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

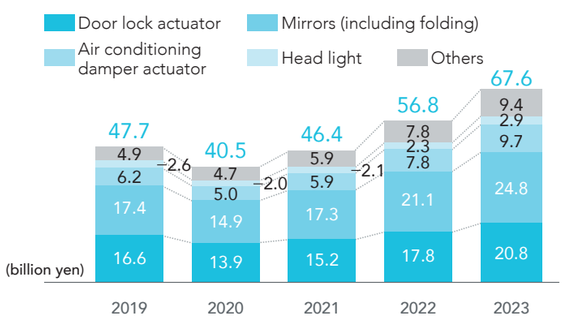
Main initiatives in 2023

Medium-sized automotive motors (power window lifters)	• Won orders for PW motors from the Detroit Three • Began sales to a fifth Japanese customer
Medium-sized automotive motors (excluding power window lifters)	• 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	• 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.

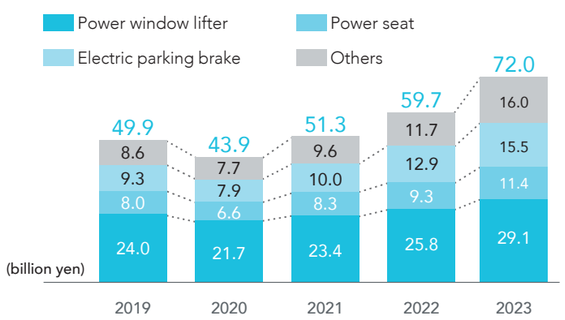
Sales trends by main applications (2019-2023)

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

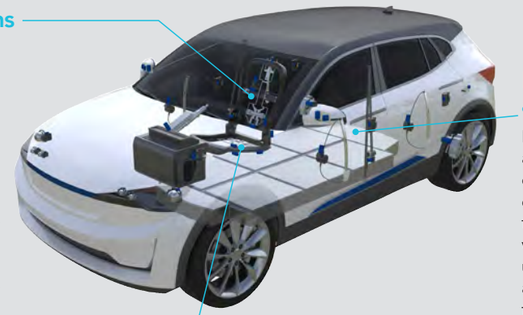
Medium-sized automotive motors (power window lifters)	• Win new projects for European and US customers • Advance preparations for mass production, aiming to commence sales of PW motors to the Detroit Three in 2025
Medium-sized automotive motors (excluding power window lifters)	• Begin sales of PS motors 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	• 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

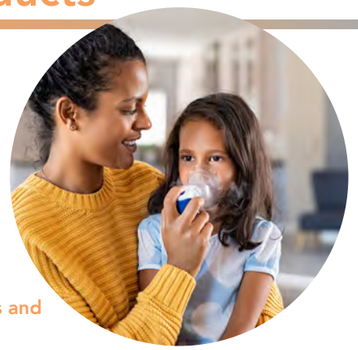
Opportunities

- 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

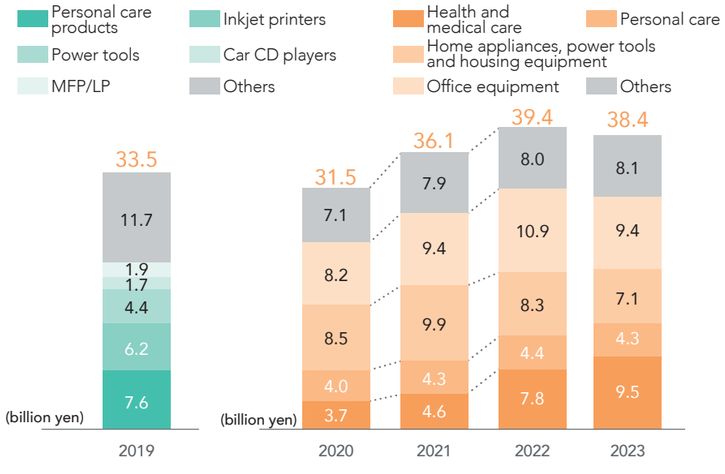
- **Home appliances, power tools and housing equipment**
  Vacuum cleaners and electric locks
- **Office equipment**
  Inkjet printers and multifunction printers
- **Health and medical care**
  Toothbrushes, artificial respirators and surgical tools
- **Personal care**
  Hair dryers and electric shavers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

Main initiatives in 2023

Mobility	• Won new orders for e-bikes and motorized carts for the elderly
Machinery	• 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	• 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

For the holding parts of robots
OKI Micro Engineering
Thumbelina

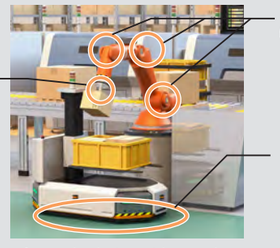
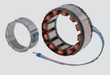


Image of a total solution with complementary products from both companies



For the joints of robots
MABUCHI MOTOR
IA/IB series

For the traveling parts of robots
MABUCHI MOTOR
IS/MS series

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 CO_2 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