

# 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

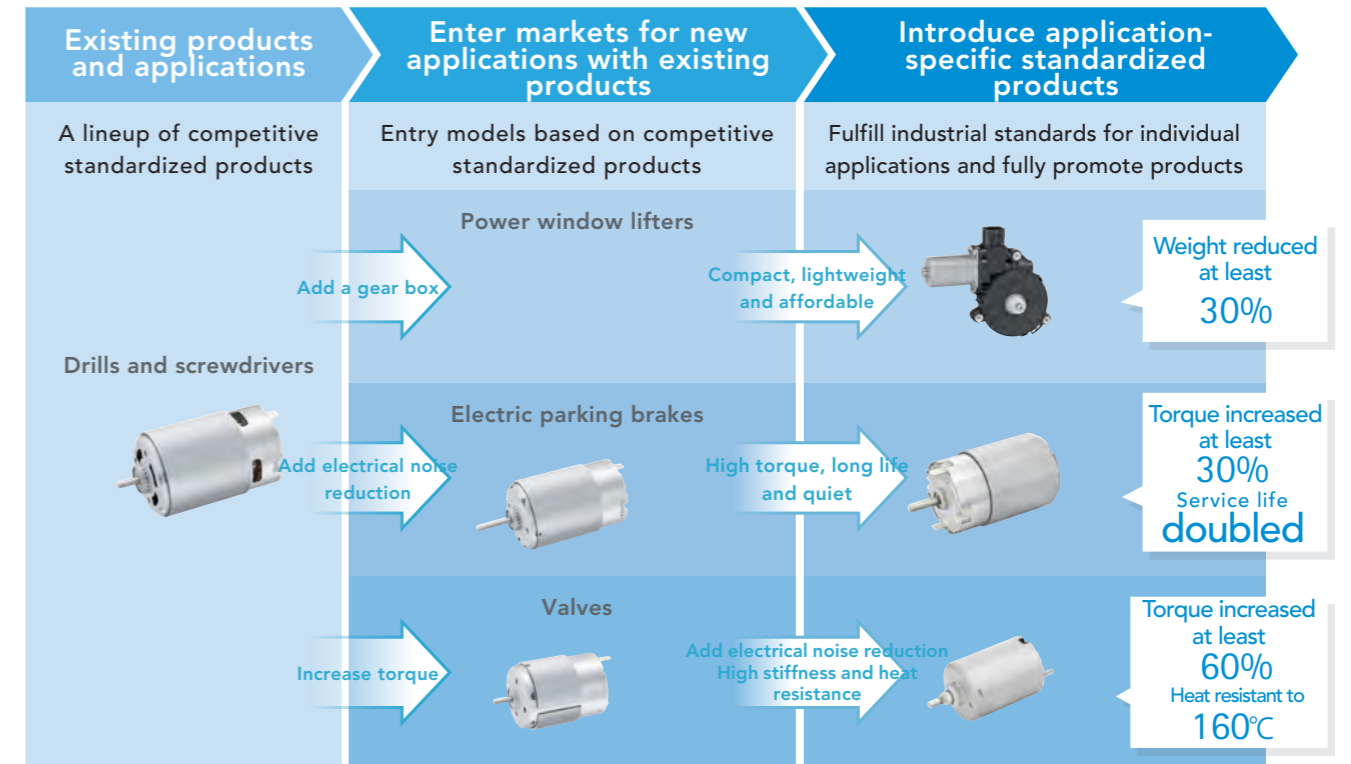
development of our overseas production bases. In addition, by standardizing management operations, it has become possible to engage in planned production under the control of Headquarters, minimizing the effects of seasonal and economic fluctuations in each industry and facilitating high-volume stable 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

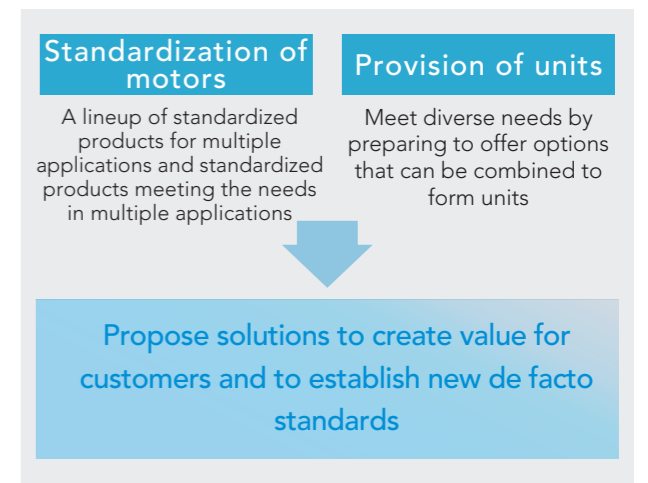


## Advancing Standardization Strategy

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.

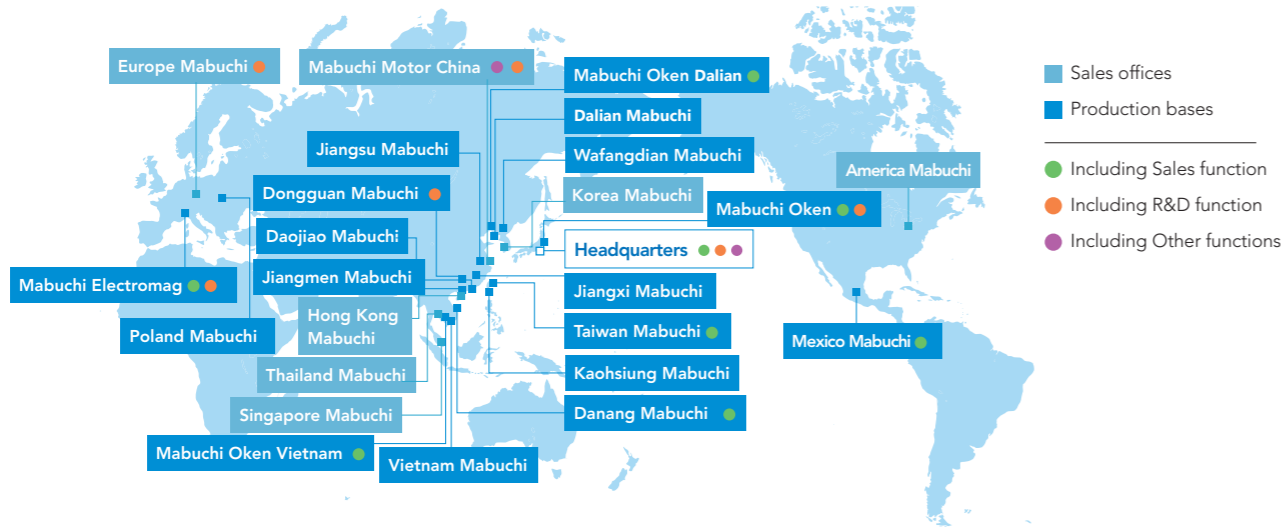
In the future, in order to provide the "movement" that our customers desire, we will be expanding the variety of motors that are the core of creating that movement.

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

