



Mabuchi Group supports the Sustainable Development Goals (SDGs).



## Mabuchi Motor Integrated Report

# 2022

Fiscal year ended  
December 2022





Mabuchi Motor contributes to the protection of the global environment and people's happiness by offering compact, lightweight, and high-efficiency motors at reasonable prices.

Our motors help provide safe and eco-friendly motive power all around the world.

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### In editing the Mabuchi Motor Integrated Report 2022

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 2022 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



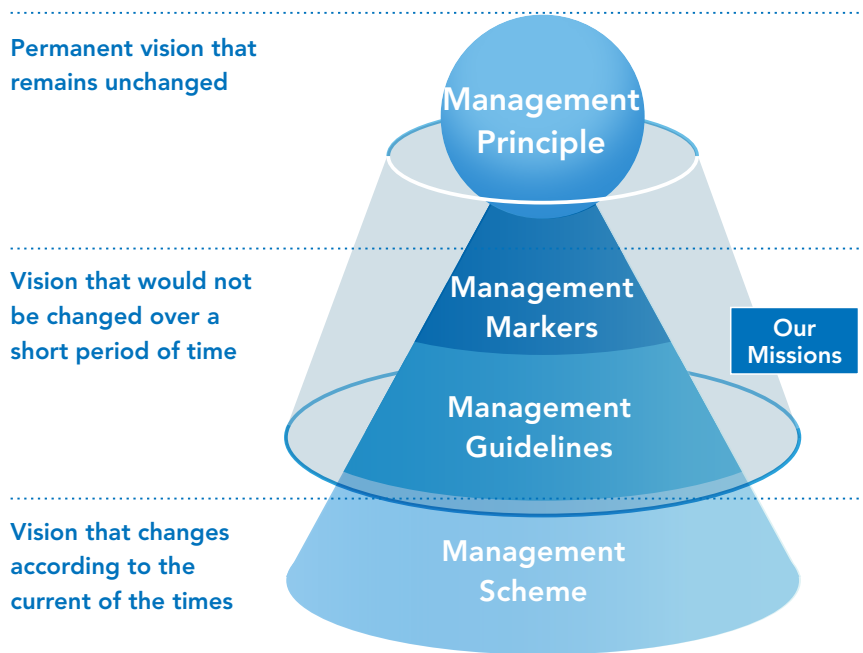
## Management Principle

### 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.

### ► 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.

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.

### ► 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 Guidelines

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

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.

### ► 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."

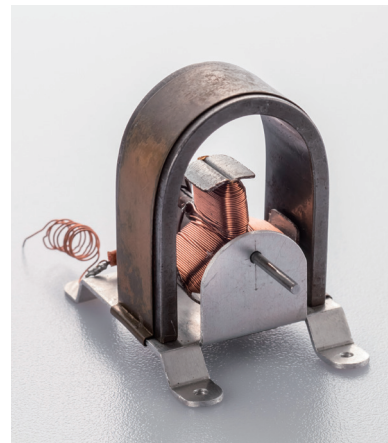
# Our Identity

## Diversifying Applications while Specializing in Small DC Motors

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

#### ► 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. But 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.



The high-performance horseshoe-shaped magnetic motor



Tokyo Science Industrial Co., Ltd.

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.



The F-type motor, which uses a ferrite magnet

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 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 17 for more information on our standardization strategy.

#### ► Origin Story: Our Management Principle

Takaichi MABUCHI resolved to articulate a basic philosophy for the company that would express "why Mabuchi Motor exists, and what we sweat over and work for." From its beginnings as a small factory, Mabuchi Motor had grown into a medium-sized company with more than 1,000 employees.

Takaichi believed that, for the Company to keep growing and developing, it needed a strong management team, and to this end, we have formulated a management philosophy that our employees can truly identify with. He looked back at the path the brothers had taken. They had dedicated themselves to developing a low-cost motor for toys, and achieved production at a low price, equivalent to that of a spring. The dream of many children to play with electric toys came true. He also felt a sense of purpose in life, realizing that through his business he was contributing to the lives of people around the world and to the economic and social prosperity of the world. This idea became the core of our management principle that Takaichi MABUCHI formulated for

Mabuchi Motor: "Contributing to International Society and Continuously Increasing Our Contribution." This principle has been our constitution, guiding Mabuchi Group companies around the world, transcending limitations of time and location.

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.

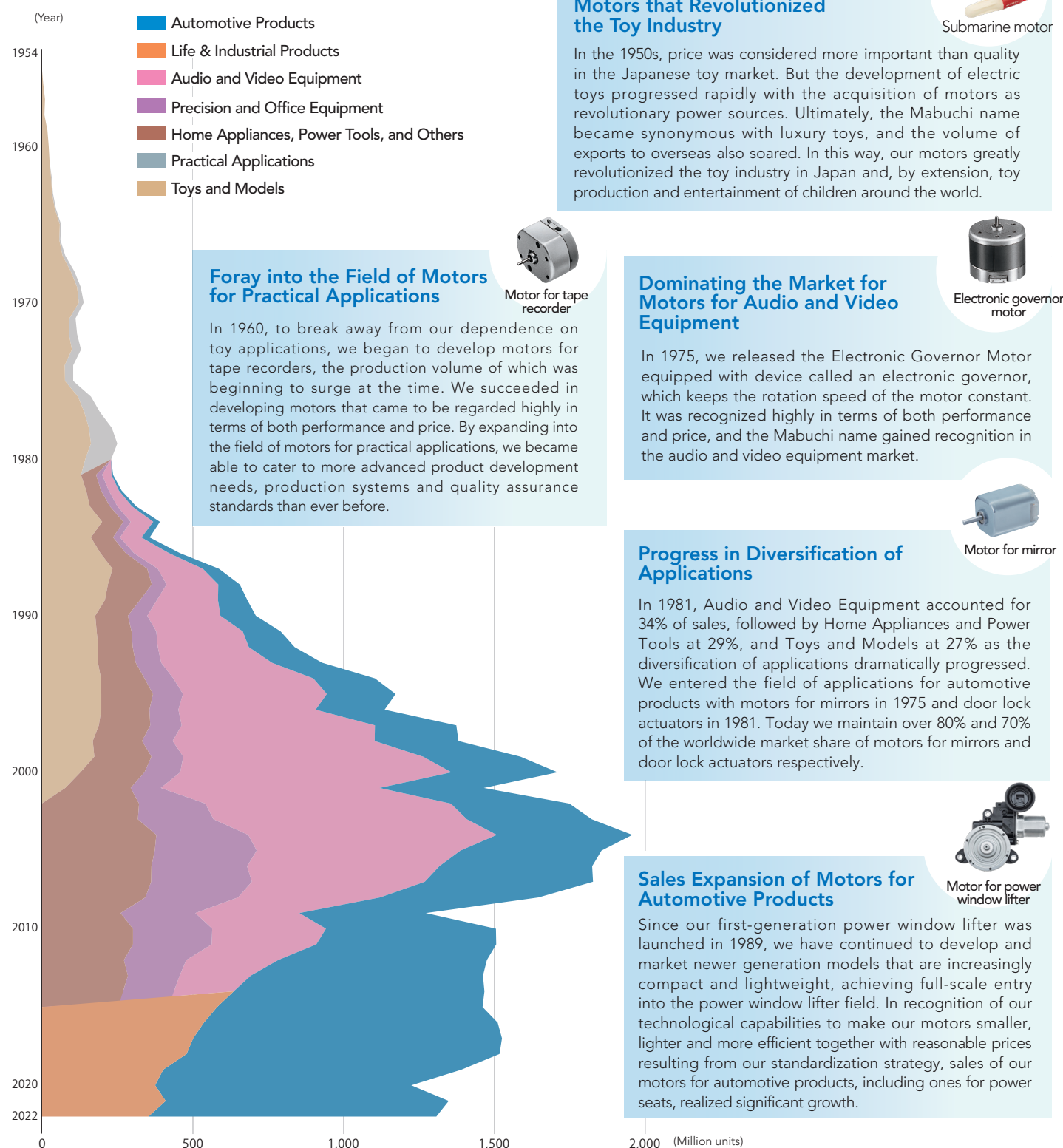


# Business Portfolio Evolution

## Course of Application Market 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.

### Sales Volume of Motors by Application



## Initiatives in the 3 M Fields

We aim to continue sustainable growth as a result of our contribution to solving various social issues, including those related to SDGs. 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 CO<sub>2</sub> 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 field of Automotive Products, along with the shift to electric vehicles, the reduction of power consumption is demanded for extending cruising range with limited battery capacity. We will drive initiatives to increase the added value of our motors, that is, compact dimensions, light weight, and high efficiency. Demand is growing for motors for valve actuators for thermal management of batteries. Taking advantage of our product lineup, which includes both brush motors and brushless motors, we will provide solutions that cater to customer needs, including provision of units. In the Life & Industrial Products field, we have won orders for brushless motors for light electric vehicles for various applications, including AGVs, small mobility vehicles, and stair lifts. We will continue to find new customers and new applications to expand sales.

### Machinery



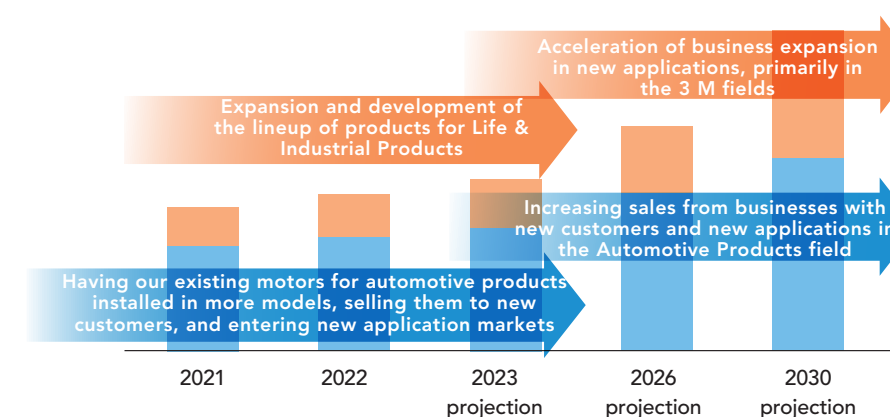
In the robot market that is expected to expand in the future, we are enhancing the lineup of products including hollow-structured brushless motors, aiming to expand sales of products for collaborative robots that will help resolve labor shortages. We will continue to pursue sales growth going forward through new applications. With regard to industrial equipment, there is an urgent need to reduce CO<sub>2</sub> emissions in the production processes for various products, including industrial and food products. There is now a rapidly spreading movement to switch from pneumatic and hydraulic systems to electric systems with higher energy conversion efficiencies. We will continue to propose solutions for business expansion.

### Medical



In terms of applications for health and medical equipment, we focus on products that contribute to people's health, including high added-value toothbrush motors. We are stepping up our efforts for the development of medical equipment applications based on the product lineup and customer base of Mabuchi Electromag, a provider of motors for ventilators and dental treatment equipment that we integrated into the Mabuchi Group through an M&A transaction in July 2021. In addition, in March 2023, we made Oken Seiko, which has strengths mainly in small pumps for healthcare and medical equipment, our subsidiary. We will produce synergy with this company as soon as possible and improve our ability to provide units and propose solutions in the 3 M fields, including applications for medical equipment, as part of our efforts to expand our business.

## Continuing to expand business in the Automotive Products field while accelerating growth of business in the Life & Industrial Products field





# Message from Our CEO

## Developing and Empowering People to Achieve Growth in the 3 M Fields

Representative Director, Chairman & CEO

**Hiroo OKOSHI**

### Management Principle and Sustainability at Mabuchi Motor

At Mabuchi Motor, we have been helping people enjoy safe, comfortable lives and operating as a company by delivering safe power through small, lightweight motors under our Management Principle: Contributing to International Society and Continuously Increasing Our Contribution. Requests from customers and social issues to address have been changing with the times. Today, including the SDGs, there are a large number of social issues to address in the medium to long term. Among social issues, addressing the impact of climate change is an urgent task, and initiatives to reduce the burden on the environment with electrification are accelerating globally. Featuring high energy conversion efficiency, compact dimensions, and light weight, our motors can contribute to resource and energy conservation in society as a whole. In addition, automation is advancing in diverse fields in response to the demand for non-contact services, which has grown due to the labor shortage and COVID-19 pandemic. As a result, the number of areas to which we can contribute with our motors has been expanding.

Under the Long-Term Management Policy we adopted towards 2030, we aim to contribute to and increase the happiness of all our stakeholders, and we have set and are working on Mid-Term Management Plan and Mid-term Sustainability Targets. In society with diversifying needs, we have defined the 3 M fields -- that is, mobility, which includes EVs, AGVs, and AMRs, machinery such as robots and industrial equipment, and medical for medical equipment -- as growth areas where we can increase our contribution. In these areas, we are working to deliver safe and environmentally friendly power, which is possible because we have been accumulating knowledge as a manufacturer specializing in motors.

\* AGV: Automated Guided Vehicle, AMR: Autonomous Mobile Robot

## Standardization Strategy and Changes in Business Portfolio

We have been growing as a leader in small DC motors by evolving a standardization strategy, under which we manufacture and sell standard motors with a narrow range of specifications in large quantities, thus ensuring a stable supply of high-quality products at reasonable prices and expanding their applications to a broader field. There was a time when sales of motors for audio and video equipment constituted about 50% of our total sales. At present, however, motors for automotive products account for more than 70%. Our business portfolio has thus changed markedly. This is because we anticipated changes in society and worked on developing motors for automotive products and cultivated customers as a preemptive strategy at a time when sales of motors for audio and video equipment were at a peak. This has brought us to where we are now. We have also been evolving our standardization strategy, expanding from the provision of the same motors for multiple applications to the delivery of standard motors for automotive products for specific

applications. This expansion of new applications and businesses that reflect the changing needs of customers and society is essential for us to achieve sustainable development as a company that contributes to society, while protecting the employment of our employees and the livelihoods of their families, and continuing to secure profit as a reward for our social contribution and returning that profit to our stakeholders. Transformation for the future cannot be accomplished overnight. At present, we are in a period of transitioning to a new business portfolio. Looking at the business environment, the slowdown in the market for automotive products, our main business, together with rising costs are negatively affecting our business performance in the short run. However, with a strong determination to take a long-term perspective and continue existing as a company needed by society, we will invest the profit we earn from our existing businesses in the 3 M fields and pursue our new future vision, capitalizing on the ability to respond to changes that we have cultivated.

## Our Approach to Human Capital and the Mabuchi Global Management System

People are the most important factor in our history, and will remain so in the future. Our Management Markers, which describe how to materialize our Management Principle, "Contributing to international society and continuously increasing our contribution," stipulate that "By placing highest value on our people, we empower and encourage them to realize their potential and contribute to society." We thus believe that our employees' work done by demonstrating the capability and thoughts of each is the most important driving force for continuing to contribute to international society through business activities. Having begun to expand overseas as early as 1964, we are developing a workforce that can play active roles globally, including employees of our overseas bases, and we recruit and promote employees regardless of their age, gender, and nationality. We also aim to be an organization that can improve productivity and create new

value by increasing employees' work style options and helping them work in diverse styles. The Mabuchi global management system, which improves the autonomy and independence of our bases by taking advantage of the diverse values of employees and increases the Mabuchi Group's overall collective strength through interactions between bases, constitute a unique strength together with the standardization strategy. Our structure enables employees from different bases, who are connected with each other through their deep understanding of the Management Principle, to support one another with the standardization of not only products but also manufacturing under the standardization strategy. This structure forms the foundation for our risk management that enables us to respond to the uncertain, rapidly changing business environment of today.

## Management Base and Long-Term Stable Management

The Mabuchi global management system is embodied by each one of our employees, who have diverse backgrounds and values. The idea that employment should be protected in any business environment has been preserved as a mission of the management and has led to the setting aside of funds needed as a firm management base, from the viewpoint of risk management and for achieving growth in the future. The necessary funds are managed internally in a disciplined manner. We do not accumulate excessive cash but make investments for future growth, while at the same time delivering stable shareholder returns over the long term. We will continue with this policy. We will continue to consider measures for improving capital efficiency while disclosing information and maintaining a dialogue so that our shareholders and investors will understand the idea

that we have been valuing. As for investments for future growth, our policy is to be proactive in implementing M&A aimed mainly at improving our ability to propose solutions in growth areas, in addition to capital investment and R&D investment for new products. In March 2023, we made Oken Seiko (now known as Mabuchi Oken), a manufacturer of small pumps, our subsidiary. We will make group-wide efforts to create a virtuous cycle in which investment efficiency is increased and excess profits as rewards for contribution are generated and actively reinvested in growth areas, so that we can remain a corporate entity that is essential for customers, business partners, employees, society, and shareholders. We appreciate your continued support.



# Interview with Our COO



## Providing Various Solutions for Movement by the Standardization Strategy and Unit Options

Representative Director, President & COO

### Shinichi TANIGUCHI

—Please give us your review of the Group's results for 2022—the second year of the Mid-Term Management Plan.

Net sales, which were 116,432 million yen in 2020, increased to 156,706 million yen in 2022, raising the average annual growth rate of net sales to 16.0%. This is thanks to strong sales in both the Automotive Products market and the Life & Industrial Products market.

The Automotive Products market was negatively affected mainly by automobile production adjustments, which are attributed in part to the semiconductor supply shortage, as well as supply chain disruptions caused by the lockdowns in China and slowdown in consumer spending associated with inflation in individual countries. However, net sales increased 19.1% year on year, to 117,056 million yen, mainly reflecting an increase in the number of models in which our products are installed, as well as the effects of price revisions and the weaker yen. In the Life & Industrial Products market, demand for products for certain applications decreased due to a

slowdown in demand generated by people staying home. However, net sales increased 9.2% year on year, to 39,639 million yen, thanks mainly to the steady performance of products for use in wellness and healthcare as well as the effects of price revisions and the weaker yen.

Operating income benefited from the weaker yen compared to the previous year, as well as improved selling prices and product mix, among other factors. On the other hand, these factors were outweighed by negative factors such as lower capacity utilization resulting from lower sales volume due to automobile production adjustments attributed to the semiconductor supply shortage, as well as higher costs associated with prolonged raw material prices and logistics costs. As a result, operating income decreased 21.6% year on year, to 10,824 million yen, with an operating income ratio of 6.9%, resulting in a ROIC of 4.1%. As in the previous fiscal year, we deliberately held a larger inventory than usual to live up to the trust of our customers and fulfill our responsibilities to supply products. This was a factor in the decline of ROIC.

## Mid-Term Management Plan 2021–2023

### Providing solutions to issues which society and customers are facing

Breakdown plan for the first three years of the long-term management policy, which was formulated assuming a span of about 10 years.

#### Vision to realize in 2023

Provide solutions to problems facing society and customers, while accelerating the growth of our business through the success of our customers' business.

#### Pursuit of technology

Small, light, highly efficient

#### Standardization

- Balance between quality and cost
- Ability to provide stable and prompt supply

#### Areas of focus

- Ability to provide units
- Ability to propose solutions

#### Mid-Term Management Plan Results Guidance (2021 to 2023)

<b>Net sales</b>	Under the long-term management policy we aim to achieve an average annual growth rate of 8% to 10%. <small>(Net sales in FY2020 were 116.4 billion yen)</small>	<b>Operating profit ratio</b>	Aim to achieve an operating profit ratio of 15% or more, reflecting our contribution to customers and society. <small>(11.1% in FY2020)</small>	<b>ROIC</b>	Introduce ROIC-oriented management and raise return on invested capital. Aim to achieve an ROIC of 12% or more. <small>(6.4% in FY2020)</small>
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※ Assumed exchange rate: USD = JPY 105  
Investment securities) - Accounts payable-trade)

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

—Please tell us your forecast for 2023, the final year of the Mid-Term Management Plan, and the progress in the achievement of the targets set in the Mid-Term Management Plan.

