inspection operations, and ensure stable production at the factory in Poland as ongoing efforts to improve productivity and reduce costs.

Additionally, we plan to increase synergy with companies that have joined the Group through mergers and acquisitions, particularly in the procurement of components and other operations. Another important initiative is the efficient use of business assets. We will create a positive cycle through the investment of surplus cash flow generated through the reduction of inventories in continued growth. We will allocate resources according to our business strategies and improve the efficiency of capital investment.

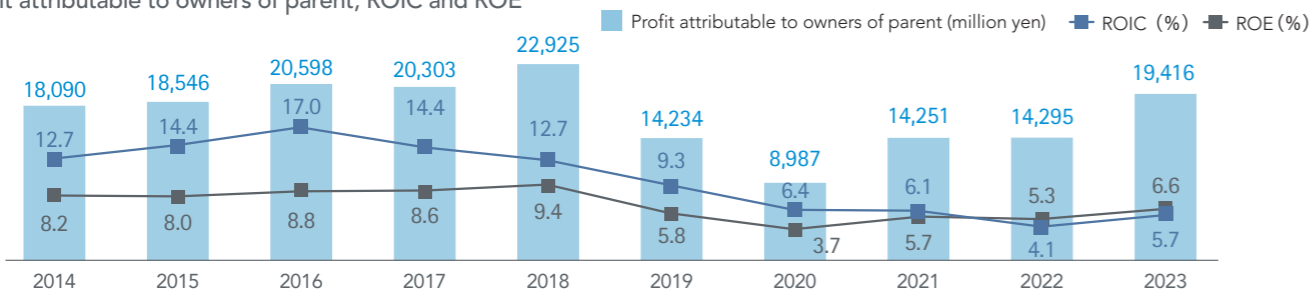


Initiatives to Increase ROIC

We set KPIs that will lead to the improvement of ROIC at each business unit, functional headquarters and site according to their specific tasks for the promotion of activities. We are focusing on systematic activities such as increasing the operating income ratio, reducing inventory and improving working capital turnover. We aim to create a virtuous cycle of monitoring progress quarterly against the KPI targets that we have set, taking specific actions, generating surplus profits, and actively investing in growth areas.



Profit attributable to owners of parent, ROIC and ROE



During Management Plan 2030, we will actively invest the cash provided by operating activities in growth areas to increase corporate value while also increasing shareholder return.

We aim to achieve an operating income ratio of 15% or higher and a ROIC of 12% or higher. We will strive to enhance the operating income ratio by increasing sales of high-value-added products and improving cost control. We plan to reduce the ratios of material costs, manufacturing expenses, and SG&A expenses to net sales. To increase ROIC, aside from enhancing the operating income ratio, we will set internal targets regarding receivables and payables periods, inventory turnover periods, and fixed assets turnover and take actions based on these targets. We strategically maintained high levels of product and component inventories that far exceeded the

usual levels during the Mid-Term Management Plan up to 2023 to fulfill our responsibilities to supply products despite the disruption of our supply chains. This led to a decrease in ROIC. We plan to reduce our inventories. We anticipate that the cash provided by operating activities in the three years from 2024 to 2026 will be around 90.0 billion yen due to these initiatives.

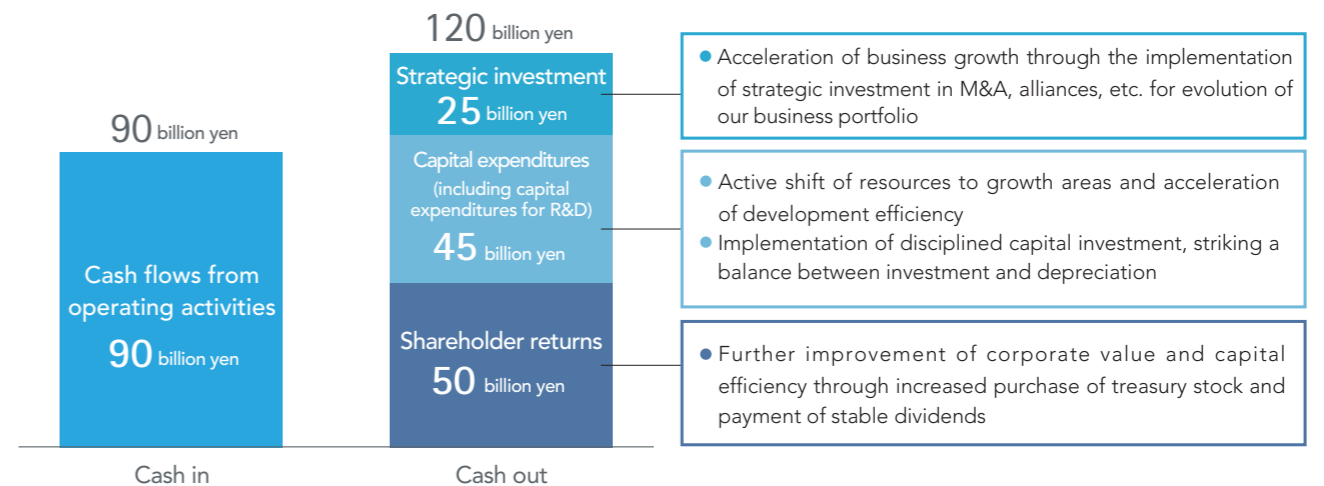
To accelerate the expansion of businesses, especially in the 3 M fields, we plan to strategically invest 25.0 billion yen primarily in mergers and acquisitions and alliances and to implement capital investments of 45.0 billion yen over the three years as a part of the e-MOTO strategy. We plan to revise the dividend calculation method to base dividends on DOE to ensure the consistency of payments and increase stock repurchases. We anticipate that we will return approximately 50.0 billion yen to the shareholders during the three years. We expect cash outflows of around 120.0 billion yen due to these initiatives, resulting in our cash decreasing about 30.0 billion yen.

We are committed to consistently improving the profitability of our capital to more than offset any rise in the cost of capital to achieve sustainable growth and enable our business to be valued fairly. We will implement management practices that are tied to the stock price, including shareholder return practices.

Initiatives to Improve Capital Efficiency

We will actively invest the cash provided by operating activities in growth areas to enhance its corporate value and shareholder return.

2024-2026 Cash Allocation Policy



We will actively allocate cash flow from operating activities generated through our business activities to investment in further growth, while also strengthening shareholder returns. Lower cash flow is expected.

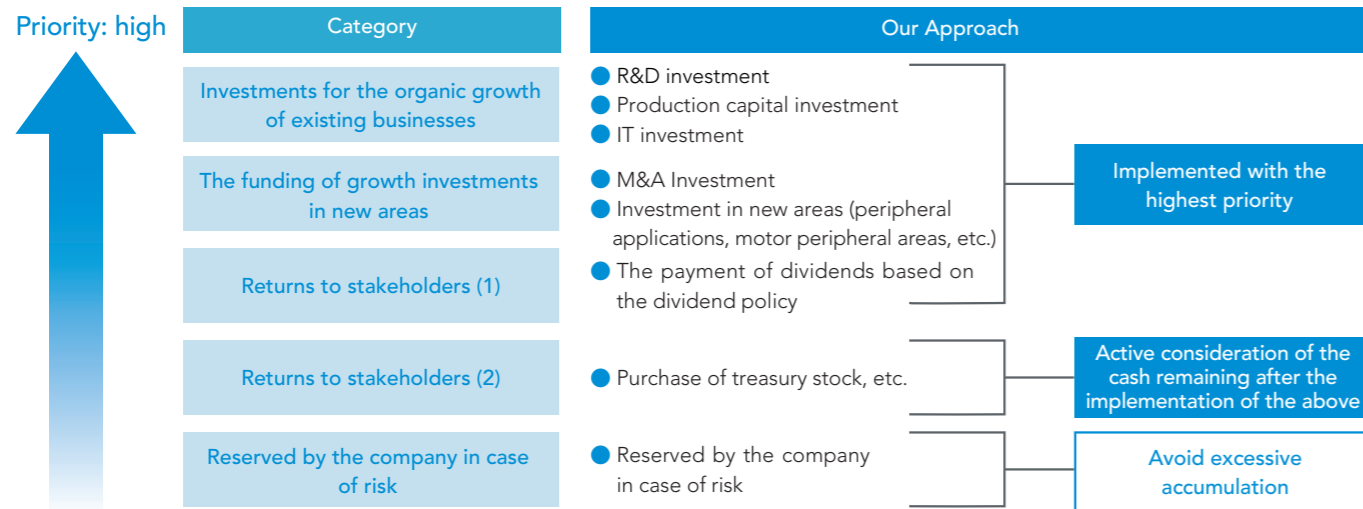
Increasing Profitability to Enhance Corporate Value and Capital Policy

Approach to Cash Allocation

Cash provided by business activities will be used in activities that have been prioritized in the following order. The first priority will be investments for the organic growth of existing businesses and the funding of growth investments in new areas (including M&A investments). The next priority will be funds for the payment of dividends based on our dividend

policy.

Regarding the cash remaining after the above, we will consider the portion exceeding the necessary funds as calculated independently as a way to possibly augment shareholder returns (purchase of treasury stock, etc.) without excessively accumulating cash.



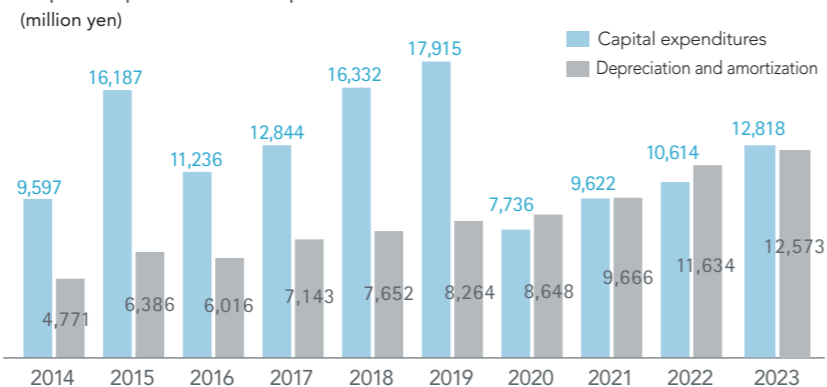
Growth Investment

To practice its Management Principle of "Contributing to International Society and Continuously Increasing Our Contribution," Mabuchi Motor is proactively conducting R&D, capital investment and M&A activities for future growth.

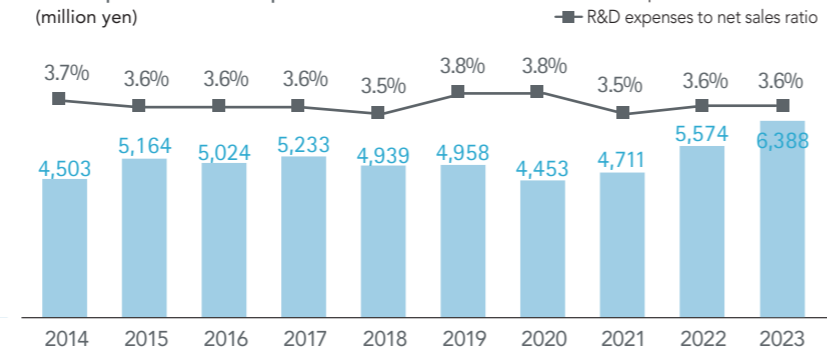
In recent years, we have been investing in the acquisition of land and buildings and production facilities of Mexico Mabuchi and Poland Mabuchi to establish production and supply systems in the Americas and Europe to develop the Five-Region Management Structure, but these investments have peaked out. We will continue to invest in production facilities for new products, increased production, labor reduction and in the field of IT to strengthen our management foundation.

Mabuchi Motor is currently aiming to grow in the 3 M fields of Mobility, Machinery and Medical, and is working to develop and launch new high value-added products for new applications. We will also actively promote R&D and M&A activities for the products and technologies needed in these areas.

Capital expenditures / Depreciation and amortization (million yen)



R&D expenses, R&D expenses to net sales ratio (million yen)



Shareholder returns

In keeping with our basic approach to securing funds and in consideration of the changes in business and market conditions, we will ensure appropriate shareholder return through a flexible and balanced capital policy that includes the purchase of treasury stock.

Dividend policy

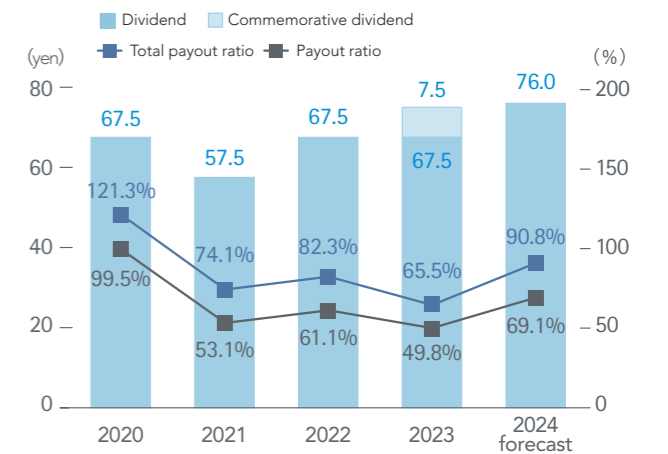
Our basic policy is to actively return profits to shareholders in line with the performance of the business while maintaining financial soundness by using retained earnings to fund the research and development and capital investment necessary for the growth and development of the company.

The annual dividend for 2023 was 150 yen per share, a record high. This includes a dividend of 135 yen per share (an ordinary dividend of 30 yen and a special dividend of 105 yen due to the anticipated improvement in business performance) and an additional commemorative dividend of 15 yen in honor of the Company's 70th anniversary.

Dividend calculation method

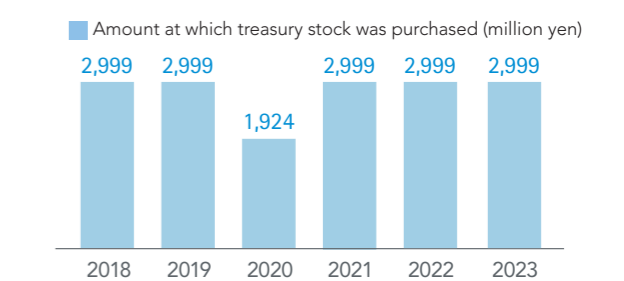
We have consistently paid an annual ordinary dividend of 30 yen per share and a special dividend that is equivalent to 30% of its consolidated net income per share. This method was discontinued after 2023. From 2024, the Company will base its dividend payments on a DOE (dividend on equity) of 3.0% to 4.0%. In addition to DOE, cash flows, the business environment and other factors will be considered.

Dividend



* We executed a stock split on January 1, 2024. Dividends for 2023 and the preceding years are restated as if the 2-for-1 stock split had been executed before these years.

Treasury stock



Purchase of treasury stock

We will continue to consider the purchase of treasury stock as appropriate, taking into account PBR and other conditions, in addition to surplus funds and cash flow, to flexibly responds to changes in the stock price and business environment and as a part of our capital policy and a way of returning profits to shareholders.

Basic Approach to Securing Funds

In the short span of around a decade, the world has faced multiple crises, including the pandemic and heightened geopolitical risks, further underscoring the need to be prepared for situations that have the potential to shake the very foundations of corporate management. Moreover, in recent years, it has become essential that we address social issues such as the environmental impact of climate change and the protection of human rights, including in the supply chain.

At Mabuchi Motor, always believing that companies are public institutions and must last forever to fulfill their duty to contribute to society, we have set a Long-Term Management Policy, "Continue and expand our contribution to the happiness of all stakeholders." We have secured the necessary funds and built a solid management foundation to realize this goal. Our approach to this goal is as shown on the right.

Necessary funds

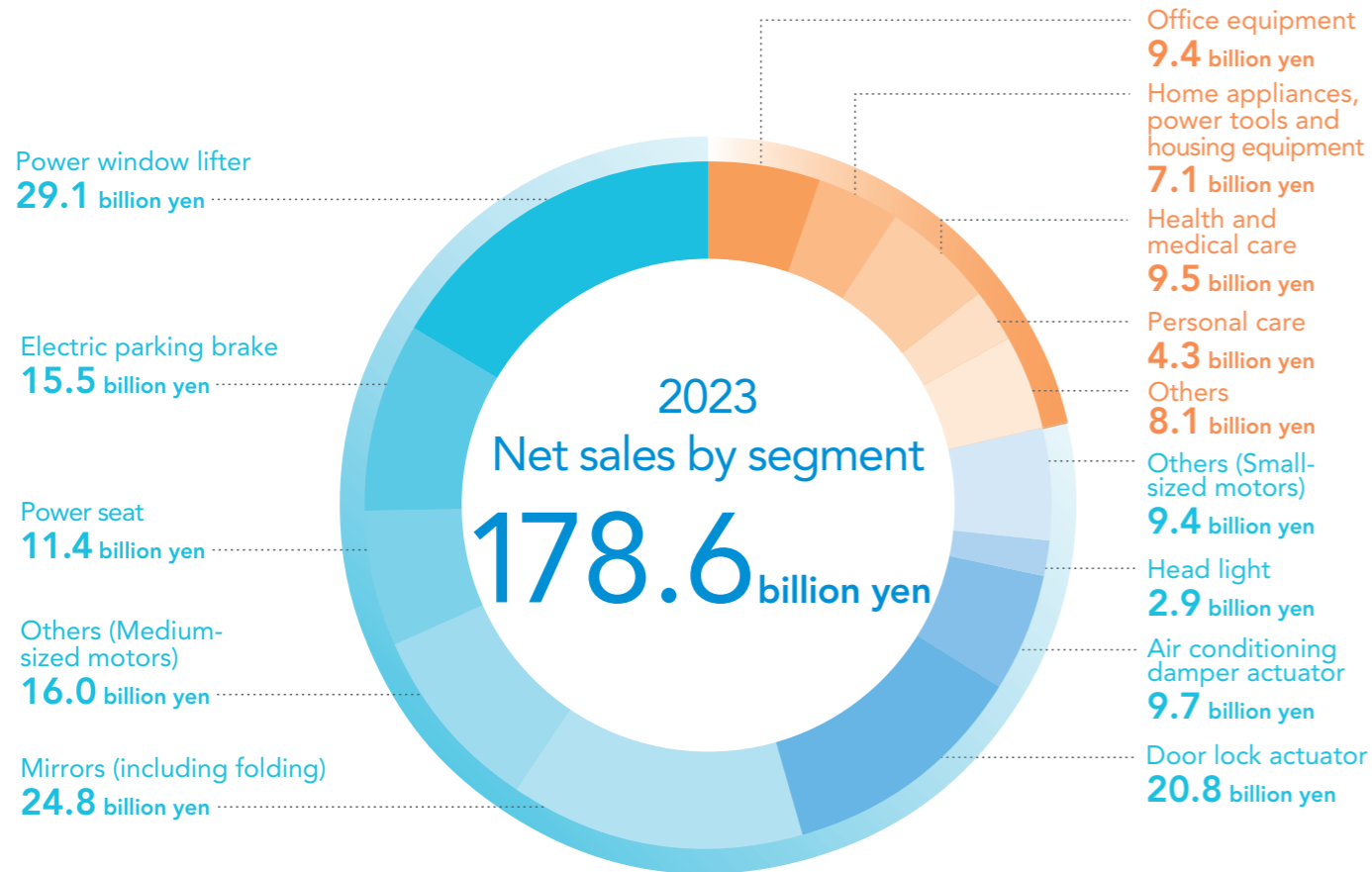
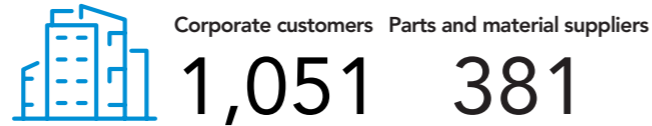
As the size of the business grows, the required funds will increase accordingly, and we always reasonably consider and calculate the funds that will be necessary.



Mabuchi Motor in Numbers

Business

Mabuchi Motor runs its business in two application markets. One relates to motors for automotive products that help improve vehicle safety and comfort, and the other involves motors for life and industry products that support the foundations for everyday life and industry.



Automotive Products

78.4% **140.0 billion yen**

We contribute to the improvement of automobile safety and comfort by providing high-performance small motors that are responsible for control and drive functions for various automotive products.

Global market share (according to our survey in 2022)

- For mirror: More than 80%
- For door lock actuator: More than 70%

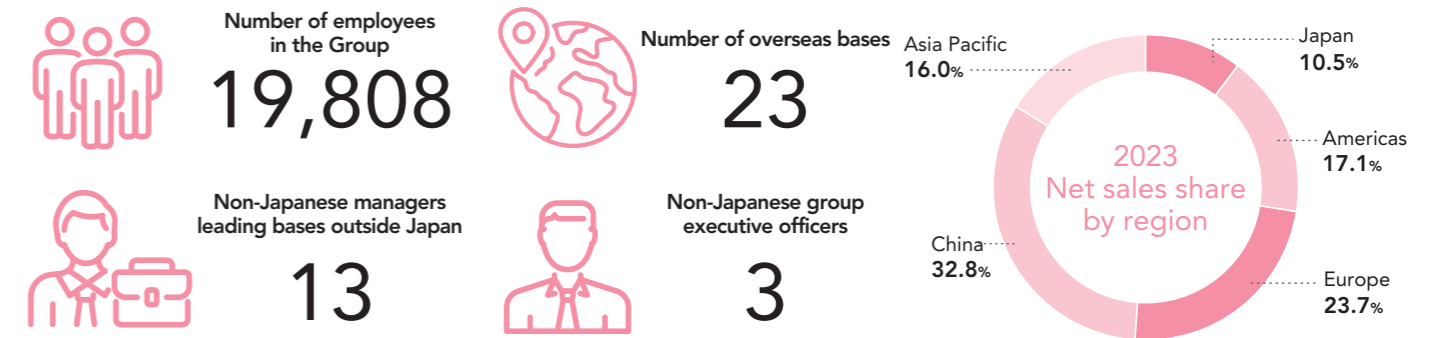
Life & Industrial Products

21.6% **38.6 billion yen**

We support daily lives by providing motors used for a range of applications such as office equipment, home appliances, power tools, housing equipment, and hairdressing. We are expanding our services in new applications including light electric vehicles and collaborative robots.

Global Expansion

By establishing a robust development, procurement, production and sales system in Japan, China, Asia Pacific, Americas, and Europe respectively, Mabuchi Motor has been facilitating risk diversification and local production for local consumption, while simultaneously providing high-quality products stably at reasonable prices on a global basis.



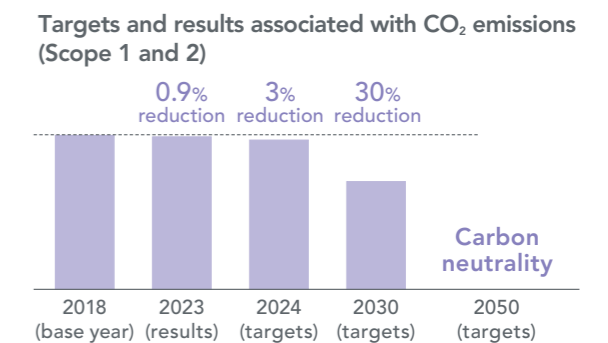
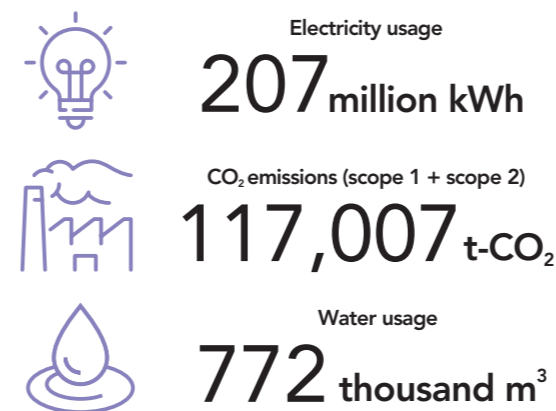
Research and Development

Mabuchi Motor has been continuously responding to demand for smaller and quieter motors with higher performance and longer lifetimes. Going forward, we will continue to offer small, lightweight and high-efficiency motors as core products, while also seeking to further improve our technological capabilities, with a view toward providing a range of movement solutions.



Sustainability

We believe the Sustainability Development Goals (SDGs) are goals that need to be achieved to grow economically while valuing people. With an eye on SDG achievement, we have been continuously advancing various initiatives in a proactive fashion by setting key issues and indicators on sustainability.



Business Overview

Automotive products



Performance in 2023

Net sales **140.0** billion yen
Sales volume: **1,032** million pieces

Main applications

- **Medium-sized motors**
Power window lifter, power seat, electric parking brake and valve actuator
- **Small motors**
Mirror, door lock actuator, air conditioning damper actuator and head light



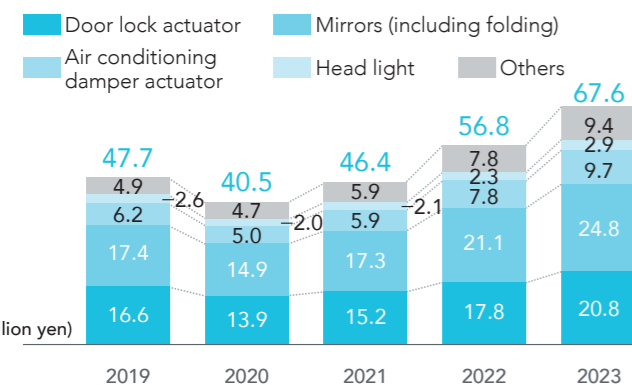
Main initiatives in 2023

Medium-sized automotive motors (power window lifters)	<ul style="list-style-type: none"> • Won orders for PW motors from the Detroit Three • Began sales to a fifth Japanese customer
Medium-sized automotive motors (excluding power window lifters)	<ul style="list-style-type: none"> • Began sales of PS motors for global models of major Japanese customers • Advanced preparations for mass production of battery cooling water valve actuator motor units for EVs and won new orders from major South Korean customers • Advanced preparations for the mass production of seat ventilation system (SVS) brushless fan motors
Small automotive motors	<ul style="list-style-type: none"> • Won orders for new door-related applications such as door closers and flush door handles • Made progress in serving customers with new and existing products as new applications and markets such as electric vehicles gathered momentum.

