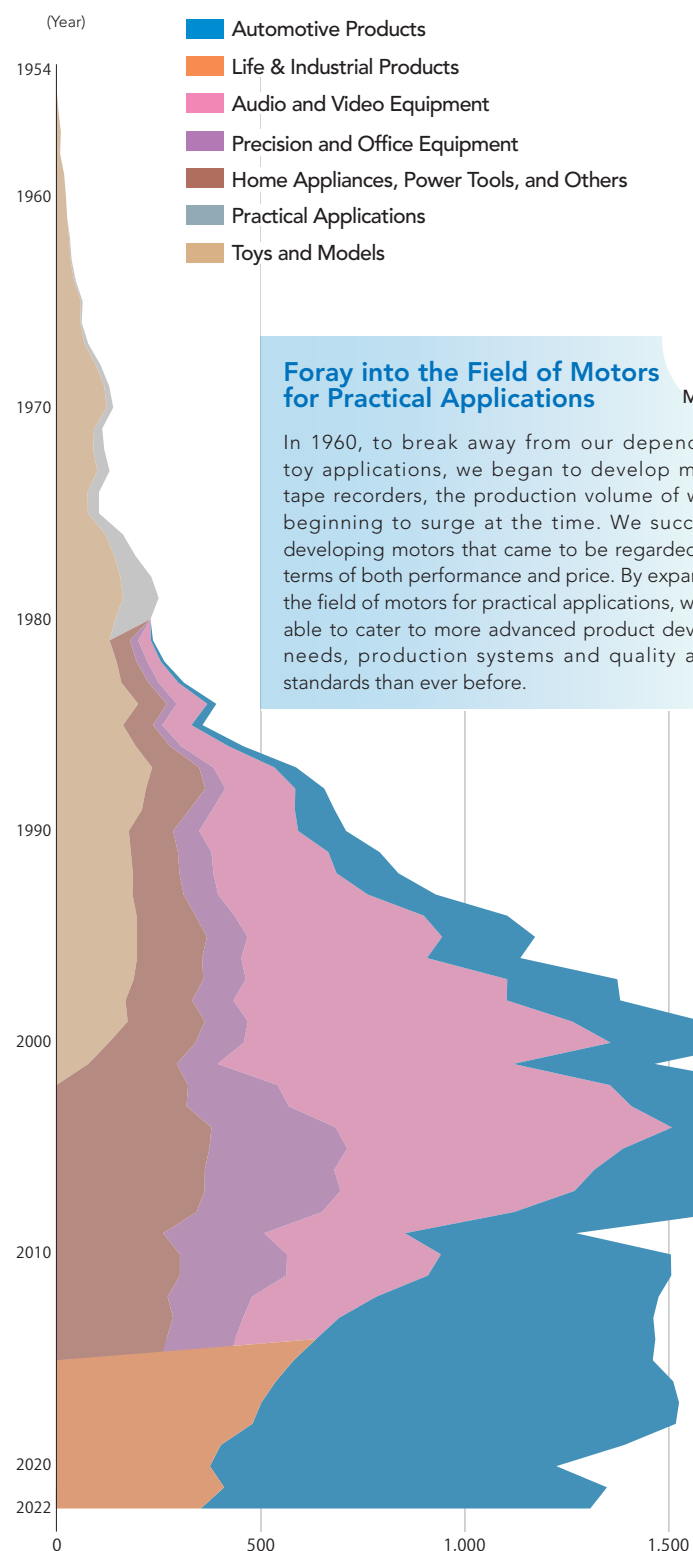


Business Portfolio Evolution

Course of Application Market Expansion

At Mabuchi Motor, we operate a business specializing in small DC motors. Our strength lies in our technologies related to compact dimensions, light weight, and efficiency improvement. We started with a business of manufacturing and selling motors for toys and models. We entered the field of motors for practical applications in the 1960s and the field of applications for automotive products in the 1970s. In response to changes in the times and society, we have been expanding the fields to which we contribute by capitalizing on the high quality enabled by our standardization strategy, outstanding cost competitiveness, and ability to ensure a stable supply. As such, the breakdown of sales by application market has also been changing accordingly.

Sales Volume of Motors by Application



Motors that Revolutionized the Toy Industry


In the 1950s, price was considered more important than quality in the Japanese toy market. But the development of electric toys progressed rapidly with the acquisition of motors as revolutionary power sources. Ultimately, the Mabuchi name became synonymous with luxury toys, and the volume of exports to overseas also soared. In this way, our motors greatly revolutionized the toy industry in Japan and, by extension, toy production and entertainment of children around the world.



Submarine motor

Foray into the Field of Motors for Practical Applications

In 1960, to break away from our dependence on toy applications, we began to develop motors for tape recorders, the production volume of which was beginning to surge at the time. We succeeded in developing motors that came to be regarded highly in terms of both performance and price. By expanding into the field of motors for practical applications, we became able to cater to more advanced product development needs, production systems and quality assurance standards than ever before.



Motor for tape recorder

Dominating the Market for Motors for Audio and Video Equipment


In 1975, we released the Electronic Governor Motor equipped with device called an electronic governor, which keeps the rotation speed of the motor constant. It was recognized highly in terms of both performance and price, and the Mabuchi name gained recognition in the audio and video equipment market.



Electronic governor motor

Progress in Diversification of Applications

In 1981, Audio and Video Equipment accounted for 34% of sales, followed by Home Appliances and Power Tools at 29%, and Toys and Models at 27% as the diversification of applications dramatically progressed. We entered the field of applications for automotive products with motors for mirrors in 1975 and door lock actuators in 1981. Today we maintain over 80% and 70% of the worldwide market share of motors for mirrors and door lock actuators respectively.



Motor for mirror

Sales Expansion of Motors for Automotive Products

Since our first-generation power window lifter was launched in 1989, we have continued to develop and market newer generation models that are increasingly compact and lightweight, achieving full-scale entry into the power window lifter field. In recognition of our technological capabilities to make our motors smaller, lighter and more efficient together with reasonable prices resulting from our standardization strategy, sales of our motors for automotive products, including ones for power seats, realized significant growth.



Motor for power window lifter

Initiatives in the 3 M Fields

We aim to continue sustainable growth as a result of our contribution to solving various social issues, including those related to SDGs. To achieve sustainable growth and the evolution of our business portfolio through the provision of products with higher added value, we have identified the 3 M fields -- that is, the Mobility and Machinery fields that help reduce 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 compact dimensions, light weight, and high efficiency, as well as reasonable prices, capability of ensuring stable supply, and other strengths. We accelerate initiatives in these fields. In addition to expanding applications of existing brush motors, we are driving the development and sales of brushless motors that are appropriate for proposing solutions including the provision of units and for various applications.

Mobility



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

Machinery



In the robot market that is expected to expand in the future, we are enhancing the lineup of products including hollow-structured brushless motors, aiming to expand sales of products for collaborative robots that will help resolve labor shortages. We will continue to pursue sales growth going forward through new applications. With regard to industrial equipment, there is an urgent need to reduce CO₂ emissions in the production processes for various products, including industrial and food products. There is now a rapidly spreading movement to switch from pneumatic and hydraulic systems to electric systems with higher energy conversion efficiencies. We will continue to propose solutions for business expansion.

Medical



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

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