2023 is the final year of the Mid-Term Management Plan that we announced in 2021. The external environment is expected to be tough as in the previous fiscal year, and we understand that it will be very difficult to achieve the targets that we set as Performance Guidance in the Mid-Term Management Plan. Regarding net sales, in 2023 we expect to achieve an average annual growth rate exceeding the 8% to 10% in the Performance Guidance of the Mid-Term Management Plan, thanks to effects of the price revisions and the weaker yen in addition to an increase in the number of models in which our motors for automotive products are installed and an increase in sales of life and industrial products. On the other hand, operating income is forecast to increase year on year due to factors such as an increase in sales volume and improvements in sales prices and the product mix which more than offset the negative factors including commodity prices hovering at a high level. However, the operating income ratio of 15% in the Performance Guidance will be difficult to achieve. ROIC is also expected to fall short of the 12% target due to the lower profit level and because we made stable supply the top priority in the implementation of strategic inventory policy in response to the supply chain disruptions caused by various factors. Moving forward, we will gradually lower

the inventory in consideration of factors including the supply chain situation, in our efforts to make improvements.

—What is needed to achieve the target operating income ratio of 15%?

I think that there are two major tasks. One is to increase the sales volume, and to do that, we should raise the factory utilization rate. To be able to supply products to customers in the Americas and in Europe under the policy of local production for local consumption, we established Mexico Mabuchi in 2014 and Poland Mabuchi in 2017, thus building the Five-Region Management Structure. However, the automobile market began to grow negatively after reaching the peak in 2017 and it has shrunk considerably due to COVID-19 pandemic. While the largest annual production volume of motors in the past ten years was more than 1.5 billion units, the production volume was only approx. 1.3 billion units in 2022.

Due to the impact of this market environment, we have yet to fully increase the utilization rates of our production bases, including Mexico Mabuchi and Poland Mabuchi which we established in anticipation of the growth of demand. At Mexico Mabuchi, preparations for the launch of its production system are making steady progress, and the company is expected to start contributing to consolidated performance as the automobile market recovers.



# Interview with Our COO

Poland Mabuchi began mass production at the end of 2021. At present, the company is receiving many inquiries about new products. It is working to launch and stabilize production lines by sharing knowledge and supporting each other across bases. The company is expected to begin contributing to consolidated performance in about three years. Customers in Europe request production within Europe in more cases than before, with the intent of reducing CO<sub>2</sub> emissions from the distribution process. They value our policy of local production for local consumption.

The other task for improving profitability is the expansion of sales of high value-added products. We attach great importance to profit. This is because we believe that profit is a reward for contributing to customers and society and therefore is an index that can show the level of a company's contribution to society. Expanding sales of high value-added products — that is, products with high profit ratios — means contributing more greatly to customers and society. At present, we are developing high value-added products with a focus on the 3 M fields of Mobility, Machinery and Medical, to which we will make a commitment in the future. Among them, in the area of Mobility, we anticipate the expansion of opportunities associated with EVs and autonomous driving and the emergence of a new domain that includes AGV/AMR and personal mobility. We expect that this will be the first of the 3 M fields to contribute to our business performance.

## —Regarding Mobility, what impact will the changes and shift to EVs in the automobile industry have on Mabuchi Motor's business?

At present, the shift to EVs is accelerating around the world. We will not miss the opportunities created by this change, and want to ensure that it will lead to growth. Our motors for many existing applications in the field of Automotive Products are also used in EVs. But in order to extend cruising

range with limited battery capacity, the motors installed in vehicles will need to be made smaller and lighter than ever before. We have a competitive edge in the development and production of compact, lightweight and highly efficient motors. We will continue to appeal to customers with the strengths of these products and work to expand sales of the products. Progress toward the adoption of EVs has created various new applications for our products. In particular, thermal management, which is the process of controlling the temperature of the battery so that it stays within a certain range according to conditions of the surrounding environment and the driving conditions of the vehicle, has been growing more important to limit battery deterioration, enable rapid charging and enable rapid discharge which is needed to improve the acceleration of the vehicle. Thermal management systems include valve actuators for rerouting battery cooling water and pumps for circulation, to make more effective use of heat. We are ready to provide products for both a distributed system featuring the use of multiple simple-structured valve actuators to reroute cooling water, which necessary in the thermal management systems of EVs, and an integrated system, which is capable of switching between multiple routes using a single high-performance valve actuator. We have received numerous inquiries about products for these valve actuator applications. Actuators for distributed systems have already been adopted. We are developing products for integrated systems with a customer.

In addition, smaller auxiliary equipment is demanded because the space to install many batteries needs to be secured in EVs. Regarding our existing products such as motors for power seats, the small size that is an advantage of our motors is highly valued once again, in more cases than before.

## —What new applications are expected in relation to autonomous driving?

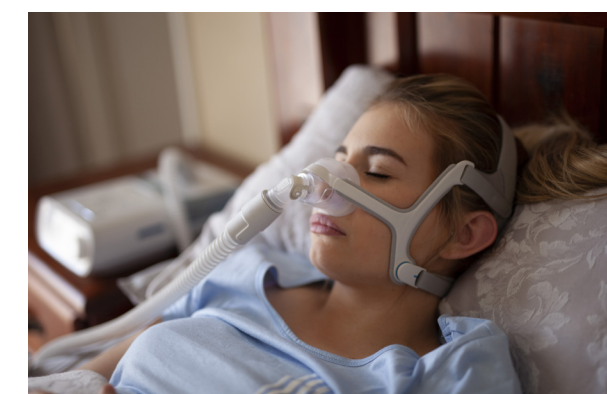
Autonomous driving and advanced safety equipment require sensors to collect information about the environment around the vehicle. Sensors do not function properly if dirt or any other stains adhered to them. Therefore, additional components are needed to clean the sensors. Various sensor-cleaning mechanisms, such as ones that spray liquids or blow air, are being considered. Whatever the mechanism may be, it is likely that a motor will be needed to make it work. We can contribute by providing products for these applications, which is a promising area. Further, autonomous driving will greatly change the way people spend time in vehicles. People who previously were concentrating on driving will no longer have to do this. This may result in driver seats which can

be reclined deeply or turned around along with the front passenger seat to talk with the passengers in the back seat. Applications where our motors are utilized may be expanded to realize this world.

The structural change of the automobile industry is also a business opportunity for us. While automobile manufacturers and Tier 1 suppliers proactively allocate development resources to autonomous driving and advanced safety equipment, we provide motors for the actuators manufactured by customers, for example. There are also cases where it is requested that we provide units which include not only motors but also actuators. We would like to transform ourselves into a company which can also provide actuators and other components in response to customer requests.

## —What tasks do you need to accomplish to achieve progress in the initiatives in the Medical and Machinery fields?

In the Medical area, one of the 3 M fields, we began to fully work on initiatives regarding products for medical applications by having Electromag (now known as Mabuchi Electromag) join the Group through an M&A activity in 2021. This company's strengths are in brushless motors for medical applications, such as artificial respirators, dental treatment equipment and surgical power tools. In addition, Oken Seiko (now known as Mabuchi Oken), a manufacturer of small pumps for medical equipment, joined the Mabuchi Group as a new member in 2023, which enabled us to



supply small pump units including motors. These pump units are expected to have various applications, including not only the medical equipment manufactured by Mabuchi Oken at present but also power seats and other automotive products. Thus, it is expected that they will help improve our ability to provide units.

In the Machinery area, we sell motors for collaborative robots which help resolve the labor shortage. At present,



we only provide motors for them while customers work on the interface and control sections. We plan to provide these components as units and work to enhance the product lineup to expand applications. Further, assuming that our motors will be used for industrial equipment, we are working on research related to arm robots, conveyors and other equipment, aiming to learn about our customers' perspectives. We will increase R&D expenses to achieve growth in the 3 M fields, including Medical and Machinery. At the same time, we will be proactive in M&A activities and collaborations and partnerships with external parties to secure any core technologies, sales channels, resources, etc. that we lack.

Standardization is the source of our competitiveness, and we will pursue it in the 3 M fields as well. Generally, regarding products for Medical and Machinery applications, the customization and small lot production of many products tend to be in demand. We provide motors as standardized products and cater to diverse customer needs by combining motors with gears, brakes, sensors and other components that we prepare as options in advance. We will enhance options to improve our ability to propose solutions. We are also advancing the standardization of motor components.

We have been operating as a manufacturer specializing in small DC motors. At present, we are internally discussing future growth strategies including the next Mid-Term Management Plan. Focusing on the movement created by motors, we are engaged in discussions with the goal of making a greater contribution to customers and society by looking at movement from a wider perspective. We will provide units for enabling movement in the broad sense of the word and transform the standardization strategy that is our strength, aiming to achieve growth in the 3 M fields.



# Value Creation Process for Realizing the Management Principle

Mabuchi Motor's highly refined technology for small DC motors provides safe, eco-friendly, and reasonably priced motive power that enhances safety and comfort in the lives of people everywhere.



## Issues facing the international society

### Social issues

- Global warming
- Environmental and energy issues
- Aging population
- High incidence of traffic accidents
- Poverty and economic disparity

### General consumers' issues

- Pursuit of safety and comfort in daily lives
- Realization of diverse values and lifestyles
- Reduction of electric power and energy consumption

### Customers' issues

- Reduction of environmental impact
- Compact, lightweight, highly efficient and quiet
- High quality
- Stable procurement
- Cost reduction

Contributing to solving social issues

## Outcomes

Contribute to solving issues facing the international society through our business activities and sustainably increase corporate value

### Contribution to international society

- Safe, comfortable and prosperous society
- Reduction of energy consumption and environmental impact
- Reduce and eliminate poverty and economic disparity
- Solving consumer issues through our customers' products

### Contribution to customers

- Help customers produce compact, lightweight, highly efficient and quiet products
- Help customers produce high-quality products
- Reduce the cost of customers' products

### Creating economic value

- Gain economic added value as a result of contributions to society and customers and redistribute it to our stakeholders

## Management Principle "Contributing to international society and continuously increasing our contribution"

### Inputs

#### Human Capital

Total employees in the group  
**20,248**

Employees at Headquarters with past or present posts at bases outside Japan  
**363**

Non-Japanese managers leading bases outside Japan  
**13**

Non-Japanese group executive officers  
**3**

#### Manufacturing Capital

Overseas production ratio  
**100 %**

Production bases  
**14**

#### Intellectual Capital

R&D bases  
**4**

R&D employees  
**500**

Industrial property rights held  
**741**

New applications for industrial property rights  
**34**

#### Financial Capital

Net assets  
**280.1 billion yen**

Equity ratio  
**91.0 %**

#### Social Capital

Corporate customers  
**1,119**

Parts and material suppliers  
**397**

Shareholders  
**25,586**

#### Natural Capital

Electricity usage  
**217 million kWh**

CO<sub>2</sub> emissions (scope 1 + scope 2)  
**119,454 t-CO<sub>2</sub>**

Water usage  
**774 thousand m<sup>3</sup>**

## Business Activities

Provision of safe and environmentally friendly power through our small DC motor technology

### Sources of our strengths

Standardization strategy

Mabuchi global management

Expand business in the 3 M fields by providing high value-added products that leverage our strengths

Brush motors

Brushless motors

Units

### Value offered

Exceptional quality

Reasonable prices

Speedy and stable supply

Ability to propose solutions

Mobility

Machinery

Medical

## Outputs

Annual Sales **156.7 billion yen**

Operating income **10.8 billion yen**

Operating income ratio **6.9 %**

Profit attributable to owners of parent **14.2 billion yen**

### Automotive Products

Sales volume: **952 million pieces**

### Life & Industrial Products

Sales volume: **353 million pieces**

The Foundation Supporting Sustainable Value Creation

Corporate Governance / Risk Management



# 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.

## Solutions to Social Issues through Corporate Activities

### Contributing to global environmental conservation by taking advantage of the features of small DC motors with high energy conversion efficiency

In general, small DC motors are characterized by their excellent conversion efficiency of energy, electrical power. As a specialized motor manufacturer, we have further enhanced this feature by devising materials and magnetic circuits. While the energy conversion efficiency of general internal combustion engines is said to be around 30% to 40%, we have a lineup of motors with conversion efficiency exceeding 90%. This leads to energy savings in our customers' products and contributes significantly to improving environmental performance.



### Mid-Term Sustainability Targets:

#### Reduce resources used and wasted by downsizing and standardizing motors



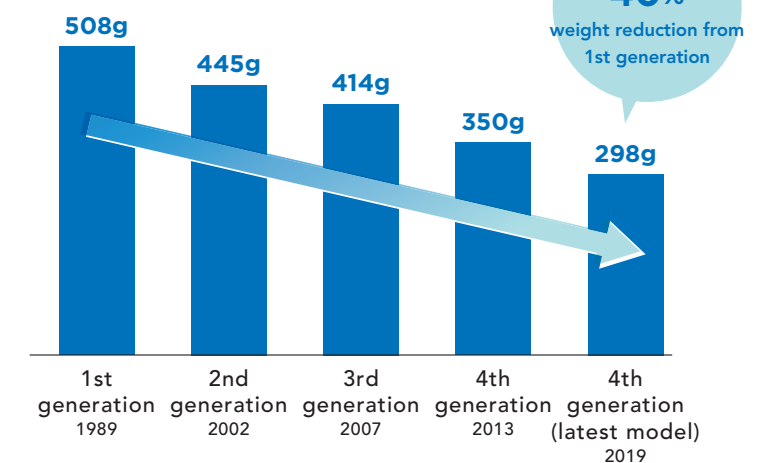
Our Actions	Miniaturization by improving motor efficiency and standardization by application
KPI	Number of compact models released
Targets	12+ (2021-2023 cumulative)
Results	2021: 0 2022: 11

KPIs and progress on other Mid-Term Sustainability Targets are listed on pages 37-38.

## R&D Specializing in Small Size and Lightweight

As stated in our Sustainability Policy, we are thoroughly pursuing the potential of small DC motors and contributing to solving the challenges facing the international community through motors. Compared to the first generation products that entered power window lifter applications, the latest fourth generation models are approximately 40% lighter. Our compact and lightweight motors for power window lifters are contributing to the improvement of environmental performance of automobiles around the world through collaboration with our customers. In a world where EVs are becoming more and more common, our products contribute to power savings and longer cruising range.

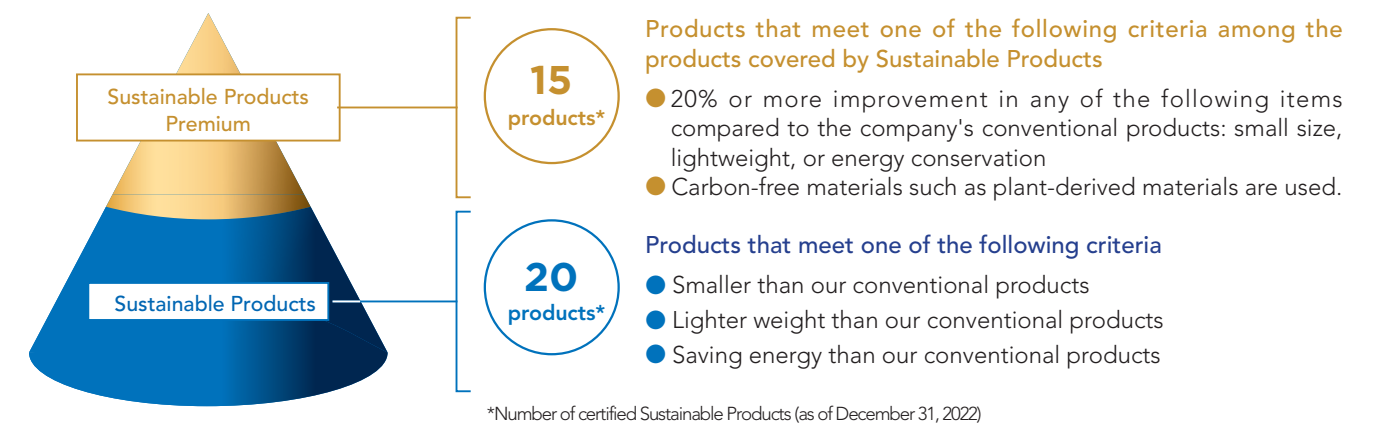
### Motors for Power Window Lifters Progress in Small Size and Lightweight



## Creation of Environmentally Friendly Products

Mabuchi Motor contributes 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".

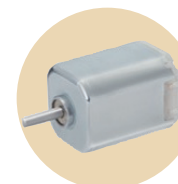
By promoting the development and sale of environmentally friendly products, we will contribute to reducing the environmental impact of society as a whole. The direction of the environmental performance to be aimed for is set from the product planning stage, and the environmental performance is verified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



## Examples of products certified as Sustainable Products Premium

### Motor for mirror

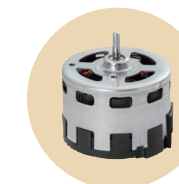
These motors move the mirror surfaces of automobile mirrors. It is both compact and quiet.



Approximately 30% smaller and lighter, and more than 10% more energy-efficient than conventional products

### Motor for Vacuum Cleaner

This brushless motor combines compactness, light weight, and high efficiency by optimizing the magnetic circuit.



Approximately 25% smaller and 45% lighter than conventional products



# Our Strengths

## Standardization Strategy

### ► Why do we need a standardization strategy?

It is possible to customize products to create the products requested by customers. However, these motors will be expensive, so we believe that they are not truly what our customers, who are exposed to tough competition, want. In response to this issue, we decided to consolidate the needs of our customers and create the “highest common divisor” type standard motors. The functions, sizes and prices of motors requested by our customers are as diverse as the customers themselves. When we ascertain the true needs of our customers, in many cases, standardized motors can support their needs.