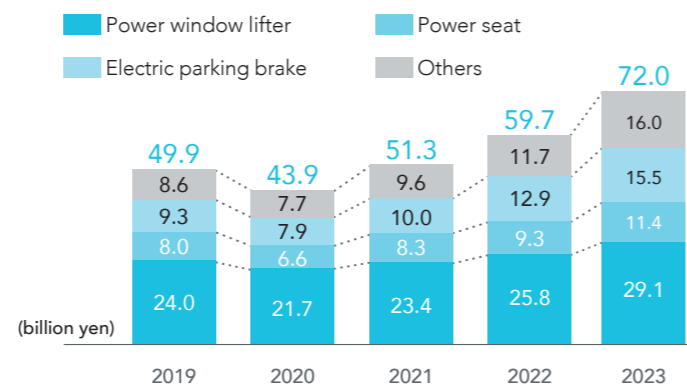
Sales trends by main applications (2019-2023)

Sales declined due to weak economic activities around the world and the slowdown of the automobile market as a whole during the COVID-19 pandemic in 2020. From 2021 to 2022, supply chains remained in a state of turmoil, while price revisions and the weakening yen contributed to an increase in sales. We maintained a high market share in small automotive motors. Our market share is growing in medium-sized automotive motors as they became adopted in more automobile models.

Small automotive motors



Medium-sized automotive motors



Initiatives in 2024

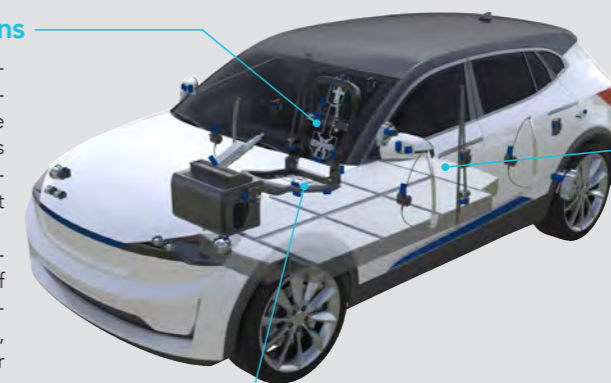
Medium-sized automotive motors (power window lifters)	<ul style="list-style-type: none"> • Win new projects for European and US customers • Advance preparations for mass production, aiming to commence sales of PW motors to the Detroit Three in 2025
Medium-sized automotive motors (excluding power window lifters)	<ul style="list-style-type: none"> • Begin sales of PS motors to new major European customers • Begin sales of battery cooling water valve actuator motor units for EVs • Develop new applications for EVs, which are in a period of technological transformation, by combining unitization, small brushless motors and control technologies.
Small automotive motors	<ul style="list-style-type: none"> • Maintain high market share and expand market share through expansion of existing product lines and products incorporating new differentiating technologies. • Gain more orders regarding new applications including EV charging cable locks and flush door handles

The expansion of new applications due to electrification and the expected increase in the number of motors installed

The automobile industry is searching the new applications that will be created through electrification. We have received many different inquiries from automobile companies and the like, as we boast high-level expertise in motors and peripheral areas. We expect, in the long run, that cars will be mobile living rooms, and that the number of motors needed in a vehicle will increase to enhance comfort in the space inside the car. At the same time, research and development will advance for the practical realization of autonomous driving.

Seat-related applications

We believe that it is highly likely that the seat business will enjoy stable growth in the future thanks to the addition of sales for large Japanese auto upholsterers and European car seat manufacturers. Regarding seats, we are promoting the development of SVSs, unit products incorporating brushless motors and fans, as a new application for our products so that we can release them onto the market.



Door-related applications

New applications for doors and their surroundings include door closers, flush door handles, and e-latch systems. With the technical capabilities cultivated via our small- and medium-sized motor development and our product lineup, we try to win orders for products for new applications.

Battery-related applications

In the area of EV batteries, a new thermal control application has materialized. We are developing an integrated valve unit to be released in 2024 in addition to the motors for valve actuators that we have offered.

Opportunities and risks

Opportunities

- Increase in demand for compact and high precision motors helpful to energy conservation and noise reduction
- Increase in opportunities for stepping into new markets, including cooling water valve actuators, following the shift of automobiles to EVs
- Increase in the number of motors per automobile and in opportunities to enter new domains helpful to passengers' comfort amid the trend towards autonomous driving

Risks

- Impact of rising procurement prices of raw materials and parts on the earnings structure
- Impact of supply shortages of semiconductors and other parts
- Impact of the slowdown in automobile production

Business Overview

Life & Industrial Products



Performance in 2023

Net sales **38.6** billion yen
Sales volume: **295** million pieces



Main applications

- **Home appliances, power tools and housing equipment**
Vacuum cleaners and electric locks
- **Office equipment**
Inkjet printers and multifunction printers
- **Health and medical care**
Toothbrushes, artificial respirators and surgical tools
- **Personal care**
Hair dryers and electric shavers
- **Light electric vehicles**
AGV / AMR
- **Collaborative robots**

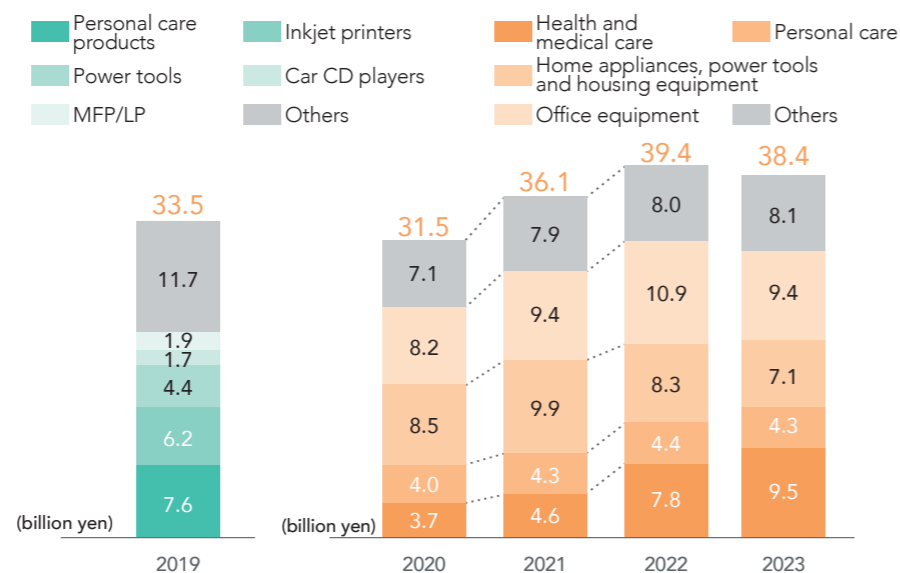


Main initiatives in 2023

Mobility	<ul style="list-style-type: none"> ● Won new orders for e-bikes and motorized carts for the elderly
Machinery	<ul style="list-style-type: none"> ● Won new orders for agricultural equipment products ● Won new orders for product display robot products ● Sales of Mabuchi Electromag's high value added motors for garden tool applications began
Medical	<ul style="list-style-type: none"> ● Mabuchi Oken joined the Group and progress was made with PMI in areas such as technology exchange and joint development

Sales trends by main applications (2019-2023)

Sales dropped partly because of the impact of the COVID-19 pandemic in 2020. In 2021, sales grew mainly in office equipment, the market for which was on a downward trend from a medium- and long-term perspective, as well as in personal care products with the help of stay-home demand under the COVID-19 pandemic. For health and medical applications, sales surged following brisk sales of toothbrushes in the middle- to high-end range and the inclusion of sales of Mabuchi Electromag, which became a subsidiary. During 2023, while sales were affected by the temporary stagnation of spending while people stayed at home, price revisions and the weak yen were positive factors.



*New categories of the main applications for disclosure apply from 2020 onwards.

*AGV: Automatic Guided Vehicle, AMR: Autonomous Mobile Robot, MFP: Multifunction Printer, LP: Laser Printer

Initiatives in 2024

- Further expand sales of products for compact mobility applications such as electric motor assist bicycles
- Meet demand for the electrification of agricultural equipment, etc.

Decided to acquire the small-sized motor business of Oki Micro Engineering Started to offer a full range of products for industrial robots by enhancing the product line

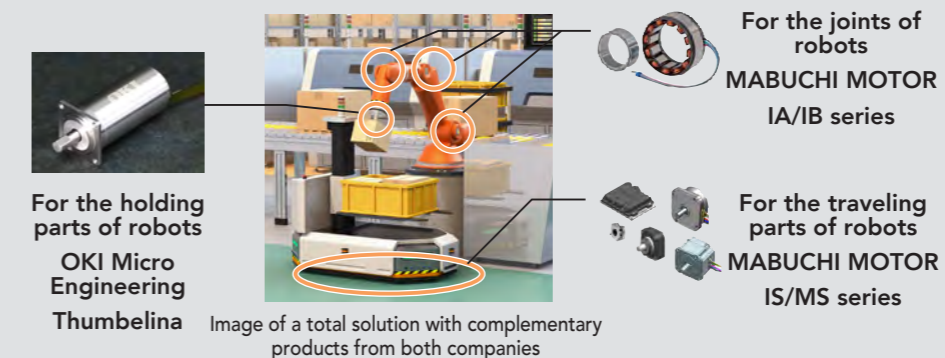
Mabuchi Motor decided to acquire the small-sized motor business (excluding some part of it such as overseas subsidiaries) of Oki Micro Engineering Co., Ltd. ("OKI Micro Engineering"), a subsidiary of Oki Electric Industry Co., Ltd. ("OKI"), and then concluded a share transfer agreement with OKI in June 2024. The share transfer will be completed in July 2025.

The acquisition of the business is intended to enhance the types of motor Mabuchi Motor provides based on the e-MOTO business concept to reinforce the ability to offer solutions to diverse challenges. OKI Micro Engineering offers a wide range of motors and actuators that are not included in our product lineup, such as stepping motors that are their core technology and rotary solenoids. They have recently engaged in the development of brushless motors and peripheral units based on their unique technologies for miniaturization, weight reduction, increasing torque, and reducing power consumption as their new products to add to their conventional products. These new products are expected to be pillars of their business in the future.

We will create synergy by combining the technologies and the product lineup of OKI Micro Engineering, including their stepping motors, with our technologies, sales channels and customer base. Additionally, we will create new businesses and expand the existing businesses by promoting product development and market development.

Expected synergy

1. Innovation and the increased efficiency of motor development through the integration of the two companies' product technologies
2. Expansion of sales in the existing businesses of OKI Micro Engineering in overseas markets using our sales structure and customer base
3. Enhancement of the cost competitiveness of OKI Micro Engineering's products using our mass production expertise



Product Lineup to be expanded through business acquisition

- Stepping motors
- Geared motors (stepping motors with reducers)
- Brushless DC motors
- Rotary solenoids
- Gas shut-off valves

Opportunities and risks

Opportunities

- Increase in demand after accelerated replacement with electric industrial equipment for reduced CO₂ emissions
- Increase in demand for smaller sizes, lower weight and higher efficiency in principal fields such as light electric vehicles, industrial equipment and medical treatment
- Increase in demand for motors for robots as a solution to the labor shortage

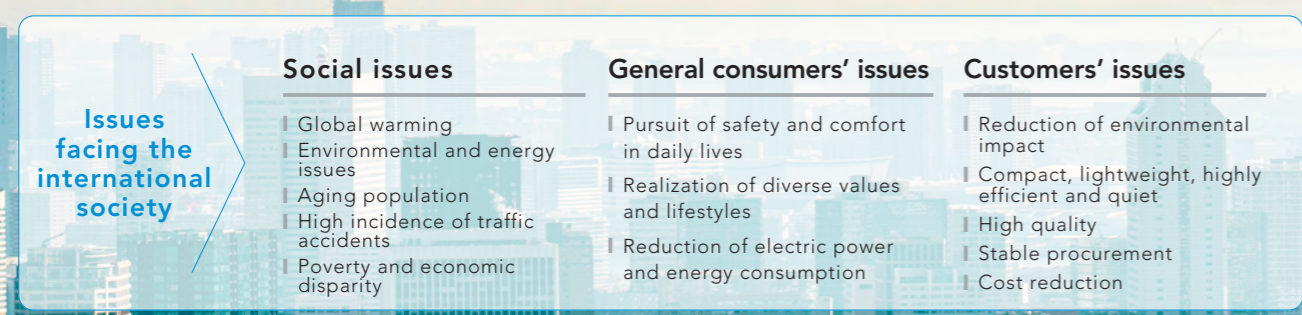
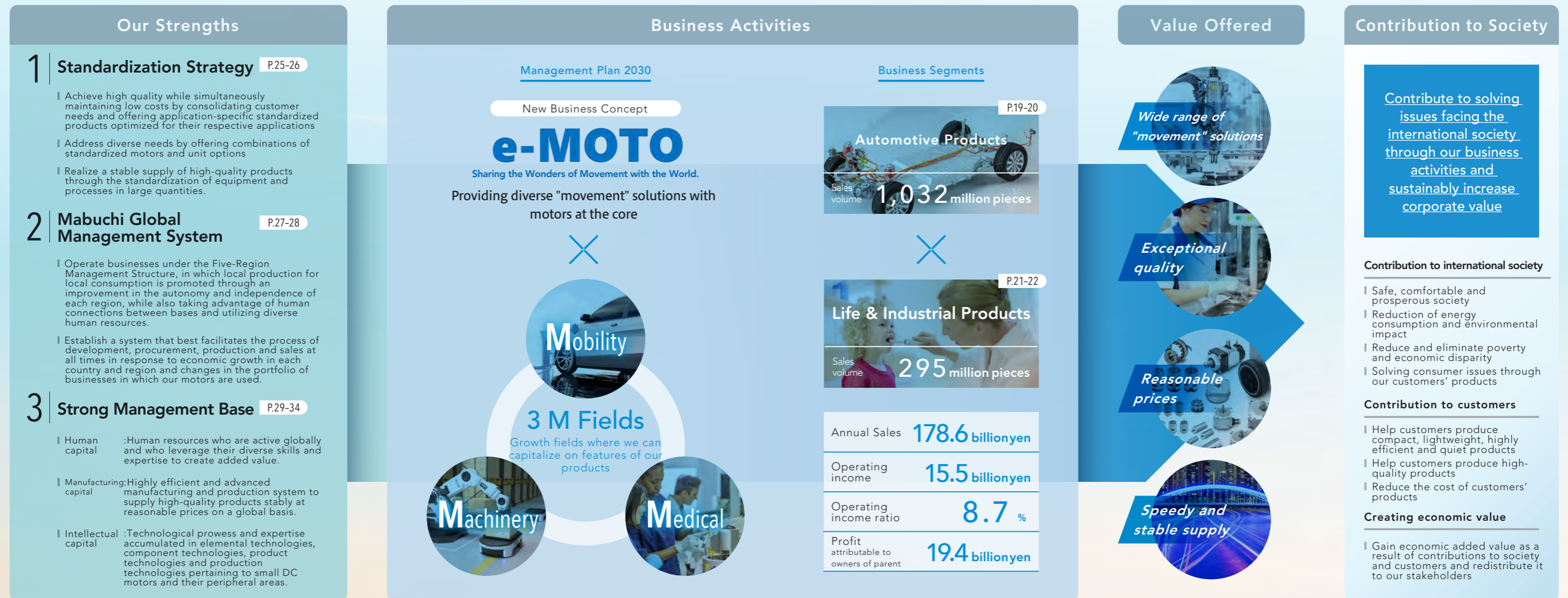
Risks

- Impact of rising procurement prices of raw materials and parts on the earnings structure
- Emergence of competitive low-cost manufacturers in China
- Impact of supply shortages of semiconductors and other parts

Value Creation Process for Realizing the Management Principle

We will continue to provide "movement" solutions in a wide range of fields with our core of compact, lightweight, and highly efficient motors, contributing to the enrichment of people's lives and the development of industry.

Management Principle >>> Contributing to International Society and Continuously Increasing Our Contribution



Contributing to solving social issues

Our Strengths ▶▶ Standardization Strategy

Why do we need a standardization strategy?

Even if we customize the product to meet customers' needs, the price would be high and we think that we would not respond to the real needs of customers exposed to competitive environmental conditions.

We have established standardized motors that address the needs of our customers in the most common way. The motor functions, sizes, and prices desired by each customer are all different. However, when we sort out the true needs of our customers, we often find that they can be met with standardized motors.



Value Generated through Standardization

By narrowing down our range of models, it has become possible for us to achieve mass production and production leveling, in turn enabling us to greatly reduce costs and dramatically reduce motor prices. Cost cutting has sustained and increased price competitiveness in the market and has been effective in expanding applications by driving the constant evolution of motor performance. By increasing the number of customers purchasing standardized products in this way, we could achieve economies of scale. This has created a virtuous circle that enables us to further reduce costs, resulting in a sustainable competitive advantage. We support all of the applications with which we are currently involved with around 100 basic models. We impose tough restrictions at the time of product development to prevent our engineers from designing products using dedicated parts without careful consideration. We encourage them to develop products with price and performance characteristics that meet the needs of customers using standard parts. In this way, the standardization that we aim to achieve is underpinned by high-level technological capabilities.



Standardize Manufacturing to Achieve High Quality

The benefits of standardization are not only price-related advantages. As a result of standardizing products, it has now become possible to standardize production equipment and processes that produce products. To manufacture high-quality products, it is essential to give thorough work instructions at manufacturing sites. By standardizing equipment and processes, we are able to efficiently educate and train employees involved in manufacturing, quickly assign them, and ensure high quality. This system—which enables the production of products of consistent quality through standardization—has played a major role in the

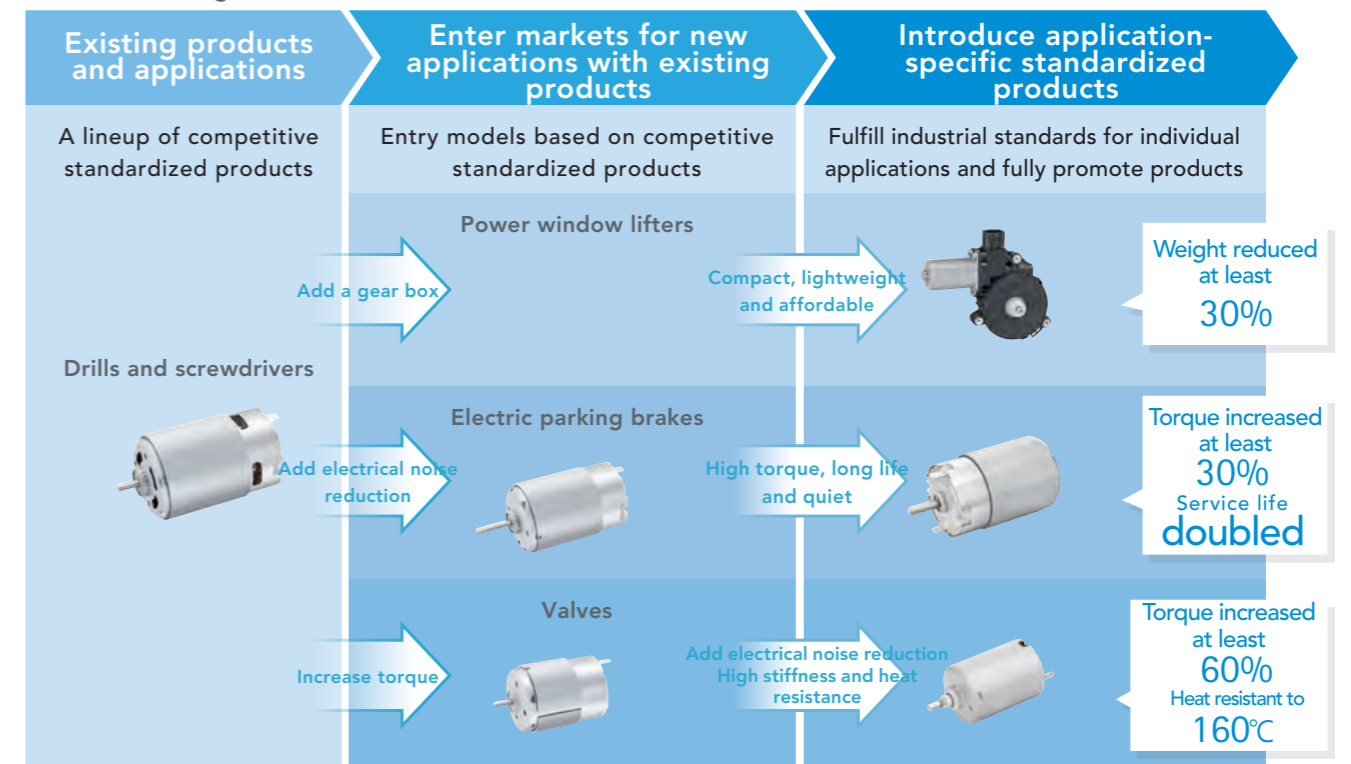
development of our overseas production bases. In addition, by standardizing management operations, it has become possible to engage in planned production under the control of Headquarters, minimizing the effects of seasonal and economic fluctuations in each industry and facilitating high-volume stable supply to the market. Even in the face of recent crises such as disruptions to logistics and rising material costs, we have been able to minimize the impact because we base our sales on standardized products sold in stock.

Develop and Promote Standardized Products by Application

When we fully entered the market of automotive products, we incorporated specifications for different automotive applications based on standardized products and other items that were already very competitive in the market to achieve the efficient introduction of competitive products. After that, customers' products were optimized for individual applications. Technological requests regarding motors

varied depending on the application. Today, we develop and promote standardized products separately optimized for different applications. This concept of application-specific standards creates value for the customer including unrivaled quality, reasonable prices, quick and stable supply and the proposal of solutions in a well-balanced manner, and this gives us an advantage.

Develop and promote application-specific standardized products optimized for individual applications to accelerate the growth of business

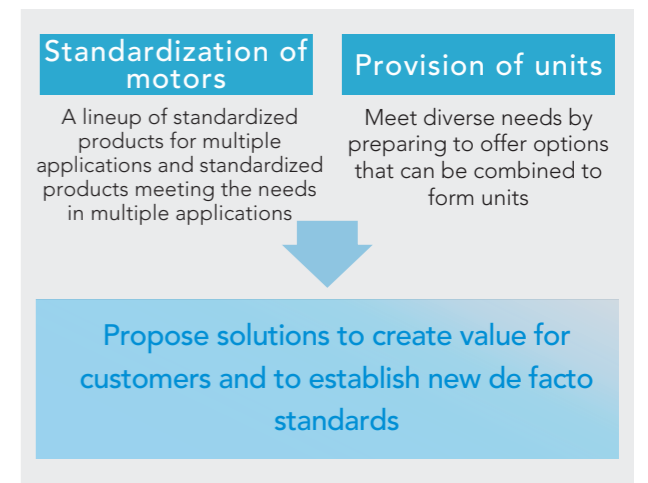


Advancing Standardization Strategy

In our Management Plan 2030, we have set out the business concept of "e-MOTO," which aims to achieve growth by providing diverse "movement" solutions that meet the needs of our customers and society, with motors at our core. Until now, we have focused on transactions involving motors alone, based on our policy of not entering into the business areas of our customers. However, recently, we have been receiving more and more requests from customers for motor-related parts as well.

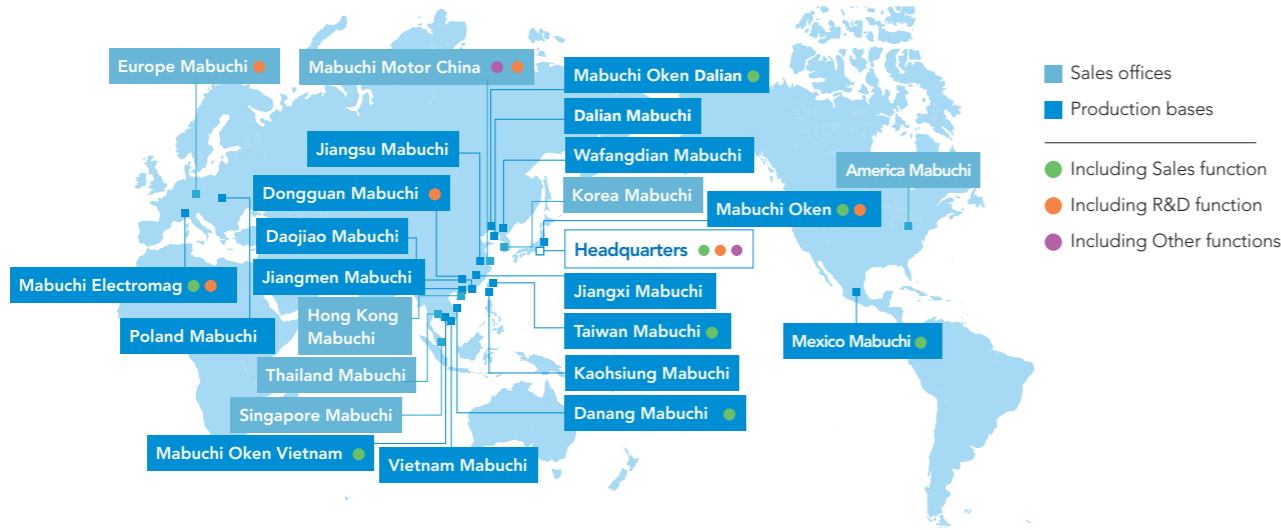
In the future, in order to provide the "movement" that our customers desire, we will be expanding the variety of motors that are the core of creating that movement.

