



Mabuchi Motor Integrated Report 2025

Fiscal year ended December 2024





Mabuchi Motor will continue to provide "motion" solutions in a wide range of fields with our core of compact, lightweight, and highly efficient motors, contributing to the enrichment of people's lives and the development of industry.



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.

The "Management Principle" is not only a guide for running our corporation but a gene to be carried down to the employees.

Management Markers

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.



Message from Our Chairman

Seeking to be a Valuable Entity Capturing the Changing Times and Continuing to Take on Challenges and Innovate

Representative Director and Chairman

Hiroo OKOSHI

Time to Innovate to Move to the Next Stage

Since its founding, Mabuchi Motor has been growing, flexibly capturing the changes of the times. We started with development of motors for toys and models. We then shifted our business to audio and video equipment and automotive products. We have been expanding our businesses by capitalizing on our strengths in making high quality products based on our standardization strategies, our unrivaled cost competitiveness and our ability to maintain a stable supply of products around the world. The accumulation of efforts throughout our history has laid our foundation. We are now in a phase of innovation to move to the next stage. Under the e-MOTO concept, we aim to provide many different motion solutions not only in the conventional standalone motor business but also in the control and unit areas. We are advancing efforts to expand our business fields mainly in the 3 M fields, mobility, machinery and medical. By driving this strategy, we seek to display the value of our technologies and products in more areas and to help realize a sustainable society and help all people achieve happiness.

Proactive Efforts to Drive Growth

The world today is very uncertain. In this situation, I feel it is vital that we have a proactive attitude of averting greater risks and taking on challenges, instead of taking a defensive posture. Currently, our policy is

actively engaged in mergers and acquisitions and form alliances with external parties to proactively use their knowledge and technologies to provide a broad array of motion solutions under the e-MOTO concept. We are working every day throughout the Group to address new issues. This includes the expansion of business into new fields and applications and the generation of synergy with companies that have newly joined the Group through mergers and acquisitions. Our ability to respond to change is developed through processes like this one. I believe that this ability will intensify our strengths, chiefly in standardization strategies, provide a driving force for future growth and help us achieve major things.

Our missions are to practically “continue and expand our contribution to the happiness of all stakeholders” as stated in our Long-Term Management Policy and to continue to serve society as a public institution in it in accordance with our Management Principle, “Contributing to International Society and Continuously Increasing our Contribution.” In Management Plan 2030, financial and non-financial indicators have been selected. It emphasizes initiatives for reducing CO₂ emissions and increasing energy efficiency through our products. We are carrying out these initiatives so that we continue to be a valuable entity to all stakeholders and can fulfill our duty to help establish a sustainable society. We will continue to capture the changes of the times and continue to take on challenges and innovate. We appreciate the continued support of our stakeholders.

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In editing the Mabuchi Motor Integrated Report 2025

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 2024 unless otherwise stated.

Scope

Mabuchi Motor Co., Ltd. and Its domestic and overseas consolidated subsidiaries

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

Our Identity

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. Working with his younger brother Takaichi who would later become the Company's second president, he 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. Then, the Mabuchi brothers began to enter the toy parts market, which was larger than the model market. Back then, toys were mainly powered by springs and frictions, which made motor-driven toys a revolutionary product. Production and sales surged, and they established Tokyo Science Industrial Co., Ltd. on January 18, 1954. – the date we regard as the founding date of Mabuchi Motor.

In the earlier days of the Company, motors produced by Mabuchi Motor were used mostly in expensive toy cars made for export. The Company decided to create a small and powerful motor that could make toy cars affordable for children in Japan. They succeeded in developing the F-type motor, which lowered the cost of the motor from 120 yen to the 20 yen range, which is equivalent to the cost of a spring, and production began in 1958. It was an innovation that synced perfectly with the plastic model fad at the time - and "Mabuchi Motor" became a household name.



in developing the FM-250 series of motors, which later gained an overwhelmingly large share of the tape recorder motor market. Mabuchi Motor has realized diversification of expanded applications for our small DC motors through innovating in technologies and reasonable price.

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 about 90%.



FM-250

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 maintain, and expand its sustainable competitive advantage and achieve high profitability even today.

▶ Please refer to [P.08](#) for more information on our standardization strategy.

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. To solve this issue, we have made a series of technological innovations and cost reductions. As a result, we succeeded

History of Our Social Contribution and Future Business Development

Course of Contribution Area Expansion

At Mabuchi Motor, we operate a business specializing in small DC motors. Our strength lies in our technologies related to compactness, lightweight, and high efficiency. 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.

In the
1950's Motors that Revolutionized the Toy Industry



The F-type motor

1960 Foray into the Field of Motors for Practical Applications



Motor for tape recorder

1975 Dominating the Market for Motors for Audio and Video Equipment
Launches motor for mirror and enters the Automotive Products field



Electronic governor motor

1981 Progress in Diversification of Applications



Motor for door lock actuator

1989 Sales Expansion of Motors for Automotive Products



Motor for power window lifter

2019 Put effort into brushless motors



Inner rotor type brushless motor

Present Focusing on the 3 M fields
Development and sales of unit products



Motor for light electric vehicle



Motor for collaborative robot



Motor for medical equipment

Business Expansion in the 3 M Fields

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 CO₂ 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 compactness, lightweight, and high efficiency, as well as reasonable prices, capability of ensuring stable supply, and other strengths. In addition to expanding applications of existing brush motors, we are driving the development and sales of brushless motors and stepping motors that are appropriate for proposing solutions including the provision of units and for various applications.

Mobility

In the mobility field, in addition to expanding sales of motors and units for EVs, we aim to broaden the sales of motors for AGVs, stairlifts, and light electric vehicles widely utilized such as electric assist bicycles and senior mobility scooters.

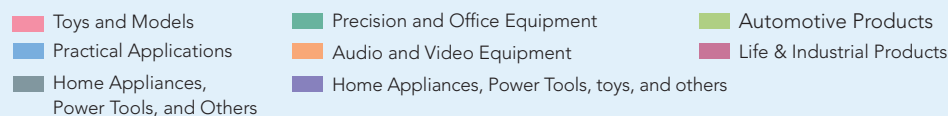
Machinery

In the Machinery field, we will expand sales for factory automation by introducing controllers that enable our motors to run on AC power at production sites. We will also expand sales of Mabuchi Electromag's ultra-high speed motors for industrial power tools. In addition, we will expand sales of our units for agricultural machinery and lawn mowers, and other applications, by taking advantage of the waterproof nature of our motor units for light electric vehicles.

Medical

In the medical field, we will develop new products and expand sales of small pump unit products jointly developed with Mabuchi Oaken and motors for artificial respirators jointly developed with Mabuchi Electromag. We will also promote the sales expansion of motors for power tools for surgical operations by utilizing both group companies and sales channels.

Sales Amount of Motors by Application



*From 1981 to 1998, the Company disclosed its business in the five fields of toys and models, audio and video equipment, precision and office equipment, automotive products, and home appliances and power tools.

*From 1999 to 2013, the order of applications was changed by integrating the toys and models business into the home appliances and power tools business.

*From 2014, disclosure by two fields: life & industrial products and automotive products.

Established

1954

1960

1970

1980

1990

2000

2010

2020

2024

2024
MotorSales
196,172
million yen

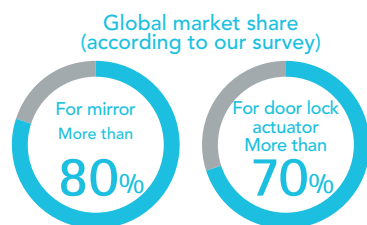
Mabuchi Motor in Numbers

Automotive Products

77.7%

152.4 billion yen

We 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.



Power window lifter
29.3 billion yen

Electric parking brake
17.6 billion yen

Power seat
11.6 billion yen

Valve
5.2 billion yen

Others (Medium-sized motors)
12.6 billion yen

Mirrors (including folding)
27.6 billion yen

Motor Sales
by Segment in
2024

196.1 billion yen

Office equipment

11.8 billion yen

Home appliances, power tools and housing equipment

7.7 billion yen

Health and medical care

11.7 billion yen

Personal care

4.3 billion yen

Others

8.0 billion yen

Others (Small-sized motors)

13.2 billion yen

Air conditioning damper actuator

10.6 billion yen

Door lock actuator
24.3 billion yen

Life & Industrial Products

22.3%

43.6 billion yen

We support daily lives by providing motors used for a range of applications such as office equipment, home appliances, power tools, housing equipment, and hairdressing. We are expanding our services in new applications including light electric vehicles and collaborative robots.



Corporate customers

995

Parts and material suppliers

387

Number of employees in the Group
18,032

Number of overseas bases
23

R&D bases
4

R&D employees
534

Electricity usage
196 million kWh

Water usage
783 thousand m³

Non-Japanese managers leading bases outside Japan
13

Non-Japanese group executive officers
3

Industrial property rights held
825

New applications for industrial property rights
67

Total discharged waste volume
40,157 ton

CO₂ emissions (Scope 1+Scope 2)
119,966 t-CO₂

*All figures are as of the end of 2024.

Value Creation Process for Realizing the Management Principle

Management Principle "Contributing to International Society and Continuously Increasing Our Contribution"

Our Strengths

Standardization Strategy

- Achieve high quality while simultaneously maintaining low costs by consolidating customer needs and offering application-specific standardized products optimized for their respective applications.
- Address diverse needs by offering combinations of standardized motors and unit options.
- Realize a stable supply of high-quality products through the standardization of equipment and processes in large quantities. [P.08](#)

Mabuchi Global Management System

- Operate businesses under the Five-Region Management Structure, in which local production for local consumption is promoted through an improvement in the autonomy and independence of each region, while also taking advantage of human connections between bases and utilizing diverse human resources.
- Establish a system that best facilitates the process of development, procurement, production and sales at all times in response to economic growth in each country and region and changes in the business portfolio. [P.09](#)

Strong Management Base

- Human capital** Human resources who are active globally and who leverage their diverse skills and expertise to create added value. [P.20](#)
- Manufacturing capital** Highly efficient and advanced manufacturing and production system to supply high-quality products stably at reasonable prices on a global basis. [P.24](#)
- Intellectual capital** Technological prowess and expertise accumulated in elemental technologies, component technologies, product technologies and production technologies pertaining to small DC motors and their peripheral areas. [P.25](#)

Business Activities

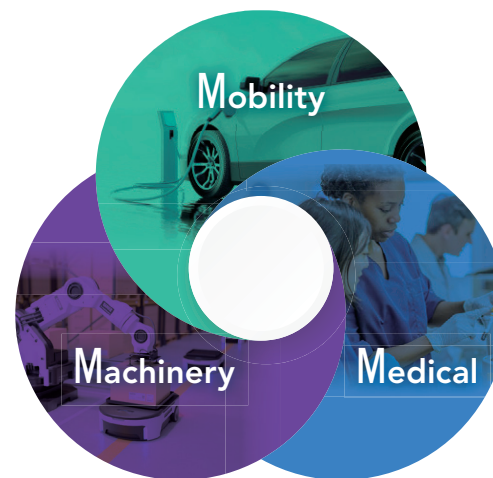
Management Plan 2030

Provide many different "motion" solutions with high-quality motors at their core

e-MOTO

Growing areas of business where the strengths of our products can be utilized

3M fields



Management Plan 2030 Guidance (2024-2030)

Financial indicators

- Net sales: **300.0 billion yen**
- Operating income ratio: **15% or higher**
- ROIC: **12% or higher**

Non-financial indicators [P.29](#)

- CO₂ emission reduction rate (Scope 1 and 2)
- Net sales growth rate for sustainable products
- Net sales growth rate for applications that contribute to SDGs
- Ratio of women with managerial roles
- Number of employees with global work experience
- Number of participants in motor craft classes and delivering classes for children
- Frequency of occupational injuries
- Number of serious human rights risks

Business Segments



Mabuchi Motor's Vision

Corporate activities without sacrificing the environment

- Reduction of environmental impact in all activities within the Group including development, procurement and production [P.32](#)
- Development and sales expansion of products that deliver compactness, weight reduction and energy savings [P.33](#)

Manufacturing for the realization of an affluent society and pleasant lifestyles

- Sales expansion of "products for health equipment and medical device applications" and "motors that contribute to improvement of safety of automobiles (seat-belt pretensioner, electric parking brake, optical axis adjustment, haptic technology, etc.) and improvement of environmental performance (valve actuator, grill shutter)" [P.17](#)

Realization of an environment in which everyone can play an active part

- Development and appointment of female executives and managers at sites in Japan and all over the world [P.22](#)
- Promotion of work overseas (secondment of employees from their own sites to sites in other countries and dispatch of trainees) [P.21](#)
- Providing opportunities to deepen interest in science to children who are the next generation [P.37](#)

Fulfilling social responsibility

- Measures to prevent industrial accidents, development of office and factory work environments, promotion of work-life balance [P.36](#)
- Continued implementation of due diligence process and stepping-up of initiatives to encourage respect for human rights in all supply chains [P.35](#)

Our Strengths

Standardization Strategy

Advanced Technological Capabilities Supporting Standardization

Our company has established a "standardization strategy," which focuses on providing standardized products that consolidate customer needs, as a fundamental principle of management. By streamlining product models, we enable mass production and production leveling, achieving both high quality and low costs.

We develop motors based on the concept of enhancing motor functionality to the utmost limit, thereby achieving versatility and adaptability for multiple applications. With approximately 100 basic models, we cater to all the applications in which we are involved. 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 and the corporate culture that embraces challenges.



Competitiveness created through the standardization strategy

Affordable Price

Exceptional Quality

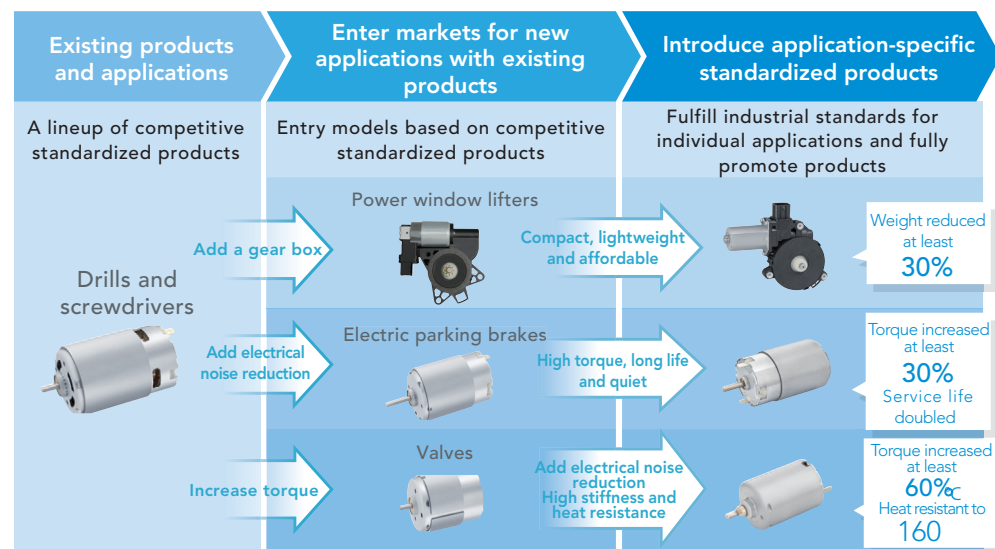
Speedy and
Stable Supply

Standardize Manufacturing to Achieve High Quality

To achieve high-quality manufacturing, it is essential to ensure thorough work instructions for employees. By standardizing not only our products but also our equipment and processes, we enable efficient employee training and education, as well as swift assignment to production lines. This approach also plays a significant role in the expansion of our overseas production bases. In addition, by standardizing management operations, it has become possible to engage in planned production under the control of the Headquarters, minimizing the effects of seasonal and economic fluctuations in each industry and facilitating high-volume stable supply to the market. Amid various crises, such as recent disruptions in logistics and rising material costs, we have been able to minimize their impact through inventory sales of standardized products and the standardization of production equipment, processes, and materials. Our standardization strategy ensures unwavering quality and supply, no matter the circumstances we face.

Develop and Promote Standardized Products by Application

When we fully entered the market of medium-sized 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 exceptional quality, affordable prices, speedy and stable supply and the proposal of solutions in a well-balanced manner, and this gives us an advantage.



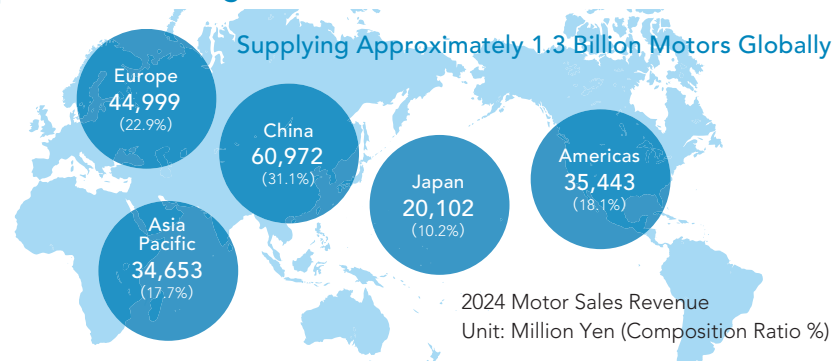
Advancing Standardization Strategy

In our Management Plan 2030, we have set out the business concept of "e-MOTO," which aims to achieve growth by providing diverse "motion" solutions that meet the needs of our customers and society, with motors at our core. Until now, we have focused on transactions involving motors alone, based on our policy of not entering into the business areas of our customers. However, recently, we have been receiving more and more requests from customers for motor-related parts as well. In the future, in order to provide the "motion" that our customers desire, we will be expanding the variety of motors that are the core of creating that motion. Furthermore, by providing units that use high-quality standard motors, we will be able to create cost benefits for our customers, thereby increasing the sales of standardized motors and further strengthening our standardization strategy, which is one of our strengths.

Our Strengths

Mabuchi Global Management System

Five-Region Management Structure improves the Group's Comprehensive strength



Competitiveness Created Through Mabuchi Global Management

Enhancing Comprehensive Strength Through Coordination Between Sites

Risk Diversification and Improved Resilience

Swift Information Sharing and Appropriate Management Decisions

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 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. We 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.

Global expansion from an early stage

Centralized production structure in Asia

Five-Region Management Structure

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.

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.

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.

Strong connections between bases and utilization of diverse human resources

The Mabuchi Group's bases are connected by strong relationship. Throughout the Group, we actively share good improvement cases and exchange opinions. This information is utilized for mutual understanding at the Group level and for quick and appropriate decision-making by management. To strengthen these peer-level connections between bases, we are promoting mutual understanding and cooperation at the Group level through the development of a job-type personnel system that serves as a basis for driving human resources exchanges between the Headquarters and other bases, encouraging secondment and business trips, and establishing various information-sharing and meeting bodies across multiple bases. We are also seeking to understand and share company policies and values through policy development measures to strengthen vertical connections within each base, and education and communication measures that transcend employee class levels. In addition, non-Japanese human resources are highly active in the Mabuchi Group, with the ratio of overseas personnel to the heads of bases reaching 60%, two Chinese nationals and one Vietnamese national, for a total of three overseas personnel serving as executive officers of the Mabuchi Group. (As of December 31, 2024)



A Scene from the Sales Presidents' Conference, where Presidents of Mabuchi Group's sales sites and representatives from the Headquarters Sales Dept. gather

Collaboration Between Dalian Mabuchi and Mabuchi Oken Dalian

Immediately after Mabuchi Oken joined the Group in March 2023, Dalian Mabuchi and Mabuchi Oken Dalian began working closely together. One key outcome of this collaboration was the introduction of automation equipment at Mabuchi Oken Dalian. Dalian Mabuchi provided technical support for an automation initiative that had previously been difficult for Mabuchi Oken Dalian to pursue independently, by introducing equipment design and manufacturing partners from its own network and participating in the design discussions. This led to the successful installation of new production equipment at Mabuchi Oken Dalian, resulting in improved manufacturing efficiency.