### ► 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.

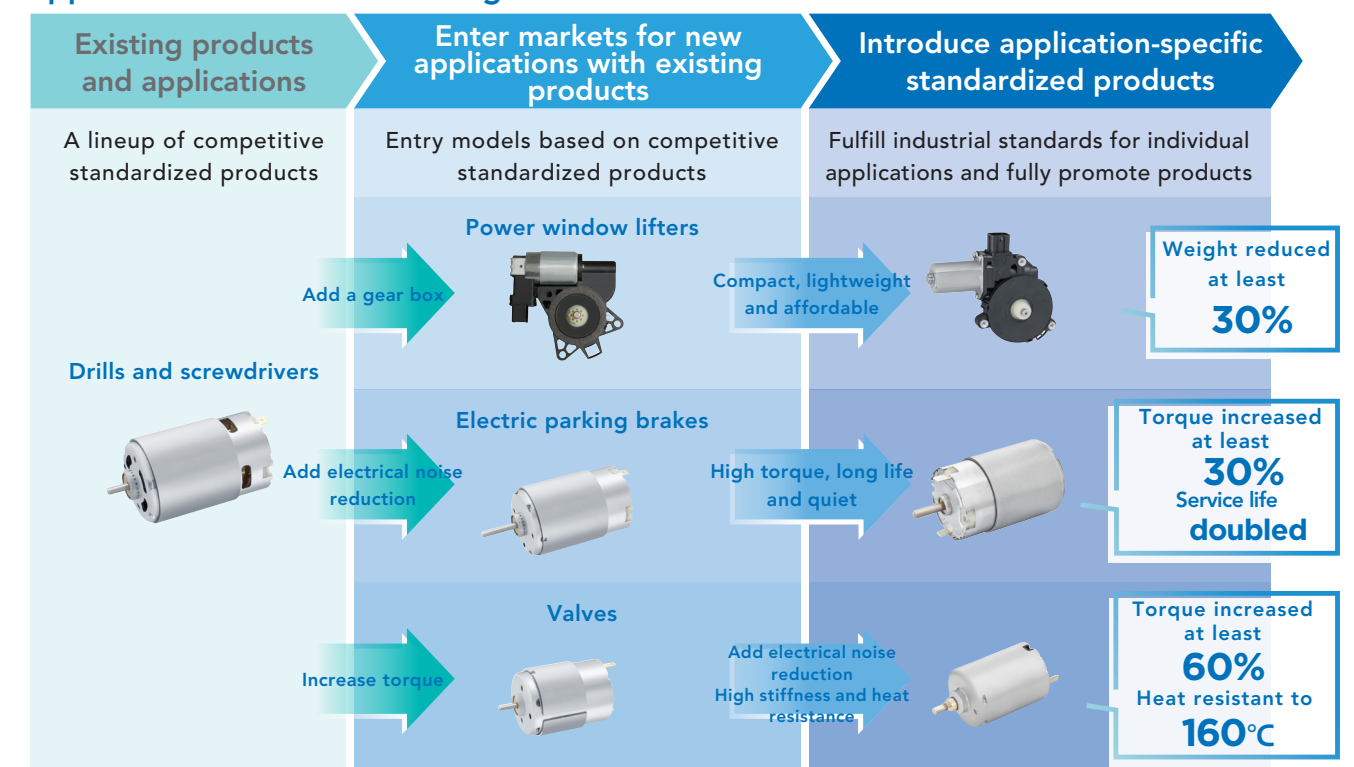
In recent years, we have been able to minimize the impact of various crises such as disruptions to logistics activities caused by COVID-19 pandemic and soaring material costs, on the basis of inventory sales of standard products.



### ► 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.

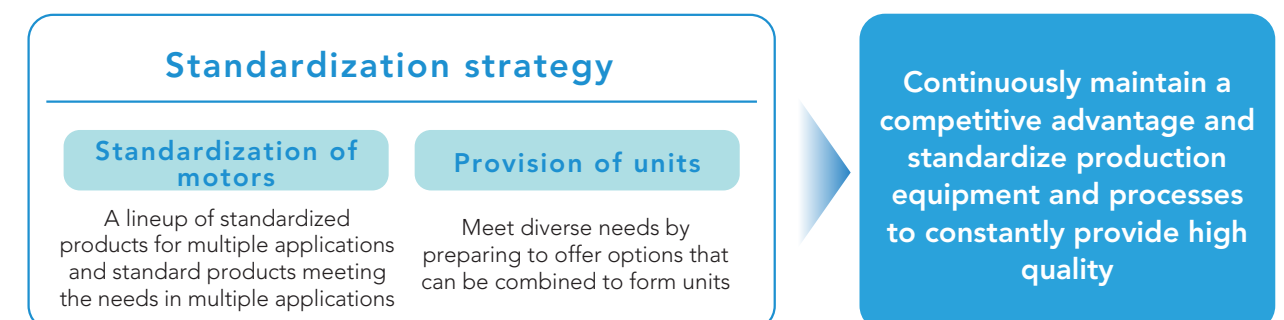
### Develop and promote application-specific standardized products optimized for individual applications to accelerate the growth of business



### ► Advancing Standardization Strategy

In the past, our policy was to not enter the business areas handled by our customers and we focused on motors alone. Nowadays, customers request that we provide peripheral parts around the motors as well. Accordingly, the number of cases in which we provide unit motors is increasing.

In our shift to units, we apply our unique standardization concept to provide added value. For instance, units for light electric vehicles consist of standard motors as well as controllers, reducers, wheels and other options optimized for our motors for light electric vehicles. The combination of these components achieves the standardization of units. This maximizes our quality, delivery time and cost superiority.





# Our Strengths

## Mabuchi Global Management System

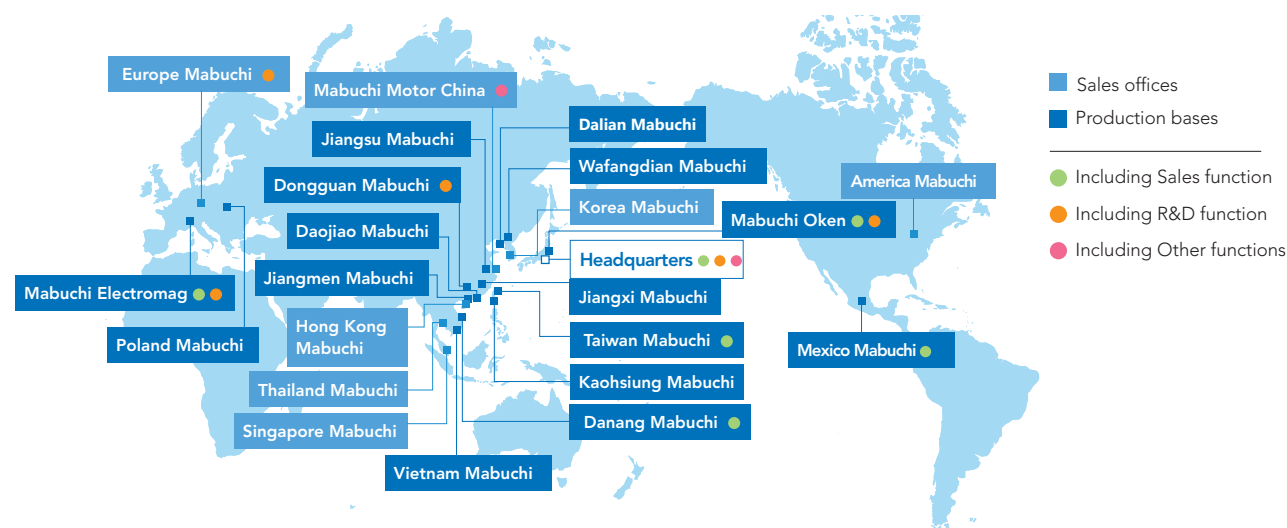
The advantage of our global management system lies in diversity, which enables us to utilize the connections between human resources and diverse values between bases, and the Five-Region Management Structure that increases the autonomy and independence of each base and drives local production for local 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.

### Mabuchi Global Management System

**Global five-region management structure**  
Increased self-management of individual bases

**Diversity**  
Enhanced interaction among bases to build strength from diversity

**Achieve a stable global supply of high quality products at reasonable prices based on solid but agile production and sales structures**



## Advancement of base management



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.

**Hirotaro KATAYAMA**

We have increased production, sales and development bases in line with the expansion of business, changes in markets for the applications of products and social circumstances. We established Mexico Mabuchi in 2014, followed by Poland Mabuchi in 2017. We have thus constructed a foundation for the Five-Region Management Structure covering Japan, China, Asia-Pacific, the Americas and Europe. In each region, we will efficiently operate a matrix composed of an axis of development, procurement, production, sales and other functions and another axis of medium-sized automotive products, small-sized automotive products, life and industry equipment and other businesses with the goal of local production for local consumption.

In China, we set up a management company in 2019. The Group Executive Officer who is a Chinese national and also the Chief Regional Officer in China, pushes ahead with

development, procurement, production and sales activities in the region.

In Europe as well, we have a Group Executive Officer responsible for activities in the region. To accelerate actions and improve global risk management, we launched the Mabuchi Global Management Department in March 2023. Formerly, I monitored individual bases from the Headquarters as the Chief Officer of Subsidiaries. The goals of the new department are improving management accuracy through organizational actions and training personnel to carry out global management in the future.

While facing many constraints during COVID-19 pandemic, our advantages lie in the improvement of the strength of the Group as a whole through the exchange of personnel at different bases. I hope that this department will play a role in the construction of communication channels between the different bases and between them and the headquarters.

## Capabilities needed to actualize the Mabuchi Global Management System

At Mabuchi Motor, we have always maintained an optimal global management system by continuously updating our global production infrastructure in response to the economic development of countries and regions and to changes in our own business portfolio.

A global production system is not successful simply by establishing bases around the world. The production efficiency of the newly established sites must be brought up to the same level as that of the existing sites as soon as possible. In this effort, Mabuchi Motor is making optimal use of human resources from around the world on a global basis.

### 1 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 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.

#### Global expansion from an early stage

We have been seeking the possibility of overseas expansion since the early days of our operations. In 1964, when we celebrated our 10th anniversary, we established our first overseas production base in Hong Kong.

#### Centralized production structure in Asia

Starting with Guangdong No. 1 Factory in 1986, we erected several bases in mainland China. In 1996, we built a factory in Vietnam which brought our centralized production structure in Asia to completion. We have thus established a solid structure for achieving high cost competitiveness and stable supply.

#### Five-Region Management Structure

In 2014 we established Mexico Mabuchi in the Americas, and in 2017 we established Poland Mabuchi in Europe. We have established a Five-Region Management Structure to improve the autonomy and independence of the separate regions and achieve local production for local consumption and risk dispersion.

### 2 Strong connections between bases and utilization of diverse human resources

The Mabuchi Group's bases are connected by strong connections. 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 distinctive feature of Mabuchi Motor is the high percentage of its workforce that are non-Japanese. Of the Mabuchi Group's 21 production bases, 13 bases have non-Japanese human resources serving as their presidents (or general managers), and these personnel have become 61.9% 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 March 31, 2023).



Executive Vice  
President  
Danang Mabuchi  
**VO Van My**

#### Looking back on the four years of work to launch Poland Mabuchi

I was assigned to Poland and worked to launch Poland Mabuchi as a factory manager from 2018 to 2022. I was involved in all steps ranging from the preparation of systematically and organizationally important matters to responses to process issues. Gradually, I handed over tasks to local staff in Poland according to their individual development levels.

The four-year period when I worked for Poland Mabuchi was full of new challenges and experiences. Everything had to be started from scratch. To adapt to the new environment, I had to overcome language and cultural barriers. However, with the help of other assigned staff, the efforts of local staff, and remote support from colleagues at the headquarters and at other bases, we successfully installed a production line and manufactured the first motors at Poland Mabuchi.



# Our 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. In the Five-Region Management Structure, we carry out sales activities in each region.



# 74.7%

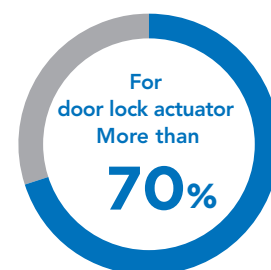
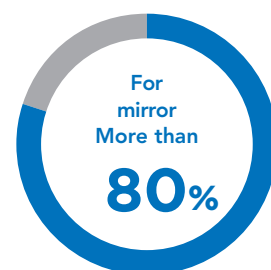
Small motors that support safe and comfortable driving

## Automotive Products

# 117.0 billion yen

In the automotive products applications, we hold a global market share exceeding 80% in mirror applications and more than 70% in door lock applications. It is no exaggeration to say that almost all automobiles in the world are equipped with small DC motors supplied by Mabuchi Motor for some purpose. Going forward, the number of small motors installed in automobiles will continue to increase with the shift toward electric vehicles. Mabuchi Motor will continue to 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 2021)



## 2022 Net Sales by Segment 156.6 billion yen

Power window lifter  
25.8 billion yen

Electric parking brake  
12.9 billion yen

Power seat  
9.3 billion yen

Others  
(Medium-sized motors)  
11.7 billion yen

Mirrors  
(including folding)  
21.1 billion yen

Office equipment  
10.9 billion yen

Home appliances,  
power tools and  
housing equipment  
8.3 billion yen

Health and medical care  
7.8 billion yen

Personal care  
4.4 billion yen

Others  
8.0 billion yen

Others  
(Small-sized motors)  
7.8 billion yen

Head light  
2.3 billion yen

Air conditioning  
damper actuator  
7.8 billion yen

Door lock actuator  
17.8 billion yen

# 25.3%

Small motors that support daily life

## Life & Industrial Products

# 39.6 billion yen

In the life and industry products applications, we supply motors for products indispensable to daily life to support people's lives around the world. In addition, we are expanding our services in new applications including light electric vehicles and collaborative robots.



Asia Pacific  
17.5%

Japan  
8.9%

Americas  
18.6%

China  
31.5%

Europe  
23.4%

## Net sales share by region in 2022



# Business Overview

## Automotive Products

### Performance in 2022

Net sales: **117.0 billion yen**

Sales volume: **952 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



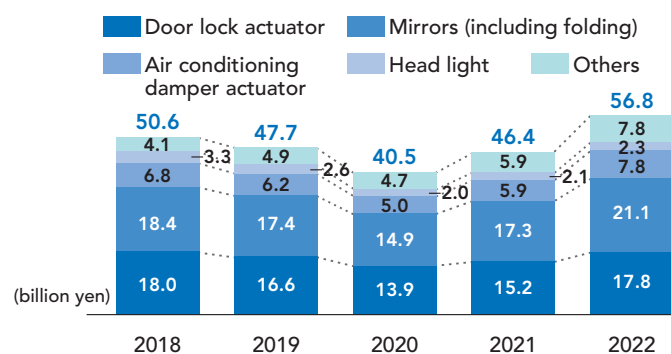
### ► Main initiatives in 2022

Medium-sized automotive motors (power window lifter)	<ul style="list-style-type: none"> <li>• Sales expansion to the fourth Japanese automobile manufacturer</li> <li>• Adoption of our products for EVs expanded due to their superior light weight and quietness</li> </ul>
Medium-sized automotive motors (excluding power window lifter)	<ul style="list-style-type: none"> <li>• Received orders for monitors for power seats from large Japanese and European customers.</li> <li>• Received orders for both units and motors for valve actuators for EVs from a major Japanese customer.</li> </ul>
Small automotive motors	<ul style="list-style-type: none"> <li>• Made progress in serving customers with new and existing products as new applications and markets such as electric vehicles gathered momentum.</li> </ul>

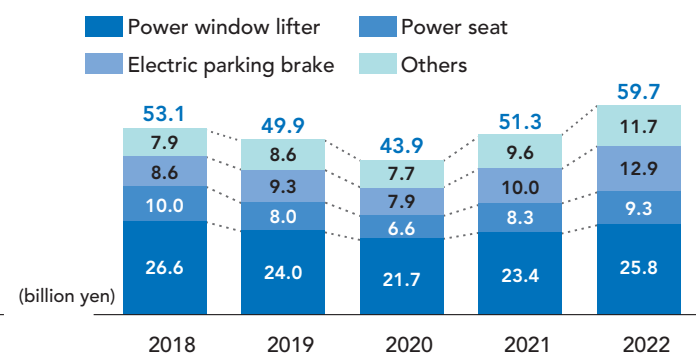
### ► Sales trends by main applications (2018-2022)

Sales dropped due to sluggish automobile production volume chiefly in China in 2018 to 2019, and weak economic activities around the world and slowdown of the entire automobile market amid 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. We saw the market share growing in medium-sized automotive motors as they became adopted in more automobile models.

#### Small automotive motors



#### Medium-sized automotive motors



### ► Priority activities in 2023

Medium-sized automotive motors (power window lifter)	<ul style="list-style-type: none"> <li>• Start sales to the fifth Japanese automobile manufacturer and steadily widen the ranges of models of existing customers to which our motors are introduced</li> <li>• Develop new-generation motors for power window lifters and take steps to win orders</li> </ul>
Medium-sized automotive motors (excluding power window lifter)	<ul style="list-style-type: none"> <li>• Start mass production of new products for power seats for large Japanese customers, make preparations for mass production for large European customers and secure new orders</li> <li>• For motors for valve actuators for EVs, prepare for mass manufacturing for major Japanese and European customers and receive new orders from a major European customer.</li> <li>• Develop new applications for EVs, which are in a period of technological transformation, by combining unitization, small brushless motors and control technologies.</li> </ul>
Small automotive motors	<ul style="list-style-type: none"> <li>• Expand in markets where we have a large share of the market by enhancing existing product lines and launching products incorporating new differentiating technologies.</li> <li>• Gain more orders regarding new applications including EV charging cable locks and flush door handles</li> </ul>

## Expanding business in the area of motors for EV battery cooling applications

Orders were newly received for motors for EV battery cooling applications from a major Japanese customer in recognition of our technologies for creating compact, lightweight motors, our ability to provide units and our technological capabilities for motor control.

### Changes in EV battery cooling systems

- It is becoming increasingly important to proactively control the temperature of driving batteries, which deteriorate more quickly at high temperatures, by replacing the previous air-cooled system with a water-cooled system to extend the service life of the batteries.
- Various cooling systems are expected to be used widely. Vehicles will range from models with one or two integrated valve actuators that are highly functional and capable of switching between multiple flow paths, to models equipped with simple-structured valve actuators mounted in multiple places. We provide valve actuators for both systems.

### Our strengths in motors for valve actuator

- As an independent, specialized manufacturer of motors, we are responding to inquiries about motors for valve actuator from various carmakers.
- With specialized control technologies for motors and the ability to provide units for motors, we provide optimal units for motors for valve actuator which are necessary for ensuring a high level of position control.

#### Valve actuators mounted on cooling systems

**Integrated valve actuator**



A highly functional, integrated valve actuator switches between various flow paths.

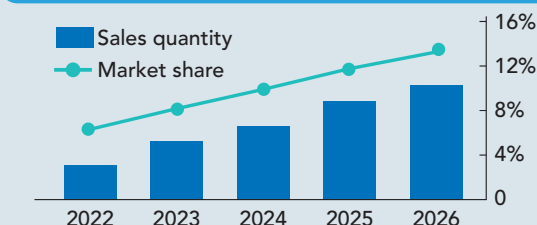
**Distributed valve actuators**



Multiple simple-structured valve actuators are used to switch between flow paths.

We provide valve actuators for both systems.