Furthermore, by providing units that use standard motors, we will be able to create cost benefits for our customers, thereby increasing the sales of standardized motors and further strengthening our standardization strategy, which is one of our strengths.



Our Strengths ▶▶ Mabuchi Global Management System

The advantage of our global management system lies in diversity, which enables us to utilize the connections between human resources and diverse values between bases, and the Five-Region Management Structure that increases the autonomy and independence of each base and drives local production for local consumption. We will build a robust development, production, and sales system that leverages the strengths of each base, and achieve a stable supply of high-quality products at reasonable prices around the world.



Five-Region Management Structure improves the Group's overall collective strength

We have been building a Five-Region Management Structure that improves the autonomy and independence of overseas bases and promotes local production for local consumption. The idea behind this concept is that all bases, including the Headquarters, make effective use of their strengths to enhance the Mabuchi Group's overall collective strength. The establishment of production bases in Mexico in 2014 and Poland in 2017 has enabled R&D, production, and sales activities in markets around the world, and in closer proximity to customers.



Strong connections between bases and utilization of diverse human resources

The Mabuchi Group's bases are connected by strong relationship. Throughout the Group, we actively share good improvement cases and exchange opinions. This information is utilized for mutual understanding at the Group level and for quick and appropriate decision-making by management. To strengthen these peer-level connections between bases, we are promoting mutual understanding and cooperation at the Group level through the development of a job-type personnel system that serves as a basis for driving human resources exchanges between the Headquarters and other bases, encouraging secondment and business trips, and establishing various information-sharing and meeting bodies across multiple bases. We are also seeking to understand and share company policies and values through policy development measures to strengthen vertical connections within each base, and education and communication measures that transcend employee class levels.

Another our distinctive feature is the high percentage of its workforce that are non-Japanese. Of the Mabuchi Group's 23 production bases, 14 bases have non-Japanese human resources serving as their presidents (or general managers), and these personnel have become 60.9% of the group's presidents or general managers. In addition, three people, two Chinese people and one Vietnamese person, serve as executive officers of the Mabuchi Group (as of May 31, 2024).

TOPICS



Collaboration with a new Mabuchi Group company

Having joined the Mabuchi Group via M&A in March 2023, Mabuchi Oken has production bases in Japan, Vietnam and Dalian, China. We interviewed the president of Mabuchi Oken Vietnam about the changes he felt after joining the Mabuchi Group.

Technical workshop jointly held by Vietnam Mabuchi and Mabuchi Oken Vietnam



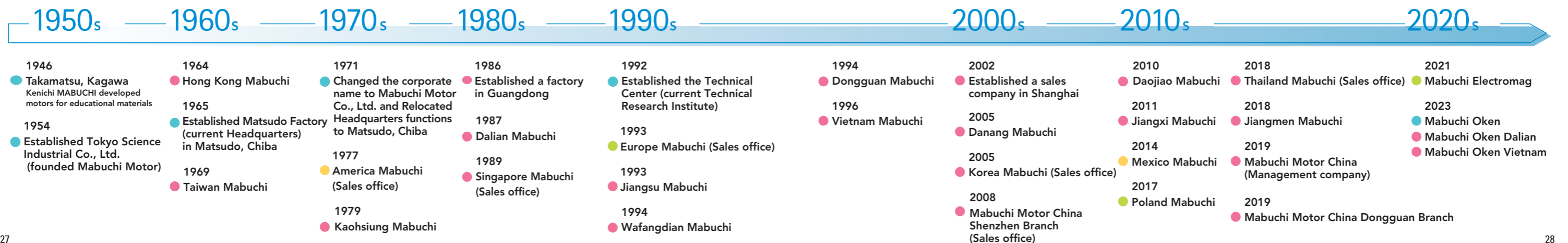
Mabuchi Oken Vietnam President
Masatsugu SHIRAI

In the past, our bases were operated in accordance with instructions from the Headquarters. Since the Mabuchi Group requires its bases to autonomously manage themselves, managers of the bases are expected to have a broader perspective. Communication with executives has become more familiar and decision making has accelerated. This also speeds up our business management. The IT tools used within the Mabuchi Group have been introduced to our worksites, greatly improving communication and cooperation within the Mabuchi Group. We also feel the effectiveness of speedy communication and a multiplier effect of cooperation among bases. Vietnam Mabuchi is geographically close to us, which makes it easy to seek advice. Both companies have been interacting with each other frequently in terms of human resource development and technologies as well.

Mabuchi Motor's employees are obviously growing more motivated to generously help other bases and revitalize the organization from within. We will also share the values under our Management Principle and will contribute as part of the Mabuchi Group.

History of Base Development

● Japan ● Asia Pacific ● Americas ● Europe



Manufactured Capital / Intellectual Capital

Manufactured Capital

Standardization of Manufacturing

Mabuchi Motor has pushed ahead with standardization in terms of manufacturing, and possess technologies and know-how that can be consistently implemented from die design to motor production. This is very positive in terms of delivering the value our customers demand and taking cost leadership. We receive a wide range of requests from customers, and deliver motors to meet this diversifying range of requests by driving the standardization of parts, production technology and equipment, incorporating technology and wisdom that enables us to meet the needs of multiple customers from the product design stage. The Mabuchi Group as a whole has a strong desire to improve, and we draw on the strengths of each of our bases and horizontally deploy good examples of improvement throughout the Group. In this way, we are further promoting standardization of manufacturing and strengthening our manufacturing capital.

Value Created by Labor-saving Equipment and Future Initiatives

We have pushed ahead with labor saving and automation, implementing space saving and creating production lines that continue to operate even when unmanned. When labor-saving equipment is introduced, the jobs of employees working at assembly sites change from assembly to the operation and maintenance of equipment, which has higher added value. We believe that this is an initiative that can build a win-win relationship between our company, which wishes to simultaneously increase the added value of workers and reduce production costs, and the local government and people who wish to increase the sophistication of their work and pay levels.

In the introduction of labor-saving equipment, the idea of standardization is also utilized in equipment design, and basic automated production lines that had been created by automating human movements one by one and connecting those processes together are being rebuilt with consideration for the overall optimality of processes on a zero basis, achieving flexible production response and space saving. By reducing the space required for production and increasing the production output of factories overall, we can lower costs, achieve high efficiency, and secure profits more easily. Future issues to be tackled include automating our inspection processes, which still depend heavily on human eyes and ears. R&D and rollout toward resolving these issues are progressing. In the future, we will utilize IT technology to further automate and improve efficiency, and achieve high level of production efficiency.



Evolution of Production and Development Systems in the e-MOTO Strategy

Managing Executive Officer,
Chief Technology Officer,
Head of Manufacturing Headquarters
Kazuaki MIYAJIMA

The global production structure of Mabuchi Motor ensures a coherent production process from component preparation to final product manufacturing. Each facility directly shares and manages objects and information. We achieve both cost competitiveness and high quality through a system that enables us to efficiently produce many different products by standardizing not only products but also manufacturing using highly versatile production equipment in manufacturing processes. Our people possess diverse skills and a broad range of knowledge. They are experts in their respective fields as well as in all of the functions of our Group, including product design, process design, mold design, automated machine design, and conservation of resources. This enables us to achieve continued improvement following product and component processing and manufacturing and the start of mass production. We have achieved a competitive

advantage due to our ability to flexibly respond to situations based on this foundation.

We have accelerated the development of brushless motors to provide optimal solutions that meet the true needs of the market, mainly in the 3 M fields. Moreover, guided by the e-MOTO concept, we will realize movement that our customers want by providing highly efficient rational actuators, including simplifying motor control, supply chains and structures, going beyond just motors alone. Pursuing the rationality of an actuator as a whole increases the utilization of standardized motors and also reduces the number of components. With a department specialized in control, we can improve our ability to develop software that is the core of motor control to enhance solutions for customers and markets.

It is generally believed that technologies for brush motors have already matured and there is limited room for improvement. However, we will continue to pursue the potential of brush motors and devote ourselves to developing technologies that meet market needs for brush motors, for example, by leveraging our reasonably priced quality DC brush motors for applications in which brushless motors are generally used. To enhance systems and structures, we will enhance the Group's comprehensive technological strengths by transferring functions to overseas engineers and using open innovation involving industry and academia, which has been reinforced in the last several years.

Intellectual Capital

Mabuchi's Proprietary Core Technologies

Mabuchi Motor has core technologies with many advantages, including magnetic circuit technologies, brush / commutator contacts technologies and brushless motor control circuit technologies.

Magnetic circuit technology

In particular, there are many ingenious ideas in magnetic circuit technologies. The problem of how to control the flow of magnetic force and switch it using copper wires, iron cores, and magnets is a simple one, but the deeper we dig the more discoveries we will make. Tackling this issue head-on has enabled us to accumulate various knowledge. Even with the same magnet, it is possible to create motors with different characteristics by arranging them in different ways, at different angles, and through circuit control. This magnetic circuit technology can be used not only for brush motors but also for brushless motors.

Brushless Motor Control Circuit Technology

Brushless motors do not have physical contacts, as is the case with brush-type motors, and control circuits are therefore required. We can still maximize product value for our customers by not only providing optimal control for each motor, but also enabling detailed control according to the application of use.

Brush / Commutator contact technology

For the contact between the brush and the commutator, we apply technologies that suppress the amount of sparks generated at the time of switching as much as possible and prevent parts from wearing out. This helps to increase durability, lower electrical noise, and create motors with longer service life. When EVs become more mainstream in the future, the voltage applied to motors may increase, from 12V to 48V. We can meet this challenge through the accumulation of core technologies such as these.

Gear Technology

Gear design technology is another of our strengths. We are able to maintain the same level of durability even if metal gears are replaced with other materials such as plastic, and achieve lighter weight, lower cost, quieter operation and higher efficiency.

Global R&D Activities

We engage in research and development activities not only in Japan but also in China and Europe. As a result of these activities, we are securing a competitive advantage by actively acquiring and protecting intellectual property rights from a comprehensive perspective, and linking this to increases in sales and new applications for our products. In addition, we made the procedures for acquiring intellectual property rights quick and more efficient by changing the route for applying for patents to an international one in 2022 and obtaining public opinions about the possibility of establishing rights at an early stage.

As of December 2023, the total number of industrial property rights owned by Mabuchi Motor is 793 (143 instances in Japan, 650 instances overseas), while the number of new applications is 69, including Japan and overseas. More of the patents that have been obtained recently have dealt with unit or position control in accordance with our growth strategy.

Efforts to enhance intellectual capital for providing "movement" solutions

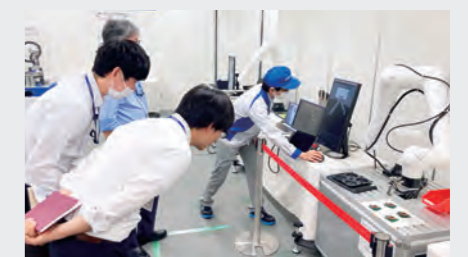
Our motors integrate all of the wide-ranging technical capabilities we have developed over the course of many years, from basic research to product development and improvement, product design, development testing, and the development of production and motor application technologies. Our motors themselves are a mass of know-how and our intellectual capital. To enhance this, we are consciously conducting technical exchanges with external parties in order to follow the rate of acceleration of technological progress in society, in addition to the core technologies cultivated through our own wisdom and ingenuity. We sometimes receive proposals from materials and equipment suppliers, etc., and we are also involved in industry-academia cooperative research.

Today, improvements in simulation technology have accelerated the pace of research and development. Also, collaboration with external parties has accelerated the resolution of technological issues. With regard to internalized manufacturing and selection of outsourcing partners, we aim to achieve efficiency by balancing concentration and selection from the viewpoints of technical value and competitive advantage.

TOPICS

The Company's Exhibition of Technologies and Products under Development

As many of our departments are carrying out research and development activities, we held a company exhibition in October 2023 so that our employees can report and share their results or the progress of their activities. At the venue of the exhibition, employees presented new proposals and perspectives. The exhibition was a useful initiative, serving as an opportunity for employees to interact aiding their future research and development activities and increasing their awareness of our technologies through these interactions.



Human Capital

Approach to Human Capital

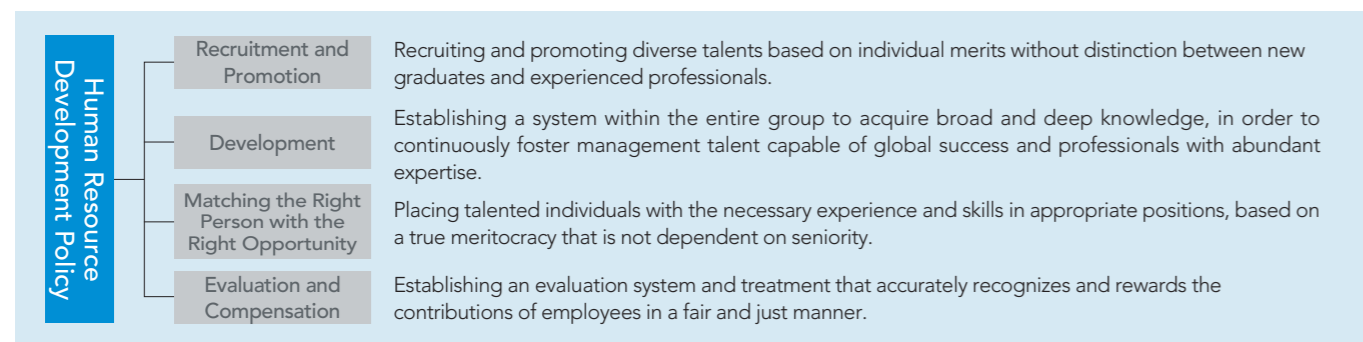
It goes without saying that the most important factor for a company to achieve sustainable growth in the global socioeconomic environment, which is changing drastically on a daily basis, is "people".

In our Management Markers, which indicate how we should realize our Management Principle of "Contributing to International Society and Continuously Increasing Our Contribution", we have defined "by placing highest value on our people, we empower and encourage them to realize their potential and contribute to society". We believe that the most important driving force for us to continue contributing to the international society through our business activities is for our employees to demonstrate their individual abilities and thoughts in their respective jobs.

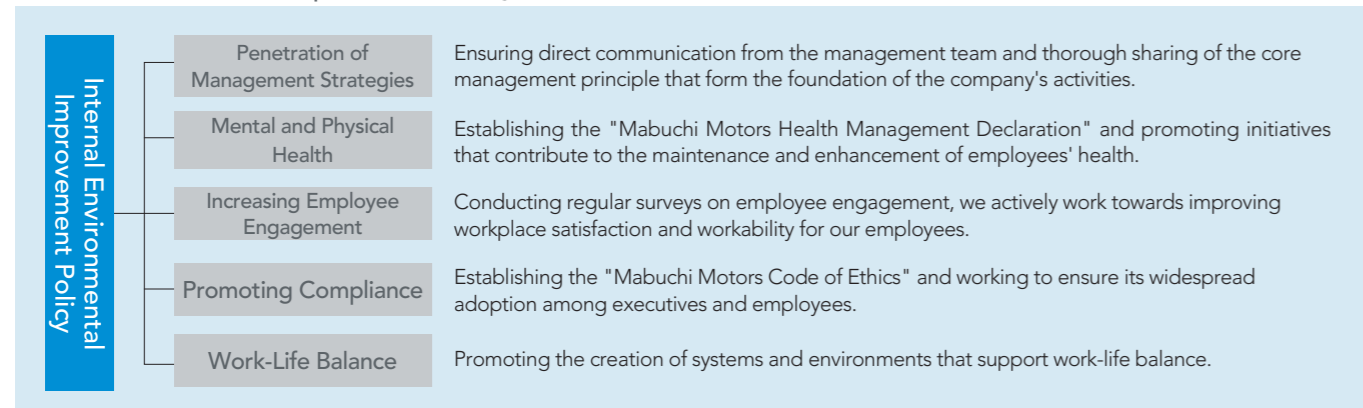
To this end, we will promote the creation of an organization in which each and every employee can play an active role while developing their own strengths and demonstrating individuality, thereby realizing our Management Principle and "continuing and expanding our contribution to the happiness of all stakeholders" as stated in our Long-term Management Policy.



Human Resource Development Policy



Internal Environmental Improvement Policy

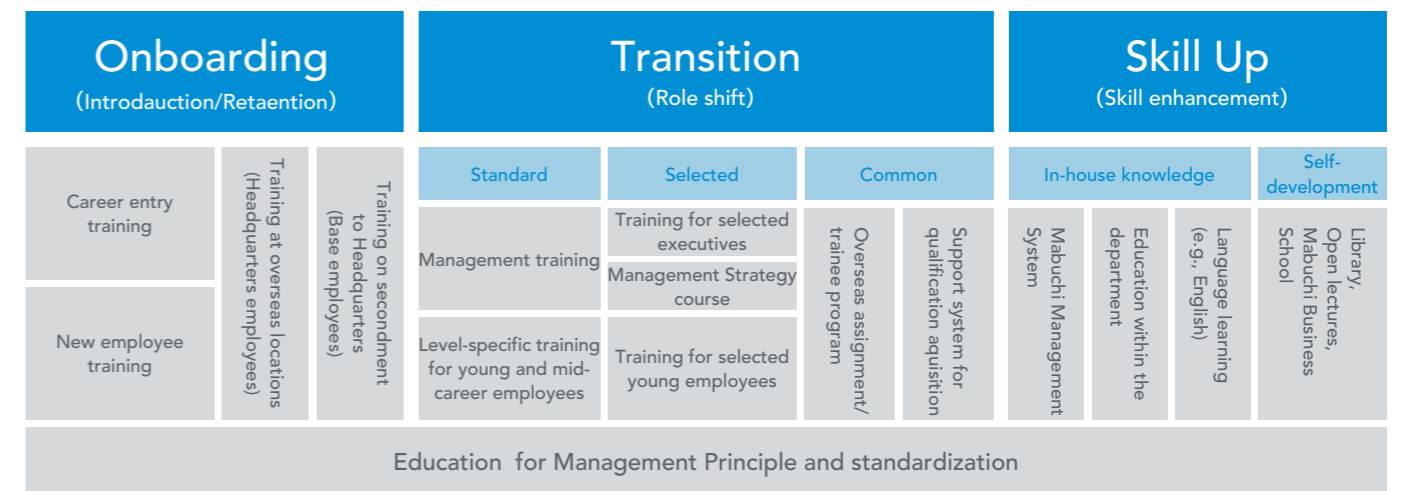


Global Talent Development Program

In our Mabuchi Global Management System, which emphasizes the robust interconnections between the bases and leverages diverse human resources, it is crucial to have an education system in place that promotes the development of local talent and facilitates the departments and bases mutual understanding of their respective responsibilities. We implement a job rotation system and conduct a global executive candidate training program to continuously cultivate management talent capable of playing an active role globally, including employees at our overseas bases.

The Mabuchi Learning Institute (MLI), which is the organization in charge of education, is the driving force behind the training based on our unique education system. We have established a system that enables the entire Mabuchi Group to obtain broad and deep knowledge by fostering a learning organizational culture and quickly developing specialists through the improvement of expertise and technology levels by utilizing a global education environment that utilizes online learning by MLI.

Education and Training System



● New employee training

Beginning with an awareness shift from student to working adult, participants gain an overview of Management Principle, organization, work, and rules, as well as basic knowledge about motors and their production. The program also includes training at overseas factories, where students experience actual production sites and enter specialized fields such as production systems and equipment.

● In-house Internship Program (Engineer)

This is a system for new hires in the technical field to experience the duties of multiple departments in the form of an in-house internship before being officially assigned to a department. This program is useful not only as an opportunity to learn technology, but also to build a network of contacts within the company.

● Education within the department

In addition to developing an educational curriculum necessary for each department to acquire specialized skills, we regularly evaluate and visualize the specialized skills possessed by employees, and implement the education necessary for career advancement based on an annual education plan, thereby realizing systematic and planned acquisition of specialized skills.

● Level-specific training for young and mid-career employees

This program is designed for participants to reconfirm their approach to work at a time when their professional skills have improved, and to gain new insights and recognize their own challenges.

● Management training

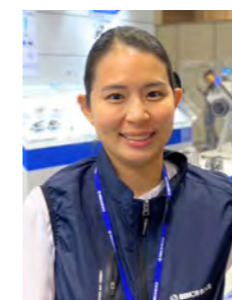
In order to pass on our Management Markers of "By placing highest value on our people, we empower and encourage them to realize their potential and contribute to society." as our DNA, we deeply discuss and put into practice the concept of subordinate development that all of our managers should share and cherish.

● Management Strategy course

We invite university professors as lecturers to hold in-house courses to help top management understand values and management principles and strengthen basic knowledge about management. We nurture future management leaders who can independently identify issues, find solutions to issues, and move people and organizations to solve problems.

Human Resources Exchanges That Support the Mabuchi Global Management System

To enable young employees to learn to work efficiently at sites, we have a trainee system. Employees work overseas as trainees for six months to a year to experience how overseas sites carry out business. There is also a trainee system for overseas base employees that allows them to work at the Headquarters. We interviewed an employee of Thailand Mabuchi who came to Japan to work at Headquarters from April to October 2023.



From Thailand Mabuchi to the Headquarters

Since joining Thailand Mabuchi in 2019, I have worked in the sales department. I have accumulated multifaceted experience including management skills to energize the base as well as sales and marketing skills. While participating in the trainee system, I was engaged in customer support for automotive products from April to October 2023. Having worked at Headquarters, I was deeply inspired by our management plan/strategy and administrative systems, understood the perspective of the staff at Headquarters and their workstyles, and achieved a good balance between the perspectives of sales base and Headquarters. I realized that the global personnel exchange including the trainee system resulted in a sense of unity and shared values across the facilities in the Group.

Human Capital

Creating an organization that makes the most of diverse human resources

Diversity and Inclusion



The goal of our diversity and inclusion initiatives is to ensure that all of our employees, regardless of nationality, age, gender or other factors, have a global mindset and leverage their individuality to generate new value. Since our first overseas expansion in 1964, our long history of doing business globally has meant that our approach to employment has always been flexible, fair, and equitable. In recent years, we have placed even greater emphasis on this stance, proactively recruiting and promoting individuals who share our Management Principle, regardless of age, gender or nationality. By encouraging diverse talent to compete and collaborate, we aim to stimulate the creation of new value. Furthermore, we take a proactive approach to the creation of a workplace that respects diverse work styles, enabling each individual to achieve self-actualization, personal growth and fulfillment. We will continue to aim to build a truly global professional environment, where Mabuchi Group employees can further their careers without being constrained by geographic boundaries.

Systems Supporting Diverse Work Styles

At Mabuchi Motor, we offer a range of options for work styles, encouraging our employees to choose the one that suits them best. By doing this, we aim to improve overall productivity and create added value throughout the company. We ensure that our policies and work environments accommodate diverse lifestyles and support our employees' balancing of work and their personal lives.

- Parental leave (until the child is 3years old) / Nursing leave (365 days)
- Support for professional development during nursing leave and parental leave
- Spouse leave for childbirth (5 days of special leaves)
- Short working hours and exemption from overtime work for parental and nursing leave
- Flextime System (without core time) and Discretionary Labor System introduced
- Promote remote work



Systems to Support the Success of Diverse Human Resources

In order to make the most of the abilities of our diverse human resources, we support the self-realization and personal growth of our employees and promote the creation of a workplace where each employee can develop his or her own strengths and demonstrate his or her individuality.

- **Transfer request system**
The goal of this system is to confirm the intention of employees to ensure the right employee is given the right job. Using the system, employees can voice their opinions about their career development independently at any time, including requesting to be transferred to another department.
- **Multilayer personnel system**
In order to create an environment in which employees can develop their careers according to their aptitudes and desires, we have a system in which careers are divided into managerial and professional positions at the upper levels of qualification grades.
- **Side job licensing system**
If you meet the prescribed conditions, you are allowed to work a second job. Side hustles provide opportunities to gain a wide range of skills and experience and broaden one's horizons.
- **Correspondence courses**
A selective correspondence course system is in place, and the company will subsidize the course fee if certain criteria are met.
- **Support for English language learning**
We try to create the culture that encourages employees to learn foreign languages including English so that they can contribute to the international community. Specifically, we provide them with English learning tools and hold TOEIC tests internally twice a year so that they can check their English proficiency.
- **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.

Fair and Equitable Evaluation System

The basic philosophy of our human resources system is fairness and equity. Regardless of length of service with the company, age, gender or nationality, we aim to promote and appoint employees based on their abilities and the expertise that is required for their roles and responsibilities. This is based on the principle of matching the right person with the right opportunity. We ensure fair and equitable evaluations and rewards according to the employee's role, performance and duties.

Specifically, the system clarifies roles and responsibilities in their job description for determining compensation. It was first introduced for people in managerial positions in 2020, and general employees were included in 2024.

We have also put in place a number of other systems to properly identify the contributions of each individual employee across the company's many different job roles. These systems are more than just management tools, serving to underpin talent development.

- **Job-type personnel system (for managerial positions)**

The job grades (JGs) of managerial and specialist positions are decided according to the scale of roles and duties, and remuneration is decided according to the JG and the result achieved, without depending on individual elements such as age or length of service.

- **Job-type personnel system (for general jobs)**

Based on the job-type personnel system for managerial positions, the system values personnel development over a certain period of time after joining the Company, considering differences between managerial and general positions. The goal of the system is to more closely connect roles and remuneration as employees accumulate experience and are assigned to higher positions.

- **Trust-type stock issuance plan for management-level employees**

In addition to regular salaries and bonuses, we have introduced an incentive program for management-level employees that allows them to receive shares in the Company as compensation. The value of the shares received increases as the stock price rises, allowing employees to work with a high level of motivation to contribute, and the Company and employees work together to increase the value of the Company.

- **Point-based retirement benefit system**

Retirement points are awarded annually based on roles and evaluations. Annual contributions and results are directly reflected in retirement benefits.