Employees of Dalian Mabuchi and Mabuchi Oken Dalian involved in equipment installation



Interview with Our President

Leveraging Mabuchi Motor's strengths to expand our business into new areas

Representative Director and President **Tohru TAKAHASHI**

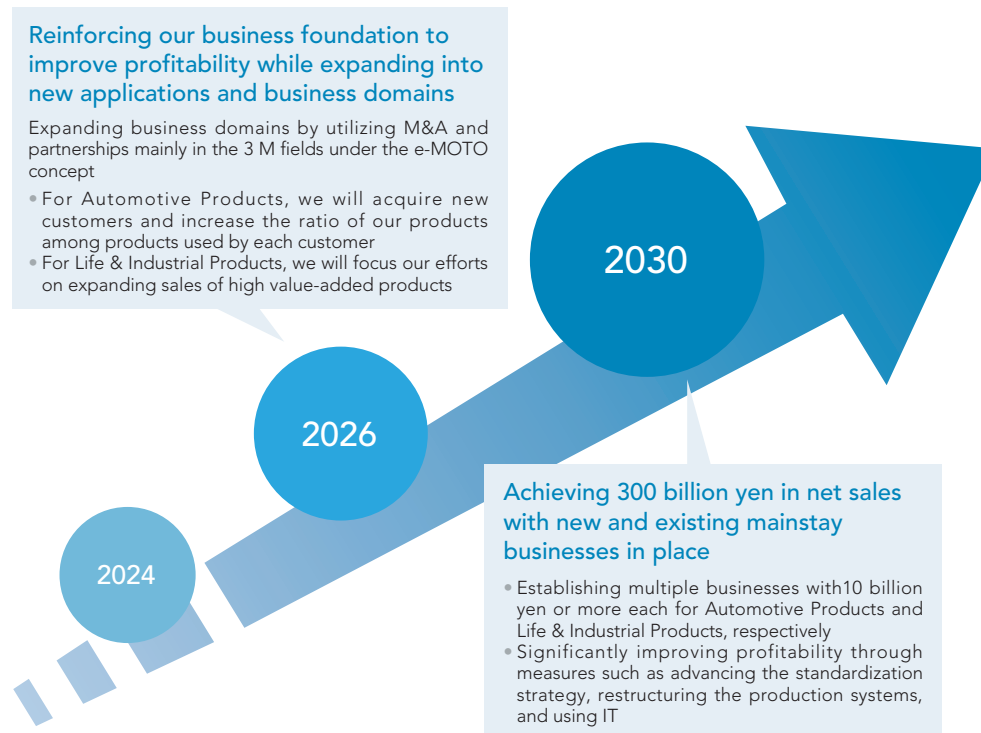
[Building a Stronger Organization Through Team-Based Management](#)

In February 2024, we launched Management Plan 2030, our strategic roadmap through the year 2030. I believe that every member of Mabuchi Motor must take the initiative and boldly rise to the challenge to achieve the ambitious targets we have set in an increasingly volatile business landscape. To support this, we have adopted a team-based management approach in which our strategic direction is not only communicated clearly to all divisions but employees are also inspired to proactively propose solutions that our business operations then directly reflect. Human Resources are Mabuchi Motor's most valuable asset. Maximizing team creativity and productivity by integrating diverse perspectives and capabilities is the key to our growth. In 2025, Mabuchi OB Gear System and Mabuchi Microtech joined the Mabuchi Group. Welcoming these new companies into our fold, we are increasing dialogue and collaboration across the organization to unlock collective intelligence and encourage innovation. By encouraging open interactions across divisions and cultivating a culture where people naturally seek new perspectives and share ideas, we aim to build an adaptive, resilient organization that is capable of sustainable growth.

Interview with Our President

[A Roadmap to Achieving Management Plan 2030](#)

In Management Plan 2030, we set financial targets including net sales of 300 billion yen, an operating income ratio of 15% or higher and a return on invested capital (ROIC) of at least 12%. In parallel, we are pursuing eight sustainability goals aligned with our four core materialities. We aim to improve the Mabuchi Motor Value Points (MVP), which we envisage as our corporate value, by enhancing both financial indicators and non-financial indicators. We use MVP to quantify our annual progress, with 100 points representing the full achievement of the 2030 Guidance. Our score in 2024 was 61.8 points. By monitoring our MVP achievement rate, we implement improvements in both the financial and non-financial domains, thereby enhancing our corporate value. We have structured our roadmap for achieving the goals of Management Plan 2030 into two phases. The first half focuses on building a strong business foundation, and the second on accelerating growth.



In the first phase, we are strengthening the foundation of our business to improve profitability while expanding into new applications and business domains. Focusing on the 3 M fields, Mobility, Machinery, and Medical, we aim to broaden the scope of our business through mergers, acquisitions and partnerships. In the Automotive Products segment, we are striving to secure new customer orders and increase the rate at which our existing customers select our products. In Life & Industrial Products, we are working to expand sales of high value-added offerings. To further enhance profitability, we will advance our standardization strategy, restructure our production systems, and use IT throughout our operations.

In the second phase, we will leverage our reinforced foundation to accelerate the expansion of new businesses. Our goal is to establish multiple core business lines, each with annual sales exceeding 10 billion yen, in both the Automotive Products and Life & Industrial Products markets.

[Strengthening the Business Foundation](#)

To strengthen our business foundation as we work toward achieving Management Plan 2030, we are undertaking a comprehensive review of the structure and functions of our production bases. The goal of this initiative is to push forward with the ongoing cost reductions and ensure alignment with the current business environment. We established Poland Mabuchi in 2017 under a policy of accelerating local production for local consumption. However, due to a number of changes in the business environment, demand in the automobile market did not grow as much as we expected at the time of establishing this factory. We will therefore optimize the scale of production to align it with demand after a review. At the same time, we will transform the structures into ones that enable to produce high value-added products, including life and industrial products. Taiwan Mabuchi has discontinued its mass production of motors after 60 years and is restructuring its operations to specialize in equipment and mold engineering. In addition, as a Group-wide initiative, we will leverage our standardized production processes to review production items at each base and drive use of production equipment at other bases within the Group, as part of our efforts to improve production efficiency.

While enhancing efficiency, we are also investing in innovation. We will establish our second overseas R&D center at Vietnam Mabuchi, following the one established in China. Vietnam Mabuchi previously focused on the development of production equipment, but it will now expand its capabilities to include product development in response to increasing inquiries related to diverse applications. In addition, we established a new sales subsidiary in India in March 2025. As the Indian market continues to grow, we are strengthening our sales structure to expand both our revenue and market share in the region.

Interview with Our President

Review of 2024

As the first year of Management Plan 2030, 2024 was marked by a complex mix of challenges, including persistently high energy and raw material prices, geopolitical risks, and global inflationary pressure. Despite these conditions, in Automotive Products, sales increased. This was driven by the range of vehicle applications broadening and orders increasing. In Life & Industrial Products, sales of personal care-related devices declined slightly due to our focus on profitability. However, sales of products with health/medical and office equipment applications remained solid. Supported in part by the weaker yen, net sales increased 9.8% year on year to 196,212 million yen. Operating income increased 39.3% year on year to 21,644 million yen, as positive factors, including improved pricing, a more favorable product mix, and the weaker yen, outweighed rising costs. The operating income ratio improved 2.3 percentage points to 11.0%. Ordinary income increased 20.2% year on year to 32,448 million yen due to foreign exchange gains. Meanwhile, profit attributable to owners of parent decreased 33.9% to 12,831 million yen, reflecting an extraordinary loss of 7,329 million yen recorded by Poland Mabuchi due to impairment. ROIC improved by 0.4 percentage points to 6.1%, but remains significantly below our Management Plan 2030 target of 12% or higher. Each unit is identifying key issues and setting specific targets to improve ROIC, including the optimization of inventory levels Group-wide and the enhancement of the financial turnover ratio. We monitor progress on a quarterly basis to ensure initiatives are steadily implemented.



Cash flows from operating activities increased 8,392 million yen year on year to 40,133 million yen, mainly due to an increase in operating income and improvements in the income and expenditure structure reflecting a decrease in inventories. We are on track with our cash allocation plan for 2024–2026, which sets aside 25.0 billion yen for strategic investments, such as mergers, acquisitions and alliances, 45.0 billion yen for capital expenditures, and 50.0 billion yen for shareholder return.

Management Plan 2030

Enhancing Mabuchi Motor Value Points (MVP),
our own measure of corporate value

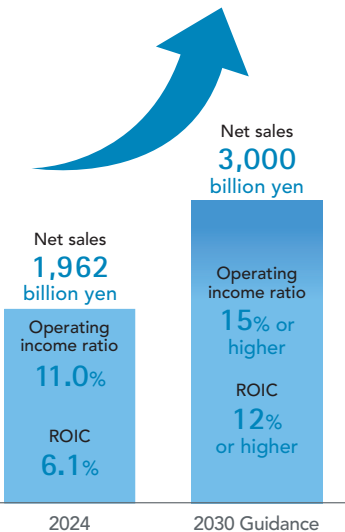
Management Plan 2030 Guidance (2024-2030)

Financial Indicators

- Net sales:
300.0 billion yen
- Operating income ratio:
15% or higher
- ROIC:
12% or higher

Non-financial indicators*

- CO₂ emission reduction rate (Scope 1 and 2)
- Net sales growth rate for sustainable products
- Net sales growth rate for applications that contribute to SDGs
- Percentage of managers that are women
- Number of employees with global work experience
- Number of participants in motor craft workshops and visiting classes for children
- Occupational accident frequency rate
- Number of serious human rights risks



* Non-financial indicators are indicators of intangible assets such as human capital which do not contribute financially yet but will contribute to business results in the future. Since they are as important to us financial indicators.

Steady progress in 2024 toward the achievement of
a perfect MVP score of 100

MVP score for 2024: 61.8 points

Points were calculated by converting data for each indicator (net sales, operating income ratio, ROIC and sustainability targets) into a rate of achievement versus the indicator targets set out in the 2030 Guidance, with equal weight (25%) given to each indicator.

Interview with Our President

e-MOTO Business Concept

Traditionally, Mabuchi Motor has focused on small DC motors. However, under Management Plan 2030, we are accelerating our transformation into a company that provides comprehensive motion solutions guided by our e-MOTO business concept. At the heart of this transformation is the expansion of our business beyond motors into peripheral domains, including components, accessories and units. By delivering optimized, end-to-end solutions that meet the motion needs of society and our customers, we aim to expand the scope of our business and build a well-balanced portfolio that is not overly dependent on automotive applications. In terms of the applications we are focusing on, we are expanding the 3 M fields, Mobility, Machinery, and Medical. On the product axis, we are broadening our offerings from standalone motors to include units and peripheral devices. Through these initiatives, we are establishing the capabilities needed to deliver motion-driven solutions that address a wide range of social and customer challenges.

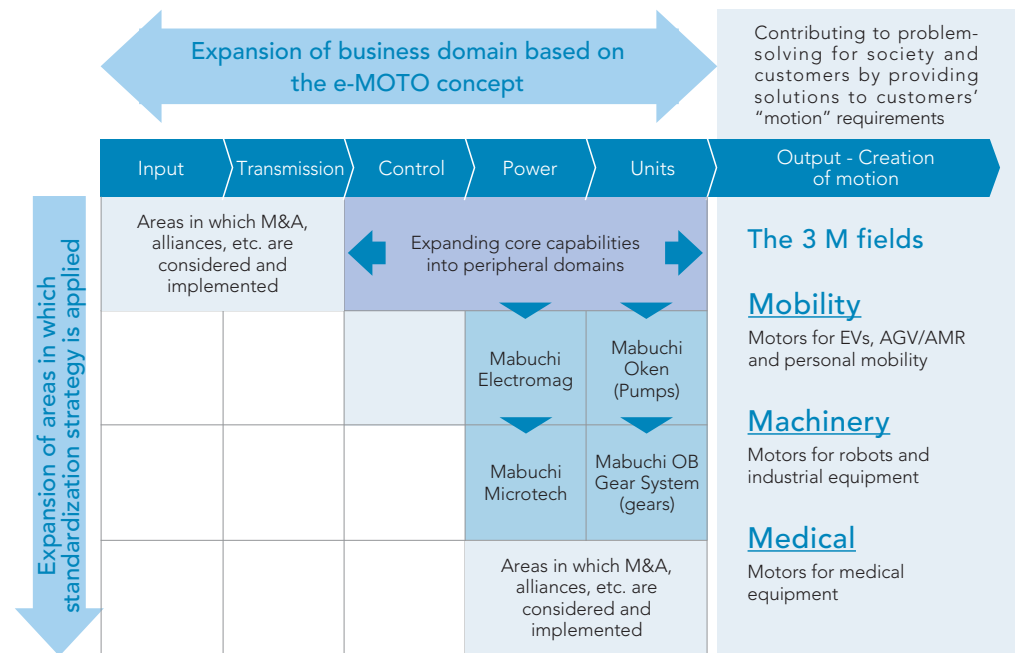
As outlined in the financial targets of our Management Plan, we are committed not only to top-line growth but also to driving the growth of profit by delivering high value-added offerings that contribute to society. The source of this value lies in our technological strengths: our advanced product development capabilities and our expertise in manufacturing processes. We aim to further strengthen these capabilities through external collaborations, including mergers and acquisitions, and will leverage the intellectual property of newly integrated group companies to secure a sustainable competitive edge.

Strengthening External Collaboration

To realize the e-MOTO concept, we are proactively engaging in external collaborations, alliances, and M&A activities. Rather than relying solely on in-house development, we flexibly incorporate external resources in areas aligned with our growth strategy, which includes measures such as reinforcing our core technologies, accelerating the growth of revenue and profit in the areas of strategic applications and expanding production capacity.

In March 2023, we welcomed Mabuchi Oken into the Group. Specializing in the manufacture and sale of pump units, the company is already generating synergies, including the acquisition of new projects through collaborative sales activities throughout the Group. In April 2025, Mabuchi OB Gear System also joined the Group. By combining its precision gear and molding technologies with our motors, we aim to capture demand for unit-based solutions and further drive the growth of the market. In June 2024, we announced the acquisition of the small motor business of Oki Micro Engineering. It was officially integrated into the Group as Mabuchi

Microtech in July 2025. The company brings a range of products that we previously did not offer to our lineup, including stepping motors, geared motors, and various other motors and actuators. This addition expands our motor portfolio, enabling us to offer more comprehensive solutions to meet customers' diverse needs in the Machinery field. We will continue accelerating joint initiatives to maximize synergy throughout the Group.



In Closing

I would like to express my sincere gratitude to all of our stakeholders, including our shareholders, customers, and business partners, for their continued support which makes it possible for us to continue our business. Although the business environment remains uncertain and continues to change rapidly, we recognize that simply following the same path will not ensure sustainable growth. Strongly believing that change is essential for our continued growth, we are committed to accelerating our growth toward the achievement of the goals of Management Plan 2030. We ask for your continued support as we move forward.

Financial and Capital Policy

CFO Message

Executive Officer,
Chief Financial Officer

Keiichi HAGITA

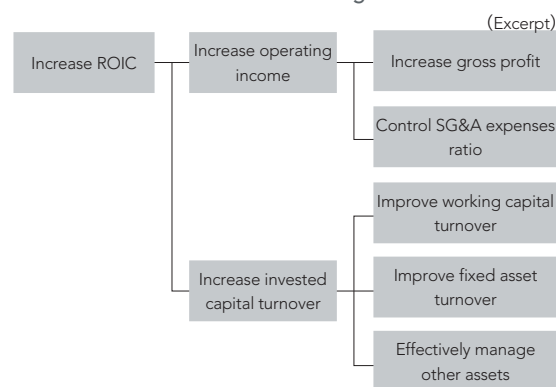


Under Management Plan 2030, we are promoting group-wide participation in ROIC management as we work toward our financial target of achieving an ROIC of 12% or higher. Our policy is to aggressively allocate operating cash flow to growth investments while also enhancing shareholder returns.

To drive improvements in ROIC, each unit establishes key performance indicators and monitors progress on a quarterly basis. Specific initiatives include setting internal targets for turnover periods of receivables, inventories, and payables, as well as for fixed asset turnover. In particular, we are steadily reducing inventory levels of products and components, which had been increased above normal levels in recent years in response to external factors. Product inventory was reduced from 340 million units at the end of 2023 to 320 million at the end of 2024, with a further reduction to 300 million planned by the end of 2025. At the same time, we are working to expand sales of high value-added products, while pursuing cost improvements and enhancing productivity with the use of IT. The cash generated from these efforts will be used to fund strategic investments and strengthen shareholder returns.

To ensure stable dividend payments, we have shifted our dividend calculation standard to a Dividend on Equity (DOE) basis. In addition, we doubled the scale of our flexible share buybacks from around 3.0 billion yen prior to 2023 to 6.0 billion yen in 2024. Going forward, we will remain focused on enhancing our corporate value, securing fair market recognition of our business value, and practicing management that is mindful of our stock price in parallel with our shareholder return initiatives.

Promote activities based on the KPI targets that we have set



Initiatives for Improving Profitability

We aim to increase sales and production, with a particular focus on increasing sales of high-value-added products in the 3 M fields of Mobility, Machinery and Medical. We streamline indirect operations at production sites using IT, use AI to accelerate the reduction of labor in inspection operations. Additionally, we leverage the strengths of standardized production processes to optimize the product lineup at each site and promote the shared use of production equipment within the group, aiming to enhance production efficiency. Moreover, we are actively working to create further synergies, including in material procurement, with companies that have joined the group through M&A initiatives. Furthermore, we plan to increase synergy with companies that have joined the Group through mergers and acquisitions, particularly in the procurement of components and other operations.

Another important initiative is the efficient use of business assets. We will create a positive cycle through the investment of surplus cash flow generated through the reduction of inventories in continued growth. We will allocate resources according to our business strategies and improve the efficiency of capital investment.

Increased Sales and Production Volume

Expansion of Sales of
High-value-added Products

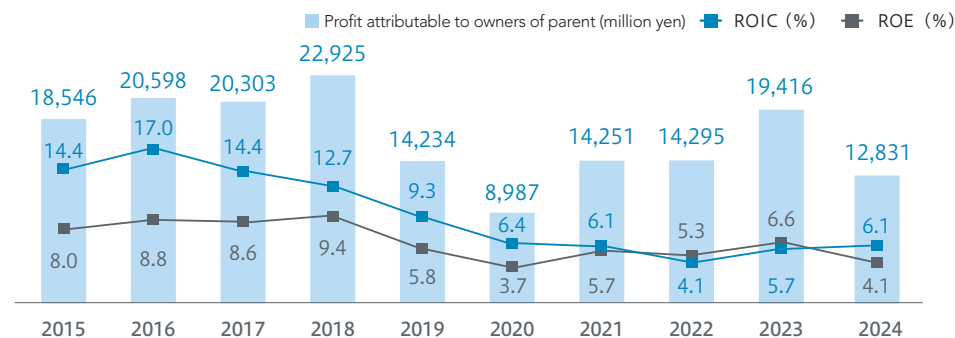
Improvement of Productivity
and Cost Reductions

Efficient Use of Business Assets

Initiatives to Increase ROIC

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 are focusing on systematic activities such as increasing the operating income ratio, reducing inventory and improving working capital turnover. We aim to create a virtuous cycle of monitoring progress quarterly against the KPI targets that we have set, taking specific actions, generating surplus profits, and actively investing in growth areas.

Profit attributable to owners of parent, ROIC and ROE



Financial and Capital Policy

Approach to Cash Allocation

Cash provided by business activities is used in activities that have been prioritized in the following order. The first priority is investments for the organic growth of existing businesses and the funding of growth investments in new areas (including M&A investments). The next priority is funds for the payment of dividends based on our dividend policy.

