

ESG Activities

Mabuchi Motor's management philosophy, "Contributing to International Society and Continuously Increasing Our Contribution," embodies the wish to raise the extent of the Company's contribution to society, and to continue being an indispensable company to the world, alongside the hopes that everyone who belongs to the Mabuchi Group will "actively contribute to society through their work as a member of the Company," "cherish not just people but also nature and the environment, as well as the millions of other beings on the earth, and achieve personal growth by coming to gain a sense of fulfillment not solely through material wealth."

Following this philosophy, we are actively tackling the three perspectives that ESG presents.

Environment

- Environmental Measures Required for Motors
- Manufacture of Environmentally Conscious Products
- Production in Consideration of the Environment
- CSR Procurement
- Prevention of Global Warming
- Contamination Prevention and Remediation
- Reduction and Recycling of Wastes



Social

- Contribution to Society through Corporate Activities
- Educational Support
- Regional Support

Governance

- Basic Approach to Corporate Governance
- Management Monitoring System
- Risk Management
- Thorough Compliance

Efforts to Achieve Sustainable Development Goals (SDGs)

The Mabuchi Group regards the SDGs as goals that the Group can achieve along with economic growth that respects people. We will continue to actively engage in social and environmental activities to achieve these goals.

Sustainable Development Goals (SDGs)

These are international goals for a better world, adopted at the "United Nations Sustainable Development Summit" in September 2015, specifically, 17 goals and 169 targets to achieve for each goal. To reach the target by 2030, action must be taken by all countries and people, as well as by companies.



The Mabuchi Group supports SDGs.

Various CSR activities



Corporate Governance

Basic Approach to Corporate Governance

The Management Principle of MABUCHI MOTOR CO., LTD. (the "Company") is "Contributing to International Society and Continuously Increasing Our Contribution" through the Company's small motors business. The Company understands that realizing this principle is the reason for its existence. Corporate governance of the Company comprises the organizational structure and managerial systems that support the realization of its Management Principle and various management measures that maintain these systems. Accordingly, the fundamental objective in establishing and implementing an appropriate corporate governance framework is to further the interests of shareholders and other stakeholders on an ongoing basis through the creation of fair profits and the enhancement of corporate value. Constructing and maintaining a corporate governance system along the lines given below are indispensable for the Company as a listed company:

- To clearly separate management decision making and efficient business execution, and to clarify the scope of accountability;
- To build and operate a sound internal control system;
- To appoint a suitable number of independent officers whose interests do not conflict with those of shareholders to ensure the objectivity and neutrality of management's supervision functions;
- To foster a corporate culture in which all employees recognize and share the understanding that the practices of corporate ethics and compliance support the organization's social impartiality and are fundamental to living up to the trust and expectations of all stakeholders; and
- To disclose corporate information to shareholders and other stakeholders in an appropriate, fair, timely, and clear

manner and to ensure accountability through the Board of Directors and the Audit & Supervisory Committee.

Outline of Corporate Governance System and Reasons for Its Adoption

On March 28, 2019, Mabuchi Motor adopted the structure of a company with an audit and supervisory committee, with the aim of strengthening the supervision functions of the Board of Directors and speeding up management decision making by delegating part of the executive decision-making authority to directors. We also established the Nominating Committee and the Remuneration Committee as discretionary advisory bodies to the Board of Directors. As a pioneer in small, direct-current electric motors, Mabuchi is constantly emphasizing the development of unique products and services and its management organization and administrative structure, while achieving growth through differentiation. In addition, we are strengthening and enhancing corporate governance on an ongoing basis, and have achieved efficient Group management by establishing a structure for managerial and operational execution and a practical system of internal controls.

Specifically, we have appointed Outside Directors with high levels of independence and managerial experience, while also establishing and operating multifaceted management oversight systems that include audits by the Audit & Supervisory Committee, whose members include directors with high levels of independence and expertise, management (internal) audits, and quality control audits. We are also audited by an independent accounting auditor. Through these systems, we maintain a disciplined management organization and carry out appropriate risk management and compliance throughout the Mabuchi Motor Group.