Improving Employee Engagement

Improving employee engagement is vital in the sustainable growth of corporations. We implement employee engagement surveys regularly. The results of the surveys are reported to the Board of Directors and the Executive Committee, and we analyze the results of the surveys and identify issues. We are also working on developing human resources strategies that reflect our analysis of the survey data (the strengths and challenges identified by the surveys).

The survey in July 2023 collected responses from about 95% of the employees. It revealed that while employees were highly satisfied with the discretion they were allowed and with their pay, we recognized that there was still room for improvement in the items related to validity of employee commendations. Based on the results, we reviewed the system for employee commendation that is conducted every January. We revised the system to select winners based on more objective criteria to increase the validity of employee commendations. Additionally, we informed all employees that the company would appreciate initiatives in addition to achievements to reform employee awareness.

We will continue to conduct surveys on an ongoing basis to understand and analyze employee engagement and strengthen our efforts to improve employee job satisfaction and work-life balance.

Employees opinions about Mabuchi-ness and its positive qualities

Celebrating the 70th anniversary of the founding of Mabuchi Motor in January 2024, we conducted a questionnaire to ask employees about Mabuchi-ness and Mabuchi's positive qualities. We received positive feedback from many respondents who said that the beauty of Mabuchi was its comprehensive development capabilities in the process from the creation of a standardization strategy and molds to products. They said that many of the staff members were sincere, kind, and honest. They also said the power of unity and the potential of employees in a critical moment and the peaceful atmosphere where employees can easily share opinions and propose ideas were a part of the beauty of Mabuchi. The survey results were shared internally through the in-house newsletter, helping us again recognize our strengths and Mabuchi-ness as we reach our milestone 70th anniversary.



Initiatives towards Key Sustainability Issues

Initiatives towards Sustainable Society

Mabuchi Motor's Management Principle, "Contributing to International Society and Continuously Increasing Our Contribution," expresses our desire to increase our contribution to society and continue to be an indispensable company for the world. We aim for all employees to "participate in social contribution through their work as a member of the company" and "achieve personal growth by caring not only for people but also for nature, the environment, and all other things, and by attaining fullness of mind that is not limited to material wealth alone."

In addition, we regard the SDGs as goals that enable us to grow economically while taking care of people. To achieve these goals, we will continue our proactive environmental and social initiatives for each of them.

Sustainability Policy

To realize our Management Principle of "Contributing to International Society and Continuously Increasing Our Contribution", we will follow our Management Markers and achieve sustainable enhancement of corporate value through resolution of the issues facing society

- We will pursue the full range of possibilities of small DC motors to help resolve issues confronting global society.
- Through all of our business activities, we will show respect not only for people but also for nature, the environment and all other things and fulfil our social responsibilities.
- To realize stable growth in the long term, we will maintain proper governance, quickly identifying risks and taking steps to eliminate or minimize these.
- We will build strong and lasting relationships of trust with all our stakeholders and contribute to our stakeholders in a sustainable manner.

System for Sustainability Promotion

As an organization directly under the Board of Directors, the Sustainability Committee is responsible for the cross-sectional examination and discussion of sustainability issues and the formulation of specific measures. It is chaired by the president and consists of executive officers and head of business units and the headquarters. A system is in place to ensure that the oversight provided and decisions made by the Board of Directors are appropriately integrated throughout the company by reporting the results of the Committee's deliberations to the Board of Directors.

Since its establishment in July 2020, the Committee has set specific key issues and targets for solving social issues in accordance with the Management Markers, completed signing the UN Global Compact, expressed its endorsement of the TCFD (Task Force on Climate-related Financial Disclosure) as a climate change-related initiative, and discussed specific measures to address these issues.



Sustainability Targets

From 2021 to 2023, we set our unique material issues in line with the Management Markers, and established KPIs as our mid-term sustainability targets. Currently, we have established four new materialities and eight corresponding sustainability indicators, and are promoting sustainability initiatives for the period from 2024 to 2030.

	Materiality	Sustainability Indicators
	<p>Corporate activities without sacrificing the environment</p>	<p>① CO₂ emission reduction rate (Scope 1 and 2)</p> <p>② Net sales growth rate of sustainable products and sustainable products premium</p>
	<p>Manufacturing for the realization of an affluent society and pleasant lifestyles</p>	<p>③ Net sales growth rate of products that contribute to SDGs</p>
	<p>Realization of an environment in which everyone can play an active part</p>	<p>④ Percentage of women with managerial roles</p> <p>⑤ Number of employees with global work experience</p> <p>⑥ Number of participants in craft classes and delivery classes for children</p>
	<p>Fulfilling social responsibility</p>	<p>⑦ Frequency of occupational injuries</p> <p>⑧ Number of serious human rights risks</p>

Material issues	Contents initiatives	KPI	2024 goals	2030 goals
Corporate activities without sacrificing the environment	Reduction of environmental impact in all activities within the Group including development, procurement and production	① CO ₂ emission reduction rate from 2018 level (Scope 1 and Scope 2)	▲3%	▲30%
	Development and sales expansion of products that deliver compactness, weight reduction and energy savings	② Net sales growth rate for sustainable products and sustainable products premium (from 2023 level)	+20%	+70%
Manufacturing for the realization of an affluent society and pleasant lifestyles	Sales expansion of "products for health equipment and medical device applications" and "motors that contribute to improvement of safety of automobiles (seat-belt pretensioner, electric parking brake, optical axis adjustment, haptic technology, etc.) and improvement of environmental performance (valve actuator, grill shutter)	③ Net sales growth rate for applications that contribute to SDGs (from 2023 level)	+5%	+70%
	Development and appointment of female executives and managers at sites in Japan and all over the world	④ Percentage of women with managerial roles	17%	20%
	Promotion of work overseas (secondment of employees from their own sites to sites in other countries and dispatch of trainees)	⑤ Number of employees with global work experience	457 (cumulative)	620 (cumulative)
Realization of an environment in which everyone can play an active part	Providing opportunities to deepen interest in science to children who are the next generation	⑥ Number of participants in craft classes, delivery classes and others for children	700	5,000 (cumulative from 2024)
	Measures to prevent industrial accidents, development of office and factory work environments, promotion of work-life balance	⑦ Frequency of occupational injuries (number of industrial injuries per million cumulative actual working hours)	0.14 or less	0.12 or less
Fulfilling social responsibility	Continued implementation of due diligence process and stepping-up of initiatives to encourage respect for human rights in all supply chains	⑧ Number of serious human rights risks	0	0

Initiatives towards Climate Change

Support for the TCFD

Mabuchi Motor has expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosure ("TCFD"). Based on the TCFD recommendations, we will analyze the risks and opportunities that climate poses to our business, and by proactively disclosing information, we will build strong and long-term relationships of trust with all of our stakeholders and contribute to the realization of the sustainable society.

Governance

We recognize climate change and other environmental issues as one of our key management challenges. Basic policies on climate change issues and the environment as a whole are among the matters of major importance discussed and resolved by the Board of Directors. The Sustainability Committee, chaired by the President, promotes activities to address climate change and reduce environmental impact more broadly, clarifying the issues and goals and monitoring the impact of the activities on those goals. The Sustainability Committee comprises representatives from each relevant business unit and meets at least twice a year (five meetings took place in 2023) to investigate and discuss company-wide sustainability issues, including identification and assessment of risks and planning of countermeasures. A system is in place to ensure that the oversight provided and decisions made by the Board of Directors are appropriately integrated throughout the company by reporting the results of the Committee's deliberations to the Board of Directors.

Strategy

In order to identify risks and opportunities presented by climate change, we hypothesized a future world scenario by drawing on scenarios published by international organizations covering the entire value chain of our Group, across development, procurement, production, and supply of products and services, and examined the impact on the Group at two points in time: 2030 and 2050.

In terms of the financial impact on business based on the scenarios established, we examined mathematical models to calculate the impact on items that could be calculated, estimating the impact on income and expenditures in 2030 and 2050 for each item. In addition, the magnitude of the impact at a future point in time was considered by evaluating qualitatively the risks and opportunities that are difficult to assess quantitatively.

1.5°C scenario	4°C scenario
A scenario in which the global average temperature rise is limited to around 1.5°C by transitioning to a low-carbon global economy with the goal of achieving carbon neutrality by 2050. The rise in temperature is limited by developing low-carbon technologies to curb greenhouse gas emissions and enforcing strict laws and regulations, and taxation systems, to achieve carbon neutrality. Although the increasing frequency and scale of extreme weather events and other physical risks will be contained under this scenario, transition risks will increase with the change in social structure in the move toward decarbonization.	A scenario in which the earth's average temperature rises by 4°C or more by the end of this century compared to the earth's average temperature around the time of the Industrial Revolution, with initiatives to combat climate change remaining at their current level. While the direct physical risks posed by ever more extreme weather events such as windstorms, floods, and rising sea levels will increase, the impact of transition risks will be smaller, since this future world scenario does not envisage increased pressure on markets in the form of legal restrictions and taxation.
Reference: Intergovernmental Panel on Climate Change (IPCC) RCP8.5 / RCP2.6 International Energy Agency (IEA) STEPS/SDS/NZE2050	

Under the 1.5°C scenario, although costs are expected to increase due to carbon pricing and higher energy prices, the automotive industry in particular and other industries more widely are expected to take more active steps toward carbon neutrality. Demand for electrification will grow, and we expect this growth to benefit the demand for the motors offered by our company. Under the 4°C scenario, the risk of greatest concern is increased losses due to direct damage from meteorological disasters and associated stoppages.

These analyses will provide the basis for specific measures that each business will consider and formulate to prepare for all possibilities in an uncertain future world. Going forward, we will conduct periodic analyses in light of various trends to review our evaluations and enhance both the quality and quantity of information disclosure.

Please refer to P.39-P.42 for specific details of measures already in progress.

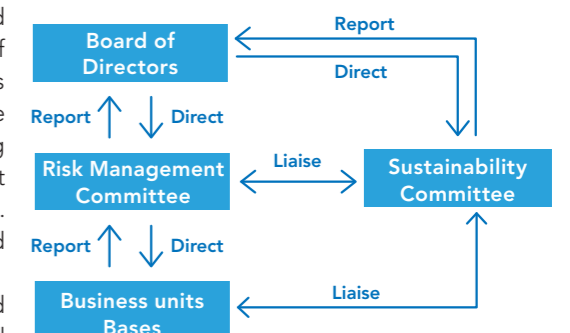
	Risks and opportunities	Possible factors	Possible events	Financial impact assessment		Measures being implemented / measures to be considered
				2030	2050	
1.5°C scenario	Opportunities	Advancement of energy-saving and low-carbon technologies	<ul style="list-style-type: none"> Increased order opportunities due to the transformation of demand for EVs and other motor vehicles Increased demand for motors due to the electrification of various industrial machinery 	Large	Large	<ul style="list-style-type: none"> Promote energy efficient production processes Create more compact and light weight motors Environmentally friendly product design
	Risks	Impact on raw material prices	<ul style="list-style-type: none"> Impact on purchase costs due to raw material price increases or decreases caused by the addition of a carbon price to the product purchase price or changes in the supply-demand balance 	Large	Large	<ul style="list-style-type: none"> Promote green procurement Promote resources recycling
	Risks	Carbon pricing	<ul style="list-style-type: none"> Increased costs due to new systems and regulations, such as the introduction of a carbon tax and emissions trading 	Medium	Medium	<ul style="list-style-type: none"> Set and promote CO₂ emission reduction targets Use renewable energy
4°C scenario	Risks	Impact on raw material prices	<ul style="list-style-type: none"> Increased value of damage and losses following damage to facilities and fixtures and shutdown of operations as a result of meteorological disasters Fragmented supply chain and its impact on business continuity 	Medium	Large	<ul style="list-style-type: none"> Formulate and strengthen BCP Conduct emergency response drills
	Risks	Increasingly severe abnormal weather events	<ul style="list-style-type: none"> Instability in raw material procurement due to acute and chronic impact of climate change 	Medium	Large	<ul style="list-style-type: none"> Consider and implement alternative and distributed procurement Promote appropriate inventory control and risk management
	Risks	Rise in average temperatures	<ul style="list-style-type: none"> Increased operating costs, including higher air conditioning costs due to higher average temperatures 	Medium	Medium	<ul style="list-style-type: none"> Promote energy conservation Establish an environmental education system

Financial impact: Large: more than 1 billion yen; Medium: 100 million yen to less than 1 billion yen; Small: less than 100 million yen

Risk management

The Sustainability Committee identifies and assesses climate change risks and formulates countermeasures, which are reported to the Board of Directors and coordinated with the Risk Management Committee and the departments in charge. The Risk Management Committee, as part of the Group-wide risk management and assessment process, classifies risks that have a significant impact on management, including climate change risk, into two main categories: management issues faced when executing strategies in diverse business environments (strategic risks) and risks that may occur in the course of business operations (business operation risks). The risks are then evaluated based on the Group's definitions and reported to the Board of Directors.

A business unit in charge is assigned for each risk identified and assessed through these processes, and the business unit in charge formulates and manages countermeasures and action plans. Each business unit in charge reports the management implementation status and results to the Risk Management Committee, which then reassesses and corrects the risks.



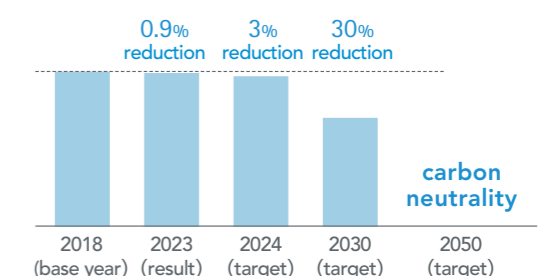
Metrics and targets

In order to address climate change, which is an urgent issue for the international community, in addition to the mid-term goal of "reducing CO₂ emissions by 30% from the 2018 level by 2030," we have decided to promote activities to achieve carbon neutrality by 2050.

To this end, we are promoting measures to reduce CO₂ emissions, including the installation of solar power generation systems, the adoption of systems that recover and reuse waste heat, the use of renewable energy sources, and the use of energy-efficient production facilities.

For actual data on CO₂ emissions, please refer to ESG data (P.63 to P.64).

CO₂ emissions targets and results (Scope 1,2)



Initiatives towards Environment

Mabuchi Motor has established the "Mabuchi Group Environmental Policy" and is committed not only to producing environmentally friendly products but also to reducing environmental impact throughout the entire supply chain, from development and design to production processes and distribution, so that our corporate activities do not sacrifice the global environment and people's health.

Mabuchi Group Environmental Policy

We aim for the sustainable society by carrying out our corporate activities without sacrificing global environment and human health, and by striving for continual improvement through our environmental management system.

1. While complying with environmental related laws and regulations and other requirements, we make diligent efforts to prevent and control pollution, always recognize the impact of our business activities on the environment and control the impact based on our own standards.
2. In order to realize the more sustainable society and reduce the environmental burdens associated with our business activities, we focus on the following:
 - i. As a response to climate changes, we actively work on energy saving, renewable energy use, resource saving, recycling, and waste reduction, in order to reduce CO₂ emission toward carbon neutrality and make effective use of limited resources.
 - ii. 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.
 - iii. We perform "green procurement" activity using environmentally-friendly parts and materials.
 - iv. We contribute to reducing the environmental impact on whole society promoting development and sale of environmentally friendly products.
 - v. Responding to the conservation of biodiversity as an important corporate objective, we promote initiatives considering the ecosystem.
3. We actively conduct environment-related educational activities to raise the environmental awareness of each and every employee.
4. This environmental policy will be shared with all employees and announced outside parties.

Representative Director and President
Tohru TAKAHASHI

Established on: September 27, 1998 / Revised on: March 28, 2024

Environment Management System

We consider harmony with the global environment and its preservation to be important themes, and have established an environmental management system that complies with ISO 14001 international standards, and are continuously working on environmental activities.

Environmental Organization of the Mabuchi Group

Whole Mabuchi Group is supervised by President of Headquarters, and the environmental management system of entire Mabuchi Group is supervised by Head of Quality Assurance Headquarters as Environmental Management Representative.

The Environmental Management Committee is established at the Headquarters. 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 under the Environmental Management Committee. That task force proposes measures in each specialized area and promotes environmental preservation activities.

Environmental management organization chart is here. <https://www.mabuchi-motor.com/csr/environment/organization.html>

Compliance with various laws and regulations

We are taking measures to add regulated substances, change prohibited ranks, etc., according to the European RoHS Directive, the European ELV Directive, restricted substances and SVHC (substances of very high concern) of the European REACH Regulation, Class I Specified Chemical Substances under the Japanese Chemical Substances Control Law*, GADSL (voluntary standards of the automobile industry), other regulations, customer requests, Mabuchi Group voluntary standards, etc. We are responding to such requests with an eye to the future.

Thanks to our daily communication with suppliers and our proactive efforts in auditing the use and storage of environmentally hazardous substances, we have not experienced a single environmental accident since the enforcement of the European RoHS Directive in 2006. We will continue to promote green procurement activities together with our customers and suppliers.

* Chemical Substances Control Law: Law concerning examination of chemical substances and regulation of manufacturing, etc.

Initiatives towards Climate Change

The Company is promoting activities to achieve carbon neutrality by 2050 to address climate change, an urgent issue facing the international society. In May 2023, we joined the GX League* and accelerated initiatives for the reduction of GHG emissions.

Further, we have established the mid-term target of reducing CO₂ emissions 30% by 2030, compared to the level in 2018. To this end, we have been promoting initiatives to reduce CO₂ emissions, including the use of renewable energy sources and the saving of electricity at production facilities. These involve, for example, the installation of solar power generation systems and the introduction of systems for recovering and reusing waste heat. We will steadily push forward with these initiatives toward the realization of a decarbonized society.

*GX League: The Ministry of Economy, Trade and Industry established the league to be a forum for companies actively working on GX (green transformation) to collaborate with other companies and government and educational institutions engaging in similar efforts and engage in practical discussion to change the overall economic and social system and create new markets with a view toward social change and the realization of carbon neutrality by 2050.

Introducing renewable energy

The Company works to reduce CO₂ emissions by using more renewable energy. The photovoltaic power generation systems installed at our headquarters in Japan as well as at Dongguan Mabuchi and Daojiao Mabuchi in China and Danang Mabuchi in Vietnam generated nearly 3.65 million kWh of electric power in 2023 and the power was used at the respective facilities. Moreover, use of plans for electric power generated from renewable energy have ensured that our real domestic energy use has been 100% renewable energy* since April 2024. We will continue to systematically introduce renewable energy.

*Real renewable energy: Purchasing FIT non-fossil certificates and use of solar power from our rooftops



The solar power generation system installed at the Headquarters

Effective Use of Resources

Initiatives to reduce waste output

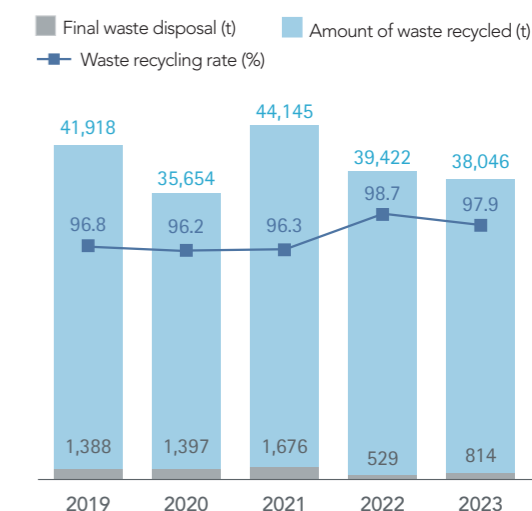
We set the target of recycling 95% or higher of the waste we generate, aiming to establish a recycling-oriented society where waste is collected and recycled as resources and the amount of waste disposed in landfills is minimized. To establish a recycling-oriented society, it is necessary to reuse waste as resources in addition to reducing waste. In addition to our current recycling rate, we started compiling our recycling rate when not including thermal recycling in 2023, and in order to improve that recycling rate, the Headquarters are working to reduce combustible materials as an environmental management system goal. The efforts to reduce and recycle waste will continue throughout the Mabuchi Group.

Waste reduction indicators and initiatives for 2023

Target — Waste recycling ratio **95.0 % or higher**

Results — Waste recycling ratio **97.9 % (achieved)**

Waste output



Initiative to Effectively Utilize Water Resources

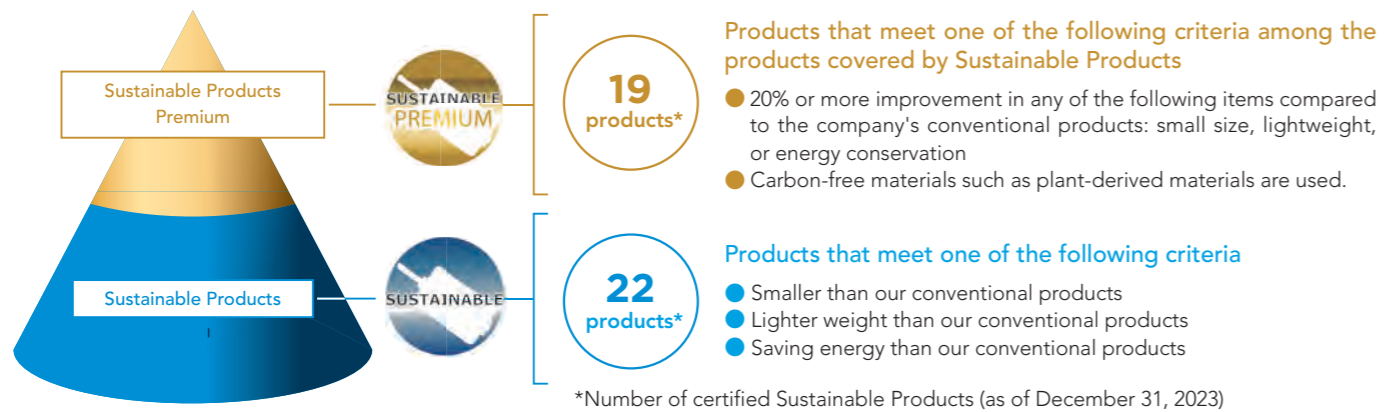
In order to conserve water resources, we actively use rainwater. The Headquarters have been using rainwater since 1991, and various Group locations are also actively using rainwater. Moreover, Jiangsu Mabuchi and other Group locations have built wastewater treatment facilities at our factories, reusing some of the treated water for watering plants and toilets. We will continue to monitor the impact of our business on water and strive to protect water resources.

Initiatives towards Environment

Creation of Environmentally Friendly Products

We contribute to reducing the environmental impact of society as a whole by standardizing small, lightweight, and highly efficient motors and achieving lean production and sales, thereby making our customers' products smaller, lighter, and more energy-efficient. In June 2022, we introduced a system to certify our products with outstanding environmental contributions as "Sustainable Products" and "Sustainable Products Premium".

By promoting the development and sale of environmentally friendly products, we will contribute to reducing the environmental impact of society as a whole. The direction of the environmental performance to be aimed for is set from the product planning stage, and the environmental performance is verified at each stage of development, design, and commercialization.



Production in Consideration of the Environment

We are working in various ways to reduce environmental impact not only with respect to the motor parts themselves, but also for chemicals used in production, power used to drive production equipment and machinery, and the working environments of our employees.

Introducing internal carbon pricing (ICP)

ICP is designed to create economic incentives to reduce emissions and internally encourage action against climate change by setting internal carbon prices and converting CO₂* emissions into a cost. In making plans for investing in equipment that emits CO₂, we apply internal carbon pricing and convert these emissions into a virtual cost. We consider this as one of the factors in equipment selection and investment decisions.

ICP at Mabuchi Motor

- Internal carbon price: 11,000 yen/t-CO₂*
- *Internal exchange rates are used for conversions at overseas bases. We will review the price as appropriate in consideration of the fluctuation of emission credit prices, etc.
- Scope of the program: Investments in facilities that emit CO₂
- Application method: CO₂ emissions are converted into a cost by applying an internal carbon price, and considered as one of the factors in the selection of equipment and the making of investment decisions.

Promoting green procurement

In procurement activities today, engaging in your company's environmental conservation activities is not sufficient for the development of products with low environmental impact during the product lifecycle from the collection of raw material resources to the manufacturing, processing, logistics, sale, consumption, use, disposal and recycling of the product.

Therefore we evaluate suppliers' environmental initiatives and cooperate with the suppliers in the reduction of environmental impact and the avoiding of environmental risks. We ask our suppliers to implement green procurement activities and fill in and submit an environmental activity survey sheet and documents guaranteeing that their raw materials and parts do not contain environmentally banned substances. We also actively conduct environmental audits to check suppliers' use and storage of environmentally hazardous substances.

In addition, all materials used by the Mabuchi Group are regularly analyzed and surveyed to ensure that they do not contain environmentally banned substances.

Initiatives to Preserve Biodiversity

Environmental symbiosis in the community

A "bio-garden" has been established in the front of the Headquarters site based on the concept of environmental symbiosis in the community. It is designed to restore the natural environment of Matsudo-city, where the Headquarters is located, to the Matsuhidai Industrial Park. Considering the impact of non-native species on the local ecosystem, the goal of the bio-garden is to restore the original ecosystem by planting wildflowers that have traditionally grown around Matsudo-city.

Moreover, we have implemented rooftop greening, which is said to effectively help mitigate urban heat island effects, and have created a garden on the roof of our headquarters. It is also a place for employees to communicate with each other during breaks.

From 2024, we will collaborate with the Nature Conservation Society of Japan, of which we are now a member, to further promote biodiversity-related activities.



Bio-garden in front of the Headquarters



Rooftop garden at the Headquarters

Initiatives

- Growing Himekomatsu, an endangered species designated by Chiba Prefecture
- Exterminated a non-native species (tall goldenrod) to maintain the bio-garden
- Biodiversity Chiba Network's activities: Satellite for Biodiversity remodeled

The Satellite for Biodiversity is placed in the Headquarters cafeteria for displaying posters and newsletters to enable employees and visitors to deepen their understanding about the importance of biodiversity.