#### Forecast sales volume and market share of valve actuator motors



### ► 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 coolant valve actuators, following the shift of automobiles to electric vehicles
- 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 delay in recovery of automobile production



# Business Overview

## Life & Industrial Products

### Performance in 2022

Net sales: **39.6 billion yen**  
Sales volume: **353 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 and AMR
- **Collaborative robots**

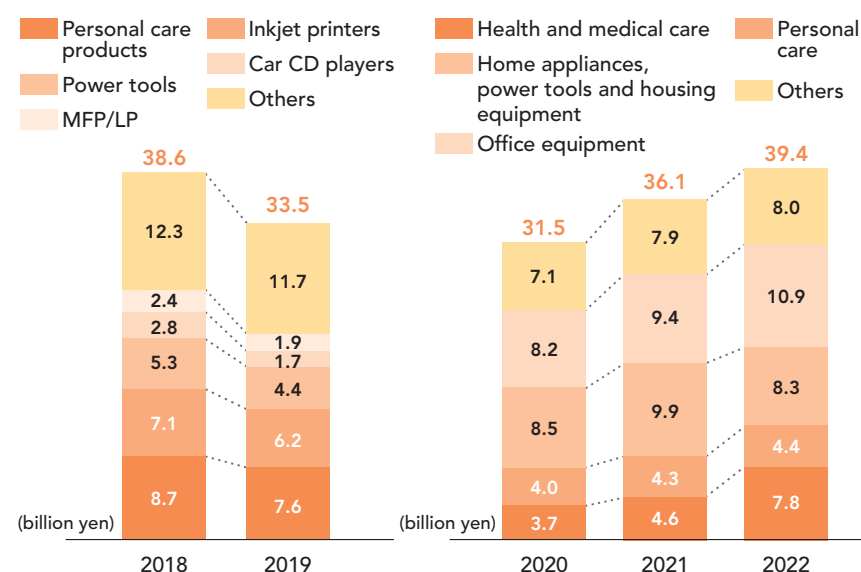


### ► Main initiatives in 2022

- Expanded the lineup of brushless motors for light electric vehicles. Secured new orders for motors for AGV, AMR and motors for mobility and started mass manufacturing and sales of motors for stairway elevators.
- Commenced mass manufacturing and sales by adding a lineup of hollow brushless motors for collaborative robot applications.
- Progress was made in the PMI of Mabuchi Electromag. Expanded business in motors for medical applications and secured orders for high-speed brushless motors for power tools.

### ► Sales trends by main applications (2018-2022)

From 2018 through 2020, we had a policy of focusing on profitability and selectively received orders for limited applications. With this impact and also an impact of COVID-19 pandemic for 2020, sales declined. 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 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. In 2022, price revisions and the weak yen produced a positive effect.



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

\* AGV: automated guided vehicles AMR: autonomous mobile robots MFP: multifunction printers LP: laser printers

### ► Priority activities in 2023

- Increase sales of brushless motors for light electric vehicles and collaborative robots further.
- Drive the development of new motors for medical applications in addition to increasing sales of the existing lineup of products for medical applications, including motors manufactured by Mabuchi Electromag.
- Expand sales of motors manufactured by Mabuchi Electromag to areas other than medical care.
- Reorganize Oken Seiko (currently, Mabuchi Oken) as a subsidiary and implement PMI.
- Push forward with the development of driving units for conveyors for industrial applications.

### Making a leading company in rolling pumps into a subsidiary

In March 2023, we made Oken Seiko (currently, Mabuchi Oken) a subsidiary. Taking advantage of the company's strengths in small pumps, we will enhance our ability to provide units and ability to propose solutions in the 3 M fields.

#### Features and strengths of Mabuchi Oken

- 1. High-level technological capabilities related to small pumps**  
Unique technologies that enable long service life, low vibration and quiet operation
- 2. Customer base for products for medical applications, such as sphygmomanometers**  
Stable trade relationships with major blue-chip customers in Japan and other countries
- 3. Domestic and overseas production systems with established track records**  
Overseas production bases with lengthy track records

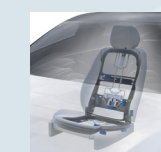
#### Objectives of reorganization into subsidiary

##### Enhancing our ability to provide units

- Standardizing unit options and providing them in various combinations to efficiently meet diverse needs
- Developing competitive units by pursuing optimal integrated design and production of motors and pumps

##### Expanding the 3 M fields

- Actively expand sales of small pumps chiefly in the 3 M fields with the use of our sales structure and customer base



**Mobility**  
Lumbar support sensor cleaner



**Medical**  
Medical sphygmomanometer

### Efforts for medical equipment applications

Reorganized into a subsidiary in July 2021, Mabuchi Electromag has an advantage in the development and production of ultra-high-speed rotation, low-vibration and silent motors and sells motors chiefly for artificial respirators and dental treatment equipment. Harnessing the Mabuchi Group's sales resources and customer base, we carry out sales promotional activities for Mabuchi Electromag products around the world. In surgical operation equipment applications, brushless motors were newly adopted. In addition, we won new orders for brush motors for surgical drills and for surgical suturing instruments. Consequently, the post-merger integration is advancing. In the future, we will develop highly competitive products based on production expertise that achieves Mabuchi Motor's high quality and low costs in an effort to increase our market share.

### ► Opportunities and risks

#### Opportunities

- Increase in demand after accelerated replacement with electric industrial equipment for reduced CO<sub>2</sub> 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



# The Management Base that Supports Our Strengths

## Human Capital

### ► Approach to Human Capital

People are the most important factor in achieving sustainable growth in the face of changing markets and intensifying competition.

Our Management Markers, which describe how to materialize our Management Principle, “Contributing to international society and continuously increasing our contribution,” stipulate that “By placing highest value on our people, we empower and encourage them to realize their potential and contribute to society.” We thus believe that our employees’ work done by demonstrating the capability and thoughts of each is the most important driving force for continuing to contribute to international society through business activities.

We strive to create an environment where each employee can develop their strengths, express their individuality, and play an active role. Through the development of the organization, we aim to solve diverse social issues and realize our Management Principle.



### ► 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.

#### Multinational Workforce

At our production base, Poland Mabuchi, we have been recruiting Ukrainian nationals since December 2021. Currently, over 100 employees of Ukrainian nationality are engaged in active roles in the company. In the workplace, we prepare documents in Ukrainian, implementing inclusion initiatives to create a welcoming environment for diverse employees.

### ► 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 (3 years) / Nursing leave (1 year)
- Support for professional development during nursing leave and parental leave
- Spouse leave for childbirth
- Short working hours and exemption from overtime work for parental and nursing leave
- Flextime System (without core time) and Discretionary Labor System introduced
- Promotion of teleworking

#### External Recognition

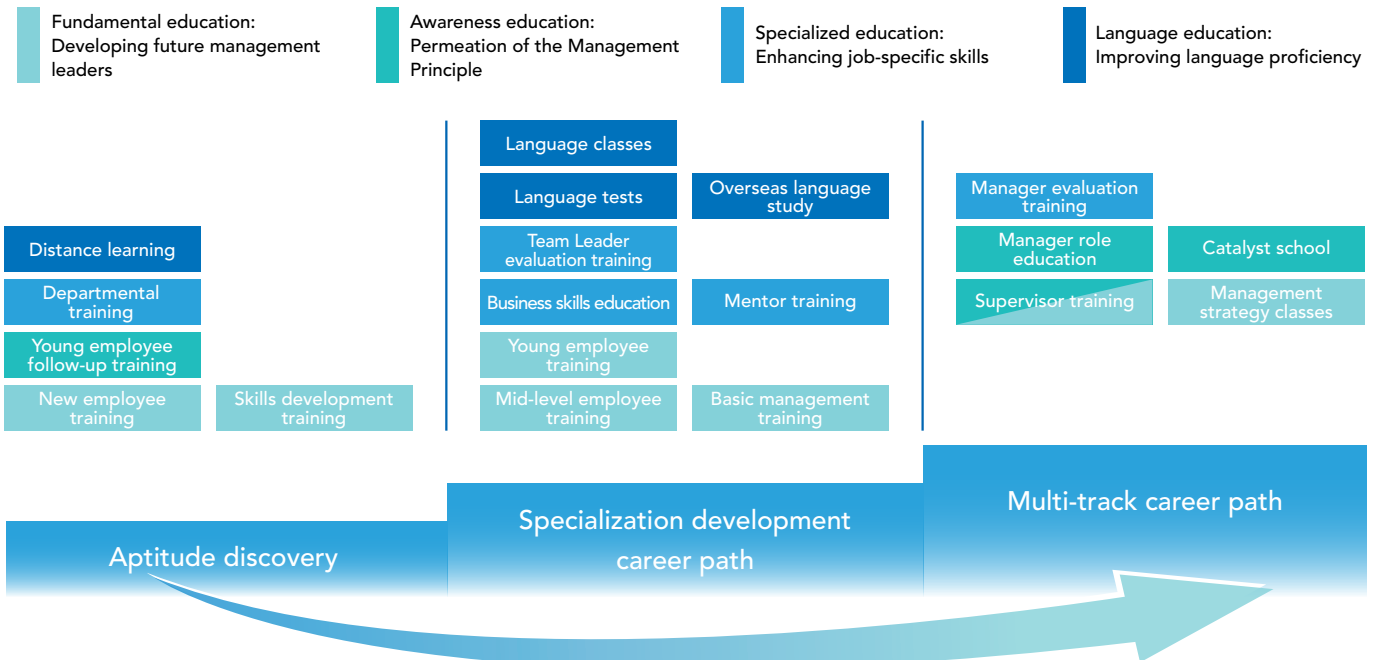
We have earned high recognition for promoting the active participation of women in the workforce, as evidenced by the Ministry of Health, Labour and Welfare awarding us the highest rating (Level 3) in their Eruboshi Certification system. Our efforts to support the work-life balances of employees with childcare or family nursing care responsibilities have also been highly acknowledged through several certification programs.



### ► 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. In particular, we promote a trainee system to help young employees acquire on-the-job skills. As trainees, they spend six months to one year gaining overseas experience and firsthand insight into the practical operations of our international sites. We also have a system in place enabling employees from our overseas bases to be transferred to the Headquarters as trainees. In addition, we are remodeling our education system with the establishment of the Mabuchi Learning Institute (MLI), which aims to develop an extensive and deep knowledge base across the Mabuchi Group worldwide by allowing employees anywhere in the world to attend classes, including online classes.

#### Education and Training System



### ► Creating a Group-wide Learning Culture

We offer a variety of educational programs that combine to create a Group-wide learning culture. We place a high value on language skills in order for our employees to function effectively in the global arena.

- Practice exchange of employees at overseas bases
- Providing opportunities for TOEIC/CASEC exams, holding TOEIC preparation courses, providing opportunities to participate in short-term study abroad system, overseas trainee system, online English conversation system
- Holding various public lectures to support employees’ independent learning
- Supporting professional development
- Qualification acquisition incentive system
- Establishment of a multipurpose self-study room
- Internal book loans

#### Developing English-speaking Talent

Employees who have obtained a TOEIC score of 730 or higher are considered to have adequate professional communication English proficiency (below, “English-speaking talent”) and we have been working to develop those skills. Thanks to the dedicated efforts of our employees, the percentage of English-speaking talent has been steadily increasing every year.

	2018	2019	2020	2021	2022
Number of English-speaking talent	192	238	250	273	294
Percentage of English-speaking talent	20	24	26	28	31

# The Management Base that Supports Our Strengths

## ▶ Human Resources Exchanges That Support the Mabuchi Global Management System

Based on the concept of “placing the highest value on our people, empowering and encouraging them to realize their potential and contribute to society,” expressed in one of our Management Markers, we are committed to fostering a workplace environment in which every employee can attain self-actualization and personal growth, and experience a sense of job satisfaction.

We interviewed two employees about our workplace environment, work style, and people development.

### From Mexico Mabuchi to the Headquarters



She has been working at the Headquarters as a trainee since March 2023. After being in charge of recruitment tasks in the Human Resources Department, she has been working in the Corporate Planning Department since July 2023.

At Mexico Mabuchi, I am a team leader in the president's office. As a member of the president's office, I have to handle a wide range of tasks. To enhance my skills and knowledge, I have been working as a trainee in multiple departments at the Headquarters for one year. During my first few months, I learned about the new graduate recruitment system and gained hands-on experience in its operation in the Human Resources Department. Subsequently, I also took on responsibilities in the Corporate Planning Department.

Working alongside my colleagues at the Headquarters, with whom my previous interactions were mainly limited to online communication, I have learned that everyone within the Mabuchi Group is a part of a team. Through this opportunity, I have realized the importance of fostering the bonds within this team. Here in Japan, I would like to work as an ambassador from Mexico to help my colleagues who have business interactions with Mexico Mabuchi to develop familiarity and a positive feeling toward Mexico.

I do not think there are many companies in the world that offer opportunities like our trainee program to promote human resources and cultural exchange.

Mabuchi Motor began with the ambitious dream of its founder, which has led to the company's overseas expansion and the establishment of numerous bases. This environment has provided its employees with opportunities to work all over the world. The essence of the founder's dream has been maintained over the years, leading to this current trainee program. Through my participation in this program, I am delighted and grateful to be a part of the founder's dream.



### From the Headquarters to Mexico Mabuchi



From February 2022 to March 2023, he worked as a trainee at Mexico Mabuchi, where he was in charge of improving the production process for power window lifter motors.

At Mexico Mabuchi, I was assigned to the task of improving the production process for power window lifter motors as a trainee. At the beginning of my training, I faced many challenges in solving production issues. I asked my senior colleagues, who were also on loan from the Headquarters, to share their knowledge, and I also worked together with local staff members, which allowed me to leverage their expertise to find solutions. As I gained more experience, I deepened my understanding of the production flow, system and equipment structure. This enabled me to independently come up with improvement ideas and suggestions. I then started receiving questions and being asked for advice from junior engineers about specific roles of the equipment as I was in charge of the process that involved complex equipment structures. This gave me a sense of fulfillment as I was able to contribute and provide guidance in their learning process.

After the end of my trainee period and since my return to the Headquarters, I have continued to be involved in process design, and I have had more opportunities to travel to overseas bases. The knowledge and insights I gained on-site at Mexico Mabuchi have helped me in my current responsibilities.

## ▶ 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 the job description, with compensation being determined within a fixed job grade range according to the level of responsibility. We have introduced this system for managerial positions since 2020, and we will expand its scope to include other employees at the Headquarters and overseas bases after incorporating the necessary improvements.

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.

### ● Multidimensional evaluation criteria

This system is designed in such a way that evaluation criteria are transparent and evaluations are confirmed by several people. Employees self-assess and evaluate their performance, after which they are interviewed individually by management twice a year. Multidimensional (360°) evaluation by a supervisor, colleague, subordinate, etc. ensures a fair outcome.

### ● Self-assessment and evaluation

Employees self-assess and evaluate their performance annually to ascertain their understanding of their duties.

### ● Multi-track career development options

A system is in place that allows employees to change jobs or direction, opening up multiple career paths.

### ● Transparent compensation systems

The compensation system replaces the seniority-based compensation system with a performance-based system that emphasizes the performance and productivity of each employee and enables employees to understand and evaluate their own performance.

## ▶ Improving Employee Engagement

Improving employee engagement is vital in the sustainable growth of corporations. As one initiative to enhance engagement, we have introduced the Trust-Type Employee Stock Ownership Incentive Plan. The intent of this plan is to provide employees with incentives to enhance our corporate value over the medium to long-term, to expand welfare benefits and to promote the Company's continuous growth by increasing the motivation of employees through their capital participation as shareholders.

Additionally, we conduct a biannual engagement survey targeting our employees at the Headquarters. In the survey conducted in July 2022, we received responses from approximately 95% of employees. The survey results have been reported to the Board of Directors and the Executive Committee, and we are now analyzing the results and identifying issues. We are also working on developing human resources strategies that reflect the analysis (the strengths and challenges identified by the survey). The July survey revealed that while employees were highly satisfied with their work environment and work-life balance, we recognized that there was still room for improvement in fostering a culture of challenge. Based on these findings, we have been implementing and strengthening initiatives aimed at building a corporate culture where each employee can accumulate success experiences and feel a sense of achievement in their daily work, enabling them to embrace new challenges.

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.

## Fostering an Employee Culture of Deep Connections and Mutual Support

In May 2023, with the goal of fostering employees' mutual understanding and expanding the circle of mutual respect and support for each other's efforts and challenges, we launched a new web-based internal newsletter called "MAB TEAM," which is designed to enable interactive communication between employees.

This internal platform features articles that highlight the efforts and aspirations of our employees. It shares the thoughts and experiences as they encounter professional challenges in their daily tasks and projects. We will continue to work to foster a culture of mutual respect and support through various initiatives, aiming to enhance employee engagement.





# The Management Base that Supports Our Strengths

## Manufactured Capital

### ▶ Standardization of Manufacturing

We have 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, drawing out the power of each base, and applying lessons learned from good examples of improvement throughout the Group to further advance standardization of manufacturing, which is an advantage of 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. This allows us to raise their salaries accordingly. We believe that these efforts enable us to reduce production costs, provide higher level jobs to employees, and build win-win relationships with governments and local people desiring higher salaries.

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.

### ▶ Use of IT in Global Technical Areas

To improve our manufacturing competitiveness, we have introduced a common platform system that centrally manages technical information on product design and production processes at all of our domestic and overseas bases. The information, which used to be scattered across multiple systems, is now managed as master data on a single system, serving as the foundation for both high quality and operational efficiency. By consolidating various technical information generated throughout the product lifecycle, from project generation to product development and mass production, we are working to improve the competitiveness of our products.

Another of our strengths is that we develop and manufacture production equipment in-house. IT is also utilized in the development of production equipment. We have realized an all-in-one equipment information infrastructure based on 3D data across all of our bases in order to unify and share equipment design information throughout the Mabuchi Group. As a result, the design process, data management, and know-how of the latest manpower-saving equipment are now being utilized at all bases without being limited to the tacit knowledge of each base or designer. The system also enables efficient design reviews and information sharing between bases, mainly using 3D data, such as dynamic verification and automation through collaboration among multiple departments.

We are also developing production facilities within the Group, and have launched a streamlined information infrastructure using 3D data across bases. As a result, we have eliminated the problem of design process and data management in the latest manpower-saving facilities being tacitly managed by each base and designer, and have established a system to continue to achieve optimal design quality and efficiency throughout the Group.



## 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.

#### ● Brush and commutator contact technology

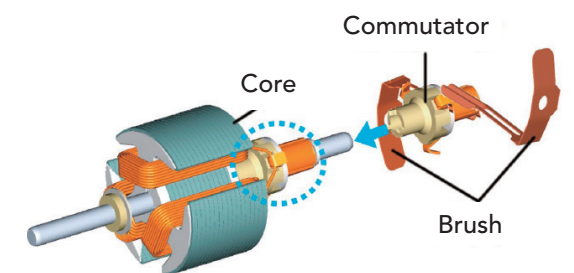
For the contact between the brush and the commutator, we apply technologies that suppress the amount of sparks generated at the time of switching as much as possible and prevent parts from wearing out. This helps to increase durability, lower electrical noise, and create motors with longer service life. When electric vehicles (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.

#### ● 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.

#### ● 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.



### ▶ Efforts to Enhance Intellectual Capital

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.

### ▶ Global R&D Activities

We engage in research and development activities not only at our Headquarters, but also at our overseas facilities, such as those 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.

As of the end of 2022, the total number of industrial property rights owned by Mabuchi Motor is 741 (143 instances in Japan, 598 instances overseas), while the number of new applications is 34, including Japan and overseas. In recent years, in line with our growth strategy, patents related to units and positional control have been increasingly granted.

# Financial and Capital Management

## Initiatives to Improve Capital Efficiency and Profitability

To improve capital efficiency and profitability, Mabuchi Motor aims to accelerate the management resource cycle. It will do this by actively investing its management resources, as well as reinvesting the profits derived from improving the value we provide to our customers, in growth areas. As part of its initiatives for achieving this, ROIC is one of the indicators in the Mid-Term Management Plan. The purpose of ROIC management is to make all Group employees even more keenly aware of the importance of continuously increasing sales and the profit obtained as a result of contributing to society, and of the efficient use of invested capital. More specifically, we promote Group-wide participation in ROIC management by setting KPIs in each department.

### Initiatives to improve profitability

#### Selection of and concentration on high value-added products

We will promote initiatives to improve the operating income ratio, such as stabilizing parts procurement prices, increasing production efficiency and proceeding with appropriate pricing, while accelerating the selection of and concentration on high value-added products at the same time.