Regarding the cash remaining after the above, we 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.

Priority:	Category	Our Approach
↑ high	Investments for the organic growth of existing businesses	<ul style="list-style-type: none"> ● R&D investment ● Production capital investment ● IT investment
	The funding of growth investments in new areas	<ul style="list-style-type: none"> ● M&A investment ● Investment in new areas (peripheral applications, motor peripheral areas, etc.)
	Returns to stakeholders ①	<ul style="list-style-type: none"> ● The payment of dividends based on the dividend policy
	Returns to stakeholders ②	<ul style="list-style-type: none"> ● Purchase of treasury stock, etc.
	Reserved by the company in case of risk	<ul style="list-style-type: none"> ● Reserved by the company in case of risk
		<div>Implemented with the highest priority</div> <div>Active consideration of the cash remaining after the implementation of the above</div> <div>Avoid excessive accumulation</div>

Basic Approach to Securing Funds

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 and expand our contribution to the happiness of all stakeholders." We have secured the necessary funds and built a solid management foundation to realize this goal. Our approach to this goal is as shown on the right.

Breakdown of necessary funds

Contingency measures for growth

- Capital investment: Reserves to ensure the continuity of capital and R&D investments
- M&A : Reserves to finance M&A activities that are necessary for investing in growth opportunities

Contingency measures for large-scale risk

- Operating funds: Working capital to prepare for the realization of a large systemic risk
- Job security: Reserves to secure our ability to retain employees
- Dividends: Reserves to secure our ability to continue paying dividends based on the dividend policy, even if a risk event occurs

Contingency measures to address rapid market changes

- Risk of commodity price hikes: Reserves to secure our ability to procure market-sensitive commodities for the medium to long term by means of futures trading and other activities
- Foreign exchange risk: Reserves to maintain stability in the face of severe foreign exchange disruptions

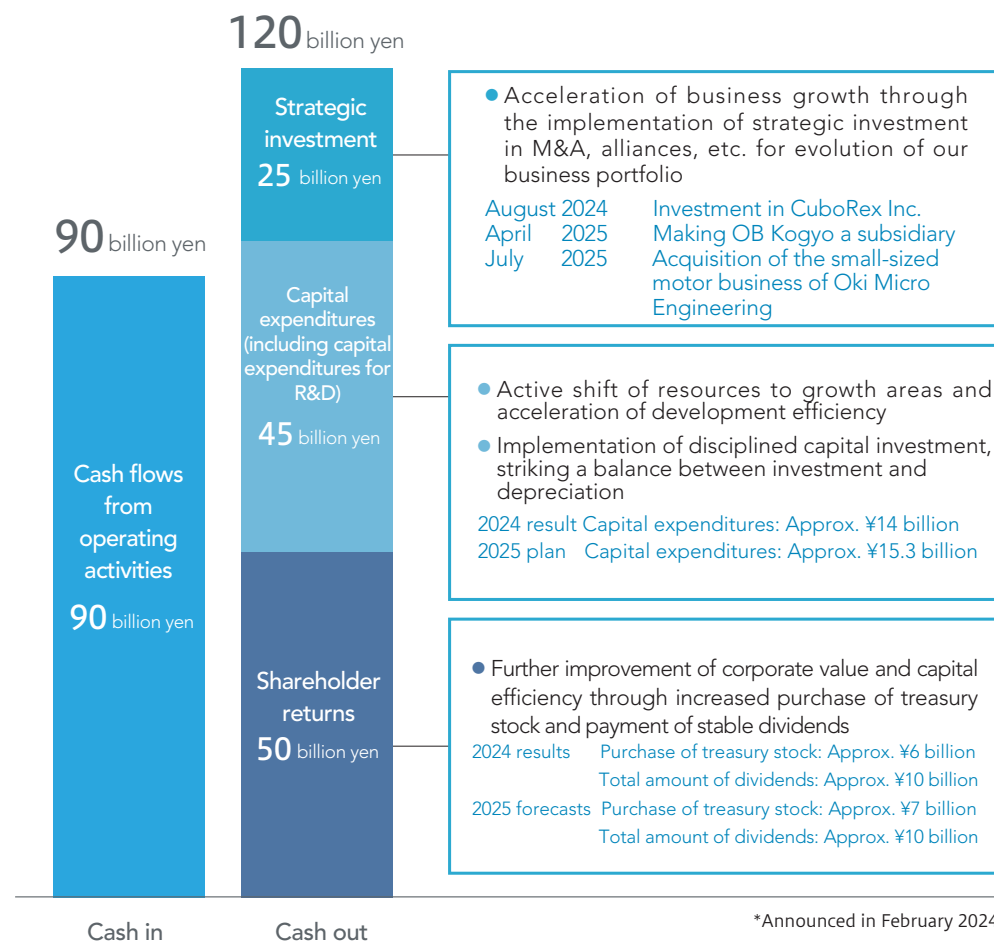
Claim-related contingency measures

- Claims handling: Funds for claims, especially in Automotive Appliances

Initiatives to Improve Capital Efficiency

We will actively invest the cash provided by operating activities in growth areas to enhance its corporate value and shareholder return.

2024-2026 Cash Allocation Policy*



*Announced in February 2024

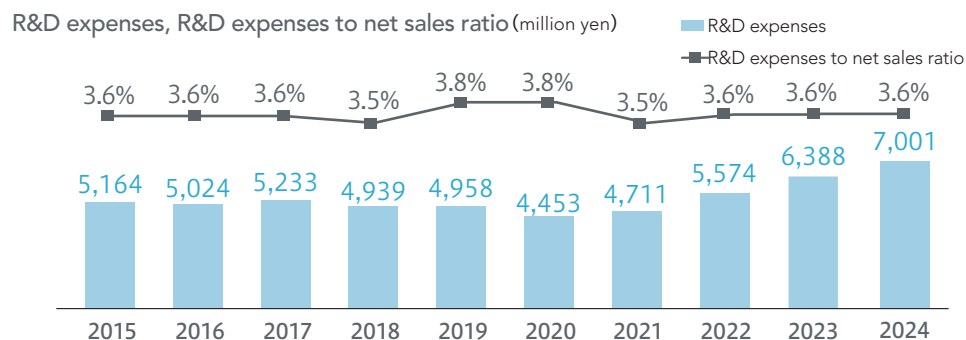
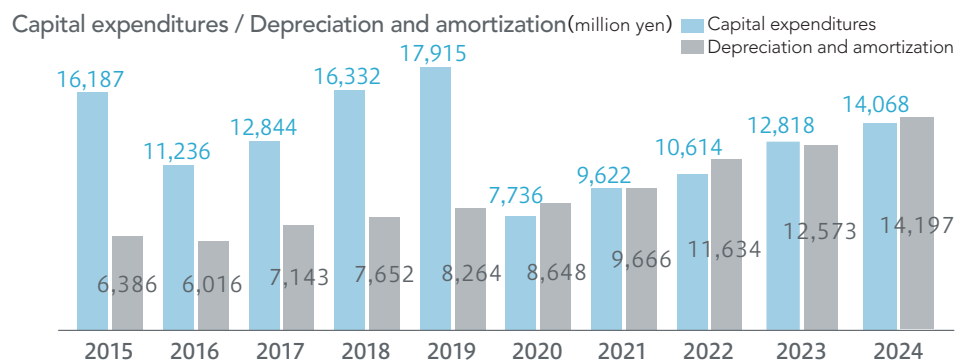
Financial and Capital Policy

Growth Investment

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 the 2010s, 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.

We are currently aiming to grow in the 3 M fields and 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.



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

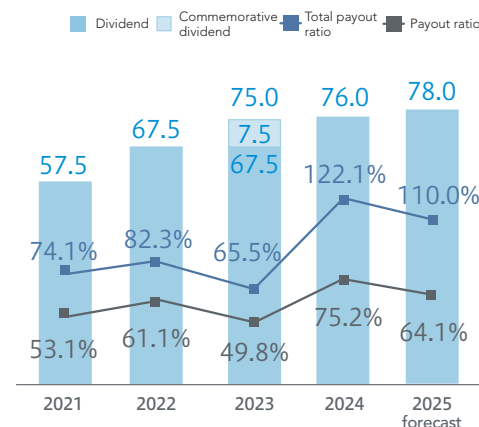
Our basic policy is to actively return profits to shareholders in line with the performance of the business while maintaining financial soundness by using retained earnings to fund the research and development and capital investment necessary for the growth and development of the company.

The dividend for 2024 has been set at an annual rate of 76 yen per share, achieving a record high.

Dividend Calculation Method

The Company's dividend policy is to determine dividends based on a dividend on equity ratio (DOE) of 3.0% to 4.0% by comprehensively considering cash flow, business environment and other factors, in order to further strengthen shareholder returns by realizing long-term stable dividends.

Dividend



* We executed a stock split on January 1, 2024. Dividends for 2023 and the preceding years are restated as if the 2-for-1 stock split had been executed before these years.

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.

Treasury stock



Business Strategy

Message from Head of Global Business and Management

Member of the Board,
Managing Executive Officer,
Head of Global Business
and Management
Tsuyoshi NAKAMURA

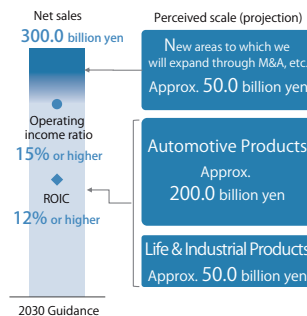


In the Management Plan 2030 Guidance, one of the financial targets is defined as achieving net sales of 300 billion yen. This will be from the organic growth of mainly existing business domains, with Automotive Products being responsible for about 200 billion yen, Life & Industrial Products being responsible for about 50 billion yen, and the remaining 50 billion yen coming from new domains which will expand through our efforts, including active investment through mergers, acquisitions and other means. Our basic policy is to increase sales of high value-added products and expand into new applications mainly in the 3 M fields (Mobility, Machinery and Medical) under the e-MOTO concept.

For Automotive Products, we saw some unusual events in some regions in 2024, such as the inventory of assembled cars remaining high and the transition to EVs slowing down. In the medium- and long-term, however, demand will rise gradually and we expect to grow through the increased sales of new unitized products. Mabuchi OB Gear System joined the Mabuchi Group in April 2025. It is a high-precision resin gear manufacturer with high-level molding technologies. By optimally designing motors and gear units as a single module, we can offer high value-added solutions to our customers. Regarding new applications, we have received orders for SVS* fan unit motors from major Japan-affiliated customers and are preparing to commence mass production. Furthermore, the mass production of gear unit motors for battery-powered cooling water valves will start within 2025 for major Japan-affiliated customers.

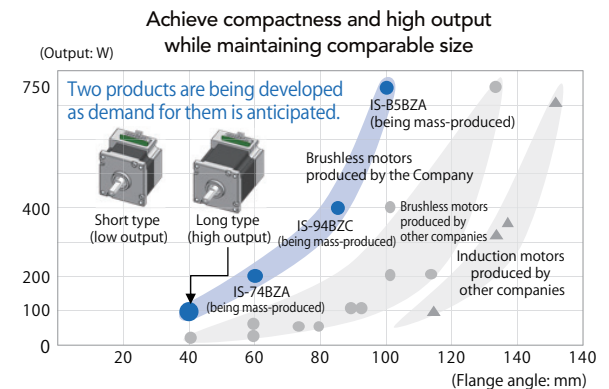
*SVS: Seat Ventilation System

Realization of Management Plan 2030



Mabuchi OB Gear System's gear products

We will steadily grow our existing operations in our Life & Industrial Products domain, mainly in the areas of health and medical care. Regarding the expansion into new applications, we aim to achieve growth, particularly in the machinery sector, by enhancing our lineup of small, high-output brushless motors that offer higher output and greater responsiveness compared to products of the same size from other companies. Amid the trend toward automation to address labor shortages, we have received numerous inquiries from major customers. Additionally, we are actively promoting development and sales activities to secure orders for food processing machines, material handling equipment, and products for collaborative robots.



We are moving ahead with M&A mainly with two policies. First, we will enhance the lineup of motors. For an enhanced motor lineup, we will apply the concept of the standardization strategy and expand further to other applications. Having joined the Mabuchi Group in August 2021, Mabuchi Electromag deals in motors for medical care products. Its products have also been chosen in non-medical industries and their diverse applications have expanded. Mabuchi Microtech joined the Mabuchi Group in July 2025. Its product lineup, including stepping motors, is something our company did not originally offer. We anticipate that this will enable us to propose comprehensive solutions, particularly in the machinery sector, which is a key focus area for us.

Also, their joining the Group will increase the number of motor-related solutions that we propose and the added value of our motor units. Mabuchi Oken joined the Mabuchi Group in March 2023. It manufactures and sells pump units and we are beginning to see synergy. For example, the company is receiving orders for new projects by providing entire units to customers to increase added value.

Enhancement of motor lineup

We will enhance our lineup of core motor products that generate "motion"

Applying the concept of the standardization strategy
Expanding further to other applications

Expanding the provision of solutions peripheral to motors

Providing diverse motion solutions including control solutions and unit motor solutions

Improving the added value of the units by making them and our motors compatible with each other

Business Overview | Automotive products

Performance in 2024

Net sales

152.4 billion yen

Sales volume

1,055 million pieces

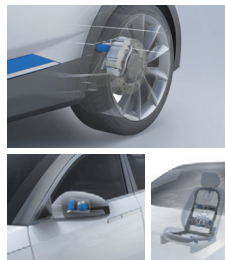
Main applications

● 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 2024

Medium-sized automotive motors (power window lifters)	<ul style="list-style-type: none"> • Advance preparations for mass production, aiming to commence sales of PW motors to the Detroit Three in 2026 • Won an order from a sixth Japanese customer
Medium-sized automotive motors (excluding power window lifters)	<ul style="list-style-type: none"> • Prepared for mass production of PS motors for new major European customers • Advanced preparations to begin mass production of battery cooling valve actuator motor units for EVs • Advanced preparations to start mass production of SVS fan motor units
Small automotive motors	<ul style="list-style-type: none"> • Gained more orders regarding new applications including door closers, EV charging cable locks, and flush door handles

Main initiatives in 2025

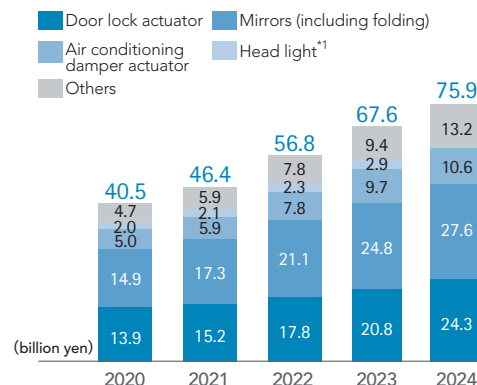
Medium-sized automotive motors (power window lifters)	<ul style="list-style-type: none"> • Win new projects for European and US customers • Continue sales expansion activities to increase shares of sales from the Detroit Three • Advance preparations to start sales to the sixth Japanese customer
Medium-sized automotive motors (excluding power window lifters)	<ul style="list-style-type: none"> • Win contracts on projects on PS motors for major Japanese customers and prepare for mass production of them • Begin sales of battery cooling valve actuator motors for EVs and enhance the lineup of motors for the above application • Expand sales of SVS fan motor units
Small automotive motors	<ul style="list-style-type: none"> • Continue to expand existing businesses by enhancing the lineup of existing products • Consider development efforts for catering to new needs associated with progress in the shift to EVs

*SVS: Seat ventilation systems

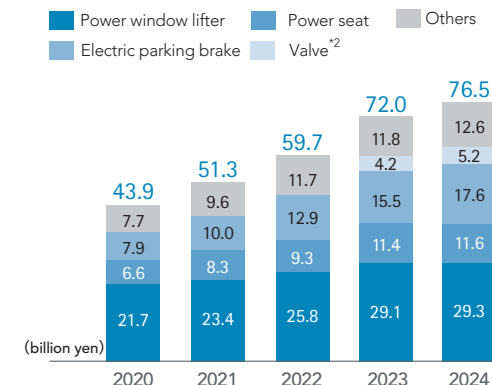
Sales trends by main applications (2020 ~ 2024)

In 2020, sales were affected by the global slowdown in economic activity due to the COVID-19 pandemic and the overall slowdown in the automotive market. 2021 to 2022 saw continued supply chain disruptions, while 2023 to 2024 saw sales increase due to price revisions and the effects of the weaker yen. The high market share of small automotive motors was maintained, while the number of vehicles adopting medium-sized automotive motors expanded.

Small automotive motors



Medium-sized automotive motors



*1 From 2024, the product for headlights has been integrated into the "Others" category.

*2 From 2023, the product for valves is disclosed separately from the "Others" category.

Opportunities and risks

Opportunities

- Increase in demand for compact and high precision motors helpful to energy conservation and noise reduction
- Increase in opportunities for stepping into new markets, including cooling water valve actuators, following the shift of automobiles to EVs in the mid- to long-term
- 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

- Increased geopolitical risks and the impact of tariff policies
- Impact of rising procurement prices of raw materials and parts on the earnings structure
- Impact of parts supply shortages on automobile production

Business Overview | Life & Industrial Products

Performance in 2024

Net sales

43.6 billion yen

Sales volume

293 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

E-bikes, Senior car

AGV • AMR

● Collaborative robots



Main initiatives in 2024

Motors for Life & Industrial Products

- Gained orders for products for e-bikes from major Japanese customers
- Achieved an increase in shipments of products for product display robots at convenience stores
- Expanded sales of products in the medical area, namely products for surgical drills and pump unit motors for patient monitoring systems

Main initiatives in 2025

Motors for Life & Industrial Products

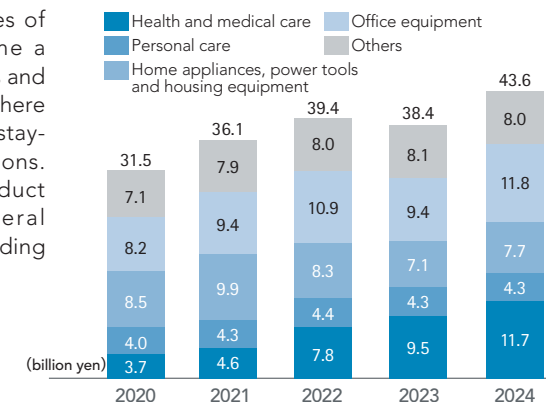
- Further expand sales of products for compact mobility applications such as electric motor assist bicycles
- Expand sales so that our products are used for collaborative robot applications in the global market
- Create synergy with Group companies

Sales trends by main applications (2020 ~ 2024)

As for 2020, sales were affected by the spread of the COVID-19. In 2021, sales increased mainly in personal care products and in office equipment, where the market is likely to shrink in the medium- to long- term, due to the stay-at-home demand during the COVID-19 pandemic.

Sales of health and medical care products increased significantly due to strong sales of toothbrushes in the mid- to high-end segment and the contribution of sales of Mabuchi Electromag, which became a subsidiary. In 2023, while price revisions and the weaker yen had a positive effect, there was also an impact from the waning stay-at-home demand in certain applications. In 2024, sales increased as end-product inventories were depleted in several applications, and customers were building up their inventories.