Environment Communication

We believe it is important for each employee to understand the relevant Environmental Policies and take the initiative based on an awareness of, knowledge on, and ability in environmental affairs. To train employees who can implement the above, we are implementing our environmental education and training system. For the Headquarters and each base, we have established "general education" that each employee receives, and have constructed an environmental education and training system by job level, workplace and activity.

Rewarding Employee Activities to Reduce Environmental Impact

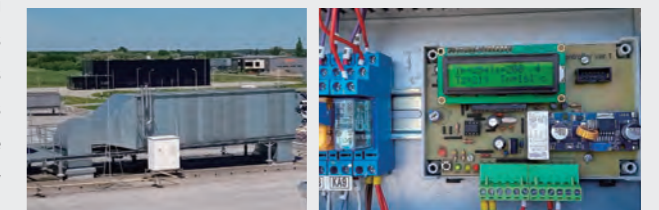
Measures and results that contributed to reduction of environmental impact are collected from all of the bases of the Mabuchi Group as we are committed to the Mabuchi Group's environment activities to commend outstanding activities via evaluation by the Environmental Management Committee at the Headquarters.

In 2023, a total of 87 activities for CO₂ emissions reduction were submitted from 15 bases and many different measures were taken. Through the Mabuchi Group's environmental activities, we will facilitate the proposal and implementation of measures to reduce the environmental impact of the different bases of the Mabuchi Group, thereby expanding our contribution to global environment.

TOPICS

Examples of Poland Mabuchi's activities

In order to reduce energy consumption for heating and cooling by efficiently using outside air temperatures in the ventilation units that supply air to the main production area, Poland Mabuchi has introduced a circulating-type ventilation system that operates according to the outside air temperature and the temperature inside the production area, thereby reducing CO₂ emissions by approximately 414 tons per year.



Initiatives towards Society

Respect for the Human Rights of All

Mabuchi Motor advocates "Through our corporate activities we protect our planet's ecosystem and the health of its inhabitants" in its Management Markers and "Be fair and just to others, and support and cooperate with fellow employees" in its Corporate Missions. On this basis, we respect the basic rights of our employees, including employees at our overseas facilities, and are actively working to create a workplace where every employee can play an active part in a healthy and safe manner.

We have also been a member of the United Nations Global Compact since 2021. We have declared our support for the Global Compact, a set of universal principles advocated by the United Nations in the four fields of human rights, labor, the environment, and anti-corruption, and are promoting initiatives in each field.



Mabuchi Motor Human Rights Policy

We have established the "Mabuchi Motor Human Rights Policy" as a guideline to further promote Group-wide efforts to respect human rights and fulfill our responsibilities.

In accordance with the Mabuchi Motor Human Rights Policy, we respect the fundamental human rights, diverse values, individuality, and privacy of all people affected by our business activities, and do not tolerate discriminatory language or behavior, acts of violence, power harassment, sexual harassment, bullying, or other acts that disregard the individuality of any person with regard to race, religion, gender, nationality, physical disability, age, or other factors. We do not tolerate forced labor or child labor, including slavery and human trafficking.

Important human rights issues

Mabuchi Motor considers the following human rights issues to be of particular importance and is working to address them.

- Prohibition of forced labor and child labor
- Prohibition of discrimination and inhumane treatment
- Ensuring proper working conditions
- Respect for freedom of association and the right to collective bargaining

Human Rights Due Diligence

We shall establish and continuously implement a human rights due diligence mechanism to fulfill its responsibility to respect human rights in accordance with the "United Nations Guiding Principles on Business and Human Rights."

1. Evaluation of Human Rights Risks (Assessment)

To clarify the human rights risks in Mabuchi Motor's supply chain, we conducted a human rights risk assessment of our company and our suppliers with reference to international norms on human rights.

- Implementation Period: November 2023 - January 2024
- Scope: Mabuchi group and suppliers
- Description of implementation: Estimate the likelihood of occurrence of various human rights issues based on self-assessment of the status of understanding of laws and establishment of systems related to various human rights issues and identify priority items for risk mitigation efforts in light of the severity of each human rights issue.

2. Risk Mitigation (Including assessment results)

The results of the assessment identified the need to prioritize risk mitigation efforts with respect to the "right to access remedies" at suppliers. A reporting and consultation system plays a major role in the early detection of human rights risks and appropriate responses. We will continue to monitor the situation of our business partners in more detail, and in cases where the risk is deemed to be particularly high, we will take action, such as requesting early improvement.

3. Monitoring

We will continue to conduct assessment to human rights issues arise from our business activities.

4. Disclosing Information on Human Rights

We will continue to report our human rights initiative on our corporate website and in our Integrated Report.

Correction and Remediation

Mabuchi Motor will address through appropriate procedures when it becomes clear that our business activities have a negative impact on human rights. In addition, we have established a "Code of Ethics Hotline" for reporting and consultation on compliance issues, including human rights. The Code of Ethics Hotline is anonymous and confidential, and covers not only our employees but also some of our business partners.

Promotion of Responsible Procurement

CSR Procurement Guidelines

With each passing year, customers are becoming increasingly interested in the entire supply chain where products and services are produced. We therefore established the "Mabuchi Motor CSR Procurement Guidelines" in February 2022 based on our belief that it is necessary to have a common understanding of CSR with our suppliers and to cooperate with them in this endeavor. The Guidelines are available in Japanese, English and Chinese and are disseminated to all suppliers to promote initiatives such as occupational safety and respect for human rights throughout the supply chain.

Responsible mineral procurement

We do not procure parts or materials containing minerals related to the risks specified in the "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict and High-Risk Areas, Annex II" of the Organization for Economic Cooperation and Development (OECD), including serious human rights abuses, environmental destruction, corruption, and conflict in conflict and high-risk areas ("OECD Guidance Annex II"). In addition, we do not procure parts or materials containing minerals such as tin, tantalum, tungsten, gold, cobalt, mica, etc., that pose a risk as stipulated in the OECD Guidance Annex II.

We also cooperate with supply chain investigations, such as identifying the country of origin of minerals and smelters using internationally recognized tools such as the Conflict Minerals Reporting Template (CMRT) provided by Responsible Minerals Initiative (RMI). In the unlikely event that minerals are found to be complicit in conflict or involved in gross human rights abuses, we take corrective action.

From a humanitarian point of view, we will continue to work closely with our suppliers and further improve the transparency of our supply chain to ensure that we continue to procure minerals that do not benefit groups that violate human rights.

Health and Safety, Health and Productivity Management

Advocating "Through our corporate activities we protect our planet's ecosystem and the health of its inhabitants" in its Management Markers and positioning "Ensuring the health and safety of employees" as a materiality, Mabuchi Motor is working on measures to prevent occupational injuries and to improve the working environment in offices and factories.

Initiatives for mental and physical health

We believe that keeping the mind and body of employees healthy and working vigorously is the basis of social life and enhances corporate vitality. Based on this belief, we are pursuing initiatives that help to maintain and promote employee health by establishing "Mabuchi Motor's Health and Productivity Management Declaration."

For more than 20 years, the Headquarters has been conducting mental health surveys, as well as providing in-house counselors and holding various health lectures. In addition, with the aim of preventing and improving employees' lifestyle-related diseases, we encourage them to take sufficient rest, both physically and mentally, and to improve their dietary habits by eating more and using nutritionally balanced menus.



Mabuchi Motor's Health and Productivity Management Declaration

Mabuchi Motor has stated in its Management Markers, "Through our corporate activities we protect our planet's ecosystem and the health of its inhabitants." In practice, this means being ever watchful to avoid activities that cause pollution and associated health hazards. It also means managing effectively to ensure that our employees, our most important business resources, enjoy good health. Promoting health and wellbeing is an important part of helping each and every one of our employees to reach their full potential personally and professionally. For this reason, we provide a safe, comfortable and health-oriented workplace by actively maintaining and improving the health of our employees.

The promotion structure of health and productivity management and major KPIs are here.
<https://www.mabuchi-motor.com/csr/social/safetyandhealth.html>

Initiatives towards Society

Social Contribution and Educational Support

We contribute to the development of society by extending a range of support to local communities and international society. This effort is in line with our Management Principle "Contributing to International Society and Continuously Increasing Our Contribution." As one such activity, by setting "Encouraging an interest in science and manufacturing in the next generation" as one of the key sustainability issues, we provide educational support to the students and young people who represent our future, to help them grow up surrounded by the joy of science and manufacturing. In addition, we continue to implement community-based environmental protection and social welfare activities.

Craft classes and visiting classes

We are carrying on the ideals of our founder, Kenichi MABUCHI, who said "In order to build Japan's future, we must promote science education" when he created the school motor as a teaching material for schools, and we continue to engage in educational support activities.

One of our sustainability targets for the 2024-2030 period is "provide opportunities for children as next-generation leaders to deepen their interest in science" with the KPI "number of participants in craft classes and on-site classes." In order to achieve this target, we will expand the scope of our activities and initiative promotion to the entire Group, including not only our headquarters but also our overseas bases.

Holding Motor Classes in Japan and Overseas

Since 2008, the Headquarters have been holding "Summer Vacation Motor Craft Classes" for elementary school students in Matsudo City, where the Headquarters are located. We had to cancel it in 2020 due to the COVID-19 pandemic, but since 2021, we have switched to an online format and are holding the classes every year. In 2023, more than 440 groups participated, setting a new record.

The number of classes held at overseas locations is increasing, and in 2023, "motor classes and craft classes" for elementary school students were held by Danang Mabuchi. On the day, 44 year-four students and teachers from Nguyen Van Troi Elementary School in Danang participated, with the consul from the Consular Office of Japan in Danang also attending. Elementary school students and teachers who participated in the program commented that it was "fun to learn about how motors works" and that they "would like to think about the contents of school science lessons with reference to this activity," yielding a positive response from the local participants.



Online crafts class organized by the Headquarters



Motor class organized by Danang Mabuchi

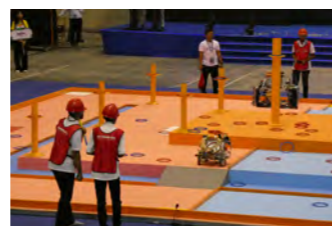


Visiting class held at an elementary school in Matsudo City

Various Co-sponsoring Activities

Continuous Robot Contest Support

Aspiring to help to foster future engineers and develop science and technology, we have been co-sponsoring the National Technical College Robot Contest and the ABU Robot Contest since 2002 and the College Robot Contest since 2004, providing motors and funds to operate the contests. Moreover, with the aspiration that motor knowledge leads to better manufacturing, we are working to support the training of young engineers through the Robot Contest, including motor exhibits and explanations by technical employees at the convention.



Technical College GCON2023 to Promote Women's Participation

In 2023, we co-sponsored the 2nd Technical College GIRLS SDGs x Technology Contest (Technical College GCON2023) for the first time. The purpose of the Technical College GCON is to promote the fostering of future researchers and engineers by thinking about how their day-to-day research and learning can contribute to solving various social issues in terms of the SDGs, with a team consisting mainly of female students from technical colleges nationwide. Through various sponsorship activities, we will continue to support the building of a society where women can play an active role and children are raised with an interest in science and manufacturing.

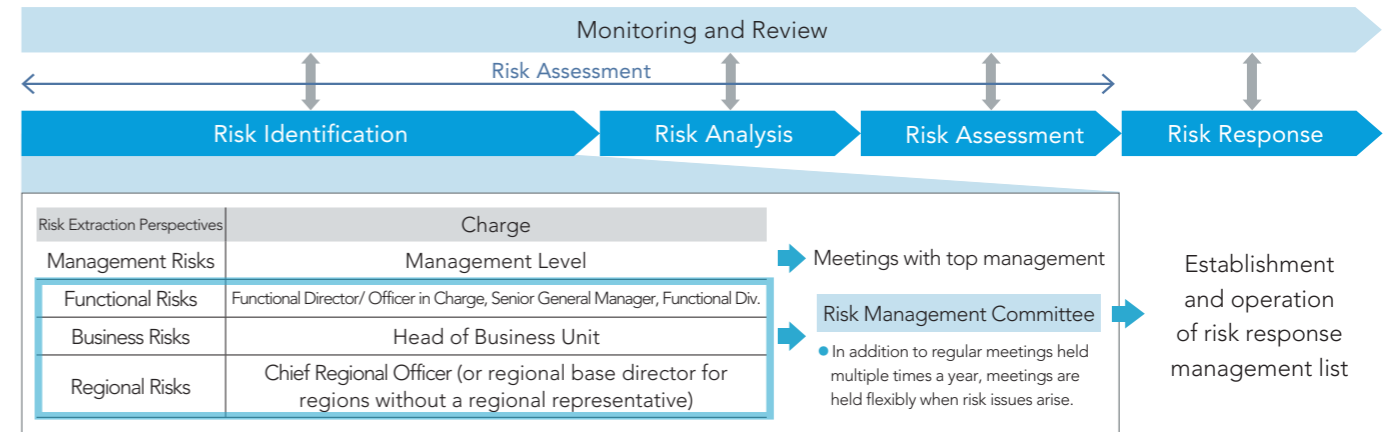


Risk Management

Basic Policy

Mabuchi Motor is working to enhance and strengthen risk management to mitigate and minimize various risks associated with its diversified business activities in order to carry out its business activities on a global scale and ensure sustainable growth.

Risk Management Process Overview Chart



We have established a Risk Management Committee, whose members include the head of each department and the head of each subsidiary, to enable cross-organizational activities in the recognition and evaluation of risks in daily business activities, response to risks, and communication of information, as well as to prepare for the emergence of risks and establish a communication and response system in the event of an emergency with a view to the business activities of the entire Group. The Internal Audit Department periodically audits the status of risk management and reports the results to the Board of Directors and the Audit Committee. The Board of Directors reviews the contents of such reports and takes necessary measures to continuously improve the risk management system.

The Risk Management Committee Actions

The following categories and identifications were used to categorize and identify the activities: "Ensuring Human Life (Safety)," "Compliance," "Information Security," and "Production/Supply Outage". Each of these departments will be designated as a leader, and management and related employees will work together to continuously implement risk countermeasure activities for the entire Mabuchi Group.

Risk Materiality Assessment Indicators		
Impact	Large	More than 1 billion yen
Impact	Medium	100 million yen to less than 1 billion yen
Impact	Small	Less than 100 million yen

Various policies for risk management

Information Security Policy

Mabuchi Motor Co., Ltd. and our affiliated companies (The "Group") earnestly consider what effect our actions have on our stakeholders, aiming to be a trustworthy organization in all aspects of business. The Group recognizes that it is our social obligation as a business entity to manage the information resources we possess and take appropriate information security measures to prevent leakage, alteration, destruction, or theft of information and we will realize information security in line with our management policy. Along with ensuring that all our workers including our executives deepen their understanding of the necessity and responsibility of information security, the Group is establishing this information security policy in the expectation of guaranteeing infallible information security.

System, and the preservation and management of information assets are here. <https://www.mabuchi-motor.com/security>

Privacy Policy

The Mabuchi Group recognizes its important obligation to handle and protect, with greatest care, information that can be used to identify individuals. We do so following our comprehensive Privacy Policy.

Disclosure Policy

Mabuchi Motor commits to disclose information to shareholders and investors in a fair and timely manner, in order to ensure a proper assessment and to increase trust in the company's corporate value. We provide useful supplemental information so as to promote understanding of our diverse business activities.

Our disclosure policy is here. <https://www.mabuchi-motor.com/investor/management/disclosure.html>

Risk Management

Business Risks

We recognize the risks listed in the table below, and will strive to avoid these risks and mitigate damages in the event they arise and will make every effort to avoid these risks and to mitigate damages in the event that they do occur.

Main matters	Main correspondence
Changes in economic situation	Improve market responsiveness by constantly forecasting the latest market trends and optimizing capital investment, personnel, inventory, etc.
Exchange rate fluctuations	Use of foreign exchange forward contracts after measuring the foreign exchange risk and considering the hedging effect and hedging cost.
Development of new products and technologies	Establish an organizational structure related to research and development activities with the aim of further expanding competitive advantage. In addition, to realize quick decision-making, speedy response to changes in market needs, improvement in ability to develop new models by application market, and globalization of customer support and customer satisfaction activities, we will strengthen and develop business activities integrated with the sales division.
Price competition	Cost control from the product design or development stage by wisdom and technology such as standardization and labor saving, improvement of production technology, systematic cost reduction by globalization of parts procurement, and maintenance and improvement of the average unit price by continuous development of high value-added products.
International economic transactions and potential risks of overseas expansion	Consideration and implementation of timely and appropriate responses, including the establishment of the Five-Region Management Structure to collect and respond to information on environmental regulations, product safety and quality regulations, and import/export regulations in countries related to our business, in addition to economic, political, and social conditions in the countries where we do business.
Product quality	We have acquired the international standard ISO9001 and IATF16949 for each business base, strive to continuously improve the management system, and comply with the quality system established by the Headquarters. When a defect occurs, we investigate the root cause, and then implement and thoroughly implement measures to prevent recurrence and prevent the problem from occurring again.
Intellectual property protection	Secure competitive advantage by acquiring and protecting intellectual property rights in an overarching and proactive manner in order to expand product sales and new applications. Implementing measures to raise employee awareness of risks such as outflow and infringement of rights, such as employee education.
Acquisition and development of human resources	In addition to systematic recruitment of new graduates, we carry out regular recruitment based on needs. We will also enhance employee motivation and promote employee retention and development by expanding the education system to support skill development, assigning diverse employees to positions where they can fully demonstrate their abilities, and developing a system to foster specialists in each department at an early stage, as well as a work-life balance support system.
Procurement of raw materials, etc.	Various raw materials, parts, etc. are procured from multiple suppliers to maintain a stable supply, and CSR procurement is also taken into consideration. Promote measures to stabilize prices of certain materials through appropriate futures contracts, etc., and limit the impact on production costs.
Natural disasters, accidents, and infectious disease outbreaks	Formulate a basic business continuity plan (BCP) and implement measures to prevent the manifestation of risks such as disasters and accidents at the Headquarters and business sites, or to mitigate damages including insurance coverage. In response to infectious diseases such as the COVID-19, in countries and regions where we do business, we follow the guidance of local governments and local authorities, and promote infection prevention measures such as encouraging employees to work at home and staggered working hours, and utilizing online meetings.
Environmentally friendly	The Environmental Management Committee and the Environmental Managers Conference are held to promote measures for sharing environmental information, environmental conservation activities, and environmental management throughout the Group. In the sustainability targets, we recognize that reducing the environmental burden is an important issue and set specific targets.
Global climate change	We set a mid-term goal of "reducing CO ₂ emissions by 30% from 2018 levels by 2030 and promote activities to realize our goal of carbon neutrality by the year 2050. We accelerate efforts to reduce CO ₂ emissions by installing solar power generation systems, adopting systems that recover and reuse waste heat, introducing an internal carbon pricing system, and reducing power consumption at production facilities. We also view climate change not only as a risk but also as an opportunity and promote solutions to social issues related to climate change through our business activities. We continuously assess the impact of climate change and disclose information about it, in line with the TCFD.
Information security	All employees, including directors and officers, deepen their understanding of the necessity and responsibility of information security, and ensure information security by establishing an information security policy. In addition, information assets are appropriately classified and organized, information security measures are taken according to their importance, and necessary education and training are provided on an ongoing basis.

Promoting Compliance

We have established the "Mabuchi Motor Ethical Standard" in the belief that it is a prerequisite to conduct activities in accordance with the corporate ethics required by society. It specifically outlines the social rules, including laws and regulations, that all directors and employees are required to observe. We are working to ensure that these rules permeate the company's operations.

Compliance education activities at our bases around the world include study sessions and training programs focusing on laws, regulations, and social ethics.

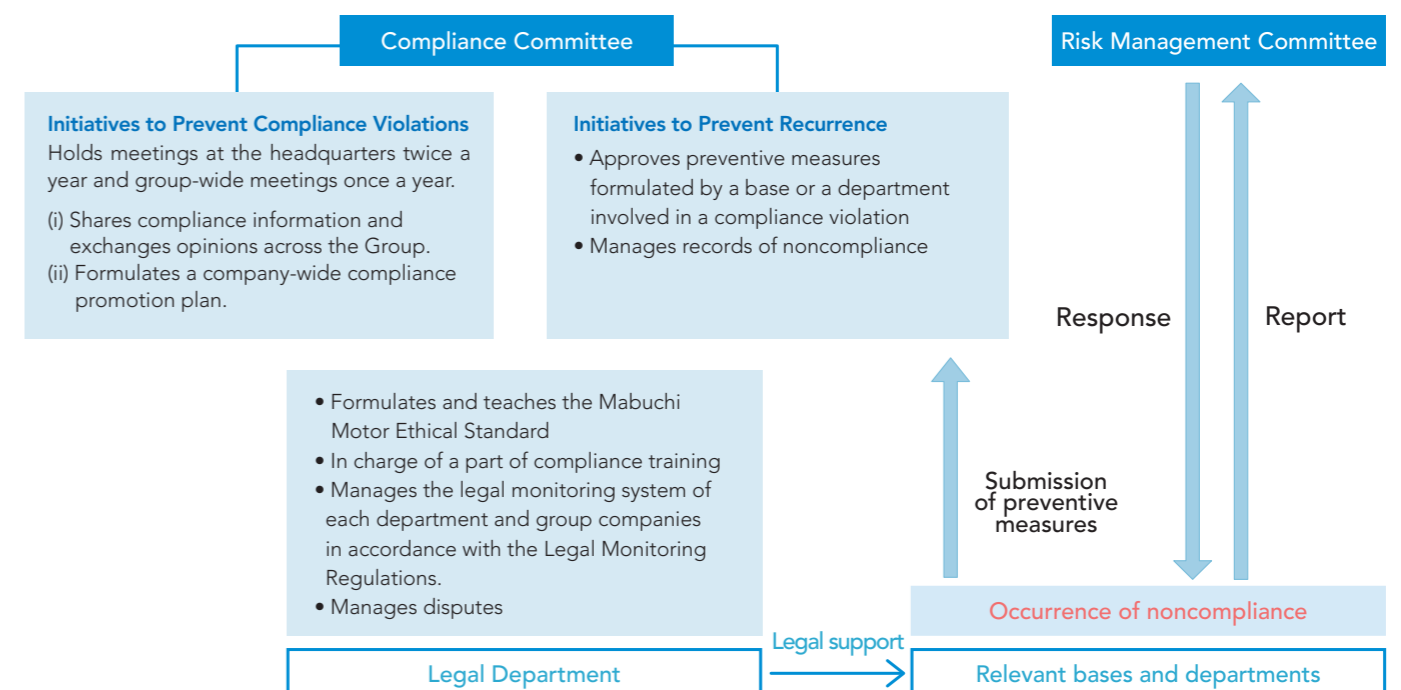
In the Mabuchi Group, the Internal Audit Department conducts both regular and non-scheduled audits at all Group bases, in order to address and improve any inadequacies related to compliance. These are designed to verify adherence to compliance-related rules and procedures and identify any ethical violations.



The Mabuchi Motor Ethical Standard

Compliance Committee

The Compliance Committee, established directly under the Board of Directors, sets compliance targets and priority issues across the Group and formulates compliance education for employees in order to prevent compliance violations.



Ethical Standard whistleblower system

An "Ethical Standard whistleblower system" has been established to communicate information and provide consultation on compliance issues, which is managed by the Internal Audit Department and ensures anonymity. In order to strengthen our system for preventing problems from occurring or expanding, we have expanded the scope of the "Ethical Standard whistleblower system" to include not only our employees but also some of our business partners. In addition, we comply with the Whistleblower Protection Act and send out a top message promising that we will not cause any disadvantages to those who consult with us. The Company introduced a whistleblower reception service provided by an external organization to establish a whistleblower contact point independent of management and to strengthen the protection of consultants.