- Improve the product mix by accelerating the selection of and concentration on high value-added products in all applications for automotive and life and industrial products.
- Use M&A activities, collaborations and partnerships with external parties and other initiatives in addition to the development of new products in a more agile manner as measures to improve the added value of products.

#### Stabilize material procurement prices

- Steel  
Build long-term relationships with business partners to ensure procurement at stable and well-planned prices.
- Copper and precious metals  
Use various procurement methods to stabilize procurement prices.

#### Increase production efficiency

- Aim to realize highly efficient production by fully automating production.
- Operate mixed production lines, each designed to produce more than one motor model, to increase the facility operation ratio.

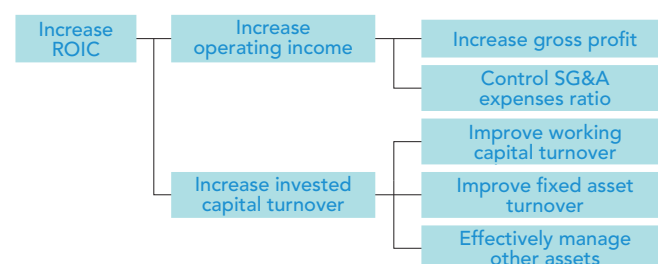
#### Implement appropriate pricing

Continue to implement appropriate pricing in view of the current situation where material prices and logistical costs are continuously soaring worldwide.

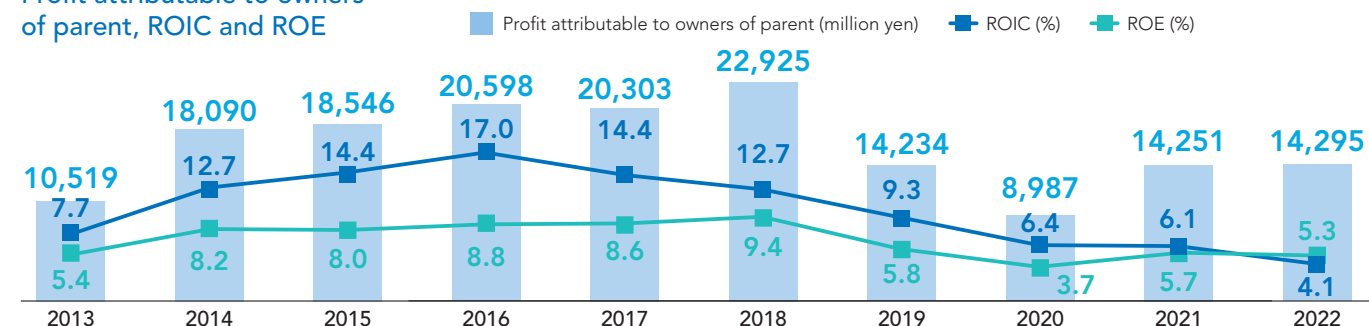
### Initiatives to improve investment efficiency

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 also work on educational activities through regular publications and employee training programs using e-learning, etc. We will promote systematic activities such as the reduction of inventory and the improvement of working capital turnover to return ROIC to pre-COVID-19 pandemic level. We aim to create a virtuous cycle in which excess profits are created and positively invested in growth areas.

#### Promote activities based on the KPIs we have set (excerpts)



#### Profit attributable to owners of parent, ROIC and ROE



## Message from Our CFO



Executive Officer  
In Charge of  
Accounting and  
Finance  
General Manager -  
Accounting and  
Finance Department

Keiichi  
HAGITA

The difficult business environment has continued since 2020 due to the supply chain disruptions caused by COVID-19 pandemic combined with the soaring prices of raw materials, the situation in Ukraine and other factors. In 2023 as well, it appears that it will be difficult to achieve the 15% target operating income ratio set in the Mid-Term Management Plan, given the impact of the low utilization rates associated with the continued high prices of raw materials and the decrease in sales volume. ROIC is also expected to fall short of the target of 12% due to the impact of the lower profit levels and the inventory policies aimed at supply stability. Going forward, we will improve by gradually reducing inventory, taking into consideration the supply chain situation, etc.

Our PBR continues to fall below 1, and we recognize that efforts to improve it are necessary. In response to this situation, as

part of our efforts to improve profitability, we are proceeding with price revisions while gaining the understanding of our customers about the impact of rising raw material prices, which is difficult to absorb through our own efforts alone. In addition, through aggressive investment in R&D, equipment, M&A activities, etc., we aim to continue to strengthen existing businesses and achieve growth in the 3 M fields to improve profitability through higher value-added products.

Through these initiatives to improve and enhance profitability, we will strive to obtain an appropriate evaluation of the value of our business by realizing sustainable growth through the continuous achievement of capital profitability that exceeds the cost of capital and increasing expectations for future profit, and aim to continue to improve PBR in conjunction with shareholder return measures.

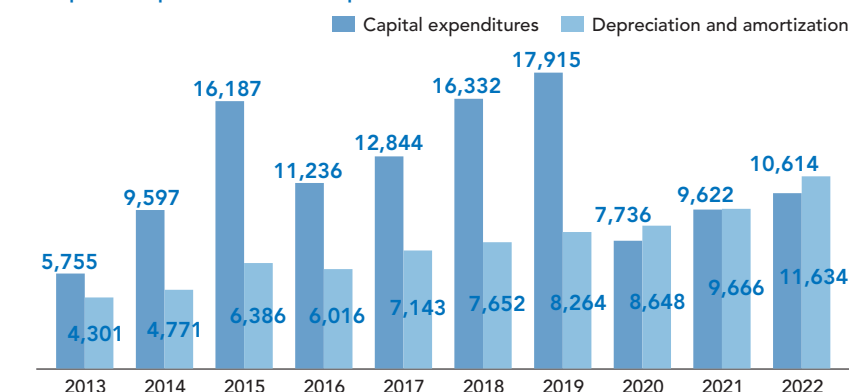
## Investment in Future Growth

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.

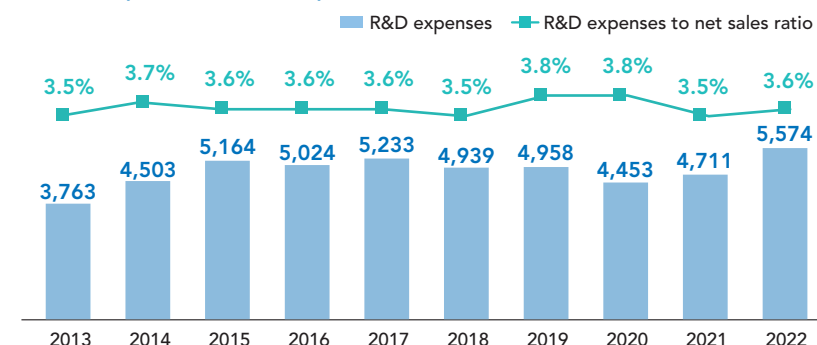
In recent years, we have been investing in the acquisition of land and buildings and production facilities of Mexico Mabuchi and Poland Mabuchi to establish production and supply systems in the Americas and Europe to develop the Five-Region Management Structure, but these investments have peaked out. 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)





# Financial and Capital Management

## Basic Approach to Securing Funds

In the short span of around a decade, the world has faced multiple crises including the upheaval of the corporate business environment due to COVID-19 pandemic continuing from 2020, 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 to contribute to all stakeholders' happiness and aim to increase it as a corporate citizen of the world." We have secured the necessary funds and built a solid management foundation to realize this goal. Our approach based on our policy is as follows.



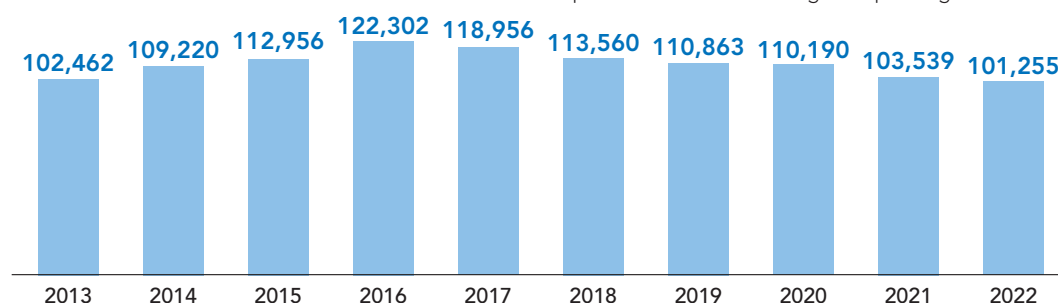
### Necessary funds

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.



### Cash and cash equivalents at end of period (million yen)

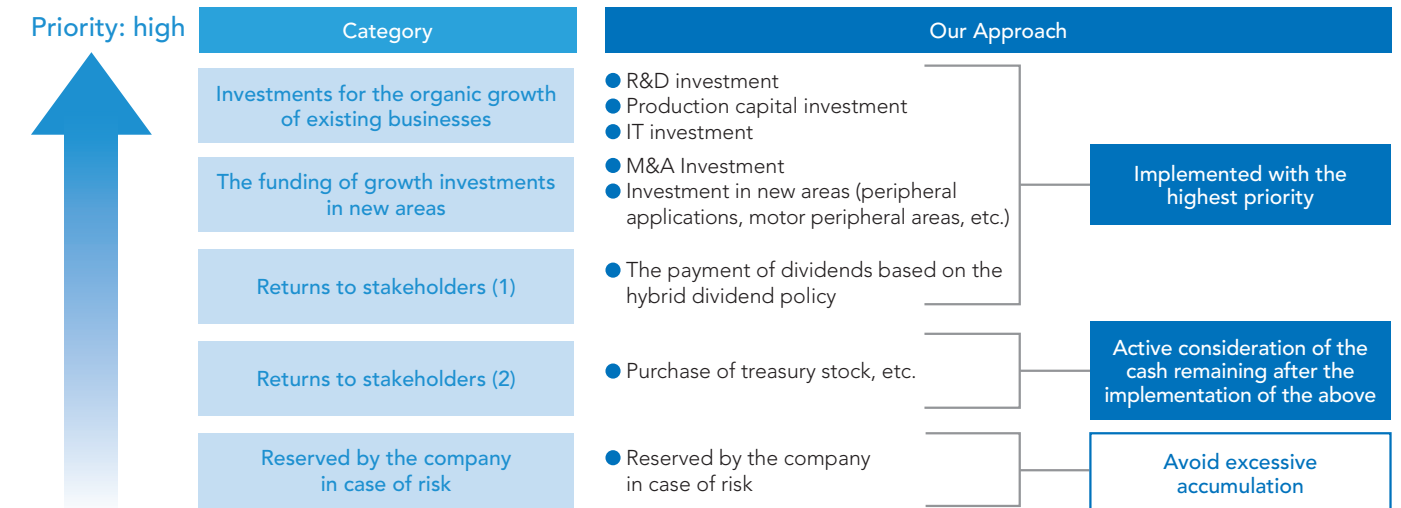
Over the past decade, the balance of cash and cash equivalents at end of period has been declining after peaking in 2016.



## Approach to Cash Allocation

Our fundamental thinking on cash allocation is unchanged in this Mid-Term Management Plan. Cash newly acquired from business activities during the Mid-Term Management Plan will be used based on the order of the following priorities: 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 the hybrid 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.



## 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 business performance while maintaining financial soundness, and to pay dividends twice a year, an interim dividend and a year-end dividend, using retained earnings

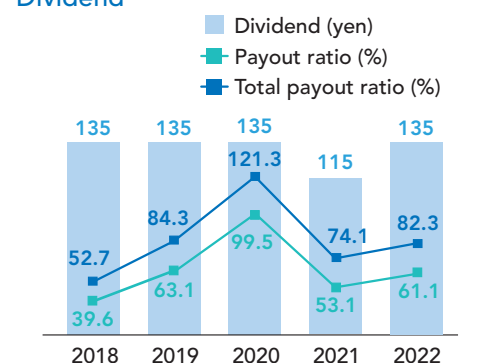
for the growth and development of the company.

The annual dividends for 2019 and 2020 were maintained at 135 yen per share as a temporary measure, considering the uncertainty of the business environment in the short term. For the 2021 dividend, the Company took transitional measures to return to the basic policy, adding half of the difference from the 2020 dividend amount to the calculated annual dividend amount based on the basic policy. For 2022, we have decided to pay a dividend of 135 yen per share (ordinary dividend of 30 yen and special dividend of 105 yen), the same amount as in the past, as a temporary measure.

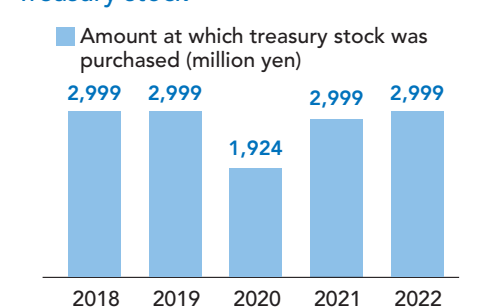
### Purchase of treasury stock

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.

### Dividend














































































### Treasury stock



# Mid-Term Sustainability Targets

Key sustainability issues ~Solving social issues in accordance with our management guidelines~

	Materiality	Highly relevant to SDGs targets	Relevant to SDGs targets	Actions	KPI	Mid-Term Sustainability Targets (2023)	2021 Result	2022 Target	2022 Result	2022 Evaluation
Solutions through products	Promote the manufacture of vehicles equipped with safe driving and traffic accident prevention functions in partnership with customers	  		Providing motors that contribute to the improvement of automobile safety, such as seat belt pretensioners, EPB, steering vibrations, head-up displays, etc.	Sales amount of target application motors	16.0 billion yen	14.6 billion yen	16.0 billion yen	18.3 billion yen	○
	Promote the manufacture of fuel-efficient and environmentally-efficient automobiles in partnership with customers	   	  	Providing motors that contribute to improving the environmental performance of automobiles, such as valve actuators and grill shutters	Sales amount of target application motors	4.0 billion yen	2.6 billion yen	3.5 billion yen	3.3 billion yen	Failure to achieve due to the situation in Ukraine and semiconductor supply shortages.
	Increase availability of reasonably priced health equipment and medical devices through partnerships with customers	 		Providing motors for health equipment and medical care devices	Sales amount of target application motors	7.5 billion yen	4.6 billion yen	6.5 billion yen	7.9 billion yen	○
Solutions through global production activities	Create gainful and enduring economic activity in the countries and regions we enter	   	    	Creation of opportunities for employment and skill-building at all bases and factories	Number of employees at Mexico Mabuchi and Poland Mabuchi	1,800 HC	1,602 HC	1,700 HC	2,150 HC	○
	Foster sustainable operations and competitiveness of bases in the region through technology transfer	  	      	Foster sustainable operations and competitiveness of bases in the region through technology transfer	Integrated development of the company in sync with societies, through increasing added value and optimizing the functionality of each production base	Vietnam base is ready for advanced operations such as new product review and start-up support	Partial transfer of head office production engineering operations to Vietnam base progressed as planned	The Vietnam base is ready to handle the process design and launch of new products on its own	Progress as planned. Vietnam base is in a position to handle process design and start-up of new products on its own. Conducted training for candidates responsible for launching new products, production facilities, and parts production.	○
Solutions through investing in human capital	Cultivate management talent at our bases in Japan and around the world	  	   	Enhancing our global capacity to offer education opportunities, with the establishment of the Mabuchi Learning Institute (MLI)	Number of employees who participated in management training courses	30+ HC (2021-2023 cumulative)	11 HC	10+ HC	13 HC (cumulative total: 24 HC)	○
	Develop R&D talent at our bases in Japan and around the world	  		Developing R&D talent around the world through exchanges and secondments with Headquarters	Rate of increase in the number of R&D talent at overseas bases compared to 2020	10% increase (compared to the end of December 2020)	7.3% increase	8% increase (compared to the end of December 2020)	12.7% increase (compared to the end of December 2020)	○
	Increase gender diversity at our bases in Japan and around the world		  	Providing more opportunities for women at all levels of our company, and supporting their career development over time	Ratio of female managers in the entire group (year end)	15.0+ %	14.0%	14.3+ %	15.8%	○
	Foster interest in science and manufacturing among children and youth		   	Providing opportunities for children to deepen their interest in science through Robocon, craft classes, on-site classes, and more	Number of supporting schools for Robocon Number of children participated in handicraft classes, on-site classes, motor supply programs, etc.	Cumulative total: 1,560+ schools Cumulative total: 186K+ HC	Cumulative total: 1,306 schools Cumulative total: 164,075 HC	Cumulative total: 1,400+ schools Cumulative total: 175K+ HC	Cumulative total: 1,413 schools Cumulative total: 175,013 HC	○
Solutions through corporate activities	Reduce resources used and wasted by downsizing and standardizing motors		    	Miniaturization by improving motor efficiency and standardization by application	Number of compact models released	12+ (2021-2023 cumulative)	0	6+	11	○
	Reduce the environmental impact of corporate activities	  	     	Reduction of environmental impact from all corporate activities, such as development, procurement, and production	Greenhouse Gas (CO <sub>2</sub> ) emissions compared to 2020 (output level; Sales)	Reduce 3% (output unit per production efficiency)	Increase 1.9% (output unit per production efficiency)	Reduce 2% (output unit per production efficiency)	Reduce 11.3% (output unit per production efficiency)	○
	Ensure the health and safety of employees through development of facilities and enhancement of operating systems			Measures to prevent occupational accidents, improve the working environment in offices and factories, and promote work-life balance	Frequency rate (The number of deaths and injuries caused by industrial accidents per million hours of actual work)	0.17 or less	0.222	0.175 or less	0.177	Not achieved. Take further steps to strengthen measures and management to prevent work-related accidents.
	Strengthen governance in decision-making and ensure compliance		      	Education to enhance the governance system, information disclosure, permeation of our management principle, and understanding of laws and regulations	Management Principle education and Compliance education	Establish a system for continuous training of new employees and reminding them about management principle in the Group	Management Principles education is expected to be completed at all sites	Implement compliance training	Implemented cartel training at sales offices and headquarters, compliance training for compliance officers at overseas offices and sales representatives, and individual compliance education for seconded employees. Implemented training for managers on "Cartel Prevention Regulations" and "Revision of Personal Information Protection Regulations."	○
					Governance reinforcement (number of fraud cases)	Number of fraud cases: none	Number of fraud cases: none	Number of fraud cases: none	Number of fraud cases: none	○
					Strengthening CSR Initiatives	Implement internal development based on the activities of the GC Subcommittee	The Integrated Report has been published with enhanced contents. Disseminated GC signatures. In-house training on GC-related systems and initiatives is expected to be completed.	Enhance the content of the Integrated Report, implement internal education based on the activities of GC subcommittee, and respond to TCFD information disclosure	Included content based on TCFD recommendations in the Integrated Report. Conducted training for the entire company and sales staff.	○



# Initiatives towards Climate Change

## Support for the TCFD

In March 2021, Mabuchi Motor announced its support for the recommendations of the “Task Force on Climate-related Financial Disclosure (TCFD)” and also participated in the “TCFD Consortium”. 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, including shareholders, investors, customers, business partners, and employees, 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 (six meetings took place in 2022) 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, notably with the expansion of demand for EVs and other next-generation vehicles, 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.41-P.43 for specific details of measures already in progress.