Life & Industrial Products



Opportunities and risks

Opportunities

- Increased demand for further miniaturization, weight reduction, and higher efficiency in the 3 M fields (Mobility, Machinery, and Medical)
- Increase in demand for motors for robots as a solution to the labor shortage
- Increase in demand after accelerated replacement with electric industrial equipment for reduced CO₂ emissions

Risks

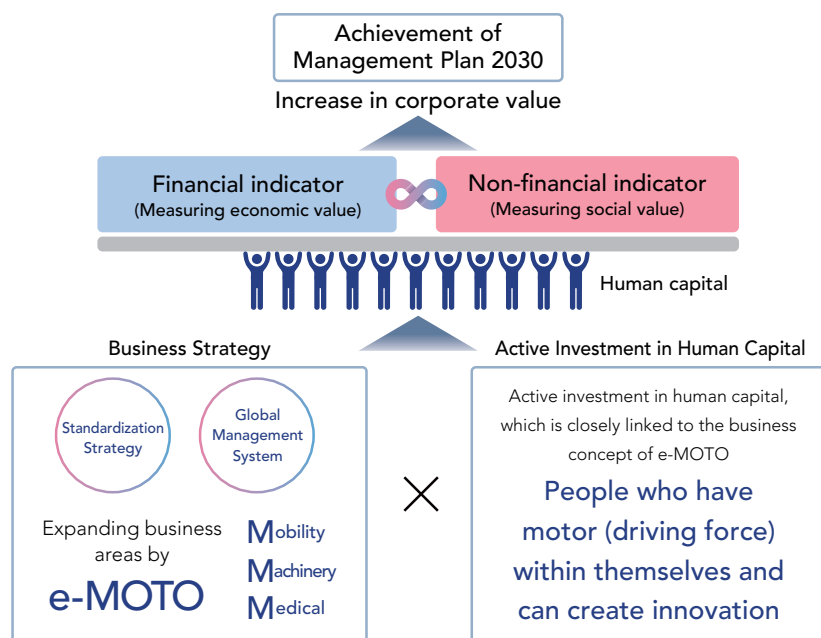
- Increased geopolitical risks and the impact of tariff policies
- Impact of rising procurement prices of raw materials and parts on the earnings structure
- Emergence of competitive low-cost manufacturers in China

Human Capital

Fundamental Approach to Human Capital

In an era where the business environment is constantly changing, it goes without saying that people are the most critical factor for achieving sustainable corporate growth. Our Management Markers, a framework for embodying our Management Principle of "Contributing to International Society and Continuously Increasing Our Contribution," identify people as our most important management resource. By placing the highest value on our people, we empower and encourage them to realize their potential and contribute to society.

To realize our goal of enhancing corporate value under Management Plan 2030, we recognize the need to proactively invest in human capital who are closely aligned with our business strategies. We will continue to strengthen our recruitment and development efforts, and our other human capital initiatives. We also aim to fully harness the diverse values and experiences of our employees by providing career opportunities that enable each individual to demonstrate their individuality and let their own flowers bloom. By cultivating a supportive workplace environment, we will come together as one team to further enhance our corporate value.



Human Resource Development Policy	Recruitment and Promotion	We proactively recruit based on our business strategy. Not bound by conventional frameworks, we hire and promote diverse talent capable of driving global change, whether they are new graduates or in the middle of their careers, making individual potential the top priority.
	Entrenchment of the Management Principle and Strategic Vision	We work to ensure that our Management Principle, the foundation of all of our corporate activities, becomes entrenched through company-wide training programs while ensuring that management directly engages with our workforce to thoroughly communicate our strategic vision and initiatives under Management Plan 2030.
	Talent Development	We continuously develop globally capable leaders and specialists by providing personalized career opportunities, supporting individual growth, and strengthening leadership that embraces diversity. This has enabled us to establish a Group-wide framework for the broad and deep development of knowledge.
	Optimal Talent Placement	Globally, we ensure that we take a true merit-based approach and assign the right talent with the necessary experience and skills to the right roles, regardless of seniority.
	Evaluation and Compensation	We implement a job-based human resources system that accurately recognizes the contributions of each employee and facilitates their evaluation and compensation based on their roles and performance, ensuring fair and equitable treatment.
Workplace Environment Policy	Mental and Physical Health	We promote employee health by establishing the Mabuchi Motor Health Management Declaration and related initiatives.
	Increasing Employee Engagement	We foster workplaces where employees can be fulfilled and grow personally through their work while continuously improving working conditions and the environment as a whole to enhance engagement and productivity.
	Work-Life Balance	We build systems and environments that support vibrant workplaces where employees can maintain a healthy work-life balance and thrive, which are grounded in a clear understanding of evolving social trends and people's values.
	Corporate Culture and Climate	We foster a corporate culture that enhances creativity and drives innovation by facilitating the global collaboration of diverse employees and promoting a shared understanding of D&I and encouraging individual initiative.

Human Capital

| The Talent We Seek to Realize Our Business Strategy

Self-motivated Talent Who are Driven to Innovate

- **Be Proactive (independent thinking and action)**

Demonstrate a broad perspective that goes beyond organizational issues to include social challenges and take the initiative in pushing forward with positive changes

- **Respect for diversity (effective collaboration with others)**

Embrace differing values and viewpoints shaped by diverse backgrounds and work with others to maximize team performance

- **Global perspective**

Stay attuned to global social and economic trends and identify new opportunities that contribute to the growth of our business

- **Commitment to learning, growth and professionalism**

Continuously deepen their expertise in their field through self-directed learning and produce high-quality results

- **Solution-oriented leadership**

Unearth hidden customer needs and internal issues and push forward with collaborations to propose and deliver effective solutions

We are especially focused on acquiring and developing talent with expertise in areas critical to Management Plan 2030 such as control systems development, motor peripheral device development, the 3 M Fields, and digital transformation (DX).

We believe that the interplay of diverse talent fosters the creation of new value. Guided by our e-MOTO concept, we proactively recruit individuals who can drive global change. Not bound by conventional frameworks, we hire and promote people based on their individual potential, regardless of their age, gender, nationality, race, disability, or whether they are new graduates or mid-career professionals. We also stay connected with alumni and provide them with opportunities to return to working with us.

To achieve Management Plan 2030, we must continue to foster a corporate culture that encourages proactive engagement and innovation. We believe that bringing together individuals with different backgrounds and perspectives will spark new ideas, broaden our customer base, and help solve the diverse challenges that society is facing. To this end, we are working to build a corporate culture that promotes creativity and innovation by facilitating the global collaboration of diverse employees across all of the Group companies, both in Japan and overseas.

| Human Resource Development

To consistently develop globally capable leaders and specialists working not only at our Headquarters but throughout our domestic and international Group companies, we promote cross-border talent exchanges (rotation) and conduct training programs for future executive candidates. Our training programs are conducted using Mabuchi's unique educational framework led by the Mabuchi Learning Institute (MLI), the organization that is responsible for supervising Group-wide training. Leveraging MLI's global online learning platform, we foster a culture of continuous learning and accelerate the development of specialists with advanced knowledge and skills to build a Group-wide framework for the broad and deep development of knowledge.

Developing the next-generation of leaders

We believe that leaders should take the initiative in the addressing of management challenges from a broad perspective and be capable of facilitating innovation. Based on this belief, we have increased our emphasis on the development of the next generation of leaders. We hold the Management Strategy Course on an ongoing basis. It is designed to develop key talent so that they are proactive leaders possessing managerial insight. Many of our current executives are people who completed this program and who proposed solutions to management challenges to their leadership earlier in their careers. The 2024–2025 course focuses in particular on the development of leaders who will be able to drive the expansion of our business.

We also provide Chairman's Seminars. This is an advanced leadership program for selected senior managers. In this program, the Chairman of Mabuchi Motor provides hands-on instruction in the core principles of management, with the goal of preparing participants to be presidents and executive officers in the future.

| Global Talent Development for the Mabuchi Global Management System

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. Employees work overseas as trainees for six months to a year to experience how overseas sites carry out business. We also have a system in place enabling employees from our overseas bases to be transferred to the Headquarters as trainees.

As of 2024, a total of 457 employees had gained international experience by being transferred overseas from our Headquarters in Japan, being transferred from one overseas site to another, or being assigned to an inter-site trainee program. We aim to increase this number to 625 by 2030.

Human Capital

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.



Support Systems for Diverse Work Styles

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.

► More information about our programs is available on our [website](#).



The unconscious bias training conducted for Headquarters managerial employees



Achievements in 2024

Average number of childcare leave days taken by male employees

107.3 days

Percentage of employees returning to work after childcare leave

100%

Eliminating the Gender Gap

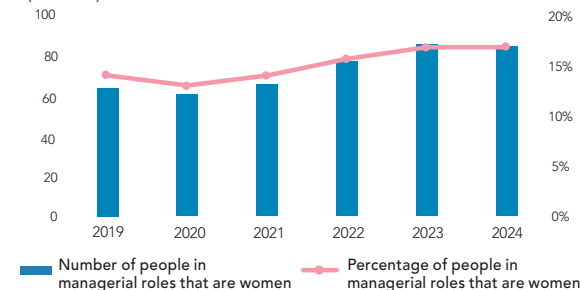
Creating an inclusive work environment where everyone can thrive is an essential part of pushing forward with the healthy growth of the corporation. We believe we must eliminate the gender gap within our organization to achieve our Management Plan 2030, and we strongly emphasize the promotion of the advancement of women. Specifically, we have articulated a Vision for the Genuine Empowerment of Women that lays out a workplace where women take on more important roles with confidence as they move forward on their own career paths. Guided by this vision, we are promoting institutional measures that support the advancement of women, including recruitment, development, and work-life balance programs. Our goal is to increase the percentage of people in managerial roles that are women to 20% globally and 12% in Japan by 2030.

2030 Targets for the Percentage of Managers That Are Women

Global **20%**

Japan **12%**

Change in the Percentage of Managers That Are Women (Global)



Fair and Equitable Human Resources Systems

Our performance evaluation and compensation systems are designed to accurately recognize the contributions of each employee in their roles, with the goals of fostering the mutual growth of the company and its people and ensuring our employees are treated fairly and equitably. We have introduced a role- and performance-based compensation system for managers and specialists, in which rewards are determined by the scope of their responsibilities and their achievements, rather than by personal attributes such as age or length of service. Additionally, a job-based human resources system has been introduced for non-managerial employees at our Headquarters and for certain Group company employees. This system enables us to appropriately recognize the contributions of individuals who have diverse responsibilities, and to evaluate and compensate them based on their roles and performance. By clearly communicating these systems and frameworks to employees, we help them understand how their roles align with the company's direction. At the same time, by visualizing the experiences and skills they will need to achieve their desired career paths, we provide a compensation system that supports individual self-fulfillment.

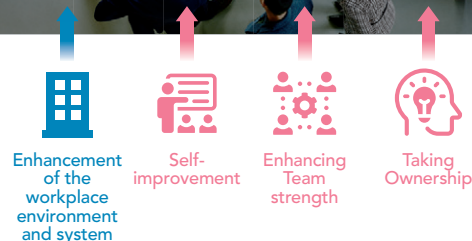
► More information about our programs is available on our [website](#).

Human Capital

Improving Employee Engagement

Our vision for improving employee engagement is to create a workplace where each individual plays a leading role and proactively brings out their true self. To bring this vision to life, we promote engagement initiatives anchored to four key pillars. Guided by the results of regular engagement surveys, these initiatives encompass both a company-wide cultural transformation and the proactive efforts driven by individual departments and teams.

Beginning in 2025, we will roll out these surveys and initiatives on a global scale with the goal of building a vibrant and energized Group.



These four mutually reinforcing pillars lead to increased employee engagement.

Focus areas of activity		Overview
Extrinsic Motivation	Enhancement of the workplace environment and systems	Improve workplace environment, human resources system, and employee benefits
Intrinsic Motivation	Self-improvement	Support employees' personal growth and self-realization through career support that leverages individual strengths and proactive development assistance
	Enhancing Team strength	Foster an environment of understanding and respecting diverse values, utilize individual strengths, and promote team building and inter-team collaboration that enhances each other
	Taking Ownership	<ul style="list-style-type: none"> Thoroughly share and instill the core vision and mission Motivate each individual to recognize their role and actively participate with a sense of ownership

Engagement Survey

We have been implementing employee engagement surveys regularly since 2022. The results of the surveys are reported to the Board of Directors and the Executive Committee, and we analyze the results of the surveys and identify issues. We are also working on developing human resources strategies that reflect our analysis of the survey data (the strengths and challenges identified by the surveys).

In the survey conducted in July 2024, we received responses from 919 out of 954 employees, which is a response rate of 96%. The overall engagement score rose two points compared to our first survey in 2022. Notably, the score for “a culture of taking on challenges,” which was identified as a key area for improvement based on the initial survey, improved five points, indicating significant progress. To foster this culture at even higher level, we have introduced and reinforced various initiatives aimed at helping employees experience accomplishment in their work every day and encouraging them to embrace new challenges. We believe these efforts have contributed directly to the improved engagement scores.

Starting in 2025, we will expand our employee engagement surveys and related initiatives globally, further strengthening our efforts to foster both employee fulfillment and a supportive work environment.

Employee Engagement Initiatives

We value employee initiative and have established a variety of award programs to recognize individual achievements and courageous efforts. We feature interviews with award recipients in our internal newsletter to foster a culture where colleagues support and encourage each other to take on new challenges.

Example Awards

Good Idea Award: Presented to employees who have innovative ideas and achieve outstanding results.
Nice Try Award: Given to employees who take on extremely challenging tasks, regardless of the outcome.
Mabuchi Way Award: Honors employees who are role models because of their implementation of our Corporate Missions in pursuit of our management vision.

We also proactively create opportunities for management and employees to engage in direct dialogue to ensure that key messages such as management policies and business plans are effectively communicated, fully understood and personally internalized by all employees.



Town hall meeting with local employees and the Headquarters executives held at an overseas site



Lunch meeting with executives and employees at our Headquarters

Manufactured Capital

[| Strength of Manufactured Capital](#)

Persistently Seeking High Quality and Cost Competitiveness

We achieve both high quality and cost competitiveness through a system that enables us to efficiently produce many different products by standardizing not only products but also manufacturing using highly versatile production equipment in manufacturing processes. We leverage our standardized production processes to review production items at each base and drive use of production equipment at other bases within the Group, as part of our efforts to improve production efficiency. In addition, the Mabuchi Group as a whole has a strong desire to improve, drawing out the power of each base. We apply lessons learned from good examples of improvement throughout the Group to strengthen our manufactured capital.

Vertically-Integrated Production System and Technological Capabilities Behind It

Our people possess diverse skills and a broad range of knowledge. They are experts in their respective fields as well as in all of the functions of our Group, including product design, process design, mold design, automated machine design, and conservation of resources. This enables us to achieve continued improvement following product and component processing and manufacturing and the start of mass production. We have also introduced a common platform system that centrally manages technology information on product design, production processes, production equipment and other areas at all of the Group's facilities. It gathers the various technological information that is generated throughout the product lifecycle from project launch through product development to mass production. This allows our data and expertise in manufacturing to be utilized at all our bases, preventing them from remaining the tacit knowledge of individual facilities or designers. We capitalize on these foundations to successfully create high additional value and achieve competitive advantage.

Solid Structure for Global Development and Production

We have constructed a Five-Region Management Structure to ensure that our products are developed and produced at locations closer to markets and customers around the world. According to changes in business conditions, we have continually changed our production structure to keep our global system best suited to the situations of the times. Recently, in light of difficult business conditions in Europe, we rectified the scale of production at Poland Mabuchi and shifted it into production of high value-added products. We ended mass production of motors at Taiwan Mabuchi and will have it specialize in equipment and mold engineering functions. We will also establish an R&D center at Vietnam Mabuchi in a bid to strengthen the development and production system.



[| 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. We believe that this is an initiative that can build a win-win relationship between our company, which wishes to simultaneously increase the added value of workers and reduce production costs, and the local government and people who wish to increase the sophistication of their work and pay levels.

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 motions 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. The current challenge lies in automating inspection processes that heavily rely on human vision and hearing. To overcome this challenge, we are advancing the research, development, and deployment of equipment utilizing AI technology.

Using AI Technologies to Automate Equipment

One of the Headquarters employee who was seconded to Vietnam Mabuchi and put in charge of automation of inspection processes leveraged their experience in the automation of some inspection processes. The automation of the inspection processes had been considered to be particularly difficult. By using AI technologies, it became possible to develop inspection equipment that was able to increase the accuracy of inspectors' evaluations. He and local engineers collaborate to quickly introduce the developed inspection machines at the bases. People from our overseas production bases gathered at the Headquarters in April 2025 for a study session on the equipment using AI technologies. We will push forward with the introduction of automated inspection equipment at more production sites as our pursuit of increased technical capabilities and the reduction of manpower continue throughout the Group.



Intellectual Capital

Technological Development and Innovation to Embody the e-MOTO Concept

In addition to the development of brush-equipped and brushless motors, we are concentrating on the development of control and unit products with the goal of providing optimal motion solutions to meet the needs of the market, including in the 3 M fields, guided by the e-MOTO concept. We are also working to create technological synergy with the companies that have joined the Mabuchi Group through mergers or acquisitions and promoting the improvement of our motor lineup and the development of unit products that combine our motors and peripherals. In our control development efforts, we have an internal division that specializes in control, and our development capabilities have reached Automotive SPICE Level 2. Automotive SPICE is a framework for in-vehicle software development processes. We are strengthening our ability to develop software, the core of motor control. Additionally, we take every measure to improve the Group's comprehensive technical capabilities, including the transfer of technologies to overseas engineers through efforts such as the establishment of the Vietnam Mabuchi R&D center and the encouragement of open innovation through industry-academia collaboration.



Efforts to Enhance Intellectual Capital

Our motors, the core of our business operations, are the integration of all of the wide-ranging technical capabilities we have developed over many years, from basic research to product development and improvement, product design, development testing, production technology, motor component technology and the development and design of equipment. For example, we develop new materials in search of optimal performance and cost, pioneering the development of motors using new magnet materials ahead of our competitors and developing a new winding machine that significantly impacts motor performance. From the past to the present, we continue our uncompromising pursuit of increased technical capabilities, the source of our competitive advantage.

Today, improvements in simulation technologies are accelerating research and development. Our collaborations with external partners are also accelerating the resolution of technical problems. We aim to achieve efficiency by balancing internalized manufacturing and outsourcing from the viewpoints of technical value and competitive advantage.

Mabuchi Motor'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 / 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 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.

► Mabuchi OB Gear System joined the Mabuchi Group in April 2025. See page **P.17** for information about the company.

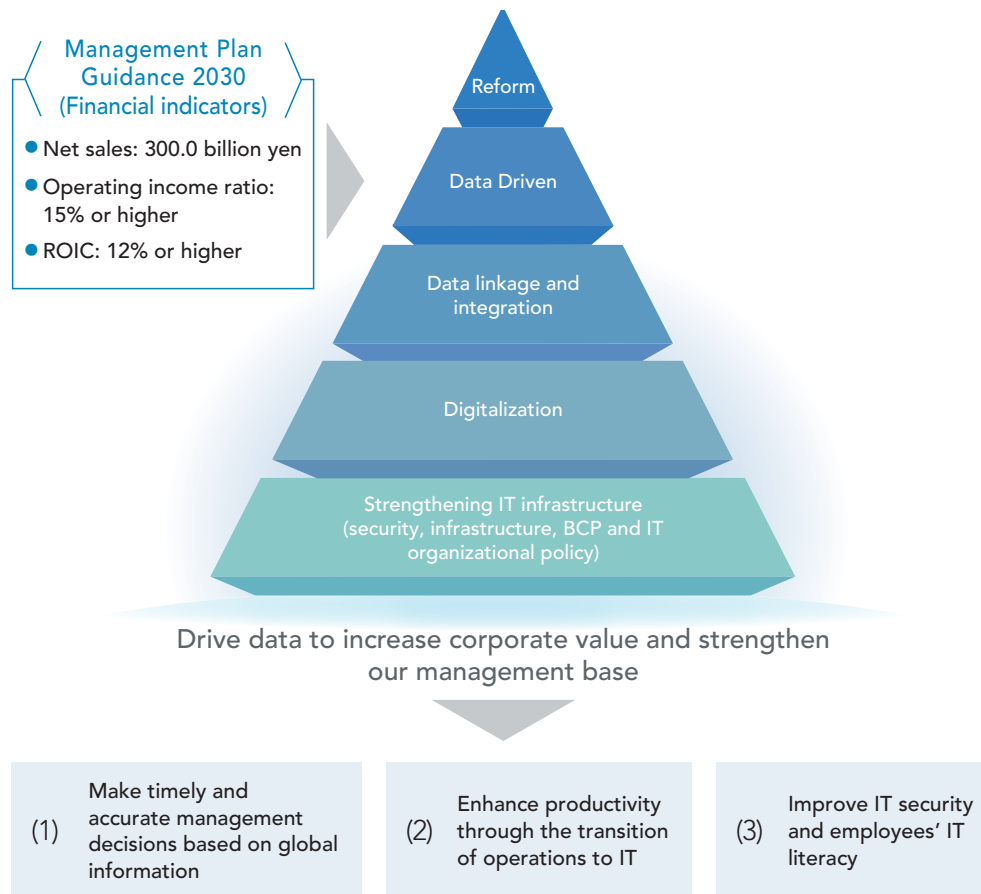
Intellectual Property Activities Supporting Business Growth

As of December 2024, the total number of industrial property rights owned by Mabuchi Motor is 825 (165 in Japan, 660 overseas), while the number of new applications is 67, including Japan and overseas. More of the patents that have been obtained recently have dealt with unit or control in accordance with our growth strategy.