Corporate Governance

Corporate Governance Initiatives

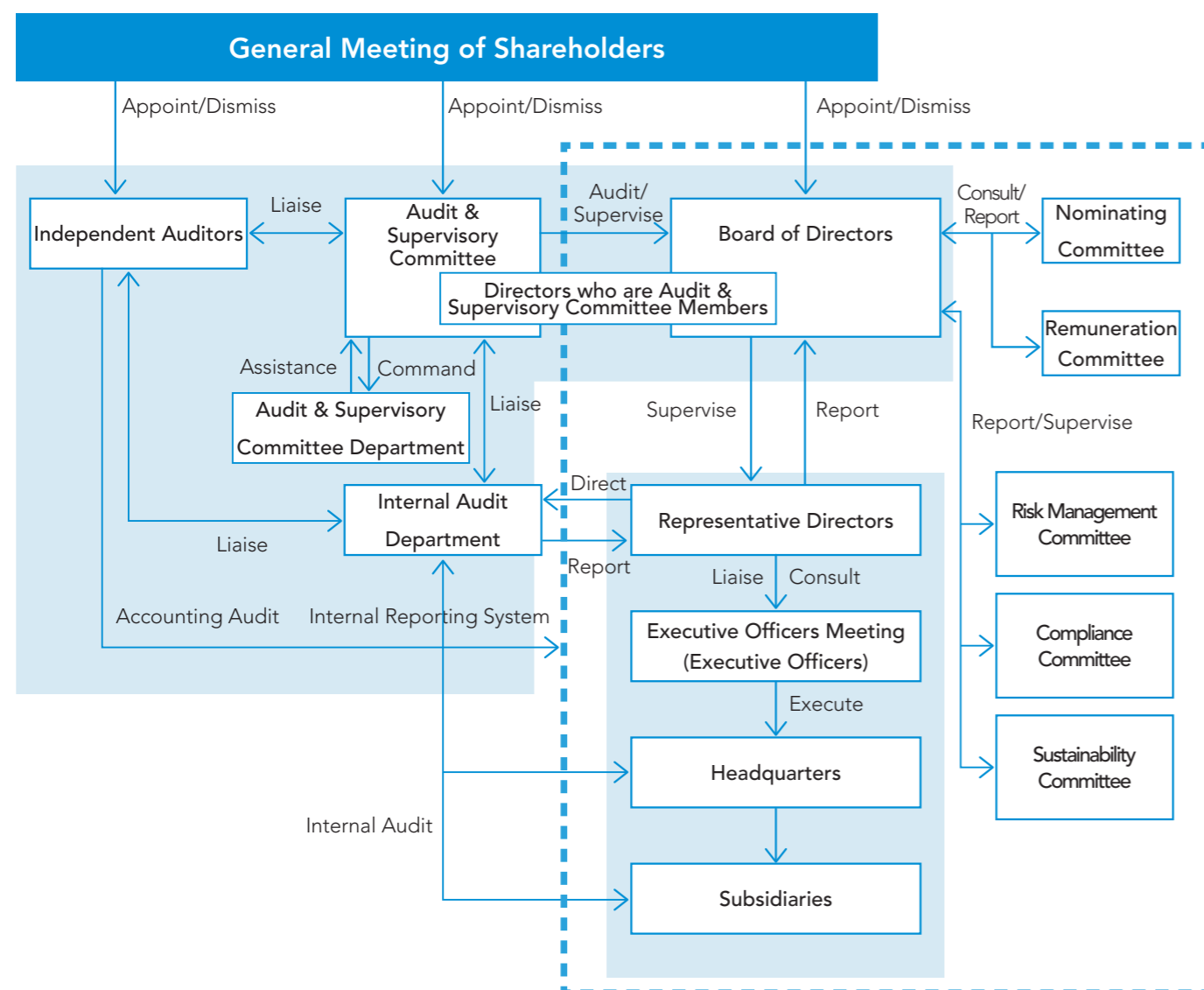
We believe that our significance lies in the realization of our Management Principle “Contributing to International Society and Continuously Increasing Our Contribution”. We have set our purpose of establishing an appropriate corporate governance system to continuously contribute to the interests of its stakeholders through the resolution of social issues, the creation of appropriate profits, and the enhancement of corporate value, and we are working to enhance our corporate governance.

In 2019, with the aim of enhancing the auditing and supervisory functions of the Board of Directors and speeding up decision making by delegating some of the Board of Directors’ executive decision-making authority to the directors, we transitioned from having an Audit & Supervisory Board to an Audit & Supervisory Committee. In 2021, the chairpersons of our Audit & Supervisory Committee, Nominating Committee, and Remuneration Committee were replaced with outside directors. We also enhanced the transparency and objectivity of the decision-making process for each committee by making the majority of Nominating Committee and Remuneration Committee members outside directors. Furthermore, in 2024, the composition of the Board of Directors was changed to have a majority of outside directors. We will continue working to build a better corporate governance system.

Corporate Governance Structure

We have adopted the institutional structure of a Company with Audit & Supervisory Committee, as provided for under the Companies Act.

To clarify the decision-making and supervisory functions and executive functions of management we have also introduced an executive officer system, and established a system in which the Board of Directors and each of its member directors are responsible for decision-making and supervisory functions, while executive officers are responsible for execution of business.



Board of Directors and Advisory Committees

Important management decisions are made by the Board of Directors, which is composed of 11 directors: five internal directors and six outside directors. The Board of Directors plays a central role in making management decisions and supervising the directors’ execution of business, and as required by law, it makes decisions regarding the execution of important business matters and reports on the status of execution of these important matters. Matters decided by the Board of Directors are then executed via the representative directors and executive officers.

We have established the Appointment Criteria for Director Candidates and established the Nominating Committee and the Remuneration Committee as advisory bodies to the Board of Directors. The Nominating Committee deliberates matters related to the appointment of directors, executive officers and associate directors, while the Remuneration Committee deliberates matters such as remuneration for directors, executive officers and associate directors. We are strengthening our corporate governance system by reporting the results of these Committees’ deliberations to the Board of Directors, thereby increasing the transparency of the decision-making process regarding the nomination and remuneration of directors and others.

Composition and Main Roles of Each Organization

Organization	Board of Directors	Audit & Supervisory Committee	Nominating Committee	Remuneration Committee
Composition	Chairperson 11 (Internal:5, Outside:6)	Chairperson 4 (Internal:1, Outside:3)	Chairperson 5 (Internal:2, Outside:3)	Chairperson 5 (Internal:2, Outside:3)
Main roles	<ul style="list-style-type: none"> Making management decisions and supervising the execution of business Electing representative directors and appointing and dismissing executive officers and associate directors Determining the remuneration of directors who are not Audit & Supervisory Committee members, executive officers, and associate directors Determining important matters related to the execution of business and reporting the status of these matters 	<ul style="list-style-type: none"> Auditing directors’ execution of their duties Advising the appointment, remuneration, and other matters regarding directors who are not Audit & Supervisory Committee members Exercising authority on the appointment, dismissal and remuneration of independent auditors 	<ul style="list-style-type: none"> Deliberating on matters related to the appointment and dismissal of directors, executive officers and associate directors and reporting the results of these deliberations to the Board of Directors 	<ul style="list-style-type: none"> Deliberating on policies related to decisions on the remuneration, etc. of directors who are not Audit & Supervisory Committee members, executive officers and associate directors, the remuneration, etc. of individuals, and others, and reporting the results of these deliberations to the Board of Directors

Members of Each Organization

Position	Name	(number of attendances/ number of meetings, attendance rate)			
		Board of Directors	Audit & Supervisory Committee	Nominating Committee	Remuneration Committee
Representative Director	Hiroo OKOSHI	○ (25/25, 100%)		○ (5/5, 100%)	○ (5/5, 100%)
Representative Director	Tohru TAKAHASHI	○ (25/25, 100%)		○ ^{*2}	○ ^{*2}
Representative Director	Hirotao KATAYAMA	○ (25/25, 100%)			
Member of the Board	Tadahito IYODA	○ (25/25, 100%)			
Outside Member of the Board	Naoki MITARAI	○ (25/25, 100%)		◎ (5/5, 100%)	◎ (5/5, 100%)
Outside Member of the Board	Akira OKADA	○ ^{*1} (19/19, 100%)		○ ^{*1} (4/4, 100%)	○ ^{*1} (4/4, 100%)
Outside Member of the Board	Seiji SAKATA	○ ^{*2}		○ ^{*2}	○ ^{*2}
Member of the Board (Full-time Audit & Supervisory Committee member)	Katsumi KOBAYASHI	○ ^{*1} (19/19, 100%)	○ ^{*1} (11/11, 100%)		
Outside Member of the Board (Audit & Supervisory Committee member)	Takashi ASAI	○ (25/25, 100%)	◎ (14/14, 100%)		
Outside Member of the Board (Audit & Supervisory Committee member)	Yoko TOYOSHI	○ (25/25, 100%)	○ (14/14, 100%)		
Outside Member of the Board (Audit & Supervisory Committee member)	Yasuko FUKUYAMA	○ ^{*1} (19/19, 100%)	○ ^{*1} (11/11, 100%)		

*1 The number of meetings is different as the directors and committee members who were elected at the March 2023 General Meeting of Shareholders.

*2 The numbers and percentage are not shown for directors appointed at the March 2024 General Meeting of Shareholders.

Corporate Governance

Composition of the Board of Directors

The Board of Directors is composed of diverse directors from different backgrounds in terms of their expertise and experience, with due consideration given to gender, internationality, etc. As a result, the Board of Directors engages in constructive and lively discussions from a variety of perspectives, including perspectives from outside the Company.

Skill Matrix for Directors

Name	Corporate Management Experience*	Global Experience	Corporate Planning / Strategy	Internal Control / Governance	Legal Affairs / Risk Management	Finance / Accounting	HR Labor Management / HR Development	Business / Sales	Technology / Quality	Purchasing / Production
Hiroo OKOSHI	○✳	○	○	○	○	○	○	○		○
Tohru TAKAHASHI	○✳	○		○				○		○
Hirotarō KATAYAMA	○✳	○		○	○	○	○	○	○	○
Tadahito IYODA	○✳	○	○	○	○	○	○	○		○
Naoki MITARAI	○		○	○	○		○	○		
Akira OKADA	○		○	○				○		
Seiji SAKATA	○			○			○	○	○	
Katsumi KOBAYASHI	○✳	○		○	○	○	○			○
Takashi ASAI				○	○	○	○			
Yoko TOYOSHI				○	○	○				
Yasuko FUKUYAMA		○		○	○	○				

(Note) The asterisk (*) indicates that the person has an experience as President of the Company or its subsidiaries.

Outside Directors

Mabuchi Motor appoints outside members to its Board of Directors who are professionals from diverse backgrounds and fields, including law, finance and accounting, and (other companies in) the private sector. We select people who bring different perspectives to our company. From them, we expect and value insights that are both high-level and experience-based.

Name	Audit & Supervisory Committee Member	Independent Director	Field	Professional Profile
Naoki MITARAI	—	●	Private sector	Served for many years in corporate management as an executive officer of Hitachi, Ltd. and its group companies. Offers a wealth of experience and insight into global management systems and practices, corporate governance, and human resource management.
Akira OKADA	—	●	Private sector	Serving in corporate management as a director of All Nippon Airways Co., Ltd. and its group company, provides many years of experience in the aviation industry, where insight into changes in the external environment and advanced safety is necessary, and contributes with a wealth of experience in corporate governance combined with a high level of insight.
Seiji SAKATA	—	●	Private sector	Involved in corporate management as a director at Ricoh Company, Ltd., for many years. Provides the Company with appropriate supervision and advise regarding management concerning design, development and technology.
Takashi ASAI	●	●	Law	As a practicing lawyer, offers authoritative expertise and experience related to laws, regulations, and legal and regulatory systems, as well as corporate governance.
Yoko TOYOSHI	●	●	Accounting and Finance	Brings many years of accounting auditing experience at accounting firms, advanced expertise cultivated as a certified public accountant, and extensive experience as an outside officer at other companies.
Yasuko FUKUYAMA	●	●	Law	As a practicing lawyer in Japan and overseas, provides authoritative expertise and experience and a wealth of experience as an outside officer in other companies.

Training of Directors

The Company provide our directors with opportunities to receive training that is necessary for the fulfillment of their roles and duties. Our measures to deepen outside directors' understanding of our business and other issues include providing them the information and explanations necessary from the relevant departments. We also give them opportunities to visit our bases outside Japan (including remote tours).

TOPICS Site visit by an Audit & Supervisory Committee Member



Outside Member of the Board, Audit & Supervisory Committee Member
Yoko TOYOSHI

After travel restrictions due to the COVID-19 were lifted, I visited our production bases, Vietnam Mabuchi and Da Nang Mabuchi, in October 2023, and was able to experience Mabuchi Motor's manufacturing for the first time since I became an Audit & Supervisory Committee member of the Company. It was beneficial to see firsthand how our company uses its refined processing technology to manufacture parts that minimize waste of raw materials, and how those parts are then supplied to factories around the world to manufacture standardized products with the same quality around the world. I especially noticed how highly motivated the employees were. Regardless of their department, all employees in the manufacturing division understood the cost accounting system and were involved in cost reduction activities. I believe that we are expected to grow as a global company. I hope that the newly established Mexico Mabuchi and Poland Mabuchi will continue to evolve while incorporating diverse values without being bound by past successes. We aim to grow to achieve the Management Plan 2030, and I look forward to seeing future changes to our Headquarters' functions.

Evaluating the Effectiveness of the Board of Directors

We have analyzed and assessed the effectiveness of our Board of Directors with the goal of enhancing corporate governance and our corporate value. The latest document, "Overview of the Analysis and Evaluation Results of the Effectiveness of the Board of Directors," is posted on [our website \(Corporate Governance\)](#).

Audit & Supervisory Committee

The Audit & Supervisory Committee is composed of four members, including three outside directors. Outside Director serves as chairperson of the committee. The three outside directors and Audit & Supervisory Committee members are attorneys at law and certified public accountants, each of whom possesses advanced expertise, abundant experience and high-level insight, enabling the committee to carry out well-balanced auditing and supervisory activities. In addition, in order to ensure the effectiveness of audits performed by the Audit & Supervisory Committee, we have selected a full-time committee member and assigned one employee to the Audit & Supervisory Department to assist the Audit & Supervisory Committee in its duties, based on our belief that it is necessary to improve the auditing and supervisory environments, smoothly collect internal information by attending important internal meetings, etc., cooperate closely with the internal auditing departments and monitor the internal control system on a day-to-day basis.

Audit & Supervisory Committee Activities

The Audit & Supervisory Committee attends important meetings including those of the Board of Directors, views important approval documents, investigates the state of operations and assets of the head office and major subsidiaries. It also coordinates with the Internal Audit Department (our internal auditing department), other internal control departments and accounting auditors, etc., to conduct audits and prepare audit reports on the legality and adequacy of directors' execution of duties, as well as the appropriateness of auditing methods and results of audits performed by accounting auditors, in accordance with formulated audit policies, audit plans and division of duties, etc. The Audit & Supervisory Committee also examines the appointment and remuneration of directors who are not Audit & Supervisory Committee members, including confirmation of discussions by the Nominating and Remuneration committees. The opinions of the committee are finalized and presented at the General Meeting of Shareholders. The Audit & Supervisory Committee meets once a month and on an

extraordinary basis as needed. In the fiscal year ended December 31, 2023, the committee met 14 times. The committee examined the state of the execution of duties by directors, etc., the state of development and operation of the internal control system, and the state of compliance, risk management, and other matters. The committee also exchanges opinions with management and accounting auditors and expresses necessary opinions from professional, objective, and multifaceted standpoints. A full-time Audit & Supervisory Committee member works to enhance the Group's auditing activities by attending important meetings such as Compliance Officers' Meetings, requesting reports from executive divisions as necessary, auditing the state of the execution of duties by directors, etc., by means such as onsite inspections and interviews of directors and key employees of subsidiaries using video conferencing systems, and reporting the results of such audits to the Audit & Supervisory Committee.

Corporate Governance

Nominating Committee and Remuneration Committee

In order to ensure the transparency and objectivity of the deliberation process in the appointment of officers and the remuneration system, the Company has voluntarily established a Nominating Committee and a Remuneration Committee, as advisory bodies to the Board of Directors. Both committees are chaired by outside director, and the majority of committee members are outside directors.

The Nominating Committee deliberates regarding the appointment and dismissal of directors, executive officers and associate directors, while the Remuneration Committee deliberates regarding remuneration for directors (who are not Audit & Supervisory Committee members), executive officers and associate directors; with both committees reporting the results of their respective deliberations to the Board of Directors. In this way, we are working to make the decision-making process for nomination and remuneration for directors and other officers more transparent and enhance the corporate governance system.

Nominating Committee and Remuneration Committee Activities

In the fiscal year ended December 31, 2023, the Nominating Committee and Remuneration Committee met five times each. The Nominating Committee deliberated on the selection of directors, executive officers and associate directors, including next-generation personnel, and also deliberates on performance evaluations of each director, executive officer and associate director, and reflects the results in performance-linked remuneration.

The Remuneration Committee deliberated on important matters such as the formulation of policies and revisions to the system for the remuneration of directors, executive officers and associate directors, and partially reviewed the remuneration system. In both committees, active discussions are taking place among the committee members, including outside directors, and we recognize that transparency and objectivity of their deliberation processes have been ensured.

Succession Planning

The Nominating Committee deliberates regularly on the development of successor candidates for executives, referring to our Management Principle, management strategy, and other foundational considerations. Potential successors to top leadership positions are assessed on both performance and learning trajectories. The Nominating Committee reports on the development of candidates to the Board of Directors as appropriate, enabling the Board of Directors to supervise the progress.

Policy on Determining Remuneration for Executives

The Company's Board of Directors, at its meeting held in March 2021, adopted a policy for determining the details of remuneration for individual directors. The policy was reported to the Board of Directors after a thorough discussion by the Remuneration Committee. The Board of Directors has also confirmed that the method of determining the content of remuneration, etc. and the content of remuneration, etc. determined for each individual director for the current fiscal year are consistent with such determination policy and that the report from the Remuneration Committee has been respected, and has determined that the policy is in line with such determination policy.

Basic Policy on Determining Remuneration for Executives

(1) Level of Remuneration

- We will set remuneration levels that will enable us to secure diverse human resources with the experience and skills necessary to realize global business growth.
- In order to ensure the appropriateness of remuneration levels, we will refer to the remuneration survey data of external research organizations and determine appropriate levels of remuneration with consideration for the Company's business performance, economic environment and industry trends, etc.

(2) Structure of Remuneration

- Executive remuneration shall consist of base remuneration, which is a fixed remuneration, and performance-linked remuneration, which reflects company performance and individual evaluations.
- Performance-linked remuneration shall be structured in consideration of the short-term reflection on the Company's business performance and the medium- to long-term enhancement of corporate value.
- In order to enhance value sharing with shareholders and to increase incentives to increase corporate value from a medium- to long-term perspective, a portion of remuneration will be stock-based remuneration.
- Remuneration for outside directors and directors who are Audit & Supervisory Committee members shall consist only of base remuneration, from the viewpoint of their roles and ensuring their independence.

(3) Governance of Remuneration

- In deciding the policy for determining remuneration for officers and amounts of remuneration, we place importance on ensuring fairness and transparency, and hold an annual Remuneration Committee meeting with the majority of the committee members being outside directors to make decisions at the Board of Directors based on the reports of the Remuneration Committee.
- To ensure objectivity and transparency, the Board of Directors delegates decisions regarding the amount of individual remuneration for each director to the Remuneration Committee.
- Individual evaluations reflected in performance-linked remuneration are decided by a Nominating Committee meeting with at least half of all committee members consisting of outside directors.
- Both the Remuneration Committee and the Nominating Committee are chaired by outside director Mr. Naoki MITARAI, and consist of five people including representative director and chairman Mr. Hiroo OKOSHI, representative director and president Mr. Tohru TAKAHASHI, outside director Mr. Akira OKADA and outside director Mr. Seiji SAKATA.

Overview: Remuneration System

(1) Breakdown of Remuneration

Type of Reward	Monthly Remuneration	Bonus	Trust-type Stock Remuneration	Restricted Stock Remuneration
Features	Base remuneration	Short-term incentives	Medium-term incentives	Long-term incentives
Cash/Shares	Monetary remuneration		Stock-based remuneration	
Link to Performance	Non-performance-based	Performance-based	Performance-based	Non-performance-based
Payment Schedule	Paid monthly	Paid once a year in March	In principle, once every three fiscal years	Paid once a year and transfer restriction lifted upon retirement
Basic Composition Ratio	50%	30%	20%	
Maximum Amount of Total Remuneration	Annual amount of 550 million yen		Over 3 business years, 600 million yen (up to 150,000 shares)	Annual amount of 60 million yen (up to 50,000 shares)

(Notes)

1. The basic composition ratio of remuneration indicates the basic ratio in the system design, and the ratio shown on the left fluctuates depending on the state of the Company's business performance and other factors.
2. The total limit of monetary remuneration includes the base remuneration for outside directors (excluding directors who are Audit & Supervisory Committee members).

(2) Performance-based Remuneration

1. Bonus

As a form of short-term incentive remuneration, we have adopted profit attributable to owners of parent as an evaluation index, with the aim of raising awareness of contributing to the improvement of business performance in each fiscal year. The amount of remuneration is calculated in the range of 0-200% of the fluctuation range, according to the amount of consolidated net income, and the final determination is made reflecting the results of individual evaluations.

2. Trust-type stock remuneration

As a form of medium-term incentive remuneration, we have introduced trust-type stock remuneration with the aim of raising awareness of the enhancement of corporate value by achieving the requirements of the management plan, by linking it with the state of achievement of the indicators set forth in the mid-term plan set every three fiscal years. The amount of remuneration is calculated within the range of 0-180% of the fluctuation range, according to the state of achievement of the evaluation indicators, and the final determination is made reflecting the results of individual evaluations.



(3) Non-monetary remuneration

Regarding stock-based remuneration, in addition to the trust-type stock remuneration described above, the Company has introduced restricted stock remuneration with the aim of enhancing incentives to improve corporate value from a long-term perspective. Restricted transferable shares calculated based on the stock price on a predetermined date are allocated in accordance with the amount of restricted transferable share remuneration determined for each position. The transfer restriction is lifted at the time of retirement.

(4) Restrictions on the payment of stock-based remuneration

In the event of dismissal or resignation of a director during the term of office (except in cases deemed justifiable by the Board of Directors), the Remuneration Committee's deliberations and reports shall be taken into account, and the payment of stock-based remuneration shall be restricted by resolution of the Board of Directors.

(5) Approach to holding Company shares

In principle, the Company's shares granted through stock-based remuneration shall continue to be held for the duration of the director's term of office. By encouraging employees to hold more than a certain amount of the Company's shares through the separately established "Guidelines for Shareholding of the Company's Shares" we are also working to share value with shareholders and raise awareness of the medium to long-term enhancement of corporate value.

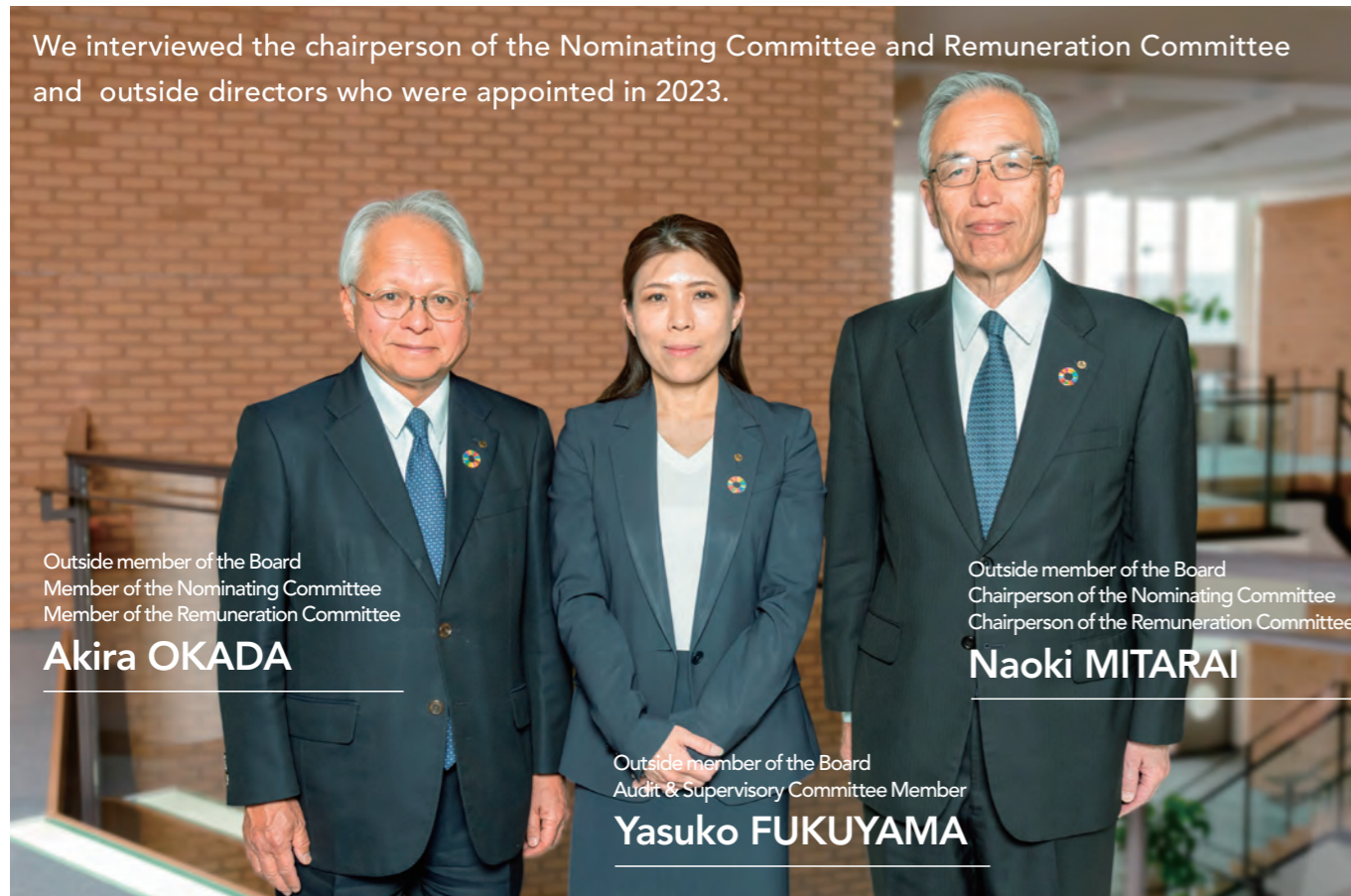
Remuneration Paid

Category	Number of persons remunerated	Remuneration paid	Total amount of remuneration			
			Base remuneration	Bonus	Trust-type Stock Remuneration	Non-performance-based Restricted Stock Remuneration
Directors (excluding Audit & Supervisory Committee members) (Outside Directors)	10 (4)	518 million yen (32 million yen)	252 million yen (32 million yen)	177 million yen (-)	37 million yen (-)	51 million yen (-)
Directors (Audit & Supervisory Committee members) (Outside Directors)	6 (4)	54 million yen (32 million yen)	54 million yen (32 million yen)	- (-)	- (-)	- (-)
Total (Outside Directors)	16 (8)	573 million yen (64 million yen)	307 million yen (64 million yen)	177 million yen (-)	37 million yen (-)	51 million yen (-)

*The above amounts are total remuneration for fiscal year 2023 and include remuneration for directors who have currently retired.

Interview with Outside Directors

We interviewed the chairperson of the Nominating Committee and Remuneration Committee and outside directors who were appointed in 2023.