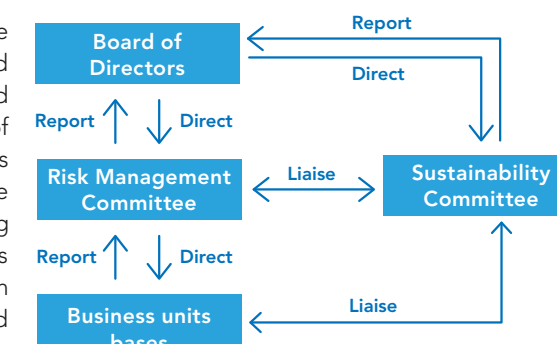
Scenario	Risks and opportunities	Possible factors	Possible events	Financial impact assessment		Measures being implemented / measures to be considered
				2030	2050	
1.5°C scenario	Opportunities	Advancement of energy-saving and low-carbon technologies	<ul style="list-style-type: none"> <li>Increased order opportunities due to the transformation of demand for EVs and other motor vehicles</li> <li>Increased demand for motors due to the electrification of various industrial machinery</li> </ul>	Large	Large	<ul style="list-style-type: none"> <li>Promote energy efficient production processes</li> <li>Create more compact and light weight motors</li> <li>Environmentally friendly product design</li> </ul>
	Risks	Impact on raw material prices	<ul style="list-style-type: none"> <li>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</li> </ul>	Large	Large	<ul style="list-style-type: none"> <li>Promote green procurement</li> <li>Promote resources recycling</li> </ul>
	Risks	Carbon pricing	<ul style="list-style-type: none"> <li>Increased costs due to new systems and regulations, such as the introduction of a carbon tax and emissions trading</li> </ul>	Medium	Medium	<ul style="list-style-type: none"> <li>Set and promote CO<sub>2</sub> emission reduction targets</li> <li>Use renewable energy</li> </ul>
4°C scenario	Risks	Impact on raw material prices	<ul style="list-style-type: none"> <li>Increased value of damage and losses following damage to facilities and fixtures and shutdown of operations as a result of meteorological disasters</li> <li>Fragmented supply chain and its impact on business continuity</li> </ul>	Medium	Large	<ul style="list-style-type: none"> <li>Formulate and strengthen BCP</li> <li>Conduct emergency response drills</li> </ul>
	Risks	Increasingly severe abnormal weather events	<ul style="list-style-type: none"> <li>Instability in raw material procurement due to acute and chronic impact of climate change</li> </ul>	Medium	Large	<ul style="list-style-type: none"> <li>Consider and implement alternative and distributed procurement</li> <li>Promote appropriate inventory control and risk management</li> </ul>
	Risks	Rise in average temperatures	<ul style="list-style-type: none"> <li>Increased operating costs, including higher air conditioning costs due to higher average temperatures</li> </ul>	Medium	Medium	<ul style="list-style-type: none"> <li>Promote energy conservation</li> <li>Establish an environmental education system</li> </ul>

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

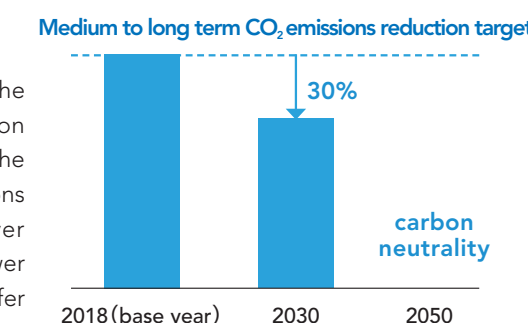
The Sustainability Committee identifies and assesses climate change risks and formulates countermeasures, which are reported to the Board of Directors and coordinated with the Risk Management Committee and the departments in charge. The Risk Management Committee, as part of the Group-wide risk management 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 addition to the mid-term goal of "reducing CO<sub>2</sub> emissions by 30% from the 2018 level by 2030," we have decided to promote activities to become carbon neutral by 2050. In order to address climate change, which is an urgent issue for the international community, we have been promoting efforts to reduce CO<sub>2</sub> emissions by installing solar power generation systems, adopting systems that recover and reuse waste heat, introducing internal carbon pricing, and reducing power consumption at production facilities. For actual data on CO<sub>2</sub> emissions, please refer to ESG data (P.63 to P.64).



# Environmental Initiatives

## For a decarbonized society

Mabuchi Motor 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 CO<sub>2</sub> emissions 30% by 2030, compared to the level in 2018. To this end, we have been promoting initiatives to reduce CO<sub>2</sub> 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

Mabuchi Motor works to reduce CO<sub>2</sub> emissions by using renewable energy to generate power. The solar power generation systems installed at Dongguan Mabuchi and Daojiao Mabuchi in China generated nearly 1.37 million kWh of electric power in 2022 and the power was used at the factories. The solar power generation system installed at Danang Mabuchi in Vietnam in March 2022 generated nearly 1.07 million kWh of electric power within the same year. In March 2023, the installation of a solar power generation system at the Headquarters was completed. We will continue to systematically introduce renewable energy.



The solar power generation system installed at the Headquarters.

### ▶ 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 CO<sub>2</sub>\* emissions into a cost. In making plans for investing in equipment that emits CO<sub>2</sub>, 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-CO<sub>2</sub>\*
- \* 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 CO<sub>2</sub>
- Application method: CO<sub>2</sub> 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.

### ▶ Mabuchi Group's environment activities

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 2022, a total of 89 CO<sub>2</sub> emissions reduction activities were submitted from 15 bases and many different measures were taken. Through the Mabuchi Group's environment 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.

#### Examples of Jiangmen Mabuchi's activities

Jiangmen Mabuchi, a production base in China, significantly reduced its power consumption by optimizing the factory's layout to save space and discontinuing the operation of air-conditioners and other equipments that were no longer necessary.



Before improvement



After improvement

### ▶ Initiatives to reduce waste output

We set the target of recycling 95% or more 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. The efforts to reduce and recycle waste will continue throughout the Mabuchi Group.

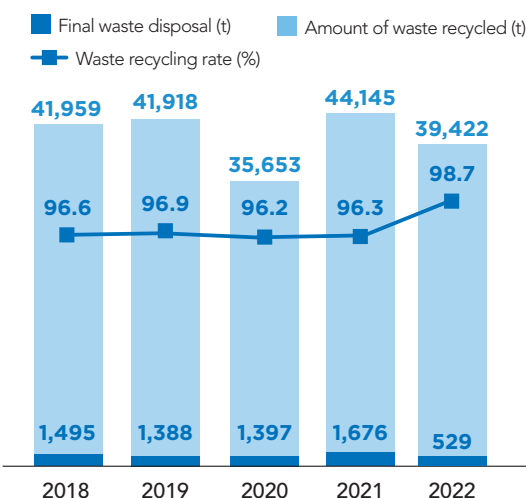
#### Waste reduction indicators and initiatives for 2022

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

**Results** Waste recycling ratio **98.7% (achieved)**

- Training on waste separation and reduction was introduced to the Headquarters.
- Started to count not including thermal recycling in recycling.

#### Waste output



## Biodiversity Initiatives

### ▶ 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.

Additionally, we joined the Biodiversity Chiba Corporate Network as a part of our commitment to biodiversity. The Biodiversity Chiba Corporate Network is a collaboration between the prefectural government of Chiba, NPOs, NGOs and other supporting organizations to share biodiversity-related information, expertise and problems with the goal of promoting the biodiversity efforts of the companies participating in the network.



#### TOPICS

- Growing Himekomatsu, an endangered species designated by Chiba Prefecture, which was planted in November 2021.
- Exterminated a non-native species (tall goldenrod) to maintain and manage 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.

- Mexico Mabuchi holds a tree-planting event

A tree-planting activity took place at Mexico Mabuchi in August 2022 with the goals of facilitating CO<sub>2</sub> absorption and preserving the natural environment. 65 volunteers from Mexico Mabuchi and 15 participants from the municipal government of Rincón de Romos gathered and planted 100 trees.



Himekomatsu



Tree-planting event  
(Mexico Mabuchi)



# Environmental Initiatives

## 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.

As shown in the flowchart below, 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.

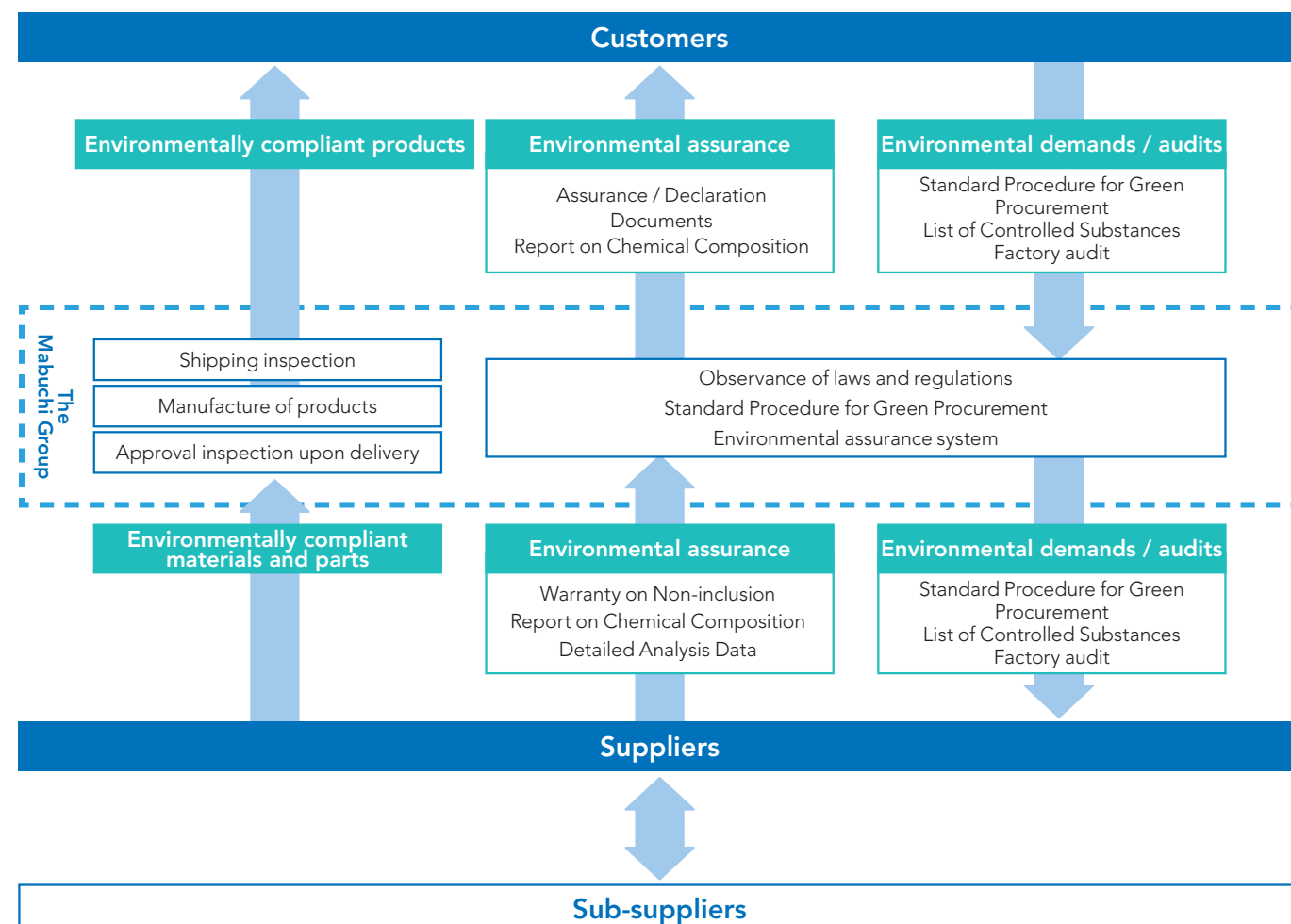
### ► Compliance with various laws and regulations

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., in order to meet the needs of the future. 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.

\* 1 Chemical Substances Control Law: Law concerning examination of chemical substances and regulation of manufacturing, etc.

Green Procurement Flowchart



# 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

## Promotion of Responsible Procurement

### ► CSR Procurement Guidelines formulated

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.

# Initiatives towards Society

## Labor, Safety and Health

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

At the Headquarters, we have been conducting mental health surveys for more than 20 years, setting up in-house counselors and holding “mental health seminars.” Regarding measures to prevent the spread of COVID-19, we are continuing to take measures to prevent infection, such as sharing information on our intranet for everyone to see and providing disinfectants and disinfectant wipes for work spaces on each floor.

At the Headquarters, we have also nominated a “Health Promotion Day” and are implementing the following activities to prevent and improve employees’ lifestyle-related diseases.

- Get sufficient rest, both physically and mentally
- Improve your eating habits with a well-balanced diet
- Improve your health, starting from walking
- Promote good habits, such as non-smoking days and non-drinking days, etc.

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.”

### 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.

### ► Structure for promoting Health and Productivity Management

The Safety and Health Committee at the Headquarters also has a role in promoting Health and Productivity Management, which it promotes in conjunction with safety.

#### Structure for promoting Health and Productivity Management

Representative Director, President & COO

#### Human Resources Department (Safety and Health Committee)

- Safety and Health Supervisor (General Manager, Human Resources Department)
- Safety and Health Committee members
- Occupational health staff (industrial physicians, public health nurses, health managers)

#### Safety and Productivity Management Promotion Subcommittee

- General Manager - Human Resources Department, Group Manager - Human Resources & Employee Relation Group
- Occupational health staff (public health nurses, health managers within Human Resources Department)

### Health and Productivity Management KPIs

KPI	Unit	2018	2019	2020	2021	2022
Percentage of employees who receive regular health checkups	%	95.8	96.9	97.6	100	100
Percentage of employees who receive stress checks	%	97.7	97.0	92.5	98.9	99.4
Percentage of employees who smoke	%	17.6	15.7	13.7	13.8	14.3
Annual paid leave acquisition rate	%	71.7	77.5	73.1	77.0	85.9
Average number of days taken annual paid leave	Day	14.3	15.5	14.6	15.4	17.2
Average monthly overtime hours	Hour	25.6	18.5	12.5	10.3	17.6
Percentage of spouses taking leave at the time of childbirth	%	87.5	100	88.5	91.7	80

### Certified as “2023 Health & Productivity Management Outstanding Organization (Large Enterprise Category)”

Mabuchi Motor has been certified under “2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Large Enterprise Category)” by the Ministry of Economy, Trade and Industry and Nippon Kenko Kaigi for the fourth consecutive year. The Certified Health & Productivity Management Organization Recognition Program honors large-scale and small- and medium-scale enterprises that are conducting particularly excellent health management based on the initiatives for regional health problems and the health promotion initiatives noted by Nippon Kenko Kaigi.

For our employees, our most important business resources, to reach their full potential personally and professionally, we provide a safe, comfortable and health-oriented workplace by actively maintaining and improving the health of our employees.



## Educational Support Activities

Mabuchi Motor contributes 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.

### ► Co-sponsoring robot contests

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. To date, we have provided more than 30,000 motors to support the robot contests.



### ► Summer classes and delivery classes for kids

Every year, we hold “Summer classes for kids” for children (4th to 6th grade) and their parents who live in Matsudo City, where our Headquarters is located, so that many children can experience the joy of manufacturing. In 2022, as in the previous year, we help the program in an online format, with participants watching a video posted on the website and trying their hand at making crafts. More than 300 pairs participated. In addition, we are continuing activities to convey the joy of “science” and “manufacturing” to children even during COVID-19 pandemic, through measures such as conducting online classes for elementary schools in Matsudo City.





# 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” through the small DC motor business. 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.

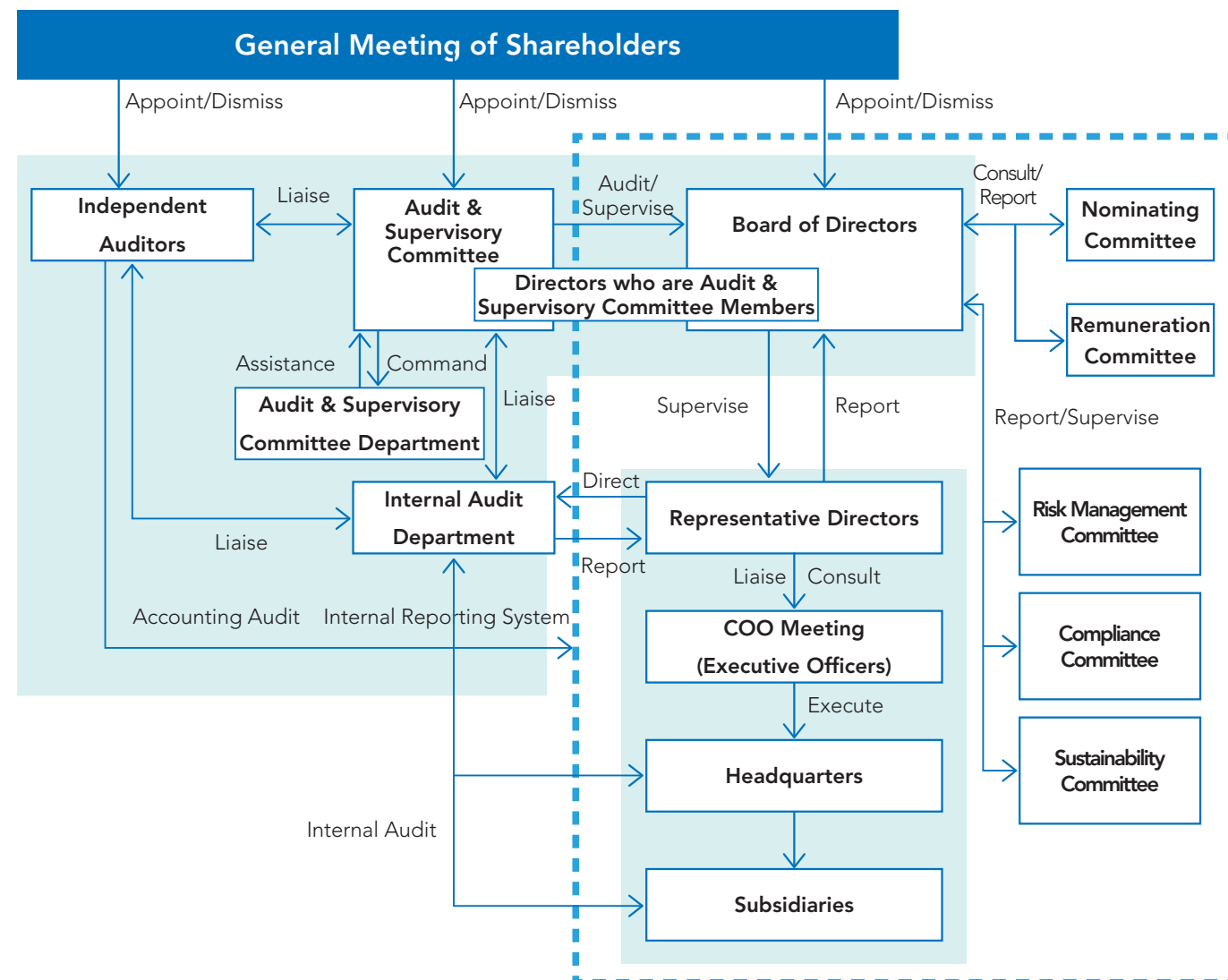
In 2019, with the aim of enhancing the auditing and supervisory functions of the Board of Directors and speeding up decision making by delegating some of the Board of Directors’ executive decision-making authority to the directors, we transitioned from having an Audit & Supervisory Board to an Audit & 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.

