

Message from Our Chairman

Changing with the Times and Continuing to Contribute to Society

Representative Director and Chairman **Hiroo OKOSHI**



Management Principle of Mabuchi Motor and Fields to Which It Contributes

We celebrated our 70th anniversary on January 18, 2024. At Mabuchi Motor, we have been providing compact, lightweight, and highly efficient motors for a range of applications through our Management Principle -- Contributing to International Society and Continuously Increasing Our Contribution -- while continuing to take on challenges and make innovation happen constantly. This is how we have been helping to improve the convenience, comfort, and safety of people's lives in a wide range of fields.

Over the past 10 years, we have rolled out application-specific standardization as an evolution of our existing standardization strategy, and greatly expanded our contributions in the field of Automotive Products. We have also established new production bases, in Mexico in the Americas and Poland in Europe, and have established a Five-Region Management Structure that strengthens our supply system by driving local production for local consumption while simultaneously reducing CO₂ emissions during product transportation.

Meanwhile, during the three years from 2021, we worked on our Mid-Term Management Plan, of which final fiscal year was 2023, with an aim to contribute to and increase the happiness of all our stakeholders, as targeted under the Long-Term Management Policy. Having defined the 3 M Fields (Mobility, Machinery, and Medical) as new fields to which we contribute, we have made a full-scale entry into unit products incorporating brushless motors and other motors. In addition, our motors are compact, lightweight, and highly efficient in energy conversion, making it possible to reduce weight and improve the energy-saving performance of all kinds of equipment with motors. As a consequence, they are increasing their contribution to reducing CO₂ emissions as well.

Changes in Business Portfolio Reflecting Market Changes

At present, we are facing rapid technological evolution and market changes. The automotive industry and many other industries are witnessing waves of electrification and automation. We need to take actions proactively without overlooking these changes. For this purpose, we will make a significant change in direction. While we have been

operating as a manufacturer specializing in motors with a focus on sales of motors, going forward we will move in the direction of creating new value by providing solutions on movement, including control and units, while keeping high-quality motors at the core. To evolve our business portfolio dynamically as a company providing solutions on movement, we have formulated Management Plan 2030, a seven-year plan of which final fiscal year is 2030. Under the Management Plan 2030, we will work to improve our corporate value by enhancing both financial indicators and unfinanced indicators and to achieve the desire that we have retained since our founding -- that is, a desire to be a company that continues to exist and make a contribution as a public institution.

I believe that, to change the company, it is important to further enhance the strengths of Mabuchi Motor, including our standardization strategy. We will identify what we will and won't do. In the areas of what we will do, we will narrow down the functions to provide value that meets the needs of customers and society. In doing so, we aim to provide solutions on movement with our standard motors at the core. We will continue to create a virtuous circle for our standardization strategy, in which the solutions we provide will allow customers to gain their desired value at reasonable prices, and the increase in the number of these customers

will lead to an increase in the use of our standard products.

The business environment is always uncertain and has been changing quickly. For example, the conditions and future prospects of the EV market have changed markedly in the past year. We understand that building a development, procurement, production, and sales system for responding flexibly to these changes is a task that we must complete. We will strengthen our management foundation based on this understanding. We believe that the proactive utilization of external resources, such as M&A and partnerships with external parties, is essential for strengthening our management foundation. We will make highly efficient investments for accelerating our future growth, generate excess profits as a result of our social contribution, and provide shareholder returns stably over the long term.

At Mabuchi Motor, we will continue to take on challenges and make innovation happen, thereby opening up a new future together with our shareholders, investors, customers, business partners, and people from local communities. We appreciate your continued support.