Outside member of the Board
Member of the Nominating Committee
Member of the Remuneration Committee

Akira OKADA

Outside member of the Board
Chairperson of the Nominating Committee
Chairperson of the Remuneration Committee

Naoki MITARAI

Outside member of the Board
Audit & Supervisory Committee Member

Yasuko FUKUYAMA

—The Management Plan 2030 has been announced. How do you evaluate this plan as outside directors? What were the focuses of discussion that was made by the Board of Directors in developing this plan?

Director MITARAI Among the characteristics of the Management Plan 2030, the first point is that we have clarified the thinking about the direction of our businesses. We have clarified a policy of expanding the solutions for movement, including control and units, while keeping motors at the core, under the new



Naoki MITARAI

He began to serve as an outside director of the Company in 2017. Involved in corporate management at Hitachi, Ltd. and its group companies, he has particularly extensive knowledge and experience in the fields of human resources and labor relations.

business concept: e-MOTO. At the Board of Directors, we have been discussing a wide range of agenda on how to realize this concept, for more than one year. They include the allocation and development of human resources, technology trends, and M&A.

The next point is that the management plan covers a long span of time up to 2030. We could have opted to formulate a three-year mid-term plan as before. However, we reached this conclusion with a view that, to change the Company's structure significantly, we need to take action dynamically from a long-term perspective.

The third point is that we quantified not only financial targets but also sustainability targets as the Mabuchi Motor Value Point, defining it as an important factor for increasing corporate value. While we have already been working as a company that contributes to society, going forward we will work to achieve the sustainability targets that have been defined more clearly. Great efforts and various reforms are needed to achieve both financial and unfinanced targets. I would ask employees to work with a determination to achieve them by all means.

The fourth point is that the direction of cash allocation is offered. It is very difficult to judge how to make effective use of cash. It varies according to the environment surrounding the Company, and there is more than one right answer. The direction we showed this time is a result of discussions we had in light of the environment surrounding the company, including its growth,

preparations for risks, and shareholder returns. I think it is a well-balanced policy.

I have described key points of the Management Plan 2030 and my view. I would like to participate in discussions proactively as an outside director to help achieve this plan.

Director FUKUYAMA The business strategy is broader than before in terms of products and fields. We need to exercise our imagination to find how to leverage the patterns of success based on the standardization strategy, at which the Company has been strong, in the 3 M fields. I am feeling a strong determination to advance this initiative in a company-wide manner and evolve the business portfolio. I think that the considerations of the M&A strategy were broadened and accelerated significantly over the past year.

Director OKADA Management Plan 2030 is a far-sighted plan, and is not a mere extension of the past. While the Company has a history of 70 years, we recognized that it is time to change its structure, including the top management and all executives. I think that the plan was created with this sense of urgency. There was an argument that the period should be long enough to dynamically change the structure of the Company. This has resulted in the plan, with a period of seven years, being longer than ever.

At present, motors for automotive products account for more than 75% of total sales. While the automotive market is expected to remain stable, it is unknown what changes will take place. For example, we have faced geopolitical problems and the COVID-19 pandemic as an environmental change taking place at a speed that might occur once in a century. This experience has resulted in a sense of crisis, which has led us to believe that structural change is imperative for achieving long-term growth and continuing to pay dividends to shareholders consistently over the medium to long term. I think that the Management Plan 2030 shows how to adapt to the changing world, such as increasing our contribution to realizing a decarbonized society, in providing movement mainly through motors. To make this a reality, the Company will be proactive going forward in using M&A and partnerships with external parties -- I think we could deliver this new message both internally and externally.

We have also hammered out a clear capital policy of strengthening strategic investments for the future, such as R&D and capital investments, and returning profits to our shareholders, who support the Company, while retaining cash to address the risks that surround it. Not only top management but all employees have expressed their commitment to achieving this policy that we have announced, aiming to produce results. I think it is good.

—One year has passed since you were appointed as outside directors. What do you think are the company's strengths,

features, and issues? What are your expectations for company going forward?

Director FUKUYAMA I understand that the company is characterized by the very high level of its technologies and quality, as well as by a corporate culture of earnestness and faithfulness and management systems that enable its technologies and quality. I myself inspected four bases in China in 2023 and witnessed that the spirit of Japanese manufacturing had been instilled there. In addition, a visit to Technical Research Institute and an internal technology exhibition have led me to feel that employees are involved in manufacturing with pride and enthusiasm. I think this has resulted in a good atmosphere and led to positive results. I would ask that the Management Plan 2030 be achieved by building up these achievements.



Akira OKADA

He began to serve as an outside director of the Company in 2023. Involved in corporate management at All Nippon Airways Co., Ltd. and its group companies, he has particularly extensive knowledge and experience related to corporate governance.

Director OKADA Throughout its history of 70 years, the Company has been dedicated only to motors, providing movement, developing safe, highly efficient motors, and offering them at reasonable prices. This competitiveness was not achieved overnight but it is very clear that it was cultivated through a long process of trial and error, which began with our predecessors, under a standardization strategy and global strategy. In 2023, I visited and inspected facilities in Vietnam. I felt that the strength of people working on site, who pursue quality and cost inexhaustibility and who work hard to achieve quantitative targets, have been established by staff in Vietnam throughout their history. The Company also has factories in Mexico and Poland. Launching factories can be supported with capabilities that were cultivated at factories in China and Vietnam, although issues differ due to differences in national character. I think this is one of the Company's strengths.

I think that the Company has entered a phase where it should step up its efforts to increase added value by leveraging existing

Interview with Outside Directors

strengths and features and to further reinforce the Five-Region Management Structure, so as to take on challenges in the 3 M fields and other new areas. I think that the issue is how to integrate the expertise and skills of Headquarters employees and those of staff members in each country in developing human resources, so as to achieve these goals. Human resources are also a key point in enhancing M&A and partnerships with outside parties in the future. I also feel that the Company should further foster employees' willingness to take on challenges at the same time as developing human resources.

—You have many years of experience in the field of human resources. How do you evaluate the company's human resource development?

Director MITARAI Regarding human resource development, I think that the Company attaches importance to employee training and the top management also have very high awareness. On the other hand, what I feel in interviewing employees directly is that they are a little more docile than their predecessors. I believe that the challenge for the future lies in how to develop a culture of willingness to take on challenges.

—The president Mr. TAKAHASHI took up the role of representative director and president in March 2024. What discussion did the Nominating Committee have?

Director MITARAI Every year, the Nominating Committee considers the best management system and governance system and discusses what human resources to promote, in light of the future that is foreseeable at the time. A major point this time was the leadership that we required when we have to change the company structurally. Mr. Takahashi is a person of action, who is capable of implementing various measures by involving people while gaining the trust among the people around him. Under the Management Plan 2030, we have set a challenging target of increasing net sales to 300.0 billion yen. To achieve this target, it is imperative that each one employee thinks and acts on their own. We nominated Mr. Takahashi from the viewpoint of the leadership that will be needed by Mabuchi Motor going forward, hoping that he will create a culture of willingness to take on challenges by motivating employees skillfully.

Director OKADA Mr. TAKAHASHI served as a leader at a factory of a base in China with approx. 4,000 workers. While on-site workers did not have problem consciousness yet in those days, he raised various issues and implemented reforms together with them. I believe that he will demonstrate leadership in tasks, including the development of the production system that will be needed in the future, in the phase where

the Company should change structurally and significantly in various aspects toward 2030. I hope that Mr. Takahashi will create a new image of a Mabuchi Motor president by leveraging his ability to attract and involve people around him.

—How do you evaluate the Company's internal control in global management as an Audit & Supervisory Committee member?



Yasuko FUKUYAMA

She began to serve as an outside director and an Audit & Supervisory Committee member of the Company in 2023. She has extensive knowledge and experience as a lawyer working in Japan and overseas.

Director FUKUYAMA The Company has many overseas bases, and basic ideas including the Management Principle, Management Markers, Management Guidelines, and Our Missions have penetrated even into the work sites of each base. Each employee understands the history of Mabuchi Motor and works with pride in our high quality and our brand. I therefore believe that the environment is in place for internal control. I also think that communication between the Headquarters in Japan and overseas subsidiaries is very close. I think that these and other points allow us to evaluate the current internal control of the Mabuchi Group as highly mature, on the global scale as well. I think that there are two future tasks, for which initiatives have already begun to be taken. One is to further improve the accuracy of risk assessment and prior consideration of measures to address risks, so as to further improve the ability to respond to uncertainty in society and the world. The other is to pass down the current internal control, which is effective, to the next generation. I also think that what will be important going forward are not only transfer to the next generation as a measure taken in the vertical direction but also control taken in the horizontal direction -- that is, control of risks in new fields and areas that are different from those in existing fields -- because the number of Group companies is expected to increase over the long term as a result of M&A. As the corporate group changes, the effective means of its internal control will also change. I therefore expect that the Company will maintain and strengthen its highly effective, global internal control while accepting changes.

Directors and Executive Officers

Directors



Representative Director and Chairman
Hiroo OKOSHI

1984 Joined MABUCHI MOTOR CO., LTD.
1990 Manager - Procurement Section, MABUCHI INDUSTRY CO., LTD.
1996 General Manager - President Office, MABUCHI INDUSTRY CO., LTD.
2002 Director, General Manager - General Affairs Department, Human Resources Department, MABUCHI INDUSTRY CO., LTD.
2002 General Manager - Corporate Planning Department, MABUCHI MOTOR CO., LTD.
2003 Deputy Head of Business Platform Innovation Headquarters, MABUCHI MOTOR CO., LTD.
2004 General Manager - Corporate Planning Department, MABUCHI MOTOR CO., LTD.
2009 Executive Officer, Head of Administration Headquarters, MABUCHI MOTOR CO., LTD.
2011 Member of the Board, Executive Officer, Head of Administration Headquarters, MABUCHI MOTOR CO., LTD.
2013 Representative Director, President
2019 Representative Director, President & CEO
2022 Representative Director, Chairman & CEO
2024 Representative Director and Chairman (Current Position)



Representative Director and President, President and Executive Officer
Tohru TAKAHASHI

1988 Joined MABUCHI MOTOR CO., LTD.
1993 MABUCHI MOTOR DALIAN CO., LTD.
2012 President - MABUCHI MOTOR DONGGUAN DAOJIAO CO., LTD.
2015 President - MABUCHI MOTOR DALIAN CO., LTD.
2018 General Manager - Operations Control Department, Manufacturing Headquarters
2021 Head of Purchasing and Operations Control Headquarters
2022 Member of the Board, Executive Officer, Head of Purchasing and Operations Control Headquarters
2024 Representative Director and President, President and Executive Officer (Current Position)



Representative Director, Executive Vice President, Vice President and Executive Officer, Chief Officer of Mabuchi Group Subsidiaries
Hironaro KATAYAMA

1991 Joined MABUCHI MOTOR CO., LTD.
1994 MABUCHI INDUSTRY CO., LTD.
1997 Manager - Quality Assurance Section, MABUCHI INDUSTRY CO., LTD.
2006 Assistant Factory Manager - MABUCHI MOTOR (JIANGSU) CO., LTD.
2007 President - MABUCHI MOTOR (JIANGSU) CO., LTD.
2014 Deputy Head of Operations Control Headquarters
2014 Head of Operations Control Headquarters
2015 Member of the Board, Executive Officer, Head of Operations Control Headquarters
2017 Member of the Board, Managing Executive Officer, Chief Business Operation Officer
2019 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Group Subsidiaries
2020 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Group Subsidiaries, Chief Administrative Officer, Head of Human Resources and General Affairs Headquarters
2020 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Group Subsidiaries, Chief Administrative Officer, Head of Human Resources and General Affairs Headquarters
2021 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Group Subsidiaries, Chief Administrative Officer, Head of Purchasing, Head of Human Resources and General Affairs Headquarters
2022 Member of the Board, Managing Executive Officer, Assistant to the President, Chief Officer of Mabuchi Motor Subsidiaries, Chief Administrative Officer
2022 Member of the Board, Senior Managing Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit
2023 Member of the Board, Senior Managing Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit, General Manager - Mabuchi Group Management Dept.
2023 Representative Director, Executive Vice President and Executive Officer, Chief Officer of Mabuchi Group Subsidiaries, Head of Life and Industrial Product Business Unit, Head of Smart Transformation Headquarters, General Manager - Mabuchi Group Management Dept.
2024 Representative Director, Executive Vice President and Executive Officer, Chief Officer of Mabuchi Group Subsidiaries (Current Position)

Directors



Member of the Board, Senior Managing Executive Officer, Responsible for Internal Controls and Business Development, Head of Corporate Planning Headquarters and Smart Transformation Headquarters
Tadahito IYODA

1999 Joined MABUCHI MOTOR CO., LTD.
2004 General Manager - President Office, MABUCHI INDUSTRY CO., LTD.
2010 General Manager - Corporate Planning Department
2013 Executive Officer, Head of Administration Headquarters
2015 Member of the Board, Executive Officer, Head of Administration Headquarters
2018 Member of the Board, Group Executive Officer, Chief Regional Officer in the Americas, Chairman and President - MABUCHI MOTOR MEXICO SA DE CV
2020 Member of the Board, Executive Officer, General Manager - Corporate Planning Department
2020 Member of the Board, Executive Officer, Head of Corporate Planning Headquarters
2021 Member of the Board, Executive Officer, Head of Corporate Planning Headquarters, General Manager - Corporate Communication Department
2022 Member of the Board, Managing Executive Officer, Chief Administrative Officer, Responsible for Corporate Strategy
2023 Member of the Board, Managing Executive Officer, Chief Administrative Officer, Responsible for Internal Controls and Corporate Strategy
2023 Member of the Board, Managing Executive Officer, Chief Administrative Officer, Responsible for Internal Controls, Corporate Strategy and Business Development (Current position)
2024 Member of the Board, Senior Managing Executive Officer, Responsible for Internal Controls and Business Development, Head of Corporate Planning Headquarters and Smart Transformation Headquarters (Current Position)

Directors

(Audit & Supervisory Committee Member)



Member of the Board, Standing Audit & Supervisory Committee Member
Katsumi KOBAYASHI

1984 Joined MABUCHI MOTOR CO., LTD.
2010 General Manager - Technical Center, Administration Headquarters
2012 General Manager - General Affairs Department, Administration Headquarters
2019 President - MABUCHI MOTOR TAIWAN LTD.
2022 Head of Human Resources and General Affairs Headquarters
2022 Executive Officer, Deputy Chief Administrative Officer, Head of Human Resources and General Affairs Headquarters
2023 Member of the Board, Standing Audit & Supervisory Committee Member (Current position)

Outside Directors



Outside Member of the Board
Naoki MITARAI

1976 Joined HITACHI, LTD.
2000 General Manager - Employee Relations Department, HITACHI, LTD.
2004 Deputy General Manager - Information & Telecommunication Systems Group, Government & Public Corporation Information System Sales Management Division, HITACHI, LTD.
2005 General Manager, Group Company Office, Hitachi Group - Corporate Strategy, Hitachi Group Headquarters, HITACHI, LTD.
2006 General Manager, Group Company Office, Hitachi Group Headquarters, HITACHI, LTD.
2010 Senior General Manager - Human Resources Management Headquarters and General Affairs Headquarters, HITACHI, LTD.
2011 Vice President, Senior General Manager - Human Resources Management Headquarters and General Affairs Headquarters, HITACHI, LTD.
2014 Senior Vice President and Executive Officer, CHRO (Chief Human Resources Officer), Risk Management Manager and CRO (Chief Risk Management Officer), Hitachi High Technologies Corporation
2015 Representative Executive Officer and Executive Vice President, Hitachi High-Technologies Corporation
2016 Executive Adviser - Hitachi High-Technologies Corporation
2017 Outside Member of the Board, MABUCHI MOTOR CO., LTD. (Current position)



Outside Member of the Board
Akira OKADA

1979 Joined ALL NIPPON AIRWAYS CO., LTD.
2007 Executive Vice President, General Manager - Corporate Planning Department, ALL NIPPON AIRWAYS CO., LTD.
2010 Member of the Board, Executive Vice President, General Manager - Operations Oversight Division, ALL NIPPON AIRWAYS CO., LTD.
2012 Executive, Board of Directors, Executive Vice President, General Manager - Freight & Cargo Business, ALL NIPPON AIRWAYS CO., LTD.
2015 Senior Managing Director, Executive Vice President, General Manager - Freight & Cargo Business, ALL NIPPON AIRWAYS CO., LTD.
2015 Representative Director and President, ANA Cargo Inc.
2015 Outside Director, The Okinawa Electric Power Company, Incorporated
2016 Representative Director and President, ANA Strategic Research Institute Co., Ltd.
2021 Visiting Professor, Osaka Seikei University (Current position)
2023 Outside Member of the Board, MABUCHI MOTOR CO., LTD. (Current position)



Outside Member of the Board
Seiji Sakata

1981 Joined Ricoh Company, Ltd.
2010 Corporate Vice President, General Manager of Controller Development Division, Deputy General Manager of MFP Business Group, Ricoh Company, Ltd.
2012 Corporate Senior Vice President, General Manager of Human Resources Division, Ricoh Company, Ltd.
2018 Corporate Executive Vice President, General Manager of Office Printing Business Group, Ricoh Company, Ltd.
2018 Director, Corporate Executive Vice President, General Manager of Office Printing Business Group, Ricoh Company, Ltd.
2019 Director, Corporate Executive Vice President, CTO (Chief Technology Officer), Ricoh Company, Ltd.
2021 Director, Executive Corporate Officer, CTO, General Manager of Advanced Technology R&D Division, Ricoh Company, Ltd.
2023 Outside Director, Hirose Electric Co., Ltd. (Current position)
2024 Outside Member of the Board, MABUCHI MOTOR CO., LTD. (Current Position)

Directors and Executive Officers

Outside Member of the Board, Audit & Supervisory Committee Members



Outside Member of the Board,
Audit & Supervisory Committee
Member

Takashi ASAI

1990 Registered as an attorney
1990 Joined Daiichifuyo Law Office (Current position)
1998 Partner, Daiichifuyo Law Office (Current position)
2014 Part-Time Lecturer, Keio University Graduate School (Current position)
2016 Outside Audit & Supervisory Board Member, MABUCHI MOTOR CO., LTD.
2019 Outside Member of the Board, Audit & Supervisory Committee Member, MABUCHI MOTOR CO., LTD. (Current position)



Outside Member of the Board,
Audit & Supervisory Committee
Member

Yoko TOYOSHI

1981 Joined the Bank of Fukuoka, Ltd.
1989 Joined Asahi Shinwa & Co. (currently KPMG AZSA LLC)
1990 Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)
2008 Partner, Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC)
2013 Appointed as Chief Certified Public Accountant Audit Inspector, Certified Public Accountants and Auditing Oversight Board, Financial Services Agency
2016 Joined Deloitte Touche Tohmatsu LLC
2018 Outside Director (Audit and Supervisory Committee Member), Alps Electric Co., Ltd. (currently ALPS ALPINE CO., LTD.) (Current position)
2020 Outside Audit & Supervisory Board Member, KOKUYO Co., Ltd. (Current position)
2021 Outside Member of the Board, Audit & Supervisory Committee Member, MABUCHI MOTOR CO., LTD. (Current position)



Outside Member of the Board,
Audit & Supervisory Committee
Member

Yasuko FUKUYAMA

2001 Registered as an attorney
2002 Joined Okinobu, Ishihara & Sei Law Office (currently Spring Partners)
2009 Admitted to the New York State Bar Association
2012 Attorney, Partner, Spring Partners (Current position)
2020 Outside Director (Audit and Supervisory Committee Member), EARLY-AGE CO., LTD. (Current position)
2023 Outside Member of the Board, Audit & Supervisory Committee Member, MABUCHI MOTOR CO., LTD. (Current position)
2024 External Director Who Are Audit and Supervisory Committee Members of BP Castrol K.K. (Current position)

Group Executive Officers



Group Managing
Executive Officer, Chief
Regional Officer in
China

QUAN Da Yong

1990 Joined MABUCHI MOTOR SHENZHEN LTD.
2004 General Manager - President Office, Dongguan Mabuchi Motor Equipment Co., LTD.
2005 General Manager - President Office, General Manager - China Human Resources, Dongguan Mabuchi Motor Equipment Co., LTD.
2008 Vice President - Dongguan Mabuchi Motor Equipment Co., LTD.
2011 President - MABUCHI MOTOR (DONGGUAN) CO., LTD.
2017 Deputy General Manager - China Business, Vice Chairman - MABUCHI MOTOR (DONGGUAN) CO., LTD.
2018 Group Executive Officer, Chief Regional Officer in China
2019 Group Executive Officer, Chief Regional Officer in China, Chairman & President - MABUCHI MOTOR (SHANGHAI) MANAGEMENT CO., LTD.
2020 Group Managing Executive Officer, Chief Regional Officer in China, Chairman & President - MABUCHI MOTOR (SHANGHAI) MANAGEMENT CO., LTD. (Current position)



Group Executive Officer,
President - MABUCHI
MOTOR POLAND sp. z
o. o.

Toru SHIBASAKI

1991 Joined MABUCHI MOTOR CO., LTD.
1994 MABUCHI INDUSTRY CO., LTD.
2003 Manager - Assembly Group, MABUCHI MOTOR VIETNAM LTD.
2006 General Manager - Production Department, MABUCHI MOTOR VIETNAM LTD.
2009 Factory Manager - MABUCHI MOTOR VIETNAM LTD.
2013 President - MABUCHI MOTOR DANANG LTD.
2016 Vice Chairman - MABUCHI MOTOR VIETNAM LTD., Vice Chairman & President - MABUCHI MOTOR DANANG LTD.
2018 Executive Officer, Deputy Head of Manufacturing Headquarters
2021 Executive Officer, Head of Manufacturing Headquarters
2024 Group Executive Officer, President - MABUCHI MOTOR POLAND sp. z o. o. (Current Position)



Group Executive Officer,
Deputy Chief Regional
Officer in China

SHU Zheng

1988 Joined MABUCHI MOTOR SHENZHEN LTD.
1999 Manager - Product Production, Guangdong No. 1 Factory, MABUCHI INDUSTRY CO., LTD.
2000 Manager - Planning and Coordination Office, Guangdong No. 1 Factory, MABUCHI INDUSTRY CO., LTD.
2002 Factory Manager - Guangdong No. 1 Factory, MABUCHI INDUSTRY CO., LTD.
2008 Vice President - Guangdong No. 1 Factory, MABUCHI INDUSTRY CO., LTD.
2009 President - MABUCHI MOTOR (YINGTAN) CO., LTD.
2014 President - MABUCHI MOTOR (JIANGXI) CO., LTD.
2017 President - MABUCHI MOTOR (DONGGUAN) CO., LTD.
2019 Deputy Chief Regional Officer in China, President - MABUCHI MOTOR (DONGGUAN) CO., LTD.
2020 Group Executive Officer, Deputy Chief Regional Officer in China, President - MABUCHI MOTOR (DONGGUAN) CO., LTD. (Current position)

Executive Officers (excluding those serving as directors)



Managing Executive
Officer, Responsible
for Global Sales

Tsuyoshi NAKAMURA

1988 Joined MABUCHI MOTOR CO., LTD.
1992 Manager - Sales Section 2, MABUCHI INDUSTRY CO., LTD.
2005 General Manager - Power Unit Motor Division
2006 General Manager - Sales Department 3, Sales and Marketing Headquarters
2007 President - MABUCHI MOTOR (EUROPE) GmbH
2011 General Manager - China Market Development Promotion Department, Sales and Marketing Headquarters
2012 General Manager - Sales Department 3, Sales and Marketing Headquarters
2013 Executive Officer, Deputy Head of Sales and Marketing Headquarters
2015 Executive Officer, Head of Sales and Marketing Headquarters
2017 Executive Officer, Assistant Chief Business Officer
2018 Executive Officer, Assistant Chief Business Officer, Head of Medium Automotive Product Business Unit 2
2019 Executive Officer, Head of Automotive Product Business Unit 2
2019 Executive Officer, Responsible for Customer Relations, Head of Automotive Product Business Unit 2
2020 Executive Officer, Responsible for Customer Relations
2021 Managing Executive Officer, Responsible for Global Sales, Head of Consumer and Industrial Product Business Unit, Chief Regional Officer in Europe
2021 Managing Executive Officer, Responsible for Global Sales, Head of Automotive Product Business Unit 2, Chief Regional Officer in Europe
2022 Managing Executive Officer, Responsible for Global Sales, Head of Automotive Product Business Unit 2
2024 Managing Executive Officer, Responsible for Global Sales (Current Position)



Managing Executive
Officer, Chief
Technology Officer,
Head of Manufacturing
Headquarters

Kazuaki MIYAJIMA

1991 Joined MABUCHI MOTOR CO., LTD.
1992 MABUCHI INDUSTRY CO., LTD.
1998 Assistant General Manager - Production Engineering Department, MABUCHI INDUSTRY CO., LTD.
2012 General Manager - Production Engineering Department, Research and Development Headquarters
2017 Deputy Head of Manufacturing Headquarters
2018 Associate Director, Manufacturing Headquarters
2022 Member of the Board, Executive Officer, Chief Technology Officer
2024 Member of the Board, Executive Officer, Chief Technology Officer, Head of Manufacturing Headquarters
2024 Managing Executive Officer, Chief Technology Officer, Head of Manufacturing Headquarters (Current Position)



Executive Officer, Head
of IT Headquarters

Tomofumi IMAMURA

2008 Joined MABUCHI MOTOR CO., LTD.
2010 Vice President - MABUCHI MOTOR VIETNAM LTD.
2012 President - MABUCHI MOTOR VIETNAM LTD.
2016 General Manager - Corporate Planning Department
2018 Executive Officer, Head of Corporate Planning Headquarters
2020 Executive Officer, Head of Automotive Product Business Unit 2
2021 Executive Officer, Report to COO
2021 Group Executive Officer, Chairman - MABUCHI MOTOR Electromag SA
2022 Group Executive Officer, Chief Regional Officer in Europe, Chairman - MABUCHI MOTOR Electromag SA
2023 Group Executive Officer, Chief Regional Officer in Europe, Chairman and President - MABUCHI MOTOR POLAND sp. z o.o.
2024 Group Executive Officer, Chief Regional Officer in Europe, Chairman - MABUCHI MOTOR POLAND sp. z o.o.
2024 Executive Officer, Head of IT Headquarters (Current Position)



Group Executive Officer,
Chairman & President -
MABUCHI MOTOR
VIETNAM LTD.,
Chairman - MABUCHI
MOTOR DANANG LTD.