We will continue working to build a better corporate governance system.

## Corporate Governance Structure

Mabuchi Motor has 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.



## Directors, the Board of Directors, COO Meeting and the Executive Officer System

Important management decisions are made by the Board of Directors, which is composed of 13 directors: seven 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. In principle, the Board of Directors meets once a month and as needed. Independent outside directors understand that they are responsible for supervising and advising on the overall management at the Board of Directors and they contribute to ensure and improve the transparency of management.

In addition, we have introduced an executive officer system to concentrate strategic decision-making and supervisory functions in the hands of directors, while giving executive officers the authority and responsibility for the day-to-day execution of business, thereby strengthening both functions.

Furthermore, to complement the functions of the Board of Directors, we have established a COO Meeting, which is mainly composed of executive officers, to consult on important agenda items prior to their being submitted to the Board of Directors, make decisions regarding the execution of business that are considered to be outside the scope of the Board of Directors under laws and regulations, and report on the status of the execution of business, etc. This enables the Board of Directors to place greater emphasis on decision-making and the monitoring and supervision of the execution of business in their deliberations on reports and proposals at the Board of Directors meetings, and to enhance these functions.

Moreover, 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.

## Composition and Main Roles of Each Organization

Organization	Board of Directors	Audit & Supervisory Committee	Nominating Committee	Remuneration Committee
Composition	Chairperson 13 (Internal: 7, 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"><li>• Making management decisions and supervising the execution of business</li><li>• Electing representative directors and appointing and dismissing executive officers and associate directors</li><li>• Determining the remuneration of directors who are not Audit &amp; Supervisory Committee members, executive officers, and associate directors</li><li>• Determining important matters related to the execution of business and reporting the status of these matters</li></ul>	<ul style="list-style-type: none"><li>• Auditing directors’ execution of their duties</li><li>• Advising the appointment, remuneration, and other matters regarding directors who are not Audit &amp; Supervisory Committee members</li><li>• Exercising authority on the appointment, dismissal and remuneration of independent auditors</li></ul>	<ul style="list-style-type: none"><li>• 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</li></ul>	<ul style="list-style-type: none"><li>• Deliberating on policies related to decisions on the remuneration, etc. of directors who are not Audit &amp; 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</li></ul>

## Members of Each Organization

Position	Name	Board of Directors	Audit & Supervisory Committee	Nominating Committee	Remuneration Committee
Representative Director CEO	Hiroo OKOSHI	○ (25/25, 100%)		○ (5/5, 100%)	○ (5/5, 100%)
Representative Director COO	Shinichi TANIGUCHI	◎ (25/25, 100%)		○ <sup>*2</sup> (3/4, 75%)	○ <sup>*2</sup> (3/3, 100%)
Member of the Board	Hiroto KATAYAMA	○ (25/25, 100%)			
Member of the Board	Tadahito IYODA	○ (25/25, 100%)			
Member of the Board	Kazuaki MIYAJIMA	○ <sup>*2</sup> (18/19, 95%)			
Member of the Board	Toru TAKAHASHI	○ <sup>*2</sup> (19/19, 100%)			
Member of the Board <sup>*1</sup>	Naoki MITARAI	○ (25/25, 100%)		◎ (5/5, 100%)	◎ (5/5, 100%)
Member of the Board <sup>*1</sup>	Kazuhiro TSUTSUMI	○ (25/25, 100%)		○ (4/5, 80%)	○ (5/5, 100%)
Member of the Board <sup>*1</sup>	Akira OKADA	○ <sup>*3</sup>		○ <sup>*3</sup>	○ <sup>*3</sup>
Member of the Board (Full-time Audit & Supervisory Committee member)	Katsumi KOBAYASHI	○ <sup>*3</sup>	○ <sup>*3</sup>		
Member of the Board (Audit & Supervisory Committee member)	Takashi ASAI	○ (25/25, 100%)	◎ (14/14, 100%)		
Member of the Board (Audit & Supervisory Committee member)	Yoko TOYOSHI	○ (23/25, 92%)	○ (13/14, 92%)		
Member of the Board (Audit & Supervisory Committee member)	Yasuko FUKUYAMA	○ <sup>*3</sup>	○ <sup>*3</sup>		

\*1 Outside Board Member

\*2 The number of meetings is different as the directors and committee members were elected at the March 2022 General Meeting of Shareholders.

\*3 The numbers and percentage are not shown for directors appointed at the March 2023 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	○※	○	○	○	○	○	○	○		○
Shinichi TANIGUCHI	○※	○	○	○	○		○	○	○	○
Hirotarō KATAYAMA	○※	○		○	○	○	○	○	○	○
Tadahito IYODA	○※	○	○	○	○	○	○	○		○
Kazuaki MIYAJIMA		○							○	○
Tohru TAKAHASHI	○※	○								○
Naoki MITARAI	○		○	○	○		○	○		
Kazuhiko TSUTSUMI	○	○						○	○	○
Akira OKADA	○		○					○		
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 Group company.

## 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.
Kazuhiko TSUTSUMI	—	●	Private sector	Contributes technical field expertise as a doctor of engineering, as well as deep experience from product development, management, and corporate governance at Mitsubishi Electric Corporation, where he served as an executive managing director for many years.
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.
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).

## 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 following is an outline of the results of the analysis and evaluation of the effectiveness of the Board of Directors, disclosed in March 2023.

Evaluation method	As our evaluation method, we conducted an anonymous questionnaire survey of directors (including those who are also members of the Audit & Supervisory Committee) regarding the effectiveness of the Board of Directors, aggregated the survey responses and held discussions with directors, including independent outside officers at Board of Directors’ meetings, and summarized our analysis and evaluation of the effectiveness of the Board of Directors.
Overview of analysis and evaluation results	As a result of the questionnaire, it was confirmed that the effectiveness of the Board of Directors as a whole is ensured, given that the Board has established a system for appropriate management decision making and supervision of business execution; and that discussions and opinions are actively exchanged among directors (including outside directors and those who are also members of the Audit & Supervisory Committee). Based on the previous evaluations of the Board of Directors and its effectiveness, it was confirmed that the provision of information to each member of the Board has been enhanced by, for example, providing opportunities to explain agenda items to outside directors in advance, and that cooperation with the headquarters has been strengthened by reviewing the operation of overseas facilities’ meeting bodies while enhancing information sharing with overseas facilities.
Future issues to be addressed	In terms of issues that should be addressed to further enhance the effectiveness of the Board of Directors, it was recognized that an issue is the achievement of more effective meeting management by continuing to enhance background explanations to outside directors regarding important proposals in order to stimulate more active discussions at the Board of Directors meetings.
Major past issues and responses	One issue raised in the 2021 evaluation of the effectiveness of the Board of Directors was to enhance information provided to each member of the Board of Directors and collaborate with overseas facilities. In 2022, we reviewed the members of the Board and the operation of meeting bodies of our overseas bases and outside directors inspected overseas facilities.

## Audit & Supervisory Committee

The Audit & Supervisory Committee is composed of four members, including three outside directors. Outside Director Takashi ASAI 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 Mr. Katsumi KOBAYASHI as 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.

Ms. Yoko TOYOSHI—an outside director and Audit & Supervisory Committee member—is qualified as a certified public accountant, while Mr. Katsumi KOBAYASHI—a director and full-time Audit & Supervisory Committee member—has many years of experience in Mabuchi Motor’s business management and has considerable finance and accounting knowledge.

### 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, 2022, 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 Group 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 Mr. Naoki MITARAI, 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, 2022, 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 CEO, 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

- (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. Shinichi TANIGUCHI, outside director Mr. Kazuhiko TSUTSUMI and outside director Mr. Akira OKADA.

### Overview: Remuneration System

#### (1) Breakdown of Remuneration

Type of Reward	Monthly Remuneration	Bonus	Trust-type Stock Remuneration	Restricted Stock Remuneration	(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).
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 3 years, paid in the next year after the end of Mid-Term Plan	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)	

#### (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 mid-term 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 0-240% 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.

Mid-term Plan Indicators

=

Net sales

+

Operating income ratio

+

ROIC

+

Sustainability Indicators

#### (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	Performance-based		Non-performance-based
				Bonus	Trust-type Stock Remuneration	
Directors (excluding Audit & Supervisory Committee members) (Outside Directors)	11 (3)	452 million yen (31 million yen)	242 million yen (31 million yen)	121 million yen (-)	37 million yen (-)	51 million yen (-)
Directors (Audit & Supervisory Committee members) (Outside Directors)	4 (3)	53 million yen (31 million yen)	53 million yen (31 million yen)	- (-)	- (-)	- (-)
Total (Outside Directors)	15 (6)	506 million yen (63 million yen)	296 million yen (63 million yen)	121 million yen (-)	37 million yen (-)	51 million yen (-)

\* The above includes directors who retired at the conclusion of the 81st Ordinary General Meeting of Shareholders held on March 30, 2022.

# 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.

## Sustainability Committee

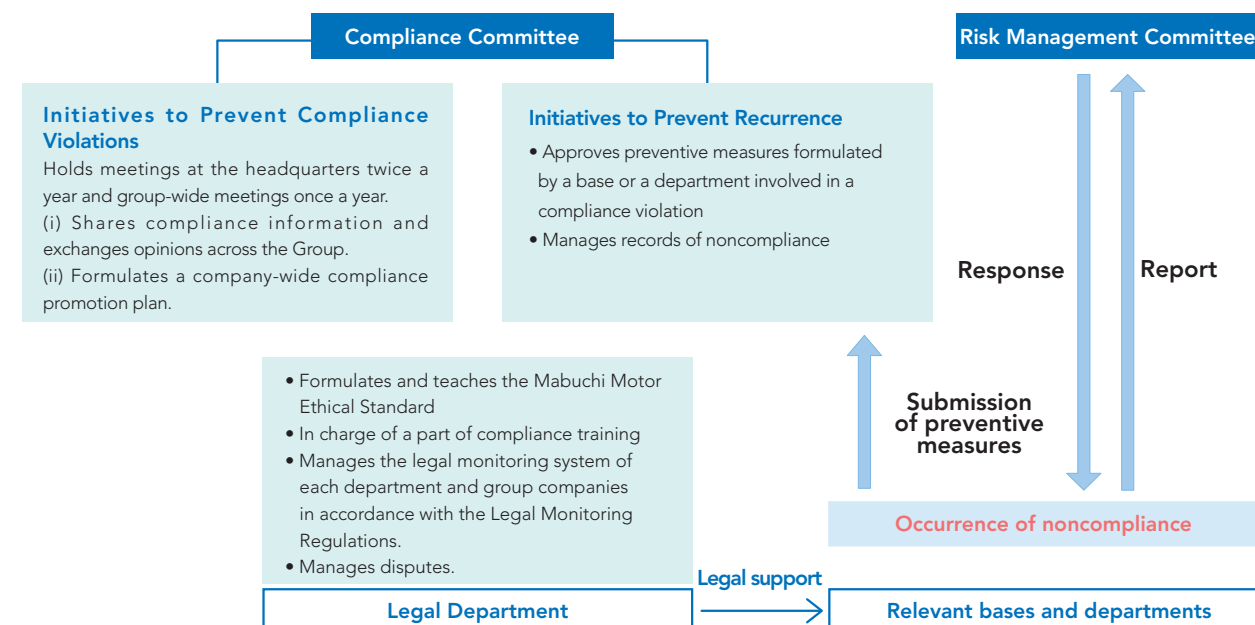
As an organization directly under the Board of Directors, the Sustainability Committee is responsible for the cross-sectional examination and discussion of sustainability issues and the formulation of specific measures. It is chaired by the president and consists of executive officers and senior general managers 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, 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.



## Compliance Committee

As demand for compliance increases every day, we established the new Compliance Committee on January 1, 2023 in order to elevate compliance activities to a higher stage. As an organization directly under the Board of Directors, the Compliance Committee is responsible for setting cross-sectional compliance targets and key issues and creating compliance education programs for employees to prevent compliance violations.





# 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.

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: Purview and Approach**

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

## Business Risks

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 effect 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	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 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 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 mid-term 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 <sub>2</sub> 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 <sub>2</sub> 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

**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.

## Information Security Policy

Mabuchi Motor recognizes that it is our social obligation as a business to manage responsibly the information resources we possess and to take appropriate information security measures to prevent leakage, alteration, destruction, or theft of information. All employees, including executives, understand the necessity and responsibility of information security and take all possible measures to ensure it.

### System

The Risk Management Committee oversees the security systems and structures that allow for continuous application, evaluation, and improvement. In order to further strengthen information security measures, the committee is studying in advance how to minimize damage in case of a problem, in addition to preventing them. Specifically, the committee is implementing a firewall and monitoring system in anticipation of cyber attacks and information leaks, providing information security education to employees, and conducting "spoofing e-mail" drills.

### Preservation and management of information assets

We take utmost care in handling and managing information. It organizes and prioritizes the information it holds and takes protective and security measures accordingly.

## 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.

[View our Disclosure Policy here](#) <https://www.mabuchi-motor.com/investor/management/disclosure.html>

# Directors and Executive Officers

## Directors



Representative Director,  
Chairman & CEO

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, MABUCHI MOTOR CO., LTD.  
2019 Representative Director, President & CEO, MABUCHI MOTOR CO., LTD.  
2022 Representative Director, Chairman & CEO, MABUCHI MOTOR CO., LTD. (Current position)



Representative Director,  
President & COO,  
President and Executive Officer

Shinichi TANIGUCHI

1987 Joined MABUCHI MOTOR CO., LTD.  
1987 MABUCHI TAIWAN CO., LTD.  
1997 Manager - Production Engineering Department, MABUCHI MOTOR VIETNAM LTD.  
2005 Assistant General Manager - Power Unit Motor Division  
2005 General Manager - Product Development Department 2, Research and Development Headquarters  
2013 President - MABUCHI MOTOR (JIANGSU) CO., LTD.  
2018 Deputy Head of Product Development Headquarters  
2018 Executive Officer, Deputy Head of Product Development Headquarters  
2018 Executive Officer, Head of Manufacturing Headquarters  
2019 Member of the Board, Executive Officer, Chief Technology Officer, Head of Manufacturing Headquarters  
2020 Member of the Board, Managing Executive Officer, Chief Technology Officer, Head of Manufacturing Headquarters  
2021 Member of the Board, Managing Executive Officer, Chief Technology Officer  
2022 Representative Director, President & COO, President and Executive Officer, Responsible for Internal Controls  
2023 Representative Director, President & COO, President and Executive Officer (Current position)



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.

Hirotaro 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 Purchasing 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. (Current position)



Member of the Board,  
Managing Executive Officer,  
Chief Administrative Officer,  
Responsible for Internal  
Controls, Corporate  
Strategy and Business  
Development

Tadahito IYODA

1999 Joined MABUCHI MOTOR CO., LTD.  
2004 General Manager - President Office, MABUCHI INDUSRY 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 C.V.  
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)



Member of the Board,  
Executive Officer,  
Chief Technology Officer

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 (Current position)



Member of the Board,  
Executive Officer,  
Head of Purchasing  
and Operations Control  
Headquarters

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 (Current position)

## Director, Full-time 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



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 Member of the Board\*, MABUCHI MOTOR CO., LTD. (Current position)



Member of the Board\*  
Kazuhiko TSUTSUMI

1982 Joined MITSUBISHI ELECTRIC CO., LTD.  
2006 Vice-Director, Advanced Technology R&D Center, MITSUBISHI ELECTRIC CO., LTD.  
2008 Director, Advanced Technology R&D Center  
2010 Executive Officer, Head of R&D, MITSUBISHI ELECTRIC CO., LTD.  
2014 Adviser, MITSUBISHI ELECTRIC CO., LTD.  
2014 Visiting Professor, Kanazawa Institute of Technology (Current position)  
2018 Senior Advisor, MITSUBISHI ELECTRIC CO., LTD. (Current position)  
2019 Vice-President, International Electrotechnical Commission (IEC) (Current position)  
2019 Member of the Board\*, MABUCHI MOTOR CO., LTD. (Current position)  
2021 Executive Director, Japanese Standards Association (Current position)



Member of the Board\*,  
Audit & Supervisory  
Committee Member

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.  
2016 Representative Director and President, ANA Strategic Research Institute Co., Ltd.  
2021 Visiting Professor, Osaka Seikei University (Current position)  
2023 Member of the Board\*, MABUCHI MOTOR CO., LTD. (Current position)

## Outside Directors, Audit & Supervisory Committee Members



Member of the Board\*,  
Audit & Supervisory  
Committee Member

Takashi ASAHI

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 Member of the Board\*, Audit & Supervisory Committee Member, MABUCHI MOTOR CO., LTD. (Current position)



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 Member of the Board\*, Audit & Supervisory Committee Member, MABUCHI MOTOR CO., LTD. (Current position)



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), EARLYAGE CO., LTD. (Current position)  
2023 Member of the Board\*, Audit & Supervisory Committee Member, MABUCHI MOTOR CO., LTD. (Current position)



# Directors and Executive Officers

## Executive Officers (excluding those serving as directors)



Managing Executive Officer, Responsible for Global Sales, Head of Automotive Product Business Unit 2

**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 (Current position)



Executive Officer, Head of Manufacturing Headquarters

**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 (Current position)



Executive Officer, Head of Corporate Planning Headquarters and Smart Transformation 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 (Current position)

## Group Executive Officers



Executive Officer, Chief Financial Officer, General Manager - Finance and Accounting Dept.

**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.



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, Chief Regional Officer in Europe

**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. (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)



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)

## Messages from New Outside Directors



Outside Director  
**Akira OKADA**

I am Okada and have been appointed to an outside director's role. I worked for the All Nippon Airways (ANA) Group, a transportation service, for 44 years. The basis of my job within the ANA Group was to communicate with customers based on a determination to ensure they felt secure and earn their trust, and to create the utmost joy together with customers.

This is the first time for me to be involved in the manufacturing industry. Whether you are in the transportation service industry or the manufacturing industry, to sustainably enhance your corporate value you must address the needs of customers from a customer-first standpoint and promptly and accurately meet their needs.

COVID-19 pandemic dramatically changed society and people's lifestyles, workstyles and needs are also changing. Technological advances are accelerating automation in many different areas of business. As a consequence, the roles that motors play as a means of mobility are expected to continue to expand.

Amid rapid change, we are facing the need to more freely and flexibly set our eyes on the future and take on challenges without sticking to existing practices, organizations or rules. I will leverage my experience and review the management of our business from a new perspective as we serve as a leading company in motor manufacturing in pursuit of sustained growth.



Outside Director,  
Audit & Supervisory  
Committee Member  
**Yasuko FUKUYAMA**

As an attorney, I have mainly engaged in the activities such as transactions, compliance and M&A activities concerning the manufacturing, retailing and services of global enterprises and foreign-affiliated companies in Japan.

As I work as a member of the Audit & Supervisory Committee of Mabuchi Motor, I feel that the company communicates and shares information very closely both in Japan and overseas, which includes information about the business activities and operations of our overseas sites, and it has established global governance.

However, in addition to the advantages of globalization there are also risks throughout the supply chain as shown internationally by COVID-19 pandemic. Right after the outbreak of COVID-19 pandemic, I repeatedly discussed how we should

handle operations, labor affairs and international transactions in an unprecedented emergency and what kinds of decisions would be regarded as appropriate and legally correct afterward with clients from many different industries on a daily basis.