To expand the sales and explore new applications of our products, we actively and comprehensively acquire and protect intellectual property rights to secure a competitive advantage, ultimately contributing to the growth and diversification of our product applications. Furthermore, since 2022, we have shifted our patent application route to international filings, enabling us to obtain official opinions on patentability at an earlier stage. This change has allowed us to accelerate and streamline the process of obtaining intellectual property rights.

IT Strategies

We established the IT-related slogan, “Increase our corporate value and strengthen our management base using IT,” to move toward the achievement of Management Plan 2030. We formulated the IT strategies necessary for realizing the slogan and are working on the transition to IT based on our medium- and long-term IT roadmap.



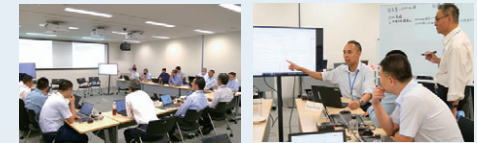
As shown above, our management roadmap includes three priority plans: (1) make timely and accurate management decisions based on global information, (2) enhance productivity through the transition of operations to IT and (3) improve IT security and employees' IT literacy. We continue to be committed to realizing these plans.

Structure for the Promotion of the IT Strategies

We established the IT Headquarters in July 2022 and appointed an executive officer to be in charge of IT on a full-time basis. In addition to placing the existing information system division under the IT Headquarters, we established the IT Planning Office to promote the Group-wide transition to IT and the active use of IT. The executive officer in charge of IT plays an important role in the summarization of our IT strategies and roadmap for realizing our management strategy and the identification of priority projects and the review of investment plans with the top management from a long-term perspective to roll them out Group-wide.

Strengthening global cooperation to promote our IT strategies

The first meeting of IT division managers was held in June 2025 to strengthen our Group-wide cooperation in the promotion of IT. IT division managers from nine bases attended the meeting. In addition to sharing information about the IT division's policies and our Group-wide policies, the people at the meeting exchanged information about IT-based efforts to streamline operations within our Headquarters and activities at different bases. A workshop on issues such as the standardization of IT systems and security measures was held and employees of our overseas bases exchanged opinions about these topics.



Efforts to Make Management Decisions in a Timely and Accurate Manner Based on Global Information

By using digital data, we seek to create value and improve operations in many different domains.

Strengthening the Group's management base (accounting)

We are pushing forward with data linkage and integration throughout the Group in pursuit of corporate growth and the expansion of our business. In this way, we have changed processes in the area of accounting and strengthened our management system for our cost, sales price and profit planning.

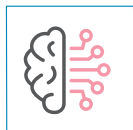
Renewal of ERP

For ERP, which we operate on a Group-wide basis, we tap into new areas of business through mergers and acquisitions and renew our system based on the lifecycle of our ERP. Our next-generation ERP works in parallel with the integration of existing legacy systems.

IT Strategies

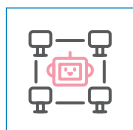
Efforts to Improve Productivity Through the Transition of Operations to IT

We streamline our indirect operations and increase productivity through the digitalization and IT transformation of our business processes.



Introduction of AI

Generative AI services were introduced at our domestic bases in October 2024 with the goal of streamlining indirect operations and enhancing productivity. This helped reduce work hours by more than 9,500 hours in the three-month period ending December 2024. Going forward, we will continue to streamline operations and enhance productivity using generative AI with a view toward the expansion of its use to our overseas bases. We are also considering the introduction of predictive AI and are building a model that will contribute to business planning and quality control using the enormous amount of data that we have obtained at our production sites through machine learning.



Robotic process automation (RPA)

We took inventory of our indirect operations and found many jobs where we can expect to reduce person-hours and improve quality through RPA. For this reason, we are building a system for monitoring the accuracy of robot implementation while gradually applying it starting with the jobs where it works very well.



Transcription tool

We have introduced a transcription tool to create meeting minutes. In particular, we are selecting transcription tools that are able to transcribe Japanese and that are equipped with a translation function so that they work in the international meetings we frequently hold internally. We continue to review these tools with a view toward their Group-wide expansion.



Going paperless

We encourage the shift to paperless operations, specifically, the shift of operations to IT to reduce paper consumption. Inefficient processes such as time-consuming operations using multifunction machines, transportation and the long wait time for printing are reduced to streamline our operations. While controlling printing, we maintain and improve the systems for smoothly fulfilling conventional jobs by introducing IT tools to facilitate the transition to paperless operations.

Efforts to Improve our IT Security and Employees' IT Literacy

Amid the rapid evolution of the information society, the importance of corporate IT security measures is increasing. At the same time, the improvement of each employee's IT literacy is positioned as an important measure for reinforcing the security of the entire organization. We are pushing forward with a comprehensive strategy that balances the reinforcement of IT security and the improvement of employees' IT literacy.

Information security measures

Maintenance plans are formulated and implemented that include both tangible aspects, such as the latest security technologies and data protection measures, and intangible aspects, such as the optimization of operational rules and the enhancement of security awareness. Information security measures are a part of our risk management system and they facilitate inter-departmental actions through the Risk Management Committee at normal times and during emergencies. In addition, we have introduced the assessment, internal auditing and external auditing of our information security measures, information systems and information assets, building a mechanism for continuously improving them as reliable systems and processes.

Introducing secure client computers

With the progress of IT in recent years, the utilization of IT has become indispensable in many different jobs. To support the streamlining of business and flexible workstyles, we must increase the flexibility and convenience of the environment for using client computers. While security risks, including potential cyberattacks and information leakage, are increasing, the need for advanced security measures to address these risks is also increasing. We have introduced an optimal solution which does not compromise convenience while increasing security. This reinforces our security measures and also allows employees to work in any place.

Encouraging employees to obtain IT qualifications

For many years, we have maintained and improved our education and training systems. In addition, we have expanded our measures for improving IT literacy throughout the Company. In this way, the entire Mabuchi Group seeks to motivate employees to learn in pursuit of the development of human resources from a broad range of backgrounds, including people in the IT divisions and operational divisions. More than 700 people, representing more than 80% of the full-time employees working in our Headquarters, have been encouraged to acquire IT passport qualifications. To this end, we have a comprehensive system for supporting the acquisition of qualifications. For example, we provide teaching materials and mock examinations, pay examination fees, and reward employees for the acquisition of qualifications. Our goal is to raise the level of IT literacy throughout the Mabuchi Group and contribute to the improvement of our proficiency in digital technologies.

Promotion of Sustainability

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.

System for Sustainability Promotion

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 head 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, completed signing the UN Global Compact, 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.



Sustainability Targets

We have established four materialities and eight corresponding sustainability indicators in line with the Management Markers, and are promoting sustainability initiatives for the period from 2024 to 2030.


















	Materiality	Sustainability Indicators
E Environment	Corporate activities without sacrificing the environment	① CO ₂ emission reduction rate (Scope 1 and 2) ② Net sales growth rate of sustainable products and sustainable products premium
S Society	Manufacturing for the realization of an affluent society and pleasant lifestyles	③ Net sales growth rate of products that contribute to SDGs
	Realization of an environment in which everyone can play an active part	④ Percentage of women with managerial roles ⑤ Number of employees with global work experience ⑥ Number of participants in craft classes and delivery classes for children
G Governance	Fulfilling social responsibility	⑦ Frequency of occupational injuries ⑧ Number of serious human rights risks

Materiality Identification Process

STEP 1	Identification of social issues	Taking into account our Management Principle, Management Markers, and business strategies, compile a broad list of environmental, social, and economic issues referencing international frameworks and guidelines, such as the SDGs, as well as macro trends across relevant fields.
STEP 2	Evaluation of significance	Assess the identified social issues in terms of their significance to both society and our company, and determine their provisional materiality.
STEP 3	Validation and approval	Engage in a dialogue with stakeholders and external experts to evaluate the validity of the provisional materiality. The Sustainability Committee deliberates to finalize the company's materiality, which is approved by the Board of Directors.
STEP 4	Setting of medium- to long-term goals	Establish medium- to long-term goals associated with the identified materiality and communicate them both internally and externally.
STEP 5	Regular review and updates	Conduct reviews as needed in response to social trends and as a part of the business strategy and management planning process.

Promotion of Sustainability

[KPIs and Performance on Sustainability Targets](#)

Materiality	Actions	KPI	Related SDGs Targets	2024 Targets	2024 Results	Evaluation	2025 Targets	2030 Targets
Corporate activities that do not sacrifice the global environment	Reduction of environmental impact in all activities within the Group including development, procurement and production	① CO ₂ emission reduction rate from 2018 level (Scope 1 and Scope 2)	 	▲ 3 %	▲ 9 %	○	▲ 10 %	▲ 30 %
	Development and sales expansion of products that deliver compactness, weight reduction and energy savings	② Net sales growth rate for sustainable products and sustainable products premium (from 2023 level)	 	+20%	+29%	○	+30%	+70%
Manufacturing that realizes an affluent society and comfortable lives for people	Sales expansion of "products for health equipment and medical device applications" and "motors that contribute to improvement of safety of automobiles (seat-belt pretensioner, electric parking brake, optical axis adjustment, haptic technology, etc.) and improvement of environmental performance (valve actuator, grill shutter)	③ Net sales growth rate for applications that contribute to SDGs (from 2023 level) Subject: Health and medical applications, and products that contribute to improved safety and environmental performance of automobiles	   	+ 5 %	+ 16 %	○	+ 12 %	+ 70 %
Realization of an environment in which all people can play an active role	Development and appointment of female executives and managers at sites in Japan and all over the world	④ Percentage of women with managerial roles		17%	17%	○	17.5%	20%
	Promotion of work overseas (secondment of employees from their own sites to sites in other countries and dispatch of trainees)	⑤ Number of employees with global work experience (cumulative)	  	457	457	○	485	620
	Providing opportunities to deepen interest in science to children who are the next generation	⑥ Number of participants in craft classes, delivery classes and others for children (cumulative total from 2024)		700	1,399	○	1,800	5,000
Fulfillment of social responsibilities	Measures to prevent industrial accidents, improve working environments in offices and factories, and promote work-life balance	⑦ Frequency of occupational injuries (number of industrial injuries per million cumulative actual working hours)		0.14 or less	0.144	× (※)	0.14 or less	0.12 or less
	Implement and continue the human rights due diligence process and strengthen efforts to respect human rights throughout the supply chain	⑧ Number of serious human rights risks	  	0	0	○	0	0

※ We will promote measures to prevent industrial accidents by providing thorough safety training and improving the working environment in offices and factories.

Initiatives towards Environment

Support for the TCFD

Mabuchi Motor has expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosure ("TCFD"). 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 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 2024) 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

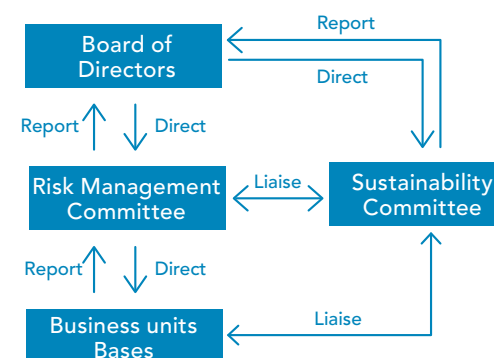
In order to identify risks and opportunities presented by climate change, we hypothesized a future world scenario by drawing on scenarios published by international organizations covering the entire value chain of our Group, across development, procurement, production, and supply of products and services, 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.

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.

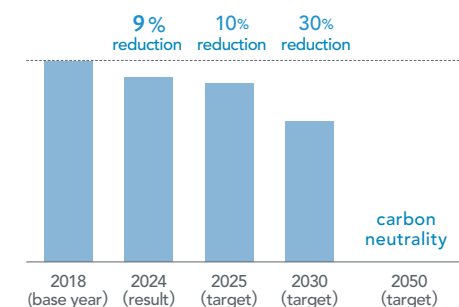
A business unit in charge is assigned for each risk identified and assessed through these processes, and the business unit in charge formulates and manages countermeasures and action plans. Each business unit in charge reports the management implementation status and results to the Risk Management Committee, which then reassesses and corrects the risks.



Metrics and targets

The Company is promoting activities to achieve carbon neutrality by 2050 to address climate change, which is an urgent issue for the international community, in addition to the mid-term goal of reducing CO₂ emissions by 30% from the 2018 level by 2030. To this end, we are promoting measures to reduce CO₂ emissions, including the installation of solar power generation systems, the adoption of systems that recover and reuse waste heat, the use of renewable energy sources, and the use of energy-efficient production facilities.

CO₂ emissions targets and results (Scope1,2)



▶ For actual data on CO₂ emissions, please refer to ESG data **P.52**

Initiatives towards Environment

Strategy / Scenario Analysis Results

1.5°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.
4°C scenario
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, 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.32~34](#) for specific details of measures already in progress.

	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"> Increased order opportunities due to the transformation of demand for EVs and other motor vehicles Increased demand for motors due to the electrification of various industrial machinery 	Large	Large	<ul style="list-style-type: none"> Promote energy efficient production processes Create more compact and light weight motors Environmentally friendly product design
	Risks	Impact on raw material prices	<ul style="list-style-type: none"> 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 	Large	Large	<ul style="list-style-type: none"> Promote green procurement Promote resources recycling
	Risks	Carbon pricing	<ul style="list-style-type: none"> Increased costs due to new systems and regulations, such as the introduction of a carbon tax and emissions trading 	Medium	Medium	<ul style="list-style-type: none"> Set and promote CO₂ emission reduction targets Use renewable energy
4°C scenario	Risks	Impact on raw material prices	<ul style="list-style-type: none"> Increased value of damage and losses following damage to facilities and fixtures and shutdown of operations as a result of meteorological disasters Fragmented supply chain and its impact on business continuity 	Medium	Large	<ul style="list-style-type: none"> Formulate and strengthen BCP Conduct emergency response drills
	Risks	Increasingly severe abnormal weather events	<ul style="list-style-type: none"> Instability in raw material procurement due to acute and chronic impact of climate change 	Medium	Large	<ul style="list-style-type: none"> Consider and implement alternative and distributed procurement Promote appropriate inventory control and risk management
	Risks	Rise in average temperatures	<ul style="list-style-type: none"> Increased operating costs, including higher air conditioning costs due to higher average temperatures 	Medium	Medium	<ul style="list-style-type: none"> Promote energy conservation Establish an environmental education system

Financial impact: Large: more than 1 billion yen; Medium: 100 million yen to less than 1 billion yen; Small: less than 100 million yen

Initiatives towards Environment

Mabuchi Motor has established the "Mabuchi Group Environmental Policy" and is committed not only to producing environmentally friendly products but also to reducing environmental impact throughout the entire supply chain, from development and design to production processes and distribution, so that our corporate activities do not sacrifice the global environment and people's health.

Mabuchi Group Environmental Policy

We aim for the sustainable society by carrying out our corporate activities without sacrificing global environment and human health, and by striving for continual improvement through our environmental management system.

- 1.While complying with environmental related laws and regulations and other requirements, we make diligent efforts to prevent and control pollution, always recognize the impact of our business activities on the environment and control the impact based on our own standards.
- 2.In order to realize the more sustainable society and reduce the environmental burdens associated with our business activities, we focus on the following:
 - (1)As a response to climate changes, we actively work on energy saving, renewable energy use, resource saving, recycling, and waste reduction, in order to reduce CO₂ emission toward carbon neutrality and make effective use of limited resources.
 - (2)In our products and production processes, we thoroughly manage any substances of concern and seek to switch to equivalent alternative substances as much as possible.
 - (3)We perform "green procurement" activity using environmentally-friendly parts and materials.
 - (4)We contribute to reducing the environmental impact on whole society promoting development and sale of environmentally friendly products.
 - (5)Responding to the conservation of biodiversity as an important corporate objective, we promote initiatives considering the ecosystem.
- 3.We actively conduct environment-related educational activities to raise the environmental awareness of each and every employee.
- 4.This environmental policy will be shared with all employees and announced outside parties.

Representative Director and President
Tohru TAKAHASHI

Established on: September 27, 1998 / Revised on: March 28, 2024

Environment Management System

We consider harmony with the global environment and its preservation to be important themes, and have established an environmental management system that complies with ISO 14001 international standards, and are continuously working on environmental activities.

Environmental Organization of the Mabuchi Group

Whole Mabuchi Group is supervised by President of the Headquarters, and the environmental management system of entire Mabuchi Group is supervised by Head of Quality Assurance Headquarters as Environmental Management Representative.

The Environmental Management Committee is established at the Headquarters. This committee is comprised of the chairman, who is the Environmental Management Representative, and general managers of each department. They discuss and determine the Mabuchi Group's environmental policy, objectives, and measures to be taken. Also, we have set up the Chemicals Task Force under the Environmental Management Committee. That task force proposes measures in each specialized area and promotes environmental preservation activities.

Environmental management organization chart is [here](#).

Initiatives towards Climate Change

The Company 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*1 and in December 2024, we announced our commitment to obtain SBT certification*2 to promote our efforts to reduce greenhouse gas emissions.

Further, we have established the mid-term target of reducing CO₂ emissions 30% by 2030, compared to the level in 2018. To this end, we have been promoting initiatives to reduce CO₂ 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. In the future, we will accelerate our efforts to achieve the goal, aiming to obtain SBT certification in order to reduce greenhouse gas emissions not only from our own activities but also from the entire supply chain.

*1 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.

*2 SBT Certification: SBT (Science Based Targets) certification indicates that a company's greenhouse gas emissions reduction targets are consistent with the levels required to achieve the Paris Agreement's goal of limiting the rise in global temperature to less than 1.5°C above pre-industrial levels.

Initiatives towards Environment

Introducing renewable energy

The Company works to reduce CO₂ emissions by using more renewable energy. The solar power generation systems installed at the Headquarters, Dongguan Mabuchi, Daojiao Mabuchi, Vietnam Mabuchi, Danang Mabuchi and Poland Mabuchi generated nearly 6.87 million kWh of electric power in 2024 and the power was used at the respective facilities. Moreover, the Headquarters has adopted a renewable energy-derived electricity plan since April 2024, which will enable virtually 100% of the electricity used at the Headquarters to be generated from renewable energy*. We will continue to systematically introduce renewable energy.