HOANG Son

1998 Joined MABUCHI MOTOR VIETNAM LTD.
2009 General Manager - Product Production Department, MABUCHI MOTOR VIETNAM LTD.
2010 Assistant Factory Manager - MABUCHI MOTOR VIETNAM LTD.
2012 Factory Manager - MABUCHI MOTOR VIETNAM LTD.
2013 Vice President - MABUCHI MOTOR DANANG LTD.
2015 Vice President - MABUCHI MOTOR VIETNAM LTD.
2015 President - MABUCHI MOTOR VIETNAM LTD.
2020 Group Executive Officer, Chairman & President - MABUCHI MOTOR VIETNAM LTD., Chairman - MABUCHI MOTOR DANANG LTD. (Current position)



Group Executive Officer,
President - MABUCHI
MOTOR Mexico S.A. DE
C.V.

Makoto KIMURA

1993 Joined MABUCHI MOTOR CO., LTD.
1997 MABUCHI MOTOR DALIAN CO., LTD.
2009 Assistant Factory Manager - Guangdong No. 3 Factory, MABUCHI INDUSTRY CO., LTD.
2010 Assistant Factory Manager - Dongguan Branch, MABUCHI MOTOR (DONGGUAN) CO., LTD.
2013 Assistant Factory Manager - MABUCHI MOTOR (JIANGXI) CO., LTD.
2014 Vice President - MABUCHI MOTOR (JIANGXI) CO., LTD.
2017 President - MABUCHI MOTOR (JIANGXI) CO., LTD.
2020 President - MABUCHI MOTOR Mexico S.A. DE C.V.
2022 Group Executive Officer, President - MABUCHI MOTOR Mexico S.A. DE C.V. (Current position)



Group Executive Officer,
Chief Regional Officer in
Europe

Kazuhiro ABE

2018 Joined MABUCHI MOTOR CO., LTD.
2019 General Manager - Corporate Planning Department
2020 Vice President - MABUCHI MOTOR (EUROPE) GmbH
2021 President - MABUCHI MOTOR (EUROPE) GmbH
2024 Group Executive Officer, Chief Regional Officer in Europe, President - MABUCHI MOTOR (EUROPE) GmbH (Current Position)



Executive Officer, Head of
Purchasing and Operations
Control Headquarters

Hiroaki WATANABE

1999 Joined MABUCHI MOTOR CO., LTD.
2008 MABUCHI MOTOR AMERICA CORP.
2015 General Manager - Sales Department 3, Sales and Marketing Headquarters
2017 Senior General Manager - Medium Automotive Product Business Unit 2
2018 President - MABUCHI MOTOR AMERICA CORP.
2021 Deputy Head of Purchasing and Operations Control Headquarters
2022 Executive Officer, Head of Corporate Planning Headquarters
2023 Executive Officer, Head of Corporate Planning Headquarters and Smart Transformation Headquarters
2023 Executive Officer, Head of Corporate Planning Headquarters
2024 Executive Officer, Head of Purchasing and Operations Control Headquarters (Current Position)



Executive Officer, Chief
Financial Officer

Keiichi HAGITA

1989 Joined MABUCHI MOTOR CO., LTD.
1996 General Manager - Finance and Accounting Dept., MABUCHI INDUSTRY
2013 General Manager - Finance and Accounting Dept., Administration Headquarters
2020 General Manager - Finance and Accounting Dept., Finance and Accounting Dept. Headquarters
2023 Executive Officer, Chief Financial Officer, General Manager - Finance and Accounting Dept.
2024 Executive Officer, Chief Financial Officer (Current Position)



Executive Officer, Head
of Human Resources
and General Affairs
Headquarters

Toshihiro KOMIZO

1991 Joined MABUCHI MOTOR CO., LTD.
2001 MABUCHI INDUSTRY
2003 General Manager - President Office, MABUCHI INDUSTRY
2008 General Manager - Human Resources Department
2016 Deputy Chief Regional Officer in China
2019 Deputy Head of Administration Headquarters
2023 Head of Human Resources and General Affairs Headquarters
2024 Executive Officer, Head of Human Resources and General Affairs Headquarters (Current Position)

Financial Data, 10-year Period

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating Results Highlights (Unit: Million Yen)										
Net Sales	122,544	143,143	140,699	146,925	143,116	131,807	116,432	134,595	156,706	178,663
Gross Profit	35,614	43,470	46,188	47,305	44,327	41,031	34,856	36,415	37,462	44,144
Operating Income	16,875	22,961	24,225	24,066	21,243	17,544	12,900	13,800	10,824	15,536
Ordinary Income	23,929	27,113	26,135	25,841	24,804	20,854	12,675	19,570	21,473	26,994
Profit Attributable to Owners of Parent	18,090	18,546	20,598	20,303	22,925	14,234	8,987	14,251	14,295	19,416
Profit Income per Share (Yen)*	129.01	133.49	150.35	149.87	170.60	107.00	67.82	108.38	110.39	150.52

Exchange Rate (Unit: Yen)										
US dollar (Average for the period)	105.85	121.05	108.84	112.19	110.43	109.05	106.82	109.80	131.43	140.56

Financial Indicators (Unit: %)										
Gross Profit Ratio	29.1	30.4	32.8	32.2	31.0	31.1	29.9	27.1	23.9	24.7
Operating Income Ratio	13.8	16.0	17.2	16.4	14.8	13.3	11.1	10.3	6.9	8.7
Ordinary Income Ratio	19.5	18.9	18.6	17.6	17.3	15.8	10.9	14.5	13.7	15.1
ROIC	12.7	14.4	17.0	14.4	12.7	9.3	6.4	6.1	4.1	5.7
ROE	8.2	8.0	8.8	8.6	9.4	5.8	3.7	5.7	5.3	6.6
ROA	9.9	10.6	10.2	9.8	9.2	7.8	4.8	7.1	7.2	8.4
Equity Ratio	91.0	91.0	90.1	89.9	91.1	91.4	91.0	90.9	91.0	90.6

* ROIC = (Operating profit × (1 - Effective tax rate)) / (Accounts receivable-trade + Inventories + Non-Current assets (excluding Investment securities) - Accounts payable-trade)

Consolidated Financial Position As of December 31, 2022 (Unit: Million Yen)										
Total Assets	256,368	256,196	258,387	269,318	268,246	268,244	262,559	285,704	307,786	336,605
Net Assets	233,312	233,245	232,917	242,179	244,454	245,172	239,103	259,909	280,175	305,030
Net Assets per Share (Yen)*	1,663.00	1,681.51	1,702.57	1,789.99	1,820.04	1,845.43	1,811.81	1,987.67	2,166.88	2,380.90

Cash Flows (Unit: Million Yen)										
Cash Flows from Operating Activities	18,118	20,115	27,958	22,585	20,979	25,830	18,741	8,743	10,206	31,741
Cash Flows from Investing Activities	-11,977	-1,178	-3,440	-14,027	-12,735	-15,246	-5,304	-12,970	-10,468	-15,608
Free Cash Flows	6,141	18,937	24,518	8,558	8,244	10,584	13,437	-4,226	-261	16,132
Cash Flows from Financing Activities	-6,014	-13,312	-11,860	-13,844	-11,069	-12,132	-10,952	-11,285	-10,088	-11,849

Capital Expenditures, Depreciation and Amortization, R&D Expenses (Unit: Million Yen)										
Capital Expenditures	9,597	16,187	11,236	12,844	16,332	17,915	7,736	9,622	10,614	12,818
Depreciation and Amortization	4,771	6,386	6,016	7,143	7,652	8,264	8,648	9,666	11,634	12,573
R&D Expenses	4,503	5,164	5,024	5,233	4,939	4,958	4,453	4,711	5,574	6,388

Shareholder Returns										
Annual Dividend per Share (Yen)*	53.5	55.0	60.0	60.0	67.5	67.5	67.5	57.5	67.5	75.0
Dividend Payout Ratio (%)	41.5	41.2	39.9	40.0	39.6	63.1	99.5	53.1	61.1	49.8
Total Return Ratio (%)	41.6	68.2	63.1	64.7	52.7	84.3	121.3	74.1	82.3	65.5

* As of January 1, 2024, the Company conducted a stock split at a ratio of 2 shares per common share. The figures for 2014-2023 are the amounts after considering the stock split so that each period can be easily compared with the forecast figure for 2024.

Environment

Category		Scope	Unit	2019	2020	2021	2022	2023
Improving the efficiency of energy use	Total energy input	Electricity	Group million kWh	203	189	220	204	207
		Town gas	Group ton	753	885	1,274	871	758
		Liquefied petroleum gas (LPG)	Group ton	71	69	68	57	55
		Gasoline	Group kl	273	229	218	345	220
		Diesel Fuel	Group kl	166	234	209	154	209
		Coal	Group ton	0	0	0	0	0
		Sustainable energy (Photovoltaics capacity)	Group million kWh	0.68	1.42	1.52	2.44	3.65
Resource conservation (water)	Water input volume	Total usage volume	Group thousand m ³	832	754	851	763	772
		Water supply usage volume	Group thousand m ³	786	719	742	674	691
		Underground water usage volume*1	Group thousand m ³	42	33	106	86	78
		Rain water usage volume	Group thousand m ³	4	3	3	3	3
Reduction of greenhouse gas emissions	Greenhouse gas emissions	Scope1	Group t-CO ₂	2,911	3,265	4,092	3,317	2,926
		Scope2 (market standard)	Group t-CO ₂	104,550	102,638	117,006	123,496	114,081
		Scope2 (location standard)	Group t-CO ₂	105,346	103,221	117,525	123,951	113,817
		Scope3*2	Group t-CO ₂	—	986,157	1,235,054	1,357,129	1,272,222
		Category 1 Purchased goods and services	Group t-CO ₂	—	—	734,374	933,752	560,191
		Category 2 Capital goods	Group t-CO ₂	—	—	33,096	36,505	44,087
		Category 3 Fuel and energy-related activities not included in Scope 1 or Scope 2	Group t-CO ₂	—	—	16,242	15,658	15,513
		Category 4 Upstream transportation and distribution	Group t-CO ₂	—	—	84,576	28,686	46,001
		Category 5 Waste generated in operations	Group t-CO ₂	—	—	1,601	1,319	1,117
		Category 6 Business travel	Group t-CO ₂	—	—	2,846	2,607	2,533
		Category 7 Employee commuting	Group t-CO ₂	—	—	10,343	9,957	9,475
		Category 11 Use of sold products	Group t-CO ₂	—	—	350,978	325,719	589,971
		Category 12 End-of-life treatment of sold products	Group t-CO ₂	—	—	997	2,926	3,334
Reduction of waste	Total discharged waste volume	Group ton	43,307	37,052	45,821	39,951	38,860	
	Final waste disposal volume	Group ton	1,388	1,397	1,676	529	814	
	Waste recycling volume	Group ton	41,918	35,654	44,145	39,422	38,046	
	Waste recycling rate	Group %	96.8	96.2	96.3	98.7	97.9	

*1 The calculation method for underground water usage volume has been revised at some locations since 2021.

*2 In order to enhance the precision of the GHG emissions calculation, we have refined the GHG emissions calculation methodology, including the transition to a weight-based approach in Category 1 in 2023.

Governance

Category		Scope	Unit	2019	2020	2021	2022	2023
Highly transparent corporate operations	Directors	Total	HQ persons	13	13	13	13	13
		Outside directors	HQ persons	6	6	6	6	6
		Female directors	HQ persons	2	2	3	3	2
		Foreign national directors	HQ persons	1	1	1	1	0
	Number of board of directors meetings	HQ times	31	25	25	25	25	
	Attendance rate of outside directors	HQ %	89	100	98	98	98	
	Age of youngest director	Internal HQ age	50	51	53	54	55	
	Age of oldest director	Internal HQ age	59	60	61	61	62	
	Average age of directors	Internal HQ age	55	56	56	56	58	
	Audit committee members	Total	HQ persons	4	4	4	4	4
		Outside audit committee members	HQ persons	3	3	3	3	3
	Executive officers	HQ persons	14	14	17	17	14	
	Directors' remuneration	HQ million yen	369	400	415	452	513	
	Audit committee members' remuneration	HQ million yen	44	48	55	53	53	
Political contributions, lobbying, and other expenditures	HQ yen	0	0	0	0	0		
Compliance with domestic/international regulations and ethics	Administrative penalties from fair trade commission	Group incidents	0	0	0	0	0	
	Criminal penalties related to compliance	Group incidents	0	0	0	0	0	
	Suspension of operations/business due to legal violations	Group incidents	0	0	0	0	0	
	Price fixing prosecution cases	Group incidents	0	0	0	0	0	
	Bribery prosecution cases	Group incidents	0	0	0	0	0	

Social

Category		Scope	Unit	2019	2020	2021	2022	2023	
An environment in which everyone can participate	Number of employees	Total	HQ persons	849 (139)	851 (139)	836 (130)	827 (130)	845 (131)	
		(female)	Group persons	22,061 (16,960)	21,477 (16,516)	20,894 (15,680)	20,248 (14,767)	19,808 (14,204)	
	Number of new graduates hired	Total	HQ persons	32 (9)	26 (8)	8 (0)	14 (4)	18 (2)	
		(female)	HQ persons	37 (7)	14 (1)	28 (4)	27 (7)	42 (8)	
	Number of Mid-career hires	Total	HQ persons	66 (15)	41 (9)	36 (4)	41 (11)	60 (10)	
		(female)	HQ persons	66 (15)	41 (9)	36 (4)	41 (11)	60 (10)	
	Percentage of women among new employees	HQ %		22.7	22.0	11.1	27.0	16.7	
	Number of employees leaving company	HQ persons		32	28	27	45	27	
	Number of women with managerial roles	Total	HQ persons	7	4	3	4	4	
		(female)	Group persons	64	61	66	77	84	
	Percentage of women with managerial roles	Total	HQ %		6.4	4.4	3.6	4.4	4.5
		(female)	Group %		14.1	13.3	14.0	15.8	16.8
	Number of women in positions equivalent to general managers	Group persons		11	10	11	12	16	
	Gender pay gap	Total	HQ %		—	—	—	58.6	62.41
		Full-time employees	HQ %		—	—	—	68.4	72.59
		Non-full-time employees	HQ %		—	—	—	50.4	49.85
	Number of examinee for TOEIC	HQ persons		871	451	759	814	616	
	Number of employees who obtained TOEIC score of 730 or higher	HQ persons		238	250	273	294	300	
	Number of subjects for the qualification incentive system	HQ persons		27	50	77	59	39	
	Training costs per employee	HQ yen		—	—	—	—	45,286	
	Number of employees with disabilities	HQ persons		19	14	12	13	20	
	Percentage of employees with disabilities	HQ %		2.83	2.08	1.85	1.75	2.55	
	Number of foreign national employees	HQ persons		26	20	24	23	24	
	Average age	HQ ages		43.6	43.3	43.8	44.9	45.0	
	Average number of years employed	Total	HQ years	17.8	17.7	18.3	18.8	18.6	
Male		HQ years	18.0	18.1	18.4	19.0	18.9		
Female		HQ years	16.8	17.1	17.4	17.4	17.1		
No. of presidents of local nationalities in foreign affiliate companies (ratio)	Group persons (%)		10(50.0)	11(55.0)	13(61.9)	13 (61.9)	13(56.5)		
Average monthly working hour	HQ hours		166.9	159.7	157.5	165.8	165.1		
Average monthly overtime hours	HQ hours		18.5	12.5	10.3	17.6	18.9		
Yearly use of paid leave days*	Granted	HQ days	20	20	20	20	20		
	Used	HQ days	15.5	14.6	15.4	17.2	16.0		
	Usage Rate	HQ %	77.5	73.1	77.0	85.9	80.1		
Number of maternity leave recipients	HQ persons		3	5	6	3	2		
Number of childcare leave recipients (ratio)	Total	HQ persons (%)	3(13.0)	9(31.0)	11(36.7)	10 (60.0)	11(73.0)		
	Male	HQ persons (%)	0(0.0)	4(16.7)	4(17.4)	7 (43.8)	9(69.2)		
	Female	HQ persons (%)	3(100)	5(100)	7(100)	3 (100)	2(100)		
Average number of days childcare leave taken	Male HQ days		0.0	25.0	57.5	17.6	41.9		
Returnees ratio to work after childcare leave	HQ %		100	100	100	100	100		
Number of recipients of leave for childbirth by spouse	HQ persons		22	26	24	15	13		
Number of nursing care leave recipients	HQ persons		0	2	0	1	1		
Number of employees using the reduced work hours system	HQ persons		2	2	2	5	3		
Employees receiving periodical medical checkup*	HQ %		95.8	97.6	100	100	100		
Employees participating in mental health surveys	HQ %		97.0	92.5	98.9	99.4	99.7		
Frequency of occupational injuries	HQ frequency factor		0.00	0.00	0.00	0.00	0.00		
Development/protection of local societies	Expenditure on social contribution activities	HQ million yen		30.5	26.1	25.5	33.0	42.8	

*The period covered is from April of the same year to March of the following year

Corporate Outline

Corporate Outline

Trade Name	MABUCHI MOTOR CO., LTD.	Headquarters	430 Matsuhidai, Matsudo City, Chiba
Stock Code	6592		270-2280, Japan
Established	January 18, 1954		Tel: 81-47-710-1111
Field of Operations	Manufacture and sales of small electric motors	Technical Research Institute	280 Ryufukuji, Inzai City, Chiba 270-2393, Japan
Capital	20,704,818,800 yen		
Number of Employees	Headquarters: 845 Mabuchi Group: 19,808名		

Information Resources

As a matter of policy, Mabuchi Motor discloses information in a fair, timely and clear manner. Please visit our website for the latest information about our company and its activities.

Investor Relations

<https://www.mabuchi-motor.com/investor/>

Sustainability Information

<https://www.mabuchi-motor.com/csr/>

Major External Awards

Received an "A" rating in the MSCI ESG Rating for three consecutive years

The MSCI ESG Rating analyzes how well a company manages ESG (environmental, social, and governance) risks and opportunities and assigns a seven-point rating from AAA for the highest rank to CCC for the lowest rank. The rating is considered a global evaluation indicator for ESG investment.



THE USE BY MABUCHI MOTOR CO., LTD. OF ANY MSCI ESG RESEARCH LLC OR ITS AFFILIATES ("MSCI") DATA, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT, RECOMMENDATION, OR PROMOTION OF MABUCHI MOTOR CO., LTD. BY MSCI. MSCI SERVICES AND DATA ARE THE PROPERTY OF MSCI OR ITS INFORMATION PROVIDERS, AND ARE PROVIDED 'AS-IS' AND WITHOUT WARRANTY. MSCI NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI.

Selected as an index constituent of FTSE Blossom Japan Sector Relative Index

The index is designed to reflect the performance of Japanese companies that are relatively strong in their environmental, social and governance (ESG) practices in each sector and is designed to be sector-neutral. This index has also been adopted by the Government Pension Investment Fund (GPIF) as a passive management benchmark for ESG investments, and our company was selected as a constituent stock in June 2023.



Selected as a constituent stock of the SOMPO Sustainability Index

The SOMPO Sustainability Index is comprised of approximately 300 companies with outstanding ESG (environmental, social, and governance) initiatives, and is used by the company for its sustainable management.



Certified as "Health and Productivity Management Organization 2024 (Large Corporation Category)" for the 5th consecutive year

The Health & Productivity Management Organization Program is a program to award corporations, including large corporations and small and medium-sized enterprises, that practice particularly excellent health management, based on their efforts to address local health issues and the health promotion initiatives promoted by the Japan Health Council.



Certified as "Platinum Kurumin"

"Platinum Kurumin" is a certification that can be received by companies that have been certified as "Childcare Support Companies" under the Act on Advancement of Measures to Support the Development of the Next Generation and that have implemented even higher standards. Only 12 companies in Chiba Prefecture have received the "Platinum Kurumin" certification. (As of the end of December 2023)



Received the highest "Eruboshi" certification as a company that promotes women's participation in the workforce

In 2020, we received the third-level "Eruboshi Certification" from the Minister of Health, Labour and Welfare, which indicates that we are the most outstanding company in promoting women's participation in the workforce.



Other major external awards and initiatives can be found here.

<https://www.mabuchi-motor.com/news/evaluation/>

Stock Information

Total number of shares authorized	200,000,000 shares
Number of shares issued	66,410,262 shares
Number of shareholders	27,004 shareholders

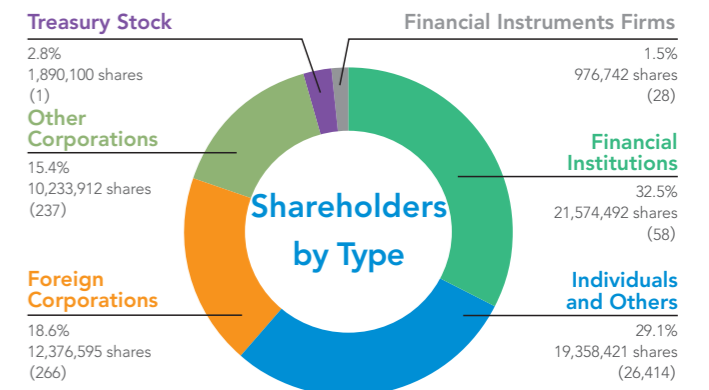
Major Shareholders (Top 10)

Major Shareholders	Number of Shares Held	Ratio of Shareholders
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,075,200	14.1%
Custody Bank of Japan, Ltd. (Trust Account)	5,976,000	9.3%
Takaichi MABUCHI	5,000,800	7.8%
Mabuchi International Scholarship Foundation	3,082,500	4.8%
Premier Corporation	2,068,600	3.2%
Takashi MABUCHI	2,010,600	3.1%
Tamotsu MABUCHI	2,000,414	3.1%
Ray Corporation Co., Ltd.	1,746,000	2.7%
MUFG Bank, Ltd.	1,010,890	1.6%
Mizuho Trust & Banking Co., Ltd., Retirement Benefit Trust (Mizuho Bank Account) Re-trust Trustee: Custody Bank of Japan, Ltd.	877,400	1.4%

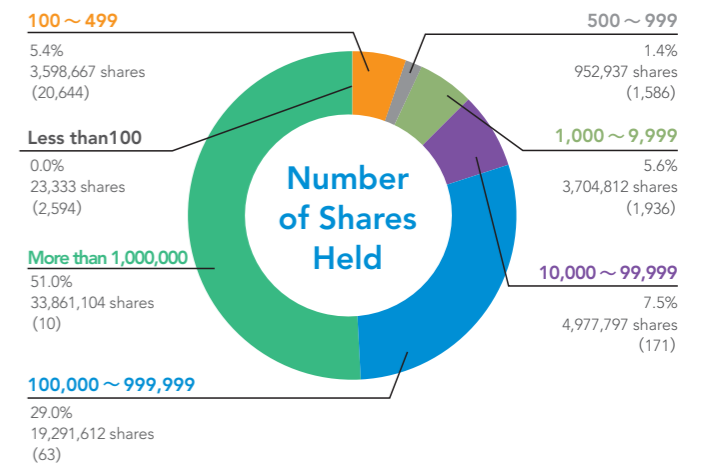
*1 The ratio of shareholders is calculated by deducting the number of treasury shares (1,890,100) from the total number of outstanding shares. The ratio was rounded to the first decimal place.

*2 In calculating the shareholding ratio, 209,800 shares held by the Mabuchi Motor Employee Stockholding Association Trust and 152,310 shares held by the Directors' Compensation BIP Trust and 113,496 shares held by Stock-Linked ESOP Trust are included.

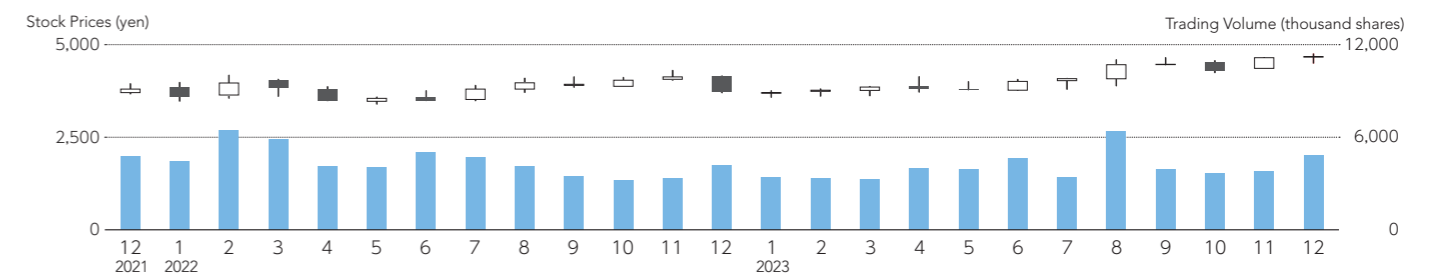
Breakdown of Shareholders by Type



Number of Shares Held



Changes in Stock Prices and Trading Volume



*The Company conducted a 2-for-1 stock split of its common stock, effective January 1, 2024, in order to create an environment in which investors can invest more easily by lowering the amount per investment unit, and to increase the liquidity of the Company's stock and its investor base. The above data is based on the number of shares before the stock split.