Taking action to address unpredictable cross-border issues and manage risks in accordance with the changes in the market environment will become increasingly important over the medium- and long-term. In this global situation, I will leverage my accumulated expertise and experience, utilize opportunities to conduct overseas auditing through attendance at the board meetings and actively gather information from domestic and international officers as I seek to help Mabuchi Motor, a truly global company, contribute to international society.

# Financial Data, 10-year Period

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Operating Results Highlights (Unit: Million Yen)										
Net Sales	108,401	122,544	143,143	140,699	146,925	143,116	131,807	116,432	134,595	156,706
Gross Profit	26,854	35,614	43,470	46,188	47,305	44,327	41,031	34,856	36,415	37,462
Operating Income	9,335	16,875	22,961	24,225	24,066	21,243	17,544	12,900	13,800	10,824
Ordinary Income	16,672	23,929	27,113	26,135	25,841	24,804	20,854	12,675	19,570	21,473
Profit Attributable to Owners of Parent	10,519	18,090	18,546	20,598	20,303	22,925	14,234	8,987	14,251	14,295
Profit Income per Share (Yen)	150.10	258.02	266.98	300.70	299.74	341.19	214.00	135.64	216.75	220.79

Exchange Rate (Unit: Yen)										
US dollar (Average for the period)	97.65	105.85	121.05	108.84	112.19	110.43	109.05	106.82	109.80	131.43

Financial Indicators (Unit: %)										
Gross Profit Ratio	24.8	29.1	30.4	32.8	32.2	31.0	31.1	29.9	27.1	23.9
Operating Income Ratio	8.6	13.8	16.0	17.2	16.4	14.8	13.3	11.1	10.3	6.9
Ordinary Income Ratio	15.4	19.5	18.9	18.6	17.6	17.3	15.8	10.9	14.5	13.7
ROIC	7.7	12.7	14.4	17.0	14.4	12.7	9.3	6.4	6.1	4.1
ROE	5.4	8.2	8.0	8.8	8.6	9.4	5.8	3.7	5.7	5.3
ROA	7.9	9.9	10.6	10.2	9.8	9.2	7.8	4.8	7.1	7.2
Equity Ratio	91.9	91.0	91.0	90.1	89.9	91.1	91.4	91.0	90.9	91.0

\* 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	227,253	256,368	256,196	258,387	269,318	268,246	268,244	262,559	285,704	307,786
Net Assets	208,791	233,312	233,245	232,917	242,179	244,454	245,172	239,103	259,909	280,175
Net Assets per Share (Yen)	2,978.02	3,325.99	3,363.01	3,405.14	3,579.98	3,640.08	3,690.86	3,623.63	3,975.34	4,333.76

Cash Flows (Unit: Million Yen)										
Cash Flows from Operating Activities	11,750	18,118	20,115	27,958	22,585	20,979	25,830	18,741	8,743	10,206
Cash Flows from Investing Activities	4,264	-11,977	-1,178	-3,440	-14,027	-12,735	-15,246	-5,304	-12,970	-10,468
Free Cash Flows	16,014	6,141	18,937	24,518	8,558	8,244	10,584	13,437	-4,226	-261
Cash Flows from Financing Activities	-3,031	-6,014	-13,312	-11,860	-13,844	-11,069	-12,132	-10,952	-11,285	-10,088

Capital Expenditures, Depreciation and Amortization, R&D Expenses (Unit: Million Yen)										
Capital Expenditures	5,755	9,597	16,187	11,236	12,844	16,332	17,915	7,736	9,622	10,614
Depreciation and Amortization	4,301	4,771	6,386	6,016	7,143	7,652	8,264	8,648	9,666	11,634
R&D Expenses	3,763	4,503	5,164	5,024	5,233	4,939	4,958	4,453	4,711	5,574

Shareholder Returns										
Annual Dividend per Share (Yen)	70	107	110	120	120	135	135	135	115	135
Dividend Payout Ratio (%)	46.6	41.5	41.2	39.9	40.0	39.6	63.1	99.5	53.1	61.1
Total Return Ratio (%)	46.9	41.6	68.2	63.1	64.7	52.7	84.3	121.3	74.1	82.3

\* As of January 1, 2015, the Company conducted a stock split at a ratio of 2 shares per common share. The figures for 2013-2014 are the amounts after considering the stock split so that each period can be easily compared.



ESG Data

Environment

Category			Scope	Unit	2018	2019	2020	2021	2022
Improving the efficiency of energy use	Total energy input	Electricity	Group	million kWh	213	203	189	220	204
		Town gas	Group	ton	697	617	726	1,045	689
		Liquefied petroleum gas (LPG)	Group	ton	73	71	69	68	57
		Gasoline	Group	kl	216	187	229	218	344
		Diesel Fuel	Group	kl	160	147	234	209	154
		Coal	Group	ton	0	0	0	0	0
		Sustainable energy (Photovoltaics capacity)	Group	million kWh	0.58	0.68	1.42	1.50	2.44
Resource conservation (water)	Water input volume	Total usage volume	Group	thousand m³	851	832	754	851	763
		Water supply usage volume	Group	thousand m³	834	786	719	742	674
		Underground water usage volume*	Group	thousand m³	13	42	33	106	86
		Rain water usage volume	Group	thousand m³	4	4	3	3	3
Reduction of greenhouse gas emissions	Greenhouse gas emissions	Scope1	Group	t-CO₂	3,231	2,911	3,265	4,092	3,741
		Scope2 (market standard)	Group	t-CO₂	117,127	104,550	102,638	117,006	123,639
		Scope2 (location standard)	Group	t-CO₂	118,058	105,346	103,221	117,525	124,088
		Scope3*	Group	t-CO₂	—	—	986,157	1,235,054	1,274,135
Reduction of waste	Total discharged waste volume		Group	ton	44,356	45,038	37,052	45,821	39,951
	Final waste disposal volume		Group	ton	1,495	1,390	1,397	1,676	529
	Waste recycling volume		Group	ton	42,860	43,649	35,654	44,145	39,422
	Waste recycling rate		Group	%	96.6	96.9	96.2	96.3	98.7

\*Please refer to the Verification Opinion for the Scope 3 target for 2021 on our website.  
The Verification Opinion regarding GHG emissions in 2022 will be published on our website as soon as it is obtained.  
\*The calculation method for underground water usage volume has been revised at some locations since 2021.

Governance

Category			Scope	Unit	2018	2019	2020	2021	2022
Highly transparent corporate operations	Directors	Total	HQ	persons	8	13	13	13	13
		Outside directors	HQ	persons	2	6	6	6	6
		Female directors	HQ	persons	0	2	2	3	3
		Foreign national directors	HQ	persons	0	1	1	1	1
	Number of board of directors meetings		HQ	times	30	31	25	25	25
	Attendance rate of outside directors		HQ	%	93	89	100	98	98
	Age of youngest director	Internal	HQ	age	49	50	51	53	54
	Age of oldest director	Internal	HQ	age	58	59	60	61	61
	Average age of directors	Internal	HQ	age	54	55	56	56	56
	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	15	14	14	17	17
	Directors' remuneration		HQ	million yen	377	369	400	415	452
	Audit committee members' remuneration *		HQ	million yen	43	44	48	55	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 and other relevant authorities		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

\*Data for 2018 cover auditors before the transition to a company with an Audit & Supervisory Committee  
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Social

Category			Scope	Unit	2018	2019	2020	2021	2022	
An environment in which everyone can participate	Number of employees	Total (female)	HQ	persons	824 (129)	849 (139)	851 (139)	836 (130)	827(130)	
			Group	persons	23,476 (18,336)	22,061 (16,960)	21,477 (16,516)	20,894 (15,680)	20,248 (14,767)	
	Number of new graduates hired		Total (female)	HQ	persons	30 (4)	32 (9)	26 (8)	8 (0)	14 (4)
	Number of Mid-career hires		Total (female)	HQ	persons	45 (11)	37 (7)	14 (1)	28 (4)	27 (7)
	Number of new hires		Total (female)	HQ	persons	72 (12)	66 (15)	41 (9)	36 (4)	41 (11)
	Percentage of women among new employees		HQ	%	16.7	22.7	22.0	11.1	27.0	
	Number of employees leaving company		HQ	persons	27	32	28	27	45	
	Number of women with managerial roles		HQ	persons	4	7	4	3	4	
			Group		56	64	61	66	77	
	Percentage of women with managerial roles		HQ	%	4.2	6.4	4.4	3.6	4.4	
			Group		13.6	14.1	13.3	14.0	15.8	
	Number of women in positions equivalent to general managers		Group	persons	7	11	10	11	12	
	Gender pay gap	Total	HQ	%	—	—	—	—	58.6	
		Full-time employees			—	—	—	—	68.4	
		Non-full-time employees			—	—	—	—	50.4	
	Number of examinee for TOEIC		HQ	persons	844	871	451	759	814	
	Number of employees who obtained TOEIC score of 730 or higher		HQ	persons	192	238	250	273	294	
	Number of subjects for the qualification incentive system		HQ	persons	32	27	50	77	59	
	Number of employees with disabilities		HQ	persons	17	19	14	12	13	
	Percentage of employees with disabilities		HQ	%	2.3	2.8	2.1	1.9	1.75	
	Number of foreign national employees		HQ	persons	20	26	20	24	23	
	Average age		HQ	ages	43.5	43.6	43.3	43.8	44.9	
	Average number of years employed	Total	HQ	years	18.0	17.8	17.7	18.3	18.8	
		Male			18.1	18.0	18.1	18.4	19.0	
		Female			17.9	16.8	17.1	17.4	17.4	
	No. of presidents of local nationalities in foreign affiliate companies (ratio)		Group	persons (%)	8 (40.0)	10 (50.0)	11 (55.0)	13 (61.9)	13 (61.9)	
Safe and healthy work environment	Average monthly working hour		HQ	hours	174.0	166.9	159.7	157.5	165.8	
	Average monthly overtime hours		HQ	hours	25.6	18.5	12.5	10.3	17.6	
	Yearly use of paid leave days *	Granted	HQ	days	20	20	20	20	20	
		Used	HQ	days	14.3	15.5	14.6	15.4	17.2	
		Usage Rate	HQ	%	71.7	77.5	73.1	77.0	85.9	
	Number of maternity leave recipients		HQ	persons	2	3	5	6	3	
	Number of childcare leave recipients (ratio)	Male	HQ	persons (%)	0 (0.0)	0 (0.0)	4 (16.7)	4 (17.4)	7 (43.8)	
		Female	HQ	persons (%)	2 (100)	3 (100)	5 (100)	7 (100)	3 (100)	
	Returnees ratio to work after childcare leave		HQ	%	—	100	100	100	100	
	Number of recipients of leave for childbirth by spouse		HQ	persons	21	22	26	24	15	
	Number of nursing care leave recipients		HQ	persons	1	0	2	0	1	
	Number of teleworking (ratio)		HQ	persons (%)	35 (4.2)	129 (15.2)	788 (92.6)	803 (96.1)	757 (91.5)	
	Number of employees using the reduced work hours system		HQ	persons	3	2	2	2	5	
	Employees receiving periodical medical checkup *		HQ	%	95.8	95.8	97.6	100	100	
	Employees participating in mental health surveys		HQ	%	97.7	97.0	92.5	98.9	99.4	
	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	31.0	30.5	26.1	25.5	33.0	

\*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.
Stock Code	6592
Established	January 18, 1954
Field of Operations	Manufacture and sales of small electric motors
Capital	20,704 million yen
Number of Employees	Headquarters: 827 Mabuchi Group: 20,248

Headquarters	430 Matsuhidai, Matsudo City, Chiba 270-2280, Japan Tel: 81-47-710-1111
Technical Research Institute	280 Ryufukuji, Inzai City, Chiba 270-2393, Japan

## Stock Information

Total number of shares authorized	200,000,000 shares
Number of shares issued	67,076,362 shares
Number of shareholders	25,586 shareholders

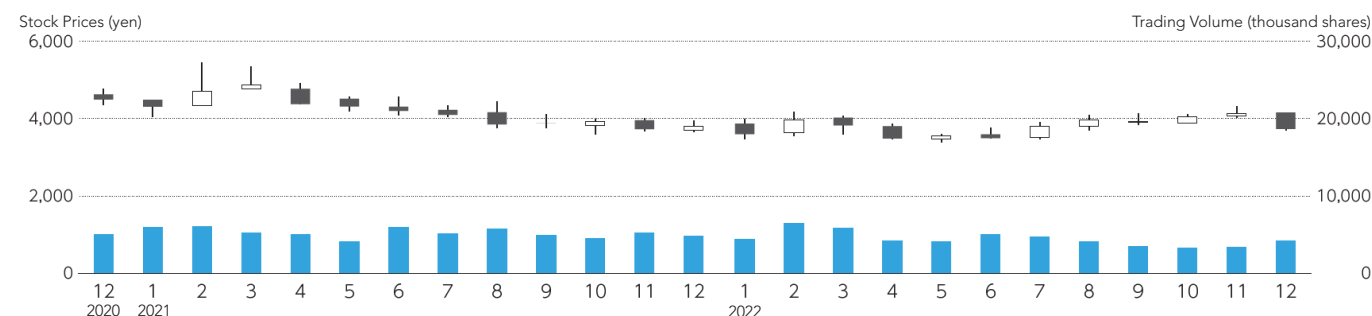
## Major Shareholders (Top 10)

Major Shareholders	Number of Shares Held	Ratio of Shareholders
The Master Trust Bank of Japan, Ltd. (Trust Account)	9,449,300	14.5%
Custody Bank of Japan, Ltd. (Trust Account)	5,136,700	7.9%
Takaichi MABUCHI	5,000,800	7.7%
Mabuchi International Scholarship Foundation	3,000,000	4.6%
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	1.3%

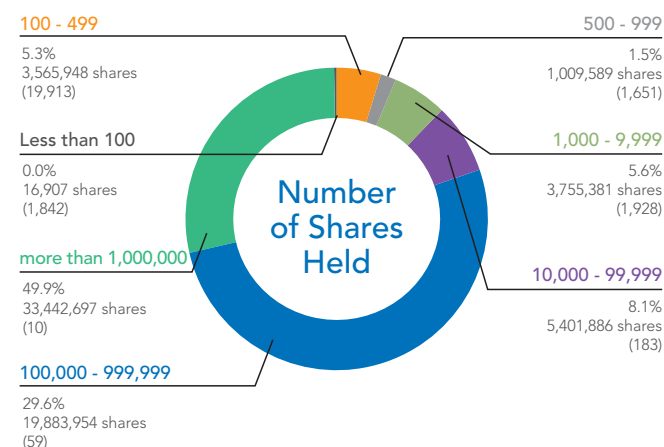
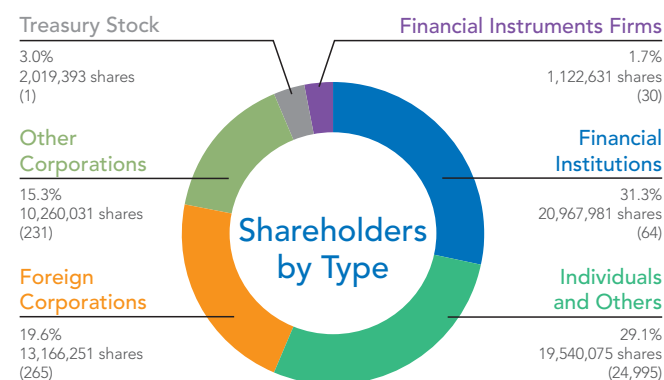
\*1 The ratio of shareholders is calculated by deducting the number of treasury shares (2,019,393) from the total number of outstanding shares. The ratio was rounded to the first decimal place.

\*2 The ratio of shareholders is calculated including the number of the Company's shares held by the Mabuchi Motor Employee Stock Ownership Association Trust (270,100 shares) and the shares held by the Executive Compensation BIP Trust (153,395 shares).

## Changes in Stock Prices and Trading Volume



## Breakdown of Shareholders by Type & Number of Shares Held



## Topics

**1954**  
Established Tokyo Science Industrial Co., Ltd. (founded Mabuchi Motor)

**1960**  
Developed small precision magnet motors for practical applications (FM and RM types) and expanded its business to the audio, video and precision equipment fields

**1971**  
• Changed the corporate name to Mabuchi Motor Co., Ltd.  
• Relocated Headquarters functions to Matsudo, Chiba to streamline operations control and business management

**1975**  
Launched motors for car mirrors for full-swing entry into the automotive products field

**1981**  
• Launched motors for door lock actuators for entry into the automobile door lock actuator market  
• Launched motors for drills for full-swing entry into the power tools field

**1984**  
Stock listed on the over-the-counter market

**1986**  
Listed in the Second Section of the Tokyo Stock Exchange

**1988**  
Alternatively listed in the First Section of the Tokyo Stock Exchange

**1989**  
Launched motors for power window lifters for entry into the automobile power window lifter market

**1990**  
Discontinued mass production in Japan and moved to complete overseas production

**1992**  
Constructed the Technical Center to enhance basic and applied research on motors and production technologies (current Technical Research Institute)

**2001**  
Received the first Porter Prize, which recognizes companies and businesses that are implementing excellent strategies

**2004**  
Construction of the new Headquarters building on the concept of an "open value creation space friendly to people and the environment" complete

**2013**  
Cumulative production and sales quantity of all motors since the company's establishment exceeded 40 billion

**2019**  
Developed and sold brushless motors for light electric vehicles

**2020**  
Cumulative production and sales quantity of all motors since the company's establishment exceeded 50 billion

**2022**  
Launched motor modules for collaborative robots

**2022**  
Launched brushless motor unit equipped with a high-resolution resolver sensor that contributes to the realization of automatic control in light electric vehicle applications.

1950s

1960s

1970s

1980s

1990s

2000s

2010s

2020s

## History of Base Development

**1946**  
Takamatsu, Kagawa  
Kenichi MABUCHI developed motors for educational materials

**1964**  
Hong Kong Mabuchi

**1965**  
Established Matsudo Factory (current Headquarters) in Matsudo, Chiba

**1977**  
America Mabuchi (Sales office)

**1986**  
Established a factory in Guangdong

**1993**  
Europe Mabuchi (Sales office)

**1993**  
Jiangsu Mabuchi

**2002**  
Established a sales company in Shanghai

**2005**  
Danang Mabuchi

**2010**  
Daojiao Mabuchi

**2014**  
Mexico Mabuchi

**2019**  
Mabuchi Motor China (Management company)

**2021**  
Mabuchi Electromag

- Japan
- China & Asia Pacific
- Americas
- Europe

**1969**  
Taiwan Mabuchi

**1979**  
Kaohsiung Mabuchi

**1987**  
Dalian Mabuchi

**1989**  
Singapore Mabuchi (Sales office)

**1994**  
Wafangdian Mabuchi

**1994**  
Dongguan Mabuchi

**1996**  
Vietnam Mabuchi

**2005**  
Korea Mabuchi (Sales office)

**2008**  
Mabuchi Motor China Shenzhen Branch (Sales office)

**2011**  
Jiangxi Mabuchi

**2017**  
Poland Mabuchi

**2018**  
Thailand Mabuchi (Sales office)

**2018**  
Jiangmen Mabuchi

**2019**  
Mabuchi Motor China Dongguan Branch

**2023**  
Mabuchi Oken  
Mabuchi Oken Dalian  
Mabuchi Oken Vietnam