The solar power generation system installed at Danang Mabuchi

*Real renewable energy: Purchasing FIT non-fossil certificates and use of solar power from our rooftops

Effective Use of Resources

Initiatives to reduce waste output

Our goal is to realize a recycling society that recovers and reuses waste as a resource and reduces the amount of waste sent to landfills. In addition to reducing the amount of waste itself, reusing generated waste as resources is an important and indispensable part of realizing a recycling society. In addition, from 2023, we have begun tabulating the recycling rate when thermal recycling is not included. The entire Mabuchi Group will continue to promote waste reduction and reuse (recycling) initiatives.

Waste reduction indicators and initiatives for 2024

Waste recycling ratio **97.8 %**

Waste recycling rate not including thermal recycling **95.5 %**

■ Final waste disposal (t) ■ Amount of waste recycled (t)
— Waste recycling rate (%)



Initiative to Effectively Utilize Water Resources

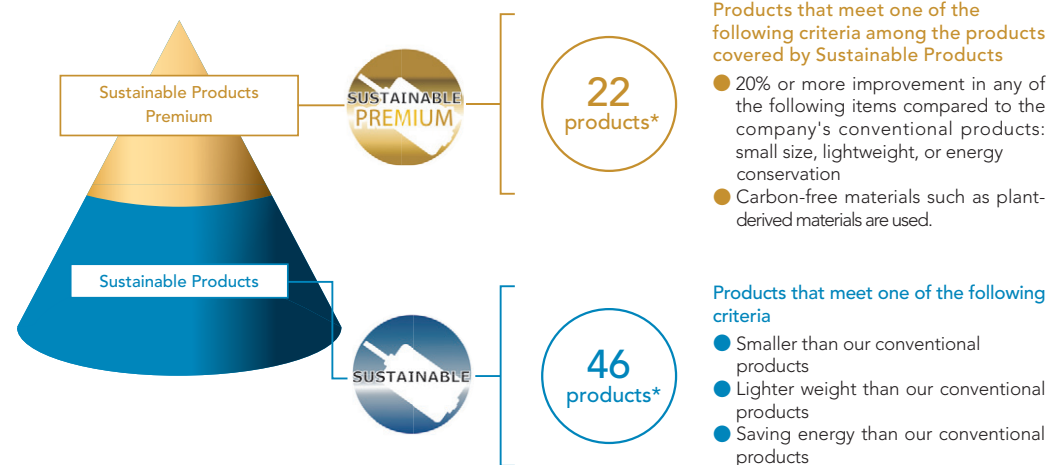
In order to conserve water resources, we actively use rainwater. The Headquarters have been using rainwater since 1991, and various Group locations are also actively using rainwater.

Moreover, Jiangsu Mabuchi and other Group locations have built wastewater treatment facilities at our factories, reusing some of the treated water for watering plants and toilets. We will continue to monitor the impact of our business on water and strive to protect water resources.

Creation of Environmentally Friendly Products

We contribute 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.



*Number of certified Sustainable Products (as of December 31, 2024)

Initiatives towards Environment

Production in Consideration of the Environment

We are actively promoting various environmental load reduction activities ranging from the control of environmentally hazardous chemical substances used in the production process, to power saving of production facilities and machines, and improvement of the work environment for employees.

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 CO₂ emissions into a cost. In making plans for investing in equipment that emits CO₂, 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-CO₂*¹

*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 CO₂

● Application method: CO₂ 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.

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*², GADSL (voluntary standards of the automobile industry), other regulations, customer requests, Mabuchi Group voluntary standards, etc. 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.

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

Initiatives to Preserve Biodiversity

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. On the rooftop of our Headquarters, we are greening the rooftop, which is believed to be effective in mitigating the urban heat island effect. From 2024, we will collaborate with the Nature Conservation Society of Japan, of which we are now a member, to further promote biodiversity-related activities.



Bio-garden in front of the Headquarters



Rooftop garden at the Headquarters

Environment Communication

We believe it is important for each employee to understand the relevant Environmental Policies and take the initiative based on an awareness of, knowledge on, and ability in environmental affairs. To train employees who can implement the above, we are implementing our environmental education and training system. For the Headquarters and each base, we have established "general education" that each employee receives, and have constructed an environmental education and training system by job level, workplace and activity.

Proactive environmental impact reduction activities at each site

"Mabuchi Group Environmental Activities" is a program in which all Mabuchi Group sites are invited to submit proposals for activities that contribute to reducing their environmental impact, and the Environmental Management Committee at the Headquarters reviews and awards outstanding activities. Dalian Mabuchi, which won first place, purchased 12.5 million kWh of wind-generated green power and achieved an annual reduction of approximately 7,425 tons of CO₂ emissions. Going forward, the Headquarters will continue to take the lead in promoting environmental load reduction activities at all Mabuchi Group sites.

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

Human Rights Due Diligence

We shall establish and continuously implement a human rights due diligence mechanism to fulfill its responsibility to respect human rights in accordance with the “United Nations Guiding Principles on Business and Human Rights.”

1.Evaluation of Human Rights Risks (Assessment)

To clarify the human rights risks in Mabuchi Motor's supply chain, we conducted a human rights risk assessment of our company and our suppliers with reference to international norms on human rights.

- Implementation Period: November 2023 - January 2024
- Scope: Mabuchi group and suppliers
- Description of implementation: Estimate the likelihood of occurrence of various human rights issues based on self-assessment of the status of understanding of laws and establishment of systems related to various human rights issues and identify priority items for risk mitigation efforts in light of the severity of each human rights issue.

2.Risk Mitigation

- Implementation Period: May 2024 – July 2024
- Scope: Companies (33 in total) that responded “No” when asked whether they have a system in place to report or consult when they become aware of risk information or experience actual violations.
- Actions Taken: After confirming the details, we requested the establishment of grievance mechanisms. We verified that all companies we approached to mitigate risks have either already established grievance mechanisms or have plans to do so.

3.Monitoring

We will continue to conduct assessment to human rights issues arise from our business activities.

4.Disclosing Information on Human Rights

We will continue to report our human rights initiative on our corporate website and in our Integrated Report.

Correction and Remediation

We will address through appropriate procedures when it becomes clear that our business activities have a negative impact on human rights. In addition, we have established a “Code of Ethics Hotline” for reporting and consultation on compliance issues, including human rights. The Code of Ethics Hotline is anonymous and confidential, and covers not only our employees but also some of our business partners.

Initiatives towards Society

Promotion of Responsible Procurement

CSR Procurement Guidelines

We consider it important to share a common understanding of CSR with our suppliers, and have established "CSR Procurement Guidelines" in Japanese, English, and Chinese, which we widely disseminate to all suppliers to encourage their efforts in occupational safety, respect for human rights, and other areas 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" ("OECD Guidance 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. 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.

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. 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.

Health and Safety, Health and Productivity Management

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

We believe that the mental and physical well-being of our employees, enabling them to work actively and vibrantly, forms the foundation of social life and contributes to enhancing corporate vitality. Based on this belief, we respect the fundamental rights of employees, including those at our overseas locations, and actively strive to create a workplace where every employee can work healthily and securely. In October 2021, we made a "Health Management Declaration," under which we support the promotion of employee health and further advance our health management initiatives.



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.

► The promotion structure of health and productivity management and major KPIs are [here](#).

Initiatives towards Society

Social Contribution and Educational Support

We contribute 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, 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. In addition, we continue to implement community-based environmental protection and social welfare activities.

Continuous robot contest support

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. Moreover, with the aspiration that motor knowledge leads to better manufacturing, we are working to support the training of young engineers through robot contests, including motor exhibits and explanations by technical employees at the convention.



Sponsorship of the "KOSEN GIRLS SDGs × Technology Contest" to promote women's empowerment

Since 2023, we have been sponsoring the "KOSEN GIRLS SDGs × Technology Contest" (KOSEN GCON). This contest is aimed at teams primarily composed of female students from national colleges of technology across Japan. It encourages participants to consider how their daily research and studies can contribute to solving various social issues from the perspective of the SDGs, fostering their growth as future researchers and engineers. Going forward, we will continue to support the realization of a society where women can thrive and nurture children's interest in science and manufacturing through various sponsorship activities.



Craft classes and visiting classes

Our company carries on the vision of our founder, Kenichi MABUCHI, who believed that "to build the future of Japan, we must promote science education." Inspired by this belief, he developed school motors for educational materials. We continue to engage in educational support activities to honor and advance this legacy.

At the Headquarters, we annually host the "Summer Motor Craft Workshop" for elementary school students in Matsudo City and Inzai City, where the Headquarters and research facilities are located. Since 2021, the workshop has been held online. In 2024, we achieved a record-high participation of over 440 families. Additionally, we conduct outreach lessons every year for elementary schools in Matsudo City, where we explain the mechanisms of motors to children.



Holding Motor Classes in Japan and Overseas

Currently, we have set "Providing opportunities to deepen interest in science to children who are the next generation" as one of our sustainability targets. As part of our Management Plan 2030, we have established the number of participants in activities such as craft workshops and outreach lessons as a non-financial indicator. We are expanding the scope of our educational support activities across the entire Mabuchi Group, including not only the Headquarters but also our overseas bases.

In 2024, we held "Motor classes and Craft Workshops" for children at the Headquarters and 11 overseas production bases, with employees serving as instructors. The total number of participating children reached 1,399. Each location designed unique and creative motor classes and workshops, and feedback from the children included comments such as, "It was fun and educational to learn how motors work." For the participating employees, it also became an opportunity to reaffirm their pride in working for a company that actively contributes to local communities.



Risk Management

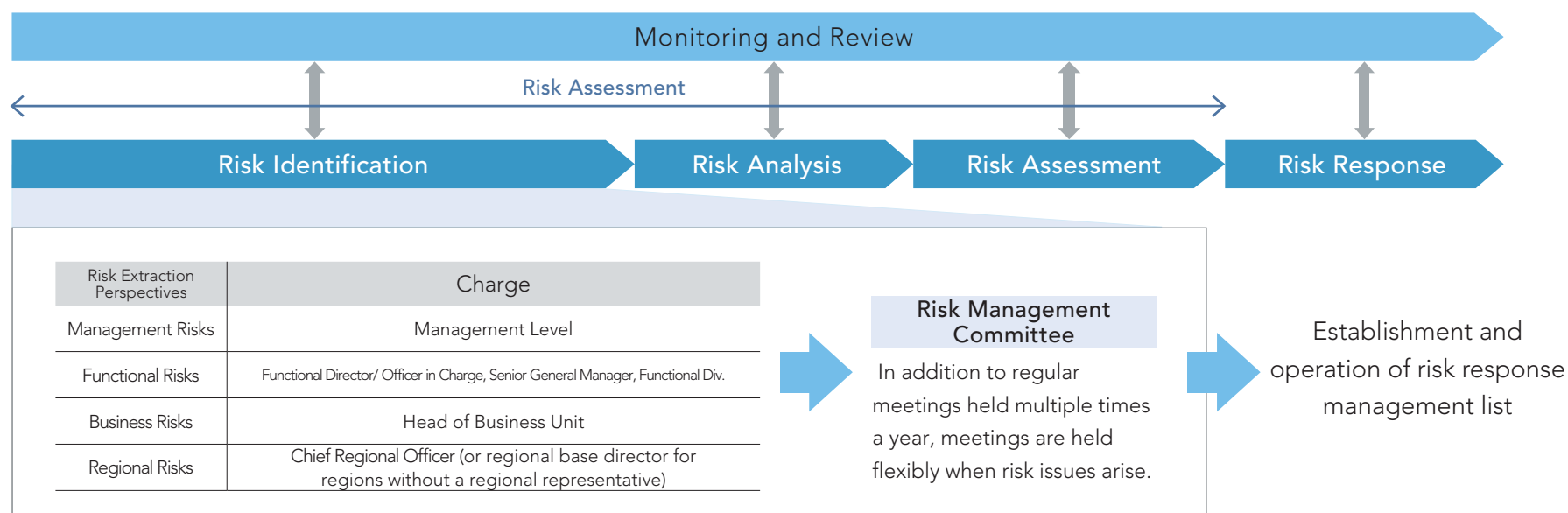
Basic Policy

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 detail of the Business and other risks are stated on [page 3 of the consolidated financial results for the fiscal year ended December 31, 2024](#).

Risk Management Process Overview Chart



The Risk Management Committee Actions

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

Compliance

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.



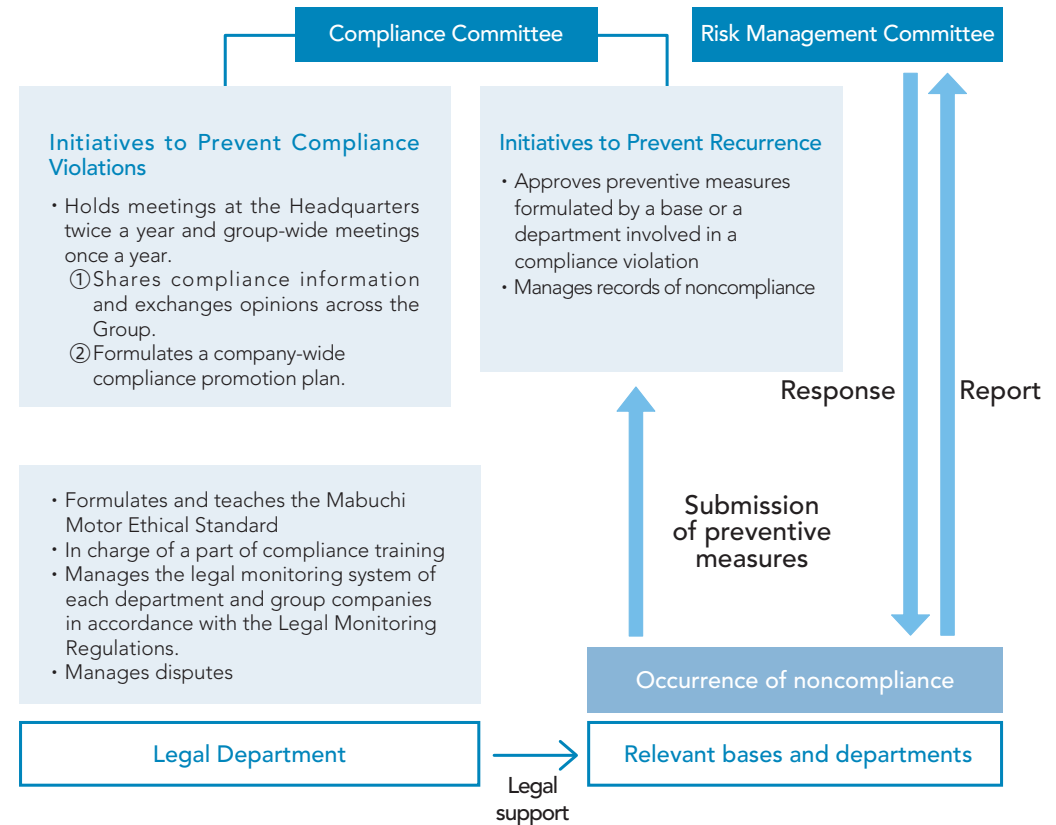
The Mabuchi Motor Ethical Standard

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.

Compliance Committee

The Compliance Committee, established directly under the Board of Directors, sets compliance targets and priority issues across the Group and formulates compliance education for employees in order to prevent compliance violations.



Corporate Governance

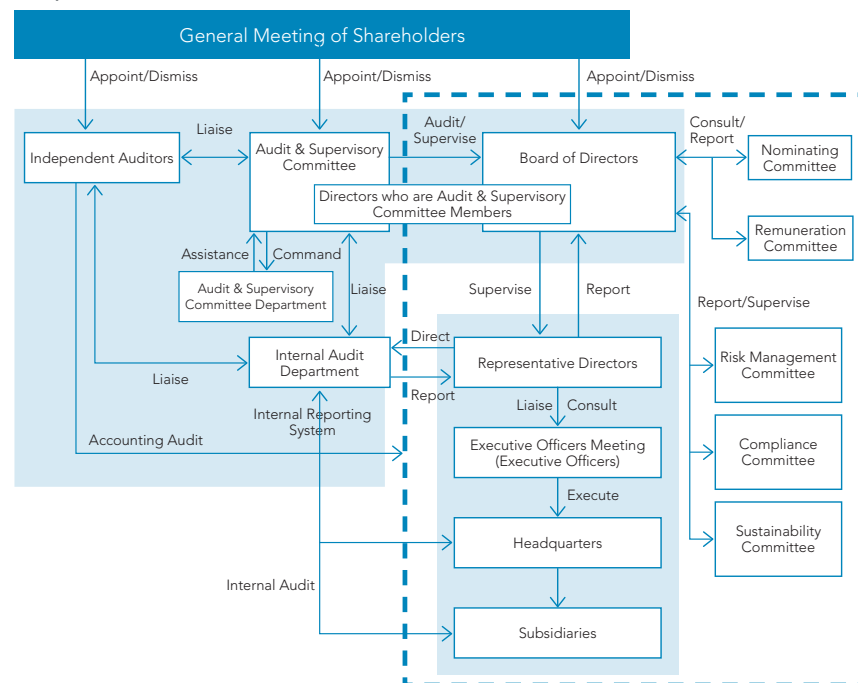
Corporate Governance Initiatives

We believe that our significance lies in the realization of our Management Principle “Contributing to International Society and Continuously Increasing Our Contribution.” 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.

We have 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.

Corporate Governance Structure

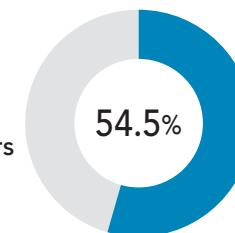


Composition and Main Roles of Each Organization

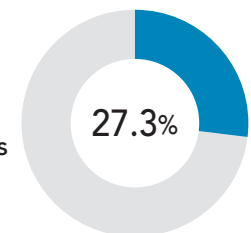
Director (Blue icon), Outside Director (M) (Green icon), Outside Director (F) (Pink icon)

Organization	Composition	Main roles
Board of Directors	Chairperson 11 (Internal: 5, Outside: 6)	<ul style="list-style-type: none"> Making management decisions and supervising the execution of business Electing representative directors and appointing and dismissing executive officers and associate directors Determining the remuneration of directors who are not Audit & Supervisory Committee members, executive officers, and associate directors Determining important matters related to the execution of business and reporting the status of these matters
Audit & Supervisory Committee	Chairperson 4 (Internal: 1, Outside: 3)	<ul style="list-style-type: none"> Auditing directors' execution of their duties Advising the appointment, remuneration, and other matters regarding directors who are not Audit & Supervisory Committee members Exercising authority on the appointment, dismissal and remuneration of independent auditors
Nominating Committee	Chairperson 5 (Internal: 2, Outside: 3)	<ul style="list-style-type: none"> 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
Remuneration Committee	Chairperson 5 (Internal: 2, Outside: 3)	<ul style="list-style-type: none"> Deliberating on policies related to decisions on the remuneration, etc. of directors who are not Audit & 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

Ratio of
Outside Directors



Ratio of
Female Directors



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.

Training of Directors

We 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.

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.

Based on the results of the previous effectiveness evaluation, the Board of Directors identified an issue of building an environment that would facilitate a profound discussion of significant issues, management risks and other matters for the medium- and long-terms. It moved forward with the delegation of authority to executive officers and established regular opportunities for deliberation on management risks. As a result, it was confirmed that meetings were operated with a high level of effectiveness.

The latest effectiveness evaluation identified an issue of providing an environment for intensive discussions on medium- and long-term corporate strategies and others to achieve yet higher effectiveness in operation of meetings. In view of increased effectiveness in reporting from executive officers and other factors, we will revise agendas for Board of Directors' meetings.

▶ The latest document, "Overview of the Analysis and Evaluation Results of the Effectiveness of the Board of Directors," is posted on our website.

