

# Corporate Governance

## Message from Outside Director



I will use my knowledge to make proposals for further growth of the whole company.

Outside Director  
Chairperson of the Nominating Committee  
Chairperson of the Remuneration Committee

Naoki MITARAI

### —How are our outside directors involved in the Board of Directors and the Nominating Committee?

The Board of Directors discusses the Mid-Term Management Plan, business policies, performance, M&A activities and other important issues. In addition, the Board receives regular reports regarding business units, administrative divisions, the Mabuchi Group's companies and other organizations and thus is able to stay up to date on the status of our business operations. In my understanding, an outside director's role is to straightforwardly express their views and give advice from the perspective of an outside third party, based on their diverse knowledge and experience. Outside directors express opinions to deepen the discussions of the Board of Directors.

Looking forward at our business in the future, the Nominating Committee annually discusses the suitable form and structure of management, selects the right candidates for that purpose and reports the results of its repeated discussions to the Board of Directors. It is important for us to develop the people who will lead future generations and be officer candidates. The Nominating Committee is deeply involved in the development of leaders. For example, it systematically interviews candidates to examine the degree of their development as a leader and discusses the experiences necessary for the leaders' improvement.

### —What do you think about the policy of focusing on the 3 M fields?

Mabuchi Motor has cultivated an application market based on small DC motors and it defines the mobility, machinery and medical areas as the three growing domains it calls the 3 M fields that we focus on in particular. We are accelerating these efforts. Achieving this should require that we change existing frameworks in terms of R&D, business development and other matters and that we optimize resource allocation. We are raising these questions. We also see a need to incorporate outside knowledge and accelerate technical solutions to problems. In this regard, we place high expectations on the leadership of Mr. TANIGUCHI, the president, who is knowledgeable in the area of technology.

### —What are your views or advice regarding our recent M&A efforts?

Collaboration with outside parties, including M&A activities, technological tie-ups and joint development, is important and provides supplemental technologies and resources that we lack. The Board of Directors maintains and periodically checks the list of M&A candidates and actively examines the projects that may improve our core business or generate synergy for growth in the 3 M fields. Oken Seiko's becoming our subsidiary in 2023 was preceded by in-depth discussion on issues such as its necessity, business trends, risks, synergy, prices and our PMI\* policy. To our understanding, the PMI process is very important. The PMI of Mabuchi Electromag, a company that became our subsidiary in 2021, involved the discussion of many different phases such as the cultural fusion of the two companies, organic growth and the status of the creation of synergy.

### —How do you rate our commitment to human capital management? What will we need to do about it in the future?

As our Management Principle positions people as the most important management resources, we value people and have educational systems and programs in place on different levels, including succession programs. We have very strong systems in terms of, for example, increasing understanding of and sharing our Management Principle and Management Policy, developing leaders and programs to improve business skills. Going forward, we will utilize the developed systems to increase the commitment of our human capital. The results of the engagement survey which has been regularly conducted since 2022, including the issues they identify, are reported to the Board of Directors and many different measures to improve engagement are introduced.

It is important for employees to properly understand the goals of the personnel measures and the measures to improve engagement. We are deepening our discussion of how to increase employee job satisfaction, including ways to disseminate information. As I have a lot of experience in the area of human resources, I will leverage my knowledge and give proper advice to increase the empowerment of Mabuchi Motor's employees and the entire company's ability to grow.

\* PMI: An abbreviation for Post Merger Integration. It is the process of business integration after an M&A is completed.