Members of Each Organization (number of attendances/ number of meetings, attendance rate) ◎ : Chairperson

Position	Name	Board of Directors	Audit & Supervisory Committee	Nominating Committee	Remuneration Committee	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
Representative Director	Hiroo OKOSHI	○ (25/25, 100%)		○ (6/6, 100%)	○ (3/3, 100%)	○ ^{*3}	○	○	○	○	○	○	○		○
Representative Director	Tohru TAKAHASHI	○ (25/25, 100%)		○ (6/6, 100%)	○ (3/3, 100%)	○ ^{*3}	○	○	○				○		○
Director	Tadahito IYODA	○ (25/25, 100%)				○ ^{*3}	○	○	○	○	○	○	○		○
Director	Tsuyoshi NAKAMURA	○ (25/25, 100%)				○ ^{*3}	○		○				○		
Outside Director	Akira OKADA	○ (25/25, 100%)		◎ (6/6, 100%)	◎ (3/3, 100%)	○		○	○				○		
Outside Director	Seiji SAKATA	○ ^{*1} (19/19, 100%)		○ ^{*1} (5/5, 100%)	○ ^{*1} (2/2, 100%)	○			○			○	○	○	
Outside Director	Takako HAGIWARA	○ ^{*2}		○ ^{*2}	○ ^{*2}	○			○			○			
Director (Full-time Audit & Supervisory Committee member)	Katsumi KOBAYASHI	○ (25/25, 100%)	○ (16/16, 100%)			○ ^{*3}	○		○	○	○	○			○
Outside Director (Audit & Supervisory Committee member)	Yoko TOYOSHI	○ (24/25, 96%)	○ (16/16, 100%)						○	○	○				
Outside Director (Audit & Supervisory Committee member)	Yasuko FUKUYAMA	○ (25/25, 100%)	○ (16/16, 100%)				○		○	○	○				
Outside Director (Audit & Supervisory Committee member)	Atsushi KANEKO	○ ^{*2}	○ ^{*2}			○	○	○	○	○	○		○		

*1 The number of meetings is different as the directors and committee members were elected at the March 2024 General Meeting of Shareholders.

*2 The numbers and percentage are not shown for directors appointed at the March 2025 General Meeting of Shareholders.

*3 Indicates that the person has an experience as President of the Company or its Group company.

Corporate Governance

Audit & Supervisory Committee

The Audit & Supervisory Committee is composed of four members, including three outside directors. Outside Director serves as chairperson of the committee. Each of the three outside directors and Audit & Supervisory Committee members 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 a full-time committee member and assigned one employee to the Audit & Supervisory Department to assist the Audit & Supervisory Committee in its duties. It is 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.

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 Headquarters 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, 2024, the committee met 16 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, sustainability, 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 Compliance Committee 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.

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 an outside director, 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, 2024, the Nominating Committee met six times and the Remuneration Committee three times. 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 Re-

muneration 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 executives, 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.

▶ Please refer to [P.21](#) for more information on development of next-generation leaders.

Corporate Governance

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 remuneration determined for each individual director for the current fiscal year is line with the method of determination policy, while confirming the method of determining the content of remuneration, etc. is consistent with the determination policy and the report from the Remuneration Committee has been respected.

Basic Policy on Determining Remuneration for Executives

(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. Akira OKADA, and consist of five people including representative director and chairman Mr. Hiroo OKOSHI, representative director and president Mr. Tohru TAKAHASHI, outside director Mr. Seiji SAKATA and outside director Ms. Takako HAGIWARA.

Overview: Remuneration System

(1) Breakdown of Remuneration

Type of Reward	Monthly Remuneration	Bonus	Trust-type Stock Remuneration	Restricted Stock Remuneration
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-linked	Performance-linked	Non-performance-based
Payment Schedule	Paid monthly	Paid once a year in March	In principle, once every three fiscal years	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)

(Notes) 1. The basic composition ratio of remuneration indicates the basic ratio in the system design, and the ratio shown above 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).

(2) Performance-linked 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 0-160% of the fluctuation range, according to the amount of consolidated net income, and the final determination is made reflecting the results of individual evaluations.

$$\text{Indicators set out in the management plan} = \text{Net sales} + \text{Operating income ratio} + \text{ROIC} + \text{Sustainability indicators}$$

2. Trust-type stock remuneration

As a form of medium-term incentive remuneration, we have introduced trust-type remuneration that is predicated on the level of achievement against the set indicators set out in the management plan. This is for the purpose of raising awareness of the need to meet the targets to increase corporate value. The amount of remuneration is calculated within the range of 0-180% 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. Each of the indicators under the management plan is given equal weight (i.e. 25%).

(3) Non-monetary remuneration and others

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, among other reasons (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. In cases where the predetermined requirements are fulfilled, a dismissed or resigning director may be asked to return part of the stock provided in the past as remuneration.

(5) Approach to holding the Company's 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.

Interview with Outside Directors

Active Discussions by the Board of Directors to Seek Increased Corporate Value

Outside Member of the Board
Akira OKADA



A Review After One Year as an Outside Director

I believe that a role that outside directors are expected to play is advising management from a perspective that is different from that of the internal directors based on their backgrounds and their experience at other companies. I have no experience working in the manufacturing industry. However, there are common issues that all industries face, such as corporate management and personnel development, and I provide recommendations on these issues from different perspectives. Other outside directors share information about other companies' initiatives that they experienced in the past in order to deepen the deliberations of the Board of Directors.

President TAKAHASHI thinks that work should be done as a team. He aspires to establish a culture in which employees think, behave and take on challenges proactively at an even higher level. Progress has been made in the clarification of the system for responsibility in the organization and the delegation of authority with a view toward putting his idea into practice. Teamwork is being strengthened in a favorable manner, and the previously strong open organizational structure is being further reinforced. In the two years since I became an outside director, I have interviewed about 50 employees. I saw each of them address issues they were facing and seek solutions. I also feel that the Board of Directors very actively exchanges opinions and the management team's sense of unity is increasing. I believe that there has been good progress in teamwork-focused initiatives in the past twelve months.

Nominating Committee and Remuneration Committee

The Company set up a non-statutory Nominating Committee. In line with the management policy for the Company's future, the significant roles the committee has been assigned include discussing the number of people that make up the management team, its composition and the methods for developing a governance

structure, selecting candidate management team members and proposing them to the Board of Directors. The Company is committed to expanding its business under the e-MOTO concept. In my opinion, it will be necessary to gradually advance the change of the generations of our employees for the additional purpose of revitalizing the organization. It is vital to nurture the next generation of personnel and promote highly motivated people who aspire to transform the Company. The Human Resources Department plays a central role in the consideration of the construction of an environment that facilitates training and experiences that are necessary for developing the next generation of personnel based on the Company's long-term vision for its human resources.

The Remuneration Committee deliberates matters to design the remuneration systems for officers to incentivize them to endeavor to achieve the continuous growth of the Company and the medium- and long-term improvement of its corporate value. Referencing objective standards including information about the remuneration paid by other companies, the committee studies the amount of remuneration and the design of a system that will motivate officers. The remuneration for officers reflects the evaluations of two factors, performance and qualifications. To evaluate performance, short-term performance, their contributions to the Company's financial results and the degree of achievement of medium- and long-term targets for the increase of corporate value are objectively examined. In terms of the evaluation of qualities, the committee comprehensively examines personnel development and the activities for the future. It then submits proposals regarding the remuneration for officers to the Board of Directors.

Realization of Management Plan 2030

The Company has been working to expand its business fields in accordance with the e-MOTO concept centered on the 3 M fields to achieve the targets set in Management Plan 2030. Here, I would like to discuss two issues.

The first is the handing down of the expertise cultivated in the past and successful experiences to the next generation of employees. This issue emerged in particular in the operation of production bases, when we applied the successful examples from the opening of bases in China and Vietnam when establishing Mexico Mabuchi and Poland Mabuchi. The current members of the management team have experience in establishing and operating factories, since they were young and they possess a wealth of knowledge. In the current situation where the number of people in the next generation of personnel that do not have this sort of experience is increasing, passing down the accumulated expertise as implicit knowledge to them and helping them develop are significant challenges. Mr. Takahashi is leading the strengthening of the structure of Poland Mabuchi, which has been impaired, using his own experience in the operation of a factory in China. I feel that the situation is steadily becoming better.

The second issue is increasing the corporate value in conjunction with group companies that are increasing as a result of mergers and acquisitions. Mergers and acquisitions are indispensable methods of accomplishing Management Plan 2030. The Board of Directors is discussing issues to clarify its objective and position to be consistent with business strategies. The manner of integration is also significant. Other significant matters include collaboration with the management of businesses and with existing businesses and the aptitude and development of the personnel dispatched to acquired companies. These efforts are driven by a mutual understanding of the corporate cultures of the companies and by the individual Group companies sharing the Company's Management Principle. I believe that establishing closer relationships between departments and group companies based on the Management Principle will lead to efficient operations and the creation of value by the entire Group. I hope that the Group's employees will be united and take on challenges without fear of failure.

Interview with Outside Directors

Internal Control System Supported by a Highly Transparent Corporate Culture

Outside Member of the Board
Audit & Supervisory Committee Member

Yoko TOYOSHI



The Roles of an Outside Director and the Chairperson of the Audit & Supervisory Committee

As an outside director, I am most conscious of maintaining my outside perspective. When you stay in a single company for a long time, you tend to be swayed by the common practices inside the company and to lose track of how things look to people outside the company. My role is to assess the Company objectively from the perspective of someone outside the company and to provide needed advice. While admiring the good points of the Company, I frankly point out things that feel should be corrected or improved. I believe that pointing out issues will enable the Company to grow, as some things that are proper within a company may be improper outside of it. It is also important, from the perspective of diversity, to include many different values and points of view in the company. Companies can increase their strengths and correct their weaknesses by listening to a wide range of opinions. Therefore, I pay attention to objective viewpoints and discuss changes that are needed to increase the Company's corporate value at Board of Directors meetings.

As for "external perspectives," I am always conscious of the perspectives of shareholders and investors. In decision-making, I always think about rationality of decisions and the risks involved in a matter as viewed from the investors' perspectives and incorporate them into the discussions of the Board of Directors.

The Company's Internal Control System and Compliance

Internal control systems are different depending on the corporate culture and the organizational structure of a company. I am also an outside director of other companies, and I feel that the Company's internal control system is very distinctive. The Ringi (bottom-up decision-making) system is a symbolic part of the internal control system. In the Ringi system, decisions made at different levels of execution are communicated to a broad range of people of different ranks, including management. This ensures that situations at worksites are understood correctly and swiftly. Furthermore, management tells employees to report more unfavorable news to them more quickly. This practice is now entrenched as a part of the Company's corporate culture. Personnel are prepared to quickly report any problem as it happens and to respond to the matter. I believe this corporate culture aids the smooth and very effective operation of the internal control system and the compliance system.

Regarding overseas bases, when I visited two bases in Vietnam, I found that the employees were very loyal and very aware of the Management Principle. I was impressed to see them work on quality management and productivity enhancement with an awareness that was comparable to the awareness of Headquarters personnel. I understand that this was a result of the Company understanding the local culture and its effort to motivate local employees engaged in the operation of the bases. This high level of loyalty has a positive impact on the employee retention rate and productivity. The Mabuchi Group is now working to improve productivity at Mexico Mabuchi and at Poland Mabuchi. I believe that it is vital to choose the best production structure and management methods in consideration of the characteristics of the specific region.

Future Issues Regarding the Internal Control System for the Management of the Group

It is reassuring that the corporate culture has been firmly established at the Mabuchi Group's existing overseas bases. However, there will be issues when new companies join the Group, especially through mergers and acquisitions. Companies that are new to the Group will have different corporate cultures, values, point of focus, accounting rules, internal control systems and compliance systems. It is important to first learn about them in detail. It is difficult to build long-term cooperative relationships with them if they do not feel there is some benefit to joining the Mabuchi Group. I think the greatest challenge at the moment is for both sides of these integrations to build meaningful relationships by sharing their values and benefits. The successful establishment of relationships like this will lead not only to an increase in the number of group companies but also to the growth of the Group as a whole so that it is stronger and larger. To this end, we need to do more than establish principles or slogans. It is necessary to share a vision for the future, to increase points of practical contact at the working level and to strive together towards common goals. In addition to increasing points of contact at the working level, it is vital that the president and other members of management actively visit worksites, and think about and promote R&D and production activities with new partners. The Company's corporate culture gives it strength. I assume that it will be increasingly necessary for the Company to endeavor to build relationships of trust with new partners based on this corporate culture.

Directors and Executive Officers

Directors



Representative Director and Chairman

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
- 2003 Deputy Head of Business Platform Innovation Headquarters
- 2004 General Manager - Corporate Planning Department
- 2009 Executive Officer, Head of Administration Headquarters
- 2011 Member of the Board, Executive Officer, Head of Administration Headquarters
- 2013 Representative Director, President
- 2019 Representative Director, President & CEO
- 2022 Representative Director, Chairman & CEO
- 2024 Representative Director and Chairman (Current Position)



Representative Director and President, President and Executive Officer

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
- 2024 Representative Director and President, President and Executive Officer (Current Position)



Member of the Board, Senior Managing Executive Officer, Head of Administration, Responsible for Internal Controls, Head of Corporate Planning Headquarters and Smart Transformation Headquarters

Tadahito IYODA

- 1999 Joined MABUCHI MOTOR CO., LTD.
- 2004 General Manager - President Office, MABUCHI INDUSTRY 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, General Manager - Corporate Planning Department
- 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
- 2024 Member of the Board, Senior Managing Executive Officer, Responsible for Internal Controls and Business Development, Head of Corporate Planning Headquarters and Smart Transformation Headquarters
- 2025 Member of the Board, Senior Managing Executive Officer, Head of Administration, Responsible for Internal Controls, Head of Corporate Planning Headquarters and Smart Transformation Headquarters (Current Position)



Member of the Board, Managing Executive Officer, Head of Global Business and Management

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
- 2024 Managing Executive Officer, Responsible for Global Sales
- 2025 Member of the Board, Managing Executive Officer, Head of Global Business and Management (Current Position)

Directors (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)

Directors and Executive Officers

Outside Members of the Board



Outside Member of the Board
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.
- 2015 Outside Director, The Okinawa Electric Power Company, Incorporated
- 2016 Representative Director and President, ANA Strategic Research Institute Co., Ltd.
- 2021 Visiting Professor, Osaka Seikei University (Current Position)
- 2023 Outside Member of the Board, MABUCHI MOTOR CO., LTD. (Current Position)



Outside Member of the Board
Seiji SAKATA

- 1981 Joined Ricoh Company, Ltd.
- 2010 Corporate Vice President, General Manager of Controller Development Division, Deputy General Manager of MFP Business Group, Ricoh Company, Ltd.
- 2012 Corporate Senior Vice President, General Manager of Human Resources Division, Ricoh Company, Ltd.
- 2018 Corporate Executive Vice President, General Manager of Office Printing Business Group, Ricoh Company, Ltd.
- 2018 Director, Corporate Executive Vice President, General Manager of Office Printing Business Group, Ricoh Company, Ltd.
- 2019 Director, Corporate Executive Vice President, CTO (Chief Technology Officer), Ricoh Company, Ltd.
- 2021 Director, Executive Corporate Officer, CTO, General Manager of Advanced Technology R&D Division, Ricoh Company, Ltd.
- 2023 Outside Director, Hirose Electric Co., Ltd. (Current Position)
- 2024 Outside Member of the Board, MABUCHI MOTOR CO., LTD. (Current Position)
- 2024 Independent Director, Audit and Supervisory Committee Member, SATORI ELECTRIC CO., LTD. (Current Position)



Outside Member of the Board
Takako HAGIWARA

- 1984 Joined Sony Corporation (currently Sony Group Corporation)
- 2002 Executive Manager, Human Resources Division of the Network Service Business Company, Sony Corporation
- 2006 Executive Manager, Human Resources Development Division of the Human Resources Unit, Sony Corporation

- 2008 Executive Manager, Diversity Development Division of the Human Resources Unit, Sony Corporation
- 2014 Representative Director, Sony Hikari Corporation and Sony Kibou Corporation (currently Sony Kibou/Hikari Corporation)
- 2014 External Assessment Committee Member, National Women's Education Center (Current Position)
- 2015 Director and Chief Health Officer (CHO), Green House Co., Ltd.
- 2020 Representative Director, DDD Co., Ltd. (Current Position)
- 2021 Outside Director, TWINBIRD CORPORATION
- 2021 Outside Director, Inabata & Co., Ltd.
- 2021 Outside Director, NEC Capital Solutions Limited (Current Position)
- 2025 Outside Member of the Board, MABUCHI MOTOR CO., LTD. (Current Position)

Outside Members of the Board, Audit & Supervisory Committee Members



Outside 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.
- 2021 Outside Member of the Board, Audit & Supervisory Committee Member, MABUCHI MOTOR CO., LTD. (Current Position)
- 2024 Independent Outside Director, KOKUYO Co., Ltd. (Current Position)



Outside 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 Board Member (Audit and Supervisory Committee Member), EARLY-AGE CO., LTD. (Current Position)
- 2023 Outside Member of the Board, Audit & Supervisory Committee Member, MABUCHI MOTOR CO., LTD. (Current Position)
- 2024 External Director (Audit & Supervisory Committee Member), BP Castrol K.K. (Current Position)



Outside Member of the Board,
Audit & Supervisory Committee
Member
Atsushi KANEKO

- 1980 Joined K. Hattori & Co. (currently Seiko Group Corporation)
- 2001 Senior Vice President, Chief Administration Officer, SEIKO Corporation of America
- 2004 Manager, Accounting and Finance Department, Hattori Seiko Co., Ltd. (currently Seiko Group Corporation)
- 2006 President, SEIKO WATCH India PVT. LTD.

- 2009 General Manager, Accounting and Finance Department, Seiko Watch Corporation
- 2010 Director, Head of Administration Division, Seiko Watch Corporation
- 2011 Senior Vice President, Head of Sales Division II, Seiko Watch Corporation
- 2012 Senior Vice President, Seiko Watch Corporation, and Chairman, SEIKO Hong Kong Ltd.
- 2013 Senior Vice President, Seiko Watch Corporation, and President, SEIKO WATCH India PVT. LTD.
- 2016 Director, Seiko Watch Corporation, and Chairman and President, SEIKO U.K. Ltd.
- 2019 Full-time Corporate Auditor, Seiko Watch Corporation
- 2025 Outside 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 Manufacturing,
Responsible for Issue Management
Kazuaki MIYAJIMA



Executive Officer,
Head of IT Headquarters
Tomofumi IMAMURA



Executive Officer,
Head of Purchasing and Operations
Control Headquarters
Hiroaki WATANABE



Executive Officer,
Chief Financial Officer
Keiichi HAGITA



Executive Officer,
Head of Human Resources and
General Affairs Headquarters,
General Manager - Human
Resources Dept.
Toshihiro KOMIZO



Executive Officer,
Head of Automotive Product
Business Unit
Hideki KUWAJIMA



Group Managing Executive Officer,
Chief Regional Officer in China
QUAN Da Yong



Group Executive Officer,
President - MABUCHI MOTOR
POLAND sp. z. o. o.
Toru SHIBASAKI



Group Executive Officer,
Deputy Chief Regional
Officer in China
SHU Zheng



Group Executive Officer, Chairman
& President - MABUCHI MOTOR
VIETNAM LTD., Chairman -
MABUCHI MOTOR DANANG LTD.
HOANG Son



Group Executive Officer,
President - MABUCHI MOTOR
MEXICO S.A. DE C.V.
Makoto KIMURA



Group Executive Officer,
Chief Regional Officer in Europe
Kazuhiro ABE



Senior Officer, Responsible for
Product Development
Eiji UENISHI

Directors and Excecutive Officers

Interview with New Outside Directors



I very much identify with the commitment to humans that is implied in the Management Principle, "Contributing to International Society and Continuously Increasing our Contribution." For the Mabuchi Group to continue to grow sustainably and transform into the company that it aspires to be amidst a rapidly changing social and business environment, all of our diverse human resources must grow with strong aspirations, leading them to contribute to the organization.

In the human capital management, employees must have career autonomy and companies must engage in the development of their diverse human assets so that they are able to use their labor pools well. I gained experience as a business manager when I was the representative director of an operating company and an outside officer. I have knowledge and experience in personnel affairs, human resources development, organizational development and the promotion of diversity. I will utilize my own knowledge and experience to supervise the Company's execution of business and support the Company as it continues to grow and transition into the company it aims to be. Through these activities, I will help it achieve an increase in its corporate value.



Businesses are public institutions that exist within society. If we are not sincere and do not earn the trust of society, we cannot continue to develop soundly. I will always be aware of the eyes of society and value compliance and corporate governance. In collaboration with the internal audit department and the accounting auditor, I will supervise and audit the Company's execution of its business in a fair and transparent manner. Without being excessively influenced by past experience, I will provide honest advice in service of the Company's Management Principle, "Contributing to International Society and Continuously Increasing our Contribution."

It has only been a few months since I assumed my position. During this short period, I have come to strongly feel from my experiences in Board of Directors and Audit & Supervisory Committee meetings that the Company's stance is one of seriously addressing issues and its corporate culture facilitates the active sharing of opinions. In an increasingly uncertain operating environment, we need to act flexibly and appropriately. I am very hopeful and reassured because the Company has a solid environment for the free and active exchange of opinions. Together with the management and other employees, I will address changes and contribute to the enrichment of life and the Company's continued growth through the creation of value and the resolution of problems.

Financial Data, 10-year Period

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Operating Results Highlights (Unit: Million Yen)										
Net Sales	143,143	140,699	146,925	143,116	131,807	116,432	134,595	156,706	178,663	196,212
Gross Profit	43,470	46,188	47,305	44,327	41,031	34,856	36,415	37,462	44,144	52,875
Operating Income	22,961	24,225	24,066	21,243	17,544	12,900	13,800	10,824	15,536	21,644
Ordinary Income	27,113	26,135	25,841	24,804	20,854	12,675	19,570	21,473	26,994	32,448
Profit Attributable to Owners of Parent	18,546	20,598	20,303	22,925	14,234	8,987	14,251	14,295	19,416	12,831
Profit Income per Share (Yen) *	133.49	150.35	149.87	170.60	107.00	67.82	108.38	110.39	150.52	101.01

Exchange Rate (Unit: Yen)										
US dollar (Average for the period)	121.05	108.84	112.19	110.43	109.05	106.82	109.80	131.43	140.56	151.58

Consolidated Financial Position (Unit: Million Yen)										
Total Assets	256,196	258,387	269,318	268,246	268,244	262,559	285,704	307,786	336,605	354,989
Net Assets	233,245	232,917	242,179	244,454	245,172	239,103	259,909	280,175	305,030	319,622
Net Assets per Share (Yen) *	1,681.51	1,702.57	1,789.99	1,820.04	1,845.43	1,811.81	1,987.67	2,166.88	2,380.90	2,540.50

Cash Flows (Unit: Million Yen)										
Cash Flows from Operating Activities	20,115	27,958	22,585	20,979	25,830	18,741	8,743	10,206	31,741	40,133
Cash Flows from Investing Activities	-1,178	-3,440	-14,027	-12,735	-15,246	-5,304	-12,970	-10,468	-15,608	-15,750
Free Cash Flows	18,937	24,518	8,558	8,244	10,584	13,437	-4,226	-261	16,132	24,383
Cash Flows from Financing Activities	-13,312	-11,860	-13,844	-11,069	-12,132	-10,952	-11,285	-10,088	-11,849	-16,183

* As of January 1, 2024, the Company conducted a stock split at a ratio of 2 shares per common share. The figures for 2015-2024 are the amounts after considering the stock split so that each period can be easily compared with the forecast figure for 2024.

Financial Data, 10-year Period

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Capital Expenditures, Depreciation and Amortization, R&D Expenses (Unit: Million Yen)										
Capital Expenditures	16,187	11,236	12,844	16,332	17,915	7,736	9,622	10,614	12,818	14,068
Depreciation and Amortization	6,386	6,016	7,143	7,652	8,264	8,648	9,666	11,634	12,573	14,197
R&D Expenses	5,164	5,024	5,233	4,939	4,958	4,453	4,711	5,574	6,388	7,001

Financial Indicators (Unit: %)

Gross Profit Ratio	30.4	32.8	32.2	31.0	31.1	29.9	27.1	23.9	24.7	26.9
Operating Income Ratio	16.0	17.2	16.4	14.8	13.3	11.1	10.3	6.9	8.7	11.0
Ordinary Income Ratio	18.9	18.6	17.6	17.3	15.8	10.9	14.5	13.7	15.1	16.5
ROIC	14.4	17.0	14.4	12.7	9.3	6.4	6.1	4.1	5.7	6.1
ROE	8.0	8.8	8.6	9.4	5.8	3.7	5.7	5.3	6.6	4.1
ROA	10.6	10.2	9.8	9.2	7.8	4.8	7.1	7.2	8.4	9.4
Equity Ratio	91.0	90.1	89.9	91.1	91.4	91.0	90.9	91.0	90.6	90.0

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

Shareholder Returns

Annual Dividend per Share (Yen) *	55.0	60.0	60.0	67.5	67.5	67.5	57.5	67.5	75.0	76.0
Dividend Payout Ratio (%)	41.2	39.9	40.0	39.6	63.1	99.5	53.1	61.1	49.8	75.2
Total Return Ratio (%)	68.2	63.1	64.7	52.7	84.3	121.3	74.1	82.3	65.5	122.1

* As of January 1, 2024, the Company conducted a stock split at a ratio of 2 shares per common share. The figures for 2015-2024 are the amounts after considering the stock split so that each period can be easily compared with the forecast figure for 2024.

ESG DATA

Environment

Category		Scope	Unit	2020	2021	2022	2023	2024
Improving the efficiency of energy use	Total energy input	Electricity	Group million kWh	189	220	204	207	196
		Town gas	Group thousand m ³	885	1,274	871	758	722
		Liquefied petroleum gas (LPG)	Group ton	69	68	57	55	51
		Gasoline	Group kl	229	218	345	221	214
		Diesel Fuel	Group kl	234	209	154	210	102
		Coal	Group ton	0	0	0	0	0
		Sustainable energy (Photovoltaics capacity)	Group million kWh	1.42	1.52	2.44	3.65	6.87
Resource conservation (water)	Water input volume	Total usage volume	Group thousand m ³	754	851	763	772	783
		Water supply usage volume	Group thousand m ³	719	742	674	691	702
		Underground water usage volume *1	Group thousand m ³	33	106	86	78	77
		Rain water usage volume	Group thousand m ³	3	3	3	3	3
Reduction of greenhouse gas emissions	Greenhouse gas emissions	Scope1	Group t-CO ₂	3,265	4,092	3,317	2,929	2,549
		Scope2 (market standard)	Group t-CO ₂	102,638	117,006	123,496	117,546	107,417
		Scope2 (location standard)	Group t-CO ₂	103,221	117,525	123,951	118,837	121,603
		Scope3 *2	Group t-CO ₂	986,157	1,235,054	1,357,129	1,273,986	1,282,221
		Category 1 Purchased goods and services	Group t-CO ₂	—	734,374	933,752	560,686	556,831
		Category 2 Capital goods	Group t-CO ₂	—	33,096	36,505	48,487	53,217
		Category 3 Fuel and energy-related activities not included in Scope 1 or Scope 2	Group t-CO ₂	—	16,242	15,658	15,678	16,017
		Category 4 Upstream transportation and distribution	Group t-CO ₂	—	84,576	28,686	42,734	40,193
		Category 5 Waste generated in operations	Group t-CO ₂	—	1,601	1,319	1,118	1,153
		Category 6 Business travel	Group t-CO ₂	—	2,846	2,607	2,528	2,481
		Category 7 Employee commuting	Group t-CO ₂	—	10,343	9,957	9,454	9,285
		Category 11 Use of sold products	Group t-CO ₂	—	350,978	325,719	589,971	599,502
		Category 12 End-of-life treatment of sold products	Group t-CO ₂	—	997	2,926	3,330	3,542
Reduction of waste		Total discharged waste volume	Group ton	37,052	45,821	39,951	38,860	40,157
		Final waste disposal volume	Group ton	1,397	1,676	529	814	897
		Waste recycling volume	Group ton	35,654	44,145	39,422	38,046	39,260
		Waste recycling rate	Group %	96.2	96.3	98.7	97.9	97.8

Governance

Category		Scope	Unit	2020	2021	2022	2023	2024
Highly transparent corporate operations	Directors	Total	HQ persons	13	13	13	13	11
		Outside directors	HQ persons	6	6	6	6	6
		Female directors	HQ persons	2	3	3	2	2
		Foreign national directors	HQ persons	1	1	1	0	0
	Number of board of directors meetings		HQ times	25	25	25	25	25
	Attendance rate of outside directors		HQ %	100	98	98	98	98
	Age of youngest director	Internal	HQ age	51	52	53	54	55
		Internal	HQ age	60	61	61	62	63
	Average age of directors	Internal	HQ age	56	56	56	58	59
		Total	HQ persons	4	4	4	4	4
	Audit committee members	Outside audit committee members	HQ persons	3	3	3	3	3
		Executive officers	HQ persons	14	17	17	14	15
	Directors' remuneration		HQ million yen	400	415	452	518	396
Compliance with domestic / international regulations and ethics	Audit committee members' remuneration		HQ million yen	48	49	53	54	56
	Political contributions, lobbying, and other expenditures		HQ yen	0	0	0	0	0
	Administrative penalties from fair trade commission		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

*1 The calculation method for underground water consumption has been revised at some sites since 2021.

*2 In 2023, we reviewed the calculation method of greenhouse gas emissions, including switching to the weight calculation method for Category 1, in order to improve the accuracy of determining the amount of emissions.

*3 Mabuchi Oaken has been added to the scope of reporting from 2024.

Social

Category		Scope	Unit	2020	2021	2022	2023	2024
Number of employees	Total (female)	HQ	persons	851 (139)	836 (130)	827 (130)	845 (131)	896 (145)
		Group	persons	21,477 (16,516)	20,894 (15,680)	20,248 (14,767)	19,808 (14,204)	18,032 (12,808)
Number of new graduates hired	Total (female)	HQ	persons	26 (8)	8 (0)	14 (4)	18 (2)	32 (3)
Number of Mid-career hires	Total (female)	HQ	persons	14 (1)	28 (4)	27 (7)	42 (8)	46 (10)
Number of new hires	Total (female)	HQ	persons	41 (9)	36 (4)	41 (11)	60 (10)	78 (13)
Percentage of women among new employees		HQ	%	22.0	11.1	27.0	16.7	16.6
Number of employees leaving company		HQ	persons	28	27	45	27	25
Number of women with managerial roles		HQ	persons	4	3	4	4	6
		Group	persons	61	66	77	84	85
Percentage of women with managerial roles		HQ	%	4.4	3.6	4.4	4.5	6.5
		Group	%	13.3	14.0	15.8	16.8	17.0
Number of women in positions equivalent to general managers		Group	persons	10	11	12	16	17
Gender pay gap	Total	HQ	%	—	—	58.6	62.4	65.9
	Full-time employees	HQ	%	—	—	68.4	72.6	73.2
	Non-full-time employees	HQ	%	—	—	50.4	49.9	61.7
Number of examinee for TOEIC		HQ	persons	451	759	814	616	864
Number of employees who obtained TOEIC score of 730 or higher		HQ	persons	250	273	294	300	317
Number of subjects for the qualification incentive system		HQ	persons	50	77	59	39	73
Training costs per employee		HQ	yen	32,332	61,146	53,658	46,090	40,920
Number of employees with disabilities		HQ	persons	14	12	13	20	22
Percentage of employees with disabilities		HQ	%	2.08	1.85	1.75	2.55	2.85
Number of foreign national employees		HQ	persons	20	24	23	24	25
Average age		HQ	ages	43.3	43.8	44.9	45.0	44.6
Average number of years employed	Total	HQ	years	17.7	18.3	18.8	18.6	18.0
	Male	HQ	years	18.1	18.4	19.0	18.9	18.3
	Female	HQ	years	17.1	17.4	17.4	17.1	16.4
No. of presidents of local nationalities in foreign affiliate companies (ratio)		Group	Persons(%)	11 (55.0)	13 (61.9)	13 (61.9)	13 (56.5)	13 (59.1)

Category		Scope	Unit	2020	2021	2022	2023	2024
Average monthly working hour		HQ	hours	159.7	157.5	165.8	165.1	165.5
Average monthly overtime hours		HQ	hours	12.5	10.3	17.6	18.9	19.8
Yearly use of paid leave days *	Granted	HQ	days	20	20	20	20	20
	Used	HQ	days	14.6	15.4	17.2	16.0	16.9
	Usage Rate	HQ	%	73.1	77.0	85.9	80.1	84.5
Number of maternity leave recipients		HQ	persons	5	6	3	2	3
Number of childcare leave recipients (ratio)	Total	HQ	Persons(%)	9 (31.0)	11 (36.7)	10 (60.0)	11 (73.3)	15 (53.6)
	Male	HQ	Persons(%)	4 (16.7)	4 (17.4)	7 (43.8)	9 (69.2)	12 (48.0)
	Female	HQ	Persons(%)	5 (100)	7 (100)	3 (100)	2 (100)	3 (100)
Average number of days childcare leave taken		HQ	days	25.0	57.5	17.6	41.9	107.3
Returnees ratio to work after childcare leave		HQ	%	100	100	100	100	100
Number of recipients of leave for childbirth by spouse		HQ	persons	26	24	15	13	25
Number of nursing care leave recipients		HQ	persons	2	0	1	1	0
Number of employees using the reduced work hours system		HQ	persons	2	2	5	3	4
Employees receiving periodical medical checkup *		HQ	%	97.6	100	100	100	100
Employees participating in mental health surveys		HQ	%	92.5	98.9	99.4	99.7	99.5
Frequency of occupational injuries		HQ	frequency factor	0.00	0.00	0.00	0.00	0.47
Expenditure on social contribution activities		HQ	million yen	26.1	25.5	33.0	42.8	43.6

* The period covered is from April of the same year to March of the following year

Company Information / Stock Information

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	20,704,818,800 yen
Number of Employees	Headquarters: 896 Mabuchi Group: 18,032
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

Information Resources

As a matter of policy, Mabuchi Motor discloses information in a fair, timely and clear manner. Please visit our website for the latest information about our company and its activities.

Investor Relations

<https://www.mabuchi-motor.com/investor/>

Sustainability Information

<https://www.mabuchi-motor.com/csr/>

Stock Information

Total number of shares authorized	400,000,000 shares
Number of shares issued	130,324,924 shares
Number of shareholders	34,670 shareholders

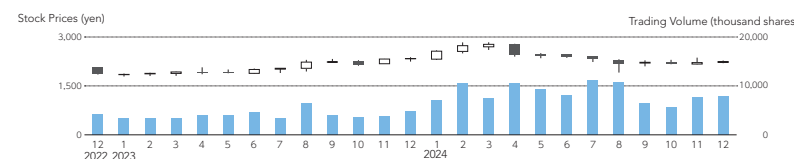
Major Shareholders (Top 10)

Major Shareholders	Number of Shares Held	Ratio of Shareholders
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,139,700	12.8%
Custody Bank of Japan, Ltd. (Trust Account)	11,719,300	9.3%
Takaichi MABUCHI	10,001,600	7.9%
Mabuchi International Scholarship Foundation	6,165,000	4.9%
Premier Corporation	4,137,200	3.3%
Takashi MABUCHI	4,021,200	3.2%
Tamotsu MABUCHI	4,000,828	3.2%
Ray Corporation Co., Ltd.	3,492,000	2.8%
MUFG Bank, Ltd.	2,021,780	1.6%
STATE STREET BANK AND TRUST COMPANY 505001	1,912,634	1.5%

*1 The ratio of shareholders is calculated by deducting the number of treasury shares (3,759,378) from the total number of outstanding shares. The ratio was rounded to the first decimal place.

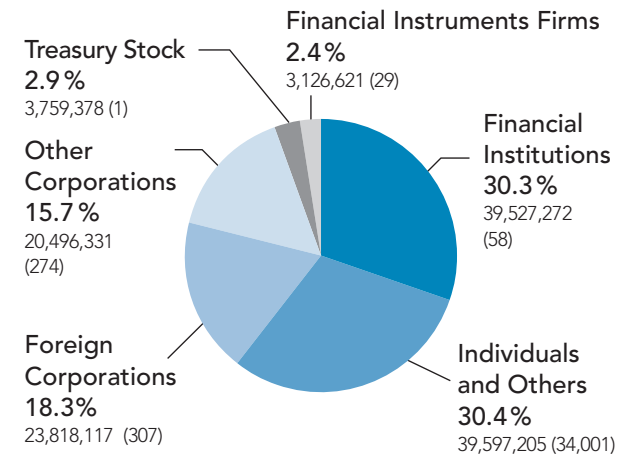
*2 In calculating the shareholding ratio, 298,400 shares held by the Mabuchi Motor Employee Stockholding Association Trust and 254,996 shares held by the Directors' Compensation BIP Trust and 226,104 shares held by Stock-Linked ESOP Trust are included.

Changes in Stock Prices and Trading Volume

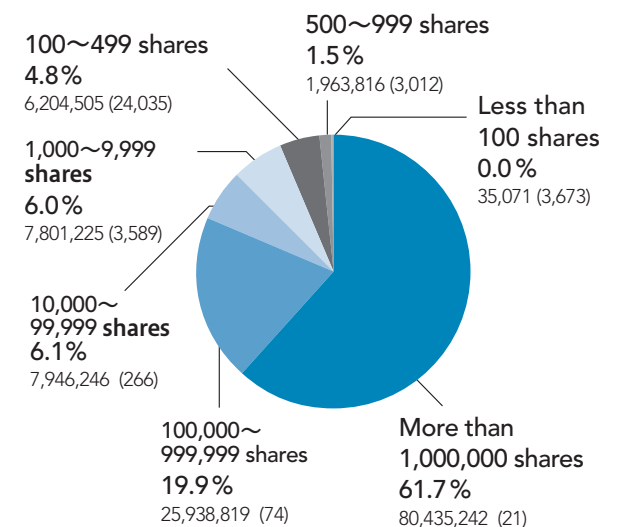


*The Company conducted a 2-for-1 stock split of its common stock, effective January 1, 2024, in order to create an environment in which investors can invest more easily by lowering the amount per investment unit, and to increase the liquidity of the Company's stock and its investor base.
The above data is based on the number of shares before the stock split.

Breakdown of Shareholders by Type



Number of Shares Held



Company Information / Stock Information

External Evaluation

Received an "A" rating in the MSCI ESG Rating for four consecutive years



Selected as an index constituent of "FTSE Blossom Japan Sector Relative Index"



Certified as "Health and Productivity Management Organization 2025 (Large Corporation Category)" for the 6th consecutive year



Selected as a constituent stock of the "SOMPO Sustainability Index"



Certified as "Platinum Kurumin"



Received the highest "Eru-boshi" certification as a company that promotes women's participation in the workforce



Obtained a "Digital Transformation Certification" as defined by the Ministry of Economy, Trade and Industry



Initiatives that we support

Endorsement of the "Task Force on Climate-related Financial Disclosure (TCFD) Recommendations"



Participation in the "GX (Green Transformation) League"



Signed the "United Nations Global Compact"



Announced the "Declaration of Partnership Building"



▶ Other major external evaluation and initiatives is available on our [corporate website](#).